

**BBVA**

Creando Oportunidades

# BBVA Peru

## Investor Report

3rd Quarter 2023

November 2023

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EXHIBIT

Debt Issuances  
Awards

**BBVA**

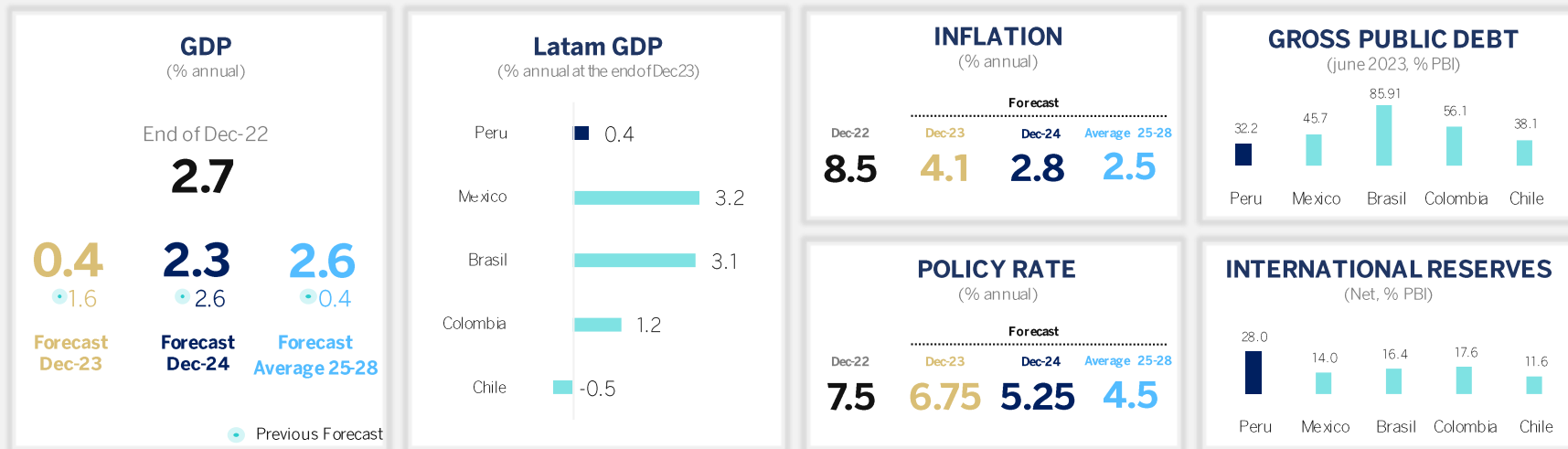
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01

# Economy & Financial System

# Macroeconomic Environment

The GDP slows down due to the realization of some local shocks, although with contained inflation and solid indicators of Debt and Reserves



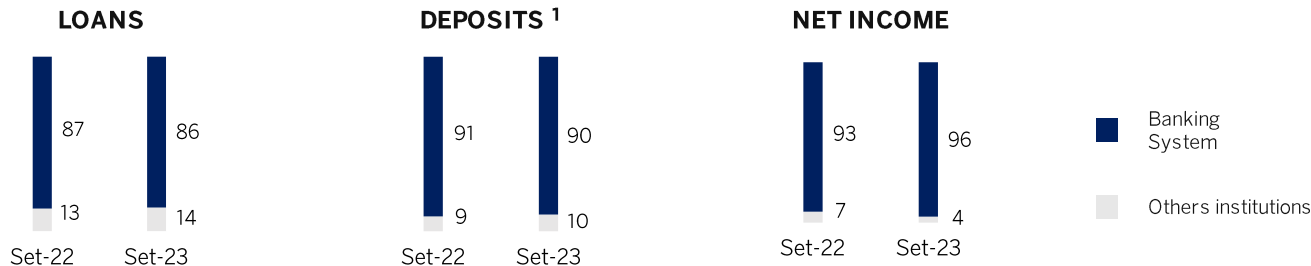
The downward revision of the 2023 forecast is due to:

- Negative shocks associated with adverse weather conditions impacting the agricultural and fishing sectors.
- Positive aspects regarding the GDP are linked to the execution of public spending on measures to prevent the occurrence of El Niño (similar to the previous scenario) and increased mining production

# Peruvian Financial System

Despite a challenging environment, the system manages to increase Net Profit. The top 4 banks concentrate 84% of Loans and 83% of Deposits in the banking system

Peruvian Banking System		Institution (S/ millions)	Net Loans	YoY	Deposits	YoY	Net Income	YoY
Banking System	Banks (17)		331,161	-3%	330,911	-3%	7,542	-3%
	Banco de la Nación		10,996	25%	39,840	5%	1,260	116%
Other Financial Institutions	Cajas Municipales (12)		32,502	12%	29,874	18%	112	-56%
	Financieras (9)		12,912	7%	8,383	9%	114	-66%
	Cajas Rurales (6)		1,207	-42%	1,105	-36%	-29	59%
	Credit Business(6)		2,633	-9%	-	-	22	-201%
	COFIDE		4,264	-23%	119	-72%	70	206%
	Agrobanco		267	7%	-	-	48	33%
<b>Total Financial System</b>			<b>395,943</b>	<b>-1%</b>	<b>410,233</b>	<b>-1%</b>	<b>9,139</b>	<b>2%</b>

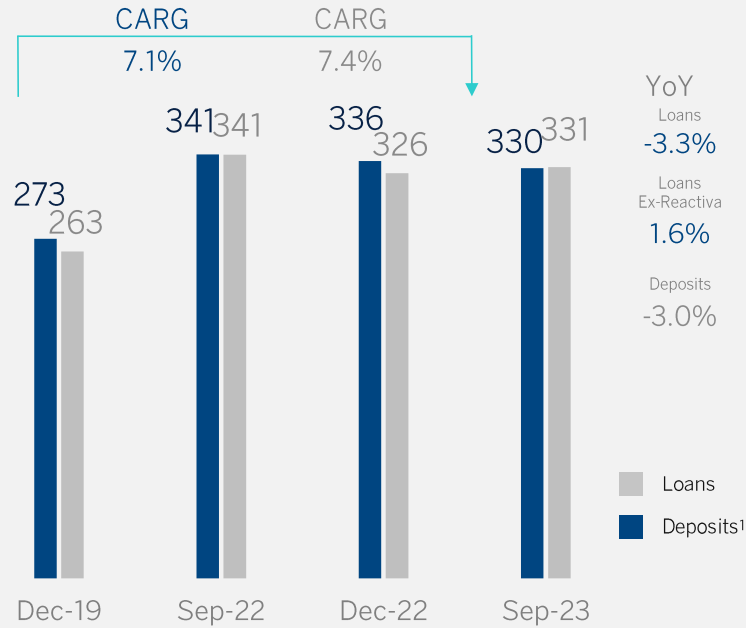


<sup>1</sup>Other deposit obligations are excluded  
Source: SBS

# Peruvian Financial System

Loans increase supported by Retail and Small Enterprises; meanwhile, resources remain stable

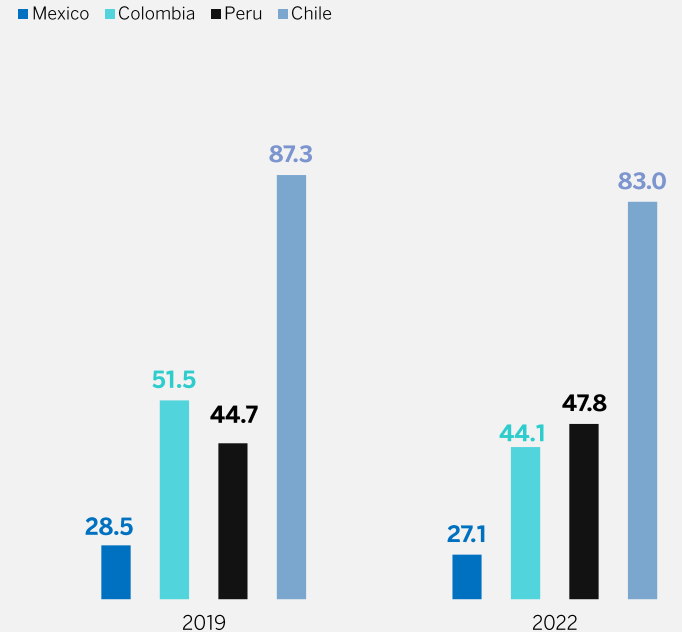
## LOANS AND DEPOSITS EVOLUTION



BBVA market share in Reactiva loans

Market Share	Sep-22	Dec-22	Sep-23
Share	31%	31%	32%

## BANK PENETRATION (PRIVATE DEBT AS % OF GDP)



<sup>1</sup>Other deposit obligations are excluded  
Source: SBS and World Bank Group

