CREDICORP LTD
Form 6-K/A
March 09, 2017

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K/A

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 under the

Securities Exchange Act of 1934

For the month of March 2017

Commission File Number: 001-14014

CREDICORP LTD.

(Translation of registrant's name into English)

Clarendon House

Church Street

Hamilton HM 11 Bermuda

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F x Form 40-F ¨

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

This Form 6-K/A is being furnished to add the report of independent external auditors of Gaveglio, Aparicio y Asociados Sociedad de Responsabilidad Limitada, members of PricewaterhouseCoopers in Peru, to the “Financial Statements and Notes of Credicorp Ltd. and its subsidiaries as of December 31, 2016, together with the Audit Report thereon”, which was included as Exhibit 99.2 on Form 6-K furnished on February 24th 2017. Other than the inclusion of the audit report, which had been inadvertently excluded from such Exhibit 99.2, the financial statements have not changed.

The information in this Form 6-K (including any exhibit hereto) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 9th, 2017

CREDICORP LTD.

(Registrant)

By:/s/ Miriam Böttger
Miriam Böttger
Authorized Representative

CREDICORP LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2016 AND 2015

CREDICORP LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2016 AND 2015

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S/ =Peruvian Sol
US$=United States dollar

(A free translation of the original in Spanish)

REPORT OF THE INDEPENDENT AUDITORS

To The Shareholders

Credicorp Ltd.

Opinion on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material aspects the consolidated financial position of **Credicorp Ltd. and its subsidiaries (the Group)** as at December 31, 2016, their consolidated financial performance and consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at December 31, 2016;
- the consolidated statement of income for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Auditing Standards (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements section of our report.*

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants* (IESBA code) and the ethical requirements of the *Code of Professional Ethics* issued by the Board of Deans of the Institutes of Peruvian Certified Public Accountants, which are relevant for our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities in accordance with the IESBA code and the ethical requirements of the *Code of Professional Ethics* issued by the Board of Deans of the Institutes of Peruvian Certified Accountants.

Our audit approach

Overview

An audit is designed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Errors may arise due to error or fraud. These are considered material if, individually or in total, they could reasonably influence the economic decisions that users make based on the consolidated financial statements.

The scope of our audit and the nature, timing and extent of our procedures was determined by our risk assessment that the consolidated financial statements may contain material errors, whether due to fraud or error. We carried out our audit procedures based on the approach of legal entities considered financially significant in the context of the Group, with a combination of full scope audits and audits of specific accounts to achieve the desired level of evidence at a consolidated level.

Key Audit Matters (KAM) are those which, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period:

· Information technology environment;

· Allowance for loan losses;

· Valuation of the mathematical life annuities reserves; and

· Recoverable value of goodwill.

As part of designing of our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

How we designed the scope of our audit of the Group

We have designed the scope of our audit in order to be able to carry out sufficient work to permit us to issue an opinion regarding the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls and the economic sector in which the Group operates.

In establishing the general approach of the Group, we determined the type of work that required to be done on the components, based mainly on individual legal entities. In that sense, we consider Banco de Crédito del Perú S.A. and Mibanco, Banco de la Microempresa S.A., as significant components based on their individual contributions profit before tax, and El Pacífico Vida Compañía de Seguros y Reaseguros S.A. due to the significant risk related to the valuation of the mathematical life annuity reserves. Additionally, we have considered the individual work carried out in each subsidiary, for the purpose of the issue of the statutory audit opinion for each entity.

The statutory audit of the subsidiaries includes work performed by other firms of PwC in the region, like Panama, Chile, Colombia and Bolivia. For those works we determined the level of participation that we needed to obtain in the auditing work in those entities in order to conclude as to whether sufficient and appropriate audit evidence had been obtained as a basis for our opinion with regard to the consolidated financial statements as a whole. This includes regular communication with the other PwC firms mentioned above during the entire year, the issue of instructions, visits to the auditors of components by the members of the main work team, a review of the results of their audit procedures including the nature, timing and extent of the work which affect the audit opinion of the Group.

Collectively, these procedures covered almost 98% of the profit before tax and 99% of the total consolidated assets.

Key Audit Matters (KAM)

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

Key Audit Matters (KAM)	***How our audit addressed the key audit matter***
Information technology environment We identified the information technology environment as an area of focus in our audit, since Credicorp Ltd. and subsidiaries are highly dependent on their technology structure, both for the processing of their operations, as well as for the reasonable preparation and presentation of their consolidated financial statements. The Group has technological infrastructure for its business activities, as well as ongoing plans for the improvement and maintenance of the access of management and change in the pertinent systems and applications, the development of new programs and automated controls and automated components in the relevant business processes. The controls to authorize, control, restrict and cancel accesses to the technology environment and program changes are fundamental for mitigating the potential risk of fraud or error based on the misuse or improper change in the systems of the Group, thus ensuring the integrity of the financial information and accounting records. The Group has an information technology structure which comprises more than one technology environment with different processes and segregated controls. The lack of suitability of the general technology control environment and its dependent controls could trigger incorrect processing of critical information for the preparation of the consolidated financial statements.	With the participation of specialists in systems audit, we evaluated and tested the design and operational effectiveness of the general controls of information technology. Although our audit is not for the purpose of giving an opinion on the effectiveness of the Information Technology (IT) controls, we reviewed the Group's framework of governance of IT and the controls on the management of access to the programs, and data, the development of and changes in programs, the IT operations and the segregation of functions, including compensating controls, when necessary. The IT environment and the controls established by management, combined with the testing of controls, including compensating controls, which we have applied, provide us with a reasonable basis for depositing our confidence in the integrity and reliability of the information generated for the preparation of the Group's financial statements.

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key Audit Matter (KAM)	*How our audit addressed the key audit matter*
Allowance for loan losses	
As mentioned in notes 3 (i), 7 and 34.1 to the consolidated financial statements, the allowance for loan losses at December 31, 2016 amounts to approximately S/4,207 million.	We evaluated and tested the design and operational effectiveness of the controls over the data and calculation of allowance for loan losses. These controls included, among others: i) the integrity of the data base and the auxiliary systems; ii) models and assumptions adopted by the management to determine the value of the portfolio of recoverable loans; iii) the follow up and valuation of the guarantees; iv) the validation and approval by management; and v) the preparation and disclosure in the notes to the financial statements. Additionally, we tested information technology controls over the extraction and calculation of the provision.
We consider this heading of the financial statements to be an KAM since it relates to an accounting estimate which implies a high level of professional judgment on the part of management.	
	We focused our audit, among others, on the following aspects:
For the determination of the allowance for loan losses, management has developed specific methodologies for wholesale and retail credits. Those methodologies imply a process with various assumptions and judgments, among which are, the financial situation of the counterparty, the expected future cash flows, the estimated recoverable values of guarantees and adverse effects due to changes in the political and economic environments.	· Evaluation of compliance of the parameters established by IAS 39, 'Financial instruments: recognition and measurement; · Evaluation of the reasonableness of the models and principal assumptions used for the calculation of provisions;
The use of different techniques and assumptions of the model could result in significantly different provisions. Futhermore, credit risk management is complex and depends on the data base being reliable and complete.	· Revision of the methodology used to segregate the loan portfolios based on homogeneous characteristics; · Evaluation of the methodology for estimating future cash flows of clients with past due loans (impaired portfolio) and the determination of the probability of default by clients without arrears (unimpaired portfolio); · Evaluation of whether the data used to estimate the provision are complete and accurate; and

· Revision of the calculation of the provision in September and December of 2016.

Furthermore, for the Wholesale credits, we have evaluated the specific considerations of management to determine the provision on credits of the infrastructure and construction segment.

We consider that the criteria and assumptions adopted by management to determine the allowance for loan losses, as well as the information disclosed in the financial statements are reasonable in the relevant aspects in the context of the consolidated financial statements.

Key Audit Matter (KAM)	***How our audit addressed the key audit matter***
Valuation of the mathematical life annuities reserves	
The amount recognized as mathematic reserves for life annuities is approximately S/3,908 million at December 31, 2016, see notes 3 (e) and 16 to the consolidated financial statements.	We obtained an understanding and applied tests to the key controls in the processes of mathematic reserves and the related processes, to analyze the actuarial and economic assumptions, as well as the data used in the calculations. We identified that the key controls related to the determination of the assumptions and the methodology of the calculation, were designed, implemented and operate effectively.
The valuation of the Group’s insurance contracts depends on some key subjective assumptions regarding future events. The valuation of the liabilities generated by insurance contracts is made based on the actuarial assumptions and data used in the calculation.	We held meetings with the financial, investment and actuarial management areas, in order to obtain an understanding of the judgments and criteria used to determine the key actuarial economic assumptions used in the calculation of the mathematical life annuity reserves.
Some of the key actuarial economic assumptions used in the valuation of the insurance contracts are critical and include, among others, the discount rate, life expectancy of the population and the future expenses to be incurred to maintain the existing policies.	We have reviewed the adequacy of the actuarial and economic assumptions as a whole. With the participation of actuarial specialists, we evaluated the reasonableness of the actuarial assumptions in an independent manner and we considered they are reasonable, including the questioning of management with regard to the main criteria and judgments applied. Our evaluation included reference to independent comparative data.
Minor changes in each of these key assumptions could result in significant impacts in the valuation of the obligations for those insurance contracts and in the respective impacts reflected in the consolidated statement of income.	Based on the results of our auditing work, we considered that the assumptions applied and criteria used to determine the estimates used by the Group’s management, in relation to the amounts recognized as mathematical life annuities reserves are reasonable.
Considering the above, this accounting estimate was a key audit matter in our audit.	

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Key Audit Matters (KAM)	*How our audit addressed the key audit matters*
Recoverable value of goodwill As described in note 11 (b) to the consolidated financial statements, the total of goodwill at December 31, 2016 amounted to approximately S/636 million.	We evaluated and tested the design and operational effectiveness of the controls over the data and calculations of the recoverable value of goodwill.
The balances of goodwill are submitted annually to impairment testing, which has been carried out by management for all of the Cash Generating Units ("CGUs") based on the methodology of fair value less costs to sell. This test considers the use of significant premises and judgment by management, including the determination of the expected cash flows and the discount rates of each CGU or group of CGUs.	We have also, with the support of our valuation specialists, analyzed the reasonableness of the methodologies applied for the determination of the recoverable values of each CGU, as well as the main assumptions used in the calculation of impairment of goodwill prepared by management in order to corroborate the reasonableness of those estimates, such as (i) future cash or dividend projections; (ii) the assumptions about margins ; (iii) the discount rates; (iv) the payout ratio and ; (v) the considerations for the calculation of terminal values.
We consider this accounting estimate to be a key audit matter, since it concerns the projection of future results of each CGU or group of CGUs, and the use of different premises regarding the projection of future results which could significantly modify the perspectives of realizing these assets and the eventual need to establish a provision for impairment with a direct impact on the consolidated financial statements.	We consider that the assumptions adopted by management for the determination of the recoverable value of goodwill are reasonable and coherent, therefore there was no need for recognize an impairment on those consolidated financial statements.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, the matters related to the going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

Those charge with the governance are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 a guarantee that an audit conducted in accordance with International Auditing Standards will always detect a material misstatements, when it exist. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Credicorp Ltd. and its subsidiaries' internal control.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, nothing come to our attention about a material uncertainty exists related to events or conditions that may cast significant doubt on the Credicorp Ltd. and its subsidiaries' 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 consolidated 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 Credicorp Ltd. and its subsidiaries to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 governance, we determine those matters that were of most significance in the audit of the consolidated 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 report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lima, Peru

February 22, 2017

/S/ Gaveglio, Aparicio y Asociados S.C.R.L.

