

CREDIC  RP

**Annual and**  
Sustainability Report  
2020



# Content

LETTER FROM THE  
CHAIRMAN OF THE BOARD

03

OUR PURPOSE,  
VISION AND VALUES

11

STATEMENT OF  
RESPONSIBILITY

12

CREDICORP  
AT A GLANCE

13

OUR PANDEMIC  
RESPONSE

15



OUR BUSINESSES  
IN 2020

17

ECONOMIC  
ENVIRONMENT

19

GROUP  
DESCRIPTION

24

CAPITAL, MARKET VALUE AND  
SHAREHOLDER STRUCTURE

31

OUR BUSINESS  
RESULTS

35

RISK  
MANAGEMENT

48

FINANCIAL  
STATEMENTS

65

SUSTAINABILITY REPORT

ANNEXES

71



# LETTER FROM THE CHAIRMAN OF THE BOARD

## Dear Shareholders,

It is my pleasure to present my first Annual Report as Credicorp's Chairman of the Board. Through these pages, we will present details on our management and performance in 2020.

I would like to begin by expressing my most sincere hope that both you and your families are well and in good health. This year, we have lived the most severe sanitary crisis in the last century. Unfortunately, the pandemic has taken the lives of millions of people, including members of our team, families and friends. This year was fraught with difficulties that have marked the history of humanity and set the bases for new challenges, objectives and initiatives across the globe. In our 130-year history as an organization, we have

faced multiple crises but thanks to the talent, collaboration, effort and optimism of our employees and stakeholders, we have forged ahead. We will continue to work together contributing to improve lives and accelerating the changes society needs.

## Our response to the pandemic

In the current context, we feel grateful and proud of the commitment and collaboration demonstrated by all of our team. In this regard, I would like to express special thanks for the dedication, courage and resilience that our employees on the front line, including medical personnel from Pacifico Health and our employees at branches, have shown during the pandemic. At Credicorp, our response to this crisis has

developed across four fronts: employees, clients, business continuity, and in the communities in which we operate.

With regard to our employees, we have prioritized protecting their health and ensuring that they are able to work under the best conditions possible. Our workforce, which stands at 19,000+ frontline employees, received personal protection equipment and we adapted all physical workspaces to optimize biosecurity. Additionally, 95% of our staff continues to work remotely.

With our client-centered focus in mind, in 2020 we offered facilities to our clients in Peru, Colombia and Bolivia. In these three countries, we restructured and refinanced loans for more than 1.5 million clients for a total of 35 billion soles.

Our businesses offered additional facilities, including fee exemptions for some banking services; reprogramming of insurance premiums; offering partial reimbursements of premiums for car insurance; and contemplating COVID-19 coverage in all of our health and life policies.

We ensured business continuity across all of our companies by taking preventive measures against physical risks and cyber threats. We focused on controlling liquidity and solvency risks and at all times, have maintained a solid economic condition, even after setting aside high levels of provisions for our loan portfolio.

Conscious of the impact of the crisis on society, we took action to support our communities. On the donations side, 136 thousand vulnerable families benefitted from

the #Yomesumo campaign led by BCP, which collected 126 million soles, 110 million of which corresponded to donations from BCP and Mibanco. Frontline workers, including doctors and members of the armed forces, benefitted from Pacifico's donation of life insurance policies for a total of 5 million soles. Additionally, Pacifico, Prima and Credicorp Capital contributed 4 million soles to equip our health system with medicinal oxygen. During the pandemic, we supported the Peruvian government by distributing government subsidies both physically, through our branches, and digitally, through Yape. BCP and Mibanco participated actively in government stimulus programs, Reactiva Peru and Fondo de Apoyo Empresarial (FAE), by channeling 24 thousand million soles in loans to bolster the viability of the businesses held by 60,000+ clients in the

medium, small and microbusiness sectors. Finally, we put our network of clinics at the disposition of COVID-19 patients from the public health sector.

## Changes in the macroeconomic and political environment

In the context of the pandemic in 2020, the Peruvian economy was one of the hardest hit due to strict quarantine measures to stem contagion. Economic activity contracted almost 40% year-over-year in the month of April, which represented the largest monthly contraction on record. Nevertheless, the second semester saw a gradual reopening of the economy, which reflected an improvement in the evolution of the pandemic in the country. At the end of 2020, GDP for the fourth quarter

situated only 2% below the figure reported pre-pandemic and in full year terms, fell around 11.1%, the worst decline registered since 1989.

It is important to highlight the government's economic stimulus programs, which contemplated a broad package of measures that represented around 20% of total GDP. These efforts sought to contain immediate economic damage due to a lack of income generation at both the household and company levels. The main financial relief programs for companies included Reactiva Peru, a program for 60 billion soles to bolster the liquidity of small and medium companies, and Fondo de Apoyo Empresarial (FAE), a program for 4 billion soles to finance small and microbusinesses.

The year 2020 evolved in a context of low interest rates on both the international and national scenes and in some economies, hit record lows. In Peru, the Central Bank lowered the reference rate 200 basis points, and it has remained at 0.25% since April last year.

The political environment in Peru in 2020 suffered a new crisis in November, after President Vizcarra was impeached and the interim president, Manuel Merino, was forced to step down after protests broke out. President Sagasti took office on November 17 and will lead the transition government until July 2021, when the president chosen in the general elections in April 2021 takes office.

This year, major proposals were made in the regulatory frameworks in Peru and Bolivia, which generated potential risks for the financial sector of each of these nations. In Peru, a law that contemplates interest rate

caps is being discussed along with legislation to institute a comprehensive reform of the pensions system. In Bolivia, at the end of 2020, interest was condoned on loans that were reprogrammed due to the pandemic, which generated a negative impact in our interest income for the fourth quarter.

## Times of transition at Credicorp

In 2020, we celebrated 25 years of existence and as a company listed on the New York stock exchange. Throughout the years, we have hit a series of milestones that have made us the organization we are today. We have grown not only in size, but also in complexity. Today, we have a team of more than 36,000 employees who are dedicated to serving more than 17 million clients in 4 countries: Bolivia, Chile, Colombia and Peru.

On this journey, we have learned from our successes and from our failures. We value the feedback we receive from our employees, clients, shareholders and the community in general in our quest to make improvements in a timely and positive manner. This year, after reflecting deeply about how we impact society, we moved to launch the Credicorp Sustainability Program. Although Credicorp's subsidiaries have always actively participated in the societies and economies in which we operate, we felt the need to address our role through a more integrated focus. Our objective is to make sustainability a core aspect of our strategy to guarantee competitiveness in the long-term.

*We have a team of more than 36,000 employees who are dedicated to serving more than 17 million clients in 4 countries: Bolivia, Chile, Colombia and Peru.*

To accomplish this, we have defined our Purpose: “Contribute to improving lives by driving the changes that our countries need” and have developed Credicorp’s new vision: “To be a sustainable financial services leader in Latin America. We are purpose-led, future-oriented and focused on creating superior value for our employees, customers, shareholders and the countries we operate in.” Guided by this North Star, we will design our strategy and make business decisions that orient our long-term value creation. Also, we defined the pillars that will guide us in the pursuit of the objectives we have set forth: 1) Create a more sustainable and inclusive economy, 2) Improve the financial health of citizens, and 3) Empower our people to thrive.

In 2020, we made significant progress in the framework of Corporate Governance by: (i) expanding and reconfiguring the Board, which increased its level of Independence and diversity in terms of gender, specialization and experience sets; and (ii) simplifying the Board’s committees

and boosting their independence; today, three of these committees are led by independent directors.

Another important milestone for Credicorp in 2020 was its first issuance of an international senior bond for USD 500 million. The offering registered a demand of USD 4 billion from approximately 200 institutional investors, which reflects the level of confidence investors have in Credicorp.

## The main achievements of our businesses

In Universal Banking, BCP has been a key player in providing support to individuals and companies affected by the pandemic. It has offered credit facilities; actively participated in Reactiva Peru; and supported the government in the distribution of subsidies among other facilities. Additionally, we successfully handled heightened demand from clients on the digital front and by year-end, 55% of our clients were digital.

Our payment application, Yape, registered a 150% year-on-year increase in its pool of users. At the beginning of 2020, Yape had around 2 million users and by the end of the year, this number had jumped to more than 5 million. In September, we launched Reconecta BCP, our Sustainability program that seeks to renew and strengthen BCP’s relation with Peru. This program drives the development and growth of all Peruvians through the following initiatives: promoting financial inclusion; acting as a promoter of SME-Pymes; providing financial education to Peruvians; and guaranteeing that our strategy and day-to-day are aligned with BCP’s purpose to transform plans into reality. In the case of BCP Bolivia, we were the first bank in the country to launch a portfolio of digital products with 100% digital onboarding. The number of digital transactions grew at an accelerated pace throughout the year and today, represents 78% of the bank’s total transactions. Lastly, we supported the Bolivian government in its efforts to distribute more than 45 thousand subsidies for the sanitary emergency.

In Microfinance, Mibanco's role in reprogramming loans has more than likely been the most significant in the market. The bank's teams sought to understand the situation of microbusiness owners to offer them mid-term solutions. Despite adversity, we worked to migrate to a hybrid model, that relies on data analytics to make centralized decisions for loan origination. This model will allow us to increase scale; strengthen the relation with our clients; and achieve a higher degree of digitalization at the transactions level, all without compromising our essence. During the year, we worked to pick up the pace at which our advisors and clients migrate to digital tools and to establish strategic alliances with purely digital business models. In 2020, we consolidated Mibanco Colombia, where we currently manage more than 97 thousand clients and 1,200 million soles in assets.

On the Insurance and Pensions front, we have developed new products by invoking innovation and leveraging Credicorp's synergies, including the "kilometer plan" for car insurance and oncological insurance with Mibanco's clients. In this context, the first joint tribe of Pacifico and BCP was formed: the Bancassurance Tribe, which seeks to develop and sell products for BCP clients. In conjunction with Mibanco, we created a multi-disciplinary team to develop specific products for low-income clients. This year, we offered new self-service facilities and digitalized a large portion of service requests from Pensions and Insurance clients.

At Credicorp Capital, we consolidated the Wealth Management Business in Colombia through Ultraserfinco, which allowed us to double our base of assets under management in the country and to position our business in Medellin, the country's second largest city. In

2020, we will continue to roll out processes to transform our operating model and renew our IT platform, which are fundamental to driving our plans for growth. Lastly, we recently launched our Vicctus brand for Family Office clients in the region, which allows us to offer more exclusive investment opportunities; specialized services; and investment advice.

## Our results

The results of our businesses reflect the difficulties engendered by the most challenging context that Credicorp has experienced since its creation as a holding 25 years ago. This year, we registered net income after minority interest of S/346.9 million. These results were generated in a context that was unprecedented in both Peru and the world. Nevertheless, clear signs of reactivation became visible as of June 2020 and have brightened our outlook for 2021.

Total loans in year-end balances expanded 19.1% in 2020, driven by government facilities such as the Reactiva program. If we exclude the effect of these programs, the structural loan portfolio contracted 2.2% this year.

In terms of the quality of the loan portfolio, the expense for net provisions for loan losses net of recoveries grew 220.7% this year. This evolution reflects the expectation of a deterioration in economic activity and consequently, higher expected loss in all of our client segments, particularly in the first semester of the year, when confinement measures were stricter and there was greater uncertainty regarding the impact of the crisis. In this context, the cost of risk rose from 1.6% at the end of 2019 to 4.3% in 2020. The NPL portfolio increased from 3.88% in 2019 to 4.62% in 2020. Deterioration was concentrated in the Retail Banking and Mibanco segments.

Generation of financial and non-financial income was heavily impacted by the deterioration in economic activity. In this context, net interest income fell 5.7% in 2020, which was due primarily to: (i) loan stagnation (with the exception of Government Programs) and (ii) an environment marked by low interest rates. All of this was partially offset by: (i) active management of the investment portfolio, and (ii) a significant reduction in interest expenses due to an improvement in the funding structure. Non-financial income fell 10.0%; this was driven by a decrease in fee income, which was in turn attributable to a decrease in transactions and to the fee exemptions offered to clients in the context of COVID-19. The insurance underwriting result contracted 27.9%, which was primarily driven by an increase in COVID-19 related deaths in the Life business. The latter was partially mitigated by a decrease in the claims level reported in the P & C line, which was

attributable to restrictions on movement during confinement periods.

Operating income, whose key components are net interest income and fee income, fell 6.0% in 2020 while operating expenses, after the implementation of cost control initiatives, contracted 0.1%. In this context, the efficiency ratio situated at 45.1%.

Given the complexity of the environment and the impact seen in some of our businesses, we made capital management decisions that prioritized, per our management plan, the solvency of our businesses. Along these lines, on November 2020, Mibanco's General Shareholders' Meeting approved a capital increase of S/400 million.

*Given the complexity of the environment and the impact seen in some of our businesses, we made capital management decisions that prioritized, per our management plan, the solvency of our businesses.*



## Perspectives and initiatives in 2021

Expectations for economic growth in Peru and the world indicate that 2021 will be a year of gradual recovery if the vaccination program continues and the sanitary crisis is controlled. Although uncertainty persists and a targeted lockdown continues, we at Credicorp believe that 2021 will be a transition year and further down the road, we expect to recover pre-pandemic levels of profitability.

In Universal Banking, BCP will continue to focus on its goal to provide the best client experience in the country and aim to be among the financial companies with the best efficiency ratios in Latin America. In 2021, we will challenge our operating model to transform it to generate efficiencies as we accelerate our digitalization initiatives. At BCP Bolivia, we will develop initiatives for digital

marketing and data analytics as we expand our payments ecosystem through our Soli application. We will continue to roll out a rigorous program to reduce expenses and will concentrate on maintaining and protecting the bank's portfolio to mitigate the impact of an increase in risk in Bolivia due to economic and political reasons.

In Microfinance, through Mibanco, we will seek to rebuild the structural portfolio and will work on improving the quality of our loan portfolio. Additionally, we will continue to increase the sophistication of our risk models and invest in technological infrastructure to support our migration to a hybrid model, which will include facilitating growth in digital channels and strengthening our cybersecurity capacities. At Mibanco Colombia, we will continue to transform the business model to create value through productivity and efficiency.

In Insurance and Pensions, we will continue increasing the scale of the agile model throughout the organization and will strengthen our data analytics capacities to increase collaboration across our companies; increase the effectiveness of our commercial efforts; and respond more efficiently to the needs of our clients. Lastly, we will seek out new synergies between Pacifico and Prima that can drive improvements in efficiency.

In Investment Banking and Wealth Management, we will continue optimizing and increasing the scale of our operating model to accelerate growth and create more value for our clients. Additionally, we will expand our platform for Luxembourg funds to boost diversification and offer new investment alternatives. Lastly, we will work on creating a strong platform for Wealth Management in Miami.



We embark upon 2021 with hope and optimism. At the Group level, we will embed Sustainability at the core of our strategy and decision-making process to ensure the creation of long-term value for our stakeholders. I would like to voice my commitment, and that of the Board of Credicorp, to assuring the successful implementation of the Sustainability 2020-2025 Program, which we will present in the second half of this report. Through these pages, we will share the program that reflects the analysis of our stakeholders' expectations. We present an integrated strategy at the Group level with specific initiatives for each company. Through Reconecta BCP, on top of initiatives to promote inclusion and financial education we will include an environmental front that sets forth initiatives for transition finance to generate a more sustainable economy. Mibanco will focus primarily on accelerating the pace of financial inclusion and citizen

education. Pacifico and Prima will prioritize responsible management of investments; promote inclusion and financial education; and focus on ensuring that its communications and processes are transparent and simple. Credicorp Capital will prioritize responsible investment management and will promote structuring of and demand for sustainable financial products.

Finally, I would like to thank all of our employees at Credicorp for their extraordinary efforts and commitment. The crisis has brought one fact to light: our human talent is remarkable. I have followed our teams' work with admiration and pride as each focused on keeping the business up and running while demonstrating unwavering commitment to serve the organization, our clients and the countries in which we operate. I am grateful for the

support and trust that our shareholders have placed in our Board and Management, whose leadership and professionalism serve as guideposts for our successful journey to sustained growth.

Thank you very much,

**Luis Romero Belismelis**  
Chairman of the Board



## PURPOSE

Contribute to improving lives by driving the changes that our countries need



## VISION

To be a sustainable financial services leader in Latin America. We are purpose-led, future-oriented and focused on creating superior value for our employees, customers, shareholders and the countries we operate in



## VALUES

- Respect
- Fairness
- Honesty
- Sustainability





# STATEMENT OF RESPONSIBILITY

“ This document contains truthful information regarding business developments at Credicorp Ltd. and Subsidiaries in 2020. The signatories shall be liable, within the ambit of their faculties according to the norms of the Civil Code, for damages that any lack of veracity or insufficiency that the contents of these documents may generate. ”

César Ríos Briceño  
Chief Financial Officer

José Luis Muñoz Rivera  
Head of Accounting  
C.P.C. N° 14902

02/25/2021



# CREDICORP AT A GLANCE



Total Income

**S/ 13,698 million<sup>1</sup>**

Our income generation was affected, and we registered a decline of 7.8% with regard to the level posted in 2019.



Loan Portfolio

**S/ 137,660 million**

Expansion of 19.1% in comparison to the level in 2019.



Clients

**> 9.7 million**  
in the universal banking business



Net Income (attributable to Credicorp)

**S/ 347 million**

Despite the adverse environment, we closed 2020 generating profits.



Government Program Loans

**S/ 24,643 million**

**> 1.0 million**  
in the microfinance business

**> 4.7 million**  
in the insurance business



Employees

**> 36,000** in Peru, Colombia, Bolivia and Chile

**> 2.4 million**  
in the pension fund business

<sup>1</sup> Includes net interest income, non-financial income and net earned premiums less net claims.

## Relevant Figures and Indicators

	Ratios	2017	2018	2019	2020
Loan growth <sup>1</sup>	In local currency (%)	-0.7	9.5	9.2	24.8
	In foreign currency (%)	10.0	7.5	1.5	-2.8
Profitability	Net interest margin (NIM, %)	5.33	5.28	5.40	4.30
	Return on average assets (ROAA, %)	2.5	2.3	2.3	0.2
	Return on average equity (ROAE, %)	19.8	17.5	17.0	1.4
	Number of floating shares (million) <sup>2</sup>	79.76	79.76	79.51	79.47
Efficiency	Efficiency ratio <sup>3,4</sup>	43.4	43.7	42.4	45.1
	Operating expenses / average assets (%) <sup>3,5,6</sup>	3.6	3.7	3.6	3.1
Quality of loan portfolio	Internal overdue ratio (%) <sup>3,7</sup>	3.01	2.82	2.86	3.40
	NPL ratio (%) <sup>8</sup>	3.92	3.97	3.88	4.62
Capital <sup>9</sup>	BIS ratio (%) <sup>10</sup>	15.05	14.17	14.47	14.93
	Tier 1 ratio (%) <sup>11</sup>	10.84	10.28	11.07	10.41
	Common Equity Tier 1 Ratio (%) <sup>12</sup>	11.83	11.55	12.35	11.40
Employees <sup>13</sup>	Management (units) <sup>14</sup>	867	931	921	1,026
	Permanent personnel: employees (units)	24,871	25,979	26,833	30,727
	Hired personnel: employees (units)	7,898	7,114	8,085	6,079

<sup>1</sup> Credicorp average daily balances.

<sup>2</sup> Net of treasury shares. The total amount of shares was 94.38 million.

<sup>3</sup> Figures differ from previously reported, please consider the figures presented in this report.

<sup>4</sup> Efficiency is calculated as: (salaries and employee benefits + administrative expenses + depreciation and amortization + association in participation + acquisition cost) / (net interest income + fee income + net gain on foreign exchange transactions + net earned premiums + net gain from associates + net gains on derivatives held for trading + net gain from exchange difference).

<sup>5</sup> Operating expenses include salaries and employee benefits, administrative expenses, depreciation and amortization, association in participation and acquisition cost.

<sup>6</sup> Average assets are calculated as the average of period-beginning and period-ending balances.

<sup>7</sup> Internal overdue loans / total loans.

<sup>8</sup> NPL (non-performing loans) = internal overdue loans + refinanced and restructured loans. NPL ratio = NPLs / total loans.

<sup>9</sup> BCP Stand-alone figures, based on Peru GAAP.

<sup>10</sup> Regulatory Capital / Risk-weighted assets (legal minimum=10% since July 2011).

<sup>11</sup> Tier 1 / Risk-weighted assets.

<sup>12</sup> Common Equity Tier 1 Ratio = (Capital + Reserves - 100% of applicable deductions (investment in subsidiaries, goodwill, intangibles and deferred tax that rely on future profitability) + Retained Earnings + Unrealized gains or losses) / Risk-weighted assets.

<sup>13</sup> Figures show the number of permanent and hired employees and not the number of jobs.

<sup>14</sup> Includes directors, managers and deputy managers.





# OUR PANDEMIC RESPONSE



## Ensuring the well-being of our employees and clients

- Biosecurity protocols
- More than 19 thousand of front-line employees have received protective equipment
- 95% of office support functions working remotely
- Focus on fostering physical, emotional and financial stability
- Full medical coverage for employees who have contracted COVID-19

EMPLOYEES



## Alleviating financial pressure on clients

- Over 1.5 million clients have benefitted from debt reprogramming across Peru, Colombia and Bolivia
- +1.5 billion retail clients have benefitted from fee waivers
- BCP disbursed over S/22 billion and Mibanco over S/2 billion in government loans
- Pacifico's clients received COVID-19 coverage, benefitted from payments reprogramming, and received partial reimbursements for car premiums
- Clients across LoBs have benefitted from digital channels
- Financial education campaigns

CLIENTS



# OUR PANDEMIC RESPONSE



## Ensuring continuity of service provision

BUSINESS CONTINUITY

- Effectively implemented home-office
- Executed physical and cyber security measures
- Reduced branch capacity in line with our biosecurity protocols and government measures
- Provided support to suppliers and commercial partners to ensure service continuity
- Successfully implemented a contingency plan to ensure liquidity and solvency



## Supporting our communities in times of crisis

SOCIETY

- Over 95% of donations were delivered through #YoMeSumo campaign from BCP to more than 160 thousand of vulnerable families
- Bolstering the wellbeing of front-line national workers (Health Professionals, Police and Army) through a S/5 million donation to grant them life-insurance policies from Pacifico
- Credicorp Capital, Pacifico and Prima donated S/4 million to equip the Peruvian health system with medical oxygen
- Supporting the Health and Social Inclusion Ministries in designing and executing relief measures through our health and banking networks

<b>Donations (millions)</b>	BCP	mibanco	pacifico	Credicorp Capital	PRIMA <sup>APP</sup>	Individuals and Enterprises	<b>TOTAL</b>
	S/100	S/10	S/6	S/2	S/1	S/16	S/135





# OUR BUSINESSES IN 2020

1.

## UNIVERSAL BANKING

2.

## MICROFINANCE



- Leader in loans with a Market Share of **30.4%**
- Leader in deposits with a Market Share of **31.8%**
- Total loans reached **S/ 113,465 million**, which **S/ 21,801** were from Government Programs
- Contributed **S/ 100 million** to vulnerable families affected by the pandemic



- Ranked sixth in loans with a Market Share of **9.2%** and fifth in deposits with a Market Share of **9.5%**
- Total loans reached **S/ 7,620 million**



- Leader in Pyme segment loans, increasing its Market Share from **20.8%** in 2019 to **28.8%** in 2020, due to its role in the government programs loans in this segment
- Total loans reached **S/ 12,928 million**, which **S/ 2,840** were from Government Programs

- Contributed **S/10 million** for vulnerable families affected by the pandemic
- We completed the merger of Bancompartir and Encumbra, which resulted in Mibanco Colombia, with **S/ 1,200 million** in assets and a loan portfolio of **S/ 992 million**



# OUR BUSINESSES IN 2020

3.

## INSURANCE AND PENSION FUNDS

4.

## INVESTMENT BANKING AND WEALTH MANAGEMENT



- **S/ 2,461 million** in net earned premiums
- Contributed **S/ 5 million** to grant life insurance to workers exposed to COVID-19 from the Health Ministry, Police workers and Army
- Contributed **S/ 1 million** to Respira Peru to acquire oxygen and to finance medical oxygen production plants



- Ranked second in funds under management with a Market Share of **30.2%**
- Funds under management of **S/ 49,790 million**
- Total Fund withdrawals under government-mandated facilities for **S/ 7.5 billion**
- **S/ 1 million** contributed to Respira Peru



- **S/ 156,874 million** in assets under management
- Credicorp Capital contributed **S/ 2 million** to Respira Peru
- We concluded the merger of Credicorp Capital with Ultraserfinco, allowing us to double our AUMs in Colombia

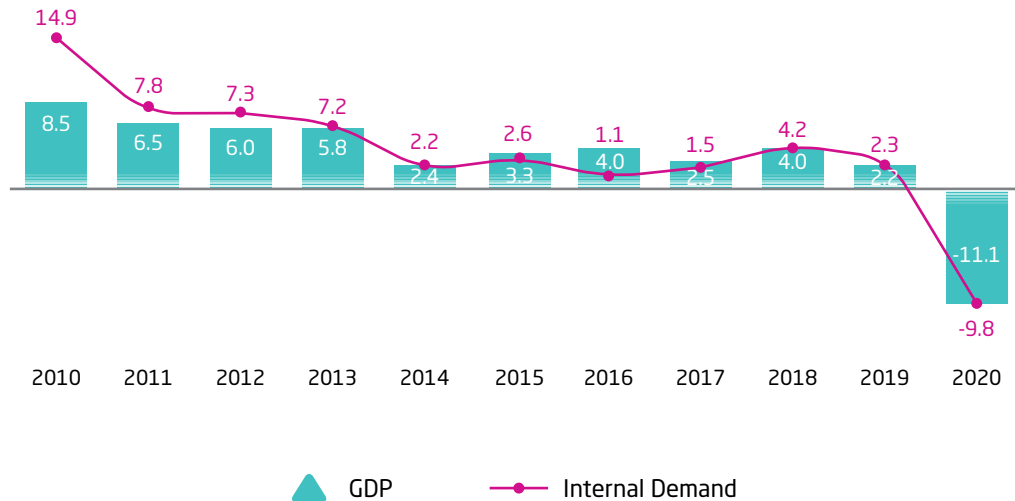


# ECONOMIC ENVIRONMENT

1

## A. GROWTH

**Gross Domestic Product and Internal Demand**  
(Annual variations, %)



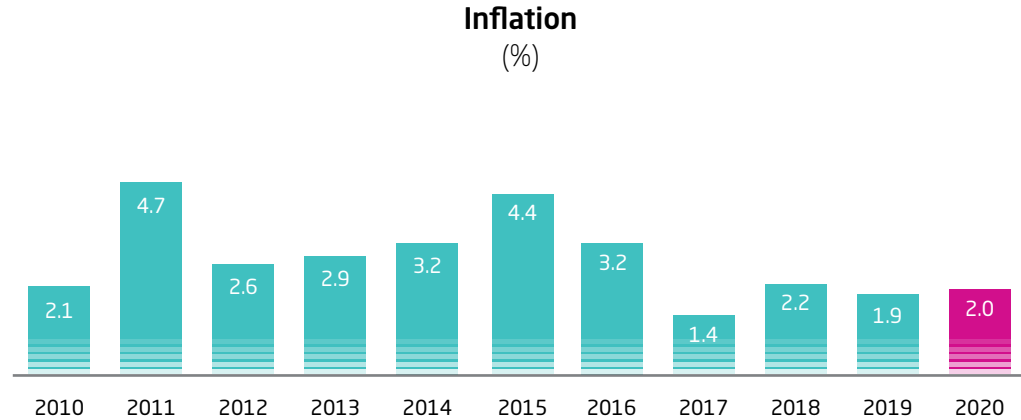
Source: INEI, BCRP.

The Peruvian economy contracted 11.1% in 2020 due to the impact of the COVID-19 pandemic. In the first semester of 2020, economic activity was limited by the measures taken to mitigate COVID-19 contagion, which included a nationwide quarantine that ran from March 16 to the end of June. The second semester of 2020 was characterized by a gradual reopening of the economy, in line with the evolution of the pandemic.

The contraction in economic activity was reflected in different components of expenditure. Internal demand fell 9.8% in 2020, which was mainly attributable to a contraction in private spending, and, to a lesser extent, to a drop in public spending. Private consumption fell 8.7%, while private investment dropped 17.2%. Public consumption advanced 7.5% while public investment fell 17.7%. It is important to note that in the last quarter of the year, significant improvements were registered for different indicators of expenditure. In this context, the economy fell only 0.5% YoY versus almost 40% YoY in April.



## B. INFLATION

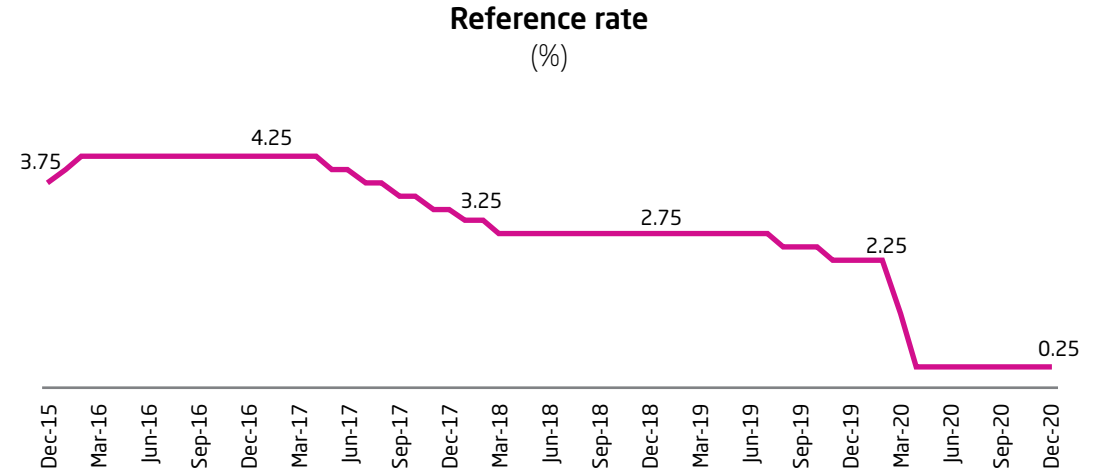


Source: INEI.

At the end of 2020, the consumer price index in Metropolitan Lima increased 2.0% and situated in the target range (1%-3%) of the Central Reserve Bank of Peru (BCRP). The Food and Beverage segment registered a year-over-

year increase, going from 1.0% in 2019 to 2.2% in 2020 while the electric energy segment reported a contraction, going from 8.0% in 2019 to 6.7% in 2020. Inflation without food and energy fell in 2020 to 1.8% versus 2.3% in 2019.

## C. REFERENCE RATE



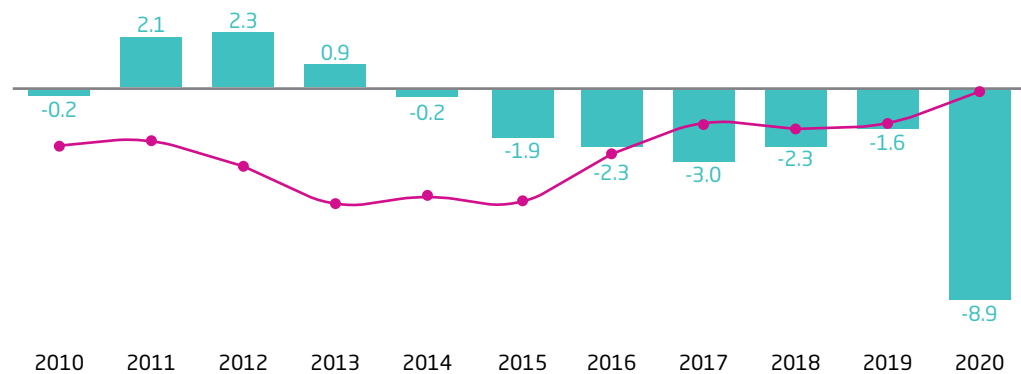
Source: BCRP.

BCRP's reference rate fell from 2.25% at the end of 2019 to 0.25% at the end of December 2020, which represented a record low for reference rates in Peru. BCRP cut its rate 100 basis points in March and another 100 basis points in April at extraordinary meetings with an eye on mitigating the impact of the COVID-19 pandemic.

It is important to note that BCRP implemented, as part of its monetary policy, measures beyond reference rate cuts. In this context, BCRP injected liquidity by implementing the Reactiva Peru program (state-backed loans that provided liquidity through repos). At the end of 2020, state-backed repos (liquidated) situated at S/ 50,729 million.

## D. PUBLIC FINANCE AND THE EXTERNAL SECTOR

**Fiscal Result and Current Account Balance (GDP percentage)**



Source: BCRP.

▲ Fiscal Result      ● Current Account Balance

The fiscal deficit at the end of 2020 represented 8.9% of GDP. Current income at the general government level contracted 16%, which was primarily attributable to a decrease in economic activity and to a lesser extent, to the tax relief measures offered by the Government at the beginning

of the pandemic. Both income from IGV and from income tax contracted 13% in 2020. Non-financial expenses increased 15%, alongside growth in current expenses (+22%), which was partially offset by a contraction in public investment by the general government (-14%). It is important

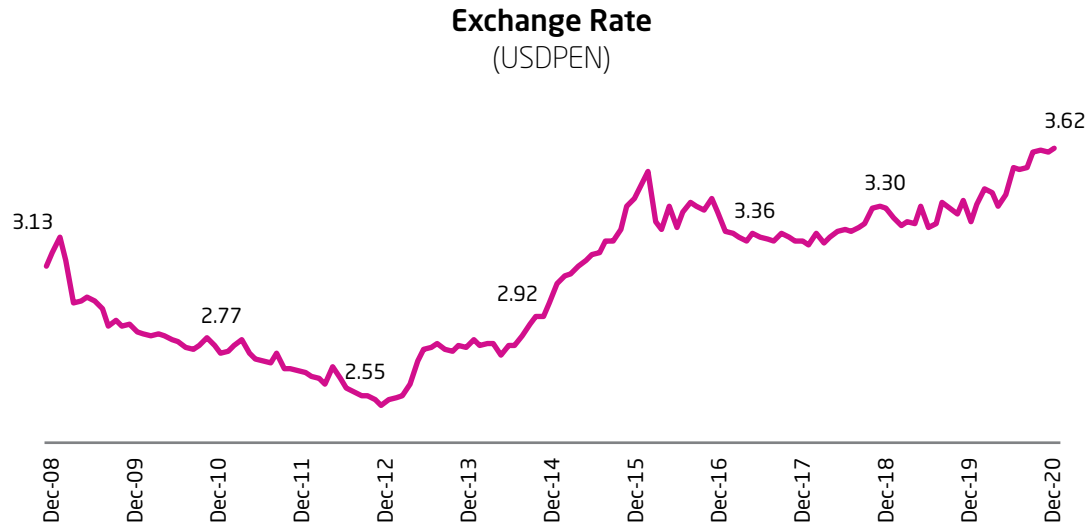
to note that current expenses were driven by an uptick in expenses for transfers (+69%), which was attributable to large inflows of government subsidies for vulnerable households (Universal bond for 13.4 thousand million soles).

To finance the fiscal debt incurred by the Government this year, two successful bond issuances were made in April and November 2020. In April, US\$ 3 billion was issued in two tranches: (i) US\$ 1 billion at 5 years with a rate of 2.392% and a spread of 200bps over the US Treasury bond, and (ii) US\$ 2 billion at 10 years with a rate of 2.783% and a spread of 213 bps over the US Treasury bond. Additionally, in November, US\$ 4 billion were issued in three tranches: (i) US\$ 1 billion at 12 years with a rate of 1.862% and a spread of 100bps between the US Treasury bond, and (ii) US\$ 2 billion at 40 years with a rate of 2.78% and a spread of 125bps between the US Treasury bond, and (iii) US\$ 1 billion at 101 years with a rate of 3.230% and a spread of 170bps between the US Treasury bond.

In terms of the country's credit rating, Fitch made no change to Peru's BBB+ rating but revised the Outlook from Stable to Negative after the Government reported a deterioration in its balance sheet; an increase in political uncertainty due to the measures taken by Congress; and challenges with regard to reducing the fiscal deficit to levels that are consistent with public debt stabilization. In contrast, S&P (BBB+, Stable) and Moody's (A3, Stable) reported no change in their credit rating in 2020.

In 2020, the commercial balance reported a surplus of US\$ 7,750 million versus US\$ 6,614 million in 2019. Nevertheless, exports fell 11% this year due to a decrease in traditional products (-13%) and non-traditional products (-7%). Imports fell 16%, which was primarily due to a decrease in private spending in 2020. Terms of trade grew 8.2% in 2020 after having reported a contraction of 1.8% in 2019. Thereafter the current account registered a superavit of 0.5% of GDP, the first positive result in 13 years (2019: -1.5% of GDP).

## E. EXCHANGE RATE



Source: BCRP.

At the end of 2020, the exchange rate was situated at S/ 3.62 per US Dollar. In this context, the Peruvian Sol registered depreciation of 9.2% with regard to the level reported at the end of 2019 (S/ 3.31). The exchange rate reached a historic high of S/ 3.67 per US Dollar on November 16, 2020 in a context of heightened uncertainty on the local political front.

The depreciation in the Peruvian Sol at the end of 2020 was accompanied by a downturn in the value of the Brazilian Real (-29%), Mexican Peso (-5%) and Colombian Peso (-4%). The Chilean Peso appreciated 6% in 2020 after depreciating 8.5% in 2019.

In 2020, BCRP reported net sales of the spot market for US\$ 159 million in a context of a

depreciation in the Peruvian Sol. The entity also sought to mitigate depreciatory pressures on the Sol by using Exchange Swaps (sale) and BCRP CDRs; the balance of these instruments increased S/ 7,235 million and S/ 6,392 million respectively. Finally, Net International Reserves were situated at US\$ 74,707 million at the end of 2020, versus US\$ 68,316 million in 2019. This marked a historic annual high and 36.7% of GDP.

*The exchange rate was situated at S/ 3.62 per US Dollar at the end of 2020. In this context, the Peruvian Sol reported a depreciation of 9.2% versus the level recorded at the end of 2019 (S/ 3.31).*





# GROUP DESCRIPTION



# GENERAL INFORMATION

## Group Description

### General Information

Commercial Name	Credicorp Ltd.
Address	Clarendon House 2 Church Street Hamilton, Bermuda
Address of the Main Subsidiary	Calle Centenario 156, La Molina. Lima, Perú
Telephone	+51 1 313-2000
Fax	+51 1 313-2121

## Constitution

Credicorp Ltd. was established on August 17, 1995 in the City of Hamilton in Bermuda and is registered under registry No. EC21045.

The company's duration is indefinite.

**We are Peru's leading financial group** with over 130 years of experience in this market. We have a solid universal banking, insurance and pension platform that serves all segments of the Peruvian population, complemented by an important and growing presence in microfinance, investment banking, and wealth management in Latin America. We have a purpose, a vision and values that are clearly oriented toward creating value for our employees, clients, shareholders and countries where we operate.



## COMPANY PURPOSE

Credicorp is a business group that offers financial services in Peru, Bolivia, the United States, Panama, Chile and Colombia. It operates mainly through seven main subsidiaries: Banco de Credito del Peru, Mibanco, BCP Bolivia, Pacifico Compania de Seguros y Reaseguros, Prima AFP, Atlantic Security Bank and Credicorp Capital.

Credicorp was set up in 1995 with the purpose of acquiring common shares of the Banco de Credito del Peru (BCP), Atlantic Security Holding Corporation (ASHC) and Pacifico Compania de Seguros y Reaseguros S.A. (PPS). Through an Exchange Offer in October 1995, Credicorp acquired 90.1% of the shares of BCP, 98.2% of the shares of ASHC, and 75.8% of those of PPS. Trading of the common shares on the New York Stock Exchange began immediately after the Exchange Offer culminated and the closing price on this date was US\$ 11.61 (adjusted to

reflect share dividends). On March 19, 1996, Credicorp acquired, in accordance with the terms in an Exchange Offer similar to that made in October 1995, the remaining 1.8% of shares in circulation of ASHC.

In 2012, Credicorp, as part of its strategic plan, embarked on efforts to create a regional bank. In April 2012, Credicorp, through its BCP subsidiary, acquired 51% of the shares of Correval S.A. Sociedad Comisionista de Bolsa, an investment bank in Bogota, Colombia. In July 2012, Credicorp, through its BCP subsidiary, acquired 60.6% of the shares of IM Trust S.A. Corredores de Bolsa, an investment bank in Santiago, Chile. In November 2012 and June 2013 respectively, IM Trust and Correval were transferred to Credicorp Capital Ltd. (subsidiary chartered in Bermuda to engage in investment banking activities in Chile, Colombia and Peru);

this had no impact on Credicorp's financial statements. To conduct investment banking operations in Peru, Credicorp Capital Peru S.A.A. was chartered in Peru in April 2012 through a spin-off of a block of BCP's assets. The assets that were transferred include Credibolsa, Credititulos, Credifondo and BCP's investment banking activities. The spin-off of this block of assets had no impact on Credicorp's consolidated financial statements. In November 2015, the 85.50% share that Grupo Credito held in Credicorp Capital Peru S.A.A. was spun off and placed in Credicorp Capital Holding Peru, a subsidiary of Credicorp Capital Ltd. This act concluded the company's reorganization process, whose purpose was to regroup the subsidiaries and share holdings of Credicorp Capital Ltd. to improve business management. The split-off of this equity had no impact on Credicorp's consolidated financial statement.

At the beginning of 2016, BCP Bolivia ceased to exist as a subsidiary of BCP and became a subsidiary of the holding known as Inversiones Credicorp Bolivia S.A. (ICBSA), which is in turn a direct subsidiary of the Grupo Credito. In May and August 2016, Credicorp Capital Ltd., through Credicorp Capital Holding Chile, acquired 39.4% of the shares of Inversiones IMT SA. (formerly IM Trust S.A.), becoming the owner of 100% of total shares in the company. Between May and September 2016, Credicorp Capital Ltd., through Credicorp Holding Colombia S.A.S., acquired 49% of the shares of Credicorp Capital Colombia S.A. (formerly Correal), achieving a 100% stake in the organization.

In January 2017, May 2018 and May 2019, as part of the reorganization of subsidiaries, Grupo Credito purchased 9%, 2.77% and 0.96% of BCP's shares respectively from Credicorp Ltd. As of December 2019, Grupo Credito possess 97.71% of BCP and Credicorp Ltd. ceased to hold direct shares in BCP.

In January 2019, 91.36% of the Compañia Incubadora de Soluciones Mviles S.A. – Culqi was acquired and Krealo S.P.A was chartered.

In March 2019, Credicorp Capital Negocios Digitales S.A.S. was chartered; in July, 100% of Tenpo SPA and 100% of Multicaja Prepago S.A. were acquired; in September, 85% of Fondo de Inversion Independencia II was acquired; and in November, 100% of Ultraserfinco S.A. was acquired. Finally, in December, 77.46% of Banco Compartir S.A was acquired.

In June 2020, the merger by absorption between Credicorp Capital Colombia S.A. and Ultraserfinco S.A. conducted, which resulted in the extinction of the latter. In October 2020, the merger by absorption between Banco Compartir S.A and Edyficar S.A.S. was conducted to form Mibanco- Banco de la Microempresa de Colombia S.A.

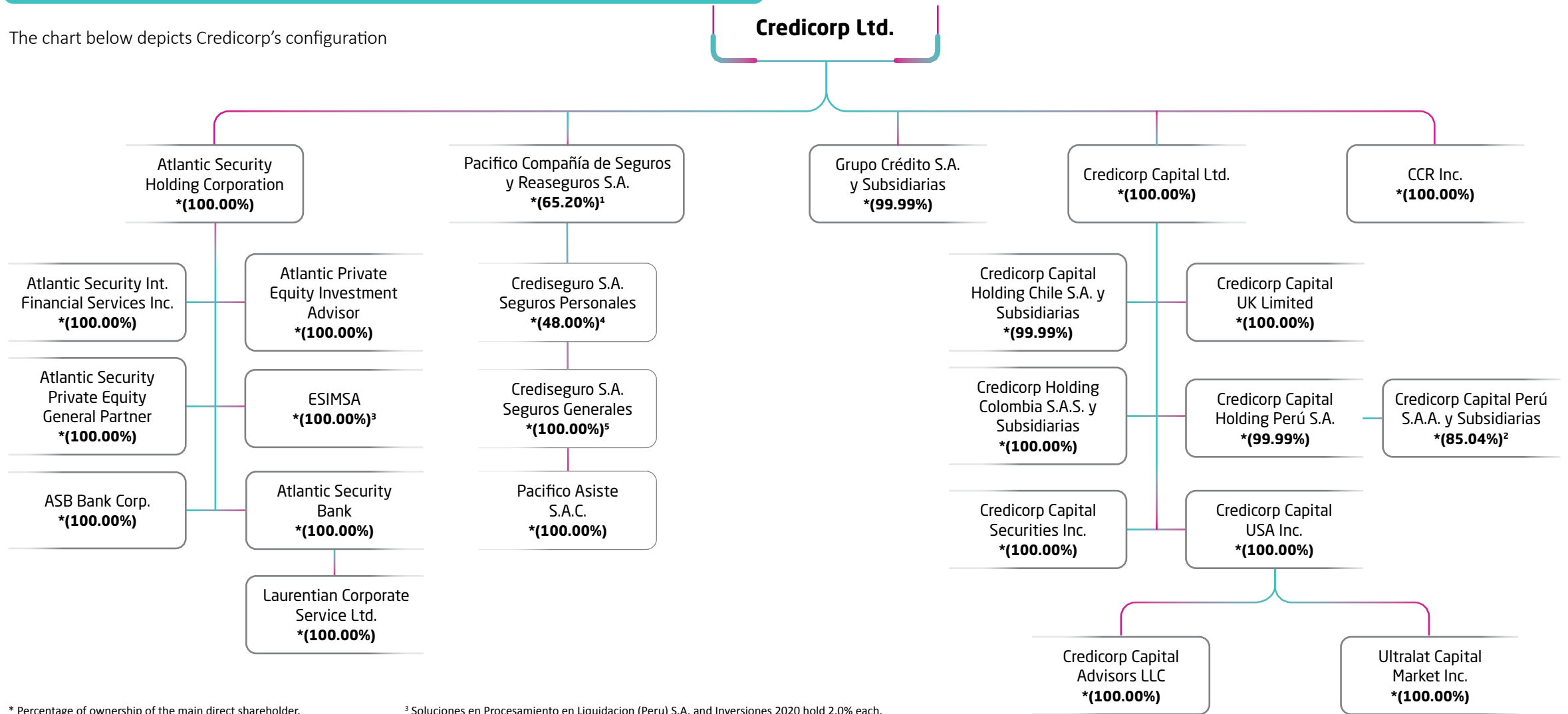
Credicorp's subsidiaries are organized into four lines of business:

- **Universal Banking**, which includes Banco de Credito del Peru and Banco de Credito de Bolivia
- **Microfinance**, which includes Mibanco and Mibanco Colombia
- **Insurance and Pension**, which includes Grupo Pacifico and Prima AFP
- **Investment Banking and Wealth Management**, which includes Credicorp Capital and Atlantic Security Bank



# CREDICORP'S ORGANIZATIONAL CHART

The chart below depicts Credicorp's configuration



\* Percentage of ownership of the main direct shareholder.

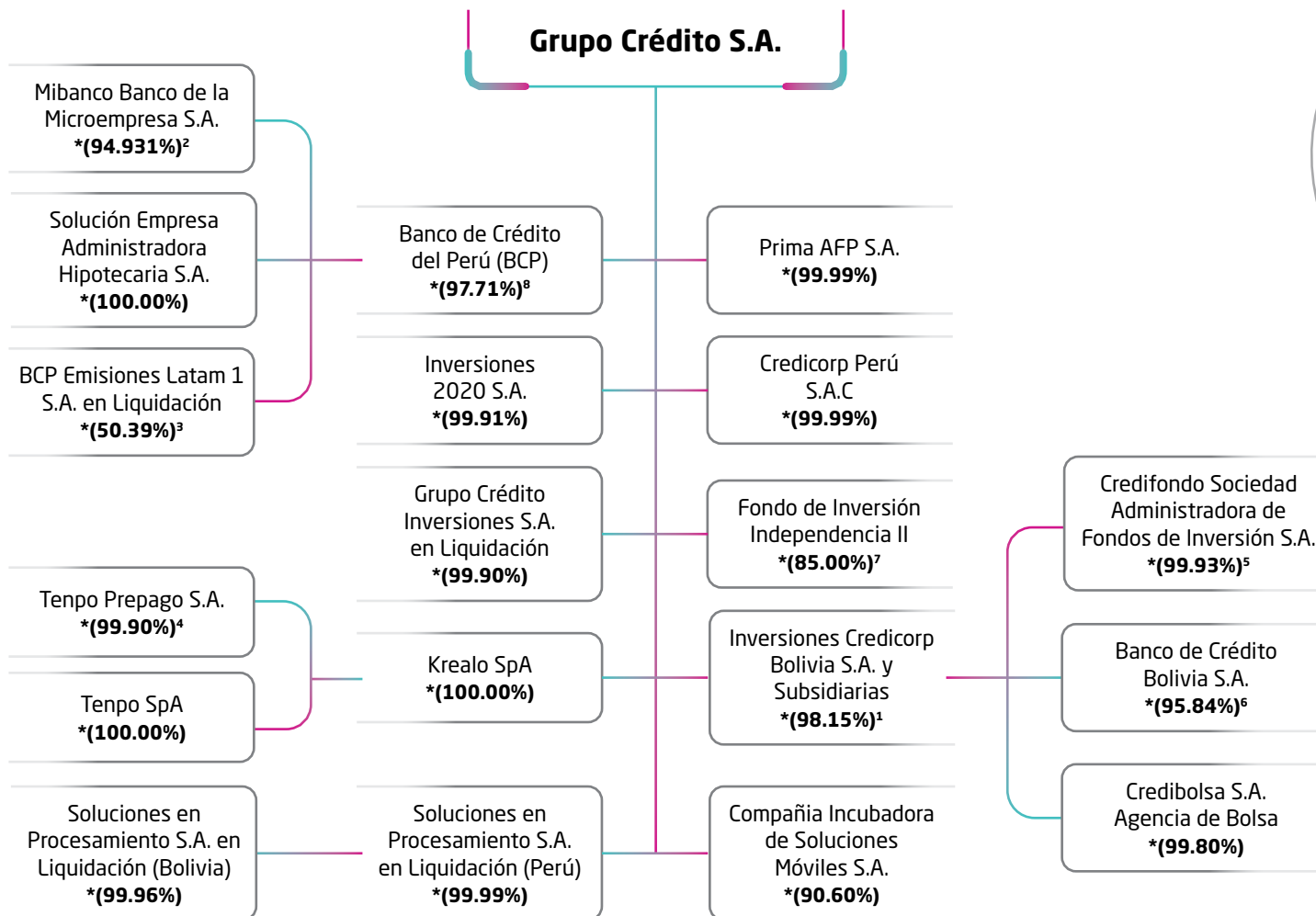
¹ Grupo Credito holds 33.61%.

² Credicorp Ltd. hold 12.795%.

³ Soluciones en Procesamiento en Liquidacion (Peru) S.A. and Inversiones 2020 hold 2.0% each.

⁴ Pacifico Seguros is the controlling entity. Inversiones Credicorp Bolivia S.A holds 51.95%.

⁵ Pacifico Seguros is the controlling entity. Inversiones Credicorp Bolivia S.A holds 51.87%.



\* Percentage of ownership of the main direct shareholder.

<sup>1</sup> BCP holds 1.77% and Credicorp Ltd. 0.08%.

<sup>2</sup> Grupo Credito holds 4.99%.

<sup>3</sup> Grupo Credito holds 49.56%.

<sup>4</sup> Tempo SpA holds 0.10%.

<sup>5</sup> BCP holds 0.07%.

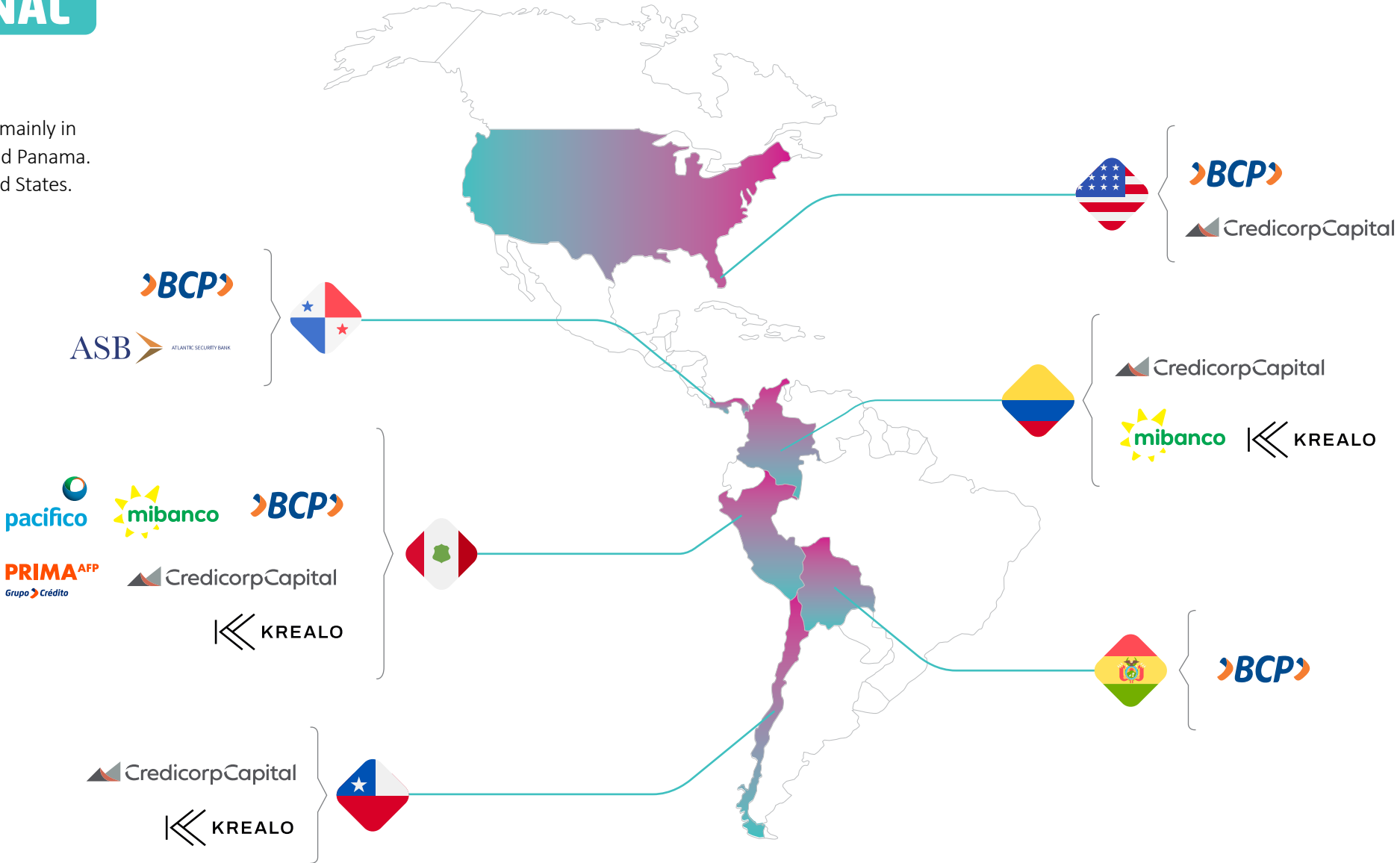
<sup>6</sup> Credicorp Ltd. hold 4.07%. Inversiones 2020, Mibanco S.A. and SEAH hold 0.03% each.

<sup>7</sup> Independencia Asesores S.G.F.I. S.A. holds 15.00%.

<sup>8</sup> BCP and Grupo Credito S.A. They are the only associates of "Patronato BCP", a non-profit civil association.

# OUR REGIONAL PRESENCE

Credicorp maintains operations mainly in Peru, Colombia, Bolivia, Chile and Panama. It also has presence in the United States.





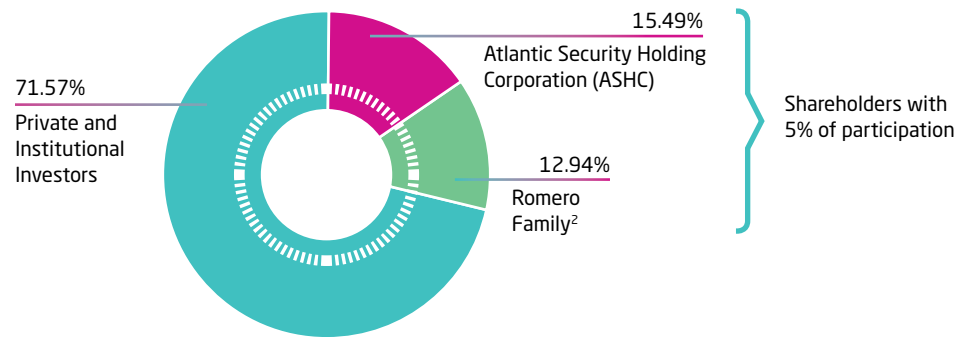
# CAPITAL, MARKET VALUE AND **SHAREHOLDER STRUCTURE**

3

# CAPITAL AND MAIN SHAREHOLDERS

Share capital at Credicorp Ltd. totaled US\$ 471,911,585 at the end of December 31, 2020, represented by 94'382,317 shares with a nominal value of US\$ 5.00 each.

