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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 20-F**

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(Mark One)

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**
- OR
- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
- For the fiscal year ended December 31, 2023
- OR
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
- OR
- SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report \_\_\_\_\_

Commission file number 001-38965

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**INTERCORP FINANCIAL SERVICES INC.**

(Exact name of Registrant as specified in its charter)

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**INTERCORP FINANCIAL SERVICES INC.**  
(Translation of Registrant's name into English)

**REPUBLIC OF PANAMA**  
(Jurisdiction of incorporation or organization)

**Intercorp Financial Services Inc.**  
**Torre Interbank, Av. Carlos Villarán 140**  
**La Victoria**  
**Lima 13, Peru**  
(Address of principal executive offices)

**Michela Casassa Ramat**  
**Intercorp Financial Services Inc.**  
**Torre Interbank, Av. Carlos Villarán 140**  
**La Victoria**  
**Lima 13, Peru**

Telephone: (511) 219-2000 ext. 22110  
E-mail: [mcasassa@intercorp.com.pe](mailto:mcasassa@intercorp.com.pe)  
(Name, telephone, e-mail and/or facsimile number and address of company contact person)

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Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares	IFS	NYSE and Lima

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None  
(Title of Class)

**Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:**

None  
(Title of Class)

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Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

**Shares of common stock: 114,480,010**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934.  Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files)  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer   
Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards<sup>†</sup> provided pursuant to Section 13(a) of the Exchange Act.

<sup>†</sup> The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued  
by the International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.  Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).   
Yes  No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.  Yes  No

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## INTRODUCTION

All references to “we”, “us”, “our company”, and “IFS” in this Annual Report on Form 20-F are to Intercorp Financial Services Inc., a corporation (*sociedad anónima*) organized under the laws of the Republic of Panama (“Panama”).

In this Annual Report on Form 20-F, we refer to and the discussion of our business includes the business of our principal subsidiaries as follows: (i) in our banking segment: Banco Internacional del Perú, S.A.A.—Interbank, an open-stock corporation (*sociedad anónima abierta*) organized under the laws of Peru, as “Interbank”; (ii) in our insurance segment: Interseguro Compañía de Seguros, S.A., a corporation (*sociedad anónima*) organized under the laws of Peru, as “Interseguro”; (iii) in our wealth management segment: Inteligo Group Corp., a corporation (*sociedad anónima*) organized under the laws of Panama, as “Inteligo”; Inteligo Bank Ltd., a corporation organized under the laws of The Bahamas, as “Inteligo Bank”; Inteligo Sociedad Agente de Bolsa S.A., a corporation (*sociedad anónima*) organized under the laws of Peru, as “Inteligo SAB,”; Inteligo USA Inc., a corporation organized under the laws of New York, as “Inteligo USA,” and Interfondos S.A. Sociedad Administradora de Fondos, a corporation organized under the laws of Peru, as “Interfondos SAFM” or “Interfondos” and (iv) in our payments segment: Procesos de Medios de Pago S.A., a corporation (*sociedad anónima*) organized under the laws of Peru, as “PMP” and its subsidiary Izipay S.A.C., a closed-stock corporation (*sociedad anónima cerrada*) organized under the laws of Peru, as “Izipay,” both of which are IFS’s consolidated subsidiaries since April 2022. Except otherwise provided, references to Izipay shall include PMP.

In this Annual Report on Form 20-F, we also refer to our parent company, Intercorp Perú Ltd. (“Intercorp Peru” or “Intercorp”), a holding company for a group of companies operating mainly in Peru under the name “Intercorp”. Intercorp Peru’s main subsidiaries include our company and Intercorp Retail Inc. (“Intercorp Retail”). Intercorp Retail acts as a holding company for the retail and real estate operations of Intercorp Peru in Peru. Through its subsidiary, InRetail Peru Corp., whose shares are listed on the Lima Stock Exchange under the symbol “INRETC1,” Intercorp Retail has controlling stakes in (i) Supermercados Peruanos S.A. (“Supermercados Peruanos”), an operating supermarket chain that consolidates other operating companies, primarily operating under the: “Plaza Veá,” “Vivanda,” “MASS” and “Makro” brands, (ii) InRetail Pharma S.A., a holding company consisting of a chain of pharmacies operating under the “Inkafarma” and “MiFarma” brands with a distribution and marketing business as well as manufacturing some pharmaceutical products and (iii) InRetail Real Estate Corp., an owner, developer and operator of shopping malls under the “Real Plaza” brand. Intercorp Retail also controls directly (a) Tiendas Peruanas S.A., a department store chain operating under the “Oechsle” brand that started operations in 2009, (b) Financiera Oh! S.A., a consumer finance company that started operations in 2010, and (c) Homecenters Peruanos S.A. (“Homecenters Peruanos”), a home improvement company operating under the “Promart” brand. Our parent company Intercorp Peru also controls the following companies involved in the private education and healthcare businesses under the following brands: “Innova Schools,” “Zegel,” “UTP,” “IDAT” and “Aviva”.



## SUMMARY OF RISK FACTORS

*An investment in our common shares is subject to a number of risks, including risks relating to the nature of our business as a holding company of banking, insurance, financial institutions, and payments institutions, our operations in Peru and our common shares. The following list summarizes some, but not all, of these risks. Please read the information in the section entitled “Risk Factors” for a more thorough description of these and other risks.*

### ***Risks Relating to Our Businesses***

- We are a holding company and all of our operations are conducted through our subsidiaries. Our ability to pay corporate expenses and to pay dividends, if any, to holders of our common shares will depend on the ability of our subsidiaries to pay dividends and make other distributions to us.
- As a holding company, our right to receive any distribution of assets of our subsidiaries will be effectively subordinated to the rights of our subsidiaries’ creditors, and holders of our common shares may have limited recourse against our subsidiaries’ assets in case of our liquidation.
- Public health crises and epidemics, pandemics or outbreaks of highly infectious or contagious diseases could adversely affect our and our subsidiaries’ business, financial condition and results of operations.
- Our subsidiaries are subject to extensive regulation and supervision, and changes in existing regulations or the implementation of future regulations may have a material adverse effect on our financial condition and results of operations.
- Enhanced ESG and climate change disclosure may impose additional costs on us or our subsidiaries.
- The operations of our subsidiaries require the maintenance of banking, insurance and other licenses and any non-compliance with applicable license and operating obligations could have a material adverse effect on our business, financial condition and results of operations.
- Under certain circumstances, the SBS, the SMV, the Superintendency of Banks of Panama or the Central Bank of The Bahamas, as applicable, may intervene in our subsidiaries’ operations in order to prevent, control and reduce the effects of a failure of our operations.
- The adoption of new international banking and insurance guidelines may cause our subsidiaries to require additional capital and could cause their cost of funds to increase, which could have a material adverse effect on our financial condition and results of operations.
- Our controlling shareholder, Intercorp Peru, is subject to capital requirements imposed by the SBS, and Intercorp Peru’s failure to comply with these requirements could have a material adverse effect on our financial condition and results of operations.
- Our subsidiaries face intense competition from other banking, insurance and financial institutions, and from other players including providers of emerging financial technologies and failure to compete successfully could have a material adverse effect on our financial condition and results of operations.
- The failure of our subsidiaries to effectively anticipate or adapt to emerging technologies or changes in customer behavior could have a material adverse effect on our financial conditions and results of operations.
- The banking and insurance markets are exposed to macroeconomic shocks that could have a material adverse effect on our financial condition and results of operations.
- We could sustain losses if Interbank’s asset quality declines.
- Reduced diversification in Interbank’s loan portfolio could have a material adverse effect on our financial condition and results of operations.
- Interbank’s provisions for loan losses may not be adequate to cover the future losses to its loan portfolio or other assets, which could have a material adverse effect on our financial condition and results of operations.
- Interbank may be unable to realize the collateral or guarantees securing its loans to cover the outstanding principal and interest balance of those loans, which may adversely affect our results of operations and financial condition.
- Our financial results may be negatively affected by changes to IFRS accounting standards.

- Our financial results may be negatively affected by investment losses.
- Interest rate changes could have a material adverse effect on our financial condition and results of operations.
- Interseguro is exposed to the impact of changes in interest rates on other comprehensive income.
- Actual mortality and morbidity rates and other factors may differ from those assumed in the calculation of technical reserves and may have a material adverse effect on Interseguro's financial condition and results of operations.
- Interbank may not be able to obtain the funding required to support growth and implement its strategy.
- A reduction in our subsidiaries' credit ratings could increase their cost of borrowing funds and make their ability to raise new funds and renew maturing debt more difficult.
- Interseguro's failure to underwrite and price insurance premiums accurately for the products it offers would have a material adverse effect on its financial condition and results of operations.
- Interbank's and Interseguro's reliance on Peruvian sovereign and global bonds in their respective investment portfolios leaves us vulnerable to a default on such debt.
- Interseguro may suffer losses in its investment portfolio because of risks associated with its real estate investments.
- Tax exemptions applicable to a substantial portion of Interseguro's investment earnings could be changed in the future.
- We and our subsidiaries are dependent on key personnel.
- Interruption, mismanagement or failure in our subsidiaries' information technology systems may adversely affect their operations.
- Cybersecurity events could negatively affect our reputation or results of operations and may result in litigation.
- Our subsidiaries are susceptible to fraud, unauthorized transactions and operational errors.
- Our existing insurance coverage may be insufficient and future coverage may be difficult or expensive to obtain.
- Our employees could join labor unions and we could be subject to organized labor actions, including work stoppages that could have a material adverse effect on our business.
- Our trademarks and trade names may be misappropriated or challenged by others.
- Any failure to comply with anti-corruption, anti-bribery, anti-money laundering and anti-terrorist financing and antitrust laws and regulations could damage our reputation or expose us to penalties.
- We and our subsidiaries are subject to litigation and other legal, administrative and regulatory proceedings.
- Legal restrictions on our clients may reduce the demand for our services.
- Our risk management structure may not be fully effective.
- Implementation of tax laws related to the global minimum tax may increase our subsidiaries' tax liabilities, and, as a result, have a material and adverse effect on us.
- Disruptive innovation by fintechs and insurtechs may result in increased competition, and as a result, have a material and adverse effect on our subsidiaries.
- Transition to a low-carbon economy may have a material and adverse effect on our subsidiaries' results of operations.

#### ***Risks Relating to Peru***

- Economic, social and political developments in Peru, including political instability, social unrest, persistent inflation and unemployment, could have a material adverse effect on our businesses.
- Fluctuations in the value of the *sol* could have a material adverse effect on our financial condition and results of operations.

- Potential exchange controls implemented by the Peruvian government could adversely affect our ability to pay dividends and have a material adverse effect on our financial condition and results of operations.
- Increased inflation in Peru could have an adverse effect on the Peruvian long-term credit market as well as the Peruvian economy generally and, therefore, on our financial condition and results of operations.
- The stability of the Peruvian financial system depends on public confidence in Peruvian banking and financial institutions.
- The Peruvian economy could be adversely affected by economic developments in regional or global markets.
- A decline in the prices of certain commodities in the international markets could have a material adverse effect on our financial condition and results of operations.
- The market volatility generated by distortions in the international financial markets may affect the Peruvian capital markets and the Peruvian banking system.
- The operations of Interbank, Interseguro, Interfondos, Inteligo SAB and Izipay could be adversely affected by earthquakes, floodings or other natural disasters, such as the “*El Niño*” phenomenon, which causes a warming of temperatures in the Pacific Ocean, resulting in heavy rains off the coast of Peru, among other locations.
- Corruption and ongoing high profile corruption investigations may hinder the growth of the Peruvian economy and have a negative impact on our business and operations.
- Changes in tax laws may increase our tax liabilities and, as a result, have a material and adverse effect on us.
- The dollarization of the Peruvian economy hampers monetary policy, which in turn may have an effect on our business.

#### ***Risks Relating to the Common Shares***

- There may be a lack of liquidity and market for our common shares.
- The price of our common shares may be volatile.
- We may raise additional capital in the future through the issuance of equity securities, which may result in dilution of the interests of our shareholders.
- The significant share ownership of our controlling shareholder may conflict with the interests of the holders of our common shares and may have an adverse effect on the future market price of our shares.
- Holders of our common shares may have fewer and less well-defined rights than shareholders of a company organized in other jurisdictions, such as the United States.
- Holders of our common shares may have difficulty enforcing judgments against us, our officers and directors.
- Judgments of Peruvian courts with respect to our common shares will be payable only in soles.
- We are subject to different corporate disclosure and accounting standards than those holders of our common shares may be familiar with in the United States.
- We could be considered a passive foreign investment company for U.S. federal income tax purposes, which could result in adverse U.S. tax consequences for U.S. investors.
- One or more of our subsidiaries could be classified as a PFIC for U.S. federal income tax purposes.
- If we are unable to maintain effective internal control over financial reporting in the future, our results of operations and the price of our common shares could be adversely affected.
- The requirements of being a public company may strain our resources, divert management’s attention and affect our ability to attract and retain qualified board members or executive officers.
- Our status as a foreign private issuer allows us to follow alternate standards to the corporate governance standards of the NYSE, which may limit the protections afforded to investors.

- If securities or industry analysts do not actively follow our business, or if they publish unfavorable research about our business, the price and trading volume of our common shares could decline.
- Future offerings of debt or preferred securities may limit our operating and financial flexibility and may materially adversely affect the market price of, and dilute the value of, the common shares.
- Peruvian corporations, including our subsidiaries, may be jointly and severally liable for any unpaid Peruvian capital gains tax related to the transfer of the common shares.

## FORWARD-LOOKING STATEMENTS

This Annual Report on Form 20-F contains forward-looking statements. All statements other than statements of historical facts included in this Annual Report on Form 20-F regarding our business, financial condition, results of operations and certain of our plans, objectives, assumptions, projections, expectations or beliefs and statements regarding other future events or prospects are forward-looking statements. These statements include, without limitation, those concerning: our strategy and our ability to achieve it; expectations regarding sales, profitability and growth; our possible or assumed future results of operations; capital expenditures and investment plans; adequacy of capital; and financing plans. In addition, this Annual Report on Form 20-F includes forward-looking statements relating to our potential exposure to various types of market risks, such as macroeconomic risk, Peru specific risks, foreign exchange rate risk, interest rate risks and other risks related to our financial performance. The words “aim,” “may,” “will,” “expect,” “is expected to,” “anticipate,” “believe,” “future,” “continue,” “help,” “estimate,” “plan,” “schedule,” “intend,” “should,” “would be,” “seeks,” “estimates,” “shall,” or the negative or other variations thereof, as well as other similar expressions regarding matters that are not historical facts, are or may indicate forward-looking statements.

We have based these forward-looking statements on our management’s current views with respect to future events and financial performance. These views reflect the best judgment of our management but involve a number of risks and uncertainties which could cause actual results to differ materially from those predicted in our forward-looking statements and from past results, performance or achievements. Although we believe that the estimates reflected in the forward-looking statements are reasonable, such estimates may prove to be incorrect. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, among other things:

- our holding company structure;
- economic, business and political developments in Peru and globally, including corruption scandals involving the Peruvian government and related political instability;
- economic and geopolitical developments in regional or global markets, including Russia’s continued invasion of Ukraine and the military conflict between Israel and Hamas;
- the financial market volatility and market turmoil generated by the recent bank failures in the United States and the emergency sale of Credit Suisse or similar developments in the financial industry;
- public health crises and epidemics, pandemics or outbreaks of highly infectious or contagious diseases, government measures to contain the spread of thereof, their effects on the economy of Peru, and their impact on global and regional economic growth prospects, creditworthiness, counter-party risk, as well as any logistical, operational or labor disruptions, among others;
- protests and social unrest in Peru against government economic policies and social inequality;
- changes in Peruvian, Panamanian and Bahamian and other foreign laws and regulations including the adoption of new capital requirements for banks or insurance companies, as well as interest rate caps for banks;
- the dollarization of the Peruvian economy;
- increased competition in the Peruvian financial services and insurance markets;
- increased inflation;
- exchange rate instability and government measures to control foreign exchange rates;
- developments affecting the purchasing power of middle-income consumers or consumer spending generally;
- changes in interest rates;
- downturns in the capital markets and changes in capital markets in general that affect policies or attitudes towards lending to Peru or Peruvian companies or securities issued by Peruvian companies;
- our ability to keep up with technological changes and integrate new businesses into our operations;
- the inability to obtain the capital we need for further expansion of our businesses;

- the inability to attract and retain key personnel;
- any future acquisitions may not bring anticipated benefits;
- changes in tax laws;
- severe weather, adverse climate changes and natural disasters (including *El Niño*);
- changes and volatility in regional or global markets;
- dependence on sovereign debt in our investment portfolios;
- credit and other risks of lending, such as increases in defaults of borrowers, and increases in the provision for loan losses;
- increased costs of funding or inability of our subsidiaries to obtain additional debt or equity financing on attractive terms or at all;
- a deterioration in the quality of our assets;
- our provisions for impairment losses or the provisions from impairment losses of our subsidiaries may be inadequate;
- changes to accounting standards;
- changes in actuarial assumptions upon which our annuity business is based;
- failure to adequately price insurance premiums;
- decreases in the spread between investment yields and implied interest rates in annuities;
- dependence on information technology (“IT”) systems and cybersecurity risks; and
- other risks and uncertainties described in “Item 3. Key Information—Risk Factors.”

We urge holders of our common shares to read the sections of this Annual Report on Form 20-F entitled “Item 3. Key Information—Risk Factors”, “Item 4. Information on the Company— Business Overview” and “Item 5. Operating and Financial Review and Prospects” for a more complete discussion of the factors that could affect our future performance and the industries in which we operate. Additionally, new risks and uncertainties can emerge from time to time, and it is not possible for us to predict all future risks and uncertainties, nor can we assess their potential impact. Accordingly, holders of our common shares should not place undue reliance on forward-looking statements as a prediction of actual results.

All forward-looking statements included in this Annual Report on Form 20-F are based on information available to us on the date of this Annual Report on Form 20-F. We undertake no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by applicable law. All other written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained throughout this Annual Report on Form 20-F.

## PRESENTATION OF FINANCIAL INFORMATION

Our audited annual consolidated financial statements as of December 31, 2023 and 2022 and for each of the three years ended December 31, 2023, 2022 and 2021 included in this Annual Report on Form 20-F have been prepared in *soles* and in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and audited by Tanaka, Valdivia & Asociados Sociedad Civil de Responsabilidad Limitada, PCAOB ID 1315, a member firm of Ernst & Young Global Limited (“EY Peru”).

For a description of our significant accounting policies, see Note 3 to our audited annual consolidated financial statements.

For regulatory purposes, including regulations of the *Banco Central de Reserva del Perú* (the “Central Reserve Bank of Peru”) and regulations and the reporting requirements of the *Superintendencia del Mercado de Valores* (the “SMV”), our Peruvian subsidiaries, Interbank and Interseguro, also prepare in Spanish and make available to shareholders statutory financial statements as prescribed by the Peruvian Superintendency of Banks, Insurance and Private Pension Fund Administrators (*Superintendencia de Banca, Seguros y Administradoras de Fondos de Pensiones*, or “SBS”), hereinafter “SBS GAAP”.

We have included in this Annual Report on Form 20-F certain information reported by the SBS for the Peruvian banking and insurance sectors as a whole as well as for individual financial institutions in Peru, including Interbank and Interseguro, which report to the SBS in SBS GAAP. The information under SBS GAAP has been presented for comparative market purposes. All statements in this Annual Report on Form 20-F regarding our relative market position and financial performance vis-à-vis the financial services and insurance sectors in Peru are based, out of necessity, on information obtained from the SBS and the SMV. With respect to comparative banking information, we typically compare ourselves against certain peer banks or against the system as a whole. With respect to comparative insurance information, we typically compare ourselves against the industry as a whole. Statements in this Annual Report on Form 20-F regarding our relative market position and financial performance, however, do not include information relating to Inteligo as Inteligo is not regulated by and does not report to the SBS or the SMV.

Certain comparative financial information related to our compound annual growth rate (“CAGR”) included in this Annual Report on Form 20-F has been prepared based on information reported pursuant to SBS GAAP, except for Inteligo. Compound Annual Growth Rate (“CAGR”) is calculated by (i) dividing the value of a variable on year X (ending value) by the value of this same variable on year Y (beginning value), then (ii) raising this to an exponent of one divided by (X-Y) and (iii) subtracting one from the result. In addition, our Peruvian subsidiaries pay dividends to us on the basis of the SBS GAAP financial statements as further described in this Annual Report on Form 20-F. See “Item 8 Financial Information—Consolidated Statements and Other Financial Information—Dividends and dividends policy” and “Item 3. Key Information—Risk Factors—We are a holding company and all of our operations are conducted through our subsidiaries. Our ability to pay dividends to holders of our common shares will depend on the ability of our subsidiaries to pay dividends and make other distributions to us.”

IFRS differs in certain significant respects from SBS GAAP. Consequently, information presented in this Annual Report on Form 20-F in accordance with SBS GAAP or based on information from the SBS or SMV may not be comparable with our financial information prepared in accordance with IFRS. Unless otherwise indicated, all financial information provided in this Annual Report on Form 20-F has been prepared in accordance with IFRS.

### Change in Accounting Policies and Estimates

Generally, we have only adopted standards, interpretations or amendments that were effective in each year. Therefore, standards, interpretations or amendments that become effective in 2024 or later have not been early adopted.

As explained in Note 3.2 to our audited annual consolidated financial statements, we have adopted for the first time IFRS 17 “Insurance Contracts,” effective for annual periods beginning on or after January 1, 2023. IFRS 17 replaces IFRS 4 “Insurance Contracts” for annual periods starting on or after January 1, 2023. The adoption of IFRS 17 did not change the classification of our insurance contracts. However, it provides a comprehensive accounting model for all types of insurance contracts that provides a more consistent framework for insurers, covering all relevant aspects as recognition, measurement, presentation and disclosures. We have applied IFRS 17 retrospectively and restated comparative information for 2022. Comparative information for 2021 has not been restated, so it is reported under IFRS 4. The impact of the first adoption of IFRS 17 amounted to S/820.5 million recorded as a reduction of retained earnings in our net equity as of January 1, 2022. For further information on IFRS 17, see Notes 3.2 and 3.7 to our audited annual consolidated financial statements.

We have also adopted the following standards, interpretation, or amendments: (i) in connection with the definition of Accounting Estimates, an amendment to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors,” (ii) in connection with the disclosure of Accounting Policies, amendments to IAS 1 “Presentation of Financial Statements” and IFRS Practice Statement 2 “Making Materiality Judgements,” (iii) in connection with Deferred Tax related to Assets and Liabilities arising from a Single Transaction, amendments to IAS 12 “Income Taxes,” and (iv) in connection with the International Tax Reform – Pillar Two Model Rules, amendments to IAS 12 “Income Taxes.” Such standards, interpretations or amendments have not had a significant impact on our consolidated financial statements. See Note 3.2 to our audited consolidated financial statements.

On January 1, 2022, we adopted the following standards, interpretations, or amendments: (i) in connection with costs of fulfilling a contract, an amendment to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets,” (ii) amendments to IFRS 3 “Business Combinations,” (iii) in connection with proceeds before intended use of property, plant and equipment, an amendment to IAS 16 “Property, Plant and Equipment,” (iv) in connection with a subsidiary as a first time adopter, an amendment to IFRS 1 “First-time Adoption of International Financial Reporting Standards,” and (v) in connection with fees in the “10 per cent” test for derecognition of financial liabilities, an amendment to IFRS 9 “Financial Instruments.” Such standards, interpretations or amendments have not had a significant impact on our consolidated financial statements.

On January 1, 2021, we adopted the following standards, interpretations, or amendments: (i) in connection with the interest rate benchmark reform, amendments to IFRS 9 “Financial Instruments,” IAS 39 “Financial Instruments: Recognition and Measurement,” and IFRS 7 “Financial Instruments: Disclosures,” IFRS 4 “Insurance Contracts,” and IFRS 16 “Leases,”— Phase 2; and (ii) in connection with COVID-19 related rent concessions beyond June 30, 2021, an amendment to IFRS 16 “Leases”. Such standards, interpretations or amendments have not had a significant impact on our consolidated financial statements.

## Currency Translation

The term “sol” and the symbol “S/” refer to the legal currency of Peru, and the term “U.S. dollar” and the symbol “U.S.\$” refer to the legal currency of the United States.

We have translated some of the *soles* amounts contained in this Annual Report on Form 20-F into U.S. dollars for convenience purposes only. Unless otherwise indicated or the context otherwise requires, the rate used to translate *soles* amounts to U.S. dollars as of December 31, 2023 was S/ S/3.709 = U.S.\$1.00, which was the exchange rate reported for December 31, 2023 by the SBS. The Federal Reserve Bank of New York does not report a noon buying rate for *soles*. The U.S. dollar equivalent information presented in this Annual Report on Form 20-F is provided solely for convenience of investors and should not be construed as implying that the *soles* or other currency amounts represent, or could have been or could be converted into, U.S. dollars at such rates or at any other rate.

## Effect of Rounding

Certain figures included in this Annual Report on Form 20-F and in our consolidated financial statements have been rounded for ease of presentation. Percentage figures included in this Annual Report on Form 20-F have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this Annual Report on Form 20-F may vary from those obtained by performing the same calculations using the figures in our consolidated financial statements. Certain numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that preceded them due to rounding.

## Market and Industry Data

In this Annual Report on Form 20-F, unless otherwise indicated, all macroeconomic data relating to Peru is based on information published by the SBS, the Central Reserve Bank of Peru, the Peruvian Ministry of the Economy and Finance (*Ministerio de Economía y Finanzas*, or “MEF”), and the Peruvian National Institute of Statistics and Information Processing (*Instituto Nacional de Estadística e Informática*, or “INEI”). References in this Annual Report on Form 20-F to “GDP” refer to real gross domestic product, except for GDP per capita and penetration ratios of loan products.

References in this Annual Report on Form 20-F to “peer countries” in Latin America refer to Brazil, Chile, Colombia and Mexico. Certain information about peer countries in Latin America have been derived from the Economist Intelligence Unit (“EIU”), the Chilean Superintendency of Banks and Financial Institutions (*Superintendencia de Bancos e Instituciones Financieras*, or “SBIF”), the Central Bank of Brazil (*Banco Central do Brasil*), the Colombian Financial Superintendency (*Superintendencia Financiera de Colombia*), and the Mexican Commission for Banking and Securities (*Comisión Nacional Bancaria y de Valores*). References in this Annual Report on Form 20-F to the “four largest banks in Peru” or the “four largest Peruvian banks” refer to *Banco de Crédito del Perú* (“BCP”), BBVA Continental, Interbank and Scotiabank Perú S.A.A.

Unless otherwise indicated, statistical information in this Annual Report on Form 20-F relating to our Peruvian subsidiaries Interbank and Interseguro, regarding market share, ranking, and other measures, as well as information on other Peruvian financial institutions and the Peruvian financial system generally, has been derived from reports and information published by the SBS, the SMV, the Central Reserve Bank of Peru, the Association of Peruvian Banks (*Asociación de Bancos del Perú*, or “ASBANC”) or from other publicly available sources and industry publications.



Socioeconomic levels are determined based on the data collected by INEI in their national annual survey *Encuesta Nacional de Hogares* (“ENAHOG”). INEI assigns a score to each household based on their ranking on the following four factors: (i) characteristics of the household living space, (ii) level of living space overcrowding, (iii) level of education of household head and (iv) ownership of durable goods/properties; and then groups them in five socioeconomic segments (A, B, C, D, E).

Other market share information and other statistical information and quantitative statements in this Annual Report on Form 20-F regarding our market position relative to our competitors, except where otherwise indicated, is not based on published statistical data or information obtained from independent third parties. Rather, such information and statements reflect management estimates based upon our internal records and surveys, statistics published by providers of industry data, information published by our competitors, and information published by trade and business organizations and associations and other sources within the industry in which we operate. We have not independently verified any data produced by third parties or industry or general publications, although we believe such data and publications are reliable. In addition, while we believe our internal data and surveys to be reliable, such data and surveys have not been verified by any independent sources.

### **Loan Portfolio Data**

Unless otherwise indicated, references in this Annual Report on Form 20-F to performing loans refer to loans in compliance with their original contractual obligations. References to past-due loans refer to overdue loans defined as follows: commercial loans are considered past-due once amortization payments are 15 days overdue; loans to micro-businesses are considered past-due once amortization payments are 30 days overdue; and in the case of consumer, mortgage and leasing loans, the amortization portion of a coupon is considered past-due once 30 days overdue and the total amount of the loan is considered past-due once an amortization payment is 90 days overdue. For IFRS 7 and IFRS 9 disclosure purposes, the entire loan balance is considered past due when debtors have failed to make a payment when contractually due. Past-due loans do not include refinanced and restructured loans. References to total gross loans include total loans outstanding, including past-due loans, refinanced loans and restructured loans, and references to total net loans refer to gross loans plus accrued interest less allowances for loan losses and deferred interest.

In response to the COVID-19 crisis and with the support and permission of the SBS, in 2020, Interbank offered various payment rescheduling options to its clients to help them overcome the major economic shock related to the pandemic and the lockdown measures implemented by the Government. These rescheduling options refer to the following three schemes:

- Unilateral: loans proactively rescheduled by Interbank on a portion of the loan balance, in consideration of the client’s debt burden.
- Landing: loans rescheduled at client’s request on a portion of the loan balance.
- Structural: loans proactively rescheduled by Interbank or at client’s request over the entire loan balance.

The rescheduling of loans can involve modifying payment schedules, granting grace periods, and lowering interest rates, among other measures. As showed in the audited financial statements in Note 29.1 (d.6), there were three types of rescheduling: (1) reschedules due to the Covid-19 pandemic, (2) reschedules due to the “Reactiva Peru” program, and (3) rescheduling due to local political and social conflicts.

### **Certain Financial Definitions and Conventions**

We present return on assets, or “ROA”, return on equity or “ROE”, net interest margin or “NIM”, risk adjusted net interest margin or “risk adjusted NIM”, cost of risk and efficiency ratio in this Annual Report on Form 20-F. We define our ROA as net profit for the period divided by average total assets; our ROE as net profit for the period divided by average total equity; NIM as (x) net interest and similar income divided (y) average interest earning assets; risk adjusted NIM as net interest margin after impairment loss on loans, net of recoveries; Cost of risk is defined as impairment loss on loans, net of recoveries divided by average gross loans. Efficiency ratio as the division of (x) salaries and employee benefits plus administrative expenses plus depreciation and amortization by (y) net interest and similar income plus other income, plus net premiums earned.

We present average balances and nominal average interest rates in this Annual Report on Form 20-F. Except as otherwise indicated, average balances are based on quarterly balances. Nominal average interest rates have been calculated by dividing interest earned on assets or paid on liabilities by the corresponding average balances on such assets or liabilities.

### **Non-GAAP Financial Measures**

In this Annual Report on Form 20-F, we present adjusted net profit, adjusted ROE and adjusted ROA, which are non-GAAP financial measures. A non-GAAP financial measure does not have a standardized meaning prescribed by IFRS. A non-GAAP financial measure is generally defined as a numerical measure of an issuer’s historical or future financial performance, financial

position or cash flows that: (i) excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with IFRS in the statement of income, balance sheet or statement of cash flows (or equivalent statements) of the issuer; or (ii) includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented.

We believe that the presentation of these non-GAAP measures provides additional useful information to investors regarding our performance and trends related to our results of operations. Accordingly, we believe that when non-GAAP financial information is viewed with IFRS financial information, investors are provided with a more meaningful understanding of our ongoing operating performance and financial results.

ROE is calculated by dividing net profit for the year by average total equity. ROA is calculated by dividing net profit for the year by average total assets. Adjusted net profit is defined as net profit excluding non-operating and/or non-recurring gain or losses.

For the years ended December 31, 2023 and 2021, we did not make adjustments to our net profit, ROE or ROA. For the year ended December 31, 2022, we made adjustments to our net profit, to ROE and to ROA, as we defined our adjusted net profit (used for the calculation of adjusted ROE and adjusted ROA) as net profit excluding the gain recognized as a result of the step acquisition of Izipay, which management believes is non-recurring in nature. See Note 1(d) to our Audited Annual Consolidated Financial Statements.

We believe that the adjustment to our net profit provided useful metrics because by excluding the fair value adjustment of the 50% ownership interest held by Interbank in Izipay before the acquisition of the remaining 50% equity interest in Izipay in April 2022, it deducted from our net profit pre-acquisition effects that our management believes to be non-operating and/or non-recurring in nature and in so doing, allows us to better assess the performance of our operating activities. Adjusted net income, adjusted ROE and adjusted ROA do not have a standardized meaning and are not recognized measures under IFRS. Adjusted net income, adjusted ROE and adjusted ROA should not each be considered by itself or as a substitute for net income or other measures of operating performance. Our definition of adjusted net income, adjusted ROE and adjusted ROA may differ from those used by other companies.

For a discussion on the non-GAAP financial measures and reconciliation of these measures to IFRS financial measures, see “Item 4. Information on the Company—Business Overview—Non-GAAP Financial Measures” and “Item 5. Operating and Financial Review and Prospects—Operating Results.”

There may be limits in the usefulness of these measures to investors. As a result, we encourage readers to consider the consolidated financial statements and other financial information contained in this Annual Report on Form 20-F in their entirety, and not to rely on any single financial measure.

## PART I

### ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

Not Applicable.

### ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not Applicable.

### ITEM 3. KEY INFORMATION

#### A. [RESERVED]

#### B. Capitalization and Indebtedness

Not Applicable.

#### C. Reasons for the Offer and Use of Proceeds

Not Applicable.

#### D. Risk Factors

*An investment in our common shares involves a high degree of risk. In addition to the other information contained in this Annual Report on Form 20-F, holders of our common shares should carefully consider the following risk factors before purchasing our common shares. If any of the possible events described below occurs, our businesses, financial condition, results of operations or prospects could be materially and adversely affected. As a result, the market prices of our common shares could decline and holders of our common shares could lose all or part of their investment. The risks and uncertainties below are those known to us and that we currently believe may materially affect us and our common shares. We may face additional risks and uncertainties not currently known to us or which as of the date of this Annual Report on Form 20-F we might not consider significant, which may also adversely affect our businesses.*

#### Risks Relating to Our Businesses

***We are a holding company and all of our operations are conducted through our subsidiaries. Our ability to pay corporate expenses and to pay dividends, if any, to holders of our common shares will depend on the ability of our subsidiaries to pay dividends and make other distributions to us.***

As a holding company, all of our operations are conducted through our subsidiaries. Accordingly, our ability to pay corporate expenses and to pay dividends, if any, to holders of our common shares, will depend upon our receipt of dividends and other distributions from our subsidiaries.

There are various regulatory restrictions in Peru and other jurisdictions that may limit our subsidiaries' ability to pay dividends or make other payments to us, such as their obligations to maintain minimum regulatory capital and minimum liquidity. See "—Public health crises and epidemics, pandemics or outbreaks of highly infectious or contagious diseases could adversely affect our and our subsidiaries' business, financial condition and results of operations".

In addition, some of our Peruvian subsidiaries pay dividends to us on the basis of the SBS GAAP financial statements, which differ from IFRS. For example, for the year ended December 31, 2023, Interseguro had a net profit of S/292.1 million under IFRS and of S/315.1 million under SBS GAAP, which resulted in a dividend payment to us of S/150.0 million in 2024. Therefore, there is no assurance that the differences in accounting treatment will not render the opposite result, namely that lower or no dividends would be payable to us by any of our Peruvian subsidiaries under SBS GAAP than what it would appear to be able to pay under IFRS, or that dividends will continue to be payable under SBS GAAP in the future.

Furthermore, our subsidiaries may incur indebtedness or enter into other arrangements containing terms that may restrict or prohibit the payment of dividends, the making of other distributions, or the making of loans to us. We cannot assure holders of our common shares that the agreements governing the future indebtedness of our subsidiaries will permit them to provide us with sufficient dividends, distributions or the making of loans to fund dividend payments.

To the extent our subsidiaries do not have funds available or are otherwise restricted from paying dividends to us, our ability to pay dividends to our shareholders will be adversely affected.

***As a holding company, our right to receive any distribution of assets of our subsidiaries will be effectively subordinated to the rights of our subsidiaries' creditors, and holders of our common shares may have limited recourse against our subsidiaries' assets in case of our liquidation.***

As a holding company, our right to receive any distribution of assets of our subsidiaries upon any subsidiary's liquidation or reorganization or otherwise will be subject to the prior claims of creditors of that subsidiary, except to the extent that any claims by us as a creditor of such subsidiary may be recognized as such. Accordingly, holders of our common shares will have rights that will effectively be subordinated to all existing and future indebtedness of our subsidiaries, and, in the event of any claim against us, our shareholders may have recourse only against our assets, and not those of our subsidiaries, for payments. The only significant assets that we currently hold are our equity interests in our subsidiaries.

***Public health crises and epidemics, pandemics or outbreaks of highly infectious or contagious diseases could adversely affect our and our subsidiaries' business, financial condition and results of operations.***

Interbank's business is dependent upon the willingness and ability of the customers to conduct banking and other financial transactions. The spread of a highly infectious or contagious disease, such as COVID-19 beginning in March 2020, could cause severe disruptions and volatility in the world economy, which could in turn disrupt the business, activities, and operations of the customers, as well as Interbank's business and operations. In order to contain the spread of COVID-19 in Peru, the Peruvian government announced and implemented several measures such as declaring a national state of emergency and ordering mandatory lockdowns and the closure of Peru's borders, among others, which disrupted Interbank's business operations and caused them to modify the business activities, including limiting travel, temporarily closing offices and implementing remote work capabilities.

In addition, changes in existing regulations or implementation of future regulations in response to the spread of an infectious or contagious disease may further restrict their existing operations, limit the expansion of their business and require extensive system and operating changes that may be difficult or costly for them to implement. Furthermore, in the event that new sub-variants of COVID-19 emerge, or an outbreak of another contagious disease, and additional government restrictions in response to such outbreaks could also negatively impact the business and operations of third-party service providers who perform critical services for our business.

As a result of the COVID-19 pandemic, in addition to public health measures, the Peruvian government implemented measures to generate monetary and fiscal stimulus and alleviate the financial stress on households and companies, such as loan rescheduling and the provision for partial withdrawals from compensation for service time accounts ("CTS," for its Spanish acronym), which have impacted Interbank's interest income and Interbank's funding base. Similar governmental measures in the future, as a result of new health crises, may impact Interbank's business, financial condition and results of operations.

To the extent outbreaks of pandemic or contagious diseases adversely affect our business and financial results, it may also have the effect of heightening many of the other risks described in this section.

***Our subsidiaries are subject to extensive regulation and supervision, and changes in existing regulations or the implementation of future regulations may have a material adverse effect on our financial condition and results of operations.***

Interbank and Interseguro are subject to extensive regulation and supervision by the SBS. The SBS also oversees all of Interbank's and Interseguro's subsidiaries and their operations. Interbank is also subject to regulation and oversight by the Central Reserve Bank of Peru, which, together with the SBS, have general administrative responsibilities over banks and other financial institutions, including the authority to set loan loss provisions, limits on interest rates and fees, regulatory capital requirements and other minimum capital adequacy and reserve requirements. In addition, banks are required to provide the SBS, on a periodic basis, with all information necessary to allow for its evaluation of the bank's financial performance. Similarly, insurance companies are required to periodically provide the SBS, with all information necessary for the SBS to evaluate the company's management, measure systems, solvency, profitability and liquidity.

Similarly, Inteligo's subsidiaries are regulated by governmental entities and other financial services regulators in The Bahamas, Panama and Peru. Inteligo Bank is subject to the regulation and supervision of the Central Bank of The Bahamas. Additionally, Inteligo Bank's asset management activities and securities custody and trading activities are subject to supervision by the Securities Commission of The Bahamas. Inteligo Bank holds licenses from the Securities Commission of The Bahamas for dealing in securities as agent or principal, arranging deals, managing securities and advising on securities. Inteligo Bank is licensed to undertake all securities-related activities ancillary to its banking business. Inteligo Bank and its branch are subject to regulation by the Superintendency of Banks of Panama (*Superintendencia de Bancos de Panamá*). Inteligo Bank is also subject to regulation by the Securities Commission of Panama (*Superintendencia del Mercado de Valores de Panama*) since June 18, 2021, when it obtained its

investment advisory license. On January 3, 2022, Inteligo Bank began its operations under such license. Inteligo SAB and Interfondos are subject to the regulation and supervision of the SMV in Peru. Also, Interbank and Interseguro are subject to the regulations of the SMV. PMP and Izipay are mainly subject to the regulations of the Central Reserve Bank of Peru. In addition, IFS, Interbank, Interseguro, Inteligo Bank and Inteligo SAB are subject to other regulations, such as the U.S. Foreign Account Tax Compliance Act (“FATCA”), which could increase compliance costs and, in case of non-compliance could result in liability, additional costs or sanctions imposed by the U.S. Internal Revenue Service.

Changes in the regulation and/or supervision of Interbank, Interseguro, Inteligo and/or Izipay or the implementation of future regulations could have a material adverse effect on our financial condition and results of operations by restricting our existing operations, limiting the expansion of our business and requiring extensive system and operating changes that may be difficult or costly to implement. For example, the SBS and the Central Reserve Bank of Peru regulate, and have in the past changed, capital structure and deposit reserve requirements, interest paid on deposit reserves, the amount of deposit reserves for which no interest is payable, rules regarding provisions for loan losses and legal lending limits applicable to Peruvian commercial banks. Furthermore, Interbank could be required to increase its level of provisions in response to pro-cyclical provisioning requirements or be required to increase capital levels in response to pro-cyclical buffers that could be activated by regulators under certain favorable macroeconomic conditions. As an example, additional changes in the regulation and supervision of our subsidiaries have been imposed as a result of the COVID-19 pandemic and as a result of social unrest, which Interbank complied with, but we cannot predict whether and to what extent new laws and regulations will be imposed in case of other periods of crisis.

Moreover, changes in consumer protection regulation may also affect our business. In March 2021, the Peruvian Congress approved Law No. 31143 under which (i) the Central Reserve Bank of Peru will semi-annually establish caps on interest rates (including default interest rates) that banks can charge to consumers and small businesses, and (ii) in cases of default, the debtor shall only pay interest which may not be capitalized and may not be charged with commissions or additional expenses. Since its approval, such new regulation limiting the interest that can be charged to clients of banking entities, such as Interbank, has negatively impacted its financial results. In addition, Interbank could be subject to limits on fees or commissions charged to clients. If legislation or governmental or regulatory action is enacted limiting the amount of ATM fees or surcharges that Interbank may receive or on its ability to charge overdraft or other fees, it could adversely impact our financial results. Furthermore, during 2022, Legislative Decree No. 1531 amended the Peruvian Banking and Insurance Law (*Ley General del Sistema Financiero y del Sistema de Seguros y Orgánica de la Superintendencia de Banca y Seguros*), approved by Law No. 26702 (as amended, the “Peruvian Banking and Insurance Law”) to more closely align the Peruvian regulatory framework and its regulations applicable to the companies of the financial system to the Basel Committee’s 2011 agreement regarding the overall design of the capital and liquidity reform package (now referred to as “Basel III”), including changes related to the composition of the effective equity (which changes to effective equity came into effect as of January 1, 2023). Interbank has already implemented most of these requirements, with no adverse effect to its financial condition or operations, but as it continues to implement such additional requirements imposed by Legislative Decree No. 1531 and the other resolutions aimed at adapting the regulatory framework of the financial system more generally to the Basel III principles, we cannot guarantee that no such effects will impact its financial condition or results of operations.

Since 1998, Interseguro has been subjected to strict local regulations that required significant changes in reserve requirements. For example, in March 2018, changes by the SBS to mortality tables used for calculating reserves for new annuities resulted in a higher reserve requirement, which in turn could adversely affect Interseguro’s results of operations or could result in lowered implied interest rates on Interseguro’s annuities. For further information, see Note 3.4(d.2) to our audited annual consolidated financial statements. New legislation or regulations applicable to the insurance industry may adversely affect Interseguro’s ability to underwrite and price risks accurately as well as affect its revenues and net income. For example, whereas retirees formerly had to choose between remaining with their pension fund or choosing an annuity, since 2016 a law has allowed retirees to withdraw 95.5% of their capital accumulated in cash upon retirement, which has resulted in a significant reduction of annuities sold by Peruvian insurance companies, including Interseguro. In addition, considering that the SBS regulates the types of and limits on eligible investments that insurance companies, such as Interseguro, are allowed to make, in case the SBS enacts new regulations that further restricts such eligible investments, Interseguro could be compelled to liquidate current investments on less favorable terms than if they were held to maturity and restrict Interseguro from making investments that its management deems to be beneficial. Likewise, at the end of 2022, in order to adjust the fair value of real estate investments, the SBS established new requirements for valuation specialists or entities requiring capacitation in specific valuation matters that are not lectured in Peru, which created hurdles to such valuations and increased operating costs. Any failure to comply with these new requirements may increase costs and result in potential sanctions by the SBS. Moreover, in the past and as a response to the COVID-19 pandemic, the Peruvian government permitted companies to suspend employee contracts without pay in certain cases until the end of the COVID-19 pandemic, which caused these companies to stop making the corresponding monthly contribution to the pension funds of their worker, affecting the private pension system. In addition, the Peruvian government eased pension fund regulations, including measures permitting extraordinary withdrawals of funds from the private pension system, which in turn reduced pension funds collected by Interseguro. New legislation or regulations may impact Interseguro’s ability to economically assess risk in a timely manner, which in turn may adversely affect Interseguro’s ability to underwrite and price risks accurately and thus affect our business profitability.

The Bahamas has repealed and replaced the Commercial Entities Economic Substance Requirements Act, 2018 with the Commercial Entities (Substance Requirements) Act, 2023 which requires substantial economic presence in The Bahamas for certain Bahamas incorporated or registered entities that conduct relevant activities. A relevant activity includes the business of banking as conducted by Inteligo Bank. Inteligo Bank has made the appropriate registration and it is exempt from the main substance requirements of the Commercial Entities (Substance Requirements) Act, 2023 due to its asserted tax residency outside of The Bahamas. If The Bahamas in the future changes such regulation such that Inteligo Bank is no longer considered to be exempt from the substance requirements, it would have to enhance its economic and business presence in The Bahamas in order to comply with the Commercial Entities (Substance Requirements) Act, 2023, which increased presence may result in increased costs—financial, compliance or otherwise, which could impact Inteligo Bank’s profitability and our results of operations.

We cannot predict whether and to what extent new laws and regulations, or changes to existing laws and regulations, affecting our subsidiaries’ business will be adopted in the future, the timing of any such adoption and what effect such events would have on our financial condition and results of operations.

***Enhanced ESG and climate change disclosure may impose additional costs on us or our subsidiaries.***

In recent years, various guidelines and regulations have been issued recommending or requiring companies to adopt policies and procedures with the purpose of enhancing the approach to environmental, governance and social (ESG) matters. In March 2024, the SEC adopted rules aimed at enhancing and standardizing climate-related disclosures. The rules require registrants to include certain climate-related information in their registration statements and annual reports, including data regarding greenhouse gas emissions and information regarding climate-related risks and opportunities and related financial impacts, governance and strategy. Several lawsuits have been filed against such rules and, unless they prevail, we will be subject to certain of these requirements commencing with the fiscal year ending on December 31, 2025. On April 4, 2024, the SEC voluntarily stayed the rules, pending judicial review. We cannot rule out that the adoption of new guidelines and regulations on ESG matters could limit our business or the businesses of our subsidiaries, restrict our ability or the ability of our subsidiaries to recruit new customers, increase compliance requirements or result in higher operating or funding costs, among other effects in the future that we cannot predict now, given the still-developing and evolving regulatory environment related to ESG matters.

***The operations of our subsidiaries require the maintenance of banking, insurance and other licenses and any non-compliance with applicable license and operating obligations could have a material adverse effect on our business, financial condition and results of operations.***

All banks and insurance companies established in Peru require certain authorizations issued by the SBS in order to operate in Peru. In addition, all brokerage firms operating in Peru require certain authorizations issued by the SMV in order to operate in Peru. Service providers (such as Izipay), collecting agents or processing agents in the payment industry are not required to obtain prior licenses. However, recent regulations imposed certain obligations to such entities (including anti-money laundering (“AML”) obligations) and required that they register with the Central Reserve Bank of Peru. In The Bahamas and Panama, all banks require a license to operate. Governmental authorities, such as the SBS or the Central Reserve Bank of Peru, the Central Bank of The Bahamas, or the Superintendency of Banks of Panama, have general administrative responsibilities over banks and other financial institutions, including authority to set loan loss provisions, limits on fees, regulatory capital requirements and other minimum capital adequacy and reserve requirements. In addition, banks are generally required to provide the relevant banking supervisory agency, on a periodic basis, with all information that is necessary to allow for its evaluation of a bank’s financial performance. Insurance companies are regulated and supervised by the SBS which has the ability, among other things, to set reserve requirements for insurance companies. Similarly, the SMV and the Securities Commission of The Bahamas have general administrative responsibilities over brokerage firms, including the authority to set minimum capital requirements.

Our subsidiaries currently have the required licenses or applicable registrations in order to conduct their operations in their corresponding jurisdictions for all of their operations. Although we believe our subsidiaries are currently in compliance with their respective existing material license and reporting obligations, there is no assurance that our subsidiaries will be able to maintain the necessary licenses in the future. We can offer no assurance that future changes to existing laws and regulations, or stricter interpretation or enforcement of existing laws and regulations, will not impair our ability to comply with such laws and regulations and thus with the terms of our licenses.

The loss of a license, a breach of the terms of a license by any of our subsidiaries or the failure to obtain any further required licenses in the future could have a material adverse effect on our business, financial condition and results of operations. If any of our subsidiaries loses its licenses or is required to seek additional licenses, then such subsidiary will be unable to perform its operations as it is currently authorized and as it is currently doing.

***Under certain circumstances, the SBS, the SMV, the Superintendency of Banks of Panama or the Central Bank of The Bahamas, as applicable, may intervene in our subsidiaries' operations in order to prevent, control and reduce the effects of a failure of our operations.***

Under the Peruvian Banking and Insurance Law and the regulations thereunder, the SBS may intervene in Interbank's and Interseguro's operations upon the occurrence of any of the following events:

- Interbank or Interseguro suspends payment of its obligations or is unable to pay its obligations as they come due;
- Interbank or Interseguro breaches any of their respective commitments to the SBS under a surveillance regime (*régimen de vigilancia*) imposed by the SBS;
- Interbank's regulatory capital is less than 50% of the minimum regulatory capital required under the Peruvian Banking and Insurance Law;
- Interbank or Interseguro experiences a deficit or reduction of more than 50% of its regulatory capital during the preceding 12-month period; or
- Interseguro experiences a deficit or reduction of the regulatory capital of more than 50% of its solvency equity.

In the event of an intervention, the SBS has the power to institute measures, such as limiting the decisions that could be taken at a shareholders' meeting, suspending our normal activities and segregating certain of Interbank's or Interseguro's assets and liabilities for transfer to third parties, among others. Furthermore, the SBS has the power under the Peruvian Banking and Insurance Law to declare the wind-up or liquidation of any bank or insurance company if an intervention extends for longer than 45 days, which period may be extended one time for another 45 days at the sole discretion of the SBS, and/or upon the occurrence of a wind-up or liquidation pursuant to the Peruvian General Corporations Law (*Ley General de Sociedades*). For further detail, see "Item 4. Information on the Company—Business Overview—Regulation and Supervision—The Peruvian Financial and Insurance Systems — Intervention by the SBS and Liquidation".

Under Peruvian capital markets laws and the regulations thereunder, the SMV may revoke the license of Inteligo SAB and/or Interfondos, among others, upon the occurrence of (i) significant irregularities that put the companies at risk to carry out their operations as permitted by law or (ii) significant violations of the law, statutes and regulations promulgated by the SMV.

Under Bahamian banking regulations, the Central Bank of The Bahamas may intervene in Inteligo Bank's operations upon the occurrence of any of the following events:

- Inteligo Bank carries on its business in a manner detrimental to the public interest or the interests of its depositors or other creditors; or
- Inteligo Bank contravenes the provisions of Bahamian banking law or any other law, order or regulation made thereunder, or any term or condition subject to which its license was issued, either in The Bahamas or elsewhere.

In addition, under Bahamian securities laws and regulations, the Securities Commission of the Bahamas may revoke Inteligo Bank's registration and license to deal in securities, arrange deals, manage securities and/or advise on securities for noncompliance with laws and regulations.

Under Law Decree 9 of 1998, as amended, the Superintendency of Banks of Panama may seize administrative and operating control of the branch of Inteligo Bank in Panama, based on any of the following grounds:

- upon a reasoned request of Inteligo Bank itself;
- if Inteligo Bank cannot continue operations without endangering the interests of the depositors;

- as a consequence of the evaluation of the report submitted by an appointed advisor;
- non-compliance with the corrective measures ordered by the Superintendency of Banks of Panama;
- if Inteligo Bank carries out its operations in an illegal, negligent or fraudulent manner;
- if Inteligo Bank has suspended payment on its obligations; or
- if the Superintendency of Banks of Panama confirms that the capital adequacy, solvency or liquidity of Inteligo Bank has deteriorated so as to require action by the Superintendency of Banks of Panama.

***The adoption of new international banking and insurance guidelines may cause our subsidiaries to require additional capital and could cause their cost of funds to increase, which could have a material adverse effect on our financial condition and results of operations.***

In December 2009, the Basel Committee announced its intention to issue a new framework related to the regulation, supervision and risk management of the banking industry. This was followed by the Basel III principles, which revises and strengthens the three pillars established by Basel II.

Starting in 2011, the SBS issued different regulations to schedule additional capital requirements to be implemented in Peru, which, although not completely consistent with Basel III, included requirements to cover concentration, interest rate and systemic risk, as well as certain pro-cyclical capital requirements. In March 2022, the Peruvian government issued Legislative Decree 1531, which revised the regulatory capital definition rules in the Peruvian Banking and Insurance Law. This legislative decree became effective on January 1, 2023, aiming at a better alignment with the standards established by Basel III. Consistent with certain aspects of Basel III, the SBS issued in 2022, SBS Resolution No. 03953-2022 and SBS Resolution No. 03954-2022 in order to update the methodologies for calculating the individual and sector concentration risk buffers (including regional and economic sector concentration) eliminating the capital buffer requirement for risk appetite and maintaining the requirement for measuring the interest rate risk of the banking book. Legislative Decree No. 1531 and SBS Resolution No. 03954-2022 aligned the capital conservation buffer in the Peruvian regulation, to the Basel III principles.

In February 2016, the SBS issued SBS Resolution No. 975-2016 (as amended from time to time), which aimed to improve the quality of the total regulatory capital (*patrimonio efectivo*) and align Peruvian regulations towards Basel III. This resolution changed the conditions that subordinated debt must meet in order to be considered in the calculation of additional capital and the calculation methodology applicable to risk-weighted assets. In December 2022, as part of the implementation of the Basel III standards, the SBS issued SBS Resolution No. 03950-2022, which replaced the regulations applicable to subordinated debt related to its computation at the different levels and sublevels of the regulatory capital. This resolution became effective on January 1, 2023 and is applicable to subordinated debt incurred or created from the date of its effectiveness. However, as established in this new regulation, subordinated debt incurred or created prior to its effectiveness will still be considered in the calculation of regulatory capital. Although the main changes became effective on January 1, 2023, other relevant regulation were also passed by the SBS by end of 2022 to implement the aforementioned law and provided certain adequacy periods until 2026. We cannot assure whether the implementation and further supervision of the above-mentioned new regulations may result in increased costs, financial, compliance or otherwise, which could impact our profitability and our results of operations. For further details, see “Item 4. Information on the Company—Business Overview—Regulation and Supervision—The Peruvian Financial and Insurance Systems”. As of the date of this Annual Report on Form 20-F, Interbank is fully compliant with applicable capital regulatory requirements. While Interbank expects to continue to be in compliance with current and upcoming capital requirements, Interbank’s assumptions with respect to compliance may turn out to be incorrect, and, consequently, have a material adverse effect on its financial condition and results of operations.

With respect to Interseguro, Solvency II, a new regulatory framework for the European insurance industry implemented in early 2016, is under consideration by international regulatory bodies, which could result in the SBS raising solvency ratio requirements for insurance companies in Peru in the future.

With respect to Inteligo Bank, The Central Bank of The Bahamas has adopted a Basel Implementation Program and has effectively implemented Pillar I and Pillar II of the Basel II framework. The Pillar I framework focuses on the capital adequacy ratio requirements and Pillar II focuses on the internal capital adequacy assessment processes (“ICAAP”) (the guidelines in relation to the ICAAP were released in August 2016). The Central Bank of The Bahamas published its Capital Adequacy Guidelines for the Management of Capital and the Calculation of Capital Adequacy on August 24, 2022, and The Bahamas Capital Regulations 2022 came into effect on July 15, 2022. The Bahamas capital regulations include changes to the methodology for the calculation of risk-



weighted assets and Tier 1 capital that could adversely impact Inteligo Bank's capital adequacy ratio. The regulations and capital adequacy guidelines simplify the Bahamian Basel III framework while remaining consistent with the proportionality principles set out by the Basel Committee. The new regulations set a new capital ratio limit and introduced changes to the credit and operational risk equivalent assets and deductions of high-risk assets from the capital base. Inteligo Bank's capital ratio as of December 31, 2023, under the new regulations, was 17.4%, while it would amount to 22.8% under the previous regulations. In any case, Inteligo Bank's capital ratio remains well above the regulatory limit of 12%. Additional changes to this framework could require Inteligo Bank to make revisions to its capital structure and investment which could have an adverse effect on the profitability of Inteligo Bank.

Furthermore, following completion of the capital framework, in 2023, the Central Bank of The Bahamas informed through its quarterly letter that it is in the process of amending the regulations and guidelines to its liquidity framework. The latest update on the Basel III implementation was given in The Central Bank of The Bahamas' 2022 third quarter report of the Bank Supervision Department, which stated that adoption and implementation of the Basel principles continued to progress along with related amendments to other legislation and guidelines that would be impacted by the new capital regulations. Moreover, in 2022, new credit risk guidelines and guidelines for internal auditors and audit committees were published by the Central Bank of The Bahamas. While as of the date of this Annual Report on Form 20-F, we believe such guidelines do not materially impact Inteligo Bank's operations, we cannot make any assurances that the Central Bank of The Bahamas or other government authorities will not make further adjustments to applicable banking regulations which could materially and adversely affect Inteligo Bank's financial condition and results of operations.

We cannot predict whether and to what extent new guidelines, laws and regulations, or changes to existing guidelines, laws and regulations, affecting our subsidiaries' business will be adopted in the future, the timing of any such adoption and what effect such events would have on our financial condition or results of operations.

***Our controlling shareholder, Intercorp Peru, is subject to capital requirements imposed by the SBS, and Intercorp Peru's failure to comply with these requirements could have a material adverse effect on our financial condition and results of operations.***

The SBS has established minimum capital requirements for financial services holding companies on a fully consolidated basis, which the SBS evaluates on an annual basis. As a result of its direct and indirect equity interest in Interbank and Interseguro, our controlling shareholder, Intercorp Peru, is subject to these minimum capital requirements. Intercorp Peru owns other businesses in addition to ours, and financial information relating to both our business and those other businesses is used to determine compliance with the minimum capital requirements.

According to Peruvian regulations, the subsidiaries directly and indirectly owned by Intercorp Peru qualify as a mixed conglomerate in which three different groups are identified: (i) consolidated group of the financial system; (ii) consolidated group of the insurance system; and (iii) financial group. Pursuant to Peruvian regulations, Intercorp Peru must maintain a higher regulatory capital requirement than the regulatory capital requirements for each of such groups.

If Intercorp Peru fails to comply with these requirements, the SBS may request Intercorp Peru to take certain corrective actions to ensure compliance. If Intercorp Peru fails to take such actions, the SBS could suspend or revoke Interbank's and Interseguro's licenses to operate in Peru, which would have a material adverse effect on our financial condition and results of operations. For further details, see "—The operations of our subsidiaries require the maintenance of banking, insurance and other licenses and any non-compliance with applicable license and operating obligations could have a material adverse effect on our business, financial condition and results of operations."

***Our subsidiaries face intense competition from other banking, insurance and financial institutions, and from other players including providers of emerging financial technologies and failure to compete successfully could have a material adverse effect on our financial condition and results of operations.***

The banking market in Peru is highly competitive. Interbank has experienced strong competition from local and foreign banks and other financial entities, including new entrants attracted by Peru's low banking penetration and financial inclusion, as well as from department stores that offer credit cards, from emerging financial technology companies that offer digital banking and other services both on a regulated and unregulated basis, and from the local and international capital markets that lend to commercial customers. Competition may reduce the average interest rates that Interbank can charge its customers, increase the average rates Interbank must pay on its deposits, and may negatively affect its loan growth and place pressure on margins. Some of Interbank's competitors may have access to greater resources and be more successful in the development of products and services that compete directly with Interbank's products and services. If Interbank's competitors are successful in developing products and services that are more effective or less expensive than the products and services offered by it, Interbank may be unable to compete successfully. Even if Interbank's products and services prove to be more effective than those developed by other competitors, such other competitors

may be more successful in marketing their products and services because of their greater financial resources or marketing strategies, among other factors. Interbank may not be able to grow or maintain its market share if it is not able to match its competitors' pricing or keep pace with their development of new products, services and technological innovation and developments, and the integration of these into Interbank's operations. Any adverse impact on Interbank resulting from increased competition could have a material adverse effect on its financial condition and results of operations.

The Peruvian insurance market, particularly the annuity and life insurance sectors, is also highly competitive. Interseguro's principal competitors are large insurance companies that may have greater resources and offer a wider range of products. These insurance companies may have better access to independent brokers who sell insurance to customers. In addition, Interseguro may also face competition from private pension funds ("AFPs"), which could in the future be allowed to offer annuities. Moreover, under the private pension system, upon retirement, retirees have the option of choosing to remain with their pension fund, choose an annuity or, since 2016, withdraw 95.5% of their capital accumulated in cash, which potentially reduces demand for Interseguro's annuities. Any adverse impact on Interseguro resulting from increased competition, as well as a reform of the private pension system, could have a material adverse effect on our financial condition and results of operations.

Similarly, if Inteligo Bank's competitors are successful in developing products and services that are more effective or less expensive than the products and services offered by Inteligo Bank, it may be unable to compete successfully. Even if Inteligo Bank's products and services prove to be more effective than those developed by other competitors, such other competitors may be more successful in marketing their products and services because of their greater financial resources or marketing strategies, and other factors. Competitors may also dedicate greater resources to, and be more successful in, the development of products and services that may compete directly with Inteligo Bank's products and services. Inteligo Bank competes in a global market for wealth management services, including wealth management divisions of global banks. Such competition would adversely affect the acceptance of Inteligo Bank's products and/or lead to adverse changes in the investing habits of Inteligo Bank's customer base. Inteligo Bank may not be able to grow or maintain its market share if it is not able to keep pace with its competitors' development of new products and services. Any adverse impact on Inteligo Bank resulting from increased competition could have a material adverse effect on our financial condition and results of operations.

Likewise, if Izipay's competitors are successful in developing market share growth strategies, reduce their customer fees, or gain more customers, then Izipay could be unable to compete successfully and its net income could be threatened. Moreover, if Izipay's competitors develop a low-cost POS technology or new technologies and gain efficiency, it could negatively affect Izipay's operating results.

***The failure of our subsidiaries to effectively anticipate or adapt to emerging technologies or changes in customer behavior could have a material adverse effect on our financial conditions and results of operations.***

The failure of our subsidiaries to effectively anticipate or adapt to emerging technologies or changes in customer behavior, including among younger customers, could delay or prevent our access to new digital-based markets. Furthermore, the widespread adoption of new technologies, including payment systems, could require substantial expenditures to modify or adapt our existing products and services as we continue to grow our digital capabilities. As a result, our subsidiaries' customers may choose to conduct business or offer products on alternative or emerging platforms. Such new technologies could negatively impact our investments in infrastructure, equipment and personnel, or if our subsidiaries do not properly anticipate trends, render our existing investments in digital platforms moot. If our subsidiaries fail to adapt quickly, or at all, to changes in technologies or changes in customer behavior, it may have an adverse impact on our subsidiaries resulting from increased competition, which could have a material adverse effect on our financial condition and results of operations.

***The banking and insurance markets are exposed to macroeconomic shocks that could have a material adverse effect on our financial condition and results of operations.***

Interbank's business is particularly sensitive to economic and market conditions that affect Interbank's customers. Although there is limited basis on which to evaluate how Interbank's business and earnings will perform in the event of an economic crisis, such as a recession or a significant devaluation of the *sol*, and Interbank's historical loan loss experience may not be indicative of the performance of Interbank's loan portfolio in the future, periods of economic contraction could adversely affect Interbank's customers by limiting their access to jobs. As a result, Interbank's loan portfolio may become increasingly vulnerable to macroeconomic shocks that could negatively impact the household income of Interbank's customers and result in increased loan losses which, in turn, could result in higher delinquencies and reduce the number of borrowers eligible for Interbank's loans. An increase in delinquencies, for instance, could result in a deterioration of Interbank's risk profile, which could adversely affect Interbank's business, financial condition and results of operations. Any increase in the number of delinquencies or defaults would result in higher levels of nonperforming assets and provisions for loan losses, which could adversely affect Interbank's results of

operations and financial condition. In particular, the deterioration of the macroeconomic conditions in Peru in 2023, particularly in the second half of the year, has led to higher provision requirements as well as lower provision recoveries, an increase in non-performing loans and a slowdown in the origination of new loans due to more stringent lending requirements that Interbank has put in place. Interbank's loan provisions have also been impacted amidst higher risk in consumer loans due to the social protests and adverse climate events that took place in Peru at the beginning of 2023. Such an increase in Interbank's provision expenses, particularly in Interbank's retail sector, has had a negative impact on Interbank's cost of risk and profitability, a trend that we expect to continue and accentuate in accordance with Peru's macroeconomic conditions.

In addition, Interbank's commercial clients could be negatively affected by global and local macroeconomic trends. As a result, our provisions for loan losses, in particular related to credit cards and/or loans granted to certain sectors of the Peruvian economy, have significantly increased during slowdowns of the Peruvian economy. Additionally, in part due to the de-dollarization policy sponsored by the Peruvian government there is a mismatch between our dollar denominated deposits and *sol* denominated loans. See "Item 5. Operating and Financial Review and Prospects—Depreciation and Appreciation of the *sol*".

In the event of a macroeconomic shock, the value of Interseguro's investments may also suffer losses, including in its investment property. In addition, the amount of savings available to potential annuity holders may be negatively impacted by unemployment or a decline in wages. A macroeconomic shock may also negatively impact wealth generation in Peru and, in turn, impact the demand for our wealth management services.

***We could sustain losses if Interbank's asset quality declines.***

Our earnings are significantly affected by Interbank's ability to properly originate, underwrite and service loans. We could sustain losses if Interbank incorrectly assesses the creditworthiness of its borrowers or fails to detect or respond to deterioration in asset quality in a timely manner. Problems with asset quality could cause our net interest and similar income to decrease and our provisions for loan losses to increase, which could adversely affect our financial condition and results of operations.

***Reduced diversification in Interbank's loan portfolio could have a material adverse effect on our financial condition and results of operations.***

While loan portfolio risk associated with lending to certain economic sectors or clients in certain market segments can be mitigated through adequate diversification policies, Interbank's pursuit of opportunities in which it can charge higher interest rates may reduce diversification of the loan portfolio and expose Interbank to greater credit risk. Reduced diversification could expose Interbank to greater risks in the event of a decline in asset quality. In addition, given the relatively small size of the Peruvian economy, Interbank's lending diversification is by necessity lower than that of banks with operations in larger economies. Moreover, certain concentrations of borrowers' commercial sectors may be unavoidable in Peru—principally the natural resources, fishing, agriculture and mining sectors—and deteriorations in such sectors could have a material adverse effect on Interbank's deposits, loan performance and other businesses.

Furthermore, as of December 31, 2022 and 2023, retail banking loans accounted for approximately 53.6% and 56.0% of Interbank's loan portfolio, respectively. Higher than average exposure to retail banking could be accompanied by greater credit risk due to higher risk profiles compared, particularly, to loans to large corporate customers. Given the recent growth of Interbank's loan portfolio, historical loss experience may not be indicative of future doubtful loan experience. If there are outbreaks of pandemics or contagious diseases in the future, such as the COVID-19 pandemic, Interbank's retail and commercial clients may be impacted and our risk profile may deteriorate, which could adversely affect our business, financial condition and results of operations.

***Interbank's provisions for loan losses may not be adequate to cover the future losses to its loan portfolio or other assets, which could have a material adverse effect on our financial condition and results of operations.***

Interbank records allowances for impairment losses on loans and other assets. The amount of allowances recorded is based on Interbank's current assessment of and expectations concerning various factors affecting the quality of its loan portfolio. These factors include, among other things, Interbank's borrowers' financial condition, repayment abilities and repayment intentions, the realizable value of any collateral, the prospects for support from any guarantor, Peru's economy, government macroeconomic policies, interest rates and the legal and regulatory environment. Many of these factors are beyond Interbank's control. In addition, as these factors evolve, the models Interbank uses to determine the appropriate level of allowance for impairment losses on loans and other assets may require recalibration, which can lead to increased allowances.

Additionally, as consequence of factors such as the political, economic and social uncertainties in Peru during 2022 and 2021, as well as the "El Niño" phenomenon during 2023, we have had to increase our monitoring of the performance results of our

retail and commercial clients and make subsequent adjustments of expected loss to our model, which in turn creates a certain level of uncertainty in the estimation of expected losses on loans. See “Item 4. Information on the Company—Business Overview—Selected Statistical Information—Classification of Our Loan Portfolio” and “Item 5. Operating and Financial Review and Prospects—Operating Results—Impairment Loss on Loans, Net of Recoveries.”

***Interbank may be unable to realize the collateral or guarantees securing its loans to cover the outstanding principal and interest balance of those loans, which may adversely affect its results of operations and financial condition.***

Interbank grants loans that are secured by collateral, including real estate and other assets that are generally located in Peru. The value of collateral may significantly fluctuate or decline due to factors beyond our control, including, for example, economic and political conditions in Peru. An economic slowdown may lead to a downturn in the Peruvian real estate market, which may, in turn, result in declines in the value of real estate securing loans to levels below the principal balances of those loans. Any decline in the value of the collateral securing loans may result in reduced recoveries from collateral realization and have an adverse impact on our results of operations and financial condition.

Interbank may also not have recent information on the value of collateral, which may result in an inaccurate assessment for impairment losses of its loans, which may materially and adversely affect its results of operations and financial conditions.

Interbank also grants loans on the basis of guarantees from relatives, affiliates or associated persons of borrowers. To the extent that guarantors encounter financial difficulties due to economic conditions, personal or business circumstances, or otherwise, Interbank’s ability to enforce such guarantees may be impaired.

In addition, Interbank may face difficulties in enforcing its rights as secured creditors against borrowers, collateral or guarantees. In particular, timing delays and procedural problems in realizing against collateral, as well as insolvency laws or judicial interpretations of the law that may be protective of debtors, may make it difficult to foreclose on collateral, realize against guarantees or enforce judgments in our favor, which could materially and adversely affect our results of operations and financial condition.

***Our financial results may be negatively affected by changes to IFRS accounting standards.***

We report our results and financial position in accordance with IFRS as issued by the IASB. Changes to IFRS thereof may cause our future reported results and financial position to differ from current expectations, or historical results to differ from those previously reported due to the adoption of new accounting standards on a retrospective basis. We monitor potential accounting changes and, when possible, we determine their potential impact and disclose significant future changes in our financial statements that we expect because of those changes. As of December 31, 2023, the new and amended standards and interpretations that have been issued, but not yet effective, are not expected to have potential impact on our consolidated financial statements—see Note 3.5 to our consolidated financial statements.

***Our financial results may be negatively affected by investment losses.***

The investment activities of our subsidiaries are subject to factors beyond their control, and losses from their exposures could result in a material adverse effect on our financial condition and results of operations.

As part of its treasury operations, Interbank trades various financial instruments and other assets, including debt, equity, fixed income, currency and related derivatives, as both agent and principal, and derives a proportion of its non-financial income from trading profits. Interbank has established position limits for *sol* and foreign currency-denominated securities in accordance with its overall risk management policy and with the SBS requirements. However, Interbank is exposed to numerous factors that are beyond its control, including overall market trading activity, interest rate levels, the credit risk of its counterparties and general market volatility. For example, in 2020 and in particular in March 2020, the COVID-19 pandemic increased the volatility of our investment portfolio, which was also increased in 2022 and 2023 due to global factors such as the Ukraine-Russia and the Israel-Hamas conflicts and the interest rate increases by the Federal Reserve of the United States. In addition, a significant part of Interbank’s trading is related to customer transactions, and Interbank could be exposed to a number of risks related to the movement of market prices in the underlying instruments, including the risk of unfavorable market price movements relative to its long or short positions, a decline in the market liquidity of the related instruments, volatility in market prices, interest rates or foreign currency exchange rates relating to these positions, and the risk that the instruments with which Interbank chooses to hedge certain positions do not track the fair value of those positions. If Interbank incurs any further losses from these exposures, it could reduce Interbank’s trading profits or cause it to suffer losses from trading activities, either of which could have a material adverse effect on our financial condition and results of operations.

Inteligo Bank is exposed to similar investment and trading risks as Interbank.

Interseguro is exposed to the risk of a decrease in the value of its investments due to volatility in market conditions, real estate prices, equity values and interest rates, among other factors, many of which are beyond Interseguro's control. In addition, as a holder of a large portfolio of debt investments and fixed income securities, Interseguro is exposed to the risk that the issuers of its fixed income securities may default.

Furthermore, in all of our segments, our investments may be subject to impairment, due to mark-to-market which could cause volatility in our financial condition and results of operations.

***Interest rate changes could have a material adverse effect on our financial condition and results of operations.***

Interbank's and Inteligo's financial condition and results of operations depend to a large extent on their financial margin, which in turn depends on their ability to charge interest on interest-earning assets, such as loans to customers, that is higher than the interest they pay on interest-bearing liabilities, such as deposits. Changes in interest rates, could influence not only the interest we receive on loans and securities and the amount of interest we pay on deposits and borrowings, but such changes could also adversely affect our ability to originate loans and obtain deposits. We cannot control or predict with certainty changes in interest rates since market interest rates are sensitive to many factors beyond our control, including the interest rate policies of the Central Reserve Bank of Peru and the U.S. Federal Reserve. In the past year, inflation rates throughout the world have significantly increased to levels not seen in the last two decades. In response to concerns about inflation, the United States Federal Reserve has raised, and may again rise, interest rates. Although as a result of the COVID-19 pandemic, during 2020, the Central Reserve Bank of Peru took several measures, such as reducing the reference interest rate by 200 basis points from 2.25% to 0.25%, the Central Reserve Bank of Peru began to increase rates in 2021 from 0.25% to 7.50% in December 2022. Since then, the Central Reserve Bank of Peru has decreased the reference interest rate to 7.00%, 6.75% and 6.25% as of November 30, 2023, December 31, 2023, and March 31, 2024, respectively. If Interbank or Inteligo are unable to implement commensurate and timely increases in interest rates on loans they originate, their margins would decline.

Interbank's primary sources of funds are retail deposits with no specific or contractual maturity, and a substantial portion of the loans it originates have a longer term. The difference in maturities between deposits and loans could magnify the effect of any interest rate mismatch, as well as pose a liquidity risk if Interbank were not able to obtain funding as its liabilities mature. This, in turn, may lead to a reduction in Interbank's net interest margin, which could have a significant adverse effect on its results. Furthermore, if interest rates were to increase, this could reduce the demand for credit and Interbank's ability to generate credit for their clients, particularly retail clients, as well as contribute to an increase in the default rate.

In connection with the phase-out of the London Interbank Offered Rate ("LIBOR") as a reference rate, in June 2023, the United States Federal Reserve, in conjunction with the Alternative Reference Rates Committee, chose the Secured Overnight Financing Rate (SOFR), and specifically Term SOFR, as the recommended risk-free reference rate for the United States (calculated based on repurchase agreements backed by treasury securities). Prior to the discontinuation of LIBOR, our subsidiaries amended substantially all of their LIBOR-based financing arrangements to transition them to successor rates, primarily Term SOFR. We cannot predict the extent to which Term SOFR will gain widespread acceptance as a replacement for LIBOR, the consequences of the replacement of LIBOR on financial markets generally or the businesses or profitability of our subsidiaries, their financial condition or results of operations specifically. Finally, as a result of such transition, our subsidiaries may be subject to disputes (including with their customers) related thereto, which could have an adverse effect on their results of operations.

Interseguro faces interest rate risk as a result of the potential variation in interest rates when it reinvests debt instruments to cover its obligations. Interseguro may reinvest when the term of its investments differs from that of its obligations. Interseguro tries to match the cash flows of its obligations with the maturities of its portfolio, but the shortage of instruments with the appropriate maturity profile may result in mismatches with its obligations and, as a result, expose it to interest rate risk.

As a result of the above, the evolution of interest rates could have a material adverse effect on our business, financial condition or results of operations.

***Interseguro is exposed to the impact of changes in interest rates on other comprehensive income.***

Interseguro estimates its technical reserves under IFRS on the basis of mortality data and discount rates, which are based on a risk-free rate (i.e. interest rates), and the market volatility associated with them. See Note 3.4(d) to our audited annual consolidated financial statements. Such volatility in interest rates is reflected in Interseguro's balance sheet, under other comprehensive income and, depending on the market situation, could have a material adverse effect on our balance sheet. See Note 29.5(a.1) to our audited annual consolidated financial statements.

***Actual mortality and morbidity rates and other factors may differ from those assumed in the calculation of technical reserves and may have a material adverse effect on Interseguro's financial condition and results of operations.***

Actual mortality and morbidity rates may differ from those assumed in the initial calculation of annuity reserves at the time of the issuance of the policy and their periodic adjustments. If Interseguro's assumptions differ materially from actual mortality and morbidity rates, Interseguro could be required to make payments under its annuities for a longer period of time than originally estimated, and existing reserves could fall short of actual payments. Accordingly, future changes in mortality and morbidity rates could have a material adverse effect on Interseguro's financial condition and results of operations.

***Interbank may not be able to obtain the funding required to support growth and implement its strategy.***

Interbank's strategy to grow its loan portfolio will require it to continue to have an active funding strategy. Interbank's access to funding will depend on many factors, including factors beyond our control, such as public health crises and epidemics, pandemics or outbreaks of highly infectious or contagious diseases, any credit crunch or other conditions in global capital markets and investors' perceptions of the risks of investing in Peru and emerging markets generally. The 2008 and 2009 global financial and economic crisis, the debt crisis in Europe and general market volatility, for example, had a negative impact on the liquidity of global financial markets. Similarly, the COVID-19 pandemic and other global factors such as the Ukraine-Russia and the Israel-Hamas conflicts and the interest rate increases by the Federal Reserve of the United States have caused significant disruption and volatility in the financial markets globally, causing equity levels to fluctuate sharply, which may continue to worsen in the future. In the case of similar events, any equity or debt financing, if available at all, may be on terms that are not favorable to Interbank. If access to funding is limited, Interbank may not be able to implement its strategy, which could have a material adverse effect on our financial condition and results of operations.

***A reduction in our subsidiaries' credit ratings could increase their cost of borrowing funds and make their ability to raise new funds and renew maturing debt more difficult.***

Our subsidiaries' credit ratings are an important component of their respective liquidity profile. Among other factors, Interbank's credit ratings are based on its financial strength, the credit quality and concentrations in its loan portfolio, the level and volatility of its earnings, its capital adequacy, the quality of management, the liquidity of its statement of financial position, the availability of a significant base of core retail and commercial deposits and its ability to access a broad array of funding sources. In addition, our subsidiaries' lenders may be sensitive to the risk of a ratings downgrade, which could increase the cost of refinancing their existing obligations, raising funds in the capital markets and borrowing funds from private lenders, and could in turn have a material adverse effect on our financial condition and results of operations. Although our subsidiaries' credit ratings have remained relatively stable over time, our creditors may be sensitive to changes in our credit ratings, and/or outlook. The risk of a future ratings downgrade could increase the cost of refinancing our existing obligations, raising funds in the capital markets and borrowing funds from private lenders, and could in turn have a material adverse effect on our financial condition and results of operations.

***Interseguro's failure to underwrite and price insurance premiums accurately for the products it offers would have a material adverse effect on its financial condition and results of operations.***

Interseguro's financial condition and results of operations depend on its ability to underwrite insurance policies and set premium rates accurately. Interseguro must generate sufficient premiums to offset claim losses and cover operating and underwriting expenses to make a profit. In order to price insurance policies accurately, Interseguro must collect and analyze a substantial volume of data, develop, test and apply appropriate rating formulae, closely monitor changes in trends in a timely fashion and project both severity and frequency of loss with reasonable accuracy. If Interseguro fails to assess accurately the risks that it assumes or does not reinsure an appropriate level of risk, it may fail to establish adequate premium rates, which could reduce income and have a material adverse effect on its financial condition and results of operations.

***Interbank's and Interseguro's reliance on Peruvian sovereign and global bonds in their respective investment portfolios leaves us vulnerable to a default on such debt.***

A substantial portion of our investment portfolio consists of Peruvian sovereign and global bonds and Central Reserve Bank of Peru certificates of deposit, which represented 59.3% of our investment portfolio (before accrued interest) as of December 31, 2023. A default on Peruvian sovereign debt could have a material adverse effect on our financial condition and results of operations.

***Interseguro may suffer losses in its investment portfolio because of risks associated with its real estate investments.***

Interseguro's investment portfolio includes real estate investments located solely in Peru. As of December 31, 2023, Interseguro's investments in real estate projects totaled S/1,298.9 million, which represented 9.2% of Interseguro's total investment portfolio. Real estate investments are relatively illiquid, and Interseguro's ability to vary its portfolio of properties in response to changes in economic and other conditions is limited. If Interseguro wants or needs to sell a property, it may not be able to do so in the desired time period or on favorable terms, which could have a material adverse effect on our financial condition and results of operations.

Furthermore, Interseguro is exposed to risk in respect of its real estate investments that are under development, including delays in receiving zoning permits, construction delays, changes in regulation or lack of demand.

Interseguro's investment properties are carried at fair value, which could result in the value of such investment properties declining if market conditions deteriorate. As a result, we could suffer an adverse impact on our financial condition and results of operations.

***Tax exemptions applicable to a substantial portion of Interseguro's investment earnings could be changed in the future.***

Interseguro pays no income tax, primarily because its investment earnings in respect of its life insurance technical reserves are entirely exempt from income tax. Future changes in tax laws or regulations limiting or eliminating the current tax exemption could have an adverse effect on our financial condition and results of operations.

***We and our subsidiaries are dependent on key personnel.***

Our development, operation and growth have depended significantly upon the efforts and experience of our and our subsidiaries' board of directors, senior management and key personnel. Most of the members of our senior management have held management positions with other major financial institutions in the United States, Latin America and Europe. Although we currently expect that our and our subsidiaries' board of directors and other senior managers will continue in their positions, the loss of their services, or our inability to attract and retain qualified personnel to replace them, could have a material adverse effect on our financial condition and results of operations.

***Interruption, mismanagement or failure in our subsidiaries' information technology systems may adversely affect their operations.***

Our success and the success of our subsidiaries depend on the efficient and uninterrupted operation of our subsidiaries' computer and communications hardware systems and our applications, including systems and applications that support the operation of Interbank's financial stores, ATMs, Interbank Agente (correspondent agents), mobile applications and website, as well as the infrastructure components that support our operations (communication devices, networking, etc.). Our subsidiaries' computer and communications systems and operations could be damaged or interrupted by fire, flood, power loss, telecommunications failure, sabotage, computer viruses, cyber-attacks, physical or electronic break-ins, acts of war, terrorist attacks and similar events or disruptions. Any of these events could cause system interruptions, delays and losses of critical data and could prevent our subsidiaries from operating at optimal levels or at all.

Any failure, interruption or breach in security of our subsidiaries' information systems could result in failures or interruptions in their risk management, general ledger, deposit servicing, loan organization and/or other important operations, as applicable. Although our subsidiaries have developed back-up systems and a disaster recovery center, and may continue some of their operations in case of emergency, if their information systems fail, even for a short period of time, then they may be unable to serve some or all of their customers' needs on a timely basis. Likewise, a temporary shutdown of our subsidiaries' information systems could result in additional costs for information retrieval and verification. In addition, failure to update and develop our

subsidiaries' existing information systems as effectively as their competitors may result in a loss of the competitive advantages that each subsidiary believes its information systems provide. Furthermore, our subsidiaries may not have adequate insurance coverage or insurance limits to be compensated for losses from a major interruption.

If our subsidiaries experience a data security breach and confidential customer information is disclosed to or accessed by third parties, their customers could be adversely affected. The collection of data and processing of transactions require our subsidiaries to receive and store a large amount of personally identifiable data. This type of data is subject to legislation and regulation in various jurisdictions, including Peru. Data security breaches suffered by well-known companies and institutions have attracted a substantial amount of media attention, prompting U.S. state and federal legislative proposals addressing data privacy and security. Our Peruvian subsidiaries are subject to requirements to protect the personally identifiable information that they process in connection with their services. Our Peruvian subsidiaries may become exposed to potential liabilities with respect to the data that they collect, manage and process, and may incur legal costs if their information security policies and procedures are not effective or if they are required to defend their methods of collection, processing and storage of personal data. Security breaches, lawsuits or adverse publicity relating to our subsidiaries' methods of handling personal data could have a material adverse effect on their business, financial condition and results of operations due to the costs and negative market reaction relating to such developments.

In addition, our current strategy involves significant investments to expand and develop our IT, applications and systems in order to unify and simplify them, and increase the volume of transactions and operations performed online by our personnel and clients. We have also contracted with a third-party provider to ensure the stability and security of our systems and IT infrastructure and to also bear the risk of the failure of that third party. However, there can be no assurance that such strategy or its implementation will be successful, or whether it will result in failures, shutdowns or damage to our business and operations.

Moreover, additional regulations or new requirements may emerge related to cybersecurity controls and data quality, as well as contractual commitments in accordance with standards established by the Information Security and Cybersecurity Management regulation (the "*Reglamento para la Gestión de la Seguridad de la Información y la Ciberseguridad*"), approved by SBS Resolution No. 504-2021 (as amended by SBS Resolutions No. 1515-2021 and 3240-2023). Any failure or perceived failure by financial and insurance institutions to comply with such obligations may result in governmental enforcement actions and regulatory penalties, which could have an adverse effect on our reputation. Moreover, in November 2021, the SBS approved amendments to the Plan Business Continuity regulation (the "*Reglamento para la Gestión de la Continuidad del Negocio*"), approved by SBS Resolution No. 877-2020 (amended by SBS Resolutions No. 1536-2020, 3601-2021 and 3955-2022) aimed to manage the enterprise and business unit levels, with business units identifying, measuring, monitoring, managing, and reporting these and other operational risks at a more detailed level. Failure to comply with these rules could result in a loss a material effect on results of operations and financial losses.

The occurrence of any failures or interruptions in our subsidiaries' IT systems, or the failure of our subsidiaries to adequately address them if they do occur, as well as data security breaches incurred by our subsidiaries, could have a material adverse effect on our reputation, financial condition and results of operations, including as a result of facing significant fines, customer notice obligations or costly litigation, maintaining or upgrading their IT systems, or performing other IT services on a timely basis.

***Cybersecurity events could negatively affect our reputation or results of operations and may result in litigation.***

Information security risks have increased in recent years due to the proliferation of new technologies and the increasing sophistication and number of cyberattack activities as well as the growing connectivity of equipment and systems to the internet. Data security breaches suffered by numerous companies and institutions around the world have attracted considerable amount of media attention and are leading different regulators to strengthen the legislation requirements for addressing data security and privacy issues. Our subsidiaries depend on a variety of internet-based data processing applications, communication and information exchange platforms, and networks as part of their operations and digital strategy.

In recent years, cybersecurity risks have increased significantly mainly due to remote working arrangements and the increased use of digital channels by the clients of our subsidiaries. In this regard, we and our subsidiaries have implemented additional cybersecurity measures to prevent, detect, and respond to these risks. These measures mainly focus on strengthening the security of devices used by our employees working remotely, improving the connection and authentication methods used in remote connections, managing the risk of third parties that are part of our subsidiaries' operation more rigorously, increasing the frequency of their cybersecurity awareness programs, and improving the capability of their cybersecurity threat detection, response, and intelligence procedures.



Although we and our subsidiaries continuously assess and strive to improve the effectiveness and security of our systems by adopting industry-recognized and suggested security standards, given the current cybersecurity dynamics, we cannot guarantee to holders of our common shares that all of our systems are free from vulnerabilities or that the measures adopted will be successful in preventing cyberattacks scenarios. In the event of a cyberattack, we or our subsidiaries may suffer disruptions to business operations, experience response costs and losses, and may be subject to litigation and reputational harm. A cyberattack could have a material adverse effect on our or our subsidiaries' business, financial condition, and results of operations. For further information on the cybersecurity protections and details of the information technology units of our subsidiaries, please refer to "Item 4. Information on the Company—Business Overview—Information Technology Unit" for each of our four business segments and "Item 16K. Cybersecurity."

***Our subsidiaries are susceptible to fraud, unauthorized transactions and operational errors.***

Our subsidiaries are susceptible to, among other things, fraud or bad faith by employees or outsiders, unauthorized transactions by employees and other operational errors (including clerical or record keeping errors and errors resulting from faulty computer or telecommunications systems). Given a high volume of transactions that may occur at a financial institution, errors could be repeated or compounded before they are discovered and remedied. In addition, a number of transactions are not fully automated, which may further increase the risk that human error or employee tampering could result in losses that may be difficult to detect quickly or at all.

While our subsidiaries maintain a system of internal controls designed to monitor and control operational risk, losses from the failure of their system of internal controls to discover and rectify such risks could have a material adverse effect on our reputation, our financial condition and results of operations.

***Our existing insurance coverage may be insufficient and future coverage may be difficult or expensive to obtain.***

Although we believe that our insurance policies provide adequate coverage for the risks inherent in our businesses, these insurance policies typically exclude certain risks and are subject to certain thresholds and limits. We cannot assure holders of our common shares that our properties, equipment, inventories and other assets will not suffer damage due to unforeseen events or that the proceeds available from our insurance policies will be sufficient to protect us from all possible loss or damage resulting from such events. Our subsidiaries renew our insurance policies on an annual basis. The cost of coverage may increase to an extent that we may choose to reduce our policy limits or agree to certain exclusions from our coverage. Among other factors, adverse political developments, security concerns and natural disasters may materially adversely affect available insurance coverage and result in increased premiums for available coverage and additional exclusions from coverage. As a result, our insurance coverage may prove to be inadequate for events that may cause significant disruption to our operations, which could have a material adverse effect on our financial condition and results of operations.

***Our employees could join labor unions and we could be subject to organized labor actions, including work stoppages that could have a material adverse effect on our business.***

Even though the employees of our subsidiaries are not unionized and have not entered into any collective bargaining agreement, nothing prevents them from doing so in the future. Conflicts with our employees and organized labor actions such as work disruptions or stoppages or requirements to increase employee salaries and/or benefits as a result of future collective bargaining agreements, governmental regulations or policies or otherwise could cause us to suffer a material adverse effect on our financial condition and results of operations.

***Our trademarks and trade names may be misappropriated or challenged by others.***

We own the material trademark and trade name rights used in connection with our brands and businesses and the marketing and sale of their respective products and services. We believe our brand names and related intellectual property are important to our continued success. We attempt to protect our trademarks and trade names by exercising our rights under applicable trademark and copyright laws. Any infringement of our intellectual property rights would likely result in a commitment of our time and resources to protect these rights through litigation or otherwise, which could be expensive and time-consuming. If we were to fail to protect our intellectual property rights for any reason, it could have a material adverse effect on our financial condition and results of operations.

***Any failure to comply with anti-corruption, anti-bribery, anti-money laundering and anti-terrorist financing and antitrust laws and regulations could damage our reputation or expose us to penalties.***

We are subject to anti-corruption, anti-bribery, anti-money laundering, anti-terrorist financing, antitrust and other international laws and regulations and are required to comply with the applicable laws and regulations of Peru, Panama, Bahamas and certain other jurisdictions. In addition, we are subject to regulatory legal frameworks that restrict our transactions with certain sanctioned countries, individuals and entities. Failure to comply with such laws and regulations may subject us to economic fines, regulatory sanctions or enforcement proceedings.

We and our subsidiaries are in compliance with the applicable AML and anti-terrorist financing laws and regulations and have implemented policies and procedures, including a “know-your-customer” client identification program, monitoring of the Office of Foreign Assets Control (“OFAC”), local and international sanctions lists, monitoring clients’ transactions, enhanced due diligence procedures for high-risk clients, internal controls and quality assurance programs. Our compliance program is based upon the applicable Peruvian, Panamanian and Bahamian laws and best international practices, such as the recommendations of the Financial Action Task Force (“FATF”). In addition, we perform due diligence on financial institutions to ensure alignment with anti-money laundering policies and procedures. Although these measures mitigate money laundering and terrorist financing risks, these risks are not fully eliminated. Therefore, when subsidiaries identify suspicious activities, these are reported to the authorities and included in our internal “black list” to block future transactions and mitigate reputational risk. However, these measures and procedures may not be completely effective in preventing third parties from using any of our subsidiaries (and our correspondent banks) as a conduit for money laundering or terrorist financing without our knowledge. If any of our subsidiaries were to be associated with money laundering (including illegal cash operations) or terrorist financing, our reputation as a group could suffer and/or they could become subject to fines, sanctions or legal enforcement, including being added to any “blacklists” that would prohibit certain parties from engaging in transactions with us, which could have a material adverse effect on our business, financial condition and results of operations.

We and our subsidiaries are in compliance with applicable anti-bribery and anti-corruption laws, rules and regulations, including policies regarding government officials and other high-risk stakeholders. Despite the fact that our subsidiaries undergo regulatory supervision related to these issues and that neither we nor our subsidiaries have been subject to fines or other penalties, or suffered business or other reputational impact due to alleged money laundering, anti-bribery and anti-corruption activities, there can be no assurance that our internal policies and procedures or the internal policies and procedures of our subsidiaries will be sufficient to prevent or detect all inappropriate practices, fraud or violations of law by our affiliates, employees, directors, officers, partners, agents and service providers. We may, in the future, discover instances in which we have failed to comply with applicable laws and regulations or internal controls. If any of our affiliates, employees, directors, agents, officers, partners, agents and services providers or other persons with whom we conduct business engage in fraudulent, corrupt or other improper or unethical business practices or otherwise violate applicable laws, regulations or our own internal compliance systems, we or our subsidiaries could become subject to one or more enforcement actions by Peruvian or foreign authorities (including the U.S. Department of Justice) or otherwise be found to be in violation of such laws, which may result in penalties, fines and sanctions and in turn adversely affect our reputation, business, financial condition and results of operations.

***We and our subsidiaries are subject to litigation and other legal, administrative and regulatory proceedings.***

We and our subsidiaries are regularly party to litigation and other legal proceedings relating to claims resulting from operations in the normal course of business. The interpretation and enforcement of certain provisions of existing or any additional agreements we may enter into in the future may result in disputes among us and customers or third-parties. Litigation is subject to inherent uncertainties, and unfavorable rulings may occur. We cannot assure holders of our common shares that the legal, administrative and regulatory proceedings in which we and our subsidiaries are involved will not materially and adversely affect our ability to conduct our respective business in the manner that we and they expect or otherwise adversely affect our respective results of operations and financial position should an unfavorable ruling occur.

***Legal restrictions on our clients may reduce the demand for our services.***

We may be materially affected not only by regulations applicable to us, but also by regulations and changes in enforcement practices applicable to our clients. Our business could be affected by, among other things, existing and proposed tax legislation, antitrust and competition policies, corporate governance initiatives, consumer protection laws, data use regulation and other governmental regulation and policies, and changes in the interpretation or enforcement of existing laws and rules, that affect our clients’ businesses and the financial markets. For example, a focus on tax compliance and changes in enforcement practices could lead to asset outflows from our private banking businesses, including at our subsidiary Inteligo.

***Our risk management structure may not be fully effective.***

Our objective is to fully incorporate the risk management process into all of our activities and the activities of our subsidiaries, developing and implementing methodologies, models and other tools for the measurement and control of risks, and looking to continuously improve them in order to mitigate the risks that we identify. However, there may be limitations to this risk management framework in foreseeing and mitigating all the risks to which we or our subsidiaries are subject, including credit, market and operational risks, among others, or those to which we may, in the future, become subject. If our risk management structure is not completely effective in adequately preventing or mitigating risks, we could suffer material unexpected losses, adversely affecting our financial condition and operating results.

***Implementation of tax laws related to the global minimum tax may increase our subsidiaries' tax liabilities, and, as a result, have a material and adverse effect on us.***

In 2021, the Organization for Economic Cooperation and Development (“OECD”) published the draft Global Anti-Base Erosion Model Rules aimed at ensuring that multinational enterprises will be subject to a global minimum 15% tax rate. Governments around the world, including in jurisdictions in which our subsidiaries operate, are implementing changes to their tax laws and regulations to ensure such a global minimum tax. For example, The Bahamas announced in 2023 that it is considering possible options for a new corporate income tax regime to support its implementation of the OECD’s global minimum tax rules. Proposed options include a statutory 15% corporate income tax rate for in-scope multinational enterprises. In February 2024, the Prime Minister of The Bahamas communicated that it was the government’s goal to have a draft legislation for the implementation of OECD’s global minimum tax rules by the end of May 2024, which would then go through public consultation before being finalized for submission to Parliament. Any proposed legislation, if adopted, could result in an increase in tax liabilities for Inteligo Bank, which could have a material adverse impact on its business, financial condition and results of operations.

In addition, certain countries in which our affiliates are subject to tax, such as Spain, have proposed to implement the OECD’s global minimum tax rules. In 2023, the Spanish Ministry of Finance proposed legislation to adopt the undertaxed payment/profit rule (UTPR) of the OECD’s global minimum tax rules for taxable years beginning on or after December 31, 2024. The UTPR would apply to multinational groups with annual consolidated revenue of at least EUR 750 million. If implemented by the Spanish government, the UTPR could cause Inteligo Bank’s income in The Bahamas to be subject to tax under the UTPR even if The Bahamas does not implement its own corporate income tax.

***Disruptive innovation by fintechs and insurtechs may result in increased competition, and as a result, have a material and adverse effect on our subsidiaries.***

Although most fintech and insurtech companies are still in their early stages, and the level of adoption is relatively low compared to the traditional financial system, they represent a disruptive force that is transforming the financial and insurance landscape.

Failure by our subsidiaries to effectively anticipate or adapt to emerging technologies or changes in customer behavior could delay or prevent our access to new digital-based markets. Furthermore, the widespread adoption of new technologies, including payment systems, could require substantial expenditures to modify or adapt our existing products and services as we continue to grow our digital capabilities. As a result, our subsidiaries’ customers may choose to conduct business or offer products on alternative or emerging platforms. Such new technologies could negatively impact our investments in infrastructure, equipment, and personnel, or if our subsidiaries do not properly anticipate trends, render our existing investments in digital platforms moot. If our subsidiaries fail to adapt quickly, or at all, to changes in technologies or changes in customer behavior, it may have an adverse impact on our subsidiaries resulting from increased competition, which could have a material adverse effect on our financial condition and results of operations.

***Transition to a low-carbon economy may have a material and adverse effect on our subsidiaries' results of operations.***

The shift towards a lower-carbon economy can create challenges and potential financial losses to us or our subsidiaries if not managed effectively. In the case of Interbank, borrowers in high-emitting sectors might face financial difficulties due to regulatory changes, technological disruptions, or changing consumer preferences. This could lead to loan defaults, impacting banks’ asset quality and profitability. Inteligo can face stranded assets in its investments in companies or assets heavily reliant on fossil fuels, which value could decrease as the transition progresses. In general, we might face higher operational costs due to regulatory changes not only related to climate risk disclosure or carbon pricing, but also to capital requirements related to climate risks, increasing compliance costs and potentially restricting lending activities. The overall impact can lead to decreased profitability and shareholder value.

## Risks Relating to Peru

*Economic, social and political developments in Peru, including political instability, social unrest, persistent inflation and unemployment, could have a material adverse effect on our businesses.*

Substantially all of the operations and customers of our subsidiaries are located in Peru. Accordingly, our financial condition and results of operations will be dependent on the level of economic activity in Peru. Our financial condition and results of operations could be affected by changes in economic conditions (both domestic and international), policies of the Peruvian government (which has exercised and continues to exercise substantial influence over many aspects of the private sector) and by other economic and political developments in Peru, including devaluation, currency exchange controls, limits on interest rates, seizure of private property, financial regulation, inflation, economic downturns, corruption scandals, social unrest and terrorism, among others.

Historically, Peru's GDP growth rates and external surplus, reflect, in part, the strength of Peru's economic fundamentals. However, ongoing deterioration of the global economy, rising inflation and fuel prices may adversely affect Peru's economy. In addition, an economic contraction or weak economic growth in Peru's trading partners may have an adverse effect on Peru's economy. Social and political tensions and high levels of poverty and unemployment continue. The combination of these factors may be exacerbated by political events, which may lead to intensified economic, social and/or political crises, sparking a wave of protests and social unrest.

Furthermore, Peru has experienced political instability that has included a succession of regimes with differing economic policies and programs, followed by periods of stability. Beginning in 2018, Peru has suffered a series of government institutional crises due to, among other things, several corruption and political scandals involving prominent political figures, which have resulted in resignations and impeachment of various presidents since then.

Peru's most recent presidential elections took place in April 2021. Following a run-off between the top contenders, José Pedro Castillo Terrones (*Partido Político Nacional Perú Libre*), a far-left candidate, and Keiko Sofia Fujimori Higuchi (*Fuerza Popular*), a center-right candidate, on June 6, 2021, Pedro Castillo was elected as Peru's president and sworn in as President on July 28, 2021.

On December 7, 2022, Mr. Castillo announced his intention to dissolve the Peruvian Congress and to intervene in, among others, the Peruvian judicial branch and Superior Court. Mr. Castillo's actions were deemed to constitute an attempted coup, which led to his impeachment and arrest. According to the Peruvian Constitution, Mr. Castillo was succeeded by his then vice-president, Dina Boluarte.

Furthermore, on early 2024, the Peruvian Prosecutor's Office informed the beginning of preliminary investigations to President Boluarte for an alleged illicit enrichment, which led to the filing of motions intending to impeach the President, but the motions did not obtain the required votes to be admitted to debate in the Congress. Moreover, the mass violent protests in several regions of the country following former President Castillo's impeachment in December 2022, together with the political uncertainty over the past years have raised concerns about the ability of the government to implement long-term and consistent economic and social policies required to combat social and economic issues in the future, including those designed to promote economic growth and to counteract the impact of the COVID-19 pandemic. The government's failure to address and alleviate these concerns could result in rating agencies downgrading Peru's sovereign debt rating, which in turn could affect our rating and materially impact our business and operations.

In the past, previous governments have imposed controls on prices, exchange rates, local and foreign investment and international trade, restricted the ability of companies to dismiss employees, expropriated private sector assets and prohibited the remittance of profits to foreign investors. Most recently, former President Vizcarra was known for pursuing business-friendly and open-market economic policies, which remained in place during former President Sagasti's term, while former President Castillo was known for having proposed certain tax, fiscal, financial and economic restrictions in line with his party's left-leaning agenda. Given current political conditions in Peru, there is no certainty on what kind of policies President Boluarte will pursue, or whether those policies will be business-friendly and directed at open-market economic policies that stimulate economic growth and stability during her term. Such political uncertainty, and any future policies that might be implemented by the Peruvian government and/or any action taken by the Peruvian Congress could impact interest rates and currency volatility, as well as adversely and materially affect the Peruvian economy, which could have a material adverse effect on our financial condition and results of operations. See "—Potential exchange controls implemented by the Peruvian government could adversely affect our ability to pay dividends and have a material adverse effect on our financial condition and results of operations." In addition, economic, social and political developments in the region may have an adverse effect on Peru's economy.

There can be no assurance that Peru will not face continued or new economic, political or social problems in the future or that these problems will not adversely affect our business, financial condition and results of operations. Future government policies to pre-empt or respond to social unrest could include, among other things, declarations of state of national emergency, expropriation, nationalization, suspension of the enforcement of creditors' rights and new taxation policies.

***Fluctuations in the value of the sol could have a material adverse effect on our financial condition and results of operations.***

As the Peruvian banking system is still partially dollarized, with 26.9% of gross loans and 33.6% of deposits denominated in U.S. dollars as of December 31, 2023, devaluation of the *sol* against the U.S. dollar could have a negative impact on the ability of Interbank's clients to repay loans and make premium payments.

We are exposed to currency mismatch risks. Within our insurance segment, a similar adverse effect could occur on Interseguro's local debt holdings denominated in foreign currency. Despite any devaluation, and absent any change in foreign exchange regulations, Interbank and Interseguro would be required to continue to repay dollar-denominated deposits in U.S. dollars. In addition, while we seek to manage the gap between Interbank's and Interseguro's foreign currency-denominated assets and liabilities, by matching, for example, the volumes and maturities of Interbank's *sol*-denominated loans against Interbank's *sol*-denominated deposits, we may not be successful in doing so. Therefore, any significant devaluation of the *sol* against the U.S. dollar could have a material adverse effect on our financial condition and results of operations. In addition, a devaluation of the *sol* against the U.S. dollar would decrease the dollar value of any dividends paid to us by our subsidiaries, and, as a result, our ability to pay dividends could be materially and adversely affected. An appreciation of the *sol* could also have an adverse impact on our results of operations as reported in *soles*, as Inteligo's operations are denominated in U.S. dollars, but our reporting currency is in *soles*.

***Potential exchange controls implemented by the Peruvian government could adversely affect our ability to pay dividends and have a material adverse effect on our financial condition and results of operations.***

Since 1991, the Peruvian economy has undergone a major transformation from a highly protected and regulated system to a free market economy. During this period, protectionist and interventionist laws and policies have been dismantled gradually to create a liberal economy dominated by the private sector. Exchange controls and restrictions on remittances of profits, dividends and royalties have ceased. Prior to 1991, Peru exercised control over the foreign exchange markets by imposing multiple exchange rates and placing restrictions on the possession and use of foreign currencies. Currently, foreign exchange rates are determined by market conditions, with regular open-market operations by the Central Reserve Bank of Peru in the foreign exchange market to reduce volatility in the value of Peru's currency against the U.S. dollar.

There can be no assurance that the Peruvian government will not institute restrictive exchange rate policies in the future. Any such restrictive exchange rate policy could have a material adverse effect on our subsidiaries' business, financial condition and results of operations and adversely affect their ability to repay debt or other obligations and therefore restrict their access to international financing.

Volatility in exchange rates may also result in significant competitive benefits to certain of our subsidiaries' competitors who incur a greater part of their costs in other currencies than our subsidiaries' do or increase our subsidiaries' hedging costs and limit our subsidiaries' ability to hedge their exchange rate exposure.

Any dividends paid to us by Interbank, Interseguro, Inteligo SAB and Izipay will be paid in *soles*. Peruvian law does not impose any restrictions on the ability of companies having operations in Peru to transfer foreign currencies from Peru to other countries, except for restrictions applicable to companies that have been convicted or have admitted to and/or acknowledged committing crimes against the Peruvian public administration or money laundering or equivalent crimes, as set forth in Law No. 30737 (a law that provides for the compensation of the governmental entity in cases of corruption and other crimes) and Urgency Decree No. 003-2017 (Urgency Decree to Ensure Continuity of Public Utility Investment Projects and Safeguard Compensation to the State in Cases of Corruption), which restricts the transfer of both local and foreign currency abroad. Except for the restrictions set forth in such regulations, companies having operations in Peru may freely transfer foreign currency from Peru to other countries. If the Peruvian government were to implement restrictive exchange rate controls in the future, we might be obligated to seek an authorization from the Peruvian government to make dividend payments. We cannot assure holders of our common shares that such an authorization would be obtained. Any such exchange rate restrictions or the failure to obtain such an authorization could materially and adversely affect our ability to pay our shareholders.

***Increased inflation in Peru could have an adverse effect on the Peruvian long-term credit market as well as the Peruvian economy generally and, therefore, on our financial condition and results of operations.***

In the past, Peru has suffered through periods of high and hyper-inflation, which has materially undermined the Peruvian economy and the government's ability to create conditions that support economic growth. In response to increased inflation, the Central Reserve Bank of Peru, which sets the Peruvian basic interest rate, may increase or decrease the basic interest rate in an attempt to control inflation or foster economic growth. Increases in the base interest rate could adversely affect our results of operations, increasing the cost of certain funding. Additionally, a return to a high inflation environment would also undermine Peru's foreign competitiveness, with negative effects on the level of economic activity and employment, while increasing our operating costs and adversely impacting our operating margins. As of December 31, 2023, the rate of inflation was 3.24%, compared to 8.46% in the year ended December 31, 2022, and, in its latest estimate, as of December 22, 2023, the Central Reserve Bank of Peru has estimated Peru's inflation to be 2.2% in 2024.

***The stability of the Peruvian financial system depends on public confidence in Peruvian banking and financial institutions.***

Financial institutions, including Interbank and Interseguro, depend on public confidence in the Peruvian financial system. In the event of adverse developments affecting Peru's economic, political or social conditions or if a bank faces liquidity problems, the general public may withdraw deposits and savings from the troubled bank or from banks generally, thereby precipitating a liquidity crisis, as occurred in Peru in the late 1990s.

If depositors withdraw significant holdings from banks generally, including Interbank, there will be a substantial adverse impact on the manner in which financial institutions, including Interbank and Interseguro, conduct their business, on their ability to operate as financial intermediaries and on their financial condition, which could have a material adverse effect on our financial condition and results of operations.

***The Peruvian economy could be adversely affected by economic developments in regional or global markets.***

Financial and securities markets in Peru are influenced by economic and market conditions in regional or global markets. Although economic conditions vary from country to country, investors' perceptions of the events occurring in one country may adversely affect cash flows and securities from issuers in other countries, including Peru. For example, the Peruvian economy was adversely affected by the political and economic events that occurred in several emerging economies in the 1990s, including in Mexico in 1994, which impacted the fair value of securities issued by companies from markets throughout Latin America. The crisis in the Asian markets beginning in 1997 also negatively affected markets throughout Latin America. Similar adverse consequences resulted from the economic crisis in Russia in 1998, the Brazilian devaluation in 1999 and the Argentine crisis in 2001. In addition, Peru's economy continues to be affected by events in the economies of its major regional partners and in developed economies that are trading partners or that affect the global economy.

The 2008 and 2009 global financial and economic crisis, principally driven by the subprime mortgage market in the United States, substantially affected the international financial system, including Peru's securities market and economy. Additionally, the debt crisis in Europe, which began with the financial crises in Greece, Spain, Italy and Portugal, reduced the confidence of foreign investors, which caused volatility in the securities markets and affected the ability of companies to obtain financing globally. Doubts about the pace of global growth, particularly in the United States, contributed to already weak international growth in 2011, 2012 and 2013. Moreover, Brexit and regional developments in China and other Asian countries, as well as the market turmoil generated by the recent bank failures in the United States, and the emergency sale of Credit Suisse have contributed to increased volatility and uncertainty in a number of financial markets. In addition, the announcement of rate increases by the U.S. Federal Reserve, the trade war between the United States and China, and, while our direct exposure to Russia is limited, Russia's large-scale continued military invasion of Ukraine, the military conflict between Israel and Hamas, among other factors, had an impact on the Peruvian economy by adding inflationary pressures, including in respect of high food and energy prices. Moreover, the high inflation combined with the interest rate increase by the Federal Reserve of the United States have impacted our liquidity in the capital markets.

Any interruption to the recovery of the developed economies, the continued effects of the global crises, a worsening or resurgence of the debt crisis in Europe, a new geopolitical tension in Europe resulting in economic and/or financial crisis, or new bank failures in the United States, Peru or other countries, or a combination of the above, could affect the Peruvian economy, and consequently, materially adversely affect our business. Our business is particularly sensitive to economic and market conditions which affect products of various export industries, including textile, fishing, and agriculture. In addition, we are active in the real estate sector, which can also be highly sensitive to macroeconomic developments. Although we have relatively little exposure to the mining sector, a decline in commodity prices could negatively affect the Peruvian economy as a whole. Any increase in the number of delinquencies or defaults would result in higher levels of non-performing assets and provisions for loan losses, which could have a material adverse effect on our financial condition and results of operations.

Adverse developments in regional or global markets or an increase in the perceived risks associated with investing in emerging markets in the future could adversely affect the Peruvian economy and, as a result, adversely affect our businesses.

***A decline in the prices of certain commodities in the international markets could have a material adverse effect on our financial condition and results of operations.***

In 2023, traditional exports, in particular mineral products, fishing products, agricultural products and petroleum and its derivatives, represented 72.3% of Peru's total exports compared to 71.9% in 2022, according to figures by the Central Reserve Bank of Peru. A decline in commodity prices in the international markets, especially traditional minerals which represented 63.3% and 57.3% of exports by value in 2023 and 2022, respectively, may have an adverse impact on government finances, which could affect both investor confidence and the sustainability of government expenditure and social programs. Thus, a decline in commodity prices could, ultimately, affect the political environment in Peru, especially as regional and local governments are particularly reliant on tax revenue from mining concerns. By potentially affecting private sector demand and investor confidence, lower commodity prices could also affect the banking and insurance sector, leading to, for example, lower credit demand, deteriorating asset quality and currency devaluation. A decline in commodity prices could also materially affect the finances of some of our clients that rely on revenue from natural resources.

***The market volatility generated by distortions in the international financial markets may affect the Peruvian capital markets and the Peruvian banking system.***

The global financial and economic crisis of 2008 and 2009, and more recently, the COVID-19 pandemic and the market turmoil generated by the recent bank failures in the United States and the emergency sale of Credit Suisse, adversely affected and increased the volatility of the performance of the Lima Stock Exchange. The Lima Stock Exchange was downgraded from an "emerging market" to "frontier market" in September 2020, which may in the future affect trading activity in the Peruvian capital markets. In recent years, the Lima Stock Exchange has experienced increased participation from local and international retail investors that react rapidly to the effects from international markets. The general index of the Lima Stock Exchange increased by 1.4% in 2021, by 1.0% in 2022 and by 21.7% in 2023. Volatility in the international markets may adversely affect the Peruvian capital markets and could therefore impact our ability to raise funds from local capital markets at a level necessary to fund our operations.

Although the Peruvian banking system has not experienced any significant liquidity problems in recent years, primarily because the major source of funds for local banks, including Interbank, is represented by the deposit base, future market volatility may affect do so. The occurrence of such volatility could have a material adverse effect on our financial condition and results of operations.

***The operations of Interbank, Interseguro, Interfondos, Inteligo SAB and Izipay could be adversely affected by earthquakes, floodings or other natural disasters, such as the "El Niño" phenomenon, which causes a warming of temperatures in the Pacific Ocean, resulting in heavy rains off the coast of Peru, among other locations.***

Peru is affected by *El Niño*, an oceanic and atmospheric phenomenon that causes a warming of temperatures in the Pacific Ocean, resulting in heavy rains off the coast of Peru and various other effects in other parts of the world. The effects of *El Niño*, which typically occurs every two to seven years, include flooding and the destruction of fish populations and agriculture, and it accordingly can have a negative impact on Peru's economy. For example, in early 2017, *El Niño* adversely affected agricultural production, transportation services, tourism and commercial activity, caused widespread damage to infrastructure and displaced people and resulted in a 1.5% drop in GDP growth in 2017 relative to 2016 figures. The Peruvian government estimated that *El Niño* caused U.S.\$2.8 billion in damages in affected regions in the first half of 2017. In particular, *El Niño* has affected and could in the future affect our loan activity and asset quality, as loan agreements typically allow borrowers to extend payments for a certain amount of time due to *El Niño* and it could ultimately affect their payment capacity when the extensions run out. Most recently, on March 15, 2022, heavy rainfall led to floods and landslides in the town of Retamas, La Libertad, which caused the destruction of many homes and caused several deaths.

Peru is also located in an area that experiences seismic activity and occasionally is affected by earthquakes. For example, in 2007, an earthquake with a magnitude of 7.9 on the Richter scale struck the central coast of Peru, severely damaging the region south of Lima, and on May 26, 2019, an earthquake with a magnitude of 8.0 struck a remote part of the Amazon in Peru, resulting in collapsed buildings, power failures and two reported deaths. Although Interbank's, Interseguro's, Inteligo's and Izipay's headquarters and financial stores in Peru have not been materially affected by an earthquake, a major earthquake could damage the infrastructure necessary to their operations.

Although we have insured against damage caused by an earthquake and other natural disasters, accidents and other similar events (including coverage for losses due to resulting business interruption), the occurrence of an earthquake in particular and any other natural disasters in general could adversely affect our results of operations and financial condition and we may be subject to further requirements from the SBS in order to provide temporary measures for the victims of the natural disasters, such as re-scheduling their credit payments. Further, any natural disaster will increase the probability of Interseguro having to pay the corresponding indemnification to customers under insurance policies that Interseguro sold, which would negatively affect its operating margins.

***Corruption and ongoing high profile corruption investigations may hinder the growth of the Peruvian economy and have a negative impact on our business and operations.***

Starting in 2018, Peru has suffered a series of government institutional crises due to, among other things, several corruption scandals involving prominent political figures, which have resulted in resignations and impeachment of various presidents since then, including most recently former President Jose Pedro Castillo in December 2022 following an attempted coup, as well as investigations of certain members of the judicial system and the public ministry who are now facing prosecution. See “—Economic, social and political developments in Peru, including political instability, inflation and unemployment, could have a material adverse effect on our businesses”.

In addition, several corruption scandals regarding authorities at municipal, regional and national government levels are also ongoing, and former and current government officials have been detained. Relatedly, Peruvian authorities are currently conducting several high-profile corruption investigations relating to the activities of certain Brazilian companies and their Peruvian partners in the construction and infrastructure sectors, which have resulted in suspension or delay of important infrastructure projects, which were otherwise operational and permitted. Due to the cooperation agreement signed between the Peruvian government and Odebrecht S.A. in 2019, additional investigations and/or corruption scandals may arise. In recent years, similar corruption scandals have taken place in the majority of Peruvian public institutions, with the involvement of political authorities. We cannot predict how these or future corruption scandals or investigations may affect the Peruvian economy, hinder the growth of the Peruvian economy and indirectly have a material adverse effect on our business, financial condition and results of operations.

***Changes in tax laws may increase our tax liabilities and, as a result, have a material and adverse effect on us.***

The Peruvian government regularly implements changes to its tax regulations and interpretations. Potential changes may include modifications in the taxable events, the taxable bases or the tax rates, or the enactment of temporary taxes that, in some cases, could become permanent taxes. The Peruvian government has introduced several changes related, among others, to thin capitalization rules (which prevents companies from deducting interest for tax purposes when certain thresholds are exceeded) and to the general anti-avoidance rule or GAAR (which entitles the tax and customs national superintendency to challenge the taxation of certain transactions with a substance-over-form criteria).

The effects of any tax reform that could be proposed in the future and any other changes that could result from the enactment of additional reform or changes in interpretation have not been, and cannot be, quantified. Any changes to the Peruvian tax regime or interpretation thereof may result in an increase of our and our subsidiaries' tax liabilities and/or overall compliance costs, which could have a material adverse impact on our business, financial condition and results of operations. Furthermore, such political uncertainty, or actual policies implemented by the Peruvian government, could also impact interest rates and currency volatility, as well as adversely and materially affect the Peruvian economy, which could have a material adverse effect on our financial condition and results of operations.

***The dollarization of the Peruvian economy hampers monetary policy, which in turn may have an effect on our business.***

Dollarization generally refers to the degree to which the U.S. dollar has displaced the local currency in the economy. Despite the positive effect that it may have on reducing cross-border transaction costs and preserving purchasing power, the dollarization of the Peruvian economy has also hampered monetary policy by undermining the Central Reserve Bank of Peru's ability to control the money supply. Despite the government's policies and efforts to “solarize” the economy, which have been adopted in the past, the high degree of dollarization of the economy affects the Peruvian financial system by forcing the Central Reserve Bank of Peru to establish high levels of reserve requirements in U.S. dollars while also adding a risk to participating banks' statements of financial position, including Interbank. An appreciation of the U.S. dollar poses a risk to us and a systemic risk to the Peruvian financial system because of the levels of U.S. dollar-denominated assets and liabilities in the Peruvian financial system. This risk



comes from the potential imbalance that a bank's clients may experience when borrowing in U.S. dollars and earning in *soles*. As a result, the SBS has been enacting rules aimed to make banks capable of identifying clients with potential imbalances and establishing reserves if necessary.

Under the Peruvian Banking and Insurance Law, all financial institutions regulated by the SBS (except for small-business development non-bank institutions) are required to maintain a legal reserve (*encaje*) for certain obligations. The Central Reserve Bank of Peru may require additional and marginal reserves. The exact level and method of calculation of the reserve requirement is set by the Central Reserve Bank of Peru, which has issued different sets of regulations for foreign and local currency-denominated obligations of banks. We cannot assure you that the Central Reserve Bank of Peru will not increase the base rate or impose additional requirements in the future, or that such changes in the regulatory environment will not have an adverse effect on our business, financial condition or results of operations.

## **Risks Relating to the Common Shares**

### ***There may be a lack of liquidity and market for our common shares.***

An active and liquid market for our common shares may not be maintained. Active, liquid trading markets generally result in lower price volatility and respond more efficiently to orders from investors to purchase or sell securities. Liquidity of a securities' market is often a function of the volume of the underlying shares that are publicly-held by unrelated parties. Our common shares are listed on the Lima Stock Exchange, which is generally a less liquid trading market than the New York Stock Exchange ("NYSE"). Moreover, on March 31, 2023, IFS' shareholders have approved the creation of a share repurchase program for an amount of up to U.S.\$100 million of our common shares which is ongoing and has reduced the amount of our common shares available for trading and thus their liquidity.

In addition, investing in securities traded in emerging market countries, such as Peru, frequently involves a greater degree of risk when compared to investments in securities of issuers located in international securities markets with more stable economic, political and/or regulatory conditions and are generally considered being more speculative in nature.

These factors affect the ability of holders of our common to sell common shares at a desirable price and time, which could have a material adverse effect on the price of our common shares. In the event an active and liquid market for our common shares does not develop or is not maintained, the market price of our common shares that could be negatively impacted.

### ***The price of our common shares may be volatile.***

The trading price of our common shares may fluctuate substantially and may be higher or lower than the price holders of our common shares pay, depending on many factors, some of which are beyond our control and may not be related to our operating performance. These fluctuations could cause holders of our common shares to lose part or all of their investment in our common shares. The factors that could cause fluctuations include, but are not limited to, the following:

- overall price and volume fluctuations affecting the stock exchanges on which our common shares are listed, including financial market volatility as a result of Russia's continued large-scale military invasion of Ukraine or the military conflicts between Israel and Hamas;
- financial market volatility and market turmoil associated with the failure of two U.S. banks and the emergency sale of Credit Suisse or similar developments in the financial industry;
- significant volatility in the market price and trading volume of banking or insurance company securities generally, which are not necessarily related to the operating performance of these companies;
- actual or anticipated changes in our earnings, fluctuations in our operating results or the failure to meet the expectations of financial market analysts and investors;
- risks relating to the global economy and the economies of the United States, Peru and the other countries in which we operate;
- investors' perceptions of the banking and insurance industries in general and our company in particular;

- potential differences between our actual financial condition and results of operations and those expected by investors;
- additions or departures of key management personnel;
- announcements by us or our competitors of significant acquisitions, divestitures, strategic partnerships, joint ventures or capital commitments;
- increase in interest rates in Peru and the United States;
- reputational issues;
- the operating and stock performance of comparable companies;
- general economic conditions and trends;
- catastrophic events;
- changes in accounting standards, policies, guidance, interpretation or principles;
- regulatory changes;
- loss of external funding sources; or
- sales of large blocks of our stock or sales by insiders.

***We may raise additional capital in the future through the issuance of equity securities, which may result in dilution of the interests of our shareholders.***

We may need to raise additional capital and may opt for obtaining such capital through the public or private placement of common shares or securities convertible into our common shares. Our articles of incorporation do not provide for preemptive rights for our shareholders in the event of a public or private equity raise, or financing through the issuance of securities convertible into our common shares, such additional funds may dilute the percentage interests of investors in our common shares.

***The significant share ownership of our controlling shareholder may conflict with the interests of the holders of our common shares and may have an adverse effect on the future market price of our shares.***

As of December 31, 2023, our controlling shareholder (Intercorp Peru) owned, directly and indirectly, 71.44% of our outstanding capital stock (including treasury stock). Actions by Intercorp Peru with respect to the disposition of any of our common shares that it beneficially owns or the perception that such actions will occur, may negatively affect the trading price of our common shares.

In addition, Intercorp Peru has and will continue to have the ability to elect a majority of the members of our board of directors and thus determine our business strategies, as well as determine the outcome of actions that require shareholder approval, including the approval of mergers and other extraordinary transactions and the payment of dividends. The controlling shareholder of Intercorp Peru may have interests that differ from those of the holders of our common shares and may take actions that may be adverse to their interests. The concentration of ownership may also delay, prevent or deter a change in control of our company, could deprive our shareholders of an opportunity to receive a premium for their common shares as part of a sale of our company and might ultimately affect the market price of our common shares.

In addition, we and our subsidiaries engage in numerous related party transactions with companies controlled by Intercorp Peru as well as other affiliated companies. Although Peruvian, Panamanian and Bahamian law regulate the amount of credit exposure our subsidiaries are permitted to have with our related parties, conflicts of interest may arise in the future. See “Item 7. Major Shareholders and Related Party Transactions—Related Party Transactions.”

***Holders of our common shares may have fewer and less well-defined rights than shareholders of a company organized in other jurisdictions, such as the United States.***

We are a *sociedad anónima* (corporation) organized under the laws of Panama. Our corporate affairs are governed by our organizational documents and the laws of Panama. Under such documents and laws, our shareholders, and therefore holders of our common shares, may have fewer or less well-defined rights than they might have as shareholders of a corporation incorporated in other jurisdictions, such as in the United States.

***Holders of our common shares may have difficulty enforcing judgments against us, our officers and directors.***

We are a corporation organized under the laws of Panama, and the majority of our subsidiaries' operations are in Peru. Substantially all of our directors, officers and certain of the experts named herein reside outside the United States, and all or substantial portions of our assets are located outside the United States. As a result, it may not be possible for holders of our securities to effect service of process within the United States upon such persons or upon us, including with respect to matters arising under the federal securities laws of the United States, or to enforce against such persons or against us judgments of courts of the United States predicated upon the civil liability provisions of the federal securities laws of the United States or other laws of the United States or any State thereof.

We have been advised by our Peruvian counsel that any final and conclusive judgment for a fixed and final sum obtained against us in any foreign court having jurisdiction in respect of any suit, action or proceeding against us for the enforcement of any obligations assumed under our outstanding securities or this Annual Report on Form 20-F would, upon request, will be deemed valid and enforceable in Peru through an *exequatur* judiciary proceeding (which does not involve the reopening of the case), *provided* that (a) there is a treaty in effect between the country where said foreign court sits and Peru regarding the recognition and enforcement of foreign judgments or, (b) in the absence of such a treaty, the original judgment is recognized by Peruvian Courts (*Cortes de la República del Perú*) under such *exequatur* proceeding, subject to the provisions of the Peruvian Civil Code and the Peruvian Civil Procedure Code, *provided further*, that the following conditions and requirements are met: (i) the foreign judgment does not resolve matters under the exclusive jurisdiction of Peruvian Courts, (ii) such foreign court had jurisdiction under its own conflicts of law rules and under general principles of international law on jurisdiction, (iii) the defendant was adequately served and was guaranteed due process under the laws of the jurisdiction of the issuing court, (iv) the foreign judgment has the status of *res judicata* in the jurisdiction of the court rendering such judgment, (v) there is no pending litigation in Peru between the same parties for the same dispute, which shall have been initiated before the commencement of the proceeding that concluded with such foreign judgment, (vi) the foreign judgment is not incompatible with another judgment that fulfills the requirements of recognition and enforceability established by Peruvian law unless such foreign judgment was rendered first, (vii) the foreign judgment is not contrary to public order (*orden público*) or good morals (*buenas costumbres*), (viii) it has not been proven that such foreign court denies enforcement of Peruvian judgments or engages in a review of the merits thereof, (ix) the judgment has been (a) duly apostilled by the competent authority of the jurisdiction of the issuing court, in case of jurisdictions that are parties to the Hague Apostille Convention and has not opposed Peru's accession thereto, or (b) certified by Peruvian consular authorities, in case of jurisdictions that are not parties to the Hague Apostille Convention, or then being a signatory country, opposed Peru's accession thereto and is accompanied by a certified and officially translated copy of such judgment into Spanish, and (x) the applicable court taxes and filing fees have been paid.

We have been advised by our Panamanian counsel that there is uncertainty as to the enforceability in original actions in Panamanian courts of liabilities predicated solely on the U.S. federal securities laws and as to the enforceability in Panamanian courts of judgments of U.S. courts obtained in actions predicated upon the civil liability provisions of the federal securities laws of the United States. There is no existing treaty between the United States and Panama for the reciprocal enforcement of foreign judgments of courts outside Panama, including without limitation, judgments of U.S. courts. Panamanian courts, however, have enforced judgments rendered in the United States based on legal principles of reciprocity and comity. We have been advised by our Panamanian counsel that judgments rendered by foreign courts may only be recognized and enforced by the courts of Panama in the event that the Supreme Court of Panama validates such judgment by the issuance of a writ of *exequatur*. Subject to a writ of *exequatur*, any final judgment rendered by any U.S. court will be recognized, conclusive and enforceable in the courts of Panama without reconsideration of the merits, provided that: (i) such foreign court grants reciprocity to the enforcement of judgments of the courts of Panama; (ii) the party against which the judgment was rendered was personally served (service by mail not being sufficient) in such action within such foreign jurisdiction; (iii) the judgment arises out of a personal action against the defendant; (iv) the obligation in respect of which the judgment was rendered is lawful in Panama and does not contradict the public policy of Panama; (v) the judgment is properly authenticated by diplomatic or consular officers of Panama or pursuant to the 1961 Hague Convention on the Legalization of Documents; and (vi) a copy of the final judgment is translated into Spanish by a licensed translator in Panama. We have no reason to believe that any of our obligations relating to the shares would be contrary to Panamanian law.

The laws of Peru and Panama may not be as favorable to the interests of holders of our common shares as the laws of jurisdictions with which they are familiar. The application of these laws, or any conflict among them, could call into question what and how the laws of each jurisdiction should apply.

In addition, our articles of incorporation contain a general indemnification provision for our officers and directors for any loss, change or payment arising out of any claim or right of action, both individually and on our behalf, against any of them. Directors and officers and their successors and their property will be compensated for and kept safe, during the time devoted to the Company in relation to any of the affairs thereof, from any action, costs, charges, losses, damages and expenses which any of them may incur or sustain by reason of any act or omission done in the performance of their duties, and none of them will be liable for the acts, neglect or omissions of others, even if his signature or action has been provided as internal or external requirement. The indemnity provision does not cover any damage or loss resulting from malice or inexcusable negligence on the part of any of our officers or directors.

***Judgments of Peruvian courts with respect to our common shares will be payable only in soles.***

If proceedings are brought in the courts of Peru seeking to enforce our obligations in respect of our common shares, we will not be required to discharge our obligations in a currency other than *soles*. Under Peruvian exchange control limitations, an obligation in Peru to pay amounts denominated in a currency other than *soles* may be satisfied in Peruvian currency only at the exchange rate, as determined by the Central Reserve Bank of Peru, in effect on the date the judgment is obtained, and such amounts are then adjusted to reflect exchange rate variations through the effective payment date. The then prevailing exchange rate may not afford non-Peruvian investors with full compensation for any claim arising out of or related to our obligations under our common shares.

***We are subject to different corporate disclosure and accounting standards than those holders of our common shares may be familiar with in the United States.***

As a corporation organized under the laws of Panama, our corporate affairs are governed by the laws of Panama. In addition, as our common shares are listed on the Lima Stock Exchange and the majority of our subsidiaries' operations are in Peru, we follow Panamanian and most Peruvian practices concerning corporate governance and intend to continue to do so. Financial reporting and securities disclosure requirements in Panama and Peru differ in certain significant respects from those required in the United States. There are also material differences among IFRS, SBS GAAP and U.S. GAAP. Accordingly, the information about us available to holders of our common shares will not be the same as the information available to holders of shares issued by a U.S. company.

In addition, the Peruvian Securities Market Law, which governs open or publicly listed companies, such as us, imposes disclosure requirements that are more limited than those in the U.S. in certain important respects. Although Peruvian law imposes restrictions on insider trading and price manipulation, applicable Peruvian laws are different from those in the United States, and the Peruvian securities markets are not as highly regulated and supervised as the U.S. securities markets.

***We could be considered a passive foreign investment company for U.S. federal income tax purposes, which could result in adverse U.S. tax consequences for U.S. investors.***

Based on our current expectations regarding the value and nature of our assets, the sources and nature of our income, relevant market and shareholder data and our current business plans, we believe that we will not be treated as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes with respect to our 2023 and current taxable years, and we do not anticipate becoming a PFIC in the future. Characterization as a PFIC could result in adverse U.S. tax consequences to holders of our common shares if they are U.S. investors. Certain elections may be available to mitigate the consequences if we are treated as a PFIC for U.S. federal income tax purposes. See "Item 10. Additional Information—Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Companies" included elsewhere in this Annual Report on Form 20-F.

***One or more of our subsidiaries could be classified as a PFIC for U.S. federal income tax purposes.***

As discussed in more detail in "Taxation—United States Federal Income Tax Considerations," U.S. investors may face unique U.S. tax issues from indirectly owning interests in a PFIC that may result in adverse U.S. tax consequences to them. See "Item 10. Additional Information—Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Companies" included elsewhere in this Annual Report on Form 20-F.

***If we are unable to maintain effective internal control over financial reporting in the future, our results of operations and the price of our common shares could be adversely affected.***

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, our management is required to report on, and our independent registered public accounting firm to attest to, the effectiveness of our internal control over financial reporting.

The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. We can provide no assurance that from time to time we will not identify concerns that could require remediation. Any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations in the future. If we are unable to conclude that we have effective internal control over financial reporting, or if our independent registered public accounting firm is unable to provide us with an unqualified opinion regarding the effectiveness of our internal control over financial reporting in subsequent years as required by Section 404, investors could lose confidence in the reliability of our financial statements, which could result in a decrease in the value of our common shares.

Failure to comply with Section 404 could also potentially subject us to sanctions or investigations by the SEC, the NYSE or other regulatory authorities.

***The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified board members or executive officers.***

As a public company, we incur significant legal, accounting and other expenses that we did not incur as a private company, including costs associated with public company reporting requirements, such as those to comply with the Sarbanes-Oxley Act of 2002, as amended, and related rules implemented by the SEC. The expenses incurred by public companies generally for reporting and corporate governance purposes have been increasing and we expect these rules and regulations to increase our legal and financial compliance costs and to make some activities more time consuming and costly. These laws and regulations could also make it more difficult or costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. These laws and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as our executive officers and may divert management's attention. Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to delisting of our common shares, fines, sanctions and other regulatory action and potentially civil litigation which may adversely affect us.

***Our status as a foreign private issuer allows us to follow alternate standards to the corporate governance standards of the NYSE, which may limit the protections afforded to investors.***

We are a "foreign private issuer" within the meaning of the NYSE corporate governance standards. Under NYSE rules, a foreign private issuer may elect to comply with the practices of its home country and not comply with certain corporate governance requirements applicable to U.S. companies with securities listed on the exchange. We currently follow certain Panamanian and most Peruvian practices concerning corporate governance and intend to continue to do so. Accordingly, holders of our common shares will not have the same protections afforded to shareholders of companies that are subject to all of the NYSE corporate governance requirements.

For example, the NYSE listing standards provide that the board of directors of a U.S. listed company must have a majority of independent directors at the time the company ceases to be a "controlled company". The listing standards for the NYSE also require that U.S. listed companies, at the time they cease to be "controlled companies," have a nominating/corporate governance committee and a compensation committee (in addition to an audit committee). Each of these committees must consist solely of independent directors and must have a written charter that addresses certain matters specified in the listing standards. Under both Panamanian and Peruvian law, companies may, but are not required to, form special governance committees, which may be composed partially or entirely of non-independent directors. In addition, NYSE rules require the independent non-executive directors of U.S. listed companies to meet on a regular basis without management being present. There is no similar requirement under Peruvian and Panamanian law.

The NYSE's listing standards also require U.S. listed companies to adopt and disclose corporate governance guidelines. In December 2013, the SMV published the new Code of Good Governance for Peruvian Companies. Although we have implemented most of these measures, those principles are not mandatory and therefore we are not legally required to comply with the corporate governance guidelines but are required to disclose whether or not we are in compliance. We are fully compliant with Panamanian corporate law and are part of the Index of Good Corporate Governance (*Índice de Buen Gobierno Corporativo*) maintained by the Lima Stock Exchange.

***If securities or industry analysts do not actively follow our business, or if they publish unfavorable research about our business, the price and trading volume of our common shares could decline.***

The trading market for our common shares will depend, in part, on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts who covers us downgrades our common shares or publishes unfavorable research about our business, the price of our common shares would likely decline. If one or more of these analysts ceases coverage of our company or fails to publish reports on us regularly, demand for our common shares could decrease, which could cause the price and trading volume of our common shares to decline.

***Future offerings of debt or preferred securities may limit our operating and financial flexibility and may materially adversely affect the market price of, and dilute the value of, the common shares.***

If we decide to issue debt or preferred securities in the future or otherwise incur indebtedness, it is possible that these debt or preferred securities or indebtedness will be governed by an indenture or credit agreement or other instrument containing covenants restricting our operating flexibility and limiting our ability to make distributions to holders of the common shares. Additionally, any convertible or exchangeable securities that we issue in the future may have rights, preferences and privileges, including with respect to distributions, more favorable than those of the common shares and may result in dilution to holders of the common shares. Because our decision to issue securities in any future offering or otherwise incur indebtedness will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings or financings, any of which could materially reduce the market price of the common shares and dilute the value of the common shares.

***Peruvian corporations, including our subsidiaries, may be jointly and severally liable for any unpaid Peruvian capital gains tax related to the transfer of the common shares.***

Peruvian corporations, including our subsidiaries, may be jointly and severally liable for any unpaid Peruvian capital gains tax related to the transfer of shares issued by their foreign holding company.

In accordance with Peruvian income tax laws and regulations, in the case of the direct or indirect transfer by a non-Peruvian resident of shares issued by a Peruvian corporation, the Peruvian corporation whose shares were directly or indirectly transacted will be jointly liable with the non-Peruvian transferor for any unpaid capital gain tax obligations (plus accrued interest and penalties) arising from such sale/purchase, if during any of the 12 months preceding the transaction, *inter alia*, (i) the non-Peruvian transferor held an indirect or direct interest of more than 10% in the equity of the Peruvian corporation that issued the shares being directly or indirectly transferred, or (ii) the non-Peruvian transferor and the Peruvian corporation that issued the shares being transferred consolidate financial statements, or (iii) the non-Peruvian transferor and Peruvian corporation have had common directors / managers / or administrators that have power of decision in the financial, operational or commercial agreements, or (iv) the non-Peruvian transferor has dominant influence on the decisions of the administrative bodies of the Peruvian corporation, or vice versa. If such a transfer were to occur and the resulting Peruvian capital gains tax were not paid by the transferor, it could have a material adverse effect on our business, financial condition or results of operations.

#### **ITEM 4. INFORMATION ON THE COMPANY**

##### **A. History and Development of the Company**

Our legal name is Intercorp Financial Services Inc. and we are organized as a corporation (*sociedad anónima*) under the laws of Panama since 2006. Our principal executive offices are located at Av. Carlos Villarán 140, 5th Floor, Urbanización Santa Catalina, La Victoria, Lima 13, Peru. Our telephone number is +(511) 615-9011. Our website is [www.ifs.com.pe](http://www.ifs.com.pe).

We are the majority owner and controlling shareholder of our subsidiaries, Interbank, Interseguro, Inteligo and Izipay, which comprise our banking, insurance, wealth management and payments segments, respectively. We are responsible for coordinating, supervising and establishing their strategy and management policies. In 2007, we conducted an initial public offering of our common shares publicly in Peru and privately outside of Peru. Our parent company is Intercorp Peru, a holding company for a group of companies operating mainly in Peru under the name “Intercorp”. Intercorp Peru’s main subsidiaries include our company and Intercorp Retail. Intercorp Retail acts as a holding company for the retail and real estate operations of Intercorp Peru in Peru. As of December 31, 2023, Intercorp Peru owned, directly and indirectly, 71.44% of IFS’ capital stock (including treasury stock).

Interbank is an open-stock corporation (*sociedad anónima abierta*). Interbank was incorporated in Lima, Peru in 1897 and formerly conducted business under the names “Banco Internacional del Perú S.A.” and “Interbank”. In August 1994, as part of the government’s privatization efforts, 91% of Interbank’s share capital was acquired by Corporación Interbank, which subsequently transferred its holdings in Interbank to Intercorp Peru, a limited liability company organized under the laws of the Commonwealth of The Bahamas. After Interbank’s acquisition by Intercorp Peru in 1994, Interbank began conducting business under the name “Interbank” as part of a rebranding and modernization effort, and has become a leading universal bank in Peru. As of December 31, 2023, IFS held 99.30% of the capital stock of Interbank.