Countersigned by

--(partner)
/S/ Fernando Gaveglio

Peruvian Certified Public Accountant
Registration No.01-019847

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CREDICORP LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AT DECEMBER 31, 2016 AND 2015

	Note	2016 S/(000)	2015 S/(000)
Assets			
Cash and due from banks:	4		
Non-interest-bearing		5,568,657	5,013,260
Interest-bearing		11,077,112	17,378,484
		16,645,769	22,391,744
Cash collateral, reverse repurchase agreements and securities borrowings	5(a)	10,919,624	11,026,698
Investments:			
Trading securities	6(a)	4,015,019	2,323,096
Available-for-sale investments		17,086,774	17,210,714
Available-for-sale investments pledged as collateral		1,598,893	1,558,207
	6(a)	18,685,667	18,768,921
Held-to-maturity securities		2,867,755	1,683,556
Held-to-maturity securities pledge as collateral		2,250,665	1,898,573
	6(b)	5,118,420	3,582,129
		27,819,106	24,674,146
Loans, net:	7		
Loans, net of unearned income		94,768,901	90,328,499
Allowance for loan losses		(4,207,133)	(3,840,337)
		90,561,768	86,488,162
Financial assets designated at fair value through profit or loss	8	459,099	350,328
Premium and other policies receivable	9(a)	643,224	648,017
Accounts receivable from reinsurers and coinsurers	9(b)	454,187	457,189
Property, furniture and equipment, net	10	1,551,703	1,671,441
Due from customers on acceptances		491,139	222,496
Intangible assets and goodwill, net	11	1,960,690	1,900,697
Other assets	12	4,928,913	5,649,299
Total assets		156,435,222	155,480,217

	Note	2016 S/(000)	2015 S/(000)

Liabilities and Equity

Deposits and obligations:	14		
Non-interest-bearing		28,084,691	28,049,070
Interest-bearing		57,831,696	60,557,563
		85,916,387	88,606,633
Payables from repurchase agreements and security lending	5(b)	15,127,999	14,599,750
Due to banks and correspondents	15	7,493,916	7,762,497
Banker's acceptances outstanding		491,139	222,496
Accounts payables to reinsurers	9(b)	233,892	241,847
Financial liabilities at fair value through profit or loss	3(f)(v)	209,520	47,737
Technical reserves, insurance claims reserves and unearned premiums	16	6,786,189	6,361,627
Bonds and notes issued	17	15,939,603	16,287,962
Other liabilities	12	4,120,066	4,622,098
Total liabilities		136,318,711	138,752,647
Equity	18		
Equity attributable to Credicorp´s equity holders			
Capital stock		1,318,993	1,318,993
Treasury stock		(209,322)	(208,978)
Capital surplus		280,876	284,171
Put options and reserves		13,539,091	10,881,678
Other reserves		1,209,731	762,695
Retained earnings		3,516,766	3,089,457
		19,656,135	16,128,016
Non-controlling interest		460,376	599,554
Total equity		20,116,511	16,727,570
Total liabilities and equity		156,435,222	155,480,217

CREDICORP LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

	Note	2016 S/(000)	2015 S/(000)	2014 S/(000)
Interest and similar income	22	10,817,555	9,992,027	8,600,866
Interest and similar expenses	22	(2,914,714)	(2,527,133)	(2,191,062)
Net interest, similar income and expenses		7,902,841	7,464,894	6,409,804
Provision for loan losses, net of recoveries	7(d)	(1,785,495)	(1,880,898)	(1,715,809)
Net Interest, similar income after provision for loan losses		6,117,346	5,583,996	4,693,995
Other income				
Commissions and fees	23	2,771,561	2,644,191	2,521,829
Net gains on foreign exchange transactions		698,159	773,798	453,405
Net gains on sales of securities		336,759	248,723	220,737
Net gains on financial assets at fair value through profit or loss	8	51,667	-	-
Others	28	344,460	325,666	639,572
Total other income		4,202,606	3,992,378	3,835,543
Insurance premiums and claims				
Net premiums earned	24	1,799,115	1,733,978	2,189,666
Net claims incurred for life, property, casualty and health insurance contracts	25	(1,098,905)	(1,031,659)	(1,426,733)
Total premiums earned less claims		700,210	702,319	762,933
Other expenses				
Salaries and social benefits	26	(2,942,743)	(2,878,318)	(2,673,431)
Administrative expenses	27	(2,094,678)	(1,995,802)	(1,930,483)
Depreciation and amortization	10(a) y 11(a)	(407,061)	(396,497)	(433,787)
Impairment loss on goodwill	11(b)	(94)	(82,374)	(92,583)
Net impairment loss on available-for-sale investments	6(a)	(14,459)	(43,801)	(7,794)
Net loss on financial assets at fair value through profit or loss	8	-	(33,500)	(4,098)
Others	28	(609,075)	(534,372)	(932,920)

Total other expenses	(6,068,110)	(5,964,664)	(6,075,096)

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	Note	2016 S/(000)	2015 S/(000)	2014 S/(000)
Profit before exchange difference and income tax		4,952,052	4,314,029	3,217,375
Exchange difference		(60,624)	46,563	172,095
Income tax	19(b)	(1,281,448)	(1,197,207)	(968,224)
Net profit		3,609,980	3,163,385	2,421,246
Attributable to:				
Credicorp's equity holders		3,514,582	3,092,303	2,387,852
Non-controlling interest		95,398	71,082	33,394
		3,609,980	3,163,385	2,421,246
Net basic and dilutive earnings per share attributable to equity holders of Credicorp Ltd. (in Peruvian Soles):				
Basic	29	44.23	38.91	30.04
Dilutive	29	44.15	38.84	29.97

CREDICORP LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

	Note	2016 S/000	2015 S/000	2014 S/000
Net profit for the year		3,609,980	3,163,385	2,421,246
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Net (loss) gain on investments available for sale	18(d)	518,658	(635,743)	197,397
Income tax	18(d)	(22,975)	18,503	6,853
		495,683	(617,240)	204,250
Net movement on cashflow hedges	18(d)	(22,109)	41,069	18,888
Income tax	18(d)	2,294	(1,956)	(1,016)
		(19,815)	39,113	17,872
Exchange differences on translation of foreign Operations	18(d)	(26,571)	270,907	(54,005)
		(26,571)	270,907	(54,005)
Net other comprehensive (loss) income to be reclassified to profit or loss in subsequent periods, net of income tax		449,297	(307,220)	168,117
Total comprehensive income for the year, net of income tax		4,059,277	2,856,165	2,589,363
Attributable to:				
Equity holders of Credicorp Ltd.		3,961,618	2,831,612	2,550,093
Non-controlling interest		97,659	24,553	39,270
		4,059,277	2,856,165	2,589,363

CREDICORP LTD. Y SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

	Attributable to equity holders of Credicorp Ltd.									
							Other reserves			
	Number of shares issued notes 18 (a) and 29	Capital stock	**Treasury Stock**	Capital surplus	Reserves	Put options	Available-for-sale investment reserve	Cash flow hedge reserve	Foreign currency translation reserve	Re ea
	(In thousands of units)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/
Balances at January 01, 2014	94,382	1,318,994	(208,127)	275,570	8,268,894	(340,353)	1,027,763	(11,935)	(154,683)	1
Changes in equity in 2014										
Net profit for the year	-	-	-	-	-	-	-	-	-	2
Other comprehensive income	-	-	-	-	-	-	195,852	17,872	(51,483)	-
Total comprehensive income	-	-	-	-	-	-	195,852	17,872	(51,483)	2
Transfers of retained earnings to reserves, note 18(c)	-	-	-	-	1,200,853	-	-	-	-	(1
Dividend distribution, note 18(e)	-	-	-	-	-	-	-	-	-	(4

Purchase of treasury stock, note 18(b)	-	-	(1,772)	(43,850)	-	-	-	-	-	-
Share-based payments and other	-	-	1,715	71,221	153	-	-	-	-	-
Dividends of subsidiaries and other	-	-	-	-	-	-	-	-	-	(2
Acquisition of subsidiary - Mibanco, note 2(d)(i)	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interest - Mibanco	-	-	-	-	-	-	-	-	-	-
Balances at December 31, 2014	94,382	1,318,994	(208,184)	302,941	9,469,900	(340,353)	1,223,615	5,937	(206,166)	2
Changes in equity in 2015	-	-	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	-	-	-	-	3
Other comprehensive income	-	-	-	-	-	-	(570,711)	39,113	270,907	-
Total comprehensive income	-	-	-	-	-	-	(570,711)	39,113	270,907	3
Transfer of retained earnings to reserves, note 18(c)	-	-	-	-	1,820,483	-	-	-	-	(1
Dividend distribution, note 18(e)	-	-	-	-	-	-	-	-	-	(5
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-
Purchase of treasury stock, note 18(b)	-	-	(2,452)	(70,516)	-	-	-	-	-	-
Share-based payment transactions	-	-	1,658	51,746	9,481	-	-	-	-	-
Others	-	(1)	-	-	(77,833)	-	-	-	-	(5
Balances at December 31, 2015	94,382	1,318,993	(208,978)	284,171	11,222,031	(340,353)	652,904	45,050	64,741	3
	-	-	-	-	-	-	-	-	-	-

Changes in equity in 2016 -										
Net profit for the year	-	-	-	-	-	-	-	-	-	3
Other comprehensive income	-	-	-	-	-	-	493,884	(20,400)	(26,448)	-
Total comprehensive income	-	-	-	-	-	-	493,884	(20,400)	(26,448)	3
Transfer of retained earnings to reserves, note 18(c)	-	-	-	-	2,316,370	-	-	-	-	(2
Dividend distribution, note 18(e)	-	-	-	-	-	-	-	-	-	(6
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-
Purchase of treasury stock, note 18(b)	-	-	(2,604)	(63,924)	-	-	-	-	-	-
Share-based payment transactions	-	-	2,260	60,629	690	-	-	-	-	-
Acquisition of non-controlling interest, note 2(a)	-	-	-	-	-	340,353	-	-	-	(1
Others	-	-	-	-	-	-	-	-	-	6
Balances at December 31, 2016	94,382	1,318,993	(209,322)	280,876	13,539,091	-	1,146,788	24,650	38,293	3

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CREDICORP LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

	Note	2016 S/000	2015 S/000	2014 S/000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax		4,891,428	4,360,592	3,389,470
Income tax		(1,281,448)	(1,197,207)	(968,224)
Net profit		3,609,980	3,163,385	2,421,246
Adjustment to reconcile net profit with net cash arising from operating activities:				
Provision for loan losses	7(d)	2,063,209	2,052,177	1,914,142
Depreciation and amortization	10(a) and 11(c)	407,061	396,497	433,787
Deferred income tax	19(b)	28,228	(117,195)	(252,710)
Adjustment of technical reserves		370,964	408,808	445,997
Impairment loss on available for-sale investments	6(a)	14,459	43,801	7,794
Net loss (gain) on sales of securities		(336,759)	(248,723)	(220,737)
Impairment loss on goodwill	11(b)	94	82,374	92,583
Provision for various risks	12(d)	28,093	38,248	70,094
Net loss (gain) on financial assets designated at fair value through profit and loss	8	(51,667)	33,500	4,098
Fluctuation of derivative financial instruments	22	(44,500)	(207,938)	(22,202)
Loss on sales of property, furniture and equipment		45,076	17,159	12,949
Net profit from sale of seized and recovered assets	28	(1,377)	(4,195)	(1,801)
Expense on shared-based compensation plan	26	94,871	73,150	62,628
Others		60,624	(46,563)	(172,095)
Net changes in assets and liabilities				
Net increase (decrease) in assets				
Loans		(6,636,536)	(7,754,794)	(16,143,237)
Trading securities		(1,694,949)	232,293	(1,025,924)
Available for sale		562,679	(3,163,304)	2,096,582
Other assets		1,395,946	(745,622)	(4,238,686)
Net increase (decrease) in liabilities				
Deposits and obligations		(1,981,653)	6,105,203	9,514,322
Due to Banks and correspondents		(188,720)	(2,164,131)	2,822,467
Payables from repurchase agreements and security lending		551,130	6,014,423	4,788,153
		(61,231)	(4,585,838)	(4,449,777)

Cash collaterals, receivable from reverse repurchase agreements and securities borrowings			
Bonds and notes issued	274,766	(1,270,797)	(1,342,704)
Other liabilities	1,141,323	1,211,378	5,130,788
Income tax paid	(1,108,641)	(945,178)	(1,028,466)
Net cash flow from operating activities	(1,457,530)	(1,381,882)	919,291

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	Note	2016 S/000	2015 S/000	2014 S/000
NET CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of subsidiary, net of cash acquired		-	-	731,813
Revenue for sale of property, furniture and equipment		47,044	44,524	19,799
Additions of property, furniture and equipment	10	(110,151)	(148,426)	(301,734)
Additions of intangible assets	11	(275,606)	(276,564)	(246,882)
Held-to-maturity investments		(1,550,332)	(1,135,744)	(1,990,686)
Net cash flows from investing activities		(1,889,045)	(1,516,210)	(1,787,690)
NET CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	18(e)	(653,326)	(539,985)	(429,413)
Subordinated bonds and notes issued		(401,257)	666,805	978,217
Acquisition of Credicorp shares	18(b)	(66,528)	(72,968)	(45,622)
Acquisition of non-controlling interest	2(a) and 2(d)	(489,866)	-	(163,621)
Net cash flows from financing activities		(1,610,977)	53,852	339,561
Net increase (decrease) of cash and cash equivalents before effect of changes in exchange rate		(4,957,552)	(2,844,240)	(528,838)
Effect of changes in Exchange rate of cash and cash equivalents		(454,120)	3,199,642	455,375
Cash and cash equivalents at the beginning of the year		22,044,868	21,689,466	21,762,929
Cash and cash equivalents at the end of the year		16,633,196	22,044,868	21,689,466
Additional information from cash flows				
Interest received		10,670,591	9,987,677	8,406,602
Interest paid		(2,871,851)	(2,510,247)	(2,124,733)
Non-cash flows transactions				
Incorporation of Mibanco net assets, Note 2(a)(i)		-	-	(595,770)

CREDICORP LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2016 AND 2015

1 OPERATIONS

Credicorp Ltd. (hereinafter "Credicorp" or "the Group") is a limited liability company incorporated in Bermuda in 1995 to act as a holding company and to coordinate the policies and administration of its subsidiaries. It is also engaged in investing activities.

