



The Central Nervous System of the Peruvian Economy

Credicorp Ltd. (BAP): Investment Analysis

NYSE: **BAP** | Market Cap: ~\$27.3B | Sector: **Financials**

Investment Thesis: Deep Moats, Digital
Disruption, and Macro Resilience

Executive Summary: The Core Thesis



P/E: 14.3x

P/B: 2.1x

ROE: 19.0%

Div Yield: ~3.5%

Verdict: Tiempos Headline

Inter int. Credicorp is the 'Apex Predator' of Peruvian finance. A superior business with an impenetrable moat, but the current entry price leaves no margin of safety for execution errors.

The Peruvian Context: Noise vs. Signal

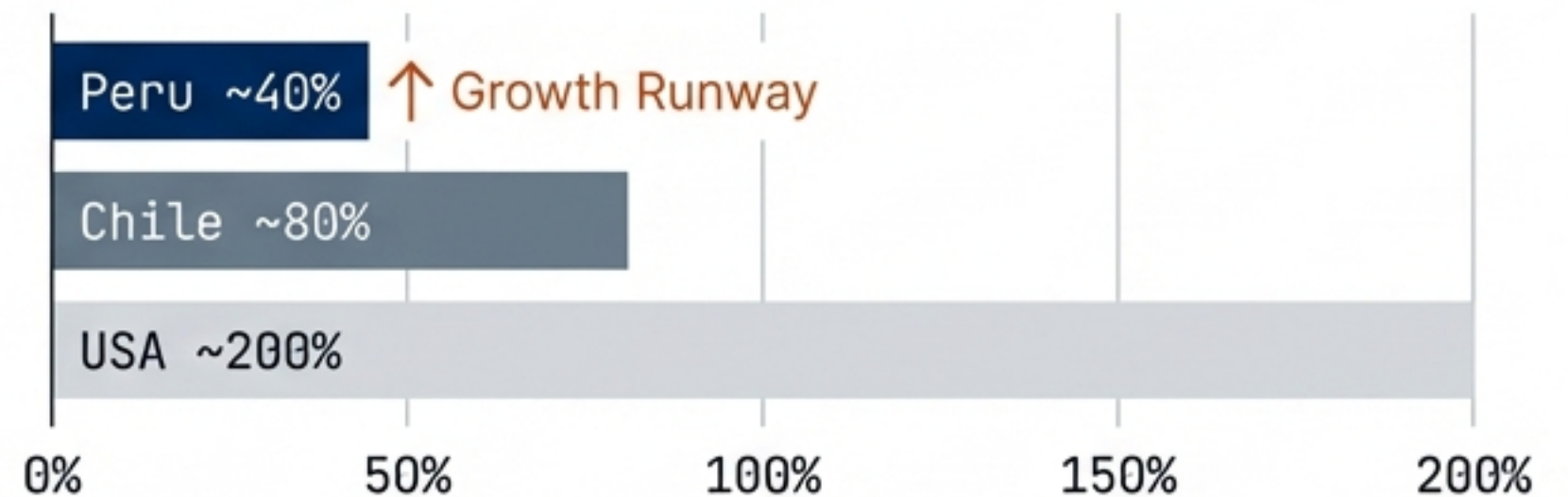
THE NOISE (Politics)



THE SIGNAL (Economics)

- 
- GDP Growth: **3.5%** (2025) ↑
 - Inflation: **~2.0%** (Controlled) 🎯
 - Int'l Reserves: **>24%** of GDP 💰

