

BBVA

Creando Oportunidades

BBVA Peru

Investor Report

Fourth Quarter 2019

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Creando Oportunidades

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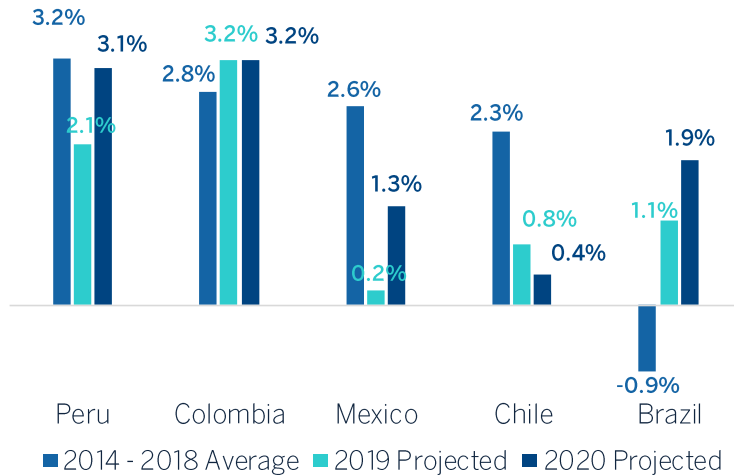
Debt Issuances

01

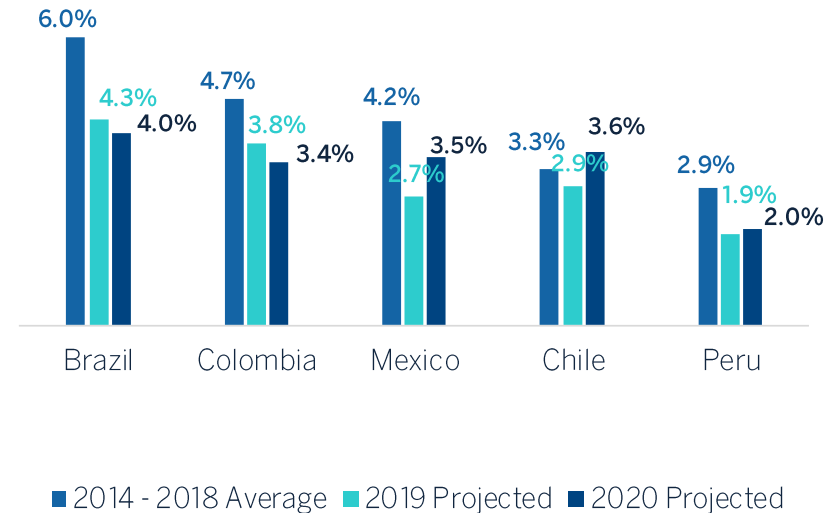
Peruvian Economy & Financial System

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

GDP GROWTH (REAL)

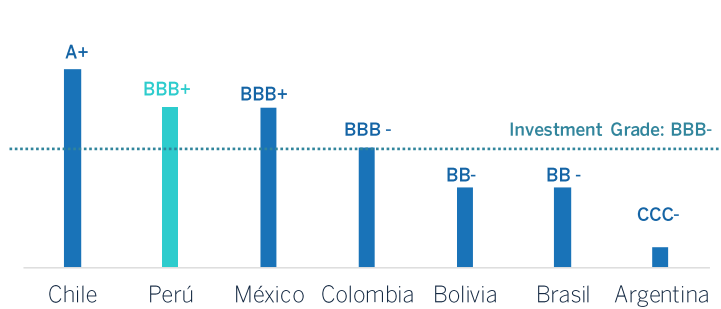


INFLATION (END OF PERIOD)

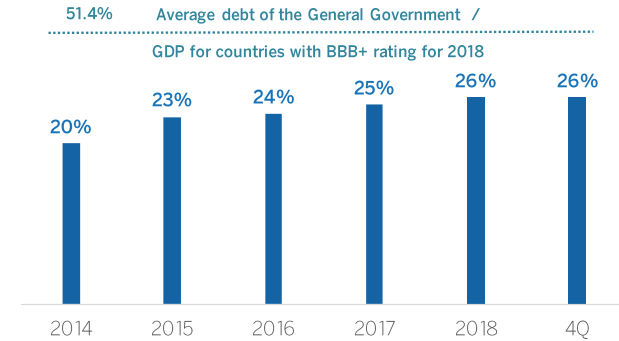


The local currency has maintained stable levels, surpassing other currencies

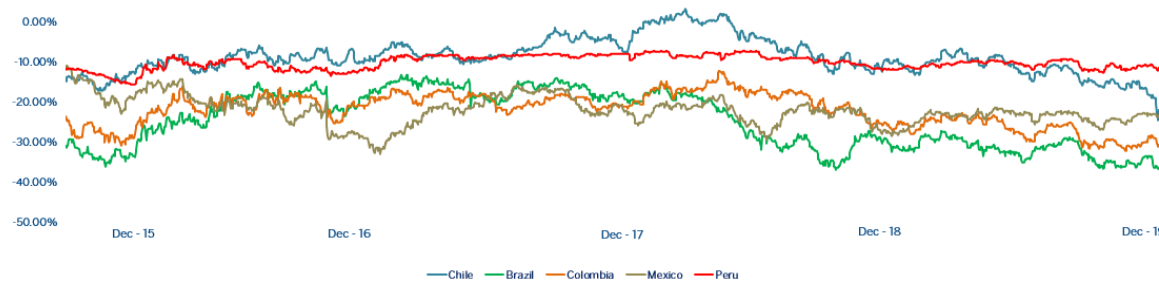
CREDIT RISK PROFILE



PERUVIAN PUBLIC DEBT (% OF GDP)

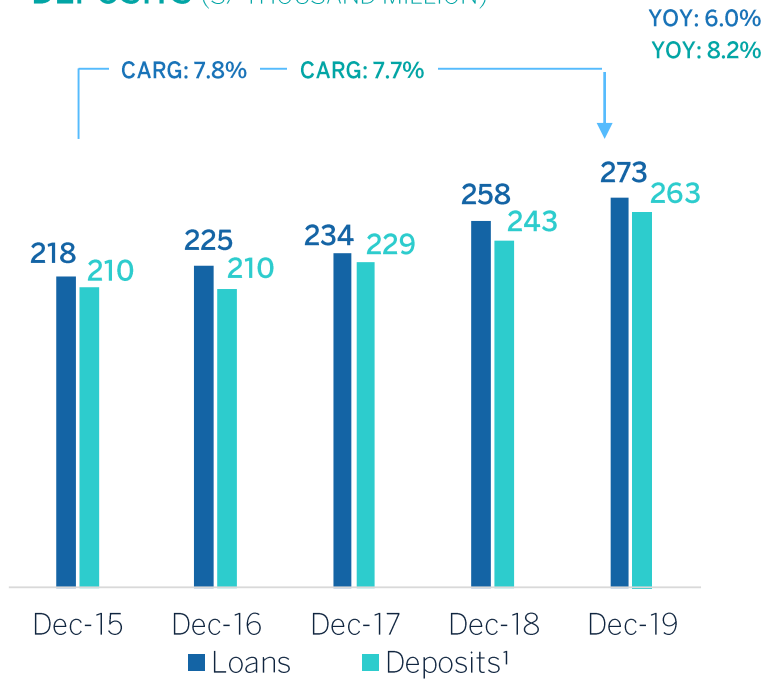


CURRENCY DEPRECIATION AGAINST USD

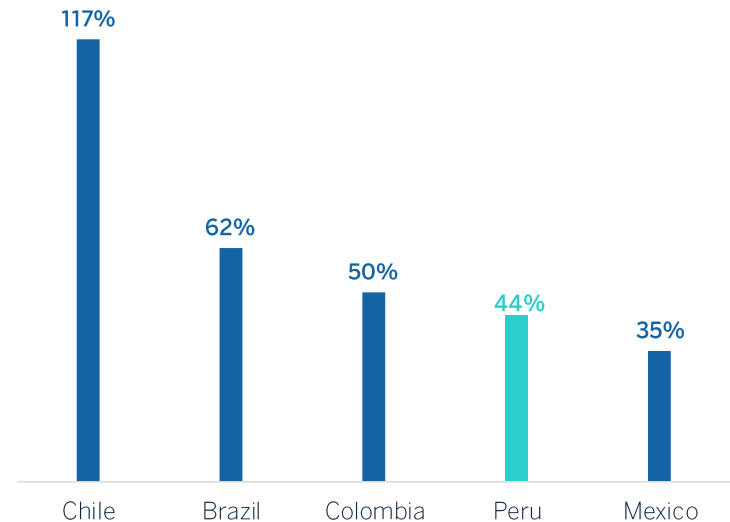


Peru has a solid Banking System with great opportunities to expand

PERFORMING LOANS AND DEPOSITS (S/ THOUSAND MILLION)



LOANS TO PRIVATE SECTOR (% GDP, 2018)

