



# BBVA Peru

## Investor Report

First Quarter 2022



Creando Oportunidades

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APPENDIX  
Debt Issuances

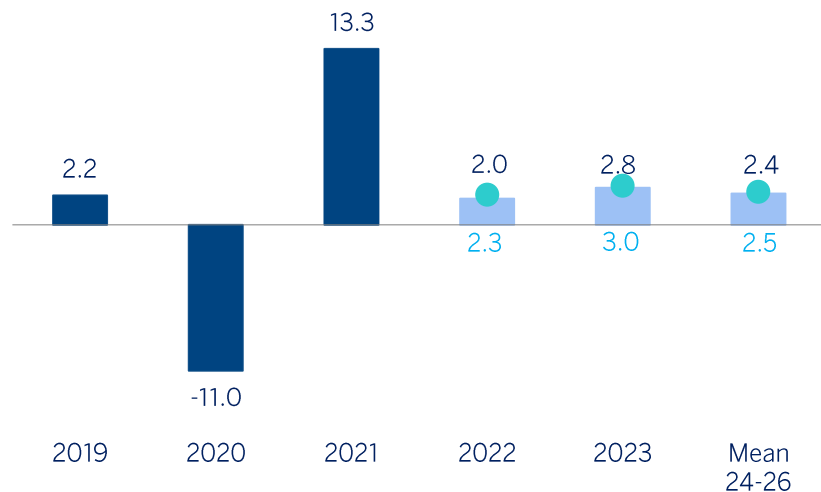
01

# Peruvian Economy & Financial System

**After rebounding 13.3% in 2021, this year the economy will grow 2.0%, due to the beginning of operations of new copper mines and the normalization of permitted capacities**

## GDP

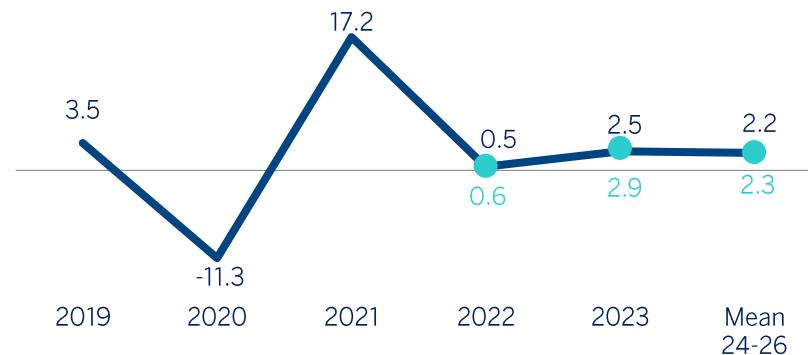
(VAR YOY)



● Previous scenario

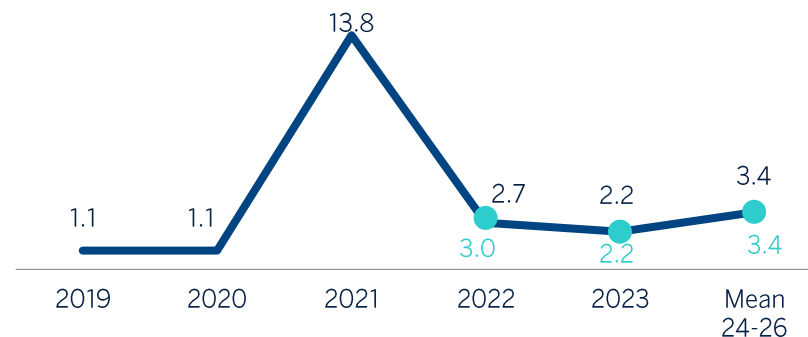
## PRIVATE SPENDING

(VAR % YOY)



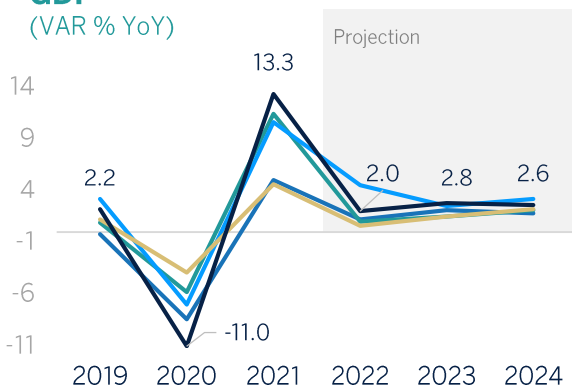
## PUBLIC SPENDING

(VAR % YOY)

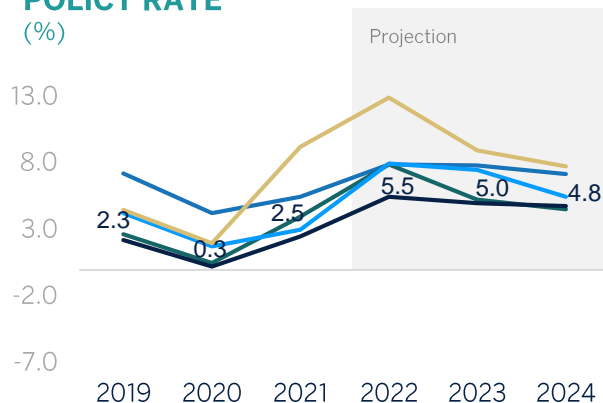


# In comparison to the countries of the region, Peru will maintain one of the minor inflations and a growth over the mean in GDP

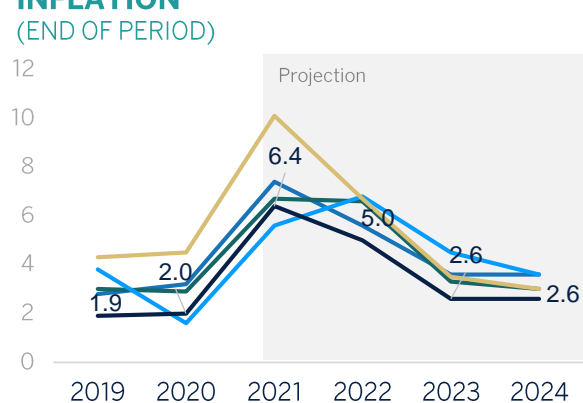
**GDP**  
(VAR % YoY)



**POLICY RATE**  
(%)



**INFLATION**  
(END OF PERIOD)

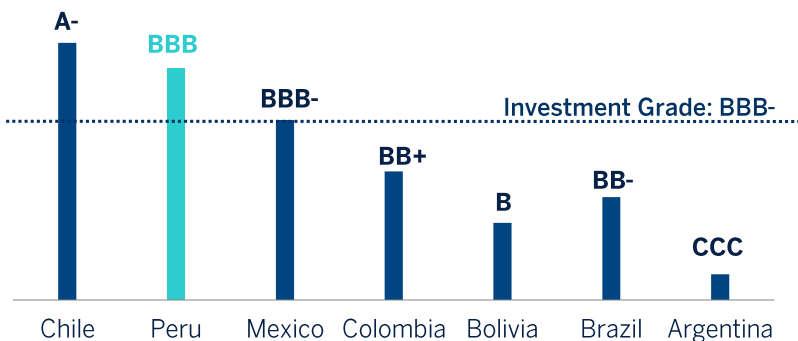


— Mexico — Chile — Colombia — Brazil — Peru

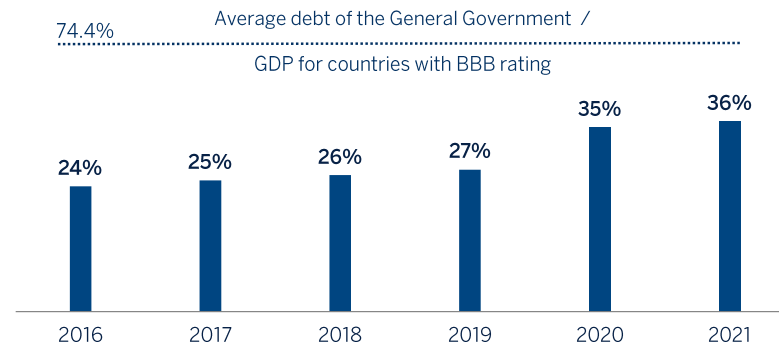
**Peru's Central Bank will continue raising the reference rate**, in a context of generalised inflation, due to the increase in the international prices of food and fuel. We expect the inflation to reach 5.0% this year and 2.6% in 2023.

# With a rating above investment grade, low public debt compared to countries with similar risk, and a currency with one of the lowest depreciations.

