



Credicorp Ltd.: Credicorp Highlights Growth Initiatives Driven by Innovation Strategy and Positive Outlook at the 2024 Strategic Update

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On track to Achieve Sustainable 18% ROE Sets More Aggressive 2026 Aspirations for Yape

Lima, Sept. 26, 2024 (GLOBE NEWSWIRE) -- Lima, PERU, September 26, 2024 -- Credicorp Ltd. today hosted its 2024 Strategic Update during which senior management outlined how the Company is powering sustainable growth through innovation, its goals and disciplined approach to digital disruption initiatives and the milestones achieved. Management also discussed the pipeline of future projects and how initiatives are serving to decouple its results from macroeconomic trends. Key highlights from the event include a reaffirmation of Credicorp's commitment to innovation and self-disruption, market expansion, and shareholder value creation summarized below:

Backed by strong performance across most of the Lines of Business, Credicorp remains on track to achieve the sustainable ROE target of 18%, despite an unexpectedly challenging macroeconomic environment.

- The acceleration of digital transformation and innovation has positioned the Company to adapt and thrive in a rapidly evolving environment. Customer engagement and operational efficiency has significantly increased within the core businesses and the innovation strategy is geared toward generating 10% of Credicorp's risk-adjusted revenues from new business models by 2026.
- A disciplined approach to growth ensures alignment with the strategic objectives and a commitment to prudent financial management.

CEO Remarks

Gianfranco Ferrari, Chief Executive Officer of Credicorp, emphasized the company's robust performance and long-term growth strategy, despite facing an unexpectedly challenging macroeconomic climate since setting an 18% ROE target for 2025 two years ago stating, "BCP already achieved 23.7% ROE in the first half of this year. We also forecasted Yape to be profitable in 2024, and it reached break-even in May. Other disruptive initiatives are following suit. With an improving macroeconomic environment, we are confident these positive trends will continue, enabling us to deliver the expected results through 2025 and 2026."

CINO Remarks

Francesca Raffo, Chief Innovation Officer, discussed the process Credicorp employs for fostering self-disruptive initiatives and shared details of key initiatives and their primary goals, which include:

- Gaining and defending market penetration by self-disrupting before other players do;
- Expanding TAM and covering white spaces; and
- Accelerating the adoption of key capabilities.

"Our strategy is grounded upon Credicorp's priorities, with clear objectives, boundaries, and governance. These are accompanied by improvements of our execution capabilities, including speed, flexibility, and a growth mindset," said Francesca Raffo.

She further stated, "To ensure a disciplined approach to our innovation program, we have reaffirmed the boundaries of our investment appetite for disruption, which continues to be an amount that does not generate an impact of more than 150 basis points of Credicorp's ROE and 350 basis points of Credicorp's Cost-to-Income per year. These limits are reviewed annually together with the Board of Directors, to guarantee alignment around performance and strategic foresight."

Fireside Chat

Raimundo Morales, CEO of Yape and Adolfo Vinatea, CEO of Krealo joined Francesca Raffo for a fireside chat that included a discussion of how Krealo originates and manages deals for its portfolio and how Yape launches and manages its pipeline of products. Additionally, the three speakers discussed collaboration opportunities across the Credicorp ecosystem, the future for Tenpo, a Chilean neobank, and the strong outlook for Yape.

Outlook for Yape

In the Company's Strategic Updated 2024 - Appendix, posted on its website, it provided new 2026 Aspirations for Yape that include 16.5 million active users, an increase of 6.5 million from the 2026 Aspiration set two years ago, and to achieve S/ 600 billion in transactions per year as compared to S/ 100 billion in transactions per year set two years ago, among others.

Closing Remarks

The Strategic Update concluded with a Q&A session where senior management engaged with institutional investors and analysts. Gianfranco Ferrari, CEO, closed the event by stating, "Our key objectives focus on penetration of markets with new value propositions, exploring untapped business segments, and accelerating the adoption of transformative technologies. While we will continue to be on the forefront of shaping the financial products and customer experiences of the future, our disciplined approach ensures alignment with our strategic objectives and prudent financial management."

About Credicorp

Credicorp Ltd. (NYSE: BAP) is the leading financial services holding company in Peru with presence in Chile, Colombia and Bolivia. Credicorp has a diversified business portfolio organized into four lines of business: Universal Banking, through Banco de Credito del Peru – BCP and Banco de Credito de Bolivia; Microfinance, through Mibanco in Peru and Colombia; Insurance & Pension Funds, through Grupo Pacifico and Prima AFP; and Investment Banking & Wealth Management, through Credicorp Capital, Wealth Management at BCP and ASB Bank Corp.

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