



# BBVA Continental

June 2012



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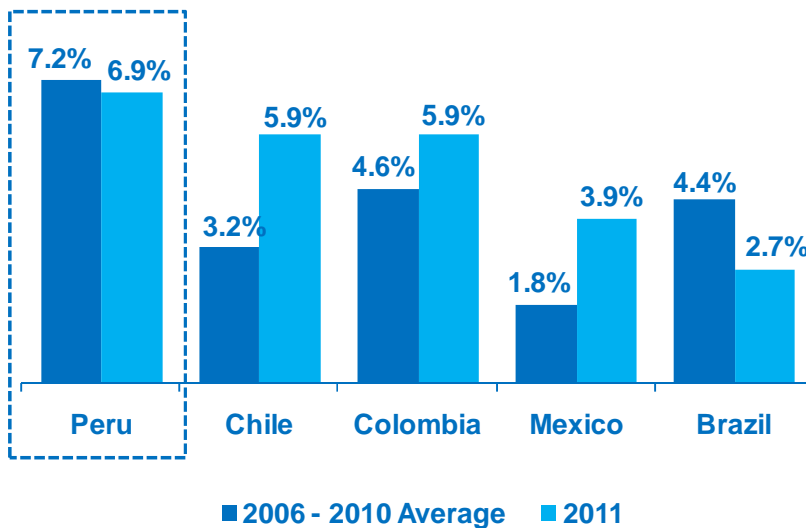


# 1 Peru: Attractive economy and financial system

## Peru: one of the most stable and greater growth economies of the region

Peru is one of the economies with greater growth in Latin America...

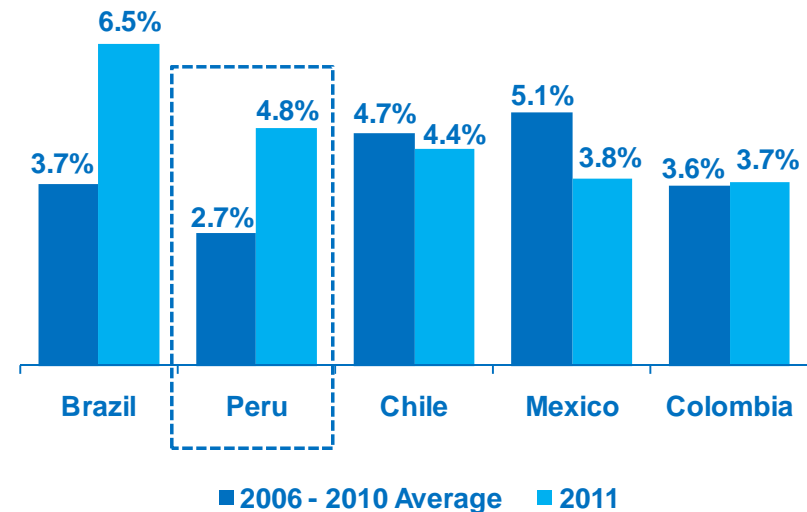
### GDP growth



**Estimated for 2012: 5.6%**  
(BBVA as at July 2012)

...with one of the lowest inflation rate in the region

### Inflation

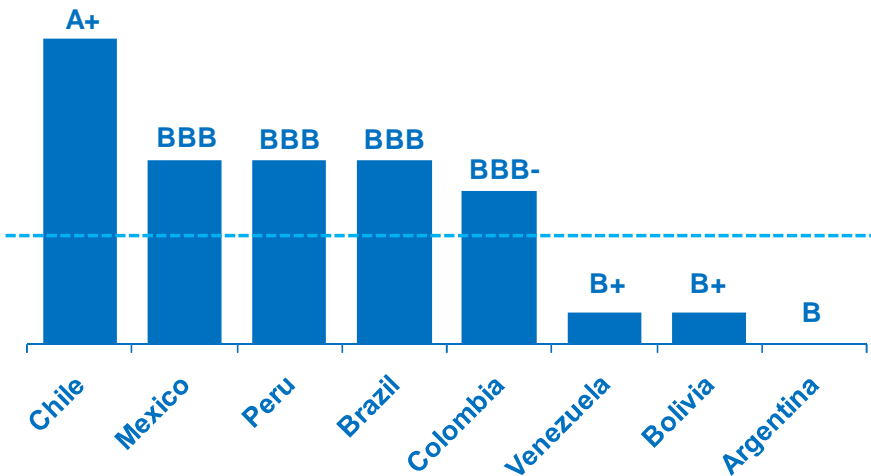


**Estimated for 2012: 2.8%**  
(BBVA as at July 2012)

## Peru: one of the most stable and greater growth economies of the region

It has achieved the sovereign investment grade...

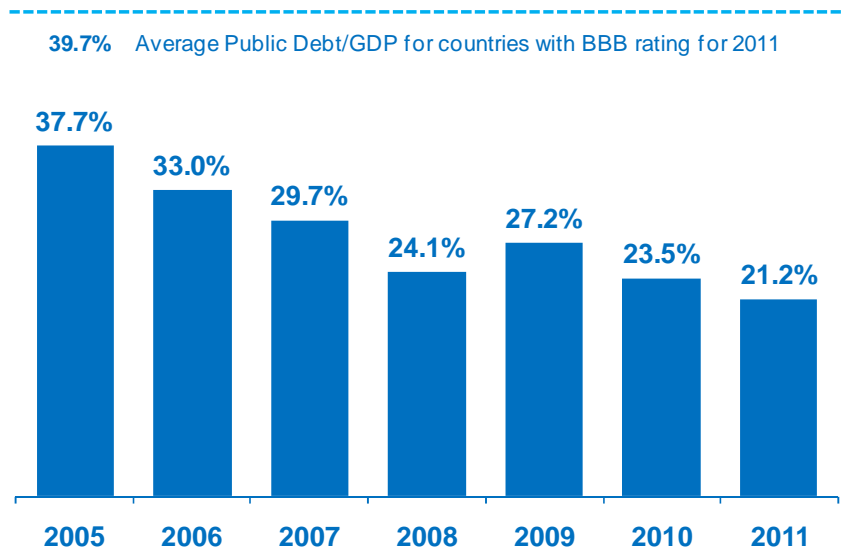
### Ratings



Source: Standard & Poors

...and maintains low levels of debt

### Public Debt as a percentage of GDP



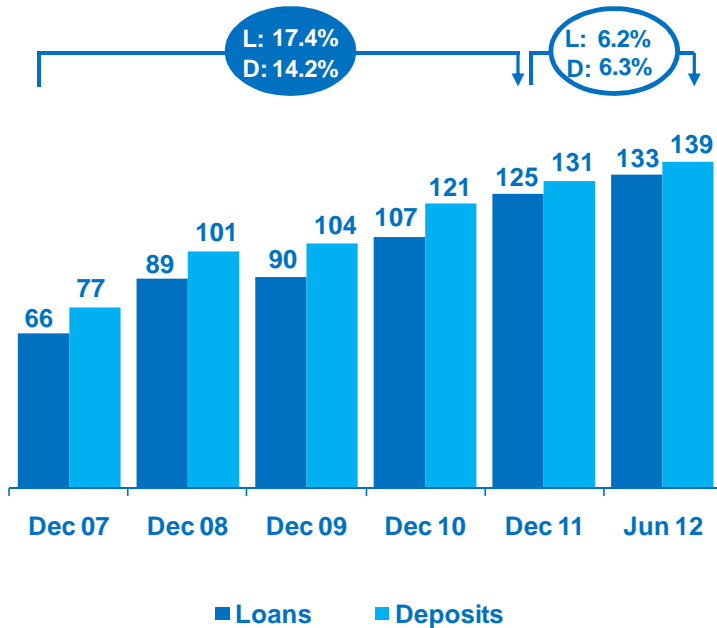
Source: Banco Central de Reserva del Perú, FMI, BBVA Research

...with a solid Financial System and great opportunities

The Peruvian Banking System has shown strong growth...

**Performing loans and Deposits**

PEN Millions



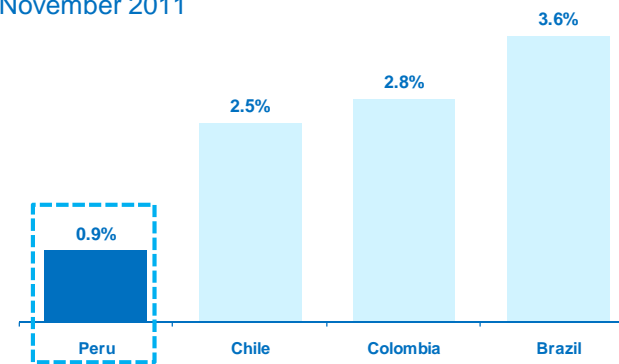
- Compound annual growth rate: 2007 - 2011
- Annual variation Dec. 2011 - Jun. 2012

Source: Superintendencia de Banca, Seguros y AFP

...while maintaining high asset quality...

