CREDICORP LTD
Form 6-K
March 05, 2018

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

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

Securities Exchange Act of 1934

For the month of March 2018

Commission File Number: 001-14014

CREDICORP LTD.

(Translation of registrant's name into English)

Clarendon House

Church Street

Hamilton HM 11 Bermuda

(Address of principal executive office)

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

Form 20-F x Form 40-F ¨

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

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

March 5, 2018

Securities and Exchange Commission - SEC

Re.: MATERIAL EVENT

Dear Sirs:

Please find attached herewith a copy of the audited consolidated financial statements of Credicorp Ltd. (the "Company") and its subsidiaries, for the fiscal year ended December 31, 2017, including the report of the independent external auditors Gaveglio, Aparicio y Asociados Sociedad de Responsabilidad Limitada, members of PricewaterhouseCoopers in Perú, approved by the Company's Board of Directors in its session held on February 28th, 2018, and which will be submitted for evaluation and approval of the Annual General Meeting of Shareholders on March 28, 2018.

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

Sincerely,

/s/ Miriam Böttger
Stock Market Representative
Credicorp Ltd.

SIGNATURE

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

Date: March 5, 2018

CREDICORP LTD.

(Registrant)

By:/s/ Miriam Böttger
Miriam Böttger
Authorized Representative

CREDICORP LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2017 AND 2016

CREDICORP LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2017 AND 2016

US$ = United States dollar
S/ = Sol

(A free translation of the original in Spanish)

REPORT OF THE INDEPENDENT AUDITORS

To The Shareholders

CREDICORP LTD.

Opinion on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material aspects the consolidated financial position of **Credicorp Ltd. and its subsidiaries (the Group)** as at December 31, 2017, their consolidated financial performance and consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at December 31, 2017;
- the consolidated statement of income for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the Notes to the consolidated financial statements, which include a summary of the significant accounting policies.

Basis for opinion

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

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

Independence

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

Our audit approach

Overview

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

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

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

- Information technology environment;
- Allowance for loan losses; and
- Valuation of the mathematical life annuities reserves

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

How we designed the scope of our audit of the Group

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

Our audit for the year ended December 31, 2017, does not represent significant changes in relation to the audit of last year, thus, in establishing the general approach of the Group, we determined the type of work that required to be done on the components, based mainly on individual legal entities. In that sense, we consider Banco de Crédito del Perú S.A. and Mibanco, Banco de la Microempresa S.A., as significant components based on their individual contributions to profit before tax, and Pacífico Compañía de Seguros y Reaseguros S.A. due to the significant risk related to the valuation of the mathematical life annuity reserves. Additionally, we have considered the individual work carried out in each subsidiary, for the purpose of the issue of the statutory audit opinion for each entity.

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

Key Audit Matters (KAM)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. The scope of our audit and the key audit matters have not changed significantly in relation to the previous year. The audit matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; and, we do not provide a separate opinion on these matters.

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

information and accounting records.

The Group has an information technology structure, which comprises more than one technology environment with different processes and segregated controls; furthermore, it is currently implementing a digital transformation process, a situation that leads to an increase in the risks associated with information security and cybersecurity, possibly affecting the operational continuity of the Group companies and/or their reputation.

The lack of a suitable general technology control environment and its dependent controls could trigger incorrect processing of critical information used for the preparation of the consolidated financial statements.

for the mitigation of technology risks and attack prevention, of preventive measures to ensure the continuous operation of its security and access controls, personnel awareness-raising campaigns in matters of security, identity and access management, among others, which contribute to the mitigation of cybersecurity risks.