Interseguro is a corporation (*sociedad anónima*) that was incorporated in 1998 by Intercorp Peru, pursuant to an agreement between Intercorp Peru and The Bankers Trust Company (“Bankers Trust”) (at the time the controlling shareholder of Consorcio Nacional de Seguros S.A., the largest insurer in Chile) to benefit from the expansion of the insurance business in Peru. In connection with the sale of Bankers Trust to Deutsche Bank AG in 1999, Bankers Trust’s interest in Interseguro was sold to a group of Chilean investors, and in 2000 Intercorp Peru acquired the portion of Interseguro that it did not own.

On May 31, 2017, we entered into a share purchase agreement with Sura Asset Management Company (“SUAM”) and “Grupo Wiese” to acquire 100% of the capital stock of Seguros Sura S.A. (“Seguros Sura”) and Hipotecaria Sura Empresa Administradora Hipotecaria S.A. (“Hipotecaria Sura”) (the “Sura Acquisition”) for an initial base price of U.S.\$268 million. The transaction became effective on November 2, 2017 and the approval by SBS was granted on September 28, 2017. This merger consolidated Interseguro’s leadership in the annuities market, as well as strengthened its position in credit life insurance.

Inteligo was incorporated under the laws of the Republic of Panama in 2006. Inteligo Bank is a corporation that was incorporated in 1995 in The Bahamas and formerly conducted business under the names of Interbank Overseas Ltd. and Blubank Ltd. Inteligo SAB is a corporation (*sociedad anónima*) that started operations in 1993. On July 18, 2014, the board of directors of IFS approved the acquisition of Inteligo, effective on August 1, 2014. This reorganization entailed the acquisition of 100% of Intercorp Peru’s shares in Inteligo by IFS in exchange for 19.5 million IFS common shares. Inteligo SAB is organized under the laws of Peru, and is licensed by the SMV to operate in Peru and conduct brokerage, custody, portfolio management and advisory services.

Interfondos is a corporation (*sociedad anónima*) that started operations in 1994. It is organized under the laws of Peru and is licensed by the SMV to operate in Peru and conduct mutual funds and investment funds management services.

In January 2019, we announced the consolidation of our wealth management activities at Inteligo by transferring Interbank’s mutual funds subsidiary, Interfondos, to Inteligo, where asset management is the core business.

In July 2019 we, together with Interbank, Intercorp Peru and a non-related shareholder conducted a SEC-registered initial public offering as a result of which IFS sold 1,150,000 newly-issued common shares and 2,418,754 treasury common shares (including shares sold by Interbank), Intercorp Peru sold 2,531,246 common shares and the non-related shareholder sold 3,000,000 common shares. In addition, the underwriters partially exercised their option to purchase 1,350,000 additional shares, which resulted in the purchase of 1,186,841 newly-issued common shares.

While Interbank has owned 50% of PMP and its subsidiary Izipay for more than a decade, in April 2022, we acquired the remaining 50% ownership interest of PMP and its subsidiary Izipay, consolidating such subsidiaries into our corporate group and creating our payments segment.

Since 2008, we have delivered returns for our shareholders supported by a strong bottom-line generation. In 2022, we paid U.S.\$202.0 million in dividends based on 2021 results. In 2021, we paid U.S.\$88.9 million in dividends based on 2020 results. Furthermore, in November 2021, IFS agreed to distribute U.S.\$75.0 million in extraordinary dividends, which were paid in December 2021 and based on retained earnings. In 2023, we paid U.S.\$136.2 million in dividends based on 2022 results. In April 2024, we will pay U.S.\$ 115.4 million in dividends based on 2023 results. In addition, our market capitalization has increased from U.S.\$1.2 billion in 2007 to U.S.\$2.5 billion as of December 31, 2023, based on a price of U.S.\$21.95 per share, as reported by the NYSE on the same date.

On March 31, 2023, IFS’ shareholders have approved the creation of a share repurchase program for an amount of up to U.S.\$100 million of our common shares. For details on the repurchases, see “Item 16E – Purchases of Equity Securities by the Issuer and Affiliated Purchasers.”

We also continue to make significant digital and physical infrastructure capital expenditure investments in our different segments. For a description of our capital expenditures, see “Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources—Capital Expenditures Program”.

The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The materials included in this Annual Report on Form 20-F may be downloaded at the SEC’s website: <http://www.sec.gov>. Any filings we make are also available to the public over the Internet at the SEC’s website and at our website at <https://www.ifs.com.pe>. (This URL and other URLs in this Annual Report on Form 20-F are intended to be inactive textual references only. None are intended to be active hyperlinks to websites. Any information which might be accessible through a hyperlink referenced from any URL referenced in this report, is not and shall not be deemed to be incorporated into this Annual Report on Form 20-F.

## B. Business Overview

### Overview

IFS is a leading provider of banking, insurance, wealth management services and payments for retail customers and commercial clients in Peru. Our purpose is to empower all Peruvians to achieve financial well-being. We have built a financial platform that is very focused on areas with a unique combination of our own key capabilities, coupled with potential for growth and profitability. We strive to (i) become the leading digital financial platform to provide profitable solutions with a clear strategic focus on key businesses, (ii) provide the best digital experience based on operational excellence and (iii) develop analytics, AI capabilities and the best talent as our competitive advantage. We manage our business in four segments, banking, insurance, wealth management, and payments, which complement each other and represent diversified sources of revenue. Our banking segment operates through our subsidiary Interbank, which is the second largest provider of consumer loans in Peru, according to the SBS. Interbank provides a full range of retail banking and commercial banking products, and services to individuals, large companies, and small and medium enterprises. Our insurance segment operates through our subsidiary Interseguro, which is the leading provider of annuities in Peru by premiums and one of the leading life insurance companies in the country according to the SBS. Interseguro provides a wide range of retirement, savings, life, unemployment and other insurance products mainly to retail customers. Our wealth management segment operates mainly through our subsidiaries Inteligo Bank, Inteligo SAB and Interfondos, which together provide wealth management, private banking, financing, brokerage, advisory and other investment services mainly to high-net-worth individuals. Finally, with our acquisition of the remaining 50% ownership interest of PMP and its subsidiary Izipay in April 2022, we have created our payments segment, through which we provide an end-to-end digital ecosystem of financial services and technology solutions to enable consumers, individual entrepreneurs, micro-merchants, small and medium-sized enterprises (SME), in Peru, make and process payments in a safe, seamless, digital, mobile first and affordable manner.

As of December 31, 2023, Interbank’s digital platform and distribution network provide to its 6.1 million customers, as well a potential market of more than 33.7 million Peruvians (total population of Peru), including an employed population of 17.2 million and 3.3 million businesses, with access to its products and services and a distinctive and convenient customer experience.

Our key strategic priority is to achieve digital excellence for our customers by providing them with a world-class, flexible and secure digital platform. We believe our digital transformation is vital to our continued growth and profitability, and for this reason we have been investing in developing the capabilities necessary to offer digital products and services to our customers. We aim to allow our customers to have a 100% digital relationship with us in an efficient and secure manner. We have also streamlined our physical presence by reducing the number of branches by approximately 47% since its peak in 2016, focusing on educating our customers in the use of our digital platform. We have substantially increased migration of low-value-added transactions to more efficient digital channels, and we have increased sales of products to existing customers, as well as increased new customer acquisition of which 53% are being acquired digitally or “born-digital” as of December 31, 2023.

The following table shows the evolution of our reported net profit, dividends, ROE and ROA and our adjusted net profit, adjusted ROE and adjusted ROA (if any), from 2021 through 2023:

	For the years ended December 31,			
	2023 (U.S. \$ in millions) <sup>(3)</sup>	2023	2022 (restated) <sup>(4)</sup>	2021
		(\$/ in millions)		
Net profit	291.0	1,079.3	1,678.1	1,800.2
Adjusted net profit <sup>(1)</sup>	—	—	1,455.6	—
Dividends declared for the year <sup>(2)</sup>	115.4	427.4	511.8	751.5
ROE	—	11.3%	19.1%	19.3%
Adjusted ROE <sup>(1)</sup>	—	—	16.7%	—
ROA	—	1.2%	1.9%	2.0%
Adjusted ROA <sup>(1)</sup>	—	—	1.7%	—



- (1) Adjusted net profit, adjusted ROA and adjusted ROE for the year ended December 31, 2022 exclude other income of S/222.5 million from the fair value adjustment of the 50% ownership interest held by Interbank in Izipay before the acquisition of the remaining 50% equity interest in Izipay in April 2022 (See Note 1(d) to our Audited Annual Consolidated Financial Statements). Adjusted net profit, adjusted ROA and adjusted ROE are non-GAAP financial measures and should not be considered in isolation or as a substitute for net profit, ROA or ROE, or other performance measures. See “Presentation of Financial Information—Non-GAAP financial measures” and “Item 4. Information on the Company—Business Overview—Non-GAAP Financial Measures.” We did not adjust net profit, ROA or ROE for the years ended December 31, 2023 and 2021, respectively.
- (2) Dividends are declared and paid in U.S. dollars. Except for declaration and payment of extraordinary dividends, dividends declared for fiscal year 2023 will be paid in 2024, dividends declared in 2022 and 2021 were paid in 2023 and 2022, respectively; and amounted to U.S.\$136.2 million and U.S.\$202.0 million, respectively. See “Item 8. Financial Information—Consolidated Statements and Other Financial Information—Dividends and dividends policy”.
- (3) Amounts stated in U.S. dollars as of and for the year ended December 31, 2023 have been translated from *soles* at the exchange rate of S/ S/3.709 = U.S.\$1.00.
- (4) Our consolidated financial information for 2022 was restated as a result of the first adoption of IFRS 17. We have not restated the comparative financial information for 2021 which is presented on an IFRS 4 basis, as previously reported. See Note 3.2 to the audited annual consolidated financial statements.

As of December 31, 2023, we had total assets of S/89.6 billion (approximately U.S.\$ 24.2 billion), total gross loans of S/48.2 billion (approximately U.S.\$ 13.0 billion), total deposits and obligations of S/49.2 billion (approximately U.S.\$ 13.3 billion) and shareholders’ equity of S/10.0 billion (approximately U.S.\$ 2.7 billion).

For the year ended December 31, 2023, our consolidated net profit was S/1,079.3 million as compared to S/1,678.1 million in 2022. Net profit deteriorated in 2023 mainly due to an increase of more than two-fold in impairment loss on loans, net of recoveries and 4.7% in other expenses. We operate the following four business segments:

- *Banking*: Interbank is the second largest provider of consumer loans (retail loans other than mortgages) in Peru with a 22.2% market share in terms of total gross consumer loans outstanding as of December 31, 2023, according to the SBS. Interbank is the largest provider (among non-government owned banks) of payroll deduction loans to public sector employees with a 21.7% market share as of December 31, 2023, according to the SBS. Additionally, it is the second largest bank in Peru in terms of total consumer loans, the third in total deposit and the fourth in terms of outstanding retail mortgages, commercial lending and total assets, according to the SBS. Interbank has built one of the most convenient and extensive retail banking distribution networks in Peru including: online banking, mobile applications, 153 financial stores, 1,666 ATMs and 7,163 correspondent agents (including its external network of agents), as of December 31, 2023. Moreover, Interbank has developed state-of-the-art and user-friendly digital platforms to better serve its client’s needs.

As of and for the year ended December 31, 2023, Interbank represented 76.4% of our total assets.

For the 2023 fiscal year, Interbank declared a dividend of S/405.2 million (or, approximately U.S.\$ 109.2 million) of which S/402.4 million (or, approximately U.S.\$ 108.5 million) will be paid to IFS, which represents 69.4% of total dividends to be received by IFS.

With a significant focus on the emerging middle class, Interbank has a higher percentage of retail loans, which account for 56.0% of its total loan portfolio, compared to the banking system of 39.1% as of December 31, 2023.

Interbank’s CAGR in gross loans, and deposits and obligations between 2019 and 2023 was 6.6% and 6.7%, respectively. For the year ended December 31, 2023, Interbank reported a profit of S/856.1 million attributed to the increases of impairment loss on loans, which was partially offset by increases of 12.6% in net interest and 2.0% in net fee income from financial services. For the year ended December 31, 2023, Interbank’s ROE was 11.2%.

- *Insurance*: Interseguro is the leading provider of annuities (excluding private annuities) in Peru, with a 27.9% market share as measured by total premiums collected during 2023, according to the SBS, and is one of the leading life insurance companies in Peru. In addition, Interseguro offers private annuities and individual life insurance, as well as low premium retail insurance products, including credit life, mandatory traffic accident insurance (“SOAT”), car insurance and credit card protection insurance, through a comprehensive multi-channel distribution platform which includes Interseguro’s sales force, which is a key component of Interseguro’s sales. Interseguro also distributes through Interbank, brokers and its own digital channels.

According to the SBS, in 2023, Interseguro was the largest insurance company measured by long term reserves, driven both by organic growth and the acquisition of Seguros Sura in November 2017, which both improved its ROE and doubled its asset size.

As of and for the year ended December 31, 2023, Interseguro represented 17.0% of our total assets.

For the 2023 fiscal year, Interseguro declared a dividend of S/150.0 million (or, approximately U.S.\$40.4 million), which represents 25.9% of total dividends to be received by IFS. For the year ended December 31, 2023, Interseguro’s net profit was S/315.1 million and its ROE was 25.6%.

- *Wealth management:* Inteligo is a provider of wealth management services, which includes banking, financing, brokerage and investing activities for high-net-worth individuals through three operating subsidiaries: Inteligo Bank, Inteligo SAB (brokerage) and Interfondos (mutual funds).

As of and for the year ended December 31, 2023, Inteligo represented 4.9% of our total assets.

For the 2023 fiscal year, Inteligo declared a dividend of U.S.\$ 7.5 million, which represents 4.8% of total dividends to be received by IFS.

Inteligo's CAGR in assets under management was 6.1% between 2019 and 2023. In addition, for the year ended December 31, 2023, Inteligo's net profit was S/36.2 million and ROE was 4.0%.

- *Payments:* Izipay is a payments company and provider of products and services related to payments acquirer, a correspondent bank and a credit cards processor. Moreover, it provides financial services and technology solutions that enable consumers, individual entrepreneurs, micro-merchants, SMEs, in Peru, to make and/or process payments in a safe, seamless, digital, mobile first and affordable manner. Izipay's technology solutions allow it to (i) be full acquirer company, with a complete set of payment solutions through Point-of-Sale ("POS") devices and e-commerce, (ii) provide a digital platform with proprietary solutions for business management such as self-check-out, split payments, product and inventory management, business reports, anti-fraud system and CRM, among others.

As of December 31, 2023, Izipay represented 1.3% of our total assets. For the year ended December 31, 2023, Izipay had consolidated revenues of S/815.9 million and consolidated net profit of S/33.1 million, and its ROE was 14.0%. For the fiscal year 2022, Izipay did not declare a dividend.

The following tables provide certain financial and other information about our four business segments for the period indicated.

	As of and for the year ended December 31, 2023					
	Assets		Equity		Net Profit/(Loss)	
	(S/ in millions)	%	(S/ in millions)	%	(S/ in millions)	%
Banking	68,437.6	76.4%	8,056.7	80.5%	856.1	79.3%
Insurance	15,225.3	17.0%	438.1	4.4%	292.1	27.1%
Wealth management	4,374.3	4.9%	920.9	9.2%	36.2	3.4%
Payments	1,196.0	1.3%	249.4	2.5%	33.1	3.1%
Holding and eliminations <sup>(1)</sup>	391.6	0.4%	343.0	3.4%	(138.2)	(12.8%)
<b>Total</b>	<b>89,624.8</b>	<b>100.0%</b>	<b>10,008.1</b>	<b>100.0%</b>	<b>1,079.3</b>	<b>100.0%</b>

(1) Holding and eliminations corresponds to expenses of IFS and elimination of intercompany transactions.

	As of and for the year ended December 31, 2023				
	(S/ in millions)				
	Net Profit/(Loss)	Average total assets	ROA	Average total equity	ROE
Banking	856.1	68,007.9	1.3%	7,632.9	11.2%
Insurance	292.1	14,600.3	2.0%	339.0	86.2%
Wealth management	36.2	4,633.2	0.8%	895.6	4.0%
Payments	33.1	911.2	3.6%	235.4	14.0%
Holding and eliminations <sup>(1)</sup>	(138.2)	410.3	—	430.5	—
<b>Total</b>	<b>1,079.3</b>	<b>88,562.9</b>	<b>1.2%</b>	<b>9,533.4</b>	<b>11.3%</b>

(1) Holding and eliminations corresponds to expenses of IFS and elimination of intercompany transactions.

The following table provides relevant information about dividends declared by each of our subsidiaries:

	SBS GAAP						IFRS					
	Interbank			Interseguro			Izipay <sup>(1)</sup>			Inteligo Bank		
	For the years ended December 31,											
	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
	(\$/ in millions)						(U.S.\$ in millions)					
Net profit for the period <sup>(2)</sup>	900.5	1,171.7	1,200.5	315.1	202.8	303.6	33.1	41.1	—	7.6	(35.4)	71.5
Dividends declared <sup>(3)</sup>	405.2	585.8	600.2	150.0	100.0	201.9	—	—	—	7.5	—	52.5
Payout ratio	45.0%	50.0%	50.0%	47.6%	49.3%	66.5%	—	—	—	98.7%	—	73.4%

- (1) Reflects information for Izipay since the acquisition of the remaining 50% equity interest in Izipay in April 2022. Izipay did not pay dividends in 2023 and 2022.
- (2) For Interbank and Interseguro this information is calculated using SBS GAAP. This table is presented in this manner because Interbank and Interseguro pay dividends to us based on SBS GAAP and Izipay and Inteligo pay dividends to us on the basis of IFRS. The information is derived from stand-alone information from each entity, except for Izipay, which is derived from consolidated information.
- (3) Represents dividends for the fiscal year which are declared and paid in the following year.

The following tables provide certain financial and other information about our consolidated business:

	As of and for the year ended December 31,			
	2023 (U.S.\$ in millions) <sup>(1)</sup> (2)	2023	2022 (restated) <sup>(12)</sup>	2021
<b>Financial Position and Income Statement Items</b>				
Total assets	24,164.1	89,624.8	87,482.1	89,953.9
Total gross loans	13,008.7	48,249.2	47,025.4	44,688.2
Total deposits and obligations	13,261.8	49,188.2	48,530.7	48,897.9
Total equity, net	2,698.3	10,008.1	9,426.2	9,555.4
Net profit (attributable to IFS' shareholders)	289.2	1,072.7	1,668.0	1,790.2
<b>Other Information</b>				
Adjusted net profit (attributable to IFS' shareholders) <sup>(3)</sup>	—	—	1,455.6	—

	As of and for the year ended December 31,		
	2023	2022 (restated) <sup>(12)</sup>	2021
<b>Profitability Ratios</b>			
Net interest margin <sup>(4)</sup>	5.3%	5.0%	4.1%
Risk adjusted NIM <sup>(5)</sup>	3.0%	4.0%	3.7%
Efficiency ratio <sup>(6)</sup>	36.2%	34.6%	34.7%
ROA	1.2%	1.9%	2.0%
Adjusted ROA <sup>(3)</sup>	—	1.7%	—
ROE	11.3%	19.1%	19.3%
Adjusted ROE <sup>(3)</sup>	—	16.7%	—

	2023	2022	2021
<b>Asset Quality and Capitalization</b>			
Past-due-loans as a % of total gross loans <sup>(7)</sup>	3.4%	3.0%	3.5%
Cost of risk <sup>(8)</sup>	4.1%	1.8%	0.9%
Core equity Tier 1 ratio of Interbank <sup>(9)</sup>	11.8%	12.0%	12.5%

	As of and for the year ended December 31,		
	2023	2022	2021
<b>Distribution Network and Customers</b>			
Financial stores	153.0	164.0	189.0
ATMs	1,666.0	1,554.0	1,581.0
Correspondent agents (includes external network)	7,163.0	5,672.0	5,825.0
Number of digital customers <sup>(10)</sup>	2,498,568.0	2,175,532.0	1,717,394.0
Percentage of digital users <sup>(10)(11)</sup>	75.3%	70.9%	65.1%

- (1) Amounts stated in U.S. dollars as of and for the year ended December 31, 2023 have been translated from *soles* at the exchange rate of S/ S/3.709 = U.S.\$1.00.
- (2) Except for percentages and ratios and distribution and customer data.
- (3) Adjusted net profit, adjusted ROA and adjusted ROE for the year ended December 31, 2022 exclude other income of S/222.5 million from the fair value adjustment of the 50% ownership interest held by Interbank in Izipay before the acquisition of the remaining 50% equity interest in Izipay in April 2022 (See Note 1(d) to our Audited Annual Consolidated Financial Statements). Adjusted net profit, adjusted ROE and adjusted ROA are non-GAAP financial measures and should not be considered in isolation or as a substitute for net profit, ROE or ROA, or other performance measures. See “Presentation of Financial Information—Non-GAAP financial measures” and “Item 4. Information on the Company—Business Overview—Non-GAAP Financial Measures.” We did not adjust net profit, ROA or ROE for the years ended December 31, 2023 and 2021, respectively.
- (4) Net interest margin is defined as (x) net interest and similar income divided by (y) average interest-earning assets. See “Item 4. Information on the Company—Selected Statistical Information.”
- (5) Risk adjusted net interest margin is defined as net interest margin after impairment loss on loans, net of recoveries.
- (6) Efficiency ratio for years 2023 and 2022 is calculated by dividing (x) salaries and employee benefits plus administrative expenses plus depreciation and amortization by (y) net interest and similar income plus net fee income from financial services plus other income plus insurance income. Efficiency ratio for year 2021 is calculated by dividing (x) salaries and employee benefits plus administrative expenses plus depreciation and amortization by (y) net interest and similar income plus net fee income from financial services plus other income plus net premiums earned.
- (7) At end of period. See “Presentation of Financial Information—Loan Portfolio Data”.
- (8) Cost of risk is defined as impairment loss on loans, net of recoveries divided by average gross loans.
- (9) Calculated for Interbank only pursuant to SBS regulations.
- (10) In the month of December for each full year.
- (11) Percentage of digital users over total clients that interact with Interbank.
- (12) Our consolidated financial information for 2022 was restated as a result of the first adoption of IFRS 17. We have not restated the comparative financial information for 2021 which is presented on an IFRS 4 basis, as previously reported. See Note 3.2 to the audited annual consolidated financial statements.

## Non-GAAP Financial Measures

In this Annual Report on Form 20-F, we use adjusted net profit, adjusted ROE and adjusted ROA. These measures are not calculated in accordance with IFRS and we collectively refer to these as non-GAAP financial measures. For more information, see “Presentation of Financial Information—Non-GAAP Financial Measures”.

The table below presents adjusted net profit, adjusted ROE and adjusted ROA on a consolidated basis and for each of our four business segments, if any, as of and for the year ended December 31, 2022. We did not adjust net profit, ROA or ROE for the years ended December 31, 2023 and 2021, respectively.

	As of December 31, 2022 (restated) <sup>(2)</sup>									
	Net profit	Adjustment <sup>(1)</sup>	Adjusted Net Profit	Average total assets	ROA	Adjusted ROA	Average total equity	ROE	Adjusted average total equity	Adjusted ROE
Banking	1,374.1	—	1,374.1	67,172.4	2.0%	2.0%	6,937.6	19.8%	6,937.6	19.8%
Insurance	255.5	—	255.5	14,219.9	1.8%	1.8%	276.4	92.4%	276.4	92.4%
Wealth Management	(141.4)	—	(141.4)	5,275.1	(2.7%)	(2.7%)	1,037.5	(13.6%)	1,037.5	(13.6%)
Payments	41.1	—	41.1	465.6	8.8%	8.8%	157.3	26.1%	157.3	26.1%
Holding and eliminations	148.9	(222.5)	(73.6)	317.4	—	—	364.1	—	364.1	—
<b>Total</b>	<u>1,678.1</u>	<u>(222.5)</u>	<u>1,455.6</u>	<u>87,450.3</u>	<u>1.9%</u>	<u>1.7%</u>	<u>8,772.8</u>	<u>19.1%</u>	<u>8,772.8</u>	<u>16.7%</u>

- (1) Adjusted net profit of the holding and elimination segment, for the year ended December 31, 2022, is calculated excluding other income of S/222.5 million from the fair value adjustment of the 50% ownership interest held by Interbank in Izipay before the acquisition of the remaining 50% equity interest in Izipay in April 2022 (See Note 1(d) to our Audited Annual Consolidated Financial Statements). Adjusted net profit is a non-GAAP financial measure and should not be considered in isolation or as a substitute for net profit, or other performance measures. See “Presentation of Financial Information – Non-GAAP financial measures.”

- (2) Our consolidated financial information for 2022 was restated as a result of the first adoption of IFRS 17. We have not restated the comparative financial information for 2021 which is presented on an IFRS 4 basis, as previously reported. See Note 3.2 to the audited annual consolidated financial statements.

The following table reflects the reconciliation, if any, of adjusted net profit, adjusted ROE and adjusted ROA on a consolidated basis as of and for the year ended December 31, 2023, 2022 and 2021.

	For the year ended December 31,		
	2023	2022(restated) <sup>(2)</sup> (\$/ in millions)	2021
Net profit (A)	1,079.3	1,678.1	1,800.2
Gain on the fair value adjustment on the previously held ownership by Interbank in Izipay prior to acquiring control <sup>(1)</sup> (B)	—	(222.5)	—
Adjusted net profit (D) = (A) + (B)	—	1,455.6	—
Average total equity (E)	9,533.4	8,772.8	9,309.5
ROE (A) / (E)	11.3%	19.1%	19.3%
Adjusted average total equity (F)	—	8,728.3	—
Adjusted ROE (D) / (F)	—	16.7%	—
Average total assets (G)	88,562.9	87,450.3	90,231.7
ROA (A) / (G)	1.2%	1.9%	2.0%
Adjusted ROA (D) / (G)	—	1.7%	—

- (1) Management believes to be non-operating and/or non-recurring in nature.
- (2) Our consolidated financial information for 2022 was restated as a result of the first adoption of IFRS 17. We have not restated the comparative financial information for 2021 which is presented on an IFRS 4 basis, as previously reported. See Note 3.2 to the audited annual consolidated financial statements.

### Market Opportunity

We believe that the potential growth of the Peruvian economy, the expanding middle class, the growth of private wealth creation in Peru, the low penetration of financial services and the well-capitalized and profitable Peruvian financial system offer significant opportunities to accelerate our digital transformation and growth in deposits and loans, enabling us to efficiently acquire and serve more clients, while providing distinctive and convenient customer service and greater access and inclusion to financial services to previously underserved Peruvians.

### Solid macroeconomic fundamentals

The effects of the COVID-19 pandemic led to a GDP contraction of 10.9% in 2020 in Peru (compared to contractions of 7.3% in Colombia, 6.1% in Chile, 8.7% in Mexico, 3.3% in Brazil, 7.8% in Ecuador, 6.3% in Uruguay, 0.8% in Paraguay, 8.7% in Bolivia and 9.9% in Argentina). Peru's GDP growth rate was 13.4% in 2021 (compared to growth rates of 11.0% in Colombia, 11.7% in Chile, 5.8% in Mexico, 5.0% in Brazil, 4.2% in Ecuador, 5.3% in Uruguay, 4.0% in Paraguay, 6.1% in Bolivia and 10.7% in Argentina). In 2022, Peru's GDP increased 2.7% (compared to growth rates of 7.3% in Colombia, 2.4% in Chile, 3.9% in Mexico, 2.9% in Brazil, 2.2% in Ecuador, 4.9% in Uruguay, 0.1% in Paraguay, 3.5% in Bolivia and 5.0% in Argentina). For the year ended December 31, 2023, Peru's GDP contracted by 0.6% (compared to growth rates of 0.6% in Colombia, 2.9% in Brazil, and 3.2% in Mexico).

The Peruvian government's prudent management of the economy, conservative fiscal policy, coupled with the Central Reserve Bank of Peru's cautious management of inflation and international reserves have contributed to economic development, increased internal consumption and strong macroeconomic fundamentals, including low levels of public debt, low inflation, low fiscal deficit and high levels of international reserves. However, 2022 continued to be characterized by global inflationary pressures that have resulted in an inflation rate above the Central Reserve Bank of Peru's target and led to higher inflation expectations for 2023. During 2023, the tightening of monetary policy resulted in a trend of lower inflation, and Peru had a rate of 3.2% for inflation during the year. In its most recent forecast as of December 22, 2023, the Central Reserve Bank of Peru has estimated for Peru a 2.3% inflation rate for 2024 and a real GDP growth of 3.0% for 2024.

Nevertheless, Peru's strong track record of macroeconomic policy credibility, consistency and ability to adapt to changes has helped it to achieve investment grade ratings of Baa1 by Moody's Investor Service ("Moody's"), BBB by Fitch Ratings Ltd. ("Fitch") and BBB by Standard & Poor's Rating Services ("S&P") as of December 31, 2022. However, in December 2022 and January 2023, S&P, Fitch and Moody's have changed Peru's credit outlook to negative from stable due to higher political risk.

### ***Evolution of the middle class and affluent population***

The core of our customer base is Peru's middle class and affluent population. According to the World Bank, GDP per capita in U.S. dollars has grown from U.S.\$5,194 in 2010 to U.S.\$7,125 in 2019 but retreated to U.S.\$6,304 in 2020 due to the impact of the COVID-19 pandemic, however, 2022 showed a recovery to U.S.\$7,125, according to the World Bank.

For 2023, Peru had a total population of 33.7 million according to the *Instituto Nacional de Estadística e Investigación* (INEI), and according to the *Asociación Peruana de Empresas de Investigación de Mercados* (APEIM), Peru's middle and upper socioeconomic segments (segments A, B and C) have remained stable representing 42.1% of the population by 2023, compared to 42% in 2010. This information however may be impacted by the current challenging economic conditions in Peru during 2023. We believe that a growing middle class and affluent population creates a greater need for financial services, particularly for increasingly sophisticated banking. These growing socioeconomic segments in the long term support growth and profitability across our business.

### ***Low financial services penetration***

We believe that growth potential in Peru's financial services sector continues to be significant. Despite the sustained recent growth of 5.2% CAGR in total gross loans between 2019 and 2023, banking penetration in Peru, measured as the ratio of loans-to-GDP, was 35.0% as of December 31, 2023, according to the SBS and the Central Reserve Bank of Peru. This represents a decline over the 38.0% registered as of December 31, 2022 and is mainly explained by the base effect resulting from lower balances of Reactiva Perú loans in 2023 as compared to 2022. Similarly, according to industry sources, insurance penetration in Peru, measured as the ratio of premiums-to-GDP as of December 31, 2023, is estimated to be 2.0%, which is lower than the average ratio of 3.0% for the group of peer countries in Latin America, and less than the ratio of 3.8% for Chile.

### ***Well-capitalized financial system***

As a result of sound regulation and prudent management, the Peruvian financial system is well-capitalized, according to figures published by the SBS. Gross loans in the Peruvian banking system (measured in *soles*) have grown at a CAGR of 5.2% between December 31, 2020 and December 31, 2023, while the system's asset quality has remained within healthy levels with a ratio of past-due loans as a percentage of total gross loans of 4.3% and a ratio of impairment provisions for loans as a percentage of past-due loans of 2.9% as of December 31, 2023, according to the SBS. Capitalization of the Peruvian banking system has consistently been well above regulatory requirements with a total capital ratio of 16.4% as of December 31, 2023, according to the SBS. Interbank's capitalization ratio was 15.5% and Interseguro's regulatory solvency ratio was 127.1%, according to the SBS as of December 31, 2023. Furthermore, Peru's banking industry has been historically profitable, with a 14.4% ROE for the year ended December 31, 2023.

### ***Development of new technologies and distribution channels***

There are many technological trends currently impacting the financial services industry worldwide. For example, the penetration of cell phones, Internet and the 5G mobile network, the ability to process large quantities of data through big data, cloud and machine learning, and the opportunity to utilize robotics and artificial intelligence. As a result, many large banks have started digital transformations with large increases in their level of technological investments and are working on developing their product offerings.

Due to improved technology, banks are now able to offer a better value proposition to their customers that include better solutions with features in our digital platforms tailored to the customer's needs, contextual banking (whereby the customer is offered a connected banking experience, including tailored product offerings), enhanced 24-hour customer support and access and faster approval and response times, all at a lower per capita cost. Additionally, banks are now able to reach a broader base of customers both in terms of income levels and geographic locations and will be able to gradually offer them more products and services and make them a part of the banked segment of the Peruvian population, which constitutes a very important growth opportunity in the country.

### ***Competitive Strengths***

We have established a premier financial group with leading market positions in each of our primary business segments. We believe that our market share, focus on targeted and profitable segments, scale and highly recognized and trusted brands, combined with adoption of innovative technologies, a well-structured digital platform and increasing integration across our business segments, strongly position us to capitalize on the future expansion of the Peruvian economy.

### ***Leading financial services provider focused on retail customers and highly attractive businesses***

We target retail customers and growing and profitable businesses in Peru. We have highly recognized and trusted brands in each of our segments, such as Interbank in banking, Interseguro in insurance, Inteligo in wealth management and Izipay in payments. Within our banking segment, Interbank focuses primarily on retail banking, where we believe we can obtain higher profitability, with 56.0% of its loan portfolio constituting retail loans, compared to 39.1% for the Peruvian banking system, as of December 31, 2023, according to the SBS. Interbank is the second largest provider of consumer loans among banks in Peru, with a 22.2% market share as measured by gross consumer loans as of December 31, 2023, compared with 24.7% for BCP, 14.5% for Scotiabank and 16.8% for BBVA. Interbank is also the largest privately-owned bank provider of payroll deduction loans to public sector employees, with a 21.7% market share by payroll deduction loans, in each case as of December 31, 2023.

We believe that our focus on the retail market has allowed Interbank to obtain a higher profitable business than the banking system on average. This higher profitability is driven by a balanced consumer loan portfolio where two of our most profitable products are credit cards and payroll deduction loans. Interbank has the highest net interest margins when compared to the three largest banks in Peru, due to its higher weighting in retail banking and consumer loans when compared to its peers. Low delinquency rates on our payroll deduction loans reduce the overall credit risk exposure of our consumer loans portfolio.

Interbank's gross financial margin to average earning assets was 5.5% as of December 31, 2023, 60 basis points higher than December 31, 2022. Interbank's commercial banking business serves a range of clients spanning large corporates, mid-corporates and small-sized and medium-sized companies ("SMEs"). Interbank continues to focus on increasing our market share in mid-corporates and SMEs while maintaining our large corporate business with a profit-oriented approach. We believe that these segments will continue to provide additional growth opportunities in the coming years. Moreover, Interbank's overall commercial loan portfolio provides us with a lower risk component that balances its total loan portfolio.

We believe that Interseguro provides us with a fast-growing and profitable business. In our insurance segment, Interseguro is the leading provider of annuities in Peru, despite the effect of the COVID-19 pandemic and the economic and political uncertainty in Peru during the last three years, with a market share of total annuities (excluding private annuities) of 27.9% as measured by premiums collected for the year ended December 31, 2023, according to the SBS. We focus on the middle class and affluent population in Peru, a segment we believe is substantially underpenetrated in insurance services. During April 2016, the Peruvian Congress enacted a law that allowed retirees to withdraw up to 95.5% of their accumulated capital in cash in their mandatory pension account upon retirement, resulting in a significant reduction of retirement annuities sold by Peruvian insurance companies, including Interseguro. In this context, in order to keep its position as a leading provider in annuities, in 2016, Interseguro launched its private annuities product which allows retirees to receive a fixed income either for life or a fixed period. As of the date of this Annual Report on Form 20-F, most of the customers of private annuities and their funds originate from retirees who choose to buy a product from an insurance company rather than from a private pension fund. Interseguro is also a leading provider of life insurance and we believe this market provides an additional opportunity for growth. Finally, the company's digital channels are taking a leading role inside the company's structure.

Within our wealth management segment, we believe Inteligo is well positioned to capture an increasing share of the number of high-net-worth clients. Inteligo's CAGR in assets under management was 6.1% between December 31, 2019 and December 31, 2023. We believe that both Inteligo's position as a provider of tailored wealth management services and its ability to provide its customers with both local and international investment products will help increase its share of wallet among high-net-worth individuals, while delivering high levels of growth and profitability.

Within our payments segment, we believe Izipay is built on a strong foundation designed to drive growth and differentiate us from our competitors. We believe that our competitive strengths include (i) our payments platform connecting merchants and consumers enables Izipay to offer unique end-to-end product experiences while gaining valuable insights into how customers use our platform as well as providing for digital and POS transactions while being both technology and platform agnostic; (ii) our national scale which helps us to drive organic growth, as shown by the increase of total merchant in Peru from 0.7 million in April 2022, when Izipay became our consolidated subsidiary, to 1.3 million as of December 31, 2023. During the year ended December 31, 2023, Izipay processed S/57.3 billion in monetary transactions; and (iii) the building and strengthening of the brand Izipay.

### ***Track record of sustained growth supported by our strong and growing market share and high profitability***

Our strong track record of growth is supported by our increased market share, improvements in efficiency, and high profitability across our business segments. At Interbank, we have gained significant market share over the years. Our market share in total gross loans has increased from 9.4% in 2007, 11.1% in 2015, to 13.3% in 2023, while our market share in total deposits has grown from 9.3% in 2007, 12.1% in 2015, to 13.5% in 2023. Interbank is focused primarily on retail banking because it believes that it presents significant growth opportunities and higher profitability. In retail banking, Interbank's outstanding retail loans, including consumer and mortgage loans, increased 7.9% between December 31, 2022 and December 31, 2023, as compared to the 6.3%



increase registered for the Peruvian banking system, according to the SBS. Interbank's market share was 22.2% in consumer loans in December 2023, the second largest in the market. In the same period, Interbank has held a strong position across retail products, with market share of 18.8% and 19.1% of total retail loans in Peru as of December 31, 2022 and December 31, 2023, respectively, according to the SBS. With respect to mortgage loans in Peru, Interbank's market share increased from 15.4% as of December 31, 2022 to 15.5% as of December 31, 2023, according to the SBS. Interbank's annualized ROE for the year ended December 31, 2023 was 11.2% and its annualized ROA for the year ended December 31, 2023 was 1.3% below the banking system. As a result of the economic impact of the pandemic, in addition to public health measures, the Peruvian government adopted measures to generate monetary and fiscal stimulus and alleviate the financial stress on households and companies, including the provisions for partial withdrawals from CTS accounts, as well as partial withdrawals from the pension fund accounts, loan rescheduling measures and a S/60 billion credit guarantee program ("Reactiva Perú"). In this context, our participation in the Reactiva Perú program allowed us to start new business relationships with clients from the mid-corporate and SME segments. Although from 2019 to 2023 the commercial banking division at Interbank also grew faster than the Peruvian banking system, Interbank's as repayment of Reactiva loans accelerated in line with the economic recovery, our outstanding commercial loans declined 1.9% between December 31, 2022 and December 31, 2023, as compared to the 6.1% decrease registered for the system, according to the SBS.

Interseguro's positioning in the industry increased, with market shares in annuities by premiums (excluding private annuities) of 22.7% in 2007, 24.5% in 2015 and 27.9% in 2023. Additionally, during the past five years Interseguro's market share in the individual life insurance policies in Peru has grown from 10.3% in 2019 to 17.4% in 2023. During the period spanning from 2019 to 2023, Interseguro's ROE averaged 22.5% compared to 17.4% for the Peruvian insurance industry, both according to the SBS. Interseguro's ROE was 25.6% for the year ended December 31, 2023, according to the SBS.

Inteligo's assets under management grew at a CAGR of 6.1% between 2019 and 2023. Similarly, net profit declined between December 31, 2019 and December 31, 2023, due to negative mark-to-market valuation of the proprietary portfolio. Inteligo's ROE averaged 5.7% for the three-year period ended December 31, 2023. Inteligo's ROE was 4.0% for the year ended December 31, 2023.

Izipay's total monetary transactions reached S/57.3 billion for the year ended December 31, 2023. Izipay is one of the leaders in the physical card payment business in Peru.

#### ***Digital financial services platform with rapidly increasing levels of adoption***

Interbank is working hard to reshape the banking space in Peru, creating a new digital experience driven on convenience and simplicity. Although Interbank believes physical channels are still necessary in an underpenetrated financial system like Peru's, its digital platform has substantially increased its customers' interactions with Interbank and provided it with new business opportunities to build on consumer loyalty and cross-sell services, as well as accelerate new customer acquisition and inclusion of previously underserved segments of the population, including individuals, entrepreneurs and micro-business.

Interbank's agile digital solutions framework has allowed it to effectively capture the opportunities resulting from increased digitalization and changes in consumer behavior since the COVID-19 pandemic. Interbank has a broad and evolving offering of digital products and services for existing and new clients, enabling them to get the products and services they want, when they want them, and how they want them. In 2021, we launched digital payments and credit solutions such as the capability to pay with quick response codes ("QR Codes") and access credit card information for online purchases, as well as the ability to apply and obtain personal loans and credit cards directly through Interbank's mobile application.

Interbank believes its digital platform is one of its competitive advantages and it has driven an increase in its market share. The migration of customer interaction from physical channels, like financial stores and contact centers to digital channels, continued to grow in 2023. In December 2023, 90.2% of the customers who interacted with Interbank did so digitally, up from 87.3% in December 2022. Similarly, as of December 31, 2023, we have identified 2.5 million customers as digital customers, as compared to 2.2 million customers or an increase of 14.9% compared to 2022. Furthermore, digital customer acquisition, or clients that were 'born digital', reached approximately 48,300 users as of December 31, 2023, or 53% of new individual retail clients, while self-service transactions increased from 77.3% in 2022 to 82.2% in 2023.

In line with our digital strategy, our digital sales accounted for 63.0% and 63.6% of total sales that took place in the months of December 2023 and December 2022, respectively. Similarly, digital credit card sales, accounted for 37.2% and 30.8% of total credit card sales in the months of December 2023 and December 2022, respectively. Digital saving accounts sales have also experienced an upward and sustained trend, representing 71.7% and 69.1% of total saving accounts sales in the months of December 2023 and December 2022, respectively. Likewise, the number of digital self-service retail customers increased significantly, representing 82.2% of our total customers as of December 2023, compared to 77.3% as of December 2022.

In commercial banking, Interbank developed its digital capabilities for SME and corporate clients, by (a) enhancing our value-added proposition and features in its digital platforms and (b) improving the performance and cybersecurity of its systems. Interbank also believes that the upgrades to core platforms for business banking during 2023 should enhance its performance and allow it to create and launch new products and features on a faster basis.

Moreover, in January 2020, Interbank, in collaboration with BBVA and Scotiabank, launched Plin, which consists of a shared directory to enable person to person (“P2P”) and person to microbusiness (“P2MB”) payments among enrolled customers of any of the participant institutions using the customers’ cellphone numbers or individual QR codes as identifiers. These payment capabilities are available in real time and 24/7 and make payments which are instantly available to the recipient of the payment. In 2023, the amount of total enrolled users in Plin grew from 9.8 million to 14.2 million. As of December 31, 2023, our share of Plin enrolled users increased from 44.6% to 46.0%.

The Central Reserve Bank of Peru has encouraged an integration of Plin with Yape, another digital wallet available in Peru, created by the Banco de Crédito del Perú. The first phase of interoperability among these digital wallets and among banks in Peru has started in April 2023, and it increased the payment capabilities between accounts of different digital wallets and their use by customers. The increase in interoperability assists the inclusion of more Peruvians into the financial system, reducing the use of cash, which continues to be high in Peru, while increasing the use of Interbank’s own payment solutions. The number of transactions operated by Interbank, has increased to 29.1 million in December of 2023 compared to 8.8 million in April of 2023 (pre-interoperability).

In 2021, Interbank accelerated the growth of Tunki, its mobile application targeting unbanked and underbanked consumers and micro-merchants focused on P2P and P2MB transactions. In May 2023, Interbank combined Tunki with the payment solutions of Izipay to launch IzipayYa, a solution targeting micro-merchants with interoperable QR codes and same-day availability of cash. IzipayYa aims to be the preferred solution for merchants for their payment collections through a comprehensive value proposition designed specifically for this segment. As of December 31, 2023, the number of merchants Interbank serves with IzipayYa was 747 thousand compared to 554 thousand served by Tunki as of December 31, 2022.

In 2022 and 2023, Interbank focused on two key aspects of the business: (i) increasing the number of active clients (those that receive at least one payment during that month), and (ii) increasing the amount of funds in clients’ checking accounts thus increasing deposits and improving its revenue sources.

Pursuing Interbank’s first main goal, it focused not only on maintaining its fast growth, but also on growing its activities with the right kind of merchants, those that are more likely to remain active over time and receive a flow of income payments that allows Interbank to build up its revenue streams and reduce its acquisition costs. With that purpose in mind, Interbank built a simple, faster and secure onboarding either through digital acquisition or through physical channels, assisting merchants, service providers or other customers to accept digital payments. During 2022 and 2023, Interbank built a full funnel strategy to be ever present in the mind of its target customers, which included, among other initiatives, the creation of a social media content strategy, mainly in form of short videos (reels), that keep its audience engaged.

During 2023, in order to increase the number of active clients, Interbank also implemented artificial intelligence-based models in order to predict the kind of merchants that would be more likely to use its payment solutions.

Pursuing Interbank’s second goal of increasing deposits, it focused on streamlining its tools and systems, aiming at the simple use of money by its clients. In 2022, Interbank trimmed certain features of its app, emphasizing its most relevant features, particularly those related to digital wallets. As a result, Interbank noted that its merchant clients increasingly used funds for digital payments (Plin), instead of withdrawing it. In 2023, Interbank focused its product development efforts to meet demands that are specific to the merchant segments such as the universal QR code that accepts payments from all digital wallets in Peru. These actions boosted the balance in its digital wallets and commercial accounts.

### ***Convenient and innovative nationwide omni-channel distribution network with a distinctive customer-oriented approach***

We believe that Interbank’s convenient and innovative nationwide retail distribution network together with a dedicated sales force and financial advisors, allow it to better reach its customers, and this combination has differentiated Interbank from its competitors. Interbank has one of the most convenient and extensive retail banking distribution networks in Peru and is currently present in almost all of Peru’s regions. Its focus on digital transformation allows it to help its customers to interact with the bank in an easier and more efficient way and allows customers to migrate from the use of physical infrastructure to digital platforms. For instance, Interbank has shifted monetary transactions operated through its branches to digital channels. Total monetary transactions have been increasing at a CAGR of 20.2% from 2019 to 2023 driven by monetary transactions through Interbank’s mobile and internet banking channels, which have increased at a 53.7% CAGR for the corresponding period, even though monetary transactions through its financial stores have been decreasing at a CAGR of 21.3% from 2019 to 2023. Interbank believes this optimization of its distribution footprint has enabled it to reach its clients more efficiently, allowing them to perform transactions when and how they want to, at lower marginal costs for Interbank.

Interbank has built a convenient omni-channel distribution network in Peru, serving over 6.1 million customers. As of December 31, 2023, Interbank had 153 financial stores and operated one of the largest ATM network in Peru with 1,666 ATMs, which includes one of the largest out-of-branch ATM network (under its Global Net brand). Interbank has the largest number of financial stores inside supermarkets in Peru. Moreover, with the intention of providing underserved customers with more convenient services, Interbank operates a network of correspondent agents, called Interbank Agentes. The correspondent agent concept consists of providing third-party commercial establishments with low-cost electronic terminals which allow Interbank's customers to perform basic cash-based operations such as cash withdrawals, credit card and bill payments, and deposits at a lower marginal cost to Interbank relative to transactions performed in its financial stores. As of December 31, 2023, Interbank had 7,163 correspondent agents (including its external network).

Since 2013 and in line with Interbank's strategy, it has implemented a profitability model for financial stores and ATMs which ranks them according to certain profitability metrics relevant to each distribution channel. This has allowed Interbank to identify the less profitable units in order to close them and to prioritize new openings in more strategic locations with higher demand for value-added financial services. As a result, the number of financial stores has decreased by 44% to 153 as of December 31, 2023 from 272 in 2017, while the productivity of financial stores, measured as the volume of retail deposits sold per branch, has increased. Likewise, Interbank's market share in retail deposits by individuals grew from 12.6% as of December 31, 2017 to 15.1% as of December 31, 2023. Additionally, the number of ATMs has decreased to 1,666 as of December 31, 2023 from 2,052 as of December 31, 2017.

Interseguro offers and sells its annuities and individual life insurance products through its own dedicated sales force to ensure the delivery of high-quality service and advice to customers. Interseguro's specialized sales force is trained to provide a differentiated service for various customer types. As of December 31, 2023, Interseguro employed 87 agents exclusively dedicated to selling annuities and 619 agents to selling life insurance products. Due to the COVID-19 pandemic, Interseguro retooled its sales force to provide customers with a 100% remote assistance and digital operation. Prior to the pandemic, sales in annuities and life insurance products were only conducted in-person, but digitalization of these sales was accelerated.

In addition to its own sales force, Interseguro leverages on the retail distribution capabilities of Interbank and those of Intercorp and of Intercorp Retail to offer simple low-cost premium insurance products, such SOAT, travel insurance, life insurance, card protection, credit protection and low-cost health insurance.

Inteligo has developed a proprietary financial advisory model that has been a key pillar in sustaining its growth. The model considers the financial objectives of its customers and emphasizes risk analysis and continuous monitoring with portfolio rebalancing. Along with this, Inteligo has been able to successfully serve its customer base in order to deliver tailored products and advice.

Izipay has built and developed a well-recognized trusted brand. Izipay's communication and marketing efforts play an important role in building brand visibility, usage and overall preference among customers. Also, Interbank's and Intercorp Retail existing clients represent a sizable opportunity to cross-sell products and services with relatively low incremental marketing and advertising expenses for those entities. We believe that Izipay's range of services, many of which can be used for both business and personal needs, represents an opportunity to further increase engagement with its existing clients. Our subsidiaries plan to continually invest in product development to maintain and increase the attractiveness of their products and services.

### ***Prudent risk management resulting in high asset quality, strong liquidity and high investment returns***

Risk management has been and will continue to be a primary focus of our operations and at the center of our culture. Our experienced risk management teams focus on monitoring and managing risks across all business areas, including credit, market, liquidity and operational risks, among others. We believe our risk management expertise has allowed us to achieve strong asset quality and high investment returns. Our prudent management has allowed us to build up sufficient capital to allow us to grow strategically, invest in opportunities and pay dividends to our shareholders.

Interbank's underwriting procedures are based on strong analytics and proprietary models. Additionally, Interbank's investments in technology and improvements in its ability to process and apply data have enriched its risk models and enhanced their accuracy and predictiveness. Interbank's credit risk policies are approved by its risk committee and board of directors. The deterioration of the macroeconomic conditions in Peru in 2023, particularly in the second half of the year, has led to higher provision requirements as well as lower provision recoveries, an increase in non-performing loans and a slowdown in the origination of new loans due to more stringent lending requirements that Interbank has put in place. Interbank's loan provisions have also been impacted amidst higher risk in consumer loans as confirmed by expert judgment. During the last two years, the expert judgement for the constitution of provisions considered the possible impact of the "El Niño" event and the political and economic uncertainty in Peru in

such analysis. However, despite Interbank's concentration in retail loans, which tend to have higher levels of delinquency, Interbank's past-due loans as a percentage of total gross loans ratio as of December 31, 2023 was 3.5%, lower than the 4.5% average of the three largest banks in Peru. As of December 31, 2023, Interbank's past-due loans coverage ratio was 148.7%, as compared to the average for the Peruvian banking system of 144.6%, according to the SBS.

Interbank's total capital ratio, which is calculated as its regulatory capital divided by its risk-weighted assets, was the third compared to the other three largest banks as of December 31, 2023. As of that date, Interbank's total capital ratio stood at 15.5% as compared to 16.4% for the Peruvian banking system, according to the SBS. The minimum total capital ratio required by Peruvian banking regulations was 9.0% as of December 31, 2023. In addition, financial institutions must meet additional capital requirements related to conservation, economic cycle and market concentration risk buffers and an additional capital requirement which depends on certain levels of loan concentration in each institution (individual, sectorial and geographical). Interbank's total additional capital requirement for buffers and additional risks amounted to 2.1% as of December 31, 2023, with a total requirement of 11.1%, well below Interbank's total capital ratio of 15.5%. Additionally, Interbank's core equity ("Tier 1") ratio was 11.8% as of December 31, 2023, above the regulatory requirement. As part of the implementation of the Basel III standards, the SBS has issued several regulations to increase gradually the minimum total capital ratio for financial institutions in Peru until 2026, and Interbank expects to be in compliance with such regulations.

Interseguro's investment team and its investment management approach have achieved a 6.36% investment return for the year ended December 31, 2023, while maintaining prudent levels of risk and following the SBS risk guidelines. In spite of the gradual reduction in global inflation, volatility in financial markets persisted. Accordingly, Interseguro's investment strategy was focused on identifying and reducing potential risks in the portfolio and looking for assets of solid companies with strong credit metrics.

Inteligo's lending services are offered through Inteligo Bank to complement its wealth management business. The decision to make loans to wealth management customers only results in Inteligo's loan portfolio being fully collateralized by its customers' assets. Regarding the management of capital, Inteligo Bank's capitalization ratio, which is calculated as Inteligo Bank's regulatory capital divided by its risk-weighted assets, was 17.4% as of December 31, 2023, above the minimum capitalization ratio required by the Central Bank of Bahamas of 12%.

Izipay demands a letter of guarantee from payment facilitators, so as to partially cover payment defaults. By doing so, Izipay prevents merchants that are listed by OFAC in its Specially Designated Nationals and Blocked Persons List, as well as any merchants that have breached competition, fraud or brand recognition rules enforced by the Peruvian Antitrust Authority (*Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual* – "Indecopi") from signing up to its services.

#### ***Diversified funding base with strength in retail deposits***

IFS has a competitive funding structure. We have access to diverse sources of funding, including deposits and debt securities placed in local and international capital markets. The majority of Interbank's funding comes from low-cost customer deposits, which demonstrates its customers' trust in the Interbank franchise and enables it to achieve attractive lending spreads. At Interbank, as of December 31, 2023, 78% of its total funding base was comprised of deposits. Interbank's deposit base is broad and diversified, which provided Interbank with an average cost of funding of 3.9% for the year ended December 31, 2023 and 2.4% for the year ended December 31, 2022.

Interbank has been a significant player in the Peruvian banking industry with a market share of demand, savings, and term deposits of 11.0%, 16.1%, and 13.4%, respectively, as of December 31, 2023, according to SBS. Moreover, our strategic focus on retail has allowed Interbank to gain market share in retail deposits over the years reaching 15.1% as of December 31, 2023 as compared to 12.8% as of December 31, 2016, providing Interbank with a healthy funding base.

Interbank's competitive advantage in the retail segment, over the last two years, was attributable to an increase in its clients' liquidity as a result of (i) partial cash withdrawals from deposits for severance indemnity (*compensación por tiempos de servicio*) systemwide and the private pension system, (ii) commercial deposits related to unused funds from the Reactiva Perú program, and (iii) the widespread adoption of a "savings" mindset, all as a result of the effects of the COVID-19 pandemic.

#### ***Experienced management team with proven ability to foster a merit-based culture and a highly motivated work force***

We believe that the strength of our senior and middle management team has enhanced and will continue to be a key driver of our successful business model. In order to achieve our transformational goals, we are introducing new capabilities required to excel in today's world. We benefit from an experienced, diverse and talented management team. Most of the members of our senior management have held management positions with other major financial institutions in the United States, Latin America and Europe, bringing relevant knowledge and experience to our company.

We are focused on attracting, developing and retaining highly qualified personnel and believe that a merit-based culture that emphasizes teamwork enables us to maintain a motivated workforce that delivers high-quality service. Interbank is the only Peruvian company that has been chosen by the Peruvian Great Place to Work Institute as one of the 20 best places to work in Peru for the past 20 consecutive years. In the most recently available rankings, Interbank was ranked as follow: #3 Great Place to Work in Latin America (in 2022), #4 Great Place to Work in Peru in 2023, #5 Great Place to Work for women in Peru in 2023, #6 Great Place to Work for sustainable management in 2023, #2 Great Place to Work for millennials in Peru in 2022, #2 Great Place to Work from home in Peru in 2023, and #6 Great Place to Work for diversity and inclusion in Peru in 2022. Furthermore, Interbank achieved first place in Merco Talento 2023, a ranking that evaluates the capacity of attracting and retaining talent. Similarly, Interseguro was selected as the tenth best company to work for Peru in the large-size category (2023) by the Peruvian Great Place to Work Institute. Inteligo's three subsidiaries located in Peru (Inteligo SAB, Inteligo Peru Holdings and Interfondos) participated together under the name "Inteligo Group Peru" and Inteligo Group Peru was selected as the ninth best company to work for in Peru in the category of companies with less than 250 employees in 2023. Inteligo Bank's branch in Panama began participating in the Great Place to Work Institute survey in 2014 and since 2015 has been ranked among the top 10 companies in Panama. Similarly, Izipay, as a financial services and payments technology platform that enables digital payments and simplifies commerce experiences, competes for top talent in Peru and the region. We believe that a strong culture focused on employee experiences that enables advancement, learning, and individual career insights is essential to the successful acquisition, development, and retention of diverse talent. To that end, since its acquisition, we have implemented programs at Izipay focused on inclusive hiring practices, enriched virtual new hire experiences, individual coaching and mentorship programs, and ongoing learning opportunities.

### ***Increasingly integrated business platform with synergy potential supported by a strong parent group***

Since the introduction of our insurance, wealth management and payments operations alongside our banking operations, we have strived to share and leverage key resources and capabilities across all four segments, which has resulted in enhanced revenues.

Our banking operations remain our core competency that binds together all our operations, while our insurance and wealth management operations are expected to continue supporting our growth. We believe that our continuous efforts to better integrate our four segments, combined with our focus on digital transformation, our existing distribution channels, experience and knowledge of our customer base and the Peruvian market, is a significant competitive advantage.

Furthermore, our parent company, Intercorp Peru, is one of Peru's largest economic conglomerates, with activities spanning financial services, retail, education and real estate, among others. In 2023 and 2022, Intercorp Peru's businesses generated U.S.\$10,400 million and U.S.\$9,846 million in revenue, respectively. We believe that being part of this group gives us a competitive edge, because of the group's deep knowledge of the Peruvian consumer, extensive focus and know-how in the Peruvian retail market, highly visible in-country presence and rapid decision-making capabilities. Intercorp provides significant synergy and cross-selling opportunities for IFS. For example, starting in 2018, we, jointly with Intercorp Peru, launched an effort to strengthen our presence and commercial efforts in seven of Peru's main regions: Arequipa, Cusco, Trujillo, Chiclayo, Ica, Huancayo and Piura, by leveraging on Intercorp's already established network.

Also, with the acquisition of the remaining 50% equity interest in Izipay in April 2022, we expanded our capacity to cross-sell products and services and benefit from synergies across all our segments, providing a unique value proposition to our customers.

### ***Analytical excellence as a tool to become the company with the deepest knowledge of Peruvians***

We aim to have the deepest understanding of Peruvians, both individuals and companies, as we believe that a deep knowledge of our current and potential customers' characteristics and adapting to their behavior is important to better serve them, and to offer them the best solutions according to their needs and risk profile.

In order to keep strengthening our advanced analytical capabilities across all of our business segments, in the beginning of 2023 we implemented a centralized Analytics Center of Excellence ("ACoE"). This newly appointed team aims to establish a shared vision and strategy, best practices, talent development and governance around the use of data and analytics, as well as to promote a data-driven mindset throughout the organization.

Our analytics vision is to anticipate needs and offer solutions through personalized, real-time experiences for each customer and potential customer, at scale. We are building upon three pillars to execute our aspiration:

- Governed and easily available data in a hybrid data hub from diverse and non-traditional data sources that provide rich insights, dashboards for decision making and data streaming capabilities for timely activation.

- Advanced analytics to anticipate preferences, needs and risk, including real-time decisioning. These analytical efforts include a special focus on better understanding the self-employed segment of the population, which constitute a significant opportunity for financial services given the current low penetration levels. We are working on alternative risk profile models for new customer acquisition.
- Personalized and real time delivery of communications and campaigns through end-to-end contextual journey orchestration, allowing us to substantially improve our effectiveness and efficiency.

Technological evolution is a key enabler to our strategy. We have well consolidated data infrastructure, including cloud-based services with automated and reusable variables, model processing, machine-learning operations (“MLOps”) and world class marketing technological tools for real-time data activation. Additionally, we are adopting what we consider to be market best practices to ensure compliance with the personal data privacy policy and we have bolstered our investments in cybersecurity as we believe it is fundamental to provide a secure platform to be able to continue with our digital transformation.

The ACoE is also focused on attracting and developing highly skilled transformational and analytical talent that will accelerate our journey towards becoming a fully data-driven organization. This involves designing and communicating an attractive value proposition for talent, as well as continuous upskilling and training.

We are confident that our focus on analytical excellence will allow us to better serve Peruvians and accelerate value-creation.

***Attracting and retaining skilled workers with a unique values-based culture, focusing on the development of our employees.***

At Interbank, organizational culture is based on the following six values: integrity, collaboration, courage, innovation, passion for service and sense of humor. These values give way to a work environment with a culture that inspires, sets it apart, and allows each employee to reinforce their sense of pride. Accompanied by a culture based on performance recognition, this makes Interbank recognized among the best Peruvian and Latin American companies in all our main segments by the Great Place to Work Institute and in the categories of women, diversity and inclusion. Also, for the second consecutive year, we achieved the 1st place in the Merco ranking of the best companies to attract and retain talent in Peru.

Interbank provides the necessary tools for its employees to become protagonists of their development, based on its “Evoluciona” model composed of three pillars: Experience (70%), Support (20%), and Learning (10%); seeking to provide the tools that allows employees to enhance their development. To implement initiatives to achieve these internal goals, such as opportunities, checkpoints, and learning tools based on the fronts of upskilling and reskilling under the pillars of Data, Digital, and Soft Skills, developing programs such as “Beca 23”, Interbank’s first Level Up reskilling program, Academies for Legal, Finance, Risk, MDC , and on the path to continue to cultivate a digital mindset, we combined our Analytics Expo with the “FerIA”, an event meant to showcase the AI initiatives deployed at Interbank.

**Strategies**

Our purpose is to empower all Peruvians to achieve financial well-being. By doing so, we believe that we can help our clients to access the same opportunities to build and strengthen their financial futures. We strive to (i) become the leading digital financial platform to provide profitable solutions with a clear strategic focus on key businesses such as payments, consumer financing, wealth management and life insurance, (ii) provide the best digital experience based on operational excellence as a differentiator and (iii) develop analytics, AI capabilities and the best talent as our competitive advantages.

To achieve these goals, we continue working on five main pillars:

- driving continuous innovation to identify new potential revenue streams through acceleration of current business, business transformation and new market niches opportunities;
- developing a resilient, secure and scalable technology platform for current and future growth;
- becoming an AI-driven organization enhancing our risk and commercial management skills, with deep understanding of Peruvians and consumer preferences;
- attracting and developing the best talent within our remote-first framework within an agile organization; and
- becoming a leader in sustainable operations within our segments in Peru.

### *Grow with strategic focus on key businesses*

We have built a financial platform that is focused on areas with a unique combination of our own key capabilities, coupled with potential for growth and profitability through the following four main subsidiaries: Interbank, a universal bank with strategic focus on retail banking; Interseguro, an insurance company focused on life and annuities; Inteligo, an advisory firm for the emerging wealthy; and Izipay, the pillar for building our payments ecosystem.

Interbank is a universal bank with strong market share in retail and a strong focus in consumer finance, which represents 62.4% of our retail loan portfolio, compared to 53.7% within the Peruvian Banking system as of December 31, 2023, according to data from SBS. Continuously improving its value proposition for different customer segments including improvements to products such as accounts, payments and financing. Interbank has developed several digital features and products to serve different customer needs, such as: the loyalty program Interbank Benefit, payment and merchant financing solutions, the budget tool Mis Finanzas and the digital savings account Piggybank. In order to ensure we deliver customer-oriented products and drive continuous innovation, these solutions have been designed together with our innovation lab LaBentana. Interbank has a goal to grow its retail deposits at a faster pace than that of the Peruvian banking system while optimizing its physical distribution channels. As part of this optimization, the number of financial stores has been reduced by over 47% as of December 31, 2023 from its peak in 2016. Moreover, its expertise and digital strategy in retail banking has allowed us to identify and address main demands from our customers, while increasing profitability, growing customer base, raising cross-selling and boosting operating leverage.

Within commercial banking, Interbank's priority is to be the preferred bank for Peruvian businesses with a strong focus on profitability. In this context, the value proposition for commercial clients is based on (i) delivering customer oriented digital solutions, (ii) building long lasting relationships, (iii) developing strong expertise in relevant sectors, and (iv) having a fast decision-making process. Interbank wants to create value for its customers by becoming their transactional bank, connecting and collaborating with their suppliers, customers, employees and communities, co-creating products and services, all focused on their own ecosystem. With the aim of providing the best self-service and automated credit experience for commercial clients, Interbank offers a 100% digital journey focused on cash management solutions such as *Cuenta Negocios*, merchant financing, sustainable loans, and easy and transparent ways of managing payments, such as *Cobro Simple*, *Cuenta Sueldo* and through Izipay.

In our insurance segment, Interseguro is strategically focused on life insurance, which has had a fast growth in recent years. During the year ended December 31, 2023, the premiums earned from life insurance customers represented 86.7% of Interseguro's total premiums earned, compared to the average of 51.9% of life insurance premiums earned over total premiums earned in the industry in 2023, according to data from SBS. Within our life insurance practice, Interseguro focuses on annuities, individual life and retail insurance, directing its efforts towards an end-to-end experience in its customers' journey, from the issuance of an insurance policy to the after-sale services offering to clients. In this context, Interseguro's digital offering is gaining relevance. As an example, digital mandatory auto insurance (Seguro Obligatorio de Accidentes de Tránsito, or "SOAT") policies accounted for 72.7% of total SOAT sales in December 2023. Additionally, after-sale offerings are expected to become a virtual self-service experience, with the aim of ensuring customers a simple and positive interaction with us, leading to positive developments in digital indicators.

In our wealth management segment, Inteligo's primary focus is to preserve and enhance the wealth created through people's careers and lifetime. The approach is focused on its value proposition, offering digital onboarding and products and services by segment, with a 360-degree view of its customers. To acquire depth knowledge of the needs of its customers, Inteligo cultivates a culture of closeness with them, while also leveraging the wide array of financial products that can be offered through its subsidiaries, as well as through IFS' platform. In this context, we have been able to achieve good financial results through a low-intensity capital business model uniting cost efficiencies and diversified sources of revenues over the years, as we complement our products and services across all IFS' business segments.

Finally, in our payments segment, Izipay is a key player to our goal of creating a powerful profitable payments ecosystem in Peru. Izipay is a payments company and provider of products and services related to payments acquirer, a correspondent bank and a credit cards processor. Izipay is the leader in the physical card payment business in Peru. At Izipay, we are growing our core business by increasing adoption of our digital payment methods, while increasing synergies with our other segments.

We strive to provide solutions to address the payment needs of people and companies by creating a payment ecosystem that seeks to build a strong bond with our customers, focusing on five pillars: (i) growing number of customers and transactional volumes by extending merchant coverage, improving customer experience and banking the unbanked, (ii) replacing cash by banking unbanked Peruvians, through our open APIs that allow partners to access our account opening and basic financial-transaction services, (iii) scaling up e-commerce initiatives such as those related to marketplace and our Buy Now Pay Later solution, "*Dividelo*," (iv) creating new consumer finance product offerings, and (v) offering financing and aggregated services to merchants.

Moreover, our payments ecosystem benefits from having strong solutions on both ends of the market. On the retail customer side, our affiliate Izipay has a strong market share, as well as knowledge of the traditional and digital card payments. On the merchant side, Izipay strengthens our value proposition for micro-merchants through IzipayYa. It also complements Interbank's financing solution, while our shared directory Plin allows us to interact with customers from other banks and serves as a bridge between retail customers and micro-merchants. This wholesome ecosystem also allows us to scale up our other initiatives such as our e-commerce solutions, our marketplace Shopstar and the Buy Now, Pay Later solution Dividelo.

We aim to become the preferred option for our individual, commercial and merchant customers and to help them achieve financial well-being and growth by understanding and anticipating their needs, as well as by offering financial solutions that can be deployed at every contact point with the clients, including in-person and digitally, in real time. We believe that maintaining a trustworthy and transparent relationship with our customers, together with the superior, simple, mobile, agile and personalized experience that we offer, brings us closer to this goal. Our highly recognized and trusted brands in each of our segments (Interbank in banking, Interseguro in insurance, Inteligo in wealth management and Izipay in payments) are a testament to our focus on this objective. Our subsidiaries are leaders in their respective industries and, by focusing on our strengths, values and solid relationships, we plan to continue evolving and growing.

### ***Create a powerful and profitable payments ecosystem***

In May 2023, Tunki plus Izipay combined to launch IzipayYa, a solution targeting micro-merchants with interoperable QR codes and same-day availability of cash. IzipayYa aims to be the preferred solution for merchants for their payment collections through a comprehensive value proposition designed specifically for this segment. As of December 31, 2023, the number of merchants using IzipayYa was approximately 747 thousand compared to approximately 554 thousand merchants that used our Tunki solution as of December 31, 2022.

Plin is a P2P and QR code payment solution which interacts with multiple financial institutions and serves as a bridge between the banked and the unbanked through cell phones, as services may be conveniently accessed through the Interbank app. These payments are offered around-the-clock and are commission-free to all enrolled customers. Interbank is currently one of nine financial institutions that are Plin's partners. The Central Reserve Bank of Peru has encouraged an integration of Plin with Yape, another digital wallet available in Peru, created by the Banco de Crédito del Perú. The first phase of interoperability among these digital wallets and among banks in Peru has started in April 2023, which increased the payment the use of digital payments between users. The interoperability assists the inclusion of more Peruvians into the financial system, reducing the use of cash, which continues to be high in Peru, while increasing the use of our own payment solutions. The number of monetary transactions sent through Plin, the platform operated by Interbank, has increased to 29.1 million in December of 2023 compared to 8.8 million in April of 2023 (pre-interoperability).

We have also been working on our merchant financing solution with immediate disbursement that allow small merchants to access working capital loans they need to grow their businesses quickly and easily. Our value proposition consists of a 100% digital solution, with suitable repayment options, tailor-made credit, flexible T&Cs, while promoting financial inclusion.

*Dividelo* is the name of our Buy Now, Pay Later solution which is already connected to over 120 e-commerce businesses in Peru and growing.

Shopstar is an online marketplace aiming to become the preferred e-commerce option for IFS customers and a sandbox to evaluate some of our initiatives such as *Dividelo*. It was created from the insight that many of our customers were not comfortable buying on e-commerce but would be willing to try it in a platform that was supported by Interbank. As of December 31, 2023, Shopstar had approximately 142 thousand users.

Furthermore, we believe Izipay will strengthen our strategic and competitive positioning in the payments landscape in Peru and will allow us to explore new sources of growth and monetization opportunities. Moreover, it represents additional potential for merchant financing and additional services for merchants, complementing its value proposition with some existing synergies with our banking business and its products suite. We are currently building and testing the use of Izipay solutions to our banking merchant clients and their micro-loans, providing significant cross-selling opportunities and enhancing customer loyalty.

### ***Create the best digital experience based on operational excellence***

We want to deliver a seamless and superior experience to our customers, while becoming more relevant to them. We believe that acting on these goals will allow us to more effectively serve our customers, enabling them to get what they want, when they want it, and how they want it. We believe that the key to ensure that our customers will have the best experience when interacting with us is to create unique experiences throughout their customer journey, including customer acquisition, on-boarding, customer development to earn loyalty, and during retention stages. We have been implementing various initiatives to improve the customer relationship cycle.



We seek to build entirely digital solutions for the customer journey and accelerate the growth of our customer base by creating innovative and distinctive tools that deliver financial solutions to people, micro-merchants and all types of business in an accessible and efficient way, throughout all our business segments.

At Interbank, we have built a seamless digital customer journey with teams dedicated to improve each step of the customer experience. We believe that a strong on-boarding leads to higher engagement from customers while an increase in engagement will create a tangible higher NPS and lower churn.

Within retail banking, Interbank is focused on expanding the products and self-service interactions, continuing to foster the adoption of digital channels by customers, adding new features according to their needs, and ensuring that interactions with them are safe and secure.

With this purpose, several high impact digital solutions have been developed based on customer preferences and needs. These solutions have been designed together with our innovation lab LaBentana based on deep understanding and research, through a co-creation process with our banking customers. We have decided to make all solutions available in our Interbank App, which we strongly believe to be our most valuable channel in our relationship with our customers going forward, considering the decrease of in-person interaction. Over the year 2023, the percentage of financial transactions performed on Interbank's branches over the number of total transactions has continued to decrease, declining 7.9% compared with the percentage of transactions performed in-person during the year 2022. In contrast, retail digital sales have increased and accounted for 63.0% as of December 2023.

Through our banking physical channels, we continue to focus on providing a superior customer experience and are improving productivity and efficiency through digital processes, tools and more advanced analytics. Additionally, we continue to invest in educating our banking customers to encourage the use of digital and other channels. Deposits, withdrawals, bills and credit cards payments are being redirected to other more convenient and cost-efficient channels.

Within commercial banking, Interbank is working on a radical simplification of its products and processes together with digitalizing each point of contact with the bank. Moreover, one of the most important points of contact for its clients is the post sales division, where inquiries, claims and any operational issues that customers might have, are solved using channels like WhatsApp for businesses or the virtual chatbot.

Regarding commercial banking cash management platform, it has three types of client groups based on sales volume, which allows us to employ different strategies accordingly. For large corporations, efforts are focused on generation of fees from cash management and corporate finance; for medium-sized companies on growth, productivity and cash management; and for small companies on sustainable growth and productivity with strong support from analytics and collection. For small businesses, since its introduction in August 2018, Interbank's *Cuenta Negocios*, an account that can be opened 100% digitally, has grown to 201,500 accounts as of December 31, 2023.

At Interseguro, we want to be the preferred and most convenient digital insurance company, using active listening mechanisms to improve customer experience and be characterized as a data driven organization to gain a competitive advantage against our peers. In this sense, the digital journey started with the launch of the online sale of SOAT in 2016 and continued with the sale of new digital products such as travel insurance, car insurance and individual life insurance. In addition, Interseguro accelerated the digitalization of its sales of annuities and life insurance products. For instance, Vida cash, a 100% digital life insurance, has been gaining relevance in the life insurance business from being inexistent years ago to represent more than 17% of premiums from Individual Life policies outstanding in Interseguro as of December 31, 2023.

At Inteligo, we focus on offshore wealth management services and have launched a digital platform that allows on-boarding, financial planning, and advisory and execution services to be part of our digital customer journey. Moreover, our value proposition is centered on giving what we consider to be the best investment advice possible and to be able to do so, we maintain relationships with our customers to acquire in depth knowledge of their needs. Apart from being knowledgeable about our customers' needs, we believe we can be more responsive as a result of a horizontal organizational structure and entrepreneurial mindset. Additionally, our competitive edge is adapting to the changing needs of our customers to give them agile solutions.

Some examples of our new digital product suite is "Erni App", a product aimed to digitally fulfil client needs for our mutual funds business, or "Octopus", our in-house digital distribution platform that enables us to deliver automated digital insights across different channels

Izipay's approach is focused on providing a best in-class customer experience and expanding our value proposition for merchants and consumers by partnering with merchants to grow and expand their business online and in-store, and providing consumers with simple, secure, and flexible ways to manage and move money across different markets, merchants, and platforms and simplifying their shopping experiences. The investment in software development enabled the launch of the integrated payment gateway, Punto Web 2.0, to accept transactions via card, QR, and Apple Pay. Additionally, we launched Tap to Phone within the Izipay app, made available for all brands, and integrated QR functionality into IzipayYa. As of December 31, 2023, the number of Izipay merchant accounts in Peru was 1.3 million compared to 1.1 million as of December 31, 2022.

We will continue to focus on our digital transformation to enhance efficiency through the automation of internal processes and the use of technology. Our goal is to be more efficient while utilizing fewer resources in our customer interaction.

### ***Resilient, simple and scalable technology***

To achieve all of the above, we believe that building a scalable, flexible, trustworthy, stable and secure technological platform is essential. We believe that we have deployed the key initial investments necessary to scale our platform and are committed to continue to improve it by maintaining and updating our current levels of investment in technology.

Interbank's IT strategy is focused on working in collaboration with open technological platforms to transform our operations supporting the digital approach. Its focus is based on four main areas of work: (i) resilience, (ii) world class end to end security, (iii) modern architecture and (iv) modular IT architecture and lightweight banking mobile application. Our modular and lightweight digital banking solutions display our evolution in digital banking which accelerates time to market and accessibility. What we refer to 'resilience' is maintaining up-to-date critical core applications and high performance and stability of Interbank's technological platforms. Interbank's 'world-class end to end security' goal is to have the adequate equipment, processes and tools that allow us to operate in a safe environment on a daily basis with a comprehensive security approach. Interbank's "modern architecture" refers to the upgrading of the main applications towards cloud native versions and the evolution of the cloud operation governance model, as well as laying the foundation to safely scale artificial intelligence at Interbank.

In this context, Interbank continuously invests in the update of core applications while additional effort and resources are invested in the digitalization and transformation of processes and channels in order to provide an entirely digital experience to all customers. Moreover, Interbank has increased the number of teams within its agile digital solutions framework, allowing it to substantially decrease time-to-market and to develop more innovative ideas.

Additionally, during the years 2022 and 2023, Interbank and our other subsidiaries have bolstered our investments in cybersecurity as we believe security is essential for our platform to continue to enable our digital transformation. General-purpose technologies have also been implemented to our operations to mitigate cybersecurity risks and these controls are constantly evolving and being aligned with industry trends.

We strongly believe that our IT strategy will allow us to deliver high standards of cybersecurity and compete with high performing players in the region, including financial incumbents and digital disruptors.

### ***Develop an AI-driven organization***

Interbank's analytics vision is to have a fully deployed online customer management system which relies on real-time data, cloud processing, automated and reusable variables, real-time decision and actions, and an integrated infrastructure to support these new processes.

Our advanced analytics capabilities are being enriched with new sources of data and new tools that technology offers, such as cloud, real-time decision, machine learning, deep learning, artificial and continuous intelligence and big data. Interbank aims to have a deep understanding of the habits of Peruvians, both individuals and companies, as it believes that a deep knowledge of our current and potential customers' characteristics and adapting to their behavior is important to better serve them, and to offer them the best solutions according to their needs and risk profile.

In this context, at Interbank, our goal of deepening our understanding of Peruvians focuses on three strategic areas: (i) marketing analytics, (ii) risk, and (iii) collections all of these empowered by the adoption of artificial intelligence.

In marketing analytics, Interbank aims to anticipate the needs of our customers with personalized and timely solutions. We are focused on improving time-to-market, as well as increasing the number of personalized offers with further customer engagement.

Secondly, the ability to assess customers' risk profile in the correct manner, together with a balanced portfolio approach, has allowed Interbank to grow in healthy manner. The bank is focused on improving its assessment, through more and better models and using as much information as possible. Furthermore, we have been able to deliver contextual credit offers digitally in real and near real time which allows us to maximize the relationship with strong credit customers, while generating a sense of togetherness and loyalty.

Finally, Interbank also applies advanced analytics to improve its debt collection process, creating an efficient, digital and empathetic experience. As for example, machine learning models have allowed the bank to improve contestability and response, as well as the contact with its customers. This has been important to develop a self-service environment that gives our banking customers flexibility in an easy and empathetic manner.

Investments in technology represent the pillar of this strategic initiative, and Interbank is working in a variety of areas to achieve this goal, including data and infrastructure, advanced marketing analytics, and risk profiling and pricing models, as well as improving our CRM capabilities, including contextual marketing. With the support of its team of data scientists, Interbank centrally designs and distributes most of its sales campaigns, has substantially improved its campaign effectiveness and is currently employing real-time decision making on certain campaigns. This combination of investments has helped make the bank more dynamic and able to approach customers in real time, by offering easy-to-understand information and agile and transparent processes that generate trust in us.

These efforts also include different actions undertaken to have a better understanding of the self-employed segment of the population, which constitute a significant opportunity for financial services given the current low penetration levels. In addition, Interbank is working on alternative risk profile models for new customer acquisition using new sources and non-traditional sources of data.

Through analytics, we are working to become the digital ally in hearts and minds of Peruvians, as well as to establish best practices and governance around the use of data and analytics initiatives, promoting a data-driven mindset throughout the platform. Such initiatives are assisted by the Analytics Center of Excellence (ACoE), which was implemented at the beginning of 2023.

### ***Attract and develop the best talent within our remote-first framework in an agile organization***

We believe that a motivated workforce leads to high-quality customer service, which leads to satisfied customers and better results. Our commitment to fostering a motivated workforce and performance-based culture is demonstrated by recently being ranked among the top Peruvian and Latin American companies in all our core segments by the Great Place to Work Institute and recently also in the specific rankings for women and millennials.

At Interbank, teams are dedicated to nurturing a culture based on six core values, which we believe is one of the most important drivers to lead high-quality teams who develop in a safe environment. Moreover, it allows the teams to cultivate an innovative culture, and as a result, the creation and improvement of our products and services. We also believe that diversity makes us stronger and enhances our innovation. For this purpose, Interbank has introduced a series of initiatives such as Expo Analytics, #LaFerIA, LaBentana Talks, as well as Innovation Day at Intercorp Peru level. In addition, training programs including the Agile Academy, Tribk, and the Commercial Trainee program have also been created.

Our overarching goal is to attract and retain the best talent worldwide, as it is considered the main pillar. At Interbank, this is possible because its flexible remote work framework ERES, which is considered a competitive advantage in the context of digital financial services and which allows us to stay connected while achieving our goals wherever we are. Our ERES framework has allowed us to attract regional talent in key positions, being an advantage to achieve our strategy.

Furthermore, Interbank continues building on the pillars of our corporate culture: leadership, horizontality and growth. They help us promote an environment of transparency, openness, and personal and professional development, especially in aspects such as data, digital and soft skills. Additionally, it aims for the balance between organizational agility and culture to generate more value in the business and engagement in our teams.

Interbank is also focused on developing new capabilities in response to our digital transformation goals, by refreshing and upgrading the skills and abilities of its workforce, through programs such as Level Up. This program provides talent with training in new and different skills so they can be ready to have new and transformational roles in our group.

Interbank, Interseguro, Inteligo and Izipay will continue their efforts to attract, develop and retain highly qualified personnel and to maintain a performance-based culture that emphasizes teamwork to keep a motivated workforce that delivers high-quality service and strong results.

## **Our Approach to Sustainability**

Sustainability is key to how we conduct our business, and we recognize that sustainability is not only an engine for growth but also a differentiating attribute in our relationship with our stakeholders. The responsible management of sustainability matters is central to our culture and anchored on our purpose, our sustainability statement incorporates a future building approach: “We are side by side with Peruvians so they can reach their dreams, today and build their future”.

We recognize the vital role we play in the transition to a more sustainable world. We also recognize the great opportunity to positively impact the climate in which we develop our activities. In this sense, to strengthen our business model and with a long-term view in mind, we seek to consolidate ourselves as an institution that incorporates responsible business practices into our operations and in our relationship with our stakeholders to promote the sustainable development of Peru. Sustainability is a company-wide responsibility. Our vision and principles are put into practice in our daily operations and activities. Our sustainability strategy considers the major global challenges, macro trends, and our business goals.

We incorporate our sustainability vision into our management and culture, through a set of corporate policies and standards, ongoing management of social and environmental risks and opportunities, and active engagement with our various stakeholders. Thus, we are expanding our offering of financial solutions to support our customers making positive social and environmental impacts as well as supporting our customers in the transition to a less carbon-intensive economy. These solutions aim to serve individuals, entrepreneurs, and large corporations and are complemented by financial literacy programs.

## ***Our responsible business model***

At IFS, our responsible business model is ingrained into our purpose of empowering all Peruvians to achieve their financial well-being. We believe that the well-being of our business aligns with that of our clients and community in general, and that the only way Peruvians will be able to truly develop is if they have a prosperous country, now and in the long-term.

We acknowledge the key role that the financial sector plays in the transition to a more sustainable economy, thus we incorporate environmental, social and governance criteria in the way we approach our business. Furthermore, we know that operating as a responsible business is a driver of growth and a differentiating attribute in our relationship with our stakeholders.

At IFS, each subsidiary is responsible for identifying sustainability-related opportunities and risks. Even though our sustainability strategy is embedded in each subsidiary’s daily operations, each of them operates independently while in coordination with the general guidelines issued by our Chief Sustainability Officer and Board of Directors. In 2022, IFS’ Board of Directors approved a Sustainability Policy that includes the following principles: ethics and integrity, human rights, development and inclusion, service and innovation, environmental and climate commitment, and partnership and public engagement.

Pursuant to IFS’ Sustainability Policy, the Board of Directors supervises the application and implementation of such policy within each subsidiary. For such purposes, the following governance measures were put into place:

- The Chief Sustainability Officer (CSO), appointed in March 2022, is responsible for overseeing the implementation of the sustainability strategy in coordination with all four subsidiaries to ensure their alignment with the Sustainability Policy, and the alignment with any with other related guidelines established by the IFS Board of Directors. The CSO presents the results of this strategy once a year to the Board of Directors.
- One Sustainability Leader at each subsidiary is responsible for the management and implementation of the Sustainability Policy and guidelines in each of them with the permanent support of the Chief Sustainability Officer and the subsidiary’s Board of Directors, as well as IFS’ Board of Directors.
- An Executive Sustainability Committee, composed by composed by IFS CEO and by each of the four CEOs, one per subsidiary, is responsible for deciding strategic priorities, allocating resources, assigning responsibilities and overseeing the implementation of initiatives at executive level.

Through its sustainable finance strategy, IFS offers new financial instruments that will facilitate the transition to a low carbon economy and stimulate sustainable development. From August 2021 to December 31, 2023, we generated ESG-related loans for up to U.S.\$195.7 million. In August 2023, we published our Sustainable Financing Framework verified by a second party opinion issued by Standard & Poor’s which has been a key achievement that builds towards our sustainable finance roadmap.

In 2023, IFS participated in S&P Global’s Corporate Sustainability Assessment and reached a score of 61 points, reaching the 92nd percentile and being included in the S&P Global Sustainability Yearbook for 2024 for the first time. We promote the adoption of voluntary commitments that go beyond legal obligations in our subsidiaries and are aligned with global sustainability standards, such as the Sustainable Development Goals (SDGs) of the United Nations and the UN Global Compact, among others. Our main sustainability efforts include actions in three areas:

#### Responsibility with the environment:

- Measuring our carbon footprint, developing sustainable office infrastructure, and implementing waste management, water, and energy efficiency strategies;
- Building towards a strong sustainable finance strategy that focuses on our commercial client's climate transition;
- Progressively adopting the task force on climate-related financial disclosures ("TCFD") recommendations.

#### Responsibility with society:

- Focus on creating the environment of a great place to work in order to attract, select, retain and develop the best talent;
- Focus on our zero-tolerance policy on sexual harassment, the promotion of women in leadership and inclusive workplace practices;
- Improving our clients' financial well-being by offering variety of products and services, including digital payments, digital savings accounts, micro-credit, micro lines of credit, financial protection and well-being;
- Initiatives that support financial education and digital literacy; having launched our first financial education course focused on women in our digital platform "Aprendemás".

#### Responsible governance framework:

- Best corporate governance practices in terms of board composition, diversity and transparency of social and environmental metrics;
- International standards, alignment with payment card industry data-security standard ("PCI DSS")/NIST cybersecurity framework and compliance with SBS requirements;
- Reinforced security protocols for enabling remote work and strong cybersecurity operation center ("CyberSOC") capabilities to prevent, detect, react timely for cyber threats.

## Banking Segment

### Overview

Interbank provides retail and commercial banking services to more than 6.1 million total customers as of December 31, 2023, which includes more than 5.9 million retail customers and approximately 166 thousand commercial clients. It is the fourth largest bank in Peru in terms of total assets and total loans, and the third largest in terms of total deposits, with market shares of 13.3%, 13.3% and 13.5%, respectively, as of December 31, 2023 according to the SBS. Interbank is focused on fast-growing and highly profitable retail banking businesses, such as credit card financing, payroll deduction loans to public employees and mortgages, as well as Peruvian corporates and medium-size companies within commercial banking.

Given this focus, 56.0% of Interbank's gross loans as of December 31, 2023 correspond to retail banking, compared to 39.1% for the Peruvian banking system, according to the SBS. Interbank is the second largest provider of consumer loans, the leading player among private banks in payroll deduction loans to public sector employees and the third largest bank in retail deposits in Peru. As part of its strategy to serve retail banking customers, Interbank has one of the most convenient and extensive retail banking distribution networks in Peru which is currently present in 23 of Peru's 25 regions. Interbank serves its customers through online banking, mobile applications, 153 financial stores, 1,666 ATMs throughout Peru and 7,163 correspondent agents (including our external network of agents). Interbank has one of the most convenient and extensive ATM network nationwide and one of the largest out of branch ATM networks in Peru. Interbank's digital platform, including its mobile app, is regularly used by its customers, and as of December 31, 2023, 90.2% of our monthly active retail customers were engaged through digital channels and our ATM networks only.

The commercial banking line of business represents 44% of Interbank's gross loans as of December 31, 2023. Interbank focuses on high margin and fee generating products such as leasing, structured finance, cash management, trade finance and factoring in its commercial lending business. These products and services are attractive not only for the financial margins they offer, but also for the fee income they generate. In addition, these products and services enhance customer loyalty and provide significant cross-selling opportunities.

For the years ended December 31, 2023, 2022 and 2021, Interbank's net results were a net profit of S/856.1 million (U.S.\$ 228.7 million), S/1,374.1 million (U.S.\$360.3 million) and S/1,360 million (U.S.\$341.2 million), respectively. As of December 31, 2023, 2022 and 2021, Interbank had shareholders' equity of S/8,056.7 million (U.S.\$ 2,172.2 million), S/7,478.8 million (U.S.\$1,960.9 million) and S/7,002.0 million (U.S.\$1,756.2 million), respectively. Interbank's ROE and ROA for the year

ended December 31, 2023 were 11.2% and 1.3%, respectively. Interbank’s ROE for the years ended December 31, 2022 and 2021 was 19.8% and 21.0%, respectively, and ROA for the years ended December 31, 2022 and 2021 was 2.0% and 2.0%, respectively. See “Item 4. Information on the Company—Business Overview—Non-GAAP Financial Measures” for an explanation of the adjustments made in 2020.

**Business Lines**

Interbank has three business lines: (1) retail banking, (2) commercial banking and (3) treasury and institutional.



**Retail Banking**

Interbank’s retail banking business line provides a variety of financial products and services to individuals including retail loans and retail deposits. Interbank’s retail banking strategy consists of providing the best customer experience through convenient, agile and friendly service. Interbank’s key objectives include increasing its market share in its core products through acquiring new clients, increasing its share of wallet and cross-selling products to its existing customers. Interbank seeks to meet the financial service needs of Peru’s growing middle class. Interbank believes the retail banking sector presents significant opportunities to continue to grow and sustain high margins, while taking on reasonable risk.

As of December 31, 2023, retail loans represented 56% of Interbank’s total loan portfolio outstanding as compared to 39.1% for the Peruvian banking system under SBS GAAP. Furthermore, Interbank’s strategy also seeks to continue capturing low-cost funding through a stable and diversified deposit base. The following charts show Interbank’s and the Peruvian banking system’s retail gross loans breakdown according to the SBS as of December 31, 2023.



Source: SBS.

**Retail Loans**

Retail loans consist of consumer and mortgage loans. Interbank classifies its consumer loans into three categories: (1) credit cards and (2) payroll deduction and (3) personal loans.

## Consumer Loans

(1) *Credit cards.* Credit cards represent the largest portion of Interbank's consumer loan portfolio in terms of outstanding loans. Interbank offers its retail customers two major credit cards: VISA and American Express. Interbank has an exclusivity agreement with American Express for its Centurion line of credit cards in Peru. Interbank also offers credit cards with different value propositions catering to each customer segment.

Interbank was the first bank to launch Google Pay, in November 2023. Android clients can now enroll both cards (debit and credit) on their digital wallet through the Interbank application. In December 2023, Interbank reached 54 thousand registered customers and 16 thousand active customers per month. Another milestone reached by Interbank in August 2023, was the commercial agreement that Interbank closed with Hiraoka (a major retail seller of electronics and technology in Peru). With this partnership, the market share of Interbank within the Peruvian market for issued credit and debit cards grew from 17% to 27% and 12% to 13%, respectively.

In November 2019, the SBS issued SBS Resolution No. 5570-2019 which became effective in January 2021. This resolution establishes that the non-revolving financing portion of credit card loans must be presented for regulatory considerations as loans instead of credit card loans. Under SBS GAAP figures, this resulted in a significant reduction to Interbank's credit card loan balances, market share and a change in its retail loans portfolio mix.

(2) *Payroll deduction loans.* Payroll deduction loans to public sector employees such as police officers, teachers and army employees, Interbank ranks first among private banks in Peru in terms of payroll deduction loans to public sector employees, with a market share of 21.7% as of December 31, 2023 as compared to 22.3% as of December 31, 2022.

The risk of default under payroll deduction loans is low, because the employer deducts the loan payments from the employee's salary and makes payments directly to Interbank. Additionally, these payroll deduction loans are legally required to be insured by an insurance company against the death and disability of the borrower. Interseguro provides substantially all of the insurance policies for these loans although customers are free to purchase insurance from other providers.

(3) *Personal loans.* Personal loans include cash loans, student loans, and collateralized cash loans. Cash loans have a term of up to 60 months and a grace period of up to two months. In addition, collateralized cash loans allow customers to include savings accounts or real estate as collateral, have a term of up to 60 months and a grace period of up to two months.

## Mortgage Loans

Interbank offers fixed rate mortgage loans with a typical term of 20 years and a typical down payment of 10% denominated in either U.S. dollars or *soles*.

Interbank's mortgage loans outstanding grew at a CAGR of 8.1% between December 31, 2019 and December 31, 2023 compared to a CAGR of 6.5% for the Peruvian banking system in the same period. Between December 31, 2022 and December 31, 2023, Interbank's growth in mortgage loans outstanding was 5.9%, compared to 5.1% for the Peruvian banking system over the same period. For 2022, Interbank's growth in mortgage loans outstanding was 8.6% with respect to 2021, as compared to 7.6% for the Peruvian banking system over the same period. For 2023, Interbank's mortgage loan balances amounted to S/9,853.0 million, of which 94.2% were denominated in *soles* and the remaining 5.8% in U.S. dollars. For the year ended December 31, 2022, Interbank's mortgage loan balances amounted to S/9,306.2 million, of which 93.1% were denominated in *soles* and the remaining 6.9% in U.S. dollars.

Interbank also provides residential construction loans to real estate developers. Although these loans are reported within the commercial banking portfolio, they are managed together with retail banking mortgages because of the synergies between the businesses. Financing real estate projects provides Interbank with an opportunity to market mortgage loans to home buyers.

In 2001, the Peruvian government launched the *Nuevo Crédito Mivivienda* program, a social initiative to promote the construction of low-income housing, of which Interbank is an active participant. As of December 31, 2023, the *Nuevo Crédito Mivivienda* program had 10,681 outstanding loans, mainly to develop multi-family buildings. The *Nuevo Crédito Mivivienda* program provides direct funding to match each loan underwritten by banks, as well as credit risk coverage for up to two-thirds of any realized loss. Furthermore, the program subsidizes part of the down payment to the end customer to promote real estate acquisition in the country. In addition, by the end of 2023 the Peruvian government launched the Credit Risk Coverage Service (*Cobertura de Riesgo Crediticio – CRC*), which allows banks to offer own funding home loans with the possibility to maintain credit risk coverage of up to two-thirds of any realized loss.

### Retail Deposits

Interbank offers a wide range of *sol*, U.S. dollar and euro denominated transactional, savings and investment accounts through one of the largest distribution networks, as measured by total financial stores, ATMs and correspondent agents. These products satisfy key consumer needs and position Interbank as an attractive financial institution for retail customers.

#### *Transactional accounts*

Within retail deposits, Interbank offers transactional accounts with different interest rates, maintenance fees and options for accessing funds.

*Cuenta Sueldo* is a payroll account into which an employer may deposit an accountholder's salary on a regular basis. These payroll accounts provide debit cards for employees and discounts at restaurants and retailers, among other benefits. Interbank offers these payroll account services to employers in conjunction with other commercial banking products, and also markets directly to employees.

*Cuenta Simple* is used by customers for their everyday banking needs and does not have a maintenance fee. Transactions are free of charge for up to a certain number of monthly transactions through physical channels. In addition, all transactions and transfers performed through online banking and other electronic devices are free of charge. This transactional account is of low cost for Interbank as most of the transactions are conducted through electronic channels. Customers are also able to receive incoming wire transfers in this account. This account type was used to make available the funds that were permitted to be withdrawn from the private pension funds as a result of the Peruvian government's COVID-19 relief measure to provide liquidity to individuals.

#### *Savings accounts*

Interbank offers savings accounts with a variety of interest rates, maintenance charges and options for alternative access channels, such as ATM cards, and free online and mobile access.

*Cuenta Millonaria* is Interbank's flagship savings account, which may be denominated in *soles* or U.S. dollars. The Cuenta Millonaria account allows accountholders to participate in sweepstakes to win prizes such as apartments, cars, courses of studies, among other prizes. *Cuenta Millonaria* also offers an interest rate and free unlimited transactions through electronic channels.

*Cuenta Super Tasa* offers special interest rates based on clients' account balances and free unlimited transactions through electronic channels.

*Alcancia Virtual* is a digitally-enabled feature of a transactional or payroll account in either *soles* or U.S. Dollars, which encourages Interbank's customers to save. This virtual piggy bank allows customers to easily transfer or "swipe" in certain amounts from other accounts to their piggy bank, as well as to create up to 3 different categories in order to organize their savings. The funds allocated to the piggy bank are not subject to maintenance fees and benefit from higher rates than those applied to the associated transactional account. Amounts in customers' piggy bank do not show as funds available for ATM withdrawals or for debit card purchases. As such, money deposited in piggy bank accounts improve Interbank's funding base. Customers retain full flexibility to transfer any funds in their piggy bank account to their transactional accounts through mobile banking or online banking.

#### *Investment accounts*

Interbank offers time deposits, certificates of deposit ("CDs") and CTS accounts denominated in *soles*, U.S. dollars, and euros (only for time deposits), to customers who may or may not have a checking or savings account with Interbank.

Interbank offers time deposits and CDs, with maturities ranging from 31 days to one year. Time deposits with maturities of 31 days or more may be opened with a minimum initial balance of S/2,000, U.S.\$1,000, or EUR 1,000. Time deposits with maturities ranging from five years to 10 years are only offered in *soles* and can be opened with a minimum initial balance of S/50,000.

CTS accounts are severance accounts that employers must open for the benefit of their employees pursuant to Peruvian law. Employers must deposit into these accounts twice a year (in May and November) an amount equal to one half of an employee's month salary. Employees may withdraw from their CTS account any amount exceeding the sum of such employee's four months' salary calculated based on the most recent monthly salary.

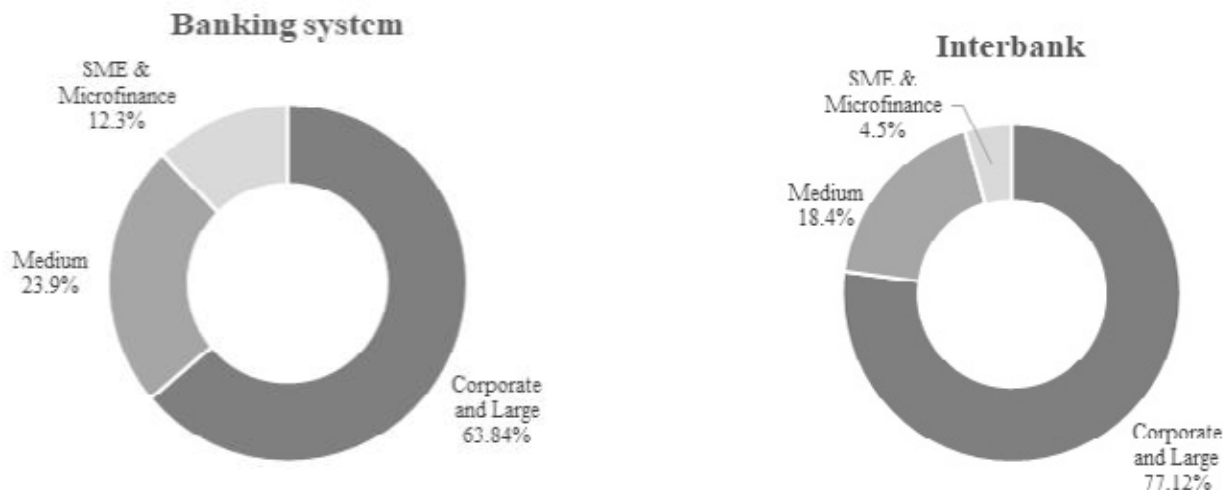
### **Commercial Banking**

Interbank's commercial banking is organized in three business units: (1) corporate; (2) medium-size businesses and (3) small businesses.



As of December 31, 2023, Interbank was the fourth largest bank in terms of commercial loans outstanding, with a total commercial loan portfolio amounting to S/20.6 billion, representing a 9.6% market share, while its past-due loan ratio stood at 3.0%, the lowest among the largest four banks in Peru.

The following charts show Interbank's and the Peruvian banking system's commercial gross loans breakdown according to the SBS as of December 31, 2023:



Source: SBS.

According to the SBS, in general terms, corporate loans are loans offered to companies with annual sales exceeding S/200.0 million in the previous two years; large loans are offered to companies with annual sales between S/20.0 million and S/200.0 million in the previous two years, medium loans are offered to companies with a total debt in the Peruvian financial system above S/300,000 in the last six months that cannot be classified as corporate or large companies; small size loans are offered to companies with a total debt in the Peruvian financial system between S/20,000 and S/300,000 in the last six months; micro-company loans are offered to companies with total debt in the Peruvian financial system no higher than S/20,000 in the last six months.

#### Corporate Banking

Interbank's corporate banking unit is primarily responsible for providing services to companies with annual sales exceeding S/100.0 million or are part of a large economic group. Interbank's corporate banking unit provides investment banking, structured finance and other sophisticated banking products to meet the needs of its target clients. Furthermore, Interbank focuses on developing a relationship with each client and promoting fee-related and low-risk products, such as supply chain financing, collections, transfers and foreign exchange services, all tailored to meet the particular requirements of each client.

#### Medium-Size Business Banking

Interbank's medium-size business banking unit offers many of the same products as those of the corporate banking unit mainly to medium-size enterprises with annual sales between S/3.0 million and S/100.0 million. The unit primarily provides Interbank's clients with working capital loans secured by accounts receivable and other products, including financing for medium and long-term investment programs. Medium-size businesses also constitute an important source of deposits.

Medium-size enterprises in Peru generally do not have access to financing through local or international capital markets or to term loans from foreign banks. Interbank expects to capitalize on the significant growth opportunities in this sector and to profit from the margins that it offers when taking into account the reasonable degree of risk involved. We believe that this sector will continue to grow along with the Peruvian economy.

#### Small Business Banking

Interbank's small business banking unit serves companies with annual sales between S/500,000 and S/3.0 million. Interbank offers working capital loans, fixed asset financing, revolving lines of credit and transactional accounts to small businesses. Interbank has invested in building an experienced team and developing a strong IT platform, with online and automated processes to better serve these customers.

### Main Commercial Banking Products

*Medium-Term Loans.* Interbank offers term loans, which are loans with tenors over 1 year and with average duration of 3.2 years. These loans are usually collateralized with mortgages and/or other assets in order to secure the credit facility. Furthermore, Interbank earns structuring fees from these transactions.

*Leasing.* Interbank provides financial leasing including commercial real estate, vehicles, machinery and other goods. At the end of the term of a leasing agreement, the customer has the option to purchase the leased assets.

In recent years, the growth in Interbank's leasing business has been driven by economic growth and related private sector investments. We expect this trend to continue in the future. Furthermore, Interbank is actively pursuing leasing and financing opportunities for machinery and equipment to grow its leasing business.

*Cuenta Negocios.* The only 100% digital current-account for businesses in the Peruvian market. This account can be opened by customers following a very simple process, with no physical documentation required. *Cuenta Negocios* is the principal client acquisition tool in Interbank's commercial banking business. It also supports many other of Interbank's products, such as factoring.

*Cash management.* Interbank offers products and services that strengthen its relationship with clients, build loyalty and reduce costs by using electronic channels and by increasing fee income. Services managed by this unit include collection services (automated trade bill collection), automated payments (payroll and payments to suppliers) and digital banking and cash management. Interbank earns fees from cash management services by charging its clients a fixed fee and a variable fee based on the volume and frequency of the transactions.

*Trade finance.* Interbank provides short-term loans for trade, funded with internal resources or with credit lines from foreign banks. In addition, the trade finance unit offers medium-term credit lines using funds granted by international commercial banks and foreign governmental institutions. The trade finance unit also earns fees by providing customers with letters of credit, international collection and foreign exchange services.

Interbank intends to take advantage of the growing importance of China in Peru's foreign trade activities by facilitating trade and investment between the two countries. In 2007, Interbank established a commercial representative office in China in order to provide financial services to Peruvian and Chinese companies wishing to trade in either market.

*Supply Chain Financing.* Interbank's electronic factoring products enable Interbank's clients to pay in advance and at a discount to their suppliers. Interbank has a 100% digital-platform for the onboarding of new providers. New customers can also open a *Cuenta Negocios* during that same process.

### ***Treasury and Institutional***

The main activities of Interbank's treasury and institutional business line include treasury and institutional banking, as well as securitization services through Internacional de Títulos Sociedad Titulizadora S.A. ("Intertítulos").

#### Treasury

Interbank is an active participant in the money and foreign exchange trading markets in Peru. Its money market desk plays an active role in the *sol* and foreign currency short-term money markets. In addition, the money market desk participates in the auction of certificates of deposit issued by the Central Reserve Bank of Peru. Interbank's proprietary trading activities focus on foreign exchange trading and short-term investments in securities, which primarily include certificates of deposit of the Central Reserve Bank of Peru, Peruvian global bonds and sovereign debt instruments.

#### Institutional Banking

Interbank's institutional banking unit serves primarily non-profit public and private organizations, international entities, educational institutions, nongovernmental organizations and local financial institutions. As of December 31, 2023, the institutional banking unit had more than 760 clients, S/7.1 billion in current account deposits and S/5.2 billion in time deposits, accounting for 12.7% of Interbank's total deposits.

Interbank's institutional banking unit is strategically important as it provides the bank with a stable and low-cost deposit base, as well as opportunities for fee income generation. Its clients require mainly transactional products, such as digital banking, collection services, automated payroll payment services and investment management. Interbank's strategy is focused on building customer loyalty with these clients by offering customized services at competitive rates and by providing high-quality customer service.

### Securitization Services

In addition, Interbank provides securitization services through its wholly-owned subsidiary, Intertítulos, which is regulated by the SMV. Intertítulos, acting as a trustee, enables its clients to issue securities in order to obtain funds directly from financial markets.

### Distribution Channels

Interbank has built and developed one of the best omni-channel platforms that combine physical and digital presence, serving over 5.9 million customers as well as non-customers across Peru.

In terms of physical presence, Interbank has developed a highly convenient network. As of December 31, 2023, Interbank had 153 financial stores and operated 1,666 ATMs, one of the largest ATM network in Peru and the largest out-of-branch ATM network. Interbank has the largest number of financial stores within retail locations in Peru. Interbank has 110 financial stores in the aggregate across Plaza Veá, Vivanda and shopping malls. Moreover, with the intention of offering greater convenience as well as providing underserved customers with greater access to financial services, Interbank operates a network of 7,163 correspondent agents (includes external network) as of December 31, 2023, known as *Interbank Agente*.

In terms of online channels, Interbank provides any customer or non-customer with the option to have a completely digital experience with the bank, from acquisition and onboarding to the use of its financial products. Its website has a strong commercial focus and manages the bank's digital acquisition of new customers. Its online banking and mobile application give customers immediate access to its day-to-day transactions and after-sales services and uses those interactions to capture cross-sell opportunities. Furthermore, Interbank has developed other channels that serve specific segments or customer needs. For example, a separate website that serves customers under the Interbank Benefit loyalty program, and "Cuenta Sueldo" is a mobile application for payroll account customers that gives access to discounts and benefits.

The following table shows the number of monetary transactions of each distribution channel:

Number of transactions in December, in millions of soles	2019	2020	2021	2022	2023	CAGR 2019-2023
Financial stores	2.7	1.5	1.2	1.0	0.9	(23.2%)
Off-branch	14.5	18.5	25.4	31.5	30.9	20.7%
ATMs	6.7	5.6	6.0	7.0	6.4	(1.0%)
Correspondent agents	2.8	3.4	4.0	3.6	2.9	0.5%
Mobile banking	4.9	9.4	15.3	20.8	21.5	44.9%
Other	0.1	0.1	0.1	0.1	0.1	(8.7)
<b>Total</b>	<b>17.2</b>	<b>20.0</b>	<b>26.6</b>	<b>32.5</b>	<b>31.8</b>	<b>16.6</b>

The following table shows the percentage of use of each distribution channel, reflecting a transition from the use of traditional channels (branches, ATMs and correspondent agents) to mobile banking:

In December, Percentage of total	2019	2020	2021	2022	2023
Financial stores	15.6%	7.5%	4.5%	3.1%	2.9%
Off-branch	84.4%	92.5%	95.5%	96.9%	97.1%
ATMs	39.0%	28.1%	22.6%	21.5%	20.3%
Correspondent agents	16.4%	16.9%	14.9%	11.1%	9.0%
Mobile banking	28.3%	47.1%	57.6%	63.9%	67.5%
Other	0.8%	0.5%	0.4%	0.3%	0.3%
<b>Total general</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

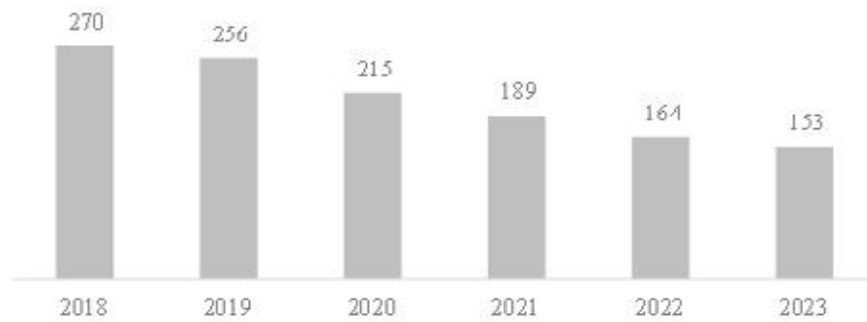
### Financial Stores

As of December 31, 2023, Interbank had 153 financial stores in Peru. After peaking 290 financial stores in 2016, the number of financial stores decreased mainly due to the success in transferring basic transactions from the stores to more efficient channels, the use of online banking and mobile applications, and process improvements. However, Interbank maintains the fifth largest network of financial stores among Peruvian banks, covering 23 of Peru's 25 regions. A large number of the financial stores are located in convenient, high traffic areas, such as supermarkets and shopping malls, to maximize client coverage.

In May 2013, Interbank introduced "Imagine" financial stores, a concept jointly developed with IDEO, a design and innovation consulting firm. "Imagine" fosters a more pleasant and inviting environment to Interbank's customers and is designed to educate customers on the use of electronic channels in order to migrate low value transactions to more efficient channels, while continuing to capture new customers and exploit cross-selling opportunities. Imagine has set new service standards in the industry and many of its elements have been adopted by Interbank's main competitors.

In July 2020, Interbank introduced an evolution of the "Imagine" concept, "Xperience". "Xperience" enables customer to perform digital transaction in stores and also reinforces the role of digital education. This concept was developed into two store models, "Express" and "Universal". "Express" stores are located inside retailers and they are the first cashless stores, focused on education and new customer acquisition. "Universal" stores transform Interbank financial stores by creating a physical-digital area at the entrance of the store that is specifically dedicated to offer digital solutions to its customers and non-customers. These new stores have offered new and existing customers an assisted onboarding process onto its digital channels. In 2023, 46.5% of new digital users utilized the onboarding process offered at Interbank's financial stores, which resulted in increased customer satisfaction level by 3 percentage points compared to the traditional model and increased assisted digital sales to represent to 38% of sales per store, 8 percentage points higher than the traditional model.

The following chart illustrates Interbank's financial stores evolution according to the SBS.

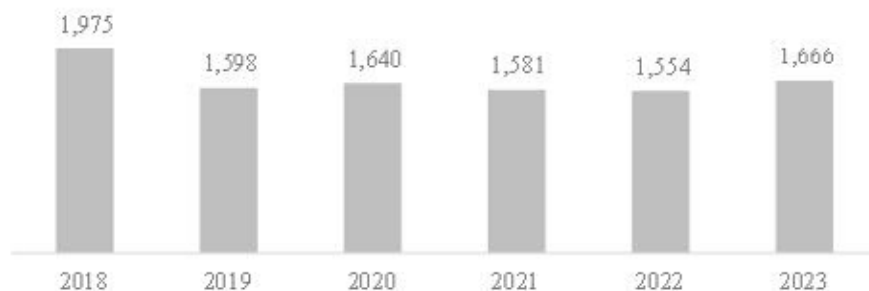


### ATMs

Interbank's strategy is to offer its customers increased convenience and as of December 31, 2023, had one of the largest ATM network in Peru with 1,666 ATMs located across Peru. Although this number represents a reduction from the 2,159 ATMs in 2016, the streamlining of the network has allowed Interbank to relocate ATMs to higher convenience locations as well as invest in renewing and upgrading its equipment, while monetary transactions kept growing year-over-year in this channel. The reduction of the network in 2019, responds to Interbank's decision to discontinue the operation of 359 coin-dispensing ATMs, migrating those transactions to more efficient channels like regular ATMs or correspondent agents.

As of December 31, 2023, 1,666 ATMs make up one of the largest out-of-branch networks in Peru, as reported by ASBANC. The ATM channel is one of the largest channels in Peru in terms of monetary transactions, with a 20% share and has advanced features, including cardless withdrawals, and the ability to receive cash deposits, bill and credit card payments in cash or via debit card, as well as disburse payroll advances. To offer this increased convenience in an efficient way, Interbank operates under the *Global Net* brand which is also a business line that provides ATM services to other financial institutions in Peru and acquires ATM transactions for all major global brands, including Visa, MasterCard, American Express, JCB, Union Pay, Diners and Discovery.

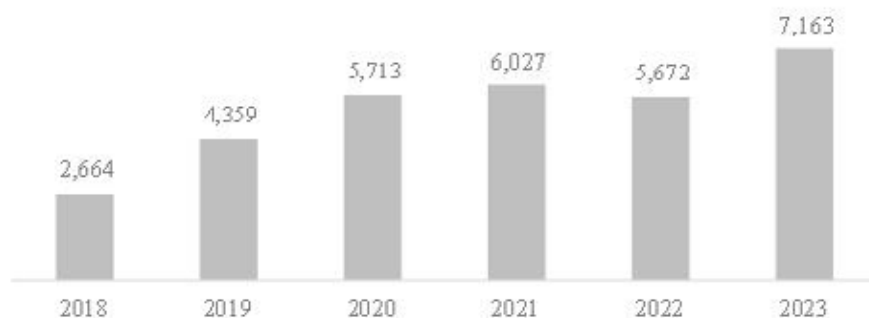
The following chart illustrates the evolution in number of Interbank’s ATMs according to ASBANC.



### Correspondent Agents

This channel operates under the Interbank Agente brand and consists of providing traditional merchants, for example, warehouses, pharmacies, low-cost electronic terminals that allow customers to carry out basic cash transactions, such as withdrawals, deposits and utility bill payments. In order to accelerate and broaden geographic coverage, Interbank incorporated external correspondent agents, which currently represent 56% of the total correspondent agents, expanding its network from more than 5,778 as of December 31, 2021 to 7,163 as of December 31 2023. We believe that Interbank’s focus on migrating low-value cash transactions from stores to more efficient channels contributed to have 2.9 million transactions in this channel.

The following chart illustrates the evolution of Interbank’s correspondent agents according to Interbank’s information.



### Mobile Banking

Interbank has developed a robust digital ecosystem that allows its customers to fulfil their financial needs and goals with a 100% digital experience. Its objective is to provide a journey which does not require physical contact so that its clients do not need to physically visit a branch or contact the call center, unless the customer chooses to do so. Interbank offers digital banking to its new and existing customers through its website and its mobile application. In December 2023, Interbank had more than 2.7 million monthly active users and registered over 21.5 million monetary transactions as well as 180.1 million non-monetary transactions. Its mobile application was the highest rated in the Google Play Store among the four largest banks in Peru. In addition to its website and mobile banking channels, Interbank has also developed other digital solutions that address specific customer segments or needs such as Interbank Benefit, a loyalty program, and *Cuenta Sueldo* APP, where our payroll account customers can access special discounts and benefits. Furthermore, in 2019, Interbank launched *Crédito por Convenio* APP, which services Interbank’s public sector payroll deduction loan customers.

Interbank’s website provides general information about the bank and its products and services and has a commercial orientation, allowing non-customers to acquire credit cards and loans or open a savings or transactional account.

Interbank’s mobile banking is available to existing customers and its services include: (i) transactions: account balance and transaction inquiries, transfers between accounts to Interbank and other local and international banks, credit card, bills and loan

payments, mutual fund investments and cardless ATM withdrawal requests; (ii) after-sales services: lock your card, enable or disable card usage online or abroad, turn on notifications for card usage, mobile transactions and/or ATM withdrawals and divide card transactions into installments; (iii) product cross-sell: credit cards, credit card line extension, pre-approved loans, savings accounts and insurance products; and (iv) personal financial management tools: view your credit score and tips to improve it, spending, creating a budget. Furthermore, as part of its strategy to enhance the digital experience and incentivize its customers to migrate to digital channels, Interbank has digital-only services, such as access to the loyalty program “Interbank Benefit”, the digital savings account “Piggy Bank”, the personal financial management tool *Mis Finanzas* and a personalized credit score based on customers’ financial behavior.

Increased monthly usage of digital solutions among customers is key to Interbank’s strategy as mobile banking customers interact monthly more than eight times the amount that branch customers do, have lower transactional costs and have a better net promoter score and churn indicators as of December 31, 2023.

Furthermore, in December 2023, 75.3% of Interbank’s retail customers that interacted with the bank through any channel were digital customers, that is, customers that also access Interbank’s services through internet and mobile banking, while monetary transactions in this channel grew by 3.4% from December 2022 to December 2023.

### Contact Center

Interbank seeks to prioritize the self-service of its clients, offering the help of service advisors 24/7 who can meet the needs of customers. Interbank’s strategy focuses on delivering first contact solutions, generating value in each contact.

Additionally, we seek to generate value in each touch point, with products and benefits to improve customers’ experience and thus their relationship with the bank. In May 2020, Interbank launched their service bot “AVI” offered through the WhatsApp platform. During 2023, Interbank focused on continuing to grow this channel, reaching 327,000 average monthly interactions, approximately 195,000 of which were self-assisted in December 2023, compared to 131,000 self-assisted interactions in December 2022.

Interbank has a state-of-the-art contact center, which managed an average of over 579,000 assisted interactions per month in 2023, answering inquiries from clients, offering assistance and information, and selling new products to customers. Interbank has a dedicated telephone sales force of 245 employees as of December 31, 2023, which sells credit cards and short loans. The dedicated sales force is a key resource for customer acquisition and for Interbank’s up-selling and cross-selling campaigns.

### **COVID-19 Measures**

In March 2020, the World Health Organization declared Covid-19 a global pandemic, which resulted in several restrictive measures. Since May 2020, the gradual resumption of economic activities began, according to the measures established by the Government considering that in the first semester of 2022, the economic activities reached levels before the pandemic. During the Covid-19 pandemic, the MEF, Central Reserve Bank of Peru and the SBS issued several resolutions aimed to alleviate the impacts of the pandemic. Interbank offered various payment rescheduling options to its clients to help them overcome the major economic shock related to the pandemic and the lockdown measures implemented by the government. These rescheduling options refer to the following three schemes:

- Unilateral: loans proactively rescheduled by us on a portion of the loan balance, in consideration of the client’s debt burden.
- Partial rescheduling: loans rescheduled at client’s request on a portion of the loan balance.
- Structural: loans proactively rescheduled by us or at client’s request over the entire loan balance.

The rescheduling of loans could involve modifying payment schedules, granting grace periods, and lowering interest rates, among other measures. In 2023, Interbank continued to support customers that requested additional relief for their rescheduled loans under the Reactiva Perú program, on a case-by-case basis.

### **Special provisions as a result of social unrest and climate phenomenon**

On December 7, 2022, Peruvian former President Pedro Castillo announced his intention to dissolve the Peruvian Congress and to intervene in, among others, the Peruvian judicial branch and Superior Court. Mr. Castillo’s actions were deemed to constitute an attempted coup, which led to his impeachment and arrest. According to the Peruvian Constitution, Mr. Castillo was succeeded by his then vice-president, Dina Boluarte. Following Mr. Castillo’s impeachment, a wave of protests in support of Mr. Castillo erupted across the country, which led President Boluarte to declare a state of emergency across several regions in Peru on December 12, 2022. Protests continued until March 2023.

In that context, the SBS approved a series of measures to reschedule retail loans that had been affected by the protests and social unrest in Peru, similar to those implemented to minimize the impact of the COVID-19 pandemic. Pursuant to Oficio Multiple N° 54961-2022, issued on December 22, 2022, the SBS established exceptional measures applicable to retail loans, allowing financial institutions to amend contractual conditions without characterizing them as refinanced loans as long as the amended loan complied with certain loan characteristics.

Additionally, through Oficio Múltiple N° 12174-2023, issued on March 10, 2023, the SBS established exceptional measures applicable to retail clients according to the geographic scope determined by each financial company and prior analysis of the level of impact on its portfolio of debtors, allowing the entities to amend the contractual conditions of the different types of loans for retail debtors, without such amendment being considered a refinancing provided certain criteria was complied with.

Lastly, due to the high uncertainty caused by the intensity of the “*El Niño*” phenomenon, in 2023 we have had to increase our monitoring of the performance results of our retail and commercial clients and make subsequent adjustments of expected loss to our model, which in turn creates a certain level of uncertainty in the estimation of expected losses on loans.

### ***Information Technology Unit***

Interbank continuously invests in new technology and the maintenance of its existing equipment and infrastructure in order to improve its value proposition to its customers, increase its efficiency and support business growth. The Information Technology Unit focuses on assuring 24-hour channel availability, enhancing the timeliness of data processing, guaranteeing data protection and anti-fraud security, updating and maintaining hardware platforms and software systems, developing contingency plans and implementing technology projects. Interbank’s IT system also processes credit card, personal and commercial loans, and electronic transactions.

In order to comply with business and regulatory requirements, Interbank has strengthened its IT governance model incorporating best practices for IT quality assurance, risk evaluation, project management and dividing responsibilities within the teams that operate the technology and the teams that develop new solutions. It has also strengthened its business continuity program through increased redundancy programs and upgraded hardware and software components. This model includes establishing operating partnerships with various leading word-class IT vendors.

Interbank has also made significant investments to upgrade its data centers and central technology platforms. These platforms provide a stable and secure environment for Interbank’s operations, a better understanding of cost drivers, and improve its processes.

Interbank’s IT strategy is focused on projects and platforms that add tangible value to the customer and help accelerate the bank’s digital transformation. This includes to customer facing applications that provide a seamless digital experience to internal and external customers through all of its channels. Interbank also invests in back-end and core applications with the aim of keeping them up to date.

A high percentage of IT investment is aimed at deepening the understanding of the customer to achieve service levels that exceed their expectations, providing solutions to their problems and enabling a commercial platform with contextual and real time offerings. To provide this, and foster a data-driven culture, Interbank has invested in making governed data available and developing AI capabilities as well as monitoring and enhancing the decision-making process across different business units.

Interbank IT unit fully utilizes the new technologies that allow the flexibility, scalability and availability required to fulfill customer demands. APIs, micro services and multicloud environments have been implemented since 2018 to reach these objectives. A close relationship with fintechs also helps Interbank to leverage some capabilities and creates opportunities to learn about the way to approach different solutions. An important fact to consider is the transformation of the working model from a waterfall scheme to an agile framework, based on new processes, tools and cultural changes since 2019. In 2020, the development model evolved to allow remote work, redesigning processes and adopting new tools to achieve an optimal work experience for technology teams while taking care of their communication needs, security and productivity. During 2021, Interbank’s technology teams continued to work remotely, and in 2022, Interbank adopted a hybrid model where technology teams can decide whether they prefer to work remotely or on bank’s premises achieving optimal levels of effectiveness and efficiency. In 2023, technology teams continued working in a hybrid model combining remote work with in-person spaces to ensure proper alignments and team integration.

## **Insurance Segment**

### ***Overview***

Interseguro is an insurance company that caters to Peru's growing middle class. Interseguro is focused on annuities and life insurance. Life insurance is the fastest growing insurance market segment in Peru, which is driven by individuals seeking life protection with savings options. Interseguro has been the leader in the Peruvian annuities (excluding private annuities) segment since 2010, with market shares in terms of premiums of 27.9% and 30.0% for the years ended December 31, 2023 and 2022, respectively.

For the four-year period ended December 31, 2023, Interseguro's ROE averaged 25.6% compared to 22.9% for the Peruvian insurance industry. For the year ended December 31, 2023, Interseguro's premiums (excluding disability and survivorship annuities gross premiums) increased 12.8% as compared to 2022, according to the SBS, related to higher sales as a result of a growth of individual life and retail insurance market. During 2023, the survivorship annuities market decreased 39.2% compared to 2022 due to annuities market contraction. This led to Interseguro annuities sales, with survivorship premiums going from S/411.2 million in 2022 to S/231.7 million in 2023, a decrease of 43.7%. For the year ended December 31, 2022, Interseguro's premiums decreased 4.9% as compared to 2021, according to the SBS, related to lower sales as a result of worse annuities market conditions.

Interseguro intends to leverage its leading position in annuities, as well as Intercorp Peru's and Interbank's retail distribution capacity to continue capturing growth opportunities in the insurance industry. In addition, Interseguro expects to continue developing new products to satisfy increasing demand for insurance products by middle class families in Peru.

The growth of annuities is expected to accelerate as the number of Peruvian private pension system affiliates and the Peruvian salaries average increases. From 2010 to 2023, the growth of Peruvian private pension system affiliates was 100%, according to the SBS, and the annual average growth of Peruvian salaries from 2010 to 2023 was 4%, according to INEI. In Peru, employees may choose to accumulate their mandatory retirement contribution in the public or the private pension system. Under the mandatory private pension system, a retiree has the option of converting the capital accumulated in a personal account maintained with an AFP into an annuity offered by a life insurance company, such as Interseguro. In addition to retirement annuities, Interseguro also offers disability annuities to members of the Peruvian private pension system who have been declared permanently or partially disabled. Moreover, Interseguro offers survivorship annuities to beneficiaries of deceased members of the system. Once an annuity client chooses an insurance company, the decision is irrevocable. Besides private pension system annuities, Interseguro offers private annuities, a product that was launched in 2016 and that is sold to any owner of private funds and is not restricted to members of the system and their accumulated capital. This product is aimed at retirees that choose to withdraw the 95.5% of their pension funds and are looking for an option to capitalize such funds.

Interseguro also offers traditional life insurance products, as well as low-cost premium retail insurance products, including credit life, SOAT, credit card protection insurance, among others, mainly sold through Interbank and Intercorp Peru's complementary channels, as well as digital channels. Interseguro's life and retail insurance business lines have grown significantly over the last five years. As of December 31, 2023, Interseguro was the third largest consolidated insurance company and the fifth largest life insurance company in Peru in terms of premiums. In addition, in terms of the size of its portfolio, Interseguro was the second largest insurance company in Peru as of December 31, 2023.

For the years ended December 31, 2023, and 2022, Interseguro's net results were net profit of S/292.1 million (U.S.\$ 78.7 million) and net profit of S/255.5 million (U.S.\$68.8 million). As of December 31, 2023 and 2022, Interseguro had shareholders' equity of S/438.1 million (U.S.\$ 115.2 million) and S/364.5 million (U.S.\$98.1 million), respectively. Interseguro's ROE for the years ended December 31, 2023 and 2022 was 86.2% and 92.4%, respectively, while ROA was 2.0% and 1.8%, respectively.

For the years ended December 31, 2023 and 2022, Interseguro's net profit under SBS GAAP were S/315.1 million and S/202.8 million, respectively. The increase in Interseguro's net profit under SBS GAAP for the year ended December 31, 2023 as compared to 2022 was primarily a result of S/55.9 million increase in net gain of financial investments. According to the SBS, as of December 31, 2023, Interseguro had shareholders' equity of S/1,338 million as compared to S/1,186 million for 2022. Interseguro's ROE under SBS GAAP for the year ended December 31, 2023 was 25.6%, as compared to 16.9% for the year ended December 31, 2022. According to the SBS, for the year ended December 31, 2023, Interseguro was the second most profitable insurance company by ROE, when compared to the five other largest insurance companies in Peru.

### ***Interseguro's Business Lines***

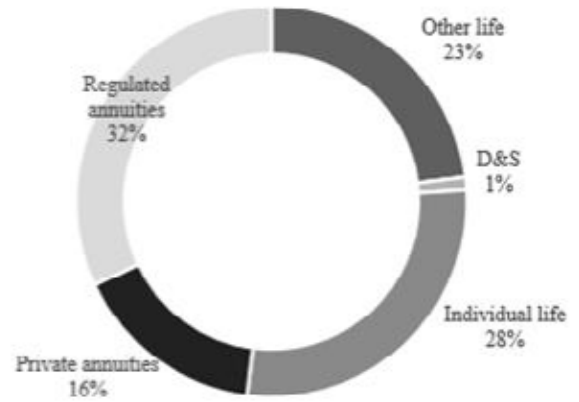
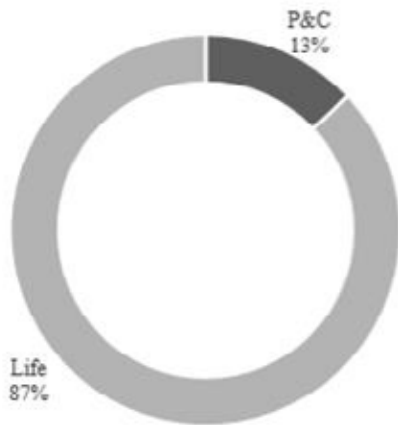
Interseguro has three business lines: (1) annuities, (2) retail insurance and (3) individual life.





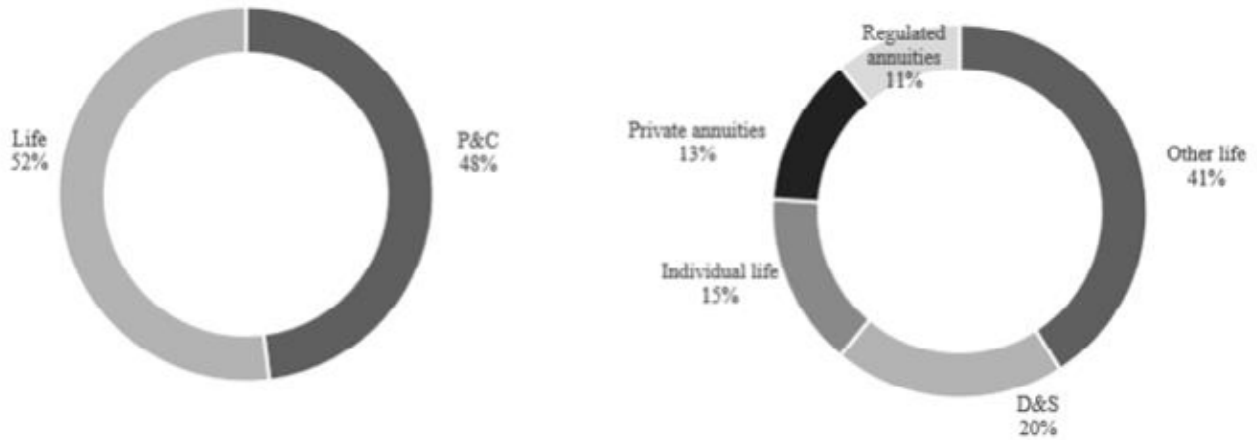
The following chart shows Interseguro’s and the Peruvian insurance system’s breakdown by life insurance premiums plus collections according to the SBS as of December 31, 2023:

**Interseguro**



Source: SBS.

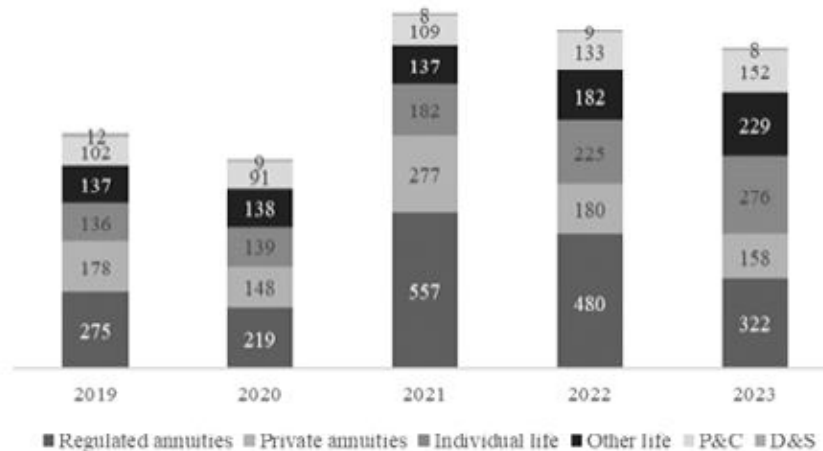
## Insurance system



Source: SBS.

The following chart shows Interseguro's gross premiums and collections, according to the SBS for the periods indicated.

### Gross Premiums and collections (S/ in Millions)



Source: SBS.

(1) Excluding gross premiums from disability and survivorship.

### Annuities

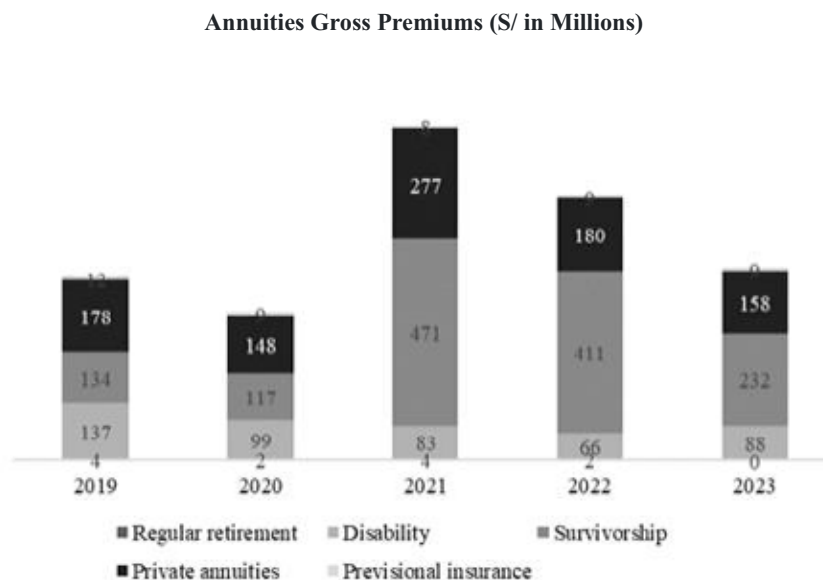
An annuity is a type of insurance policy that, in exchange for an initial lump sum payment, provides regular monthly payments. Interseguro offers three types of annuities: *soles*, U.S. dollars and *soles* indexed to CPI, adjusted by 2% per year.

There are two groups of annuities: (i) Regular Retirement Annuities are the annuities sold under the Peruvian private pension system, and (ii) Private Annuities which include the *Renta Privada* product. In Peru, employees may choose to deposit their cumulative contributions in the public or the private pension system. Under the private pension system, upon retirement, a retiree has the option of converting the capital accumulated into a personal account maintained with an AFP, collecting 95.5% of their accumulated capital or converting the capital into an annuity offered by an insurance company, such as Interseguro.

In 2016, following the enactment of Law No. 30425, retirees are allowed to withdraw up to 95.5% of their accumulated capital in cash upon retirement. As a result, there was a significant reduction of annuities sold by Peruvian insurance companies, including Interseguro. In order to maintain the leadership in annuities, Interseguro launched Private Annuities. This product allows retirees to receive a fixed income either for life or temporarily. Interseguro was the first insurance company to introduce this type of product to the market in response to the new law. As of the date of this Annual Report on Form 20-F, most of the clients of Private Annuities and their funds originate from retirees that choose to withdraw the 95.5% of their pension funds.

In addition to Regular Retirement Annuities and Private Annuities, Interseguro also offers disability annuities to members of the Peruvian private pension system who have been declared permanently or partially disabled before reaching retirement age and thus unable to access a sufficient pension and survivorship annuities for beneficiaries of deceased members of the system.

The following table shows Interseguro’s Annuity Gross Premiums by type from 2019 to 2023.



Source: Company information.

Interseguro’s annuities products include:

Regular Retirement Annuities

*Retirement.* The retirement annuity product is directed to members of the Peruvian private pension system who are 65 years of age or older and retiring. This product represented 0.4% of annuities sold by Interseguro for the year ended December 31, 2023 as compared to 0.3% for the year ended December 31, 2022 and 0.4% for the year ended December 31, 2021.

*Early Retirement.* The early retirement product was offered to members of the Peruvian private pension system who are not yet 65 years of age, but who are permitted to have access to their Peruvian private pension system accounts if the savings in such accounts allow for a pension of at least 40% of the average last 120 months’ compensation. The early retirement annuity products represented 0.0% of annuities sold by Interseguro for the year ended December 31, 2023 as compared to 0.0% for the year ended December 31, 2022 and 0.1% for the year ended December 31, 2021. Peruvian law was modified and since May 2019, in order to access this product, men must be at least 55 years old and women 50 years old. This change is intended to fill a loophole in the law that allowed affiliates to deliberately increase their funds with additional deposits, in order to access early retirement and withdraw 95.5% of their total pension funds, regardless of age. This modification closing the loophole should positively impact the annuities market slightly, as it helps in retaining affiliates in the private pension system for longer

*Special Early Retirement.* The special early retirement product was offered until December 2018 to members of the Peruvian private pension system who are 55 years of age or older and male, or 50 years of age or older and female, and are retiring and have not been contributing to the Peruvian private pension system for at least 12 months. Since May 2019, Peruvian law established that this regime is permanent and in order to access this product, if a retiree receives income during the period in which they have not been contributing, total income must be less than or equal to seven UIT (*Unidad Impositiva Tributaria*).

This product is more flexible than the standard early retirement annuity product. The special early retirement annuity product represented 0.0% of annuities sold by Interseguro for the year ended December 31, 2023 as compared to 0.0% for the years ended December 31, 2022 and 2021, respectively.

*Private Annuities.* The Private Annuities product was launched in 2016 allowing the recovery of Interseguro's premiums and collections from the effects of the Law No. 30425, enacted in 2016. This product can be sold to any owner of private funds and is not restricted to members of the system and their accumulated capital. The annuity can have any duration and the lump sum invested can be partially or totally repaid at the end of the annuity, if it has one. As of the date of this Annual Report on Form 20-F, most of the clients and their funds come from retirees that chose to withdraw 95.5% of their accumulated capital. Private Annuities represented 32.4% of annuities sold by Interseguro for the year ended December 31, 2023 as compared to 26.9% and 32.9% for the years ended December 31, 2022 and 2021, respectively.

#### Disability and Survivorship Annuities

*Disability and Survivorship.* Under Peruvian law there is a mandatory insurance coverage for all members of the pension system paid monthly in addition to their contribution. In case a member has been declared permanently or partially disabled, or deceased while having legal beneficiaries, this insurance completes the accumulated capital as if the individual had worked until retirement age, allowing a better pension when applying for the retirement. While this insurance is not an annuity, it is closely related to the one we describe next. Disability and survivorship represented 1.6% of annuities sold by Interseguro for the year ended December 31, 2023 as compared to 1.3% and 1.0% for the years ended December 31, 2022 and 2021, respectively.

The SBS conducts a Dutch auction every two years inviting insurance companies to bid to determine which insurance company will be the provider for this insurance in a two-year period. Interseguro was successful in the 2015 auction, and as a result of the merger with Seguros Sura, they were also a provider for 2017. Interseguro participated in the auction for the 2021-2023 years but were not successful; they expect to bid again at the next auction. Although this will represent a decrease in gross premiums in the following years, Interseguro ceded almost 100% of disability and survivorship gross premiums; therefore, the effect on net profit is minimal.

*Disability and Survivorship Annuities.* The disability and survivorship annuity product is offered to members of the Peruvian private pension system who have been declared permanently or partially disabled and to beneficiaries of deceased members of the Peruvian private pension system. This annuity is offered in conjunction with the disability and survivorship mandatory insurance. Disability and survivorship annuity products accounted for 65.6% annuities sold by Interseguro for the year period ended December 31, 2023 as compared to 71.5% and 65.7% for the years ended December 31, 2022 and 2021, respectively.

All retirement annuities sold under the Peruvian private pension system offer monthly payments for the life of the policyholder and thus the initial lump sum is never recovered. A retiree's joint choice of an insurance company, currency denomination and retirement modality is irrevocable.