**Past due loans as a percentage of total direct loans**

November 2011

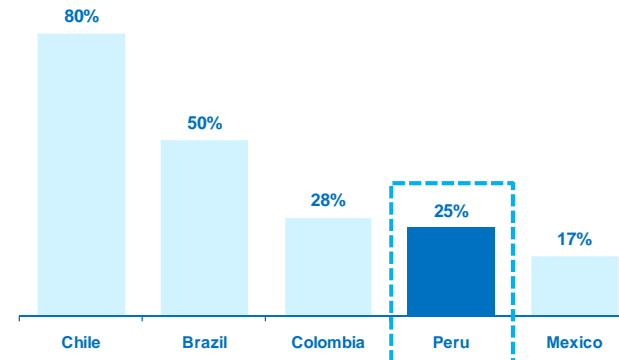


Source: FELABAN

...with great potential for future growth

**Loans as a percentage of GDP**

December 2010



Source: Superintendencia de Banca, Seguros y AFP / Latin Focus



**BBVA** Continental

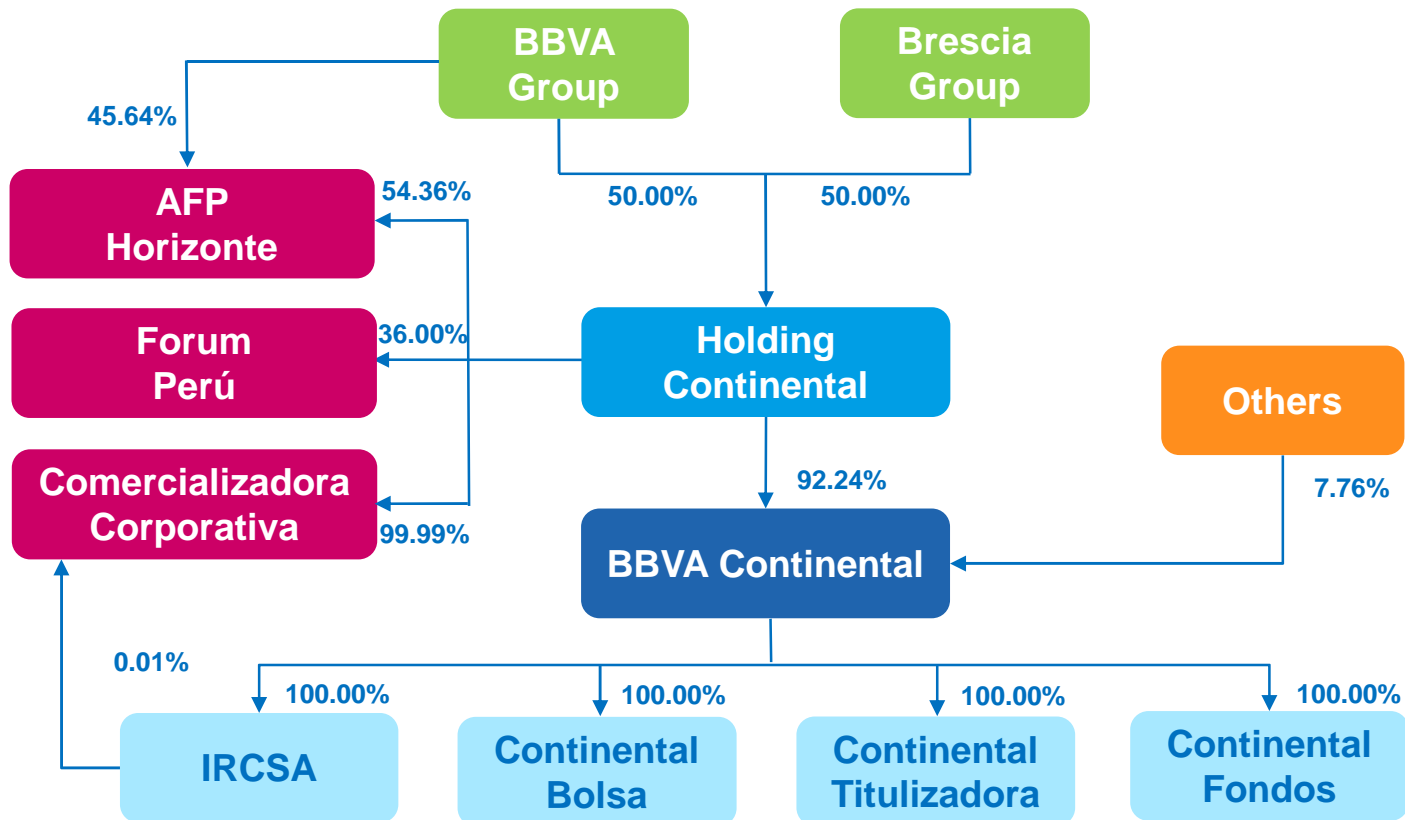
# 2 Organization



# BBVA Continental

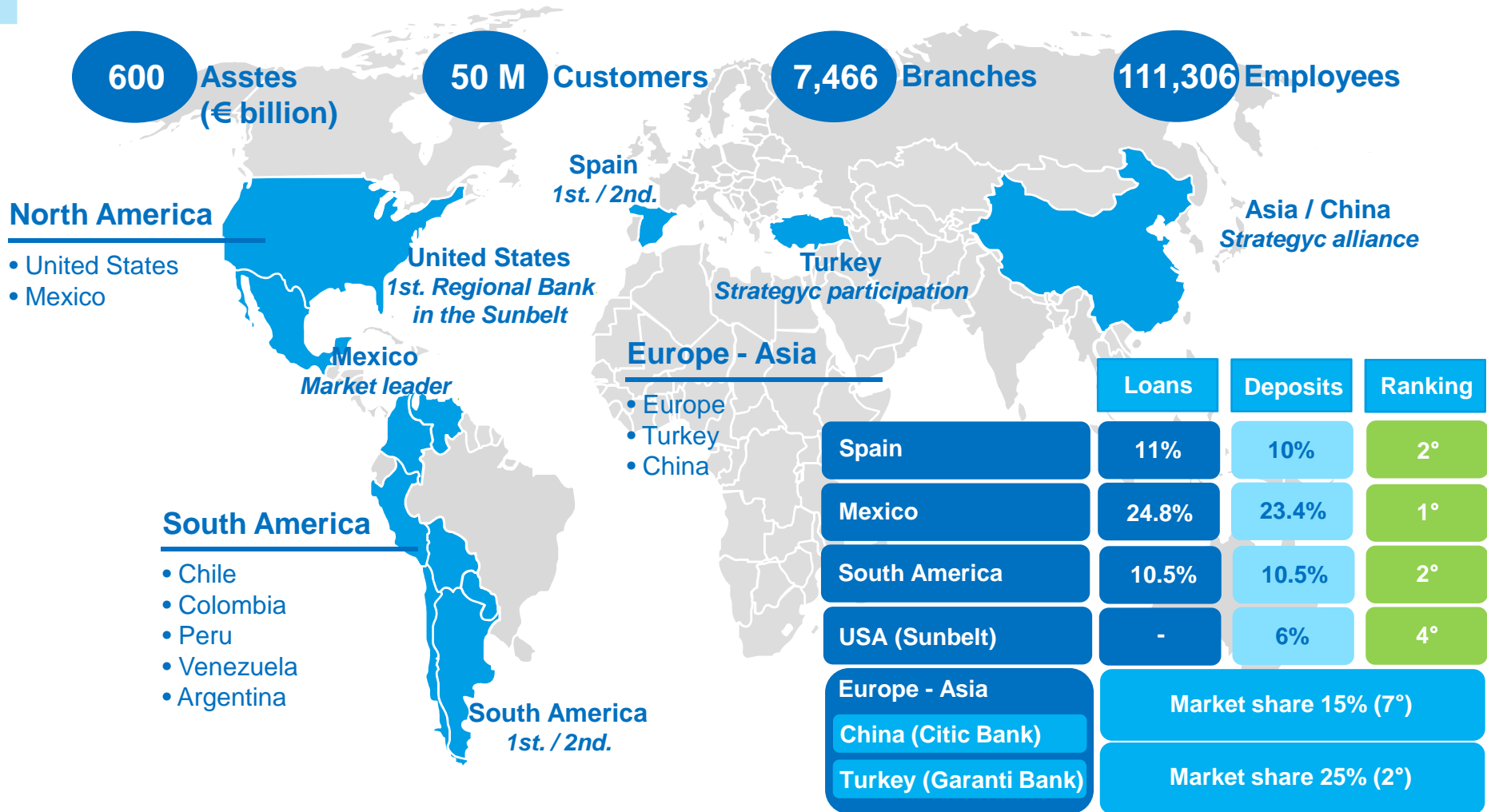
## Shareholders

BBVA Continental and Subsidiaries are part of an Economic Group formed by Holding Continental and AFP Horizonte



# BBVA Continental BBVA Group

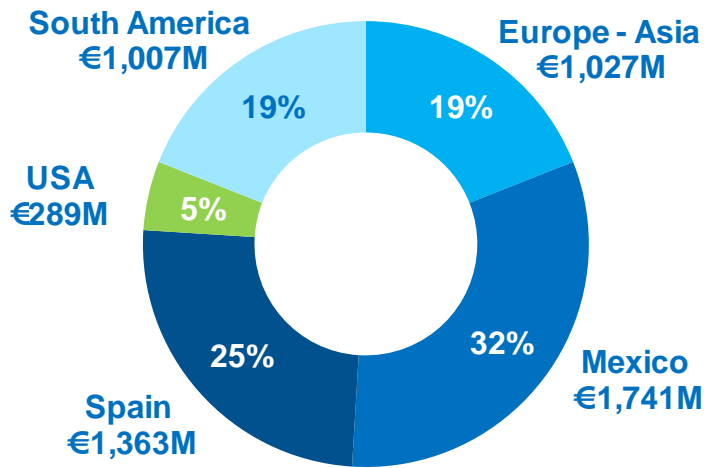
Over 80% of income are the result of the relation with individuals and businesses



Classification of deposits (except for China, by assets and for Turkey by deposits) ; **Spain**: information as of December 2011; **Mexico**: information as of December 2011; **South America**: information as of March 2012 for the following countries: Argentina, Chile, Colombia, Panamá, Paraguay, Peru, Uruguay and Venezuela; **USA**: information as of June 2011, market share and classification considering only Texas and Alabama; **China and Turkey**: information as of December 2011.

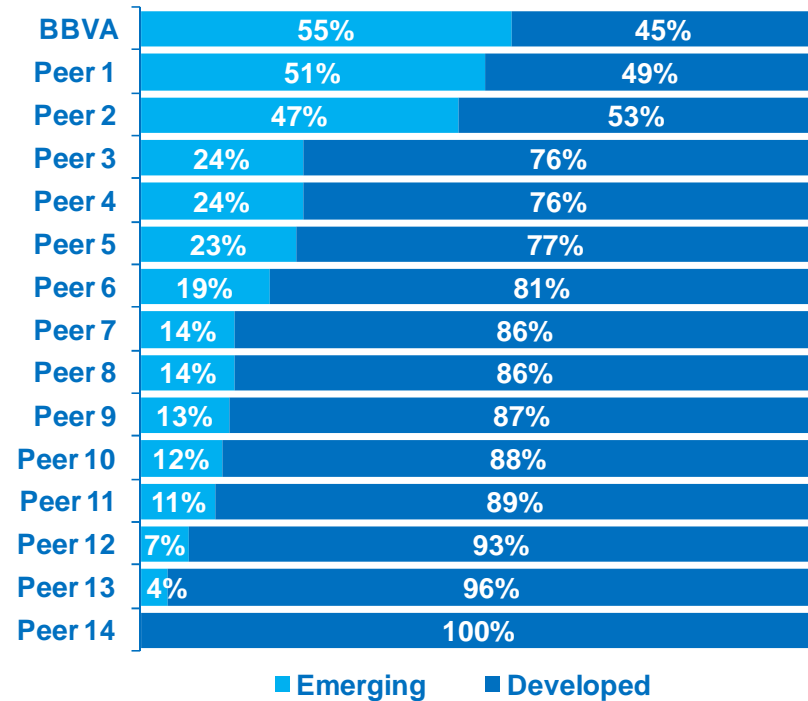
**Diversify: income split between developed and emerging**

