



PANEL DISCUSSION: TOWARDS THE 10X OPPORTUNITY

Raimundo Morales, *Chief Executive Officer, Yape*

Mónica Rivas, *Division Manager of Bancassurance & Credicorp Ecosystems, Pacifico*

Giovanni Terzano, *Head of Products & Digital Channels, BCP*

Moderated by: Francesca Raffo, *Chief Innovation Officer, Credicorp*

FIRESIDE CHAT VIDEO

Raimundo Morales, *Vice Chairman, Credicorp*

Gianfranco Ferrari, *Chief Executive Officer, Credicorp*

Raimundo Morales: I think it was a very valuable experience. The only thing we didn't achieve, and I think we're only now starting to accomplish it a bit more quickly, was that we thought the bank's network, those 400 branches we had, would help us sell retail insurance over time, because the bank had a very good name, a very good reputation. And Pacifico was not a familiar name for the majority of the Peruvian population.

And in reality, we didn't achieve that at first. I think now there's a lot more of that happening. And as a result of all that, we slightly refocused the market we were going to target. In other words, we saw that the corporate client, who is an important client, is also not very loyal and faces a lot of competition. And at that time, international banking was already arriving, as well as this retail client. It was a client who, in reality, wasn't being served and was very difficult to serve. The international banks or the other banks were being established here, and we already had all the infrastructure to do it. I think that over time, we have managed to shift market segments, and today both in Pacifico insurance company and in the bank, we have a significant share of the retail business, which is what is currently supporting our growth.

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Francesca Raffo: So we've been hearing about the opportunity in LatAm, in Peru as well, not just as significant but transformational, and it's grounded on Credicorp's strategy and its evolutions and capabilities. So dynamic is clear, a cash-based economy, a young population that continues to grow, a lot of informality, conditions that create complexity but also opportunities to be able to scale. And when we talk about 10X opportunities, we're not just talking about market size, we're talking about synergies among our companies to be able to really piggyback around the business lines that we have to reduce operational cost, to include new customers, to look for new sources of revenue, to create more value. We look at our innovation initiatives now in that sense, looking at them as an ecosystem to see who else could benefit from what we've been constructing in the past years through our labs and our innovation centers.



Since 2020 we've included 6 million people into the financial system. We have a goal to include 8 million by 2028, 15 million customers in Yape, going to Bolivia, an international market to see where else we can take this, Pacifico embedding insurance into daily lives, into very contextual transactions, visibly supply chain finance, really integrating the entire value chain for business customers, and Mibanco becoming a full service partner for their customers.

In our panel today we have three leaders, Mónica, responsible for Bancassurance in Pacifico and BCP, Raimundo, that I think you've met, CEO for Yape, and Giovanni is responsible of Products & Channels, Digital Channels for the Wholesale Business division. So, let's start with you, Mónica. Insurance has been historically underpenetrated, underserved. This is not new, bancassurance is something that we're doing in the past. But how is Pacifico leveraging the ecosystem to capture growth?

Mónica Rivas: Thank you, Francesca. Well bancassurance's opportunity is very clear. Thanks to our strategic partnerships with BCP, Mibanco, and since 2024, with Yape. We now have the opportunity to protect more than 18 million clients. And these is good news because, as you have said, insurance penetration in Peru is one of the lowest in the region, representing only 2.2% of our GDP. But we don't see this as a barrier. This is an opportunity for us for growth and also for innovation.

And this is why we have defined a very bold ambition in Pacifico, which is to make Peru the most protected country in Latin America by 2030. And this represents to double our current client base from 7.5 million to 15 million. And we truly believe that this positions us to become a driver of inclusion, but also a driver for margin growth for Credicorp. In fact, Bancassurance business represented by the end of 2024, 8% of Credicorp's net income compared with only 3% in 2021. Our ambition is to represent 10% matching international benchmarks.

So, the question is -- how are we going to achieve all these ambitions and all these goals? And the answer is, by strengthening two main capabilities we have been working on for the last years. The first one, to become a product factory, a product factory to launch products very quickly, and to tailor them to all our client needs, client segments under different life stages. This has been really hard work because we don't only have to change our technical cores, but also our mindsets.

And the second capability is mass distribution. And what we do in this point is, our strategy is to leverage on all the wide reach and all the transaction activity that our partners in Credicorp already have developed. So, by embedding insurance in the journeys of BCP, Mibanco, and Yape, we turn all those daily transactions into protection opportunities. So that's how we turn insurance into something engaging and part of the daily business of our clients.



Francesca Raffo: Super interesting. And we've talked about Yape being the digital cornerstone of Credicorp's digital strategy, and we've seen the importance in insurance and distribution. What's your view on the growth opportunity for Yape?