**Shareholder Structure**  
(%)<sup>1</sup>



Source: Share Registry

<sup>1</sup> Shares are calculated as of February 15, 2021.

<sup>2</sup> Includes shares that are directly or indirectly held by Dionisio Romero and his family or by companies that he owns or represents.

<sup>3</sup> 71.86% of Credicorp's shares correspond to holdings whose purchase or sale was conducted through the NYSE, where it is not possible to identify the final beneficiary due to NYSE's rules of disclosure.

The table below shows the composition of shares with voting rights as of December 31, 2020, considering the percentage of share ownership relative to the total number of shares:

Percentage of ownership	Number of Shareholders	Share Percentage
Less than 1%	6,098	7.64%
Between 1%- 4.9%	0	0.00%
Between 5%- 9.9%	1	5.01%
Greater than 10%	1	15.49%
N.D. <sup>3</sup>	N.D.	71.86%



## MARKET VALUE

In 2020, the securities markets were adversely affected by fallout from COVID-19, which generated uncertainty in a context of global confinement measures. After markets reached historic maximums in February, the pandemic spurred an abrupt decline across financial markets, triggering the most severe financial recession seen since World War II. On March 23, 2020, the main market indexes, namely S&P 500, Dow Jones Industrial (DJIA) and Nasdaq, fell 30.7%, 34.9% and 23.5% respectively with regard to the closing figures for 2019. During the same period, dragged down by the evolution of the General Index of the Lima Stock Exchange, the shares registered a drop of 34.0%.

Despite initial declines, numerous large fiscal and monetary stimulus programs around the world, which focused on alleviating financial woes at the individual and company levels, drove a rapid recovery at the market level. Subsequently, the markets registered additional upticks as contagion levels in many countries fell and efforts to develop vaccines rendered their first fruits. At the end of 2020, S&P 500, DJIA and Nasdaq hit historic maximums, reporting growth of 16.3%, 7.2% and 43.6% respectively with regard to 2019's figures. The General Index of the Lima Stock Exchange registered growth of 1.4% YoY in a context of mixed results.

## SHARE PRICE

The share price was situated at US\$ 164.02 at the end of 2020, which represented a decline of 23.0% YoY. In 2020, the COVID-19 crisis and factors in the local context generated uncertainty, which led to a deterioration in expectations for economic growth in Peru. In this scenario, it is important to note that the share price in 2020 was more volatile than in 2019, marking a minimum of US\$ 112.92 and a maximum of US\$ 219.48 for the period versus US\$ 200.78 and US\$ 250.70 last year.

Evolution of the share price (US\$)

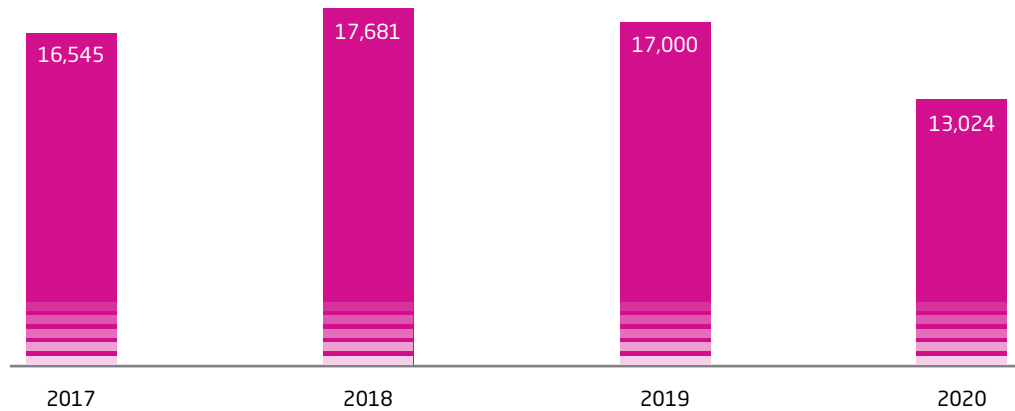


Source: Bloomberg.

## MARKET CAPITALIZATION

At the end of 2020 Credicorp's market capitalization was situated at US\$ 13,024 million, which represented a drop of 23.4% with regard to the US\$ 17,000 million reported at the end of 2019. Credicorp's average trading volume in 2020 was 412,284 shares, which reflects a 44% increase over the average reported last year.

Market capitalization (US\$ million)



Source: Bloomberg.

<sup>1</sup> Dividends of 2017 and 2019 have been converted to US\$ using the accounting exchange rate at the end of 05/09/2018 and 02/27/2020, respectively.

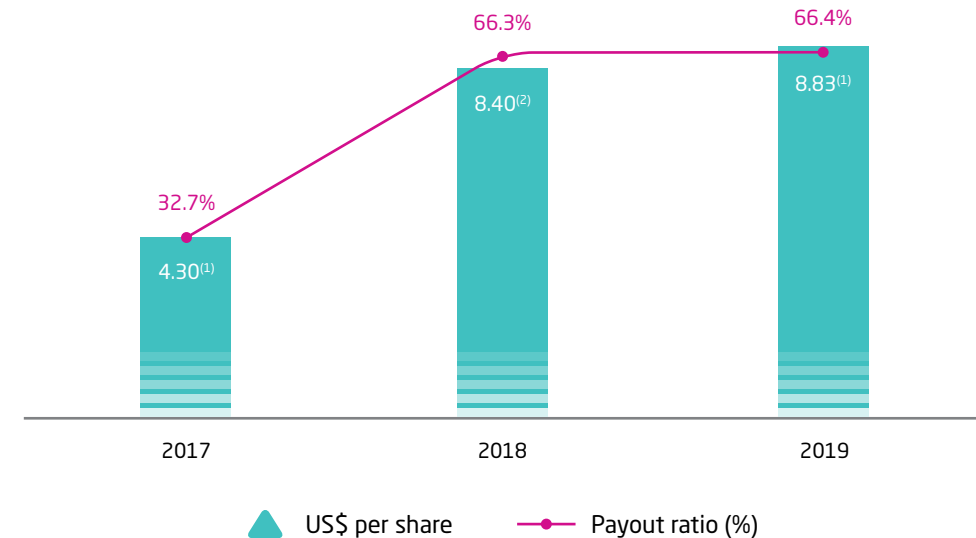
<sup>2</sup> Ordinary dividend (S/ 20.0000) and extraordinary dividend (S/ 8.0000) have been converted to US\$ using the accounting exchange rate at the end of 05/08/2019 and 11/20/2019.

## DIVIDENDS

The Board of Directors, in its session of February 25, 2021, discussed the probability of approving a distribution of dividends for Credicorp shareholders for the results obtained in 2020. Due to the uncertainty in the health and economic expectations in Peru and the other countries in which

we operate, this decision will be defined in the following Board Meetings in 2021, considering the evolution of the pandemic and its possible impact on the solvency, liquidity and profitability of the group. It is important to highlight that, from Credicorp, we always ensure the best interests of all our shareholders and greater returns in the long term, which is evident in the following graph of the last dividends distributed.

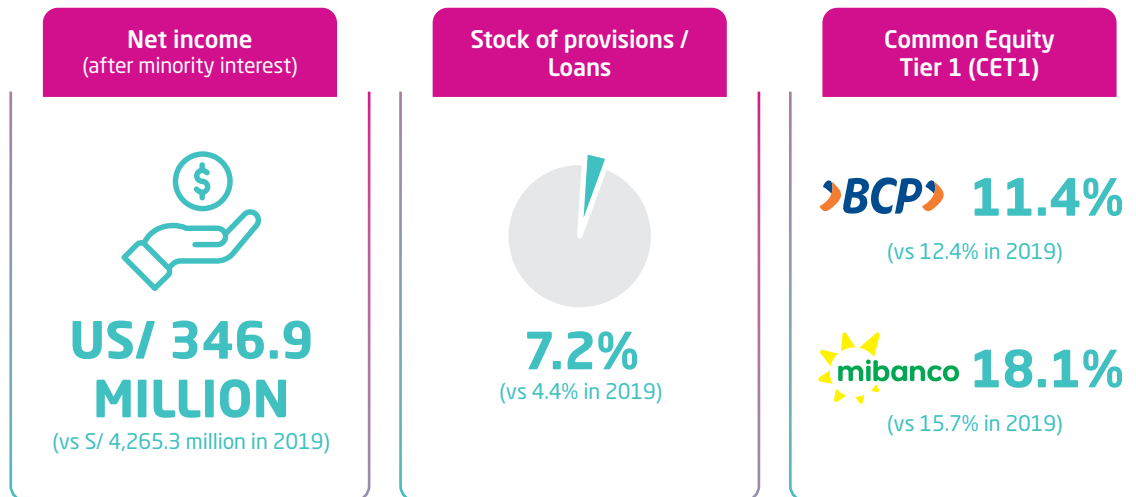
Dividends





# OUR BUSINESS **RESULTS**

# WE ABSORBED A LARGE PORTION OF THE IMPACT GENERATED BUT COVID-19 IN 2020 AND ARE ON OUR WAY TO RECOVERY

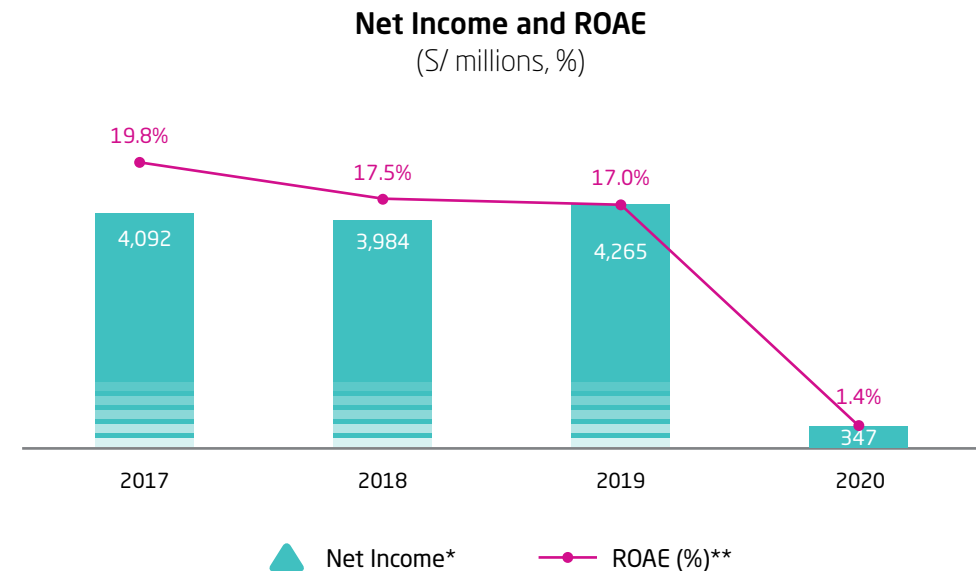


In 2020, Credicorp registered net income of S/346.9 million, which translated into and ROAE and ROAA of 1.4% and 0.2% respectively. These results reflect the fact that in 2020, Credicorp experienced the most challenging environment in its 25 years as a holding. The first half of the year was particularly daunting but things began to look up in June, when economic reactivation kicked in. The results of this upturn are reflected in the operating indicators for our businesses, including transaction levels and new loan origination. Uncertainty persists in

Peru, in terms of the sanitary situation, but our outlook is positive for 2021.

The drop in net income was primarily attributable to growth in net expenses for loans, which rose 220.7%. This impact, albeit expected, was generated by a drop in economic activity in the context of COVID-19. The contraction in income was also due, although to a lesser extent, to a decrease in net interest income, non-

financial income and insurance underwriting results and to growth in total expenses. This evolution reflects the impact of the most severe global recession recorded in 100 years. Thanks to the strength of our balance and our conservative approach to doing business, we have been able to recognize the expected loan losses from the most vulnerable segments of our portfolio and have maintained a solid position for capital and liquidity at all times.



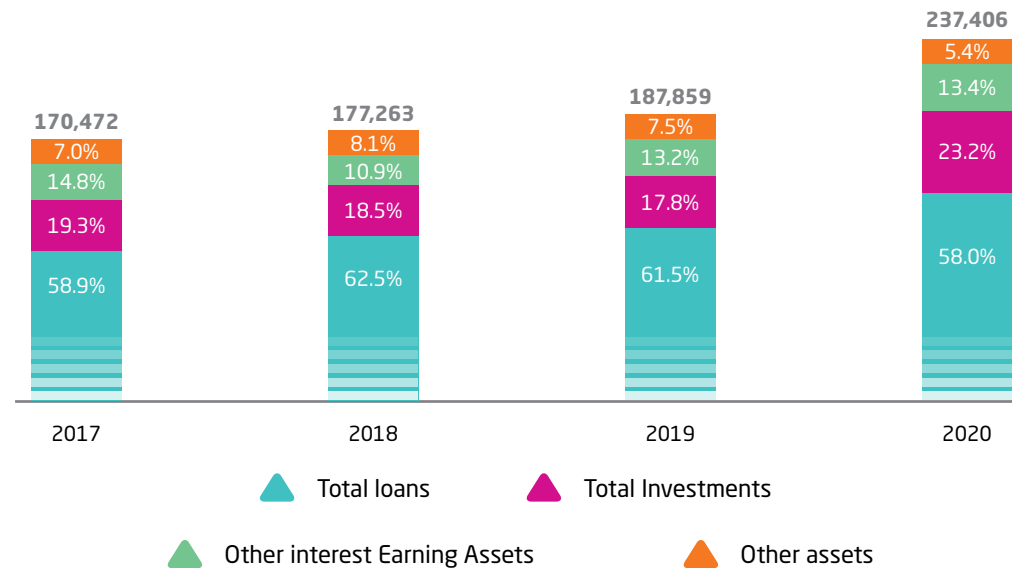
\*Audited figures in accordance with IFRS.

\*\* ROAE = Net income / average Net equity calculated as the average of period-beginning and period-ending balances.

# ASSETS AND LOANS: GROWTH MARKED BY GOVERNMENT PROGRAMS TO INJECT LIQUIDITY

At the end of 2020, Credicorp's assets registered growth of 26.4%, which was driven by loan expansion after a large influx of loans through Peruvian government programs (Reactiva Peru and FAE-Mype), which were implemented to provide liquidity to the business sector; alleviate the economic impact of the pandemic and the sanitary crisis; and attenuate the effect of contention measures. The objective of these programs is to ensure the continuity of the chain of payments and provide state-backed guarantees to the most vulnerable businesses, which were primarily in the micro, small and medium-sized business segments. These loans provide access to working capital loans with low interest rates; ample grace periods; and very favorable conditions so that borrowers can cover their short-term obligations with their employees.

**Asset Evolution\***  
(S/ million)



\*Audited figures in accordance with IFRS.

## Loans

Loans, in quarter-end balances, grew 19.1% with regard to 2019, which was primarily attributable to loan growth at BCP Stand-alone, which was led by retail segments for SME-Business and SME-Pyme, both of which received large inflows of loans through Reactiva Peru. Mibanco's loans also grew in 2020, due to stimulus from the Reactiva and FAE-Mype programs. Mibanco received a larger influx of disbursements under phase 2 of Reactiva Peru in comparison to inflows under phase 1. In the second phase of this program, the Government relaxed lending conditions to facilitate access for smaller businesses, which opened the door to a large percentage of Mibanco's clients, many of whom operate informally and had not been considered in the first phase of the program. If we exclude government loans from the calculation base, loans in the structural portfolio<sup>1</sup> fell 2.2%.

<sup>1</sup> Exclude loans granted through Government Programs Reactiva Peru and FAE-Mype.

## Investment Portfolio

Total investments increased 64.5% in 2020. The financing provided to our clients under government programs has been used to pay suppliers or payroll or to cover other needs for working capital. These funds were subsequently deposited in accounts in the financial system and in the case of Credicorp, at BCP. This significantly increased the company's liquidity. To improve the profitability of liquid assets and optimize the structure of our balance, this surplus liquidity was invested in profitable, low-risk assets such as sovereign bonds and certificates of deposit from the Central Bank. These investments were made in soles.

## Other Assets

Other assets in the balance grew 15.1% in 2020, which was primarily attributable to the evolution of available funds, which grew 44.3% over the year. This evolution was reflected in the surplus liquidity recorded on the balance sheets of our clients; these funds were subsequently held in current accounts in the financial system and, in the case of Credicorp, at BCP Stand-alone.



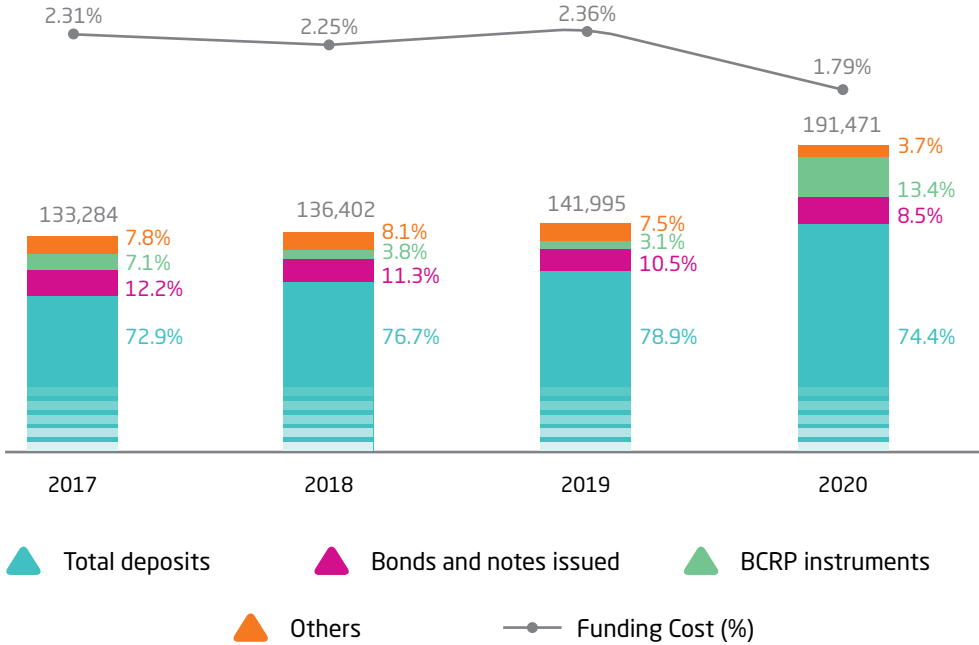
# DIVERSIFIES AND LOW- COST FUNDING STRUCTURE

In 2020, Credicorp’s total funding cost grew 34.8%. This expansion was driven by a 27.1% increase in total deposits, which continued to represent the Group’s primary source of funding with a 74.4% share of total funding. This growth was driven by an increase in the volume of savings and demand deposits in general, and particularly of those that are non-interest bearing; both these deposit types are associated with lower costs. The aforementioned led the funding structure to improve in 2020, which was evident in the fact that higher cost sources of funding were replaced primarily by low-cost deposits.

In terms of other sources of funding, it is important to not the increase in BCRP instruments, which was driven by the liquidity facilities provided by the Peruvian government to cover loan disbursements through the Reactiva and FAE programs. This year, BCP Stand-alone executed a liability management strategy in July. The bank issued subordinated bonds 2020 for USD850 million at a coupon rate of 3.125%, where 758 million were used to exchange subordinated bonds and reprofile maturities to take advantage of low market rates. Additionally, in the month of June, Credicorp Ltd. issued a corporate bond for US\$ 500 million at a rate of 2.750% and expiring in 2025. This transaction was the first public debt offering at the holding level and demand ran high among international investors. This issuance was executed at the beginning of the crisis to generate a liquidity buffer to handle any eventuality down the road. This liquidity is still available and in the context of low interest rates, we have been able to maintain these funds as a form of low-cost insurance.

In this context, Credicorp’s funding cost fell to 1.79% in 2020, which represented a decrease of 57 pbs over last year’s figure. This positive evolution was driven by an improvement in the funding structure and by a scenario marked by low interest rates.

**Evolution of Funding Structure & Funding Cost\***  
(S/. million)



\*Audited figures in accordance with IFRS.

## INCREASE IN THE COST OF RISK REFLECTS EXPECTED LOSSES IN OUR CREDIT PORTFOLIO

The impact of COVID-19 on the economies in which we operate, and consequently, on the debt service capacity of our clients, led to a 220.7% increase in net provisions for loan losses in 2020.

Growth in provisions was seen across Credicorp's banking businesses and was primarily driven by: i) an influx of forward-looking provisions due to expectations that the economies in the region will fall into a recession, and ii) by a reduction in clients' debt service capacities. The retail portfolio absorbed the brunt of the impact after the probability of default increased in the Credit Card and Consumer segments. Additionally, Wholesale Banking reported higher levels of provisions, which was driven by a deterioration in the debt service capacity of a number of

clients in the airline, tourism, transportation and energy sectors, which have been highly affected by the pandemic. At Mibanco, growth in provisions was in line with an increase in the probability of default of its clients. Finally, growth in provisions was also driven by the evolution of BCP Bolivia, primarily in the last quarter of the year, which was marked by high uncertainty due to presidential elections and the possibility that new regulations could affect financial institutions. Despite this scenario, at year-end, when macroeconomic expectations for coming years posted an upswing and adjustments were made to our expected loss model to reflect the positive evolution of the payment behavior of our clients, provision expenses began to gradually ease. The aforementioned led the Cost of Risk (CofR) to situate at 4.30%, versus 1.60% in 2019.

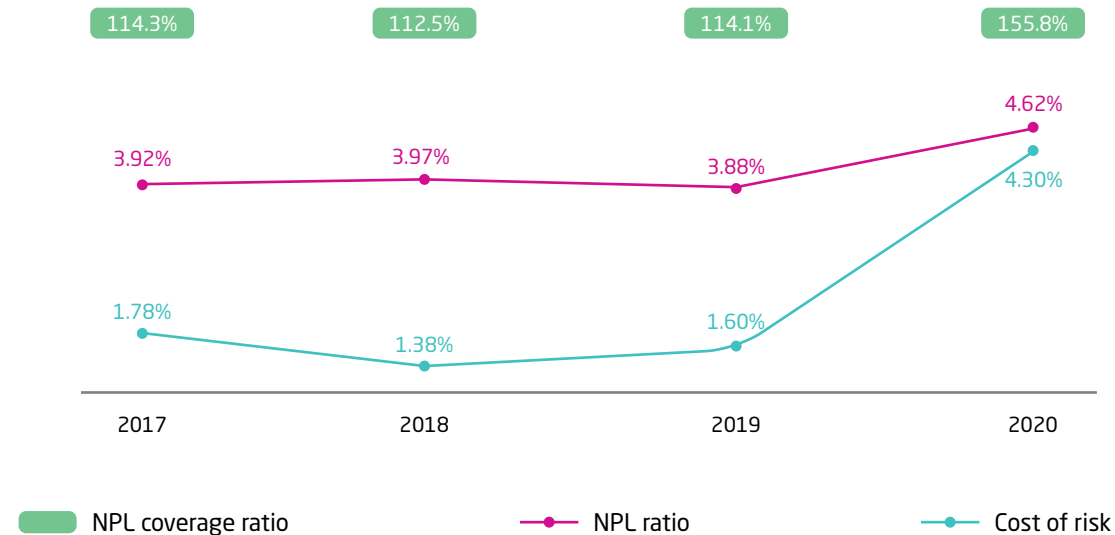




It is important to note that Credicorp and the Peruvian government have taken different measures to attenuate the deterioration of clients and of the economy by providing financial relief such as grace periods and loan freezing or reprogramming to provide liquidity to clients and head off potential default. The most vulnerable loans in the context of COVID-19 were situated in Retail Banking and Mibanco. In the case of Retail Banking, the composition of the portfolio by payment situation at the end of 2020 was as follows: 20% of the structural portfolio was up-to-date; 74% had no reprogramming and was up-to-date; and 6% is overdue. At Mibanco, reprogrammed but up-to-date loans accounted for 45% of total loans, whereas 49% had no reprogramming and was up-to-date and 6% were overdue. If we include total reprogrammed loans for the portfolios from Wholesale, BCP Bolivia and Mibanco Colombia, the level of reprogrammed loans at the Credicorp level represented approximately 15% of total loans. Reprogramming facilities have helped attenuate deterioration at the portfolio level.

In terms of traditional delinquency ratios, the IOL and NPL ratios increased after the grace periods attached to loan facilities provided by Credicorp at the beginning of the pandemic began to expire. The deterioration in both ratios was primarily attributable to Retail Banking at BCP Stand-alone and to the Consumer segment in particular and to a lesser extent, to the evolution at Mibanco. In this context, the NPL ratio increased to 4.62% in 2020, versus 3.88% in 2019. The aforementioned led the coverage ratio for the NPL portfolio to situate at 155.8% in 2020 versus 114.1% in 2019.

### Evolution of Credicorp's Portfolio Quality\*



\*Audited figures in accordance with IFRS.

<sup>1</sup> Balances do not include GP loan portfolio, Special Accounts portfolio, portfolio with more than 120 days past due or portfolio under legal collection.

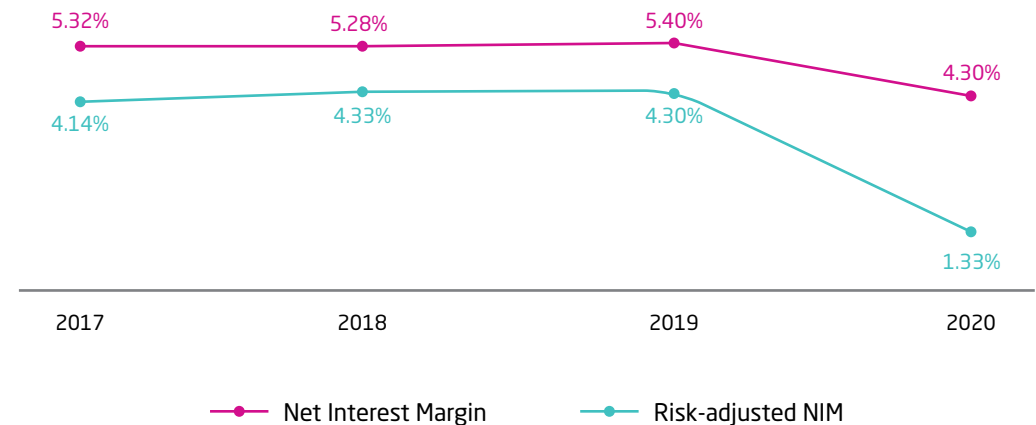
## THE NET INTEREST MARGIN WAS IMPACTED BY LOWER INTEREST RATES AND GROWTH IN LESS PROFITABLE ASSETS

Interest income, which constitutes the most important component of total income, fell 6.7% in 2020 due to a contraction in structural loans; growth in low-interest government loans; and a drop in market rates. Interest income was also impacted by provisions for impairment of interest on loans; reversals that were registered in our books for the zero-cost facilities offered to our clients; and debt reprogramming and restructuring was offered to 1.5 million clients across Peru, Colombia and Bolivia, for a total of 35 thousand million soles.

Interest expenses fell 9.5% in a context marked by an improvement in the funding structure and by lower market rates. The positive evolution of the funding structure reflects: (i) higher growth in low-cost deposits, (ii) the impact of Central Bank funding for loans under Reactiva and FAE-Mype, and (iii) BCP's liability management, which included a subordinated bond exchange to leverage a context of low interest rates and to improve the profile of debt maturities.

Net interest income (NII) fell 5.7% in 2020. The Net Interest Margin (NIM) was situated at 4.30% in 2020, which represented a drop of 110bps with regard to the level reported in 2019. The Risk-adjusted Net Interest Margin fell 297bps in 4.30% in 2019 to 1.33% in 2020 due to an uptick in provisions due to the crisis and to the evolution of NII.

**NIM & Risk Adjusted NIM\***



\*Audited figures in accordance with IFRS.

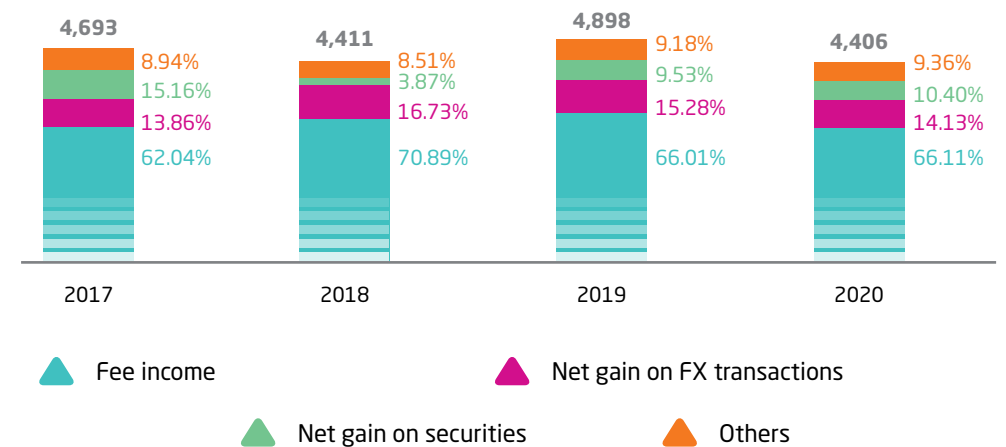
# A CHALLENGING YEAR FOR NON-FINANCIAL INCOME DUE TO A DECREASE IN THE TRANSACTIONS LEVEL

Throughout 2020, non-financial income fell 10.0% with regard to 2019. This was primarily driven by a contraction in Fee income and to a decrease in the Net gain on foreign exchange transactions, which were impacted by a drop in economic activity and transactionality in a context of government-mandated social distancing and confinement measures. Additionally, non-financial income was impacted by the fee waivers that were made available to clients in March- September

to mitigate the impact of the pandemic. BCP Stand-alone and Mibanco bore the brunt of the negative impact of a drop in financial income.

Clients have migrated to digital channels in significant numbers, which is aligned with the Group's strategy to drop-in improve the client experience and efficiency. Nevertheless, this trend contributes to a slowdown in fee income generation given that the majority of digital channels generate no fees.

**Non-financial Income\***  
(\$/ million)



\*Audited figures in accordance with IFRS.

# THE INSURANCE UNDERWRITING RESULT REFLECTS HIGH CLAIMS LEVELS AND COVID-19 RELATED IBNR PROVISIONS IN THE LIFE BUSINESS

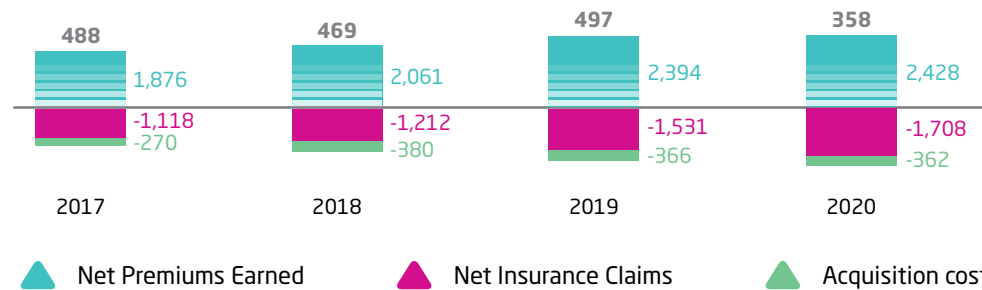
The insurance underwriting result registered a decline of -27.9% in 2020. This drop was attributable to an increase in claims in the Life business, which was driven by an upswing in mortality in the context of the pandemic and to an increase in provisions for incurred but not reported losses (IBNR) for COVID-19. The aforementioned was offset by a decrease in claims in the P & C business, which was attributable to government-mandated confinement and social distancing measures.

The slight annual increase in net premiums of +1.4% was attributable to Credit Life, Individual Life, Group Life and Individual Annuities. This growth was partially attenuated by the evolution of the P & C business, which registered a decrease in the business volume through Cars and Personal Lines.

The claims level in the Life business was impacted by excess mortality in the context of the pandemic. It is important to note that the Medical Assistance Line and EPS business provided health coverage to all clients to cover illness linked to COVID-19.

The health business reported growth in net income after the claims level fell. This was attenuated by a decrease in the demand for medical services given that clients preferred to postpone appointments to avoid exposure to the virus.

**Underwriting Results\***  
(S/. million)



\*Audited figures in accordance with IFRS.



## WE CONTROLLED OPERATING EXPENSES BUT THE EFFICIENCY RATIO WAS IMPACTED BY A CONTRACTION IN OPERATING INCOME

Operating income fell 6.0% in 2020, which was due primarily to a decrease in net interest income and to a drop in fee income.

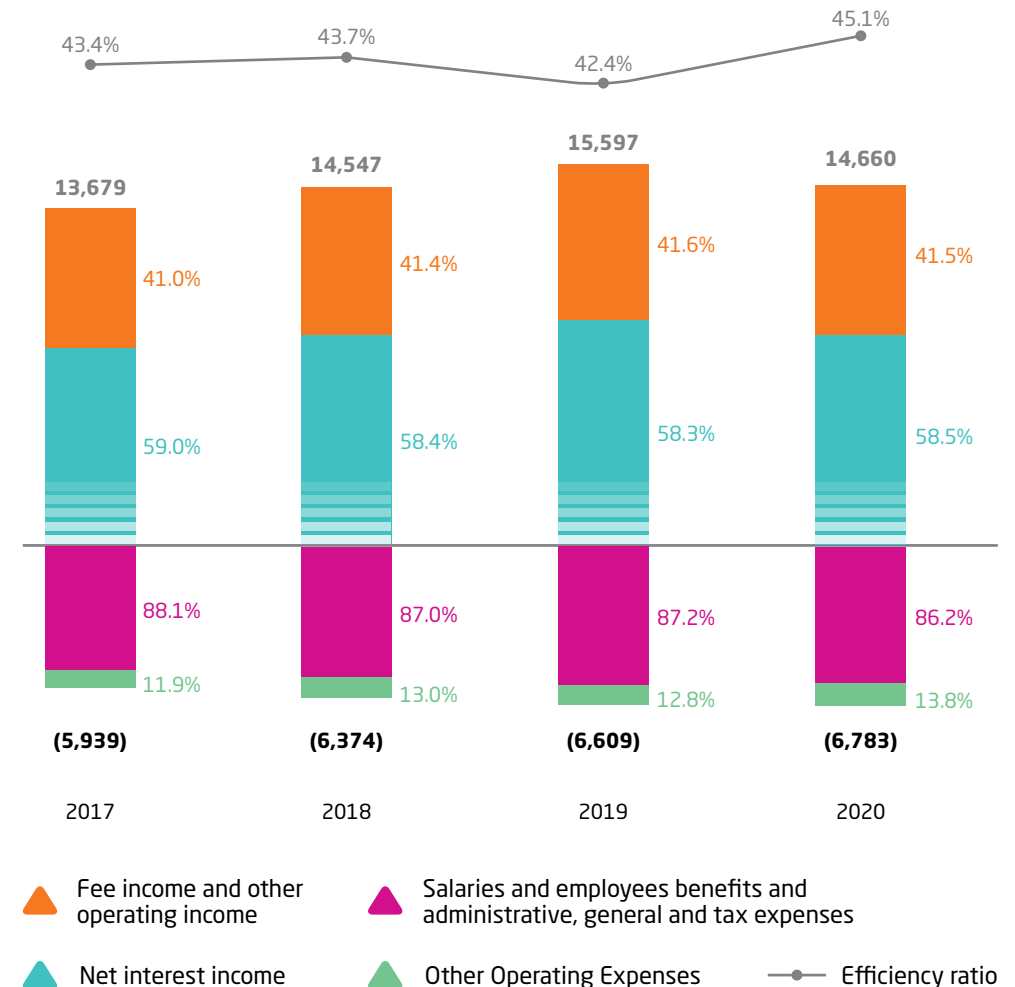
Operating expenses remained relatively stable thanks to efforts across subsidiaries to contain spending. The most noteworthy measures in this regard including controlling personnel costs by deactivating variable compensation; enacting a hiring freeze; and putting a hold on salary increases. Additionally, after clients migrated to digital channels in 2020, BCP Stand-alone decided to close 20 branches. Thanks to on-going efforts to find synergies between business lines, the acquisition cost for the insurance business contracted in a

context of an uptick in sales of insurance products through Credicorp channels.

In a context of variations in the operating result, the efficiency ratio increased 270bps with regard to 2019 to situate at 45.1% at year-end.

Operating expenses were controlled in 2020 but Other Expenses registered a significant increase due to: i) donations of 119 million soles to alleviate the suffering of Peru's most vulnerable during the pandemic and ii) total expenses of 106 million soles for personal protection equipment for personnel to prevent contagion.

Operating Income and Expenses\*  
(\$/ million)



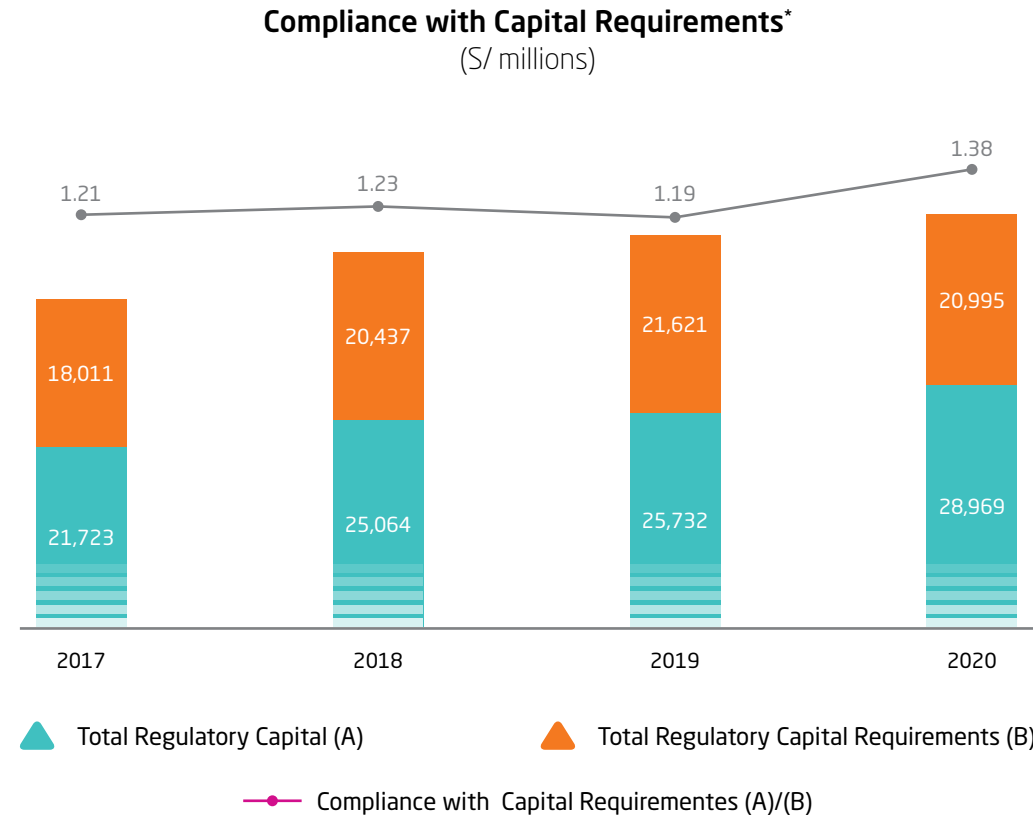
\*Audited figures in accordance with IFRS.

## OUR SOLID LEVEL OF SOLVENCY PROVIDES A PLATFORM TO TAKE ADVANTAGE OF NEW OPPORTUNITIES

Credicorp's total regulatory capital increased +12.6% in 2020, which was primarily attributable to the issuance made by BCP Stand-alone in July for USD850 million under its debt restructuring strategy. Facultative and restricted reserves increased. Growth in the former was attributable to a decrease in capital requirements for clients in the financial system due to a decrease in structural loan disbursements.

In terms of the Regulatory Capital ratio, Credicorp continued to register high levels at the end of 2020, which represented 1.38 times the capital required by the regulating entity in Peru.

Common Equity Tier 1 at BCP and Mibanco situated above required levels at 11.4% and 18.1% respectively. It is important to note that the capital ratio at Mibanco increased after a capital contribution of S/ 400 million was reported in December.



\*Audited figures in accordance with IFRS.

## OPERATING INDICATORS ARE ON THE UPSWING AND ON THE WAY TO RECOVERY

Credicorp's operating indicators showed clear signs of recovery in the second half of 2020, in line with economic activation. This favorable evolution was evident in billing levels for structural loans; an improvement in clients' payment behavior; a significant increase in the number of transactions; and a considerable upswing in the pace of client migration to digital channels.

Billing for products for individuals in the Retail banking segment was close to pre-pandemic levels at year-end. This growth was led by mortgage and bancassurance products, which billed 1.31 and 1.17 times more sales, respectively, in December. Mibanco's billing for structural loans was situated at 86% was the level billed pre-pandemic.

The payment ratio improved in the last few months of the year. In the case of BCP Stand-alone, the payment ratio in December was

situated at 94% versus 55% in June. Total reprogrammed loans fell with regard to the levels seen at the peak of the pandemic and represented 15% of total loans at year-end.

Finally, upswings were reported in both client transactions levels and in digital migration in 2020. This number of transactions in Retail Banking rose 52% with regard to the level reported in 2019. Growth in the transactions level was mainly attributable to an uptick in transactions through digital channels, which increased 92% year-over-year, driven mainly by mobile banking and Yape. This reflected a clear trend, where clients migrated at higher levels to more cost-efficient channels. In 2020, 55% of clients were digital compared to 41% in 2019. Finally, digital sales in Retail Banking grew 72% with regard to 2019; expansion was led by growth in payroll and savings accounts.

At Mibanco, the increase in digitalization was driven by the Urpi app, which provides Business Advisors information on client credit history to approve loan requests faster via remote channels. At the end of 2020, more than 90% of our advisors were using the digital tool compared to 70% at the end of 2019.

At Pacifico, client migration to digital channels was reflected in the fact that 7 million visits were made to the web site in 2020. In this context, clients and brokers were able to self-manage 60% of their requirements through the web site. This year, digital sales were up by 70% compared to last year's level.

Although uncertainty remains regarding the second wave of COVID-19, recent trends for operating indicators point toward good perspectives for 2021.



# RISK MANAGEMENT

5



# A. CORPORATE PRINCIPLES, CONTROL AND APPETITE FOR RISK

## Corporate Principles

Risk management constitutes a fundamental pillar in Credicorp's strategy to ensure adequate business development. For this purpose, we have identified six corporate principles to guide risk management:

1

Commitment of executive management

2

Independence of risk functions

3

Sufficiency and quality of resources for risk management

4

Measure of performance based on the risk assumed

5

Follow-up and validation

6

Compliance with Credicorp's Code of Ethics

## Risk Culture

Risk assessment at Credicorp is conducted by specialized personnel with adequate knowledge of processes to identify, assess, measure, treat and control risks. To consolidate a culture of risks that is aligned with best practices in the industry, we employ periodic programs and offer ad-hoc courses for different risk teams and the entire organization. Remote work, which is prevalent during the pandemic, heightens possibilities of suffering cyberattacks. As such, we have worked to create awareness and have prepared the Group's employees to recognize and follow protocols to address these threats.

## Appetite for Risk

Appetite for risk refers to the maximum amount of relevant risk that we are willing to assume and can withstand to achieve our business objectives; this entails establishing the maximum deviations that we consider acceptable.

The main objective is to develop a risk profile that reflects the Board's expectations that manifest in five strategic pillars:

- i. solvency
- ii. liquidity
- iii. profit and growth
- iv. stability of results
- v. balance sheet structure

These five pillars are supported by a taxonomy of risk that allows the group to qualitatively and quantitatively monitor its risk profile.

The appetite for risk is composed of the following elements:

- **Statement of the risk appetite:** defines the general principles and qualitative declarations that complement the group's risk strategy, which also serves as inputs to define the target risk profile.

- **Metric dashboard:** reflects the statement of the risk appetite and the levels of risk within our strategy in a metric table.
- **Limits:** ensure that risk-taking is within the tolerance level established across business units' roles and responsibilities.

The appetite for risk is integrated in the processes for strategic and capital guidelines as well as in the process to define the budget. This facilitates strategic decision making throughout the organization.

In 2020, high levels of uncertainty led to approved, temporary modifications in how we govern our appetite for risk. The majority of these changes were associated with managing failures to comply with parameters for financial variables and focused on facilitating crisis and risk management at the business unit level. We continued to diligently apply protocols for monitoring and reporting on all indicators. Finally, management of failures to comply with the risk appetite dashboard focused on operating, cybersecurity and business continuity risks.

## B. CORPORATE GOVERNANCE AND RISK MANAGEMENT

As outlined in the section for Corporate Governance in the Sustainability Report, For the purposes of aligning Credicorp's structure and organization to the Economic Substance regulations enacted by the Bermuda Government, Credicorp's Board of Directors has determined that, from October 29, 2020, it will limit its decisions to a general focus on managing risks relative to Credicorp Ltd, including approval for the appetite for risk. As such, the Board of Credicorp will acknowledge the level of compliance with the risk appetite, the level of exposure assumed and the relevant improvements in the comprehensive management of Grupo Credito S.A. and Credicorp's subsidiaries.

The authority to make decisions pertaining to Credicorp's subsidiaries, such as taking relevant strategic or management decisions, incurring expenditures on behalf of affiliates, coordinating group activities, and providing credit facilities to its affiliates, will be taken by the Board of Directors of Grupo Credito S.A., a subsidiary of Credicorp.

The Boards of Directors (and Board Committees) of each of Credicorp and Grupo Credito are composed of the same individuals and the management structure in both companies has been standardized.

For more information, please review the Sustainability Report: Corporate Governance chapter<sup>1</sup>.

### Credicorp's Risk Committee

This committee represents Credicorp's Board and proposes levels of appetite for risk for Credicorp Ltd. The committee acknowledge the level of compliance with the appetite for risk and the level of exposure assumed by Grupo Credito and Credicorp's subsidiaries and oversees relevant improvements in comprehensive risk management at these entities.

<sup>1</sup>Sustainability Report – Enhancing our Governance Framework, page 72.

## Risk Committee at Grupo Credito

This committee represents Grupo Credito's Board in decision-making processes relative to risk management at Grupo Credito and Credicorp's facilities. Additionally, the committee presents proposals to the Board of Grupo Credito to set levels of appetite for risk for the group's businesses. The Committee defines the strategies that will be used to adequately manage different types of risk; supervise the appetite for risk; and determine the principles, policies, and general limits to which Grupo Credito and Credicorp's subsidiaries will be subject.

In addition to efficiently managing all types of risk, the Risk Committee for Grupo Credito is supported by the following committees, which report changes and relevant concerns regarding risk management on a periodic basis:





## Central Division for Risk Management at Credicorp

The Central Division for Risk Management at Credicorp informs the Risk Committee at Credicorp about the level of compliance with the appetite for risk and regarding the level of exposure assumed by Grupo Credito and Credicorp's subsidiaries. This division also proposes levels of appetite for risk for Credicorp Ltd.

## Central Division for Risk Management at Grupo Credito

The Central Division for Risk Management at Grupo Credito is responsible for implementing the policies, procedures, methodologies and actions used to identify, measure, monitor, mitigate, report and control the different risks to which the Grupo Credito and Credicorp's subsidiaries are exposed. The division is also responsible for participating in efforts to design strategic plans for the business units to ensure that they are aligned with the risk parameters approved by Grupo Credito's Board. The objective is to promote the importance of adequate risk administration throughout the group and to set guidelines for the units to ensure that risk is identified in a timely manner and dealt with accordingly.

## Change in the structure of the Central Division for Risk Management

In 2020, the Division for Non-Financial Risk was created to develop a strategy that is aligned with the objectives and with the risk appetite set by the Board. This strategy seeks to strengthen the management process; generate synergies; optimize resources; and improve the results achieved by the units responsible for non-financial risk management at the companies in the Grupo Credito and at Credicorp's subsidiaries. The Division is comprised of the following units: the Cybersecurity Management Area; Corporate Security Management Area; Operating Risk Management Area; and the Office to Manage Digital Risk on Projects.

A Corporate Risk Management Division was also created. Its purpose is to oversee and implement the use of good risk management practices at each of the Group's companies.

## Corporate Programs

In 2020, through the new Corporate Risk Management Division, improvements were made in the governance framework to facilitate efficient decision-making with regard to risk management.

Along these lines, corporate programs were rolled out at the Group's companies. Objective key results (OKR) were defined for the following risk functions: market risk, model risk and risk management for retail loans. Oversight of these indicators helped us implement better practices at the subsidiary level and facilitated control at the corporate level. The capacities of the corporate teams to reach the goals set by the OKRs were reinforced.

On the financial risk front, a model map was developed for each of the companies

to identify the main gaps and develop plans of action to address them. At the model risk level, we reach 72% of model coverage in accordance with the governance plans defined for our companies.

## Corporate Policies

We have corporate policies to manage risks, which establish the roles and responsibilities in processes to manage the main risks that we face. We have a framework policy that provides general guidelines for management and use specific policies to govern the most relevant risks. It is important to note that the particularities of each of the Group's businesses have been taken into consideration when designing and implementing policies. These considerations include both the size of the business and the complexity of its operations.



## C. CREDIT RISK

### Loans, provisions and coverage

Credit risk is the most significant risk for our activities and is defined as the probability of suffering losses due to debt repayment problems relative to borrowers or to counterparties in exposures assumed off and on the balance sheets.

At the end of December 2020, the balance of direct and indirect loans was S/157,638 million<sup>1</sup>, which represented an increase of 16.0% with regard to the level reported in December 2019. Net provisions for loan losses<sup>2</sup> totaled S/10,436 million. In this context, at the end of December 2020, the coverage ratio<sup>3</sup> was situated at 6.62%, versus 4.01% at the end of December 2019.

### Loans, provisions and the Credicorp's coverage ratio by business

Company	Direct and Indirect Loans		Provisions		Coverage Ratio	
	2019	2020	2019	2020	2019	2020
BCP and branches	111,958	130,931	4,176	7,951	3.73%	6.07%
Mibanco	10,630	12,902	937	1,822	8.81%	14.12%
BCP Bolivia	9,475	9,734	251	486	2.65%	4.99%
ASB	2,344	2,621	-	1	0.00%	0.04%
Mibanco Colombia	799	940	68	165	8.51%	17.55%
Other	683	510	22	11	3.22%	2.16%
<b>Total</b>	<b>135,889</b>	<b>157,638</b>	<b>5,454</b>	<b>10,436</b>	<b>4.01%</b>	<b>6.62%</b>

Figures in S/ millions.  
Source: Corporate Accounting Area.

<sup>1</sup> Direct and indirect loans include contingent accounts for guarantees, performance bonds and letters of credit. This does not include accrued interest.

<sup>2</sup> Provisions are calculated under IFRS 9 and include provisions for contingent accounts for guarantees, performance bonds and letters of credit.

<sup>3</sup> The coverage ratio is equal to the provisions divided by direct and indirect loans.

# Credit Process

## Wholesale Banking



### ADMISSION

- A loan assessment process is conducted for each client or economic group.
- The policies and procedures to approve transactions are based on conservative criteria that are applied through processes that have common structures in each subsidiary.
- The loan approval process is based mainly on the client's capacity to generate the resources necessary to pay loan principals and interest in given timeframes.
- The assessment requires an analysis of the financial statements and their forecasts as well as the client's credit rating.
- In the context of the National Emergency due to COVID-19, a Sectorial Map was used to prioritize reviews of clients in the hardest-hit sectors of the economy.



### FOLLOW-UP

- Involves making timely identification of changes in the clients' risk based on a system of preventive alerts, which determines levels of deterioration and implements specific corrective actions for each case.
- Developed a tool (Sectorial Map) to classify Wholesale clients by economic sector.
- Determined risk levels based on the current context. Adjusted credit guidelines to reflect new levels of exposure.



### RECOVERY

- Recovery of clients so that they return to the Banking System. If this is not possible, maximize recovery of debt to optimize the provisions level.
- Restructuring and normalization of the financial situation of the clients with non-performing loans, including judicial collections and bankruptcy processes before INDECOPI.
- In the context of COVID-19, reassigned team members based on the number of clients that enter the recovery portfolio.
- Used the Sectorial Map to apply aggressive negotiation strategies that are differentiated by risk level.



## Retail Banking



### ADMISSION

- We have acceptance models and guidelines to grant loans that have been established by the Risk Units in accordance with the guidelines approved by the Risk Committees at the group's companies. Due to COVID-19. Impact scoring was implemented to adjust our models to contemplate the crisis scenarios that our clients may face.
- Loan policies for products include an analysis of payment capacity; loan history; and scores obtained from scoring models, COVID-19 score, among other factors.



### FOLLOW-UP

- We use performance models that allow us to group clients into risk levels; corrective measures are applied accordingly.
- Follow up on indicators for delinquency of portfolio and vintages, profitability and expected loss.
- At the beginning of the COVID-19 crisis, new metrics were created for follow-up; these measurements utilized information recently compiled from (i) surveys of our clients, (ii) demographic information, (iii) requests for assistance from the government or the bank (iv) information on savings accounts or payroll accounts that indicated declining levels; among others.



### RECOVERY

- At BCP, the recovery process is aligned with the industry's best practices, whose stages include pre-delinquency management, automatic management of early delinquency, telephone collections, field collections, judicial recoveries, and recoveries in the charge-off portfolio.
- The negotiations channel with clients is open throughout the collections process to consider refinancing alternatives that are aligned with credit situations.
- Sales of the charged-off and judicial recovery portfolio, which helps improve the NPL ratio.
- To handle the impacts generated by COVID-19, the focus of the recovery process was modified by adjusting protocols; designing new protocols in accordance with clients' risk and liquidity levels; and seeking to provide service alternatives by improving the negotiation and closing processes.



## Models and methodologies for credit risk management

Statistical models constitute a fundamental part of our credit risk management strategy. As such, the Models and Methodologies Area for Risk Management (MMGR) at BCP provides support to build, adjust and/or calibrate models to manage our companies' credit risks. This area is in charge of providing governance guidelines for credit risk models and overseeing their correct application at the corporate level.

In 2020, given that the retail sector- through the Individuals segment- and microfinance, constitute important elements of our business, we implemented a strategy to work closely with new clients

without affecting our current client relationships. To this end, we developed models that use tools for advanced analytics to better meet and understand new segments of clients and unlock opportunities for profit.

The work plan focused on adapting risk instruments to contemplate as many fronts of uncertainty possible in the context of COVID-19. Impact models were built to complement existing tools to analyze the portfolio and loan acceptance by using new sources of internal and external information, including surveys. We also adapted the process to monitor models to reflect the new reality. This new methodological standard was initially developed by BCP and later assumed by Mibanco and BCP Bolivia, which adapted the model to reflect their particular needs.





## D. MARKET RISK

We separate market risk into two groups. In the first group, we include exposure that arises from a fluctuation in the market value of the positions acquired, which are primarily registered in the fair value through profit and loss investments (Trading Book). The second group includes exposure that arise due to a fluctuation in the value of asset and liability and the matching of structural positions registered at amortized cost and in the fair value through other comprehensive income portfolio (Banking Book).

### Trading Book

To manage the trading book, Credicorp applies the VaR (Value at Risk) methodology to its trading portfolio to calculate the market risk of the main positions taken and to determine the maximum loss expected based on a series of assumptions that cover a variety of changes in market conditions. The daily measurement of VaR is a statistical estimate of the potential maximum loss on the current portfolio based on adverse movements in the market and with a confidence level of 99%. The time horizon used to calculate VaR is a day. Nevertheless, the VaR for a day is extended to a time frame of ten days by multiplying the VaR of a day by the square root of 10.

### VaR at Credicorp by risk type

Risk type	2019	2020
Interest rate risk	9,274	163,982
Price risk	7,809	55,748
Volatility risk	463	708
Diversification effect	(6,245)	(84,977)
<b>VaR consolidated by risk type</b>	<b>11,301</b>	<b>135,461</b>

Figures in S/ thousands.

The VaR calculation does not include the effects of the exchange rate, given that these effects are measured in the sensibility of the net monetary position.

The VaR registered an increase as of December 31, 2020 due to rate and price effects in a context of greater volatility on the interest rate and share price fronts due to the pandemic.

Growth in the VaR was also due to an increase in Fixed Income positions, mainly at BCP and Credicorp Capital Colombia. The VaR remained within the limits of the risk appetite set by Risk Management at each subsidiary.

