MANAGEMENT REPORT
As at March 31st 2011

STATEMENT OF RESPONSIBILITY

"This document contains accurate and sufficient information regarding the business developments of BBVA Banco Continental S.A. for the First Quarter 2011. The undersigned assume responsibility for damages that any lack of truthfulness or insufficient content may produce within the scope of its competence, under the rules of the Civil Code."

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Lima, April 20, 2011

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I. BUSINESS ENVIRONMENT DEVELOPMENTS

1. Economic activity

GDP grew 8.5% in February in line with expectations (BBVA: 8.5%; consensus: 9.1%). Net income for the month is explained by the dynamics in sectors associated with domestic demand such as Commerce (10.8%, propelled by higher sales in the automotive industry), Manufacturing (11%, tied to stronger demand in both domestic and foreign markets) and Services (9.1%, due to stronger demand for personal and business services and transportation and communications). After seasonal adjustments, GDP receded 0.3% versus the previous month (+0.9% on average for the past three months).

GDP by Sectors (var. % YoY)

Sectors	Feb-11
Agriculture and Livestock	**5.1**
Agriculture	2.8
Livestock	7.7
Fishing	**9.1**
Mining and Hydrocarbons	**- 3.6**
Metal Mining	- 9.7
Oil and Gas	37.5
Manufacturing	**11.0**
Primary	8.8
Non-primary	11.4
Electricity and Water	**7.7**
Construction	**4.9**
Commerce	**10.8**
Transportation and Communication	**10.9**
Financial and Insurance	**11.0**
Services rendered to business	**10.9**
Restaurants and Hotels	**11.6**
Government Services	**4.6**
Other Remaining Services	**8.3**
GDP	**8.5**

Source: INEI (Peruvian National Institute of Statistics and Information) and BBVA

The strong GDP dynamics thus far in the first quarter, 2011 created an optimistic atmosphere among businesses and consumers in spite of the upcoming general elections and the unfavorable news on international fronts (the debt crisis in peripheral European nations and political conflicts in the oil producing countries of North Africa and the Middle East).

2. Inflation

Inflation accelerated in March, with a monthly variation of 0.70%. This result was in line with expectations (BBVA: 0.60%, Consensus: 0.48%) and primarily due to (i) seasonal factors, such as greater demand for educational services at the beginning of the academic school year and supply restrictions of certain agricultural products and (ii) a more accentuated transfer of high prices for international commodities such as corn, wheat and soy beans to the prices of locally produced end products. Thus, year over year inflation rose to 2.7% (2.2% in February) and it is estimated that underlying core inflation was probably situated at 2.2% (2.1% in February).

As expected, the inflationary outlook is starting to become somewhat more complicated. On the cost side we estimate that international food commodity prices will continue to trend upward over the next number of months before showing some signs of reversal in the second half of the year. In addition, with respect to crude oil, the price per barrel will continue to be pressured which will eventually lead to adjustments to domestic fuel prices. This will be done by updating the price range for the Fuel Price Stabilization Fund administered by the Government.

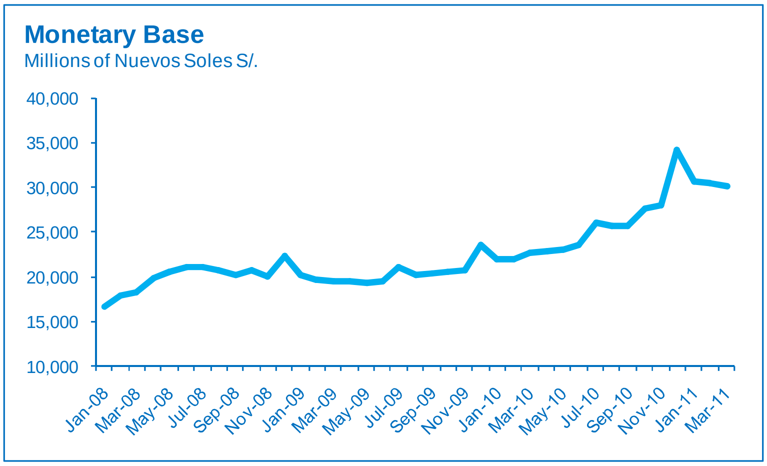
Consumer Price Index for Metropolitan Lima (Variation %)

