Scotiabank Perú S.A.A.

Unaudited Separate Interim Financial Statements

March 31, 2025

(With the Independent Auditors’ Report on Review of Separate Interim Financial Statements)

KPMG en Perú
Torre KPMG. Av. Javier Prado Este 444, Piso 27
San Isidro. Lima 27, Perú

Teléfono 51 (1) 611 3000
Internet www.kpmg.com/pe

INDEPENDENT AUDITORS' REPORT ON REVIEW OF SEPARATE INTERIM FINANCIAL INFORMATION

To the Shareholders and Directors of
Scotiabank Perú S.A.A.

Introduction

We have reviewed the accompanying separate statement of financial position of Scotiabank Perú S.A.A. (a subsidiary of The Bank of Nova Scotia – BNS, an entity established in Canada) as at March 31, 2025 the separate statements of profit or loss, and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and notes, comprising material accounting policies and other explanatory information ("the separate interim financial statements"). Management is responsible for the preparation and fair presentation of these separate interim financial statements in accordance with accounting standards established by Superintendencia de Banca, Seguros y Administradoras Privadas de Fondos de Pensiones - SBS (Banking, Insurance and Pension Plan Agency) for financial institutions in Peru. Our responsibility is to express a conclusion on these separated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not present fairly, in all material respects, the financial position of Scotiabank Perú S.A.A as at March 31, 2025 , and its financial performance and cash flows for the three month period then ended in accordance with accounting standards established by the SBS for financial institutions in Peru.

Lima, Peru,

June 23, 2025

Emmerich, Córdova y Asociados

Countersigned by:

Eduardo Alejos P. (Partner)
Peruvian Certified Public Accountant
Registration 29180

Scotiabank Perú S.A.A

Separate Financial Statements

March 31, 2025

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Scotiabank Perú S.A.A.
Separate Statement of Financial Position
As of March 31, 2025 and December 31, 2024

In thousands of soles	*Note*	03.31.2025 (Unaudited)	12.31.2024 (Audited)
Assets			
Cash and due from banks	*5*		
Cash		1,277,262	1,200,807
Deposits with Peruvian central bank (BCRP)		11,190,204	11,280,088
Deposits with local and foreign banks		533,739	246,082
Clearing		332,815	189,599
Restricted cash and due from banks and others		364,880	197,593
		13,698,900	13,114,169
Interbank funds		192,025	-
Investments at fair value through profit or loss and available-for-sale investments	*6*	7,995,064	7,773,868
Loan portfolio, net	*7*	45,993,979	45,393,303
Held-for-trading and hedging instruments	*8*	180,592	190,183
Accounts receivable, net	*9*	1,050,646	1,004,047
Investments in subsidiaries and associates	*10*	305,478	905,125
Property, furniture and equipment, net	*11*	271,197	276,743
Intangible assets, net	*12*	491,074	487,961
Deferred income tax	*27*	462,089	571,977
Other assets, net	*13*	783,788	697,462
Total assets		**71,424,832**	**70,414,838**
Contingent risks and commitments	*19*	61,130,590	58,697,538

In thousands of soles	*Note*	03.31.2025 (Unaudited)	12.31.2024 (Audited)
Liabilities			
Obligations with the public and deposits from financial institutions:	*14*		
Demand deposits		19,838,238	19,337,098
Savings deposits		12,061,796	12,330,920
Time deposits		16,162,854	16,104,196
Other obligations		684,605	569,374
		48,747,493	48,341,588
Interbank funds		201,726	183,050
Borrowings and debts	*15*	6,323,814	6,706,444
Held-for-trading and hedging instruments	*8*	346,535	180,930
Provisions and other liabilities	*16*	4,231,778	3,094,508
Total liabilities		**59,851,346**	**58,506,520**
Equity	*17*		
Share capital		8,226,777	8,226,777
Additional capital		33,079	33,079
Legal reserve		1,800,098	1,704,337
Equity-related adjustments		(35,517)	(96,626)
Retained earnings		1,549,049	2,040,751
Total equity		**11,573,486**	**11,908,318**
Total equity and liabilities		**71,424,832**	**70,414,838**
Contingent risks and commitments	*19*	61,130,590	58,697,538

The accompanying notes on pages 6 to 86 are part of these Separate financial statements.

Scotiabank Perú S.A.A.
Separate Statement of Profit or Loss
For the three-month periods ended March 31, 2025 and 2024

In thousands of soles	*Note*	03.31.2025 (Unaudited)	03.31.2024 (Unaudited)
Interest income	*20*	1,198,905	1,246,065
Interest expenses	*21*	(407,256)	(485,303)
Gross profit margin		**791,649**	**760,762**
Provision for loan losses, net of recoveries	*7(c)*	(180,535)	(302,036)
Net profit margin		**611,114**	**458,726**
Financial service income, net	*22*	123,890	126,974
Net profit margin of financial service income and expenses		**735,004**	**585,700**
Income from financial transactions	*23*	153,012	110,091
Operating margin		**888,016**	**695,791**
Administrative expenses	*24*	(389,563)	(386,099)
Depreciation of property, furniture and equipment	*11*	(6,410)	(7,362)
Amortization of intangible assets	*12*	(9,849)	(9,764)
Net operating margin		**482,194**	**292,566**
Provisions for realizable, received as payment, recovered and obsolete assets		(3,158)	(4,295)
Net provisions for indirect loan losses, impairment loss on other accounts receivable, and others		(31,697)	(309)
Operating income		**447,339**	**287,962**
Other income, net	*25*	45,751	1,376
Profit before income tax		**493,090**	**289,338**
Deferred tax	*27*	(109,888)	(1,506)
Current tax	*26.B*	82,709	(57,616)
Net profit		**465,911**	**230,216**
Earnings per share (in soles)	*28*	**0.57**	**0.28**
Weighted average number of shares (in thousands of shares)	*28*	**822,678**	**822,678**

The accompanying notes on pages 6 to 86 are part of these Separate financial statements.

Scotiabank Perú S.A.A.
Separate Statement of Profit or Loss and Other Comprehensive Income
For the three-month periods ended March 31, 2025 and 2024

In thousands of soles	*Note*	03.31.2025 (Unaudited)	03.31.2024 (Unaudited)
Net profit		465,911	230,216
Other comprehensive income			
Net gain (loss) on available-for-sale investments	*17.F*	62,846	(130,092)
Cash flow hedges	*17. F*	71	-
Adjustments to other comprehensive income of subsidiaries and associates	*17.F*	(1,808)	(524)
Other comprehensive income for the year, net of income tax		61,109	(130,616)
Total comprehensive income for the year		527,020	99,600

The accompanying notes on pages 6 to 86 are part of these Separate financial statements.

Scotiabank Perú S.A.A.
Separate Statement of Changes in Equity
For the three-month periods ended March 31, 2025 and 2024

In thousands of soles	Number of shares (note 17.B)	Share capital (note 17.B)	Additional capital (note 17.C)	Legal reserve (note 17.D)	Retained earnings (note 17.E)	Adjustments to the equity: Unrealized gains and losses (note 17.F)	Adjustments to the equity: Other adjustments	Total equity
Balance as of Jaunary 1, 2024 (Audited)	822,677,853	8,226,777	33,079	1,630,645	1,820,063	44,827	(172,860)	11,582,531
Net profit	-	-	-	-	230,216	-	-	230,216
Other comprehensive income								
Net unrealized gains on available-for-sale investments	-	-	-	-	-	(130,092)	-	(130,092)
Cash flow hedges	-	-	-	-	-	-	-	-
Adjustments to other comprehensive income of subsidiaries and associates	-	-	-	-	-	(524)	-	(524)
Total comprehensive income	**-**	**-**	**-**	**-**	**230,216**	**(130,616)**	**-**	**99,600**
Allocation to legal reserve	-	-	-	73,692	(73,692)	-	-	-
Dividend distribution	-	-	-	-	(663,233)	-	-	(663,233)
Balance as of March 31, 2024 (Unaudited)	**822,677,853**	**8,226,777**	**33,079**	**1,704,337**	**1,313,354**	**(85,789)**	**(172,860)**	**11,018,898**
Balance as of January 1, 2025 (Audited)	**822,677,853**	**8,226,777**	**33,079**	**1,704,337**	**2,040,751**	**76,234**	**(172,860)**	**11,908,318**
Net profit	-	-	-	-	465,911	-	-	465,911
Other comprehensive income								
Net unrealized loss on available-for-sale investments	-	-	-	-	-	62,846	-	62,846
Cash flow hedge	-	-	-	-	-	71	-	71
Adjustments to other comprehensive income of subsidiaries and associates	-	-	-	-	-	(1,808)	-	(1,808)
Total comprehensive income	-	-	-	-	**465,911**	**61,109**	-	**527,020**
Allocation to legal reserve	-	-	-	95,761	(95,761)	-	-	-
Dividend distribution	-	-	-	-	(861,852)	-	-	(861,852)
Balance as of March 31, 2025 (Unaudited)	**822,677,853**	**8,226,777**	**33,079**	**1,800,098**	**1,549,049**	**137,343**	**(172,860)**	**11,573,486**

The accompanying notes on pages 6 to 86 are part of these Separate financial statements.

Scotiabank Perú S.A.A.
Separate Statement of Cash Flows
For the three-month periods ended March 31, 2025 and 2024

In thousands of soles	*Note*	03.31.2025	03.31.2024
Cash flows from operating activities			
Net profit		465,911	230,216
Adjustments to reconcile net profit to net cash used in operating activities			
Provision for loan losses, net of recoveries	*7(c)*	180,535	302,036
Provision for realizable, repossessed and other assets, net		3,158	4,298
Provision for accounts receivable, net		7,071	4,986
Depreciation and amortization	*11 and 12*	16,259	17,126
Provision for employee benefits		10,651	10,262
Provision for current and deferred income tax	*26.B*	27,179	59,122
Provision for indirect loan losses and country risk, net of recoveries		24,290	(4,751)
Other provisions		15,361	2,867
Gain on sale of property, furniture and equipment		(9,943)	(6,295)
Gain on sale of realizable and repossessed assets		(2,066)	(491)
Net changes in assets and liabilities:			
Loan portfolio		(785,686)	882,608
Investments at fair value through profit or loss		(391,076)	(67,482)
Available-for-sale investments		232,796	(810,434)
Accounts receivable		(20,565)	(463,264)
Other assets		30,217	(1,012,992)
Unsubordinated financial liabilities		41,951	(1,055,057)
Accounts payable		41,414	59,366
Provisions and other liabilities		167,832	1,009,320
Net loss after net changes in assets, liabilities and adjustments		55,289	(838,559)
Income tax paid		(68,067)	(140,178)
Net cash flows from (used in) operating activities		(12,778)	(978,737)
Cash flows from investing activities			
Dividends received		970	-
Acquisition of property, furniture and equipment	*11*	(2,999)	(2,473)
Acquisition of intangible assets	*12*	(12,962)	(11,896)
Sale of subsidiary	*10.A*	635,246	-
Sale of property, furniture and equipment		17,370	8,449
Net cash flows from (used in) investing activities		637,625	(5,920)
Dividends paid		-	-
Net cash flows from financing activities		-	-
Net increase (decrease) in cash and cash equivalents before effects of exchange rate fluctuations		624,847	(984,657)
Effects of exchange rate fluctuations on cash and cash equivalents		(15,361)	(2,682)
Net increase (decrease) in cash and cash equivalents		609,486	(987,339)
Cash and cash equivalents at the beginning of period		12,919,299	10,673,712
Cash and cash equivalents at the end of period		13,528,785	9,686,373
Non-cash transactions			
Dividends declared		861,852	663,233
Net unrealized loss on available-for-sale investments		62,846	(130,092)
Repurchase agreements		167,267	80,657

The accompanying notes on pages 6 to 86 are part of these Separate financial statements.

1. Background and Economic Activity

A. Background

Scotiabank Perú S.A.A. (hereinafter the Bank) is a subsidiary of the Bank of Nova Scotia – BNS (a financial institution incorporated in Canada), which directly and indirectly holds 99.31 % of the Bank's share capital as of March 31, 2025 and December 31, 2024 respectively.

B. Economic activity

The Bank is a publicly traded corporation incorporated on February 2, 1943 and is authorized to operate as a banking institution by the Peruvian banking and insurance regulator, the SBS. The Bank's business mainly comprises financial intermediation by commercial banks, which are governed by the SBS through Law 26702 "General Law of the Financial and Insurance Systems and the SBS Organic Law" (hereinafter the Banking Law). This law establishes the requirements, rights, obligations, collaterals, restrictions, and other operating conditions to which every legal entity operating in the financial and insurance system is subject.

The Bank's registered office is Av. Dionisio Derteano No. 102, San Isidro, Lima, Peru. As of March 31, 2025, the Bank operates through a national network of 151 branches (154 branches as of December 31, 2024).

C. Business activities during the national state of emergency

On March 15, 2020, pursuant to Supreme Decree 044-2020-PCM, the Peruvian government declared a national state of emergency due to the serious circumstances affecting people's life as a result of the COVID-19 outbreak. On October 27, 2022, Supreme Decree No. 130-2022-PCM was issued, by which the government made official the end of the state of national emergency instated in 2020.

The Separate financial statements as of March 31, 2025, and December 31, 2024 include the impacts resulting from the implementation of such measures that were in force as of that date, as detailed in the corresponding notes to the Separate financial statements below.

D. Sales of the capital stock of Crediscotia Financiera S.A

Scotiabank Peru is the sole shareholder of CrediScotia Financiera and holds control over such investment, which is held as a Subsidiary. On May 6, 2024 the shareholder of Scotiabank Peru reached an agreement with Banco Santander (Spain) for the transfer of 100% of the shares, 83,931,586 common shares, whereby the Bank loses control over CrediScotia Financiera (note 10 (a)).

E. Approval of the Separate financial statements

The Separate financial statements as of March 31, 2025 were approved by management on April 28, 2025, and will be presented for approval to the Board of Directors and General Shareholders' Meeting within the term established by Law. In management's opinion, the Board of Directors and General Shareholders' Meeting will approve the Separate interim financial statements without amendments. General Shareholders' Meeting held on March 26, 2025, approved the Separate interim financial statements as of December 31, 2024.

2. Basis for the Preparation of the Separate Financial Statements

A. Statement of compliance

The accompanying Separate financial statements have been prepared based on the Bank's accounting records and are presented in accordance with current regulations and accounting principles authorized by the SBS. In the absence of such applicable SBS regulations, the International Financial Reporting Standards (IFRS), made official in Peru by the Peruvian Accounting Board (CNC, for its Spanish acronym) are applied. Such standards comprise the Standards and Interpretations issued or adopted by the International Accounting Standards Board (IASB), which include IFRSs, International Accounting Standards (IAS), and Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), or the former Standing Interpretations Committee (SIC), adopted by the IASB and made official by the Peruvian standard setter, Consejo Normativo de Contabilidad (CNC) for their application in Peru.

B. Basis of measurement

The Separate financial statements have been prepared in accordance with the historical cost principle, except for the following:

- Derivative instruments are measured at fair value;
- Financial instruments at fair value through profit or loss (FVTPL) are measured at fair value; and
- Available-for-sale financial assets are measured at fair value.

C. Functional and presentation currency

These Separate financial statements are presented in soles (S/) in accordance with SBS regulations, which is the Bank's functional and presentation currency. The information presented in soles (S/) has been rounded to the nearest thousand (S/ 000), unless otherwise indicated.

D. Significant accounting estimates and criteria

In preparing these Separate financial statements, management has used accounting estimates and criteria. The accounting estimates and criteria are reviewed on an ongoing basis and are based on historical experience, including the reasonable assumption of occurrence of future events depending on the circumstances. Actual results may differ from these estimates. In management's opinion, the estimates and assumptions used are not exposed to a significant risk to produce a material adjustment to the balances of assets and liabilities in the short term.

Relevant estimates and assumptions are reviewed on an ongoing basis based on previous experience and include the reasonable future assumptions in each circumstance. Changes in the accounting estimates are recognized prospectively.

Significant estimates used in preparing the Bank's Separate financial statements are the following:

- Provision for loan losses,
- Measurement of investments,
- Estimated useful life and recoverable amount of property, furniture and equipment and intangible assets,
- Impairment of goodwill,
- Provision for realizable, received as payment and repossessed assets,
- Estimated deferred tax recovery and provision for current income tax, and
- Fair value of derivative instruments with the accounting criteria described in note 3.

3. Material Accounting Policies

Main accounting principles and practices used to prepare the Bank's Separate financial statements have been consistently applied in the prior period, unless otherwise indicated, and are the following:

A. Financial instruments

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

Financial instruments are recognized on the date when they are originated and are classified as assets, liabilities, or equity instruments according to the contract that gave rise to the financial instrument. Interest, gains and losses generated by a financial instrument classified as an asset or a liability are recorded as income or expense in the Separate statement of profit or loss. The payment to holders of financial instruments classified as equity is recorded directly in equity.

The Bank classifies its financial instruments in one of the categories defined by IAS 39 established in SBS Resolution 7033-2012 as amended:

(i) financial assets and financial liabilities at FVTPL;
(ii) loans and accounts receivable;
(iii) available for sale investments;
(iv) held to maturity investments; and
(v) other financial liabilities.

The Bank assesses the classification of financial instruments at initial recognition and on a instrument-by-instrument basis.

The classification of financial instruments on initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics. All financial instruments are initially recognized at their fair value plus incremental costs related to the transaction that are directly attributable to the acquisition or issuance of the instrument, except for financial assets or financial liabilities measured at FVTPL.

Acquisitions or sales of financial assets that require assets' delivery within a period established by regulations or conventions in the market concerned are recognized at trade date.

Derecognition of financial assets and financial liabilities

i. Financial assets

A financial asset or, when 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 Bank has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay total cash flows to a third party under a pass through agreement; and (iii) the Bank has transferred substantially all risks and rewards of ownership of the financial asset, or the Bank has neither transferred nor retained all risks and rewards of ownership of the financial asset, but has transferred control of the asset.

ii. *Financial liabilities*
A financial liability is derecognized when the obligation to pay is discharged, canceled or expires. When an existing financial liability is replaced by other of the same borrower in terms significantly different, or terms are significantly modified, such replacement or modification is treated as derecognition of the original liability and a new liability is recognized. The Bank recognizes the difference between both of them in the profit or loss for the year.

Impairment of financial assets
The Bank assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or group of financial assets is impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset ("loss event"), and if such loss event had an impact on the expected future cash flows of the financial asset or the group of financial assets that can be estimated reliably. Evidence of impairment includes an indication that a borrower or group of borrowers is experiencing significant financial difficulties, default or delay in payments of principal and interest, probability that the entity will enter bankruptcy or other financial reorganization indicating that there is a significant decrease in expected future cash flows, such as changes in circumstances or economic conditions related to payment defaults.

Offsetting financial instruments
Financial assets and financial liabilities are offset and the net amount is presented in the Separate statement of financial position when management has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets and financial liabilities presented in the Separate statement of financial position correspond to cash and due from banks, interbank funds, investments at FVTPL, available-for-sale investments, held-for-trading instruments, hedging instruments, loan portfolio, accounts receivable, other assets and liabilities, unless otherwise indicated in the note corresponding to assets or liabilities. Accounting policies on recognition and measurement of these items are disclosed in the corresponding accounting policies described in this note.

B. Derivative instruments
The SBS provides authorizations per type of a derivate instrument and underlying asset, and may comprise more than one type of derivative instrument and underlying asset. Authorization schemes, measurement guidelines and accounting treatment for derivative instruments that financial institutions shall apply are established in SBS Resolution 1737-2006 "Regulation on Trading and Accounting of Derivative Instruments in Financial Institutions" and amendments, which include accounting criteria for held-for-trading and hedging instruments and embedded derivatives, which are consistent with IAS 39 *Financial Instruments: Recognition and Measurement.*

Held-for-trading instruments
Held-for-trading instruments are initially recognized in the Separate statement of financial position at fair value. Subsequently, any change in fair value of such derivative generates an asset or liability in the Separate statement of financial position, as applicable, and affects the profit or loss for the year.

In addition to their recording in the Separate statement of financial position, the aforementioned derivative instruments are recorded in contingent accounts at par value translated to initial spot price.

Hedging instruments
A derivative instrument for hedging a specific risk is designated as hedging instrument if, at trade date, it is foreseen that changes in fair value or cash flows will be highly effective in offsetting changes in fair value or cash flows of the hedged item directly attributable to the risk hedged from the beginning. The latter shall be documented on the trade date of the derivative instrument and during the term of the hedging relationship. A hedge is considered to be highly effective if changes in fair value or cash flows of the hedged item and the hedging instrument are within a range from 80 to 125 percent.

For cash flow hedges, the effective portion of changes in fair value is recognized directly in equity in 'unrealized gains and losses' as a cash flow hedge reserve, net of tax effect. The ineffective portion of any gain or loss on the hedging instrument is recognized in the Separate statement of profit or loss. The amounts recorded in equity are transferred to the Separate statement of profit or loss in the periods in which the hedged item is recorded in the Separate statement of profit or loss or when a forecast transaction occurs.

If the hedging instrument expires or is sold, terminated, or exercised, or the hedge no longer meets the hedge accounting criteria, the hedging relationship ceases prospectively and the balances recorded in equity are transferred to the Separate statement of profit or loss within the effective term of the hedged item.

As of March 31, 2025 and December 31, 2024, the Bank has contracts designated as cash flow hedges (note 8(b)).

C. Investments

The Bank applies the recording and valuation criteria of investments in equity instruments established in SBS Resolution 7033-2012 "Regulation on Classification and Measurement of Investments of Financial Institutions", as amended, which is consistent with the classification and valuation criteria of IAS 39 Financial Instruments: Recognition and Measurement, except for investments in associates, which are not included in IAS 39, as detailed below:

i. Investments at fair value though profit or loss

Equity and debt instruments are classified as investments at FVTPL if they have been acquired principally to sell in the near term, or they are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking. These investments are initially recognized on trade date, which is when the Bank enters into contractual arrangements with counterparties to purchase investments and are normally derecognized when they are sold.

They are initially measured at fair value, excluding transaction costs, which are recognized in the Separate statement of profit or loss. Subsequently, fair values are remeasured, and fluctuations arising from changes in fair value are recognized in the Separate statement of profit or loss.

Interest income is recognized using the effective interest method. Dividends are recognized in the Separate statement of profit or loss when the right to receive the payment has been established.

Investments at FVTPL that are pledged as collaterals or transferred through a repurchase agreement shall be reclassified as available-for-sale investments.

Once these transactions are concluded, instruments shall be reclassified at their initial category, transferring the unrealized gains and losses from equity to the Separate statement of profit or loss.

ii. *Available-for-sale investments*

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

Available-for-sale investments are initially recognized on trade date and measured at fair value plus costs that are directly attributable to the instrument's acquisition. They are subsequently remeasured at fair value, and resulting gains and losses are recognized in equity in 'unrealized gains and losses' until investments are either sold or realized, which is when gains or losses are recognized in the Separate statement of profit or loss.

Amortized cost of debt instruments at fair value shall be remeasured using the effective interest method, and based on the resulting amortized cost, unrealized gains or losses from the changes in fair value shall be recognized.