Key Audit Matter (KAM)	*How our audit addressed the key audit matter*
Allowance for loan losses	
As mentioned in Notes 3 (i), 3 (ad), 7 and 32.1 to the consolidated financial statements, the allowance for loan losses at December 31, 2017 amounts to S/4,943 million. Credit risk is the most important risk for the Group activities. Credit exposures arise mainly from financing activities in the form of direct credits and off-balance financial instruments, such as contingent credits (indirect loans). All exposure to credit risk (direct or indirect) is mitigated by control processes and policies. For the determination of the allowance for loan losses, management has developed specific methodologies for wholesale and retail credits. Those methodologies imply a process with various assumptions and judgments, among which are, the financial situation of the counterparty, the expected future cash flows, the estimated recoverable values of guarantees and adverse effects due to changes in the political and economic environments. The use of different techniques and assumptions of the model could result in significantly different provisions. Furthermore, credit risk management is complex and depends on the database being reliable and complete. Considering the foregoing, this was an area of focus in our audit.	Our work on the evaluation of the allowance for loan losses has focused on the evaluation and testing of the design and operational effectiveness of the controls over the data and calculation of the allowance for loan losses. These controls included, among others: i) the integrity of the data base and the auxiliary systems; ii) models and assumptions adopted by the management to determine the value of the portfolio of recoverable loans; iii) the follow up and valuation of the guarantees; iv) the validation and approval by management; and v) the preparation and disclosure in the Notes to the financial statements. Additionally, we tested information technology controls over the data extraction and calculation of the allowance. We focused our audit, among others, on the following aspects: · Evaluation of compliance of the parameters established by IAS 39; · Evaluation of the reasonableness of the models and principal assumptions used for the calculation of provisions; · Revision of the methodology used to segregate the loan portfolios based on homogeneous characteristics; · Evaluation of the methodology for estimating future cash flows of clients with past due loans (impaired portfolio) and the determination of the probability of default by clients without arrears (unimpaired portfolio); · Evaluation of whether the data used to estimate the provision are complete and accurate; and · Independent re-performance of the calculation of the provision in December of 2017. Furthermore, we obtained an understanding of the process developed by the Group for the analysis, implementation and disclosure of the qualitative and/or quantitative aspects of IFRS 9, in addition to which,

Furthermore, as mentioned in note 3 (ad), on January 1, 2018, IFRS 9 'Financial instruments', becomes effective, which combines the phases of classification and measurement, impairment and hedge accounting of the IASB project to replace IAS 39 'Financial instruments: Measurement and recognition'.

with the assistance of our specialists, we carried out certain audit procedures related to the compliance of the standard's disclosure requirements, among others, we highlight the following procedures performed:

IFRS 9, among other aspects, introduces a new impairment model based on expected credit losses of the credit portfolio and other instruments, which differs significantly from the current model under IAS 39 of incurred credit losses.

Thus, the Group established a structured project in order to adapt its processes to the new accounting rules as established by this IFRS. In this way, as a disclosure requirement of IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, Management has revealed a disclosure of qualitative information from the application of IFRS 9, as well as estimating the most relevant impacts that this standard will have on the financial information of the next fiscal period, based on the balances and premises of the operations at December 31, 2017. Considering the amplitude and complexity of implementation of this standard and the disclosure requirements, we include this matter as a relevant part of our audit focus in this area.

· Review of the accounting policies and methodological framework developed by the Group;

· Evaluation of the reasonableness of the models and main assumptions used for the calculation of impairment based on expected credit losses;

· Obtaining and proving from a sample of operations, their adequate classification, recording and valuation based on the business models are consistent with the flow collection model (amortized cost) and the model of flow collection and sale of assets (fair value through comprehensive income) based solely on payments of principal and interest (criterion of SPPI test);

· Review and independent reprocessing of the calculation based on a sample of the impairment provision on the basis of expected credit losses, considering the balances and premises of the operations at December 31, 2017.

We consider that the criteria and assumptions adopted by management to determine the allowance for loan losses under IAS 39, as well as the information disclosed in the consolidated financial statements, including the disclosures required by IAS 8 in relation to the application of IFRS 9, are reasonable in the relevant aspects in the context of the consolidated financial statements.

Key Audit Matter (KAM)	*How our audit addressed the key audit matter*
Valuation of the mathematical life annuities reserves	
The amount recognized as mathematical reserves for life annuities is S/3,465 million at December 31, 2017, See Notes 3 (e) and 15 to the consolidated financial statements.	We obtained an understanding and applied tests to the key controls in the processes of mathematic reserves and the related processes, to analyze the actuarial and economic assumptions, as well as the data used in the calculations. We identified that the key controls related to the determination of the assumptions and the methodology of the calculation, were designed, implemented and operate effectively.
The valuation of the Group's insurance contracts depends on some key subjective assumptions regarding future events. The valuation of the liabilities generated by insurance contracts is made based on the actuarial assumptions and data used in the calculation.	We held meetings with the financial, investment and actuarial management areas, in order to obtain an understanding of the judgments and criteria used to determine the key actuarial economic assumptions used in the calculation of the mathematical life annuity reserves.
Some of the key actuarial economic assumptions used in the valuation of the insurance contracts are critical and include, among others, the discount rate, life expectancy of the population and the future expenses to be incurred to maintain the existing policies.	We have reviewed the adequacy of the actuarial and economic assumptions as a whole. With the participation of actuarial specialists, we evaluated the reasonableness and consistency of the actuarial assumptions in an independent manner and we considered they are reasonable, including the questioning of management with regard to the main criteria and judgments applied. Our evaluation included reference to independent comparative data.
Minor changes in each of these key assumptions could result in significant impacts in the valuation of the obligations for those insurance contracts and in the respective impacts reflected in the consolidated statement of income.	Based on the results of our auditing work, we considered that the assumptions applied and criteria used to determine the estimates used by the Group's management, in relation to the amounts recognized as mathematical life annuities reserves are reasonable to the Consolidated Financial Statements.
Considering the above, this accounting estimate was an important matter in our audit.	