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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:*

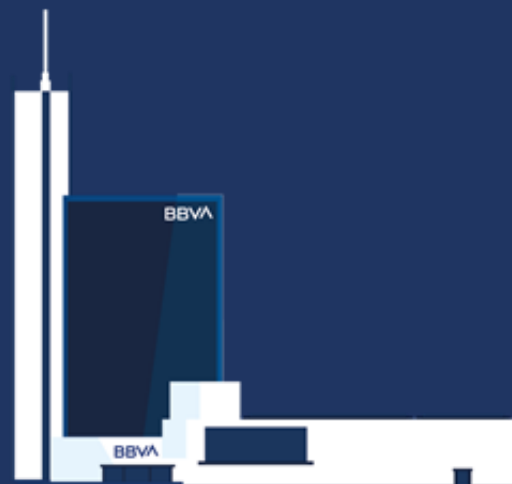
BBVA Asset Management SAF  
BBVA Sociedad Agente de Bolsa



AFPs  
Insurers  
Investment Funds  
Retail Shareholders



7.76 %  
Float BVL

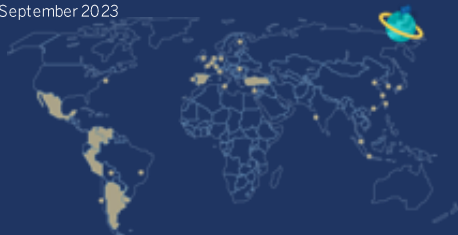




# About BBVA Peru

## BBVA's GLOBAL PRESENCE

September 2023



Countries  
>25

Branches  
6,017

Employees  
120,457

## DIGITAL CAPABILITIES



Customers  
mobile  
51.5 M

Digital sales  
units  
78.3%

Our purpose

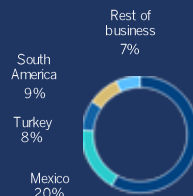
“  
To bring the  
age of  
opportunity  
to everyone

## DIVERSIFICATION UNDER A DECENTRALIZED MODEL



TOTAL ASSETS

GROSS INCOME



Total Assets  
758 bn €

Net Attributable Profit (9M)  
5.961 M €

## SUSTAINABLE DEVELOPMENT AND DIRECT CONTRIBUTION TO SOCIETY



New BBVA's 2025 Goal

300 bn€

between 2018 and 2025

185 bn€

Channel since 2018

## LEADING FRANCHISES

Ranking and market share (%)

SPAIN	#3	13.8%	PERU	#2	20.7%
MEXICO	#1	24.4%	COLOMBIA	#4	11.4%
TURKEY	#2	18.8%			

BBVA Peru's route aligns with the 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**

In this sense, BBVA has been working on growing the sustainable business, fostering new business lines. Increasing the value offer, with inclusive growth and climate action.

**Retail** **s/ 558** MM (Sep 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

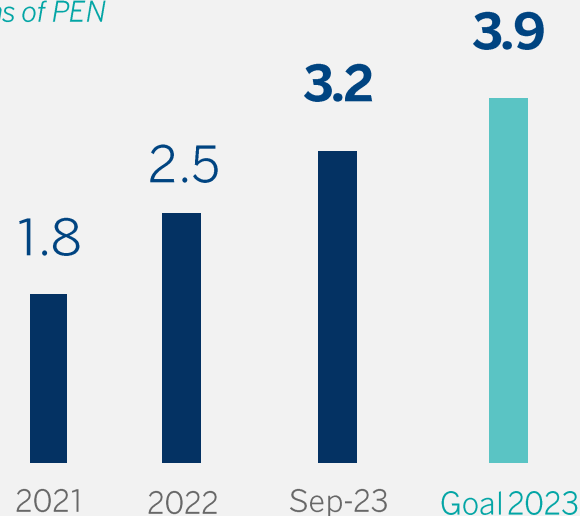


Credit cards made with recycled material - 86% PVC

**BEC** **s/ 1,598** MM (Sep 23)

**CIB** **s/ 1,092** MM (Sep 23)

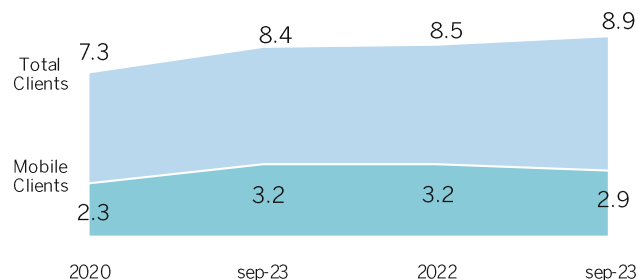
*In billions of PEN*



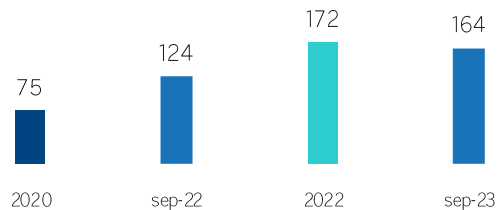
**With an execution of 83% as of September 2023**

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

**64%**

Credit Cards

**60%**

Mutual Funds

**54%**

FX Operations

**78%**

- **Mobile banking** continues to position itself as the main transactional channel for the bank, with a share of 54%.
- **Features:** The second phase of interoperability has been deployed, and we have optimized functionalities in the app to provide greater convenience to our clients.
- Digital penetration in credit cards, leveraged by actions to maintain approval rates and effectiveness to benefit sales.
- In **FX**, personalized communications sent to different customer segments and competitive exchange rates have contributed to our success.
- In **Mutual Funds**, investment products are gaining importance as alternatives for medium and long-term savings."

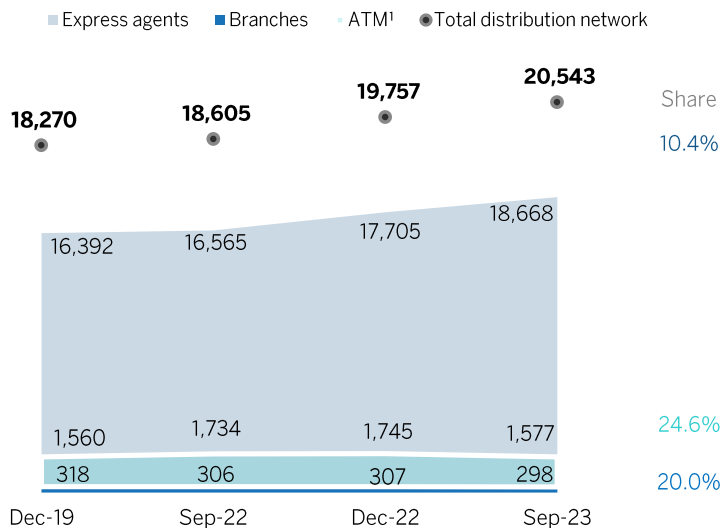
# Banking Platform

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

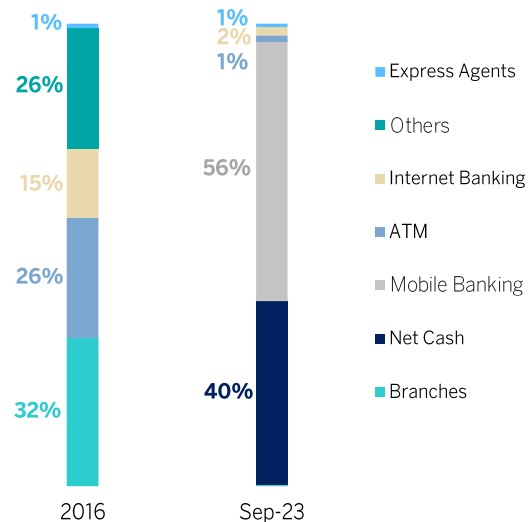
## Distribution Network

One of the largest in the country

- With 20,543 points of service
- More than 8.9 millions of customers (+5.8% YoY)



## Transactions per Channel<sup>2</sup>



<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

**BBVA**

Creando Oportunidades

03

# Financial Highlights

# Key Messages 2023

## 1 HIGH PROFITABILITY AND NET INCOME GROWTH

NET INCOME (S/ MM,%)

1,476

-0.3% YOY

ROE (% ,pp)

16.8

-4.2 pp YOY

ROA (% ,pp)

2.0

-0.18 pp YOY

## 2 PROPER EFFICIENCY MANAGEMENT

COST TO INCOME (%)

