Banco de la Nación

Financial Statements

December 31, 2024 and 2023

(including Independent Auditors' Report)

(TRANSLATION OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN SPANISH)

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(TRANSLATION OF A REPORT ORIGINALLY ISSUED IN SPANISH)

INDEPENDENT AUDITORS' REPORT

To the Directors of
Banco de la Nación

Opinion

We have audited the accompanying financial statements of Banco de la Nación (hereinafter "the Bank"), which comprise the statement of financial position as of December 31, 2024, and the statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of material accounting policies and other explanatory information.

In our opinion, the financial statements referred to above present fairly, in all material respects, the Bank's financial position as of December 31, 2024, and the statements of profit or loss and cash flows for the year then ended, in accordance with accounting standards for financial institutions in Peru established by the Banking, Insurance and Private Pension Plan Agency (Superintendencia de Banca, Seguros y AFP – SBS).

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing approved for their application in Peru by the Dean's Council of the Peruvian Professional Associations of Public Accountants. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Peru, together with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants*, and we have fulfilled our other ethical responsibilities in accordance with these requirements, respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Evaluation of the provision for wholesale loan losses under SBS Resolution and amendments 11356-2008 (note 3.C and 7)	
Key Audit Matters	**Addressing key audit matters**
As of December 31, 2024, the direct loans and the provision for direct loan losses amount to S/ 18,455,642 thousand and S/ 813,727 thousand, respectively. The Bank records a provision for direct loan losses as set forth in the SBS Resolution 11356-2008 and amendments by the SBS, which determines the calculation of the provision applying percentages according to the types of loans, that depend on the credit rating, types of loan and the collaterals associated to the credits. The borrower's credit rating is mainly defined based on the past due days and alignment within the financial system. In addition, for the borrower's credit rating of wholesale loans, it is evaluated whether it is necessary to assign the borrower a classification different from the one assigned based on the past due days, taking into account variables such as the borrower's payment capacity, the classifications assigned by other financial institutions, financial performance, received collaterals, among others. Considering the above, we identified the evaluation of a provision for direct loan losses as a key audit matter, since it is a significant estimate made by Management and the Bank must comply with the requirements of the SBS for the evaluation and determination of the classification of each debtor, which will determine the amount of the provision to be recorded in the financial statements.	Our audit procedures to evaluate the provision for direct loan losses include: ▪ We obtained the understanding on the measurement procedures by the system related to the provision for direct loan losses according to the SBS Resolution 11356-2018 and amendments. ▪ We reviewed some key controls of the Bank related to the provision for direct loan losses as the review of credit rating and authorization of provision registration. ▪ We obtained the borrower's data base and made integrity and accuracy tests of the data used in the provision measurement. ▪ We reviewed a sample of files from the direct loans to verify that the rating assigned to the wholesale borrowers complies with the provisions established by the SBS. ▪ We remeasured the provision for direct loan losses over the total retail loan portfolio in accordance with SBS Resolution 11356-2008 and amendments. ▪ Lastly, we evaluated whether the information disclosed in the notes to the financial statements is adequate in accordance with the criteria set forth in the SBS Accounting Manual.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events that raise substantial doubt about the Bank's ability to continue as a going concern; to disclose, as applicable, matters related to going concern; and to use the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute and therefore is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. They are considered material if they could, individually or in the aggregate, influence the economic decisions that users make on the basis of the financial statements.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, including the disclosures.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies or material weaknesses in internal control that we identify during our audit.

Also, we provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with The Bank's governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor’s report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lima, Peru,

March 31, 2025

Countersigned by: Emmerich, Córdova y Asociados

Eduardo Alejos P. (Partner)
Peruvian CPA Registration 29180

Banco de la Nación

Financial Statements

December 31, 2024 and 2023

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(Translation of Financial Statements originally issued in Spanish)

Banco de la Nación
Statement of Financial Position
As of December 31, 2024 and 2023

In thousands of soles	*Note*	2024	2023
Assets			
Cash and Cash Equivalents	*5*		
Cash		2,091,812	2,197,039
Clearing		40,492	40,748
Deposits in the Central Reserve Bank of Peru		12,073,302	19,584,306
Deposits in other banks in the country		191,222	156,646
Deposits in foreign banks		167,282	258,318
Other available funds		12,629	1,489
Available-for-sale investments	*6*	7,601,024	4,573,623
Held to maturity investments	*6(g)*	5,309,497	5,446,229
Loan portfolio, net	*7*	17,723,480	12,474,830
Accounts receivable, net	*8*	472,205	330,179
Property, furniture and equipment, net	*9*	577,905	602,265
Deferred income tax assets, net	*15*	121,220	125,649
Other assets, net	*10*	269,234	578,248
Total assets		**46,651,304**	**46,369,569**
Contingent risks and commitments	*17*	7,243,624	5,127,383

In thousands of soles	*Note*	2024	2023
Liabilities			
Obligations with the public	*11*	40,301,231	41,881,109
Deposits with financial institutions and international financial institutions	*12*	459,149	550,666
Outstanding instruments and liabilities	*13*	251,520	251,642
Accounts payable	*14*	561,041	601,569
Other liabilities	*10*	1,326,398	527,980
Total liabilities		**42,899,339**	**43,812,966**
Equity	*16*		
Capital stock		2100000	2,000,000
Additional capital		1898	1,898
Legal reserve		700,000	560,000
Unrealized gains and losses		(464,985)	(652,702)
Retained earnings		1,415,052	647,407
Total equity		**3,751,965**	**2,556,603**
Total equity and liabilities		**46,651,304**	**46,369,569**
Contingent risks and commitments	*17*	7,243,624	5,127,383

The accompanying notes on pages 6 to 80 are an integral part of these financial statements.

Banco de la Nación
Statement of Profit or Loss and Other Comprehensive Income
For the years ended December 31, 2024 and 2023

In thousands of soles	*Note*	2024	2023
Interest income	*18*	3,177,243	3,123,454
Interest expense	*18*	(71,358)	(67,417)
Gross profit margin		3,105,885	3,056,037
Provision for doubtful accounts receivable, net of recoveries	*7(e)*	(197,829)	(181,241)
Net financial margin		2,908,056	2,874,796
Revenue from financial services	*19*	815,871	778,122
Financial service expenses	*19*	(346,610)	(375,315)
Net profit margin of financial service income and expenses		3,377,317	3,277,603
Operating profit	*20*	10,398	(59,083)
Operating margin		3,387,715	3,218,520
Administrative expenses	*21*	(1,311,169)	(1,085,520)
Depreciation and amortization	*9 & 10*	(75,587)	(73,313)
Net operating margin		2,000,959	2,059,687
Valuation of assets and provisions	*22*	(208,076)	(119,428)
Operating income		1,792,883	1,940,259
Other expenses, net	*23*	(27,101)	(1,642)
Profit before tax		1,765,782	1,938,617
Income tax	*24.A*	(372,467)	(286,262)
Net profit		1,393,315	1,652,355
Other comprehensive income			
Net gain (loss) on available-for-sale investments	*16(c)*	191,530	354,411
Deferred tax	*15*	(3,813)	(6,447)
Total other comprehensive income, net income tax		187,717	347,964
Total other comprehensive income		1,581,032	2,000,319

The accompanying notes on pages 6 to 80 are an integral part of these financial statements.

Banco de la Nación
Statement of Changes in Equity
For the years ended December 31, 2024 and 2023

In thousands of soles	Capital stock (note 16.A)	Additional capital (note 16.A)	Legal reserve (note 16.B)	Unrealized gains and losses (note 16.C)	Retained earnings (note 16.D)	Total
Balance as of January 1, 2023	1,596,169	1,898	558,659	(1,000,666)	876,866	2,032,926
Net profit	-	-	-	-	1,652,355	1,652,355
Other comprehensive income	-	-	-	347,964	-	347,964
Total comprehensive income	**-**	**-**	**-**	**347,964**	**1,652,355**	**2,000,319**
Adjustments from prior years	-	-	-	-	(20,453)	(20,453)
Capitalization of profits	403,831	-	-	-	(403,831)	-
Increase of legal reserve	-	-	1,341	-	(1,341)	-
Offsetting debt with the Treasury	-	-	-	-	(256,857)	(256,857)
Profit distribution to the Treasury	-	-	-	-	(1,199,332)	(1,199,332)
Balance as of December 31, 2023	**2,000,000**	**1,898**	**560,000**	**(652,702)**	**647,407**	**2,556,603**
Balance as of January 1, 2024	2,000,000	1,898	560,000	(652,702)	647,407	2,556,603
Net profit	-	-	-	-	1,393,315	1,393,315
Other comprehensive income	-	-	-	187,717	-	187,717
Total comprehensive income	**-**	**-**	**-**	**187,717**	**1,393,315**	**1,581,032**
Adjustments from prior years	-	-	-	-	(25,160)	(25,160)
Capitalization of profits	100,000	-	-	-	(100,000)	-
Increase of legal reserve	-	-	140,000	-	(140,000)	-
Offsetting debt with the Treasury	-	-	-	-	(38,125)	(38,125)
Profit distribution to the Treasury	-	-	-	-	(322,385)	(322,385)
Balance as of December 31, 2024	**2,100,000**	**1,898**	**700,000**	**(464,985)**	**1,415,052**	**3,751,965**

The accompanying notes on pages 6 to 80 are an integral part of these financial statements.

Banco de la Nación
Statement of Cash Flows
For the years ended December 31, 2024 and 2023

In thousands of soles	*Note*	2024	2023
Cash flows from operating activities			
Net profit		1,393,315	1,652,355
Adjustments to reconcile net profit to net cash flows from operating activities			
Depreciation and amortization	*9 & 10*	75,587	73,313
Provision for doubtful accounts receivable, net of recoveries	*7(e)*	206,221	181,241
Loss allowance for accounts receivable	*22*	(31,876)	30,536
Provision for direct loan losses	*22*	10,214	1,191
Provision for litigations and claims	*22*	204,651	89,203
Deferred tax	*24.A*	(15,836)	(16,960)
Net loss on available-for-sale investments	*20*	80,871	147,649
Accrued interest on subordinated bonds	*18*	19,878	19,987
Other provisions	*22*	25,087	-
Changes in assets and liabilities accounts			
Decrease in loan portfolio		(8,424,095)	(3,296,070)
Decrease in accounts receivable		(110,150)	(14,691)
Increase in other assets, net		729,401	217,160
Decrease in obligations to the public		(1,579,878)	(907,380)
Increase (decrease) in deposits with financial institutions and international financial institutions		(91,516)	77,276
Increase (decrease) in accounts payable		(89,565)	100,349
Increase (decrease) in other liabilities, net		583,553	(50,786)
Adjustments to equity		(25,160)	(20,453)
(Loss) Profit after net changes in assets, liabilities and adjustments		(7,039,298)	(1,716,080)
Income tax		(387,394)	(209,056)
Cash flows from operating activities, net		(7,426,692)	(1,925,136)

The accompanying notes on pages 6 to 80 are an integral part of these financial statements.

Banco de la Nación
Statement of Cash Flows
For the years ended December 31, 2024 and 2023

In thousands of soles	*Note*	2024	2023
Cash flows from investing activities			
Increase (decrease), net in investments		151,089	199,989
Acquisition of property, plant and equipment	*9*	(43,126)	(8,121)
Acquisition of intangible assets	*10*	(11,833)	(7,348)
Cash flows from investing activities, net		96,130	184,520
Cash flows from financing activities			
Profit distribution to the Treasury	*16(d)*	(322,385)	(1,199,332)
Cash paid for interest on subordinated bonds		(20,000)	(20,000)
Cash flows from financing activities, net		(342,385)	(1,219,332)
Net decrease in cash and cash equivalents		(7,672,947)	(2,959,948)
Opening balance		22,237,057	25,197,005
Closing balance		14,564,110	22,237,057
Non-cash flow transactions			
Capitalization of profits	*16(d)*	100,000	403,831
Established legal reserve	*16(d)*	140,000	1,341
Debt swap	*6(iii)*	2,969,224	-
Bond switch	*6(iv)*	-	530,625

The accompanying notes on pages 6 to 80 are an integral part of these financial statements.

1. Background and Economic Activity

A. Background

Banco de la Nación (hereinafter "the Bank") was created by Law 16000 of January 27, 1966, as a public law corporation within the Economy and Finance Sector, which operates with economic, financial and administrative autonomy in the exercise of its functions. The Bank has its own patrimony and indeterminate duration.

Its Law of creation was updated by Legislative Decree 199 - Organic Law of the Banco de la Nación, issued on June 12, 1981, through which it was assigned certain functions and powers on an exclusive basis; however, when Decree Law 25907 was issued on November 27, 1992, the Bank's exclusivity with respect to such functions and powers was annulled.

Subsequently, Supreme Decree No. 07-94-EF was issued on January 26, 1994, whereby: (i) repealing Legislative Decree 199, and (ii) approving the Bank's Bylaws, the same which has been successively amended by different legal norms, the latter being Supreme Decree 189-2016-EF dated July 4, 2016.

As of December 31, 2022, the Bank is governed by its own Bylaws and amendments, by Legislative Decree 1031 that Promotes the Efficiency of the State Entrepreneurial Activity and, supplementarily, by Law 26702 - General Law of the Financial System and the Insurance System and Organic Law of the Superintendence of Banking, Insurance and Private Pension Fund Administrators (hereinafter "SBS").

The Bank's main office is located at Av. Javier Prado Este 2499, San Borja, Lima, Peru. As of December 31, 2024, the Bank operates through one main office and a network of 568 offices in Peru (one main office and a network of 557 offices as of December 31, 2023).

B. Business activity

The Bank provides services to state entities, promotes bankarization and financial inclusion for the benefit of citizens, complementing the private sector, and promotes the decentralized growth of the country through an efficient and self-sustainable management; likewise, the Bank is empowered to perform the functions indicated below, none of which shall be exercised exclusively with respect to the companies and entities of the financial system:

- To provide banking services for the National Treasury System, in accordance with the instructions issued by the National Directorate of the Public Treasury.

- To provide collection services on behalf of the tax creditor, with the Bank's approval and a specific collection agreement.

- To carry out, by delegation, the operations pertaining to the bank sub-accounts of the Public Treasury.

- Receive the resources and funds administered by Central Government agencies, Regional and Local Governments, as well as other National Public Sector Entities.

- Act on behalf of other banks or financial institutions in the channeling of internal or external resources to entities receiving credit.

- Participate in the foreign trade operations of the State. In this case, the Bank acts providing banking services and currency exchange, subject to the regulations that the Bank may issue.

- Receive on consignment and custody all administrative and judicial deposits.

- To provide banking services as correspondent of financial system entities in the localities where the financial system entities request it.

- Receive demand deposits from individuals and legal entities for payments that, as suppliers, pensioners, as well as government workers, they receive within the framework of the National Treasury System.

- Receive demand or savings deposits from individuals and/or legal entities for the payments they receive as workers, pensioners or suppliers of the State, within the framework of the National Treasury System; likewise, receive time deposits from these workers and open accounts for compensation of time of service for the workers of Banco de la Nación.

- Likewise, to open basic accounts for natural persons throughout the national territory, in accordance with the applicable regulations and within the framework of the objectives of the National Financial Inclusion Policy (PNIF).

- Receive savings deposits, as well as in custody in favor of individuals and/or legal entities and carry out other banking operations and financial services, in which the use of the means of payment provided for in Article 5 of the Unified Text of the Law for the Fight against Evasion and for the Formalization of the Economy, approved by Supreme Decree 150-2007- EF, is required, in the populated centers of the territory of the Republic where private banks do not have offices.

Grant credits, financial leases and any other financial facility, as well as constitute or manage trusts, in favor of National Government agencies, Regional and Local Governments and other entities or companies of the Public Sector, as well as provide deposit, payment and bank transfer operations in favor of the Deposit Insurance Fund and the Cooperative Deposit Insurance Fund. Likewise, to issue, acquire, keep and sell bonds and other securities, in accordance with the Law. The issuance of securities subject to securities market regulations shall be made in accordance with an annual program approved by the General Directorate of the Public Treasury of the MEF, which may be reviewed on a quarterly basis.

To carry out with entities of the Public Sector, as well as with banking and financial institutions in the country or abroad, the banking operations and services necessary to comply with the functions indicated in its Bylaws, as well as those aimed at the profitability and risk hedging of the resources it manages. These operations will be carried out in accordance with an annual program approved by the MEF, which may be reviewed quarterly.

To grant a single line of credit to workers and pensioners of the Public Sector who, because of their income, have savings accounts in the Bank. This credit line may be assigned to the beneficiary for use through loans and/or as a credit card line. These operations will be made in accordance with an annual program approved by the MEF, which may be revised annually.

Issue electronic money, as established in Law 29985, Law that regulates the basic characteristics of electronic money as an instrument of financial inclusion; its Regulations and amending rules.

Issue bank drafts and make transfers of funds on behalf of or in favor of clients or users.

C. Approval of the financial statements

The financial statements as of December 31, 2024 and for the year then ended have been approved by the Bank's management on March 31, 2025 and will be submitted for the approval of the Board of Directors at such time as management may determine. In management's opinion, the accompanying financial statements will be approved by the Board of Directors without modification. The financial statements as of December 31, 2023 and for the year then ended were approved by the Board of Directors at its meeting held on April 01, 2024.

2. Basis of Preparation of the Financial Statements

Main accounting policies used in the preparation of the financial statements are detailed below. The Company has consistently applied the following accounting policies to all periods presented in these financial statements, unless otherwise indicated.

A. Statement of compliance

The financial statements have been prepared based on the Bank's accounting records and are presented in accordance with the accounting standards for financial institutions in Peru established by the SBS. In the event of circumstances not covered by those accounting standards, the International Financial Reporting Standards (IFRS), made official in Peru by the Peruvian Accounting Board (CNC, for its Spanish acronym), are applied. The accounting standards include standards and interpretations issued or adopted by the International Accounting Standards Board (IASB), including IFRSs, International Accounting Standards (IAS), and IFRIC and SIC Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), or previously issued by the Standard Interpretations Committee (SIC), adopted by the IASB and made official in Peru by the CNC.

B. Basis of measurement

The financial statements have been prepared from accounting records maintained by the Bank in accordance with the historical cost convention, except for available-for-sale investments which are recognized at fair value and held-to-maturity investments which are measured at amortized cost.

C. Functional and presentation currency

The financial statements are presented in soles, in accordance with the SBS regulations, which is the Bank's functional and presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

D. Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The accounting estimates and judgments used are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively, and the effects are recorded in the statement of income and other comprehensive income accounts as of the year in which the revision is made.

The most significant judgments and estimates in the preparation of the Bank's financial statements are as follows:

- Allowance for loan losses on the loan portfolio.
- Allowance for other accounts receivable.
- Determination of the fair value of available-for-sale investments.
- Evaluation of impairment of available-for-sale and held-to-maturity investments.

- Provision for retirement pensions and employee welfare benefits.
- Estimation of the useful life and recoverable value of property, furniture and equipment and intangible assets.
- Evaluation of the recovery of the deferred income tax asset and the current income tax provision.

3. Material Accounting Policies

In preparing the financial statements, the Bank applied main accounting policies. These policies have been applied consistently from one period to another, unless otherwise indicated. They include the following:

A. Cash and cash equivalents

This caption corresponds to available funds of the separate statement of financial position, including short-term (less than three months) deposits, time deposits in the BCRP, funds deposited in central banks and overnight deposits, excluding accrued interest and restricted funds recognized in 'other cash and cash equivalents.'

B. Financial instruments

i. Recognition of financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability, or equity instrument in another.

A financial instrument is recognized on its origination and classified as asset, liability, or equity according to the contract that gave rise to the financial instrument. Interest, gains and losses relating to a financial instrument classified as an asset or a liability are recognized as income or expense in the statement of profit or loss. Payments to holders of financial instruments are recorded directly in equity.

ii. Classification of financial instruments

The Bank determines the classification of financial instruments at the time of initial recognition and on an instrument-by-instrument basis as defined in SBS Resolution 7033-2012 "Regulations for the Classification and Valuation of Investments of Financial System Companies": (i) financial assets and liabilities measured at FVTPL, (ii) loans and accounts receivable, (iii) available-for-sale investments, (iv) held to maturity investments, and (v) other financial liabilities.

At initial recognition, the Bank classifies financial instruments on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. At initial recognition, a financial instrument is measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instrument, except for financial assets or liabilities measured at FVTPL.

A purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned (i.e., regular way purchase or sale) is recognized on the trade date.

iii. Derecognition of financial assets and financial liabilities

Financial assets
A financial asset or, when applicable, part of a financial asset or part of a group of similar financial assets is derecognized when: (i) the contractual rights to receive the cash flows from the financial asset expire; or (ii) the Bank transfers the contractual rights to receive the cash flows from the financial asset, or assumes a contractual obligation to pay the cash flows to a third party in a pass through arrangement; and (iii) the Bank transfers substantially all risks and rewards of ownership of the financial asset, or the Bank neither transfers nor retains substantially all risks and rewards of ownership of the financial asset, but transfers control of the financial asset.