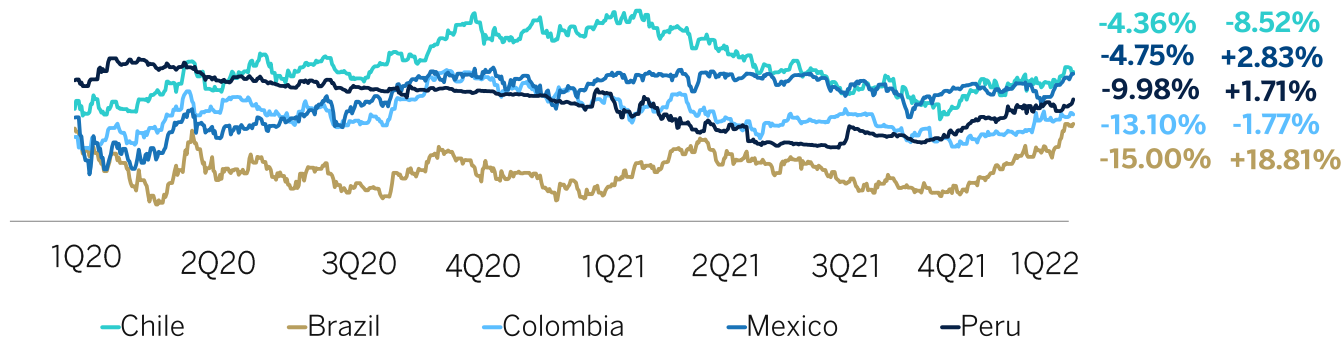
## CREDIT RISK PROFILE



## PERUVIAN PUBLIC DEBT (% OF GDP)

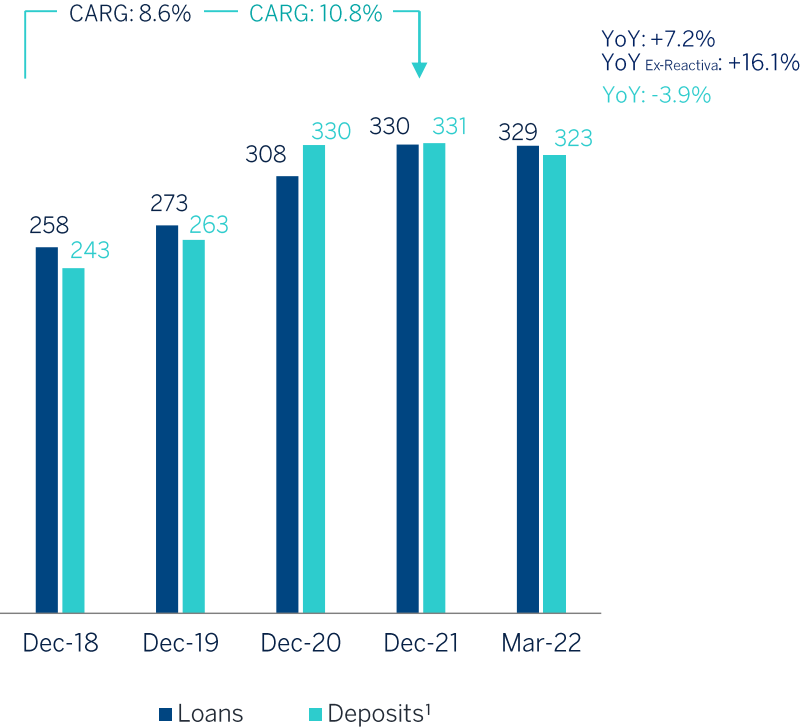


## CURRENCY DEPRECIATION AGAINST USD

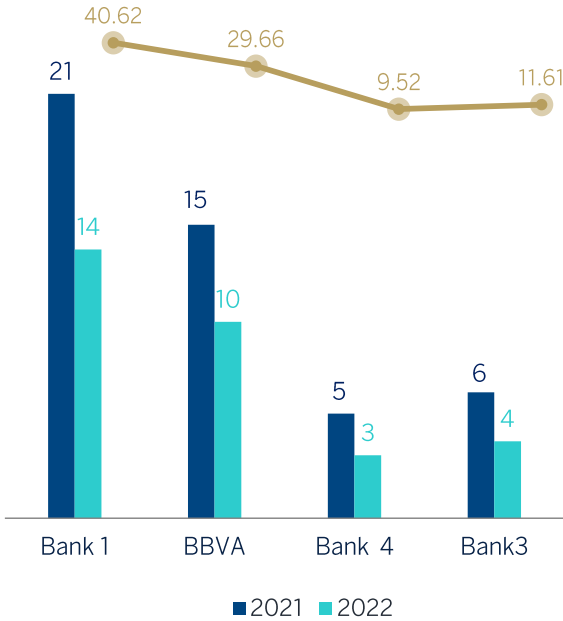


# Regarding the Peruvian Banking System, loans grew in Retail, Corporates and Small Enterprises; while Deposits decreased in Business Demand and Saving

**PERFORMING LOANS AND DEPOSITS<sup>1</sup>** (S/ THOUSAND MILLION)



**REACTIVA LOANS AND MARKET SHARE** (S/ THOUSAND MILLION, % - MARCH)



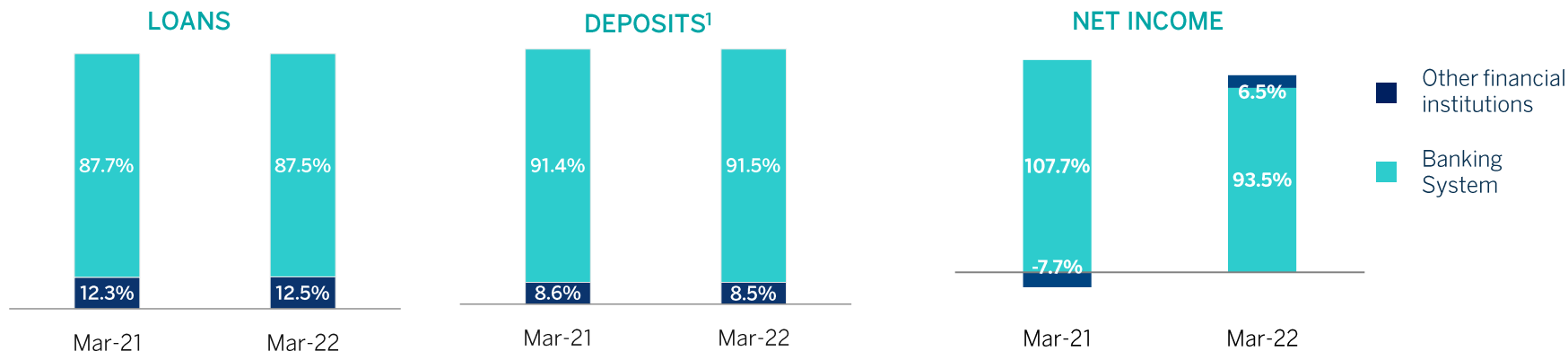
<sup>1</sup>Other obligation are excluded from deposits  
Source: Superintendencia de Banca, Seguros y AFP (SBS).



# Peruvian Financial System (MARCH 2022)

Financial system	Institution S/ Million	Net loans	YoY (%)	Deposits	YoY (%)	Net Income	YoY (%)
Banking System	Banks (16)	328,296	8.4%	322,979	-3.9%	2,506	153.7%
	Banco de la Nación*	7,712	4.7%	38,706	-0.6%	163	75.4%
Other Financial Institutions	Cajas Municipales (12)	26,785	12.6%	24,554	-2.3%	38	-360.4%
	Financieras (10)	11,493	14.1%	7,399	-9.3%	125	-345.0%
	Cajas Rurales (6)*	2,025	8.3%	1,611	-7.5%	2	-108.3%
	Edpymes (8)*	2,452	6.9%	-	-	-1	-74.3%
	Leasing (2)*	162	-52.7%	-	-	1	-52.1%
	COFIDE*	5,045	1.1%	22	-80.8%	12	-53.2%
	Agrobanco*	213	41.1%	-	0.0%	10	179.5%
Total Financial System		384,182	8.6%	395,271	-3.6%	2,855	-184.4%

\* February 2021



The 4th largest peers concentrate around **84%** of the bank loans and **83%** of deposits of the Banking System.

<sup>1</sup> Other obligations are excluded from deposits

BBVA

Creando Oportunidades

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# About BBVA Peru

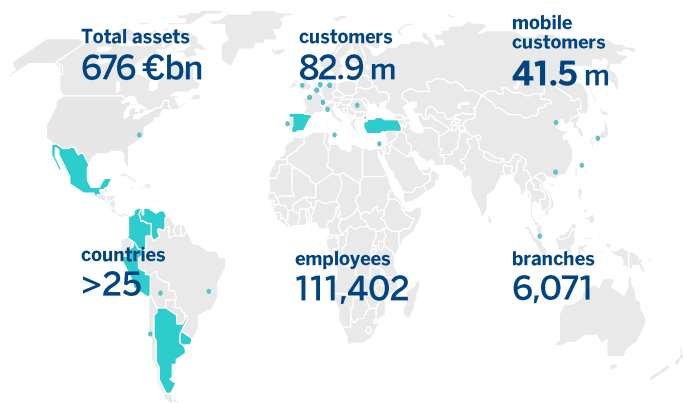
# BBVA Peru and Subsidiaries belong to the Economic Group formed by BBVA Group and Breca



Source: BBVA

# About BBVA Group

## BBVA'S GLOBAL PRESENCE MARCH 2022



## OUR PURPOSE

“ To bring the age of opportunity to everyone ”

## STRATEGIC PRIORITIES



Improving our **client's financial health**



Reaching **more clients**



The best and most **engaged team**



Helping our clients transition towards a **sustainable future**



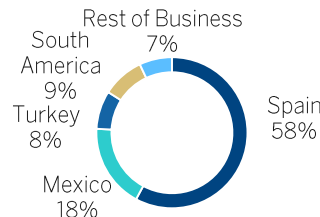
Driving **operational excellence**



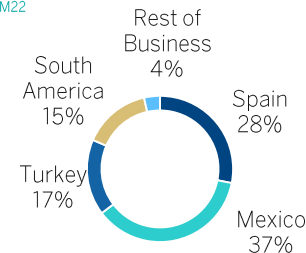
**Data and Technology**

## DIVERSIFICATION UNDER A DECENTRALIZED MODEL

TOTAL ASSETS <sup>1</sup>  
(MARCH 2022)



GROSS INCOME <sup>1</sup>  
3M22



(1) Figures exclude the Corporate Center.

Well-diversified footprint with **leading franchises**.

**Decentralized model:** self-sufficient subsidiaries in terms of capital and liquidity management. No liquidity transfers.

# Principles of BBVA Group's self-sufficient business model: Multiple Point of Entry

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



## Advantages

- ▮ Liquidity and capital buffers in different balance sheets
- ▮ Improves risk assessment: imposes market discipline and proper incentives to reach sustainable credit growth
- ▮ It curtails the risk of contagion with proven resilience during downturns
- ▮ Absence of cross-funding or cross-subsidies
- ▮ Helps development of local capital markets
- ▮ Medium term orientation / consistent with retail banking
- ▮ Safeguards financial stability / proven resilience during the crisis


# BBVA Peru offer everyone the opportunities of this new era

 **We ensure the well-being** of our employees and clients

 Keeping **strict security protocols** in our offices

 Giving **health kits** for employees and **protection** for vulnerable groups.

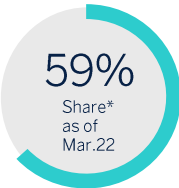
 And **full-time occupational physicians**

 In addition, **e-working and special mobility** are implemented for those employees who attend the office

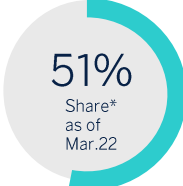
 **We get adapted** to new digital needs

**Promoting the use of digital channels** for the acquisition of products

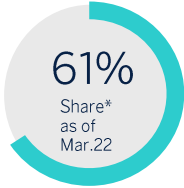
### Savings




### Credit Cards




### Consumer



 **We offer products** to make our clients grow

 Clients can get Credit Cards, Loans and Saving accounts **100% digital**.

 BBVA promotes the capture of **collection and payment transactions from companies**.

 **With channels for businesses** such as Net Cash. In addition, BBVA has created the new profile **Mi Negocio** for retail clients with small business in the App.

\* Share information calculated in units

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# Financial Highlights

# Main Figures (March 2022)

1 High **profitability** and Net Income growth

NET INCOME (S/ MM,%)	ROE (%. pbs)	ROA (%. pbs)
421 +106% YOY	18.18% +13 pp YOY	1.68% +122 pbs YOY

2 Adequate **Efficency**

EFFICENCY RATIO (%)	
41.23% in 3M22	+157 pbs YOY vs 43.81% Banking System


3 With a controlled **cost of risk** over time and adequate **asset quality**

COST OF RISK (%)	NPL (%)	COVERAGE RATIO (%)
0.68% vs. 2.85% in 2020 vs. 1.27% in 2019	3.95% vs 3.81% prom. Banking System mean	155.53% vs 151.83% Banking System mean

4 Strong **capital and liquidity ratios**

GLOBAL CAPITAL (%)	TIER 1 (%)	Loan-to-Deposits (%)
14.49%	+10.85%	111%

5 Implementing our **Digital** strategy

Mobile Clients	Digital Clients	BBVA App
+21% YOY	+19% YOY	 Digital platform benchmark in the Market.