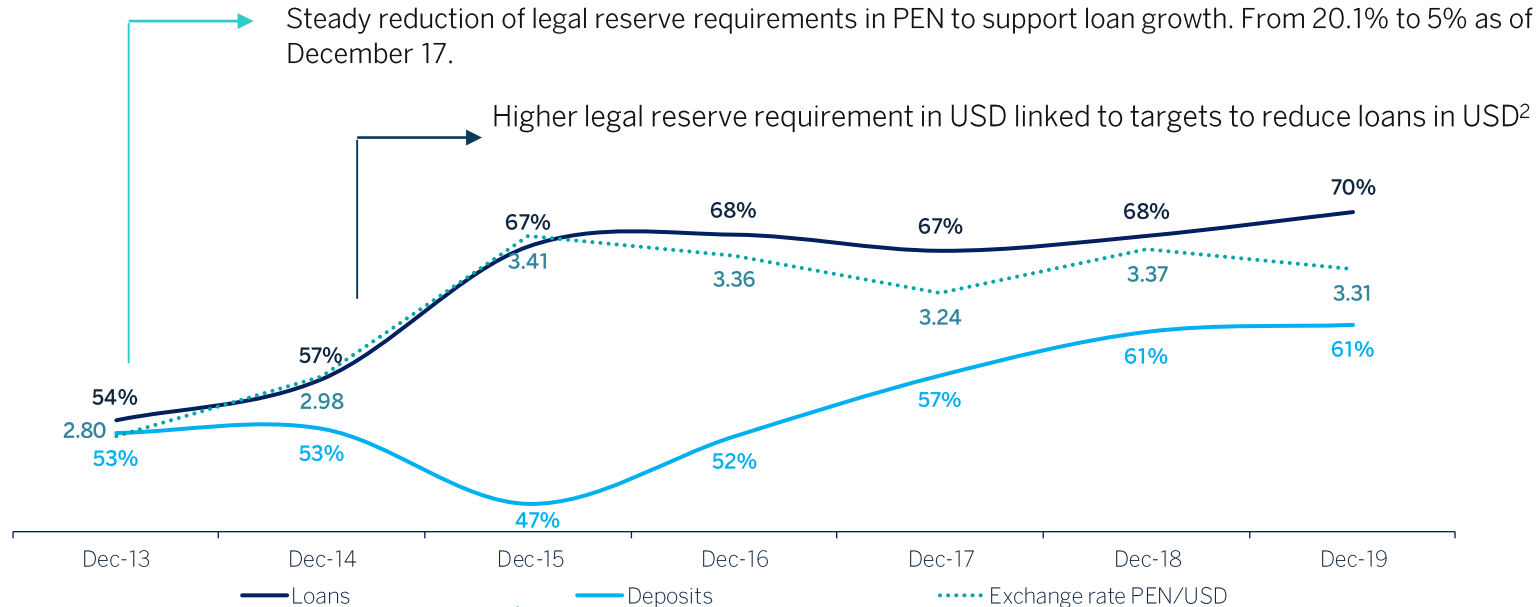


¹Other obligation are excluded from deposits
Source: Superintendencia de Banca, Seguros y AFP (SBS) & World bank (WB)

And a Central Bank that promotes PEN denomination of Loans

LOCAL CURRENCY LOANS AND DEPOSITS

(% TOTAL LOANS AND DEPOSITS)



→ Measures to promote de-dollarization

→ Measures to support de-dollarization

→ Lower marginal reserves requirements to increase liquidity in USD

→ Higher marginal reserve requirements in USD reached 70%

→ Currency repos to convert liquidity in USD into PEN

¹ Other obligations are excluded from deposits

² Excluded operations higher than USD 10MM and 3 years from June 2015

Peruvian Financial System (December 2019)

Financial system	Institution S/ Million	Net loans	Deposits	Net Income
Banking system	Banks (15)	272,685	263,121	9,082
	Banco de la Nación	6,277	27,434	1,090
Other financial institutions	Cajas Municipales (12)	21,479	23,393	447
	Financieras (11)	12,702	7,944	572
	Cajas Rurales (7)	2,152	1,774	-1
	Edpymes (9)	2,459	-	84
	Leasing (1)	250	-	7
	COFIDE	4,164	40	26
	Agrobanco	228	-	-94



The 4th largest players concentrate around 83% of the Banks loans and deposits

¹Other obligations are excluded from deposits
Source: SBS

BBVA

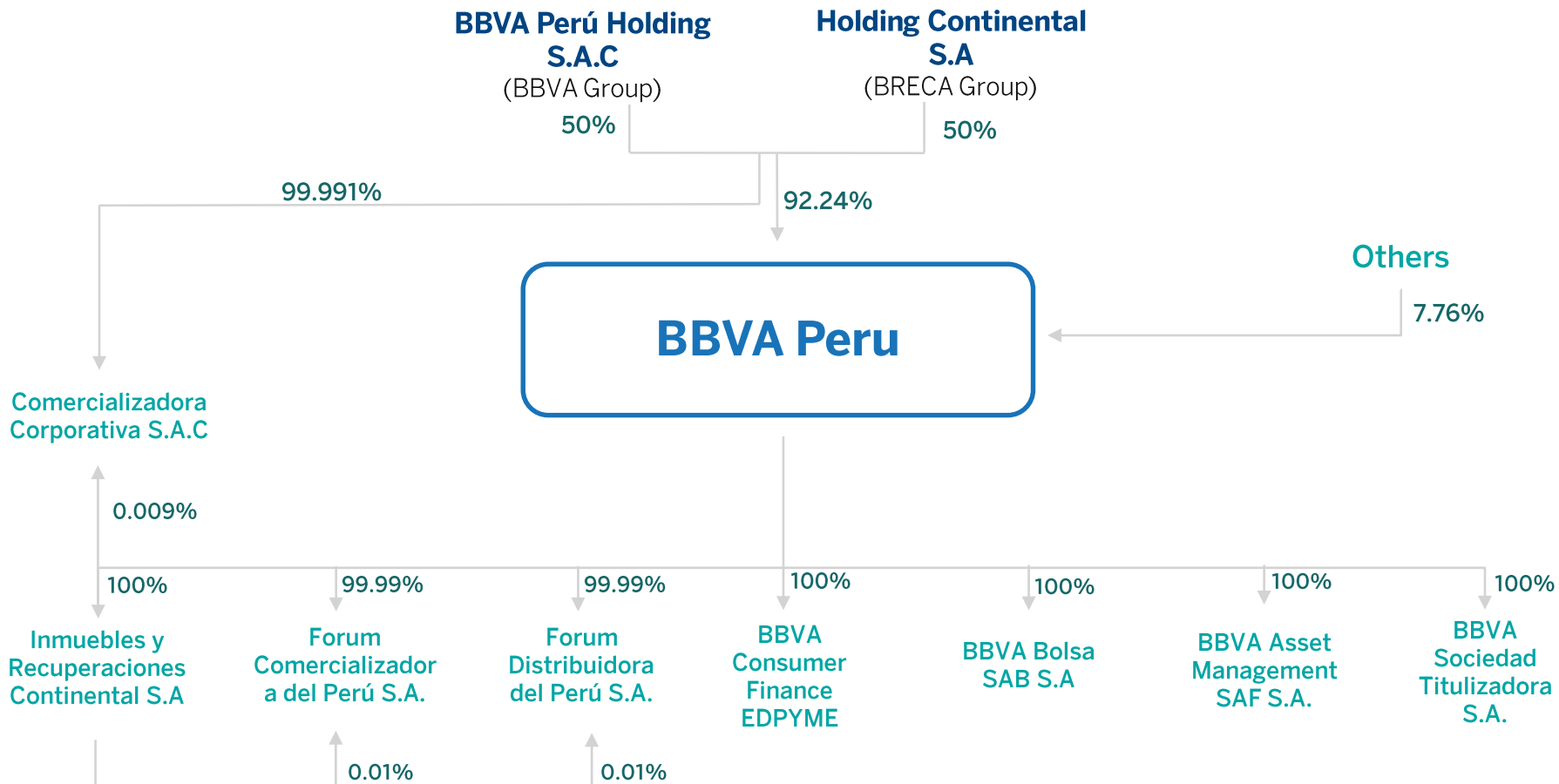
Creando Oportunidades

02

About BBVA Peru

Shareholders

BBVA Peru y Subsidiaries are part of the Economic Group formed by BBVA Group and Breca

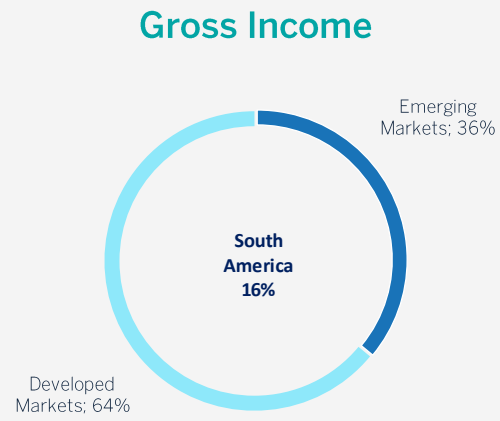


BBVA Group

Appropriate balance between developed and emerging markets that allows the BBVA Group to diversify its sources of income by providing a high degree of recurrence in its results



Well diversified & self sufficient subsidiaries¹



€699 miles de millones de activo total
78,1 millones de clientes
30 países
7.744 oficinas
32.658 cajeros
126.973 empleados

¹Excludes corporate activities. Leading franchises in developed (Spain and EEUU) and Emerging markets (South America, Mexico and Turkey)
 Source: BBVA Group

Principles of Liquidity & Capital Management of BBVA Group

Self-sufficient subsidiaries from a liquidity point of view, with robust supervision and control by parent company

Retail profile of BBVA Group balance sheet with limited dependence on wholesale funding

Parent and subsidiaries proven ability to access the wholesale funding markets (medium & long term) on a regular basis

Ample high quality collateral available, compliant with regulatory liquidity requirements at a Group and Subsidiary level

Subsidiaries

- Self-sufficient balance-sheet management
- Own capital and liquidity management
- Market access with its own credit, name and rating
- Responsible for doing business locally

Corporate Center

- Guidelines for capital and liquidity / ALCO supervision
- Common risk culture

Decentralized model

Advantages

- Market discipline and proper incentives / sustainable credit growth
- Medium term orientation / consistent with retail banking
- Natural firewalls / limited contagion
- Safeguards financial stability / proven resilience during the crisis
- Helps development of local capital markets
- Buffers in different balance sheets