Additionally, risk management for the Trading Book is accompanied by the use of indicators for stressed VaR and economic capital, which reflect the trading portfolio's exposure to extreme movements in the risk factors to which it is subject.

These indicators have a structure for limits and autonomies for each of the Group's companies, which depends on the size of the positions and/or volatility of the risk factors contemplated for each financial instrument. This is, in turn, calculated based on the appetite for risk. On a regular basis, reports are prepared for Credicorp's Risk Committee and for management at each of the Group's companies. There is also a limit for the appetite for risk associated with the Trading Book at Credicorp, which is monitored and subsequently communicated to Credicorp's Risk Committee.

Exchange rate risk is measured through the sensitivity of each foreign exchange position (the calculation considers the foreign exchange position in dollars given that the position in other currencies is not significant). The market risk unit at each subsidiary monitor and controls each foreign exchange position and the exchange rate risk derived from the same. In terms of the limits on the foreign exchange position, each of the subsidiaries sets its limits for subsequent approval by their risk committees. BCP has set a minimum structural exchange rate position in foreign currency, which is controlled and monitored on a daily basis. The other strategies for foreign exchange rate management are contained in the portfolios of the Trading Book and consume the limits defined for each.

There is also a limit for Credicorp's global exchange position in foreign currency, with is monitored and subsequently communicated to the Credicorp's Risk Committee.

Throughout the year, and in a context of uncertainty due to COVID-19, on-going assessments were conducted of stress scenarios to anticipate potential losses and generate plans of action to mitigate it.

Additionally, we reviewed current models and methodologies to guarantee that volatility is adequately reflected in indicators for market risk and in valuations of instruments.

## Banking Book

Banking book management at Credicorp covers the identification, measurement, evaluation, control and monitoring of Liquidity Risk and Structural Risk relative to the Interest Rate.

Liquidity Risk Management entails an inability to pay or refinance obligations that have been previously agreed on to maturity due to situations of mismatching of assets and liabilities, and the inability to liquidate investment positions that are subject to Price Risk, without generating adverse changes in the value of these positions.

Each of Credicorp's subsidiaries manages liquidity risk according to corporate indicators:

- **Internal Liquidity Coverage Ratio (LCR):** which measures liquidity risk for periods of 15, 30 and 60 days. This ratio is calculated by currency and by scenario (Systemic and Specific).

- **Internal Net Stable Funding Ratio (NSFR):** which measures structural liquidity risk for periods over one year. This indicator ensures that a bank is financed by stable funding.

Additionally, we follow up on the liquidity gap, which is also known as the duration gap, which provides a picture of the liquidity status within a specific gap.

These indicators have structures that contemplate limits and autonomies for each of the subsidiaries, which are subsequently included in the companies' contingency plans for liquidity. At the Credicorp level, there limits for risk appetite are incorporated in these indicators, which are monitored and communicated to the Risk Committees.

In 2020, in a context of high uncertainty, on-going assessments were conducted to ensure that sufficient liquid assets are available to cover or mitigate any contingencies that may stress the fund requirements at the Group's companies.

Interest Rate Risk Management in the banking book monitors variations in the interest rate

that can negatively affect anticipated gains or the market value of assets and liabilities in the balance book. Credicorp follows up on all products that are sensitive to interest rate variations through the Repricing Gap, which is a sensitivity analysis that uses the PaR (Profit at Risk) calculation methodology and NEV (Net Economic Value).

Interest rate risk management is complemented with calculations of Economic Capital for ALM, which contemplates adverse and extreme behavior in the interest rate curves that place stress on the financing and asset structure of each of Credicorp's subsidiaries.

In the scenario of COVID-19, the process to develop new strategies and products to provide financial relief to clients was carefully monitored. The impact of these initiatives was reflected in the structure of the balance as we worked to ensure that levels of exposure to interest rate risk; economic value; and margins were aligned with the appetite for risk.

## E. CALCULATION OF IFRS 9 PROVISIONS

International Financial Reporting Standard 9 (IFRS 9) went into effect on January 1, 2018 and introduced a new model for impairment based on expected loan losses for the loan and investment, which are account under amortized cost and the fair value through other comprehensive income portfolios. IFRS 9 differs significantly from that of its predecessor, NIC 39<sup>1</sup>, which was based on an estimate of incurred loan losses.

The estimate of loan losses under IFRS 9 at Credicorp is the product of the following parameters: (i) probability of default (PD), (ii) loss given default (LGD) and (iii) exposure at the time of default (EAD), discounted at the reporting date using the effective interest rate or an approximation of the same. This also takes into consideration information on current conditions as well as projections of future macroeconomic events and conditions

in three scenarios (base, optimistic and pessimistic), which are weighted to obtained expected loss.

In 2020, we estimated expected loss on a monthly basis for all of our companies' portfolios. Additionally, we completed the IFRS 9 strategic tool, which will replace the current tactical tool to calculate provisions as of the second semester of 2021. This tool will allow us to speed up execution and simulation times in different scenarios.

Additionally, in a context of economic crisis, we made a series of adjustments to the internal credit risk models that we use to estimate IFRS 9 provisions, including:

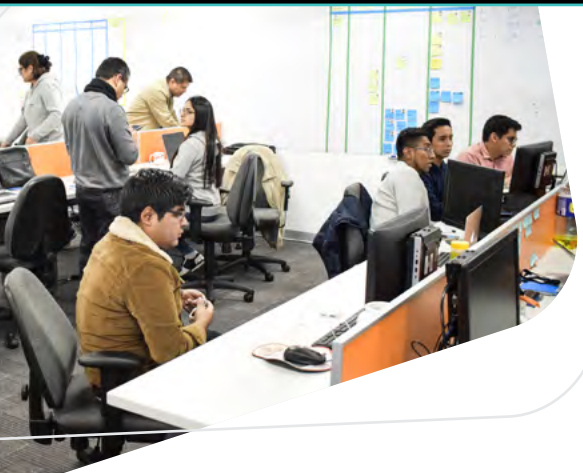
- We reviewed internal models to make updates, using representative surveys of our clients, who were asked about how they had been impacted by the pandemic, and updated information on client transactions during the confinement period. This allowed us to classify clients by types to assign granular risk in line with the initial payment indicators observed and portfolio maturities (real observed data that complements the assumptions made).

- We adjusted LGD estimates with updated information on assumptions, costs of recovery and payments by delinquent clients to determine the pandemic's impact on recoveries, which have been affected primarily by delays in judicial processes, a deterioration in the value of collateral and an increase in penalties
- We updated our macroeconomic projections to reflect the new expectations that had been generated by the pandemic.

Finally, the Area for Risk Model Management, Internal Auditing and External Auditing conducted a series of validations of both methodologies and procedures to ensure that provisions are adequately estimated.



<sup>1</sup> International accounting standard.



## F. INSURANCE UNDERWRITING RISK

The main risk that Credicorp faces in terms of insurance contracts is that the real costs of claims and payments or the advent of the same differ from expectations. This risk is affected by claims frequency, the severity of claims, real compensation and the subsequent development of long-term claims. As such, the group's objective is to guarantee that enough reserves are in place to cover these obligations.

### Policy to set aside Underwriting Reserves

Credicorp permanently monitors the sufficiency of its reserves by taking measures when necessary to anticipate potential adverse results. The corporation hires independent and highly prestigious advisory firms that provide actuarial services. These companies are responsible for certifying the existence of adequate underwriting reserves at the companies that are part of Credicorp's insurance group.

To protect the interests of our insured, and to comply with regulatory requirements, Credicorp monitors and measures the

variables that may compromise the insurance group's solvency and, as such, affect its capacity to honor its future obligations. As such, we quantify the impact that future strategic decisions may have on these indicators. The methodologies that are used to determine the reserve levels at the group's insurance companies follow the guidelines set by current regulations.

In 2020, an increase was registered in the number of reserves that were set aside; this was primarily driven by the evolution of the Life business, which posted growth in claims for COVID-19 related mortality. This growth was partially offset by a decrease in claims relative to Non-Life products, mainly through the Cars and Medical Assistance lines.

## G. OPERATING RISK

Operating risks encompass losses due to inadequate processes, employee or IT errors, relationships with third parties or external events. These risks can produce financial losses and generate repercussions at the legal and regulatory level, but exclude strategic and reputation risks. In this context, operating risks are grouped into internal fraud; external fraud; labor relations and occupational safety; relations with our clients; business products and practices; damage to material assets; business and system interruption; and errors relative to execution, delivery and management of processes.

We focused on operating risk on four fronts by establishing corporate guidelines and sharing methodologies and best practices with all of the Group's companies:

- **Operating risk management:** one of pillars of development is to develop an efficient risk culture. To accomplish this, we have a map of risks and process controls to monitor, prioritize and propose mitigating actions based on a previously established governance scheme.
- **Business continuity management:** we have strategies to recover the resources that support the organization's core products and services, which are based on best practices and regulatory requirements. The effectiveness of these strategies is measured periodically.
- **Information security management:** conducted through a systemic process that is documented and known by the entire organization; based on best practices

and regulatory requirements. We design and develop corporate guidelines with strategies that contemplate the availability, privacy and integrity of the organization's information assets.

- **Risk transfer management:** We rely on insurance policies to recover losses associated with operating risks that materialize. Our policies are both international and national and contemplate individual or corporate coverage for losses relative to incidents of fraud, third-party and professional liability, cybernetic risks, damages to the bank's physical assets, among others. Policies are designed to cover the main operating risks at each subsidiary and are reflect the organization's appetite for risk. The objective over time is to identify efficiencies at the policy cost level by working with Pacifico Seguros y Reaseguros and the largest reinsurance brokers in the international market.

In the first quarter of 2020, in the framework of our crisis management and business continuity plans, each company activated its own crisis committee to define and manage strategies; execute protocols; respond to needs in the context of COVID-19; and mitigate negative impacts on the organization. The committees' goals were to protect the health of employees and clients; ensure operating continuity; provide adequate financial solutions to clients and employees; and assure income generation.

## H. MODEL RISK MANAGEMENT

The mission of the Area of Risk Model Management (ARM) at BCP is to manage the Group's portfolio of models to minimize potential losses due to defects in construction, maintenance or use of the same.

In 2020, we made significant progress in our efforts to control model risk through a dashboard to monitor portfolio health indicators and ensure compliance with governance guidelines. On the credit risk front, standards were implemented and managed for models throughout the life cycle.

## I. CYBERSECURITY

Like the majority of important financial companies, we are exposed to fraud perpetrated by employees or external parties; unauthorized transactions by employees; operating errors (administrative or registry maintenance); errors linked to computer or telecommunications systems; among others. We make constant efforts to offer more and better functionalities to our clients by expanding our product and service offerings through diverse digital channels, which increases both our presence and visibility. In this scenario, we are susceptible to cyberattacks.

To address these risks, we used a governance approach that focuses on specialized roles. In 2020, our lines of defense at the cybersecurity level incorporated higher levels of specialization and reflected greater maturity. We implemented security technologies and made improvements to processes to monitor and respond to incidents and to strengthen critical supplier management. To accomplish

this, we leveraged the expertise of internal and third-party specialists in security and cybersecurity (CyberSOC).

Our objective is to make decisions based on risks and to focus our efforts on implementing more cost-efficient strategies. At BCP, we implemented the Factor Analysis of Information Risk (FAIR) methodology to quantify and prioritize cybersecurity risk; this tool will be launched across subsidiaries.

Finally, in the context of COVID-19, we worked to identify, prioritize and mitigate the risks to which the Group is exposed. The "new normal" obligated us to reset our monitoring priorities and deepen improvements in processes. For this purpose, we (i) conducted periodic phishing tests to alert our employees and educate them to identify and report suspicious email activity, (ii) imparted cybersecurity courses to train personnel at all subsidiaries to observe good practices and identify potential threats, and (iii) improved our governance of the awareness program by approving the strategy to launch campaigns and send both communications and bulletins.

## J. FRAUD AND SECURITY MANAGEMENT

In 2020, we set up a Corporate Fraud and Security Committee to implement a scheme of governance for security and fraud for different areas of the Group. This scheme was developed in accordance with the regulatory requirements of each subsidiary; focused on standardizing strategies; adapted management models (focusing primarily on prevention); and implemented best international practices.

Additionally, the fraud and security team was included in the digital transformation and operating continuity processes. This team also began working to generate initiatives to strengthen the Group's culture and training, with a specific emphasis on new threats of cyber-crime.

In 2020, our crisis plan focused on providing specialized corporate services to support efforts to detect and head off fraud.

Additionally, best practices and protocols to prevent physical security risks and fraud were set in our Corporate Committees. Finally, to address incidents in the context of COVID-19, we rolled out prevention and response initiatives on 3 fronts:

- Support for Physical Security for the branch network to provide essential services during the quarantine.
- Transactional monitoring of client accounts that suffered computer or cybernetic fraud, which was mainly executed through social engineering and trojan downloads that seek to appropriate funds and impersonate clients in digital and physical channels. The number of incidents in 2020 tripled with regard to that registered in 2019.
- Specialized activities for Computer Forensics and Hyperintelligence by Cyber-crime. We conducted more intelligence in this area given the uptick in the use of digital channels and lodged a number of criminal complaints against cyber criminals.



## K. CAPITAL

### Solvency Management

Credicorp actively manages the capital base to cover the risks that are inherent to its activities. The Group's capital adequacy is monitored through, among other measures, the norms and ratios established by the regulator.

The objectives of capital management are:

- (i)** Fulfill the requirements established for the risk appetite and those set by the regulators of the sectors where the group's businesses operate.
- (ii)** Safeguard the capacity to continue operating to generate returns for shareholders.
- (iii)** Maintain a solid capital base to support the development of its activities.

At the end of 2020, shareholders' equity at Credicorp totaled S/ 28,969.3 million, versus S/ 25,732.4 million in 2019. In February 2020, an ordinary dividend distribution was made to third parties for 2,392.8 million, in keeping with our history of increasing dividends over time to benefit our shareholders. It is important to note that shareholders' equity at Credicorp exceeded the minimum regulatory requirement in effect as of December 31, 2020 by S/ 7,973.9 million, and as such, the organization is fully compliant with current regulations.

### Economic Capital

Economic capital represents the level of backing that a financial entity needs to protect itself from economic insolvency, which can be generated by unexpected shocks that adversely affect the value of assets and liabilities. Since 2011, Credicorp has used an economic capital model to preserve its target solvency levels in a sustained manner to maintain the organization's international risk rating above scales equivalent to BBB+ and ensure the adequate risk-adjusted profitability.

Economic capital models work to complement the regulatory capital requirements and align with the industry's best practices. As such, the main risks that each of the Group's subsidiaries faces (credit risk, ALM risk, market risk, underwriting risk, business risk and operating risk) are consolidated in a single metric, incorporating the benefits of the diversification of distinct risk factors.





# FINANCIAL STATEMENTS

6

# CREDICORP LTD. AND SUBSIDIARIES

## Consolidated statement of financial position As of december 31, 2020 and 2019

Assets	Note	2020 S/(000)	2019 S/(000)
Cash and due from banks:			
Non-interest-bearing	4	8,176,612	6,177,356
Interest-bearing		<u>28,576,382</u>	<u>19,809,406</u>
		36,752,994	25,986,762
Cash collateral, reverse repurchase agreements and securities borrowing	5(a)	2,394,302	4,288,524
Investments:			
At fair value through profit or loss	6(a)	6,467,471	3,850,762
At fair value through other comprehensive income		42,746,061	24,614,050
At fair value through other comprehensive income pledged as collateral	6(b)	<u>997,828</u>	<u>1,588,673</u>
		43,743,889	26,202,723
Amortized cost	6(c)	2,196,220	1,907,738
Amortized cost pledged as collateral		<u>2,766,162</u>	<u>1,569,308</u>
		4,962,382	3,477,046
Loans, net:			
Loans, net of unearned income		137,659,885	115,609,679
Allowance for loan losses		<u>(9,898,760)</u>	<u>(5,123,962)</u>
		127,761,125	110,485,717

Assets	Note	2020 S/(000)	2019 S/(000)
Financial assets designated at fair value through profit or loss	8	823,270	620,544
Premiums and other policies receivable	9(a)	937,223	838,731
Accounts receivable from reinsurers and coinsurers	9(b)	919,419	791,704
Property, furniture and equipment, net	10	1,374,875	1,428,173
Due from customers on acceptances		455,343	535,222
Intangible assets and goodwill, net	11	2,639,97	2,532,087
Right-of-use assets, net	12(a)	702,928	821,840
Deferred tax assets, net	19(c)	1,693,655	520,848
Other assets	13	5,777,990	5,478,657
<b>Total assets</b>		<b>237,406,163</b>	<b>187,859,340</b>

# CREDICORP LTD. AND SUBSIDIARIES

## Consolidated statement of financial position As of december 31, 2020 and 2019

Liabilities	Note	2020 S/(000)	2019 S/(000)
Deposits and obligations:	14		
Non-interest-bearing		47,623,119	28,316,170
Interest-bearing		94,742,383	83,689,215
		142,365,502	112,005,385
Payables from repurchase agreements and securities lending	5(b)	27,923,617	7,678,016
Due to banks and correspondents	15	5,978,257	8,841,732
Banker's acceptances outstanding		455,343	535,222
Accounts payable to reinsurers	9(b)	338,446	216,734
Lease liabilities	12(b)	750,578	830,153

Liabilities	Note	2020 S/(000)	2019 S/(000)
Financial liabilities at fair value through profit or loss	3(f)(v)	561,602	493,700
Technical reserves for insurance claims and premiums	16	11,675,076	9,950,233
Bonds and notes issued	17	16,319,407	14,946,363
Deferred tax liabilities, net	19(c)	105,529	134,204
Other liabilities	13	5,487,159	5,481,288
<b>Total liabilities</b>		<b>211,960,516</b>	<b>161,113,030</b>

# CREDICORP LTD. AND SUBSIDIARIES

## Consolidated statement of financial position As of december 31, 2020 and 2019

Equity, net	Note	2020 S/(000)	2019 S/(000)
Equity attributable to Credicorp's equity holders:	18		
Capital stock		1,318,993	1,318,993
Treasury stock		(208,433)	(207,839)
Capital surplus		192,625	226,037
Reserves		21,429,635	19,437,645
Other reserves		1,865,898	1,088,189
Retained earnings (losses)		<u>347,152</u> 24,945,870	<u>4,374,935</u> 26,237,960
Non-controlling interest		499,777	508,350
<b>Total equity, net</b>		<b>25,445,647</b>	<b>26,746,310</b>
<b>Total liabilities and net equity</b>		<b>237,406,163</b>	<b>187,859,340</b>

# CREDICORP LTD. AND SUBSIDIARIES

## Consolidated statement of income For the years ended december 31, 2020, 2019 and 2018

	Note	2020 S/(000)	2019 S/(000)	2018 S/(000)
Interest and similar income	22	11,547,648	12,381,664	11,522,634
Interest and similar expenses	22	(2,976,306)	(3,289,913)	(3,033,529)
<b>Net interest, similar income and expenses</b>		<b>8,571,342</b>	<b>9,091,751</b>	<b>8,489,105</b>
Provision for credit losses on loan portfolio	7(c)	(6,080,289)	(2,100,091)	(1,814,898)
Recoveries of written-off loans		159,781	254,155	283,190
<b>Provision for credit losses on loan portfolio, net of recoveries</b>		<b>(5,920,508)</b>	<b>(1,845,936)</b>	<b>(1,531,708)</b>
<b>Net interest, similar income and expenses, after provision for credit losses on loan portfolio</b>		<b>2,650,834</b>	<b>7,245,815</b>	<b>6,957,397</b>
<b>Other income</b>				
Commissions and fees	23	2,912,778	3,232,781	3,126,857
Net gain on foreign exchange transactions		622,783	748,382	737,954
Net gain on securities	24	523,082	546,814	242,829
Net gain on derivatives held for trading		40,789	6,043	13,262
Net gain from exchange differences		19,804	19,520	16,022
Others	29	286,981	344,229	273,882
<b>Total other income</b>		<b>4,406,217</b>	<b>4,897,769</b>	<b>4,410,806</b>

	Note	2020 S/(000)	2019 S/(000)	2018 S/(000)
<b>Insurance underwriting result</b>				
Net premiums earned	25	2,428,060	2,394,243	2,061,481
Net claims incurred for life, general and health insurance contracts	26	(1,708,113)	(1,531,418)	(1,212,198)
Acquisition cost		(361,814)	(365,848)	(380,310)
<b>Total insurance underwriting result</b>		<b>358,133</b>	<b>496,977</b>	<b>468,973</b>
<b>Other expenses</b>				
Salaries and employee benefits	27	(3,312,954)	(3,411,023)	(3,219,875)
Administrative expenses	28	(2,386,108)	(2,361,117)	(2,317,829)
Depreciation and amortization	10 y 11(a)	(497,910)	(455,033)	(429,122)
Impairment loss on goodwill	11(b)	(63,978)	-	(38,189)
Depreciation for right-of-use assets	12(a)	(172,005)	(169,406)	-
Others	29	(758,068)	(268,469)	(239,947)
<b>Total other expenses</b>		<b>(7,191,023)</b>	<b>(6,665,048)</b>	<b>(6,244,962)</b>
<b>Profit before income tax</b>		<b>224,161</b>	<b>5,975,513</b>	<b>5,592,214</b>
Income tax	19(b)	109,977	(1,623,182)	(1,520,909)
<b>Net profit</b>		<b>334,138</b>	<b>4,352,331</b>	<b>4,071,305</b>
<b>Attributable to:</b>				
Credicorp's equity holders		346,894	4,265,304	3,983,865
Non-controlling interest		(12,756) 334,138	87,027 4,352,331	87,440 4,071,305
<b>Net basic and dilutive earnings per share attributable to Credicorp's equity holders (in Soles)</b>				
Basic	30	4.37	53.66	50.13
Diluted	30	4.36	53.53	49.99

# CREDICORP LTD. AND SUBSIDIARIES

## Consolidated statement of comprehensive income For the years ended december 31, 2020, 2019 and 2018

	Note	2020 S/(000)	2019 S/(000)	2018 S/(000)
<b>Net profit for the year</b>		<b>334,138</b>	<b>4,352,331</b>	<b>4,071,305</b>
<b>Other comprehensive income:</b>				
<b>To be reclassified to profit or loss in subsequent periods:</b>				
Net gain (loss) on investments at fair value through other comprehensive income	18(d)	714,362	1,064,859	(642,505)
Income tax	18(d)	<u>(11,717)</u> 702,645	<u>(22,259)</u> 1,042,600	<u>11,831</u> (630,674)
Net movement on cash flow hedges	18(d)	(16,402)	(37,851)	41,241
Income tax	18(d)	<u>3,933</u> (12,469)	<u>10,290</u> (27,561)	<u>10,942</u> 30,299
Other reserves	18(d)	(263,820)	(666,556)	-
Income tax	18(d)	<u>28,846</u> (236,974)	<u>-</u> (666,556)	<u>-</u> -
Exchange differences on translation of foreign operations	18(d)	258,271	(58,323)	45,655
Net movement in hedges of net investments in foreign businesses	18(d)	<u>(1,219)</u> 257,052	<u>-</u> (58,323)	<u>-</u> (45,655)
<b>Total</b>		<b>710,254</b>	<b>290,160</b>	<b>(554,720)</b>

	Note	2020 S/(000)	2019 S/(000)	2018 S/(000)
<b>Not to be reclassified to profit or loss in subsequent periods:</b>				
Net gain in equity instruments designated at fair value through other comprehensive income	18(d)	73,270	91,512	20,971
Income tax	18(d)	<u>3,414</u> 76,684	<u>5,999</u> 97,511	<u>(168)</u> 20,803
<b>Total</b>		<b>76,684</b>	<b>97,511</b>	<b>20,803</b>
<b>Total other comprehensive income</b>	<b>18(d)</b>	<b>786,938</b>	<b>387,671</b>	<b>(533,917)</b>
<b>Total comprehensive income for the year, net of income tax</b>		<b>1,121,076</b>	<b>4,740,002</b>	<b>3,537,388</b>
<b>Attributable to:</b>				
Credicorp's equity holders		1,124,603	4,645,040	3,455,682
Non-controlling interest		<u>(3,527)</u> 1,121,076	<u>94,962</u> 4,740,002	<u>81,706</u> 3,537,388



# ANNEXES

7

## A. ECONOMIC GROUP

In accordance with the stipulations in Circular 090-2017-SMV, companies that list on the Lima Stock Exchange must produce an Annual Report according to the guidelines set forth in the “Manual to Prepare Annual Reports, Quarterly Reports and other Informative Documents” and in the “Common Rules to Determine the Contents of Informative Documents.” In compliance with the requirements established by the Superintendence of the Securities Market and with those set forth in the aforementioned rules, the following section of our Annual Report contains, among other elements, a brief description of each of the subsidiaries in the Credicorp economic group.

### Credicorp Ltd. (“Credicorp”)

Credicorp is a holding company and the main shareholder of Grupo Credito, Atlantic Security Holding Corporation, Pacifico Compania de Seguros y Reaseguros S.A., Credicorp Capital Ltd and CCR Inc. Founded in Bermuda in 1995, Credicorp’s principal activity is to manage, in a coordinated manner, the design and execution of its subsidiaries’ business plans to implement universal banking and financial services in Peru while selectively diversifying at the regional level. Credicorp conducts business exclusively through its subsidiaries.





## Subsidiary Companies of Credicorp

### Grupo Credito S.A.

Grupo Credito is a wholly-owned subsidiary of Credicorp. Its corporate purpose is to engage in all types of commercial activities; invest in securities; purchase and sell shares and securities; and engage in business in general. Grupo Credito currently owns 97.71% of the shares of BCP and Subsidiaries, 99.99% of Prima AFP, 99.99% of Credicorp Peru S.A.C. (formerly Cobranzas y Recuperos S.A.C), 99.90% of Grupo Credito Inversiones S.A., 99.99% of Soluciones en Procesamiento Peru S.A. – Servicorp; 99.91% of Inversiones 2020 S.A., and 98.15% of Inversiones Credicorp Bolivia S.A., which in turn holds 95.84% of Banco de Credito de Bolivia S.A., 99.93% of Credifondo Sociedad Administradora de Fondos de Inversion S.A. Bolivia and 99.80% of Credibolsa S.A. Agencia de Bolsa – Bolivia. Grupo Credito S.A. holds 90.60% of Compania Incubadora de Soluciones Moviles S.A., 85% of Fondo de Inversion Independencia II and 100% of Krealo S.P.A. and subsidiaries.

### Atlantic Security Holding Corporation

This company was incorporated in the Cayman Islands. It is a wholly-owned subsidiary of Credicorp. Atlantic Security Holding Corporation owns 100% of the shares of Atlantic Security Bank (ASB), ASB Bank Corp, Atlantic Security Int. Financial Services Inc., Atlantic Security Private Equity General Partner, Atlantic Private Equity Investment Advisor and 96% of ESIMSA.

### CCR Inc.

This vehicle was established in Bermuda to manage BCP's securitization transactions in the international market, which are guaranteed by future collections on payment orders for international fund transfers in US Dollars that are received by the foreign banks associated with the Society for Worldwide Interbank Financial Telecommunications (SWIFT). This subsidiary is 100% owned by Credicorp.

### Credicorp Capital Ltd.

Credicorp Capital Ltd is 100% subsidiary of Credicorp, was chartered in Bermuda in 2012. Credicorp Capital Ltd holds 99.99% of the shares of Credicorp Capital Holding Chile S.A.; 100% of Credicorp Capital Holding Colombia S.A.S.; 100% of Credicorp Capital Securities; 100% of Credicorp Capital UK Limited; 99.99% of Credicorp Capital Holding Peru S.A.A.; and 100% of Credicorp Capital USA Inc. and subsidiaries.

### Pacifico Compania de Seguros y Reaseguros S.A.

On August 1, 2017, a merger by absorption took place between El Pacifico Vida Compania de Seguros y Reaseguros and El Pacifico Peruano Suiza Compania de Seguros y Reaseguros ("PPS"), forming a new entity known as Pacifico Compania de Seguros y Reaseguros S.A. Credicorp Ltd. holds 65.20% and Grupo Credito, 33.59%.

Pacifico Peruano Suiza Compania de Seguros y Reaseguros ("PPS") was the insurance company that was created by the merger of El Pacifico Compania de Seguros y Reaseguros and Compania de Seguros y Reaseguros Peruano Suiza, both of which had been present in the Peruvian insurance market for more than 45 years. El Pacifico Vida Compania de Seguros y Reaseguros initiated operations on January 1, 1997, positioning as a specialist in this type of insurance.

In 1999, PPS incorporated a new subsidiary, named Pacifico S.A. Entidad Prestadora de Salud (Pacifico Salud "EPS"), holding 99.99% of the shares. The main activity of Pacifico Salud is to provide preventive and restorative healthcare services and act as an alternative to the public health system. In January 2015, a joint venture was established with Banmedica, of which Pacifico Compania de Seguros y Reaseguros S.A. possesses 50%.

Pacifico Compania de Seguros y Reaseguros S.A. directly holds 48% of Crediseguro S.A. Seguros Personales and 48.04% of Crediseguro S.A. Seguros Generales, both of which are domiciled in Bolivia. Finally, it holds 100% of Pacifico Asiste S.A.C.

## Subsidiary Companies of the Grupo Credito S.A.

### Banco de Credito del Peru – BCP

BCP is a commercial bank. It was established in Peru in 1889. The Bank's operations are currently governed by the General Law of the Financial and Insurance Systems and Organic Systems of the SBS. Grupo Credito is the main shareholder; it owns 97.71% of the shares directly. BCP is the largest institution in the Peruvian financial system and is the leading financial service provider.

### Prima AFP

This company is a private pension fund manager and is 99.99% owned by Grupo Credito S.A. It was founded in 2005. In 2006, Prima AFP acquired 100% of the shares of AFP Union Vida, another pension fund manager, through a merger.

### Credicorp Peru S.A.C (formerly Cobranzas y Recuperos S.A.C).

Credicorp Peru engages in all kinds of commercial activities, investments in securities, buying and selling shares and securities as well as new business development. The company also engages in extra-judicial and judicial collections for all types of credit instruments, securities or overdue loan portfolios that are either acquired or received from affiliated companies or third parties. This company can also engage in activities to capture, process and digitalize information, develop databases, process securities, evaluate different requests that are credit or non-credit related, engage in collections services, telemarketing, advisory services, administrative services and sales of advertising in addition to all services that are complementary to the aforementioned. Additionally, the company can buy, sell, legally title and register properties that are adjudicated through collections processes. Grupo Credito holds 99.99% of the shares in this company.

### Inversiones 2020

Inversiones 2020 is 99.91% subsidiary of Grupo Credito. It was established in October 1999 and its corporate purpose is to manage and promote the sale of foreclosed real estate properties and/or BCP's properties. In July 2008, it absorbed the companies Inversiones Conexas y Complementarias S.A. and BCP Sociedad de Proposito Especial.

### Inversiones Credicorp Bolivia S.A.

This company is a subsidiary of Grupo Credito, which owns 98.15% of total shares. It was established in February 2013. To date, Inversiones Credicorp Bolivia SA holds 99.93% of the shares of Credifondo SAFI Bolivia, 99.80% of Credibolsa Bolivia, 51.95% of Crediseguro S.A. Seguros Personales, 51.87% of Crediseguros S.A. Seguros Generales, and 95.84% of Banco de Credito Bolivia S.A.

Until April 2016, Banco de Credito Peru possessed 95.84%; currently, this figure stands at 1.77% while Credicorp owns 0.08%.



## Compania Incubadora de Soluciones Moviles S.A. - Culqi

In January 2019, Grupo Credito acquired 91.36% of the shares of this entity. Currently, Grupo Credito holds 90.60%. Culqi was created in December 2013. Its main objective is to develop and operate a technological platform for online payments for digital businesses. Through APIs and e-commerce tools, which are designed for software developers, Culqi connects payment venues and platforms (such as credit cards, debit cards and prepaid cards) with websites, mobile applications, chatbots, IVRs, among others. Culqi also develops online payment bridges; onsite payment through POS or other devices; and methods to capture information, including QR.

## Fondo de Inversion Independencia II

In September 2019, Grupo Credito acquired 85% of the shares of this entity. Fondo de Inversion Independencia II provides personal loans via a digital platform.

## Krealo S.P.A.

Grupo Credito set up Krealo S.P.A. in January 2019 in Chile to make investments in companies, real estate and movable assets. Krealo S.p.A. acquired 100% of Tenpo S.P.A., which provides services and sells digital products, computing tools and telecommunication-related products, and 100% of Tenpo Prepago S.A. (formerly Multicaja Prepago S.A.), which issues and operates prepaid cards.

## Subsidiary Companies of Inversiones Credicorp Bolivia S.A.

### Banco de Credito de Bolivia S.A.

Banco de Credito de Bolivia S.A. is a subsidiary of Inversiones Credicorp Bolivia S.A., which, together with Credicorp, holds 100% of its shares. It was acquired from the Peruvian Government in November 1993, when it was operating under the name Banco Popular S.A. This bank began operations in 1942 as a branch of Banco Popular del Peru.

The Banco de Credito de Bolivia is a commercial bank that serves clients in the corporate banking, middle market banking and personal banking segments. It differentiates among these segments to serve them more efficiently.

### Credibolsa S.A. Agencia de Bolsa

This company was chartered on October 21, 1994. Its purpose is to conduct stock exchange operations through securities trading. Credibolsa S.A. Agencia de Bolsa can also trade securities for third parties; provide advisory and financial consulting services; manage securities portfolios; or represent foreign brokerage firms and foreign natural or legal persons who engage in activities relative to the securities market. The company can make public offers of securities through issuers and invest in the shares of other companies that provide services that are necessary or complementary to the securities market, among other activities. Inversiones Credicorp Bolivia holds 99.80% of total shares in this entity.

## Credifondo SAFI S.A.

This company was chartered on April 7, 2000 to offer investment fund management services. Inversiones Credicorp Bolivia holds 99.93% of the total shares of this entity.

## Crediseguro S.A. Seguros Personales

Crediseguro S.A. Seguros Personales is a limited company. It was incorporated on January 24, 2012 and its legal domicile is in the city of La Paz – Bolivia. The company's sole purpose is, in accordance with Insurance Law N° 1883 of June 25, 1998, to conduct, on its own account, or for third party accounts or accounts associated with third parties, both in Bolivia and abroad, activities related to personal insurance to insure natural persons, covering services relative to health or physical integrity. For this purpose, the company may engage in all businesses and activities that are related to insurance, co-insurance and reinsurance of persons or businesses that are authorized to operate by entities that work in the personal insurance segment. Inversiones Credicorp Bolivia S.A. owns 51.95% of this

company and Pacifico Compania de Seguros y Reaseguros S.A., 48.00%

## Crediseguro S.A. Seguros Generales

This company was chartered in La Paz, Bolivia on 2017. Inversiones Credicorp Bolivia S.A. owns 51.87% of the total shares of this entity, and Pacifico Compañia de Seguros y Reaseguros S.A., 48.04%.

## **Subsidiary Companies of Atlantic Security Holding Corporation**

### Atlantic Security Bank – ASB

This bank was chartered in Cayman Islands and engages in fund management, private banking, proprietary investment management and commercial banking. ASB was chartered in 1981. It has a branch in Panama and a representative in Lima. It is wholly (100%) owned by the Atlantic Security Holding Corp.

## ASB Bank Corp.

Company incorporated in November 2020 in Panama, in order to carry out fund management activities, private banking, management of the investment portfolio with own and commercial banking funds. ASB Bank Corp. is a 100% subsidiary of Atlantic Security Holding Corp.

### Atlantic Security Private Equity General Partner

This company was established in Cayman Islands to maintain the investment in the Carlyle Peru Fund. It is a wholly (100%) owned subsidiary of the Atlantic Security Holding Corp.

### Atlantic Private Equity Investment Advisor

The company was established in Cayman Islands to provide advisory services to the Carlyle Peru Fund. It is a wholly (100%) owned subsidiary of Atlantic Security Holding Corp.

## Atlantic Security International Financial Services Inc.

Company incorporated in Panama with the purpose of carrying out financial activities. It is a 100% subsidiary of Atlantic Security Holding Corp.

## ESIMSA

Empresa de Servicios Inmobiliarios y de Mantenimiento S.A. (ESIMSA) is a limited liability company. It was established on October 3, 2012 in La Paz- Bolivia. ASHC holds 96% of the total shares in this entity.

The purpose of this company is to engage in proprietary, third party or third-party associated transactions involving the real estate business and associated activities. The company provides services relative to real estate and movable properties.

## Subsidiary Companies of Credicorp Capital Ltd.

### Credicorp Capital Holding Chile S.A.

This company was established in Chile in 2012. Credicorp Capital Ltd. owns 99.99% of its shares. Credicorp Capital Holding Chile S.A. owns, in turn, 99.99% of Credicorp Capital Chile.

### Credicorp Capital Chile

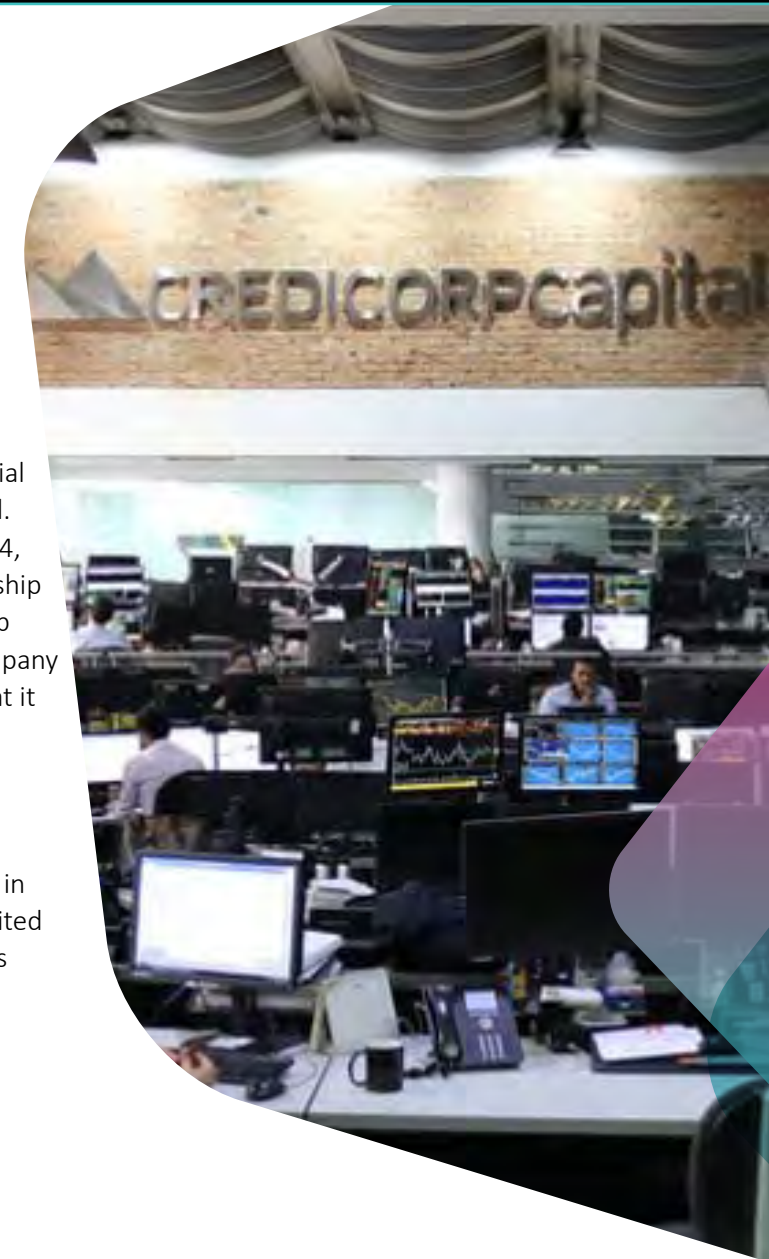
This company was chartered on October 7, 1985. Its purpose is to engage in all types of investments involving movable and immovable assets, both tangible and intangible, shares, bonds, debentures and rights or shares in any companies, promissory notes, bills of exchange, certificates of deposit, negotiable documents and, in general, all kinds of transferable securities and commercial effects in addition to issuing common or performance bonds to all types of persons. It holds 99.90% of the shares of Credicorp Capital Asesorias Financieras S.A., 99.95% of Credicorp Capital S.A. Administradora de Inversiones, 99.93% of Credicorp Capital S.A. Corredores de Bolsa, 100% of IM Trust International S.A. and 99.94% of Credicorp Capital Asset Management S.A. Adm. General de Fondos.

### Credicorp Capital Securities

This company was established in Miami, Florida in 2002. It is a broker-dealer and specializes in the purchase and sale of financial instruments and provides financial advice to its clients. Credicorp Capital Ltd. possesses 100% of its shares. In June 2014, FINRA approved the Continuing Membership Application (CMA) presented by Credicorp Capital Securities, which allowed the company to extend the scope of the businesses that it is allowed to conduct.

### Credicorp Capital UK Limited

This company was established in England in January 2014 to capture clients in the United Kingdom. Credicorp Capital Ltd. possesses 100% of the shares of this entity.



## Credicorp Capital Holding Peru S.A.

This company was established in Peru in June 2015. Its corporate purpose was to serve as the Peruvian holding of the Investment Bank. It directly holds 85.04% of the total shares of Credicorp Capital Peru S.A.A. Credicorp Capital Ltd. holds 99.99% of the shares of this entity.

## Credicorp Capital Peru S.A.A.

Credicorp Capital Peru S.A.A began its operations in May 2012 and is a subsidiary of Credicorp Capital Holding Peru S.A. and Credicorp Capital Ltd, which hold 85.04% and 12.795% of its shares respectively. Currently, Credicorp Capital Peru S.A.A. holds 99.99% of the shares of Credicorp Capital Sociedad Agente de Bolsa S.A., 99.99% of Credicorp Capital Sociedad Administradora de Fondos, 99.99% of Credicorp Capital Sociedad Titulizadora S.A., and 99.99% of Credicorp Capital Servicios Financieros S.A. In addition, Credicorp Capital Peru S.A.A. also holds 45% of the shares of Fiduciaria S.A.

## Credicorp Holding Colombia S.A.S.

The company was chartered in Colombia in 2012 and is a wholly owned subsidiary of Credicorp Capital Ltd. Credicorp Holding Colombia S.A.S. in turn holds 82.64% of Credicorp Capital Colombia S.A. (in June 2020 it merged with Ultraserfinco S.A.), 94.93% of Credicorp Capital Fiduciaria S.A., 100% de Credicorp Negocios Digitales S.A.S., 100% de Credicorp Capital Servicios S.A.S. and 85.58% de Mibanco- Banco de la

Microempresa de Colombia S.A (formerly Banco Compartir S.A., which in October 2020 it merged with Edyficar S.A.S.).

## Credicorp Capital USA Inc.

The company was acquired by the Group in November 2019, it is 100% subsidiary of Credicorp Capital Ltd. Also, Credicorp Capital USA Inc. holds 100% of Credicorp Capital Advisors LLC and Ultralat Capital Market Inc.



## Subsidiary Companies of Credicorp Capital Peru S.A.A.

Credicorp Capital Sociedad Agente de Bolsa S.A.

This company was established in 1991 in Peru and its one of the main brokerage houses on the Lima Stock Exchange. It offers services to buy and sell securities and actively participates in placing financial instruments. Credicorp Capital Peru S.A.A holds 99.99% of the shares of Credicorp Capital Sociedad Agente de Bolsa S.A.

Credicorp Capital S.A Sociedad Administradora de Fondos

This company is a mutual fund manager and is one of the largest in the system. Credifondo, which was established in 1994, manages different mutual funds that

channel clients' resources to investment opportunities with varying levels of risk and anticipated returns. Credicorp Capital Peru S.A.A. owns 99.99% of its shares.

Credicorp Capital Sociedad Titulizadora S.A.

This is securitization company was established in 1998 and acts as a fiduciary in asset securitization processes. Credititulos acts as a vehicle to purchase assets, which are subsequently transformed into financial products, which are sold on the market. Credicorp Capital Peru S.A.A. owns 99.99% of its shares.

Credicorp Capital Servicios Financieros S.A.

The company was chartered in Peru in 2012 with the purpose of providing advisory services at the corporate and financial levels. It is a subsidiary of Credicorp Capital Peru, which holds 99.99% of the total shares in this entity.



## Subsidiary Companies of Credicorp Holding Colombia S.A.S.

### Credicorp Capital Colombia S.A.

This company was chartered in Colombia in 1987 to execute commissions contracts for the purchase and sale of securities. It also conducts transactions for its proprietary account to help stabilize market prices and provide liquidity. Credicorp Capital Colombia S.A. manages its clients' securities to execute collections on capital and yields for subsequent reinvestment. This company also manages investment funds; provides advisory services in the capital markets; acts as a broker for securities in the National Registry of Securities; manages third-party portfolios and correspondence agreements; and acts as a broker in the foreign exchange market. Credicorp Holding Colombia S.A.S. holds 82.64%, Credicorp Capital Ltd. holds 10.10% and Credicorp Capital Fiduciaria S.A. holds 7.26%.

On June 27th, 2020, the merger by absorption between Credicorp Capital Colombia S.A. and Ultraserfinco S.A. was carried out; the latter being extinguished.

### Credicorp Capital Fiduciaria S.A.

This company was chartered in Colombia on April 25, 2012 with the purpose of executing all or some of the transactions, actions or services relative to its businesses and fiduciary mandates. Credicorp Holding Colombia S.A.S. holds 94.93% and Credicorp Capital Servicios S.A.S., 5.04%.

### Mibanco – Banco de la Microempresa Colombia S.A

This company was chartered on October 23, 2019 through Public Registry No. 8136. Its primary purpose is to engage in all the businesses and transactions permitted for banking establishments under Colombian law, particularly with regard to capturing resources to engage in active loan operations, notwithstanding the transactions and investments contemplated in the applicable regimen and within the conditions or

limitations indicated for said effect. The bank's purpose is to promote the development of the microfinance market in Colombia by providing loans to micro and small businesses. Credicorp Holding Colombia S.A.S. holds 85.58% of the total shares in this entity.

On October 30th, 2020, the merger by absorption between Banco Compartir S.A. and Edyficar S.A.S was carried out, which formed Mibanco- Banco de la Microempresa de Colombia S.A.

### Credicorp Capital Servicios S.A.S.

Company incorporated in December 2019 in Colombia, its purpose is to carry out commercial activities. Credicorp Holding Colombia S.A.S. owns 100% participation.

### Credicorp Negocios Digitales S.A.S

This company was chartered in March 2019 in Colombia to engage in information system development; computer consulting; and administration of information installations. Credicorp Holding Colombia S.A.S. holds 100% of the shares of this entity.



## Subsidiary Companies of the Banco de Credito del Peru

Mibanco – Banco de la  
Microempresa S.A.

Mibanco S.A., is a limited liability company that was established in Peru in March 2nd, 1998. At the end of December 2020, BCP held 94.93% of this entity and Grupo Credito, 4.99%.

The corporate purpose of the bank is to engage in multiple banking services with a special emphasis on the micro and small business segments. The Bank's operations are governed by the General Law of the Financial System and of Insurance and Organic System of the Superintendence of Banking, Insurance and AFP (herewith "Law of Banking, Insurance and AFP") – Law N°26702. Mibanco S.A. is authorized by SBS to operate as a bank in accordance with the legal provisions in effect in Peru.

Solucion Empresa Administradora  
Hipotecaria S.A.

This company specializes in offering mortgage loans. It was initially established as a financial company in 1979. After several modifications to the company's structure, it became a mortgage loan company in May 2010. BCP owns 100% of its shares.

BCP Emisiones Latam 1 S.A.

This special purpose company is domiciled in Santiago, Chile. It was established in January 2009 and its sole purpose is to invest in all types of real estate securities and debt securities, which are financed through bond issuances in Chile. Currently, BCP maintains 50.39% of its shares and Grupo Credito owns the 49.56%.



## B. PROFESSIONAL PROFILES OF THE BOARD



**Luis Enrique Romero Belismelis**  
Chairman of the Board and Dependent Director

Mr. Romero B. has been a Director of Credicorp Ltd. since 2017 and Banco de Credito del Peru since 2009. He is also a Member of the Board of Pacifico Cia. de Seguros y Reaseguros.

Mr. Romero has worked as Head of Finance and General Manager of different companies

all related to Grupo Romero. Currently, he is Chairman of the Board and Vice Chairman of companies participating in different sectors of the economy, such as, consumer goods, real state, textile, logistics and ports. Mr. Romero B. holds a Bachelor degree of Economics from Boston University (U.S.A.).



**Raimundo Morales**  
Vice Chairman and Dependent Director

Mr. Morales has been the Vice-Chairman of the Board of Directors of Credicorp Ltd. and Banco de Credito del Peru since 2009 and 2008, respectively, as well as of Pacifico Compañía de Seguros y Reaseguros. He joined Banco de Credito del Peru in 1980 and held different executive management positions, including Executive Vice President for Wholesale Banking and Credit and Risk Management. He became CEO of Banco de Credito del Peru in 1990 and served in that role until 2008, when he retired. Mr. Morales was also Chairman of the board and CEO of ASB. He led the IPO for the listing of Credicorp's shares on the NYSE in October 1995.

In addition to his vast knowledge of Credicorp, Mr. Morales brings his experience since 2008 as a director of companies in different

industries, including food, cement, insurance and pension funds. He also has experience in a range of organizations, including ASBANC and Association of AFPs, and was Vice-Chairman of CONFIEP.

Prior to joining Credicorp, Mr. Morales worked for 10 years at Wells Fargo Bank in its offices in San Francisco and Miami (USA), Sao Paulo (Brazil), Caracas (Venezuela), and Buenos Aires (Argentina). His last position at Wells Fargo Bank was as Regional Vice President.

Mr. Morales has a bachelor's degree in economics and administration from the Universidad del Pacifico (Peru) and holds an MBA from the Wharton Graduate School of Finance of the University of Pennsylvania (USA).



**Fernando Fort**  
Dependent Director

Mr. Fort has been a Director of Credicorp Ltd. since 1999 and of Banco de Credito del Peru since 1979, with the exception of the years 1988 and 1989.

Mr. Fort is an attorney at law. A graduate of the Pontificia Universidad Catolica del Peru, he is a senior partner at Estudio Fort, Bertorini, Godoy & Asociados, which specializes in business advisory services. In the past he has given advice to firms with international presence such as Pepsico, Inc., International Finance Corporation (IFC), Alcatel, International Telephone & Telegraph (ITT), Sheraton Hotels, Volvo Corp., Sandvik, Procter & Gamble, Crown Cork, Chrysler Corp., etc. He has been a member of the board of numerous other private companies in Peru. He currently acts as a member of the Boards of Inversiones Centenario S.A.A., Hermes Transportes Blindados SAC and Modasa.



**Patricia Lizarraga**  
Independent Director

Ms. Patricia Lizarraga has been a director of Banco de Credito del Peru and of Credicorp Ltd since 2017. Ms. Lizarraga is an experienced Wall Street executive with over 25 years working in international mergers & acquisitions, capital markets, private equity and valuation experience including Allen & Company, Donaldson Lufkin & Jenrette and Citigroup. She is the founder and Chief Executive Officer of Hypatia Capital Group, since 2007, and founder and major shareholder of family group Grupo del Ande. Ms. Lizarraga's board experience includes serving as both President of the Board and Chair of the Audit Committee of non-profit organizations, as well as private company board experience. She served as President of the Privatization Committee of Toll Roads of Peru. Ms. Lizarraga received her Bachelor of Arts degree from Yale University and her Master's of Business Administration from Harvard Business School.



**Irzio Pinasco**  
Independent Director

Mr. Pinasco is a Peruvian executive with more than 30 years of experience leading companies in diverse sectors. Between 2006 and 2019 he was CEO, and is now an Executive Director, of Acurio Restaurantes, leader in the internationalization of Peruvian gastronomy. Since 2008 he has served as a Director/Promoter of SIGMA SAFI, a leading fund manager in Peru. In addition to his extensive past business and professional activities, he chaired the Organization Committee of the Copa America football tournament in 2004. Mr. Pinasco has been an independent board member of BCP since 2018 and holds a BA in Economics and International Relations from Brown University and an MBA from Columbia University.



**Maite Aranzabal**  
Independent Director

Mrs. Aranzabal is a Spanish executive with an international career and relevant experience on Boards of public and private companies and NGOs. She began her career at McKinsey & Company in Spain and Argentina where she consulted with clients in multiple industries, including retail banking. Following this, she joined Grupo Cortefiel, a family-owned retailer, where she successfully led franchise marketing, strategy and international growth. Focusing on the fashion retail business, she collaborated with Advent International, the private equity firm, as retail expert, supporting analysis of potential acquisitions in the fashion and retail spaces, as well as leading the turnaround of one business (KA International, €40 million in sales). She currently leads her own consulting company, which specializes in retail and real estate businesses, Alir Consulting and Trade, and participates as a member of the Board of Adolfo Dominguez SA (listed company). Mrs. Aranzabal is a graduate in Business Administration by ICADE, Spain, and holds an MBA from The Wharton School of the University of Pennsylvania (U.S.A.).



**Antonio Abruña**  
Independent Director

Mr. Abruña is a Spanish attorney-at-law with deep experience as a legal scholar and manager of academic institutions. Since 2018, Mr. Abruña is Rector of Universidad de Piura, Peru, where he has had a long and successful career. He participated in the process to reorganize General Studies and in the launch of the Law School, where he has been dean and a professor. Recently, Mr. Abruña was part of the Special Commission appointed by the Peruvian government to designate the seven members of the National Justice Council. He was the representative in Peru of the Instituto per la Cooperazione Universitaria (ICU). Mr. Abruña has a law degree from the Universidad Complutense de Madrid and a Doctor in Law from the Universidad de Navarra, Spain.



**Alexandre Gouvea**  
Independent Director

Mr. Gouvea recently retired as director at McKinsey & Co. He is Brazilian and has 30 years of international experience at the firm and specializes in providing advice to financial services clients. Mr. Gouvea is an expert in retail banking and insurance (including technological transition and digital transformation). He has provided financial services in Latin America and built the Practica de Organizaciones y la Unidad de Recuperacion y Transformacion. Mr. Gouvea is currently on the Board of Lojas Renner (the largest retailer in Brazil) and of Habitat for Humanity International. Mr. Gouvea has a degree in Mechanical Engineering from Universidade Federal do Rio de Janeiro, Brazil and has an MBA from Anderson School of Management, UCLA.



**Leslie Pierce**  
Dependent Director

Mr. Pierce has served in executive leadership positions, primarily of Peruvian companies, for almost 40 years. He served as CEO of Alicorp (BVL: ALICORC1), Peru's largest consumer goods company with operations throughout Latin America, from 1991 to 2011. Prior to that, Mr. Pierce served as General Manager of Hormec Constructora, Hormec Transportes, and Ganaderia Shilcayo from 1984 to 1991. He served as a Vice Minister of Commerce in Peru's Ministry of Economy and Finance from 1983 to 1984. He currently serves as a director in a number of private businesses including Empresa Siderurgica del Peru, S.A.A., H&V Contratistas S.A., Maquinarias, S.A., Latina Media S.A.C., Ransa Comercial S.A., Corporacion Primax S.A., Grupo Celima Trebol and Grupo Romero. He also serves as a community leader through philanthropic organizations such as Vida Peru, Banco de Alimentos del Peru and Crea+. Mr. Pierce holds a B.A. in Economics from Pontificia Universidad Catolica de Peru and Post-Graduate studies in Economics from, Pontificia Universidad Catolica de Chile.

## C. PROFESSIONAL PROFILES OF THE MANAGEMENT



### Mr. Walter Bayly Llona

In April 2018, Mr. Walter Bayly was appointed as CEO of Credicorp Ltd.

Before assuming his current position, he held other positions within the corporation, having been COO of Credicorp Ltd., CEO and CFO of Banco de Credito del Peru, as well as Manager of the Corporate and Business Banking Divisions, Systems and Organization and Investment Banking.

Mr. Bayly joined Banco de Credito in 1993, after three years of work as Partner and Executive Director of the Casa Bolsa from Mexico and a 10-year career at Citicorp, in Lima, New York, Mexico and Caracas, where he worked mainly in Corporate Finance and Syndicated Loans.

Mr. Bayly has a degree in Business Administration from the Universidad del Pacifico, with a master's degree in Administrative Sciences with a major in Finance from Arthur D. Little Management Education Institute, Cambridge- Boston.

Currently, Mr. Bayly is Chairman of the Board of Directors of Banco de Credito de Bolivia, Mibanco and Credicorp Capital Ltd.; Member of the Board of Directors of the Pacifico Compañía de Seguros y Reaseguros, Pacifico Entidad Prestadora de Salud, Atlantic Security Bank Panama, Inversiones Centenario, and Instituto Internacional Finance (IIF); as well as Member of the Advisory Council of the Universidad del Pacifico.