The standard methodology to identify impairment of available-for-sale investments and investments and their maturity is indicated below:

Assessment of debt instruments

- Weakening of financial position of the issuer and its economic group.
- Lower credit risk rating of the instrument or the issuer.
- Disappearance of an active market for the financial asset because of financial difficulties of the issuer.
- Observable data indicating that there has been a measurable decrease in the expected future cash flows from a group of financial assets with characteristics similar to the assessed instrument since initial recognition.
- Decline in fair value due to changes in laws.
- Significant decline in fair value below 40% of its amortized cost.
- Prolonged decline in fair value over the last 12 months, and cumulative decline in fair value in that period of more than 20%.

Assessment of equity instruments

- Lower credit risk rating of the issuer's debt instrument.
- Significant changes in the technological, market, economic or legal environment in which the issuer operates, which may have a negative impact on the investment recovery.
- Weakening in financial position or financial ratios of the issuer and its economic group.

- Disappearance of an active market for the financial asset because of financial difficulties of the issuer.
- Observable data indicating that there has been a measurable decrease in the expected future cash flows from a group of financial assets with characteristics similar to the assessed instrument since initial recognition.
- Decline in fair value due to changes in laws.

If at least two of the aforementioned situations are met, management shall consider that there is impairment in each case.

The impairment loss on available-for-sale debt instruments is measured as the difference between the amortized cost and the fair value, less any impairment loss previously recognized in profit or loss for the period or prior periods. Any impairment loss is recognized in the Separate statement of profit or loss and other comprehensive income.

The impairment loss on equity instruments was measured as the difference between the acquisition cost and the fair value, less any impairment loss previously recognized in profit or loss for the period or prior periods. Impairment of unlisted securities shall be the difference between the carrying amount and the present value of the net expected future cash flows, discounted at rates currently prevailing in the market rates for similar instruments.

Exchange gains or losses related to equity instruments are recognized in equity in 'Unrealized gains and losses,' and those to debt instruments are recognized in profit or loss for the year.

Interest income on available-for-sale investments is recognized using the effective interest rate method, calculated over the instrument's useful life. Premiums and discounts originated on the acquisition date are included in the calculation of the effective interest rate. Dividends are recognized in the Separate statement of profit or loss when the right to receive the payment has been established.

iii. Investments in subsidiaries and associates

This caption comprises equity instruments acquired to have shareholder's interests and significant influence over the entities or institutions. It shall include the goodwill originated from the acquisition of such investments. Investments in subsidiaries and associates are initially measured at fair value plus transactions costs that are directly attributable to the instrument's acquisition. They are subsequently measured using the equity method; this means, investment increases or decreases according to the recognition of the investor's proportionate interests in the investee at the measurement date.

When changes in subsidiaries or associate's equity are due to items other than profit or loss for the year, these changes shall be recorded directly in equity. Dividends are recorded reducing the investment's carrying amount.

When management identifies that one or more investments in subsidiaries and associates are impaired, said impairment shall correspond to the difference between the carrying amount and the recoverable amount of the investment, in accordance with IAS 36 Impairment of Assets.

The carrying amount of the investment shall be reduced to its recoverable amount. Impairment loss shall be recognized in profit or loss for the year.

As of December 31, 2024, the Bank has a provision for impairment of goodwill arising from the investment in CrediScotia Financiera S.A. for S/ 232,315 thousand, note 10(a).

Investment instruments held by companies may be subject to reclassification to another category. Investments at FVTPL cannot be reclassified except for: (1) unlisted securities, which lack reliable estimated fair value, or (2) investments transferred through a repurchase agreement or pledged as collaterals, as indicated in paragraph (i) of this section.

As of March 31, 2025 and December 31, 2024, investment instruments have not been reclassified into other categories.

D. Loans, classification and provisions for loan losses

Direct loans are recorded when fund expenditures are made in favor of clients. Indirect (contingent) loans are recorded when supporting documents are issued and may become direct loans in the event of making a payment to third parties. Likewise, any direct loans behind changes in payment terms due to financial difficulties of the debtor are considered as refinancing or restructuring.

Finance lease transactions are recognized using financial accounting method, recording the amount of the outstanding lease payments as a loan. The corresponding financial income is recorded on an accrual basis in accordance with the lease terms. Initial direct costs are recognized immediately as expenses.

The Portfolio Risk Management's Debtor Rating and Assessment units are responsible for performing the loan portfolio assessment and rating on a permanent basis. Each debtor is rated in a credit risk rating according to the guidelines established by SBS Resolution 11356-2008 and amendments.

COVID-19 government measures

The government measures implemented to cope with the economic crisis due to the national state of emergency declared and the mandatory social isolation decreed as a result of the COVID-1 9 outbreak (note 1 .C) are the following:

(a) Rescheduled loans

A financial institution, subject to prior assessments, may modify contractual obligations of loans. Such modification will not be considered as a refinance provided that the loan term is not extend for more than 6 months until May 31, 2020 and 12 months from June 1, 2020 of the original due date and provided that the borrower has made all of its payments at the date the state of emergency was instated. The balance of principal and interest on rescheduled loans shall be recorded in suspense accounts.

For purposes of meeting the requirement indicating that the borrower shall meet all its payment obligations and not have any payment arrears at the date the state of emergency was instated, a borrower´s payment obligation shall be up to 15 calendar days past due at February 29, 2020.
Financial system companies may apply the accrual basis of accounting to recognize interest associated with retail loans that are subject to rescheduling. In the event these retail loans change to the past due status after the payment

obligation is resumed per the new repayment schedule, the financial institution shall reverse the non-collected accrued income within a period of 6 months in a progressive manner.

For non-retail debtors with loans rescheduled on a mass basis, the interest on those loans shall be accounted for on a ca receipt basis. For rescheduling based on an individual analysis, the accrual method may be applied. It should be noted that the financial institution has not rescheduled, on a mass basis, any non-retail loan portfolio transaction.

From March 16, 2021, loans can be rescheduled in mass provided that the client has paid one installment in the last 6 months. Also, the debt rescheduling shall not exceed a 3-month period and interest shall be recognized when earned. Where loans are rescheduled without the client's corresponding payment, the entity shall recognize additional voluntary provisions for loans classified as Normal and With Potential Problems equivalent to the Substandard classification.

Additionally, from March 2021, revolving loans related to credit card consumer loans may be rescheduled, including a grace period, provided that the full amount of the total payment or the full amount of the total debt is rescheduled.

Social conditions
During 2023, several political events in Peru caused a series of riots and social protests, and also natural disasters that have been occurring since May 2023 in different regions of the country, have resulted in a decrease in commercial activity in those regions and, therefore, a temporary liquidity restriction for certain retail debtors. The Peruvian Government instated a state of emergency in certain areas of the national territory, and as a result, the SBS implemented exceptional measures so that the companies of the financial system could modify the contractual conditions of the different types of loans given to retail debtors, without the modification becoming a refinancing. In this regard, SBS Official Letter N° 12174-2023 set out the conditions that should be taken into account to grant those facilities to debtors that were affected by the aforementioned events (rescheduling due to the State of Emergency), facilities that were granted at May 2023.

At March 31, 2025 and December 31, 2024, the Bank showed a balance of S/ 9,542 thousand and S/ 9,757 thousand, respectively; for this type of rescheduled transactions. In Management's opinion, this situation has not affected the Bank's operations nor has it had any significant impact on the Separate financial statements at March 31, 2025 and December 31, 2024.

(b) *Government guaranteed loans*

In March and April 2020, the Ministry of Economy and Finance (MEF) launched the following government's financial-support schemes to cope with the economic crisis that impacted some sectors as a result of the COVID-19 pandemic:

i. *Reactiva Peru program I and II*

The loan guarantee scheme (Reactiva Peru program) aims to guarantee the loans for the working capital replenishment of entities facing short-term payment challenges with employees and suppliers of goods and services as a result of the COVID-19 outbreak. It consists of granting a government guarantee to secure loans in local currency that are placed by financial institutions.

The loans placed under the Reactiva Peru program have a 36-month term, including a 12-month grace period. Any interest accrued during the grace period shall not be capitalized and shall be charged on a straight-line basis over the remaining loan term from the 13th month. Interest rates are established through an auction.

The Peruvian government granted guarantees to cover between 80% and 97% of loans, depending on the amount of the loan, provided that the financial institutions meet the requirements of the Reactiva Peru program.

The funds of this program are auctioned by the Peruvian central bank (BCRP), for the amount equivalent to the guaranteed amount. Accordingly, repurchase agreements for the sale of the loan portfolio are entered into under a commitment to repurchase the loan portfolio at a later date. The cost of funds index provided by the BCRP is 0.5%.

As of March 31, 2025 and December 31, 2024, the Bank placed loans under the Reactiva Peru program for S/ 75,999 thousand and S/ 131,153 thousand, respectively, which have a coverage ratio of 92% (note 7).

The guarantees under the Reactiva Peru program have a risk weight of 0% for the part of loans covered by the program, since it corresponds to a coverage provided by the Peruvian government. If a loan granted under this program is past due and the Bank decide to honor its guarantee, the Peruvian government, through Corporación Financiera de Desarrollo S.A. (COFIDE), shall pay the loan for the guaranteed amount. Subsequently, the Bank and the Financiera shall continue collection efforts and shall pay COFIDE maintaining the coverage ratio.

As of March 31 2025 and December 31, 2024, computation of the number of days in arrears for loans granted under this program was not suspended. In June 2021, the computation of days in arrears for loans granted under this program was suspended; therefore, the accounting position in that specific month was not impaired. Computation of the days in arrears was restarted on July 1, 2021. With respect to loans that were not rescheduled, the computation is restarted from the date of the oldest unpaid installment.

ii. *Fondo de Apoyo Empresarial - FAE-MYPE I, II and III*
This fund's creation first aims at securing the working capital replenishment, rescheduled loans and debt restructuring as well as financing of micro and small businesses granted by financial institutions.

The guarantees under those programs have a weighted risk factor of 0% for the part of loans secured by the program, since it corresponds to a guarantee provided by the Peruvian government.

If a loan transaction meet the impairment conditions set under those programs, the guarantee is activated. Accordingly, the Peruvian government shall assume the part of loans covered by the FAE-MYPE, is responsible for the collection management of this loan portfolio, ensuring the refund for the amount received under the FAE-MYPE.

As of March 31, 2025 and December 31, 2024, the Bank has not placed loans under this Program.

iii. *Fondo Crecer*
This Fund was set up to strengthen micro businesses as well as small and mid-sized entities using hedging, loans and investment instruments.

If a loan granted under the Fondo Crecer is past due and the Bank decides to honor its government guarantee, COFIDE shall pay the loan for the guaranteed amount which covers between 60% and 75% of the amount of the loan. Subsequently, the Bank shall continue collection efforts and shall pay COFIDE to maintain the coverage ratio.

As of March 31, 2025 and December 31, 2024, the Bank has loans under the Fondo Crecer for S/ 7,309 thousand and S/ 7,382 thousand, respectively, whith a coverage ratio of 67% and 68%, respectively on average.

iv. *Repurchase agreements for securities-backed loan government guarantees*
The is governed by Circular 0033-2020-BCRP, which allows participating entities (PE) to sell loan portfolio, in the form securities- backed loans to the BCRP, in exchange for the sale amount in local currency. Also, they are committed to repurchase the loan portfolio at a later date against the repurchase amount in local currency. The securities- backed loans shall not be included in any other credit guarantee scheme launched by the Peruvian government. The BCRP will disburse funds to the participating entity's checking account held at the BCRP.

As of March 31, 2025 and December 31, 2024, the Bank has not given any loan portfolio as a guarantee on this program.

Loan portfolio classification
The Bank classify the loan portfolio debtors into: Wholesale Banking (corporate, large-business and medium-business loans) and Retail Banking (small-business, micro-business, revolving, non-revolving consumer and mortgage loans). These classifications consider nature of the client (corporate, government or individual), purpose of loan, business size measured by revenue, debts, among other qualitative and quantitative indicators.

Credit risk rating
Credit risk rating established by the SBS are as follows: Normal, With Potential Problems, Substandard, Doubtful, and Loss, which are assigned according to the guidelines set in SBS Resolution 11356-2008 and amendments.

For Wholesale portfolio, the Bank mainly consider debtor's ability to pay, cash flows, level of compliance with obligations, rating designated by other financial agencies, financial position, and management quality. For Retail portfolio, rating is mainly based on the level of compliance with payment of loans, which is reflected in the delays and defaults, and in the rating assigned by financial agencies, if rating alignment is applicable. Retail portfolio is classified through an automatic rating process.

The Bank have included in the automatic rating process those loans granted to wholesale debtors with loans amounting up to US$ 100 thousand.

Provisions for loan losses
According to current SBS regulations, the Bank are required to make general and specific provisions for loan losses. A general provision is recorded in a preventive manner for debtors rated as "Normal," which is calculated on its direct loans, credit risk equivalent of indirect loans and, additionally, a procyclical component is recorded when activated by the SBS. A specific provision is recorded for direct loans and credit risk equivalent of indirect loans of debtors rated in a risk rating higher than "Normal."

The credit risk exposure to indirect loans is determined by multiplying indirect loans by the different types of Credit Conversion Factors (CCF), as follows:

	Description	CCF (%)
(a)	Confirmations of irrevocable letters of credit of up to one year, when the issuing bank is a prime rate company in a foreign financial system.	20
(b)	Guarantees, import letters of credit, letters of guarantee securing the payment obligations associated with credit risk events, and confirmations of letters of credit not included in item "a)", as well as bankers' acceptances.	100
(c)	Letters of guarantee not included in item "b)"	50
(d)	Undisbursed loans granted and undrawn lines of credit .	-
(e)	Other indirect credits not included in the preceding paragraphs.	100

Provision requirements are determined by considering the risk rating of the debtor, whether it is secured by collaterals, and depending on the type of collateral.

The minimum rates of generic provisions on direct credits and the equivalent exposure to credit risk of indirect credits, classified in the Normal category, are as follows:

Type of loans	Rate of provisions
Corporate loans	0.70%
Large-business loans	0.70%
Medium-sized business loans	1.00%
Small-business loans	1.00%
Micro-business loans	1.00%
Revolving loans	1.00%
Non-revolving loans	1.00%
Mortgage loans	0.70%

Risk categories	No collateral	Preferred collateral	Preferred easily realizable collaterals	Self-liquidating preferred collateral
	%			
With potential problems	5.00	2.50	1.25	1.00
Substandard	25.00	12.50	6.25	1.00
Doubtful	60.00	30.00	15.00	1.00
Loss	100.00	60.00	30.00	1.00

Procyclical component of the provision rate for the local Normal category
Percentages of the procyclical components of the provisions for direct credits and the equivalent credit risk exposure of indirect loans held by debtors classified in the Normal category to be recorded when the procyclical rule is triggered are as follows:

Type of loan	Procyclical component %
Corporate loans	0.10
Large-business loans	0.40
Medium-business loans	0.60
Small-business loans	1.00
Micro-business loans	1.00
Revolving loans	1.50
Non-revolving loans	1.00
Mortgage loans	0.40

For loans with self-liquidating preferred guarantees, the procyclical component will be 0% for the portion secured with such guarantees.

For non-revolving consumer loans with contracts related to payroll deduction or pension agreements, and provided they are eligible, the procyclical component will be 0.25%.

Companies must establish pro-cyclical provisions for the portfolio in the Standard Category when any of the following situations arise:

(a) The average annualized percentage change in GDP over the past 30 months from a level below 4% to a level greater than or equal to this threshold.

(b) When the average annualized percentage change in GDP for the last 30 months is above 4% and the average annualized percentage change in GDP for the last 12 months is higher by 2 percentage points than the same indicator evaluated one year earlier.

(c) When the average annualized percentage change in GDP over the last 30 months is above 4% and have elapsed 18 months since the procyclical rule was deactivated because the average annualized percentage change in GDP over the last 12 months is lower by 4 percentage points than the same indicator evaluated one year before.

The calculation of the moving averages will be made using the monthly information of the annualized percentage variation of the GDP published by the BCRP.

There are also other triggering or activating and deactivating conditions established in Annex I of Resolution No. 11356-2008 and its amendments. The adoption of this rule was triggered between December 2008 and August 2009 and between September 2010 and October 2014. As of November 2014 it has been deactivated.

The SBS has established that financial institutions cannot, in any case, generate profits from the reversal of pro-cyclical provisions; these can only be reallocated to record mandatory provisions. As of March 31, 2025 and December 31, 2024, the balances of voluntary provisions recorded in the event of the likely triggering of the procyclical rule by the Bank were S/ 164,853 thousand.

Provisions for direct loans are stated by deducting the balance from the related assets (note 7), while provisions for indirect loans are stated under liabilities (note 16).

(i) By means of SBS Resolution 3922-2021, dated December 23, 2021, Resolution 3155-2020 was revoked, and the following requirements were set forth for measuring provisions for rescheduled loans because of the COVID-19 pandemic

- Rescheduled loans held by borrowers rated as Normal are considered borrowers with a credit rating higher than Normal; thus, they qualified for classification as Potential Problems. These loans, in turn qualified for a specific provision for loans rank as With Potential Problems.

  However, borrowers rated as Normal and With Potential Problems that did not pay at least one full installment, including principal, in the last six months at the end of the reporting period shall be rated as Substandard.

  Also, for borrowers rated as Normal, With Potential Problems and Substandard who did not pay at least one full installment, including principal, in the last twelve months shall be rated as Doubtful. These loans are subject to specific provisions that are required for loans rated as Substandard or Doubtful, respectively.

  Those provisions are applicable to consumer loans, micro-business loans, small-business loans and medium sized business loans.

- Unearned, accrued interest on current rescheduled consumer, micro-business, small business and medium-sized business loans are subject to specific provision requirements as those for loans rated as Substandard.

  However, accrued interest on loans of borrowers who did not pay at least one full installment, including principal, in the last six months at the end of the reporting period shall be subject to specific provision requirements as those required to loans rated as Loss.

These considerations do not change the risk rating of the borrower-. The requirements issued in the Resolution are included in the Separate financial statements as of March 31, 2025 and December 31, 2024.

E. **Property, furniture and equipment**

Property, furniture and equipment are recorded at the historical acquisition cost, less accumulated depreciation and impairment losses. Expenses incurred subsequent to the acquisition of property, furniture and equipment are recognized as assets only when it is probable that future economic benefits associated with the asset will flow to the Bank, and cost of assets can be measured reliably.

Repair and maintenance expenses are recorded in profit or loss for the year in which they are incurred. Work-in-progress and goods in-transit are recorded at acquisition cost. These assets are not depreciated until relevant assets are finished and/or received, and are in operating condition.

Depreciation is calculated based on the straight-line method to allocate the cost over the asset's estimated useful life as follows:

	Years
Property and premises	Between 40 and 10
Furniture, fixture and IT equipment	Between 10 and 4
Vehicles	8

Cost and accumulated depreciation of assets disposed of or sold are eliminated from their respective accounts, and any resulting gain or loss is included in profit or loss for the year in which they are incurred.

F. **Realizable, received as payment and repossessed assets**

Realizable assets include assets acquired specifically to be granted as finance leases, which are initially recorded at acquisition cost. Also, realizable assets not granted as finance leases, including recovered assets, are recorded at the lower of its cost or market price.

Realizable, received as payment and repossessed assets (note 13) are regulated by SBS Resolution 1535-2005 and amendments. This caption mainly includes property, plant and equipment received as payment for loan losses, and are initially recorded at the lower of judicial, extrajudicial, recovery or estimated market price, or value of outstanding debt.

According to current regulation, the accounting treatment to record provisions for this type of assets is as follows:

- Realizable assets, received as payment and repossessed assets are initially recorded at carrying amount and, simultaneously, a provision equivalent to 20% of the cost is recognized. If the net realizable value shown in the appraisal report demonstrates that the asset is impaired by a percentage higher than 20%, the required initial provision shall be recorded at an amount effectively impaired.

- As from the first month of asset's repossession or recovery, the Bank records a monthly provision for personal property equivalent to 1/18 of the carrying amount of assets less the aforementioned initial provision. Regarding assets that have not been sold or leased within a one-year term and that do not have the extension established in the Banking Law, the provision shall be completed up to 100% of the value upon repossession or recovery less the provision for impairment loss upon maturity date.

- A provision shall be recorded for real estate that has not been sold or leased within a one-year term from its recovery or repossession. This provision shall be a uniform monthly provision over a term of three and a half years until there is a 100% provision of the net carrying amount obtained in the eighteenth or twelfth month, depending on whether there is an extension approved by the SBS, respectively.

An impairment loss is recognized when the net realizable value is lower than the net carrying amount; accordingly, the carrying amount shall be reduced and the loss shall be recognized in the Separate statement of profit or loss. If the net realizable value is higher than the net carrying amount, the higher value shall not be recognized.

Appraisal reports of real estate may not be aged over a year.

G. Impairment of non-financial assets

When events or circumstantial economic changes indicate that the value of long-lived assets might not be recoverable, management reviews at each date of Separate statement of financial position the carrying amount of these assets to determine if there is an impairment. When the asset's carrying amount exceeds its recoverable amount, the Bank recognizes an impairment loss in the Separate statement of profit or loss by an amount equivalent to the excess in the carrying amount, net of tax effects. The recoverable amount is estimated for each asset or, if not possible, for each cash-generating unit (CGU).

The recoverable amount of a long-lived asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

Fair value less costs to sell of a long-lived asset or cash-generating unit is the amount resulting from an arm's length sale transaction between knowledgeable parties, less corresponding costs to sell. Value in use is the present value of expected future cash flows arising from an asset or a cash-generating unit.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows (cash-generating unit) from continuing use that are largely independent of the cash inflows of other assets.

An impairment loss on goodwill is determined by assessing the recoverable amount for each cash-generating unit or group of cash-generating units to which the goodwill relates.

As of March 31, 2025 and December 31, 2024, the Bank did not recognize impairment losses on non-financial assets.

H. Intangible assets

Intangible assets are mainly related to: the acquisition and development of software, which are amortized on a straight-line basis over 5 years

Software development and maintenance costs are recognized in profit or loss when they are incurred. However, costs that are directly related to a single and identifiable software, that are under management's control, and that will give future economic benefits higher than the asset's cost in a period exceeding one year are considered as intangible assets. Direct costs related to software development include personnel costs of the development team and a pro-rata of general expenses.

I. Goodwill

Goodwill is related to the higher value paid between the acquisition cost over the identifiable fair values of a subsidiary or an associate, and the acquisition of equity spin-off from Citibank del Perú S.A. (note 10 and 12).

Business acquisitions are recorded using the purchase accounting method. This means, measuring identifiable assets of the acquired entity at fair value. Any excess between the acquisition cost and the fair value of net identifiable assets is recognized as goodwill.

When the purchase agreement foresees price adjustments based on the compliance with some future assumptions and, on initial recognition, its occurrence is not probable or its value cannot be reliably estimated, this adjustment is not included in the acquisition cost. If, subsequently, such adjustment becomes probable and can be reliably estimated, the additional amount will be treated as an adjustment to the acquisition cost.

Goodwill has an indefinite useful life and the Bank carries out a goodwill impairment testing annually or more frequently when there are sales or changes in circumstances indicating that goodwill balance might not be recoverable.