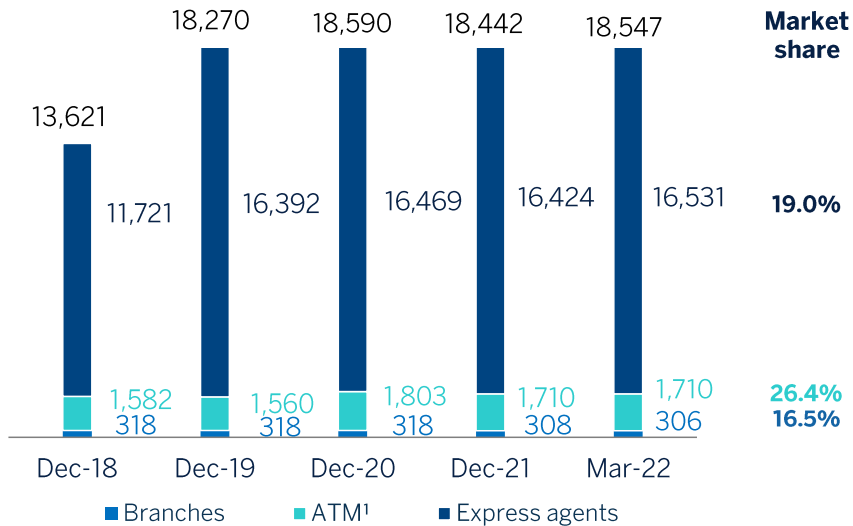


# Strong Banking platform

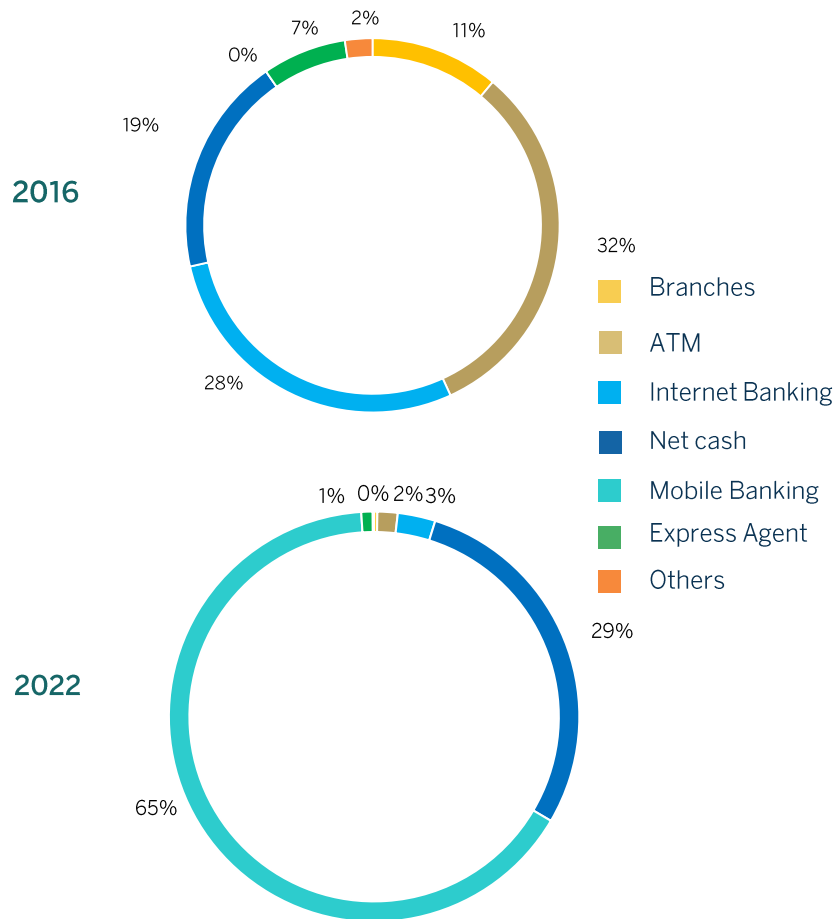
## DISTRIBUTION NETWORK<sup>1</sup> (MARCH 2022)

One of the largest in the country

- With 18,547 points of service.
- More than 7.6 million customers (+8.4 YoY).



## EVOLUTION IN TRANSACTION PER CHANNEL<sup>2</sup>



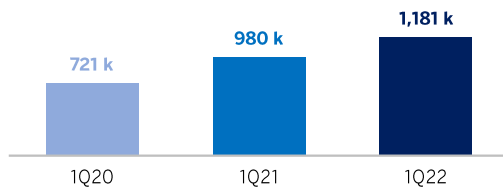
<sup>1</sup> Source: Branches, ATMs from ASBANC

<sup>2</sup>The others section includes Telephone Banking, POS, Express cash and automatic debt

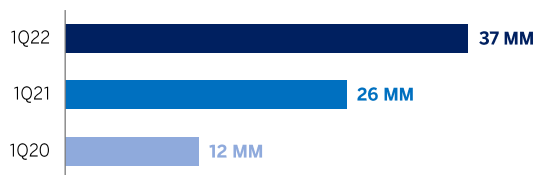
Source: SBS and BBVA

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

## MOBILE TARGET ASSET CLIENTS



## Monetary Transactions in the App

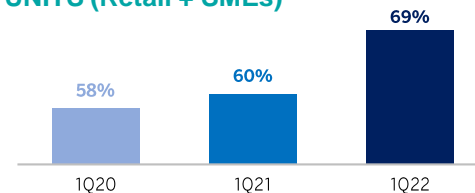


## HIGHLIGHTS

- At the end of the 1Q22, monetary transactions grew by 43%, compared to the same period in 2021.
- The App remains the bank's **main transactional channel** with a 65% share.
- **62%** of our target clients are the Digital ones.
- **New Features:** BBVA credit and debit cards consumption notifications were implemented.



## DIGITAL UNITS (Retail + SMEs)



## Fastest growing categories

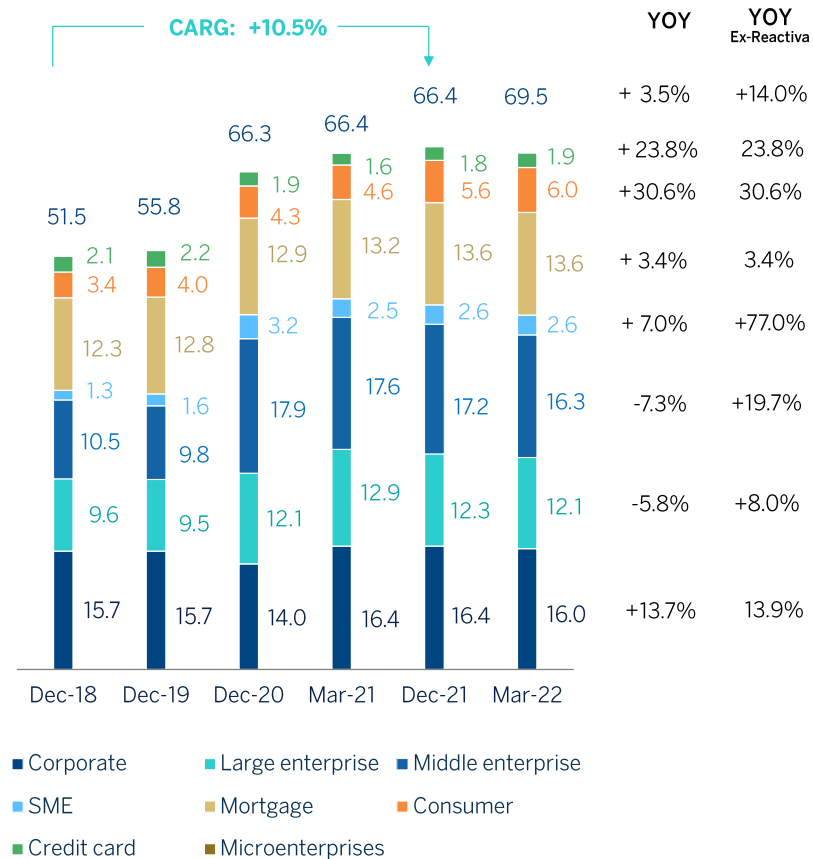
% Digital Units		1Q21	1Q22
Credit cards		31%	51%
Savings		40%	59%
Consumer		42%	61%

## HIGHLIGHTS

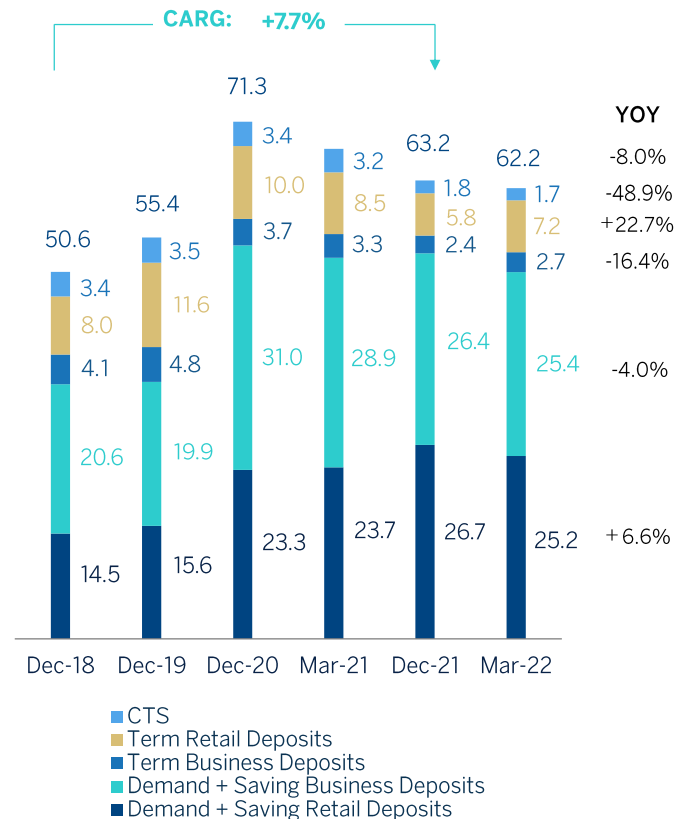
- Digital penetration in Cards reached 66% in 1Q22 due to campaigns addressed to client profiles in line with the Bank's risk appetite.
- In Savings, digital penetration reached 59% in 1Q22 due to the simplification in the deal process and greater commercial aggressiveness.
- In Consumer, the growth is explained by the simplification in the deal process in the App and the Retargeting campaigns.

# Loans and Deposits performance (S/ Thousands million,%)

## PERFORMING LOANS

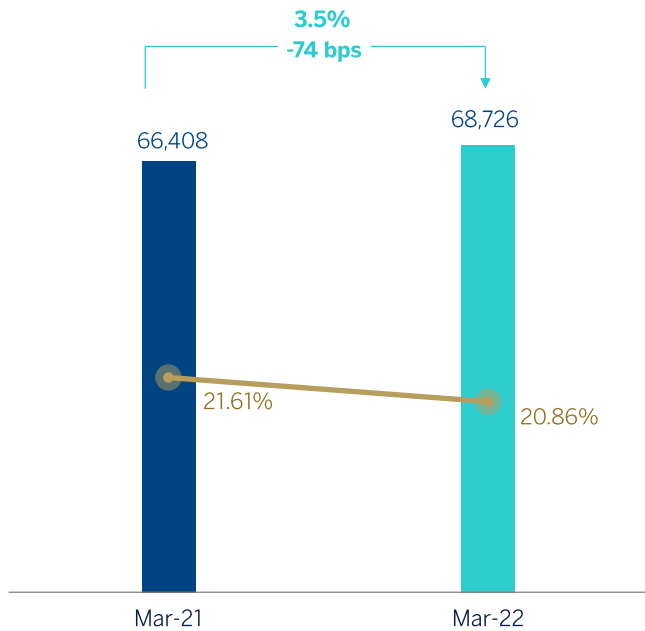


## DEPOSITS<sup>1</sup>



<sup>1</sup> Other obligations are excluded from deposits  
 Source: ASBANC and SBS

# Performing loans (S/ Million, %)

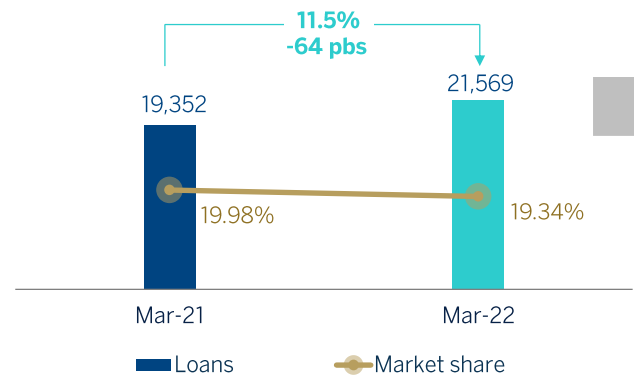


Loans Market share

System: 329,304  
YoY: +7.2%

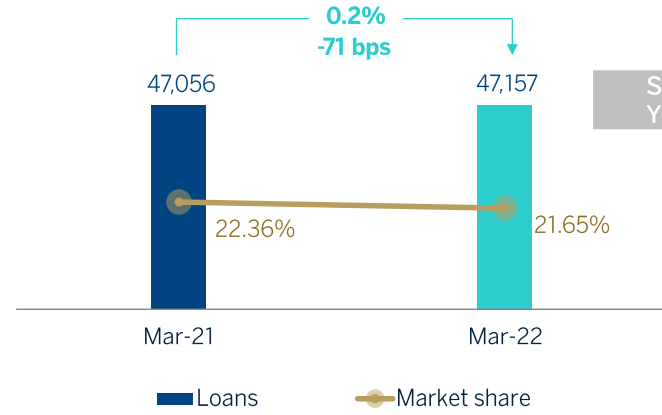
**Loan growth** driven by the increase in Retail Loans, as well as Business Loans Ex-Reactiva.