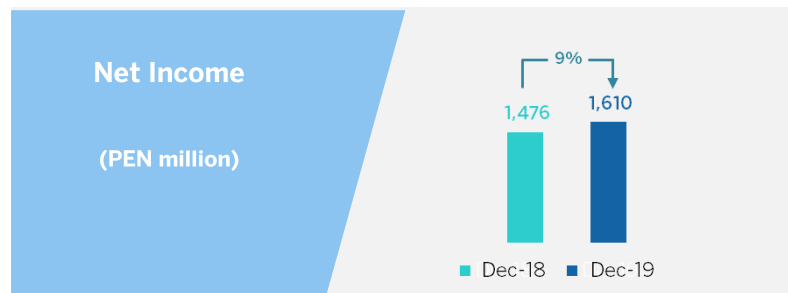
No liquidity transfers between the parent and subsidiaries, or among subsidiaries

03

Financial Highlights

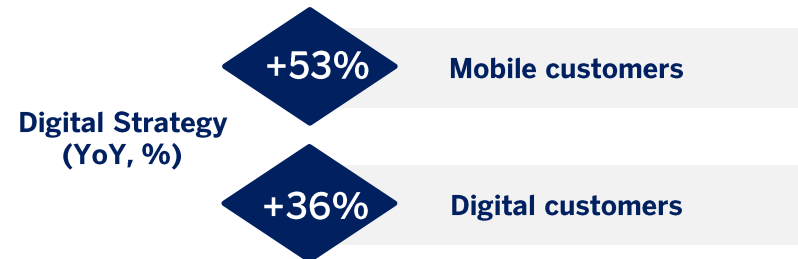
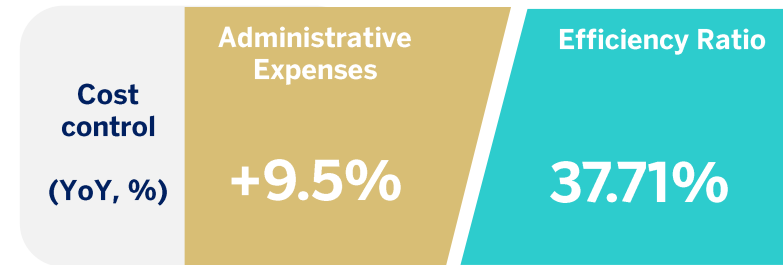
Highlights of BBVA Peru (DECEMBER 2019)

Assets (PEN million)	82,278
ROE	18,78%
ROA	2.00%



Great Asset Quality

NPL	3.02%
Cost of Risk	1.36%
Coverage Ratio	161.84%



Strong Capital & Liquidity Ratios

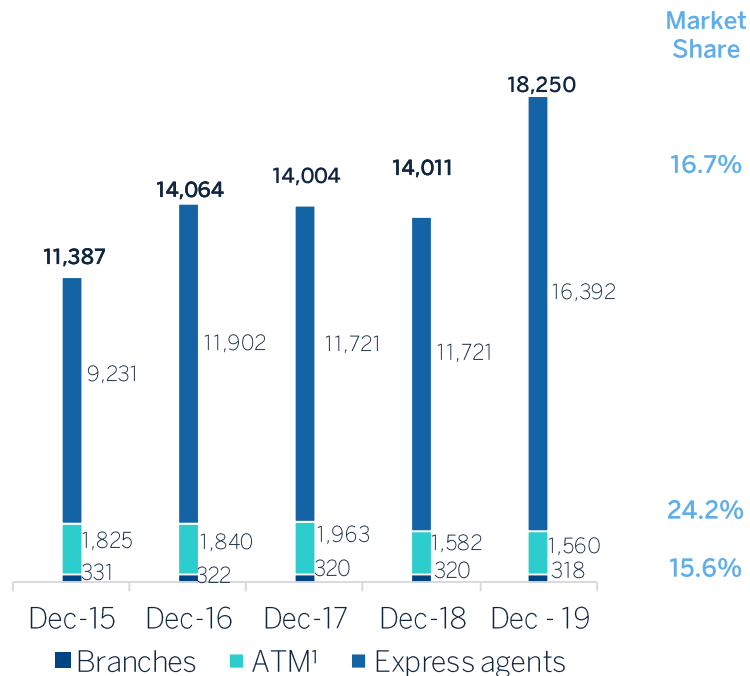
Global Capital	CET1
14.05%	10.36%
Loan – to – deposits	101%

Strong Banking platform

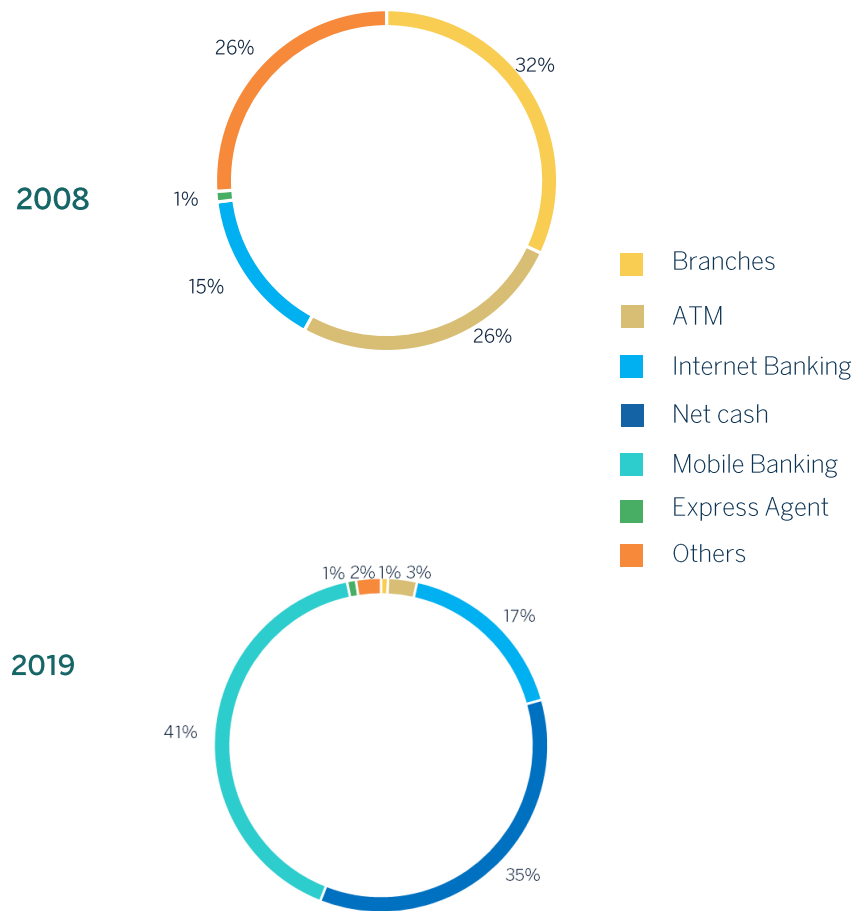
DISTRIBUTION NETWORK¹ (DECEMBER 2019)

One of the largest in the country

- 18,250 points of service
- More than 6.3 million customers²



EVOLUTION IN TRANSACTION PER CHANNEL



¹ Source: Branches, ATMs from ASBANC, ATMs from SBS

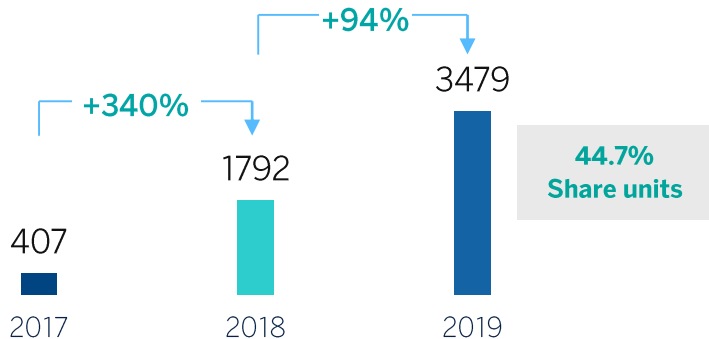
Source: SBS y BBVA

² Information as December

*The others section includes Telephone Banking, POS, Express cash and automatic debt

With the purpose of being the leading digital bank in the region

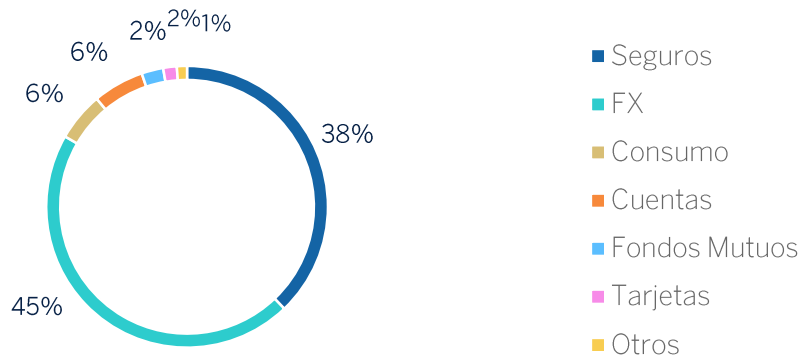
DIGITAL SALES – UNITS (THOUSANDS PEN)



MAIN GROWTH DRIVERS

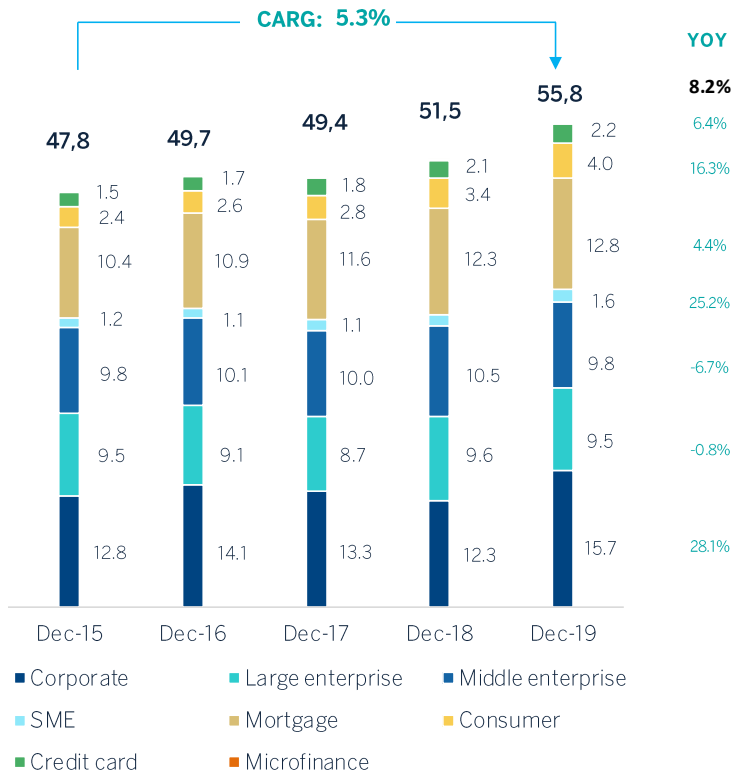
- Client Digitalization
- Product digitalization
- Telemarketing sales boost + Network
- Digital Marketing