Financial liabilities
A financial liability is derecognized when the obligation to pay is discharged, canceled, or expires. An exchange between an existing borrower and lender of financial liabilities with substantially different terms is recognized as a derecognition of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is recognized as a derecognition of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability derecognized and the consideration paid is recognized in profit or loss.

iv. Impairment of financial assets
The Bank evaluates at the end of each period the objective existence of impairment of an asset or a group of financial assets; and the corresponding impairment provisions are evaluated and recorded by the Bank in accordance with SBS standards.

A financial asset (or group of assets) is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event has an impact on the estimated future cash flows of the financial asset (or group of assets) that can be estimated reliably. Evidence that a financial asset is credit-impaired include observable data about the following events: significant financial difficulty of the issuer or the borrower; a breach of contract, such as a default or delinquency in interest or principal payments; it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or observable data indicating that there is a measurable decrease in the estimated future cash flows, including adverse changes in the payment status of borrowers in the group or economic conditions that correlate with defaults on the assets in the group.

v. Offsetting financial instruments
A financial asset and a financial liability shall be offset and the net amount is presented in the statement of financial position when the Bank currently has a legally enforceable right to set off the recognized amounts, and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

C. Loans, classification and provisions
A direct loan is recognized when funds are disbursed to customers. Indirect credits (contingent) are recorded when the documents supporting such credit facilities are issued and could become direct credits in the event a payment is made to third parties. Also, refinancing or restructuring is considered to be any direct credit in which there are changes in the term of the contract due to difficulties in the debtor's ability to pay.

The Risk Management permanently evaluates and classifies the loan portfolio, assigning each debtor the corresponding credit risk category in accordance with the guidelines established by the SBS in Resolution SBS 11356-2008 and its amendments.

Loans classification
The Bank classifies the borrowers in its loan portfolio as: Non-retail (corporate loans and loans to medium-sized businesses) and as retail (loans to small businesses, loans to microenterprises, revolving consumer loans, non-revolving consumer loans and home mortgage loans). These classifications take into consideration the nature of the client (corporate, government or individuals), the purpose of the credit, the size of the business as measured by income, indebtedness, among other qualitative and quantitative indicators. Credit risk classification categories The credit risk classification categories established by the SBS are as follows: Normal, With Potential Problems, Deficient, Doubtful and Loss, which are assigned in accordance with the guidelines established in SBS Resolution 11356-2008 and its amendments.

For the Non-Retail Portfolio, the Bank takes into account mainly the debtor's payment capacity, its cash flow, the degree of compliance with its obligations, the classifications assigned by the other companies of the Financial System, the financial situation and the quality of the company's management. For the Retail Portfolio, the classification is determined mainly taking into account its payment capacity measured in terms of its degree of compliance with the payment of its credits reflected in the number of days in arrears, and in its classification in the other companies of the financial system, in case of application of the alignment.

Allowance for doubtful accounts
Based on current regulations issued by the SBS, the Bank determines generic and specific provisions for the loan portfolio. The generic provision is that which is constituted on a preventive basis for debtors classified in the Normal category, which is calculated on their direct loans, the exposure equivalent to the credit risk of indirect loans, and additionally a procyclical component is considered when this is activated by the SBS. is activated by the SBS. The specific provision is that which is constituted in relation to direct loans and the exposure equivalent to the credit risk of indirect loans of debtors identified as having a higher than normal risk.

The exposure equivalent to credit risk of indirect credits is determined on the basis of indirect credits multiplied by the different types of Credit Conversion Factors (CCF) detailed below:

Description		CCF (%)
(a)	Confirmations of irrevocable letters of credit up to one year, when the issuing bank is a tier 1 foreign financial institution.	20
(b)	Issuances of letters of guarantee backing obligations to do or not to do.	50
(c)	Issuances of collaterals, import letters of credit, and letters of guarantee not included in ii), and confirmations of letters of credit not included in i), as well as banker's acceptance.	100
(d)	Undisbursed loans granted and unused credit facilities.	-
(e)	Other indirect loans not included in the prior paragraphs.	100

The provision requirements are determined considering the borrower's credit risk rating, whether the loan is backed by a collateral, and type of collateral.

The Bank applies the following percentages to determine the allowances for loan portfolio:

	Without warranty	With preferred warranties	With very fast realization preferred guarantees	With preferred self-liquidating guarantees
Standard				
Corporate loans	0.70%	0.70%	0.70%	0.70%
Large-business loans	0.70%	0.70%	0.70%	0.70%
Medium-business loans	1.00%	1.00%	1.00%	1.00%
Small-business loans	1.00%	1.00%	1.00%	1.00%
Micro-business loans	1.00%	1.00%	1.00%	1.00%
Consumer loans (*)	1.00%	1.00%	1.00%	1.00%
Mortgage loans	0.70%	0.70%	0.70%	0.70%
With potential problems	5.00%	2.50%	1.25%	1.00%
Substandard	25.00%	12.50%	6.25%	1.00%
Doubtful	60.00%	30.00%	15.00%	1.00%
Loss	100.00%	60.00%	30.00%	1.00%

(*) Includes revolving and non-revolving consumer loans.

The provision is measured considering the borrower's risk rating and using specific percentages, which vary depending upon whether a loan is guaranteed by self-liquidating preferred collaterals (cash deposits and letter-of-credit rights), by easily convertible preferred collaterals (debt instruments issued by the central government, securities listed within the Selective Index of the Lima Stock Exchange, among others), or by preferred collaterals (first pledge of financial instruments or personal and real property, first pledge of agricultural or mining concessions, export credit insurance, among others). The guarantees received are considered at their net realizable value as determined by independent appraisers. Likewise, the provision is measured considering the guarantor's rating where loans have secondary liability of a financial institution or insurance company (loans subject to borrower substitution).

This Resolution requires financial institutions to establish a risk management system for over-indebtedness to minimize the risk before and after granting a loan, monitor permanently the loan portfolio to identify over-indebted borrowers and evaluate periodically the internal controls used and the corrective actions or improvements required, as necessary. Companies that do not comply with the provisions of the SBS must, for provisioning purposes, calculate the equivalent exposure to credit risk by applying a factor of twenty percent (20%) to the unused amount of revolving MES, small business and revolving consumer credit lines. The allowance rates determined in the Debtor Classification Regulation will be applicable to such credit risk equivalent exposure.

D. Investments

The Bank applies the criteria for recording and valuation of investments in securities established in SBS Resolution 7033-2012 "Regulations for the Classification and Valuation of Investments of Financial System Companies" as amended. The Bank presents investments classified in the following categories and applies the following criteria:

i. Available-for-sale investments

Available-for-sale investments are all instruments not classified as investments at FVTPL, held to maturity investments, and investments in subsidiaries and associates. Likewise, all instruments shall be included in this category as required by the SBS.

At initial recognition, the Bank measures these investments at fair value on the trade date, without any deduction for transaction costs—i.e., incremental costs that are directly attributable to the acquisition of the asset. After initial recognition, the Bank measured investments at fair value, recognizing any gains or losses in equity as unrealized gains until the asset is sold or realized, transferring the gains or losses to profit or loss.

In the case of debt instruments, prior to measurement at fair value, the amortized cost must be restated by applying the effective interest rate methodology and, based on the amortized cost obtained, gains and losses from changes in fair value must be recognized.

If an available-for-sale investment is credit-impaired, the cumulative loss (difference between the acquisition cost, net of any repayment and amortization, and the current fair value, less any impairment loss previously recognized in the statement of profit or loss) is reclassified from equity to profit or loss. Impairment of unquoted shares is the difference between the carrying amount and the present value of future cash flows discounted using the prevailing market rates of interest for a similar instrument.

Until September 30, 2018, SBS Resolution 7033-2012 established a standard methodology for the identification of impairment of instruments classified as available-for-sale investments, which contemplated two filters; the first contained two conditions:
(i) a significant decline in fair value to below fifty percent (50%) of cost or (ii) a prolonged decline in fair value consecutively during the last 12 months, and the cumulative decline in fair value in that period is at least twenty percent (20%); if either of these two conditions were met, it was evaluated whether these conditions were justified in at least two of the qualitative aspects of the issuer indicated in the second filter of said resolution.

Impairment of debt instruments

- A weakening of financial position of the issuer and its economic group.
- A credit rating downgrade for the instrument or issuer.
- Disappearance of an active market for the financial asset because of financial difficulties of the issuer.
- The observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets.
- A decline in the fair value due to changes in the laws.
- A significant decline (of 40%) in the fair value of the instrument below its amortized cost.
- A prolonged decline in the fair value of the instrument having been sustained for at least 12 months, and cumulative decline (of 20%) in the fair value over that period.

Impairment of equity instruments

- A credit rating downgrade for the instrument.
- A significant adverse change in the regulatory, economic, or technological environment of the borrower that results in a significant change in the borrower's ability to meet its debt obligations.
- Weakening in financial position or financial ratios of the issuer and its economic group.
- Disappearance of an active market for the financial asset because of financial difficulties of the issuer.
- The observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets.
- A decline in the fair value due to changes in the laws.

A financial asset is credit-impaired when there is objective evidence of impairment as a result of one or more events that occurred.

Exchange gains or losses from equity instruments are recognized in 'unrealized gains and losses' in equity, and from debt instruments are recognized in profit or loss.

Interest revenue from available-for-sale investments is recognized using the effective interest method over the asset's useful life. The premiums and discounts on the acquisition date are included in the calculation of the effective interest rate. Dividends are recognized in profit or loss when the Bank's right to receive payment of the dividend is established.

ii. Held to maturity investments

Comprises debt securities acquired with the intention of holding them to maturity and are initially recorded at fair value including direct costs attributable to the transaction. These investments are subsequently measured at amortized cost using the effective interest rate method, less impairment if applicable.

Likewise, a financial entity may classify investments in this category only if it has the financial capacity to maintain the investment instrument until maturity. This evaluation must also be carried out at the close of each year.

A transaction is recognized using trade date accounting. The trade date is the date that an entity commits itself to purchase or sell an asset.

Interest is recognized using the effective interest rate methodology, which incorporates both the interest to be collected and the amortization of the premium or discount on acquisition.

Any difference between the revenue from disposal of an investment and the investment's carrying amount is recognized in the statement of profit or loss and other comprehensive income.

E. Property, plant and equipment

An item of property, plant and equipment is measured at cost, less any depreciation and any accumulated impairment losses. Major inspection or overhaul costs are recognized in profit or loss. The upgrades and improvements are capitalized when

i) it is probable that future economic benefits associated with the item will flow to the entity; and ii) the cost of the item can be measured reliably. Cost and accumulated depreciation of disposed of or sold assets are eliminated from their respective accounts, and any resulting gain or loss is recognized in profit or loss when the asset is disposed of or sold.

Units to be received and work in progress are recorded at cost and represent facilities, furniture and equipment to be received or under construction. This includes the cost of acquisition or construction and other direct costs. These assets are not depreciated until the relevant assets are received or completed and are operational.

Land is not depreciated. Depreciation is calculated on a straight-line basis using the following estimated useful lives:

	Years
Buildings and other constructions	33
Property, plant and equipment	10
Improvements to leased properties and facilities	5
Vehicles	5
IT equipment	4

Cost and accumulated depreciation of disposed of or sold assets are eliminated from their respective accounts, and any resulting gain or loss is recognized in profit or loss when the asset is disposed of or sold.

The depreciation method, residual value, useful life of an asset are reviewed at the end of each reporting period in order to ensure that expectations do not differ from previous estimates and that there has not been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset.

Banks are not allowed to apply the revaluation model, the cost model being the only accepted subsequent recognition model. The Bank cannot pledge its fixed assets as collateral, except for those assets acquired in finance leases.

F. Intangible assets

An intangible asset, presented in ‘other assets’ in the separate statement of financial position, is measured at cost, less any amortization and any accumulated impairment losses. The intangible assets with finite useful lives comprise the development and acquisition of software licenses used in the Bank's activities.

The depreciable amount of an intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life (4 years). It should be noted that, in accordance with SBS Resolution 1967-2010, an intangible asset with a finite useful life is amortized within a maximum period of five years.

As of December 31, 2024 and 2023, the Bank does not have intangible assets with indefinite useful lives.

G. Outstanding instruments and liabilities

Liabilities for the issuance of outstanding securities, bonds and debentures are recorded at amortized cost, and accrued interest is recognized in income for the year. When applicable, the discounts granted or the revenue from the placement of the instruments are deferred and presented net of issue value. Also, the depreciable amount of the outstanding instruments and liabilities is allocated over their useful life using the effective interest method.

H. Income tax

The current tax is calculated based on the taxable profit determined using criteria that differ from the accounting principles used by the Bank.

Likewise, the Bank recognized the deferred tax considering the requirements of IAS 12 Income Taxes.

Deferred tax assets and liabilities are recognized for all (deductible and taxable) temporary differences—i.e., differences between the carrying amount of an asset or liability in the statement of financial position and its tax base. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled. The measurement of deferred assets and liabilities reflects the tax consequences of the manner in which it is expected, at the date of the statement of financial position, to recover or settle the value of the assets and liabilities.

A deferred tax asset and liability is measured without considering the period in which the temporary differences are expected to reverse. A deferred assets are recognized when it is probable that sufficient future taxable profit will be available against which the deferred asset can be utilized.

At the date of the statement of financial position, management evaluates unrecognized deferred assets and the balance of recognized deferred assets; recording a previously unrecognized deferred asset to the extent that it is probable that future taxable profits will allow its recoverability or reducing a deferred asset to the extent that it is not probable that sufficient future taxable profits will be available to allow part or all of the deferred asset recognized for accounting purposes to be utilized.

Under IAS 12, the Bank measures deferred tax assets and liabilities at the tax rate applicable to undistributed profits. The Bank recognize the income tax consequences of dividends when it recognizes a liability to pay a dividend.

I. Trust funds

Assets and income from fiduciary transactions where there is a commitment to return such assets to customers and where the Bank acts in a fiduciary capacity are not included in the financial statements because the assets are not owned by the Bank, but are recorded for fiduciary control in memorandum accounts; and fees for these activities are included in income from financial services and are recorded as earned.

J. Retirement pension

The provision for retirement pensions includes mainly the pension obligations of the Pension System of Decree Law 20530. In accordance with IAS 19 "Employee Benefits", the provision for retirement pensions constitutes a Defined Benefit Plan, in which the Bank's obligation is to provide the benefits agreed by Decree Law No. 20530 and complementary rules. In the defined benefit plan, the actuarial risk is assumed by the Bank and supported by its assets and operations. Based on the life expectancy of the beneficiaries of this plan, Management estimates that the amount of this obligation will decrease progressively in the long term.

The provision for the retirement reserve fund for active and retired personnel is recorded in accordance with the provisions of Supreme Decree 043-2003-EF published on March 28, 2003, which indicates that Peruvian state-owned companies will be governed by the rules contained in Supreme Decree 026-2013-EF and, where applicable, by Accounting Resolution 159- 2003-EF/93. 01 published on March 12, 2003, which approved Instruction 20-2003-EF/93.01; which was repealed by Directorial Resolution 014-2016- EF/51.01 of the General Directorate of Public Accounting. Also, by Communiqué 002- 2017-EF/51.01 of the General Directorate of Public Accounting of the MEF, which establishes the accounting procedure for the recording and control of pension reserves, non-pension reserves and reserves for contingencies.

The Bank records the result of the actuarial calculations for pension reserves as a liability in its entirety. The total amount of pension obligations is adjusted by the amounts obtained in future actuarial calculations in relation to the previous actuarial calculation and the variation is applied directly to the results of the corresponding period.

The actuarial calculation of pension obligations is performed annually by a qualified actuary of the Planning, Statistics and Rationalization Unit of the Pension Standardization Office (hereinafter "ONP"), using the ONP's technical guide approved by Head Resolution 002-2018-Jefatura/ONP. The pension value determined according to the actuarial calculation is measured at the present value of all future pension payments using a discount rate of 3.27% as of December 31, 2024 and 5.00% at 2023, or annual technical interest rate -TITA, applied to soles for the actuarial commutation of the mortality tables for a medium and long-term horizon; which is set in the Technical Guide and the basis for the same is found in a supporting study to the report 021-2020- OPG.EE/ONP (Report 031-2019-OPG.EE/ONP as of December 31, 2019), in which the Technical Guide is presented. The determination of the rate is based on long-term liabilities and not on asset return methods; accordingly, the interest rate is equivalent to the long-term rate of the relevant yield curve for the Peruvian case.

K. Provision and contingencies

i. Provisions

A provision is recognized when the Bank has a present legal or constructive obligation as a result of a past event; 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. Provisions are reviewed at the end of each reporting period and adjusted to reflect the best estimate at the reporting date.

Severance payment is calculated, according to applicable laws, on the total employees' reimbursement rights. Such benefit is paid in May and November annually through deposits in authorized financial institutions designated by the employees. The provision is measured based on the amount payable on the reporting date and the benefit is included in ‘provision for fringe benefits.’ It is presented in ‘other liabilities’ in the statement of financial position.

ii. Contingencies

A contingent liability is not recognized in the financial statements, but it is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the financial statements, but it is disclosed where an inflow of resources embodying economic benefits is probable.

L. Income and expense recognition

Interest revenue and expense are recognized in profit or loss on an accrual basis, depending on the term of the expense and revenue generating transactions and the interest rate agreed upon with the customers. Bank service fees are recognized as income when received.

In accordance with SBS Resolution 7036-2012, revenue from indirect loans is recognized on an accrual basis over the term of the indirect loans. The fees and expenses incurred in formalizing loans and in opening, testing and assessing direct and indirect loans are recognized as revenue on an accrual basis over the agreement term.

When management determines that there is significant doubt upon the borrower's ability to meet the payments of principal of a loan, the Bank does not recognize interest in profit or loss and recognizes it as suspended interest in a suspense account in profit or loss when charged. When management determines that the borrower's financial position has improved so that there is no significant doubt upon its ability to meet the payments of principal, interest is recognized on an accrual basis again.

Interest income includes yields on fixed-income investments classified as investments at FVTPL and available-for-sale, as well as the recognition of discount and premium on financial instruments.

The fees and expenses incurred in formalizing loans and in opening, testing and evaluating direct and indirect loans are recognized as revenue on an accrual basis over the agreement term.

Other income and expenses are recognized as earned or incurred when they are accrued.

M. New accounting pronouncements

i. Current standards

The application of the following amendments to IFRSs is mandatory for periods beginning on or after January 1, 2024.

Amendments to IFRSs	Mandatory application
Non-current Liabilities with Covenants (Amendments to IAS 1)	Annual periods beginning on or after January 1, 2024.
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	Annual periods beginning on or after January 1, 2024. Early adoption is permitted.
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	Annual periods beginning on or after January 1, 2024. Early adoption is permitted.
Supplier Financing Arrangements (Amendments to IAS 7 and IFRS 7)	Annual periods beginning on or after January 1, 2024 (early adoption permitted) and amendments to IFRS 7 if the amendments to IAS 7 are applied.

ii. Standards issued but not yet effective

The following standards are applicable to annual periods beginning on or after January 1, 2025, and have not been applied in preparing these separate financial statements. The Bank does not plan to early adopt the applicable standards.

Amendments to IFRSs	Mandatory application
Lack of Exchangeability (Amendments to IAS 21)	Annual periods beginning on or after January 1, 2025. Early adoption is permitted.
Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	Annual periods beginning on or after January 1, 2026. Early adoption is permitted.
Annual Improvements to IFRS Accounting Standards – Volume 11	Annual periods beginning on or after January 1, 2026. Early adoption is permitted.
New IFRSs	**Mandatory application**
IFRS 18 *Presentation and Disclosure in Financial Instruments*	Annual periods beginning on or after January 1, 2027. Early adoption is permitted.
IFRS 19 *Subsidiaries without Public Accountability: Disclosures*	Annual periods beginning on or after January 1, 2027. Early adoption is permitted.

iii. Resolutions and standards issued by the CNC and the Superintendence of Securities Market (SMV) concerning the approval and adoption of IFRSs in Peru

At the reporting date, the Peruvian Accounting Board (CNC, for its Spanish acronym) through:

- Resolution of the Accounting Standards Board 001-2024-EF/30, dated January 29, 2024, approved the Peruvian Financial Reporting Standard for microenterprises.

- Resolution of the Accounting Standards Board 002-2024-EF/30 dated August 9, 2024, approved the 2024 edition of IFRSs, which includes the Conceptual Framework for Financial Reporting.

- Resolution of the Accounting Standards Board 003-2024-EF/30, dated September 27, 2024, approved the IFRS 18 Presentation and Disclosure in Financial Instruments.

