

**BBVA**

Creando Oportunidades

# BBVA Peru

Investor Report

Fourth Quarter 2021



Creando Oportunidades

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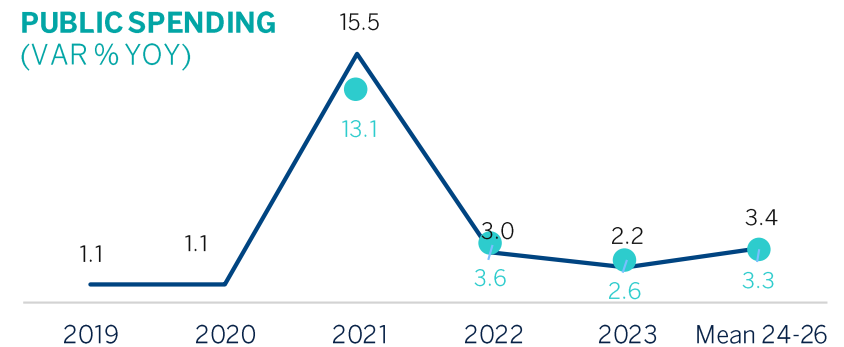
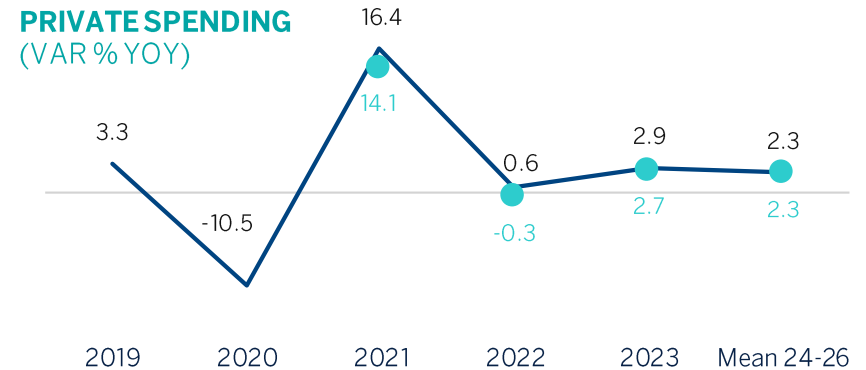
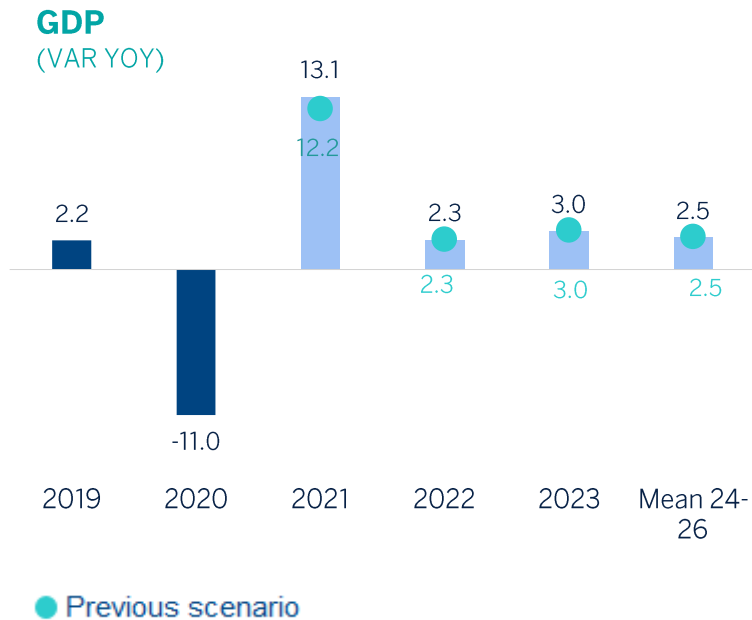
05 Social Responsibility and Awards

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Debt Issuances

01

# Peruvian Economy & Financial System

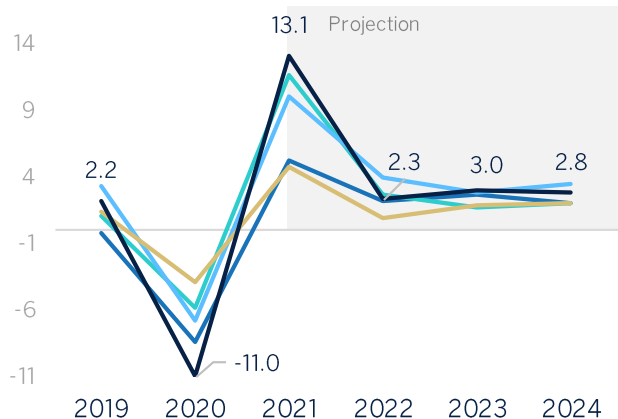
# After rebounding 13.1% in 2021, this year the economy will grow 2.3%, in an environment of lower external tailwinds and the beginning of operations of new copper mines



# In comparison to the countries of the region, Peru will maintain one of the best GDP growth rates and controlled inflation

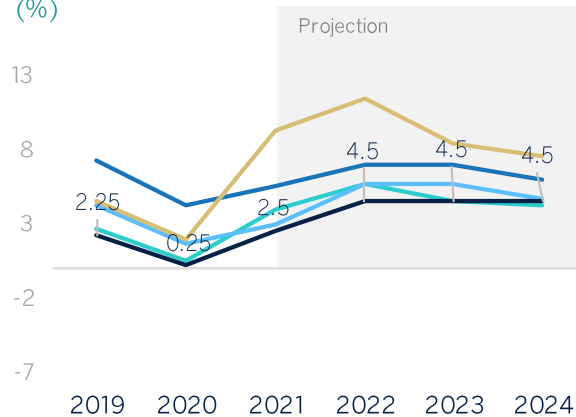
## GDP

(VAR % YOY)



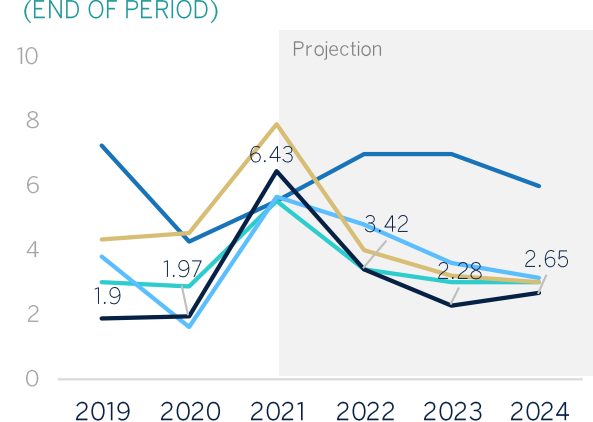
## POLICY RATE

(%)



## INFLATION

(END OF PERIOD)

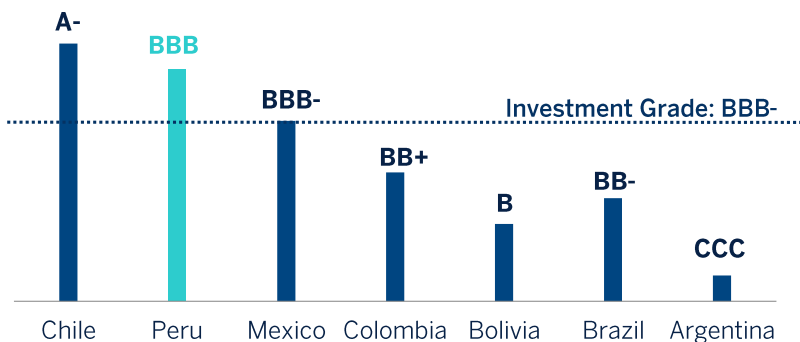


— Mexico — Chile — Colombia — Brazil — Peru

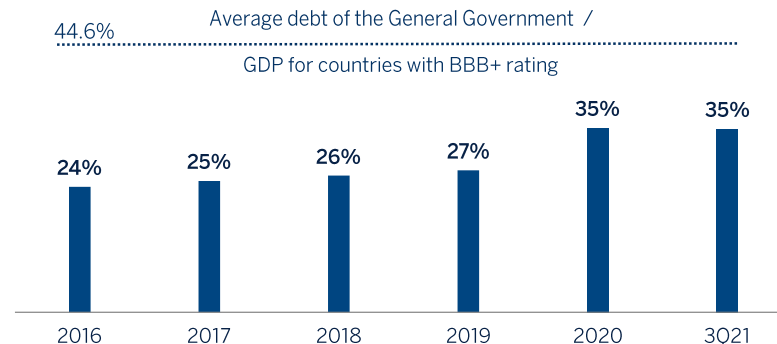
**Peru's Central Bank will continue raising the reference rate.** In a context of lower PEN depreciation, more stable international prices, and favorable base effect will allow inflation to fall this year to 3.4% and 2.3% next year.

