



PANEL DISCUSSION: SCALING WITH CONFIDENCE: TECH-ENABLED DATA, AI AND RISKS AS GROWTH ENGINES

Cesar Ríos, *Chief Risk Officer, Credicorp*

André Rezende, *Chief Technology Officer, Credicorp*

Moderated by: Alejandro Perez-Reyes, *Chief Financial Officer, Credicorp*

(Video Starts)

FIRESIDE CHAT VIDEO

Raimundo Morales, *Vice Chairman, Credicorp*

Gianfranco Ferrari, *Chief Executive Officer, Credicorp*

Gianfranco Ferrari: But in the last, I would say 10 years, the investment in and vision for innovation, as well as the appetite for innovation, have increased a lot. How do you see that?

Raimundo Morales: I think that all of these things that we are discussing are in this context, you're an athlete, there are marathons, right? The thing is, this marathon never ends. I mean when you think you've made it, you can't stop because everyone else keeps moving forward. And what we're doing is not stopping at the finish, but rather continuing on to the next marathon and then the next so we can keep advancing and putting a bit more distance between us and our competitors.

And I think we've been doing well, focusing on our clients, caring about our shareholders, and looking out for our depositors. I think that's key. And the fact that we have people innovating within, for example, Yape, the most relevant feature that has recently emerged as an innovation, shows that we're on the right track and we are making and have made significant investments to stay as far ahead as possible in terms of modernity.

(Video Ends)

Alejandro Perez-Reyes: So good morning, everyone. Thanks for being here so far, we've been hearing from our team, from our leaders, the opportunities we have going forward both by expanding TAM and improving experience. Basically, we see a lot of opportunities going forward. And in this panel, the idea is to have a conversation about the enablers for that growth.

So, I'm joined here by André Rezende, Credicorp Chief Technology Officer, and by Cesar Ríos, Credicorp's Chief Risk Officer. And we're going to have a conversation around what we're building to sustain this growth. I'm going to begin with a broad question for both of you. And it's basically talking about the "why". Why are we doing these investments? The

question would be from your roles in the corporation. How do you view the opportunities we've been talking about and how can you enable them both from risk and from technology. And Cesar, we might start with you.

Cesar Ríos: Thank you, Alejandro. The opportunity is clear. We have much reach. We have as Credicorp 18.8 million clients. Out of them, 15.3 million are very active Yape users, but only 2.7 million have a credit. And if we take out the only Yape originated loans, we only have 1.9 million clients with credits in BCP, for example. The opportunity is clear, there is a vast potential. Over the last years, we have been building a close relationship with the clients, integrating clients, acquiring a lot of transactional clients through BCP, Mibanco, BCP, Pacifico.

And we have been also developing analytical capabilities and a solid relationship with clients. The opportunity is to continue expanding our reach. We have a very solid market position in Peru, particularly in the wholesale segment and the affluent segments, but we have tremendous opportunity at the base of the pyramid. There is a lot of opportunity to include the unbanked and under-banked clients using the capabilities that we have building on over the last years. And the idea, the ambition is to convert these opportunities to include financial clients into a resilient engine of growth. But to do that, we need a very solid technological foundation.

Alejandro Perez-Reyes: Which is a great segue to Andre.

André Rezende: Okay. So I mean in terms of technology, we need to support all of these. And we knew that since the last, I mean 30 years, the financial institutions had a big challenge on how to grow and how to scale without risk. We, at a certain point, did our homework. If you look at our digital transactions, they went up from 36% to 97% in the last few years, and the number of transactions multiplied by 50, while the cost per transaction has been divided by 10. So, the key point here is we did our homework in this timeframe, but it's not enough.