- Resolution of the Accounting Standards Board 004-2024-EF/30, dated November 2, 2024, approved the IFRS 19 Subsidiaries without Public Accountability: Disclosures

The standards and interpretations disclosed in i) and ii) shall only be applicable to the Bank in addition to the SBS regulations whenever there are circumstances not covered by the Accounting Manual (note 2.A). Management did not determine the effects of such standards on the preparation of the separate financial statements since they have not been applied by the SBS.

iv. Main pronouncements issued by SBS in the year 2024

- SBS Resolution 01754-2024, dated May 10, 2024, establishes to approve the amendment of the anti-money laundering and combating the financing of terrorism standard applicable to obligated entities under the supervision of the Financial Intelligence Unit (UIF Peru), in terms of anti-money laundering and combating the financing of terrorism approved by SBS Resolution 789-2018.

- SBS Resolution 2286-2024, dated June 28, 2024, establishes the amendment of the Credit and Debit Cards Regulation, approved by SBS Resolution 6523-2013. Thus, companies may implement mechanisms for identity validation and user consent, from the contracting of products and/or services, and during its execution. This will ensure accurate information on new users in order to proper monitor the operations.

- SBS Resolution 2110-2024, dated June 11, 2024, establishes amendments to the Accounting Manual referring to the definitions of types of loans. Such definitions must be considered to classify each one of the types of loans—e.g., microloan, consumption, revolving consumption, non-revolving consumption, corporate, large-business, medium-business and small-business.

- SBS Resolution 2998-2024, dated August 29, 2024, establishes to create a report called "Fees and main expenses applied by financial institutions", according to format and instructions, the report must be quarterly submitted to the SBS, after fifteen (15) calendar days. Such resolution is effective from the information corresponding to the second quarter of 2025, which must be submitted, at the latest, July 15, 2025.

- SBS Resolution 4347-2024, dated December 18, 2024, establishes to modify SBS Resolution 4345-2023, detailing the concepts of indirect loans, types of commitments and contractual agreement, and the effects on the Country Risk Regulation. The structure of accounts related to contingent debtor and creditor accounts is determined. Likewise, the amount of exposure of out of balance inputs is determined, and the established credit conversion factors (CCF) shall be applied. Lastly, the entry in force of this resolution is modified to March 2026.

- SBS Resolution 4356-2024, dated December 26, 2024, extended the exceptional treatment related to the extension for the holding of repossessed assets, as of December 31, 2026, without requiring an authorization application or an SBS Resolution.

4. Foreign Currency Transactions

A foreign currency monetary item is initially recognized at the exchange rate existing at the date of the transaction and is retranslated into the functional currency at the exchange rate existing at the date of the statement of financial position established by the SBS (note 26(f)). Any gains or losses resulting from restating foreign currency monetary items at the exchange rate existing at the date of the statement of financial position are recognized in profit or loss.

Foreign currency non-monetary items are translated using the exchange rate existing at the transaction date and are not subsequently adjusted.

The separate statement of financial position includes foreign currency balances mainly in U.S. dollars (US$). They are recognized in soles (S/) at the exchange rate established by the SBS. As of December 31, 2024 and 2023, the exchange rate was S/ 3.764 and S/ 3.709, respectively.

Foreign currency transactions in the Peru or international trading transactions referred to the concepts authorized by the BCRP are channeled through a free banking system. As of December 31, 2024, buy and sell exchange rates used were US$ 1 = S/ 3.758 and US$ 1 = S/ 3.770, respectively (2023: US$ 1 = S/ 3.705 and US$ 1 = S/ 3.713).

As of December 31, the balances in foreign currency are summarized as follows:

	2024			2023		
In thousands of U.S. dollars	USD	Other currencies	Total	USD	Other currencies	Total
Assets						
Cash and cash equivalents	657,566	22,153	679,719	788,181	22,522	810,703
Available-for-sale investments	15,884	-	15,884	11,106	-	11,106
Accounts receivable, net	201	-	201	199	-	199
Other assets, net	527	9	536	2,321	22	2,343
	674,178	22,162	696,340	801,807	22,544	824,351
Liabilities						
Obligations to the public and other obligations	680,556	23,891	707,447	808,747	21,377	830,124
Other liabilities	2,925	65	2,990	2,715	946	3,661
	683,481	23,956	707,437	811,462	22,323	833,785
Net asset position	(9,303)	(1,794)	(11,097)	(9,655)	221	(9,434)

In 2024 and 2023, the Bank recorded net foreign exchange gains from miscellaneous transactions of S/ 90,130 thousand and S/ 88,145 thousand, respectively, in the caption of Results on Financial Transactions in the statement of profit or loss and other comprehensive income (note 20).

As of December 31, 2024, the Bank has contingent operations in foreign currency for US$ 1,126,500 thousand, EUR 15,064 thousand and GBP 2,355 thousand equivalent to S/ 4,310,281 (2023: US$ 654,689 thousand, EUR 77,071 thousand and GBP 983 thousand equivalent to S/ 2,748,856 thousand).

5. Cash and Cash Equivalents

This caption comprises the following:

In thousands of soles	2024	2023
Cash and swaps (a)	2,132,304	2,237,787
Deposits with BCRP (a)	12,004,104	19,143,123
Local and foreign banks (b)	358,504	414,964
Accrued yields on BCRP deposits	69,198	441,183
Other available funds	12,629	1,489
	14,576,739	22,238,546

(a) The available funds include the legal reserve that the Bank must maintain for its obligations to the public and is kept within the limits set by the provisions in force. This caption comprises the following:

In thousands of soles	2024	2023
Legal reserve		
Deposits with BCRP	9,997,892	16,891,760
Vault cash	2,091,812	2,197,038
Subtotal legal reserve (*)	12,089,704	19,088,799
Deposits with BCRP (**)	2,006,212	2,251,363
Clearing	40,492	40,748
Subtotal non-compulsory reserves	2,046,704	2,292,111
Total	14,136,408	21,380,910

(*) The legal reserve corresponds to funds deposited in the Bank's own vaults and in the BCRP, and are maintained within the limits established by current legal provisions. Legal reserve funds held at the BCRP do not earn interest.

(**) As of December 31, 2024, the Bank maintains overnight deposits in foreign currency, bearing interest at an average annual effective rate of 4.4390% and maturing in January 2025. *As of December 31, 2023, the Bank held overnight deposits with the BCRP in foreign currency, bearing interest at an average annual effective rate of 5.0765 percent and maturing in January 2024.*

(b) The deposits with local and foreign banks correspond to balances in soles and U.S. dollars. They have free withdrawal option and accrue interest at market rates.

6. Investments

Available-for-sale investments comprise the following:

In thousands of soles	2024 Quantity (unit)	2024 Amortized cost	2024 Unrealized gains and losses	2024 Fair value	2023 Quantity (unit)	2023 Amortized cost	2023 Unrealized gains and losses	2023 Fair value
Available-for-sale investments								
Equity instruments (a)								
Bladex	446,556	13,174	46,614	59,788	446,556	12,982	28,211	41,193
Debt instruments								
Sovereign bonds from the Republic of Peru (b)	4,584,273	4,801,269	(92,173)	4,709,096	1,831,167	1,882,489	(185,473)	1,697,016
Certificates of deposit – BCRP (c)	2,850,000	2,831,612	528	2,832,140	2,890,000	2,830,623	4,791	2,835,414
	7,880,829	**7,646,055**	**(45,031)**	**7,601,024**	**5,167,723**	**4,726,094**	**(152,471)**	**4,573,623**

(a) As of December 31, 2024 and 2023, corresponds to the class "A" common shares issued by Banco Latinoamericano de Comercio Exterior S.A. - Bladex representing 1.1% of its capital stock. At those dates, the fair value per share was US$ 35.57 and US$ 24.87, respectively.

Debt instruments

(b) Sovereign bonds from the Republic of Peru
It corresponds to sovereign bonds issued by the Peruvian Government in local currency. These are purchased at the rates and prices offered in the market on the trading date.

(c) Certificates of Deposit issued by the BCRP are freely negotiable securities in local currency.

(d) As of December 31, 2024 and 2023, management has estimated the market value of available-for-sale investments based on available market quotations or, if not available, by discounting the expected cash flows at an interest rate that reflects the risk classification of the security.

The Bank's management has determined that the unrealized losses as of December 31, 2024 and 2023 are temporary in nature. In management's opinion, the Bank has the intent and ability to hold each of its available-for-sale investments with unrealized losses for a sufficient period of time to allow for the anticipated recovery of the fair value or until the maturity date.

As of December 31, 2024, the Bank maintains a net deferred income tax liability of S/ 13,769 thousand (note 15) generated by the net unrealized gain of certain available-for-sale investments that are subject to income tax of S/ 46,675 thousand (net deferred liability of approximately S/ 9,957 thousand, generated by the net unrealized gain of certain available-for-sale investments that are subject to income tax of S/ 33,752 thousand as of December 31, 2023) (note 15).

(e) As of December 31, 2024 and 2023, the maturities and internal rates of return of available-for-sale investments in debt instruments are as follows:

	Maturity date		Internal rates of return			
			2024		2023	
			PEN		PEN	
	2024	2023	Min.	Max.	Min.	Max.
Available-for-sale investments						
Sovereign bonds from the Republic of Peru (d)	Jan-26/ Aug-40	Jan-26/ Aug-40	3.07	7.83	3.07	7.83
Certificates of deposit – BCRP (e)	Jan-25 / Mar-25	Jan-24 / Sep-24	4.78	4.94	6.41	7.28

The accrued yield on available-for-sale investments during 2024 amounted to approximately S/ 201,772 thousand (2023: approximately S/ 265,660 thousand) and is included in "Interest income" in the statement of comprehensive income (note 18).

(f) The balance of available-for-sale investments as of December 31, 2024 and 2023 is presented below, classified by maturity:

In thousands of soles	2024	2023
Less than 3 months	2,832,140	2,013,416
From 3 months to 1 year	-	821,997
1–3 years	25,031	41,276
3–5 years	1,514,643	502,614
Over 5 years	3,169,422	1,153,127
No maturity (shares)	59,788	41,193
	7,601,024	4,573,623

(g) This caption comprises the following:

In thousands of soles	2024	2023
Sovereign bonds from the Republic of Peru BS12FEB2029 (ii)	2,513,266	2,517,634
Sovereign bonds from the Republic of Peru BS12AGO26 (iv)	1,108,526	1,118,189
Sovereign bonds from the Republic of Peru BS12AGO31 (iv)	985,722	980,839
Sovereign bonds from the Republic of Peru BS12AGO33	530,951	530,625
Sovereign bonds from the Republic of Peru BS12AGO28 (iii)	40,364	40,438
Sovereign bonds from the Republic of Peru BS12AGO2024 (iii)	-	80,907
Bonds from Supreme Decree 002-2007 (i)	-	38,120
Accrued interests	130,668	139,477
	5,309,497	**5,446,229**

The accrued yield of the investment portfolio at maturity during the year 2024 amounted to approximately S/ 343,019 thousand (2023: approximately S/ 344,165 thousand) and is included in "Interest income" in the statement of comprehensive income, note 18.

(i) Through Supreme Decree 002-2007-EF, published on January 11, 2007, the MEF repealed Supreme Decree 210-2006-EF published on December 27, 2006, which provided, among other things, for the reconciliation of the reciprocal obligations held by the MEF and the Bank as of September 30, 2006, signing an Act of Reconciliation of Reciprocal Obligations (hereinafter the "Act of Reconciliation") dated December 28, 2006.

The aforementioned Supreme Decree ratified the Conciliation Act, establishing that the obligations conciliated as of September 30, 2006 will be restated as of January 1, 2007, according to the criteria established in the Conciliation Act. In this sense, it established that the total compensation and cancellation of the obligations of the MEF in favor of the Bank would be made with a value date of January 2, 2007.

The reciprocal debts reconciled as of September 30, 2006 as a result of the Conciliation Act, signed on December 28, 2006, resulted in debts of the MEF in favor of the Bank for US$ 31.3 thousand and debts of the Bank in favor of the MEF for US$ 72.4 thousand, establishing a net debt in favor of the MEF for US$ 41.1 thousand.

Likewise, in the new Debt Reconciliation Agreement entered into between the MEF and the Bank updated as of January 1, 2007, additional indebtedness of the MEF in favor of the Bank for S/ 64,300 thousand and US$ 849,200 thousand were determined, for various debt operations approved by explicit legal norms.

As a result of the reconciliation of reciprocal obligations signed between the MEF and the Bank on December 28, 2006 and January 1, 2007, the total compensated reciprocal debt is as follows:

In thousands of soles		
Debt of the MEF in favor of the Bank (i)		
Certificate of December 28, 2006	-	31,335
Certificate of January 1, 2007	64,338	849,171
Debt of the Bank in favor of the MEF (ii)		
Certificate of December 28, 2006	-	(72,414)
Debt of the MEF in favor of the Bank (i) – (ii)	64,338	808,092

In accordance with Supreme Decree 002-2007-EF, perfected by the Consolidation, Compensation and Cancellation of Obligations Agreement signed between the MEF and the Bank on March 26, 2007, the following conditions resulting from the compensation of reciprocal obligations between the MEF and the Bank were specified:

- The MEF offset the debt in favor of the Bank by delivering on March 30, 2007 a bond in soles for S/ 2,644,572 thousand; consequently, the debt in US dollars was converted at the selling exchange rate published by the SBS at the close of operations on January 2, 2007 of S/ 3.193 per US$ 1.

  - The bond was issued under the following characteristics:
  - In soles.
  - Non-negotiable.
  - Maturity of 30 years.
  - Amortizable annually.
  - 6.3824% annual interest, payable quarterly.
  - Annotation in account at CAVALI SA I.C.L.V.

- The amortization of the bond will be charged to the Bank's net profits for an amount equivalent to no less than 30 percent of the profits corresponding to the Public Treasury. In any case, the amortization may not be less than S/ 60 million. If the profits corresponding to the Public Treasury do not allow to cover such amount, the MEF will cover the difference from the budget items allocated for public debt service.

  - In the event that upon maturity of the bond there are balances pending payment, these will be cancelled by the MEF.
  - Interest accrued on the bond will be paid by the MEF.

Due to the fact that the bonds issued by the MEF have been held within the framework of a law (through Supreme Decree 002-2007-EF), where the interest is paid with monetary resources from the MEF and even the amortization could be made with resources from the MEF itself (in case the Bank does not generate profits), the Bank's Management defined it as an investment to be held to maturity, also taking into consideration both the Bank's intention and capacity to hold these bonds to maturity.

It should be noted that, in accordance with article 7 of Law 31366 - Law of Financial Balance of the Public Sector Budget for Fiscal Year 2022, the suspension of the amortization of the bond against the Bank's net profits corresponding to fiscal year 2021, referred to in paragraph 5.2 of article 5 of Supreme Decree 002-2007-EF, as amended by article 1 of Supreme Decree 081-2009-EF, is exceptionally provided for fiscal year 2022.

As of December 31, 2024, any balance is maintained in such bond (2023: S/ 38,120 thousand).

(ii) In 2013 and 2014, the Bank and the MEF entered into various credit agreements and debt management agreements in order to establish Debt Management operations under the refinancing modality of the obligations arising from the loans granted to the MEF intended to finance: (i) the first stage of seven (7) projects executed by the Ministry of Defense (Supreme Decree 267-2013), (ii) set of additional requirements of the Ministry of Defense (Supreme Decree 358-2013-EF), (iii) part of the components of eight (8) investment projects to be executed by the Ministry of Defense (Supreme Decree 359-2013), (iv) the investment project portfolios of the Provincial Municipality of Chincheros (Supreme Decree 331-2014-EF) and (v) the project "Recovery of the Basic Flight Instruction Service with fixed wing aircraft in the FAP air group N° 51" (Supreme Decree 211-2012-EF); whose expiration date was agreed for July 2017. Under this modality the MEF would deliver, at the end of the payment term, in property of the Bank sovereign bonds for a total amount of S/ 2,073.1 million, under the framework of the Disbursement Reconciliation Act of the aforementioned Supreme Decrees.

Based on this, in July 2017, the Bank classified the bonds received in payment as a result of the Debt Management agreement between the Bank and the MEF, as follows:

- Available-for-sale investments. Bonds delivered on July 4, 2017 - BS12AGO2026 in the amount of S/ 606,749 thousand; and
- Held-to-maturity investments. Bonds delivered on July 6, 2017 -BS 12FEB2029 in the amount of S/ 1,466,321 thousand (which included accrued interest to date of approximately S/ 33,600 thousand).

With respect to the Sovereign Bond 12FEB2029, the Bank's Management defined this bond as an investment to be held to maturity, also taking into consideration both the Bank's intention and ability to hold these bonds to maturity. This bond was issued under the following characteristics:

- In soles.
- Negotiable.
- Sovereign bond maturing on February 12, 2029.
- Coupon rate of 6.0% per annum with semiannual interest payments
- Annotation in account at CAVALI SA I.C.L.V.

As of December 31, 2024, the balance of this bond amounted to S/ 2,522,291 thousand (2023: S/ 2,517,634 thousand).

(iii) On July 12 and August 17, 2022, available-for-sale investments were reclassified to held-to-maturity investments in the amounts of S/ 2,097,087 thousand and S/ 945,086 thousand, respectively. The carrying amounts of the fair value of available-for-sale investments at the reclassification date were converted to the new amortized cost of the held-to-maturity investment in compliance with the guidelines established in SBS Resolution 7033-2012.

(iv) On June 12, 2023, SOB12AGO26 bonds were exchanged for SOB12AGO33 for S/ 530,625 thousand. The effect of the bond exchange was a gain of S/ 15,988 thousand due to the price difference, resulting in a net loss of S/ 67,575 thousand and a gain of S/ 83,563 thousand in the equity adjustment account for lower realized losses.

7. Loan Portfolio, Net

This caption comprises the following:

In thousands of soles	*Note*	2024	2023
Direct loans (a)			
Current			
Consumer loans		9,498,905	8,529,934
Loans to financial institutions (b)		3,469,073	2,806,489
Mortgage loans		716,207	623,083
Loans to public sector entities (c)		4,219,618	706,156
Sovereign loans - MEF (d)		162,705	98,711
Refinanced loans		20,948	11,995
Loans past due		111,657	131,132
Loans under legal collection		256,529	161,146
		18,455,642	**13,068,646**
Plus (less)			
Accrued interest on current loans		106,074	89,927
Deferred interest income from refinanced and rescheduled loans outstanding		(18,947)	(16,577)
Deferred interest income on refinanced loans		(5,562)	(4,547)
Provision for loan losses (e)		(813,727)	(662,619)
Total direct loans		**17,723,480**	**12,474,830**
Indirect loans	*17(a)*	**3,058,953**	**1,854,144**

(a) As of December 31, 2024 and 2023, the direct loan portfolio, segmented by type of loan, is as follows:

In thousands of soles	2024	2023
Wholesale loans		
Corporate loans	7,851,441	3,611,470
Medium-business loans	6,625	6,587
	7,858,066	**3,618,057**
Wholesale loans		
Revolving and non-revolving consumption	9,875,534	8,822,537
Mortgage loans	721,066	627,072
Small-business loans	639	634
Micro-business loans	337	346
	10,597,576	**9,450,589**
	18,455,642	**13,068,646**

A portion of the loan portfolio is backed by collateral received from customers, which are mainly employees and pensioners of the state and government agencies. These guarantees consist mainly of mortgages, surety bonds, deposits and securities.

As of December 31, 2024 and 2023, according to the SBS regulations, the credit rating of the Bank's loan portfolio is as follows:

	2024					
	Direct loans		Indirect loans		Total	
Credit risk ratings						
Standard	13,705,986	74.27%	128,137	4.19%	13,834,123	64.30%
With potential problems	4,105,450	22.24%	2,899,782	94.80%	7,005,232	32.56%
Substandard	78,952	0.43%	-	-	78,952	0.37%
Doubtful	207,549	1.12%	31,034	1.01%	238,583	1.11%
Loss	357,705	1.94%	-	-	357,705	1.66%
	18,455,642	100.00%	3,058,953	100.00%	21,514,595	100.00%

	2023					
	Direct loans		Indirect loans		Total	
Credit risk ratings						
Standard	12,381,285	94.74%	1,802,305	97.20%	14,183,590	95.07%
With potential problems	163,519	1.25%	-	-	163,519	1.07%
Substandard	83,096	0.64%	-	-	83,096	0.56%
Doubtful	168,861	1.29%	51,839	2.80%	220,700	1.48%
Loss	271,885	2.08%	-	-	271,885	1.82%
	13,068,646	100.00%	1,854,144	100.00%	14,922,790	100.00%

(b) It corresponds to loans granted to companies included in paragraphs A and B of article 16 of the General Law of the Financial System and their foreign counterparts, and also includes loans granted to FOGAPI, COFIDE, Banco Agropecuario and Fondo MIVIVIENDA.

Supreme Decree 134-2006-EF dated August 9, 2006 created the "Special Financial Support Program for Micro and Small Enterprises - PROMYPE", which authorizes the Bank to enter into financing agreements, through lines of credit, with entities that grant loans to Mi Banco, Cajas Municipales de Ahorros y Créditos, COFIDE, and Fondo MIVIVIENDA.

