



**BBVA Continental**

December 2013

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# Contents

- 1 Peru: Attractive economy and financial system
- 2 Organization
- 3 BBVA Continental vs. Peers
- 4 Social responsibility and Awards
- 5 Ratings

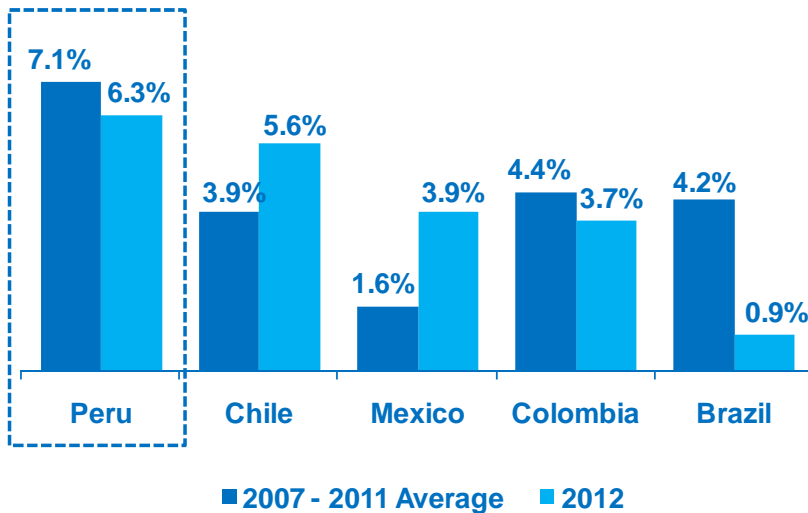


# 1 Peru: Attractive economy and financial system

## Peru: one of the most stable and fastest-growing economies of the region

Peru is one of the economies with fastest growth in Latin America...

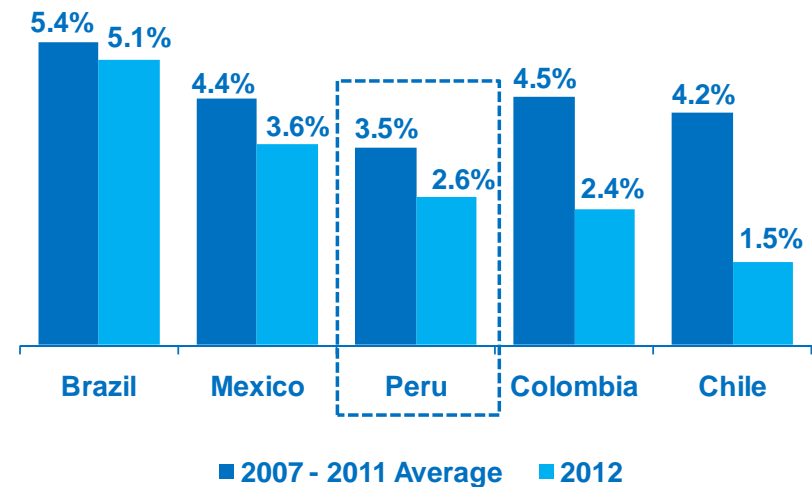
### GDP growth



**Peru: 5.0% for 2013**

...with one of the lowest inflation rates in the region

### Inflation

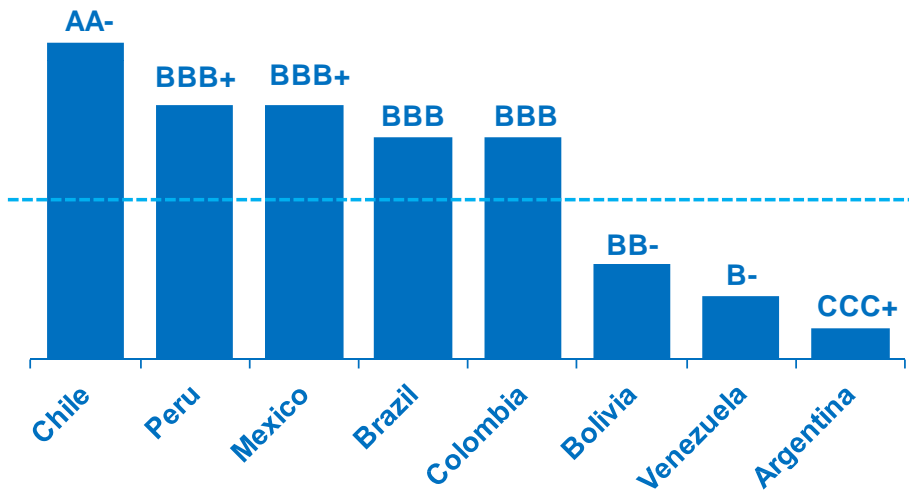


**Peru: 2.9% for 2013**

## Peru: one of the most stable and fastest-growing economies of the region

It has achieved the sovereign investment grade...

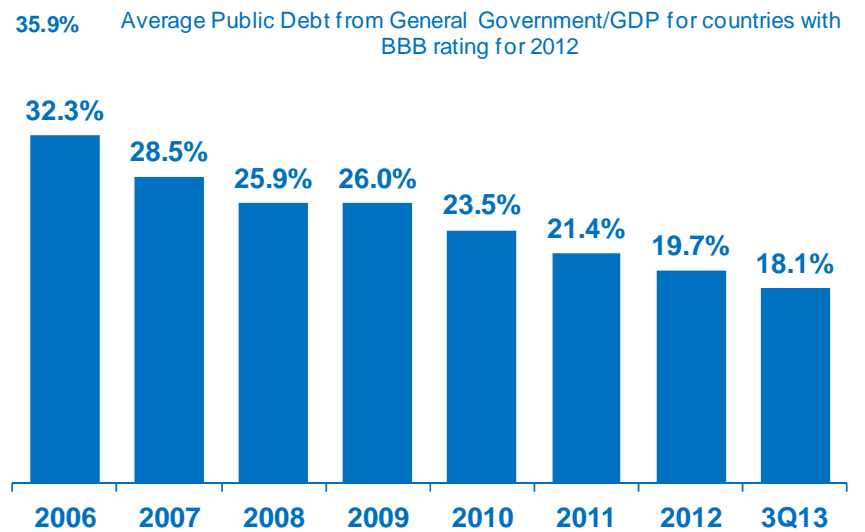
### Ratings



Source: Standard & Poor's

...and maintains low levels of debt

### Public Debt as a percentage of GDP



Source: Banco Central de Reserva del Perú, BBVA Research



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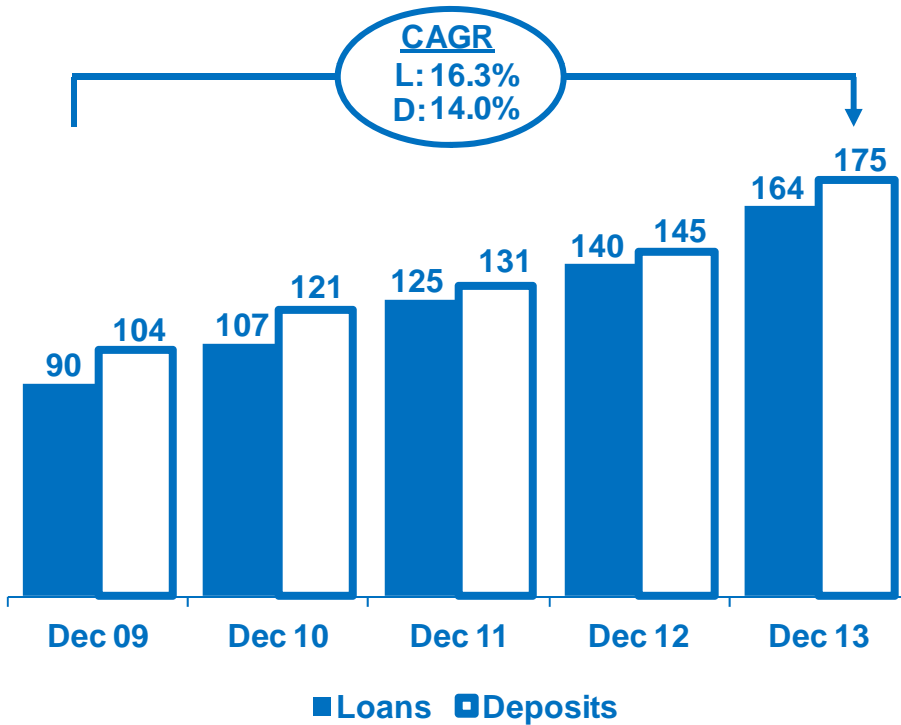
...with a solid Financial System and great opportunities

The Peruvian Banking System has shown strong growth...