Product differentiation is limited in the Peruvian annuities sector, as product features are regulated by the SBS. The market position of each insurance company is driven instead by its sales strategy and quality of service. Interseguro's sales strategy, consisting of providing ongoing sales force training, and implementing innovative control and management mechanisms, has permitted Interseguro to be the market leader in the annuities sector over the past four years, with an increasing advantage over the second largest market participant.

For the year ended December 31, 2023, Interseguro's market share by annuity premiums (including Private Annuities and excluding Previsional Insurance) was 18.9%, nearly 3.1 basis points higher than its next competitor's market share.

#### **Retail Insurance**

Interseguro offers simple, low-cost premium products targeted to middle class families and sold mainly through Interbank financial stores, as well as channels owned by Intercorp Peru, including Intercorp Retail points of sale (Plaza Vea and Oechsle) and digital channels. In 2016, Interseguro expanded its retail insurance portfolio with an online sale for the launch of the digital SOAT and in 2018, with travel insurance and vehicle insurance.

Interseguro offers the following retail insurance products:

*Credit Life Insurance.* The credit life insurance product protects against death or disability of the insured and is designed to pay the debt owed by a customer to the financial institution. This product is available for mortgages, credit cards and personal loans. Credit life insurance represented 59.7% of total retail insurance premiums assumed by Interseguro for the year ended December 31, 2023 as compared to 57.6% and 55.1% for the years ended December 31, 2022 and 2021, respectively.

*Debit and Credit Card Protection Insurance.* The debit and credit card protection insurance product protects the insured against financial loss, medical expenses for hospitalization or accidental death as a result of theft, assault and abduction. Debit and credit card protection insurance represented 15.2% of total retail insurance premiums assumed by Interseguro for the year ended December 31, 2023 as compared to 6.7% and 8.2% for the years ended December 31, 2022 and 2021, respectively.

*SOAT (Seguro Obligatorio de Accidentes de Tránsito).* The SOAT product protects against the risk of death or injury to occupants and third parties involved in an automobile accident. The SOAT product is mandatory, and coverage is limited to cover personal injury, excluding any physical damage to the vehicle. The SOAT product accounted for 14.3% of total retail insurance premiums assumed by Interseguro for the year ended December 31, 2023 as compared to 14.4% and 20.1% for the years ended December 31, 2022 and 2021, respectively.

*Vehicle Insurance.* The vehicle insurance coverage includes damage to vehicles due to traffic accidents, total loss, theft, fire, nature risks, strikes or vandalism and civil liability for occupants and third parties. Occupants' damages such as permanent disability, healing expenses, funeral expenses and death are also covered. In addition, this insurance includes replacement drivers, cranes and mechanical assistance, among others. Vehicle Insurance represented 3.7%, 5.2% and 4.2% of total retail insurance premiums assumed by Interseguro for the years ended December 31, 2023, 2022 and 2021, respectively.

*Loan Protection Insurance.* The loan protection insurance covers a specific number of payments of a loan in case the insured loses his job. Loan protection insurance accounted for 3.1% of total retail insurance premiums assumed by Interseguro for the year ended December 31, 2023 as compared to 4.8% and 5.0% for the years ended December 31, 2022 and 2021, respectively.

*Extended Warranty.* The extended warranty product extends the product's original warranty period by about 12–24 months. Extended warranty product accounted for 0.1% of total retail insurance premiums assumed by Interseguro for the year ended December 31, 2023 as compared to 2.3% and 3.3% for the years ended December 31, 2022 and 2021, respectively.

*Others.* The other products category protects against personal accidents. Other products accounted for 4.0% of total retail insurance premiums assumed by Interseguro for the year ended December 31, 2023 as compared to 10.2% and 8.4% for the years ended December 31, 2022 and 2021, respectively.

### **Individual Life**

Although the individual life insurance market remains relatively small in Peru, the market has grown at a CAGR of 4.6% between December 31, 2019 and December 31, 2023. For the year ended December 31, 2023, the individual life insurance market increased 11.3% as compared to 2022, primarily due to the recovery of the Peruvian economy and digitalization of sales processes which boosted sales of individual life products.

Interseguro offers a variety of individual life insurance products, providing a wide range of coverage for the length of a policyholder's life. Most of Interseguro's products also provide savings features.

Interseguro's strategy in individual life insurance consists in adapting its products to the emerging Peruvian middle class, developing a highly trained sales force, achieving high standards of sales efficiency and leveraging digitalization to increase sales of life insurance. For the year ended December 31, 2023, Interseguro positioned itself as the third largest participant in the individual life insurance market, with a 17.4% market share by individual life premiums, according to the SBS.

### **Sales Force**

Interseguro markets its annuities and individual life insurance products through its own dedicated sales force both in Lima and across Peru's provinces, without a third-party intermediary. Due to the COVID-19 pandemic, Interseguro retooled its sales force to provide customers with a 100% remote assistance and digital operation. Prior to the pandemic, sales in annuities and life insurance products were only conducted in-person, but digitalization of these sales was accelerated.

In annuities, Interseguro employed 87 agents, 41 in Lima and 46 outside of Lima as of December 31, 2023. Each salesperson receives continuous training through a multiple-level program, which includes training in macroeconomic background, financial statement analysis, investment policy, marketing techniques and time management. In addition, Interseguro's annuity sales agents specialize in the sale of different types of annuity products. As a result, Interseguro's sales force is trained to satisfy each customer's needs.

In life insurance, Interseguro employed 619 agents, 418 agents in Lima and 201 agents outside of Lima, as of December 31, 2023. In addition, Interseguro employs servicing agents with the aim of servicing existing life insurance policies. We

believe that constant training develops effective sales techniques and the skills to assess customer needs, which we believe is one of Interseguro’s critical competitive advantages. Interseguro has a specialized team focused on setting a training curriculum for each salesperson in the first three years with the company as well as in assigning a mentor to each new recruit.

As of December 31, 2023, Interseguro works with three brokers nationwide to offer SOAT. Interseguro also works with insurance brokers to sell SOAT to increase coverage in Peru with limited capital investment. As of December 31, 2023, the brokerage channel accounts for approximately 13.8% of Interseguro’s total SOAT sales.

### ***Strategic Partners***

Interseguro offers its retail insurance, such as credit life insurance, debit and credit card protection insurance, loan protection insurance, SOAT and extended warranty through non-traditional channels, including partnerships with Interbank and Intercorp Retail.

Through its partner companies, Interseguro reaches a large number of customers, offering a convenient and reliable payment mechanism. This distribution network represents one of Interseguro’s strongest competitive advantages, as it allows for a broad insurance product offering through several points of sales.

Interseguro’s retail insurance division used the following distribution channels to sell its products as of December 31, 2023:

<b>Strategic Partners</b>	<b>Points of Sale</b>
Interbank	Financial Stores: 153
	Plaza Vea: 102 stores
Intercorp Retail	Oechsle: 29 stores

Interseguro’s retail insurance premiums breakdown by distribution channel as of December 31, 2023 is the following:

<b>Strategic Partners</b>	<b>Retail insurance premiums breakdown</b>
Interbank	76.7%
Intercorp Retail (Plaza Vea and Oeschle)	1.1%

### ***Investments and Investment Management***

#### ***Investment Portfolio***

Interseguro invests the insurance premiums yet to be paid out in claims in its investment portfolio, based on a policy of capital conservation and adequate diversification.

The main objective of Interseguro’s investment portfolio is to cover its future payment obligations, associated mainly with its annuities business. Interseguro maintains a conservative asset liability management approach, matching its obligations by currency and maturity. Interseguro’s portfolio focuses on investment grade fixed-income instruments in U.S. dollars, *soles* and inflation linked notes, mitigating interest rate, inflation, and currency risks. Interseguro’s obligations consist of technical obligations related to annuities that are sold at a fixed interest rate, thus Interseguro prioritizes the investments on fixed income securities that hedge such obligations. Based on Interseguro’s investment strategy, its portfolio shows asset sufficiency to cover insurance liabilities at a currency, duration, inflation and interest rate levels that hedge against volatility in these factors.

Given that the Peruvian market offers a limited range of long-term investment instruments, Interseguro has sought to increase its investments outside of Peru and explore alternative investments in the local market, such as real estate projects.

Interseguro is required to comply with the following investment management principles according to the SBS:

- *Security Principle.* Based on the protection and preservation of the economic value of assets over time.
- *Liquidity Principle.* Consist of the availability of an asset to be converted into cash at the required time and without significantly affecting its value.
- *Diversification Principle.* Based on the set of assets that contribute to the diversification of the risk factors of the portfolio and reduction of the potential impact of adverse effects.

- *Parity Principle.* Parity between the characteristics of the asset and the obligations that it supports. These features include the term or horizon, the degree of liquidity or enforceability, currency, volatility in valuation, predictability and timing of flows, among others.
- *Profitability Principle.* Based on generation of returns that would cover at least the commitments offered to policyholders.

Additionally, as established by the investment regulation of insurance companies, Interseguro must meet its technical obligations. As part of the coverage of the technical obligation proceeds, Interseguro must follow the investment management principles established in the regulation and comply with the eligibility requirements of its investments by type of assets.

Regarding the investment eligibility, to consider an asset as eligible, it must not be affected or be subject to any precautionary measure. The custody agreements of the eligible investment must not contain any clause that allows use of such assets as collateral to back other company obligations and that there are no other measures that limit the free transfer of the assets. Furthermore, eligible investments must comply with certain investment limits, by issuer, economic group, asset and foreign issuers. In addition, assets rated in categories below the investment grade cannot be considered as an eligible investment.

Interseguro's investment management complies with the limits and requirements indicated in the regulation in order to minimize non-eligible investments and comply with the coverage of its technical reserves, minimum solvency capital required and guaranty fund.

As of December 31, 2023, Interseguro's investments amounted to S/14,051.4 million, of which S/12,018.2 million and S/735.0 million were fixed income securities, and equity securities and fund investments, respectively, as compared S/12,582.8 million, of which S/10,544.5 million and S/750.5 million were fixed income securities, and equity securities and fund investments, respectively, for 2022. As of December 31, 2023, investments in real estate projects were S/1,298.2 million (approximately U.S.\$350.5 million) as compared to S/1,287.7 million (approximately U.S.\$337.6 million) for 2022.

The following tables present a breakdown of Interseguro's investment portfolio by type of investment as of the dates indicated.

#### Investments by Type

	Book Value as of December 31,					
	2023		2022		2021	
	S/ in millions	%	S/ in millions	%	S/ in millions	%
<b>Fixed Income</b>	<b>12,018.2</b>	<b>85.5%</b>	<b>10,544.5</b>	<b>83.8%</b>	<b>10,905.6</b>	<b>82.8%</b>
Corporate Bonds	4,926.7	35.1%	4,327.2	34.4%	4,367.0	33.1%
Peruvian Sovereign Bonds	3,785.7	26.9%	3,126.2	24.8%	3,169.6	24.1%
Foreign Bonds	3,305.8	23.5%	3,091.1	24.6%	3,369.0	25.6%
<b>Equity and Funds</b>	<b>735.0</b>	<b>5.2%</b>	<b>750.5</b>	<b>6.0%</b>	<b>1,045.9</b>	<b>7.9%</b>
Equity	611.9	4.4%	670.9	5.3%	963.2	7.3%
Funds	123.1	0.9%	79.6	0.6%	82.6	0.6%
<b>Real Estate</b>	<b>1,298.2</b>	<b>9.2%</b>	<b>1,287.7</b>	<b>10.2%</b>	<b>1,224.4</b>	<b>9.3%</b>
<b>Total</b>	<b>14,051.4</b>	<b>100.0%</b>	<b>12,582.8</b>	<b>100.0%</b>	<b>13,175.9</b>	<b>100.0%</b>

The following tables present a breakdown of Interseguro's investment portfolio by currency as of the dates indicated.

#### Investments by Currency

Portfolio	Book Value as of December 31,					
	2023		2022		2021	
	S/ in millions	%	S/ in millions	%	S/ in millions	%
<i>Sol</i> (1)	9,592.0	68.3%	8,542.6	67.9%	8,180.3	62.1%
U.S. dollar	4,459.3	31.7%	4,040.2	32.1%	4,995.6	37.9%
<b>Total</b>	<b>14,051.3</b>	<b>100.0%</b>	<b>12,582.8</b>	<b>100.0%</b>	<b>13,175.9</b>	<b>100.0%</b>

(1) Real estate investments are measured in *soles*.

The following tables present a breakdown of Interseguro's investment portfolio by rating as of the dates indicated.

### Investments by Rating<sup>(1)</sup>

	As of December 31,					
	2023		2022		2021	
	(S/ in millions)	%	(S/ in millions)	%	(S/ in millions)	%
AAA	931.7	28.5%	836.9	27.1%	662.2	21.8%
AA+ to AA-	2,238.9	68.4%	2,221.0	72.0%	2,351.2	77.3%
A+ to A-	102.0	3.1%	25.7	0.8%	27.2	0.9%
<b>Total Local Ratings</b>	<b>3,272.6</b>	<b>100.0</b>	<b>3,040.6</b>	<b>100.0</b>	<b>3,040.6</b>	<b>100.0%</b>
AAA	0.0	0.0%	0.0	0.0%	0.0	0.0%
AA+ to AA-	25.5	0.3%	26.4	0.4%	29.2	0.4%
A+ to A-	507.2	5.8%	477.3	6.4%	211.4	2.7%
BBB+	2,758.2	31.5%	2,383.4	31.9%	2,655.3	33.8%
BBB	2,896.9	33.1%	2,710.0	36.3%	3,356.3	42.7%
BBB-	1,798.9	20.6%	1,252.4	16.8%	1,161.6	14.8%
BB+	454.9	5.2%	262.0	3.5%	143.8	1.8%
BB	0.0	0.0%	0.0	0.0%	0.0	0.0%
BB-	94.6	1.1%	349.5	4.7%	102.7	1.3%
B	209.2	2.4%	0.0	0.0%	204.8	2.6%
CCC+	0.0	0.0%	0.0	0.0%	0.0	0.0%
<b>Total Foreign Rating</b>	<b>8,745.5</b>	<b>100.0</b>	<b>7,461.0</b>	<b>100.0</b>	<b>7,865.0</b>	<b>100.0%</b>

(1) Includes only credit rated fixed-income investments.

In regards to fixed income, Interseguro prioritizes the investment in local bonds and foreign bonds with a higher risk rating of AA- and BBB-, respectively.

The following table presents a breakdown of Interseguro's investment portfolio by maturity as of the dates indicated.

### Investments by Maturity

Maturity	Book Value as of December 31,		
	2023	2022	2021
	S/ in millions	S/ in millions	S/ in millions
0-5 years	690.6	467.6	121.6
6-10 years	2,030.8	1,264.0	1,287.6
11-20 years	6,076.8	5,445.1	4,461.3
21+ years	3,220.0	3,367.9	5,035.1
No maturity <sup>(1)</sup>	2,033.2	2,038.2	2,270.3
<b>Total</b>	<b>14,051.3</b>	<b>12,582.8</b>	<b>13,175.9</b>

(1) Real-estate and equity investments.



### Fixed-Income

The fixed-income securities portfolio is mainly composed of long-term fixed rate debt that are eligible instruments to cover reserves, in compliance with the requirements established by the SBS.

As of December 31, 2023, Interseguro's fixed-income investments represented 85.5% of its total portfolio, of which 35.1% were corporate bonds, 26.9% were Peruvian sovereign bonds, 23.5% were foreign bonds. As of December 31, 2022, Interseguro's fixed-income investments represented 83.8% of its total portfolio, of which 38.4% were corporate bonds, 24.8% were Peruvian sovereign bonds, 20.5% were foreign bonds. As of December 31, 2021, Interseguro's fixed-income investments represented 82.8% of its total portfolio, of which 40.0% were corporate bonds, 29.1% were Peruvian sovereign bonds and 30.9% were foreign bonds.

As of December 31, 2023, 72.8% of bonds with international ratings and 27.2% of bonds with local ratings had investment grade status.

### Equity and Funds

Substantially all of Interseguro's equity and funds portfolio is invested in companies with low beta and relatively stable and predictable cash flows. Interseguro's equity and funds portfolio is invested across Latin America and the United States. As of December 31, 2023, Interseguro's equity and funds portfolio represented 5.2% and of its total portfolio, of which 64% was invested in foreign securities and 36% in local securities. As of December 31, 2022, Interseguro's equity and funds portfolio represented 6.0% and of its total portfolio, of which 63.3% was invested in foreign securities and 36.7% in local securities. As of December 31, 2021, Interseguro's equity and funds portfolio represented 7.9% of its total portfolio, of which 74.2% was invested in foreign securities and 25.8% in local securities.

### Real Estate

Interseguro's investments in real estate are made across the different types of properties: office, industrial, retail and land for development. Interseguro leverages advice from its affiliates, InRetail Shopping Malls and Real Plaza, in order to maximize its real estate portfolio. InRetail Properties Management is specialized in securing new locations and developing shopping malls based on its proprietary consumer demand analytics and projected yield targets. Real Plaza is focused on operating shopping malls in Peru.

Real estate income derives from the appreciation of real estate property and from rental income from its tenants. Interseguro's rental income comes primarily from Orquídeas (offices building) and Tabacalera (industrial asset). Tabacalera is an industrial property leased to Teleatento Peru S.A.C, which is a company dedicated to call centers. As of December 31, 2023, Interseguro's investments in real estate projects represented 9.2% of its total portfolio, as compared to 10.2% and 9.3% for the years ended December 31, 2022 and 2021, respectively.

### Reinsurance

Interseguro transfers risks to reinsurers in order to limit its maximum aggregate potential loss and minimize exposures on large particular individual risks. Reinsurance is placed with reinsurance companies based on its reinsurance policy, which is annually approved by Interseguro's board of directors and its risk committee. Interseguro's main reinsurers are six international reinsurance companies: Scor Global Life, Munich Re, Gen Re and Hannover.

Premiums ceded to reinsurers represented 1.6%, 1.3% and 1.0% of Interseguro's premiums assumed for the years ended December 31, 2023, 2022 and 2021, respectively (these percentages do not include the reinsurance for the pension-related insurance (disability and survivorship)).

Interseguro also has catastrophe reinsurance that covers individual and group life insurance products, except annuities. These contracts are intended to limit Interseguro's risk exposure in the event of low-probability but high-cost events, such as natural or man-made disasters.

### Information Technology Unit

Interseguro's IT unit is responsible for managing its technology infrastructure, telecommunications network and computer systems. The unit is also responsible for designing and implementing in-house solutions or third-party technological developments to support Interseguro's operation.

Interseguro has undertaken investments in technology with the aim of providing a stable and secure platform to support its rapidly expanding business. In 2012, Interseguro’s insurance company decided to invest in the implementation of an operations system in order to support Interseguro’s planned growth in life and retail insurance, a CRM platform, and business intelligence capabilities, among others. Interseguro invested approximately S/1.9 million in projects for the year ended December 31, 2023 and approximately S/1.5 million in projects for each of the years ended December 31, 2022 and 2021. Interseguro plans to invest approximately S/4.5 million over the next three years in technology.

Recently, as a result of the COVID-19 pandemic, cyber-security risks have increased primarily due to implementation of remote work policies. In response, Interseguro has implemented additional cyber-security measures to prevent, detect, and respond to these enhanced cyber-security risks. These measures focus primarily on the improvement of access management processes within the company, implementation of processes to supervise access to the company’s systems, implementation and updates of the company’s information security policies and procedures, and continuous evaluation of new threats in cyber-security.

## **Wealth Management Segment**

### **Overview**

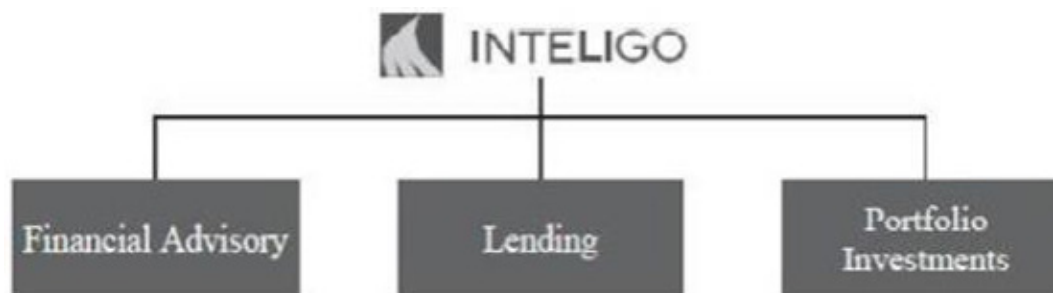
Inteligo is a provider of wealth management services through Inteligo Bank, brokerage services through Inteligo SAB and mutual funds management services through Interfondos. Inteligo Bank primarily focuses on individuals with investable assets in the range of U.S.\$500,000 and U.S.\$10.0 million, where Inteligo believes there is higher growth potential. Inteligo SAB and Interfondos focus on providing brokerage and mutual funds services to individuals with investable assets under U.S.\$500,000. As of December 31, 2023, Inteligo had assets under management of S/23,181.5 million (U.S.\$6,250.1 million) as compared to S/21,317.4 million (U.S.\$5,589.3 million) in 2022. Inteligo’s assets under management grew at a CAGR of 6.1% between December 31, 2019 and December 31, 2023. Inteligo conducts various types of banking, trust, financing, brokerage and investing activities for high net worth individuals.

Inteligo SAB also provides sales and trading operations for individual and institutional customers primarily in the Peruvian capital markets. As of December 31, 2023, Inteligo SAB was the sixth largest broker by market share in equities trading, according to the SMV. Interfondos is the fourth largest mutual fund manager in Peru with a 16.2% market share based on assets under management, according to the SMV.

Inteligo’s result for the year ended December 31, 2023 was a net profit of S/36.2 million, as compared to a net loss S/141.4 million in 2022. As of December 31, 2023, Inteligo had shareholders’ equity of S/920.9 million as compared to S/894.2 million in 2022. Inteligo’s ROE for the year ended December 31, 2023 was 4.0% as compared to a 13.6% loss in 2022.

### **Business Lines**

Inteligo has three business lines: (1) financial advisory; (2) lending; and (3) portfolio investments.



### **Financial Advisory**

Inteligo provides financial advisory services to high net worth individuals regarding investments, including equities, fixed income, structured products, alternative investments and managed accounts. Through its team of investment analysts, Inteligo designs financial strategies to satisfy the investment objectives of each client in the Peruvian and international financial markets. Furthermore, Inteligo provides regular updates to its clients on market conditions through reports from its in-house research team.

The strength of Inteligo’s financial advisory services has contributed to the growth of its fee income as a percentage of its revenues. Inteligo’s fee income from financial services, net decreased from S/163.3 million for 2022 to S/146.2 million for 2023.

## Lending

Inteligo offers lending services through Inteligo Bank to complement its wealth management business only to its existing clients. Most of the loans are categorized as consumer financing.

Inteligo Bank's loan portfolio was fully collateralized by its clients' assets as of December 31, 2023. Inteligo's net loan portfolio totaled S/1,519.7 million as of December 31, 2023, decreasing 14.8% from S/1,784.3 million, as of December 31, 2022. Inteligo's net loan portfolio represented 34.7% of its total assets as of December 31, 2023 as compared to 35.0% for 2022.

## Portfolio Investments

Inteligo manages a proprietary portfolio primarily composed of medium-term investments in fixed-income securities and private equity. Inteligo's investment team uses third-party funds as well as individual fixed income and equity securities.

Inteligo's investment portfolio as of December 31, 2023, totaled S/1,855.1 million, an increase of 9.2%, from S/1,698.2 million as of December 31, 2021, mainly explained by purchases of fixed income investments. In addition, Inteligo's investment portfolio represented 42.4% of total assets as of December 31, 2023 as compared to 33.3% and 40.4% as of December 31, 2022 and 2021, respectively.

The following tables show the composition of Inteligo's portfolio by asset class as of the dates indicated.

### Investments by Asset Class

Asset Class	As of December 31,		
	2023	2022	2021
	(S/ in millions)		
Fixed income	254.0	210.6	260.2
Equity	436.9	217.7	429.9
Managed accounts (Fixed income)	524.0	263.4	286.0
Managed accounts (Long-Short)	127.2	108.1	115.9
Mutual funds & investment funds	512.9	898.4	1,222.3
<b>Total</b>	<b>1,855.1</b>	<b>1,698.2</b>	<b>2,314.3</b>

### Investments by Maturity

Maturity	As of December 31,		
	2023	2022	2021
	(S/ in millions)		
0-5 years	147.4	149.5	211.0
6-10 years	404.9	203.9	236.7
11+ years	164.4	118.7	86.8
No maturity <sup>(1)</sup>	1,138.3	1,226.1	1,779.8
<b>Total</b>	<b>1,855.1</b>	<b>1,698.2</b>	<b>2,314.3</b>

(1) Mutual Funds, equity and private equity investments.

Inteligo's successful strategy is reflected by the strong growth of its assets under management which had a CAGR of 6.1% between December 31, 2019 and December 31, 2023. For the year ended December 31, 2023, Inteligo's assets under management increased 8.7%, as compared to 2022. For the year ended December 31, 2022, Inteligo's assets under management decreased 7.2% as compared to 2021.

The following table shows the composition of Inteligo’s assets under management by asset class as of the dates indicated.

### Assets under Management by Asset Class

Asset Class	As of December 31,		
	2023	2022	2021
	(S/ in millions)		
Fixed income	11,761	10,286	13,908
Equity	9,345	9,416	7,600
Alternative investments	2,075	1,615	1,472
<b>Total</b>	<b>23,181</b>	<b>21,317</b>	<b>22,981</b>

Inteligo’s net profit increased U.S.\$ 177.7 million between December 31, 2023 and December 31, 2022, due to positive mark-to-market valuation of the proprietary portfolio. For the year ended December 31, 2022, Inteligo’s net profit declined 149.9% as compared to 2021.

#### Market Segmentation

Inteligo Bank primarily focuses on individuals with investable assets in the range of U.S.\$500,000 and U.S.\$10 million, where Inteligo believes there is higher growth potential. Inteligo SAB and Interfondos also focus on providing brokerage and mutual funds services to individuals with investable assets under U.S.\$500,000. As of December 31, 2023, Inteligo Group had approximately 72,735 clients, respectively, as compared to approximately 66,694 clients, respectively, in 2022.

Inteligo’s strategy consists of establishing long-term relationships with its broad and profitable client base, segmenting its customers effectively and proactively providing financial advisory services. Inteligo’s committed advisory service, supported by a local investment team that possess extensive knowledge of its Peruvian clients’ preferences for financial products, and delivered through an experienced group of relationship managers is a key pillar of Inteligo’s success. Inteligo’s position further benefits from its leading brokerage operation in Peru through Inteligo SAB, an important mutual fund manager in Peru, Interfondos, and from being a part of one of Peru’s leading economic groups.

#### Financial Advisory Team

Inteligo serves its customers through its advisory team of approximately 71 people. Through its relationship managers, Inteligo establishes strong client relationships which result in a loyal and growing customer base. Inteligo’s experienced relationship managers team has acquired specialized product knowledge and deep understanding of its customers’ needs.

#### Information Technology Unit

Inteligo Bank implemented a new core system in 2020 to support its rapidly expanding operations. As of December 31, 2023, 2022 and 2021, Inteligo Bank had invested S/3.8 million, S/2.6 million and S/2.7 million, respectively, in the development of its technology platform, which will allow it to leverage its existing CRM platform and develop stronger business intelligence capabilities.

As a part of its cybersecurity strategy, Inteligo continued to strengthen its identification, protection, detection and action cybersecurity plans, which reduced the occurrence of attacks and mitigated the risk of cyber threats. This strategy is based on the cybersecurity framework of the National Institute of Standards and Technology (NIST), and other standards such as ISO 27000 and 27032. Inteligo’s cybersecurity strategy includes improvements to security on different fronts, including mobile devices, workstations, in the cloud and on premises. Inteligo uses updated technology such as behavior analysis and artificial intelligence, which allow its human resources to reduce time spent on threat detection and analysis.

#### Payments Segment

##### Overview

In April 2022, we acquired the remaining 50% equity interest in Izipay, a provider of products and services related to payments acquirer, a correspondent bank and credit cards processor. Moreover, Izipay provides financial services and technology solutions that enable consumers, individual entrepreneurs, micro-merchants, SMEs, in Peru, to make and/or process payments in a safe, seamless, digital, mobile first and affordable manner. Izipay’s technology solutions allow it to (i) be full acquirer company, with a complete set of payment solutions through POS devices and e-commerce, (ii) provide a digital platform with proprietary solutions for business management such as self-check-out, split payments, product and inventory management, business reports, anti-fraud system and CRM, among others. Izipay operates a national, two-sided network at scale that helps merchants and consumers connect,

transact, and complete payments, whether they are online or in person. As of December 31, 2023, the number of Izipay total merchant codes in Peru was 1.3 million compared to 0.7 million as of April 2022. Izipay is the leader in physical card payment business in Peru.

For the year ended December 31, 2023, Izipay had consolidated revenues of S/815.9 million and consolidated net profit of S/33.1 million, compared to consolidated revenues of S/754.3 million and consolidated net profit of S/51.2 million for the year ended December 31, 2022, including the period prior to its acquisition. As of December 31, 2023, Izipay had shareholders' equity of S/249.4 million and ROE of 14.0% for the year ended December 31, 2023, as compared to shareholders' equity of S/216.3 million as of December 31, 2022 and ROE for the year ended December 31, 2022 of 26.1%.

### ***Business Lines***

Izipay has three main business lines: (i) payments acquirer, (ii) correspondent banking and (iii) credit card processing.



### ***Payments acquirer***

Izipay offers merchants an end-to-end payments solution that provides authorization and settlement capabilities, helping merchants connect with their customers, process exchanges and returns, and manage risk. This is Izipay's main activities, accounting for most of its revenues.

For its payments acquirer activities, Izipay generates revenue from credit, debit and prepaid card transactions by charging a merchant discount rate, or MDR, a commission withheld by Izipay from the transaction value paid to the merchant. The transaction amount, less the MDR, is credited to the merchant's account. Izipay's MDR pricing model is standardized, easy to understand and transparent. It also offers customized MDR pricing for certain merchants who process large payment volumes.

### ***Correspondent Banking***

Izipay offers correspondent services at merchants throughout Peru like pharmacies, libraries and mom-and-pop stores, with exclusive POS terminals leased to banks that allow customers to perform basic cash-based transactions, such as withdrawals, deposits and payment of utility bills.

For its correspondent banking activities, Izipay earns revenues primarily from fees of financial and administrative transactions and fees for each exclusive POS terminal installed.

### ***Credit Card Processing***

Izipay uses world-class software (Credit Management Systems) to provide its services. Through this system, we can manage the credit and prepaid card accounts of our clients, who are mainly financial institutions, which allows them to control credit card balances, issue account statements, calculate payment schedules, among other functions.

For its credit card processing activities, Izipay generates revenue mainly from fees by number of total accounts.

### ***Information Technology Unit***

During the year 2023, Izipay invested S/89.6 million, in the development of its technology platform (including POSs, Software and Hardware), which will allow it to leverage its existing platform and develop stronger business intelligence capabilities.

As part of its cybersecurity strategy, Izipay has strengthened its preventive, detective, and recovery cybersecurity controls to reduce the occurrence of attacks and mitigate the risk of cyberthreats. This strategy takes as a framework the security requirements of PCI DSS, and other standards such as NIST, ISO 27000 and ISO 27032. Izipay's cybersecurity strategy includes security improvements on different fronts, included in our e-commerce applications, workstations, cloud or on-premises architectures. Izipay has tools and services based on behavioral analysis and artificial intelligence, that allow detecting and carrying out an exhaustive analysis of known or "0 day" threats that are exposed, allowing your human resources to reduce the time spent on detection and analysis of threats.

## COMPETITION

We face intense competition in all of our segments, which can affect our margins, growth and profitability.

### Peruvian Banking System and Competition

During the 1990s, the Peruvian economy underwent a major transformation, from being a highly protected and regulated system prevailing in the 1980s to a free-market economy. During this period, protectionist and interventionist laws and policies were gradually dismantled to create a liberal economy dominated by the private sector. Similarly, the Peruvian financial industry underwent deep structural changes that resulted in a significant expansion of credit. From 1993 to 1998, performing loans in the Peruvian financial system grew at a five-year CAGR of 45.9%, and banking penetration in Peru, measured as the ratio of loans-to-GDP, rose from 10.2% to 26.4% according to the SBS.

In 1998, the rise in international interest rates that followed the Russian default led to large outflows of capital from Peru, resulting in a 15.8% depreciation of the *sol*. The strong depreciation of the *sol*, coupled with the strong dollarization of the Peruvian Banking system prevalent at that time (81% of the loans were denominated in U.S. dollars) led to a sharp deterioration of the Peruvian banking system's loan portfolio quality and to a contraction in total loans. Past-due loans in the system peaked at 9.4% of total gross loans as of January 31, 2000, resulting in increased provisions and large capital losses for financial institutions.

However, from 2001 onwards, as macroeconomic conditions improved, the general banking industry indicators in Peru began also to improve. Past-due loans dropped from 9.0% of total gross loans as of December 31, 2001 to 3.7% as of December 31, 2004, and loan reserves over past-due loans increased from 118.9% as of December 31, 2001 to 176.5% as of December 31, 2004 according to the SBS.

From 2005 to 2008, fostered by a steady and sustained improvement in Peru's macroeconomic indicators, credit expanded again, with performing loans growing 25.2% in 2005, 18.0% in 2006, 34.7% in 2007 and 38.2% in 2008. The global financial crisis that started in late 2008 temporarily reduced credit growth as performing loans remained flat in 2009. Growth returned following the crisis, with the banking system in Peru experiencing a significant expansion of credit from December 31, 2008 to December 31, 2013. During this period, gross loans in the Peruvian banking system grew at a five-year CAGR of 13.0% and banking penetration in Peru, measured as the ratio of loans-to-GDP, rose from 24.8% to 30.4%, according to the SBS and the Central Reserve Bank of Peru.

From December 31, 2019 to December 31, 2023, the banking system in Peru continued to grow steadily, with gross loans expanding at a four-year CAGR of 5.2%, according to the SBS. A significant part of the growth experienced by the Peruvian financial system since 2017 has been generated by the retail banking sector. Retail loans (including consumer loans and mortgages) grew at a four-year CAGR of 6.8% for the period ended December 31, 2023. As of December 31, 2023, approximately 39.1% of the Peruvian banking sector's total loans were retail loans, down from higher than the 36.8% as of December 31, 2019.

According to the SBS, the total number of credit cards issued by the Peruvian Banking system as of December 31, 2023 was approximately 6,366 million. For the period ended December 31, 2023, the Peruvian banking system's credit card loans four-year CAGR was positive 2.8%, while credit cards loans increased 11.5% between December 31, 2022 and December 31, 2023 as a result of economic growth and increased consumer spending.

Mortgage loans in the Peruvian banking system grew at a four-year CAGR of 6.5% for the period ended December 31, 2023 and 5.1% between December 31, 2022 to December 31, 2023. A responsible macroeconomic approach, high housing demand and the promotion of housing programs over the past five years have been the main drivers of mortgage loan growth in Peru and are expected to continue fueling mortgage lending.

Despite this growth, the Peruvian banking system remains underpenetrated in comparison to the banking systems from the group of peer countries in Latin America. As of December 31, 2023, Peru's loans-to-GDP ratio was 35%, less than half the ratio of 83% for Chile. The Peruvian banking system is highly concentrated in a small number of relatively large participants. The four largest banks accounted for 83.4% of total gross loans and 82.2% of total deposits in the system as of December 31, 2023. Furthermore, foreign banks play a significant role in the Peruvian financial system. As of December 31, 2023, BBVA and Scotiabank, two of the four largest banks in the system, which accounted for a combined 36.3% of total gross loans and 32.8% of total deposits, according to the SBS, were under foreign control. Although other major global banks such as BNP Paribas, Standard Chartered, Intesa, BankBoston, HSBC and Deutsche Bank have ceased operations in Peru over the past 15 years, other foreign banks have entered or have shown interest in entering or increasing their exposure in the Peruvian market.

The Peruvian banking system's net income CAGR from 2019 to 2023 was 0.4%, reaching S/9,266 million in 2023.

As of December 31, 2023, the banking system cost of risk and past due loan (“PDL”) ratio stands at 2.4% and 4.3%, respectively.

Innovation across Peru’s financial system is shifting banks focus to digital transformation, as consumers increasingly prefer digital transactions. According to ASBANC (Asociación de Bancos del Perú), Peru presents itself as a market with high potential for fintechs because of the substantial percentage of people and small/medium size enterprises that do not have access to the financial system. Fintech companies are not just competitors but can also act as potential strategic partners for banks; these companies have a suitable environment to mature for several reasons: a high level of mobile phone penetration; a rising use of digital services and the relatively low cost of technology.

Interbank is currently the fourth largest bank in Peru, as measured by commercial lending and total assets and third largest bank, as measured by retail lending and total deposits, as of December 31, 2023, and has faced strong competition, including increased pressure on margins, primarily as a result of the presence of commercial banks in the Peruvian market with substantial capital, technology and marketing resources, as well as from Peruvian pension funds that lend to Interbank’s current and potential commercial customers. This increased competition has affected the average interest rates that the Peruvian banking system has been able to charge its customers. Despite being the fourth largest bank in Peru, Interbank continues to be strongly positioned in the consumer sector, being the second largest bank in gross consumer loans as of December 31, 2023, according to the SBS.

The following tables show Interbank, the rest of the Peruvian banking system and their respective market shares as of December 31, 2023.

	As of December 31, 2023								
	Assets			Total Gross Loans			Deposits		
	Balance	Market Share (%)	Rank	Balance	Market Share (%)	Rank	Balance	Market Share (%)	Rank
(S/ in millions)			(S/ in millions)			(S/ in millions)			
BCP	179,522	35.0%	1	118,529	33.8%	1	120,351	35.9%	1
BBVA	104,413	20.4%	2	74,840	21.3%	2	69,676	20.8%	2
Scotiabank	70,421	13.7%	3	52,533	15.0%	3	40,239	12.0%	4
<b>Interbank</b>	<b>68,234</b>	<b>13.3%</b>	<b>4</b>	<b>46,788</b>	<b>13.3%</b>	<b>4</b>	<b>45,342</b>	<b>13.5%</b>	<b>3</b>
BanBif	21,103	4.1%	5	14,075	4.0%	5	14,073	4.2%	5
Mibanco	16,584	3.2%	6	13,165	3.8%	6	9,708	2.9%	6
Pichincha	10,859	2.1%	8	8,741	2.5%	7	7,722	2.3%	7
Santander	11,088	2.2%	7	6,440	1.8%	8	7,188	2.1%	8
Citibank	8,625	1.7%	9	1,966	0.6%	11	6,206	1.9%	9
GNB	5,350	1.0%	10	3,597	1.0%	10	4,138	1.2%	10
ICBC	2,294	0.4%	13	1,045	0.3%	14	1,411	0.4%	14
Falabella	4,728	0.9%	11	3,775	1.1%	9	3,002	0.9%	11
Comercio	2,299	0.4%	12	1,884	0.5%	12	1,510	0.5%	12
Ripley	2,112	0.4%	14	1,633	0.5%	13	1,395	0.4%	15
Alfin Banco	1,143	0.2%	17	718	0.2%	16	917	0.3%	16
Bank of China	1,749	0.3%	15	206	0.1%	17	1,466	0.4%	13
BCI	1,695	0.3%	16	928	0.3%	15	909	0.3%	17
<b>Total</b>	<b>512,218</b>	<b>100.0%</b>		<b>350,865</b>	<b>100.0%</b>		<b>335,251</b>	<b>100.0%</b>	

Source: SBS.

(1) Gross consumer loans do not include mortgage loans.



The following table shows key industry metrics for the main banks by assets and the Peruvian banking system.

	<b>As of December 31, 2023</b>		
	<b>Gross Consumer Loans<sup>(1)</sup></b>		
	<b>Balance</b>	<b>Market Share (%)</b> (S/ in millions)	<b>Rank</b>
BCP	18,178	24.7%	1
<b>Interbank</b>	16,345	22.2%	2
BBVA	12,386	16.8%	3
Scotiabank	10,697	14.5%	4
Pichincha	4,354	5.9%	5
Falabella	3,772	5.1%	6
BanBif	2,070	2.8%	7
Ripley	1,633	2.2%	8
Comercio	1,515	2.1%	9
GNB	1,351	2.1%	10
Alfin Banco	651	0.9%	11
Mibanco	423	0.6%	12
Santander	24	0.0%	13
Citibank	0	0.0%	14
ICBC	0	0.0%	15
Bank of China	0	0.0%	16
BCI	0	0.0%	17
<b>Total</b>	<b>73,579</b>	<b>100.0%</b>	

	2023	2022	2021	2020	2019
<b>ROE</b>					
Interbank	12.3%	17.6%	19.1%	4.3%	22.0%
BCP	20.7%	21.6%	15.9%	4.5%	20.6%
BBVA	16.1%	18.3%	16.3%	7.0%	18.9%
Scotiabank	6.4%	13.7%	10.1%	2.6%	15.9%
Peruvian banking system	14.3%	17.3%	13.3%	4.0%	18.5%
<b>ROA</b>					
Interbank	1.3%	1.7%	1.7%	0.4%	2.4%
BCP	2.6%	2.5%	1.6%	0.5%	2.7%
BBVA	1.9%	1.9%	1.5%	0.7%	2.0%
Scotiabank	1.0%	1.9%	1.3%	0.3%	2.1%
Peruvian banking system	1.8%	2.0%	1.4%	0.4%	2.3%
<b>Efficiency Ratio<sup>(1)</sup></b>					
Interbank	39.3%	42.7%	45.1%	39.4%	38.4%
BCP	38.6%	40.4%	44.7%	40.9%	39.0%
BBVA	38.2%	39.1%	39.3%	40.4%	37.7%
Scotiabank	42.5%	38.7%	42.7%	41.0%	36.1%
Peruvian banking system	40.8%	42.5%	46.6%	43.4%	41.1%
<b>Past-Due-Loan Ratio</b>					
Interbank	3.5%	3.0%	3.6%	3.4%	2.6%
BCP	4.2%	4.0%	3.7%	3.2%	2.7%
BBVA	4.7%	4.4%	3.7%	3.2%	3.0%
Scotiabank	4.5%	4.1%	3.9%	5.4%	3.5%
Peruvian banking system	4.3%	4.0%	3.8%	3.8%	3.0%
<b>Coverage Ratio</b>					
Interbank	148.7%	163.9%	132.8%	202.3%	176.5%
BCP	140.5%	142.2%	152.5%	192.7%	137.7%
BBVA	137.9%	144.6%	167.2%	192.9%	161.8%
Scotiabank	155.6%	147.4%	154.0%	136.1%	134.7%
Peruvian banking system	144.6%	148.5%	155.5%	177.7%	152.1%
<b>Total Capital Ratio</b>					
Interbank	15.5%	15.1%	15.9%	17.0%	15.2%
BCP	17.5%	14.4%	14.9%	14.9%	14.5%
BBVA	15.6%	14.0%	14.1%	13.7%	14.1%
Scotiabank	14.9%	14.0%	14.7%	16.5%	14.5%
Peruvian banking system	16.5%	14.5%	14.9%	15.5%	14.6%

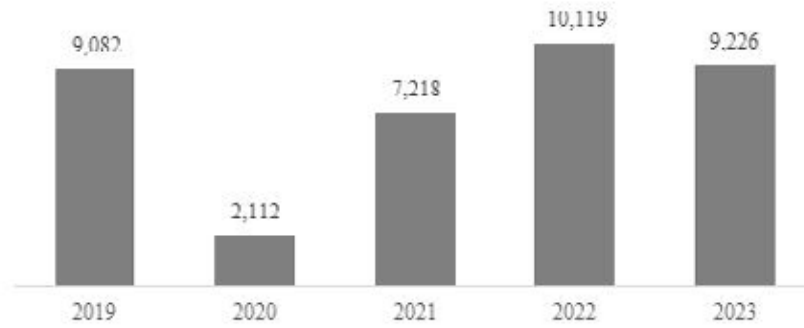
Source: SBS.

(1) Under SBS criteria.

Note: ROE calculated as net income for the period divided by the average of total equity at the end of the last five quarters. ROA calculated as net income for the period divided by the average of total assets at the end of the last five quarters.

The Peruvian banking system's net profit was S/9,226 million in 2023, a decrease of 8.8% compared to 2022 due to higher provisions. The following chart shows the evolution of the banking system's net profit between 2019 and 2023.

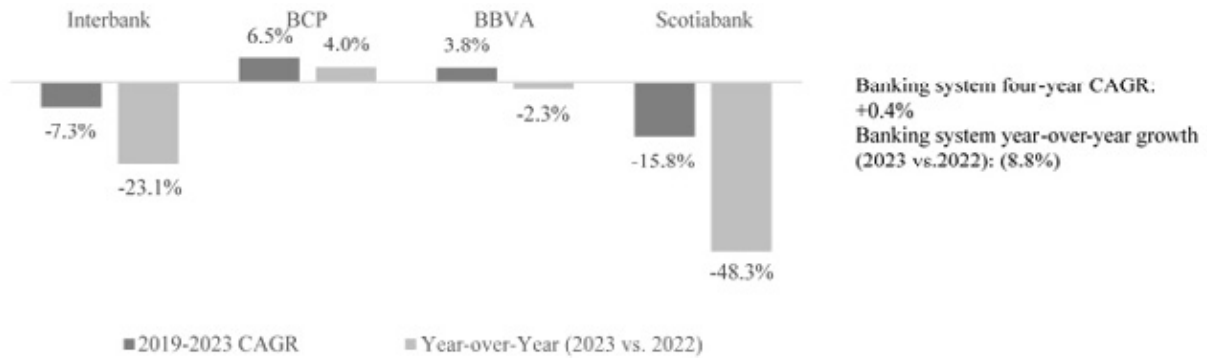
**Banking system's Net Profit 2019 — 2023 (S/ in millions)**



Source: SBS.

The following chart sets forth, for the metrics indicated below, the year-over-year performance as of December 31, 2023 for the four largest banks in Peru under SBS GAAP.

**Total Net Profit CAGR (2019 – 2023) and  
Year-Over-Year Performance by Net Profit (As of December 31, 2023 vs. As of December 31, 2022)**

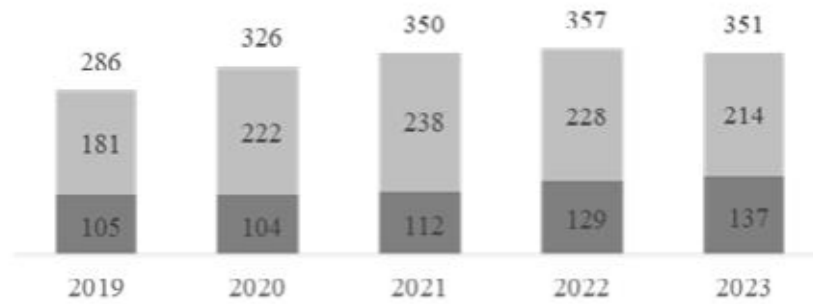


Source: SBS.

Note: Banks include international branches.

The banking system's total loans have shown high growth in the past years, reaching a 5.2% four-year CAGR from 2019 to 2023. The following chart shows the evolution of the Peruvian banking system's retail and commercial loans between 2019 and 2023 under SBS GAAP.

**Banking system's total loan 2019-2023 (S/ in billion)**



Source: SBS.

The following chart sets forth the four-year CAGR from 2019 to 2023 and the year-over-year growth as of December 31, 2023 of total loans under SBS GAAP for the four largest banks in Peru.

**Total Loans CAGR (2019 — 2023) and  
Year-Over-Year Growth (As of December 31, 2023 vs. As of December 31, 2022)**

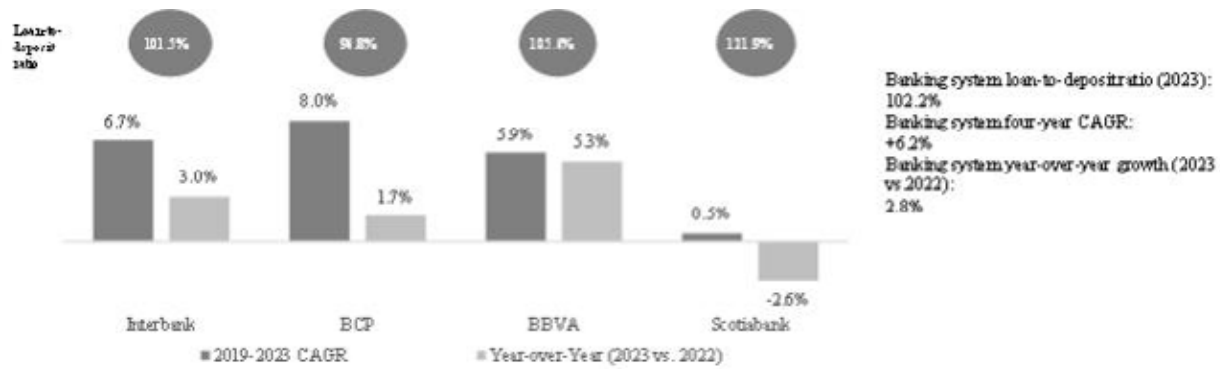


Source: SBS

Note: Banks include international branches.

The following chart sets forth the CAGR from 2019 to 2023 and the year-over-year growth as of December 31, 2023 of total deposits for the four largest banks in Peru. In 2023, the increase in deposits was primarily due to an increase in both retail and commercial deposits given the higher interest rate environment and the widespread adoption of a “savings” mindset.

**Total Deposits CAGR (2019—2023) and  
Year-Over-Year Growth (As of December 31, 2023 vs. As of December 31, 2022)**



Source: SBS.

Note: Banks include international branches.

Interbank’s past-due-loan ratio as of December 31, 2023 was the lowest among the four largest Peruvian banks, and the banking system’s average. The Banking System’s PDL ratio for 2021, 2022 and 2023 was 3.8%, 4.0% and 4.3%, respectively, while our PDL ratio was 3.6%, 3.0% and 3.5%, respectively. The Banking System coverage ratio for 2021, 2022 and 2023 was 155.5%, 148.5% and 144.6% while Interbank’s coverage ratio was 132.8%, 163.9% and 148.7%. The following chart sets forth the past-due-loan and coverage ratios, under the accounting standards prescribed by the SBS (“Peruvian GAAP”), for the four largest banks in Peru as of December 31, 2023.

**Past-Due-Loan and Coverage Ratios (As of December 31, 2023)**

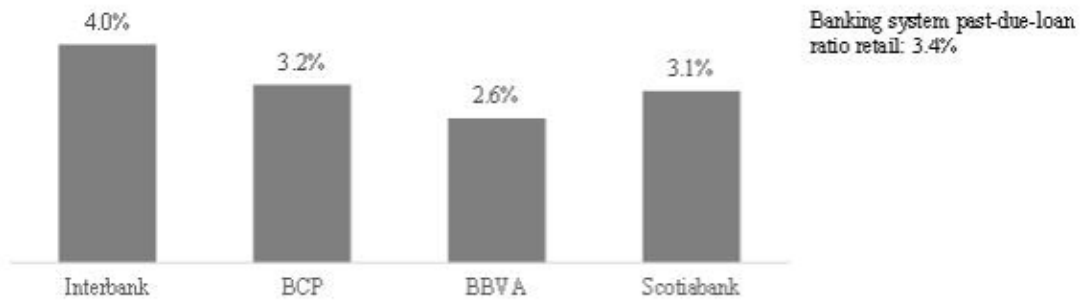


Source: SBS.

Note: Banks include international branches.

As of December 31, 2023, Interbank’s past-due-loan ratio in retail and consumer loans was the first and third highest, respectively among the four largest Peruvian banks, due to our clients’ profile and the importance of credit cards in our portfolio. The following charts set forth the past-due-loan ratios in retail and consumer loans for the four largest banks in Peru as of December 31, 2023.

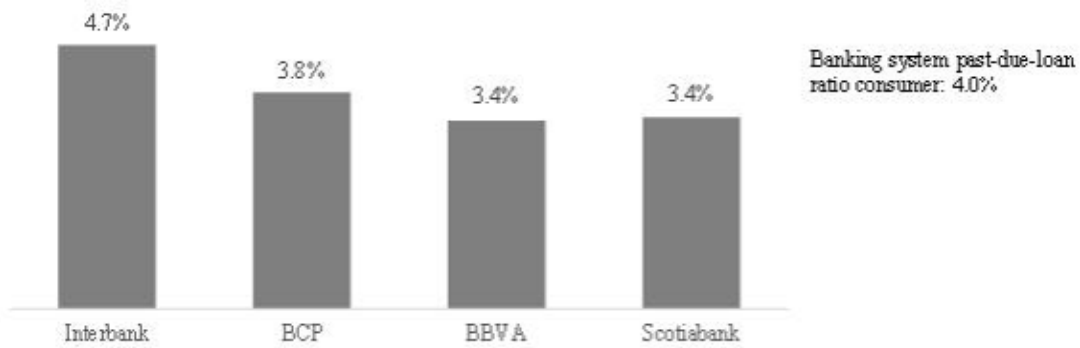
**Retail Loans Past-Due-Loan Ratio (As of December 31, 2023)**



Source: SBS.

Note: Banks include international branches.

**Consumer Loans Past-Due-Loan Ratio (As of December 31, 2023)**

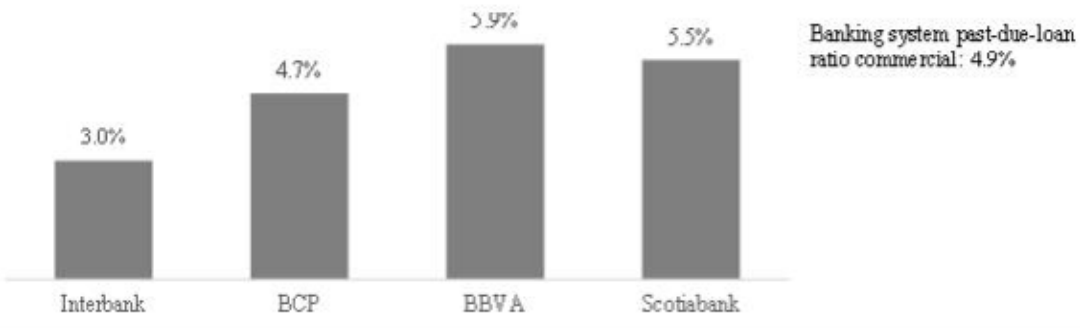


Source: SBS.

Note: Banks include international branches.

Interbank had the lowest commercial past-due-loan ratio among the four largest Peruvian banks as of December 31, 2023. The following chart sets forth the commercial past-due-loan ratio for the four largest banks in Peru as of December 31, 2023.

**Commercial Loans Past-Due-Loan Ratio (As of December 31, 2023)**



Source: SBS.

Note: Banks include international branches.



## Fintech Landscape

In recent years, fintech entities have gained global relevance in financial services, with a focus on financial inclusion, payments solutions for individuals and companies, lending activities, insurance and investment needs. According to the CB insights, investments in fintechs on a global basis decreased between 2022 and 2023, while fintech-related investments in Latin America decreased 68% over the same period. In this region, investments in fintech entities have mostly targeted companies in countries like Brazil, Mexico and Colombia, which have critical mass populations. However, in Peru, partnerships between traditional financial institutions and fintech entities have started to occur, which we expect will expand opportunities to share competitive advantages and result in mutually beneficial opportunities to better serve current markets or access new ones. In 2021, Interbank scaled its open banking initiative and integrated with several new partners to offer its financial services through new channels. For example, Interbank announced a partnership with Kambista, a Peruvian fintech which allows users to exchange U.S. dollars to *soles* through an online currency exchange platform.

## Peruvian Insurance Industry and Competition

The Peruvian insurance industry is well-capitalized, with a solvency ratio (*patrimonio efectivo / requerimientos patrimoniales*) of 130% under Peruvian SBS GAAP as of December 31, 2023, and operates under a well-established regulatory framework.

Following the decline of the industry prior to the COVID-19 pandemic, insurance premiums grew at a four-year CAGR of 9.5% for the period ended December 31, 2023. Insurance premiums in Peru reached S/20.3 billion for the year ended December 31, 2023, representing an 8.1% year-over-year increase.

Life insurance premiums represented approximately 51.9% of total insurance premiums in Peru for the year ended December 31, 2023. In April 2016, a new regulation was approved in Peru, allowing pensioners to withdraw up to 95.5% of their retirement funds. While this measure had a negative impact on market size, life insurance annuities have increased at a CAGR of 4.9% from 2019 to 2023.

Growth of the annuities' segment is expected to resume as the number of Peruvian private pension system's retirees and their respective average pension balances increase. Currently, Peru's private pension system covers nine million citizens, 95.9% of whom are under 65 years (legal retirement age). According to the SBS, in 2023, more than 5.4 million people are expected to retire in Peru between the next 10 and 30 years.

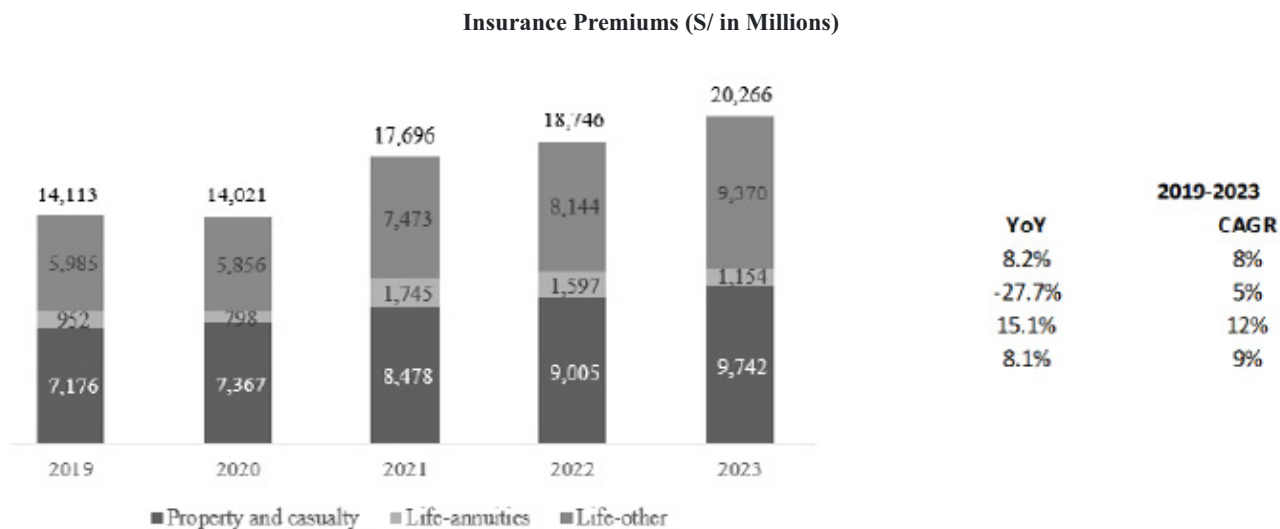
The table below sets forth the number of members in the Peruvian private pension system as of December 31, 2023.

As of December 31, 2023		
Age (years)	Number of Members (in thousands)	Percentage of Total
Less than 25	5,225.1	56.3%
26-35	2,717.7	29.3%
36-45	947.7	10.2%
46-55	305.4	3.3%
56-65	77.0	0.8%
More than 65	13.3	0.1%
<b>Total</b>	<b>9,286.2</b>	<b>100.0%</b>

Source: SBS

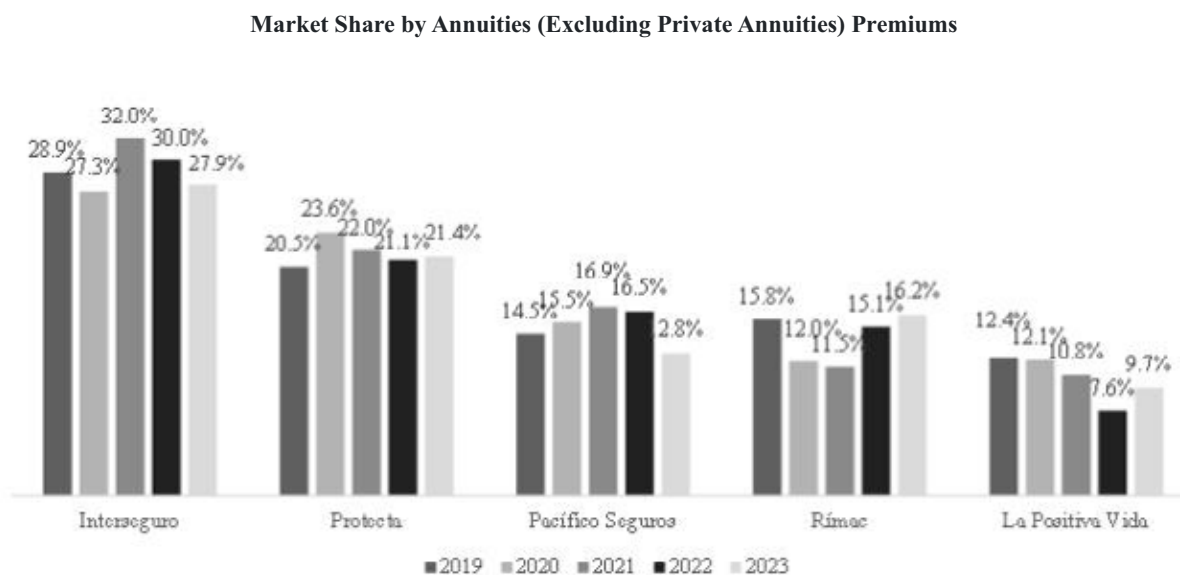


The chart below sets forth Peruvian insurance premiums for the periods indicated.



Source: SBS.

The chart below shows market share by annuities premiums from 2019 to 2023.



Source: SBS.

Note: Interseguro’s figures incorporate Seguros Sura starting November 2018.

As of December 31, 2023, a total of 17 companies comprised the Peruvian insurance industry. As of December 31, 2023, in terms of assets on a consolidated basis, the four largest insurance companies had an 81.6% market share, and the leading two insurance companies had a combined market share of 49.6%. The Peruvian insurance industry is largely represented by Peruvian companies with three of the six largest companies controlled by Peruvian economic groups.

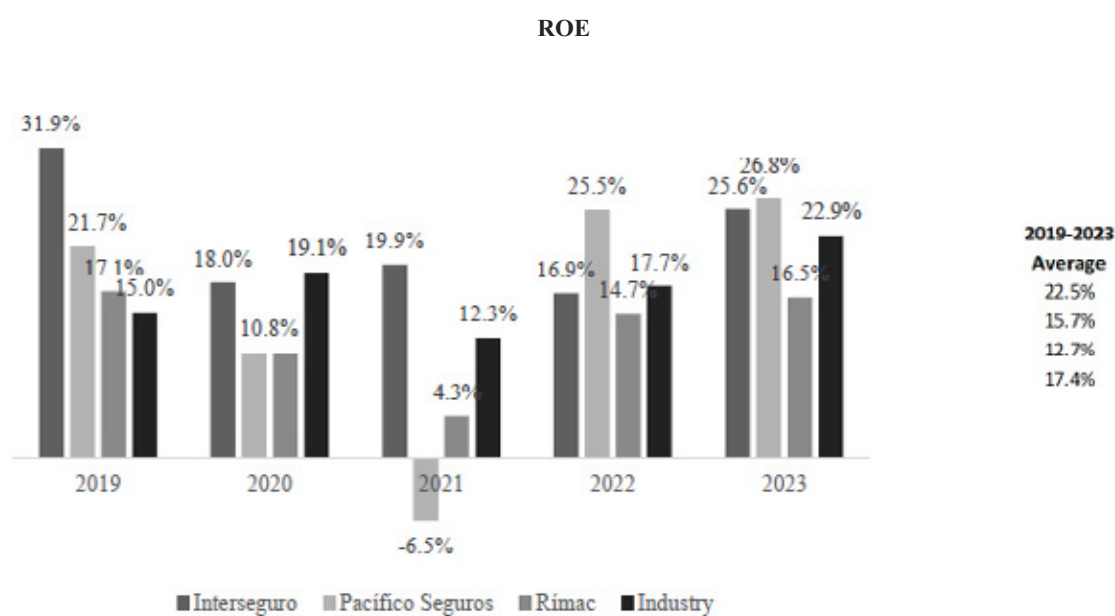
The following table presents market shares by assets and premiums of the six largest insurance companies in Peru as of and for the year ended December 31, 2023.

Company	Life	Non-Life	Total Assets as of December 31, 2023		Total Net Premiums for the year ended December 31, 2023	
			(S/ in million)	Market Share (%)	(S/ in million)	Market Share (%)
Rimac	✓	✓	20,216	26.2%	5,950	29.4%
Pacifico Seguros	✓	✓	17,995	23.4%	4,911	24.2%
Interseguro	✓	✓	15,480	20.1%	1,144	5.6%
La Positiva(1)	✓	✓	9,217	12.0%	2,651	13.1%
Mapfre(1)	✓	✓	6,166	8.0%	2,790	13.8%
Protecta Security	✓	✓	3,801	4.9%	545	2.7%

Source: SBS

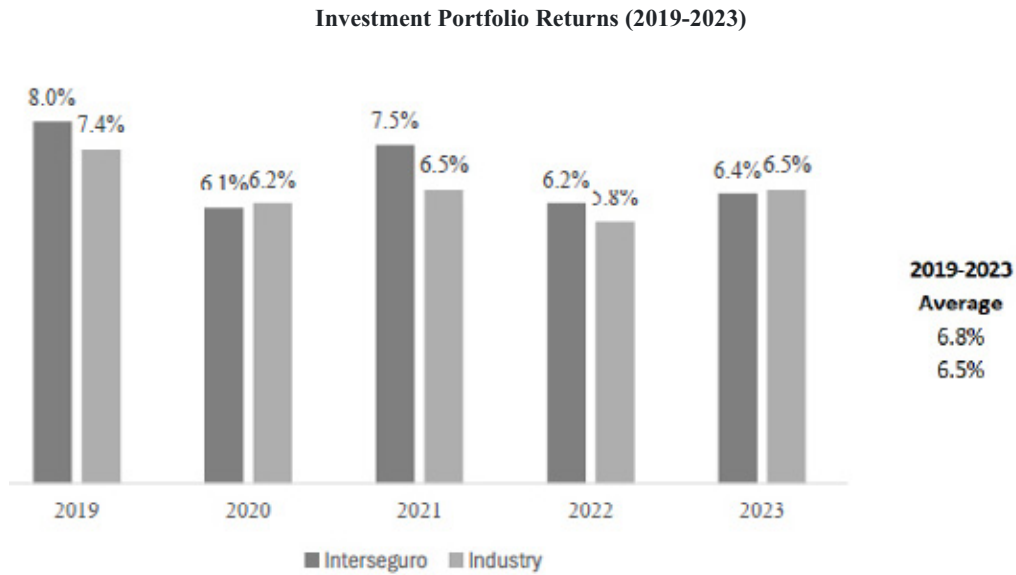
(1) La Positiva consolidates La Positiva and La Positiva Vida. Mapfre consolidates Mapfre Peru and Mapfre Peru Vida.

The following chart sets forth the ROEs for Interseguro, its main competitors and the Peruvian insurance industry, from 2019 to 2023.



Source: SBS.

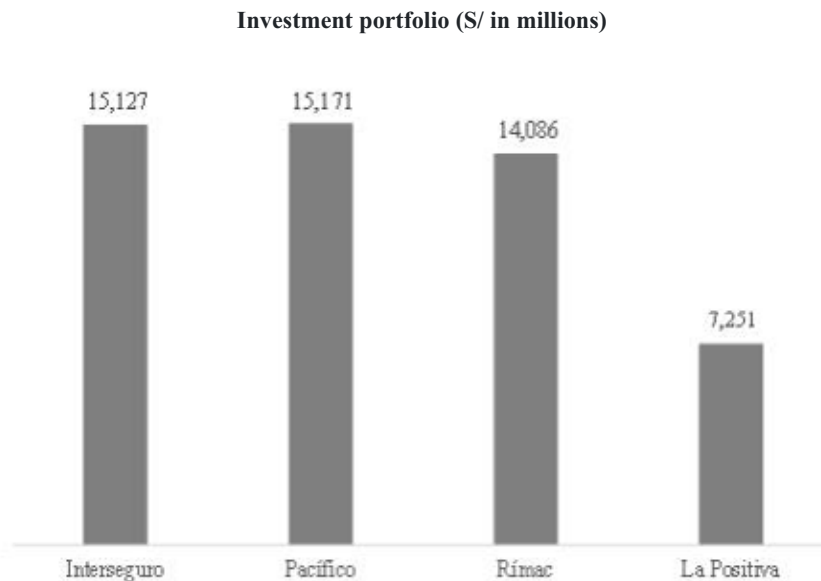
The following chart shows investment portfolio returns for Interseguro and the Peruvian insurance industry from 2019 to 2023.



Source: SBS.

Note: Annual Investment portfolio returns calculated as return from investments for the period divided by the average of total investments at the last five quarters.

The following chart shows total investments under Peruvian SBS GAAP of the four largest life insurance companies in Peru as of December 31, 2023:



Source: SBS

Note: La Positiva consolidates La Positiva and La Positiva Vida.

### Insurtech Landscape

In the last 10 years, advances in technology and data analytics have been accelerating the potential development of insurtechs in different parts of the value chain of the insurance industry. Despite a slowdown in Insurtech M&A activity compared to previous years, the market remains vibrant. Notably, European investors are expanding their horizons beyond the United States and

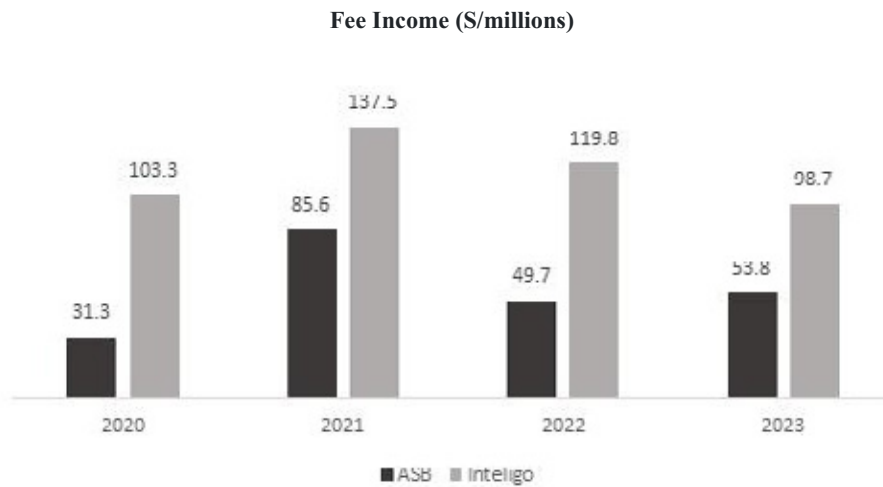


United Kingdom, actively pursuing insurtech opportunities in Europe and Asia. This shift reflects a maturing market where funding prioritizes established players seeking growth investments and strategic acquisitions. This trend is evident in the last decade's significant funding activity, with Europe and Asia catching up to the US in terms of investment volume. Since 2016, there were 309 deals involving insurtech funding in the United States during this period, in the combined amount of U.S.\$ 10.4 billion, while there were 960 deals in Europe, in the combined amount of U.S.\$ 10.6 billion, and 65 deals in Asia, in the combined amount of U.S.\$1.1 billion.

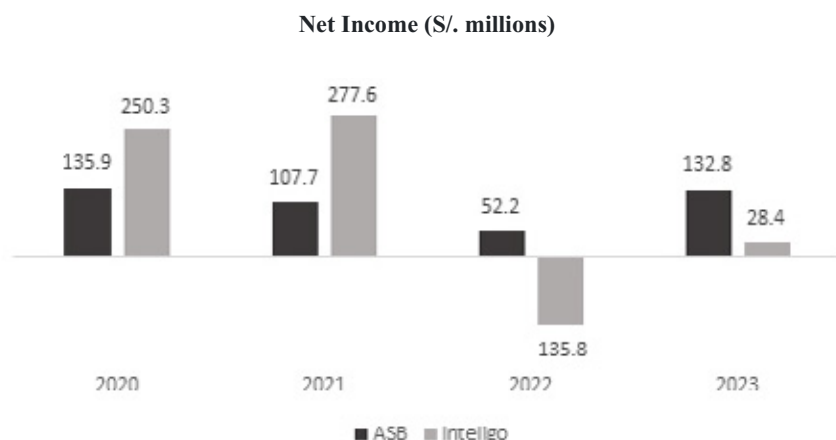
### Wealth Management Industry and Competition

Inteligo Bank operates in the highly-competitive and regulated wealth management industry, competing with independent advisors, global banks and Peruvian firms, such as its main competitor Credicorp Ltd. through its subsidiary Atlantic Security Bank ("ASB"). The Peruvian wealth management industry has also recently attracted several new participants, including representative offices of global banks such as JP Morgan, UBS, RBC, Credit Suisse, and Julius Baer, among others.

The following chart sets forth fee income for Inteligo Bank and ASB from 2020 to 2023.



The following chart sets forth net income in for Inteligo Bank and ASB from 2020 to 2023.



Source: Company information and Credicorp Ltd.'s quarterly reports.

Interfondos provides mutual fund management services in Peru. Interfondos has been the fourth largest mutual fund manager in Peru in each of the last five years according to the SMV. As of December 31, 2023, Interfondos had a 16.2% market share based on assets under management.

Inteligo SAB provides brokerage services, including sales and trading operations, in Peru's domestic capital markets. As of December 31, 2023, the Peruvian brokerage industry consisted of 19 brokerage firms. Inteligo SAB has ranked among the largest equity trading platforms in the last five years in terms of trading volumes on the Lima Stock Exchange.

## Payments

Izipay operates in the highly-competitive and regulated payments industry, competing with a wide range of businesses, even smaller or younger companies and from all form of physical and electronic payments. This is due to the fact that the payments industry is continuously innovating, changing technologies and adapting to fast paced preference and needs of merchants and consumers.

Izipay's payments acquirer line primarily competes with merchant acquirers, payment gateways, payment facilitators and other financial technology companies who provide businesses with merchant acquiring services and related services. In this segment, Izipay's main competitors are: Niubiz, Culqi and Open Pay.

Izipay's correspondent banking business line is primarily comprised by three group of players: Izipay, banks and other providers. Izipay offers correspondent services at merchants throughout Peru like pharmacies, libraries and mom-and-pop stores, with exclusive POS terminals leased to banks. Banks partner with merchants to have the POS terminals advertised in stores. Banks provide those services at their own branches and other providers that don't offer the service for a single customer. In this segment, Izipay's main competitors are: Full carga, Kasnet, Cyrus, Niubiz and the proprietary solutions of the banks themselves.

Our credit card and prepaid processing business line primarily competes with other third-party payment card processors, the card brands, core banking platform providers, independent software vendors and various other firms that provide products and services to payment card issuers in Peru. Banks do not delegate debit card processing, they do it with their internal core system. Our primary competitor in this space is Unibanca.

## REGULATION AND SUPERVISION

### The Peruvian Financial and Insurance Systems

A substantial part of our activities are conducted through Interbank and Interseguro, our banking and insurance subsidiaries, respectively, operating in Peru. A summary of the Peruvian financial and insurance regulatory framework is set forth below.

#### *General Overview of the Peruvian Financial Regulatory Framework*

Peruvian banking regulation follows the standards set by the Basel Committee on Banking Supervision. Peruvian banks and other Peruvian financial institutions are primarily governed by two banking regulatory authorities: the SBS and the Central Reserve Bank of Peru. The Peruvian Constitution establishes that the SBS's main function and responsibility is to protect depositors of the Peruvian financial system, while the main function of the Central Reserve Bank of Peru is to preserve monetary stability. In addition, Peruvian banks are subject to certain regulations of the SMV.

The regulatory framework for the operation of the Peruvian financial and insurance sector is set in the Peruvian Banking and Insurance Law approved by Law No. 26702, which was enacted in December 1996. The Peruvian Banking and Insurance Law regulates Peruvian financial and insurance companies and private pension funds administrators. In accordance with the Peruvian Banking and Insurance Law, the SBS is responsible for issuing banking regulations and for monitoring the Peruvian banking financial and insurance sector. The SBS supervises and regulates financial institutions such as commercial banks, financial companies, financial leasing companies, small business financial companies, savings and loan corporations, financial services companies such as trust companies and investment banks, insurance companies, private pension fund administrators and savings and loans cooperatives (other financial institutions such as stock brokerage houses and mutual fund managers are subject to different legal frameworks and to the supervision of the SMV). The SBS became operational in 1931.

Financial and insurance institutions must seek the authorization of the SBS before initiating operations. The SBS has administrative and financial autonomy, and its head office is located in Lima. The current chairwoman of the SBS, María del Socorro Heysen Zegarra, was appointed by former President Kuczynski in August 2016.

In June 2011, the Basel Committee announced the issuance of the Basel III principles. The changes introduced have been designed to be implemented progressively. The SBS, by use of its regulatory attributes, has issued several regulations that seek to adapt the Peruvian financial system to the new Basel Capital Accords.

On December 27, 2021, SBS Resolution No. 3921-2021 amended requirements to cover market concentration risk and gave financial institutions a term of two years to adequate to new requirements. Consistent with certain aspects of Basel III, the SBS issued in 2022, SBS Resolution No. 03953-2022 and SBS Resolution No. 03954-2022 in order to update the methodologies for calculating the individual and sector concentration risk buffers (including regional and economic sector concentration) eliminating the capital buffer requirement for risk appetite and maintaining the requirement for measuring the interest rate risk of the banking book.

In March 2022, the Peruvian Banking and Insurance Law was amended by Legislative Decree No. 1531 (which became effective on January 1, 2023) to adapt the regulations applicable to the companies of the financial system, related to the composition of the effective equity to the Basel III principles (including but not limited to the alignment of the capital conservation buffer in the Peruvian regulation to the Basel III principles). In December 2022, the SBS approved six resolutions aimed at adapting the regulatory framework of the financial system more generally to the Basel III principles (including issuance of SBS Resolution No. 3950-2022, which amended the regulation applicable to subordinated debt of financial institutions (*Reglamento de Deuda Subordinada Aplicable a las Empresas del Sistema Financiero*) (the "Subordinated Debt Regulation Applicable to Financial Institutions") in order to adjust the application of Basel III standards and to reflect recent amendments to the Peruvian Banking and Insurance Law and entered into effect on January 1, 2023, repealing the prior subordinated debt regulation, which had been approved by SBS Resolution No. 975-2016).

Peruvian banks, financial institutions and insurance companies are mainly regulated and supervised by the following administrative institutions:

#### *The SBS*

The SBS is the regulatory authority charged with the implementation and enforcement of the requirements contained in the Peruvian Banking and Insurance Law, and, more generally, with the regulation and supervision of all financial and insurance companies in Peru and, since July 2005, the private pension funds administrators.

Its objectives include: (i) protecting the public interest; (ii) safeguarding the financial stability of the institutions over which it has authority; and (iii) punishing violators of its regulations.

Its main responsibilities include: (i) reviewing and approving, with the assistance of the Central Reserve Bank of Peru, the establishment, organization and operations of the institutions it regulates and their subsidiaries; (ii) overseeing mergers, dissolutions and reorganizations of banks, financial institutions and insurance companies; (iii) supervising financial, insurance and related companies from which information on an individual or consolidated basis is required, through changes in ownership and management control (this supervision also applies to non-bank holding companies, such as us and Intercorp Peru); (iv) reviewing the by-laws and amendments thereto of these companies; (v) setting forth criteria governing the transfer of bank shares, when permitted by law, for valuation of assets and liabilities and for minimum capital requirements; (vi) controlling the *Central de Riesgos* (Bank Risk Assessment Center), to which all banks are legally required to provide information regarding all businesses and individuals with whom they deal without regard to the amount of credit risk (the information provided is made available to all banks to allow them to monitor individual borrowers' overall exposure to Peru's financial system); and (vii) supervising the anti-money laundering system through the financial intelligence unit ("UIF," for its Spanish acronym).

The SBS enforces the Peruvian Banking and Insurance Law on an ongoing basis through periodic resolutions. The Peruvian Banking and Insurance Law provides for stringent loan loss reserve standards, brings asset risk weighing in line with the Basel Committee on Banking Supervision guidelines and includes the supervision of holding companies of financial institutions by the SBS.

For the foregoing purpose, the SBS requires banks, financial and insurance companies to report, on a periodic basis, all relevant information necessary for off-site evaluation of its financial performance. The relevant information for off-site evaluation includes audited financial statements on a consolidated basis, board of directors' reports, auditor's reports and any other reports which reflect the operation of a bank's business. Under current practice, such reporting is required on a daily, weekly, monthly, quarterly and semi-annual basis, depending on the nature of the reported information.

The SBS is also responsible for conducting on-site examinations of banks on an annual basis, implementing the provisions of the Peruvian Banking and Insurance Law and other related legislation, examining all banking and insurance operations, and analyzing the relationship between assets, liabilities, net worth, profit and loss accounts and all other factors affecting a bank's financial structure.

The SBS has the power to impose administrative sanctions on financial institutions and their directors and employees as a result of any violation of the Peruvian financial and insurance system rules. Sanctions vary from monetary fines to license cancellation. The SBS may also sanction directors and other officers of financial institutions for breach of regulations under the supervision of the SBS.

#### *The Central Reserve Bank of Peru*

The Central Reserve Bank of Peru was incorporated in 1922. Pursuant to the Peruvian Constitution, its primary role is to ensure the stability of the Peruvian monetary system and perform the functions common to a central or reserve bank, such as issuing bank notes, implementing governmental monetary policies, regulating the money supply, managing official gold and foreign exchange reserves and managing the interbank cash clearance system. The Central Reserve Bank of Peru exercises its power and authority independently and is responsible for its affairs in accordance with the government's policies. The Central Reserve Bank of Peru is empowered to determine the inflation target and to adopt a monetary policy in accordance thereof and is also responsible for establishing mandatory minimum liquidity reserves. The Central Reserve Bank of Peru manages Peruvian international reserves and gathers and publishes data on its finances and is also the sole issuer of Peruvian currency.

The highest decision-making authority within the Central Reserve Bank of Peru is its seven-member Board of Directors. Each Director serves a five-year term. Of the seven Directors, four are selected by the Executive Power and three are selected by Congress. The Chairman of the Central Reserve Bank of Peru is one of the Executive Power nominees but must be approved by Congress.

The Central Reserve Bank of Peru Board of Directors develops and oversees monetary policy, establishes reserve requirements for entities within the financial system, and approves guidelines for the management of international reserves. All entities within the financial system are required to comply with the decisions of the Central Reserve Bank of Peru.

In addition, Law N° 29440 (as amended), designated the Central Reserve Bank of Peru as the Peruvian payment system regulatory authority. As such, it has the authority to issue regulation related to the functioning of the Peruvian payment systems. In that role, under Circular No. 024-2022-BCRP, as amended, the Central Reserve Bank of Peru passed rules on the interoperability of payment services. See "— The Peruvian Payment's System" for a discussion of applicable obligations to the entities participating in the Peruvian payment system.



## *The SMV*

The SMV is the Peruvian securities market regulatory authority, attached to the Ministry of Economy and Finance (*Ministerio de Economía y Finanzas*). The main purpose of the SMV is promoting, overseeing and regulating the securities market, supervising and controlling all individuals and entities that intervene in such market, and enforcing compliance with the provisions of the Peruvian Securities Market Law and its regulations.

Pursuant to Article 29 of the Peruvian Banking and Insurance Law, the issued and outstanding shares of Peruvian banks must be registered with the SMV and listed with the BVL. Therefore, according to the Peruvian Securities Market Law and its regulations, listed companies such as banks and insurance companies are required to file with the SMV and the BVL, in Spanish and on a going forward basis, quarterly and annual financial reports.

In addition, these companies are required to disclose to the market in a timely manner (on the same day when the event occurs) all information that investors are reasonably likely to consider material. Specific regulations provide for specific parameters to determine what is considered material information (*hechos de importancia*).

In March 2014, regulations related to disclosure of material information were amended. By virtue of such regulations, issuers under supervision of the SMV are required to disclose all material information in connection with the issuer of registered securities (such as our common shares) and its activities or securities issued or secured by such issuer which may influence the liquidity or price of such securities.

Also, issuers whose securities are also traded in foreign markets must file with the SMV all information that is required to be disclosed to investors on such foreign market as soon as such information is delivered to foreign regulators.

## **Banking Regulation and Supervision**

Banking regulations and capital adequacy in Peru take into account the recommendations of the Basel Committee. The SBS has adopted the principles and guidelines of Basel II and Basel III. Also, the SBS has mandated a minimum regulatory capital requirement for Peruvian banks and, in accordance with the amendments brought by Legislative Decree No. 1531 to the Peruvian Banking and Insurance Law. In 2022, the SBS also issued resolutions that follow the three objectives for Basel III (i.e., increased capital, establishment of liquidity standards and improvement in the quality of capital). However, the implementation of other Basel III principles, such as the net stable funding ratio, have yet to be implemented in Peru. We cannot provide any assurances as to whether or to what extent the SBS may adopt any pending Basel III standards, and whether these standards will be applied exactly as recommended by the Basel Committee.

Since August 2022, the SBS has issued several regulations focused on furthering Basel III compliance, including regulations or amendments to existing regulation related to subordinated debt (SBS Resolution N° 03950-2022), capital requirements (SBS Resolution N° 03951-2022, SBS Resolution N° 03952-2022 and SBS Resolution N° 03953-2022), capital requirements for credit risk market and operational risks (SBS Resolution N° 03954-2022 and SBS Resolution N° 03955-2022).

## ***Capital Adequacy Requirements—Basel III***

Under the amended provisions of Article 199 of the Peruvian Banking and Insurance Law, and on an unconsolidated basis, the regulatory capital (*patrimonio efectivo*) may not be lower than 10% of its total weighted assets, the latter being defined as the sum of: (i) the regulatory capital allocated to cover market risks multiplied by the inverse of the overall limit (*limite global*), (ii) the regulatory capital allocated to cover operational risks multiplied by the inverse of the overall limit (*limite global*); and (iii) the total amount of credit risk-weighted assets. Notwithstanding the foregoing, according to SBS Resolution No. 03952-2022 (as amended from time to time), published on December 27, 2022, the SBS established a gradual implementation schedule (from 8.5% for January—March 2023 to 10% for March 2025 and onward). In addition, the amended provisions of Article 199 of the Peruvian Banking and Insurance Law established that (i) ordinary capital Tier 1 shall be equal or higher than 4.5% of its total weighted assets and (ii) Tier 1 Regulatory Capital shall be equal or higher than 6% of its total weighted assets.

According to the amended provisions of Articles 184 and 185 of the Peruvian Banking and Insurance Law (as amended by Legislative Decree No. 1531), regulatory capital is defined as the sum of: (i) Tier 1 Regulatory Capital; and Tier 2 Regulatory Capital.

Tier 1 Regulatory Capital is comprised of (i) the ordinary equity (which includes common stock and other paid-in capital instruments), capital premiums, dividends, unrealized gains, legal and voluntary reserves, donations and other elements as defined by the SBS and (ii) additional Tier 1 Regulatory Capital, which includes capital instruments, capital premiums and certain subordinated debt, premiums, of the above indicated instruments and other elements as defined by the SBS. Tier 1 ordinary capital is subject to, among others, the following deductions: losses of prior years and of the current year, unrealized losses, any provisions

deficit, and goodwill resulting from corporate reorganizations and acquisitions, deferred tax assets, investments in Tier 1 Regulatory securities of other financial institutions, investment in own shares (treasury stock) and others as mandated by the SBS, and additional Tier 1 Regulatory Capital is subject to, among others, the following deductions: holdings, directly or indirectly, of equity and/or subordinated debt instruments eligible for additional Tier 1 Regulatory Capital, which have been issued by the company itself and which are held in treasury and investments in equity and/or subordinated debt instruments eligible for additional Tier 1 Regulatory Capital, issued by companies of the financial system or the insurance system, domestic or foreign and others as mandated by the SBS through general regulations.

Tier 2 Regulatory Capital consists of (i) equity and subordinated debt instruments, not included in Tier 1 Regulatory Capital, that meet the conditions set forth by the SBS, (ii) premiums of the above mentioned instruments, (iii) generic provisions up to 1.25% of the assets and contingencies weighted by credit risk when the standard method is used to determine the regulatory capital requirement for credit risk, and (iv) other elements as defined by the SBS. Tier 2 Regulatory Capital is subject to certain deductions under the law, such as: holdings, directly or indirectly, of equity and/or subordinated debt instruments eligible for additional Tier 2 Regulatory Capital, which have been issued by the company itself and which are held in treasury and investments in equity and/or subordinated debt instruments eligible for additional Tier 2 Regulatory Capital, issued by companies of the financial system or the insurance system, domestic or foreign and others as mandated by the SBS through general regulations.

Banks are required to prepare and submit to the SBS, within the first 15 days of each month, a report analyzing the bank's assets for the previous month and the total amount of the bank's regulatory capital. Foreign currency denominated assets are valued in *soles* at an average exchange rate published by the SBS in effect as of the date of such report. The SBS shall establish the periodicity, format and other pertinent conditions of the reports to be submitted by Peruvian banks. The aforementioned reports must include (i) the equity requirement; (ii) the positions affected by the different risks; (iii) financial statements and other matters considered relevant by the SBS.

As part of the implementation of the Basel III standards, the SBS issued SBS Resolution No. 03950-2022 in December 2022 regulating new dispositions applicable for subordinated debt, in order to update the form of computation in the different levels and sublevels of the regulatory capital, in accordance with the characteristics of each element. This resolution became effective on January 1, 2023 and is applicable to subordinated debt incurred or created as from such date. However, subordinated debt incurred or created prior to its enactment will still be considered in the calculation of regulatory capital.

In addition, SBS Resolution No. 03950-2022 was enacted mainly to reflect the new composition of the regulatory capital. As a result, non-redeemable subordinated debt is taken into account for the computation of additional Tier 1 Regulatory Capital, as opposed to the previous treatment, which allowed its computation as either Tier 1 or Tier 2 Regulatory Capital. Similarly, redeemable subordinated debt becomes part of the computation of Tier 2 Regulatory Capital only.

In accordance with SBS Resolution No. 03952-2022 (as amended from time to time) (which amended the SBS Resolution No. 14354-2009) that became effective on January 1, 2023, the 1,000% factor for risk-weighted assets for intangibles (excluding goodwill), deferred tax assets that originate from operating losses and deferred tax assets that exceed the threshold of 10% of "adjusted total capital" were removed from the computation of regulatory capital. To replicate the deductions established by Basel III, deferred income tax assets net of deferred income tax liabilities arising from temporary differences that do not exceed the threshold of 10% of Tier 1 Regulatory Capital will receive a weighting factor of 250%.

### ***Further Implementation of Basel III Principles***

Consistent with certain aspects of Basel III, the SBS issued SBS Resolution No. 03953-2022 and SBS Resolution No. 03954-2022 in order to update the methodologies for calculating the individual and sector concentration risk buffers (including regional and economic sector concentration) eliminating the capital buffer requirement for risk appetite and maintaining the requirement for measuring the interest rate risk of the banking book. Legislative Decree No. 1531 and SBS Resolution No. 03954-2022 aligned the capital conservation buffer in the Peruvian regulation, to the Basel III principles.

### ***Subordinated Debt Regulation***

In December 2022, Legislative Decree No. 1531 was further regulated by SBS Resolution No. 03950-2022, which approved the Subordinated Debt Regulation Applicable to Financial Institutions. The Subordinated Debt Regulation Applicable to Financial Institutions provided for two Ordinary Tier 1 Regulatory Capital: (i) Ordinary Tier 1 Regulatory Capital equal to or greater than 4.5% of total risk-weighted assets and contingent liabilities, and (ii) Effective Tier 1 Regulatory Capital which, in its entirety and considering ordinary capital and additional ordinary capital, must be equal to or greater than 6.0%. Moreover, the Subordinated Debt Regulation Applicable to Financial Institutions eliminated Tier 3 Regulatory Capital/Subordinated Debt (i.e., Hybrid Instruments) which were used to cover market risk losses and excluded non-redeemable Subordinated Debt from the computation of Tier 2 Regulatory Capital.

With regards to subordinated debt, the Subordinated Debt Regulation Applicable to Financial Institutions made a distinction between two types of subordinated debt: (i) “Tier 1 Non-redeemable Subordinated Debt” (computable to Tier 1 Regulatory Capital only as additional Tier 1 Regulatory Capital) and (ii) “Tier 2 Redeemable Subordinated Debt” (computable to Tier 2 Regulatory Capital). For the purposes of the regulation, non-redeemable debt means that its principal amount is not amortized and generates perpetual periodic return, while redeemable debt means that its principal amount will be redeemed within a specified period of time.

### ***Regulation of Requirement of Conservation, Economic Cycle and Market Concentration Risk Buffers***

Moreover, in December 2022, the SBS issued SBS Resolution No. 03954-2022, which approved the “Regulation for the Requirement of Conservation, Economic Cycle and Market Concentration Risk Buffers” (*Reglamento para el Requerimiento de Colchones de Conservación, por Ciclo Económico y por Riesgo por Concentración de Mercado*). This new regulation updated the methodologies for calculating the individual and sector concentration risk buffers, in compliance with the Basel III standards, and further regulated article 199 of the Peruvian Banking and Insurance Law. The Regulation for the Requirement of Conservation, Economic Cycle and Market Concentration Risk Buffers describes four types of risk buffers, to be gradually implemented, namely: (i) Capital Conservation Risk Buffer; (ii) Economic Cycle Risk Buffer; (iii) Market Conservation Risk Buffer; and (iv) Combined Risk Buffer.

The Capital Conservation Risk Buffer provides that companies have to accumulate a risk buffer (over the requirements set forth in article 199 of the Peruvian Banking and Insurance Law) to be used when losses have been incurred during periods of stress. The minimum risk buffer established amounts to 2.5% of total risk-weighted assets and contingent liabilities, which is determined based on the methodology described in the Regulation for the Requirement of Conservation, Economic Cycle and Market Concentration Risk Buffers. Non-compliance with the minimum requirement of risk buffers would result in the application of restrictions in connection with (i) the repurchase of shares that qualify as Tier 1 Regulatory Capital, and (ii) the distribution of profits to Tier 1 Regulatory Capital (e.g., dividends), except for distribution of stock dividends charged to the prior year’s earnings (up to 60.0% for deficit less than or equal to 25.0%, 40.0% for deficit greater than 25.0% and less than or equal to 50.0%, 20.0% for deficit greater than 50.0% and less than or equal to 75.0%, deficit greater than 75.0% does not allow distribution).

The Economic Cycle Risk Buffer serves to counteract fluctuations in the economic cycle by recalibrating the marginal weighting factors of credit risk-weighted assets used for the calculation of this buffer based on the Additional Regulatory Capital Requirement Regulation. The operation aspects of the Economic Cycle Risk Buffer can be divided into “accumulation” and “de-accumulation”. Accumulation means that Ordinary Tier 1 Regulatory Capital must be maintained above the minimum requirements of Article 199 of the Peruvian Banking and Insurance Law, for the amount resulting from applying the calculation methodology chosen by the financial institution. In cases of non-compliance, restrictions will apply in connection with (i) the repurchase of shares that count towards Tier 1 Regulatory Capital and (ii) the distribution of profits to Tier 1 Regulatory Capital (e.g., dividends), except for distribution of dividends in shares. “De-accumulation” means that the buffer is no longer required and the requirement is equal to zero and accumulated Tier 1 Regulatory Capital can be used to cover the economic cycle buffer requirement. The calculations related to the Economic Cycle Risk Buffer shall be conducted (i) monthly when the rule is activated and the requirement is in force and (ii) at the time when the rule is deactivated and the requirement is not in force.

The Market Conservation Risk Buffer seeks to counteract negative effects on the stability of the system and Peru’s economic activity resulting from the potential financial deterioration of large, highly interconnected, difficult to substitute and highly complex companies. It employs, for the purposes of its calculation, a Market Concentration Risk Indicator that considers aspects related to size, interconnection, substitutability and financial infrastructure, and the complexity of the companies in the financial system. This Risk Buffer applies to (i) banks, (ii) investment banks, and (iii) Peruvian multiple operating companies that are part of a bank’s economic group.

Finally, the Combined Risk Buffer is the sum of the Conservation, Economic Cycle and Market Concentration Risk Buffer requirements. In addition to compliance with each individual buffer, the combined buffer requirement to be covered with additional Ordinary Tier 1 Regulatory Capital must be met. The methodology for its calculation is as follows: (i) Ordinary Tier 1 Regulatory Capital (after covering the requirement set in Article 199 of the Peruvian Banking and Insurance Law) minus (ii) the portion of Ordinary Tier 1 Regulatory Capital that covers the Conservation, Economic Cycle and Market Concentration Risk Buffer. If a company fails to comply with the abovementioned requirements, it may continue its operations, however it may not (i) repurchase its shares that count towards Tier 1 Regulatory Capital or (ii) distribute profits to Tier 1 Regulatory Capital (e.g., dividends), except for distribution of dividends in shares.

As of the date of this Annual Report on Form 20-F, Interbank is in compliance with the additional regulatory capital requirements approved by the SBS. Interbank is evaluating the impact of such changes to the regulatory capital requirements on its financial results and condition. As of the date of this Annual Report on Form 20-F, Interbank is fully compliant with applicable capital regulatory requirements, and it expects to continue to comply with such regulatory capital requirements, and does not anticipate such regulatory changes to have a material impact on its solvency.

### ***Liquidity Requirements of Basel III Principles***

In December 2012, the SBS approved SBS Resolution No. 9075-2012, requiring a new calculation of the liquidity coverage ratio. The liquidity ratio coverage is a ratio for financial institutions to ensure the maintenance of adequate levels of high-quality liquidity assets (ALAC) that could easily be converted into cash to meet liquidity needs, for a 30-calendar day period, under a stress liquidity scenario. High-quality liquidity assets are defined as assets that are easily and immediately convertible into cash, with minimum or no loss of value during the stress period.

Pursuant to SBS Resolution No. 6694-2015, the SBS defined a plan for the implementation of this ratio. Since January 2019 and moving forward, companies have been required to implement 100% of the liquidity coverage ratio. As of the date of this Annual Report on Form 20-F, Interbank is in full compliance with all regulatory limits required by the SBS. In addition, Interbank's alert system monitors any deviations so Interbank may take any preventive measures.

In October 2022, the SBS approved SBS Resolution No. 03296-2022 which incorporated, among others, the operational criteria that the high-quality liquidity assets must meet, as well as the categories of such assets, adjusting the liquidity coverage ratios to Basel III (taking into consideration the particularities of the local market). SBS Resolution No. 03296-2022 became effective on January 1, 2024.

### ***Classification of the Loan Portfolio***

According to SBS regulations, the provision for loan losses is calculated and recorded following SBS Resolution No. 11356-2008, which sets parameters to determine the calculation of provisions which is based on formulas and the use of specific percentages over the balances of loans and collateral received. For example, banks must consider certain criteria with respect to the borrower, including securities; credit category; borrower's liquidity, borrower's equity and outstanding debt, among others. Also, it requires constitution of generic provisions based on total loan portfolio, including generic provisions on not-impaired loans. The loan portfolio provisions which result from such classification differ materially from the loan portfolio provisions which result from our application of IFRS. For a discussion of our loan portfolio classification policies and the resulting provisions, see "Item 4. Information on the Company—Selected Statistical Information—Classification of our Loan Portfolio and—Impairment Allowance for Loans" and "Note 29.1 Credit Risk" to our audited annual consolidated financial statements.

Beginning on January 1, 2021, the SBS introduced a reporting rule under Peruvian GAAP whereby non-revolving credit card loans must be reported as other non-revolving consumer loans. This change resulted in a reduction in Interbank's credit card loan balances and an increase in consumer loans in the same proportion as the credit card balances were reduced.

### ***Risk of Over-Indebtedness by Consumer Banking Customers***

According to SBS Resolution No. 6941-2008, as amended, banks and other financial entities must adopt a system to manage the risk of over-indebtedness that (a) allows the mitigation of such risk before and after making the loan, (b) permits the performance of a permanent monitoring of the portfolio to identify over-indebted borrowers and (c) includes the periodic evaluation of the control mechanisms being used and of the corrective actions or required improvements, as the case may be. The board of directors of such banks and other financial entities are responsible for (i) establishing and reviewing the policies and proceedings for the identification, measuring, treatment, control, reporting and monitoring of the risk from the level of indebtedness of its consumer banking customers and (ii) causing the management to adopt the necessary measures to monitor and control such risks. In addition, the board of directors must cause the bank and/or financial entity to have an organizational structure that guarantees total independence between the risk and the commercial divisions and that the incentive schemes for employees' performance does not cause a conflict of interest with risk management policies.

Banks and financial entities that are not able to monitor, control and identify the risk of over-indebtedness are obliged to maintain a special loan loss reserve. Banks and financial entities that comply with the requirements described above are not required to maintain any such specific provision.

### ***Legal Reserve Requirements***

Pursuant to Article 67 of the Peruvian Banking and Insurance Law, all banks must create a legal reserve.

Each year a bank must allocate 10% of its net income to its legal reserve until its legal reserve is equal to 35% of its paid-in capital. Any subsequent increases in paid-in capital will imply a corresponding increase in the required level of the legal reserves to be funded as described above.

### ***Lending Limits***

Under Article 206 of the Peruvian Banking and Insurance Law, the total amount of direct and indirect credits and financings granted in favor of a person shall not exceed 10% of the bank's regulatory capital. A person is defined for the purposes therein as a person or group of persons or entities representing a common or single risk.

The SBS has issued special regulations establishing the guidelines that must be followed by banks when determining legal reserves for legal proceedings for past-due loans and foreclosures.

For purposes of Peruvian Banking and Insurance Law, a single borrower includes an individual or an economic group. An economic group constituting a single or common risk, according to Peruvian Banking and Insurance Law, includes a person, such person's close relatives and companies in which such person or close relatives have significant share ownership or decision-making capability. According to current regulations, shareholders who own or control directly or indirectly at least 4% of a company's shares are considered to share common risk with such company. Significant decision-making capability is deemed to be present when, among others, a person or group can exercise material and continuous influence upon the decisions of a company, when a person or company holds seats on the board of directors or has principal officers in another company, or when it can be assumed that one company or person is the beneficial recipient of credit facilities granted to another company.

The 10% limit indicated above may be raised to 15%, 20% and 30%, depending on the type of collateral securing the excess over each limit. For instance, the limit can be extended to 15% when the excess is secured by a mortgage; it may be raised to 20% when the excess is collateralized with securities listed in the Selective Index of the BVL (ISBVL); and it may be raised to 30% when the excess is secured with deposits that are maintained and pledged with the bank.

Other special lending limits must also be taken into account, such as lending to related parties or affiliates (30% of regulatory capital), to local banks (30%), and to foreign banks (from 5% for non-regulated banks to 30% for first category international banks, which may also be raised to 50% when backed by letters of credit). There are other limits that require banks to diversify their portfolio through different types of assets, benefiting liquid and low-risk assets.

### ***Lending to Related Parties***

The Peruvian Banking and Insurance Law regulates and limits transactions with related parties and affiliates of financial institutions, on an unconsolidated basis. In 2015, the SBS and the SMV enacted new regulations containing definitions of indirect ownership, related parties and economic groups, which serve as the basis for determining limits on transactions with related parties and affiliates. These regulations also provide the basis for the subsequent development of specific supervision standards of financial institutions and conglomerates formed by financial institutions.

Additionally, pursuant to Article 202 of the Peruvian Banking and Insurance Law, the aggregate amount of loans to related party borrowers may not exceed 30% of a bank's regulatory capital (exceptionally, according to Circular B-2148-2005, as amended, the amount of loans to related parties may not exceed 50% of a bank's regulatory capital if the excess of 30% is secured by credit letters from foreign financial institutions). For purposes of this test and in accordance with regulations of economic group, related party borrower includes any person or an affiliate of that person holding, directly or indirectly, 4% or more of a bank's capital stock, directors, certain of the bank's principal executive officers or other persons in more junior positions affiliated with the bank's management.

All loans to related parties must be made on an arm's-length basis with terms no more favorable than the best terms that Interbank would offer to the public.

In addition, under Article 201 of the Peruvian Banking and Insurance Law, the total amount of loans extended to directors, officers, employees or close relatives of any such persons may not exceed 7% of a bank's regulatory capital. All loans made to any single such related party borrower may not exceed 0.35% of a bank's regulatory capital (i.e., 5% of the overall 7% limit) per each person, including such person's spouse and relatives. In addition, the Peruvian Banking and Insurance Law generally provides that banks may not extend credit to or guarantee the obligations of employees or members of the board of directors, except for home mortgage loans to employees and directors.

### ***Consumer Lending***

As a general rule, interest rates within the Peruvian financial system are freely determined by the market. However, on March 18, 2021, the Peruvian Congress approved Law No. 31143 (*Law that Protects Financial Consumers from Usury*) which amended certain articles of the Central Reserve Bank of Peru's organic law, the Peruvian Banking and Insurance Law and Law N° 28587 (*Complementary Law to the Consumer Protection Law on Matters of Financial Services*) in order to allow the Central Reserve Bank of Peru to establish maximum interest rates, exclusively, for the activities described in literal c) of Article 221 of the Peruvian Banking and Insurance Law, which include consumer lending and lending to small and micro enterprises. The application of interest rates above the aforementioned limit constitutes a criminal offense typified as usury under Article 214 the Peruvian criminal code. As of the date of this Annual Report on Form 20-F, the maximum interest rate is 101.86% for local currency operations and 82.94% for foreign currency operations. These interest rates are expected to be updated on May 1, 2024.

Other changes brought upon by Law N° 31143 provide a wider protection to consumers include the prohibition to capitalize interests and impose penalties or other commissions (in addition to default interest charges) upon default of the consumer. Furthermore, it established that any commissions or expenses charged by financial institutions must involve the provision of services, additional and/or complementary to the operations contracted by users, effectively rendered and which costs are real and provable through a technical report previously reviewed and approved by the SBS.

### ***Country Risk Reserve Requirements***

SBS Resolution No. 7932-2015, enacted in December 2015, requires the funding of reserves to cover exposure to country risk, which is defined to include sovereign risk, transfer risk and expropriation or nationalization risk, all of which may affect operations with companies or individuals in foreign countries. The SBS has also established guidelines indicating the procedures and responsibilities necessary for coping with country risk.

### ***Integral Risk Management***

Integral risk management is a process intended to identify potential events that can affect banks and to manage those events according to their nature and risk level. In January 2017, the SBS enacted the SBS Resolution No. 272-2017, which replaced SBS Resolution No. 037-2008. SBS Resolution No. 272-2017 (as amended from time to time) contains guidelines for integral risk management of financial institutions and covers all kinds of risks that could affect a banking operation, such as operational, market, credit, AML, liquidity and reputational risks. Furthermore, it introduced various changes, focusing on corporate governance practices including the following: (i) two or more independent directors must be appointed when boards are integrated by six or more members, (ii) a remunerations committee must be formed and (iii) concepts such as 'risk appetite', 'risk capacity' and 'risk limits' have been modeled after the Principles for an Effective Risk Appetite Framework of the Financial Stability Board.

### ***Credit Risk***

According to the Peruvian Banking and Insurance Law, as of July 1, 2009, financial institutions would have been allowed to use the IRB methodology instead of the standardized methodology for calculating their regulatory capital requirement for credit risk, after receiving prior approval from the SBS. However, regulations required for the full implementation of both standardized and IRB methodologies by Peruvian financial institutions were not enacted until November 4, 2009, with SBS Resolution No. 14354-2009.

Under SBS Resolution No. 14354-2009 (as amended from time to time), enacted in November 2009, financial institutions are allowed to use the standardized methodology and, with the prior approval of the SBS, IRB methodologies for calculating their regulatory capital requirement for credit risk. Interbank has not decided if it will request approval from the SBS to adopt the IRB methodology.

In addition, according to SBS Resolution No. 3780-2011 (as amended from time to time), financial institutions are required to implement an organizational structure and certain procedures in connection with control on interest management and strategic needs procedures in order to adequately manage credit risk. SBS Resolution No. 8548-2012, enacted in November 2012, establishes new guidelines for calculation of risk weighted assets for personnel (*planilla*), credit card and mortgage exposure resulting in more capital requirements for credit risk.

### ***Market Risk***

Regulations for the supervision of market risks, enacted in May 1998, require banks to establish internal policies and procedures to monitor these risks, as well as market risk exposure limits. Regulations define market risk as the probability of loss derived from exposure to various classes of commodities, securities, foreign exchange, derivative operations or commercial assets that banks may hold in their portfolio, which may, or may not, be accounted for in their statements of financial position. In June

2009, the SBS enacted SBS Resolution No. 6328-2009 (as amended from time to time), which defines the methodology to be applied, and the requirements to be satisfied, to calculate the regulatory capital requirement for market risks under the standard methodology and the IRB methodology.

### ***Operational Risk***

SBS Resolution No. 2115-2009 (as amended), enacted in April 2009, defined the methodology to be applied, and the requirements to be satisfied, by financial institutions in calculating their regulatory capital requirement for operational risk under the IRB methodology, the alternative standardized methodology and the advanced methodologies. However, as the advanced methodologies approach was part of the Basel II principles, this alternative was eliminated as part of SBS Resolution No. 03955-2022's updates in alignment with the Basel III principles because internal operational risk models had failed to adequately reflect the risks. The IRB methodology uses a bank's gross operational margin as an "exposure indicator," and its application does not require the prior approval by the SBS. Application of the alternative standardized methodology requires compliance with certain provisions included in SBS Resolution No. 2115-2009 (as amended from time to time) and prior approval from the SBS.

SBS Resolution No. 2116-2009 (as amended), enacted in April 2009, approved the guidelines for managing operational risk, and defined "operational risk" as the possibility of suffering losses due to inadequate procedures, failures of personnel, IT or external events, including, without limitation, legal risks (but excluding strategic and reputational risk). It also established that a bank's board of directors is responsible for designing the general policies to manage operational risk and that a bank's management is in charge of implementing such policies. Finally, it provided that each bank is obligated to create a database of all of such bank's losses due to operational risk, classifying such losses by event.

### ***Model Risk***

SBS Resolution No. 00053-2023 (as amended), enacted in January 2023, introduced regulations on how to manage the risks that arise from the use of models to process information in financial institutions. Model risk is defined as the possibility of losses or adverse consequences arising from weaknesses in model development, validation, implementation, use and monitoring. The foregoing resolution further states that model risk can arise from inadequate specifications or methodologies, erroneous estimates, incorrect assumptions, calculation errors, inaccurate, inappropriate or incomplete data, inappropriate, improper or unforeseen use of the model, lack of understanding of the model's limitations, and inadequate monitoring and/or controls. This regulation will be gradually implemented commencing in June 2024 through May 2026, given the need to properly implement at the operational level adequate tools to assess the risks that are intended to be managed with the models and the categorization of the models used. Financial institutions within its scope, such as the bank, are required to provide the SBS with assessments of their models in accordance with the schedule determined by SBS.

### ***Management of Legal Proceedings***

SBS Resolution No. 2451-2021, enacted in August 2021, established minimum procedures for the management, classification, reporting and creation of provisions in relation to legal proceedings. According to this resolution, financial institutions' boards of directors must approve policies and procedures covering those matters and fulfilling certain minimum requirements as set forth in the resolution. Furthermore, financial institutions must submit reports to the SBS semi-annually with information on all current litigation matters and, in particular, adverse legal proceedings that are classified as "probable".

The SBS can request, at any time, additional information on any specific litigation matter, make corrections to classifications and provisions when it considers that the legal proceedings present inconsistencies or are insufficiently sustained.

The resolution also amended the Accounting Manual for financial institutions with respect to the accounting treatment of provisions derived from legal proceedings depending on whether they are classified as "probable", "remote" or "possible".

### ***Investments in Financial Instruments***

Investment in financial instruments by Peruvian banks is restricted to those financial instruments listed in the Peruvian Banking and Insurance Law, such as equity instruments traded on a stock exchange, debt instruments (to the extent that certain requirements are satisfied), sovereign debt instruments and quotas in mutual and investment funds, among others.

Pursuant to SBS Resolution No. 7033-2012 (as amended from time to time), investments in financial instruments by Peruvian banks shall be classified into any of the following categories: (a) investments at fair value with changes in results (short-term), (b) investments available-for-sale, (c) investments until maturity (long-term) and (d) investments in subsidiaries and affiliates.

On July 2018, the SBS issued SBS Resolution No. 2610-2018, which became effective as of October 1, 2018, and amended the regulation on classification and valuation of investments approved by SBS Resolution No. 7033-2012 and its

amendments. The main amendment contained in this resolution is the introduction of standard methodology for the identification of impairment of financial instruments classified as available-for-sale investments and held-to-maturity investments. The annex to this resolution has been amended by SBS Resolution No. 04034-2022, which became effective on December 31, 2022.

### ***Reserve Requirements from the Central Reserve Bank of Peru***

Under the Peruvian Banking and Insurance Law, all financial institutions regulated by the SBS (except for small-business development non-bank institutions) are required to maintain a legal reserve (*encaje*) for certain obligations. The Central Reserve Bank of Peru may require additional marginal reserves. The exact level and method of calculation of these reserve requirements is set by the Central Reserve Bank of Peru, which has issued different sets of regulations for foreign and local currency-denominated obligations of banks. The following liabilities, among others, are subject to the reserve requirement: demand and time deposits, savings accounts, certain obligations, securities, certain bonds and funds administered by the bank. Subject to certain requirements, the regulation excludes mid-term and long-term funding (i.e., more than two years) from foreign financial institutions, other central banks, governments or multilateral lending agencies.

In April 2004, the Central Reserve Bank of Peru began requiring reserves on amounts due to foreign banks and other foreign financial institutions, which were not previously considered obligations.

As of December 31, 2023, the minimum legal reserve requirement for local and foreign currency deposits was 6.0% and 9.0%, respectively. Local and foreign currency liabilities are subject to marginal rates of 25% and 35% for funds that exceed a certain level set by the Central Reserve Bank of Peru. Local and foreign currency borrowings from certain foreign sources with an original maturity of two years or less are subject to a 9% special rate. Financial institutions may satisfy the minimum reserve requirements with funds that they hold in vaults or that they have deposited in their accounts at the Central Reserve Bank of Peru.

Subject to certain requirements, the regulation excludes from the reserve requirement mid-term and long-term funding (i.e., liabilities with a minimum average maturity of more than two years, subject to other conditions) through the issuance of securities.

They must also keep at least 1.0% and 3.0% of their local and foreign currency deposited in the Central Reserve Bank of Peru, respectively. The Central Reserve Bank of Peru oversees compliance with the reserve requirements.

The Central Reserve Bank of Peru also establishes the interest rate payable on reserves that exceed the minimum legal reserve requirement applicable to both local and foreign currency deposits. The current applicable interest rate: (a) for local currency reserves, different from those described below, is the higher of 0.0% or the overnight deposits interest rate, minus 1.95%; and (b) for foreign currency deposits, is the higher of (i) 25.0% of the Chicago Mercantile Exchange (“CME”) Term SOFR for one month minus 10 basis points, and (ii) the CME Term SOFR rate for one month minus 50 basis points. The applicable interest rate is expected to be periodically revised by the Central Reserve Bank of Peru in accordance with monetary policy objectives. In the past, the Central Reserve Bank of Peru has on numerous occasions changed the deposit reserve requirements applicable to Peruvian commercial banks and both the rate of interest paid on deposit reserves and the amount of deposit reserves on which no interest is payable by the Central Reserve Bank of Peru.

### ***Special provisions as a result of COVID-19 pandemic***

On March 6, 2021, the Peruvian government, through Emergency Decree No. 026-2021 (which was in force until July 15, 2021), authorized, on an exceptional basis, the rescheduling of loans guaranteed by the Reactiva Perú program for up to S/16 billion (then increased to S/19.5 billion) to provide greater payment flexibility to the beneficiaries of this program. On May 13, 2022, through Emergency Decree No. 011-2022, the Peruvian government approved a second rescheduling for up to S/10 billion. For debtors with loans between S/750,000 and S/10 million, the program will only be available if such debtors evidence a decrease in sales equal or higher than 30% for the fourth quarter of 2022 in comparison to the fourth quarter of 2019.

More recently, through Emergency Decree No. 029-2023 and the amendment No. 287-2023-EF/15 to the Ministerial Resolution 134-2020-EF/15 (*Reglamento Operativo del Programa Reactiva Perú*), the Peruvian government granted a new rescheduling for the loans under the Reactiva Perú program to which companies were able to apply until September 30, 2023.

### ***Special provisions as a result of social unrest and climate phenomenon***

On December 7, 2022, Peruvian former President Pedro Castillo announced his intention to dissolve the Peruvian Congress and to intervene in, among others, the Peruvian judicial branch and Superior Court. Mr. Castillo’s actions were deemed to constitute an attempted coup, which led to his impeachment and arrest. According to the Peruvian Constitution, Mr. Castillo was succeeded by his then vice-president, Dina Boluarte. Following Mr. Castillo’s impeachment, a wave of protests in support of Mr. Castillo erupted across the country, which led President Boluarte to declare a state of emergency across several regions in Peru on December 12, 2022. Protests continued until March 2023.



In that context, the SBS approved a series of measures to reschedule retail loans that had been affected by the protests and social unrest in Peru, similar to those implemented to minimize the impact of the COVID-19 pandemic. Pursuant to Oficio Múltiple N° 54961-2022, issued on December 22, 2022, the SBS established exceptional measures applicable to retail loans, allowing financial institutions to amend contractual conditions without characterizing them as refinanced loans as long as the amended loan complied with certain loan characteristics.

Additionally, through Oficio Múltiple N° 12174-2023, issued on March 15, 2023, the SBS established exceptional measures applicable to retail clients according to the geographic scope determined by each financial company and prior analysis of the level of impact on its portfolio of debtors, allowing the entities to amend the contractual conditions of the different types of loans for retail debtors, without such amendment being considered a refinancing provided certain criteria was complied with.

Lastly, due to the high uncertainty caused by the intensity of the “*El Niño*” phenomenon, in 2023 we have had to increase our monitoring of the performance results of our retail and commercial clients and make subsequent adjustments of expected loss to our model, which in turn creates a certain level of uncertainty in the estimation of expected losses on loans.

### ***Deposit Insurance Fund***

Bank deposits are protected by the *Fondo de Seguros de Depósito* (Deposit Insurance Fund), against bank failure. Specifically, savings deposit by natural persons, savings deposit accounts maintained by non-profit entities and checking accounts are covered in full up to an amount that is revised quarterly by the SBS. For the period between March and May 2024, the maximum coverage amount is S/122,420 per person per bank.

The Deposit Insurance Fund was established in 1991 and was organized as a private corporation in 1996. The Deposit Insurance Fund’s governing body is led by a representative of the SBS. The additional members are appointed by the Central Reserve Bank of Peru (one member), the MEF (one member) and by the banks (three members). SBS provides the necessary administrative members and operational resources for the Deposit Insurance Fund.

The financial resources available to the Deposit Insurance Fund pursuant to the Peruvian Banking and Insurance Law include, among others, the original contribution from the Central Reserve Bank of Peru, insurance premiums paid by banks, unclaimed bank deposits (after 10 years) and fines imposed by the SBS for violations of the Peruvian Banking and Insurance Law.

In addition, the Deposit Insurance Fund may, in extraordinary situations, borrow funds with authorization from the Peruvian treasury, or it may borrow long-term government securities from the Peruvian treasury.

### ***Anti-Money Laundering Rules***

Money laundering is considered a criminal act in Peru. A special legal framework was established in April 2002, which follows the 40 recommendations of the FATF, established by the G-7. Since then, this legal framework has been amended in order to improve and increase the efficiency of the Peruvian anti-money laundering system.

Money laundering includes a wide range of serious offenses such as tax evasion, terrorism, drug trafficking, corruption and other criminal activities. A special set of anti-money laundering rules applies specifically to banks, which includes specific rules for customer and employee due diligence and recordkeeping. In March 2008, the SBS enacted additional anti-money laundering provisions, pursuant to which, among other things, banks must establish a set of policies and procedures specifically aimed to prevent asset laundering and the financing of terrorist activities. In November 2008, the SBS modified the anti-money laundering provisions to include, among other changes, the obligations of Peruvian banks to verify that their branches and foreign subsidiaries comply with the anti-money laundering and terrorism financing provisions enacted by the SBS and with the recommendations of the FATF.

On February 17, 2011, the SBS modified current anti-money laundering provisions through SBS Resolution No. 2108-2011, as amended, in order to adapt these provisions to international standards established by the Financial Action Task Force of South America (*Grupo de Acción Financiera de Sudamerica*, or “GAFISUD”), in relation to due diligence in the identification of clients according to their risk and profile level, among other considerations. On May 14, 2015 and December 6, 2017, the SBS further amended and supplemented the aforementioned provisions through SBS Resolution No. 2660-2015 and SBS Resolution No. 4705-2017 (each as amended). SBS Resolution No. 2018-2011 was replaced by SBS Resolution No. 2891-2018, which became effective on October 1, 2018.

The government agency responsible for supervising the anti-money laundering system is the UIF, which was made part of the SBS in July 2007. The chairman of this agency is appointed by the chairman of the SBS. Additionally, Law No. 30424, enacted in April 2016 and which took effect on January 1, 2018, as amended, attributes criminal liability to legal entities when crimes related to money laundering, terrorist financing, bribery (including multinational bribery), tax fraud and customs offenses are committed on its behalf or for its benefit by any legal representative or *de facto* or *de iure* executive. Such regulation establishes that criminal liability will be exempted or mitigated if the legal entity has adopted an adequate and suitable prevention model following the criteria and minimum guidelines outlined in Law No. 30424. On January 9, 2019, Supreme Decree 002-2019-JUS (*Reglamento de la Ley N° 30424*) was enacted and took effect, setting forth further regulations and guidelines related to, among other things, the suitable prevention model to be implemented in accordance with Law No. 30424.

### ***Disclosure of Material Information***

All banks that are organized as corporations (the only exception being the Peruvian branches of foreign banks) are listed on the BVL. As a result, they are subject to the disclosure and reporting rules contained in the Peruvian Securities Market Law and the internal regulations of the SMV and the BVL. Banks are also subject to full disclosure and reporting obligations under the banking regulatory framework. See “Regulation and Supervision—The Peruvian Financial and Insurance Systems—*The SMV*”.

### ***Intervention by the SBS and Liquidation***

Pursuant to the Peruvian Banking and Insurance Law, the SBS has the power to interrupt the operations of a bank in order to prevent, or to control and reduce the effects of, a bank failure. Accordingly, the SBS may intervene in a bank’s business by adopting either a temporary surveillance regime or a definitive intervention regime (“Intervention”) depending on how critical the situation is deemed to be by the SBS. Intervention will be taken upon the occurrence of certain events, including (a) suspension of payments, (b) failure to comply with the restructuring plan during the surveillance regime, (c) regulatory capital is less than 50% of the minimum regulatory capital required (global limit) or (d) deficit or reduction of more than 50% of its regulatory capital in a 12-month period. Less drastic measures, such as (1) placing additional requirements, (2) ordering a capital increase or an asset divestiture or (3) imposing a financial restructuring plan, may be also adopted by the SBS when the situation allows for them.

An Intervention may halt a bank’s operations for up to 45 days, and may be extended for a second period of up to 45 additional days, during which time the SBS may institute measures such as: (a) canceling losses by reducing reserves, capital and subordinated debt, (b) segregating certain assets and liabilities for transfer to another financial institution and (c) merging the intervened bank with another acquiring institution. After an Intervention, the SBS will proceed to dissolve and liquidate the bank unless the preceding option (c) was applied.

Beginning on the date on which a resolution of the SBS subjecting a bank to an Intervention regime is issued, and continuing until such Intervention is concluded (which period ends when the liquidation process begins), the Peruvian Banking and Insurance Law prevents any creditor of the bank from (a) initiating any judicial or administrative procedure for the collection of any amount owed by the bank, (b) enforcing any judicial decision rendered against the bank to secure payment of any of its obligations, (c) constituting a lien or attachment over any of the assets of the bank to secure payment of any of its obligations or (d) making any payment, advance or compensation or assuming any obligation on behalf of the bank, with the funds or assets that may belong to it and are held by third parties, except for (i) set-off compensation payments that are made between regulated entities of the Peruvian banking and financial sector and insurance industry and (ii) set-off of reciprocal obligations arising from repurchase agreements and operations with financial derivatives entered into with local or foreign financial and insurance institutions.

During liquidation, claims of bank creditors rank as follows:

#### **First order**—Labor claims:

- 1<sup>st</sup> Employee remunerations.
- 2<sup>nd</sup> Social benefits, contributions to the private and public pension system and other labor claims against the bank accrued until the date when the dissolution is declared, retirement pensions or the capital required to redeem those pensions or to secure them by purchasing annuities.

**Second order**—Claims for bank deposits and other types of saving instruments provided under the Peruvian Banking and Insurance Law, in the portion not covered by the Deposit Insurance Fund and the contributions and resources used by such Deposit Insurance Fund to cover the above-described claims for bank deposits and other types of saving instruments.

Third order—Taxes:

- *1<sup>st</sup>* Claims by the Peruvian social security administration (*Seguro Social de Salud del Perú EsSalud*) related to health care benefits for which the bank is responsible as employer.
- *2<sup>nd</sup>* Taxes.

**Fourth order**—Unsecured and non-privileged credits:

- *1<sup>st</sup>* All unsecured and non-privileged credits against the bank, ranked on the basis of (i) the date they were assumed or incurred by the bank whereby obligations assumed or incurred on an earlier date shall rank senior in right of payment to obligations assumed or incurred by the bank at a later date, and (ii) obligations assumed or incurred by the bank on a date that cannot be determined shall rank junior in right of payment to all the obligations comprised in (i) above and *pari passu* among themselves.
- *2<sup>nd</sup>* The legal interest on the bank's obligations that may accrue during the liquidation.
- *3<sup>rd</sup>* Subordinated debt.

Except for the first and second categories under unsecured and non-privileged credits, all claims within an order will be ranked *pari passu* among themselves. Each category of creditors will collect in the order indicated above, whereby distributions in one order will be subject to completing full distribution in the prior order. Any security interest created before the issuance of the resolution declaring the bank's dissolution and the initiation of the liquidation process shall survive in order to guarantee the obligation it secures. The secured creditors shall retain the right to collect from the proceeds of the sale of the collateral, on a preferred basis (except with respect to labor claims, savings and deposits, which are privileged claims), subject to certain rules established under Article 119 of the Peruvian Banking and Insurance Law.

Peruvian banks are not subject to the regime of insolvency and bankruptcy otherwise applicable to Peruvian corporations in general.

## **Insurance Regulation and Supervision**

### ***Solvency Requirements and Regulatory Capital***

Pursuant to the Peruvian Banking and Insurance Law, the SBS regulates the solvency margin of Peruvian insurance companies. The solvency margin is based upon calculations that take into account the annual amount of premiums and the medium burden of claims during a specified period (three latest annual periods) prior to the date on which calculation is made.

Insurance companies must also maintain a "solvency equity" (*patrimonio de solvencia*) which must be higher than (a) the solvency margin, or (b) the minimum capital required by law, or S/8,387,375 in accordance with Circular G-222-2024 for the period between January and March 2024. The required amount of solvency equity is recalculated at least monthly and is adjusted for inflation. If the insurance company has operations subject to credit risk, part of the solvency equity should be segregated for their coverage.

The Peruvian Banking and Insurance Law provides that insurance companies should have at all times a regulatory capital that should not be lower than the solvency equity detailed above.

The regulatory capital of Peruvian insurance companies used to cover its operations may be conformed by: (a) the insurance company's paid-in-capital, voluntary and legal reserves and premium for the issue of shares; and (b) the computable portion of the subordinate debt meeting SBS requirements that such entity establishes for such purpose. Article 299 of the Peruvian Banking and Insurance Law provides the following procedure for the determination of the regulatory capital eligible to cover insurance risks: (a) sum of the paid-in-capital, supplementary capital premium and the legal and voluntary reserves, as applicable; (b) sum of the profit of previous fiscal years and the agreed capitalization of profits for the fiscal year in course; (c) subtraction of the amount of all the investment in subordinate bonds and shares of diverse nature made by insurance companies in other insurance companies engaged in different lines of business; (d) subtraction of the losses of the previous fiscal years and the fiscal year in course; and (e) subtraction of the goodwill of the company that comes from the reorganization of the company, as well as the goodwill that comes from the acquisition of investments.

Furthermore, insurance companies shall maintain a guarantee reserve from its equity as a guarantee fund, in order to cover risks such as (a) insurance technical risks, and (b) credit risks of certain financial transactions specifically set forth in the Peruvian Banking and Insurance Law.

## **Reserves**

The Peruvian Banking and Insurance Law provides that insurance companies shall constitute, on a monthly basis, the following technical reserves: (a) for claims, including those that took place and were not reported, past-due capital and income or benefits of the insured parties, with pending liquidation or payment; (b) mathematical, over life or income insurance; (c) for risks in course or non-accrued premiums; (d) for catastrophes and uncertain casualty risks; and (e) for risks of medical health or medical assistance insurance.

Article 67 of the Peruvian Banking and Insurance Law also requires that all insurance companies establish a legal reserve by setting aside 10% of adjusted income before taxes, until the reserve reaches at least 35% of their capital stock.

Under SBS GAAP following the adoption of new mortality tables in 2018 the SBS allowed the adjustment of technical reserves to be spread over 10 years. In contrast, our financial statements for the year ended December 31, 2018, under IFRS, recorded a negative impact of S/144.8 million in our technical reserves due to the aggregate effect recorded in technical reserves on insurance policies issued prior to the date of adoption of the new mortality tables.

SBS Resolution No. 1143-2021 establishes the guidelines regarding the valuation and accounting record of the mathematical reserves for the insurance policies that grant long-term coverage (more than 1 year). As a result of the application of this regulation, Interseguro has recognized an impact for income/private insurance of S/35 million that will be reflected in accumulated results over the next 14 quarters after initial recognition in 2022.

## **Limit of Indebtedness**

Insurance companies may only take credits, in the country or abroad, for a sum not exceeding an amount equivalent to its regulatory capital. In case such limit of indebtedness is surpassed, the insurance company shall submit to the SBS a program approved by its board of directors establishing the measures adopted to eliminate the excess within a term not exceeding three (3) months.

## **Investment Requirements**

Pursuant to the Peruvian Banking and Insurance Law, the total amount of investments of a Peruvian insurance company shall cover the total amount of technical reserves at all times. For such purposes, technical reserves are defined as the sum of all obligations that an insurance company has vis-à-vis its insured clients plus the solvency equity, the guarantee fund and the regulatory capital for the economic cycle. The assets covering the technical reserves cannot be subject to any pledge, encumbrance or precautionary measure, which limits its free availability.

Peruvian insurance companies are allowed to invest in certain eligible assets such as instruments issued by the Peruvian Central Government, classified corporate bonds and shares, among others. However, in order to balance levels of risk, applicable regulations have imposed a number of limitations to insurance companies with respect to their investments (by issuer, economic group, type of instrument and nationality, among others). In general terms, no more than 15% of the total amount of an insurance company's technical reserves may be invested in certain instruments (including, among others, stocks and bonds) issued by the same economic group, which may be reduced to 7% if certain additional conditions are met. The investment regulations further specify that investment policies of Peruvian insurance companies shall consider maximum limits by issuer (calculated over the regulatory capital of each company) depending on the type of investment and the insurance industry in which the company operates.

Pursuant to the Investment of Insurance Companies Regulation approved by SBS Resolution No. 1041-2016 (as amended), Interseguro has implemented a plan to reduce its exposure to related parties and comply with the limits established by Article 13 of the *Reglamento de Supervisión Consolidada*, approved by SBS Resolution No. 11823-2010 (as amended). In addition, Interseguro limits the amount of exposure to the credit risk in any of the issuers of the financial instruments, which it believes enable it to maintain adequate diversification of its financial investment portfolio.

## **Disclosure of Relevant Information**

All insurance companies that are organized as corporations (the only exception being the Peruvian branches of foreign insurance companies) have their shares listed on the BVL. As a result, they are subject to the disclosure and reporting rules contained in the Peruvian Securities Market Law and the internal regulations of the BVL. Insurance companies are also subject to full disclosure and reporting obligations under the insurance regulatory framework. See "Regulation and Supervision—The Peruvian Financial and Insurance Systems—*The SMV*".

### **Ownership Restrictions**

The Peruvian Banking and Insurance Law establishes certain restrictions on the ownership of a bank and insurance company's capital stock. Banks must have at least two unrelated shareholders at all times. Restrictions are placed on the ownership of shares of any bank or insurance company by persons that have committed certain crimes, as well as by public officials who have supervisory powers over banks or who are majority shareholders of an enterprise of a similar nature. All transfers of shares in a bank or insurance company must be reported to the SBS by the bank or insurance company.

Transfers involving the acquisition by any individual or corporation, whether directly or indirectly, of more than 10% of a bank or insurance company's capital stock must receive prior authorization from the SBS. The SBS may deny authorization to such transfer of shares if the purchasers (or their shareholders in the case of legal persons) are legally disabled, have engaged in illegal activity in the areas of banking, finance, insurance or reinsurance, or if objections are raised on the basis of the purchaser's moral fitness or financial solvency. The decision of the SBS on this matter is final and cannot be overturned in the courts. If a transfer is made without obtaining the prior approval of the SBS, the purchaser may be fined an amount equivalent to the value of the securities transferred. In addition, the purchaser will be required to sell the securities within 30 days, or the fine will double, and the purchaser is disqualified from exercising its voting rights at any shareholders' meetings and to participate in the distribution of dividends. Foreign investors receive the same treatment as Peruvian nationals and are subject to the same limitations described above.

### **Risk Rating**

The Peruvian Banking and Insurance Law and SBS Resolution No. 18400-2010, enacted in January 2011, require that all financial and insurance institutions be rated by at least two rating agencies (registered with the SBS) on a semiannual basis (updated in March and September, with information as of December 31 and June 30 of each year, respectively), in addition to the SBS's own assessment. Criteria to be considered in the rating include risk management and control procedures, loan quality, financial strength, profitability, liquidity and financial efficiency. Five risk categories are assigned, from "A," lowest risk, to "E," highest risk, allowing for subcategories within each letter.

### **Intervention by the SBS**

Pursuant to the Peruvian Banking and Insurance Law, the SBS has the power to interrupt the operations of an insurance company to prevent, or to control and reduce, the effects of its failure. Accordingly, SBS intervention may be of two levels, depending on how critical the situation is: a temporary supervision regime or a definitive intervention regime prior to liquidating the bank or insurance company. Intervention will be taken upon the occurrence of certain events including: (1) suspension of payments; (2) failure to comply with the restructuring plan during the surveillance regime; (3) deficit or reduction of more than 50% of its regulatory capital in a 12-month period; or (4) deficit or reduction of its regulatory capital in excess of 50% of its solvency capital.

The intervention regime and the liquidation is the same as the one described above for banking entities. See "Item 4. Information on the Company—Business Overview—Regulation and Supervision—The Peruvian Financial and Insurance System—Intervention by the SBS and Liquidation". See "Item 4. Information on the Company—Business Overview—Regulation and Supervision—Investment Requirements" for a discussion of investment requirements and technical obligations.

### **The Peruvian Payment's System**

The payments segment of our group has been conducted through PMP (in which Interbank holds 50%) even prior to the direct acquisition, on April 13, 2022, by IFS of the remaining 50% in such company. As a consequence of such acquisition, IFS now holds all interest in PMP's wholly-owned subsidiary, Izipay, which is currently our payments processor and the payments facilitator for our subsidiaries operating in Peru. A summary of the Peruvian payment's system regulatory framework is set forth below.

Payment processors provide technological services to merchants such as by: (a) capturing transactions through a physical network of terminals or payment platforms; and (ii) routing the transaction to the bank or card networks (such as VISA, or Mastercard) for validation (e-commerce). On the other hand, payment facilitators affiliate merchants to accept payment cards on behalf of an acquirer, specializing in the affiliation of merchants with low sales volume, offering them value-added services. PMP acts as payments processor, but it also provides the acquiring services (i.e. the acquirer is the agent in charge of affiliating merchants so that they accept card payments from consumers through a point of sale (physical or virtual), such as POS or website payment buttons).

### **General Overview**

The regulatory authorities for the payment industry include the Central Reserve Bank of Peru; the Peruvian Antitrust Authority (*Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual* – "Indecopi"), the SBS

and Data Privacy Authority (*Autoridad Nacional de Datos Personales*). The Central Reserve Bank of Peru is the governing body of the Peruvian payment systems. The SBS regulates and oversees financial system companies and their financial transactions, including the issuance of cards. The Peruvian Antitrust Authority is the competition authority, which, among other duties, has the power to develop market research to identify potential opportunities for improvement related to the development of conditions of competition for a specific sector and issue recommendations. Finally, the Data Privacy Authority is responsible for the overview of compliance with the law on the processing of personal information.

The Central Reserve Bank of Peru is empowered to supervise and regulate payment systems and to determine when a payment agreement should be recognized as a payment system, and as such should be subject to the supervision and regulation of the Central Reserve Bank of Peru.

Law No. 29440 (as amended) (the “Payments and Settlement Law”) regulates the legal regime applicable to payment systems and securities settlement that have a systemic relevance, as well as to payment agreements (*Acuerdos de Pago*). If a payment system is recognized as such under the Payments and Settlement Law, the operator of the system will have to comply with applicable regulations, be supervised by the Peruvian Central Reserve Bank and subject to sanctions imposed by it.

The Central Reserve Bank of Peru has approved Circular No. 012-2010-BCRP (as amended) (the “Regulations for the Payment Systems”) which sets the criteria for a payment system to be considered subject to the provisions of the Payments and Settlement Law. Section 5 of the Regulations for the Payment Systems establishes that, in order for a payment agreement (*Acuerdo de Pago*) to be considered a payment system, the following characteristics shall be considered: (a) the value and number of funds transfer orders and (b) the interrelation of the payment agreement with other systems of importance for the transactions of the Peruvian financial system. As described, the criteria included in the Regulations for the Payment Systems is not quantifiable, but it includes general concepts to provide the Central Reserve Bank of Peru broad faculties to determine whether a payment system could have a systematic relevance. Systemic relevance encompasses institutions whose stress or bankruptcy situation could have a significant negative impact on the financial system and cause a deep and prolonged economic recession.

The payment card system in Peru is regulated by the Central Reserve Bank of Peru, since it is recognized as a payment agreement. Currently, the only obligation of acquirers, as part of the payment card system in Peru, is to submit certain information about the nature and volume of their transactions, their functionality and risk control measures. Nonetheless, the Central Reserve Bank of Peru may, in the future, issue new rules, regulations, principles and standards within the payment card system. On the other hand, the participants in the issuing activity are regulated by the SBS in aspects related to security, the handling of fraudulent transactions and the minimum content of contracts between cardholders and card issuers.

As part of its operations, PMP has entered into license agreements with MasterCard and Visa, for which PMP is subject to specific rules and procedures for clearing and settlement of transactions.

### ***Licensing***

Service providers (including Izipay), collecting agents or processing agents in the payment industry are not required to obtain prior licenses such as *pasarelas de pagos*. However, recent regulations imposed certain obligations to such persons (including AML obligations) and required that they register with the Central Reserve Bank of Peru.

### ***Regulation of Payment Services offered by Providers, Payment Agreements and Payment Systems***

A special legal framework for the payment’s ecosystem was established in 2022 by the issuance of two key regulations passed by the Central Reserve Bank of Peru: Circular No. 024-2022-BCRP and Circular No. 027-2022-BCRP.

On October 2022, the Central Reserve Bank of Peru issued the Circular No. 024-2022-BCRP (as amended), approving the Interoperability Regulation of Payment Services offered by providers, payment agreements and payment systems. This regulation will allow transactions to be made between all digital wallets that operate in Peru. Specifically, interoperability will allow a user to perform a transfer or digital payment to any person or business, regardless of who operates the digital wallet, functionality or mobile application that is being used, or in which financial institution the user maintains its account.

Such regulation established certain deadlines for entities to start interoperating and meeting the regulation requirements. As of the date of this Annual Report on Form 20-F, all phases for interoperating have been already implemented by Interbank.

### ***Regulation of Payment Agreements with Cards***

In addition, on November 2022, the Central Reserve Bank of Peru issued the Circular No. 027-2022-BCRP, approving the Regulation of Payment Agreements with Cards, which includes the recommendations made by the Indecopi, in order to

strengthen competition and provide greater transparency of card payment services, which in turn shall benefit the final users. This regulation establishes the principles and standards that govern payment agreements with cards, the responsibilities and obligations of the administrator, the acquirers and payment facilitators, related to the disclosure on their web pages of exchange rates and discount rates. Likewise, such circular establishes that the entities involved in a payment agreement with cards must register with the Central Reserve Bank of Peru. The regulation became effective on January 1, 2023 and contemplated certain adequacy periods for entities already operating within the Peruvian payment's ecosystem. As of the date, PMP is duly registered as acquiror and issuing entity, while Izipay is duly registered as payments facilitator, in both cases, before the Central Reserve Bank of Peru.

### ***Anti-Money Laundering Rules***

On June 2007, Law No. 29038 set a list of the entities required to comply with anti-money laundering rules, which include debit and/or credit cards processors (such as PMP). On February 2008, the SBS issued SBS Resolution No. 369-2018 establishing a simplified AML system (*sistema acotado*) which these entities are required to implement, including certain obligations such as the appointment of a compliance officer, the reporting of certain operations, and the implementation of a prevention system, among others.