In 2024, loans were granted to Mi Banco for S/ 45,000 thousand, Financiera Compartamos for 132,824 thousand, COFIDE for S/ 601,087 thousand, Fondos Mi Vivienda for S/ 220,000 thousand and the depreciation of Financiera Confianza S.A.A for S/ 40,000 thousand, CMAC Huancayo for S/ 93,600 thousand, Cuzco for S/ 104,577 thousand, Trujillo for S/ 72,083 thousand, Arequipa for S/ 12,845 thousand, Piura for S/ 9,990 thousand.

In 2023, loans were granted to Mi Banco for S/ 355,000 thousand, Financiera Compartamos for S/ 90,000 thousand, Confianza S.A for S/ 40,000 thousand, CMAC Arequipa for S/ 20,000 thousand, CMAC Huancayo for S/ 17,112 thousand, CMAC Trujillo for S/ 72,083 thousand and Fondos Mi Vivienda for S/ 240,000 thousand.

(c) The variation from presented in 2023 is composed of loans to Petroperú for S/ 3,765,590 thousand, Electrocentro for S/ 30,500 thousand, Electronorte medio for S/ 27,625 thousand, Empresa Reg. Serv. Pub. Electricidad Norte S.A. For S/ 12,333 thousand, Región Ayacucho for S/ 10,376 thousand, District Municipality of Convención for S/ 26,347 thousand, District Municipality of Challhuahuacho for S/ 9,807 thousand, less the loan amortization to SEDAPAL for S/ (110,000) thousand, Serporst for S/ (8,400) thousand, Electro Oriente for S/ (50,000) thousand, Petroperú for S/ (187,147) thousand and others / Provincial and District Municipalities for S/ (13,569) thousand.

In 2023, loans were granted to SEDAPAL for S/ 110,000 thousand, SERPOST for S/ 8,400 thousand, Emp. Regional de Electricidad Nor-Oeste S.A. for S/ 41,992 thousand, Emp. Regional Serv. Públicos de Electricidad del Norte for S/ 50,000 thousand, Emp. Regional Serv. Públicos de Electricidad Electromedio for S/ 15,375 thousand, Emp.Reg. Serv. Públicos Electro Oriente for S/ 21,933 thousand, Provincial Municipality of Cajamarca for S/ 7,000 thousand, Alto Amazonas / Loreto for S/ 7,429 thousand, Petroperu amortization for (S/ 89,740), other provincial and district municipalities for S/ 158,877 thousand.

(d) It corresponds to loans granted to public sector entities that have items allocated by the Public Treasury to specifically pay such exposures; which are requested exclusively by the MEF through Supreme Decrees. As of December 31, 2024, it mainly corresponds to loans to the MEF Supreme Decree 083-21-EF for S/ 74,479 thousand and the depreciation of MEF Supreme Decree 091-19-EF (2023: loans to MEF Supreme Decree 083-21-EF for S/ 43,556 thousand and the depreciation of MEF Supreme Decree 091-19-EF).

(e) Movement of provision for losses in loan portfolio (direct loans) is as follows:

In thousands of soles	2024	2023
Opening balance	**662,619**	**518,581**
Provisions (*)	227,149	183,571
Recovery of loans (**)	(20,928)	(2,330)
Write-off loan portfolio	(55,152)	(37,129)
Difference in exchange and others	39	(74)
Closing balance	**813727**	**662,619**

(*) Includes allowance for doubtful accounts for rescheduled loans Covid-19.

(**) As of December 31, 2024, it does not include income of recovery from write-off loan portfolio for S/ 8,392 thousand (2023: S/ 0 thousand).

The provision for direct loan losses, as presented in the separate statement of profit or loss, is as follows:

In thousands of soles	2024	2023
Provision for loan losses	227,149	183,571
Recovery of written-off loans	(8,392)	-
Recovery of provisions	(20,928)	(2,330)
Closing balance	**197,829**	**181,241**

(f) The interest generated by the loan portfolio is freely agreed taking into account the interest rates in force in the markets where the Bank operates. As of December 31, 2024 and 2023, the effective annual rates for the main products were as follows:

	2024		2023	
	Local currency	Foreign currency	Local currency	Foreign currency
Overdrafts	17.00	12.00	17.00	12.00
Corporate loans	6.50– 11.75	8.00	5.94	8.00
Consumer loans	8.9– 16.49	-	8.90-16.99	-
Credit cards	14.00– 32.00	-	14.00– 32.00	-
Mortgage loans	6.75– 7.75	-	7.25– 8.25	-

Interest, fees and expenses on loans or installments, that are past due, under legal collection, or rated as Doubtful or Loss, are recognized as income in suspense in the statement of profit or loss when they are effectively received. The cumulative amounts not recognized as income for this concept amounted to S/ 413,302,451 thousand and S/ 257,039,773 thousand in the years 2024 and 2023, respectively.

The following table shows direct loans classified by contractual maturities as of December 31, 2024 and 2023:

In thousands of soles	2024	2023
To be due		
Up to 1 month	783,168	646,426
1–3 months	823,858	937,572
From 3 months to 1 year	7,091,298	2,822,239
1–3 years	6,581,871	5,617,399
3–5 years	2,304,773	2,251,878
Over 5 years	481,540	488,858
Refinanced loans	20,948	11,995
Loans past due and loans under legal collection	368,186	292,279
	18,455,642	13,068,646

8. Accounts Receivable, Net

This caption comprises the following:

In thousands of soles	2024	2023
Accounts receivable from COFIDE – CRECER (a)	173,339	120,187
Accounts receivable from COFIDE - FAE -MYPE (b)	39,562	89,044
Fees receivable (e)	24,075	23,527
Advances to personnel (d)	18,289	29,707
Third-party claims (c)	10,229	47,969
Accounts receivable from MEF	106	106
Other accounts receivable (g)	21,699	56,585
Collections receivable (f)	193,232	-
	480,531	367,125
Provision for third-party claims	(6,754)	(5,620)
Allowance for other accounts receivable	(1,572)	(31,326)
	472,205	330,179

(a) By Legislative Decree 1399 published on September 9, 2018, the CRECER fund was created, which resulted from the consolidation of the following funds: (i) The MIPYME Fund, created by Law 30230, Law that establishes tax measures, simplification of procedures and permits for the promotion and dynamization of the country's investment.
(ii) The Support Fund for Small and Medium-Sized Enterprises, created by Emergency Decree 050-2002. (iii) The Business Guarantee Fund - FOGEM created by Emergency Decree 024-2009.

The Fund for the Productive Strengthening of MSEs - FORPRO, created by Emergency Decree 008-2017, which dictates complementary measures for the attention of emergencies generated by the Coastal El Niño phenomenon and for the reactivation and productive strengthening of micro and small enterprises. The aforementioned Legislative Decree provided for the liquidation of the FOGEM and FORPRO funds, and authorized the MEF and the Bank, to terminate the trust agreements and trust commission agreements, as appropriate entered into with Corporación Financiera de Desarrollo (COFIDE).

The purpose of the CRECER Fund is to promote the productive and entrepreneurial development of micro, small and medium-size companies and exporting companies due to their high impact on the national economy, through financing, guarantees and other financial products. The term of the CRECER Fund is 30 years.

Ministerial Resolution 276-2019-EF/52, published on July 12, 2019, approved the CRECER Fund Management Trust Agreement, which was signed between the MEF, the Bank and COFIDE.

In 2019, all cash resources from the FOGEM and FORPRO funds were transferred to the CRECER Fund for a total of S/ 251.67 million.

The loss of the CRECER Fund amounted to S/ 5,463 thousand for the year 2024 (2023: loss of S/ 8,551 thousand), is recorded in the account "Valuation of assets and provisions" in the statement of comprehensive income, note 22 (d).

(b) Through Emergency Decree 029-2020, published on March 20, 2020, the FAE-MYPE Fund was created to guarantee working capital loans granted to MSEs, as well as to restructure and refinance their debts. In addition, through Ministerial Resolution 124-2020-EF-15, published on March 25, 2020, the Operating Regulations of the Business Support Fund for MSEs (FAE-MYPE) were approved. Likewise, through Emergency Decree N° 049-2020, published on April 27, 2020, COFIDE was authorized to transfer the CRECER Fund to the FAE-MYPE Fund up to the amount of S/ 500 million.

In 2024, the reversal of the provision of the FAE-MYPE Fund for S/ 9,151 thousand is recorded in the account "Valuation of assets and provisions" in the statement of comprehensive income, note 22 (d).

Through Letter 2363-2024-COFIDE/DAF, dated October 9, 2024, COFIDE stated that the contributions of the Bank in the FAE-MYPE Fund amount to S/ 60,751 thousand. Such reduction in funds is based in the application of the Second Amendment of the Integral Amendment to the Management Contract FAE-MYPE, approved by Ministerial Resolution 200-2024-EF/52, where it is stipulated to proceed with the return of resources of FAE-MYPE to CRECER Fund, as provided in paragraph 8.1 of article 8 of the Emergency Decree 049-2020.

(c) As of December 31, 2024, the balance corresponds mainly to: (I) claims for liabilities of former workers for S/ 1,333 thousand, (ii) claims to banks in liquidation for S/ 2,116 thousand, (iii) advances to contractors for S/ 2,772 thousand and (iv) miscellaneous claims for S/ 4.008 thousand. In addition, a provision of S/ 5,101 thousand has been recorded. As of December 31, 2023, the balance corresponds mainly to: (I) S/ 29,190 thousand for the guaranteed deposits that the Bank made in the collection account of the Judiciary for those lawsuits that are in the cassation stage and already have a lower instance sentence, (ii) accounts receivable for judicial withholdings and local banks for S/ 10,415 thousand, (iii) claims for liabilities of former workers for S/ 1,142 thousand, (iv) claims to banks in liquidation for S/ 2,116 thousand and (v) advances to contractors for S/ 1,423 thousand and (vi) miscellaneous claims for S/ 3,683 thousand. Likewise, it is provisioned for S/ 5,620 thousand.

(d) In December 2024, there was a balance of S/ 18,289 thousand mainly from the extraordinary advance to the Bank employees in February 2024 for S/ 16,657 thousand and others for S/ 1,632 thousand. In December 2023, there was a balance of S/ 29,708 thousand, mainly from the balance of the previous year and the extraordinary advance to the Bank employees in November 2023 for S/ 5,112 thousand (Collective Agreement 2023).

(e) As of December 31, 2024, the balance corresponds mainly to: (i) S/ 9,474 thousand of commissions receivable for judicial and administrative deposits held by the Judicial Branch in the Bank, (ii) S/ 7,918 thousand of commissions to insurance companies, (iii) S/ 3,647 thousand of commissions receivable for judicial and administrative deposits claimed, (iv) S/ 2,803 thousand for trust commissions and (v) S/ 181 thousand of commissions receivable from the Executing Units of the "Pension 65" and "Juntos" Social Programs for the services of money distribution to their beneficiaries at the national level for S/ 52 thousand.

As of December 31, 2023, the balance corresponds mainly to: (i) S/ 9,470 thousand of commissions receivable for judicial and administrative deposits held by the Judicial Branch in the Bank, (ii) S/ 7,331 thousand of commissions to insurance companies, (iii) S/ 3,645 thousand of commissions receivable for judicial and administrative deposits claimed, (iv) S/ 2,851 thousand for trust commissions and (v) S/ 181 thousand of commissions receivable from the Executing Units of the "Pension 65" and "Juntos" Social Programs for the services of money distribution to their beneficiaries at the national level for S/ 49 thousand.

(f) It corresponds to customs revenue, from the daily operations with the Red Bancaria de Aduanas (customs bank network), which was collected in January 2025.

(g) As of December 31, 2024, the balance corresponds mainly to: (I) Social Programs Juntos for S/ 1,856 thousand, (ii) refund of FEBAN contributions for S/ 483 thousand, (iii) account management for S/ 1,527 thousand, (iv) province recovery for S/ 1,736 thousand, (v) ONP home payments for S/ 4,378, (vi) Essalud subsidies for S/ 1,868 thousand, (vii) cash withdrawals at ATMs for S/ 1,671, (viii) resources transferred to funds for S/ 3,864 thousand and (ix) other minor items for S/ 4,316 thousand.

As of December 31, 2023, the balance corresponds mainly to: (i) undue YAPE credits for S/ 28,716 thousand (ii) Social Programs Juntos for S/ 1,583 thousand, Pension 65 for S/ 5,785 thousand (iii) refund of FEBAN contributions for S/ 3,387 thousand (iv) protection of debit cards, accidents, burial and oncology for S/ 545 thousand, (v) Essalud subsidies for S/ 3,239 thousand, (vi) cash withdrawals at ATMs for S/ 1,435 thousand (vii) resources transferred to trusts for S/ 3,864 thousand (viii) Multired card insurance for S/ 2,404 thousand (ix) ONP home payments for S/ 2,192 thousand and other minor items for S/ 3,435 thousand.

9. Property, Furniture and Equipment, Net

This caption comprises the following:

In thousands of soles	Land	Buildings and other constructions	Improvements to leased properties and facilities	Property, plant and equipment	IT equipment	Vehicles	Work in progress and units to be received	Total
Cost								
Balance as of January 1, 2023	69,905	714,821	22,023	138,061	367,974	323	50,043	1,363,150
Additions	-	-	-	1,100	4,313	-	5,608	11,021
Transfers	-	129	159	5,763	219	-	(6,270)	-
Disposals	(5,919)	(6)	(124)	(282)	(17,794)	-	-	(24,125)
Balance as of December 31, 2023 (iv)	63,986	714,944	22,058	144,642	354,712	323	49,381	1,350,046
Additions (a)	-	-	-	7,872	26,200	-	9,054	43,126
Transfers	-	11,809	108	3,397	341	-	(15,655)	-
Disposals (b)	(2)	(304)	-	21	(333)	-	(4,825)	(5,443)
Balance as of December 31, 2024 (iv)	63,984	726,449	22,166	155,932	380,920	323	37,955	1,387,729
Depreciation								
Balance as of January 1, 2023	-	318,318	18,209	88,612	273,008	325	-	698,472
Depreciation	-	16,791	733	7,521	27,015	-	-	52,060
Disposals	-	-	(106)	(11,638)	(8,689)	-	-	(20,433)
Balance as of December 31, 2023 (v)	-	335,109	18,836	84,495	291,334	325	-	730,099
Depreciation	-	17,838	192	13,075	30,250	-	-	61,355
Disposals	-	458	-	182	50	(2)	-	688
Balance as of December 31, 2024 (v)	-	353,405	19,028	97,752	321,634	323	-	792,142
Impairment as of December 31, 2023 (vi)	5,001	10,678	-	2,003	-	-	-	17,682
Impairment as of December 31, 2024 (vi)	5,001	10,678	-	2,003	-	-	-	17,682
Net carrying amount								
As of December 31, 2023 (iv)-(v)-(vi)	58,985	369,157	3,222	58,144	63,378	(2)	49,381	602,265
As of December 31, 2024 (iv)-(v)-(vi)	58,983	362,366	3,138	56,177	59,286	-	37,955	577,905

(a) The additions of 2024 mainly correspond to the activation of computers, check reader, biometric access control, printers for the use in agencies, main office and others for S/ 33,261 thousand and work-in-progress for S/ 9,000 thousand, variation of work-in-progress for renovations of agencies in Lima and Provinces, activation of Agency in Piura for S/ (14,165) thousand and the reversal of the provision of the central platform that supports the ATMs network for S/ (14,634) thousand.

The additions of 2023 mainly correspond to the activation of PC Printers for S/ 4,314 thousand, remodeling of national agencies for S/ 2,708 thousand and others for S/ 1,099 thousand.

(b) In 2024, no assets were derecognized. In 2023, the following assets (Property 15,511) were mainly derecognized for S/ 18,217 thousand as detailed below:

	N° of Assets	Amount
Property, plant and equipment (furniture)	6,536	3,819
IT equipment (PC printers – others)	4,545	6,779
Others and office equipment (plant and equipment)	807	137
Others and office equipment (electrical devices)	1,242	2,296
Others and office equipment (generator)	21	646
Others and office equipment	555	1,328
Vehicles and machinery	1,805	3,212
	15,511	**18,217**

The Bank maintains insurance on its main assets in accordance with the policies established by Management.

Management periodically reviews the residual value of the assets, the useful life and the depreciation method used, in order to ensure that they are consistent with the economic benefit and life expectancy.

As of December 31, 2024 and 2023, the movement in impairment of property, furniture and equipment is presented below:

In thousands of soles	2024	2023
Opening balance	17,682	18,442
Decrease, land derecognition	-	(760)
Closing balance	**17,682**	**17,682**

10. Other Assets, Net and Other Liabilities

This caption comprises the following:

In thousands of soles	2024	2023
Other assets, net		
Financial instruments		
Main office and branches (a)	(27,504)	258,739
Transactions in progress (b)	77,606	91,876
	50,102	350,615
Non-financial instruments		
Income tax credit balance (c)	13,656	94,122
Prepayments and deferred charges (d)	72,387	53,198
Temporary tax credit on net assets (c)	98,051	41,383
Intangible assets, net (e)	33,043	36,944
Miscellaneous assets	1,995	1,986
	219,132	227,633
	269,234	578,248
Other liabilities		
Financial instruments		
Transactions in progress (b)	128,181	152,030
Transfers pending payment (f)	767,602	53,519
Bonds from the Republic of Peru payable (g)	-	39,052
Cash surplus	27,465	26,009
	923,248	270,610
Non-financial instruments		
Provision for litigations and claims (h)	358,509	223,488
Provision for indirect loans	37,623	27,705
Deferred income from interest and commissions on indirect loans	6,591	5,750
Others	427	427
	403,150	257,370
	1,326,398	527,980

(a) As of December 31, 2024, the balance in the main office and branches mainly corresponds to pending operations to branches and agencies in Lima for S/ 10,278 thousand and provinces for S/ (37,782) thousand (2023: branches and agencies in Lima for S/ 213,699 thousand and provinces for S/ 45,040 thousand), being the main type of operation the money remittances transferred from the main office to the agencies and offices in the interior of the country and the interbank transfers requested by companies in the provinces agencies' network, were regularized in the first days of January 2025.

(b) Transactions in process are transactions mainly carried out in the last days of the month, reclassified the following month to their definitive accounts in the statement of financial position; these transactions do not affect the Bank's results.

As of December 31, 2024, the balance of active transactions in process mainly includes:

(i) Out-of-hours operations for approximately S/ 22,367 thousand, such amount is due to the closing of operations that take place at the end of the year and that were regularized in the first days of January 2025,
(ii) Unsettled transactions for approximately S/ 1,202 thousand.
(iii) Accounts receivable for S/ 8,806 thousand for the recording of transitory operations, which were transferred during the first days of January 2025.

(iv) Transactions of purchases made through POS in stores with credit cards for approximately S/ 18,354 thousand. 85% of these active operations in process have been regularized in the first days of January 2025.

(v) LBTR and CCE transactions for S/ 24,639 thousand, tax collection transactions through Crédito web/app for S/ 5,871 thousand, account management – savings for S/ 12,339 thousand, financial services support for S/ 3,973 thousand and others for S/ 5,196 thousand.

(vi) Provision of transactions in progress / differences to regularize for S/ (21,719) thousand, unsettled transactions for S/ (3,276) thousand and others for S/ (146) thousand.

On the other hand, the balance of the passive operations in process includes mainly:

(i) Out-of-hours operations for approximately S/ 19,602 thousand, such amount is due to the closing of operations that take place at the end of the year and that were regularized in the first days of January 2025,
(ii) Transactions pending to apply for S/ 26,032 thousand.
(iii) Differences to regularize for S/ 21,731 thousand.
(iv) Interbank transfers for S/ 56,354 thousand.
(v) Others for S/ 4,462 thousand.

(c) As of December 31, 2024 and 2023, it corresponds to payments on account of income tax and other income tax credits of S/ 405,975 thousand and S/ 401,310 thousand, respectively, which are presented net of income tax for the year for S/ 388,302 thousand and sales tax for S/ 4,017 thousand and S/ 303,221 thousand and sales tax for S/ 3,967 thousand, respectively, note 24(a).

It also includes the balance of the Temporary Tax on Net Assets corresponding to the year 2024 and 2023 for S/ 98,051 thousand and S/ 82.72 thousand, respectively.

(d) In 2024, prepayments and deferred charges are comprised of:

- Insurance (work accidents policy, bank dishonesty and deferred multi-risk for S/ 11,840 thousand).
- New Multired card for S/ 28,709 thousand.
- Computer supplies for S/ 2,682 thousand.
- DNI account payments (software platform) for S/ 20,803 thousand.
- Service of license subscription for S/ 6,129.
- Others for S/ 2,224 thousand.

In 2023, prepayments and deferred charges are comprised of:

- Insurance (work accidents policy, bank dishonesty and deferred multi-risk for S/ 11,762 thousand).
- New Multired card for S/ 15,571 thousand.
- Computer supplies for S/ 3,564 thousand.
- DNI account payments (software platform) for S/ 19,720 thousand.
- Others for S/ 2,581 thousand.