Now, we are expanding. We need to keep this foundation and grow even further. We are moving a lot of things to cloud, but carefully, when analyzing all the steps. We are leveraging new technologies such as SaaS, we are enhancing our cyber resilience technologies, also as part of this journey. And this will allow us to sustain all this growth that we have seen in the last presentations. Besides that, I think we clearly believe that there's a lot of room for growth. These numbers, hopefully, in 5 years, we're going to be discussing 10 times that, hopefully, and with the same resilience and the same security that nowadays our clients' experience.

Alejandro Perez-Reyes: Thank you, Andre. And continuing with you, let's move on to the how. So how are we strengthening our technological capabilities and creating a parenting advantage for Credicorp that makes it basically more than the sum of its parts?



André Rezende: Oh, absolutely. Can you move to the next slide, please? Okay. We have like five major points in our strategy here. So first of all, we want to simplify and modernize. I mean we see that we have several components in our infrastructure in our architecture that can be simplified, okay? So, less complexity, less platforms, less technologies, and this will allow us to be simpler, and simpler means easier to operate, easier to scale and fast to react.

Another thing is one way of working. I mean, we have nowadays like 8,500 people somehow involved in software production, product, services, whatever in Credicorp. So, we are streamlining the way these people work. I mean same components, same architectures same way of thinking. We know that there is a difference between the way a fintech works and the way a traditional Company works. But we are streamlining whatever is possible without harming the individual features of each Company and bringing this to a reusable approach. I mean, if we're doing things right once, we should copy instead of redoing it.

Third point, business-in-a box model, this is one of the thing that excites me the most. I mean we are moving to what we call regional approaches. I mean we can have, for several business that we want to expand further, even outside Peru, other countries, etc., one single platform in one single infrastructure, we have one single architecture, one single ERP, and from Peru or other country serving three, four, five, six countries with the same team and the same platforms. This is in terms of scale and costs I think the most effective way to do it.

And four, centralized functions, I mean talking about parenting advantage, we know that several components that are needed in the day-to-day run of the business are not focus of the real business. We see that we can centralize in the parenting level things like administrative systems, procurement, H.R., communications. So, we are building platforms that will provide this in as-a-service mode for all the companies and allow them to focus on the business, all their energy on developing new business.

And in terms of tapping into start-up technologies, I mean here is the partnership with Krealo, our venture capital arm, and I was delighted to see the previous examples on the previous panels like Monokera and Tyba and Tenpo. We have a lot of very interesting things, very interesting technologies that will leverage solutions for our business. I think our major virtue here was to be able to combine the disruptive things of the new technologies with the good part of the traditional things of the traditional companies in a way that is very disruptive and winning.

The key point at the end is the ambition of technology here is to move from a point of view that we are a key enabler of services to become an enabler for creating new business models or new business growth engines for Credicorp.

Alejandro Perez-Reyes: Thanks, André. So clearly, we're building strong foundations, but what's really powerful is when this technology meets data and A.I., so we have a short



video from our leaders to tell us how we're integrating data, A.I., cybersecurity with the technology in order to better serve our clients.

(Video Starts)

Narrator

At Credicorp, we are integrating data management and A.I. with strong cybersecurity to deliver scalable, meaningful value for customers across our businesses.

Eduardo Torres, Chief Data Officer, Credicorp

At Credicorp, data and A.I. are really transforming the way we operate, delivering better customer experiences, greater productivity, and smarter decisions that drive stronger performance. To support this, we have modernized our data and analytics ecosystems across our businesses, bringing scalability and resilience and the ability to innovate faster. A major milestone has been the launch of Credicorp's data marketplace, a single space where all of our businesses can share and consume data products. This is transforming how we understand our customers, enabling more tailored experiences and stronger value propositions. With these capabilities in place, we are ready for the next chapter, expanding into new markets, unlocking new efficiencies, and create a sustainable growth across all of Credicorp.

Rafael Lemor, Head of AI, Credicorp

At Credicorp, we're scaling A.I. and machine learning to transform the way we serve our clients and operate our businesses. First, by enhancing customer experience with hyper personalization, advanced chatbots, and voicebots that make every interaction faster, smarter, and more seamless. Also, boosting operational efficiency by deploying A.I. copilots and productivity tools that accelerate cogeneration and streamline workflows, freeing our teams to focus on what matters most.