Consumption Categories	Current Weight	Mar-11 (m/m)	Mar-11 (YoY)
1. Food and Beverages	**37.8**	**1.4**	**3.6**
In the Home	26.1	1.7	3.1
Outside the Home	11.7	0.7	4.9
2. Clothing and Footwear	**5.4**	**0.5**	**3.4**
3. Housing Rentals, Fuel and Electricity	**9.3**	**-0.2**	**2.7**
Fuel (domestic use)	1.5	0.0	6.9
4. Furniture and Fixtures	**5.8**	**-0.1**	**0.5**
5. Health Care and Maintenance	**3.7**	**0.3**	**2.6**
6. Transportation and Communications	**16.5**	**-0.3**	**1.5**
7. Education and Culture	**14.9**	**1.3**	**2.6**
8. Other Goods and Services	**6.7**	**0.3**	**1.3**
General Price Index	**100.0**	**0.7**	**2.7**

Source: INEI

3. Liquidity

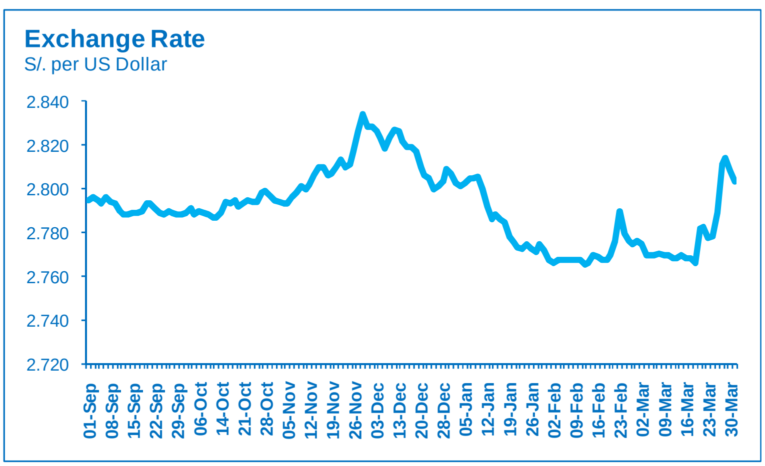
The outstanding balance of currency issues at the end of March 2011 was S/.30,143 million (local currency), which represents a reduction of S/.4,065 million in comparison with the end of 2010.



Source: BCRP (Peruvian Central Bank)

4. Exchange rate

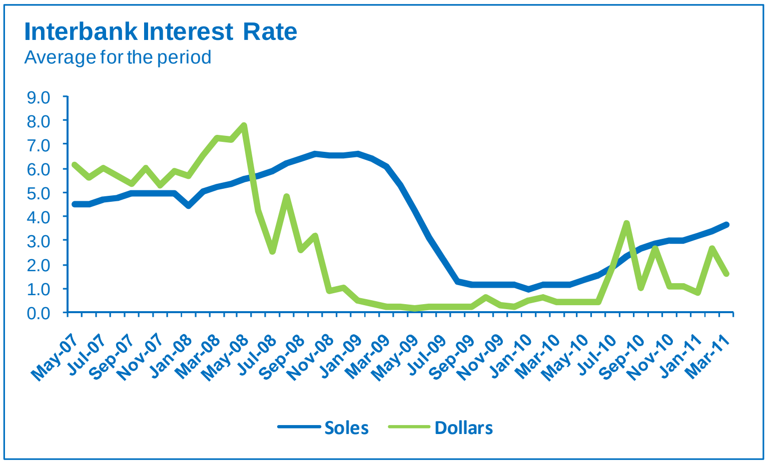
During the first months of 2011, the exchanged rate showed a downward trend, reaching minimum levels down to S/.2.77 per US$1.00. This trend suddenly reverted strongly during the final few days of March, due primarily to the factors driven by the electoral process, and the Nuevo Sol closed in the first quarter, 2011 at S/. 2.80 Per dollar. The Peruvian Central Bank became involved in foreign exchange trading, purchasing USD497 million.



