

**BBVA**

Creando Oportunidades

# BBVA Peru

## Investor Report

4th Quarter 2023

February 2024

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EXHIBIT

Debt Issuances  
Awards

**BBVA**

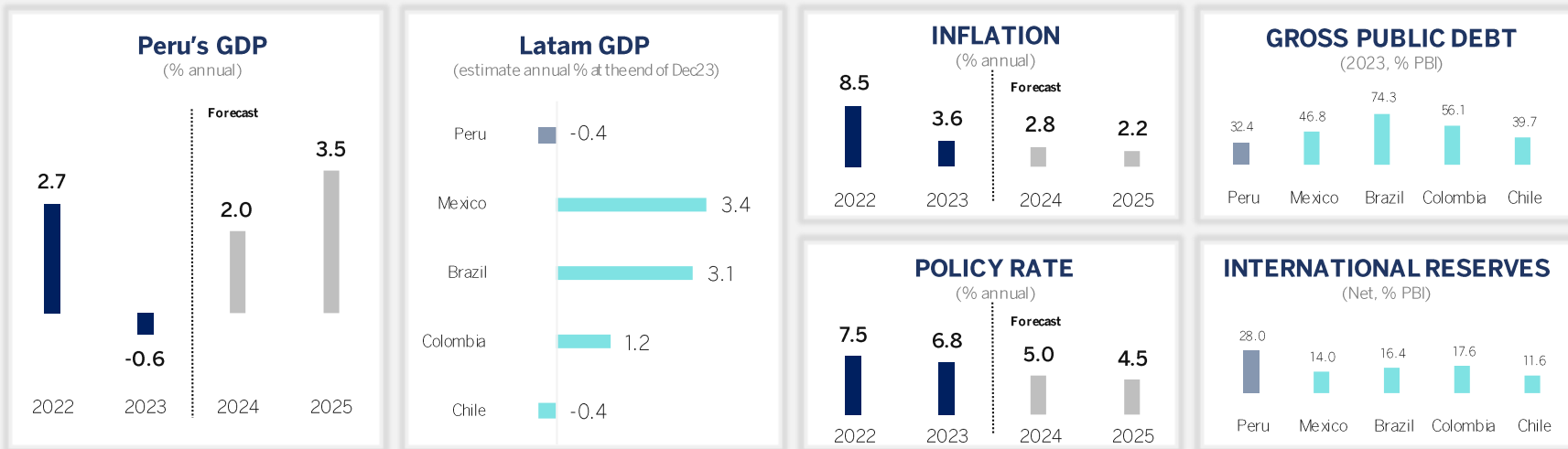
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01

# Economy & Financial System

# Macroeconomic Environment

GDP rebound in 2024 driven by better weather conditions and favorable environment for household and business spending. With low levels of debt and high international reserves



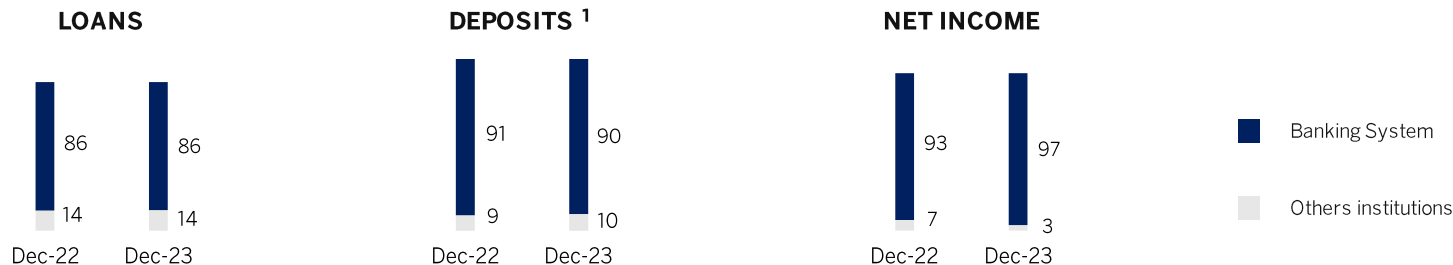
## For 2024:

- We anticipate El Niño to dissipate in 2Q24, leading to a rebound in activity driven by increased spending on reconstruction and a favorable environment for household and business expenditures.
- Inflation is falling faster than expected, this trend should continue going forward and become more evident after El Niño dissipates, aligning more closely with the Central Bank target.
- With inflation declining rapidly, the Central Bank should continue to cut its monetary policy rate, but will probably proceed with caution.

# Peruvian Financial System

Challenging environment for the Financial System. The top 4 banks concentrate 84% of Loans and 83% of Deposits in the banking system

Peruvian Banking System		Institution (S/ millions)	Colocaciones Netas	YoY	Depósitos	YoY	Utilidad Neta	YoY
Banking System	Banks (17)		328,595	-2%	335,251	3%	9,226	-9%
	Banco de la Nación		12,385	33%	40,737	-2%	1,652	86%
Other Financial Institutions	Cajas Municipales (12)		32,791	8%	30,621	17%	148	-61%
	Financieras (9)		13,222	5%	8,565	6%	119	-73%
	Cajas Rurales (5)		1,236	-42%	1,162	-34%	-36	-13%
	Credit Business(6)		2,570	-14%	0		29	-159%
	COFIDE		4,620	-18%	50	-78%	72	113%
	Agrobanco		270	0%	0		61	60%
<b>Total Financial System</b>			<b>395,689</b>	<b>-1%</b>	<b>416,387</b>	<b>3%</b>	<b>11,272</b>	<b>-5%</b>

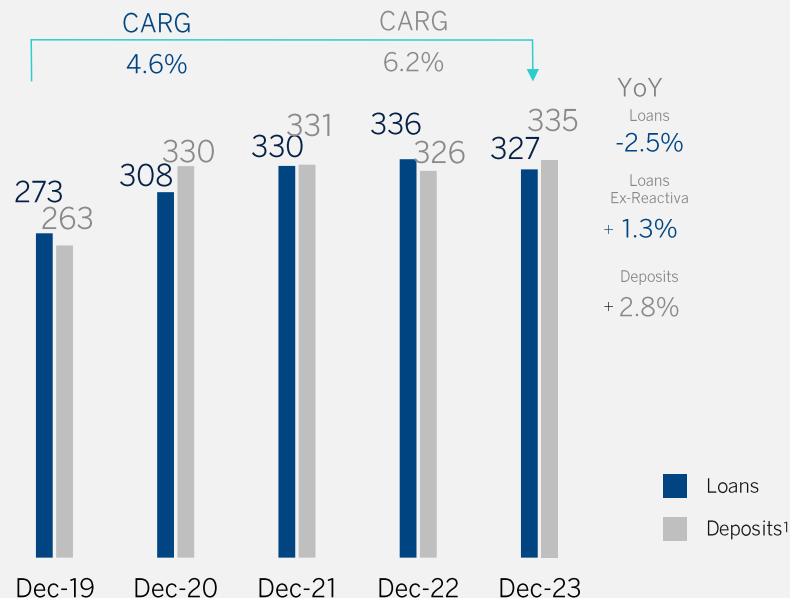


<sup>1</sup>Other deposit obligations are excluded  
Source: SBS

# Peruvian Financial System

Loans increase excluding Reactiva maturities, supported by Retail and Enterprises loans; meanwhile, Resources growth due to Term deposits

## LOANS AND DEPOSITS EVOLUTION

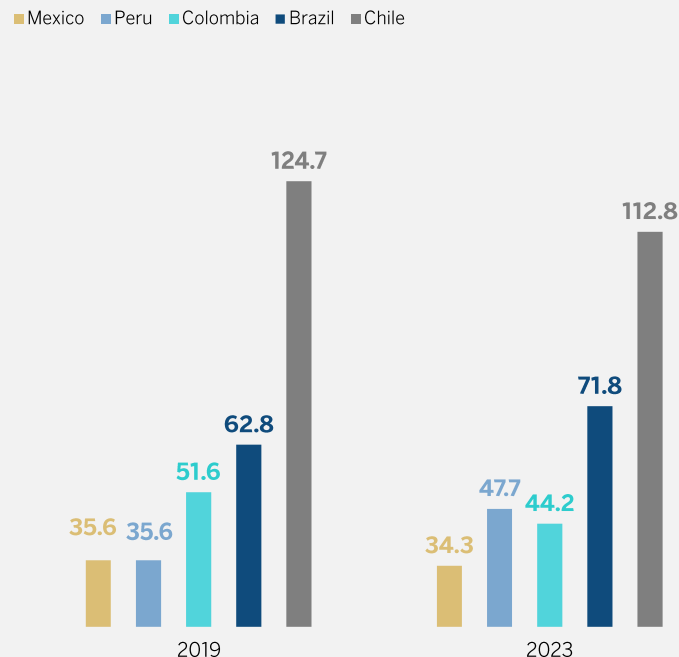


BBVA market share in Reactiva loans

Market Share	Dec-20	Dec-21	Dec-22	Dec-23
	28.0%	29.5%	31.0%	32.9%

## BANK PENETRATION<sup>2</sup>

(DOMESTIC CREDIT TO THE PRIVATE SECTOR AS % OF GDP)



<sup>1</sup>Other deposit obligations are excluded | <sup>2</sup> 2023 has the last available information  
Source: SBS and The World Bank (Datavise)

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02

About BBVA Peru

# About BBVA Peru

BBVA Peru has the support of two large groups: BBVA and Breca Group



**BBVA Group**

46.12%

**BRECA Group**

*Business group founded by the Brescia Cafferata family, it is one of the largest Peruvian business conglomerates.*