Credicorp Ltd., through its banking and non-banking subsidiaries and its associate Entidad Prestadora de Salud, provides a wide range of financial, insurance and health services and products mainly throughout Peru and in certain other countries (see note 3(b)). Its major subsidiary is Banco de Crédito del Perú (hereinafter "BCP" or the "Bank"), a Peruvian universal bank. Credicorp's address is Claredon House 2 Church Street Hamilton, Bermuda; likewise, administration offices of its representative in Peru are located in Calle Centenario Nº156, La Molina, Lima, Peru.

Credicorp is listed on the Lima and New York stock exchanges.

The consolidated financial statements as of and for the year ended December 31, 2015 were approved in the General Shareholders' Meeting held on March 31, 2016. The consolidated financial statements as of and for the year ended December 31, 2016, were approved and authorized to be issued by the Audit Committee and Management on February 21, 2017 and will be submitted for their final approval by the Board of Directors and the General Shareholders' Meeting that will occur within the period established by law; in Management's opinion, they will be approved without modifications.

2 ACQUISITIONS, TRANSFERS AND MERGER

a) Acquisition of the non-controlling interest of Credicorp Capital Colombia (formerly Correval) and IM Trust S.A. (hereinafter IM Trust) -

In the Board Meetings of Credicorp held on February 24, and July 20 of 2016, capital contributions were approved in favor of Credicorp Capital Ltd. for an amount of US$15.4 million and US$106.3 million, respectively, for the purpose of acquiring all of the shares held by the minority shareholders of Credicorp Capital Colombia (49.0 percent) and IM Trust (39.4 percent) at said date, exercising the sale option agreed with them amounting, at that time, to S/489.9 million (S/340.4 million at the time of the signing of the contract and S/149.5 million related to the appreciation of that option recorded in the period from 2013 until its execution date).

Subsequently, Credicorp Capital Ltd. made capital contributions in favor of Credicorp Capital Holding Chile and Credicorp Capital Holding Colombia for approximately US$49.2 million and US$44.2 million, respectively, to enable said entities to execute directly the purchase and sale options (PUT) with the minority shareholders.

Accordingly, on May 20 and August 1 of 2016, Credicorp Capital Holding Chile executed the purchase option of IM Trust S.A. purchasing the 39.4 percent share held by the minority shareholders, for approximately US$71.2 million (equivalent to S/241.4 million), with which, Credicorp Capital Holding Chile became the owner of 100 percent of the share capital of IM Trust.

The amount paid by Credicorp Capital Holding Chile was made up of US$49.2 million originating from the capital contribution of Credicorp Capital Ltd. and own funding of approximately US$22.0 million.

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Furthermore, on May 20, June 1 and August 1, of 2016, Credicorp Capital Holding Colombia executed the purchase option of Credicorp Capital Colombia, purchasing the 30.32 percent share held by the minority shareholders for approximately US$45.0 million (equivalent to S/152.4 million), with which, Credicorp Capital Holding Colombia became the owner of 81.32 percent of the share capital of Credicorp Capital Colombia.

The amount paid by Credicorp Capital Holding Colombia is made up of US$44.2 million originating from the capital contribution of Credicorp Capital Ltd. and the entity’s own funds for approximately US$0.8 million.

Finally, on September 30, 2016, Credicorp Capital Ltd. executed the remaining purchase option of Credicorp Capital Colombia, purchasing the 18.68 percent share held by the minority shareholders, by means of the purchase of the entities Coby Business Inc. and Artigas Global Corp, both Panamanian companies whose only asset are their shares of Credicorp Capital Colombia S.A. The total amount of the purchase was US$28.3 million (equivalent to S/96.1 millon), of which Credicorp Capital Ltd. paid US$26.7 million in cash (which originated from Credicorp´s capital contribution), leaving a balance payable of US$1.6 million at December 31, 2016.

The total contribution of Credicorp Ltd. in Credicorp Capital Ltd. Group was US$120.1 million and with the financing taken by Credicorp Capital Holding Chile, all of the purchase options were exercised, resulting in the achievement of a 100 percent share in IM Trust and in Credicorp Capital Colombia S.A. In the same way, the process was concluded of establishing a regional investment bank which operates in the Integrated Latin American Market (MILA from Spanish acronym), involving the stock exchanges of Peru, Colombia and Chile.

The impacts of the operation on the financial statements of the Group are summarized below:

	Companies acquired			
	Inversiones IMT S.A.	Credicorp Capital Colombia S.A.	Coby Business Inc. y Artigas Global Corp.	Total
	S/000	S/000	S/000	S/000
Assets and liabilities acquired / Non controlling interest	103,630	69,482	43,261	216,373
Payment made / execution of sale option	(241,420)	(152,379)	(96,067)	(489,866)
Effect on Retained Earnings	(137,790)	(82,897)	(52,806)	(273,493)

b) Corporate reorganization of Inversiones Credicorp Bolivia in the Credicorp Group -

As part of the corporate reorganization of Grupo Credicorp, in a General Shareholders' Meeting of Inversiones Credicorp Bolivia S.A. (hereinafter "ICBSA"), held on December 31, 2015, an increase in the share capital was approved in the form of a voluntary contribution of Grupo Crédito S.A. (hereinafter "Grupo Crédito"), a subsidiary of Credicorp S.A.) amounting to Bs. 1,134.5 million, equivalent to S/383.5 million, issuing in its favor 11,344,800 shares.

The contribution was made by Grupo Crédito on March 30, 2016, as a result of which BCP lost control of ICBSA, and Grupo Crédito is the new entity that has assumed control.

c) Sale of shares of Banco de Crédito de Bolivia -

The Executive Committee of the Board of Directors of BCP, in its meeting held on December 30, 2015, approved the sale of all of the shares (14,121 units) which it held of Banco de Crédito de Bolivia (hereinafter "BCB") to ICBSA. Both companies form part of Grupo Credicorp.

It is worth mentioning that at December 31, 2015, said transaction was not recognized as an “asset classified as held-for-sale”, since it did not comply with all of the requirements of IFRS 5 “Non-current assets held for sale and discontinued operations” and it did not have the regulator’s approval.

Furthermore, in a General Shareholders’ Meeting of BCB held on March 10, 2016, the capitalization of reserves was approved for an amount of Bs. 607.5 million, equivalent to S/307.4 million, increasing proportionally the shareholding of all of the shareholders. As a result of the capitalization, BCP received 29,116 shares, obtaining a total holding of 43,237 shares.

The share sale operation by BCP was authorized by the Supervisory Authority of the Financial System (ASFI from the Spanish acronym) of Bolivia on May 12, 2016, after which, BCP carried out the sale of all of its shares at that date (43,237 shares) in favor of ICBSA, through the Bolivian Stock Exchange, at a price of Bs. 25,811.0 per share, representing a total amount of Bs.1,116.0 million, equivalent to S/541.1 million.

As a result of the sale of shares, ICBSA became the new entity which assumed control over BCB.

d) Acquisition of Mibanco and subsequent merger by absorption with Financiera Edyficar -

(i) On February 8, 2014, Credicorp through its subsidiary Empresa Financiera Edyficar S.A. (hereinafter “Edyficar”) signed an agreement with Grupo ACP Corp. S.A.A. to acquire the 60.68 percent of the share capital of Mibanco, Banco de la Microempresa S.A. (hereinafter “Mibanco”), a banking entity in Peru oriented towards the sector of micro and small companies, for a total amount of US$179.5 million (approximately equivalent to S/504.8 million) paid in cash. This transaction was completed after obtaining all of the authorizations and approvals on March 20, 2014, the effective date of the purchase and payment.

Additionally, as part of the initial acquisition, on April 8, 2014, Credicorp through its subsidiaries Grupo Crédito S.A. and Edyficar acquired 5.00 percent and 1.50 percent of the share capital of Mibanco, for approximately S/41.6 million and S/12.5 million, respectively, from International Finance Corporation (hereinafter “IFC”), a minority shareholder of Mibanco, at the same terms and conditions of the initial transaction as a result of a tag along right executed by IFC included in a shareholders’ agreement with Grupo ACP.

The acquisition of Mibanco was recorded using the purchase method, in accordance with IFRS 3, “Business Combinations”, applicable at the date of the transaction. Assets and liabilities were recorded at their estimated fair values at the acquisition dates, including the identified intangible assets unrecorded in Mibanco’s statement of financial position.

Acquisition costs incurred for approximately S/1.0 million were recorded in “Administrative expenses” of the consolidated statement of income.

The Group has elected to measure the non-controlling interest in Mibanco at fair value; which has been estimated by applying an international valuation technique (discounted cash flows).

Furthermore, in accordance with the acquisition strategy and in compliance with the legal requirements established in the Peruvian stock market, Credicorp, through Edyficar, carried out the following additional purchases of the share capital of Mibanco, paid in cash:

- In July of 2014, it acquired 18.56 percent for approximately S/153.6 million
- In September of 2014, it acquired 1.19 percent for approximately S/10 million

These acquisitions of non-controlling interest carried out in July and September of 2014 were recorded as an equity transaction. Taking into account said purchases, at December 31, 2014, Credicorp held 86.93 percent of the share capital of Mibanco, paying approximately S/722.5 million.

From the effective acquisition date (March 20, 2014) until December 31, 2014, the contribution of Mibanco in interest and similar yields totaled approximately S/675.7 million. If the combination had taken place at the start of the year, the interest and similar yields of the Group would have risen to approximately S/8,868.1 million (an increase of S/289.4 million).

For the year 2014, the pre-tax profit of Mibanco is insignificant for the Group's consolidated financial statements.

(ii) On March 2, 2015 the merger between Mibanco as acquiring entity and Edyficar as acquired entity was made effective. This merger incorporated at the carrying amount, all the assets and liabilities of Edyficar except for operating licenses, mortgages loans of Mivivienda and cash, which continued to be owned by Edyficar.

Subsequently in April of 2015, the credit portfolio of Mivivienda was sold to BCP. In the same way, the license has been retired, without generating any impact on the Financial Statements.

As a result of this merger, and as a result of the exchange of shares at fair value, BCP holds a direct interest of 93.598 percent in the new merged entity and Grupo Crédito holds 1.757 percent.

e) Agreement between El Pacífico Peruano Suiza and Banmédica -

On December 30, 2014, Credicorp, through its subsidiary El Pacífico Peruano Suiza Compañía de Seguros y Reaseguros (hereinafter "PPS") signed an agreement with Banmédica S.A. (hereinafter "Banmédica") to jointly develop a health care business in Peru, including: medical insurance services, health insurance and health care plans. Based on this agreement, Credicorp lost control of its subsidiary Pacífico EPS, which became an associate. This agreement came into effect on January 1, 2015. See Note 13.