Source: BCRP

5. Interest rates

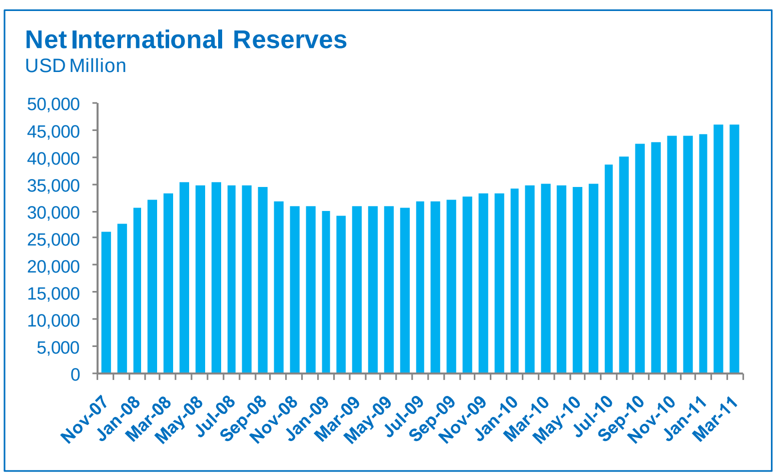
During the first quarter, the interbank interest rate in local currency registered an upward trend, moving from 3.0% at year end 2010 to 3.7% in March 2011. This increase is in line with movements in the Peruvian Central Bank benchmark rates. Meanwhile, interest rates in US Dollars increased, moving from 1.1% in December 2010 to 1.6% at the close of the first quarter, 2011, peaking at levels of over 4% on certain days in March.



Source: BCRP

6. International Reserves

At the close of March, Net International Reserves were situated at USD 46,127 million, for an increase of USD 2,022 million compared to 2010 year end. Larger levels of deposits from banks in the Central Bank (which rose USD 1,176 during the first quarter, 2011) contributed to the increase in NIR.



Source: BCRP

II. SUMMARY OF DEVELOPMENTS IN THE BANKING SYSTEM

The year 2010 was marked as a year of economic recovery following the impact of the global financial crisis. In this context the performance of the Peruvian Banking System was positive, maintaining a stable and sound performance which is also reflected in the first quarter, 2011 profits.

At the end of February 2011, the Banking System recorded total assets of S/.180,870 million, a 0.7% increase over figures at the end of December 2010.

Total gross loans represented 61.3% of total assets, a 1.0% increase with respect to December 2010. In terms of asset quality, as of February 2011, the Banking System's past due loan to total gross loan ratio was 1.53%, while the non performing loan portfolio represented 2.60% (1.49% and 2.58% for past due and non performing loans respectively, at the close of December 2010).

Meanwhile, Banking System liabilities were S/.163,236 million, registering an increase of 0.5% with respect to December 2010. The banks' primary source of funds came from customer deposits, which makes up 64.5% of total assets, a 1.2% reduction with respect to the end of December 2010.

In terms of profitability, the gross financial margin experienced an upward trend compared to figures as at February 28, 2010, increasing by12.0% year over year, explained mainly by the 16.7% rise in financial income while the allowance for loan losses in the Banking System during the same period declined by 5.1%.

Thus, as of February 28, 2011 Bank System net income was S/.654 million with profitability ratios of 24.29% (ROE) and 2.35% (ROA) in addition to an Efficiency Ratio of 47.91%.

At the end of February 2011, the Peruvian Banking System was comprised of 15 commercial banks. Methodologically, for the purpose of calculating comparative percentage share and ratios, data from banks with foreign branches is used based on the most recent information available from the Superintendency of Banks, Insurance Companies and Private Pension Fund Administrators (AFPs) – SBS, as well as figures expressed in current values (February 2011).

III. BBVA CONTINENTAL

Financial Results – First Quarter 2011

As of March 2011, net loans of BBVA Continental amounted to S/.24,891 million, a 3.7% increase over the balance as at December 31, 2010.

The Past Due Loans Ratio increased from 1.04% to 1.10% with respect to December 2010 and the Non Performing Loans Ratio rose from 2.27% to 2.34%, the result of an increase in restructured loans. BBVA Continental maintains loan portfolio quality indicators below the average for the Banking System (1.53% for past due loans and 2.60% for non performing loans, as of February 2011), owing to the risk management policies established with international standards and corporate guidelines implemented by Group BBVA that enables the bank to exercise a constant and dynamic supervision and control over credit risk.

Bank liabilities were S/.35,671 million at March 31, 2011, with deposits from the public being the principal source of financing, representing 65.9% of total assets (net of expenses payable for the deposits) and a 0.8% reduction with respect to December 2010. The superior risk classifications held by the Bank locally and abroad enable it to maintain diversified funding through the issuance of debt or financing instruments through multilateral agencies and other international financial institutions abroad.