Runway for Growth: Loans/GDP %



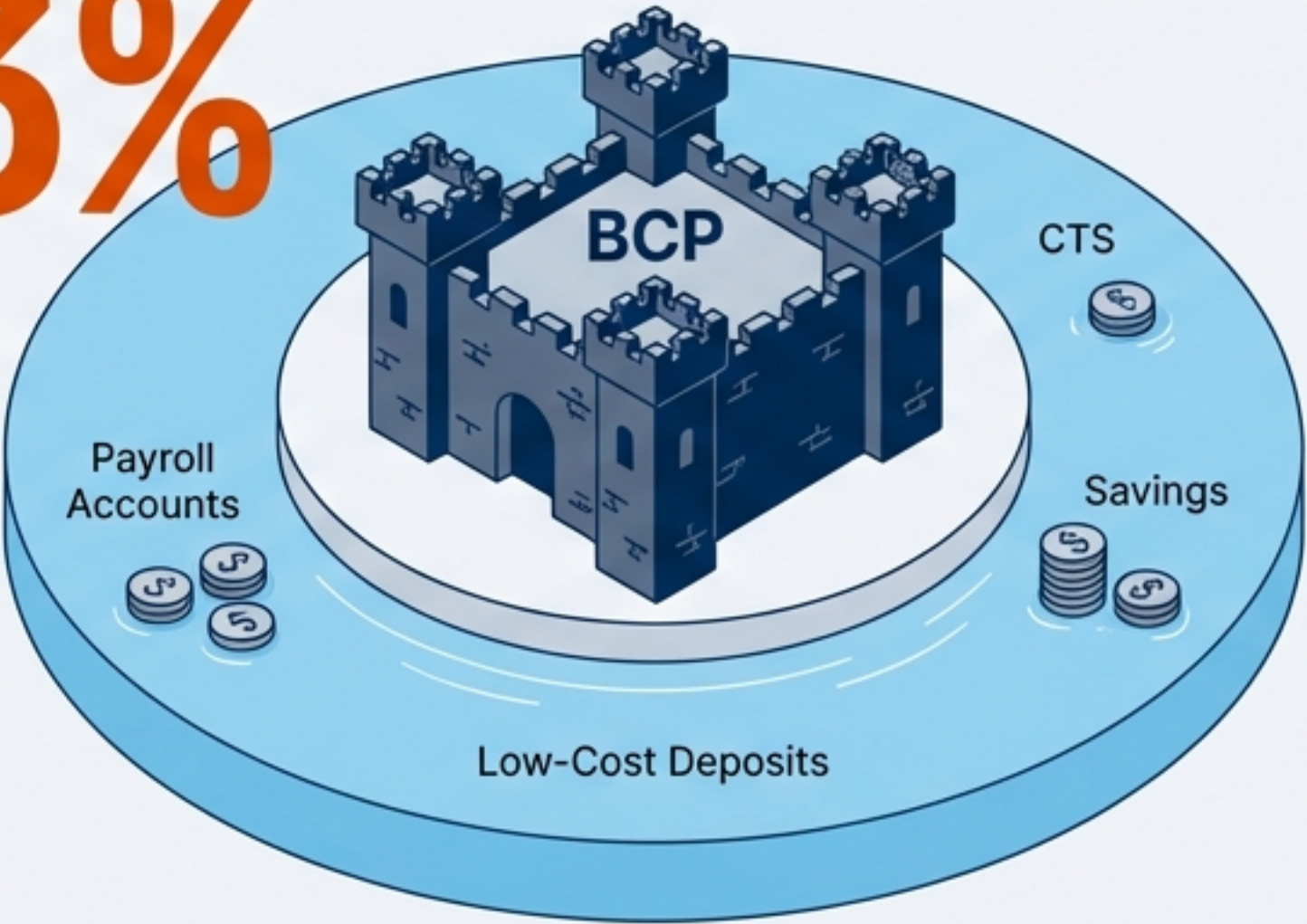
Bankarization in Peru provides a multi-decade structural growth runway.

The Unassailable Liability Moat

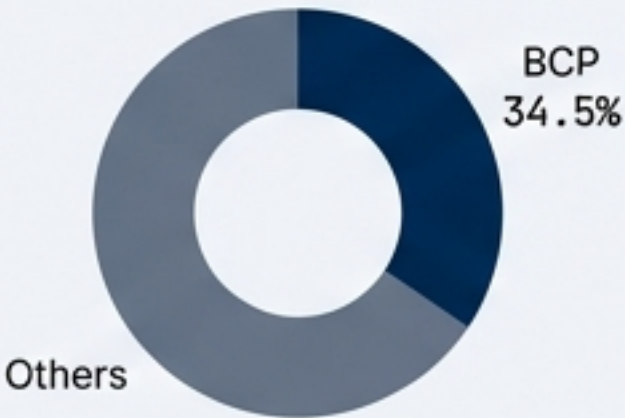
Tiempos Headline

2.3%

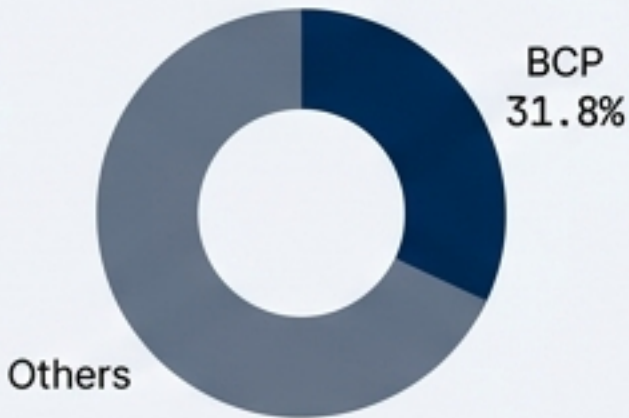
Cost of Funds
(vs. 5.0% Benchmark Rate)



