



Credicorp:

engagement commentary

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Global SMID Equity Engagement*
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*Formerly SDG Engagement Equity

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ENGAGEMENT COMMENTARY:

Credicorp

Overview

Credicorp is Peru's leading financial group, operating across Latin America and the US. The group's subsidiaries include Banco de Crédito del Perú (BCP), the largest bank in Peru, and Mibanco, the largest microfinance institution in Latin America, as well as a leading insurance business (Pacífico), a pension business (Prima) and an asset management business (Credicorp Capital) – which allow it to serve all segments of the population.

The group has approximately 19 million clients and plays a vital role in terms of financial inclusion and economic development in Peru.

At a glance¹:

US\$20.7bn

Market capitalisation
(December 2025)

US\$7bn

Revenue (Financial year 2024)

38,000

Employees (Financial year 2024)

Investment thesis – sustainability lens

Credicorp has positioned digitalisation and sustainability as key levers of profit growth. The group's 'value creation strategy' is focused on the rapid process of digital uptake across the region and it has embedded sustainability across its business lines.

Sustainability strategy 2025-30

Credicorp released a dedicated 2030 sustainability strategy in H1 2025, built on four pillars:

- 1 **Inclusion:** A focus on financial inclusion and education, health insurance and quality healthcare.
- 2 **Finance for the future:** Supporting Micro, Small and Medium Enterprises (MSME), sustainable finance and resilience (e.g. sustainable/green products).
- 3 **Trust:** Building trust in Credicorp and its subsidiaries and in the private sector.
- 4 **Country vision:** Prioritising regional development impact.

¹ Company reports

Please note that this Fund's name changed to Federated Hermes Global SMID Equity Engagement (from SDG Engagement Equity) on 24 April 2025. The name change highlights that we are a Global SMID Strategy – which is important because small and mid-cap companies (SMIDs) are where we believe the greatest sustainability improvement potential lies and engagement is the tool to unlock that potential. Our engagements are still linked to the UN Sustainable Development Goals (SDGs) and we will continue to report our engagement alignment to the SDGs within our reporting

Theory of change

When we began engaging with Credicorp in 2018, less than 43% of adults in Peru had a bank account² (compared to 54% across Latin America) and only 34% made or received digital payments (vs. 45% for Latam)³.

As of 2024 that situation has improved, but much more still needs to be done. Now, 59% of adults have a bank account (vs. 70% for Latam) and 52% have made or received digital payments (vs. 59% for Latam)⁴.

According to the World Bank, less than 60% of adults in Peru are 'financially resilient' – and this figure drops to 51% for women and less than 39% of the population among the poorest 40% of households⁵.

More than 90% of Peru's population have access to public health insurance, but the system faces significant challenges in terms of quality of facilities and accessibility. Meanwhile, only 6% of the Peruvian population have access to private health insurance⁶.

The above financial inclusion gaps illustrate the role that Credicorp, the country's largest financial institution, has to play in addressing some of the inequalities in Peru.

Any progress in closing the country's financial inclusion and protection gap stands to benefit both the group itself as well as society at large through increased economic prosperity and resilience across the population.

This agenda has been a focus of our engagement with the company over the period of our investment. During that time, we have encouraged Credicorp to put financial inclusion at the heart of its sustainability strategy and, in particular, to create products that meet the needs of Peru's female population, for whom the financial inclusion gap is larger.

Credicorp is demonstrating that social impact and margin expansion can reinforce each other.

Key themes

Inclusion

- Mibanco is the leading microfinance business in Latin America, serving 2.4 million customers in Peru alone. Financial inclusion directly scales Mibanco's revenue and should expand its margins while diversifying risk.
- BCP, Peru's largest bank, and Yape, Peru's leading digital wallet, are driving financial inclusion across the country while Pacifico is expanding and democratising health insurance.

Digitalisation as an inclusion engine

- At its October 2025 investor day, Credicorp emphasised the shift to a "future-ready digital ecosystem".

Finance for the future

- Sustainable finance: Credicorp aims to expand its green and social loan portfolios while supporting MSME clients with advisory programmes to strengthen financial management skills.

Climate risk management

- Credicorp's investments and financing activity are primarily concentrated in Latin America, a region where emissions measurement and disclosure still face significant gaps compared with the rest of the world. While BCP's portfolio is quite diversified across all sectors of the Peruvian economy, the country's economy remains relatively highly exposed to mining and extractives.

Governance

- Sustainability key performance indicators (KPIs) are integrated into executive compensation while supervision of the group's sustainability strategy is embedded into a strong governance structure, which includes the Board and its Sustainability Committee.