46.12%

more than 50 companies



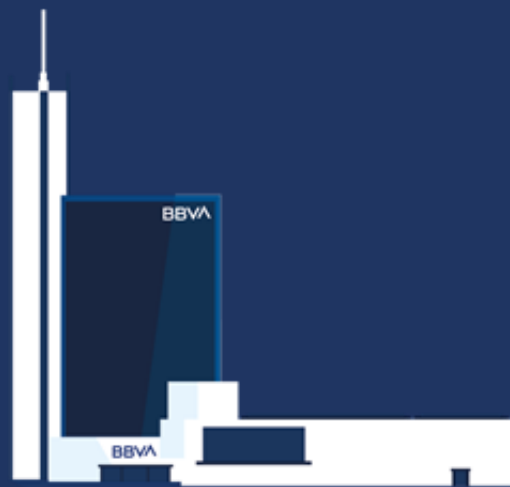
## BBVA Peru

*Main Subsidiaries:*

Inmuebles y Recuperaciones BBVA SA  
Forum Distribuidora S.A  
BBVA Sociedad Agente de Bolsa  
BBVA Asset Management SAF

AFPs  
Insurers  
Investment Funds  
Retail Shareholders

7.76 %  
Float BVL





# About BBVA Peru

## BBVA's GLOBAL PRESENCE

December 2023



Countries  
>25

Branches  
5,949

Employees  
121,486

## DIGITAL CAPABILITIES



Customers

mobile  
52.8M

Digital sales

units  
79%

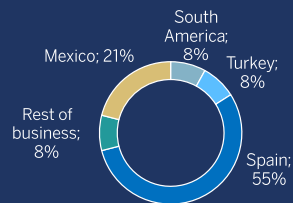
Our purpose

“ To bring the age of opportunity to everyone ”

## DIVERSIFICATION UNDER A DECENTRALIZED MODEL

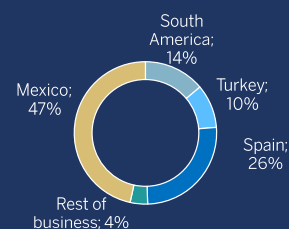


TOTAL ASSETS



Total Assets  
776 bn €

GROSS INCOME



Net Attributable Profit (12M)  
8,019 M €

## SUSTAINABLE DEVELOPMENT AND DIRECT CONTRIBUTION TO SOCIETY



New BBVA's 2025 Goal

300 bn €

between 2018 and 2025

206 bn €

Since 2018

## LEADING FRANCHISES

Ranking and market share (%)

SPAIN	#3	13.8%	PERU	#2	20.1%
MEXICO	#1	24.7%	COLOMBIA	#4	11.4%
TURKEY	#2	18.3%			

## BBVA Peru share The Group Global Strategy

### OUR PURPOSE

**“To bring age of opportunity to everyone”**

### WE FOLLOW THE GROUP'S STRATEGIC PRIORITIES



Improve the **financial health** of our clients



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



Reach **more clients**



Pursue **operational excellence**



The **best team** y el **most committed**



**Data y Technology**

### OUR VALUES



**Customer** comes first



We think **big**



We are **one team**

BBVA has continuously worked on growing the sustainable business by fostering new business lines, and focus on increasing the value offer, with inclusive growth and climate action.

**Retail** **s/ 872** MM (Dec 23)



The only Green mortgage in Peru, having received awards in recognition for it: Ganador "Edge Champions 2023"



First and only financial product on the market to finance sustainable vehicles

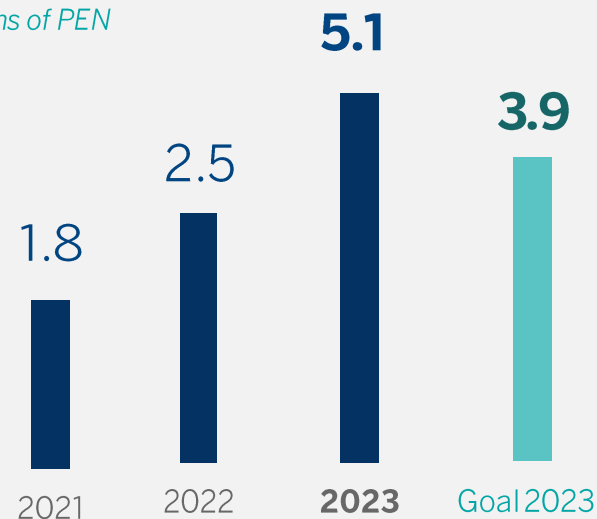


Credit cards made with recycled material - 86% PVC. Also, we offer cards for low income clients and credit cards with guarantees to promote financial inclusion.

**BEC** **s/ 2,444** MM (Dec 23)

**CIB** **s/ 1,807** MM (Dec 23)

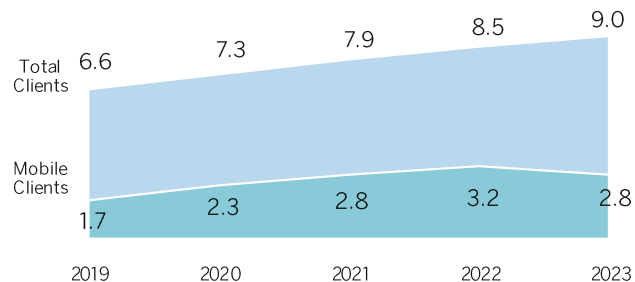
*In billions of PEN*



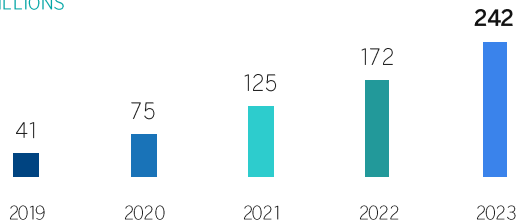
**With an execution of 131% as of December 2023**

We know the importance of digitalization nowadays. For this reason, BBVA Peru is constantly capturing value through various products.

## CUSTOMER EVOLUTION IN MILLIONS



## APP MONETARY TRANSACTIONS IN MILLIONS



Digital Sales **62%**

Credit Cards

**58%**

Loans

**62%**

Accounts

**48%**

- The app is BBVA's primary transactional channel with a 58% share. [In 4Q23, it ranked first in customer experience, achieving a 68% Net Promoter Score \(NPS\).](#)
- [PLIN](#) was the most performed operation in the app, reaching a record of 18 million transactions in December (+136% vs. Dec-22)
- [58% of card sales](#) are conducted through digital channels, thanks to the continuous campaigns launched that offer a differentiated value proposition to our customers.
- [Loans](#) have a strong digital presence and significant opportunity; however, given the increased risk context in the system, certain limits have been set.
- [48% of BBVA accounts are opened digitally.](#) This flow is crucial for us as it brings in new customers. Therefore, we focus on achieving the highest activation percentage to generate increased transactional activity.

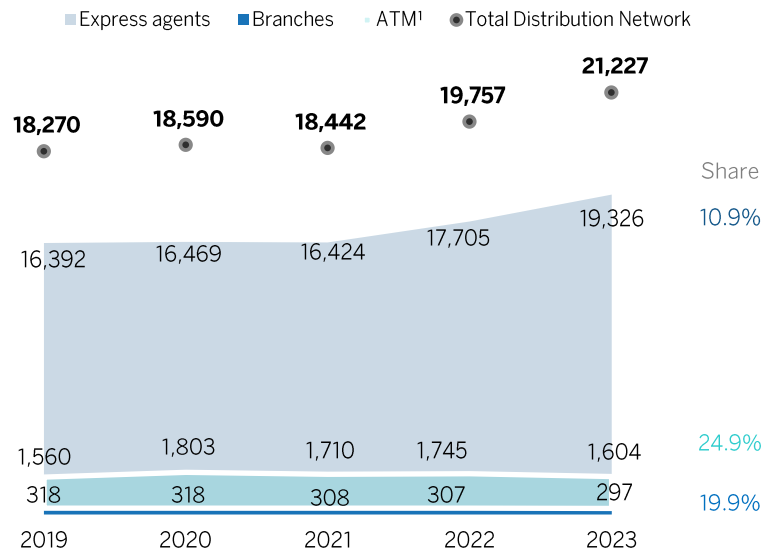
# Banking Platform

Meanwhile, our Banking Platform continues to evolve and strengthen to improve our customers experience

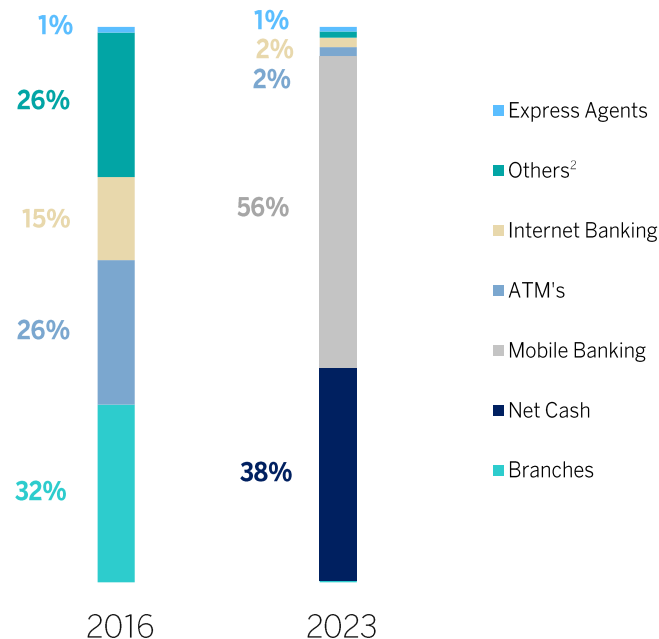
## Distribution Network

One of the largest in the country

- With 21,227 points of service
- More than 9 millions of customers (+6% YoY)



## Transactions per Channel



<sup>1</sup>ATMs and Express Agents information from ASBANC

<sup>2</sup>Others includes Telephone Banking, POS, Express Cash, and Automatic debt  
Source: ASBANC, SBS and BBVA