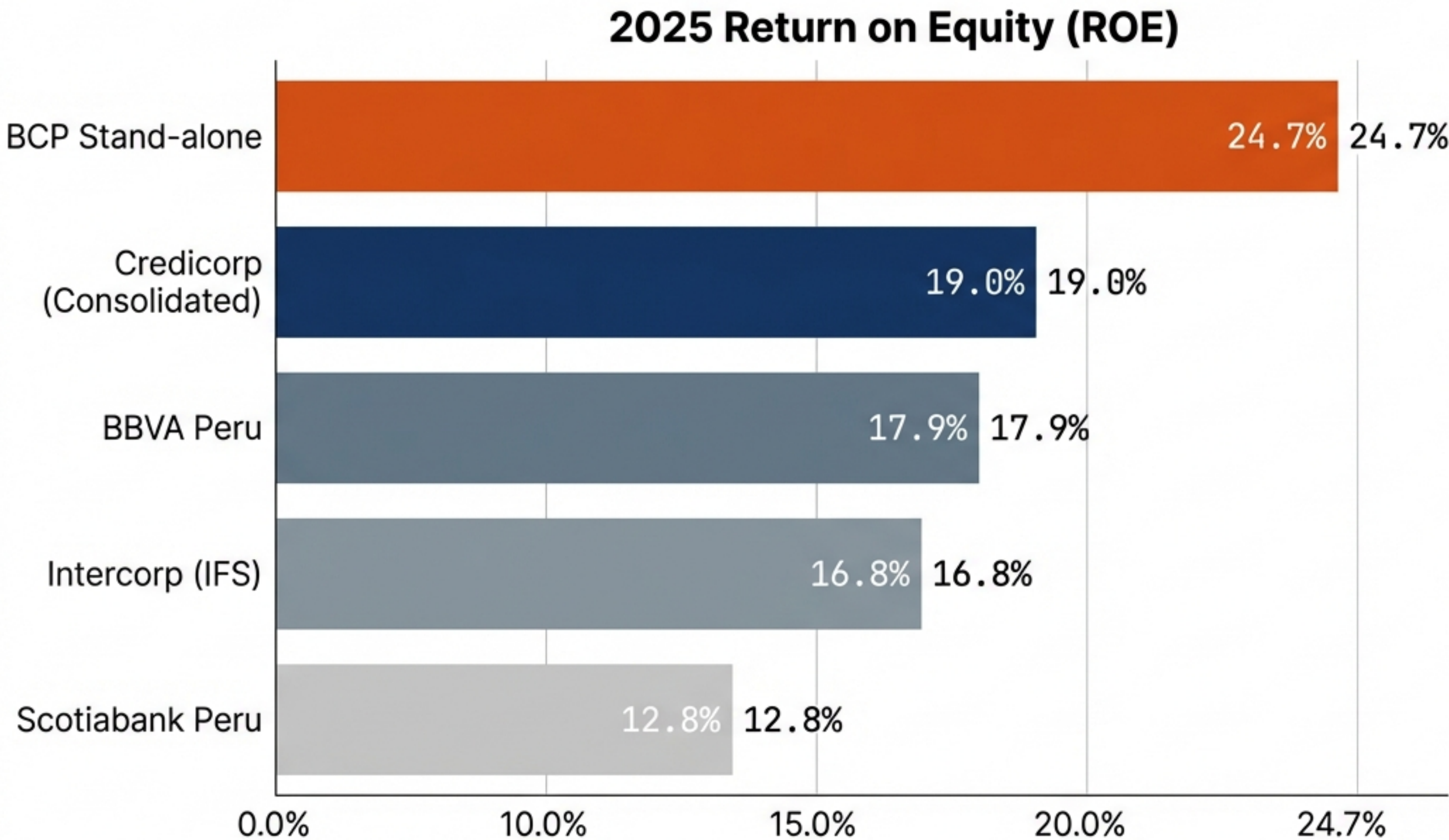
Loan Market Share



Deposit Market Share



Dominance Translates to Superior Returns

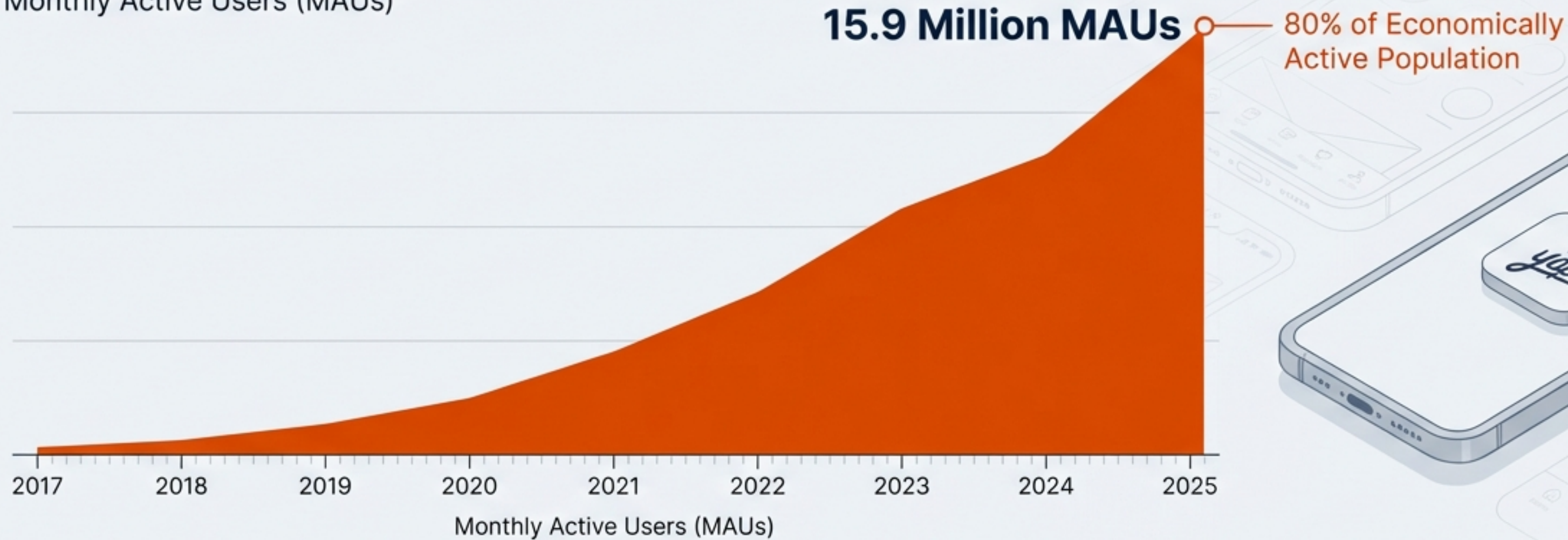


Risk-Adjusted NIM:
5.55%
(Record High)

Insight:
Credicorp's returns are structural, driven by scale and funding costs, not just cyclical leverage.