DIGITAL SALES BY PRODUCT

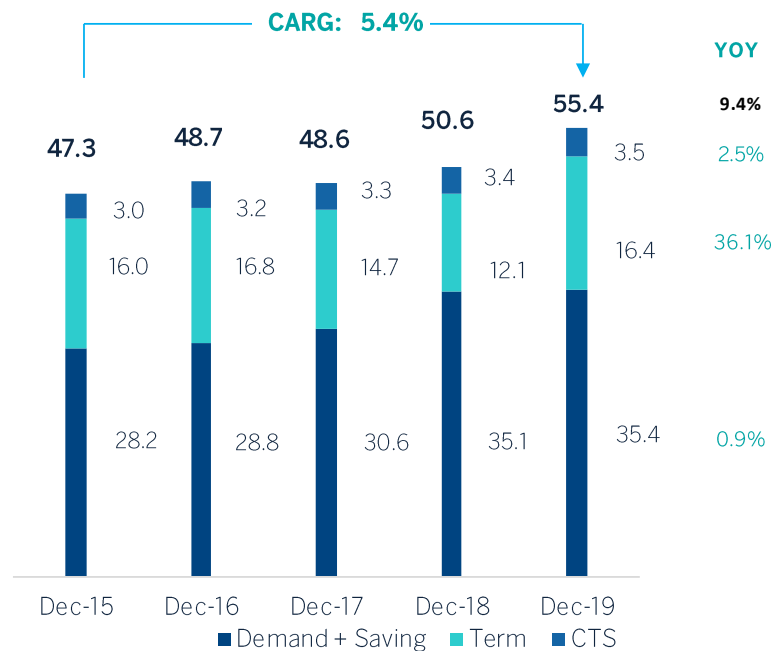


Loans and deposit performance (S/ thousands million,%)

PERFORMING LOANS

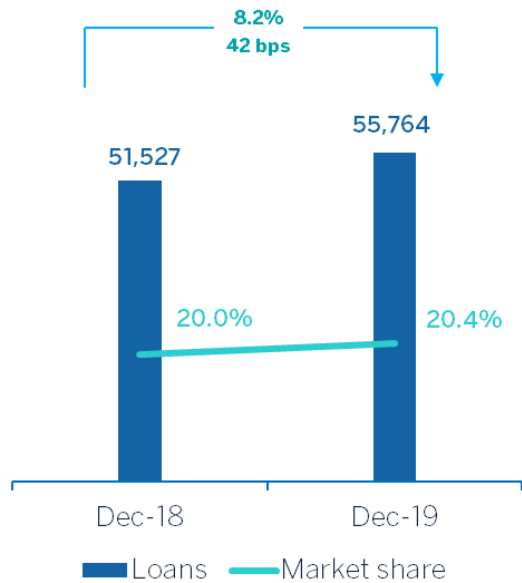


DEPOSITS¹



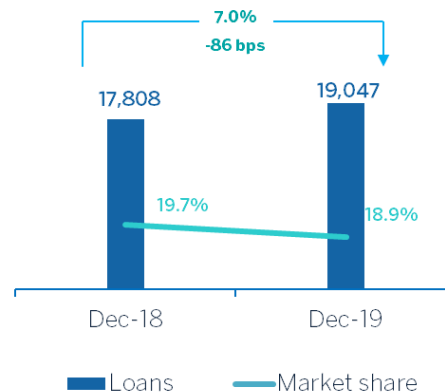
¹ Other obligations are excluded from deposits
Source: SBS

Performing loans (S/ Million, %)



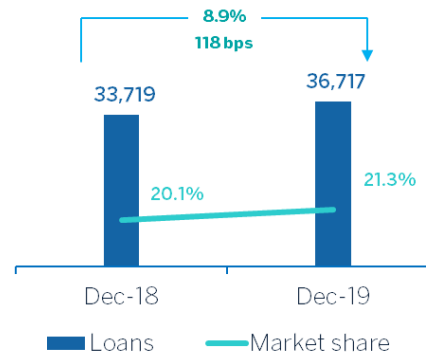
Banking System	273,336
YOY Variation	6.0%

RETAIL LOANS



Banking System	100,903
YOY Variation	11.8%

BUSINESS LOANS

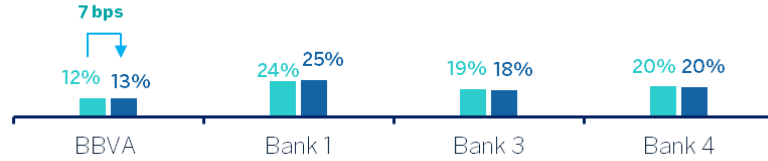


Banking System	172,433
YOY Variation	2.9%

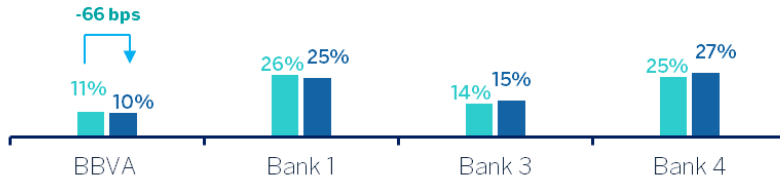
¹Other obligations are excluded from deposits
Source: SBS