As of December 31, 2024, the Bank has a provision for impairment of goodwill arising from the investment in CrediScotia Financiera S.A. for S/ 232,315 thousand, (note 10(a)).

J. Securities, bonds and outstanding obligations

It comprises liabilities from the issuance of redeemable subordinated bonds and corporate bonds, which are measured at amortized cost using the effective interest method. Discounts granted or income generated during the loan disbursement are amortized during the instrument term.

Interest is recognized in the Separate statement of profit or loss when accrued.

K. Provisions and contingencies

i. Provisions

A provision is recognized when the Bank has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and it is possible to reliably estimate its amount. Provisions are reviewed and adjusted in each reporting period to reflect the best estimates as of the date of the Separate statement of financial position.

Provision for length-of-service compensation (CTS, for its Spanish acronym) is calculated according to current regulation, on the total employees’ indemnities and should be paid, in May and November annually, through deposits in authorized financial institutions as chosen by them. The calculation is made for the amount that should be paid as of the date of the Separate statement of financial position and is included in 'provision for employee benefits.' It is recognized in the Separate statement of financial position in 'other liabilities.'

ii. Contingencies

Contingent liabilities are not recognized in the Separate financial statements. They are disclosed in notes to the Separate financial statements unless the possibility of an outflow of economic benefits is remote.

Contingent assets are not recognized in the Separate financial statements. They are only disclosed when an inflow of economic benefits is probable.

L. Share capital

Common shares are classified as equity. Preference shares, if any, are recorded as other debt instruments. The difference between the redeemable amount of preference shares and the shares' par value is recorded in equity. Dividends on preference shares are recorded as liabilities and charged to profit or loss for the year.

As of March 31, 2025 and December 31, 2024, the Bank does not hold outstanding preference shares.

M. Income tax

Current tax is determined based on the taxable income and recorded independently according to tax law applicable to the Bank and each entity that is part of the Bank (note 26).

Deferred tax is recorded using the liability method based on temporary differences derived from tax accounting of assets and liabilities, and their balances in the separate financial statements of each entity of the Bank. Also, it is determined applying the current tax laws and tax rates as of the estimated date in which the deferred tax asset is realized or the deferred tax liability is settled (note 27).

Deferred tax assets and liabilities are recognized excluding the estimated date in which the temporary differences will disappear. Deferred tax assets are recognized only if it is probable that future tax benefits will be available against which the deferred tax asset can be used.

IFRIC 23 clarifies how to apply the recognition and measurement requirements of IAS 12 Income Taxes when there is uncertainty over income tax treatments assumed by the Bank in determining income tax. Previously, the IFRIC clarified that the accounting treatment used when there is uncertainty over income tax treatments is under IAS 12 and not under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Likewise, IFRIC 23 explains how to recognize and measure current and deferred tax assets and liabilities when there is uncertainty over income tax treatments. An uncertain tax treatment is a tax treatment for which there is uncertainty over whether the Tax Authorities will accept the tax treatment. IFRIC 23 covers all aspects that may be affected by an uncertain tax treatment; this means, an uncertain tax treatment that may affect the determination of taxable profit (tax loss), tax bases, unused tax credits and tax rates (note 26).

N. Employees' profit sharing

Each entity of the Bank recognizes a liability and an expense for employees' profit sharing equivalent to 5% of taxable income determined in accordance with current tax law.

O. **Income and expense recognition**

Interest income and expense are recognized in profit or loss for the year on an accrual basis, depending on the term of the generating transactions and the interest rate agreed upon with the clients. Fees for banking services are recognized as profit or loss when earned.

SBS Resolution 7036-2012 and amendments establish that income from fees of indirect loans shall be recognized on an accrual basis during the term of such indirect loans. Likewise, fees and expenses for formalization of loans, as well as opening, analysis and assessment of direct and indirect loans, are recognized as profit or loss on an accrual basis within the contract term.

When management considers that there are reasonable uncertainties about the payment of the loan's principal, the Bank suspends the recognition of interest in profit or loss. Interest in suspense is recorded in suspense accounts and recognized as earned when collected. If management determines that the debtor's financial position has improved and uncertainty on principal recoverability is no longer present, interest is recorded on an accrual basis again.

Interest income includes return on fixed-income investments classified as investments at FVTPL and available-for-sale investments, as well as recognition of discounts and premiums on financial instruments. Dividends are recorded as profit or loss when they are declared.

Other income and expenses of the Bank are recognized as earned or incurred in the period in which they are accrued.

P. **Earnings per share**

Basic and diluted earnings per share are computed by dividing net income of common stockholders by the weighted average number of common shares less the weighted average number of treasury shares. Shares resulting from the capitalization of prior years' profits are considered in the calculation of the weighted average number of shares as if they were always outstanding from the beginning of the prior period corresponding to those capitalized profits and not from the date of issuance of such shares.

Diluted earnings per share correspond to basic earnings per share, adjusted for the dilutive effects of shares that were for the dilutive effects of shares that were always outstanding (note 28).

Q. **Repurchase agreements**

The Bank applies SBS Resolution 5790-2014, which establishes that securities sold under repurchase agreements on a specific future date, are not derecognized from the Separate statement of financial position since the Bank retains substantially all risks and rewards of ownership of the asset.

The Bank recognizes the cash received and a liability recorded in 'Accounts payable' to refund such cash at maturity. Also, it will make the reclassification of securities subject to the transaction in accordance with SBS regulations. Accounting records of returns will depend on the agreements between the parties. The difference between the final amount and initial amount will be recognized as an expense against a liability within the transaction term using the effective interest method.

As of March 31, 2025 and December 31, 2024, the Bank maintains repurchase agreements of currencies, securities and loan portfolio (notes 5, 6 and 16).

R. **Separate statement of cash flows**

For presentation purposes on this Separate financial statement, as of March 31, 2025 and December 31, 2024, the balances of 'Cash and due from banks' and 'Interbank funds' of assets were considered as cash and cash equivalents, except for the restricted cash and due from banks for compliance with repurchase agreements with the BCRP, funds held at accounts opened at the BCRP for the normal processing of instant transfers under Official Letter 0021-2024-BCRP, and reserve funds for compliance with contractual commitments with foreign financial institutions (note 5(c)).

S. **Trust funds**

Assets and income from trust fund transactions, where there is a liability to return the assets to the clients, and the Bank act as trustees, are not included in the Separate financial statements since they belong to neither the Bank. They are recorded in suspense accounts for corresponding control. Fees for those activities are included in 'Financial service income' (note 22).

T. **Foreign currency transactions and balances**

Foreign currency transactions are those transactions carried out in a currency other than the sol. Foreign currency transactions are translated into sol using current exchange rates established by the SBS at transaction date (note 4). Exchange gains or losses resulting from the payment of such transactions and from the translation of monetary assets and liabilities stated in foreign currency at exchange rates ruling at the end of the reporting period are recognized in the Separate statement of profit or loss.

U. **New accounting pronouncements**

i. New accounting pronouncement

The following accounting pronouncements are effective for annual reporting periods beginning on or after January 1, 2025:

New standards or amendments	Effective date
Lack of Exchangeability - Amendments to IAS 21	Annual reporting periods beginning on or after January 1, 2025

ii. New accounting pronouncements issued but not yet adopted

The following accounting pronouncements are effective for annual reporting periods beginning after January 1, 2026 and have not been applied in the preparation of these Separate financial statements. The Bank expects to adopt the applicable accounting pronouncements on their respective effective dates and not ear.

New IFRS	Date of mandatory adoption
IFRS 18 Presentation and Disclosure in the Financial Statements	Annual reporting periods beginning on or after January 1, 2027. Early adoption is permitted.
IFRS 19 Subsidiaries without Public Accountability: Disclosures	Annual reporting periods beginning on or after January 1, 2027. Early adoption is permitted.
Amendments to IFRS	**Date of mandatory adoption**
Classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7)	Annual reporting periods beginning on or after January 1, 2026. Early adoption is permitted.
Annual improvements to IFRS – Volume 11	Annual reporting periods beginning on or after January 1, 2026. Early adoption is permitted.

iii. ***Sustainability policy pronouncements but not yet in adopted***

The following pronouncements issued are applicable for the preparation of sustainability reports. The Bank intends to adopt the pronouncements on their respective dates of application and not in advance.

New IFRS for Sustainability	Effective date
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Annual reporting periods beginning on or after January 1, 2024. Early adoption is permitted, together with the adoption of IFRS S2.
IFRS S2 Climate – related Disclosures	Annual reporting periods beginning on or after January 1, 2024. Early adoption is permitted, together with the adoption of IFRS S1.

The IFRS S1 and S2 are subject to local adoption processes in Peru to become effective.

4. Foreign Currency Balances

The Separate statement of financial position includes balances of foreign currency transactions, mainly in U.S. dollars (US$), which are recorded in soles (S/) at the Exchange rate set by the SBS. As of March 31, 2025 and December 31, 2024, the exchange rate was US$ 1 = S/ 3.668 and US$ 1 = S/ 3.764, respectively.

Local foreign currency transactions and foreign trade transactions referred to the concepts authorized by the BCRP are channeled through a free banking system. As of March 31, 2025, buy and sell exchange rates used were US$ 1 = S/ 3.660 and US$ 1 = S/ 3.677, respectively (US$ 1 = S/ 3.758 and US$ 1 = S/ 3.770, respectively as of December 31, 2024).

As of March 31, 2025 and December 31, 2024 foreign currency balances stated in thousands of U.S. dollars are as follows:

	03.31.2025			12.31.2024		
In thousands of	U.S. dollars	Other currencies	Total	U.S. dollars	Other currencies	Total
Assets						
Cash	3,272,314	54,309	3,326,623	3,146,394	20,213	3,166,607
Investments at fair value through profit or loss and available-for-sale investments	279,056	-	279,056	234,441	-	234,441
Loan portfolio, net	2,661,759	-	2,661,759	2,793,908	-	2,793,908
Held-for-trading and hedging instruments	14,987	-	14,987	16,998	-	16,998
Accounts receivable, net	7,494	-	7,494	8,000	-	8,000
Other assets, net	33,281	3,645	36,926	14,199	9,175	23,374
	6,268,891	**57,954**	**6,326,845**	**6,213,940**	**29,388**	**6,243,328**
Liabilities						
Deposits and obligations and other obligations	5,270,200	34,513	5,304,713	5,066,360	31,947	5,098,307
Borrowings and debts	1,492,200	-	1,492,200	1,557,109	-	1,557,109
Held-for-trading and hedging instruments	11,575	-	11,575	13,333	-	13,333
Other liabilities	127,673	5,761	133,434	113,327	12,523	125,850
	6,901,648	**40,274**	**6,941,922**	**6,750,129**	**44,470**	**6,794,599**
Net liability position in the Separate statement of financial position	**(632,757)**	**17,680**	**(615,077)**	**(536,189)**	**(15,082)**	**(551,271)**
Derivative transactions	**511,002**	**3,649**	**514,651**	**587,531**	**21,152**	**608,683**

During the three-month period ended in March 31, 2025, and 2024, the Bank recorded net exchange gains on various transactions for S/ 138,014 thousand and S/ 54,085 thousand, respectively, in 'income from financial transactions' in the Separate statement of profit or loss (note 23).

As of March 31, 2025, the Bank has contingent foreign currency transactions for S/ 41,625,148 thousand equivalent to US$ 11,348,186 thousand (S/ 42,751,950 thousand equivalent to US$ 11,358,116 thousand as of December 31, 2024).

5. Cash and Due from Banks

This caption comprises the following:

In thousands of soles	03.31.2025	12.31.2024
Cash (a)	1,277,262	1,200,807
Deposits with Peruvian central reserve bank (BCRP) (a)	11,190,204	11,280,088
Deposits with Local banks and other financial institutions (b)	109,751	153,577
Deposits with Foreign banks and other financial institutions (b)	423,988	92,505
Clearing	332,815	189,599
Restricted cash and due from banks (c)	364,781	197,574
Other cash and due from banks	99	19
	13,698,900	13,114,169

(a) As of March 31, 2025, funds held in cash and deposits with the Peruvian central bank (BCRP) include US$ 1,643,938 thousand and S/ 904,961 thousand (US$ 2,295,235 thousand and S/ 685,307 thousand as of December 31, 2024), which are intended for hedging the reserve requirement that the Bank shall hold for deposits and obligations according to the limits established by current regulation. These funds are deposited with the BCRP and in the Bank´s own vaults.

Cash reserves held at the BCRP do not accrue interest, except for the amounts in local and foreign currency that exceeded the minimum cash reserve. As of March 31, 2025 and December 31, 2024, the excess of minimum reserve requirements in foreign currency accrued interest at an effective annual rate of 3.82% and 3.90% respectively; and generated accrued interest of US$ 4,674 thousand and US$ 4,384 thousand, respectively.

As of March 31, 2025, the Bank includes US$ 1,486,000 thousand and S/ 150,000 thousand corresponding to overnight operations in the BRCP, which accrued interest at a rate of 4.40% and 2.75%, respectively (US$ 829,000 thousand that accrue interest at a 4.44% rate, of December 31, 2024).

(b) Deposits with local and foreign banks mainly correspond to balances in soles and U.S. dollars, and lower amounts in other currencies. They have free withdrawal option and accrue interest at market rates. As of March 31, 2025, deposits with foreign banks comprise deposits held at the Bank of Nova Scotia for CAD$ 77 thousand (CAD$ 666 thousand as of December 31, 2024).

As of March 31, 2025 and December 31,2024, the Bank concentrates 86% and 87% of its deposits in four foreign financial institutions, respectively.

(c) At March 31, 2025 the restricted cash balance mainly consists of:

i) Funds to fulfill foreign currency repurchase commitments with the BCRP by US$ 68,452 thousand (as of December 31, 2024, the Bank did not have foreign currency repurchase commitments).
ii) Funding held in specific resource account with the BCRP for the regular processing of immediate transfers under Circular N° 0021-2024-BCRP of US$ 4,179 thousand and S/ 95,725 thousand (US$ 7,345 thousand and S/ 167,224 thousand at December 31, 2024),
iii) Funding held to secure court actions brought against the Bank for S/ 21 thousand (S/ 21 thousand at December 31, 2024); and
iv) Other restrictions for US$ 493 thousand and S/ 814 thousand (US$ 497 thousand and S/ 813 thousand at December 31, 2024).

As of March 31, 2025 and 2024, interest income from cash and due from banks amounted to S/ 101,472 thousand and S/ 74,288 thousand, respectively. It is recorded in 'interest income' in the Separate statement of profit or loss (note 20).

6. Investments at FVTPL and Available-for-Sale Investments

This caption comprises the following:

In thousands of soles	03.31.2025	12.31.2024
Investments at FVTPL		
Peruvian treasury bonds (a)	1,388,469	961,232
BCRP certificates of deposit (b)	461,647	149,529
Global Bonds (c)	-	8,265
US Treasury Bonds (d)	-	340,015
	1,850,116	1,459,041
Available-for-sale investments		
Peruvian treasury bonds (a)	5,118,305	5,055,637
BCRP certificates of deposit (b)	-	721,989
Global Bonds (c)	1,022,182	532,723
Unlisted securities	4,019	4,036
Listed securities	442	442
	6,144,948	**6,314,827**
Total investments at FVTPL and available-for-sale investments	**7,995,064**	**7,773,868**

(a) Peruvian treasury bonds correspond to sovereign bonds issued in local currency by the MEF and represent internal public debt instruments of the Republic of Peru. As of March 31, 2025, these bonds accrue interest at annual rates ranging from 1.73% to 7.70% (from 1.73% to 7.70% as of December 31, 2024) with maturities between August 2026 and February 2042 (between August 2026 and February 2055 as of December 31, 2024).

Likewise, as of March 31, 2025, the Bank maintains S/ 1,158,489 thousands of Peruvian Treasury Bonds granted in repurchase agreements (S/ 1,148,871 as of December 31, 2024) (note 16(a)(iii)).

(b) BCRP certificates of deposit are freely negotiable securities in local currency. They are acquired through the BCRP public bids and traded in the Peruvian secondary market. As of March 31, 2025, these certificates accrue interest based on the BCRP reference rate ranging from 4.60% to 4.63% annually (from 4.94% to 5.25% annually as of December 31, 2024) with maturities between April 2025 and May 2025 (between January 2025 and February 2025 as of December 31, 2024).

(c) Global bonds consist of the sovereign bonds issued by the MEF in foreign currency. As of 31 March 2025, these bonds accrue interest at annual rates ranging from 4.44% and 5.25%(from 4.89% and 5.35% per annum as of 31 December, 2024) with maturity between July 2025 and December 2032 (between July 2025 and December 2032 as of December 31, 2024)

(d) As of March 31, 2025, these bonds were settled in January 2025 (as of December 31, 2024, the Bank held US Treasury bonds bearing an annual interest rate of 4.23%).

As of March 31, 2025 and 2024, the accrued interest on investments managed by the Bank amounted to S/ 95,170 thousand and S/ 74,497 thousand, respectively. It is recorded as 'interest income' in the Separate statement of profit or loss (note 20).

As of March 31, 2025 and 2024, the Bank generated net gains on sale of available-for-sale investments for S/ 11,466 thousand and S/ 53,262 thousand, respectively (note 23).

As indicated in note 17.F, as of March 31, 2025, the Bank generated unrealized net gains on measurement of available-for-sale investments for S/ 62,846 thousand (unrealized net losses for S/ 130,092 thousand as of March 31, 2024).

As of March 31, 2025 and December 31, 2024 maturities of investments at FVTPL and available-for-sale investments according to the regulator's criteria are the following:

In thousands of soles	03.31.2025	12.31.2024
Up to 3 months *	7,389,276	7,155,116
More than 1 year	605,788	618,752
	7,995,064	**7,773,868**

*Available-for-sale investments that belong to the trading portfolio, in accordance with the Regulations for the Effective Equity Requirement for Market Risk, approved by SBS Resolution No. 6328-2009, must be reported in the first time frame (1 month).

7. Loan Portfolio, Net

This caption comprises the following:

In thousands of soles	*Note*	03.31.2025		12.31.2024	
Direct loans (a)					
Current loans					
Loans		30,175,130	62%	29,306,757	59%
Mortgage loans		10,236,339	20%	10,297,075	20%
Credit cards		1,241,935	2%	1,279,155	3%
Finance lease		2,448,474	4%	2,536,115	5%
Factoring		1,034,465	2%	1,046,850	2%
Discounts		715,318	1%	741,519	2%
Overdrafts and advances in checking accounts		12,563	-	4,885	-
Refinanced loans		1,816,720	4%	1,856,963	4%
Past-due loans		809,140	2%	839,461	2%
Lawsuit loans		1,267,987	3%	1,252,465	3%
		49,758,071	**100%**	**49,161,245**	**100%**
Plus (less)					
Accrued interest on current loans		309,025		318,335	-
Deferred interest		(252,541)		(262,850)	-
Provision for loan losses (b)		(3,820,576)		(3,823,427)	-
		45,993,979		**45,393,303**	**-**
Contingent loans	*19*	**7,635,316**		**8,251,184**	**-**

As of March 31, 2025 and December 31, 2024, 51 % of the loan portfolio (direct and indirect loans) was concentrated in 1,124 and 1,107 clients, respectively.
The loan portfolio (direct and indirect loans) is mainly secured by collaterals received from clients, which mainly comprise mortgages, chattel mortgages and commercial pledges, third-party letters of guarantees and securities. The value of these mortgages and pledges is determined based on the net realizable value in the market less costs to sell, as required under in SBS regulations.

Additionally, as indicated in note 3.D(b)(i), the Bank participated in the Reactiva Peru program I and II, placing government guaranteed loans. As of March 31, 2025 and December 31, 2024, the types of loans under this program are the following:

	03.31.2025		12.31.2024	
In thousands of soles	Balance	Guaranteed (%)	Balance	Guaranteed (%)
Type of loan				
Corporate loans	3,073	83%	2,542	83%
Large-business loans	18,351	89%	41,518	88%
Medium-business loans	22,383	91%	36,473	91%
Small-business and Micro-business loans	32,192	95%	50,620	95%
Loans from Reactiva Peru program	**75,999**	**92%**	**131,153**	**92%**

The payment obligations to the BCRP related to this program are presented within 'Accounts payable'. As of March 31, 2025 and December 31, 2024, they amounted to S/ 47,698 thousand and S/ 89,944 thousand (note 16(a)(i)), respectively.

Annual interest rates are regulated by the market and may be determined at the discretion of the Bank. As of March 31, 2025 and December 31, 2024 effective interest rates on main assets were the following:

	03.31.2025		12.31.2024	
%	Local currency	Foreign currency	Local currency	Foreign currency
Overdrafts (*)	55.00 – 85.00	30.00 -55.00	55.00 – 85.00	30.00 -55.00
Discounts and commercial loans	6.18 – 17.10	5.35 – 15.97	6.14 – 18.98	5.18 – 13.43
Consumer loans	13.06 – 39.08	6.88 – 45.96	13.10 – 37.00	6.85 – 45.46

(*) For loans exceeding S/ 100 thousand and US$ 100 thousand, respectively.

(a) As of March 31, 2025 and December 31, 2024, according to current SBS regulations, the credit risk rating of loan portfolio of the Bank is as follows:

	03.31.2025				12.31.2024			
In thousands of soles	Number of debtors	Direct	Indirect	Total	Number of debtors	Direct	Indirect	Total
Risk rating								
Normal	429,256	44,204,425	7,032,616	51,237,041	428,783	43,287,202	7,569,579	50,856,781
With potential problems	9,111	1,344,224	308,536	1,652,760	8,498	1,407,632	616,890	2,024,522
Substandard	10,425	831,859	218,503	1,050,362	10,181	1,077,825	26,879	1,104,704
Doubtful	25,991	1,194,117	44,308	1,238,425	26,482	1,218,561	8,044	1,226,605
Loss	24,821	2,183,446	31,353	2,214,799	25,186	2,170,025	29,792	2,199,817
	499,604	**49,758,071**	**7,635,316**	**57,393,387**	**499,130**	**49,161,245**	**8,251,184**	**57,412,429**

(b) Movement in the provision for direct loan losses is as follows:

In thousands of soles	Specific	Generic	Total
Balance as of January 1, 2024	2,722,552	970,322	3,692,874
Additions charged to profit or loss	904,221	109,375	1,013,596
Recovery of provisions	(581,695)	(116,793)	(698,488)
Transfer of provisions and others	340	(273)	67
Write-off and forgiveness	(220,053)	-	(220,053)
Exchange difference	1,535	359	1,894
Balance as of March 31, 2024	**2,826,900**	**962,990**	**3,789,890**
Balance as of January 1, 2025	2,823,879	999,548	3,823,427
Additions charged to profit or loss	674,848	196,781	871,629
Recovery of provisions	(540,678)	(133,257)	(673,935)
Transfer of provisions and others	33	(4)	29
Write-off and forgiveness	(182,539)	-	(182,539)
Exchange difference	(14,832)	(3,203)	(18,035)
Balance as of March 31, 2025	**2,760,711**	**1,059,865**	**3,820,576**

(c) Provision for loan losses, net, as shown in the Separate statement of profit or loss is as follows:

In thousands of soles	03.31.2025	03.31.2024
Provision for loan losses	(871,629)	(1,013,596)
Recovery of provisions	673,935	698,488
Income from recovery of loan portfolio	17,159	13,072
Provision for loan losses, net of recoveries	(180,535)	(302,036)

The Bank records regulatory provisions for its loan portfolio under the policy described in note 3.D. In addition, the Bank records voluntary provisions for loan losses that are included in the generic allowance for loan losses.