Yape: The Operating System of Peruvian Commerce

Monthly Active Users (MAUs)



Transactions:
66 per user/month

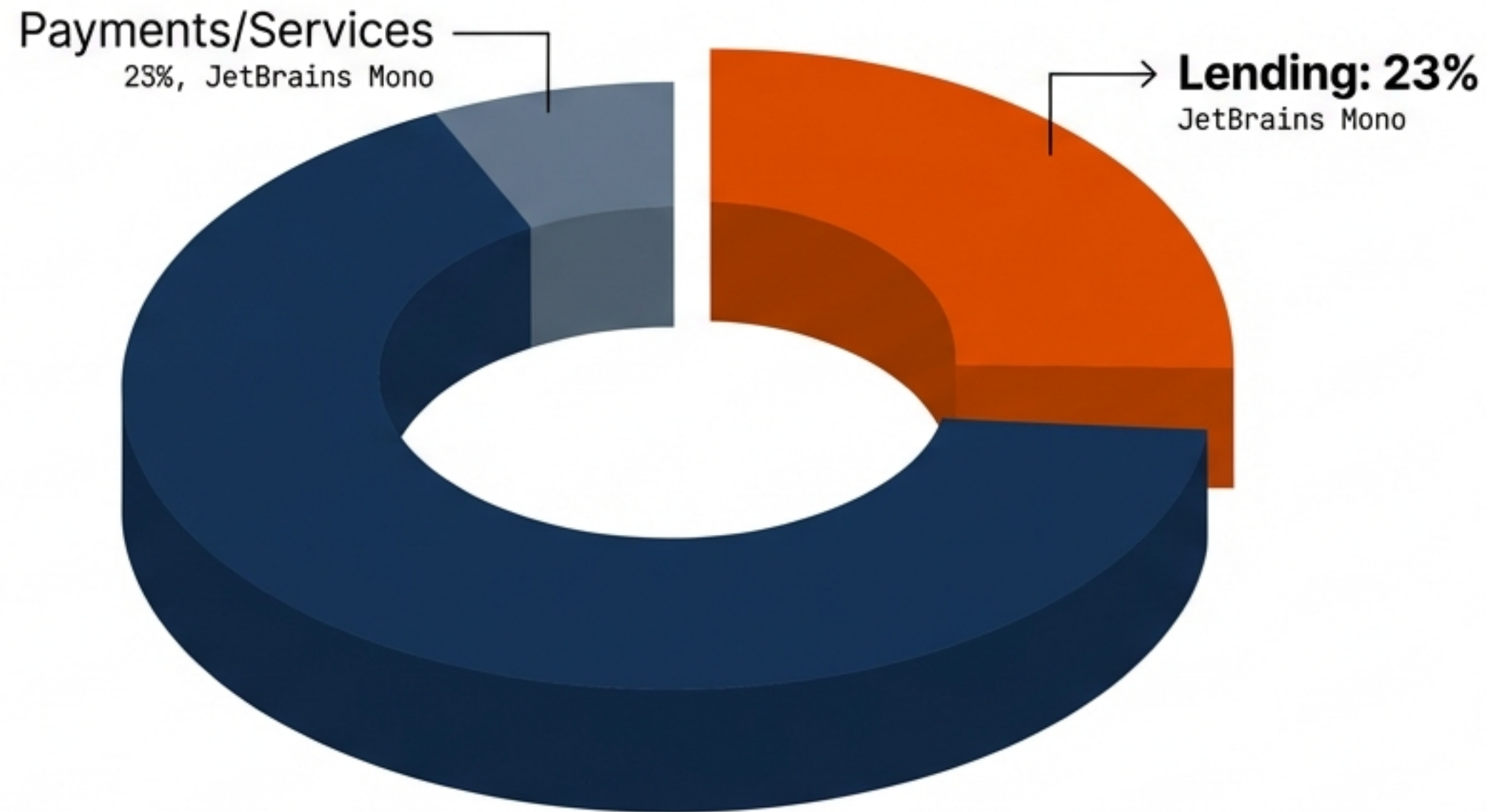
Volume:
6x vs. Competitor (Plin)