### Mr. Gianfranco Ferrari

Mr. Ferrari has been the Deputy CEO and Head of Universal Banking of Credicorp Ltd. and the CEO of Banco de Credito del Peru since April 2018. He has worked at Credicorp Ltd. since 1995. Mr. Ferrari has extensive and diverse experience after holding strategic roles such as Head of Corporate Banking & Corporate Finance, Head of Retail Banking & Wealth Management at Banco de Credito del Peru, and CEO of BCP Bolivia from 2005 to 2008. He led the acquisition of Edyficar in 2009 and Mibanco in 2014. In 2015, he started leading our Digital Transformation Strategy. He is also Vice Chairman of Mibanco and member of the Board of BCP Bolivia. Mr. Ferrari holds a degree in Business Administration from Universidad del Pacifico and has an MBA from Kellogg Graduate School of Management, Northwestern University, USA.



## Mr. Alvaro Correa Malachowski

Mr. Correa has been Deputy CEO of Credicorp Ltd. since April 2018, Head of the Insurance and Pensions Business of Credicorp, and with responsibility for the investment banking, asset and wealth management businesses. It is also the Sponsor of the Credicorp Group Sustainability Program.

Mr. Correa joined BCP in 1997, where he held different management positions in Risks and IT, he was CEO of Atlantic Security Bank, Credicorp Securities and BCP Miami. From April 2008 to September 2013, Mr. Correa was the CFO of Credicorp and BCP, and between 2013 and 2019 he served as CEO of Grupo Pacifico.

Currently, he is a member of the boards of Credicorp Capital Ltd., Atlantic Security Bank, Pacifico Seguros, Pacifico EPS and Chairman of the Board of Prima AFP.

Mr. Correa is an Industrial Engineer from the Pontificia Universidad Catolica del Peru and an MBA from the Harvard Business School.



## Mr. Reynaldo Llosa Benavides

Mr. Llosa is the Chief Risk Officer of Credicorp Ltd. and BCP since January 2012. Previously, Mr. Llosa held different positions at BCP as Head of Risk, Head of Middle-Market Banking and Head of Corporate Banking. Currently, he is member of the Board at Mibanco and Banco de Credito de Bolivia.

Mr. Llosa holds a Bachelor's degree in Business Administration from St. Mary's University, San Antonio, Texas, USA, and an MBA with specialization in Finance from Northwestern University (J.L. Kellogg Graduate School of Management), Chicago, Illinois, USA.



## Mr. Cesar Rios

Mr. Rios has served as the Chief Financial Officer of Credicorp and BCP since April 2018. He has worked at Credicorp since 1993, when he joined as an Associate in Corporate Finance. In 1997, he was appointed the Chief Financial Officer and Chief Operating Officer of Banco Capital in Salvador, after Credicorp acquired this institution. In 2003, Mr. Rios re-joined BCP, where he worked in strategic roles such as Head of Credit and Operating Risk in the Risk Management Unit, Head of Collections for Retail Banking, and Head of Corporate Strategy, which includes corporate strategy, internal consulting, mergers and acquisitions, and business incubation. In 2013, he became Head of Financial Planning and Control at BCP.

Currently, Mr. Rios is a board member of several of Credicorp's subsidiaries, including Mibanco, Solucion Empresa Administradora Hipotecaria, among others.

Mr. Rios holds a bachelor's degree in engineering from Pontificia Universidad Catolica (Peru); a master's degree from ESAN Escuela de Administracion de Negocios para Graduados (Peru); and an MBA from the Massachusetts Institute of Technology Sloan Fellows Program (USA).



## Mr. Eduardo Montero

Mr. Eduardo Montero is the Head of Investment Banking and Wealth Management of Credicorp Ltd. and the CEO of Credicorp Capital Ltd. since January 2019. He has worked at Credicorp since 1994. His extensive experience in the organization includes expertise in different areas such as Corporate Finance, Business Solutions, as well as Personal Banking and Wealth Management at Banco de Credito del Peru. He also held the position of CEO at ASB, BCP Miami and Credicorp Securities (USA).

Mr. Montero holds a bachelor's degree in economics from Lehigh University (USA), and an MBA from the Wharton School of Business at the University of Pennsylvania (USA).



## Mr. Javier Ichazo

Mr. Ichazo is the CEO of Mibanco and Head of Microfinance of Credicorp. He began his career at Banco de Credito del Peru in 1996 and held different positions in various regions of Peru. In addition to his extensive knowledge in banking and finance Mr. Ichazo brings his experience as a Business Manager from 2004 to 2017 at Banco de Credito del Peru.

Mr. Ichazo is the Chairman of the Board of Edyficar SAS, Encumbra, and Vice Chairman of the Board of ASOMIF (Association of Microfinance institutions of Peru).

Mr. Ichazo has a bachelor's degree in Economics and Administration from the University of Piura (Peru) and holds an MBA from the School of Management of the University of Piura.



## Mr. Jose Esposito

Mr. Esposito has been the Chief Corporate Audit Officer of Credicorp Ltd. since January 2010. He is Chairman of the Financial Services Guidance Committee Board of IIA Global. Mr. Esposito has served as Chairman of the Committee of Internal Auditors of the Latin American Federation of Banks (FELABAN) and Chairman of the Committee of Internal Auditors of the Peruvian Association of Banks (ASBANC). Lecturer in the Master of Finance program at the Universidad del Pacifico and Director of the specialization in Integral Risk Management.

In 1996, he began working with Credicorp Ltd. through its different subsidiaries and his last position prior to leading the Audit Division at Credicorp Ltd. was at Pacifico Peruano Suiza Compania de Seguros y Reaseguros S.A., where he was CFO and the Controller's Officer.

Also, he was Vice Chairman of the Board of Directors of Pacifico Salud EPS S.A., Vice Chairman and Director of the Board of the Lima Stock Exchange, Director of Cavali ICLV S.A. and Chairman of the Board and General Manager of Credibolsa SAB S.A.

Mr. Esposito holds an Economics degree from Universidad del Pacifico, Lima; Master of Arts in Economics from the University of Wisconsin-Milwaukee; Certified Internal Auditor (CIA) and Certified in Risk Management Assurance (CRMA) by the Institute of Internal Auditors Global (IIA); Certified in Risk and Information Systems Control (CRISC) by ISACA; Anti- Money Laundering Certified Associate (AML/CA) from the Florida International Bankers Association and Florida International University.



## **Ms. Barbara Falero**

Ms. Falero has been the Chief Compliance and Ethics Officer at Credicorp Ltd. and Banco de Credito del Peru since February 2008 and reports directly to Credicorp Ltd.'s Board. Before coming to Peru, Ms. Falero was the Compliance Officer and Vice President of BCP Miami Agency. Prior to that, she worked as a regulator for the Federal Reserve Bank of Atlanta for six years in supervision and regulation of international banks.

Ms. Falero has held various positions including being the Community Reinvestment Officer at BAC Florida Bank, Miami, Florida.

Ms. Falero has a Bachelor of Finance from Florida International University, USA and a Master of Business Administration from St. Thomas University, Miami, Florida, USA. Ms. Falero has been the President of the Committee of Compliance Officers of ASBANC (Association of Banks in Peru) and during a three-year period, was a Member of the Advisory Committee of the Florida International Bankers Association (FIBA).



## **Mr. Guillermo Morales**

Mr. Morales has been the Head of Legal at Credicorp Ltd. since April 2018 and Head of Legal Division of BCP since January 2010. Previously, Mr. Morales was the Manager of the Legal Advisory Area at BCP from September 2007 to December 2009, Legal Manager at Grupo Santander Peru SA from January 2003 to July 2007 and Legal Manager at Banco Santander Central Hispano Peru from April 2000 to December 2002. He has been Director of Edelnor SAA, Red Electrica del Sur (Redesur) and Universia Peru SA.

Mr. Morales holds a law degree from the Pontificia Universidad Catolica del Peru and a Master of Laws (LL.M) from the University of Texas at Austin (USA).



## **Ms. Ursula Alvarez**

Ms. Alvarez has been the Head of Talent Management since 2009. She began working at BCP in 2006 as Manager of Selection in Human Development Management. Ms. Alvarez has a Bachelor of Psychology from the University of Lima and a Master of Development from the Universidad de los Andes in Bogota.





## Mr. Bernardo Samba

Mr. Samba is Corporate Chief of Human Resources and Human Development of Banco de Credito BCP and Credicorp Ltd. He joined BCP in April 1999 as Manager of Electronic Cash Management Solutions in the Wholesale Banking Division. Prior to joining Credicorp Ltd., Mr. Samba worked for 9 years at Royal Dutch Shell Group in different units; Financial Planning, Commercial and Marketing. In addition to his responsibilities Mr. Samba is President of the Board of Directors of DCH Peru (International Parliament of HR), former President of the Human Resources Committee at Association

of Banks of Peru (ASBANC), Director of the Peruvian Association of Human Resources (APERHU); Director of “Patronato BCP” and Member of the Advisory Council in prestigious universities in Peru.

Mr. Samba has a degree in Business Administration from Universidad de Lima, with a Master’s degree in Finance from Universidad del Pacifico, as well as Human Resources specializations at Business Schools from University of Michigan, Stanford University, London Business School and Harvard Business School.



## Mr. Enrique Pasquel

Mr. Pasquel has been the Head of Corporate Affairs at Credicorp Ltd. since April 2018 and Head of Corporate Affairs of BCP since 2017. Previously, between 2011 and 2017, he worked at El Comercio newspaper, where he held the positions of Deputy Opinion Editor, Politics Editor and Deputy Editor in Chief. Before his career as a journalist, he worked as an attorney in Indecopi (the Peruvian antitrust agency), where he held the positions of Commissioner of the Bureaucratic Barriers

Commission and Technical Secretary of the Competition Chamber.

Mr. Pasquel holds a law degree from Pontificia Universidad Catolica del Peru and a Master of Laws from Yale Law School.

## D. FEES FOR EXTERNAL AUDITORS IN 2020

Next, we provide details on the fees of the independent External Auditors, Gaveglío Aparicio y Asociados S.C.R.L., a member firm of PwC, for years 2020, 2019 and 2018, to cover an annual payment for independent external auditing and for projects conducted at the Company.

**Credicorp Ltd.**  
Years ending on December 31

(Thousands of Soles)	2018	2019	2020
Auditing	15,556	17,223	21,106
Related to Auditing	20	66	-
Taxes	57	520	410
Others	266	928	489
<b>Total</b>	<b>15,899</b>	<b>18,737</b>	<b>22,005</b>

In accordance with SBS Resolution No. 17026-20100, we are providing information on the fees paid to the independent auditors Gaveglío Aparicio y Asociados S.C.R.L., a member firm of PwC, which are defined as follows according to the resolution:

- The concept of Auditing Fees must divulge the total fees charged by the auditing company for auditing services in each of the last three fiscal years.

- The concept of Auditing Fees must divulge the total fees charged by auditing firms for advisory services and services related to conducting auditing or reviewing the financial statements of the company and which are not included in the concept described in the previous paragraph. The company will divulge the nature of the services covered by this category.
- The concept of Tax Fees must divulge the total fees billed in the last three fiscal years for profession services to ensure tax compliance, provide tax advisory services and conduct tax planning. The company will divulge the nature of the services included in this category.
- The concept of Other Fees must divulge the total fees billed in the last three fiscal years for products and services that are not included in the previous points. The company will provide a summary of the nature of the services included in this category.

All the fees were approved by the Auditing Committee.

### Fee Policy for External Auditors

The Auditing Committee has set limits for payments to external auditors for “Taxes” and “Other” services. These payments may not exceed 35% of the total paid in a fiscal year. The Committee has the authority to change this limit to meet the needs of the corporation and to compensate independent auditors for highly complex services. Additionally, when the Committee considers it necessary to approve an exception, it assesses whether the service required is consistent with the rules for Independence for external auditors as defined by the United States Securities and Exchange Commission.

In the years 2020, 2019 y 2018, payments for services relative to “Taxes” and “Others” represented 4%, 8% and 2%, respectively with regard to total fees paid to external auditors.

## E. SANCTIONS IMPOSED BY SBS

Resolution SBS N° 2755-2018, dated July 16, 2018, requires the Board to inform the General Shareholders' Meeting of any sanctions imposed by the Superintendence of Banking, Insurance and AFP (SBS) on supervised companies, their directors, executives or main managers for either serious or very serious violations.

In this regard, although in 2020 no sanction was imposed, we must inform that in 2021 the SBS imposed a sanction of 90 UIT on Banco de Credito del Peru for the commission of the serious infraction typified in number 52, item II of Annex No. 1 of the Sanctions Regulations (File No. 2020-26434).

## F. LEGAL PROCESSES

Credicorp Ltd. is not involved in judicial processes as either a plaintiff or defendant. Nevertheless, at the end of 2019, it was subject to a Sanctioning Administrative Procedure by the Superintendence of the Peruvian Securities Market (SMV) for contributions made to political campaigns in 2011 and 2016 (in the last

case, these contributions were made through three of its subsidiaries). Additionally, different subsidiaries are involved in judicial processes and with Sanctioning Administrative Procedures. In Management's opinion, none of these events affect the normal evolution of the group's activities and businesses.

## G. RULING SMV N° 033-2015-SMV/01

### CORPORATE SUSTAINABILITY REPORT (10180)

**Name:**

Credicorp Ltd.

**Period:**

2020

**Web Page:**

www.credicorpnet.com

**Name or company name of the reviewing company:<sup>1</sup>**

Not audited

RPJ

<sup>1</sup> This is only applicable in the case that the information contained in this report has been reviewed by a specialized company (for example: an auditing or consulting company).

## I. ENVIRONMENT AND CLIMATE CHANGE

### Environmental Policy:

Question 1	Yes	No	Explanation:
Does the company have an environmental policy or management system that includes environmental commitments?	X		Credicorp's Shareholder Relations Policy sets specific environmental guidelines to manage climate change and assess and monitor the environmental risks associated with its direct and indirect operations. The objectives include developing schemes to mitigate the carbon footprint by rolling out initiatives to reduce energy consumption and greenhouse gas emissions while strengthening resource recycling and responsible waste management.

a. If the response to question 1 is affirmative, indicate the name of the document that serves as evidence of the existence of a policy or system that has been adopted by the company; date of approval; and year that the same went into effect:

Document name	Approval date	Effective year
Credicorp's Shareholder Relations Policy	22/10/2014	2014

b. If the answer to question 1 is affirmative, indicate:

	Yes	No	Explanation:
Has said environmental policy or management system been approved by the Board?	x		Credicorp's Board, acting on the recommendation of the Corporate Governance Committee, approved these documents at the session held on October 22, 2014.
Does said environmental policy or management system contemplate managing risks as well as identifying and measuring the environmental impacts of its operations in the realm of climate change (*)?	x		The specific guidelines for the Environment include measuring the carbon footprint every year and developing schemes to mitigate the carbon footprint by reducing energy consumption and greenhouse gas emissions. Systems for assessment and monitoring of environmental and social risks are also designed and implemented to determine direct and indirect impacts in accordance with the Equator Principles (EP).
Does the company compile an annual report that assesses the results of its environmental policy and has the same been provided to the Board for review?	X		The largest subsidiaries compile a sustainability report or an annual integrated report that is consistent with the guidelines of the Global Reporting Initiative (GRI) and which includes an environmental chapter. Additionally, Credicorp includes a summary of the GRI results of its subsidiaries in its annexes.

(\* It is expected that the company will consider, in its management of climate change, "physical" changes (floods, landslides, drought, desertification, etc.) and/or aspects of "transition" to a new low-carbon economy (use of new technologies, decarbonization of investment portfolios, etc.)

Question 2	Yes	No	Exploitation:
Has the company been subjected to any investigation; received complaints from communities; been involved in any public controversy; or been subjected to any corrective or cautionary measure, fine or other sanction for violations of environmental regulations? (*)		X	Credicorp's subsidiaries have not been subjects of any investigation; complaints from communities; been involved in public controversies; or been the object of any corrective or cautionary measure, fine or other sanction for violations of environmental regulations.

(\*) It is expected that the company will include in this point any community complaints, public controversies or corrective measures, cautionary measures, fines or other sanctions that are linked to material impacts. According to the definition of the Reporting Initiative, material is understood as referring to those aspects that reflect significant economic, environmental and social impacts generated by the organization or those that substantially influence valuations and decisions of stakeholders.

a. If the answer to question 2 is affirmative, indicate the type of investigation, community complaint, public controversy, corrective measure, cautionary measure, fine or other sanction that involves violations of environmental regulations in which the company has been involved and indicate the status of said case at the time the reporting period ended:

Investigation, community complaint, public controversy, corrective measures, cautionary measure, fine or other sanction	Status or situation

b. Indicate is the company is involved in any investigation, community complaint, public controversy, corrective measure, cautionary measure, fine or other sanction that involves failure to comply with environmental regulations and which initiated in a previous period but is still on-going; indicate the status or situation of the same as of the end of the reporting period:

Investigation, community complaint, public controversy, corrective measure, cautionary measure, fine or other sanction	Status or situation

## Green House Gas Emissions (GHGs):

Question 3	Yes	No	Explanation:
Does the company measure its GHGs (*)?	X		The main subsidiaries measure their GHGs and present reports. Additionally, Credicorp includes a summary of the GHG reports in its annex.

(\*) **Greenhouse Gas Emissions (GHGs):** Gases in the atmosphere that are natural or human in origin that trap energy from the sun in the atmosphere, which leads to warming (Law N° 30754, Framework Law on Climate Change, or norm that replaces or modifies the same).

a. If the answer to question 3 is yes, indicate:

Name of the document	Information required
If the company has certification or reports from a third party that prove that total GHGs have been measured (*), indicate the name of said document, date of issuance and if the same was in effect at the end of the reporting period.	Yes, the GHG measurements from the subsidiaries are audited by an independent third party (this information will be available in the last week of February). We will present the audited information in our consolidated report.
If the company has developed its own platform, tool or standard to measure total GHG emissions (*), indicate the name of the same, the date of implementation and, if applicable, its date of its most current update.	

(\*) GHGs generated by the company are known as the corporate carbon footprint.

b. If the answer to question 3 is year, indicate the following information for the last three (3) reporting periods:

Reporting period	Total GHGs (MT CO <sub>2</sub> e)		
	Scope 1 (*)	Scope 2 (**)	Scope 3 (***)
2020	1,631.98	11,268.40	9,796.29
2019			
2018			

(\*) **Scope 1:** GHG emissions that are directly generated by the company. For example, emissions from fuels used in burners, stoves, vehicles, etc.

(\*) **Scope 2:** GHG emissions that are indirectly generated by the company's use of energy.

(\*) **Scope 3:** All other GHG emissions that are indirectly generated by the company. For example: travel by airplane or land, paper consumptions, transportation of employees, etc.

Question 4	Yes	No	Explanation:
Does the company have goals or targets to reduce GHG emissions?		X	Through efforts to diminish the impact of their operations, Credicorp's subsidiaries have consistently reduced their carbon footprint over the years. Nevertheless, at this time no reduction targets have been set. This being said, in 2020, Credicorp worked on a new sustainability strategy that contemplates active management of its carbon footprint and its diverse components.

a. If the answer to question 4 is affirmative, indicate the name of the document that contains the company's goals or targets for GHG reduction; date or approval of the same; and the year in which said goals or targets went into effect:

Document name	Date of approval	Year in which the same went into effect

b. If the answer to question 4 is affirmative, indicate:

	Yes	No	Explanation:
Have said goals and targets for reduction been approved by the Board?			



## Water:

Question 5	Yes	No	Explanation:
Does the company measure its water consumption (in m3) through all of its activities?	X		Credicorp's main subsidiaries measure their water consumption. Total water consumption includes BCP, Pacifico Seguros, Prima AFP and Credicorp Capital for 2020; and solely BCP for 2018 and 2019.

If the answer to question 5 is affirmative, provide the following information for the last three (3) reporting periods:

Reporting period	Total water consumption (m <sup>3</sup> )
2020	473,841.48
2019	589,429.52
2018	550,780.00

Question 6	Yes	No	Explanation:
Does the company measure its water footprint (*)?		X	The company only calculates direct water consumption within its measurement of its Carbon Footprint; this consumption is billed through the Public Water Provider.

(\* **Water Footprint:** indicator that represents the total water volume used and the impacts caused by the production of goods and services. This includes direct and indirect water consumption from the entire productive process, including different stages in the supply chain ("Regulation that Promotes the Measurement and Voluntary Reduction of the Water Footprint and the Shared Value in the Hydrographic Basins" - Resolucion Jefatural N° 023-2020-ANA, or regulation that replaces or modifies the same).

If the answer to question 6 is affirmative, indicate:

Water footprint measurement	Information required
If the company has a certificate or report from a third party that is proof of measurement of its water footprint, indicate the name of the same, date of issuance, and if the same was in effect at the end of the reporting period.	
If the company has a platform, tool or standard that has been developed internally to measure the water footprint, indicate the name of the same, date of implementation and if applicable, date of the latest update.	

Question 7	Yes	No	Explanation:
Does the company have goals or targets to reduce water consumption?		X	Credicorp's subsidiaries use efficient technologies that contribute to the responsible use of water at its branches and main offices but has no set goals or targets for reduction.

a. If the answer to question 7 is affirmative, indicate the name of the document that proves that goals or targets to reduce water consumption have been adopted; the date of approval; and the year that the same went into effect:

Document name	Approval date	Year that the same became effective

b. If the answer to question 7 is affirmative, indicate:

	Yes	No	Explanation:
Have these goals or targets for reduction been approved by the Board?			

Question 8	Yes	No	Explanation:
Does the company control its effluents (*)?		X	Credicorp's subsidiaries are supplied by service providers and sewage is discharged through their sewage systems.

(\* **Effluent** Direct discharge of waste waters into the environment and whose concentration of polluting substances must be under Maximum Permissible Limits (MPL) as regulated under Peruvian legislation. Waste waters are those whose characteristics have been modified by anthropogenic activities, require prior treatment and can be discharged into a natural water body or be reused. (Glossary of Terms for Peruvian Environmental Management, General Office of Policies, Norms and Instruments for Environmental Management, 2012, Ministry of the Environment – MINAM).

If the answer to question 8 is affirmative, indicate the name of the document that proves that effluents are controlled:

Document name

## Energy:

Question 9	Yes	No	Explanation:
Does the company measure its energy consumption (in kWh)?	X		Credicorp's main subsidiaries measure their energy consumption. Total energy (without fuel) consumption includes BCP, Pacifico Seguros, Prima AFP and Credicorp Capital for 2020 and only BCP and Prima AFP for 2018 and 2019.

If the answer to question 9 is affirmative, provide the following information for the last three (3) reporting periods:

	Total energy consumption (kWh)
2020	75,167,883.49
2019	65,189,490.00
2018	67,092,250.00

Question 10	Yes	No	Explanation:
Does the company have goals or targets to reduce energy consumption?		X	In the last few year, the majority of subsidiaries have consistently reduced their energy consumption. Nevertheless, up to this point no goals or targets for reduction have been set. This being said, in 2020, Credicorp worked on a new sustainability strategy, which entails active management of our carbon footprint and its components, including energy consumption. As such, we believe that in the near future, we will be in the position to make our commitments to electric energy consumption public.

a. If the answer to question 10 is affirmative, indicate the name of the document that proves that the company has set reduction targets the date of approval of the same; and the year in which the same went into effect:

Document name	Date of approval	Year that the same went into effect

b. If the answer to question 10 was affirmative, indicate:

	Yes	No	Explanation:
Have said goals or targets for reduction been approved by the Board?			

## Solid Waste:

Question 11	Yes	No	Explanation:
Does the company measure the wastes it generates (in tons)?	X		Credicorp's main subsidiaries measure the solid wastes they generate. The total of solid wastes includes BCP, Pacifico Seguros, Prima AFP and Credicorp Capital for 2020; and only BCP for 2018 and 2019.

If the answer to question 11 is affirmative, provide the following information for the last three reporting periods:

Reporting period	Dangerous solid wastes (MT) (*)	Harmless solid wastes (MT) (**)	Total solid wastes (MT)
2020	0	1,205.25	1,205.25
2019	0	1,092.08	1,092.08
2018	0	1,143.41	1,143.41

(\*) **Dangerous solid wastes:** dangerous solid wastes are those contemplated in Annex III of the Regulation of the Legislative Decree N° 1278, Legislative Decrees that approves the Comprehensive Law for Solid Waste Management, approved by Supreme Decree N° 014-2017-MINAM or the norm that replaces or modifies the same.

(\*\*) **Harmless solid wastes:** harmless solid wastes are those contemplated in Annex V of the Regulation of Legislative Decree N° 1278, Legislative Decree that approves the Law for Comprehensive Management of Solid Wastes, approved by Supreme Decree N° 014-2017-MINAM or the norm that replaces or modifies the same.

Question 12	Yes	No	Explanation:
Does the company have goals or targets to manage (reduce, recycle or reuse) its solid wastes?		X	Credicorp's subsidiaries measure, segregate and recycles wastes to prevent inadequate waste disposal. Nevertheless, to date, the company as no specific goals or targets for reduction.

a. If the answer to question 12 is affirmative, indicate the name of the document that proves that the company has set goals for solid waste management, the date of approval of the same, and the year in which the same went into effect.

Document name	Date of approval	Year in which the same went into effect

b. If the answer to question 12 is affirmative, indicate:

	Yes	No	Explanation:
Have these reduction targets been approved by the Board?			

## II. SOCIAL

### Stakeholders:

Question 13	Yes	No	Explanation:
Has the company identified risks and opportunities with regard to its stakeholders (for example, employees, suppliers, shareholders, investors, authorities, clients, community, among others)?	X		<p>Credicorp and its subsidiaries have very close relationships with their stakeholders, which allows them to identify different opportunities and potential risks with regard to said groups. Relations with each stakeholder group are handled by specialized teams as follows:</p> <p>Employees-&gt; Division for Human Development at each subsidiary</p> <p>Suppliers-&gt; Supplier Management Division at each subsidiary</p> <p>Shareholders / Investors-&gt; Investor Relations</p> <p>Government authorities / Community-&gt; Division of Corporate Affairs</p> <p>Clients-&gt; Happy Clients Area at each subsidiary</p>

a. If the answer to question 13 is affirmative, indicate:

	Yes	No	Explanation:
Does the company have a plan of action to manage the risks and opportunities associated with its stakeholders?	X		Each of the teams responsible for relations with different stakeholders has developed a plan of action based on Objectives and Key Results (OKR). According to this methodology, annual objectives and key quarterly results are defined. Initiatives that can help obtain key results are identified. In parallel, the KPI that have been selected are monitored.
Does the company have a report that assesses the results of its plan of action and has KIP the Board reviewed this document?	X		The objectives identified under the KPI methodology are incorporated in the indicators for the performance template for teams and management divisions; these indicators are approved by the Board.
Does the company publish information on its plan of action relative to different stakeholder groups and its progress in implementing the same?	X		Some of the information on our activities with our stakeholder groups is included in Credicorp's Consolidated Annual Report.

b. If the answer to question 13 is affirmative, indicate the name of the document that proves the existence of the company's plan of action with regard to its stakeholder groups:

Name of the document
Credicorp Consolidated Report 2020

Question 14	Yes	No	Explanation:
During the reporting period, has the company been involved in any material controversy or conflict (*) with any stakeholder, including any of the social conflicts contained in the Social Conflict Report of the Ombudsman's Office (**) and the Willaqniki Report on social conflicts issued by the Presidency of the Council of Ministers (***)?		X	Credicorp and its subsidiaries have not been involved in any material controversy or conflict with any stakeholder group in 2020.

(\*) According to the definition of the Global Reporting Initiative, material is understood as referring to those aspects that reflect significant economic, environmental and social impacts generated by the organization or those that substantially affect stakeholders' valuations and decisions.

(\*\*) A "social conflict" should be understood as a "complex process in which sectors of society, the State and companies perceive that their objectives, interests, values o needs are contradictory and that said contradiction can lead to violence." Source: Adjuntia para la Prevencion de Conflictos Sociales y la Gobernabilidad de la Defensoria del Pueblo del Peru. Reporte de Conflictos Sociales N° 186 (agosto-2019), Lima, 2019, p. 3.

(\*\*\*) "Social conflict" is defined as a "dynamic process in which two or more social actors perceive that their interests are opposed based on the exercise of a fundamental right or access to goods and services, and which entails adopting actions that may constitute a risk or threat to governability and/or public order. Given that the social process can escalate to scenarios of violence between the parties involved, this deserves the articulated intervention by the State, civil society and productive sectors. Social conflicts are addressed when the demands are within the policies of the Government and its guidelines." Source: Secretaria de Gestion Social y Dialogo de la Presidencia del Consejo de Ministros. ABC de la Secretaria de Gestion Social y Dialogo. Lima, 2018, p.3.

If the response to question 14 is affirmative, indicate the material controversy or conflict with any of the stakeholders; the status or situation of the same; and the year that said controversy or conflict arose:

Controversy or conflict	Status or situation	Year that the event began

Question 15	Yes	No	Explanation:
Does the company include environmental, social and corporate governance aspects (ESG) in its criteria for procurement and/or selection of suppliers of goods and/or services?	X		Credicorp and its subsidiaries conduct an assessment of ESG through the supplier approval process. The policy indicates that the company uses information available in the market to ensure that the operation is legal and that the supplier complies with its obligations to its employees, the State and society.

If the answer to question 15 is affirmative, indicate the name of the document that proves that aspects of ESG are included in the criteria to purchase and/or select providers of goods and/or services:

Name of the document
Policy for Stakeholder Relations

## Labor rights:

Question 16	Yes	No	Explanation:
Does the company have a labor policy?	X		Policy for Stakeholder Relations

a. If the answer to question 16 is affirmative, indicate:

	Yes	No	Explanation:
Has the labor policy been approved by the Board?	X		
Does the company have a report that assesses the labor policy's results and has the Board reviewed this policy?	X		Each subsidiary presents a report on its judicial processes, inspections and union processes to General Management every semester.

b. If the answer to question 16 is affirmative, indicate if said labor policy includes and/or promotes, as applicable, the following issues and provide the name of the document that proves its adoption; date of approval; and the year in which the same came into effect:

	Yes	No	Name of the document	Approval date	Year in which said document came into effect
a. Equality and no discrimination.	X		Policy for Stakeholder Relations	22/10/2014	2014
b. Diversity.	X		Policy for Stakeholder Relations	22/10/2014	2014
c. Prevention of sexual harassment (*).	X		Policy to Prevent Sexual Harassment for each subsidiary	08/10/2020	2020
d. Prevention of crimes of harassment and sexual harassment (**).	X		Corporate policy for Ethics and Conduct	14/05/2020	2020
e. Freedom of affiliation and liberty to engage in collective bargaining.	X		Corporate Policy for Labor Relations	23/03/2018	2018
f. Eradication of forced labor.	X		Policy for Stakeholder Relations	22/10/2014	2014
g. Eradication of child labor.	X		Policy for Stakeholder Relations	22/10/2014	2014

(\*) Take into consideration the scope of Law N° 27942.

(\*\*) Take into consideration the scope of articles 151-A and 176-B of the Criminal Code respectively.

c. Indicate the number of men and women within the organization and the percentage of the total workforce that each represents.

Employees	Number	Percentage of total workforce
Women	20,691	56.2%
Men	16,115	43.8%
Total	36,806	100%

Question 17	Yes	No	Explanation:
Has the company been a subject of investigation or corrective measure, cautionary measure, fine or other sanction for failure to comply with norms relative to labor, health and security, forced labor or child labor during the reporting period?	X		At least one of the subsidiaries has been the object of investigation or has been subjected to some corrective or cautionary measure, fine or other sanction. For more details, review each subsidiary's report.

a. If the answer to question 17 is affirmative, indicate the type of investigation, corrective measure, cautionary measure, fine or other sanction that was applied to the company for failure to comply with norms on labor, health and safety, forced work or child labor; indicate the status or situation of said measures as of the end of the reporting period:

Investigation, corrective measure, cautionary measure, fine or other sanction	Status or situation

b. Indicate if the company is involved in on-going investigations, corrective measures, cautionary measures, fines or other sanctions from previous periods with regard to failure to comply with labor, health, safety, forced labor or child labor norms and indicate the status or situation of the same at the end of the reporting period:

Investigation, corrective measure, cautionary measure, fine or other sanction	Status or situation



Question 18	Yes	No	Explanation:
Does the company conduct and annual assessment of its compliance with or observance of norms for Occupational Safety and Health?	X		Each subsidiary conducts an annual assessment.

Question 19	Yes	No	Explanation:
Does the company keep a registry of workplace accidents?	X		Each subsidiary conducts an annual assessment

If the answer to question 19 is affirmative, provide the following information on workplace accidents (\*) direct employees (\*\*) and contracted services (\*\*\*) at the company for the last three (3) reporting periods:

Indicator	Reporting Period	(Reporting period - 1)	(Reporting period - 2)
Reporting period			
N° of Direct Employees			
Total number of hours worked by all direct employees during the reporting period			
N° of minor accidents (Direct employees)			
N° of incapacitating accidents (Direct employees)			
N° of fatal accidents (Direct employees)			

Indicator	Reporting period	(Reporting period- 1)	(Reporting period - 2)
Reporting period			
N° of employees hired			
Total number of hours worked by all employees hired during the reporting period			
N° of minor accidents (employees hired)			
N° of incapacitating accidents (employees hired)			
N° of fatal accidents (employees hired)			

(\*) Minor accident: Event causing injury that requires, following medical evaluation, a brief rest period of no more than one day following the event.  
 Incapacitating accident: Event causing injury that requires, following a medical evaluation, rest, justified absence from work and treatment.  
 Fatal Accident: Evident that causes injuries that result in the death of an employee.  
 Source: Glossary of Terms of the Regulation of Law N° 29783 – Law on Occupational Safety and Health, Supreme Decree N° 005-2012-TR or norm that replaces or modifies the same.

(\*\*) Direct employees are those that are directly linked to the company through any type of contract.

(\*\*\*) Includes, within employees hired, all those that perform outsourced activities.

Question 20	Yes	No	Explanation:
Does the climate measure its workplace climate?	X		All of Credicorp's subsidiaries measure their workplace climate through Korn Ferry.

a. If the answer to question 20 is affirmative, indicate:

	Yes	No	Explanation:
Does the company have objectives and goals to improve the workplace climate?	X		Each subsidiary has its own goals for workplace climate.

b. If you have indicated that objectives or goals exist with regard to improving the workplace climate, indicate the name of the document that proves the existence of said objectives; date of approval; and year that the same went into effect:

Name of the Document	Approval date	Year that the same went into effect

Question 21	Yes	No	Explanation:
Does the company have a talent management policy?	X		The Policy for Stakeholder Relations contains the commitment to identify and retain talent and develop employees' abilities to handle new challenges.

a. If the answer to question 21 is affirmative, indicate the name of the document that proves that a talent management policy exists:

Name of the document
Policy for Stakeholder Relations at Credicorp

b. If the answer to question 21 is affirmative, indicate:

	Yes	No	Explanation:
Has the talent management policy been approved by the Board?	X		Credicorp's Board approved this policy on October 22, 2014.

Question 22	Yes	No	Explanation:
Does the company have procedures in place to identify and sanction sexual harassment and workplace harassment? (*)	x		

(\*) Focus on the scope of Law N° 27942 on sexual harassment and Supreme Decree N° 003-97-TR on workplace hostility or the norm that replaces or modifies the same.

If the answer to question 22 is affirmative, indicate the name of the document that proves the existence of procedures to prevent sexual harassment and workplace hostility:

Name of the document
Corporate Policy for Ethics and Conduct Prevention and Sanction of Sexual Harassment

## Human Rights:

Question 23	Yes	No	Explanation:
Does the company have a policy or internal and external management system that includes a channel for complaints to address impacts on human rights?	X		We have a system known as Alerta GenEtica, which is located on Credicorp's web page (www.credicorpnet.com) at is available 24 hours a day. Through this platform, individuals can report any event or reasonable suspicion that specific behavior indicates an alleged violation of internal norms; reports can be made anonymously if so desired.
Does the company register and respond, within a specified period, the results of the investigations of the complaints mentioned in the previous question?	X		The subsidiaries register and respond to complaints within a specified period.

a. If the answer to question 23 is affirmative, indicate that name of the document that proves the existence of the policy or internal or external system of management adopted by the company; date of issuance; and the year that the same went into effect:

Name of the document	Date of issuance	Year of implementation
Corporate Policy for the Credicorp's System Alerta GenEtica Credicorp	12/06/2019	2019

b. If the answer to question 23 is affirmative, indicate:

	Yes	No	Explanation:
Does the company have a report that assesses the results of its policy or internal or external management system to remediate impacts on human rights?	X		The Alerta GenETICA system has the following three mechanisms to publish and assess the results of its management system: a. Report Alerta GenETICA, which, on a periodic basis, informs employees about information of interest on this topic and about complaints received through Alerta GenETICA or the different units of control, such as Compliance, Corporate Security and Prevention of Cybercrime and Labor Relations. b. The Internal Audit team, as part of its assessments, validates the functioning of Alerta GenETICA and the integrity and security of the information contained therein. c. Periodically, the main initiatives and results obtained by Alerta GenETICA se are presented to the Auditing Committee.
Does the company have a training plan for human rights issues that covers the entire organization?	X		We have a Communications and Training Plan, which as of 2020, varies by subsidiary. In all cases, content regarding the Alerta GenETICA system was disseminated.

### III. COMPLEMENTARY INFORMATION

Question 24	Yes	No	Explanation:
Does the company have an international certificate for Corporate Sustainability?		X	Credicorp has no international certification for its corporate sustainability initiatives but the majority of the subsidiaries are aligned with the guidelines of different international organizations. This information is in the annexes of the integrated report and in the reports of each subsidiary.

In the case that the answer to question 24 is affirmative, indicate the certification held by the company and indicate the web page where said information can be validated.

International Certification	Web page

Question 25	Yes	No	Explanation:
Does the company have a Corporate Sustainability Report other than this report?	X		Credicorp's Consolidated Report (Annual Report Credicorp and Sustainability Annex).

If the answer to question 25 is affirmative, indicate the name of the same and the web page through which the latest report can be accessed:

Name of the report	Web page
Consolidated Report Credicorp 2020	<a href="https://credicorp.gcs-web.com/annual-materials">https://credicorp.gcs-web.com/annual-materials</a>

# H. SUPERINTENDENT RESOLUTION 119-2017-SMV/02

## REPORT ON THE SHAREHOLDER STRUCTURE BY INVESTOR TYPE (10190)

### Company Name:

Credicorp LTD.

### Fiscal Year:

2020

### METHODOLOGY:

The information to be presented refers to the shares or representative values for participation in a Company that are listed on the S&P/BVL Peru Select Index, in accordance with the information published on the web page of the Lima Stock Exchange at the end of the fiscal year reported.

The Company must indicate, for each share or representative value of the same that is listed on the aforementioned index, the composition of the share structure by shareholder type.

## Shareholder structure by investor type

Share: BMG2519Y1084

Ownership by shareholder type of a share or representative value of participation that is listed on the S&P Peru Selective Index (end of the fiscal year)	Number of holders	% of participation <sup>3</sup>
1. Members of the board and executive management, including relative <sup>1</sup> .	20	0.22%
2. Employees at the company, not included in number 1.	1,152	0.92%
3. Natural persons not included in numbers 1 and 2.	4,756	4.10%
4. Pension funds managed by Pension Fund Managers under the supervision of the Superintendencia of Banking, Insurance and AFP.	0	0.00%
5. Pension fund managed by the Oficina de Normalización Previsional (ONP).	0	0.00%
6. Entities of the Peruvian State with the exception of the assumption included number 5.	1	0.16%
7. Banks, finance institution, municipal savings and loans, rural savings and loan and cooperatives for savings and loans, under the supervision of the Superintendencia of Banking Insurance and AFP.	5	0.02%
8. Insurance companies under the supervision of the Superintendencia of Banking, Insurance and AFP.	4	0.02%
9. Brokerage firms, under the supervision of SMV.	4	0.002%
10. Investment funds, mutual funds and trusts covered by the Law for the Securities Market and the Law for Investment Funds and Banking Trusts covered by the General Law for the Financial System.	28	0.85%
11. Autonomous equity and banking trust abroad to the extent that the same can be identified.	0	0.00%

Ownership by shareholder type of a share or representative value of participation that is listed on the S&P Peru Selective Index (end of the fiscal year)	Number of holders	% of participation <sup>3</sup>
12. Foreign depositaries that figure as shareholders in the framework of ADR or ADS programs.	0	0.00%
13. Foreign depositaries that figure as shareholders not included in number 12.	2	76.83%
14. Foreign custodians that figure as shareholders	0	0.00%
15. Entities not included in the descriptions in the previous numeral <sup>2</sup> .	130	16.88%
16. Shares on the S&P/BVL Peru Select Index or representative value of these shares in the company's portfolio.	1	0.00%
<b>Total</b>	<b>6,103</b>	<b>100.00%</b>
<b>Ownership by shareholders or representative value that is listed on the S&amp;P/BVL Peru Select Index according to residency (at the end of the fiscal year)</b>	<b>Number of holders</b>	<b>% of participation<sup>3</sup></b>
Domiciled	5,889	7.20%
Not domiciled	214	92.80%
<b>Total</b>	<b>6,103</b>	<b>100.00%</b>

(1) Term "Relatives" in accordance with the Rules for Indirect Property, Association and Economic Groups.

(2) Term "Entities" according to the Rules for Indirect Property, Association and Economic Groups.

(3) Two decimals.

# I. DISTRIBUTION CHANNELS

## Our Multichannel network allows us to closely accompany our clients...

Universal Banking

### Digital Channels



In 2020, more than 169 million transactions were channeled through Mobile Banking at BCP Stand-alone, which represented growth of 85.9% with regard to the level reported in 2019. This growth was driven by client migration to digital channels during the quarantine.



Yape registered higher growth than any other channel year-on-year, reporting expansion of 500% with regard to the level in 2019. Yape has grown through BCP accounts and via the Yapecard product launched in May 2020.



Transactions through Internet Banking at BCP Stand-alone grew 29.5% in 2020 to close the year with a total of 23.5 million transactions. Additionally, through different digital platforms, more than 2 million sales were made throughout the year. This represented growth of 71.9% with regard to the level reported in 2019.



In December 2019, BCP Stand-alone launched its platform to change soles and dollars, Cocos&Lucas. This offered clients a new alternative for exchange transactions. The platform exchanged the equivalent of 54 million soles in 2020.



As part of our commitment to banking more of the population, BCP Bolivia launched an ecosystem for digital payments in 2020 called Soli. The objective of this new application is to reach the unbanked population in Bolivia.

### Self-service Channels



BCP Stand-alone increased its ATM pool by 32 to close the year at 2,317 units. BCP Bolivia increased its number of ATMs by 9 and reported 310 units at year-end.



The confinement measures mandated by the government led to a 47.4% drop in the number of transactions conducted through Kioskos BCP in 2020.

### Physical Channels



BCP agentes continue to represent a highly effective venue to reach more clients. At the end of 2020, BCP Stand-alone had 6,993 agentes, which reflected a decrease of 194 agentes YoY. BCP Bolivia, on the other hand, incorporated 405 new agentes in 2020, bringing the total number of agentes to 851.



At the end of 2020, BCP Stand-alone had 286 branches, which represented a reduction of 20 branches with regard to the level reported in 2019. This decline was attributable to an increase in client digitalization levels in the context of the pandemic, which led us to optimize our network. At the end of 2020, 55% of our clients were digital. At the end of 2020, BCP Bolivia had a total of 54 branches.



## Microfinance

### Digital Channels



In 2020, 218,422 client inquiries were processed through the Mibanco app and 3 million transactions were conducted, which represented growth of 800% with regard to 2019.



Mibanco's web page processed 546,168 transactions in 2020. Additionally, 796 clients requested loans through the web, which translated into S/1.3 million in disbursements.



Since June 2020, Mibanco's clients have been able to create a Yape account with their bank account. This has allowed 110,116 of Mibanco's clients to become Yape users.



Mibanco created an alliance with Culqi, a digital POS, in October 2019. In 2020, more than 21,000 of these units were placed.



The digital alliance between UBER and Mibanco has generated fruits. In 2020, we conducted 970 new operations and since June 2019, have disbursed 1,918 loans and opened 2,788 savings accounts.

### Physical Channels



As part of the services offered to its clients, Mibanco has an agreement with agentes Kasnet, a network of Multibank correspondents in Peru. At the end of 2020, 9,218 Kasnet agentes were available Mibanco clients; this represented an increase of 15% with regard to the figure registered in 2019.



At the end of 2020, Mibanco had 323 branches; 289 were own branches while 34 belonged to Banco de la Nacion, which offers services to Mibanco clients under a special agreement.

## Insurance and Pension Funds

### Digital Channels



In 2020, more than 169 thousand clients used Pacifico's app, compared to 4 thousand in 2019. Additionally, 60% of inquiries were self-managed, which represents significant growth with regard to the 30% registered in 2019.



In 2020, more than 7 million visits were made to the web page, which compared favorably with the 5 million reported in 2019. Sales through the web page and other digital channels totaled S/ 87 million, which represented growth of 71% with regard to the level in 2019.



Thanks to our clients' migration to digital channels, in 2020 more than 8 million sessions were initiated in Prima AFP's mobile app, compared to 367 thousand in 2019.



In 2020, more than 2 million sessions were initiated through Prima AFP's web page, compared to 334 thousand in 2019. Users can use the web page to check contributions; find details on fund movements and balances; and request a change in fund risk level.

### Physical channels



Due to the social distancing measures enacted during the pandemic, Pacifico temporarily closed its offices and branches to the public. Nevertheless, the company has continued providing its clients with the services they need.



Prima has 15 offices nationwide. Nevertheless, as of March 2020, all offices have been closed to the public due to government measures in the context of COVID-19.

## Investment Bank and Wealth Management

### Digital Channels



Tyba is an application that operates in Colombia and allows clients to manage personal finances and make investments according to their own risk profile and tailored to their investment plans. It facilitates access to investment products for any client in a simple and secure way, allowing any investment from COP 100,000 to be made through 100% digital interaction. At the end of 2020, Tyba had 218,000 users.

### Physical channels and Telephone Services



Credicorp Capital's clients can be served through its 23 regional offices, distributed in Peru, Colombia and Chile, and through our points of contact in the United States and Panama. Additionally, BCP clients will be able to manage their investments in Mutual Funds through its network of agencies nationwide.



Through a specialized team, we serve and advise our Capital Market clients in the trading of fixed income and variable income securities.

## J. CONTACTS

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## K. COMPLEMENTARY INFORMATION

Information related to the stock market

Credicorp's common actions are negotiated in New York's stock market and in BVL. The following chart shows, for the indicated periods, the maximum and minimum sell prices of the common actions in the BVL. Common actions are quoted in American dollars in the NYSE and in the BVL.

### Quotes 2020 Credicorp Ltd. Equity

ISIN Code	Mnemonic	Year-Month	QUOTES 2020				Average Price \$
			Opening \$	Closing \$	Max \$	Min \$	
BM G2519Y 1084	BAP	2020-01	214.00	206.80	220.00	205.50	216.73
BM G2519Y 1084	BAP	2020-02	208.55	181.20	218.21	176.43	193.38
BM G2519Y 1084	BAP	2020-03	181.40	143.50	198.08	118.85	141.73
BM G2519Y 1084	BAP	2020-04	140.00	149.75	150.00	129.00	138.17
BM G2519Y 1084	BAP	2020-05	141.50	137.00	148.40	131.35	139.57
BM G2519Y 1084	BAP	2020-06	138.90	133.95	171.00	133.00	150.19
BM G2519Y 1084	BAP	2020-07	135.90	127.35	137.95	124.15	129.43
BM G2519Y 1084	BAP	2020-08	126.50	130.15	135.00	123.00	128.76
BM G2519Y 1084	BAP	2020-09	130.45	123.90	133.70	121.35	126.16
BM G2519Y 1084	BAP	2020-10	123.50	114.10	130.80	112.50	122.04
BM G2519Y 1084	BAP	2020-11	116.85	154.25	154.60	111.01	127.97
BM G2519Y 1084	BAP	2020-12	154.50	160.60	168.00	153.33	160.65

CREDIC  RP

# Sustainability Report *2020*

Embedding ESG in every corner  
of our business strategy to drive  
change and deliver long term value



# Contents

A MORE HOLISTIC APPROACH  
TO OUR BUSINESS

120

2020 SUSTAINABILITY  
AT A GLANCE

123

UNDERSTANDING  
OUR STAKEHOLDERS

124

EMBEDDING ESG IN EVERY CORNER  
OF OUR BUSINESS STRATEGY

133

ENHANCING OUR  
GOVERNANCE FRAMEWORK

146

ACCELERATING CHANGE  
AND IMPROVING LIVES

176

DESIGNING OUR  
ENVIRONMENTAL JOURNEY

203

COMMITTING TO  
THE FUTURE

214

APPENDIX: ADDITIONAL  
INFORMATION

217



A MORE HOLISTIC APPROACH  
**TO OUR BUSINESS**

2020 SUSTAINABILITY  
**AT A GLANCE**

UNDERSTANDING  
**OUR STAKEHOLDERS**

EMBEDDING ESG IN EVERY CORNER  
**OF OUR BUSINESS STRATEGY**

## A MORE HOLISTIC APPROACH TO OUR BUSINESS

Credicorp is the leading financial services holding company in Peru with over 130 years of experience in the financial sector. We have solid universal banking, insurance and pension fund operations that serve all segments of the population, together with a strong presence in microfinance, investment banking and wealth management in Latin America.

Our ongoing focus on creating stakeholder value, together with a long history of strong and resilient management, has allowed us to quickly implement a series of initiatives to support our clients, employees and communities during these difficult times as the world absorbs the human and economic impacts of the COVID19 pandemic. We describe this approach in the Section: Driving Change and Improving Lives. Our organizational principles of integrity, respect and transparency have helped us navigate this crisis and have strengthened our commitment to serve others.

During these trying times, we have reached out to stakeholders to empathize with them, getting a better handle on their needs and expectations, as explained in the Section: Understanding Our Stakeholders. In parallel, we embarked on a process of self-examination to define the role we want to play in society and in business. We used the information gathered from both processes to redefine our Vision, Purpose and Values to better align them with our current role in society and business.

In 2020, to further strengthen our long-term performance and competitiveness in the markets in which we operate, we launched a project to develop a strategy to integrate sustainability more deeply and consistently within our business strategy and day-to-day activities. More than 30 leaders of 6 of our largest operating companies worked over a period of five months to identify sustainability-related risks and opportunities that can create strategic or financial value and growth and generate positive impacts for society and each of our businesses.

## About **this report**

This report focuses on how we pursue our purpose through our business activities. It covers our Environmental, Social and Governance (ESG) activities during 2020 and our advances in further embedding ESG into our business strategy.

In our 2019 Annual Report, we introduced a thirty-page sustainability chapter, as an initial step towards compiling the group's ESG initiatives. At the same time, we described how Credicorp was working on a plan to demonstrate its growing commitment to sustainability at both corporate and subsidiary levels.

This year, our Sustainability Report is presented as a longer, more comprehensive document attached to Credicorp's 2020 Annual Report, giving more relevance to sustainability issues. The topics covered are those deemed most material by us and our stakeholders, as identified in our most recent stakeholder analysis in 2020.

Within the scope of this report, we refer to Credicorp alternatively as "The Holding Company" or "the Group", while companies that form part of the group will be referred to as subsidiaries, categorized, in turn, into four Lines of Business.





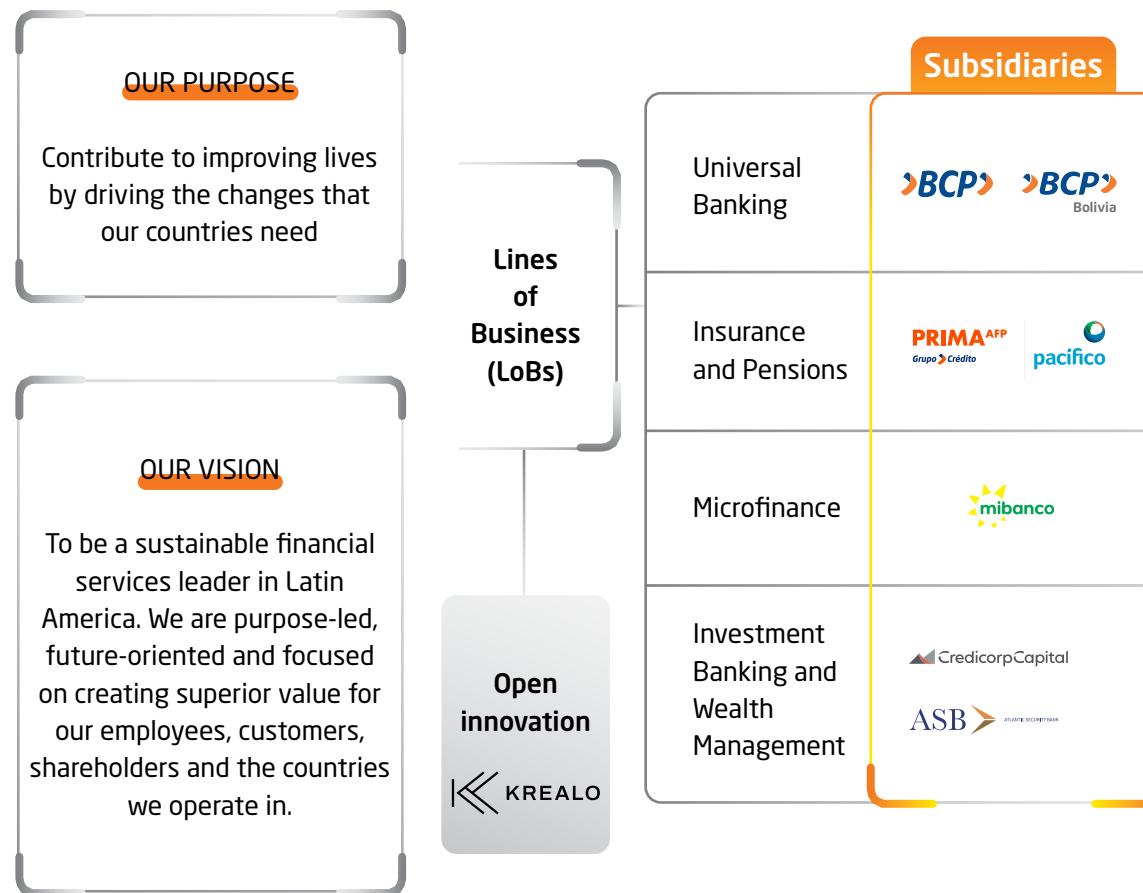
The result is our 2020-2025 Commitment to Sustainability Program, which aims to expand and amplify our sustainability lens to clearly define our roadmap to contribute to a sustainable world while creating value for Credicorp. We describe this endeavor in greater detail in the Section: Embedding ESG in Every Corner of our Business Strategy. Honing our social focus is the core objective of this program and an adequate governance structure will be key to ensuring successful execution. At the same time, we are working to better understand what investors expect from us on the environmental front and are designing a plan of action to tackle these issues, as described in the Section: Designing Our Environmental Journey.

As we report on our 2020 activity, we would like to highlight that:

- we succeeded in supporting all those around us in their efforts to navigate the current crisis
- we developed (and began implementing) a 5-year Sustainability Program with a specific strategy to enhance our potential to create long-term value and strengthen our ties and commitment to all stakeholders. We have reoriented our Vision, Purpose and Values to more comprehensively reflect our proactive, long-term and collective involvement in driving the changes our communities need as we build a sustainable future
- we have implemented governance changes to guarantee the effective roll-out and oversight of this strategy (as described in the Section: Enhancing Our Governance Structure) and are currently working to fine tune the initiatives we will undertake and the targets we will use to measure our progress (which will be described in the section: Committing to the Future)

## Credicorp Corporate Profile: Business Structure, Purpose and Vision

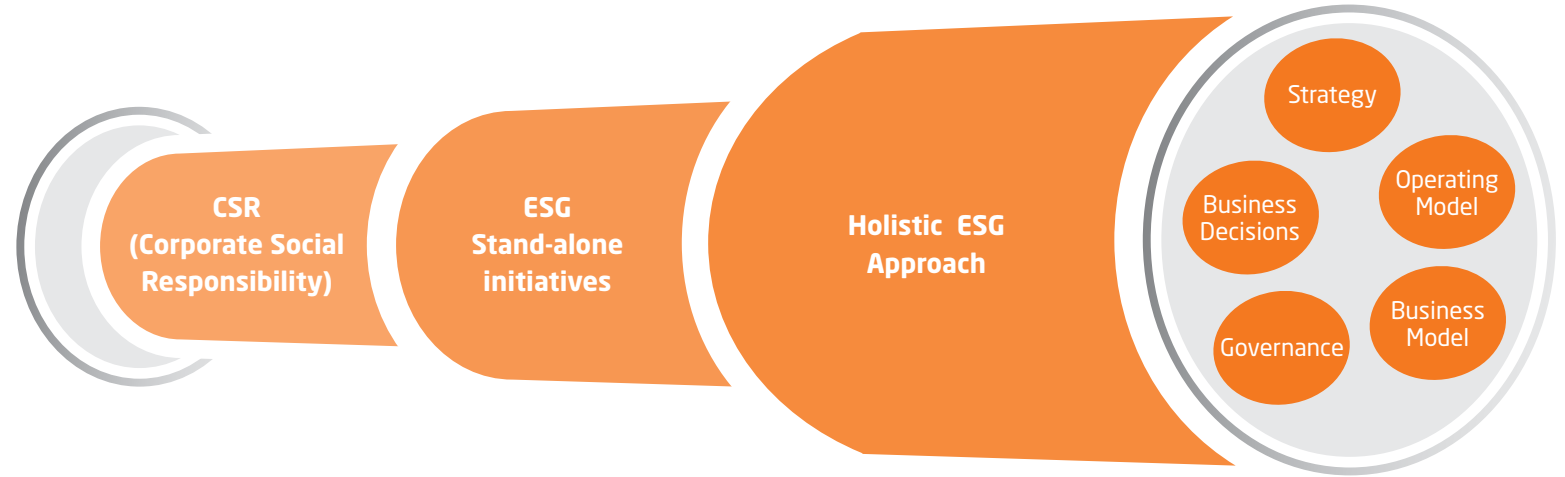
### CREDICORP CORPORATE PROFILE



The new Vision acts as a guidepost for Credicorp's corporate identity and reflects our commitment to sustainability: "To be a sustainable financial services leader in Latin America. We are purpose-led, future-oriented and focused on creating superior value for our employees, customers, shareholders and the countries we operate in". By accomplishing this, we will ensure long-term value creation for all stakeholders. Our new Purpose underscores our commitment to improving lives by taking a proactive role in driving the changes needed in the communities in which we operate.