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

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

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

Those charge with the Corporate Governance of Credicorp Ltd. and its subsidiaries are responsible for overseeing the Group's financial reporting process.

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

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, nothing come to our attention about a material uncertainty exists related to events or conditions that may cast significant doubt on the Credicorp Ltd. and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credicorp Ltd. and its subsidiaries to cease to continue as a going concern.

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

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

We communicated with those charged with Corporate Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with Corporate Governance with a statement that we have complied with relevant ethical requirements regarding independence, and we have communicated to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, including the respective safeguards.

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

Lima, Peru

February 28, 2018

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

Countersigned by

—————————————————(partner)

/S/ Fernando Gaveglio
Peruvian Certified Public Accountant
Registration No.01-019847

CREDICORP LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2017 AND 2016

	Note	2017 S/(000)	2016 S/(000)
Assets			
Cash and due from banks:	4		
Non-interest-bearing		6,019,776	5,568,657
Interest-bearing		17,202,211	11,077,112
		23,221,987	16,645,769
Cash collateral, reverse repurchase agreements and securities borrowings	5(a)	7,480,420	10,919,624
Investments:			
Trading securities	6(a)	4,024,737	4,015,019
Available-for-sale investments		21,732,107	17,086,774
Available-for-sale investments pledged as collateral		2,691,784	1,598,893
	6(a)	24,423,891	18,685,667
Held-to-maturity investments		1,826,394	2,867,755
Held-to-maturity investments pledged as collateral		2,586,979	2,250,665
	6(b)	4,413,373	5,118,420
		32,862,001	27,819,106
Loans, net:	7		
Loans, net of unearned income		100,477,775	94,768,901
Allowance for loan losses		(4,500,498)	(4,207,133)
		95,977,277	90,561,768
Financial assets designated at fair value through profit or loss	8	537,685	459,099
Premiums and other policies receivable	9 (a)	656,829	643,224
Accounts receivable from reinsurers and coinsurers	9 (b)	715,695	454,187
Property, furniture and equipment, net	10	1,509,492	1,551,703
Due from customers on acceptances		532,034	491,139
Intangible assets and goodwill, net	11	1,978,865	1,960,690
Other assets	12	4,999,998	4,928,913
Total assets		170,472,283	156,435,222

Liabilities and Equity			
Deposits and obligations:	13		
Non-interest-bearing		29,382,909	28,084,691
Interest-bearing		67,787,502	57,831,696
		97,170,411	85,916,387
Payables from repurchase agreements and security lending	5(b)	13,415,843	15,127,999
Due to banks and correspondents	14	7,996,889	7,493,916
Banker's acceptances outstanding		532,034	491,139
Accounts payable to reinsurers	9(b)	235,185	233,892
Financial liabilities at fair value through profit or loss	3(f)(v)	168,089	209,520
Technical reserves, insurance claims reserves and unearned premiums	15	7,443,760	6,786,189
Bonds and notes issued	16	16,242,257	15,939,603
Other liabilities	12	5,014,112	4,120,066
Total liabilities		148,218,580	136,318,711
Equity	17		
Equity attributable to Credicorp´s equity holders			
Capital stock		1,318,993	1,318,993
Treasury stock		(208,937)	(209,322)
Capital Surplus		271,948	280,876
Reserves		14,647,709	13,539,091
Other reserves		1,455,594	1,209,731
Retained earnings		4,271,260	3,516,766
		21,756,567	19,656,135
Non-controlling interest		497,136	460,376
Total equity		22,253,703	20,116,511
Total liabilities and equity		170,472,283	156,435,222