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

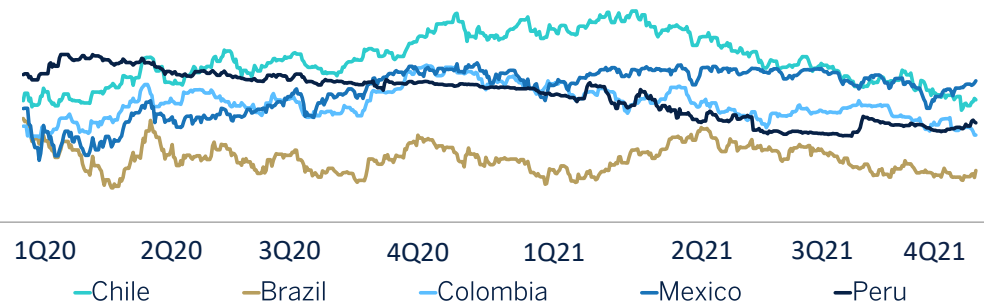
## CREDIT RISK PROFILE



## PERUVIAN PUBLIC DEBT (% OF GDP)



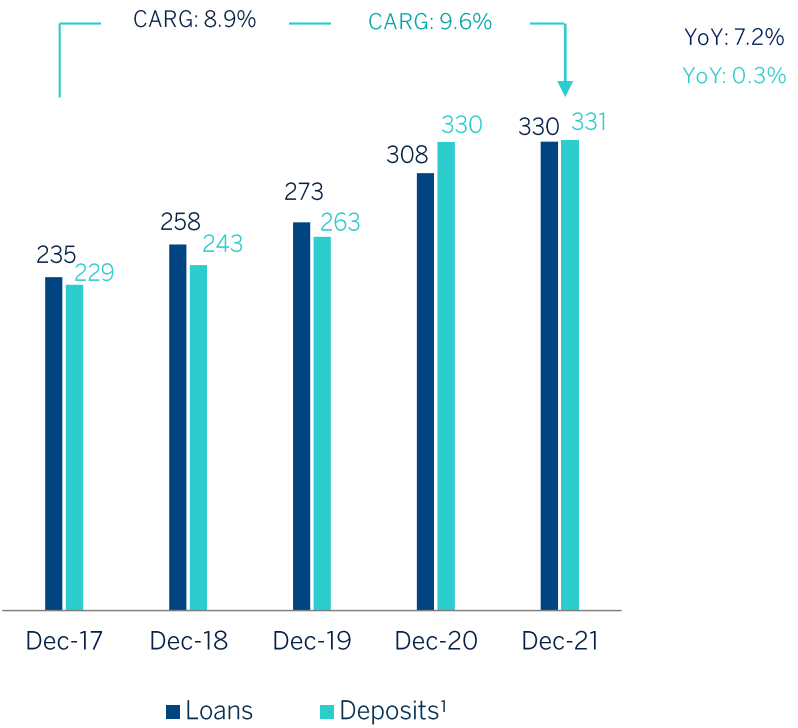
## CURRENCY DEPRECIATION AGAINST USD



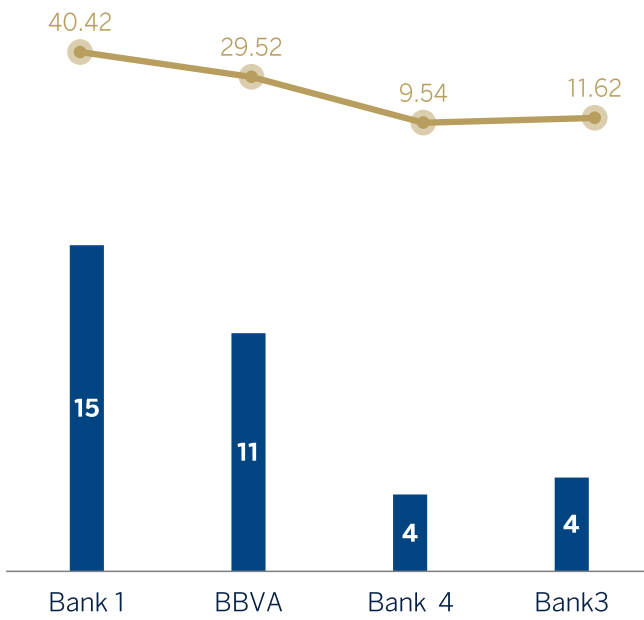
	Vs 2019	YoY
Chile	+8.12%	+19.7%
Brazil	+13.34%	+2.8%
Colombia	+24.51%	+19.0%
Mexico	+20.39%	+10.2%
Peru	+38.19%	+7.1%

# Regarding the Peruvian Banking System, loans grow in Retail, Medium Enterprises and Corporates; and Deposits due to the release of Pension Funds

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



**REACTIVA LOANS AND MARKET SHARE** (S/ THOUSAND MILLION, % - DECEMBER 2021)



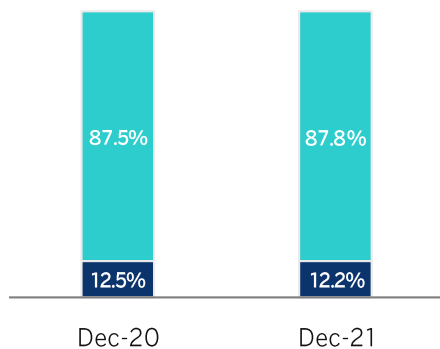
<sup>1</sup> Other obligation are excluded from deposits  
Source: Superintendencia de Banca, Seguros y AFP (SBS).



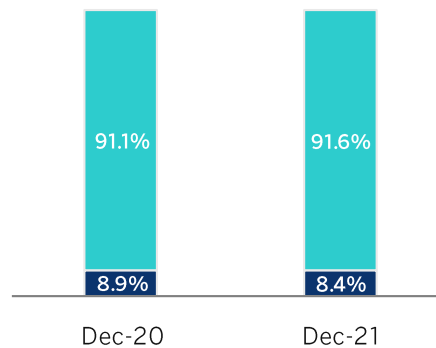
# Peruvian Financial System (DECEMBER 2021)

Financial system	Institution S/ Million	Net loans	YoY (%)	Deposits	YoY (%)	Net Income	YoY (%)
Banking System	Banks (16)	329,102	8.4%	331,260	0.4%	7,218	241.8%
	Banco de la Nación	7,263	-9.2%	42,690	11.0%	354	-46.2%
Other Financial Institutions	Cajas Municipales (12)	26,529	11.1%	24,720	-2.9%	121	46.2%
	Financieras (10)	11,152	4.1%	7,416	-11.5%	132	-152.6%
	Cajas Rurales (6)	2,009	2.0%	1,550	-13.0%	-61	19.2%
	Edpymes (8)	2,416	5.3%	-	-	-	-100.0%
	Leasing (2)	146	-50.6%	-	-	-2	-182.3%
	COFIDE	4,875	-12.0%	24	-88.6%	41	101.5%
	Agrobanco	231	67.7%	-	0.0%	-31	52.8%
Total Financial System		383,723	7.7%	407,658	0.8%	7,772	-208.3%

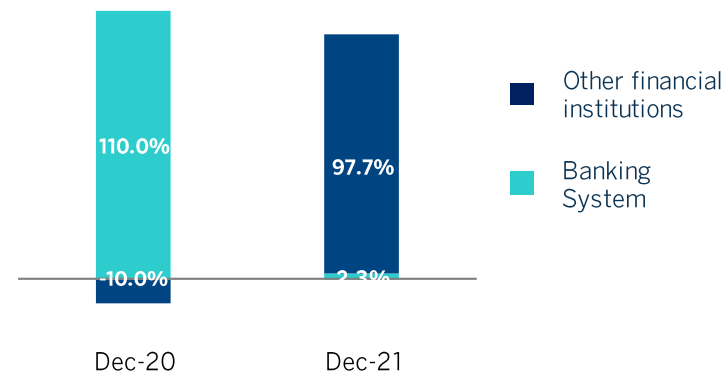
## LOANS



## DEPOSITS<sup>1</sup>



## NET INCOME

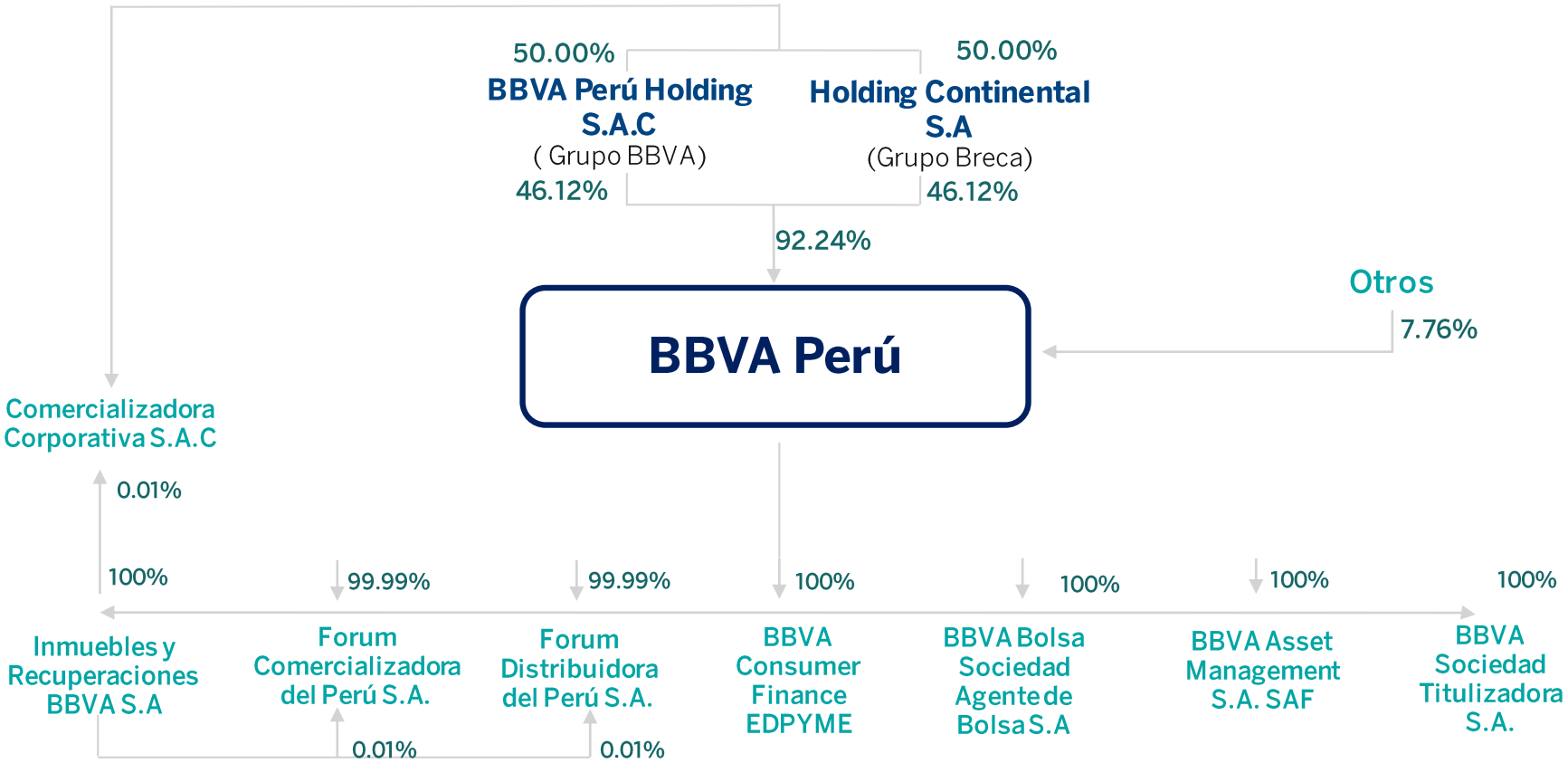


The 4th largest peers concentrate around **85%** of the bank loans and **83%** of deposits of the Banking System.

# 02

## About BBVA Peru

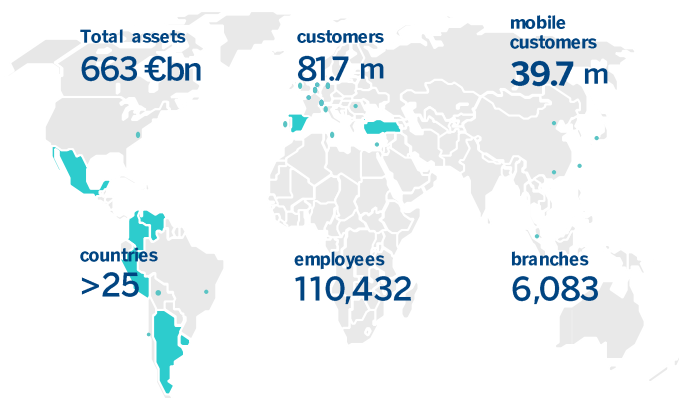
# BBVA Peru and Subsidiaries belong to the Economic Group formed by BBVA Group and Breca



Source: BBVA

# About BBVA Group

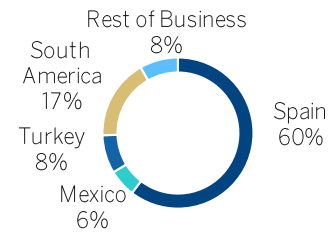
## BBVA'S GLOBAL PRESENCE DECEMBER 2021



## DIVERSIFICATION UNDER A DECENTRALIZED MODEL

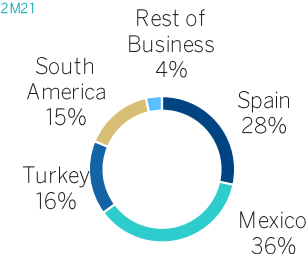
### TOTAL ASSETS <sup>1</sup>

DECEMBER 2021



### GROSS INCOME <sup>1</sup>

12M21



(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.