**Attributable profit by region (1)**  
2011



**Group: €4,015M ex unusual  
€3,004M considering unusual**

**Geographical diversification of income (2)**  
BBVA Group vs. Peer Group - 2011

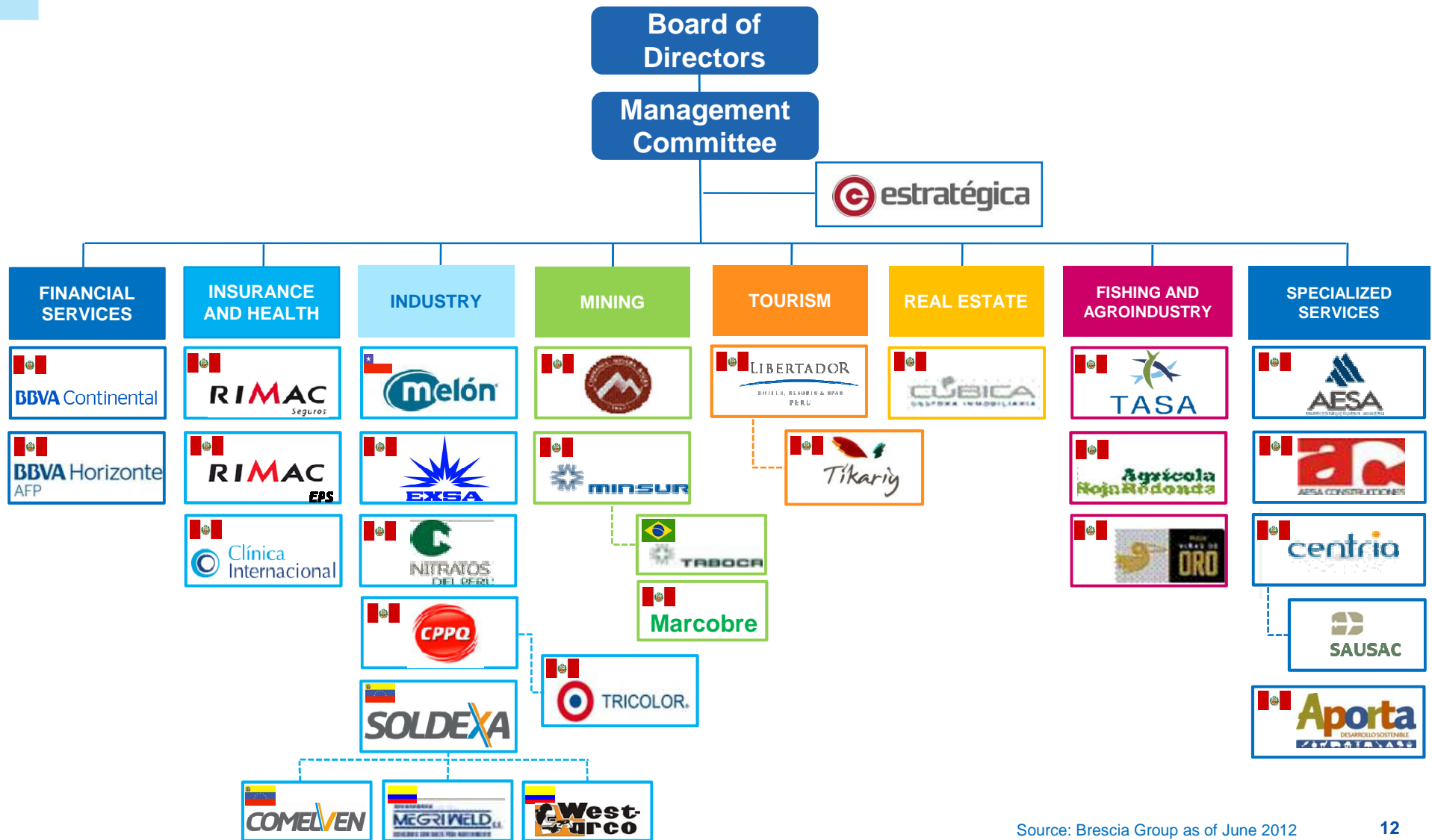


(1) Excluding Corporate Activities and one-offs

(2) in-house elaboration using available data as of December 2011. Peer Group: BAR, CL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS & UCI

# BBVA Continental

Brescia Group is one of the largest business conglomerates in Peru, with operations in Peru, Chile, Colombia, Venezuela and Brazil

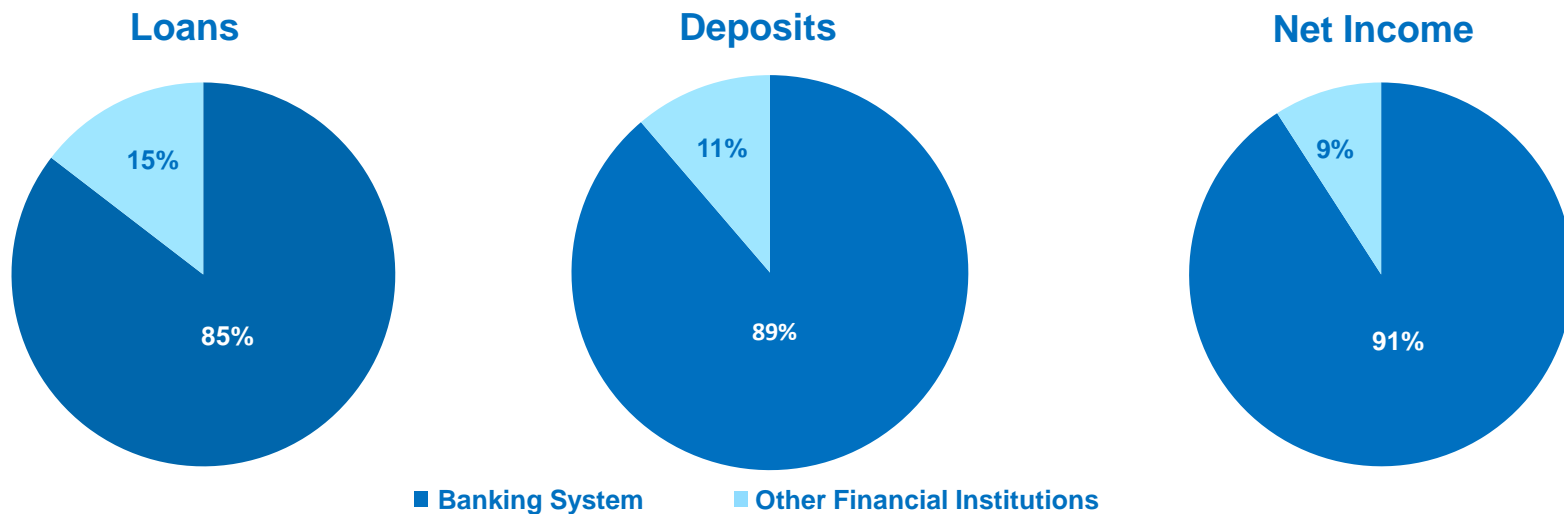


# Peruvian Financial System

Financial system	Institution PEN Million	Loans Jun-12	Deposits Jun-12	Net income Jun-12
Banking system	Banks (15)	133,010	138,878	2,270
	Banco de la Nación	5,266	18,132	408
Other financial institutions	Cajas Municipales (13)	9,665	10,013	140
	Financieras (10)	6,893	3,486	134
	Cajas Rurales (10)	1,939	2,154	20
	Edpymes (10)	1,124	0	7
	Leasing (2)	384	-	-0
	COFIDE	3,271	80	30
	Agrobanco	294	-	7

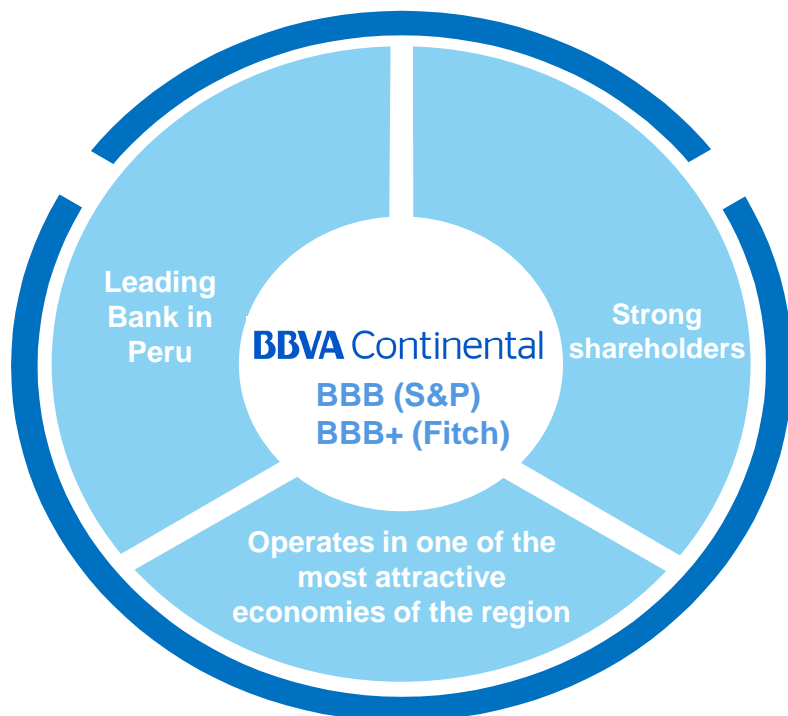
Source: Superintendencia de Banca, Seguros y AFP

Four main banks concentrate around 88% of the Banking System



# BBVA Continental

BBVA Continental, leading financial institution in Peru, among its peers



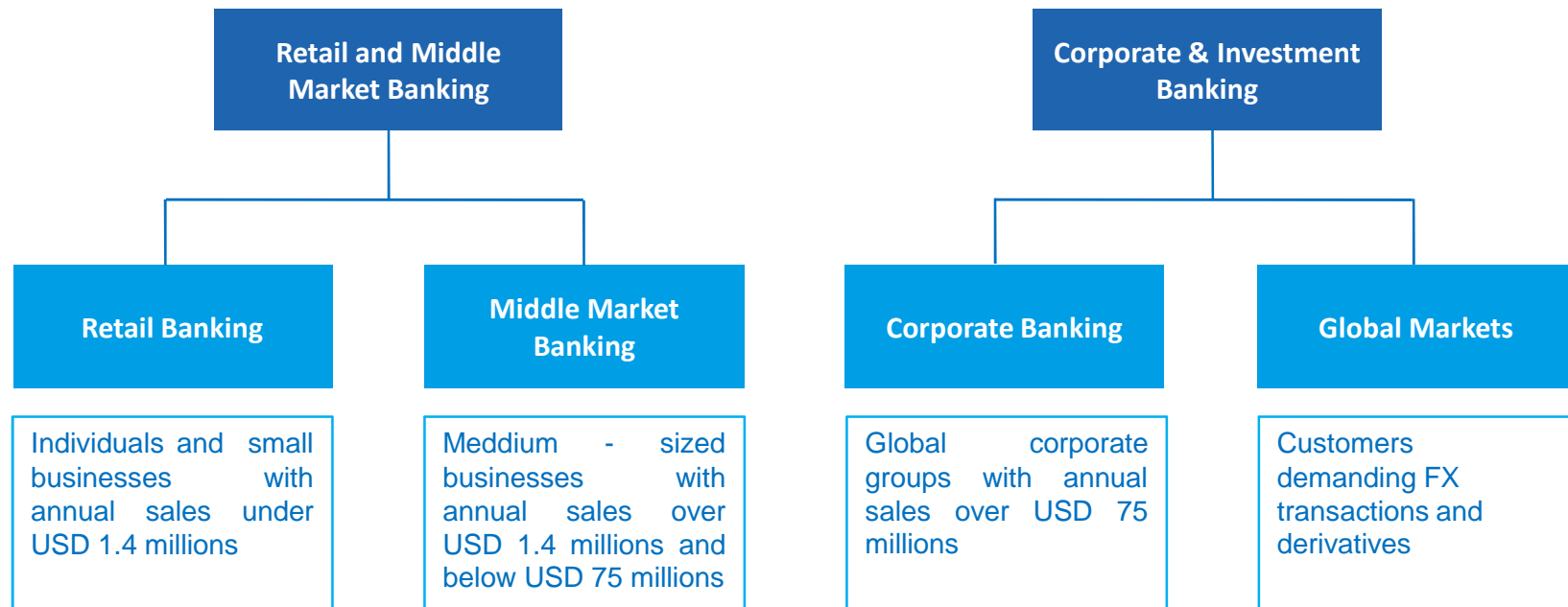
- ✓ Peru, one of the most dynamic and attractive economies in the region
- ✓ BBVA Continental: second largest bank in the country and leading institution for over 60 years
- ✓ Strong shareholders: BBVA Group, leading global financial institution and Grupo Brescia, one of the largest business conglomerates in Peru