With regard to profits, as of March 2011, BBVA Continental had accumulated net income of S/.263 million, 16.3% higher than net income reported in March 2010.

At March 31, 2011 as a result of a well run operation and administrative efficiency, the Bank showed outstanding ratios in its measurements of liquidity, efficiency, profitability, capital adequacy and management. Among profitability ratios, the Bank achieved an ROA of 2.91%, and a ROE of 33.74% along with an Efficiency Ratio of 34.92%[1]

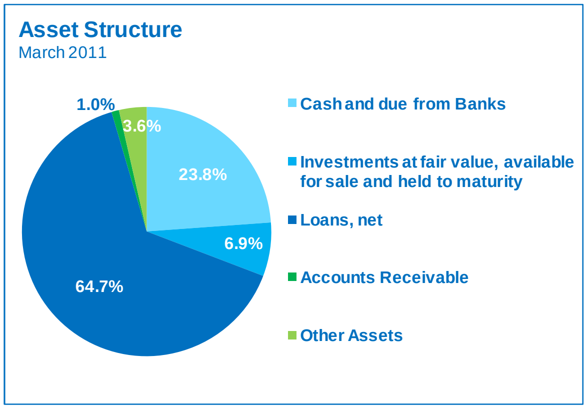
BBVA Continental maintains a financial services network comprised of 235 branches (at November 2010) and 763 ATMs (at December 31st 2010), for the purpose of providing quality service to its customers.

[1] Preliminary figure, SBS format

IV. BALANCE SHEET

Asset Management

As of March 31, 2011, BBVA Continental assets were S/.38, 480 million (local currency), a 1.8% increase with respect to December 2010.



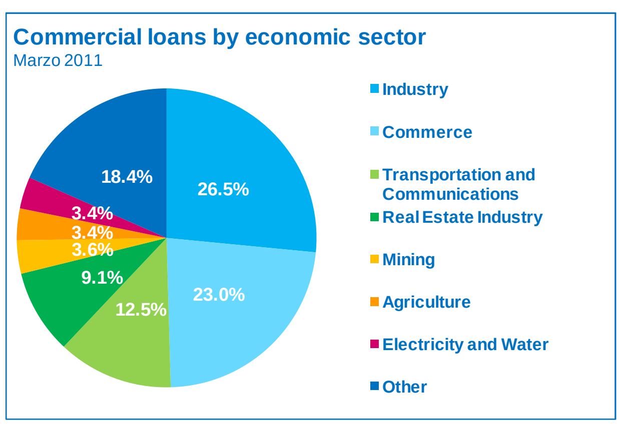
Total assets of BBVA Continental are primarily comprised of loans, net, accounting for 64.7% of the total (concentrated in performing loans), 49% of which are in Peruvian Soles and 51% in US Dollars.

Cash and due from Banks represent 23.8% of assets as at March 31, 2011.

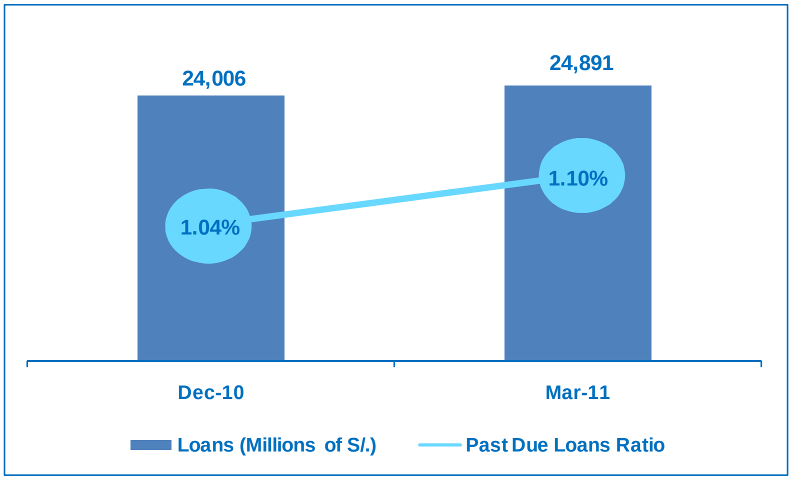
The loan portfolio structural composition at the end of the first quarter 2011 is shown in the table below. Loans, net, amounted to S/.24,891 million an increase of 3.7% with respect to loans, net, at the end of 2010. The quarterly variation of performing loans reflected a growth of S/.909 million or 3.7%.