² Worldbank, Little Data Book, 2018 and 2025

³ Figures provided by Credicorp, Nov 2025

⁴ Figures provided by Credicorp, Nov 2025

⁵ Worldbank, Little Data Book, 2018 and 2025

⁶ Study conducted by Ipsos for Pacifico Salud, October 2024



Practice of change

We have had **more than 40 ESG-led interactions** with Credicorp since beginning of 2018, including meetings (both virtual and in-person) with senior management and board members.

We have consistently found the company to be open, receptive and responsive to engagement on a range of issues, including governance reforms as well as developing and expanding its sustainability strategy. We have provided constructive input at various stages and been pleased to see how much of our input has been taken on board.

Yape – the super-app

The development of the Yape super-app has been central to Credicorp's efforts to promote financial inclusion in Peru. This app has evolved into a comprehensive digital ecosystem offering services like credit, bill payments and e-commerce. Its user-friendly interface is designed to simplify the process of accessing financial services, enabling secure transactions without requiring a traditional bank account – helping Peru's unbanked population to bridge the gap.

Since 2022, the app has enabled Credicorp to financially include more than six million Peruvians and provide loans to one million people who have never previously been lent to by the formal banking system⁷.

The Yape app was recognised as the 'most valued brand in Peru' in 2025⁸.

- As of Q3 2025, Yape boasted 15.5 million monthly active users, representing 82% of Peru's economically active population, and holds a 70% market share in the country's e-wallet space⁹.
- Credicorp has a plan to increase Yape's active users to 18 million by 2028, tripling revenues as well as financially including eight million people.

Mibanco – microfinance

Mibanco, the company's microfinance business, has focused resources on developing products to support female entrepreneurs and its Crédito Mujer programme seeks to address specific financial access barriers faced by female micro-entrepreneurs.

The programme includes a simplified credit assessment, flexible documentation conditions, and progressive loan structures (start small and increase available credit on demonstration of consistent repayment behaviour), as well as a gender-aware distribution model.

The aim is to encourage financial independence and autonomy among Peru's female population.



Finance emissions

We have also seen progress on climate risk management at Credicorp. The company measures and monitors its portfolio emissions and benchmarks its results against other financial institutions. For BCP's wholesale banking loan portfolio, for example, the company discloses results for companies and sectors that publish greenhouse gas (GHG) inventories, typically those in the most emission-intensive industries.

Impact outcomes

- Six million people financially included¹⁰.
- Three million people protected through inclusive insurance¹¹.
- 200,000 women obtained a Credito Mujer loan¹², of which more than 20% accessed a financial product for the first time.
- 300,000 people reached annually through Mibanco's digital financial education platform¹³.

6 million people financially included by Yape app since 2022.

⁷ Ibid

⁸ Impronta Research & BBK Group, published by Trome on Sep 20, 2025

⁹ Company Q3 2025 presentation

¹⁰ Company reports

¹¹ Company reports

¹² [MiBanco aims to strengthen supply with housing improvements and inclusive loans: what is its projection](#)

¹³ Company reports

Ongoing engagement

Customer protection in microfinance and digital inclusion equity

Microfinance comes with high reputational risk if it is insensitively managed. We are therefore keen to see the balance between digital and in-person loan origination at the company retained.

Similarly, Credicorp's AI-driven credit scoring system has the potential to more effectively reach underserved populations, however, such tools also run the risk of exacerbating pre-existing prejudices because of biases in the training data. We will continue to engage with the company on the topic of Responsible AI¹⁵.

The sharp rise in digital uptake in Peru has evidentially been supportive of expanding access to financial services among underserved populations (as evidenced by Yape). Nonetheless, significant financial inclusion gaps remain among more rural populations, and prioritising digital services runs the risk of exacerbating accessibility challenges for certain populations.

We will continue to engage with Credicorp on this subject, noting that it is running pilot programmes that explore innovative ways to build trust and connect with underserved populations and hinterland regions.

Financed emissions

We welcome the company's decision to join the partnership for carbon accounting financials (PCAF) in 2024 and will continue to encourage sectoral-financed emissions' disclosure.

Gender-disaggregated impact reporting

In light of the successful role that Credicorp is playing in addressing the gender inclusion gap, we are keen to see the company disaggregate its impact reporting accordingly.

Conclusion

Credicorp has progressed from a traditional bank into a digitally enabled financial inclusion platform, allowing it to achieve measurable impact.

Credicorp's digital ecosystem (led by Yape), gender-aware microfinance model and fast-growing sustainable finance portfolio provide the group with a scalable pathway where inclusion drives expansion.



¹⁵ AI revolution needs shift in engagement focus | Federated Hermes Limited

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