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

CREDICORP LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015

	Note	2017 S/(000)	2016 S/(000)	2015 S/(000)
Interest and similar income	21	11,030,683	10,773,055	9,784,089
Interest and similar expenses	21	(2,959,196)	(2,914,714)	(2,527,133)
Net interest, similar income and expenses		8,071,487	7,858,341	7,256,956
Provision for loan losses, net of recoveries	7(d)	(1,789,165)	(1,785,495)	(1,880,898)
Net Interest, similar income after provision for loan losses		6,282,322	6,072,846	5,376,058
Other income				
Commissions and fees	22	2,911,408	2,771,561	2,644,191
Net gains on foreign exchange transactions		650,228	698,159	773,798
Net gains on sales of securities		741,781	336,759	248,723
Net gains on derivatives held for trading		103,580	44,500	207,938
Net gains from exchange difference		17,394	-	46,563
Net gains on financial assets designated at fair value through profit or loss	8	67,633	51,667	-
Others	27	396,683	344,460	325,666
		4,888,707	4,247,106	4,246,879
Insurance premiums and claims				
Net premiums earned	23	1,808,340	1,799,115	1,733,978
Net claims incurred for life, general and health insurance contracts	24	(1,118,304)	(1,098,905)	(1,031,659)
Total premiums earned less claims		690,036	700,210	702,319
Other expenses				
Salaries and employees benefits	25	(3,071,020)	(2,942,743)	(2,878,318)
Administrative expenses	26	(2,158,823)	(2,094,678)	(1,995,802)
Depreciation and amortization	10(a) and 11(a)	(419,975)	(407,061)	(396,497)
Net loss from exchange difference		-	(60,624)	-
Impairment loss on goodwill	11(b)	-	(94)	(82,374)
Net impairment loss on available-for-sale investments	6(a)	(766)	(14,459)	(43,801)

Net loss on financial assets at fair value through profit or loss	8	-	-	(33,500)
Others	27	(635,547)	(609,075)	(534,372)
Total other expenses		(6,286,131)	(6,128,734)	(5,964,664)

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

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CONSOLIDATED STATEMENT OF INCOME (CONTINUED)

	Note	2017 S/(000)	2016 S/(000)	2015 S/(000)
Profit before income tax		5,574,934	4,891,428	4,360,592
Income tax	18(b)	(1,393,286)	(1,281,448)	(1,197,207)
Net profit		4,181,648	3,609,980	3,163,385
Attributable to:				
Credicorp's equity holders		4,091,753	3,514,582	3,092,303
Non-controlling interest		89,895	95,398	71,082
		4,181,648	3,609,980	3,163,385
Net basic and dilutive earnings per share attributable to equity holders of Credicorp Ltd. (in Soles):				
Basic	28	51.49	44.23	38.91
Diluted	28	51.35	44.15	38.84

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

CREDICORP LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015

	Note	2017 S/000	2016 S/000	2015 S/000
Net profit for the year		4,181,648	3,609,980	3,163,385
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Net (loss) gain on investments available for sale	17(d)	375,710	518,658	(635,743)
Income tax	17(d)	(13,962)	(22,975)	18,503
		361,748	495,683	(617,240)
Net movement on cashflow hedges	17(d)	(77,369)	(22,109)	41,069
Income tax	17(d)	18,719	2,294	(1,956)
		(58,650)	(19,815)	39,113
Exchange differences on translation of foreign operations	17(d)	(54,227)	(26,571)	270,907
		(54,227)	(26,571)	270,907
Other comprehensive (loss) income to be reclassified to profit or loss in subsequent periods, net of income tax		248,871	449,297	(307,220)
Total comprehensive income for the year, net of income tax		4,430,519	4,059,277	2,856,165
Attributable to:				
Equity holders of Credicorp Ltd.		4,337,616	3,961,618	2,831,612
Non-controlling interest		92,903	97,659	24,553
		4,430,519	4,059,277	2,856,165

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

CREDICORP LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015

	Attributable to equity holders of Credicorp Ltd.									
							Other reserves			
	Number of shares Issued, Notes 17(a) and 28 (In thousands of units)	Capital stock	Treasury Stock	Capital surplus	Reserves	Put options	Available-for-sale investment reserve	Cash flow hedge reserve	Foreign currency translation reserve	Re ea
		S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/
Balances at January 1, 2015	94,382	1,318,994	(208,184)	302,941	9,469,900	(340,353)	1,223,615	5,937	(206,166)	2
Changes in equity in 2015 -										
Net profit for the year	-	-	-	-	-	-	-	-	-	3
Other comprehensive income	-	-	-	-	-	-	(570,711)	39,113	270,907	-
Total comprehensive income	-	-	-	-	-	-	(570,711)	39,113	270,907	3
Transfer of retained earnings to reserves, Note 17(c)	-	-	-	-	1,820,483	-	-	-	-	(1
Dividend distribution, Note 17(e)	-	-	-	-	-	-	-	-	-	(5
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-
	-	-	(2,452)	(70,516)	-	-	-	-	-	-