Net Loan Portfolio	Mar-11		Dec-10	
	Millions of S/.	Structure	Millions of S/.	Structure
Performing Loans	25,251	101.4%	24,342	101.4%
Restructured Loans	5	0.0%	4	0.0%
Refinanced Loans	301	1.2%	288	1.2%
Past Due Loans	46	0.2%	44	0.2%
Loans in Legal Collection Process	239	1.0%	216	0.9%
Allowance for Loan Losses	-1,119	-4.5%	-1,049	-4.4%
Accrued Interest	168	0.7%	161	0.7%
Total Net Loan Portfolio	**24,891**	**100.0%**	**24,006**	**100.0%**

Direct loans to large, medium and small companies represented 71.3% of total loans. Of these, 26.5% are concentrated in the industrial sector, followed by commerce with 23% and communications, mining and agriculture, 23%. The remaining 21.8% was distributed among other economic sectors.



The Past Due Loans Ratio reached a level of 1.10% of total loans, an increase with respect to figures as of December 2010.



Moreover, as of the end of March 2011, non performing loans (refinanced, restructured, overdue loans and loans undergoing legal collection) reached a level of S/.616 million, increasing 6.9% with respect to December 2010, with which the Non Performing Loans Ratio reached a level of 2.34% of total direct loans.

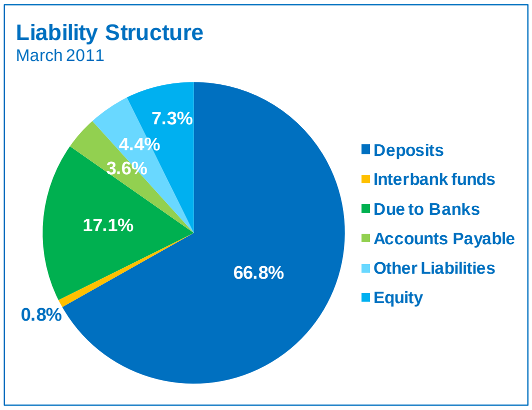
Allowance for loan losses totaled S/.1,119 million, a S/.70 million increase compared with this figure as of December 2010, which enabled the Bank to maintain optimal coverage ratios at March 2011, both for past due loans (387.38%) and for non performing loans (181.59%). Both of these ratios are kept at above average levels for the Banking System.

Below, is a comparative summary of the main loan portfolio quality ratios:

Ratios	BBVA Continental		Banking System	
	Mar-11	Dec-10	Feb-11 *	Dec-10
Past Due Loans / Total Loans	1.10%	1.04%	1.53%	1.49%
Allowance for loan losses / Past Due Loans	387.38%	396.54%	242.18%	245.62%
Allowance for loan losses / Non performing Loans	181.59%	182.04%	142.42%	141.95%
(NPLs - Allowance for loan losses) / Equity	-17.90%	-13.98%	-6.91%	-6.92%

* Banking system ratios according to SBS data. These are the most recent figures available as of the date of submission of this report

Liability Management



At the end of the first quarter 2011, BBVA Continental's liabilities represent 92.7% of total assets, with deposits as its main component comprising 66.8% of total assets, distributed between Obligations to the Public which represent 65.9% of assets and Deposits from Financial Institutions, which make up 0.9% of assets. Interbank funds account for only 0.8% of total assets.

The table below provides the composition and structure of Deposits and Obligations:

Deposits	Mar-11		Dec-10	
	Millions of S/.	Structure	Millions of S/.	Structure
Demand Deposits	8,691	33.8%	7,963	30.7%
Saving Deposits	6,270	24.4%	5,941	22.9%
Time Deposits	10,099	39.3%	11,554	44.6%
Other obligations	266	1.0%	83	0.3%
Obligations to the Public	**25,326**	**98.6%**	**25,541**	**98.6%**
Deposits from Financial Institutions	**356**	**1.4%**	**373**	**1.4%**
Total Deposits	**25,682**	**100.0%**	**25,914**	**100.0%**

Deposits and Obligations net of Expenses payable for obligations with the public and the banking system.