Market share - Loans

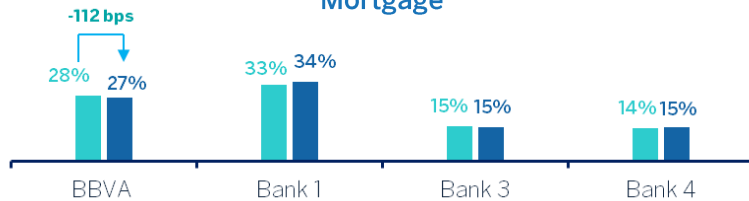
Consumer



Credit Cards



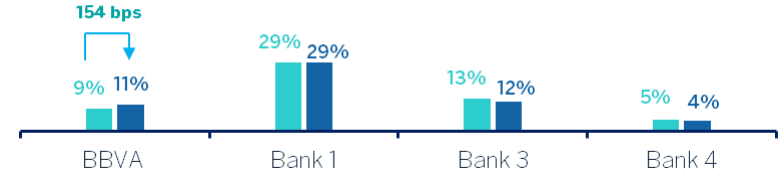
Mortgage



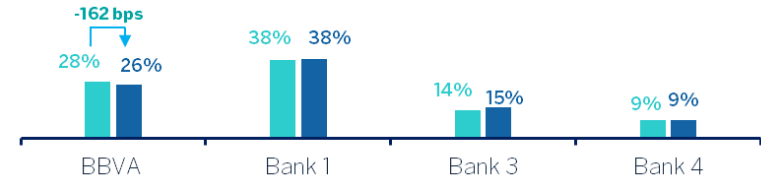
■ Dec 2019

■ Dec 2018

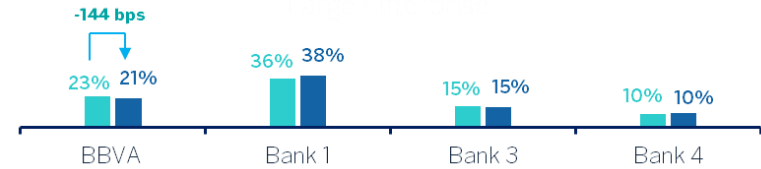
SME



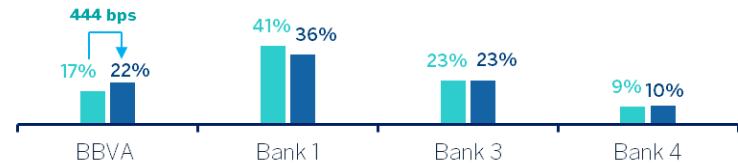
Middle Enterprises



Large Enterprises

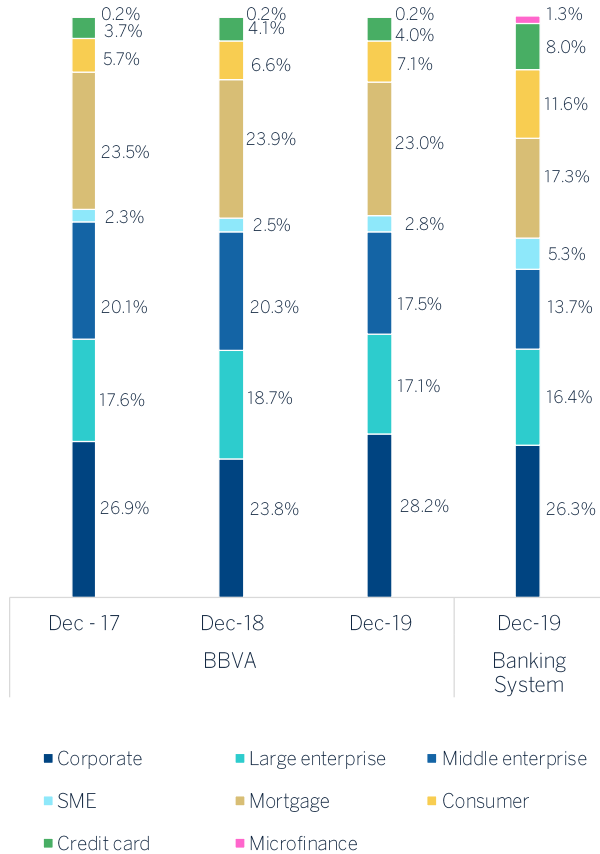


Corporate

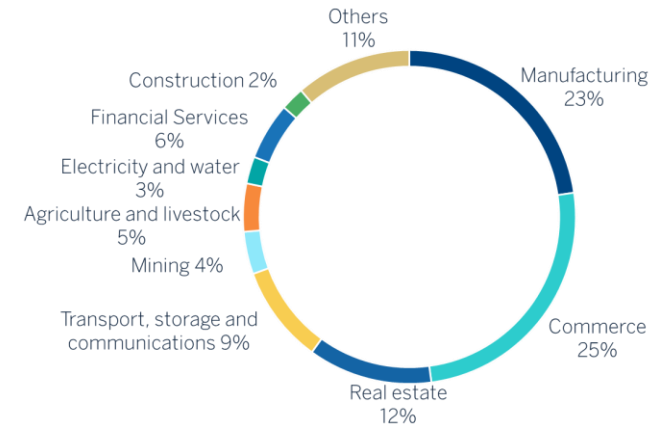


Well diversified loan portfolio

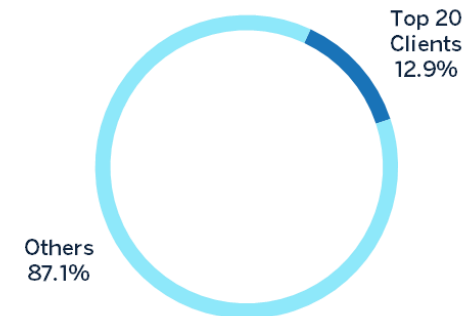
LOANS BREAKDOWN



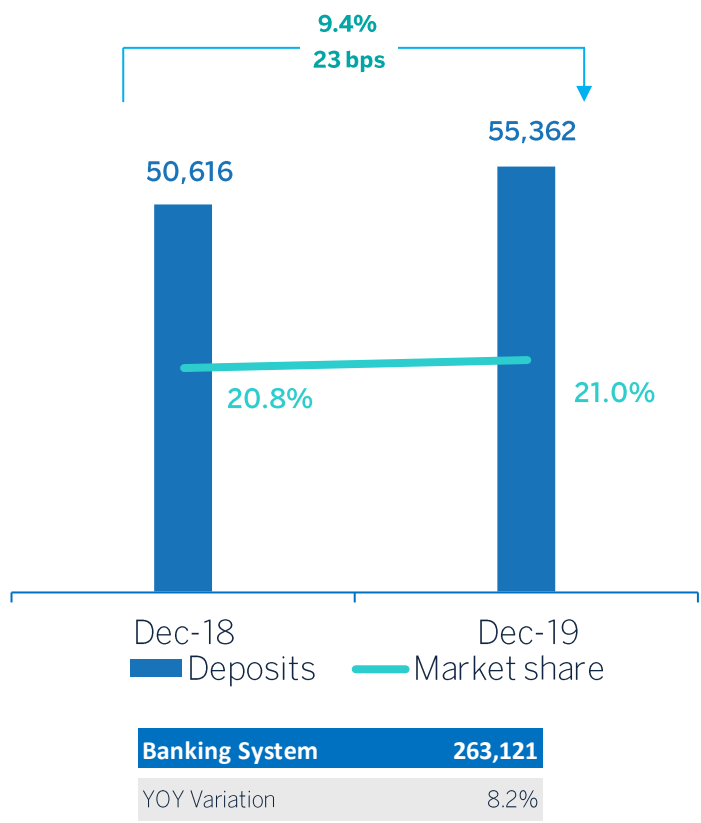
LOANS BY ECONOMIC SECTOR (DECEMBER 2019)



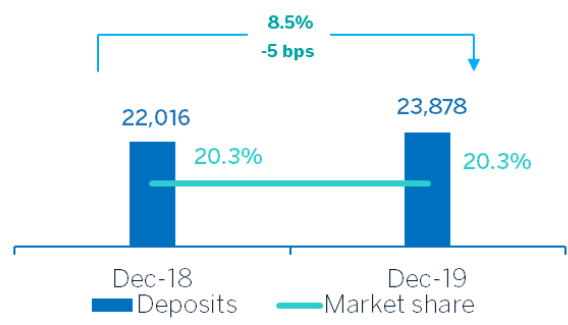
CONCENTRATION RISK (DECEMBER 2019)



Deposits (S/ Million, %)