(e) In 2024, additions were made to the intangible assets caption, mainly related to the development and acquisition of software licenses used for the Bank's own operations for S/ 11,833 thousand.

In 2023, additions were made to the intangible assets caption, mainly related to the development and acquisition of software licenses used for the Bank's own operations for S/ 7,348 thousand.

In 2024 and 2023, the Bank recorded an amortization of S/ 18,555 thousand and S/ 21,253 thousand, respectively, in the "Depreciation and amortization" caption of the statement of comprehensive income.

(f) As of December 31, 2024 and 2023, the transfer pending payment corresponds to payments made after hours, ordered by the MEF and with funds charged to State suppliers from their current accounts for S/ 767,602 thousand and S/ 53,519 thousand respectively, which were regularized mainly in the first days of January 2025 and January 2024, respectively.

(g) As of December 31, 2024, no bonds of the Peruvian Government were maintained payable (2023: sundry bonds granted by the Peruvian Government due to the Covid-19 pandemic that were pending payment to beneficiaries, amounting to S/ 39,052 thousand, which were regularized mainly in the first days of May and November 2024).

(h) It corresponds to the provisions for labor and social security claims, as well as for civil and arbitration proceedings filed against the Bank, which have been recorded based on the estimates made by Management and the Bank's internal legal advisors. Also, during the years 2024 and 2023, the Bank has made disbursements for these claims for approximately S/ 2,747 thousand and S/ 61,187 thousand, respectively.

On the other hand, as of December 31, 2024 and 2023, the Bank maintains judicial and labor lawsuits for an estimated value of approximately S/ 261,055 thousand and S/ 195,919 thousand, respectively, for which, in the opinion of management and the Bank's internal legal advisors, there are solid defense arguments to consider that the degree of contingency is possible; therefore, in accordance with current accounting standards of the SBS, it is not required to establish an additional provision for these lawsuits as of December 31, 2024 and 2023.

11. Deposits and Obligations

This caption comprises the following:

In thousands of soles	2024	2023
Savings	17,544,339	15,784,667
Checking accounts (a)	16102265	19,811,917
Deposits and obligations (b)	4,732,718	4,419,163
Social benefits for workers and pensioners (c)	1,397,624	1,300,353
Severance payment	75,367	74,315
Time deposits (d)	36,112	91,540
Other obligations to the public (e)	299,693	292,641
	40,188,118	**41,774,596**
Accrued interest payable (f)	113,113	106,513
	40,301,231	**41,881,109**

The Bank's policy is to remunerate checking accounts, savings deposits, time deposits, bank certificates and judicial and administrative deposits according to an increasing scale of interest rates, depending on the term and average balance held in such accounts. Additionally, as part of this policy, it was established that balances below a certain amount for each type of account do not generate interest.

The interest rates applied to the different deposit and debenture accounts are determined by the Bank taking into account mainly the interest rates in effect in the Peruvian financial market.

(a) Deposits in current accounts correspond mainly to those made by:

In thousands of soles	2024	2023
Private sector	7,304,550	7,423,188
Central Government	2,176,059	4,206,642
MEF	4,194,049	2,903,081
Local government	812,337	2,010,904
Public institutions	775,980	1,482,565
Regional government	365,244	1,223,595
State-owned companies	255,600	383,582
International organizations and others	155,548	117,307
Essalud	62,898	61,053
	16,102,265	19,811,917

(b) As of December 31, 2024, it mainly corresponds to judicial and administrative deposits, guarantee deposits and judicial retentions for approximately S/ 4,270,163 thousand, S/ 324,204 thousand and S/ 138,311 thousand, respectively (2023: approximately S/ 3,859,404 thousand, S/ 450,506 thousand and S/ 109,214 thousand, respectively).

(c) The provision for social benefits represents the obligations assumed for indemnification rights for active employees, as well as the provision for retirement of former employees and active workers of the Bank. As of December 31, 2024 and 2023, the balance of this item comprises the following:

In thousands of soles	2024	2023
Retirement pensions - Decree Law 20530	1,393,910	1,296,636
Labor Regime - Law 4916	3,691	3,688
Labor Regime - Law 11377	23	29
	1,397,624	1,300,353

Retirement pensions correspond mainly to the present value of future payments of retirement pensions of employees and former employees of the Bank, under Decree Law 20530. These are life annuities received by pensioners for severance, disability, widowhood, orphanhood and ancestry. Pension operations have traditionally been considered within life actuarial operations; however, they have their own meaning and denomination, due to the economic importance and actuarial specialization they require. Considering the particularities of social welfare operations, they are defined as operations in which the probable period of risk coverage is the entire life of the plan participant.

On March 28, 2003, Supreme Decree 043-2003-EF was published, which establishes provisions for the registration of pension obligations of the Pension System of Decree Law 20530 and its amendments, which are not financed with resources from the Public Treasury. This Decree amends Supreme Decree 106-2002-EF, incorporating in the actuarial calculation of pensions the rules contained in Supreme Decree 026-2003-EF of February 27, 2003 and, as applicable, those of Accounting Resolution 159-2003- EF/93.01 of March 6, 2003 and other provisions issued by the General Directorate of Public Accounting, for purposes of recording and controlling pension obligations. In this regard, on January 30, 2017, Communiqué 002-2017-EF/51.01 of the General Directorate of Public Accounting of the MEF is issued, which establishes the accounting treatment of pension obligations.

The movement is the present value of the provision for retirement of pensioners and workers of Decree Law 20530 is as follows:

In thousands of soles	*Note*	2024	2023
Opening balance		1,296,636	1,372,314
Increase charged to personnel expenses	*21(a)*	246,794	74,998
Provisions, aliquots and pension allowances and others		454	891
Payments made to pensioners		(149,974)	(151,567)
Closing balance		**1,393,910**	**1,296,636**

As of December 31, 2024, the pension obligations increased in S/ 97,274 thousand compared to 2023, due in part to the reduction in the number of pensioners from 4,354 as of December 31, 2023 to 4,194 pensioners as of December 31, 2024.

The main actuarial assumptions as of the date of the statement of financial position are as follows:

In thousands of soles	2024	2023
Discount rate	3.27%	5.00%
Useful life	15.06 years	16.00 years
Period of active service	0 years	0 years
Pensioners with end-of-year bonus	325	341
Pensioners with bonus	3,736	3,873
Pensioners without bonus	133	140

The discount rate used is 3.27% as of December 31, 2024 and 5.00% as of 2023, in accordance with the Manual on the Methodology for the Calculation of Actuarial Reserves of the Provisional Systems Administered by the Social Security Normalization Office with Head Resolution 152-2021-ONP/JF. The determination of the rate is based on long-term liabilities and not on asset return methods; accordingly, the interest rate is equivalent to the long-term rate of the relevant yield curve for the Peruvian case.

Transitory rules for the application of the Annual Technical Interest Rate, as long as the ONP does not approve the regulations for the Annual Technical Interest Rate, the parameters indicated in Chief Resolution 134-2018-JEFATURA/ONP are maintained.

The mortality tables used in the actuarial calculations are the mortality tables defined as "Mortality Tables - SP 2005 (Peruvian)" for own right and healthy life condition right and the mortality tables called MI-85-H and MI-85-M when dealing with an invalid person, male or female, respectively, approved by the MEF through Ministerial Resolution 757-2006-EF/15 and constituted in its annex by Ministerial Resolution 146-2007-EF/15 of March 23, 2007.

In Article 3 "Maximum amount of pensions" of the law establishing the new rules of the pension regime of Legislative Decree 20530 - Law 28449 issued on December 31, 2014, it is mentioned that the maximum monthly amount of retirement pensions regulated by Law 20530 is two (2) tax units - UIT. In this regard, as of December 31, 2024, the calculation of the pension reserves for pensioners has been made with a maximum pension amount equivalent to S/ 10,300 (2023: S/ 9,900).

(d) The balance of time deposits classified by maturity is presented below:

In thousands of soles	2024	2023
Less than 3 months	27,647	82,803
From 3 months to 1 year	8,465	8,737
	36,112	**91,540**
Interest earned on time deposits	17	37
	36,129	**91,577**

(e) Other obligations with the public mainly consist of management checks, transfers payable and bank certificates for S/ 192,564 thousand, S/ 97,935 thousand and S/ 4,866 thousand, respectively (2023: S/ 187,914 thousand, S/ 97,789 thousand and S/ 4,937 thousand, respectively).

(f) As of December 31, 2024, accrued interest payable corresponds to judicial deposits and administrative deposits of approximately S/ 108,768 thousand and S/ 4,345 thousand, respectively (2023: approximately S/ 102,598 thousand and S/ 3,915 thousand, respectively).

12. Deposits with Financial Institutions and International Financial Institution

As of December 31, 2024, it includes demand deposits of S/ 457,175 thousand and savings deposits of S/ 1,974 thousand (2023: S/ 548,713 thousand and S/ 1,953 thousand, respectively).

Below we present demand deposits grouped by type of financial institution:

In thousands of soles	2024	2023
Fondo Mi Vivienda	239,434	346,184
Banking institutions (*)	140,834	141,850
Municipal cash offices	38,714	31,790
Corporación Financiera de Desarrollo - COFIDE	27,470	15,341
Financial institutions	9,538	12,635
Rural cash offices	2,122	2,113
Edpymes - Small and Microenterprise Development Entity	1,027	746
Trust services company	10	7
	459,149	**550,666**

(*) The balance of banking entities decreased mainly due to bank transfers made by a State entity depositing with the Bank for its operating activities, considering that the accounts held by such entity with the Bank are its main accounts for the execution of its operations.

Savings deposits consist mainly of deposits made by municipal cash offices.

13. Outstanding Instruments and Liabilities

In 2016, the Bank carried out the First Issue of its First Subordinated Bonds Program for a total amount of S/ 250 million, which had a placement date of November 29, 2016.

This caption comprises the following:

In thousands of soles	2024	2023
Subordinated bonds (a)	250,016	249,972
Interest payable	1,504	1,670
	251,520	**251,642**

These Bonds are backed solely by the Bank's (Issuer's) equity and have a term of 15 years, with a maturity date of November 30, 2031. The Bonds accrue a fixed annual nominal interest rate of 8%, and the interest payment period is 6 months. The entire principal amount of the Bonds will be amortized in a single payment, on the maturity date of the respective series. The subordinated bonds do not have specific guarantees and in accordance with the provisions of the SBS, they qualify as Tier 2 equity in the determination of effective equity.

In the years 2024 and 2023, accrued interest on the subordinated bonds amounted to approximately S/ 19,878 thousand and S/ 19,987 thousand, respectively. Principal and interest payments will be made through CAVALI.

14. Accounts Payable

This caption comprises the following:

In thousands of soles	2024	2023
Suppliers	143,928	193,271
Taxes collected and withheld (a)	143,893	165,538
Other accounts payable (b)	106,734	96,494
Group performance bonus	69,696	63,327
Employees' profit sharing - statutory	69,547	54,367
Holidays payable	18,814	20,069
Compensation and other accounts payable to employees	6,420	6,352
Other contributions	1,851	1,995
Others	158	156
	561,041	601,569

(a) During 2024, it corresponds to taxes collected at the national level by the Bank at the request of the Tax Administration - SUNAT amounting to S/ 134,476 thousand and taxes withheld by the Bank as a withholding agent for S/ 9,417 thousand; which were transferred to SUNAT in January 2025 (2023: S/ 159,326 thousand and S/ 6,212 thousand, respectively, which were transferred to SUNAT in January 2024).

(b) Sundry accounts payable mainly include obligations payable for refunds to be made to pensioners for S/ 7,882 thousand (2023: S/ 7,882 thousand) for discounts on bonuses for time of service that are withheld until the Judicial Power orders the disbursement in their favor, sundry accounts payable for S/ 9,339 thousand (2023: S/ 19,131 thousand), obligations derived from operations carried out through ATMs in the bank's establishments and other establishments pending confirmation for S/ 17,491 thousand and S/ 2,141 thousand, respectively (2023: S/ 20,682 thousand and S/ 7,127 thousand, respectively), accounts payable by AFP for S/ 2,109 thousand (2023: S/ 2.269 thousand), transfers to FEBAN for the welfare program for S/ 1,093 thousand (2023: S/ 1,236 thousand), detractions – checking account management for S/ 18,525 thousand (2023: S/ 0 thousand), fines from SUNAFIL for S/ 6,177 thousand (2023: S/ 0 thousand) and other minor amounts for S/ 41,977 thousand (2023: S/ 41,977 thousand).

15. Deferred Income Tax Assets, Net

This caption comprises the following:

In thousands of soles	Balance as of January 1, 2023	(Debit) credit to equity	(Debit) credit to profit or loss	Balance as of December 31, 2023	(Debit) credit to equity	(Debit) credit to profit or loss	Balance as of December 31, 2024
Deferred assets							
Provision for direct loan losses and over-indebtedness	59,935	-	13,825	73,760	-	6,077	79,837
Provision for paid annual leave	5,806	-	115	5,921	-	(370)	5,551
Provision for contingent credits (generic and specific)	5,658	-	263	5,921	-	2,497	8,418
Provision for "Bono Desempeño Grupal" (BDG bond)	13,793	-	4,888	18,681	-	1,879	20,560
Provision for repossessed assets	2,906	-	-	2,906	-	-	2,906
Provision for impairment of fixed assets	1,699	-	(224)	1,475	-	-	1,475
Depreciation of fixed assets	8,855	-	5,096	13,951	-	(6,218)	7,733
Amortization of intangible assets	17,226	-	418	17,644	-	(273)	17,371
Other provisions	73	16,462-	877	17,412	(16,452)	(900)	60
Netting asset – deferred liability (*)	-	-	-	(3,026)	-	-	-
Total deferred assets	**115,951**	**16,462**	**25,258**	**154,645**	**(16,452)**	**2,692**	**143,911**
Deferred liabilities							
Unrealized results on available-for-sale investments	(3,510)	(6,447)	-	(9,957)	(3,812)	-	(13,769)
Depreciation of fixed assets	(5,560)	-	(6,343)	(11,903)	-	5,469	(6,434)
Exchange difference	(8,206)	-	(1,956)	(10,162)	-	7,674	(2,488)
Netting asset – deferred liability	-	-	-	3,026	-	-	-
Total deferred liabilities	**(17,276)**	**(6,447)**	**(8,299)**	**(28,996)**	**(3,812)**	**13,143**	**(22,691)**
Total deferred assets, net	**98,675**	**10,015**	**16,959**	**125,649**	**(20,264)**	**15,835**	**121,220**

16. Equity

A. Capital stock

As of December 31, 2024 and 2023, the Bank's authorized capital amounts to S/ 2,100,000 thousand and S/ 2,000,000 thousand; fully subscribed and paid by the Peruvian government, in accordance with Article 5 of the Bank's Bylaws.

Through Board of Directors' meeting 2517 of July 4, 2024, it was agreed to distribute the net profit of year 2023 approving the capitalization of S/ 100,000 thousand as authorized by Supreme Decree 294-2023-EF to reach the paid capital of S/ 2,100,000 thousand in accordance with Article 5 of the Bank's Bylaws, which was approved by Supreme Decree 07-94-EF and amended by Article 1 of Supreme Decree 294-2023-EF.

Through Supreme Decree 291-2023/EF, issued December 20, 2023 amends Article 5 of the Bank's bylaws approving the subscribed capital to be increased from S/ 1,600,000 to S/ 2,100,000, through the capitalization of the profits corresponding to the years 2022 and 2023 up to S/ 500,000.

Through Board of Directors' meeting 2492 of December 28, 2023, it was agreed to proceed to capitalize S/ 400,000 thousand of profits pending of distribution of year 2022, under the Supreme Decree 294-2023/EF, the capital amounting to S/ 2,000,000 thousand.

Through Board of Directors' Meeting 2460 of May 19, 2023, it was agreed to distribute the net income for the year 2022, after making the corresponding adjustments to the employees' Profit Sharing and income tax, which amounted to S/ 861,360 thousand, out of which it was agreed to capitalize the amount of S/ 3,831 thousand, as authorized by Supreme Decree 316-2021/EF, in order to constitute the capital of S/ 1,600,000 thousand.

No shares or securities of any kind are issued for the Bank's capital stock.

B. Legal reserve

In accordance with the applicable laws, the Bank is required to allocate at least 35% of its net profits to a legal reserve. This reserve is constituted through the annual transfer of no less than 10% of its net profits.

Through Board of Directors' meeting 2517 of July 4, 2024, it was agreed to constitute a legal reserve of S/ 140,000 thousand in order to reach the minimum of S/ 700,000 equivalent to 35% of the capital stock, as established in the General Law of the Financial System and the Insurance System and the Organic Law of the SBS.

Through Board of Directors' meeting 2460 of May 19, 2023, it was agreed to constitute a legal reserve in the amount of S/ 1,341 thousand in order to reach the minimum of S/ 560,000 thousand, equivalent to 35% of the capital stock, as established in the General Law of the Financial System and the Insurance System and the Organic Law of the SBS.

C. Unrealized gains and losses

Unrealized results correspond to fluctuations due to changes in the fair value of investments classified as available-for-sale investments. The changes in unrealized profit or losses in 2024 and 2023, net of deferred income tax, were as follows:

In thousands of soles	*Note*	
Balance as of January 1, 2023		**(1,000,666)**
Transfer to income of net realized loss (gain) on available-for-sale investments	*20*	147,649
Unrealized loss (gain) on available-for-sale investments, net		206,762
Deferred income tax	*15*	(6,447)
Balance as of December 31, 2023		**(652,702)**
Transfer to income of net realized loss (gain) on available-for-sale investments	*20*	80,871
Unrealized loss (gain) on available-for-sale investments, net		110,658
Deferred income tax	*15*	(3,812)
Balance as of December 31, 2024		**(464,985)**

D. Retained earnings

Through Board of Directors’ Meeting 2517 held on July 4, 2024, the following was agreed:

- Capitalize S/ 100,000 thousand, as authorized by Supreme Decree 294-2023-EF to reach the paid capital of S/ 2,100,000 thousand.
- Constitute the legal reserve for S/ 140,000 thousand in order to reach the minimum established of S/ 700,000 thousand, equivalent to 35% of the capital stock constituted on December 31, 2023, which amounts to S/ 2,000,000 thousand.
- Amortize the pending balance of the bond of Supreme Decree 002-2007-EF under the established in the Bank’s bylaws – Supreme Decree 07-94-EF, for S/ 38,125 thousand.
- Apply against the net profit of year 2023, under the Emergency Decree 039-2023. Transfer made on November 30, 2023, to the General Directorate of the Public Treasury of the MEF for S/ 1,000,000 thousand.
- Transfer to the MEF the remaining balance of the profit of year 2023, which amounts to S/ 322,385 thousand.

Through Board of Directors’ Meeting 2460 held on May 19, 2023, the following was agreed:

- Amortize the bond of Supreme Decree 002-207-EF, in accordance with the provisions of the Bank's bylaws - Supreme Decree 07-94-EF, for S/ 256,857 thousand, equivalent to 30% of the net income destined to the Public Treasury.
- Transfer the remaining balance of the profit for the year 2022, amounting to S/ 199,332 thousand.

Through Board of Directors' Meeting 2488 held on November 30, 2023, the following was agreed:

- Order the Administration to pay attention to the request made by the General Directorate of the Public Treasury of the MEF through Official Letter 0891-2023-EF/52.07, dated November 30, 2023, which consists of transferring S/ 1,000,000 thousand to the Public Treasury against the estimated amount of the Bank's profits corresponding to the year 2023, in accordance with the provisions of the Fourth Final Complementary Provision of Emergency Decree 39-2023 published in the Extraordinary Edition of the Official Gazette El Peruano on November 29, 2023.

In 2024 and 2023, the Bank has recorded in the "Retained earnings" account various adjustments entries for the regularization of transactions and provisions for operational losses corresponding to previous years, for approximately S/ (25,160) thousand and S/ (20,453) thousand, respectively.

In this regard, the Bank, considering the materiality of the regularization adjustments and the corresponding coordination made with the SBS, recorded these adjustments of prior years' directly in the "Retained earnings" account of shareholders' equity as a movement of the year.

E. Regulatory capital

As of December 31, the composition of shareholders' equity is presented below:

In thousands of soles	2024	2023
Level 1		
Common stock	2,100,000	2,000,000
Plus		
Accumulated earnings	41,036	49,810
Net profit of the year	1,393,315	1,652,355
Legal reserve	700,000	560,000
Less		
Securities issued by companies in the financial system	(59,787)	(41,192)
Accumulated loss	(19,298)	(1,054,758)
Unrealized loss on available-for-sale investments	(506,386)	(680,093)
Software	(33,043)	(36,944)
	3,615,837	**2,449,178**
Level 2		
Plus		
Redeemable subordinated bonds	250,016	249,972
Generic provisions for loans	202,843	187,497
Less		
Securities issued by companies in the financial system	-	-
	452,859	**437,469**
Total regulatory capital	**4,068,696**	**2,886,647**

In accordance with Legislative Decree 1028, the regulatory capital shall be equal to or greater than 10% of the total risk-weighted assets and indirect loans, which correspond to the sum of regulatory capital requirement for market risk multiplied by 10.0, regulatory capital requirement for operational risk multiplied by 10.0, and risk-weighted assets and indirect loans for credit risk.