## 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**

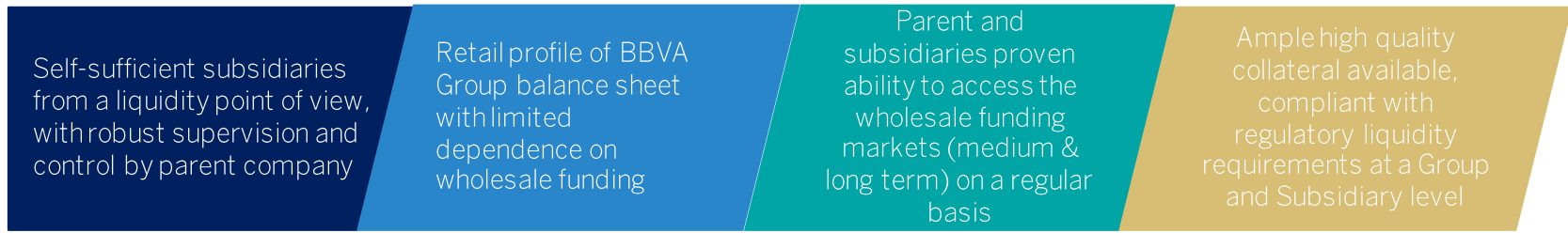


Driving **operational excellence**



**Data and Technology**

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



## 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



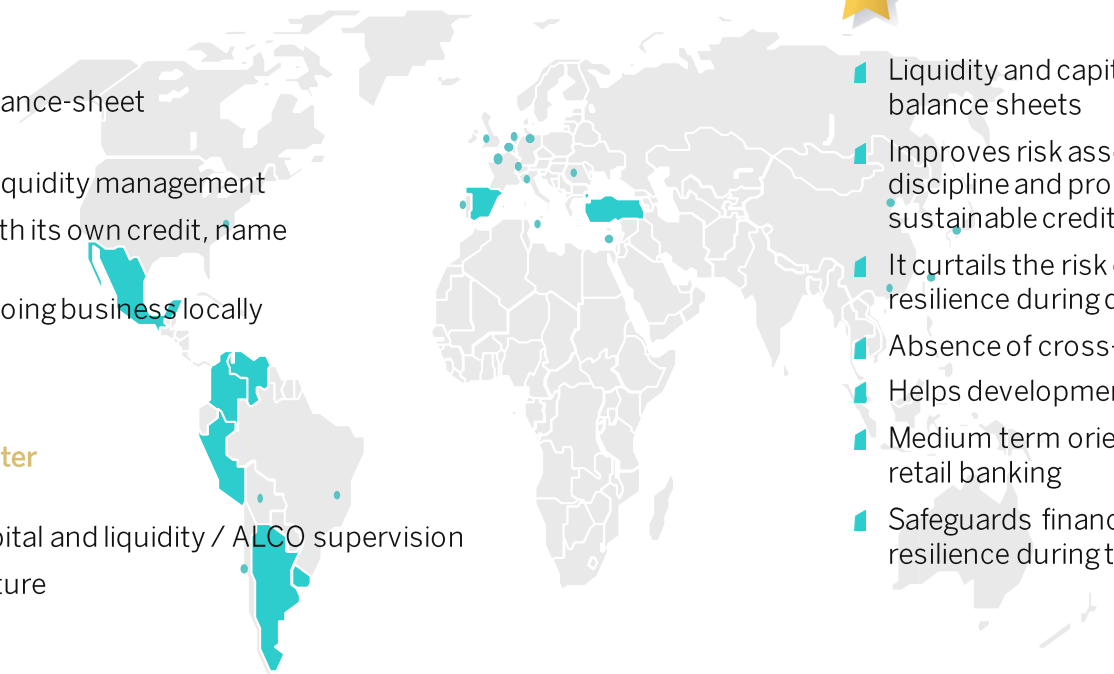
## Corporate Center

- 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 takes some measures to 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**



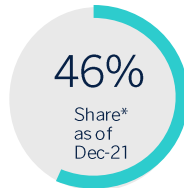
In addition, **e-working and special mobility** are implemented for those employees who attend the office



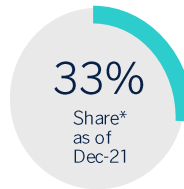
We get **adapted** to new digital needs

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

## Savings



## Credit Cards



## Mutual Funds



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 messages (December 2021)

1	High <b>profitability</b> and Net Income growth	<b>NET INCOME (S/ MM,%)</b>	<b>ROE (% ,pbs)</b>	<b>ROA (% ,pbs)</b>
		1,559 +138% YOY	16.29% +925 pbs YOY	1.46% +78 pbs YOY
2	<b>Efficiency</b> leadership	<b>EFFICIENCY RATIO (%)</b>		
		39.33% in 12M21 -109 pbs YOY vs 46.63% Banking System		
3	With a controlled <b>cost of risk</b> over time and adequate <b>asset quality</b>	<b>COST OF RISK (%)</b>	<b>NPL (%)</b>	<b>COVERAGE RATIO (%)</b>
		1.03% vs. 2.65% in 2020 vs. 1.36% in 2019	3.70% vs 3.77% prom. Banking System mean	167.17% vs 155.54% Banking System mean
4	Strong <b>capital and liquidity ratios</b>	<b>GLOBAL CAPITAL (%)</b>	<b>TIER 1 (%)</b>	<b>Loan-to-Deposits (%)</b>
		14.13%	+10.25%	110%
5	Implementing our <b>Digital</b> strategy	<b>Mobile Clients</b>	<b>Digital Clients</b>	<b>BBVA App</b>
		+24% YOY	+21% YOY	 Market leadership in all stores.

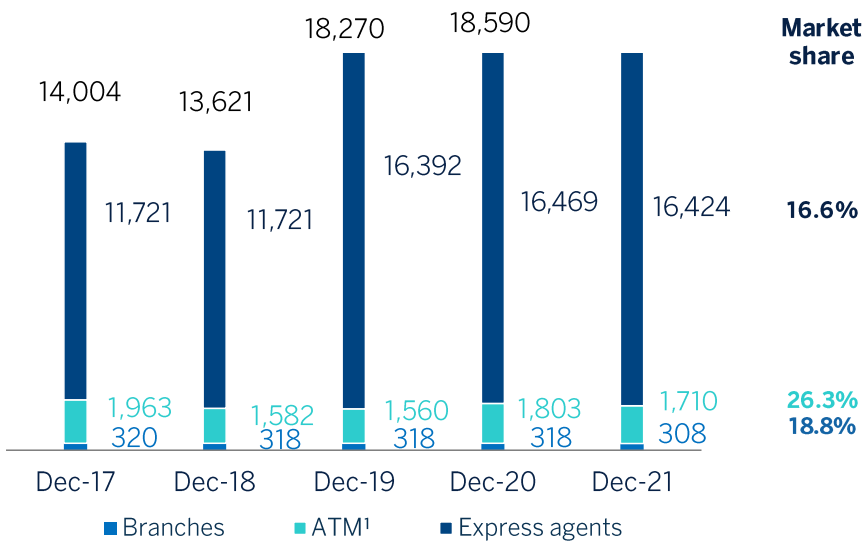


# Strong Banking platform

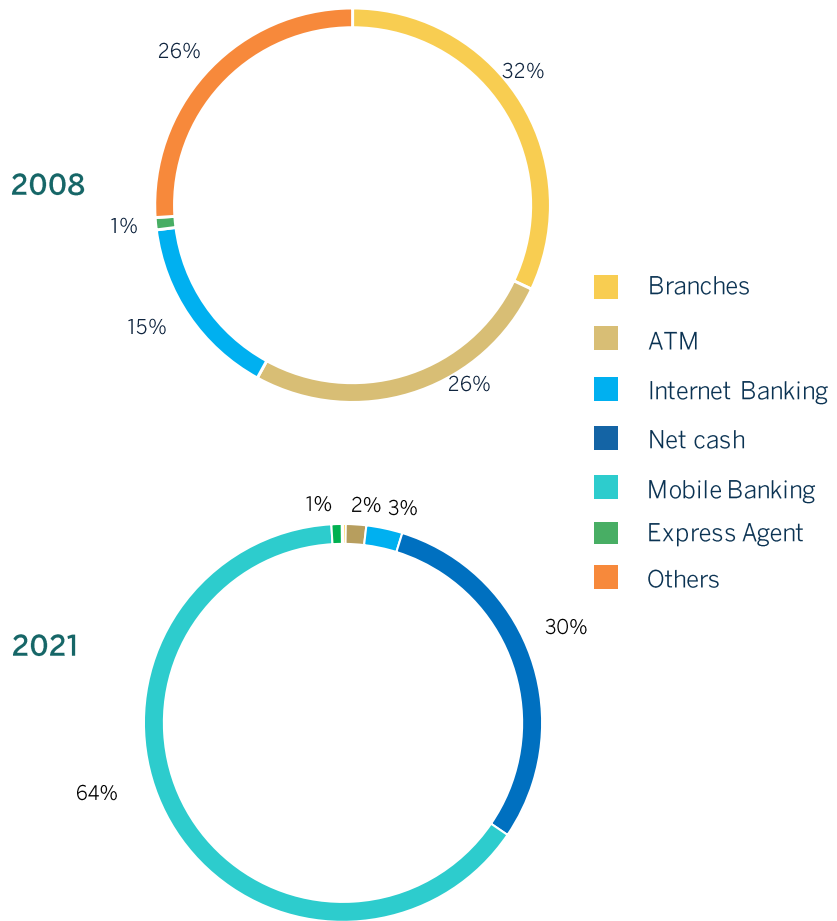
## DISTRIBUTION NETWORK<sup>1</sup> (DECEMBER 2021)

One of the largest in the country

- With 18,442 points of service.
- More than 7.4 million customers (+7.6 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

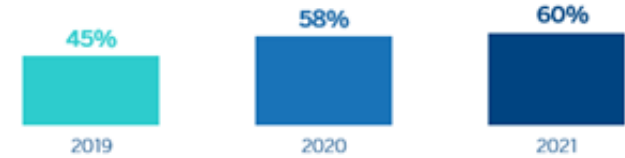
## MOBILE ASSETS TARGET (consumers 3x3)



## Monetary Transactions in the App



## DIGITAL UNITS (Retail + SMEs)



## Fastest growing categories

% Digital Units		2020	2021
Credit cards		22%	33%
Savings		42%	46%
Mutual Funds		42%	46%

## HIGHLIGHTS

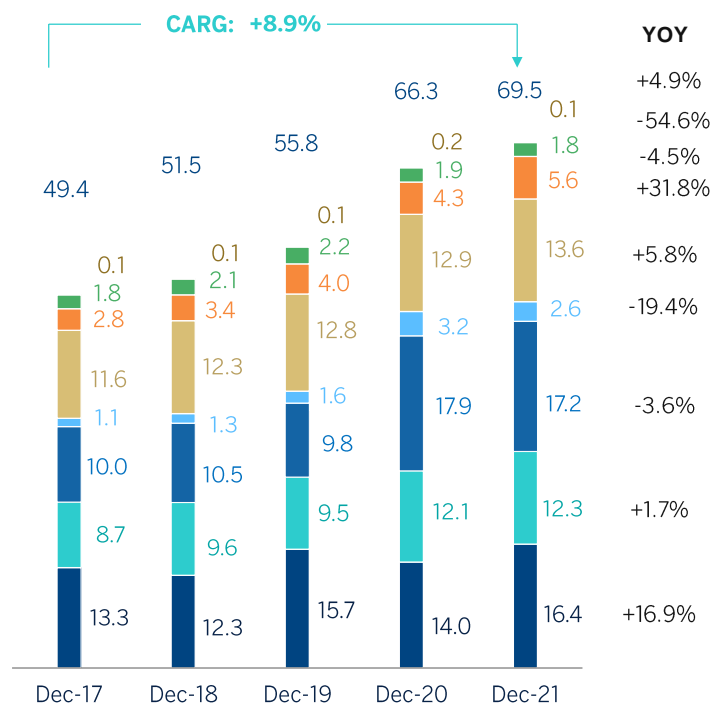
- The BBVA App is consolidated as the market **leader in all stores**.
- The App became the bank's **main transactional channel** with a 40% share.
- **62%** of our target clients are the Digital ones.
- **New Features:** Turno Digital, Chatbot Blue, Plin with QR and dynamicCVV.