Purchase of treasury stock, Note 17(b)										
Share-based payment transactions	-	-	1,658	51,746	9,481	-	-	-	-	-
Others	-	(1)	-	-	(77,833)	-	-	-	-	(5
Balances at December 31, 2015	94,382	1,318,993	(208,978)	284,171	11,222,031	(340,353)	652,904	45,050	64,741	3
Changes in equity in 2016 - Net profit for the year	-	-	-	-	-	-	-	-	-	3
Other comprehensive income	-	-	-	-	-	-	493,884	(20,400)	(26,448)	-
Total comprehensive income	-	-	-	-	-	-	493,884	(20,400)	(26,448)	3
Transfer of retained earnings to reserves, Note 17(c)	-	-	-	-	2,316,370	-	-	-	-	(2
Dividend distribution, Note 17(e)	-	-	-	-	-	-	-	-	-	(6
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-
Purchase of treasury stock, Note 17(b)	-	-	(2,604)	(63,924)	-	-	-	-	-	-
Share-based payment transactions	-	-	2,260	60,629	690	-	-	-	-	-
Acquisition of non-controlling interest, Note 2(b)	-	-	-	-	-	340,353	-	-	-	(1
Others	-	-	-	-	-	-	-	-	-	6
Balances at December 31, 2016	94,382	1,318,993	(209,322)	280,876	13,539,091	-	1,146,788	24,650	38,293	3
Changes in equity in 2017 - Net profit for the year	-	-	-	-	-	-	-	-	-	4
	-	-	-	-	-	-	357,628	(57,431)	(54,334)	-

Other comprehensive income										
Total comprehensive income	-	-	-	-	-	-	357,628	(57,431)	(54,334)	4
Transfer of retained earnings to reserves, Note 17(c)	-	-	-	-	2,354,954	-	-	-	-	(2
Dividend distribution, Note 17(e)	-	-	-	-	-	-	-	-	-	(9
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-
Advance of dividends, Note 17(e)	-	-	-	-	(1,252,255)	-	-	-	-	-
Purchase of treasury stock, Note 17(b)	-	-	(2,141)	(68,867)	-	-	-	-	-	-
Share-based payment transactions	-	-	2,526	59,939	5,919	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	(2
Balances at December 31, 2017	94,382	1,318,993	(208,937)	271,948	14,647,709	-	1,504,416	(32,781)	(16,041)	4

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

CREDICORP LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2017, 2016 AND 2015

	Note	2017 S/(000)	2016 S/(000)	2015 S/(000)
CASH FLOWS AND CASH EQUIVALENTS FROM OPERATING ACTIVITIES				
Profit before income tax		5,574,934	4,891,428	4,360,592
Income tax		(1,393,286)	(1,281,448)	(1,197,207)
Net profit for the year		4,181,648	3,609,980	3,163,385
Adjustment to reconcile net profit with net cash arising from operating activities:				
Provision for loan losses	7(d)	2,057,478	2,063,209	2,052,177
Depreciation and amortization	10(a) and 11(a)	419,975	407,061	396,497
Depreciation of investment properties	12(f)	6,440	4,369	4,409
Deferred income tax	18(b)	(3,556)	28,228	(117,195)
Adjustment of technical reserves		509,051	370,964	408,808
Impairment loss on available for-sale investments	6(a)	766	14,459	43,801
Net gain on sales of securities		(741,781)	(336,759)	(248,723)
Impairment loss on goodwill	11(b)	-	94	82,374
Provision for sundry risks	12(d)	29,023	28,093	38,248
Net loss (gain) on financial assets designated at fair value through profit and loss	8	(67,633)	(51,667)	33,500
Net gain of trading derivatives		(103,580)	(44,500)	(207,938)
(Gain) loss on sales of property, furniture and equipment		(36,970)	45,076	17,159
Net profit from sale of seized and recovered assets	27	(2,494)	(1,377)	(4,195)
Expense on share-based compensation plan	25	62,043	73,930	65,532
Others		(17,394)	60,624	(46,563)
Net changes in assets and liabilities:				
Net (increase) decrease in assets				
Loans		(8,387,767)	(6,636,536)	(7,754,794)
Trading securities		(16,400)	(1,694,949)	232,293
Available for sale investments		(5,380,789)	562,679	(3,163,304)
Cash collaterals, receivables from reverse repurchase agreements and securities borrowings		(78,950)	(28,856)	364,837
Other assets		425,245	1,502,444	(676,176)
Net increase (decrease) in liabilities				

Deposits and obligations	12,779,204	(1,981,653)	6,105,203
Due to Banks and correspondents	661,747	(188,720)	(2,164,131)
Payables from repurchase agreements and security lending	1,551,904	518,755	1,063,748
Bonds and notes issued	788,144	274,766	(1,270,797)
Other liabilities	1,680,868	1,141,323	1,211,378
Income tax paid	(1,014,907)	(1,108,641)	(945,178)
Net cash flow from operating activities	9,301,315	(1,367,604)	(1,315,645)