This transfer resulted, during the year 2015, in a profit of S/99.0 million which is recognized in "Net gain on sale of securities" in the consolidated statement of income.

3 SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of presentation and use of estimates -

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

The accompanying consolidated financial statements have been prepared on a historical cost basis, except for trading securities, available-for-sale investments, derivative financial instruments, share-based payments, bonds and notes associated with fair value hedges, sale options over non-controlling interests, financial assets and liabilities at fair value through profit or loss that have been measured at fair value.

The consolidated financial statements are presented in Peruvian Soles (S/), see paragraph (c) below, and values are rounded to the nearest S/thousands, except when otherwise indicated.

The preparation of the consolidated financial statements in accordance with IFRS requires Management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of significant events in notes to the consolidated financial statements, because actual results may differ from those determined in accordance with said estimates and assumptions.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. The final results could differ from said estimates; however, management expects that the variations, if any, will not have a material impact on the consolidated financial statements.

The most significant estimates included in the accompanying consolidated financial statements are related to allowance for loan losses, the valuation of investments, the technical reserves for claims and premiums, goodwill impairment, the measurement of the share-based payment transactions and the valuation of derivative financial instruments. Furthermore, other estimates exist, such as the liabilities for put options held by non-controlling interest in subsidiaries, estimated useful life of intangible assets, property, furniture and equipment and the deferred tax assets and liabilities. The accounting criteria used for said estimates are described below.

The accounting policies adopted are consistent with those of the previous years, except that the Group has adopted the new revised IFRS and IAS which are mandatory for the periods beginning on or after January 1, 2016, as described below:

- IAS 1 “Presentation of financial statements” Disclosure initiatives -

The amendments clarify the materiality requirements of IAS 1 indicating the following (i) certain items of the consolidated statement of income, the consolidated statement of comprehensive income and the consolidated statement of financial position may be broken down (ii) entities have flexibility to choose the order of presentation of the notes to their consolidated financial statements, and (iii) the participation of the associates and joint ventures recorded in the consolidated statement of comprehensive income by the equity participation method must be presented in only two lines grouping together the items which are recycled and not recycled in the consolidated statement of comprehensive income.

- Amendments to IAS 16 “Property, plant and equipment” and IAS 38 “Intangible Assets”. Clarification of the acceptable methods of depreciation and amortization.

The amendments clarify that an income-based method of depreciation or amortization is generally inappropriate. The IASB has amended IAS 16 to clarify that the income-based method should not be used to calculate the depreciation of items of property, plant and equipment.

IAS 38 now includes the assumption that income-based amortization of intangible assets is inappropriate. This assumption can be refuted if (i) the intangible asset has been expressed as income (i.e. if the measurement of income is the limiting factor on the value that may be derived from the asset or (ii) it can be shown that the income and the use of the economic benefits generated by the asset are totally related.

- Modifications to IFRS 10 “Consolidated financial statements”, IFRS 12 “Disclosure of Interests in Other Entities” and IAS 28 “Investments in Associates and Joint Ventures” Investment entities. Application of the exception of consolidation.

The amendments made clarify the following issues: (i) the exception to the preparation of consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities, (ii) an investment entity must consolidate a subsidiary that is not an investment entity and of which the main purpose and activity is to provide support services for the activities of the investment entity, and (iii) the entities which are not investment entities but which have a participation in an associate or a joint venture which is an investment entity will apply the equity participation accounting method. The fair value measurement applied by the associated investment entity or joint venture may be retained or consolidation may be made at the level of the associate or joint venture, which would subsequently adjust the fair value measurement.

- Amendments to IFRS 11 “Joint Arrangements” Accounting treatment of the acquisition of participation in joint operations.

The amendments clarify the accounting treatment for the acquisition of a participation in a joint operation. These amendments require an investor to apply the accounting practice of business combinations.

This includes:

- Measurement of identifiable assets and liabilities at fair value
- recognition as expense of the costs related to the acquisition
- recognition of deferred taxes and
- recognition of the residual costs as goodwill and the annual evaluation of its possible impairment.

The existing participation in the joint operation is not re-measured at the time of acquisition of an additional participation, as long as joint control is maintained.

The amendments also apply when a joint venture is formed and an existing business is contributed.

- Annual improvements to IFRS (cycle 2012-2014).

The IASB issued improvements to IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, IFRS 7 “Financial Instruments: Disclosures”, IAS 19 “Employee Benefits” and IAS 34 “Interim Financial Reporting”

Due to the Group’s structure and operations, the adoption of the new and revised accounting standards did not have a significant impact on its consolidated financial position and results; therefore, it has not been necessary to modify the Group’s comparative consolidated financial statements.

b) Basis of consolidation -

Investment in subsidiaries -

The consolidated financial statements comprise the financial statements of Credicorp and its Subsidiaries for all the years presented.

Under IFRS 10 all entities over which the Group has control are subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

The Group assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. The consolidated financial statements include assets, liabilities, income and expenses of Credicorp and its subsidiaries.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interest, even if this results in the non-controlling interest with a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Assets in custody or managed by the Group, such as investment funds and private pension funds (AFP funds), are not part of the Group's consolidated financial statements, note 3(ac).

Transactions with non-controlling interest -

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction and any resulting difference between the price paid and the amount corresponding to non-controlling shareholders is recognized directly in the consolidated statement of changes in net equity.

Loss of control -

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

Investments in associates -

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity, but without exercising control over said policies.

The considerations taken into account to determine significant influence are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associates are recognized initially at cost and are subsequently accounted for using the equity method. They are included in "Other assets" in the consolidated statement of financial position; gains resulting from the use of the equity method of accounting are included in "Other income" of the consolidated statement of income.

At December 31, 2016 and 2015, the following entities comprise the Group (the individual or consolidated figures of their financial statements are presented in accordance with IFRS and before eliminations for consolidation purposes, except for the elimination of Credicorp's treasury shares and its related dividends):

Entity	Activity and country of incorporation	Percentage of interest (direct and indirect)		Assets		Liabilities		Equit
		2016 %	2015 %	2016 S/(000)	2015 S/(000)	2016 S/(000)	2015 S/(000)	2016 S/(00
Banco de Crédito del Perú and Subsidiaries (i)	Banking, Peru	97.68	97.68	127,513,766	128,885,245	113,568,832	117,229,264	13,9
El Pacífico Peruano-Suiza Compañía de Seguros y Reaseguros and Subsidiaries (PPS) (ii)	Insurance, Peru	98.45	98.45	10,156,361	9,325,892	7,786,257	7,418,532	2,37
Inversiones Credicorp Bolivia S.A. and Subsidiaries (iii)	Holding, Bolivia	99.95	97.78	8,017,925	7,290,278	7,337,562	6,667,864	680,
Atlantic Security Holding Corporation and Subsidiaries (iv)	Capital Markets, Cayman	100.00	100.00	7,056,980	6,979,153	5,961,796	6,112,699	1,09
Credicorp Capital Ltd. and Subsidiaries (v)	Capital Markets, Bermuda	100.00	100.00	3,230,080	2,836,708	2,440,496	2,076,788	789,
CCR Inc. (vi)		99.99	99.99	1,103,787	1,677,107	1,123,045	1,711,226	(19,

	Special purpose Entity, Bahamas							
Prima AFP S.A. (vii)	Private pension fund administrator, Peru	99.98	99.98	883,893	880,844	277,899	296,040	605,
Grupo Crédito S.A (viii)	Capital Markets, Peru	99.99	99.99	167,397	171,269	534,552	225,229	(367

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(i) BCP was incorporated in 1889 and its activities are regulated by the Superintendence of Banking, Insurance and AFP (the Peruvian banking, insurance and AFP regulator, hereinafter “the SBS” for its Spanish acronym).

BCP holds a direct interest in Mibanco as a result of the merger between Mibanco and Edyficar on March 2, 2015. At December 31, 2014 Mibanco was a subsidiary of Financiera Edyficar (note 2(d). At December 31, 2016, the assets, liabilities, equity and net income of Mibanco amounted to approximately S/11,234.9 million, S/9,658.3 million, S/1,576.6 million and S/336.0 million, respectively. (S/11,054,8 million, S/9,707.5 million, S/1,347.3 million, and S/222.0 million, respectively at December 31, 2015.

(ii) PPS provides general life, health and personal insurance, its activities are regulated by the SBS. On December 30, 2014, the Group signed an agreement with Banmédica to transfer control of its subsidiary Pacífico EPS, as explained in more detail in Note 13.

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

At December 31, 2016, its principal subsidiary is BCB, a commercial bank which operates in Bolivia. At said date, the assets, liabilities, equity and net profit of BCB were approximately S/7,949.2 million, S/7,328.5 million, S/620.7 million and S/80.7 million, respectively.

At December 31, BCB was a subsidiary of BCP, and its assets, liabilities, equity and net profit totaled approximately S/7,245.6 million, S/6,665.0 millon, S/580.6 million and S/57.4 million, respectively. During the year 2016, BCP sold its shares of BCB to ICBSA, losing control of the latter, see note 2 (c).

The balances shown as comparative have been restructured as if BCB had always been a subsidiary of ICBSA

(iv) Its most significant subsidiary is Atlantic Security Bank (ASB), which is incorporated in the Cayman Islands and operates through branches and offices in Grand Cayman and the Republic of Panama; its main activities are private and institutional banking services and trustee administration mostly for BCP’s Peruvian customers

(v) Credicorp Capital Ltd. was formed in 2012, and its main subsidiaries are Credicorp Capital Holding Chile (owner of Inversiones IMT), Credicorp Capital Holding Colombia (owner of Credicorp Capital Colombia, formerly

Correval), and Credicorp Capital Holding Peru (owner of Credicorp Capital Peru S.A.A.), which develop their activities in Chile, Colombia and Peru, respectively.

The principal subsidiary of Credicorp Capital Holding Peru is Credicorp Capital Peru, the principal function of which is that of a holding company of shares, participations, and securities in general, provision of financial and corporate advisory services, and property investment. At December 31, 2016 and 2015, respectively, Credicorp Capital Peru holds as subsidiaries, Credicorp Capital Sociedad Agente de Bolsa S.A., Credicorp Capital S.A. Sociedad Administradora de Fondos, Credicorp Capital Servicios Financieros S.A. and Credicorp Capital Sociedad Titulizadora S.A., member companies of the Investment Banking Group in Peru.

During the year 2015, Grupo Crédito split the shares it held in Credicorp Capital Holding Peru, after which Credicorp Ltd. contributed this investment to Credicorp Capital Ltd. Said transfers were made at their carrying amounts and, therefore, had no effect on the Group's consolidated financial statements: no gains or losses were recorded for these transactions.

At December 31, 2016 and 2015, Credicorp Capital Ltd. directly holds 100.0 percent of the share capital of Credicorp Capital Holding Peru. As of December 31, 2016, the assets, liabilities, equity and net profit of of Credicorp Capital Holding Peru and Subsidiaries amount to approximately S/236.0 million, S/56.5 million, S/179.5 million and S/19.3 million, respectively (S/239.9 million, S/43.8 million, S/196.1 million and S/12.6 million, respectively at December 31, 2015).

At December 31, 2016, Credicorp Capital Ltd directly or indirectly holds 100.00 percent of the share capital of IM Trust and Credicorp Capital Colombia (60.60 percent of IM Trust and 51.0 percent of Credicorp Capital Colombia at December 31, 2015), see increase in the holding in note 2(a). At December 31, 2016, the assets, liabilities, equity and net profit of IM Trust amount to approximately S/987.5 million, S/840.4 million, S/147.1 million and S/23.7 million, respectively (S/563.8 million, S/440.1 million, S/123.7 million and S/21.3 million, respectively, at December 31, 2015); and those of Credicorp Capital Colombia amount to approximately S/1,496.5 million, S/1,346.2 million, S/150.3 million, and S/24.2 million, respectively (S/1,572.6 million, S/1,446.8 million, S/125.8 million and S/25.6 million, respectively at December 31, 2015

(vi) CCR Inc. was incorporated in 2000, its main activity is to manage certain loans granted to BCP by foreign financial entities, see note 17(a)(iii). These loans are collateralized by transactions performed by BCP. At December 31, 2016 and 2015, the negative equity balance resulted from unrealized losses from cash flow hedge derivatives.