## HIGHLIGHTS

- Digital penetration in Cards grows to 66% in Q421 due to an increase in online approvals.
- En Accounts, digital penetraton reached 47% in Q421 due to incentives in branches.
- Cyber BBVA Organization in Q421 with exclusive promotions for the digital channel for Credit Cards , SavingAccounts, LoansandMutual Funds.

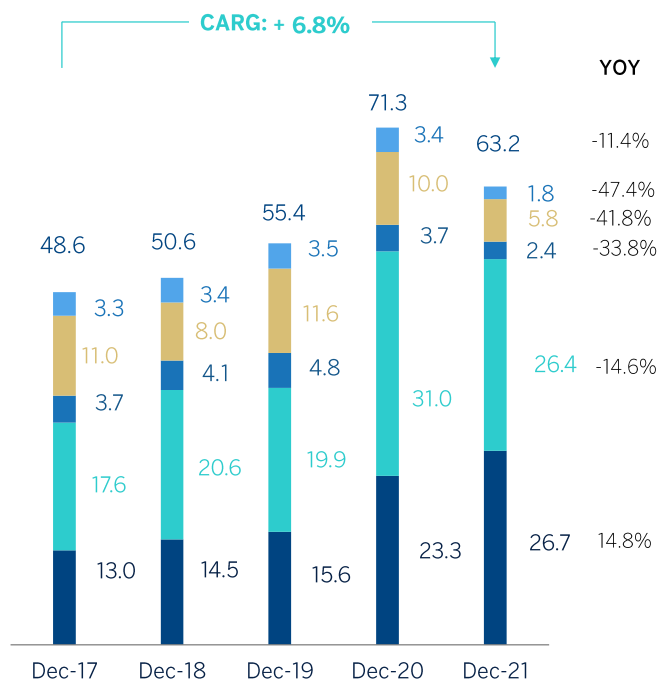
# Loans and deposit performance (S/ Thousands million,%)

## PERFORMING LOANS



- Corporate
- SME
- Credit card
- Large enterprise
- Mortgage
- Microenterprises
- Middle enterprise
- Consumer

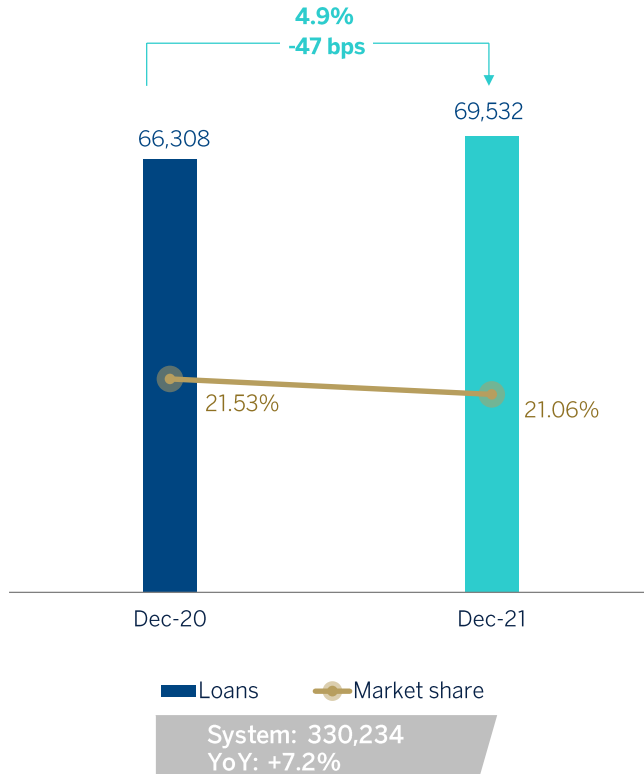
## DEPOSITS<sup>1</sup>



- CTS
- Term Business Deposits
- Term Retail Deposits
- Demand + Saving Business Deposits
- Demand + Saving Retail Deposits

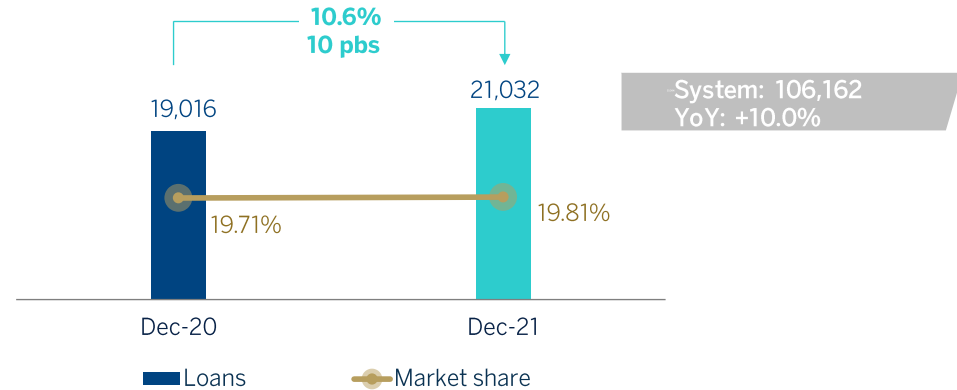
<sup>1</sup> Other obligations are excluded from deposits  
Source: ASBANC and SBS

# Performing loans (S/ Million, %)

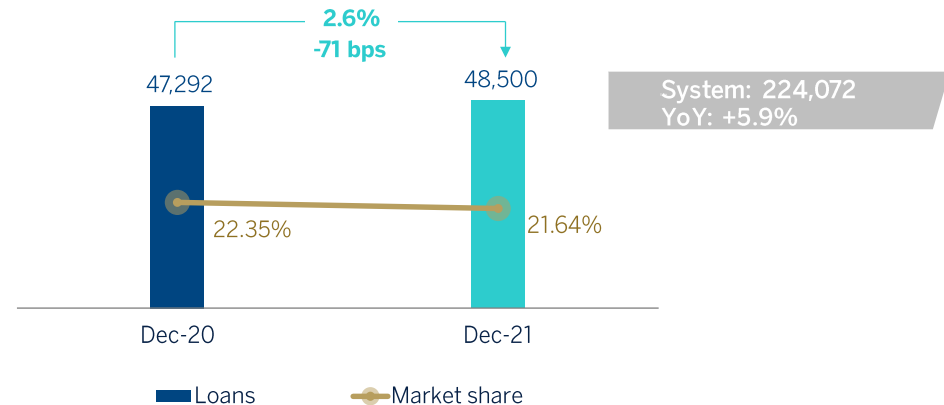


**Loan growth** driven by the increase in Retail Loans and SMEs.

## RETAIL LOANS

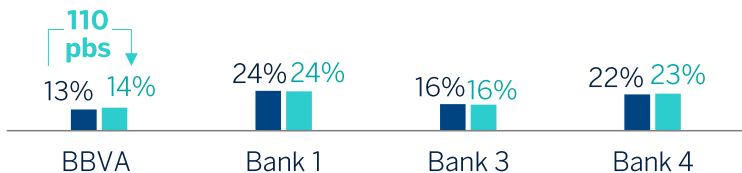


## BUSINESS LOANS

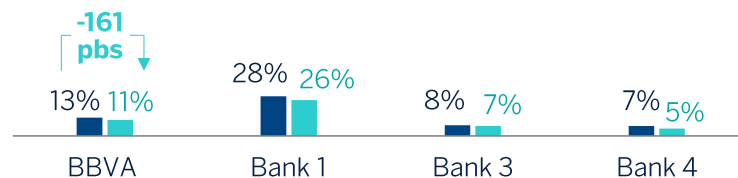


# Market share - Loans

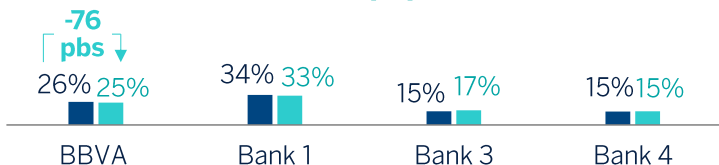
## Consumer + Credit cards



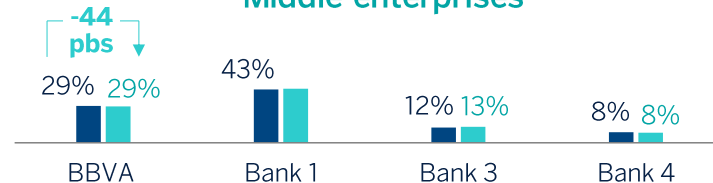
## Small enterprises and Microfinance



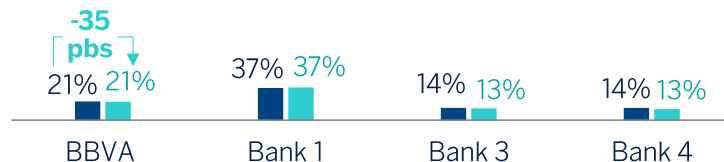
## Mortgage



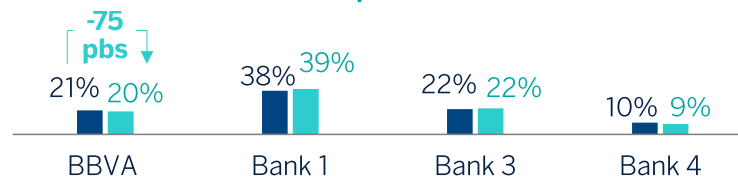
## Middle enterprises



## Large enterprises



## Corporate

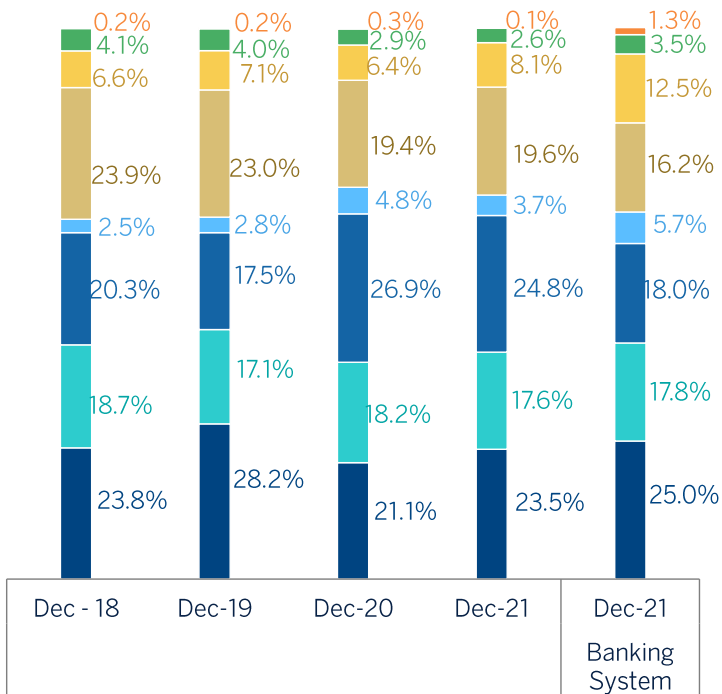


We are on the way to becoming a **Retail Bank**, with YoY growth in the share of **PLD + Credit Cards**.