38.21

to Sep-23

vs

-89 bps YOY  
40.55% Banking System average

## 3 SOLID ASSET QUALITY

COST OF RISK (%)

2.22

vs. 0.65 in Sep-22  
vs. 1.36 in Dec-19

NPL (%)

4.67

vs 4.29 Banking  
System average

COVERAGE RATIO (%)

141.22

vs 142.24 Banking  
System average

## 4 STRONG CAPITAL AND LIQUIDITY RATIOS

GLOBAL CAPITAL (%)

15.87

CET1 (%)

12.31

LOAN TO DEPOSITS (%)

100

## 5 STANDING OUT IN THE DIGITAL STRATEGY

MOBILE CUSTOMERS

-6.9

YOY

DIGITAL CUSTOMERS

-6.7

YOY

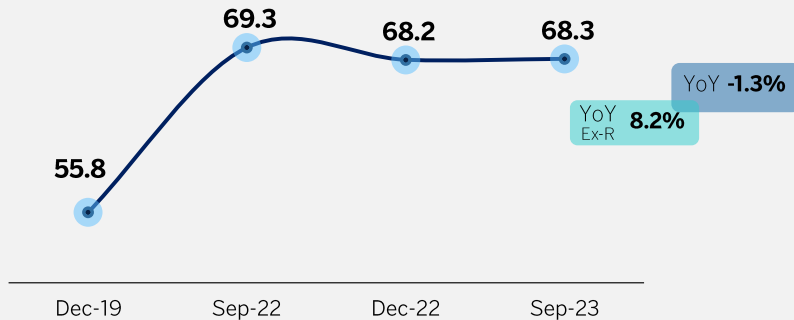
BBVA APP

Digital platform  
benchmark in the Market

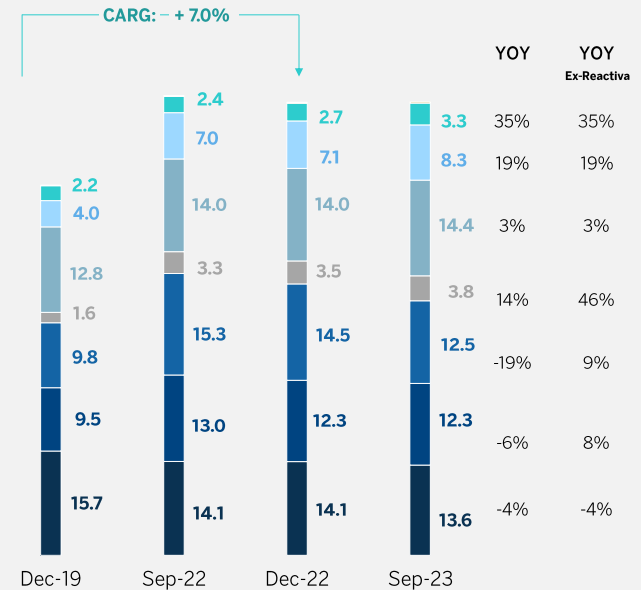


# A balanced and diversified model driven by excellence

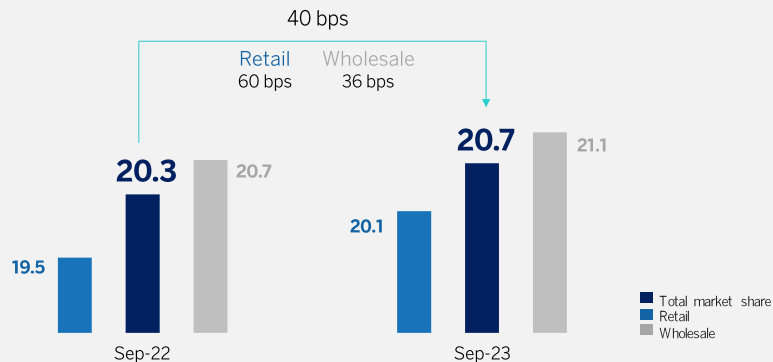
Performing Loans (\$/Millions)



Loans by segment (\$/Millions, %)



Market Share (%)

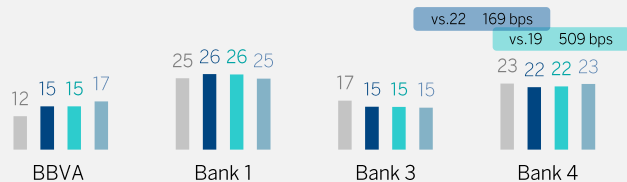


Contraction due to Reactiva amortizations and lower Corporate loans. **The dynamism of Consumption, Cards y BBVA SMEs stands out.**

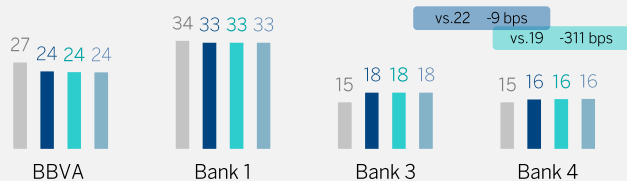


# Market Share (%)

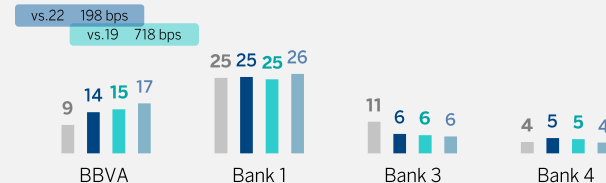
## Consumer + Credit Cards



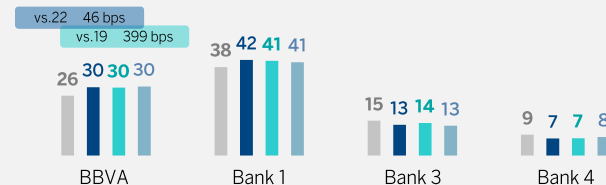
## Mortgages



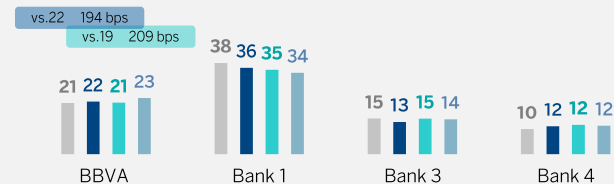
## Small Enterprises and Microfinance



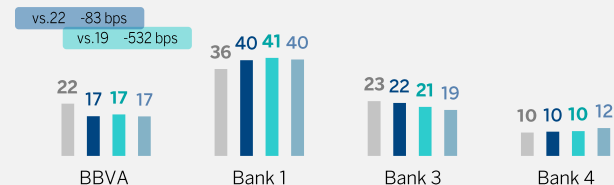
## Medium Enterprises



## Large Enterprises



## Corporates

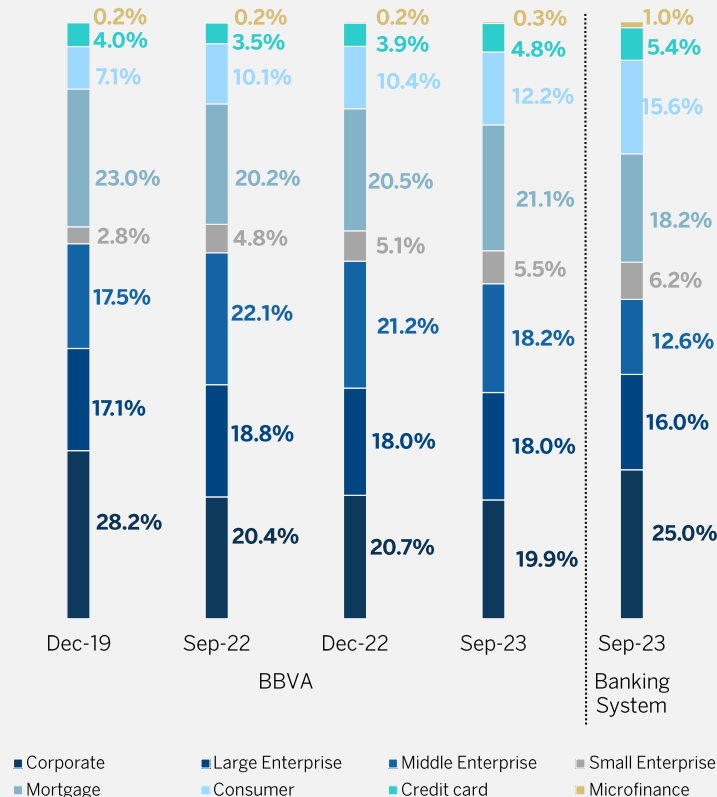


We are on our way to become a **Retail Bank**, with a year-over-year growth in **PLD + Cards market share**. In addition, we gained market share in **Small y Large Enterprises**.