Raimundo Morales: We're very optimistic. I'm very optimistic, but I think all of us in terms of the potential we have with Yape. With over 18 million clients, I think we've built a very powerful digital wallet, but also the most powerful digital distribution channel of the country, right? And this scale and this reach is allowing us to start serving segments, which we didn't think was feasible to serve the financial system before, especially around informality. And in Peru, 70% of the economy is informal. And we started to fully serve these new segments, reaching them at a very low cost with a very high-touch proposition and a very strong connection with our brand, right? And this is unlocking a lot of opportunities. And we aspire to have most of Peruvians become Yaperos in the near future, continuing this financial inclusion.

In payments, which is probably the first business we launched three years ago, we've gone from zero revenue-generating transactions to more than seven revenue-generating transactions per MAU per month. Even though that's huge growth and potential, our Yaperos do 57 transactions a month. So, the space for growth when we see our penetration relative to TAM is still very, very big. We have one product that's closer or above 60% of the TAM, but most of our products are still around 10% to 20%. So, growing very fast, 2X, 3X, 4X year-on-year, and I think with a huge potential for growth.

In lending, I think we broke a paradigm that it was impossible to serve the informal segment, right? And I think with the power of the Yape distribution, we started working with very small loans, very short term, we were able to do great risk management. Our cost of risk is very low, and we started experimenting a lot and growing. And even though we've already done like 15 million loans to 3 million clients, I think we're still in the very initial stages of our lending business. There, we definitely see 10X opportunity in the mid-to-long term, and I think that's a huge potential.

Also, when we start thinking of other products, right, insurance, working with Mibanco, there's space to continue growing. And if we think of Yape on how we're doing this, it's becoming kind of a virtuous cycle, right? We started with P2P, generally a lot of engagement, then launched payments products, which generate more and more engagement. So Yaperos use more, we get them to know better, then we started with lending, distributing Mibanco, insurance, we do the retail offering and then they use us more. So, it's more powerful; we've gone into a very positive cycle while leveraging all of our strong capabilities from Credicorp in terms of infrastructure, risk management, etc. I mean we're very positive about the potential of Yape.

Francesca Raffo: Super interesting to see how both the insurance and Yape complement each other. Giovanni, can you share within BCP unlocking value in the supply chain world? Can you share a little bit about that?



Giovanni Terzano: Of course. Thank you, Francesca. Good morning to everyone. For me, supply chain finance is one of the most exciting growth engines that we are activating within SMEs and middle market segments. Earlier this year, we decided to integrate both of these products on their unified leadership in order for us to gain focus. However, while this integration is recent, we started transforming factoring three years ago. And since then, we have made huge, huge progress.

To illustrate the market potential, take this into consideration. As of 2024, the penetration of this product in the Peruvian economy represents only 4% of Peru's GDP. If we compare it to countries with similar regulatory frameworks as Peru, we can see Chile here at the graph, they stand at 14% penetration, and Spain represents 17% penetration. So, there is huge, huge room to grow in this market.

In 2022, we identified this potential, so we started mobilizing a team that was going to be dedicated to transform the factoring business. And since then, huge progress has been made. So, if we see the factoring business since 2022 until now, this segment has grown by five times. With integration of confirming and factoring, what we expect is this momentum to accelerate and continue growing. And what we see is in the next five years to grow by six times our outstanding balances in this segment.

How do we plan to capture the opportunity? That's the question that we are solving right now. And we have been leveraging Credicorp's spending advantage to access fintechs that provide us critical external data. And this data has been used for us to build more robust credit risk models and unlocking access to previously underserved businesses. So that's the way that we are approaching this opportunity right now.

And simultaneously we have been building broader technological connectivity for our clients. Today more than 80% of our clients in the supply chain finance business disperse their loans in a digital way. So, we have advanced very much in the past few years. Also, in this segment, A.I. is enhancing our risk and pricing models and we are using the A.I., especially for fraud detection and allowing us for a faster response time to our customers.

And finally, we are also paying attention to the payer experience. So, in this segment, the payer is a critical part of the value chain, and we are embedding a portal into our clients' office banking. And what we are looking to here is to provide them access to consolidate in one unified view all their invoices in our office banking. So, what we are looking forward to here is to optimize their Treasury management for our customers. So that's the way that we are approaching the opportunity.

Francesca Raffo: So let's dive a little deeper on how you are leveraging on start-up technologies, different technologies before, maybe insurance and you, Giovanni as well.

Mónica Rivas: Okay. Well for us, it would have been impossible to even dream of a product factory or mass distribution without technology. And that's where Monokera comes in as our technological enabler. Who is Monokera? Monokera is Credicorp's

insurtech, which was acquired in 2022 by Krealo, our corporate venture capital. And as I said, Monokera has been instrumental for us and has led us to grow efficiently, and it has also allowed us to design and to build products with very low cost and modular products that were previously out of our reach.