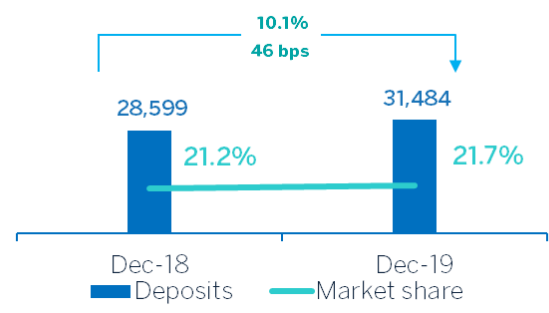


RETAIL DEPOSITS



Banking System	117,905
YOY Variation	8.7%

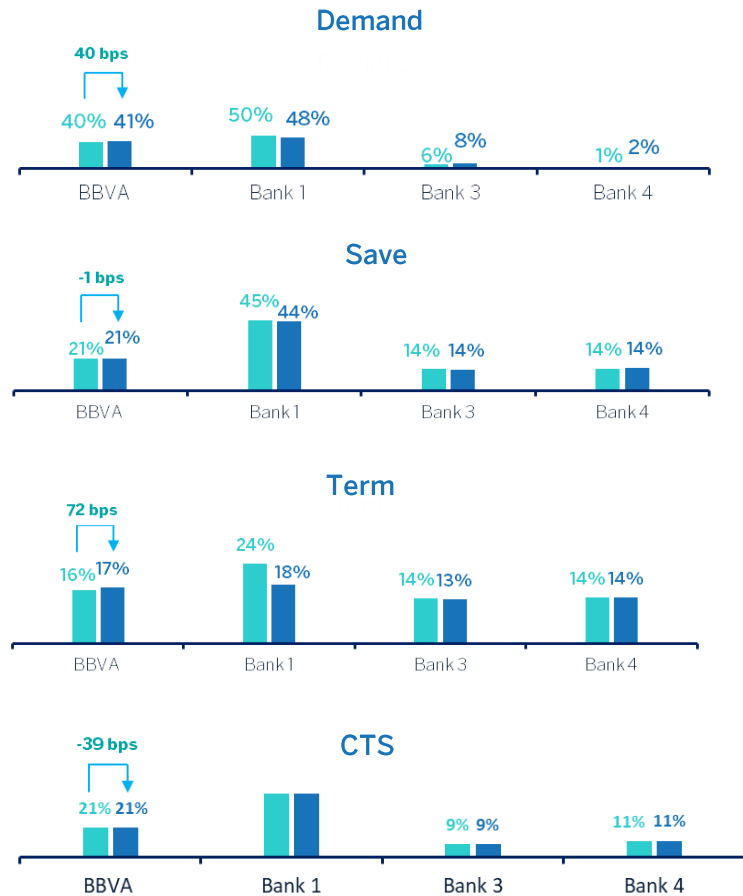
BUSINESS DEPOSITS



Banking System	145,216
YOY Variation	7.8%

Market share - Deposits

RETAIL DEPOSITS

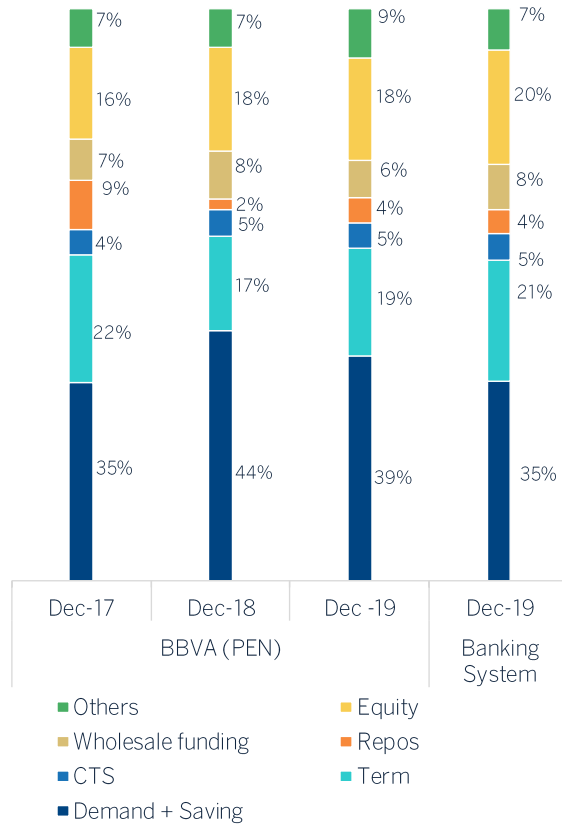


BUSINESS DEPOSITS

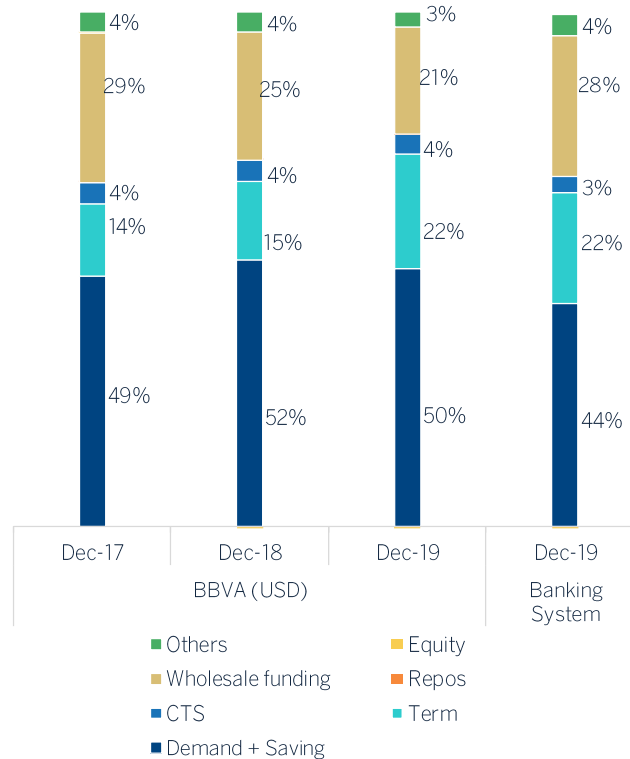


Liabilities and capital breakdown

LOCAL CURRENCY

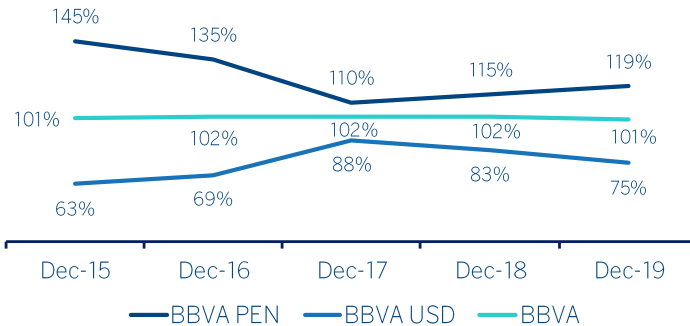


FOREIGN CURRENCY

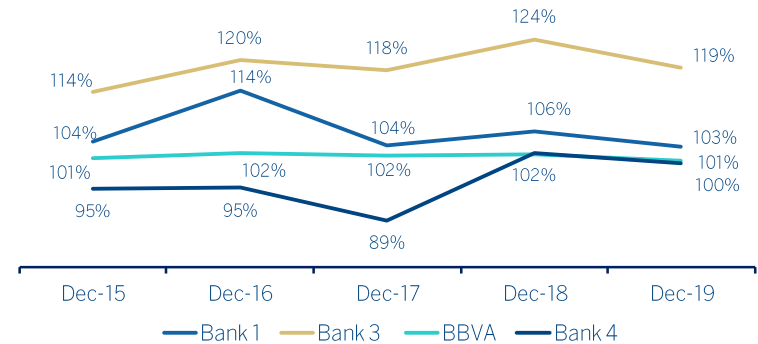


High level of self-financing and balance sheet in local currency

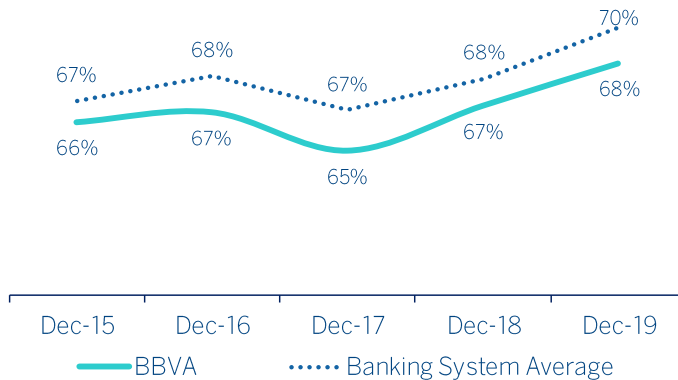
LOAN TO DEPOSITS BY CURRENCY¹



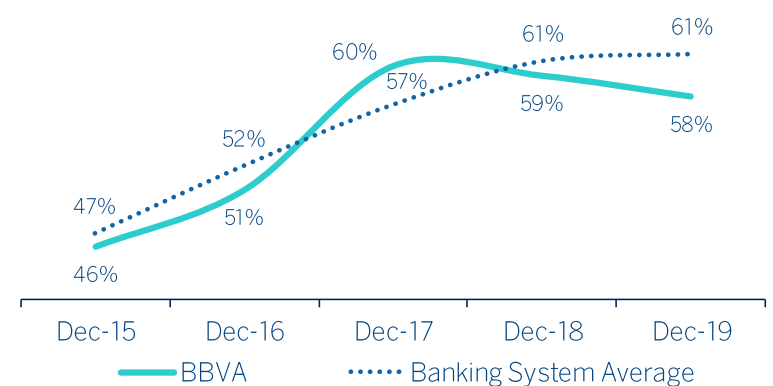
LOAN TO DEPOSIT – PEER GROUP



DOMESTIC CURRENCY PERFORMING LOANS



DOMESTIC CURRENCY DEPOSITS (% TOTAL DEPOSITS)

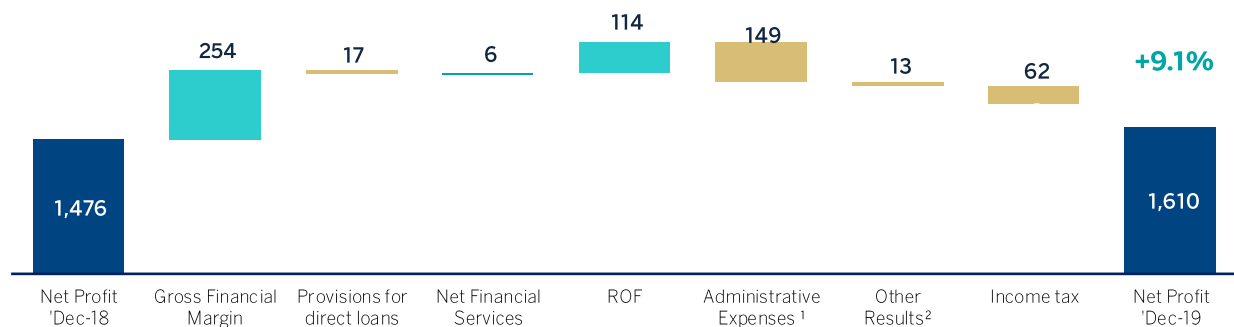


¹Other obligations are excluded from deposits
Source: SBS y ASBANC

BBVA Profit & Loss

(S/. Million)

	Dec-18	Dec-19	%
Gross Financial Margin	3,119	3,373	8.1
Provisions for direct loans	(734)	(750)	2.3
Net Financial Margin	2,386	2,623	10.0
Income from financial services	1,125	1,176	4.5
Expenses from financial services	(344)	(389)	13.3
Gain / Loss From Financial Operations (ROF)	613	727	18.7
Operating Margin	3,780	4,137	9.5
Administrative expenses	(1,520)	(1,650)	8.6
Depreciation and amortization	(148)	(167)	12.6
Net Operating Margin	2,112	2,320	9.9
Asset valuation and other provisions	(68)	(115)	68.5
Other Income and Expenses	(18)	16	-193.4
Profit / Loss Before Income Tax	2,026	2,222	9.7
Income tax	(550)	(612)	11.3
Net Profit	1,476	1,610	9.1