...with great potential for future expansion

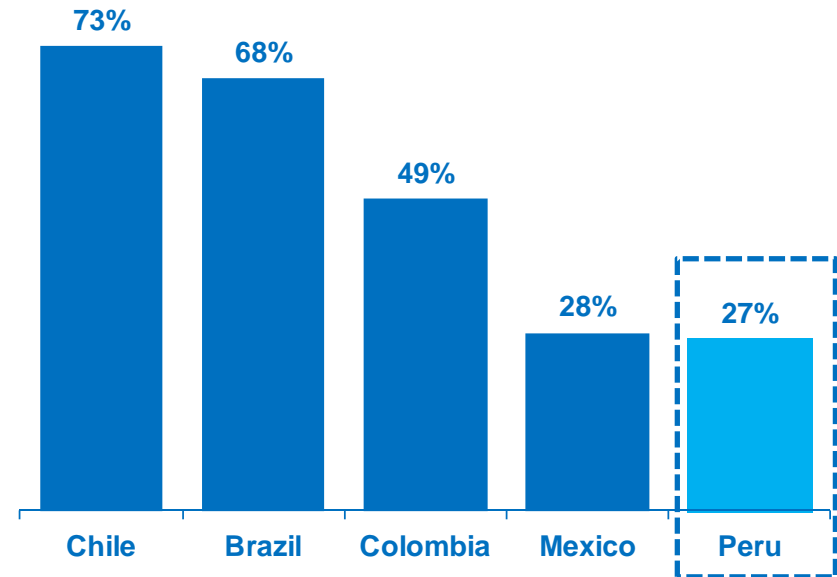
### Performing loans and Deposits

PEN MMM



### Loans to private sector as a percentage of GDP

2012



Source: Superintendencia de Banca, Seguros y AFP

Source: World Bank



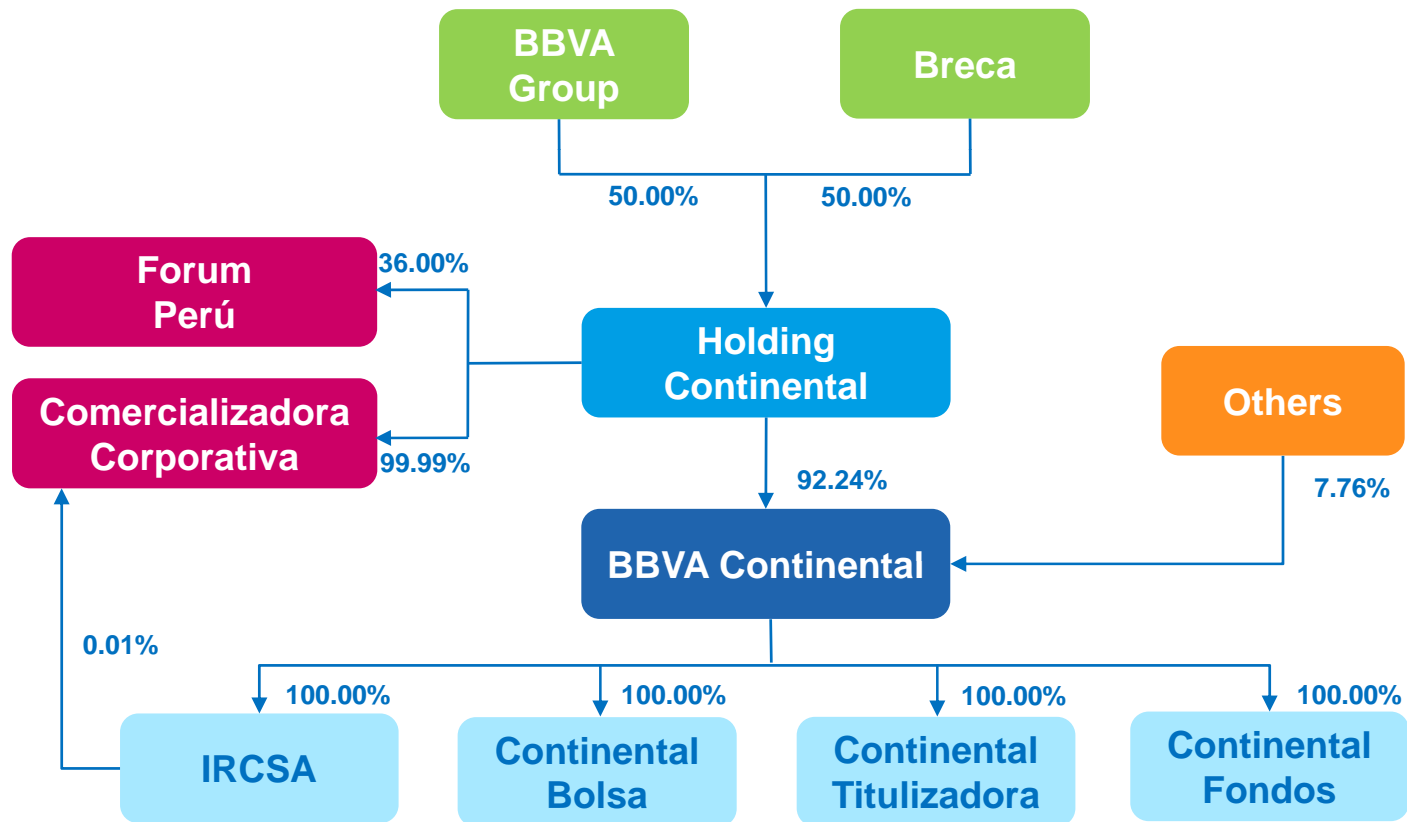
# 2 Organization



# BBVA Continental

## Shareholders

BBVA Continental and Subsidiaries are part of the Economic Group formed by Holding Continental



# BBVA Continental BBVA Group

**599** Assets  
(€billion)

**50 M** Customers

**7,512** Branches

**109,305** Employees

## North America

- USA
- Mexico

**United States**  
*1st. Regional Bank in the Sunbelt*

**Mexico**  
*Market leader*

## South America

- Argentina
- Bolivia
- Brazil
- Chile
- Colombia
- Paraguay
- Peru
- Uruguay
- Venezuela

**South America**  
*1st. / 2nd.*

**Spain**  
*1st. / 2nd.*

**Turkey**  
*Strategic participation*

**Asia / China**  
*Strategic alliance*

## Asia – Pacífico Europa

- Abu Dhabi, UAE
- Australia
- China
- Hong Kong
- India
- Japan
- Singapore
- South Korea
- Taiwan
- Belgium
- France
- Germany
- Italy
- Portugal
- Russia
- Spain
- Switzerland
- Turkey
- U.K.

### Gross Income YTD 2013 <sup>(1)</sup>



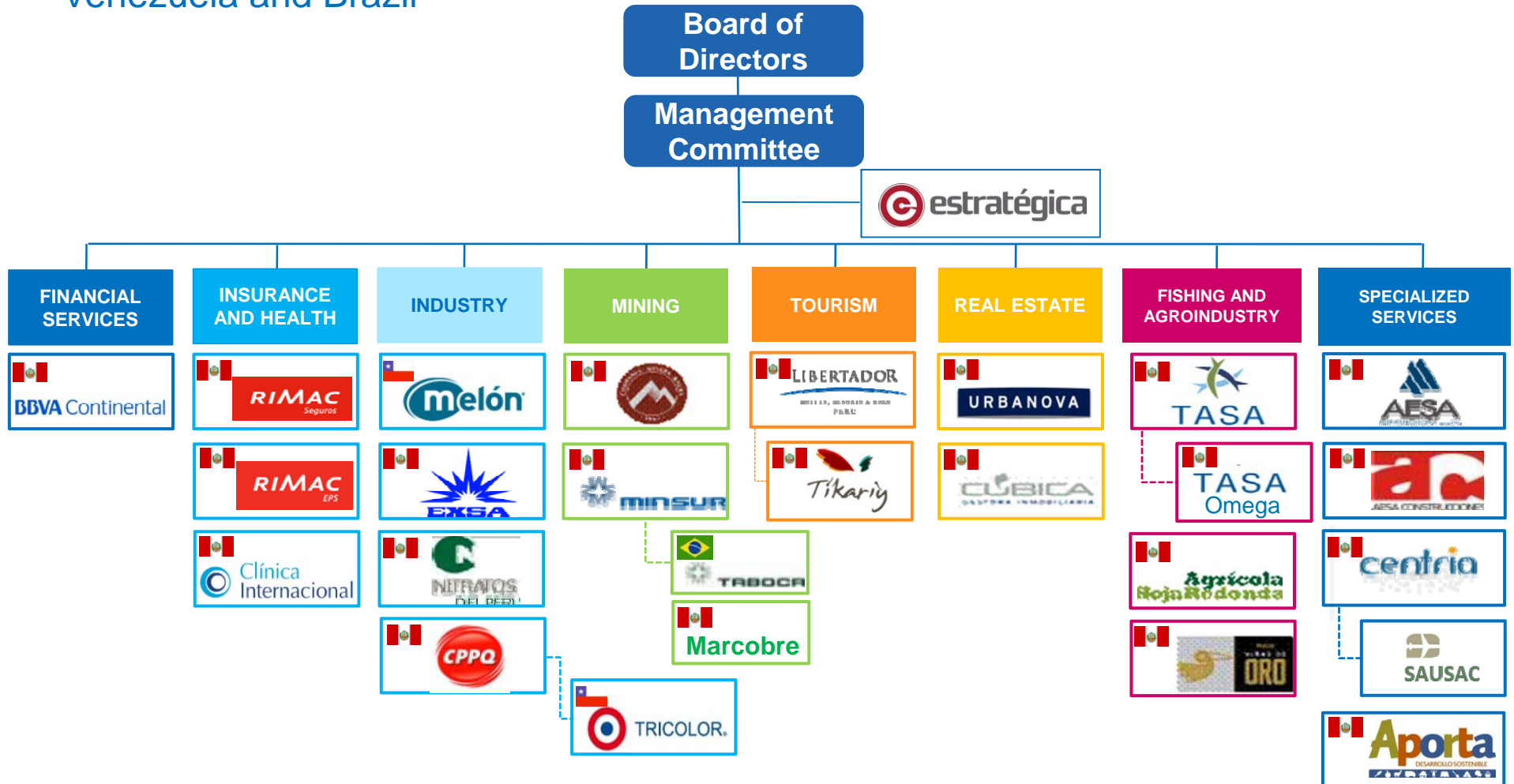
**South America:**  
26% of BBVA  
Group's YTD  
Gross Income

<sup>1/</sup> Excludes Corporate activities; YoY change in constant Euros.

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# Breca

Business group founded by the Brescia Cafferata family, is one of the largest business conglomerates in Peru, with operations in Peru, Chile, Colombia, Venezuela and Brazil

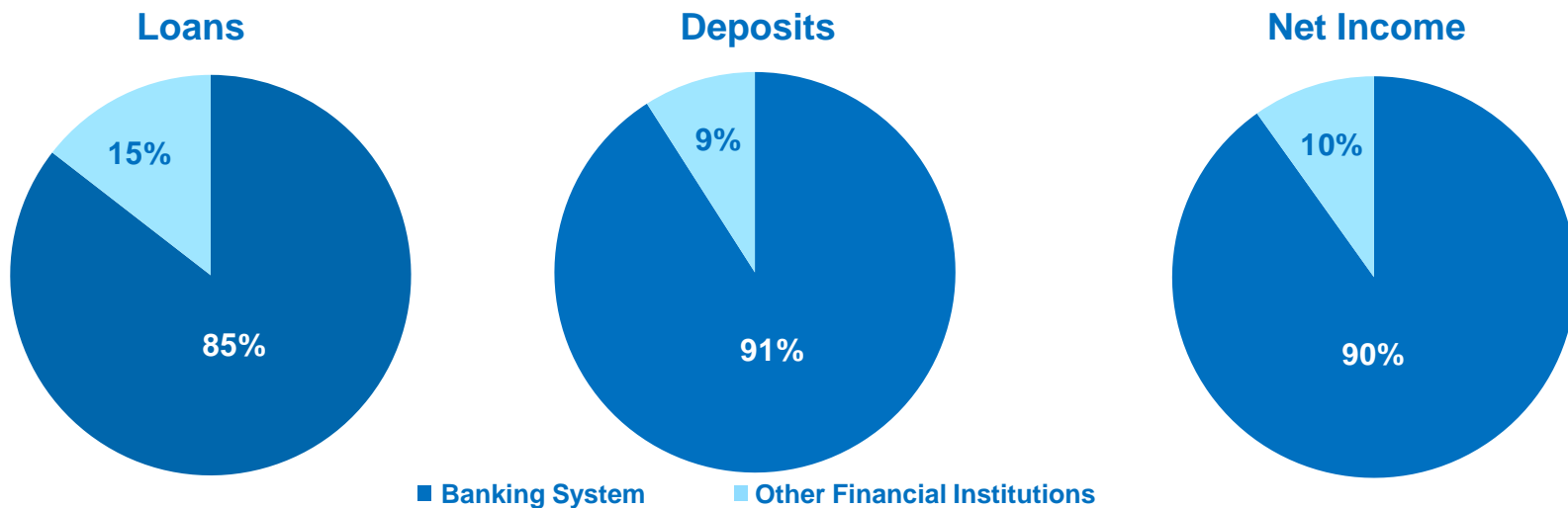


# Peruvian Financial System

Financial system	Institution PEN Million	Net loans Dec-13	Deposits Dec-13	Net Income Dec-13
Banking system	Banks (16)	162,516	175,259	4,968
	Banco de la Nación	6,906	22,560	589
Other financial institutions	Cajas Municipales (13)	11,429	12,822	262
	Financieras (12)	8,952	4,820	227
	Cajas Rurales (9)	1,530	1,782	-
	Edpymes (9)	950	0	14
	Leasing (2)	457	-	6
	COFIDE	4,594	259	76
	Agrobanco	819	-	23