The government agency responsible for supervising the anti-money laundering system is the UIF, which was made part of the SBS in July 2007. The chairman of this agency is appointed by the chairman of the SBS.

### **General Overview of the Bahamian Financial Regulatory Framework**

The regulatory framework for the operation of the Bahamian bank and trust industry is set forth in the Central Bank of The Bahamas Act, 2020, as amended, and the Banks and Trust Companies Regulation Act, 2020, as amended, and their related rules and regulations and any related guidance or notices issued by The Central Bank of The Bahamas. The Central Bank of The Bahamas licenses and supervises all of the banks and trust companies in The Bahamas. Its objectives include promoting and maintaining monetary stability and ensuring a sound financial system through the effective application of international regulatory and supervisory standards. All banks must adhere to the Central Bank of The Bahamas' licensing and prudential requirements, ongoing supervisory programs and regulatory reporting requirements, and are subject to periodic onsite inspections. The regulatory framework for the securities industry in The Bahamas is set forth in the Securities Industry Act, 2011, as amended, and the Securities Industry Regulations, 2012. The relevant regulator for the securities industry is the Securities Commission of The Bahamas.

### ***Licensing***

Inteligo Bank has been granted a banking license by the Central Bank of The Bahamas and an International Banking License by the Superintendency of Banks of Panama. Under the BTCRA, the Central Bank of The Bahamas may revoke the license of a licensee if: in the opinion of the Central Bank of The Bahamas, the licensee (i) is carrying on its business in a manner detrimental to the public interest or the interests of its depositors or other creditors or (ii) contravening the provisions of Bahamian banking law or any other law, order or regulations made thereunder, or any term or condition subject to which the license was issued, either in The Bahamas or elsewhere; (iii) if Inteligo Bank has ceased to carry on its banking business; or (iv) if Inteligo Bank becomes bankrupt or goes into liquidation or is wound up or otherwise dissolved.

Inteligo Bank's asset management activities and securities custody and trading activities are subject to supervision by the Securities Commission of The Bahamas. Inteligo Bank holds the following licenses from the Securities Commission of The Bahamas: Dealing as Agent or Principal; Arranging Securities; Managing Securities; and Advising on Securities. Inteligo Bank is licensed to undertake all securities related activities that are ancillary to its banking business.

### ***Banking Regulation and Supervision***

Banking regulations on capital adequacy and regulatory framework in The Bahamas take into account the recommendations of the Basel Committee. The Central Bank of The Bahamas has adopted a Basel Implementation Program (the "Program") and has effectively implemented Pillar I, Pillar II and Pillar III of the Basel II framework. The Pillar I framework focuses on the capital adequacy ratio requirements. Pillar II focuses on the ICAAP (the guidelines in relation to the ICAAP were released in August of 2016), and Pillar III relates to Minimum Disclosures. The Central Bank of The Bahamas has rolled out the capital component of the Basel III framework and in 2017, began to implement other elements namely, the capital buffers, the leverage ratio, the net stable funding ratio and the liquidity coverage ratio. The Bahamas Capital Regulation, 2022 and amended Guidelines for the Management of Capital and the Calculation of Capital Adequacy became effective on July 15, 2022. The Bahamas capital regulations include changes to the methodology for the calculation of risk-weighted assets and Tier 1 capital that could adversely impact Inteligo Bank's capital adequacy ratio. In 2018, the Central Bank of The Bahamas published two discussion papers focused on minimum disclosures (Pillar III of the Basel II framework) and the net stable funding ratio and the liquidity coverage ratio (main components of Basel III), but following completion of the capital framework, its liquidity is still in the process of being amended.

## **Corporate Governance**

The *Guidelines for the Corporate Governance of Banks and Trust Companies Licensed to Do Business Within and From Within The Bahamas*, issued by the Central Bank of The Bahamas, list the minimum standards that banks must adopt in respect of their corporate governance framework. Generally, the guidelines require the board of directors to develop and implement policies and procedures to ensure (i) the competence and independence of board members, (ii) proper management of strategic, business and process-level risks, (iii) compliance with applicable laws, regulations and guidelines, and (iv) ongoing reporting to the Central Bank of The Bahamas.

## **Limits on Large Exposures**

Pursuant to the Banks and Trust Companies (Large Exposures) (Amendment) Regulations, 2012, no bank shall (i) incur exposures to any individual counterparty or group of connected parties which in the aggregate exceed 25% of the bank's capital base, (ii) hold non-capital investments in securities of a single issuer which exceed 10% of the bank's capital base, (iii) incur exposures to its related parties which in the aggregate exceed 15% of the bank's capital base, (iv) incur exposures to related parties unless approved by the bank's board of directors and negotiated on an arm's length basis, or, (v) incur non-exempt large exposures which in the aggregate exceed 800% of its capital base. There are certain exemptions listed in the regulations, and the Central Bank of The Bahamas may also exempt a bank from the exposure limits outlined in the regulations in certain circumstances.

## **Classification of Impaired Assets**

The *Guidelines for the Measurement, Monitoring and Control of Impaired Assets*, issued by the Central Bank of The Bahamas, provide the Central Bank of The Bahamas' minimum requirements for the recognition, measurement and classification of impaired assets. An impaired asset is defined as an asset where there is no longer a reasonable assurance of timely collection of the full amount of principal and interest due to a deterioration of credit quality of the counterparty. Banks are required to follow the requirements of the International Financial Reporting Standards relating to impaired assets, in particular International Accounting Standards 36 and IFRS 9.

## **Credit Risk**

The *Guidelines for the Management of Credit Risk*, issued by the Central Bank of The Bahamas, require banks to have a written statement of their credit risk strategy and policies and procedures to implement the strategy. The strategy and policies should be approved by the board of directors and should be consistent with the bank's degree of risk tolerance, the level of capital available for credit activities and credit management expertise. The Central Bank of The Bahamas endorses the Basel Committee's *Principles for the Management of Credit Risk* (September 2000).

## **Market Risk**

The *Guidelines on the Management of Market Risk*, issued by the Central Bank of The Bahamas, require banks that meet the stated threshold tests to establish sound policies and procedures for the management of market risk, to be supervised and controlled by the board of directors and senior management. Market risk is defined as the risk of losses in on and off-balance sheet positions arising from movements in market prices.

## **Operational Risk**

The *Guidelines for the Management of Operational Risk*, issued by the Central Bank of The Bahamas, require senior management of a bank, under the approval of the board of directors, to develop and implement an operational risk management framework that explicitly recognizes operational risk as a distinct risk to the institution and aims to effectively manage it. Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems from external events. The guidelines are based upon the *Principles for the Sound Management of Operational Risk*, issued by the Basel Committee on Banking Supervision in 2011.

## **Country Risk**

The *Guidelines for the Management of Country Risk*, issued by the Central Bank of The Bahamas, require banks to have a risk management process that focuses on the broadly defined concept of country risk and addresses certain minimum requirements listed therein. The guidelines reference the Basel Committee's *Core Principles for Effective Banking Supervision*.

## **Anti-Money Laundering Laws and Regulations**

Money laundering is a criminal act in The Bahamas. The laws of The Bahamas concerning money laundering and combatting the financing of terrorism are contained in the following legislation, as amended: (i) the Proceeds of Crime Act, 2018; (ii)



the Anti-Terrorism Act, 2018; (iii) the Financial Transactions Reporting Act, 2018; (iv) the Financial Transaction Reporting Regulations, 2018; (v) the Financial Transactions Reporting (Wire Transfers) Regulations, 2018; (vi) the Financial Intelligence Unit Act, 2000; and (vii) the Financial Intelligence (Transactions Reporting) Regulations, 2001. The *Guidelines for Licensees on the Prevention of Money Laundering & Countering the Financing of Terrorism*, issued by the Central Bank of The Bahamas, apply specifically to banks and other licensees of the Central Bank of The Bahamas. The guidelines require banks to establish clear responsibilities and accountabilities to ensure that policies, procedures and controls which deter criminals from using their facilities for money laundering or the financing of terrorism, are implemented and maintained, thus ensuring that they comply with their obligations under the law. Banks must have in place sufficient controls and monitoring systems for timely detection and reporting of suspicious activities, proper verification of their customers' identities, record keeping in accordance with applicable laws, and ongoing education and training for its employees.

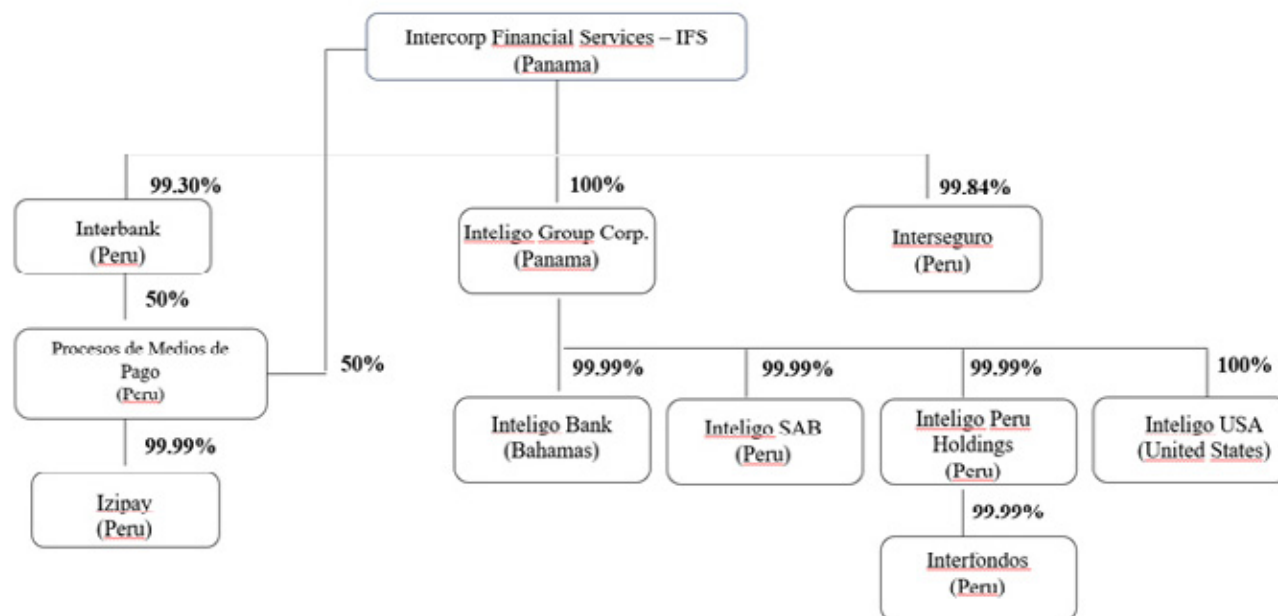
The Bahamas has repealed and replaced the Commercial Entities Substance Requirements Act, 2018 with the Commercial Entities (Substance Requirements) Act, 2023 which requires substantial economic presence in The Bahamas for certain Bahamas incorporated or registered entities that conduct relevant activities. A relevant activity includes the business of banking as conducted by Inteligo Bank. Inteligo Bank has made the appropriate registration in order to seek exemption from the main substance requirements under this legislation as it considers itself to be tax resident in another jurisdiction, Panama, despite being a licensed bank in The Bahamas. As a tax resident in Panama, Inteligo Bank would be exempt from the main substance requirements of the Commercial Entities (Substance Requirements) Act, 2023 due to asserted tax residency outside of The Bahamas. If Inteligo Bank is not considered to be tax resident in Panama, or does not fulfill the requirements of the applicable legislation, it will have to enhance its economic and business presence in The Bahamas in order to comply with the Commercial Entities (Substance Requirements) Act, 2023.

### External Auditors

The *Guidelines on the Relationship between External Auditors of Licensees and the Central Bank of The Bahamas*, issued by the Central Bank of The Bahamas, require banks to inform the Central Bank of The Bahamas of the appointment of their external auditors. In addition to listing certain criteria to be used when appointing external auditors, the guidelines also provide examples of facts and matters of material significance that must be reported by an external auditor to the Central Bank of The Bahamas, such as material misstatements in financial statements or evidence of fraudulent activities. The guidelines take into account the aspects of the Basel Committee's paper, *The Relationship Between Banking Supervisors and Banks' External Auditors* (2002).

### C. Organizational Structure

The following chart presents our corporate structure, indicating our principal subsidiaries and respective ownership interests.



## **D. Property, Plants and Equipment**

We are based in Peru and our principal executive offices are located at Av. Carlos Villarán 140, Urbanización, Santa Catalina, La Victoria, Lima 13, Peru, which is owned by Interbank.

Our principal subsidiaries own or lease the following properties:

### ***Interbank***

Interbank owns its headquarters, the Interbank Tower, located at Av. Carlos Villarán 140, Urbanización, Santa Catalina, La Victoria, Lima 13, Peru (approximately 46,585 square meters). Although most of its financial store facilities are leased, Interbank owned 41 financial store facilities as of December 31, 2023.

### ***Interseguro***

Interseguro owns its administrative and commercial office, located at Av. Javier Prado 492, San Isidro, Lima, Peru (approximately 2,482 square meters). As of December 31, 2023, Interseguro leases two facilities in different provinces of Peru. Most of Interseguro's facilities outside of Lima are subleased to Interbank.

### ***Inteligo***

Inteligo has four offices as of December 31, 2023. Inteligo owns its branch in Panama and leases the rest of the facilities where it operates. Inteligo Bank's registered headquarters are located at Inteligo Bank—Seventeen Shop Building, First Floor, Collins Avenue & Fourth Terrace, Centreville, Nassau, The Bahamas. Inteligo SAB's and Interfondos' registered headquarters are located at Av. Rivera Navarrete 501, San Isidro, Lima, Peru.

### ***Izipay***

Izipay has 19 offices as of December 31, 2023. Izipay owns one administrative office, located at Calle Porta 111 Piso 7, Miraflores, Lima, Peru, and leases the rest of the facilities where it operates including its main offices at Av. Jorge Chávez 275 Piso 7, Miraflores, Lima, Peru.

## SELECTED STATISTICAL INFORMATION

The following tables present certain selected statistical information and ratios for IFS for the periods indicated. The following information is included for analytical purposes and should be read in conjunction with the information included in “Item 5. Operating and Financial Review and Prospects” and our audited annual consolidated financial statements and notes thereto included elsewhere in this Annual Report on Form 20-F. The statistical information and discussion and analysis presented below for the fiscal years ended December 31, 2023, 2022 and 2021 reflect our consolidated financial position with our subsidiaries, Inteligo, Interbank, Interseguro and Izipay (since the acquisition of the remaining 50% equity interest in PMP and Izipay in April 2022), for the fiscal years ended December 31, 2023, 2022 and 2021 and their results of operations for the fiscal years ended December 31, 2023, 2022 and 2021.

Average annual balances are based on five quarterly balances. Nominal average interest rates have been calculated by dividing interest earned on assets or paid on liabilities by the corresponding average annual balances on such assets or liabilities.

As explained in Note 3.2 to our audited annual consolidated financial statements, we have adopted for the first time IFRS 17 “Insurance Contracts”, effective for annual periods beginning on or after January 1, 2023. IFRS 17 replaces IFRS 4 “Insurance Contracts” for annual periods starting on or after January 1, 2023.

The adoption of IFRS 17 did not change the classification of our insurance contracts. However, it provides a comprehensive accounting model for all types of insurance contracts that provides a more consistent framework for insurers, covering all relevant aspects as recognition, measurement, presentation and disclosures.

We have applied IFRS 17 retrospectively and restated comparative information for 2022. Comparative information for 2021 has not been restated, so it is reported under IFRS 4. The impact of the first adoption of IFRS 17 amounted to S/820.5 million recorded as a reduction of retained earnings in our net equity as of January 1, 2022. For further information on IFRS 17, see Notes 3.2 and 3.7 to our audited annual consolidated financial statements.

We have also adopted the following standards, interpretation, or amendments: (i) in connection with the definition of Accounting Estimates, an amendment to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors,” (ii) in connection with the disclosure of Accounting Policies, amendments to IAS 1 “Presentation of Financial Statements” and IFRS Practice Statement 2 “Making Materiality Judgements,” (iii) in connection with Deferred Tax related to Assets and Liabilities arising from a Single Transaction, amendments to IAS 12 “Income Taxes,” and (iv) in connection with the International Tax Reform – Pillar Two Model Rules, amendments to IAS 12 “Income Taxes.” Such standards, interpretations or amendments have not had a significant impact on our consolidated financial statements.

On January 1, 2022, we adopted the following standards, interpretations, or amendments: (i) in connection with costs of fulfilling a contract, an amendment to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets,” (ii) amendments to IFRS 3 “Business Combinations,” (iii) in connection with proceeds before intended use of property, plant and equipment, an amendment to IAS 16 “Property, Plant and Equipment,” (iv) in connection with a subsidiary as a first time adopter, an amendment to IFRS 1 “First-time Adoption of International Financial Reporting Standards,” and (v) in connection with fees in the “10 per cent” test for derecognition of financial liabilities, an amendment to IFRS 9 “Financial Instruments.” Such standards, interpretations or amendments have not had a significant impact on our consolidated financial statements.

On January 1, 2021, we adopted the following standards, interpretations, or amendments: (i) in connection with the interest rate benchmark reform, amendments to IFRS 9 “Financial Instruments”, IAS 39 “Financial Instruments: Recognition and Measurement,” and IFRS 7 “Financial Instruments: Disclosures,” IFRS 4 “Insurance Contracts,” and IFRS 16 “Leases”, – Phase 2; and (ii) in connection with COVID-19 related rent concessions beyond June 30, 2021, an amendment to IFRS 16 “Leases”. Such standards, interpretations or amendments have not had a significant impact on our consolidated financial statements.

### **Average Balance Sheets, Income Earned from Interest-Earning Assets, Interest Paid on Interest-Bearing Liabilities**

The tables below set forth, by currency of denomination, average balances for IFS prepared on a consolidated basis, and, where applicable, interest earned on interest-earning assets and interest paid on interest-bearing liabilities for the periods indicated. Except as otherwise indicated, average balances, when used, have been classified by currency (*soles* or foreign currency (primarily U.S. dollars)), regardless of the domestic or international origin of the relevant balances. In addition, unless otherwise set forth in this Annual Report on Form 20-F, such average balances are based on quarterly balances. Nominal average interest rates have been calculated by dividing interest earned on assets or paid on liabilities by the corresponding average balances on such assets or liabilities.

	For the year ended December 31,								
	2023 <sup>(1)</sup>			2022 <sup>(1)</sup>			2021 <sup>(1)</sup>		
	(S/ in millions, except for percentages)								
	Average Balance	Interest Earned	Nominal Average Rate	Average Balance	Interest Earned	Nominal Average Rate	Average Balance	Interest Earned	Nominal Average Rate
<b>Interest-earning assets:</b>									
<b>Cash and due from banks</b>									
<i>Soles</i>	2,933.4	48.1	1.6%	3,539.6	55.9	1.6%	8,752.7	38.4	0.4%
Foreign Currency	8,776.0	319.0	3.6%	10,412.5	119.5	1.1%	10,231.2	7.9	0.1%
<b>Total</b>	<b>11,709.4</b>	<b>367.2</b>	<b>3.1%</b>	<b>13,952.1</b>	<b>175.4</b>	<b>1.3%</b>	<b>18,983.9</b>	<b>46.3</b>	<b>0.2%</b>
<b>Investments</b>									
<i>Soles</i>	18,012.1	1,104.7	6.1%	16,373.9	1,121.4	6.8%	14,993.1	795.4	5.3%
Foreign Currency	6,988.4	323.9	4.6%	7,653.1	326.0	4.3%	9,394.1	369.4	3.9%
<b>Total</b>	<b>25,000.4</b>	<b>1,428.7</b>	<b>5.7%</b>	<b>24,027.1</b>	<b>1,447.4</b>	<b>6.0%</b>	<b>24,387.2</b>	<b>1,164.8</b>	<b>4.8%</b>
<b>Loans</b>									
<i>Soles</i>	34,567.2	4,303.2	12.4%	33,385.0	3,587.3	10.7%	32,502.9	2,878.1	8.9%
Foreign Currency	13,836.4	1,021.4	7.4%	12,630.0	661.2	5.2%	11,492.8	516.5	4.5%
<b>Total</b>	<b>48,403.6</b>	<b>5,324.6</b>	<b>11.0%</b>	<b>46,015.1</b>	<b>4,248.5</b>	<b>9.2%</b>	<b>43,995.7</b>	<b>3,394.6</b>	<b>7.7%</b>
<b>Total interest-earning assets</b>									
<i>Soles</i>	55,512.7	5,456.0	9.8%	53,298.6	4,764.6	8.9%	56,248.7	3,711.8	6.6%
Foreign Currency	29,600.8	1,664.4	5.6%	30,695.7	1,106.7	3.6%	31,118.2	893.8	2.9%
<b>Total</b>	<b>85,113.4</b>	<b>7,120.4</b>	<b>8.4%</b>	<b>83,994.2</b>	<b>5,871.3</b>	<b>7.0%</b>	<b>87,366.9</b>	<b>4,605.6</b>	<b>5.3%</b>
<b>Taxable interest income</b>	—	5,460.0	—	—	4,261.2	—	—	3,353.0	—
<b>Non-taxable interest income</b>	—	1,660.4	—	—	1,610.1	—	—	1,252.6	—
<b>Interest-bearing liabilities:</b>									
<b>Deposits and obligations</b>									
<i>Soles</i>	29,603.8	(1,315.6)	(4.4%)	28,143.4	(782.9)	(2.8%)	29,976.5	(311.7)	(1.0%)
Foreign Currency	19,465.3	(427.7)	(2.2%)	19,954.4	(158.4)	(0.8%)	19,191.5	(93.1)	(0.5%)
<b>Total</b>	<b>49,069.0</b>	<b>(1,743.3)</b>	<b>(3.6%)</b>	<b>48,097.7</b>	<b>(941.3)</b>	<b>(2.0%)</b>	<b>49,168.0</b>	<b>(404.9)</b>	<b>(0.8%)</b>
<b>Due to banks and correspondents<sup>(2)</sup></b>									
<i>Soles</i>	7,212.7	(366.2)	(5.1%)	7,231.3	(214.4)	(3.0%)	8,078.3	(136.1)	(1.7%)
Foreign Currency	1,590.9	(108.2)	(6.8%)	717.2	(20.5)	(2.9%)	865.1	(20.4)	(2.4%)
<b>Total</b>	<b>8,803.6</b>	<b>(474.4)</b>	<b>(5.4%)</b>	<b>7,948.5</b>	<b>(234.8)</b>	<b>(3.0%)</b>	<b>8,943.5</b>	<b>(156.5)</b>	<b>(1.7%)</b>
<b>Bonds, notes and other obligations</b>									
<i>Soles</i>	1,497.7	(28.6)	(1.9%)	2,400.3	(169.2)	(7.0%)	2,552.0	(207.7)	(8.1%)
Foreign Currency	4,647.5	(346.1)	(7.4%)	5,643.0	(316.8)	(5.6%)	5,664.0	(288.9)	(5.1%)
<b>Total</b>	<b>6,145.3</b>	<b>(374.7)</b>	<b>(6.1%)</b>	<b>8,043.2</b>	<b>(486.0)</b>	<b>(6.0%)</b>	<b>8,216.0</b>	<b>(496.6)</b>	<b>(6.0%)</b>
<b>Total Interest-bearing liabilities:</b>									
<i>Soles</i>	38,314.2	(1,710.4)	(4.5%)	37,775.0	(1,166.4)	(3.1%)	40,606.8	(655.5)	(1.6%)
Foreign Currency	25,703.7	(882.0)	(3.4%)	26,314.5	(495.7)	(1.9%)	25,720.6	(402.4)	(1.6%)
<b>Total</b>	<b>64,017.9</b>	<b>(2,592.4)</b>	<b>(4.0%)</b>	<b>64,089.5</b>	<b>(1,662.1)</b>	<b>(2.6%)</b>	<b>66,327.4</b>	<b>(1,057.9)</b>	<b>(1.6%)</b>

- (1) As of and for the years ended December 31, 2023, 2022 and 2021, IFS did not maintain any of the following categories on its balance sheets:  
(i) federal funds sold, (ii) securities purchased with agreements to resell, (iii) federal funds purchased, (iv) securities sold under agreements to repurchase, or (v) commercial paper.
- (2) Includes inter-bank funds

The following tables set forth, by currency of denomination, average balances for our non-interest earning assets and non-interest bearing liabilities and shareholders' equity for the periods indicated.

	For the year ended December 31,		
	2023	2022(restated) <sup>(1)</sup>	2021
	(S/ in millions)		
	Average Balance	Average Balance	Average Balance
<b>Impairment allowance for loans</b>			
<i>Soles</i>	(2,058.2)	(1,958.6)	(2,279.4)
Foreign Currency	(132.2)	(83.6)	(214.6)
<b>Total</b>	<b>(2,190.4)</b>	<b>(2,042.3)</b>	<b>(2,494.0)</b>
<b>Investment Property</b>			
<i>Soles</i>	1,279.5	1,255.5	1,188.2
Foreign Currency	—	—	—
<b>Total</b>	<b>1,279.5</b>	<b>1,255.5</b>	<b>1,188.2</b>
<b>Property, furniture and equipment, net</b>			
<i>Soles</i>	793.2	809.1	811.6
Foreign Currency	—	—	—
<b>Total</b>	<b>793.2</b>	<b>809.1</b>	<b>811.6</b>
<b>Accounts receivable and other assets, net</b>			
<i>Soles</i>	1,418.9	1,535.1	1,676.1
Foreign Currency	281.2	285.8	295.5
<b>Total</b>	<b>1,700.1</b>	<b>1,820.8</b>	<b>1,971.6</b>
<b>Intangibles and goodwill, net</b>			
<i>Soles</i>	1,645.0	1,322.7	1,034.8
Foreign Currency	—	—	—
<b>Total</b>	<b>1,645.0</b>	<b>1,322.7</b>	<b>1,034.8</b>
<b>Insurance contract assets</b>			
<i>Soles</i>	27.9	31.8	—
Foreign Currency	0.7	1.7	—
<b>Total</b>	<b>28.6</b>	<b>33.5</b>	<b>—</b>
<b>Due from customers on acceptances</b>			
<i>Soles</i>	—	—	—
Foreign Currency	54.9	65.1	94.0
<b>Total</b>	<b>54.9</b>	<b>65.1</b>	<b>94.0</b>
<b>Deferred Income Tax asset, net</b>			
<i>Soles</i>	139.7	191.5	258.6
Foreign Currency	—	—	—
<b>Total</b>	<b>139.7</b>	<b>191.5</b>	<b>258.6</b>
<b>Total non-interest-earning assets:</b>			
<i>Soles</i>	3,245.9	3,187.0	2,689.9
Foreign Currency	204.6	269.0	174.9
<b>Total</b>	<b>3,450.5</b>	<b>3,455.9</b>	<b>2,864.8</b>

	For the year ended December 31,		
	2023	2022(restated) <sup>(1)</sup>	2021
	(\$/ in millions, except for percentages)		
	Average Balance	Average Balance	Average Balance
<b>Non-interest-bearing liabilities:</b>			
<b>Due from customers on acceptances</b>			
<i>Soles</i>	—	—	—
Foreign Currency	54.9	65.1	94.0
<b>Total</b>	<b>54.9</b>	<b>65.1</b>	<b>94.0</b>
<b>Accounts payable, provisions and other liabilities</b>			
<i>Soles</i>	2,164.6	1,798.3	1,945.7
Foreign Currency	1,029.9	1,224.3	713.0
<b>Total</b>	<b>3,194.5</b>	<b>3,022.6</b>	<b>2,658.7</b>
<b>Insurance contract liabilities</b>			
<i>Soles</i>	7,612.2	6,749.5	6,876.3
Foreign Currency	4,070.4	4,548.5	4,965.3
<b>Total</b>	<b>11,682.5</b>	<b>11,301.5</b>	<b>11,841.6</b>
<b>Deferred Income Tax Liability, net</b>			
<i>Soles</i>	80.8	34.6	0.6
Foreign Currency	—	—	—
<b>Total</b>	<b>80.8</b>	<b>34.6</b>	<b>0.6</b>
<b>Total non-interest-bearing liabilities:</b>			
<i>Soles</i>	9,857.6	8,582.4	8,822.6
Foreign Currency	5,155.1	5,837.9	5,772.3
<b>Total</b>	<b>15,012.6</b>	<b>14,423.7</b>	<b>14,594.8</b>

(1) Our consolidated financial information for 2022 was restated as a result of the first adoption of IFRS 17. We have not restated the comparative financial information for 2021 which is presented on an IFRS 4 basis, as previously reported. See Note 3.2 to the audited annual consolidated financial statements.

#### Changes in Net Interest and Similar Income and Net Interest and Similar Expense: Volume and Rate Analysis

The following table sets forth, by currency of denomination, changes in our interest revenue and expenses between changes in the average volume of interest-earning assets and interest-bearing liabilities and changes in their respective nominal interest rates from the year ended December 31, 2023 to the year ended December 31, 2022 and from the year ended December 31, 2022 to the year ended December 31, 2021. Volume and rate variances have been calculated based on movements in average quarterly balances and changes in nominal interest rates, average interest-earning assets and average interest-bearing liabilities. The net change attributable to changes in both volume and rate has been allocated proportionately to the change due to volume and the change due to rate.

	December 31, 2023/2022 <sup>(1)</sup>			December 31, 2022/2021 <sup>(1)</sup>		
	Increase (Decrease) Due to Changes in:			Increase (Decrease) Due to Changes in:		
	Rate	Volume	Net Change	Rate	Volume	Net Change
	(\$/ in millions)					
<b>Interest-earning assets:</b>						
<b>Cash and due from banks<sup>(2)</sup></b>						
<i>Soles</i>	2.2	(9.9)	(7.8)	99.8	(82.3)	17.5
Foreign Currency	259.0	(59.5)	199.5	109.6	2.1	111.6
<b>Total</b>	<b>261.2</b>	<b>(69.4)</b>	<b>191.8</b>	<b>209.4</b>	<b>(80.2)</b>	<b>129.1</b>

	December 31, 2023/2022 <sup>(1)</sup>			December 31, 2022/2021 <sup>(1)</sup>		
	Increase (Decrease) Due to Changes in:			Increase (Decrease) Due to Changes in:		
	Rate	Volume	Net Change	Rate	Volume	Net Change
	(\$/ in millions)					
<b>Investments</b>						
Soles	(117.1)	100.5	(16.6)	231.4	94.6	326.0
Foreign Currency	28.7	(30.8)	(2.1)	30.8	(74.2)	(43.4)
<b>Total</b>	<b>(88.4)</b>	<b>69.7</b>	<b>(18.7)</b>	<b>262.2</b>	<b>20.4</b>	<b>282.6</b>
<b>Loans</b>						
Soles	568.7	147.2	715.8	614.5	94.8	709.3
Foreign Currency	271.2	89.1	360.2	85.1	59.5	144.7
<b>Total</b>	<b>839.8</b>	<b>236.2</b>	<b>1,076.1</b>	<b>699.6</b>	<b>154.3</b>	<b>853.9</b>
<b>Total interest-earning assets:</b>						
Soles	453.8	237.7	691.5	945.7	107.0	1,052.7
Foreign Currency	558.9	(1.3)	557.7	225.5	(12.5)	212.9
<b>Total</b>	<b>1,012.7</b>	<b>236.4</b>	<b>1,249.1</b>	<b>1,171.2</b>	<b>94.5</b>	<b>1,265.7</b>
<b>Interest-bearing liabilities: Deposits and obligations</b>						
Soles	(467.8)	(64.9)	(532.7)	(522.1)	51.0	(471.2)
Foreign Currency	(280.1)	10.7	(269.3)	(59.2)	(6.1)	(65.2)
<b>Total</b>	<b>(747.9)</b>	<b>(54.2)</b>	<b>(802.1)</b>	<b>(581.3)</b>	<b>44.9</b>	<b>(536.4)</b>
<b>Due to banks and correspondents</b>						
Soles	(152.8)	0.9	(151.8)	(103.4)	25.1	(78.3)
Foreign Currency	(28.3)	(59.4)	(87.7)	(4.3)	4.2	(0.1)
<b>Total</b>	<b>(181.0)</b>	<b>(58.5)</b>	<b>(239.5)</b>	<b>(107.7)</b>	<b>29.3</b>	<b>(78.4)</b>
<b>Bonds, notes and other obligations</b>						
Soles	123.2	17.2	140.5	27.9	10.7	38.6
Foreign Currency	(103.7)	74.1	(29.6)	(29.2)	1.2	(28.0)
<b>Total</b>	<b>19.5</b>	<b>91.4</b>	<b>110.9</b>	<b>(1.3)</b>	<b>11.9</b>	<b>10.6</b>
<b>Total Interest-bearing liabilities:</b>						
Soles	(497.4)	(46.7)	(544.1)	(597.7)	86.8	(510.9)
Foreign Currency	(412.1)	25.5	(386.6)	(92.6)	(0.7)	(93.3)
<b>Total</b>	<b>(909.4)</b>	<b>(21.3)</b>	<b>(930.7)</b>	<b>(690.3)</b>	<b>86.1</b>	<b>(604.2)</b>

- (1) As of and for the years ended December 31, 2023, 2022 and 2021, IFS did not maintain any of the following categories on its balance sheets: (i) federal funds sold, (ii) securities purchased with agreements to resell, (iii) federal funds purchased, (iv) securities sold under agreements to repurchase, or (v) commercial paper.
- (2) Includes inter-bank funds.

#### Interest-Earning Assets: Net Interest Margin and Yield Spread

The following table set forth for each of the periods indicated, by currency of denomination, our levels of average interest-earning assets, net interest income, gross yield, net interest margin and yield spread, all on a nominal basis.

	For the year ended December 31,		
	2023	2022	2021
<b>Average interest-earning assets</b>			
Soles	55,512.7	53,298.6	56,248.7
Foreign Currency	29,600.8	30,695.7	31,118.2
<b>Total</b>	<b>85,113.4</b>	<b>83,994.3</b>	<b>87,366.9</b>

	For the year ended December 31,		
	2023	2022	2021
<b>Net interest income<sup>(1)</sup></b>			
<i>Soles</i>	3,745.6	3,598.2	3,056.3
Foreign Currency	782.4	611.3	491.4
<b>Total</b>	<b>4,528.0</b>	<b>4,209.6</b>	<b>3,547.7</b>
<b>Gross yield<sup>(2)</sup></b>			
<i>Soles</i>	9.8%	8.9%	6.6%
Foreign Currency	5.6%	3.6%	2.9%
<b>Total</b>	<b>8.4%</b>	<b>7.0%</b>	<b>5.3%</b>
<b>Net interest margin<sup>(3)</sup></b>			
<i>Soles</i>	6.7%	6.8%	5.4%
Foreign Currency	2.6%	2.0%	1.6%
<b>Total</b>	<b>5.3%</b>	<b>5.0%</b>	<b>4.1%</b>
<b>Yield spread<sup>(4)</sup></b>			
<i>Soles</i>	5.4%	5.9%	5.0%
Foreign Currency	2.2%	1.7%	1.3%
<b>Total</b>	<b>4.3%</b>	<b>4.4%</b>	<b>3.7%</b>

- (1) “Net interest income” is defined as interest and similar income less interest and similar expense.
- (2) “Gross yield” is defined as interest and similar income divided by average interest-earning assets.
- (3) “Net interest margin” is defined as net interest and similar income divided by average interest-earning assets.
- (4) “Yield spread”, on a nominal basis, represents the difference between gross yield on average interest-earning assets and average cost of interest-bearing liabilities.

### Investment Portfolio

The following table sets forth our financial investment portfolio by type on the dates indicated. For more information on our financial investment portfolio as of December 31, 2023, 2022 and 2021, see Note 5 to our audited annual consolidated financial statements appearing elsewhere in this Annual Report on Form 20-F.

	As of December 31,					
	2023		2022		2021	
	S/ in millions	%	S/ in millions	%	S/ in millions	%
Debt instruments measured at fair value through other comprehensive income	20,912.2	79.5%	16,716.5	74.6%	17,629.8	72.9%
Investments at amortized cost	3,383.0	12.9%	3,231.1	14.4%	3,225.2	13.3%
Investments at fair value through profit or loss	1,556.5	5.9%	1,933.0	8.6%	2,706.2	11.2%
Equity instruments measured at fair value through other comprehensive income	444.9	1.7%	512.9	2.3%	623.7	2.6%
<b>Total</b>	<b>26,296.6</b>	<b>100.0%</b>	<b>22,393.5</b>	<b>100.0%</b>	<b>24,184.9</b>	<b>100.0%</b>
Plus: Accrued interest	425.4		394.1		362.3	
<b>Total investments, net</b>	<b>26,772.0</b>		<b>22,787.6</b>		<b>24,547.3</b>	



The following tables set forth the maturities of our financial investment portfolio as of December 31, 2023, before accrued interest.

### Maturities of Investment Portfolio - Yields

	1 year or less	Weighted Average Yield <sup>(1)</sup>	1-5 years	Weighted Average Yield <sup>(1)</sup>	5-10 years	Weighted Average Yield <sup>(1)</sup>	Over 10 years	Weighted Average Yield <sup>(1)</sup>	Total
<b>Instruments measured at fair value through other comprehensive income:</b>									
Bonds	159.7	23.3%	1,659.1	8.9%	2,883.2	9.8%	4,985.3	5.9%	9,687.2
Peruvian sovereign and global Bonds	605.1	0.0%	2,348.6	5.8%	1,080.2	5.7%	3,742.1	7.3%	7,776.0
Negotiable bank certificates issued by the Central Reserve Bank of Peru	3,449.0	29.6%	—	—	—	—	—	—	3,449.0
<b>Total Instruments measured at fair value through other comprehensive income</b>	<b>4,213.7</b>	<b>52.8%</b>	<b>4,007.6</b>	<b>14.7%</b>	<b>3,963.4</b>	<b>15.4%</b>	<b>8,727.4</b>	<b>13.2%</b>	<b>20,912.2</b>
<b>Investments at amortized cost:</b>									
Peruvian sovereign Bonds	634.0	0.0%	580.2	2.1%	1,607.4	14.4%	485.6	3.9%	3,307.3
<b>Total Investments at amortized cost</b>	<b>634.0</b>	<b>0.0%</b>	<b>580.2</b>	<b>2.1%</b>	<b>1,607.4</b>	<b>14.4%</b>	<b>485.6</b>	<b>3.9%</b>	<b>3,307.3</b>
<b>Total investments</b>	<b>4,847.8</b>	<b>52.8%</b>	<b>4,587.9</b>	<b>16.8%</b>	<b>5,570.8</b>	<b>29.8%</b>	<b>9,213.0</b>	<b>17.1%</b>	<b>24,219.5</b>
%	18.5%	—	17.5%	—	21.3%	—	35.1%	—	92.4%

(1) The weighted average yield for each range of maturity is calculated by dividing the annual interest income by the book value of the debt securities.

### Loan Portfolio

The following table sets forth our loans by type of loan, at the dates indicated.

	As of December 31,					
	2023		2022		2021	
	S/ in millions	%	S/ in millions	%	S/ in millions	%
<b>Loan Portfolio</b>						
Loans	35,789.1	74.2%	35,977.7	76.5%	35,490.2	79.4%
Credit cards	6,023.8	12.5%	6,239.3	13.3%	4,814.8	10.8%
Leasing	1,495.3	3.1%	1,174.5	2.5%	1,111.0	2.5%
Discounted notes	1,567.4	3.2%	894.6	1.9%	572.3	1.3%
Factoring receivables	1,244.8	2.6%	1,011.5	2.2%	867.8	1.9%
Advances and overdrafts	14.6	0.0%	38.8	0.1%	41.0	0.1%
Refinanced loans	462.0	1.0%	322.9	0.7%	236.5	0.5%
Past-due and under legal collection loans	1,652.2	3.4%	1,366.0	2.9%	1,554.7	3.5%
<b>Total gross loans</b>	<b>48,249.2</b>	<b>100.0%</b>	<b>47,025.4</b>	<b>100.0%</b>	<b>44,688.2</b>	<b>100.0%</b>
Accrued interest from performing loans	657.4	—	527.6	—	404.9	—
Impairment allowance for loans	(2,349.4)	—	(2,027.9)	—	(2,064.9)	—
Unearned interest and interest collected in advance	(36.7)	—	(22.1)	—	(22.6)	—
<b>Total direct loans, net</b>	<b>46,520.4</b>	<b>—</b>	<b>45,503.0</b>	<b>—</b>	<b>43,005.6</b>	<b>—</b>

### Loans by Classification

The following table shows the composition of our loan portfolio by classification for the periods indicated.

	As of December 31,					
	2023		2022		2021	
	S/ in millions	%	S/ in millions	%	S/ in millions	%
Commercial loans	21,155.5	43.8%	21,412.1	45.5%	22,118.9	49.5%
Consumer loans	16,325.5	33.8%	14,967.8	31.8%	12,514.5	28.0%
Mortgage loans	9,834.4	20.4%	9,286.9	19.7%	8,552.3	19.1%
Small and micro-business loans	933.8	1.9%	1,358.5	2.9%	1,502.5	3.4%
<b>Total direct gross loans<sup>(1)</sup></b>	<b>48,249.2</b>	<b>100.0%</b>	<b>47,025.4</b>	<b>100.0%</b>	<b>44,688.2</b>	<b>100.0%</b>

(1) Includes refinanced loans and past due and under legal collection loans for all periods reported.

### Loans by Currency

The following table presents our loan portfolio divided by currency at the dates indicated.

	As of December 31,					
	2023		2022		2021	
	S/ in millions	%	S/ in millions	%	S/ in millions	%
Foreign currency denominated	14,047.7	29.1%	13,481.9	28.7%	12,088.9	27.1%
Sol denominated	34,201.4	70.9%	33,543.5	71.3%	32,599.4	72.9%
<b>Total gross loans</b>	<b>48,249.2</b>	<b>100.0%</b>	<b>47,025.4</b>	<b>100.0%</b>	<b>44,688.2</b>	<b>100.0%</b>

As of December 31, 2023, 2022 and 2021, we did not have foreign loans that exceeded 1% of our total consolidated assets.

### Maturity Composition of Our Portfolio of Loans

The following tables set forth an analysis of our portfolio of loans as of December 31, 2023, 2022 and 2021 by type and by the time remaining to maturity. Loan amounts are presented before deduction of allowances for loan losses.

	As of December 31, 2023 <sup>(1)</sup>							
	1 month	1-3 months	3 months -1 year	1-5 years	More than 5 years but less than 15 years	More than 15 years	Past-due loans	Total
					(S/ in millions)			
Loans	1,988.4	3,226.6	8,078.4	16,516.2	5,614.1	365.5	1,652.2	37,441.3
Credit cards	1,350.9	1,397.7	1,335.3	1,939.7	0.0	—	—	6,023.8
Leasing	31.9	77.3	649.1	726.7	10.3	—	—	1,495.3
Discounted notes	630.8	590.7	344.9	1.0	—	—	—	1,567.4
Factoring receivables	437.6	472.7	334.5	—	—	—	—	1,244.8
Advances and overdrafts	14.6	—	—	—	—	—	—	14.6
Refinanced loans	7.4	16.5	88.9	316.9	26.6	5.7	—	462.0
<b>Total gross loans</b>	<b>4,461.6</b>	<b>5,781.5</b>	<b>10,831.1</b>	<b>19,500.5</b>	<b>5,651.1</b>	<b>371.2</b>	<b>1,652.2</b>	<b>48,249.2</b>

	As of December 31, 2022 <sup>(1)</sup>							Total
	1 month	1-3 months	3 months -1 year	1-5 years	More than 5 years but less than 15 years	More than 15 years	Past-due loans	
	(S/ in millions)							
Loans	2,979.8	3,432.0	7,688.4	16,061.5	5,522.5	293.5	1,366.0	37,343.7
Credit cards	1,206.4	1,223.6	1,711.9	2,097.4	—	—	—	6,239.3
Leasing	73.4	60.2	475.6	554.7	10.7	—	—	1,174.5
Discounted notes	399.0	412.0	83.6	—	—	—	—	894.6
Factoring receivables	240.0	565.3	206.2	—	—	—	—	1,011.5
Advances and overdrafts	38.8	—	—	—	—	—	—	38.8
Refinanced loans	8.5	15.2	54.4	203.1	37.4	4.3	—	322.9
<b>Total gross loans</b>	<b>4,945.9</b>	<b>5,708.3</b>	<b>10,220.2</b>	<b>18,916.6</b>	<b>5,570.6</b>	<b>297.9</b>	<b>1,366.0</b>	<b>47,025.4</b>

	As of December 31, 2021 <sup>(1)</sup>							Total
	1 month	1-3 months	3 months -1 year	1-5 years	More than 5 years but less than 15 years	More than 15 years	Past-due loans	
	(S/ in millions)							
Loans	2,049.3	4,114.6	8,069.1	15,818.4	5,240.4	198.4	1,554.7	37,044.9
Credit cards	893.4	915.6	1,379.3	1,622.7	3.7	—	—	4,814.8
Leasing	39.3	113.9	390.1	548.4	19.2	—	—	1,111.0
Discounted notes	196.5	328.6	47.2	—	—	—	—	572.3
Factoring receivables	121.7	454.3	291.8	—	—	—	—	867.8
Advances and overdrafts	41.0	—	—	—	—	—	—	41.0
Refinanced loans	4.2	8.9	44.7	141.8	30.7	6.1	—	236.5
<b>Total gross loans</b>	<b>3,345.5</b>	<b>5,935.9</b>	<b>10,222.3</b>	<b>18,131.4</b>	<b>5,294.0</b>	<b>204.5</b>	<b>1,554.7</b>	<b>44,688.2</b>

(1) Includes the balance of disbursements made by Interbank within the “Reactiva Perú” program. The balance of these loans as of December 31, 2023, December 31, 2022 and December 31, 2021 amounted to S/802.6 million, S/2,299.9 million and S/4,896.1 million, respectively.

## Classification of Our Loan Portfolio - Analysis of Substandard and Past Due Loans

The following tables provide the classification of our loans as of December 31, 2023, 2022 and 2021, respectively, calculated under the requirements of IFRS 9:

	As of December 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
	(S/ in millions)			
<b>Direct and indirect Loans</b>				
<b>Not impaired</b>				
High grade	39,087.4	1,526.2	—	40,613.6
Standard grade	2,864.7	1,725.7	—	4,590.4
Sub-standard grade	1,370.3	1,481.9	—	2,852.2
Past due but not impaired	1,949.9	1,460.1	—	3,410.0
<b>Impaired</b>				
Individually impaired	—	—	42.4	42.4
Collectively impaired	—	—	1,484.1	1,484.1
<b>Total gross loans</b>	<b>45,272.3</b>	<b>6,193.9</b>	<b>1,526.5</b>	<b>52,992.6</b>
Direct loan portfolio	41,248.0	5,490.5	1,510.7	48,249.2
Indirect loan portfolio	4,024.3	703.4	15.8	4,743.5
<b>Total gross loans</b>	<b>45,272.3</b>	<b>6,193.9</b>	<b>1,526.5</b>	<b>52,992.6</b>

	As of December 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
	(S/ in millions)			
<b>Direct and indirect Loans</b>				
<b>Not impaired</b>				
High grade	39,559.3	1,513.8	—	41,073.1
Standard grade	4,295.0	874.8	—	5,169.7
Sub-standard grade	778.7	1,000.3	—	1,779.0
Past due but not impaired	1,124.6	1,150.1	—	2,274.7
<b>Impaired</b>				
Individually impaired	—	—	55.2	55.2
Collectively impaired	—	—	1,161.0	1,161.0
<b>Total gross loans</b>	<b>45,757.5</b>	<b>4,539.0</b>	<b>1,216.2</b>	<b>51,512.7</b>
Direct loan portfolio	41,798.1	4,037.2	1,190.1	47,025.4
Indirect loan portfolio	3,959.4	501.8	26.1	4,487.3
<b>Total gross loans</b>	<b>45,757.5</b>	<b>4,539.0</b>	<b>1,216.2</b>	<b>51,512.7</b>

	As of December 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
	(S/ in millions)			
<b>Direct and indirect Loans</b>				
<b>Not impaired</b>				
High grade	37,337.4	775.7	—	38,113.1
Standard grade	4,487.6	371.8	—	4,859.4
Sub-standard grade	1,952.2	1,274.7	—	3,226.9
Past due but not impaired	729.7	862.4	—	1,592.0
<b>Impaired</b>				
Individually impaired	—	—	54.0	54.0
Collectively impaired	—	—	1,283.3	1,283.3
<b>Total gross loans</b>	<b>44,506.8</b>	<b>3,284.6</b>	<b>1,337.2</b>	<b>49,128.7</b>
Direct loan portfolio	40,522.5	2,853.6	1,312.2	44,688.2
Indirect loan portfolio	3,984.4	431.0	25.1	4,440.5
<b>Total gross loans</b>	<b>44,506.8</b>	<b>3,284.6</b>	<b>1,337.2</b>	<b>49,128.7</b>

## Impairment Allowance for Loans

The following tables show the allocation for our impairment allowance for loans as of December 31, 2023, 2022, and 2021:

	As of December 31,					
	2023		2022		2021	
	(S/ in millions)	%	(S/ in millions)	%	(S/ in millions)	%
Commercial loans	296.2	12.5%	282.4	13.7%	383.2	18.2%
Consumer loans	1,862.4	78.7%	1,622.4	78.6%	1,401.7	66.6%
Mortgage loans	87.2	3.7%	61.6	3.0%	155.2	7.4%
Small and micro-business loans	121.5	5.1%	96.9	4.7%	165.1	7.8%
<b>Total<sup>(1)</sup></b>	<b>2,367.4</b>	<b>100.0%</b>	<b>2,063.4</b>	<b>100.0%</b>	<b>2,105.2</b>	<b>100.0%</b>

(1) Includes impairment allowance for indirect loans amounting to S/17.9 million as of December 31, 2023, S/35.5 million as of December 31, 2022 and S/40.3 million as of December 31, 2021. See Note 6(d.2) to our audited annual consolidated financial statements.

The following table shows the changes in our impairment allowance for loans for the periods indicated.

	For the years ended December 31,		
	2023	2022	2021
	(S/ in millions)		
<b>Balance as of January 1</b>	<b>2,063.4</b>	<b>2,105.2</b>	<b>3,042.6</b>
Provision	1,981.8	830.6	381.6
Recoveries of written-off loans	138.9	155.1	182.0
Written-off loans and sales	(1,813.7)	(1,021.5)	(1,525.1)
Translation result and others	(3.0)	(6.0)	24.2
<b>Balance as of December 31,</b>	<b>2,367.4</b>	<b>2,063.4</b>	<b>2,105.2</b>
Allowances for indirect loans	17.9	35.5	40.3
Allowances for direct loans	2,349.4	2,027.9	2,064.9
<b>Total allowances for loan losses</b>	<b>2,367.4</b>	<b>2,063.4</b>	<b>2,105.2</b>
Allowances for Loan Losses at end of Period as a Percentage of Total Loans	4.9%	4.4%	4.7%
<b>Ratios of Charge-Offs to Average Balance</b>			
Commercial loans	0.1%	0.1%	0.0%
Consumer loans	3.2%	1.8%	3.0%
Mortgage loans	0.0%	0.0%	0.0%
Small and micro business loans	0.3%	0.2%	0.2%

The ratio of allowances for loan losses to average loans was 4.9% in 2023 compared to 4.4% in 2022. The higher ratio was mainly explained by higher allowances for direct loans in addition to growth in the average balance of loans.

Higher allowances for direct loans were explained by increase in provision requirements in consumer loans and mortgages. These effects were partially offset by higher allowances for loans in commercial and small and micro-business loans.

The following tables show the changes in our impairment allowance for loans (direct and indirect) by line of business for the period indicated.

	For the Year Ended December 31, 2023				Total
	Commercial loans	Mortgage loans	Consumer loans (\$/ in millions)	Small and micro-business loans	
<b>Balance as of January 1</b>	<b>282.4</b>	<b>61.6</b>	<b>1,622.4</b>	<b>96.9</b>	<b>2,063.4</b>
Provision	73.9	29.7	1,764.1	114.1	1,981.8
Recovery of written-off loans	5.2	—	123.7	10.0	138.9
Written-off loans and sales	(63.0)	(3.6)	(1,647.6)	(99.6)	(1,813.7)
Translation result and others	(2.3)	(0.5)	(0.2)	(0.0)	(3.0)
<b>Balance as of December 31</b>	<b>296.2</b>	<b>87.2</b>	<b>1,862.4</b>	<b>121.5</b>	<b>2,367.4</b>

	For the Year Ended December 31, 2022				Total
	Commercial loans	Mortgage loans	Consumer loans (\$/ in millions)	Small and micro-business loans	
<b>Balance as of January 1</b>	<b>383.2</b>	<b>155.2</b>	<b>1,401.7</b>	<b>165.1</b>	<b>2,105.2</b>
Provision	(34.1)	(90.1)	966.9	(12.1)	830.6
Recovery of written-off loans	5.9	—	140.4	8.7	155.1
Written-off loans and sales	(68.4)	(2.3)	(886.2)	(64.7)	(1,021.5)
Translation result and others	(4.4)	(1.2)	(0.4)	—	(6.0)
<b>Balance as of December 31</b>	<b>282.4</b>	<b>61.6</b>	<b>1,622.4</b>	<b>96.9</b>	<b>2,063.4</b>

	For the Year Ended December 31, 2021				Total
	Commercial loans	Mortgage loans	Consumer loans (\$/ in millions)	Small and micro-business loans	
<b>Balance as of January 1</b>	<b>294.7</b>	<b>188.0</b>	<b>2,413.4</b>	<b>146.5</b>	<b>3,042.6</b>
Provision	98.6	(36.1)	225.6	93.5	381.6
Recovery of written-off loans	1.4	—	175.3	5.3	182.0
Written-off loans and sales	(27.4)	(2.4)	(1,414.9)	(80.3)	(1,525.1)
Translation result and others	15.9	5.7	2.3	0.2	24.2
<b>Balance as of December 31</b>	<b>383.2</b>	<b>155.2</b>	<b>1,401.7</b>	<b>165.1</b>	<b>2,105.2</b>

## Composition of Deposits and Obligations

The following tables provide information on the composition of our deposits obligations for the periods indicated.

	As of December 31,					
	2023		2022		2021	
	(\$/ in millions)	%	(\$/ in millions)	%	(\$/ in millions)	%
<b>Demand deposits</b>						
<i>Soles</i>	8,202.7	16.7%	7,467.3	15.4%	7,943.1	16.2%
Foreign currency	5,173.7	10.5%	6,357.6	13.1%	6,490.1	13.3%
<b>Total</b>	<b>13,376.4</b>	<b>27.2%</b>	<b>13,824.8</b>	<b>28.5%</b>	<b>14,433.2</b>	<b>29.5%</b>
<b>Savings deposits</b>						
<i>Soles</i>	11,382.6	23.1%	12,395.3	25.5%	13,665.4	27.9%
Foreign currency	6,373.5	13.0%	8,516.4	17.5%	8,876.4	18.2%
<b>Total</b>	<b>17,756.1</b>	<b>36.1%</b>	<b>20,911.7</b>	<b>43.1%</b>	<b>22,541.8</b>	<b>46.1%</b>
<b>Time deposits</b>						
<i>Soles</i>	10,242.0	20.8%	8,285.3	17.1%	6,060.4	12.4%
Foreign currency	7,046.6	14.3%	4,581.4	9.4%	4,893.8	10.0%
<b>Total</b>	<b>17,288.6</b>	<b>35.1%</b>	<b>12,866.7</b>	<b>26.5%</b>	<b>10,954.2</b>	<b>22.4%</b>
<b>Others</b>						
<i>Soles</i>	593.5	1.2%	695.6	1.4%	713.8	1.5%
Foreign currency	173.6	0.4%	231.9	0.5%	254.9	0.5%
<b>Total</b>	<b>767.1</b>	<b>1.6%</b>	<b>927.5</b>	<b>1.9%</b>	<b>968.7</b>	<b>2.0%</b>
<b>Total deposits</b>						
<i>Soles</i>	30,420.8	61.8%	28,843.5	59.4%	28,382.7	58.0%
Foreign currency	18,767.4	38.2%	19,687.2	40.6%	20,515.2	42.0%
<b>Total</b>	<b>49,188.2</b>	<b>100.0%</b>	<b>48,530.7</b>	<b>100.0%</b>	<b>48,897.9</b>	<b>100.0%</b>

As of December 31, 2023, 2022 and 2021, we did not have individual material deposits by foreign depositors that exceeded 10% of our total Deposits and Obligations.

The following table provides information on the composition of our domestic and foreign deposits, by average balances and average nominal rate, for the periods indicated.

	For the year ended December 31,		
	2023	2022	2021
	(\$/ in millions)		
<b>Deposits in Domestic Offices</b>			
<b>Demand deposits</b>			
<b>Average balance</b>			
<i>Soles</i>	7,582.1	8,127.6	8,966.5
Foreign currency	4,294.4	4,552.9	4,348.0
<b>Total</b>	<b>11,876.5</b>	<b>12,680.5</b>	<b>13,314.5</b>
<b>Average nominal rate</b>			
<i>Soles</i>	4.5%	3.2%	0.4%
Foreign currency	1.6%	0.5%	0.1%
<b>Total</b>	<b>3.4%</b>	<b>2.2%</b>	<b>0.3%</b>
<b>Savings deposits</b>			
<b>Average balance</b>			
<i>Soles</i>	11,259.1	12,832.2	13,025.1
Foreign currency	7,375.7	8,562.4	7,156.7
<b>Total</b>	<b>18,634.8</b>	<b>21,394.6</b>	<b>20,181.9</b>
<b>Average nominal rate</b>			
<i>Soles</i>	1.4%	1.0%	0.7%
Foreign currency	0.8%	0.4%	0.2%
<b>Total</b>	<b>1.2%</b>	<b>0.7%</b>	<b>0.5%</b>
<b>Time deposits</b>			
<b>Average balance</b>			
<i>Soles</i>	10,129.6	6,469.5	6,876.7
Foreign currency	4,060.3	2,758.7	3,653.5
<b>Total</b>	<b>14,189.9</b>	<b>9,228.2</b>	<b>10,530.2</b>
<b>Average nominal rate</b>			
<i>Soles</i>	7.1%	4.6%	1.1%
Foreign currency	4.3%	1.1%	0.3%
<b>Total</b>	<b>6.3%</b>	<b>3.6%</b>	<b>0.8%</b>
<b>Others</b>			
<b>Average balance</b>			
<i>Soles</i>	632.9	714.1	1,108.2
Foreign currency	199.6	243.1	358.6
<b>Total</b>	<b>832.5</b>	<b>957.1</b>	<b>1,466.8</b>
<b>Average nominal rate</b>			
<i>Soles</i>	6.8%	6.6%	5.0%
Foreign currency	4.2%	4.1%	1.8%
<b>Total</b>	<b>6.2%</b>	<b>6.0%</b>	<b>4.2%</b>
<b>Deposits in Foreign Offices</b>			
<b>Demand deposits</b>			
<b>Average balance</b>			
<i>Soles</i>	—	—	—
Foreign currency	1,269.1	2,004.8	1,990.8
<b>Total</b>	<b>1,269.1</b>	<b>2,004.8</b>	<b>1,990.8</b>
<b>Average nominal rate</b>			
<i>Soles</i>	0.0%	0.0%	0.0%
Foreign currency	0.0%	0.0%	0.0%
<b>Total</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Time deposits</b>			
<b>Average balance</b>			



	For the year ended December 31,		
	2023	2022	2021
<i>Soles</i>	—	—	—
Foreign currency	2,266.2	1,832.5	1,683.7
<b>Total</b>	<b>2,266.2</b>	<b>1,832.5</b>	<b>1,683.7</b>
<b>Average nominal rate</b>			
<i>Soles</i>	0.0%	0.0%	0.0%
Foreign currency	4.1%	3.1%	1.9%
<b>Total</b>	<b>4.1%</b>	<b>3.1%</b>	<b>1.9%</b>

### Uninsured Deposits

Uninsured deposits are deposits that are in excess of local deposit insurance fund, see “Regulation and Supervision—Banking regulations and supervision - Deposit Insurance Fund”, calculated based on the respective local regulations, as well as deposits in uninsured accounts. As of December 31, 2023, 2022 and 2021 total estimated uninsured deposits were S/30,519.8 million, S/30,520.7 million and S/31,717.8 million, respectively.

The table below, shows the maturity of estimated uninsured time deposits as of December 31, 2023.

	For the year ended December 31, 2023 (S/ in millions)
<b><i>Uninsured time deposits</i></b>	
Within 3 months	10,021.0
From 3 to 6 months	3,379.0
From 6 to 12 months	3,078.3
Over 12 months	806.3
<b>Total uninsured time deposits</b>	<b>17,284.6</b>

The following tables provide information on the maturity of our deposits for the periods indicated.

	As of December 31, 2023					Total
	1 month	1-3 months	3 months-1 year	1-5 years	More than 5 years	
	(S/ in millions)					
<b><i>Maturity of Deposits</i></b>						
Demand deposits	13,376.4	—	—	—	—	13,376.4
Saving deposits	17,756.1	—	—	—	—	17,756.1
Time deposits	6,131.7	3,890.6	6,458.1	512.3	296.0	17,288.6
<b>Total</b>	<b>37,264.1</b>	<b>3,890.6</b>	<b>6,458.1</b>	<b>512.3</b>	<b>296.0</b>	<b>48,421.1</b>
<b>Percentage of Total</b>	<b>77.0%</b>	<b>8.0%</b>	<b>13.3%</b>	<b>1.1%</b>	<b>0.6%</b>	<b>100.0%</b>

	As of December 31, 2022					Total
	1 month	1-3 months	3 months-1 year	1-5 years	More than 5 years	
	(S/ in millions)					
<b><i>Maturity of Deposits</i></b>						
Demand deposits	13,824.8	—	—	—	—	13,824.8
Saving deposits	20,911.7	—	—	—	—	20,911.7

	As of December 31, 2022					
	1 month	1-3 months	3 months-1 year	1-5 years	More than 5 years	Total
	(S/ in millions)					
Time deposits	2,797.7	1,973.3	6,788.7	1,023.5	283.5	12,866.6
<b>Total</b>	<b>37,534.3</b>	<b>1,973.3</b>	<b>6,778.7</b>	<b>1,023.5</b>	<b>283.5</b>	<b>47,603.2</b>
<b>Percentage of Total</b>	<b>78.8%</b>	<b>4.1%</b>	<b>14.3%</b>	<b>2.2%</b>	<b>0.6%</b>	<b>100.0%</b>

	As of December 31, 2021					
	1 month	1-3 months	3 months-1 year	1-5 years	More than 5 years	Total
	(S/ in millions)					
<b>Maturity of Deposits</b>						
Demand deposits	14,433.2	—	—	—	—	14,433.2
Saving deposits	22,541.8	—	—	—	—	22,541.8
Time deposits	4,679.0	2,205.2	3,430.8	377.9	261.3	10,954.2
<b>Total</b>	<b>41,654.0</b>	<b>2,205.2</b>	<b>3,430.8</b>	<b>377.9</b>	<b>261.3</b>	<b>47,929.2</b>
<b>Percentage of Total</b>	<b>86.9%</b>	<b>4.6%</b>	<b>7.2%</b>	<b>0.8%</b>	<b>0.5%</b>	<b>100.0%</b>

### Short-Term Borrowings

The following tables provide information on the composition of our short-term borrowings for the periods indicated.

	As of December 31,					
	2023		2022		2021	
	(S/in millions)	Average rate	(S/in millions)	Average rate	(S/ in millions)	Average rate
Inter-bank funds	119.7	6.8%	30.0	7.5%	—	0.0%
Due to banks and correspondents	4,485.8	5.1%	2,107.8	5.0%	822.1	2.5%
Bonds, notes and other obligations	0.0	0.0%	—	0.0%	—	0.0%
<b>Total</b>	<b>4,605.5</b>	<b>5.1%</b>	<b>2,137.8</b>	<b>5.0%</b>	<b>822.1</b>	<b>2.5%</b>

	As of December 31,		
	2023	2022	2021
	(S/in millions except for percentages)		
Average balance	3,349.1	1,445.1	1,335.0
Maximum quarter-end balance	4,669.1	2,137.8	1,916.2
Weighted-average nominal interest rate	5.9%	4.7%	1.6%

## ETHICS AND CORPORATE COMPLIANCE

IFS is firmly committed to promoting a world-class ethics and compliance program (the “Compliance Program”), fostering an ethics-driven compliance culture within its subsidiaries. Thus, IFS has a corporate compliance policy (the “IFS Corporate Compliance Policy”) based on local and US regulations, international best practices, and our principles and values.

The Compliance Program aims to promote corporate policies and procedures of effective internal controls designed to prevent, detect, and report inappropriate conducts, comply with laws and regulations, and mitigate reputational risk to maintain a sustainable business. In addition, this program is enhanced and strengthened by a sanction program and continuous mandatory training for all employees, including tailored training for the board of directors, front office, and compliance team members to prevent misconduct and reinforce compliance policies.

The Compliance Program is led by the Chief Compliance Officer (“CCO”), who reports directly to the board of directors and indirectly to the CEO and is responsible for overseeing the Compliance Program within the organization. Moreover, each subsidiary has a Compliance Officer who reports to the CCO and to their respective board of directors.

The Compliance Program has a risk-based approach, which focuses on mitigating the risk of wrongdoing that could negatively impact our reputation. Our program includes the following policies:

### **Anti-Money Laundering / Anti-Terrorist Financing (“AML/ATF”)**

IFS has implemented a risk-based AML/ATF program according to regulations pursuant to which each subsidiary operates, as well as international standards, and best practices, including the Financial Action Task Force (FATF).

In the context of the digital era, we are continuously working on incorporating knowledge-based systems and tools to help us prevent and detect money laundering and financing of terrorism by using customized risk models.

The subsidiaries have implemented their policies and procedures in accordance with the IFS Corporate Compliance Policy and local regulation, approved by their respective boards of directors and reviewed on an annual basis, which includes but is not limited to:

- AML/AFT policy and procedures based on risk assessment.
- Due diligence which includes Customer Identification Program (“CIP”), Know Your Customer, and enhanced due diligence (EDD) procedures including monitoring of the OFAC and International Sanctions List.
- Know your employee, vendor, and counterparty policy.
- Annual review of high-risk customers.

In addition, the AML Compliance Officer of each subsidiary reviews and reports any suspicious transactions to their local regulatory authority when applicable.

### **Anti-Corruption Program**

IFS is committed to conducting its business in accordance with world-class ethics and compliance standards. As part of that commitment, IFS prohibits its directors, officers and employees from making any political contribution on its behalf or its subsidiaries. Our anti-corruption program contains policies and procedures that comply with the local and international anti-corruption laws, including the Foreign Corrupt Practices Act (“FCPA”).

Our program has been designed by understanding IFS’s business model and its risk profile. This program includes, but is not limited to, roles and responsibilities, guidelines, a zero-tolerance policy for any bribery or corruption act, policies regarding gifts, conflicts of interest, donations, and hiring and appointing employees, officers, and directors. The program also integrates mechanisms for reporting violations and outlines corresponding sanctions.

The subsidiaries have implemented their respective anti-corruption programs based on the IFS Corporate Compliance Policy and local anti-bribery regulations.

## **Insider Trading**

The IFS insider trading program prohibits any of its directors, officers, or employees who possess material, non-public information concerning IFS or its subsidiaries from engaging in the buying or selling of securities related to the company. Moreover, it forbids these individuals from disclosing such sensitive information to others who might be influenced or encouraged to trade securities based on this undisclosed information.

## **Consumer Data Privacy Program**

In accordance with local regulations and best international practices, IFS is committed to ensuring that any personal data is collected is used and processed in accordance with the purpose for which it has been provided, with the consent of the clients.

This program includes compliance with the legal framework of Law No. 29733 Personal Data Protection Law and its regulation approved by Supreme Decree No. 003-2013-JUS. In addition, the subsidiaries that are subject to this law, have implemented internal controls in accordance with the IFS Corporate Compliance Program.

To maintain accountability and uphold these standards, IFS and its subsidiaries have a sanction program for non-compliance with data protection laws.

## **Fiscal Transparency**

### **O.C.D.E. Common Report Standard (“CRS”)**

IFS and its subsidiaries are CRS compliant. As part of this compliance with CRS, IFS and its subsidiaries regularly provide financial information to their respective tax authorities. This reporting is done periodically according to local regulation, ensuring that the companies disclose relevant financial data as required by the CRS guidelines to maintain transparency and uphold tax regulations.

### **U.S. Foreign Account Tax Compliance Act (“FATCA”)**

IFS and its subsidiaries are FATCA compliant and are all classified as Reporting Model 1. Intercorp is the leader of the Expanded Affiliated Group.

## **Dodd Frank**

IFS, as a counterparty of U.S. banks for operations with derivatives, must adhere to the Dodd Frank Protocol. Such requirements include the settlement of certain operations through a clearinghouse and adherence to the International Swaps and Derivatives Association (“ISDA”) standards to comply, where applicable, with Dodd Frank regulations.

## **Whistleblower Hotline**

IFS and its subsidiaries have implemented a whistleblower hotline that allows employees and stakeholders to report improper conduct, fraudulent practices, violations of internal policies, and unlawful, unethical conduct and any other concerns. These conducts can be reported through the website, e-mail, or phone call, and may be reported anonymously. Moreover, this hotline is managed by a third party to reinforce the confidentiality, anonymity, and data integrity of the complaint. Each subsidiary’s compliance team is responsible for managing the investigations and reports, including but not limited an escalation process up to the IFS’ CEO and/or Audit Committee when allegations are sensitive and/or related to the compliance team or senior management.

## **ITEM 4A Unresolved Staff Comments**

None.

## **ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS**

### **A. Operating Results**

#### **Factors Affecting Our Results of Operations**

Substantially all of our subsidiaries’ operations are conducted in Peru. Accordingly, our results of operations and financial condition are dependent on economic conditions, consumer spending and investment levels in Peru. During the 1980s, Peru experienced a severe economic crisis and high levels of inflation. Beginning in the 1990s, however, the Peruvian government implemented a series of structural reforms, which helped stabilize the Peruvian economy and foster continued GDP growth, lower

inflation and interest rates, more stable currency and significantly improved public finances. Moreover, and as a result of the financial crisis in 2008 and 2009, which was accompanied by a global economic downturn in many decades, the Peruvian economy, while affected, was one of the few economies in Latin America to experience growth in 2009. More recently, the crisis caused by the pandemic COVID-19 impacted economies worldwide, and Peru was not the exception. Peru's real GDP recovered at a rate of 1.0% in 2009 following the financial crisis and 13.6% in 2021 following the COVID-19 pandemic, supported by the Peruvian government's stimulus programs.

Nonetheless, the country has experienced a slowdown in recent years, mainly explained by lower domestic demand, as a result of a lower growth in private investment. This slowdown was intensified due to several factors, such as (i) a strong El Niño phenomenon, which adversely affected agricultural production, transportation services, tourism and commercial activity, and resulted in a 1.5% drop in GDP growth in 2017; (ii) corruption scandals related to the activities of certain Brazilian and Peruvian companies in the construction sector, which resulted in suspension or delay of important infrastructure projects during 2018; and (iii) political instability, as Peru has suffered a series of government institutional crises starting in 2018 due to, among other things, several corruption scandals involving prominent political figures. These scandals have resulted in resignations and impeachment of various presidents since then, including most recently former President Jose Pedro Castillo in December 2022 following an attempted coup, as well as investigations of certain members of the judicial system and the public ministry who are now facing prosecution. Despite these factors and continued political corruption scandals, the Peruvian economy continued to outperform its peer countries in 2019, supported by solid macroeconomic fundamentals and strong fiscal and monetary policies.

In 2020, Peru experienced an 11.0% GDP contraction as a result of the impact of the COVID-19 pandemic, and in particular the impact of the lockdown and mobility restrictions implemented by the Peruvian government to contain the spread of the pandemic, which in turn resulted in (i) lower employment, (ii) postponement of investment projects, and (iii) restricted access to goods and services. As a result of the reductions in private consumption and gross fixed investment, domestic demand decreased 9.8% during the year.

At the beginning of 2021, Peru continued to struggle from the effects of the pandemic but started to recover over time as targeted lockdowns decreased and were eventually lifted and the vaccination program accelerated. The recovery was mainly driven by domestic demand-oriented sectors, improved trade terms, higher private consumption, and the base effect of such improvements as compared to 2020. Nevertheless, such improved economic landscape was negatively affected by the uncertainty that arose in the run up to the April 2021 presidential and congressional elections. These political events contributed to a slowdown in GDP growth, volatility of the exchange rate and weakening of the local currency, which in turn also affected inflation. As a result of these factors, the Peruvian GDP grew 13.6% in 2021.

In 2022, political uncertainty and social unrest caused an economic deceleration that drove GDP growth to 2.7%. The most affected sectors included mining, tourism and agriculture. As a result, inflation increased to 8.5% for the year ended December 31, 2022. To curb inflation, the Central Reserve Bank of Peru tightened its monetary policy by increasing the reference policy rate to 7.50% as of December 2022.

In 2023, as a consequence of social unrest and a climatic phenomenon which took place in the first quarter, and of the possible impact of another climatic phenomenon (El Niño) for the first quarter of 2024, the GDP decreased 0.6% in 2023. As a consequence, the Central Reserve Bank of Peru has decreased the reference interest rate to 7.00% and 6.25% as of November 30, 2023 and March 31, 2024, respectively.

The table below sets forth additional details regarding Peru's recent economic performance.

	2023	2022	2021	2020	2019
Peruvian real GDP growth rate	(0.6)%	2.7%	13.6%	(11.0)%	2.2%
Domestic demand growth	(1.7)%	2.3%	14.4%	(9.5)%	2.2%
Private consumption growth	0.1%	3.6%	11.7%	(9.8)%	3.2%
Fixed private investment (real growth)	(7.2)%	(0.5)%	37.6%	(16.5)%	4.5%
Reference interest rate	6.8%	7.5%	2.5%	0.3%	2.3%
Fiscal (deficit) (% of GDP)	(2.8)%	(1.6)%	(2.6)%	(8.9)%	(1.6)%
Variation in Consumer Price Index ("CPI")	3.2%	8.5%	6.4%	2.0%	1.9%
Unemployment rate (Metropolitan Lima)	6.8%	7.8%	10.7%	13.0%	6.6%
Disposable income growth	2.8%	0.5%	10.8%	(7.5)%	2.9%
Public external debt as a percentage of Peruvian GDP	15.8%	17.5%	19.5%	14.9%	8.5%
Net international reserves (U.S.\$ in millions)	71,033	71,883	78,495	74,707	68,316

Sources: The Central Reserve Bank of Peru and INEI.

The Peruvian government's conservative fiscal policy, coupled with the Central Reserve Bank of Peru's responsible management of inflation and international reserves has helped Peru maintain its investment grade ratings by Moody's (Baa1), S&P (BBB+) and Fitch (BBB). Peru's credit ratings are subject to periodic review and may be revised or lowered at any time.

Furthermore, in its most recent forecast as of December 22, 2023, the Central Reserve Bank of Peru has estimated real GDP growth of 3.0% for 2024, as compared to a 0.6% decrease in 2023, a 2.7% increase registered in 2022 and a 13.6% increase registered in 2021.

### **Interest Rates**

In general, increases in prevailing interest rates result in more interest revenue from loans. An increase of prevailing interest rates may, however, adversely affect Interbank as a result of reduced overall demand for loans and greater risk of default by its clients. In addition, relatively high interest rates affect Interbank's funding costs, and can adversely affect spreads on its loan portfolio if Interbank is unable to pass on the increased funding costs to its clients. On the other hand, a decrease in interest rates can reduce Interbank's revenue from its loan portfolio. This revenue decrease may be offset by an increase in the volume of loans resulting from higher demand and/or a decrease in Interbank's funding costs. As a result of the COVID-19 pandemic, on April 9, 2020, the Central Reserve Bank of Peru took several measures, such as reducing the reference interest rate by 200 basis points from 2.25% to 0.25%. This measure affected both interest income and interest expense.

In May 2021, the Central Reserve Bank of Peru set the methodology to determine maximum interest rates applicable to three types of loans: (i) ordinary consumer credit; (ii) consumer loans equivalent to two UIT (*Unidad Impositiva Tributaria*) or less; and, (iii) credit for small and micro businesses, as ruled by Law 31143. Maximum interest rates are to be set at two times the average rate of consumer loans during the period between two and seven months prior to becoming effective. The interest rate cap was first effective for the period between May and October 2021 at a level of 83.4% for loans denominated in *soles* and 68.4% for loans denominated in U.S. dollars. For the period between November 2022 and April 2023, the interest rate cap was 87.9% for loans denominated in *soles* and 68.3% for loans denominated in U.S. dollars. For the period between May and October 2023, the interest rate cap was 96.32% for loans denominated in *soles* and 77.50% for loans denominated in U.S. dollars. For the period between November 2023 and April 2024, the interest rate cap is 101.86% for loans denominated in *soles* and 82.94% for loans denominated in U.S. dollars. The interest rate cap does not represent a major disruption to Interbank's results.

Increases in interest rates negatively affect the value of Interseguro's fixed income portfolio. However, higher rates allow Interseguro to reinvest new annuities at a higher yield. At the same time, increases in interest rates result in an increase in the discount rate Interseguro uses to calculate its reserve requirements, which has the effect of reducing Interseguro's required technical reserves. Conversely, if interest rates fall, Interseguro's portfolio will have a lower average interest rate, resulting in Interseguro having to record higher technical reserves.

Similar to Interbank, an increase in prevailing interest rates may adversely affect Inteligo as a result of reduced overall demand for loans, as well as lower interest margins if Inteligo is unable to pass on higher funding costs to its clients. On the other hand, a decrease in interest rates may reduce Inteligo's revenue from its loan portfolio. Furthermore, a portion of Inteligo's revenues corresponds to earnings from its investment portfolio and is therefore exposed to interest rates fluctuations that may affect revenue from fixed-income instruments.

Increases in interest rates result in additional interest income from Inteligo's variable-rate investments, but may also result in capital losses on its fixed-rate investments.

Likewise, increases in interest rates in Izipay result in lower transactional volumes because of higher cost of debt for the customers. Also, in this context, Izipay's funding strategy may be affected because of higher financial cost.

### **Inflation**

Our performance may be impacted by inflation, because substantially all of our assets are not adjusted for the effects of inflation. During the 1980s, Peru experienced hyperinflation, negative economic growth and substantial currency devaluation. Inflation rates in Peru began to decrease in the 1990s and in the last 14 years Peru had one of the lowest average inflation rates in the region, partly due to the monetary policy implemented by the Central Reserve Bank of Peru and partly due to the conservative fiscal policy of the Peruvian government. In 2002, in order to maintain low inflation rates, the Central Reserve Bank of Peru established an annual inflation target of 2.5% within a range of one percentage point. In 2007, the target was lowered to 2%, within a range of one percentage point. The Central Reserve Bank of Peru has maintained its target inflation range ever since. The inflation rate in Peru, as measured by changes in the Metropolitan Lima consumer price index published by the INEI, was 12.2% in 2018, 1.9% in 2019, 2.0% in 2020, 6.4% in 2021, 8.5% in 2022 and 3.2% in 2023. In its most recent forecast as of December 22, 2023, the Central Reserve Bank of Peru has estimated Peru's inflation to be 2.3% in 2024.

### ***Depreciation and Appreciation of the sol***

The *sol* floats freely against other currencies. Nevertheless, the Central Reserve Bank of Peru participates in the market (buying or selling *soles*) in order to avoid any large fluctuations in the exchange rate because of the effects that it could have on the Peruvian economy, which remains partly dollarized. Because a significant portion of our subsidiaries' assets and liabilities are denominated in U.S. dollars and our consolidated financial statements are prepared in *soles*, the results reflected in our consolidated financial statements are affected by fluctuations in the exchange rates between the *sol* and the U.S. dollar.

In 2015, the *sol* depreciated significantly against the U.S. dollar and remained relatively stable until the beginning of 2020. However, during 2020, the *sol* rapidly depreciated against the U.S. dollar as a result of the COVID-19 pandemic, which in 2021 and 2022 continued to depreciate due to political uncertainty in Peru, global market volatility and the rising inflation. In this context, any future changes in the value of the *sol* against the U.S. dollar and other foreign currencies could adversely affect our financial condition and results of operations to the extent that our subsidiaries maintain a gap between foreign denominated assets and liabilities.

The Peruvian government adopted a policy to encourage the de-dollarization of the Peruvian economy. This policy included promoting the development of a *sol* capital market and local currency yield curves. The proportion of outstanding loans in the banking system denominated in U.S. dollars has fallen from 51.0% as of December 31, 2011 to 28.0% as of December 31, 2023, according to figures published by the SBS. The percentage of deposits in the banking system denominated in U.S. dollars was approximately 47.3% as of December 31, 2011 compared to 39.2% as of December 31, 2023. Interbank's proportion of loans in *soles* increased from 53.2% as of December 31, 2011 to 73.1% as of December 31, 2023, while deposits in *soles* increased from 56.8% as of December 31, 2011 to 66.4% as of December 31, 2023.

As of December 31, 2023, 68.3% of Interseguro's investment portfolio was invested in *soles* and 31.7% was invested in U.S. dollars. According to Interseguro's investment policy, it allocates the currency of its investment portfolio to mitigate potential currency volatility between its investment assets and its insurance liabilities as observed since the commencement of the COVID-19 outbreak.

Substantially all of Inteligo's financial assets and liabilities are denominated in U.S. dollars.

Moreover, Izipay's transactions may be affected by the exchange rate volatility.

### ***Monetary Policy***

In April 2010, as a result of significant economic growth, the Central Reserve Bank of Peru began tightening its monetary policy, raising the reference rate. This tightening policy had the goal of mitigating speculative capital inflows and cooling the expansion of credit.

However, since the beginning of 2017, the Central Reserve Bank of Peru started loosening its monetary policy. From January 2017 to December 2020, the reference rate decreased from 4.25% to 0.25%. On March 19, 2020, the Central Reserve Bank of Peru reduced its reference rate by 100 basis points to 1.25%. Furthermore, on April 9, 2020, the Central Reserve Bank of Peru took several measures as a result of the COVID-19 pandemic, including reducing the reference interest rate by another 100 basis points from 1.25% to 0.25%. In response to rising inflationary concerns, in August 2021, the Central Reserve Bank of Peru started tightening its monetary policy, similar to other monetary authorities around the world. In response to concerns about inflation, the United States Federal Reserve has raised interest rates. The Central Reserve Bank of Peru began to increase rates in 2021 from 0.25% to 7.50% in December 2022. Since then, the Central Reserve Bank of Peru has decreased the reference interest rate to 7.00% and 6.75% as of November 30, 2023 and December 19, 2023, respectively. As of March 31, 2024, the reference interest rate was 6.25%.

### ***Regulatory Changes***

In April 2016, a new law entered in force which allows retirees to withdraw 95.5% of their pension funds as a one-time transaction. As a second stage of this law, in October 2016, retirees were allowed to withdraw their pension fund in several transactions whenever desired. This regulatory change resulted in a 36% yearly contraction for the Peruvian insurance system in purchases of regular and private annuities from 2015 to 2016, according to the SBS. Interseguro was negatively affected by the law, with annuities collected of S/337.8 million in 2016, a 38% reduction compared to 2015.

However, as of December 2022, the annuities market has continued to stabilize as a result of the introduction of private annuities, a type of annuity created to fill the vacuum left by the law. This product, pioneered by Interseguro in October 2016 and soon followed by other providers, helped the industry recover a portion of the lost market. In 2023, private annuities accounted for 6.8% of the premiums collected in 2023 for the insurance industry. For Interseguro, private annuities represented 32.4% of its S/479.2 million in collections in annuities as of December 31, 2023.

### ***Subsequent Adjustments to the Expected Loss Model***

Due to the risks and uncertainties originated by the COVID-19 pandemic during 2020 and which continued throughout 2021, as discussed in our Annual Report on Form 20-F for the year ended December 31, 2020 filed with SEC on April 26, 2021 and in our Annual Report on Form 20-F for the year ended December 31, 2021, filed with the SEC on April 25, 2022. Additionally, economic and political uncertainty in Peru, rising inflation and global financial market volatility, as discussed in our Annual Report on Form 20-F for the year ended December 31, 2022, filed with SEC on April 25, 2023. Interbank assessed whether to include a series of expert judgments with the purpose of calculating the expected loss pursuant to the requirement established by IFRS 9.

We made adjustments to the expected loss model to include in the calculation the effects of the uncertainty and risks generated by current events as of December 31, 2023. In connection with those adjustments, an expert judgment was established to stress test of the probability of default (PD) for loans in Stage 1 and Stage 2 as the result of the “*El Niño*” phenomenon’s potential impacts in Peru.

### **Adoption of New Standards and Disclosures**

Generally, we have only adopted standards, interpretations or amendments that were effective in each year. Therefore, standards, interpretations or amendments that become effective in 2023 or later have not been early adopted.

As explained in Note 3.2 to our audited annual consolidated financial statements, we have adopted for the first time IFRS 17 “Insurance Contracts”, effective for annual periods beginning on or after January 1, 2023. IFRS 17 replaces IFRS 4 “Insurance Contracts” for annual periods starting on or after January 1, 2023. The adoption of IFRS 17 did not change the classification of our insurance contracts. However, it provides a comprehensive accounting model for all types of insurance contracts that provides a more consistent framework for insurers, covering all relevant aspects as recognition, measurement, presentation and disclosures. We have applied IFRS 17 retrospectively and restated comparative information for 2022. Comparative information for 2021 has not been restated, so it is reported under IFRS 4. The impact of the first adoption of IFRS 17 amounted to S/820.5 million recorded as a reduction of retained earnings in our net equity as of January 1, 2022. For further information on IFRS 17, see Notes 3.2 and 3.7 to our audited annual consolidated financial statements.

We have also adopted the following standards, interpretation, or amendments: (i) in connection with the definition of Accounting Estimates, an amendment to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors,” (ii) in connection with the disclosure of Accounting Policies, amendments to IAS 1 “Presentation of Financial Statements” and IFRS Practice Statement 2 “Making Materiality Judgements,” (iii) in connection with Deferred Tax related to Assets and Liabilities arising from a Single Transaction, amendments to IAS 12 “Income Taxes,” and (iv) in connection with the International Tax Reform – Pillar Two Model Rules, amendments to IAS 12 “Income Taxes.” Such standards, interpretations or amendments have not had a significant impact on our consolidated financial statements. For further information, see Note 3.2 to our audited consolidated financial statements.

On January 1, 2022, we adopted the following standards, interpretations, or amendments: (i) in connection with costs of fulfilling a contract, an amendment to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets,” (ii) amendments to IFRS 3 “Business Combinations,” (iii) in connection with proceeds before intended use of property, plant and equipment, an amendment to IAS 16 “Property, Plant and Equipment,” (iv) in connection with a subsidiary as a first time adopter, an amendment to IFRS 1 “First-time Adoption of International Financial Reporting Standards,” and (v) in connection with fees in the “10 per cent” test for derecognition of financial liabilities, an amendment to IFRS 9 “Financial Instruments.” Such standards, interpretations or amendments have not had a significant impact on our consolidated financial statements.

On January 1, 2021, we adopted the following standards, interpretations, or amendments: (i) in connection with the interest rate benchmark reform, amendments to IFRS 9 “Financial Instruments”, IAS 39 “Financial Instruments: Recognition and Measurement,” and IFRS 7 “Financial Instruments: Disclosures,” IFRS 4 “Insurance Contracts,” and IFRS 16 “Leases”, – Phase 2; and (ii) in connection with COVID-19 related rent concessions beyond June 30, 2021, an amendment to IFRS 16 “Leases”. Such standards, interpretations or amendments have not had a significant impact on our consolidated financial statements.

### **Critical accounting estimates and judgments**

In preparing our audited annual consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), we apply judgment and make estimates and assumptions that may involve significant uncertainty at the time they are made. We regularly reassess those estimates and assumptions, which encompass historical experience, expectations of the future and other pertinent factors, to determine their continuing relevance based on current conditions, and we update them as necessary. Changes in estimates and assumptions may have a significant effect on our consolidated financial statements. Furthermore, our actual results may differ significantly from our estimates, which could result in significant losses to us or our subsidiaries, beyond what we anticipated or provided for.



Key areas involving a high degree of judgment and areas where estimates and assumptions are significant to the consolidated financial statements include:

- 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;
- determination of terms and estimation of the applicable interest rate for lease agreements;
- the liabilities for insurance contracts;
- the measurement of the fair value of derivative financial instruments;
- the estimated useful life of intangible assets, property, furniture and equipment;
- the estimation of assets and liabilities for deferred income tax; and
- the estimation of provisions for litigation.

We believe that the judgments, estimates and assumptions we have made are appropriate under the circumstances and that our audited annual consolidated financial statements fairly present, in all material respects, the financial positions of IFS as of December 31, 2023 and 2022 and the results of our operations and cash flows for the years ended December 31, 2023, 2022 and 2021 in accordance with IFRS.

For more information about our critical accounting estimates and judgments, see:

- “Note 3 Significant accounting policies” to our audited annual consolidated financial statements for more information;
- “Note 3.6 Significant accounting judgments, estimates and assumptions” to our audited annual consolidated financial statements for more information on estimations and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of significant events in the notes to the audited annual consolidated financial statements;
- “Note 29.1 Credit Risk” and “Note 29.2 Market Risk management” for a discussion of risk and sensitivity of certain items;
- “Item 3. Key Information—Risk Factors” of this Annual Report on Form 20-F for more information.

### **Principal Line Items in Consolidated Income Statements**

Below is a description of certain significant line items:

- interest and similar income includes interest from our loan portfolio plus interest and dividends from our investment portfolio and is composed of the following line items: (i) interest on loan portfolio, (ii) interest on financial investments, (iii) interest on due from banks and inter-bank funds, (iv) dividends on financial investments, and (v) other interest and similar income. See Note 19(a) to our audited annual consolidated financial statements;
- interest and similar expenses includes all financial expenses incurred to fund our operations and is composed of the following line items: (i) interest and fees on deposits and obligations, (ii) interest on bonds, notes and other obligations, (iii) interest and fees on obligations with financial institutions, (iv) deposit insurance fund fees, (v) interest on lease payments, and (vi) other interest and similar expenses. See Note 19(a) to our audited annual consolidated financial statements;
- impairment loss on loans, net of recoveries includes provisions recognized as expense, net of recoveries. See Note 6(d.1) and (d.2) to our audited annual consolidated financial statements;
- recovery (loss) due to impairment of financial investments includes impairment loss recognized as expense, net of recoveries. See Note 5(c) to our audited annual consolidated financial statements;

- fee income from financial services, net includes primarily commissions and other fees we charge to our customers, net from related expenses, and is composed of the following line items: (i) accounts maintenance, carriage, transfers, and debit and credit card fees, (ii) income from services (“acquirer and card issuer roles for Izipay”), (iii) funds management, (iv) banking services fees, (v) contingent loan fees, (vi) collection services, (vii) commission for loans rescheduling “Reactiva Perú” program, and (viii) brokerage and custody services. See Note 20(a) to our audited annual consolidated financial statements;
- other income includes: (i) maintenance, installation and sale of POS equipment, (ii) gain from sale of written-off loans, (iii) profit from sale of property, furniture and equipment, (iv) services rendered to third parties; (v) income from ATM rentals, and (vi) other income. See Note 21(a) to our audited annual consolidated financial statements;
- Result from insurance activities includes: (i) insurance service income, (ii) insurance service expense, (iii) reinsurance income and (iv) financial result of insurance operations. See Note 22 to our audited annual consolidated financial statements; and
- other expenses include: (i) salaries and employee benefits, (ii) administrative expenses, (iii) depreciation and amortization, (iv) sundry technical insurance expenses and commission from insurance activities and (v) expenses related to rental income, (vi) cost of sale of POS equipment, (vii) administrative and tax penalties and (viii) provision for accounts receivable. See Notes 8(a), 9(a), 21(a), 23, and 24 to our audited annual consolidated financial statements.

### Financial Condition as of December 31, 2023 Compared to December 31, 2022

The following table sets forth the principal components of our consolidated statement of financial position as of December 31, 2023 and December 31, 2022.

	As of	As of	Change	
	December 31, 2023	December 31, 2022(restated) <sup>(1)</sup>	(S/ in millions)	%
<b>Assets</b>				
Cash, due from banks and inter-bank funds	10,343.6	13,489.5	(3,145.9)	(23.3%)
Financial investments	26,722.0	22,787.6	3,934.4	17.3%
Loans, net of unearned interest	48,869.8	47,530.9	1,339.0	2.8%
Impairment allowance for loans	(2,349.4)	(2,207.9)	(321.6)	15.9%
Investment property	1,298.9	1,287.7	11.2	0.9%
Property, furniture and equipment, net	804.8	791.4	13.4	1.7%
Intangibles and goodwill, net	1,687.1	1,633.2	53.9	3.3%
Reinsurance contract assets	26.3	34.1	(7.8)	(22.8%)
Other assets	2,221.6	1,955.6	266.1	13.6%
<b>Total assets</b>	<b>89,624.8</b>	<b>87,482.1</b>	<b>2,142.7</b>	<b>2.4%</b>
<b>Liabilities and equity</b>				
Deposits and obligations	49,188.2	48,530.7	657.5	1.4%
Due to banks and correspondents and inter-bank funds	9,145.6	7,130.7	2,015.0	28.3%
Bonds, notes and other obligations	5,551.6	7,906.3	(2,354.7)	(29.8%)
Insurance and reinsurance contract liabilities	12,207.5	11,231.3	976.2	8.7%
Other liabilities	3,523.6	3,256.9	266.8	8.2%
<b>Total liabilities</b>	<b>79,616.7</b>	<b>78,055.9</b>	<b>1,560.8</b>	<b>2.0%</b>
<b>Equity, net</b>				
Equity attributable to IFS’s shareholders	9,950.2	9,372.5	577.8	6.2%
Non-controlling interest	57.9	53.8	4.1	7.7%
<b>Total equity, net</b>	<b>10,008.1</b>	<b>9,426.3</b>	<b>581.9</b>	<b>6.2%</b>
<b>Total liabilities and equity net</b>	<b>89,624.8</b>	<b>87,482.1</b>	<b>2,142.7</b>	<b>2.4%</b>

(1) Our consolidated financial information for 2022 was restated as a result of the first adoption of IFRS 17.

Our assets were S/89,624.8 million as of December 31, 2023, a 2.4% increase from S/87,482.1 million as of December 31, 2022. This was mainly driven by an increase of 17.3% in financial investments, 2.8% in loans, net of unearned interest and 13.6% in other assets. These factors were partially offset by a decrease of 23.3% in cash, due from banks and an increase of 15.9% in impairment allowance for loans.

The increase in financial investments resulted mainly from higher Central Reserve Bank of Peru Certificates of Deposits (“CDBCR”) and sovereign Bonds. The increase in loans, net of unearned interest was mainly the result of higher retail loans balances at Interbank, which was primarily due to increases in consumer loans and mortgages. This increase was partially offset by lower commercial loan balances due to decreases in short and medium-term lending. The decrease in cash, due from bank and inter-banks funds was mainly due to lower deposits at the Central Reserve Bank of Peru. And finally, the increase in impairment allowance for loans occurred mainly at Interbank.

Our liabilities reached S/79,616.7 million as of December 31, 2023, a 2.0% increase from S/78,055.9 million as of December 31, 2022. This was mainly driven by a 28.3% increase in due to banks and correspondents, 8.7% in insurance contract liabilities, and of 8.2% in other liabilities, partially offset by a decrease of 29.8% in bonds, notes and other obligations.

Our net equity was S/10,008.1 million as of December 31, 2023, a 6.2% increase from S/9,426.3 million as of December 31, 2022, mainly as a result of higher retained earnings.

For more information of our liquidity, capital resources and commitments and obligations, see “Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources.”

### Results of Operations for the Year Ended December 31, 2023 Compared to the Year Ended December 31, 2022

The following table sets forth the principal components of our consolidated profit for the years ended December 31, 2023 and 2022.

	For the year ended December 31,			
	2023	2022(restated) <sup>(1)</sup>	Change	
	(S/ in millions)		(S/ in millions)	%
Interest and similar income	7,120.4	5,871.3	1,249.1	21.3%
Interest and similar expenses	(2,592.4)	(1,661.7)	(930.7)	56.0%
<b>Net interest and similar income</b>	<b>4,528.0</b>	<b>4,209.2</b>	<b>318.4</b>	<b>7.6%</b>
Impairment loss on loans, net of recoveries	(1,981.8)	(830.6)	(1,151.3)	138.6%
Loss due to impairment of financial investments	(7.5)	(12.8)	5.3	(41.2%)
<b>Net interest and similar income after impairment loss</b>	<b>2,538.7</b>	<b>3,366.3</b>	<b>(827.6)</b>	<b>(24.6%)</b>
Fee income from financial services, net	1,178.5	1,137.4	41.1	3.6%
Other income	557.8	542.4	15.4	2.8%
<b>Result from insurance activities</b>	<b>(178.4)</b>	<b>(252.9)</b>	<b>74.5</b>	<b>(29.5%)</b>
<b>Total other expenses</b>	<b>(2,750.2)</b>	<b>(2,627.1)</b>	<b>(123.0)</b>	<b>4.7%</b>
<b>Income before translation result and income tax</b>	<b>1,346.5</b>	<b>2,166.2</b>	<b>(819.7)</b>	<b>(37.8%)</b>
Translation result	8.4	(25.5)	33.9	(133.1%)
Income Tax	(275.6)	(462.5)	186.9	(40.4%)
<b>Net profit for the year</b>	<b>1,079.3</b>	<b>1,678.2</b>	<b>(598.9)</b>	<b>(35.7%)</b>
<b>Attributable profit to:</b>				
<b>IFS’ shareholders</b>	<b>1,072.8</b>	<b>1,668.1</b>	<b>(595.3)</b>	<b>(35.7%)</b>
<b>Non-controlling interest</b>	<b>6.5</b>	<b>10.1</b>	<b>(3.6)</b>	<b>(35.3%)</b>

(1) Our consolidated financial information for 2022 was restated as a result of the first adoption of IFRS 17. We have not restated the comparative financial information for 2021 which is presented on an IFRS 4 basis, as previously reported. See Note 3.2 to the audited annual consolidated financial statements.

Our net profit was S/1,079.3 million for the year ended December 31, 2023, a 35.7% decrease as compared to 2022. The deterioration in net profit was mainly driven a result of increases of more than two-fold in impairment loss on loans and 4.7% in other expenses. These factors were partially offset by increases of 7.6% in net interest and similar income, 3.6% in net fee income from financial services, 2.8% in other income, in addition to an improvement in insurance and translation results.

Impairment loss on loans, net of recoveries increased from S/830.6 million as of December 31, 2022 to S/1,981.8 million as of December 31, 2023 mainly due to the deterioration of the macroeconomic outlook in Peru, social and climatic events that took place at the beginning of the year and provisions as a result of the impact to the retail and commercial portfolio caused by the “*El Niño*” phenomenon.

The increase in other expenses was mostly attributed to higher expenses across all our business, and the increase in administrative expenses was mainly related to marketing and credit card expenses, and IT services at Interbank.

The increase in net interest and similar was mainly due to an increase of 12.6% in our banking segment, partially offset by decreases of 10.6% and 18.4% million in our insurance and wealth management segments, respectively.

The increase in net fee income from financial services was mainly due to higher commissions across most products and services in our banking segment and higher fees from payments acquirer in our payments segment, where the number of merchants grew 25.0%. However, lower fees from funds management in our wealth management segment partially compensated the positive performance.

Our ROE was 11.3% in 2023, lower than the 19.1% reported in 2022, mainly due to increases in impairment loss on loans, net of recoveries and other expenses, which were partially compensated by increases in net interest and similar income, fee income from financial services, net, and other income.

## Results of Operations by Segment

The following table presents an overview of certain consolidated income statement data for each of our segments for the years ended December 31, 2023 and 2022.

	Banking		Insurance (restated) <sup>(2)</sup>		Wealth Management		Payments (1)		Holding and eliminations		Consolidated (restated) <sup>(2)</sup>	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Interest and similar income	6,076.0	4,774.4	851.6	940.9	183.9	155.1	9.3	1.6	(0.4)	(0.7)	7,120.4	5,871.3
Interest and similar expenses	(2,363.8)	(1,476.9)	(126.7)	(130.0)	(98.4)	(50.3)	(4.9)	(1.3)	1.4	(3.1)	(2,592.4)	(1,661.7)
<b>Net interest and similar income</b>	<b>3,712.2</b>	<b>3,297.4</b>	<b>724.9</b>	<b>810.8</b>	<b>85.6</b>	<b>104.8</b>	<b>4.3</b>	<b>0.3</b>	<b>1.0</b>	<b>(3.8)</b>	<b>4,528.0</b>	<b>4,209.6</b>
Impairment loss on loans, net of recoveries	(1,982.0)	(832.9)	—	—	0.2	2.4	—	—	—	—	(1,981.8)	(830.6)
Recovery (loss) due to impairment of financial investments	—	(0.7)	(7.9)	—	0.3	(12.0)	—	—	—	—	(7.5)	(12.8)
<b>Net interest and similar income after impairment loss</b>	<b>1,730.2</b>	<b>2,463.8</b>	<b>717.1</b>	<b>810.8</b>	<b>86.1</b>	<b>95.2</b>	<b>4.3</b>	<b>0.3</b>	<b>1.0</b>	<b>(3.8)</b>	<b>2,538.7</b>	<b>3,366.3</b>
Fee income from financial services, net	813.3	797.7	(13.4)	(7.2)	146.2	163.3	345.6	258.7	(113.2)	(75.2)	1,178.5	1,137.4
Other income	494.8	475.4	122.9	45.9	(40.2)	(244.5)	45.9	36.0	(65.7)	229.5	557.8	542.4
<b>Result from insurance activities</b>	<b>—</b>	<b>—</b>	<b>(178.4)</b>	<b>(252.9)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(178.4)</b>	<b>(252.9)</b>

	Banking		Insurance (restated) <sup>(2)</sup>		Wealth Management		Payments (1)		Holding and eliminations		Consolidated (restated) <sup>(2)</sup>	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Total other expenses</b>	<b>(1,949.9)</b>	<b>(1,930.8)</b>	<b>(374.6)</b>	<b>(342.2)</b>	<b>(153.6)</b>	<b>(145.5)</b>	<b>(332.7)</b>	<b>(232.8)</b>	<b>60.6</b>	<b>24.1</b>	<b>(2,750.2)</b>	<b>(2,627.1)</b>
<b>Income (loss) before translation result and income tax</b>	<b>1,088.5</b>	<b>1,806.1</b>	<b>273.6</b>	<b>254.5</b>	<b>38.5</b>	<b>(131.5)</b>	<b>63.2</b>	<b>62.3</b>	<b>(117.3)</b>	<b>174.6</b>	<b>1,346.5</b>	<b>2,166.2</b>
Translation result	(16.0)	(22.8)	18.4	1.0	0.8	(7.1)	(2.3)	2.3	7.6	1.2	8.4	(25.5)
Income tax	(216.4)	(409.2)	—	—	(3.1)	(2.8)	(27.7)	(23.6)	(28.4)	(27.0)	(275.6)	(462.5)
<b>Net profit (loss) for the year</b>	<b>856.1</b>	<b>1,374.1</b>	<b>292.1</b>	<b>255.5</b>	<b>36.2</b>	<b>(141.4)</b>	<b>33.1</b>	<b>41.1</b>	<b>(138.2)</b>	<b>148.8</b>	<b>1,079.3</b>	<b>1,678.1</b>
<b>Attributable to:</b>												
<b>IFS' shareholders</b>	<b>856.1</b>	<b>1,374.1</b>	<b>292.1</b>	<b>255.5</b>	<b>36.2</b>	<b>(141.4)</b>	<b>33.1</b>	<b>41.1</b>	<b>(144.7)</b>	<b>138.8</b>	<b>1,072.7</b>	<b>1,668.0</b>
<b>Non-controlling interest</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>6.5</b>	<b>10.1</b>	<b>6.5</b>	<b>10.1</b>

(1) For the year 2022, reflects information for Izipay since the acquisition of the remaining 50% equity interest in Izipay in April 2022.

(2) Our consolidated financial information for 2022 was restated as a result of the first adoption of IFRS 17.

The discussion below covers each of our reported segments and corresponds to information before adjustments and eliminations for consolidation, as of and for the years ended December 31, 2023 and 2022, in accordance with IFRS.

### Banking

Interbank's net results were profit of S/856.1 million for the year ended December 31, 2023, compared to net profit of S/1,374.1 million for the year ended December 31, 2022. The main factors that contributed to this result were increases of more than two fold in impairment loss on loans, net of recoveries, and of 1.0% in other expenses. These factors were partially offset by increases of 12.6% in net interest and similar income, 4.1% in other income, and 2.0% in net fee income from financial services. .

Interbank's ROE was 11.2% for the year ended December 31, 2023, representing lower profitability compared to the 19.8% recorded for the year ended December 31, 2022.

### Interest and Similar Income

The following table presents the components of interest and similar income for our banking segment for the years ended December 31, 2023 and 2022.

	For the year ended December 31,		Change	
	2023	2022	(S/ in millions)	%
	(S/ in millions)			
<b>Interest and similar income</b>				
Interest on loan portfolio	5,230.9	4,171.6	1,059.3	25.4%
Interest on financial investments	525.6	447.5	78.1	17.5%
Interest on due from banks and inter-bank funds	319.5	155.3	164.2	105.7%
<b>Total</b>	<b>6,076.0</b>	<b>4,774.4</b>	<b>1,301.6</b>	<b>27.3%</b>
<b>Nominal average rate</b>	<b>8.9%</b>	<b>7.2%</b>	<b>—</b>	<b>—</b>

Interest and similar income increased 27.3% due to a 25.4% increase in interest on loan portfolio, a 17.5% increase in interest on financial investment and a 105.7% increase in interest on due from banks and inter-bank funds.

Interest on loan portfolio grew S/1,059.3 million, or 25.4%, due to increases of 180 basis points in the nominal average rate and 5.7% in the average volume. The higher average rate on loans, from 9.4% in 2022 to 11.2% in 2023, was due to yield increases in the commercial and consumer portfolios, and mortgages to a lesser extent. The higher average volume of loans was attributed to growth of 13.4% in retail loans, partially offset by a 3.9% decrease in commercial loans. In the retail portfolio, the higher average volume was mainly due to increases of 17.3% in consumer loans and 7.2% in mortgages. The reduction in commercial loans was attributed to decreases of 7.3% in working capital loans and 4.8% in trade finance loans, partially offset by growth of 16.4% in leasing operations.

Interest on financial investments increased S/78.1 million, or 17.5%, due to growth of 60 basis points in the average yield and 4.6% in the average volume. The higher average yield, from 4.2% in 2022 to 4.8% in 2023, was due to higher returns on CDBCR and corporate bonds, partially offset by lower returns on sovereign bonds. The higher average volume was a result of increases in balances of CDBCR and sovereign bonds, partially compensated by lower positions in global and corporate bonds.

Interest on due from banks and inter-bank funds increased by S/164.2 million, or more than two-fold, explained by a 190 basis point increase in the nominal average rate, from 1.3% in 2022 to 3.2% in 2023, partially offset by a 14.2% decrease in the average volume.

As a result of the above, the nominal average yield on interest-earning assets expanded 170 basis points, from 7.2% for in 2022 to 8.9% in 2023.

#### *Interest and Similar Expenses*

The following table presents the components of interest and similar expenses for our banking segment for the years ended December 31, 2023 and 2022.

	For the year ended December 31,		Change	
	2023	2022	(S/ in millions)	%
	(S/ in millions)			
<b>Interest and Similar Expenses</b>				
Interest and fees on deposits and obligations	(1,657.6)	(901.2)	(756.4)	83.9%
Interests on bonds, notes and other obligations	(249.4)	(358.3)	108.9	(30.4%)
Interest and fees on obligations with financial institutions and others	(456.8)	(217.4)	(239.4)	110.1%
<b>Total</b>	<b>(2,363.8)</b>	<b>(1,476.9)</b>	<b>(886.9)</b>	<b>60.0%</b>
<b>Nominal average rate</b>	<b>4.0%</b>	<b>2.5%</b>	—	—

Interest and similar expense increased 60.0% mainly due to an 83.9% increase in interest on deposits and obligations, and a 110.1% increase in interest on obligations with financial institutions and others, partially offset by a 30.4% decrease in interest on bonds, notes and other obligations.

Interest and fees on deposits and obligations increased S/756.4 million, or 83.9%, explained by a 160 basis point increase in the average cost, from 2.0% in 2022 to 3.6% in 2023, as a result of higher rates paid to institutional, commercial and retail deposits, associated with higher reference rates globally. The 3.0% increase in the average volume was explained by higher balances of institutional and retail deposits, partially compensated by lower balances of commercial deposits.

Interest and fees on obligations with financial institutions and others increased 110.1% for the year ended December 31, 2022 compared to December 31, 2023, as a result of a 250 basis point increase in the average cost, from 2.9% in 2022 to 5.4% in 2023, as well as an 11.8% increase in the average volume. The higher average cost was due to higher rates in funding provided by correspondent banks abroad and by the Central Reserve Bank of Peru, partially compensated by lower rates in inter-bank funds. The higher average volume was related to higher balances in funding from correspondent banks abroad, COFIDE and inter-bank funds, partially offset by lower funding provided by the Central Reserve Bank of Peru.

Interest on bonds, notes and other obligations decreased mainly due a 27.5% reduction in the average volume, attributable to the maturity and repayment of a senior international bond, as well as local subordinated bonds throughout the year.

The average cost of funding increased 150 basis points, from 2.5% in 2022 to 4.0% in 2023, in line with the higher average cost of deposits and on due to banks and correspondents.

#### Impairment Loss on Loans, Net of Recoveries

The following table presents the components of impairment loss on loans, net of recoveries for our banking segment for the years ended December 31, 2023 and 2022.

	For the year ended December 31,		Change	
	2023	2022	(S/ in millions)	%
<b>Impairment loss on loans, net of recoveries</b>	(1,982.0)	(832.9)	(1,149.1)	138.0%
Past-due loan ratio (at period end)	3.5%	3.0%	—	—
Provision expense as a percentage of average total loans	4.3%	1.9%	—	—
Coverage ratio <sup>(1)</sup>	156.8%	173.5%	—	—
Impairment allowance for loans	2,349.3	2,027.5	312.8	15.9%

(1) Coverage ratio is calculated by dividing allowances for loan losses as a percentage of past due loans.

Impairment loss on loans, net of recoveries increased S/1,149.1 million, or more than two-fold when compared to the previous year. The increase in provision expenses was mainly due to the deterioration of the macroeconomic outlook in Peru, social and climatic events that took place at the beginning of the year and provisions as a result of the impact to the retail and commercial portfolio caused by the “*El Niño*” phenomenon.

Interbank’s coverage ratio decreased from 173.5% for the year ended December 31, 2022 compared to 156.8% for the year ended December 31, 2023, as a result of the aforementioned factors.

#### Fee Income from Financial Services, Net

The following table presents the components of fee income from financial services, net for our banking segment for the years ended December 31, 2023 and 2022.

	For the year ended December 31,		Change	
	2023	2022	(S/ in millions)	%
<b>Income</b>				
Maintenance and mailing of accounts, transfer fees and commissions on credit and debit card	752.8	707.3	45.5	6.4%
Commissions for banking services	319.3	322.8	(3.5)	(1.1%)
Fees from indirect loans	68.4	70.0	(1.7)	(2.4%)
Collection services fees	60.7	61.0	(0.3)	(0.5%)
Others	40.8	48.3	(7.5)	(15.5%)
<b>Total</b>	<b>1,242.0</b>	<b>1,209.4</b>	<b>32.6</b>	<b>2.7%</b>
<b>Expenses</b>				
Credit cards	(199.5)	(164.7)	(34.7)	21.1%
Debtor’s life insurance premiums	(71.8)	(97.4)	25.6	(26.3%)
Fees paid to foreign banks	(26.3)	(24.9)	(1.4)	5.5%
Others	(131.2)	(124.7)	(6.5)	5.2%
<b>Total</b>	<b>(428.7)</b>	<b>(411.7)</b>	<b>(17.0)</b>	<b>4.1%</b>
<b>Net</b>	<b>813.3</b>	<b>797.7</b>	<b>15.6</b>	<b>2.0%</b>

The S/15.6 million, or 2.0%, increase in net fee income from financial services for the year ended December 31, 2023 as compared to the year ended December 31, 2022, was mainly due to higher commissions across most products and services.

#### Other Income

The following table presents the components of other income for our banking segment for the years ended December 31, 2023 and 2022.

	For the year ended December 31,		Change	
	2023	2022	(S/ in millions)	%
Net gain on foreign exchange transactions	306.4	380.2	(73.7)	(19.4%)
Net gain on sale of financial investments	(0.7)	(12.3)	11.6	(94.6%)
Net gains on financial assets at fair value through profit or loss	80.7	(5.9)	86.6	n.m.
Other	108.3	113.5	(5.2)	(4.6%)
<b>Other income</b>	<b>494.8</b>	<b>475.4</b>	<b>19.3</b>	<b>4.1%</b>

n.m. means not meaningful.

Other income increased by 4.1% for the year ended December 31, 2023 as compared to the year ended December 31, 2022, mainly due to an increase in net gain on financial assets at fair value through profit or loss.

#### Other Expenses

The following table presents the components of other expenses for our banking segment for the years ended December 31, 2023 and 2022.

	For the year ended December 31,		Change	
	2023	2022	(S/ in millions)	%
Salaries and employee benefits	(621.8)	(656.6)	34.8	(5.3%)
Administrative expenses	(977.7)	(931.0)	(46.8)	5.0%
Depreciation and amortization	(271.5)	(257.2)	(14.3)	5.6%
Other	(78.8)	(86.0)	7.2	(8.4%)
<b>Total other expenses</b>	<b>(1,949.9)</b>	<b>(1,930.8)</b>	<b>(19.1)</b>	<b>1.0%</b>

Other expenses increased by 1.0% for the year ended December 31, 2023 as compared to the year ended December 31, 2022, mainly as a result of higher expenses in technology, as well as marketing expenses related to credit cards.

Our efficiency ratio was 37.3% for the year ended December 31, 2023 as compared to 40.4% recorded for the year ended December 31, 2022.

#### Income Before Translation Result and Income Tax

Income before translation result and income tax was S/1,088.5 million for the year ended December 31, 2023, representing a decline compared to the S/1,806.1 million gain recorded for the year ended December 31, 2022, for the reasons discussed above.

#### Insurance

Interseguro adopted for the first time IFRS 17 “Insurance Contracts,” effective for annual periods beginning on or after January 1, 2023. IFRS 17 replaces IFRS 4 “Insurance Contracts” for annual periods starting on or after January 1, 2023. We have applied IFRS 17 retrospectively and restated comparative information for 2022.



Interseguro's profit attributable to shareholders for the year ended December 31, 2023 was S/292.1 million compared to a S/255.5 million profit for the year ended December 31, 2022 a S/77.0 million increase in other income, mostly explained by gains on financial assets at fair value, in addition to a S/74.5 million improvement in insurance results. These factors were partially offset by a decrease of S/85.5 million in net interest and similar income, as well as an increase of S/32.4 million in other expenses.

#### *Net Interest and Similar Income*

The following table presents the components of net interest and similar income for our insurance segment for the years ended December 31, 2023 and 2022.

	For the year ended December 31,		Change	
	2023	2022(restated) <sup>(1)</sup>	(S/ in millions)	%
	(S/ in millions)			
Interest and similar income	851.6	940.9	(89.2)	(9.5%)
Interest and similar expense	(126.7)	(130.0)	3.3	(2.6%)
<b>Net interest and similar income</b>	<b>724.9</b>	<b>810.8</b>	<b>(85.9)</b>	<b>(10.6%)</b>

(1) Our insurance segment information for 2022 was restated as a result of the first adoption of IFRS 17. See Note 3.2 to the audited annual consolidated financial statements for further information.

Net interest and similar income decreased 10.6%, or S/85.9 million, mainly due to a S/89.2 million decrease in interest and similar income, partially offset by a S/3.3 million decrease in interest and similar expense.

#### *Other Income, Net*

The following table presents the components of other income for our insurance segment for the years ended December 31, 2023 and 2022.

	For the year ended December 31,		Change	
	2023	2022(restated) <sup>(1)</sup>	(S/ in millions)	%
	(S/ in millions)			
Net gain (loss) on sale of financial investments	9.9	(1.6)	11.6	n.m.
Net gain (loss) on financial assets at fair value through profit or loss	19.1	(87.1)	106.2	n.m.
Rental income	66.0	65.5	0.4	0.7%
Net gain on investment property valuation	7.1	19.1	(12.0)	(62.9%)
Other	20.8	49.9	(29.1)	(58.3%)
<b>Other income, net</b>	<b>122.9</b>	<b>45.9</b>	<b>77.0</b>	<b>n.m.</b>

n.m. means not meaningful.

(1) Our insurance segment information for 2022 was restated as a result of the first adoption of IFRS 17. See Note 3.2 to the audited annual consolidated financial statements.

Other income increased by S/77.0 million, mainly due to S/106.2 million increase in net gain on financial assets at fair value through profit or loss and S/11.6 million increase in net gain on sale of financial investments. These factors were partially offset by S/29.1 million reduction in other income and S/12.0 decrease in net gain on investment property valuation.

#### *Recovery (Loss) due to Impairment of Financial Investments*

Recovery (loss) due to impairment of financial investments was negligible for the year ended December 31, 2022, compared to S/7.9 million in the year December 31, 2023.

*Insurance Results:*

The following table presents the components of the insurance results for the year ended December 31, 2023 and 2022.

	For the year ended December 31,		Change	
	2023	2022	(S/ in millions)	%
Insurance income	710.9	673.8	37.1	5.5%
Insurance expenses	(889.3)	(926.7)	37.4	(4.0%)
<b>Total insurance results</b>	<b>(178.4)</b>	<b>(252.9)</b>	<b>74.5</b>	<b>(29.5%)</b>

*Insurance Income:*

The following table presents the components of the insurance income for the year ended December 31, 2023 and 2022.

	For the year ended December 31,		Change	
	2023	2022	(S/ in millions)	%
Annuities	277.3	267.6	9.7	3.6%
Individual life	92.3	76.2	16.1	21.2%
Retail insurance	341.3	330.1	11.2	3.4%
<b>Total insurance income</b>	<b>710.9</b>	<b>673.8</b>	<b>37.1</b>	<b>5.5%</b>

Insurance income was S/ 710.9 million in 2023, an increase of S/ 37.1 million, or 5.5%. The yearly performance was mainly explained by growth of S/ 16.1 million in individual life, S/ 11.2 million in retail insurance and S/ 9.7 million in annuities.

*Insurance Expenses:*

The following table presents the components of the insurance expenses for the year ended December 31, 2023 and 2022.

	For the year ended December 31,		Change	
	2023	2022	(S/ in millions)	%
Annuities	(845.6)	(944.1)	98.6	(10.4%)
Individual life	30.7	74.5	(43.9)	(58.8%)
Retail insurance	(74.3)	(57.1)	(17.3)	(30.2%)
<b>Total insurance expenses</b>	<b>(889.2)</b>	<b>(926.7)</b>	<b>37.4</b>	<b>(4.0%)</b>

Insurance expenses were S/ 889.2 million in 2023, a decrease of S/ 37.4 million, or 4.0%. The yearly decrease was explained by decreases in expenses of S/ 98.6 million in annuities, partially offset by increases of S/ 43.9 million in individual life and S/ 17.3 million in retail insurance.

## Other Expenses

The following table presents the components of other expenses for our insurance segment for the year ended December 31, 2023 and 2022.

	For the year ended December 31,		Change	
	2023	2022(restated) <sup>(1)</sup>	(S/ in millions)	%
	(S/ in millions)			
Salaries and employee benefits	(104.7)	(71.5)	(33.2)	46.5%
Administrative expenses	(74.5)	(61.0)	(13.5)	22.2%
Depreciation and amortization	(21.7)	(23.7)	2.0	(8.5%)
Expenses related to rental income	(6.1)	(7.8)	1.7	(22.3%)
Other	(167.6)	(178.2)	10.6	(6.0%)
<b>Total other expenses</b>	<b>(374.6)</b>	<b>(342.2)</b>	<b>(32.4)</b>	<b>9.5%</b>

(1) Our insurance segment information for 2022 was restated as a result of the first adoption of IFRS 17. See Note 3.2 to the audited annual consolidated financial statements.

Other expenses increase by S/32.4 million for the year ended December 31, 2023, when compared to the year ended December 31, 2022, mainly due to higher salaries and employee's benefits, as well as increased administrative expenses. These factors were partially offset by a decrease in other expenses.

## Wealth Management

Inteligo's profit was S/36.2 million in 2023, a positive performance compared to the loss of S/141.4 million reported in 2022. This was mainly attributable to investment portfolio recovery, from reported losses of S/244.5 million in 2022 to S/40.2 million in 2023, due to a lower loss on proprietary portfolio investments held at fair value through profit and loss.

Inteligo's ROE was 4.0% for the year ended December 31, 2023, a positive result compared to 2022. This was mainly attributable to the recovery of the proprietary portfolio, partially offset by a 18.4% decrease in net interest and similar income, mainly as a result of higher interest expenses, and a 10.5% contraction in net fee income from financial services, due to lower fees from funds management.

## Interest and Similar Income

The following table presents the components of interest and similar income for our wealth management segment for the years ended December 31, 2023 and 2022.

	For the year ended December 31,		Change	
	2023	2022	(S/ in millions)	%
	(S/ in millions)			
Interest and similar income				
Interest on loan portfolios	94.0	77.4	16.7	21.5%
Interest on financial investments	51.6	61.8	(10.2)	(16.6%)
Interest due from banks and inter-bank funds	38.3	15.9	22.4	140.7%
<b>Total</b>	<b>183.9</b>	<b>155.1</b>	<b>28.8</b>	<b>18.6%</b>
<b>Nominal average rate</b>	<b>4.1%</b>	<b>3.0%</b>	—	—

n.m. means not meaningful.

Interest and similar income increased 18.6% mainly due to increases of 140.7% and 21.5% in interest due from banks and inter-bank funds and interest on loan portfolios, partially offset by a decrease in interest on financial investments of 16.6%.

Interest on loan portfolios increased by S/16.7 million, mainly due to increase in the average rate despite a decrease in average loans outstanding. Interest on financial investments decreased by S/10.2 million, mainly due to lower dividends received from equity investments during 2022. Interest due from banks and inter-bank funds increased S/22.4 million, mainly attributable to an increase in the average rate of term deposits.

### *Interest and Similar Expenses*

The following table presents the components of interest and similar expenses for our wealth management segment for the years ended December 31, 2023 and 2022.

	For the year ended December 31,		Change	
	2023	2022	(S/ in millions)	%
Interest and similar expenses				
Interest and fees on deposits and obligations	(93.6)	(43.9)	(49.7)	113.3%
Interests on bonds, notes and other obligations	(0.7)	(3.1)	2.4	(78.3%)
Interest and fees on obligations with financial institutions and others	(4.1)	(3.4)	(0.7)	22.1%
<b>Total</b>	<b>(98.4)</b>	<b>(50.3)</b>	<b>(48.1)</b>	<b>95.5%</b>
<b>Nominal average rate</b>	<b>2.7%</b>	<b>1.2%</b>	<b>—</b>	<b>—</b>

Interest and similar expenses decreased S/48.1 million mainly due to decreases of 113.3% in interest and similar expenses and 22.1% in interest and fees on obligations with financial institutions and others.

Interest and similar expenses increased S/49.7 million due to as a result of a higher interest expense on deposits, which was attributed to the increases in the reference interest rate of the US Federal Reserve. Interest on bonds, notes and other obligations decreased S/2.4 million primarily as a result of one-time expenses in 2022. Interest and fees on obligations with financial institutions and others increased S/0.7 million due to an increase in a line of loans in the second half of 2023.

### *Impairment Loss on Loans, Net of Recoveries*

Inteligo's loan portfolio had no delinquencies for the years ended December 31, 2023 and 2022. Inteligo's impairment gain on loans was S/0.2 million for the year ended December 31, 2023.

### *Recovery (Loss) due to Impairment of Financial Investments*

For the year ended December 31, 2023, Inteligo's impairment loss on financial investments was S/0.3 million, as compared to a S/12.0 million loss for the year ended December 31, 2022.

### Fee Income from Financial Services, Net

The following table presents the components of fee income from financial services, net for our wealth management segment for the years ended December 31, 2023 and 2022.

	For the year ended December 31,		Change	
	2023	2022	(S/ in millions)	%
<b>Income</b>				
Maintenance and mailing of accounts, transfer fees and commissions on credit and debit card	2.6	2.9	(0.4)	(12.9%)
Funds management fees	137.3	154.1	(16.9)	(10.9%)
Brokerage and custody services fees	6.8	6.8	(0.1)	(1.1%)
Others	1.1	1.2	(0.1)	(6.5%)
<b>Total</b>	<b>147.7</b>	<b>165.1</b>	<b>(17.4)</b>	<b>(10.5%)</b>
<b>Expenses</b>				
Brokerage and custody services	(0.7)	(0.8)	0.2	(18.5%)
Others	(0.8)	(0.9)	0.1	(16.0%)
<b>Total</b>	<b>(1.4)</b>	<b>(1.7)</b>	<b>0.3</b>	<b>(17.2%)</b>
<b>Net</b>	<b>146.2</b>	<b>163.3</b>	<b>(17.1)</b>	<b>(10.5%)</b>

Fee income from financial services, net for the year ended December 31, 2023 was S/146.2 million, a S/17.1 million, or 10.5%, decrease compared to the year ended December 31, 2022. This decrease was mainly attributable to lower fund management fees and lower brokerage fees due to decreased trading volumes.

### Other Income, net

The following table presents the components of other income for our wealth management segment for the years ended December 31, 2023 and 2022.

	For the year ended December 31,		Change	
	2023	2022	(S/ in millions)	%
Net gain (loss) on sale of financial investments	(2.9)	(41.7)	38.8	(93.1)%
Net gain (loss) on financial assets at fair value through profit or loss	(33.9)	(201.1)	167.2	(83.2)%
Other	(3.5)	(1.6)	(1.8)	n.m.
<b>Other Income</b>	<b>(40.2)</b>	<b>(244.5)</b>	<b>204.2</b>	<b>(83.6)%</b>

n.m. means not meaningful.

Other income, net increased to negative S/40.2 million for the year ended December 31, 2023, mainly attributable to positive mark-to-market valuations on investments.

### Other Expenses

The following table presents the components of other expenses for our wealth management segment for the years ended December 31, 2023 and 2022.

	For the year ended		Change	
	December 31,			
	2023	2022	(S/ in millions)	%
Salaries and employee benefits	(89.5)	(84.0)	(5.5)	6.5%
Administrative expenses	(46.7)	(45.1)	(1.5)	3.4%
Depreciation and amortization	(15.0)	(15.0)	0.0	(0.2%)
Other	(2.4)	(1.3)	(1.1)	86.2%
<b>Total Other Expenses</b>	<b>(153.6)</b>	<b>(145.5)</b>	<b>(8.1)</b>	<b>5.6%</b>

Total other expenses increased by S/8.1 million, or 5.6%, for the year ended December 31, 2023 mainly due to higher salaries and employee's benefits, as well as increased administrative expenses.

Inteligo's efficiency ratio is calculated by dividing salaries and employee benefits plus administrative expenses plus depreciation and amortization by net interest and similar income plus net fee income from financial services plus other income. Our wealth management segment's efficiency ratio showed a result of 78.9% for the year ended December 31, 2023 from a not meaningful result for the year ended December 31, 2022, mainly due to positive revenues.

### Payments

Izipay's consolidated revenues and net profit for the year ended December 31, 2023 were S/815.9 million and S/33.1 million, respectively, compared to consolidated revenues of S/595.4 million and net profit of S/41.1 million in 2022, since the date of its acquisition in April 2022. As a reference, for the year ended December 31, 2022, including the period prior to its acquisition, Izipay had consolidated revenues of S/754.3 million and consolidated net profit of S/51.2 million.

The positive performance from Izipay during the year 2023 is mainly explained by a 2.0% growth in net fee income from financial services, in turn attributed to higher income from payments acquirer, as a result of increases in the number of merchants and monetary transactions of 25.0% and 12.6%, respectively. The positive results were partly impacted by a 12.9% increase in other expenses, mainly due to higher administrative expenses given the rise in business activity.

Izipay's ROE was 14.0% for the year ended December 31, 2023, as compared to a ROE of 26.7% for the period starting in April 2022, when it became a consolidated subsidiary, until December 31, 2022.

### Financial Condition as of December 31, 2022 Compared to December 31, 2021

The following table sets forth the principal components of our consolidated statement of financial position as of December 31, 2022 and December 31, 2021. The information for the years 2022 and 2021 is reported under IFRS 4 for comparison purposes. The balances under IFRS 4 were also provided in our 2022 Annual Report on Form 20-F.

	As of	As of	Change	
	December 31,	December 31,		
	2022	2021 <sup>(1)</sup>	(S/ in millions)	%
<b>Assets</b>				
Cash, due from banks and inter-banks funds	13,489.5	17,134.5	(3,644.9)	(21.3%)
Financial investments	22,787.6	24,547.3	(1,759.7)	(7.2%)
Loans, net of unearned interest	47,530.9	45,070.5	2,460.4	5.5%
Impairment allowance for loans	(2,207.9)	(2,064.9)	37.1	(1.8%)
Investment property	1,287.7	1,224.5	63.3	5.2%
Property, furniture and equipment, net	791.4	815.1	(23.7)	(2.9%)
Intangibles and goodwill, net	1,633.2	1,044.7	588.5	56.3%
Other assets	1,990.2	2,182.2	(192.1)	(8.8%)
<b>Total assets</b>	<b>87,482.6</b>	<b>89,953.9</b>	<b>(2,471.3)</b>	<b>(2.7%)</b>
<b>Liabilities and equity</b>				
Deposits and obligations	48,530.7	48,897.9	(367.2)	(0.8%)

	As of	As of	Change	
	December 31, 2022	December 31, 2021 <sup>(1)</sup>	(S/ in millions)	%
Due to banks and correspondents and inter-bank funds	7,130.7	8,522.8	(1,392.2)	(16.3%)
Bonds, notes and other obligations	7,906.3	8,389.7	(483.4)	(5.8%)
Insurance contract liabilities	10,602.4	11,958.1	(1,355.7)	(11.3%)
Other liabilities	3,266.6	2,630.0	636.6	24.2%
<b>Total liabilities</b>	<b>77,436.7</b>	<b>80,398.5</b>	<b>(2,961.9)</b>	<b>(3.7%)</b>
<b>Equity, net</b>				
Equity attributable to IFS's shareholders	9,991.2	9,504.0	487.1	5.1%
Non-controlling interest	54.8	51.3	3.5	6.7%
<b>Total equity, net</b>	<b>10,046.0</b>	<b>9,555.4</b>	<b>490.6</b>	<b>5.1%</b>
<b>Total liabilities and equity net</b>	<b>87,482.6</b>	<b>89,953.9</b>	<b>(2,471.3)</b>	<b>(2.7%)</b>

(1) The comparative financial information for 2021 is reported by IFRS 4. See Note 3.2 to the audited annual consolidated financial statements.

Our assets were S/87,482.6 million as of December 31, 2022, a 2.7% decrease from S/89,953.9 million as of December 31, 2021. This was mainly driven by a decrease of 21.3% in cash, due to from banks and inter-banks funds, 7.2% in financial investments and 1.8% in impairment allowance for loans. These factors were partially offset by growth of 5.5% in loans, net of unearned interest.

The decrease in cash, due to from banks and inter-banks funds resulted mainly from lower deposits at the Central Reserve Bank of Peru. The decrease in financial investments resulted from lower volumes of sovereign bonds, Central Reserve Bank of Peru Certificates of Deposits ("CDBCR") and corporate bonds. The decrease in impairment allowance for loans occurred mainly at Interbank. The increase in loans, net of unearned interest was mainly the result of higher retail loans balances at Interbank, which was primarily due to increases in consumer loans and mortgages. This increase was partially offset by lower commercial loan balances due to decreases in short and medium-term lending, as well as lower leasing operations, in both cases across all business segments.

Our liabilities reached S/77,436.7 million as of December 31, 2022, a 3.7% decrease from S/80,398.5 million as of December 31, 2021. This was mainly driven by a 16.3% decrease in due to banks and correspondents and inter-banks funds, 11.3% decrease in insurance contract liabilities, and 5.8% decrease in bonds, notes and other obligations.

Our net equity was S/10,046.0 million as of December 31, 2022, a 5.1% increase from S/9,555.4 million as of December 31, 2021, mainly as a result of higher retained earnings.

For more information of our liquidity, capital resources and commitments and obligations, see "Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources."

## Results of Operations for the Year Ended December 31, 2022 Compared to the Year Ended December 31, 2021

The following table sets forth the principal components of our consolidated profit for the years ended December 31, 2022 and 2021. Due to the adoption of IFRS 17, the 2021 results of operations are not comparable to those of 2023 and 2022. As such, the commentary for the year 2022 compared to 2021 as shown below is based on our financial information as previously reported under IFRS 4 for comparison purposes. The commentary on this basis was also provided in our 2022 Annual Report on Form 20-F.

	For the year ended December 31,			
	2022	2021	Change	
	(S/ in millions)	(S/ in millions)	(S/ in millions)	%
Interest and similar income	5,871.3	4,605.6	1,265.7	27.5%
Interest and similar expenses	(1,662.1)	(1,057.9)	(604.2)	57.1%
<b>Net interest and similar income</b>	<b>4,209.2</b>	<b>3,547.7</b>	<b>661.5</b>	<b>18.6%</b>
Impairment loss on loans, net of recoveries	(830.6)	(381.6)	(449.0)	117.7%
Recovery (loss) due to impairment of financial investments	(12.8)	30.9	(43.6)	(141.3%)

	For the year ended December 31,			
	2022	2021	Change	
	(S/ in millions)		(S/ in millions)	%
<b>Net interest and similar income after impairment loss</b>	<b>3,365.9</b>	<b>3,197</b>	<b>168.9</b>	<b>5.3%</b>
Fee income from financial services, net	1,137.4	823.8	313.6	38.1%
Other income	542.4	905.6	(363.2)	(40.1%)
<b>Total net premiums earned minus claims and benefits</b>	<b>(191.8)</b>	<b>(272.1)</b>	<b>80.3</b>	<b>(29.5%)</b>
<b>Total other expenses</b>	<b>(2,683.9)</b>	<b>(2,262.8)</b>	<b>(421.1)</b>	<b>18.6%</b>
<b>Income before translation result and income tax</b>	<b>2,170.0</b>	<b>2,391.6</b>	<b>(221.6)</b>	<b>(9.3%)</b>
Translation result	(36.8)	(89.3)	52.5	(58.8%)
Income Tax	(462.5)	(502.1)	39.6	(7.9%)
<b>Net profit for the year</b>	<b>1,670.6</b>	<b>1,800.2</b>	<b>(129.5)</b>	<b>(7.2%)</b>
<b>Attributable profit to:</b>				
<b>IFS' shareholders</b>	<b>1,660.6</b>	<b>1,790.2</b>	<b>(129.6)</b>	<b>(7.2%)</b>
<b>Non-controlling interest</b>	<b>10.1</b>	<b>10.0</b>	<b>0.1</b>	<b>0.5%</b>

Our net profit was S/1,670.6 million for the year ended December 31, 2022, a 7.2% decrease as compared to 2021. The deterioration in net profit was mainly driven by a significant increase of S/449.0 million in impairment loss on loans and decrease of S/363.2 million in other income, an increase of S/421.1 million in other expenses, and a decrease of S/43.6 million in loss due to impairment of financial investments. These factors were partially offset by a S/661.5 million increase in net interest and similar income, an increase of S/313.6 in net fee income from financial services, and lower income tax.

Impairment loss on loans, net of recoveries increased from S/381.6 million as of December 31, 2021 to S/830.6 million as of December 31, 2022 mainly due to more than two-fold, compared to the previous year, in which there was a reversion of provisions due to the COVID-19 pandemic. The increase in provision expenses was mainly related to higher requirements in the retail and loan book, partially offset by lower requirements in the commercial loan book, associated with a deterioration of the macroeconomic outlook in Peru. The decrease in other income was mainly due to negative performance in our wealth management segment mainly supported by net gain of foreign exchange transactions and on financial assets at fair value through profit or loss at Interbank.

The increase in other expenses is mainly due to the extraordinary income of S/222.5 million due to Izipay's acquisition at fair value adjustment of the participation held by Interbank in Izipay, in addition to higher personnel and administrative expenses, as well as higher salaries and employee benefits across all four subsidiaries. The increase in administrative expenses was mainly related to marketing and credit card expenses, and IT services at Interbank.

The increase in net interest and similar income was mainly due to a slightly higher return of the fixed income portfolio at Interseguro and higher interest and similar expenses at Inteligo. This increase was partially offset by an increase in net interest and similar income at Interbank.

The decrease in net fee income from financial services was mainly due to lower fees at Inteligo, partially offset by higher commissions across most products and services at Interbank.

Our ROE was 17.7% in 2022, lower than the 19.3% reported in 2021, mainly due to an increase in impairment loss on loans, net of recoveries and a decrease in other income and net fee income from financial services, partially offset by an increase in net interest and similar income.



## Results of Operations by Segment

The following table presents an overview of certain consolidated income statement data for each of our segments for the years ended December 31, 2022 and 2021.

	Banking		Insurance		Wealth Management		Payments (1)		Holding and eliminations		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Interest and similar income	4,774.4	3,636.8	940.9	803.0	155.1	154.3	1.6	—	(0.7)	11.5	5,871.3	4,605.6
Interest and similar expenses	(1,476.9)	(893.1)	(130.5)	(117.5)	(50.3)	(39.8)	(1.3)	—	(3.1)	(7.5)	(1,662.1)	(1,057.9)
<b>Net interest and similar income</b>	<b>3,297.4</b>	<b>2,743.7</b>	<b>810.4</b>	<b>685.4</b>	<b>104.8</b>	<b>114.5</b>	<b>0.3</b>	<b>—</b>	<b>(3.8)</b>	<b>4.0</b>	<b>4,209.2</b>	<b>3,547.7</b>
Impairment loss on loans, net of recoveries	(832.9)	(379.0)	—	—	2.4	(2.5)	—	—	—	—	(830.6)	(381.6)
Recovery (loss) due to impairment of financial investments	(0.7)	(0.5)	—	33.2	(12.0)	(1.6)	—	—	—	(0.2)	(12.8)	30.9
<b>Net interest and similar income after impairment loss</b>	<b>2,463.8</b>	<b>2,364.2</b>	<b>810.4</b>	<b>718.6</b>	<b>95.2</b>	<b>110.3</b>	<b>0.3</b>	<b>—</b>	<b>(3.8)</b>	<b>3.9</b>	<b>3,365.9</b>	<b>3,197.0</b>
Fee income from financial services, net	797.7	677.5	(7.2)	(6.8)	163.3	197.0	258.7	—	(75.2)	(43.8)	1,137.4	823.8
Other income	475.4	552.5	45.9	234.7	(244.5)	136.1	36.0	—	229.5	(17.6)	542.4	905.6
<b>Total net premiums earned minus claims and benefits</b>	<b>—</b>	<b>—</b>	<b>(191.8)</b>	<b>(272.0)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(191.8)</b>	<b>(272.1)</b>
<b>Total other expenses</b>	<b>(1,930.8)</b>	<b>(1,787.9)</b>	<b>(399.0)</b>	<b>(350.3)</b>	<b>(145.5)</b>	<b>(143.4)</b>	<b>(232.8)</b>	<b>—</b>	<b>24.1</b>	<b>18.8</b>	<b>(2,683.9)</b>	<b>(2,262.8)</b>
<b>Income (loss) before translation result and income tax</b>	<b>1,806.1</b>	<b>1,806.2</b>	<b>258.4</b>	<b>324.2</b>	<b>(131.5)</b>	<b>299.9</b>	<b>62.3</b>	<b>—</b>	<b>174.6</b>	<b>(38.8)</b>	<b>2,170.0</b>	<b>2,391.6</b>
Translation result	(22.8)	7.2	(10.4)	(51.5)	(7.1)	(7.6)	2.3	—	1.2	(37.5)	(36.8)	(89.3)
Income tax	(409.2)	(453.2)	—	—	(2.8)	(8.8)	(23.6)	—	(27.0)	(40.1)	(462.5)	(502.1)
<b>Net profit (loss) for the year</b>	<b>1,374.1</b>	<b>1,360.3</b>	<b>248.0</b>	<b>272.7</b>	<b>(141.4)</b>	<b>283.5</b>	<b>41.1</b>	<b>—</b>	<b>148.8</b>	<b>(116.4)</b>	<b>1,670.7</b>	<b>1,800.2</b>
<b>Attributable to:</b>												
<b>IFS' shareholders</b>	<b>1,374.1</b>	<b>1,360.3</b>	<b>248.0</b>	<b>272.7</b>	<b>(141.4)</b>	<b>283.5</b>	<b>41.1</b>	<b>—</b>	<b>138.8</b>	<b>(126.4)</b>	<b>1,660.6</b>	<b>1,790.2</b>
<b>Non-controlling interest</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>10.1</b>	<b>10.0</b>	<b>10.1</b>	<b>10.0</b>

(1) Reflects information for Izipay since the acquisition of the remaining 50% equity interest in Izipay in April 2022.