<b>#2 in performing loans</b>	S/. 31,361 millions
<b>#2 in deposits</b>	S/. 31,788 millions
<b>#2 in assets</b>	S/. 47,328 millions
<b>#1 in efficiency</b> Administrative expenses / Financial Margin	35.79%
<b>#1 in asset quality</b> Allowances for loan losses / Past due loans Past due loans / Total loans	352.13% 1.20%
<b>#1 in profitability</b> ROE: Annualized net income / Average equity	34.26%
<b>#2 in branches</b>	279

Information as of June 2012

Source: Superintendencia de Banca, Seguros y AFP

# Clients and Products



- Products for individuals: credit cards, consumer loans, mortgages loans, vehicle loans, saving deposits, demand deposits, term deposits, CTS, funds and investments.
- Products for businesses: Leasing, external trade, discounts, commercial loans, factoring, advance accounts, credit cards, funds, savings deposits, demand deposits, term deposits. Also syndicated loans debt issuances.
- Treasury: FX transactions (spot and forward), IRS, Cross Currency Swaps, options.



3

**BBVA  
Continental  
vs. Peers**

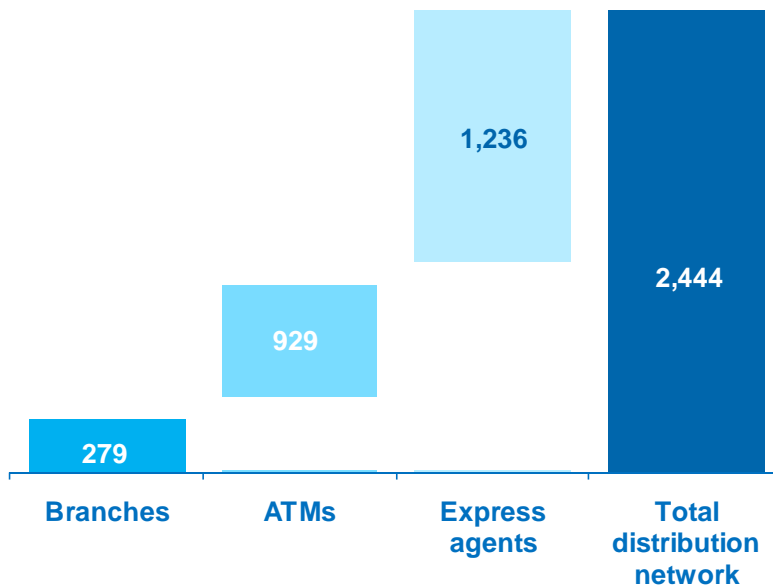


# Strong banking platform

Distribution network: One of the largest in the country

- ✓ 2,444 points of service
- ✓ 279 branches nationwide
- ✓ More than 2.7 million customers

June 2012



## Great capacity for cross-selling

Sinergy with subsidiaries and affiliates: leading companies which offer the broadest available spectrum of financial products and services

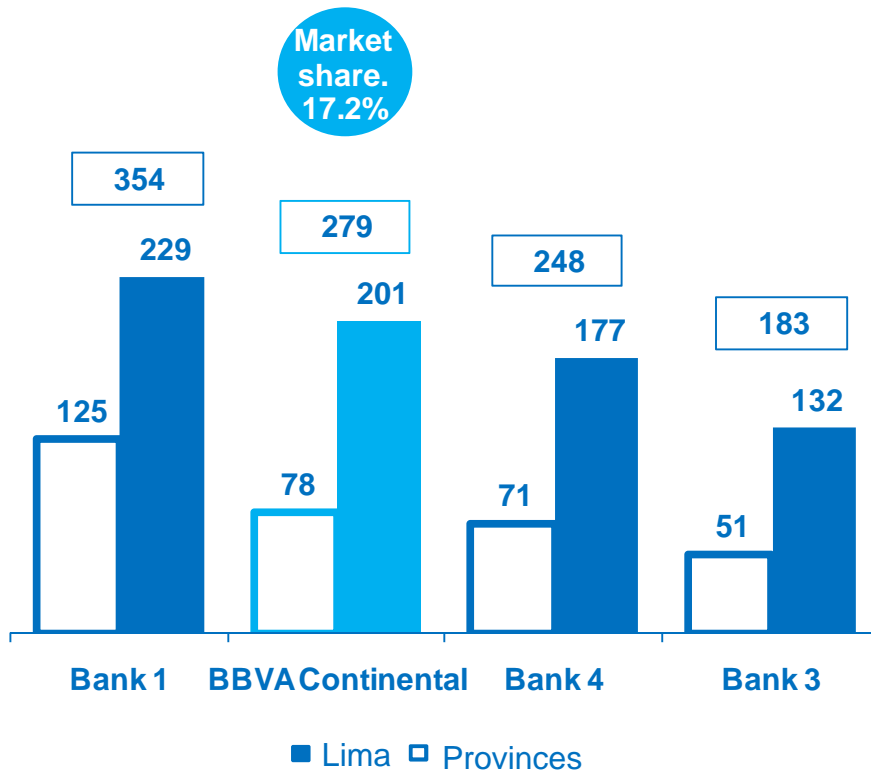
- Advisory, brokerage and investment services through its subsidiaries
- Insurance products through affiliated companies