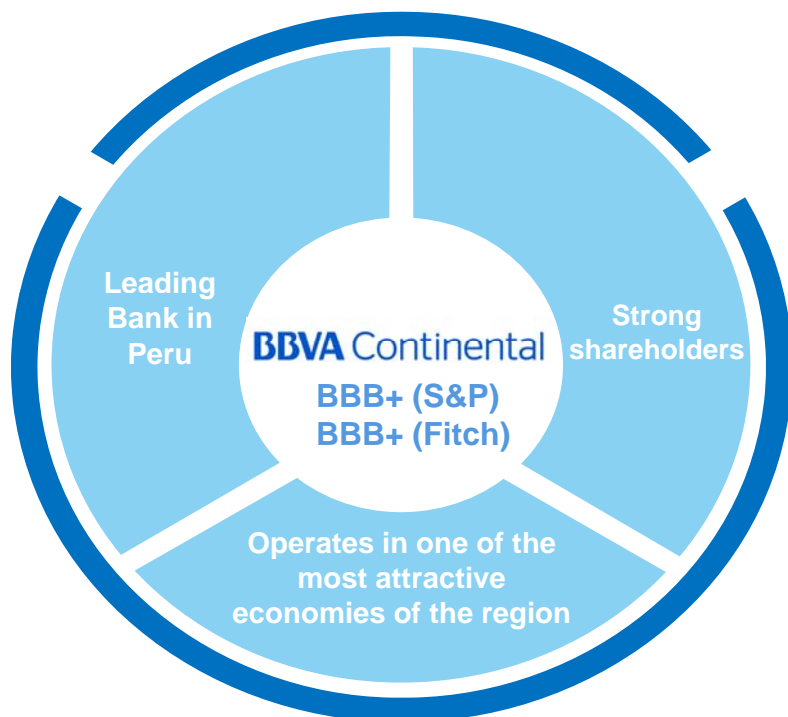
Source: Superintendencia de Banca, Seguros y AFP

The four largest banks concentrate around 86% of the Banking System



# BBVA Continental

BBVA Continental, leading financial institution in Peru, among its peers



- ✓ Peru, one of the most dynamic and attractive economies in the region
- ✓ BBVA Continental: second largest bank in the country and leading institution for over 60 years
- ✓ Strong shareholders: BBVA Group, leading global financial institution, and Breca, one of the largest business conglomerates in Peru

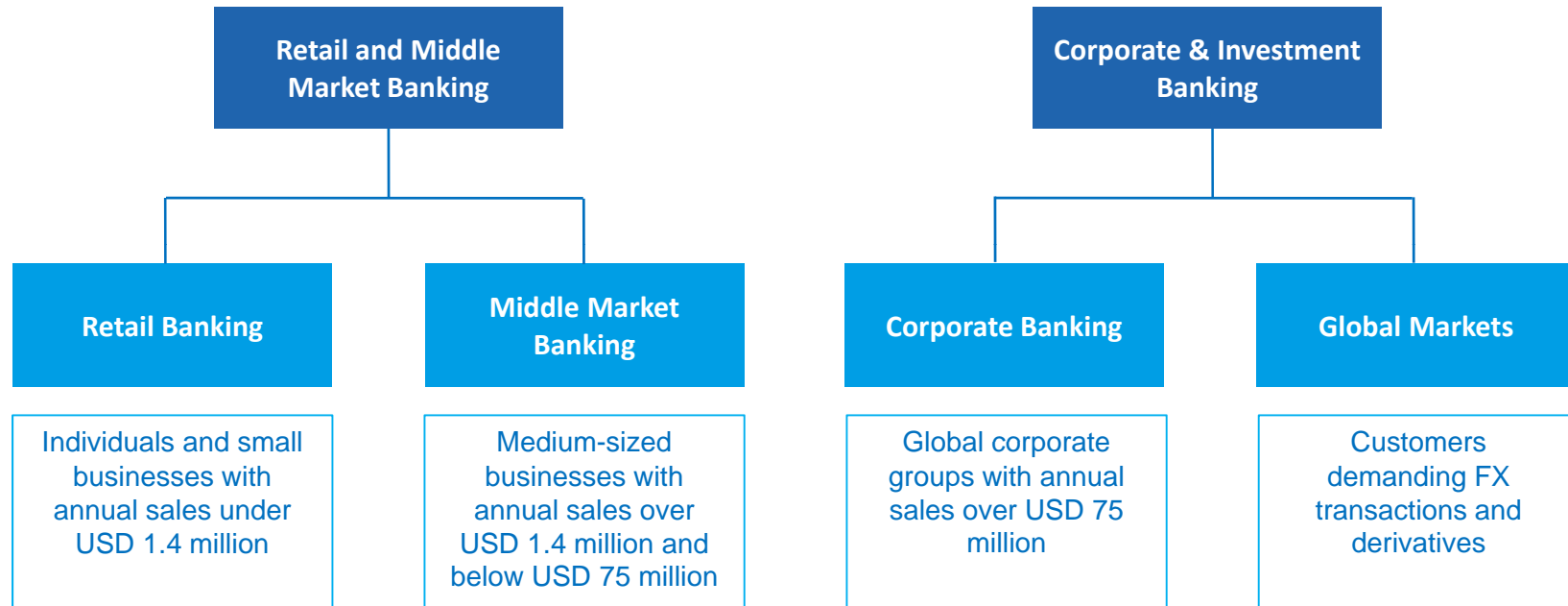
#2 in performing loans	S/.38,510 million
#2 in deposits	S/.37,365 million
#2 in assets	S/.56,550 million
#1 in efficiency Administrative expenses / Financial Margin	36.55%
#1 in asset quality Allowances for loan losses / Past due loans Past due loans / Total loans	258.87% 1.74%
#1 in profitability ROE: Annualized net income / Average equity	29.79%
#2 in number of branches	297

\* Since January 2013, performing loans, past due loans, restructured loans and refinanced loans include accrued interest

Information as of December 2013

Source: Superintendencia de Banca, Seguros y AFP

# Clients and Products



- Products for individuals: credit cards, consumer loans, mortgages loans, vehicle loans, saving deposits, demand deposits, term deposits, CTS, funds and investments.
- Products for businesses: Leasing, foreign trade loans, discounts, commercial loans, factoring, advance accounts, credit cards, funds, savings deposits, demand deposits, term deposits. Also syndicated loans and debt issuances.
- Treasury: FX transactions (spot and forward), IRS, Cross Currency Swaps, options.



# 3

# BBVA Continental vs. Peers

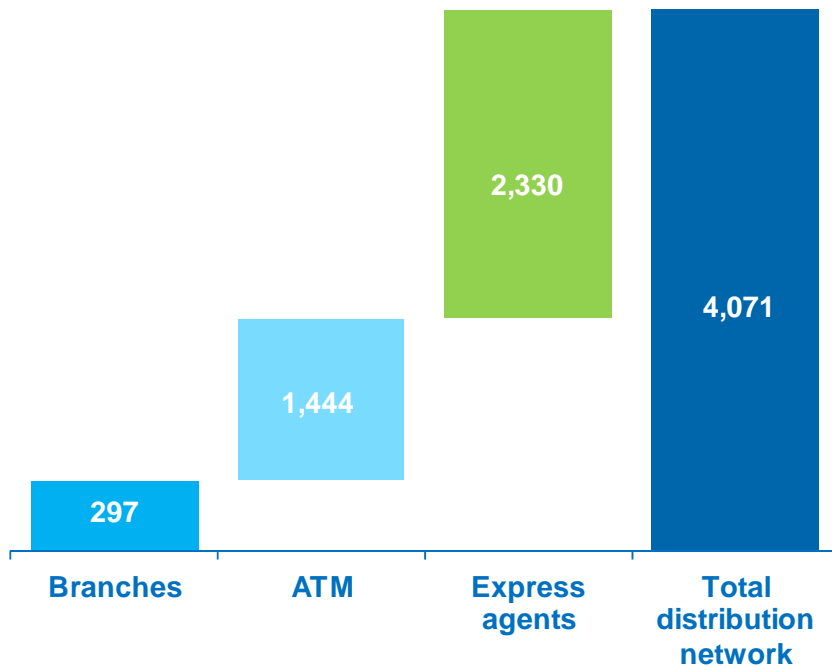


# Strong banking platform

Distribution network: One of the largest in the country

- ✓ 4,074 points of service
- ✓ 297 branches nationwide
- ✓ More than 3.3 million customers

**December 2013**



## Great capacity for cross-selling

Sinergies with subsidiaries and affiliates: leading companies which offer the broadest available spectrum of financial products and services

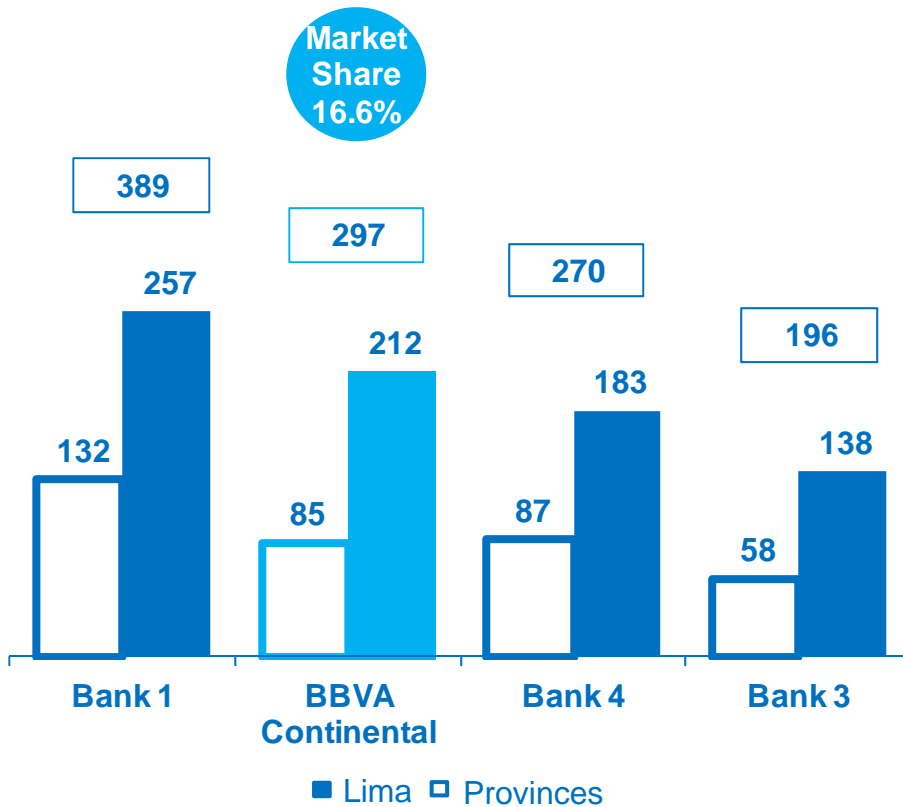
- Advisory, brokerage and investment services through its subsidiaries
- Insurance products through affiliated companies