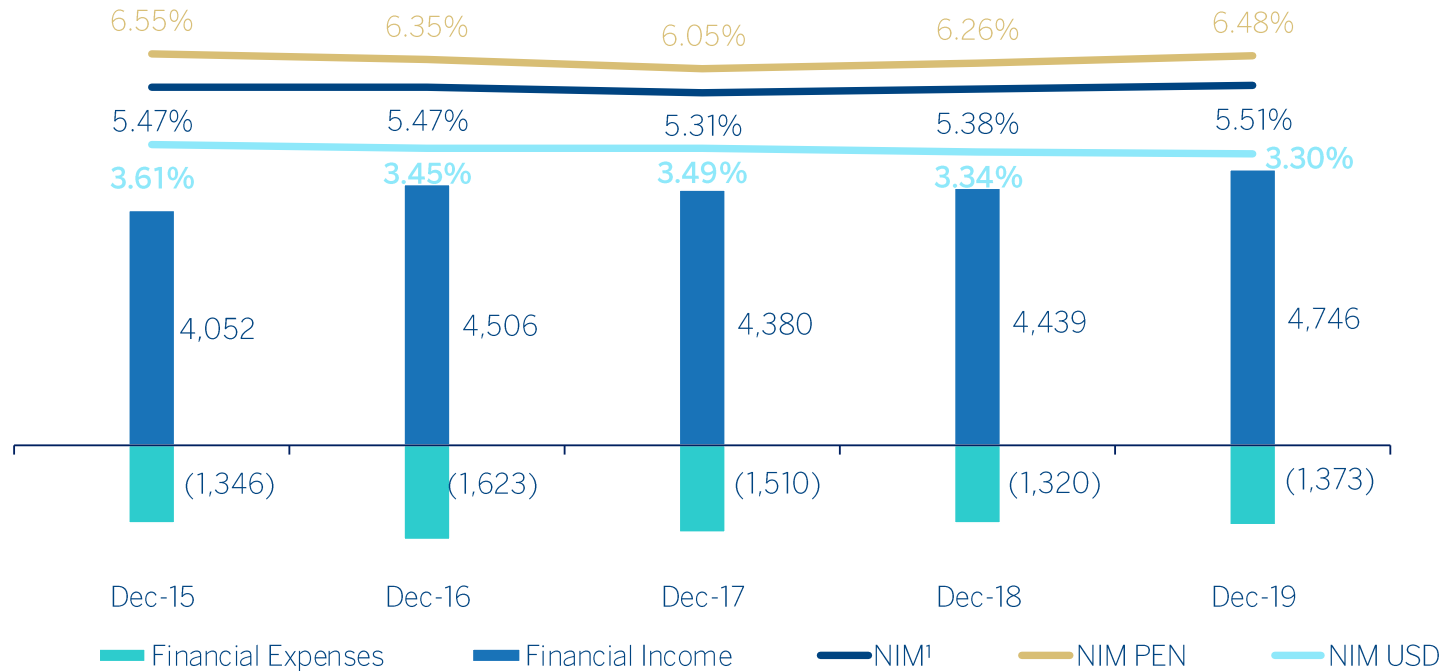


¹Includes administrative expenses, depreciation and amortization

²Includes asset valuation, other provisions and other income and expenses

Source: ASBANC

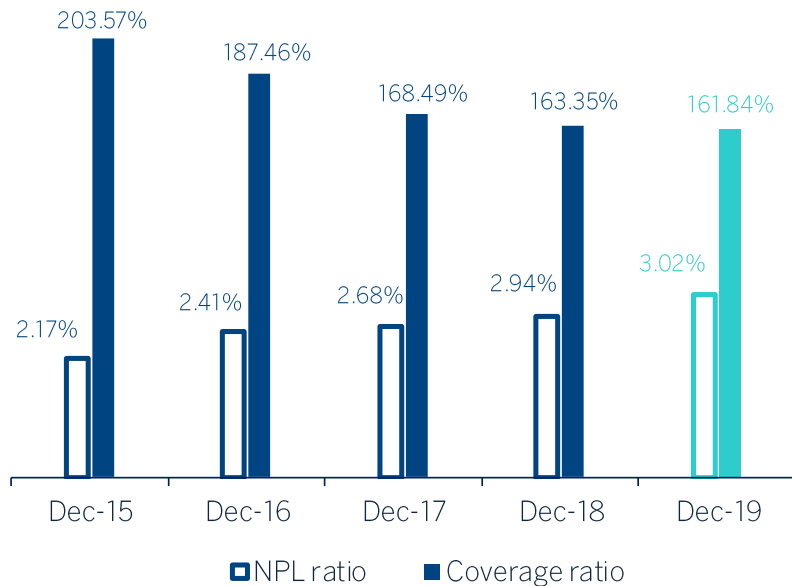
Gross financial margin (S/ Millions, %)



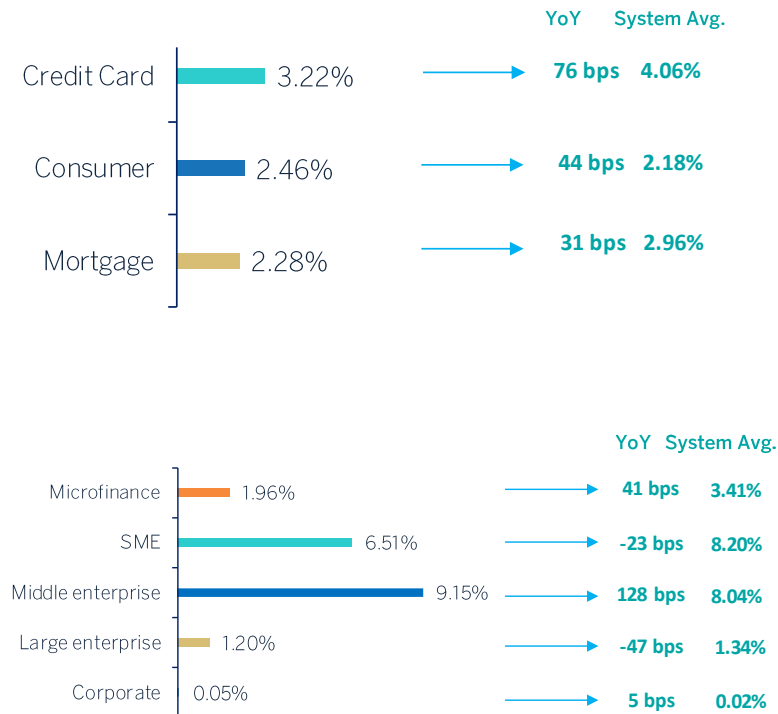
¹NIM: Gross financial margin for the last 12 months divided by average interest earning assets (interbank funds, investments and net loans)
Source: SBS y ASBANC

Risk management

OUTSTANDING ASSET QUALITY



NPL RATION BY PRODUCT AND SEGMENT (DECEMBER 2019)

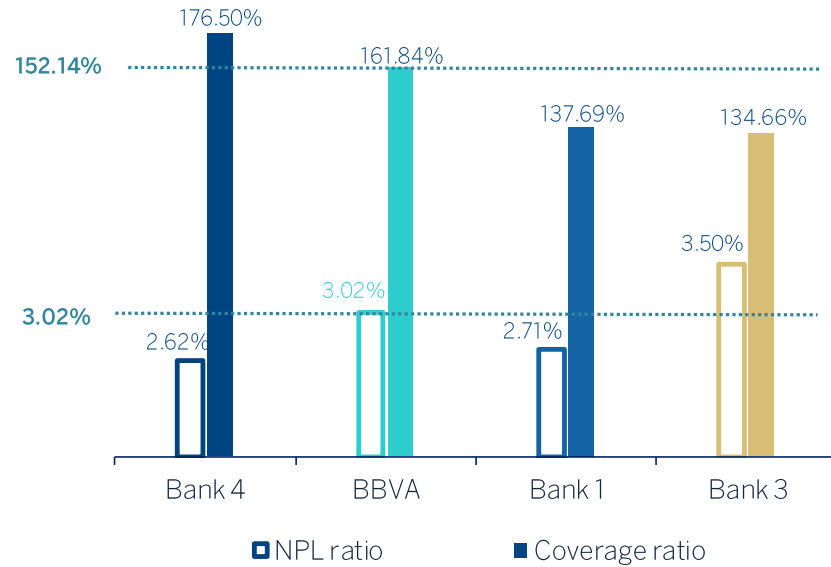


Risk management

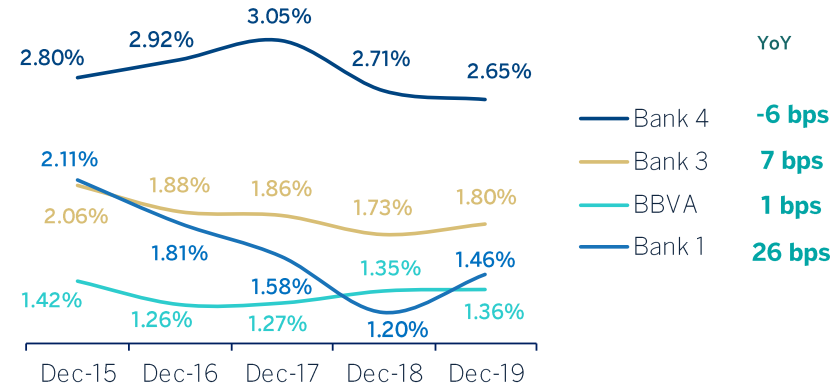
NPL RATIO & COVERAGE RATIO

(DECEMBER 2019)

Banking System
Average



BEST COST OF RISK¹ VS. PEER GROUP

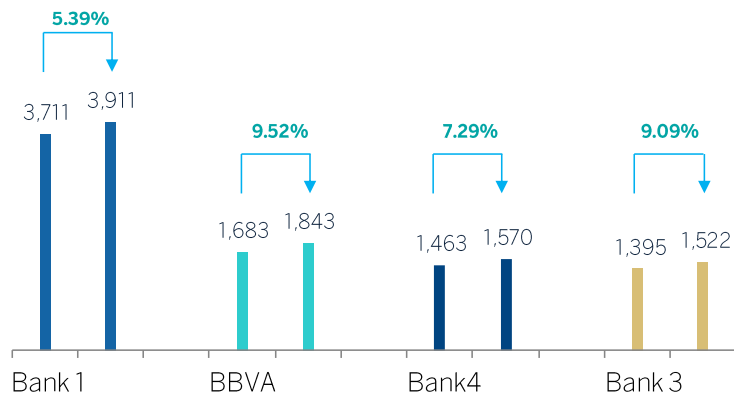


¹ Includes provisions / total credits of the last 12 months
Source: SBS

Expenses management

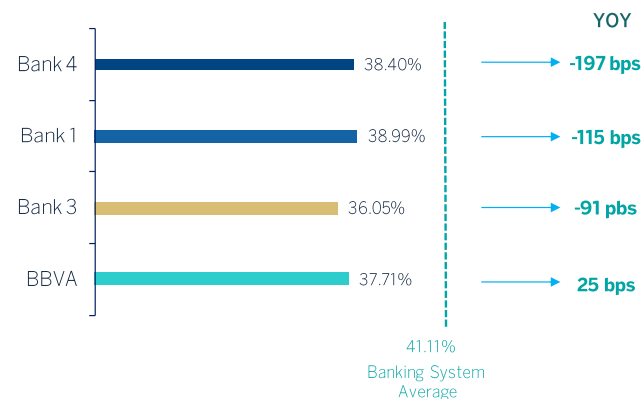
ADMINISTRATIVE EXPENSES¹

(DECEMBER 2018 VS 2019)



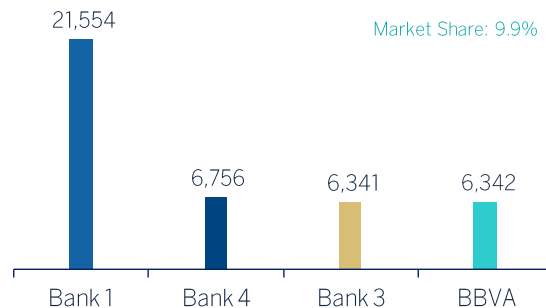
EFFICIENCY RATIO

(DECEMBER 2019)



NUMBER OF EMPLOYEES

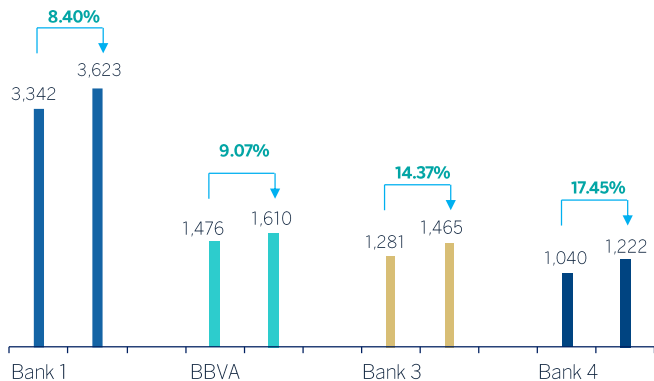
(DECEMBER 2019)