Finally, enabling smarter decisions through advanced analytics solutions, from our ALM optimization tool, which finds the best investment strategy within regulatory limits, to CRM orchestrators that deliver personalized offers across channels. And we are just getting started. We are moving beyond copilots that support employees to fully AI-driven agents, digital workers who will help us reimagine the entire domains and redefine how our businesses operate.

Fernando Madureira, Corporate CISO, Credicorp

We are also advancing our cybersecurity capabilities hand-in-hand with the technology innovation and data developments. As part of that, we place cybersecurity as an enabler for the business, as well as a key area for sustainable growth, adopting the security by design into every application, every architecture, and every process. First, in data security, we safeguard sensitive information at every stage, storage, processing, and sharing, with consistent standard across all businesses. Second, in cloud security, we protect our cloud infrastructure with robust governance and constant vulnerability



assessments. Third, our employees are trained as the first line of defense, where simulations help us minimize the human-related risks and strengthen the culture of security.

Finally, our third-party risk management program ensures suppliers and fintech partners meet our minimal standards and controls. We follow international standards, such as NIST, a framework which guides us to improve our maturity and controls. Cybersecurity is now fully integrated into our risk transformation program, reinforcing resilience while enabling growth. Securing our data, our process, and our people, we protect the trust of over 20 million clients in our business every day ensuring that innovation at Credicorp, scale with confidence and trust, securely, responsibly, and sustainably.

Narrator

Through technology based on cloud, data, and A.I. within a secure framework, we aim to provide clients and employees with smarter and secure solutions. This approach places us at the forefront of our industry's transformation and fuels our next wave of growth.

(Video Ends)

Alejandro Perez-Reyes: So we're clearly building important capabilities. So André, can you talk a little bit about how our technology investments are enabling all of what we've seen?

André Rezende: I think I mean Alejandro, things are all interconnected. I mean when we see Eduardo talking about our data marketplace, where we are putting together in a clean, standardized, already verified way all our data from all companies, this enables a lot further and faster our capability to deliver A.I. engines to help our security to deliver risk models. I mean this is all connected.

And in terms of A.I., just to mention here, A.I. is a hype, I mean everybody is talking about it, and there are several ways to do it. Every Monday I receive an email about new model or way to code something, which is exciting and nervous at the same time. But we are working with the business areas and technology in order to create a way to replicate good solutions of A.I. We don't want everybody to just starting coding everything because this is maybe not cost effective. So, we are creating a common architecture in terms of A.I. with a library of predefined models that have already worked in one company to replicating the others and to leverage everything we have that is good and all the experience between the companies. I think this is a good way to do it.

Alejandro Perez-Reyes: Great. Thanks. So shifting a little bit, Cesar, going back to you, how is technology, basically the technology investments changing the way in which we're doing risk and assessing risk? Cesar Ríos?



Cesar Ríos: Fundamentally, in the different parts of the business, as we are going to talk surely during this presentation, we are using technology to enhance our business capabilities and in the more risk management side as Fernando has told us, we have been able to improve our cybersecurity posture with several measures. By embedding best risk practices in emerging risks and nonfinancial risk, we are assuring that we capture the opportunity that this technology brings to us, at the same time, maintaining resilience and ensure controlled risk through our process and products as we continue our transformation.

Alejandro Perez-Reyes: Can we double click a little bit on that and talk a little about the day-to-day changes in the risk management business?

Cesar Ríos: Yes. Now, I will say it's very directly. These integrated data capabilities have allowed us to improve significantly, for example, our capacity to model in a shorter period of time. We have been able to use this transactional data from BCP, Yape, to improve model accuracy, monitoring and adjustments over time. We are converting really these capabilities and the capacity to take better decisions. We are also using all of these capabilities, not only as defense, but as a real competitive advantage to move faster to produce better products and to convert all of these technologies and the capacity to reach better clients with greater security.