## RETAIL LOANS



System: 111,532  
YoY: +15.1%

## BUSINESS LOANS

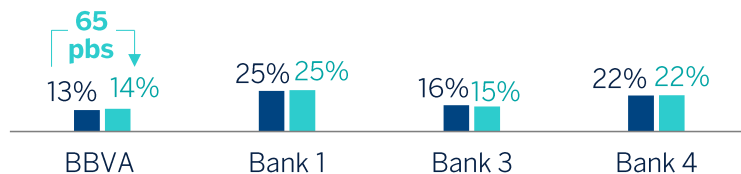


System: 217,862  
YoY: +3.5%

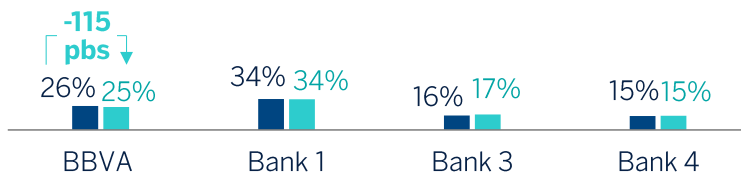
<sup>1</sup>Source: ASBANC

# Market share - Loans

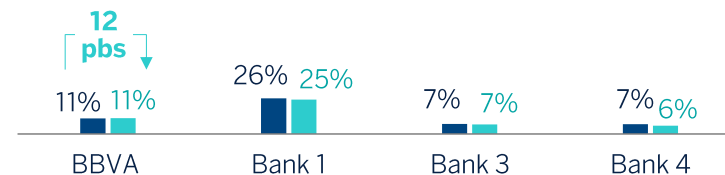
## Consumer + Credit cards



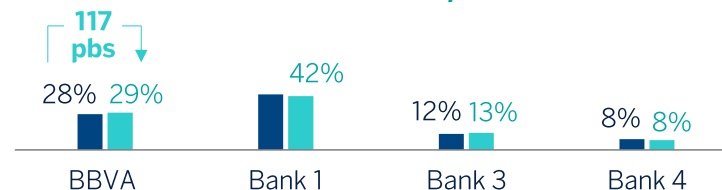
## Mortgage



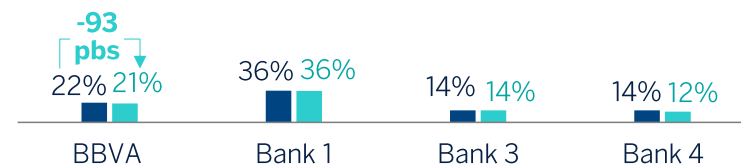
## Small enterprises and Microfinance



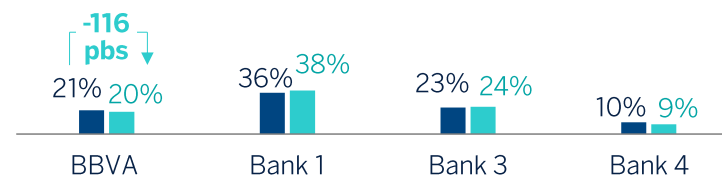
## Middle enterprises



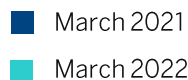
## Large enterprises



## Corporate

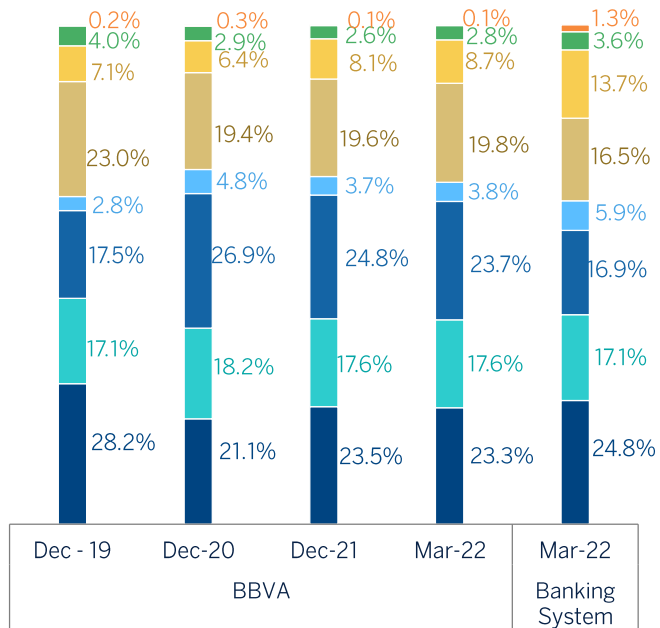


We are on the way to becoming a **Retail Bank**, with YoY growth in the share of **Consumer + Credit Cards**. Furthermore, we gain participation in **Medium and Small Enterprises**.



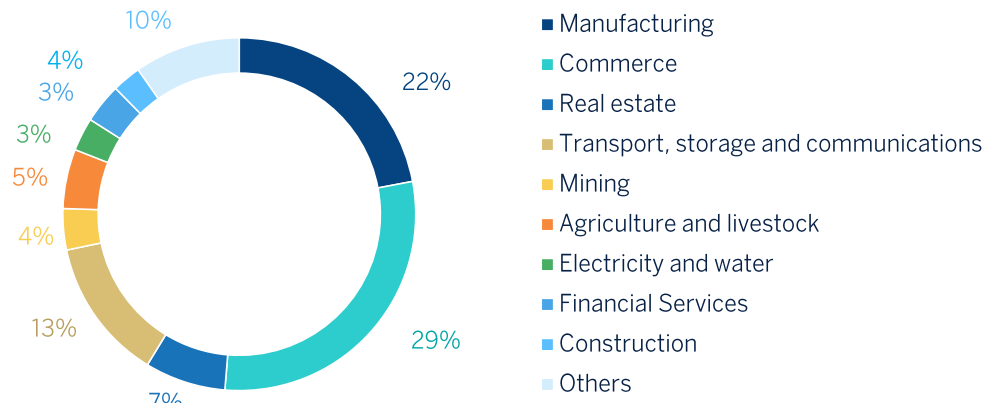
# Well diversified loan portfolio

## LOANS BREAKDOWN

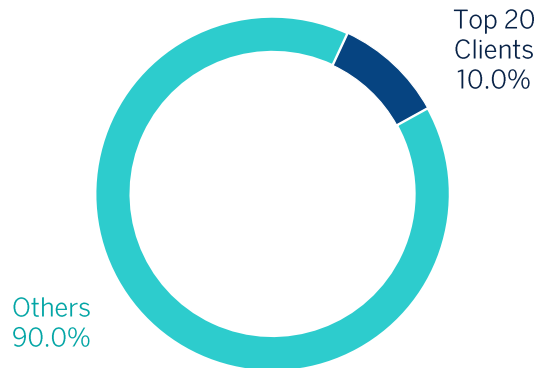


- Corporativos
- Mediana empresa
- Hipotecario
- Tarjetas de crédito
- Grandes empresas
- Pequeña empresa
- Consumo
- Microempresas

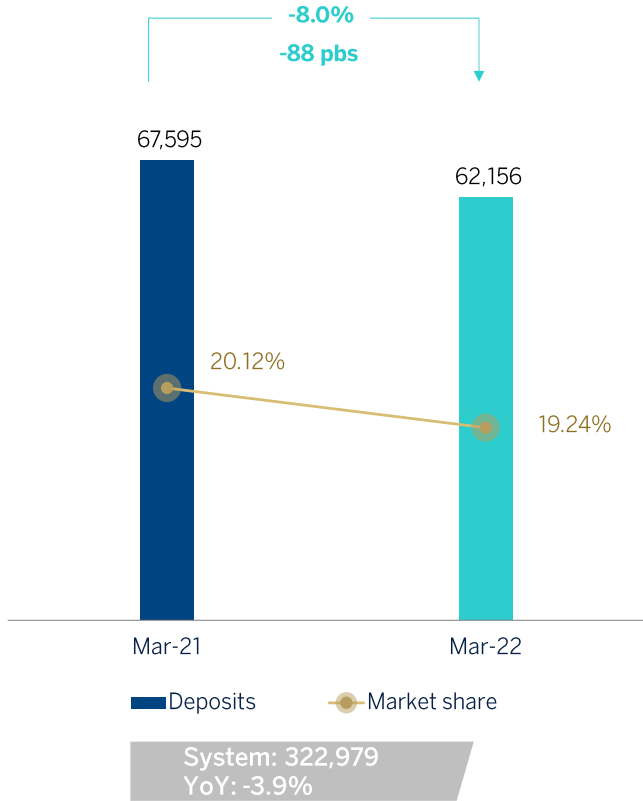
## LOANS BY ECONOMIC SECTOR (MARCH 2022)



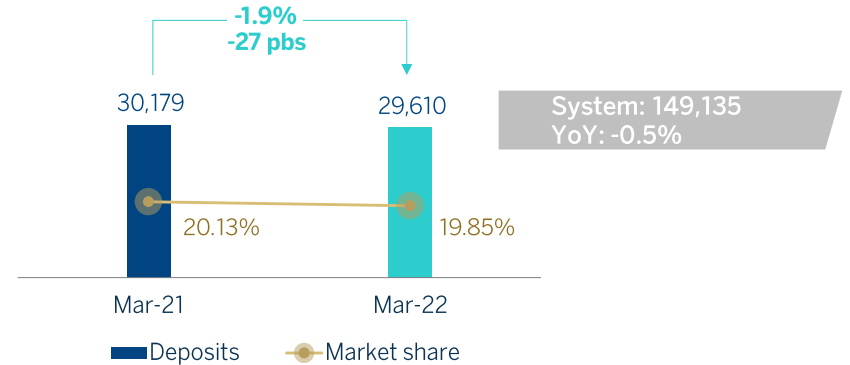
## CONCENTRATION RISK (MARCH 2022)



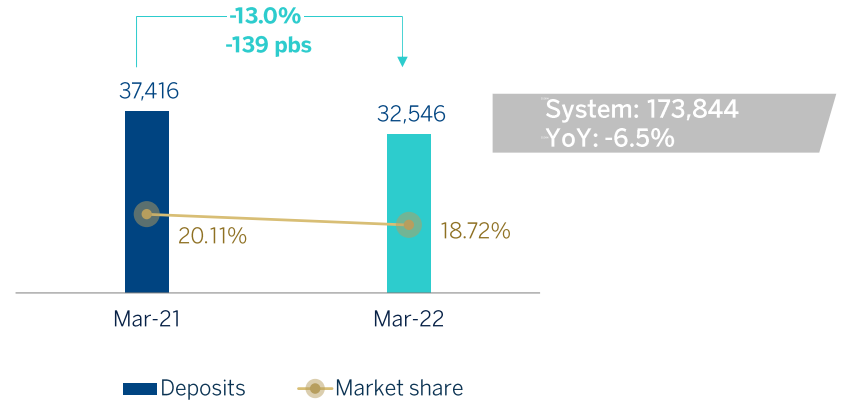
# Deposits<sup>1</sup> (S/ Million, %)



## RETAIL DEPOSITS



## BUSINESS DEPOSITS



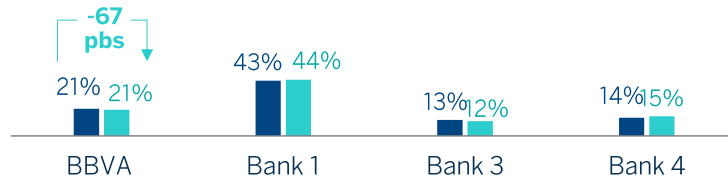
After the important growth of Deposits during the pandemic, we begin to observe a normalization of balances in Retail and Business resources.