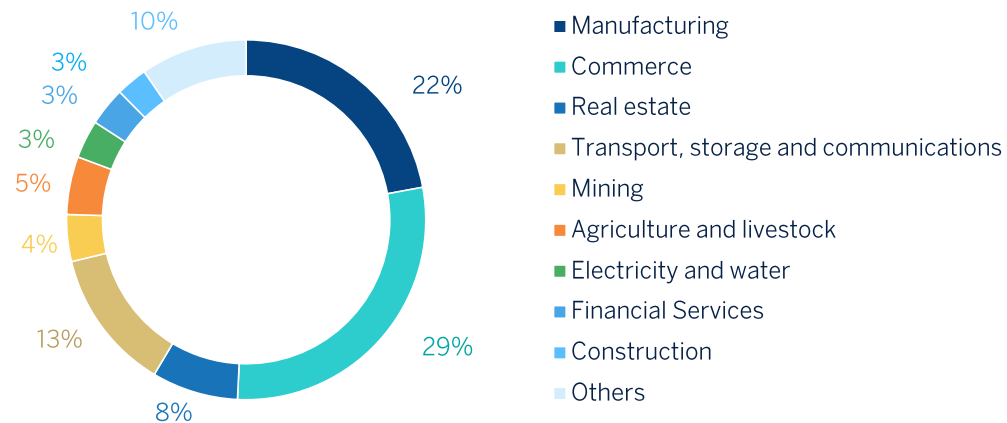
- December 2020
- December 2021

# Well diversified loan portfolio

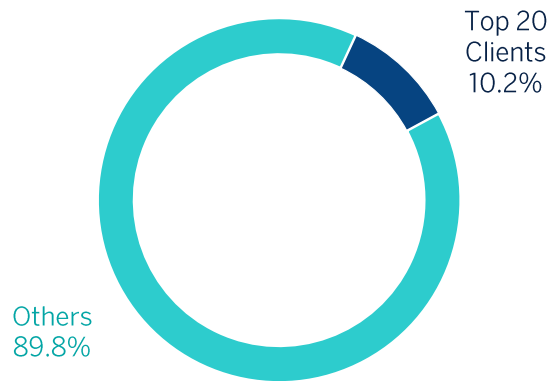
## LOANS BREAKDOWN



## LOANS BY ECONOMIC SECTOR (DECEMBER 2021)



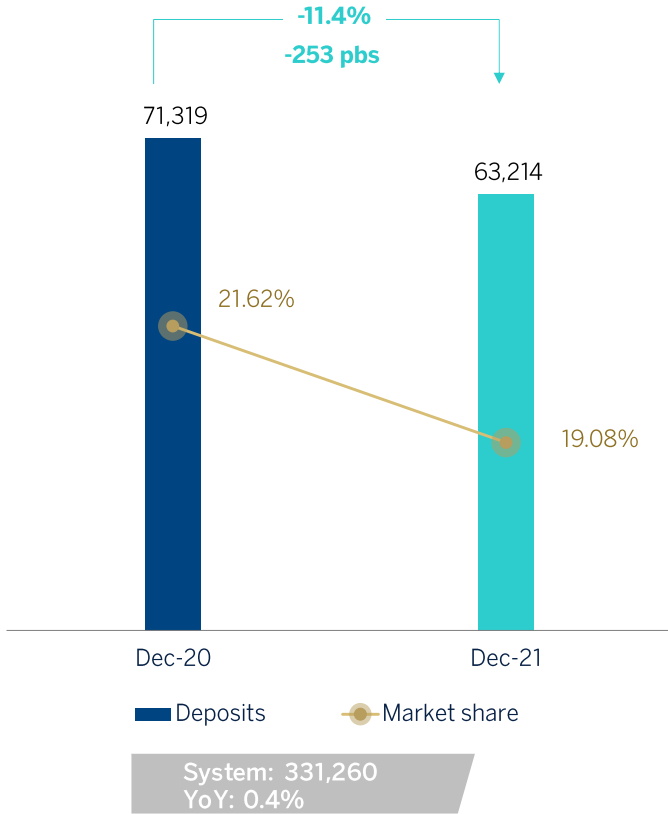
## CONCENTRATION RISK (DECEMBER 2021)



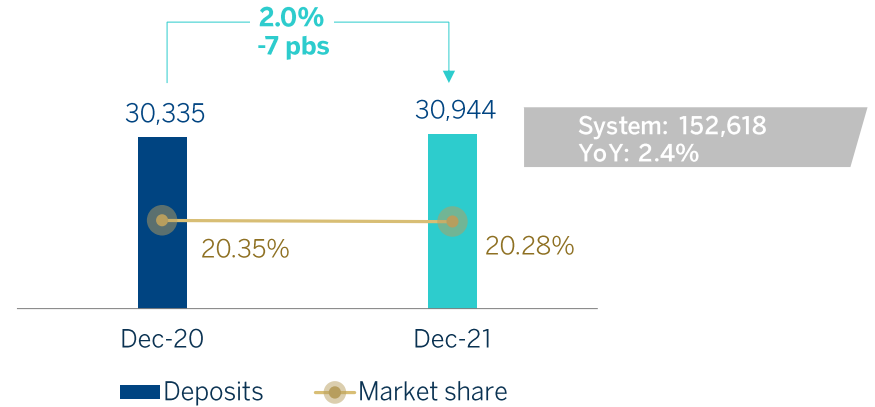
- Corporate
- Large enterprise
- Middle enterprise
- SME
- Mortgage
- Consumer
- Credit card
- Microenterprises

Source: ASBANC

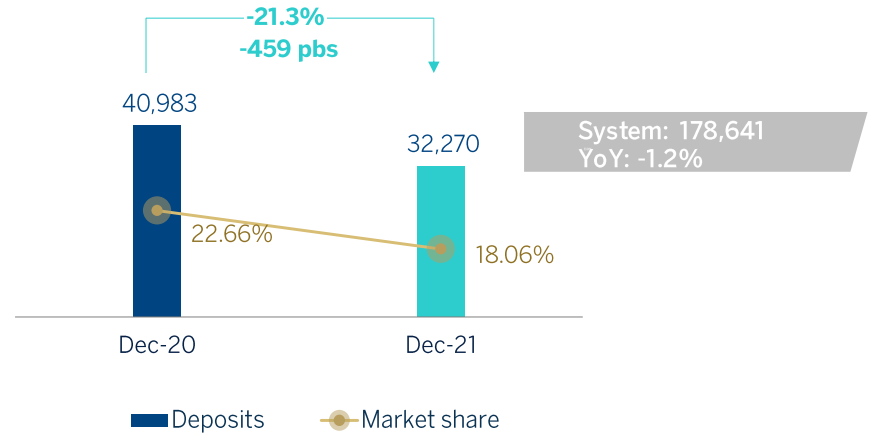
# Deposits<sup>1</sup> (S/ Million, %)



## RETAIL DEPOSITS



## BUSINESS DEPOSITS



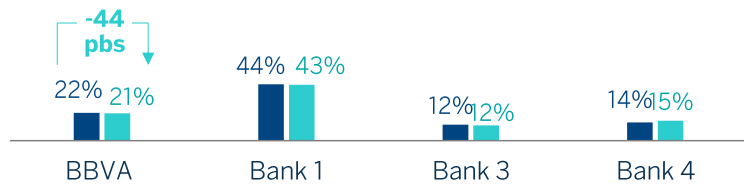
**We continue growing in Retail Deposits**, although we have lower balances in **Business Deposits** due to the maturities of Ractiva and Professional Clients.