As of December 31, 2024 and 2023, in application of Legislative Decree 1028, as amended, the Bank maintains the following amounts in relation to risk-weighted assets and contingent credits and effective equity (basic and supplementary), expressed in thousands of soles:

In thousands of soles	2024	2023
Total risk-weighted assets and loans	22,222,976	19,094,744
Regulatory capital	4,068,696	2,886,647
Basic stockholder's equity	3,615,836	2,449,178
Supplementary regulatory capital	452,860	437,468
Global regulatory capital ratio	18.31%	15.12%

As of December 31, 2024 and 2023, the Bank complied with SBS Resolutions 2115- 2009 "Regulation on Regulatory Capital Requirement for Operational Risk," 6328-2009 "Regulation on Regulatory Capital Requirement for Market Risk," and 14354-2009 "Regulation on Regulatory Capital Requirement for Credit Risk" and amendments. Such Resolutions mainly establish the methods that financial institutions shall use to calculate risk-weighted assets and indirect loans per risk.

In December 2022, through Resolution 03953-2022, SBS approved the new regulation for the calculation of regulatory capital required for additional risks for financial institutions. The Resolution also states that the additional regulatory capital requirements shall be equal to the sum of regulatory capital requirements calculated for each of the following components: individual, sectoral and regional concentration risk and interest rate risk in the banking book.

As of December 31, 2024, the additional effective equity requirement estimated by the Bank amounts to approximately S/ 205,113 thousand (2023: S/ 149,238 thousand).

In December 2022, through Resolution 03954-2022, SBS approved the new regulation for the calculation of the conservation buffer requirement, for economic cycle and for market concentration risk, which shall be hedged with the highest quality capital of Level 1 common equity. A new capital buffer is incorporated, called conservation buffer, to be used to the extent that the financial system entities incur in losses in stress periods, as determined by the regulator. SBS established a term of four (4) years to constitute such buffer. In addition, the capital requirement for economic cycle was updated, in order to improve the risk sensibility, and details are incorporated regarding the requirement for market concentration risk.

As of December 31, 2024, the requirement of conservation buffers, for economic cycle and for market concentration risk estimated by the Bank amounts approximately to S/ 388,902 thousand (2023: S/ 214,816 thousand).

Through Resolution 1264-2020, dated March 26, 2020, the SBS required that the calculation of the regulatory capital requirement will not increase in relation to the weighting factor for rescheduled mortgage and consumer loans, whose maturity period was extended. Likewise, the Resolution authorizes financial institutions to use the additional regulatory capital accumulated by the component of the economic cycle.

Accordingly, the Bank allowed its customers to reschedule the loans. The rescheduling refers to the restructuring of repayment periods and/or the granting of grace periods, thus extending the original repayment period of the loan. However, as indicated by the SBS, the Bank did not require a higher capital requirement in relation to the weighting factor as a result of such extension.

In management's opinion, the Bank complies with the requirements set out in the Resolution.

17. Contingent Risks and Commitments

This caption comprises the following:

In thousands of soles	2024	2023
Contingent operations (Indirect loans) (a)		
Letters of guarantee	96,692	174,433
Letters of credit	2,962,261	1,679,711
	3,058,953	**1,854,144**
Unused credit lines and undisbursed loans granted (b)	4,184,671	3,273,239
Total contingent transactions	**7,243,624**	**5,127,383**

(a) In the normal course of business, the Bank enters into contingent transactions (indirect loans). These transactions expose the Bank to credit risks in addition to the amounts recognized in the statement of financial position. The risk of credit losses on letters of guarantee and letters of credit is represented by the amounts indicated in the contracts for these instruments.

The Bank applies the same policies it uses for direct lending when entering into contingent transactions, including obtaining collateral when deemed necessary. Collateral is diverse and includes deposits held in financial institutions, mortgages, securities or other assets.

Considering that most of the contingent operations (indirect credits) are due to mature without having to be paid, the total of contingent operations does not necessarily represent future cash requirements.

(b) Unused lines of credit and undisbursed loans granted do not correspond to commitments to extend credit. They mainly include consumer and corporate lines of credit, which are cancelable when the customer receives notice to that effect.

18. Interest Income and Expense

This caption comprises the following:

In thousands of soles	*Note*	2024	2023
Interest income			
Interest from loan portfolio		1,777,694	1,329,923
Total available-for-sale investments	*6(d)*	201,772	265,660
Interest on available funds		854,758	1,183,706
Interest on held-to-maturity investments	*6(f)*	343,019	344,165
		3,177,243	**3,123,454**
Interest expense			
Interest and commissions on deposits and bonds		(51,392)	(47,342)
Interest on outstanding instruments and liabilities	*13*	(19,878)	(19,987)
Interest on outstanding instruments and liabilities		(88)	(88)
		(71,358)	**(67,417)**
Gross profit margin		**3,105,885**	**3,056,037**

19. Financial Service Revenue and Expense

This caption comprises the following:

In thousands of soles	2024	2023
Revenue from financial services		
Revenue from cash service (a)	457,090	447,321
Commission income from insurance sales (b)	91,843	83,568
Revenues from tax collection services (c)	60,447	55,865
Commission income from VISA	43,406	41,219
Revenue from transfers services (d)	13,638	16,228
Revenue from savings accounts		
Revenues from Multired ATMs	5,997	6,671
Revenue from savings accounts		
Revenue from contingent operations	21,146	14,001
Revenue from secondment - FISE	13,306	11,251
Commission withdrawal of charge notes	10,182	2,435
Revenue from commission - new Multired card	9,527	10,260
Revenue from collections	7,543	9,074
Revenue from exchange of checks received from other banks	6,093	5,019
Revenues from penalties for payment to suppliers	2,971	2,288
Services for shared facilities	1,514	1,738
Revenue from commission Tax Authorities embargoes	-	9,748
Revenue from certificate commissions	-	1
Others (e)	71,168	61,435
	815,871	778,122
Financial service expense		
Transportation, custody and administration of instruments	(140,513)	(149,204)
Credit and debit cards	(120,033)	(135,486)
Omnichannel Banking Service	(17,292)	(19,069)
Core Banking Service	(14,644)	(16,143)
Mobile banking	(9,327)	(17,935)
Home payment service - ONP	(7,582)	(7,513)
Other financial services	(37,219)	(29,965)
	(346,610)	(375,315)

(a) In 2024, revenue from cash services correspond mainly to commissions for collection services for the General Directorate of the Public Treasury for S/ 419,374 thousand and correspondent services for S/ 36,983 thousand (2023: S/ 399,389 thousand and S/ 47,216 thousand).

(b) In 2024, revenue from insurance sales commission amounted to S/ 91,843 thousand conformed by the debit card insurance commission for S/ 19,286 thousand, payment protection insurance commission for S/ 50,492 thousand, protected fee insurance commission for S/ 9,175 thousand, burial insurance for S/ 5,212 thousand, debit card payment protection insurance for S/ 4,178 thousand, cancer / serious diseases insurance for S/ 2,055 thousand and others for S/ 1,445 thousand.

(c) In 2024, revenues from tax collection services correspond to the collection of taxes administered by SUNAT for S/ 27,651 thousand and the collection of fees corresponding to other entities (National Police of Peru, Judicial Power, ONP, among others) for S/ 32,797 thousand (2023: S/ 26,144 thousand and S/ 29,720 thousand, respectively).

(d) In 2024, the income from transfer services corresponds to the commissions for the wire transfer system service for S/ 3,707 thousand, correspondent wire transfer service for S/ 1,955 thousand and fund transfer service for S/ 7,975 thousand (2023: S/ 5,076 thousand, S/ 2,616 thousand and S/ 8,536 thousand, respectively).

(e) In 2024, other income from financial services mainly corresponds to interbank transfer fees for S/ 20,203 thousand, checking account fees for S/ 4,224 thousand, trust service fees for S/ 5,050 thousand, massive savings account deposits for S/ 2,268 thousand, multi-float service commission for S/ 982 thousand, statement of account commission for S/ 3,392 thousand, commission for BN ATM customers for S/ 9,191 thousand, other transaction commissions for S/ 1,216 thousand, commission for use of ATMs for S/ 1,264 thousand and ONP home payment service for S/ 7,582 thousand (2023: S/ 12,934 thousand, S/ 4,617 thousand, S/ 4,800 thousand, S/ 2,565 thousand, S/ 997 thousand, S/ 2,435 thousand, S/ 14,792 thousand, S/ 923 thousand, S/ 1,797 thousand and S/ 7,513 thousand respectively); among others.

20. Result from Financial Transactions

This caption comprises the following:

In thousands of soles	*Note*	2024	2023
Net gain / loss on available-for-sale investments (c)	*16(c)*	(80,871)	(147,649)
Net gain / loss on foreign exchange difference and foreign exchange operations		90,130	88,145
Others		1,139	421
		10,398	**(59,083)**

21. Administrative Expenses

This caption comprises the following:

In thousands of soles	2024	2023
Personnel and Board of Directors expenses (a)	(831,953)	(596,984)
Services received from third parties (b)	(345,455)	(350,736)
Taxes and contributions	(133,761)	(137,800)
	(1,311,169)	**(1,085,520)**

(a) Personnel and Board of Directors expenses are as follows:

In thousands of soles	*Note*	2024	2023
Compensation		(222,134)	(221,008)
Pensions of pensioners	*11(c)*	(246,794)	(74,998)
Employees' profit sharing - statutory		(69,278)	(54,098)
Group performance bonus		(56,600)	(56,600)
Allowances		(52,209)	(46,836)
Legal bonuses		(44,312)	(44,133)
Collective bargaining bonus		(27,044)	(5,283)
Severance payment		(23,294)	(22,866)
Social security contributions		(22,834)	(22,975)
Special bonuses		(18,339)	-
Extra hours		(12,337)	(14,750)

In thousands of soles	*Note*	2024	2023
Travel allowances		(6,506)	(9,446)
Incentive retirement plan (*)		(10,578)	(5,700)
Uniforms		(7,182)	(7,468)
Extraordinary bonuses		(2,620)	(1,344)
Other expenses		(9,892)	(9,479)
		(831,953)	**(596,984)**
Average number of employees		**4,433**	**4,888**

(*) Through Board of Directors' Meeting 2526 dated September 12, 2024, the Board of Directors approved the Guidelines of the Incentive Retirement Plan 2023. In this regard, employees between the ages of 60 and 69 with indefinite contract and who decided to take advantage of this benefit submitted their retirement requests, which were evaluated by the Bank's Evaluation Committee and paid according to the assigned budget.
Through Board of Directors' Meeting 2462 dated June 1, 2023, the Board of Directors approved the Guidelines of the Incentive Retirement Plan 2023. In this regard, employees between the ages of 60 and 69 with indefinite contract and who decided to take advantage of this benefit submitted their retirement requests, which were evaluated by the Bank's Evaluation Committee and paid according to the assigned budget.

(b) Below is the composition of the expenses for services received from third parties:

In thousands of soles	2024	2023
Repairs and maintenance, and cleaning services	(134,735)	(141,605)
Communications and other utilities	(56,627)	(58,340)
Service leasing expenses	(51,121)	(52,154)
Security and insurance contracts	(31,956)	(31,027)
Professional services	(23,078)	(14,510)
Lease of property and other assets	(19,228)	(20,592)
Print services	(4,682)	(5,631)
Transport and courier services	(3,721)	(3,493)
Other services	(20,307)	(23,384)
	(345,455)	**(350,736)**

22. Valuation of Assets and Provisions

This caption comprises the following:

In thousands of soles	2024	2023
Provisions for litigations and demands, net	(204,651)	(89,203)
Undue payments on YAPE (b)	28,716	(28,716)
Provisions for transactions in progress (c)	(25,108)	-
Gain on COFIDE funds (d)	-	(1,584)
Provision for direct loan losses	(10,214)	(1,191)
Loss allowance for accounts receivable	3,160	(235)
Others	21	1,501
	(208,076)	**(119,428)**

(a) For the year ended December 31, 2024, provisions for litigation and claims mainly comprise provisions for labor and civil lawsuits for S/ 211,042 thousand and S/ (6,391) thousand, respectively, net of a reversal of S/ (13,712) thousand and exchange difference for S/ 104 thousand (2023: S/ 91,077 thousand and S/ (1,874) thousand, respectively, net of a reversal of S/ (15,808) thousand and exchange difference for S/ 382).

(b) In October 2023, the Bank recorded a provision for the duplicity of online operations credits through the YAPE application for S/ 30,093 thousand, which as of December 31 has been reversed for S/ 1,377 thousand as a result of the recoveries recorded. Through technical analysis and assessment of supporting documents, the Bank determined that the undue payments would qualify as an event that results in loss by operational risk. Hence, the Bank determined the reversal of the provision of undue payments on YAPE for S/ 28,716 thousand in order for the loss to be recognized, based on the new elements assessed.

(c) Through SBS Resolution 467-2023, the SBS amended the Accounting Manual for financial institutions from January 2024. Therefore, the provision indicated during 2024, which amounts to S/ 25,108 thousand, is made according to the multiple memorandum 155-2023-BN/6210 of July 10, 2023, on SBS Provisions - Transactions in progress debtor account 1908 that states: "for those items registered in the account 1908 that exceed the 30 calendar days without being regularized, the Accounting sub-department shall proceed to constitute provisions for 100% thereof.

(d) In 2024, it corresponds to the losses of the CRECER Fund for S/ 5,463 thousand, reversal of the provision of FAE MYPE for S/ 9,151 thousand and FOGEM for S/ 8 thousand (note 8(b)). In 2023, it corresponds to the losses of the CRECER Fund for S/ 8,551 thousand and FOGEM for S/ 52 thousand, reversal of the provision of FAE MYPE for S/ 5,460 thousand (note 8(b)).

23. Other Income, Net

This caption comprises the following:

In thousands of soles	2024	2023
Other income		
Lease income	3,860	4,261
Indemnity payments for claims	1,370	2,848
Other income (a)	13,441	9,909
	18,671	**17,018**
Other expenses		
Losses and claims not covered by insurance (b)	(33,788)	(6,508)
Administrative and tax sanctions	(9,711)	(5,504)
Donations	(743)	(757)
Disposal of property, plant and equipment	(88)	(5,159)
Other expenses	(1,442)	(732)
	(45,772)	**(18,660)**
Other income, net	**(27,101)**	**(1,642)**

(a) In 2024, it mainly corresponds to the balance payment of the account Bond COVID-19 for S/ 8,859 thousand. It is classified as income in favor of the Bank. In 2023, it mainly corresponds to the refund of FEBAN contributions for S/ 5,806 thousand.

(b) In 2024, it mainly corresponds to the recognition of loss for undue payments on YAPE for S/ 28,716 thousand. Based on the technical analysis and assessment of supporting documents, it was determined that, according to guidelines set forth in SBS Resolution 2116-2009 Regulation for Operational Risk Management, it corresponds the recognition of the loss by reversing the established provision for doubtful accounts (note 22b).

24. Tax Matters

A. The Bank is subject to the Peruvian tax law. As of December 31, 2024 and 2023, the corporate income tax is calculated on the basis of the net taxable profits determined by the Bank at a rate of 29.5%.

The Decree also established the amendment to the income tax rate applicable to dividend distribution and any other form of profit distribution to 5% for profits generated and distributed from January 1, 2017.

For the years ended December 31, 2024 and 2023, the Bank determined an income tax of S/ 372,466 and S/ 286,262, respectively.

Tax expense comprises the following:

In soles	2024	2023
Current tax	388,303	303,222
Deferred tax	(15,836)	(16,960)
	372,467	**286,262**

Reconciliation of effective tax rate to tax rate is as follows:

	2024		2023	
In thousands of soles	PEN	%	PEN	%
Profit before tax	**1,767,844**	**100**	**1,942,815**	**100**
Implicit cost	521,514	29	573,130	29
Effect of non-deductible expenses				
Common expenses related to non-taxable and exempt income	105,144	6	78,244	4
Other non-deductible expenses	177,885	10	142,204	7
Effect of non-taxable income				
Interest not taxable	(412,142)	(23)	(528,028)	(27)
Sale of non-taxable securities	24,845	1	48,768	3
Other non-taxable income	(44,779)	(3)	(28,058)	1
Current deferred tax	**372,467**	**21**	**286,262**	**15**

The temporary tax on net assets rate is 0.4% for the years 2024 and 2023 and is applied to the amount of net assets exceeding S/ 1 million. It may be paid in cash or nine consecutive monthly installments. The paid amount may be used as a credit against income tax paid. In the event a remaining balance is not applied, its refund could be requested. In 2024, the Bank determined that the temporary tax on net assets amounts to S/ 187,572 thousand (2023: S/ 187,670 thousand).

As of December 31, 2024 and 2023, the sales tax rate in force is 18%.

B. In accordance with Article 50 of the Income Tax Law, there are 2 systems to offset tax loss carryforward:

a) System A: It consists of the use of the tax loss generated from the year in which it was accrued and with a term of up to 4 years for its use. After such term, the tax loss is considered as expired.

b) System B: It establishes that the tax loss carryforward can be used until its depletion, offsetting only 50% of the tax base generated in the year, without time limit.

Legislative Decree 1481, published on May 8, 2020, established that, as an exceptional measure, the term for tax loss carryforwards under the System A is five years, only for the total net loss of the corporate income obtained in the taxable year 2020.

C. The Tax Authorities are entitled to audit and, if applicable, to correct the income tax calculated by the Bank within the four years following the year of the tax return filing. The Bank's income and sales tax returns for the years from 2020 to 2024 are open for review by the Tax Authorities.

Due to the possible interpretations of the applicable laws by the Tax Authorities, it is not possible to determine, to date, whether a future tax assessment will result in liabilities for the Bank. Therefore, any major tax or surcharge that might arise from eventual tax assessments would be applied to profit or loss when they are determined. However, it is the opinion of the Bank's management and its legal advisors that any possible additional settlement of taxes would not be significant for the financial statements as of December 31, 2024 and 2023.

D. In determining income tax, transfer pricing with related parties and entities domiciled in territories with low or zero taxation shall be supported with documents and information on the valuation techniques and the criteria used for the pricing.

Based on the business analysis, it is the opinion of management and its legal advisors that no significant contingencies arise as of December 31, 2024 and 2023 from the application of transfer pricing regulations.

E. In accordance with IFRIC 23, the Bank assessed its uncertain tax treatments and concluded, based on its assessment of tax compliance and transfer pricing, that it is probable that the Tax Authorities will accept its uncertain tax treatment. The Interpretation did not have an effect on the Bank's consolidated financial statements as of December 31, 2024 and 2023.

The Bank considers that its provisions of tax liabilities are appropriate for all open tax periods based on assessment of several factors, including the interpretations of tax law and previous experience.

F. The Bank is not currently subject to the Additional Global Minimum Tax, also known as Pillar 2, since such legislation has not been approved yet for its application in Peru. The Bank shall evaluate the possible effects of this legislation on its consolidated financial statements once it is approved for its application.

G. Main tax regulations issued in 2024

Changes in provisions on transfer pricing in the Income Tax Law
Legislative Decrees 1662 and 1663, published on September 24, 2024, introduce changes to the Income Tax Law regarding the advance pricing agreements (APA) and valuation methods in transfer pricing. These changes entered into force January 1, 2025.

Legislative Decree 1662, published on September 24, 2024, established that APAs between the Tax Authorities and taxpayers may have a rollback effect for prior periods. To be valid, events and circumstances of prior periods must be consistent with the APA ones, and the Tax Authority must not have prescribed the right to determine the income tax liability for transfer pricing regulations.

Likewise, through Legislative Decree 1663, published on September 24, 2024, the Income Tax Law was modified to regulate the application of alternative valuation methods wherever traditional transfer pricing methods are not applicable due to the nature of the activities or transactions, or to lack of liable comparable transactions.

Amendments to recording invoices and tax credit
Through Legislative Decree 1669, published on September 28, 2024, the sales tax law and Law 29215 were modified, focusing on the recording of invoices and tax credit. Previously, taxpayers had 12 months to record invoices entitled to tax credit. Under the new regulations, this period was reduced, establishing the following deadlines for recording of invoices:

- Electronic invoices: These must be recorded in the purchase register for the period corresponding to the month that the tax was issued or paid.
- Physical invoices: These must be recorded up to two months following the month that the tax was issued or paid.
- Withholding tax system — the Tax Obligations Payment System (SPOT): The term for entry will be up to three months following the issuance date.

The vouchers recorded after the indicated deadlines will not grant the right to the tax credit. However, the right to the tax credit will not be lost if the payment vouchers are recorded before the Tax Authority requires the taxpayer to show and/or present its purchase register.

Reporting operations and ETFs
Through Law 32218, enacted on December 29, 2024, the Consolidated Text of Income Tax Law was amended, implementing, in paragraph h) of article 18, two new scenarios interests and capital gains exempt from income tax.