Status:
Interoperable & Dominant

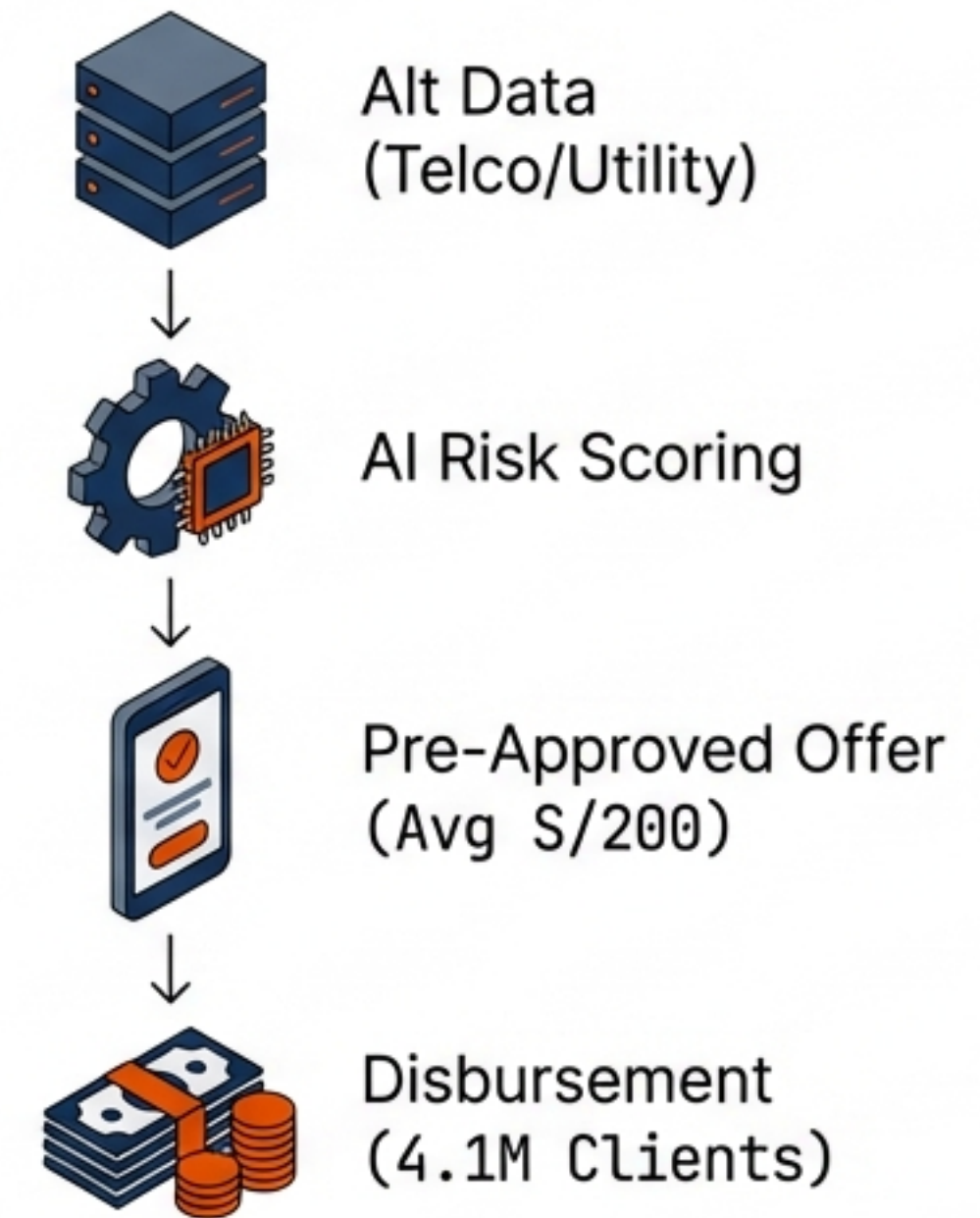
Interoperability did not commoditize Yape; it cemented its status as the default payment rail.