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

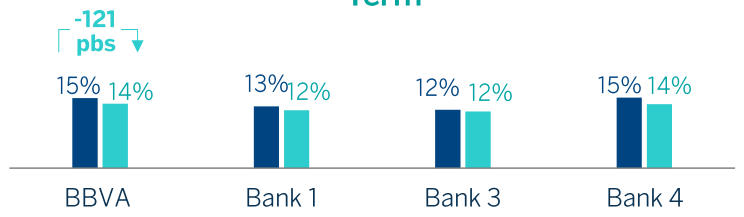
# Market share - Deposits<sup>1</sup>

## RETAIL DEPOSITS

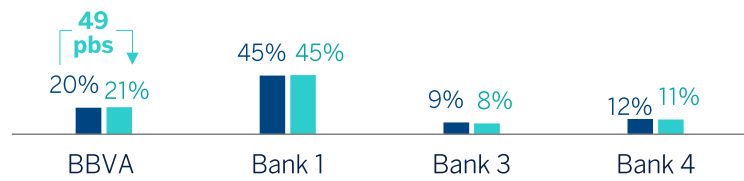
### Demand + Saving



### Term

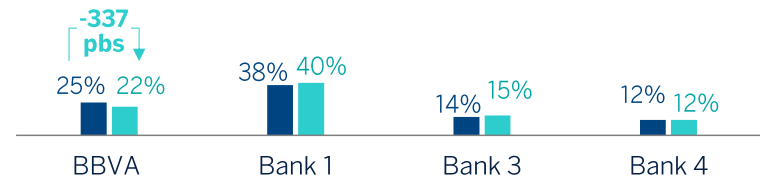


### CTS

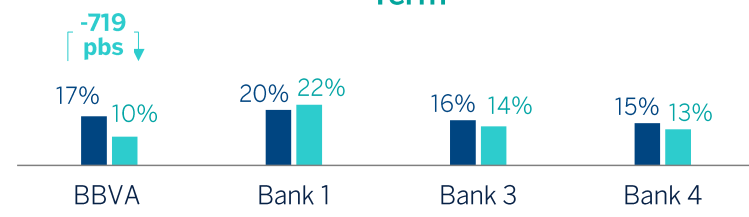


## BUSINESS DEPOSITS

### Demand + Saving



### Term



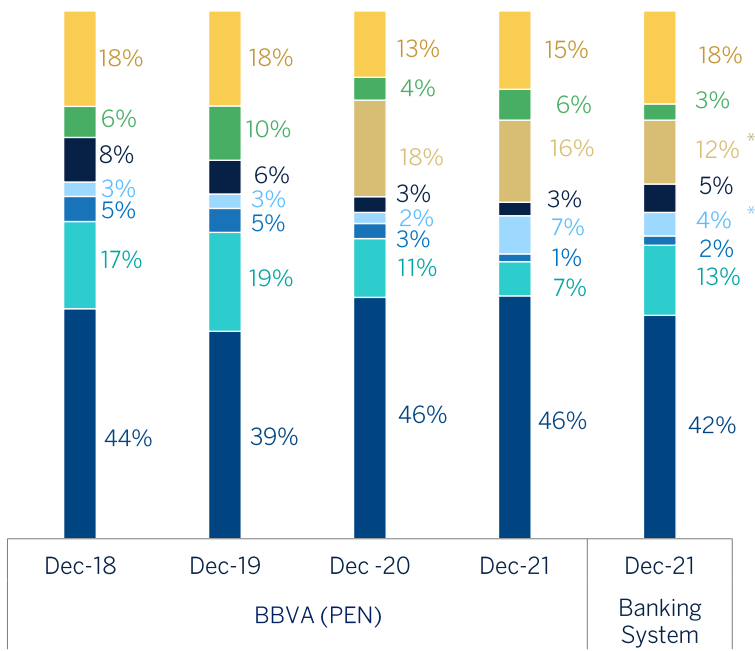
■ December 2020  
 ■ December 2021

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

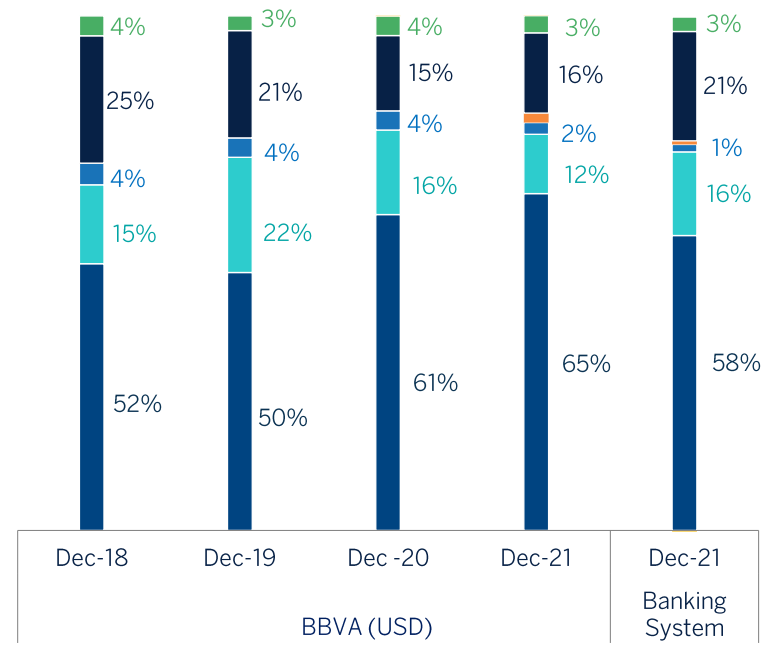


# Liabilities and capital breakdown

## LOCAL CURRENCY



## FOREIGN CURRENCY

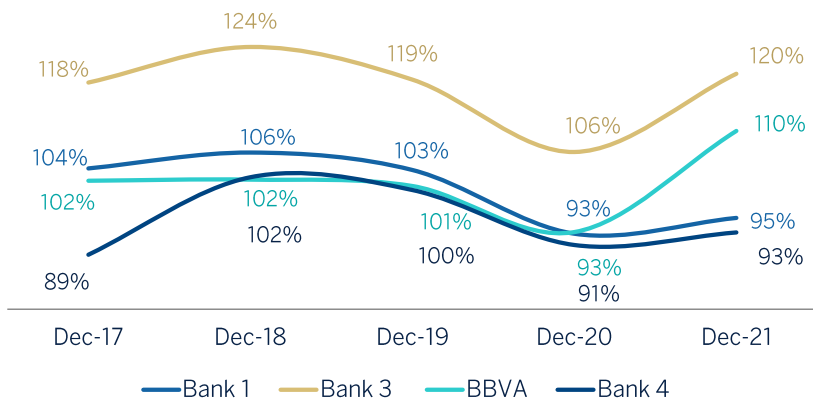


- Demand + Saving
- Term
- CTS
- Repos
- Wholesale funding
- Reactiva
- Others
- Equity

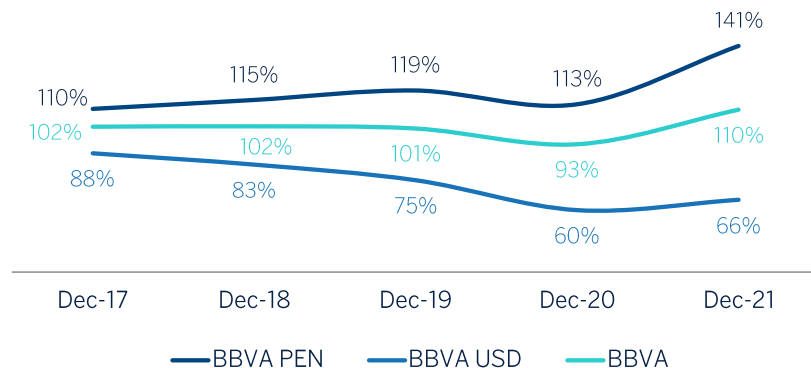
- Demand + Saving
- Term
- CTS
- Repos
- Wholesale funding
- Others

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

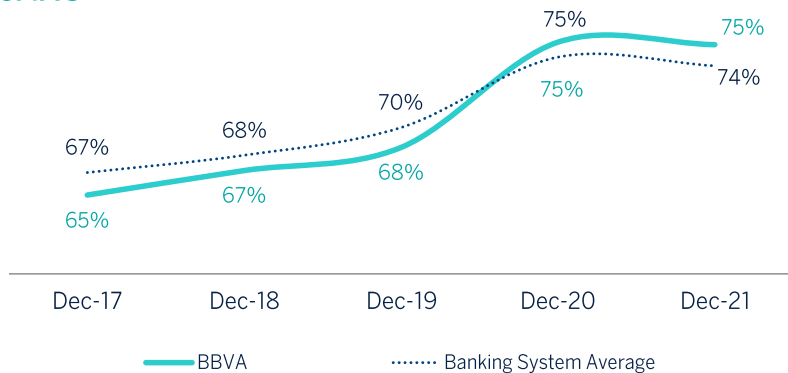
## LOAN TO DEPOSIT<sup>1</sup> – PEER GROUP



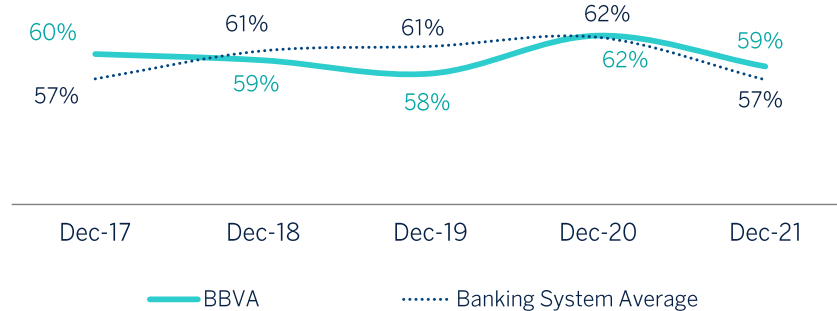
## LOAN TO DEPOSITS<sup>1</sup> BY CURRENCY



## DOMESTIC CURRENCY PERFORMING LOANS



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

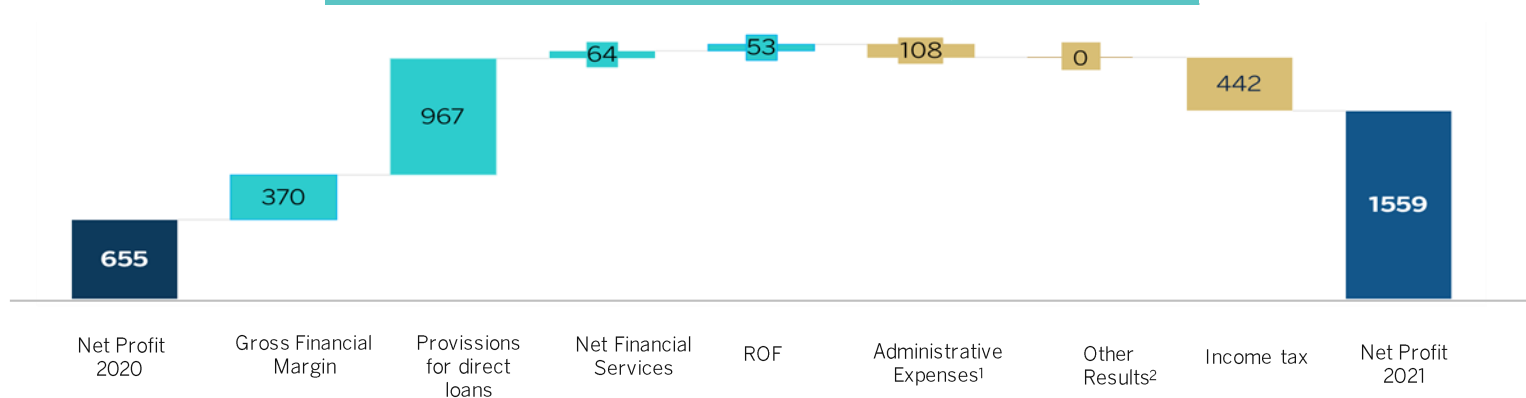


<sup>1</sup>Other obligations are excluded from deposits  
Source: SBS

# BBVA Profit & Loss

(\$/ Million)

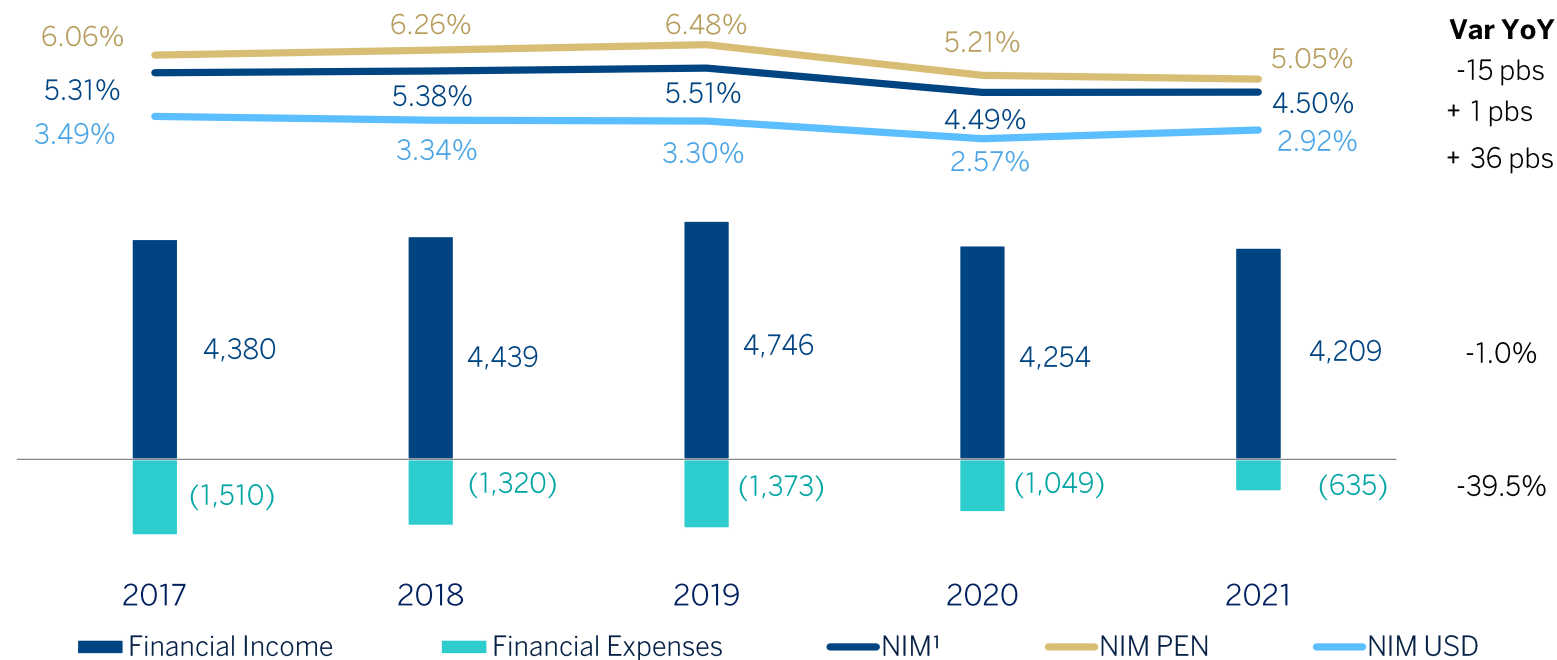
	2020	2021	Abs. Var.	%
Financial Income	4,254	4,209	(44)	-1.0
Financial Expenses	(1,049)	(635)	414	-39.5
Gross Financial Margin	3,204	3,574	370	11.5
Provisions for direct loans	(1,724)	(756)	967	-56.1
Net Financial Margin	1,481	2,818	1,337	90.3
Net Fees and Comissions	777	841	64	8.3
Gain / Loss From Financial Operations (ROF)	687	740	53	7.7
Operating Margin	2,945	4,399	1,454	49.4
General Expenses	(1,871)	(1,979)	(108)	5.8
Net Operating Margin	1,074	2,420	1,347	125.4
Asset valuation and other provisions	(169)	(178)	(9)	5.4
Resultado de operación	3,204	3,574	370	11.5
Other Income and Expenses	(25)	(16)	9	-35.0
Profit / Loss Before Income Tax	879	2,226	1,346	153.1
Income tax	(224)	(666)	(442)	197.0
Net Profit	655	1,559	904	138.0