<sup>1</sup> Other obligations are excluded from deposits  
Source: SBS.

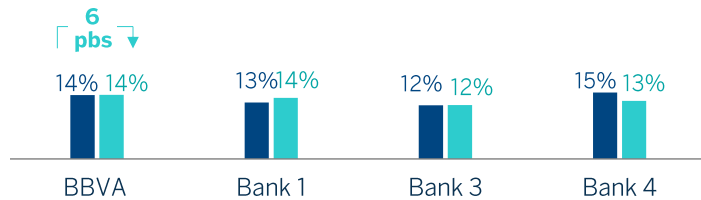
# Market share - Deposits<sup>1</sup>

## RETAIL DEPOSITS

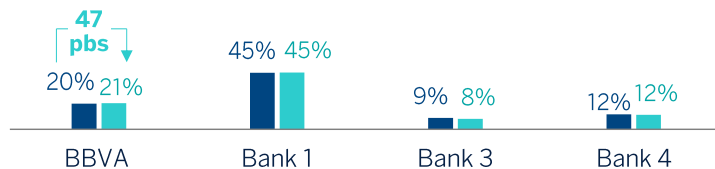
### Demand + Saving



### Term

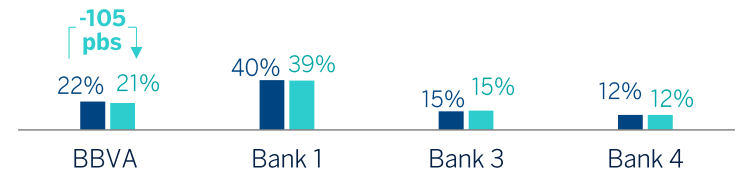


### CTS

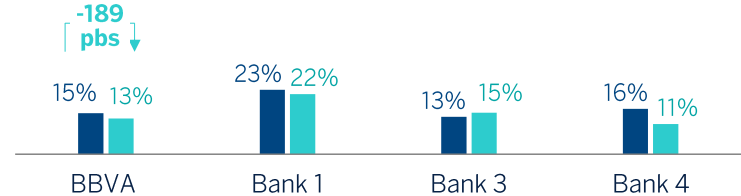


## BUSINESS DEPOSITS

### Demand + Saving



### Term



■ March 2021

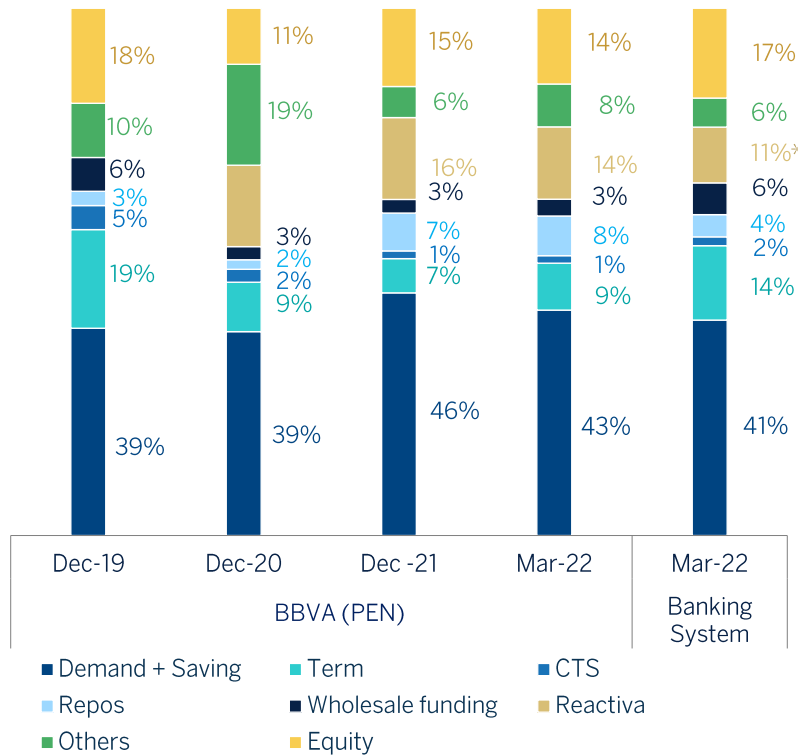
■ March 2022

<sup>1</sup> Other obligations are excluded from deposits  
Source: SBS.

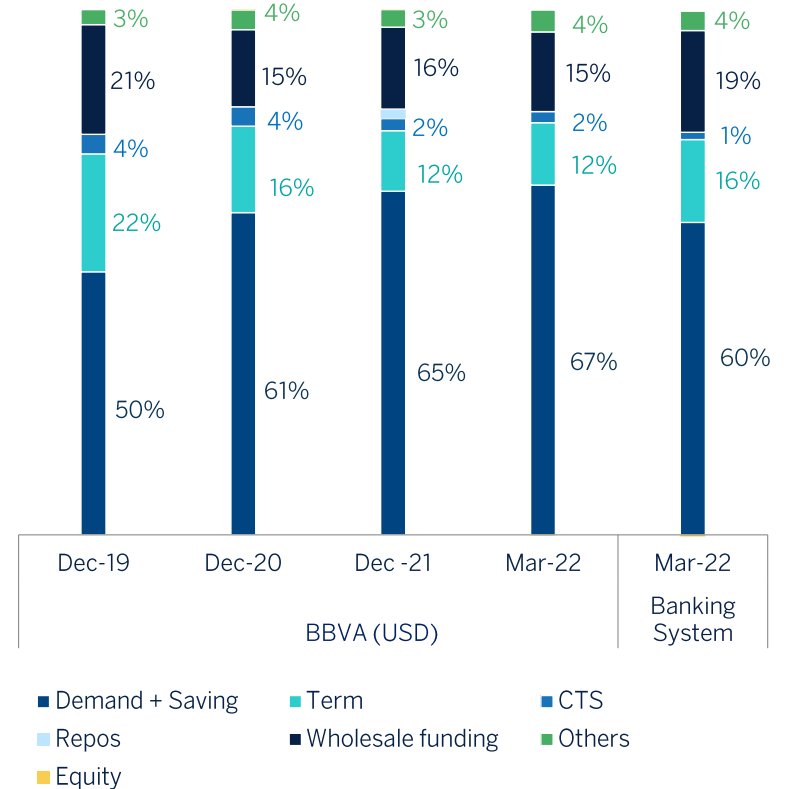


# Liabilities and capital breakdown

## LOCAL CURRENCY

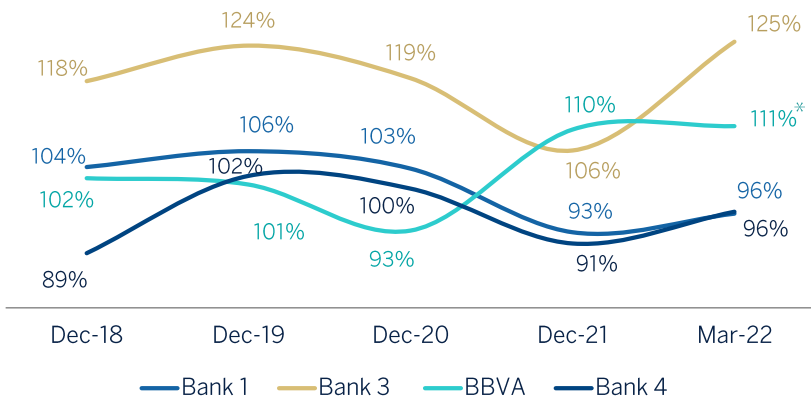


## FOREIGN CURRENCY

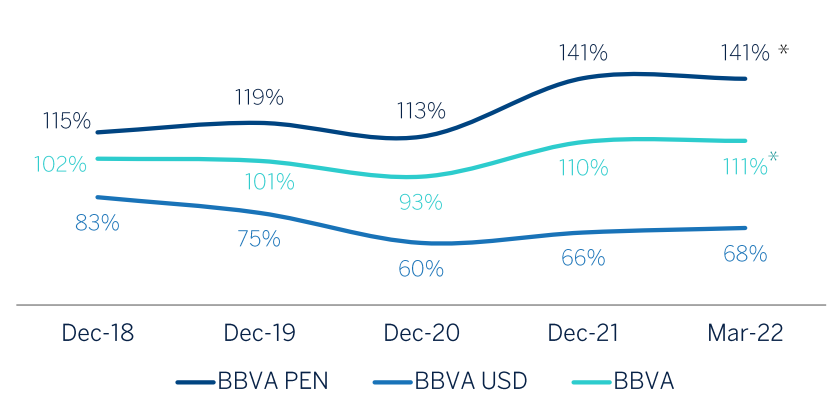


# High level of self-financing and balance sheet in local currency

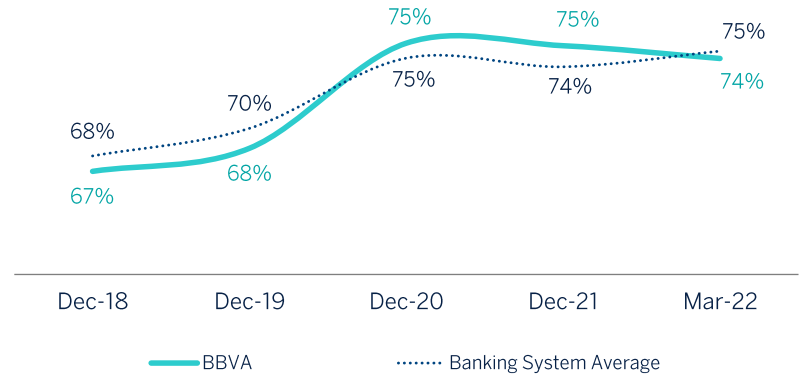
## LOAN TO DEPOSIT<sup>1</sup> – PEER GROUP