The discussion below covers each of our reported segments and corresponds to information before adjustments and eliminations for consolidation, as of and for the years ended December 31, 2022 and 2021, in accordance with IFRS.

### **Banking**

Interbank's net results were profit of S/1,374.1 million for the year ended December 31, 2022, compared to net profit of S/1,360.3 million for the year ended December 31, 2021. The main factors that contributed to this result were the lower income tax due to the deterioration in profitability, in addition to a 20.2% increase in net interest and similar income, a 17.8% increase in net fee income from financial services and a 14.0% increase in other income. These factors were partially offset by the 119.7% increase in impairment loss on loans and an 8.0% increase in other expenses.

Interbank's ROE was 19.8% for the year ended December 31, 2022, representing a slight decline in profitability compared to the 21.0% recorded for the year ended December 31, 2021.

### *Interest and Similar Income*

The following table presents the components of interest and similar income for our banking segment for the years ended December 31, 2022 and 2021.

	For the year ended December 31,		Change	
	2022	2021	(S/ in millions)	%
	(S/ in millions)			
<b>Interest and similar income</b>				
Interest on loan portfolio	4,171.6	3,330.2	841.4	25.3%
Interest on financial investments	447.5	266.8	180.8	67.8%
Interest on due from banks and inter-bank funds	155.3	39.9	115.4	289.5%
<b>Total</b>	<b>4,774.4</b>	<b>3,636.8</b>	<b>1,137.6</b>	<b>31.3%</b>
<b>Nominal average rate</b>	<b>7.2%</b>	<b>5.3%</b>	<b>—</b>	<b>—</b>

Interest and similar income increased 31.3% due to a 25.3% increase in interest on loan portfolio, a 67.8% increase in interest on financial investment and a 289.5% increase in interest on due from banks and inter-bank funds.

The increase in interest on loan portfolio was mainly due to a 150 basis point increase in the average rate, as well as a 4.7% increase in average volume. The higher average rate on loans, from 7.9% in 2021 to 9.4% in 2022, was due to yield increases in both retail and commercial segments. In retail loans rates increased on other consumer loans and mortgages. In the commercial portfolio, rates increased on all types of loans. The higher average volume of loans was attributable to a 14.4% increase in retail loans, partially offset by a 4.1% decrease in commercial loans. In the retail portfolio, average volumes grew due to a 8.6% increase in mortgages, partially offset by a 18.4% increase in the average balance of consumer loans. In the commercial portfolio, the lower average volume was mainly due to a 12.1% decrease in short and medium-term loans, as well as 4.9% in leasing operations, partially offset by a 26.4% increase in trade finance loans.

Interest due from banks and inter-bank funds increased by S/115.4 million, or 289.5%, primarily as a result of 29.8% decline in the average volume and a 110 basis point increase in the nominal average rate. The decrease in the average volume was explained by lower deposits at the Central Reserve Bank of Peru.

The increase in interest on financial investments was primarily the result of an increase in average volumes, and by a 140 basis point increase in the average yield. The increase in the average volume was mainly the result of higher average balances of CDBCR and corporate bonds from non-financial institutions and sovereign bonds, partially offset by lower positions in global bonds and corporate bonds from financial institutions. The increase in the nominal average rate, from 2.8% in 2021 to 4.2% in 2022, was mainly explained by higher returns on all types of securities, especially CDBCR and corporate bonds from financial institutions.

As a result of the above, the nominal average yield on interest-earning assets increased 190 basis points, from 5.3% for the year ended December 31, 2021 to 7.2% for the year ended December 31, 2022.

### Interest and Similar Expenses

The following table presents the components of interest and similar expenses for our banking segment for the years ended December 31, 2022 and 2021.

	For the year ended December 31,		Change	
	2022	2021	(S/ in millions)	%
<b>Interest and Similar Expenses</b>				
Interest and fees on deposits and obligations	(901.2)	(369.8)	(531.4)	143.7%
Interests on bonds, notes and other obligations	(358.3)	(374.6)	16.2	(4.3%)
Interest and fees on obligations with financial institutions and others	(217.4)	(148.7)	(68.7)	46.2%
<b>Total</b>	<b>(1,476.9)</b>	<b>(893.1)</b>	<b>(583.9)</b>	<b>65.4%</b>
<b>Nominal average rate</b>	<b>2.5%</b>	<b>1.5%</b>	—	—

Interest and similar expense increased 65.4% mainly due to a 143.7% increase in interest on deposits and obligations, and a 46.2% increase in interest on due to banks and correspondents, partially offset by a 4.3% decrease in interest on bonds, notes and other obligations.

Interest and fees on deposits and obligations increased mainly due to a 120 basis point increase in the average cost, from 0.8% in 2021 to 2.0% in 2022 due to higher interest rate environment which resulted in an increase in rates payable on institutional, retail and commercial deposits, partially offset by 2.8% decrease in average volumes across all client segments. By currency, average balances of soles-denominated deposits increased 24.7% while average dollar-denominated deposits increased 29.1%.

Interest and fees on obligations with financial institutions and others increased from 46.2% for the year ended December 31, 2022 as compared to 2021, mainly due to a 120 basis points decrease in the average cost mainly due to higher rates payable on all types of funding, especially that provided by correspondent banks abroad and inter-bank funds, partially offset by 12.6% decrease in the average volume. The decrease in the average volume was due to lower funding provided by the Central Reserve Bank of Peru and COFIDE.

Interest on bonds, notes and other obligations decreased mainly due to 2.3% decrease in the average volume, mainly attributable to a 10 basis point decrease in the nominal average cost. These effects were mostly attributable to the maturity of local subordinated bonds for S/137.9 million in June 2022.

The average cost of funds decreased 100 basis points, from 1.5% for the year ended December 31, 2021 to 2.5% for the year ended December 31, 2022, in line with the higher implicit cost of interest-bearing liabilities.

### Impairment Loss on Loans, Net of Recoveries

The following table presents the components of impairment loss on loans, net of recoveries for our banking segment for the years ended December 31, 2022 and 2021.

	For the year ended December 31,		Change	
	2022	2021	(S/ in millions)	%
<b>Impairment loss on loans, net of recoveries</b>	<b>(832.9)</b>	<b>(379.0)</b>	<b>(453.9)</b>	<b>119.7%</b>
Past-due loan ratio (at period end)	3.0%	3.6%	—	—
Provision expense as a percentage of average total loans	1.9%	0.9%	—	—

	For the year ended December 31,		Change	
	2022	2021	(S/ in millions)	%
Coverage ratio <sup>(1)</sup>	173.5%	159.4%	—	—
Impairment allowance for loans	2,027.5	2,062.1	—	—

(1) Coverage ratio is calculated by dividing allowances for loan losses as a percentage of past due loans.

Impairment loss on loans, net of recoveries increased from S/379.0 million for the year ended December 31, 2021, in which there was a reversion of provisions due to the COVID-19 pandemic, to S/832.9 million for the year ended December 31, 2022 mainly reflecting the increase in provision expenses was mainly related to higher requirements in the retail and loan book, partially offset by lower requirements in the commercial loan book, associated with a deterioration of the macroeconomic outlook in Peru.

Interbank's coverage ratio increased from 159.4% for the year ended December 31, 2021 compared to 173.5 % for the year ended December 31, 2022, as a result of the aforementioned factors.

#### *Fee Income from Financial Services, Net*

The following table presents the components of fee income from financial services, net for our banking segment for the years ended December 31, 2022 and 2021.

	For the year ended December 31,		Change	
	2022	2021	(S/ in millions)	%
<b>Income</b>				
Maintenance and mailing of accounts, transfer fees and commissions on credit and debit card	707.3	561.0	146.3	26.1%
Commissions for banking services	322.8	299.8	23.0	7.7%
Fees from indirect loans	70.0	65.0	5.1	7.8%
Collection services fees	61.0	53.2	7.8	14.7%
Others	48.3	60.4	(12.1)	(20.1%)
<b>Total</b>	<b>1,209.4</b>	<b>1,039.3</b>	<b>170.1</b>	<b>16.4%</b>
<b>Expenses</b>				
Credit cards	(164.7)	(128.6)	(36.2)	28.1%
Debtor's life insurance premiums	(97.4)	(102.8)	5.5	(5.3%)
Fees paid to foreign banks	(24.9)	(31.8)	6.8	(21.6%)
Others	(124.7)	(98.7)	(26.0)	(26.4%)
<b>Total</b>	<b>(411.7)</b>	<b>(361.9)</b>	<b>(49.9)</b>	<b>13.8%</b>
<b>Net</b>	<b>797.7</b>	<b>677.5</b>	<b>120.2</b>	<b>17.8%</b>

The S/120.2 million, or 17.8 %, increase in net fee income from financial services for the year ended December 31, 2022 as compared to the year ended December 31, 2021, was mainly due to increases in commissions received across most products and services primarily attributable to the base effect of lower commissions from products and services in 2021 due to decreased business activity as a result of the COVID-19 pandemic.

### Other Income

The following table presents the components of other income for our banking segment for the years ended December 31, 2022 and 2021.

	For the yearended December 31,		Change	
	2022	2021		
	(S/ in millions)		(S/ in millions)	%
Net gain on foreign exchange transactions	380.2	423.0	(42.9)	(10.1%)
Net gain on sale of financial investments	(12.3)	100.9	(113.2)	(112.2%)
Net gains on financial assets at fair value through profit or loss	(5.9)	(56.4)	50.5	(89.5%)
Other	113.5	85.0	28.5	33.5%
<b>Other income</b>	<b>475.4</b>	<b>552.5</b>	<b>(77.1)</b>	<b>(14.0%)</b>

Other income decreased by 14% for the year ended December 31, 2022 as compared to the year ended December 31, 2021, mainly due to an decrease in net gain on foreign exchange transactions, as well as lower net results on financial assets at fair value through profit or loss, both effects associated with higher currency volatility.

### Other Expenses

The following table presents the components of other expenses for our banking segment for the years ended December 31, 2022 and 2021.

	For the year ended December 31,		Change	
	2022	2021		
	(S/ in millions)		(S/ in millions)	%
Salaries and employee benefits	(656.6)	(618.5)	(38.1)	6.2%
Administrative expenses	(931.0)	(832.8)	(98.2)	11.8%
Depreciation and amortization	(257.2)	(245.4)	(11.8)	4.8%
Other	(86.0)	(91.2)	5.2	(5.7%)
<b>Total other expenses</b>	<b>(1,930.8)</b>	<b>(1,787.9)</b>	<b>(142.9)</b>	<b>8.0%</b>

Other expenses increased 8.0% for the year ended December 31, 2022 as compared to the year ended December 31, 2021, mainly as a result of higher administrative expenses. The increase in administrative expenses was mainly due to higher marketing and credit card expenses and IT services.

Our efficiency ratio was 40.4% for the year ended December 31, 2022 as compared to 42.7% recorded for the year ended December 31, 2021.

### Income Before Translation Result and Income Tax

Results before translation result and income tax were S/1,806.1 million for the year ended December 31, 2022, representing an decline compared to the S/1,806.2 million gain recorded for the year ended December 31, 2021, for the reasons discussed above. This result was partially offset by lower effective tax rate in our banking segment.

### Insurance

Interseguro's profit attributable to shareholders for the year ended December 31, 2022 was S/248.0 million compared to a S/272.7 million profit for the year ended December 31, 2021 mainly due to a S/91.8 million increase in net interest and similar income, primarily due to a S/188.8 million decrease in other income, as well as a S/48.7 million increase in other expenses and for a S/33.2 million lower impairment recovery. These effects were partially offset by a S/80.2 million increase in total premiums earned minus claims and benefits, as well as a S/41.1 million increase in translation result.

### Net Interest and Similar Income

The following table presents the components of net interest and similar income for our insurance segment for the years ended December 31, 2022 and 2021.

	For the year ended December 31,		Change	
	2022	2021	(S/ in millions)	%
Interest and similar income	940.9	803.0	137.9	17.2%
Interest and similar expense	(130.5)	(117.5)	(12.9)	11.0%
<b>Net interest and similar income</b>	<b>810.4</b>	<b>685.4</b>	<b>125.0</b>	<b>18.2%</b>

Net interest and similar income increased 18.2% mainly due to a S/125.0 million increase in interest and similar income primarily attributable to S/137.9 million higher interest and similar income, partially offset by a S/12.9 million higher interest and similar expense.

### Other Income, Net

The following table presents the components of other income for our insurance segment for the years ended December 31, 2022 and 2021.

	For the year ended December 31,		Change	
	2022	2021	(S/ in millions)	%
Net gain (loss) on sale of financial investments	(6.4)	145.7	(152.1)	n.m
Net gain (loss) on financial assets at fair value through profit or loss	(82.3)	0.2	(82.5)	n.m
Rental income	65.5	57.4	8.1	14.1%
Net gain on investment property valuation	19.1	22.0	(2.8)	(12.8%)
Other	49.9	9.4	40.6	n.m
<b>Other income, net</b>	<b>45.9</b>	<b>234.7</b>	<b>(188.8)</b>	<b>(80.4%)</b>

n.m. means not meaningful.

Other income decreased S/188.8 million, mainly due to S/152.1 million decrease in net gain on sale of financial investments, S/82.5 million decrease in net gain (loss) of financial assets at fair value through profit or loss in rental income and S/2.8 million decrease in net gain on valuation of real estate investments. These factors were partially offset by S/40.6 million increase in other income and S/8.1 million increase in rental income.

### Recovery (Loss) due to Impairment of Financial Investments

Recovery (loss) due to impairment of financial investments was negligible for the year ended December 31, 2022, compared to a gain of S/33 million in the previous year, attributable to the greater volatility in the financial markets compared to 2021.

### Total Net Premiums Earned Minus Claims and Benefits

The following table presents the components of total premiums earned minus claims and benefits for our insurance segment for the years ended December 31, 2022 and 2021.

	For the year ended		Change	
	December 31,			
	2022	2021	(S/ in millions)	%
Premiums assumed	1,027.3	1,051.4	(24.2)	(2.3%)
Premiums ceded to reinsurers	(13.9)	(10.9)	(3.1)	28.3%
Adjustment of technical reserves	(345.1)	(395.3)	50.1	(12.7%)
Net claims and benefits incurred for life insurance contracts and others	(860.0)	(917.3)	57.4	(6.3%)
<b>Total net premiums earned minus claims and benefits</b>	<b>(191.8)</b>	<b>(272.0)</b>	<b>80.3</b>	<b>(29.5%)</b>

n.m. means not meaningful.

Total net premiums earned minus claims and benefits were S/191.8 million for the year ended December 31, 2022, compared to S/272.0 million for the year ended December 31, 2021. These results were primarily due to a S/57.4 million decrease in net claims and benefits incurred and a S/50.1 million decrease in adjustment of technical reserves, partially offset by S/27.3 million decrease in net premiums.

### Net Premiums

Net premiums represent the difference between premiums assumed and premiums ceded to reinsurers. The following table presents net premiums by business line for our insurance segment for the years ended December 31, 2022 and 2021.

	For the year ended		Change	
	December 31,			
	2022	2021	(S/ in millions)	%
Annuities <sup>(1)</sup>	486.3	622.8	(136.3)	(21.9%)
Individual Life	218.2	176.5	41.7	23.6%
Retail Insurance	308.7	241.3	67.5	28.0%
Credit Life Insurance	175.7	131.5	44.2	33.6%
Mandatory Traffic Accident (SOAT)	62.1	51.0	11.1	21.8%
Card Protection	36.3	33.1	3.2	9.7%
Others	34.6	25.7	8.9	34.6%
<b>Net Premiums<sup>(2)</sup></b>	<b>1,013.4</b>	<b>1,040.6</b>	<b>(27.2)</b>	<b>(2.6%)</b>

(1) Annuities include premiums from pension-related insurance (disability and survivorship).

(2) Temporary Private Annuities are not included as premiums assumed. Net premiums are premiums assumed net of premiums ceded.

Net premiums decreased 2.6% mainly due to decreases of (i) S/136.3 million in annuities primarily attributable to a market reduction of survivorship annuities, as a result of lower mortality due to the COVID-19 pandemic, (ii) increase S/41.7 million in individual life primarily explained by a 35% increase in the sales force headcount and continued growth in online sales, and (iii) S/67.5 million in retail insurance premiums primarily due to SOAT recovery and increases in sales from digital products such as car insurance and travel insurance.

### Adjustment of Technical Reserves

The following table presents adjustment of technical reserves by business line for our insurance segment for the years ended December 31, 2022 and 2021.

	For the year ended December 31,		Change	
	2022	2021	(S/ in millions)	%
Annuities	(256.5)	(301.3)	44.8	(14.8%)
Individual Life	(58.2)	(76.3)	18.1	(23.8%)
Retail Insurance	(30.5)	(17.7)	(12.8)	72.3%
<b>Adjustment of technical reserves</b>	<b>(345.1)</b>	<b>(395.3)</b>	<b>50.2</b>	<b>(12.7%)</b>

n.m. means not meaningful.

Adjustment of technical reserves decreased 12.7% mainly due to a S/44.8 million decrease in annuities, S/18.1 million decrease in individual life, partially offset by S/12.8 million increase in retail insurance. The decrease in technical reserves was mostly related to lower premiums, partially offset by higher technical reserves for inflation indexed annuities due to an increase in the Peruvian inflation rate.

### Net Claims and Benefits Incurred for Life Insurance Contracts and Others

The following table presents net claims and benefits incurred for life insurance contracts and others by business line for our insurance segment for the year ended December 31, 2022 and 2021.

	For the year ended December 31,		Change	
	2022	2021	(S/ in millions)	%
Annuities <sup>(1)</sup>	(748.4)	(733.8)	(17.0)	2.3%
Individual Life	(10.9)	(28.2)	17.3	(61.4%)
Retail Insurance	(100.1)	(155.3)	55.2	(35.5%)
Credit Life Insurance	(39.8)	(112.4)	44.2	(52.6%)
Mandatory Traffic Accident (SOAT)	(25.9)	(17.9)	17.3	(40.0%)
Card Protection	(4.7)	(3.0)	1.4	(23.2%)
Others	(29.7)	(22.0)	(7.7)	34.9%
<b>Net claims and benefits incurred<sup>(2)</sup></b>	<b>(860.0)</b>	<b>(917.3)</b>	<b>57.3</b>	<b>(6.3%)</b>

(1) Annuities include claims from pension-related insurance (disability and survivorship).

(2) Temporary Private Annuities are not included as benefits incurred.

The reduction in net claims and benefits incurred was mainly explained by decreases of S/55.2 million in retail insurance claims and S/17.3 million in individual life, both associated with higher claims in credit life insurance due to the COVID-19 mortality in Peru in 2021. These factors were partially offset by an increase of S/17.0 million in annuity benefits during the year ended December 31, 2022.



### Other Expenses

The following table presents the components of other expenses for our insurance segment for the year ended December 31, 2022 and 2021.

	For the year ended December 31,		Change	
	2022	2021	(S/ in millions)	
	(S/ in millions)		(S/ in millions)	%
Salaries and employee benefits	(53.1)	(100.4)	47.4	(47.2%)
Administrative expenses	(61.0)	(64.4)	3.4	(5.3%)
Depreciation and amortization	(23.7)	(25.0)	1.4	(5.4%)
Expenses related to rental income	(7.8)	(4.4)	(3.5)	79.2%
Other	(253.4)	(156.1)	(97.3)	62.4%
<b>Total other expenses</b>	<b>(399.0)</b>	<b>(350.3)</b>	<b>(48.7)</b>	<b>13.9%</b>

Other expenses increased S/48.7 million for the year ended December 31, 2022 when compared to the year ended December 31, 2021, mainly due to increases of S/97.3 million third-party commissions, as well as S/3.5 million in expenses related to rental income. These factors were partially offset by a decrease of S/47.4 million in salaries and employee's benefits.

### Wealth Management

Inteligo's net loss was S/141.4 million for the year ended December 31, 2022, a reversal from net profit of S/283.5 for the year ended December 31, 2021. This result was mainly attributable to decrease in other income due to weak investment results for the year, and 17.1% decrease in fee income from financial services, in part supported by the effect of a lower foreign exchange results in these two revenue lines.

Inteligo's ROE was 13.6% for the year ended December 31, 2022, lower than the 23.0% registered for the year ended December 31, 2021. This was mainly attributable to a decrease in shareholders' equity which in turn was mainly attributed to decreases in accumulated results and the effect on equity of a lower foreign exchange rate due to the appreciation of the *sol* against the U.S. dollar in 2022 as compared to 2021.

### Interest and Similar Income

The following table presents the components of interest and similar income for our wealth management segment for the years ended December 31, 2022 and 2021.

	For the year ended December 31,		Change	
	2022	2021	(S/ in millions)	
	(S/ in millions)		(S/ in millions)	%
Interest and similar income				
Interest on loan portfolios	77.4	64.4	12.9	20.1%
Interest on financial investments	61.8	84.1	(22.2)	(26.4%)
Interest due from banks and inter-bank funds	15.9	5.8	10.1	n.m
<b>Total</b>	<b>155.1</b>	<b>154.3</b>	<b>0.8</b>	<b>0.5%</b>
<b>Nominal average rate</b>	<b>3.0%</b>	<b>2.9%</b>	<b>—</b>	<b>—</b>

n.m. means not meaningful.

Interest and similar income increased 0.5% mainly due to a 26.4% decrease in interest on financial investments, partially offset by a 20.1% increase in interest on loan portfolios and increase in interest due from banks and inter-bank funds.

Interest on loan portfolios increased S/12.9 million mainly due to increase in the average rate despite an decrease in average loans outstanding. Interest on financial investments decreased S/22.2 million mainly due to lower dividends received from equity investments during 2022. Interest due from banks and inter-bank funds increased S/10.1 million, mainly attributable to an increase in the average rate of term deposits.

### Interest and Similar Expenses

The following table presents the components of interest and similar expenses for our wealth management segment for the years ended December 31, 2022 and 2021.

	For the year ended December 31,		Change	
	2022	2021	(S/ in millions)	%
<b>Interest and similar expenses</b>				
Interest and fees on deposits and obligations	(43.9)	(35.6)	(8.2)	23.1%
Interests on bonds, notes and other obligations	(3.1)	(2.4)	(0.6)	25.8%
Interest and fees on obligations with financial institutions and others	(3.4)	(1.8)	(1.6)	90.1%
<b>Total</b>	<b>(50.3)</b>	<b>(39.8)</b>	<b>(10.5)</b>	<b>26.3%</b>
<b>Nominal average rate</b>	<b>1.2%</b>	<b>1.0%</b>	<b>—</b>	<b>—</b>

Interest and similar expenses increased S/10.5 million mainly due to increases of 25.8% in interest and fees on deposits and obligations and 90.1% in interest and fees on obligations with financial institutions and others.

Interest and fees on deposits and obligations increased S/8.2 million due to an increase in the average rate as a consequence of an increase in average non-interest-bearing deposits. Interest and fees on obligations with financial institutions and others increased S/1.6 million due to loan amortizations during the second half of 2022. Interest on bonds, notes and other obligations increased S/0.6 million primarily as a result of the effect of a lower foreign exchange rate on Inteligo's financial expenses related to leases as they are denominated in U.S. dollars.

### Impairment Loss on Loans, Net of Recoveries

Inteligo's loan portfolio had no delinquencies for the years ended December 31, 2022 and 2021. Inteligo's impairment gain on loans was S/2.4 million for the year ended December 31, 2022.

### Recovery (Loss) due to Impairment of Financial Investments

For the year ended December 31, 2022, Inteligo's impairment loss on financial investments was S/12.0 million, as compared to a S/1.6 million loss for the year ended December 31, 2021.

### Fee Income from Financial Services, Net

The following table presents the components of fee income from financial services, net for our wealth management segment for the years ended December 31, 2022 and 2021.

	For the year ended December 31,		Change	
	2022	2021	(S/ in millions)	%
<b>Income</b>				
Maintenance and mailing of accounts, transfer fees and commissions on credit and debit card	2.9	1.6	1.3	78.9%
Funds management fees	154.1	186.9	(32.7)	(17.5%)
Brokerage and custody services fees	6.8	9.7	(2.8)	(29.3%)
Others	1.2	0.6	0.6	94.8%
<b>Total</b>	<b>165.1</b>	<b>198.8</b>	<b>(33.7)</b>	<b>(17.0%)</b>
<b>Expenses</b>				
Brokerage and custody services	(0.8)	(0.9)	0.1	(11.5%)
Others	(0.9)	(0.9)	(0.0)	4.2%
<b>Total</b>	<b>(1.7)</b>	<b>(1.8)</b>	<b>0.1</b>	<b>(3.9%)</b>
<b>Net</b>	<b>163.3</b>	<b>197.0</b>	<b>(33.6)</b>	<b>(17.1%)</b>

Fee income from financial services, net for the year ended December 31, 2022 was S/163.3 million, a S/33.6 million, or 17.1%, decrease compared to the year ended December 31, 2021. This decrease was mainly attributable to lower fund management fees and lower brokerage fees due to decreased trading volumes, triggered by higher price volatility.

#### Other Income

The following table presents the components of other income for our wealth management segment for the years ended December 31, 2022 and 2021.

	For the year ended December 31,		Change	
	2022	2021	(S/ in millions)	%
Net gain on sale of financial investments	(41.7)	42.1	(83.8)	n.m
Net gain on financial assets at fair value through profit or loss	(201.1)	96.7	(297.8)	n.m
Other	(1.6)	(2.7)	1.1(40.2%)	
Other Income	<u>(244.5)</u>	<u>136.1</u>	<u>(380.5)</u>	<u>n.m</u>

n.m. means not meaningful.

Other income decreased S/380.5 million for the year ended December 31, 2022, mainly attributable to negative mark-to-market valuations on investments.

#### Other Expenses

The following table presents the components of other expenses for our wealth management segment for the years ended December 31, 2022 and 2021.

	For the year ended December 31,		Change	
	2022	2021	(S/ in millions)	%
Salaries and employee benefits	(84.0)	(84.1)	0.1	(0.1%)
Administrative expenses	(45.1)	(41.5)	(3.6)	8.7%
Depreciation and amortization	(15.0)	(15.0)	(0.1)	0.5%
Other	(1.3)	(2.8)	1.5	(53.3%)
<b>Total Other Expenses</b>	<u>(145.5)</u>	<u>(143.4)</u>	<u>(2.1)</u>	<u>1.4%</u>

Total other expenses increased S/2.1 million, or 1.4%, for the year ended December 31, 2022 mainly due to a higher number of employees and higher administrative expenses.

Inteligo's efficiency ratio is calculated by dividing salaries and employee benefits plus administrative expenses plus depreciation and amortization by net interest and similar income plus net fee income from financial services plus other income. Our wealth management segment's efficiency ratio deteriorated from 31.6% for the year ended December 31, 2021, mainly due to lower revenues, despite the slight increase in expenses.

#### Payments

Since the date of its acquisition in April 2022, Izipay had consolidated revenues of S/595.4 million and consolidated net profit of S/41.1 million. As a reference, for the year ended December 31, 2022, including the period prior to its acquisition, Izipay had consolidated revenues of S/754.3 million and consolidated net profit of S/51.2 million.

The positive performance from Izipay during the year 2022 is mainly explained by growth in its net fee income from financial services, as a result of higher income from payments due to the increase of the number of merchants served and monetary transactions recorded, which grew 14% and 10%, respectively, during the last quarter of 2022. The positive results were partly

impacted by higher administrative expenses attributed to an increase in customer acquisition, as well as higher salaries and benefits to employees, and depreciation and amortization charges given the sharp rise in business activity. Izipay's ROE was 26.7% for the period starting in April 2022, when it became a consolidated subsidiary, until December 31, 2022.

## B. Liquidity and Capital Resources

Our primary source of liquidity is dividends received from our subsidiaries and an issuance of senior debt and our primary use of funds is the payment of dividends to our shareholders and interest payments associated with the indebtedness described below.

As of December 31, 2023, our outstanding indebtedness included the following:

- U.S.\$300,000,000 aggregate principal amount of 4.125% senior notes due 2027 issued pursuant to the indenture, dated October 19, 2017 among the Registrant, The Bank of New York Mellon, as trustee, and The Bank of New York Mellon SA/NV, Luxembourg Branch, as Luxembourg transfer and paying agent.

The following discussion of liquidity and capital resources is on a segment basis. See “Item 8. Financial Information—Consolidated Statements and Other Financial Information—Dividends and dividends policy”.

### Interbank

The following table presents Interbank’s primary sources of funds as of December 31, 2023 and 2022:

	As of December 31, 2023	As of December 31, 2022	Change	
	(S/ in millions)	(S/ in millions)	(S/ in millions)	%
Total deposits and obligations	46,053.6	44,597.9	1,455.8	3.3%
Due to banks and correspondents and inter-bank funds	8,789.0	6,756.6	2,032.4	30.1%
Bonds, notes and other obligations	4,253.2	6,571.5	(2,318.4)	(35.3%)
<b>Total</b>	<b>59,095.8</b>	<b>57,926.0</b>	<b>1,169.8</b>	<b>2.0%</b>

In our banking segment, our primary sources of funds have traditionally consisted of deposits and obligations, which amounted to S/46,053.6 million as of December 31, 2023. Interbank’s deposits include retail and commercial deposits, generated mainly through its digital channels, financial stores distribution network, and its relationships with commercial clients.

Interbank is required to maintain deposits with the Central Reserve Bank of Peru, as legal reserve, in an amount determined by the percentage of deposits and other liabilities owed to its clients. For a description of the legal reserve (*encaje*) regulations, see “Item 4. Information on the Company—Business Overview—Regulation and Supervision—Banking Regulation and Supervision—Reserve Requirements from the Central Reserve Bank of Peru”.

At times, Interbank has utilized Peru’s short-term interbank loans market to satisfy liquidity needs. The Central Reserve Bank of Peru’s discount window, which makes short-term loans to banks at premium rates, is another potential short-term funding source; although, Interbank has used it infrequently. As part of Interbank’s liquidity management, it sometimes enters into repos on Central Reserve Bank of Peru certificates of deposit, which are a cost and tax efficient source of funds in Peruvian currency.

Amounts due to banks and correspondents and inter-bank funds (including both short and long-term amounts) increased S/2,032.4 million, or 30.1%, to S/8,789.0 million as of December 31, 2023 from S/6,756.6 million as of December 31, 2022, mainly due to a bond maturing and being replaced with the debt due to banks and correspondents.

Interbank has issued senior, senior-subordinated, junior-subordinated, mortgage and leasing bonds in the Peruvian and international capital markets.

### Outstanding Indebtedness of Interbank

As of December 31, 2023, Interbank’s outstanding indebtedness included the following:

- U.S.\$300.0 million aggregate principal amount of 6.625% subordinated notes due 2029 issued on March 18, 2014.
- U.S.\$400.0 million principal amount of 3.250% senior notes due 2026 issued on October 4, 2019.

- S/312.0 million principal amount of 5.000% senior notes due 2026 issued on October 1, 2019.
- U.S.\$300.0 million aggregate principal amount of 4.000% subordinated notes due 2030 issued on July 8, 2020.
- U.S.\$275.0 million in working capital loans under credit facility agreements due between 2024 and 2026.
- U.S.\$237.0 million in trade loans amount under credit facility agreements due 2024.

Additionally, as of December 31, 2023, Interbank had S/150.0 million (U.S.\$49.7 million at the nominal exchange rate of S/3.709 per U.S.\$1.00 as of December 31, 2023) of local corporate inflation-linked bonds, which have an amortization cost of S/184.5 million. On January 11, 2023, Interbank redeemed the bond with a nominal value of S/150,000,000. Additionally, on January 18, 2023, Interbank redeemed the bond with a nominal value of US\$484,895,000, and on December 13, 2023, the bond with a nominal value of US\$50,000,000.

On January 16, 2024, Interbank issued U.S.\$300.0 million aggregate principal amount of 7.625% subordinated notes due 2034 under Rule 144A and Regulation S of the Securities Act of 1933 of the United States.

As of the date of this Annual Report on Form 20-F, Interbank complies with all the covenants described above and not subject to any other such obligations.

### **Interseguro**

Interseguro's primary source of funds is premiums collected, carry from fixed income investments, dividends on equity investments and real estate leases.

#### *Outstanding Indebtedness of Interseguro*

Interseguro has issued subordinated bonds in the Peruvian market. As of December 31, 2023, Interseguro had S/241.1 million in bonds outstanding compared to S/247.9 million for 2022. Additionally, Interseguro works with credit lines for promissory notes and letters of guarantee.

### **Inteligo**

The following table presents Inteligo's primary sources of funds as of December 31, 2023 and 2022:

	As of December 31, 2023	As of December 31, 2022	Change	
	(S/ in millions)		(S/ in millions)	%
Total deposits and obligations	3,311.7	4,098.8	(787.1)	(19.2%)
Due to banks and correspondents and inter-bank funds	84.0	53.9	30.1	55.7%
<b>Total</b>	<b>3,395.7</b>	<b>4,152.8</b>	<b>(757.1)</b>	<b>(18.2%)</b>

In our wealth management segment, the primary source of funds has consisted of deposits and obligations, which amounted to S/3,311.7 million as of December 31, 2023. Inteligo Bank's deposits are retail deposits, from its private wealth clients. Retail deposits provide Inteligo with a low-cost, diverse and stable source of funding. Amounts due to banks and correspondents and inter-bank funds consist of the credit facilities provided to Inteligo Bank.

Deposits and obligations decreased S/787.1 million or 19.2% from December 31, 2022 to December 31, 2023, mainly attributable to migrations from cash positions to investments. Amounts due to banks and correspondents increased S/30.1 million or 55.7% from December 31, 2022 to December 31, 2023, mainly explained by the credit line increase that Inteligo Bank maintains with Safra Sarasin SA.

### *Outstanding Indebtedness of Inteligo*

As of December 31, 2023, Inteligo's outstanding indebtedness included the following:

- U.S.\$22 million loan under a credit facility between Inteligo Bank and Banque J. Safra Sarasin SA. The credit agreement includes standard clauses regarding eligible collateral.

### *Izipay*

The following table presents Izipay's primary sources of funds as of December 31, 2023:

	<b>As of December 31, 2023</b>
	<b>(S/ in millions)</b>
Cash and cash equivalents	129.3
Net cash provided by operating activities	48.1
Net cash used in investing activities	(93.6)
Net cash provided by (used in) financing activities	32.0
<b>Total</b>	<b>115.8</b>

In our payments segment, the primary source our principal sources of liquidity are our cash and cash equivalents.

As of December 31, 2023, we had S/129.3 million of cash and cash equivalents, customer funds cash and cash equivalents. Customer funds cash and cash equivalents are used to meet the obligations set aside for customers.

### *Outstanding Indebtedness of Izipay*

As of December 31, 2023, Izipay's outstanding indebtedness included the following:

- S/61.0 million loan under a credit facility between Izipay and Scotiabank Perú SAA, Banco Internacional del Perú and Banco de Crédito del Perú. The framework agreement for the facility includes standard clauses regarding eligible collateral, compliance with covenants and other administrative matters.
- S/0.3 million financial leasing.

### **Regulatory Capital**

We are not required to establish a regulatory capital for statutory purposes. However, Interbank and Interseguro are required to maintain minimum regulatory capital pursuant to guidelines issued by the SBS, and Inteligo Bank is required to maintain minimum regulatory capital pursuant to guidelines issued by the Central Bank of The Bahamas. Izipay does not have mandatory capital requirements.

### *Interbank*

As of December 31, 2023, the minimum regulatory capital as a percentage of risk-weighted assets for Interbank was 11.1% and its ratio of regulatory capital to total risk weighted assets was 15.5%, according to the SBS. As of December 31, 2022, the minimum regulatory capital as a percentage of risk-weighted assets for Interbank was 9.8% and its ratio of regulatory capital to total risk weighted assets was 15.1%, the highest among the four largest banks in Peru, according to the SBS. As of December 31, 2021, the minimum regulatory capital as a percentage of risk-weighted assets for Interbank was 9.0% and its ratio of regulatory capital to total risk weighted assets was 15.9%, the highest among the four largest banks in Peru, according to the SBS. See Note 16(f) to our audited annual consolidated financial statements and "Item 4. Information on the Company—Business Overview—Regulation and Supervision" section in this Annual Report on Form 20-F for a discussion of regulatory capital requirements applicable to Interbank.

The following tables present Interbank's regulatory capital as of December 31, 2023, 2022 and 2021, in accordance with SBS GAAP, as required by the Peruvian Banking and Insurance Law.

	As of December 31, 2023	As of December 31, 2022	Change	
	(\$/ in (millions))		(\$/ in millions)	%
Paid-in-capital	5,910.6	5,441.9	468.7	8.6%
Legal and special reserves	1,283.2	1,166.0	117.2	10.0%
Treasury stock	(33.9)	(33.9)	—	—
Others	301.9	442.4	(140.5)	(31.8%)
<b>Total Tier 1</b>	<b>7,461.7</b>	<b>7,016.4</b>	<b>445.3</b>	<b>6.3%</b>
Subordinated bonds	2,225.4	2,288.4	(63.0)	(2.8%)
Generic allowances for loan losses	485.3	465.7	19.5	4.2%
Others	(360.9)	(15.7)	(345.1)	n.m.
<b>Total Tier 2</b>	<b>2,349.8</b>	<b>2,738.4</b>	<b>(388.6)</b>	<b>(14.2%)</b>
<b>Total Regulatory Capital</b>	<b>9,811.5</b>	<b>9,754.8</b>	<b>56.7</b>	<b>0.6%</b>
Risk-weighted assets	63,494.9	64,690.1	(1,195.2)	(1.8%)
Regulatory capital as a percentage of risk-weighted assets	15.5%	15.1%		

	As of December 31, 2022	As of December 31, 2021	Change	
	(\$/ in (millions))		(\$/ in millions)	%
Paid-in-capital	5,441.9	4,961.8	480.2	9.7%
Legal and special reserves	1,166.0	1,045.9	120.0	11.5%
Treasury stock	(33.9)	(33.9)	—	—
Others	442.4	288.3	154.1	53.4%
<b>Total Tier 1</b>	<b>7,016.4</b>	<b>6,262.1</b>	<b>754.3</b>	<b>12.0%</b>
Subordinated bonds	2,288.4	2,462.1	(173.7)	(7.1%)
Generic allowances for loan losses	465.7	423.1	42.7	10.1%
Others	(15.7)	(11.6)	(4.1)	35.5%
<b>Total Tier 2</b>	<b>2,738.4</b>	<b>2,873.5</b>	<b>(135.1)</b>	<b>(4.7%)</b>
<b>Total Regulatory Capital</b>	<b>9,754.8</b>	<b>9,135.6</b>	<b>619.2</b>	<b>6.8%</b>
Risk-weighted assets	64,690.1	57,570.3	7,119.8	12.4%
Regulatory capital as a percentage of risk-weighted assets	15.1%	15.9%		

### **Interseguro**

Interseguro is required to maintain a minimum regulatory capital, also known as solvency equity, pursuant to guidelines issued by the SBS. The capital requirement is the sum of solvency equity and the guarantee fund. Solvency equity is determined by the level of risk and the risk profile assumed by an insurance company in Peru in accordance with SBS regulations. The guarantee fund is equivalent to 35% of solvency equity plus the investment component borne by the company, and 10% of the fair value of real estate. See Note 16(f) to our audited annual consolidated financial statements and "Item 4. Information on the Company—Business Overview—Regulation and Supervision" in this Annual Report on Form 20-F for a discussion of regulatory capital requirements applicable to Interseguro.



The following tables present Interseguro's solvency ratio as of December 31, 2023, 2022 and 2021 in accordance with SBS GAAP as required by the Peruvian Banking and Insurance Law.

	As of	As of	Change	
	December 31, 2023	December 31, 2022	(S/ in millions)	%
<b>Regulatory capital</b>	<b>1,370.2</b>	<b>1,338.2</b>	<b>31.9</b>	<b>2.4%</b>
Less:				
Solvency equity (solvency margin) <sup>(1)</sup>	698.4	714.9	(16.5)	(2.3%)
Guarantee fund <sup>(2)</sup>	455.3	250.2	205.0	82.0%
<b>Required capital</b>	<b>1,153.7</b>	<b>965.1</b>	<b>188.6</b>	<b>19.5%</b>
<b>Surplus</b>	<b>216.5</b>	<b>373.2</b>	<b>(156.7)</b>	<b>(42.0%)</b>
<b>Solvency Ratio<sup>(3)</sup></b>	<b>118.8%</b>	<b>138.7%</b>		

	As of	As of	Change	
	December 31, 2022	December 31, 2021	(S/ in millions)	%
<b>Regulatory capital</b>	<b>1,338.2</b>	<b>1,387.7</b>	<b>(49.5)</b>	<b>(3.6%)</b>
Less:				
Solvency equity (solvency margin) <sup>(1)</sup>	714.9	672.6	42.3	6.3%
Guarantee fund <sup>(2)</sup>	250.2	235.4	14.8	6.3%
<b>Required capital</b>	<b>965.1</b>	<b>907.9</b>	<b>57.1</b>	<b>6.3%</b>
<b>Surplus</b>	<b>373.2</b>	<b>479.8</b>	<b>(106.6)</b>	<b>(22.2%)</b>
<b>Solvency Ratio<sup>(3)</sup></b>	<b>138.7%</b>	<b>152.8%</b>		

- (1) Corresponds to an amount determined by the level of risk and the risk profile assumed by an insurance company in Peru in accordance with SBS regulations.
- (2) Equal to 35% of solvency margin.
- (3) Solvency ratio for Interseguro is calculated in accordance with SBS guidelines. See "Item 4. Information on the Company—Business Overview—Regulation and Supervision—Insurance Regulation and Supervision—Solvency Requirements and Regulatory Capital".

### **Inteligo Bank**

Inteligo Bank is required to maintain a minimum regulatory capital of not less than 12% of its risk-weighted assets, pursuant to the Bahamas Capital Regulations 2022, released by the Central Bank of Bahamas in August 2022. Risk-weighted assets are the sum of (i) the total amount of credit risk weighted assets and indirect loans, (ii) 10 times the regulatory capital allocated to cover market risk, only if the bank's market risk position is higher than (a) 5% of the total on- and off-balance sheet assets, or (b) U.S.\$100 million, and (iii) 12.5 times the regulatory capital allocated to cover operational risk. As of December 31, 2023, Inteligo Bank's ratio of regulatory capital to total risk-weighted assets was 17.4%.

The following tables present Inteligo Bank's risk-weighted assets and regulatory capital as a percentage of risk-weighted assets as of December 31, 2023 and 2022, according to the current capital requirements of the Central Bank of the Bahamas.

	As of	As of	Change	
	December 31, 2023	December 31, 2022	(S/ in millions)	%
Total eligible capital	137.5	195.8	(58.3)	(29.8%)
Total risk-weighted assets	792.4	959.2	(166.8)	(17.4%)
<b>Capital ratio</b>	<b>17.4%</b>	<b>20.4%</b>		

	As of December 31, 2022	As of December 31, 2021	Change	
	(U.S. \$/ in millions)		(\$/ in millions)	%
Total eligible capital	195.8	287.2	(91.4)	(31.8%)
Total risk-weighted assets	959.2	1,177.3	(218.1)	(18.5%)
<b>Capital ratio</b>	<b>20.4%</b>	<b>24.4%</b>		

Prior to 2023, the Central Bank of Bahamas required a minimum regulatory capital of not less than 8% of risk-weighted assets and the methodology to calculate the eligible capital did not include deductions of high-risk assets. The capital adequacy ratio reported by Inteligo Bank according to prior requirements was 24.4% and 20.4% as of December 31, 2021 and 2022, respectively. Using this methodology, the ratio as of December 31, 2023 would have been 22.8%.

In 2018, the Central Bank of The Bahamas published two discussion papers focused on minimum disclosures (Pillar III of the Basel II framework) and the net stable funding ratio and the liquidity coverage ratio (main components of Basel III), but its liquidity framework is still in development.

In Peru, Inteligo SAB is regulated by the SMV, which is responsible for determining the minimum capital requirement for the companies under its supervision. As of December 31, 2023, the capital requirement for brokerage houses is the sum of (i) the minimum regulatory capital required of S/2.5 million; and (ii) the regulatory capital allocated to cover operational risks. As of December 31, 2023, Inteligo SAB held capital exceeding S/24.1 million.

### *Izipay*

In Peru, Izipay is regulated by Central Reserve Bank of Peru but it is not subject to mandatory capital requirements.

### *Commitments and Contractual Obligations*

We enter into various commitments and contractual obligations that may require future cash payments, respectively.

The following tables summarize our commitments and contractual obligations as of December 31, 2023 and 2022, respectively:

As of December 31, 2023	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
	(S/ in millions)				
Deposits and obligations	48,385.3	410.1	88.0	304.9	49,188.2
Inter-bank funds	119.7	—	—	—	119.7
Due to banks and correspondents	4,855.6	2,556.0	266.1	1,348.2	9,025.9
Bonds, notes and other obligations	71.7	1,789.6	1,045.2	2,645.2	5,551.6
Due from customers on acceptances	40.6	—	—	—	40.6
Accounts payable, provisions and other liabilities	3,315.8	—	—	—	3,315.8
Lease liabilities	30.4	43.1	14.7	3.5	91.6
<b>Total<sup>(1)</sup></b>	<b>56,819.0</b>	<b>4,798.7</b>	<b>1,414.0</b>	<b>4,301.7</b>	<b>67,333.4</b>

As of December 31, 2022	Less than	1-3	3-5	More	Total
	1 year	years	years	than 5 years	
	(S/ in millions)				
Deposits and obligations	47,223.8	956.0	67.5	283.5	48,530.7
Inter-bank funds	30.0	—	—	—	30.0
Due to banks and correspondents	2,433.5	3,220.1	288.8	1,158.3	7,100.6
Bonds, notes and other obligations	2,296.5	—	2,903.4	2,706.4	7,906.3
Due from customers on acceptances	45.8	—	—	—	45.8
Accounts payable, provisions and other liabilities	3,016.6	—	—	—	3,016.6
Lease liabilities	36.6	47.5	22.0	6.5	112.6
<b>Total<sup>(1)</sup></b>	<b>55,082.7</b>	<b>4,223.7</b>	<b>3,281.7</b>	<b>4,154.6</b>	<b>66,742.6</b>

(1) For insurance contract liabilities as of December 31, 2023 and 2022, see Note 14 of our audited annual consolidated financial statements.

All contractual obligations included in these tables are recognized as liabilities on our consolidated statement of financial position and represent principal payments on an undiscounted basis without including payment of future interest.

### Off-Balance Sheet Arrangements

Our subsidiaries Interbank, Interseguro, Inteligo and Izipay have various contractual arrangements, such as contingent operations, that are not recognized as liabilities in our audited annual consolidated financial statements but are required to be recorded as off-balance sheet items. See Note 18 to our audited annual consolidated financial statements.

We enter into contingent operations to generate fees from guarantees, stand-by letters of credit, import and export letters of credit, due from bank acceptances and foreign currency forward obligations.

### Off-Balance Sheet Arrangements as of December 31, 2023 and 2022

The following table presents our consolidated off-balance sheet arrangements as of December 31, 2023 and 2022.

	As of December 31,		Change	
	2023	2022	(S/ in millions)	%
	(S/ in millions)		(S/ in millions)	%
<b>Contingent credits—Indirect loans</b>				
Guarantees and standby letters	4,302.8	4,001.8	301.0	7.5%
Import and export letters of credit	440.7	485.5	(44.8)	(9.2%)
	<b>4,743.5</b>	<b>4,487.3</b>	<b>256.2</b>	<b>5.7%</b>
<b>Derivatives—Notional amounts Held for trading</b>				
Forward currency contracts—buy	1,811.1	1,977.3	(166.2)	(8.4%)
Forward currency contracts—sell	2,316.8	4,057.8	(1,741.0)	(42.9%)
Foreign currency forward contracts on currencies other than sol	747.7	292.9	454.8	n.m.
Interest rate swaps	1,530.5	2,424.6	(894.1)	(36.9%)
Currency swaps	1,370.8	2,672.5	(1,301.7)	(48.7%)
Cross currency swap	—	224.5	(224.5)	(100.0%)
Foreign currency options	279.0	80.2	198.9	247.9%
<b>Held as hedges Cash flow hedges:</b>				
Cross currency swap	2,578.5	2,579.2	(0.7)	0.0%
	<b>10,634.4</b>	<b>14,309.0</b>	<b>(3,674.6)</b>	<b>(25.7%)</b>
<b>Responsibilities under credit lines agreements</b>	<b>13,311.1</b>	<b>14,758.7</b>	<b>(1,447.6)</b>	<b>(9.8%)</b>
<b>Total</b>	<b>28,689.2</b>	<b>33,555.0</b>	<b>(4,865.9)</b>	<b>(14.5%)</b>

n.m. means not meaningful.

Guarantees and standby letters increased by S/301.0 million, or 7.5%, from S/4,001.8 million as of December 31, 2022 to S/4,302.8 million as of December 31, 2023. Import and export letters of credit decreased S/44.8 million.

Foreign currency forwards, including purchase and sale agreements increased S/454.8 million from S/292.9 million as of December 31, 2022 to S/747.7 million as of December 31, 2023. We also use derivative financial instruments as hedges. See Note 10(b) to our audited annual consolidated financial statements for derivative financial instruments valuation.

Responsibilities under credit line agreements decreased S/1,447.6 million for the year ended December 31, 2023, compared to the amount registered as of December 31, 2022. These credit line agreements are cancellable at any time by Interbank.

#### **Off-Balance Sheet Arrangements as of December 31, 2022 and 2021**

The following table presents our consolidated off-balance sheet arrangements as of December 31, 2022 and 2021.

	<b>As of December 31,</b>		<b>Change</b>	
	<b>2022</b>	<b>2021</b>	<b>(S/ in millions)</b>	<b>%</b>
<b>Contingent credits—Indirect loans</b>				
Guarantees and standby letters	4,001.8	4,150.1	(148.3)	(3.6%)
Import and export letters of credit	485.5	290.4	195.2	67.2%
	<u>4,487.3</u>	<u>4,440.5</u>	<u>46.9</u>	<u>1.1%</u>
<b>Derivatives—Notional amounts Held for trading</b>				
Forward currency contracts—buy	1,977.3	3,925.5	(1,948.1)	(49.6%)
Forward currency contracts—sell	4,057.8	4,390.3	(332.5)	(7.6%)
Foreign currency forward contracts on currencies other than sol	292.9	316.0	(23.1)	(7.3%)
Interest rate swaps	2,424.6	2,969.0	(544.5)	(18.3%)
Currency swaps	2,672.5	4,162.3	(1,489.8)	(35.8%)
Cross currency swap	224.5	234.7	(10.2)	(4.3%)
Foreign currency options	80.2	1.8	78.3	n.m.
<b>Held as hedges Cash flow hedges:</b>				
Interest rate swaps	—	—	—	—
Cross currency swap	2,579.2	2,358.0	221.2	9.4%
	<u>14,309.0</u>	<u>18,357.6</u>	<u>(4,048.7)</u>	<u>(22.1%)</u>
<b>Responsibilities under credit lines agreements</b>				
	<u>14,758.7</u>	<u>12,182.2</u>	<u>2,576.5</u>	<u>21.1%</u>
<b>Total</b>	<u>33,555.0</u>	<u>34,980.3</u>	<u>(1,425.3)</u>	<u>(4.1%)</u>

n.m. means not meaningful.

Guarantees and standby letters decreased by S/148.3 million, or 3.6%, from S/4,150.1 million as of December 31, 2021 to S/4,001.8 million as of December 31, 2022. Import and export letters of credit increased S/195.2 million.

Foreign currency forwards, including purchase and sale agreements decreased S/23.1 million from S/316.0 million as of December 31, 2021 to S/292.9 million as of December 31, 2022. We also use derivative financial instruments as hedges. See Note 10(b) to our audited annual consolidated financial statements for derivative financial instruments valuation.

Responsibilities under credit line agreements increased S/2,576.5 million for the year ended December 31, 2022, compared to the amount registered as of December 31, 2021. These credit line agreements are cancellable at any time by Interbank.

#### **Capital Expenditures Program**

We have made significant investments and, in particular, in our banking segment. In fact, Interbank has made substantial investments in recent years targeting both digital and physical infrastructure.

Interbank believes that it is building the foundations to capture current and future market opportunities and continue to grow. It has a capital expenditure plan to ensure the accomplishment of its medium-term strategic plan, as it believes that not only operating efficiency and proximity to its customers, but also digital transformation and innovation, are key competitive advantages. We are investing intensely in our transformation and our technology capital expenditures is two times the amount of our investment made in 2015.

While we budget for investments across our subsidiaries, Interbank accounts for the substantial majority of our capital expenditures budget. Interbank's budget for capital expenditures for 2024 is approximately S/278 million. Of this budget, approximately 79% is related to technology expenditures including investments in our digital platform, aligned with technology as a main pillar at IFS. Some of the key technological expenditures include:

- significant improvements in our digital platform, including new functionalities aimed to enhance User Experience (UX), in both retail and commercial segments;
- further improvement in advanced analytical capabilities and personalization approach to better understand our customers through data and analytics, artificial intelligence, machine learning, deep learning, among others, to enrich our understanding of Peruvian clients and strengthen our data driven organization approach;
- research and development of digital solutions, including products, services, and processes in a fast-changing and competitive environment; and
- strengthen cybersecurity standards to protect our customers.

Interseguro has invested in technology and projects to support its rapidly expanding operations. It has implemented an operations system in order to support Interseguro's planned growth in individual life and retail insurance products, a CRM platform, robotic process automation (RPA) to automate processes and look for operational efficiency, in addition to improving such processes and freeing up resources.

Interseguro also has introduced its new 100% digital products and solutions such as life insurance, auto insurance, travel insurance, and SOAT (obligatory insurance for auto circulation). Interseguro has also implemented and digitized the process of analysis of needs for life insurance products, which allows the company to issue insurance policies without a physical application form.

Additionally, Interseguro continues improving business intelligence capabilities such as Datalake which consolidates information from various Interseguro systems to generate a unique customer base for the creation of predictive models (admission, risk, fraud, purchase propensity). The goal is to generate specific insights that support decision-making across various fronts, including information models, machine learning models, among others.

In our wealth management segment, Inteligo SAB and Inteligo Peru Holdings implemented a new core system "SAP Business One" to automate back-office activities like accounting, budgeting and purchasing in 2022. During 2023, Interfondos also implemented "SAP Business One". Inteligo Bank has continued working on complementing its IT infrastructure and further developing of its technology platform, which will allow it to leverage its existing CRM platform and develop stronger business intelligence capabilities.

In our payments segment, Izipay constantly invests in technology in order to reinforce its network, including POS with Android operative system as well as hardware to increase its capacity and developing software in order to deliver new services to different types of customers. The capital expenditure investment from Izipay for the period 2023 was S/89.6 million.

**C. Research and Development, Patents and Licenses, etc.**

Not Applicable.

**D. Trend Information**

As of December 31, 2023, we had total assets of S/89.6 billion (approximately U.S.\$ 24.2 billion), total gross loans of S/48.9 billion (approximately U.S.\$ 13.2 billion), total deposits and obligations of S/9.0 billion (approximately U.S.\$ 2.4 billion) and shareholders' equity of S/10.0 billion (approximately U.S.\$ 2.7 billion).

Substantially all of our subsidiaries' operations are conducted in Peru. Accordingly, our results of operations and financial condition are dependent on economic conditions, consumer spending and investment levels in Peru.

Peru has suffered from political instability, with a series of government institutional crises starting in 2018 due to, among other things, several corruption scandals involving prominent political figures, which have resulted in resignations and impeachment of various presidents since then, including most recently former President Jose Pedro Castillo in December 2022 following an attempted coup, as well as investigations of certain members of the judicial system and the public ministry who are now facing prosecution. Despite these factors and continued political corruption scandals, the Peruvian economy continued to outperform

its peer countries, supported by solid macroeconomic fundamentals and strong fiscal and monetary policies. At the beginning of 2021, Peru continued to struggle from the effects of the pandemic but started to recover over time as targeted lockdowns decreased and were eventually lifted and the vaccination program accelerated. The recovery was mainly driven by domestic demand-oriented sectors, improved trade terms, higher private consumption, and the base effect of such improvements as compared to 2020. Nevertheless, such improved economic landscape was negatively affected by the uncertainty that arose in the run up to the presidential and congressional elections that took place in April 2021. These political events contributed to a slowdown in GDP growth, volatility of the exchange rate and weakening of the local currency, which in turn also affected inflation. As a result of these factors, the Peruvian GDP grew 13.6% in 2021.

In 2022, Peru had an economic deceleration due political uncertainty and social unrest. This outlook affected directly the mining, tourism and agricultural sectors. As a consequence, inflation remained at 8.5% as of December 2022. To curb inflation, the Central Bank tightened its monetary policy by elevating the reference policy rate to 7.50% as of December 2022. As a result of these factors, the Peruvian GDP grew 2.7% in 2022.

In 2023, the Peruvian GDP declined 0.6%, amidst social unrest, prolonged inflation, and the climate phenomenon known as “Yaku” that occurred during the first quarter. Furthermore, responding to these challenges, and with inflation under control, the Central Reserve Bank of Peru initiated a series of rate reductions in the latter half of the year, culminating in a reference interest rate decrease to 6.75% by December 31, 2023.

The following are the most important trends, uncertainties and events that are reasonably likely to affect us or that would cause the financial information disclosed herein not to be indicative of or have a material adverse effect on our future operating results or financial condition:

- Our businesses and prospects rely on a market-oriented economy, and the protests and social unrest in Peru against government economic policies and social inequality, as well as potential political changes may alter the current economic model and business environment.
- Our subsidiaries are subject to extensive regulation and supervision, and changes in existing regulations or the implementation of future regulations.
- The adoption of new international banking and insurance guidelines may cause our subsidiaries to require additional capital and could cause their cost of funds to increase.
- Intense competition from other banking, insurance and financial institutions, and from other players including providers of emerging financial technologies.
- Financial market volatility and market turmoil associated with the failure of two U.S. banks and the emergency sale of Credit Suisse or similar developments in the financial industry.
- Our loans, deposits, asset quality and our profits have all experienced substantial growth, benefitting from growth in the Peruvian economy. However, economic, social and political developments in Peru, including political instability, high profile corruption investigations, inflation and unemployment may cease to support our historically strong growth.
- Our capital and funding requirements as well as our client activity and our clients’ ability to repay loans could be affected by continued adverse developments and market uncertainties relating to climate phenomena and social unrest in Peru, which has resulted in unexpected volatility in equity and credit markets.
- Cybersecurity events, earthquakes, other natural disasters, health epidemics and other outbreaks could negatively affect our reputation and the operations of Interbank, Interseguro, Interfondos, Inteligo SAB and Izipay.
- The oceanic and atmospheric phenomenon *El Niño* may have a negative impact on the economy of Peru and on our results. Among other potential impacts, this phenomenon could affect Interbank’s loan activity and asset quality in the future, considering that (i) it may affect the overall payment capacity of Interbank borrowers, and (ii) Interbank loan agreements typically grant borrowers a grace period due to *El Niño*.

For more information regarding potential economic or regulatory factors that could affect our result of operations or financial condition, see “Item 3. Key Information—Risk Factors”, “Item 4. Information on the Company—Business Overview—Strategy”, “Item 5. Operating and Financial Review and Prospects—Operating Results” and “Forward-Looking Statements”.

## E. Critical Accounting Estimates

For a summary regarding critical accounting estimates and judgments, please refer to “Item 5. Operating and Financial Review and Prospects – Operating Results—Critical accounting estimates and judgments”.

## ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

### A. Directors and Senior Management

#### General

Our business and affairs are managed by our board of directors in accordance with our articles of incorporation and Panamanian corporate law. Our articles of incorporation provide for a board of directors of no less than three members. Our current board of directors is comprised of seven directors and no alternates. The two-year term of our current board of directors appointed on March 31, 2023 will expire in March 2025.

If a director resigns or otherwise becomes unable to continue with its duties, a majority of our directors may appoint any other person to serve as director for the remaining term of the board.

The board of directors may establish one or more committees, to which it may delegate any or all of its responsibilities. Each committee shall be composed by two or more directors.

The board of directors typically meets in regularly scheduled quarterly meetings and when called by any dignitary (*dignatario*) or our Chief Executive Officer. Resolutions must be adopted by a majority of the directors present at the meeting.

#### Board of Directors

Our board of directors consists of seven members, four of whom are independent. The business address of our board of directors is Av. Carlos Villarán 140, 5th floor Urbanización Santa Catalina, La Victoria, Lima 13, Perú. The following table sets forth certain information about our current directors.

<u>Name</u>	<u>Position</u>	<u>Year of Birth</u>	<u>Year Appointed</u>
Carlos Tomás Rodríguez-Pastor Persivale	Chairman	1959	2007
Fernando Martín Zavala Lombardi	Secretary	1971	2019
Felipe Federico Roy Morris Guerinoni <sup>(1)</sup>	Treasurer	1953	2007
José Alfonso Bustamante y Bustamante <sup>(1)</sup>	Director	1941	2007
Lucía Cayetana Aljovín Gazzani <sup>(1)</sup>	Director	1966	2019
Hugo Antonio Santa María Guzmán	Director	1963	2019
Guillermo Martínez Barros <sup>(1)</sup>	Director	1958	2019

(1) Independent director pursuant to Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

The following sets forth selected biographical information for each of the members of IFS’s board of directors.

*Carlos Tomás Rodríguez-Pastor Persivale* has served as IFS’ chairman since 2007. He also serves as Interbank’s chairman since 1995 and was Interbank’s interim Chief Executive Officer during 2010. In addition, Mr. Rodríguez-Pastor serves as Chairman of Intercorp Peru, Supermercados Peruanos, Tiendas Peruanas, Colegios Peruanos, InRetail Peru Corp. and Universidad Tecnológica del Perú, and as director of Inteligo Group Corp., Interseguro, Homecenters Peruanos and Financiera OH! S.A., among others. Mr. Rodríguez-Pastor received a bachelor’s degree in social science from the University of California at Berkeley and a master’s degree in business administration from the Amos Tuck School of Business at Dartmouth College.

*Fernando Martín Zavala Lombardi* has served as an IFS director since his appointment on April 2019, and has been serving Interbank as director since March 2019. Mr. Zavala also serves as CEO and director of Intercorp Peru Ltd. and Chairman of InRetail Pharma and Homecenters Peruanos, and director of InRetail Peru Corp., Inteligo Group Corp., Universidad Tecnológica del Perú, Colegios Peruanos, Interseguro, Tiendas Peruanas, Supermercados Peruanos, Financiera OH! S.A., Intertítulos, and Inteligo Bank. He previously served as CEO in Peru and Panama of the multinational company SABMiller and has been director of several companies in Peru, and several business guilds and NGOs as well. In the public sector, he has been Prime Minister and Minister of Economy and Finance, the latest twice, as well as General Manager of the Peruvian Antitrust Authority (Indecopi). Mr. Zavala received a bachelor’s degree in economics from Universidad del Pacífico in Lima, a master’s degree in business management from Universidad de Piura, and a master’s in business administration from University of Birmingham in England.

*Felipe Federico Roy Morris Guerinoni* has served as one of IFS' directors since 2007. Mr. Morris also serves as Chairman of Interseguro and Financiera OH!, and as Director of Intercorp Peru and Inteligo Bank. Mr. Morris received a bachelor's degree in economics from the Universidad del Pacífico in Lima, a master's degree in economics from the University of Pittsburgh and a master's degree in finance from American University.

*José Alfonso Bustamante y Bustamante* has served as one of IFS' directors since March 2007. Mr. Bustamante is the President of the Board of CFI Holdings S.A. and also serves as a director of Agrícola Cerro Prieto S.A., Irrigadora Cerro Prieto S.A.C. and San Miguel Industrias Pet S.A. Mr. Bustamante was President of the Board of Telefónica del Perú and Banco Santander Central Hispano, Bancosur, and of the Asociación de Bancos del Perú – ASBANC and also served as director of Interbank, La Positiva Seguros y Reaseguros S.A., La Positiva Vida Seguros y Reaseguros S.A., Empresa Eléctrica de Piura S.A. (now, Enel Generación Piura S.A.) and Compañía Minera Milpo S.A. (now, Nexa Resources Perú S.A.A). In the public sector, Mr. Bustamante was the Prime Minister of Peru and Minister of Industry, Tourism, Integration and International Trade Negotiations (1993-1994) and was president of COPRI and Prom Perú during the same period. Mr. Bustamante received a bachelor's degree in agricultural engineering from the Universidad Nacional Agraria La Molina in Lima and pursued his graduate studies at the University of Michigan, Ann Arbor.

*Lucía Cayetana Aljovin Gazzani* has served as one of IFS' directors since her appointment in April 2019 and has been serving as Interbank's director since July 2018. She has also served as Foreign Affairs Minister, Minister of Energy and Mines and Minister of Social Inclusion. Mrs. Aljovin is the President of the Board of Compañía Latinoamericana de Radiodifusión S.A. and Latina Media S.A., Vice President of the Arbitral Tribunal of AMCHAM Perú, and director of Nexa Resources Peru, Nexa Resources Atacocha, ElectroDunas, Dunas Energía, JetSMART Holdings Limited, among other companies. Previously, she was President of the National Fishing Society (SNP) and Asociación Civil Perú 2021 (Perú Sostenible), Vice President of CONFIEP, a partner at Miranda & Amado law firm, a member of the board of directors of the Lima Stock Exchange and served as director of other Peruvian companies and nonprofit organizations. Mrs. Aljovin received a degree in Law from the Pontificia Universidad Católica del Perú and a master's degree in business administration from Universidad Adolfo Ibanez of Chile. She has also been a journalist and a professor at several Peruvian universities.

*Hugo Antonio Santa María Guzmán* has served as one of IFS' directors since his appointment in April 2019, and has been serving as Interbank director since November 2016. Mr. Santa María is partner, manager of economic studies, and chief economist of APOYO Consultoría, where he runs the Business Advisory Service ("SAE," for its acronym in Spanish). SAE is the leading economic and business (analysis) service in Peru. He is currently a member of the board of directors of APOYO Comunicación, Sociedad Agrícola Virú S.A., Colegios Peruanos, InRetail Perú Corp., InRetail Pharma and Real Plaza. Previously, he was a member of the boards of Banco Santander Peru, EDPYME Santander Consumo Perú, Compañía Minera Atacocha S.A. (now, Nexa Resources Perú S.A.A.) and the Consolidated Reserve Fund (investment fund of the Peruvian public pension system) as well as independent director and President of the board of Mibanco. Mr. Santa María has been a professor in graduate programs at Universidad del Pacífico, Universidad Peruana de Ciencias Aplicadas and Universidad de Piura. Mr. Santa María holds a bachelor's degree in economics from Universidad del Pacífico and master and Ph.D. from Washington University in St. Louis.

*Guillermo Martínez Barros* has served as one of IFS's directors since 2019. He has also served as a director of Interseguro since 2008. Mr. Martínez serves as director of Financiera OH! S.A. in Peru, PrimAmérica Consultores S.A., Scan S.A. and Ebench S.A. in Chile and is a member of the Direction Committee of Centros de Salud Peruanos S.A.C. Mr. Martínez is also the chairman and owner of Inmobiliaria e Inversiones Siete Mares S.A. Mr. Martínez received a bachelor's degree in business administration from the Universidad Católica de Chile, a master's degree in business administration from the University of Chicago and a master's degree in economics from the London School of Economics.

### ***Executive Officers***

The business address of our executive officers is Av. Carlos Villarán 140, Urbanización Santa Catalina, La Victoria, Lima 13, Perú. The following table sets forth certain information about our executive officers. Each member of our management team serves for open-ended terms.



Name	Position	Year of Birth	Year Appointed
Luis Felipe Castellanos López Torres	Chief Executive Officer	1970	2013
Gonzalo José Basadre Brazzini	Deputy Chief Executive Officer	1970	2013
Michela Casassa Ramat	Chief Financial Officer	1973	2012
Liliana Elcira Vera Villacorta	Chief Accounting Officer	1974	2006
Juan Antonio Castro Molina	General Counsel	1971	2006
Carlos José Tori Grande	Executive Vice President of Payments	1976	2022
Cecilia Ramírez Riesco	Investor Relations Officer	1987	2024
Katia Mercedes Lung Won	Chief Compliance Officer	1968	2016
Peter Roekaert Embrechts	Internal Auditor	1967	2020
Zelma Francisca Acosta-Rubio Rodríguez	Chief Sustainability Officer	1965	2022

*Luis Felipe Castellanos López Torres*, Mr. Castellanos has served as IFS' Chief Executive Officer since April 2013 and as Interbank's Chief Executive Officer since January 2011. Mr. Castellanos is also one of Interseguro's directors since his appointment in April 2019. Mr. Castellanos joined Interbank in 2006 as the Chief Executive Officer of Interfondos. He has served as Interbank's Vice President for Retail Banking and Manager of the Mortgage and Real Estate Division. Previously, he was a Director in the investment banking division at Citigroup Global Markets in New York. Before joining Citigroup, Mr. Castellanos was responsible for the treasury department at Minera Yanacocha S.A. Mr. Castellanos received a bachelor's degree in business administration from the Universidad del Pacífico and a master's degree in business administration from the Amos Tuck School of Business at Dartmouth College.

*Gonzalo José Basadre Brazzini* has served as IFS' Deputy Chief Executive Officer since April 2013. Mr. Basadre is also the General Manager/Chief Executive Officer of Interseguro since 2012. Previously, he was the Vice President of Investments (Chief Investment Officer) of Interseguro. He received a bachelor's degree in business administration from the Universidad del Pacífico in Lima and a master's degree of business administration from Harvard University.

*Michela Casassa Ramat* has served as IFS' Chief Financial Officer and as Interbank's Chief Financial Officer since September 2012. Mrs. Casassa joined Interbank in September 2011 as Head of Strategic Planning. Prior to joining Interbank, she served as Head of Strategy at Banco de Crédito del Perú in Lima, and Head of Strategy for Corporate and Investment Banking at Unicredit in Milan and Istanbul. She has also worked at The Boston Consulting Group in Milan. Mrs. Casassa holds a bachelor's degree in business administration from the Universidad de Lima and a master's degree in business administration with a specialization in finance from the SDA Bocconi in Milan.

*Liliana Elcira Vera Villacorta* has served as IFS' Chief Accounting Officer since our formation. Ms. Vera served as Accounting Manager of Interbank from 2003 to 2011. From 1998 to 2002, Ms. Vera was a senior analyst at EY Peru. Ms. Vera received a degree in accounting from the Pontificia Universidad Católica del Perú and a master's degree in business administration from INCAE Business School.

*Juan Antonio Castro Molina*. Mr. Castro is Corporate Legal Vice President for Intercorp Group, and General Counsel for IFS since its incorporation. Mr. Castro also serves as member of the board of Universidad Tecnológica del Peru and other companies of the Intercorp Group. Mr. Castro was previously employed at Wilmer, Cutler, Pickering, Hale and Dorr in Washington D.C. and has also served as chief of staff to the Prime Minister of Peru (2001). Mr. Castro received a degree in law from the Pontificia Universidad Católica del Perú, a master's of laws degree from the University of Virginia where he attended as a Fulbright scholar, a master's degree in business administration from Universidad Adolfo Ibañez, and he has attended senior management programs at Harvard Business School and the Wharton School of Business at the University of Pennsylvania.

*Carlos José Tori Grande* has served as IFS's Executive Vice President of Payments since June 2022, and as Interbank's Executive Vice President of Payments Ecosystem since August 2022. At Interbank, he has previously served as Vice President of Retail Banking and Channels since March 2021, as Vice President of Retail Banking since December 2016 and as Vice President for Distribution Channels since February 2014. In addition, Mr. Tori serves as a director of Perú Servicio de Transferencia Electrónica de Beneficios y Pagos S.A.C. ("Servitebca") and PMP. Mr. Tori joined Interbank in 2009 as Head of the Corporate Finance team. Previously, Mr. Tori had served as a director of Interfondos, Compañía de Servicios Conexos Expressnet and Pagos Digitales Peruanos. Prior to joining Interbank, Mr. Tori worked for Citigroup and BankBoston. Prior to 2009, he served as an Investment Banking Associate at Merrill Lynch. Mr. Tori received a bachelor's degree in business administration from Texas A&M University and a master's degree in business administration from the Amos Tuck School of Business at Dartmouth College. In addition, he attended the Advanced Management Program at Harvard Business School.

*Cecilia Ramírez Riesco* was appointed IFS' Investor Relations Officer in February 2024, effective as of March 1, 2024. Ms. Ramírez previously served as Head of Structural Asset Liability Management at Interbank, a position she continues to hold,

having joined the company in January 2023. Prior to joining Interbank, she served as Asset Liability Management Manager at Banco de Crédito del Perú. With over 14 years of experience in the financial services sector, Ms. Ramírez holds a bachelor’s degree in economics from the Universidad de Lima and a master’s degree in finance from the London Business School.

*Katia Mercedes Lung Won* was appointed as IFS’ Chief Compliance Officer in March 2016. She also serves as Chief Compliance Officer of Interbank since 2012. Prior to joining Interbank, Ms. Lung served as Vice President Project Manager for Suntrust Bank in Miami, Florida in the International Wealth Management Division and as Vice President BSA/AML Compliance Officer for BNP Paribas Agency and the General Security Principal (Broker Dealer) for BNP Paribas Investment Services. Ms. Lung holds a bachelor’s degree in business administration from Florida International University (*Cum Laude*), and a master’s degree in business administration from Nova Southeastern University, as well as a CP/AML FIBA and a Six Sigma Certification—Green Belt.

*Peter Roekaert Embrechts* was appointed as IFS’ Internal Auditor in June 2020. Since September 2019 Mr. Roekaert has been in charge of SOX and internal control implementation at IFS and subsidiaries. Previously he served as Interbank’s Head of Credit Risk Monitoring and Recovery – Commercial Banking since December 2006. Prior to that he was Deputy Head of Recovery – Commercial Banking since January 2004 and worked at Interbank’s Corporate Banking Division since July 1996. Mr. Roekaert holds a bachelor’s degree in economics from the Universidad del Pacífico, as well as a master’s degree in business administration from the Johnson Graduate School of Management at Cornell University.

*Zelma Francisca Acosta-Rubio Rodríguez* has served as IFS’ Chief Sustainability Officer since March 2022, as Interbank’s General Counsel and Secretary of the Board of Directors since April 2007, and as Executive Vice President of Corporate and Legal Affairs since 2018. Mrs. Acosta-Rubio also serves as Chief Diversity Officer for Intercorp since 2018, as well as a director of several related companies of Interbank, including, La Fiduciaria S.A. (related under SBS rules) and Intertítulos. Previously, she served as Director at Compañía de Servicios Conexos Expressnet. Before joining Interbank, Mrs. Acosta-Rubio worked at Clifford Chance in London and Milbank, Tweed, Hadley & McCloy in New York. Mrs. Acosta-Rubio received a law degree from the Universidad Católica Andres Bello in Caracas, a master’s degree in comparative jurisprudence from New York University, a master’s degree in international banking law from Morin Center for Banking and Financial Law at Boston University and a master’s degree in business administration from the Management School at Universidad de Piura. In addition, she attended courses on governance and corporate social responsibility at Harvard Business School. Mrs. Acosta-Rubio is admitted to the New York State Bar.

## Interbank

### Board of Directors

Interbank’s board of directors consists of ten members, six of whom are independent. The business address of Interbank’s board of directors is Av. Carlos Villarán 140, Urbanización Santa Catalina, La Victoria, Lima 13, Peru. The following table sets forth certain information about our directors as of the date of this Annual Report on Form 20-F.

<u>Name</u>	<u>Position</u>	<u>Year of Birth</u>	<u>Year Appointed</u>
Carlos Tomás Rodríguez-Pastor Persivale	Chairman	1959	1995
Ramón José Vicente Barúa Alzamora	Director	1946	1994
Luis Felipe Castellanos López Torres <sup>(1)</sup>	Director	1970	2024
David Fischman Kalincausky <sup>(2)</sup>	Director	1958	2003
Carlos Miguel Heeren Ramos <sup>(2)</sup>	Lead Director	1968	2015
Felipe Federico Roy Morris Guerinoni	2 <sup>nd</sup> Vice-Chairman	1953	2000
Lucía Cayetana Aljovín Gazzani <sup>(2)</sup>	Director	1966	2018
Hugo Antonio Santa María Guzmán <sup>(2)</sup>	Director	1963	2016
Fernando Martín Zavala Lombardi	1 <sup>st</sup> Vice-Chairman	1971	2019
Marcia Nogueira de Mello <sup>(2)</sup>	Director <sup>(3)</sup>	1965	2022

(1) Term starts on May 1, 2024.

(2) Independent director pursuant to Peruvian regulations.

(3) Director responsible for supervising the efficiency of the information security and cybersecurity systems of Interbank, as required by Peruvian regulations.

The following sets forth selected biographical information for each of the members of Interbank’s board of directors.

*Carlos Tomás Rodríguez-Pastor Persivale*, See “Item 6. Directors, Senior Management and Employees—Directors and Senior Management—General—Board of Directors”.

*Ramón José Vicente Barúa Alzamora* has served as one of Interbank’s directors since 1994. In addition, Mr. Barúa serves as a director of InRetail Pharma, Supermercados Peruanos, Homecenters Peruanos, Tiendas Peruanas, Real Plaza, Universidad Tecnológica del Perú, Financiera OH! S.A., Inteligo Group and Interseguro. He has also served as director of Intercorp Perú, Intercorp Financial Services Inc., Interfondos, Intertítulos, and Inteligo Bank, and, until 2019, he was the Chief Executive Officer of Intercorp Perú. Mr. Barúa received a bachelor’s degree in industrial engineering from the Universidad Nacional de Ingeniería in Lima and a degree in economics from the Université Catholique de Louvain in Belgium.

*Luis Felipe Castellanos López Torres*, See “Item 6. Directors, Senior Management and Employees—Directors and senior management—General—Executive Officers”.

*David Fischman Kalincausky* has served as one of Interbank’s directors since 2003. Mr. Fischman also serves as a director of Supermercados Peruanos. He has served for 17 years as Vice Chancellor of Administration of the Universidad Peruana de Ciencias Aplicadas (UPC) in Lima, of which he is also a funding member. Mr. Fischman is an international consultant on leadership and organizational culture issues. He holds a degree in civil engineering from Georgia Tech University and a master’s degree in business administration from Boston University.

*Carlos Heeren Ramos* has served as one of Interbank’s directors since 2015, appointed as Lead Director in 2020 and, as required by the SBS regulation, designated as the Director responsible to supervise the efficiency of the information security and cybersecurity system from 2021 to 2023. In addition, he is CEO of UTEC (Universidad de Ingeniería y Tecnología) and TECSUP (Instituto Superior de Tecnología). He currently serves on the board of a number of companies as well as non-profit organizations. Prior to his current role, he was a partner in the largest consulting firm in Peru, Apoyo Consultoría, where he served as the head of management consulting. He also served as director of Cementos Pacasmayo S.A.A. Additionally, he spent 12 years as a faculty member in the Graduate School of the Universidad del Pacífico. He obtained his bachelor’s degree in economics at the Universidad del Pacífico, and obtained his master’s degree in economics from the University of Texas at Austin.

*Felipe Morris Guerinoni*, See “Item 6. Directors, Senior Management and Employees—Directors and Senior Management—General—Board of Directors”.

*Lucía Cayetana Aljovin Gazzani*, See “Item 6. Directors, Senior Management and Employees—Directors and Senior Management—General—Board of Directors”.

*Hugo Antonio Santa María Guzmán*, See “Item 6. Directors, Senior Management and Employees—Directors and Senior Management—General—Board of Directors”.

*Fernando Martín Zavala Lombardi*, See “Item 6. Directors, Senior Management and Employees—Directors and Senior Management—General—Board of Directors”.

*Marcia Nogueira de Mello* has served as one of Interbank’s directors since October 2022. As required by the SBS regulation, she has been designated as the Director responsible for supervising the efficiency of Interbank’s information security and cybersecurity system since 2023. She is co-founder and board member of Oasis Capital Ltda. (formerly Volt Partners Investimentos Ltda.), independent board member of PagSeguro Digital Ltd. and Leo Meio de Pagamentos Ltda., and member of the advisory board of Leo Madeiras Maquinas & Ferragens S.A. Previously, she was co-founder and board member of Revolut Investimentos Ltda., served as CEO of Global Payments South America Brasil Soluções de Pagamentos, was member of the advisory boards of Banco Letsbank S.A. (formerly Banco Smartbank S.A.), and DMCARD Processamento de Dados e Central de Atendimento Ltda., commercial director of Elavon do Brasil Soluções de Pagamento S.A., country manager and sales director of Verifone do Brasil Ltda., director of channels, strategy and payment solutions at Companhia Brasileira de Meios de Pagamento S.A. (Cielo), and business development manager of EDS Electronic Data Systems do Brasil Ltda. (subsidiary of Hewlett-Packard—HP). Mrs. Nogueira received a degree in Computer Science from the Universidade Presbiteriana Mackenzie in Brazil.

### Executive Officers

The business address of Interbank’s executive officers is Av. Carlos Villarán 140, Urbanización Santa Catalina, La Victoria, Lima 13, Perú. The following table sets forth certain information about Interbank’s executive officers as of the date of this Annual Report on Form 20-F.

<u>Name</u>	<u>Position</u>	<u>Year of Birth</u>	<u>Year Appointed</u>
Luis Felipe Castellanos López Torres <sup>(1)</sup>	Chief Executive Officer	1970	2011
Michela Casassa Ramat	Chief Financial Officer	1973	2012
Gabriela Prado Bustamante	Executive Vice President of Risk Management	1970	2008
Carlos José Tori Grande <sup>(2)</sup>	Executive Vice President of Payments	1976	2022

<u>Name</u>	<u>Position</u>	<u>Year of Birth</u>	<u>Year Appointed</u>
César Augusto Andrade Nicoli	Executive Vice President of Retail Banking and Channels	1971	2022
Víctor Edwin Martín Cárcamo Palacios	Executive Vice President of Commercial Banking	1972	2016
Alfonso Alejandro Díaz Tordoya	Executive Vice President of Operations and Technology	1979	2022
Giorgio Ettore Miguel Bernasconi Carozzi	Executive Vice President of Capital Markets	1961	2009
Zelma Francisca Acosta-Rubio Rodríguez	Executive Vice President of Corporate and Legal Affairs	1965	2007
Julio Antonio Del Valle Montero	Executive Vice President of Human Resources	1977	2023

- (1) In a meeting held on February 21, 2024, the Board of Directors of Interbank agreed to appoint Mr. Carlos José Tori Grande as the new Chief Executive Officer of Interbank, effective as of May 1, 2024. Mr. Luis Felipe Castellanos López Torres will hold the position until April 30, 2024.
- (2) Starting on May 1, 2024, Mr. Carlos José Tori Grande will be Interbank's Chief Executive Officer.

*Luis Felipe Castellanos López Torres*, See “Item 6. Directors, Senior Management and Employees—Directors and Senior Management—General—Executive Officers.” In a meeting held on February 21, 2024, the Board of Directors of Interbank agreed to appoint Mr. Carlos José Tori Grande as the new Chief Executive Officer of Interbank, effective as of May 1, 2024. Mr. Luis Felipe Castellanos López Torres will hold the position until April 30, 2024.

*Michela Casassa Ramat*, See “Item 6. Directors, Senior Management and Employees—Directors and Senior Management—General—Executive Officers.”

Gabriela Prado Bustamante has served as Interbank's Executive Vice President of Risk Management since July 2008. Previously, Ms. Prado was responsible for Interbank's Special Asset Management Division and from 2000 to 2004, Ms. Prado served as Manager of Interbank's Risk Management Division, and responsible for monitoring customer performance. Prior to joining Interbank, Ms. Prado also worked for Santander's Risk Management Division. Ms. Prado received a bachelor's degree in business administration from the Universidad de Lima, and a graduate degree in business administration from the INCAE Business School. In addition, she attended the Management Development Program at the Universidad de Piura

*Carlos José Tori Grande*, See “Item 6. Directors, Senior Management and Employees—Directors and Senior Management—General—Executive Officers.” In a meeting held on February 21, 2024, the Board of Directors of Interbank agreed to appoint Mr. Carlos José Tori Grande as the new Chief Executive Officer of Interbank, effective as of May 1, 2024.

*César Augusto Andrade Nicoli* has served as Interbank's Executive Vice President of Retail Banking and Channels since August 2022. After serving as Vice President of Operations and Technology since May 2015. Before joining Interbank, he served as Director of Sales Strategy at LAN Peru and LATAM Airlines Peru, Commercial Director at Telefonica Colombia and Commercial Vice President at Telefónica Peru. Mr. Andrade holds a bachelor's degree in economics from the Universidad del Pacífico in Lima and has a master's degree in business administration from the Kellogg School of Management.

*Victor Edwin Martin Cárcamo Palacios* has served as Interbank's Executive Vice President for Commercial Banking since January 2016. Previously, he served as Head of Corporate Finance and Head of Medium Enterprises Banking at Interbank. Until 2020, he served as director of Servitebca. He also serves as Director of Intertítulos, PMP and La Fiduciaria S.A. Before joining Interbank, Mr. Cárcamo was the Executive Director of Capital Markets at Banco Santander in Mexico and Deputy Manager of Retail Products at Banco Santander in Argentina. Mr. Cárcamo holds a bachelor's degree in economics from the Universidad de Lima and a master's degree in business administration from the Universidad Adolfo Ibáñez in Chile. Mr. Cárcamo also completed the General Management Program at Harvard Business School.

*Alfonso Alejandro Díaz Tordoya* has served as Interbank's Executive Vice President of Operations and Technology since August 2022, after serving as Vice President of Digital Delivery & Partnerships since January 2022. Prior to this position, he served as the Head of Digital Alliances since March 2021, after serving as Vice President of Distribution Channels since December 2016 and as Manager for the Digital Channels Division since May 2013. Mr. Diaz has served as a Director of Procesos de Medios de Pago and Cámara de Compensación Electrónica – CCE as well as Interfondos, Servitebca and Expressnet. Prior to joining Interbank, Mr. Diaz worked in management consulting at A.T. Kearney and in commercial banking at Citigroup Peru. Mr. Diaz is a Licensed Industrial Engineer from Universidad de Lima and holds a master's degree in business administration from Harvard Business School.

*Giorgio Ettore Miguel Bernasconi Carozzi* has served as Interbank's Executive Vice President for Capital Markets since March 2009. Until 2019, he served as director of Interfondos. Prior to joining Interbank, Mr. Bernasconi served as Director in Strategy and Marketing, Global Markets and Distribution for Latin America and was responsible for Latin American capital markets at BBVA Bancomer in México. From 1997 to 2006, he was the Deputy General Manager for BBVA Banco Continental in Peru. He

previously served as Treasury Vice President for Citibank Lima. Mr. Bernasconi has a bachelor's degree in administration from the Pontificia Universidad Católica del Perú. In addition, he attended the Management Development Program at the Universidad de Piura, the Corporate Leadership and Management Program at the IESE Business School of the Universidad de Navarra, and the Senior Leaders Group Program at the Harvard Business School.

*Zelma Francisca Acosta-Rubio Rodríguez*, See "Item 6. Directors, Senior Management and Employees—Directors and Senior Management—General—Executive Officers."

*Julio Antonio Del Valle Montero* has served as Interbank's Human Resources Manager since January 2019 and Executive Vice President of Human Resources since March 2023. Mr. Del Valle joined Interbank in 2007 and since then has led teams related to Process Transformation, Procurement and Facility Management. Previously, he worked as Senior Manager at BNSF Railway in Texas, United States. Mr. Del Valle holds a bachelor's degree in industrial engineering from St. Mary's University and a master's degree in business administration from SMU Cox School of Business.

## Interseguro

### Board of Directors

Interseguro's board of directors consists of eight principal members and one alternate member, three of whom are independent. The business address of Interseguro's board of directors is Avenida Javier Prado Este No. 492, office No. 2601, San Isidro, Lima 27, Peru. The following table sets forth certain information about Interseguro's directors as of the date of this Annual Report on Form 20-F.

<u>Name</u>	<u>Position</u>	<u>Year of Birth</u>	<u>Year Appointed</u>
Felipe Morris Guerinoni	Chairman	1953	1998
Juan Carlos Vallejo Blanco	Director	1964	2012
Carlos Tomás Rodríguez-Pastor Persivale	Director	1959	1998
Ramón José Vicente Barúa Alzamora	Director	1946	2000
Raúl Alberto Francisco Musso Vento <sup>(1)</sup>	Director	1954	2000
Fernando Martín Zavala Lombardi	Director	1971	2019
Luis Felipe Castellanos López Torres	Director	1970	2019
Guillermo Martínez Barros <sup>(1)</sup>	Director	1958	2008
Carlos Octavio Saco Vértiz Tudela <sup>(1)(2)</sup>	Alternate Director for Mr. Guillermo Martínez Barros	1961	2013

(1) Independent director pursuant to Peruvian regulations.

(2) Carlos Octavio Saco Vértiz is an alternate director.

The following sets forth selected biographical information for each of the members of Interseguro's board of directors.

*Felipe Morris Guerinoni*, See "Item 6. Directors, Senior Management and Employees—Directors and Senior Management—General—Board of Directors".

*Juan Carlos Vallejo Blanco* has served as one of Interseguro's directors since 2012. In addition, Mr. Vallejo is Chief Executive Officer of InRetail Peru Corp., and serves as director of Supermercados Peruanos, Makro Supermayorista, InRetail Pharma, Tiendas Peruanas, Homecenters Peruanos, Quicorp, Colegios Peruanos S.A., Financiera OH! S.A. and Inmobiliaria Milenia S.A. Mr. Vallejo served as Chief Executive Officer of Interseguro from 1998 until 2012. Mr. Vallejo received a bachelor's degree in industrial engineering from the Universidad de Chile and a master's degree in business administration from INCAE Business School in Costa Rica.

*Carlos Tomás Rodríguez-Pastor Persivale*, See "Item 6. Directors, Senior Management and Employees—Directors and Senior Management—General—Board of Directors."

*Ramón José Vicente Barúa Alzamora*, See "Item 6. Directors, Senior Management and Employees—Directors and Senior Management—Interbank—Board of Directors."

*Raúl Alberto Francisco Musso Vento* has served as one of Interseguro's directors since 2000 and is currently the Chief Executive Officer of Industrias Electro Químicas S.A. Mr. Musso served as a director of Urbi Mercados S.A. from 1999 to 2000, as the General Manager of LP Holding S.A. from 1998-1999 and as the Vice-President of Bankers Trust Company. Mr. Musso received a bachelor's degree in Economics from the Universidad del Pacífico and a master's degree in economics from the University of Pittsburgh.

*Fernando Martín Zavala Lombardi*, See “Item 6. Directors, Senior Management and Employees—Directors and Senior Management—General—Board of Directors”.

*Luis Felipe Castellanos López Torres*, See “Item 6. Directors, Senior Management and Employees—Directors and Senior Management—General—Executive Officers”

*Guillermo Martínez Barros*, See “Item 6. Directors, Senior Management and Employees—Directors and Senior Management—General—Board of Directors”.

*Carlos Octavio Saco Vértiz Tudela* has served as an alternate director of Interseguro’s since 2004. Mr. Saco-Vértiz has also served as a director of Financiera OH! S.A., Tiendas Peruanas S.A., Supermercados Peruanos S.A. and Homecenters Peruanos S.A. In addition, Mr. Saco-Vértiz is a Senior Partner at BBGS Saco-Vértiz & Landerer law firm. Mr. Saco-Vértiz received a law degree from the Pontificia Universidad Católica del Perú and graduated from the Senior Management Program (PAD) of the Universidad de Piura.

### **Executive Officers**

The business address of Interseguro’s executive officers is Av. Javier Prado Este No. 492. office No. 2601, San Isidro, Lima 27, Peru. The following table sets forth certain information about Interseguro’s executive officers.

<b>Name</b>	<b>Position</b>	<b>Year of Birth</b>	<b>Year Appointed</b>
Gonzalo José Basadre Brazzini	Chief Executive Officer	1970	2012
Juan Carlos Motta Flores	Vice President, Operations	1963	2011
Claudia Maria Delgado Ehni	Vice President, Legal, Administration and Finance	1978	2023
Luciana Camila Olaechea Cadenillas	Vice President, Human Development	1977	2020
Percy Rolando Chávez Castillo	Vice President, Commercial	1971	2020
Ian Scofield Rodríguez- Arnaiz	Vice President, Mass Insurance, Digital and Analytics	1985	2022
Armando Vidal Gastañaga	Vice President, Investment	1983	2022
Sergio Jhasmany Soliz Bilbao	Vice President, Information Technology	1985	2022

*Gonzalo José Basadre Brazzini*, See “Item 6. Directors, Senior Management and Employees—Directors and Senior Management—General—Executive Officers”.

*Juan Carlos Motta Flores* has served as Interseguro’s Vice President of Operations and Actuarial Studies since 2011. Before joining Interseguro, he was the Chief Executive Officer at Penta Seguros de Vida-Penta Hipotecario in Chile for 10 years, and previously he worked as Technical Manager at Consorcio Nacional de Seguros S.A., also in Chile. Mr. Motta holds a bachelor’s degree in economics and a master’s degree in economics from Universidad Católica de Chile.

*Claudia Maria Delgado Ehni* has served as Interseguro’s Vice President of Legal, Administration and Finance since 2023. Prior to joining Interseguro, she was the Executive Director of Finance at Credicorp Capital. She holds a bachelor’s degree in economy from the Universidad del Pacífico and a master’s degree in business administration from Harvard Business School.

*Luciana Camila Olaechea Cadenillas* has served as Interseguro’s Human Development Vice President since March 2020. Previously, Mrs. Olaechea served as Interseguro’s Human Development Manager from April 2019 to February 2020. Before joining Interseguro, she served as Manager of Consulting in Management and Human Development, Human Development Manager of Digital Transformation, and Human Development Manager for Retail Banking at Banco de Crédito del Perú, where she remained for 11 years. Mrs. Olaechea holds a bachelor’s degree in psychology from the Universidad de Lima, and a master’s degree in human behavior from the Universidad de Ciencias Aplicadas.

*Percy Rolando Chávez Castillo* has served as Interseguro’s Commercial Vice President since November 2020. Before his appointment as Vice President, Mr. Chávez worked as an Annuities Division Manager of Interseguro. He previously served as Territorial Manager of the Commercial Banking Division at Banbif and Regional Manager for the provincial stores division at Interbank. Mr. Chávez holds a bachelor’s degree in economics from Universidad Nacional de la Plata in Argentina and a master’s degree in marketing intelligence from Escuela Superior de Gestión Comercial y Marketing in Spain.

*Ian Scofield Rodriguez-Arnaiz* has served as Interseguro’s Vice President, Mass Insurance, Digital and Analytics since August 2022. Before his appointment as Vice President, Mr. Scofield worked as Commercial Manager of Rimac Seguros. He had previously served as Insurance Manager at Banco Ripley and Commercial Division Manager at BNP Paribas Cardif. Mr. Scofield holds a bachelor’s degree in Economics from Florida International University and a master’s degree in business administration from IE Business School.

*Armando Vidal Gastañaga* has served as Interseguro’s Vice President of Investments since August 2022. Before joining Interseguro, he held the position of Regional Head of Credit at SURA Investment Management. He also held the position of General Manager at Fondos Sura, and Investment Manager at AFP Integra. He holds a bachelor’s degree in economics from Universidad del Pacífico, and a master’s degree in business administration from IE Business School.

*Sergio Jhasmany Soliz Bilbao* has served as Interseguro’s Vice President of Technology and Information since August 2022. Before joining Interseguro, Mr. Soliz served as Data & Digital Manager at Hipermercados Tottus Perú & Chile. He also served as Digital Manager at Belcorp Corporation and Head of Information Technology at Belcorp Chile. Mr. Soliz holds a bachelor’s degree in Systems Engineering from Universidad Católica Boliviana and a master’s degree in Software Engineering from Universidad Autónoma Gabriel Rene Moreno.

## Inteligo

### Board of Directors

Inteligo’s board of directors consists of five members, none of whom are independent. The business address of Inteligo’s board of directors is Calle 50 con Elvira Méndez, Piso 48 (P.H. Tower Financial Center), Panama City, Panama. The following table sets forth certain information about Inteligo’s directors as of the date of this Annual Report on Form 20-F.

<u>Name</u>	<u>Position</u>	<u>Year of Birth</u>	<u>Year Appointed</u>
Roberto Hoyle McCallum	Chairman	1949	2014
Carlos Tomás Rodríguez-Pastor Persivale	Director	1959	2007
Ramón José Vicente Barúa Alzamora	Secretary	1946	2006
Fernando Zavala Lombardi	Vice President	1971	2019
Luis Felipe Castellanos	Director	1970	2019
Reynaldo Roisenvit Grancelli	Treasurer	1969	2020

The following sets forth selected biographical information for each of the members of Inteligo’s board of directors.

*Roberto Hoyle McCallum* has served as Chairman of Inteligo Group since February 2014. He also serves as Chairman of Inteligo Bank Ltd., Chairman of Instituto Cultural Peruano Norteamericano (ICPNA), Director of Inteligo Sociedad Agente de Bolsa S.A., Director of inPeru, Director of Vida Peru, former director and member of the executive committee of Cámara de Comercio de Lima, former Chairman of the Bolsa de Valores de Lima, former Chairman of inPeru and former member of the Executive Committee of FIAB (Federación Iberoamericana de Bolsas). Mr. Hoyle has over 45 years of experience in international banking. He received a bachelor’s degree in business administration and completed the Management Executive Program and the executive master’s degree in business administration of the Universidad de Piura.

*Carlos Tomás Rodríguez-Pastor Persivale*, See “Item 6. Directors, Senior Management and Employees—Directors and Senior Management—General—Board of Directors”.

*Ramón José Vicente Barúa Alzamora*, See “Item 6. Directors, Senior Management and Employees—Directors and Senior Management—Interbank—Board of Directors”.

*Fernando Zavala Lombardi*, See “Item 6. Directors, Senior Management and Employees—Directors and Senior Management—General—Board of Directors”.

*Luis Felipe Castellanos*, See “Item 6. Directors, Senior Management and Employees—Directors and Senior Management—General—General—Executive Officers.”

*Reynaldo Roisenvit Grancelli* has served as Inteligo Group’s Treasurer since 2020 and as Chief Executive Officer since February 2014. He also serves as Inteligo USA’s sole Director and Chief Executive Officer and Director of Inteligo Bank since 2005. Mr. Roisenvit is also director of the Lima Stock Exchange, member of the Investment Committee of Interseguro and member of various committees, including Corporate Governance Committees, of Inteligo Bank. He previously served as Chief Executive Officer of Inteligo SAB, Deputy Chief Executive Officer of Inteligo SAB, Chief of Research of Interfip Bolsa, Chief Executive Officer of Interfip Bolsa, Products Manager of Private Banking at Interbank and Portfolio Manager of Global Investment Advisory Group at the Compass Group, in New York. Mr. Roisenvit received a bachelor’s degree in economics from the Universidad de Lima and a master’s degree in business administration from Columbia Business School.

### **Executive Officers**

The business address of Inteligo’s executive officers is Calle 50 con Elvira Méndez, Piso 48 (P.H. Tower Financial Center), Panama City, Panama. The following table sets forth certain information about Inteligo’s executive officers.

<b>Name</b>	<b>Position</b>	<b>Date of Birth</b>	<b>Year Appointed</b>
Reynaldo Roisenvit Grancelli	Chief Executive Officer	1969	2014
Bruno Ferreccio Del Río	Deputy CEO	1976	2017
Victor Vinatea Cámara	Chief Operations Officer	1962	2017
Gianina Gotuzzo Oliva	General Counsel	1975	2017
Daniel Yagui Yoshimoto	Chief Financial Officer	1980	2020

*Reynaldo Roisenvit Grancelli*, See “Item 6. Directors, Senior Management and Employees—Directors and Senior Management—Inteligo—Board of Directors.”

*Bruno Ferreccio Del Río* has served as Inteligo Bank’s Chief Executive Officer since May 2019. Previously, he served as Inteligo SAB’s Chief Executive Officer since July 2019 until September 2021 and as Deputy Chief Executive Officer of Inteligo SAB since April 2017, and before that as Chief Commercial Officer since December 2015. In addition, he served as Inteligo’s Chief Financial Officer and as Inteligo SAB’s Financial Vice President since April 2014. Before joining Inteligo in June 2010 as Inteligo SAB’s Financial Manager and Chief of Products, Mr. Ferreccio was the Vice President of Futures and Derivates in Commodities at AAKOP LLC in New York, and Resident Engineer of HV S.A. CONTRATISTAS in Peru. He received a bachelor’s degree in civil engineering from the University of Texas, Austin, a master’s degree in business administration from the University of Michigan and completed the General Management Program at Harvard Business School.

*Victor Vinatea Cámara* has served as Inteligo’s Chief Operations Officer since 2017. Mr. Vinatea has more than 30 years of banking experience. Before joining Inteligo, Mr. Vinatea held management positions in commercial and retail banking as well as in operations at different banking institutions in Peru. He has been director of La Fiduciaria and Intertítulos. Mr. Vinatea received a degree in business administration from ESAN and holds a master’s degree in business administration in Direction from INCAE and Universidad Adolfo Ibáñez and has participated in international seminars related to banking at Harvard Business School.

*Gianina Gotuzzo Oliva* has served as Inteligo SAB’s General Counsel since 2016 and Inteligo’s General Counsel since 2017. She has also served as General Counsel of InRetail Perú Corp. and Legal Counsel of Intercorp Peru from 2010 to 2016. Mrs. Gotuzzo was previously a Senior Associate of Hernández & Cía. Mrs. Gotuzzo was a professor of corporate law at Pontificia Universidad Católica del Peru for seven years, where she received her law degree in 1999. Mrs. Gotuzzo holds an LL.M. from Cornell University and was admitted to the New York Bar in 2002.

*Daniel Yagui Yoshimoto* has served as Chief Executive Officer of Inteligo SAB and Inteligo Peru Holdings S.A.C. since September 2021. He also serves as Chief Financial Officer of Inteligo since August 17, 2020. He has over sixteen years of professional experience in multinational companies, including 10 years of experience in financial departments within several industries such as financial services, retail and consumer products, and over five years of experience leading business consulting projects performed in top companies in Peru, Argentina and Colombia. Mr. Yagui holds a master’s degree in finance from Universidad Torcuato Di Tella in Argentina and a master’s degree in business administration from Universidad Adolfo Ibáñez in Chile.

### **Procesos de Medios de Pago**

#### **Board of Directors**

PMP’s board of directors consists of seven members, one of whom is independent. As of the date of this Annual Report on Form 20-F, one chair remains vacant after the resignation of César Andrade Nicoli in October 2023. The business address of PMP’s board of directors is Calle Jorge Chavez 275, 7<sup>th</sup> Floor, Miraflores, Lima 18, Peru. The following table sets forth certain information about PMP’s directors as of the date of this Annual Report on Form 20-F.



<u>Name</u>	<u>Position</u>	<u>Year of Birth</u>	<u>Year Appointed</u>
Carlos José Tori Grande	Chairman	1976	2015
Michela Casassa Ramat	Director	1973	2022
Ivana Osores Balestra	Director	1970	2022
Victor Edwin Martín Carcamo Palacios	Director	1972	2022
Juan Carlos Vallejo Blanco	Director	1964	2022
Bruno Alberto Funcke Ciriani <sup>(1)</sup>	Director	1967	2020

(1) Independent director pursuant to Peruvian regulations.

*Carlos José Tori Grande*, See “Item 6. Directors, Senior Management and Employees—Directors and Senior Management—Interbank—Executive Officers.”

*Michela Casassa Ramat*, See “Item 6. Directors, Senior Management and Employees—Directors and Senior Management—General—Executive Officers.”

*Ivana Osores Balestra*, has served as one of PMP’s directors since 2022. She also serves as Director of Compañía de Servicios Conexos Expressnet since February 2019. In addition, since 2019, she has been the Central Chief of Strategy and Technological Transformation of Interbank, in which she previously had other positions such as Central Chief of Strategy and Retail Transformation (2018) and Division Chief of Architecture and Technological Transformation. Prior to joining Interbank, she was the Chief of Architecture and IT Standards, Operations Chief, Chief of Engineering and IT Development and Chief of Information Management at Banco de Crédito del Perú S.A. – BCP. Mrs. Osores holds a bachelor’s degree in industrial engineering from Universidad de Lima, a master’s degree in business administration from ESAN and a master’s degree in IT Project Management from the George Washington University.

*Victor Edwin Martín Cárcamo Palacios*, See “Item 6. Directors, Senior Management and Employees—Directors and Senior Management—Interbank—Executive Officers.”

*Juan Carlos Vallejo Blanco*, See “Item 6. Directors, Senior Management and Employees—Directors and Senior Management—Interseguro—Board of Directors.”

*Bruno Alberto Funcke Ciriani*, has served as one of PMP’s directors since 2020. He is also currently the Chairman of the Board of Directors of Grupo Dresden. Previously, he has served as director of Capia Renta Fija S.A.C. (2016 – 2022), independent director of Hipermercados Tottus (2016 – 2021), Tiendas del Mejoramiento del Hogar S.A. (2016 – 2021) and Avla Perú Compañía de Seguros S.A. (2017 – 2018), and Chief Executive Officer of Banco Falabella Perú (2011 – 2016). Mr Funcke holds a bachelor’s degree in administration from Universidad del Pacífico, and a master’s degree in business administration from ESAN.

### **Executive Officers**

The business address of PMP’s executive officers is Calle Jorge Chavez 275, 7<sup>th</sup> Floor, Miraflores, Lima 18, Peru. The following table sets forth certain information about PMP’s executive officers.

<u>Name</u>	<u>Position</u>	<u>Year of Birth</u>	<u>Year Appointed</u>
Luis Felipe Venturo Denegri	Chief Executive Officer	1970	2015
Virginia Blume Santacroce	Chief Financial Officer	1972	2024
Demian Arturo Ballon Espinoza	Chief Operations Officer	1974	2021
Christian Ramon Alvarado Perez	Chief Marketing, Sales & Product Officer	1975	2016
Jorge Luis Valdivia Chavez	Chief Technology Officer	1962	2015
Paola Rosa Maria Rodriguez	Chief Executive Risks & Compliance Officer	1971	2016
Arnaldo Rivera Velez	Chief Human Resources Officer	1971	2015

*Luis Felipe Venturo Denegri* has been PMP’s Chief Executive Officer since April 2015. Before joining PMP, he had occupied the position of Retail Banking Vice President at Banco Falabella from 2008 to 2014. He received a bachelor’s degree in Science from Babson College, and a master’s degree in Business Administration, Finance and Marketing from Kellogg Graduate School.

*Virginia Blume Santacroce* started as PMP's Chief Financial Officer in February 2024. Before joining PMP, she had been Finance Director for Compañía Peruana de Radiodifusión S.A. (*America Televisión*) from 2020 until December 2023, and previously CFO for DirecTv Peru from 2011 to 2020. She received a bachelor's degree in Business Administration from Universidad de Lima and a master's degree in Business Administration from Eastern Michigan University.

*Demian Arturo Ballon Espinoza* has been PMP's Chief Operations Officer since October 2021, having previously been PMP's Manager of POS Network Operations since September 2020. From 2014 to 2019, Mr. Espinoza was the Controller and Chief Technology Officer at Pesquera Exalmar S.A.A. He received a bachelor's degree in Business Management from Universidad Ricardo Palma, and a master's degree in Corporate Finance from Universidad Peruana de Ciencias Aplicadas.

*Christian Ramon Alvarado Perez* has been PMP's Chief Marketing, Sales & Product Officer since November 2016. Previously, he had been the Chief of Markets and Marketing of Entel from 2012 to 2016. He received a bachelor's degree in Business Administration from Universidad del Pacífico, and a master's degree in Medex Executive MBA from Universidad de Piura

*Jorge Luis Valdivia Chavez* has been PMP's Chief Technology Officer since August 2015. Before joining PMP, he was the Chief Technology and Innovation Officer of Unibanca (2012-2014), where he had previously held positions of Chief Systems and Operation Officer (2004-2012), Chief Systems Officer (2002-2003), Systems Deputy (2000- 2002) Support Chief Engineer (1996-2000) and Communication Support Engineer (1994-1995). He received a bachelor's degree in science with a major in Electronic Engineering from Universidad Nacional de Ingeniería and a master's degree in Business Administration with a major in Finance from Universidad ESAN.

*Paola Rosa Maria Rodriguez* has been PMP's Chief Executive Risks & Compliance Officer since April 2016. She had previously held a position of Accountant and Internal Auditor on Banco de Crédito del Perú S.A. and in other companies of the Credicorp Group for nineteen years. She received a bachelor's degree in Accounting from Universidad Ricardo Palma, and a master's degree in Business Administration from Universidad Adolfo Ibañez.

*Arnaldo Rivera Velez* has been PMP's Chief Human Resources Officer since June 2015; having previously been a Non-Monetary Compensation Manager from 2010 to 2015. He received a bachelor's degree in Accounting from Universidad de Lima, a Master in Business Administration from Centrum PUCP Business School and an International Master in Leadership from EADA Business School.

## **Izipay**

Izipay does not have a Board of Directors.

The business address of Izipay's executive officers is Calle Jorge Chavez 275, 7<sup>th</sup> Floor, Miraflores, Lima 18, Peru.

Izipay's Executive Officers are the same as the PMP's Executive Officers and they hold the same roles and positions.

## **B. Compensation**

Our articles of incorporation provide that our shareholders are responsible for determining the compensation to be paid to members of our board. Some of our executive officers are also executive officers in our subsidiaries, and receive compensation for their services from such subsidiaries. Consistent with applicable law, we do not disclose to our shareholders, or otherwise make public, information regarding the individual compensation of our board members or executive officers, or of the board members or executive officers of our subsidiaries. For the year ended December 31, 2023, the aggregate annual compensation to our board members and to board members of our subsidiaries totaled S/3.2 million. For the year ended December 31, 2023, the aggregate annual compensation to our executive officers and executive officers of our subsidiaries totaled S/28.3 million.

For the year ended December 31, 2023, no amounts were set aside or accrued by us to provide pension, retirement or similar benefits for our directors and officers. None of our directors or any of the directors of our subsidiaries have entered into any service contracts with our company or our subsidiaries providing for benefits upon termination of their employment. As of the year ended December 31, 2023, neither we nor our subsidiaries have adopted any executive long-term incentive plan, while Interbank has a retention bonus program for some of its executive officers.

On November 8, 2023, IFS' Board of Directors approved a clawback policy (the "Clawback Policy"), included as an exhibit hereto (see "Item 19. Exhibits."), in accordance with the applicable provisions of The New York Stock Exchange Listed Company Manual. Pursuant to the Clawback Policy, IFS shall recover, subject to certain exceptions, erroneously awarded

compensations received by current or former executive officers of IFS (as determined by IFS' Board of Directors) in the event IFS is required to prepare an accounting restatement due to IFS' material noncompliance with any financial reporting requirement under the securities laws in the United States of America. The Clawback Policy has become effective on December 1, 2023.

### **C. Board Practices**

Our board of directors and the board of directors at each of our subsidiaries (Interbank, Interseguro, Inteligo and PMP) is responsible for establishing an appropriate and integrated risk management system and for promoting an internal environment that facilitates the board of directors' supervision and risk management control. The board of directors is continuously informed about the degree of exposure of the diverse risks managed by each subsidiary and inherent to their businesses.

The boards of directors of Interbank, Interseguro, Inteligo Bank and PMP have created several specialized committees to which they have delegated specific tasks in order to enhance risk management and internal control. We list below the main committees established by the boards of directors of our subsidiaries.

For more information on board practices, see "Item 6.A. Directors, Senior Management and Employees—Directors and Senior Management—General."

#### **Audit Committee**

Our audit committee is fully independent and complies with the criteria set forth under our "Audit Committee Charter" (as amended from time to time) the rules of the NYSE and Rule 10A-3(b)(1) of the Exchange Act, each as applicable to foreign private issuers. Our audit committee consists of three directors, all of whom are financially literate and one of whom is a financial expert. The current members of our audit committee are Guillermo Martínez Barros, Felipe Federico Roy Morris Guerinoni and José Alfonso Bustamante y Bustamante.

Felipe Federico Roy Morris Guerinoni, Guillermo Martínez Barros and José Alfonso Bustamante y Bustamante are independent under Rule 10A-3 under the Exchange Act. Felipe Federico Roy Morris Guerinoni is a financial expert in accordance with NYSE rules. Our audit committee oversees our corporate accounting and financial reporting process. The audit committee is responsible for:

- reviewing our financial statements;
- evaluating our internal controls and procedures, and identifying deficiencies;
- the appointment of our external auditors, determining their compensation, retention and oversight, and resolving any disagreement that may arise between management and our external auditors;
- evaluating the Company's compliance with the Board of Director's internal regulation, as well as with general principles of corporate governance;
- informing our board of directors regarding any issues that arise with respect to the quality or integrity of our financial statements, our compliance with legal or regulatory requirements, the performance and independence of the external auditors, or the performance of the internal audit function;
- establishing procedures for the reception, retention and treatment of complaints regarding accounting, internal controls or other auditing matters, including the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters;
- independently engaging its own counsel and any other advisers it deems necessary to fulfill its functions; and
- establishing policies and procedures to pre-approve audit and permissible non-audit services.

At our segments level, some of our subsidiaries have its own Audit Committee.

At Interbank, the Audit Committee was established in March 2000. According to SBS regulations, the Audit Committee must be comprised of at least three board members who do not hold executive positions, one of whom must be an independent member, who will be designated as its president. Nonetheless, pursuant to Interbank's internal regulation, at least two board members in the committee must be independent directors.

Pursuant to SBS regulations, the Interbank Audit Committee is responsible for reviewing compliance with the internal auditing program, informing the board of directors about compliance with internal policies and procedures and the internal auditing program and informing the board of directors about any action taken to correct any situation that is not in compliance with the internal auditing program. In addition, the Audit Committee is responsible for defining the criteria for selection and hiring of the external auditors, evaluating their performance and coordinating on a continuous basis with the external auditors any matters relating to the internal auditing program. The Audit Committee also is responsible for defining the criteria for selection and hiring of the manager of the internal audit division, proposing his appointment and dismissal to the Board of Directors.

In the case of Inteligo Bank, the Audit Committee supervises that the internal control system is well documented with the policies, processes and procedures, as well as the administration of information and management of resources, to guaranty that they are aligned with the applicable laws and regulations to achieve Inteligo Bank's objectives. Inteligo Bank's Audit Committee is composed by four members, three of them belong to the Board of Directors and do not hold executive positions in the company. Also, one of them is an independent director.

In the case of Interseguro, the principal purpose of the Internal Audit Committee is to monitor that the accounting processes and financial reporting are appropriate. Besides, the Internal Audit Committee evaluates the activities carried out by the internal and external auditors of the company. The members of the Audit Committee are appointed by the Board of Directors and must have the necessary knowledge and experience to perform their duties. This committee is composed of at least three members of the Board of Directors who do not hold executive positions in the company.

In the case of PMP, the Audit Committee is comprised by three Directors, one of whom is independent. This Audit Committee is responsible of monitoring the proper functioning of the internal control system, reviewing and approving the annual Internal Audit plan and monitoring it, Sarbanes Oxley reporting and Statement on Standards for Attestation Engagements 18 (SSAE 18) review progress, as well as following up on corrective measures, among other activities.

## **Other Committees**

### ***Comprehensive Risk Management Committee and Risk Committee***

At Interbank, the Integral Risk Management Committee is a corporate body created by resolution of the board of directors. It is responsible for approving the policies and organization of the comprehensive risk management system, as well as any amendments to said policies. The Integral Risk Management Committee defines the risk appetite and level of tolerance that Interbank is willing to take in its business and the actions needed to implement the required corrective measures necessary to maintain adequate levels of risk tolerance. The Integral Risk Management Committee is comprised of (i) up to six members of the board of directors (three of whom are independent directors), out of which three are titular directors and up to three are alternate directors; and, (ii) 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 agreements adopted in the previous meeting.

In the case of Inteligo Bank, the Integral Risk Management Committee is comprised of at least two members of the board of directors, one of which must be independent (as defined pursuant to the Bahamian regulation), who will oversee the Committee. Other members are the Chief Executive Officer of the Panamanian Branch, the Finance Manager, the Legal Manager and the Corporate Risk Officer. The Committee reports quarterly to the board of directors the main issues it has discussed and the agreements adopted in the previous meeting.

Instead of an Integral Risk Management Committee, Interseguro has a Risk Committee, which is a corporate body created by resolution of the board of directors, and is responsible for defining risk limits for Interseguro's business, approving risk policies and approving required corrective measures necessary to maintain adequate levels of risk tolerance. The Risk Committee is comprised of four board members, the Chief Executive Officer and the Risk Manager.

Finally, PMP has a Risk Management Committee comprised by three directors, as well as the Chief Executive Officer, the Chief Financial Officer and the Chief Executive Risks & Compliance Officer. This Risk Management Committee is responsible for the design, implementation and approval of policies and procedures for risk management, and the definition of PMP's risk appetite, tolerance and exposure. PMP also has a Compliance Committee that is composed by the same directors as the Risk Management Committee. The Compliance Committee is responsible for the review and approval of the policies related to the PMP's regulatory compliance as well as its management and awareness in PMP.

### ***Assets and Liabilities Committee***

The Assets and Liabilities Committee (the "ALCO") is a corporate body created by resolution of the board of directors of Interbank and Inteligo. In the case of Interbank, the ALCO is comprised exclusively of officers.

At Interbank, the ALCO's main purpose is to manage the structure of Interbank's financial position considering its profitability and risk targets. The ALCO is also responsible for the proposition of new products or operations that contain components of market risk. Additionally, it serves as the communication channel with units that generate market risks. The ALCO meets monthly and is comprised of the Chief Executive Officer, the Vice Presidents of Risks, Commercial Banking, Operations and Technology, Retail Banking and Channels, and Capital Markets and the Manager of Treasury/Position Desk.

Inteligo Bank holds positions that are not actively traded, but are part of its assets and liabilities. These positions include a loan portfolio, customer deposits and bank loans. These positions are also exposed to interest rate risk, exchange rate risk and liquidity risk. The main purpose of the ALCO at Inteligo Bank is to manage its financial position, considering its profitability and risk targets. The ALCO meets quarterly and is comprised of at least two board members, one of whom must be independent (as defined pursuant to Bahamian regulations), the Chief Executive Officer of the Panamanian Branch, Finance Manager, Legal Manager and the Corporate Risk Officer.

At Interseguro, the functions of the ALCO committee are assumed by the Investment Committee.

### ***Investment Committee***

The Investment Committee is responsible for approving the limits of each security or real estate which could be included in Interseguro's investment portfolio. This Committee is comprised of several members of the board, the Chief Executive Officer and the Investment-Vice President. The Risk Manager also participates as an advisor.

Inteligo Bank created an Investment Committee in 2017. The Investment Committee is responsible for reviewing and approving the strategy of Inteligo Bank's investment portfolio and approving new investment products. The Investment Committee meets quarterly and is comprised of one board member, the Chief Executive Officer, the Chief Executive Officer of the Panamanian Branch, the Chief Financial Officer and the Corporate Risk Officer. Recently, the name of such committee at Inteligo Bank changed to Investment and Fiduciary Committee, to guarantee that the activities related to advisory, administration and investment management of the clients' assets are conducted pursuant to Inteligo Bank's policies and regulations.

### **Internal Audit**

At our segments level, the Internal Audit Division reports to the board of directors at each subsidiary. It supports the Company in meeting its objectives through the application of a systemic and disciplined approach to assess and enhance the efficiency of its governance processes, risk management and control processes.

## **D. Employees**

### ***IFS***

As of December 31, 2023, IFS had no employees. However, its operations are carried out by employees from its subsidiaries and affiliates.

### ***Interbank***

As of December 31, 2023, Interbank had 6,266 employees, 1,808 work in financial stores and 4,458 work at the headquarters and in operational centers of Interbank. Of the total employees, 2,965 are dedicated to sales force. We have been optimizing our distributional channels and have reduced full time employees at financial stores. Interbank's employees are not unionized, are not a party to any collective bargaining agreement and since Interbank's privatization in 1994, have never been involved in a strike or work stoppage.

### ***Interseguro***

As of December 31, 2023, Interseguro had a total of 1,176 employees, which included officers and administrative staff, as well as sales agents and representatives. Interseguro's employees are not unionized, are not a party to any collective bargaining agreement and have never been involved in a strike or work stoppage.

Interseguro provides its employees with benefits that exceed the requirements of Peruvian labor laws, including school allowance, specialized training programs, general health base plan and oncology plan, each covered at 100%. Interseguro also provides wellness programs for its employees, as well as a full portfolio of development, family inclusion, and social programs.

## Inteligo

As of December 31, 2023, Inteligo and its subsidiaries had 341 employees, which included officers and administrative staff, as well as commercial representatives. Inteligo's senior management is located in Peru and Panama. Inteligo's and its subsidiaries' employees are not unionized, are not a party to any collective bargaining agreement and have never been involved in a strike or work stoppage.

## PMP and Izipay

As of December 31, 2023, PMP had 648 employees, which included officers and administrative staff, as well as commercial representatives. PMP's employees are not unionized, are not a party to any collective bargaining agreement and have never been involved in a strike or work stoppage.

While Izipay does not have any employees, it is provided with managerial services by PMP through an intercompany management services agreement entered into by PMP and Izipay. PMP's and Izipay's senior management are located in Peru.

### E. Share Ownership

Except as described under "Item 7. Major Shareholders and Related Party Transactions—Major shareholders", none of our directors or senior management beneficially owns our common shares other than two directors and two executive officers of IFS, who owned an aggregate 0.05% interest in IFS as of December 31, 2023. As of the date of this Annual Report on Form 20-F, two directors and one executive officer of IFS held an aggregate 0.05% interest in IFS.

We do not have any arrangements for involving employees in our capital, including any arrangements that involve the issue or grant of options of our shares or securities.

### F. Disclosure of a Registrant's Action to Recover Erroneously Awarded Compensation

Not applicable.

## ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

### A. Major Shareholders

Our only outstanding equity securities are our common shares. As of December 31, 2023, IFS had issued 115,447,705 common shares (including treasury stock), of which 68,402,292 were registered in CAVALI and 47,045,413 were registered in DTC. As of December 31, 2023, 55,251 common shares registered in CAVALI were held by 15 U.S. citizens and/or residents in the United States.

The following table sets forth certain information regarding the ownership of outstanding shares as of April 5, 2024 for the following:

- each person or entity who is known by us to own beneficially more than 5% of our outstanding shares capital or voting rights;
- our directors and members of our executive management group, as a group.

Shareholders	Common Shares Owned	
	Number of Shares	Percentage owned
Intercorp Perú Ltd. <sup>(1)(2)</sup>	81,507,547	70.6%
Other Directors and Officers <sup>(3)</sup>	53,810	0.0%
Treasury stock	967,695	0.0%
Float	32,918,653	28.5%
<b>Total</b>	<b>115,447,705</b>	<b>100.0%</b>

(1) International Financial Holdings Group Inc. ("IFH"), representing 77.3% of the voting rights to appoint the majority of the members of the board of directors of Intercorp Peru, has entered into an irrevocable proxy agreement (the "Irrevocable Proxy Agreement") appointing Carlos Tomás Rodríguez-Pastor Persivale and two members of his family (the "Agents") as IFH's agents, acting by majority vote, with respect to any matters relating to IFH's ownership interest in Intercorp Peru. The initial period of the Irrevocable Proxy Agreement was two years commencing in June 2019 automatically renewable for six-month periods unless otherwise terminated upon 90 days' notice. On May 20, 2021, the Irrevocable Proxy was renewed and ratified with effectiveness as of June 12, 2021 under the same terms originally agreed, including automatic renewals for six-month periods unless otherwise terminated upon 90 days' notice. On May 23, 2023, the Irrevocable Proxy was renewed and ratified with effectiveness as of June 12, 2023 under the same terms originally agreed, including automatic renewals for six-month periods unless otherwise terminated upon 90 days' notice. The renewed Irrevocable Proxy is valid for a two-year period counted from June 12, 2023. As of the date of this Annual Report on Form 20-F, the Irrevocable Proxy Agreement had not been terminated.

- (2) IFH Capital Corp. and Intercorp Capital Investments Inc. are the record holders of 9,747,706 and 9,747,707, respectively, of our common shares, or 8.44% each, and are both wholly-owned subsidiaries of Intercorp Peru and therefore Intercorp Peru beneficially owns their shares.
- (3) Excluding Carlos Tomás Rodríguez-Pastor Persivale.

There have been no significant changes in the percentage ownership held by our major shareholders over the past three years.

As of December 31, 2023, IFS and its subsidiaries held 967,695 common shares in treasury stock. For more details regarding these shares, see “Item 16E – Purchases of Equity Securities by the Issuer and Affiliated Purchasers” and Note 16(b) to our audited annual consolidated financial statements.

## **B. Related Party Transactions**

In the ordinary course of business, we and our subsidiaries, Interbank, Interseguro, Inteligo and Izipay, engage in a variety of transactions among ourselves and with certain of our affiliates and related parties. All material transactions between us or our subsidiaries and our other affiliates or related parties are evaluated by our senior management and our board in accordance with specific regulations and internal rules applicable to all third-party transactions. These transactions are subject to prevailing market conditions and transfer pricing regulations.

Interbank extends loans to related parties, including its executive officers and directors and executive officers and directors of our affiliates, in accordance with Peruvian law and regulations established by the SBS. According to the SBS, loans to related parties cannot be made on more favorable terms than those offered to the public, with the exception of mortgage loans granted to workers for housing purposes. As a result, all related-party loans have been made in the ordinary course of business, on an arm’s-length basis and on substantially the same terms, including with respect to interest rates and collateral, as those prevailing at the time for comparable transactions offered to the public. In addition, related-party loans do not involve greater collection risk nor present other features unfavorable to Interbank as compared to loans offered to the public.

Peruvian law and SBS regulations also set forth limitations on the amount of credit loans that may be extended to related parties based on Article 201 and Article 202 of the Peruvian Banking and Insurance Law. The law establishes that the total amount of loans to be extended to directors, employees and close relatives of any such persons may not exceed 7.0% of the bank’s regulatory capital. All loans extended to any director or employee of the company (including close relatives of such person) may not exceed 0.35% of the regulatory capital (i.e., 5.0% of the overall 7.0% limit discussed above) per each person, including such person’s spouse and relatives.

In addition, under Article 202 of the Peruvian Banking and Insurance Law, no loans extended to related parties or affiliates may exceed 30.0% of a bank’s regulatory capital. Under these laws, related-party borrowers include any corporation holding, directly or indirectly, 4.0% or more of a bank’s shares, such bank’s directors, certain of its principal executive officers or other persons affiliated with such bank’s management or any individual or entity that is deemed to have a significant influence in its operations.

Peruvian regulations also set forth limits on the investments of insurance companies with any member of its economic group. Pursuant to SBS regulations, the aggregate amount of investments that Interseguro may have with any member of its economic group cannot exceed 7.0% of its technical obligations, being that any excess will be considered as non-eligible investment.

Furthermore, under Peruvian law, board members and executive officers of Interbank and Interseguro, may not (i) receive loans (in money or goods) from the company unless approved by the board of directors, (ii) use for their own benefit, the company’s assets, services or credits unless approved by the board of directors, (iii) disclose or use, inappropriately, for their own benefit, privileged information, and (iv) participate in any corporate decision that presents a conflict of interest with the company. In all cases, the execution of agreements that involve at least 5.0% of the assets of the company with persons or entities related to directors, managers or shareholders that own, directly or indirectly, more than 10.0% of the share capital requires the prior authorization of the board of directors (with no participation of the director(s) involved in the transaction, if any). In addition, the execution of agreements with a party controlled by the company’s controlling shareholder requires the prior authorization of the board of directors and an evaluation of the terms of the transaction by an external independent company (audit companies or other evaluator to be determined by the SMV).

During 2023, 2022 and 2021, IFS’s directors, officers and key management had been involved, directly and indirectly, in credit transactions with certain subsidiaries of IFS, as permitted by applicable Peruvian laws and regulations that regulate and limit certain transactions with employees, directors and officers of financial entities. As of December 31, 2023, 2022 and 2021, direct loans by IFS or its subsidiaries to employees, directors, officers, and key management of IFS and its subsidiaries amounted to S/209.7 million, S/211.7 million and S/213.0 million, respectively. These loans are current and accrue interest at market rates.

Payment dates vary, and may be monthly, quarterly, or at maturity. See “Item 4. Information on the Company—Business Overview—Regulation and Supervision” for information on the regulation of IFS and its subsidiaries and on the protection of deposits.

Inteligo Bank is operating pursuant to its original license, which commencing in 2020 permits a related party exposure of up to 15% of its capital, a decrease from the prior 25% maximum. As of December 31, 2023, the exposure was 9.66%.

For additional information about loans, including tabular disclosure, to, and certain other transactions with, related parties and affiliates including directors and officers, see Note 27 to our audited annual consolidated financial statements.

In the normal course of our operations, related party transactions are evaluated in accordance with Peruvian banking and securities regulations, as described in this section. These transactions are subject to prevailing market conditions and transfer pricing regulations. We and our subsidiaries have a number of such transactions with our parent company, subsidiaries of our parent company, affiliates pursuant to the criteria of the SBS and other related parties. See “Presentation of Financial Information” for a brief description of a number of these parties. For additional information including tabular disclosure, about loans, to, and certain other transactions with, related parties and affiliates including directors and officers, see Note 27 to our audited annual consolidated financial statements.

## **IFS**

### ***Bonds in InRetail Shopping Malls.***

Since September 20, 2019, IFS holds S/39.0 million in bonds of InRetail Shopping Malls. The annual interest rate for these bonds is 7.88% and they mature on July 25, 2034.

## **Interbank**

### ***Lease Agreement between Interbank and Supermercados Peruanos, S.A. (“Supermercados Peruanos”)***

During 2020, Interbank entered into a lease agreement with Supermercados Peruanos under which Supermercados Peruanos granted Interbank the right to use supermarket space for the operation of their stores (Money Markets format) and ATMs for a term of five years. Under the terms of the agreement, Supermercados Peruanos agreed to grant an area of 2,000 square meters of floor space for the first three years of the agreement and 1,800 square meters of floor space for the following two years.

In December 2021, an amendment to the agreement was entered into to reduce the rented area from January 2021 to September 2022 to 1913.40 square meters of floor space, and to 1,713.40 square meters of floor space from October 2022 until the end of the agreement, which will take place on October 1, 2024.

In March 2022, an amendment to the agreement was entered into to reduce the rented area from February 2022 to October 2022 to 1,850.11 square meters of floor space, and to 1,650.11 square meters of floor space from October 2022 until the end of the agreement, which will take place on October 1, 2024.

The agreed monthly rent is as follows: (i) for stores located inside the premises (Money Markets format) the rent is S/302.93 per square meter plus taxes, (ii) for stores located outside the premises, the rent is S/201.55 per square meter plus taxes, (iii) for ATMs located inside the premises, the rent is S/2,198.70 plus taxes and, (iv) for ATMs located outside the premises, the rent is S/1,587.95 plus taxes.

In addition, Interbank has made a security deposit of U.S.\$0.9 million (approximately S/3.4 million), which shall be applied as a guarantee of payment of the monthly rent. Additionally, Supermercados Peruanos has granted an exclusivity right to Interbank for the operation of stores (Money Market format) and for ATMs located inside the supermarket premises. As of December 31, 2023, Interbank was operating under this agreement in 25 stores (Money Market format) and with 93 ATMs located inside the supermarket premises.

### ***Loan Agreement between Interbank and GTP Inversionistas S.A.C.***

In May 2017, Interbank has entered into a loan agreement with GTP Inversionistas S.A.C., an affiliate, pursuant to the criteria of the SBS, under which Interbank disbursed to the latter U.S.\$32.6 million for the indirect acquisition of 24.95% of the capital stock of Universidad Tecnológica del Perú S.A.C. (“UTP”). The loan was granted for a term of five years to be repaid in five annual payments with an effective annual interest rate of 7.875%. The collateral granted consisted of a pledge agreement of 24.95% of the capital stock of UTP. In May 2020, the loan agreement was amended, increasing the remaining term to seven years. As of December 31, 2023, the total outstanding debt under the loan agreement amounts to S/17.6 million), excluding interest.



### ***Lease Agreements with Supermercados Peruanos***

Interbank has entered into several lease agreements with Supermercados Peruanos, a subsidiary of Intercorp Peru, whereby Interbank leased real estate property, machinery and equipment to Supermercados Peruanos. These lease agreements are amended from time to time, most recently in March 2021. As of December 31, 2023, the outstanding debt under the lease agreements amounts to S/85.1 million, excluding interest.

### ***Loan Agreements with Supermercados Peruanos***

On September 27, 2018, Interbank entered into a medium-term loan agreement with Supermercados Peruanos under which Interbank granted a loan for up to S/95.0 million to be paid in 28 installments at a monthly interest rate of 5.85%. In October 2019, the loan agreement was amended increasing its amount to S/198.0 million, excluding interest. In March 2021, the interest rate was reduced to 3.99% to be paid on a quarterly basis and the due date was extended to February 2026.

In September 2022, Interbank entered into a new medium-term loan agreement with Supermercados Peruanos under which Interbank granted a loan for up to S/100 million to be paid in 18 installments at an annual interest rate of 7.99%. In addition, in the ordinary course of business, Interbank provides Supermercados Peruanos with short-term credit through factoring, short-term notes, and credit card financing.

As of December 31, 2023, the outstanding debt under the loan agreement amounted to S/285.5 million and the outstanding short-term debt of Supermercados Peruanos to Interbank amounted to S/85.5 million, including factoring, short-term notes, and credit cards.

### ***Lease Agreements with Homecenters Peruanos (“HPSA”)***

Interbank has entered into several lease agreements with HPSA, a subsidiary of Intercorp Peru, whereby Interbank leased machinery and equipment to HPSA. As of December 31, 2023, the total outstanding debt under such lease agreements amounts to S/45.1 million, excluding interest.

### ***Loan Agreements with HPSA***

In November 2019, Interbank entered into a term loan agreement with HPSA, a subsidiary of Intercorp Peru, for S/25.0 million at annual interest rate of 5.30%. In September 2022, Interbank and HPSA entered into a new medium – term loan agreement for S/80 million at an annual interest rate of 8.55%. In September 2023, the loan agreement was amended to reschedule the total outstanding debt of S/67.0 million, at an annual interest rate of 9.45% to be paid on a quarterly basis, and the due date was extended to September 2026. As of December 31, 2023, the loan had been fully disbursed and the total outstanding debt under the loan agreement amounted to S/80.4 million. In addition, in the ordinary course of business, Interbank provides HPSA with short-term credit through factoring and import financing. As of December 31, 2023, the outstanding short-term debt of HPSA amounted to S/5.3 million, excluding interest.

### ***Loan Agreement with InRetail Pharma***

Interbank has entered into a syndicated secured loan agreement with InRetail Pharma, a subsidiary of Intercorp Peru, for up to S/161.9 million due in April 2025. The collateral granted consisted of mortgage over real estate properties and guarantees (*fianzas solidarias*) granted by several of its subsidiaries. In May 2021, the loan agreement was refinanced by a new syndicated secured loan agreement for up to S/220.0 million due on March 2026. As of December 31, 2023, the total outstanding debt under the loan agreement amounts to S/220.0 million (excluding interest) at an interest rate of 3.75%. In addition, in the ordinary course of business, Interbank provides InRetail Pharma with short-term credit through factoring and credit card financing. As of December 31, 2023, the outstanding short-term debt of InRetail Pharma amounted to S/72.8 million (excluding interest), which includes factoring and credit card debt.

### ***Loan Agreement with UTP***

In September 2018, Interbank entered into a loan agreement with UTP, a subsidiary of Intercorp Peru, entered into a loan agreement under which Interbank disbursed S/80.0 million at an interest rate of 6.9%. The loan was granted for a term of seven years, which included a two-year grace period. The collateral consisted of a mortgage over real estate properties and assignment of surface rights. In September 2020, as a result of the spin-off of UTP and IDAT, the loan was split and assigned as follows: S/62.0 million to UTP and S/18.0 million to IDAT. In April 2021, UTP’s loan agreement was amended in order to reduce the interest rate to 4.15% and to extend the term for six years, including one year of grace period, as of April 2021. As of December 31, 2023, the aggregate amount outstanding under the loan agreement with UTP amounted to S/39.7 million, excluding interest.

### ***Lease Agreements with Centros de Salud Peruanos***

In December 2022 Interbank entered into several lease agreements with Centros de Salud Peruanos, a subsidiary of InterCorp Peru, by means of which Interbank leased machinery and equipment for the construction of a new clinic located in Cercado de Lima. As of December 31, 2023, the aggregated amount outstanding under these lease agreements amounted to S/95.6 million, excluding interest.

### ***Loan Agreement with InterCorp Education Holding Corp.***

On September 12, 2023, Interbank entered into a medium-term loan agreement with InterCorp Education Holding Corp., a subsidiary of InterCorp Peru, under which we granted a loan for up to U.S.\$51.1 million to be paid in five annual installments at an annual SOFR rate plus 4.02% due in August 2028. The proceeds of the loan were disbursed to pay the acquisition price of 13.10% of NG Education Holding Corp.'s share capital from NG Capital Partner I. The loan is guaranteed by a corporate guaranty granted by InterCorp Peru. As of December 31, 2023, the aggregated amount outstanding under the loan agreement amounted to U.S.\$51.1 million, excluding interest.

### **Interseguro**

#### ***Agreements with Colegios Peruanos S.A. ("CPSA")***

In September 2016, Interseguro and CPSA, a subsidiary of InterCorp, signed a usufruct agreement for a period of 20 years, according to which Interseguro granted in usufruct the property located in Trujillo, Peru in favor of CPSA, in order for CPSA to operate a school under the commercial name of "Innova School". Interseguro constructed the building in four stages all of which were completed in 2019. Currently, CPSA pays Interseguro a monthly rent which amounts to S/130,018.06 before taxes, adjusted annually by 3% plus 9.1% on the total investment accumulated on the date incurred by Interseguro on the property. Due to COVID-19, payment of the monthly rent for the period between March 2020 and June 2021 was renegotiated such that CPSA paid a percentage of the monthly amount, with the remaining balance for each such month to be paid in a period of 18 months.

In April 2022, as a consequence of the increased number of students registered in 2022, an addendum establishing that the amount of the rent would depend on the number of students was signed. The increase of students registered was 11.25% resulting in S/247,539 plus IGV. Considering that the amount of the rent is variable; the amount to be paid will be reviewed annually.

In October 2017, Interseguro and CPSA signed a usufruct agreement for a period of 25 years, according to which Interseguro leased the property located in Cusco, Peru, in order to operate a school under the commercial name of "Innova School". Interseguro constructed the building, which was completed in January 2018. In April 2018, CPSA began paying Interseguro a monthly rent. The current rent amounts to S/225,522.81 before taxes, adjusted annually by 3% plus 9.3% on the total investment accumulated on the date incurred by Interseguro on the property. Due to COVID-19, in the period between March 2020 and June 2021, the payment of the monthly rent was renegotiated such that CPSA paid a percentage of the monthly amount, with the remaining balance for each such month in 2020 to be paid in a period of 18 months.

In April 2022 an addendum was signed through which it was established that the rent would depend on the number of students registered in 2022. The number of students increase 11.25%, resulting in S/429,381 plus IGV. It should be that the amount of the rent is variable; therefore, the amount to be paid will be reviewed annually.

In June 2008, Interseguro bought a certificate of participation in the trust Patrimonio en Fideicomiso D.S 093-2002-EF Interproperties Perú ("Interproperties"), which is managed by Internacional de Titulos Sociedad Titulizadora S.A. ("Inter Titulos"), corresponding to a real estate project that was developed in a property located in Ate, Lima, Peru. Also, in October 2012, Interproperties and CPSA signed a surface right agreement, according to which Interproperties granted this property in surface right, in order to operate a school under the commercial name of "Innova Schools".

#### ***Agreements with HPSA***

In November 2012, HPSA, a subsidiary of InterCorp, and Hebraica Asociación Cultural Deportiva y Social ("Hebraica") signed a surface right agreement according to which Hebraica granted a surface right in favor of HPSA over the commercial space with an area of 13,401.99 m<sup>2</sup>, located in Ate, Lima. In October 2015, HPSA assigned its contractual position to Interseguro. In April 2016, Interseguro and HPSA entered into a 30-year usufruct agreement, according to which HPSA was granted in usufruct the property, in order to operate a home improvement store under the commercial name of "Promart". The monthly lease payment under agreement since January 2017, is comprised of a payment of S/164,744 before taxes, adjusted annually by 3%, and the payment made by Interseguro to Hebraica for the surface right agreement that both parties signed in October 2015. The current monthly rent amounts to S/233,393 before taxes. In July 2022, Interseguro assigned its contractual rights in the surface right agreement to HPSA.

In July 2017, HPSA and Interseguro signed a surface right agreement and an usufruct agreement granting surface and usufruct rights to Interseguro over certain commercial space located in Ica, Perú. In July 2022, HPSA and Interseguro terminated the surface right agreement and the usufruct agreement.

In October 2015, Interseguro contributed in trust the property located in Talara, Piura, Peru in favor of Interproperties, which is managed by Intertitulos. Accordingly, Intertitulos issued in favor of Interseguro a certificate of participation representing 100% of the property ownership. In addition, in October 2015, Interproperties Perú and HPSA signed a usufruct agreement for a period of 30 years, according to which Interproperties granted in usufruct this property, in order to operate a home improvement store under the commercial name of “Promart”. As of December 31, 2023, the fair value of the property amounts to S/10,257,105.49. In February 2021, Interproperties returned the property in favor of Interseguro, cancelling the certificate of participation for the amount of S/40.2 million, which represented Interseguro’s contribution to the trust assets. The current monthly rent amounts to S/117,862.08 before taxes.