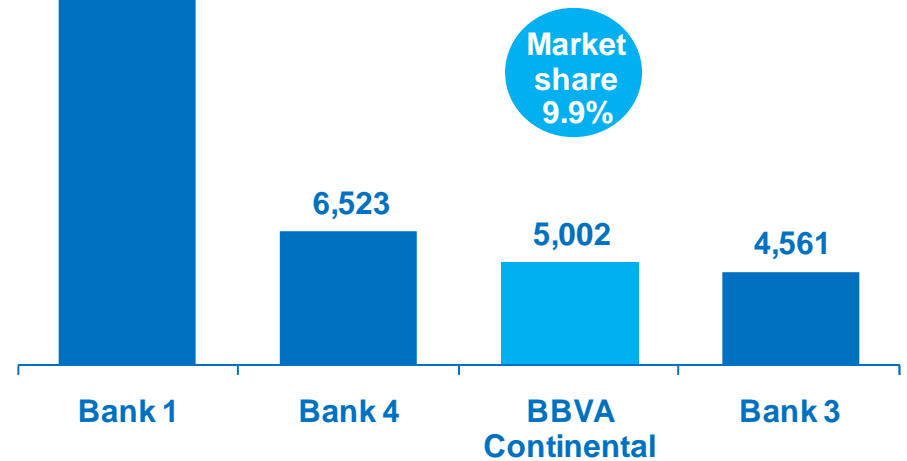
# Number of branches and employees

June 2012

### Number of branches



### Number of employees



Source: Superintendencia de Banca, Seguros y AFP

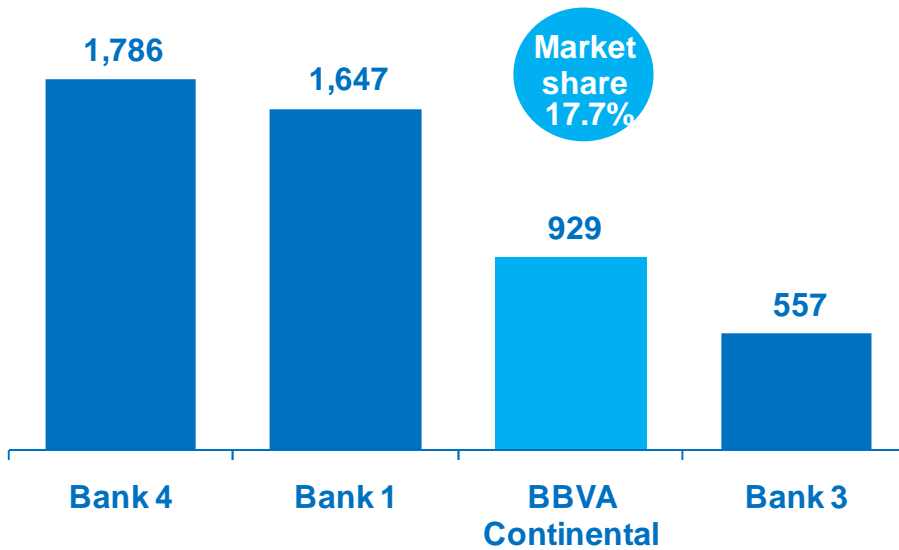


**BBVA Continental**

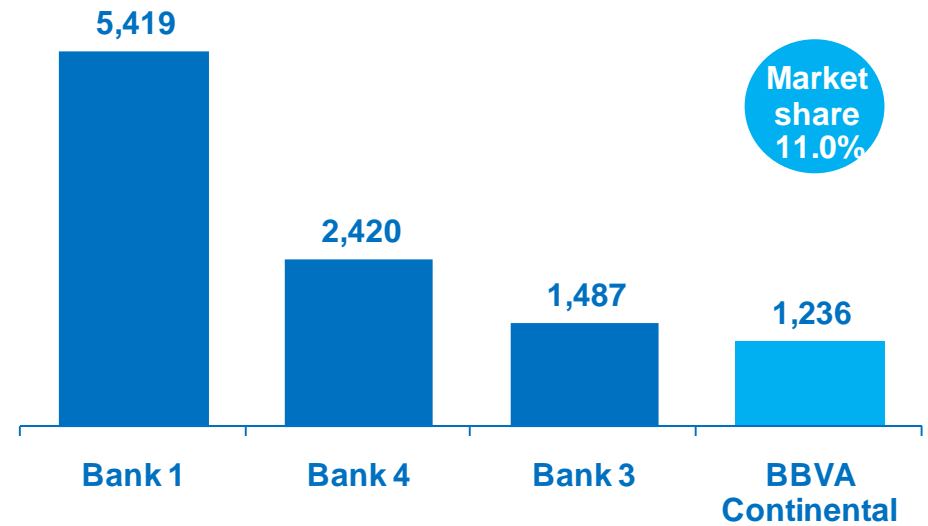
# Number of ATM and express agents

June 2012

### Number of ATM



### Number of express agents



Source: Superintendencia de Banca, Seguros y AFP

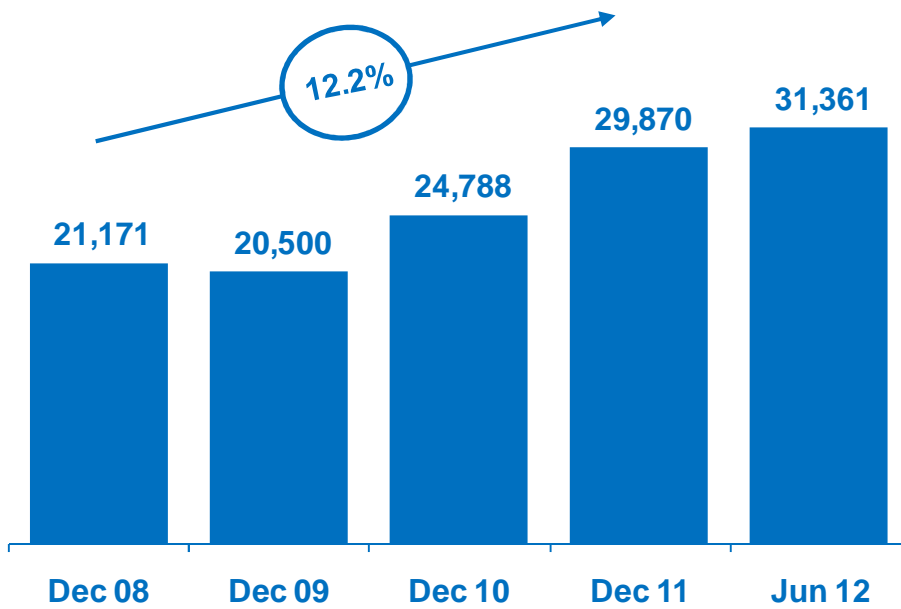


**BBVA** Continental

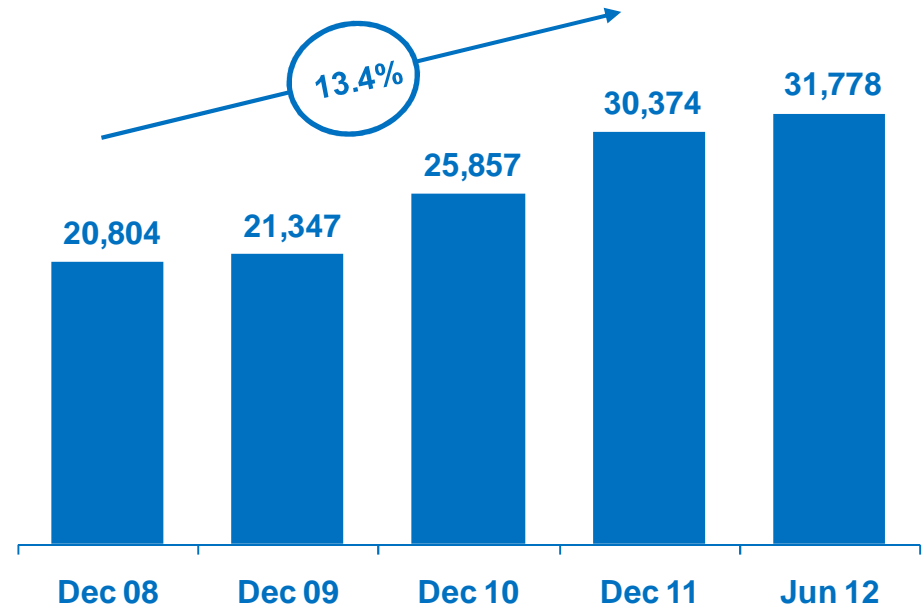
# Outstanding growth

PEN Million

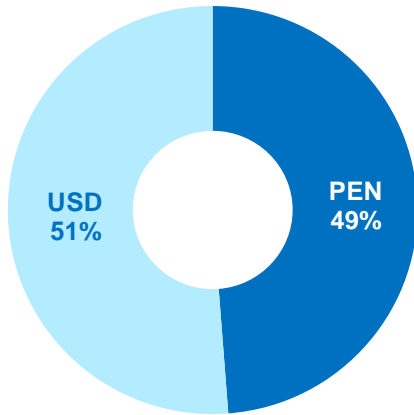
## Performing loans



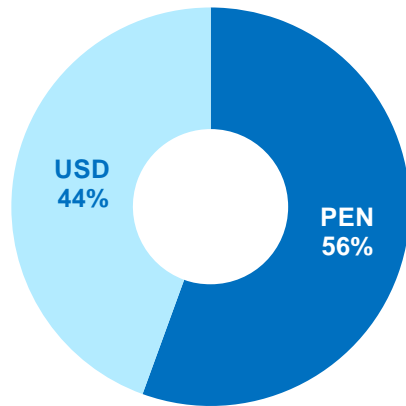
## Deposits



**Loans**

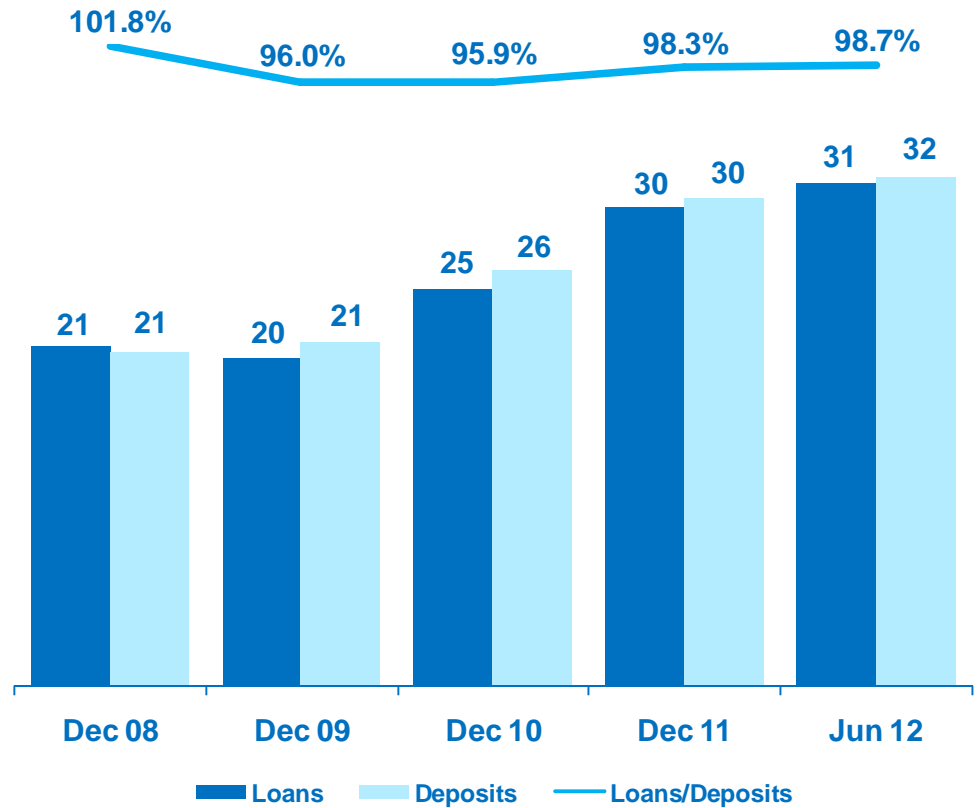


**Deposits**

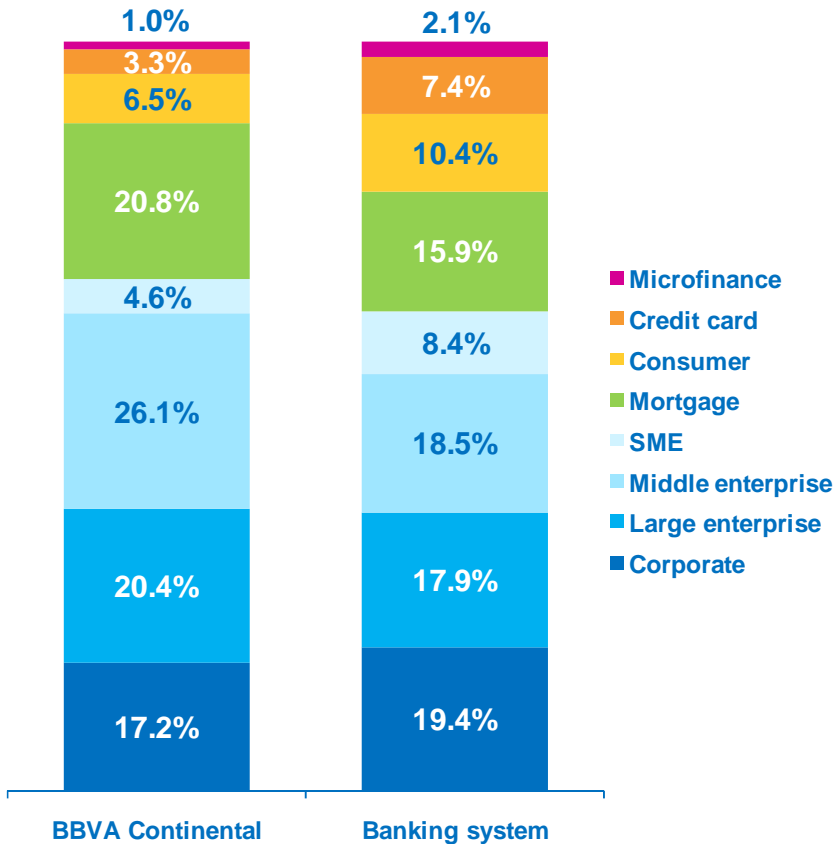


**Loans and Deposits**

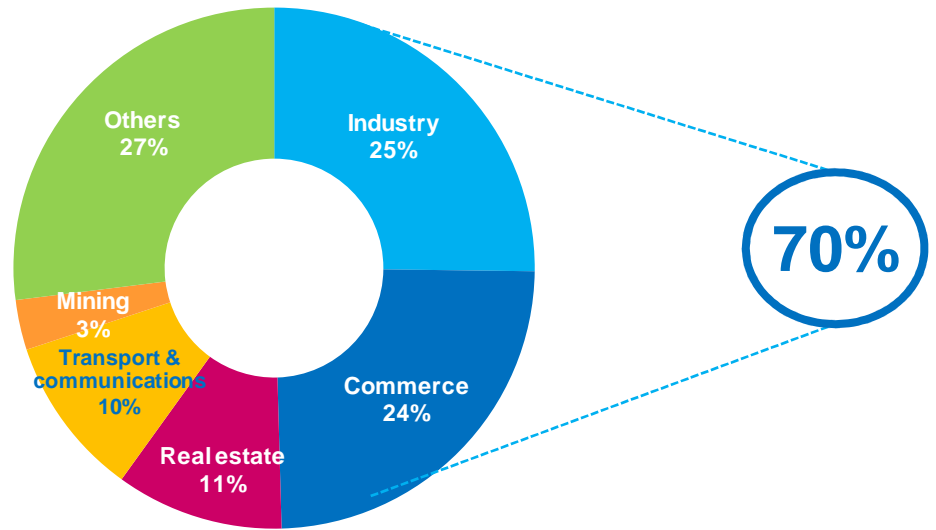
PEN MMM



### Loans breakdown



### Commercial loans by economic sector



- Focus on commercial, mortgages and consumer loans
- Commercial loans represent 70% of total loans and are highly diversified by economic sector
- Loans to individuals focused on mortgages loans, consumer loans and credit cards. Mortgages loans have a Past Due Loan Ratio of 0.5% thanks to a rigorous approval process