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03

# Financial Highlights

# Key Messages 2023

## 1 HIGH PROFITABILITY

NET INCOME (\$/ MM,%)

**1,869**

-2.3% YOY

ROE (% ,pp)

**16.1**

-2.1pp YOY

ROA (% ,pp)

**1.9**

-2 bps YOY

## 2 BEST IN CLASS IN EFFICIENCY MANAGEMENT

COST TO INCOME(%)

**38.16**

to Dec-23

vs

- 91 bps YOY

40.83% Banking System average

## 3 MODERATE DETERIORATION OF CREDIT QUALITY

COST OF RISK (%)

**2.68**

vs. 1.37 in Dec-22  
vs. 1.36 in Dec-19

NPL (%)

**4.71**

vs 4.31 Banking  
System average

COVERAGE RATIO (%)

**138**

vs 145 Banking  
System average

## 4 STRONG CAPITAL AND LIQUIDITY RATIOS

GLOBAL CAPITAL (%)

**15.59**

CET1 (%)

**12.33**

LOAN TO DEPOSITS (%)

**100**

## 5 STANDING OUT IN THE DIGITAL STRATEGY

MOBILE CUSTOMERS

**2.8 MM**

DIGITAL ACTIVE CUSTOMERS

**4.6 MM**

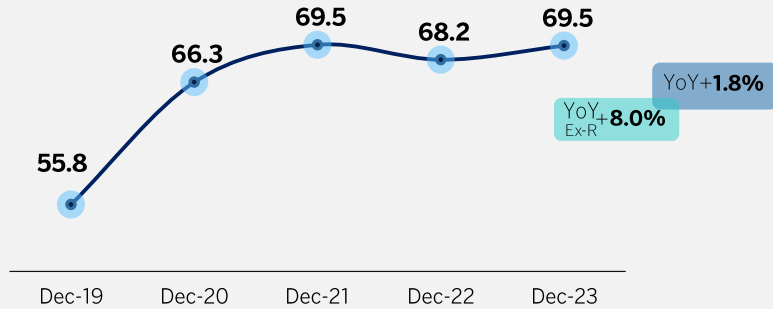
BBVA APP

Digital platform  
benchmark in the Market

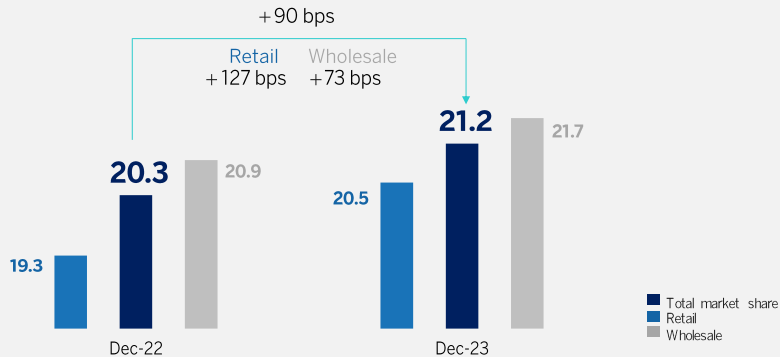


# Outpacing the System's growth, with a significant gain in market share.

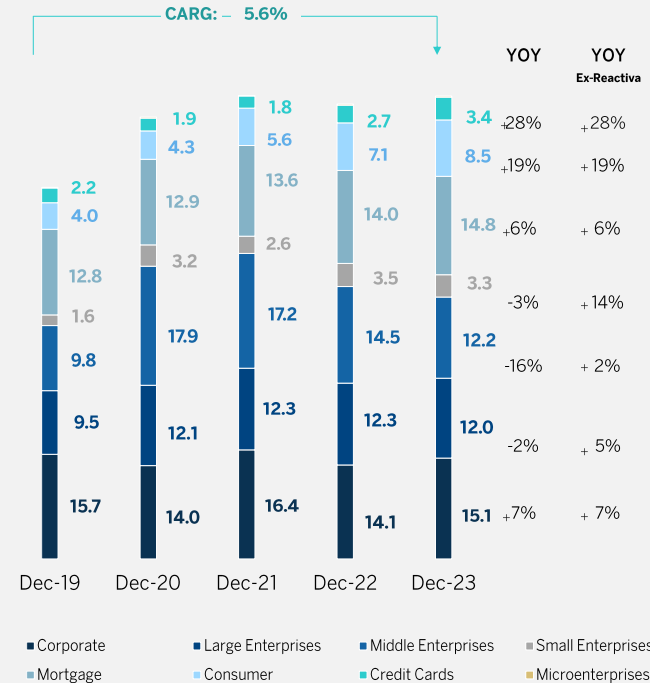
Performing Loans (\$/billions)



Market Share (%)



Loans by segment (\$/billions, %)

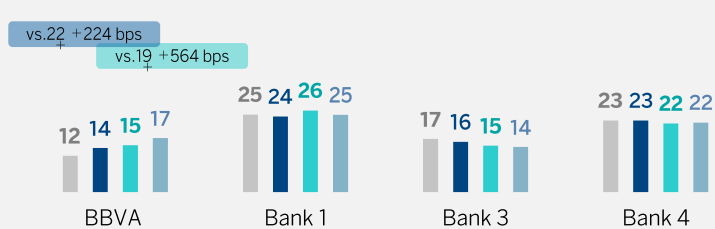


The dynamism of retail loans stands out. Additionally, there is an increase in enterprise loans, excluding Reactivamaturities

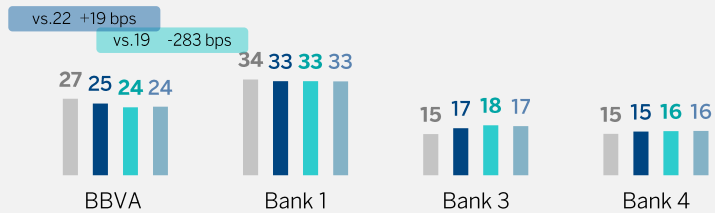


# Market Share (%)

## Consumer + Credit Cards

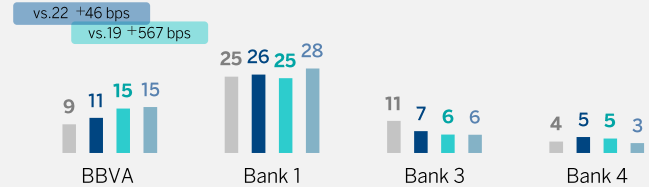


## Mortgages

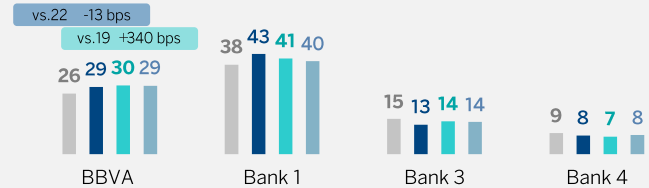


We are on our way to become a **Retail Bank**, with a year-over-year growth in **Consumer + Cards and Mortgages** market share. In addition, we gained market share in **Corporates, Large and Small Enterprises**.

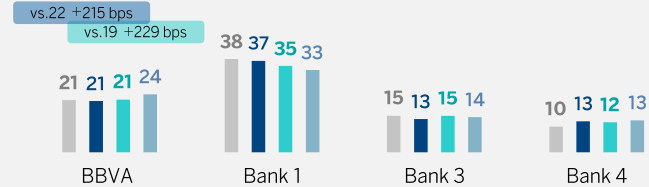
## Small Enterprises and Microfinance



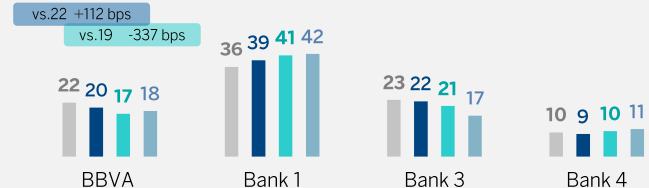
## Medium Enterprises



## Large Enterprises



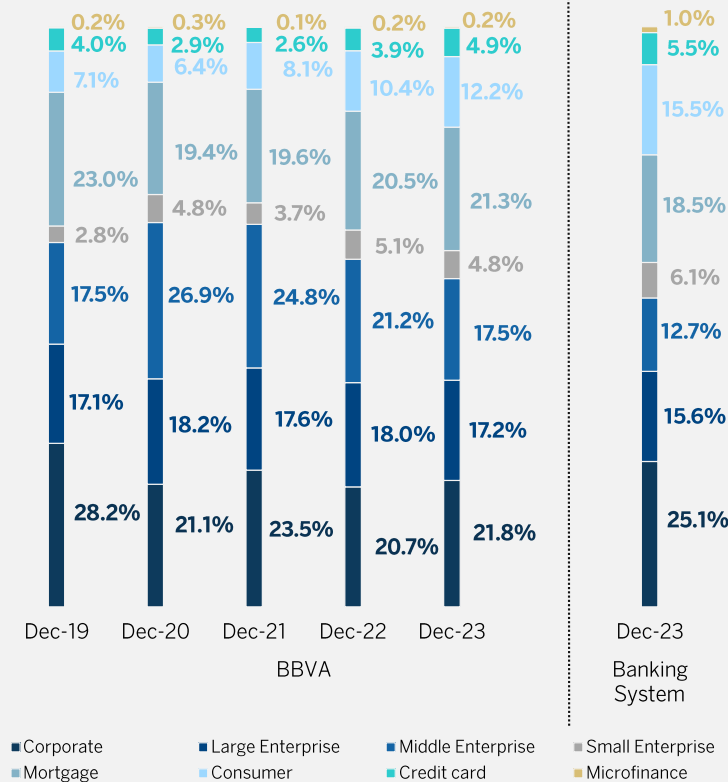
## Corporates



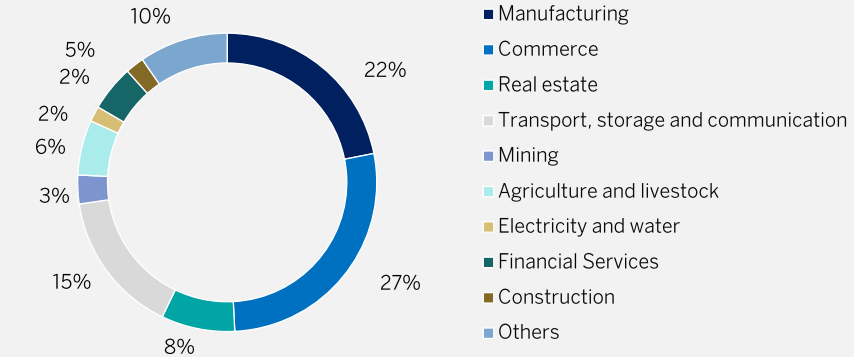
■ Dec-19 ■ Dec-21 ■ Dec-22 ■ Dec-23

# We maintain a strategically diversified loan portfolio

Performing Loans(%)