#### ***Agreements with UTP***

In June 2018, Interseguro and UTP signed a usufruct agreement for a period of 30 years, according to which Interseguro granted in usufruct to UTP the property located in Ate, Lima, Peru, for it to operate a university campus under the commercial name of “UTP”. The annual rent is equivalent to 8.5% of the total investment before taxes which is adjusted annually according to CPI variation. This annual rent will be paid to Interseguro in four quarterly installments. Due to COVID-19, in 2020, payment of the monthly rent was renegotiated such that UTP will pay a percentage of the monthly amount, with the remaining balance for each such month in 2020 to be paid in a period of 12 months. In 2021, the outstanding balance of unpaid rent during 2020 was fully paid by UTP.

In November 2019, Interseguro and UTP signed an usufruct agreement for a period of 30 years, according to which Interseguro granted in usufruct to UTP the property located in Nuevo Chimbote, Ancash, Peru, for it to operate a university campus under the commercial name of “UTP”. The current annual rent paid to Interseguro amounts to S/1,116,507.04 before taxes, adjusted annually according to CPI variation.

In April 2020, Interseguro and UTP signed a usufruct agreement for a period of 30 years, pursuant to which Interseguro granted in usufruct to UTP the property located in Piura, Peru, for it to operate a university campus under the commercial name of “UTP”. Since March 2021, the UTP building in Piura has been operating. The current quarterly rent paid to Interseguro amounts to S/2,060,394.61 before taxes, adjusted annually according to CPI variation.

#### ***Agreements with Supermercados Peruanos***

In October 2015, Interseguro contributed in trust the property located in Talara, Piura, Peru in favor of Interproperties, which is managed by Intertitulos. Accordingly, Intertitulos issued in favor of Interseguro a certificate of participation representing 100% of the property ownership. In addition, in January 2016, Interproperties and Supermercados Peruanos signed a usufruct agreement for a period of 30 years, according to which Interproperties granted in usufruct to Supermercados Peruanos this property of 5,573 m<sup>2</sup>, for it to operate a supermarket under the commercial name of “Plaza Vea”. As of December 31, 2023, the fair value of the property amounts to S/12,746,386.45. In February 2021, Interproperties returned the property in favor of Interseguro, cancelling the certificate of participation for the amount of S/40.2 million, which represented Interseguro’s contribution to the trust assets. The current monthly rent amounts to S/135,777.94 before taxes.

In July 2022, Supermercados Peruanos assigned its contractual position in the usufruct agreement in favor of its affiliated Compañía Food Retail S.A.C.

#### **C. Interests of Experts and Counsel**

Not Applicable.

### **ITEM 8. FINANCIAL INFORMATION**

#### **A. Consolidated Statements and Other Financial Information**

See “Item 17. Financial Statements.”

## Legal Proceedings

IFS is not involved in any legal or arbitration proceedings which could have a material adverse effect on its financial position.

Interbank is involved in a number of legal proceedings in the ordinary course of its banking activities. Interbank is also a party to a number of legal proceedings related to labor disputes with former employees and tax disputes with the tax authority. For more information on the tax disputes, see Note 17 to our audited annual consolidated financial statements appearing elsewhere in this Annual Report on Form 20-F.

Interseguro is routinely involved in legal or arbitration proceedings with respect to liabilities that are the subject of policy claims. These liabilities are taken into account in setting Interseguro's technical reserves.

PMP and Izipay are involved in legal proceedings in the ordinary course of their business, however none of those are material.

Inteligo Bank is involved in legal proceedings in the ordinary course of its banking operations.

The two main lawsuits that Inteligo Bank is a party to jointly seek the return of approximately U.S.\$8.4 million in redemption payments received by Inteligo Bank in connection with investments in Fairfield, a Bernard L. Madoff Investment Securities LLC ("BLMIS") feeder fund, are the following:

A lawsuit filed on September 2, 2010 by the liquidators of Fairfield Sentry Limited ("Fairfield"), which has since been dismissed by the Bankruptcy Court. The Southern District Court of New York upheld the Bankruptcy Court's dismissal of the liquidator's complaint against Inteligo Bank and several other defendants. The liquidator appealed to the United States Court of Appeals for the Second Circuit and Inteligo Bank's case has been consolidated with similar cases involving other defendants on appeal. As a result, the Second Circuit's consideration of Inteligo Bank's appeal has been delayed while a new related appeal was briefed. All briefing was completed on November 17, 2023, and the Second Circuit will likely hear oral argument in early 2024. The liquidator appealed to the United States Court of Appeals for the Second Circuit and submitted its briefs on January 6, 2023. As of the date of this Annual Report on Form 20-F, the United States Court of Appeals for the Second Circuit has not ruled on the appeal.

A lawsuit filed on October 6, 2011 by Irving Picard, the Trustee for BLMIS. On December 9, 2022, the Bankruptcy Court for the Southern District of New York denied Inteligo Bank's motion to dismiss the complaint. On December 15, 2022, an amended version of its memorandum decision was issued rejecting the motion, consistent with the court's prior rejections of similar motions made by other defendants. On February 10, 2023, Inteligo Bank filed its answer to the complaint. On September 25, 2023, the Court approved a case management plan, and the parties have begun exchanging documents and information as part of the discovery process. Discovery is currently scheduled to end in December 2025. After the close of discovery, the parties will agree with the Court upon a schedule for filing dispositive motions and, if necessary, a trial.

## Dividends and Dividends Policy

We are a holding company and, as such, our ability to pay dividends is subject to the ability of our subsidiaries to pay dividends to us.

Our annual dividend is proposed by our board of directors and approved at our annual ordinary meeting of shareholders, in accordance with our dividend policy which for year 2023 consists of distributing to shareholders at least 20% of any profit earned for the relevant year, subject to regulatory capitalization requirements and our financial condition. Dividends are paid to shareholders who held common shares as of the record date preceding the date set for payment of the dividend. The shares go ex-dividend two business days prior to the record date. Dividends are declared and paid in U.S. dollars.

IFS' ordinary dividends for the fiscal years ended December 31, 2023, 2022 and 2021 were U.S.\$115.4 million (\$/427.4 million), U.S.\$136.2 million (\$/511.8 million) and U.S.\$202.0 million (\$/751.5 million). Furthermore, in November 2021, IFS agreed to distribute U.S.\$75.0 million in extraordinary dividends, which were paid in December 2021 and based on retained earnings. Dividends corresponding to fiscal year 2024 will be paid in late April of 2024; while dividends for fiscal years 2022 and 2021 were paid in May of each of 2023 and 2022, respectively. Dividend per share amounted to U.S.\$1.00, U.S.\$1.18 and U.S.\$1.75 for fiscal years 2023, 2022 and 2021, respectively.

## Interbank

Interbank's dividends are proposed annually by its board of directors and are subject to approval by the general shareholders' meeting. On November 10, 2020, the shareholder's meeting amended the dividend policy as follows: At least 20% of

the distributable profits of Interbank recorded in the fiscal year will be distributed among the shareholders, provided that the following rules are observed: (a) the profit capitalization commitment agreements adopted by the general shareholders' meeting or by the board of directors (as delegated by the shareholders' meeting), are not affected, (b) both the legal requirements applicable to Interbank and its appetite for equity growth are satisfied, in accordance with the board of directors' proposal, and (c) the board of directors deems such distribution to be advisable based on the economic and financial conditions of Interbank and the business environment. In accordance with the foregoing, if during any year any of the aforementioned rules is not satisfied, the general shareholders' meeting may agree to distribute a lower percentage of dividends than indicated or decide not to distribute dividends for such year. Any dividends would be distributed within sixty calendar days following their declaration and approval at the general shareholders' meeting. For the fiscal year ended 2023, Interbank declared as dividends approximately 50% of its distributable income (net income minus the required legal reserves which may be up to 10% of net profit). For the fiscal year ended 2022, Interbank declared as dividends approximately 56% of its distributable income (net income minus the required legal reserves which may be up to 10% of net profit). For the fiscal year ended 2021, Interbank declared and distributed as dividends approximately 56% of its distributable income (net income minus the required legal reserves which may be up to 10% of net profit).

Dividends are declared based on Interbank's financial statements prepared under SBS GAAP. The following table shows Interbank's distribution of net profit for the three fiscal years ended December 31, 2023, 2022 and 2021 under SBS GAAP.

	For the fiscal years ended December 31,		
	2023	2022	2021
	(\$/ in millions)		
Net profit	900.5	1,171.7	1,200.5
Reserves	89.9	117.2	120.0
Capitalized earnings	403.4	468.7	480.2
Dividends	405.2	585.8	600.2

### Interseguro

Interseguro's dividends are proposed annually by its board of directors and are subject to approval by the general shareholders' meeting. Current dividend policy establishes that Interseguro will pay as dividends at least 30% of its net profits attained in any given year. Dividend distributions depend on several factors, including (1) approval by Interseguro's shareholders of the proposal to distribute dividends, (2) Interseguro's earnings, (3) protection of Interseguro's equity growth, (4) capital and legal reserve requirements, and (5) prevailing market conditions.

The following table shows Interseguro's distribution of net profit for the three fiscal years ended December 31, 2023, 2022 and 2021 under SBS GAAP.

	For the fiscal years ended December 31,		
	2023	2022	2021
	(\$/ in millions)		
Net profit	315.1	202.8	303.6
Reserves	13.0	—	17.5
Capitalized earnings(1)	37.0	—	84.2
Dividends	150.0	100.0	201.9

(1) Includes capitalization of earnings net of accumulated losses.

### Inteligo

Inteligo Bank's dividends are proposed annually by its board of directors and are subject to approval by the general shareholders' meeting. Dividend distributions depend on several factors, including (1) approval by Inteligo's shareholders of the proposal to distribute dividends, (2) Inteligo Bank's earnings, (3) Inteligo Bank's capital expenditure program, and (4) prevailing market conditions.

The following table shows Inteligo Bank's distribution of net profit and dividends for the three fiscal years ended December 31, 2023, 2022 and 2021 under IFRS.

	<u>For the fiscal years ended December 31,</u>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
	(S/ in millions)		
Net profit	28.2	(135.8)	277.6
Dividends	27.8	—	209.3

For additional information regarding risks that could materially adversely affect our ability to pay dividends, see “Item 3. Key Information—Risk Factors—Risks Relating to Our Business—We are a holding company, and all of our operations are conducted by our subsidiaries. Our ability to pay dividends to holders of our common shares will depend on the ability of our subsidiaries to pay dividends to us”.

For additional information regarding taxation of dividends, see “Item 10. Additional Information—Taxation—Peruvian Tax Considerations” and “Item 10. Additional Information—Taxation—United States Federal Income Tax Considerations—Distributions”.

## **PMP and Izipay**

PMP’s and Izipay’s dividends are proposed annually by its board of directors and their management, respectively, and are subject to approval by their general shareholders’ meetings. Dividend distributions depend on several factors, including (1) approval of the proposal to distribute dividends by the shareholders of PMP and Izipay, respectively; (2) earnings; and (3) prevailing market conditions and equity growth. Neither PMP nor Izipay paid dividends in 2023 or in 2022.

For additional information regarding risks that could materially adversely affect our ability to pay dividends, see “Item 3. Key Information—Risk Factors—Risks Relating to Our Business—We are a holding company, and all of our operations are conducted by our subsidiaries. Our ability to pay dividends to holders of our common shares will depend on the ability of our subsidiaries to pay dividends to us”.

For additional information regarding taxation of dividends, see “Item 10. Additional Information—Taxation—Peruvian Tax Considerations” and “Item 10. Additional Information—Taxation—United States Federal Income Tax Considerations—Distributions”.

## **B. Significant Changes**

No significant changes in our financial condition have occurred since the date of the most recent audited consolidated financial statements included in this Annual Report on Form 20-F.

## **ITEM 9. THE OFFER AND LISTING**

### **A. Offer and Listing Details**

#### *Our Shares*

Our common shares are registered in the Public Registry of Securities held with the SMV and are listed on the Lima Stock Exchange and on the NYSE under the symbol “IFS”.

### **B. Plan of Distribution**

Not Applicable.

### **C. Markets**

#### **Trading in the Peruvian Securities Market**

##### *Lima Stock Exchange*

As of December 31, 2023, there were 249 companies listed on the Lima Stock Exchange. Established in 1970, the Lima Stock Exchange is Peru’s only securities exchange.

Trading on the Lima Stock Exchange is primarily done on an electronic trading system that became operational in August 1995. From the first Sunday of November through the second Sunday of March of each year, trading hours are Monday

through Friday (except holidays) as follows: 9:00 a.m.–9:30 a.m. (pre-market ordering); 9:30 a.m.–3:52 p.m. (trading); 3:52 p.m.–4:00 p.m. (after-market sales); and 4:02 p.m.–4:10 p.m. (after-market trading). At all other times, trading hours are from Monday to Friday (except holidays) as follows: 8:20 a.m.–8:30 a.m. (pre-market ordering); 8:30 a.m.–2:52 p.m. (trading); 2:52 p.m.–3:00 p.m. (after-market sales); and 3:02 p.m.–3:10 p.m. (after-market trading).

Substantially all of the transactions on the Lima Stock Exchange are traded on the electronic system. Transactions during the electronic sessions are executed through brokerage firms and stockbrokers on behalf of their clients. The orders must specify the type of security as well as the amount and price of the proposed sale or purchase. The exchange is authorized to halt the trading of certain securities or the whole market, under certain circumstances, for example, when a significant fluctuation occurs with the price of a security, without apparent justification. In this case, the exchange may impose a 15 minutes halt, which may be extended depending on the nature of the event.

Moreover, under the exchange’s market margin rule, when the market price for a particular security reaches a 15% variation (vis a vis the last closing price or proposal, whichever is higher), trading on that particular security is halted for the rest of the session. The exchange may exceptionally authorize further negotiation. The market margin rule is not applicable for securities cross-listed in certain markets, including the United States.

Certain information regarding trading on the Lima Stock Exchange is set forth in the table below:

	(\$/ in millions)				
	2019	2020	2021	2022	2023
Market capitalization <sup>(1)</sup>	537,308	599,007	591,734	540,366	657,589
Volume	18,127	20,107	21,803	14,243	8,405
Average daily trading volume	72	79	87	56	33

Source: Bolsa de Valores de Lima Annual Reports  
End-of-period figures for trading on the Lima Stock Exchange.

**D. Selling Shareholders**

Not Applicable.

**E. Dilution**

Not Applicable.

**F. Expenses of the Issue**

Not Applicable.

**ITEM 10. ADDITIONAL INFORMATION**

**A. Share Capital**

As of December 31, 2023, our authorized capital consists of 150,000,000 common shares, and our issued capital stock consists of 115,447,705 outstanding common shares (including treasury stock), with no par value. As of December 31, 2023, IFS and its subsidiaries held 967,695 common shares in treasury stock, with book value of S/84.3 million. All of our common shares are fully paid and non-assessable. Non-residents of Panama may hold and vote shares.

**B. Memorandum and Articles of Association**

The information under the heading “Description of Common Shares” except for the information under the subheading “—General;” in Amendment No. 1 to our Registration Statement on Form F-1 (333-232554) filed on July 15, 2019 is incorporated herein by reference. There have been no changes to the Company’s Articles, as reflected in the Company’s financial statements.

**C. Material Contracts**

The following is a brief summary of our current material contracts. A copy of each of these contracts has been included as exhibit hereto. See “Item 19. Exhibits.”

## **Irrevocable Proxy Agreement**

IFH, representing 77.3% of the voting rights to appoint the majority of the members of the board of directors of Intercorp Peru, has entered into an irrevocable proxy agreement on June 12, 2019 (the “Irrevocable Proxy Agreement”) appointing Carlos Tomás Rodríguez-Pastor Persivale and two members of his family (the “Agents”) as IFH’s agents, acting by majority vote, with respect to any matters relating to IFH’s ownership interest in Intercorp Peru. The initial period of the Irrevocable Proxy Agreement was two years commencing in June 2019 automatically renewable for six-month periods unless otherwise terminated upon 90 days’ notice. On May 20, 2021, the Irrevocable Proxy was renewed and ratified with effectiveness as of June 12, 2021 under the same terms originally agreed, including automatic renewals for six-month periods unless otherwise terminated upon 90 days’ notice. On May 23, 2023, the Irrevocable Proxy was renewed and ratified with effectiveness as of June 12, 2023 under the same terms originally agreed, including automatic renewals for six-month periods unless otherwise terminated upon 90 days’ notice. The renewed Irrevocable Proxy is valid for a two-year period counted from June 12, 2023. As of the date of this Annual Report on Form 20-F, the Irrevocable Proxy Agreement had not been terminated. “Item 7. Major Shareholders and Related Party Transactions—Major Shareholders.”

## **IFS Indenture**

On October 19, 2017 we entered into an indenture among us, The Bank of New York Mellon, as trustee, and The Bank of New York Mellon SA/NV, Luxembourg Branch, as Luxembourg transfer and paying agent in connection with the issuance of U.S.\$300,000,000 aggregate principal amount of 4.125% senior notes due 2027. The use of proceeds was to fund the acquisition of 100% of the capital stock of Seguros Sura S.A. and Hipotecaria Sura Empresa Administradora Hipotecaria S.A. See “Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources.”

## **D. Exchange Controls**

The Peruvian *sol* is freely traded in the exchange market. Current Peruvian regulations on foreign investment allow foreign equity holders of Peruvian companies to receive and repatriate 100% of the cash dividends distributed by these companies, except for restrictions applicable to companies that have been convicted or have admitted to and/or acknowledged committing crimes against the Peruvian public administration or money laundering or committing equivalent crimes, as set forth in Law No. 30737 (A law that ensures the immediate payment of the compensation to the State in cases of corruption and other crimes), which restricts the transfer of both local and foreign currency abroad. Non-Peruvian equity holders are allowed to purchase foreign currency at free market currency rates through any member of the Peruvian banking system and transfer such foreign currency outside Peru without restriction. Peruvian law in the past, however, has imposed restrictions on the conversion of Peruvian currency and the transfer of funds abroad, and we cannot assure holders of our common shares that Peruvian law will continue to permit such payments, transfers, conversions or remittances without restrictions. In addition, under Panamanian law, there are currently no exchange control restrictions imposed on payments made in U.S. dollars. There can be no assurance, however, that Peruvian and Panamanian laws will continue to permit such payments, transfers, conversions or remittances without restrictions.

## **E. Taxation**

The following discussion summarizes the material Peruvian, U.S. federal and Panamanian income tax consequences of acquiring, holding and disposing of our shares.

This discussion is not a comprehensive discussion of all the tax considerations that may be relevant to a decision to purchase our shares and is not applicable to all categories of investors, some of which may be subject to special rules, and does not specifically address all of the Peruvian, U.S. federal and Panamanian income tax considerations applicable to any particular holder. It is based upon the tax laws of Peru, the United States and Panama as in effect on the date of this Annual Report on Form 20-F, which are subject to change, possibly with retroactive effect, and to differing interpretations. Holders of our common shares are urged to consult its independent tax advisor about the particular Peruvian, U.S. federal and Panamanian income tax consequences to it of an investment in our shares.

## **Peruvian Tax Considerations**

The following summary of certain Peruvian tax matters as in force on the date of this Annual Report on Form 20-F describes the principal tax consequences of an investment in our common shares or the beneficial interest therein by non-Peruvian shareholders. This summary is not intended to be a comprehensive description of all of the tax considerations that may be relevant to a decision to make an investment in our common shares or the beneficial interest therein. In addition, it does not describe any tax consequences: (a) arising under the laws of any taxing jurisdiction other than Peru or (b) applicable to anyone different from a non-Peruvian shareholder.



For purposes of this section, “non-Peruvian shareholder” means either: (i) a legal entity which has neither been incorporated nor established in Peru, provided that it does not conduct any trade or business through a permanent establishment in Peru or holds our shares or the beneficial interest therein through a Peruvian branch or (ii) an individual who is not a Peruvian tax resident. For Peruvian tax purposes, an individual is deemed to be a Peruvian tax resident if such individual is (a) a Peruvian citizen who has a regular residence in Peru, or (b) a non-Peruvian citizen who has resided or remained in Peru for more than 183 calendar days during any 12-month period. Any change in the residency condition will be effective as of January 1 of the following calendar year in which such conditions are met.

The discussion in this summary is not intended or written to be used, and cannot be used or relied upon by any person, for the purpose of avoiding Peruvian taxation, and was written to support the promotion or marketing of this offering. Holders of our common shares should consult an independent tax advisor with respect to the Peruvian tax consequences of participating.

### ***Peruvian Income Tax***

#### *Payment of Dividends*

Dividends paid by legal entities incorporated in Peru are subject to a Peruvian withholding tax at a 5% rate. Our Peruvian subsidiaries are required to act as withholding agents for any income tax due with respect to dividends on their shares. We have not agreed to assume the withholding payments nor pay additional amounts so that the non-Peruvian shareholder of our common shares or the beneficial interest therein receives an amount equal to the sum it would have received had no such deductions or withholdings been made.

We are a company incorporated under the laws of Panama, accordingly, dividends paid on our common shares will not be subject to a Peruvian withholding.

#### *Sale of our common shares*

As a general rule, under the current Peruvian income tax laws and regulations, proceeds received by a non-Peruvian shareholder on the sale, exchange or disposition of our common shares will not be subject to any Peruvian withholding or capital gains tax, since our common shares are deemed to be issued by a legal entity not incorporated in Peru.

However, capital gains accrued and received by a non-Peruvian shareholder on the sale, exchange or disposition of our common shares will be subject to Peruvian income tax at a 30% rate if such transaction consists of an indirect transfer of shares issued by a Peruvian entity (“Peruvian shares”). An indirect transfer of Peruvian shares takes place in the transfer of the shares of a non-Peruvian entity that owns, directly or indirectly, shares of a Peruvian company provided that the following conditions are met:

- (i) the fair market value of the Peruvian shares, whether owned directly or indirectly by the foreign parent company, is equal to 50% or more of the fair market value of the capital stock issued by the foreign parent entity at any time during the 12-month period prior to the transfer; and,
- (ii) in any 12-month period, 10% or more of the shares issued by the foreign parent company are transferred.

Applicable regulations provide specific rules to determine the fair market value and cost of the shares and the capital stock issued by the foreign parent entity.

There is a rebuttable presumption that both conditions are met if the foreign parent company whose shares are transferred resides in a low-tax, zero-tax or un-cooperative jurisdiction pursuant to Peruvian legislation.

An indirect transfer of Peruvian shares also takes place in the transfer of the shares of a non-Peruvian entity that owns, directly or indirectly, shares of a Peruvian company provided the aggregate amount of the Peruvian shares being indirectly transferred by the transferor and its related parties in any 12-month period reaches or exceeds 40,000 Tax Units (for fiscal year 2022, one Tax Unit equals S/4,600, for the fiscal year 2023, it is equal to S/4,950, and for the fiscal year 2024, it is equal to S/5,150). This rule applies irrespective if conditions (i) and (ii) abovementioned are not met.

A 5% preferential rate would be applicable on capital gains if (i) such shares are registered with the SMV; and (ii) such sale is performed through trading sessions (*rueda de bolsa*) of the Lima Stock Exchange.

A further tax exemption was applicable on capital gains obtained by individuals, either Peruvian or non-Peruvian, during 2023 provided (i) such shares were registered with the SMV; (ii) such sale was performed through trading sessions (*rueda de bolsa*) of the Lima Stock Exchange, (iii) such shares had a stock market presence as of the transfer date (ensuring share liquidity and continuous price quotations); and (iv) the transferor and its related parties had not transferred 10% or more of the aggregate shares issued by the foreign parent company in any 12-month period. This tax exemption applied to all capital gains accrued and received

during the year meeting conditions (i) to (iv) abovementioned, regardless of their connection to the transaction, but it was limited to an annual aggregate amount of 100 Tax Units (for the fiscal year 2023, one Tax Unit equaled S/4,950). Therefore, once the capital gains accrued and received during the year meeting conditions (i) to (iv) abovementioned exceed 100 Tax Units, the excess was subject to the 5% preferential rate. Applicable regulations set forth how the 100 Tax Units available to the transferor were applied when having multiple sales during the year, either involving the same shares, other shares or even other securities. This tax exemption expired on December 31, 2023, and no extension has been issued for the fiscal year of 2024.

#### ***Value added tax***

Dividends resulting from the shares issued by our Peruvian subsidiaries are not subject to Peruvian Value Added Tax (*Impuesto General a las Ventas*, or “VAT”).

The sale, exchange or disposition of shares issued by our Peruvian subsidiaries is not subject to VAT.

#### ***Financial Transaction Tax***

Deposits in and withdrawals from accounts held in Peruvian banks or other financial institutions, whether in *soles* or foreign currency, are levied with a financial transactions tax (“FTT”) at a 0.005% rate. Therefore, FTT will be levied on the price paid for and the dividends resulting from the shares issued by our Peruvian subsidiaries if deposited in or withdrawn from a Peruvian bank or other financial institution, as the case may be.

#### **United States Federal Income Tax Considerations**

The following discussion is a summary of certain material U.S. federal income tax consequences of acquiring, owning and disposing of our common shares. Except where otherwise noted, this discussion applies only to U.S. Holders (as defined below) of our common shares that hold such shares as “capital assets” (generally, property held for investment). This discussion is based on the Internal Revenue Code of 1986, as amended (the “U.S. Code”), its legislative history, existing final, temporary and proposed U.S. Treasury regulations, administrative pronouncements by the Internal Revenue Service (the “IRS”) and judicial decisions, all as of the date hereof and all of which are subject to change (possibly on a retroactive basis) and to different interpretations.

This discussion does not purport to address all U.S. federal income tax consequences that may be relevant to a particular holder and holders are urged to consult their own tax advisors regarding their specific tax situations. The discussion does not address the tax consequences that may be relevant to holders subject to special tax rules, including, for example:

- insurance companies;
- tax-exempt organizations;
- dealers in securities or currencies;
- traders in securities that elect the mark to market method of accounting with respect to their securities holdings;
- banks or other financial institutions;
- partnerships or other pass-through entities or arrangements for U.S. federal income tax purposes;
- U.S. Holders whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- real estate investment trusts or regulated investment companies;
- persons that, directly or indirectly, hold 10% or more of our stock by vote or value;
- U.S. expatriates; or
- persons for whom the common shares may form part of a hedge, straddle, conversion or other integrated transaction.

Further, this discussion does not address the U.S. federal estate and gift tax, the alternative minimum tax, or the Medicare tax on net investment income, or any state, local and non-U.S. tax consequences of acquiring, owning and disposing of the common shares.

As used herein, the term “U.S. Holder” means a beneficial owner of the common shares that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or any other entity taxable as a corporation, created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust if (i) a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) the trust has a valid election in effect under current U.S. Treasury regulations to be treated as a U.S. person.

If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the common shares, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such partner or partnership should consult its own tax advisor as to its consequences of acquiring, owning and disposing of the common shares.

Except where specifically described below, this discussion assumes that we are not a passive foreign investment company (“PFIC”) for U.S. federal income tax purposes. Please see the discussion under “Item 10. Additional Information—Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Companies” below.

### ***Distributions***

Subject to the discussion below under “Item 10. Additional Information—Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Companies,” distributions of cash or property (other than our common shares, if any, distributed pro rata to all of our shareholders) paid out of our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) with respect to our common shares, including the net amount of any tax withheld on the distribution, will be includible in gross income as ordinary dividend income on the date the U.S. Holder actually or constructively receives the distribution in accordance with such holder’s regular method of accounting for U.S. federal income tax purposes. To the extent that the amount of any distribution exceeds our current and accumulated earnings and profits as determined for U.S. federal income tax purposes, such excess amounts will be treated first as a non-taxable return of capital to the extent of such U.S. Holder’s tax basis in our common shares and, thereafter, as capital gain. We do not intend to maintain calculations of our earnings and profits under U.S. federal income tax principles. Unless and until these calculations are made, distributions should be presumed to be taxable dividends for U.S. federal income tax purposes. As used below, the term “dividend” means a distribution that constitutes a dividend for U.S. federal income tax purposes.

A dividend paid in a non-U.S. currency will be includible in the gross income of a U.S. Holder in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the dividend is received by the U.S. Holder, regardless of whether the payment is in fact converted to U.S. dollars. If a dividend paid in a non-U.S. currency is converted into U.S. dollars on the day the dividend is received by the U.S. Holder, the U.S. Holder generally will not be required to recognize foreign currency gain or loss in respect of the dividend income. Any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend payment is included in the gross income of a U.S. Holder through the date such non-U.S. currency is converted into U.S. dollars (or otherwise disposed of) generally will be treated as U.S. source ordinary income or loss. U.S. Holders should consult their own tax advisors regarding the treatment of foreign currency exchange gain or loss, if any, with respect to non-U.S. currency received by the U.S. Holder which is not converted into U.S. dollars on the date of receipt.

Dividends paid to corporate U.S. Holders with respect to our common shares will not be eligible for the dividends received deduction allowed to corporations under the U.S. Code. Dividends received by certain non-corporate U.S. Holders with respect to the common shares will be subject to U.S. federal income tax at preferential rates if the dividends constitute “qualified dividend income” for U.S. federal income tax purposes. Dividends paid on the common shares will be treated as qualified dividend income if (i) the common shares are readily tradable on an established securities market in the United States, (ii) the U.S. Holder satisfies certain holding period and other requirements and (iii) we were not, in the year prior to the year in which the dividend is paid, and are not, in the year in which the dividend is paid, a PFIC.

Our common shares are listed on the NYSE, and therefore we expect that the common shares should qualify as readily tradable on an established securities market in the United States.

Moreover, as discussed below under “Item 10. Additional Information—Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Companies,” we believe that we will not be treated as a PFIC for U.S. federal income

tax purposes with respect to our 2023 and current taxable years, and we do not anticipate becoming a PFIC in the future. However, there can be no assurance in this regard because the PFIC determination is made annually and is based on the portion of our assets (including goodwill) and income that is characterized as passive under the PFIC rules and our continued qualification for an exception to the PFIC rules for certain foreign banks and insurance companies.

Subject to generally applicable limitations and conditions under the U.S. Code (including a minimum holding period requirement), any non-U.S. income tax withheld from dividends may be treated as a foreign income tax eligible for credit against a U.S. Holder's U.S. federal income tax liability. Dividends paid on our common shares generally will constitute foreign source income, and for purposes of calculating the foreign tax credit, as "passive category income," for most U.S. Holders. Alternatively, a U.S. Holder may be able to deduct foreign income taxes paid with respect to dividends on our common shares against its taxable income, assuming such U.S. Holder does not take a credit for any foreign income taxes paid or accrued during the taxable year and certain other conditions are met. U.S. Holders should consult their own advisors concerning the implications of these rules in light of their particular circumstances.

#### ***Sale, Exchange or Other Taxable Disposition of our Common Shares***

Subject to the discussion below under "Item 10. Additional Information—Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Companies," gain or loss realized by a U.S. Holder on the sale, exchange or other taxable disposition of our common shares generally will be capital gain or loss and generally will be long-term capital gain or loss if our common shares have been held for more than one year. The amount of gain or loss realized will be the difference between (i) the amount realized on the sale, exchange or other taxable disposition of our common shares over (ii) the U.S. Holder's adjusted tax basis in such common shares, in each case determined in U.S. dollars. A U.S. Holder's adjusted tax basis in a common share generally will equal the cost of the common share to the U.S. Holder. Long-term capital gain realized by certain U.S. Holders (including individuals) generally is eligible for favorable rates of U.S. federal income tax. The deductibility of capital losses is subject to significant limitations under the U.S. Code.

Any gain or loss realized by a U.S. Holder on a sale, exchange or other taxable disposition of our common shares generally will be treated as U.S. source income or loss for U.S. foreign tax credit purposes. Subject to certain generally applicable limitations (including a minimum holding period requirement), any Peruvian, Panamanian or other foreign tax withheld with respect to the sale, exchange or other taxable disposition of our common shares may be treated as foreign taxes eligible for credit against a U.S. Holder's U.S. federal income tax liability. These generally applicable restrictions and conditions include new requirements adopted in U.S. Treasury regulations promulgated in December 2021, and subject to the discussion below, there can be no assurance that any taxes imposed by a non-U.S. jurisdiction will satisfy these requirements. A recent notice from the IRS provides temporary relief from such U.S. Treasury regulations by allowing taxpayers to apply a modified version of the U.S. Treasury regulations for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance), provided that the taxpayer consistently applies such modified version of the U.S. Treasury regulations and complies with specific requirements set forth in a previous notice. In the case of a U.S. Holder that consistently elects to apply the modified version of the U.S. Treasury regulations in the manner described in the preceding sentence, any foreign tax on the sale, exchange or other taxable disposition of our common shares generally will qualify as a creditable tax. In the case of all other U.S. Holders, the application of these requirements to any foreign tax on the sale, exchange or other taxable disposition of our common shares is uncertain and we have not determined whether these requirements have been met. If the foreign tax is not a creditable tax for a U.S. Holder or the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes, the U.S. Holder may be able to deduct such foreign tax in computing the U.S. Holder's taxable income for U.S. federal income tax purposes, subject to applicable limitations and requirements. The rules relating to U.S. foreign tax credits are extremely complex and U.S. Holders should consult their own tax advisors regarding the application of the foreign tax credit limitation rules to their investment in, and disposition of, our common shares.

#### ***Passive Foreign Investment Companies***

U.S. Holders should carefully consider the discussion below regarding our potential treatment as a PFIC for U.S. federal income tax purposes.

In general, if, during any taxable year of a non-U.S. corporation, 75% or more of the corporation's gross income consists of certain types of "passive income," or the average value during the taxable year of the "passive assets" of the corporation (generally, assets that produce or are held for the production of passive income) is 50% or more of the average value of all of its assets, the corporation will be classified as a PFIC under U.S. federal income tax law. Passive income for this purpose generally, among other things, includes interest, dividends, royalties, rents and gains from commodities and securities transactions. Certain exceptions are provided, however, for passive income derived in the conduct of an active business.

The PFIC provisions also contain a look-through rule under which a non-U.S. corporation shall be treated as if it received directly its proportionate share of the income and as if it held its proportionate share of the assets of any other corporation in which it owns at least 25% of the value of the stock. Under the look-through rule, we should be deemed to own a proportionate share of the assets and to have received a proportionate share of the income of our principal subsidiaries, including Interbank, Interseguro and Inteligo Bank, for purposes of the PFIC determination. As noted below, the assets and income of Interbank, Interseguro and Inteligo Bank are subject to special rules under the PFIC regime. Further, the PFIC test is performed on an annual basis and it is therefore possible that our PFIC status may change from year to year due to changes in income or asset composition.

#### ***Assets and Income of Interbank and Inteligo Bank under the PFIC Rules***

The application of the PFIC rules to banks is unclear under present U.S. federal income tax law. Banks generally derive a substantial part of their income from assets that are interest-bearing or that otherwise could be considered passive assets under the PFIC rules. The IRS has issued a notice and has proposed U.S. Treasury regulations that exclude from passive income any income derived in the active conduct of a banking business by a qualifying foreign bank (the “active bank exception”). The IRS notice and proposed U.S. Treasury regulations have different requirements for qualifying as a foreign bank, and for determining the banking income that may be excluded from passive income under the active bank exception. Moreover, the proposed U.S. Treasury regulations have been outstanding since 1995 and may not be finalized in their current form. Our PFIC status may be impacted if and when these U.S. Treasury regulations are finalized.

Because final U.S. Treasury regulations have not been issued and because the notice and the proposed U.S. Treasury regulations are inconsistent in certain respects, Interbank’s, Inteligo Bank’s and (as a result) our status under the PFIC rules is subject to uncertainty. While Interbank and Inteligo Bank conduct, and intend to continue to conduct, a significant banking business, there can be no assurance that they will satisfy the specific requirements for the active bank exception under either the IRS notice or the proposed U.S. Treasury regulations. It is therefore possible that a significant portion of the assets and income of Interbank or Inteligo Bank may be treated as passive.

#### ***Assets and Income of Interseguro under the PFIC Rules***

While passive income generally includes interest, dividends, annuities and other investment income, the PFIC rules provide that income “derived in the active conduct of an insurance business by a qualifying insurance corporation” is not treated as passive income. A qualifying insurance corporation is a foreign corporation (i) which would be taxable as an insurance company if it were a U.S. corporation and (ii) the applicable insurance liabilities of which constitute more than 25% of its total assets, as determined for financial reporting purposes. Additionally, if a corporation meets the first prong of this test, but not the second, a U.S. Holder can still elect to treat the corporation as a qualifying insurance company if at least 10% of its assets are applicable insurance liabilities and it meets certain alternative facts and circumstances tests. Under these tests, the corporation must be predominantly engaged in an insurance business and the failure to meet the 25% test described above must be due solely to run-off related or rating-related circumstances involving such insurance business. Proposed U.S. Treasury regulations were issued in 2019 that provide guidance about the definitions of “active conduct” and “insurance business.” The proposed regulations were withdrawn in part and subsequent U.S. Treasury regulations were proposed in 2020 that provide explanation of the active insurance income exception as modified under changes to the U.S. Code as a result of the Tax Cuts and Jobs Act of 2017. We expect, for purposes of the PFIC rules, that Interseguro will meet the requirements to be considered a qualifying insurance corporation. No assurance can be provided, however, that changes in Interseguro’s business operations or in the application of U.S. federal income tax law, including the finalization of the proposed U.S. Treasury regulations, will not affect the ability of Interseguro to qualify for the active insurance income exception.

#### ***Consequences of PFIC Status***

Although the matter is not free from doubt, based on our current expectations regarding our subsidiaries meeting the PFIC exceptions discussed above, the value and nature of the assets of our subsidiaries, the sources and nature of the income of our subsidiaries, relevant market and shareholder data and our current business plans, we believe that we will not be treated as a PFIC for U.S. federal income tax purposes with respect to our 2023 and current taxable years and we do not anticipate becoming a PFIC in the future. If we are classified as a PFIC for any taxable year during which a U.S. Holder holds our common shares, such a U.S. Holder would be subject to special rules (and may be subject to increased tax liability) with respect to (a) any gain realized on the sale or other disposition of our common shares, and (b) any “excess distribution” made by us to the U.S. Holder (generally, any distribution during a taxable year in which distributions to the U.S. Holder on our common shares exceed 125% of the average annual distributions the U.S. Holder received on the shares during the preceding three taxable years or, if shorter, the U.S. Holder’s holding period for the shares). Under those rules, (a) the gain or excess distribution would be allocated ratably over the U.S. Holder’s holding period for our common shares, (b) the amount allocated to the taxable year in which the gain or excess distribution is realized and to taxable years before the first year in which we became a PFIC would be taxable as ordinary income, (c) the amount allocated to each prior year in which we were a PFIC would be subject to U.S. federal income tax at the highest tax rate in effect for that year and (d) the interest charge generally applicable to underpayments of U.S. federal income tax would be imposed in respect of the tax attributable to each prior year in which we were a PFIC. In addition, in the event that we are classified as a PFIC, similar rules would apply to “excess distributions” or gains with respect to subsidiary PFICs held directly or indirectly by us (“Lower-tier PFICs”), even if the proceeds are not distributed to our shareholders. A U.S. Holder generally will be required to file IRS Form 8621 if it holds our common shares in any year in which we are classified as a PFIC.

A U.S. Holder may be able to mitigate these tax consequences by electing mark to market treatment for its common shares, provided the relevant shares constitute “marketable stock” as defined in U.S. Treasury regulations. Our shares will be “marketable stock” if they are “regularly traded” on a “qualified exchange or other market” within the meaning of the U.S. Treasury regulations. Our common shares are listed on the NYSE, and therefore we expect that our common shares should qualify as regularly traded on a qualified exchange or other market. No assurance can be given, however, that our common shares will be considered regularly traded on a qualified exchange or other market. A U.S. Holder electing the mark to market regime generally would, during any year in which we are treated as a PFIC, compute gain or loss at the end of such year as if the shares had been sold at fair value. Any gain recognized by the U.S. Holder under the mark to market election, including on an actual sale, would be treated as ordinary income, and the U.S. Holder would be allowed an ordinary deduction for any decrease in the value of shares as of the end of any taxable year and for any loss recognized on an actual sale, but only to the extent, in each case, of previously included mark to market income not offset by previously deducted decreases in value. Any loss on an actual sale of shares would be a capital loss to the extent in excess of previously included mark to market income not offset by previously deducted decreases in value. A U.S. Holder’s tax basis in shares would increase or decrease by gain or loss taken into account under the mark to market regime.

A mark to market election under the PFIC rules applies to all future years of an electing U.S. Holder during which the shares are regularly traded on a qualifying exchange or other market, unless revoked with the IRS’s consent. A mark to market election under the PFIC rules with respect to shares would not apply to a Lower-tier PFIC, and a U.S. Holder would not be able to make such a mark to market election in respect of its indirect ownership interest in that Lower-tier PFIC. Consequently, U.S. Holders of shares could be subject to the PFIC rules with respect to income of the Lower-Tier PFIC the value of which already had been taken into account indirectly via mark to market adjustments.

A U.S. Holder may in certain circumstances mitigate the adverse tax consequences of the PFIC rules by filing an election to treat the PFIC as a qualified electing fund (“QEF”). However, in the event that we are or become a PFIC, we do not intend to comply with the reporting requirements necessary to permit U.S. Holders to elect to treat us as a QEF.

#### ***Backup Withholding and Information Reporting***

Dividends paid on, and proceeds from the sale or other disposition of, our common shares that are paid to a U.S. Holder generally will be subject to the information reporting requirements of the U.S. Code and may be subject to backup withholding unless the U.S. Holder provides an accurate taxpayer identification number and makes any other required certification or otherwise establishes an exemption. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder’s U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that certain required information is timely furnished to the IRS.

In addition, U.S. Holders may be required to comply with certain reporting requirements, including filing an IRS Form 8938, Statement of Specified Foreign Financial Assets, with respect to the holding of certain foreign financial assets, including stock of foreign issuers, either directly or through certain foreign financial institutions, if the aggregate value of all such assets exceeds U.S.\$50,000. U.S. Holders should consult their own tax advisors regarding the application of the information reporting rules to our common shares and the application of these reporting requirements to their particular situations.

HOLDERS OF OUR COMMON SHARES SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE U.S. FEDERAL INCOME AND OTHER TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF OUR COMMON SHARES, INCLUDING, IN PARTICULAR, THE EFFECT OF ANY NON-U.S. STATE OR LOCAL TAX LAWS.

#### **Panamanian Taxation**

The following is a summary of the principal Panamanian income tax consequences resulting from the beneficial ownership and disposition of our common shares by certain persons. This summary is based on the Panamanian Tax Code of 1956, as amended, other applicable tax laws, decrees and regulations issued thereunder, and judicial and administrative interpretations thereof, all as in effect on the date hereof, and is subject to any changes in these or other laws, decrees, regulations and interpretations occurring after such date, possibly with retroactive effect. This summary is intended as a descriptive summary only and is not a complete analysis or listing of all potential Panamanian income tax consequences to purchasers of our common shares. The summary does not address the tax treatment of potential purchasers that may be subject to special income tax and withholding rules. The summary is not intended as tax advice to any particular person, nor does it purport to furnish information on the level of detail or with attention to a purchaser’s specific tax circumstances that would be provided by a purchaser’s own tax advisor. Holders of our common shares are urged to consult their own tax advisors as to the precise Panamanian and other tax consequences of acquiring, owning and disposing of our common shares.

### ***Panamanian Income Tax Structure***

Panama's income tax regime is essentially territorial. Consequently, income tax is levied only upon income or gains derived from income deemed to arise from Panamanian sources, while income not deemed to be Panamanian source income is not subject to Panamanian income taxes.

### ***Taxation of Dividends***

In light of the above, dividend income is not subject to income tax in Panama if the profits to which the dividends relate are not Panamanian source income. Moreover, further distributions of dividend income received by the direct shareholders of a Panamanian company to such direct shareholders' own shareholders are not subject to income tax in Panama. Accordingly, because we are a holding company that does not perform income generating activities in Panama and our income is generated exclusively from activities outside of Panama, dividend payments made with respect to our common shares would not be subject to income tax or withholding requirements in Panama.

The offering and sale of our common shares and the use of proceeds therefrom herein described will all take place outside of Panama, and we do not intend to place, invest or economically utilize in Panama the proceeds that we will receive upon the issuance and sale of our common shares, or to conduct business activities in Panama.

### ***Taxation of Capital Gains***

Under the tax principles set forth above, because we generate income only from foreign or non-Panamanian sources, any capital gains realized by a holder of our common shares on the sale or other disposition thereof will be exempt from income or capital gains tax in Panama.

### ***Stamp and Other Taxes***

Because we are a holding company that does not perform income generating activities in Panama and our income is generated exclusively from activities outside of Panama, our common shares, and any document containing an agreement providing for the sale or disposition thereof, are not subject to stamp, registration or similar taxes, unless the respective documents shall be used before the courts or administrative authorities of Panama, in which case the stamp tax shall be paid at that time at a rate of U.S.\$0.10 for each U.S.\$100.00 or fraction of U.S.\$100.00 of the face value of the obligations stated therein.

In light of the above, there are no sales, transfer or inheritance taxes in Panama applicable to the sale or disposition of our common shares.

### ***Foreign Investors***

Because the gains realized on the sale and disposition of our common shares are not subject to income tax in Panama as indicated above, a person domiciled outside of Panama is not required to file an income tax return in Panama solely by reason of his or her purchase or ownership of our common shares.

#### **F. Dividends and Paying Agents**

Not Applicable.

#### **G. Statement by Experts**

Not Applicable.

#### **H. Documents on Display**

The materials included in this Annual Report on Form 20-F may be downloaded at the SEC's website: <http://www.sec.gov>. Additional reports and information about us can be downloaded at the SEC's website.

#### **I. Subsidiary Information**

Not Applicable.

#### **J. Annual Report to Security Holders**

Not Applicable.

**ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

For quantitative and qualitative information related to market risk, in addition to the information presented below, see Note 29.2 to our audited consolidated financial statements as of and for the year ended December 31, 2023, 2022 and 2021, appearing elsewhere in this Annual Report on Form 20-F.



## RISK MANAGEMENT

Our goal is to attain sustainable long-term growth, through a balance between risk policies and profitability. As a result, our senior management places great emphasis on risk management.

To manage the risks described below, we have a specialized risk management structure, measurement systems and mitigation and remediation processes in place for each of our business segments. We incorporate analytics into our decision-making process and make use of tools and methodologies that allow us to identify and manage risk efficiently.

### Banking Segment

#### *Main Types of Risks*

The main types of risk inherent in Interbank's businesses are credit, market, liquidity and operational risk.

- *Credit risk*: probability of loss due to inability or lack of willingness to pay by debtors, counterparts or third parties bound by contractual obligations.
- *Market risk*: probability of loss in positions on and off-balance sheets derived from variations in market conditions. It generally includes the following risk types: exchange rates, interest rates and prices.
- *Liquidity risk*: potential inability to meet contractual and contingent obligations, both on- or off-balance sheet, as they come due.
- *Operational risk*: probability of loss due to inadequate processes, personnel and information technology failures, or external events.

To manage the above risks, Interbank has a specialized risk management structure, measurement systems and mitigation and remediation processes. It uses different models and rating tools at the client or product level to manage risks. These tools measure and value the risk with a prospective vision, thus allowing the organization to make better risk decisions in the different stages or life cycle of each loan.

These tools are continuously monitored and periodically validated to ensure that appropriate levels of prediction and performance are being maintained and to take corrective action or adjust to the models when needed.

The risk management indicators are continuously reviewed and assessed to identify possible deviations in risk profile with respect to the established risk appetite and apply timely corrective actions as needed. This information is submitted to the Risk Management Committee monthly and to the board of directors periodically.

#### *Credit Risk*

The main risk Interbank must manage is credit risk. To mitigate exposure to credit risk and provide adequate risk coverage, Interbank has established the following measures, among others:

- policies, procedures, methodologies, models, parameters and expert judgement to identify, measure, control and report credit risk;
- review and assessment of credit risk through specialized units of risk screening, which are independent from Interbank's Commercial Division, and which assess credit risk prior to loan approvals or prior to the acquisition of specific investments;
- timely monitoring and tracking of credit risk and maintenance of pre-defined tolerance levels;
- compliance with regulatory limits and establishment of internal limits to minimize exposure to debtors and counterparties, such as those related to sector concentration (for loans), by issuer, credit rating and liquidity;
- procedures for the management of loan guarantees.

Interbank also uses different models and rating tools for each type of client and/or product. Interbank constantly monitors and reviews these tools to ensure that adequate levels of prediction and performance are maintained and if necessary, to adjust or take corrective measures.

Through its policies and procedures, Interbank establishes the patterns and mechanisms needed to prevent excessive risk concentration and maintain a diversified portfolio.

Interbank manages its credit risk by means of three main processes: underwriting, monitoring and recovery. These processes are applied accordingly in different business lines.

The underwriting process is fundamentally based on comprehensive knowledge of the client and their economic activity and evaluating their repayment capacity, solvency and credit history. This process uses risk management methodologies and tools, which measures and assesses the quality of the risk to be granted, based on models and automatic rating systems for the admission of credits.

The monitoring process is used for early detection of credit risk to identify clients with potential risks that would affect their ability to pay which can possibly impact the debtor's credit development. This process uses an integrated system of alerts, which is used to determine whether immediate actions need to be taken.

Actions include preventative, corrective or follow-up measures. This process utilizes systems, models and guidelines to assess the evolution of the debtor's detected risks and determine their management for standardization or collection.

The recovery process is carried out through a set of coordinated actions for the appropriate and timely recovery of the loans, which aim to minimize losses in exposures with a high credit risk.

### **Commercial Banking**

The following table presents the approval levels required for commercial loan applications at Interbank.

<u>Approval requirement</u>	<u>Amount</u>	<u>Executive required to be present at committee meeting</u>	<u>Minimum quorum</u>
Interbank related companies credit committee	Any transaction with related companies	Two Directors	2
Director credit committee	According to business segment and statistical rating situation Corporate Banking -With updated statistical rating AAA-A greater than U.S.\$50,000,000 BBB-B greater than U.S.\$40,000,000 CCC-C greater than U.S.\$30,000,000 -Without statistical rating updated Greater than U.S.\$30,000,000 Medium-sized Banking, Institutional Banking and Real Estate Business Greater than U.S.\$30,000,000	Two Directors	2
Central credit committee	According to business segment and statistical rating situation Corporate Banking -With statistical rating updated AAA-A up to U.S.\$50,000,000 BBB-B up to U.S.\$40,000,000 CCC-C up to U.S.\$30,000,000 -Without statistical rating updated Up to U.S.\$30,000,000	CEO or VP of Payments, VP of Risk Management, and Other VP.	3

<u>Approval requirement</u>	<u>Amount</u>	<u>Executive required to be present at committee meeting</u>	<u>Minimum quorum</u>
Executive credit committee	Medium-sized Banking, Institutional Banking and Real Estate Business Up to U.S.\$30,000,000		
	According to business segment and statistical rating situation Corporate Banking	VP of Risk Management, VP Business and Other VP	3
	-With statistical rating updated AAA-A: up to U.S.\$25,000,000 BBB-B up to U.S.\$20,000,000 CCC-C up to U.S.\$15,000,000		
	-Without statistical rating updated Up to U.S.\$15,000,000		
	Medium-sized Banking, Institutional Banking and Real Estate Business Up to U.S.\$15,000,000		

Credit approval is determined by the applicant's repayment ability, which is defined primarily by their cash flow and credit history. The decision whether or not to approve an extension of credit takes into account the applicant's economic environment, its ability to meet its obligations, collateral, management and the credit ratings assigned to the applicant by other companies of the financial system.

To rate credit risk within the commercial portfolio, Interbank uses a credit risk management system, the Statistical Rating System. This system measures credit risk by classifying companies based on their expected default probability, without considering the facility's amount, loan conditions or collateral. The Statistical Rating System is supported by a statistical model that predicts default probability from historical default data, based on the company's qualitative information, financial performance and internal and external credit behavior. Currently, the system is designed to rate companies from our commercial banking business line with at least S/3.0 million in annual sales.

For government entities or project finance, Interbank uses the Weighted Rating System. This methodology considers six different areas: (1) product, demand and industry; (2) shareholders and management; (3) access to credit; (4) profitability; (5) generation of resources; and (6) solvency. The final rating is the weighted sum of these areas.

In the case of financial institutions, Interbank uses an Expert Judgment Analysis Methodology. This methodology considers aspects such as shareholders, management, profitability, solvency, risk rating information, etc.

The Watchlist System monitors clients that have risk potential that needs to be addressed. Based on internal and external alerts, historical financial data and client behavior and market conditions, clients are classified into one of four categories: (1) surveillance; (2) guarantee (increase collateral), (3) reduce exposure and (4) exit or collect.

The Non-Performing Assets Monitoring System monitors the status of non-performing loans and defines categories and related strategies. This system allows Interbank to evaluate which companies are overdue and are struggling to pay their loans and focus recovery efforts on those loans. The recovery portfolio is divided into rescheduled and refinanced credit, judicial recoveries and restructured credit.

Credit risk management includes strategies related to proper recovery of defaulted loans. Depending on whether the recovery strategy is based upon the client's cash flow or collateral foreclosure, loans are assigned to the recovery division. This division has two units, special credit and judicial recovery. Judicial recovery may include the sale of recovered or foreclosed assets, which are managed by the asset sales unit that oversees selling these assets.

### Small Business Banking

The following table presents the approval levels required for small business banking loan applications by principal amount in U.S. dollars.

Approval levels	Amount <sup>(1)</sup>
Vice President of Risk Management	Over U.S.\$ 268,500
	Up to U.S.\$
Risk Manager	268,500
	Up to U.S.\$
Risk Assistant Manager	157,400
Zonal Risk Officer	Up to U.S.\$ 91,800
Master Risk Analyst	Up to U.S.\$ 52,500
Senior Risk Analyst	Up to U.S.\$ 39,400
Risk Analyst	Up to U.S.\$ 12,600

(1) Amounts stated in U.S. dollars as of and for the year ended December 31, 2023 have been translated from soles at the exchange rate of S/ S/3.709 = U.S. \$1.00.

In small business banking, credit approval is determined by the applicant's credit history and repayment ability, which is in turn determined primarily by the applicant's cash flow and credit history. Approvals of loans depend on the applicant's economic conditions, its ability to meet its obligations, collateral, management and the credit ratings assigned by a scoring system applied to new and current clients.

An independent unit is responsible for ensuring proper compliance with risk policies, the methodologies applied in the evaluation of creditors and the performance of scoring models and ensuring that the quality of the portfolio does not exceed risk limits.

Interbank has developed specific risk management tools to respond efficiently to new schemes and constraints that arise in the market for small business banking. Interbank refers to these tools as the Small Business Banking Management and Monitoring Process, which consist of:

- *Scoring Small Banking Enterprises*: is an analysis tool in the credit evaluation process aimed at reducing risk rates and process times and assigning a score to the credit proposal evaluated.
- *Indebted Customers Methodology Small Business Banking*: identifies customers who have high leverage exposure.
- *Field Audit and Monitoring*: is used to assess quality by selecting samples of credit loans granted and poor performing portfolios and reviewing supporting documentation, with a final risk report presentation.

During collection of early stage (1-90 days), Interbank uses collection scores that allow Interbank to define the collection strategy: phone collection, text message collection, mail or personal collection.

Recovery in small business banking occurs in two phases. Early collection is based on and supported by admission risk officers for the first 90 days. During this time, a customer in default is contacted and recovery efforts are made in the form of letters, telephone calls and direct negotiations. After the first 90 days, the defaulted loan is transferred to the Recovery Unit.

### Retail Banking

The following table presents the approval levels required for retail loan applications by principal amount in U.S. dollars. Approval levels also vary according to product.

	<u>Credit Card</u>	<u>Cash Credit</u>	<u>Pay-roll Loans</u>	<u>Loans for Diplomats Amount</u>	<u>With Collateral</u>	<u>Automobile</u>	<u>Mortgage</u>
<b>Approval Levels<sup>(1)</sup></b>	<b>Greater than</b>	<b>Greater than</b>	<b>Greater than</b>	<b>Greater than</b>	<b>Greater than</b>	<b>Greater than</b>	<b>Greater than</b>
Vice President Risk Management	35,050	80,884	80,884	—	404,422	70,000	800,000
Central Manager	35,050	80,884	80,884	—	404,422	70,000	800,000
Risk Manager	26,961	67,404	67,404	40,442	269,614	60,000	700,000
Risk Assistant Manager	20,221	53,923	53,923	24,265	202,211	50,000	550,000
Risk Officer	16,177	48,531	48,531	24,265	134,807	40,000	350,000
Senior Risk Analyst	12,133	32,354	32,354	16,177	107,846	30,000	250,000
Risk Analyst	7,010	21,569	21,569	8,088	53,923	25,000	150,000
Junior Risk Analyst	3,235	13,481	13,481	5,392	26,961	16,000	100,000

(1) Amounts stated in U.S. dollars as of and for the year ended December 31, 2023 have been translated from soles at the exchange rate of S/ S/3.709= U.S.\$1.00.

The approval process in retail banking is supported by world class tools, a workflow that includes a parameterized decision-making system, including risk policies and limits, as well as statistical models for all main retail banking products: credit cards, payroll deduction loans, mortgages and consumer loans.

In retail banking, credit approval is determined by the applicant's repayment ability, credit history and risk profile. An independent unit is responsible for monitoring the performance of the customer's portfolio, identifying and controlling risk across the customer's life cycle, keeping track of the performance of credit policies at origination and monitoring behavior in customer management and collections. For this purpose, Interbank uses data mining and cluster analysis, stress testing for likelihood of defaults, vintage and roll rate analysis and credit risk scoring.

During collection of early stage (1-90 days) due loans in retail banking, Interbank uses collection scores that allow it to choose the appropriate collection strategy: phone collection, text message collection, chatbot, mail or personal collection.

Unpaid debts with a 90 day stay are deemed defaulted loans. Depending on whether the recovery strategy is based on the client's cash flow or collateral foreclosure, loans are assigned to Interbank's recovery division. The recovery division has two units, pre-judicial and judicial stage of recovery. During the judicial stage of recovery, accounts are assigned to recovery attorneys. Recovery may include the sale of foreclosed assets.

Defaulted loans that are 100% accounted for under loan loss reserves are written-off and managed through external judicial recovery.

Collections and recoveries are undertaken through advanced collection systems from world class suppliers and predictive dialers. The recovery portfolio is segmented into various groups that are divided according to the specific phase of the recovery process. Collections and recovery efforts are made by letters, SMS text messages, IVR (Interactive Voice Response), telephone and personal contact with the customer.

### **Market Risk**

Market risk is the probability of loss due to variations in financial market conditions. The main variations to which Interbank is exposed are: (i) exchange rates, (ii) interest rates and, (iii) prices. Said variations can affect the value of financial assets and liabilities. As part of the risk management system, in certain circumstances Interbank uses derivative financial instruments to mitigate the risk exposure which arises from the variations in interest rates and exchange rates.

### Exchange Rate

Management sets limits on exposure levels by currency and monitors them on a daily basis. Transactions in foreign currency are accounted for by using exchange rates prevailing on the market.

Interbank manages exchange rates by matching its assets and liabilities, overseeing the global exchange position daily. Interbank's global foreign exchange position is equivalent to the result of long positions minus short positions in currencies different from the *sol*. The global foreign exchange position includes spot positions and derivative positions.

### Interest Rate

Interest rates continuously fluctuate on the market. These fluctuations affect Interbank in two ways: first, through the change in the valuation of assets and liabilities; and second, through 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 repricing increases. This process consists of the assessment of the repricing periods. On the other side, cash flows are affected when the instruments reach maturity, given that they are invested or placed at the new market interest rates.

The interest rate risk tracking is reported to the Integral Risk Management Committee, as well as the ALCO. The Integral Risk Management Committee approves the various limits applicable to the management of financial instruments. The tracking process is performed by the Division of Market Risk.

An analysis of repricing gaps is performed to determine the impact of interest rate movements on the valuation of assets and liabilities into different time gaps.

The following tables summarize Interbank's exposure to interest rate risks. Financial instruments are presented at book value, classified by the period of the contract's interest rate repricing or maturity date, whichever occurs first:

### Repricing Gap

	Repricing Gap at December 31, 2023							Banking
	1 - Month	1 - 3 Months	3 Months - 1 Year	1 Year - 3 Years	3 Years - 5 Years	Over 5 Years	Past-due loans / Equities	
<b>Assets</b>								
Cash due from banks	5,879.1	—	—	—	—	—	—	5,879.1
Inter-bank funds	524.9	—	—	—	—	—	—	524.9
Instruments measured at fair value through other comprehensive income	451.3	1,540.1	2,216.6	2,174.0	889.1	1,218.8	80.4	8,570.3
Investments at amortized cost	—	86.7	634.0	433.6	146.6	2,093.1	—	3,394.0
Loans, net of unearned income	4,146.2	5,453.2	10,261.0	12,355.4	6,771.1	6,581.6	1,785.5	47,354.1
Other assets	1.6	14.9	16.2	5.2	3.0	—	—	40.8
<b>Total</b>	<b>11,003.2</b>	<b>7,094.8</b>	<b>13,127.8</b>	<b>14,968.2</b>	<b>7,809.8</b>	<b>9,893.5</b>	<b>1,865.9</b>	<b>65,763.2</b>
<b>Deposits and obligations</b>	<b>29,947.4</b>	<b>3,556.3</b>	<b>5,093.9</b>	<b>262.8</b>	<b>88.0</b>	<b>46.9</b>	<b>—</b>	<b>38,995.3</b>
Inter-bank funds	119.7	—	—	—	—	—	—	119.7
Due to banks and correspondents	1,163.0	1,753.1	2,753.4	1,385.4	266.1	1,348.2	—	8,669.3
Bonds, notes and other obligations	200.6	1,134.8	9.5	2,908.3	—	—	—	4,253.2
Other liabilities	8.3	22.4	61.9	59.2	20.6	3.7	—	176.0
<b>Total</b>	<b>31,439.0</b>	<b>6,466.6</b>	<b>7,918.8</b>	<b>4,615.7</b>	<b>374.7</b>	<b>1,398.8</b>	<b>—</b>	<b>52,213.5</b>
Marginal gap	(20,435.9)	628.2	5,209.0	10,352.5	7,435.1	8,494.7	1,865.9	13,549.6
Accumulated gap	(20,435.9)	(19,807.6)	(14,598.6)	(4,246.1)	3,189.0	11,683.7	13,549.6	—

Repricing Gap at December 31, 2022								
	1 - Month	1 - 3 Months	3 Months - 1 Year	1 Year - 3 Years	3 Years - 5 Years	Over 5 Years	Past-due loans / Equities	Banking
	(S/ in millions)							
<b>Assets</b>								
Cash due from banks	7,393.3	—	—	—	—	—	—	7,393.3
Inter-bank funds	296.1	—	—	—	—	—	—	296.1
Instruments measured at fair value through other comprehensive income	614.2	1,112.5	106.8	1,020.8	1,956.4	1,445.2	4.2	6,260.1
Investments at amortized cost	—	71.6	494.49	640.3	443.8	1,652.2	—	3,302.8
Loans, net of unearned income	4,473.4	5,415.6	9,150.7	12,110.5	6,681.7	6,434.6	1,486.5	45,752.9
Other assets	237.3	4.3	16.7	22.1	—	—	—	280.4
<b>Total</b>	<b>13,014.3</b>	<b>6,604.1</b>	<b>9,769.1</b>	<b>13,793.6</b>	<b>9,081.9</b>	<b>9,532.0</b>	<b>1,490.7</b>	<b>63,285.6</b>
<b>Deposits and obligations</b>								
Inter-bank funds	30.0	—	—	—	—	—	—	30.0
Due to banks and correspondents	303.7	1,237.9	1,011.5	2,725.7	289.6	1,158.3	—	6,726.6
Bonds, notes and other obligations	2,532.6	—	224.9	2,288.4	1,525.6	—	—	6,571.5
Other liabilities	15.1	12.5	56.9	63.8	22.2	5.8	—	176.2
<b>Total</b>	<b>33,432.2</b>	<b>2,629.6</b>	<b>5,787.9</b>	<b>5,976.9</b>	<b>1,907.5</b>	<b>1,487.5</b>	—	<b>51,221.6</b>
Marginal gap	(20,417.9)	3,974.5	3,981.1	7,816.7	7,174.4	8,044.5	1,490.7	12,064.0
Accumulated gap	(20,417.9)	(16,443.4)	(12,462.3)	(4,645.6)	2,528.9	10,573.3	12,064.0	—

Interbank separates exposures to market risk into two blocks: (i) trading book, which comprises positions in liquid investments, and (ii) banking book, which comprises banking assets and liabilities inherent to the intermediation business whose market risk exposure stems from the changes in the portfolio's structural positions.

#### Trading Book

To control and monitor the risks arising from the volatility of risk factors, Interbank has established maximum exposure limits by currency, investment type, Value-at-Risk (VaR) and tolerance to expected maximum loss (Stop Loss), which are monitored on a daily basis. Likewise, reports from the Integral Risk Management Committee and the ALCO are submitted regularly to Interbank's board of directors.

The validity of VaR calculation is proven through a back-testing proof, which uses historical data to ensure that the model adequately estimates potential losses. Additionally, it calculates risk factor sensitivity, which shows potential portfolio losses resulting from interest rate shocks, exchange rate shocks and price shocks, among others.

As of December 31, 2023, 2022 and 2021, Interbank's VaR calculated for its trading book, classified by type of risk, was as follows:

	December 31, 2023	December 31, 2022	December 31, 2021	Change	
	(S/ in millions)			Dec 23 / Dec 22	Dec 22 / Dec 21
<b>By type of risk</b>					
Exchange rate	1.0	1.2	1.5	(0.2)	(0.3)
Interest rate	0.7	1.7	9.9	(1.0)	(8.2)
Price	—	—	—	—	—
Diversification effect	(0.5)	(0.9)	(0.8)	0.4	(0.0)
<b>Total</b>	<b>1.2</b>	<b>2.0</b>	<b>10.6</b>	<b>(0.8)</b>	<b>(8.6)</b>

Interbank's VaR decreased from S/2.0 million as of December 31, 2022 to S/1.2 million as of December 31, 2023, mainly due to lower interest rate risk and to a lesser extent foreign exchange risk. The rate risk was reduced due to the exit of Interbank's treasury position and by lower net positions in forwards.

Interbank's VaR decreased from S/10.6 million as of December 31, 2021 to S/2.0 million as of December 31, 2022, mainly due to a reduction in volumes of derivatives along with the change from the LIBOR reference rate to the SOFR reference rate.

For the periods presented Interbank did not have back-testing exceptions.

### Banking Book

Interbank also holds positions that are not actively traded. These positions include all loan placements and funds raised through Interbank's intermediation business, as well as certain investments that are not deemed trading.

### **Foreign Exchange Risk**

Foreign exchange rate risk is the risk due to exchange rates movements. Management sets limits on exposure levels by currency and monitors them on a daily basis. Transactions in foreign currency are accounted for by using exchange rates prevailing on the market.

Interbank manages exchange rate risk by matching its assets and liabilities, overseeing the global exchange position on a daily basis. Interbank's global foreign exchange position is equivalent to the result of long positions minus short positions in currencies different from the *sol*. The global foreign exchange position includes spot positions and derivative positions.

### **Liquidity Risk**

Interbank's liquidity risk arises from the potential inability to comply with financial obligations. This risk may arise as a result of diverse events such as the unexpected loss of funding sources or the inability to rapidly settle assets, among others.

Interbank takes short-term deposits and transforms them into longer-term loans, which also increases its exposure to liquidity risk. Interbank keeps a set of deposits that historically represent a stable funding source.

Interbank's liquidity is managed by the Vice President of Capital Markets, which leads the ALCO. Liquidity risk is overseen by the Integral Risk Management Committee, which defines the risk level that Interbank is willing to take and reviews the corresponding indicators, limits and controls.

Interbank has a set of indicators that establish minimum short-term liquidity and reflect several risk aspects, such as concentration, stability, position by currency, main depositors, etc. The Market Risk Division is responsible for tracking such indicators.

Interbank also assesses medium-term and long-term liquidity through a structural analysis of its funds inflows and outflows on diverse maturity terms. This process allows it to identify, for each currency, the funding sources, how liquidity needs increase and which terms are mismatched. For both assets and liabilities, Interbank makes assumptions for operations without specific maturity dates, including revolving loans and savings. These assumptions also include the estimated obligations arising from contingent liabilities such as guarantee letters or non-used credit lines. Based on this information, necessary actions are taken to maintain the target liquidity levels.

### **Operational Risk**

Operational risk is defined as the possibility of losses due to inadequate processes, faulty personnel, information technology, or external events. To manage these risks, Interbank has established three defense lines:

- 1st line: comprises the business and support units, which perform operations directly and are responsible for the operational risks.
- 2nd line: comprises the units of risks, Fraud Prevention, Cybersecurity, the Portal for Money Laundering and Terrorism Financing Prevention ("PLAFT" by its Spanish acronym), among others, which provide for the methodological support for risk management.
- 3rd line: comprises the Internal Audit unit, which conducts an independent review on the operational risk management.



The management of operational risk by Interbank has the following objectives:

- to manage risk according to the defined levels of appetite and tolerance;
- to reduce the level of operational losses;
- to monitor, measure and report the main risks identified to their respective units;
- to promote the development and innovation of new products and processes in accordance with the aforementioned objectives; and
- to maintain an optimal level of readiness in case of any interrupting event that may weaken Interbank's operations, as well as improve its recovery abilities.

The management of operational risk by Interbank uses the Basel standards as base, and it is constantly being transformed to support Interbank in its process of digital transformation in a manner that is sustainable, streamlined, and straightforward.

### **Insurance Segment**

Interseguro has the following risk management objectives:

- protect shareholder value by monitoring that exposure to probable losses does not exceed approved limits;
- protect policyholders so that their rights will not be affected by losses that exceed the value of Interseguro's equity;
- support the decision making processes in Interseguro, by providing consistent, reliable and timely risk information; and
- promote a successful company culture of risk awareness and informed risk-taking.

To this end, Interseguro uses tools and methodologies to identify and manage risk efficiently, incorporating analytics into its decision-making process.

### **Main Types of Risks**

The main risks faced by Interseguro are insurance risk, credit risk, market risk, liquidity risk, real estate risk and operational risk. Other risks include interest rate risk and foreign exchange risk.

#### **Insurance Risk**

As an insurance company, Interseguro is exposed to the risk that the assumptions it employs to price a particular insurance policy, such as the frequency of losses or the severity of losses may be incorrect. Flaws in these assumptions may lead to premium mispricing and the miscalculation of the amount of funds necessary to cover such insurance policy. Particularly, upon the sale of an annuity, Interseguro records a reserve that is calculated on the basis of a market discount rate and mortality data.

#### **Credit Risk**

Interseguro holds a large portfolio of debt investments and fixed income securities and is therefore exposed to the risk that the issuer may default on its interest or principal payments. This risk is mitigated through a three-step process. Initially, regulations established by the SBS (1) limit the types of investments Interseguro can make, (2) set minimum credit ratings that securities must have, and (3) limit Interseguro's investments with respect to a single issuer. Secondly, Interseguro performs a careful analysis on the securities it purchases. Finally, Interseguro's investment committee, which is comprised of both internal and independent members of its board of directors, is responsible for approving any new investment and periodically reviews Interseguro's investment portfolio.

#### **Market Risk**

Interseguro is exposed to the risk that the value of its investments decreases due to changing market conditions. Market risk drivers include equity prices, interest rates and real estate prices. Interseguro manages this risk by setting limits on individual

issuer concentration, on type and liquidity of assets and on deviations from the terms of the technical liabilities they should cover. The risk management unit regularly assesses market risk to verify its alignment to Interseguro's risk appetite. This assessment includes VaR analysis, contribution and sensitivity analysis of each risk driver and stress tests in different extreme scenarios.

The VaR analysis is a statistical measurement that quantifies the maximum loss expected for the investment portfolio for a period of time and a determined significance level under normal market conditions. For VaR calculation Interseguro uses a historical simulation model, with a 10-day period of time and a 99% significance level. The VaR is calculated for the entire market portfolio, and for market risk factors, such as interest rate, equity price and foreign exchange.

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, Interseguro employs sensitivity analysis to show potential portfolio losses derived from price, foreign currency and interest rate fluctuations.

As of December 31, 2023, December 31, 2022 and December 31, 2021, Interseguro's VaR calculated for its investment portfolio, classified by type of risk, was as follows:

	December 31, 2023	December 31, 2022	December 31, 2021	Change	
	(S/ in millions)			Dec 23 / Dec 22	Dec 22 / Dec 21
<b>By type of risk</b>					
Exchange rate	8.0	6.2	11.3	1.8	(5.1)
Interest rate	596.8	534.4	633.7	62.4	(99.3)
Price	38.7	28.9	56.2	9.8	(27.4)
Diversification effect	(37.9)	(29.1)	(48.3)	(8.8)	19.1
<b>Total</b>	<b>605.5</b>	<b>540.3</b>	<b>652.9</b>	<b>65.2</b>	<b>(112.7)</b>

Between December 31, 2022 and December 31, 2023, the value of Interseguro's investment portfolio in financial instruments increased by more than S/1,458.1 million, which also led to an increase in exposure to market risk represented by the VaR, mainly explained by in interest rate risk and price risk.

Between December 31, 2021 and December 31, 2022, the value of Interseguro's investment portfolio in financial instruments decreased by more than S/656.3 million, which also led to a decrease in exposure to market risk represented by the VaR, principally in interest rate risk and price risk.

For the periods presented Interseguro did not have back-testing exceptions.

### **Interest Rate Risk**

The following tables set forth all the assets and liabilities that are sensitive to interest rate movements.

In addition to fixed income investments, Interseguro has almost no interest-bearing assets or liabilities. Consequently, the interest rate risk of Interseguro is already incorporated into the market risk of the portfolio.

Repricing Gap at December 31, 2023								
	1 - Month	1-3 Months	3 Months - 1 Year	1 Year - 3 Years	3 Years - 5 Years	Over 5 Years	Past-due loans / Equities	Insurance
(S/ in millions)								
<b>Interest earning assets</b>								
Cash and due from banks	204.9	—	—	—	—	—	—	204.9
Instruments measured at fair value through other comprehensive income.	—	—	46.4	35.6	608.6	11,326.4	429.2	12,446.2
Investments at amortized cost	23.6	—	—	—	—	—	—	23.6
Other assets	33.4	55.0	31.3	4.9	35.4	5.6	—	165.7
<b>Total interest earning assets</b>	<b>261.9</b>	<b>55.0</b>	<b>77.7</b>	<b>40.4</b>	<b>644.0</b>	<b>11,331.9</b>	<b>429.2</b>	<b>12,840.3</b>
<b>Interest bearing liabilities</b>								
Due to banks and correspondents	215.6	—	—	—	—	—	—	215.6
Bonds, notes and other obligations	—	3.5	—	—	—	241.1	—	244.6
Insurance contract liabilities	52.8	104.0	470.3	1,282.3	1,267.6	8,784.2	105.7	12,066.8
Other liabilities	99.0	60.5	88.7	183.2	223.0	516.4	—	1,170.9
<b>Total interest bearing liabilities</b>	<b>367.3</b>	<b>168.1</b>	<b>558.9</b>	<b>1,465.5</b>	<b>1,490.7</b>	<b>9,541.7</b>	<b>105.7</b>	<b>13,697.9</b>
Marginal gap	(105.4)	(113.0)	(481.2)	(1,425.1)	(846.6)	1,790.3	323.6	(857.5)
Accumulated gap	(105.4)	(218.4)	(699.6)	(2,124.7)	(2,971.4)	(1,181.1)	(857.5)	—

Repricing Gap at December 31, 2022								
	1 - Month	1-3 Months	3 Months - 1 Year	1 Year - 3 Years	3 Years - 5 Years	Over 5 Years	Past-due loans / Equities	Insurance
(S/ in millions)								
<b>Interest earning assets</b>								
Cash and due from banks	488.0	—	—	—	—	22.1	—	510.1
Instruments measured at fair value through other comprehensive income.	24.7	17.2	167.2	463.6	591.4	9,279.1	492.4	11,035.6
Other assets	34.6	90.7	44.6	14.3	37.2	28.7	—	250.0
<b>Total interest earning assets</b>	<b>547.4</b>	<b>107.8</b>	<b>211.8</b>	<b>477.9</b>	<b>628.6</b>	<b>9,329.9</b>	<b>492.4</b>	<b>11,795.7</b>
<b>Interest bearing liabilities</b>								
Due to banks and correspondents	308.2	—	—	—	—	—	—	308.2
Bonds, notes and other obligations	—	3.6	—	—	—	—	—	251.5
Insurance contract liabilities	106.3	208.3	932.9	—	4,417.1	4,798.9	—	10,463.6
Other liabilities	67.9	40.3	19.4	3.5	—	—	—	131.2
<b>Total interest bearing liabilities</b>	<b>482.4</b>	<b>252.2</b>	<b>952.4</b>	<b>3.5</b>	<b>4,417.1</b>	<b>5,046.8</b>	<b>—</b>	<b>11,154.5</b>
Marginal gap	64.9	(144.4)	(740.6)	474.4	(3,788.5)	4,283.0	492.4	641.2
Accumulated gap	64.9	(79.5)	(820.0)	(345.7)	(4,134.2)	148.8	641.2	—

### ***Foreign Exchange Risk***

Interseguro has mainly assets and liabilities denominated in U.S. dollars. Interseguro manages its foreign exchange rate exposure by matching assets and liabilities by currency.

### ***Liquidity Risk***

Interseguro controls its liquidity needs in the short, medium and long term with the application of Asset Adequacy Tests. In simple terms, these are exercises in which the projected flows of the contracted annuities and insurance policies, are compared with the cash flows of the assets allocated for their coverage, and the present value of the surpluses, dynamically calculated, represents the level of liquidity adequacy of Interseguro.

### ***Real Estate Risk***

There are two sources of real estate risk. The first is related to the real estate market, which includes property values and lease demand. The second is the possibility of default on leases.

Interseguro manages the risk associated with its real estate market by adapting its current offer and future projects to the new conditions that arises. Interseguro periodically evaluates the financial position of prospective and current tenants to reduce the risk of losing rental income.

### ***Operational Risk***

Operational risk is defined as the possibility of losses due to inadequate processes, faulty personnel, information technology, or external events. To manage these risks, Interseguro uses tools for identification, evaluation and treatment of risks similar to the tools used by banks to comply with Basel II. The goals of these risk management tools may be summarized as follows:

- reduce operational losses by identifying potential process risks;
- identify operational risk in the development of new products;
- manage control risk and self-assessment of critical processes; and
- monitor and measure operational risk.

### **Wealth Management Segment**

Inteligo's risk management policies are guided by an emphasis on maintaining growth that is both sustainable, profitable and aligned to adequate levels of risk. In order to accomplish this, Inteligo has developed analytic tools and methodologies aiming to identify and manage risk efficiently. Inteligo monitors and reviews these tools to ensure that adequate levels of prediction and performance are maintained and, if necessary, to make adjustments or take corrective measures.

In order to manage the above risks, Inteligo has a specialized risk management structure, measurement systems and mitigation and coverage processes.

Inteligo uses different key risk indicators ("KRI") to measure its exposure to risk factors. These KRI are continuously monitored and reviewed monthly by senior management and quarterly by the Integral Risk Management Committee and the board of directors to identify possible deviations from the stipulated risk appetite and apply timely corrective actions if needed.

Both credit and market risk are the main risks to be managed by Inteligo and, in order to mitigate its exposure and provide adequate risk coverage, it has established the following measures, among others:

- policies, procedures, methodologies, and parameters aimed to identify, measure, control and report market and credit risk;
- review and assessment of credit risk through a specialized risk department which is independent from the commercial unit and which assesses all credit risks prior to loan approvals;
- compliance with regulatory limits and establishment of internal limits for concentration exposure to counterparties and financial instruments, such as concentration to industry, issuer, credit rating and type of investment; and
- procedures for the management of loan guarantees.

Through these measures, Inteligo establishes the patterns and mechanisms needed to maintain a diversified portfolio and prevent excessive risk concentration.

### **Main Types of Risks**

The main risks faced by Inteligo are credit risk, market risk, interest rate risk, foreign exchange risk, liquidity risk and operational risk.

### **Credit Risk**

In our wealth management segment, only Inteligo Bank is exposed to credit risk. The substantial majority of loans we make are fully collateralized by time deposits or investment securities. Nevertheless, we have implemented strict credit risk management policies, which have contributed to a minimum level of non-performing loans. As of December 31, 2023, only 0.01% of its loan portfolio was classified as non-performing loans.

The following table presents the approval levels required for loan applications by total exposure amount in U.S. dollars.

<b>Approval levels</b>	<b>Amount</b>
Board of Directors	Over U.S.\$20,000,000
Executive Committee	Up to U.S.\$20,000,000
Credit Committee	Up to U.S.\$15,000,000
Chief Executive Officer	Up to U.S.\$5,000,000
Chief Operating Officer	Up to U.S.\$1,500,000
Operations Manager	Up to U.S.\$500,000

Credit approval is determined by the applicant's repayment ability, which is determined primarily by the applicant's credit history and cash flow generation for commercial loans or monthly net profit for retail loans.

The decision whether or not to approve an extension of credit takes into account the applicant's economic environment, its ability to meet its obligations, collateral, management and character. We developed a credit risk scorecard system, which classifies applicants based on several variables such as leverage ratio, debt service as a percentage of monthly income and collateral quality, among others.

The Risk Unit is responsible for periodical monitoring of our credit portfolio and early detection of possible deviations in the credit performance and financial condition of clients in order to maintain a healthy loan portfolio and take timely and necessary actions to reduce or avoid losses. To this end, the Risk Unit reviews Inteligo Bank's loan portfolio on a monthly basis and calculates an expected credit loss according to internal models. Additionally, it is responsible for the regulatory classification of all bank customers and appropriate allocation of reserves.

Although Inteligo Bank has a recovery process for the collection of unpaid loans, there have been very few cases of non-performing or defaulted loans.

### **Market Risk**

Market risk is the probability of loss due to variations in financial market conditions. The main variations to which Inteligo is exposed to are: interest rates and market pricing of financial instruments. Said variations can affect the value of Inteligo's financial assets and liabilities. Exchange rate risk is minimal because of the small exposure to other currencies.

### **Inteligo Investment Portfolio**

In order to monitor the risks within each instrument of its investment portfolio, Inteligo has established maximum exposure limits by individual issuer, investment type and currency that are calculated on a monthly basis.

The main technique used to measure and control market risk is VaR, which is a statistical measurement that quantifies the maximum loss expected for the investment portfolio for a period of time and a determined significance level under normal market conditions. Inteligo uses the historic VaR model for a period of one month with a 99% confidence level. The VaR is calculated for each risk factor (price, interest rate and exchange rate) and investment type (fixed income, equity and alternative investments).

Additionally, Inteligo calculates the marginal contribution to VaR of each instrument in the portfolio. The validity of the VaR calculation is verified through a back-testing methodology, which uses historical data to ensure that the model adequately estimates potential losses. Inteligo has also developed a sensitivity analysis to show potential portfolio losses from price variations in its investment portfolio or interest rates fluctuations.

The primary source of Inteligo's market risk is Inteligo Bank's investment portfolio, as it represents over 95% of Inteligo's VaR results. As of December 31, 2023, December 31, 2022 and December 31, 2021 Inteligo's VaR, classified by type of risk was as follows:

By type of risk	December 31, 2023	December 31, 2022	December 31, 2021	Change	
	(S/ in millions)			Dec 23 / Dec 22	Dec 22 / Dec 21
Exchange rate	3.5	2.7	1.0	0.8	1.8
Interest rate	12.7	21.4	4.0	(8.7)	17.4
Price	70.5	137.9	156.9	(67.4)	(19.0)
Diversification effect	(0.6)	(2.6)	(3.4)	2.0	0.8
<b>Total</b>	<b>86.1</b>	<b>159.4</b>	<b>158.5</b>	<b>(73.4)</b>	<b>1.0</b>

Inteligo's VaR decreased S/73.4 million as of December 31, 2023, mainly due to the increase of fixed income assets compared to other assets with greater volatility in the portfolio as well as the sale of specific positions, when compared to December 31, 2022.

Inteligo's VaR increased S/1 million as of December 31, 2022, mainly due to higher levels of interest rates due to inflationary pressures in the relevant market that affect Inteligo's fixed income portfolio, when compared to December 31, 2021.

For the periods presented Inteligo did not have back-testing exceptions.

#### *Assets and Liabilities Management*

Inteligo holds positions that are not actively traded, including its loan portfolio, customer deposits, and bank loans. These positions are also exposed to interest rate risk, exchange rate risk and liquidity risk.

#### *Interest Rate Risk*

Interest rates continuously fluctuate on the market. These fluctuations affect Inteligo in two ways: firstly, through the change in the valuation of assets and liabilities; and secondly, affecting the cash flows at repricing dates. The variation in the valuation of assets and liabilities is increasingly sensitive as the term at which the asset or liability repricing increases.

An analysis of the repricing gaps is performed in order to determine the impact of interest rates movements. Said analysis consists of classifying all the interest earning assets and interest bearing liabilities in several time ranges according of their repricing date. The impact of the variation in the valuation of assets and liabilities on each range (the repricing gap) is calculated in function of this analysis.

The following tables summarize Inteligo's exposure to interest rate risks. Inteligo's financial instruments are presented at book value, classified by the period of the contract's interest rate repricing or maturity date, whichever occurs first:

	Repricing Gap at December 31, 2023							Wealth Management
	Up to 1 month	From 1 to 3 months	From 3 Months - 1 Year	From 1 Year -3 Years	From 3 Years - 5 Years	Over 5 Years	Past-due loan/Equities	
(\$/ in millions)								
<b>Interest earning assets</b>								
Cash and due from banks	319.2	72.6	216.0	26.8	—	—	—	634.6
Instruments measured at fair value through other comprehensive income.	48.6	0.6	30.4	145.1	188.7	293.1	13.6	720.1
Loans, net of unearned interest	105.6	158.0	987.4	265.1	1.0	2.6	—	1,519.7
Other assets	—	9.0	—	—	—	—	—	9.0
<b>Total interest earning assets</b>	<b>473.3</b>	<b>240.2</b>	<b>1,233.9</b>	<b>437.1</b>	<b>189.7</b>	<b>295.7</b>	<b>13.6</b>	<b>2,883.4</b>
<b>Interest bearing liabilities</b>								
Deposits and obligations and deposits from financial entities	238.8	338.4	1,508.0	161.5	—	—	—	2,246.7
Due to banks and correspondents	84.0	—	—	—	—	—	—	84.0
	<b>332.8</b>	<b>338.4</b>	<b>1,508.0</b>	<b>161.5</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,330.7</b>
Marginal gap	150.5	(98.2)	(274.2)	275.6	189.7	295.7	13.6	552.7
Accumulated gap	150.5	52.3	(221.9)	53.7	243.4	539.1	552.7	—

	Repricing Gap at December 31, 2022							Wealth Management
	Up to 1 month	From 1 to 3 months	From 3 Months - 1 Year	From 1 Year -3 Years	From 3 Years - 5 Years	Over 5 Years	Past-due loan/Equities	
(\$/ in millions)								
<b>Interest earning assets</b>								
Cash and due from banks	971.5	23.8	303.8	6.8	—	—	—	1,305.9
Instruments measured at fair value through other comprehensive income.	0.1	0.2	1.1	69.6	58.2	80.5	18.5	228.1
Loans, net of unearned interest	130.3	335.0	1,215.3	92.7	1.7	9.2	0.1	1,784.3
Other assets	3.9	0.2	3.1	—	—	—	—	72
<b>Total interest earning assets</b>	<b>1,105.8</b>	<b>359.2</b>	<b>1,523.4</b>	<b>169.1</b>	<b>59.9</b>	<b>89.7</b>	<b>18.6</b>	<b>3,325.6</b>
<b>Interest bearing liabilities</b>								
Deposits and obligations and deposits from financial entities	162.4	309.3	1,603.7	63.8	—	—	—	2,139.3
Due to banks and correspondents	—	—	53.9	—	—	—	—	53.9
	<b>162.4</b>	<b>309.3</b>	<b>1,657.6</b>	<b>63.8</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,193.2</b>
Marginal gap	943.3	49.8	(134.2)	105.3	59.9	89.7	18.6	1,132.4
Accumulated gap	943.3	993.2	859.0	964.3	1,024.1	1,113.8	1,132.4	—

### ***Foreign Exchange Risk***

Exchange rate risk is related to the variation of the positions both on- and off-balance sheet that may be negatively affected by exchange rates movements. Inteligo Bank's main business is performed in U.S. dollars, its functional currency. Management sets a limit to exposure levels in other currencies and monitors it monthly.

Inteligo SAB uses both *soles* and U.S. dollars in its trading operations and maintains positions in both currencies. Interfondos manages mutual funds in both *soles* and U.S. dollars.

### ***Liquidity Risk***

Liquidity risk consists of Inteligo's inability to comply with the maturity of its obligations, thus incurring losses that affect its equity position. This risk may arise as result of diverse events such as the unexpected decrease of funding sources or the inability to rapidly settle assets, among others.

Although Inteligo takes short-term deposits, most of the deposits have historically been renewed or maintained, and consequently they represent a stable funding source. Additionally, the average loan term is less than a year and more than a half of the investment portfolio can be easily liquidated, so liquidity risk is low.

Nevertheless, Inteligo assesses medium-term and long-term liquidity through a structural analysis of its funds inflows and outflows on diverse maturity terms. This process allows it to know the diverse funding sources, how liquidity needs to be increased, and which terms are mismatched. On the basis of this information, the necessary decisions to maintain adequate liquidity levels are taken.

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 in order to meet its liquidity requirements.

### ***Operational Risk***

Inteligo manages operational risk through its risk unit, guided by banking best-practices, including Basel II policies. The objectives of the operational risk management are to:

- reduce operational losses by identifying potential process risks;
- identify operational risk in the development of new products; and
- manage control risk and self-assess critical processes;
- monitor and measure operational risk.

Inteligo's methodology is based on two tools for identifying and measuring risks that calculate the exposure level and facilitates decision-making to mitigate exposures within certain limits of risk tolerance. These tools are risks and controls self-assessment, and collection of loss event.

Inteligo Bank uses the Standardized Approach for operational risk management under Basel III, according to the Central Bank of The Bahamas' regulation. In recent years, Inteligo launched several initiatives to strengthen the risk culture among the employees.

## **Payments Segment**

### ***Main Types of Risks***

The main types of risk inherent in Izipay's businesses are fraud and operational risk.

To manage the risks mentioned above, Izipay has a specialized risk management structure, measurement systems and mitigation and remediation processes. This structure is used to manage the risks of the organization, establish preventive control mechanisms and mitigate risks constantly. Izipay's risk management team proposes and implements action plans to mitigate any identified risks.



These tools are continuously monitored and periodically validated to ensure that appropriate levels of prediction and performance are being maintained and to take corrective action or adjust the models when needed. The risk management indicators are continuously reviewed and assessed to identify possible deviations in risk profile with respect to the established risk appetite and apply timely corrective actions as needed. This information is submitted to the Risk Committee periodically.

### ***Fraud Risk***

In our payments segment, Izipay is exposed to fraud risk due to the sales transactions carried out through its systems are susceptible to potentially fraudulent or improper sales, which may be charged back to Izipay. In order to mitigate this risk, Izipay has around-the-clock transactional monitoring for all transactions made in its acquisition network. Izipay has monitoring tools in real time or close to real time, for the pre-clearing of transactions and for the merchants' settlement.

Additionally, we work in coordination with the Association of Banks (ASBANC) that notifies us about cases of fraud reported by local issuers in order to take swift action in the mitigation of any damage.

Merchants with irregular activity, bad practices, with cases of fraud reported by issuers, among others, are disaffiliated from our system and included in our blocked list so that they cannot affiliate again to our system.

Our efforts to efficiently prevent fraud aim to protect Izipay from financial loss due to claims or disputes and from reputational damage. In addition, it ensures the proper functioning of the ecosystem of payment industry in Peru.

### ***Operational Risk***

Operational risk is the probability of loss due to inadequate processes, personnel and information technology failures, or external events. For Izipay, operational risk also includes risks related to information security, cybersecurity and compliance risks.

Izipay has an operational risk team which, jointly with the personnel responsible for a certain task, unit or department (experts), identifies, measures and treats the risks affecting such unit or department, and carries out adequate risk management to mitigate those risks.

Izipay employs a methodology for the evaluation of operational risks, with a series of activities for risk identification, followed by controls, impact measurement and evaluation of probability so as to calculate the residual risks Izipay is exposed to. It identifies the risks as "moderate," "high," "extreme," and "not acceptable," determining a different set of actions for each type of risk. The method also assigns a person responsible for the proposed mitigation plan and to monitor its execution.

## **ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES**

### **A. Debt Securities**

Not Applicable.

### **B. Warrants and Rights**

Not Applicable.

### **C. Other Securities**

None.

### **D. American Depositary Shares**

None.

## PART II

### ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

### ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

### ITEM 15. CONTROLS AND PROCEDURES

#### Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. We have evaluated, with the participation of our chief executive officer and chief financial officer, the effectiveness of our disclosure controls and procedures as of December 31, 2023.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon our evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

#### Management's Annual Report on Internal Control Over Financial Reporting

Management, under the supervision and with the participation of the chief executive officer and chief financial officer, is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as adopted by IASB and includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS as adopted by IASB, and that receipts and expenditures are being made only in accordance with authorizations of our management and directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, effective control over financial reporting cannot and does not provide absolute assurance of achieving our control objectives. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting (as defined in Rules 13(a)-13(f) and 15(d)-15(f) under the U.S. Securities Exchange Act of 1934) as of December 31, 2023. In making this assessment, it used the criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our assessment, management concluded that, as of December 31, 2023, the Company's internal control over financial reporting is effective based on those criteria.

EY Peru, an independent registered public accounting firm, has issued an unqualified opinion on the effectiveness of the Company's internal control over financial reporting, which is included in this Annual Report on Form 20-F under "Item 18. Financial Statements—Report of independent registered public accounting firm."

#### Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting during 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**ITEM 16. [RESERVED]**

**ITEM 16 A Audit Committee Financial Expert**

Our board of directors has determined that Felipe Federico Roy Morris Guerinoni, a member of our audit committee, meets the requirements of an “audit committee financial expert,” as defined by the SEC, and is an independent member of the audit committee under applicable SEC and NYSE rules.

See Item 6: “Directors, Senior Management and Employees—Board Practices—Audit Committee.”

**ITEM 16 B Code of Ethics**

In November 2022, we updated our code of ethics, as defined in Item 16B of Form 20-F under the Exchange Act which applies to all directors, officers, employees, consultants and contractors without exception. The Code of Ethics is publicly available on the corporate governance section of our website at <https://www.ifs.com.pe/>. This URL is intended to be an inactive textual reference only. It is not intended to be an active hyperlink to our website. The information on our website, which might be accessible through a hyperlink resulting from this URL, is not and shall not be deemed to be incorporated into this Annual Report on Form 20-F.

**ITEM 16 C Principal Accountant Fees and Services**

**Audit and Non-Audit Fees**

The following table sets forth the fees billed to us by our independent auditors, EY Peru, during the fiscal years ended December 31, 2022 and 2023:

	Year ended December 31,	
	2023 <sup>(1)</sup>	2022 <sup>(1)</sup>
	(S/ in millions)	
Audit fees	11.2	10.0
Audit-related fees	0.3	0.1
Tax fees	0.7	0.5
Other fees	0.2	—
<b>Total fees</b>	<b>12.4</b>	<b>10.6</b>

(1) Including taxes.

“Audit fees” in the above table are the aggregate fees billed by EY Peru in connection with the audit of our annual financial statements. This line item includes: the audit of our and our subsidiaries’ statutory accounts, the audit of the consolidated financial statements required by Item 18 of Form 20-F, the limited reviews of financial statements of our subsidiaries and procedures related to the issuance of comfort letters.

“Audit related fees” in the above table are the aggregate fees billed by EY Peru for assurance and related services that are reasonably related to the performance of the audit or review of IFS financial statements and are not reported under “audit fees”. This line item includes services such as attestation reports for our subsidiaries as required by statute or regulations.

“Tax fees” related to tax services which include all services performed by IFS’s independent auditor’s tax personnel, except those services specifically related to the review and preparation of IFS’s financial statements, and which principally consist of tax compliance and advisory service.

“All Other fees” includes other advisory services to our subsidiaries.

**Audit Committee Pre-Approval Policies and Procedures**

Our audit committee is responsible for the appointment of our external auditors, determining their compensation, retention and oversight, and resolving any disagreement that may arise between management and our external auditors. Our audit committee annually pre-approves the services that may be retained with our external auditor, considering the independence rules for the external auditor described in section I of Annex A of the Audit Committee Policy. These previously approved services are ratified and/or adjusted once a year by the audit committee. In addition, our audit committee may, at any time, add or eliminate services from the pre-approval list. We may engage our external auditors for all services contained in the pre-approval list without additional audit

committee approval, provided that they do not exceed the amount of U.S.\$50,000. Any services not included in such pre-approval list or which, having been previously approved, exceed the amount indicated above, need to be specifically reviewed and approved by our audit committee before any such engagement.

All proposed services carried out by our external auditors as well as corresponding fees related to audit and non-audit services, have been presented to our audit committee, which has determined they are reasonable and consistent with our policies.

In accordance with Rule 10A-3 of the Exchange Act, our board of directors delegated to our audit committee the approval of the engagement and compensation of the external auditors independent external for 2022 (or for longer periods, as may be recommended, up to the fiscal year of 2026), which delegation was approved by our shareholders at the Annual General Meeting of Shareholders held on March 31, 2022. Furthermore, in connection with such delegation, our audit committee reviewed proposals from various prominent global audit firms with operations in the countries where our subsidiaries operate to act as our external auditors for 2022 or a longer period as may be recommended. After analyzing such proposals received, the audit committee recommended EY Peru to serve as our and our subsidiaries' independent external auditor for a period of five auditable years (2022-2026). Our board of directors' agreed with the audit committee's recommendation to appoint EY Peru for such term, subject to the audit committee's continued evaluation of EY Peru's performance and continued compliance with the SEC's independence requirements.

Our audit committee's main duties are disclosed in "Item 6. Directors, Senior Management and Employees—Board Practices." Furthermore, the authorization to hire external auditors is subject to approval by our shareholders at the ordinary annual shareholders' meeting although our audit committee is responsible for their appointment and oversight.

#### ITEM 16 D Exemptions from the Listing Standards for Audit Committees

Not applicable.

#### ITEM 16 E Purchases of Equity Securities by the Issuer and Affiliated Purchasers

On March 31, 2023, IFS' shareholders have approved the creation of a share repurchase program for an amount of up to U.S.\$100 million of our common shares, which is expected to continue until terminated by the Board of Directors. The repurchase may take place simultaneously in both the Lima Stock Exchange and the New York Stock Exchange, and may be carried out in one or several dates at market prices. The share repurchase program will be effective until it is terminated by the Board of Directors.

The following table sets out certain information concerning purchases of our previously issued shares by us or any affiliated purchaser during the fiscal year ended December 31, 2023.

Period	Total number of shares purchased	Average price paid per share (S/)( <sup>1</sup> )	Total number of shares purchased as part of publicly announced plans or programs	Maximum number of shares that may yet be purchased under the plans or programs
January 2023	—	—	—	—
February 2023	—	—	—	—
March 2023	—	—	—	—
April 2023	—	—	—	—
May 2023	—	—	—	—
June 2023	325,937	87.79	N/A	N/A
July 2023	716	88.92	N/A	N/A
August 2023	611,718	86.72	N/A	N/A
September 2023	—	—	—	—
October 2023	—	—	—	—
November 2023	—	—	—	—
December 2023	—	—	—	—
<b>Total<sup>(2)</sup></b>	<b>938,371</b>	<b>—</b>	<b>—</b>	<b>—</b>

- (1) For convenience purposes only, amounts in soles in this column have been converted from U.S. dollars using a rate of S/ S/3.709 to U.S.\$1.00, which was the exchange rate reported for December 31, 2023 by the SBS. These translations should not be construed as representations that the U.S. dollar amounts have been, could have been or could be converted into soles at that or at any other exchange rate.
- (2) As of December 31, 2023, IFS and certain subsidiaries held an aggregate of 967,695 shares issued by IFS.

#### **ITEM 16 F Change in Registrant’s Certifying Accountant**

During the years ended December 31, 2023, 2022, and 2021 and through the date of this Annual Report on Form 20-F, EY Peru, has not resigned, has not indicated that it will decline to stand for re-election after the completion of its current audit nor has it been dismissed.

#### **ITEM 16 G Corporate Governance**

##### **Corporate Governance**

As a foreign private issuer, we are subject to different corporate governance requirements than those followed by a U.S. company with shares listed on the NYSE that follow NYSE listing standards. With certain exceptions, foreign private issuers are permitted to follow their home country corporate governance standards.

We are registered with the SMV and although there is no legal obligation to comply with Peruvian corporate governance practices, we are required to report our degree of compliance with Peruvian corporate governance practices for Peruvian publicly-held companies to the SMV. Because we are not subject to Panamanian securities laws as we have not offered any securities in Panama and because general corporate law in Panama does not impose any meaningful restrictions on our corporate governance, a comparison to Panamanian corporate governance practices is not applicable. Additionally, we have adopted a set of additional corporate governance guidelines as contemplated by the U.S. Sarbanes-Oxley Act of 2002 and our articles of incorporation, which include the establishment of:

- principles and duties relating to the conduct of our management, including as with respect to confidentiality and conflicts of interest;
- internal accounting controls systems;
- corporate governance guidelines;
- amendments to the audit committee charter;
- a code of business conduct and ethics;
- corporate anti-corruption policies and guidelines, including compliance with the FCPA; and
- amendments to corporate compliance policies.

Pursuant to Section 303A.11 of the Listed Company Manual of the NYSE, we are required to provide a summary of the significant ways in which our corporate governance practices differ from those required for U.S. companies under the NYSE listing standards. The following is a comparison between our corporate governance policies under Peruvian law and those of the NYSE listing standards.

##### ***NYSE Standards***

*Director Independence.* A majority of the board of directors must be independent, except in the case of a “controlled” issuer. §303A.01 of the NYSE Listed Company Manual

*Executive Sessions.* Non-management directors must meet regularly in executive sessions without management. Independent directors should meet alone in an executive session at least once a year. §303A.03 of the NYSE Listed Company Manual

##### ***Our Corporate Governance Practices***

Our articles of incorporation provide for a minimum of three members for our board of directors. Currently, our board of directors is composed of seven members.

The criteria for determining independence under our corporate governance standards has been defined in accordance with Rule 10A-3 under the Exchange Act.

Under our articles of incorporation and applicable laws non-management directors are not required to meet in executive sessions without management.

## *NYSE Standards*

*Audit committee.* An audit committee satisfying the requirements of Rule 10A-3 under the Exchange Act. §303A.06 of the NYSE Listed Company Manual

*Audit committee additional requirements.* §303A.07 of the NYSE Listed Company Manual requires that an audit committee must consist of at least three members, each of whom are financially literate and at least one of whom is a financial expert, and that the audit committee have a written charter outlining the committee's responsibilities.

*Nominating/corporate governance committee.* A nominating/corporate governance committee of independent directors is required. The committee must have a charter specifying the purpose, duties and evaluation procedures of the committee. §303A.04 of the NYSE Listed Company Manual

*Compensation committee.* A compensation committee of independent directors is required. The committee must approve executive officer compensation and must have a charter specifying the purpose, duties and evaluation procedures of the committee. §303A.05 of the NYSE Listed Company Manual

*Code of Ethics.* A code of business conduct and ethics are required, as is disclosure of any waiver for directors or executive officers. §303A.10 of the NYSE Listed Company Manual

## *Our Corporate Governance Practices*

Our audit committee complies with the criteria set forth under our "Audit Committee Charter," the rules of the NYSE and Rule 10A-3(b)(1) of the Exchange Act, each as applicable to foreign private issuers. Our audit committee consists of three directors, all of whom are financially literate and one of whom is a financial expert. Our audit committee is fully independent in compliance with NYSE rules and Rule 10A-3(b) of the Exchange Act.

Our audit committee complies with the criteria set forth under our "Audit Committee Charter," the rules of the NYSE and Rule 10A-3(b)(1) of the Exchange Act, each as applicable to foreign private issuers. Our audit committee consists of three directors, all of whom are financially literate and one of whom is a financial expert. The three members of the audit committee are independent.

We do not have a nominating/corporate governance committee. Our board of directors has the power to establish such a committee in the future on the terms it deems appropriate.

We do not have a compensation committee. Our Board of Directors may establish a compensation committee in the future on the terms it deems appropriate.

We have adopted a code of business conduct and ethics, as contemplated by the NYSE. Our board of directors has the obligation to verify compliance with the provisions of such code.

### **ITEM 16 H Mine Safety Disclosure**

Not applicable.

### **ITEM 16 I Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

### **ITEM 16 J Insider Trading Policies**

Not applicable.

### **ITEM 16 K Cybersecurity**

As cybersecurity risks increase in both frequency and impact, IFS and its subsidiaries have implemented a cyber resilience strategy designed to protect, identify, and respond to cybersecurity threats, as well as actions for the recovery of technology and operational processes to ensure business continuity in the event of a cybersecurity breach. This strategy includes the implementation of tools, procedures, and teams of cybersecurity experts operating under a management framework based on industry standards such as the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF), ISO 27001, and PCI DSS. It also considers new industry trends, current regulations, and definitions established by IFS and its subsidiaries. The following is a summary of the cybersecurity risk management and strategy in each of our segments.

## ***Banking Segment***

### *Risk management and strategy*

While the Cybersecurity Division of Interbank leads the cybersecurity risk management, the function extends across the organization, involving other teams in business, technology, risk, and auditing. Both the strategy and the cybersecurity risk management framework consider business strategy, cybersecurity-related regulations, risk appetite, and the global cybersecurity context.

The cybersecurity risk management framework is designed to establish capabilities and responsibilities at different control layers, including:

Teams, tools, and procedures for the identification, assessment, control, and mitigation of cybersecurity risks;

A governance model that sets the cybersecurity management framework, and provides direction and information to top management for decision-making; and

An independent audit model that supervises the cybersecurity management model definition and execution.

The Cybersecurity Division is responsible for defining methodologies, procedures, and tools for managing cybersecurity risks and for defining policies approved by Interbank's board of directors. Both Interbank's board of directors and the executive level are highly involved in cybersecurity risk management, ensuring adequate resource allocation (people, technology, and processes) for this purpose. They also promote the development of a culture around strong cybersecurity habits throughout the organization.

The sophistication of techniques used for attacks, coupled with the hybrid work environment extending the security perimeter to multiple locations and devices, the growing adoption of the cloud, and emerging technologies such as AI, create a challenging and ever-changing environment for cybersecurity management.

Interbank's strategy to address this environment focuses on strengthening capabilities to provide a secure remote work environment for employees and third parties involved in our operation. Technologies such as Secure Web Gateway (SWG) for web browsing security, Cloud Access Security Broker (CASB) for SaaS access, Cloud Security Posture Management (CSPM) for monitoring cloud instance deployment, and Endpoint Detection and Response (EDR) on stations and servers, have been implemented. This evolution goes beyond traditional antivirus solutions and is part of an advanced strategy for threat identification and response, known as Extended Detection and Response (XDR). Interbank has also enhanced the software development lifecycle through continuous testing, including various dynamic (SAST), static (DAST), and composition (CSA) testing approaches to ensure the security quality of the services provided to customers. Additionally, the strategy includes strengthening capabilities for preventing data leakage (DLP) as a complement to these actions.

In 2023, Interbank took the following main actions to consolidate its cybersecurity strategy:

Consolidated the evolution of the Security Operations Center (SOC) by selecting a leading company in the provision of these services globally. Achievements of this project include the incorporation of new Network Detection and Response (NDR) technologies as part of our XDR strategy. User and Entity Behavior Analytics (UEBA) capabilities were included, along with an approach to automate management and response procedures through Security Orchestration, Automation, and Response (SOAR) technologies;

Strengthened the cyber intelligence and incident response program through new subscriptions to services providing relevant information on the global and local cybersecurity environment;

Implemented new technologies for remote access through a Zero Trust Network Access (ZTNA) approach;

Redefined the Identity and Access Management (IAM) model and defined a roadmap for its evolution;

Strengthened the structure of the Cybersecurity Division with a 3X growth in capacity, allowing the incorporation of new talents in areas such as third-party risk management, incident response, threat intelligence, support for transformation initiatives, and identity and access management; and

Enhanced security mechanisms for digital channels, especially authentication mechanisms for access to these channels, in line with local regulatory provisions.

In 2023, Interbank executed awareness and cybersecurity training actions, including internal campaigns with audiovisual media, informative bulletins, expert-supported talks, security courses, and simulated social engineering attack campaigns. These actions aimed to raise awareness among employees about such threats, measure their ability to detect them, and encourage effective reporting.

During 2023, Interbank did not have any cybersecurity incidents that materially affected it or were reasonably likely to materially affect it.

### *Governance*

Interbank's board of directors has established oversight committees for cybersecurity risk management, including the Integrated Risk Management Committee and the Information Security and Cybersecurity Committee. These committees monitor the performance of cybersecurity management, provide guidance for policy creation and changes, and make decisions regarding cybersecurity management in the organization. Interbank's board of directors approves policies and monitors cybersecurity management through reports from these committees. Furthermore, one of Interbank's directors (Marcia Nogueira de Mello, see "Item 6. Directors, Senior Management and Employees—Directors and senior management—Interbank—Board of Directors") has been designated as the director responsible for supervising the efficiency of Interbank's information security and cybersecurity system since 2023, and periodically evaluates performance, provides guidance, and reports to the board on the state of cybersecurity management at Interbank. This governance model ensures proper cybersecurity risk management and keeps the board informed for a clear understanding of the state of cybersecurity, enabling them to make necessary decisions.

Through the Integrated Risk Committee, which includes board members, the board receives information on the cybersecurity risk exposure profile, state of alignment with the defined tolerance level, and adopted mitigation measures. Through the audit committee, which also includes board members, the board receives information on assessments of the cybersecurity management model and compliance with improvement plans related to these assessments.

The Information Security and Cybersecurity Committee is responsible for aligning the cybersecurity strategy with the business strategy and Interbank's risk appetite and tolerance objectives. It monitors the development of the defined cybersecurity strategy, stays informed about cybersecurity incidents, and ensures that mitigation actions and lessons learned have been taken. This committee ensures that relevant cybersecurity risks and mitigation actions are reported to the board through defined channels. This committee is composed by:

- *Alfonso Alejandro Díaz Tordoya*. Executive Vice President of Operations and Technology (see "Item 6. Directors, Senior Management and Employees—Directors and senior management—Interbank—Executive Officers").
- *Gabriela Prado Bustamante*. Executive Vice President of Risk Management (see "Item 6. Directors, Senior Management and Employees—Directors and senior management—Interbank—Executive Officers").
- *Julio Del Valle Montero*. Executive Vice President of Human Resources (see "Item 6. Directors, Senior Management and Employees—Directors and senior management—Interbank—Executive Officers").
- *Zelma Acosta-Rubio Rodríguez*. Executive Vice President of Corporate and Legal Affairs (see "Item 6. Directors, Senior Management and Employees—Directors and senior management—General—Executive Officers").
- *César Augusto Andrade Nicoli*. Executive Vice President of Retail Banking and Channels (see "Item 6. Directors, Senior Management and Employees—Directors and senior management—Interbank—Executive Officers").
- *Victor Cárcamo Palacios*. Executive Vice President for Commercial Banking (see "Item 6. Directors, Senior Management and Employees—Directors and senior management—Interbank—Executive Officers").
- *Carlos Tori Grande*. Executive Vice President of Payments (see "Item 6. Directors, Senior Management and Employees—Directors and senior management—General—Executive Officers").
- *Andrés Felipe Castrillón Henao* has served as Interbank's Cybersecurity and Information Security Manager since July 2019 and as its secretary of the Information Security and Cybersecurity Committee. Before joining Interbank, Mr. Castrillón worked for Grupo Bancolombia, where he held the position of Corporate Cybersecurity and Information Security Manager, among other roles in the practice of cybersecurity. In this capacity, he collaborated with the banks of



Grupo Bancolombia in Colombia, Panama, El Salvador, and Guatemala. Mr. Castrillón is also member of the Strategic Security Risk Committee of Association of Banks of Peru (ASBANC, by its Spanish acronym). Mr. Castrillón received a bachelor's degree in systems engineering from Universidad de Antioquia and he has participated in strategic management and business management programs at Universidad de la Sabana. Additionally, he holds certifications as a Certified Information Security Manager (CISM) and a Certified in Risk and Information Systems Control (CRISC) from the Information Systems Audit and Control Association (ISACA).

## ***Insurance Segment***

### *Risk management and strategy*

Interseguro has a framework for comprehensive risk management, including cybersecurity risks. The framework establishes procedures for the identification, assessment, mitigation, and communication of cybersecurity risks.

While the Information Security and Cybersecurity unit is responsible for providing methodological support for cybersecurity risk management and defining control policies and procedures, the function extends across business and support units, which are accountable for the risks. Additionally, an audit layer has been established to independently assess the performance of the defined management framework.

Interseguro's strategy focuses on the implementation of measures to prevent, detect, respond and recover from cybersecurity threats in a global environment where the materialization of cybersecurity risks continues to increase. These measures have primarily centered around improving identity and access management controls, both in preventive aspects and monitoring activities. Additionally, the governance framework has been strengthened through the updating of information security policies and associated procedures, along with the reinforcement of vulnerability identification processes through red team exercises.

In 2023, Interseguro developed the following main cybersecurity initiatives to further consolidate its posture to face cybersecurity risks:

Strengthened systems for threat identification and response on endpoints through Endpoint Detection and Response (EDR) technologies;

Enhanced capabilities for testing the cybersecurity of its systems by expanding the scope of red team exercises in productive environments and new developments; and

Continued improvement of access monitoring controls for information systems with an automation focus, ensuring compliance with target execution times and reducing operational risk.

During 2023, Interseguro did not have any cybersecurity incidents that materially affected it or were reasonably likely to materially affect it.

### *Governance*

Interseguro's board of directors has established a Risk Committee to oversee risk management within the organization, including cybersecurity risks, with the participation of certain of Interseguro board members. This committee approves and oversees the implementation of the strategy, policies and procedures for cyber risk management, reports information on pertinent vulnerabilities and their corresponding correction plans and communicates incidents as they occur.

The board of directors has also set up an Audit Committee, with the participation of certain board members, to which the Interseguro internal audit unit reports on assessments of the cybersecurity management model and on the compliance with improvement plans related to these assessments.

Additionally, Interseguro's management has established a Cyber and Information Security Committee which monitors the development of the defined strategy, analyzes information about relevant vulnerabilities and the related correction plans, and to which the occurrence of incidents is communicated. This committee is composed by:

- *Gonzalo José Basadre Brazzini* Chief Executive Officer (see "Item 6. Directors, Senior Management and Employees—Directors and senior management—Interseguro—Executive Officers").

- *Sergio Jhasmany Soliz Bilbao* Vice President of Information Technology (see “Item 6. Directors, Senior Management and Employees—Directors and senior management—Interseguro—Executive Officers”).
- *Carlos Vereau Montenegro* has served as Risk Manager since July 2011. Mr. Vereau received a bachelor’s degree in economics from Universidad del Pacífico and holds a master’s in administration from Universidad del Pacífico.
- *Carlos Campos Cabrera* has served as Interseguro’s Head of Information Security and Cybersecurity since March 2023. Mr. Cabrera received a bachelor’s degree systems engineering from Universidad San Ignacio de Loyola and holds a master’s in business administration from Universidad Peruana de Ciencias Aplicadas. Additionally, he holds certifications as a ISO 27032 Lead Cybersecurity Manager and ISO 27001 ISMS Lead Implementer from the Professional Evaluation and Certification Board (PECB).

## ***Wealth Management Segment***

### *Risk management and strategy*

Inteligo has a framework for comprehensive risk management, including cybersecurity risks. The framework establishes procedures for the identification, assessment, mitigation, and communication of cybersecurity risks.

While the Information Security unit is responsible for providing methodological support for cybersecurity risk management and defining control policies and procedures, the function extends across business and support units, which are accountable for the risks. Additionally, an audit layer has been established to independently assess the performance of the defined management framework.

As a part of its cybersecurity strategy, Inteligo has strengthened its identification, protection, detection and action cybersecurity plans, which reduced the occurrence of attacks and mitigated the risk of cyber threats. This strategy is based on the cybersecurity framework of the National Institute of Standards and Technology (NIST), and other standards such as ISO 27000 and 27032. Inteligo’s cybersecurity strategy includes improvements to security on different fronts, including mobile devices, workstations, in the cloud and on premises. Inteligo uses updated technology such as behavior analysis and artificial intelligence, which allow its human resources to reduce time spent on threat detection and analysis.

In 2023, Inteligo implemented the following main cybersecurity initiatives to further strengthen its stance in addressing cybersecurity risks:

- Updated the Information Security Management System (ISMS) considering the requirements of the ISO/IEC 27001:2022 standard. This formalized responsibilities for information security management throughout the organization;
- Implemented control procedures to ensure Segregation of Duties (SoD) in information systems;
- Introduced document labeling to ensure the classification of information across the entire organization; and
- Strengthened the cybersecurity incident response program, considering its integration with the organization’s crisis management procedures.

During 2023, Inteligo did not have any cybersecurity incidents that materially affected it or were reasonably likely to materially affect it.

### *Governance*

Inteligo’s board of directors has established a Risk Management Committee to oversee risk management within the organization, including cybersecurity risks, with board members participating. This committee approves and oversees the implementation of the strategy policies and procedures for cyber risk management, reports information on pertinent vulnerabilities and their corresponding correction plans and communicates incidents as they occur.

In addition to the Directors who make up the committee, the following executive officers and managers are committee members:

- *Victor Vinatea Cámara* Chief Executive Officer of the Panamanian Branch and Inteligo’s Chief Operations Officer (see “Item 6. Directors, Senior Management and Employees—Directors and senior management—Inteligo—Executive Officers”).

- *Cesar Pasara Ponce* has served as Corporate Risk Officer since April 2021. Mr. Pasara received a bachelor's degree in industrial engineering from Pontificia Universidad Católica del Perú and holds a master's in business administration from IE Business School.
- *Peter Stanziola* has served as Finance Manager from October 2018. Mr. Stanziola received a bachelor's degree in economics and chemistry from University of Pennsylvania and holds a master's in business administration from The Fuqua School of Business at Duke University.

The board of directors has also set up an Audit Committee, with the participation of certain board members, to which the Inteligo internal audit unit reports on assessments of the cybersecurity management model and on the compliance with improvement plans related to these assessments.

Additionally, Inteligo's management has established an Information Security Committee which monitors the development of the defined strategy, analyzes information about relevant vulnerabilities and the related correction plans, and to which the occurrence of incidents is communicated. This committee is composed by:

- *Victor Vinatea Cámere* Chief Executive Officer of the Panamanian Branch and Inteligo's Chief Operations Officer (see "Item 6. Directors, Senior Management and Employees—Directors and senior management—Inteligo—Executive Officers").
- *Josué Meneses* has served as Information Security Manager since January 2010. Mr. Meneses received a bachelor's degree in systems engineering from Universidad Tecnológica de Panamá and holds a master's degree in Informatic Management from Universidad Latina de Panamá.
- *Alfredo Castro* has served as Information Technology Manager since September 2022. Mr. Castro received a bachelor's degree in systems engineering from Universidad Latina de Panamá and holds a master's in business administration from Universidad de Chile.
- *Rogelio Chavez Lopez* has served as Risk Manager since December 2013. Mr. Chavez received a bachelor's degree in economics and finance from Universidad de Panamá and holds a master's in business administration from Universidad Interamericana de Panamá.

## **Payment Segment**

### *Risk management and strategy*

Izipay has a framework for comprehensive risk management, including cybersecurity risks. The framework establishes procedures for the identification, assessment, mitigation, and communication of cybersecurity risks.

While the Information Security and Cybersecurity unit is responsible for providing methodological support for cybersecurity risk management and defining control policies and procedures, the function extends across business and support units, which are accountable for the risks. Additionally, an audit layer has been established to independently assess the performance of the defined management framework.

As part of its cybersecurity strategy, Izipay has strengthened its preventive, detective, and recovery cybersecurity controls to reduce the occurrence of attacks and mitigate the risk of cyberthreats. This strategy takes as a framework the security requirements of PCI DSS, and other standards such as NIST, ISO 27000 and ISO 27032. Izipay's cybersecurity strategy includes security improvements on different fronts, included in our e-commerce applications, workstations, cloud or on-premises architectures. Izipay has tools and services based on behavioral analysis and artificial intelligence, that allow detecting and carrying out an exhaustive analysis of known or "0 day" threats that are exposed, allowing your human resources to reduce the time spent on detection and analysis of threats.

In 2023, Izipay developed the following main cybersecurity initiatives to further consolidate its posture in facing cybersecurity risks:

Strengthened its capabilities for monitoring cybersecurity events by implementing new use cases to identify patterns of major threats that the organization could be exposed to;

Implemented improvements in access monitoring processes for both critical applications and its technological infrastructure;

Reinforced the security posture of the technological platform supporting Izipay's services; and

Ensured that cybersecurity was included as an attribute in the development of the organization’s major strategic projects.

With the support of a reputable consulting firm, evaluated the maturity of the cybersecurity management model and defined strategic priorities for the upcoming years.

During 2023, Izipay did not have any cybersecurity incidents that materially affected it or were reasonably likely to materially affect it.

#### *Governance*

PMP’s board of directors has established a Risk Management Committee to oversee risk management within the organization, including cybersecurity risks, with board members participating. This committee approves and oversees the implementation of the strategy, policies and procedures for cyber risk management, reports information on pertinent vulnerabilities and their corresponding correction plans and communicates incidents as they occur.

In addition to the Directors who make up the committee, the following executive officers attend to the committee’s sessions:

- *Luis Felipe Venturo Denegri* Chief Executive Officer (see “Item 6. Directors, Senior Management and Employees—Directors and senior management—Procesos de Medios de Pago—Executive Officers”).
- *Virginia Blume Santacroce* Chief Financial Officer (see “Item 6. Directors, Senior Management and Employees—Directors and senior management—Procesos de Medios de Pago—Executive Officers”).
- *Paola Rosa Maria Rodriguez Rodriguez* Chief Executive Risks & Compliance Officer (see “Item 6. Directors, Senior Management and Employees—Directors and senior management—Procesos de Medios de Pago—Executive Officers”).

The board of directors has also set up an Audit Committee, with the participation of certain board members, to which the PMP internal audit unit reports on assessments of the cybersecurity management model and on the compliance with improvement plans related to these assessments.

### PART III

#### ITEM 17. FINANCIAL STATEMENTS

Not applicable.

#### ITEM 18. FINANCIAL STATEMENTS

Our audited consolidated financial statements are included in this Annual Report on Form 20-F beginning at page F-1. Our financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

#### ITEM 19. EXHIBITS

<u>Exhibit Number</u>	<u>Description of Document</u>
1.1*	<a href="#">Legalized Translation of the Articles of Incorporation of the Registrant, as currently in effect (previously filed as Exhibit 3.1 of Form F-1 (File No. 333-232554) as filed with the SEC on July 3, 2019, and incorporated by reference herein).</a>
2.1*	<a href="#">IFS Indenture, dated October 19, 2017, among the Registrant, The Bank of New York Mellon, as Trustee, and The Bank of New York Mellon SA/NV, Luxembourg, as Luxembourg transfer and paying agent (relating to our U.S.\$300,000,000 4.125% Senior Notes due 2027) (previously filed as Exhibit 10.1 of Form F-1 (File No. 333-232554) as filed with the SEC on July 3, 2019, and incorporated by reference herein).</a>
2.2*	<a href="#">Description of Securities registered pursuant to Section 12 of the Exchange Act (incorporated by reference to Exhibit 2.2 to our Annual Report on Form 20-F, filed with the SEC on April 26, 2021).</a>
3.1*	<a href="#">Irrevocable Proxy Agreement as renewed and ratified on May 23, 2023, by and among International Financial Holdings Group Inc. and the individuals designated therein (previously filed as Exhibit 99.1 to Schedule 13D (File No. 005-91077) as filed with the SEC on September 29, 2023, and incorporated by reference herein).</a>
8.1**	<a href="#">List of Subsidiaries.</a>
12.1**	<a href="#">Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
12.2**	<a href="#">Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
13.1**	<a href="#">Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
97.1**	<a href="#">Compensation Recovery Policy</a>
101.INS**	Inline XBRL Instance Document
101.SCH**	Inline XBRL Taxonomy Extension Schema Document
101.CAL**	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB**	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104**	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

(\*) Previously filed.

(\*\*) Filed herewith.

Omitted from the exhibits filed with this Annual Report on Form 20-F are certain instruments and agreements with respect to our long-term debt, none of which authorizes securities in a total amount that exceeds 10% of our total assets and our subsidiaries on a consolidated basis. We hereby agree to furnish to the SEC copies of any such omitted instruments or agreements as the SEC requests.

**SIGNATURE**

The registrant, INTERCORP FINANCIAL SERVICES INC., hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on Form 20-F on its behalf.

Date: Friday, April 26, 2024

**INTERCORP FINANCIAL SERVICES INC.**

By /s/ Luis Felipe Castellanos López Torres

Name: Luis Felipe Castellanos López Torres

Title: Chief Executive Officer

**Intercorp Financial Services Inc. and Subsidiaries**

Consolidated financial statements as of December 31, 2023 and 2022, together with the Report of Independent Registered Public Accounting Firm



**Intercorp Financial Services Inc. and Subsidiaries**

**Consolidated financial statements as of December 31, 2023 and 2022, together with the Report of Independent Registered Public Accounting Firm**

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## **Report of Independent Registered Public Accounting Firm**

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

#### **Opinion on the Consolidated Financial Statements**

We have audited the accompanying consolidated statements of financial position of Intercorp Financial Services Inc. and subsidiaries (the “Company”) as of December 31, 2023 and 2022, and the related consolidated statements of income, other comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated April 26, 2024 expressed an unqualified opinion thereon.

#### **Adoption of IFRS 17 Insurance Contracts**

As discussed in Notes 3.2 and 3.7 to the consolidated financial statements, the Company changed its method for accounting for insurance and reinsurance contracts in 2023 and 2022 due to the adoption of IFRS 17, Insurance Contracts.

#### **Basis for Opinion**

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

**Critical audit matters**

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

**Expected credit loss on loan portfolio**

*Description of the matter*

At December 31, 2023, the impairment allowance for loans was \$2,349,425 thousand. As disclosed in Notes 3.4(i)(ii), 6 and 29.1(d) to the consolidated financial statements, the impairment allowance for loans is calculated using an expected credit loss (ECL) model. The determination of the ECL is based on the credit losses expected to arise over the life of the asset as a result of a significant increase in credit risk— since origination or when there is objective evidence of impairment. ECL allowances are measured at amounts equal to either 12-month or lifetime ECL. The ECL calculation is based on key elements being the probability of default, the exposure to the default and the loss given default, which are determined based on macroeconomic variables as forward-looking information inputs. When estimating ECLs, the Company considers three scenarios (optimistic, base and pessimistic), which are associated with different probability of default. Also, the Company has estimated the uncertainty of the intensity and probability of occurrence of the El Niño event as a post-model adjustment.

Auditing the impairment allowance for loans was complex and required the application of significant judgment due to the inherent complexity of the models, assumptions, judgments, the forward-looking nature of key assumptions and the interrelationship of the critical variables in measuring the ECL. Significant assumptions and judgments with respect to the estimation of the allowance for credit losses include the determination of when a loan has experienced a significant increase in credit risk; the forecast of forward looking information for multiple economic scenarios and the probability weighting of those scenarios; the calculation of both 12-month and lifetime credit losses; and the application of expert credit judgment as a post-model adjustment. The allowance for credit losses is a significant estimate for which variations in model methodology, assumptions and judgments can have a material effect on the measurement of expected credit losses.

*How we addressed the matter in our audit*

We obtained an understanding, evaluated the design, and tested the operating effectiveness of management’s controls over the calculation of the ECL and the significant assumptions described above, including those related to the post-model adjustment related to the El Niño event. The controls we tested included, amongst others, controls over the identification of indicators of impairment, the determination of significant changes in credit risk, and management’s review and approval of models used to calculate the ECL, including the data inputs and outputs of those models; testing controls over the risk-rating process, and the governance and oversight controls over the review of the overall ECL.

Report of Independent Registered Public Accounting Firm (continue)

To test the ECL, our audit procedures included, amongst others, involving our credit risk specialists to assess whether methodology and assumptions used to estimate ECL were consistent with the requirements of IFRS. We assessed significant changes in credit risk triggers, management's forecasting methodology and compared management's forward-looking information to publicly available information from third party sources. Also, we assessed management's post-model adjustment estimated related to the El Niño event, performed independent recalculations for the expected credit loss and for a sample of portfolio their respective risk parameters, and we tested the completeness and accuracy of data used in the measurement of the ECL. We also assessed the adequacy of the related financial statement disclosures.

**Determination of the discount rate used to measure the liability for remaining coverage of the Company's pension insurance contracts under the general model**

*Description of the matter*

As discussed in Notes 3.4(d) and 14 to the consolidated financial statements, at December 31, 2023, the Company's insurance and reinsurance contract liabilities were S/12,207,536 thousand, principally comprised of pension insurance contracts that are measured under the general model or building-block approach (BBA). The estimate of this liability is impacted by actuarial assumptions used in the general model, principally by the determination of the discount rate.

Auditing the liability for remaining coverage of the Company's pension insurance contracts under the general model was complex and required the application of significant auditor judgment and involvement of specialists due to the actuarial models and highly judgmental nature of the most significant actuarial assumption related to the discount rate used by management to estimate the liability. Changes in this assumption could have material effects on the valuation of the remaining coverage of the Company's pension insurance contract liabilities.

*How we addressed the matter in our audit*

We obtained an understanding, evaluated the design, and tested the operating effectiveness of the management's controls, related to the valuation of the liability for remaining coverage of the Company's pension insurance contracts under the general model. This included testing the governance and oversight controls over the review of the actuarial models, the actuarial assumptions including the discount rate and the data inputs used.

To test the balance of this liability, our audit procedures included, among others, comparing the methodology, actuarial models and actuarial assumptions, including the discount rate, used by the Company considering actuarial practices under IFRS 17, and testing the completeness and accuracy of the underlying data used in the valuation. We involved our actuarial specialists to assist us in assessing Management's assumptions, methodologies and models. Our actuarial specialists also performed an independent calculation of the liability for remaining coverage of the Company's pension insurance contracts under the general model. In addition, our actuarial specialists performed independent sensitivity analyses over the significant actuarial assumption. We also assessed the adequacy of the related financial statement disclosures.

/s/ Tanaka, Valdivia, & Asociados S. Civil de R.L.  
A member practice of Ernst & Young Global Limited

We have served as the Company's auditor since 2006

Lima, Peru  
April 26, 2024

Report of Independent Registered Public Accounting Firm

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

**Opinion on Internal Control Over Financial Reporting**

We have audited Intercorp Financial Services Inc. and subsidiaries internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), (the COSO criteria). In our opinion, Intercorp Financial Services Inc. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Company as of December 31, 2023 and 2022, and the related consolidated statements of income, other comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and our report dated on April 26, 2024, expressed an unqualified opinion thereon.

**Basis for Opinion**

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

**Definition and Limitations of Internal Control Over Financial Reporting**

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance International Financial Reporting Standards as issued by the International Accounting Standards Board. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Tanaka, Valdivia, & Asociados S. Civil de R.L.  
A member practice of Ernst & Young Global Limited

Lima, Peru  
April 26, 2024

## Intercorp Financial Services Inc. and Subsidiaries

Consolidated statement of financial position

As of December 31, 2023 and 2022, and as of January 1, 2022

	Note	2023 S/(000)	2022 S/(000) Note 3.7 Restated	01.01.2022 S/(000) Note 3.7 Restated
<b>Assets</b>				
Cash and due from banks	4(a)			
Non-interest bearing		3,059,226	4,012,293	3,931,419
Interest bearing		6,038,794	8,712,874	12,488,242
Restricted funds		720,691	468,244	684,804
		<u>9,818,711</u>	<u>13,193,411</u>	<u>17,104,465</u>
Inter-bank funds	4(e)	524,915	296,119	30,002
Financial investments	5	26,721,991	22,787,598	24,547,294
Loans, net	6			
Loans, net of unearned interest		48,869,807	47,530,853	45,070,500
Impairment allowance for loans		(2,349,425)	(2,027,855)	(2,064,917)
		<u>46,520,382</u>	<u>45,502,998</u>	<u>43,005,583</u>
Investment property	7	1,298,892	1,287,717	1,224,454
Property, furniture and equipment, net	8	804,832	791,432	815,118
Due from customers on acceptances		40,565	45,809	152,423
Intangibles and goodwill, net	9	1,687,120	1,633,202	1,044,749
Other accounts receivable and other assets, net	10	2,125,148	1,743,963	1,834,483
Reinsurance contract assets	14	26,287	34,053	53,849
Deferred income tax asset, net	15	55,936	165,787	142,367
<b>Total assets</b>		<u>89,624,779</u>	<u>87,482,089</u>	<u>89,954,787</u>

	Note	2023 S/(000)	2022 S/(000) Note 3.7 Restated	01.01.2022 S/(000) Note 3.7 Restated
<b>Liabilities and equity</b>				
Deposits and obligations	11			
Non-interest bearing		7,960,318	8,684,678	9,270,255
Interest bearing		41,227,916	39,846,030	39,627,689
		<u>49,188,234</u>	<u>48,530,708</u>	<u>48,897,944</u>
Inter-bank funds	4(e)	119,712	30,012	—
Due to banks and correspondents	12	9,025,930	7,100,646	8,522,849
Bonds, notes and other obligations	13	5,551,629	7,906,303	8,389,672
Due to customers on acceptances		40,565	45,809	152,423
Insurance and reinsurance contract liabilities	14	12,207,536	11,231,321	12,788,829
Other accounts payable, provisions and other liabilities	10	3,407,360	3,129,164	2,468,242
Deferred income tax liability, net	15	75,712	81,899	—
<b>Total liabilities</b>		<u>79,616,678</u>	<u>78,055,862</u>	<u>81,219,959</u>
<b>Equity</b>	16			
Equity attributable to IFS's shareholders:				
Capital stock		1,038,017	1,038,017	1,038,017
Treasury stock		(84,309)	(3,363)	(3,363)
Capital surplus		532,771	532,771	532,771
Reserves		6,000,000	6,000,000	5,200,000
Unrealized results, net		(457,793)	(554,421)	(302,477)
Retained earnings		<u>2,921,531</u>	<u>2,359,464</u>	<u>2,219,902</u>
		<u>9,950,217</u>	<u>9,372,468</u>	<u>8,684,850</u>
Non-controlling interest		57,884	53,759	49,978
<b>Total equity</b>		<u>10,008,101</u>	<u>9,426,227</u>	<u>8,734,828</u>
<b>Total liabilities and equity</b>		<u>89,624,779</u>	<u>87,482,089</u>	<u>89,954,787</u>

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

## Intercorp Financial Services Inc. and Subsidiaries

Consolidated statement of income

For the years ended December 31, 2023, 2022 and 2021

	Note	2023 S/(000)	2022 S/(000) Note 3.7 Restated	2021 S/(000) Note 3.7
Interest and similar income	19	7,120,411	5,871,302	4,605,625
Interest and similar expenses	19	(2,592,366)	(1,661,689)	(1,057,937)
<b>Net interest and similar income</b>		<b>4,528,045</b>	<b>4,209,613</b>	<b>3,547,688</b>
Impairment loss on loans, net of recoveries	6(d.1) and (d.2)	(1,981,818)	(830,551)	(381,577)
(Loss) recovery due to impairment of financial investments	5(c) and 5(d)	(7,500)	(12,752)	30,898
<b>Net interest and similar income after impairment loss</b>		<b>2,538,727</b>	<b>3,366,310</b>	<b>3,197,009</b>
Fee income from financial services, net	20	1,178,462	1,137,386	823,808
Net gain on foreign exchange transactions		306,431	380,154	423,022
Net gain (loss) on sale of financial investments		6,431	(14,285)	250,626
Net gain (loss) on financial assets at fair value through profit or loss	5(e) and 10(b)	15,181	(308,256)	63,097
Net gain on investment property	7(b)	73,072	84,631	79,399
Other income	21	156,700	400,181	89,498
		<u>1,736,277</u>	<u>1,679,811</u>	<u>1,729,450</u>
<b>Result from insurance activities</b>	22	<b>(178,392)</b>	<b>(252,854)</b>	<b>(272,079)</b>
<b>Other expenses</b>				
Salaries and employee benefits	23	(897,275)	(870,480)	(807,382)
Administrative expenses	24	(1,288,862)	(1,179,788)	(965,505)
Depreciation and amortization	8(a) and 9(a)	(379,038)	(336,226)	(279,690)
Other expenses	21	(184,992)	(240,644)	(210,192)
		<u>(2,750,167)</u>	<u>(2,627,138)</u>	<u>(2,262,769)</u>
<b>Income before translation result and Income Tax</b>		<b>1,346,445</b>	<b>2,166,129</b>	<b>2,391,611</b>
Exchange difference		8,427	(25,478)	(89,320)
Income tax	15(c)	(275,596)	(462,537)	(502,112)
<b>Net profit for the year</b>		<b><u>1,079,276</u></b>	<b><u>1,678,114</u></b>	<b><u>1,800,179</u></b>
<b>Attributable to:</b>				
IFS's shareholders		1,072,728	1,668,026	1,790,155
Non-controlling interest		6,548	10,088	10,024
		<u>1,079,276</u>	<u>1,678,114</u>	<u>1,800,179</u>
<b>Earnings per share attributable to IFS's shareholders, basic and diluted (stated in Soles)</b>	25	<b><u>9.327</u></b>	<b><u>14.452</u></b>	<b><u>15.510</u></b>
<b>Weighted average number of outstanding shares (in thousands)</b>	25	<b><u>115,012</u></b>	<b><u>115,418</u></b>	<b><u>115,419</u></b>

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, 2023, 2022 and 2021

	Note	2023 S/(000)	2022 S/(000) Note 3.7 Restated	2021 S/(000) Note 3.7
<b>Net profit for the year</b>		1,079,276	1,678,114	1,800,179
<b>Other comprehensive income that will not be reclassified to the consolidated statement of income in subsequent periods:</b>				
Gains (losses) on valuation of equity instruments at fair value through other comprehensive income	16(e)	16,220	(21,924)	146,161
Income tax	16(e)	(157)	218	(31)
<b>Total gain (loss) unrealized that will not be reclassified to the consolidated statement of income</b>		<u>16,063</u>	<u>(21,706)</u>	<u>146,130</u>
<b>Other comprehensive income to be reclassified to the consolidated statement of income in subsequent periods:</b>				
Net movement of debt instruments at fair value through other comprehensive income	16(e)	1,134,509	(1,833,856)	(2,282,111)
Income tax	16(e)	(3,645)	8,250	8,404
		<u>1,130,864</u>	<u>(1,825,606)</u>	<u>(2,273,707)</u>
Insurance premiums reserve	16(e)	—	—	1,392,280
Insurance reserves at fair value	16(e)	(970,191)	1,714,334	—
Net movement of cash flow hedges	16(e)	(29,112)	(62,954)	97,943
Income tax	16(e)	6,336	8,670	(15,696)
		<u>(22,776)</u>	<u>(54,284)</u>	<u>82,247</u>
Translation of foreign operations	16(e)	(21,970)	(50,165)	95,674
<b>Total gain (loss) unrealized to be reclassified to the consolidated statement of income in subsequent periods</b>		<u>115,927</u>	<u>(215,721)</u>	<u>(703,506)</u>
<b>Other comprehensive income for the year</b>		<u>131,990</u>	<u>(237,427)</u>	<u>(557,376)</u>
<b>Total comprehensive income for the year, net of Income tax</b>		<u>1,211,266</u>	<u>1,440,687</u>	<u>1,242,803</u>
<b>Attributable to:</b>				
IFS's shareholders		1,202,789	1,432,395	1,236,980
Non-controlling interest		8,477	8,292	5,823
		<u>1,211,266</u>	<u>1,440,687</u>	<u>1,242,803</u>

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, 2023, 2022 and 2021

	Attributable to IFS's shareholders													
	Unrealized results, net										Non-controlling interest			
	Instruments that will not be reclassified to the consolidated statement of income					Instruments that will be reclassified to the consolidated statement of income								
	Number of shares			Equity instruments at fair value			Debt instruments at fair value			Cash			Total equity	
	Issued	In treasury	Capital stock	Treasury stock	Capital surplus	Reserves	Insurance premiums	Flow hedges	Translation operations	Retained earnings	Total	Interest	Total equity	
	(in thousands)	(in thousands)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	
<b>Balances as of January 1, 2021</b>	115,447	(24)	1,038,017	(2,769)	532,771	5,200,000	297,212	1,667,103	(1,225,845)	(37,108)	1,303,317	8,998,109	45,840	8,953,949
Net profit for the year	—	—	—	—	—	—	145,899	(2,266,729)	1,389,995	81,986	95,674	1,790,155	10,024	1,800,179
Total comprehensive income	—	—	—	—	—	—	145,899	(2,266,729)	1,389,995	81,986	95,674	1,790,155	10,024	1,800,179
Declared and paid dividends, Note 16(a)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchase of treasury stock, Note 16(b)	—	(5)	—	(594)	—	—	—	—	—	—	—	—	—	(594)
Dividends paid to non-controlling interest of Subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—	—	(328)
Sale of equity instruments at fair value through other comprehensive income, Note 5(g)	—	—	—	—	—	—	—	—	—	—	—	—	—	(451,898)
<b>Others</b>	—	—	—	—	—	—	—	—	—	—	—	—	—	(6,605)
<b>Balance as of December 31, 2021, Note 3.7</b>	115,447	(29)	1,038,017	(3,363)	532,771	5,200,000	(8,787)	(599,626)	134,150	44,878	2,904,912	9,504,037	51,325	9,555,362
Changes due to first adoption of IFRS 17 "Insurance Contracts", Note 3.7	—	—	—	—	—	—	—	—	(134,177)	—	(685,010)	(819,187)	(1,347)	(820,534)
<b>Balances as of January 1, 2022 - Restated, Note 3.7</b>	115,447	(29)	1,038,017	(3,363)	532,771	5,200,000	(8,787)	(599,626)	(27)	44,878	2,219,902	8,684,850	49,978	8,734,828
Net profit for the year	—	—	—	—	—	—	(21,663)	(1,821,183)	1,711,520	(54,140)	(50,165)	1,668,026	10,088	1,678,114
Total comprehensive income	—	—	—	—	—	—	(21,663)	(1,821,183)	1,711,520	(54,140)	(50,165)	1,668,026	10,088	1,678,114
Declared and paid dividends, Note 16(a)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfer of retained earnings to reserves, Note 16(g)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dividends paid to non-controlling interest of Subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—	—	(800,000)
Sale of equity instruments at fair value through other comprehensive income, Note 5(g)	—	—	—	—	—	—	—	—	—	—	—	—	—	(16,313)
<b>Others</b>	—	—	—	—	—	—	—	—	—	—	—	—	—	6,755
<b>Balances as of December 31, 2022 - Restated, Note 3.7</b>	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	53,759	9,426,227
Net profit for the year	—	—	—	—	—	—	16,055	1,127,246	(968,599)	(22,671)	(21,970)	1,072,728	1,929	1,079,276
Total comprehensive income	—	—	—	—	—	—	16,055	1,127,246	(968,599)	(22,671)	(21,970)	1,072,728	1,929	1,079,276
Declared and paid dividends, Note 16(a)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchase of treasury stock, Note 16(b)	—	(938)	—	(80,946)	—	—	—	—	—	—	—	—	—	(80,946)
Dividends paid to non-controlling interest of Subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—	—	(80,946)
Sale of equity instruments at fair value through other comprehensive income, Note 5(g)	—	—	—	—	—	—	—	—	—	—	—	—	—	(33,433)
<b>Others</b>	—	—	—	—	—	—	—	—	—	—	—	—	—	33,433
<b>Balance as of December 31, 2023</b>	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	57,884	10,008,101

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

## Intercorp Financial Services Inc. and Subsidiaries

Consolidated statement of cash flows

For the years ended December 31, 2023, 2022 and 2021

	2023 S/(000)	2022 S/(000) Note 3.7 Restated	2021 S/(000) Note 3.7
<b>Cash flows from operating activities</b>			
Net profit for the year	1,079,276	1,678,114	1,800,179
<b>Adjustments to reconcile net profit to net cash flows</b>			
Impairment loss on loans, net of recoveries	1,981,818	830,551	381,577
Loss (recovery) due to impairment of financial investments	7,500	12,752	(30,898)
Depreciation and amortization	379,038	336,226	279,690
Provision for sundry risks	4,138	12,661	14,872
Deferred Income tax	102,244	(442)	205,752
Net (gain) loss on sale of financial investments	(6,431)	14,285	(250,626)
Net (gain) loss on financial assets at fair value through profit or loss	(15,181)	308,256	(63,097)
Net gain on valuation of investment property	(7,111)	(19,146)	(21,969)
Gain on sale of fixed assets	(15,300)	(11,780)	—
Fair value adjustment on the participation held by Interbank in Izipay, Note 1(d)	—	(222,513)	—
Exchange difference	(8,427)	25,478	89,320
Increase in accrued interest receivable	(167,468)	(168,454)	(16,108)
Increase (decrease) in accrued interest payable	194,285	121,324	(63,839)
<b>Net changes in assets and liabilities</b>			
Net increase in loan portfolio	(2,883,998)	(3,204,130)	(2,949,964)
Net (increase) decrease in other accounts receivable and other assets	(295,748)	331,287	(199,227)
Net (increase) decrease in restricted funds	(246,775)	225,659	(75,308)
Increase (decrease) in deposits and obligations	503,544	(467,213)	1,893,763
Increase (decrease) in due to banks and correspondents	1,837,830	(1,460,227)	(1,138,320)
Increase in other accounts payable, provisions and other liabilities	558,971	498,321	2,430,391
Decrease (increase) of investments at fair value through profit or loss	323,112	481,087	(659,972)
Income tax paid	(450,125)	(334,173)	(280,412)
<b>Net cash provided by (used in) operating activities</b>	<u>2,875,192</u>	<u>(1,012,077)</u>	<u>1,345,804</u>

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

Consolidated statement of cash flows (continued)

	2023 S/(000)	2022 S/(000) Note 3.7 Restated	2021 S/(000) Note 3.7
<b>Cash flows from investing activities</b>			
Purchase of investments at fair value through other comprehensive income and at amortized cost	(3,120,456)	(857,589)	(1,911,799)
Purchase of property, furniture and equipment	(147,645)	(135,036)	(87,282)
Purchase of intangible assets	(280,388)	(227,270)	(170,528)
Purchase of investment property	(16,903)	(34,760)	(156,892)
Sale of property, furniture and equipment	32,667	54,313	—
Purchase of subsidiaries, net of cash received	—	(193,215)	—
<b>Net cash used in investing activities</b>	<u>(3,532,725)</u>	<u>(1,393,557)</u>	<u>(2,326,501)</u>
<b>Cash flows from financing activities</b>			
Dividends paid	(511,788)	(751,532)	(633,853)
Payments of bonds, notes and other obligations	(2,189,040)	(137,900)	(91,000)
Net increase in receivable inter-bank funds	(228,796)	(266,117)	(11,897)
Net increase (decrease) in payable inter-bank funds	91,245	30,482	(30,945)
Purchase of treasury stock, net	(80,946)	—	(594)
Dividend payments to non-controlling interest	(4,776)	(4,174)	(30)
Lease payments	(89,334)	(146,982)	(93,379)
<b>Net cash used in financing activities</b>	<u>(3,013,435)</u>	<u>(1,276,223)</u>	<u>(861,698)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(3,670,968)</u>	<u>(3,681,857)</u>	<u>(1,842,395)</u>
Translation gain (loss) on cash and cash equivalents	37,403	(26,678)	112,787
Cash and cash equivalents at the beginning of the year	12,707,776	16,416,311	18,145,919
<b>Cash and cash equivalents at the end of the year, Note 3.4(ag)</b>	<u>9,074,211</u>	<u>12,707,776</u>	<u>16,416,311</u>
<b>Supplementary cash flow information:</b>			
<b>Cash paid by -</b>			
Interest	2,253,881	1,395,673	988,315
Dividends	516,564	755,706	634,181
Income tax	450,125	334,173	280,412
<b>Cash received from -</b>			
Interest	6,905,711	5,620,231	4,483,746
Dividends received	52,215	88,236	108,931
<b>Non-cash transactions -</b>			
Recognition of right-of-use assets	35,901	33,178	31,692
Effect on the participation in Izipay prior to its acquisition, Note 1(d)	—	(222,513)	—

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

## Intercorp Financial Services Inc. and Subsidiaries

Notes to the consolidated financial statements

As of December 31, 2023 and 2022

### 1. Business activity, current context and acquisition of Subsidiaries

(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”), a holding Company incorporated in 1997 in the Commonwealth of the Bahamas. As of December 31, 2023, Intercorp Peru holds directly and indirectly 71.44 percent of the issued capital stock of IFS, equivalent to 71.20 percent of the outstanding capital stock of IFS (70.65 percent of the issued capital stock of IFS, equivalent to 70.64 percent of the outstanding capital stock of IFS as of December 31, 2022).