The line item Due to Banks constitutes a significant portion of the funds used to finance activities and as of March 31, 2011 it represents 17.1% of total assets, attaining the level of S/.6,564 million.

In addition to the previously mentioned sources of funding, BBVA Continental keeps issuances of debt instruments in circulation which represent 3.0% of total assets.

BBVA Continental's risk profile, in addition to its investment grade permit it to obtain diversified funding at highly competitive pricing and adjusted to meet timing requirements which provides a sound balance sheet structure and optimal profitability for the Bank.

V. PROFITS [2]

On March 31, 2011, as a result of increased business directed toward profitable customers, together with an efficient control of risk and expenses, BBVA Continental achieved excellent results with an accumulated net income of S/.263 million, 16.3% higher than the accumulated profits obtained at the end of March 2010.

I QUARTER 2011 PROFITS

Millions of S/.

Item	Mar-11	Mar-10	% Change
Gross Financial Margin	528	493	7.0%
Net Financial Margin	467	413	13.1%
Operating Margin	609	534	14.1%
Net Operating Margin	390	345	13.0%
Income Before Taxes	346	313	10.5%
Net Income	**263**	**226**	**16.3%**

This performance is primarily explained by the 11.2% increase in financial income, the 17.1% increase in financial service income and the proper monitoring and control of administrative expenses.

With these results, BBVA Continental maintains its high ranking in profitability, achieving a ROE of 33.74% and a ROA of 2.91%, ratios which surpass the Banking System average.

Ratios	BBVA Continental	Banking System
	Mar-11	Feb-11
ROE *	33.74%	24.29%
ROA **	2.91%	2.35%

* Annualized Net Income / 12 month average shareholder equity
** Annualized Net Income / 12 month average assets

All of this was accomplished without neglecting the required levels and the Bank's surplus allowances for loan losses. Allowances for loan losses established by BBVA Continental are far above the levels used by the SBS, making adjustments in advance of expected regulatory changes that the SBS has been preparing for the implementation of the Basel II Agreement.

[2] For comparison purposes, in Quarter I 2010, Employee Profit Sharing has been included in the item, Administrative Expense (under Employee Expense) according to the latest regulations that took effect as of January 01, 2011.

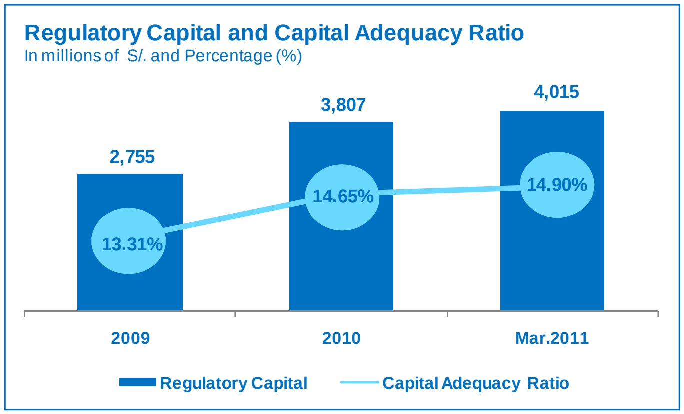
The good use and application of its available resources has earned BBVA Continental a position of leadership in performance having above average efficiency and recurrence indicators in the Banking System of 34.92% and 64.70% respectively at the end of the first quarter 2011.

Ratios	BBVA Continental	Banking System
	Mar-11	Feb-11
Efficiency *	34.92%	47.91%
Recurrence **	64.70%	44.96%

* Operating expense / Total financial margin. Preliminary figure under SBS format
** Income from financial services / Administrative expense

VI. EQUITY BASE

The Capital Adequacy Ratio for credit, market and operating risk components in the first quarter 2011 was 14.90%. This figure lies within the range established by the local regulatory authorities and the international standards required of companies who possess an investment grade.



In Millions of Nuevos Soles	Mar-11	Dec-10
Allocated to cover credit risk	3,867	3,661
Allocated to cover market risk	64	64
Allocated to cover operational risk	85	83
Regulatory Capital	**4,015**	**3,807**
Risk Weighted Assets	**26,945**	**25,985**
Capital Adequacy Ratio (%)	**14.90%**	**14.65%**

VII. RISK CLASSIFICATION

As the subject of credit risk classifications by Risk Rating Agencies: Apoyo & Asoc. Internacionales, Equilibrium and Pacific Credit Rating (PCR), BBVA Continental consistently receives superior quality local risk ratings in each category.