Monetizing the Ecosystem: The Pivot to Lending

Yape Revenue Mix



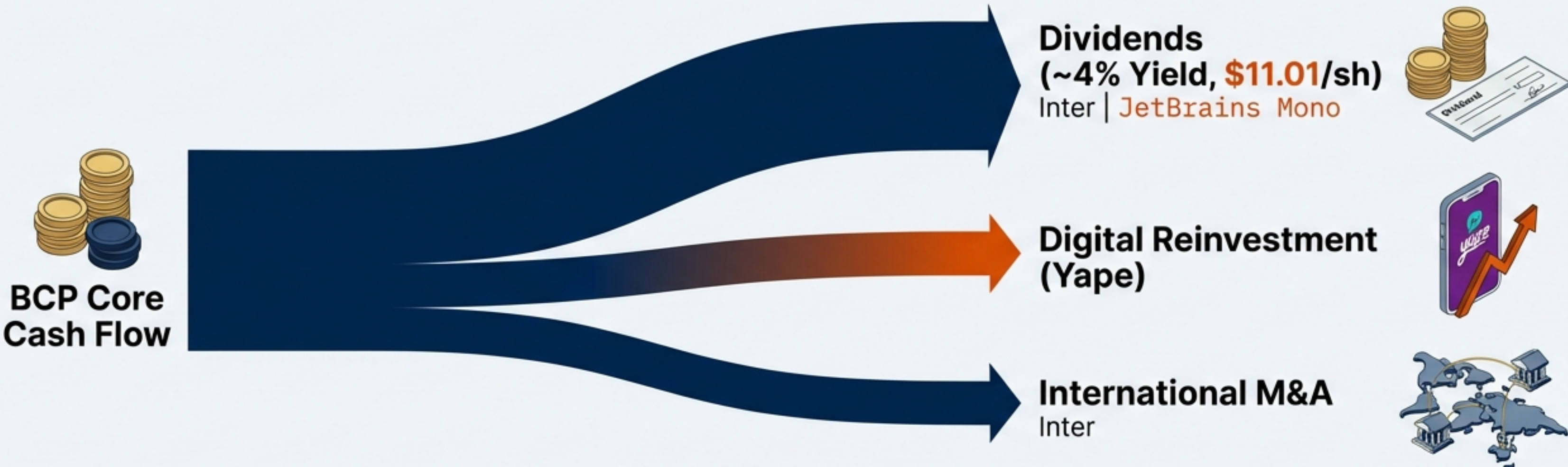
The Flywheel



Cost of Origination: ~Zero

Innovation Portfolio: 8.1% of Group Rev

Capital Allocation: Discipline & Diversification