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

As of December 31, 2023 and 2022, IFS holds 99.30 percent of the capital stock of Banco Internacional del Peru S.A.A. – Interbank (henceforth “Interbank”), 99.84 percent of the capital stock of Interseguro Compañía de Seguros S.A. (henceforth “Interseguro”), 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, 2022, and for the year then ended, were approved by the Board of Directors on April 24, 2023. The consolidated financial statements as of December 31, 2023, and for the year then ended, have been approved and authorized for issuance by Management and the Board of Directors on April 26, 2024.

(b) Political and social context in Peru –

In December 2022, Pedro Castillo, then President of Peru, attempted to carry out a coup attempt and to establish a State of Exception. Due to this, the Peruvian Congress, through extraordinary session, approved the Pedro Castillo destitution, and designated Dina Boluarte, as a new President of the Republic of Peru. Following the aforementioned, protests and social upheaval erupted in the country.

Considering this situation, the Superintendence of Banking, Insurance and Private Pension Funds (henceforth “SBS”, by its Spanish acronym) issued Official Multiple Letters that established measures related to loan rescheduling aimed to facilitate the debt payment of the financial sector’s clients. Also, the SBS authorized the entities of the financial sector to modify the contractual conditions of retail loans, provided they comply with several requirements. See further detail in Notes 6(h) and 29.1(d.6).

(c) Pandemic Covid-19 -

In March 2020, the World Health Organization declared Covid-19 a global pandemic, which resulted in several restrictive measures. Since May 2020, the gradual resumption of economic activities began, according to the measures established by the Government considering that in the first semester of 2022, the economic activities reached levels before the pandemic. During the Covid-19 pandemic, the Ministry of Economy and Finance (henceforth “MEF”, by its Spanish acronym), Central Reserve Bank of Peru (henceforth “BCRP”, by its Spanish acronym) and the SBS issued several resolutions aimed to alleviate the impacts of the pandemic. These measures are described in further detail in Notes 6(h), 29.1(d.5) and 29.1(d.6).

(d) 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.

Notes to the consolidated financial statements (continued)

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. The fair values of the assets and liabilities of the acquired entities as of March 31, 2022, the date closest to the takeover, are presented below:

	Fair value of the acquired entities S/(000)
<b>Assets -</b>	
Cash	119,432
Trade accounts receivable and other receivables	178,982
Inventory	13,600
Deferred assets	102,687
Property, furniture and equipment, Note 8(a)	83,486
Right-of-use assets, Note 8(a)	6,593
Intangibles, Note 9(a)	331,421
Deferred income tax asset	11,014
Other assets	3,903
<b>Liabilities -</b>	
Financial obligations	26,251
Trade accounts payable and other payables	319,456
Deferred income	25,190
Lease liability	6,593
Other liabilities	223
Deferred income tax liability, Note 15(a)	86,541
<b>Total identifiable net assets at fair value</b>	<u>386,864</u>
Goodwill, Note 9(a)	<u>238,429</u>
<b>Fair value of acquired entities</b>	<u><u>625,293</u></u>

The net cash flow incurred as a result of the acquisition is presented below:

	S/(000)
Total price paid	312,647
Cash of acquired companies	(119,432)
	<u>193,215</u>

Since the date of its acquisition until December 31, 2022, Izipay contributed to the Group with consolidated revenues of S/595,360,000 and consolidated net income of S/41,075,000. If the acquisition had taken place at the beginning of the year 2022, they would have contributed with consolidated revenues of S/754,284,000 and consolidated net income of S/51,182,000.

## 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 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, 2023, Interbank had 153 offices (164 offices as of December 31, 2022). 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, 2023 and 2022, amounted to S/85,272,000 and S/93,994,000, 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.



Notes to the consolidated financial statements (continued)

(c) Inteligo Group Corp. and Subsidiaries -

Inteligo is an entity incorporated in the Republic of Panama. As of December 31, 2023 and 2022, it holds 100 percent of the shares of the following Subsidiaries:

<b>Entity</b>	<b>Activity</b>
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 Superintendencia 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, 2023 and 2022, 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. and Holding Retail Peru S.A. -

These entities were acquired by IFS as part of the purchase of Seguros Sura and Hipotecaria Sura in year 2017; Note 9(b). In April 2021, Negocios e Inmuebles S.A. (absorbing company) merged with Holding Retail Peru S.A. (absorbed company), the latter being extinguished without liquidation. As of December 31, 2023 and 2022, Negocios e Inmuebles S.A., holds 8.50 percent of Interseguro's capital stock .

(e) San Borja Global Opportunities S.A.C. -

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 Digital S.A.C. –

Entity incorporated in August 2020, which 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(d). 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(d), in April 2022, IFS acquired control of Izipay, becoming it its Subsidiary. Since this time, Izipay consolidates its financial information together with IFS. The investment that Interbank held in Izipay until March 31, 2022, is presented as investments in associates in the accompanying consolidated financial statements.

Notes to the consolidated financial statements (continued)

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, 2023 and 2022, in accordance with the IFRS. Additionally, for information on business segments, see Note 27:

	Interbank and Subsidiaries		Interseguro - Note 3.7		Inteligo and Subsidiaries		Izipay	
	2023 S/(000)	2022 S/(000)	2023 S/(000)	2022 S/(000)	2023 S/(000)	2022 S/(000)	2023 S/(000)	2022 S/(000)
<b>Consolidated statement of financial position -</b>								
Cash and due from banks	8,598,513	11,052,299	266,311	631,156	844,965	1,457,446	130,149	111,087
Financial Investments	11,964,232	9,586,343	12,776,783	11,295,068	1,855,074	1,698,229	56,459	—
Loans, net	45,004,811	43,725,346	—	—	1,519,659	1,784,343	—	—
Investment property	—	—	1,298,892	1,287,717	—	—	—	—
<b>Total assets</b>	<b>68,437,614</b>	<b>66,977,277</b>	<b>14,741,746</b>	<b>13,636,383</b>	<b>4,374,266</b>	<b>5,102,598</b>	<b>1,196,049</b>	<b>902,610</b>
Deposits and obligations	46,053,607	44,597,855	—	—	3,311,719	4,098,842	—	—
Due to banks and correspondents	8,669,331	6,726,595	215,560	308,164	84,004	53,937	61,024	18,584
Bonds, notes and other obligations	4,253,188	6,571,539	244,599	251,524	—	—	—	—
Insurance contract liabilities	—	—	12,068,741	11,092,526	—	—	—	—
<b>Total liabilities</b>	<b>60,380,895</b>	<b>59,498,433</b>	<b>13,709,303</b>	<b>12,665,533</b>	<b>3,453,408</b>	<b>4,208,369</b>	<b>946,660</b>	<b>686,292</b>
<b>Equity attributable to IFS's shareholders</b>	<b>8,056,719</b>	<b>7,478,844</b>	<b>1,032,443</b>	<b>970,850</b>	<b>920,858</b>	<b>894,229</b>	<b>249,389</b>	<b>216,318</b>
<b>Consolidated statement of income -</b>								
Net interest and similar income	3,712,220	3,297,436	778,649	861,964	85,556	104,810	4,348	300
(Loss) recovery due to impairment on loans, net of recoveries	(1,981,988)	(832,919)	—	—	170	2,368	—	—
Recovery (loss) due to impairment of financial investments	15	(732)	(7,858)	(26)	347	(11,981)	—	—
Net gain of investment property	—	—	7,111	19,146	—	—	—	—
Fee income from financial services, net	813,279	797,711	(13,431)	(7,160)	146,223	163,325	345,583	258,728
Result from insurance activities, before expenses	—	—	(178,379)	(252,854)	—	—	—	—
<b>Net profit (loss) for the year attributable to IFS's shareholders</b>	<b>856,149</b>	<b>1,374,121</b>	<b>359,550</b>	<b>320,457</b>	<b>36,180</b>	<b>(141,395)</b>	<b>33,069</b>	<b>41,074</b>

### 3. Significant accounting policies

#### 3.1 Basis of presentation -

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (henceforth “IFRS”) as issued by International Accounting Standards Board (henceforth “IASB”) 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 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 adopted for the first time the International Financial Reporting Standard 17 “Insurance Contracts” (henceforth “IFRS 17”), effective for periods beginning on or after January 1, 2023. Other standards, interpretations or amendments are also adopted for the first time in 2023, but as of December 31, 2023, they did not have a significant impact on the Group’s consolidated financial statements. The Group has not early adopted any standard, interpretation or amendment that was issued but is not yet effective.

- First-time adoption of IFRS 17 “Insurance Contracts”

IFRS 17 replaces International Financial Reporting Standard 4 “Insurance Contracts” (henceforth “IFRS 4”) for annual periods beginning on or after January 1, 2023.

As permitted by IFRS 17, the Group reformulated the comparative information of the period 2022 for insurance contracts within the scope of IFRS 17. However, the comparative information of the period 2021 is presented within the scope of IFRS 4 and is not comparable to the information presented in the period 2022. The differences arising due to the adoption of IFRS 17 have been recognized directly in retained earnings as of January 1, 2022, and are disclosed in Note 3.7.

The nature of changes in the accounting policies is presented below:

##### (a) Classification and measurement –

The adoption of IFRS 17 has not changed the classification of the Group’s insurance contracts. However, it establishes specific principles for the recognition and measurement of insurance contracts held by the Group.

The key principles of IFRS 17 consider that the Group:

- Identifies insurance contracts as those under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.
- Recognizes and separates in insurance contracts investment components, embedded derivatives and goods or services components from insurance services in insurance contracts, recording them according to other standards.
- Divides insurance contracts into groups for recognition and measurement:

- At the risk-adjusted present value of the future cash flows (fulfillment cash flow, or “FCF”) that incorporates all available information on cash flows in a manner consistent with observable market information.

Plus:

- An amount representing the unearned profit in the group of contracts (the contractual service margin, or “CSM”).
- Recognizes profit on a group of insurance contracts during each period in which the Group provides insurance contract services, as the Group is relieved of risk. If a group of contracts is expected to be onerous (i.e., generate losses) during the remaining coverage period, the Group recognizes the loss immediately.

(b) Changes in disclosures –

The differences between IFRS 17 and IFRS 4 are presented in Note 3.7, together with the transition disclosures. The detailed qualitative and quantitative information of the valuation of insurance contract groups, such as assumptions and inputs used, are presented in Notes 3.4(d.1) and 3.7.

- Amendments to IAS 8 “Accounting policies, changes in estimates and errors”: Definition of Accounting Estimates

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

These amendments had no impact on the Group’s consolidated financial statements.

- Amendments to IAS 1 “Presentation of Financial Statements” and IFRS Practice Statement 2: Disclosure of Accounting Policies

The amendments to IAS 1 and IFRS Practice Statement 2 “Making Materiality Judgements” provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments did not have a substantial impact on the Group’s disclosures of accounting policies, and did not have an impact on the measurement, recognition, or presentation of any items in the Group’s consolidated financial statements.

- Amendments to IAS 12 “Income Taxes”: Deferred Tax related to assets and Liabilities arising from a single transaction

The amendments to IAS 12 “Income Tax” narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments had no impact on the Group’s consolidated financial statements.

- Amendments to IAS 12 “Income Taxes”: International Tax Reform – Pillar Two Model Rules

The amendments to IAS 12 “Income Taxes” have been introduced in response to the OECD’s Base erosion and profit shifting (BEPS) Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity’s exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim periods ending on or before December 31, 2023.

In Group Management’s opinion, the amendments had no impact on the consolidated financial statements due to, as of December 31, 2023, and as of the date of this report, the standard has not been adopted in the jurisdictions in which the companies of the Group operate. The Group will monitor the adoption of said standard.

### 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, 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 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 asset “recovers”, as detailed in Note 29.1(d), and is no longer impaired, the Group recalculates the interest income on a gross basis.

For purchased or originated credit-impaired (POCI) assets, as detailed 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, at 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 income from financial 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 asset 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) Accounting policies for insurance activities (Policy applicable from January 1, 2023)

(d.1.1) Insurance contracts -

(d.1.1.1) 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 becomes due, and
- For a group of onerous contracts, when the group becomes onerous.

Measurement at initial recognition

At initial recognition, the Group measures a group of insurance contracts by the total of:

- The fulfillment cash flows, which comprise:
  - Estimates of 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. and
  - A risk adjustment for non-financial risk.
  - The contractual service margin (“CSM”).

Subsequent measurement

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

- The liability for remaining coverage, which comprises:
  - The fulfillment of cash flows related to future services
  - The contractual service margin or CSM
  - The adjustment rate at market value
- The claims incurred liability, which comprises the fulfillment cash flows related to future services.

(d.1.1.2) Levels of aggregation -

Insurance contract portfolios -

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

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

- Product lines and their differentiated management, separating the products by pensions, life, and general insurance, 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 insurance policies.
- Policy currency: differentiating between policies denominated in different currencies. Currently, the currencies considered are the Sol, the US Dollar, and Sol VAC.

- Funeral expense cover (in currency VAC): a different portfolio is 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 is only applicable to funeral VAC of the pensions (SPP and Private).
- The assessment based on the indicated attributes continues to be performed for the new products that may be designed and marketed in the future.

Cohorts -

The second level of aggregation is the cohort level, whereby the Group does not include in the same group contracts issued more than one year apart. Contracts issued between January 1 and December 31 of each year are 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 groups:

- Groups of contracts that are onerous at initial recognition, if any.
- Groups of non-onerous contracts: Include contracts that at initial recognition have no significant possibility of becoming onerous subsequently 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.1.1.3) 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 conditions exist 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”) refers to all cash flows allocated for the payment of claims and related expenses that, although incurred, have not yet been settled. This includes claims that have already occurred, but, for some reason have not been reported yet.

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. The following are the elements details of this 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 are 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 is calculated in an explicit and separate 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 such non-financial risks.
  - CSM: Represents the expected profit from the insurance contracts, which is recognized in profit or loss as the service is rendered. The recognition of the CSM throughout the contract’s life is made in a systematic manner and consistently with the rendering of the service provided by the 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 only applies the simplified method to contracts if one of the following criteria is met:

- For contracts longer than one year, the simplification results in a liability for remaining coverage that does not materially differ from that generated by the general model (BBA); 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. The 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
- General insurance: BBA or PAA, depending on the characteristics and evaluation of the contract

(d.1.2) Reinsurance -

(d.1.2.1) Classification of reinsurance contracts -

An insurance contract issued by one entity (the reinsurer) to compensate another entity for claims arising from one or more insurance contracts issued by that other entity (underlying contracts).

(d.1.2.2) Levels of aggregation -

Contracts portfolio -

The first level that IFRS 17 establishes for the grouping of reinsurance contracts consists of the determination of portfolios.

The Group will determine the insurance portfolios considering similar risks that are jointly managed. The Company has deemed that the following factors are relevant when defining the reinsurance portfolios in effect:

- Product lines and their differentiated management, separating in all cases the proportional reinsurance contracts and the non- proportional reinsurance contracts, and below them, based on the specific covered risks: credit life, “Vida Ley”, accidents, Individual life, retirement, CAT.
- Contract limits, separating in all cases the annual and multi-year reinsurance contracts.
- Materiality criteria, i.e., when there are individual contracts that do not comply with the previously described conditions to be grouped, the Group will have the possibility of grouping them as long as they are run-off isolated contracts with little relevance to the Company.
- The assessment based on the indicated attributes will continue to be performed for the new products that may be designed and marketed in the future.

Cohorts -

The second grouping level is the cohort level, whereby the Group does not include in the same group contracts issued more than one year apart.

Cohorts are defined as being equal to the calendar year. i.e., each cohort includes contracts issued between January 1 and December 31 of each year.

(d.1.2.3) Reinsurance fee -

Fees from reinsurance contracts for ceded premiums are amortized in relation to the validity period of the related insurance contract.

(d.1.3) Exchange difference in insurance contract liabilities -

According to IAS 21, for the purpose of converting insurance contracts in foreign currency into the functional currency of the Company, they are treated as a monetary item. Exchange differences on remeasurement of the insurance contract liability are recognized in profit or loss, except for exchange differences related to the interest rate effect for contracts under BBA method, which are recognized in “Other comprehensive income” together with the annual movements of the interest rate effect.

(d.1.4) Recognition of income and expenses -

The Group recognizes 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 recognizes 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 financial income for insurance activities: for the effect of the time value of money and the financial risk effect.

(d.1.5) 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.

The expected attributable expenses (without considering the acquisition costs attributable) are included in the LRC, being released as income in the statement of income and decreasing the LRC when the service is rendered. At the same time, the expenses of the insurance service are recognized based on the actual expenses incurred.

(d.1.6) 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.1.6.1) 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 recognized in the statement of income and recorded as loss component.

(d.1.6.2) 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 shall be measured in the subsequent valuations for the group of contracts.

(d.1.7) 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.1.7.1) 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.1.7.2) 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.

(d.1.8) 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 general insurance 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. The products that are valued by the simplified PAA method do not require an explicit RI calculation.



- In portfolios whose provision for LRC is valued by the VFA method because the insurance component, and thus the non-financial risks component is not material in this typology of product with direct participation of the insured.

(d.2) Accounting policies for insurance activities (Policy applicable before January 1, 2023)

The Group applied to insurance contracts the existing accounting policies prior to the adoption of IFRS (i.e., accounting standards established by the SBS for financial and insurance entities in Peru) with certain modifications as described below:

- Incurred but not reported claims reserves (IBNR): These reserves were calculated and applied at each recording period using the Chain Ladder methodology, which considers past experience based on cumulative claims losses to estimate future claims developments.
- Technical reserves for life annuities and retirement, disability and survival pensions: The Group used the Peruvian mortality tables SPP-S-2017 and SPP-I-2017 (men and women), published by the SBS through Resolution No. 886-2018 dated March 7, 2018, and set the discount interest rate through the Matching Adjustment method plus an illiquidity premium to discount all the pension cash flows.

Product classification:

Insurance contracts were those contracts where the Group (the insurer) has accepted significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder for a specified uncertain future event (the insured event) that adversely affects the policyholder. As a general guideline, the Group determined whether it had significant insurance risk by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts may also transfer a financial risk. When the contract had a financial component and transfers no relevant insurance risk as established by IFRS 4 “Insurance Contracts”, the contract was recorded based on IFRS 9 “Financial Instruments”. These contracts were presented in the caption “Other accounts payable, provisions and other liabilities” as “Contract liability with investment component” of the consolidated statement of financial position; see Note 10(a).

Once a contract had been classified as an insurance contract, it remains as an insurance contract for the remainder of its life, even if the insurance risk is reduced significantly during this period, unless all rights and obligations are extinguished or expire.

Life insurance contracts offered by the Group included retirement, disability and survival insurance, annuities and group and individual life. Non-life insurance contracts mainly included SOAT (mandatory individual car accident insurance) and credit card insurance, among others.

Insurance receivables:

Insurance receivables were initially recognized when due and were measured at the fair value of the consideration received or receivable. Consequently, in its initial recognition, insurance receivables were measured at amortized cost. As of December 31, 2021, the carrying value of the insurance receivables was similar to their fair value due to their short-term maturity. The carrying value of insurance receivables was reviewed for impairment whenever events or circumstances indicated that the carrying amount may not be recoverable, with the impairment loss recorded in the consolidated statement of income.

Reinsurance:

The Group ceded the insurance risk in the normal course of its operations mainly due to pension fund risks and life insurance risks (individual and group). The reinsurance assets represented balances due and payable by reinsurance companies. Reinsurance was ceded on a proportional basis.

The amounts recoverable from the contracts with reinsurers were estimated consistently with the loss reserve pending settlement or losses settled and with the premiums ceded, associated with policies ceded, in accordance with the clauses established in the related reinsurance contracts.

Reinsurance assets were reviewed for impairment at each date of the consolidated statement of financial position or more frequently when necessary. Impairment arose when there was objective evidence the Group cannot receive all the outstanding amount's receivable under the contract terms and the event had a reliably measurable impact on the amounts that the Group obtained from the reinsurer. Impairment loss was registered in the consolidated statement of income.

Reinsurance contracts ceded do not released the Group from its obligations to the insured.

The liabilities from reinsurance contracts represented balances due and payable to reinsurance companies. The amounts payable was estimated consistently with the related reinsurance contract.

Premiums and claims were presented as gross amounts for the reinsurance ceded. Reinsurance assets or liabilities were written off when the contractual rights were extinguished, expired, or when the contract was transferred to a third party.

Reinsurance commissions:

The commissions from the reinsurance contracts for premiums ceded were amortized on a straight-line basis over the term of the related insurance contract.

Insurance contract liabilities:

Life insurance contract liabilities were recognized when contracts were entered into.

The technical reserves for retirement, disability and survival insurance and annuities were determined as the sum of the discounted value of expected future pensions to be paid during a defined or non-defined period, computed on the basis of current mortality and morbidity tables and current discount interest rates.

Individual life technical reserves were determined as the sum of the discounted value of expected future benefits, administration expenses, policyholder options and guarantees and investment income, less the discounted value of the expected premiums that would be required to meet the future cash outflows. Furthermore, the technical reserves for group life insurance contracts comprised the provision for unearned premiums and unexpired risks.

Insurance claims reserves include reserves for reported claims and an estimate of the IBNR. As of December 31, 2022, IBNR reserves were determined on the basis of the Chain Ladder methodology, whereby the weighted average of past claims' development was projected into the future. Adjustments to the liabilities at each reporting date were recorded in the consolidated statement of income. The liability was derecognized when the contract expired, was discharged or cancelled.

At each reporting date an assessment was made on whether the recognized life insurance liabilities were sufficient, by using an existing liability adequacy test as established by IFRS 4. In the case of annuities and retirement, disability and survival insurance, this test was conducted by using current assumptions for mortality and morbidity tables and interest rates. As of December 31, 2021, Management determined that liabilities were sufficient and therefore, it had not recorded any additional life insurance contract liability.

The accounts payable to reinsurers and coinsurers arose from the ceded premiums issued based on the evaluation of the risk assumed and the losses coming from the reinsurance contracts accepted as well as from the clauses executed for the coinsurance received, and were registered in the item "Accounts payable to reinsurers and coinsurers" that was part of the caption "Other accounts payable, provisions and other liabilities" of the consolidated statement of financial position.

Income recognition:

Life insurance contracts:

Gross premiums on life insurance were recognized as revenue when due from the policyholder. For single premium products, revenue was recognized on the date when the policy is effective. The net premiums earned included the annual variation of technical reserves.

Property, casualty and group life insurance contracts:

Unearned premiums were those proportions of premiums written in a year that related to periods of risk afterwards the reporting date. Unearned premiums were calculated on a daily pro rata basis. The proportion attributable to subsequent periods was deferred as a provision for unearned premiums.

Recognition of benefits, claims and expenses:

(i) Gross benefits and claims

Gross benefits and claims for life insurance contracts included the cost of all claims arose during the year, including internal and external claims handling costs that were directly related to the processing and settlement of claims.

Death, survival and disability claims were recorded on the basis of notifications received. Annuities payments were recorded when due.

(ii) Reinsurance premiums

Reinsurance premiums comprised the total premiums payable for the whole coverage provided by contracts entered into in the period and were recognized at the date at which the policy was effective. Unearned ceded premiums were deferred during the period of the related insurance contract.

(iii) Reinsurance claims

Reinsurance claims were recognized when the related gross insurance claim was recognized according to the terms of the relevant contract.

(iv) Acquisition costs

Acquisition costs related to the sale of new policies were recognized when incurred.

(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 subtracted 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 contracts, 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, 2023 and 2022, 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 cost 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, 2023 and 2022, 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, 2023 and 2022, the Group did not keep any repurchase agreements.

(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.

The Group made modifications of its agreements with clients as requested by the SBS and subsequently performed an analysis to assess whether there were cash flows modifications. The amounts resulting from this assessment were recognized as expenses in the impact of the modification of the contractual cash flows due to the rescheduling in the loan payment schemes in Note 19.

(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.

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, 2023 and 2022, 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 2023 and 2022, 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, 2023 and 2022, 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 30.1(e).
- Loans; see Notes 3.4(f.1), 6 and 30.1(d).
- Due from customers on acceptances.
- Other accounts receivable and other assets.

The Group assesses periodically impairment alerts derived from factors such as Covid-19, the political 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 financial investments and 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 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.7).

#### 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 periods 2023 and 2022.

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, 2023, and 2022:

	2023	2022
GDP growth		X
Private formal employment	X	
Gross capital formation		X
Consumer		X
Real domestic demand	X	X
Real formal salary	X	
Real informal salary	X	
Real disposable income per capita	X	

The inputs and models used, see Note 29.1, 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 that 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, 2023 and 2022, 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, 2023 and 2022, 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 as 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) Investments in associates -

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity, but without having control over those policies. The considerations taken for determining significant influence are similar to those needed to determine control over Subsidiaries.

The Group’s investments in its associates are recognized initially at cost and then are accounted for using the equity method. The Group’s investments in associates are included in the caption “Other accounts receivable and other assets, net” of the consolidated statement of financial position, see note 10. Gains resulting from the use of the equity method of accounting are included in the caption “Other income” of the consolidated statement of income.

(o) Investment property -

Investment property comprises of 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 measures the asset at fair value, with any gain recognized in “Retained earnings” directly 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). During 2021, the Group transferred part of the “Pardo y Aliaga” building, located in San Isidro, Lima, from caption “Property, furniture and equipment” to caption “Investment property”, for S/1,615,000; see Note 7(c).

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.

(p) 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.

(q) Assets seized through legal actions -

Assets seized through legal actions are recorded in the item "Others" of the caption "Other accounts receivable and other assets, net" of the consolidated statement of financial position, see Note 10; and are recognized at the lower value between the cost or the estimated market value (minus cost to sell), determined from valuations made by independent appraisers. Reductions in book value are recorded in the consolidated statement of income.

(r) 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 four and five 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.

(s) 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 reassesses 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 dispensed 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.

(t) 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(d).

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 is 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, it is measured according to the applicable IFRS. The contingent consideration that is classified as equity must not be remeasured and subsequent settlement is recorded in equity. As of December 31, 2023 and 2022, 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.

(u) 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.

(v) Due from customers on acceptances -

Due from customers on acceptances corresponds to accounts receivable from customers for import and export transactions, whose obligations have been accepted by the Group. The obligations that must be assumed by the Group for such transactions are recorded as liabilities.

(w) 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.

(x) 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.

(y) 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.

(z) 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).

(aa) 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.

(ab) 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.

(ac) 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.

(ad) 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, 2023 and 2022, the Group does not have financial instruments with dilutive effect, therefore, basic and diluted earnings per share are identical for the years reported.

(ae) 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.

(af) 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".

(ag) 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).

(ah) 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). At the end of the period 2022, the Group had exposure to mainly USD-LIBOR rates in the derivative positions (interest rate swaps –IRS, and cross currency swaps –CCS) as well as USD-LIBOR interest-bearing loans. 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 instead started to refer to 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.



(ai) Financial statements as of December 31, 2023 and 2022 -

When necessary, certain amounts from the previous year have been reclassified to make them comparable with the presentation of the current year.

(aj) 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 IFRS 16 “Leases”: Lease liability in a sale and leaseback

In September 2022, the IASB issued amendments to IFRS 16 to 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.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted, and that fact must be disclosed.

Amendments are not expected on the Group’s consolidated financial statements.

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

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

- 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, a requirement has been introduced to require disclosure 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.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

- Amendments to IAS 7 “Statement of Cash Flows” and IFRS 7 “Financial Instruments - Disclosures: Supplier finance arrangements

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier 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.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

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

- SEC related matters

In recent years, various guidelines and regulations have been issued recommending or requiring companies to adopt policies and procedures with the purpose of enhancing the approach to environmental, governance and social (ESG) matters. In March 2024, the SEC adopted rules aimed at enhancing and standardizing climate-related disclosures. The rules require registrants to include certain climate-related information in their registration statements and annual reports. Several lawsuits have been filed against such rules and, unless they prevail, the Group will be subject to certain of these requirements commencing with the fiscal year ending on December 31, 2025. On April 4, 2024, the SEC voluntarily stayed the rules, pending judicial review. The Group is currently assessing the impact of this rule for disclosure to investors.

### 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.

### 3.7 Transition disclosures of IFRS 17 –

Transition –

As of January 1, 2022, the Group:

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

Transition methodology –

The transition approach that the standard considers by default is the full retrospective method, which seeks to identify, recognize, and account for the groups of insurance contracts at the transition date as though the standard had always been in effect, unless it is impracticable; after the assessment of information availability and the application of estimates on this information is done. From the assessment performed, the Group identified that the information availability for the application of the full retrospective method is not possible to obtain until January 1, 2022, for the portfolios valued under the general method (BBA) and the VFA without incurring in significant resource and time costs.

Therefore, the Group decided to apply the transition methodology under Fair Value for all portfolios valued under the BBA general method and the VFA method, which consists of obtaining the amount under which a liability portfolio could be transferred to a third party, said methodology is under the IFRS13 “Fair Value” approach. This amount was compared with the balance of the estimate of technical provisions (Best Estimate Liability – “BEL”) and Risk Adjustment existing at the transition date, and the result was the CSM (Contractual Service Margin) as of said date. Also, it was determined the future benefit provided by the insurance contracts CSM and will be decommitted to the statement of income to the extent that the Group renders its services to the insured. The CSM balance at the date of transition into IFRS 17 was applied retrospectively for the policies in force at said date, mainly for Individual life insurance measured under BBA approach.

Calculation methodology –

The calculation methodology that the Group has applied to determine the Fair Value amount of its portfolios in force as of the date of transition into IFRS 17 is the valuation technique of present value. In this sense, the following calculation components are taken into account:

- An estimation of the future cash flows for the asset or liability subject to valuation.
- The expectations of possible variations in the amount and the cash flows calendar that represent the uncertainty inherent to cash flows.
- The time value of money, represented by the interest rate on risk-free monetary assets that present maturity dates or lives that coincide with the periods covered by the cash flows and do not involve neither uncertainty regarding the calendar nor risk of default for the holder (i.e., risk-free interest rate).
- The price to bear the uncertainty inherent to cash flows (i.e., a risk premium).
- Other factors that market participants may take into account considering the circumstances.
- For a liability, the risk of default related to said liability, including the credit risk of the entity (i.e., the debtor).

The Group applies the discount rate for the valuation of insurance portfolios that are estimated by the BBA general method. Therefore, when the valuation method applicable is the simplified general method (PAA), the interest rates are not applied. In this sense, the interest rate curve that is applied to contracts valued by the BBA general method corresponds to the risk-free interest rate curve (“RFR”) as defined for IFRS 17.

Changes in presentation and disclosure –

The disclosures that the Group makes regarding this standard include the recording of insurance and reinsurance contracts issued and the reinsurance contracts held in the consolidated statement of financial position, presented separately:

- Insurance contracts issued that are assets.
- Insurance contracts issued that are liabilities.
- Reinsurance contracts held that are assets.
- Reinsurance contracts held that are liabilities.

Additionally, the descriptions of some captions in the consolidated statement of income and the consolidated statement of other comprehensive income have been significantly modified. Under IFRS 17, it is required the separate presentation of:

- Income from insurance activities.

Notes to the consolidated financial statements (continued)

- Expenses of the insurance service.
- Income or expenses for insurance financing.
- Income or expenses for reinsurance contracts held.

Also, the Group provides with disaggregated qualitative and quantitative information about:

- Recognized amounts in the consolidated financial statements from insurance contracts.
- Significant judgments and changes in said judgments at the application of the standard.

As permitted by IFRS 17, the Group restated the comparative information of the period 2022 for insurance contracts within the scope of IFRS 17. However, the 2021 statement of income has not been restated and is presented on an IFRS 4 basis and is not comparable to the information presented in 2022, see note 3.4(d.2).

Notes to the consolidated financial statements (continued)

This table presents the impact of the adoption of IFRS 17 in the consolidated statements of financial position as of January 1, 2022 and December 31, 2022. In addition, it presents the reconciliation between the book values according to IFRS 4 and the balances reported according to IFRS 17:

	As of December 31, 2022			As of January 1, 2022				
	IFRS 4 S/(000)	Adjustments for first adoption of IFRS 17 S/(000)	Ref	IFRS 17 S/(000)	IFRS 4 S/(000)	Adjustments for first adoption of IFRS 17 S/(000)	Ref	IFRS 17 S/(000)
<b>Asset</b>								
Cash and due from banks	13,193,411	—		13,193,411	17,104,465	—		17,104,465
Financial investments	22,787,598	—		22,787,598	24,547,294	—		24,547,294
Loans, net	45,502,998	—		45,502,998	43,005,583	—		43,005,583
Intangibles and goodwill, net	1,633,202	—		1,633,202	1,044,749	—		1,044,749
Other accounts receivable and other assets, net	1,778,559	(34,596)	A	1,743,963	1,887,454	(52,971)	A	1,834,483
Reinsurance contract assets	—	34,053	A	34,053	—	53,849	A	53,849
Other assets	2,586,864	—		2,586,864	2,364,364	—		2,364,364
<b>Total asset</b>	<b>87,482,632</b>	<b>(543)</b>		<b>87,482,089</b>	<b>89,953,909</b>	<b>878</b>		<b>89,954,787</b>
<b>Liability</b>								
Deposits and obligations	48,530,708	—		48,530,708	48,897,944	—		48,897,944
Due to banks and correspondents	7,100,646	—		7,100,646	8,522,849	—		8,522,849
Bonds, notes and other obligations	7,906,303	—		7,906,303	8,389,672	—		8,389,672
Insurance and reinsurance contract liabilities	10,602,372	628,949	B	11,231,321	11,958,058	830,771	B	12,788,829
Other accounts payable, provisions and other liabilities	3,138,932	(9,768)	B	3,129,164	2,477,601	(9,359)	B	2,468,242
Other liabilities	157,720	—		157,720	152,423	—		152,423
<b>Total liability</b>	<b>77,436,681</b>	<b>619,181</b>		<b>78,055,862</b>	<b>80,398,547</b>	<b>821,412</b>		<b>81,219,959</b>
<b>Equity</b>								
Equity attributable to IFS's shareholders:								
Capital stock, net of treasury stock	1,034,654	—		1,034,654	1,034,654	—		1,034,654
Capital surplus and reserves	6,532,771	—		6,532,771	5,732,771	—		5,732,771
Unrealized results, net	(613,280)	58,859	C	(554,421)	(168,300)	(134,177)	C	(302,477)
Retained earnings	3,037,030	(677,566)	D	2,359,464	2,904,912	(685,010)	D	2,219,902
	9,991,175	(618,707)		9,372,468	9,504,037	(819,187)		8,684,850
Non-controlling interest	54,776	(1,017)		53,759	51,325	(1,347)		49,978
<b>Total equity</b>	<b>10,045,951</b>	<b>(619,724)</b>		<b>9,426,227</b>	<b>9,555,362</b>	<b>(820,534)</b>		<b>8,734,828</b>
<b>Total liabilities and equity</b>	<b>87,482,632</b>	<b>(543)</b>		<b>87,482,089</b>	<b>89,953,909</b>	<b>878</b>		<b>89,954,787</b>

- A. Corresponds to the recording of the insurance contract asset under IFRS 17.
- B. Corresponds to the net reversal amount of insurance contract liabilities under IFRS 4 and the recording of the insurance contract liability under IFRS 17.
- C. As of January 1, 2022, corresponds to the reversal of other comprehensive income resulting from the difference of the discount rate used to discount the flows of insurance contract liabilities. This practice was used for annuities, retirement and SCTR under IFRS 4. This transition approach is in accordance with the guidelines of IFRS 17. As of December 31, 2022, corresponds to the constitution of the “look-in rate” effect versus the market rate.
- D. Corresponds to the impact on retained earnings due to the first adoption of IFRS 17.

Notes to the consolidated financial statements (continued)

This table presents the impact of adopting IFRS 17 to the consolidated statement of income for the year ended December 31, 2022:

	IFRS 4 S/(000)	Adjustments for first adoption of IFRS 17 S/(000)	Ref	IFRS 17 S/(000)
Interest and similar income	5,871,302			5,871,302
Interest and similar expenses	(1,662,098)	409		(1,661,689)
<b>Net interest and similar income</b>	<b>4,209,204</b>	<b>409</b>		<b>4,209,613</b>
Impairment loss on loans, net of recoveries and financial investments	(843,303)	—		(843,303)
<b>Net interest and similar income after impairment loss</b>	<b>3,365,901</b>	<b>409</b>		<b>3,366,310</b>
Total other income	1,679,832	(21)		1,679,811
<b>Insurance premiums and claims</b>				
Net premiums earned	668,197	(668,197)	A	—
Net claims and benefits incurred for life insurance contracts and others	(859,991)	859,991	A	—
<b>Total insurance premiums and claims</b>	<b>(191,794)</b>	<b>191,794</b>		<b>—</b>
<b>Result from insurance activities</b>	<b>—</b>	<b>(252,854)</b>	<b>A</b>	<b>(252,854)</b>
Total other expenses	(2,683,909)	56,771		(2,627,138)
<b>Income before translation result and Income Tax</b>	<b>2,170,030</b>	<b>(3,901)</b>		<b>2,166,129</b>
Exchange difference	(36,836)	11,358		(25,478)
Income Tax	(462,537)	—		(462,537)
<b>Net profit for the year</b>	<b>1,670,657</b>	<b>7,457</b>		<b>1,678,114</b>
<b>Attributable to:</b>				
IFS's shareholders	1,660,581	7,445		1,668,026
Non-controlling interest	10,076	12		10,088
	<u>1,670,657</u>	<u>7,457</u>		<u>1,678,114</u>
<b>Earnings per share attributable to IFS's shareholders, basic and diluted (stated in Soles)</b>	<b>14.388</b>			<b>14.452</b>
<b>Weighted average number of outstanding shares (in thousands)</b>	<b>115,418</b>	<b>—</b>		<b>115,418</b>

- A. Corresponds to the net reversal amount of insurance premiums and claims for insurance contracts under IFRS 4 and the recording of the result from insurance activities under IFRS 17.

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

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

	2023 S/(000)	2022 S/(000)
Cash and clearing (b)	2,248,845	2,865,251
Deposits in the BCRP (b)	5,215,762	6,918,526
Deposits in banks (c)	1,609,604	2,923,999
Total cash and cash equivalent	9,074,211	12,707,776
Accrued interest	23,809	17,391
Restricted funds (d)	720,691	468,244
<b>Total</b>	<b>9,818,711</b>	<b>13,193,411</b>

(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:

	2023 S/(000)	2022 S/(000)
<b>Legal reserve (*)</b>		
Deposits in the BCRP	4,593,592	6,055,726
Cash in vaults	2,005,760	2,719,277
Subtotal legal reserve	6,599,352	8,775,003
<b>Non-mandatory reserve</b>		
Overnight deposits in BCRP (**)	622,170	762,800
Cash and clearing	243,029	145,903
Term deposits in BCRP (***)	—	100,000
Subtotal non-mandatory reserve	865,199	1,008,703
Cash balances not subject to legal reserve	56	71
<b>Total</b>	<b>7,464,607</b>	<b>9,783,777</b>

(\*) 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. Starting in February 2022, the rate used is the Secured Overnight Financing Rate (“SOFR”). As of December 31, 2023 and 2022, the Group presented only excess in foreign currency that accrued interest in US Dollars at an annual average rate of 4.86 and 3.79 percent, respectively.

During the years 2023, 2022 and 2021, the Group recognized income for interest related to the excess of the legal reserve, which amounted to S/194,446,000, S/61,302,000 and S/3,000, 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.

Notes to the consolidated financial statements (continued)

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, 2023, corresponds 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, which accrued interest at an annual interest rate of 5.33 and 4.0 percent, respectively (as of December 31, 2022, it corresponded to an overnight deposit in foreign currency for US\$200,000,000, approximately equivalent to S/762,800,000, with maturity in the first days of January 2023 and accrued interest an annual interest rate of 4.39 percent).

During the years 2023, 2022 and 2021, the Group recognized income for interest on overnight deposits, which amounted to S/68,850,000, S/35,874,000 and S/799,000, 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, 2022, corresponded to a term deposit in local currency, matured in the first days of 2023, and accrued interest at an annual interest rate of 7.50 percent.

During the years 2023, 2022 and 2021, the Group recognized interest on time deposits, which amounted to S/36,960,000, S/48,331,000 and S/38,068,000, 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:

	2023 S/(000)	2022 S/(000)
Inter-bank transfers (*)	694,118	431,052
Derivative financial instruments, Note 10(b)(i) and Note 29.1(g.2)	24,725	34,784
Others	1,848	2,408
<b>Total</b>	<u>720,691</u>	<u>468,244</u>

(\*) 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, 2023, Inter-bank funds assets and liabilities accrue interest at an annual rate of 6.75 percent in local currency and 5.5 in foreign currency (annual rate of 7.50 percent in local currency for Inter-bank funds assets and liabilities, as of December 31, 2022); and do not have specific guarantees.



**5. Financial investments**

(a) This caption is made up as follows:

	2023 S/(000)	2022 S/(000)
Debt instruments measured at fair value through other comprehensive income (b) and (c)	20,912,184	16,716,517
Investments at amortized cost (d)	3,383,014	3,231,139
Investments at fair value through profit or loss (e)	1,556,540	1,932,993
Equity instruments measured at fair value through other comprehensive income (f)	444,878	512,884
<b>Total financial investments</b>	<u>26,296,616</u>	<u>22,393,533</u>
Accrued income		
Debt instruments measured at fair value through other comprehensive income (b)	334,385	322,425
Investments at amortized cost (d)	90,990	71,640
<b>Total</b>	<u>26,721,991</u>	<u>22,787,598</u>

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, as it has been in the case of the loan portfolio, see Note 29.1, because the most significant investments held as of December 31, 2023 and 2022 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 the particular situation of issuers.

Notes to the consolidated financial statements (continued)

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

	Amortized cost S/(000)	Unrealized gross amount		Estimated fair value S/(000)	Maturity	Annual effective interest rates				
		Gains S/(000)	Losses (e) S/(000)			S/		US\$		
						Min %	Max %	Min %	Max %	
<b>2023</b>										
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	
<b>Total</b>	<b>22,278,180</b>	<b>108,584</b>	<b>(1,474,580)</b>	<b>20,912,184</b>						
<b>Accrued interest</b>				<b>334,385</b>						
<b>Total</b>				<b>21,246,569</b>						

	Amortized cost S/(000)	Unrealized gross amount		Estimated fair value S/(000)	Maturity	Annual effective interest rates				
		Gains S/(000)	Losses (e) S/(000)			S/		US\$		
						Min %	Max %	Min %	Max %	
<b>2022</b>										
Corporate, leasing and subordinated bonds (*)	8,707,969	9,477	(1,143,244)	7,574,202	Jan-23 / Feb-97	1.60	13.26	5.10	13.14	
Sovereign Bonds of the Republic of Peru (**)	7,878,445	590	(1,270,254)	6,608,781	Sep-23 / Feb-55	1.89	8.14	—	—	
Variable interest Certificates of Deposit issued by the Central Reserve Bank of Peru	1,434,752	89	(5)	1,434,836	Jan-23 / Mar-23	7.29	7.46	—	—	
Bonds guaranteed by the Peruvian Government	512,316	1,698	(26,286)	487,728	Oct-24 / Oct-33	3.48	6.01	6.86	8.25	
Global Bonds of the Republic of Peru	508,813	—	(55,527)	453,286	Jul-25 / Dec-32	—	—	5.18	5.60	
Global Bonds of the Republic of Colombia	82,836	—	(2,026)	80,810	Mar-23 / Feb-24	—	—	6.07	6.23	
Negotiable Certificates of Deposit issued by the Central Reserve Bank of Peru	44,234	—	(366)	43,868	Mar-23	2.28	2.28	—	—	
Treasury Bonds of the United States of America	21,387	—	(3,661)	17,726	Nov-31 / Feb-32	—	—	3.85	3.85	
Global Bonds of the United States of Mexico	18,240	—	(2,960)	15,280	Feb-34	—	—	6.06	6.06	
<b>Total</b>	<b>19,208,992</b>	<b>11,854</b>	<b>(2,504,329)</b>	<b>16,716,517</b>						
<b>Accrued interest</b>				<b>322,425</b>						
<b>Total</b>				<b>17,038,942</b>						

(\*) As of December 31, 2023 and 2022, Inteligo holds corporate bonds from several entities for approximately S/101,215,000 and S/116,603,000, respectively, which guarantee loans with Bank J. Safra Sarasin, see Note 12(d.12).

(\*\*) As of December 31, 2023 and 2022, Interbank holds Sovereign Bonds of the Republic of Peru for approximately S/887,454,000 and S/1,047,815,000, respectively, which guarantee loans with the BCRP, see Note 12(b). As of December 31, 2023, Interbank holds Sovereign Bonds of the Republic of Peru for approximately S/629,265,000, which guarantee loans with foreign banks, see Note 12(d.1).

(\*\*\*) As of December 31, 2023, Interbank maintains Negotiable Certificates of Deposits issued by the BCRP for approximately S/785,206,000, which guarantee 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, 2023 and 2022. The amounts presented do not consider impairment.

Notes to the consolidated financial statements (continued)

	2023				2022			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Not impaired</b>								
High grade	4,261,926	—	—	4,261,926	2,271,038	—	—	2,271,038
Standard grade	15,898,382	750,179	—	16,648,561	13,499,740	945,321	—	14,445,061
Sub-standard grade	—	—	—	—	—	—	—	—
<b>Impaired</b>								
Individual	—	—	1,697	1,697	—	—	418	418
<b>Total</b>	<u>20,160,308</u>	<u>750,179</u>	<u>1,697</u>	<u>20,912,184</u>	<u>15,770,778</u>	<u>945,321</u>	<u>418</u>	<u>16,716,517</u>

- (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 early 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:

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)
<b>Beginning of year balances</b>	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)
<b>End of year balances</b>	<u>20,160,308</u>	<u>750,179</u>	<u>1,697</u>	<u>20,912,184</u>

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)
<b>Expected credit loss at the beginning of the period</b>	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)
<b>Expected credit loss at the end of the period</b>	<u>9,877</u>	<u>37,987</u>	<u>13,182</u>	<u>61,046</u>

- (\*) Corresponds mainly to the effects on the expected loss because of changes in investment ratings and that not necessarily have resulted in stage transfers during the year.

## Notes to the consolidated financial statements (continued)

Gross carrying amount of debt instruments measured at fair value through other comprehensive income	2022			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Beginning of year balances</b>	16,733,281	896,506	—	17,629,787
New originated or purchased assets	3,211,041	—	—	3,211,041
Assets matured or derecognized (excluding write-offs)	(1,939,686)	(10,531)	—	(1,950,217)
Change in fair value	(1,906,272)	(14,416)	(9,210)	(1,929,898)
Transfers to Stage 1	—	—	—	—
Transfers to Stage 2	(88,095)	88,095	—	—
Transfers to Stage 3	(2,162)	(7,805)	9,967	—
Write-offs	—	—	—	—
Foreign exchange effect	(237,329)	(6,528)	(339)	(244,196)
<b>End of year balances</b>	<u>15,770,778</u>	<u>945,321</u>	<u>418</u>	<u>16,716,517</u>

Movement of the allowance for expected credit losses for debt instruments measured at fair value through other comprehensive income	2022			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Expected credit loss at the beginning of the period</b>	9,456	31,652	—	41,108
New originated or purchased assets	3,132	—	—	3,132
Assets matured or derecognized (excluding write-offs)	(416)	(46)	—	(462)
Transfers to Stage 1	—	—	—	—
Transfers to Stage 2	(105)	105	—	—
Transfers to Stage 3	(305)	(993)	1,298	—
Effect on the expected credit loss due to the change of the stage during the year	—	3,237	12,311	15,548
Others (*)	(1,186)	(4,282)	—	(5,468)
Write-offs	—	—	—	—
Recoveries	—	—	—	—
Foreign exchange effect	246	(73)	(57)	116
<b>Expected credit loss at the end of the period</b>	<u>10,822</u>	<u>29,600</u>	<u>13,552</u>	<u>53,974</u>

- (\*) Corresponds mainly to the effects on the expected loss because of changes in investment ratings and that 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 2023 and 2022; 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/7,500,000 and S/12,752,000 during the year 2023 and 2022, respectively and a reversal of impairment of S/30,898,000 during the year 2021, which are presented in the caption “(Loss) recovery 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, 2023, investments at amortized cost corresponds mainly 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 (as of December 31, 2022, corresponds to Sovereign Bonds of the Republic of Peru issued in Soles for an amount of S/3,304,779,000, including accrued interest for an amount of S/71,640,000). Said investments present low credit risk and the impairment loss is not significant.

As of December 31, 2023, these investments have maturity dates that range from August 2024 to August 2037, have accrued interest at effective annual rates between 4.36 percent and 7.50 percent, and estimated fair value amounting to approximately S/3,277,672,000 (as of December 31, 2022, their maturity dates ranged from September 2023 to August 2037, accrued interest at effective annual rates between 4.29 percent and 6.64 percent, and its estimated fair value amounted to approximately S/2,949,507,000).

Additionally, as of December 31, 2023, term deposits mainly issued in Soles 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, 2023, the maturity of these investments fluctuates between April 2024 and February 2029, have accrued interest at an annual effective rate between 3.10 percent and 8.80 percent, and their estimated fair value amounts to approximately S/80,042,000.

During 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, 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/482,632,000, generating a loss amounting to S/490,000, which was recorded in the caption "Net gain on sale of financial investments" of the consolidated statement of income. Additionally, with the purpose of maintaining its asset management strategy, Interbank purchased simultaneously other sovereign bonds of the Republic of Peru for approximately 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, 2023 and 2022, Interbank holds loans with the BCRP that are guaranteed with these sovereign bonds, classified as restricted, for approximately S/2,058,931,000 and S/2,310,536,000, respectively; see Note 12(b).

As of December 31, 2023, Interbank holds loans with foreign banks that are guaranteed with these sovereign bonds, classified as restricted, for approximately S/445,909,000; see Note 12(d.1) and (d.3).

Notes to the consolidated financial statements (continued)

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

	2023 S/(000)	2022 S/(000)
<b>Equity instruments</b>		
Local and foreign mutual funds and investment funds participations	1,169,491	1,517,075
Listed shares	253,203	315,820
Non-listed shares	122,482	74,430
<b>Debt instruments</b>		
Negotiable Certificates of Deposits	6,075	—
Corporate, leasing and subordinated bonds	5,289	25,668
<b>Total</b>	<u>1,556,540</u>	<u>1,932,993</u>

As of December 31, 2023 and 2022, investments at fair value through profit or loss include investments held for trading for approximately S/194,033,000 and S/209,549,000, respectively; and those assets that are necessarily measured at fair value through profit or loss for approximately S/1,362,507,000 and S/1,723,444,000, respectively.

During the year 2023, the Group recognized losses from valuation of instruments at fair value through profit or loss for approximately S/53,134,000 (during the year 2022 recognized loss for S/303,733,000 and during the year 2021, recognized gains for S/123,372,000), which are part of caption “Net (loss) gain from financial assets at fair value through profit or loss” of the consolidated statement of income.

During the years 2023, 2022 and 2021, the Group has received dividends from these investments for approximately S/8,838,000, S/33,897,000 and S/2,536,000, respectively, which are presented in the caption “Interest and similar income” of the consolidated statement of income.

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

	2023 S/(000)	2022 S/(000)
Listed shares (g)	407,636	474,588
Non-listed shares	37,242	38,296
<b>Total</b>	<u>444,878</u>	<u>512,884</u>

As of December 31, 2023 and 2022, it corresponds to investments in shares in the biological sciences, distribution of machinery, energy, telecommunications, financial and general insurance consumption sectors that are listed on the domestic and foreign markets.

Notes to the consolidated financial statements (continued)

During the years 2023, 2022 and 2021, the Group received dividends from these investments for approximately S/33,941,000, S/45,031,000 and S/99,200,000, respectively, which are included in the caption “Interest and similar income” in the consolidated statement of income.

- (g) During the year 2023, 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/80,372,000 generating total gains for approximately S/33,433,000 (in 2022, the sales amounted to S/345,791,000, generating total gain for approximately S/16,313,000; in 2021, the sales amounted to S/1,240,052,000, generating total losses for approximately S/180,905,000). In accordance with IFRS 9 and considering the classification of this investment said gains were reclassified to caption “Retained Earnings” of the consolidated statement of changes in equity.

In October 2021, the Group sold the 2,396,920 shares it held in InRetail Peru Corp. (a related entity), that represented 2.33 percent of its capital stock, which were irrevocably designated at fair value through other comprehensive income. The sale was trade through Lima Stock Exchange, at market value for a total amount of US\$84,108,000, equivalent to S/341,646,000. Since the acquisition date, the Group had recorded a cumulative gain on valuation for approximately S/270,993,000. In accordance with the provisions of IFRS 9 and considering the classification of this investment; said gain was recorded as a decrease in the caption “Unrealized results, net” and an increase in the caption “Retained earnings” of the consolidated statements of changes in equity.



Notes to the consolidated financial statements (continued)

- (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, 2023 and 2022 classified by contractual maturity (without including accrued interest):

	2023		2022	
	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	1,933,761	—	1,610,691	—
From 3 months to 1 year	2,279,986	634,133	152,533	494,872
From 1 to 3 years	2,347,378	485,590	1,160,014	640,314
From 3 to 5 years	1,660,263	146,633	2,329,056	443,799
From 5 years onwards	12,690,796	2,116,658	11,464,223	1,652,154
Equity instruments (without maturity)	444,878	—	512,884	—
<b>Total</b>	<b>21,357,062</b>	<b>3,383,014</b>	<b>17,229,401</b>	<b>3,231,139</b>

- (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, 2023 and 2022:

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 BCRP	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
Others	75,705	—	—	75,705
<b>Total</b>	<b>23,543,322</b>	<b>750,179</b>	<b>1,697</b>	<b>24,295,198</b>

Debt instruments measured at fair value through other comprehensive income and at amortized cost	2022			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
Sovereign Bonds of the Republic of Peru	9,839,920	—	—	9,839,920
Corporate, leasing and subordinated bonds	6,709,273	864,511	418	7,574,202
Variable interest Certificates of Deposit issued by the BCRP	1,434,836	—	—	1,434,836
Bonds guaranteed by the Peruvian government	487,728	—	—	487,728
Global Bonds of the Republic of Peru	453,286	—	—	453,286
Global Bonds of the Republic of Colombia	—	80,810	—	80,810
Negotiable Certificates of Deposit issued by the BCRP	43,868	—	—	43,868
Treasury Bonds of the United States of America	17,726	—	—	17,726
Global Bonds of the United States of Mexico	15,280	—	—	15,280
<b>Total</b>	<b>19,001,917</b>	<b>945,321</b>	<b>418</b>	<b>19,947,656</b>

## 6. Loan, net

(a) This caption is made up as follows:

	2023 S/(000)	2022 S/(000)
<b>Direct loans</b>		
Loans (*)	35,789,130	35,977,734
Credit cards and other loans (**)	6,023,769	6,239,314
Discounted notes	1,567,411	894,588
Leasing	1,495,290	1,174,542
Factoring	1,244,795	1,011,496
Advances and overdrafts	14,617	38,763
Refinanced loans	461,995	322,941
Past due and under legal collection loans	1,652,151	1,365,972
	<u>48,249,158</u>	<u>47,025,350</u>
<b>Plus (minus)</b>		
Accrued interest from performing loans (f)	657,355	527,615
Unearned interest and interest collected in advance	(36,706)	(22,112)
Impairment allowance for loans (d)	(2,349,425)	(2,027,855)
<b>Total direct loans, net</b>	<u>46,520,382</u>	<u>45,502,998</u>
<b>Indirect loans, Note 18(a)</b>	<u>4,743,480</u>	<u>4,487,347</u>

(\*) As of December 31, 2023 and 2022, Interbank maintains repo operations of loans represented in securities according to the BCRP's definition. In consequence, loans provided as guarantee amounts to S/504,158,000 and S/1,909,375,000, 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).

Notes to the consolidated financial statements (continued)

(\*\*) As of December 31, 2023 and 2022, it includes non-revolving consumer loans related to credit card lines for approximately S/3,149,149,000 and S/3,225,874,000, respectively.

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

	2023 S/(000)	2022 S/(000)
Commercial loans (c.1)	21,155,476	21,412,126
Consumer loans (c.1)	16,325,460	14,967,799
Mortgage loans (c.1)	9,834,398	9,286,944
Small and micro-business loans (c.1)	933,824	1,358,481
<b>Total</b>	<u>48,249,158</u>	<u>47,025,350</u>

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).

Notes to the consolidated financial statements (continued)

- (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, 2023 and 2022. The amounts presented do not consider impairment.

Direct loans, (c.1)	2023				2022			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Not impaired</b>								
High grade	35,098,364	1,068,674	—	36,167,038	35,613,991	1,111,421	—	36,725,412
Standard grade	2,832,251	1,510,897	—	4,343,148	4,282,904	835,217	—	5,118,121
Sub-standard grade	1,367,503	1,450,751	—	2,818,254	776,603	940,391	—	1,716,994
Past due but not impaired	1,949,892	1,460,138	—	3,410,030	1,124,557	1,150,139	—	2,274,696
<b>Impaired</b>								
Individually	—	—	36,257	36,257	—	—	45,907	45,907
Collectively	—	—	1,474,431	1,474,431	—	—	1,144,220	1,144,220
<b>Total direct loans</b>	<u>41,248,010</u>	<u>5,490,460</u>	<u>1,510,688</u>	<u>48,249,158</u>	<u>41,798,055</u>	<u>4,037,168</u>	<u>1,190,127</u>	<u>47,025,350</u>

Contingent Credits: Guarantees and stand-by letters, import and export letters of credit (substantially, all indirect loans correspond to commercial loans)	2023				2022			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Not impaired</b>								
High grade	3,988,999	457,518	—	4,446,517	3,945,307	402,336	—	4,347,643
Standard grade	32,433	214,806	—	247,239	12,083	39,541	—	51,624
Sub-standard grade	2,823	31,101	—	33,924	2,051	59,953	—	62,004
Past due but not impaired	—	—	—	—	—	—	—	—
<b>Impaired</b>								
Individually	—	—	6,181	6,181	—	—	9,330	9,330
Collectively	—	—	9,619	9,619	—	—	16,746	16,746
<b>Total indirect loans</b>	<u>4,024,255</u>	<u>703,425</u>	<u>15,800</u>	<u>4,743,480</u>	<u>3,959,441</u>	<u>501,830</u>	<u>26,076</u>	<u>4,487,347</u>

Notes to the consolidated financial statements (continued)

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

Commercial loans	2023				2022			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Not impaired</b>								
High grade	14,979,356	855,890	—	15,835,246	16,213,146	914,480	—	17,127,626
Standard grade	1,347,961	1,013,803	—	2,361,764	1,991,637	230,180	—	2,221,817
Sub-standard grade	450,577	314,063	—	764,640	380,679	171,648	—	552,327
Past due but not impaired	1,431,064	364,603	—	1,795,667	704,067	398,185	—	1,102,252
<b>Impaired</b>								
Individually	—	—	36,257	36,257	—	—	45,907	45,907
Collectively	—	—	361,902	361,902	—	—	362,197	362,197
<b>Total direct loans</b>	<u>18,208,958</u>	<u>2,548,359</u>	<u>398,159</u>	<u>21,155,476</u>	<u>19,289,529</u>	<u>1,714,493</u>	<u>408,104</u>	<u>21,412,126</u>

Consumer loans	2023				2022			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Not impaired</b>								
High grade	11,475,514	199,501	—	11,675,015	11,331,807	181,066	—	11,512,873
Standard grade	945,060	452,811	—	1,397,871	1,139,837	579,625	—	1,719,462
Sub-standard grade	717,526	755,121	—	1,472,647	60,415	542,841	—	603,256
Past due but not impaired	217,712	829,119	—	1,046,831	153,865	526,042	—	679,907
<b>Impaired</b>								
Individually	—	—	—	—	—	—	—	—
Collectively	—	—	733,096	733,096	—	—	452,301	452,301
<b>Total direct loans</b>	<u>13,355,812</u>	<u>2,236,552</u>	<u>733,096</u>	<u>16,325,460</u>	<u>12,685,924</u>	<u>1,829,574</u>	<u>452,301</u>	<u>14,967,799</u>

## Notes to the consolidated financial statements (continued)

Mortgage loans	2023				2022			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Not impaired</b>								
High grade	8,093,031	13,283	—	8,106,314	7,490,495	1,033	—	7,491,528
Standard grade	433,968	17,124	—	451,092	667,599	15,411	—	683,010
Sub-standard grade	193,340	348,274	—	541,614	334,967	200,226	—	535,193
Past due but not impaired	261,100	200,873	—	461,973	205,728	132,958	—	338,686
<b>Impaired</b>								
Individually	—	—	—	—	—	—	—	—
Collectively	—	—	273,405	273,405	—	—	238,527	238,527
<b>Total direct loans</b>	<b>8,981,439</b>	<b>579,554</b>	<b>273,405</b>	<b>9,834,398</b>	<b>8,698,789</b>	<b>349,628</b>	<b>238,527</b>	<b>9,286,944</b>

Small and micro-business loans	2023				2022			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Not impaired</b>								
High grade	550,463	—	—	550,463	578,543	14,842	—	593,385
Standard grade	105,262	27,159	—	132,421	483,831	10,001	—	493,832
Sub-standard grade	6,060	33,293	—	39,353	542	25,676	—	26,218
Past due but not impaired	40,016	65,543	—	105,559	60,897	92,954	—	153,851
<b>Impaired</b>								
Individually	—	—	—	—	—	—	—	—
Collectively	—	—	106,028	106,028	—	—	91,195	91,195
<b>Total direct loans</b>	<b>701,801</b>	<b>125,995</b>	<b>106,028</b>	<b>933,824</b>	<b>1,123,813</b>	<b>143,473</b>	<b>91,195</b>	<b>1,358,481</b>

Notes to the consolidated financial statements (continued)

(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

Gross carrying amount of direct loans	2023				2022			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Beginning of year balances</b>	41,798,055	4,037,168	1,190,127	47,025,350	40,522,481	2,853,565	1,312,176	44,688,222
New originated or purchased assets	22,372,321	—	—	22,372,321	22,393,323	—	—	22,393,323
Assets matured or derecognized (excluding write-offs)	(14,406,950)	(977,654)	(72,977)	(15,457,581)	(14,636,477)	(1,194,405)	(429,348)	(16,260,230)
Transfers to Stage 1	762,554	(760,269)	(2,285)	—	1,019,478	(1,014,657)	(4,821)	—
Transfers to Stage 2	(4,664,954)	4,706,631	(41,677)	—	(3,131,710)	3,161,335	(29,625)	—
Transfers to Stage 3	(1,235,354)	(1,054,563)	2,289,917	—	(401,017)	(317,282)	718,299	—
Write-offs	—	—	(1,714,968)	(1,714,968)	—	—	(960,918)	(960,918)
Others (*)	(3,217,003)	(449,390)	(131,273)	(3,797,666)	(3,383,889)	575,338	590,017	(2,218,534)
Foreign exchange effect	(160,659)	(11,463)	(6,176)	(178,298)	(584,134)	(26,726)	(5,653)	(616,513)
<b>End of year balances</b>	<u>41,248,010</u>	<u>5,490,460</u>	<u>1,510,688</u>	<u>48,249,158</u>	<u>41,798,055</u>	<u>4,037,168</u>	<u>1,190,127</u>	<u>47,025,350</u>

Changes in the allowance for expected credit losses for direct loans, see (d.1.1)	2023				2022			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Expected credit loss at the beginning of year balances</b>	608,558	737,286	682,011	2,027,855	956,456	404,881	703,580	2,064,917
Impact of the expected credit loss in the consolidated statement of income -								
New originated or purchased assets	624,484	—	—	624,484	503,454	—	—	503,454
Assets matured or derecognized (excluding write-offs)	(147,086)	(66,329)	(25,445)	(238,860)	(173,872)	(237,110)	(302,861)	(713,843)
Transfers to Stage 1	106,745	(104,939)	(1,806)	—	166,755	(163,090)	(3,665)	—
Transfers to Stage 2	(327,728)	339,051	(11,323)	—	(259,226)	268,700	(9,474)	—
Transfers to Stage 3	(163,156)	(269,881)	433,037	—	(74,178)	(88,551)	162,729	—
Impact on the expected credit loss for credits that change stage in the year (***)	(90,594)	259,309	1,407,191	1,575,906	(129,388)	176,416	340,244	387,272
Others (**)	(65,775)	(60,358)	163,834	37,701	(382,355)	375,448	666,581	659,674
<b>Total</b>	<u>(63,110)</u>	<u>96,853</u>	<u>1,965,488</u>	<u>1,999,231</u>	<u>(348,810)</u>	<u>331,813</u>	<u>853,554</u>	<u>836,557</u>
Write-offs	—	—	(1,813,670)	(1,813,670)	—	—	(1,021,539)	(1,021,539)
Recovery of written-off loans	—	—	138,886	138,886	—	—	155,070	155,070
Foreign exchange effect	(206)	(227)	(2,444)	(2,877)	912	592	(8,654)	(7,150)
<b>Expected credit loss at the end of year balances</b>	<u>545,242</u>	<u>833,912</u>	<u>970,271</u>	<u>2,349,425</u>	<u>608,558</u>	<u>737,286</u>	<u>682,011</u>	<u>2,027,855</u>

(\*) 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).

(\*\*\*) The Group applied its expert judgement with the purpose of reflecting the effects of the possible impact of the El Niño event during 2023, and the political and economic uncertainty during 2022, that were not considered in the forward-looking model, that led to incur in a higher provision for expected loss, see Note 29.1(d.7).

Notes to the consolidated financial statements (continued)

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

Commercial loans	2023				2022			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Expected credit loss at beginning of year</b>	45,474	47,311	154,299	247,084	100,874	60,100	182,467	343,441
Impact of the expected credit loss in the consolidated statement of income -								
New originated or purchased assets	47,129	—	—	47,129	33,506	—	—	33,506
Assets derecognized or matured (excluding write-offs)	(26,668)	(10,113)	(2,924)	(39,705)	(18,984)	(37,865)	(92,529)	(149,378)
Transfers to Stage 1	2,920	(2,687)	(233)	—	41,140	(40,152)	(988)	—
Transfers to Stage 2	(27,598)	30,826	(3,228)	—	(15,952)	16,311	(359)	—
Transfers to Stage 3	(10,620)	(16,046)	26,666	—	(6,603)	(48,516)	55,119	—
Impact on the expected credit loss for credits that change stage in the year (**)	(1,988)	7,333	40,748	46,093	(31,403)	4,752	16,864	(9,787)
Others (*)	23,154	8,006	6,579	37,739	(57,822)	91,880	63,218	97,276
<b>Total</b>	6,329	17,319	67,608	91,256	(56,118)	(13,590)	41,325	(28,383)
Write-offs	—	—	(62,960)	(62,960)	—	—	(68,362)	(68,362)
Recovery of written-off loans	—	—	5,189	5,189	—	—	5,942	5,942
Foreign exchange effect	(192)	(160)	(1,751)	(2,103)	718	801	(7,073)	(5,554)
<b>Expected credit loss at end of year</b>	<u>51,611</u>	<u>64,470</u>	<u>162,385</u>	<u>278,466</u>	<u>45,474</u>	<u>47,311</u>	<u>154,299</u>	<u>247,084</u>

Consumer loans	2023				2022			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Expected credit loss at beginning of year</b>	534,005	657,474	430,902	1,622,381	802,421	263,219	336,041	1,401,681
Impact of the expected credit loss in the consolidated statement of income -								
New originated or purchased assets	552,847	—	—	552,847	438,109	—	—	438,109
Assets derecognized or matured (excluding write-offs)	(98,984)	(54,036)	(10,863)	(163,883)	(141,201)	(144,553)	(100,740)	(386,494)
Transfers to Stage 1	95,173	(93,918)	(1,255)	—	44,453	(43,487)	(966)	—
Transfers to Stage 2	(282,373)	287,164	(4,791)	—	(229,316)	234,062	(4,746)	—
Transfers to Stage 3	(135,476)	(231,432)	366,908	—	(59,129)	(13,433)	72,562	—
Impact on the expected credit loss for credits that change stage in the year (**)	(81,051)	221,421	1,263,515	1,403,885	(35,112)	163,681	293,678	422,247
Others (*)	(117,534)	(73,259)	162,060	(28,733)	(286,212)	198,393	580,849	493,030
<b>Total</b>	(67,398)	55,940	1,775,574	1,764,116	(268,408)	394,663	840,637	966,892
Write-offs	—	—	(1,647,576)	(1,647,576)	—	—	(886,200)	(886,200)
Recovery of written-off loans	—	—	123,679	123,679	—	—	140,438	140,438
Foreign exchange effect	(1)	(53)	(162)	(216)	(8)	(408)	(14)	(430)
<b>Expected credit loss at end of year</b>	<u>466,606</u>	<u>713,361</u>	<u>682,417</u>	<u>1,862,384</u>	<u>534,005</u>	<u>657,474</u>	<u>430,902</u>	<u>1,622,381</u>

(\*) 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).

(\*\*) The Group applied its expert judgement with the purpose of reflecting the effects of the possible impact of the El Niño event during 2023, and the political and economic uncertainty during 2022, that were not considered in the forward-looking model, that led to incur in a higher provision for expected loss, see Note 29.1(d.7).



Notes to the consolidated financial statements (continued)

Mortgage loans	2023				2022			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Expected credit loss at beginning of year</b>	4,236	12,285	45,101	61,622	12,669	42,681	99,850	155,200
Impact of the expected credit loss in the consolidated statement of income -								
New originated or purchased assets	3,949	—	—	3,949	1,473	—	—	1,473
Assets derecognized or matured (excluding write-offs)	(181)	(833)	(10,625)	(11,639)	(435)	(763)	(10,957)	(12,155)
Transfers to Stage 1	6,414	(6,414)	—	—	6,103	(6,103)	—	—
Transfers to Stage 2	(2,052)	5,115	(3,063)	—	(778)	4,871	(4,093)	—
Transfers to Stage 3	(1,915)	(2,423)	4,338	—	(467)	(1,254)	1,721	—
Impact on the expected credit loss for credits that change stage in the year (**)	(5,956)	15,996	20,982	31,022	(5,871)	4,342	11,518	9,989
Others (*)	2,312	2,040	2,018	6,370	(8,663)	(31,688)	(49,097)	(89,448)
<b>Total</b>	2,571	13,481	13,650	29,702	(8,638)	(30,595)	(50,908)	(90,141)
Write-offs	—	—	(3,580)	(3,580)	—	—	(2,267)	(2,267)
Recovery of written-off loans	—	—	—	—	—	—	—	—
Foreign exchange effect	(13)	(13)	(520)	(546)	205	199	(1,574)	(1,170)
<b>Expected credit loss at end of year</b>	<u>6,794</u>	<u>25,753</u>	<u>54,651</u>	<u>87,198</u>	<u>4,236</u>	<u>12,285</u>	<u>45,101</u>	<u>61,622</u>

Small and micro-business loans	2023				2022			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Expected credit loss at beginning of year</b>	24,843	20,216	51,709	96,768	40,492	38,881	85,222	164,595
Impact of the expected credit loss in the consolidated statement of income -								
New originated or purchased assets	20,559	—	—	20,559	30,366	—	—	30,366
Assets derecognized or matured (excluding write-offs)	(21,253)	(1,347)	(1,033)	(23,633)	(13,252)	(53,929)	(98,635)	(165,816)
Transfers to Stage 1	2,238	(1,920)	(318)	—	75,059	(73,348)	(1,711)	—
Transfers to Stage 2	(15,705)	15,946	(241)	—	(13,180)	13,456	(276)	—
Transfers to Stage 3	(15,145)	(19,980)	35,125	—	(7,979)	(25,348)	33,327	—
Impact on the expected credit loss for credits that change stage in the year (**)	(1,599)	14,559	81,946	94,906	(57,002)	3,641	18,184	(35,177)
Others (*)	26,293	2,855	(6,823)	22,325	(29,658)	116,863	71,611	158,816
<b>Total</b>	(4,612)	10,113	108,656	114,157	(15,646)	(18,665)	22,500	(11,811)
Write-offs	—	—	(99,554)	(99,554)	—	—	(64,710)	(64,710)
Recovery of written-off loans	—	—	10,018	10,018	—	—	8,690	8,690
Foreign exchange effect	—	(1)	(11)	(12)	(3)	—	7	4
<b>Expected credit loss at end of year</b>	<u>20,231</u>	<u>30,328</u>	<u>70,818</u>	<u>121,377</u>	<u>24,843</u>	<u>20,216</u>	<u>51,709</u>	<u>96,768</u>

(\*) 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 derecognition 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).

(\*\*) The Group applied its expert judgement with the purpose of reflecting the effects of the possible impact of the El Niño event during 2023, and the political and economic uncertainty during 2022, that were not considered in the forward-looking model, that led to incur in a higher provision for expected loss, see Note 29.1(d.7).

Notes to the consolidated financial statements (continued)

(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	2023				2022			
	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)	Stage 1 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Beginning of year balances</b>	3,959,441	501,830	26,076	4,487,347	3,984,362	431,039	25,057	4,440,458
New originated or purchased assets	2,122,067	—	—	2,122,067	1,829,985	—	—	1,829,985
Assets derecognized or matured	(1,606,539)	(135,042)	(1,784)	(1,743,365)	(1,470,891)	(168,603)	(9,627)	(1,649,121)
Transfers to Stage 1	30,259	(30,259)	—	—	25,315	(25,315)	—	—
Transfers to Stage 2	(392,176)	407,454	(15,278)	—	(258,992)	258,992	—	—
Transfers to Stage 3	(12)	(6,687)	6,699	—	(633)	(10,035)	10,668	—
Others (*)	(54,162)	(26,950)	92	(81,020)	(58,323)	25,454	(22)	(32,891)
Foreign exchange effect	(34,623)	(6,921)	(5)	(41,549)	(91,382)	(9,702)	—	(101,084)
<b>End of year balances</b>	<b>4,024,255</b>	<b>703,425</b>	<b>15,800</b>	<b>4,743,480</b>	<b>3,959,441</b>	<b>501,830</b>	<b>26,076</b>	<b>4,487,347</b>

Changes in the allowance for expected credit losses for contingent credits, guarantees and stand-by letters, import and export letters of credit	2023				2022			
	Stage 1 S(000)	Stage 2 S(000)	Stage 3 S(000)	Total S(000)	Stage 1 S(000)	Stage 2 S(000)	Stage 3 S(000)	Total S(000)
<b>Expected credit loss at beginning of year balances</b>	8,354	18,205	8,936	35,495	8,594	18,492	13,243	40,329
Impact of the expected credit loss in the consolidated statement of income -								
New originated or purchased assets	4,770	—	—	4,770	5,615	—	—	5,615
Assets derecognized or matured	(1,988)	(4,205)	(631)	(6,824)	(4,838)	(2,016)	(6,241)	(13,095)
Transfers to Stage 1	180	(180)	—	—	109	(109)	—	—
Transfers to Stage 2	(1,986)	3,626	(1,640)	—	(854)	854	—	—
Transfers to Stage 3	(1)	(50)	51	—	(57)	(171)	228	—
Impact on the expected credit loss for credits that change stage in the year	(57)	(837)	684	(210)	(47)	585	623	1,161
Others (**)	(2,521)	(12,600)	(28)	(15,149)	(274)	(467)	1,054	313
<b>Total</b>	<b>(1,603)</b>	<b>(14,246)</b>	<b>(1,564)</b>	<b>(17,413)</b>	<b>(346)</b>	<b>(1,324)</b>	<b>(4,336)</b>	<b>(6,006)</b>
Foreign exchange effect	(127)	(20)	(3)	(150)	106	1,037	29	1,172
<b>Expected credit loss at the end of year balances, Note 10(a)</b>	<b>6,624</b>	<b>3,939</b>	<b>7,369</b>	<b>17,932</b>	<b>8,354</b>	<b>18,205</b>	<b>8,936</b>	<b>35,495</b>

(\*) 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).

Notes to the consolidated financial statements (continued)

- (e) In Group Management’s opinion, the allowance for loan losses recorded as of December 31, 2023 and 2022, has been established in accordance with IFRS 9; and it is sufficient to cover incurred losses on the loan portfolio.
- (f) During 2023 and 2022, 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, 2023, the maximum interest rate for the period November 2023 - April 2024 is 101.86 percent in national currency and 82.94 percent in foreign currency (the maximum interest rate for the period November 2022 - April 2023 was 87.91 percent in national currency and 68.27 percent in foreign currency, as of December 31, 2022).
- (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 2023 period amounted to approximately S/132,172,000 (S/192,045,000, during the year 2022) which had no significant impact on the consolidated statement of income.

During 2023, the Group has carried out rescheduling of credits related to social conflicts, natural disasters and other resolutions that amounted to S/1,979,342,000. Said loans are not considered as refinanced loans. See further detail in Note 29.1 (d.6.3).

During 2023, 2022 and 2021, the Group modified the contractual conditions of a determined number of loans that were granted under the “Reactiva Peru” program, for a total amount of approximately S/25,928,000, S/133,046,000 and S/2,012,855,000, respectively. Said loans were not deemed as refinanced loans. As of December 31, 2023 and 2022, the balance of rescheduled loans amounts of approximately S/730,508,000 and S/1,473,770,000, respectively; see further detail in Note 29.1 (d.6.2).

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, 2023 and 2022, the balances of the rescheduled loans amount to approximately S/3,513,905,000 and S/5,048,978,000, respectively; see further detail in Note 29.1 (d.6.1).

- (i) The table below presents the maturity of the direct loan portfolio without including accrued interest, interest to be accrued and interest collected in advance as of December 31, 2023 and 2022:

	2023 S/(000)	2022 S/(000)
<b>Outstanding</b>		
Up to 1 month	4,461,634	4,945,881
From 1 to 3 months	5,781,509	5,708,262
From 3 months to 1 year	10,831,137	10,220,204
From 1 to 5 years	19,500,481	18,916,603
Over 5 years	6,022,246	5,868,428
	<u>46,597,007</u>	<u>45,659,378</u>

Notes to the consolidated financial statements (continued)

	2023 S/(000)	2022 S/(000)
<b>Past due and under legal collection loans, see (i.1)</b>		
Up to 4 months	484,808	423,906
Over 4 months	697,246	401,508
Under legal collection	470,097	540,558
	<u>48,249,158</u>	<u>47,025,350</u>

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

	2023 S/(000)	2022 S/(000)
<b>Commercial loans</b>		
Up to 4 months	98,263	150,607
Over 4 months	143,170	106,081
Under legal collection	228,809	245,786
	<u>470,242</u>	<u>502,474</u>
<b>Consumer loans</b>		
Up to 4 months	284,954	143,867
Over 4 months	401,164	220,226
Under legal collection	78,290	108,162
	<u>764,408</u>	<u>472,255</u>
<b>Mortgage loans</b>		
Up to 4 months	35,934	30,484
Over 4 months	94,568	48,316
Under legal collection	140,018	155,587
	<u>270,520</u>	<u>234,387</u>
<b>Small and micro-business loans</b>		
Up to 4 months	65,657	98,948
Over 4 months	58,344	26,885
Under legal collection	22,980	31,023
	<u>146,981</u>	<u>156,856</u>

See credit risk analysis in Note 29.1

Notes to the consolidated financial statements (continued)

- (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.

Notes to the consolidated financial statements (continued)

(k) The following tables present the maturities of direct and indirect loans of Stages 2 and 3 as of December 31, 2023 and 2022, as follows:

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

	2023						2022					
	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)
<b>Maturity shorter than:</b>												
30 days	5,400,087	609,406	—	—	5,400,087	609,406	3,934,328	595,372	—	—	3,934,328	595,372
90 days	—	—	16,219	14,888	16,219	14,888	—	—	1,816	1,583	1,816	1,583
<b>Maturity longer than:</b>												
30 days	793,798	228,445	—	—	793,798	228,445	604,670	160,119	—	—	604,670	160,119
90 days	—	—	1,510,269	962,752	1,510,269	962,752	—	—	1,214,387	689,364	1,214,387	689,364
<b>Total</b>	<b>6,193,885</b>	<b>837,851</b>	<b>1,526,488</b>	<b>977,640</b>	<b>7,720,373</b>	<b>1,815,491</b>	<b>4,538,998</b>	<b>755,491</b>	<b>1,216,203</b>	<b>690,947</b>	<b>5,755,201</b>	<b>1,446,438</b>

(k.1) The following tables present the maturities of direct and indirect loans of Stages 2 and 3 as of December 31, 2023 and 2022, for each classification:

	2023						2022					
	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)
<b>Commercial loans</b>												
<b>Maturity shorter than:</b>												
30 days	3,155,267	60,877	—	—	3,155,267	60,877	2,089,059	60,403	—	—	2,089,059	60,403
90 days	—	—	2,686	2,259	2,686	2,259	—	—	250	214	250	214
<b>Maturity longer than:</b>												
30 days	96,517	7,532	—	—	96,517	7,532	127,264	5,113	—	—	127,264	5,113
90 days	—	—	411,273	167,495	411,273	167,495	—	—	433,930	163,021	433,930	163,021
<b>Total</b>	<b>3,251,784</b>	<b>68,409</b>	<b>413,959</b>	<b>169,754</b>	<b>3,665,743</b>	<b>238,163</b>	<b>2,216,323</b>	<b>65,516</b>	<b>434,180</b>	<b>163,235</b>	<b>2,650,503</b>	<b>228,751</b>

Notes to the consolidated financial statements (continued)

	2023						2022					
	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)
<b>Consumer loans</b>												
<b>Maturity shorter than:</b>												
30 days	1,700,558	508,045	—	—	1,700,558	508,045	1,500,325	511,105	—	—	1,500,325	511,105
90 days	—	—	10,295	9,883	10,295	9,883	—	—	1,356	1,194	1,356	1,194
<b>Maturity longer than:</b>												
30 days	535,994	205,316	—	—	535,994	205,316	329,249	146,369	—	—	329,249	146,369
90 days	—	—	722,801	672,534	722,801	672,534	—	—	450,945	429,708	450,945	429,708
<b>Total</b>	<b>2,236,552</b>	<b>713,361</b>	<b>733,096</b>	<b>682,417</b>	<b>2,969,648</b>	<b>1,395,778</b>	<b>1,829,574</b>	<b>657,474</b>	<b>452,301</b>	<b>430,902</b>	<b>2,281,875</b>	<b>1,088,376</b>
	<b>2023</b>											
<b>Mortgage loans</b>												
<b>Maturity shorter than:</b>												
30 days	463,168	20,311	—	—	463,168	20,311	271,622	9,266	—	—	271,622	9,266
90 days	—	—	546	109	546	109	—	—	—	—	—	—
<b>Maturity longer than:</b>												
30 days	116,386	5,442	—	—	116,386	5,442	78,006	3,019	—	—	78,006	3,019
90 days	—	—	272,859	54,542	272,859	54,542	—	—	238,527	45,101	238,527	45,101
<b>Total</b>	<b>579,554</b>	<b>25,753</b>	<b>273,405</b>	<b>54,651</b>	<b>852,959</b>	<b>80,404</b>	<b>349,628</b>	<b>12,285</b>	<b>238,527</b>	<b>45,101</b>	<b>588,155</b>	<b>57,386</b>
	<b>2023</b>											
<b>Small and micro-business loans</b>												
<b>Maturity shorter than:</b>												
30 days	81,094	20,173	—	—	81,094	20,173	73,322	14,598	—	—	73,322	14,598
90 days	—	—	2,692	2,637	2,692	2,637	—	—	210	175	210	175
<b>Maturity longer than:</b>												
30 days	44,901	10,155	—	—	44,901	10,155	70,151	5,618	—	—	70,151	5,618
90 days	—	—	103,336	68,181	103,336	68,181	—	—	90,985	51,534	90,985	51,534
<b>Total</b>	<b>125,995</b>	<b>30,328</b>	<b>106,028</b>	<b>70,818</b>	<b>232,023</b>	<b>101,146</b>	<b>143,473</b>	<b>20,216</b>	<b>91,195</b>	<b>51,709</b>	<b>234,668</b>	<b>71,925</b>
	<b>2022</b>											

Notes to the consolidated financial statements (continued)

(1) The following tables present the exposure and the expected credit losses by the economic sector for direct loans as of December 31, 2023 and 2022:

	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	
<b>Direct loans</b>													
Consumer loans	13,555,812	2,236,552	733,096	16,325,460	466,606	713,361	682,417	1,862,384	3.5%	31.9%	95.1%	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	3,220,741	390,704	176,989	3,788,434	24,033	38,186	87,557	149,776	0.7%	9.8%	49.5%	4.0%	
Manufacturing	4,357,971	427,950	58,967	4,844,888	11,196	14,568	24,366	50,130	0.3%	3.4%	41.3%	1.0%	
Professional, scientific and technical activities	3,727,813	555,988	75,172	4,358,973	15,792	18,725	36,580	71,097	0.4%	3.4%	48.7%	1.6%	
Communications, storage and transportation	998,739	167,002	75,474	1,241,215	6,843	7,976	25,450	40,269	0.7%	4.8%	33.7%	3.2%	
Agriculture	1,708,377	173,386	12,667	1,894,430	3,209	1,854	1,632	6,695	0.2%	1.1%	12.9%	0.4%	
Electricity, gas, water and oil	746,792	188,577	1,466	936,835	784	1,767	346	2,897	0.1%	0.9%	23.6%	0.3%	
Leaseholds and real estate activities	457,473	86,954	46,074	590,501	2,628	2,216	20,693	25,537	0.6%	2.5%	44.9%	4.3%	
Construction and infrastructure	404,840	113,431	40,799	559,070	1,499	1,163	27,405	30,067	0.4%	1.0%	67.2%	5.4%	
Others	3,288,013	570,362	16,579	3,874,954	5,858	8,343	9,174	23,375	0.2%	1.5%	55.3%	0.6%	
<b>Total direct loans</b>	<b>41,248,010</b>	<b>5,490,460</b>	<b>1,510,688</b>	<b>48,249,158</b>	<b>545,242</b>	<b>833,912</b>	<b>970,271</b>	<b>2,349,425</b>	<b>1.3%</b>	<b>15.2%</b>	<b>64.2%</b>	<b>4.9%</b>	
	2022												
	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	
<b>Direct loans</b>													
Consumer loans	12,685,924	1,829,574	452,301	14,967,799	534,005	657,474	430,902	1,622,381	4.2%	35.9%	95.3%	10.8%	
Mortgage loans	8,698,789	349,628	238,527	9,286,944	4,236	12,285	45,101	61,622	0.0%	3.5%	18.9%	0.7%	
Commerce	3,837,304	402,454	173,236	4,412,994	31,844	29,009	78,028	138,881	0.8%	7.2%	45.0%	3.1%	
Manufacturing	4,346,251	451,393	63,397	4,861,041	8,403	12,389	21,611	42,403	0.2%	2.7%	34.1%	0.9%	
Professional, scientific and technical activities	3,529,961	298,534	64,078	3,892,573	12,056	10,186	26,497	48,739	0.3%	3.4%	41.4%	1.3%	
Communications, storage and transportation	1,102,988	194,840	75,427	1,373,255	7,047	7,035	23,645	37,727	0.6%	3.6%	31.3%	2.7%	
Agriculture	1,747,159	134,545	10,863	1,892,567	1,391	967	1,381	3,739	0.1%	0.7%	12.7%	0.2%	
Electricity, gas, water and oil	867,431	55,187	1,652	924,270	886	462	220	1,568	0.1%	0.8%	13.3%	0.2%	
Leaseholds and real estate activities	499,385	84,056	23,441	606,882	1,595	1,825	14,518	17,938	0.3%	2.2%	61.9%	3.0%	
Construction and infrastructure	415,827	91,910	49,736	557,473	1,667	1,654	32,569	35,890	0.4%	1.8%	65.5%	6.4%	
Others	4,067,036	145,047	37,469	4,249,552	5,428	4,000	7,539	16,967	0.1%	2.8%	20.1%	0.4%	
<b>Total direct loans</b>	<b>41,798,055</b>	<b>4,037,168</b>	<b>1,190,127</b>	<b>47,025,350</b>	<b>608,558</b>	<b>737,286</b>	<b>682,011</b>	<b>2,027,855</b>	<b>1.5%</b>	<b>18.3%</b>	<b>57.3%</b>	<b>4.3%</b>	



Notes to the consolidated financial statements (continued)

(m) The following tables present the exposure and the expected credit losses by the economic sector for indirect loans as of December 31, 2023 and 2022:

	2023						2022					
	Carrying amount			Expected credit loss			Carrying amount			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 S/(000)	Stage 2 S/(000)	Stage 3 S/(000)	Total S/(000)
<b>Indirect loans</b>												
Commerce	297,127	40,894	2,230	340,251	512	340	279	1,131	0.2%	0.8%	12.5%	0.3%
Manufacturing	505,674	148,827	—	654,501	548	291	—	839	0.1%	0.2%	0.0%	0.1%
Professional, scientific and technical activities	1,145,646	110,916	982	1,257,544	1,994	788	105	2,887	0.2%	0.7%	10.7%	0.2%
Communications, storage and transportation	541,561	25,927	—	567,488	697	349	—	1,046	0.1%	1.3%	0.0%	0.2%
Agriculture	9,031	37	—	9,068	21	—	—	21	0.2%	0.0%	0.0%	0.2%
Electricity, gas, water and oil	308,428	938	—	309,366	311	6	—	317	0.1%	0.6%	0.0%	0.1%
Leaseholds and real estate activities	41,097	16,276	259	57,632	298	119	48	465	0.7%	0.7%	18.5%	0.8%
Construction and infrastructure	306,042	212,589	12,288	530,919	1,021	1,797	6,932	9,750	0.3%	0.8%	56.4%	1.8%
Others	869,649	147,021	41	1,016,711	1,222	249	5	1,476	0.1%	0.2%	12.2%	0.1%
<b>Total indirect loans</b>	<b>4,024,255</b>	<b>703,425</b>	<b>15,800</b>	<b>4,743,480</b>	<b>6,624</b>	<b>3,939</b>	<b>7,369</b>	<b>17,932</b>	<b>0.2%</b>	<b>0.6%</b>	<b>46.6%</b>	<b>0.4%</b>
	<b>2022</b>											
<b>Indirect loans</b>												
Commerce	264,926	40,527	76	305,529	309	424	49	782	0.1%	1.0%	64.5%	0.3%
Manufacturing	518,115	134,469	—	652,584	487	153	—	640	0.1%	0.1%	0.0%	0.1%
Professional, scientific and technical activities	1,183,657	75,946	485	1,260,088	1,486	700	52	2,238	0.1%	0.9%	10.7%	0.2%
Communications, storage and transportation	467,018	19,117	—	486,135	489	91	—	580	0.1%	0.5%	0.0%	0.1%
Agriculture	4,487	—	—	4,487	7	—	—	7	0.2%	0.0%	0.0%	0.2%
Electricity, gas, water and oil	155,621	—	—	155,621	135	—	—	135	0.1%	0.0%	0.0%	0.1%
Leaseholds and real estate activities	45,037	19,150	—	64,187	193	97	—	290	0.4%	0.5%	0.0%	0.5%
Construction and infrastructure	412,388	130,886	24,956	568,230	4,470	4,463	8,775	17,708	1.1%	3.4%	35.2%	3.1%
Others	908,192	81,735	559	990,486	778	12,277	60	13,115	0.1%	15.0%	10.7%	1.3%
<b>Total indirect loans</b>	<b>3,959,441</b>	<b>501,830</b>	<b>26,076</b>	<b>4,487,347</b>	<b>8,354</b>	<b>18,205</b>	<b>8,936</b>	<b>35,495</b>	<b>0.2%</b>	<b>3.6%</b>	<b>34.3%</b>	<b>0.8%</b>

During the years 2023, 2022 and 2021, the Group decided to apply the expert judgment, which led to incurring a higher provision for expected losses, see Note 29.1(d.7).

**7. Investment property**

(a) This caption is made up as follows:

	2023 S/(000)	2022 S/(000)	Acquisition or construction year	Valuation methodology (e) 2023 / 2022
<b>Land (i)</b>				
San Isidro – Lima	269,194	264,868	2009	Appraisal
San Martín de Porres – Lima	77,970	88,182	2015	Appraisal
Nuevo Chimbote	34,724	33,747	2021	Appraisal
Santa Clara – Lima	27,229	26,352	2017	Appraisal
Sullana	23,751	22,689	2012	Appraisal
Others	8,987	8,716	—	Appraisal / Cost
	<u>441,855</u>	<u>444,554</u>		
<b>Completed investment property - “Real Plaza” shopping malls (i)</b>				
Talara	28,991	43,728	2015	DCF
	<u>28,991</u>	<u>43,728</u>		
<b>Buildings (i)</b>				
Ate Vitarte – Lima	160,208	149,720	2006	DCF/Appraisal
Piura	131,144	123,508	2008/2020	DCF/Appraisal
Orquídeas - San Isidro - Lima, (d), Note 3.4(o)	128,593	138,643	2017	DCF
Chorrillos – Lima (d)	94,184	81,516	2017	DCF
Paseo del Bosque (d)	87,168	96,194	2021	DCF
Chimbote	47,054	45,069	2015	DCF
Maestro – Huancayo	34,978	32,342	2017	DCF
Cuzco	28,167	27,513	2017	DCF
Panorama – Lima	22,136	20,669	2016	DCF
Trujillo	16,225	15,815	2016	DCF
Cercado de Lima – Lima	15,908	14,543	2017	DCF
Pardo y Aliaga – Lima	14,790	16,755	2008	DCF
Pardo (Vivanda) (d)	12,903	4,004	2021	DCF
Others	34,588	33,144	—	DCF
	<u>828,046</u>	<u>799,435</u>		
<b>Total</b>	<u>1,298,892</u>	<u>1,287,717</u>		

DCF: Discounted cash flow

- (i) Financial assets classified by the Group as Level 3. During 2023 and 2022, there were no transfers between levels of hierarchy, see Note 3.4(z)
- (ii) As of December 31, 2023 and 2022, there are no liens on investment property.

Notes to the consolidated financial statements (continued)

- (b) The net gain on investment properties as of December 31, 2023, 2022 and 2021, consists of the following:

	2023 S/(000)	2022 S/(000)	2021 S/(000)
Income from rental of investment property	65,961	65,485	57,430
Gain on valuation of investment property	7,111	19,146	21,969
<b>Total</b>	<u>73,072</u>	<u>84,631</u>	<u>79,399</u>

- (c) The movement of investment property for the years ended December 31, 2023, 2022 and 2021, is as follows:

	2023 S/(000)	2022 S/(000)	2021 S/(000)
<b>Beginning of year balances</b>	1,287,717	1,224,454	1,043,978
Additions	16,903	34,760	156,892
Valuation gain	7,111	19,146	21,969
Net transfers, Note 3.4(o)	(12,839)	9,357	1,615
<b>End of year balances</b>	<u>1,298,892</u>	<u>1,287,717</u>	<u>1,224,454</u>

- (d) During 2023, the main additions correspond to the purchase of the “Pardo (Vivanda)” building, which was purchased from a related party, in cash; and disbursements related to the construction of the building “Orquídeas (San Isidro)”, located in Lima.

During 2022, the main additions correspond to contributions in the participation of a property called “Rex” and disbursements related to the expansion of the educational center called “Chorrillos”.

During 2021, it mainly corresponds to the purchase of the “Paseo del Bosque” building, which was purchased from a third party.

- (e) 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 owned 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.

Notes to the consolidated financial statements (continued)

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 land, before any adjustment:

	Minimum range US\$ per m <sup>2</sup>	Maximum range US\$ per m <sup>2</sup>	Average US\$ per m <sup>2</sup>
San Isidro – Lima	5,400	8,487	7,062
San Martin de Porres – Lima	1,081	1,425	1,254
Piura	650	850	743
Ate Vitarte - Lima	1,268	1,458	1,394
Other minors	156	383	232

Main assumptions

Below is a brief description of the assumptions considered in the determination of cash flows as of December 31, 2023 and 2022:

- ERV (Estimated Rental Value) -  
Corresponds to the Estimated Rental Value, that is, the rent amount under which the space could be rented considering the prevailing market conditions at the valuation date.
- Long-term inflation -  
It is the increase in 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 with obtaining cash flows.

Notes to the consolidated financial statements (continued)

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

	US\$ / Percentage	
	2023	2022
Average ERV	US\$129.3	US\$125.9
Long-term inflation	2.9%	3.1%
Long-term occupancy rate	97.1%	97.1%
Average growth rate of rental income	3.1%	2.9%
Average NOI margin	93.0%	93.7%
Discount rate	9.6%	10.3%

Sensitivity analysis -

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

		2023 S/(000)	2022 S/(000)
Average growth rate of rental income (basis) -			
Increase	+0.25%	20,853	10,474
Decrease	-0.25%	(16,791)	(10,107)
Long-term inflation (basis) -			
Increase	+0.25%	17,833	16,133
Decrease	-0.25%	(13,824)	(15,017)
Discount rate (basis) -			
Increase	+0.5%	(50,337)	(47,957)
Decrease	-0.5%	62,076	55,135

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.

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

Year	2023 S/(000)	2022 S/(000)
Within 1 year	69,078	61,557
After 1 year but not more than 5 years	255,898	241,546
Over 5 years	855,949	865,407
<b>Total</b>	<b><u>1,180,925</u></b>	<b><u>1,168,510</u></b>

The minimum rental income is computed considering a period between 20 and 27 years as of December 31, 2023 (between 20 and 28 years as of December 31, 2022).

Notes to the consolidated financial statements (continued)

**8. Property, furniture and equipment, net**

(a) The movement of property, furniture and equipment and depreciation for the years ended December 31, 2023, 2022 and 2021, 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			Total 2023 S/(000)	Total 2022 S/(000)	Total 2021 S/(000)
						Buildings and facilities S/(000)	Furniture and equipment S/(000)	Total S/(000)			
<b>Cost</b>											
Balance as of January 1	141,206	600,168	806,066	1,233	34,014	279,998	2,292	1,864,977	1,826,051	1,781,765	
Acquisition of Izapay, Note 1(d)	—	—	—	—	35,884	35,901	—	183,546	168,214	118,974	
Additions	—	3,684	108,077	—	(26,494)	—	15,349	—	—	(2,029)	
Transfers	—	6,974	4,171	(2)	(198)	—	—	12,193	(10,643)	(72,659)	
Transfer (to) from investment property, Note 3.4(c)	(1,231)	13,426	(27,515)	(17)	(198)	(14,973)	—	(68,290)	(208,724)	(72,659)	
Disposals, write-offs and others (d)	(14,153)	(11,454)	(27,515)	(17)	(198)	(14,973)	—	(88,290)	(208,724)	(72,659)	
Balance as of December 31	125,822	612,818	890,797	1,216	43,206	300,926	17,641	1,992,426	1,864,977	1,826,051	
<b>Depreciation</b>											
Balance as of January 1	—	(312,150)	(582,287)	(951)	—	(175,961)	(2,196)	(1,073,545)	(1,010,933)	(937,338)	
Depreciation of the year	—	(20,599)	(71,113)	(119)	—	(49,209)	(14,983)	(156,023)	(133,825)	(121,932)	
Transfer to (from) investment property, Note 3.4(c)	—	7,282	24,642	12	—	10,038	—	41,974	69,977	1,038	
Disposals, write-offs and others (d)	—	(325,467)	(628,758)	(1,058)	—	(215,132)	(17,179)	(1,187,594)	(1,010,933)	(937,338)	
Balance as of December 31	—	(287,351)	(262,039)	158	—	85,794	462	804,832	791,432	815,118	
<b>Net book value</b>	125,822	287,351	262,039	158	43,206	85,794	462	804,832	791,432	815,118	

(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, 2023, 2022 and 2021.

(d) During 2023, transactions 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.

During 2022, transactions 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 (see Note 8(e)), generating a net disposal cost of S/18,253,000 and a gain amounting 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.

Notes to the consolidated financial statements (continued)

- (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:

	2023 S/(000)	2022 S/(000)
<b>As of January 1</b>	112,581	234,946
Additions	35,900	40,610
Interest expenses, Note 19(a)	5,562	9,283
Disposals (*)	(5,433)	(106,990)
Exchange differences	(279)	(2,948)
Payments	<u>(57,818)</u>	<u>(62,320)</u>
<b>As of December 31</b>	<u>90,513</u>	<u>112,581</u>

(\*) As of December 31, 2022, these withdrawals are mainly related to the sale of land carried out by Interseguro, see (d) above.

As of December 31, 2023 and 2022, the amortization schedule of these obligations is as follows:

	2023 S/(000)	2022 S/(000)
2023	-	38,095
2024	2,709	27,497
2025	31,956	18,571
2026	20,801	15,698
2027 onwards	<u>35,047</u>	<u>12,720</u>
<b>Total</b>	<u>90,513</u>	<u>112,581</u>

Notes to the consolidated financial statements (continued)

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

	2023 S/(000)	2022 S/(000)	2021 S/(000)
Depreciation expenses of right-of-use assets	49,305	53,134	58,698
Interest expenses of lease liabilities, Note 19(a)	5,562	9,283	14,004
Expenses related to short-term and low-value assets leases (included in administrative expenses, see Note 24(c))	9,643	10,958	11,841
<b>Total amount recognized in the consolidated statement of income</b>	<u>64,510</u>	<u>73,375</u>	<u>84,543</u>

During year 2023, the Group paid leases for approximately S/89,334,000 (S/146,982,000 during year 2022).



Notes to the consolidated financial statements (continued)

9. Intangible and goodwill, net

(a) Intangible assets

The movement of intangible assets and amortization for the years ended December 31, 2023, 2022 and 2021, is as follows:

Description	2023							2022		2021
	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)
<b>Cost</b>										
<b>Balance as of January 1</b>	1,305,807	206,420	110,042	82,546	97,016	227,580	669,075	2,698,486	1,908,144	1,748,222
Acquisition of Izipay, Note 1(d)	—	—	—	—	—	—	—	—	—	569,850
Additions	189,444	85,575	—	—	—	5,369	—	280,388	227,270	170,528
Transfers	105,019	(104,979)	—	—	—	(40)	—	—	—	—
Disposals and write-offs, Note 21(a)	—	—	—	—	—	(3,842)	—	(3,842)	(6,778)	(10,606)
<b>Balance as of December 31</b>	<b>1,600,270</b>	<b>187,016</b>	<b>110,042</b>	<b>82,546</b>	<b>97,016</b>	<b>229,067</b>	<b>669,075</b>	<b>2,975,032</b>	<b>2,698,486</b>	<b>1,908,144</b>
<b>Amortization</b>										
<b>Balance as of January 1</b>	(942,142)	—	(8,253)	—	(7,276)	(107,613)	—	(1,065,284)	(863,395)	(705,637)
Amortization of the year	(183,981)	—	(11,004)	—	(9,702)	(18,328)	—	(223,015)	(202,401)	(157,758)
Disposals and write-offs	—	—	—	—	—	387	—	387	512	—
<b>Balance as of December 31</b>	<b>(1,126,123)</b>	<b>—</b>	<b>(19,257)</b>	<b>—</b>	<b>(16,978)</b>	<b>(125,554)</b>	<b>—</b>	<b>(1,287,912)</b>	<b>(1,065,284)</b>	<b>(863,395)</b>
<b>Net book value</b>	<b>474,147</b>	<b>187,016</b>	<b>90,785</b>	<b>82,546</b>	<b>80,038</b>	<b>103,513</b>	<b>669,075</b>	<b>1,687,120</b>	<b>1,633,202</b>	<b>1,044,749</b>

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, 2023, 2022 and 2021.

(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, 2023 and 2022, the key assumptions used for the calculation of fair value are:

- Perpetuity growth rate: 6.3% (2023) and 4.5% (2022)
- Discount rate: 14.3% (2023) and 12.5% (2022)

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, 2023 and 2022, 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, equivalent 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, 2023, the key assumptions used for the calculation of the fair value are the following:

- Perpetual growth rate: 3.0% (2023 and 2022)
- Discount rate: 13.95% (2023) and 13.65% (2022)

5-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, 2023 and 2022, 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:

	2023 S/(000)	2022 S/(000)
<b>Other accounts receivable and other assets</b>		
<b>Financial instruments</b>		
Other accounts receivable, net	663,090	622,690
POS commission receivable	420,644	122,142
Accounts receivable related to derivative financial instruments (b)	158,101	515,800
Operations in process (d)	83,640	112,195
Accounts receivable from sale of investments (c)	63,466	37,987
Others	15,640	24,753
	<u>1,404,581</u>	<u>1,435,567</u>
<b>Non-financial instruments</b>		
Tax paid to recover	422,248	26,759
Deferred charges	101,551	92,865
Deferred cost of POS affiliation and registration	92,511	95,265
Tax credit for General Sales Tax – IGV	32,482	17,623
Realizable assets, received as payment and seized through legal actions	28,933	27,266
Investments in associates	22,548	22,728
POS equipment supplies (*)	14,854	18,698
Others	5,440	7,192
	<u>720,567</u>	<u>308,396</u>
<b>Total</b>	<u>2,125,148</u>	<u>1,743,963</u>

(\*) 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.

	2023 S/(000)	2022 S/(000)
<b>Other accounts payable, provisions and other liabilities</b>		
<b>Financial instruments</b>		
Contract liability with investment component, Note 3.4(d)	883,268	873,500
Other accounts payable	855,067	726,983
Third party compensation (**)	763,039	386,136
Operations in process (d)	226,428	184,584
Accounts payable related to derivative financial instruments (b)	145,395	297,038
Accounts payable for acquisitions of investments (c)	106,955	53,905
Workers' profit sharing and salaries payable	105,734	154,460
Lease liabilities, Note 8(e)	90,513	112,581
Allowance for indirect loan losses, Note 6(d.2)	17,932	35,495
Accounts payable to reinsurers and coinsurers	7,260	5,648
	<u>3,201,591</u>	<u>2,830,330</u>
<b>Non-financial instruments</b>		
Taxes payable	80,331	138,819
Provision for other contingencies	70,671	79,304
Registration for use of POS	21,962	17,029
Deferred income (***)	23,490	57,001
Others	9,315	6,681
	<u>205,769</u>	<u>298,834</u>
<b>Total</b>	<u>3,407,360</u>	<u>3,129,164</u>

(\*\*) Corresponds mainly to outstanding balances payable to affiliated businesses, for the consumptions made by the cards 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.

Notes to the consolidated financial statements (continued)

- (b) The following table presents, as of December 31, 2023 and 2022, the fair value of derivative financial instruments recorded as assets or liabilities, including their notional amounts. 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
<b>2023</b>								
<b>Derivatives held for trading</b>								
(*) -								
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 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	—	—
		<u>99,099</u>	<u>100,784</u>	<u>8,056,031</u>	<u>—</u>			
<b>Derivatives held as hedges -</b>								
<b>Cash flow hedges:</b>								
Cross currency swaps (CCS)								Bonds, notes and obligations outstanding
Cross currency swaps (CCS)	13(f)	2,958	7,383	1,112,700	(10,199)	October 2026	Corporate bonds	Bonds, notes and obligations outstanding
Cross currency swaps (CCS)	13(h)	56,044	—	556,950	(3,309)	October 2027	Senior bond	Bonds, notes and obligations outstanding
Cross currency swaps (CCS)						Between January 2025 and June 2025	Due to banks	Due to banks and correspondents
Cross currency swaps (CCS)	12(d.5)	—	3,020	241,085	(1,374)	June 2025	Due to banks	Due to banks and correspondents
Cross currency swaps (CCS)	12(d.8)	—	3,823	185,450	(1,234)	May 2025	Due to banks	Due to banks and correspondents
Cross currency swaps (CCS)	12(d.9)	—	6,708	111,270	(578)	August 2024	Due to banks	Due to banks and correspondents
Cross currency swaps (CCS)	12(d.10)	—	9,442	111,270	(277)	October 2024	Due to banks	Due to banks and correspondents
Cross currency swaps (CCS)								Bonds, notes and obligations outstanding
Cross currency swaps (CCS)	13(h)	—	5,245	74,260	(2,401)	October 2027	Senior bond	Bonds, notes and obligations outstanding
Cross currency swaps (CCS)								Bonds, notes and obligations outstanding
Cross currency swaps (CCS)	13(h)	—	5,041	74,260	(1,923)	October 2027	Senior bond	Bonds, notes and obligations outstanding
Cross currency swaps (CCS)	12(d.13)	—	811	74,180	(619)	February 2025	Due to banks	Due to banks and correspondents
Cross currency swaps (CCS)	12(e.1)	—	3,138	37,090	(88)	November 2024	Due to banks	Due to banks and correspondents
Cross currency swaps (CCS)								Bonds, notes and obligations outstanding
Cross currency swaps (CCS)	13(i)	—	—	—	(669)	—	Corporate bonds	Bonds, notes and obligations outstanding
		<u>59,002</u>	<u>44,611</u>	<u>2,578,515</u>	<u>(22,671)</u>			
		<u>158,101</u>	<u>145,395</u>	<u>10,634,546</u>	<u>(22,671)</u>			

Notes to the consolidated financial statements (continued)

	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
<b>2022</b>								
<b>Derivatives held for trading</b>								
(*) -								
Forward exchange contracts					—	Between January 2023 and December 2023	—	—
Interest rate swaps		58,201	27,556	6,328,060	—	Between January 2023 and March 2029	—	—
Currency swaps		77,045	141,823	2,672,533	—	Between January 2023 and June 2036	—	—
Cross currency swaps		67,737	38,551	2,424,566	—	January 2023	—	—
Cross currency swaps		—	75,489	224,485	—	Between January 2023 and December 2023	—	—
Options		99	463	80,151	—			
		<u>203,082</u>	<u>283,882</u>	<u>11,729,795</u>	<u>—</u>			
<b>Derivatives held as hedges -</b>								
<b>Cash flow hedges:</b>								
Cross currency swaps (CCS)	13(i)	237,438	—	1,681,974	(20,199)	January 2023	Corporate bonds	Bonds, notes and obligations outstanding
Cross currency swaps (CCS)	13(h)	75,280	—	573,000	(33,565)	October 2027	Senior bond	Bonds, notes and obligations outstanding
Cross currency swaps (CCS)	12(d.9)	—	3,916	114,420	360	August 2024	Due to banks	Due to banks and correspondents
Cross currency swaps (CCS)	12(d.10)	—	6,295	114,420	(355)	October 2024	Due to banks	Due to banks and correspondents
Cross currency swaps (CCS)	12(d.5)	—	931	57,210	(225)	January 2025	Due to banks	Due to banks and correspondents
Cross currency swaps (CCS)	12(e.1)	—	2,014	38,140	(156)	November 2024	Due to banks	Due to banks and correspondents
		<u>312,718</u>	<u>13,156</u>	<u>2,579,164</u>	<u>(54,140)</u>			
		<u>515,800</u>	<u>297,038</u>	<u>14,308,959</u>	<u>(54,140)</u>			

- (\*) During the years 2023, 2022 and 2021, the Group recognized gains for S/68,315,000 and losses for S/4,523,000 and S/60,275,000, 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, 2023 and 2022, 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, 2023 and 2022. During 2023 and 2022, 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 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, is presented below:

	As of December 31, 2023				As of December 31, 2022			
	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	<u>(2,139)</u>	<u>(13,717)</u>	<u>(16,077)</u>	<u>(31,933)</u>	<u>429</u>	<u>(731)</u>	<u>(8,960)</u>	<u>(9,262)</u>

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).

Notes to the consolidated financial statements (continued)

- (v) The gain (loss) for cash flow hedges reclassified to the consolidated statement of income for the years ended as of December 31, 2023 and 2022, is as follows:

	2023 S/(000)	2022 S/(000)
Interest expenses from cash flow hedges	(116,885)	(78,300)
Interest income from cash flow hedges	92,637	62,158
Expenses for exchange differences from cash flow hedges	(136,625)	(337,907)
Income for exchange differences from cash flow hedges	118,180	225,399
	<u>(42,693)</u>	<u>(128,650)</u>

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

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

December 31, 2023	Up to 1 month	3 to 12 months	1 to 5 years	Over 5 years	Total
<b>Cross currency swaps (CCS)</b>					
<b>Notional</b>	—	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	—	—
December 31, 2022	Up to 1 month	3 to 12 months	1 to 5 years	Over 5 years	Total
<b>Cross currency swaps (CCS)</b>					
<b>Notional</b>	1,681,974	—	897,190	—	2,579,164
Average interest rate in US Dollars	3.38%	—	3.80%	—	—
Average interest rate in Soles	4.87%	—	5.03%	—	—
Average exchange rate Soles / US Dollar	3.26	—	3.58	—	—



Notes to the consolidated financial statements (continued)

- (vi) The following table shows the nominal value and the weighted average maturity of derivative and non-derivative financial instruments that were subject to the reform of the reference interest rate, see Note 3.4(ah):

	2022	
	Derivative nominal value (*) S/(000)	Average term in years (*)
<b>Derivative financial instruments</b>		
<b>Position purchased (LIBOR is paid)</b>		
<b>Interest rate swaps</b>		
3-month LIBOR	208,002	5.8
6-month LIBOR	278,060	8.2
	<u>486,062</u>	
<b>Cross currency swaps</b>		
6-month LIBOR	114,420	1.5
<b>Total</b>	<u>600,482</u>	
<b>Position sold (LIBOR is received)</b>		
<b>Interest rate swaps</b>		
3-month LIBOR	251,873	5.3
6-month LIBOR	346,712	7.1
	<u>598,585</u>	
<b>Cross currency swaps</b>		
6-month LIBOR	202,142	1.8
<b>Total</b>	<u>800,727</u>	

- (\*) Balances as of December 31, 2022, that changed to the new benchmark rate on June 30, 2023.

As of December 31, 2022, the Group does not present derivative financial instruments classified as hedge accounting that are subject to the interest rate benchmark reform; see Note 3.4(ah).

	2022	
	Nominal value S/(000)	Average term in years
<b>Non-derivative financial instruments</b>		
<b>Asset</b>		
<i>Loans</i>		
1-month LIBOR	—	—
3-month LIBOR	465,494	3.8
6-month LIBOR	197,891	11.8
<b>Total</b>	<u>663,385</u>	
<b>Liability</b>		
<i>Issuances</i>		
3-month LIBOR	1,144,200	5.0
<b>Total</b>	<u>1,144,200</u>	

Notes to the consolidated financial statements (continued)

- (c) As of December 31, 2023 and 2022, corresponds to accounts receivable and payable for the sale and purchase of financial investments negotiated during the last days of the month, which were settled 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.

**11. Deposits and obligations**

- (a) This caption is made up as follows:

	2023 S/(000)	2022 S/(000)
Saving deposits	17,756,097	20,911,746
Time deposits (e)	17,288,629	12,866,602
Demand deposits	13,376,375	13,824,824
Compensation for service time (c)	760,551	921,288
Other obligations	6,582	6,248
<b>Total</b>	<u>49,188,234</u>	<u>48,530,708</u>

- (b) Interest rates applied to deposits and obligations are determined based on the market interest rates.
- (c) In May 2022, through Act No. 31480 “Act Authorizing the Withdrawal of Severance Indemnities to Cover Economic Needs Caused by the Covid-19 Pandemic”, the Peruvian government authorized clients, until December 31, 2023, to withdraw 100 percent of these deposits. As part of this benefit, during 2023 approximately 308,000 clients withdrew approximately S/1,061,734,000 (during 2022, approximately 261,000 clients withdrew approximately S/767,470,000).
- (d) As of December 31, 2023 and 2022, deposits and obligations of approximately S/18,668,431,000 and S/18,368,816,000, 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/123,810 and S/125,603, respectively.

- (e) The table below presents the balance of time deposits classified by maturity as of December 31, 2023 and 2022:

	2023 S/(000)	2022 S/(000)
Up to 1 month	6,131,655	2,797,703
From 1 to 3 months	3,890,589	1,973,288
From 3 months to 1 year	6,458,103	6,788,680
From 1 to 5 years	512,280	1,023,473
Over 5 years	296,002	283,458
<b>Total</b>	<u>17,288,629</u>	<u>12,866,602</u>

## 12. Due to banks and correspondents

- (a) This caption is comprised of the following:

	2023 S/(000)	2022 S/(000)
<b>By type -</b>		
Banco Central de Reserva del Peru (b)	3,683,687	4,481,138
Promotional credit lines (c)	2,014,600	1,863,482
Loans received from foreign entities (d)	2,895,637	339,446
Loans received from Peruvian entities (e)	309,525	357,770
	<u>8,903,449</u>	<u>7,041,836</u>
Interest and commissions payable	122,481	58,810
	<u>9,025,930</u>	<u>7,100,646</u>
	2023 S/(000)	2022 S/(000)
<b>By term -</b>		
Short term	4,852,495	2,433,459
Long term	4,173,435	4,667,187
<b>Total</b>	<u>9,025,930</u>	<u>7,100,646</u>

- (b) As part of the exceptional measures implemented to mitigate the financial and economic impact generated by the Covid-19 pandemic, see Note 1(c), 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 portfolios for an amount of S/42,461,000.

As of December 31, 2023, includes repurchase operations on loans represented by securities according to which Interbank receives a debt in local currency for approximately S/540,158,000 (S/1,909,375,000 as of December 31, 2022), and gives commercial and micro and small business loans as guarantee; see Note 6(a). As of December 31, 2023, these obligations have maturities between July 2024 and November 2025, and accrue interest at effective rates 0.50 percent; these operations accrued interest payable for approximately S/114,000 (as of December 31, 2022, these obligations have maturities between May 2023 and November 2025, and accrued interest at effective rates between 0.50 percent; these operations accrued interest payable for S/4,049,000).

Additionally, 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 guarantees Peruvian Sovereign Bonds and Negotiable Certificates of Deposits issued by the BCRP, which are recorded as investments at fair value through other comprehensive income and investments at

amortized cost; see Note 5(b) and (d), respectively. These operations have a maturity between January 2024 and October 2024 and accrue interest at effective interest rates between 0.50 percent and 7.33 percent. These operations accrue interest payable for approximately S/59,864,000 (as of December 31, 2022, Interbank received a debt in Soles for approximately S/2,571,763,000, and gave as guarantees Peruvian Sovereign Bonds, which are recorded as investments at fair value through other comprehensive income and at amortized cost, see Note 5(b) and (d), with maturities between January 2023 and October 2024, and accrued interest at effective interest rates between 0.50 percent and 8.64 percent, and accrued interest payable for approximately S/45,150,000).

- (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, 2023, COFIDE’s loans accrued, in foreign currency, an effective annual interest rate that fluctuated between 5.81 percent and 10.62 percent, and maturities between December 2029 and October 2034 (as of December 31, 2022, they accrued, in local currency, an effective annual interest rate that fluctuated between 7.55 percent and 7.67 percent, and maturities in January 2027, and, in foreign currency, fluctuated between 5.81 percent and 8.05 percent, and maturities between December 2029 and October 2034).

As of December 31, 2023, 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 2024 and December 2048, and, in foreign currency, of 7.75 percent, and maturities between January 2024 and November 2028 (as of December 31, 2022, accrued in local currency, an effective annual interest rate between 5.00 and 8.30 percent, and maturities between January 2023 and December 2047, and in foreign currency, 7.75 percent, and maturities between January 2023 and November 2028).

Notes to the consolidated financial statements (continued)

(d) As of December 31, 2023 and 2022, corresponds to the following funding in foreign currency:

Entity	Country	Final maturity	2023 S/(000)	2022 S/(000)
Standard Chartered Bank London (d.1)	United Kingdom	2026	662,161	—
Wells Fargo (d.2)	United States of America	2024	296,720	—
Citigroup Global Markets Inc. (d.3)	United States of America	2026	289,867	—
Sumitomo Mitsui Banking (d.4)	Japan	2026	259,630	—
Banco del Estado de Chile (d.5)	Chile	2025	241,085	57,210
Bank of America (d.6)	United States of America	2024	203,995	—
Bank of Montreal (d.7)	Canada	2024	185,450	—
Banco Bilbao Vizcaya Argentaria NY Branch (d.8)	Spain	2025	185,450	—
Caixabank S.A. Barcelona (d.9)	Spain	2024	166,905	114,420
JP Morgan Chase Bank NY (d.10)	United States of America	2024	111,270	114,420
Bank of New York (d.11)	United States of America	2024	92,725	—
Bank J. Safra Sarasin (d.12)	Switzerland	2024 / 2023	81,598	53,396
Standard Chartered Bank NY (d.13)	United States of America	2025	74,180	—
HSBC Branch India (d.14)	India	2024	37,090	—
Banco Interamericano de Desarrollo (d.15)	Multilateral	2024	7,511	—
			<u>2,895,637</u>	<u>339,446</u>

During the year 2023, the operations with foreign entities accrued an average interest rate between 6-month Term SOFR plus 0.75 percent and 6-month Term SOFR plus 1.70 percent (between 6-month Term SOFR plus 0.44 percent and 6-month Term SOFR plus 1.99 percent, during the year 2022).

- (d.1) Correspond to two loans received in March and June 2023 for S/281,784,000 and S/380,377,000, respectively, which accrue interest at a nominal annual rate of 7.51 percent and 6.55 percent, respectively.
- (d.2) Correspond to two loans received in July and September 2023 for US\$30,000,000 and US\$50,000,000, respectively, which accrue interest at the 6-month Term SOFR rate plus 0.73 percent.
- (d.3) Correspond to a loan received in April 2023 for S/289,867,000, which accrues interest at a nominal annual rate of 7.5 percent.
- (d.4) Correspond to a loan received in December 2023 for US\$70,000,000, which accrues interest at the 6-month Term SOFR rate plus 1.60 percent.

Notes to the consolidated financial statements (continued)

- (d.5) Correspond to two loans received in May 2023 and December 2022 for US\$50,000,000 and US\$15,000,000, respectively, which accrue interest at the 6-month Term SOFR rate plus 1.70 percent and 6-month Term SOFR rate plus 1.99 percent, respectively. As of December 31, 2023, Interbank holds two cross currency swap contracts for a total of US\$65,000,000 (approximately equivalent to S/241,085,000) that were designated as cash flow hedges (a contract for US\$15,000,000, approximately equivalent to S/57,210,000, as of December 31, 2022); see Note 10(b). Through these operations, the loans were economically converted to fixed rates of 8.59 percent and 7.88 percent, respectively.
- (d.6) Correspond to two loans received in July and December 2023 for US\$20,000,000 and US\$35,000,000, respectively, which accrue interest at the 6-month Term SOFR rate plus 0.73 percent and 3-month Term SOFR rate plus 0.78 percent, respectively.
- (d.7) Correspond to a loan received in March 2023 for US\$50,000,000, which accrues interest at the 6-month Term SOFR rate plus 0.95 percent.
- (d.8) Correspond to a loan received in April 2023 for US\$50,000,000, which accrues interest at the 6-month Term SOFR rate plus 1.70 percent. In April 2023, Interbank signed a cross currency swap contract for a total of US\$ 50,000,000 (approximately equivalent to S/185,450,000), which was designated as cash flow hedge; see Note 10(b). Through these operations, the loans were economically converted to a fixed rate of 7.90 percent.
- (d.9) Correspond to two loans received in December 2023 and July 2022 for US\$15,000,000 and US\$30,000,000, respectively, which accrue interest at the 6-month Term SOFR rate plus 0.74 percent and 6-month Term SOFR rate plus 1.35 percent, respectively. As of December 31, 2023, Interbank holds a cross currency swap contract for an amount of US\$30,000,000 (approximately equivalent to S/111,270,000), which was designated as cash flow hedge; (a contract of US\$30,000,000, approximately equivalent to S/114,420,000, as of December 31, 2022), see Note 10(b). Through this operation, the loan was economically converted to a fixed rate of 7.74 percent.
- (d.10) Correspond to a loan received in September 2022 for US\$30,000,000, which accrues interest at the 6-month Term SOFR rate plus 1.75 percent. As of December 31, 2023, Interbank holds a cross currency swap contract for an amount of US\$30,000,000 (approximately equivalent to S/111,270,000), which was designated as cash flow hedge; (a contract of US\$30,000,000, approximately equivalent to S/114,420,000, as of December 31, 2022) see Note 10(b). Through this operation, the loan was economically converted to a fixed rate of 8.40 percent.
- (d.11) Correspond to a loan received in October 2023 for US\$25,000,000, which accrues interest at the 6-month Term SOFR rate plus 0.73 percent.
- (d.12) Correspond to two loans received by Inteligo Bank in December 2023 for US\$7,000,000 and US\$15,000,000, which accrue interest at annual effective rates of 6.53 percent and 6.58 percent, respectively, and are guaranteed by corporate bonds. As of December 31, 2022, corresponded to a loan received by Inteligo Bank in December 22 for US\$14,000,000, which accrued interest at the annual effective rate of 5.61 percent, and was guaranteed by corporate bonds; see Note 5(b).

Notes to the consolidated financial statements (continued)

- (d.13) Correspond to a loan received in January 2023 for US\$20,000,000, which accrues interest at the 3-month Term SOFR rate plus 1.90 percent. As of December 31, 2023, Interbank holds a cross currency swap contract for an amount of US\$20,000,000 (approximately equivalent to S/74,180,000), which was designated as cash flow hedge; see Note 10(b). Through this operation, the loan was economically converted to a fixed rate of 8.59 percent.
- (d.14) Correspond to a loan received in March 2023 for US\$10,000,000, which accrues interest at the 12-month Term SOFR rate plus 1.35 percent.
- (d.15) Correspond to a loan received in October 2023 for US\$2,025,000, which accrues interest at the 3-month Term SOFR rate plus 0.75 percent.

- (e) As of December 31, 2023 and 2022, corresponds to the following funding in local and foreign currency:

Entity	2023		
	Maturity	Currency	Book value S/(000)
Banco de Credito del Peru S.A.	Jan-24 / Jan-26	PEN	127,000
Scotiabank Peru S.A.A.	Jan-24 / Oct-25	PEN	75,465
Bank of GNB Peru S.A.	Jan-24	PEN	69,970
Bank of China (Peru) S.A.(e.1)	Nov-24	USD	37,090
			<u>309,525</u>

Entity	2022		
	Maturity	Currency	Book value S/(000)
Scotiabank Peru S.A.A.	Jan-23 / Oct-25	PEN	120,718
Banco de Credito del Peru S.A.	Jan-23 / Oct-23	PEN	81,644
Bank of GNB Peru S.A.	Jan-23	PEN	71,500
Bank BBVA Continental	Jan-23	USD	45,768
Bank of China (Peru) S.A. (e.1)	Nov-24	USD	38,140
			<u>357,770</u>

- (e.1) As of December 31, 2023, includes a loan received from Bank of China Peru in October 2022 for US\$10,000,000, which accrues interest at a 6-month Term SOFR rate plus 1.50 percent. As of December 31, 2023, Interbank holds a cross currency swap contract for an amount of US\$10,000,000 (approximately equivalent to S/37,090,000), which was designated as cash flow hedge (a contract of US\$10,000,000, approximately equivalent to S/38,140,000, as of December 31, 2022), see Note 10(b), through this operation, the loan was economically converted to a fixed rate of 8.18 percent.

- (f) As of December 31, 2023 and 2022, maturities are the following:

Notes to the consolidated financial statements (continued)

Year	2023 S/(000)	2022 S/(000)
2023	—	2,433,459
2024	4,852,495	1,888,657
2025	1,185,753	1,331,489
2026	1,373,363	138,499
2027 onwards	1,614,319	1,308,542
<b>Total</b>	<u>9,025,930</u>	<u>7,100,646</u>



Notes to the consolidated financial statements (continued)

### 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)	2023 S/(000)	2022 S/(000)
<b>Local issuances</b>							
<b>Subordinated bonds – second program (b)</b>							
Third (A series)	Interbank	7.50%	Semi-annually	2023	US\$50,000	—	190,616
Second (A series)	Interbank	5.81%	Semi-annually	2023	S/150,000	—	149,998
						<u>—</u>	<u>340,614</u>
<b>Subordinated bonds – third program (b)</b>							
Third - single series (c)	Interseguro	4.84%	Semi-annually	2030	US\$25,000	92,725	95,350
First - single series	Interseguro	6.00%	Semi-annually	2029	US\$20,000	74,102	76,213
Second - single series	Interseguro	4.34%	Semi-annually	2029	US\$20,000	74,180	76,280
						<u>241,007</u>	<u>247,843</u>
<b>Corporate bonds – second program</b>							
Fifth (A series)		3.41% + VAC (*)					
	Interbank		Semi-annually	2029	S/150,000	150,000	150,000
<b>Total local issuances</b>						<u>391,007</u>	<u>738,457</u>
<b>International issuances</b>							
Subordinated bonds (d)	Interbank	4.000%	Semi-annually	2030	US\$300,000	1,107,228	1,137,691
Corporate bonds (e)	Interbank	5.000%	Semi-annually	2026	S/312,000	311,644	311,522
Corporate bonds (f)	Interbank	3.250%	Semi-annually	2026	US\$400,000	1,477,909	1,517,661
Subordinated bonds (g)	Interbank	6.625%	Semi-annually	2029	US\$300,000	1,112,438	1,142,764
Senior bonds (h)	IFS	4.125%	Semi-annually	2027	US\$300,000	1,045,258	1,074,396
Corporate bonds (i)	Interbank	3.375%	Semi-annually	2023	US\$484,895	—	1,849,133
<b>Total international issuances</b>						<u>5,054,477</u>	<u>7,033,167</u>
<b>Total local and international issuances</b>						<u>5,445,484</u>	<u>7,771,624</u>
Interest payable						<u>106,145</u>	<u>134,679</u>
<b>Total</b>						<u>5,551,629</u>	<u>7,906,303</u>

(\*) The Spanish term “Valor de actualización constante” refers to amounts in Soles indexed by inflation.

Notes to the consolidated financial statements (continued)

- (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).

On January 11, 2023, Interbank redeemed the bond whose nominal value was S/150,000,000, and on December 13, 2023, redeemed the bond whose nominal value was US\$ 50,000,000.

- (c) On September 29, 2020, Interseguro issued subordinated bonds denominated “Third Issuance of the Third Program of Subordinated Bonds Interseguro (Single Series)” for the amount of US\$25,000,000, recorded in the Section “Transferable Securities and Issuance Programs” of the Public Registry of the Stock Market, under the Third Program of Subordinated Bonds of Interseguro.
- (d) On June 30, 2020, Interbank placed subordinated bonds called “4.00% Subordinated Notes due 2030” for an amount of US\$300,000,000, under Rule 144A and Regulation S of the U.S. Securities Act of 1933 of the United States of America. The issuance date of these bonds was July 8, 2020.

Starting on July 8, 2025, prior to 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 to 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.

- (e) On September 24, 2019, Interbank placed corporate bonds denominated “5.00% Senior Notes due 2026” for S/312,000,000, under Rule 144A and Regulation S of the U.S. Securities Act of 1993 of the United States of America. These bonds were issued on October 1, 2019.
- (f) On September 25, 2019, Interbank placed corporate bonds denominated “3.25% Senior Notes due 2026” for US\$400,000,000, under Rule 144A and Regulation S of the U.S. Securities Act of 1993 of the United States of America. These bonds were issued on October 4, 2019.

As of December 31, 2023, Interbank holds four cross currency swap contracts for a total of US\$300,000,000 (equivalent to approximately S/1,112,700,000), which were designated as cash flow hedges; 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, 5.10, 5.32 and 4.92 percent.

- (g) Beginning in March 2024, the interest rate changes to 8.625 percent. Since said date, Interbank can redeem the entirety of the bonds without penalties.

According to SBS regulations, this issuance qualifies as second level equity (“Tier 2”) in the determination of the effective equity.

As of December 31, 2023, Management does not have the intention to redeem these bonds before their maturity date; said situation could change in the future depending on the market conditions.

Notes to the consolidated financial statements (continued)

- (h) From 2018 until July 2027, IFS, at 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/556,950,000 and S/573,000,000, as of December 31, 2023 and 2022, respectively). Lastly, during January and February 2023, IFS signed two cross currency swap contracts for US\$20,000,000 each (equivalent to approximately S/74,260,000 each), which was designated as a cash flow hedge; see Note 10(b).

As of December 31, 2023, Management does not intend to redeem these bonds before their maturity date; said situation may change in the future, depending on market conditions.

- (i) In January 2018, Interbank issued corporate bonds called “3.375 Senior Unsecured Notes” for US\$200,000,000, under Rule 144A and Regulation S of the U.S. Securities Act of 1993 of the United States of America.

As part of said program, Interbank performed a bond swapping offer aimed to the bondholders of the corporate bonds called “5.750% Senior Notes due 2020” issued by its Panama branch, thus swapping bonds for an amount of US\$263,322,000, which generated a swapping premium for approximately US\$21,573,000, for an amount of US\$284,895,000.

Considering the issuance of bonds in January 2018 and the exchange of bonds previously issued carried out on said date, the total balance of the “3.375 Senior Unsecured Notes” amounted to US\$484,895,000.

As of December 31, 2022, Interbank held fourteen cross-currency swaps for US\$441,000,000 (equivalent to approximately S/1,681,974,000), which were designated as cash flow hedges; see Note 10(b). Through these operations, part of the issued bonds amount was economically converted into Soles at an annual interest rate of 4.88 percent.

On January 18, 2023, the bond was paid according to its maturity date.

- (j) 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.

As of December 31, 2023 and 2022, the international issuances maintain mainly this common clause: submit audited financial statements on an annual basis and unaudited financial statements on a quarterly basis (both in Spanish and English). In the opinion of Group Management and its legal advisers, this clause has been met by the Group as of December 31, 2023 and 2022. 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 have been met by Interbank as of December 31, 2023 and 2022.