Loans by economic sector (%)

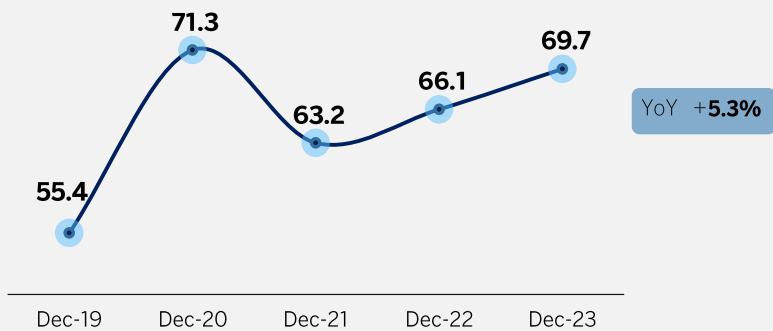


Risk Concentration

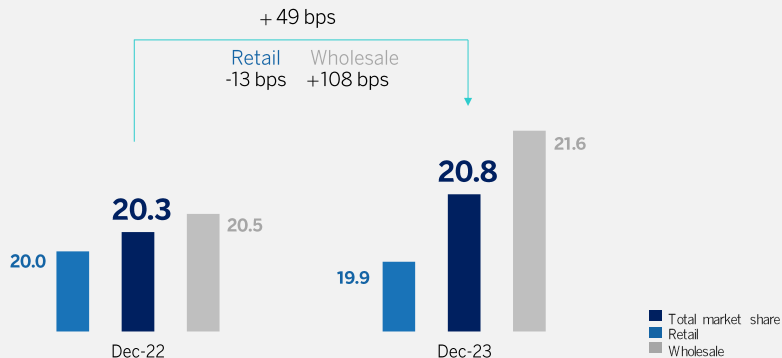


# Deposits increase in Time and Business Demand + Savings deposits, gaining market share

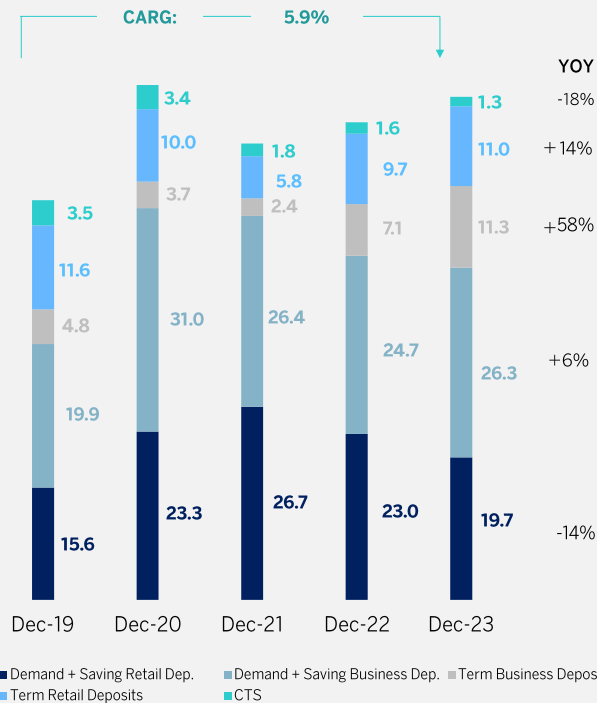
Deposits (\$/billions)



Market Share (%)



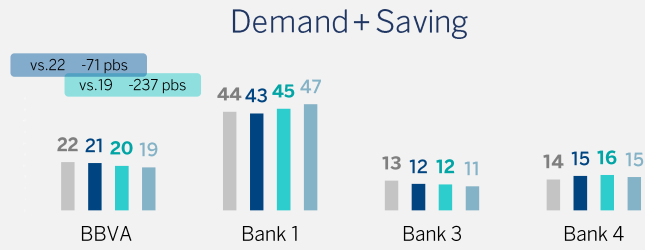
Deposits by segment (\$/billions, %)



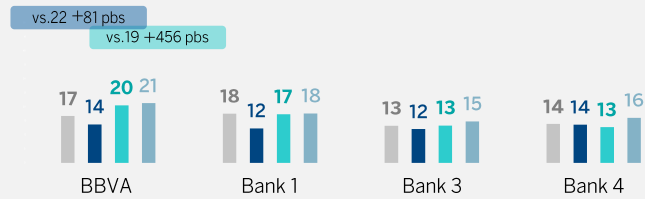
**Deposits increase** due to higher Term balances (Individuals and Companies), given the increase in remuneration rates and different campaigns to capture and retain balances.

# Market Share

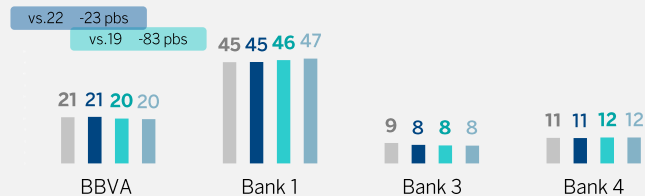
## Retail Deposits, (%)