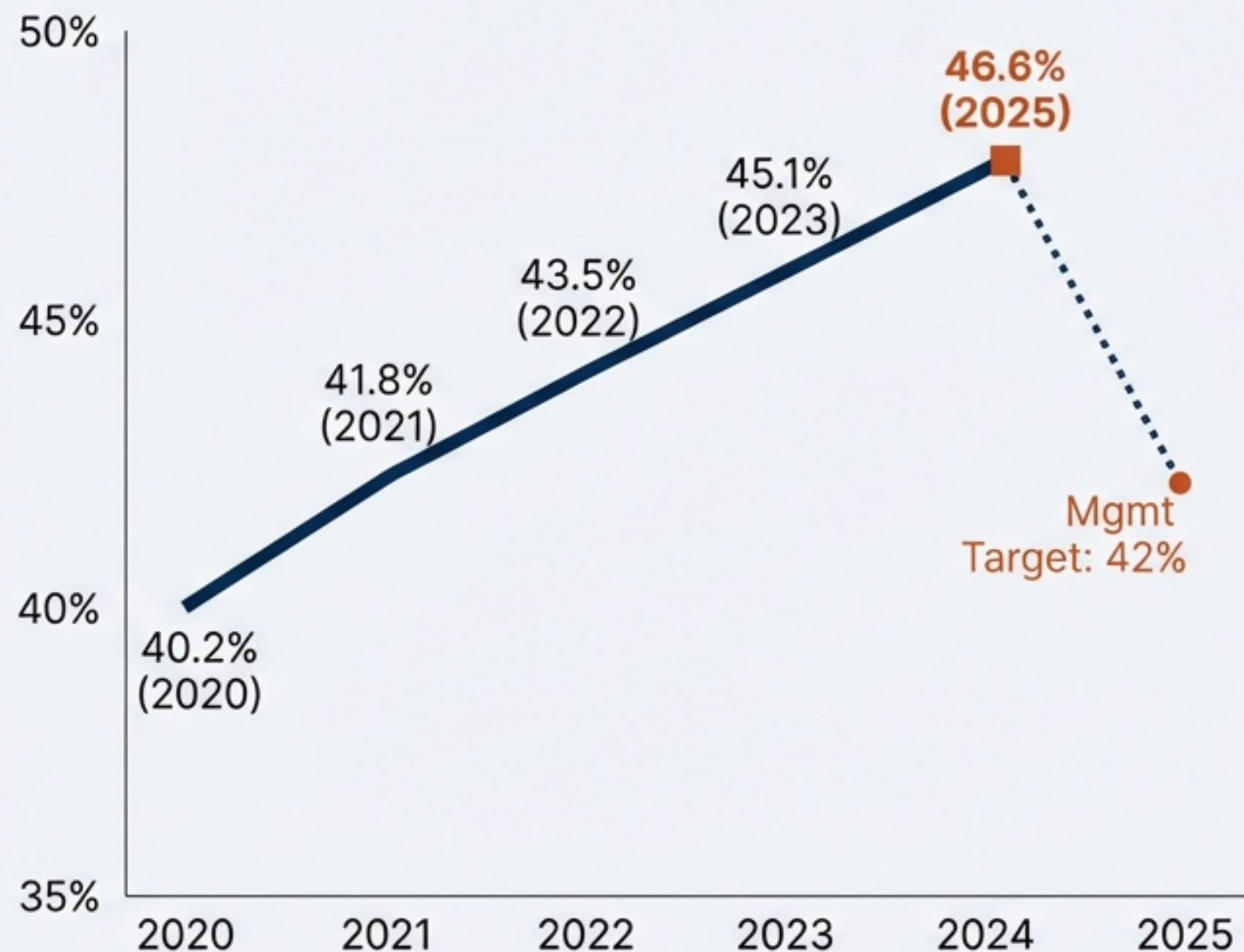


M&A Scorecard

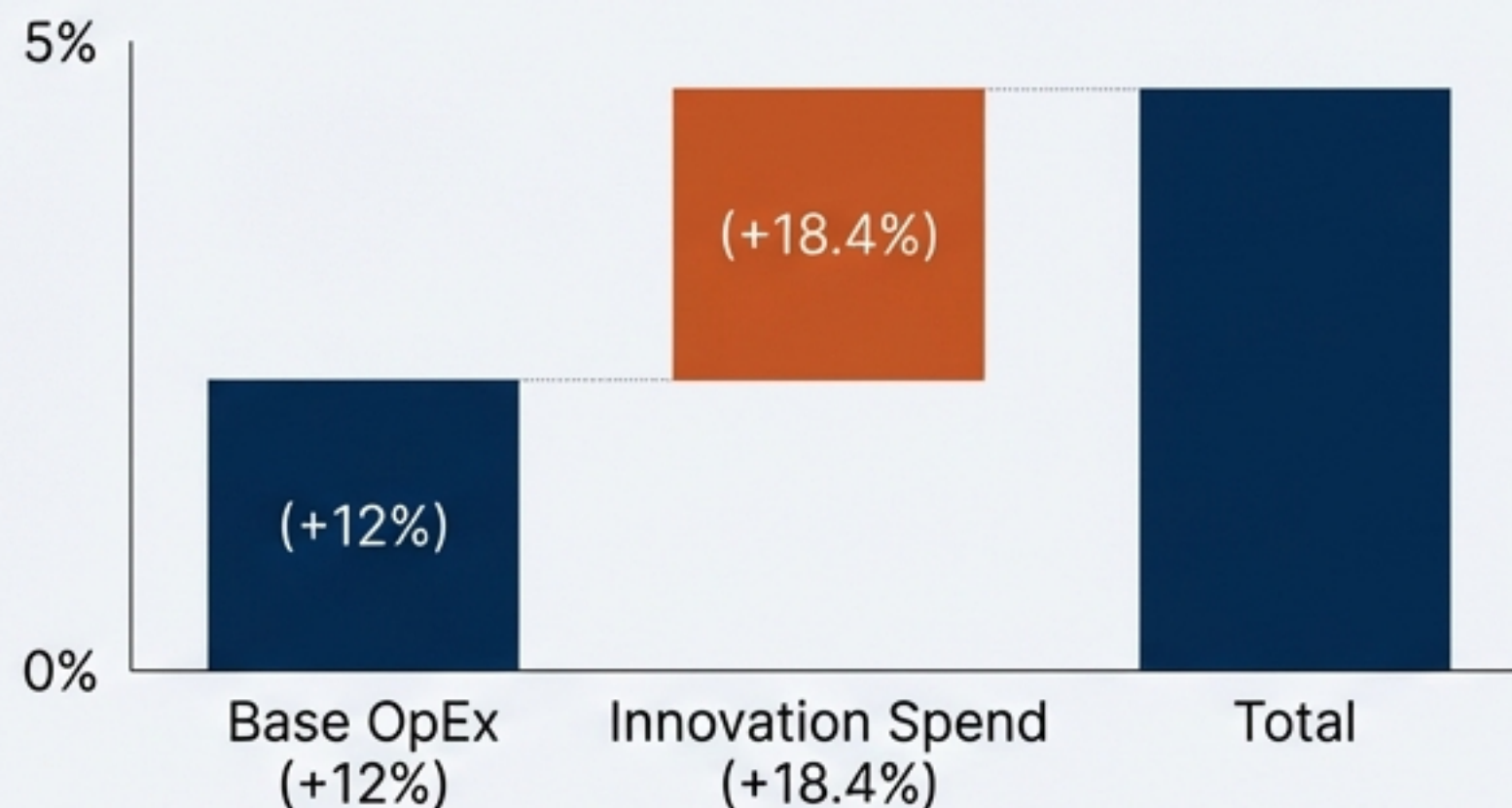
Deal		Strategic Rationale	Financial Metrics
🛡️	Helm Bank (USA)	Defensive	Cost 1.68x Book
🚀	Tenpo (Chile)	Promising	Neobank License
⚙️	Mibanco (Colombia)	Destructive	-2.0% ROE