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

(viii) Grupo Crédito is a company mainly engaged in shares listed in Peru and unlisted shares of Peruvian companies. It also holds the Group's shares in BCP, Prima AFP, PPS and Inversiones Credicorp Bolivia. Grupo Crédito's balances are presented net of its investments in said entities.

c) Foreign exchange -

(i) Functional and presentation currency -

Credicorp and its Subsidiaries which operate in Peru consider the Peruvian sol as their functional and presentation currency since it reflects the nature of the economic events and relevant circumstances given the fact their major transactions and/operations, such as: lending, borrowing, financial income, financial expenses and a significant percentage of their purchases are agreed in Peruvian soles.

(ii) Transactions and balances in foreign currency -

Foreign currency transactions are those entered into in currencies other than the functional currency. These transactions are initially stated by Group entities at the exchange rates of their functional currencies at the transaction dates. Monetary assets and liabilities denominated in foreign currency are adjusted at the exchange rate of the functional currency prevailing at the date of the statement of financial position. The differences arising from the exchange rate prevailing at the date of each consolidated statement of financial position presented and the exchange rate initially used in recording transactions are recognized in the consolidated statement of income in the period in which they occur, in “Exchange differences”. Non-monetary assets and liabilities acquired in foreign currency are stated at the exchange rate prevailing at the initial transaction date and are not subsequently adjusted.

(iii) Group entities with functional currency other than the presentation currency

Given that the Group’s entities in Colombia, Chile, Cayman, Panama and Bolivia have a functional currency different from Peruvian Soles, they were translated into Soles for consolidation purposes in accordance with IAS 21, “The Effects of Changes in Foreign Exchange Rates” as follows:

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

All resulting exchange differences were recognized within “Exchange differences” in the consolidated statement of comprehensive income.

d) Recognition of income and expenses from banking activities -

Interest income and expense for all interest-bearing financial instruments, including those related to financial instruments classified as held for trading or designated at fair value through profit or loss, are recognized within “Interest and similar income” and “Interest and similar expenses” in the consolidated statement of income using the effective interest rate method, which is the rate that discounts estimated future cash payments or receipts during the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

Interest income includes coupons earned on fixed income investment and trading securities and the discount and premium on financial instruments. Dividends are recognized as income when they are declared.

Fees and commission income are recognized on an accrual basis. Contingent credit fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any direct incremental costs) and recognized as an adjustment to the effective interest rate on the loan.

All other revenues and expenses are recognized on an accrual basis.

e) Insurance activities -

Product classification:

Insurance contracts are those contracts when the Group (the insurer) has accepted a significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. This definition also includes reinsurance contracts that the Group holds. As a general guideline, the Group determines whether it has significant insurance risk by comparing benefits paid with benefits payable if the insured event did not occur.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

Life insurance contracts offered by the Group include retirement, disability and survival insurance, annuities and individual life which includes unit linked insurance contracts. The non-life insurance contracts issued by the Group mainly include automobile, fire and allied and technical lines and healthcare.

Reinsurance:

The Group cedes insurance risk in the normal course of the operations for most of its businesses. Reinsurance assets represent balances due from reinsurance companies. Reinsurance ceded is placed on both a proportional and non-proportional basis.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims and ceded premiums associated with the ceded policies and are in accordance with the related reinsurance contracts.

Reinsurance assets are reviewed for impairment at each reporting date of the consolidated statement of financial position or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measureable impact on the amounts that the Group will receive from the reinsurer. The impairment loss is recorded in the consolidated statement of income.

Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.

The Group also assumes reinsurance risk in the normal course of business for non-life insurance contracts when applicable. Premiums and claims on assumed reinsurance are recognized as revenue or expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the classification of the reinsured insurance contract.

Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract.

Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance, see notes 24 and 25. Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expire or when the contract is transferred to another party. Reinsurance contracts that do not transfer significant insurance risk are not material to the insurance segment.

Insurance receivables -

Insurance receivables are recognized when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, insurance receivables are measured at amortized cost. As of December 31, 2016 and 2015 the carrying amount of the insurance receivables is similar to their fair value due to their short term. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. The impairment loss is recorded in the consolidated statement of income. Insurance receivables are derecognized when the de-recognition criteria for financial assets, as described in Note 3(g), have been met.

Unit- Linked" assets -

"Unit- Linked" assets represent financial instruments held for purposes of funding a group of life insurance contracts and for which investment gains and losses accrue directly to the policyholders who bear the investment risk. Each account has specific objectives and the assets are carried at fair value. The balance of each account is legally segregated and is not subject to claims that arise out of any other business of the Group. The liabilities linked to these accounts are equal to the account assets, net of the commissions that the Group charges for the management of these contracts.

Deferred acquisition costs (DAC) -

These comprise the direct costs that originate with and are related to traditional life and unit-linked insurance contracts which are deferred; all other acquisition costs are recognized as an expense when incurred. The direct acquisition costs comprise primarily agent commissions corresponding to the underwriting and policy issuance costs.

Subsequent to initial recognition, these costs are amortized on a straight line basis based on the average expiration period of the related insurance contracts. Amortization is recorded in the consolidated statement of income.

DAC for general insurance and health products are amortized over the period in which the related revenues are earned.

DAC are derecognized when the related contracts are either settled or disposed of.

An impairment review is performed at the date of the consolidated statement of financial position or more frequently when an indication of impairment arises. When the recoverable amounts is less than the carrying value an impairment loss is recognized in the consolidated statement of income. DAC is also considered in the liability adequacy test for each reporting period.

Reinsurance commissions -

Commissions on reinsurance contracts for ceded premiums are amortized on a straight line basis over the term of the coverage of the related insurance contract.

Insurance contract liabilities -

i) Life insurance contract liabilities -

Life insurance liabilities are recognized when contracts are entered into.

The technical reserves of retirement, disability and survivor's pension include the reserves of all of the business lines, comprising both the mathematical reserves and those of ongoing risk, as well as the reserves for outstanding claims, settled claims, claim settlement costs, claims incurred but not reported (IBNR), as applicable to each line.

Due to the nature of the business, the mathematical reserves of the pension lines represent the main part of the company's reserves, with the line of Life Annuities as the major source of reserves due to the important volume of premiums and as a result of having only single premiums. In order to determine the reserves of this business, the discounted present value of the expected future pensions, to be paid in a guaranteed and non-guaranteed period is taken into account, calculated on the basis of mortality tables and interest rates. Those are based on the asset portfolio which supports the liabilities. Additionally, the constituted reserves including the amount required to cover the maintenance expenses related to the individual life insurance contracts (including Unit Linked insurance policies) are determined by the sum of the discounted value of the expected future benefits, occurrence of claims, administration expenses, options, guarantees and profit on investment, less the current value of the exected theoretical premiums which would be required to comply with the payment obligations of future pensions.

On the other hand, in the Life Annuities business the company offers some products which are only risk related and others of risk and savings, the latter being those which comprise the highest percentage of reserves of the line. Life insurance contracts comprise the provision for unearned premiums and ongoing risks. Risk and savings products can be differentiated between those with a guaranteed interest rate and others without guaranteed interest, the reserve for the first group being equal to the balance of the policy accounts plus the unaccredited surplus interest, and for the second group it is equal to the balance of the policy accounts. Said accounts are established with the premiums collected, tax deductions, expenses and costs of insurance and the accreditation of interest based on the yield of the portfolio which supports said reserves.

Life insurance claims reserves include reserves for reported claims and the estimates of the incurred claims that have not been reported to the Group (hereinafter “IBNR”). IBNR reserves are determined on the basis of the Chain Ladder methodology (a generally accepted actuarial method), whereby the weighted average of past claim development is projected into the future; this projection is based on the ratios of occurrence of accumulated past claims. Adjustments to the liabilities at each reporting date of the consolidated statement of financial position are recorded in the consolidated statement of income. The liability is derecognized when the contract expires, is discharged or is cancelled.

At each reporting date, an evaluation is carried out as to whether the life insurance liabilities are adequate, net of the related DAC, by means of a liability adequacy test as established by IFRS 4. At December 31, of 2016 and 2015, the Group’s Management concluded that the liabilities are sufficient and, therefore, they have not recognized any additional liability for life insurance contracts.

ii) Non-life insurance contract liabilities (which comprise general and healthcare insurance) -

Non-life insurance contract liabilities are recognized when contracts are entered into.

Claims reserves are based on the last estimated cost of all claims incurred but not settled at the date of the consolidated statement of financial position, whether reported or not, together with related claim handling costs and the expected reduction in value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore their ultimate cost cannot be known with certainty at the date of the consolidated statement of financial position. IBNR are estimated and included in the provision (liabilities). IBNR reserves are determined on the basis of the Bornhuetter - Ferguson methodology – BF (a generally accepted actuarial method), which considers a statistical analysis of the recorded loss history, the use of projection methods and, when appropriate, qualitative factors that reflect present conditions or trends that could affect the historical data. No provision for equalization or catastrophe reserves is recognized. The liabilities are derecognized when the contract expires, is discharged or is cancelled.

Technical reserves for non-life insurance contracts comprise the provision for unearned premiums which represents premiums received for risks that have not yet expired. Generally, the reserve is term of the contract and is recognized as premium income.

At each reporting date the Group reviews the risk from outstanding claims and an existing liability adequacy test as laid out under IFRS 4, to determine whether there is any overall excess of expected claims over unearned premiums. If these estimates show that the carrying amount of the unearned premiums is inadequate, the deficiency is recognized in the consolidated statement of income by setting up a provision for liability adequacy. As of December 31, 2016 and 2015, Management determined that the liabilities were adequate; therefore, it has not recorded any additional liabilities for non-life insurance contracts.

Income recognition:

(i) Gross premiums -

Life insurance contracts -

Gross premiums on life contracts are recognized as revenue when due from the policyholder. For single premium business, revenue is recognized on the date on which the policy is effective.

Non-life insurance contracts -

Gross non-life insurance direct and assumed premiums comprise the total premiums written and are recognized on the date of issue of the policy as a receivable. At the same time, a reserve is recorded for unearned premiums which represents premiums for risks that have not yet expired. Unearned premiums are recognized as income over the contract period which is also the coverage and risk period.

(ii) Fees and commission income -

Unit-linked insurance contract policyholders remunerate the Group for policy administration services, investment management services, surrenders and other contract fees. These fees are recognized as revenue in the consolidated statement of income in the period in which the services are provided.

(iii) Income from medical services and sale of medicines (those not categorized as healthcare insurance) -

Income from medical services is recognized on the date the service is provided.

Income from the sale of medicines is recognized when the significant risks and rewards inherent to ownership of the medicines have passed to the buyer, usually upon delivery of the medicines.

Income from medical services and sale of medicines is recorded in “Other income” of the consolidated statement of income.

Recognition of benefits, claims and expenses:

(i) Benefits and claims -

The benefits and claims for life insurance contracts include the cost of all claims arising during the year including internal and external claim handling costs that are directly related to the processing and settlement of claims. Death, survival and disability claims are recorded on the basis of notifications received. Pension payments are recorded when they accrue.

General and health insurance claims include all claims occurring during the year, whether reported or not, internal and external claim handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustment to claims outstanding from previous years.

(ii) Reinsurance premiums -

Comprise the total premiums payable for the coverage of the insurance contracts and are recognized on the date on which the validity of the insurance policy commences. Unearned ceded premiums are deferred over the term of the underlying insurance contract.

(iii) Reinsurance claims -

Reinsurance claims are recognized when the related gross insurance claim is recognized according to the terms of the relevant contract.

(iv) Cost of medical services and sale of medicines (those not categorized as healthcare insurance) -

Cost of medical services is recorded when incurred.

Cost of sale of medicines, which is the cost of acquisition of the medicines, is recorded when medicines are delivered, simultaneously with the recognition of income for the corresponding sale.