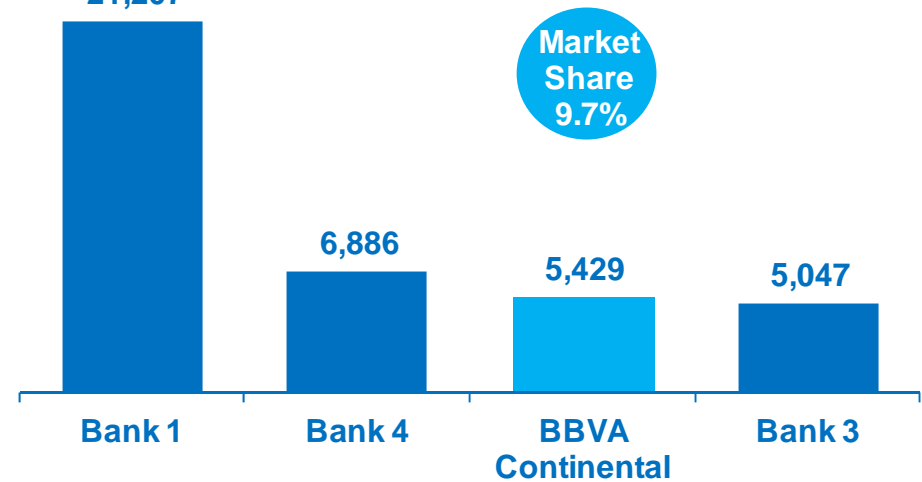
# Number of branches and employees

December 2013

**Number of branches**



**Number of employees**



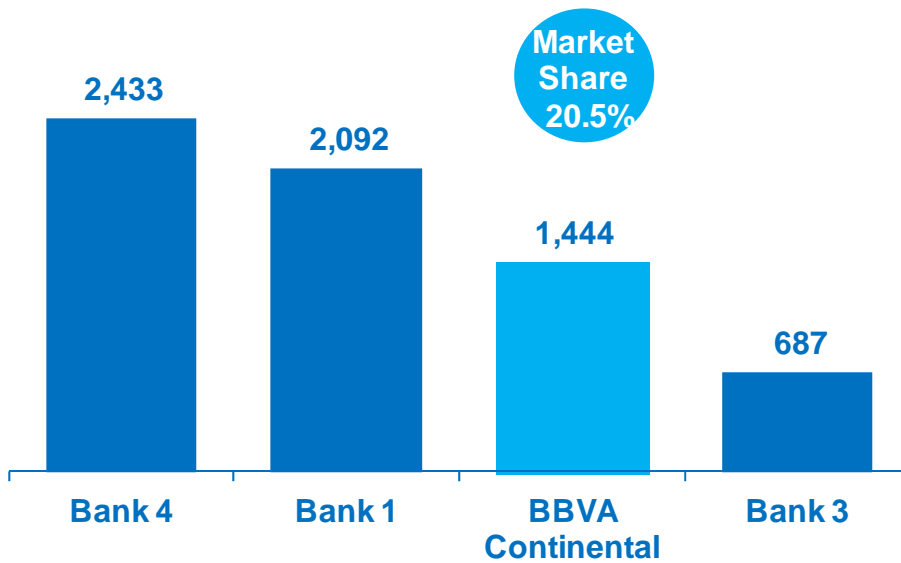


**BBVA Continental**

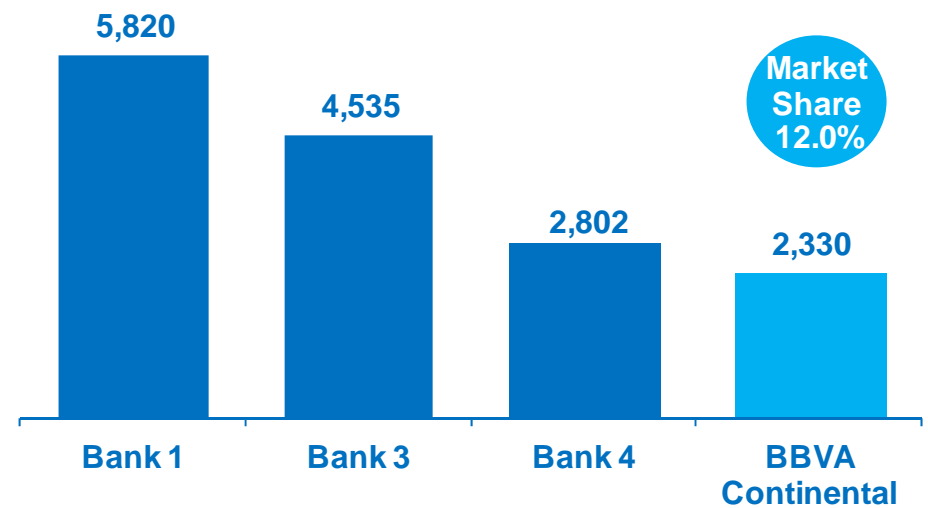
# Number of ATMs and Express agents

December 2013

### Number of ATMs

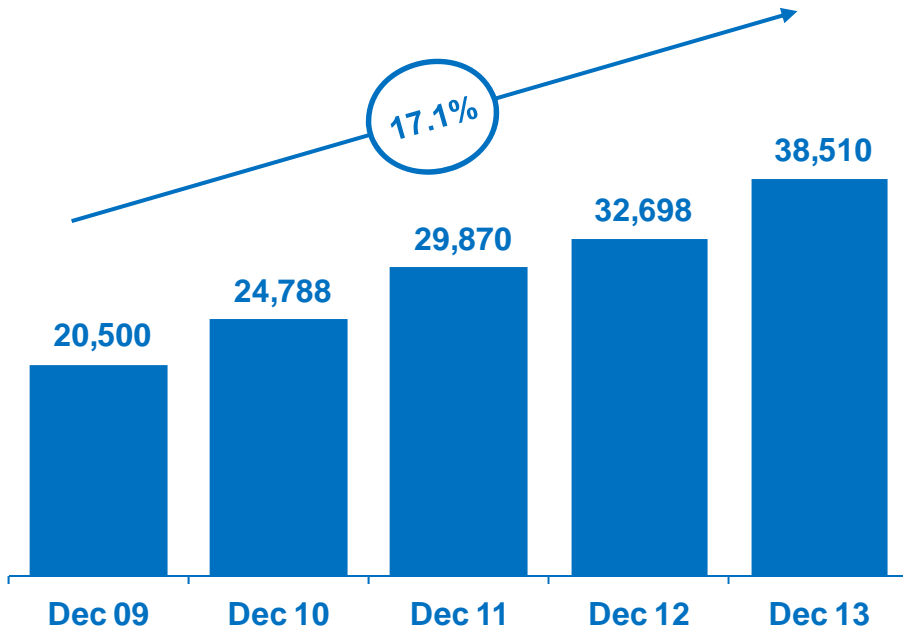


### Number of Express agents

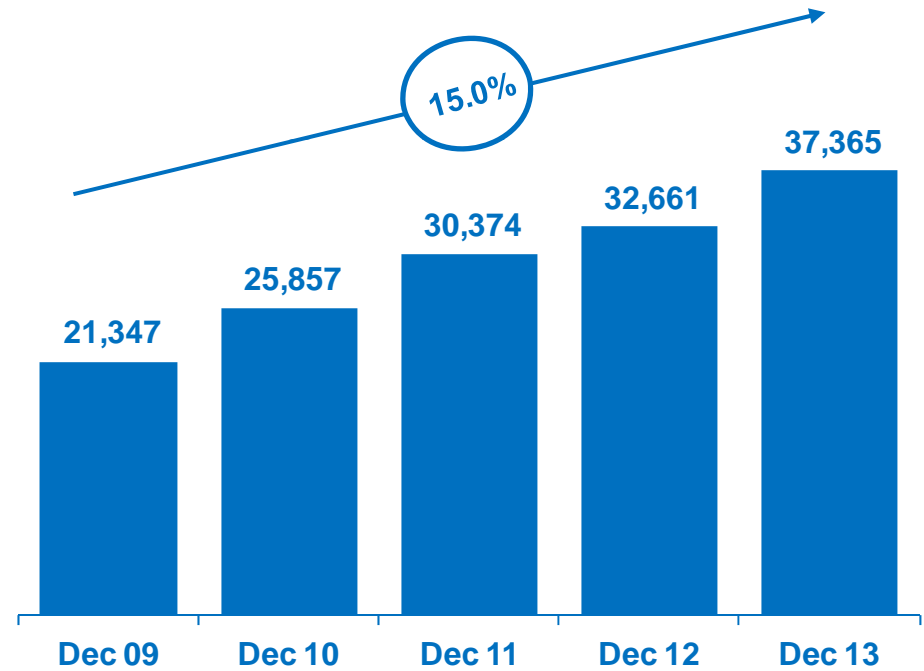


Source: Superintendencia de Banca, Seguros y AFP

**Performing loans**



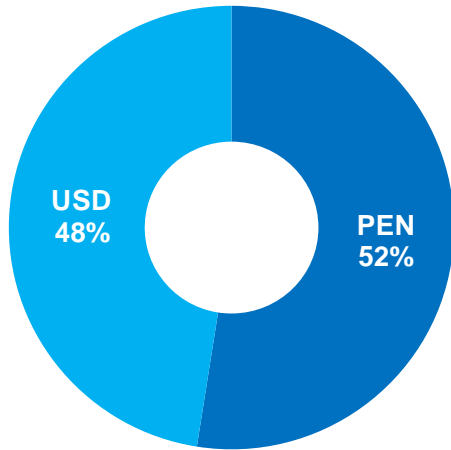
**Deposits**



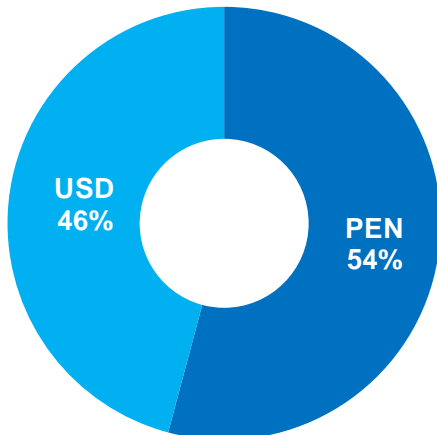
High level of self-financing and natural match of currencies