- Reporting operations: From the effective date January 1, 2025, interests and capital gains from reporting operations in which the securities that the acquirer receives from the transferor are Public Treasury Bills issued by the Peruvian Government, as well as bonds and other debt securities issued by the Peruvian Government, under the Market Maker Program or its substitute mechanism, or in international market from 2003.

- Disposal of ETFs: This exemption is applicable to interests and capital gains derived from the disposal of ETFs which aim to replicate the profitability of publicly available indexes, built on the basis of the Public Treasury Bills issued by the Peruvian Government, as well as bonds and other debt securities issued by the Peruvian Government, under the Market Maker Program or its substitute mechanism, or in international market from 2003.

H. **Significant amendments to Income Tax Law effective from January 1, 2025 onward and other relevant tax considerations:**

Depreciation of assets
Legislative Decree 1488 established a special depreciation regime and amendments by increasing depreciation rates for assets acquired during the years 2020, 2021 and 2022 to promote private sector investment and provide greater liquidity given the economic outlook due to the COVID-19 pandemic.

Through Law 31107, Legislative Decree 1488 was modified, which establishes that during 2021 and 2022 periods, buildings and constructions that have a depreciable balance as of December 31, 2020, it will be depreciated to an annual 20% rate. This is applicable to fixed assets used hosting establishments, travel and tourism agencies, restaurants and similar services, and to non-sports cultural public shows. In addition, it specified that land vehicles affected by these activities shall depreciate its assets at an annual 33.3% rate during the same periods.

Likewise, through Law 31652, a new Preferential Depreciation Regime was approved, through which the depreciation rates were increased for taxpayers who acquired buildings and constructions during 2023 and 2024 (not applicable for assets totally or partially built before January 1, 2023).

Subjects Without Operational Capacity (SSCO)
Legislative Decree 1532, published on March 19, 2022 and effective as of January 1, 2023, regulated the procedure to establish the condition of Subject Without Operational Capacity (SSCO), within the framework of the fight against tax evasion.

An SSCO is an entity that, although it is the issuer of payment vouchers or complementary documents, does not have economic, financial, material, human, and other resources or that they are not suitable to carry out the transactions for which payment vouchers or complementary documents are issued.

Supreme Decree 319-2023-EF approved the regulation of the procedure to be followed to establish the condition of SSCO.

Tax compliance profile
The Tax Authorities implemented the Tax Compliance Profile (PCT, for its Spanish acronym), a rating system aimed at taxpayers generating third category income. This profile intends to promote the voluntary compliance of tax liabilities and to allow differential treatment based on the assigned compliance level.

The PCT implementation is being gradually implemented. In July 2024, a testing stage was started, which comprises four quarterly ratings for information purposes, without legal effect for the taxpayers. During this stage, the taxpayers are not required to submit statements related to their rating.

The rating assigned by the Tax Authorities shall have legal effect from July 2025. This means that the taxpayers with low rating could address measures such as imposition of previous preventive measures, extension of deadline for a rectifying sworn statement to be effective that determines a lower tax, and possible internal and external reputational risks.

Other significant changes
The term of tax exemptions included in Appendixes I and II of the Sales Tax Law was extended until December 31, 2025. Consequently, the sale of staple food and basic services—e.g., public transport, among others—will not be subject to sales tax. For more information: See Law 31651

According to the preliminary analysis of amendments mentioned in G and H items, it is considered that these changes will not have a significant effect to the operation or the Bank's tax position.

25. Classification of Financial Instruments

The following financial assets and liabilities are classified into a measurement category under IFRS 39:

	As of December 31, 2024					As of December 31, 2023				
In thousands of soles	Loans and accounts receivable	Available-for-sale	Held-to-maturity	Financial liabilities measured at amortized cost	Total	Loans and accounts receivable	Available-for-sale	Held-to-maturity	Financial liabilities measured at amortized cost	Total
Financial assets										
Cash an cash equivalents	14,576,739	-	-	-	14,576,739	22,238,546	-	-	-	22,238,546
Available-for-sale investments	-	7,601,024	-	-	7,601,024	-	4,573,623	-	-	4,573,623
Held-to-maturity investments	-	-	5,309,497	-	5,309,497	-	-	5,446,229	-	5,446,229
Loan portfolio, net	17,723,480	-	-	-	17,723,480	12,474,830	-	-	-	12,474,830
Accounts receivable, net	472,205	-	-	-	472,205	330,179	-	-	-	330,179
Other assets, net	50,102	-	-	-	50,102	350,615	-	-	-	350,615
	32,822,526	7,601,024	5,309,497	-	45,733,047	35,394,170	4,573,623	5,446,229	-	45,414,022
Financial liabilities										
Obligations with the public	-	-	-	40,301,231	40,301,231	-	-	-	41,881,109	41,881,109
Deposits with financial institutions and international financial institutions	-	-	-	459,149	459,149	-	-	-	550,666	550,666
Outstanding instruments and liabilities	-	-	-	251,520	251,520	-	-	-	251,642	251,642
Accounts payable	-	-	-	561,041	561,041	-	-	-	601,569	601,569
Other liabilities	-	-	-	923,248	923,248	-	-	-	270,610	270,610
	-	-	-	42,496,189	42,496,189	-	-	-	43,555,596	43,555,596

26. Financial Risk Management

The Bank is exposed to market risks arising from interest rate and foreign exchange positions; as well as liquidity, operational and credit risks, all of which are exposed to general and specific market movements. These risks are managed through the process of identification, measurement and continuous monitoring, subject to risk limits and other controls.

The Bank's overall risk management program focuses primarily on credit risk, whereby the Bank seeks to minimize the potential adverse effects of credit risk on its financial performance.

Management is aware of the current market conditions and, based on its knowledge and experience, reviews and monitors the risks following the policies approved by the Board of Directors. The independent risk management does not include business risks—e.g., changes in the environment, technology and industry. Those risks are monitored through the Bank's strategic planning process.

Risk management framework

The Bank's risk management policies, which include risk hedging and mitigation policies, are based on the respective risk management regulations. Thus, we have regulations for the management of credit, operational, market, liquidity and country risk. In addition, specialized committees report on the management of each of the risks to which the Bank is exposed.

The Bank's Board of Directors is ultimately responsible for identifying and controlling risks; however, there are different separate and independent bodies responsible for risk management and monitoring, as explained below:

i. Board of Directors

The Board of Directors is the most senior organizational unit responsible for the overall direction and control of the Bank's financial and administrative operations.

The Board of Directors has created specialized committees to which it delegated specific functions in order to strengthen risk management and internal control.

ii. Risk Committee

The Risk Committee is responsible for the strategy used for risk mitigation, as well as the approval of the objectives, guidelines, policies, procedures and methodologies for the identification and management of risks, among others. It is also responsible for supporting actions to ensure the Bank's financial economic viability to face the risks to which it is exposed.

The Risk Committee reports to the Board of Directors and is made up of only three (3) members of the Board of Directors, one of whom must not hold an executive position in the company and must preside over it.

iii. Audit Committee

The Audit Committee is the coordinating body between the Board of Directors, the Internal Audit Unit and the Institutional Control Body established to oversee the proper functioning of the internal control system.

The Audit Committee reports to the Board of Directors and its main purpose is to ensure that the accounting and financial reporting processes are appropriate, as well as to inform the Board of Directors about the implementation of recommendations issued by the SBS and the Comptroller General of the Republic; and those that may be warranted by the Bank's audits, verifying the implementation of the actions. The Committee meets periodically, at least once a month.

The Audit Committee is made up of three members of the Board of Directors who do not perform management activities in the Bank, one of whom chairs the Committee.

iv. Assets and Liabilities Management Committee

The Assets and Liabilities Management Committee is formed to define and manage the structure of the Assets and Liabilities of the Bank's statement of financial position, and to monitor liquidity risk through the analysis of indicators that reflect the results of the business and investment strategies, with the objective of maximizing profitability considering the level of risk assumed and ensuring that the company has sufficient resources to face a set of unexpected events that affect its liquidity, such as the loss or reduction of sources of financing.

This committee is made up of the CEO, General Manager, Finance and Treasury Manager, Product and Financial Inclusion Manager, Risk Manager. In addition, the Planning and Management Control Manager, Economic and Financial Studies Assistant Manager, Money Desk Assistant Manager, Credit and Financial Risk Assistant Manager and the officer in charge of the Investment Portfolio will be permanent guests, who meet at least once a month to discuss matters related to asset and liability management.

v. Credit Committee

The Credit Committee is an autonomous body for the approval of direct and indirect corporate loans, mortgage loans or other credit facilities in accordance with the limits established by the Board of Directors.

It is made up of the Executive President, who chairs it, the General Manager, the Manager of Products and Financial Inclusion, who acts as Secretary of the Committee, and the Risk Manager as an observer with no voting rights; employees that the Committee deems appropriate may also be invited to participate.

The Credit Committee meets according to the need to analyze the proposals submitted; however, it must meet at least every three months.

vi. General Management

The General Manager's mission is to manage the Bank's activities, as well as to resolve matters requiring his intervention, in accordance with the resolutions of the Board of Directors, and to represent the Bank in judicial and administrative matters.

Likewise, one of the main powers and duties of the General Manager is to plan, program, organize and supervise the activities and operations of the Bank's branches, in accordance with the policies established by the Board of Directors, being able to delegate part of his authority to other management officers of the Head Office or to the Heads of the decentralized agencies (Regional Managers).

Risk measurement and reporting system

The risk monitoring and management are mainly performed based on the limits established by the Bank. These limits reflect the Bank’s business strategy and market environment, as well as the risk exposure level that the Bank is willing to assume. Likewise, the Bank monitors and measures the total risk tolerance level in relation to the total risk exposure level in its business activities, based on the types of risks.

The obtained information is reviewed and processed in order to analyze, control and identify risks on a timely basis. This information is presented and explained to the Risk Committee, the Assets and Liabilities Management Committee and the Credit Committee, as appropriate. The report includes the total credit risk exposure, credit risk projections, credit risk retention exceptions, Value-at-Risk (VaR), liquidity ratios, market ratios, solvency and changing risk profile. Management assesses on an ongoing basis the relevance of the fair value of investments and the adequacy of the provision for loan losses.

Risk mitigation and hedging
The Bank, in order to mitigate the risks to which it is exposed and their concentrations, has established a series of measures, among which the following stand out: (i) Policies, procedures, methodologies and parameters to identify, measure, control and report risks, (ii) Review and evaluation of risk concentrations, through the Risk Committee, (iii) Timely monitoring and follow-up of risks and their maintenance within the defined tolerance levels and, (iv) Compliance with internal limits to counterparty concentrations.

The Bank does not use derivatives or other financial instruments to manage exposures resulting from changes in interest rates and foreign currency, since, as indicated below, Management considers that the Bank is not significantly exposed to such risks. In addition, specialized committees report on the management of each of the risks to which the Bank is exposed.

Risk concentration
The risk concentrations arise when a number of borrowers are engaged in similar business activities, or activities in the same geographical area, or have similar economic conditions, policies or others. Likewise, the risk concentrations indicate the sensitivity of the Bank's performance with the characteristics affecting a particular industry or geographical location.

The Bank’s policies and procedures include specific guidelines to focus on holding a diversified loan portfolio to avoid an over-concentration of risks. In addition, specialized committees report on the management of each of the risks to which the Bank is exposed.

Credit risk
The Bank adopts positions subject to credit risk. Credit risk is the risk that a financial loss will be incurred if a borrower to a financial instrument fails to meet its contractual obligations. The Bank’s activities are mainly exposed to credit risk. Therefore, management controls carefully its exposure to credit risk. The exposure to credit risk mainly arises from financing activities related to loans.

The Bank grants loans to its clients, mainly to Public Sector workers and pensioners, Local and Regional Governments, Intermediary Institutions (Banks, Financial Institutions, Rural and Municipal Savings Banks, and Credit Companies) and public sector entities. The largest concentration of loans is oriented to Public Sector Workers and Pensioners.

Likewise, the Bank establishes the credit risk exposure level that it assumes by setting out limits on the risk exposure accepted in relation to a borrower or group of borrowers. Such risk is monitored and reviewed on an ongoing basis. The limits on the risk exposure level per good and geographical segment are approved by the Board of Directors.

The exposure to credit risk is managed through an assessment of the borrower's ability to meet the payments of principal and interest, continuous analysis of the borrower's payment behavior (mainly consumer loans) and changes in the loan limits, when appropriate. The other specific control measures are the following:

- Warranties
  The Bank has a set of policies and practices to mitigate credit risk. The most traditional of these is to request collateral for loans, which is common practice. The Bank implements policies on the acceptability of specific types of collateral or credit risk mitigation. The main types of collateral for loans are as follows:

  - For consumer loans directed to Public Sector workers and pensioners, the Bank mitigates credit risk by requesting a signed promissory note and receiving as a deposit the remuneration of these debtors.

  - For home mortgage loans, guarantees include mortgages on real estate.

  - For loans granted to Financial Intermediation Institutions, the Bank requests as collateral the assignment of rights over the loan portfolio or the constitution of collateral over the loan portfolio classified in the "Normal" category, which is equivalent to the amount of the loan granted.

  - For corporate loans, the Bank requests collateral deposits, letters of guarantee, ordinary budgetary resources, according to the legal framework in force.

  - In addition, for corporate loans, those may require covenants.

  Guarantees are classified as self-liquidating preferred guarantees, very rapid realization preferred guarantees and preferred guarantees, as established in SBS Resolution 11356-2008, note 2(e).

  Operations Management, through the section of Loans and Warranties Management, monitors the market value of collateral, requests additional collateral in accordance with the underlying contract and monitors the market value of the pledge obtained during the review of the adequate allowance for loan losses. As part of the Bank's policies, recovered assets are sold in order of age. The sale proceeds are used to reduce or amortize the outstanding debt. In general, the Bank does not use recovered assets for its operating purposes.

  The Risk Committee sets out general credit policies for each of the activities in which the Bank chooses to participate.

As December 31, 2024 and 2023, the maximum exposure to credit risk, before considering the effect of guarantees received, is the carrying value of each of the classes of financial assets mentioned in note 25 and the contingent transactions detailed in note 17(a).

Management is confident in its ability to continue to control and maintain a minimum credit risk exposure for its loan and investment portfolio taking into account the following:

- 96.51% of the loan portfolio (direct and indirect) is classified in the top two levels of the classification system established by the SBS as of December 31, 2024 (2023: 95.71%);
- 98.01% of the gross loan portfolio is considered neither past due nor impaired as of December 31, 2024 (2023: 97.70%);
- 1.32% of the non-retail credit portfolio has a sovereign risk at December 31, 2024 (2023: 2.70%). Sovereign credit is considered as sovereign credit to the MEF, whose exposure at the end of 2024 was S/ 244,313 thousand.
- 100% of investments classified in Peru or abroad are at least investment grade (BBB- or higher) as of December 31, 2024 and 2023;
- 17.17% and 82.83% of available funds represent the amounts deposited in the vaults of the Bank and the Central Reserve Bank of Peru - BCRP, respectively, as of December 31, 2024 (2023: 9.88% and 88.06%).

Credit risk management of loans
The Bank classifies all of its loans in five risk categories in accordance with paragraph 2, Chapter II of SBS Resolution 11356-2008, which considers the degree of risk of default in the payment of each debtor. The categories used by the Bank are: (i) Standard, (ii) With potential problems, (iii) Substandard, (iv) Doubtful, and (v) Loss, and have the following characteristics:

i. Standard: Non-retail debtors are classified in this category when they have a liquid financial position, a low level of equity indebtedness, the capacity to generate profits and their cash flow generation allows them to meet their obligations and also meet their obligations on time. According to SBS Resolution 2368-2023, since October 1, 2024, the customer shall be classified in 'with potential problems' category when they have two (2) or more delays in payment greater than fifteen (15) days in the last six (6) months, provided it does not exceed sixty (60) days. Likewise, retail debtors are classified in this category when they meet their obligations on time or are up to 8 days overdue. On the other hand, debtors with mortgage loans are classified in this category when they comply with the established schedule or are up to 30 days late.

ii. With Potential Problems: A whole borrower is classified within this category when it has a sound financial position and profitability with an acceptable debt-to-equity ratio and cash flows to meet the payment of principal and interest on debts, and cash flows that could weaken in the next 12 months to face potential payments. Likewise, retail borrowers are classified in this category when they are 9 to 30 days past due, while mortgage borrowers are classified in this category when they are 31 to 60 days past due.

iii. Substandard: Non-retail debtors are classified in this category when they are in a weak financial position and their cash flow does not allow them to make full payment of principal and interest, or when they are 60 to 121 days past due. Likewise, retail borrowers are classified in this category when they are 31 to 60 days past due, while mortgage borrowers are classified in this category when they are 61 to 120 days past due.

iv. Doubtful: Non-retail debtors are classified in this category when they are in a critical financial situation that does not allow them to pay either principal or interest, have high equity indebtedness, and are forced to sell important assets, or are 120 to 365 days past due; in this category the recoverability of the loan is uncertain. Likewise, retail debtors are classified in this category when they are 61 to 120 days past due, while mortgage debtors are classified in this category when they are 121 to 365 days past due.

v. Loss: Non-retail debtors are classified in this category when their financial situation does not allow them to comply with refinancing agreements, the company is not operating or is in liquidation, and they are more than 365 days in arrears. Likewise, retail debtors are classified in this category when they are more than 120 days past due, while mortgage debtors are classified in this category when they are more than 365 days past due.

With respect to the evaluation of the loan portfolio, the Bank classifies debtors in the risk categories established by the SBS and in accordance with the classification criteria established for each type of loan, i.e., for non-retail, consumer and mortgage loans. The classification of debtors in the corresponding categories is determined following the criteria of SBS Resolution 11356-2008, note 2(e).

When a loan is uncollectible, it is written off against the related allowance for doubtful accounts. Such loans are written off after all necessary legal procedures have been completed and the write-off has been approved by the Board of Directors, in accordance with SBS Resolution 11356-2008, or by the corresponding authority according to autonomy levels. The subsequent recovery of the amounts previously written off decreases the amount of the allowance for doubtful accounts in the statement of comprehensive income.

The following is a summary of direct loans classified in three groups:

(i) neither past due nor impaired loans, which comprise direct loans of customers rated as Standard or With potential problems; (ii) past due but not impaired loans, which comprise loans past due of customers rated as Standard or With potential problems; and (iii) impaired loans, which comprise loans past due of customers rated as Substandard, Doubtful or Loss. Also, the Bank recognizes a provision for loan losses per type of loan.

	As of December 31, 2024						As of December 31, 2023					
In thousands of soles	Wholesale loans	Small-business and micro-business loans	Consumer loans	Mortgage loans	Total	%	Wholesale loans	Small-business and micro-business loans	Consumer loans	Mortgage loans	Total	%
Neither past due nor impaired												
Standard	4,085,805	-	8,916,065	704,116	13,705,986	77.69	3,610,749	-	8,158,471	613,355	12,382.575	99.81
With potential problems	3,765,590	-	334,803	2,322	4,102,715	23.26	-	-	155,769	768	156,537	1.26
Past due but not impaired												
With potential problems	-	-	-	2,735	2,735	0.02	677	-	-	3,207	3,884	0.03
Impaired												
Substandard	-	-	77,194	1,757	78,992	0.45	-	-	79,595	2,290	81,885	0.66
Doubtful		-	202,977	4,569	207,546	1.18	17	-	164,983	5,139	170,139	1.37
Loss	6,671	976	344,495	5,566	357,668	2.03	6,614	980	263,721	2,313	273,628	2.21
Gross	**7,858,066**	**976**	**9,875,534**	**721,065**	**18,455,642**	**104.63**	**3,618,056**	**980**	**8,822,538**	**627,072**	**13,068,646**	**105.34**
Less: provision for doubtful accounts	76,340	981	722,066	14,341	813,727	4.61	46,563	350	603,937	11,136	661,985	5.34
Total net	**7,781,726**	**0**	**9,153,468**	**706,725**	**17,641,915**	**100.00**	**3,571,493**	**630**	**8,218,601**	**615,936**	**12,406,661**	**100**

Details of the gross amount of impaired loans by type of loan, together with the fair value of the related collateral and the amounts of the provision for net direct loans, are as follows:

	As of December 31, 2024					As of December 31, 2023				
In thousands of soles	Wholesale loans	Small-business and micro-business loans	Consumer loans	Mortgage loans	Total	Wholesale loans	Small-business and micro-business loans	Consumer loans	Mortgage loans	Total
Impaired loans	6,671	976	624,666	11,892	644,205	6,630	980	508,298	9,742	525,650
Provision for loan losses	33,110	976	502,320	8,885	545,291	6,630	980	387,671	6,185	401,466

As of December 31, 2024 and 2023, the risk exposure of the loan portfolio is distributed among the following economic sectors:

In thousands of soles	2024	2023
Financial intermediation	2,601,777	2,806,489
Public administration and defense	1,204,774	107,126
Manufacturing	3,767,221	524,750
Transport, storage and communications	3,589	2,004
Others	281,681	178,361
Subtotal	**7,859,042**	**3,619,037**
Consumer loans	9,875,534	8,822,538
Mortgage loans	721,066	627,072
	18,455,642	**13,068,646**

In consideration of the Official Letter issued by the SBS, the Bank modified the contractual conditions of the loans that as of February 29 were up to date in their payments or were less than 30 days overdue, without such modification resulting in a "refinanced loan". As of December 31, 2024 and 2023, the balances of the loans rescheduled and not considered as "refinanced loans", for the aforementioned concept, amount approximately to S/ 195,395 thousand and S/ 290,140 thousand, respectively.