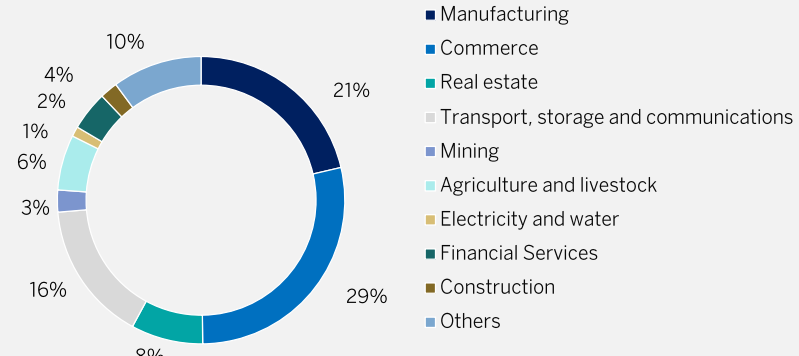
■ Dec-19 ■ Sep-22 ■ Dec-22 ■ Sep-23

# We maintain a strategically diversified loan portfolio

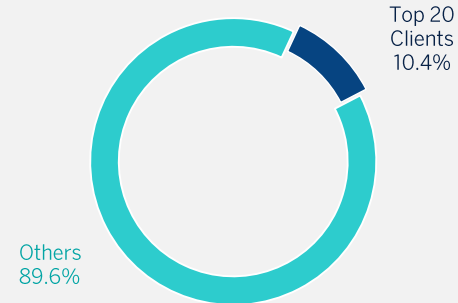
Performing Loans (\$/ Millions, %)



Loans by economic sector (\$/ Millions, %)

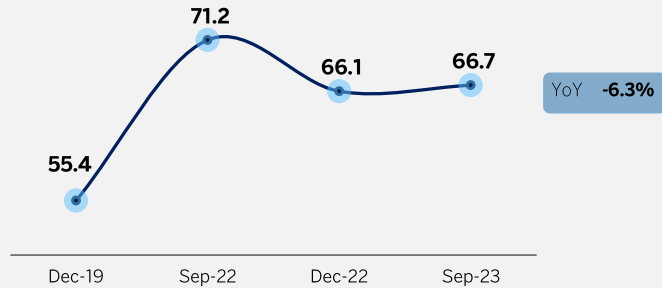


Risk Concentration

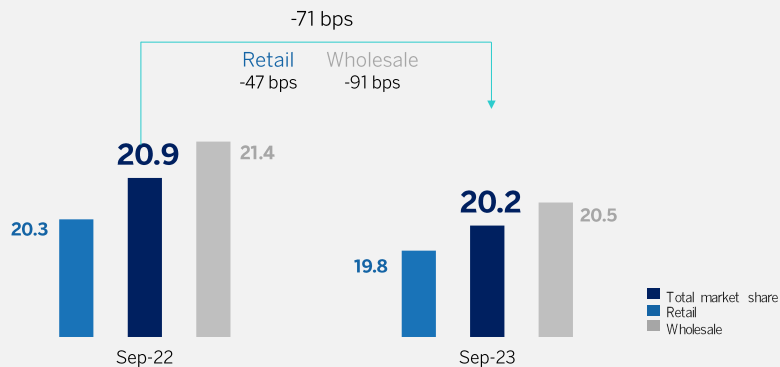


# Solid and competitive funding structure

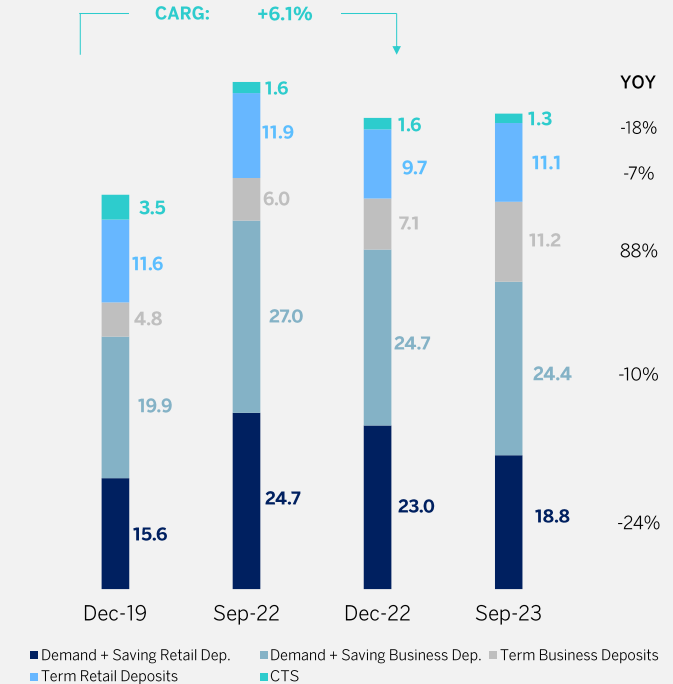
Deposits (\$/Millions)



Market Share (%)



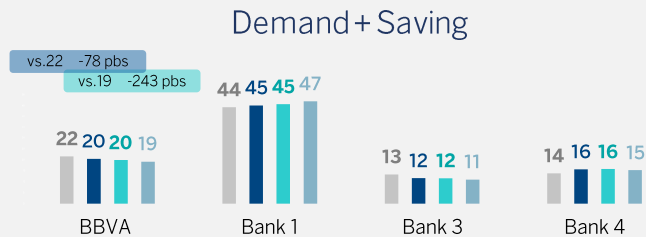
Deposits by segment (\$/Millions, %)



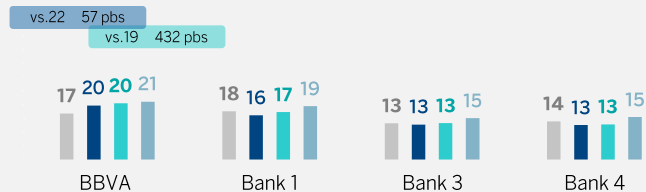
**Deposits increase** due to higher Term balances (Individuals and Companies), given the increase in remuneration rates and different campaigns to capture and retain balances.

# Market Share

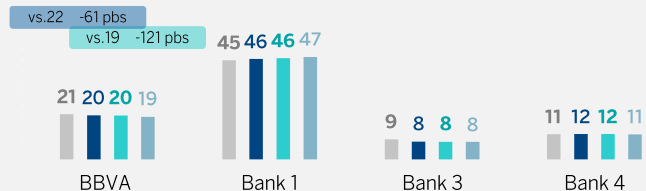
## Retail Deposits, (%)