Cost of medical services and sale of medicines are recorded in "Other expense" of the consolidated statement of income.

f) Financial Instruments: Initial recognition and subsequent measurement -

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

The Group classifies its financial instruments in one of the categories defined by IAS 39: financial assets and financial liabilities at fair value through profit or loss; loans and receivables; available-for-sale financial investments; held-to-maturity financial investments and other financial liabilities. The Group determines the classification of its financial instruments at initial recognition.

The classification of financial instruments at initial recognition depends on the purpose and the Management intention for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value plus the incremental costs related to the transaction which are directly attributable to the acquisition or issue of the instrument, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established according to market regulations or conventions (regular market trades) are recognized on the trade date, that is, the date on which the Group commits to purchase or sell the asset. Derivatives are recognized on a trade date basis.

(i) Financial assets and liabilities at fair value through profit or loss -

Financial assets and liabilities at fair value through profit or loss include financial assets held for trading and financial assets and liabilities designated at fair value through profit or loss, the designation of which is upon initial recognition and on an instrument by instrument basis. Derivative financial instruments are also categorized as held for trading unless they are designated as hedging instruments.

A financial asset or liability is classified as held for trading if it is acquired for the purpose of selling or repurchasing it in the short term, and is presented in “Trading securities” or “Financial liabilities at fair value through profit or loss” in the consolidated statement of financial position.

Management may only designate an instrument at fair value through profit or loss upon initial recognition when the following criteria are met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring assets or liabilities or recognizing gains or losses generated by them on a different basis; or

- The assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed and evaluated based on the yield on their fair value, in accordance with a documented risk management or investment strategy; or
- The financial instruments contain one or more embedded derivatives, which significantly modify the cash flows that otherwise would be required by the contract.

Changes in fair value of a designated financial asset and liability through profit or loss are recorded in “Net gain (loss) on financial assets designated at fair value through profit or loss” of the consolidated statement of income. Interest earned or incurred is accrued in the consolidated statement of income in “Interest and similar income” or “interest and similar expenses”, according to the terms of the contract. Dividend income is recorded when the right to payment has been established.

(ii) Loans and receivables -

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement, loans and receivables are measured at amortized cost using the effective interest rate method, less any provision for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is recognized in the consolidated statement of income in “Interest and similar income”. Losses from impairment are recognized in the consolidated statement of income in “Provision for loan losses, net of recoveries”.

Direct loans are recorded when disbursement of funds to the clients are made. Indirect (off-balance sheet) loans are recorded when documents supporting such facilities are issued. Likewise, Credicorp considers as refinanced or restructured those loans that change their payment schedules due to difficulties in the debtor’s ability to repay the loan.

A provision for loan losses is established if there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms of the loans. The provision for loan losses is established based on an internal risk classification and considering any guarantees and collaterals received, Note3 (i) and 34.1.

(iii) Available-for-sale financial investments -

Available-for-sale financial investments include equity investments and debt securities. Equity investments classified as available-for-sale are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt instruments in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value with unrealized gains or losses recognized as other comprehensive income in the available-for-sale reserve, net of the corresponding deferred tax and non-controlling interest, until the investment is derecognized, at which time the cumulative gain or loss is recognized in the consolidated statement of income in “Net gain on the sale of securities”, or determined to be impaired, at which time the impaired amount is recognized in the consolidated statement of income in “Impairment loss on available–for–sale investments” and removed from the available-for-sale reserve.

Interest and similar income earned are recognized in the consolidated statement of income in “Interest and similar income”. Interest earned is reported as interest income using the effective interest rate method and dividends earned are recognized when collection rights are established.

Estimated fair values are based primarily on quoted prices or, if quoted market prices are not available, discounted expected cash flows using market rates commensurate with the credit quality and maturity of the investment.

The Group evaluates whether its ability and intention to sell its available-for-sale financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if Management has the ability and intention to hold such assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortized cost and any previous gain or loss on the asset that has been recognized in equity is amortized to profit or loss over the remaining life of the investment using the effective interest rate.

(iv) Held-to-maturity financial investments -

Held-to-maturity financial investments are non–derivative financial assets with fixed or determinable payments and fixed maturities, which Credicorp has the intention and ability to hold to maturity. After initial measurement, held-to-maturity financial investments are subsequently measured at amortized cost using the effective interest rate less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortization is included in "Interest and similar income" of the consolidated statement of income. The losses arising from impairment of these investments are recognized in the consolidated statement of income.

At December 31, 2016 and 2015 the Group has not recognized any impairment loss on held-to-maturity investments, see policy of impairment of financial assets carried at amortized cost in note 3(i)(i).

If the Group were to sell or reclassify a more than an insignificant amount of held-to-maturity investments before maturity (other than in certain specific circumstances), the entire category would be tainted and would have to be reclassified as available-for-sale. Furthermore, the Group would be prohibited from classifying any financial asset as held-to-maturity during the following two (02) years.

At December 31, 2016 and 2015 the Group did not sell or reclassify any of its held-to-maturity investments.

(v) Repurchase and reverse repurchase agreements and security lending and borrowing transactions -

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

As part of this transaction the Group grants assets as collateral. When the counterparty receives securities and has the right to sell or re-pledge, the Group reclassifies those securities in “Available-for-sale investments pledged as collateral” or “Held-to-maturity investments pledged as collateral”, as appropriate, of the consolidated statement of financial position. Also, when the counterparty receives cash as collateral that will be restricted until the maturity of the contract, the Group reclassifies the cash in Cash collateral, reverse repurchase agreements and security borrowings" in the consolidated statement of financial position, which includes accrued interest that is calculated according to the method of the effective interest rate.

Conversely, securities purchased under agreements to resell at a specified future date are not recognized in the consolidated statement of financial position. The consideration paid, including accrued interest, is recorded in “Receivables from reverse repurchase agreements and security borrowings” of the consolidated statement of financial position, reflecting the transaction’s economic substance as a loan by the Group. The difference between the purchase and resale price is recorded in “Interest and similar income” of the consolidated statement of income and is accrued over the life of the agreement using the effective interest rate.

If securities purchased under agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale in the consolidated statement of financial position heading “Financial liabilities at fair value through profit or loss” and measured at fair value, with any gains or losses included in the consolidated statement of income caption “Net gain on sale of securities”.

Security lending and borrowing transactions are usually collateralized by securities and cash. The transfer of the securities to counterparties is only reflected in the consolidated statement of financial position if the risks and rewards of ownership are also transferred.

(vi) Put and call options over non-controlling interest -

Put options granted to non-controlling interests give rise to a financial liability for the present value of the redemption amount. When the financial liability is recognized initially, the present value of the amount payable upon exercise of the option is recorded in equity. All subsequent changes in the carrying amount of the liability, due to a re-measurement of the present value of the amount payable on exercise, are recognized in the consolidated statements of income.

Call options are initially recognized as a financial asset at their fair value, with any subsequent changes in their fair value recognized in profit or loss. If the call options are exercised, the fair value of the option at that date is included as part of the cost of the acquisition of the non-controllin interest. If the call options lapse unexercised, any carrying amount for the call option is expensed in profit or loss.

Put and call options do not give the Group present access to the benefits associated with the ownership interest.

(vii) Other financial liabilities -

After initial measurement other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Amortized cost includes any issuance discount or premium and directly attributable transaction costs that are an integral part of the effective interest rate.

g) De-recognition of financial assets and liabilities -

Financial assets -

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

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

Financial liabilities -

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

h) Offsetting financial instruments -

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

i) Impairment of financial assets -

The Group assesses at the date of each consolidated statement of financial position whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred "loss event"), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will go bankrupt or other legal financial reorganization process and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The criterion used for each category of financial assets is as follows:

(i) Financial assets carried at amortized cost -

For loans, receivables and held-to-maturity investments that are carried at amortized cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred).

The carrying amount of the asset is reduced through the use of a provision account and the amount of the loss is recognized in the consolidated statement of income. A loan together with the respective associated provision is written off when classified as a loss and is fully provisioned and there is real and verifiable evidence that the loan is irrecoverable and collection efforts concluded without success, the impossibility of foreclosures or all collateral has been realized or has been transferred to the Group.

If in any subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the provision account. If in the future a written-off loan is later recovered, the recovery is recognized in the consolidated statement of income, as a credit to "Provision for loan losses, net of recoveries".

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For collective assessment of impairment, financial assets are grouped considering the Group's internal credit grading system, which considers credit risk characteristics; for example: asset type, industry, geographical location, collateral type and past-due status and other relevant factors.

Future cash flows from a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with similar credit risk characteristics to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the years on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exists. The methodology and assumptions used are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(ii) Available-for-sale financial investments -

For available-for-sale financial investments, the Group assesses at each date of the consolidated statement of financial position whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments, objective evidence would include a significant or prolonged decline in their fair value below cost. “Significant” is to be evaluated against the original cost of the investment and “prolonged” against the period in which the fair value has been below its original cost. The determination of what is “significant” or “prolonged” requires judgment. In making this judgment, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

When there is evidence of impairment, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any previously recognized impairment loss) is removed from available-for-sale investments reserve of the consolidated statement of changes in equity and recognized in the consolidated statement of income. Impairment losses on equity investments are not reversed through the consolidated statement of income; increases in their fair value after impairment are recognized directly in the consolidated statement of comprehensive income.

In the case of debt instruments, impairment is assessed based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in the consolidated statement of income. Future interest income is based on the reduced carrying amount and is accrued using the interest rate used to discount the future cash flows for the purpose of measuring the impairment loss. Interest income is recorded as part of “Interest and similar income” of the consolidated statement of income. If in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the consolidated statements of income, the impairment loss is reversed through the consolidated statement of income.

(iii) Renegotiated loans -

When a loan is modified, it is no longer considered as past due but it maintains its previous classification as impaired or not impaired. If the debtor complies with the new agreement during the following six months, and an analysis of its payment capacity supports a new improved risk classification, it is classified as not impaired. If subsequent to the loan modification the debtor fails to comply with the new agreement, it is considered as impaired and past due.

j) Leases -

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

Operating leases -

Leases in which a significant portion of the risks and benefits of the asset are held by the lessor are classified as operating leases. Under this concept the Group has mainly leased premises used as offices and agencies of the Group's subsidiaries.

When an operating lease is terminated before the lease period has expired, any penalty payment to the lessor is recognized as an expense in the period in which termination takes place.

Finance leases -

Finance leases are recognized as granted loans at the present value of the future lease collections. The difference between the gross receivable amount and the present value of the loan is recognized as unearned interest. Lease income is recognized over the term of the lease agreement using the effective interest rate method, which reflects a constant periodic rate of return.

k) Property, furniture and equipment -

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

Land is not depreciated. Depreciation is calculated using the straight-line method over the estimated useful lives, which are as follows:

	Years
Buildings and other construction	33
Installations	10
Furniture and fixtures	10
Vehicles and equipment	5
Computer hardware	4

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

Assets' residual value, and the selected useful life are periodically reviewed to ensure that they are consistent with current economic benefits and life expectancy.

l) Investment properties -

Investment properties are held to earn rentals or for capital appreciation or both rather than for: (a) use in the production or supply or goods or services or for administrative purposes; or (b) sale in the ordinary course of business. Property that is being constructed or developed for future use as investment property is recognized at cost before completion.

Investment properties are initially measured at fair value which is the purchase transaction price, unless otherwise indicated. Transaction costs are included in the initial measurement, which includes the purchase price and any other cost directly attributable to the transaction.

For subsequent recognition, an entity shall choose as its accounting policy either the fair value model or the cost model and shall apply that policy to all its investment property. At the date of the consolidated financial statements, the Group has opted for keeping the cost model. Accordingly, investment properties are accounted for at their acquisition cost less accumulated depreciation and the accumulated impairment losses, if any.

An entity can opt for recognizing and depreciating separately the components of an investment property or as a single unit for recording and depreciation purposes. The Group recognizes as a single unit each of its investment properties and has estimated a useful life of 33 years for purposes of determining depreciation under the straight-line method.