As of March 31, 2025 and December 31,2024, the Bank released voluntary provisions of S/ 39,489 thousand and S/ 129,430 thousand, respectively, via a credit to income.

As of March 31, 2025, the voluntary provisions of the Bank amount to S/ 652,980 thousand (S/ 598,825 thousand as of December 31, 2024).

As of March 31, 2025 and December 31, 2024, the distribution of the provision for impairment loss on accounts receivable by type of loan is as follows:

	03.31.2025				12.31.2024			
In thousands of soles	Gener	Specific	Voluntary	Total	Gener	Specific	Voluntary	Total
Type of loan								
Small business loans	44,319	847,100	54,628	946,047	44,368	824,930	78,835	948,133
Consumer loans	95,320	660,735	171,218	927,273	94,480	693,216	147,098	934,794
Mortgage loans	78,336	531,679	57,088	667,103	79,016	527,306	56,984	663,306
Medium- sized business loans	27,595	474,545	103,505	605,645	26,735	453,009	103,505	583,249
Corporate loans	132,924	68,260	144,834	346,018	128,217	125,881	90,646	344,744
Large-business loans	27,957	155,529	94,656	278,142	27,471	177,642	94,656	299,769
Micro-business loans	428	2,760	27,051	30,239	434	2,730	27,101	30,265
Total	**406,879**	**2,740,608**	**652,980**	**3,800,467**	**400,721**	**2,804,714**	**598,825**	**3,804,260**

As of March 31, 2025, the Bank's provision for exchange rate risk amounts to S/ 18,346 thousand and other provisions amount to S/ 1,763 thousand (S/ 17,352 thousand and S/ 1,815 thousand as of December 31, 2024).

As indicated in note 3.D, as of November 2014, the procyclical rule for the calculation of provisions was deactivated. As of March 31, 2025, the Bank did not apply pro-cyclical provisions when recording of specific provisions, maintaining a balance of S/ 44,115 thousands as of that date (S/ 45,015 thousands as of December 31, 2024).

(d) The Bank, based on the policies indicated in note 3.D, rescheduled loans to customers whose arrears did not exceed 15 days as of February 29, 2020 or were current on their payments at the beginning of the state of emergency.

These easy payment terms included debt rescheduling applicable to gross and individual loan portfolio depending on the loans.

As of March 31, 2025 and December 31, 2024, the debt rescheduling of the Bank is as follows:

	03.31.2025			12.31.2024		
In thousands of soles	Gross	Individual	Total	Gross	Individual	Total
Type of loan						
Large-business loans	-	799	799	-	992	992
Small-business loans	1,967	19,904	21,871	2,090	24,590	26,680
Consumer loans	4,502	53,564	58,066	5,319	64,699	70,018
Mortgage loans	30,284	296,299	326,583	35,742	320,163	355,905
	36,753	**370,566**	**407,319**	**43,151**	**410,444**	**453,595**

Likewise, the Bank as of March 31, 2025 recognized provisions for rescheduled loans for S/ 2,295 thousand (S/ 3,972 thousand as of December 31, 2024).

(e) As of March 31, 2025 and December 31, 2024, maturities of direct loans are as follows:

	03.31.2025			12.31.2024		
In thousands of soles	Currency local	Currency foreign	Total	Currency local	Currency foreign	Total
Up to 1 month	1,880,051	1,513,815	3,393,866	1,454,475	1,376,466	2,830,941
1-3 months	3,422,243	2,102,303	5,524,546	2,881,769	2,373,180	5,254,949
3-6 months	3,621,076	1,737,020	5,358,096	3,262,505	1,540,916	4,803,421
6-12 months	4,242,955	895,465	5,138,420	4,272,805	1,211,089	5,483,894
More than 1 year	24,663,926	3,911,115	28,575,041	24,520,135	4,494,314	29,014,449
Past-due loans and lawsuit loans	1,594,134	482,993	2,077,127	1,604,966	486,960	2,091,926
Less: Accrued interest	(210,202)	(98,823)	(309,025)	(217,474)	(100,861)	(318,335)
	39,214,183	**10,543,888**	**49,758,071**	**37,779,181**	**11,382,064**	**49,161,245**

8. Held-for-Trading and Hedging Instruments

The Bank has commitments to buyforward contracts (“forwards”), cross-currency (swaps – “CCS”) and interest (rate swaps – “IRS”). As of March 31, 2025 and December 31, 2024, fair value of held-for-trading instruments and hedging instruments has generated accounts receivable and payable as follows:

	03.31.2025		12.31.2024	
In thousands of soles	Accounts receivable	Accounts payable	Accounts receivable	Accounts payable
Held-for-trading instruments (a)				
Foreign-exchange forward contracts	97,164	104,433	71,185	102,674
Interest rate swaps- IRS	55,322	42,736	64,666	50,243
Cross-currency swaps - CCS	28,106	198,846	54,332	27,959
Held-for-trading instruments	**180,592**	**346,015**	**190,183**	**180,876**
Hedging instruments (b)				
Interest rate swaps	-	520	-	54
	-	**520**	**-**	**54**
Held-for-trading and hedging instruments	**180,592**	**346,535**	**190,183**	**180,930**

(a) During three-month ended in March 31, 2025 and 2024, held-for-trading instruments generated a loss for S/ 63,343 thousand and for S/ 6,298 thousand, respectively (note 23).

(b) As of March 31, 2025, these derivatives resulted in interest expenses of S/ 57 (as of March 31, 2024 the Bank did not hold hedging derivatives) (note 21).

9. Accounts Receivable, Net

This caption comprises the following:

In thousands of soles	03.31.2025	12.31.2024
Financial instruments		
Sale of investments (a)	539,159	485,340
Commissions receivable	4,930	5,028
Payments on behalf of third parties, net	23,810	23,874
Sale of goods and services, trust, net	7,050	459
Advances to personnel	2,053	1,914
Other accounts receivable, net (b)	237,168	247,055
	814,170	763,670
Non-financial instruments		
Tax claims (c)	236,476	240,377
	1,050,646	1,004,047

(a) As of March 31, 2025 and December 31,2024, the balance corresponds to accounts receivable generated from sales of sovereign bonds on the last day of the month, which are settled during the first days of the following month and are mainly related to: i) sale of sovereign bonds for S/ 164,573 thousand and S/ 436,282 thousand, respectively; ii) short sale of sovereign bonds for S/ 374,586 thousand and S/ 49,058 thousand, respectively.

(b) As of March 31, 2025, other receivables net of their respective allowance for doubtful accounts include mainly: i) dividends receivable from subsidiaries for S/ 15,573 thousand (as of December 31, 2024, there are no dividends receivable for fiscal 2023), ii) services remaining to be collected to subsidiaries for S/ 2,011 thousand (S/ 8,980 thousand at December 31, 2024); ii) unsettled transactions with debit and credit cards for
S/ 178,250 thousand (S/ 183,882 thousand as of December 31, 2024); ii) finance leases for S/ 5,592 thousand (S/ 5,545 thousand as of December 31, 2024); and iv) other accounts receivable for S/ 35,742 thousands (S/ 48,648 thousands as of December 31, 2024).

(c) As of March 31, 2025 and December 31, 2024, the balance comprises the following:

i) A total of S/ 361,384 thousand reflects the interest on which the bank holds the right to request a refund, and which resulted from the S/ 481,845 thousand payments under protest related to a tax claim filed with the tax administration (SUNAT and the Tax Tribunal), which after more than 14 years ended in 2013 at the tax administrative stage. At that stage, the Tax Authorities determined the existence of an alleged tax debt borne by the Bank derived from the sales tax credit related to purchase transactions of gold entered into between the years 1997 and 1998. Between December 2013 and February 2014, the Bank paid in full the debt under protest without recognizing the validity or legality of the debt. Such payment was recognized as an account receivable.

Since the Bank considered irregular and illegal the alleged tax debt from a claim that was resolved after more than 14 years and resulted in accrued interest, the Bank filed two legal actions for review of the case and recovery of the payment under protest: (i) a writ of amparo (Amparo 1) to review the unconstitutionality of accrued interest due to the excess of the legal term of the tax administration in the resolution of the case, and (ii) an adversary administrative proceeding to discuss the alleged tax.

On November 9, 2021, the Constitutional Court issued a ruling on the legal proceeding referred to default interest (Amparo 1), declaring the claim inadmissible. in June 2018, regarding the adversary administrative proceeding referred to the alleged tax, the Supreme Court dismissed the claim. Consequently, in July 2018, the Bank initiated a new writ of amparo (Amparo 2) demanding the nullity of such ruling and the reopening of the adversary administrative proceeding. A favorable outcome would result in the reopening of the adversary administrative proceeding and in a new ruling from the Supreme Court and probably the other authorities. To date, such second proceeding is pending resolution by the Superior Court.

It should be noted that in March 2015 and 2022, the SBS, by means of Notices No. 10454-2015 and No. 1261 6-2022, requested the recording of provisions for the amount of the alleged tax (principal) amounting to S/ 48,031 thousand and S/ 72,430 thousand, respectively. The provision recorded in March 2022, resulted in the recording of an expense amounting to S/ 7,716 thousand.

On October 12, 2023, the SBS, by means of Notice No. 58666, required additional provisions to be recorded for the full balance of receivable. In this regard, on December 27, 2023, the Bank received SBS Notice No. 71859 authorizing the Bank to record a provision for the remaining balance of the account receivable of S/ 361,384 thousand against the additional capital (note 17.C). Therefore, at December 31, 2023, a 100% provision was made for this account receivable on a prudential basis.

On May 31, 2024, the, Constitutional Tribunal published on its web portal the judgment regarding the process called Amparo 2, declaring unfounded the claim filed by Scotiabank Peru. That sentence, based on the legal provisions in force, is a final Resolution for the undeclared tax under claim plus the interest calculated within the regular Resolution period for such claim, for a total of S/ 92,375 thousand. Therefore, in May 2024 the Bank wrote off the account receivable that was fully provisioned for said items. Still pending in the account receivable is the amount of interest arising from the moment that the regular Resolution time period is considered to be exceeded until the date of settlement. This is so because the Bank is within the regulatory term to file a tax refund application with SUNAT for this item.

It should be noted that these prudential provision requirements are regardless of the estimate for the expected favorable outcome mentioned in the preceding paragraphs.

ii) As of March 31, 2025 and December 31, 2024, comprising mainly payments made by the Bank under protest for S/ 219,293 thousand and S/ 223,194 thousand, respectively relating to the Temporary Tax on Net Assets (ITAN) for fiscal years 2005 and 2006. These payments are being challenged by the Bank in courts, considering them to be undue, and that they should be offset against income tax and other tax credits.

As of March 31, 2025 and December 31, 2024, the Bank obtained from SUNAT a refund of S/ 3,901 thousand and S/ 6,900 thousand, respectively under SUNAT Resolution N° 012-180-0036144 and No. 012-180-0035571.

Bank Management and its legal advisors consider that these amounts will be returned to the Bank upon obtaining a Resolution in its favor.

10. Investments in Subsidiaries and Associates

This caption comprises the following:

In thousands of soles	03.31.2025	%	12.31.2024	%
Shares in subsidiaries				
CrediScotia Financiera S.A. (a)	-	100%	600,067	100%
Caja Rural de Ahorro y Crédito Cencosud Scotia Perú S.A. (b)	76,370	51%	75,358	51%
Scotia Fondos Sociedad Administradora de Fondos Mutuos S.A. (c)	95,256	100%	97,532	100%
Servicios, Cobranzas e Inversiones S.A.C. (c)	54,737	100%	52,452	100%
Scotia Sociedad Agente de Bolsa S.A. (c)	34,568	100%	36,979	100%
Scotia Sociedad Titulizadora S.A. (c)	4,463	100%	4,992	100%
	265,394		867,380	
Share in associates				
Unibanca S.A. (d)	35,135		33,546	
La Fiduciaria S.A.	4,949		4,199	
	40,084		37,745	
	305,478		905,125	

(a) On May 6, 2024, the Bank entered into an agreement with Banco Santander S.A. for the transfer of 100% of the capital stock of CrediScotia Financiera S.A. In addition, as is customary in this type of agreements, completion of the transaction is subject to the fulfillment of certain conditions, such as, obtaining the approval of the banking regulator SBS, the agency for open competition and intellectual property protection (Instituto Nacional de Defensa de la Competencia y de Protección de la Propiedad Intelectual - Indecopi) and the European Central Reserve Bank for the acquisition of an equity interest by Banco Santander S.A. On December 3, 2024, the Bank was informed that the SBS authorized Banco Santander, S.A. (Spain) to acquire one hundred percent (100%) of the capital stock of Crediscotia Financiera S.A.; further specifying that such authorization will become effective once Indecopi issues the respective authorization.

During 2024, the Bank recognized the impairment of its investment in the subsidiary CrediScotia Financiera (CSF) since its carrying amount exceeded the fair value obtained from the sale price obtained from the buyer. In this regard, SBP recorded such impairment on goodwill for S/ 232,315 thousand and impairment on its investment for S/ 163,356 thousand. Also, in May, the costs of this transaction were recognized and a net provision of S/ 8,078 thousand was recorded accordingly (note 16 (c)).

On February 18, 2025, the Peruvian antitrust agency called Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual (Indecopi) authorized Banco Santander S.A. (Spain) to purchase 100% of the capital stock of CrediScotia Financiera S.A.

The Bank and the buyer carried out the closing of the sale transaction on February 28, 2025, with a selling price stated in the purchase/sale agreement of S/ 635,246 thousand. In addition, it should be noted that the carrying amount of such shares as of February 28, 2025 was S/ 616,600 thousand.

(b) As of March 31, 2025, Scotia Sociedad Titulizadora S.A.; Scotia Fondos Sociedad Administradora de Fondos Mutuos S.A and Scotia Sociedad Agente de Bolsa SA distributed dividends for S/ 765 thousand, S/ 12,000 thousand, and S/ 2,808 thousand, respectively; on the profits obtained in the 2024 financial year.

As of December 31, 2024, Scotia Sociedad Titulizadora S.A.; Scotia Fondos Sociedad Administradora de Fondos Mutuos S.A.; Crediscotia Financiera S.A. and Servicios, Cobranzas e Inversiones S.A.C distributed dividends for S/ 1,060 thousand, S/ 8,000 thousand, S/ 61,326 thousand and S/ 8,000 thousand, respectively; on the profits obtained in the 2023 financial year; which were fully paid out as of December 31, 2024.

(c) As of March 31, 2025 and and December 31, 2024, the investment made in associate Unibanca S.A. includes goodwill of S/ 4,772 thousand.

During the three-month period ended in March 31, 2025 and 2024, the Bank recognized a net gain, under the equity method, on its share of the profit or loss obtained by its subsidiaries and associates of S/ 34,400 thousand and S/ 1,672 thousand, respectively (note 23).

11. Property, Furniture and Equipment, Net

This caption comprises the following:

In thousands of soles	Land	Property and premises	Furniture, fixture and IT equipment	Vehicles	Goods in-transit and work-in-progress	03.31.2025	03.31.2024
Cost							
Balance as of January 1	112,593	662,335	321,805	3,068	30,577	1,130,378	1,192,400
Additions	-	-	-	-	2,999	2,999	2,473
Sales	(1,884)	(4,156)	(1,061)	-	-	(7,101)	(6,937)
Transfers	-	7,151	2,093	-	(9,244)	-	-
Disposals and others	-	-	(15)	-	-	(15)	(3,018)
Balance as of March 31	**110,709**	**665,330**	**322,822**	**3,068**	**24,332**	**1,126,261**	**1,184,918**
Accumulated depreciation							
Balance as of January 1	-	565,878	285,102	2,655	-	853,635	897,555
Additions	-	2,977	3,387	46	-	6,410	7,362
Sales	-	(3,932)	(1,039)	-	-	(4,971)	(5,720)
Disposals and others	-	-	(10)	-	-	(10)	(2,834)
Balance as of March 31	**-**	**564,923**	**287,440**	**2,701**	**-**	**855,064**	**896,363**
Net carrying amount	**110,709**	**100,407**	**35,382**	**367**	**24,332**	**271,197**	**288,555**

According to current regulations, the Bank in Peru cannot pledge as collateral the assets that are part of their property, furniture and equipment, except for those acquired through the issuance of lease bonds to carry out finance leases to carry out transactions of this nature.

12. Intangible Assets, Net

This caption comprises the following:

In thousands of soles	Software and others	Work-in-progress	Goodwill (a)	Other intangible assets	03.31.2025	03.31.2024
Cost						
Balance as of January 1	557,050	59,837	287,074	2,882	906,843	842,046
Additions	-	12,962	-	-	12,962	11,896
Transfers	14,581	(14,581)	-	-	-	-
Disposals and others	-	-	-	-	-	(8)
Balance as of March 31	**571,631**	**58,218**	**287,074**	**2,882**	**919,805**	**853,934**
Accumulated amortization						
Balance as of January 1	416,290	-	-	2,592	418,882	381,248
Additions	9,825	-	-	24	9,849	9,764
Disposals and others	-	-	-	-	-	(1)
Balance as of March 31	**426,115**	**-**	**-**	**2,616**	**428,731**	**391,011**
Net carrying amount	**145,516**	**58,218**	**287,074**	**266**	**491,074**	**462,923**

(a) As of March 31, 2025 and December 31, 2024, this balance reflects the goodwill generated in the acquisition of the retail and consumer commercial banking business of Citibank del Peru, in May 2015.

13. Other Assets, Net

This caption comprises the following:

In thousands of soles	03.31.2025	12.31.2024
Financial instruments		
Transactions in progress (a)	311,036	288,089
	311,036	**288,089**
Non-financial instruments		
Prepaid expenses (b)	113,682	106,278
Realizable and repossessed assets, net of accumulated depreciation and provision for impairment loss for S/ 235,309 thousand (S/ 234,905 thousand in 2024)	28,753	30,557
Income tax credit balance (c)	325,949	262,471
VAT credit balance	-	5,699
Others	4,368	4,368
	472,752	**409,373**
	783,788	**697,462**

(a) Transactions in progress are mainly those carried out during the last days of the month and are reclassified in the following month to their final accounts in the separate statement of financial position. These transactions do not have an impact on the Bank's profit or loss. As of March 31, 2025, it includes treasury transactions for S/ 146,299 thousand (S/ 111,917 thousand as of December 31, 2024), and invoices-in-transit for S/ 4,819 thousand (S/ 6,791 thousand as of December 31, 2024).

(b) As of March 31, 2025, prepaid expenses mainly include: i) deferred loan origination costs related to fees paid to the external sales force for S/ 89,147 thousand (S/ 86,579 thousand as of December 31, 2024); ii) commissions on financing obtained S/ 49 thousand (S/ 87 thousand at December 31, 2024) y iii) prepaid leases for S/ 1,454 thousand (S/ 1,911 thousand at December 31, 2024).

(c) The income tax credit balance as of March 31, 2025 comprises a tax credit balance of S/ 345,769 thousand (S/ 254,077 thousand as of December 31, 2024) and balance due on income tax for thousands of S/ 19,820 thousand (on-account income tax payments of S/ 8,394 thousand as of December 31, 2024).

14. Deposits and Obligations with Financial Institutions

This caption comprises the following:

In thousands of soles	03.31.2025		12.31.2024	
Corporate clients	21,772,462	45%	22,310,444	46%
Individuals	18,064,624	37%	18,648,811	39%
Non-profit entities	5,327,660	11%	4,040,723	8%
Others	3,582,747	7%	3,341,610	7%
	48,747,493	**100%**	**48,341,588**	**100%**

As of March 31, 2025 and December 31, 2024, deposits and other obligations in U.S. dollars represent 40% of total amount. As of March 31, 2025, deposits include accounts pledged in favor of the Bank and for credit transactions for S/ 304,953 thousand and US$ 131,006 thousand (S/ 284,872 thousand and US$ 137,687 thousand as of December 31, 2024).

Likewise, as of March 31, 2025 and December 31, 2024, total deposits and obligations from individuals and non-profit entities amount to S/ 12,804,619 thousand and S/ 13,230,397 thousand, respectively, and are secured by the Peruvian Deposit Insurance Fund according to current regulations.

Under the provisions of article 4 of SBS Resolution 0657-99, deposits secured by the Peruvian Deposit Insurance Fund are the following:

(a) Registered deposits, under any modality, from individuals and private non-profit entities.
(b) Accrued interest on the aforementioned deposits as from their respective opening dates or their last renewal dates; and
(c) Demand deposits corresponding to other legal entities.

As of March 31, 2025 and December 31, 2024, the maximum amount secured for each individual amounted to S/ 121 thousand and S/ 122 thousand, respectively.

The Bank freely establish interest rates for its liability transactions based on demand and supply, and type of deposit. As of March 31, 2025 and December 31, 2024 effective rates of main assets ranged as follows:

	03.31.2025		12.31.2024	
%	Local currency	Foreign currency	Local currency	Foreign currency
Savings deposits	1.34	0.38	1.42	0.37
Time deposits	4.58 - 5.89	3.32– 4.12	4.93 - 6.26	3.41– 4.39
Bank certificates	-	0.07 – 1.93	-	0.07 – 2.24
Length-of-service compensation deposits	2.30	0.83	2.38	0.85

As of March 31, 2025 and December 31, 2024, maturities of time deposits of clients and financial institutions were as follows:

	03.31.2025			12.31.2024		
In thousands of soles	Local currency	Foreign currency	Total	Local currency	Foreign currency	Total
Up to 1 month	2,745,726	3,150,013	5,895,739	3,316,814	2,563,628	5,880,442
1-3 months	2,537,972	1,342,391	3,880,363	2,439,568	1,535,699	3,975,267
3-6 months	2,328,294	1,153,831	3,482,125	1,196,224	1,163,731	2,359,955
6-12 months	1,214,555	433,426	1,647,981	2,115,812	489,635	2,605,447
More than 1 year	929,737	125,385	1,055,122	993,227	66,084	1,059,311
	9,756,284	6,205,046	15,961,330	10,061,645	5,818,777	15,880,422
Interest	161,461	40,063	201,524	186,265	37,509	223,774
	9,917,745	6,245,109	16,162,854	10,247,910	5,856,286	16,104,196

Demand deposits, savings deposits and length-of-service compensation deposits have no contractual maturities.

15. Borrowings and Debts

This caption comprises the following:

In thousands of soles	03.31.2025	12.31.2024
Borrowings and debts		
Obligations in the country		
COFIDE (a)	768,152	765,940
Ordinary loans from abroad		
Related banks (b)	4,713,380	4,836,740
Other banks (c)	733,600	988,965
	6,215,132	6,591,645
Interest payable (b)	23,561	31,513
	6,238,693	6,623,158
Securities and obligations (d)	85,121	83,286
	6,323,814	6,706,444

(a) The credit lines of COFIDE in the Bank correspond to resources obtained for loans granting, mainly for mortgage loan financing programs of MiVivienda Fund, which accrue a fixed interest rate adjusted to the VAC index.