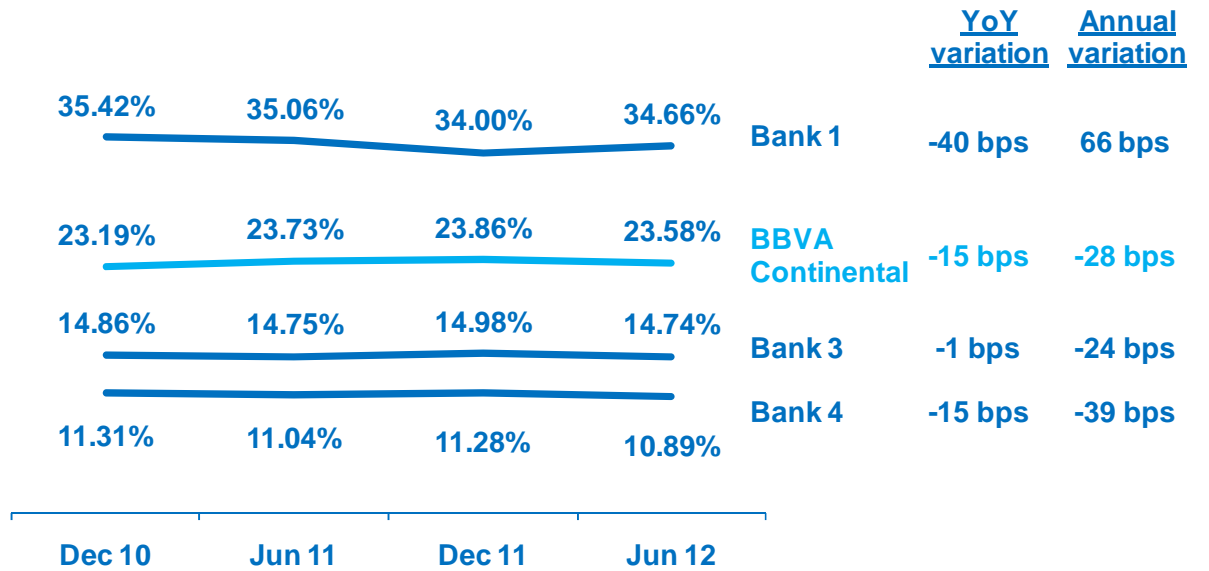
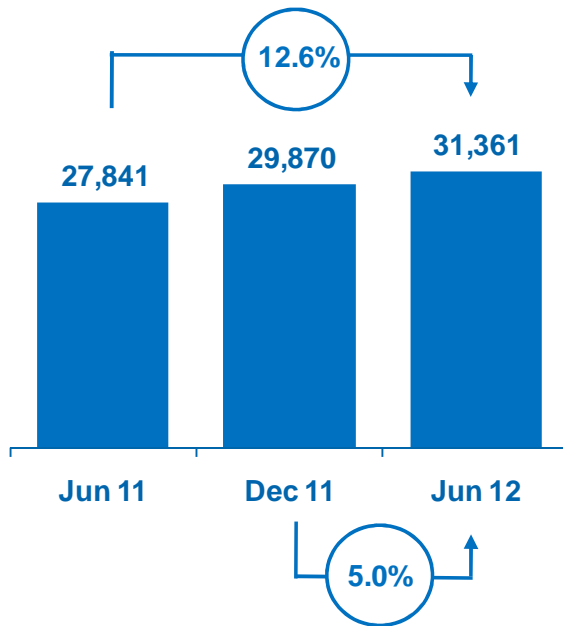
**BBVA** Continental

# Performing loans

BBVA Continental continues growing in loans...

## Performing loans

PEN Millions



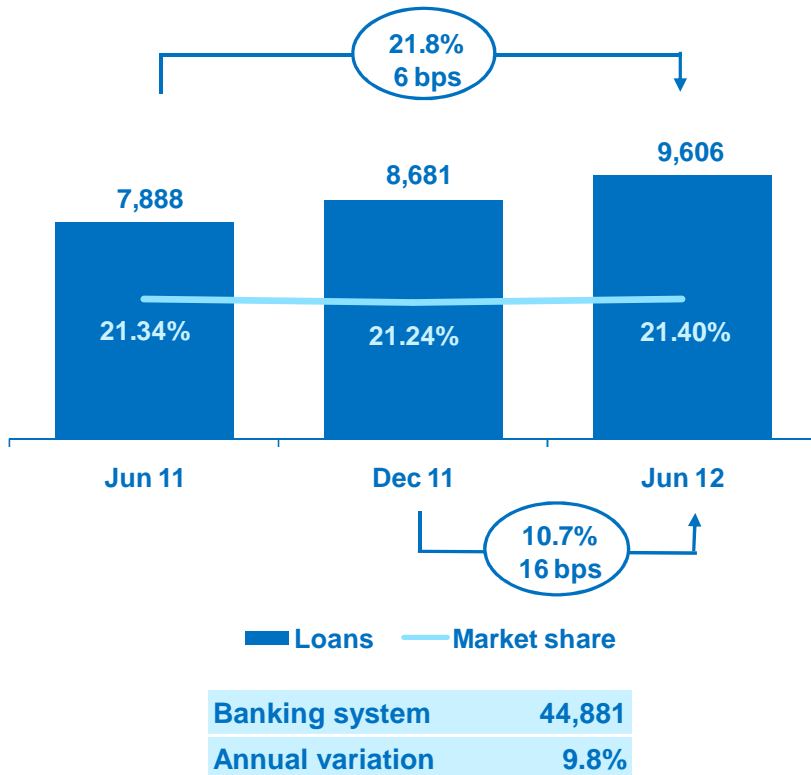
Source: Superintendencia de Banca, Seguros y AFP

# Performing loans

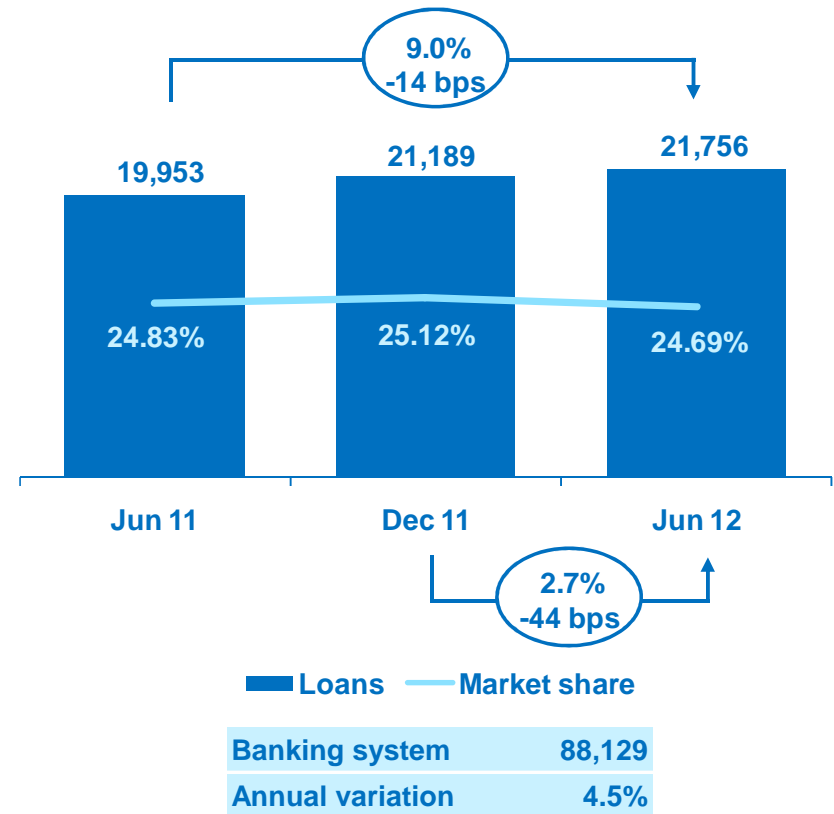
...with a gain in both retail and business customers

PEN Million and percentage (%)