This year marked a time of tremendous transition for Credicorp and the new reality imposed by the pandemic led us to accelerate a number of initiatives that began several years back. This coincided with our 25-year anniversary on the NYSE and led us to reflect on our opportunities to strengthen our foundations as a regional financial services leader as we contribute to generating resilient economies and a more sustainable future. As we advance on our sustainability journey, we continue to migrate from a model where sustainability plays an important role to one that sees sustainability as the holistic lens through which we view, design and evaluate strategy. In this context, we are shifting from acting as a result-driven profit agent to one that is a purpose-driven, value-oriented, change agent.

## Widening our Sustainability lens while strengthening corporate identity



# CREDICORP 2020 SUSTAINABILITY AT A GLANCE



## ENVIRONMENTAL

BCP  
Equator  
Principles  
Signatory

BCP granted  
2,071 Green  
Mortgage  
loans through  
MiVivienda  
Sostenible  
Program

Pacifico, Prima  
and Credicorp  
Capital PRI  
Signatories

Pacifico and  
Prima carbon  
neutral



## GOVERNANCE

A larger and more diversified and  
independent Board of Directors:

- ▶ **5** out of **9** directors are independent
- ▶ **2** out of **9** directors are women
- ▶ **3** out of **4** Board Committees are led by independent directors

We increased the scope of and  
renamed our Corporate Governance  
Committee to the  
**Sustainability  
Committee**



## SOCIAL

### COVID response:

- ▶ Reprogrammed debt for **1.5 million clients** in Peru, Colombia and Bolivia
- ▶ Distributed **+ S/ 24,000 M in Reactiva and FAE Loans to 329,000 clients**, mainly SMEs and microbusinesses
- ▶ Channeled government subsidy payments to **745 thousand families** in need in Peru and Bolivia
- ▶ **100% COVID** coverage in health and life insurance policies
- ▶ Donations:  
**S/126 M** #YoMeSumo campaign (S/110 million donated by BCP and Mibanco)  
Pacifico **S/ 5 M** in life insurance policies for frontline workers  
Pacifico, Prima and Credicorp Capital **S/ 4 M** in medicinal oxygen

Almost **1 million** Peruvians banked by Mibanco in the last 10 years; almost **150 thousand** between 2019-2020  
**650 thousand** Peruvians financially included through Yape in 2020

Close to **20,000** women entrepreneurs trained/received personalized advisory through the BCP's Women Entrepreneurs Training Program.

**56%** of employees are women,  
**29%** of senior leaders are women

Record satisfaction levels among our  
**+36,000** employees: **81%-92%\*\***

\*\* 10 year record high in BCP, historical record high in all other subsidiaries



**AWARDS  
2020**



MAXIMUM RATING



**Client Protection  
Standards Certificate  
at Mibanco**



**Mibanco** obtained:  
**A-** in Social Rating



Prize for **BCP's Women  
Entrepreneurs  
Training Program**



**Prima** obtained:  
**A+** in Strategy & Governance  
**A** in Direct equity investment

## UNDERSTANDING OUR STAKEHOLDERS

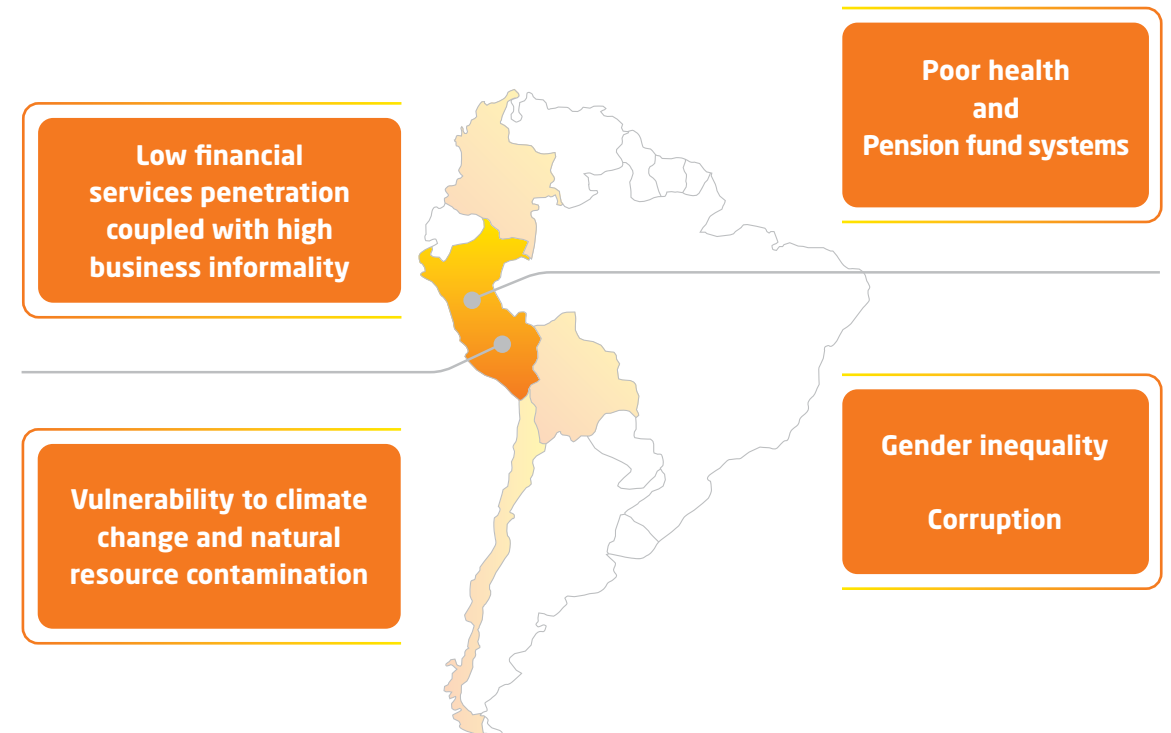
Our key stakeholders include our clients, employees, shareholders, society (which encompasses NGOs and communities), government and regulators, opinion leaders and industry associations. Understanding their needs and interests helps us better structure our business strategy to generate superior value for all.

As a purpose-driven company, we aim to improve lives by accelerating changes in our communities. The economic, social and environmental contexts in which we operate have contributed to shaping the Group's sustainability objectives for 2020-2025.

## Our Operating Context: Challenges and Opportunities

Credicorp's main operations are concentrated in Peru, a country with relevant sustainability challenges that pose significant risks but also constitute growth opportunities for a well-capitalized market leader operating in an underpenetrated market.

### Main Challenges and Opportunities in Credicorp's Operating Context

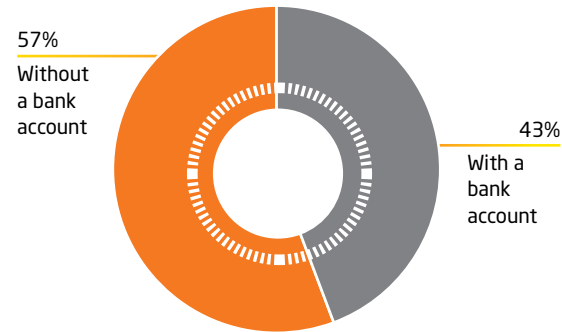


## Financial Education and Inclusion Improvement Opportunities

We believe financial inclusion can help realize plans and improve lives by opening access to housing and infrastructure; helping businesses grow; and contributing to social wellbeing. The fact is: the majority of Peru's population use no formal financial products and only 43% of the adult population has a bank account. This is an obstacle that belies significant opportunity and as such, makes financial inclusion, coupled with financial education, a key sustainability objective. One of the reasons why banking penetration in Peru is so low is rooted in its informality levels: 72% of the 17 million economically active Peruvians do not have formal employment. Additionally, according to INEI, as of September 2020, 87% of micro businesses operate informally. These figures place Peru among the countries with the highest levels of informality in the region.

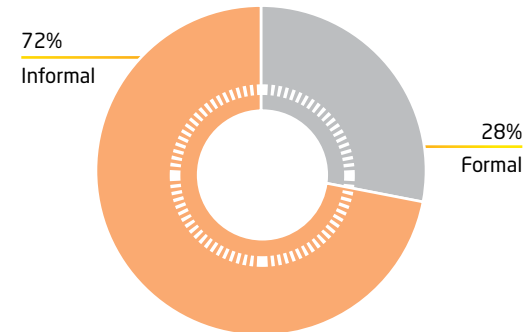
### Financial inclusion and informality in Peru

#### Financial inclusion (% adult population)



Source: SBS II Q 2020

#### Peru's Economic Distribution, % of Economically Active Population (Total = 17 million)



Source: INEI, ENAHO 2019



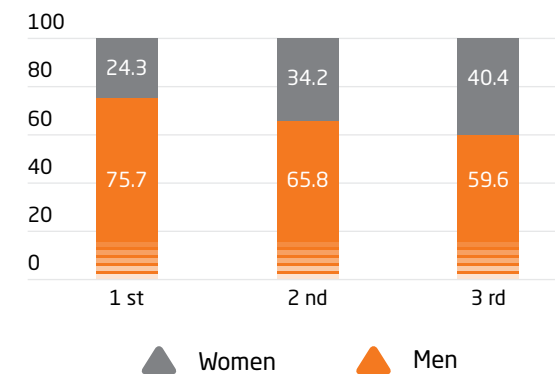


## Opportunity to Improve the Gender Equality Gap

Credicorp is convinced that increasing gender equality adds value, not only to the societies in which we conduct our businesses, but also to long-term business goals. According to SBS figures for the II quarter 2020, only 40% of women have access to a bank account in Peru, compared to 45% of men. This constitutes an invaluable opportunity to include women in the formal economy. Notably, women are also under-represented at the management level of business organizations and as of 2019, earned 30% less than men. According to PAR ranking data, this earnings gap has changed little in the past decade. Studies have shown that achieving gender equality is good for businesses (diversity improves productivity and innovation) and on wider level, gender equity reduces poverty; improves childhood health; and has a positive impact on GDP.

### Gender Equality Gap in Peru

#### Gender distribution per salary scale, businesses in Peru



Source: PAR Ranking, 2019  
 1st: CEO and / or President or Management Committee, individual or highest-level group in the organization  
 2nd: Management of areas or equivalent  
 3rd: Sub-directors, team leaders or equivalent.

## Environmental Threat Reduction Opportunity

Working to reduce environmental impact will improve not only the environment in the countries we operate in but also benefit our business as we reduce economic risk from environmental factors and contribute to a more sustainable economy. Peruvian businesses and society are highly vulnerable to environmental threats. The country's economy depends on the sustainable use of natural resources and its vast biodiversity must be preserved. Peru is one of the cradles of diversity and resources in terms of both flora and fauna (including the Amazon). Activities such as informal mining or urbanization, which occur due to a lack of regulation, currently threaten this symbiosis. Environmental initiatives need to be prioritized, in addition to other more traditional public concerns such as informality and economic and political instability.

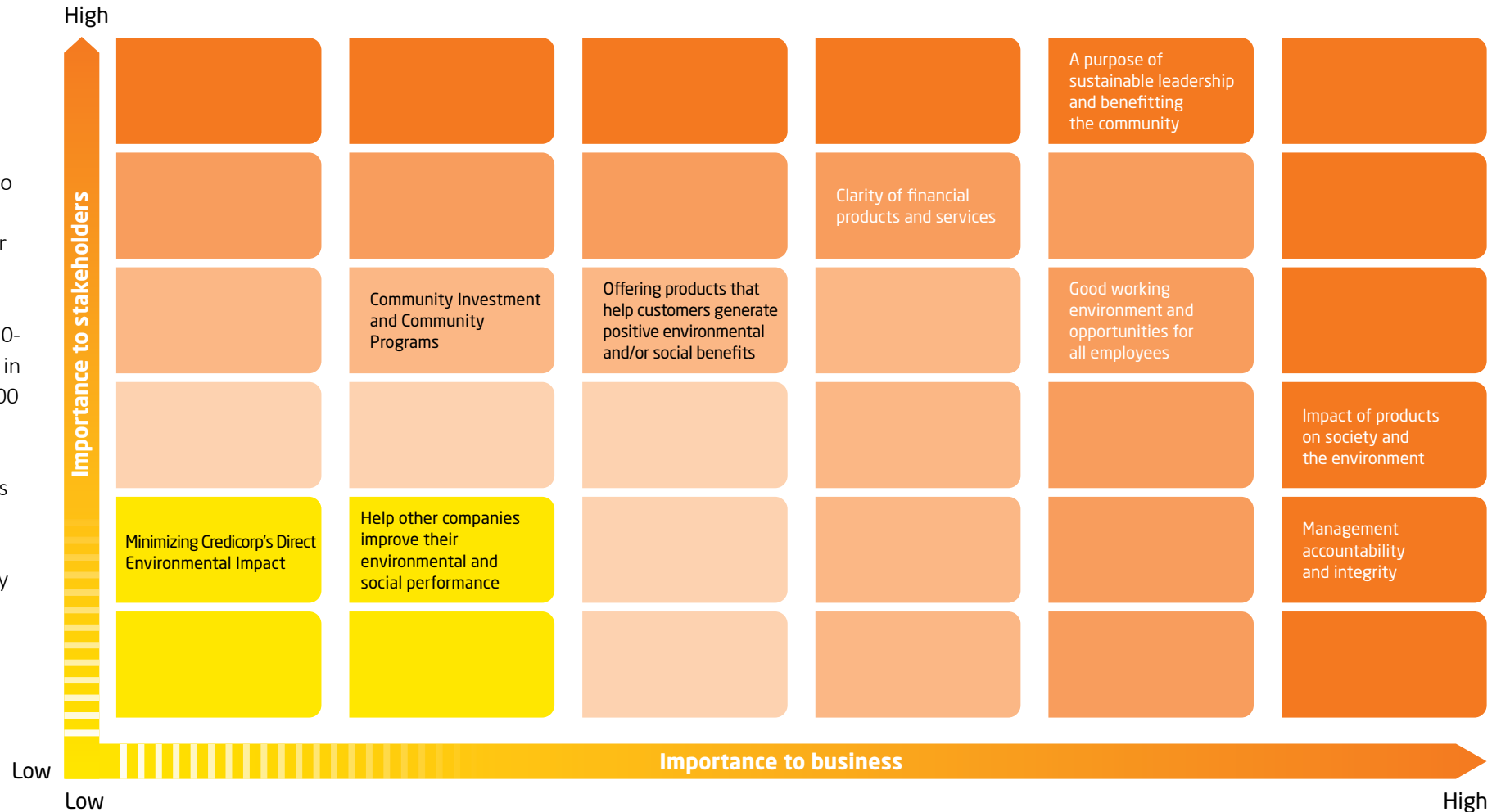


## What is Material to Our Stakeholders and to Us

The needs of our stakeholders help us define our ESG priorities and what is material to us as a Group, with an eye on generating long-term value and deepening our commitment to sustainability. We also compare our priorities to those of our stakeholders in order to better focus our initiatives and programs.

As part of the assessment to develop our 2020-2025 Commitment to Sustainability Program, in 2020 we conducted a survey with almost 4,000 stakeholders including clients, employees, shareholders, public opinion leaders and NGOs. We followed up this effort with a series of in-depth interviews. Both the survey and interviews gave us valuable insight about stakeholders' perspectives and the issues they consider material.

### Credicorp Materiality Matrix





Based on the results of our 2020 survey, we concluded that our priorities are aligned, to a reasonable degree, with those of our main stakeholders. We share the following priorities: i) leading through a social purpose and a desire to benefit communities; ii) simplifying design and communication to ensure comprehension of products and services; and iii) focusing on ensuring a good working environment and opportunities for all employees.

We detected a degree of divergence in terms of the priorities shared with stakeholders. For instance, Credicorp places more emphasis than stakeholders on how its products and services generate impact on society and the environment. The group also places more weight on the need to ensure accountability and exercise integrity when doing business.

Fundamentally, the survey shed light on what was most relevant to each stakeholder. Customers perceived clarity of financial products and services as most important, while employees prioritized a purpose of sustainable leadership and benefitting the community.

Investors clearly perceived governance as the most important ESG topic, while opinion leaders expressed that sustainable leadership and social purpose were key. Finally, NGOs were more focused on the importance of products and services that contribute to society and the environment.

In comparison to other concerns, environmental issues do not appear to be a major concern, in aggregate, for our group of stakeholders. Nonetheless, we understand that there are limitations to this conclusion given that stakeholders that put a premium on this issue (including investors, opinion leaders and NGOs) tend to represent, on a comparative scale, a smaller subset of the survey sample in comparison to, for example, clients or employees. In any case, we are extremely conscious of the relevance of environmental issues to key stakeholders, particularly investors. As such, we have conducted a number of subsequent interviews to better understand what our shareholders expect from us in terms of environmental initiatives, as will be described in more detail in our Designing Our Environmental Journey Section.





This materiality analysis was conducted at the beginning of our deeper commitment-to-sustainability process. In subsequent phases, senior management developed a better understanding and commitment to sustainability, particularly in terms of the relevance of helping other companies improve their environmental and social performance. This is the reason why we have included initiatives such as Sustainable Finance in our strategy portfolio.

Using the same methodology, we developed a materiality matrix to compare the business priorities at subsidiaries with those held by their stakeholders. The results indicated that the business priorities of subsidiaries and stakeholders aligned in a similar pattern to that seen in Credicorp materiality matrix. In general, the results of the materiality matrixes for BCP Perú, BCP Bolivia and Pacifico reflected business priorities and levels of alignment with stakeholders similar to those seen at Credicorp while Credicorp Capital and

Prima reflected even higher levels of alignment between management and stakeholders. At Credicorp Capital and Prima, management and stakeholders were more aligned in their assessment of material issues as both considered the impact of products on society and the environment and accountability and integrity in doing business of high importance.

Down the road, we will continue to proactively engage with our stakeholders.

*With this particular study concluded, we continue to pursue ongoing and proactive engagement with our stakeholders*

## Our Stakeholders and How We Engage

We like to stay close to our different interest groups, maintaining open and fluent communications and incorporating their opinions, doubts, comments and suggestions for improvement. Proactive listening helps us identify opportunities as well as potential risks.

Credicorp has specialized teams, some at the corporate level and others at the subsidiary level, which interact with each group.

	Who	How	Example
<b>Clients</b>	Subsidiary level	Continuous and proactive engagement through our agile practices when we develop products, functionalities, etc	Surveys Feedback requests Claim resolution
		Periodic monitoring to review satisfaction with our products and services; determine attributes clients associate with each subsidiary; and benchmark reputation and trust of our brands. This helps us anticipate our clients' needs and fosters long-term relationships with them	
		Social media Chatbot Mobile Apps Automated Self-Service Booths	Responding to comments and questions in real time Identifying actions to be taken with clients, thus improving their experience and our value proposition
		Branches, Customer Service Call Centers with specially trained personnel	Digital trainers
<b>Employees</b>	Human Capital Development Unit at each Subsidiary with coordinated policies	Collect information about employee perception on various fronts	Work Environment Survey (annual) Employee Sentiment Survey Employee Experience Model Satisfaction Survey
		Share important news and organizational changes Interact during live sessions Post career opportunities, product and service information, recommendations and COVID 19 updates	BCP, Prima, Pacifico and Mibanco uses collaborative and communications workplace tools
		Ethics hotline	Alerta Genética
		Development and training programs	Despega (Prima), feedback and development report tool Intech Day BCP- Innovation and technology festival, yearly since 2019 Universidad Mibanco, training program for learning and professional development BCP Talks- to connect with innovation experts to understand the challenges of digital transformation



	Who	How	Example
<b>Investors</b>	IR (Corporate)	Sharing relevant business reports	Annual Report Sustainability Report Quarterly Reports
		Scheduled events where we share the company's relevant events/ results/strategy and address investor's questions and comments	Quarterly Conference Calls (periodical) 25th NYSE Anniversary Investor Day (one off), investment bank conferences and NDRs
		One-on-one interactions to elaborate on the course of our business and answer questions, sometimes also receiving valuable feedback and insights from investors.	Calls, emails.
<b>Society (NGOs &amp; Community)</b>	Corporate Social Responsibility Team at each Subsidiary	Participation in events and discussion forums	Reputation Surveys Subsidiary Sustainability and Annual Report NGO Peru Sostenible
<b>Government &amp; regulators</b>	Public Affairs (Corporate)	Group/Association meetings	Discussing bills to be approved by Congress when they are opened for discussion, providing suggestions and feedback on likely impact
		Direct communications	Timely compliance with information requests from regulatory or supervisory bodies
<b>Opinion Leaders</b>	Corporate Communications (Corporate)	Close collaboration, including Press Releases, Press Conferences, meetings with Senior Management, participation in discussion forums and in-person events	Sharing relevant information on Credicorp and its subsidiaries, so opinion leaders can have first-hand information that comes directly from the source and to obtain valuable feedback to understand this group's needs and expectations.
<b>Industry Associations</b>	Institutional Relations (Corporate)	Collaboration to establish closer relations and to advance societal impact in a collaborative manner	Meeting periodically

## EMBEDDING ESG IN EVERY CORNER OF OUR BUSINESS STRATEGY

As the market leader in financial services in Peru and operator of the largest privately-owned microfinance company in the Americas and second largest in the world, Credicorp is committed to a close relationship with its stakeholders and the communities in which it operates. We understand that leadership in ESG enables strategic growth, anticipates trends and challenges and enhances resilience and agility. Integrating ESG at the business strategy level also aligns Credicorp's businesses with stakeholders' expectations and social and economic trends.

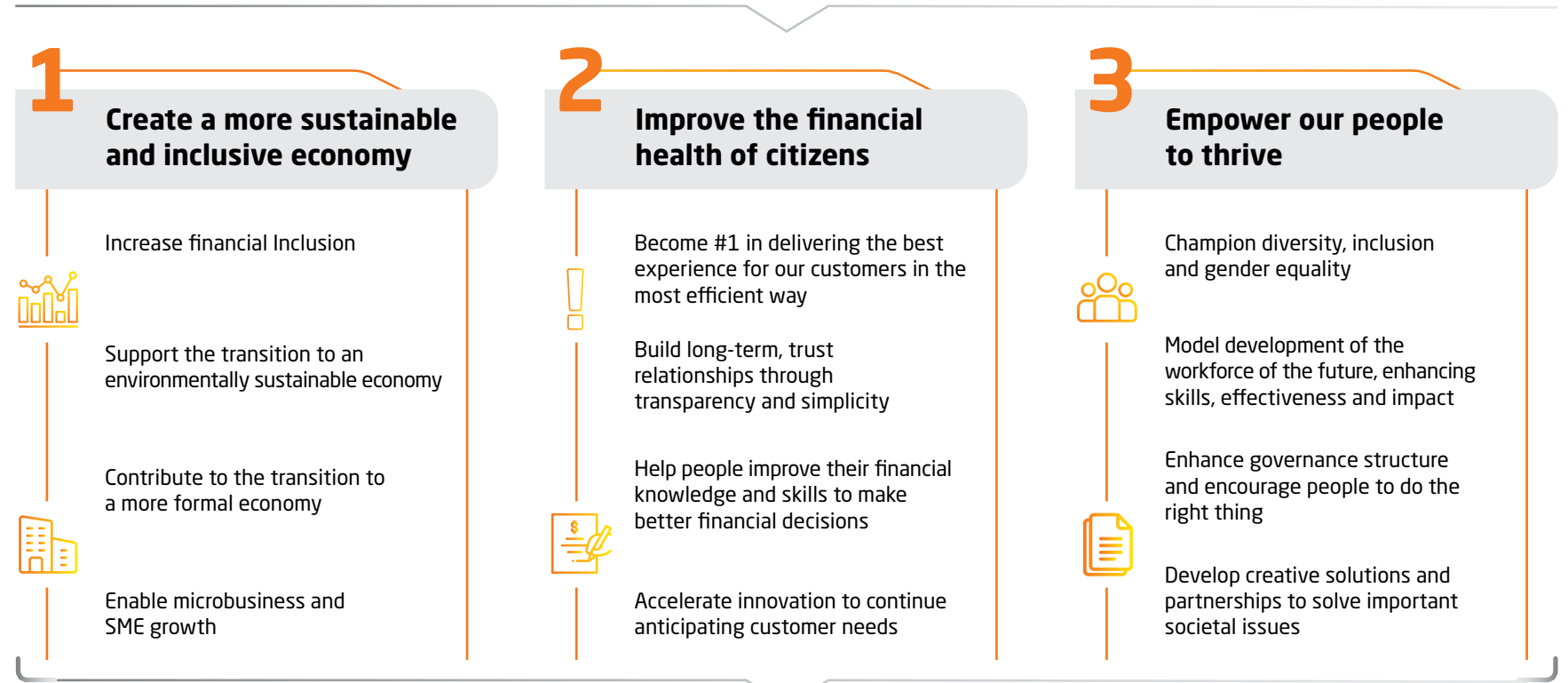


# Our 2020-2025 Commitment to Sustainability Program

In 2020, we began our project to insert sustainability at the core of our business and identify business opportunities that create value for Credicorp and generate a positive impact on society. We conducted a series of strategy-design workshops at the senior management level and defined three pillars that are aligned with who we are as a Group and with our commitment to the UN Sustainable Development Goals. These three pillars will be the North Stars that guide our ambitions for 2020-2025.

## Credicorp Strategic Sustainability Pillars

### Our North Stars to Drive Our Sustainability Commitment





The UN's 17 interrelated SDGs goals, which were included in the UN's 2030 Agenda for Sustainable Development adopted in 2015, represent a call for all countries to act in a global partnership to end poverty; reduce inequality; and spur economic growth. These efforts should go hand in hand with initiatives to improve

health and education; tackle climate change; and work to preserve our environment.

Credicorp has an important role to play in all 17 SDGs, but we have aligned our pillars with the six goals that are most directly impacted by our business:



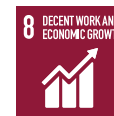
### SDG #5:

Achieve gender equality and empower all women and girls



### SDG #12:

Ensure sustainable consumption and production patterns



### SDG #8:

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



### SDG #13:

Take urgent action to combat climate change and its impacts



### SDG #10:

Reduce inequality within and among countries



### SDG #17:

Strengthen the means of implementation and revitalize the global partnership for sustainable development



# Pillar #1:

## Create a More Sustainable and Inclusive Economy

As a leading player in an underpenetrated region, our desire to create a more sustainable and inclusive economy has always been a priority. While all our subsidiaries have contributed to increasing the number of people that are part of the financial system, Mibanco has played a particularly important role given that it has historically been committed to financial inclusion in the microbusiness segment. Efforts to support the growth of SMEs and microfinance customers will generate highly positive results in the countries in which we operate and we stress the importance of providing more microloans to women to facilitate their transition to a more formal economy.

The pandemic has helped us realize that we have a long way to go in terms of inclusion and that we need to step up transformation. The fact that millions of Peruvians are still unbanked created obstacles as the government scrambled to distribute financial assistance to citizens who have no bank accounts. In this

context, remote forms of payment gained ground. Although many Peruvians lack access to financial services, the vast majority have a mobile phone. With our Yape application, we are facilitating the use of electronic money for those who have no bank accounts and have, via our digital platform, aided the government in its efforts to distribute economic relief to the country's vulnerable.

Going forward, we will strengthen our focus on environmental risks and develop a sustainable investing policy framework for AUM. We will work alongside our business clients to find ways in which we can help them transition to more green and sustainable business practices through our financing opportunities as part of our 2020-2025 roadmap. The initial steps in this direction will focus on categorizing our portfolio and next, on strengthening our credit policy to align it more strongly with environmental considerations. We will incorporate transition financing objectives in the longer term.







# Pillar #2:

## Improve the Financial Health of Citizens

Client experience and efficiency have always been at the core of our strategy, together with our aim to, via the most efficient means possible, become the #1 provider of best experiences for our customers. Innovation, digital transformation and improving customer experiences are key to our customer-centric approach. We will need to accelerate innovation to continue anticipating customer needs.

BCP, BCP Bolivia, Mibanco, Pacifico and Prima actively participate in financial education. Given its client base and mission, Mibanco is particularly active on this front. We intend to bolster these initiatives to help people improve their financial knowledge and skills to make better financial decisions. At all points in life but particularly in times of crisis, financial literacy can help people mitigate the impact of economic stress and strengthen their resiliency. We plan to build relationships of trust through transparency and simplicity, while expanding not only the reach but also the content and tools of our financial education programs.





# Pillar #3:

## Empower our People to Thrive

Developing our human capital has and will continue to be our priority. Championing a diverse and inclusive workforce fosters creativity and innovation; secures long-term prosperity; and bolsters employees' motivation. To achieve long-term sustainability and successfully implement our ambitious transformation targets, we will need to model the development of the workforce of the future, supporting people in their quests to strengthen their skills, effectiveness and impact to respond to a rapidly and constantly changing business environment. We will also encourage people to do the right thing in their careers and the community, promoting our culture and values. Finally, we will further enhance and strengthen our governance structure to ensure that we are aligned with best practices as we strive to make effective and ethical decisions.

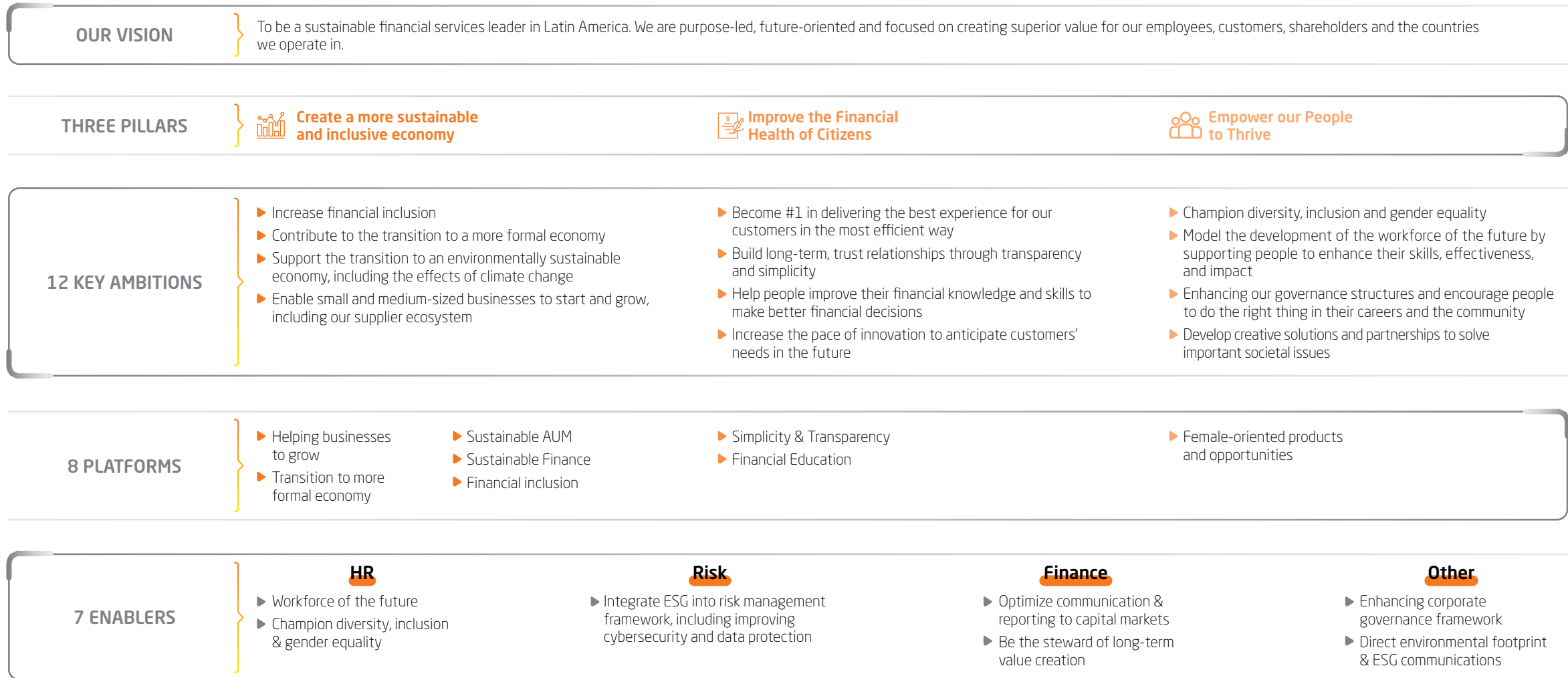


## **Credicorp's Integrated ESG Business Strategy**

Credicorp offers a growing and inclusive range of financial services that contribute to development in the countries in which we operate and facilitate growth in the digital economy. Today, we are even more committed to meeting society's expectations as we intensify our efforts to contribute to the wellbeing of each of our communities during these trying times. We have a clear vision and 12 ambitions as noted in the chart on the next page, which we will use to progressively measure our improvements over time.



# Credicorp's Integrated 2020-2025 ESG business strategy



Notes: 1) Key Ambitions listed are supported by new initiatives, existing projects and strategic plans currently under Credicorp's review

2) CSR and reputational activities, such as reporting Credicorp's direct environmental footprint & ESG communications are important enablers, but assessed as a continuation of current activities in this area and therefore not explicitly included in the ESG Business Strategy




Our business model for 2020-2025 includes a portfolio of over 30 client-facing initiatives or business opportunities, which are grouped into 8 business platforms that are specifically balanced to create financial or strategic value and generate positive stakeholder impact across multiple time horizons. Each of our 6 subsidiaries contributes to the strategy with what they do best, focusing on the objectives best aligned with their core business. Additionally, each has designated a Sustainability Leader to articulate the program and is in the process of developing goals and metrics to measure performance.





## Credicorp Subsidiaries' Most Active Involvement Per Platform

<b>a</b> Financial inclusion	✓		✓	✓	✓		
<b>b</b> Transition to more formal economy							✓
<b>c</b> Sustainable assets-under-management				✓	✓	✓	✓
<b>d</b> Sustainable Finance	✓	✓				✓	
<b>e</b> Helping businesses to grow	✓	✓	✓				
<b>f</b> Simplicity & Transparency	✓	✓		✓	✓	✓	
<b>g</b> Financial education	✓	✓	✓	✓	✓		
<b>h</b> Female-oriented products and opportunities		✓		✓		✓	

One example is the financial inclusion platform, which involves developing, offering and distributing products, services and digital channels to reduce the barriers that retail customers (both citizens and SMEs) experience when seeking to join the financial system. The financial inclusion platform is also supported by initiatives from other platforms, including financial education or transparency & simplicity, which can be leveraged to heighten the impact of efforts to reduce barriers. For example, BCP, our largest subsidiary, has combined these initiatives in its Sustainability Program, Reconecta, which was launched in September 2020.

## Reconecta BCP: **Deepening Our Ties With Society**



-  **Living our Purpose**
-  **Financial Inclusion**
-  **Financial Education**
-  **Financial empowerment of SMEs**

The global pandemic showed banks they need to do more to accelerate change. BCP is the number 1 bank in Peru and as such, assumed the commitment to reconnect with its clients and society by launching its Reconecta BCP Program in September 2020.

The focus of this program is to expand financial inclusion for individuals by accelerating Yape and empowering SMEs with digital tools and training programs, making financial products simpler and more accessible to all.

Transition finance, to be developed in 2021, is expected to become a vital offering for wholesale customers in the future as BCP supports their transition to more environmentally sustainable businesses.

BCP and Mibanco, our universal banking and microfinance subsidiaries respectively, are expected to champion the financial inclusion strategy platform: BCP by adopting strategies to expand the Yape user base and Mibanco, by offering inclusive financial products; efficiently scaling its physical and digital distribution model; building ecosystems; and entering into public and private partnerships. Mibanco also plans to work on reducing exclusion through social assistance programs while Prima and Pacífico embark on targeted financial inclusion initiatives. Additionally, Pacífico aims to lower entry barriers to access insurance products through more inclusive pricing and coverage offerings while Prima intends to promote savings efforts through its AhorroYa! program.

Our strategic platform to help businesses grow is also expected to be spearheaded by BCP and Mibanco. In this regard, BCP will focus on empowering SME customers through Reconecta while Mibanco will focus on growing its microfinance portfolio by scaling its physical and digital distribution model as described for the financial inclusion platform. An additional platform entails promoting Sustainable AUM. Our subsidiaries, Prima (Pension Funds), Credicorp Capital (Investment Banking and Wealth Management), and Pacífico (Insurance) are committed to incorporating sustainability factors into their investment processes and have designed diverse ESG initiatives to this effect. Prima's commitment to responsible and sustainable investment was formalized in 2019 when it became a signatory of the PRI (Principles for Responsible Investment). Prima was the second company in Peru, and the first pension fund, to become a signatory to this agreement. In 2020, Credicorp Capital and Pacífico became

PRI signatories as well. It is important to note Pacífico was the first insurance company to pledge adherence to PRI in Latin America.

In 2020, Credicorp Capital developed a Responsible Investment Policy framework for the Asset Management division that presents its approach and the ESG strategies that it will implement. Credicorp Capital Asset Management is adopting guidelines to integrate sustainability considerations into its investment analysis and decision-making for listed assets (fixed income and equity). It has also designed a plan to integrate responsible investment practices in alternative investments, including real estate, private debt and infrastructure in coming years.

To contribute to the platform for Sustainable AUMs, Pacífico will develop and present its Sustainable and Responsible Investment Principles to PRI. Prima pension funds, in turn, will accelerate the integration of ESG

and climate considerations in investment decisions to enhance confidence regarding the way Prima's funds are managed and performance is reported. It will also survey the market to monitor trust and perception of Prima, endeavoring to build relationships of trust while strengthening its market position as a leader in responsible investing. Finally, the company will focus on attracting and retaining millennial customers, a critical target segment to contribute to Prima's growth.

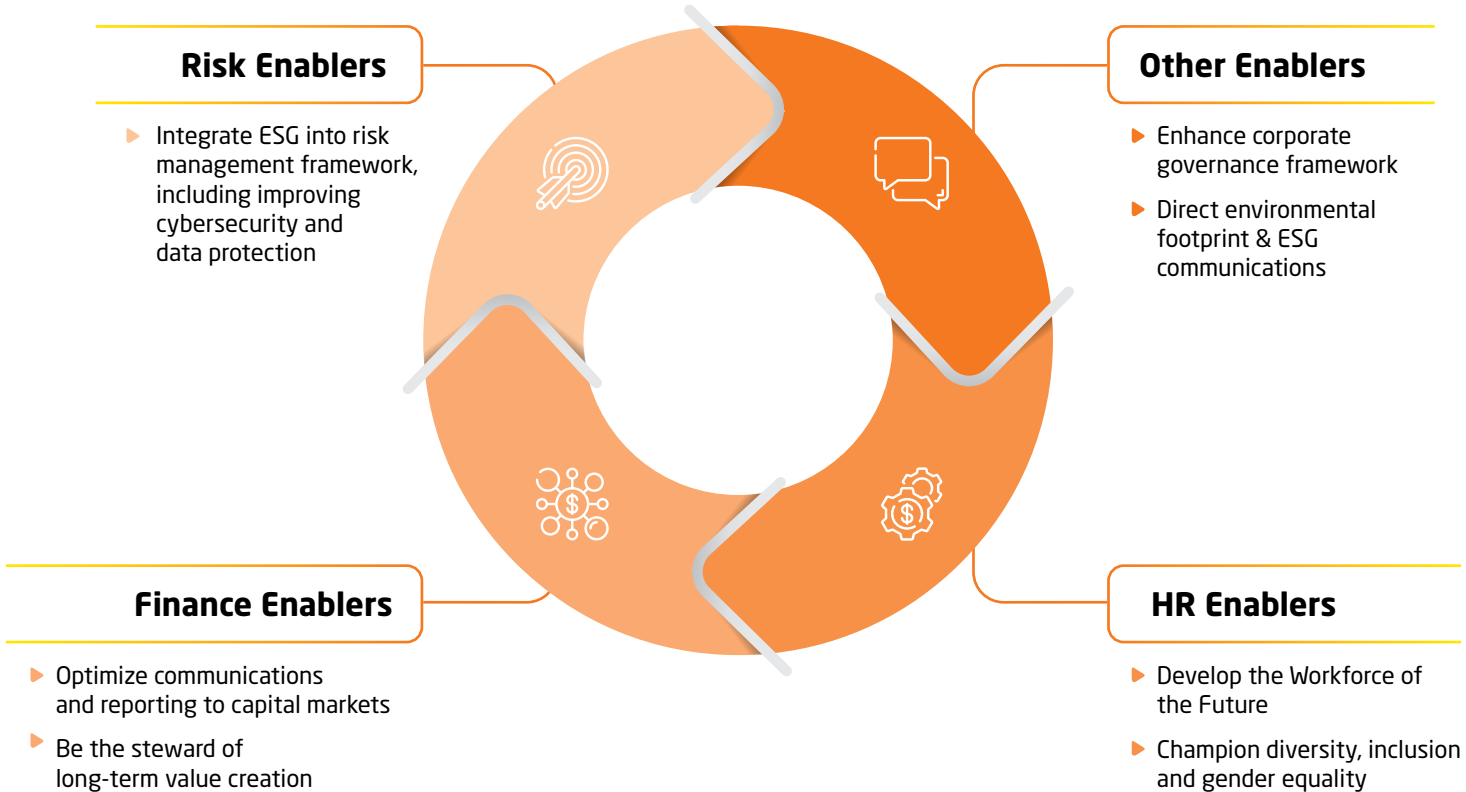
Another key strategic platform is Financial Education. The most recent PISA (Program for International Student Assessment) results place Peru third to last among 20 countries around the world for financial education. All our subsidiaries have initiatives in place for this platform. BCP, for instance, will leverage its "ABC del BCP" (BCP 101) initiative to educate people to use financial products, promoting a healthier relationship with the financial system in general and with BCP in particular.



## INTERNAL MEASURES REQUIRED TO ENABLE STRONGER 2020-2025 ESG BUSINESS MODEL PERFORMANCE

On its end, Pacífico has a back-to-basics project to use its “ABC del Seguro” (Insurance 101) to educate the young adult target market. Prima has instituted a multi-phased approach to increase knowledge of the pension system; educate the population about the system’s importance; explain the benefits of affiliation; and demonstrate the positive effects that the system has on the broader economy. Finally, Mibanco is planning to exponentially increase the reach of its financial and digital education; develop digital training tools; and use mobile phone capacities to roll out financial education efforts with a specific focus on microloans.

Through our 2020-2025 program, we will continue to identify business opportunities, but success will ultimately depend on the internal measures the Group and its subsidiaries take to advance implementation of the program to achieve key sustainability results.



One of the main enablers that will help achieve key results within each platform entails enhancing governance for this program. Strengthening the governance structure for this strategy will help step up change (acceleration is a priority during the pandemic) and ensure accountability for ESG initiatives and results.





ENHANCING OUR  
**GOVERNANCE FRAMEWORK**

ACCELERATING CHANGE  
**AND IMPROVING LIVES**

DESIGNING OUR  
**ENVIRONMENTAL JOURNEY**

## ENHANCING OUR GOVERNANCE FRAMEWORK

Credicorp is committed to the highest standards of corporate governance, which is indispensable to building long-term relationships and trust among stakeholders. The main goal of solid corporate governance is to make efficient and effective decisions in an ethical way. We accomplish this through our policies, rules and procedures to ensure both the long-term success of the Group and on-going, sustainable alignment with our stakeholders' best interests.

The Group is listed on the New York Stock Exchange and complies with all aspects of the Sarbanes-Oxley Act, which has been in effect in the United States since July 2002. This law has become a broadly accepted international standard for corporate governance practices.

Credicorp seeks to continuously improve and align its corporate governance practices with international best practices. Along these lines, and with the goal of demonstrating leadership in ESG, the Group implemented a series of changes in its corporate governance structure throughout 2020:

- 1.** We expanded the Board size (from 8 to 9); improved Board independence while adopting new, more stringent independence criteria in line with local and international best practices; and enhanced diversity through the inclusion of one additional female director (2 out of 9 are female directors). Our board members also come from diverse international and industry backgrounds. Under the new, more stringent independence criteria, five out of nine Credicorp directors are now independent (55.56%).
- 2.** We increased the size, independence and diversity of committees and combined committees to reduce the total number of committees from seven to four to: i)

incorporate more diverse and independent representation; and ii) better balance directors' skills and experience. To further enhance independence, the Group has decided that the Chairman of the Board of Directors is ineligible to chair committees and cannot be a member of the Audit Committee or Sustainability Committee. Additionally, three out of four committees are currently chaired by independent directors.

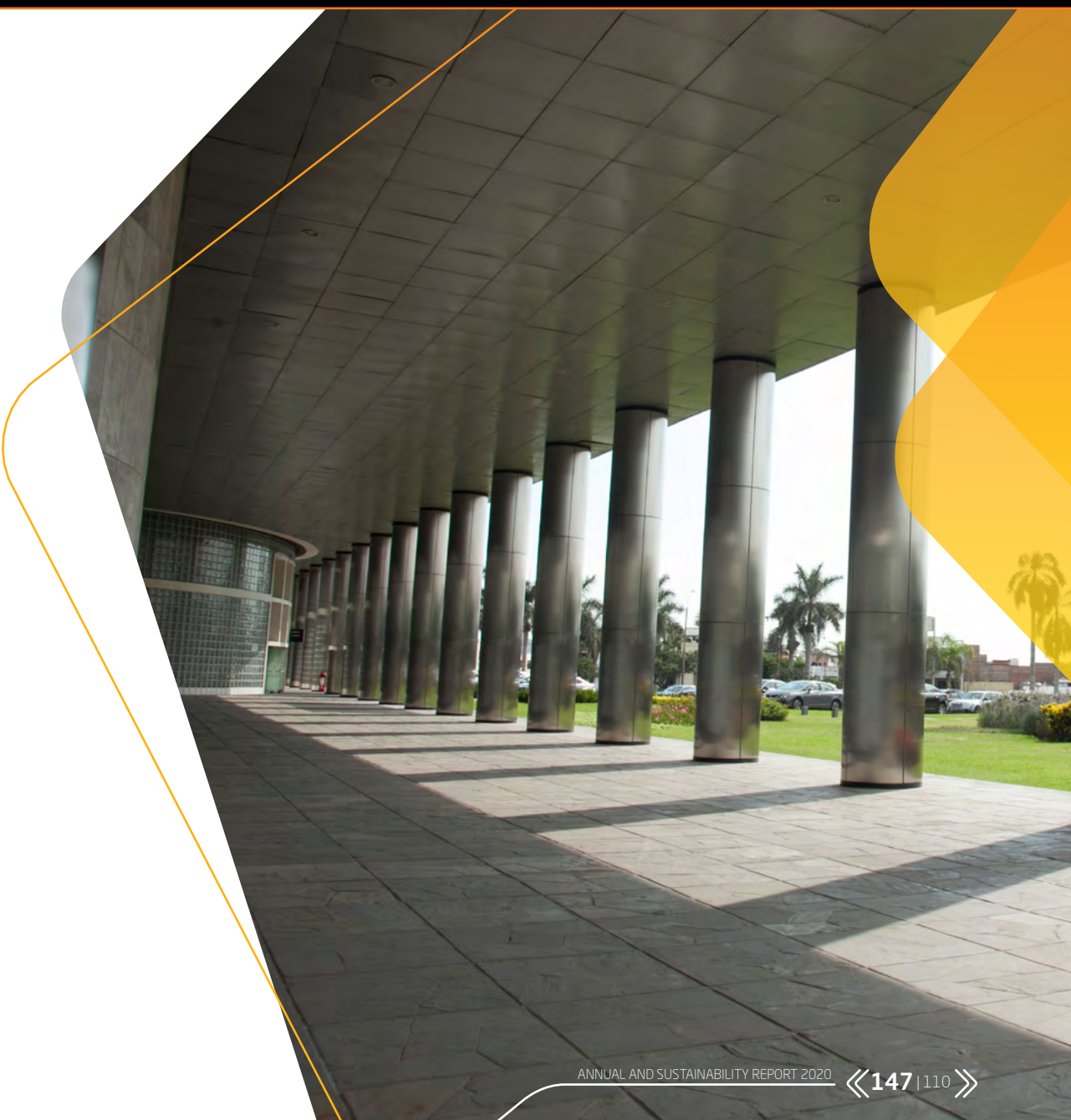
- 3.** As part of the implementation of our 2020-2025 Sustainability Program, we enhanced our sustainability governance structure. The Governance Committee was renamed and is now the Sustainability Committee. Alongside a new name, the committee has, alongside its existing governance functions, assumed sustainability functions. We also set up a Sustainability Office at the Corporate Level, and designated Executive Sponsors and Heads of Sustainability at both the corporate and subsidiary levels.

**4.** For the purposes of aligning Credicorp's structure and organization with the Economic Substance regulations enacted by the Bermuda Government, Credicorp's Board of Directors has determined that, from October 29, 2020, it will limit its decisions to matters pertaining to the strategy, objectives and goals of the Company and to the main action plans and policies, risk control and management, annual budgets, business plans and control of their implementation, supervision of main expenses, investments, and acquisitions and dispositions, among other decisions of a "passive" nature related to the Company.

The authority to make "active" decisions pertaining to Credicorp's subsidiaries, such as taking relevant strategic or management decisions, incurring expenditures on behalf of affiliates, coordinating group activities, and providing credit facilities to its affiliates, will be taken by the Board of Directors of Grupo Credito S.A., a subsidiary of Credicorp.

The Boards of Directors (and Board Committees) at Credicorp and Grupo Credito are composed of the same individuals and the management structure for both companies has been standardized.

**5.** In the compliance division, we worked to reinforce all of our programs, focusing on lowering risks by monitoring all specific actions that might violate regulatory requirements based on international standards, protecting Credicorp's reputation and maintaining responsible businesses and practices. Additionally, we reinforced systems and communications, updated committee guidelines and implemented local programs and virtual training for employees and suppliers, particularly in higher risk areas. Finally, we used automation and analytics to develop predictive models and alerts and will increase the use of automation and data analytics within all subsidiaries in 2021.



## A Larger, More Independent and More Diversified Board of Directors

The Board of Directors is in charge of managing and leading the business at Credicorp Ltd. The conduct of the members of the Board is guided by principles of loyalty and good faith as they engage in oversight and work to ensure long-term benefits for both the Group and its stakeholders.

### Roles of the Board

- ▶ Evaluate, approve and direct the Group's: corporate strategy, objectives and goals; main plans of action and policies; risk management and control; annual budgets and business plans. Monitor their implementation and supervise main expenditures, investments, acquisitions and divestitures.
- ▶ Follow up and control potential conflicts of interest between the Board, Members of the Board and shareholders.
- ▶ Through the Compensation and Nominations Committee, investigate and verify the condition of independence of the individuals nominated to act as independent directors and ensure that this condition is maintained during their time on the Board.
- ▶ Prevent the fraudulent use of corporate assets and the abuse in transactions between interested parties.
- ▶ Ensure the integrity of the Company's accounting and financial statements.
- ▶ Through the Audit Committee, supervise independent audits and establish control systems to monitor financial and non-financial risks, including controls to ensure regulatory compliance.
- ▶ Supervise, evaluate the effectiveness of and adapt the Company's governance practices.
- ▶ Supervise the information policy.
- ▶ Approve Group Policies, Board of Director rules and the Rules for the Board's Committees.
- ▶ Approve the annual report for the period ended on December 31 of the previous year, which will be published on Credicorp's web page and must include, among other aspects, corporate governance and sustainability principles.

\* More information can be found in the section "Corporate Governance" at [www.credicorpnet.com](http://www.credicorpnet.com).

The Chairman of the Board, Luis Romero Belismelis, is responsible for the Board's governance and performance. He is also responsible for leading and managing actions to ensure that Credicorp fulfills its obligations.

## Roles of the Chairman of the Board

- ▶ Preside over Board sessions.
- ▶ Ensure that the Board functions properly.
- ▶ Represent the Company or delegate representation to others to negotiate in foreign financial markets or speak with regulators, the press, governments, stakeholders and the community.
- ▶ Promote adequate relations with shareholders, in a formal sense, at the Annual General Shareholders' Meeting and informally through relations with the Company's shareholders.
- ▶ Propose initiatives for corporate policies along with the General Manager.
- ▶ Ensure effective strategic planning and examine possibilities for the Company's future development.
- ▶ Ensure the Board's active participation to strategically review the proposals of the company's management team and bring planning events and issues to the attention of the Board.
- ▶ Ensure that probity exists in the accounting reports.
- ▶ Monitor the General Manager's performance via the criteria established to meet company objectives.
- ▶ Act as an advisor to other members of the Board when necessary.

The Board meets at least once every two months. For voting purposes, quorum is equivalent to half plus one of its members. In 2020, twelve Board meetings were held; all meetings were attended by the majority of members.

In February 2020, Credicorp announced a series of initiatives to bolster corporate governance; drive long-term stakeholder value; and demonstrate leadership in corporate governance within its operating region. On June 3, the Board of Directors approved new criteria to define which directors are categorized as independent. International references for best practice were utilized to improve and enhance the Independence criteria.

In accordance with Credicorp's By-laws, at the Annual General Shareholders Meeting held on June 5, 2020, shareholders elected the following new Board of Directors: i) New Chairman of the Board, Luis Enrique Romero Belismelis; ii) reelection of 2 non-independent directors, Raimundo Morales and Fernando Fort; and iii) election of four new independent directors, Irzio Pinasco Menchelli, Alexandre Gouvea, Maite Aranzabal Harreguy, and Antonio Abruña Puyol.

At the Special General Meeting of Shareholders on October 16, 2020, Leslie Pierce was appointed as the ninth director. In recognition of his experience leading large corporations and corporate responsibility efforts, he was asked to sit on the Sustainability Committee.

At this meeting, voting members decided that the Board will have no fewer than three independent directors and when possible, the majority of members should be independent. Under this new, more stringent criteria for independence, five of the Board's nine member (55.56%) are now independent. Two of the independent directors are women.

The new members, in addition to reflecting higher levels of independence and gender diversity, are equipped with new expertise to enrich the work of the Board, including in-depth experience in retail and digital banking, insurance, management consulting, retail marketing, private equity and higher education and in achieving sustainability and gender equality.

## 2020 BOARD COMPOSITION

Diversity >>								Competencies >>				
Board of Directors	Gender	Position	Country of provenance/ experience	Ternure (years)	Sessions attended	% of assistance	Independent*	Executive Experience	International Experience	Banking/Finance/ Audit/Risk/Legal	Sustainability/ Corporate Governance	Relevant Non-financial industry expertise (retail, mining, digital, education)
Up to June 2020												
Dionisio Romero Paoletti	M	C	Peru	17	6	100%	No	●	●	●	●	●
Raimundo Morales Dasso	M	VC	Peru	13	6	100%	Yes	●	●	●	○	●
Fernando Fort Marie	M	D	Peru	39	5	83%	No	●	○	●	●	○
Juan Carlos Verme Giannoni	M	D	Peru	30	6	100%	Yes	●	●	●	●	●
Benedicto Cigüeñas Guevara	M	D	Peru	15	5	83%	Yes	●	●	●	○	○
Martín Pérez Moteverde	M	D	Peru	6	5	83%	No	●	●	●	○	●
Patricia Lizárraga Guthertz	F	D	Peru	4	6	100%	Yes	●	●	●	●	○
Luis Romero Belismelis	M	D	Peru	12	6	100%	No	●	●	●	●	●
Jun-Dec 2020												
Luis Romero Belismelis	M	C	Peru	12	6	100%	No	●	●	●	●	●
Raimundo Morales Dasso	M	VC	Peru	13	6	100%	No	●	●	●	○	●
Fernando Fort Marie	M	D	Peru	39	6	100%	No	●	○	●	●	○
Alexandre Gouvea	M	D	Brazil	0	6	100%	Yes	●	●	●	●	●
Irzio Pinasco Menchelli	M	D	Peru	3	6	100%	Yes	●	●	●	●	●
Antonio Abruña Puyol	M	D	Spain/Peru	0	6	100%	Yes	●	●	○	●	●
Patricia Lizárraga Guthertz	F	D	Peru/USA	4	6	100%	Yes	●	●	●	●	○
Maite Aranzabal Harreguy	F	D	Spain	0	6	100%	Yes	●	●	●	●	●
Leslie Pierce Diez Canseco	M	D	Peru	0	2	100%	No	●	●	●	●	●

\*Independence under criteria in force at that time.