### Term

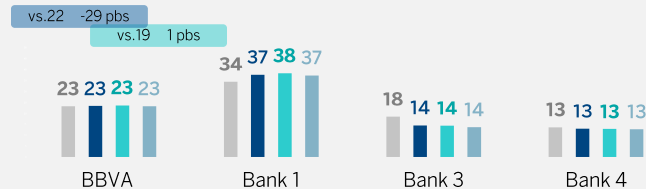


### CTS

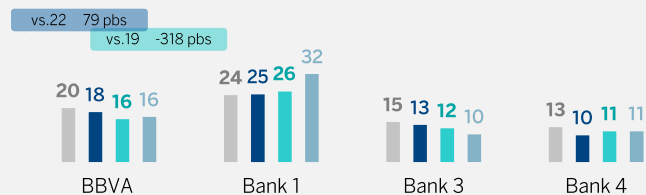


## Business Deposits, (%)

### Demand + Saving

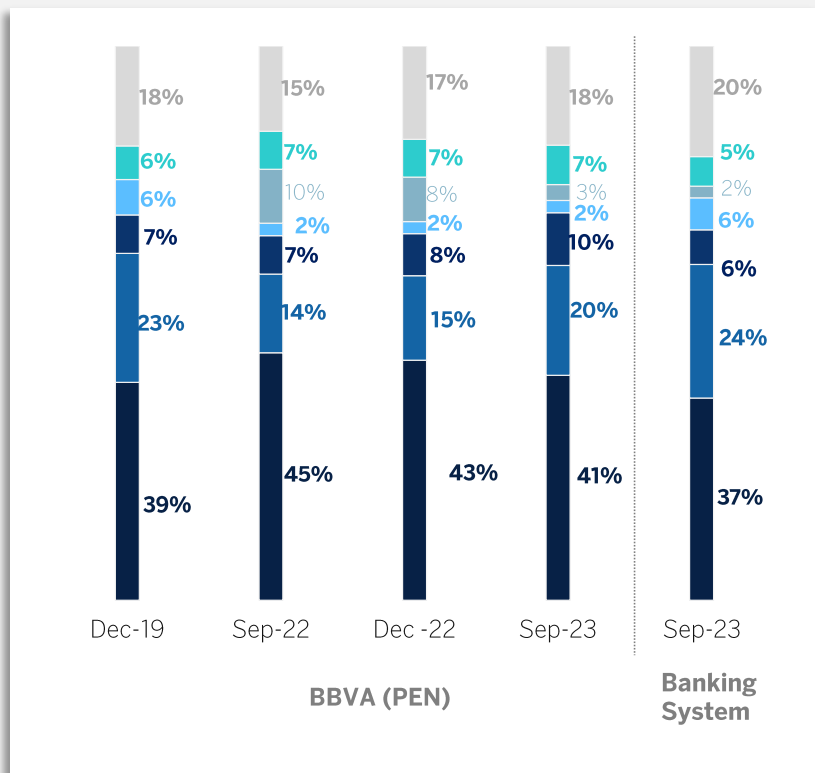


### Term

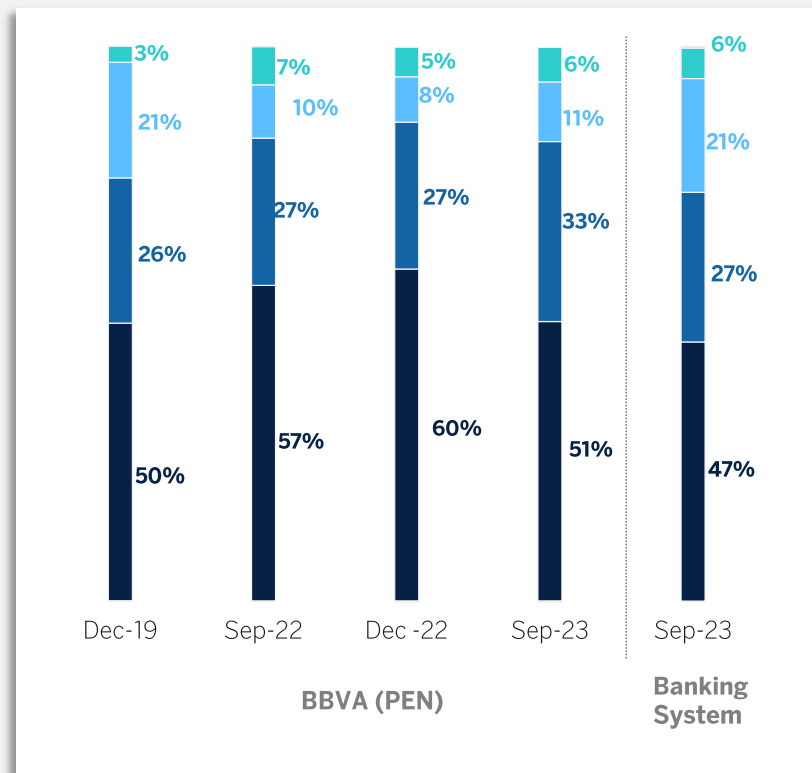


# Liabilities and Capital Structure

## Local Currency



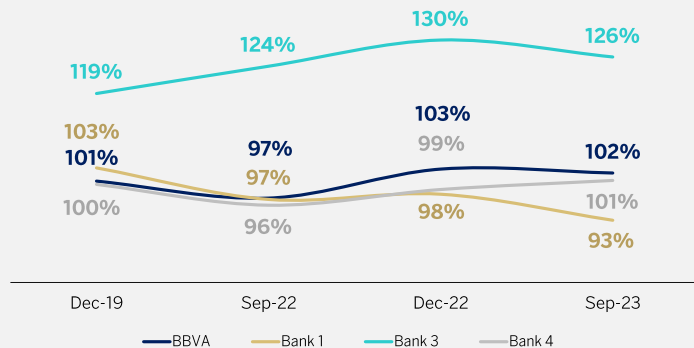
## Foreign Currency



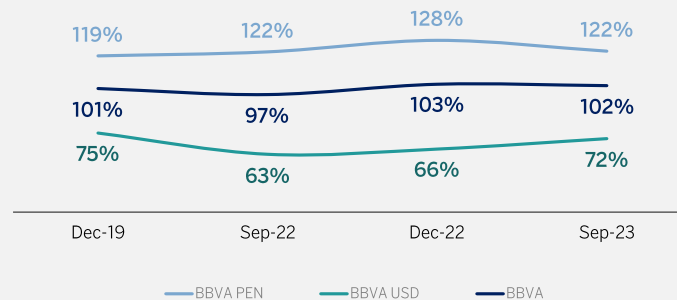
\*Estimated amount according to the Financial System  
Source: SBS and BCRP

# High degree of self-financing and balance sheet solarization

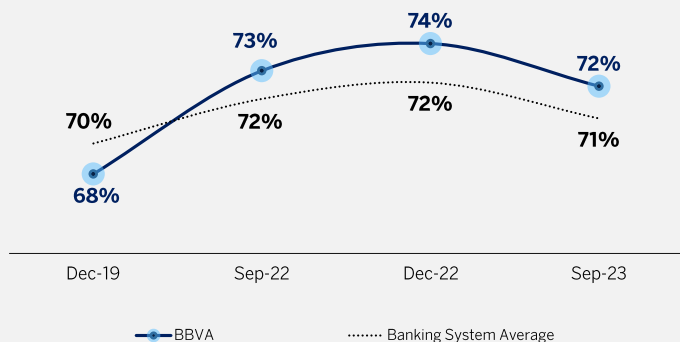
Loans to deposits<sup>1</sup>, (%)



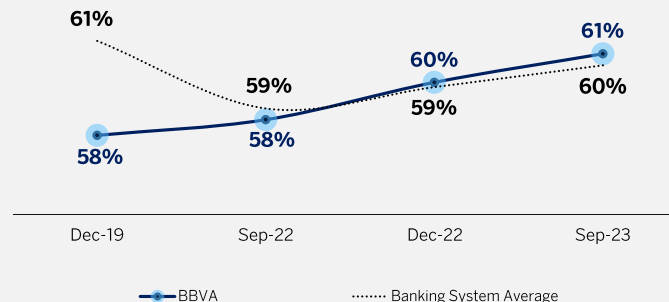
Loans to deposits<sup>1</sup>, (by currency, %)



Domestic Currency Performing Loans, (%)



Domestic Currency deposits<sup>1</sup>, (%)

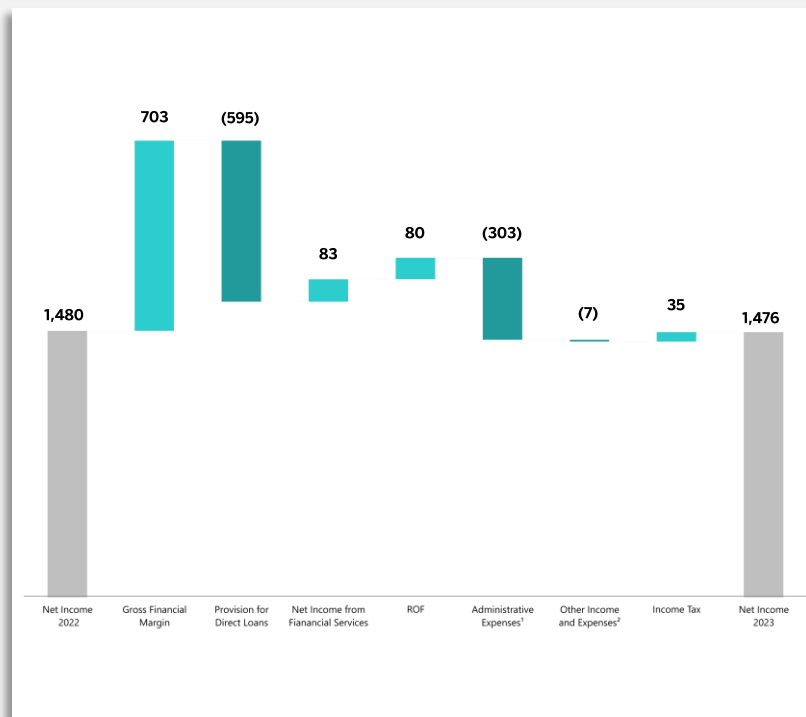


<sup>1</sup> Other obligations are excluded from deposits

\* Loan to Deposits Ex-Reactiva : Total Ratio =96%; PEN Ratio=114%  
Source: SBS

Financial Margin with notable performance, supported by Income due to Retail portfolio growth, as well as Net Commissions and ROF, which offset the higher Provisions and Opex expenses