December 2013

**Loans**

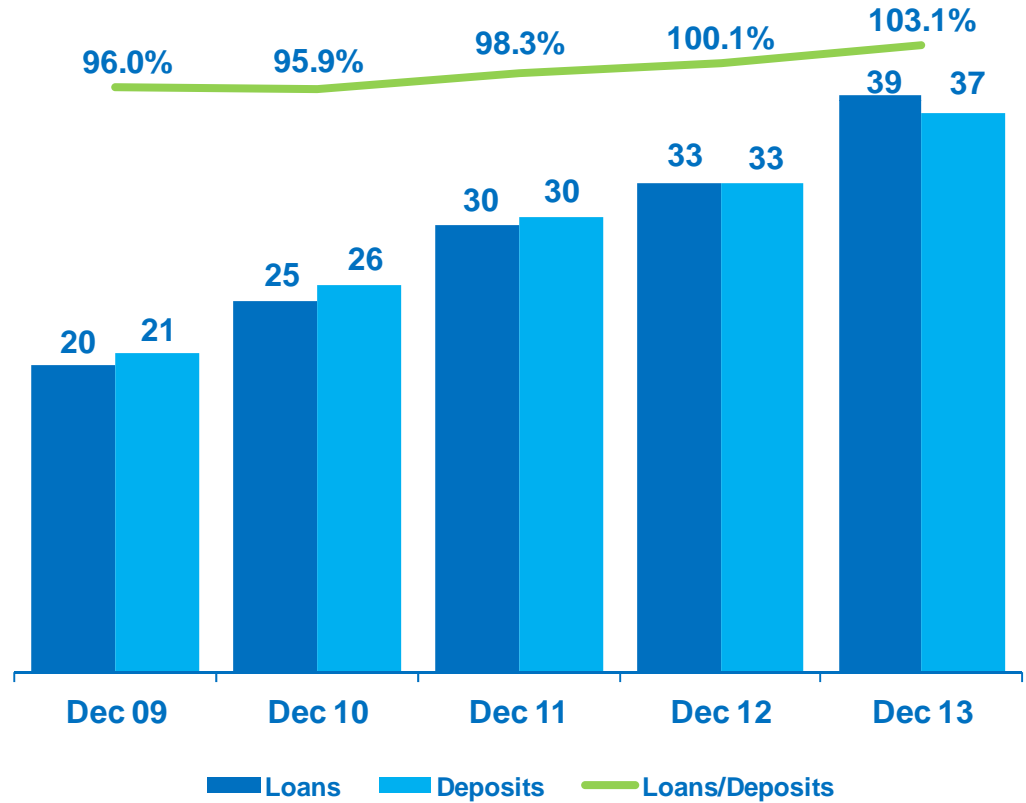


**Deposits**

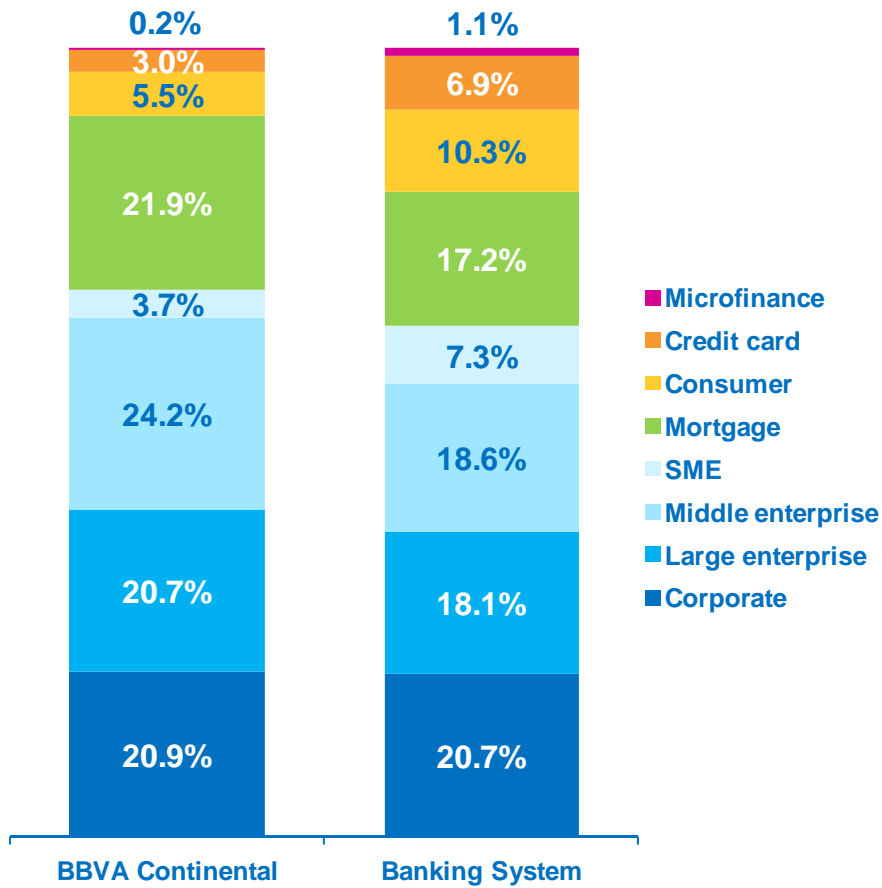


**Loans and Deposits**

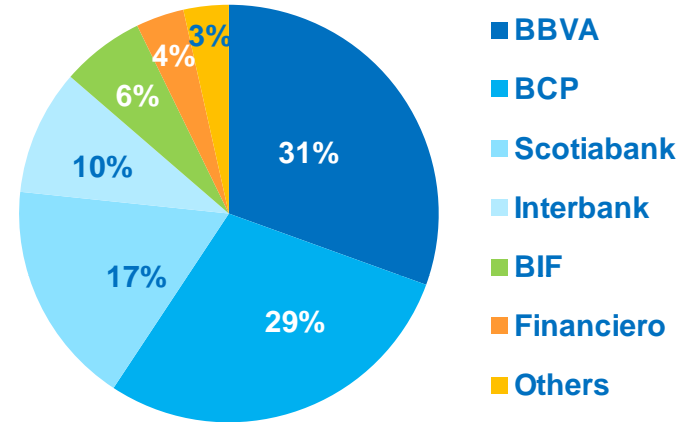
PEN Thousands of millions



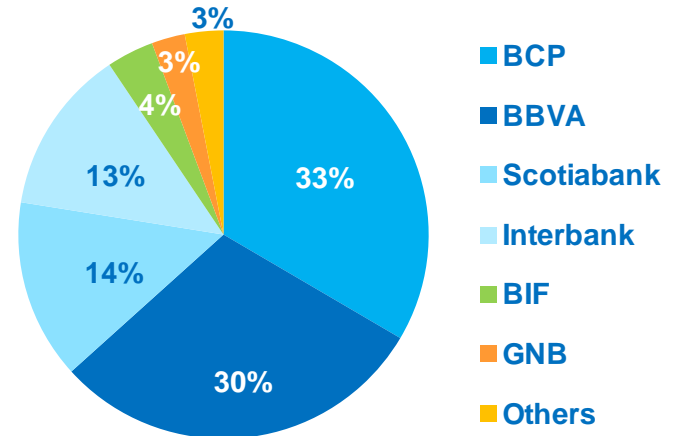
### Loans breakdown



### Middle enterprise market share



### Mortgage loans market share



Source: Asociación de Bancos del Perú



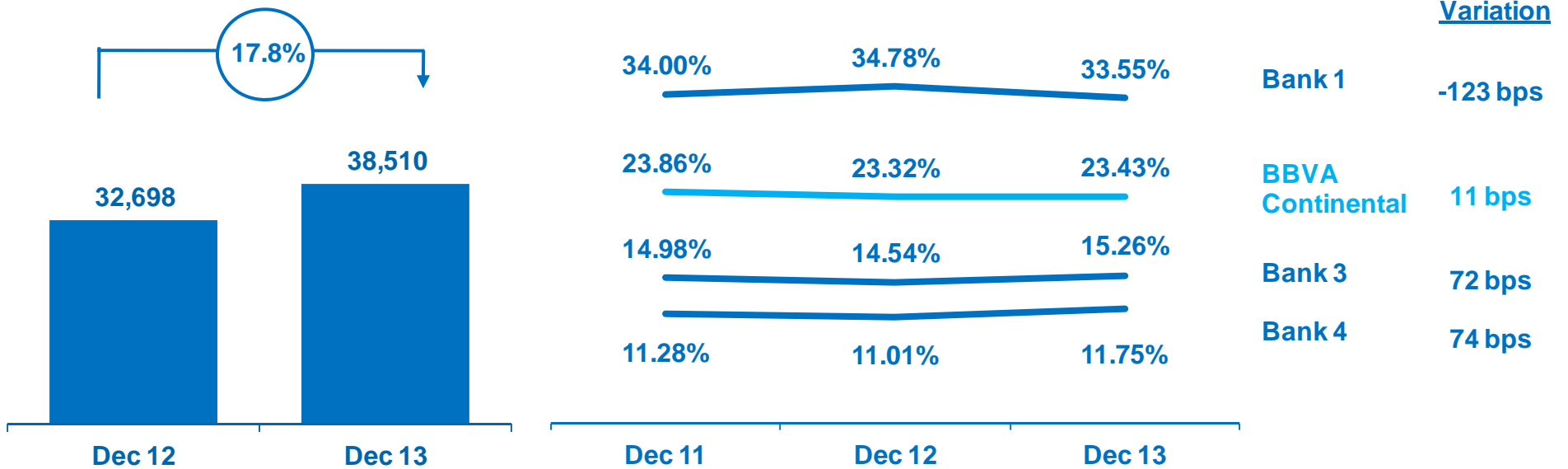
**BBVA** Continental

# Performing loans

BBVA Continental continues growing in loans...

## Performing loans

PEN Million



Source: Superintendencia de Banca, Seguros y AFP

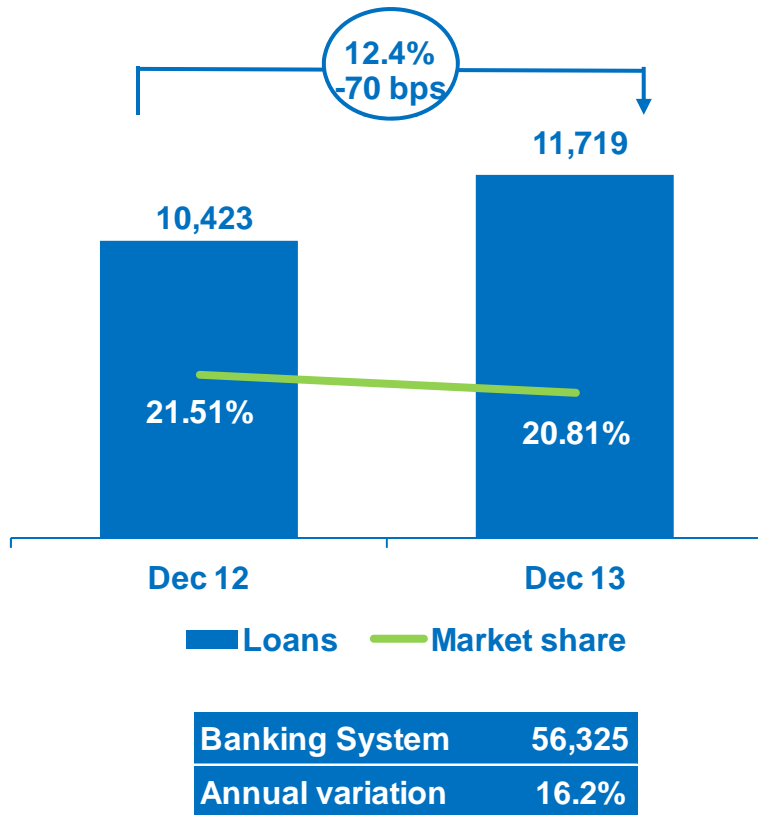


# Performing loans

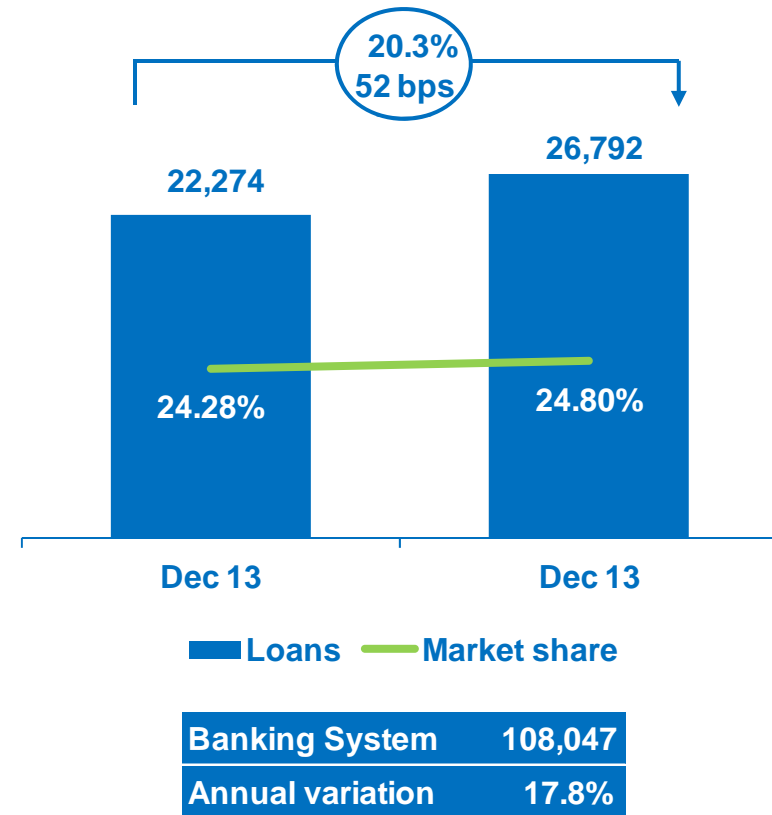
...with gains in both retail and business customers

PEN Million and percentage (%)