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

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

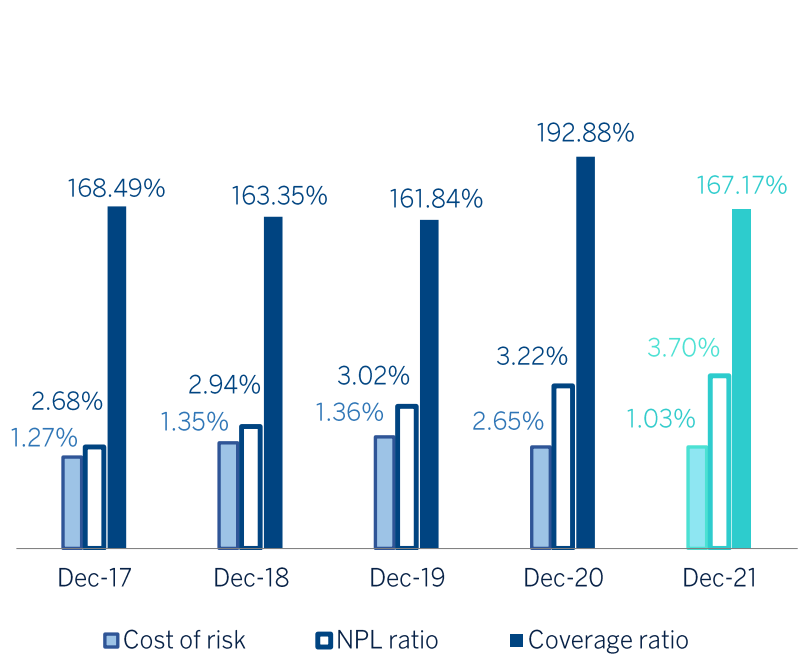
## Gross financial margin (S/ Millions, %)



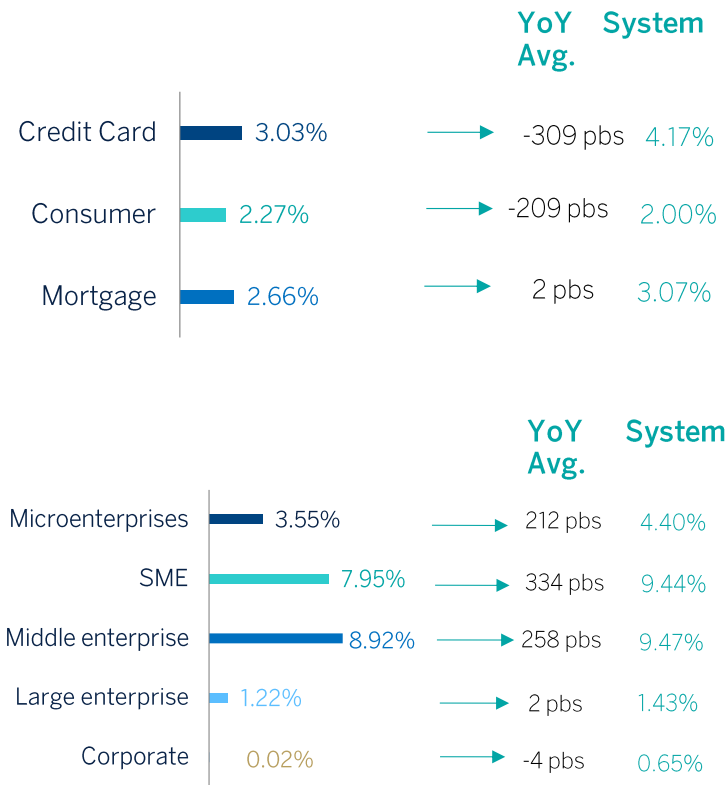
Acceleration of the Financial Margin growth, supported by the significant reduction in **Financial Expenses** due to the **repricing of Deposits and lower expenses in Debt**.

# Asset quality of BBVA Peru

## OUTSTANDING ASSET QUALITY



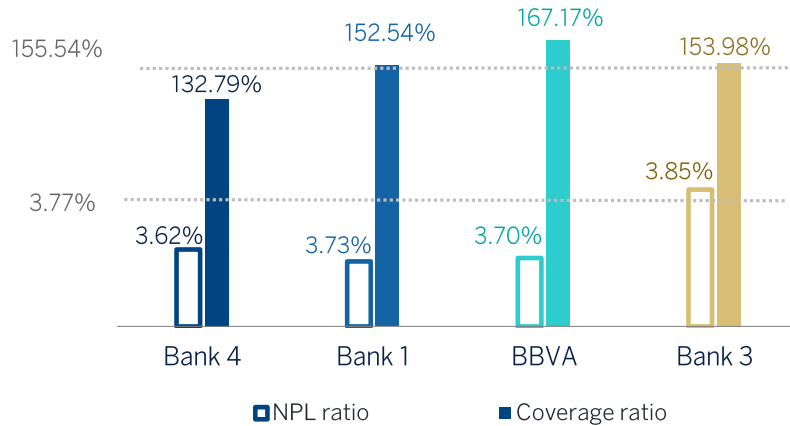
## NPL RATION BY PRODUCT AND SEGMENT (DECEMBER 2021)



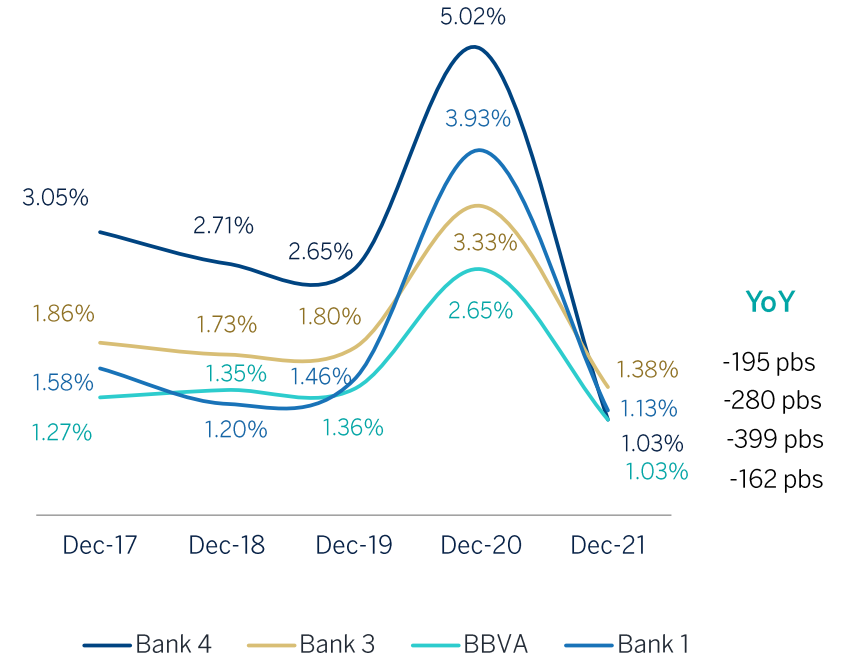
# Risk management of BBVA Peru vs Peer Group