Level of experience: ● High    ● Medium    ○ Low

The Corporate Secretary is Conyers Corporate Services Ltd. (Bermuda) and the Deputy General Secretary is Mrs. Miriam Böttger Egg.

Each of Credicorp's senior management team members has vast experience and trajectory within the Group. Two of the total of fourteen senior managers are women

## Senior Management

Name	Position	Tenure <sup>1</sup>
Luis Romero Belismelis	Executive Chairman	ND <sup>2</sup>
Walter Bayly Llona	Chief Executive Officer	27
Gianfranco Ferrari	Deputy CEO and Head of Universal Banking	25
Alvaro Correa Malachowski	Deputy CEO and Head of Insurance & Pensions	23
Reynaldo Llosa Benavides	Chief Risk Officer	24
Cesar Rios	Chief Financial Officer	27
Eduardo Montero	Head of Investment Banking and Wealth Management	18
Javier Ichazo	Head of Microfinance	24
Jose Esposito Li- Carrillo	Chief Corporate Audit Officer	24
Barbara Falero	Chief Compliance Officer	14
Guillermo Morales	Head of Legal	13
Ursula Alvarez Peña	Head of Talent Management	14
Bernardo Sambra	Head of Human Resources	21
Enrique Pasquel	Head of Corporate Affairs	3

For more details on the career paths of our senior managers see Annex B and C.

<sup>1</sup> At Credicorp and its subsidiaries as of March 31st 2021.

<sup>2</sup> As an Executive Director that forms part of management, Luis Romero's senior management tenure differs from that posted as a Director from the Board and it is not meaningful because the executive has just joined the management team.



## A Simpler, More Diverse and Independent Committee Structure

On February 5, 2020, Credicorp's Board of Directors agreed to simplify the board committee structure, reducing the number of committees from seven to four. The Committees now reflect more diverse points of view; an improvement in the distribution of director skill sets; and an increase in the number of independent directors that sit on each committee. Both the Executive Committee and the Investment Committee were eliminated, and the Compensation and Remuneration Committee and the Nomination Committee were merged. Additionally, three of the four remaining committees are chaired by independent directors.

Current committees include: Risk Committee, Compensation and Nominations Committee, Sustainability Committee and Audit Committee.



(1) Set up October 31, 2002.

(2) Set up March 28, 2012.

(3) Set up June 23, 2010 as Corporate Governance Committee. On December 17, 2020, its scope was expanded, and it was renamed as Sustainability Committee.

(4) Set up on June 5, 2020 as a result of integrating the Compensation and Remuneration Committee (set up January 25, 2012) with the Nomination Committee (set up March 28, 2012)

## Board Committee Composition as of June 2020

Board Member	Audit Committee	Risk Committee	Sustainability Committee	Compensation and Nominations Committee
Luis Romero B.		M		M
Raimundo Morales	A	P		M
Fernando Fort			M	
Alexandre Gouvea (I)		M		P
Irzio Pinasco (I)	M			
Antonio Abruña (I)			M	M
Patricia Lizarraga G.* (I)	P		M	
Maite Aranzabal (I)	M		P	
Leslie Pierce			M	
Barbara Bruce V.**			M	
Pedro Rubio**		M		

P: President

M: Member

(I): Independent Member

A: Advisor

\* Financial expert

\*\* Not a Credicorp director, but member of the Board at BCP





## Audit Committee

The Audit Committee supervises, monitors and independently reviews Credicorp's financial information system, including processes and internal control mechanisms. It also supervises external auditing and validates the integrity of financial statements for Credicorp and its subsidiaries.

All of the members of this committee, which currently number three, must be independent according to the definition of independence of the US Securities and Exchange Commission (SEC). The committee must have at least one member who is considered a financial expert and the Chairman of the Board may not be part of this committee. In 2020, the Audit Committee met on twelve occasions.

In June 2020, Mr. Raimundo Morales was named advisor to this committee. Other individuals that work with this committee include Mr. Ricardo Bustamante, permanent advisor to the Corporate Audit Committee and IT expert, Mr. Cesar Rios, Chief Financial Officer, Mrs. Miriam Böttger, Deputy General Secretary, Mr. Jose Luis Muñoz, Head Accounting Officer, Mr. Jose Esposito, Corporate Auditor and responsible for Credicorp's internal audit, and Mr. Enzo Tolentino, Head of On-going Auditing and Corporate Development.



## Risk Committee

The Risk Committee at Credicorp represents the Board of Credicorp and proposes levels of risk appetite for Credicorp Ltd.

The Risk Committee's main objective is to acknowledge and inform Credicorp's Board of Directors about compliance with parameters for risk appetite and exposure and regarding relevant improvements in comprehensive risk management at Credicorp and its subsidiaries.

This committee must have at least three directors, one of whom must be independent

(although more can be independent). It is currently composed of three directors from Credicorp and one director from BCP, and one of these individuals is an independent director. Other individuals who may participate in sessions include Mr. Walter Bayly, Chief Executive Officer, Mr. Cesar Rios, Chief Financial Officer, Mr. Reynaldo Llosa, Chief Risk Officer, Mr. Jose Esposito, Corporate Auditor and Mr. Edgar Vicente Rios, Head of Risk Management Division in BCP and Mrs. Miriam Böttger, Deputy General Secretary. In 2020, this committee met on seventeen occasions.



## Compensation and Nominations Committee

Prior to June 5, 2020, Credicorp's Board had two separate committees: the Compensation and Remuneration Committee and the Nomination Committee, which have been merged to form the Compensation and Nominations Committee.

The main role of this committee is to define, review and approve the compensation policy for the main executives and managers at Credicorp and its subsidiaries; nominate new board directors; and every three years, make recommendations to the Board of Directors regarding candidates whose names will be proposed at Credicorp's Annual General

Shareholder's Meeting to serve on the Board of Credicorp or the boards of its subsidiaries or alternatively, on the boards to which Credicorp, or its subsidiaries, must appoint a director. Candidates must be evaluated to determine if they meet independence criteria.

Four directors currently comprise this committee, two of whom are independent. By June 2020, the Nomination Committee had held seven sessions and the Compensation and Remuneration Committee, 2. The new merged committee met five times in the period following June 2020.



## Sustainability Committee

On December 17, 2020, the Board of Directors renamed the Corporate Governance Committee as the "Sustainability Committee."

The new Sustainability Committee has the same functions as those held by its predecessor, the Corporate Governance Committee: to propose, review and monitor good corporate governance practices within the Group, but has also acquired new functions with regard to Credicorp's Sustainability Program, which is considered key to ensuring both success for Credicorp and long-term value generation for stakeholders.

This 6-member committee must be manned by at least three members of Credicorp's Board of

Directors, two of whom must be independent. Directors from the subsidiaries may sit on this committee but the Chairman of the Board may not. Additionally, the committee is presided by one of the independent directors. Currently, more than half of the Sustainability Committee's directors are independent. Five directors from Credicorp and one from BCP participate in sessions, along with members of management, namely Mr. Alvaro Correa, Deputy Chief Executive Officer, who also acts as Committee Coordinator; Mrs. Milagros Cigüeñas, Investors Relations Officer; Mrs. Darice Dee Gubbins, Corporate Head of Sustainability; and Mrs. Miriam Böttger, Deputy General Secretary. The Sustainability Committee met on three occasions in 2020.

## A Stronger Sustainability Governance Structure

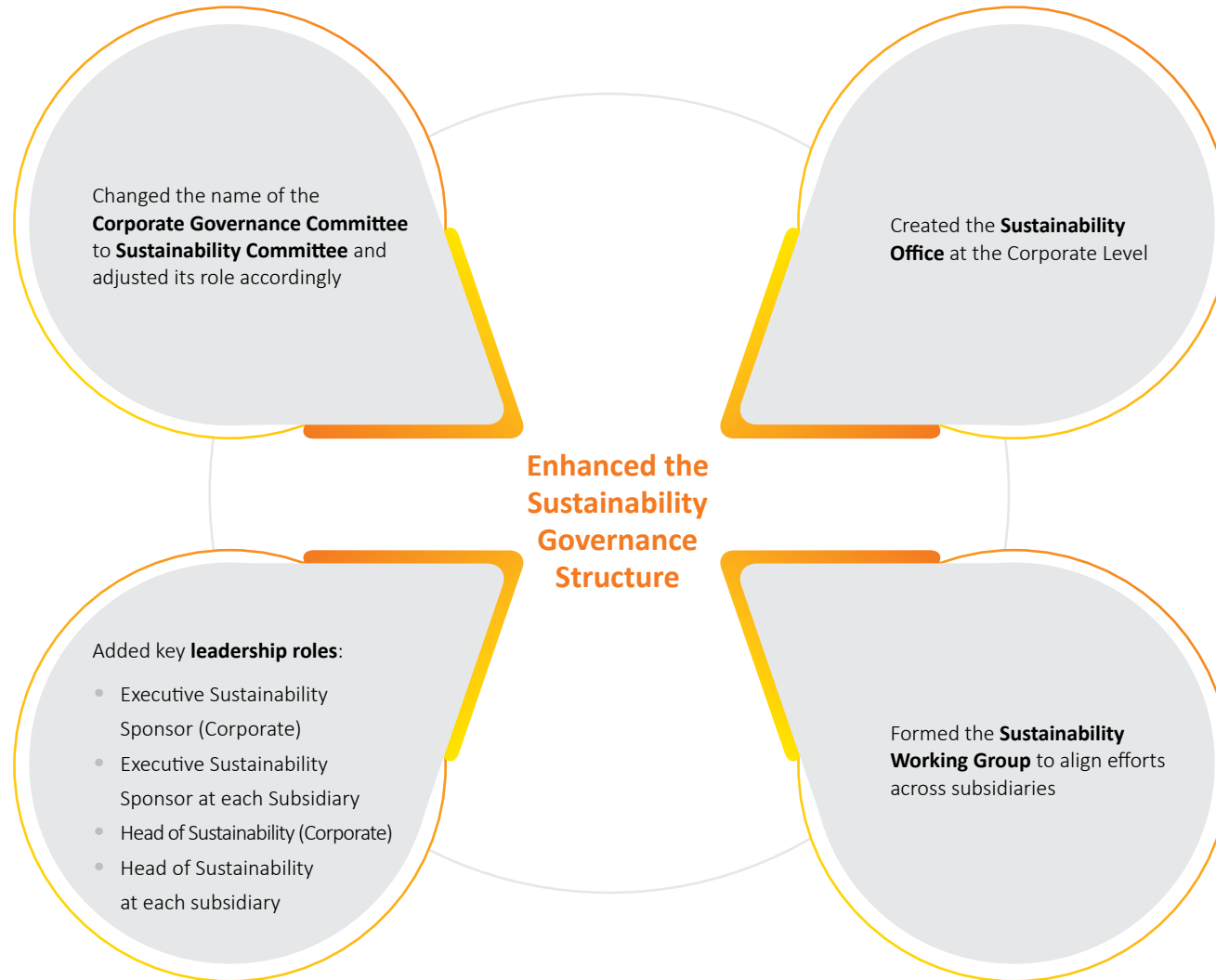
As we implement our 2020-2025 Commitment to Sustainability Program, it is necessary to reinforce the sustainability governance structure to ensure adequate oversight and coordinate with subsidiaries. In 2020, Credicorp introduced important changes to its sustainability governance structure:

**1.** On December 17, 2020, we renamed the Corporate Governance Board Committee the “Sustainability Committee”: adding an ESG focus to its list of corporate governance objectives.

**2.** We designated our Deputy CEO to serve as Executive Sponsor for sustainability and Head of Sustainability for the corporate level and Heads of Sustainability at the subsidiary levels.

**3.** Credicorp has created a new Sustainability Office, whose role will be to transform Credicorp into a sustainable leader in Latin America; lead and supervise Credicorp’s novel and ambitious Sustainability Program; and ensure the Group acts as a protagonist on the sustainability stage over time.

### 2020 SUSTAINABILITY GOVERNANCE TRANSFORMATION INITIATIVES



## Changing the name of the Corporate Governance Committee to the “Sustainability Committee”

As noted in the board committee section, on December 17, 2020, the Board of Directors of Credicorp approved the decision to change the name of the Corporate Governance Committee to the “Sustainability Committee” to reflect its goal to lead and supervise Credicorp’s novel and ambitious Sustainability Program. The Board believes this program is key to ensuring business success and long-term stakeholder value. The Sustainability Committee will, alongside its current corporate governance roles, assume functions related to the Sustainability Program.

After Mr. Pierce was appointed to serve on the Board at the Special Shareholders meeting in October 2020, the Board made the decision to elect Mr. Pierce, who has ample experience with Corporate Responsibility matters, to sit on the Sustainability Committee. Mr. Pierce has led philanthropic organizations such as Vida Peru, Banco de Alimentos del Peru and Crea+. His energy, strategic mindset and track record in building and leading large corporations make him an excellent addition to the committee.

The other members of the Sustainability Committee are: Maite Aranzabal Harreguy (Chair), Antonio Abruña Puyol, Fernando Fort Marie, Patricia Lizarraga Guthertz and Barbara Bruce Ventura.

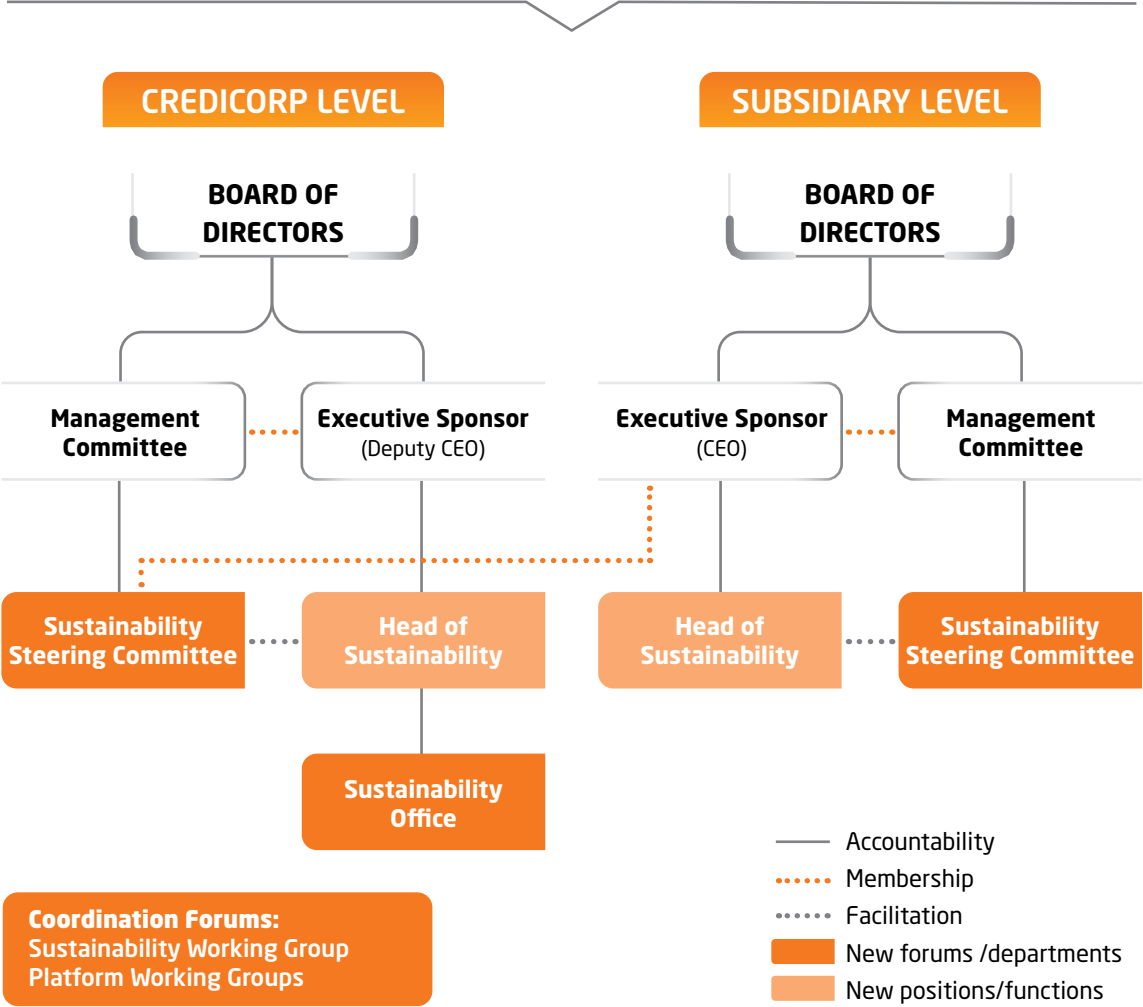
There is only one Sustainability Committee for the Group, which is at the corporate board level. On a subsidiary level, the respective Boards will review their own sustainability initiatives as part of their yearly agenda.

## Designating Leadership Roles

ESG will be effectively and efficiently embedded into the current Credicorp governance structure by adding a number of key leadership roles (Head of Sustainability and Corporate Sustainability Office, Heads of Sustainability at each Subsidiary level, and C-Suite executives, who act as Executive Sponsors at the Corporate and Subsidiary levels, and committees (Sustainability Steering Committees – “Sustainability SteerCo”), Sustainability Working Group and Platform Working Groups), which will drive implementation and coordinate efforts across Credicorp and its businesses.



**2020 CHANGES TO OUR GOVERNANCE STRUCTURE TO REFLECT GREATER COMMITMENT TO SUSTAINABILITY AND OUR 2020-2025 SUSTAINABILITY PROGRAM**



The first step towards designating leadership roles has been to name Executive Sponsors at the corporate and subsidiary levels. Mr. Alvaro Correa, Deputy CEO of Credicorp, has been appointed as the Executive Sponsor for Sustainability at a corporate level. In this role, he is accountable for the sustainability strategy across the Group and Chairs the Sustainability Steering Committee at the corporate level. This Steering Committee includes the Sustainability Executive Sponsors, who are the CEOs at the subsidiary level. The subsidiary’s CEO is in turn accountable for sustainability at the subsidiary that he or she runs. The corporate CRO, CFO and Head of HR participate in the SteerCo as well.

We also designated Sustainability Leaders at the subsidiary level and at the Credicorp

level. The role of the Corporate Head of Sustainability is further described in the following section when we describe the Sustainability Office.

The Sustainability Steering Committees will have the capacity to:

- Make decisions related to defining, approving, and changing ESG-related policies, procedures and guidance
- Approve key decisions, including:
  - » Prioritizing sustainability initiatives
  - » Changes to the sustainability governance structure
  - » Applications and adherence to ESG indices and standards
  - » Internal and external communication strategy

## Creating the Sustainability Office

Credicorp is in the process of creating a Sustainability Office with the following specific objectives:

- 1.** Continue developing Credicorp's sustainability strategy, ensuring the objectives are achieved on a holding and subsidiary level. Work with the board and Senior Management to integrate sustainability into the strategies, operations, and daily activities of each subsidiary.
- 2.** Manage and oversee the execution of initiatives and activities prioritized in the Sustainability Program, following up on performance, KPIs and results that are key to the strategy. Provide support in the prioritization of initiatives. Help convert the success of the sustainability strategy into strategic and financial impact for Credicorp, generating value for its stakeholders
- 3.** Maintain Credicorp's sustainability strategy up-to-date with the international best practices and lead the development of sustainability policies throughout Credicorp. Provide and support the company with

technical knowledge and research on sustainability themes and facilitate training for leadership in sustainability matters.

Additionally, the Sustainability office will lead communications relative to the sustainability strategy, establish a reporting workplan (indices, rating agencies, regulators) and provide answers to ESG inquiries from stakeholders. Finally, it will also communicate the Group's sustainability strategy in relevant forums.

As the 2020-2025 Commitment to Sustainability Program is implemented, changes will be made in reporting to demonstrate advances in ESG oversight and provide proof that commitment to sustainability is growing across the Group:

- ESG progress reporting, tracking of metrics and other updates are to be incorporated into the established review process.

- Subsidiary level Sustainability Steering Committees are to be established and Chaired by the subsidiary's Executive Sustainability Sponsor, the CEO of the subsidiary.
- Credicorp will develop a roadmap for Board of Director education regarding sustainability, to equip its directors to better:
  - » assess risk and opportunity areas
  - » ask management the appropriate questions
  - » engage with institutional shareholders
  - » ask other Board Committees to define their role relative to ESG
- The Sustainability Working Group will be established to align the ESG strategy and implementation efforts across subsidiaries, acting as the focal point for sustainability issues. Chaired by the Credicorp Head of Sustainability, it will share information; explore cross-pollination opportunities;

coordinate to achieve consistency in key activities; and review materials prior to the Steering Committee's quarterly meeting (including policies and recommendations from the Platform Working Groups).

- Working groups will be established for each of the eight Platforms to define the scope of each platform and its guiding criteria to ensure consistent understanding across all group businesses. The Platform Working Groups will coordinate and align business opportunities across subsidiaries: steward Credicorp's industry leadership in the subject area; and keep up with emerging trends and peer activities to contribute to improvement in business practices.

## Enhancing Our Corporate Compliance and Ethics System

According to our Materiality Matrix, Compliance and Ethics contribute to creating long-term value and to satisfying the needs of both our business and stakeholders by:

- Guaranteeing clarity regarding the terms and conditions of financial products and services
- Providing a framework and follow-up to assure a good working environment and opportunities for all employees
- Ensuring Management accountability and integrity



### EMPLOYEES

Ethical behavior at all levels of the organization is vital because it maintains a healthy workplace and has a direct impact on business performance.



### GOVERNMENT AND REGULATORS

By complying with local and international regulations and acting with complete transparency with our government and regulators, we contribute to developing ethical business relationships.



### CLIENTS

Our clients are offered products and services that satisfy their needs and are given clear and relevant details so they can make informed decisions.



### INVESTORS

Avoiding sanctions and reputational risk due to unethical behavior at our companies contributes to increasing the value proposition we offer to our shareholders.



### SUPPLIERS

It is important to assess the ethics of our suppliers and engage in holistic risk management in the supply chain, considering key aspects such as Human Rights. Suppliers and other stakeholders must be aware of the elements of our ethics line.



### SOCIETY

By acting ethically, we create sustainable relationships that generate value for society.

To achieve our goal of leading through social purpose, our Board of Directors and Senior Management are committed to (i) promoting ethics and integrity, which are fundamental elements of our organizational culture, and (ii) ensuring regulatory compliance and prevention of financial crimes.

## Ethics and Integrity

### Code of Ethics

Our Code of Ethics has been approved by our Board of Directors. It is aligned with the highest international standards for conduct and establishes the main guidelines that every employee must follow when dealing with other employees, clients, suppliers, regulators and society. Every employee must comply with the Code of Ethics. Each makes a formal commitment to compliance at the beginning of the work relation, which is renewed on an annual basis. Our Code of Ethics is available on Credicorp website in both Spanish and English.

### Ethical decision making

Every employee is committed to acting with integrity at all times to safeguard the interests of our clients and society. We call upon our employees to ask themselves if they can answer “yes” to these four questions when they make decisions:

- Does regulation allow this?
- Will the decision create value for our customers and treat them fairly?
- Will the decision prevent the company from suffering economic or reputational damage?
- Will the decision comply with our Code of Ethics and other policies?

- Will the decision create value for our customers and treat them fairly?
- Will the decision prevent the company from suffering economic or reputational damage?

### Organizational Justice

Organizational justice is a key element in our effort to promote ethics; as such, we apply corrective and disciplinary measures in the event a breach takes place in the Code of Ethics. If the violation is deemed significant, the event is taken to the Ethics Committee at the pertinent subsidiary, which can raise the case to the Corporate Ethics Committee if need be.

This approach— coupled with our principles of integrity, respect, transparency, and effective risk management— reflects our commitment to acting as an agent of change and to be a purpose-led, future-oriented, stakeholder-focused and sustainable financial services leader in Latin America.

## Integrity, Respect and Transparency

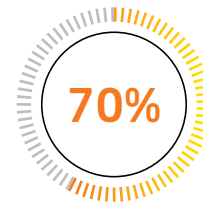
### Our Alerta Genetica Ethics Line

The results of a survey conducted among our employees about Credicorp’s Corporate Ethics Line in 2020 showed us that:

*We take feedback from our employees to do things better every day.*



of our employees believe that reporting unethical conduct strengthens our organizational culture.



of our employees trust their supervisors enough to report any unethical conduct to them.



of our employees trust our corporate ethics line to report any unethical conduct.



Based on these results, we took the following actions:

- We expanded the range of reporting channels so that our employees now have more options to report unethical conduct; this has made the reporting process easier.
- We established a protocol for Credicorp’s management with clear guidelines on how to handle reports that have been received directly. We know that reporting potential breaches of ethics is not an easy task.

As such, we are constantly searching for new ways to facilitate the reporting process so that our employees and stakeholders can do the right thing.

In 2020, our “Alerta GenÉTICA” ethics line generated the following results:

- We received 355 reports, which represents an uptick of 30% year-over-year; 74% of these reports were anonymous.
- Almost 80% of the alerts received came from BCP, which has more employees than any other subsidiary.
- 68% of the alerts received provided effective information, which gave a solid basis to initiate action; 10 disciplinary actions were taken as a result of these alerts.
- Over 80% of effective alerts were about workplace hostility (38%), unethical behavior (23%) and unfair sales practices and conflicts of interest (20%).
- External auditors assessed these results as part of our standard review and control procedures; no observations were levied.

*One of the primary barriers to reporting is that whistleblowers fear that their careers will be negatively impacted. This is why Credicorp has a strong Anti-Retaliation Policy, which reflects zero tolerance for reprisals. Credicorp strives to protect the confidentiality, identity and wellbeing of the individuals who send alerts.*

Type	# of effective alerts
Workplace hostility	91
Unethical behavior	56
Unfair sales practices and conflict of interest	47
Fraud	26
Money laundering	7
Corruption	2
Retaliation	1
Other	10
<b>Total</b>	<b>240</b>

Subsidiary	# of effective alerts
BCP	179
Mibanco	39
Pacífico Seguros	11
Credicorp Capital Colombia	4
Prima AFP	4
BCP Bolivia	2
Credicorp Capital Chile	1
Credicorp Capital Perú	0
<b>Total</b>	<b>240</b>

Every semester, the main initiatives and results of our ethics line are reviewed by the Audit Committee.

Credicorp believes that transparency regarding the metrics of its ethics line, which covers both interactions from employees and stakeholders, contributes to promoting ethical behavior:

- In 2020, we began reporting key information regarding our ethics line to our employees. This stands as proof of our commitment to head off potential risks related to conduct while promoting transparency.
- This year, we also scaled up efforts to inform our employees about the main characteristics and components of our ethics line (how to access, how to track submitted complaints) and have provided information on specific metrics such as:
  - » Number of complaints received.
  - » Number of complaints resolved.
  - » Number of corrective actions taken.

### *Our Supplier Code of Conduct*

Our commitment to ethics and integrity carries over to our close relationships with suppliers and third parties.

- Our main suppliers submit a written commitment and must comply with the ethical standards outlined in the Code of Conduct for suppliers.
- In 2020, we conducted training and worked with high-risk suppliers to reinforce their understanding of the most relevant aspects of the Code of Conduct for Suppliers and encouraged suppliers in general to use the ethics line to report potential wrongdoing.

### *Ethics training and communications*

Every year, employees must complete a virtual training program, which covers the most relevant aspects of the Code of Ethics. In 2020, 97% of employees completed the program successfully and corrective measures were taken to ensure that the remainder of employees comply with course completion.

Internal communication campaigns are periodically conducted with high-risk business

units to address the guidelines of the Code of Ethics that are most relevant to their day-to-day activities. Specialized training was also conducted with certain high-risk units to tackle practical issues and heighten compliance.

A Liaison Program has been implemented. Through this initiative, representatives from the highest-risk business units at Credicorp contribute to designing and deploying the most strategic initiatives for compliance and ethics. To date, this program has 144 representatives from the six countries where we operate.

### *Conflict of Interest management*

In 2020, we focused our efforts on using a risk approach to manage potential conflicts of interest. Additionally, we held multi-disciplinary workshops to assess risks of conflicts of interest in the main procurement units. These actions allowed us to implement new controls while improving existing mechanisms.

We periodically ask directors, senior management and other employees to disclose information that could lead to conflicts of interest. In 2020, this information was requested

and analyzed and cases were managed in accordance with the provisions of our Corporate Policy to manage conflicts of interest.

Finally, with the data compiled through this process, we started to define logics to develop new alerts, automated tools and predictive models to expand the scope, effectiveness, and efficiency of this program.

### *Ethics as our way of doing business*

In 2020, we launched an internal campaign to promote responsible selling for our retail products and services. This was particularly important given that many clients needed financial assistance and guidance due to economic hardship in the context of COVID-19. Our top management and leaders from the commercial division participated in this campaign to disseminate messages that reflect our commitment to simplicity and transparency. We used our digital platforms to complement these efforts, which leveraged trivia, real case scenarios, webinars and virtual chats to reach more than 11,000 employees.

## Promoting an Effective Risk Management Culture: Regulatory Compliance and Prevention of Financial Crimes

The Compliance and Ethics Division oversees compliance of the Code of Ethics within the organization. In the framework of a compliance risk management system, the division develops complementary policies to aid in ethical decision making, regulatory compliance and prevention of financial crimes.

The Chief Compliance and Ethics Officer reports directly to our Board of Directors to provide regular and consolidated reports about the performance of the compliance programs in place at all of our subsidiaries. Each subsidiary has a compliance and ethics officer, who works with a specialized team and reports to the head office.

In the past few years, we have migrated from a single-program perspective to a comprehensive compliance and ethics advisory framework to provide timely risk assessment of new products, channels, service initiatives or changes in the realm of compliance. We have implemented a new way of providing comprehensive advice (that includes all

programs within the role of compliance and ethics) to Credicorp business units, tribes and squads to ensure that products and services can be rolled out in a timely manner.

### *Anti-Corruption Policies*

Credicorp is committed to combatting corruption and has developed a Corruption and Bribery Prevention Policy that provides guidelines to every subsidiary to ensure transparent relations with stakeholders; minimize related risks; and comply with local and international regulation (UK Bribery Act, FCPA). This policy is executed through a prevention model with four fronts:

- (1)** risk assessment,
- (2)** control systems,
- (3)** training and awareness, and
- (4)** continuous assessment and monitoring.

In this regard, BCP has obtained ISO 37001 Certification for the following three specific processes:

- Regulatory Affairs Department,
- Institutional Banking, and
- Selection and Management of External Lawyers.

These measures have made our anti-bribery system more robust and efficient. Additionally, we completed a risk assessment at other subsidiaries and held virtual training for directors and employees in specific high-risk units.

The objective is to strengthen our culture of zero tolerance for corruption and/or bribery. These actions reflect our commitment to drive changes in society by developing businesses that place a premium on integrity.

*COVID-19 Pandemic:* Credicorp has demonstrated unwavering concern for and solidarity with those most affected by the COVID-19 pandemic and in 2020, was involved in different donation initiatives. These activities carry a risk of corruption, and as such we put a number of controls in place to ensure that all donations reach the hands of beneficiaries and to protect the transparency of the process.



### *Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) Policies*

Credicorp is committed to fully complying with regulations and directives regarding the prevention of Money Laundering and Financing of Terrorism activities (AML/CFT) to control monetary flows and track illicit sources of funding.

We monitor transactions to identify suspicious activity. Our AML investigations review transactions of new and existing clients across all our subsidiaries.

Our Know-Your-Customer Process (KYC) is a key aspect of our AML Program and allows us to evaluate the potential risks associated with each client relationship from the point of onboarding. In 2020, we strengthened our KYC with new controls for emerging risks and improved existing controls to monitor third parties. Credicorp creates, tracks and files Suspicious Activity/Transaction Reports and Currency Transaction Reports, as required by regulators.

In 2020, we did not receive any relevant observations on our AML Program from any of the regulators in the countries in which we operate.

Our corporate policy, which is based on Country Sanction Lists, establishes guidelines to accept or reject transactions with restricted countries or with those considered high risk. The objective is to limit Credicorp's exposure and eliminate flows from illicit sources and organized crime.

In 2020, we worked with the Agile framework to implement digital transformation and used KRIs (Key Risk Indicators) to manage the AML Program in accordance with international standards. We captured opportunities by using automation and analytics.

### *Fiscal Transparency Policies*

Credicorp is committed to contributing to countries' efforts to improve domestic tax collection levels. It accomplishes this by increasing the transparency of financial information across countries to prevent tax evasion and by complying with FATCA (Foreign Account Tax Compliance Act) and CRS (Common Reporting Standards). Through these initiatives, Credicorp (i) reports to regulators on financial transactions involving foreign tax residents, and (ii) complies with certifications and audits from local and external regulators as required by applicable laws.



## Market Abuse Prevention Policies

Credicorp believes that by bolstering the transparency of global financial markets and institutions, we contribute to economic and social development. As such, Credicorp maintains strict policies that prohibit insider trading and market manipulation; these restrictions apply to all of the transactions we conduct in the capital and financial markets.

Credicorp conducted a risk assessment that concluded to roll out preventive actions (including a training and communication program) and establish alerts to reduce the potential for incidents across our subsidiaries.

Our Market Abuse Prevention Policy is based on the highest international standards. Additionally, Prima AFP, Credicorp Capital Chile and Credicorp Capital Peru have publicly declared their adherence to the Code of Conduct for Asset Managers of the CFA Institute, a world leader in ethical standards for the asset management industry.

*In 2020, we reviewed 41 cases of potential misuse of privileged information or market abuse, none of which resulted in disciplinary or corrective measures.*

## Data Privacy Policies

Credicorp has established a Data Privacy Policy, which is updated to reflect regulatory changes and provide necessary guidelines. We firmly believe that to maintain the trust of our clients, we must adequately protect personal information through strong controls that ensure integrity and prevent misuse.

We also complied with registry requirements for new personal data banks and transborder flows as stipulated by SBS, the local regulator. Finally, we engaged in communication and training activities to strengthen our business units' compliance with the main aspects of this Policy.

## Occupational Safety and Health Policies

Credicorp is committed to taking action to (i) protect the workplace and clients in a context of growing global health risks and to (ii) protect labor rights and promote safe and secure working environments for all workers and employees. Credicorp complies with all Peruvian regulations on these fronts and the Occupational Safety and Health Policy applies to every employee and key suppliers (contractors, subcontractors, and similar entities). Our risk assessment allows us to determine which controls are necessary to guarantee safe and healthy workplaces, prevent accidents and occupational illnesses.

Employees participate actively in risk prevention and are represented by members who have been elected to sit on the Occupational Safety and Health Committee. This committee meets monthly to monitor compliance of all activities contemplated in the OSH's Annual Plan.

In 2020, 70 accidents were reported versus 208 in 2019. This significant decrease was attributable to the measures put in place and to the fact that a large portion of employees worked remotely in 2020 in the context of COVID-19.

*COVID-19 Pandemic:* In 2020, Credicorp made significant improvements in its guidelines, controls, processes, benefits and facilities to respond effectively to workers' needs in the context of COVID-19. This safeguarded the health of workers, suppliers and clients. We reinforced the governance of our occupational safety and health management through strong communications campaigns and internal training to raise awareness. The objective was to ensure that our employees, clients and other stakeholders comply with the biosecurity protocols in the workplace and at home. We also completed our annual OSH audit. In 2021, we will continue taking all actions necessary to help the country cope with the COVID-19 pandemic.



## Market Conduct Policies

One of the key ways of improving the financial health of citizens (the second pillar of our sustainability strategy) is by building relationships that are based on transparency and simplicity. Credicorp's Market Conduct Policy encourages these actions and reinforces our client-centric culture through three fronts, which are part of its control system:

- (i)** Good business practices to provide our clients with products and services that respond to their needs.
- (ii)** Transparency with regard to relevant information on our products, services and processes to help our clients make better and more informed decisions.
- (iii)** Timely, complete and reasonable complaint management.

In 2020, we conducted monitoring to ensure that employees at the branch level have adequate information to advise our clients and offer products that meet their needs. Client satisfaction with the information provided with situated at 84%.

We strengthened our controls to detect unfair sales by adding alerts for processes to sell

insurance products. These controls detected that less than 0.5% of BCP sales in retail banking were unfair. In this context, around 140 employees were sanctioned for unfair practices.

At the industry level, we comply with the Code of Good Practices by reporting actions that contribute to strengthening good behavior in the financial and insurance markets.

*COVID-19 Pandemic:* In 2020, we strengthened and leveraged initiatives that contributed to economic reactivation while providing financial assistance to our clients.

Additionally, we provided advice and assistance to the government roll-out of economic relief programs. Efforts along these lines included disbursing loans under Reactiva and FAE-Mype and channelling donations from other sources to help vulnerable families navigate the crisis. In this context, we worked to ensure that clients received clear information on obligations, requirements, and dates for fund disbursements and payments under government programs. We faced significant challenges but nimbly adapted to new regulations by implementing changes in information reporting for products and processes to guarantee compliance with our Policies and with local regulations.

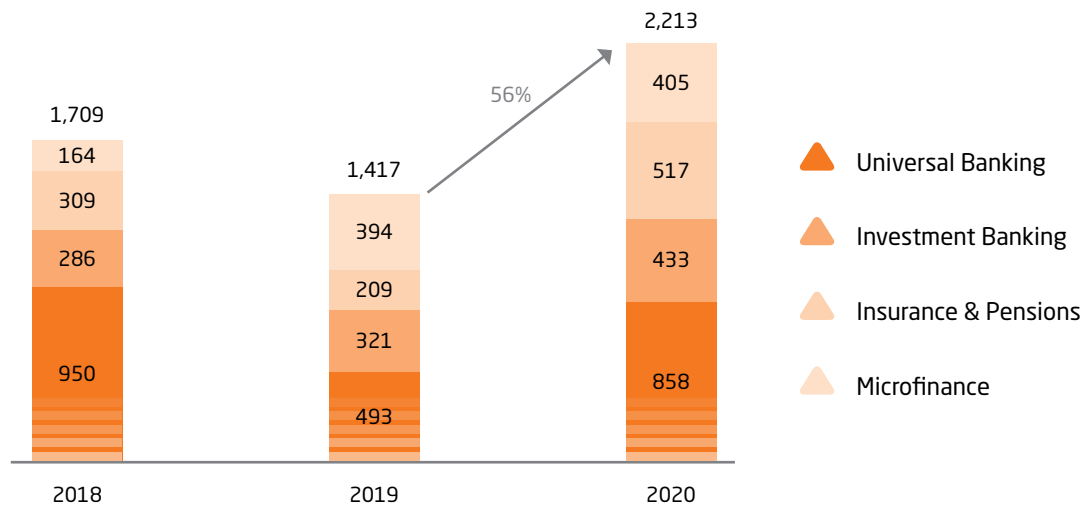


## Regulatory Compliance

Credicorp is committed to complying with all applicable regulations. In this regard, we have improved our methodology for regulatory risk assessment by adding risk scoring and differentiated criteria.

**COVID-19 Pandemic:** The complexity of the COVID-19 pandemic has wrought many challenges, one of which reflects a 56% increase YoY in the number of regulations with which Credicorp must comply. We successfully met the requirements of these regulations as we assisted the government in its efforts to ease the economic pain of its citizens.

**New Regulations by Line of Business**



In terms of international regulations, in alignment with our commitment to boosting the transparency of both the financial and capital markets, Credicorp complies with Dodd-Frank and counterparty requirements under EMIR and BRRD regulations. Given recent changes in these regulations, Credicorp took action to comply with the new obligations on Dodd-Frank – *Enhanced Prudential Standards and Living Wills*, Volcker Rule – *Restrictions for investing in proprietary trading and Covered Funds*, as well as Stay Rules (France).





## Increasing the Level of Cybersecurity of Our Businesses

### Cybersecurity Risk Management

In 2020, we continued to develop and strengthen our Cybersecurity practices and capacities to reach a higher level of maturity; align cybersecurity management with best international practices; and ensure compliance with the regulatory framework.

The main functions of the Cybersecurity team are:

- Establish policies to manage risks relative to cybersecurity and information security
- Design and implement strategies to monitor and control these risks and permanently assess the efficacy of systems and processes.

In 2020, Credicorp's companies directed their efforts at adapting existing controls and establishing new ones for remote work.

Preventive measures were taken to help guarantee the security of our employees, operations, and data. The following priorities were set to ensure alignment and strengthen cybersecurity capacities:

**Cybersecurity maturity according to the FFIEC framework:** goals and initiatives were defined for each subsidiary, which were aligned with levels of maturity and cyber risk profile of each company.

**Cybersecurity indicators:** BCP generated more sophisticated indicators to monitor cybersecurity systems to verify the efficacy of the controls put in place. These indicators were shared with the subsidiaries, which will adopt and adapt the same as their needs require.

**Program to create awareness:** To develop an organizational structure for cybersecurity and generate awareness of this type of risk in our workplaces, courses and phishing campaigns were imparted.

**Policies and guidelines:** In line with the cybersecurity policies and guidelines put in place at the corporate level, specific policies were developed to help subsidiaries launch

and adopt programs that are aligned with their level of maturity and exposure to cybersecurity risk.

**Supplier governance:** Our process to assess critical suppliers incorporated more stringent cybersecurity requirements. Additionally, we implemented an on-line monitoring tool for critical suppliers to gather information on the supplier security.

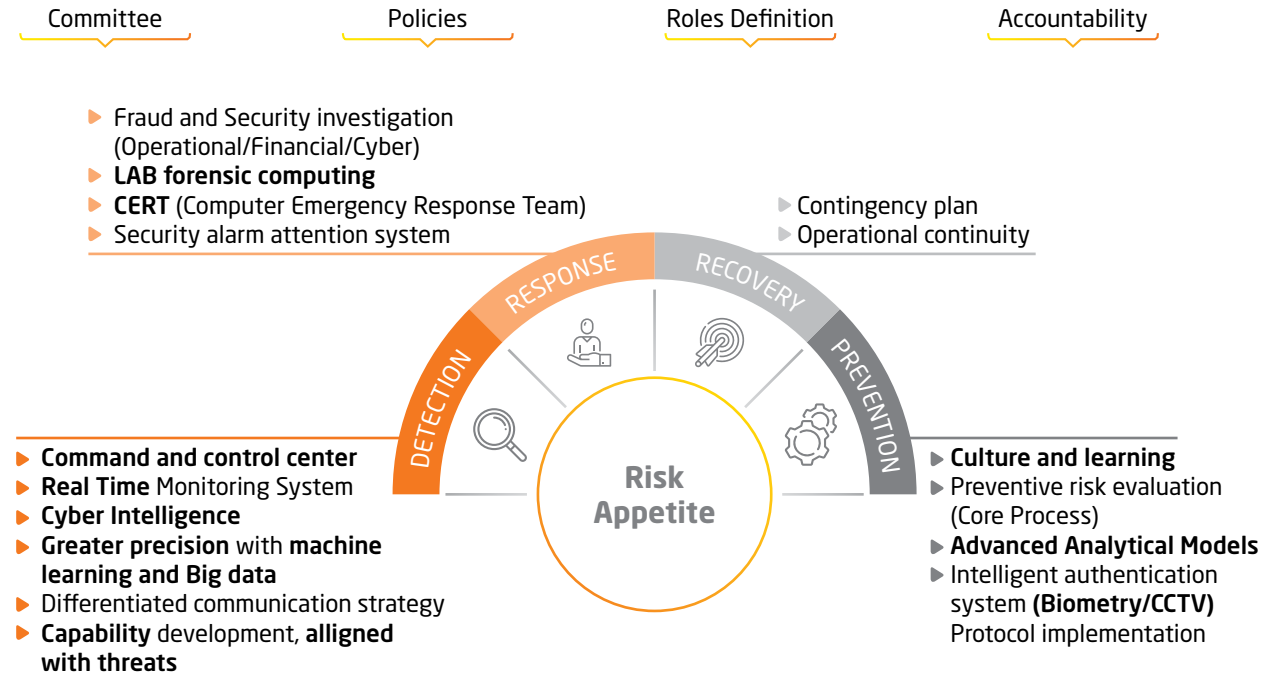
**Implementation of security technologies:** Given the growing sophistication of cyber attacks, we periodically identify and analyze a series of threats to generate a list of the technologies we need to manage these issues. Each of the group's subsidiaries implement the tools they need based on their risk profiles and strategic plans.

**Tabletop tests:** In a context of an upswing in cybernetic attacks across the world, tabletop tests were conducted at the subsidiaries to determine response levels to cybersecurity incidents.

## Cyber fraud management

This year, we made progress in our quest to continuously improve cyber fraud management at Credicorp to ensure that it is aligned with best international practices and standards and fulfills regulatory requirements.

The Corporate Security and Cyber Crime team has launched different initiatives to strengthen the culture of Security and Fraud Prevention among internal and external clients. This work is conducted under the following Governance scheme:



Cyber fraud management entails risk assessments of cybercrime, digital forensic investigation, cyber intelligence, special projects and the forensics computer lab. This type of management requires a highly skilled team of experts who specialize in cybercrime and utilize diverse cutting-edge technologies to monitor, investigate and analyze incidents and threats related to cyber fraud on the internal or external fronts.



Our preventive focus accompanies the launch of new digital products and services from the point of inception. We have internal and external capacities to activate plans to respond to cybercrime, which include training for internal and external clients as well as other groups of interest to educate them about adequate management of threats and warning signs.

The following activities, which are supported by a robust technological base, are conducted at the corporate level:



## Technology

### Security and Monitoring

### Forensic Investigation

In terms of complementary activities at the association level, the Corporate Security group represents BCP in the Comprehensive Program for Banking Security of the Association of Banks of Peru (ASBANC), the Consulting Council for Banking Security at FELABAN for Latin America and the Caribbean (LAC) and the Executive Committee for Risks Associated with VISA Payment Methods for LAC.

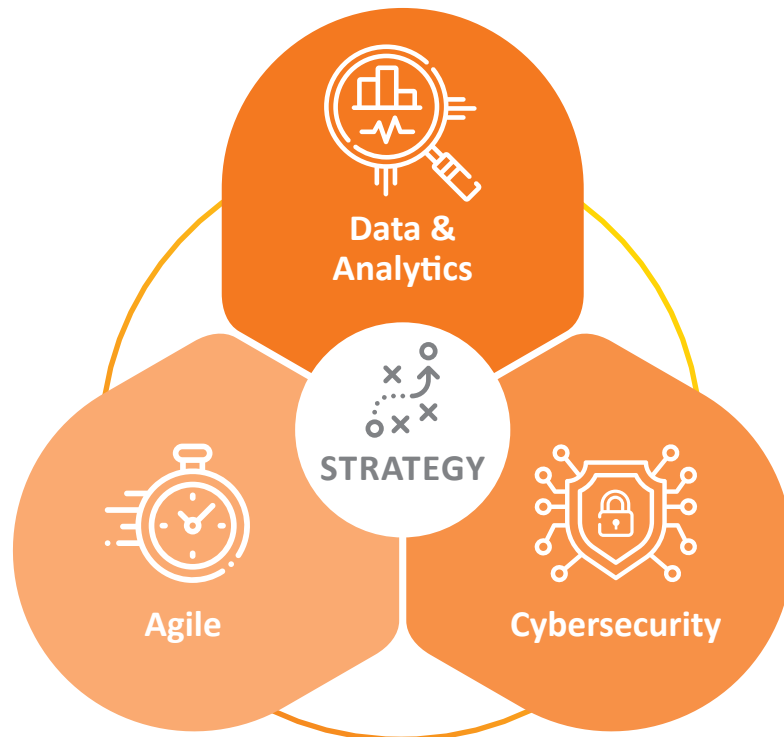
## Active participation

- ▶ Latin American Federation of Banks- FELABAN Security Advisory Committee. **Chairmanship**
- ▶ Association of Banks of Peru Strategic Security Committee. **Chairmanship**
- ▶ National Police of Peru (DEPSEBAN) Civic Committee. **Chairmanship**
- ▶ Executive Risk Council for Visa LATAM Means of Payment. **Member**
- ▶ Regional Cybersecurity Network Team OEA. **Member**

# Internal Control

## Internal Audit

In accordance with our mission, in 2020 we focused on permanently assessing the efficacy and efficiency of the risk management, control and governance processes at Credicorp Ltd. and its subsidiaries or affiliates with the objective of improving and protecting the value of the corporation while providing agile and timely assurance, advice and analysis based on risk. This year, we continued to work on issues relative to Data Analytics, Cybersecurity and Agile Audit, the three axes of the management strategy.



For this purpose, the Audit unit formulates the Annual Auditing Plan, using the Risk-Based Auditing Methodology. This is aligned with the Rules of the Institute of Internal Auditing and is approved by the Superintendence of Banking and Insurance and AFP of Peru.

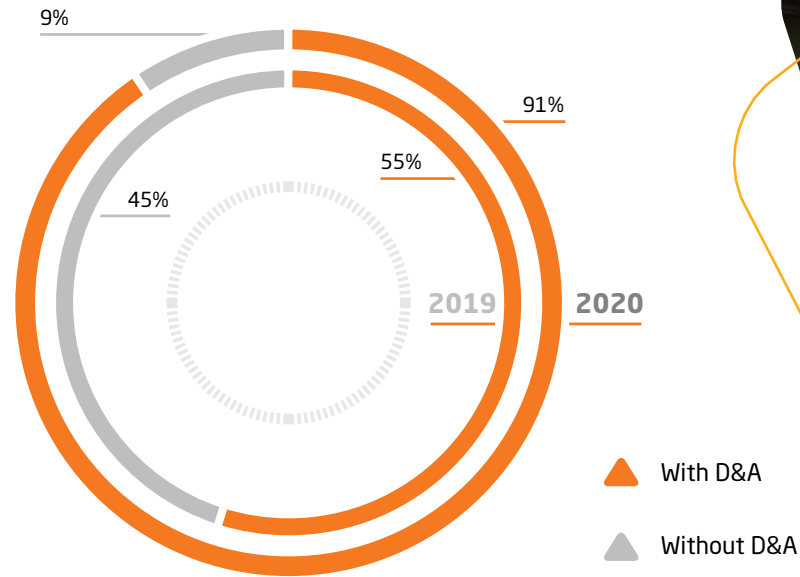
In 2020, we conducted an internal assessment in compliance with Rule 1311 of the Global Institute of Internal Auditors (IIA) for the tenth consecutive year. We were awarded a rating of “Generally Complies” (maximum rating given by IIA) for our Program for Assurance and Quality Improvement. This is proof that Internal Auditing complies Fundamental Principles for the Professional Practice of Internal Auditing, the Definition of the profession, the Code of Ethics and the Standards issued by the IIA. In 2021, we will evaluate the majority of the audit function under the model recommended by the IIA.

In 2020, the Corporate Auditor continued as President of the Financial Services Guidance Committee of IIA Global, whose mission is to provide strategic direction for the International Framework for

Professional Practice of Internal Auditing (IPPF). The objective is to provide support to advance the professional practice of auditing in the financial services industry around the world by identifying, prioritizing, rolling out and approving guides that are specifically tailored to the needs of internal auditors, who serve the financial service industry. During the year, the Auditor of the Pacifico Group continued to preside over the Chapter of the Information Systems Audit and Control Association (ISACA) in Lim, and on behalf of Credicorp, together with the Corporate Auditor, participated in conjunction with Banco Itau from Brazil, Bancolombia from Colombia, Banco Nacion and Banco Estado from Chile, Banco HSBC from Mexico and Banistmo from Panama in the Agility Committee of Internal Audit - Latin American Banks, a group formed by the audit units of these institutions to share experiences and knowledge. The Auditor of Atlantic Security Bank was a member of the Board of Directors of the Audit Committee of the Banking Association of Panama. Another highlight was the formation of the new Credicorp Capital Peru Audit team in July 2020.

In line with the best international practices of companies in the financial sector, we continued to apply the Cybersecurity Assessment Tool (CAT) of the Federal Financial Institutions Examination Council (FFIEC) of the United States. After deploying the centralized methodology to apply Data Analytics in a coordinated and integrated manner to the assurance evaluations in the group's internal audit units, the first steps to decentralize the data analytics tools in the audit specialized were taken; a step forward in the most sophisticated models in the use of these techniques. In 2020 the percentage of audit jobs that use data analytics increased from 45% to 91% in the realm of applicable processes.

### Processes with D&A (as % of total applicable processes)



In 2020, agile desk audits began, through a risk-based methodology that seeks to evaluate the correct application of agile methodologies in the corporation, particularly in the relevant domains of IT security and cybersecurity.



Despite the COVID-19 pandemic, Credicorp Audit was able to fulfill its annual plan remotely, thanks to the technical facilities deployed by the different companies of the group. In this field, special methodologies were developed for remote visits to the agencies that serve our clients.

In 2020, 20,704 hours of training were imparted with an average of 91 hours / auditor, which

surpassed the 40 hours / auditor recommended by international practices with regard to fraud prevention, IFRS 9, new frameworks of cybersecurity—such as IIA—, NIST (National Institute of Standards and Technology) or FFIEC (Federal Financial Institutions Examination Council), internal quality assessment, data analytics, money laundering, model validation and other topics relative to financial or operating auditing.

## Hours of specialized training for auditing teams

Training	2018	Average/ auditor 2018	2019	Average/ auditor 2019	2020	Average/ auditor 2020
BCP Peru	6,337	71	6,108	69	6,561	71
BCP Bolivia	1,175	49	1,129	49	1,516	66
ASB	309	62	242	48	277	55
Grupo Pacífico	1,998	87	1,859	84	2,566	112
Prima AFP	378	54	484	69	694	77
Credicorp Capital Chile	185	37	143	29	200	50
Credicorp Capital Colombia	509	64	883	98	305	30
Credicorp Capital Peru	-	-	-	-	124	31
Mibanco Peru	3,827	85	3,927	85	5,569	124
Mibanco Colombia	-	-	-	-	2,892	241
<b>Total</b>	<b>14,718</b>	<b>71</b>	<b>14,775</b>	<b>72</b>	<b>20,704</b>	<b>91</b>

The 227 auditors at the corporation are committed to efficiency and represent approximately 0.62% of the workforce. This is one of the main indicators of productivity, and this figure situates us with the range of best international practices (these figures do not include Ultraserfinco or Credicorp Holding Colombia).



## Investor Relations

Credicorp's Investor Relations area provides complete and timely information in a transparent manner to its stakeholders, which include investors, shareholders, analysts, regulatory institutions, rating agencies, collaborators, suppliers and the market in general for ensuring a correct valuation and understanding of the Group. It is also responsible for developing and maintaining permanent communication and contact with these parties through meetings, calls, conferences, shareholders' events, among others, in order to develop close relationships and facilitate mutual understanding of the objectives and strategies of the company. Communication takes place throughout the year and is

particularly active during reporting periods. In this way, the company is in constant contact with current and potential investors and/or shareholders. The role of the area is managed through 5 principles:

**1. Transparency:** Provide information in a Fair, Complete and Clear manner.

**2. Consistency:**

- Minimize the change in historical figures (accounting reclassifications).
- Use the same figures in all reports and presentations.
- Provide support for all issues that are discussed with the market.
- Align the messages of all official Credicorp spokespersons who communicate with the market.

**3. Opportunity or "Be timely":** Provide and explain all the information at the right time

Credicorp's web page ([www.credicorppnet.com](http://www.credicorppnet.com)) contains updated information on the company and its subsidiaries, stock exchange information, the dividend policy, historical results, quarterly and annual reports and presentations, events and conferences, press reports, information reported to the U.S. Security and Exchange Commission (SEC), sustainability documents (ESG), warning system, and complaints inbox, among others. Individuals who want information can send their requests to Investor Relations at [investorrelations@credicorppperu.com](mailto:investorrelations@credicorppperu.com).

so that stakeholders can make correct and informed decisions.

**4. Quality:** Provide information that meets a minimum quality standard, in terms of presentation and analysis.

**5. Multiple internal consensus:**

Communication on each Credicorp issue is defined in conjunction with all the spokespersons within the organization to guarantee expert opinions, analysis of different points of view and alignment of messages.

## ACCELERATING CHANGE AND IMPROVING LIVES

The critical events that characterized 2020 came at a time of significant change for Credicorp and its subsidiaries. When the global pandemic hit, the Group was in the throes of digital transformation and moving to redefine its brand image, purpose, vision and values to better reflect its role in society and business. Alongside these initiatives, we embarked on a project to understand the expectations of our stakeholders and subsequently align these concerns with the Group's strategy as we continue delivering and enhancing long-term value.