Instruments	Apoyo & Asociados	Equilibrium	Pacific Credit Rating PCR	Highest Local Rating
Term Deposits < 1 year	Category CP - 1 + (pe)	EQL 1 + pe	Category I	Category 1
Term Deposits > 1 year	Category AAA (pe)	AAA.pe	pAAA	Category AAA
Corporate Bonds	Category AAA (pe)	AAA.pe	pAAA	Category AAA
Subordinated Bonds	Category AA+ (pe)	AA+.pe	pAA+	Category AA+
Leasing Bonds	Category AAA (pe)	AAA.pe	pAAA	Category AAA
Common Stock	Category 1a (pe)	1st Class.pe	PC N1	Category 1
Bank Rating	Category A+	A+	A+	A

Note: Risk Rating prepared with data at December 2010.

Furthermore, BBVA Continental holds the investment grades granted by the renowned credit rating agencies “Fitch Ratings” and “Standard & Poor’s”.

Risk ratings by instrument are detailed on the table below:

Instruments	Fitch Ratings	Standard & Poors
Long term issues in Foreign Currency	BBB	BBB-
Long term issues in Foreign Currency	P2	A3
Long term issues in Local Currency	BBB+	BBB-
Short term issues in Local Currency	P2	A3
Individual Rating	C	-
Financial Support	2	-
Outlook	Positivo	Estable

Source: http://www.fitchatings.com/
http://standardandpoors.com/

APOYO Y ASOCIADOS INTERNACIONALES S.A.C. – RISK RATING AGENCY

APOYO	RATING	CATEGORY DEFINITION
Institution: (Financial Strength)	Category A+	Corresponds to institutions that possess a strong ability to repay their obligations under the agreed terms and conditions, which would be significantly affected when faced with possible changes in the institution, the industry or the economy.
Short terms deposits	Category CP-1+ (pe)	Corresponds to the greater capacity to meet financial commitments in a timely manner, reflecting the lowest credit risk.
Long term deposits	Category AAA (pe)	Corresponds to the greater capacity to repay financial commitments in a timely manner reflecting the lowest credit risk. It is highly unlikely that this ability would be adversely affected by unforeseen events.
Corporate Bonds	Category AAA (pe)	
Leasing Bonds	Category AAA (pe)	Corresponds to the greater capacity to repay financial obligations in a timely manner reflecting the lowest credit risk. It is highly unlikely that this ability would be adversely affected by unforeseen events.
Subordinated Bonds	Category AA+ (pe)	Corresponds to a very high capacity to meet financial commitments in a timely manner reflecting a very low credit risk. This capacity is not significantly vulnerable to unforeseen events.
Common Shares	Category 1. (pe)	Equity shares reflect an excellent combination of liquidity, stability and profitability of the issuer along with volatile returns.

Note: Ratings prepared with information as at December 2010

EQUILIBRIUM – RISK RATING AGENCY

EQUILIBRIUM	RATING	CATEGORY DEFINITION
Institution: (Financial Strength)	A+	The institution possesses a solid financial and economic structure and has the strongest ability to repay its obligations in the agreed terms and conditions, which would not be significantly affected in the event of possible changes in the institution, the industry in which it operates or the economy.
Short terms deposits	EQL 1+.pe	Highest degree of quality. There is certainty with respect to the ability to repay principal and interest under the agreed terms and conditions.
Long term deposits	AAA.pe	Reflects the greatest capacity to repay principal and interest in the agreed terms and conditions.
Corporate Bonds	AAA.pe	Reflects the greatest capacity to repay principal and interest in the agreed terms and conditions.
Leasing Bonds	AAA.pe	Reflects the greatest capacity to repay principal and interest in the agreed terms and conditions.
Subordinated Bonds	AA+.pe	Reflects a very high capacity to repay principal and interest in the agreed terms and conditions. The differences between this rating and the rating described immediately above it are nominal.
Common Shares	1ª Clase.pe	Reflects the highest level of liquidity and greater stability in the financial results of the issuer.