## NPL RATIO & COVERAGE RATIO (DECEMBER 2021)

Banking System  
Average

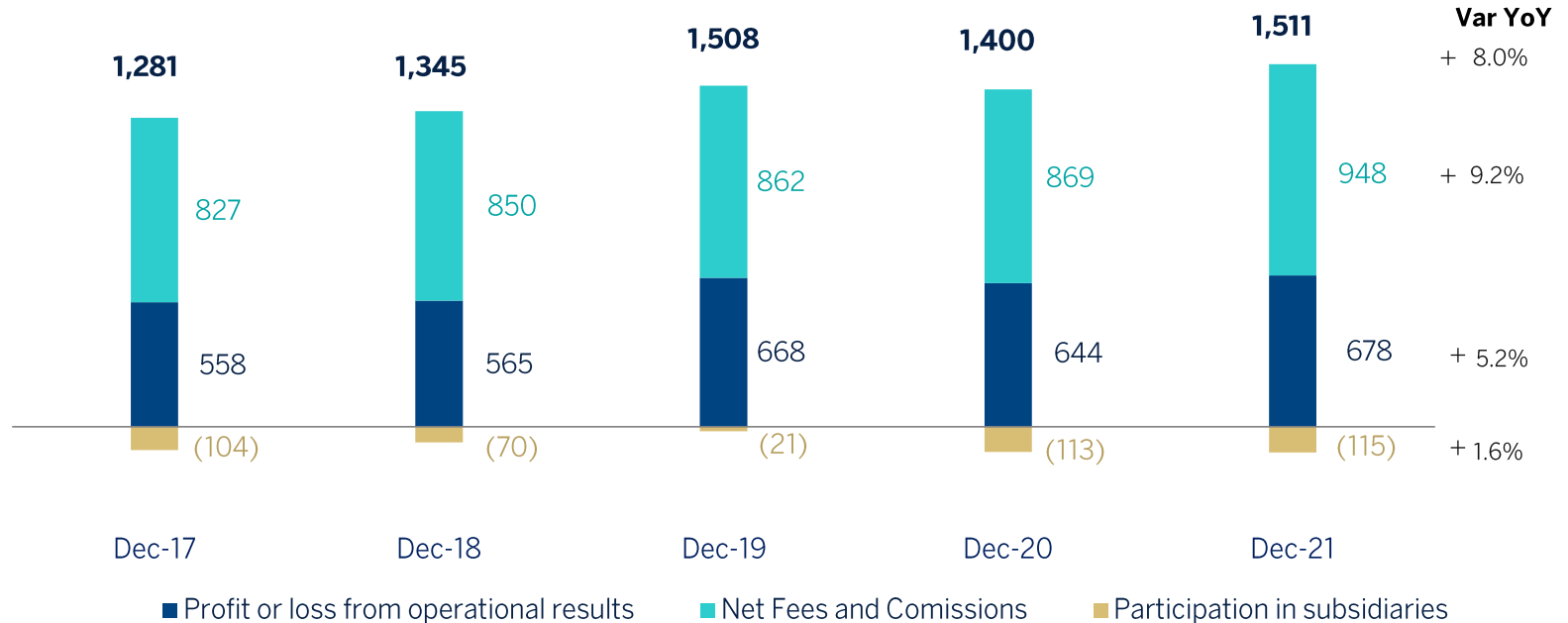


## BEST COST OF RISK<sup>1</sup> VS. PEER GROUP



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

# Other Financial Income (\$/ Millions, %)

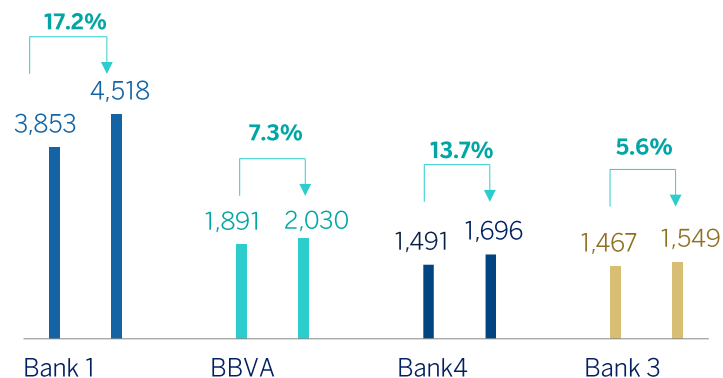


The increase in Net Fees and Comissions is mainly driven by higher revenues in **Cards from Commerce, National Transfers and Collections from services**. Meanwhile, Profit or loss from operational results presents YoY growth due to higher revenues in **Derivatives**.

# Expenses management

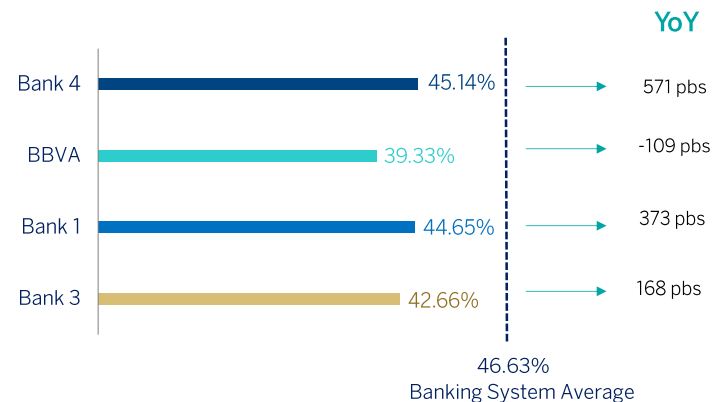
## ADMINISTRATIVE EXPENSES<sup>1</sup> (S/ MILLION,%)

(DECEMBER 2021 VS 2020)



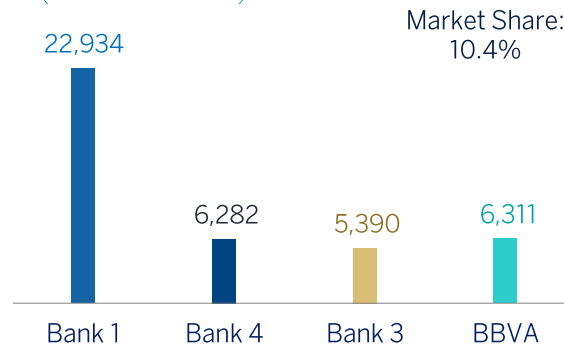
## EFFICIENCY RATIO

(DECEMBER 2021)



## NUMBER OF EMPLOYEES

(DECEMBER 2021)



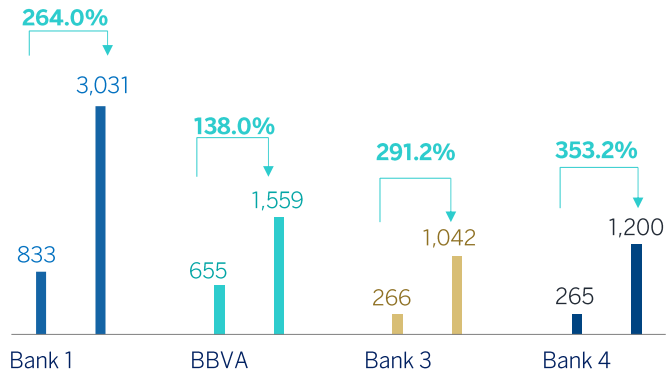
We continue being **the leader in efficiency.**

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

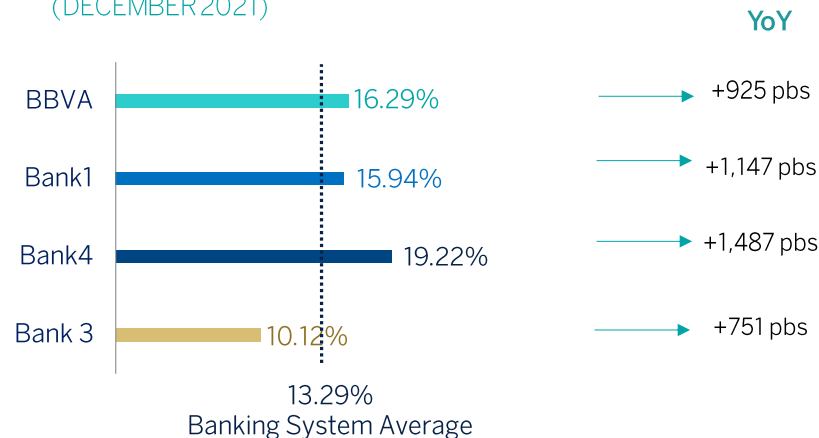


# Profitability management

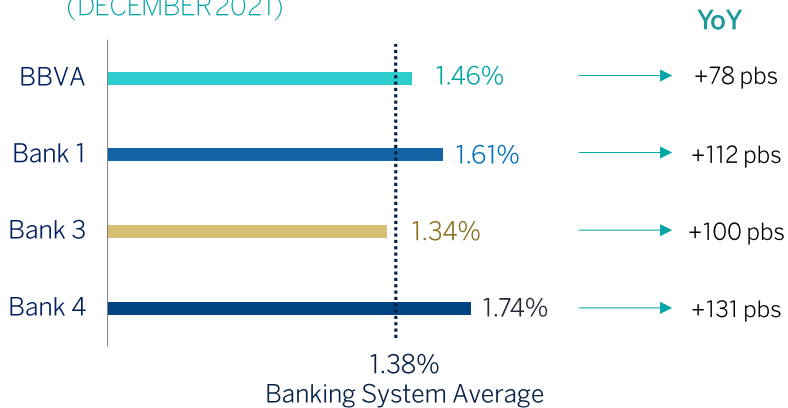
### NET PROFIT (S/ MILLION,%) (DECEMBER 2021 VS 2020)



### RETURN ON EQUITY – ROE (DECEMBER 2021)

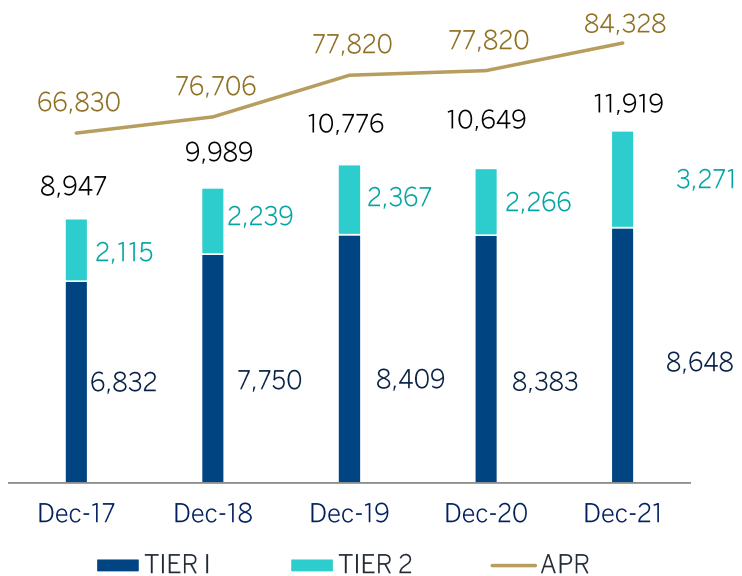


### RETURN ON ASSETS – ROA (DECEMBER 2021)

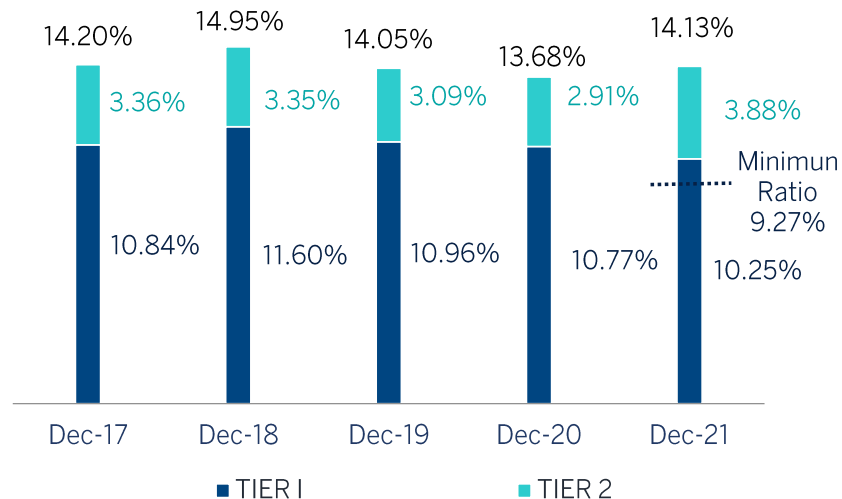


# Solvency management

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



## CAPITAL RATIOS



\* CET1=10.45%  
Source: SBS

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

04

# Ratings

# International & local rating

Rating agencies have granted BBVA Peru the Best international and local ratings (December 2021)

## INTERNATIONAL RATING

**S&P**

- BBB+** Foreign currency long term issuances
- A-2** Foreign currency short term issuances
- BBB+** Local currency long term issuances
- A-2** Local currency short term issuances
- Negative** Outlook

**Moody's**

- Baa1** Long Term
- Prime2** Short Term Deposits
- Stable** Outlook

**Fitch Rating**

- BBB** Foreign currency long term issuances
- F2** Foreign currency short term issuances
- BBB** Local currency long term issuances
- F2** Local currency short term issuances
- Stable** 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%






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



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



**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

\* Cumulative origination until December 2021

<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.

**4,375**

Trained teachers

**1,030**Schools in 10  
regions**134,814**Students that have been  
part of the Program

# 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



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**

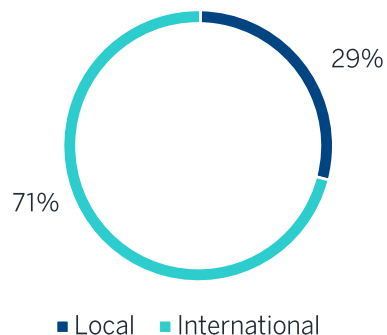
BBVA

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

Fourth Quarter 2021