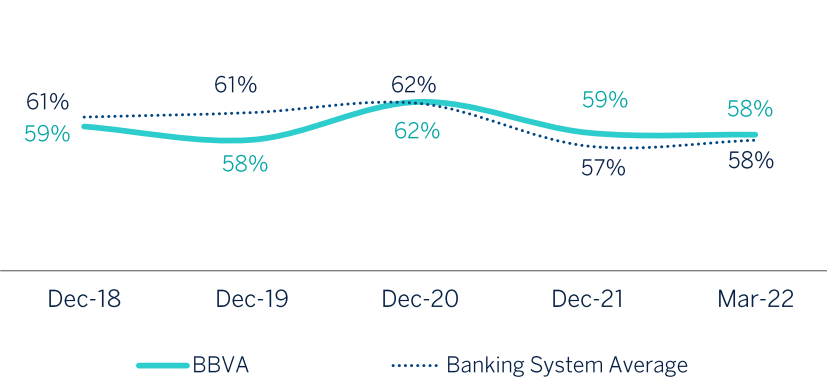
## LOAN TO DEPOSITS<sup>1</sup> BY CURRENCY



## DOMESTIC CURRENCY PERFORMING LOANS



## DOMESTIC CURRENCY DEPOSITS<sup>1</sup> (% TOTAL DEPOSITS)

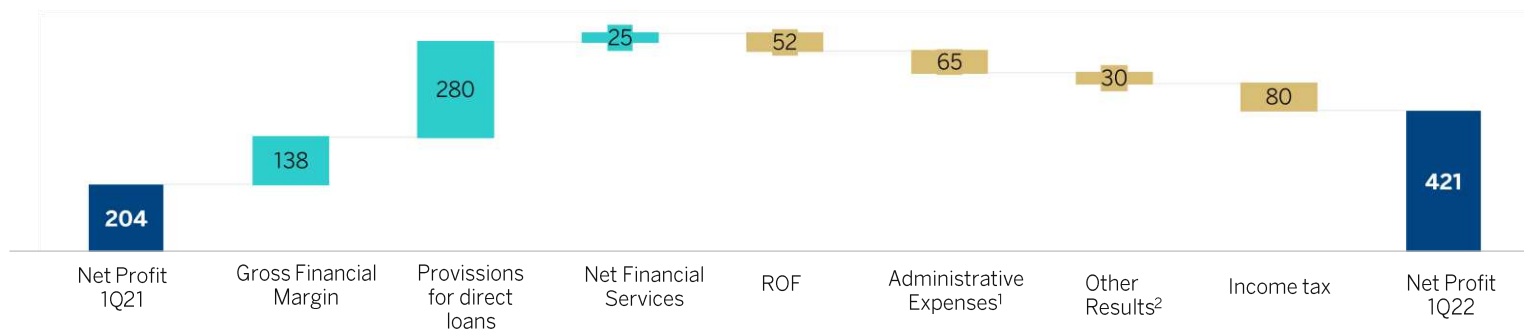


<sup>1</sup>Other obligations are excluded from deposits  
 \*Loan to Deposits Ratio Ex-Reactiva: Total Ratio= 95%; PEN Ratio= 114%  
 Source: SBS

# BBVA Profit & Loss

(S/ Million)

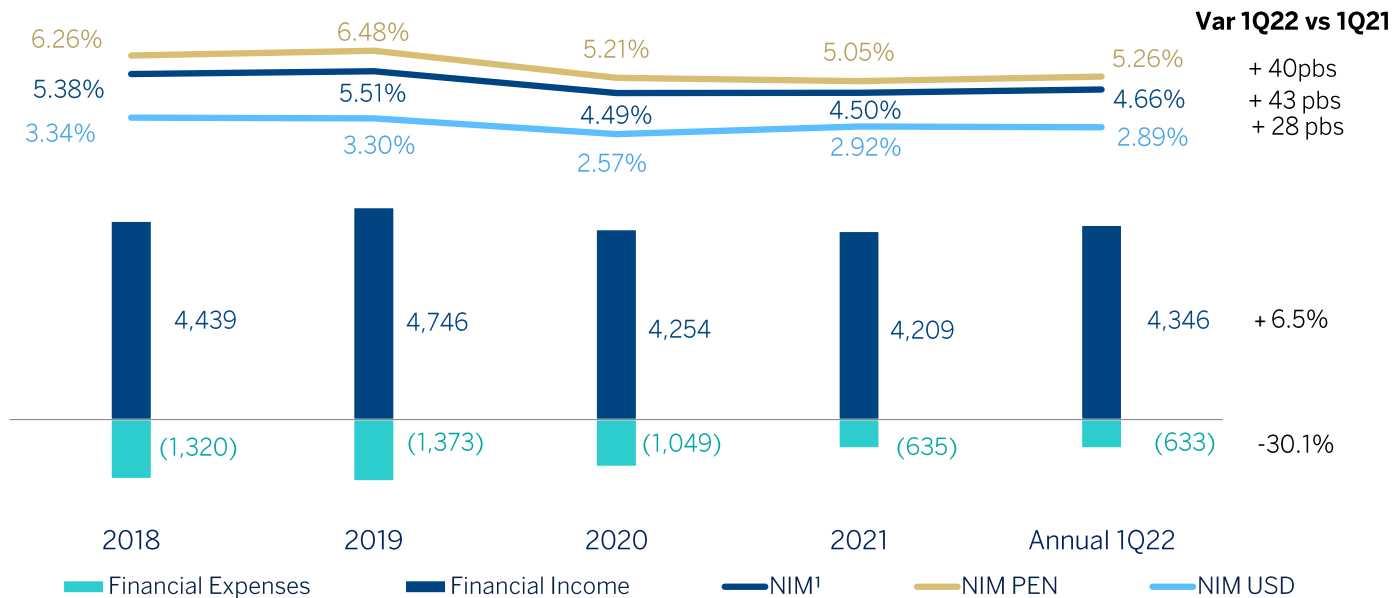
	1Q21	1Q22	Var. Abs.	%
Financial Income	974	1,110	136	14.0
Financial Expenses	(169)	(167)	2	(1.3)
Gross Financial Margin	804	943	138	17.2
Provisions for direct loans	(404)	(123)	280	(69.5)
Net Financial Margin	401	819	419	104.6
Net Fees and Comissions			25	12.0
Gain / Loss From Financial Operations (ROF)	181	129	(52)	(28.6)
Operating Margin	791	1,183	392	49.6
General Expenses			(65)	13.9
Net Operating Margin	328	655	328	100.0
Asset valuation and other provisions	(33)	(77)	(44)	133.0
Resultado de operación	804	943	138	17.2
Other Income and Expenses	(4)	9	13	n.a
Profit / Loss Before Income Tax	291	588	297	102.2
Income tax	(87)	(167)	(80)	92.4
Net Profit	204	421	217	106.3



<sup>1</sup>Includes administrative expenses, depreciation and amortization

<sup>2</sup>Includes asset valuation, other provisions and other income and expenses

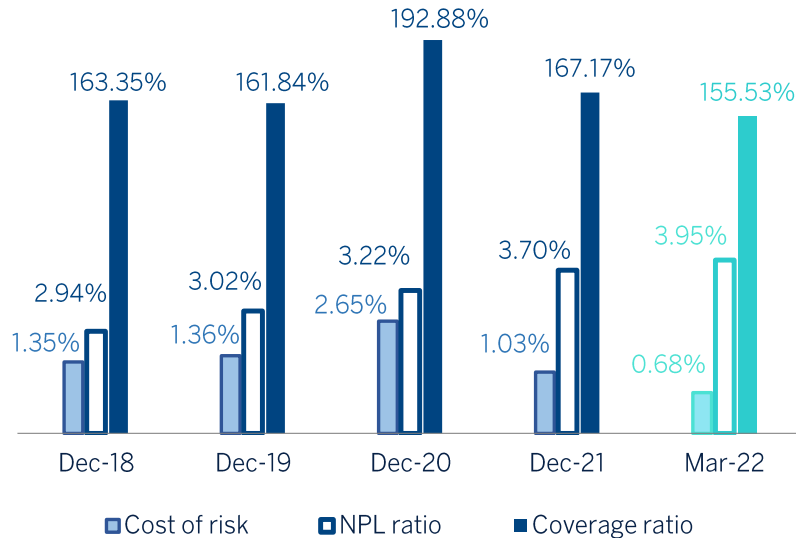
# Gross financial margin (S/ Millions, %)



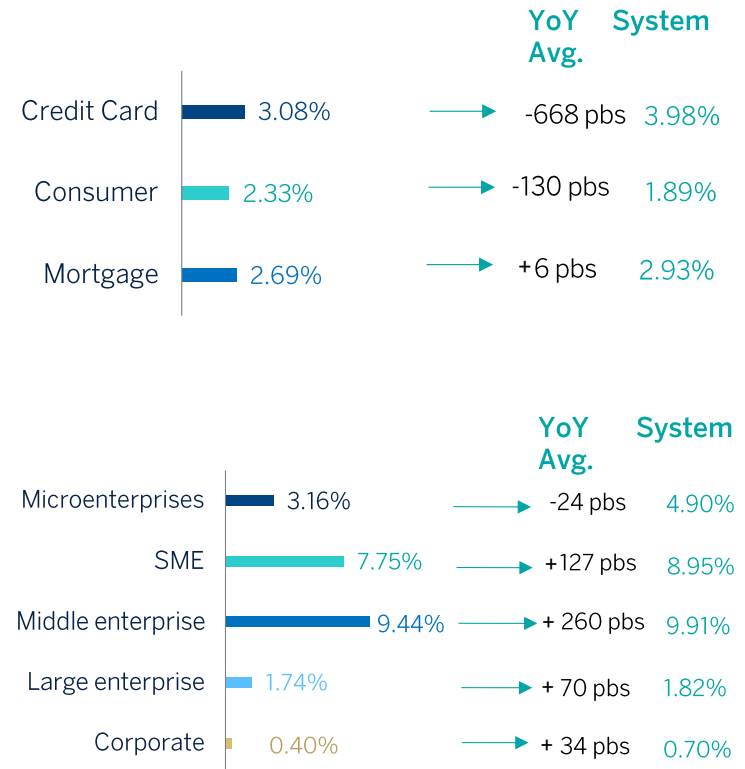
Financial Margin growth was supported in the important decrease in **Financial Expenses**, according to the **Deposits repricing and lower expenses in Wholesale Funding**. Furthermore, an increase in **Financial Income** is registered, explained by the growth in **Retail and Ex-Reactiva Enterprises loans**.