Rental income is recognized as rents that are accrued under the related rental agreement; depreciation expenses as well as maintenance expenses and other related expenses are accounted for as maintenance of the rented assets, net within “Other income” in the consolidated statement of income.

m) Seized assets -

Seized assets are recorded at the lower of cost or estimated market value, which is obtained from valuations made by independent appraisers. Reductions in book values are recorded in the consolidated statement of income.

n) Business combination -

Business combinations made are accounted for using the acquisition method in accordance with IFRS 3 Business Combination, regardless of whether they are equity instruments or other acquired assets.

The acquisition cost is the sum of the consideration paid for the acquisition measured at fair value at the acquisition date and the amount of the share in the non-controlling interest acquired. For each business combination the Group decides whether to measure the non-controlling interest in the acquire at fair value or at the proportional share in the identifiable net assets of the acquire.

Acquisition-related costs are recognized as expense and are included within "Administrative expenses" in the consolidated statement of income. When the Group acquires a business, it assesses the financial assets and liabilities assumed for its own classification and denomination under the contractual terms, economic circumstances and prevailing conditions at the date of acquisition. This includes the separation of embedded derivative contracts signed by the acquiree.

Any contingency transferred by the acquirer is recognized at fair value at the acquisition date. The contingency classified as an asset or liability that is a financial instrument and is within the scope of IAS 39 "Financial instruments: Recognition and measurement" is measured at fair value with changes recognized in the consolidated statement of income or consolidated statement of comprehensive income.

If the contingency is not within the scope of IAS 39, it is measured in accordance with the applicable IFRS. A contingency that is classified as equity should not be measured again and its subsequent settlement is accounted for within equity.

The acquisition of a non-controlling interest is recorded directly in net equity, any difference between the amount paid and the fair value of the identifiable net assets is recorded as an equity transaction. Accordingly, the Group recognized no additional goodwill after the acquisition of the non-controlling interest, nor does it recognize any profit or loss from the disposal of the non-controlling interest.

Equity attributable to the non-controlling interest is shown separately in the consolidated statement of financial position. Profit attributable to the non-controlling interest is shown separately in the consolidated statement of income and consolidated statement of comprehensive income.

In a business combination achieved in stages, the acquirer shall re-measure its ´previously held equity interest in the acquire at fair value at the acquisition-date. The resulting gain or loss is recognized in profit or loss.

o) Intangible assets -

Comprise internally developed and acquired software licenses used by the Group. Acquired software licenses are measured on initial recognition at cost and are amortized using the straight-line method over their estimated useful life (between 3 and 5 years).

Intangible assets identified as a consequence of the acquisition of subsidiaries are recognized in the consolidated statement of financial position at their fair values determined on the acquisition date and are amortized using the straight line method over their estimated useful life as follows:

	Estimated useful lives in years
Client relationship - Prima AFP (AFP Unión Vida)	20
Client relationship - Inversiones IMT S.A.	22
Client relationship cash, fixed and variable income - Credicorp Capital Colombia	8
Client relationship APT - Credicorp Capital Colombia	10
Client relationship - Edyficar	10
Brand - Mibanco	25
Brand - Credicorp Capital Colombia	5
Brand - Inversiones IMT S.A.	5
Fund manager contract - Credicorp Capital Colombia	28
Fund manager contract - Inversiones IMT S.A.	11
Core deposits - Mibanco	6
Right of use - BCP	5
Others	5

The period and the amortization method, for intangible assets are reviewed at the end of each period. If the expected useful life differs from previous estimates, the amortization period will be changed to reflect this change. If there has been a change in the expected pattern of consumption of the future economic benefits embodied in the asset, the amortization method shall be amended to reflect these changes. The effects of these changes in the period and the amortization method are prospectively treated as changes in accounting estimates under IAS 8.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of income when the asset is derecognized.

p) Goodwill -

Goodwill is the excess of the aggregate of the consideration transferred over the fair value recognized for the acquisition of the net value of the identifiable net assets acquired and liabilities assumed. If the fair value of the net assets acquired exceeds the aggregate consideration transferred, then the gain is recognized in the consolidated statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to these units.

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

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

q) Impairment of non-financial assets -

The Group assesses, at each reporting date, whether there is an indicator that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of the value of the asset or the CGU less costs to sell and its value in use and is determined for each individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are verified against valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For non-financial assets, excluding goodwill, an assessment is made at each reporting date whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income.

r) Non-current assets held for sale -

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the assets are available for immediate sale in their present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, furniture and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

If the Group is committed to a sale plan involving loss of control of a subsidiary, the Group will classify all the assets and liabilities of that subsidiary as held for sale. This is regardless of whether it will retain a non-controlling interest in the former subsidiary after the sale.

Non-current assets classified as held for sale and liabilities classified as held for sale are presented separately from other assets and liabilities, respectively, in the consolidated statement of financial position according to IFRS 5. The Group discloses the major classes of assets and liabilities classified as held for sale separately in Note 13.

Also, when non-current assets held for sale do not represent a separate major line of business or geographical area of operations and they are not part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, nor are they a subsidiary acquired exclusively with a view to resale; the non-current assets held for sale are not considered a discontinued operation and they are not excluded from the results of continuing operations and are not presented as a single amount of profit or loss after tax from discontinued operations in the consolidated statement of income.

s) Due from customers on acceptances -

Due from customers on acceptances corresponds to accounts receivable from customers for import and export transactions, whose obligations have been accepted by the Group. The obligations that must be assumed by the Group for such transactions are recorded as liabilities.

t) Financial guarantees -

In the ordinary course of business, the Group issues financial guarantees, such as letters of credit, guarantees and acceptances. Financial guarantees are initially recognized at fair value (which is equivalent at that moment to the fee received) in “Other liabilities” of the consolidated statement of financial position. Subsequent to initial recognition, the Group’s liability under each guarantee is measured at the higher of the amount initially recognized less, when appropriate, cumulative amortization recognized in the consolidated statement of income, and the best estimate of expenditure required to settle any financial obligation arising as a result of the financial guarantee.

Any increase in the liability relating to a financial guarantee is included in the consolidated statement of income. The fee received is recognized in “Banking services commissions” of the consolidated statement of income on a straight line basis over the life of the granted financial guarantee.

u) Provisions -

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

v) Contingencies -

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

w) Income tax -

Income tax is computed based on the individual financial statements of Credicorp and of each of its subsidiaries.

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

The carrying amount of deferred tax assets and liabilities may change even though there is no change in the amount of the related temporary differences. This can result from a change in tax rates or tax laws. In this case, the resulting deferred tax shall be recognized in profit or loss, except to the extent that it relates to items previously recognized outside profit or loss.

Deferred tax assets and liabilities are recognized regardless of when the timing differences are likely to reverse. Deferred tax assets are recognized when it is more likely than not, that future taxable profit will be available against which the temporary difference can be utilized. At the date of the consolidated statement of financial position, Credicorp and its Subsidiaries assess unrecognized deferred assets and the carrying amount of recognized deferred assets.

Credicorp and its Subsidiaries determine their deferred income tax considering the tax rate applicable to its undistributed earnings; any additional tax on dividend distribution is recorded on the date a liability is recognized.

Deferred tax assets and liabilities are offset if there is a legal right of offset and the deferred taxes are related to the same taxpaying entity and the same tax authority.

x) Earnings per share -

Basic earnings per share is calculated by dividing the net profit for the year attributable to Credicorp's equity holders by the weighted average number of ordinary shares outstanding during the year, excluding the average number of ordinary shares purchased and held as treasury stock.

Diluted earnings per share is calculated by dividing the net profit attributable to Credicorp's equity holders by the weighted average number of ordinary shares outstanding during the year, excluding the average number of ordinary shares purchased and held as treasury stock, plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

y) Share-based payment transactions -

The cost of this equity-settled plan is recognized, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date").

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense is recorded in "Salaries and employee benefits" of the consolidated statement of income.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or which is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding stock awards is reflected as a share dilution in the computation of diluted earnings per share, see (x) above.

z) Derivative financial instruments and hedge accounting -

Trading -

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

Part of the transactions with derivatives, while providing effective economic hedges under Group's risk management positions, do not qualify for hedge accounting under the specific rules of IAS 39 and are, therefore, treated as trading derivatives.

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

Hedging -

The Group uses derivative instruments to manage exposures to interest rate and foreign currency. In order to manage particular risks, the Group applies hedge accounting for transactions which meet the specified criteria.

At inception of the hedge relationship, the Group formally documents the relationship between the hedged item and the hedging instrument, including the nature of the risk, the objective and strategy for undertaking the hedge and the method that will be used to assess the effectiveness of the hedging relationship.

Also, at the inception of the hedge relationship, a formal assessment is undertaken to ensure the hedging instrument is expected to be highly effective in offsetting the designated risk in the hedged item. Hedges are formally assessed at each reporting date.

The accounting treatment is established according to the nature of the hedged item and compliance with the hedge criteria, as follows.

A hedge is considered highly effective if the following conditions are met:

- At the inception of a hedge and in following years, the hedge is expected to be highly effective to offset changes in the fair value or cash flows attributable to the hedged risk over the designated period of the hedge; and
- The actual effectiveness of the hedge is within the range of 80-125 percent.

The accounting treatment is determined on the basis of the nature of the hedged item and once the hedging qualifying criteria are met.

i) Cash flow hedges -

The effective portion of the gain or loss on the hedging instrument is recognized directly as part of other comprehensive income in “Cash flow hedge reserve”, while any ineffective portion is recognized immediately in the consolidated statement of income.

Amounts recognized as other comprehensive income are transferred to the consolidated statement of income when the hedged transaction affects profit or loss, such as when the hedged finance income or finance cost is recognized or when an expected sale occurs.

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

ii) Fair value hedges -

The change in the fair value of fair value hedges is recognized in “Interest and similar income” or “Interest and similar expenses” of the consolidated statement of income. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying value of the hedged item and is recognized in the consolidated statement of income.

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

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

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

iii) Embedded derivatives -

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts, and the host contracts are not held for trading or designated at fair value through profit or loss.

The Group has investments indexed to certain life insurance contracts liabilities, denominated “Unit-Linked”. These instruments have been classified at inception by the Group as “Financial instruments at fair value though profit or loss”, see note 3(f)(i) and note 8.

aa) Fair value measurement -

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

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

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

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

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

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

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

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

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

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

Also, fair values of financial instruments measured at amortized cost are disclosed in note 34.7(b).

ab) Segment reporting -

The Group reports financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are a component of an entity for which separate financial information is available that is evaluated regularly by the entity’s Chief Operating Decision Maker (“CODM”) in making decisions about how to allocate resources and in assessing performance. Generally, financial information is required to be reported on the same basis as it is used internally for evaluating operating segment performance and deciding how to allocate resources to segments, note 30.

ac) Fiduciary activities, management of funds and pension funds -

The Group provides custody, trustee, investment management and advisory services to third parties that result in the holding of assets on their behalf. These assets and income arising thereon are excluded from these consolidated financial statements, as they are not assets of the Group, Note 34.8.

Commissions generated for these activities are included in “Other income” of the consolidated statement of income.

ad) Cash and cash equivalents -

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise balances of cash and non-restricted balances with central banks, overnight deposits, time deposits and amounts due from banks with maturities of three months or less, excluding restricted balances see note 4.

Cash collateral pledged as a part of a repurchase agreement is presented in “Cash collateral, reverse repurchase agreement and securities borrowings” in the consolidated statement of financial position, see note 5(a).

Cash collateral pledged in the negotiation of derivative financial instrument and others are presented in “Other assets” in the consolidated statement of financial position, see note 12.

ae) International Financial Reporting Standards issued but not yet effective -

The Group decided not to early adopt the following standards and interpretations that were issued but are not effective as of December 31, 2016:

(i) IFRS 9 “Financial Instruments” -

IFRS 9 replaces the models of IAS 39 “Financial instruments: Measurement and Recognition” with a single model which initially has two classification categories: Amortized cost and fair value.

The classification of debt assets will be based on the business model which the entity uses to manage its financial assets and the characteristics of the contractual cash flows of the financial assets. A debt instrument is measured at amortized cost if: a) the objective of the business model is to maintain the financial asset for the collection of contractual cash flows, and b) the contractual cash flows of the instrument only represent payments of debt principal and interest.