## Retail customers



## Business customers

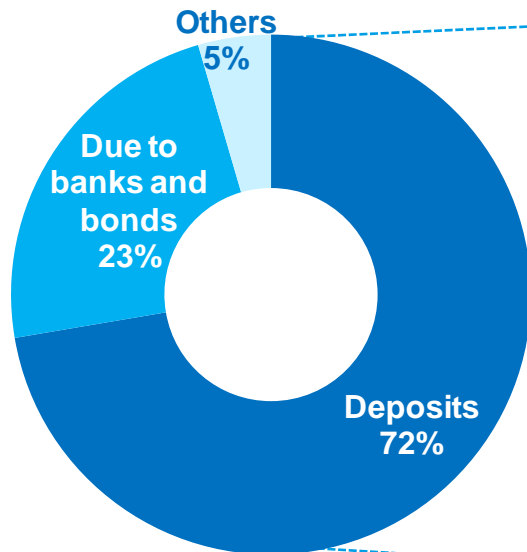


# Deposits structure

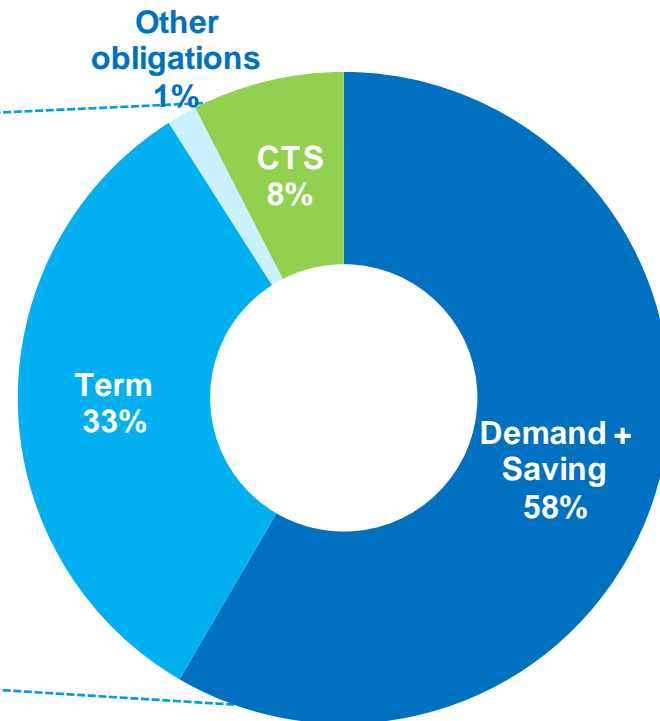
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... and a low-cost deposit base

## Cost effective source of funding



## Diversified deposit base



Source: Superintendencia de Banca, Seguros y AFP / Asociación de Bancos del Perú





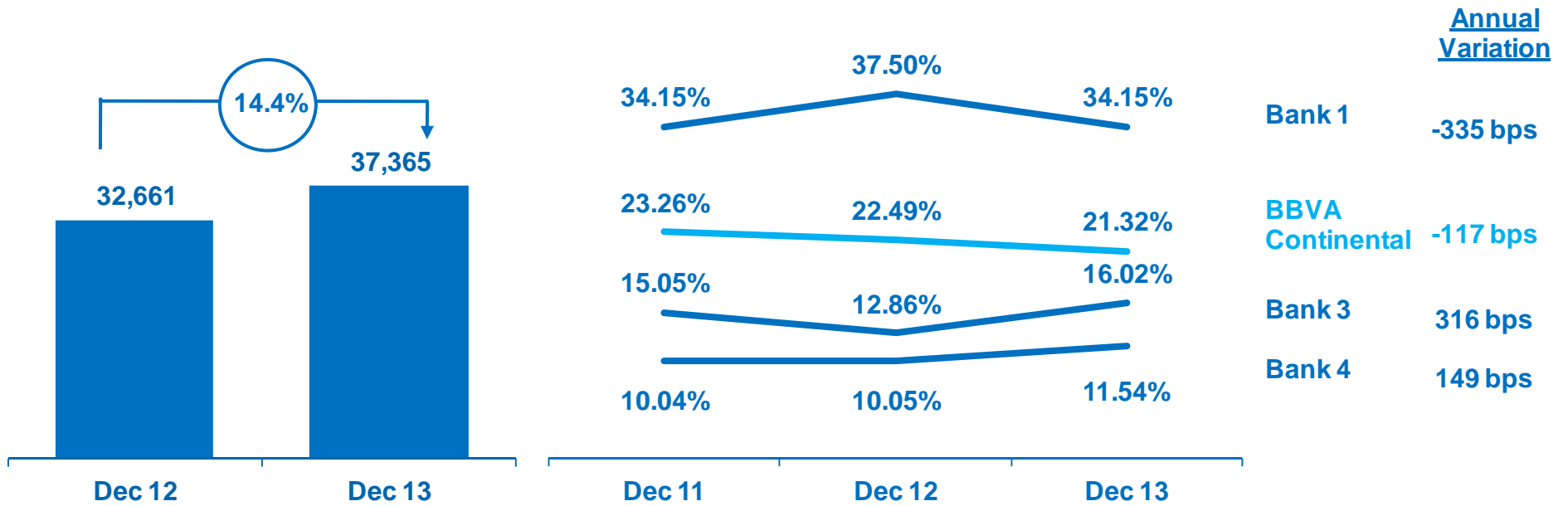
# BBVA Continental

## Deposits

Growth continues also in deposits...

### Deposits

PEN Million



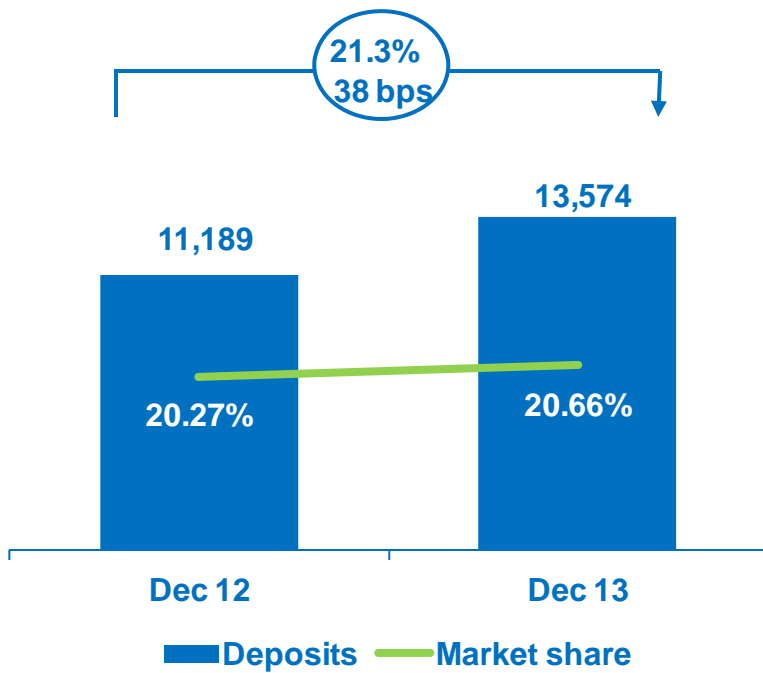
Source: Superintendencia de Banca, Seguros y AFP

# Deposits

... mainly focused on individuals

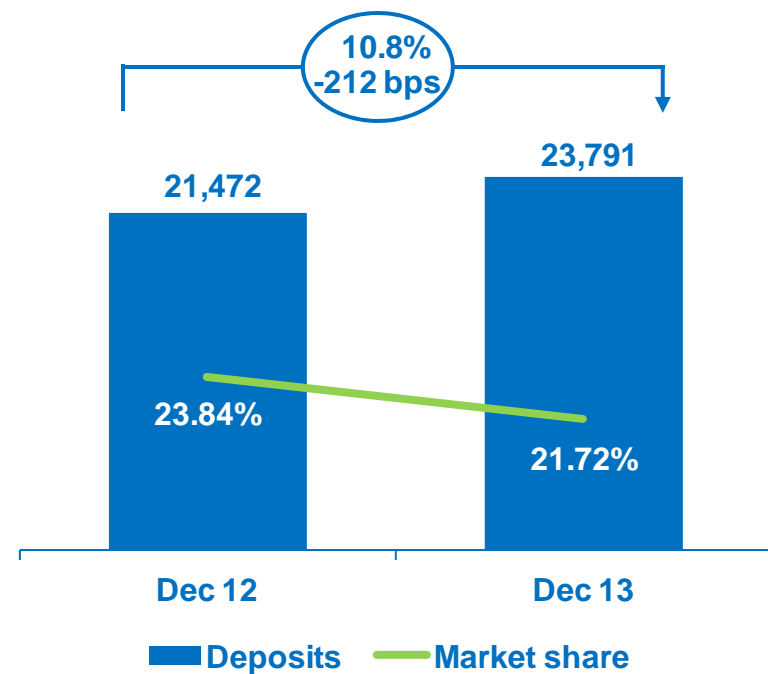
PEN Million and percentage (%)

## Retail customers



Banking System	65,708
Annual variation	19.1%

## Business customers



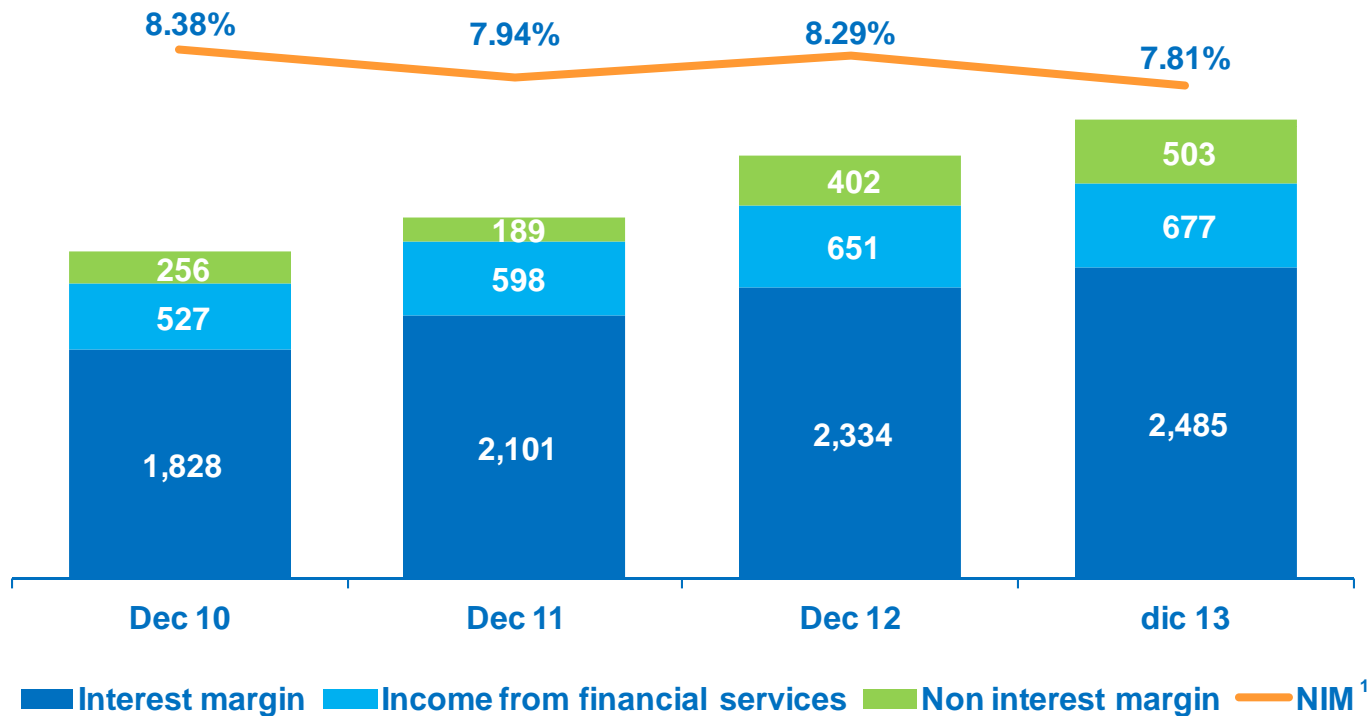
Banking System	109,551
Annual variation	21.6%



**BBVA** Continental

# Net financial margin

PEN Million and percentage (%)