# Asset quality of BBVA Peru

## OUTSTANDING ASSET QUALITY



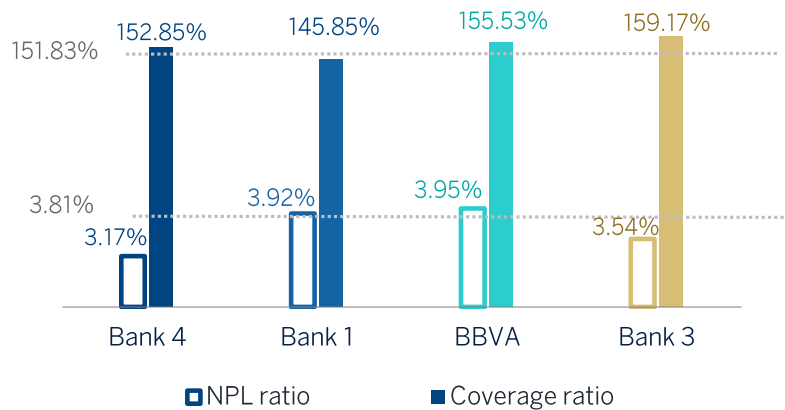
## NPL RATIO BY PRODUCT AND SEGMENT (MARCH 2022)



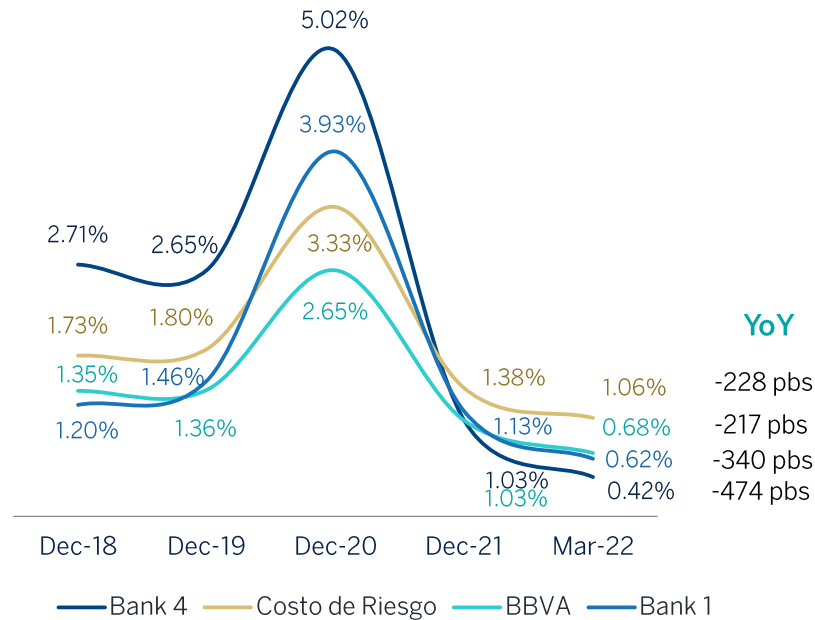
# Risk management of BBVA Peru vs Peer Group

## NPL RATIO & COVERAGE RATIO (MARCH 2022)

Banking System Average

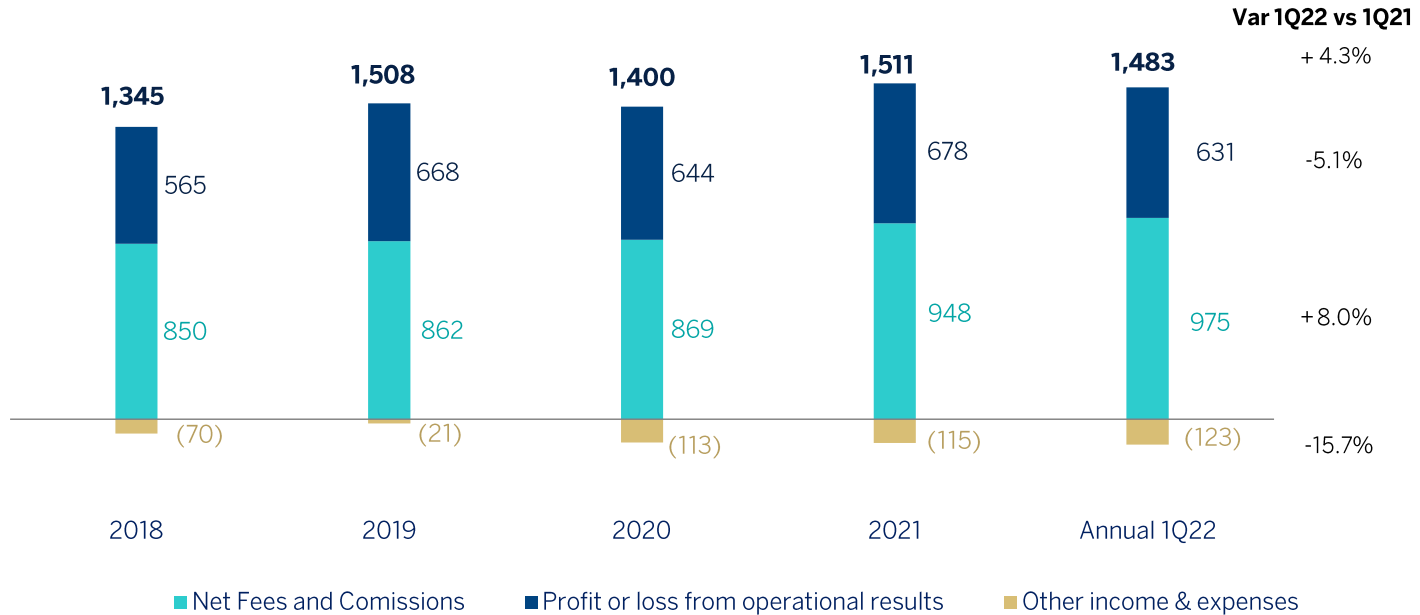


## COST OF RISK<sup>1</sup> VS. PEER GROUP



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

## Other Financial Income (S/ Millions, %)

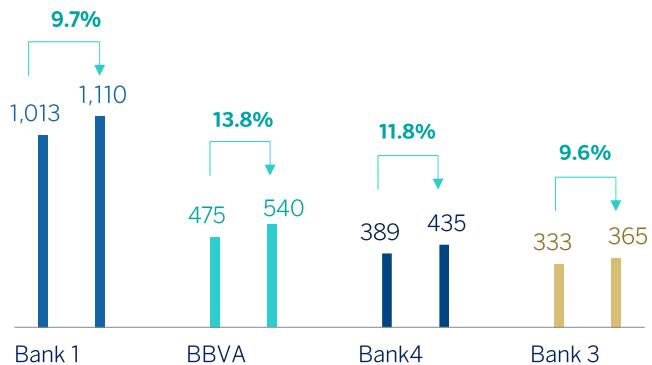


The YoY growth in Net Fees and Comissions is driven by the gain in **Credit Cards** income, as well as **National Transferences and Collection of Services**. Meanwhile, Profit or loss from operating results (ROF) decreases due to Derivatives.

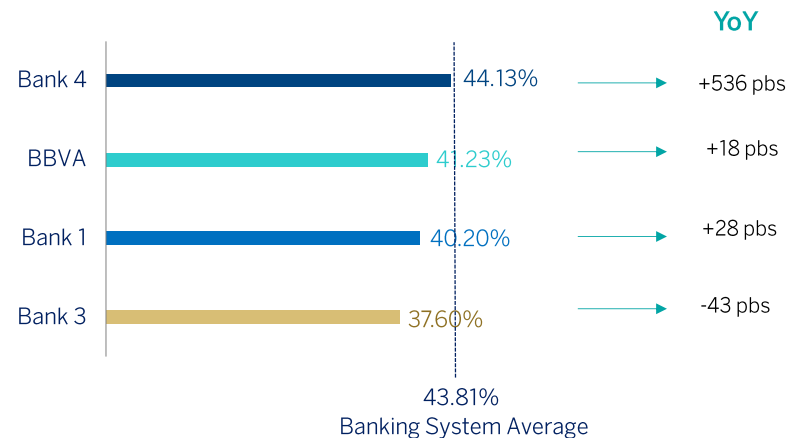
# Expenses management (MARCH 2022)

## ADMINISTRATIVE EXPENSES<sup>1</sup> (S/ MILLION,%)

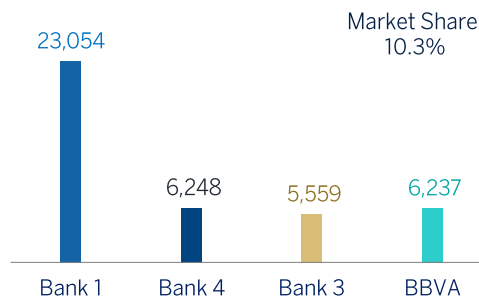
(VAR YOY)



## EFFICIENCY RATIO



## NUMBER OF EMPLOYEES

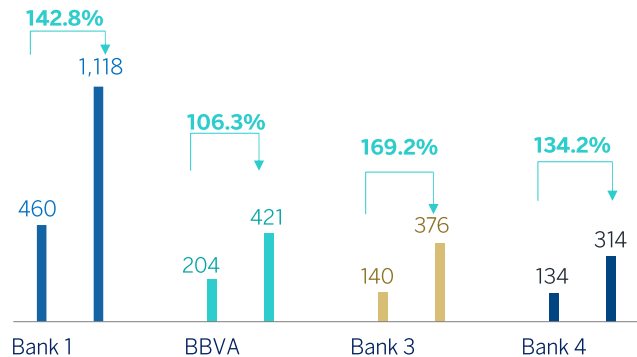


<sup>1</sup>Includes depreciation and amortization  
Source: SBS.

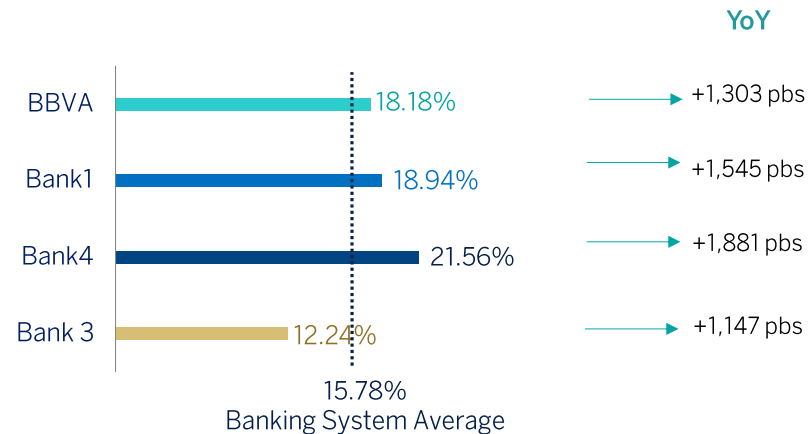


# Profitability management (MARCH 2022)

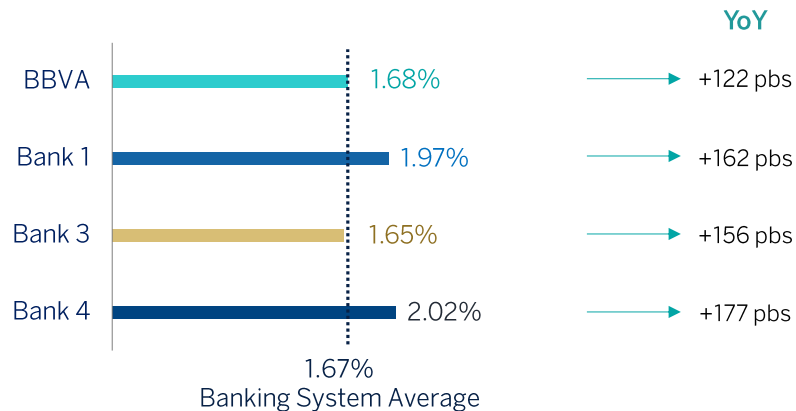
## NET PROFIT (S/ MILLION,%) (VAR YOY)