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

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	Note	2017 S/(000)	2016 S/(000)	2015 S/(000)
NET CASH FLOWS FROM INVESTING ACTIVITIES				
Revenue for sale of property, furniture and equipment		44,137	47,044	44,524
Revenue from sales of investment property		115,705	-	-
Additions of property, furniture and equipment	10	(143,851)	(110,151)	(148,426)
Purchase of investment property	12(f)	(9,217)	(88,186)	(66,237)
Additions of intangible assets	11	(271,722)	(277,346)	(276,564)
Held-to-maturity investments		670,620	(1,550,332)	(1,135,744)
Net cash flows from investing activities		405,672	(1,978,971)	(1,582,447)
NET CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	17(e)	(979,989)	(653,326)	(539,985)
Advance of dividends	17(e)	(1,252,255)	-	-
Subordinated bonds and Notes issued		(40,049)	(401,257)	666,805
Acquisition of Credicorp shares	17(b)	(71,008)	(66,528)	(72,968)
Acquisition of non-controlling interest		-	(489,866)	-
Net cash flows from financing activities		(2,343,301)	(1,610,977)	53,852
Net increase (decrease) of cash and cash equivalents before effect of changes in exchange rate		7,363,686	(4,957,552)	(2,844,240)
Effect of changes in exchange rate of cash and cash equivalents		(784,685)	(454,120)	3,199,642
Cash and cash equivalents at the beginning of the year		16,633,196	22,044,868	21,689,466
Cash and cash equivalents at the end of the year		23,212,197	16,633,196	22,044,868
Additional information from cash flows				
Interest received		10,935,640	10,640,157	9,748,822
Interest paid		(2,885,989)	(2,772,891)	(2,318,724)

Reconciliation of liabilities arising from financing activities:

		Changes that generate cash flows		Changes that do not generate cash flows			
	At January 1, 2017 S/(000)	New issues S/(000)	Amortization of principal S/(000)	Exchange difference S/(000)	Changes in fair value S/(000)	Others S/(000)	At December 31, 2017 S/(000)
Subordinated bonds:							
Amortized Cost	616,020	29,953	(70,002)	(10,382)	-	(140)	565,449
Fair value	4,881,989	-	-	(166,645)	(39,137)	5,733	4,681,940
	5,498,009	29,953	(70,002)	(177,027)	(39,137)	5,593	5,247,389
Hedge of fair value	(77,508)	-	-	2,512	39,250	1,456	(34,290)

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

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CREDICORP LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2017 AND 2016

1 OPERATIONS

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

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

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

The consolidated financial statements as of December 31, 2016, and for the year ended on that date were approved in the General Shareholders' Meeting held on March 31, 2017. The consolidated financial statements as of December 31, 2017 and for the year ended on that date, were approved and authorized to be issued by the Audit Committee and Management on February 27, 2018 and will be submitted for their final approval by the Board of Directors and the General Shareholders' Meeting that will occur within the period established by law; in Management's opinion, they will be approved without modifications.

2 ACQUISITIONS, TRANSFERS AND MERGER

a) Merger by absorption between El Pacífico Vida Compañía de Seguros y Reaseguros (Pacífico Vida) and El Pacífico Peruano-Suiza Compañía de Seguros y Reaseguros (PPS) -

At the Obligatory Annual Shareholders' Meeting of Pacífico Vida, held on February 23, 2017, the merger by absorption was approved between Pacífico Vida (absorbing entity) and PPS (absorbed entity), and the amendments to their corporate denomination and purpose. Furthermore, it was agreed that said merger would come into effect on the date of the approval of the Public Deed, subject to the prior authorization of the SBS.

In this sense, on July 24, 2017, the SBS, by means of Resolution N° 2836-2017 authorized the following to Pacífico Vida:

- The merger by absorption.
- The increase in its share capital by the amount of S/571,009,670, thereby increasing its new share capital to the total of S/1,121,316,750.
- The amendment in its corporate denomination to Pacífico Compañía de Seguros y Reaseguros S.A., being able to use the abbreviated name "Pacífico Seguros"; and to change its corporate purpose in order to be able to operate in the branches of life and general insurance.

Subsequently, on August 1, 2017, the signing of the Public Deed of Fusion was formalized, with the merger by absorption becoming effective as from said date; consequently, Pacífico Vida absorbs the totality of the assets, liabilities, rights and obligations of PPS, with the latter becoming extinguished, without dissolution or liquidation.

b) Acquisition of the non-controlling interest of Credicorp Capital Colombia S.A. (formerly Correval) and Inversiones IMT S.A. -

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

It should be mentioned that in said Board meetings, a capital contribution in favor of Credicorp Capital was initially approved for a total amount of US$121.7 million; however, Management subsequently decided that the contribution would only be for US$120.1 million.