### Term

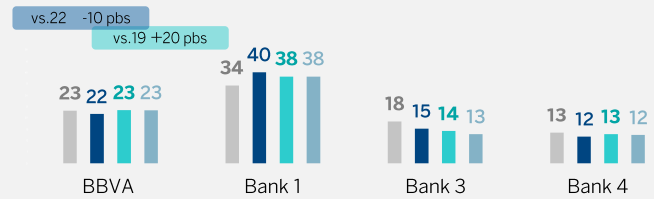


### CTS

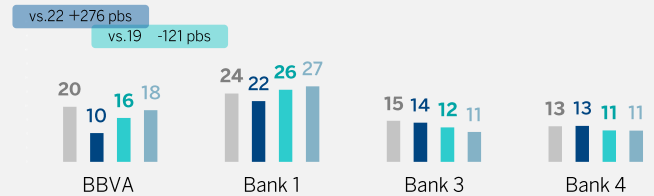


## Business Deposits, (%)

### Demand+ Saving



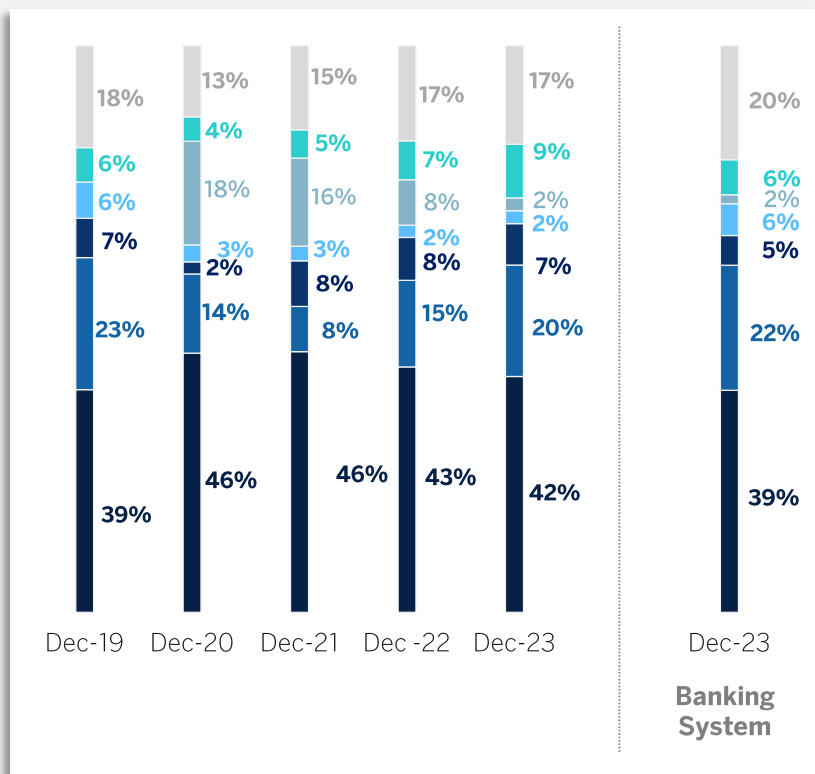
### Term



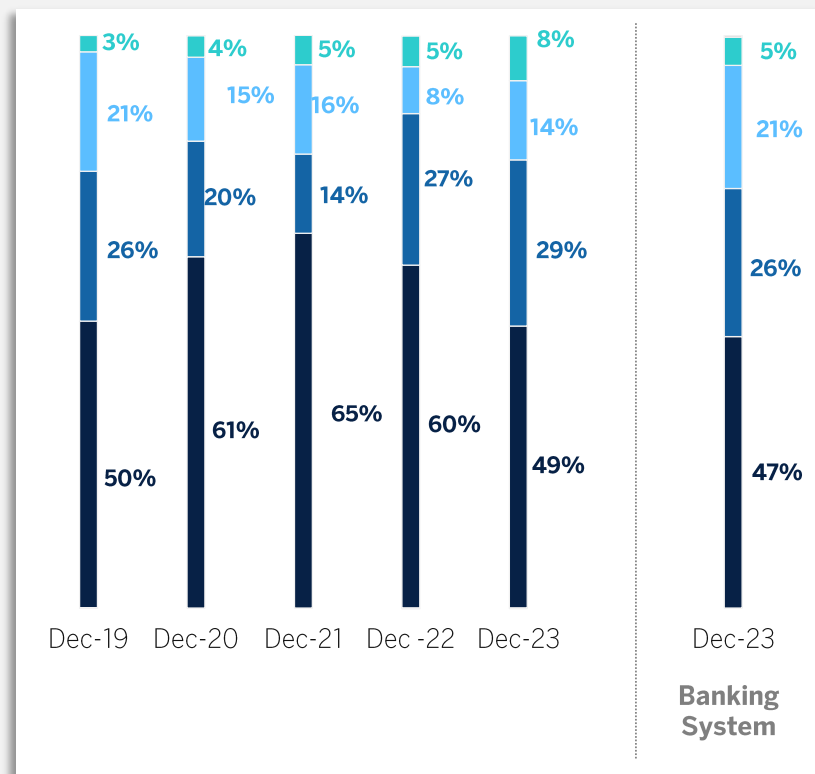
■ Dec-19 ■ Dec-21 ■ Dec-22 ■ Dec-23

# Liabilities and Capital Structure

## Local Currency



## Foreign Currency

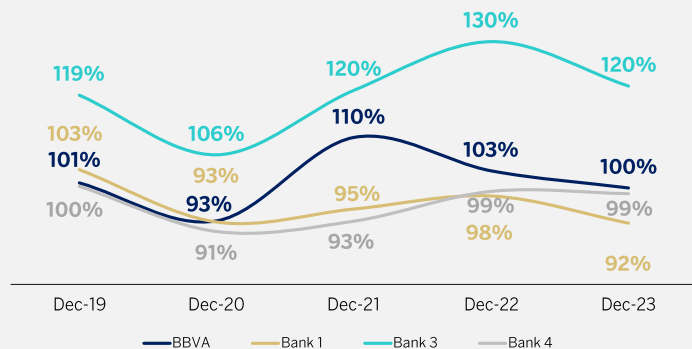


Estimated amount according to the Financial System  
Source: SBS and BCRP

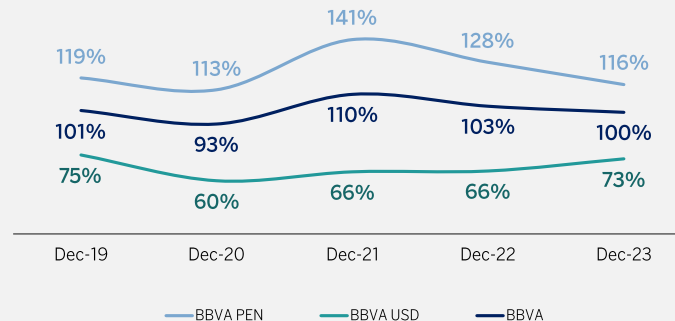
■ Demand + Saving ■ Term + CTS ■ Repos ■ Wholesale funding ■ Reactiva ■ Others ■ Equity

# High degree of self-financing and balance sheet solarization

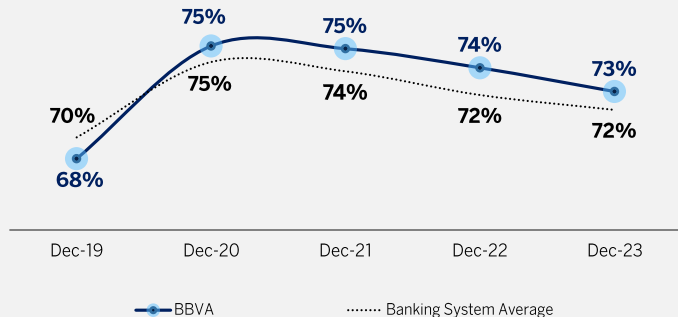
Loans to deposits<sup>1</sup>



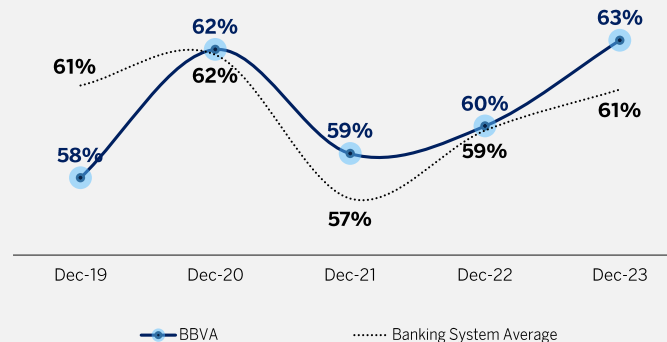
Loans to deposits<sup>1</sup> (by currency)



Domestic Currency Performing Loans



Domestic Currency deposits<sup>1</sup>



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

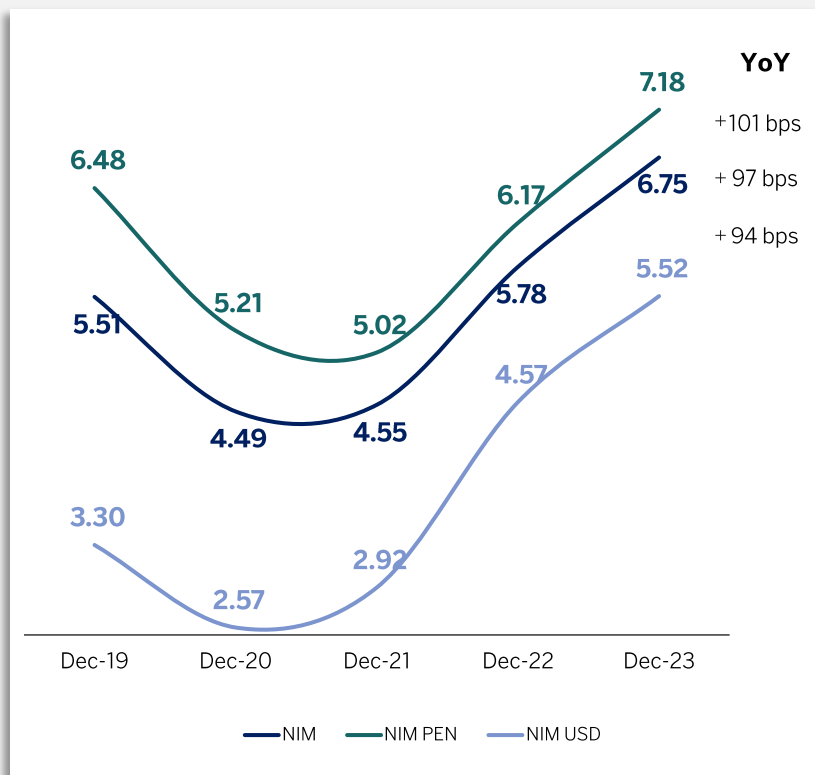
# P&L Zoom (12M)

Income Statement	Dec-22	Dec-23	Var. %
Financial Income	5,717	7,575	32.5
Financial Expenses	-1,126	-2,230	98.1
<b>Gross Financial Margin</b>	<b>4,591</b>	<b>5,345</b>	<b>16.4</b>
Provision for Direct Loans	-999	-1,964	96.6
<b>Net Financial Margin</b>	<b>3,592</b>	<b>3,380</b>	<b>-5.9</b>
Net Income from Financial Services	872	993	13.8
Gain/Loss from Financial Operations (ROF)	641	856	33.6
<b>Operating Margin</b>	<b>5,105</b>	<b>5,229</b>	<b>2.4</b>
Administrative Expenses <sup>1</sup>	-2,124	-2,453	15.5
Depreciation and Amortization	-210	-231	10.0
<b>Net Operating Margin</b>	<b>2,770</b>	<b>2,545</b>	<b>-8.1</b>
Asset Valuation and Other Provisions	-133	-194	45.9
Other Income and Expenses <sup>2</sup>	9	69	698.0
<b>Profit/Loss Before Income Tax</b>	<b>2,646</b>	<b>2,420</b>	<b>-8.5</b>
Income Tax	-734	-551	-24.9
<b>Net Profit</b>	<b>1,913</b>	<b>1,869</b>	<b>-2.3</b>