On October 29, 2024, the Bank settled the loan to COFIDE for S/ 128,512 thousand, granted for the mortgage financing of the MiVivienda Fund housing programs.

As of March 31, 2025 and December 31, 2024, the Bank and the hold obligations with COFIDE for S/ 768,152 thousand and S/ 765,940 thousand, respectively, which are guaranteed by a mortgage loan portfolio, as follows:

		03.31.2025		12.31.2024	
In thousands of	Moneda	Net loans	Backed debt	Net loans	Backed debt
Detail					
Mortgage loans – MiVivienda Fund (*)	Soles	761,461	766,355	752,249	763,339
Mortgage loans – MiVivienda Fund (*)	U.S. dollars	555	490	780	691

(*) The Bank entered into specific loan arrangements, which have standard terms of compliance on certain operating issues that, in management's opinion, have been met.

(b) As of March 31, 2025, ordinary loans with related banks include debts payable to Scotiabank Caribbean Treasury Limited for US$ 1,285,000 thousand, which accrue interest at annual rates ranging from 4.72% to 6.18% with maturities between April 2025 and February 2027 (US$ 1,285,000 thousand as of December 31, 2024, which accrue interest at annual rates ranging from 4.72% to 6.18% with maturities between April 2025 and February 2027).

These loans do not have collaterals nor compliance terms.

(c) As of March 31, 2025, the Bank holds borrowings and debts with other foreign banks for US$ 200,000 thousand (US$ 262,743 thousand as of December 31, 2024), which accrue interest at annual rates of 4.31% (4.34% y 6.05% as of December 31, 2024).

As of March 31, 2025 and December 31, 2024, these transactions contain standard terms of compliance with financial ratios and, in management’s opinion, those terms do not affect the Bank’s operations and are being met.

As of March 31, 2025 and December 31, 2024, maturities of borrowings from banks and other financial institutions were as follows:

In thousands of soles	03.31.2025	12.31.2024
Up to 1 month	1,233,983	267,666
1-3 months	733,714	241
3-6 months	368	1,995,237
6-12 months	2,385,831	189,655
More than 1 year	1,884,797	4,170,359
	6,238,693	6,623,158

(d) As of March 31, 2025 and December 31, 2024, securities and bonds are as follows:

In thousands of soles	Annual interest	Maturity	03.31.2025	12.31.2024
Issuance				
Redeemable subordinated bonds				
1st Issuance A – 1st Program - BS(i)	7.34%	2025	79,500	79,500
			79,500	79,500
Negotiable certificates of deposit (ii)			3,500	3,127
			83,000	82,627
Interest payable and obligations			2,121	659
			85,121	83,286

i. SBS Resolution 2315-2015, dated April 24, 2015, authorized the issuance of the Scotiabank Peru's First Subordinated Bonds Program up to US$ 400,000 thousand or the equivalent in soles. These bonds qualify as a tier 2 capital. In May 2015, the Bank issued 53,556 subordinated bonds in local currency with a par value of S/ 10,000 each and a 10-year term from the issuance date. These bonds accrue an annual interest rate of 7.34375% to be paid each semester. This issuance was private and held in the local market. On October 22, 2024, the Bank redeemed 53,556 subordinated bonds in local currency of the First Scotiabank Peru Subordinated Bond Program, which was issued in May 2015 in the local market with a nominal value of S/ 10,000 each and maturity of 10 years from the date of issuance.

During the three-month period ended in March 31, 2025 and 2024, total interest and fee expenses in borrowings and financial debts were S/ 93,249 thousand and S/ 132,700 thousand, respectively (note 21).

Subordinated bonds issued by the Bank do not have specific collateral; however, they have a general guarantee on the equity of those entities.

The maturity of outstanding securities is as follows:

In thousands of soles	03.31.2025	12.31.2024
Up to 3 months	83,007	2,593
3-6 months	1,224	79,865
6-12 months	733	735
More than 1 year	157	93
	85,121	83,286

16. Provisions and Other Liabilities

This caption comprises the following:

In thousands of soles	03.31.2025	12.31.2024
Accounts payable		
Repurchase agreements (a)	1,437,205	1,221,200
Other accounts payable	589,619	800,492
Short sale	302,225	12,647
Dividends payable	861,852	-
Vacations, remunerations and profit sharing payable	29,049	24,199
	3,219,950	2,058,538
Provisions		
Provision for litigations and claims (b)	43,445	37,528
Provision for various contingencies (c)	7,773	13,837
Provision for indirect loan losses and country risk	111,177	88,272
Other provisions (d)	136,931	135,718
	299,326	275,355
Other liabilities		
Transactions in progress (e)	582,551	639,875
Deferred income (f)	129,951	120,740
	712,502	760,615
	4,231,778	3,094,508

(a) As of March 31, 2025, the balance of obligations for repurchase agreements includes:

(i) Repurchase agreements with certificates of participation in the Reactiva Peru program I and II entered into with the BCRP for S/ 47,698 thousand (S/ 89,944 thousand as of December 31, 2024). They accrue interest at an interest rate of 0.5% with a maturity of 3 years from the date of issuance.

(ii) Repurchase agreements on currencies with the BCRP for S/ 250,000 thousand. They accrue interest at an interest rate of 4.86% with a maturity in April 2025 (the Bank did not have repurchase agreements on currencies with the BCRP as of December 31, 2024).

(iii) Repurchase agreements on Peruvian treasury bonds with the BCRP for S/ 176,432 thousand. They accrue interest at an interest rate ranging from 4.90% to 4.96% with a maturity between May 2025 and June 2025 (S/ 506,931 thousand and accrue interest at an interest rate ranging from 5.10% to 5.24% with a maturity ranging from February 2025 to March 2025, as of December 31, 2024) (note 6 (a)).

(iv) Purchase transactions with repo agreements on Peruvian Treasury Bonds for S/ 350,001 thousands and S/ 608,267 thousand entered into with Peruvian and foreign financial institutions, respectively, which bore interest rate ranging from 4.75% to 5.65% and with maturity from April 2025 to August 2026. and mature between April 2025 and August 2026 (as of December 31, 2024, the Bank had purchase transactions with repo agreement on Peruvian Treasury Bonds with foreign financial institutions for S/ 608,267, which bore interest at a rate ranging from 5.58% to 5.65% and maturity in August 2026).

(b) As of March 31, 2025 and December 31, 2024, the Bank has legal actions underway, which are related to civil and labor claims, among others. These legal actions resulted from activities and transactions performed during the normal course of business of each entity of the Bank. Management does not consider that they will have a significant impact on business or profit or loss.

(c) As of March 31, 2025 and December 31, 2024, the balance amounted mainly comprises reversals or recoveries of provisions recorded in prior years against equity accounts, which according to SBS Official Letter 23797-2003, shall be reclassified to deficits in other asset accounts of the Bank.

During March 2022, upon approval of the SBS, one hundred percent of this balance was reallocated at that date to record a provision requested by this entity by means of Official Letter No. 12616-2022 (see note 9(c)(i)).

During May 2024, a provision for costs related to the sale of CSF to Banco Santander S.A. was recorded of S/ 8,078 thousand (note 10 (a)).

(d) As of March 31, 2025, the balance of other provisions mainly includes: i) provisions for personnel expenses for S/ 72,012 thousand (S/ 80,043 thousand as of December 31, 2024); ii) provisions for marketing campaigns of liability products for S/ 4,046 thousand (S/ 4,265 thousand as of December 31, 2024); and iii) provisions related to credit and debit card transactions for S/ 31,861 thousand (S/ 31,445 thousand as of December 31, 2024).

(e) Transactions in progress are mainly those carried out during the last days of the month and are reclassified in the following month to their final accounts of the Separate statement of financial position. These transactions do not affect the Bank's profit or loss. As of March 31, 2025, liability transactions in progress mainly include: i) S/ 154,979 thousand for treasury transactions (S/ 100,211 thousand as of December 31, 2024); ii) S/ 92,055 thousand for credit card transactions (S/ 327,412 thousand as of December 31, 2024); and iii) S/ 166,038 thousand for client deposits in transit (S/ 94,783 thousand as of December 31, 2024).

(f) As of March 31, 2025, it mainly includes income for (i) S/ 28,750 thousand for exclusive right fees (S/ 23,463 thousand as of December 31, 2024); (ii) S/ 33,316 thousand for indirect loan fees (S/ 32,601 thousand as of December 31, 2024); and S/ 14,354 thousand for structuring and trust service fees (S/ 14,664 thousand as of December 31, 2024), which are recorded in the Bank's profit or loss during the term of the contract that originates them; (iv) during May 2023, deferred earnings were recorded of S/ 50,315 thousand resulting from the sale of the financed portfolio to an unrelated third party, authorized by the SBS under Resolution No. 01594-2023, which will be recognized in profit or loss based on the cash flows collected. In September 2024, the deferred earnings balance was reduced by S/41,962 thousand due to the payment received of a portion of the loan granted for the sale of the financed portfolio and revenue for the same amount was recognized in profit or loss.

17. Equity

A. General

The regulatory capital of the Bank is determined in accordance with the Banking Law and is used to calculate legal limits and restrictions applicable to financial institutions in Peru. As of March 31, 2025 and December 31, 2024, the Bank's regulatory capital was determined in accordance with the applicable standards and regulations.

The table below shows a breakdown of the regulatory capital as of March 31, 2025 and December 31, 2024:

In thousands of soles	03.31.2025	12.31.2024
Level 1		
Common shares	8,226,777	8,226,777
Plus		
Premium on issuance	33,079	33,079
Legal reserve accounted for	1,800,098	1,704,337
Prior year's and current year's profits	1,556,415	2,048,117
Other additions	268	249
Less		
Goodwill on investments	(291,846)	(291,846)
Investments in subsidiaries and associates; unrealized loss on available-for-sale investments	(320,843)	(919,944)
Intangibles other than goodwill on acquisition of investments	(118,837)	(57,314)
	10,885,111	**10,743,455**
Level 2		
Plus		
Generic provisions on loans	753,881	747,764
Less		
Other deductions	(79,225)	(133,734)
	674,656	**614,030**
Total regulatory capital	**11,559,767**	**11,357,485**

As of March 31, 2025, credit risk weighted assets and indirect loans determined by the Bank according to the regulation applicable to financial institutions, amount to S/ 60,205,183 thousand. (S/ 59,731,384 thousand as of December 31, 2024).

As of March 31, 2025 and December 31, 2024, the Banking Law established as a global limit that the regulatory capital shall be equal to or greater than 10% and 9.5%, respectively, of the total risk weighted assets and indirect loans, which corresponds to the sum of: the amount of regulatory capital requirements for market risk multiplied by 10, plus the amount of the regulatory capital requirements for operational risk multiplied by 10 plus the credit risk weighted assets and indirect loans.

As of March 31, 2025, the regulatory capital of the Bank represents 17.29%of the minimum capital requirements per market, operational and credit risk (17.14%as of December 31, 2024).

SBS Resolution 2115-2009, approved the "Regulation on Regulatory Capital Requirement for Operational Risk." As of March 31, 2025 and December 31, 2024, the Bank have applied the alternative standard method for the calculation of the regulatory capital requirement for operational risk. According to Official Letter 17024-201 6-SBS, the Bank shall use the alternative standard method for the calculation of the regulatory capital requirement, which shall be equivalent to 50% of the difference between the requirements calculated using the basic indicator method and the alternative standard method from April 2017 to March 2018. By means of SBS Resolution No. 4941-2019, issued on October 24, 2019, the SBS authorized the extension of the effective period until September 2021.

SBS Resolution 03435-2022, issued November 11, 2022, extended the application period of the alternative standard method for the Bank until September 2025.

Finally, by means of Resolution SBS N° 3953-2022, as amended, the SBS approved the methodology for calculating the regulatory capital requirement for additional risks, which establishes that this regulatory capital balance will be equal to the sum of the regulatory capital requirements calculated for each of the following components: i) concentration risk ii) interest rate risk in the banking book.

As of March 31, 2025, additional regulatory capital of the Bank amounted to S/ 1,751,863 thousands (S/ 1,722,449 thousand as of December 31, 2024).

The table below shows the detail of the global surplus of the regulatory capital balance as of March 31, 2025 and December 31, 2024:

In thousands of soles	03.31.2025	12.31.2024
Minimum regulatory capital requirement		
For credit risk, market risk, and operational risk	6,687,248	6,327,334
Additional Regulatory Capital	1,751,863	1,722,449
Total minimum requirement	**8,439,111**	**8,049,783**
Total Regulatory capital calculated	**11,559,767**	**11,357,485**
Regulatory capital global surplus	**3,120,656**	**3,307,702**

B. Share capital

As of March 31, 2025 and December 31, 2024 the Bank's authorized, subscribed and paid-in share capital comprise 822'677,853 common. All shares have voting rights and a par value of S/ 10.00 each. As of March 31, 2025 and December 31, 2024, the quotation value of common shares of the Bank was S/ 11.49 and S/ 10.30 per share, respectively.

Shareholding on the Bank's share capital is as follows:

	03.31.2025		12.31.2024	
	Number of shareholders	%	Number of shareholders	%
From 0.01 to 1	1,209	0.69	1,218	0.69
From 50.01 to 100	1	99.31	1	99.31
	1,210	100.00	1,219	100.00

Under the Banking Law, as of March 31, 2025, the share capital is required to reach the minimum amount of S/ 33,091 thousand (S/ 33,141 thousand as of December 31, 2024), at a constant value. This amount is updated at the end of each fiscal year, based on the wholesale price index (WPI), as published by the National Institute of Statistics.

C. **Additional capital**

This caption comprises the following:

In thousands of soles	03.31.2025	12.31.2024
Issuance Premium	31,775	31,775
Gain on treasury shares	1,304	1,304
	33,079	**33,079**

As of March 31, 2025 and December 31, 2024, the Bank holds 284 treasury shares.

On December 27, 2023, by means of Official Notice No. 71589, the SBS authorized the Bank to record an allowance for doubtful accounts receivable reflecting tax claims applied to additional capital for a total of S/ 361,384 thousand ((9(c)(i)).

D. **Legal reserve**

In accordance with the Banking Law, the Bank is required to have a legal reserve of more than 35% of its share capital. This reserve is created by an annual transfer of not less than 10% of profit after tax, and supersedes the reserve referred to in the Banking Law. In accordance with the Banking Law, the amount of this reserve may also be increased through contributions made by the stockholders for this purpose.

General Shareholders' Meeting, held March 26, 2025, applied to legal reserve an amount of S/ 95,761 thousand, corresponding to 10% of net profit for the year 2024.

General Shareholders' Meeting, held March 26, 2024, applied to legal reserve an amount of S/ 73,692 thousand, corresponding to 10% of net profit for the year 2023.

E. **Retained earnings**

The General Shareholders' Meeting, held March 26, 2025, the distribution of 2024 net profit for S/ 957,613 thousand, as follows:

i Allocate 10% of net profit, amounting to S/ 95,761 thousand, to increase the legal reserve.

ii Cash dividend payment for S/ 861,852 thousand. Such payment was made in May 2024.

The General Shareholders' Meeting, held March 26, 2024, the distribution of 2023 net profit for S/ 736,925 thousand, as follows:

i Allocate 10% of net profit, amounting to S/ 73,692 thousand, to increase the legal reserve.

ii. Cash dividend payment for S/ 663,233 thousand. Such payment was made in May 2024.

F. **Unrealized gains and losses**

As of March 31, 2025 and December 31, 2024, it mainly includes unrealized gains and losses on available-for-sale investments, hedging instruments and interests in other comprehensive income of subsidiaries and associates, net of deferred tax effect.

The movement in the Bank's unrealized gains and losses during the three-month periods ended March 2025 and 2024, net of deferred tax, was as follows:

In thousands of soles	*Note*	03.31.2025	03.31.2024
Balance as of January 1		76,234	44,827
Net unrealized profit (loss) on available-for-sale investments	*6*	62,846	(130,092)
Cash flow hedges		71	-
Adjustments to other comprehensive income of subsidiaries and associates		(1,808)	(524)
Balance as of March 31		**137,343**	**(85,789)**

18. Contingencies

The Bank has several pending legal claims related to its ongoing activities. It is the opinion of management and its legal advisors that these claims will not result in liabilities additional to those recorded by the Bank. Therefore, management considers that no additional provision is necessary for these contingencies (note 16 b).

19. Contingent Risks and Commitments

In the normal course of business, the Bank perform contingent transactions under off-Separate statement of financial position (contingent assets). These transactions expose the Bank to additional credit risks, beyond the amounts recorded in the Separate statement of financial position. Credit risk for contingent transactions that are recorded in suspense accounts in the Separate statement of financial position is related to the probability that one of the participants of the respective contract does not meet the agreed terms.

The related contracts consider the amounts that the Bank would assume for credit losses on contingent transactions. The Bank apply similar credit policies when assessing and granting direct loans and indirect loans.

A portion of the indirect loans are expected to expire without any withdraw required. The total amounts do not necessarily represent future cash outflows for the Ban. Also, documentary credits, such as letters of credit issued, guarantees and letters of guarantee are contingent commitments issued by the Bank to guarantee a client's obligation before a third party.

As of March 31,2025 and December 31, 2024; contingent accounts comprise the following:

In thousands of soles	*Note*	03.31.2025	12.31.2024
Indirect loans			
Guarantees and letters of guarantee		6,710,997	7,243,074
Letters of credit issued		856,214	855,432
Outstanding banker's acceptance		68,105	152,678
	7	**7,635,316**	**8,251,184**
Unused credit lines		21,061,082	22,010,587
Derivative instruments		32,434,192	28,435,767
		61,130,590	**58,697,538**

20. Interest Income

This caption comprises the following:

In thousands of soles	*Note*	03.31.2025	03.31.2024
Direct loan portfolio		1,001,684	1,095,104
Cash and due from banks and deposits with banks	*5*	101,472	74,288
Available-for-sale investments	*6*	76,870	63,933
Investments at FVTPL	*6*	18,300	10,564
Interbank funds		369	2,013
Other finance income		210	163
		1,198,905	1,246,065

21. Interest Expenses

This caption comprises the following:

In thousands of soles	*Note*	03.31.2025	03.31.2024
Deposits and obligations		293,284	322,846
Borrowings and debts	*15*	88,591	128,546
Repurchase agreements		14,637	14,252
Deposits with financial institutions		2,147	7,791
Profit or loss from hedging instruments (a)	*8(b)*	57	-
Fees for borrowings and debts	*15*	4,658	4,154
Interbank funds		3,882	7,714
		407,256	485,303

(a) The Bank did not carry out hedge accounting arrangements from July 31, 2023 to August 19, 2024.

22. Financial Service Income, Net

This caption comprises the following:

In thousands of soles	03.31.2025	03.31.2024
Income		
Income from bank service commissions	61,190	63,862
Other income and fees for banking services	47,162	42,839
Income from services and maintenance of liability transactions and transfer fees	22,602	22,761
Income from fees for collections services	50,043	48,989
Income from structuring and management services	23,377	18,091
Income from teleprocessing services	6,348	6,593
Other income	24,327	22,082
	235,049	225,217
Expenses		
Credit/debit card expenses	(60,307)	(45,529)
Deposit insurance fund premiums	(14,488)	(14,955)
Expenses for insurance services	(189)	(3)
Other expenses	(36,175)	(37,756)
	(111,159)	(98,243)
	123,890	126,974

23. Profit or Loss from Financial Transactions

This caption comprises the following:

In thousands of soles	*Note*	03.31.2025	03.31.2024
Net exchange gain	*4*	138,014	54,085
Gain on sale of available-for-sale investments	*6*	11,466	53,262
Net gain (loss) on sale and measurement of investments at FVTPL		11,214	2,722
Net profit in subsidiaries and associates	*10*	34,400	1,672
Net loss on measurement of held-for- trading instruments	*8a*	(63,343)	(6,298)
Others, net (a)		21,261	4,648
		153,012	110,091

(a) As of March 31, 2025,this balance reflects S/ 18,176 thousand recognized as gains on the sale of CrediScotia Financiera S.A. (note 10 (a)).

24. Administrative Expenses

This caption comprises the following:

In thousands of soles	03.31.2025	03.31.2024
Personnel and board of directors expenses	199,048	184,439
Expenses for third-party services	165,524	177,526
Taxes and contributions	24,991	24,134
	389,563	386,099

25. Other Income, Net

This caption comprises the following:

In thousands of soles	03.31.2025	03.31.2024
Sale of non-financial services	1,758	945
Lease of own assets	660	737
Gain on sale of realizable and repossessed assets	2,066	491
Reimbursements and refunds	37	49
Gain (loss) on sale of property, furniture and equipment	9,943	6,295
Interest on tax refund (a)	37,884	669
Other expenses, net	(6,597)	(7,810)
	45,751	1,376

(a) On March 14, 2025, the Bank was served notice with SUNAT's Resolution No. 012-180-0036983, which declared the refund request to be admissible and SUNAT proceeded to refund S/. 66,322 thousand corresponding to tax shields based on new case law, plus the accrued interest of S/. 37,696 thousand.

26. Tax Matters

Income tax regime

A. The Bank is subject to the Peruvian tax regime. As of March 31, 2025 and 2024, the corporate income tax is calculated on the basis of the net taxable income determined by the Bank at a rate of 29.5%

Legislative Decree No. 1261, published on December 10, 2016, and effective January 1, 2017, the rate applicable to corporate income was modified to 29.5%.

The referred Decree also established the modification of the income tax rate applicable to the distribution of dividends and any other form of profit distribution to 5%, for profits generated and distributed since January 1, 2017 onwards.

It shall be presumed, without admitting evidence to the contrary, that the distribution of dividends or any other form of profit distribution corresponds to the retained earnings or other items that could generate taxable dividends from previous years.

B. Under tax laws currently effective in Peru , non-domiciled individuals are taxed only on their Peruvian source income. In general terms, income obtained by non-domiciled individuals for services rendered in the country shall be subject to income tax at a rate of 30% on gross income, provided that no double tax treaties are applicable. As of this date, Peru has entered into double tax treaties with the Andean Community, Chile, Canada, Brazil, Portugal, Switzerland, Mexico, Japan and South Korea.

With respect to the technical assistance or digital services rendered by non-domiciled entities to domiciled entities, regardless of the place where the service is rendered, they shall be subject to a 15% and 30% income tax rate on gross income, respectively, provided that no double tax treaties are applicable. The 15% applicable rate on technical assistance shall apply, provided that the requirements set forth in the Income Tax Law are met. As noted above, the withholding ratio in these situations may vary or withholding may not be applicable if provisions of current double tax treaties are applied.