	Sep-22	Sep-23	Var. %
Financial Income	3,976	5,565	40.0
Financial Expenses	-736	-1,622	120.3
<b>Gross Financial Margin</b>	<b>3,240</b>	<b>3,943</b>	<b>21.7</b>
Provision for Direct Loans	-666	-1,261	89.4
<b>Net Financial Margin</b>	<b>2,574</b>	<b>2,682</b>	<b>4.2</b>
Net Income from Financial Services	662	745	12.5
Gain/Loss from Financial Operations (ROF)	531	611	15.0
<b>Operating Margin</b>	<b>3,767</b>	<b>4,037</b>	<b>7.2</b>
Administrative Expenses	-1,535	-1,802	17.4
Depreciation and Amortization	-155	-191	23.7
<b>Net Operating Margin</b>	<b>2,077</b>	<b>2,044</b>	<b>-1.6</b>
Asset Valuation and Other Provisions	-64	-60	-6.6
Other Income and Expenses	3	-8	-345.8
<b>Profit/Loss Before Income Tax</b>	<b>2,016</b>	<b>1,976</b>	<b>-2.0</b>
Income Tax	-536	-501	-6.6
<b>Net Profit</b>	<b>1,480</b>	<b>1,476</b>	<b>-0.3</b>



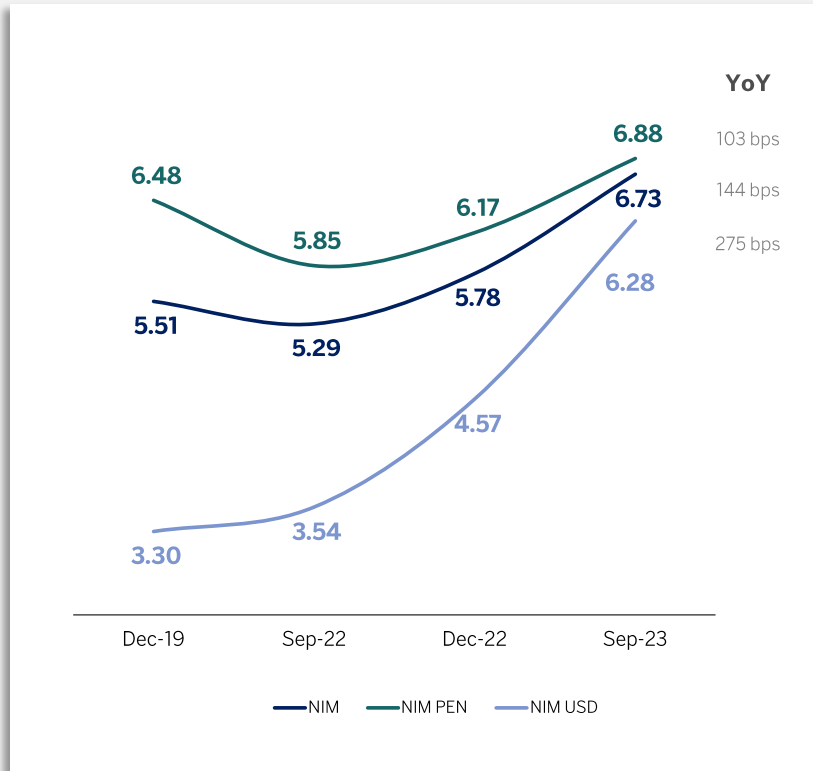
<sup>1</sup> Includes administrative expenses, depreciation and amortization

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

Source: ASBANC

# Profitability Management

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



Customer Spread, (%)

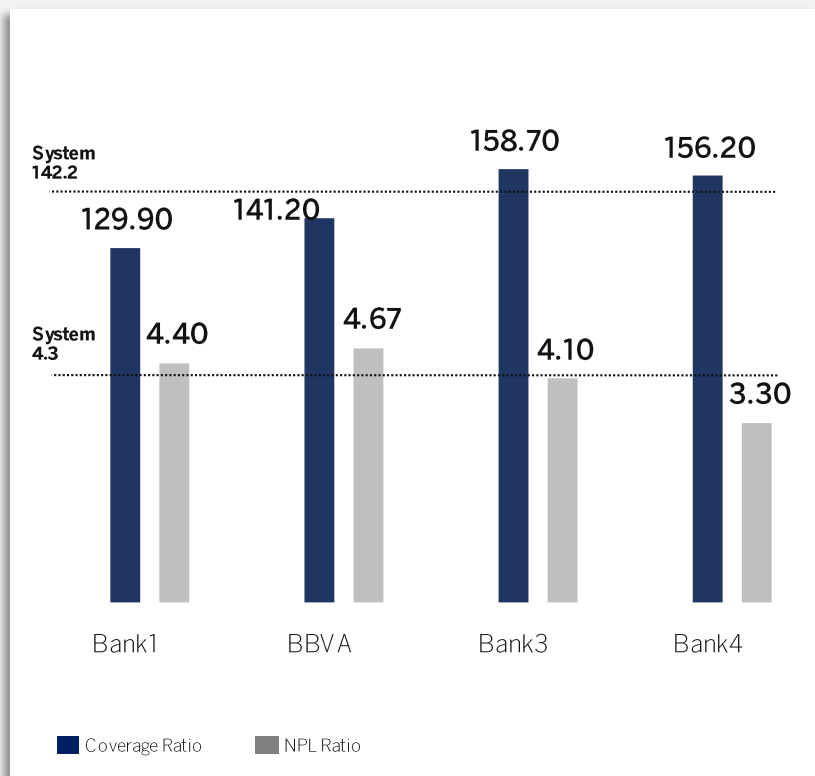


<sup>1</sup>NIM: Accumulate Gross Financial Margin / Average Profitable Assets of the last 12 months  
Source: ASBANC and SBS

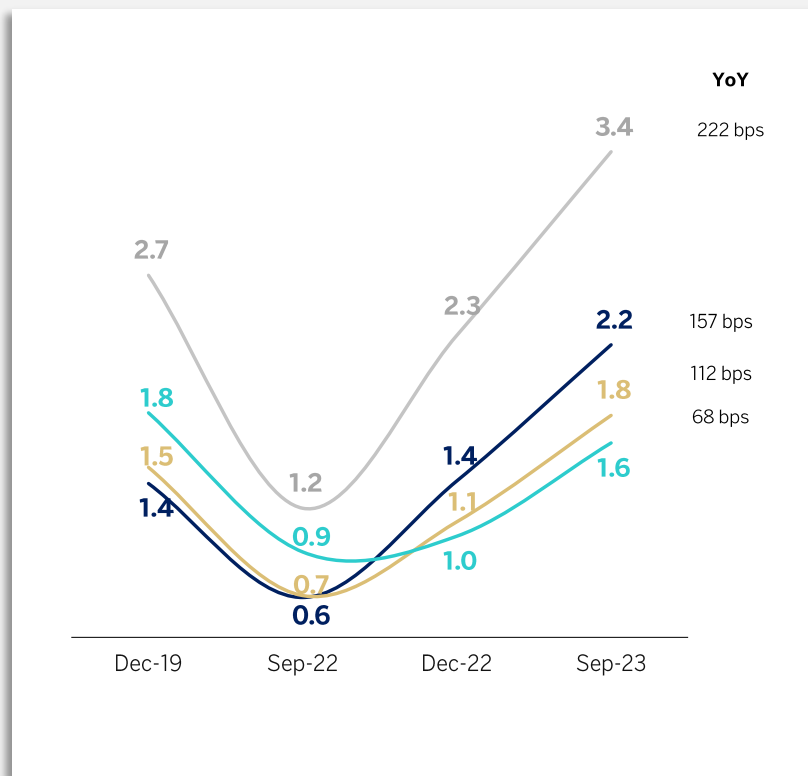


# Risk Management of BBVA Peru vs Peer Group

NPL Ratio and Coverage Ratio, (%)