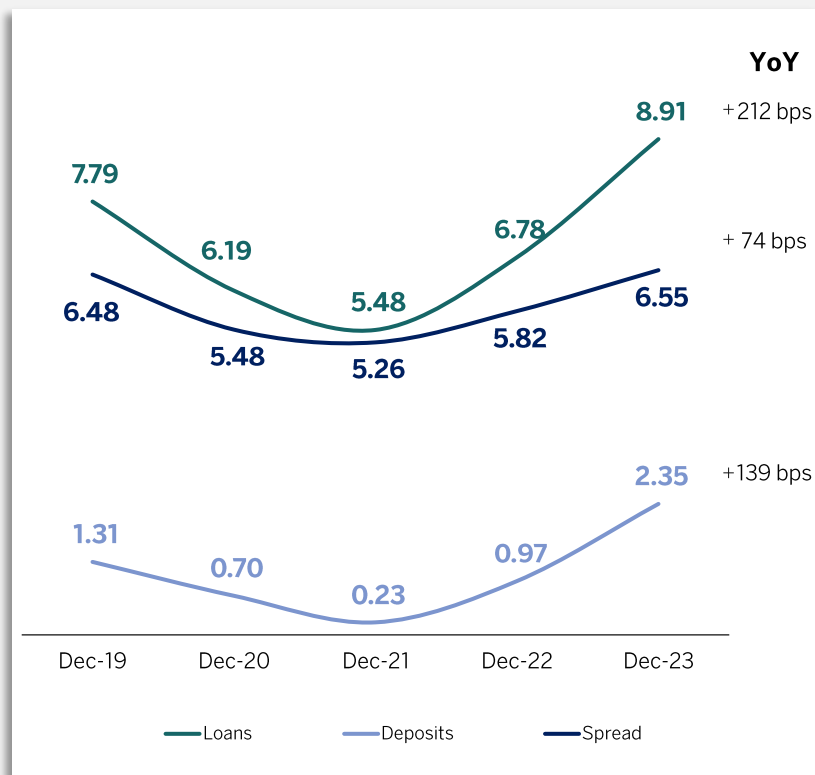
- **Outstanding performance in Financial Income**, associated with **loan portfolio growth**, higher **interest rates**, and increased **yields from securities portfolios**.
- Financial Expenses increased due to the **migration of balances from Demand and Savings to Time Deposits**, as well as the high interest rates.
- **Provisions for Direct Loans impacted by climatic events and social unrest** at the beginning of the year, as well as the weak macroeconomic performance throughout 2023 (GDP -0.6% YoY).
- **Other Financial Income** with notable increase in fees for **Credit Cards, Insurance, Account Maintenance, Guarantees, and Structuring**. Meanwhile, ROF driven by Derivatives and Fixed Income.
- **Expenses** increased during the year due to **salary reviews and new hires**, as well as higher expenditures for services received from third parties related to **technology, licenses, rentals, among others**.

# Profitability Management

Net Interest Margin Evolution<sup>1</sup>, (%)



Customer Spread, (%)

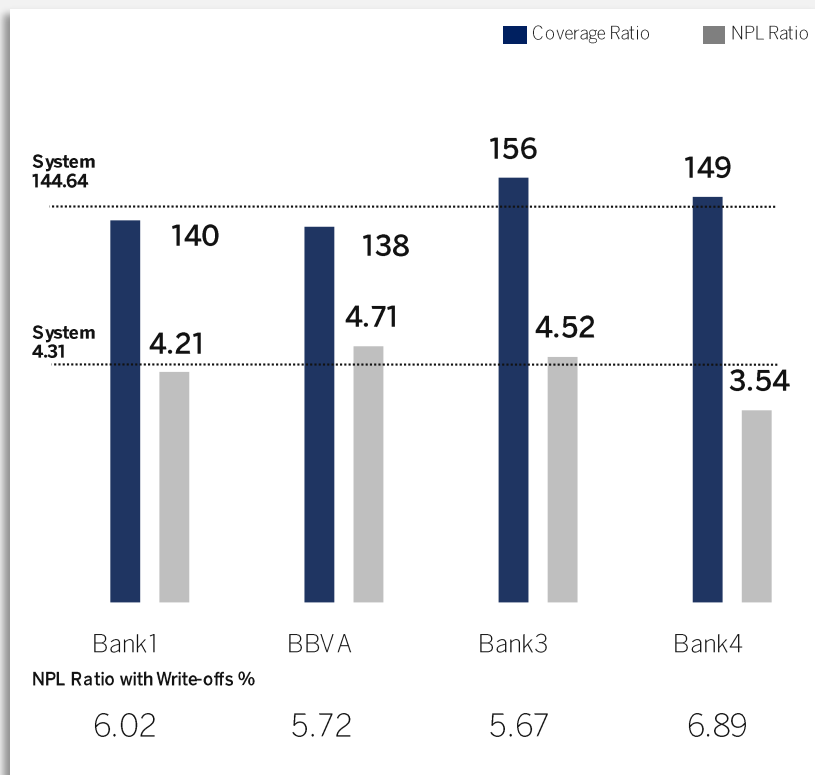


<sup>1</sup>NIM: Accumulate Gross Financial Margin / Average Profitable Assets of the last 12 months  
Source: ASBANC and SBS

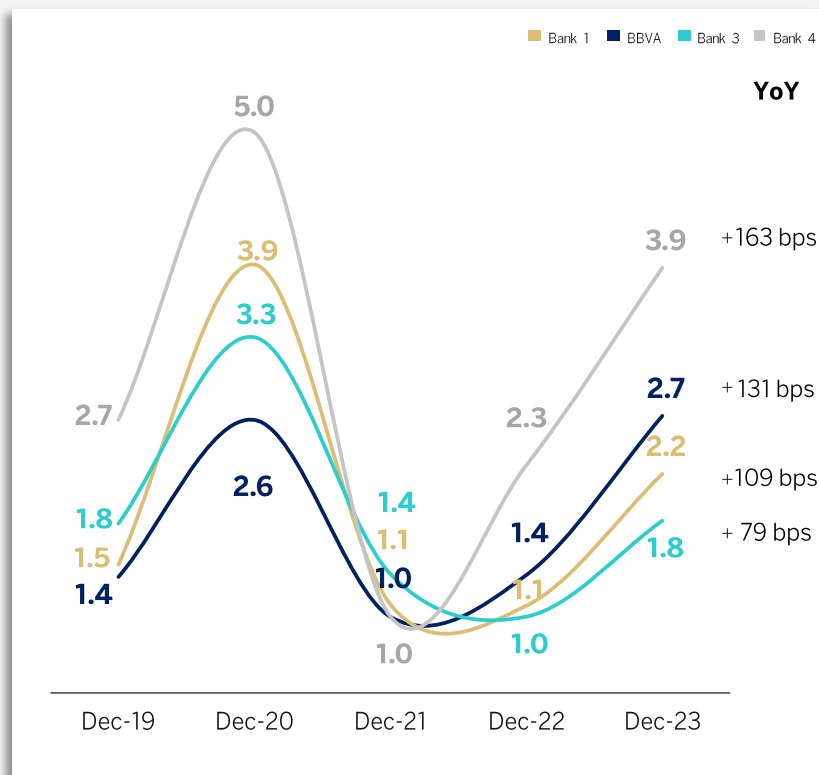


# Risk Management of BBVA Peru vs Peer Group

NPL Ratio and Coverage Ratio, (December 2023, %)



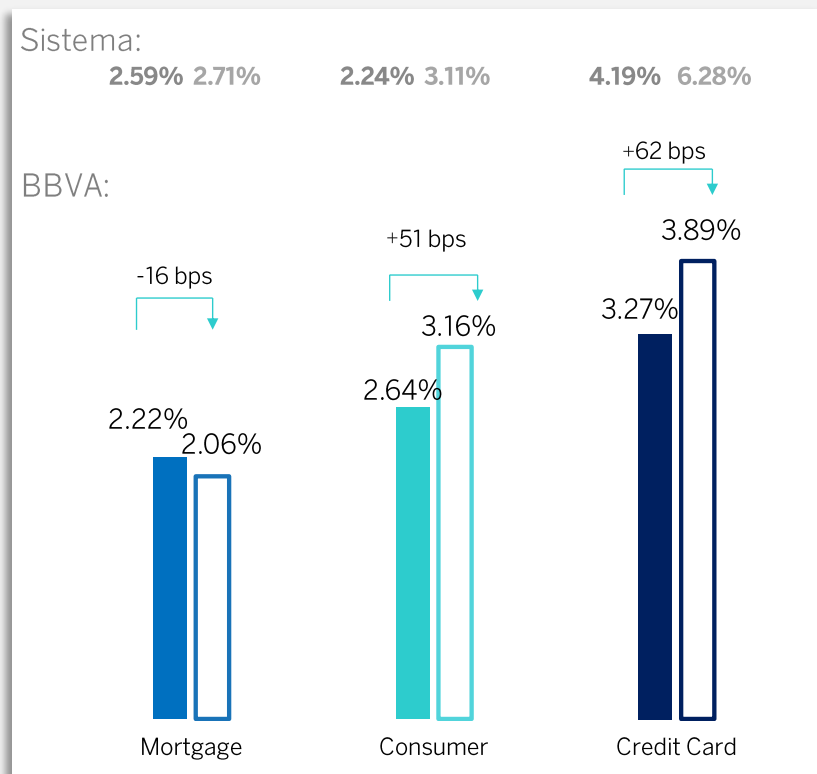
Cost of Risk<sup>1</sup>, (%)



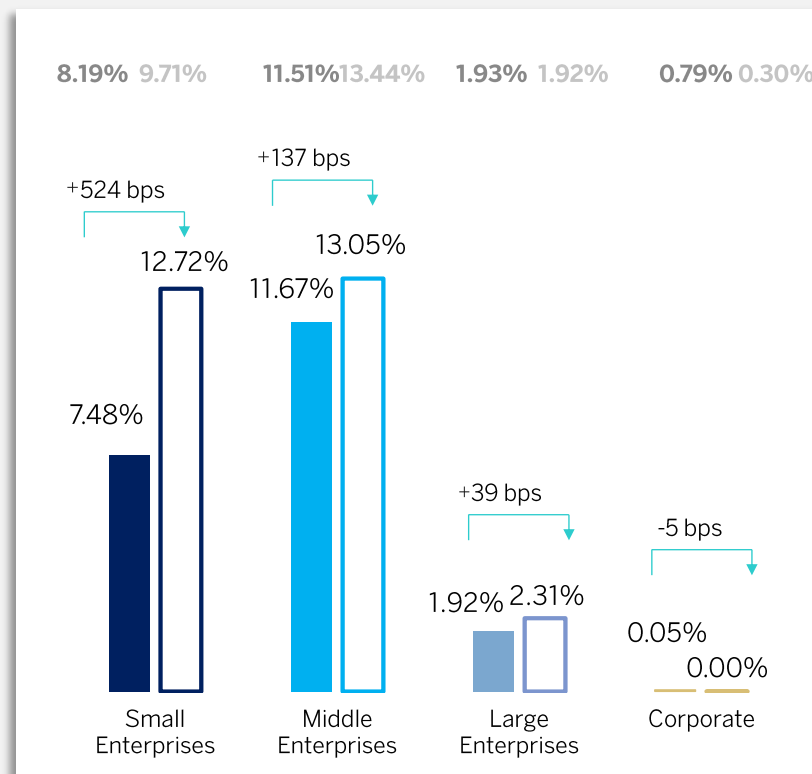
<sup>1</sup>Cost of risk: since 4Q23 this indicator considers the sum of direct provisions from the Income Statement of the last 12 months / average lending (performing loans, refinanced and restructured loans and overdue loans) of the last 12 months | Source: SBS