Income Tax Determination

Scotiabank computed its tax base for the years ended March 31, 2025, and 2024, and determined income tax for S/ 27,179 thousand and S/ 59,122 thousand, respectively. Income tax expense comprises the following:

In thousands of soles	*Note*	03.31.2025	03.31.2024
Current income tax			
Current year		10,645	56,636
Income tax from prior year	25(a)	(66,322)	-
Prior year adjustment		(27,032)	980
		(82,709)	**57,616**
Deferred income tax			
Current year		90,726	1,506
Prior year adjustment		19,162	-
		109,888	**1,506**
Net income tax expense		**27,179**	**59,122**

The reconciliation of the effective income tax rate to the tax rate is as follows:

In thousands of soles	03.31.2025		03.31.2024	
Net income before income taxes	**493,090**	**100.00%**	**289,338**	**100.00%**
Income tax (theoretical)	145,461	29.50%	85,355	29.50%
Tax effect on additions and deductions				
Permanent differences	(168,369)	(34.15%)	(27,231)	(9.41%)
Adjustment of income tax for the previous year	(5,968)	(1.21%)	981	0.33%
Others	56,055	11.37%	17	0.01%
Current and deferred income tax recorded at the effective tax rate	**27,179**	**5.51%**	**59,122**	**20.43%**

Tax Loss

C. In accordance with Article 50 of the Income Tax Law, a Peruvian company may carry losses forward in one of the two ways:

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

System B: It establishes that the tax loss carryforward can be used until its depletion,offsetting only 50% of the tax base generated in the year.

Legislative Decree No. 1481, published on May 8, 2020, established that, as an exceptional measure, the term for tax loss carryforwards under System A is five years, only for the total net loss of third category of Peruvian source income obtained in the taxable year 2020.

Temporary tax on net assets

D. The Bank is subject to the Temporary Tax on Net Assets, whose tax base is composed of the adjusted net asset value as of the closing of the fiscal year prior to the one in which the payment corresponds, deducting depreciations, amortizations, legal cash reserve, and specific provisions for credit risk. The tax rate is 0.4% for the years 2025 and 2024 and is applied to the amount of net assets exceeding S/ 1 million.This tax may be paid in cash or in nine consecutive monthly installments. The amount paid may be used as a credit against the payments on account of Income Tax for the tax periods from March to December of the fiscal year for which the tax was paid, until the maturity date of each of the payments on account, and against the regularization payment of income tax for the corresponding taxable period. In the event a remaining balance is not applied, its refund may be requested.

The Bank has calculated the temporary tax on net assets for the year 2025 of S/. 256,900 thousand (S/. 260,357 thousand in the year 2024).

Tax on financial transactions

E. Tax on financial transactions for fiscal periods 2025 and 2024 was fixed at the rate of 0.005%. This tax is applied on debits and credits in bank accounts or movements in funds made through the financial system, unless the account is tax-exempt.

Transfer pricing

F. For income tax purposes, transfer prices of transactions with related parties and entities domiciled in territories with low or no taxation, non-cooperating or preferential tax regimes, must be supported with documentation and information on the valuation techniques and the criteria used for their determination. Until fiscal year 2016, the formal obligations of transfer pricing were the presentation of a transfer pricing sworn statement and a technical study.

On September 24, 2024, Legislative Decrees No. 1662 and No. 1663 were published, introducing amendments to the Income Tax Law regarding Advance Pricing Agreements (APAs) and alternative valuation methods within the scope of transfer pricing. These amendments became effective on January 1, 2025.

Legislative Decree No. 1662, published on September 24, 2024, established that APAs entered into between SUNAT and taxpayers may have retroactive effects for previous fiscal years. For such retroactive application to be valid, the facts and circumstances of the prior fiscal years must be consistent with those covered by the APA, and the tax authority must not have prescribed the right to assess the income tax liability under transfer pricing rules.

Also, by means Legislative Decree No. 1663, also published on September 24, 2024, amended the Income Tax Law to regulate the application of alternative valuation methods in situations where traditional transfer pricing methods are not applicable due to the nature of the activities or transactions, or due to the lack of reliable comparable transactions.

Through Legislative Decree No. 1312, published on December 31, 2016 and effective as of January 1, 2017, the following formal obligations were established to replace the former ones: (i) submission of the Local File (if accrued revenue exceeds 2,300 Tax Units – UIT), (ii) submission of the Master File (if accrued revenue of the taxpayer exceeds 20,000 UIT), and (iii) submission of the Country-by-Country Report (if the accrued consolidated revenue of the multinational group's Parent Company in 2017 exceeds S/ 2,700,000 thousand or € 750,000 thousand). The submission of the Master File and Country-by-Country Report is mandatory for transactions corresponding to the year 2018 onwards.

In this regard, through Tax Authorities' Resolution No. 014-2018-SUNAT, published on January 18, 2018, the Virtual Form No. 3560 was approved for the submission of the Local File, establishing the deadlines for its submission and the content and format that must be included therein according to Annexes I, II, III and IV.
The deadline for the filing of the informative affidavit Local File for the taxable year 2022 was in June 2023, in accordance with the maturity schedule published by the Tax Authorities.

Likewise, the aforementioned Legislative Decree No. 1312 also established that intra-group services with low added value shall not have a margin greater than 5% of their costs. Regarding services rendered between related parties, taxpayers must comply with the benefit test and provide the documentation and information under the conditions required for the deduction of the corresponding cost or expense.

In this regard, by virtue of Tax Authorities' Resolution No. 163-2018-SUNAT, published on June 29, 2018, the Virtual Form No. 3561 was approved for the submission of the Master File, and the Virtual Form No. 3562 for the submission of the Country-by-Country Report, establishing the deadlines for their submission, as well as the content and format that must be included therein.

In accordance with the information published by the Organization for Economic Cooperation and Development (OCDE), the automatic exchange of information agreement between Peru and Canada became effective as of fiscal year 2019. Accordingly, the Country-by-Country Reporting shall no longer be submitted by the Bank from fiscal year 2019 onwards.

Legislative Decree N° 1116 established that Transfer Pricing rules are not applicable for General VAT purposes.

As of March 31, 2025, the Bank complied with the formal obligations related to transfer pricing by submitting the Local File in June 2024 and the Master File in October 2024, in accordance with the schedule of tax obligations published by the Tax Authorities

Based on the analysis of the Company's operations, management and its advisors believe that, as a result of the application of these standards, no significant contingencies will arise as of March 31, 2025 and December 31, 2024.

Tax assessment by the tax authority

G. The Peruvian Tax Authority are entitled to review and, if applicable, correct the income tax calculated by the Bank within four years following the filing year of the tax return. In this regard, the income tax returns for fiscal years 2016, 2017, and from 2021 to 2023, as well as the general sales tax returns from 2020 to 2023, are still pending audit by the Tax Authority. As of the date of this report, the Tax Authority has completed the audit of corporate income tax for fiscal year 2020 and has initiated the review for fiscal year 2022, as well as the income tax of domiciled suppliers for the year 2021.

Regarding the income tax returns for fiscal years 2007 to 2010 and 2013 to 2015, the Tax Authority issued several Tax Assessment and Fine Resolutions concerning the determination of corporate income tax for such years, which were challenged. The Bank filed appeals that are currently pending resolution by the Tax Court and the Judiciary, respectively. The fiscal years 2007 to 2010, 2013 to 2015 are currently under litigation before the Judiciary.

The Tax Authority has also delivered Tax Assessment and Fine Resolutions to the Bank related to non-domiciled income tax for the periods 2008 and 2011. The 2011 non-domiciled income tax process has concluded, while the 2008 process is currently under review by the Judiciary. Additionally, Scotiabank Perú has a first-instance court case regarding the tax related to the Social Security Contribution Scheme (ESSALUD) for the 2012 fiscal year.

It is the opinion of management and its legal advisors, these tax proceedings and the years pending tax review will not generate significant liabilities that will have an impact on the Bank's financial results, which is in accordance with IFRIC 23.

Due to the possibility of different interpretations of the applicable tax regulations by the Tax Authorities, it is not possible to determine, as of the date of this report, whether future tax audits will result in additional liabilities for the Bank. Any additional taxes, interest or penalties arising from such audits will be recognized in the results of the year in which they are determined. However, in the opinion of management and its in-house legal advisors, any additional tax assessments would not be material to the Bank's separate financial statements as of March 31, 2025 and December 31, 2024.

Uncertainty over Income Tax Treatments

H. In accordance with IFRIC 23, the Bank assessed its uncertain tax treatments and concluded, based on its assessment of tax compliance and transfer pricing, that it is probable that the Tax Authorities will accept its uncertain tax treatment. The Interpretation did not have an effect on Scotiabank separated financial statements as of March 31,2025 and December 31,2024

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Sales tax regime

I. As of March 31, 2025 and 2024, the value-added tax (VAT) is calculated on the basis of the taxable income determined by Scotiabank monthly at a rate of 18%.

The fees and interest derived from the transactions of banks and financial institutions, municipal savings and credit institutions, municipal savings and credit and popular institutions, small and micro enterprises development institutions, credit unions and rural savings and credit institutions are exempt from the VAT.

Income tax exemptions and exceptions

J. From fiscal 2010, capital gains obtained from the sale, redemption or repayment of securities traded through centralized trading mechanisms are subject to income tax. For this purpose, the computable cost is established as the value of the securities at the end of the 2009 taxable year (quotation value), acquisition cost, or increase in equity value, whichever is higher, under the procedure established in Supreme Decree No. 011-2010-EF.

Emergency Decree No. 005-2019 extended the exemption established in Law No. 30341 until December 31, 2022 and incorporated new exempted items: (i) debt instruments, (ii) certificates of participation in mutual funds for investment in securities, (iii) certificates of participation in Real Estate Rental Investment Funds (FIRBI), and certificates of participation in Securitization Trusts for Investment in Real Estate Rental (FIBRA), and (iv) negotiable invoices. The aforementioned exemption is applicable provided that certain conditions are met.

Law No. 31662, published on December 30, 2022, establishes that, as of January 2023, domiciled and non-domiciled legal entities that were included under the exemption of Law No. 30341 until 2022 are no longer subject to such exemption. From January 2023 to December 31, 2023, the exemption applies only to individuals and undivided estates or marital partnerships that opted to be taxed as such, and up to the first 100 Tax Units (UIT) of capital gains earned in each taxable year.

Additionally, Law No. 31106 extends the exemptions contained in Article 19 of the Income Tax Law until December 31, 2023.

Law No. 32218 introduces income tax exemptions for interest and capital gains derived from: (i) repurchase operations in which the securities received by the transferor are Treasury Bills issued by the Republic of Peru, as well as bonds and other debt instruments issued by the Republic of Peru; and (ii) the transfer of units of Exchange-Traded Funds (ETFs) that aim to replicate the performance of publicly accessible indexes.

Measures to apply the Tax Avoidance General Clause contained in Standard XVI, Preliminary Title of the Peruvian Tax Code

K. Legislative Decree No. 1422 established the procedure for the application of the General Anti-Circumvention Clause (CAG), setting forth that: (i) it is applicable only in definitive audit procedures that examine acts, facts, or situations occurring from July 19, 2012 onwards; (ii) its application requires a prior favorable opinion from a Review Committee composed of SUNAT officials, which is not subject to appeal; and (iii) the definitive audit procedures in which the CAG is applied are not subject to the one-year period for requesting information from the audited parties.

On May 6, 2019, Supreme Decree No. 145-2019-EF was published in the Official Gazette "El Peruano", approving the substantive and formal parameters for the application of the General Anti-Circumvention Rule under Rule XVI of the Tax Code, thereby lifting the suspension established under Law No. 30230. Additionally, the Tax Procedure Regulations issued by SUNAT were amended accordingly.

Through Tax Authorities' Resolution No. 000184-2021/SUNAT, published on December 13, 2021, the members of the Review Committee of the National Superintendence of Customs and Tax Administration (SUNAT) referred to in Article 62-C of the Sole Ordered Text of the Tax Code were appointed. This provision establishes that when the Anti-Circumvention Rule is applied in an audit procedure, a report must be submitted along with the audit file to the aforementioned Review Committee.

Joint liability of the legal representatives and directors of companies

L. Effective September 14, 2018, Legislative Decree No. 1422 provides that, when the audited party is subject to the application of the General Anti-Circumvention Clause (CAG), fraud, gross negligence or abuse of authority by its legal representatives shall be presumed, unless proven otherwise. The aforementioned joint and several liability shall be attributed to such representatives when they have been involved in the design, approval, or execution of acts, situations or economic relationships with an avoidance purpose.

This regulation also extends to the members of the Board of Directors, establishing that it is their responsibility to define the tax strategy of the companies they represent, including the decision to approve or reject acts, situations, or economic relationships to be executed within the framework of tax planning. Such responsibility is non-delegable according to the aforementioned regulation.

The members of the Board of Directors of domiciled companies were granted a deadline expiring on March 29, 2019, to ratify or modify any acts, situations, or economic relationships carried out within the framework of tax planning and implemented as of September 14, 2018, that continue to have tax effects to date.

Notwithstanding the maximum deadline for compliance with this formal obligation and considering the joint and several liability imposed on both legal representatives and directors, as well as the absence of a clear definition of "tax planning", it is critical to review any act, situation or economic relationship that (i) increases tax attributes and/or (ii) results in lower tax payments for the aforementioned years. This is to avoid joint and several liability, both administrative and potentially criminal, based on the criteria applied by the Tax Authority, should the CAG be enforced in the context of a tax audit by SUNAT.

Major changes in tax laws effective January 1,2024

Measures for the application of the General Anti-Circumvention Clause contained in Rule XVI

M. Legislative Decree No. 1422 has established the procedure for the application of the General Anti-Circumvention Clause (CAG), which basically states that: (i) it is applicable only in definitive audit procedures in which acts, facts or situations produced since July 19, 2012 are reviewed; (ii) for its application there must be prior favorable opinion of a review committee integrated by officials of SUNAT itself, such opinion not being appealable; (iv) the definitive audit procedures in which the CAG is applied are not subject to the one (1) year term to require information from the auditees.

On May 6, 2019, Supreme Decree No. 145-2019-EF was published in the Official Gazette El Peruano, whereby the substantive and formal parameters for the application of the general anti-avoidance rule contained in Rule XVI of the Tax Code ("TC") were approved; with which the requirement to lift the suspension established by Law 30230 for the application of such rule is understood to be fulfilled. Likewise, SUNAT's Regulations on Tax Procedures have been adapted for such purpose.

By means of Tax Authorities' Resolution No. 000184-2021/SUNAT published on December 13, 2021, the members of the Review Committee of the National Superintendence of Customs and Tax Administration - SUNAT referred to in Article 62-C of the Sole Ordered Text of the Tax Code were appointed, which states that when applying the Anti-elusive Rule in an audit procedure, a report must be sent together with the audit file to the Review Committee.

N. **Joint and Several Liability of the legal Representatives and Directors**
As of September 14, 2018, it has been established, through Legislative Decree No. 1422, that when an audited subject is subject to the General Anti-Circumvention Clause (CAG), it is automatically considered that there is fraud, gross negligence or abuse of powers with respect to its legal representatives, unless proven otherwise. General Anti-elusive Clause (CAG), it is automatically considered that there is willful misconduct, gross negligence or abuse of powers with respect to its legal representatives, unless there is evidence to the contrary. The aforementioned joint and several liability shall be attributed to such representatives whenever they have collaborated with the design or approval or execution of acts, situations or economic relations with an elusive purpose.

The aforementioned regulation also involves the members of the Board of Directors of companies, stating that they are responsible for defining the tax strategy of the companies in which they are directors, having to decide whether or not to approve acts, situations or economic relations to be carried out within the framework of tax planning, being non-delegable - according to the regulation in commentary - this attribution of the directors.

The members of the Board of Directors of domiciled companies were granted a term expiring on March 29, 2019 to ratify or modify the acts, situations or economic relationships carried out within the framework of tax planning, and implemented as of September 14, 2018 that continue to have tax effect up to the present time.

Notwithstanding the aforementioned maximum term indicated for compliance with such formal obligation, and considering the aforementioned joint and several liability attributable to both legal representatives and directors, as well as the lack of definition of the term tax planning, it will be critical to review any act, situation or economic relationship that has (i) increased tax attributes; and/or, (ii) generated a lower payment of taxes for the aforementioned years, in order to avoid the attribution of joint and several tax liability, both at an administrative and even criminal level, depending on the criteria of the tax agent, in case the CAG is applied to the company that is subject to a tax audit by SUNAT.

O. Disclosure about beneficial owner

Within the framework of the regulations aimed at strengthening the fight against tax evasion and avoidance, as well as against money laundering and the financing of terrorism, Legislative Decree No. 1372, effective as of August 3, 2018, established the obligation to provide information on beneficial owners to the competent authorities through the submission of a sworn statement. This obligation entails disclosing the natural persons who effectively hold ownership or control of legal persons or legal entities. Accordingly, it is mandatory to report: (i) identification of the beneficial owner; (ii) the ownership chain with the corresponding supporting documentation; and (iii) identification of third parties that may hold such information, when applicable.

It is also established that the information related to the identification of beneficial owners submitted to the competent authorities within the scope of these provisions does not constitute a breach of professional secrecy and is not subject to disclosure restrictions derived from confidentiality clauses imposed by contract or by any legal or regulatory provision.

Moreover, Tax Authorities' Resolution No. 041-2022/SUNAT, effective as of March 25, 2022, established new obligated parties required to file the Sworn Statement of the Final Beneficiary for fiscal years 2022 and 2023, provided they had not filed it in December 2019.

Legal entities were originally required to file the Sworn Statement of the Final Beneficiary in accordance with the schedule of monthly tax obligations due in December 2022. However, Tax Authorities' Resolution No. 000278-2022/SUNAT postponed the deadline to December 2023.

Additionally, Tax Authorities' Resolution No. 000236-2023/SUNAT authorized alternative means for the submission of beneficial ownership information and extended the deadline for filing the Sworn Statement of the Final Beneficiary for legal entities to June 30, 2024.

Tax Authorities’ Resolution No. 000236-2023/SUNAT authorized an alternative to physical submission for the filing of the Final Beneficial Owner information. The format containing such information may be submitted in an electronic document bearing the digital signature of the beneficial owner. Additionally, the deadline for the submission of the Sworn Statement of the Final Beneficial Owner by legal entities was extended to June 30, 2024.

It should be noted that failure to submit the sworn statement containing the beneficial ownership information results in joint and several liability for the legal representatives of the non-compliant entity.

P. **Depreciation of Assets**

Legislative Decree No. 1488 established a Special Depreciation Regime and introduced amendments to increase the depreciation rates of assets acquired during 2020, 2021 and 2022, with the aim of promoting private investment and providing greater liquidity due to the economic context generated by the COVID-19 pandemic.

Law No. 31107 amended Legislative Decree No. 1488, providing that, during fiscal years 2021 and 2022, buildings and constructions that, as of December 31, 2020, had a remaining value to be depreciated, would be subject to an annual depreciation rate of 20%. This provision applied to fixed assets used in lodging establishments, travel agencies and tourism operators, restaurants and related services, as well as for the organization of non-sport cultural public events. In addition, it was established that land transportation vehicles used for such activities may be depreciated at an annual rate of 33.3% during the same fiscal years.

In addition, Law No. 31652 approved a new Special Depreciation Regime, increasing the depreciation percentages applicable to taxpayers acquiring buildings and constructions during the years 2023 and 2024. This regime does not apply to assets that were totally or partially constructed before January 1, 2023.

Q. **Parties with no operational capacity (SSCO)**

Legislative Decree No. 1532, published on March 19, 2022 and effective as of January 1, 2023, regulated the procedure for attributing the status of Subject without Operational Capacity (SSCO) within the framework of measures aimed at combating tax evasion.

An SSCO is defined as an entity that, despite appearing as the issuer of payment vouchers or supplementary documents, lacks the necessary economic, financial, material, human and/or other resources—or possesses resources that are not suitable—to carry out the transactions for which such documents are issued.

It is important to highlight that commercial transactions carried out with an SSCO have tax implications: the right to apply the value-added tax (VAT) credit shall not be exercised, and such transactions shall not be admissible as deductible costs or expenses for income tax purposes.

Tax Authorities’ Resolution No. 302-2024/SUNAT establishes that Subjects without Operational Capacity (SSCO) are not authorized to issue payment vouchers, and may only issue sales receipts and related credit or debit notes. Furthermore, SUNAT will publish a monthly list of SSCO. On December 31, 2024, the first list of SSCO was published on SUNAT’s website.

R. **VAT and Digital Services**

Legislative Decree No. 1623, published on August 4, 2024, amended the VAT and Excise Tax Law by implementing the VAT on individuals who do not carry out business activities for the use of digital services in the country provided by non-domiciled entities, and on the importation of intangible goods through the internet. It also designates companies in the financial system as payment facilitators.

Legislative Decree No. 1644, published on September 13, 2024, amended the VAT and Excise Tax Law by extending its scope to remote gaming and online sports betting. This regulation sets a rate of 1% on the amount wagered or played by the player. These activities also fall within the scope of the Excise Tax when carried out through technological platforms operated by foreign legal entities and consumed in Peru by players who are habitual residents. In such cases, the player is deemed the taxpayer responsible for paying the tax, regardless of whether the platform is registered in the Single Taxpayers Registry (RUC).

Supreme Decree No. 254-2024-EF, published on December 14, 2024, approved the regulations governing the Excise Tax applicable to remote gaming and online sports betting. It provides guidance on the determination of the taxable base, applicable exchange rates, the declaration, payment, offsetting, and refund of undue payments.

Supreme Decree No. 008-2025-EF, published on January 19, 2025, amended Appendix IV of the VAT Tax Law. The Excise Tax rate applicable to remote gaming and online sports betting is set at 0.3%. As of July 2025, the rate will increase to 1%.

S. **Amendments to the term for recording payment vouchers for taxpayers to be able to use tax credits**

Legislative Decree No. 1669, published on September 28, 2024, amended the VAT Tax Law and Law No. 29215, focusing on the recording of payment vouchers and the exercise of the VAT credit. Previously, taxpayers had a twelve-month period to record payment vouchers that granted entitlement to the credit. The new regulation reduces this term and establishes the following deadlines:

- Electronic vouchers: must be recorded in the Purchase Ledger in the same month of issuance or payment of the corresponding tax.
- Physical vouchers: must be recorded within two months following their issuance or tax payment.
- Transactions subject to the Tax Obligations Payment System (SPOT): must be recorded within three months following the month of issuance.

Failure to record vouchers within the established deadlines will result in the loss of the right to the corresponding VAT credit. However, this right will not be forfeited if the recording is performed before the Tax Authorities require the taxpayer to present and/or submit their Purchase Ledger.

T. **Repo transactions and ETF disposals**

Law No. 32218, enacted on December 29, 2024, amended the Consolidated Text of the Income Tax Law, incorporating in Article 18(h) two new instances of interest and capital gains not subject to income tax.

- Repo transactions: From January 1, 2025, the effective date of the law, interest and capital gains derived from repurchase transactions in which the securities received by the acquirer from the transferor are Treasury Bills issued by the Republic of Peru, as well as bonds and other debt instruments issued by the Republic of Peru under the Market Makers Program or its substitute mechanism, or in the international market since 2003, shall be exempt from income tax.

- ETF disposal: The exemption also applies to interest and capital gains arising from the disposal of participation units in Exchange-Traded Funds (ETFs) that aim to replicate the performance of publicly accessible indices based on Treasury Bills issued by the Republic of Peru, and bonds and debt securities issued by the Republic of Peru under the Market Makers Program or its substitute mechanism, or in the international market since 2003.

U. Compliance profile

Legislative Decree No. 1535 and its regulation, Tax Authorities' Resolution No. 320-2023-EF, published on March 19, 2022 and December 30, 2023, respectively, established the Tax Compliance Profile (PCT), a classification system applicable to taxpayers that generate third-category income. The objective of the PCT is to promote voluntary compliance with tax obligations and to allow differentiated treatment according to the compliance level assigned to the taxpayer.