At the end, the goal of the risk transformation process that we are embarked on is to capture these opportunities, at the same time, strengthening resilience and the capacity to grow at a fast and controlled pace.

The risk transformation process has three main drivers. The first one is “Protect”, be sure that we go through this process with a controlled risk framework. The other thing is “Steer”, be sure that we take decisions in a data-driven manner with the stress testing, with solid risk framework. And finally, “Growth”, capture these opportunities, partnering with the business hand-to-hand to convert all these capabilities in an engine with growth to be able to expand our portfolios with confidence.

Alejandro Perez-Reyes: Thanks. And I know this is a multi-year program, but can you talk about the results we've seen so far?

Cesar Ríos: Actually, we have several results. I am going to share with you some of them. For example, as I mentioned before, using transactional data from Yape and BCP, we have been able to improve the accuracy of our models, leveraging the process in which we develop models, cutting their development time in almost half, 43% actually, and at the same time, improving accuracy. And that has allowed us to open up the possibility to lend to half million additional clients in the consumer segments.

In the payment segment, for example, what we have been able to do, integrating data and modeling capabilities is almost doubling our capacity to originate digital payment loans and we also have developed the capacity to interact digitally with the client to



enhance the offer. And we have in Peru the first interactive real-time capacity to approve a credit online. So there are several other activities that we are doing in this line.

As a result of these improvements, we have been able to reduce the provision of the first half of the year to 2025 in relation to 2024, combining adjusting the risk appetite. These improvements in the technology and leveraging improvement in the macro, significantly reduced provisions by almost 46% year-over-year.

Alejandro Perez-Reyes: Great. Thanks. Good results. This is mainly BCP. So the question is, beyond BCP, what are we seeing and how is this going to help again make us more than the sum of the parts?

Cesar Ríos: We have proved a lot of concepts in this process. For example, we have been working in an integrated teams that we denominate the speedboats in which we combined product development, risk assessment, pricing. We have seen that working very effectively in BCP and we want to expand that, and we are starting to do that at the Credicorp level, for example, with a more integrated SME strategy. And we are also sharing capabilities that we have developed in model validation, monitoring, pricing, in such a way that we actually combine the capabilities of all the companies, tailoring with the needs of specific business units to grow at a faster pace with controlled risk.

At the end, looking forward, what we want to do is to really integrate these capabilities with distribution, enhanced capabilities to better tailor products, the term, the amount and pricing for specific business lines using centralized capabilities.

Alejandro Perez-Reyes: Great. Thanks. Thank you, Cesar. And one last question for you, André. We're undergoing a lot of different investments, which are very valuable for the future of Credicorp. How do you consider the efficiency aspect of the future operation?

André Rezende: If you look at the five levers that we mentioned previously I mean all of them have an important efficiency component. When you talk about simplify and modernize, one way of working business-in-a box, I mean we are talking about streamline, simplify, standardize our operations in the best way possible. So, it means reduce costs in several variables. For example, we're going to reduce number of providers, we're going to reduce the number of software, we're going to reduce cost of license.

We're going to attach into one thing that Gianfranco mentioned, I mean if we have less platforms and software we need, our challenge for talent is a little bit -- not easy, but it's a little bit less challenging because we need less people that know lots of technology, which is quite challenging in the market. So, each component that you mentioned here has an efficiency part involved on that as it grow, but observing a large focus on efficiency.

Alejandro Perez-Reyes: Great, thank you. So we're finishing this panel. I think what's clear is that data, risk, A.I., our technology, of course, are certainly not back office, but



main parts of our growth opportunities and the ways to better serve our clients and to scale with confidence, which is the name of this panel. And certainly, an important part of making Credicorp larger than the sum of its parts. Thank you.

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