But also, Monokera is an API-driven platform, and it has allowed us to connect very quickly. It's like a digital highway that connects Pacifico with the companies in Credicorp, so it has been really, really a game-changer. But it's important to say that Monokera is also unlocking opportunities beyond Credicorp. Yes, they are already taking part of new partnerships with very important retailers in the region like Falabella. And they are using the same technology they are using in Credicorp. So Monokera is really helping us to expand our boundaries, expand our limits.

Francesca Raffo: Giovanni?

Giovanni Terzano: For us, it's also been a game-changer, especially to gain scalability of our product offering. We currently have partnered with two fintechs that were presented to us by Krealo. Krealo is our venture capital arm, and they hold a minority investment on those fintechs. So, for example, one of them is Datamart. We started a partnership with them in 2024. And this has been a key milestone for the factoring business.

That year, we integrated via API connections, within BCP, Datamart, and the Peruvian tax regulator. And this integration will provide us was to capture data from SMEs in order to allow them to self-evaluate their financing capacity. And for us, to enable the bank to preapprove a credit line and to disperse a loan within 24 hours. So we gained momentum, we gained velocity with this integration. And in less than a year, we already have more than 120,000 clients affiliated to this solution. With a customer base of our 2 million SMEs, we expect this solution to continue growing in the future.

Another example is what we are working with Shinkansen. It's another venture where Krealo has invested in. They provide ERP integration. And the solution that we are working with them is to integrate our services in the ERP of our customers and since the purchase order is created, become part of their solution. And this will allow us to anticipate the financing needs of our clients. So I would say it's the way that we are gaining the scalability of our product offering and for reaching a higher and broader market.

Francesca Raffo: So a lot of opportunities, great opportunities and new capabilities as well to achieve them. So, what have we achieved so far? Where are we right now?

Mónica Rivas: In our case, well, the results of this collaborative strategy are compelling. And I think that they also reflect the strength of our synergies, right? One of our main key results is the total volume of bancassurance premiums that include the mandatory and also the optional ones, and they have grown from 950 million in 2021 to 1.5 billion in 2024. But it's very important to notice that the optional premiums that are the focus of our



strategy have more than doubled in the same period. And by the end of 2024, they represented more than 50% of total premiums.

Another interesting results are, for example, our digital issuances. They have multiplied 10 times from 200,000 to almost 2 million digital policies issued in 2024. And the number of products that we have launched. In 2024, we launched almost 30 new products, and that's 15 times if you compare it with the only two products that we launched in 2021.

And finally, the number of clients that we are protecting through the bancassurance channel have also grown from 2.9 million to 4 million by the end of 2024. There's a lot of work to do, but we think that we are on the right track.

Raimundo Morales: In the case of Yape, we've been growing our revenue per MAU for the last three years or a bit over three years since we started launching the business, while maintaining a very disciplined approach in the total cost of Yape per MAU around S./4. Those lines intersected last year, and we're continuing that positive trajectory, which is starting to generate very positive results.

If we go to the specifics, in payments, last year we already represented almost like 20% of the consolidated fee income of BCP, of fee and transactional income. And we've launched multiple products. We started with top-ups, then with the bill payments and paying POS, remittances, exchange rate, etc., etc. And we've continued growing the portfolio, and we have a full portfolio of products, disbursements, etc., that some are just started or started recently and some are more consolidated, but all growing at very high rates.

In lending, again we feel very comfortable today. We have around 6 million people we can lend to. Two years ago, we only had 2 million people we could lend to. We're doing 1.5 million loans a month. And we kind of started with the mono installment loans at S./200 and very short term. We experimented a lot, expanded the population, and we accelerated that a lot. Right now, we are finalizing the testing of multi-installments so the better payments to go to higher loans of longer duration and entering the payments segment.

So, a lot of very positive results and also a lot of engagement in our commerce part where we don't see a lot of the results, but every time more and more Yaperos are using all of our promotions, etc. that generate a lot of engagement for our other businesses.

Giovanni Terzano: I don't know if you can see the graph here, but let me show you a couple of numbers. Since we began this transformational factoring the SME, with the focus that we created to this product, it has grown by 5 times from S./ 300 million in outstanding balances to over S./ 1.4 billion in outstanding balances as of the close of 2024.



If you see the overall supply chain finance ecosystem, this has also grown. But what we are expecting is to grow the overall segment by 6 times in the next five years. So with the technological solutions that we are investing in, we are convinced that they will allow them to gain a scalability of our product offering, scalability in the market and reach a broader market. So, what we expect to see in the next five years is those around S./5 billion to be nearly S./30 billion outstanding for BCP.