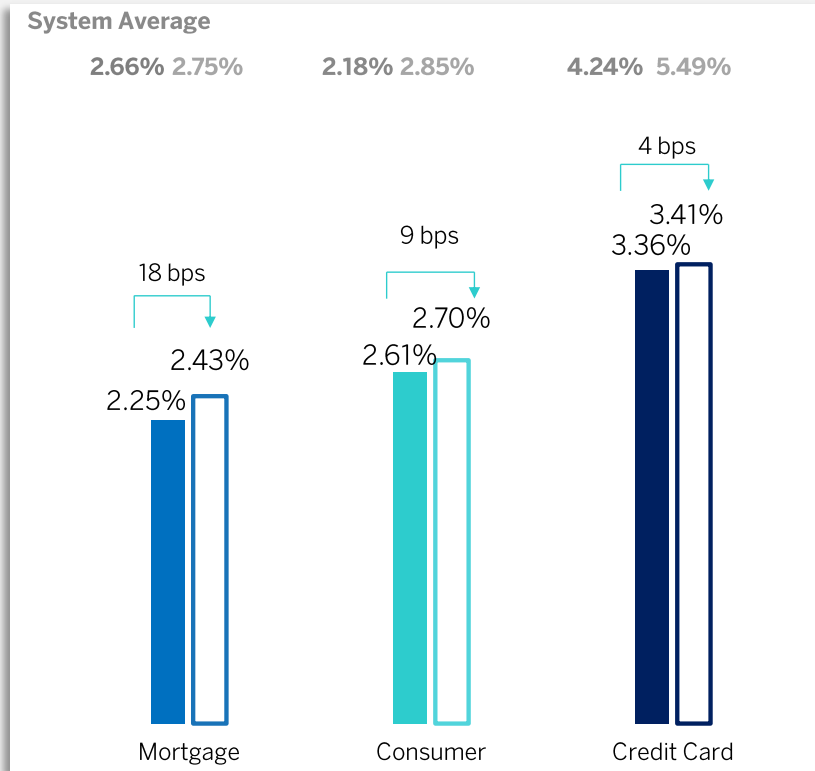
Cost of Risk<sup>1</sup>, (%)



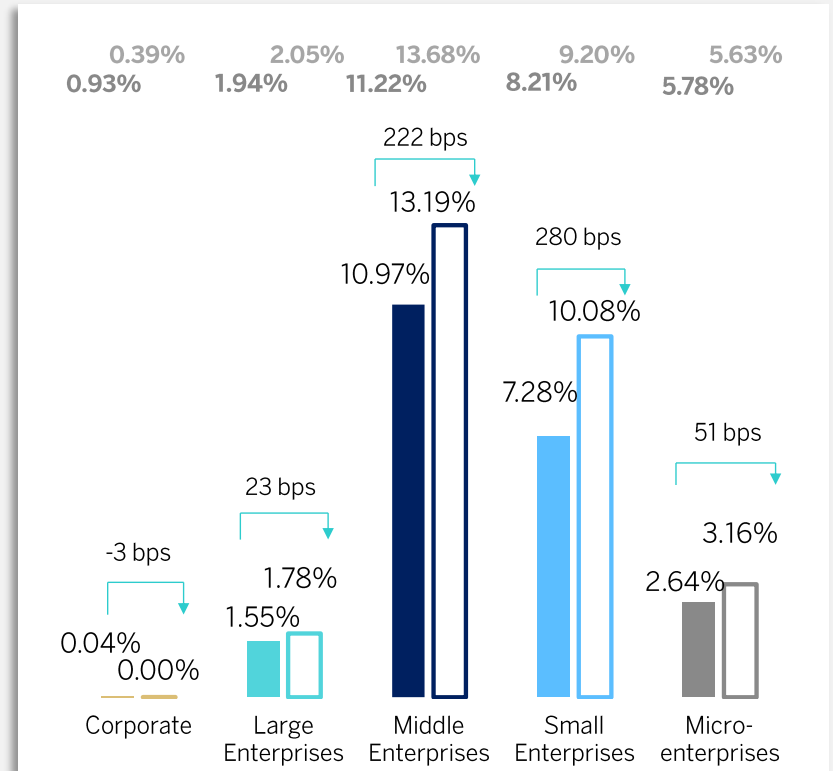
<sup>1</sup>Cost of risk Includes direct and indirect provisions / total credits of the last 12 months  
Source: SBS

# Asset Quality

NPL Ratio by Retail product, (%)

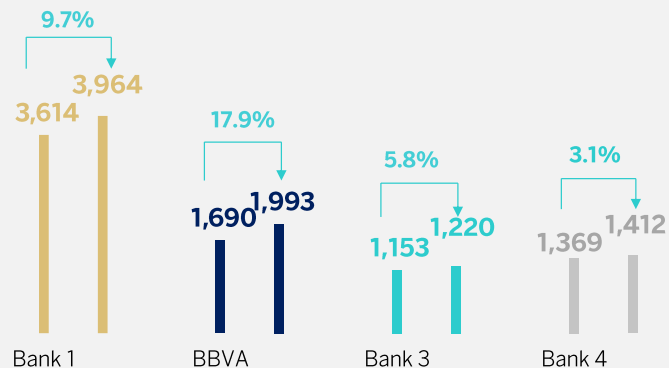


NPL Ratio by segment, (%)

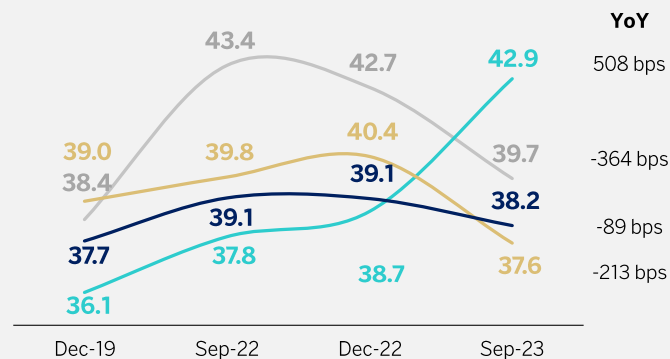


# Expenses Management

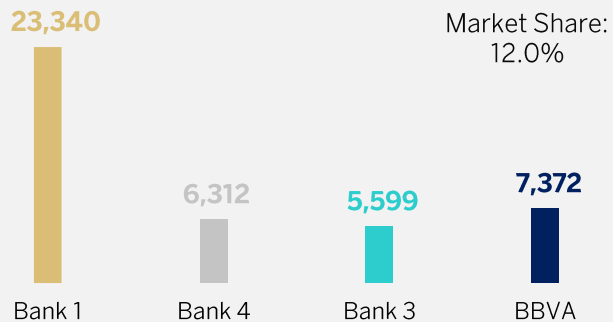
Administrative Expenses (*S/ Millions, Var YoY*)



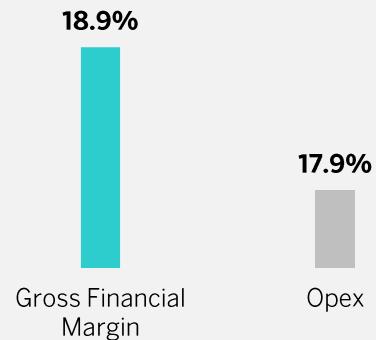
Cost to income (%)