Note: Ratings prepared with information as at December 2010

PCR - PACIFIC CREDIT RATING – RISK RATING AGENCY

PACIFIC CREDIT RATING - PCR	RATING	CATEGORY DEFINITION
Institution: (Financial Strength)	A+	Liquid company, with exceptional inherent financial strength, good positioning within the Banking System, possess total coverage of existing risks and is able to manage future risks.
Short terms deposits	Category I	Highest degree of quality. Minimum probability of non- payment in the agreed terms. Excellent repayment capacity even in the most unfavorable anticipated economic scenario
Long term deposits	pAAA	Issues are of the highest credit quality. Risk factors are practically non-existent
Corporate Bonds	pAAA	Issues are of the highest credit quality. Risk factors are practically non-existent.
Leasing Bonds	pAA+	It assembles issues of the highest credit quality. Protective security factors are strong. The risk is moderate and could vary on occasion due to economic conditions.
Subordinated Bonds	pAAA	Issues are of the highest credit quality. Risk factors are practically non-existent
Common Shares	PC N1 (First Class, Level 1)	The shares rated in this Category are probably the safest, most stable and least risky in the market. They demonstrate a very good capacity to generate profits and liquidity in the market.

Note: Ratings prepared with information as at December 2010

VIII. APPENDIX: Summary Financial Statements

BBVA Continental:

- ✓ Balance Sheet
- ✓ Statement of Income and Loss

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NOTE:

"This report was prepared based on unaudited financial information, under the principles of good faith and in accordance with existing legislation, so that any failure or omission is involuntary. The information contained in this report should not be used on a stand-alone basis for investment decision making"

Comparative Balance Sheet at
March 31, 2011 and March 31, 2010

BBVA Continental

Summary Balance Sheet

In millions of Nuevos Soles at March 31, 2011

ASSETS	Mar-11	Dec-10
Cash and Due from Banks	**9,175**	**9,999**
Interbank Funds	**34**	**40**
Investments at fair value through profit and loss available for sale and held to maturity	**2,671**	**2,200**
Loan Portfolio	**24,891**	**24,006**
Performing Loans	25,251	24,342
Past Due Loans	284	260
Refinanced + Restructured Loans	306	292
Allowance for Loan Losses	-1,119	-1,049
Accrued Interest	168	161
Accounts Receivable	**366**	**362**
Assets seized and recovered through legal actions	**9**	**9**
Investments in associated companies	**82**	**81**
Property, furniture and equipment	**469**	**447**
Other Assets	**783**	**639**
Total Assets	**38,480**	**37,785**

LIABILITIES AND EQUITY	Mar-11	Dec-10
Obligations to the Public	**25,346**	**25,558**
Interbank Funds	**326**	**480**
Deposits from financial institutions	**356**	**373**
Short term debt due to Banks and Correspondents	**1,951**	**800**
Accounts Payable	**1,380**	**591**
Long term debt due to Banks and Correspondents	**4,613**	**4,916**
Provisions	**474**	**458**
Securities, Bonds and outstanding obligations	**1,152**	**1,167**
Other Liabilities	**74**	**58**
Total Liabilities	**35,671**	**34,401**
Equity	**2,809**	**3,384**
Total Liabilities and Equity	**38,480**	**37,785**

Comparative Statements of Income
As at March 31, 2011 and March 31, 2010[3]

BBVA Continental

Income Statement

In millions of Nuevos Soles at March 31, 2011

	Acummulated 1st Quarter 2011	Accumulated 1st Quarter 2010
Financial Income	**715**	**643**
Financial Expense	**-187**	**-150**
Gross Financial Margin	**528**	**493**
Net Provision for Loan Losses	**-60**	**-79**
Net Financial Margin	**467**	**413**
Financial Service Income	**154**	**131**
Financial Service Expense	**-12**	**-10**
Operating Margin	**609**	**534**
Administrative Expense	**-219**	**-189**
Employee and Board of Directors Expenses	-117	-107
Expenses for Services received from Third Parties	-94	-76
Taxes and Contributions	-8	-6
Net Operating Margin	**390**	**345**
Other Provisions, Depreciation and Amortization	**-45**	**-36**
Other Income and Expenses	**2**	**5**
Income before Taxes	**346**	**313**
Taxes	**-83**	**-87**
Net Income	**263**	**226**

[3] For comparison purposes, for the First Quarter, Employees Profit Sharing was included within Administrative Expense (under Employee Expenses) in accordance with the most recent regulations which entered into effect as of January 01, 2011.