# Asset Quality

## NPL Ratio by Retail product

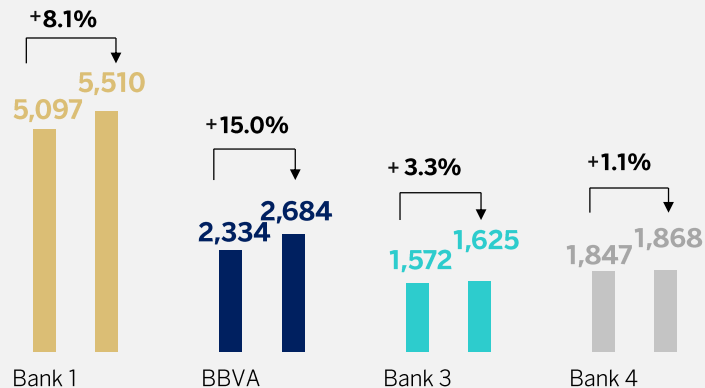


## NPL Ratio by segment

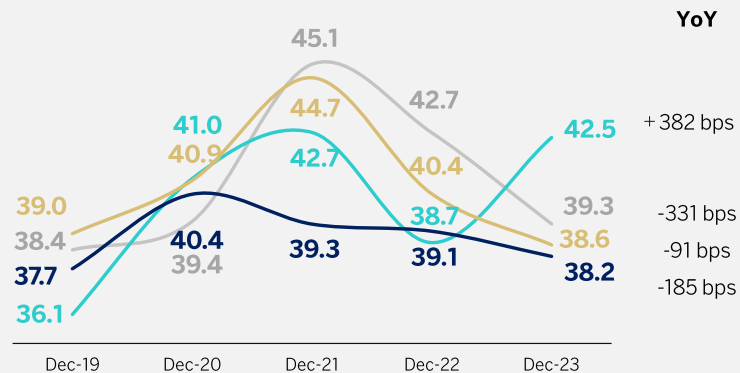


# Expenses Management

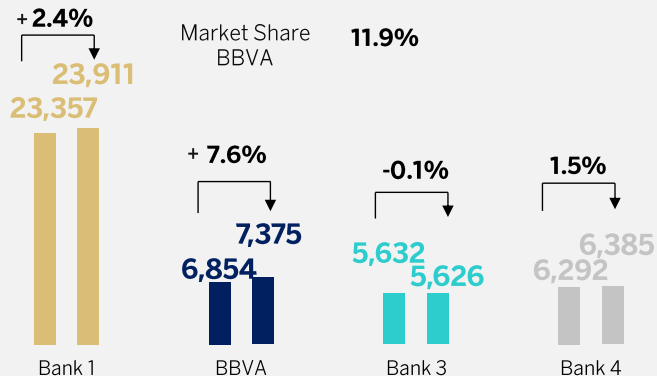
Administrative Expenses (S/ Millions, Var YoY)



Cost to income (%)



Number of employees (in thousands, Var YoY)



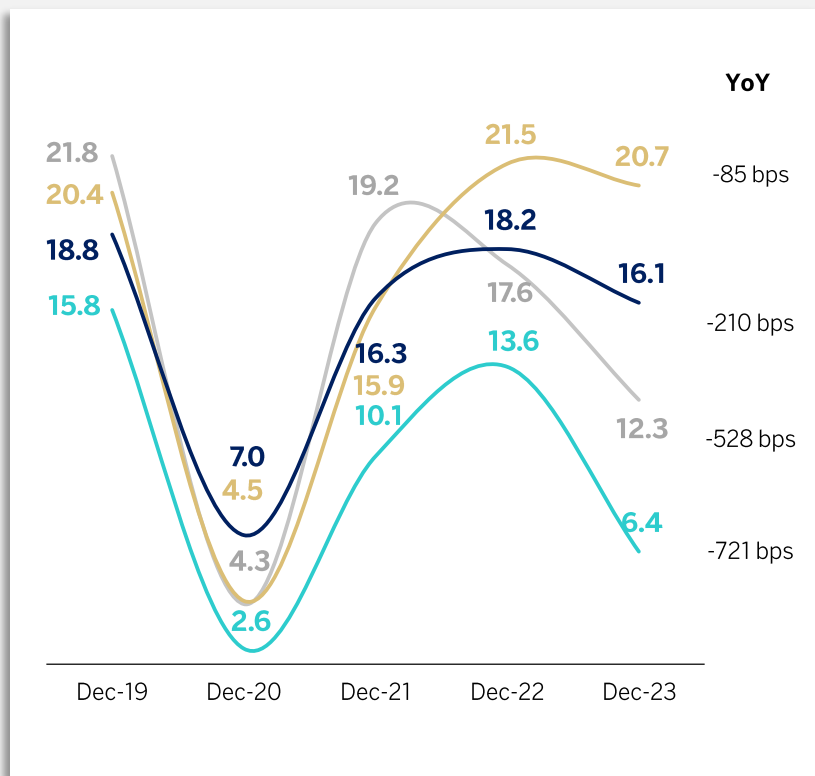
BBVA with positives Jaws, (As of December 2023)



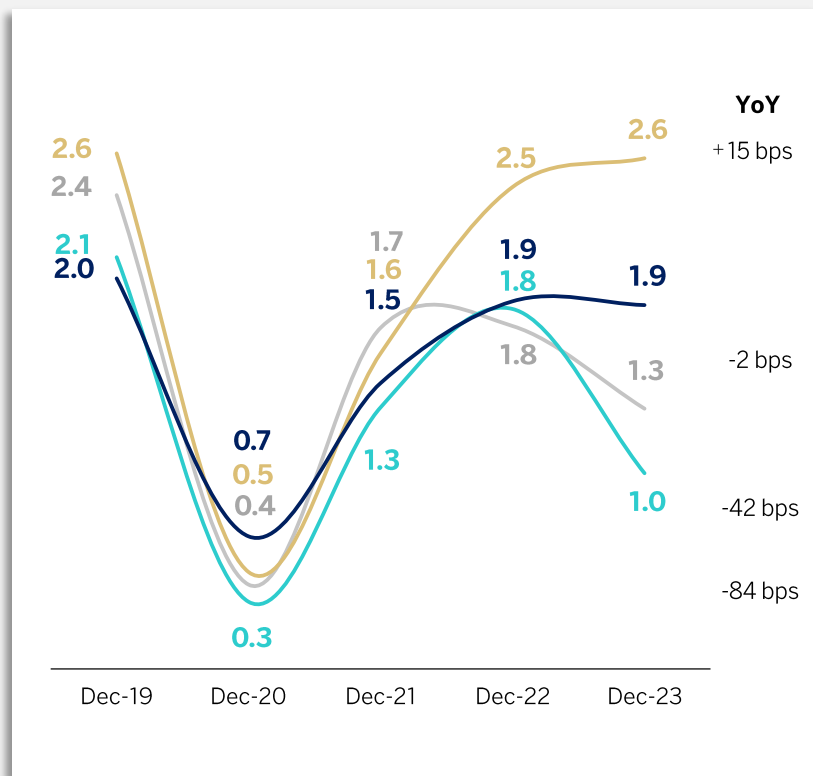
\* Growth calculated with information standardized to BBVA's internal management approach, where Gross Margin considers Financial Income and Expenses, Net Commissions, ROF, and RINQ. Source: ASBANC, SBS, and BBVA

# Profitability Indicators

Return on Equity, (%)

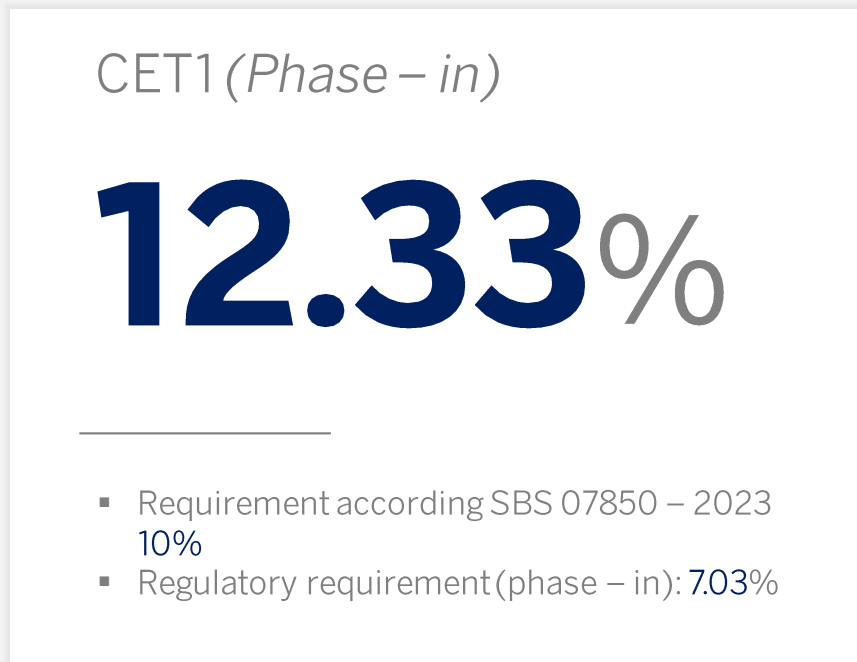


Return on Assets, (%)