The implementation of the PCT is being carried out progressively. A pilot phase began in July 2024, consisting of four quarterly informative ratings without legal effect for taxpayers. During this phase, taxpayers are not required to submit explanations or responses regarding their assigned rating.

The qualification assigned by the SUNAT implies that taxpayers with a low rating may face measures such as the imposition of preliminary precautionary measures, the extension of the deadline for the effect of a corrective tax return that determines a lower tax liability, and potential reputational risks both internally and externally.

Through Supreme Decree No. 018-2025-EF, published on February 14, 2025, the Regulation of Legislative Decree No. 1535 has been modified. It has been established to increase the compliance profile tests from 4 to 8 until July 2026. Additionally, Law No. 31651 extends until December 31, 2025, the exemptions contained in Appendices I and II of the VAT Law.

V. Other relevant changes

On December 30, 2021, as part of the delegation of powers to make tax, financial and economic recovery laws given to the executive branch (Law 31380), the first tax laws were published, including the the price standardization for tax stability and the extension of the VAT exemptions.

They extend the validity of certain tax exemptions and benefits, specifically the following:

- The term of tax exemptions included in Appendixes I and II of the VAT Law was extended until December 31, 2025.
- The issuance of e-money will not be subject to VAT until December 31, 2024.
- The refund of taxes on acquisitions through foreign donations from and imports from diplomatic missions will be effective until December 31, 2024.

Furthermore, Law No. 31651 extends the exemptions outlined in Appendices I and II of the VAT Law until December 31, 2025.

Supreme Decree No. 1516, published December 30, 2021 and effective December 31, 2021, required the price standardization for tax stability under legal stability agreements according to Legislative Decrees 662 and 757. Therefore, such Decree modified the Article 1 of Law 27342 that regulates such agreements. Accordingly, under those legal stability agreements entered into between entities that receive investment and the Peruvian government, the income tax is stabilized. Such tax is applicable in accordance with the current laws and corresponds to the tax rate (plus 2%) referred to in the first paragraph of Article 55 of the Income Tax Law.

Legislative Decree 1545, published March 15, 2023, modified the article 26 of the Income Tax Law regarding presumed interest income. In this sense, the reference of the Libor rate is eliminated, and it is modified to the TAMEX, likewise, it is provided that loans in national and foreign currency accrue interest not less than the active monthly average market rate in national currency (TAMN) and monthly average market lending rate in foreign currency (TAMEX) respectively, which will have to be multiplied by an adjustment factor.

- TAMN:Adjustment factor is 0.42.
- TAMEX: Adjustment factor is 0.65.

Legislative decree 1549, published April 24, 2023, extended until 31 December 2026 the validity of the exemptions contained in article 19 of the Income Tax Law. The Decree will enter into force on 1 January 2024.

Law 31735, published on May 4, 2023, amended Law 29230 that promotes regional and local public investment with the participation of the private sector, as detailed below:

- The Certificate "Regional and Local Public Investment - Public Treasury" (CIPRL) may be used to cancel any tax obligation of the Public Treasury.
- The CIPRL limit for its application against income tax is increased to 80%.
- The CIPRL update rate will now be the average inflation rate for the last 12 months.

Supreme Decree No. 011-2024, published on February 10, 2024, amends the regulations of Law No. 29329, Law that promotes regional and local public investment with private sector participation. More details are provided below:

- The CIPRL and CIPGN can be applied to any tax whose collection constitutes an income of the Public Treasury and which is administered by SUNAT.
- At the end of the fiscal year, the company that has not used the CIPRL or CIPGN may request the issuance of new ones for the value of the cumulative inflation rate of the last 12 months considered in the Multiannual Macroeconomic Framework.

Through Supreme Decree No. 028-2025-EF, published on February 28, 2025, the update of the maximum annual capacity thresholds for the issuance of the CIPRL for regional and local governments and public universities has been approved.

Tax Authorities' Resolution No. 000020-2023, published on June 28, 2023, approved the discretionary power of not sanctioning the infraction referred to the obligation to register the RUC number in the advertising material of goods or services for the period between July 1, 2023 and December 31, 2023.

Law No. 32080, published on July 2, 2024, has removed the requirement to include the RUC number and the corporate name in advertising.

27. Deferred Tax

Deferred income tax has been calculated using the liability method (note 3.M) and is attributed to the following items:

In thousands of soles	Balances as of 01.01.2024	(Debit) credit Profit or loss	Balances as of 31.03.2024	Balances as of 01.01.2025	(Debit) credit Profit or loss	Balances as of 31.03.2025
Assets						
Generic provision for direct/indirect loans	337,516	(7,216)	330,300	327,635	29,335	356,970
Provision for accounts receivable	39,158	552	39,710	39,885	129	40,014
Provision for personnel expenses	10,348	141	10,489	10,782	66	10,848
Provision of awarded assets	45,230	1,120	46,350	47,068	319	47,387
Provision for credit and debit card points	5,551	-	5,551	5,551	-	5,551
Provision of shares	2,430	-	2,430	2,430	-	2,430
Investment in subsidiary	941	-	941	941	-	941
Others	39,459	-	39,459	157,660	(122,377)	35,283
	480,633	(5,403)	475,230	591,952	(92,528)	499,424
Passive						
Updating the value of buildings	(2,294)	-	(2,294)	(2,292)	-	(2,292)
Amortization of intangibles	(13,844)	2,735	(11,109)	(3,212)	2,763	(449)
Leveling of Assets and Liabilities	(16,265)	-	(16,265)	(577)	-	(577)
Other deferred charges	(20,815)	1,162	(19,653)	(18,111)	(628)	(18,739)
Others	(2,901)	-	(2,901)	4,217	(19,495)	(15,278)
	(56,119)	3,897	(52,222)	(19,975)	(17,360)	(37,335)
Deferred income tax asset, net	424,514	(1,506)	423,008	571,977	(109,888)	462,089

28. Employees' Profit Sharing

The table below shows the calculation of the weighted average number of shares outstanding and earnings per share as of March 31, 2025 and 2024

In thousand of shares	Shares outstanding	Base share for calculating the weighted average	Effective days up to year end	Weighted average number of common shares
2025				
Balance at January 1, 2025	822,678	822,678	90	
Capitalization of 2024	-	-	-	-
Balance at March 31, 2025	822,678	822,678		822,678
Net profit for as of March 31, 2025				465,911
Earnings per basic and diluted shares (in soles)				0.57
2024				
Balance at January 1, 2024	822,678	822,678	90	822,678
Capitalization in 2023	-	-	-	-
Balance at March 31, 2024	822,678	822,678		822,678
Net profit for as of March 31, 2024				230,216
Earnings per basic and diluted shares (in soles)				0.28

29. Related Party Transactions

As of March 31, 2025 and December 31, 2024, the Separate financial statements include related party transactions, which, under IAS 24, comprise the Parent Company, related parties, associates, other related parties, and the Bank's directors and key management. All related party transactions are conducted in accordance with market conditions applicable to non-related third parties.

A. The balances of the Bank's Separate statement of financial position arising from transactions with related parties as of March 31, 2025 and December 31, 2024 were as follows:

	03.31.2025						12.31.2024					
In thousand of soles	Controlling interest	Subsidiaries	Related parties (i)	Associates	Key management and directors	Total	Controlling interest	Subsidiaries	Related parties(i	Associates	Key management and directors	Total
Assets												
Cash and due from banks	-	-	197	-	-	197	-	-	1,746	-	-	1,746
Loan portfolio, net	-	70,396	803,376	1,704	12,737	888,213	-	172,281	109,727	4,870	22,220	309,098
Derivatives for trading and hedging	-	-	130,131	-	-	130,131	-	-	94,199	-	-	94,199
Other assets, net	27	45,967	194,351	124,529	14	364,888	128	63,398	93,880	151,823	27	309,256
Total assets	**27**	**116,363**	**1,128,055**	**126,233**	**12,751**	**1,383,429**	**128**	**235,679**	**299,552**	**156,693**	**22,247**	**714,299**
Liabilities												
Obligations with the public and deposits of financial system entities	311,879	135,440	897,811	5,686	12,761	1,363,577	1,110,957	187,033	673,063	78,015	16,708	2,065,776
Debts and borrowings	-	-	4,735,598	-	-	4,735,598	-	-	4,860,012	-	-	4,860,012
Derivatives for trading and hedging	-	-	219,070	-	-	219,070	-	-	88,040	-	-	88,040
Provisions and other liabilities	-	7,500	280,834	1,235	60	289,629	-	20,899	98,521	2,099	25	121,544
Total liabilities	**311,879**	**142,940**	**6,133,313**	**6,921**	**12,821**	**6,607,874**	**1,110,957**	**207,932**	**5,719,636**	**80,114**	**16,733**	**7,135,372**
Continent risks and commitments												
Indirect loanss	-	106,015	887,875	5,869	-	999,759	-	100,993	394,219	23,132	-	518,344
Derivative financial instruments	-	-	15,623,856	-	-	15,623,856	-	-	12,394,403	-	-	12,394,403

(i) Related parties include balances and transactions with other related parties in accordance with the definition in IAS 24.

B. The effects of related party transactions in the Bank's Separate statement of profit or loss for the three-month periods ended March 31, 2025 and 2024 are detailed below:

	03.31.2025						03.31.2024					
In thousands of soles	Parent Company	Subsidiaria	Related parties (i)	Associates	Key management personnel and directors	Total	Parent Company	Subsidiaria	Related parties (i)	Associates	Key management personnel and directors	Total
Interest income	-	1,477	11,035	38	253	12,803	-	6,818	2,277	163	365	9,623
Interest expenses	-	(290)	(71,299)	(16)	(126)	(71,731)	(4,197)	(754)	(70,952)	(1,236)	(188)	(77,327)
	-	1,187	(60,264)	22	127	(58,928)	(4,197)	6,064	(68,675)	(1,073)	177	(67,704)
Financial service income	28	2,533	2,740	231	49	5,581	35	5,170	1,193	124	75	6,597
Financial service expenses	-	(22)	(2,652)	(4,088)	(5)	(6,767)	-	(223)	(174)	(6,048)	(6)	(6,451)
	28	2,511	88	(3,857)	44	(1,186)	35	4,947	1,019	(5,924)	69	146
Net profit or loss from financial transactions	-	-	233,297	2,337	-	235,634	-	11,093	41,254	1,922	-	54, 269
Administrative expenses (ii)	-	(22,123)	(6,299)	(115)	(55)	(28,592)	-	(29,767)	(2,848)	(286)	(26)	(32,927)
Other income, net	-	-	(30)	183	-	153	-	(42)	3,485	-	13	3,456
Net profit or loss	28	(18,425)	166,792	(1,430)	116	147,081	(4,162)	(7,705)	(25,765)	(5,361)	233	(42,760)

(i) Related parties include balances and transactions with other related parties in accordance with the definition in IAS 24.

(ii) Excluding personnel expenses.

C. Remuneration of key management and directors for the three-month periods ended March 31 was as follows:

In thousands of soles	03.31.2025	03.31.2024
Remuneration of key management	7,374	7,608
Expense allowance for Board of Directors	406	357
	7,780	7,965

As of March 31, 2025 and 2024, the outstanding remuneration to key management personnel amounted to S/ 2,190 thousand and S/ 3,610 thousand, respectively.

30. Trust Fund Activities

The Bank offers structuring and management services of trust operations and trust fees and is in charge of the preparation of agreements related to these operations. Assets held in trust are not included in the Separate financial statements. The Bank is responsible for the appropriate management of these trusts based on the limits established by the applicable laws and the respective agreement. As of March 31, 2025, the allocated value of assets in trusts and trust fees amounts to S/ 5,896,004 thousand (S/ 4,897,581 thousand as of March 31,2024).

31. Classification of Financial Instruments

Management classifies its financial assets and financial liabilities into the categories described in note 3.A. As of March 31, 2025 and December 31, 2024 financial assets and financial liabilities are classified as follows:

		03.31.2025						
			Loans and items receivable	Available-for-sale				
In thousands of soles	*Note*	At FVTPL		At amortized cost (a)	At fair value	Liabilities at amortized cost	Other liabilities (b)	Total
Assets								
Cash and due from banks	*5*	-	13,698,900	-	-	-	-	13,698,900
Interbank funds		-	192,025	-	-	-	-	192,025
Investments at FVTPL				-				
Debt instruments	*6*	1,850,116	-	-	-	-	-	1,850,116
Available-for-sale investments								-
Equity instruments (c)	*6*	-	-	4,019	442	-	-	4,461
Debt instruments	*6*	-	-		6,140,487	-	-	6,140,487
Loan portfolio	*7*	-	45,993,979	-	-	-	-	45,993,979
Held-for-trading and hedging instruments	*8*	180,592	-	-	-	-	-	180,592
Accounts receivable	*9*	-	814,170	-	-	-	-	814,170
Other assets	*13*	-	311,036	-	-	-	-	311,036
		2,030,708	61,010,110	4,019	6,140,929	-	-	69,185,766
Liabilities								
Deposits and obligations and other obligations	*14*	-	-	-	-	-	48,436,892	48,436,892
Interbank funds				-	-	-	201,726	201,726
Deposits with financial institutions and international financial institutions	*14*	-	-	-	-	-	310,601	310,601
Borrowings and debts	*15*	-	-	-	-	6,323,814	-	6,323,814
Held-for-trading and hedging instruments	*8*	346,535	-	-	-	-	-	346,535
Accounts payable		-	-	-	-	-	2,363,516	2,363,516
Other liabilities	*16*	-	-	-	-	-	582,551	582,551
		346,535	-	-	-	6,323,814	51,895,286	58,565,635

(a) Including financial assets measured at cost.

(b) Including financial liabilities whose fair value correspond to carrying amounts in accordance with Official Letter 43078-2014-SBS and Official Letter 1575-2014-SBS.

(c) Including unlisted securities (note 6).

		12.31.2024						
			Loans and items receivable	Available-for-sale				
In thousands of soles	*Note*	At FVTPL		At amortized cost (a)	At fair value	Liabilities at amortized cost	Other liabilities (b)	Total
Assets								
Cash and due from Banks	*5*	-	13,114,169	-	-	-	-	13,114,169
Investments at FVTPL								
Debt instruments	*6*	1,459,041	-	-	-	-	-	1,459,041
Available-for-sale investments								
Equity instruments (c)	*6*	-	-	4,036	442	-	-	4,478
Debt instruments	*6*	-	-	-	6,310,349	-	-	6,310,349
Loan portfolio	*7*	-	45,393,303	-	-	-	-	45,393,303
Held-for-trading and hedging instruments	*8*	190,183	-	-	-	-	-	190,183
Accounts receivable	*9*	-	763,670	-	-	-	-	763,670
Other assets	*13*	-	288,089	-	-	-	-	288,089
		1,649,224	**59,559,231**	**4,036**	**6,310,791**	**-**	**-**	**67,523,282**
Liabilities								
Deposits and obligations and other obligations	*14*	-	-	-	-	-	48,005,264	48,005,264
Interbank funds		-	-	-	-	-	183,050	183,050
Deposits with financial institutions and international financial institutions	*14*	-	-	-	-	-	336,324	336,324
Borrowings and debts	*15*	-	-	-	-	6,706,444	-	6,706,444
Held-for-trading and hedging instruments	*8*	180,930	-	-	-	-	-	180,930
Accounts payable		-	-	-	-	-	2,057,652	2,057,652
Other liabilities	*16*	-	-	-	-	-	639,875	639,875
		180,930	**-**	**-**	**-**	**6,706,444**	**51,222,165**	**58,109,539**

(a) Including financial assets measured at cost.

(b) Including financial liabilities whose fair value correspond to carrying amounts in accordance with Official Letter 43078-2014-SBS and Official Letter 1575-2014-SBS.

(c) Including unlisted securities (note 6).

32. Financial Risk Management

The Bank has a strong risk culture throughout the entire entity and manages risks related to its activities with a model of three lines of defense. Risk management is a responsibility shared by all employees, and risk diversification across different lines of business, products and industries is a critical component. The first line is constituted by the areas that assume the risks, the second line includes risk and control functions, and the third line is related to audit functions.

Risk management comprises the management of the following major risks:

A. Credit risk: It is the risk of loss due to debtor, counterparties or third parties' inability to meet their contractual obligations.

B. Market risk: It is the risk of loss in on-balance or off-balance sheet positions due to changes in the market conditions. It generally includes exchange rate, interest rate, price and other risks.

C. Liquidity risk: It is the risk of loss due to a debtor´s inability to meet borrowing requirements and use of funds arising from cash flow mismatches.

D. Operational risk: It is the direct or indirect risk of loss due to external events, human error or deficiencies or failures in processes, procedures, systems or controls. It includes legal risk, but excludes strategic and reputational risks.

Current risk management allows the Bank to identify, measure and assess the return on risk in order to obtain more v value for the shareholders. In order to ensure that strategic objectives are met, risk management is governed by the Risk Appetite Framework, as approved by the entity, ensuring an appropriate risk–return spectrum. The purpose of the Risk Appetite Frameworkis to provide an integrated set of policies, guidelines and principles in order to ensure the application of processes to monitor and mitigate the risks to which the Bank is exposed, determining the amount and types of risks faced by the Bank.

For proper risk management, the Bank has the following requirements:
(i) adequate corporate governance, (ii) aligned and updated risk policies and limits, and
(iii) risk monitoring.

i. Adequate corporate governance

The bodies supporting corporate governance are:

Board of Directors

The Board is responsible for setting the main guidelines to maintain an effective risk management function supported by the Parent Company, establishing an overall risk management framework and providing an internal environment that facilitates the implementation of risk management actions, relying on the Risk Management Committee and the Audit Committee.

Executive committees

They are composed of the following committees: The Asset-Liability Committee (ALCO), Retail Credit Risk Committee and Operational Risk Committee.

Senior Vice President Office of Risk Management
It is responsible for proposing and implementing the policies, methodologies and procedures for an overall risk management approach to identify, monitor, mitigate and control the different types of risks to which the Bank is exposed. Also, it is involved in the definition and design of the Bank's strategy, and communicates and strengthens the risk culture throughout the Bank.

The Senior Vice President Risk Management has the following units: Corporate and Commercial Loans, Retail Loans, Special Banking, Overall Risk Management and Provisions, Collection, Market Risk, and Operational and Technological Risk.

ii. *Aligned and updated risk policies and limits*
The policies are based on recommendations from the different risk units, internal audit, business lines, industry best practices, regulatory and Parent Company requirements, as well as the recommendations from senior management. They are governed by the Risk Appetite Framework, which sets the limits and controls within which the Bank can operate.

The policies are reviewed and approved by the Board of Directors, either directly or via its committees. They provide a description of the types of exposure, responsibilities and conditions that the Bank will consider in doing business, in order to ensure a proper understanding of customers, products, markets and fully understanding of risks inherent to each activity.

iii. *Risk monitoring*
The Risk Division has implemented a set of policies to identify, measure and communicate the evolution of risks in different products and banking, which are intended to early anticipate any portfolio impairment in order to adopt corrective measures.

Main activities and processes applied to have an appropriate risk management are described below:

A. Credit risk

i. *Life cycle: Admission, Monitoring and Collection*
The Risk Units are responsible for designing and implementing strategies and policies to achieve a loan portfolio in accordance with the parameters of credit quality and risk appetite. Credit adjudication units admit and assess credit proposals from different business segments with different levels of delegation granted to other teams for their approval, based on a risk (measured based on a rating or scoring) to return spectrum. Also, for portfolio management, loans are monitored in order to minimize future losses. For collection management, these clients are segmented in Corporate and Commercial Banking and Retail banking. For corporate and commercial portfolio, collections are managed on a case-by-case basis, transferring it to the Special Banking unit, according to policies and red flags, resulting from the monitoring of the portfolio. For retail portfolio, risk-based strategies (scoring) are established to optimize available resources for collection seeking to reach greater effectiveness.

ii. *Credit risk mitigation – collaterals*

The Bank has a set of policies and practices to mitigate credit risk. One of them is the use of collaterals; however, loans are not granted for the amount or quality of collaterals but for the debtor's ability to meet its obligations. Even though collaterals reduce the risk of loss, they shall not be linked to the primary source of repayment.

The carrying amount of collaterals is updated by means of appraisals conducted regularly to consider changes in the market. Such valuations are performed by qualified independent experts, who shall previously meet the required standards and best practices.

Periodical certifications of price, value and changes of collaterals are conducted by the Bank; and, if necessary, measures are adopted to mitigate the risk inherent to the value of these collaterals.

Management of appraisals and collaterals is conducted by an independent unit from the Risk Division.

The types of collaterals include mortgages, levies on assets, such as inventories, premises and accounts receivable, and levies on financial instruments, such as debt and equity instruments.

Additionally, the Bank classifies collaterals as established in SBS Resolution 11356 - 2008 "Regulation on Debtor Risk Assessment and Credit Rating and Provision Requirements" and amendments, as follows:

- Preferred collaterals.
- Preferred easily realizable collaterals.
- Preferred readily realizable collaterals.

iii. *Credit rating*

For Corporate and Commercial Loans, the Bank uses the Advanced Internal Rating-Based (AIRB) approach. Based on this internal rating, it assigns the limits of credit autonomy.

For Retail Banking, an internal score that reflects the strength of clients is used based on the probability of default and payment is used. Also, this score determines the strategies to be used with clients based on the risk determined for each one.

Additionally, to these ratings, the Bank uses debtors' regulatory credit rating, which determines the provision requirement for customers.

iv. *Regulator debtor's y credit rating*

The regulatory debtor credit rating is conducted in accordance with the criteria and parameters established by SBS Resolution 11356-2008 "Regulation on Debtor Risk Assessment and Credit Rating and Provision Requirements," which establishes five debtor's ratings: Wholesale portfolio (corporate, large and medium-business loans) and Retail portfolio (small and micro-business, consumer and mortgage loans):

- Normal (0)
- With potential problems (1)
- Substandard (2)
- Doubtful (3)
- Loss (4)

v. *Loan portfolio impairment loss*

As of March 31, 2025 and December 31, 2024, based on SBS Resolution N° 11356-2008 the Bank have classified impaired and not impaired loans considering the following criteria:

- *Neither is past-due nor impaired loans*
  It comprises those direct loans that currently do not have characteristics of default and relate to client's loans rated as 'normal' or 'with potential problems.

- *Past due but not impaired loans*
  It comprises client's past-due loans rated as 'normal ' or 'with potential problems.

- *Impaired loans*
  Retail portfolio comprises loans rated as 'substandard,' 'doubtful' or 'loss,' and refinanced, restructured and lawsuit loans.

  Wholesale Banking comprises loans past-due of more than 90 days, rated as 'substandard,' 'doubtful' or 'loss,' and refinanced, restructured and loans under court actions.

B. Market risk

This is the risk of loss due to changes in market prices, such as interest rate, equity value, exchange rate and credit spread, that affect the income or the value of its financial instrument portfolio. The objective of the market risk management is to identify, assess and control market risk exposure within risk tolerance and appetite parameters, acceptable for the Board of Directors. It is in order to ensure solvency while optimizing the risk-adjusted return.

i. *Market risk management*

The Bank separates its exposure to market risk between trading and non-trading portfolio. Trading portfolios are managed by the Trading Unit, and include positions arising from market making and own positions, together with financial assets and financial liabilities which are managed on a market value basis.