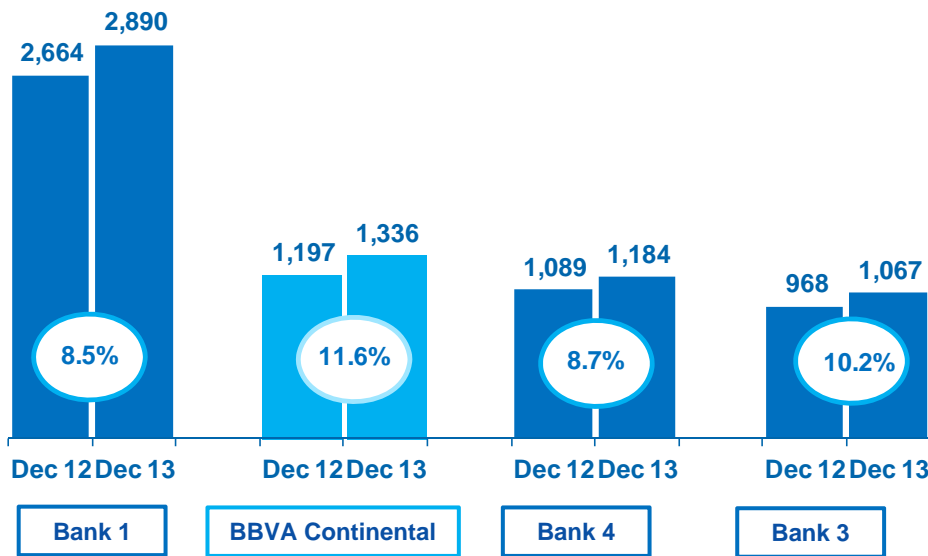
<sup>1</sup> **NIM ratio:** Gross financial margin (interest margin + non interest margin) over average interest earning assets (interbank funds, investments, loans)

# Expenses management

We remain the most efficient bank in Peru

## Administrative expenses \*

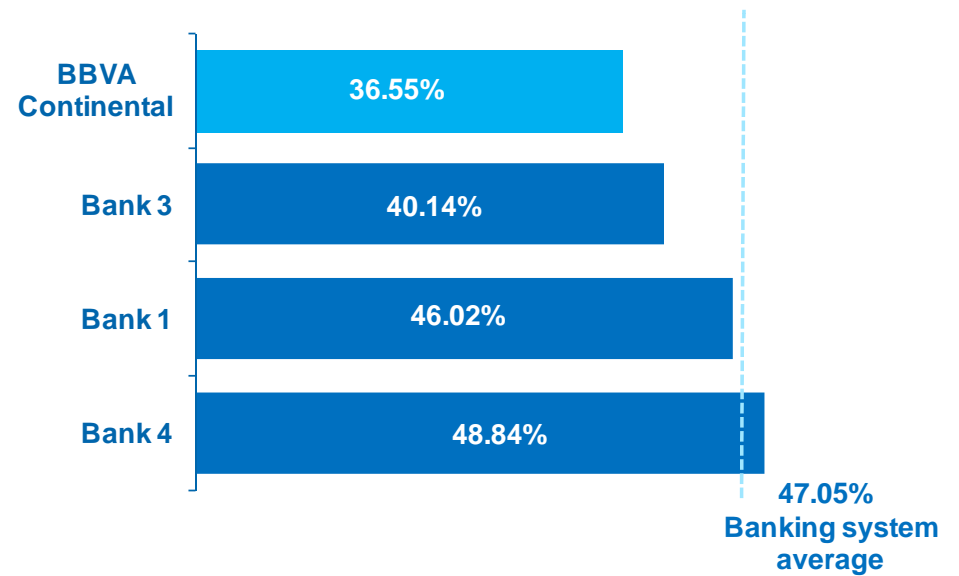
PEN Million



\* Includes Amortization and Depreciation

## Efficiency

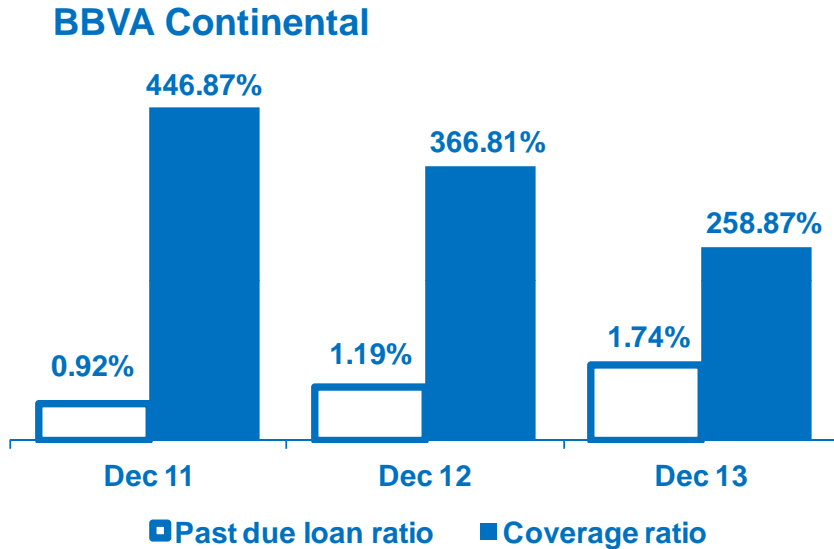
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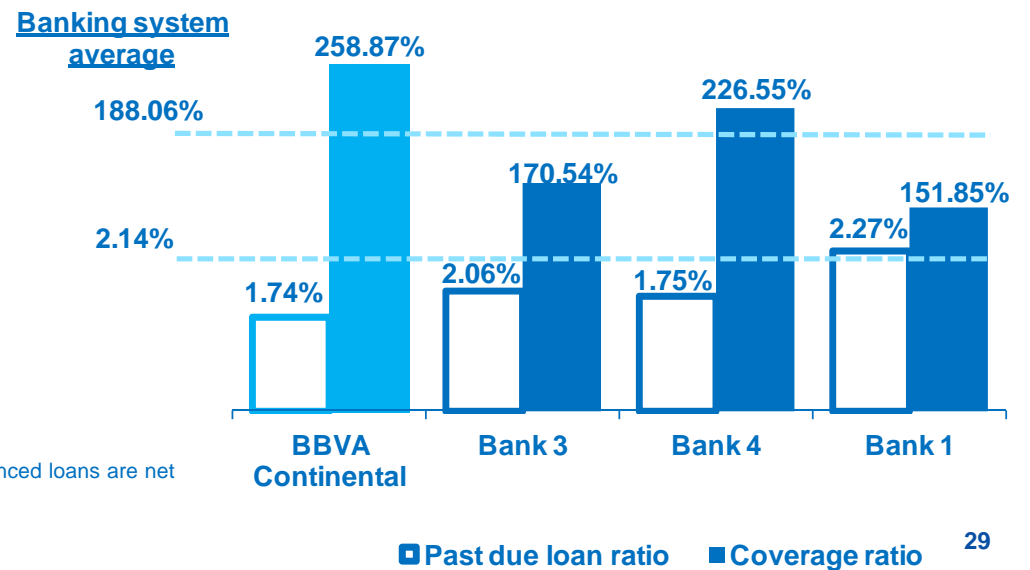
# Risk management

Outstanding asset quality



## Remarkable Past Due Loan Ratio and Coverage Ratio

December 2013



\* Since January 2013, performing loans, past due loans, restructured loans and refinanced loans are net of non-accrued lease and lease-back interest revenue.