Number of employees

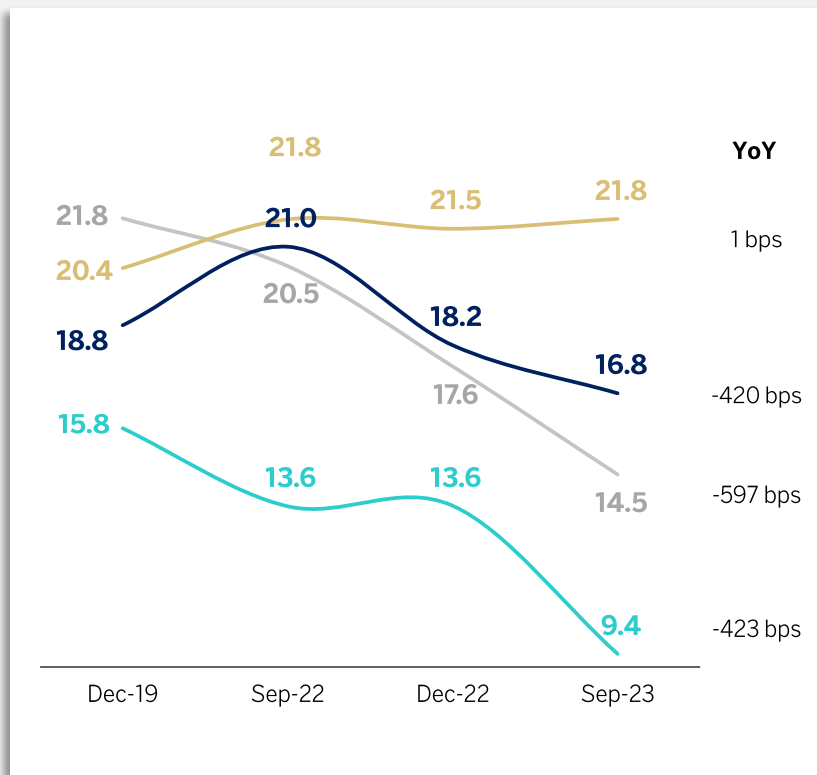


Positives Jaws

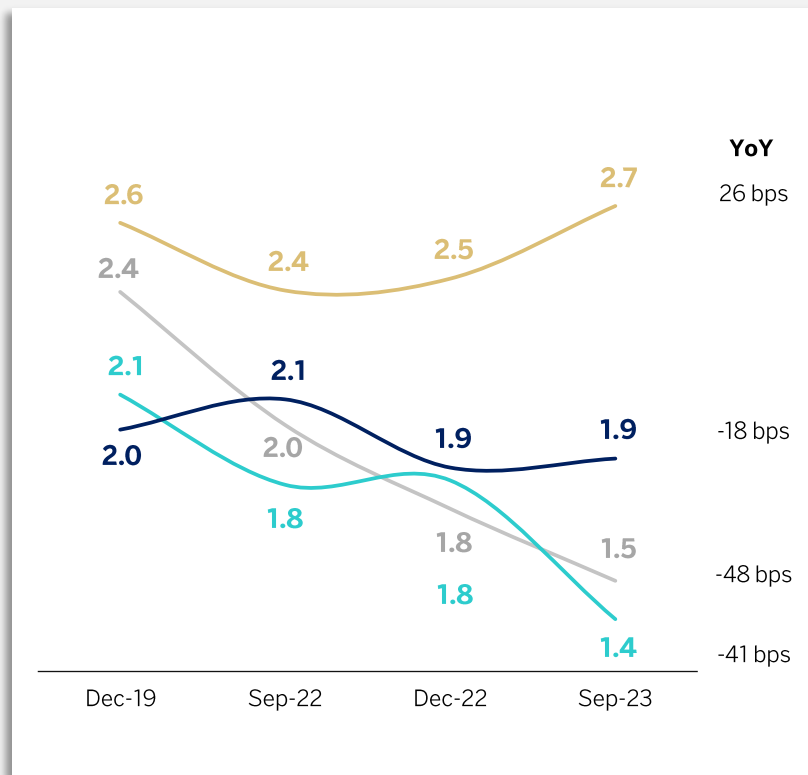


# Profitability Indicators

Return on Equity, (%)



Return on Assets, (%)



# Capital Management

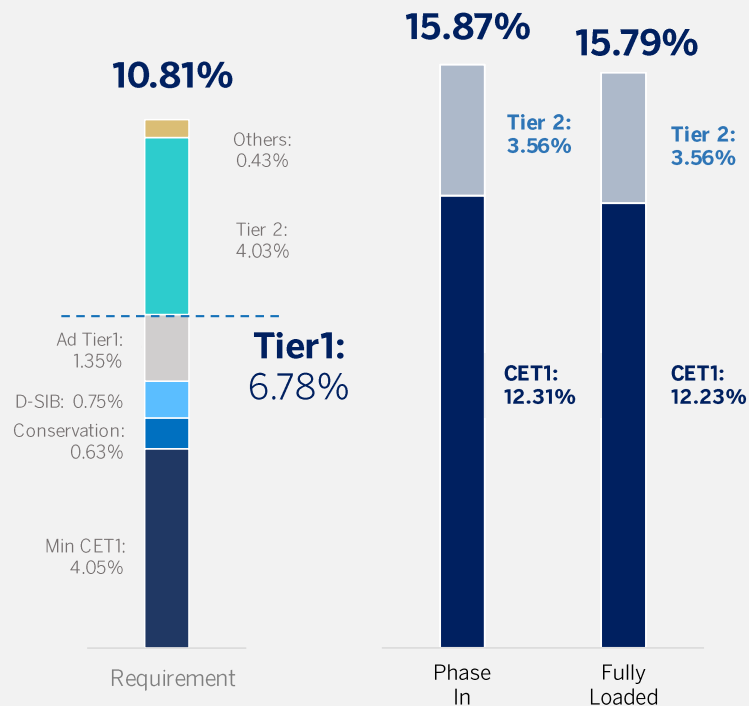
Global capital ratio as of Sep-23 above regulatory requirements (10%) by more than 587 bps:

CET1 (*Phase – in*)

# 12.31%

- Requirement according SBS 07850 – 2023 10%
- Regulatory requirement: 6.78%

Regulatory requirement and available capital Tier1  
(*Phase-in vs Fully-loaded*) as of SEP-23:



# 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 the local requirements
- Focused on value creation for the different stakeholders of the BBVA

**BBVA**

Creando Oportunidades

04

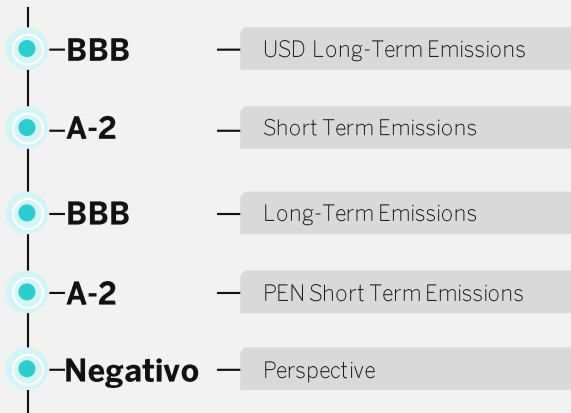
Ratings

# International and Local Ratings – BBVA Peru

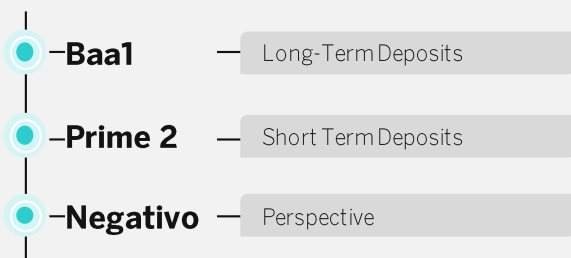
We have the best ratings (November 2023)

## International Rating

### S&P



### Moody's International

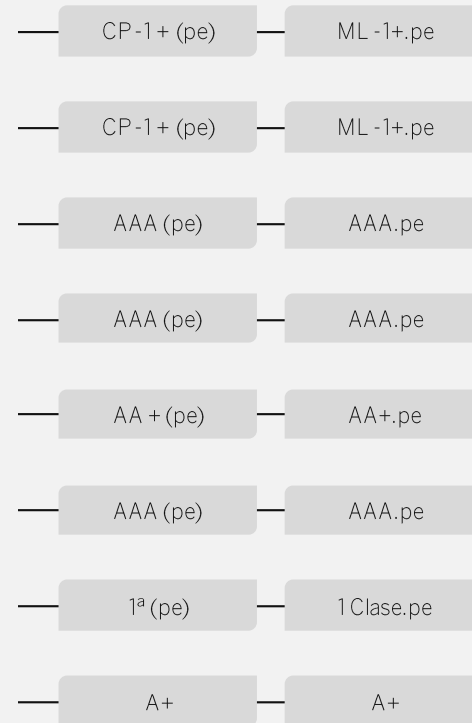


## Local Rating



### 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 2022 in Peru, according to the British magazine "The Bankers"



Best bank in the country in the contest Euromoney Awards for Excellence 2023



The only Peruvian bank to be included for the second consecutive year in the DJSI MILA Pacific Alliance Index



Los Bóscares 2022 Award in the Forest Conservation category, together to Foundation BBVA.



Best ESG bank in Peru, according to Euromoney Awards for Excellence 2023



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



It received its third star in the MINAM Carbon Footprint tool.



Best foreign exchange provider bank of the year 2023, recognition Awarded by Global Finance.



Included in the S&P/BVL Peru General ESG index, the first sustainable index stock market of Peru



Recognized as one of the main Peruvian companies in attracting and retaining talent, by Merco Talento 2022



Recognition with the Blue Shield of UNESCO installed in the Casar Jerónimo Luis de Cabrera, Heritage culture of the Nation



Best Peruvian Bank in the World's Best Treasury & Cash Management Banks Awards and Providers Awards 2022



Most admired companies in Peru for the seventh consecutive year, according to PwC and Magazine Gestión



Undisputed and uninterrupted leader during all months of the "Market Makers" Program.