Credit risk management in investments at FVTPL, available-for-sale and held-to-maturity.
The Bank evaluates the identified credit risk of each of the financial instruments in these categories, exposing the risk rating granted by a risk rating agency. For investments traded only in Peru, the risk ratings used are those provided by the most prestigious Peruvian rating agencies (authorized by the SBS) and for investments traded abroad, the risk ratings used are those provided by the three most prestigious international rating agencies, in both cases using a conservative approach (lowest risk rating).

The following table shows the risk analysis of the available-for-sale investments provided by the institutions referred to above:

In thousands of soles	As of December 31, 2024		As of December 31, 2023	
Ranking in foreign countries				
A-2	2,832,140	37.26%	2,835,414	61.99%
BBB- to BBB+	4,709,096	61.95%	1,697,017	37.10%
Shares without ranking	59,788	0.79%	41,192	0.90%
Total	7,601,024	100.00%	4,573,623	100.00%

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

In thousands of soles	As of December 31, 2024		As of December 31, 2023	
Ranking in foreign countries				
BBB- to BBB+	5,545,249	100.00%	5,094,912	100.00%
	5,545,249	100.00%	5,094,912	100.00%

As of December 31, 2024 and 2023, financial instruments with exposure to credit risk were distributed by the following geographical areas:

	As of December 31, 2024				As of December 31, 2023			
In thousands of soles	Loans and accounts receivable	Available-for-sale	Held-to-maturity	Total	Loans and accounts receivable	Available-for-sale	Held-to-maturity	Total
Peru	32,605,142	7,541,236	5,309,497	45,455,875	34,785,237	4,532,430	5,446,229	44,763,896
United States	93,854	-	-	93,854	184,507	-	-	184,507
Panama	-	59,788	-	59,788	-	41,193	-	41,193
England	4,073	-	-	4,073	4,743	-	-	4,743
Germany	6,455	-	-	6,455	6,593	-	-	6,593
Other countries	63,104	-	-	63,104	62,710	-	-	62,710
Country risk	(204)	-	-	(204)	(235)	-	-	(235)
	32,772,424	7,601,024	5,309,497	45,682,945	35,043,555	4,573,623	5,446,229	45,063,407

Likewise, as of December 31, the Bank had the following distribution of direct loans by economic sector:

In thousands of soles	2024		2023	
Mortgage and consumer loans	10,596,600	58%	9,449,610	73%
Financial intermediation	2,601,777	19%	2,806,769	21%
Mining	-	-	187,000	1%
Public administration and defense	1,204,774	3%	617,982	5%
Transportation services	3,589	-	3,561	-
Manufacturing	3,767,221	20%	1,628	-
Agriculture and livestock	90	-	85	-
Business	311	-	12	-
Other – non-profit, health and automotive	281,280	-	1,999	-
	18,455,642	100%	13,068,646	100%

Liquidity risk

Liquidity risk consists of the Bank's inability to comply with the maturity of its obligations, thus incurring into losses that importantly affect its equity position. This risk may arise as result of diverse events such as: the unexpected decrease of funding sources, the inability to rapidly settle assets, among others.

The Bank's liquidity is managed by the Assets and Liabilities Management Committee where positions, movements, indicators and limits on liquidity management are presented. Liquidity risk is supervised by the Risk Committee, where the risk appetite to be proposed to the Board of Directors is defined and the corresponding indicators, limits and controls are reviewed.

In addition, the Bank has a set of indicators that are monitored and reported frequently, which establish the minimum liquidity levels allowed. The indicators reflect various aspects of risk, such as: concentration, stability, currency position, availability of liquid assets, etc.

The procedure to control mismatches of contractual maturities and interest rates of assets and liabilities is essential to the Bank’s management. However, it is unusual for banks to be completely matched, due to uncertain terms and various types of transactions they perform. An uncovered position in terms may potentially increase the profitability, but it also increases the risk of losses.

The contractual maturities of assets and liabilities and the ability to replace them at maturity date, at an acceptable cost, as well as the interest-bearing liabilities are relevant factors in determining the Bank's liquidity and its exposure to changes in the interest rates and exchange rates.

The Bank has an internal model, which is based on expected maturities and the use of methodological assumptions for asset and liability accounts. Thus, we have: (i) for asset accounts, the expected flows of investment and credit accounts are considered and distribution criteria are assumed on accounts receivable; and (ii) for liability accounts with uncertain maturity, the internal historical LAR (Liquidity at Risk) methodology is used, which is based on the review of the historical data of the accounts and the volatility of their variations, in order to estimate their expected maturity. Likewise, criteria are assumed for the distribution of accounts payable and, for the rest of the liabilities, their flows are distributed according to their contractual maturity.

The following table presents the cash flows payable by the Bank according to contractual terms agreed at the statement of financial position dates (excluding future interest, if applicable). The amounts disclosed are the cash flows according to the undiscounted contractual terms:

	As of December 31, 2024					As of December 31, 2023				
In thousands of soles	Up to 1 month	1–3 months	3–12 months	More than 1 year	Total	Up to 1 month	1–3 months	3–12 months	More than 1 year	Total
Financial liabilities by type										
Obligations with the public	5,403,683	4,907,774	1,874,596	28,629,568	40,815,621	4,263,963	3,910,713	1,860,324	32,329,794	42,364,794
Deposits with financial institutions and international financial institutions	423,763	2,466	-	5,505	431,734	463,505	69,371	-	2,500	535,375
Outstanding instruments and liabilities	-	-	1,504	250,016	251,520	-	-	1,670	249,972	251,642
Accounts payable	117,161	572	233,271	62,183	413,188	163,845	110,967	80,779	76,177	431,768
Other liabilities	911,917	-	-	-	911,917	217,001	-	-	-	217,001
Total non-derivative financial liabilities	**6,856,525**	**4,910,812**	**2,109,371**	**28,947,272**	**42,823,980**	**5,108,313**	**4,091,051**	**1,942,773**	**32,658,443**	**43,800,581**

The following table shows the changes in liabilities from financing activities as indicated by IAS 7:

In thousands of soles	January 1, 2024	Cash flows	Approval of profit sharing	Interest payable	December 31, 2024
Profit distribution to the Treasury	-	(322,385)	322,385	-	-
Cash paid for interest on subordinated bonds	251,642	(20,000)	-	19,878	251,520
Total liabilities from financing activities	**251,642**	**(342,385)**	**322,385**	**19,878**	**251,520**

In thousands of soles	January 1, 2023	Cash flows	Approval of profit sharing	Interest payable	December 31, 2023
Profit distribution to the Treasury	-	(1,199,332)	1,199,332	-	-
Cash paid for interest on subordinated bonds	251,655	(20,000)	-	19,987	251,642
Total liabilities from financing activities	**251,655**	**(1,219,332)**	**1,199,332**	**19,987**	**251,642**

Market risk
The Bank is exposed to market risk, which is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices and the level of volatility of interest rate, foreign exchange, commodity and equity investment positions, which are exposed to general and specific market movements. Due to the nature of the Bank's current activities, commodity price risk is not applicable to the Bank.

On the other hand, it is important to mention that due to the COVID-19 pandemic, these market risks present a greater tendency to present more pronounced fluctuations, due to the instability in the financial markets; in view of this situation, the Bank has been periodically monitoring these fluctuations in order to be able to quantify the impact that fluctuations generate in the valuation of its financial assets and liabilities.

i. Interest rate risk
Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or financial instruments fair values. The risk of the cash flow interest rate is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The risk on the fair value of interest rates is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The impact of changes in interest rates can be presented in two ways: the first, which translates into an impact on expected earnings, directly related to reinvestment risk and the risk that is generated when movements in interest rates expose the entity to higher costs in financing operations (passive interest rates); or lower returns on their investment operations (active interest rates). The second one is related to the valuation of assets and liabilities of the Fund, and therefore, the economic value or actual value of its equity. This modality occurs when market interest rates change, used for the valuation of the various instruments that are part of the Bank's statement of financial position.

The SBS calls these two impacts as Earnings at Risk (EaR) and Equity Value at Risk (VaR), establishing a regulatory maximum limit of 5.0 percent for the former, and requiring an additional effective equity increase in case the latter exceeds 15.0 percent.

(Percentage)	2024	2023
VaR (i)	0.72	11.45
EaR (ii)	0.29	1.06

The Board of Directors establishes limits on the level of interest rate repricing imbalance, which is monitored by Risk Management.

Repricing gap
The repricing gap analysis comprises the determination of the amount of assets and liabilities that adjust their interest rates in each time gap, considering the maturity of the transaction and the interest rate adjustment period corresponding to the next period. This analysis focuses on measuring the impact of interest rate changes on expected earnings.

The following table shows the Bank’s exposure to interest rate risk. The table provides the carrying amount of the Bank's financial instruments, which are classified on the repricing date of the contract interest rate or the maturity date, whichever occurs first.

	As of December 31, 2024					
In thousands of soles	Up to 1 month	1 – 3 months	3 – 12 months	More than 12 months	Do not accrue interest	Total
Assets						
Available funds	8,785,782	3,000,000	-	1,431	2,789,730	14,576,943
Available-for-sale investments	357,488	2,509,364	8,261	4,666,122	59,788	7,601,024
Held to maturity investments	-	130,668	-	5,178,829	-	5,309,497
Loan portfolio, net	873,132	835,691	7,095,576	9,368,184	(424,593)	17,747,989
Accounts receivable and other assets, net	-	-	17	932	1,439,614	1,440,564
Total assets	**10,016,403**	**6,475,722**	**7,103,854**	**19,215,498**	**3,804,752**	**46,676,018**
Liabilities						
Deposits and obligations	7,018,686	5,342,820	10,111,650	17,530,587	756,636	40,760,380
Outstanding instruments and liabilities	-	-	1,504	250,016	-	251,520
Accounts payable and other liabilities	-	-	-	-	1,887,439	1,887,439
Equity	-	-	-	-	3,751,965	3,751,965
Total liabilities	**7,018,686**	**5,342,820**	**10,113,155**	**17,780,603**	**6,396,040**	**46,651,304**
Marginal gap	2,997,717	1,132,902	(3,009,301)	1,434,895	(2,591,288)	-
Cumulative gap	2,997,717	4,130,618	1,121,317	2,556,213	-	-

	As of December 31, 2023					
In thousands of soles	Up to 1 month	1 – 3 months	3 – 12 months	More than 12 months	Do not accrue interest	Total
Assets						
Available funds	6,909,217	2,000,000	10,000,000	1,175	3,328,154	22,238,546
Available-for-sale investments	158,197	1,888,454	830,140	1,696,832	-	4,573,623
Held to maturity investments	38,720	138,878	80,907	5,187,724	-	5,446,229
Loan portfolio, net	716,383	950,731	2,829,050	8,358,135	(379,469)	12,474,830
Accounts receivable and other assets, net	-	-	17	-	1,636,324	1,636,341
Total assets	**7,822,517**	**4,978,063**	**13,740,114**	**15,243,866**	**4,585,009**	**46,369,569**
Liabilities						
Deposits and obligations	8,746,089	8,483,792	8,898,016	11,477,364	4,275,848	41,881,109
Outstanding instruments and liabilities	-	-	1,670	249,972	-	251,642
Accounts payable and other liabilities	-	-	-	-	1,680,215	1,680,215
Equity	-	-	-	-	2,556,603	2,556,603
Total liabilities	**8,746,089**	**8,483,792**	**8,899,686**	**11,727,336**	**8,512,666**	**46,369,569**
Marginal gap	(923,572)	(3,505,729)	4,840,428	3,516,530	(3,927,657)	-
Cumulative gap	(923,572)	(4,429,301)	411,127	3,927,657	-	-

The Bank's exposure to this risk arises from changes in interest rates, basically for its debts and financial obligations. The Bank does not use derivative financial instruments to hedge this risk, which is minimized by maintaining its debts and financial obligations at fixed interest rates.

Therefore, management believes that fluctuations in interest rates will not affect the Bank's results.

ii. Exchange rate risk

The Bank is exposed to fluctuations in foreign currency exchange rates prevailing in its financial position and cash flows. Management sets limits on exposure levels by currency and total daily positions, which are monitored on a daily basis.

Foreign currency transactions are entered into at free-market exchange rates.

As of December 31, 2024, the weighted average of free-market exchange rates used in foreign currency transactions (U.S. dollars) were S/ 3.758 (buy rate) and S/ 3.770 (sell rate) (2023: S/ 3.705 and S/ 3.713, respectively). As of December 31, 2024, the exchange rate for the accounting of assets and liabilities in foreign currency fixed by the SBS is S/ 3.764 per 1 US$ (2023: S/ 3.7090 per 1 US$).

As of December 31, 2024, the Bank has indirect credits in foreign currency for approximately US$ 809,337 thousand, equivalent to approximately S/ 3,046,344 thousand (2023: approximately US$ 496,221 thousand, equivalent to approximately S/ 1,841,226 thousand).

The Bank manages the exchange rate risk by monitoring and controlling foreign exchange positions exposed to changes in the exchange rates. The Bank measures its return in local currency (soles), so that if the foreign exchange position is positive, any depreciation of the local currency would have a positive effect on the statement of financial position. Current position in foreign currency comprises assets and liabilities stated at exchange rates. The open position of an entity comprises assets, liabilities and suspense accounts stated in the foreign currency in which the entity assumes the exchange rate risk. A revaluation or devaluation of the foreign currency would have an effect on the statement of profit or loss.

The Bank's net monetary position is the sum of its positive open positions in currencies other than the local currency (net long position), less the sum of its negative open positions in currencies other than the local currency(net short position). A revaluation or devaluation of the foreign currency would have an effect on the statement of profit or loss. An imbalance in the monetary position would make the Bank's statement of financial position vulnerable to changes in the exchange rates (exchange rate shock).

The following table shows the sensitivity analysis for each currency (i.e., U.S. dollar) to which the Bank is exposed as of December 31, 2024 and 2023, arising from monetary items and future cash flows. The analysis determines the effect of a reasonably possible variation of the exchange rate against the soles on the statement of comprehensive income, before income tax, considering all other variables constant. A negative amount reflects a possible decrease in profit or loss, while a positive amount, a possible net increase.

Sensitivity analysis	Change in exchange rates	2024	2023
Devaluation			
USD	5%	(9,492)	(8,746)
USD	10%	(18,985)	(17,492)
Revaluation			
USD	5%	9,492	8,746
USD	10%	18,985	17,492

Fair Value

(a) Financial instruments measured at fair value and fair value hierarchy
The following table shows an analysis of financial instruments measured at fair value at the reporting date, including the level of the fair value hierarchy. The amounts are based on the values recognized in the statement of financial position:

	As of December 31, 2024			
In thousands of soles	Level 1	Level 2	Level 3	Total
Available-for-sale investments				
Certificates of deposit – BCRP	-	2,816,201	-	2,816,201
Sovereign bonds	4,682,645	-	-	4,682,645
Capital instruments	59,788	-	-	59,788
	-	-	-	**7,558,634**
Accrued interest	-	-	-	42,390
Total available-for-sale investments	-	-	-	**7,601,024**

	As of December 31, 2023			
In thousands of soles	Level 1	Level 2	Level 3	Total
Available-for-sale investments				
Certificates of deposit – BCRP	-	2,785,892	-	2,785,892
Sovereign bonds	1,671,926	-	-	1,671,926
Capital instruments	41,192	-	-	41,193
	-	-	-	**4,499,010**
Accrued interest	-	-	-	74,613
Total available-for-sale investments	-	-	-	**4,573,623**

Financial instruments included in level 1 are those that are measured on the basis of quoted prices obtained in an active market. A financial instrument is considered as quoted in an active market if prices are readily and regularly available from a centralized trading facility, agent, broker, industry group, price vendors or regulatory entities; and such prices are regularly derived from market transactions.

Financial instruments included in level 2 are measured based on market factors. This category includes instruments valued using: market prices of similar instruments, whether from active markets or not, and other valuation techniques (models) where all significant inputs are directly or indirectly observable in the market.

The following is a description of how the fair value of the Bank's main financial instruments is determined using valuation techniques with observable market data, which incorporates the Bank's estimates of the assumptions that market participants would make in valuing these instruments:

- The valuation of BCRP certificates of deposit, corporate bonds and sovereign bonds is performed by calculating the Net Present Value (NPV) through discounting their cash flows, using the relevant zero coupon curves to discount the flows in the respective currency and considering observable market transactions. Other debt instruments are valued using valuation techniques based on assumptions supported by observable prices in current market transactions, whose prices are obtained through price vendors. However, when prices have not been determined in an active market, fair value is based on broker quotes and assets are valued using models where most of the assumptions are observable in the market.

(b) Financial liabilities not measured at fair value

The disclosure of the comparison between the carrying amounts and fair values of financial instruments not measured at fair value presented in the statement of financial position, including the level of the fair value hierarchy, is presented below:

	As of December 31, 2024					As of December 31, 2023				
In thousands of soles	Level 1	Level 2	Level 3	Fair value	Carrying amount	Level 1	Level 2	Level 3	Fair value	Carrying amount
Assets										
Available funds	-	22,238,546	-	22,238,546	14,576,739	-	22,238,546	-	22,238,546	22,238,546
Held to maturity investments	-	5,545,249	-	5,545,249	5,309,497	-	5,133,036	-	5,133,036	5,446,229
Loan portfolio, net	-	17,723,480	-	17,723,480	17,723,480	-	12,474,830	-	12,474,830	12,474,830
Accounts receivable, net	-	472,205	-	472,205	472,205	-	330,179	-	330,179	330,179
Other assets, net	-	50,102	-	50,102	50,102	-	350,615	-	350,615	350,615
Total	**-**	**46,029,582**	**-**	**46,029,5823**	**38,132,023**	**-**	**40,527,206**	**-**	**40,527,203**	**40,840,399**
Liabilities										
Obligations with the public	-	40,301,231	-	40,301,231	40,301,231	-	41,881,109	-	41,881,109	41,881,109
Deposits with financial institutions	-	459,149	-	459,149	459,149	-	550,666	-	550,666	550,666
Outstanding instruments and liabilities	-	251,520	-	251,520	251,520	-	251,642	-	251,642	251,642
Accounts payable	-	413,188	-	413,188	413,188	-	431,766	-	431,766	431,766
Other liabilities	-	923,248	-	923,248	923,248	-	270,610	-	270,610	270,610
Total	**-**	**42,348,336**	**-**	**42,348,336**	**42,348,336**	**-**	**43,385,793**	**-**	**43,385,793**	**43,385,793**

The valuation techniques and assumptions used to determine quoted prices depend on the contractual terms and characteristics of risks inherent in the financial instruments:

- Assets whose fair value is similar to the carrying amount: The Bank assumes that the carrying amount of financial assets and financial liabilities that are short-term (less than 3 months), highly liquid investments is similar to the fair value. This assumption is also applicable to time deposits, savings accounts that have no specific maturity and variable-rate financial instruments.

- Fixed-rate financial instruments: The fair value of fixed-rate financial assets and liabilities measured at amortized cost is measured comparing market interest rates at initial recognition and current market rates related to similar financial instruments. When market prices are not available, the discounted cash flow model is used based on the interest rate yield curve for the remaining term to maturity. The fair value of loans and deposits and obligations, according to SBS Official Letter 1575--2014, is similar to the carrying amount.

27. Contingencies

As of December 31, 2024 and 2023, the Bank has civil, administrative, labor and other legal claims related to its activities which, in the opinion of management and its legal advisors are contingencies qualified as possible (in accordance with the application of IAS 37).

As of December 31, 2024, their estimated amount amounts to S/ 260,652 thousand and US$ 107 thousand.

As of December 31, 2023, their estimated amount amounts to S/ 539,464 thousand and US$ 1,286 thousand.

In the opinion of management and its legal advisors, as a consequence of these claims, they will not result in important liabilities for the financial statements.

28. Subsequent Events

To date, the Bank has not estimated the total or partial capitalization of profits 2024; however, regular evaluations are made due to the potential need of requiring equity strengthening to its stockholder.

On December 27, 2024, the Bank claimed 2,753,106 bonds for S/ 2,969,224 thousand of the Sovereign Bond 12AGO2033, according to the Ministerial Resolution 399-2024-EF/52. On February 14, 2025, the last sale of such stock was made, leaving no remaining position.

No material events or facts that may have a significant effect on the Bank's financial position have occurred between the end of the reporting period and the date when the financial statements are authorized for issue.