## Retail customers



## Business customers





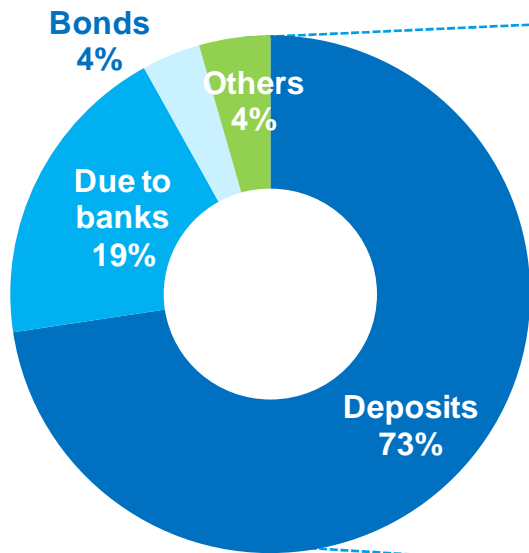


# Deposit's structure

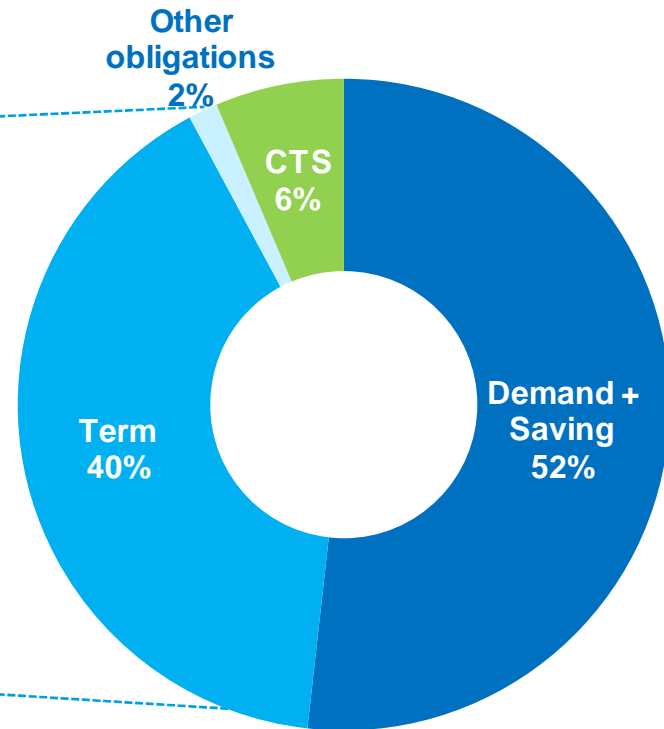
Cost effective deposit base

June 2012

**Cost effective source of funding**



**Diversified deposit base**



Source: Superintendencia de Banca, Seguros y AFP / Asociación de Bancos del Perú

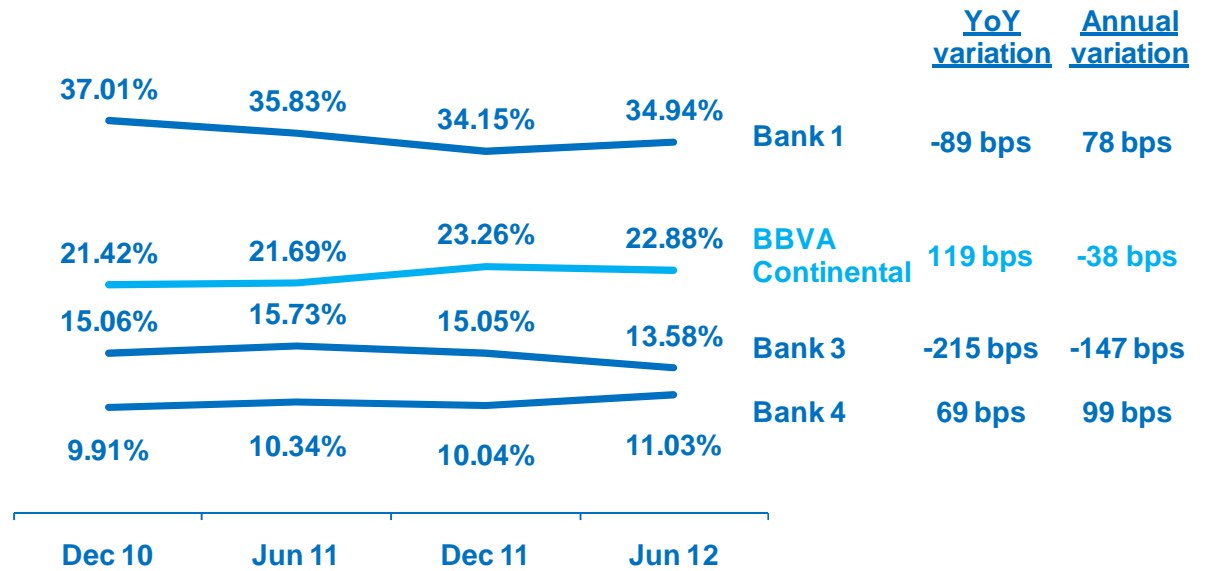
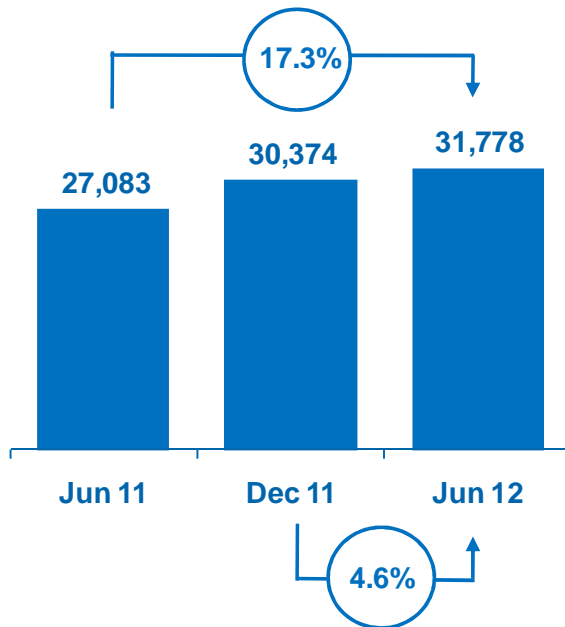
# BBVA Continental

## Deposits

In terms of deposits, growth continues...

### Deposits

PEN Millions



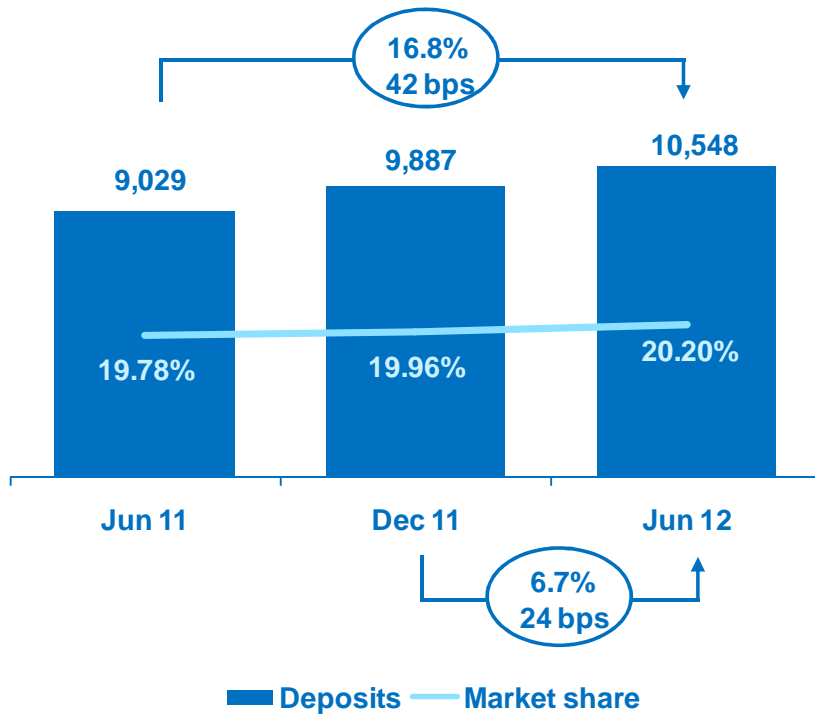
Source: Superintendencia de Banca, Seguros y AFP

# Deposits

...focused in both retail and business customers

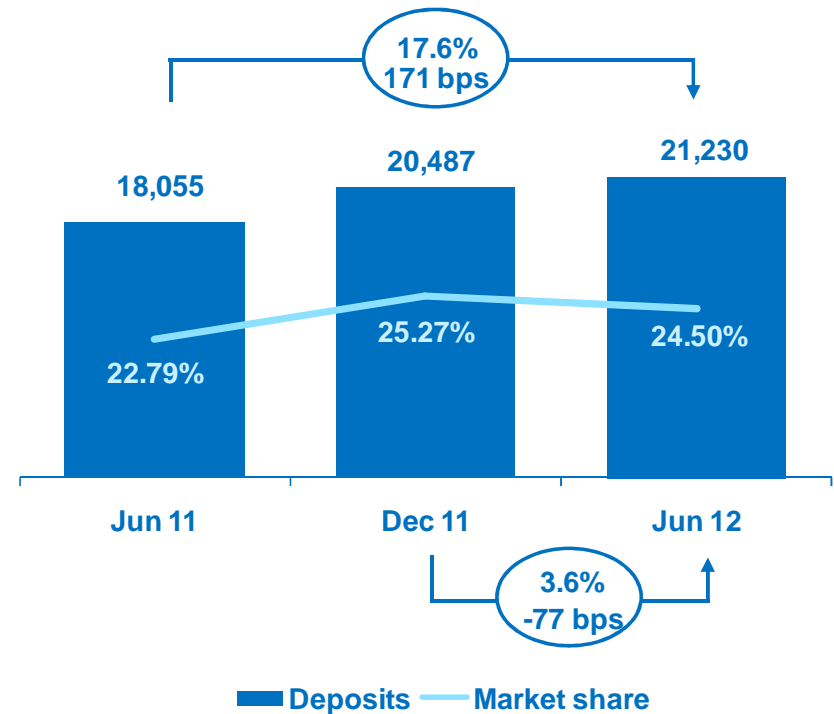
PEN Million and percentage (%)

## Retail customers



Banking system	52,221
Annual variation	5.4%

## Business customers



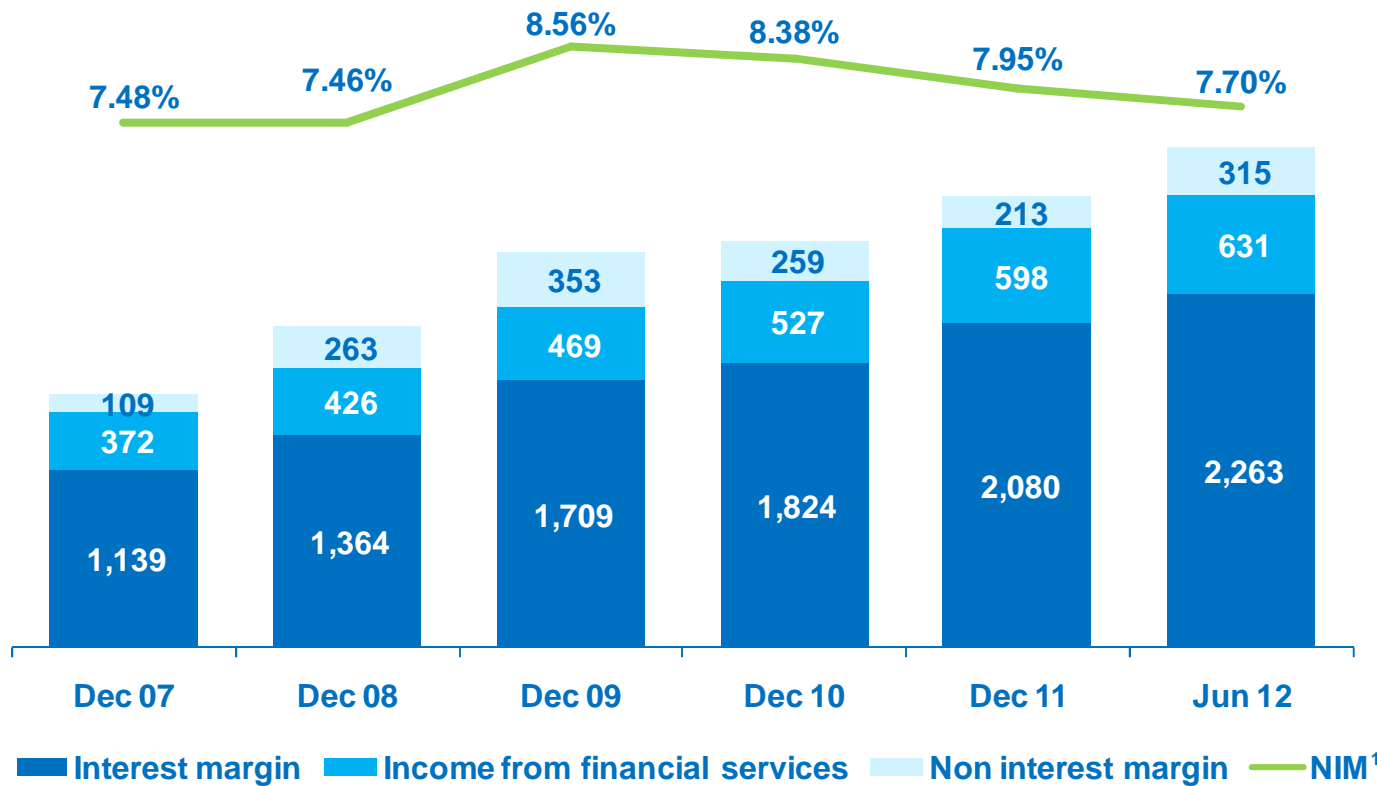
Banking system	86,657
Annual variation	6.9%