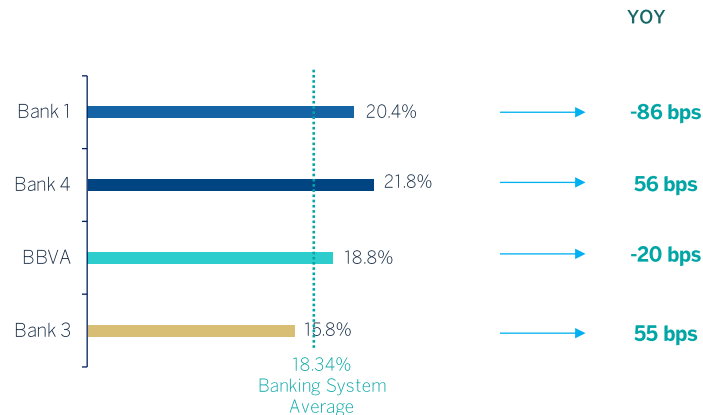
¹Includes depreciation and amortization
Source: SBS

Profitability management

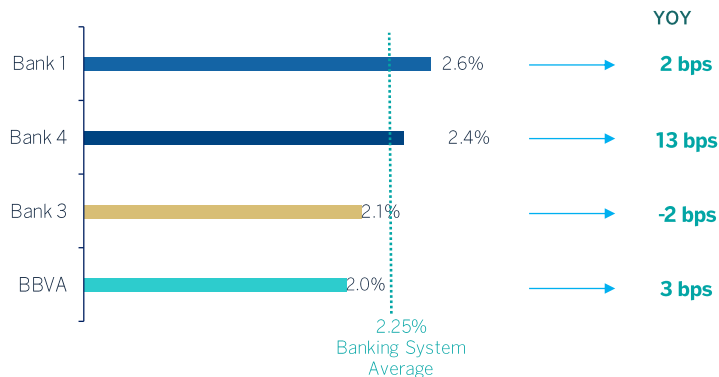
NET PROFIT (S/ MILLION,%)
(DECEMBER 2018 VS 2019)



RETURN ON EQUITY – ROE (DECEMBER 2019)

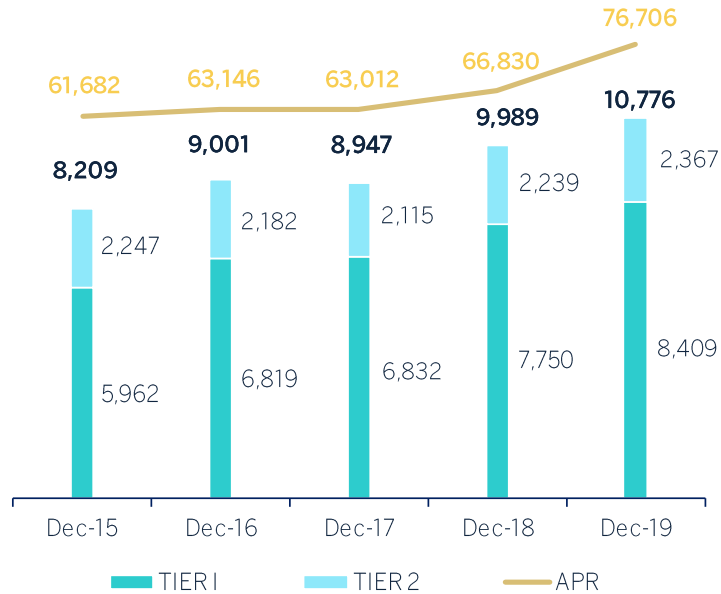


RETURN ON ASSETS – ROA (DECEMBER 2019)

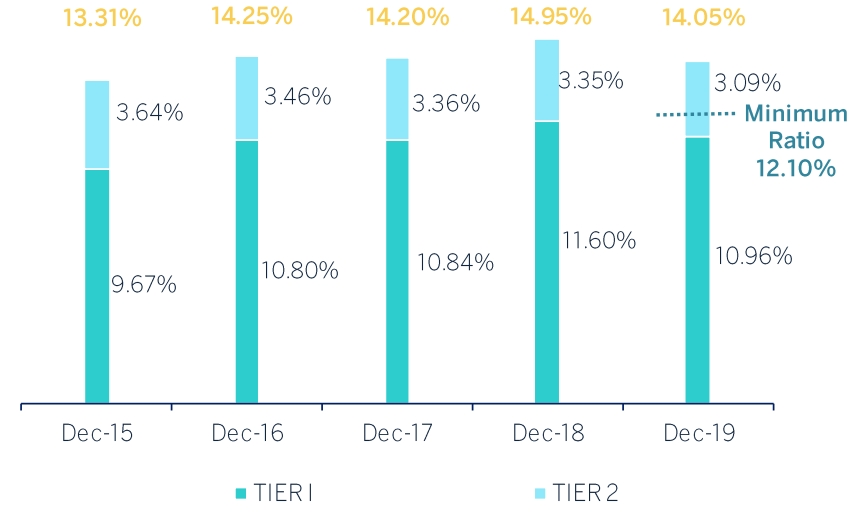


Solvency management

REGULATORY CAPITAL & RWA (\$/ MILLION)



CAPITAL RATIOS



04

Ratings

International & local rating

Rating agencies have granted BBVA Peru the Best international and local ratings (December 2019)

Instrument	Fitch Ratings	Standard & Poors
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
Outlook	Estable	Estable

Instrument	Apoyo & Asociados	Equilibrium	PCR
Negotiable Certificate of Deposits (CD)	CP - 1+ (pe)	EQL 1+ pe	PE1+
Short term deposits	CP - 1+ (pe)	EQL 1+ pe	PE Categoría I
Term deposits > 1 year	AAA (pe)	AAA.pe	PEAAA
Corporate bonds	AAA (pe)	AAA.pe	PEAAA
Subordinated bonds	AA+ (pe)	AA+.pe	PEAA+
Leasing bonds	AAA (pe)	AAA.pe	PEAAA
Common shares	1a (pe)	1a Clase.pe	PEN1
Issuer rating	A+	A+	PEA+

On March 11th Standard & Poor's changed their perspective from "negative" to "stable"

BBVA

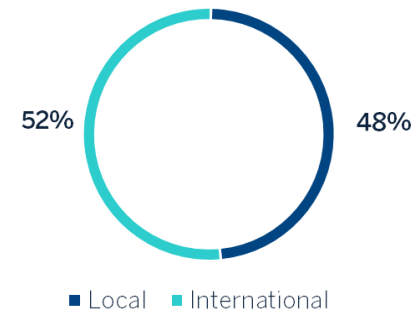
Creando Oportunidades

APPENDIX

Debt Issuance

	Bond	Issue Date	Call Date	Due Date	Currency	Issued	Coupon	ISIN	
						Amount (m)	Rate		
BBVA	International	Corporativo	Ago-12	-	Ago-22	USD	500,000	5.00%	US05537GAA31-USP16260AA28
	Subordinado	Set-14	Set-24	Set-29	USD	300,000	5.25%	US05537GAD79-USP16236AG98	
	Local	Corporativos	Ago-10		Ago-20	PEN	40,000	7.19%	PEP11600M145
	Corporativos	Ago-10		Ago-20	PEN	80,000	7.22%	PEP11600M152	
	Corporativos	Dic-11		Dic-26	PEN	150,000	7.47%	PEP11600M186	
	Corporativos	Jun-16		Jun-21	PEN	150,000	6.28%	PEP11600M236	
	Corporativos	Nov-17		Nov-20	PEN	350,000	4.78%	PEP11600M244	
	Corporativos	Jun-18		Jun-21	PEN	132,425	4.44%	PEP11600M251	
	Corporativos	Jun-18		Jun-21	PEN	69,435	4.50%	PEP11600M269	
	Corporativos	Jul-18		Jul-23	PEN	100,000	5.53%	PEP11600M277	
	Corporativos	Ago-18		Ago-23	PEN	73,465	5.63%	PEP11600M285	
	Corporativos	Set-18		Set-21	PEN	70,000	4.78%	PEP11600M293	
	Corporativos	Ago-19		Ago-22	PEN	65,520	4.09%	PEP11600M319	
	Corporativos	Oct-19		Oct-22	PEN	150,000	3.91%	PEP11600M327	
	Corporativos	Dic-19		Dic-24	PEN	96,550	4.44%	PEP11600M335	
	Subordinados	May-07	May-22	May-27	USD	20,000	6.00%	PEP11600D029	
	Subordinados	Jun-07		Jun-32	PEN	55,000	3.47%	PEP11600D037	
	Subordinados	Nov-07		Nov-32	PEN	50,000	3.56%	PEP11600D052	
	Subordinados	Feb-08		Feb-28	USD	20,000	6.47%	PEP11600D060	
	Subordinados	Jul-08		Jul-23	PEN	45,000	3.06%	PEP11600D078	
	Subordinados	Set-08		Set-23	PEN	50,000	3.09%	PEP11600D086	
	Subordinados	Dic-08		Dic-33	PEN	30,000	4.19%	PEP11600D094	
	Subordinados	Oct-13	Oct-23	Oct-28	USD	45,000	6.53%	PEP11600D102	
	CDN	Oct-19		Oct-20	PEN	150,000	3.33%	PEP11600Q179	
	BAF	Dic-17		Dic-20	PEN	158,000	4.63%	PEP11600K073	

Total Debt	S/ MM
Local	2,467,085
International	2,651,200
Total	5,118,285



BBVA

Creando Oportunidades

BBVA Peru

Investor Report

Fourth Quarter 2019