Francesca Raffo: Super. So we've heard from BCP, from Yape, and from Pacifico. And now, we're going to hear from Mibanco, and especially I like client videos, so a client video to also demonstrate how the client perceives the ecosystem and how we are actually giving that value proposition. So if we could put the video.

(Video Starts)

Alberto del Solar, Deputy CEO, Chief Business Officer Mibanco

At Mibanco, our ambition is clear, to become the leading force in microfinance, empowering entrepreneurs and small businesses across Peru and beyond. We are evolving from a lending-centric institution to a comprehensive financial partner, leveraging the full capabilities of the Credicorp ecosystem. Our strategy is based on sustainable customer growth, income diversification, and greater resilience in the face of macroeconomic fluctuations. We aim to raise the proportion of funding from savings deposits from 13% in 2024 to the low 20s by 2028. Additionally, our objective is to increase fee-generated income from 5% in 2024 to the high single digits by 2028, building a more balanced and robust financial foundation.

A key driver of this transformation is our customer-centric approach. Through our partnership with Yape, we are leveraging shared technology, data, and distribution to expand our customer acquisition capabilities. This will allow us to offer seamless, embedded experiences, from assessing credit using Mibanco's proven models to disbursing funds in real-time, accelerating financial access, and unlocking new cross-selling opportunities.

Another pillar is the expansion of our insurance offering through Monokera, which allows us to serve new customer segments and generate non-credit-based fee income. We are now able to provide a broader range of products from multiple insurers independently of loans while strengthening our commitment to financial inclusion. Our collaboration with BCP enhances our foreign exchange capabilities through their advanced FX engine, offering dynamic pricing based on branch location, time of day and transaction amount. We are also piloting shared branches with BCP to optimize infrastructure and offer a full range of services in one place. We have launched Warda pilots to actively promote goal-based saving among customers with informal financial habits, thereby strengthening their financial resilience.



These efforts are further complemented by our strong commitment to comprehensive financial education, effectively equipping micro businesses and informal workers with the essential knowledge to make informed decisions and adopt formal banking practices. By truly executing these strategic priorities in a coordinated, ecosystem-driven way Mibanco is actively paving the way to significantly diversify its revenue, building resilience, and making meaningful impact on the communities we serve.

Vilma Vargas, Mibanco Customer Video

Hello, my name is Vilma Vargas, and the truth is that I will be eternally grateful to Mibanco, because they were the only ones who really cared about helping me build my little house. Before, I lived on my land but only with woven straw mats. Because of the pandemic, I started selling popcorn in all flavors, and I dreamed that we could live in a bigger and more comfortable house.

And after building my house, one of my sons encouraged me to start a new business, which is this one. Here we sell tiles and finishing materials. Thanks God I have the support of my six children, because they are the ones who understand technology and help me understand it too.

For example, Yape is very easy to use for collecting payments because I don't need to handle cash anymore. Once I took money out to make a payment and I was robbed. It was a terrible experience that had never happened to me before.

Fortunately, my advisor told me about "Mi Plata Segura", and they gave me back what was stolen. I tell all my neighbors, even my customers, that I am very grateful to Mibanco, Yape, and Pacifico, because I can grow my business, manage my money better, and be protected.

Francesca Raffo: So Raimundo, could you briefly share how the coordinated approach for SME is working?

Raimundo Morales: So we believe that SMEs, I mean going from the very, very small merchant to the small, medium companies, it's kind of a space with a huge potential in Peru, right? And we've defined kind of roles for each of our brands or our companies. So Yape plays kind of a payments logic. I mean it has started with financial inclusion and helps on the payments and all the collections of the business from the very small like the taxi driver to the smaller SMEs, and it's an integrated approach. Then when they start growing, they start using office banking or a more sophisticated solution, but we're kind of across the spectrum.

When we start looking at the lending perspective, Yape is also starting at the very end with digital loans, very small ones, and we'll start growing starting on our experimentation and going there. Mibanco brings world-class microfinance capabilities with advisers, with proximity and typically serves all those bigger micro companies, if you want, until they start growing and needing more sophisticated needs, and that's when BCP comes in with a full offering.



In parallel, we leverage Pacifico as we can see in terms of offering insurance and solutions across the board. Of course there are overlaps. It's not like, Okay this is the exact line, and we want them to be overlapped because we want to give different offerings so clients can decide what's the best solution for them. But we kind of look at this integrated approach. We have kind of natural spaces with significant overlap, and that allows us to have kind of an integrated view of how to serve the segment and how to evolve, how to start building solutions that could be leveraged by each of our companies.

Francesca Raffo: So, we're convinced that operating as an integrated ecosystem, collaborating, can be replicated in different lines of businesses. And we will deliver growth beyond the sum of our parts. Thank you.