- (k) As of December 31, 2023 and 2022, the repayment schedule of these obligations is as follows:

Notes to the consolidated financial statements (continued)

Year	2023 S/(000)	2022 S/(000)
2023	—	2,296,506
2024	71,709	—
2025	—	—
2026	1,789,553	1,829,183
2027 onwards	<u>3,690,367</u>	<u>3,780,614</u>
<b>Total</b>	<u><u>5,551,629</u></u>	<u><u>7,906,303</u></u>

Notes to the consolidated financial statements (continued)

**14. Assets and Liabilities for insurance and reinsurance contracts**

(a) This caption is comprised of the following:

	2023			2022		
	Assets S/(000)	Liabilities S/(000)	Net S/(000)	Assets S/(000)	Liabilities S/(000)	Net S/(000)
<b>Reinsurance contracts held (*)</b>	(26,287)	1,895	(24,392)	(34,053)	3,476	(30,577)
<b>Insurance contracts issued</b>						
Liability for remaining coverage	—	12,000,220	12,000,220	—	11,022,665	11,022,665
Liability for incurred claims	—	205,421	205,421	—	205,180	205,180
<b>Total insurance contracts issued (b) and (c)</b>	—	<u>12,205,641</u>	<u>12,205,641</u>	—	<u>11,227,845</u>	<u>11,227,845</u>
<b>Total insurance contracts issued and reinsurance contracts held</b>	<u>(26,287)</u>	<u>12,207,536</u>	<u>12,181,249</u>	<u>(34,053)</u>	<u>11,231,321</u>	<u>11,197,268</u>

(\*) 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.

Notes to the consolidated financial statements (continued)

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

	2023						
	Liabilities for remaining coverage			Liabilities for incurred claims in contracts measured by the general model (BBA) and variable fee approach (VEA)		Liabilities for incurred claims in 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)
<b>Balance as of January 1, 2023</b>	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 VEA 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
Incurred claims and other expenses	—	—	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)
<b>Insurance service result</b>	(593,627)	(12,547)	433,958	(81)	106,801	(1,566)	(67,062)
<b>Insurance financial result</b>	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
<b>Effect of movements in exchange rates</b>	(135,726)	(3,736)	(447)	(73)	(213)	(53)	(140,248)
<b>Total changes in the statement of income and other comprehensive income</b>	770,219	13,488	433,511	(154)	106,043	(1,619)	1,321,488
<b>Total cash flows and investment component</b>	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	—	—	—	—
<b>Balance as of December 31, 2023</b>	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 rates for pension business in soles presented a decrease from 8.139 percent in 2022 to 6.962 percent in 2023; and rates for pension business in soles VAC presented a decrease, from 4.765 percent in 2022 to 3.722 percent in 2023.

Notes to the consolidated financial statements (continued)

	2022							
	Liabilities for remaining coverage		Liabilities for incurred claims in contracts measured by the general model (BBA) and variable fee approach (VFA)		Liabilities for incurred claims contracts measured by the Premium Allocation Approach (PAA)		Total	
	Excluding loss component S/(000)	Loss component S/(000)	Cash Flows (FCF) S/(000)	Risk Adjustment (RA) S/(000)	Cash Flows (FCF) S/(000)	Risk Adjustment (RA) S/(000)	Cash Flows (FCF) S/(000)	Adjustment (RA) S/(000)
<b>Balance as of January 1, 2022</b>	12,063,449	509,792	164,040	5,936	43,508	1,242	12,787,967	(677,175)
Insurance revenue	(677,175)	—	—	—	—	—	—	—
Contracts under fair value, BBA and VFA approach	(462,266)	—	—	—	—	—	—	(462,266)
Contracts under PAA approach	(214,909)	—	364,676	(509)	77,012	1,524	(214,909)	—
Insurance service expenses	118,287	162,882	—	—	—	—	—	723,872
Incurred claims and other expenses	—	—	969,231	130	39,809	16,104	—	1,025,274
Amortization of insurance acquisition cash flows	118,287	—	—	—	—	—	—	118,287
Losses on onerous contracts and reversals of those losses	—	162,882	—	—	—	—	—	162,882
Changes to liabilities for incurred claims	—	—	(604,555)	(639)	37,203	(14,580)	—	(582,571)
<b>Insurance service result</b>	(558,888)	162,882	364,676	(509)	77,012	1,524	46,697	—
<b>Insurance financial expenses</b>	(1,251,364)	24,950	5,270	—	10,073	124	(1,210,947)	—
Insurance financial result	462,970	24,950	5,270	—	10,073	124	503,387	—
Interest rate effect (*), see Note 3.4(d.1)	(1,714,334)	—	—	—	—	—	—	(1,714,334)
<b>Effect of movements in exchange rates</b>	(227,427)	(11,994)	(894)	(16)	(349)	7	—	(240,673)
<b>Total changes in the statement of income and other comprehensive income</b>	(2,037,679)	175,838	369,052	(525)	86,736	1,655	(1,404,923)	—
<b>Total cash flows and investment component</b>	311,265	—	(381,498)	—	(84,966)	—	(155,199)	—
Premiums received	1,036,338	—	—	—	—	—	1,036,338	—
Claims and other expenses paid	—	—	(913,330)	—	(84,966)	—	(998,296)	—
Insurance acquisition cash flows	(193,241)	—	—	—	—	—	(193,241)	—
Investment component	(531,832)	—	531,832	—	—	—	—	—
<b>Balance as of December 31, 2022</b>	10,337,035	685,630	151,594	5,411	45,278	2,897	11,227,845	—

(\* ) Comprises the variation in market interest rate. In 2023, the rates for pension business in US Dollars presented an increase from 3.950 percent in 2021 to 6.472 percent in 2022; whereas rates for pension business in soles presented an increase from 6.817 percent in 2021 to 8.139 percent in 2022; and rates for pension business in soles VAC presented an increase, from 3.734 percent in 2021 to 4.765 percent in 2022.

Notes to the consolidated financial statements (continued)

(c) Following is the movement of the issued insurance contracts' net assets 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:

	2023				2022			
	Estimates of the present value of future cash flows S/(000)	Risk Adjustment S/(000)	Contractual Service Margin S/(000)	Total S/(000)	Estimates of the present value of future cash flows S/(000)	Risk Adjustment S/(000)	Contractual Service Margin S/(000)	Total S/(000)
<b>Balance as of January 1</b>	10,256,194	277,973	599,799	11,133,966	11,867,379	343,110	491,244	12,701,733
Changes that relate to current services								
Contractual service margin recognised for services provided	—	—	(80,622)	(80,622)	—	—	(70,761)	(70,761)
Risk adjustment recognised for the risk expired	—	(306)	—	(306)	—	(3,995)	—	(3,995)
Experience adjustments	(114,952)	—	—	(114,952)	84,129	—	—	84,129
Changes that relate to future services								
Contracts initially recognised in the period	(249,907)	9,441	289,323	48,857	(259,667)	12,591	252,526	5,450
Changes in estimates that adjust the contractual service margin	98,096	609	(98,705)	—	109,771	(16,594)	(93,177)	—
Changes in estimates that do not adjust the contractual service margin	70,637	17,930	—	88,567	171,284	(50,137)	—	121,147
Changes that relate to past services								
Adjustments to liabilities for incurred claims	2,866	—	—	2,866	(16,698)	—	—	(16,698)
<b>Insurance service result</b>	(193,260)	27,674	109,996	(55,590)	88,819	(58,135)	88,588	119,272
<b>Insurance financial expenses</b>	1,471,337	111	37,712	1,509,160	(1,226,728)	—	27,688	(1,199,040)
Insurance financial result	515,706	111	37,712	553,529	487,606	—	27,688	515,294
Interest rate effect <sup>(*)</sup> , see Note 3.4(d.1)	955,631	—	—	955,631	(1,714,334)	—	—	(1,714,334)
Exchange rates	(111,021)	(2,994)	(4,637)	(118,652)	(231,240)	(7,002)	(7,721)	(245,963)
<b>Total changes in the statement of income and other comprehensive income</b>	1,167,056	24,791	143,071	1,334,918	(1,369,149)	(65,137)	108,555	(1,325,731)
<b>Cash flows</b>	(350,975)	—	—	(350,975)	(242,036)	—	—	(242,036)
Premiums received	749,090	—	—	749,090	816,911	—	—	816,911
Claims and other expenses paid	(1,008,640)	—	—	(1,008,640)	(967,912)	—	—	(967,912)
Insurance acquisition cash flows	(91,425)	—	—	(91,425)	(91,035)	—	—	(91,035)



Balance as of  
December 31

11,072,275      302,764      742,870      12,117,909      10,256,194      277,973      599,799      11,133,966

(\*) Balance does not include PPA movement of LRC and LIC amounting to S/87,732,000 and S/93,879,000 as of December 31, 2023 and 2022, respectively.

Notes to the consolidated financial statements (continued)

(d) Following is the CSM movement for insurance contract portfolios for the periods 2023 and 2022:

	<u>2023</u>	<u>2022</u>
	Total Contracts using the fair value approach S/(000)	Total Contracts using the fair value approach S/(000)
<b>Contractual Service Margin as of January 1</b>	599,799	491,244
Changes that relate to current services		
Contractual service margin recognized for services provided	(80,622)	(70,761)
Changes that relate to future services		
Contracts initially recognized in the period	289,323	252,526
Changes in estimates that adjust the contractual service margin	(98,705)	(93,177)
<b>Insurance service result</b>	109,996	88,588
<b>Insurance financial expenses</b>	37,712	27,688
<b>Effect of movements in exchange difference</b>	(4,637)	(7,721)
<b>Total changes in the statement of income</b>	143,071	108,555
Other movements	—	—
<b>Balance as of December 31</b>	<u>742,870</u>	<u>599,799</u>

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

	<u>2023</u>			<u>2022</u>		
	<u>Contracts issued</u>			<u>Contracts issued</u>		
	Non-onerous	Onerous	Total	Non-onerous	Onerous	Total
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
<b>Life insurance contract liabilities</b>						
Estimate of present value of future cash outflows, excluding insurance acquisition cash flows	683,302	99,200	782,502	740,236	119,087	859,323
Estimates of insurance acquisition cash flows	81,957	8,875	90,832	72,206	9,564	81,770
Estimate of present value of future cash outflows	765,259	108,075	873,334	812,442	128,651	941,093
Estimates of present value of future cash inflows	(1,063,336)	(59,905)	(1,123,241)	(1,076,183)	(124,577)	(1,200,760)
Risk adjustment	8,754	687	9,441	11,215	1,376	12,591
Contractual service margin	289,323	—	289,323	252,526	—	252,526
<b>Losses on onerous contracts at initial recognition</b>	<u>—</u>	<u>48,857</u>	<u>48,857</u>	<u>—</u>	<u>5,450</u>	<u>5,450</u>

Notes to the consolidated financial statements (continued)

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

	2023						Total S/(000)
	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)	
<b>Insurance contracts issued -</b>							
<i>Pensions</i>	(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
General insurance	38,088	27,662	19,468	12,920	8,397	41,621	148,156
	<u>23,379</u>	<u>15,077</u>	<u>9,251</u>	<u>5,793</u>	<u>5,067</u>	<u>684,303</u>	<u>742,870</u>

	2022						Total S/(000)
	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)	
<b>Insurance contracts issued -</b>							
<i>Pensions</i>	(7,229)	(6,989)	(6,421)	(5,633)	(4,719)	209,288	178,297
Life	(6,205)	(4,417)	(2,444)	(442)	1,991	294,616	283,099
General insurance	29,172	21,900	16,227	11,473	7,830	51,801	138,403
	<u>15,738</u>	<u>10,494</u>	<u>7,362</u>	<u>5,398</u>	<u>5,102</u>	<u>555,705</u>	<u>599,799</u>

- (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, see Note 3.7 for further details. The movement in the fair value reserve for related financial assets measured at fair value through other comprehensive income is disclosed below:

	2023 S/(000)	2022 S/(000)
<b>Cumulative other comprehensive income, opening balance</b>	1,714,334	—
(Loss) Gains recognized in other comprehensive income in the period	(955,631)	1,714,334
Rate effect of “Renta Particular” contract (*)	(14,587)	—
<b>Cumulative other comprehensive income, closing balance</b>	<u>744,116</u>	<u>1,714,334</u>

- (\*) Comprises the variation in market interest rate of contracts with investment components 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:

	2023 S/(000)	2022 S/(000)
<b>Deferred asset</b>		
Provision for loan portfolio and other provisions	261,713	291,634
Tax loss	23,686	28,054
Net unrealized losses from fluctuation in investments through other comprehensive income	9,853	11,688
Leveling of assets and liabilities	7,474	16,357
Deferred service income	6,975	7,485
Unrealized loss from derivatives	6,407	245
Right-of-use assets	2,787	3,405
Deferred income from indirect credits (stand-by letters)	2,272	2,319
Modification of rescheduled loan cash flows	731	(7,943)
Recording of past-due and refinanced loans	(121,928)	(74,401)
Others	24,543	40,593
<b>Deferred liability</b>		
Amortization of intangible assets, net	(79,773)	(62,213)
Deemed cost of fixed assets	(60,731)	(61,403)
Deferred cost of POS affiliation and registration	(25,348)	(26,980)
Others	(2,725)	(3,053)
<b>Total deferred Income Tax asset, net</b>	<u>55,936</u>	<u>165,787</u>
<b>Deferred liability (*)</b>		
Higher value of intangibles generated by business combination, Note 1(d)	74,744	80,852
Higher value of property, furniture and equipment and right-of-use generated by business combination, Note 1(d)	968	1,047
<b>Total deferred Income Tax liability, net</b>	<u>75,712</u>	<u>81,899</u>

(\*) During 2022, included S/4,642,000 in results for the period.

- (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.

Notes to the consolidated financial statements (continued)

(c) The table below presents the amounts reported in the consolidated statement of income for the years 2023, 2022 and 2021:

	2023 S/(000)	2022 S/(000)	2021 S/(000)
Current – Expense	140,332	432,392	257,252
Current – Dividend expense, Note 17(b)	33,020	30,587	39,108
Deferred – Expense (income)	102,244	(442)	205,752
	<u>275,596</u>	<u>462,537</u>	<u>502,112</u>

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

	2023		2022		2021	
	S/(000)	%	S/(000)	%	S/(000)	%
<b>Income before Income Tax</b>	<u>1,354,872</u>	<u>100.0</u>	<u>2,140,651</u>	<u>100.0</u>	<u>2,302,291</u>	<u>100.0</u>
Theoretical tax	399,687	29.5	631,492	29.5	679,176	29.5
Increase (decrease) in income of Subsidiaries not domiciled in Peru	46,453	3.4	11,412	0.5	(39,498)	(1.7)
Non-taxable income, net	(275,379)	(20.3)	(243,003)	(11.4)	(224,780)	(9.8)
Permanent non-deductible expenses	109,602	8.1	61,833	2.9	69,367	3.0
Non-taxable translation results	(4,767)	(0.4)	803	0.1	17,847	0.8
<b>Income Tax</b>	<u>275,596</u>	<u>20.3</u>	<u>462,537</u>	<u>21.6</u>	<u>502,112</u>	<u>21.8</u>

## 16. Equity

### (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, 2023 and 2022, 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 will be 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.

The General Extraordinary Shareholders' Meeting of IFS held on November 24, 2021, agreed to distribute extraordinary dividends for approximately US\$75,038,000 (equivalent to approximately S/301,757,000), equivalent to US\$0.65 per share, which were paid on December 20, 2021.

The General Shareholders' Meeting of IFS held on March 31, 2021, agreed to distribute dividends for the year 2020 for approximately US\$88,891,000 (equivalent to approximately S/332,096,000), equivalent to US\$0.77 per share, which were paid on May 6, 2021.

### (b) Treasury stock -

As of December 31, 2023 and 2022, the Company and some Subsidiaries hold 967,000 and 29,000 shares issued by IFS, respectively, with an acquisition cost equivalent to S/84,309,000 and S/3,363,000.

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 2023, within the framework of this Program, Interbank has purchased 938,371 shares, at their market values, for the approximate sum of US\$21,952,000 (approximately equivalent to S/81,021,000).

On March 29, 2023, Interfondos sold 750 shares for an approximate amount of S/75,000.

### (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.

Notes to the consolidated financial statements (continued)

(d) Unrealized results, net -

This item is made up as follows:

	Unrealized gain (loss)					Total S/(000)
	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 premiums reserve S/(000)	Cash flow hedge reserve S/(000)	Translation of foreign operations S/(000)	
<b>Balances as of January 1, 2021</b>	297,212	1,667,103	(1,255,845)	(37,108)	165,411	836,773
Effect of changes in the discount rates of pension reserves, Note 3.4(d)	—	—	1,389,995	—	—	1,389,995
Unrealized gain from equity instruments at fair value through other comprehensive income, net of unrealized loss	145,899	—	—	—	—	145,899
Transfer to retained earnings from realized gain from equity instruments at fair value through other comprehensive income, Note 5(g)	(451,898)	—	—	—	—	(451,898)
Unrealized gain from debt instruments at fair value through other comprehensive income, net of unrealized loss	—	(1,986,046)	—	—	—	(1,986,046)
Transfer to realized gain from debt instruments at fair value through other comprehensive income, net of unrealized loss	—	(249,689)	—	—	—	(249,689)
Transfer of impairment gain on debt instruments at fair value through other comprehensive income	—	(30,994)	—	—	—	(30,994)
Variation for net unrealized loss on cash flow hedges	—	—	—	68,615	—	68,615
Transfer of realized loss on cash flow hedges to consolidated statement of income, net of realized gain	—	—	—	13,371	—	13,371
Translation of foreign operations	—	—	—	—	95,674	95,674
<b>Balances as of December 31, 2021</b>	(8,787)	(599,626)	134,150	44,878	261,085	(168,300)
Changes due to first adoption of IFRS 17, see Note 3.7	—	—	(134,177)	—	—	(134,177)
<b>Balances as of January 1, 2022 - Restated (Note 3.7)</b>	(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 gain from equity instruments at fair value through other comprehensive income, net of unrealized loss	(21,663)	—	—	—	—	(21,663)
Transfer to retained earnings from realized loss 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 loss	—	(1,848,192)	—	—	—	(1,848,192)
Transfer to realized gain from debt instruments at fair value through other comprehensive income, net of unrealized loss	—	14,263	—	—	—	14,263
Transfer of impairment recovery 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)
<b>Balances as of December 31, 2022 - Restated (Note 3.7)</b>	(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 (loss)					Total S/(000)
	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 premiums reserve S/(000)	Cash flow hedge reserve S/(000)	Translation of foreign operations S/(000)	
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 recovery 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)
<b>Balances as of December 31, 2023</b>	<u>(64,141)</u>	<u>(1,293,563)</u>	<u>742,894</u>	<u>(31,933)</u>	<u>188,950</u>	<u>(457,793)</u>



## (e) Components of other comprehensive income -

The consolidated statement of comprehensive income includes: (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:

	2023 S/(000)	2022 S/(000)	2021 S/(000)
<b>Other comprehensive income that will not be reclassified to the consolidated statement of income in future periods:</b>			
<b>Equity instruments at fair value through other comprehensive income</b>			
Gains (losses) on equity instruments at fair value through other comprehensive income, net	16,055	(21,663)	145,899
<b>Subtotal</b>	<u>16,055</u>	<u>(21,663)</u>	<u>145,899</u>
Non-controlling interest	8	(43)	231
Income Tax	157	(218)	31
<b>Total</b>	<u>16,220</u>	<u>(21,924)</u>	<u>146,161</u>
<b>Other comprehensive income to be reclassified to the consolidated statement of income in future periods:</b>			
<b>Debt instruments at fair value through other comprehensive income</b>			
Net gain (loss) unrealized on debt instruments at fair value through other comprehensive income	1,128,206	(1,848,192)	(1,986,046)
Transfer to income of net realized (gain) loss on debt instruments at fair value through other comprehensive income	(8,350)	14,263	(249,689)
Transfer to income of loss (recovery) for impairment on debt instruments at fair value through other comprehensive income	7,390	12,746	(30,994)
<b>Subtotal</b>	<u>1,127,246</u>	<u>(1,821,183)</u>	<u>(2,266,729)</u>
Non-controlling interest	3,618	(4,423)	(6,978)
Income Tax	3,645	(8,250)	(8,404)
<b>Total</b>	<u>1,134,509</u>	<u>(1,833,856)</u>	<u>(2,282,111)</u>
<b>Insurance premiums reserve</b>	—	—	1,389,995
<b>Non-controlling interest</b>	—	—	2,285
<b>Total</b>	<u>—</u>	<u>—</u>	<u>1,392,280</u>
<b>Insurance contracts reserve at fair value, Note 14(b)</b>	(968,599)	1,711,520	—
Non-controlling interest	(1,592)	2,814	—
<b>Total</b>	<u>(970,191)</u>	<u>1,714,334</u>	<u>—</u>
<b>Cash flow hedges:</b>			
Net (loss) gain from cash flow hedges	(67,980)	(70,170)	68,615
Transfer of net realized loss from cash flow hedge to consolidated statement of income	45,309	16,030	13,371
<b>Subtotal</b>	<u>(22,671)</u>	<u>(54,140)</u>	<u>81,986</u>
Non-controlling interest	(105)	(144)	261
Income Tax	(6,336)	(8,670)	15,696
<b>Total</b>	<u>(29,112)</u>	<u>(62,954)</u>	<u>97,943</u>
<b>Foreign currency translation</b>	<u>(21,970)</u>	<u>(50,165)</u>	<u>95,674</u>

(f) Shareholders' equity for legal purposes (regulatory capital) -

IFS is not required to establish a regulatory capital for statutory purposes. As of December 31, 2023 and 2022, 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).

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

**Interbank's regulatory capital -**

According to Legislative Decree No. 1028, 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.

Through Multiple Official Letter No. 27358-2021 and Emergency Decree 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.

SBS Resolution No. 3952-2022, and its amendments, established 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 February 2024; equal or higher than 9.5 percent between March and August 2024; and 10 percent from September 2024 onwards. This also modifies the regulations for regulatory capital requirements for credit risk, revoking Official Multiple Letter No. 27358-2021-SBS and Emergency Decree No. 003-2022.

As of December 31, 2023 and 2022, in application of the provisions of the SBS Resolutions, Interbank maintains the following amounts related to the risk weighted assets and contingent and regulatory capital (basic and supplementary):

	2023 S/(000)	2022 S/(000)
Total risk weighted assets and credits	63,494,884	64,690,083
Total regulatory capital	9,811,486	9,754,806
Basic regulatory capital (Level 1)	7,461,727	7,016,417
Supplementary regulatory capital (Level 2)	2,349,759	2,738,389
<b>Global capital to regulatory capital ratio</b>	<b>15.45%</b>	<b>15.08%</b>

As of December 31, 2023 and 2022, 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, thus revoking SBS Resolution No. 8425-2011. Also, it establishes an adaptation period until December 2023. As of December 31, 2023, the regulatory capital requirement for additional risks is approximately S/594,256,000.

Previously, Resolution No. 8425-2011 was in force and, in application of said standard, established the calculation of the additional regulatory capital requirement as the sum of the regulatory capital requirements calculated for each of the following components: economic cycle, concentration risk, market concentration risk, interest rate risk in the banking book and other risks. As of December 31, 2022, the additional regulatory capital requirement estimated by Interbank amounted to approximately S/840,914,000.

On March 26, 2020, the SBS issued SBS Resolution No. 1264-2020, which establishes that the calculation of regulatory capital requirements will not be increased in relation the weighting factor for mortgage loans and non-revolving consumer loans that have been subject to rescheduling that included the maturity term extension. In that sense, this extension in the loan’s maturity term has not generated that Interbank require higher regulatory capital requirements due to the weighting factor. Also, said Resolution authorizes financial entities to use the cumulative additional regulatory capital for the economic cycle component.

#### **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, 2023 and 2022, 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, 2023 and 2022, Interseguro's surplus equity is as follows:

	2023 S/(000)	2022 S/(000)
<b>Regulatory capital</b>	1,370,151	1,338,237
<b>Less</b>		
Solvency equity (solvency margin)	698,409	714,875
Guarantee fund	455,253	250,207
<b>Surplus</b>	<u>216,489</u>	<u>373,155</u>

**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, 2023 and 2022 is the following:

	2023 US\$(000)	2022 US\$(000)
Total eligible capital	137,460	195,806
Total risk weighted assets	792,352	959,241
<b>Capital adequacy ratio (in percentage)</b>	<u>17.35</u>	<u>20.41</u>

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

(g) Reserves -

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, 2023 and 2022, the reserves constituted by the Peruvian subsidiaries amounted to S/1,670,500,000 and S/1,545,471,000, respectively.

**17. Tax situation**

- (a) IFS and its Subsidiaries are incorporated and domiciled in the Republic of Panama and the Commonwealth of the Bahamas (see Note 2), and 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 components.

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 disposed of.

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 Income Tax on dividends as an expense for the financial year of the dividends received. In this sense, during 2023, 2022 and 2021, the Company has recorded a provision for S/33,020,000, S/30,587,000 and S/39,108,000, 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, 2023, 2022 and 2021, 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, 2023:

- Interbank: Income Tax returns for the years 2020 to 2023, and Value-Added-Tax returns for the years 2018 to 2023.
- Interseguro: Income Tax returns for the years 2019, 2021, 2022 and 2023, and Value-Added-Tax returns for the years 2019 to 2023.

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

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.

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, 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 and September 2022, the Permanent Constitutional and Social Law Chamber of the Supreme Court declared unfounded the cassation appeals by SUNAT and the Ministry of Economy and Finance, thus reaffirming the position of Interbank in the sense that interest in suspense does not constitute taxable income, both in the 2001 Income Tax and in the 2004 Income Tax.

In January 2023, Interbank was notified with Resolution of Compliance No. 4070150000145, which rectified and resettled the debt contained in Resolutions of Determination No. 0120030012106 and No. 0120030012107 related to advance payments of the Income Tax for the period 2003, without any amount to pay.

In March 2023, Interbank was notified with Resolution of Compliance No. 4070150000186 regarding Income Tax for the period 2003, which rectified the tax debt contained in the Resolution of Penalty No. 012-002-0011622, thus reducing said penalty from S/69,000,000 to S/25,000,000. Likewise, Interbank filed the respective Appeal Recourse against Resolution of Compliance No. 4070150000186. In September 2023, Interbank was notified with Tax Court Resolution No. 07915-4-2023, which revokes Resolution No. 4070150000186, dated March 2023, in relation to the updating of the debt contained in Resolution of Penalty No. 012-002-0011622. Thus, SUNAT must proceed according to what said Resolution mandates, and confirm its content. In October 2023, Interbank was notified with Resolution of Compliance No. 4070150000348, and filed a claim recourse that is pending resolution by the Tax Court.

As of December 31, 2023 the tax liability requested for this concept and other minor contingencies, amounts to approximately S/124,000,000 which includes the tax, fines and interest arrears, out of which S/59,000,000 corresponded to interest in suspense and S/65,000,000 corresponded to other repairs. As of December 31, 2022, the tax liability amounted to S/290,000,000 and includes taxes, fines, and interest arrears.

In February 2023, Interbank was notified with the Tax Court Resolution No. 00227-2-2023, which declared null the Resolution of Intendence No. 0150150002380, of May 2020, in relation to the payments of the Income Tax for the period 2004 in the part referring to interest in suspense and related penalties.

In April 2023, Interbank was notified with Resolution No. 4070150000211, issued in compliance with Resolution No. 00227-2-2023, through which it rectified the determination of payments on account of Income Tax for the year 2004. Interbank presented the respective Appeal, which is pending resolution by the Tax Court.

In August 2023, the Cassation Ruling No. 1035-2022 Lima was published, which resolves the claim filed by SUNAT regarding the Income Tax for the period 2004, with judgment favorable for Interbank.

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 were rejected. In June 2020, Interbank filed an Appeal, which is pending of pronouncement by the Tax Court.

In December 2022, the Tax Court notified of Resolution No. 09431-9-2022, through which it revoked interest in suspense, financial pro-rata, advance payments and fines. As of today, Interbank is awaiting the Resolution of Compliance.

In October 2023, Interbank was notified with Resolution No. 4070150000358, issued in compliance with Tax Court Resolution No. 09431-9-2022. In November 2023, the respective Appeal was presented, which is pending resolution by the Tax Court.

In December 2023, Interbank was notified with Resolution No. 4070150000379, issued in compliance with Tax Court Resolution No. 09431-9-2022, and presented the respective Appeal, which is pending resolution by the Tax Court.

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 notified of Resolution No. 09451-1-2022, through which it revoked interest in suspense, advance payments coefficient and fines. As of today, Interbank is awaiting the Resolution of Compliance.

*Tax period 2010:*

In 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 today, 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 Income Tax for the fiscal year 2012. As of December 31, 2023 and 2022, the tax debt claimed by the SUNAT amounted to S/14,400,000 and S/14,000,000, respectively. During 2021 and 2022, Interbank filed diverse Appeal Recourses.

SUNAT rejected all these recourses. As of the date of this report, the process is on appeal, pending resolution by the Tax Court.

*Tax period 2013:*

In 2019, Interbank was notified of the Determination and Penalty Resolutions corresponding to the audit of the Income Tax for the fiscal year 2013. The main concept observed corresponded to the deduction of loan write-offs without proof by the SBS.

During 2021, Interbank filed a claim against the Resolution of the Tax Court. This authority confirmed, revoked, and ordered to resettle the aforementioned concepts. At the end of 2022, the Tax Court reconfirmed its ruling in the aforementioned Resolution. In December 2022, the SUNAT through Resolution of Coactive Collection No. 0110060065138, notified of the payment of the third-category Income Tax debt corresponding to the period 2013, for approximately S/62,000,000, which was paid by Interbank on February 2, 2023; however, the process continues in the Judiciary instance. Interbank recorded this payment 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 periods 2014 and 2015:*

In September and December 2019, SUNAT notified Interbank about the beginning of the definitive audit procedure on Income Tax corresponding to the year 2014 and 2015, respectively. During 2021 and 2022, Interbank filed diverse Appeal Recourses. SUNAT rejected all these recourses.

As of December 31, 2023 and 2022, 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/14,600,000 and S/14,000,000, respectively.

*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 of Resolutions of Determination No. 0120030127896 and No. 0120030127908, issued regarding the third-category Income Tax corresponding to the period 2017 and Income Tax advance payments from January to December 2017, without additional amounts to pay related to the third-category Income Tax; however, in November 2022, Interbank filed a claim recourse on other minor concepts, observed by the SUNAT.

In June 2023, Interbank was notified with the Resolution No. 4070140000600 declaring the claim recourse unfounded. In July 2023, Interbank filed the respective Appeal against said Resolution, which is pending of pronouncement by the Tax Court.

*Tax period 2018:*

In April 2019, SUNAT notified of 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 Resolution of Determination No. 012-003-0135114, issued regarding the third-category annual Income Tax for the period 2018, Resolutions of Determination No. 012-003-0135102 to No. 012-003-0135113, issued regarding advance payments from January to December 2018 and resolutions of Penalty issued regarding an alleged infringement of Article 178.1 of the Tax Code for the tax and period indicated. The tax debt claimed by SUNAT amounts to S/74,000,000.



In December 2023, the respective claim recourse was filed. To date, said recourse is pending resolution by SUNAT .

Interseguro:

In October 2023, SUNAT completed the fiscalization procedure regarding the Income Tax corresponding to the year 2020, without additional observations.

Izipay:

As of December 31, 2023 and 2022, Izipay maintains carryforward tax losses amounting to S/71,552,053 and S/82,931,174, 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, 2023 and 2022.

- (e) Peruvian life insurance companies are exempted from the Income Tax on income from assets related to technical reserves for the payment of annuities and retirement, disability and survival annuities of the Private Pension Fund Administration System.
- (f) 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. On the basis of the analysis of the operations of the Group, Management and its internal legal advisers believe that, as a consequence of the application of these standards, contingencies of importance will not arise for the Subsidiaries domiciled in Peru as of December 31, 2023 and 2022.

Through Legislative Decree No. 1312, published on December 31, 2016, the formal obligations for entities included within the scope of application of transfer pricing were modified, thus incorporating three new information requirements: the first is a Local Report; the second is a Master Report; and the third is a Country Report. The first entered into effect since 2017 for the operations that occurred during year 2016 and the last two since 2018 for the operations that have occurred since the fiscal year 2017.

- (g) Through Legislative Decree No.1381, published on August 24, 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.
- (h) In July 2018, Act No. 30823 was published, whereby the Congress delegated power to the Executive Branch to legislate on various issues, including tax and financial matters. In this sense, the main tax regulations issued are the following:

Notes to the consolidated financial statements (continued)

- (i) Beginning on January 1, 2019, the treatment applicable to royalties and remuneration for services rendered by non-domiciled persons was modified, eliminating the obligation to pay the amount equivalent to the withholding due to the accounting record of the cost or expense. Now the Income Tax is withheld at the payment of the compensation. For said cost or expense to be deductible for the local company, the remuneration must have been paid to the filing date of the annual tax return for the Income Tax (Legislative Decree No. 1369).

- (ii) The rules that regulate the obligation of legal persons and/or legal entities to inform the identification of their final beneficiaries (Legislative Decree No. 1372) were established. These rules are applicable to legal entities domiciled in the country, in accordance with the provisions of Article 7 of the Income Tax Act, 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 of the members 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 SUNAT.
- (iii) The Tax Code was amended with the purpose of offering taxpayers more assurance regarding the application of the general anti-avoidance rule (Rule XVI of the Preliminary Title of the Tax Code), as well as to provide SUNAT with tools for its effective implementation (Legislative Decree No.1422).

As part of this amendment, a new assumption of joint and several liability is envisaged when the tax debtor is subject to the application of the measures provided by Rule XVI in the event that presumed tax avoidance cases are detected; in such case, the joint and several liability shall be attributed to the legal representatives, provided that they have collaborated with the design or approval or execution of actions or situations or economic relations viewed as tax avoidance in Rule XVI. In the case of companies that have a Board of Directors, 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. The actions, situations and economic relations carried out within the framework of tax planning and implemented on the date of entry into force of Legislative Decree No. 1422 (September 14, 2018), and which continue to have effect, must be evaluated by the Board of Directors of the entity for the purpose of ratification or modification until March 29, 2019, without prejudice to the fact that the management or other managers of the company have approved the aforementioned actions, situations and economic relations.

Likewise, it has been established that the application of Rule XVI, regarding the re-characterization of tax avoidance assumptions, will take place in the final inspection procedures in which acts, events or situations produced since July 19, 2012, are reviewed.

- (iv) Amendments to the Income Tax Act were included, effective as of January 1, 2019, to improve the tax treatment applicable to the following (Legislative Decree No. 1424):
- Income obtained from the indirect transfer of shares of stock or capital representing participations of legal persons domiciled in the country. Among the most significant changes is the inclusion of a new indirect sale assumption, which is triggered when the total amount of the shares of the domiciled legal entity whose indirect disposal is made is equal to or higher than 40,000 UITs.
  - Permanent establishments of sole proprietorships, companies and entities of any nature incorporated abroad. For this purpose, new cases of permanent establishment have been included, among them, when the rendering of services in the country occurs, with respect to the same project, service or related one, for a period that exceeds 183 calendar days in total within any period of twelve months.
  - The system of credits against Income Tax for taxes paid abroad, to be included in the indirect tax credit (corporate tax paid by foreign subsidiaries) as credit applicable against the Income Tax of domiciled legal persons, to avoid double economic taxation.
  - The deduction of interest expenses for the determination of corporate Income Tax. In the years 2019 and 2020, if the debt limit is set at up to three times the net equity as of December 31 of the previous year, it will be applicable, both to loans with related parties, and to loans with third parties contracted since September 14, 2018. Beginning in 2021, the limit for the deduction of financial expenses shall be equivalent to 30 percent of the entity's tax EBITDA. There are some exceptions to this limitation, such as in the case of banks, taxpayers with income lower than 2,500 UITs, infrastructure and public services, among others.
  - Supreme Decree No. 402-2021-EF, published on December 30, 2021, and in effect since December 31, 2021, modified the Regulation of the Income Tax Act that regulates the calculation of the taxable EBITDA regarding the limit of debt interest.
- (v) Regulations have been established for the accrual of income and expenses for tax purposes beginning on January 1, 2019 (Legislative Decree No. 1425). Until year 2018, there was no rule definition of this concept, so in many cases accounting rules were used for its interpretation. In general terms, with the new criterion, for the purpose of determining the Income Tax, it shall be considered whether the substantial events for the generation of income or expense agreed upon by the parties have occurred, provided they are not subject to a subsequent condition, in which case the recognition shall take place when it is fulfilled and when collection or payment is to take place will not be taken into account; and, if the determination of the consideration depends on a future action or event, the total or part of the corresponding income or expense will be deferred until that action or event occurs.
- (i) Supreme Decree No. 430-2020-EF, published on December 31, 2020, approved the Regulation that establishes the financial information that companies of the financial system must provide to SUNAT in the fight against tax evasion and avoidance pursuant to Legislative Decree No. 1434. Such Regulation entered into force on January 1, 2021.

Considering that, said Regulation established the concepts that the financial entities must report to SUNAT, which are, among others, cumulative balances and/or amounts, averages or highest amounts and the returns generated in the accounts during the reporting period are equal or higher than S/30,800 in said period. The information shall be provided to SUNAT semi-annually through informative declarations containing monthly information.

- (j) Law No. 31106 extends until December 31, 2023, the validity of all exemptions in force to date contained in Article 19 of the Income Tax Act.

On this matter, among the extended exemptions that are applicable or related to Interbank's operations, is the subparagraph (i) of Article 19 which indicates that any type of fixed or variable interest rate, in local or foreign currency, that is paid for any deposit or levy pursuant to Law Banking and Insurance, Law No. 26702, as well as the capital increases of said deposits and levies, in local or foreign currency, except when said income constitutes third category income, shall be exempted.

- (k) Legislative Decree No. 1529 was published on March 3, 2022, amending the Bankarization Act in order to promote the use of payment means and reduce the minimum amount for the use of payment means, according to the following:

- The minimum amount for the use of Payment Means is two thousand Soles (S/2,000) or five hundred American Dollars (US\$500).
- With the purpose of improving the coverage of payment methods and thus broaden the range of traceable operations, Article 3 of the Bankarization Act was amended in order to point out that payment of amounts of money in operations included in said article, for amounts equivalent or higher than 1 UIT, even when the payment is performed partially, can only be performed by using payment methods contemplated by said Act.
- The payment of obligations to non-domiciled natural and/or legal persons that must be performed through payment methods contemplated by said Act must be performed through either the Financial System Entities ("FSE"), or non-domiciled banking or finance companies, in the cases that the subject performs foreign trade operations, including the obligations derived from the acquisition of property and rights related to the holding of shares and other transferable securities.
- The use of payment methods is deemed complied with only if the payment is performed directly to the lender, supplier and/or service provider, or when said payment is made to a third party designated by the former, provided that such designation is informed to SUNAT prior to the Payment.
- In no case is the obligation to use payment methods pursuant to the Act deemed complied with when the payments are performed through banking or finance companies domiciled in either non-cooperating countries or territories, with low or zero taxation, or permanent establishments (PE) in said countries or territories.

The legislation entered into effect on April 1, 2022, except for the amendment referring to the payment of non-domiciled FSEs located in low or zero taxation territories, which was set to enter into effect on January 1, 2023.

- (l) Supreme Decree No. 137-2023-EF, published on June 29, 2023, amends Article 30 of the Regulation of the Income Tax Act, which regulates the tax rates applicable to operations with non-domiciled parties. The amendment updates the use of the SOFR rate as the predominant preferential rate for the purpose of applying the reduced tax rate of 4.99 percent. Said supreme decree entered into effect on June 30, 2023.

**18. Off-balance sheet accounts**

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

	2023 S/(000)	2022 S/(000)
<b>Contingent credits - indirect loans (b), Note 6(a)</b>		
Guarantees and stand-by letters	4,302,772	4,001,806
Import and export letters of credit	440,708	485,541
	<u>4,743,480</u>	<u>4,487,347</u>
<b>Derivatives</b>		
<b>Held for trading: Note 10(b)</b>		
<b>Forward foreign currency agreements, see Note 29.2(b)(i):</b>		
Forward currency agreements – purchase	1,811,147	1,977,324
Forward currency agreements – sale	2,316,809	4,057,830
Forward foreign currency agreements in other currencies	747,736	292,906
Foreign currency options	279,047	80,151
<b>Swap agreements, see Note 29.2(b)(ii):</b>		
Currency swaps: Foreign currency delivery / receipt in Soles	283,648	644,019

Notes to the consolidated financial statements (continued)

	2023 S/(000)	2022 S/(000)
Currency swaps: Soles delivery / receipt in foreign currency	1,087,151	2,028,514
Cross currency swaps	—	224,485
Interest rate swaps	1,530,493	2,424,566
<b>Designated as hedges: Note 10(b)</b>		
<b>Cash flows:</b>		
Cross currency swaps	2,578,515	2,579,164
	<u>10,634,546</u>	<u>14,308,959</u>
Responsibilities for credit lines granted (cancellable) (c)	11,295,837	13,213,024
Responsibilities for credit lines – commercial and others (d)	2,015,304	1,545,698
<b>Total</b>	<u><u>28,689,167</u></u>	<u><u>33,555,028</u></u>

- (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:

	2023 S/(000)	2022 S/(000)	2021 S/(000)
<b>Interest and similar income</b>			
Interest on loan portfolio	5,353,991	4,207,420	3,274,402
Impact from the modification of contractual cash flows due to the loan rescheduling schemes (*)	(29,404)	41,110	120,193
Interest on investments at fair value through other comprehensive income	1,208,823	1,202,788	928,660

Notes to the consolidated financial statements (continued)

	2023 S/(000)	2022 S/(000)	2021 S/(000)
Interest on due from banks and inter-bank funds	367,167	175,401	46,273
Interest on investments at amortized cost	172,602	161,966	130,326
Dividends on financial instruments, Note 5(e) and (f)	42,779	78,928	101,736
Others	4,453	3,689	4,035
<b>Total</b>	<u>7,120,411</u>	<u>5,871,302</u>	<u>4,605,625</u>
<b>Interest and similar expenses</b>			
Interest and fees on deposits and obligations	(1,662,139)	(863,335)	(334,212)
Interest and fees on obligations with financial institutions	(474,362)	(234,842)	(156,490)
Interest on bonds, notes and other obligations	(311,665)	(418,821)	(433,774)
Deposit insurance fund fees	(81,171)	(77,920)	(70,670)
Interest on lease payments, Note 8(e)	(5,562)	(9,283)	(14,004)
Others	(57,467)	(57,488)	(48,787)
<b>Total</b>	<u>(2,592,366)</u>	<u>(1,661,689)</u>	<u>(1,057,937)</u>

- (\*) 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 2023, 2022 and 2021, interest was recorded according to the rescheduled term for approximately S/9,246,000, S/22,930,000 and S/96,627,000, respectively. Likewise, as result of the rescheduling of loans under the "Reactiva Peru" program, expenses for approximately S/38,650,000, and income for approximately S/18,180,000 and S/23,566,000, respectively; were recorded.
- (b) The amounts shown in paragraph (a) above, include interest income and expenses calculated using the effective interest rate (EIR), which are related to the following items:

	2023 S/(000)	2022 S/(000)	2021 S/(000)
Financial assets measured at amortized cost	5,864,356	4,585,897	3,571,194
Financial assets measured at fair value through other comprehensive income	1,208,823	1,202,788	928,660
<b>Total interest from financial assets calculated at EIR</b>	<u>7,073,179</u>	<u>5,788,685</u>	<u>4,499,854</u>
<b>Financial liabilities measured at amortized cost</b>	<u>2,453,728</u>	<u>1,526,281</u>	<u>938,480</u>



Notes to the consolidated financial statements (continued)

**20. Fee income from financial services, net**

(a) For the years ended December 31, 2023, 2022 and 2021, this caption is comprised of the following:

	2023 S/(000)	2022 S/(000)	2021 S/(000)
<b>Income</b>			
<b>Performance obligations at a point in time:</b>			
Accounts maintenance, carriage, transfers, and debit and credit card fees	747,568	705,188	562,542
Income from services (acquirer and issuer role) (b)	738,177	523,313	—
Banking service fees	208,420	248,175	249,843
Brokerage and custody services (c)	5,811	5,836	8,457
Others	36,393	34,438	—
<b>Performance obligations over time:</b>			
Funds management	137,137	153,948	184,703
Contingent loans fees	68,355	70,038	64,964
Collection services	60,648	60,931	52,955
Commission for loans rescheduling “Reactiva Peru” program	9,343	16,909	23,722
Others	19,414	23,259	37,293
<b>Total (d)</b>	<u>2,031,266</u>	<u>1,842,035</u>	<u>1,184,479</u>
<b>Expenses</b>			

Notes to the consolidated financial statements (continued)

	2023 S/(000)	2022 S/(000)	2021 S/(000)
Expenses for services (acquirer and issuer role) (b)	(339,846)	(238,997)	—
Credit cards	(199,464)	(164,722)	(128,580)
Commissions Mastercard - Visa	(85,741)	(56,845)	—
Credit life insurance premiums	(71,796)	(97,378)	(102,844)
Local banks fees	(58,956)	(50,192)	(36,836)
Foreign banks fees	(26,285)	(24,920)	(31,767)
Commission for loans rescheduling “Reactiva Peru” program	(12,930)	(22,373)	(26,215)
Registry expenses	(1,466)	(2,046)	(3,009)
Brokerage and custody services (c)	(675)	(961)	(824)
Others	(55,645)	(46,215)	(30,596)
<b>Total</b>	<u>(852,804)</u>	<u>(704,649)</u>	<u>(360,671)</u>
<b>Net</b>	<u>1,178,462</u>	<u>1,137,386</u>	<u>823,808</u>

- (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, the month in which Izipay became a Subsidiary of IFS.
- (c) As of December 31, 2023, 2022 and 2021, the Group has recognized net income for transactions carried out on behalf of its clients amounting to S/5,136,000, S/4,875,000 and S/7,633,000, respectively.
- (d) Fee income by geographic distribution for the years ended December 31, 2023, 2022 and 2021 is presented below:

	2023 S/(000)	2022 S/(000)	2021 S/(000)
<b>Country</b>			
Peru	1,931,303	1,720,865	1,046,471
Panama	99,963	121,170	138,008
<b>Total</b>	<u>2,031,266</u>	<u>1,842,035</u>	<u>1,184,479</u>

**21. Other income and (expenses)**

(a) This caption is comprised of the following:

	2023 S/(000)	2022 S/(000)	2021 S/(000)
<b>Other income</b>			
Maintenance, installation and sale of POS equipment	28,743	22,000	—
Gain from sale of written-off-loans (c)	18,770	19,177	11,848
Gain on sale of property, furniture and equipment, Note 8(d)	15,300	11,780	—
Other technical income from insurance operations	10,163	6,489	8,115
Services rendered to third parties	7,512	7,611	6,836
Income from ATM rentals	5,365	6,459	4,944
Gain from refunds and penalties	—	18,783	—
Income from investments in associates (b)	—	18,692	33,378
Fair value adjustment of the participation held by Interbank in Izipay, Note 1(d)	—	222,513	—
Others	70,847	66,677	24,377
<b>Total other income</b>	<u>156,700</u>	<u>400,181</u>	<u>89,498</u>
<b>Other expenses</b>			
Commissions from insurance activities	(42,400)	(90,168)	(37,920)
Administrative and tax penalties	(20,198)	(7,317)	(2,672)
Provision for accounts receivable	(13,847)	(5,684)	(1,123)
Cost of sale of POS equipment	(12,819)	(27,366)	—
Sundry technical insurance expenses	(10,066)	(11,048)	(65,757)
Expenses related to rental income	(5,814)	(7,521)	(4,026)
Donations	(4,529)	(4,712)	(4,991)
Provision for sundry risk	(4,138)	(12,661)	(14,872)
Write-off of intangibles, Note 9(a)	(3,455)	(6,266)	(10,371)
Others (*)	(67,726)	(67,901)	(68,460)
<b>Total other expenses</b>	<u>(184,992)</u>	<u>(240,644)</u>	<u>(210,192)</u>

(\*) During the years 2023 and 2022, corresponds mainly to expenses for operational write-offs and technological failures, among other minor expenses. During 2021, corresponds mainly to non-recurring expenses derived from the Covid-19 pandemic (implementation of safety protocols and remote working, among others).

(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(d).

(c) During the years 2023, 2022 and 2021, Interbank sold written-off loan portfolios, in cash and to non-related third parties. The nominal value of the credits sold amounted to S/1,300,296,000, S/973,966,000 and S/501,540,000, respectively.

Notes to the consolidated financial statements (continued)

**22. Result from insurance activities, before expenses**

(a) This caption is comprised of the following:

	2023				2022			
	General insurance S/(000)	Pensions S/(000)	Life S/(000)	Total S/(000)	General insurance S/(000)	Pensions S/(000)	Life S/(000)	Total S/(000)
<b>Insurance service income -</b>								
<i>Contracts measured under BBA and VFA (*):</i>								
CSM recognized for services rendered	49,191	3,609	27,978	80,778	43,496	1,945	25,320	70,761
Change in risk adjustment for non-financial risk	1,476	255	(1,850)	(119)	1,562	(828)	2,014	2,748
Insurance service expenses and expected claims incurred	69,145	273,396	62,348	404,889	76,367	266,433	42,398	385,398
Recovery of cash for insurance acquisition	3,489	273	6,613	10,375	1,159	121	2,078	3,358
<i>Contracts measured under PFA:</i>								
Premiums assigned to the period	220,616	—	4,097	224,713	208,446	—	6,464	214,910
	343,917	277,533	99,186	720,636	331,230	267,671	78,274	677,175
<b>Insurance service expenses -</b>								
Claims incurred expenses and other expenses	(108,805)	(798,733)	(114,753)	(1,022,291)	(118,621)	(813,703)	(92,950)	(1,025,274)
Onerous contract losses and loss reversion	38,101	(37,190)	11,636	12,547	5,872	(174,608)	5,854	(162,882)
Amortization of insurance acquisition cash flows	(120,123)	(273)	(6,613)	(127,009)	(116,088)	(121)	(2,078)	(118,287)
Changes to liabilities for incurred claims	(58,030)	477,027	64,182	483,179	11,757	521,781	49,033	582,571
	(248,857)	(359,169)	(45,548)	(653,574)	(217,080)	(466,651)	(40,141)	(723,872)
<b>Insurance service results</b>	95,060	(81,636)	53,638	67,062	114,150	(198,980)	38,133	(46,697)
Reinsurance income	—	(542,361)	(30,806)	(6,889)	—	(522,725)	—	(16,417)
Financial result of insurance operations (b)	—	(623,997)	22,832	(573,167)	—	(721,705)	57,471	(503,387)
<b>Result from insurance activities (**)</b>	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/334,602,000 and S/313,647,000 as of December 31, 2023 and 2022, respectively. See also financial information by segments in Note 27.

Notes to the consolidated financial statements (continued)

(b) The composition of the financial result of insurance operations is as follows:

	2023			2022		
	Pensions S/(000)	Life S/(000)	Total S/(000)	Pensions S/(000)	Life S/(000)	Total S/(000)
<b>Financial expenses for issued insurance contracts -</b>						
Changes in the obligation to pay the fair value holder of the underlying assets of direct participation agreements due to the investment's return	—	(10,499)	(10,499)	—	27,284	27,284
Interest credited	(541,468)	(23,088)	(564,556)	(523,539)	(9,526)	(533,065)
Changes in interest rate and other financial hypotheses	(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	4	(621)	(617)	(16)	(1,729,032)	(1,729,048)
	<u>(541,897)</u>	<u>(30,951)</u>	<u>(572,848)</u>	<u>(522,801)</u>	<u>17,100</u>	<u>(505,701)</u>
<b>Financial income from insurance contracts -</b>						
Interest credited	(388)	(1,086)	(1,474)	76	72	148
Effect of changes in interest rates and other financial hypotheses	(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	—	101	101	—	3,617	3,617
	<u>(464)</u>	<u>145</u>	<u>(319)</u>	<u>76</u>	<u>2,238</u>	<u>2,314</u>
<b>Result from insurance activities</b>	<u>(542,361)</u>	<u>(30,806)</u>	<u>(573,167)</u>	<u>(522,725)</u>	<u>19,338</u>	<u>(503,387)</u>

(c) The composition of net premiums for the period 2021, according to IFRS 4, is as follows:

	Premiums assumed S/(000)	Adjustment of technical reserves S/(000)	Gross premiums (*) S/(000)	Premiums ceded to reinsurers S/(000)	Net premiums earned S/(000)
<b>Life insurance</b>					
Annuities (**)	614,899	(291,076)	323,823	—	323,823
Group life	136,743	(2,189)	134,554	(4,779)	129,775
Individual life	182,032	(76,339)	105,693	(5,494)	100,199
Retirement (disability and survival) (***)	8,418	(9,661)	(1,243)	(534)	(1,777)
Others	2	(13,595)	(13,593)	—	(13,593)
Total life insurance	942,094	(392,860)	549,234	(10,807)	538,427
Total general insurance	109,303	(2,405)	106,898	(58)	106,840
Total general	1,051,397	(395,265)	656,132	(10,865)	645,267

(\*) It includes the annual variation of technical reserves and unearned premiums.

(\*\*) The variation in the adjustment of technical reserves is due mainly to aging over time.

(\*\*\*) In April 2016, the Congress of the Republic of Peru approved the amendment of the Private Pension System Act, through which the affiliates of the Pension Fund Administrators (AFPs) who turn 65 and retire can choose, among their existing retirement modalities, the return of 95.5 percent of the total fund available from their Individual Capitalization Account (“CIC”, by its Spanish acronym). During 2017, to offset the contraction of retirement income because of the aforementioned amendment to the SPP Act, Inteseuro launched the products “Renta Particular Plus” and “Renta Particular Plus – Vitalicio”. During year 2021, premiums collected for “Renta Particular Plus – Vitalicio” amounted to S/57,479,000 and for “Renta Particular Plus” amounted to S/219,347,000. In 2021, retirement premiums amounted to S/3,713,000.

(d) The composition of net claims and benefits incurred for life insurance contracts and others, according to IFRS 4, is as follows:

	Gross claims and benefits S/(000)	Ceded claims and benefits S/(000)	Net insurance claims and benefits S/(000)
<b>Life insurance</b>			
Annuities	(687,208)	—	(687,208)
Group life	(124,308)	11,222	(113,086)
Individual life	(37,049)	8,789	(28,260)
Retirement (disability and survival)	(53,089)	6,505	(46,584)
Others	(14,539)	11	(14,528)
<b>General insurance</b>	(27,691)	11	(27,680)
	(943,884)	26,538	(917,346)

**23. Salaries and employee benefits**

This caption is comprised of the following:

	2023 S/(000)	2022 S/(000)	2021 S/(000)
Salaries	655,665	589,773	567,938
Vacations, health insurance and others	87,996	81,581	74,924
Social security	66,331	62,637	60,802
Severance indemnities	49,265	44,447	44,277
Workers' profit sharing	38,018	92,042	59,441
<b>Total</b>	<u>897,275</u>	<u>870,480</u>	<u>807,382</u>

The average number of employees for the years 2023, 2022 and 2021 was 8,333, 8,076 and 7,378 respectively.

**24. Administrative expenses**

(a) This caption is comprised of the following:

	2023 S/(000)	2022 S/(000)	2021 S/(000)
Services received from third parties (b)	1,202,017	1,104,822	909,212
Taxes and contributions	77,202	64,008	44,452
Rental expenses (c) and Note 8(e)	9,643	10,958	11,841
<b>Total</b>	<u>1,288,862</u>	<u>1,179,788</u>	<u>965,505</u>

(b) Services received from third parties correspond mainly to computer equipment repair and maintenance services, credit card associated expenses, securities transportation services, agency rentals, advertising and public relations, customer loyalty programs, marketing on digital media, telecommunications and professional fees, among others.

(c) During the years 2023, 2022 and 2021, corresponds to disbursements made for short-term leases and low value assets, 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)
<b>Year 2021</b>				
Balance as of January 1, 2021	115,423	115,423	365	115,423
Sale of treasury stock	1	1	267	1
Purchase of treasury stock	(6)	(6)	274	(5)
<b>Balance as of December 31, 2021</b>	<u>115,418</u>	<u>115,418</u>		<u>115,419</u>
<b>Net earnings attributable to IFS's shareholders S/(000)</b>				<u>1,790,155</u>
<b>Basic and diluted earnings per share attributable to IFS's shareholders (Soles)</b>				<u>15.510</u>
<b>Year 2022</b>				
Balance as of January 1, 2022	115,418	115,418	365	115,418
<b>Balance as of December 31, 2022</b>	<u>115,418</u>	<u>115,418</u>		<u>115,418</u>
<b>Net earnings attributable to IFS's shareholders-restated S/(000)</b>				<u>1,668,026</u>
<b>Basic and diluted earnings per share attributable to IFS's shareholders (Soles)</b>				<u>14.452</u>
<b>Year 2023</b>				
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)
<b>Balance as of December 31, 2023</b>	<u>114,480</u>	<u>114,480</u>		<u>115,012</u>
<b>Net earnings attributable to IFS's shareholders S/(000)</b>				<u>1,072,728</u>
<b>Basic and diluted earnings per share attributable to IFS's shareholders (Soles)</b>				<u>9.327</u>



**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, 2023 and 2022, and for the years ended December 31, 2023, 2022 and 2021:

	2023 S/(000)	2022 S/(000)	
<b>Assets</b>			
Instruments at fair value through profit or loss	1,165	99	
Investments at fair value through other comprehensive income	64,229	58,378	
Loans, net (b)	1,686,288	1,317,453	
Accounts receivable	87,902	117,273	
Other assets	21,260	32,043	
<b>Liabilities</b>			
Deposits and obligations	1,066,505	1,040,975	
Other liabilities	6,522	3,215	
<b>Off-balance sheet accounts</b>			
Indirect loans (b)	76,652	89,707	
	2023 S/(000)	2022 S/(000)	2021 S/(000)
<b>Income (expenses)</b>			
Interest and similar income	95,604	72,334	68,166
Rental income	25,532	31,428	30,873
Valuation of financial derivative instruments	106	149	180
Interest and similar expenses	(39,749)	(16,821)	(3,065)
Administrative expenses	(38,711)	(33,758)	(44,249)
Others, net	60,312	51,241	31,392

Notes to the consolidated financial statements (continued)

- (b) As of December 31, 2023 and 2022, the detail of loans is the following:

	2023			2022		
	Direct Loans S/(000)	Indirect Loans S/(000)	Total S/(000)	Direct Loans S/(000)	Indirect Loans S/(000)	Total S/(000)
Affiliated	1,389,463	3,557	1,393,020	1,108,276	18,832	1,127,108
Associates	296,825	73,095	369,920	209,177	70,875	280,052
	<u>1,686,288</u>	<u>76,652</u>	<u>1,762,940</u>	<u>1,317,453</u>	<u>89,707</u>	<u>1,407,160</u>

- (c) As of December 31, 2023 and 2022, 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, 2023 and 2022, direct loans to employees, directors and executives amounted to S/209,671,000 and S/211,715,000, 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, 2023, 2022 and 2021, is presented below:

	2023 S/(000)	2022 S/(000)	2021 S/(000)
Salaries	28,325	26,964	24,768
Board of Directors' compensations	3,151	3,923	2,861
<b>Total</b>	<u>31,476</u>	<u>30,887</u>	<u>27,629</u>

- (e) As of December 2023, the Group holds participation in different mutual funds that are managed by Interfondos, which are classified as investments at fair value through profit or loss and amount to S/7,358,000.
- (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 Group presents four operating segments based on products and services, as follows:

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.

Payments -

It provides mainly administration services, operation and processing of credit and debit cards. Taking into account that Izipay became a subsidiary of IFS in April 2022, the results shown for this segment are considered thereafter.

The operating segments monitor the operating results of their business units separately for the purpose of making decisions on the distribution of resources and performance assessment. Segment performance is evaluated based on operating profit or loss and it 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.

No revenue from transactions with a single external customer or counterparty exceeded 10 percent of the Group’s total revenues in the years 2023, 2022 and 2021.

Notes to the consolidated financial statements (continued)

The following table presents the Group's financial information by business segments for the years ended December 31, 2023, 2022 and 2021:

	2023					
	Banking S/(000)	Insurance S/(000)	Wealth management S/(000)	Payments S/(000)	Holding and consolidation adjustments S/(000)	Total consolidated S/(000)
<b>Total income (*)</b>						
Third party	7,812,858	1,695,222	291,408	829,766	(199,126)	10,430,128
Inter-segment	(126,620)	(4,975)	(1,386)	(13,862)	146,843	—
<b>Total income</b>	<b>7,686,238</b>	<b>1,690,247</b>	<b>290,022</b>	<b>815,904</b>	<b>(52,283)</b>	<b>10,430,128</b>
<b>Consolidated statement of income data</b>						
Interest and similar income	6,076,020	851,648	183,926	9,255	(438)	7,120,411
Interest and similar expenses	(2,363,800)	(126,704)	(98,370)	(4,907)	1,415	(2,592,366)
<b>Net interest and similar income</b>	<b>3,712,220</b>	<b>724,944</b>	<b>85,556</b>	<b>4,348</b>	<b>977</b>	<b>4,528,045</b>
(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)
<b>Net interest and similar income after impairment loss on loans</b>	<b>1,730,247</b>	<b>717,086</b>	<b>86,073</b>	<b>4,348</b>	<b>973</b>	<b>2,538,727</b>
Fee income from financial services, net	813,279	(13,431)	146,223	345,583	(113,192)	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)	45,942	(65,716)	551,384
Result from insurance activities, before expenses	—	(178,379)	—	—	(13)	(178,392)
Depreciation and amortization	(271,526)	(21,658)	(15,018)	(55,144)	(15,692)	(379,038)
Other expenses	(1,678,356)	(352,933)	(138,589)	(277,578)	76,327	(2,371,129)
<b>Income (loss) before translation result and Income Tax</b>	<b>1,088,484</b>	<b>273,623</b>	<b>38,500</b>	<b>63,151</b>	<b>(117,313)</b>	<b>1,346,445</b>
Exchange difference	(15,969)	18,430	761	(2,347)	7,552	8,427
Income Tax	(216,366)	—	(3,081)	(27,735)	(28,414)	(275,596)
<b>Net profit (loss) for the year</b>	<b>856,149</b>	<b>292,053</b>	<b>36,180</b>	<b>33,069</b>	<b>(138,175)</b>	<b>1,079,276</b>
<b>Attributable to:</b>						
IFS's shareholders	856,149	292,053	36,180	33,069	(144,723)	1,072,728
Non-controlling interest	—	—	—	—	6,548	6,548
	<b>856,149</b>	<b>292,053</b>	<b>36,180</b>	<b>33,069</b>	<b>(138,175)</b>	<b>1,079,276</b>

(\*) 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)	Payments(***) S/(000)	Holding and consolidation adjustments S/(000)	Total consolidated S/(000)
<b>Total income (*)</b>						
Third party	6,459,232	1,663,992	75,706	595,360	138,647	8,932,937
Inter-segment	(125,848)	(3,288)	(1,668)	(12,548)	143,352	—
<b>Total income</b>	<u>6,333,384</u>	<u>1,660,704</u>	<u>74,038</u>	<u>582,812</u>	<u>281,999</u>	<u>8,932,937</u>
<b>Consolidated statement of income data</b>						
Interest and similar income	4,774,378	940,894	155,116	1,569	(655)	5,871,302
Interest and similar expenses	(1,476,942)	(130,049)	(50,306)	(1,269)	(3,123)	(1,661,689)
<b>Net interest and similar income</b>	<u>3,297,436</u>	<u>810,845</u>	<u>104,810</u>	<u>300</u>	<u>(3,778)</u>	<u>4,209,613</u>
(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)
<b>Net interest and similar income after impairment loss on loans</b>	<u>2,463,785</u>	<u>810,819</u>	<u>95,197</u>	<u>300</u>	<u>(3,791)</u>	<u>3,366,310</u>
Fee income from financial services, net	797,711	(7,160)	163,325	258,728	(75,218)	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)	36,040	229,528	556,710
Result from insurance activities, before expenses	—	(252,854)	—	—	—	(252,854)
Depreciation and amortization	(257,210)	(23,682)	(15,044)	(30,185)	(10,105)	(336,226)
Other expenses	(1,673,581)	(318,528)	(130,453)	(202,565)	34,215	(2,290,912)
<b>Income (loss) before translation result and Income Tax</b>	<u>1,806,122</u>	<u>254,518</u>	<u>(131,458)</u>	<u>62,318</u>	<u>174,629</u>	<u>2,166,129</u>
Exchange difference	(22,800)	950	(7,146)	2,316	1,202	(25,478)
Income Tax	(409,201)	—	(2,791)	(23,560)	(26,985)	(462,537)
<b>Net profit (loss) for the year</b>	<u>1,374,121</u>	<u>255,468</u>	<u>(141,395)</u>	<u>41,074</u>	<u>148,846</u>	<u>1,678,114</u>
<b>Attributable to:</b>						
IFS's shareholders	1,374,121	255,468	(141,395)	41,074	138,758	1,668,026
Non-controlling interest	—	—	—	—	10,088	10,088
	<u>1,374,121</u>	<u>255,468</u>	<u>(141,395)</u>	<u>41,074</u>	<u>148,846</u>	<u>1,678,114</u>

(\*) 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, for the date on which Izipay becomes a subsidiary of the Group, see Note 1(d).

(\*\*\*) As of December 31, 2022, the payments segment corresponds to the profit generated by Izipay during the nine-month period ended December 31, 2022.

	2021				
	Banking (**) S/(000)	Insurance S/(000)	Wealth management S/(000)	Holding and consolidation adjustments S/(000)	Total consolidated S/(000)
<b>Total income (*)</b>					
Third party	4,866,775	1,676,185	487,339	(49,914)	6,980,385
Inter-segment	(99,094)	(383)	(3,402)	102,879	—
<b>Total income</b>	<u>4,767,681</u>	<u>1,675,802</u>	<u>483,937</u>	<u>52,965</u>	<u>6,980,385</u>
<b>Consolidated statement of income data</b>					
Interest and similar income	3,636,810	802,961	154,328	11,526	4,605,625
Interest and similar expenses	(893,060)	(117,531)	(39,840)	(7,506)	(1,057,937)
<b>Net interest and similar income</b>	<u>2,743,750</u>	<u>685,430</u>	<u>114,488</u>	<u>4,020</u>	<u>3,547,688</u>
Impairment loss on loans	(379,034)	—	(2,543)	—	(381,577)
(Loss) recovery due to impairment of financial investments	(527)	33,198	(1,615)	(158)	30,898
<b>Net interest and similar income after impairment loss on loans</b>	<u>2,364,189</u>	<u>718,628</u>	<u>110,330</u>	<u>3,862</u>	<u>3,197,009</u>
Fee income from financial services, net	677,461	(6,802)	196,959	(43,810)	823,808
Net gain on sale of financial investments	99,938	146,797	3,623	268	250,626
Other income	452,566	87,919	132,429	(17,898)	655,016
Total net premiums earned minus claims and benefits	—	(272,037)	—	(42)	(272,079)
Depreciation and amortization	(245,432)	(25,035)	(14,977)	5,754	(279,690)
Other expenses	(1,542,487)	(325,242)	(128,444)	13,094	(1,983,079)
<b>Income (loss) before translation result and Income Tax</b>	<u>1,806,235</u>	<u>324,228</u>	<u>299,920</u>	<u>(38,772)</u>	<u>2,391,611</u>
Exchange difference	7,241	(51,493)	(7,570)	(37,498)	(89,320)
Income Tax	(453,198)	—	(8,805)	(40,109)	(502,112)
<b>Net profit (loss) for the year</b>	<u>1,360,278</u>	<u>272,735</u>	<u>283,545</u>	<u>(116,379)</u>	<u>1,800,179</u>
<b>Attributable to:</b>					
IFS's shareholders	1,360,278	272,735	283,545	(126,403)	1,790,155
Non-controlling interest	—	—	—	10,024	10,024
	<u>1,360,278</u>	<u>272,735</u>	<u>283,545</u>	<u>(116,379)</u>	<u>1,800,179</u>

(\*) 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 profit from Izipay, which were recorded in the caption "Other income".

Notes to the consolidated financial statements (continued)

	2023					
	Banking S/(000)	Insurance S/(000)	Wealth management S/(000)	Payments S/(000)	Holding and consolidation adjustments S/(000)	Total consolidated S/(000)
<b>Capital investments (*)</b>	327,513	21,184	6,430	89,646	163	444,936
<b>Total assets</b>	68,437,614	15,225,254	4,374,266	1,196,049	391,596	89,624,779
<b>Total liabilities</b>	60,380,895	14,787,105	3,453,408	946,660	48,610	79,616,678

	2022					
	Banking S/(000)	Insurance S/(000)	Wealth management S/(000)	Payments S/(000)	Holding and consolidation adjustments S/(000)	Total consolidated S/(000)
<b>Capital investments (*)</b>	258,887	41,599	3,443	92,133	1,004	397,066
<b>Total assets</b>	66,977,277	14,133,681	5,102,598	902,610	365,923	87,482,089
<b>Total liabilities</b>	59,498,433	13,769,222	4,208,369	686,292	(106,454)	78,055,862

(\*) 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, 2023, is S/10,185,755,000 in Peru and S/244,373,000 in Panama (for the year ended December 31, 2022, was S/8,905,940,000 in Peru and S/26,997,000 in Panama). The distribution of the Group's total assets based on the location of the customer and its assets as of December 31, 2023 is S/85,387,995,000 in Peru and S/4,236,784,000 in Panama (for the year ended December 31, 2022, was S/82,507,472,000 in Peru and S/4,974,617,000 in Panama).

Notes to the consolidated financial statements (continued)

## 28. Financial instruments classification

The financial assets and liabilities of the consolidated statement of financial position as of December 31, 2023 and 2022 are presented below.

	As of December 31, 2023				Total S/(000)
	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)	
<b>Financial assets</b>					
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
	<u>1,714,641</u>	<u>21,246,569</u>	<u>444,878</u>	<u>61,651,344</u>	<u>85,057,432</u>
<b>Financial liabilities</b>					
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
	<u>145,395</u>	<u>—</u>	<u>—</u>	<u>79,189,802</u>	<u>79,335,197</u>



## Notes to the consolidated financial statements (continued)

	As of December 31, 2022				
	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)
<b>Financial assets</b>					
Cash and due from banks	—	—	—	13,193,411	13,193,411
Inter-bank funds	—	—	—	296,119	296,119
Financial investments	1,932,993	17,038,942	512,884	3,302,779	22,787,598
Loans, net	—	—	—	45,502,998	45,502,998
Due from customers on acceptances	—	—	—	45,809	45,809
Other accounts receivable and other assets, net	515,800	—	—	919,767	1,435,567
Reinsurance contacts assets	—	—	—	34,053	34,053
	<u>2,448,793</u>	<u>17,038,942</u>	<u>512,884</u>	<u>63,294,936</u>	<u>83,295,555</u>
<b>Financial liabilities</b>					
Deposits and obligations	—	—	—	48,530,708	48,530,708
Inter-bank funds	—	—	—	30,012	30,012
Due to banks and correspondents	—	—	—	7,100,646	7,100,646
Bonds, notes and other obligations	—	—	—	7,906,303	7,906,303
Due from customers on acceptances	—	—	—	45,809	45,809
Insurance and reinsurance contract liabilities	—	—	—	11,231,321	11,231,321
Other accounts payable, provisions and other liabilities	297,038	—	—	2,533,292	2,830,330
	<u>297,038</u>	<u>—</u>	<u>—</u>	<u>77,378,091</u>	<u>77,675,129</u>

## 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 failure to pay 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; 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, Inteligo Bank and Izipay, 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 for assisting the Board of Directors with 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 for 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 appropriate and integral risk management and promoting an internal environment that facilitates its development. The Board is continuously informed about the degree of exposure 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, 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 degree of exposure 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 processes 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; at least one of them is 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 for 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 for approving the limits for 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 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.

#### (iv) Izipay -

The Board of Izipay is responsible for the approval of risk management policies. Likewise, in order to monitor the risks to which Izipay is exposed, the Board has created the Risks and Compliance Committee and the Audit Committee.

The Group, through its different risk management bodies, has been monitoring and implementing in its Subsidiaries, diverse measures to address and counter the negative effects caused by the political and social context in the country and the pandemic, which began in March 2020.

#### (b) Risk measurement and reporting systems -

The Group uses different models and rating tools. These tools measure and value the risk within a prospective vision, thus allowing better decision making regarding risk 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 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 managing guarantees.

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 variations in interest rates and foreign exchange rates.

(d) Risk concentration -

Through its policies and procedures, the Group has established 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 the business segments it operates. In doing so, it applies assessment procedures for 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 regularly incorporates, develops and reviews management models that allow an adequate measurement, quantification and monitoring of the loans granted by each business unit and also encourages the continuous improvement of its policies, tools, methodologies and processes. Additionally, as a consequence of the political, economic and social context that arose during 2022 and 2021, see Note 1(b), and the high uncertainty of the intensity of the El Niño event in 2023, 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 required 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 2023, 2002 and 2021 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 arises 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 group of borrowers and 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.

Notes to the consolidated financial statements (continued)

- 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, 2023 and 2022, 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, 2023 and 2022, the main captions were formed as follows:

- 76.0 percent and 74.2 percent, respectively, of cash corresponds to amounts deposited in the Group's vaults or in the BCRP;
- 85.3 percent and 89.8 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);
- 89.8 percent and 92.6 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, 2023 and 2022 amounts approximately to S/3,513,905,000,000 and S/5,048,978,000, 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, 2023 and 2022, amounts approximately to S/730,508,000 and S/1,473,770,000, respectively. Likewise, during 2023, the Group made rescheduling to its retail clients that were affected by social conflicts, natural disasters and other resolutions for S/1,979,342,000.
- 90.2 percent and 88.0 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
- 97.2 percent and 97.7 percent of accounts receivable from insurance premiums and leases of the investment properties are deemed non-past due and non-impaired.
- In addition, as of December 31, 2023 and 2022, 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, 2023 the loans amount approximately to S/588,659,000 (S/200,177,000 in direct loans and S/388,482,000 in indirect loans) and investments in fixed income instruments amount approximately to S/1,011,043,000 (as of December 31, 2022 the loans amount approximately to S/712,662,000 (S/163,534,000 in direct loans and S/549,128,000 in indirect loans) and investments in fixed income instruments amount approximately to S/1,036,763,000).

(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 do not have a payment agreement and specifically, 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 and 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 and 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 is in 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 its 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 its ability to meet its 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, 2023 and 2022:

2023

		High grade PD less than or equal (* )	Standard grade PD range (* )	Grade lower than standard PD equal to or higher (* )
<b>Banking</b>	<b>Segment</b>			
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%
	Corporate	0.22%	0.22%	0.22%
Commercial Banking	Institutional	0.55%	0.55%	0.55%
	Companies	5.23%	5.24% - 9.67%	9.68%
	Real estate	3.71%	3.71%	3.71%

		2022		
Banking	Segment	High grade PD less than or equal (*)	Standard grade PD range (*)	Grade lower than standard PD equal to or higher (*)
	Credit card	7.36%	7.37% - 17.52%	17.53%
	Mortgage	1.15%	1.16% - 3.76%	3.77%
	Payroll loans	3.94%	3.95% - 16.89%	16.90%
Personal Banking	Consumer	7.94%	7.95% - 18.15%	18.16%
	Vehicular	3.24%	3.25% - 9.09%	9.10%
Small Business Banking		15.05%	15.06% - 24.59%	24.60%
	Corporate	0.28%	0.28%	0.28%
Commercial Banking	Institutional	0.28%	0.28%	0.28%
	Companies	3.72%	3.73% - 6.84%	6.85%
	Real estate	1.66%	1.66%	1.66%

(\*) The probability of default is exclusively determined by the statistical model and, therefore, does not include the subsequent adjustments to the model, detailed in Note 29.1 (d.7)

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 over time, 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.

Notes to the consolidated financial statements (continued)

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
<b>Personal banking:</b>		
Credit cards	X	
Mortgage	X	
Payroll loans	X	
Consumer		X
Vehicular		X
<b>Small business banking</b>		X
<b>Commercial banking</b>		
Corporate		X
Institutional		X
Companies	X	
Real estate		X

Likewise, for commercial sector clients, Interbank has implemented a system that allows more personalized monitoring, based on warnings, changes in ratings and 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, 2023 and 2022, 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 do not have payment agreements. 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 two 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 100 months and 88 months, as of December 31, 2023 and 2022, respectively.

- Open recoveries

Those in which a client entered and did not manage to exit default over a course of up to 100 months and 88 months, as of December 31, 2023 and 2022, 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; another methodology 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 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, then the summation is done. For operations without a 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 consider 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, 2023, the Group has established a range of simple average absolute variation of 7.5 percent and a simple average relative variation of 417.2 percent (a range of simple average absolute variation of 7 percent and a simple average relative variation of 588 percent, as of December 31, 2022).

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 shows 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 by Legislative Decree No.1455, and amended by Legislative Decree No.1457, aimed to provide a quick and effective response to the liquidity needs faced by 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, 2023 and 2022, the Bank maintains loans from the "Reactiva Perú" program, for a balance of approximately S/848,886,000 and S/2,357,201,000, respectively; including accrued interest amounting to S/46,277,000 and S/57,254,000, respectively. The amounts covered by the Peruvian Government guarantee amounted to S/675,492,000 and S/2,040,379,000, respectively.

Also, during the years 2023 and 2022, the Peruvian government established measures for the rescheduling of these loans setting new grace periods in addition 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) Rescheduled loans:

(d.6.1) Reschedules due to Covid-19

Because of the consequences of the Covid-19 pandemic explained in Note 1(c), 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 and 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, 2023 and 2022, the balance of said rescheduling amounted to S/3,513,950,000 and S/5,048,978,000, respectively.

(d.6.2) Reschedules “Reactiva Peru”

During 2023 and 2022, the MEF and the SBS establish measures to reschedule the loans guaranteed under the “Reactiva Peru” program. See Note 29.1 (d.5).

During 2023 and 2022, Interbank performed rescheduling of loans under the “Reactiva Peru” program for an amount of S/25,928,000 and S/133,046,000, respectively. As of December 31, 2023 and 2022, the balance of rescheduled credits of the “Reactiva Peru” program amounts to approximately S/730,508,000 and S/1,473,770,000, respectively. As a result of these reschedulings, during 2023 expenses of approximately S/38,650,000, and during 2022 revenues of approximately S/18,180,000 were recorded. 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.6.3) Rescheduling due to political and social conflicts

As a result of the social conflicts the country faced, explained in Note 1(b), during 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 reschedulings have been recorded in the caption “Interest and similar income” of the consolidated statement of income; see Note 19.

During the year 2023, in application of the aforementioned measures and other Resolutions, Interbank has performed loan rescheduling for an amount of S/1,979,342,000.

(d.7) Subsequent adjustments to the model

The risks and uncertainties originated by the Covid-19 during the year 2021 and the political and economic context of Peru in the years 2021 and 2022, and the probability of occurrence of the El Niño event in the year 2023, 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 a basis to model them in the calculation of the expected loss. For this reason, Interbank incorporated a series of expert judgments with the purpose of calculating the expected loss pursuant to the requirement established by IFRS 9.

Following are details 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, 2023, 2022 and 2021:

(i) Subsequent adjustments to the model included in 2023:

An expert judgment was set out that seeks to stress the probability of default from clients due to the uncertainty of the intensity and occurrence probability of the El Niño event.

- Stress of the probability of default (PD) for loans in Stage 1 and Stage 2

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
<b>Total</b>	<b>2,186,761</b>	<b>180,596</b>	<b>2,367,357</b>

(ii) Subsequent adjustments to the model included in 2022:

Two expert judgments were set up that seek to stress the probability of default from customers due to the political and economic situation in Peru, as described in Note 1(b).

- Stress of the probability of default (PD) for loans in Stage 1 and Stage 2

This judgment includes an additional stress scenario for Stages 1 and 2 based on the uncertainty of the political and economic context, and which the expected loss model could not include due to its extraordinary nature. In this sense, it can be incorporated a stress to the forward-looking factors used in the macroeconomic forecasts, thus increasing the provision for expected loss requirement in Stages 1 and 2, considering the historical behavior of the forward-looking factors during a concrete period and excluding any factor that could skew the results of this period by showing an atypical trend as a result of the presented environment.

- Stress for clients in stage 3

The expert judgement applied to these clients considers the relative participation of the exposure of clients in Stage 3 as a function of the total portfolio exposure (Stage 3 exposure divided by the total exposure) during a concrete period and excluding any factors that may bias the results of this period, showing an atypical trend due to the presented environment.

Once this period of analysis is excluded, the series average is calculated, and a standard deviation is added with the purpose of determining the level of additional provisions for clients in Stage 3.

Following is the amount of the expected loss to direct and indirect loans as of December 31, 2022, 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	261,187	21,231	282,418
Consumer loans	1,296,560	325,822	1,622,382
Mortgage loans (*)	61,618	—	61,618
Small and micro-business loans	90,685	6,247	96,932
<b>Total</b>	<u>1,710,050</u>	<u>353,300</u>	<u>2,063,350</u>

(\*) Considering the nature of these loans, it has not been necessary to determine a subsequent adjustment in the model.

(iii) Subsequent adjustments to the model included in 2021

To reflect the impact of Peru's current political and economic uncertainty, Interbank decided to apply its expert judgment to stress the expected loss by applying more severe macroeconomic forecasts to the probability of default for the entirety of its portfolio.

Additionally, given the uncertain context due to the outbreak of the Omicron variant, new expert criteria were applied for the new wave of infections, that could cause another cycle of loan reschedulings. This criterion has been applied only to the Credit Cards portfolio. On the other hand, an expert judgment in relation to the "Reactiva Peru" program was applied. As of December 31, 2021, the impact of the application of these judgments generated a higher expected loss provision of S/595,643,000.

(d.8) Prospective information

Expected credit losses consider information about overall credit risk. Information about 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.

Notes to the consolidated financial statements (continued)

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, 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%
	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%

Notes to the consolidated financial statements (continued)

Macroeconomic variables used as of December 31, 2022:

	Scenario	2023	2024	2025
Gross domestic product (annual % var.)	Optimistic	2.6%	3.1%	3.2%
	Base	2.3%	2.5%	2.8%
	Pessimistic	1.3%	2.0%	2.4%
Unemployment rate (annual % var.)	Optimistic	(13.8%)	(3.9%)	(3.6%)
	Base	(10.1%)	(3.7%)	(3.5%)
	Pessimistic	(5.5%)	(3.5%)	(3.3%)
Domestic demand (annual % var.)	Optimistic	1.7%	2.5%	2.8%
	Base	1.1%	1.7%	2.3%
	Pessimistic	(0.1%)	1.0%	1.9%
Formal average salary (annual % var.)	Optimistic	(0.7%)	1.3%	1.4%
	Base	(1.4%)	1.0%	1.2%
	Pessimistic	(3.6%)	(0.7%)	0.5%
Informal average salary (annual % var.)	Optimistic	1.8%	3.4%	3.5%
	Base	1.0%	2.9%	3.0%
	Pessimistic	(1.1%)	1.3%	2.3%

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)
<b>December 31, 2023</b>		
Optimistic	7	159,536
Base	49	1,127,461
Pessimistic	44	1,080,360
<b>Total</b>		<u>2,367,357</u>
<b>December 31, 2022</b>		
Optimistic	10	198,113
Base	52	1,050,333
Pessimistic	38	814,904
<b>Total</b>		<u>2,063,350</u>

Notes to the consolidated financial statements (continued)

**Guarantees:**

The fair value of the loan guarantees as of December 31, 2023 and 2022, is presented below:

As of December 31, 2023	Fair value of the credit guarantee under the base scenario							Expected loss associated S/(000)
	Maximum exposure to credit risk S/(000)	Cash S/(000)	Investments S/(000)	Properties S/(000)	Others S/(000)	Total guarantee (*) S/(000)	Net exposure S/(000)	
<b>Subject to impairment</b>								
<b>Financial assets</b>								
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
<b>Total financial assets at amortized cost</b>	<b>61,541,873</b>	<b>665,532</b>	<b>1,242,105</b>	<b>28,590,686</b>	<b>3,202,231</b>	<b>33,700,554</b>	<b>27,841,319</b>	<b>2,349,487</b>
Debt instruments at fair value through other comprehensive income	21,246,569	—	—	—	—	—	21,246,569	61,046
<b>Total debt instruments at fair value through other comprehensive income</b>	<b>21,246,569</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>21,246,569</b>	<b>61,046</b>
<b>Not subject to impairment</b>								
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	—
<b>Total financial instruments at fair value through profit or loss</b>	<b>1,714,641</b>	<b>9,755</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>9,755</b>	<b>1,704,886</b>	<b>—</b>
	<u>84,503,083</u>	<u>675,287</u>	<u>1,242,105</u>	<u>28,590,686</u>	<u>3,202,231</u>	<u>33,710,309</u>	<u>50,792,774</u>	<u>2,410,533</u>
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
	<u>89,246,563</u>	<u>717,310</u>	<u>1,382,025</u>	<u>30,429,352</u>	<u>3,988,005</u>	<u>36,516,692</u>	<u>52,729,871</u>	<u>2,428,465</u>



## Notes to the consolidated financial statements (continued)

As of December 31, 2022	Fair value of the credit guarantee under the base scenario							Net exposure S/(000)	Expected loss associated S/(000)
	Maximum exposure to credit risk S/(000)	Cash S/(000)	Investments S/(000)	Properties S/(000)	Others S/(000)	Total guarantee (*) S/(000)			
<b>Subject to impairment</b>									
<b>Financial assets</b>									
Cash and due from banks	13,193,411	—	—	—	—	—	13,193,411	—	
Commercial loans	21,412,126	815,190	1,380,441	11,327,344	4,361,481	17,884,456	3,527,670	247,084	
Small and micro-business loans	1,358,481	—	—	—	—	—	1,358,481	96,768	
Consumer loans	14,967,799	—	—	—	—	—	14,967,799	1,622,381	
Mortgage loans	9,286,944	—	—	16,578,513	—	16,578,513	(7,291,569)	61,622	
Direct loans	47,025,350	815,190	1,380,441	27,905,857	4,361,481	34,462,969	12,562,381	2,027,855	
Debt instruments at amortized cost	3,302,779	—	—	—	—	—	3,302,779	—	
<b>Total financial assets at amortized cost</b>	<b>63,521,540</b>	<b>815,190</b>	<b>1,380,441</b>	<b>27,905,857</b>	<b>4,361,481</b>	<b>34,462,969</b>	<b>29,058,571</b>	<b>2,027,855</b>	
Debt instruments at fair value through other comprehensive income	17,038,942	—	—	—	—	—	17,038,942	53,974	
<b>Total debt instruments at fair value through other comprehensive income</b>	<b>17,038,942</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>17,038,942</b>	<b>53,974</b>	
<b>Not subject to impairment</b>									
Derivative financial instruments - Trading	203,082	235,133	—	—	—	235,133	(32,051)	—	
Derivative financial instruments - Hedges	312,718	—	—	—	—	—	312,718	—	
Financial assets at fair value through profit or loss	1,932,993	—	—	—	—	—	1,932,993	—	
<b>Total financial instruments at fair value through profit or loss</b>	<b>2,448,793</b>	<b>235,133</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>235,133</b>	<b>2,213,660</b>	<b>—</b>	
	<u>83,009,275</u>	<u>1,050,323</u>	<u>1,380,441</u>	<u>27,905,857</u>	<u>4,361,481</u>	<u>34,698,102</u>	<u>48,311,173</u>	<u>2,081,829</u>	
Financial guarantees (guarantees and stand-by letters)	4,001,806	17,363	46,810	1,404,684	1,165,573	2,634,430	1,367,376	35,124	
Letters of credit for customers	485,541	—	29,588	—	3,814	33,402	452,139	371	
Indirect loans	4,487,347	17,363	76,398	1,404,684	1,169,387	2,667,832	1,819,515	35,495	
	<u>87,496,622</u>	<u>1,067,686</u>	<u>1,456,839</u>	<u>29,310,541</u>	<u>5,530,868</u>	<u>37,365,934</u>	<u>50,130,688</u>	<u>2,117,324</u>	

Notes to the consolidated financial statements (continued)

The following table shows the analysis of the fair values of the guarantees classified in Stage 3:

As of December 31, 2023	Fair value of the credit guarantee under the base scenario								
	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
<b>Total</b>	<b>1,510,688</b>	<b>—</b>	<b>962</b>	<b>—</b>	<b>1,288,797</b>	<b>55,610</b>	<b>1,345,369</b>	<b>165,319</b>	<b>970,271</b>
Indirect loans	15,800	—	275	—	7,451	—	7,726	8,074	7,369
	<u>1,526,488</u>	<u>—</u>	<u>1,237</u>	<u>—</u>	<u>1,296,248</u>	<u>55,610</u>	<u>1,353,095</u>	<u>173,393</u>	<u>977,640</u>

As of December 31, 2022	Fair value of the credit guarantee under the base scenario								
	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	408,104	10	2,818	—	495,872	66,074	564,774	(156,670)	154,299
Small and micro-business loans	91,195	—	—	—	—	—	—	91,195	51,709
Consumer loans	452,301	—	—	—	—	—	—	452,301	430,902
Mortgage loans	238,527	—	—	—	624,486	—	624,486	(385,959)	45,101
<b>Total</b>	<b>1,190,127</b>	<b>10</b>	<b>2,818</b>	<b>—</b>	<b>1,120,358</b>	<b>66,074</b>	<b>1,189,260</b>	<b>867</b>	<b>682,011</b>
Indirect loans	26,076	—	—	—	—	—	—	26,076	8,936
	<u>1,216,203</u>	<u>10</u>	<u>2,818</u>	<u>—</u>	<u>1,120,358</u>	<u>66,074</u>	<u>1,189,260</u>	<u>26,943</u>	<u>690,947</u>

(\*) Includes the total fair value of the guarantees held by the Group as of December 31, 2023 and 2022, regardless of the balance of the loan it guarantees.

Notes to the consolidated financial statements (continued)

(e) Credit risk management for investments

(e.1) Scoring or internal rating and PD:

For this type of financial instruments, the Group analyzes 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:

<b>Fitch</b>	<b>Moody's</b>	<b>Standard &amp; Poor's</b>
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, 2023 and 2022:

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 to or higher than:
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%

2022	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 to or higher than:
Global	0.05% — 0.11%	0.12% — 2.09%	23.34%
Latin America	0.00%	0.09% — 3.02%	24.64%
Sovereigns	0.00%	0.00% — 1.55%	27.08%

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).

Notes to the consolidated financial statements (continued)

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, 2023		As of December 31, 2022	
	S/(000)	%	S/(000)	%
<b>Instruments issued and rated in Peru:</b>				
AAA	—	0.0	2,944	0.0
BBB- / BBB+	2,611,807	9.8	2,387,376	10.5
BB- / BB+	652,347	2.4	685,424	3.0
B- / B+	4,770	0.0	—	0.0
	<u>3,268,924</u>	<u>12.2</u>	<u>3,075,744</u>	<u>13.5</u>
<b>Instruments issued in Peru and rated abroad:</b>				
BBB- / BBB+	13,174,718	49.3	11,710,437	51.4
BB- / BB+	490,215	1.8	545,868	2.4
B- / B+	214,083	0.8	—	0.0
	<u>13,879,016</u>	<u>51.9</u>	<u>12,256,305</u>	<u>53.8</u>
<b>Instruments issued and rated abroad:</b>				
AAA	11,105	0.0	41,198	0.2
AA- / AA+	145,599	0.5	26,077	0.1
A- / A+	656,237	2.5	489,765	2.2
BBB- / BBB+	2,565,054	9.6	2,247,646	9.9
BB- / BB+	228,812	0.9	295,812	1.3
B- / B+	16,190	0.1	61,089	0.3
Less than B-	1,723	0.0	983	0.0
	<u>3,624,720</u>	<u>13.6</u>	<u>3,162,570</u>	<u>13.9</u>
<b>Unrated</b>				
Negotiable certificates of deposit issued by the BCRP	3,448,984	12.9	43,868	0.2
Mutual funds and investment funds participations (*)	1,099,282	4.1	1,402,848	6.2
Securitized bonds	3,008	0.0	—	0.0
Others	81,910	0.3	1	0.0
Certificates of deposits with variable interest rates issued by the BCRP	—	0.0	1,434,836	6.3
<b>Listed shares</b>	<u>660,839</u>	<u>2.5</u>	<u>790,408</u>	<u>3.5</u>
<b>Non-listed shares and participations</b>	<u>229,933</u>	<u>0.9</u>	<u>226,953</u>	<u>1.0</u>
<b>Total</b>	<u>26,296,616</u>	<u>98.4</u>	<u>22,393,533</u>	<u>98.3</u>
Accrued interest	425,375	1.6	394,065	1.7
<b>Total</b>	<u>26,721,991</u>	<u>100.0</u>	<u>22,787,598</u>	<u>100.0</u>

(\*) Includes mutual and investment funds which do not have risk rating.

Notes to the consolidated financial statements (continued)

(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, 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
<b>Total</b>	<b>1,714,641</b>	<b>20,912,184</b>	<b>444,878</b>	<b>63,289,130</b>	<b>86,360,833</b>
Impairment allowance for loans					(2,349,425)
Accrued interest					1,046,024
<b>Total</b>					<b>85,057,432</b>

(\*) Includes mainly cash and due from banks deposited in the vaults of Interbank and in foreign banks; see Note 4.

	As of December 31, 2022				
	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	—	—	—	15,005,146	15,005,146
Financial services	2,080,295	1,694,266	170,250	7,346,592(*)	11,291,403
Government of Peru	—	7,062,066	—	3,231,139	10,293,205
Mortgage loans	22,314	—	—	9,293,900	9,316,214
BCRP	—	1,478,704	—	7,362,737	8,841,441
Manufacturing	74,791	559,581	111,069	4,873,701	5,619,142
Commerce	6,471	170,540	—	4,412,994	4,590,005
Professional, scientific and technical activities	3,482	196,348	—	3,930,939	4,130,769
Construction and infrastructure	5,915	2,544,815	36,759	557,474	3,144,963
Electricity, gas, water and oil	33,518	1,324,234	95,572	924,270	2,377,594
Mining	3,917	899,083	—	1,228,508	2,131,508
Agriculture	3,085	24,768	3,054	1,892,566	1,923,473
Communications, storage and transportation	140,499	294,171	86,224	1,375,071	1,895,965
Commercial and micro-business loans	—	—	—	1,065,159	1,065,159
Leaseholds and real estate activities	27,243	156,539	5,246	606,883	795,911
Community services	9,027	—	—	582,263	591,290
Fishing	—	—	4,710	448,166	452,876
Education, health and other services	4,367	91,518	—	293,872	389,757
Public administration and defense	23,472	106,068	—	81,371	210,911
Medicine and biotechnology	—	—	—	190,302	190,302
Foreign governments	—	113,816	—	—	113,816
Insurance	6,615	—	—	1,427	8,042
Others	3,782	—	—	41,168	44,950
<b>Total</b>	<b>2,448,793</b>	<b>16,716,517</b>	<b>512,884</b>	<b>64,745,648</b>	<b>84,423,842</b>
Impairment allowance for loans					(2,027,855)
Accrued interest					899,568
<b>Total</b>					<b>83,295,555</b>

(\*) Includes mainly cash and due from banks deposited in the vaults of Interbank and in foreign banks; see Note 4.



Notes to the consolidated financial statements (continued)

The table below presents the financial instruments with exposure to credit risk, by geographic area:

	<b>As of December 31, 2023</b>				
	<b>Designated at fair value through profit or loss S/(000)</b>	<b>Debt instruments measured at fair value through other comprehensive income S/(000)</b>	<b>Equity instruments measured at fair value through other comprehensive income S/(000)</b>	<b>Investments at amortized cost S/(000)</b>	<b>Total S/(000)</b>
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
Germany	24,487	582	—	58,025	83,094
Luxembourg	—	14,395	—	60,909	75,304
Ireland	—	—	—	2,896	2,896
Belgium	—	—	152	1	153
Others	45,349	98,824	1,685	259,158	405,016
<b>Total</b>	<b>1,714,641</b>	<b>20,912,184</b>	<b>444,878</b>	<b>63,289,130</b>	<b>86,360,833</b>
Impairment allowance for loans					(2,349,425)
Accrued interest					1,046,024
<b>Total</b>					<b>85,057,432</b>

(\*) Corresponds mainly to the loan portfolio maintained by Inteligo Bank (domiciled in Panama) with Peruvian citizens.

	As of December 31, 2022				
	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)
Peru	152,424	13,579,422	270,166	61,849,369	75,851,381
United States of America	1,734,175	360,279	86,224	1,479,634	3,660,312
Mexico	11,410	1,049,305	—	13,178	1,073,893
Chile	1	668,122	—	28,100	696,223
United Kingdom	192,112	306,888	154,476	27,577	681,053
Panama	—	206,216	—	333,084(*)	539,300
Canada	5,560	—	—	499,111	504,671
Colombia	95	322,840	—	55,230	378,165
Germany	24,947	—	—	175,061	200,008
Brazil	—	153,977	—	21,258	175,235
Cayman Islands	141,149	—	—	—	141,149
Luxembourg	68,553	12,510	—	47,500	128,563
Ecuador	—	—	—	4,990	4,990
Ireland	—	—	—	455	455
Belgium	—	—	157	3	160
Others	118,367	56,958	1,861	211,098	388,284
<b>Total</b>	<b>2,448,793</b>	<b>16,716,517</b>	<b>512,884</b>	<b>64,745,648</b>	<b>84,423,842</b>
Impairment allowance for loans					(2,027,855)
Accrued interest					899,568
<b>Total</b>					<b>83,295,555</b>

(\*) Corresponds mainly to the loan portfolio maintained by Inteligo Bank (domiciled in Panama) with Peruvian citizens.

Notes to the consolidated financial statements (continued)

(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 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.

Notes to the consolidated financial statements (continued)

- (g.1) Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements as of December 31, 2023 and 2022, 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		Net amount S/(000)
				Financial instruments (including non-cash guarantees) S/(000)	Cash guarantees received S/(000)	
<b>2023</b>						
Derivatives, Note 10(b)	158,101	—	158,101	(65,099)	(9,755)	83,247
<b>Total</b>	<u>158,101</u>	<u>—</u>	<u>158,101</u>	<u>(65,099)</u>	<u>(9,755)</u>	<u>83,247</u>
<b>2022</b>						
Derivatives, Note 10(b)	515,800	—	515,800	(169,050)	(235,133)	111,617
<b>Total</b>	<u>515,800</u>	<u>—</u>	<u>515,800</u>	<u>(169,050)</u>	<u>(235,133)</u>	<u>111,617</u>

- (g.2) Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements as of December 31, 2023 and 2022, 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		Net amount S/(000)
				Financial instruments (including non-cash guarantees) S/(000)	Cash guarantees pledged, Note 4(d) S/(000)	
<b>2023</b>						
Derivatives, Note 10(b)	145,395	—	145,395	(65,099)	(24,725)	55,571
<b>Total</b>	<u>145,395</u>	<u>—</u>	<u>145,395</u>	<u>(65,099)</u>	<u>(24,725)</u>	<u>55,571</u>
<b>2022</b>						
Derivatives, Note 10(b)	297,038	—	297,038	(169,050)	(34,784)	93,204
<b>Total</b>	<u>297,038</u>	<u>—</u>	<u>297,038</u>	<u>(169,050)</u>	<u>(34,784)</u>	<u>93,204</u>

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 2023, interest rates remained lower, in line 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 was also affected by the decreases in interest rates in the second half of the year, affecting both assets and liabilities, particularly in products that appreciate quickly such as time deposits.

During 2022, the volatility of interest rates in Soles remained high, but with downward tendency. Also, during the year 2022, interest rates in Soles increased significantly as result of the rise of both the benchmark rate of the BCRP and inflation. This affected the bond prices of the Trading Book, reaching minimum valuations during the third quarter and then recovering by the end of the year.

On the other side, the Banking Book was also affected by the changes in interest rates, especially by the increase of shorter-term rates, which boosted the growth of financial income to a larger extent than expenses, thus resulting in higher margins.

The Group separates its exposure to market risk into two blocks: (i) 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) 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 underestimated 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:

	2023	2022
	S/(000)	S/(000)
Equity investments	26,584	41,083
Debt investments	709	5,088
Derivatives and/or exchange position	1,548	2,925
Diversification effect	(237)	(4,390)
Consolidated VaR by type of asset (*)	<u>28,604</u>	<u>44,706</u>

The Group's VaR results by type of risk are the following:

	2023	2022
	S/(000)	S/(000)
Exchange rate risk	4,813	4,859
Interest rate risk	1,417	4,827
Price risk	25,733	39,359
Diversification effect	(3,359)	(4,339)
Consolidated VaR by type of risk (*)	<u>28,604</u>	<u>44,706</u>

(\*) 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.

Notes to the consolidated financial statements (continued)

- (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, 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)
<b>Financial assets</b>							
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
<b>Total assets</b>	<b>12,770,459</b>	<b>7,511,691</b>	<b>14,654,302</b>	<b>24,316,339</b>	<b>21,553,128</b>	<b>7,163,221</b>	<b>87,969,140</b>
<b>Financial liabilities</b>							
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
<b>Total liabilities and equity</b>	<b>32,885,616</b>	<b>7,037,406</b>	<b>10,072,221</b>	<b>9,207,355</b>	<b>10,933,618</b>	<b>19,387,779</b>	<b>89,523,995</b>
<b>Off- balance sheet accounts</b>							
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
	—	—	—	—	—	—	—
<b>Marginal gap</b>	<b>(20,115,157)</b>	<b>474,285</b>	<b>4,582,081</b>	<b>15,108,984</b>	<b>10,619,510</b>	<b>(12,224,558)</b>	<b>(1,554,855)</b>
<b>Cumulative gap</b>	<b>(20,115,157)</b>	<b>(19,640,872)</b>	<b>(15,058,791)</b>	<b>50,193</b>	<b>10,669,703</b>	<b>(1,554,855)</b>	<b>—</b>

(\*) 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.



	As of December 31, 2022						Total S/(000)
	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)	
<b>Financial assets</b>							
Cash and due from banks	8,824,601	23,810	303,812	6,815	22,080	4,012,293	13,193,411
Inter-bank funds	296,119	—	—	—	—	—	296,119
Investments at fair value through other comprehensive income (debt and equity)	640,301	1,129,911	275,048	4,159,999	10,833,683	512,884	17,551,826
Investments at amortized cost	—	71,640	494,872	1,084,113	1,652,154	—	3,302,779
Loans, net (*)	4,596,996	5,750,591	10,366,009	18,886,533	6,443,838	(540,969)	45,502,998
Other assets (**)	1,054,431	99,411	69,853	73,355	33,726	4,168,105	5,498,881
<b>Total assets</b>	<b>15,412,448</b>	<b>7,075,363</b>	<b>11,509,594</b>	<b>24,210,815</b>	<b>18,985,481</b>	<b>8,152,313</b>	<b>85,346,014</b>
<b>Financial liabilities</b>							
Deposits and obligations	30,713,163	1,688,546	6,098,329	1,022,471	323,521	8,684,678	48,530,708
Inter-bank funds	30,012	—	—	—	—	—	30,012
Due to banks and correspondents	606,091	1,239,640	1,072,666	3,023,988	1,158,261	—	7,100,646
Bonds, notes and other obligations	2,532,625	3,614	233,891	4,895,031	241,142	—	7,906,303
Insurance and reinsurance contract liabilities	53,926	107,091	480,885	2,555,889	7,803,150	230,380	11,231,321
Other liabilities (***)	468,255	138,932	165,118	418,962	495,123	1,286,600	2,972,990
Equity	—	—	—	—	—	9,426,227	9,426,227
<b>Total liabilities and equity</b>	<b>34,404,072</b>	<b>3,177,823</b>	<b>8,050,889</b>	<b>11,916,341</b>	<b>10,021,197</b>	<b>19,627,885</b>	<b>87,198,207</b>
<b>Off- balance sheet accounts</b>							
Derivatives held as assets	1,681,974	—	—	897,190	—	—	2,579,164
Derivatives held as liabilities	1,681,974	—	—	897,190	—	—	2,579,164
	—	—	—	—	—	—	—
<b>Marginal gap</b>	<b>(18,991,624)</b>	<b>3,897,540</b>	<b>3,458,705</b>	<b>12,294,474</b>	<b>8,964,284</b>	<b>(11,475,572)</b>	<b>(1,852,193)</b>
<b>Cumulative gap</b>	<b>(18,991,624)</b>	<b>(15,094,084)</b>	<b>(11,635,379)</b>	<b>659,095</b>	<b>9,623,379</b>	<b>(1,852,193)</b>	<b>—</b>

- (\*) 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).

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 casuistry 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. Izipay's Management considers that the risk is not significant because its interest rates do not differ significantly from the market.

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.

Currency	As of December 31, 2023			
	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

Currency	As of December 31, 2022			
	Changes in basis points		Sensitivity of net income S/(000)	Sensitivity of other net comprehensive income S/(000)
US Dollar	+/-25	+/-	9,381	+/- 108,457
US Dollar	+/-50	+/-	18,762	+/- 217,095
US Dollar	+/-75	+/-	28,143	+/- 326,095
US Dollar	+/-100	+/-	37,524	+/- 435,640
Sol	+/-50	-/+	40,539	-/+ 388,047
Sol	+/-75	-/+	60,809	-/+ 582,844
Sol	+/-100	-/+	81,079	-/+ 778,196
Sol	+/-150	-/+	121,618	-/+ 1,171,915

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 the assumption that all positions are held to maturity.

As described in Note 3.4(ah), in previous years, regulators eliminated LIBOR rates and replaced them by an alternative interest rate. During 2023, the Group successfully managed the transition of all its contracts to the alternative interest rate benchmark Secured Overnight Financial Rate (SOFR); the IBOR reform exposes the

Notes to the consolidated financial statements (continued)

Group to various risks, which have been closely managed and monitored. These risks include, among others, the following:

- Conduct risk arising from discussions with clients and market counterparties due to the amendments required to existing contracts necessary to perform the interest rate benchmark reform;
- Financial risk to the Group and its clients that markets are disrupted due to interest rate benchmark reform giving rise to financial losses;
- Pricing risk from the potential lack of market information if liquidity in interest rate benchmarks reduces and new alternative interest rates are illiquid and unobservable;
- Operational risk arising from changes to the Group's IT systems and processes, also the risk of payments being disrupted if an interest rate benchmark ceases to be available; and
- Accounting risk if the Group's hedging relationships fail and from unrepresentative income statement volatility as financial instruments transition to the alternative interest rate benchmark.

As of December 31, 2023, IFS does not have exposure to USD-LIBOR rates. The contracts that referenced USD-LIBOR were entirely migrated to new references, whether to other rates such as SOFR or fixed-rate exchange.

The exposure to the interest rate in the case of Interseguro is shown in Note 29.5(a.3).

Notes to the consolidated financial statements (continued)

(i.3) Sensitivity to price variation -

Shares classified as investments at fair value through other comprehensive income, for the years 2023 and 2022, 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, 2023 and 2022, is presented below:

	Changes in market price %	2023 S/(000)	2022 S/(000)
<b>Sensitivity to market price</b>			
Shares	+/-10	44,488	51,288
Shares	+/-25	111,220	128,221
Shares	+/-30	133,463	153,865

Notes to the consolidated financial statements (continued)

(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, 2023, the weighted average exchange rate of free market published by the SBS for transactions in US Dollars was S/3.705 per US\$1 bid and S/3.713 per US\$1 ask (S/3.808 and S/3.820 as of December 31, 2022, respectively). As of December 31, 2023, the exchange rate for the accounting of asset and liability accounts in foreign currency set by the SBS was S/3.709 per US\$1 (S/3.814 as of December 31, 2022).

The table below presents the detail of the Group's position:

	As of December 31, 2023			
	US Dollars S/(000)	Soles S/(000)	Other currencies S/(000)	Total S/(000)
<b>Assets</b>				
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
	<u>28,306,227</u>	<u>56,325,840</u>	<u>425,365</u>	<u>85,057,432</u>
<b>Liabilities</b>				
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
	<u>31,043,213</u>	<u>47,801,932</u>	<u>490,052</u>	<u>79,335,197</u>
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	—	—
<b>Monetary position, net</b>	<u>13,533</u>	<u>5,647,601</u>	<u>61,101</u>	<u>5,722,235</u>

## Notes to the consolidated financial statements (continued)

	As of December 31, 2022			
	US Dollars S/(000)	Soles S/(000)	Other currencies S/(000)	Total S/(000)
<b>Assets</b>				
Cash and due from banks	10,205,093	2,404,942	583,376	13,193,411
Inter-bank funds	—	296,119	—	296,119
Financial investments	6,860,558	15,884,533	42,507	22,787,598
Loans, net	13,507,125	31,995,873	—	45,502,998
Due from customers on acceptances	45,809	—	—	45,809
Other accounts receivable and other assets, net	303,720	1,131,459	388	1,435,567
Insurance and reinsurance contract assets	1,032	33,021	—	34,053
	<u>30,923,337</u>	<u>51,745,947</u>	<u>626,271</u>	<u>83,295,555</u>
<b>Liabilities</b>				
Deposits and obligations	19,187,300	28,843,457	499,951	48,530,708
Inter-bank funds	—	30,012	—	30,012
Due to banks and correspondents	645,706	6,454,940	—	7,100,646
Bonds, notes and other obligations	7,257,098	649,205	—	7,906,303
Due from customers on acceptances	45,809	—	—	45,809
Insurance contract liabilities	4,240,359	6,990,962	—	11,231,321
Other accounts payable, provisions and other liabilities	1,229,952	1,599,519	859	2,830,330
	<u>32,606,224</u>	<u>44,568,095</u>	<u>500,810</u>	<u>77,675,129</u>
Forwards, net position	(1,993,217)	2,074,784	(81,567)	—
Currency swaps, net position	1,384,495	(1,384,495)	—	—
Cross currency swaps, net position	2,354,679	(2,354,679)	—	—
Options, net position	(172)	172	—	—
<b>Monetary position, net</b>	<u>62,898</u>	<u>5,513,634</u>	<u>43,894</u>	<u>5,620,426</u>

Notes to the consolidated financial statements (continued)

As of December 31, 2023, the Group granted indirect loans (contingent operations) in foreign currency for approximately US\$741,882,000, equivalent to S/2,751,640,000 (US\$614,405,000, equivalent to S/2,343,341,000 as of December 31, 2022); 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 Note 10(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, 2023 and 2022. 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 %	2023 S/(000)	2022 S/(000)
<b>Devaluation</b>			
US Dollar	5	8,796	8,991
US Dollar	10	17,592	17,982
US Dollar	15	26,388	26,973
<b>Revaluation</b>			
US Dollar	5	(8,796)	(8,991)
US Dollar	10	(17,592)	(17,982)
US Dollar	15	(26,388)	(26,973)

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 and 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 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.

Notes to the consolidated financial statements (continued)

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, 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)
<b>Financial liabilities by type -</b>						
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
<b>Total non-derivative liabilities</b>	<b>39,180,396</b>	<b>6,882,118</b>	<b>10,452,259</b>	<b>11,845,155</b>	<b>25,323,970</b>	<b>93,683,898</b>
<b>Derivatives held for trading (*) -</b>						
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
<b>Total</b>	<b>(51)</b>	<b>364</b>	<b>(12,811)</b>	<b>10,158</b>	<b>1,555</b>	<b>(785)</b>
<b>Derivatives held as hedge (**) -</b>						
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
<b>Total</b>	<b>(2,452)</b>	<b>(1,004)</b>	<b>(67,433)</b>	<b>(8,780)</b>	<b>—</b>	<b>(79,669)</b>

Notes to the consolidated financial statements (continued)

	As of December 31, 2022					
	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)
<b>Financial liabilities by type -</b>						
Deposits and obligations	36,674,487	1,842,392	6,642,702	1,523,454	2,392,309	49,075,344
Inter-bank funds	30,012	—	—	—	—	30,012
Due to banks and correspondents	693,550	785,085	2,040,127	2,983,773	1,591,843	8,094,378
Bonds, notes and other obligations	2,059,807	1,155	380,495	5,726,366	435,141	8,602,964
Due from customers on acceptances	18,909	4,854	22,046	—	—	45,809
Insurance and reinsurance contract liabilities	—	—	840,606	2,977,231	20,063,265	23,881,102
Other accounts payable, provisions and other liabilities	1,356,478	204,843	46,535	1,976	923,460	2,533,292
<b>Total non-derivative liabilities</b>	<b>40,833,243</b>	<b>2,838,329</b>	<b>9,972,511</b>	<b>13,212,800</b>	<b>25,406,018</b>	<b>92,262,901</b>
<b>Derivatives held for trading (*) -</b>						
Contractual amounts receivable (inflow)	583,440	711,292	2,059,478	841,875	344,267	4,540,352
Contractual amounts payable (outflow)	604,526	568,112	2,051,065	1,041,851	354,758	4,620,312
<b>Total</b>	<b>(21,086)</b>	<b>143,180</b>	<b>8,413</b>	<b>(199,976)</b>	<b>(10,491)</b>	<b>(79,960)</b>
<b>Derivatives held as hedge (**) -</b>						
Contractual amounts receivable (inflow)	1,712,865	3,289	13,772	432,103	—	2,162,029
Contractual amounts payable (outflow)	1,479,047	5,038	28,784	406,806	—	1,919,675
<b>Total</b>	<b>233,818</b>	<b>(1,749)</b>	<b>(15,012)</b>	<b>25,297</b>	<b>—</b>	<b>242,354</b>

(\*) 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:

	2023 S/(000)	2022 S/(000)
Contingent credits (indirect loans)		
Up to 1 month	1,095,339	686,403
From 1 to 3 months	1,062,605	1,358,990
From 3 to 12 months	2,391,145	2,054,523
From 1 to 5 years	193,835	387,431
Over 5 years	556	—
<b>Total</b>	<b>4,743,480</b>	<b>4,487,347</b>

The Group estimates that not all of the contingent loans (indirect) or commitments will be used before the maturity date of the commitments.

Notes to the consolidated financial statements (continued)

The following table shows the changes in liabilities arising from financing activities according to IAS 7:

	2023					
	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	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
<b>Total liabilities for financing activities</b>	<b>8,050,357</b>	<b>516,164</b>	<b>(2,672,177)</b>	<b>(132,895)</b>	<b>1,316</b>	<b>5,762,765</b>

	2022					
	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	—	—	30,482	(470)	—	30,012
Bonds, notes and other obligations	8,389,672	—	(137,900)	(385,850)	40,381	7,906,303
Lease liability related to right-of-use assets	234,946	—	(62,320)	(2,948)	(57,097)	112,581
Dividends payable	1,219	756,041	(755,706)	—	(93)	1,461
<b>Total liabilities for financing activities</b>	<b>8,625,837</b>	<b>756,041</b>	<b>(925,444)</b>	<b>(389,268)</b>	<b>(16,809)</b>	<b>8,050,357</b>

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 reputations, 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; 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, 2023 and 2022, 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.

Notes to the consolidated financial statements (continued)

(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

Change in assumptions	2023				2022				
	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%	(13,198)	(12,808)	(5,827)	(5,264)	(14,085)	(13,955)	(4,767)	(4,952)
Longevity	+10%	(210,185)	(210,185)	(172,323)	(172,323)	(197,945)	(197,945)	(130,110)	(130,110)
Expenses	+10%	(32,980)	(32,985)	(28,421)	(28,426)	(37,627)	(37,740)	(29,039)	(29,152)
Expiration and abandonment rate	+10%	11,877	11,699	8,871	8,629	13,773	14,232	5,411	5,897
Mortality/morbidity rate	- 10%	13,048	12,642	6,062	5,488	14,494	14,021	4,995	4,851
Longevity	- 10%	147,670	147,670	114,215	114,215	146,826	146,826	86,496	86,496
Expenses	- 10%	32,960	33,006	28,407	28,453	37,611	37,658	29,024	29,071
Expiration and abandonment rate	- 10%	(12,787)	(12,522)	(9,367)	(9,023)	(14,856)	(14,182)	(5,844)	(5,204)

Change in assumptions	2023		2022		
	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%	(24,696)	(17,314)	(24,079)	(18,190)
Longevity	+10%	(37,318)	(37,318)	(47,424)	(47,424)
Expenses	+10%	(20,613)	(20,608)	(17,552)	(17,439)
Expiration and abandonment rate	+10%	(1,562)	(1,972)	(1,726)	(2,495)
Mortality/morbidity rate	-10%	25,277	18,034	24,135	18,787
Longevity	-10%	77,609	77,609	76,554	76,554
Expenses	-10%	20,591	20,544	17,551	17,504
Expiration and abandonment rate	-10%	1,944	2,375	1,837	1,524

Notes to the consolidated financial statements (continued)

(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:

	2023						Total S/(000)
	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)	
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
<b>Total</b>	<b>899,642</b>	<b>743,937</b>	<b>835,009</b>	<b>884,953</b>	<b>921,965</b>	<b>21,169,671</b>	<b>25,455,177</b>

	2022						Total S/(000)
	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)	
Life insurance contractual liabilities	874,518	683,879	727,831	772,743	794,191	19,943,775	23,796,937
Life reinsurance contractual liabilities	(33,911)	(336)	(347)	(359)	(373)	(19,305)	(54,631)
Other liabilities	57,085	74,489	81,473	106,116	129,276	810,573	1,259,012
<b>Total</b>	<b>897,692</b>	<b>758,032</b>	<b>808,957</b>	<b>878,500</b>	<b>923,094</b>	<b>20,735,043</b>	<b>25,001,318</b>



Notes to the consolidated financial statements (continued)

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.

	2023						Total S/(000)
	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)	
<b>Financial assets</b>							
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
<b>Total</b>	<u>1,020,706</u>	<u>969,131</u>	<u>991,542</u>	<u>1,079,649</u>	<u>1,064,413</u>	<u>18,277,768</u>	<u>23,403,209</u>
	2022						Total S/(000)
	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)	
<b>Financial assets</b>							
Cash and cash equivalents	—	—	—	—	—	—	—
Investments at fair value through profit or loss	99	99	99	99	99	3,070	3,565
Debt instruments at fair value through other comprehensive income	896,760	940,922	887,257	899,474	982,379	18,010,752	22,617,544
Investments at amortized cost	—	—	—	—	—	—	—
<b>Total</b>	<u>896,859</u>	<u>941,021</u>	<u>887,356</u>	<u>899,573</u>	<u>982,478</u>	<u>18,013,822</u>	<u>22,621,109</u>

Notes to the consolidated financial statements (continued)

(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:

	2023			2022		
	US Dollar S/(000)	Sol S/(000)	Total S/(000)	US Dollar S/(000)	Sol S/(000)	Total S/(000)
<b>Financial assets</b>						
Cash and cash equivalents	48,899	217,411	266,310	419,481	211,676	631,157
Investments at fair value through profit or loss	300,007	7,029	307,036	247,998	11,424	259,422
Debt instruments at fair value through other comprehensive income	4,159,311	8,286,854	12,446,165	3,792,194	7,243,452	11,035,646
Investments at amortized cost	—	23,584	23,584	—	—	—
<b>Insurance contracts assets-</b>						
Life insurance issued	—	—	—	—	—	—
Life reinsurance held	166	26,121	26,287	1,032	33,019	34,051
Reinsurance held	—	—	—	—	—	—
<b>Insurance contracts liabilities-</b>						
Life insurance issued	3,997,075	8,208,566	12,205,641	4,240,359	6,987,486	11,227,845
Life reinsurance held	—	1,895	1,895	—	3,476	3,476
Reinsurance held	—	—	—	—	—	—

*Interest rate risk*

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:

	2023 S/(000)	2022 S/(000)
<b>Insurance contracts assets -</b>		
Life insurance issued	—	—
Life reinsurance held	26,287	34,051
Reinsurance held	—	—
<b>Insurance contracts liabilities -</b>		
Life insurance issued	12,205,641	11,227,845
Life reinsurance held	1,895	3,476
Reinsurance held	—	—
<b>Debt instruments at fair value through profit or loss</b>	<b>307,036</b>	<b>259,422</b>
<b>Debt instruments at fair value through other comprehensive income</b>	<b>12,446,165</b>	<b>11,035,646</b>
<b>Debt instruments at amortized cost</b>	<b>23,584</b>	<b>—</b>
<b>Total</b>	<b><u>25,010,608</u></b>	<b><u>22,560,440</u></b>

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.

	Change in basis points	2023		2022	
		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	16,542	1,075,830	15,554	921,286
Debt instruments	+100	(100)	(906,268)	(107)	(796,455)
Insurance and reinsurance contracts	-100	(20,226)	(1,293,888)	(18,703)	(1,096,629)
Debt instruments	-100	115	1,048,722	124	924,796

(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, 2023			
	Level 1 S/(000)	Level 2 S/(000)	Level 3 S/(000)	Total S/(000)
<b>Financial assets</b>				
<b>Financial investments</b>				
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
<b>Derivatives receivable</b>	—	158,101	—	158,101
	<u>12,506,391</u>	<u>9,645,446</u>	<u>919,866</u>	<u>23,071,703</u>
Accrued interest				334,385
<b>Total financial assets</b>				<u>23,406,088</u>
<b>Financial liabilities</b>				
<b>Derivatives payable</b>	—	145,395	—	145,395
	<u>—</u>	<u>145,395</u>	<u>—</u>	<u>145,395</u>
	As of December 31, 2022			
	Level 1 S/(000)	Level 2 S/(000)	Level 3 S/(000)	Total S/(000)
<b>Financial assets</b>				
<b>Financial investments</b>				
At fair value through profit or loss (*)	428,739	564,559	939,695	1,932,993
Debt instruments measured at fair value through other comprehensive income	9,946,427	6,770,090	—	16,716,517
Equity instruments measured at fair value through other comprehensive income	464,556	10,188	38,140	512,884
<b>Derivatives receivable</b>	—	515,800	—	515,800
	<u>10,839,722</u>	<u>7,860,637</u>	<u>977,835</u>	<u>19,678,194</u>
Accrued interest				322,425
<b>Total financial assets</b>				<u>20,000,619</u>
<b>Financial liabilities</b>				
<b>Derivatives payable</b>	—	297,038	—	297,038
	<u>—</u>	<u>297,038</u>	<u>—</u>	<u>297,038</u>

(\*) As of December 31, 2023 and 2022, correspond mainly to participations in mutual funds and investment funds.

Notes to the consolidated financial statements (continued)

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 2023, there were transfers of certain financial instruments from Level 1 to Level 2 for an amount of S/32,577,000, because they stopped being actively traded during the year, and consequently, fair values were obtained by using observable market data. Likewise, during 2023, there were transfers of certain financial instruments from Level 2 to Level 1 for an amount of S/717,011,000. During 2023 and 2022, 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		Sensitivity of inputs to fair value
			2023	2022	
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 increase (decrease) in fair value by S/7,678,000 as of December 31, 2023 and S/7,022,000 as of December 31, 2022.
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 increase (decrease) in fair value by S/80,597,000 as of December 31, 2023 and S/86,944,000 as of December 31, 2022.
Listed shares	Equity method	-	According to price risk	According to price risk	5 percent increase (decrease) of the price would result in increase in fair value of S/1,854,000 as of December 31, 2023 and S/1,907,000 as of December 31, 2022.

The table below includes a reconciliation of fair value measurement of financial instruments classified by the Group within Level 3 of the valuation hierarchy:

	2023 S/(000)	2022 S/(000)
<b>Initial balance as of January 1</b>	977,835	1,133,763
Purchases	85,777	180,344
Sales	(35,625)	(280,297)
Loss recognized on the consolidated statement of income	(108,121)	(55,975)
<b>Balance as of December 31</b>	<u>919,866</u>	<u>977,835</u>

(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:

Notes to the consolidated financial statements (continued)

	As of December 31, 2023					As of December 31, 2022				
	Level 1 S/(000)	Level 2 S/(000)	Level 3 S/(000)	Fair value S/(000)	Book value S/(000)	Level 1 S/(000)	Level 2 S/(000)	Level 3 S/(000)	Fair value S/(000)	Book value S/(000)
<b>Assets</b>										
Cash and due from banks	—	9,818,711	—	9,818,711	9,818,711	—	13,193,411	—	13,193,411	13,193,411
Inter-bank funds	—	524,915	—	524,915	524,915	—	296,119	—	296,119	296,119
Investments at amortized cost	3,277,672	80,042	—	3,357,714	3,474,004	2,949,507	—	—	2,949,507	3,302,779
Loans, net	—	44,737,995	—	44,737,995	46,520,382	—	42,932,260	—	42,932,260	45,502,998
Due from customers on acceptances	—	40,565	—	40,565	40,565	—	45,809	—	45,809	45,809
Other accounts receivable and other assets, net	—	1,246,480	—	1,246,480	1,246,480	—	919,767	—	919,767	919,767
Reinsurance contract assets	—	26,287	—	26,287	26,287	—	34,053	—	34,053	34,053
<b>Total</b>	<u>3,277,672</u>	<u>56,474,995</u>	<u>—</u>	<u>59,752,667</u>	<u>61,651,344</u>	<u>2,949,507</u>	<u>57,421,419</u>	<u>—</u>	<u>60,370,926</u>	<u>63,294,936</u>
<b>Liabilities</b>										
Deposits and obligations	—	49,394,868	—	49,394,868	49,188,234	—	48,464,095	—	48,464,095	48,530,708
Inter-bank funds	—	119,712	—	119,712	119,712	—	30,012	—	30,012	30,012
Due to banks and correspondents	—	9,028,209	—	9,028,209	9,025,930	—	6,859,664	—	6,859,664	7,100,646
Bonds, notes and other obligations	4,587,631	708,643	—	5,296,274	5,551,629	6,447,282	990,545	—	7,437,827	7,906,303
Due from customers on acceptances	—	40,565	—	40,565	40,565	—	45,809	—	45,809	45,809
Insurance and reinsurance contract liabilities	—	12,207,536	—	12,207,536	12,207,536	—	11,231,321	—	11,231,321	11,231,321
Other accounts payable and other liabilities	—	3,056,196	—	3,056,196	3,056,196	—	2,533,292	—	2,533,292	2,533,292
<b>Total</b>	<u>4,587,631</u>	<u>74,555,729</u>	<u>—</u>	<u>79,143,360</u>	<u>79,189,802</u>	<u>6,447,282</u>	<u>70,154,738</u>	<u>—</u>	<u>76,602,020</u>	<u>77,378,091</u>

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, 2023 and 2022, 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 for poor yielding of the assets under its management.

As of December 31, 2023 and 2022, the value of the managed off-balance sheet financial assets is as follows:

	2023 S/(000)	2022 S/(000)
Investment funds	17,829,262	16,821,566
Mutual funds	5,352,241	4,495,832
<b>Total</b>	<u>23,181,503</u>	<u>21,317,398</u>

**32. Subsequent event**

On January 16, 2024, Interbank issued subordinated bonds called “7.625 Subordinated Notes due 2034” for the amount of US\$300,000,000, under Rule 144A and Regulation S of the U.S. Securities Act of 1933 of the United States of America. This issuance has maturity in January 2034 and the agreed nominal interest rate was 7.625 percent.



**Exhibit 8.1**

<b>Subsidiary</b>	<b>Jurisdiction of Incorporation</b>	<b>Name Under Which the Subsidiary Does Business</b>	<b>Ownership Interest</b>
Banco Internacional del Perú, S.A.A.	Peru	Interbank	IFS owns 99%
Internacional de Títulos Sociedad Titulizadora S.A. -Intertítulos S.T.	Peru	Intertítulos	IFS owns 100%
Compañía de Servicios Conexos Expressnet S.A.C.	Peru	Expressnet	IFS owns 100%
Interseguro Compañía de Seguros S.A.	Peru	Interseguro	IFS owns 100%
Inteligo Group Corp.	Republic of Panama	Inteligo Group Corp.	IFS owns 100%
Inteligo Bank Ltd.	Bahamas	Inteligo Bank	IFS owns 100%
Inteligo Sociedad Agente de Bolsa S.A.	Peru	Inteligo SAB	IFS owns 100%
Inteligo Perú Holdings S.A.C.	Peru	Inteligo Peru Holdings	IFS owns 100%
Inteligo USA Inc.	New York	Inteligo USA	IFS owns 100%
Negocios e Inmuebles S.A.	Peru	NISA	IFS owns 98%
San Borja Global Opportunities S.A.C.	Peru	Shopstar	IFS owns 100%
IFS Digital S.A.C.	Peru	IFS Digital	IFS owns 100%
Interfondos S.A. SAF	Peru	Interfondos	IFS owns 100%
Procesos de Medios de Pago S.A.	Peru	Procesos MC Peru	IFS owns 100%
Izipay S.A.C.	Peru	Izipay	IFS owns 100%

**CERTIFICATION**

I, Luis Felipe Castellanos Lopez Torres, certify that:

1. I have reviewed this annual report on Form 20-F of Intercorp Financial Services Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d)-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 26, 2024

By: /s/ Luis Felipe Castellanos Lopez Torres

Name: Luis Felipe Castellanos Lopez Torres

Title: Chief Executive Officer

**CERTIFICATION**

I, Michela Casassa Ramat, certify that:

1. I have reviewed this annual report on Form 20-F of Intercorp Financial Services Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d)-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 26, 2024

By: /s/ Michela Casassa Ramat

Name: Michela Casassa Ramat

Title: Chief Financial Officer

**Certification**  
**Pursuant to Section 906 of the Sarbanes Oxley Act of 2002**  
**(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Intercorp Financial Services Inc. (the “Company”), does hereby certify, to such officer’s knowledge, that:

The Annual Report on Form 20-F for the year ended December 31, 2023 (the “Form 20-F”) of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 20-F fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 26, 2024

By: /s/ Luis Felipe Castellanos Lopez Torres

Name: Luis Felipe Castellanos Lopez Torres

Title: Chief Executive Officer

Date: April 26, 2024

By: /s/ Michela Casassa Ramat

Name: Michela Casassa Ramat

Title: Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Intercorp Financial Services Inc. and will be retained by Intercorp Financial Services Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**INTERCORP FINANCIAL SERVICES INC.  
DODD-FRANK CLAWBACK POLICY**

The Board of Directors (the “Board”) of Intercorp Financial Services Inc. (the “Company”) has adopted this Dodd-Frank Clawback Policy (this “Policy”) in accordance with the applicable provisions of The New York Stock Exchange Listed Company Manual (the “Clawback Rules”), promulgated pursuant to the final rules adopted by the Securities and Exchange Commission enacting the clawback standards under Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Board is designated to administer this Policy. Capitalized terms not otherwise defined in this Policy have the meanings given to them under the Clawback Rules, which are attached to this Policy as Appendix A.

**Recovery of Erroneously Awarded Incentive Compensation.** The Company shall comply with the Clawback Rules and reasonably promptly recover Erroneously Awarded Compensation Received by current or former Executive Officers of the Company (“Covered Individuals”) in the event the Company is required to prepare an accounting restatement due to the Company’s material noncompliance with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period. The Board may determine not to recover Erroneously Awarded Compensation pursuant to this Policy in circumstances where non-enforcement is expressly permitted by the Clawback Rules, including where recovery would violate applicable home country laws in effect before November 28, 2022.

**Covered Individuals.** The Board shall determine the Company’s Covered Individuals.

**Covered Compensation.** This Policy applies to the Incentive-based Compensation Received by a Covered Individual: (1) after such Covered Individual began service as an Executive Officer; (2) who served as an Executive Officer at any time during the performance period for that Incentive-based Compensation; (3) while the Company has a class of securities listed on a national securities exchange or a national securities association; and (4) during the three completed fiscal years immediately preceding the date that the Company is required to prepare an accounting restatement as described above (or during any transition period, that results from a change in the Company’s fiscal year, within or immediately following those three completed fiscal years, as determined in accordance with the Clawback Rules).

The amount of Incentive-based Compensation subject to this Policy is the Erroneously Awarded Compensation, which is the amount of Incentive-based Compensation Received by a Covered Individual that exceeds the amount of Incentive-based Compensation that otherwise would have been Received by the Covered Individual had it been determined based on the restated amount (or otherwise determined in accordance with the Clawback Rules), and will be computed without regard to any taxes paid by the Covered Individual (or withheld from the Incentive-based Compensation). The Board shall make all determinations regarding the amount of Erroneously Awarded Compensation.

**Method of Recovery.** The Board shall determine, in its sole discretion, the manner in which any Erroneously Awarded Compensation shall be recovered. Methods of recovery may include, but are not limited to: (1) seeking direct repayment from the Covered Individual; (2) reducing (subject to applicable law and the terms and conditions of the applicable plan, program or arrangement pursuant to which the incentive-based compensation was paid) the amount that would otherwise

be payable to the Covered Individual under any compensation, bonus, incentive, equity and other benefit plan, agreement, policy or arrangement maintained by the Company or any of its affiliates; (3) cancelling any award (whether cash-or equity-based) or portion thereof previously granted to the Covered Individual; or (4) any combination of the foregoing.

**No-Fault Basis.** This Policy applies on a no-fault basis, and Covered Individuals will be subject to recovery under this Policy without regard to their personal culpability.

**Other Company Arrangements.** This Policy shall be in addition to, and not in lieu of, any other clawback, recovery or recoupment policy maintained by the Company from time to time, as well as any clawback, recovery or recoupment provision in any of the Company's plans, awards or individual agreements (including the clawback, recovery and recoupment provisions in the Company's equity award agreements) (collectively, "Other Company Arrangement") and any other rights or remedies available to the Company, including termination of employment; provided, however, that there is no intention to, nor shall there be, any duplicative recoupment of the same compensation under more than one policy, plan, award or agreement. In addition, no Other Company Arrangement shall serve to restrict the scope or the recoverability of Erroneously Awarded Compensation under this Policy or in any way limit recovery in compliance with the Clawback Rules.

**No Indemnification.** Notwithstanding anything to the contrary set forth in any policy, arrangement, bylaws, charter, certificate of incorporation or plan of the Company or any individual agreement between a Covered Individual and the Company or any of its affiliates, no Covered Individual shall be entitled to indemnification from the Company or any of its affiliates for the amount that is or may be recovered by the Company pursuant to this Policy; provided, however, that to the extent expense advancement or reimbursement is available to a Covered Individual, this Policy shall not serve to prohibit such advancement or reimbursement.

**Administration; Interpretation.** The Board shall interpret and construe this Policy consistent with the Clawback Rules and applicable laws and regulation and shall make all determinations necessary, appropriate or advisable for the administration of this Policy. Any determinations made by the Board shall be final, binding and conclusive on all affected individuals. As required by the Clawback Rules, the Company shall provide public disclosures related to this Policy and any applicable recoveries of Erroneously Awarded Compensation. To the extent this Policy conflicts or is inconsistent with the Clawback Rules, the Clawback Rules shall govern. In no event is this Policy intended to be broader than, or require recoupment in addition to, that required pursuant to the Clawback Rules. The Board can delegate at any time the administration of this policy in favor of the Audit Committee (or any similar committee that may be created after the date hereof) if deemed convenient.

**Amendment or Termination of this Policy.** The Board reserves the right to amend this Policy at any time and for any reason, subject to applicable law and the Clawback Rules. To the extent that the Clawback Rules cease to be in force or cease to apply to the Company, this Policy shall also cease to be in force.

*Approved: November 8, 2023*



## Appendix A

### Clawback Rules

#### **303A.14 Erroneously Awarded Compensation**

(a) This Section 303A.14 prohibits the initial or continued listing of any security of an issuer that is not in compliance with the requirements of any portion hereof.

#### **(b) Implementation.**

(i) The effective date (“Effective Date”) of this Section 303A.14 is October 2, 2023.

(ii) Each listed issuer must adopt the recovery policy required by this Section 303A.14 (“Recovery Policy”) no later than 60 days following the Effective Date.

(iii) Each listed issuer must comply with its Recovery Policy for all incentive-based compensation Received (as such term is defined in Section 303A.14(e) below) by executive officers on or after the Effective Date;

(iv) Each listed issuer must provide the required disclosures in the applicable SEC filings required on or after the Effective Date.

#### **(c) Requirements.**

The requirements of this Section 303A.14 are as follows:

(1) **Recovery of Erroneously Awarded Compensation.** The issuer must adopt and comply with a written Recovery Policy providing that the issuer will recover reasonably promptly the amount of erroneously awarded incentive-based compensation in the event that the issuer is required to prepare an accounting restatement due to the material noncompliance of the issuer with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

(i) The issuer’s Recovery Policy must apply to all incentive-based compensation received by a person:

(A) After beginning service as an executive officer;

(B) Who served as an executive officer at any time during the performance period for that incentive-based compensation;

(C) While the issuer has a class of securities listed on a national securities exchange or a national securities association; and

(D) During the three completed fiscal years immediately preceding the date that the issuer is required to prepare an accounting restatement as described in paragraph (c)(1) of this Section 303A.14. In addition to these last three completed fiscal years, the recovery policy must apply to any transition period (that results from a change in the issuer’s fiscal year) within or immediately following those three completed fiscal years. However, a transition

period between the last day of the issuer's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months would be deemed a completed fiscal year. An issuer's obligation to recover erroneously awarded compensation is not dependent on if or when the restated financial statements are filed.

(ii) For purposes of determining the relevant recovery period, the date that an issuer is required to prepare an accounting restatement as described in paragraph (c)(1) of this Section 303A.14 is the earlier to occur of:

(A) The date the issuer's board of directors, a committee of the board of directors, or the officer or officers of the issuer authorized to take such action if board action is not required, concludes, or reasonably should have concluded, that the issuer is required to prepare an accounting restatement as described in paragraph (c)(1) of this Section 303A.14; or

(B) The date a court, regulator, or other legally authorized body directs the issuer to prepare an accounting restatement as described in paragraph (c)(1) of this Section 303A.14.

(iii) The amount of incentive-based compensation that must be subject to the issuer's recovery policy ("erroneously awarded compensation") is the amount of incentive-based compensation received that exceeds the amount of incentive-based compensation that otherwise would have been received had it been determined based on the restated amounts, and must be computed without regard to any taxes paid. For incentive-based compensation based on stock price or total shareholder return, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in an accounting restatement:

(A) The amount must be based on a reasonable estimate of the effect of the accounting restatement on the stock price or total shareholder return upon which the incentive-based compensation was received; and

(B) The issuer must maintain documentation of the determination of that reasonable estimate and provide such documentation to the Exchange.

(iv) The issuer must recover erroneously awarded compensation in compliance with its recovery policy except to the extent that the conditions of paragraphs (c)(1)(iv)(A), (B), or (C) of this Section 303A.14 are met, and the issuer's committee of independent directors responsible for executive compensation decisions, or in the absence of such a committee, a majority of the independent directors serving on the board, has made a determination that recovery would be impracticable.

(A) The direct expense paid to a third party to assist in enforcing the policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover any amount of erroneously awarded compensation based on expense of enforcement, the issuer must make a reasonable attempt to recover such erroneously awarded compensation, document such reasonable attempt(s) to recover, and provide that documentation to the Exchange.

(B) Recovery would violate home country law where that law was adopted prior to November 28, 2022. Before concluding that it would be impracticable to recover any amount of erroneously awarded compensation based on violation of home country law, the issuer must obtain an opinion of home country counsel, acceptable to the Exchange, that recovery would result in such a violation, and must provide such opinion to the Exchange.

(C) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the registrant, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

(v) The issuer is prohibited from indemnifying any executive officer or former executive officer against the loss of erroneously awarded compensation.

(2) The issuer must file all disclosures with respect to such Recovery Policy in accordance with the requirements of the Federal securities laws, including the disclosure required by the applicable Commission filings

**(d) General Exemptions**

The requirements of this Section 303A.14 do not apply to the listing of:

(1) A security futures product cleared by a clearing agency that is registered pursuant to section 17A of the Act (15 U.S.C. 78q-1) or that is exempt from the registration requirements of section 17A(b)(7)(A) (15 U.S.C. 78q-1(b)(7)(A));

(2) A standardized option, as defined in 17 CFR 240.9b-1(a)(4), issued by a clearing agency that is registered pursuant to section 17A of the Act (15 U.S.C. 78q-1);

(3) Any security issued by a unit investment trust, as defined in 15 U.S.C. 80a-4(2);

(4) Any security issued by a management company, as defined in 15 U.S.C. 80a-4(3), that is registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8), if such management company has not awarded incentive-based compensation to any executive officer of the company in any of the last three fiscal years, or in the case of a company that has been listed for less than three fiscal years, since the listing of the company.

**(e) Definitions.** Unless the context otherwise requires, the following definitions apply for purposes of this Section 303A.14:

*Executive Officer.* An executive officer is the issuer's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the issuer in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person who performs similar policymaking functions for the issuer. Executive officers of the issuer's parent(s) or subsidiaries are deemed executive officers of the issuer if they perform such policy making functions for the issuer. In addition, when the issuer is a limited partnership, officers or employees of the general partner(s) who perform policy-making functions for the limited partnership are deemed officers of the limited partnership. When the issuer is a trust, officers, or employees of the trustee(s) who perform policy-making functions for the trust are deemed officers of the trust. Policy-making function is not intended to include policymaking functions that are not significant. Identification of an executive officer for purposes of this Section 303A.14 would include at a minimum executive officers identified pursuant to 17 CFR 229.401(b).

*Financial reporting measures.* Financial reporting measures are measures that are determined and presented in accordance with the accounting principles used in preparing

the issuer's financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return are also financial reporting measures. A financial reporting measure need not be presented within the financial statements or included in a filing with the Commission.

*Incentive-based compensation.* Incentive-based compensation is any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a financial reporting measure.

*Received.* Incentive-based compensation is deemed received in the issuer's fiscal period during which the financial reporting measure specified in the incentive-based compensation award is attained, even if the payment or grant of the incentive-based compensation occurs after the end of that period.