The Efficiency Paradox

Efficiency Ratio



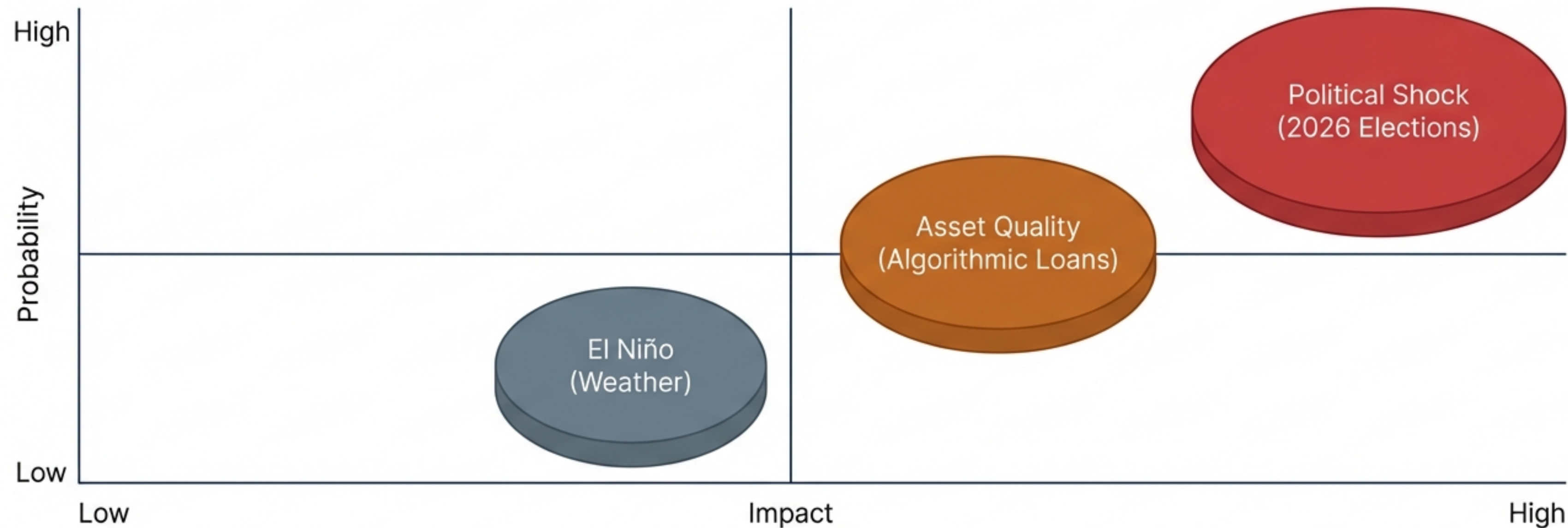
Cost Increase Breakdown



Skeptic's Corner

Risk: Is this temporary investment for a digital moat, or structural cost bloat? Failure to pivot to operating leverage in 2H 2026 is a key risk.

Risk Monitor: The Tail Risks



Mitigants

Strong NPL Coverage Ratio: 112.4%.
Proactive provisioning history.

Governance & Ownership



The Romero Family

12.29% Control

14.1% Annualized TSR (30 Years)

Alignment vs. Risks

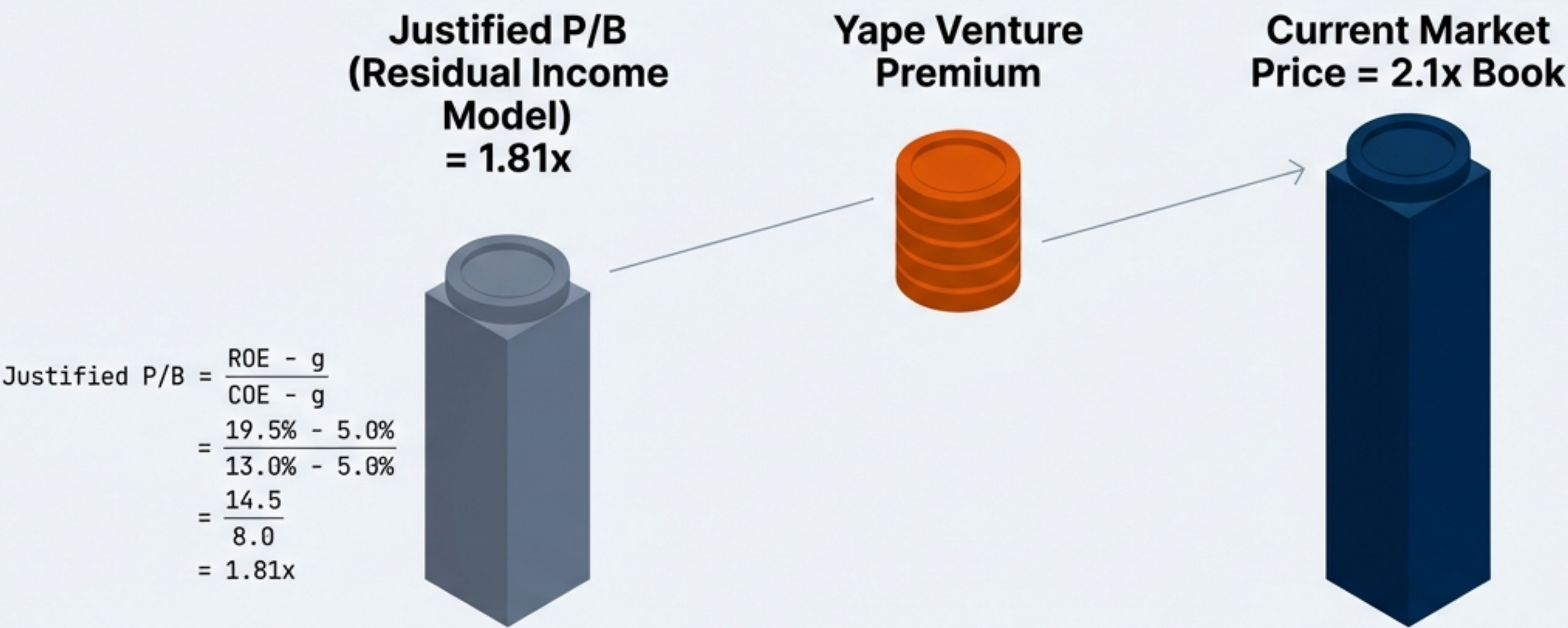
Alignment

Management: Conservative Provisioning
(**S/250M** early charge)

Risks

Related Party Transactions
~\$32M/year to subsidiaries.
Requires monitoring.

Valuation: Priced for Perfection?



Scenario			Alignment	Inter
Bull Case:	ROE >21% → P/B 2.4x	↗	JetBrains Mono	JetBrains Mono
Bear Case:	ROE <15% → P/B 1.5x (Downside ~30%)	↘	JetBrains Mono	Inter

Investment Verdict

The Moat

Strong. **2.3%** Cost of Funds.

The Growth

Proven. **Yape** Dominance.

The Price

Full. **2.1x** Book Value.

“Credicorp is effectively the financial infrastructure of Peru, transitioning into a technology company with a banking license.”

WATCHLIST: Accumulate on political volatility or dips below **1.8x** Book.