All foreign exchange positions are managed by Treasury. Accordingly, the foreign exchange positions are treated as part of the trading portfolios for risk management purposes.

Management uses different tools to monitor exposure to market risk for trading and non-trading portfolios, as follows:

ii. *Exposure to market risk – Trading portfolio*

The main tool used to measure and control market risk within the Bank's trading portfolio is value at risk (VaR). The VaR is the estimated loss that will arise on the portfolio over the holding period or specific time horizon, due to an adverse change in the market price with a probability determined by the confidence level, under normal market conditions. The VaR used by the Bank is a historical simulation approach at a 99% of confidence level and assumes a 1-day holding period. Considering market data from the previous 300 days, relationships between different markets and prices are observed, the VaR generates a wide range of various future scenarios for changes in market prices.

Although VaR is an important tool for measuring market risk, the assumptions on which the VaR is based generate some limitations, including the following:

- A 1-day holding period assumes that it is possible to hedge or dispose of positions within that period. This may not be the case for liquid assets or in situations in which there is severe general market illiquidity.

- A 99% confidence level does not reflect losses that may occur beyond this level. Even within the VaR used, there is a 1 % probability that losses may exceed the VaR.

- The VaR is calculated on an end-of-day basis and does not reflect exposures that may arise on positions during the trade date.

- The use of historical data as a basis for determining the possible range of future outcomes may not always cover all possible scenarios, especially those of an exceptional nature.

- The VaR calculation depends on the Bank’s position and the changes in market prices. The VaR of a static position reduces if there is a decrease in changes in market prices and vice versa.

The Bank uses VaR limits for total market risk and interest rate and exchange rate risks. The overall structure of VaR limits is subject to ALCO’s approval and is allocated to trading portfolios. VaR is daily calculated and monitored through daily reports of use which are submitted from the local Market Risk Unit to Treasury and Parent Company. Monthly reports are submitted to ALCO.

The VaR limitations are recognized by complementing its limits with other position and sensitivity limit structures. In addition, a wide range of stress tests are used to model the financial impact of different trading portfolio scenarios. Management determines hypothetical scenarios considering potential macroeconomic factors (such as long-term market illiquidity periods, reduced currency convertibility, natural disasters and other catastrophes). ALCO reviews the analysis of these scenarios.

The VaR models are subject to regular validation to ensure that it continues to perform as expected and that assumptions used in model development are still appropriate. As part of the validation process, the potential weaknesses of the models are analyzed using statistical techniques, such as back testing.

Sensitivity analysis of the trading portfolios is conducted to measure the effect of changes in the risk factors, including rates and differentials on products and portfolios. These measures are applied by product type and allow appropriate monitoring, reporting and management.

iii. *Exposure to market risk – Non-trading portfolio*

Main risk to which non-trading portfolios are exposed is the risk of loss due to changes in future cash flows or financial instruments fair value because of changes in interest rates. Interest rate risk is managed by monitoring interest rate mismatches and setting limits by currency for each term. ALCO monitors compliance with these limits and is assisted by the Market Risk unit.

Equity risk is subject to periodical monitoring by the Board of Directors, through the Risk Management Committee, but is not significant related to the Bank’s profit or loss and financial position.

The effect of structural positions in foreign currency is managed from the Trading unit within its current position limits per currency.

The main market risks to which the Bank is exposed are interest rate risk, exchange rate risk and investment portfolio risk, which are detailed below:

Interest rate risk
It comprises the risk of loss due to changes in interest rates. The Bank, through Treasury, actively manages exposure to interest rate risk in order to improve the net interest income according to established risk tolerance policies.

Market risks arising from financing and investing activities are identified, managed, and controlled as part of the Bank's assets and liabilities management process, especially liquidity and interest rate risks. The sensitivity analysis evaluates the effect on income and on equity value, changes in interest rates, both positive and negative parallel changes, as well as non-parallel changes.

Gap analysis is used to assess the sensitivity of repricing mismatches in the non-trading portfolio. Assets, liabilities and other off-balance-sheet positions are distributed within repricing dates. Financial instruments with a contractual maturity are assigned to an interest rate gap term based on the shorter of the contractual maturity date and the next repricing date. Financial instruments without contractual maturity are assigned an interest rate gap based on observed historical client's behavior.

Interest rate risk in non-trading portfolios mainly arise from terms and currency mismatches of the loan portfolio. Interest rate risk is managed within the framework of policies approved by the Board of Directors and global limits, included in the Risk Appetite Framework’s document, which aim to keep under control the interest rate risk of net income, as well as the equity value.

An Interest rate risk report is presented on a monthly basis by ALCO to the Risk Control Committee and the Board of Directors, detailing the exposure to such exchange rate risk, as well as the results of measurement tools, use of limits and interest rate risk stress tests, among other issues related to market risk management in compliance with regulatory provisions of the Parent Company and the Bank.

Mismatch gap analysis, sensitivity analysis, alternative simulations and stress tests are used in this management process for monitoring and planning purposes.

Exchange rate risk
This is the risk of loss due to adverse changes in exchange rates used by the Bank. This risk is managed by the Trading Unit.

The Trading Unit is responsible for managing foreign currency transactions and forward portfolios in accordance with policies, procedures and controls designed to ensure profitable business opportunities, considering professionally and cautiously adequate risk levels and changes in market variables.

The associated market risks are managed within internal limits of net position, VaR and stress tests based on market variables. The consistency of these results is validated through periodical back testing analysis, which compare actual gains or losses with those obtained through the model.

Management calculates the VaR using the historical simulation method on 300 days of market data to measure the estimated maximum loss on changes in the exchange rate, considering as variables the net asset position in foreign currency and changes in exchange rate.

As of March 31, 2025 and December 31, 2024, the Bank records a net passive position in foreign currency in the Separate statement of financial position for US$ 615,077 thousand and a net asset position for US$ 551,271 thousand, respectively (note 4).

As of March 31, 2025, the global overbought position taken by the Bank amounted to S/ 273,844 thousand (oversold position amounted to S/ 254,281 thousand as of December 31, 2024).

Investment portfolio risk
The own investment portfolio and trading portfolio are managed by the Bank in the ALM Unit and Trading Unit, respectively.

The own investment portfolio is administered in order to manage liquidity and interest rate risks, and long-term capital investment with attractive returns, and administered within approved policies and limits: Limits per type and term of the investment. On the other hand, trading portfolio is acquired with the intention of short- term profit-taking, arising from changes in prices.

Investment portfolios are composed of liquid instruments, mainly certificates of deposit issued by the BCRP and Peruvian treasury bonds issued in local and foreign currency.

C. Liquidity risk

It is the risk of loss due to debtor's inability to meet its financial obligations in the short-term; therefore, the Bank is forced to incur in debt or sell assets in unusually unfavorable conditions.

The Bank's approach to manage liquidity is to ensure, as far as possible, that it will always have enough liquidity to meet its obligations upon maturity, under both normal and stress conditions, without incurring unacceptable losses or damage to the reputation of the Bank. The key elements of the liquidity strategy are as follows:

- Maintaining a diversified funding base, which consists in client’s deposits (both retail and corporate loans), wholesale loans and credit lines for contingent situations.
- Carrying a portfolio of highly liquid assets diversified by currency and maturity.
- Monitoring liquidity ratios, maturity mismatches, behavior characteristics of the financial assets and financial liabilities, and the extent to which their assets are available as potential collateral for obtaining funding.
- Carrying out stress tests on the liquidity position.

Regular liquidity stress tests are conducted regularly under different scenarios covering normal and stress market conditions. The scenarios are developed using group-specific events (e.g., a rating downgrade) and market-related events (e.g., long-term market illiquidity, reduced liquidity of currencies, natural disasters or other catastrophes).

Treasury management's ratios are indicators that relate liquid assets to short-term liabilities under one year. The SBS has determined that this relation shall be greater than 8% and 20%, for local and foreign currency, respectively. As of March 31, 2025, the Bank's ratios in local and foreign currencies were 24.32% and 56.02% respectively (23.92% and 60.20% respectively, as of December 31, 2024).

Liquidity Coverage Ratio (LCR) is an indicator of liquidity level in a hypothetical stress scenario. It indicates whether the entity has sufficient liquidity to withstand liquidity disruptions for up to 30 days, without the need of turning to the market for funds.

As of March 31, 2025, the minimum ratio required by the regulator was 80% for local currency and 100% for foreign currency. The Bank showed levels in local currency of 97.79%, in foreign currency of 187.52% and consolidated levels of 135.79% (local currency of 106.57%, in foreign currency of 202.30% and consolidated levels of 147.99% as of December 31, 2024).

D. Operational and technological risks

The Operational Risk Management Framework sets out an integrated approach to identify, assess, control, mitigate and report operational risk based on key components such as the internal governance, risk appetite, measurement, monitoring, reporting, among others.

The Bank recognizes that an efficient and integrated operational risk management is a key component of risk management best practices; therefore, in order to have a solid internal governance of operational risk, the Bank adopted a three-line defense model, establishing the responsibilities of operational risk management.

During the three-month period ended March 31, 2025 and December 31,2024, the Bank's profit or loss reports were periodically presented to the Global Operational Risk Unit of the Parent Company, Risk Control Committee, Board of Directors of the Bank, Operational and Technological Risk Unit as well as the first-line Vice Chairs and Management of the Bank.

Operational risk appetite

During the three-month period ended March 31, 2025 and December 31, 2024, the operational risk appetite was determined based on limits of losses for operational risk at the level of the entire Bank, which was in turn distributed at the level of the entities that compose it, among them, the Bank. Likewise, a distribution of this loss limit was made to the main Vice Chairs of the Bank. These loss limits are in turn included as objectives within the Balanced Scorecard of each of the aforementioned vice presidencies.

Major operational risk management methodologies are the following:

(a) Operational risk loss event methodology.
(b) Key risk indicators – (KRIs) methodology.
(c) Business Continuity Management – BCM methodology.
(d) Operational Risk and Controls Assessment methodology; Risk Control Assessment and Risk Control Self-Assessment (RCSA) methodology.

(e) Risk assessment methodology of new initiatives and/or significant changes, among others.
(f) Methodology of risk management with third parties, among others.

(i) Operational risk loss event methodology

The Bank follows up relevant data of operational risk losses relevant for the Business Line, in accordance with the Basel loss event types. Losses are reported by Operational Risk Managers (ORM) designated in the various decentralized and specialized units of the Bank and identified in the accounting books. These losses are included in the loss event data base for operational risk. This database is used to determine trends, conduct analysis, identify and mitigate risks, and prepare reports of operational risk losses intended for Senior Management and the Board of Directors.

Loss data collection exercise ensures consistent management across the Bank which allows classifying loss event data per business line, type of event and effect type, according to Basel definitions and the "Regulation on Operational Risk Management" approved by the local regulator.

Losses are also classified by significant internal units and per types of risk, according to the Bank's standard inventory of operational risks.

(ii) KRI methodology

The KRI methodology is a measure to report on potential risks, current status or trend of operational risk exposures.

The KRI methodology provides information to the first two lines of defense in order to promote proactive managing of risk exposures through the monitoring and communication of risks and trends to ensure adequate and timely response of management. The existence of efficient KRI shall serve as an early warning system of possible changes in the operational risk profile of the business.

The KRI methodology provides a systematic approach to coordinate the supervision of the key factors of operational risks and provides a focus, structure and terminology in common to implement and manage the selection of KRIs across the Bank.

As of March 31,2025, the activities implemented were:

- Monitoring the 27 executive risk indicators of the Bank. KRIs have risk thresholds, which, in case where the accepted risk levels were exceeded, generated the implementation of action plans and corrective measures.

- Additionally, 7 informative indicators have been monitored in the Bank.

- Indicators were analyzed and, if necessary, their accepted risk levels (risk thresholds) were assessed with the risk managers per appetite levels: acceptable (green), with potential risk (amber), critical (red).

- Following-up and monitoring the action plans derived from the KRI methodology.

(iii) *Business Continuity Management - BCM methodology*
The Bank has 97 Business Continuity Plans and they are updated and activated to the reporting date. This includes performing tests and exercises such as call chain & communication groups, review exercises and validation of resources available for work in hybrid mode (home office and alternative business site).

(iv) *Risk and controls assessment methodology: RCSA methodology*
The risk and control self-assessment matrix is the local tool for identification and assessment of operational risks of products and support areas.

The process of identifying and assessing risks and controls is a basic component of operational risk management and an efficient tool with the following advantages:

- It strengthens the risk and control culture throughout the organization by promoting an understanding of business risks and responsibilities in the risk-mitigation process.

- It promotes continuing critical thinking, motivating the support and business units to design, construct and maintain more effective control systems.

- It contributes to increase the quantity and quality of reliable information on the control status of the existing risks.

- It contributes to strengthening the internal control system; thus, minimizing distrust of subsequent audits.

- It allows to focus on the most significant risks entity-wide and to reduce costs in recurring reviews.

The universe for the application of risk and control assessment is composed of:

1. Lines of Business: approach per product family.
2. Support units: approach per units.

The Operational Risk and Controls Assessment methodology is composed of the following stages:

(a) Risk identification.
(b) Inherent risk assessment.
(c) Identification and assessment of controls.
(d) Determination of residual risk.
(e) Treatment.

During the three-month period ended March 31, 2025, as part of the risk and control assessment, 48 risk and control matrices were assessed at the Bank. Since 2024, the RCSA program for the Bank will be executed within a two-year period, which means that each matrix will be assessed at least once every two years.

During the three-month period ended March 31, 2025, a program was implemented to assess the design and the operating effectiveness of internal control.

(v) Risk assessment methodology of new initiatives

The Bank has established policies for overall risk assessment of new initiatives (they include new products and events of significant changes in the business, operating or computing environment); these policies describe the general principles applicable to the review, approval and implementation of new products and services within the Bank. The principles are intended to provide guidance to the Business Lines in the development of processes and guidelines of risk assessment to be integrated into the policies and procedures on new products. All new products or major change in the business, operational or system environment shall have an overall risk assessment prior to its development, and it shall be updated after its implementation.

Before implementing any initiative within the scope of the risk assessment methodology of new initiatives, it is required that the initiative have a risk self-assessment conducted by the Leader or Sponsor. The Operational Risk Unit is the responsible for contrasting/challenging the results and other control functions such as Compliance with Fraud Prevention, Money Laundering and Terrorism Financing Prevention, Legal Advisory, among other units. The Internal Control Unit also provides advice and support to the owner of the initiative during the Risk Assessment process.

The Operational and Technological Risk Committee provides oversight to ensure that all Business Lines and business units implement principles and conduct risk assessments consistently.

Accordingly, the risk assessments of initiatives continued under the traditional approach, and 21 initiatives in the Bank were addressed within the scope of the risk assessment methodology at the end of December 31, 2024.

During the three-month period ended March 31, 2025 and December 31, 2024, 2 initiatives in the Bank was addressed.

(vi) Risk management methodology with third parties, among others

The Bank recognizes that an efficient and integrated approach to run the management risk process is key to achieve best practices of risk management with third parties. Therefore, the objective of reducing the potential risk of hiring third parties to provide services to the Bank is to guarantee the identification, measurement and management of the risk of dealing with third parties.

From March 2021, the Bank made changes under the Third Party Risk Management (TPRM) transformation in order to make significant improvements to the TPRM program. They include most noticeably the implementation of two new IT tools that support both TPRM and contract lifecycle management, new operational policies and procedures for TPRM, development of KPIs and KRIs, risk appetite statement related to third parties, responsibilities of individuals within the second line of defense, increasing new risk domains a more involvement of the control functions.

In July 2021, new regulatory requirements dictated by the SBS and referred to "Goods and/or Services Provided by Third Parties" were implemented; these requirements are aligned and in accordance with the TPRM Program.

During the three-month period ended March 31, 2025 and December 31, 2024, the TPRM program made continuous improvements to strengthen the control framework and maintain appropriate risk, as well as simplifications in the risk assessment process to improve the Coupa Risk Assess user experience. Implemented effective questioning through local QC (Quality Control) reviews.

(vii) *Training and awareness*

During the three-month period ended March 31, 2025 and December 31, 2024, training on Operational Risk and Business Continuity has been provided to personnel of agencies, business officers, specialized units, operational risk managers and new staff joining the Bank.

(viii) *Cybersecurity risk management*

The Bank relies on IT to deliver financial products and services to its clients. The IT systems and related processes used to plan, build, run and monitor are exposed to risks of failure, degradation, theft, loss, damage, and destruction. Such risks shall be managed to ensure the generation of opportunities for value creation.

The IT risk management involves the Risk Management Framework to identify the expected and necessary roles, responsibilities, supervisory authorities, risk appetite, tools, practices and deliverables.

Further, the Bank has a cybersecurity program aligned with the organizational strategy that aims at reducing the occurrence of events that compromise the confidentiality, integrity and availability of information that derive from the degradation or cybersecurity posture of services, technology and information assets in order to protect against emerging risks and evolving threats.

During the three-month period ended March 31, 2025, the main activities include the following:

- Special inspection visits for selective evaluation carried out to the Cybersecurity Program by the local regulator, Official Letter N°10303-2025-SBS.
- Alignment to Letter 36482-2022-SBS "Web and mobile applications in production through which any action requiring strong authentication is performed".
- In process of aligning security measures with the new Regulation, Law No. 29733 on Data Protection issued by the local regulator.
- Providing training in Cybersecurity and raising awareness a in employees and clients.
- Monitoring of cases of security incidents continues.
- Continuing access control and change management.
- Continuous vulnerability management in systems, software applications, servers, databases, IT equipment and others to identify and remediate security vulnerabilities.
- Information security, cybersecurity and security architectural risk management for new business and technology initiatives and projects.
- Information security and cybersecurity risk management for suppliers.
- PCI-DSS v4.01 (*), certification has been renewed, acquiring role.
- PCI-DSS v4.01 (*) gap analysis evaluation process, issuing role.
- Assessment and objective inquiry of the main risk activities.
- Monitoring, control and reporting of IT key risk indicators, security and cybersecurity.
- Validation of integrity, accuracy and effectiveness of key IT, security and cybersecurity controls.

(*) PCI – Data Security Standard for the Payment Card Industry.

33. Fair Value

The table below shows a comparison between the carrying amounts and fair values of the Bank's financial instruments per item in the Separate statement of financial position as of March 31, 2025 and December 31, 2024:

	Carrying amount		Fair value	
In thousands of soles	03.31.2025	12.31.2024	03.31.2025	12.31.2024
Assets				
Cash and due from banks	13,698,900	13,114,169	13,698,900	13,114,169
Interbank funds	192,025	-	192,025	-
Investments at FVTPL				
Debt instruments	1,850,116	1,459,041	1,850,116	1,459,041
Available-for-sale investments				
Equity instruments	4,461	4,478	4,461	4,478
Debt instruments	6,140,487	6,310,349	6,140,487	6,310,349
Loan portfolio	45,993,979	45,393,303	45,993,979	45,393,303
Held-for-trading and hedging instruments	180,592	190,183	180,592	190,183
Accounts receivable	814,170	763,670	814,170	763,670
Other assets	311,036	288,089	311,036	288,089
	69,185,766	**67,523,282**	**69,185,766**	**67,523,282**

	Carrying amount		Fair value	
In thousands of soles	03.31.2025	12.31.2024	03.31.2025	12.31.2024
Liabilities				
Obligation with the public and deposits	48,436,892	48,005,264	48,436,892	48,005,264
Interbank funds	201,726	183,050	201,726	183,050
Deposits with financial institutions and international financial institutions	310,601	336,324	310,601	336,324
Borrowings and debts	6,323,814	6,706,444	6,370,940	6,742,296
Held-for-trading and hedging instruments	346,535	180,930	346,535	180,930
Accounts payable	2,363,516	2,057,652	2,362,259	2,056,424
Other liabilities	582,551	639,875	582,551	639,875
	58,565,635	**58,109,539**	**58,611,504**	**58,144,163**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction, on the assumption that the entity is a going concern.

The best evidence of the fair value of a financial instrument traded in a liquid and active market is the quoted price.

If the quoted price is not available, or may not be a reliable fair value of a financial instrument, its fair value could be measured based on the quoted price of similar instruments, using the discounted cash flow method or other valuation techniques. Since these techniques are based on subjective factors and, in some cases, on inexact factors, any change in them or in the valuation technique used could have a material effect on the fair values of financial instruments. Even though management has used its best judgment in measuring the fair value of these financial instruments, a fair value is not an indication of net realizable value or liquidation value.

Techniques and assumptions used depend on the risk terms and characteristics of the financial instruments, as shown below:

(a) Cash and due from banks and interbank funds represent cash and short-term deposits that are not considered as exposed to credit risk.

(b) Investments at fair value through profit or loss for financial intermediation are recorded at their estimated market price.

(c) Available-for-sale investments are generally listed or have a market price through future discounted cash flows.

(d) Market prices of loan portfolio are the same as the carrying amount.

(e) Market prices of deposits and obligations are the same as the carrying amount.

(f) Debts to banks and correspondent banks accrue interest at fixed and variable rates and have short and long-term maturities. The fair value of these financial instruments has been measured using discounted cash flows considering the funding curve.

(g) The securities, bonds and outstanding obligations accrue interest at fixed interest rates. The fair value of these financial instruments has been measured using discounted cash flows considering the same methodology of item (vi).

(h) Forward contracts are recorded at estimated market value; therefore, there are no differences with their corresponding fair values.

Consequently, as of March 31, 2025 and December 31, 2024, fair values or estimated market prices of financial instruments do not differ significantly from their corresponding carrying amount.

Fair value hierarchy
The Bank classifies financial instruments measured at fair value based on their hierarchy or valuation techniques used. This fair value hierarchy has three levels as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Significant inputs with material effect on fair value measurement that are directly or indirectly observable in the market.

Level 3: Unobservable inputs in the market.

The table below shows the valuation levels applied as of March 31, 2025 and December 31, 2024 to determine the fair value of financial instruments:

In thousands of soles	Level 1	Level 2	Level 3	Total
03.31.2025				
Assets				
Investments at FVTPL				
Debt instruments	-	1,850,116	-	1,850,116
Available-for-sale investments				-
Equity instruments	442	-	4,019	4,461
Debt instruments	-	6,140,487	-	6,140,487
Held-for-trading and hedging instruments	-	180,592	-	180,592
	442	8,171,195	4,019	8,175,656
Liabilities				
Held-for-trading instruments	-	346,535	-	346,535
	-	346,535	-	346,535
12.31.2024				
Assets				
Investments at FVTPL				
Debt instruments -	-	1,459,041	-	1,459,041
Available-for-sale investments				
Equity instruments	442	-	4,036	4,478
Debt instruments -	-	6,310,349	-	6,310,349
Held-for-trading and hedging instruments	-	190,183	-	190,183
	442	7,959,573	4,036	7,964,051
Liabilities				
Held-for-trading instruments	-	180,930	-	180,930
	-	180,930	-	180,930

34. Subsequent Events

The Bank is not aware of any significant subsequent events that occurred between the closing date of these separate interim financial statements and the date of authorization for their issuance that could significantly affect them.