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

Accordingly, on May 20 and August 1 of 2016, the minority shareholders of Credicorp Capital Holding Chile executed the purchase option of Inversiones IMT S.A. thus selling the 39.4 percent share that they held, for approximately US$73.7 million (equivalent to S/241.4 million), with which, Credicorp Capital Holding Chile became the owner of 100 percent of the share capital of Inversiones IMT S.A.

The amount paid by Credicorp Capital Holding Chile was made up of: (i) US$49.2 million originating from the capital contribution of Credicorp Capital Ltd., (ii) US$20.0 million obtained through a financing from a local Chilean bank and own (iii) funds of approximately US$4.5 million.

Furthermore, on May 20, June 1 and August 1, of 2016, Credicorp Capital Holding Colombia executed the purchase option of Credicorp Capital Colombia S.A., purchasing the 30.32 percent share held by the minority shareholders for approximately US$45.2 million (equivalent to S/152.4 million), with which, Credicorp Capital Holding Colombia became the owner of 81.32 percent of the share capital of Credicorp Capital Colombia S.A.

The amount paid by Credicorp Capital Holding Colombia is made up of US$44.2 million originating from the capital contribution of Credicorp Capital Ltd. and US$1.0 million of own funds.

Finally, on September 30, 2016, Credicorp Capital Ltd. executed the remaining purchase option of Credicorp Capital Colombia S.A., purchasing the 18.68 percent share held by the minority shareholders, by means of the purchase of the entities Coby Business Inc. and Artigas Global Corp, both Panamanian companies whose only asset are their shares of Credicorp Capital Colombia S.A. The total amount of the purchase was US$28.3 million (equivalent to S/96.1 million), of which Credicorp Capital Ltd. paid US$26.7 million in cash (which originated from Credicorp´s capital contribution), leaving a balance payable of US$1.6 million at December 31, 2017.

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

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

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

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

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

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

This transaction had no significant impact on the consolidated financial statement.

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

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

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of presentation and use of estimates -

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

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

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

The preparation of the consolidated financial statements in accordance with IFRS requires Management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of significant events in notes to the consolidated financial statements.

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

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

The accounting policies adopted are consistent with those of the previous years, except that the Group has adopted the new revised IFRS and IAS which are mandatory for the periods beginning on or after January 1, 2017, as described below:

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

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

- A temporary difference exists when the carrying amount of an asset is less than its tax base at the end of the information presentation period.
- An entity can assume that it will recover an amount greater than the carrying amount when estimating the taxable profit that it will obtain in future.

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- When the tax law restricts the source of taxable profits against which the particular types of deferred tax assets can be recovered, the recoverability of deferred tax assets can only be evaluated together with other deferred tax assets of the same kind.
- The tax deductions resulting from the reversal of deferred income tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of said assets.

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

- Amendments to IAS 7 "Statement of Cash Flows": Disclosure initiatives.

The amendments require entities to break down the changes in their liabilities originating from financing activities, including both those generated by cash flows as well as those which do not involve cash flows (such as gains and losses due to exchange difference).

The Group has disclosed in its consolidated statement of cash flows the information required in tabular format as a reconciliation of the opening and closing balances.

b) Basis of consolidation -

Investment in subsidiaries –

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

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

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),

- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

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

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

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

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

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

Transactions with non-controlling interest -

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

Loss of control -

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

Investments in associates -

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

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

At December 31, 2017 and 2016, the following entities comprise the Group (the individual or consolidated figures of their financial statements are presented in accordance with IFRS and before eliminations for consolidation purposes, except for the elimination of Credicorp's treasury shares and its related dividends):

Entity	Activity and country of incorporation	Percentage of interest (direct and indirect)		Assets		Liabilities	
		2017 %	2016 %	2017 S/(000)	2016 S/(000)	2017 S/(000)	2016 S/(000)
Banco de Crédito del Perú S.A. and Subsidiaries (i)	Banking, Peru	97.69	97.69	139,658,667	127,513,766	124,107,841	113,568
Pacífico Compañía de Seguros y Reaseguros S.A. and Subsidiaries 2(a)	Insurance, Peru	98.79	98.45	11,402,998	10,156,361	8,558,149	7,786,2
Inversiones Credicorp Bolivia S.A. and Subsidiaries (iii)	Holding, Bolivia	99.96	99.96	9,153,381	8,017,925	8,458,813	7,337,5
Atlantic Security Holding Corporation and Subsidiaries (iv)	Capital Markets, Cayman	100.00	100.00	7,034,717	7,056,980	6,206,861	5,961,7
Credicorp Capital Ltd. and Subsidiaries (v)	Capital Markets, Bermuda	100.00	100.00	3,731,930	3,230,080	2,943,210	2,440,4
CCR Inc. (vi)	Special purpose Entity, Bahamas	100.00	100.00	667,170	1,103,787	670,132	1,123,0
		100.00	100.00	882,917	883,893	263,717	277,899