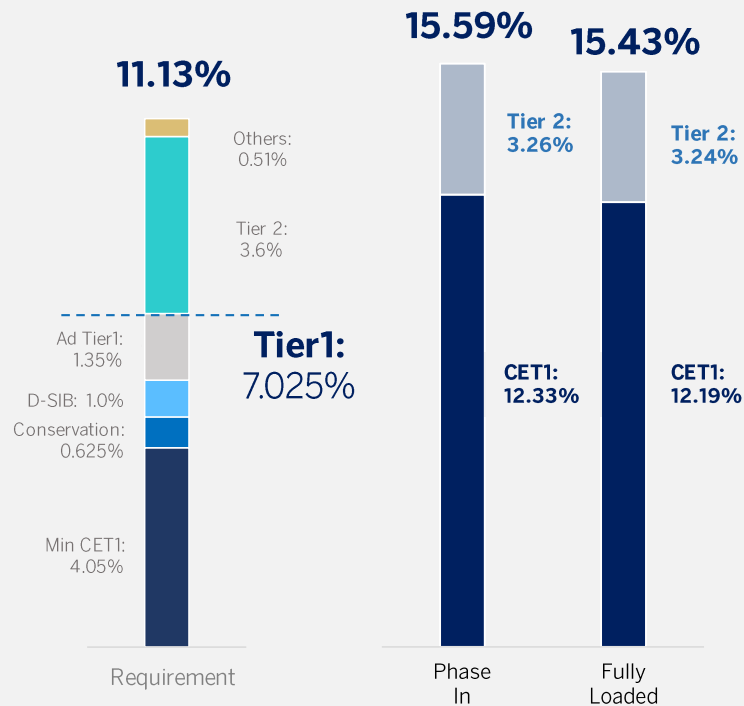


# Capital Management

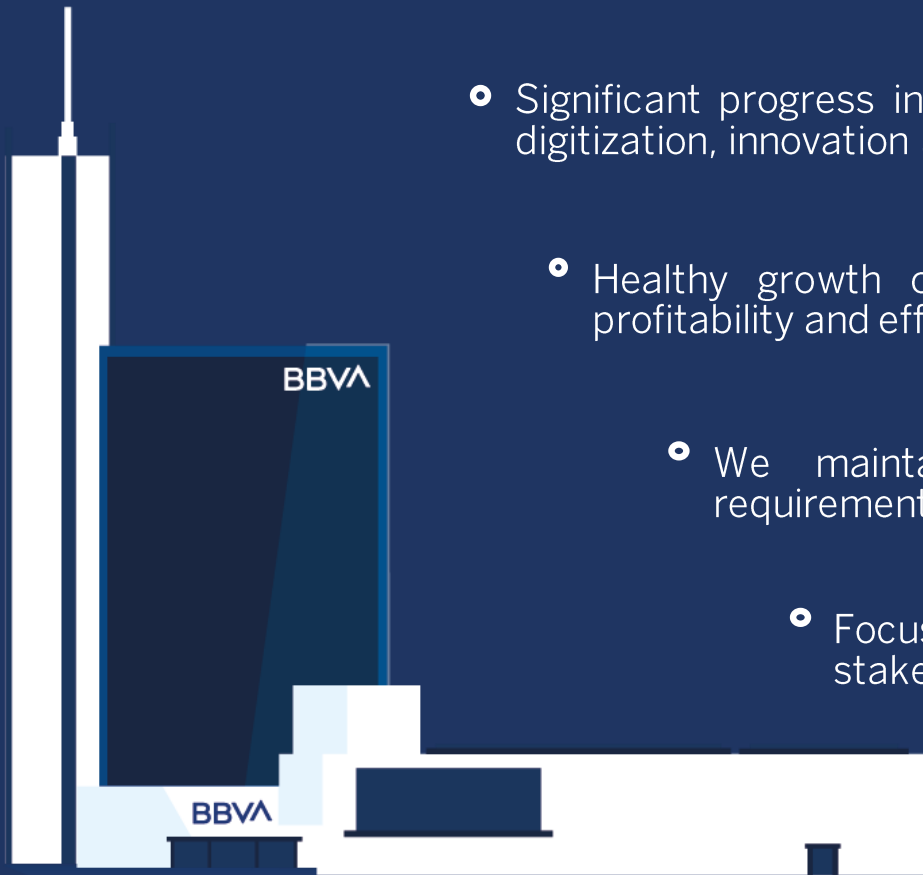
Global capital ratio as of December 2023 is above regulatory requirements



Regulatory requirement and available capital Tier1  
(Phase-in vs Fully-loaded) as of December 2023:



# Conclusions 2023



- Significant progress in our strategy, focused on digitization, innovation and sustainability
- Healthy growth of our business, focused on profitability and efficiency
- We maintain solvency levels above local requirements
- Focused on value creation for our different stakeholders

**BBVA**

Creando Oportunidades

04

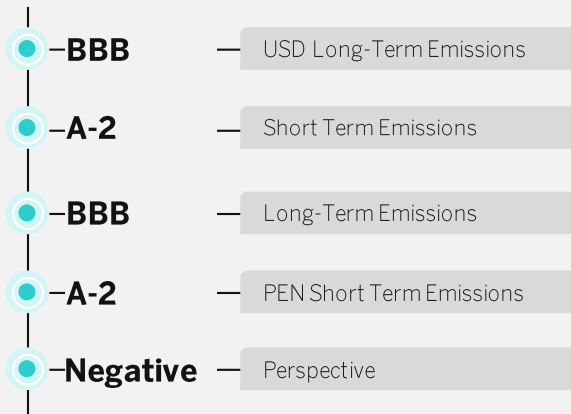
Ratings

# International and Local Ratings – BBVA Peru

We have the best ratings (February 2024)

## International Rating

### S&P



### Moody's International

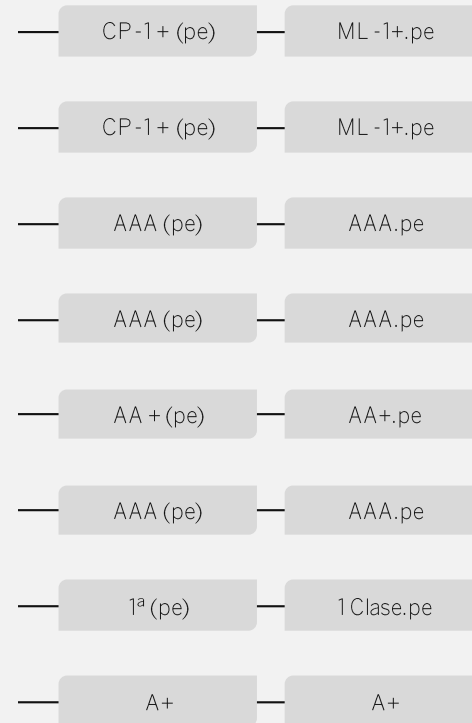


## Local Rating



### Apoyo & Asociados

### Moody's Local





**BBVA**















Creando Oportunidades

Exhibit

## Debt Issuance

	Bonds	Issue Date	Call Date	Due Date	Currency	Amount Issued (000)	Coupon	ISIN	
BBVA	Internacional	Subordinated	Set-14	Set-24	Set-29	USD	300,000	5.25%	US05537GAD79-USP16236AG98
	Local	Corporate	Dic-11		Dic-26	PEN	150,000	7.47%	PEP11600M186
		Corporate	Dic-19		Dic-24	PEN	96,550	4.44%	PEP11600M335
		Subordinated	Jun-07		Jun-32	PEN	55,000	3.47%	PEP11600D037
		Subordinated	Nov-07		Nov-32	PEN	50,000	3.56%	PEP11600D052
		Subordinated	Feb-08		Feb-28	USD	20,000	6.47%	PEP11600D060
		Subordinated	Dic-08		Dic-33	PEN	30,000	4.19%	PEP11600D094
		Subordinated	Oct-13	Oct-23	Oct-28	USD	45,000	6.53%	PEP11600D102

## Awards to BBVA

	Bank of the Year 2023 in Peru, according to the British magazine "The Banker"		Best Private Bank in Perú in 2023, according to the British magazine "The Banker"		The only Peruvian bank to be included for the third consecutive year in the DJSI MILA Pacific Alliance Index		
	Best bank in the country in the contest Euromoney Awards for Excellence 2023		Best ESG bank in Peru, according to Euromoney Awards for Excellence 2023		Best foreign exchange provider bank of the year 2023, recognition Awarded by Global Finance.		First EDGE Champions of the Peruvian bank for its Hipotecario Verde product.
	Best Peruvian Bank in the World's Best Treasury & Cash Management Banks Awards and Providers Awards 2022		Best financial institution in providing trade finance services for the third consecutive year, according to Global Finance.		Most admired companies in Peru for the seventh consecutive year, according to PwC and Magazine Gestión		Recognition with the UNESCO Blue Shield installed in the Jerónimo Luis de Cabrera House, Cultural Heritage of the Nation
	Recognized for 2023 Airport Financing, by Latinfinance, for the expansion of the Jorge Chávez Airport		Recognized as the Bank of the year (2023) in Infrastructure Financing in the Andes, by Latin Finance		Most awarded company in the Association of Good Employers (ABE) 2023 awards.		