All other debt and equity instruments, including investments in complex debt and capital instruments, must be recognized at fair value through profit or loss or comprehensive income.

The new hedge accounting rules align hedge accounting with common risk management practices. As a general rule, it will be easier to apply hedge accounting.

Moreover, it modifies the criteria for the recognition of losses for impairment of financial assets, proposing a focus based on a model which seeks to estimate the ‘expected loss’ of the credit portfolio and othe debt instruments, which will replace the current model of IAS 39, which estimates the provision for impairment of financial assets on the basis of the concept of ‘incurred losses’.

IFRS 9 is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted.

The Group Management has carried out a diagnosis regarding the new requirements of IFRS 9, concluding that: (i) the changes presented by IFRS 9 will not have a material impact on the criteria of classification and measurement of financial assets and liabilities currently applied, nor on hedge accounting, and (ii) the new model of recognition of impairment losses could result in early recognition of losses in the credit portfolio.

As a result of the diagnosis performed, the Group established a work plan for each of the subjects of the new rule, and at the date of this report, it is in the implementation stage of: (i) the business models, (ii) the models for the calculation of impairment, and (iii) the processes required for hedge accounting.

As a result of the diagnosis carried out, the Group established a work plan for each of the aspects of the norm, and at the date of this report, it was in the implementation stage of: (i) the process models for the classification of business portfolios, (ii) the models for the calculation of impairment, and (iii) the processes required for hedge accounting (iv) the governance and adaptation to SOX standards of the processes linked to the norm and (v) the required technical support.

The development of the work plan has included staff from different units of Credicorp (mainly Accounting, Risks and Information Technology) and also expert consultants who are advising us on the development of matters relevant to the norm. The plan prioritizes the most relevant expposures in order to achieve an approximate estimate of the impairment loss in adance of the completion of the Project, which will help us to plan better the impact on capital.

Specifically, on the impairment front, for the estimation of the loss parameters (PD, LGD and EAD) we have taken as a base the models of admission and behavior used in credit risk management of wholesale and retail banking, as well as the standard methodologies of the industry. For the classification of the exposures which will form part of stage 2, objective criteria have been developed to determine whether there is a significant increase in risk through the calculation of PD for the whole life of the credit in origination and the reference date. However, other management criteria are also considered, such as days in arrears or belonging to watchlists.

(ii) IFRS 15 "Revenue from contracts with customer" -

This standard will replace IAS 18 "Revenue", and IAS 11 "Construction Contracts". The new standard is based on the principle that revenue is recognized when the control of a good or service is transferred to a client, so that the notion of control replaces the existing notion of risks and benefits.

A new five-step process must be applied before revenue can be recognized:

- Identify the contracts with clients.
- Identify the separate performance obligation.
- Determine the price of the contractual transaction.
- Assign the price of the transaction to each of the separate performance obligations, and
- Recognize the revenue as each performance obligation is complied with.

At the date of the financial statements, the Company is not in a position to estimate the effect that IFRS 15 could have on its financial statements. The Group will carry out a more detailed evaluation of these impacts in the course of the next twelve months.

IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

(iii) IFRS 16, "Leases" -

On IFRS 16, 'Leases' replaces the current standards related to the treatment of leases (IAS 17, 'Leases' and IFRIC 4, 'Determining whether an arrangement contains a lease" and other related interpretations). IFRS 16 will mainly affect the accounting treatment for lessees, and will result in the recognition of almost all leases in the statement of financial position. The standard eliminates the current distinction between finance and operating leases, and requires the recognition of an asset (right to use the leased asset) and a financial liability to make the lease payments of practically all of the lease contracts. There is an optional exception for low value, short term leases. As a result of the new model, an entity will recognize in its balance sheet at the inception of the lease, an asset for the right of use of the leased asset and a liability for the obligations to make future contractual payments. At initial recognition, the asset and liability will be measured at the present value of the minimum lease payments under contract.

At the date of the financial Statements, the Group has made an initial diagnosis and concludes that the application of this standard will have no material effects on the financial statements.

IFRS 16 applies to annual periods beginning on or after January 1, 2019, with earlier application permitted if IFRS 15, Revenue from Contracts with Customers, is also early applied.

(iv) Amendments to IAS 12 “Income Taxes”: Recognition of the deferred income tax asset for unrealized losses.

The amendments clarify the accounting treatment of deferred taxes when an asset is measured at fair value and when said fair value is less than the tax base of the asset. The amendments specifically confirm that:

- A temporary difference exists when the carrying amount of an asset is less than its tax base at the end of the information presentation period.
- An entity may assume that it will recover an amount greater than the carrying amount of an asset when estimating the future taxable profit that it will obtain.
- When tax law restricts the source of taxable profits against which the particular types of deferred tax assets may be recovered, the recoverability of the deferred tax assets can only be evaluated together with other deferred tax assets of the same type.
- The tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit used to evaluate the recoverability of said assets.

The amendment to IAS 12 applies to annual periods beginning on or after January 1, 2017.

(v) Amendments to IAS 7 “Statement of Cash Flows”: Disclosure initiatives.

In future, it will be necessary for entities to explain the changes in their liabilities arising from financial assets. This includes changes which arise from cash flows (that is, detractions and payments of borrowings) and non-monetary changes, like acquisitions, disposals, increase in interest and unrealized exchange rate differences.

Changes in financial assets must be included in this disclosure if they were included, or will be included in the cash flows of the financial activities. For example, this would be the case of assets which cover liabilities arising from financial liabilities.

Entities may possibly include changes in other items as part of this disclosure; for example: providing a reconciliation of “net debt”. However, in this case, the changes in the other items must be disclosed separately from the changes in liabilities arising from financial activities.

The information may be disclosed in a tabular format as a reconciliation of the opening and closing balances, but no specific obligatory format is required.

The amendment to IAS 7 applies to annual periods beginning on or after January 1, 2017.

(vi) Amendments to IFRS 10 "Consolidated financial statements" and IAS 28 "Investments in Associates and Joint Ventures": Sale or contribution of assets between an investor and his associate or joint venture.

The amendments clarify the accounting treatment of the sales or contribution of assets between an investor and his associates or joint venture. These amendments confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute "a business" (as defined in IFRS 3 "Business combinations").

If the non-monetary assets constitute a business, the investor will recognize the total gain or loss on the sale or contribution of assets. If the assets do not comply with the definition of "business", the investor will recognize the gain or loss only in proportion to the investor's investment in the associate or joint venture. The amendments will apply prospectively.

In December of 2016, the IASB decided to defer the application date of this amendment until it has completed its research project on the equity method.

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

4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents shown in the consolidated statement of cash flows consist of "cash and deposits with banks" from the consolidated statement of financial position, which includes cash in hand, funds in the Peruvian Central Reserve Bank (hereinafter “BCRP”), time deposits with maturities of three months or less, excluding restricted funds.

	2016 S/(000)	2015 S/(000)
Cash and clearing (a)	4,061,766	3,821,619
Deposits with Central Reserve Bank of Peru (a)	8,642,656	13,953,839
Deposits with local and foreign banks (b)	3,778,238	4,085,960
Interbank funds	147,713	180,031
Accrued interest	2,823	3,419
Total cash and cash equivalents	16,633,196	22,044,868
Restricted funds	12,573	346,876
Total cash	16,645,769	22,391,744

a) Cash and clearing and deposits with Peruvian Central Reserve Bank -

These accounts mainly include the mandatory reserve that Credicorp and Subsidiaries must keep to be able to honor their obligations with the public, which are within the limits established by current legislation. These reserves consist of the following:

	2016 S/(000)	2015 S/(000)
Mandatory reserves:		

Deposits with Peruvian Central Reserve Bank	8,625,876	12,783,866
Cash in vaults of Bank	3,158,153	3,289,135
Total mandatory reserves	11,784,029	16,073,001
Non-mandatory reserves:		
Overnight deposits	16,780	1,169,973
Cash in vaults of Bank and others	903,613	532,484
Total non-mandatory reserves	920,393	1,702,457
Total	12,704,422	17,775,458

At December 31, 2016 cash and deposits appropriated to mandatory reserves in local and foreign currency are subject to an implicit rate of 6.50 percent and 25.89 percent, respectively of the total balance of obligations subject to reserve, as required by the BCRP (6.50 percent and 30.18 percent, respectively, at December 31, 2015).

In the same way, at December 31, 2016, the reduction in the balances of the mandatory reserve originated from the following factors: i) reduction in the rates on the legal cash reserve requirement; ii) reduction in the volumes of the total of obligations subject to the legal cash reserve requirement (TOSE); iii) impact of the devaluation of the U.S. Dollar in the year of 1.63 percent on the balances maintained in said currency; and iv) reduction in the excess balances maintained as mandatory reserve in the final days of 2016.

b) Deposits with local and foreign banks -

Balances credited to local and foreign banks mainly consist of balances in soles and U.S. dollars; are cash in hand and earn interest at market rates. At December 31, 2016 and 2015 Credicorp and its Subsidiaries do not maintain significant deposits with any bank in particular.

5 CASH COLLATERAL, REVERSE REPURCHASE AGREEMENTS AND SECURITIES BORROWINGS AND PAYABLES FROM REPURCHASE AGREEMENTS AND SECURITY LENDINGS

a) This balance consists of the following:

	2016 S/(000)	2015 S/(000)
Cash collateral on repurchase agreements and security lendings (i)	10,621,045	10,080,794
Reverse repurchase agreement and security borrowings (ii)	294,558	945,904
Receivables for short sales	4,021	-
Total	10,919,624	11,026,698

(i) In January 2015, the BCRP issued Circular N°002-2015-BCRP, which establishes new procedures for currency reporting operations for the purpose of supporting the process of de-dollarization of credit. In this regard, at December 31, 2016 this balance mainly comprises cash collateral for approximately US$3,127.1 million (equivalent to S/10,494.7 million) delivered to BCRP to secure a borrowing of approximately S/10,008.7 million obtained from the same entity (US$2,955.4 million, equivalent to S/10,080.8 million, and S/9,329.0 million, respectively at December 31, 2015). Cash collateral bears interest at an average annual effective interest rate according to market rates. The related liability is presented in “Payables from repurchase agreements and security lending” of the consolidated statement of financial position, see paragraph (c) below.

(ii) Credicorp, mainly through its subsidiaries Credicrp Capital Colombia and IM Trust, provides financing to its customers through reverse repurchase agreements and security borrowings, in which a financial instrument serves as collateral. Details of said transactions are as follows:

		At December 31, 2016						At December 31, 2015				
	Currency	Average interest rate	Up to 3 days	From 3 to 30 days	More than 30 days	Carrying amount	Fair value of underlying assets	Average interest rate	Up to 3 days	From 3 to 30 days	More than 30 days	Carryi amoun
		%	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	%	S/(000)	S/(000)	S/(000)	S/(000
Instruments issued by the Colombian Government	Colombian pesos	7.30	5,661	96,924	11,408	113,993	113,993	5.75	-	821,588	-	821,58
Instruments issued by the Chilean Government	Chilean pesos	0.42	-	1,255	-	1,255	1,259	0.31	59,025	18,661	1,612	79,29
Other instruments		4.54	-	166,826	12,484	179,310	179,809	5.75	-	44,527	491	45,01
			5,661	265,005	23,892	294,558	295,061		59,025	884,776	2,103	945,9

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b) Credicorp, through its subsidiaries, obtains financing through “Payables from repurchase agreements and security lendings” by selling financial instruments and committing to repurchase them at future dates, plus interest at a fixed rate. The details of said transactions are as follows:

		At December 31, 2016						At December 31, 2015				
	Currency	Average interest rate	Up to 3 days	From 3 to 30 days	More than 30 days	Carrying amount	Fair value of underlying assets	Average interest rate	Up to 3 days	From 3 to 30 days	More than 30 days	Carrying amount
		%	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	%	S/(000)	S/(000)	S/(000)	S/(000)
Instruments issued by the Colombian Government	Colombian pesos	7.60	63,267	864,071	-	927,338	927,865	5.75	-	1,277,165	-	1,277,165
Instruments issued by the Chilean Government	Chilean pesos	0.34	231,667	-	-	231,667	233,108	0.28	64,829	10,674	-	75,503
Other instruments		5.97	-									