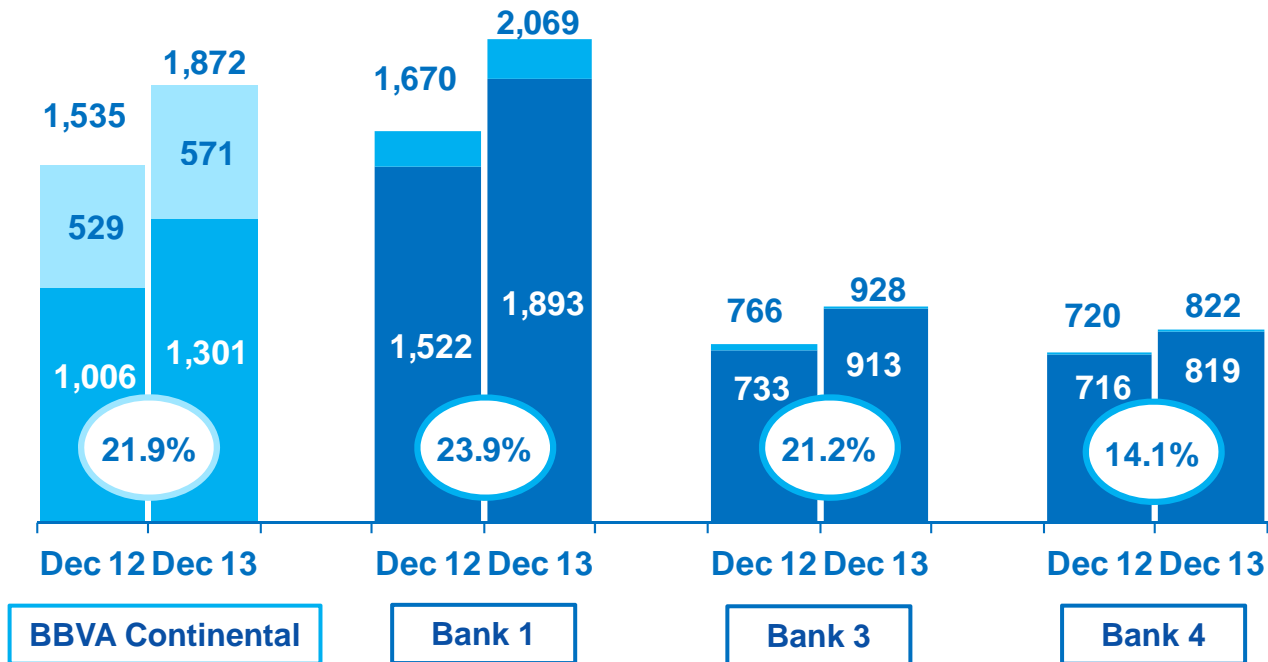
# Risk management

BBVA Continental maintains high levels of voluntary provisions

## Provisions

PEN Million

■ Required  
■ Voluntary



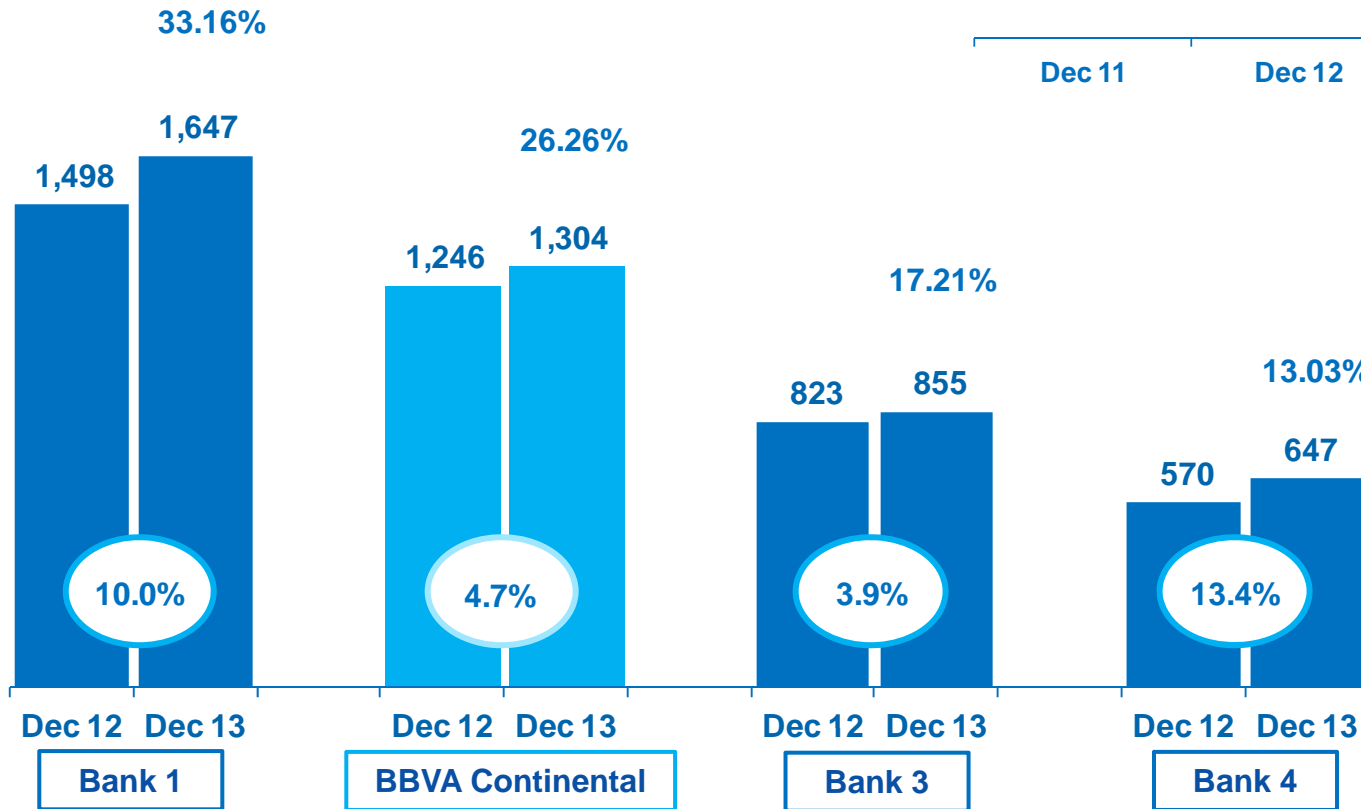


**BBVA Continental**

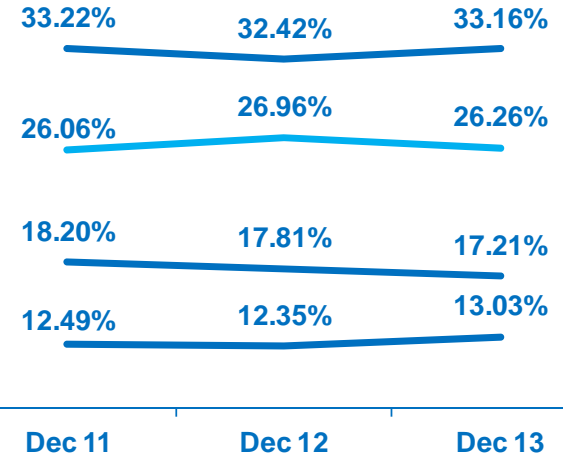
# Profitability management

## Net income

PEN million



## Market share

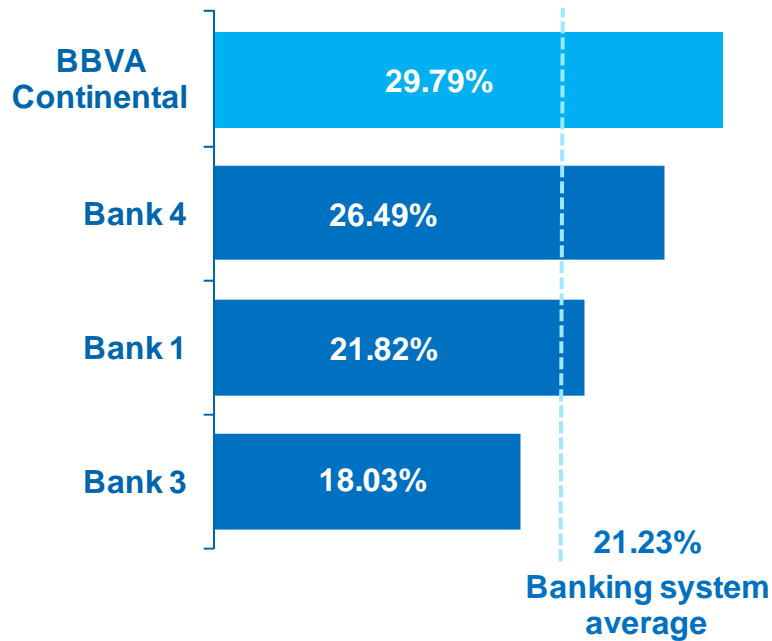


# Profitability management

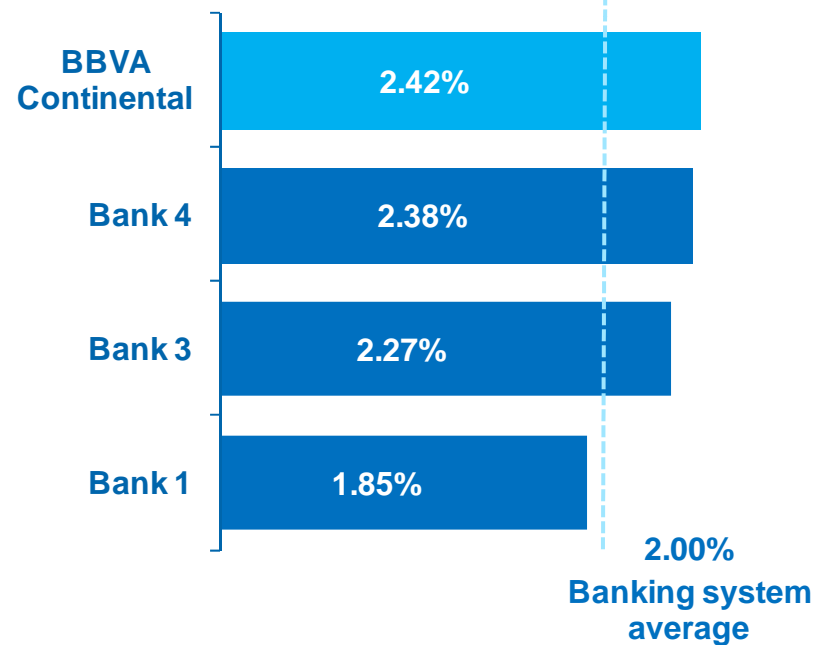
BBVA Continental has the best profitability ratios as compared to its peers...

December 2013

## Return on Equity - ROE



## Return on Assets - ROA



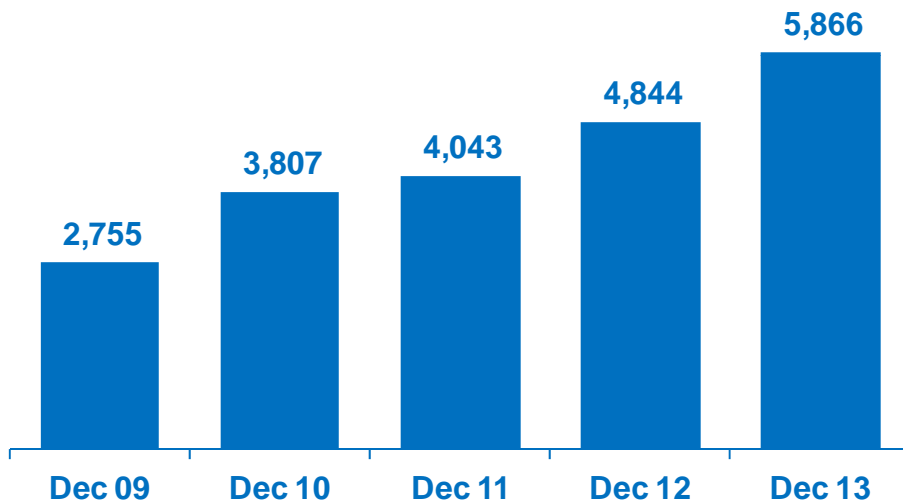




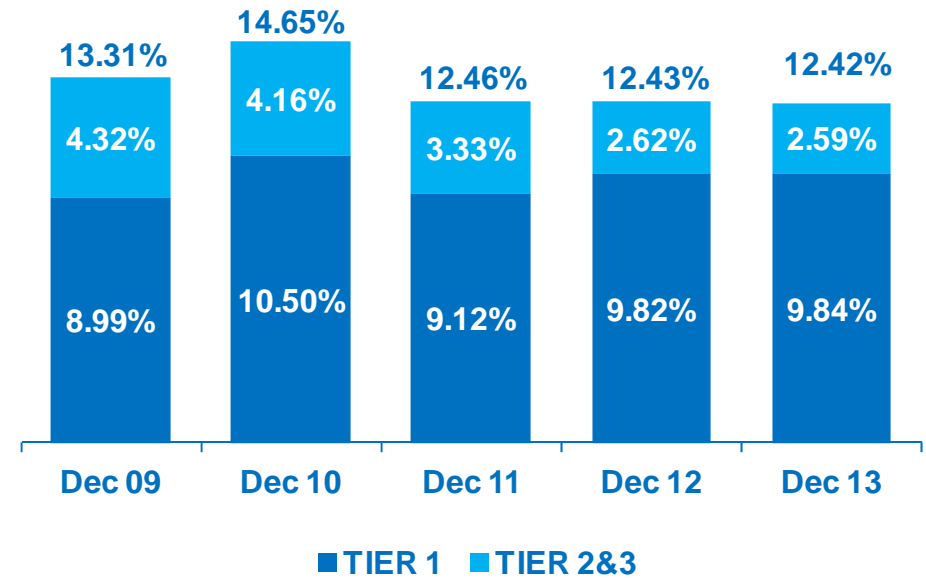
# Solvency management

## Regulatory capital

PEN million



## Composition of capitalization



*From July 2012 to July 2016 capital requirements will increase gradually to comply with new local regulations, based on Basel III standards.*



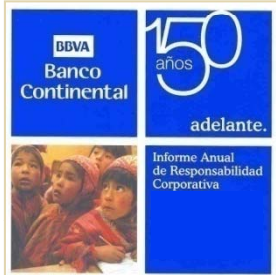
# 4

# Social Responsibility and Awards

## BBVA Continental

The Bank maintains its commitment to society and is highly regarded in the market

### SOCIAL RESPONSIBILITY



### Corporate Social Responsibility Report



First environmental facility made in South America



Program:  
"Leer es estar adelante"

### AWARDS



BBVA Continental is part of the Best Corporate Governance Principle's Index of companies



**BBVA** Continental

# 5 Ratings

# International rating

The Bank has the best international ratings

Instrument	Fitch Ratings	Standard & Poor's
Foreign currency long term issuances	BBB+	BBB+
Foreign currency short term issuances	F2	A-2
Local currency long term issuances	BBB+	BBB+
Local currency short term issuances	F2	A-2
Individual rating	WD	-
Outlook	Stable	Stable

# Local rating

Three rating agencies in Peru have granted BBVA Continental the best local ratings

Instrumentos	Apoyo & Asociados	Equilibrium	PCR	Top local
Short term deposits	CP-1+ (pe)	EQL 1+.pe	Categoría I	Categoría 1
Term deposits > 1 year	AAA (pe)	AAA.pe	pAAA	AAA
Corporate bonds	AAA (pe)	AAA.pe	pAAA	AAA
Subordinated bonds	AA+ (pe)	AA+.pe	pAA+	AA+
Leasing bonds	AAA (pe)	AAA.pe	pAAA	AAA
Common shares	1 <sup>a</sup> (pe)	1 <sup>a</sup> Clase.pe	PC N1	Categoría 1
Issuer rating	A+	A+	A+	A



# **BBVA Continental**

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