The pandemic reared its head at a critical point in our journey to solidify sustainability and pushed us to jump-start our timelines

for transformation. The Group's approach to doing business has always been anchored in maintaining close contact with its customers, employees and communities. This closeness provided a vantage point for Credicorp's initiatives in 2020 to rapidly and efficiently respond to needs in the context of COVID-19. Efforts along these lines included, among others, implementing biosecurity protocols to protect employees and clients at physical points of service; establishing heightened cybersecurity protocols; offering debt facilities and easy-to-use, low-cost transaction alternatives via digital channels; providing complete insurance coverage for COVID-19 related illnesses; distributing government relief disbursements and state-backed loans; and allowing a vast percentage of our workforce to work remotely. In parallel, we put our foot on the gas to expand our digital channels and rolled out digital training initiatives for clients at different subsidiaries.

The pandemic reaffirmed what we have known for many years: our guiding purpose, whether in a context of crisis or smooth sailing, must be to improve lives and drive change in the countries in which we operate. We contribute to this purpose by bringing more people into the financial system, which reduces detrimental levels of informality; engenders inclusion; and bridges gaps. During the pandemic, the perils posed by large unbanked populations became evident when the government faced major obstacles in distributing its relief funds without increasing the population's exposure to the virus. To assist the government and get funds into the hands of those most affected by the pandemic, Credicorp, via its subsidiary BCP, volunteered to serve as a point of distribution for government funds. Our employees at the branches worked tirelessly to serve clients on the physical front while BCP offered its Yape platform to speed relief distribution to clients and non-clients alike. In total, BCP disbursed more than 700,000 payments under the COVID-19 relief programs led by the Ministry of Development and Social Inclusion (MIDIS).





As we move forward on our journey to deepen our commitment to ESG, our three North Stars will be: creating a more sustainable and inclusive economy; improving the financial health of citizens; and empowering our people to thrive. In 2020, our six largest subsidiaries: BCP, BCP Bolivia, Mibanco, Pacífico, Prima and Credicorp Capital, worked on the following fronts to create value for the business and societies, accelerate change and improve the lives of those around us:

**1.** To drive financial inclusion and contribute to the transition to a more formal economy, we developed initiatives to increase the use of digital platforms (e.g. Yape); offered simpler and more accessible products (e.g. customized Pacifico insurance for Mibanco customers); improved access to financial education (e.g. the ABC of BCP, the ABC of Insurance, and educational YouTube series and content); and rolled out strategic alliances to facilitate the use of financial products (e.g. Uber, Alicorp). We also assisted small and medium-sized businesses in their efforts to grow (e.g. ecosystem finance).

**2.** To empower women and achieve gender equality, Credicorp is involved in both internal and external initiatives. Internally, our Gender Equality Program focuses on achieving a more egalitarian work environment, where everyone enjoys equal opportunities as they progress on their professional journey. Externally, we

strive to empower women through specific products such as Crédito Mujer, as well as specific training programs for women entrepreneurs, including BCP's Program for Female Entrepreneurs.

**3.** To engage our employees, our recruiting process is both transparent and fair and we promote a healthy work environment. Credicorp fosters employee learning and proactive communication and all subsidiaries offer attractive employee benefits.

**4.** To give back to the community, we encourage our employees to donate their time through our volunteer programs. These efforts are part of Credicorp's traditional outreach, and we continue to work on expanding alternatives in this regard. In 2020, BCP launched the "Yo me sumo" donations campaign to complement government efforts to aid the most vulnerable in the context of Covid-19.



## Improving lives: COVID response

All our actions during the pandemic were directed at supporting our employees, our clients, governments and society at large. In doing so, we demonstrated a deeper commitment to sustainability and to implementing the three guiding pillars of our ESG business strategy.

Our efforts to distribute government relief funds; disburse state-backed loans; and raise awareness of COVID prevention stood as proof of our dedication to creating a more sustainable and inclusive economy. In accordance with government mandates,

and with an eye on providing needed relief to our clients, we reprogrammed debt and froze interest rates; accelerated digital innovation; and rolled out training systems to make our digital platforms easier for all clients to access. By doing so, we contributed to boosting the financial health of citizens during the pandemic and set the foundations to increase financial inclusion. Finally, we protected the wellbeing of our workforce by providing personal protection equipment to on-site employees and allowing a large percentage of employees to work from home. We also encouraged them to stay at home whenever possible, and focused on ensuring their physical, emotional and financial stability. This attests to our aspiration to empower our people to thrive.



## CREDICORP'S COVID SUPPORT GUIDED BY THE GROUP'S THREE STRATEGIC PILLARS

### SUPPORTING OUR SOCIETY

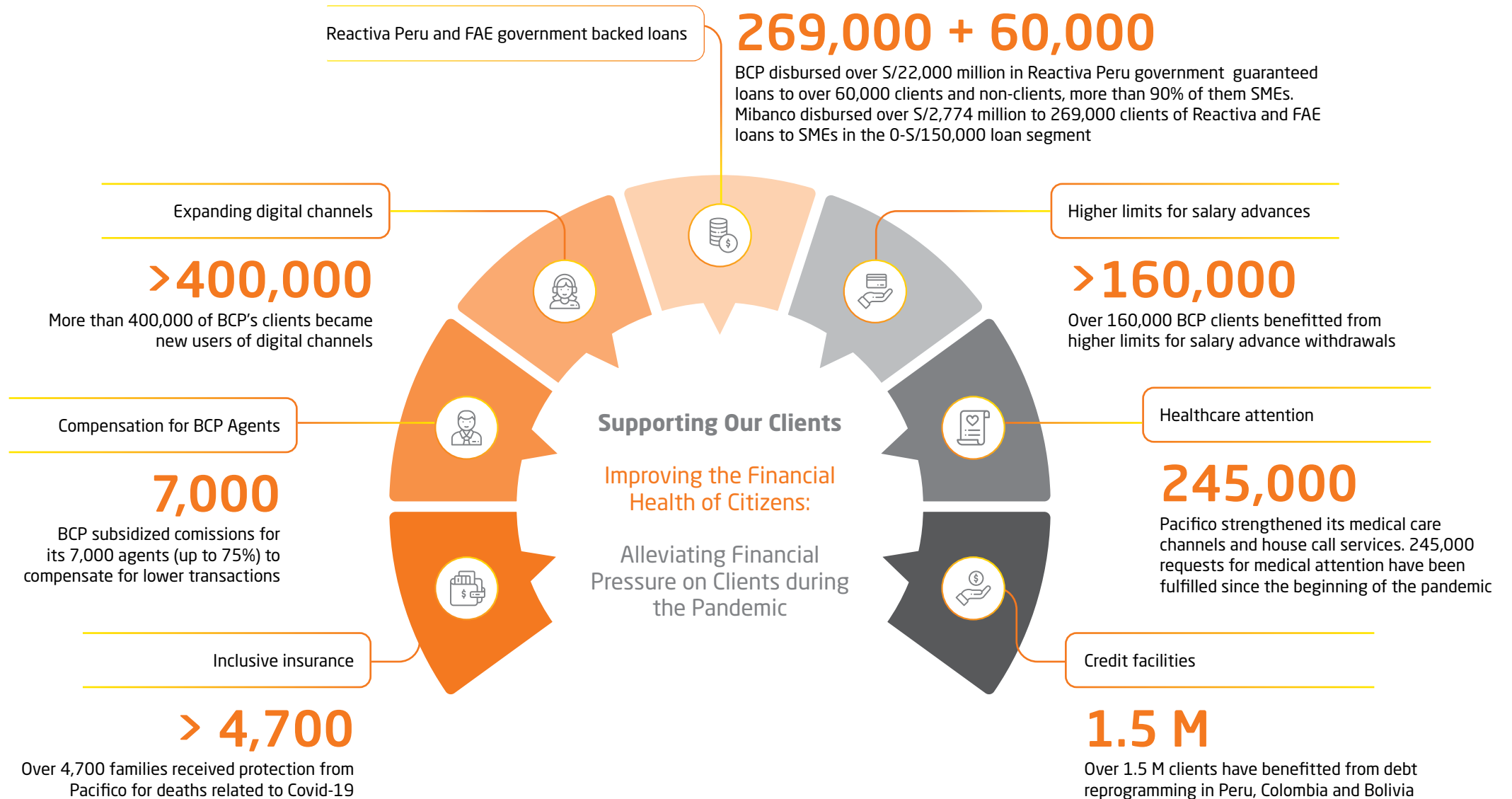
#### Creating a More Sustainable and Inclusive Economy: Supporting Our Communities in Times of Crisis

- BCP volunteered to distribute 700,000 payments in government aid. BCP also delivered these payments in person to senior citizens of the Canevaro and San Vicente de Paul asylums.
- Both BCP and Mibanco distributed government loans from the Reactiva Peru program, mainly to SMEs and microbusinesses
- Over 3 million Peruvians accessed relief-related facilities at BCP's branches: government funds for the most vulnerable; pension fund withdrawals; government loan disbursements.
- BCP made Yape available to clients from other banks and launched YapeCard to bancarize Peruvians without a bank account:
  - » 5 million Yaperos
  - » 1 million YapeCard users
  - » 650,000 financially included
- Donations:
  - » BCP raised S/126 million through its #YoMeSumo campaign (S/100 million donated by BCP and S/10 million by Mibanco; S/16 million in donations from 73,000 individuals and businesses). The funds benefitted 157,000 families.
  - » In addition, Credicorp Capital, Pacifico and Prima donated S/4 million to equip the Peruvian health system with medicinal oxygen
  - » Pacifico donated S/5 million in life insurance for frontline emergency personnel: army, police and health workers
  - » BCP donated advertising spots to the Ministry of Health
- BCP launched #YoMeQuedoEnCasa to give useful advice on its social media platforms
- With the support of 600 BCP volunteers, BCP focused its Women Entrepreneurs program on providing digital and financial tools to 20,000 women entrepreneurs to help them grow their businesses

### SUPPORTING OUR EMPLOYEES

#### Empowering our People to Thrive: Ensuring the Wellbeing of Our Employees in Pandemic

- We activated biosecurity protocols, including deep cleaning and disinfection of work and service areas, including ATMs
- We provided protective equipment, transportation services, lunchboxes and offered accommodation when needed to more than 19,000 employees.
- Full medical coverage for employees that contracted COVID
- 95% of our backoffice personnel worked remotely in 2020
- Higher risk employees not able to work remotely stopped working but still received pay
- All subsidiaries launched online programs (e.g. ViveBCP) to provide holistic support to employees during the pandemic, providing information, emotional support and even practical tips to adapt to the new reality



Credicorp's banking subsidiaries played a very significant role in helping the Peruvian government support the economy in 2020. BCP and Mibanco were leading players in the Reactiva Peru program, which provided state-backed loans as a quick and effective response to mitigate COVID-19's impact on business liquidity. In fact, BCP granted more Reactiva Peru loans than any other financial institution in 2020, disbursing more than S/22,000 million (41.5% of total loans under Reactiva) to assist approximately 60,000 Peruvian companies, 90% of which are small and micro businesses. Mibanco supported its clients and fulfilled its social development role through both Reactiva and FAE (Fondo de Apoyo Empresarial) government programs and disbursed more than S/2,774 million to 269,000 clients (48,000 new clients) between May and November. Additionally, 31% of total government-backed disbursements for under S/150,000 were granted by Mibanco, which is proof of its strong foothold in the segment in which it competes.

As part of its crisis response program, Credicorp's Corporate Security and Cybercrime Division deployed physical security measures at its agency network to

guarantee essential services. The division monitors transactions to detect identity theft and fraud and in 2020, attacks on these fronts registered an upswing in a context of heightened digital activity. Finally, we stepped up preventive Forensic IT and Digital Intelligence measures by engaging a third-party assessment of credit cards offered through the DeepWeb (Carding). The results of this effort led Credicorp to take legal action against cyber delinquents.

Credicorp subsidiaries also supported their clients in ways beyond providing financial relief through facilities. Pacifico, our insurance arm, focused on maintaining clear and fluent communication to ease anxiety by offering clients emotional and psychological support. Its #NoEstásSolo (#YouAreNotAlone) campaign was directed at offsetting the effects of the COVID19 pandemic. During the first four months of the pandemic, Pacifico sent daily newsletters to clients and later opted for monthly publications that cover a wide variety of topics. The company also endeavored to assure clients that they were fully covered in the event of COVID-related illnesses and launched a podcast and webinars to help them successfully navigate an adverse context.



Pacifico strengthened the services of its online client platform Mi Espacio Pacifico (My Pacifico-Peaceful- Space) by adding an option for home deliveries of medicines, which complemented existing offerings of maps of clinic locations; details on coverage; proof of insurance; and multiple payment options.

As a forerunner in health services and insurance, in 2020 Pacifico worked to guide clients in the wake of COVID-19 by providing permanent monitoring for infected patients and virtual medical assistance through Dr. Online 24/7. Clients now have access to medical appointments with a general practitioner through the SANNA app on their phones. Additionally, Pacifico worked with the Ministry of Health on a flat-fee to provide COVID-19 services to patients with public health coverage.

Prima, Credicorp's pension fund subsidiary, took similar action and reinforced its presence in social media during the initial months of the pandemic, which coincided with the government's extraordinary allowance of S/2,000 and 25% withdrawals on pension fund savings. Questions on these points grew exponentially through social media platforms

and Prima launched a Q&A landing page to proactively address concerns. Prima went from generating two social media postings a week before regulatory changes to producing daily or twice-a-day postings when changes were impending or arose on the normative front.

Finally, the Group doubled down on efforts to ensure business continuity by implementing a contingency plan to guarantee liquidity and solvency across all its subsidiaries. We effectively implemented home office, reduced branch capacity and limited working hours in line with new government regulations. We also provided support to our suppliers to help bolster their efforts to remain in business. Additionally, Credicorp reinforced its cybersecurity and enhanced its digital capabilities to support a significant uptick in demand through digital channels.

We remained vigilant to monitor the effects of the pandemic on our businesses and those around us in 2020. In this context, it became increasingly evident that there were opportunities amidst adversity: we could accelerate change; make gains in our plans to advance financial inclusion; and help Peruvians transition to a more formal economy.



## Increasing financial inclusion and contributing to the transition to a more formal economy

Financial inclusion involves developing, offering and distributing products, services and digital channels to reduce the barriers that customers experience when seeking to join the financial system. Credicorp and its subsidiaries believe that increasing financial service penetration across socio-economic segments, contributes to the transition to a more formal economy and is perfectly aligned with the Group's purpose of contributing to improving lives, by driving the changes needed in the countries in which we operate. Responsible financial inclusion, however, goes beyond bringing new people into the banking system and requires:

- 1.** A set of guiding principles.
- 2.** Easy access to financial services through adequate points of contact, a strong digital presence, wide coverage and alliances that pave the way for potential clients to adopt our products.
- 3.** Transparency and simple language, as well as more inclusive financial products that specifically address the needs of the traditionally unbanked population.
- 4.** Financial education, digital training and business support to help people improve their financial knowledge and take better financial decisions; enhance their digital skills to access the increasing array of digital products and platforms; and assist micro, small and medium sized businesses in their quest to grow.
- 5.** Commitment to excel in client experience and satisfaction.

In 2020, while adapting to the new reality brought on by COVID19, Credicorp's subsidiaries advanced in their mission to increase financial inclusion, capture new clients from unbanked populations, and serve existing clients.

## MIBANCO'S GUIDING PRINCIPLES

### A set of guiding principles

Each of Credicorp's subsidiaries has a set of guiding principles that the organization must follow when conducting business. As Credicorp's microfinance arm, Mibanco, for instance, has the dual mission of maximizing social impact and ensuring that its clients generate positive financial results. To be effective in this mission, Mibanco subscribed to the Universal Standard and good practices for social performance management (SPM) from the Social Performance Task Force (SPTF).

Over the last ten years, Mibanco has banked more than 974 thousand Peruvians. This is evidence of the subsidiary's genuine commitment to financial inclusion. In 2020, Mibanco banked more than 37 thousand people, who accessed the financial system through Mibanco for the first time.





## Wide coverage, a strong digital presence and commercial alliances

To facilitate access to its financial products, Credicorp's subsidiaries offer a wide range of products and services and have expanded their digital presence, particularly in Peru.

Our companies utilize commercial alliances to facilitate access to new clients while serving existing customers through a wider network.

As a move to reach an estimated 66% of Peruvians who lack easy access to financial services, BCP developed its mobile application Yape, which allows users to make small payments quickly and intuitively with just a mobile phone number or unique QR code. In a short time, this application has become one of the most popular methods of mobile payments. BCP focused on two ecosystems in 2020: 1) Peer to Peer (P2P), which posted growth in money transfers from mobile phones; and 2) Peer to Merchant (P2M), which registered an upswing in the number of small businesses that accept Yape as means of payment.

### Yape 2020 milestones

- ▶ In May 2020 BCP launched Yapecard, a prepaid digital money account that allows any Peruvian over 18 to use Yape without opening a bank account. To open an account, users only need an official ID.
- ▶ Over 110,000 Peruvians with no access to financial services were able to receive government relief funds digitally and securely
- ▶ Yape contributed to the financial inclusion of over 650,000 Peruvians, exceeding 5.1 million users (Yaperos); 20 million transactions/month for a total of S/7,200 million for the year; and 761,000 microbusiness affiliates

In 2020, BCP stepped up its efforts to recruit new Yape users from periphery areas of Peru's capital and from more distant departments. The app is currently gaining over 300,000 users per month; 80,000 (26.7%) of this number are new clients who have received a debit or prepaid card from BCP for the first time. New Yape users are twice as likely to acquire more BCP products and become BCP clients than non-Yape users.

In 2021, BCP expects to ramp up its efforts to help more Peruvians enter the banking system. Additionally, Yape is expected to start generating direct revenues from recharges of mobile phone prepaid balances; through Yape Empresas (Business); and via its potential as a digital channel for loan and insurance products.

Mibanco is never far behind, its main digital channels are: Mibanco Móvil, URPI and YEVO. Mibanco also relies on commercial alliances (BCP agents and ATMs included), to ensure easy access.

Credicorp’s microfinance subsidiary, in turn, is working on efficiently leveraging the advantages of digital client profiles by improving its mobile apps and digitalizing loan and collections processes; improving customer experience and efficiency; and building loyalty among micro and small business clients by helping them to grow with the aid of digital tools. In 2018, Mibanco began developing its app URPI to improve the efficiency at the advisor level and strengthen the client service experience. In October 2020, the loan process was fully digitalized. Now, loan requests can begin in the advisor’s app and end in the client’s app. This allowed Mibanco to grant S/65 million in credit lines through URPI in 2020. Currently, 100% of Mibanco’s advisors have access to this app, which is an important tool in efforts to boost productivity.

## URPI

% financial advisors covered		% adoption	
2019	70%	2019	70%
2020	100%	2020	85%

Recently, Mibanco began developing YEVO to make the bank a digital business ally for microbusiness clients. The objective is to help clients exploit their growth potential by utilizing the functions offered through YEVO digital tools. This platform includes simple tools such as store catalog management as well as online store and digital advice. After only one month of trial use, the app registered 11,291 sessions with 390 registered clients. This is ample proof that clients are highly interested in obtaining digital tools and advisory services.

Another way Mibanco is driving inclusion is by adopting a model for commercial alliances. This has given the bank access to a larger number of potential clients, beginning with Uber in 2019.

Through this program, Mibanco provides Uber drivers microloans; savings accounts; insurance; and other benefits through a simple and agile digital platform. Loan request turnaround times for Uber drivers were under 24 hours, which made it an attractive option for new clients. In 2020, Mibanco signed an alliance with Alicorp, a leading company in the Peruvian mass consumption segment. The objective is to incorporate the bank’s service offering within Alicorp’s digital marketplace.

Pacifico’s digital portfolio is currently focused on offering self-management functionalities to its insurance Agents, through its Portal de Corredores (Insurance Agent Portal), and to its clients, through the Mi Espacio Pacifico (My Pacifico-Peaceful- Space) client app. In 2020, Pacifico expanded its product offerings on e-commerce platforms and sold microbusiness insurance through Mibanco’s mobile app. Microfinance clients are also able to acquire Pacifico’s life, property and oncology insurance at Mibanco agencies. In 2020, Pacifico continued to register high productivity at the sales level by leveraging efforts rolled out in 2018 and 2019 to establish its Modelo DIA digital platform.



## Simplicity, transparency and more inclusive financial products

Successful financial inclusion is also dependent on the simplicity, transparency and availability of more inclusive financial products. Simplicity means speaking plainly and providing solutions that are easy to use. Transparency entails adequately communicating product and pricing conditions and more importantly, avoiding hidden fees.

Our client's willingness to adopt financial products is extremely dependent on trust and, as such, Simplicity & Transparency are vital. Credicorp's banking subsidiary, BCP, is perceived by 33% of the banked population as the best bank when it comes to clearly explaining its products. This result tops the runner-up's by nearly two-fold. In the context of the pandemic, retail banking customers and SMEs expressed growing mistrust in financial institutions. People were more vigilant about reviewing charges and sometimes detected unexpected fees, some

SMEs thought the service they received was either insufficiently personalized or even inexistent due to saturation at the branch level. BCP is aware of the need to address these issues on the operating side while taking measures to assure clients that their voices are heard.

To ensure transparency on the internal front, BCP uses Workplace to inform its employees about any relevant changes to products or processes. Alerts are sent out every week.

### *Mortgage loan MiVivienda*

BCP grants mortgage loans through MiVivienda, which is a low-income housing program run by the Peruvian government. The objective of this program is to cover the housing deficit for lower-income population segments. These loans can be used to finance the purchase of finished homes, homes under development (new or second-hand), or projects in the blueprint stage.

The value of these homes must be under S/ 427,600. In 2020, MiVivienda loans represented 37.7% of the mortgage loans in the financial system and BCP and Mibanco granted almost half of the total loans under this program.

BCP also finances housing projects. In some cases, construction companies seek eco-sustainable certification to obtain better loan conditions. The MiVivienda Sostenible product allows banks to obtain lower-cost funding through the Peruvian Development Bank - COFIDE, which translates into lower interest rates and smaller installments for clients. Approximately 20% of the projects BCP financed in 2020 had an eco-sustainable certification. A total of 2,071 Peruvians accessed MiVivienda Sostenible loans in 2020.

*In 2020, MiVivienda loans represented 37.7% of the mortgage loans in the financial system and BCP and Mibanco granted almost half of the total loans under this program.*



## Empowering SMEs

BCP's program to empower SMEs has two axes: 1) the first entails financing ecosystems, such as the SME universe surrounding our corporate customers (commercial partners and suppliers) to improve the ecosystem's resilience and guarantee its sustainability; 2) the second involves supporting SMEs to help them grow with digital tools and includes a training and mentoring program to increase efficiency and competitiveness. All of these efforts lay the ground to capture new clients to sustain BCP's growth down the line.

On the supplier front, in 2020, BCP began offering cash management, invoice collection and other payment services to small suppliers and business associates of wholesale clients. All members of the ecosystem can connect on one digital web platform to make automatic payments and transfers. These efforts were meant to ease SMEs into the financial system by improving their financial management practices, which subsequently benefits the whole ecosystem.

## Crediagua

The loans promoted by the Crediagua program help clients make sanitary improvements in their homes. Financing, granted by Mibanco, can be used for installations such as bathrooms, water tanks, cisterns and sinks. Peru's water and sewage systems are highly deficient, which negatively impacts families across the country. This program includes strategies to work with the community, which works side-by-side with Credicorp to promote efforts at fairs at the district level and organized talks. The program also works with authorities in the areas with the poorest sanitation levels to drive improvements. In 2020, the program granted 78,633 loans.

## Micro insurance

Pacifico works to elevate awareness of risk, prevention, and the benefits of insurance. In this regard, the company's commitment to providing insurance to micro and small and medium-size business (SMEs) is key. One of the main products Pacifico offers in this segment is

Business Protection insurance, which provides specialized coverage to a large network of businesses in segments with low insurance penetration, such as restaurants, hotels, schools and small shops.

Pacifico also offers insurance to Mibanco clients. These products are characterized by their simplicity, high accessibility and low costs. **In partnership with Mibanco, Pacifico sells insurance products for an average price of US\$ 1 per month.** The penetration level in 2020 was situated at 66% (66 of every 100 loans are issued with an optional coverage plan that includes life, property and oncology protection). On average, this segment sells 80,000 insurance policies per month and the stock of active policies was situated at 500,000 at the end of 2020.



## Financial education and Helping Businesses to Grow Through Learning and Digital Training

### *Financial Education*

More than 10 years ago, BCP launched a Financial Education Program to improve the public's understanding of financial products and services. The objective is to ensure that Peruvians develop a healthy relationship with the financial system. These efforts empower Peruvians to make better decisions regarding financial products and money management. This in turn results in a higher credit score, which will facilitate access to credit when needed to improve the quality of life of both beneficiaries and their families.



In 2020, the number of Peruvians who participated in ABC of BCP platforms grew by almost 90,000. Participants' satisfaction with most of these programs was situated at 86% and 97% found the advice either useful or very useful. Going forward, BCP aims to reach 5 million Peruvians through its financial education initiatives.

Pacífico's ABC of Insurance portal provides insurance product guidance for clients and the general public. The focus is on clearly communicating the benefits of Pacífico's products to convince more Peruvians of the advantages of having insurance.

Education is also a priority at Mibanco. In 2020, the bank rolled out efforts to reach a larger number of people by shifting from a model that imparts general financial information to one that helps businesses grow. Two of the primary education programs are Mi Consultorio Financiero, which provides guidance on relevant commercial and financial topics, and Estudiantes Útiles, which targets school-age children in poor areas of Peru to teach them about starting their own businesses.



El ABC del Seguro registered over a million visits and more than 45,000 conversions to the subsidiary's webpage. The goal is to increase current visits three-fold.

Prima has also developed content to educate people about the benefits of saving for retirement. The company uses a web-based series called El Depa, which can be downloaded online or through an email link. Prima also sends informative emails and posts messages on relevant topics on social media. In October 2020, Credicorp's pension arm created the Prima challenge to test knowledge of educational emails to increase engagement.

## Helping SMEs grow through learning

In 2020, Mibanco incorporated a developed digital component to help advisors, who are essential in the learning loop, teach clients to reinvent their businesses through digital and social media platforms. Personalized mentoring ensures that clients receive the support they need to navigate new digital environments. This also serves to strengthen Mibanco's bonds with its clients. Some highlights from this program include:

**1.** MyConsultant: this effort began in 2011 to facilitate exchanges between microbusinesses and university students from undergraduate business programs. A total of 3,290 students have taken part in this program to provide support to more than 1,250 entrepreneurs. The program took place online in 2020.

**2.** Basic Digital Advice Program: this initiative was launched in June 2020 and is designed to support clients as they reinvent their businesses and learn to navigate and monetize in the digital world. In 2020, the effort was led by 5,000+ advisors from Mibanco. At the end of November, Mibanco's advisors had completed 11,743 advisory session with clients.

**3.** Munay volunteers at Mibanco: Munay is a community of 507 volunteers from across the nation who joined forces to advise and support entrepreneurs through personalized virtual sessions. This program was launched in April with participants from 19 regions in Peru.

**4.** Alliances to promote financial education: this program seeks to promote financial education for entrepreneurs through alliances with different organizations, such as Uber and the Lima City Hall, to organize virtual conferences about personal and business finance.

By the end of November 2020, 41,764 people had taken part in Mibanco's programs and alliances for digital and financial education.

Programs	Total
Munay – Virtual coffee talks	3,857
Munay – One-on-one advisory	3,006
Miconsultor – Classes	549
Miconsultor – One-on-one advisory	347
Basic Digital Advisory Program	11,743
City of Lima- Conferences	21,518
USAID	458
Other (Crediagua, Uber, Emprende UP)	286
<b>Total</b>	<b>41,764</b>



### How-to training through digital channels

The Group's subsidiaries have been training their customers to use digital channels. Tutorials are available on YouTube, which include spots on how to download the Yape app; sign up for Yape; make online payments; and transfer money through the app.

### Commitment to excel in client experience and satisfaction

Our largest subsidiaries achieved client satisfaction levels between 50% and 70% in 2020. Both BCP and Pacifico registered growth in their client satisfaction levels, which situated at 69% and 70% respectively.

### Client Satisfaction

	2019	2020	bps variation	Comments
Pacifico	63%	70%	+7	Historical record
BCP	67%	69%	+2	
Prima	79%	65%	-14	
Mibanco	55%	51%	-4	

Mibanco needs to activate its digital contact points in the short term to reach clients faster and increase satisfaction levels. The bank's objective is to maintain its essence as partner in growth, promotor of inclusion and provider of advisory services. The bank seeks to position itself as a pillar of support for its clients' reinvention.

Pacifico is implementing a new system, Mi Espacio Pacifico, to increase client autonomy, confidence levels and satisfaction. In 2020, at least 40 additional functionalities were incorporated to enable clients to manage most areas of the insurance experience through an app. Additionally, in 2020 Pacifico launched Vera, a chatbot that helps clients to use the web, Facebook or Whatsapp chat to learn about and potentially purchase products.



## Driving Gender Equality and Improving the Lives of Women

At Credicorp, we believe in equality between men and women. This is why we launched a corporate Gender Equality program. Our aspiration is to achieve a more egalitarian work environment, where everyone enjoys the same opportunities to advance on their professional journey. We believe that gender equality is not about creating a system that gives women preferential treatment based on gender; instead it's about generating processes that set the foundation for a real meritocracy.

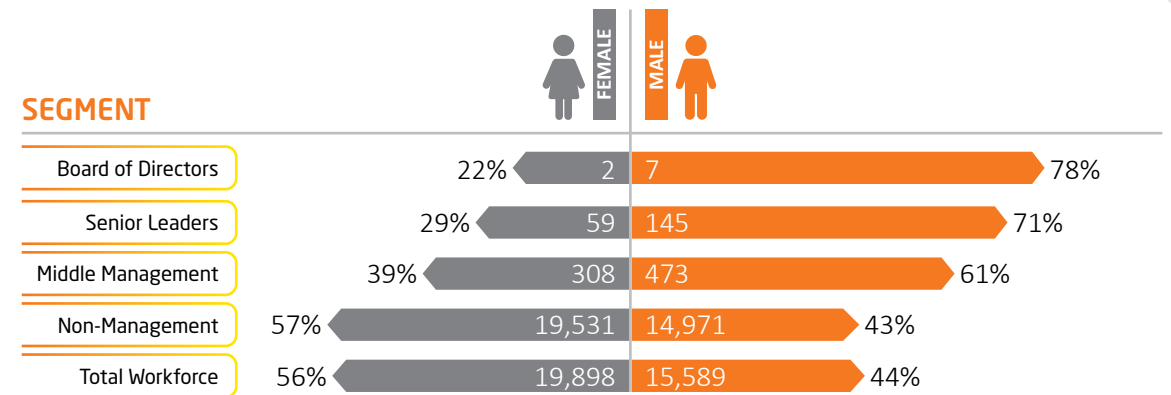
We also believe in empowering women to achieve their full potential. For this purpose, we have tailored products and services to meet women's needs and help them achieve financial independence.

## Credicorp's Gender Equality Program

In aggregate terms, Credicorp's workforce is very balanced at the gender level. In fact, the percentage of female employees is high across the group, constituting more than 50% of the total headcount at four of its largest subsidiaries and 56% at the Credicorp level. Pacifico and Prima are statistical outliers given that 68% and 63% of their respective workforces are made up of women. Nonetheless, there are more significant gaps as we move up the workforce pyramid.



## Workforce Gender Diversity for Credicorp Group by Employee Category 2020



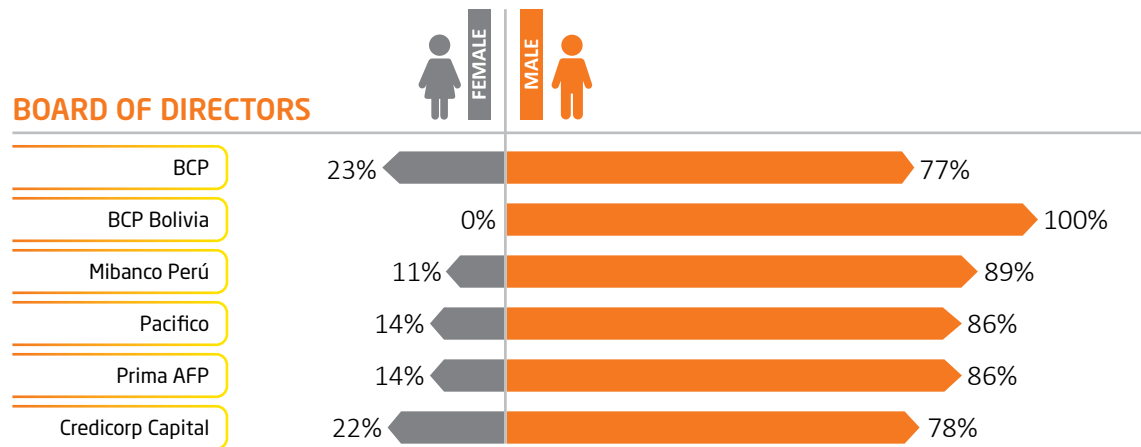
Note: Board of Directors information as of December 2020. Other workforce information as of January 2020. Employee figures include the following subsidiaries: BCP, BCP Bolivia, Mibanco Perú, Pacifico, Prima, and Credicorp Capital employees.



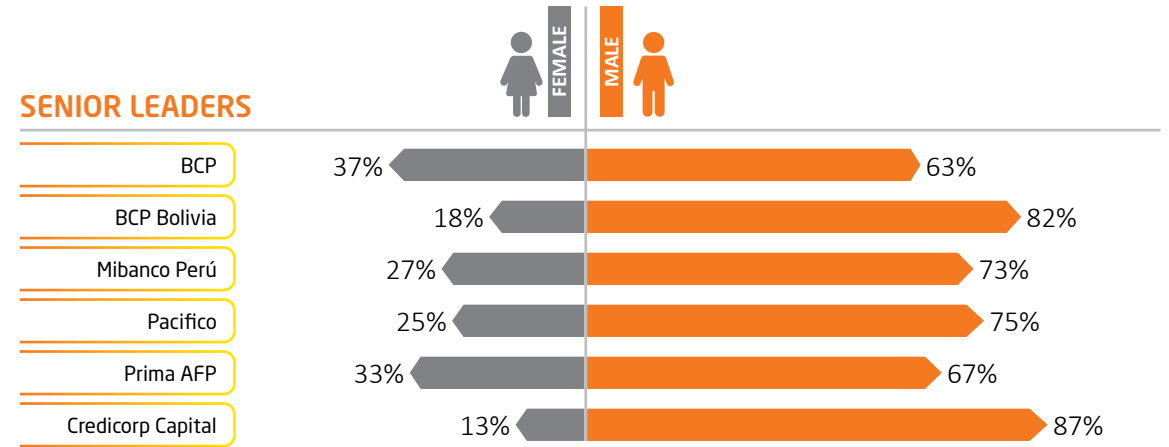
Our challenge ahead is to increase the share of women holding positions of higher responsibility. We made progress in this direction in 2020, when a second woman was nominated to sit on Credicorp's Board of Directors. Women also increased their participation on the Boards of Directors at most of our subsidiaries.

## Workforce Gender Diversity for Credicorp Subsidiaries by Employee Category 2020

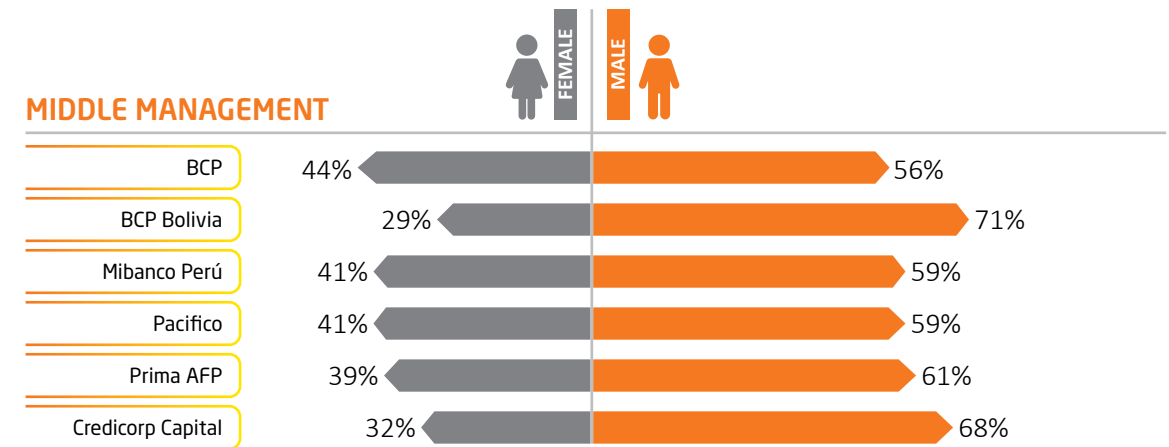
### BOARD OF DIRECTORS



### SENIOR LEADERS



### MIDDLE MANAGEMENT

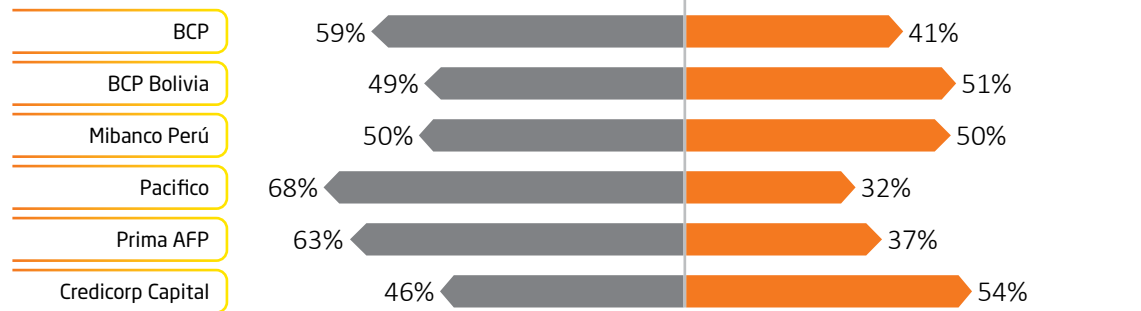


Note: Board of Directors information as of December 2020. Other workforce information as of January 2020.

### NON-MANAGEMENT



### TOTAL WORKFORCE



Bridging the gender gap at the Senior Leaders level represents a welcome task. Our objective is to continue reducing differences, but we are aware that this will take time. With the help of our Talent and Human Resource areas, we are revising the employee experience model and the processes we use to choose candidates for leadership positions. The objective is to ensure equal opportunities and head off unconscious bias. The goal is to improve gender diversity at the executive level of the organization in the medium term. Efforts to calibrate the male-female balance for middle management positions will provide a springboard for improvements higher up in the pyramid. Currently 44% of the middle management positions at BCP, our largest subsidiary, are held by women versus 30% at BCP Bolivia and Credicorp Capital.

**At the end of 2019 we launched the Gender Equality Program. The objective is to promote equal opportunities for men and women in the organization. The key strategic objectives for the medium term are to improve the gender balance in leadership positions; eliminate salary gaps between men and women; reduce gender gaps to achieve work and life balance; and eliminate any type of sexual harassment in the workplace. In 2020, progress was made on all of these fronts.**

These efforts will be overseen by the Gender Equality Committee, which was created in early 2020 and led by Credicorp's CEO. This committee sets quarterly and annual objectives for key initiatives and meets quarterly to review progress. A Gender Equality working group has also been formed with middle managers from all subsidiaries,

who meet on a regular basis to follow up on the implementation of key initiatives.

In 2020, we focused on the leadership and corporate culture fronts. In this regard, we conducted a set of three workshops to educate executive management about gender equality issues. These leaders now have tools to leverage their position to drive cultural change; identify unconscious gender biases and stereotypes; and act to make necessary changes. More than 800 Credicorp executives attended these workshops (80% of total executives) and 95% reported being very or extremely satisfied with the content and discussion. We also conducted a workshop with women leaders and in-depth meetings with the CEOs of each of our subsidiaries to include their views, concerns and vision in the Program's strategy.



On the culture front in 2020, we focused on imparting virtual courses on gender equality; sexual harassment; and the corporate complaint system. These courses were given to 82% of the Holding's employees and the average mark was 17 out of 20. Additionally, we rolled out a communications plan to raise awareness and share our aspirations and progress.

To promote a culture of Gender Equality, we created Credicorp's Gender Equality Policy in 2020, which was approved by the Gender Equality Committee. We shared a public declaration on gender equality on our website and aligned our policy to prevent sexual harassment in the workplace with corporate guidelines and current regulations. At this time, we are working on defining gender equality metrics that will gauge our progress.

In terms of the gender equality gap, Credicorp evaluated the salary structure at each subsidiary this year to determine if pay gaps can be linked to gender. We have performed an initial econometric study to determine the causes of current salary gaps throughout the group. The results indicate that the gender variable is not responsible for the gaps detected. Nevertheless, we have added new

layers to the analysis for 2021 to determine the root of pay discrepancies and assess the possibility that gender may implicitly play in driving this scenario. If gender is found to be a factor, corrective measures will be taken.

Finally, in terms of the work-life balance, in 2020 we identified metric systems to measure this phenomenon and began to gather data. In 2021, this information will be used to measure the work-life balance at our subsidiaries and determine if there are differences along gender lines. If gaps are identified, we will make initial steps to remedy the situation.

In 2020, our accomplishments reflected the deep commitment of our corporate and subsidiary teams. In terms of time dedication, the Gender Equality working group met on a weekly basis. Additionally, meetings were held with Credicorp's executives to align positions and ensure that all were fully aware of the challenges ahead for the organization.

In 2021, we expect to ramp up efforts to drive cultural change and achieve true equality. This will include assessing the Group's level of Diversity and defining Credicorp's appetite to broaden the program's focus to include perspectives on diversity.



## Products and trainings designed for women

### *Crédito Mujer - Credit for Women*

Half of Mibanco's clients are women and to respond to their financing needs, we have designed a specific product. Women over the age of 23, whether head of household or second income earner, are eligible for financing for up to 12 months for working capital, fixed assets, housing or personal consumption. The minimum loan amount is S/300 and the maximum, S/3,500. Even when women actively participate in household finances and businesses, gender inequality is reflected from the get-go: the majority of accounts are in men's names. By providing loans that specifically target women, Mibanco helps bolster financial independence and fuel economic growth. Importantly, the loan we offer can be obtained without the signature of the spouse or partner. In 2020, 19,386 loans of this kind were disbursed.

### *Training Program for Female Entrepreneurs*

This program was created in 2019 so that BCP's employees can share their knowledge with entrepreneurs from different parts of the country to improve business acumens. In 2020, nearly 20,000 female entrepreneurs benefited from training and/or personalized advisory services. The program focuses on providing participants with the financial and digital tools they need to grow their businesses.

The pandemic obligated us to veer from an in-person training model to a virtual format, which allowed us to engage more volunteers from across the country as well as large numbers of entrepreneurs from all regions. The objective in 2020 was to aid businesses in the time of crisis and help them set the stage for economic recovery in 2021.

*BCP's Mujeres Emprendedoras Training Program for female entrepreneurs was awarded the PODS (Peru for Sustainable Development Goals) prize in November 2020.*

Our workshops in 2020 were highly successful. In the case of the mentorship program, which required around 8 hours of dedication, 99% of participants reported feeling more self-confident about their management skills after the workshops. This is significant, particularly in light of the fact that the pandemic dealt a particularly harsh blow to confidence levels in this segment.

Course type	Women trained during 2020
Virtual Workshops	3,510
Mentorships	741
Digital entrepreneur meeting	7,334
Talent Network	1,590
WhatsApp course	6,407
<b>Total</b>	<b>19,582</b>

In 2021, BCP, aligned with Credicorp's sustainability strategy, will open the program to both men and women across the country and scale it up to reach 100,000 entrepreneurs.

## Engaging Our Employees

Credicorp's team is diverse, motivated and talented. Its subsidiaries seek to promote equal opportunities and professional development while helping employees achieve a work-life balance.

To retain and attract the best talent, Credicorp works on the following fronts:

- Transparent and equal opportunity recruiting
- A healthy work environment
- Employee learning and proactive communications
- Attractive job benefits
- Workplace satisfaction levels
- Our Corporate Talent program

### Transparent and equal opportunity recruiting

Credicorp subsidiaries have an open and transparent recruiting process, which offers equal opportunities to our employees, or to new talent, to fill any open position. All of our recruiting processes are designed to maximize our employees' opportunities to progress in their careers.

As an equal opportunity employer, Credicorp maintains close contact with workplace regulators at the Ministry of Labor to ensure that the Group is in compliance with government policies on non-discrimination. The Group's contracts with third-party suppliers explicitly state that all individuals must be treated with respect and fairness and must have access to equal opportunities to progress in the workplace.

During the pandemic all of our subsidiaries remained connected to local and international universities, both of which provide interesting pools of top talent. Webinars and virtual job fairs were held in 2020 to attract and evaluate new talent.

### A healthy work environment

Credicorp's subsidiaries aim to maintain a healthy and respectful work environment. In 2020, management focused on supporting employees in the adverse context generated by COVID-19.

At the onset of the pandemic, we adopted a number of prevention measures to preserve our employees' health and avoid contagion.

Credicorp's COVID-19 prevention plan was approved by the Ministry of Health. It contemplates health and safety protocols that include delivering protective equipment to every frontline employee, including face masks, safety glasses and gloves. Our branches and all points of contact are disinfected on an on-going basis.

Additionally, we provide private bus transportation to essential workers to reduce exposure to the virus and have implemented remote work models for the majority of our employees. Employees also have access to a number of financial relief facilities and are eligible for subsidies for home internet use.

Credicorp has a robust occupational safety and health program. Specialized teams oversee the roll-out of workplace policies, which include occupational health screening for employees and ensuring that the workplace is free of safety hazards. The ultimate goal is to reduce workplace illness and accidents to protect the wellbeing of our employees, clients and suppliers.



## Employee learning and proactive communications

At Credicorp, we believe that by educating employees, we ensure our ability to achieve business goals. Capacity development benefits workers but also ensures that they remain motivated and engaged. Additionally, robust employee education programs are key to attracting and retaining talent.

In 2020, the pandemic speeded up changes in the employee training and learning process as the Group transitioned from in-person learning to a digital learning model. This was an opportunity to think more creatively as we invested in digital tools for videoconferencing, virtual team meetings, internal communication and virtual learning platforms.

Our subsidiaries aligned their initiative and learning and development platforms to maintain Credicorp's culture.

## Some examples of Credicorp proactive communications in 2020:

- ▶ Weekly publication of Status COVID19 to maintain our employees informed of the Group's actions as well as government announcements relative to the pandemic
- ▶ Specific content with ergonomic tips for remote work
- ▶ Psychological support for employees
- ▶ Medical chats with experts on different health issues
- ▶ Webinars for personal development
- ▶ Video conferencing with management

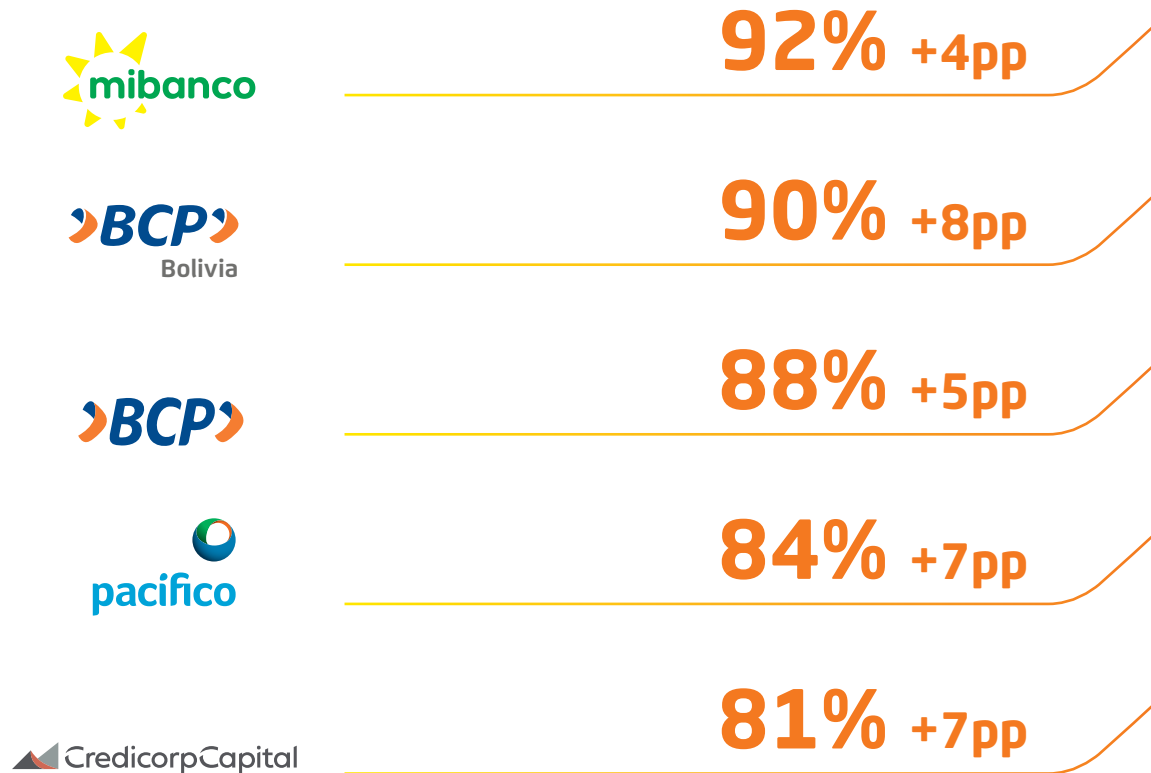
We measure the performance of our training programs with three indicators, which are expressed in percentages: 1) employee participation levels; 2) satisfaction levels with courses and; 3) course pass levels. In general, in 2020 indicators were high for all these components across businesses. One of the most striking results was registered by Mibanco, where 93% of all employees participated in training, 94% reported being highly satisfied with the training received, and the average mark obtained was 18 over 20.

## Attractive job benefits

As the largest provider of financial services in Peru, Credicorp's subsidiaries offer a series of benefits to its employees and leverage the power of the Group's products and services. Benefit packages may differ depending on position and contract type and term but include group health and life insurance coverage; financial benefits with special rates, disability and survivorship; pension plans; parental leave; accompaniment for expectant mothers; and family integration opportunities. Our goal is to preserve the wellbeing of our employees and their families while promoting good mental and physical health and planning for the future. The bulk of our employees are also covered by the Group's health insurance, and in 2020 we provided COVID19 coverage to our personnel who were not covered by health insurance.

## Workplace Satisfaction Levels

In 2020, employee satisfaction levels across subsidiaries rose between 4 and 8 basis points year over year. Satisfaction rates (top 2 boxes) were above 80% for all subsidiaries, ranging from 81% in Credicorp Capital to 92% at Mibanco. The survey evaluated engagement, social responsibility, gender equality and perception of accompaniment during the crisis.



## Our Corporate Talent Program

Credicorp has an area for Corporate Talent Management. Its objective is to manage high-potential talent at Credicorp to serve our businesses' needs today and down the line. Centralized management ensures that processes and criteria are uniform across subsidiaries.

The Corporate Talent program has three pillars:

- Talent attraction, identification and evaluation
- Leadership development
- Managing leadership succession lines

In 2020, we managed 952 employees who are part of the junior high-potential team; core team; specialists and top executives, which represent 2.1% of Credicorp's employees. Each subsidiary has specific strategies for their personnel, but all are aligned with Credicorp's goal to capture and retain talent.



## Giving back to the Community

Credicorp believes that its role is to drive positive change in the countries in which it operates. The Group's subsidiaries are constantly innovating to manage changing business contexts; monitor social investment in the community; and determine how corporate volunteerism exercises a positive influence on employees. In 2020, significant actions were directed at mitigating the impact of COVID19 and giving back to the community. Unprecedented sums were collected and donated to vulnerable communities and the Group offered its banking platforms to distribute economic relief, as described earlier in this chapter.

### Scholarships and Community-oriented programs

At the beginning of the pandemic, BCP launched the national campaign called "Yo me sumo" to raise resources for the poorest families in Peru. This important initiative collected S/126M from 73,000 individuals and companies, S/110M of which was donated by BCP and Mibanco.

The majority of donations were channeled to 157,000 families in need, who were identified

through a database provided by the Ministry of Social Inclusion and Development. The remainder was used to buy biosecurity equipment to donate to the Police and Armed Forces; to provide air transportation for seriously ill front-line physicians to travel from provinces to be treated in hospitals in Lima (in coordination with the Medical Association of Peru); as well as a donation to fund COVID oriented programs led by

UNICEF Perú and Care Peru. These programs included the provision of personal protection equipment to medical workers in remote areas and food stuffs to populations in rural areas of Peru.

#### SCHOLARSHIPS BCP

Scholarships BCP provide opportunities to young people to study at the country's best universities and institutes. These funds cover tuition and living costs and provide support for job insertion and professional development. To date, this program has contributed to the education of 500 students. In 2020, the bank provided 267 scholarships for universities and vocational studies

The success of this program can be measured by the high proportion of students who obtained a job after the program (80%).

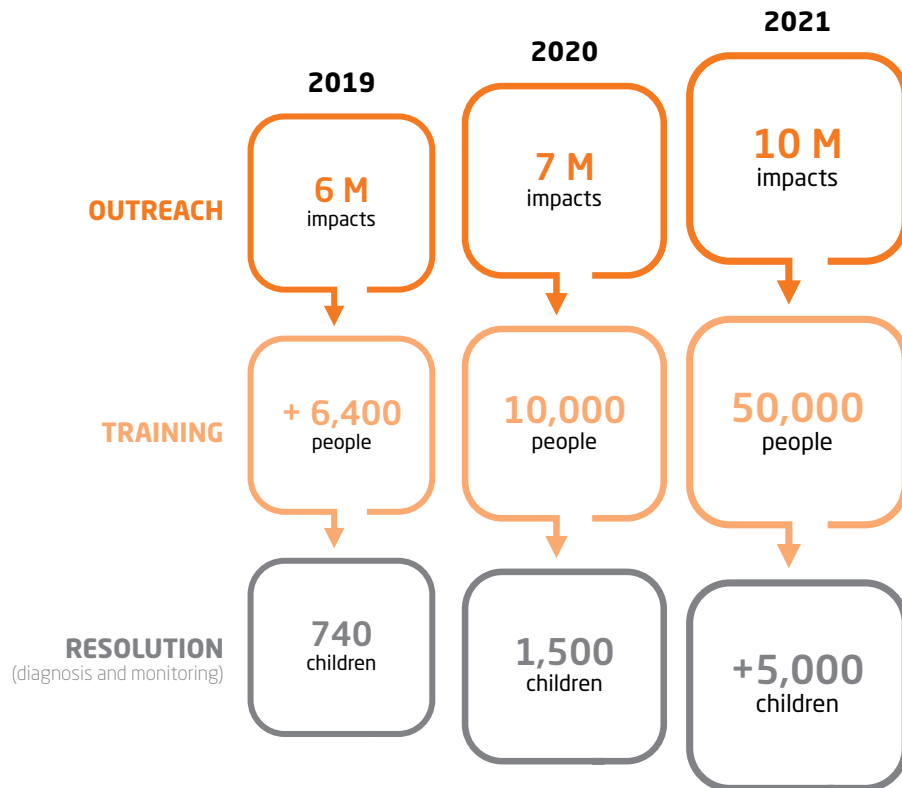
#### PRO BONO ADVISORY AND INVESTING IN THE FUTURE

Credicorp Capital has two programs to give back to the community: Pro Bono Advisory and Investing in the Future. The Pro Bono Advisory program assists NGOs or other high social impact organizations by giving them specialized pro bono advice on issues that are within the scope of Credicorp Capital's expertise. Since the beginning of this program in 2010, Credicorp Capital has provided advisory services to 53 organizations, including 16 during 2020. A total of 273 advisors dedicated 40,000 hours to efforts in Peru, Colombia and Chile.

In 2020, we launched our Investing in the Future program. Through this volunteer program, we share our talent and experience with social entrepreneurs through mentoring programs that provide financial advice. This year, 48 volunteers devoted 405 hours to work with 14 counterparts.

## AS STRONG AS IRON

Pacifico's program to prevent and reduce child anemia, "As Strong as Iron," works to create awareness of the problem; educate the population; and diagnose and monitor children between the ages of 2 and 5. In 2020, our media campaigns impacted 7 million people. Over 10,000 people participated in our education initiatives and 1,500 children were treated for anemia.



## Volunteer Work

On International Volunteer Day, which is celebrated on December 5, we held the Credicorp Volunteer Pride event (Orgullo Voluntario). Our Group recognized the effort of 7,000 volunteers who had an impact on the lives of more than 25,000 people, entrepreneurs and organizations in 2020.

Volunteers from BCP, BCP Bolivia, Credicorp Capital, Mibanco, Pacífico and Prima participated in programs that generate high impact for society by training entrepreneurs, improving the quality of life of vulnerable populations, and fostering financial inclusion and education.