Prima AFP S.A. (vii)	Private pension fund administrator, Peru						
Grupo Crédito S.A (viii)	Holding, Peru	100.00	100.00	208,049	167,397	241,237	534,552

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

At December 31, 2017, and 2016, its main Subsidiary is Mibanco, Banco de la Microempresa S.A. (hereinafter "Mibanco"), a banking entity in Peru oriented towards the micro and small business sector. At December 31, 2017, the assets, liabilities, equity and net income of Mibanco amount to approximately S/12,363.0 million, S/10,666.5 million, S/1,696.5 million and S/399.1 million, respectively (S/11,234.9 million, S/9,658.3 million, S/1,576.6 million, and S/336.0 million, respectively at December 31, 2016).

(ii) Pacífico Seguros is an entity regulated by the SBS and its activities comprise the contracting and management of all types of general risk and life insurance, reinsurance and property investment and financial operations.

Its Subsidiaries are Crediseguro Seguros Personales and Crediseguro Seguros Generales, and it has Pacífico EPS as an associate, which are dynamic participants in the business of multiple and health insurance, respectively.

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

At December 31, 2017 and 2016, its principal Subsidiary is BCB, a commercial bank which operates in Bolivia. At December 31, 2017, the assets, liabilities, equity and net profit of BCB were approximately S/9,118.4 million, S/8,481.7 million, S/636.7 million and S/75.4 million, respectively (S/7,949.2 million, S/7,238.5 million, S/620.7 million and S/80.7 million, respectively at December 31, 2016).

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

(v) Credicorp Capital Ltd. was formed in 2012, and its main subsidiaries are Credicorp Capital Holding Chile (owner of Inversiones IMT), Credicorp Capital Holding Colombia (owner of Credicorp Capital Colombia), and Credicorp Capital Holding Peru (owner of Credicorp Capital Peru S.A.A.), which develop their activities in Chile, Colombia and Peru, respectively.

At December 31, 2017 and 2016, Credicorp Capital Ltd. directly and indirectly holds 100.00 percent of the share capital of Inversiones IMT and Credicorp Capital Colombia. At December 31, 2017, the assets, liabilities, equity and net profit of Inversiones IMT total approximately S/1,123.4 million, S/964.8 million, S/158.6 million and S/20.8 million, respectively (S/987.5 million, S/840.4 million, S/147.1 million and S/23.7 million, respectively at December 31, 2016); and those of Credicorp Capital Colombia total approximately S/1,667.0 million, S/1,522.2 million, S/144.8 million and S/18.8 million, respectively (S/1,496.5 million, S/1,346.2 million, S/150.3 million and S/24.2 million, respectively at December 31, 2016).

At December 31, 2017 and 2016, Credicorp Capital Ltd. directly holds 100.0 percent of the share capital of Credicorp Capital Holding Perú. At December 31, 2017, the assets, liabilities, equity and net profit of Credicorp Capital Holding Perú and Subsidiaries total approximately S/303.1 million, S/121.3 million, S/181.8 million and S/28.6 million, respectively (S/236.0 million, S/56.5 million, S/179.5 million and S/19.3 million, respectively, at December 31, 2016).

Credicorp Capital Perú has the principal function of a holding company of shares, participations, and securities in general, provision of financial and corporate advisory services, and property investment. At December 31, 2017 and 2016, respectively, Credicorp Capital Peru holds as Subsidiaries, Credicorp Capital Sociedad Agente de Bolsa S.A., Credicorp Capital S.A. Sociedad Administradora de Fondos, Credicorp Capital Servicios Financieros S.A. and Credicorp Capital Sociedad Titulizadora S.A., member companies of the Investment Banking Group in Peru.

(vi) CCR Inc. was incorporated in 2000, its main activity is to manage loans granted to BCP by foreign financial entities, See Note 16(a)(iii). These loans are collateralized by transactions performed by BCP. At December 31, 2017 and 2016, the negative equity balance consists mainly of an accumulated loss of S/17.0 million and a profit for the period of S/14.0 million (an accumulated loss of S/17.0 million and an unrealized loss of S/2.3 million from cash flow hedge derivatives, at December 31, 2016).

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

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

c) Foreign exchange -

(i) Functional and presentation currency -

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

(ii) Transactions and balances in foreign currency -

Foreign currency transactions are those entered into in currencies other than the functional currency. These transactions are initially stated by Group entities at the exchange rates of their functional currencies at the transaction dates. Monetary assets and liabilities denominated in foreign currency are adjusted at the exchange rate of the functional currency prevailing at the date of the statement of financial position.

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