## RETURN ON EQUITY – ROE

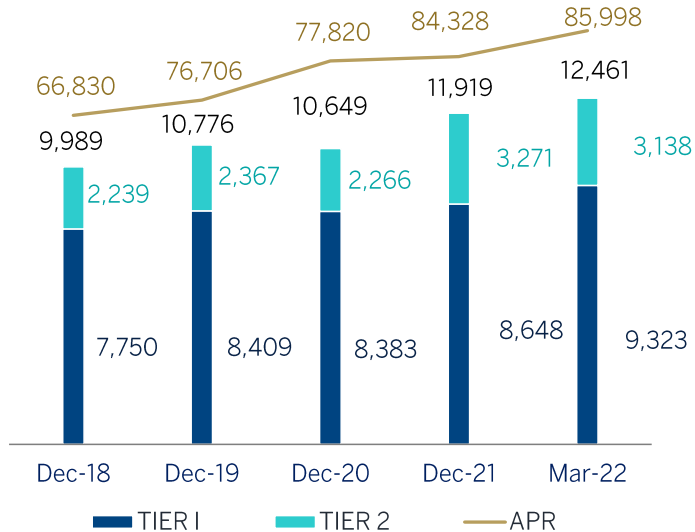


## RETURN ON ASSETS – ROA

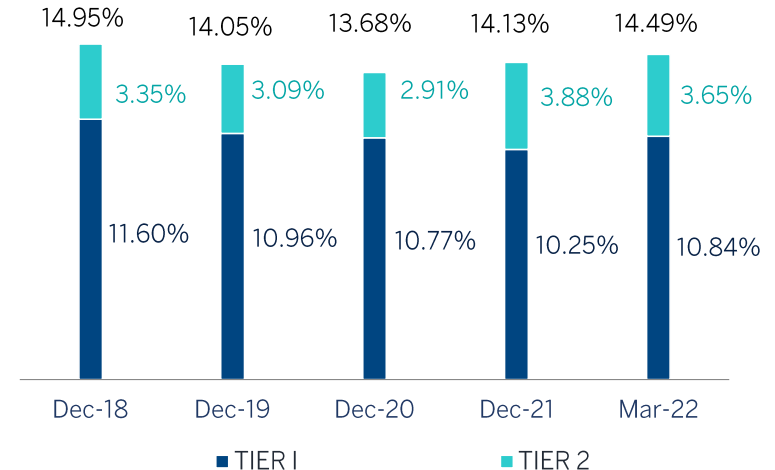


# Solvency management

## REGULATORY CAPITAL & RWA (\$/MILLION)



## CAPITAL RATIOS



As of March 2022, a 10.66% ratio, according to the Letter 02097-2022, is registered (minimum required: 10%)

**Solid generation of capital**, with capital ratios above regulator's requirement

\* CET1=10.45%  
Source: SBS

04

Ratings

# International & local rating

Rating agencies have granted BBVA Peru the Best international and local ratings (April 2022)

## INTERNATIONAL RATING

### S&P

<b>BBB</b>	Foreign currency long term issuances
<b>A-2</b>	Foreign currency short term issuances
<b>BBB</b>	Local currency long term issuances
<b>A-2</b>	Local currency short term issuances
<b>Stable</b>	Outlook

### Moody's

<b>BBB+</b>	Long Term Deposits
<b>Prime2</b>	Short Term Deposits
<b>Stable</b>	Outlook

### Fitch Rating

<b>BBB</b>	Foreign currency long term issuances
<b>F2</b>	Foreign currency short term issuances
<b>BBB</b>	Local currency long term issuances
<b>F2</b>	Local currency short term issuances
<b>Stable</b>	Outlook

## LOCAL RATING

	Apoyo & Asociados	Moody's
Negotiable Certificate of Deposits (CD)	CP - 1+ (pe)	ML - 1+ pe
Short term deposits	CP - 1+ (pe)	ML - 1+ pe
Term deposits > 1 year	AAA (pe)	AAA.pe
Corporate bonds	AAA (pe)	AAA.pe
Subordinated bonds	AA+ (pe)	AA+.pe
Leasing bonds	AAA (pe)	AAA.pe
Common shares	1a (pe)	1a Clase.pe
Issuer rating	A+	A+

05

# Social Responsibility and Awards

# BBVA is committed to financing sustainability initiatives

BBVA's sustainable finance origination within its 2025 Pledge

GREEN  
80%

SOCIAL  
20%



**In June 2021, BBVA double its commitment for sustainable finance origination to €200Bn by 2025**

\* Cumulative origination until December 2021

Information updated as of December 2021  
Exchange rate EUR/USD as of Dec.21=0,8829  
Source: BBVA Group

And through its Community Commitment 2021-2025<sup>2</sup> to promote inclusive growth:

Target 2025

**€ 550 million**  
investment in the community

**100 million**  
people reached

**€ 7.000 million**  
in micro-loans to vulnerable entrepreneurs through BBVAMF

Progress 2021

**€106.3 million**  
invested

**44.2 million**  
people reached

**€1.114 million**  
in micro-loans



**REDUCE INEQUALITY AND PROMOTE ENTREPRENEURSHIP**

2.79 million entrepreneurs supported

709,644 people trained in financial education



**CREATE OPPORTUNITIES FOR ALL THROUGH EDUCATION**

409,064 people participated in educational initiatives

21.9 million people accessed educational contents



**SUPPORT RESEARCH AND CULTURE BBVA FOUNDATION**

266,745 people accessed research and cultural activities

7.9 million people accesses research and cultural content

**BBVA MICROFINANCE FOUNDATION**



**2<sup>nd</sup> largest philanthropic initiative globally and 1<sup>st</sup> in LatAm**



**1<sup>st</sup> private organization contributing in the development assistance for gender equality, according to OECD**

<sup>2</sup>Through local banks and foundations, BBVA Foundation and BBVA Microfinance Foundation (BBVAMF).

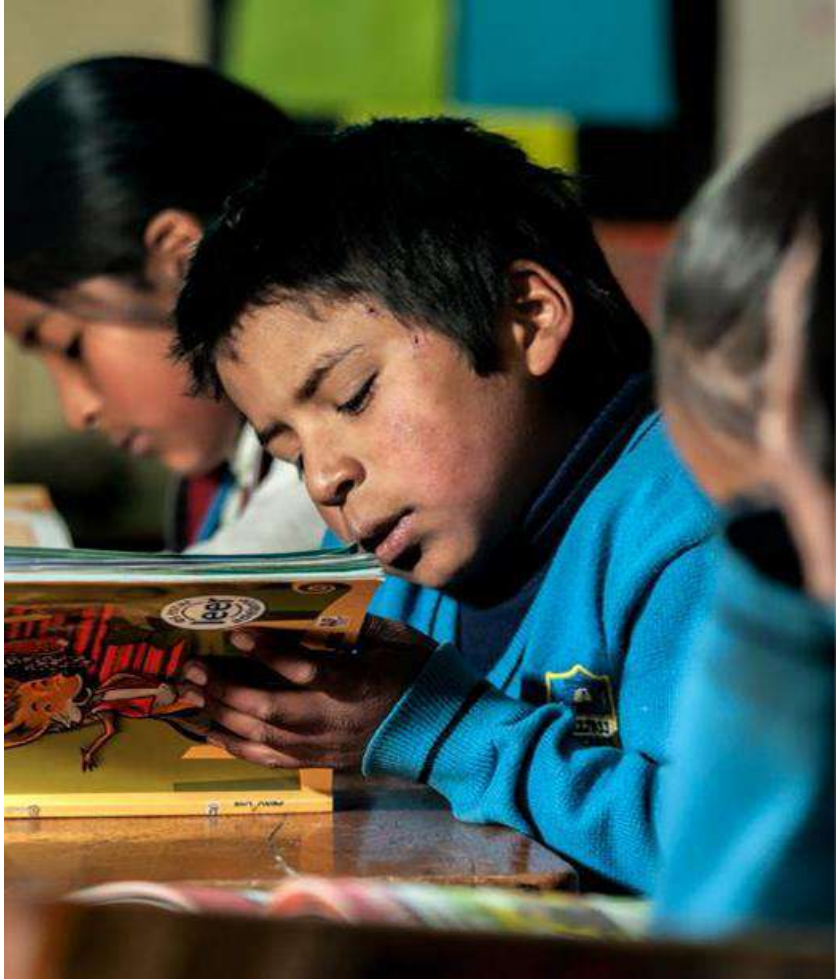
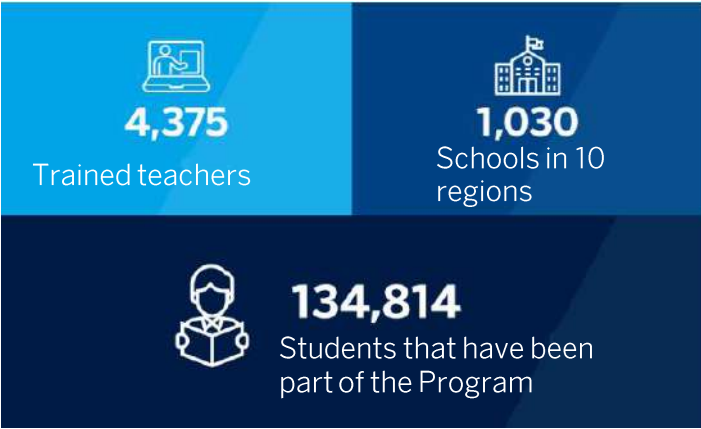
# We are recognized for maintaining our commitment to society

## Fundación BBVA

1

### Programa LEER es estar adelante

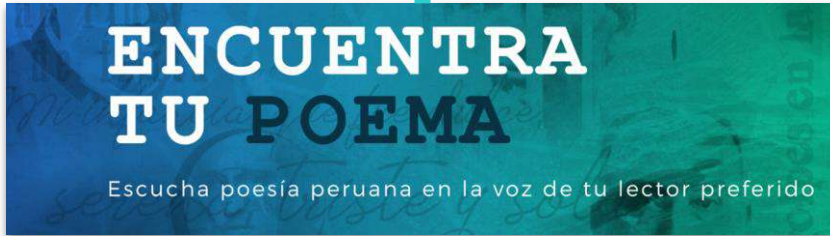
It seeks to raise the level of reading comprehension of students in public schools in Peru.



# We are recognized for maintaining our commitment to society

2

## Cultural Activities



- Portal and podcast for the dissemination of Peruvian poems in the voice of outstanding figures of art and entertainment, in order to preserve the work of notable national poets for future generations.

- Collection of 388 pieces whose objective is to present to the world the artistic manifestations created by women and men of Ancient Peru, between the s. IX BC until the s. XVI.



# Our actions have been highlighted nationally and internationally

Bank of the Year 2021 in Peru, according to the British magazine "The Bankers"



Best financial institution in providing trade finance services by third consecutive year, according to Global Finance



3

PREMIOS

Best Company in Customer Experience in the banking sector in the country



Most admired companies in Peru for the seventh consecutive year, according to PwC and G magazine Management



First Peruvian bank to be included in the DJSI MILA Pacific Alliance Index.

**Dow Jones**  
**Sustainability Indices**

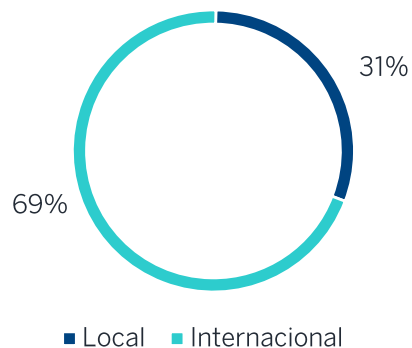
BBVA

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	Dic-11		Dic-26	PEN	150,000	7.47%	PEP11600M186
		Corporativos	Jul-18		Jul-23	PEN	100,000	5.53%	PEP11600M277
		Corporativos	Ago-18		Ago-23	PEN	73,465	5.63%	PEP11600M285
		Corporativos	Jul-19		Jul-22	PEN	120,000	4.31%	PEP11600M301
		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		



**BBVA**

Creando Oportunidades

# BBVA Peru

Investor Report

First Quarter 2022