BCP's Volunteer Program is one of Peru's largest corporate volunteer initiatives in the country. In 2019- 2020, 2,291 volunteers participated, donating 18,627 hours of their time to reach 22,000 beneficiaries. Our volunteers have become agents of social change who give tirelessly of their time, knowledge and resources to serve the community and build a sustainable future.

## DESIGNING OUR ENVIRONMENTAL JOURNEY

The impacts of climate change, and public awareness of the same, are on the rise. This has prompted the international community to join forces, define strategies and propose concrete goals to limit global warming to 1.5°C.

To this end, Credicorp and its subsidiaries are in the process of aligning with international frameworks, principles and initiatives to help combat climate change and have established guidelines and initiatives to measure, monitor and reduce the Group's direct and indirect effects on the environment. Our approach is rolled out in three dimensions: our business, our direct impact and disclosure.



In our business dimension, in 2013, via its banking subsidiary BCP, Credicorp became a **signatory of the Equator Principles (EPs)**, a risk management framework to identify, assess and manage environmental and social risks on projects that are contemplated under EP.



This commitment was strengthened at the end of 2019, when a new version of the principles (**Equator Principles IV – EPIV**) was **approved and implemented**. EPIV expands the scope of applicability of the Equator Principles to focus more clearly on social impact, human rights and climate change. Continuing under the framework of the EPs contributes to BCP's commitment to **SUSTAINABLE FINANCE**.



In terms of other international climate initiatives, Prima became the first pension fund in Peru to become signatory of the **UN Principles for Responsible Investment (PRI)** in 2019. Credicorp Capital, the Group's asset management and investment banking business, and Pacifico Seguros, its insurance arm, followed in 2020. PRI is a UN-supported network of investors that aligns with the principles of the UNEP Finance Initiative and UN Global Compact to act as one of the world's leading proponents of responsible investment. PRI works to understand how



Additionally, Prima, is an active member of the **Peruvian Program for Responsible Investment (PIR)** and since 2016, has held a seat on the Governing Board. The objective of PIR is to develop capacities and share best practices with different actors in the Peruvian financial sector.

ESG factors impact investment decisions and performance and to promote engaged ownership. As signatories, Prima, Credicorp Capital and Pacifico have begun to scale up efforts to implement ESG criteria in their investment decision-making processes and deepen their commitment to **RESPONSIBLE AND SUSTAINABLE INVESTMENT**.

Alongside its efforts to align with international initiatives, Credicorp complies with local environmental regulations and with its sustainability commitments as a company listed on the Lima Stock Exchange (BVL).

In the dimension of direct impacts, in 2008 BCP became the first of Credicorp's subsidiaries to measure its carbon footprint, followed by Pacifico in 2010, Prima in 2012 and Credicorp Capital in 2018. BCP and Pacifico's footprints have been audited by an independent third party. In 2013, Pacifico became the first carbon-neutral insurance company in Peru, when it decided to offset its emissions. Today, it continues to be carbon neutral and has been joined by Prima, which was designated carbon neutral in 2019. Given that Credicorp's carbon footprint is the sum of those of its subsidiaries, the Group measured and certified GHG emissions from all main subsidiaries in 2020. With these efforts, Credicorp has become a committed partner in initiatives to monitor, reduce and offset its environmental impact as it improves the **ECO-EFFICIENCY OF ITS OPERATIONS**.

Finally, in terms of our disclosure and transparency dimension, in 2010 Credicorp became the first Peruvian company to become a signatory to CDP, a global disclosure system for investors, companies, cities, states and regions to improve environmental risk management. The responsibilities we assumed under this initiative included improving

disclosure by publishing information on our environmental efforts for public review. CDP Climate Change questionnaire helps us identify and understand any gaps found in the implementation of our climate change efforts. This information helps fuel subsequent initiatives for change. In 2020, we obtained a "C" rating from CDP, which means we fall under the category of "Awareness".

As the Group embarked on its project to consciously and fully integrate sustainability into its business strategy, in 2020, it decided that one of its North Stars would be to work hand-in-hand with the countries in which we operate to develop more sustainable and inclusive economies. One of the key ambitions the Group has linked to this pillar entails **supporting the transition to an environmentally sustainable economy by contributing to combating climate change**. As Credicorp advances in its integration efforts, our frameworks and goals will reflect more in-depth incorporation of environmental issues.

During its transition, Credicorp and its subsidiaries will continue to promote a culture of sustainable finance, sustainable investment and eco-efficient operations.



## **SUSTAINABLE FINANCE**

We are aware that ESG issues can create risks for our banking, investment and insurance outcomes. Active efforts to include ESG factors in our financial decisions has generated a significant upside: the process helps us identify more opportunities for growth than are visible solely through traditional financial analysis.

In 2018 and 2019, to improve climate management risk of our loan portfolio, BCP entered into an agreement with the Natural Capital Financial Alliance to initiate the pilot project of ENCORE (Exploring Natural Capital Opportunities and Risk Exposure). This pilot project allowed us to better understand the challenges involved in incorporating our clients' dependency on natural capital and their exposure to climate change into our risk management framework, and revealed the weight that these factors have in comprehensive risk assessment.

To date, Credicorp, through BCP, has incorporated principles of sustainable finance

by instituting an Environmental Credit Policy and a Social and Environmental Policy for Project Financing.

### *BCP's Environmental Credit Policy*

Through the Environmental Credit Policy, BCP monitors its clients to ensure that they fulfill current government regulatory requirements, including obtaining all licenses, authorizations and permits to mitigate environmental impacts. The objective is to promote improvements in standards for environmental protection.

This policy includes a list of activities that are excluded from financing<sup>3</sup>. Financing is available to corporate and medium-sized businesses that have a borrowing limit of at least US\$10 million for activities in the mining, oil and gas, electricity, and fishing sectors. Every year, companies must complete a questionnaire and the results are used to categorize businesses in three categories that reflect degrees of environmental risk exposure: no risk, medium risk and high risk.

<sup>3</sup> The activities excluded include: (i) wild fauna or flora trade, or products manufactured with them, that are regulated by the Convention on International Trade in Endangered Species, (ii) radioactive substances, (iii) non-agglomerated asbestos fibers, (iv) biphenyl polychloride (PCB), (v) pesticides or herbicides subject to recall at the international level, (vi) fishing with gillnets and drift nets at sea with nets that are more than 2.5km long, (vii) cross-border trade of waste products with the exception of non-hazardous wastes for recycling and (viii) persistent organic pollutants (COP).

## **Environmental Categories for Obtaining Credit**

### **A. No Risk**

Without risks or negative impacts on the environment.

### **B. Medium Risk**

Potential environmental impact is medium in scale. Localized in specific areas, mostly reversible and easily addressed through mitigation measures. This means that with specific actions and/or investments, risks can be prevented or mitigated.

### **C. High Risk**

Operations with potential negative environmental impacts of significant scale. These are considered irreversible given that they are not limited to a specific geographic location and there is no historical information to facilitate prevention.

Depending on the results, we take the following actions:

### BCP`s actions with clients that exhibit environmental risk

#### MEDIUM RISK

- ▶ The client is informed of environmental aspects that represent a potential risk

#### HIGH RISK

- ▶ Seek an assessment from an independent environmental expert to develop due diligence.
- ▶ Include specific contractual clauses to prevent, reduce and/or mitigate potential environmental risk
- ▶ If the Bank - in its assessment - believes that environmental risk is very high, it has the authority to reduce financing or deny transactions.

In 2020, BCP conducted a risk assessment of 88 of the bank's clients with credit lines in excess of US\$10 million that belong to the sectors outlined above. This represents an increase of 5% year-over-year in the number of clients in this universe that are subjected to environmental risk analysis. In 2020, none of the clients were considered "high risk" whereas 7% were found to be "medium risk," and 83% "no risk."

	2020		2021	
	# of clients	%	# of clients	%
Universe	98	100%	98	100%
Qualified	88	90%	83	85%
No risk	81	83%	75	77%
Medium risk	7	7%	8	8%
High risk	0	0	0	0



## BCP's Social and Environmental Policy for Project Financing

BCP adopted the social and environmental risk policy for project finance to ensure responsible social and environmental management of the projects that it fully or partially finances, in compliance with the stipulations in SBS Resolution N° 1928-2015 on Rules for Social and Environmental Risk Management. The local regulatory requirements apply to projects requiring financing in excess of US\$10 million, regardless of their economic sector and whether direct or indirect financing is involved. Our objective is also to continue to align our standards in this regard with the Equator Principles, to which we are a signatory.

In 2020, two projects were evaluated under this policy: one infrastructure project rated B (medium risk) and one transformation industry project rated C (low risk).

To mitigate the exposure of both the bank (indirect) and the client (direct) to physical environmental risks, BCP requires clients to acquire insurance against natural disasters and climate effects to cover all assets provided as collateral for loans. Along these lines, Credicorp's microfinance arm, Mibanco, encourages its clients to protect their

## Socio-environmental Categorization for Project financing

### A. High Risk

Projects that may generate adverse social and/or environmental impacts of significant proportion. These impacts have the following characteristics: they are diverse, irreversible and have no precedent.

### B. Medium Risk

Projects that may generate limited impact on the social and/or environmental level. The impacts are few in number and are generally located in specific areas and are also, in the majority of cases, reversible and easily addressed through mitigation measures.

### C. Low Risk

Projects whose social and/or environmental impacts are either minimal or non-existent.

inventory against natural disasters by offering highly affordable insurance products.

As mentioned in the Social chapter, BCP finances housing projects through a special purpose loan: Mivivienda Sostenible. Under this scheme, builders who obtain eco-sustainable certification have access to more favorable lending conditions. The Mivivienda Sostenible product rolled out at BCP is backed by the Peruvian Development Bank – COFIDE-, which allows banks to obtain lower-cost funding and as such, clients can have access to lower interest and installments. Approximately 20% of the projects BCP financed in 2020 obtained eco-sustainable certification and a total of 2,071 Peruvians received Mivivienda Sostenible loans in 2020. By 2022, the goal is that, of the total of Mivivienda program loans granted by BCP, more than 50% come from Mivivienda Sostenible.

Another socially-oriented loan program with environmental impact is Crediagua, which is managed by Mibanco. These loans serve a social purpose in that they help recipients condition their homes with adequate sanitary installations but also generate environmental benefits by reducing water use and improving waste management. In 2020, the program granted 78,633 loans.



## RESPONSIBLE AND SUSTAINABLE INVESTMENT

Credicorp Capital, Prima and Pacifico channel Credicorp’s sustainable investment strategy. This strategy is rolled out through more in-depth assessments of risks and opportunities on the environmental, social and governance fronts to forecast and monitor investment performance in the short, medium and long term. This approach allows Credicorp to bolster the sustainability of our investment counterparts and in consequently boost sustainability in the countries in which we operate.

In June 2020, Credicorp Capital Asset Management became a PRI signatory, reaffirming its commitment to continue incorporating ESG criteria into investment management. As part of this process, in 2020, Credicorp Capital published its Responsible Investment Policy; Screening & Exclusion Policy; and Stewardship Voting Guidelines. In addition, it developed an ESG strategy for direct investment and ESG selection criteria for managers and third-party funds for indirect investment. Under its Exclusion Screening

guidelines, Credicorp Capital refrains from investing in interests linked to conventional armament, tobacco or coal. ESG selection criteria will be integrated in investment decisions to build a healthier and more resilient portfolio. Credicorp Capital seeks to establish active and participative relationships with the companies in which it invests by sharing expectations regarding ESG issues with its investment interests. This will, in turn, have a positive impact on their performance, strategy and reporting.

Credicorp Capital Asset Management includes short, medium and long-term initiatives in its ESG strategy. In the short term, it plans to continue implementing its Responsible Investment Policy by designing more specific guidelines for different asset classes. In the medium term, the company hopes to consolidate its responsible and sustainable investment policy in Latin America to positively contribute to the regional asset management market. Finally, in the long term, Credicorp Capital Asset Management aspires to become a leader in responsible and sustainable investment. The COVID pandemic has strengthened our

belief that responsible investment generates benefits for the company and for society.

Prima has also made progress on the road to sustainable investment by becoming a PRI signatory in January 2019. In March 2020, PRI conducted an assessment of Prima’s ESG-related investment practices and awarded the company an “A+” in the Strategy and Governance module and an “A” in the Direct Equity Investment module.

Prima also has a Responsible Investing Policy and a Voting Policy. To date, 36% of Prima’s investment processes include ESG criteria. In the short term, it expects to assess 45% of AUM with ESG criteria in 2021 and 53% by 2022. In the long-term, the company expects 100% of its AUM to be ESG compatible.

Pacifico Insurance became a PRI Signatory in September 2020. It has implemented Sustainable Investment guidelines for its equity and foreign mutual fund portfolio and expects to invest at least 15% of the portfolio in businesses that include sustainability in their cores. Thus far, Pacifico has invested S/112.9

ESG approach*	Investment (millionS/)**	%
None	151.46	28.3%
Screening	21.26	4%
Integration	249.08	46.6%
Sustainable	112.92	21.1%
<b>Total</b>	<b>534.72</b>	<b>100.0%</b>

million (more than 21% of its portfolio) in mutual funds that invest in global equity and observe best practices for sustainability.

In the short term, Pacifico aims to build its Responsible Investment Policy and obtain its first rating as a PRI signatory. In the medium term, the company aspires to incorporate external tools in its investment analysis, particularly with regard to fixed income instruments. Additionally, Pacifico expects to market insurance products with responsible investment themes such as climate change, gender equity, renewable energies, among others.

Finally, Pacifico Insurance utilizes a Risk Management Model that classifies risks in six categories, one of which is Environmental Risk. Exposure is mitigated by ensuring that we diversify investment and build a portfolio that considers both risk and coverage types.

\*ESG Screening: Funds that only exclude investment in controversial industries, such as alcohol, tobacco, armament, etc.

-ESG Integration: Funds that utilize ESG criteria in the investment process, but the priority is still financial analysis

-Sustainable: Best-in-class approach to sustainability (selects companies that register the best performance with regard to managing risks and opportunities through ESG criteria).

\*\* Includes total investment in equity and foreign mutual funds as of the end of November 2020.



## ECO-EFFICIENT OPERATIONS

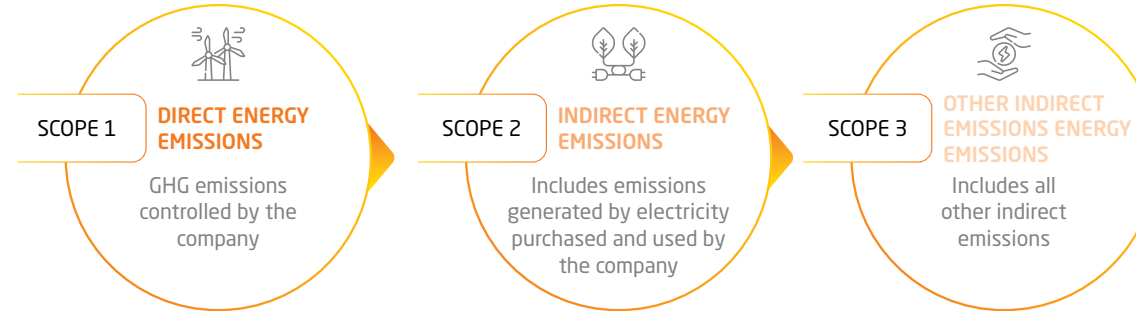
In line with international initiatives to manage and reduce environmental impact, Credicorp conducted an inventory of GHG emissions at its subsidiaries BCP, Credicorp Capital, Mibanco, Pacifico and Prima in 2020. The results have been validated by an independent third party

This inventory was performed in accordance with ISO 14064-1 norm requirements and by following Greenhouse Gas Protocol guidelines from the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). Other complementary methodologies include those approved by IPCC and the Carbon Neutral Program Guidelines of the Australian Government (National Carbon Offset Standard, 2016) among others.

This methodology aims to measure the companies' carbon footprint, resource recycling, and responsible waste management on an annual basis to monitor and directly reduce the impact wherever possible or indirectly offset the same by purchasing carbon credits.

In 2013, Pacifico became the first carbon-neutral insurance company in Peru when it decided to offset its carbon footprint by purchasing bonds. Prima followed in Pacifico's footsteps in 2019. Both companies purchased carbon credits from a project to Reduce Emissions from Deforestation and Degradation. This project captures carbon from the Amazon forests located in Madre de Dios, which belong to the National Park Bahuaja Sonene and the National Reserve of Tambopata. The bond acquisition was signed with the National Service of Natural Areas Protected by the State (Sernanp) and the Integral Association for Rural Development (Aider).

The methodologies described measure the carbon footprint through three scopes:



The Scope 1 and Scope 2<sup>1</sup> GHG emission inventory, which includes our direct operations and electricity consumption emissions, totaled 12,918.38 metric tons of CO<sub>2</sub> equivalents (tCO<sub>2</sub>eq) for Credicorp subsidiaries in 2020. Direct emissions (Scope 1) totaled 13% of total carbon footprint, while emissions from electricity consumption (Scope 2) represented approximately 87%.

Type	Unit	Value	%
Scope 1	tons of CO <sub>2</sub> equivalent	1,631.98	13%
Scope 2	tons of CO <sub>2</sub> equivalent	11,286.40	87%
		<b>12,918.38</b>	<b>100%</b>

Note: Includes BCP + Pacifico + Credicorp Capital + Prima + Mibanco

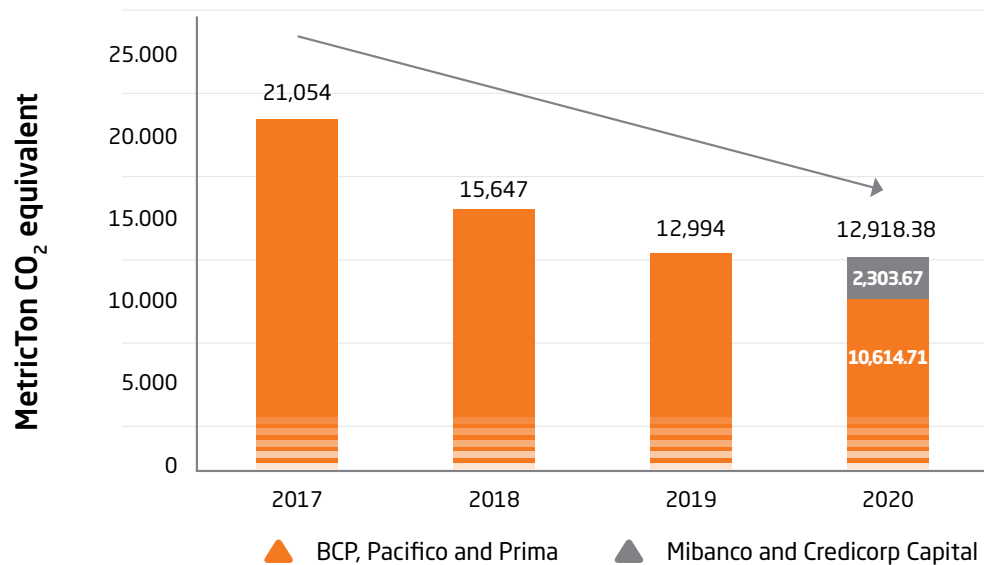


<sup>1</sup> Scope 1: Direct emissions of greenhouse gases from sources belonging to or controlled by the company.  
Scope 2: Indirect emissions derived from electric energy consumption.

Additionally, subsidiaries that measured other indirect emissions, namely BCP, Credicorp Capital, Pacifico and Prima, reached a total of 9,796.29 tCO<sub>2</sub>eq Scope 3 emissions for 2020. The three main sources of GHG indirect emissions were employee office commutes, waste disposal and paper and cardboard consumption, which together represented 76% of total Scope 3 emissions generated by Credicorp in 2020.

Credicorp subsidiaries have yet to set specific goals for emission reduction, but they regularly work to cut Scope 1 and Scope 2 emissions. Between 2017 and 2020, Credicorp reduced the carbon footprint at BCP, Pacifico and Prima by more than half.

**Credicorp Subsidiaries' Scope 1 and Scop 2 GHG emissions**



Some of these initiatives include communication campaigns directed at employees to create awareness about conscious use of water, energy and paper

and responsible solid waste disposal. One example was the #ModoOFF campaign, which created awareness about easy ways to reduce electricity consumption.



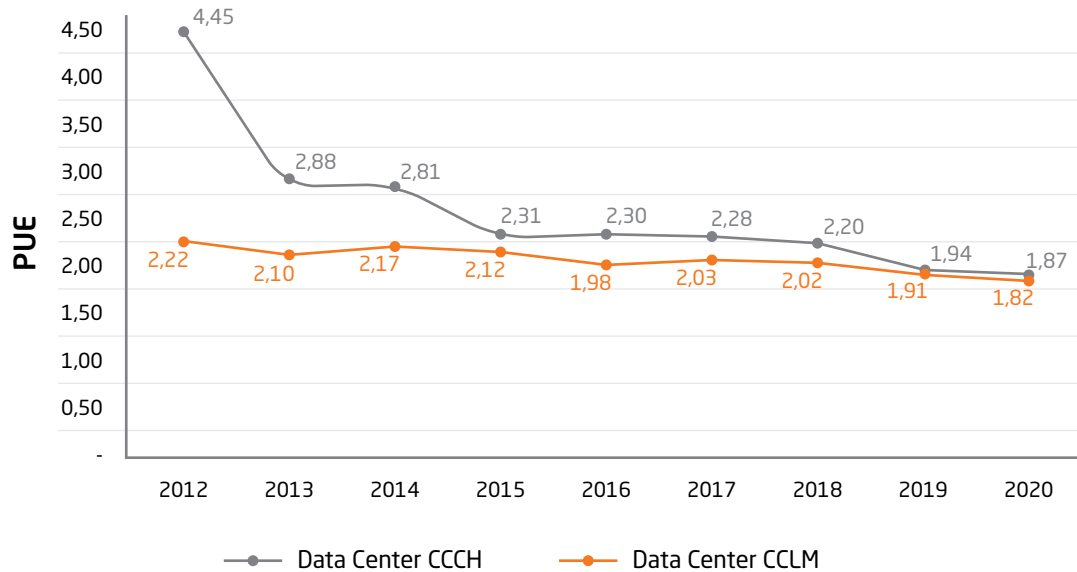
BCP, Credicorp Capital, Mibanco, Pacifico and Prima consume energy directly from renewable sources, such as biofuels, where possible but rely on non-renewable sources, including gasoline, diesel or LPG, to operate kitchen stoves and company vehicles. Direct energy consumption in 2020 for the subsidiaries mentioned above was situated at 2,773.48 MWh.

These subsidiaries also consume indirect energy in the form of electricity from both renewable and non-renewable sources through the National Grids in the countries in which it operates. In 2020, indirect energy consumption totaled 72,394.40 MWh.

Additional initiatives that target specific issues include:

- To reduce electricity consumption: timers for AC; solar panels (Mibanco); progressively changing lighting fixtures that consume large amounts of energy for lower consumption light bulbs; and leveraging information from a Power Usage Effectiveness (PUE)<sup>5</sup> Data Center.

**Credicorp - Data Center PUE**



<sup>5</sup> PUE: Ratio obtained by dividing total energy consumption at the computer center by total energy used to feed the servers.

- To decrease water consumption: timers to reduce use of water in restrooms; detect and prevent leaks; rationalized use of AC, which also consumes water. In 2020, total water consumption for BCP, Credicorp Capital, Pacifico and Prima was situated at 473,841.48 m<sup>3</sup>.
- To reduce paper usage: migration to an electronic format, particularly for electronic issuances of insurance policies. Use of paper for BCP, Credicorp Capital, Pacifico and Prima totaled 679.60 tons in 2020.
- To reduce waste: alliances to collect and recycle waste; eliminating individual waste bins; and installing segregated recycling bins.
- To reduce fossil fuels: sustainable transportation program, Prima employees can borrow company-owned bicycles during office hours to attend meetings or events near its offices. In 2019, BCP signed an agreement with Cabify, a carbon-neutral taxi company, and in 2020 88.50% of the taxi rides taken by BCP's employees were channeled through this company. This helps reduce the environmental impact of our operations.

As Credicorp moves into 2021, it is laying the ground to design an environmental journey that develops and standardizes aggregate metrics to measure the performance of our sustainable finance initiatives; investment programs; and efforts to integrate eco-efficiency at the operating level. Measuring Scope 1 and 2 emissions with a uniform, certified methodology across the Group's five largest subsidiaries is an important step in this direction. Our 2020-2025 Commitment to the Sustainability Program contemplates using ESG to fuel Sustainable Finance and Sustainable AUMs.

To understand the expectations of our shareholders, we conducted interviews with investors to gather more information on topics that are considered material. The data gathered reaffirmed the importance of integrating environmental and climate change risks into our risk management framework.

In an effort to respond to these expectations, and to ensure that our sustainability strategy is successful, we must embed ESG factors at the heart of our risk management framework. In this regard, our first steps have focused on aligning our companies' knowledge and understanding of environmental and climate change issues and their impact. This will serve as a platform for effective action down the line.

We are in the process of generating a potent framework for sustainability; strengthening our capacity to generate solid income levels down the line; and developing a stronger ESG risk management framework and operating model. Our comprehensive risk strategy is a work in progress, but we have defined short-term actions, including evaluating the maturity of our efforts to use ESG factors in risk management; weighing the materiality of ESG risks in our loan assessments, investments and insurance portfolios; updating our risk taxonomy; and determining our appetite for ESG risk.



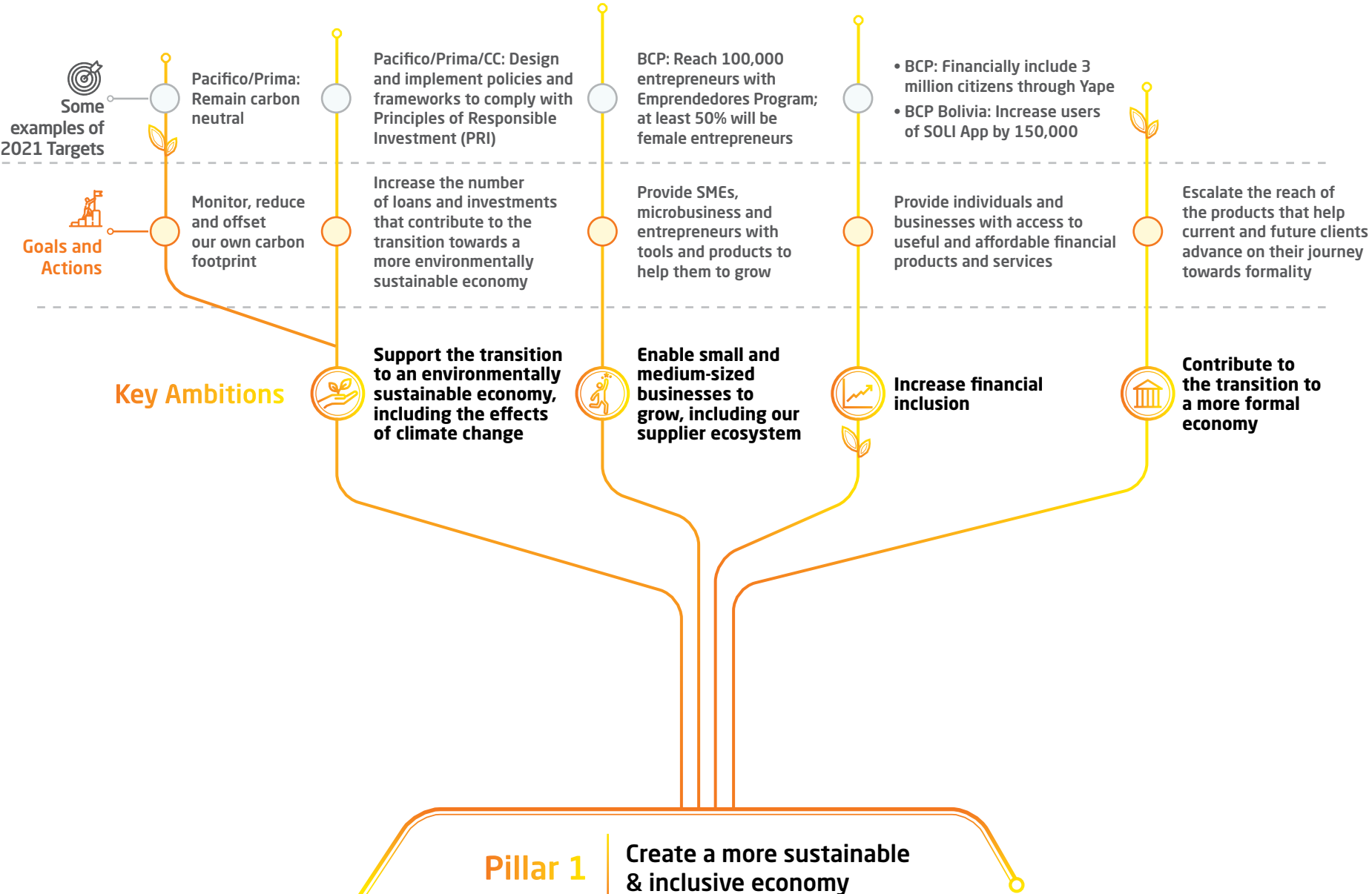


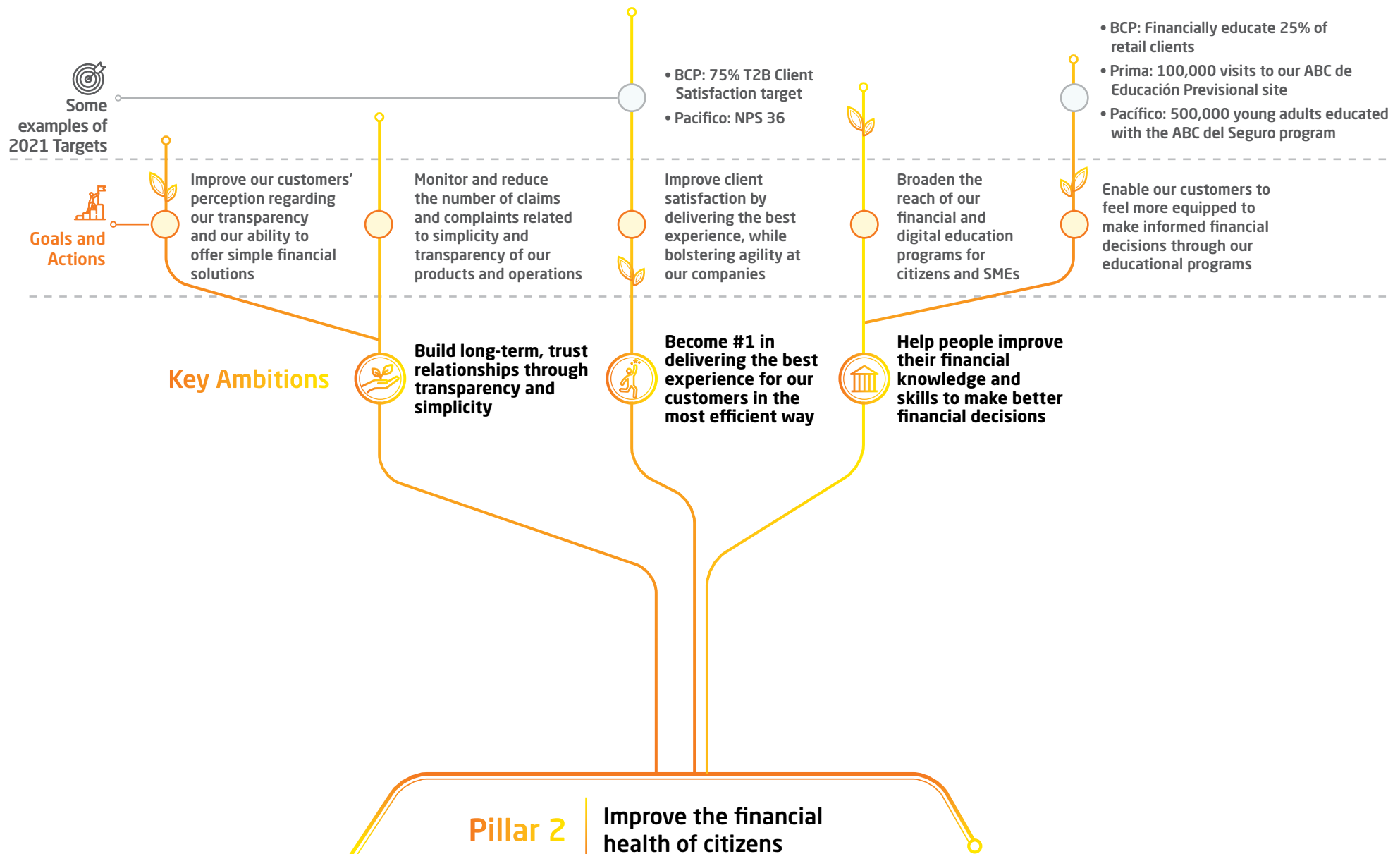
COMMITTING TO  
**THE FUTURE**

# COMMITTING TO THE FUTURE

The year 2021 represents a turning point for Credicorp and the beginning of our journey towards a more sustainable approach to doing business. To fully integrate a broad perspective on sustainability within our core, we're laying the groundwork to change the way we measure the success of our operations by adding new metrics that go beyond traditional indicators of financial performance. While some of our initiatives are still in the exploratory phase, others are already showing promising results and will set the stage to build a more holistic approach to measuring value.

As we move forward, our focus will be on improving our disclosure to provide our stakeholders, and investors in particular, with up-to-date information on our sustainability efforts and policies. We will also focus on incorporating international best practices in our sustainability reporting standards and to our new holistic performance measurement framework.





Some examples of 2021 Targets

Goals and Actions

Key Ambitions

Zero tolerance to sexual harassment across Credicorp's businesses

Improve women's access to the financial system

Become a more egalitarian workplace, where both men and women can fulfill their professional and personal goals

Provide our employees and entrepreneurs with relevant digital skills training

BCP: 75% T2B Employee Satisfaction target

Offer our employee an outstanding work experience

Provide our employees with training specifically tailored to enhance values and stakeholder orientation

In-depth revision and alignment of the rules and policies of the Board and Board Committees; Alignment with international best practices

Continue to strengthen our corporate governance framework and policies, striving for the best practices in the industry

100% of Credicorp's employees will go through virtual training on our anticorruption and bribery prevention policies

Provide our senior managers, employees and business partners with training on the organization's anti-corruption and business ethics policies and procedures

Champion diversity, inclusion and gender equality

Model development of the workforce of the future by supporting people to enhance their skills, effectiveness, and impact

Enhancing our governance structures and encouraging people to do the right thing in their careers and the community

Pillar 3

Empower people to thrive





APPENDIX: ADDITIONAL  
**INFORMATION**

4

# SUSTAINABILITY APPENDIX

## Total number of employees by employment contract (permanent or temporary)

Work Contract	BCP		Mibanco		PGA		Prima AFP		Credicorp <sup>1</sup>		
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Total
<b>Permanent Contract</b>	<b>3363</b>	<b>2290</b>	<b>4814</b>	<b>4619</b>	<b>2043</b>	<b>941</b>	<b>268</b>	<b>200</b>	<b>10488</b>	<b>8050</b>	<b>18538</b>
Full time	2849	2078	4811	4580	2043	941	N.D.	N.D.	N.D.	N.D.	
Part Time	514	212	3	39	0	0	N.D.	N.D.	N.D.	N.D.	
<b>Term Contract</b>	<b>6438</b>	<b>4631</b>	<b>538</b>	<b>810</b>	<b>0</b>	<b>0</b>	<b>141</b>	<b>33</b>	<b>7117</b>	<b>5474</b>	<b>12591</b>
Full time	6256	4568	512	748	0	0	N.D.	N.D.	N.D.	N.D.	
Part Time	182	63	26	62	0	0	N.D.	N.D.	N.D.	N.D.	
<b>Total</b>	<b>9801</b>	<b>6921</b>	<b>5352</b>	<b>5429</b>	<b>2043</b>	<b>941</b>	<b>409</b>	<b>233</b>	<b>17605</b>	<b>13524</b>	<b>31129</b>

<sup>1</sup> Credicorp's total includes only BCP, Mibanco (Peru), PGA and Prima AFP.

## Total number of new hires

Age	BCP		Mibanco		PGA		Prima AFP		Credicorp <sup>1</sup>		
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Total
Below 30	1018	767	490	357	239	108	64	41	1811	1273	3084
Between 30 and 50	119	217	134	231	520	257	244	131	1017	836	1853
Higher than 50	1	1	2	6	4	0	95	56	102	63	165
<b>Total</b>	<b>1138</b>	<b>985</b>	<b>626</b>	<b>594</b>	<b>763</b>	<b>365</b>	<b>403</b>	<b>228</b>	<b>2930</b>	<b>2172</b>	<b>5102</b>

<sup>1</sup> Credicorp's total includes only BCP, Mibanco (Peru), PGA and Prima AFP.

## Total employee turnover

Age	BCP		Mibanco		PGA		Prima AFP		Credicorp <sup>1</sup>		
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Total
Below 30	905	596	290	253	199	85	9	10	1403	944	2347
Between 30 and 50	374	331	184	277	526	241	32	25	1116	874	1990
Higher than 50	18	29	1	5	13	12	5	1	37	47	84
<b>Total</b>	<b>1297</b>	<b>956</b>	<b>475</b>	<b>535</b>	<b>738</b>	<b>338</b>	<b>46</b>	<b>36</b>	<b>2556</b>	<b>1865</b>	<b>4421</b>

<sup>1</sup> Credicorp's total includes only BCP, Mibanco (Peru), PGA and Prima AFP.

## Employee information by job category:

BCP Employees		Below 30	Between 30 and 50	Higher than 50	Total
Managers	Male	1	219	56	<b>276</b>
	Female	1	199	20	<b>220</b>
Professionals	Male	975	2223	163	<b>3361</b>
	Female	847	2415	122	<b>3384</b>
Non-Professionals	Male	2175	1064	45	<b>3284</b>
	Female	4134	2024	39	<b>6197</b>
<b>Total</b>		<b>8133</b>	<b>8144</b>	<b>445</b>	<b>16722</b>

Mibanco Employees		Below 30	Between 30 and 50	Higher than 50	Total
Managers	Male	0	16	9	<b>25</b>
	Female	0	12	4	<b>16</b>
Other Employees	Male	1452	3643	232	<b>5327</b>
	Female	2334	3026	53	<b>5413</b>
<b>Total</b>		<b>3786</b>	<b>6697</b>	<b>298</b>	<b>10781</b>

PGA Employees		Below 30	Between 30 and 50	Higher than 50	Total
Senior Management	Male	0	19	15	<b>34</b>
	Female	0	8	1	<b>9</b>
Middle Management	Male	0	46	10	<b>56</b>
	Female	0	45	4	<b>49</b>
Managers and Submanagers	Male	8	136	9	<b>153</b>
	Female	7	114	11	<b>132</b>
Analysts and Coordinators	Male	98	81	2	<b>181</b>
	Female	116	101	9	<b>226</b>
Assistants	Male	20	52	3	<b>75</b>
	Female	39	111	13	<b>163</b>
Sales force	Male	86	311	45	<b>442</b>
	Female	242	997	225	<b>1464</b>
Trainees	Male	108	1	0	<b>109</b>
	Female	96	0	0	<b>96</b>
<b>Total</b>		<b>820</b>	<b>2022</b>	<b>347</b>	<b>3189</b>

Prima AFP Employees		
Staff	Sales force	Total
267	363	630

## Procurement Negotiation Process

The Procurement Negotiation Management makes the awards of all those goods and / or services that have a total amount greater than or equal to US\$ 100,000 (including taxes), resulting in a risk matrix with a “Very High” result, “High” and / or “Significant subcontracting”. In the case of the purchase of goods, in which the total award amounts do not exceed \$ 100,000 (including taxes), the requesting units may request the Logistics Management to fulfill the role of bargaining unit. For the rest of the acquisitions, the requesting units may fulfill the role of bargaining unit (Managements that negotiate with the supplier the terms and conditions of the goods and / or services contract). Below is a summary of the main activities carried out in the purchase negotiation process:

Procurement process	Planning and defining requirements	Requesting Unit	The requesting unit (US) specifies the good and/or service required, levels of service expected, the projected demand and dates of reception for the good and/or service. This includes identifying historic volumes, risks and the criticality of the service. The requesting unit also coordinates a formal risk assessment with a risk manager.
		Negotiating Unit	The negotiating unit (UN) identifies potential suppliers with the requesting unit (US), determines scenarios for seeking quotes to predicate supplier proposals and negotiate the form of payment, which must include local taxes. Additionally, this unit establishes the scheme of penalties and if necessary, requests a letter of guarantee. For services whose criticality is “high,” “very high” or which constitutes “significant sub-contracting,” the negotiating unit request assistance from the Deputy Management Area for Insurance to determine which policies the supplier needs. When procurement involves services whose criticality is “medium” or “low,” the area fills out the format “matrix of insurance policies” and requests necessary policies from suppliers. In the case of goods, coordination will take place with the Logistics Area to ensure that that volumes are adequately defined based on policies for storage and supply. Finally, the negotiating unit develops a preliminary strategy and generates a negotiating schedule and will determine the contract to be used based on segmentation and the negotiated amount. Additionally, it sends the RHP to suppliers.
	Analysis of proposals	Requesting Unit	The requesting unit answers suppliers’ questions; conducts a preliminary assessment of the proposals; closes and scores the assessment criteria.
		Negotiating Unit	The negotiating unit aligns the proposals to make them comparable based on the scope requested and conducts a financial assessment. Additionally, the unit evaluates the contract to ensure that the commercial terms and conditions are aligned with the RHP. Finally, the unit assesses the reputations of the potential suppliers to ensure that the suppliers have the integrity required by Norm 4147.010.5 Formalizing Contracts with Suppliers.
	Execution of the final negotiation strategy	Agreement between the Requesting Unit and Negotiating Unit	1 of the following 3 strategies are followed to award contracts: <ul style="list-style-type: none"> <li>▶ Direct negotiation: Implies directly negotiating with the supplier due to exit barriers or the fact that there is no other viable alternative.</li> <li>▶ Competition based on price: Implies assessing the best economic proposal from suppliers, whose service conditions have been standardized, valued and closed.</li> <li>▶ Negotiating table: Entails discussing the most important service/commercial aspects of the proposals with suppliers. The participation of the requesting unit is key.</li> </ul>

Procurement process	Approval to use the budget	Requesting Unit	The requesting unit puts together a presentation to justify using the budget, which must include: justification of needs, historical behavior (if applicable), projections of consumption and results of the negotiation. The unit also backs up its request before the corresponding committee: Technical Committee for Productivity, IT Governance Committee and/or the Marketing Committee.
		Negotiating Unit	The negotiating unit provides support to explain economic results and the commercial conditions that have been negotiated.
	Acquisition	Negotiating Unit	The negotiating unit validates the minutes of the committee to approve the budget allotment, requests the conformity of the sponsor-user with regard to the results of the award process, the commercial terms and conditions and other contract details. Next, the unit notifies each of the bidders about the result of the tender. The email from the Deputy Division of Powers and Signatures of the Legal Division for Lima, which contains information on conformity with the powers provided by the supplier's signatories, is attached to the file. If the suppliers are abroad, it is necessary to coordinate issues of conformity with the Area for Legal Advisory (GAL). GAL will request the aforementioned documents, which must be duly apostilled for contracts that exceed US\$ 100.000 (including taxes). Lastly, the unit verifies that BCP's signatories have the respective powers. Next, the unit digitalizes and sends the contracts and/or addenda (only contracts that have the conformity of the Legal division will be received) that have been duly signed.
		Requesting Unit	The requesting unit gives its conformity for the contract clauses and services and requests that suppliers that have no prior relationship with the bank register with the SIGA system. Next, contracts are signed.
		Legal Advisory	The Area for Legal Advisory communicates the requests for advice regarding contracting processes must indicate the following: a) The criticality of the service and whether the same constitutes significant sub-contracting. b) If the service provided requires the supplier's personal to travel to BCP's facilities c) If personal information will be transferred d) If data will be processed abroad If BCP's Contract Models are used without amendments to the clauses, it will not be necessary to validate the process with the Area for Legal Advisory. If BCP's Model Contracts are not used or the contracts are amended, the Area for Legal Advisory must give its conformity. This conformity does not give conformity to the commercial or service aspects of the contract. When the contract is subject to foreign law and criticality is medium, high, very high or qualifies as significant sub-contracting, a law firm from the jurisdiction that governs the contract must participate in the negotiation process. Additionally, if the contract is subject to legislation other than Peruvian law, the Area of Legal Advisory will not sign off on the contracts. To give the aforementioned conformity, the Area of Legal Advisory will determine the legal risks associated with new clauses, or with amendments to pre-established clauses, and will request conformity from the individuals in charge of the user area or negotiating unit prior to assuming the risk that has been identified. The Area of Legal Advisory does not review proforma information or other documents that are not related to the contract.
		Requesting Unit	The requesting unit must manage suppliers, which entails the following activities: i. Consumption management ii. Follow-up on performance iii. Billing and payment management iv. Follow-up on contract expiration
	Post-sale services	Negotiating Unit	On an annual basis, the negotiating unit coordinates the process to approve suppliers by requesting insurance policies in accordance with the recommendations made by the Deputy Management Area for Insurance or aligned with the Matrix for Insurance Policies. Additionally, it is responsible for policies that are in effect during the service period and in accordance with the terms that have been negotiated. The documents that must be presented to the supplier are: i. Complete policy, which should contain the general, specific and special conditions, guarantee clauses and exclusions. ii. If D & S insurance is necessary, the requesting unit must request and follow-up on the statements in effect for personnel at the supplier. Additionally, it charges the supplier for penalties incurred due to failure to comply with levels of service; coordinates if conflicts arise regarding contracts; and follows up on contract expiration.

## Operational Risk Management Process in the negotiation with suppliers

Operational risk management during negotiation with suppliers is controlled by the Purchasing Negotiation Area Management:

<b>Operational Risk Management Process in the negotiation with suppliers</b>	<b>Selection and Filtering of Suppliers</b>	To be a supplier of BCP, the company must consistently demonstrate an adequate financial situation, ethical and exemplary legal behavior; timely fulfillment of obligations with its personnel, with financial institutions, with its own suppliers, with regulatory bodies and others; and ability to provide services under the required conditions.
	<b>Supplier Homologation Program</b>	<p>The Bank homologates its suppliers as:</p> <ul style="list-style-type: none"> <li>▶ Critical or that provide a service with a High or Very High criticality.</li> <li>▶ That they provide recurring services with prominent personnel within the Bank.</li> <li>▶ That they provide recurring services whose contract period is 1 year or more and whose annual billing is greater than US\$ 100,000.</li> </ul> <p>Exonerates:</p> <ul style="list-style-type: none"> <li>▶ Foreign suppliers under contract outside the Peruvian framework</li> <li>▶ Natural persons</li> </ul> <p>The questionnaires contain questions related to compliance with aspects of formalization, social responsibility, labor and Health and Safety at the Workplace. During 2020, 78 suppliers were approved (Applies to new suppliers during 2020 and renewals to old ones).</p>

## Attractive benefits

As the largest provide of financial services in Peru, Credicorp provides benefits to its employees that leverage the power of its products and services.

### Credicorp's subsidiaries Employee Benefits (Benefits may vary at each subsidiary)

#### Health Benefits

- Health insurance for employees, employees' parents and parents-in-law at preferential rates
- Disability insurance Coverage
- Life Insurance
- In-house medical assistance for low complexity cases
- 32 lactation rooms
- Preventive check-ups

#### Financial Benefits

- Loans available at preferential rates: car, student, mortgage, emergency, consumer, credit card and other
- Home insurance, SOAT and unemployment insurance available at discounted premiums
- Retirement Plan
- Exemption for account maintenance.
- Preferential currency exchange

#### Internal Benefits

- Maternal Leave, flex time, Golden Ticket (2 half days off when you need them), home office, shorter hours on Fridays in the summer
- Mother Day's presents, Christmas presents for children under 12, Executive Assistant Day (and presents), End of the year Bonus, among others
- Special corporate discounts at fairs, products and educational services
- Psychological Help Line and Nutritional Help Line
- Company cafeteria, transportation services between branches and offices
- Credicorp discounts
- Paternal Leave

## Awards, distinctions, certifications, endorsements

Credicorp and its subsidiaries have received different national and international awards. Below is a list of the companies from which Credicorp or at least one of its subsidiaries has received an award or recognition in 2020:

- ABE (Asociacion de Buenos Empleadores)
- Global Banking & Finance Review
- Effies
- ANDA- Asociacion Nacional de Anunciantes
- Reactions' Latin American Insurance & Reinsurance Awards
- International Business Magazine Awards
- Finance Derivative Awards
- Merco Responsabilidad Social y Gobierno Corporativo
- Centro Mexicano para la Filantropia
- Bolsa de Valores de Lima- BVL
- World Finance
- PwC / Revista Gestion
- IAB Peru
- Festival El Ojo de Iberoamerica
- Alas 20
- FTSE4Good
- The Institute of Internal Auditors
- The Smart Campaign
- Social Rating (-A)- MicroFinanza Rating
- PODS (Peru for Sustainable Development Goals)
- A+ in Strategy & Governance- PRI
- A in Direct equity investment- PRI

Additionally, Credicorp and its subsidiaries belong to different national and international institutions. Most of them are shown in the following chart:

Certifications / Endorsements	Subsidiaries
Asociacion de Bancos del Peru	BCP / Mibanco
Asociacion de Entidades de Microfinanzas del Peru	Mibanco
Camara de Comercio Americana	PGA / BCP
Camara de Comercio de Lima	BCP
Camara de Comercio Peruano Alemana	BCP
Camara de Comercio e Industria Japonesa	BCP
Camara de Comercio Italiana del Peru	BCP
Camara de Comercio Peruano Chilena	PGA
Camara de Comercio Canada Peru	PGA
Pacto Mundial	Prima AFP / BCP
Asociacion de AFP	Prima AFP
APESEG- Asociacion Peruana de Empresas de Seguros	PGA
Patronato Peru 2021	PGA / Prima AFP / BCP
APEPS- Asociacion Peruana de Entidades Prestadoras de Salud	PGA
ANDA- Asociacion Nacional de Anunciantes	PGA
Principles for Responsible Investment	PGA / Prima AFP / Credicorp Capital
Programa de Inversion Responsable	Prima AFP
Principios de Ecuador	BCP
CDP	BCP
ABE (Asociacion de Buenos Empleadores)	BCP / Mibanco
Women's World Banking	Mibanco

CO<sub>2</sub> Emissions:

## Total Emissions in scope 1 and 2

GEI scope 1 + 2 (tCO <sub>2</sub> eq)				
Subsidiaries	2017	2018	2019	2020
BCP	19,752.14	14,591.78	12,062.48	10,196.59
Pacifico Seguros	881.74	829.69	481.59	282.05
Prima AFP	419.74	226.00	450.15	136.07
Credicorp Capital				320.42
Mibanco				1,983.25
<b>Total</b>	<b>21,053.62</b>	<b>15,647.47</b>	<b>12,994.22</b>	<b>12,918.38</b>

## Water consumption

Water (m <sup>3</sup> )				
Subsidiaries	2017	2018	2019	2020
BCP	550,965.00	550,780.00	589,429.52	439,265.89
Pacifico Seguros				10,395.39
Prima AFP				8,093.73
Credicorp Capital				16,086.48
Mibanco				ND
<b>Total</b>	<b>550,965.00</b>	<b>550,780.00</b>	<b>589,429.52</b>	<b>473,841.48</b>

## Paper consumption

Paper (MT)				
Subsidiaries	2017	2018	2019	2020
BCP	1,226.82	1,302.11	1,138.85	635.89
Pacifico Seguros				29.27
Prima AFP		3.59	4.99	9.30
Credicorp Capital				5.13
Mibanco				ND
<b>Total</b>	<b>1,226.82</b>	<b>1,305.70</b>	<b>1,143.84</b>	<b>679.60</b>

## Energy: Electricity and Fuels

Energy (MWh)				
Subsidiaries	2017	2018	2019	2020
BCP	76,604.36	65,976.99	62,624.23	59,402.65
Pacifico Seguros				1,732.16
Prima AFP	1,986.48	1,115.26	2,565.26	859.84
Credicorp Capital				1,469.68
Mibanco				11,703.56
<b>Total</b>	<b>78,590.84</b>	<b>67,092.25</b>	<b>65,189.49</b>	<b>75,167.88</b>



## Fuels-2020 Detail

Resource	MWh
<b>Renewable fuels</b>	<b>142.09</b>
<b>Fossil fuels</b>	<b>2,631.38</b>
Diesel	2,135.73
LPG	142.02
Natural Gas	2.82
Gasoline	350.81
<b>Total fuel consumption</b>	<b>2,773.47</b>

## Electricity-2020 Detail

Source	MWh	%
Electricity produced with renewable energy	46,986.01	65%
Electricity produced with non-renewable energy	25,408.39	35%
<b>Total electricity consumption</b>	<b>72,394.40</b>	<b>100%</b>

## Waste

Subsidiaries	Waste (MT)		
	2018	2019	2020
BCP	1,143.41	1,092.08	1,154.94
Pacifico Seguros			24.66
Prima AFP			10.94
Credicorp Capital			14.71
Mibanco			ND
<b>Total</b>	<b>1,143.41</b>	<b>1,092.08</b>	<b>1,205.25</b>

## Waste-2020 Detail

Type	MT	%
<b>Hazardous solid waste</b>	<b>0.41</b>	<b>0.03%</b>
<b>Non-hazardous solid waste</b>	<b>1,204.85</b>	<b>99.97%</b>
Recycled or repurposed waste	21.42	1.78%
Disposable waste	1,183.43	98.19%
<b>Total solid waste</b>	<b>1,205.26</b>	<b>100.00%</b>

## SAFE HARBOR

The following report includes certain statements, including, without limitation, certain statements made in the sections entitled “Letter from the Chairman of the Board”, “Our pandemic response”, “Group Description”, “Our Business Results”, “Risk Management”, “Annexes”, “Embedding ESG in Every Corner of Our Business Strategy”, “Enhancing Our Governance Framework”, “Accelerating Change and Improving Lives”, “Designing Our Environmental Journey” and “Committing to the Future” that are “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. All statements other than statements of historical fact are forward-looking and may contain information about financial results, economic conditions, trends and known uncertainties. Forward-looking statements are not assurances of future performance. Instead, they are based only on our management’s current views, beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions.

Many forward-looking statements can be identified by words such as: “anticipate”, “intend”, “plan”, “goal”, “seek”, “believe”, “project”, “estimate”, “expect”, “strategy”, “future”, “likely”, “would”, “may”, “should”, “will”, “see” and similar references to future periods. Examples of forward-looking statements include, among others, statements or estimates we make regarding guidance relating to losses in our credit portfolio, efficiency ratio, provisions and non-performing loans, current or future market risk and future market conditions, expected macroeconomic events and conditions, our belief that we have sufficient capital and liquidity to fund our business operations, expectations of the effect on our financial condition of claims, legal actions, environmental costs, contingent liabilities and governmental and regulatory investigations and proceedings, strategy for customer retention, growth, governmental programs and regulatory initiatives, credit administration, product development, market position, financial results and reserves and strategy for risk management.

We caution readers that forward-looking statements involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those that we expect or that are expressed or implied in the forward-looking statements, depending on the outcome of certain factors, including, without limitation, adverse changes in:

- Economic conditions in Peru;
- The occurrence of natural disasters or political or social instability in Peru;
- The adequacy of the dividends that our subsidiaries are able to pay to us, which may affect our ability to pay dividends to shareholders and corporate expenses;
- Performance of, and volatility in, financial markets, including Latin-American and other markets;
- The frequency, severity and types of insured loss events;

- Fluctuations in interest rate levels;
- Foreign currency exchange rates, including the Sol/US Dollar exchange rate;
- Deterioration in the quality of our loan portfolio;
- Increasing levels of competition in Peru and other markets in which we operate;
- Developments and changes in laws and regulations affecting the financial sector and adoption of new international guidelines;
- Changes in the policies of central banks and/or foreign governments;
- Effectiveness of our risk management policies and of our operational and security systems;

- Losses associated with counterparty exposures;
- The scope of the coronavirus (“COVID-19”) outbreak, actions taken to contain the COVID-19 and related economic effects from such actions and our ability to maintain adequate staffing; and
- Changes in Bermuda laws and regulations applicable to so-called non-resident entities.

See “Item 3. Key Information—3.D Risk Factors” and “Item 5. Operating and Financial Review and Prospects” in our most recent Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission for additional information and other such factors.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date

hereof and are based only on information currently available to us. Therefore, you should not rely on any of these forward-looking statements. We undertake no obligation to publicly update or revise these or any other forward-looking statements that may be made to reflect events or circumstances after the date hereof, whether as a result of changes in our business strategy or new information, to reflect the occurrence of unanticipated events or otherwise.

### Comments or Questions about this Report

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### Content and Design

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