**BBVA** Continental

# Net financial margin

PEN Million and percentage (%)



<sup>1</sup> **NIM ratio:** Gross financial margin (interest margin + non interest margin) over average interest earning assets (interbank funds, investments, loans)



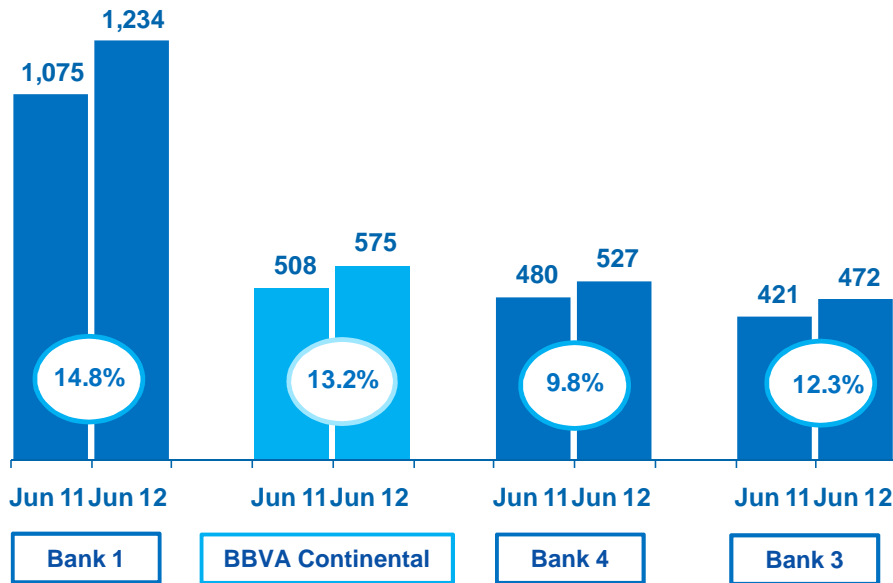
**BBVA** Continental

# Expense management

We remain the most efficient bank in Peru

## Administrative expenses \*

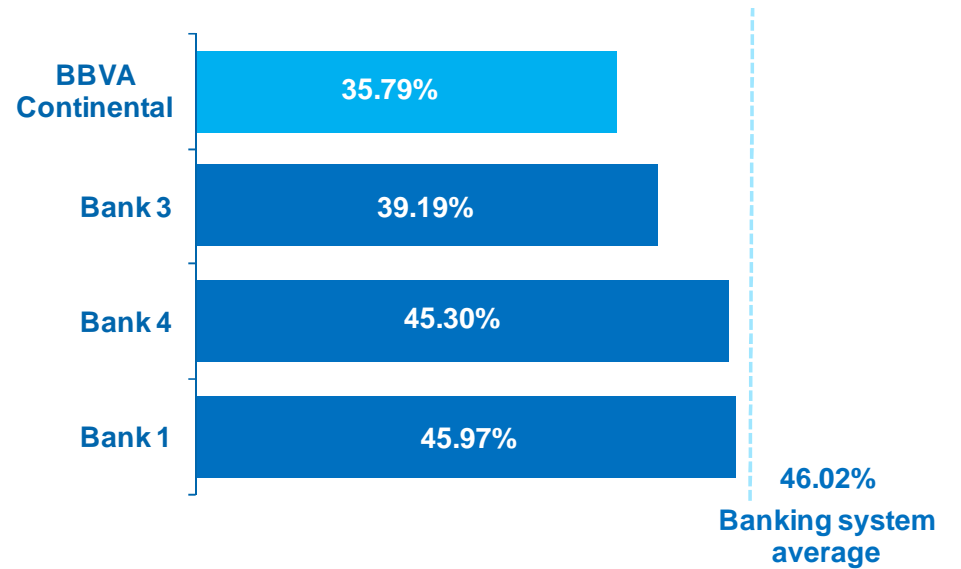
PEN Millions



\* Includes Amortization and Depreciation

## Efficiency

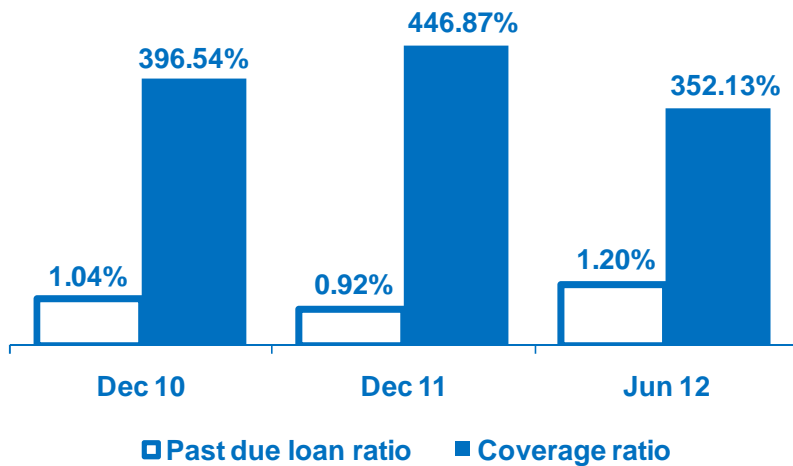
June 2012



Source: Superintendencia de Banca, Seguros y AFP

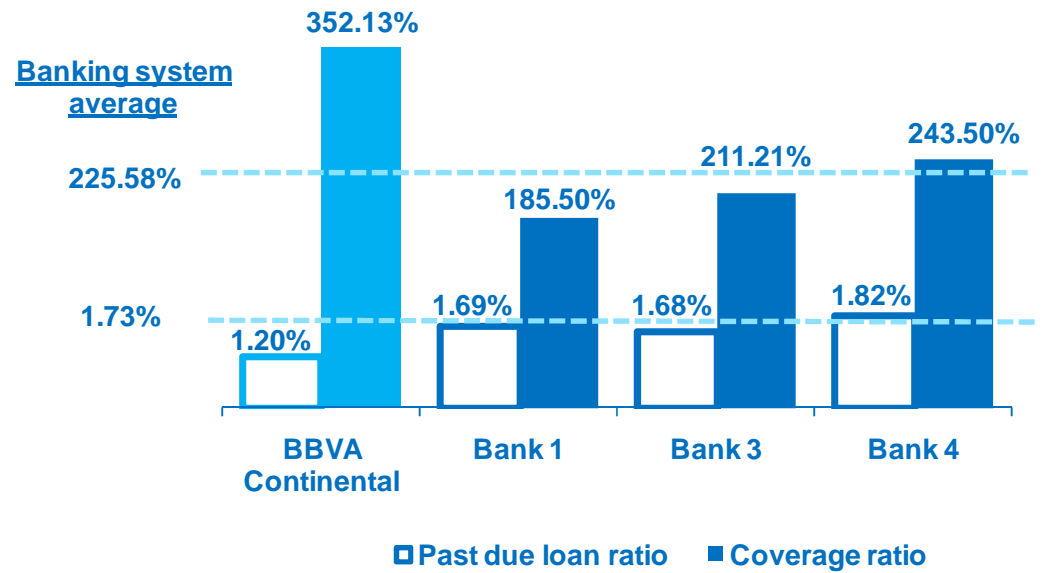
### Outstanding asset quality

#### BBVA Continental



### Best Past Due Loan Ratio and Coverage Ratio

June 2012



Source: Superintendencia de Banca, Seguros y AFP



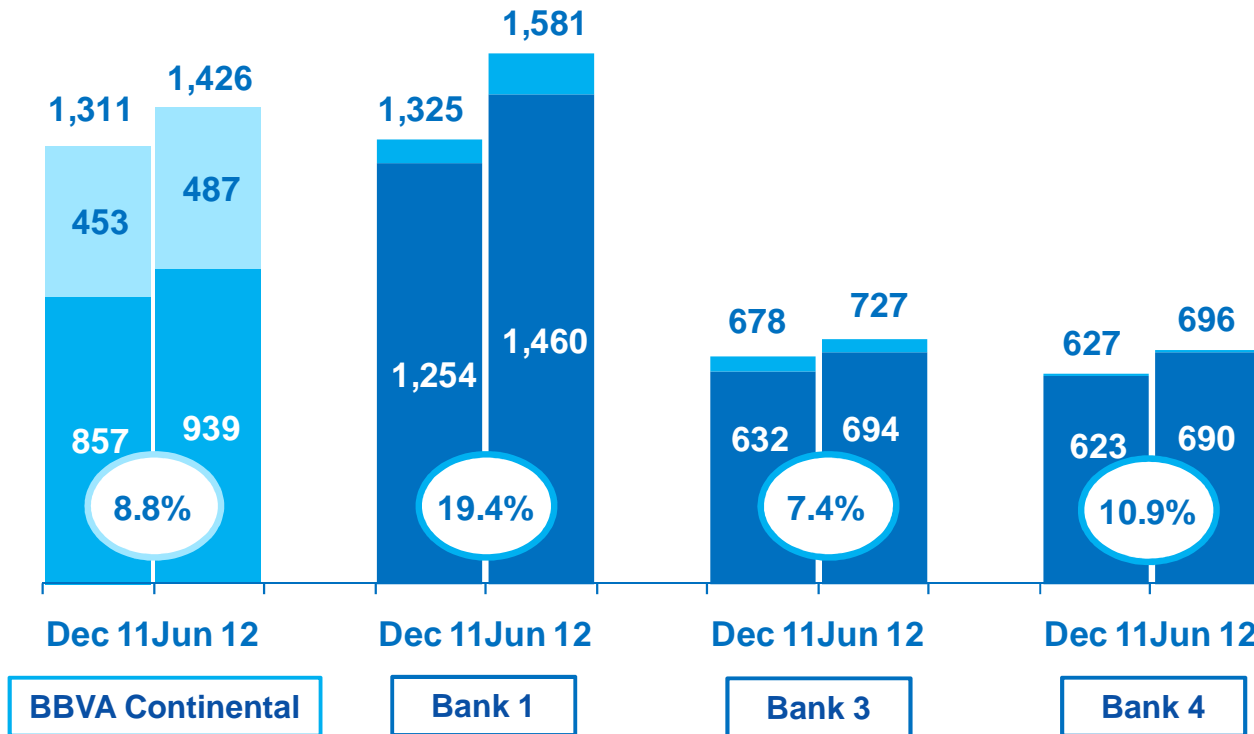
# Risk management

The Bank maintains high levels of voluntary provisions

## Provisions

PEN Millions

■ Require  
■ Voluntary



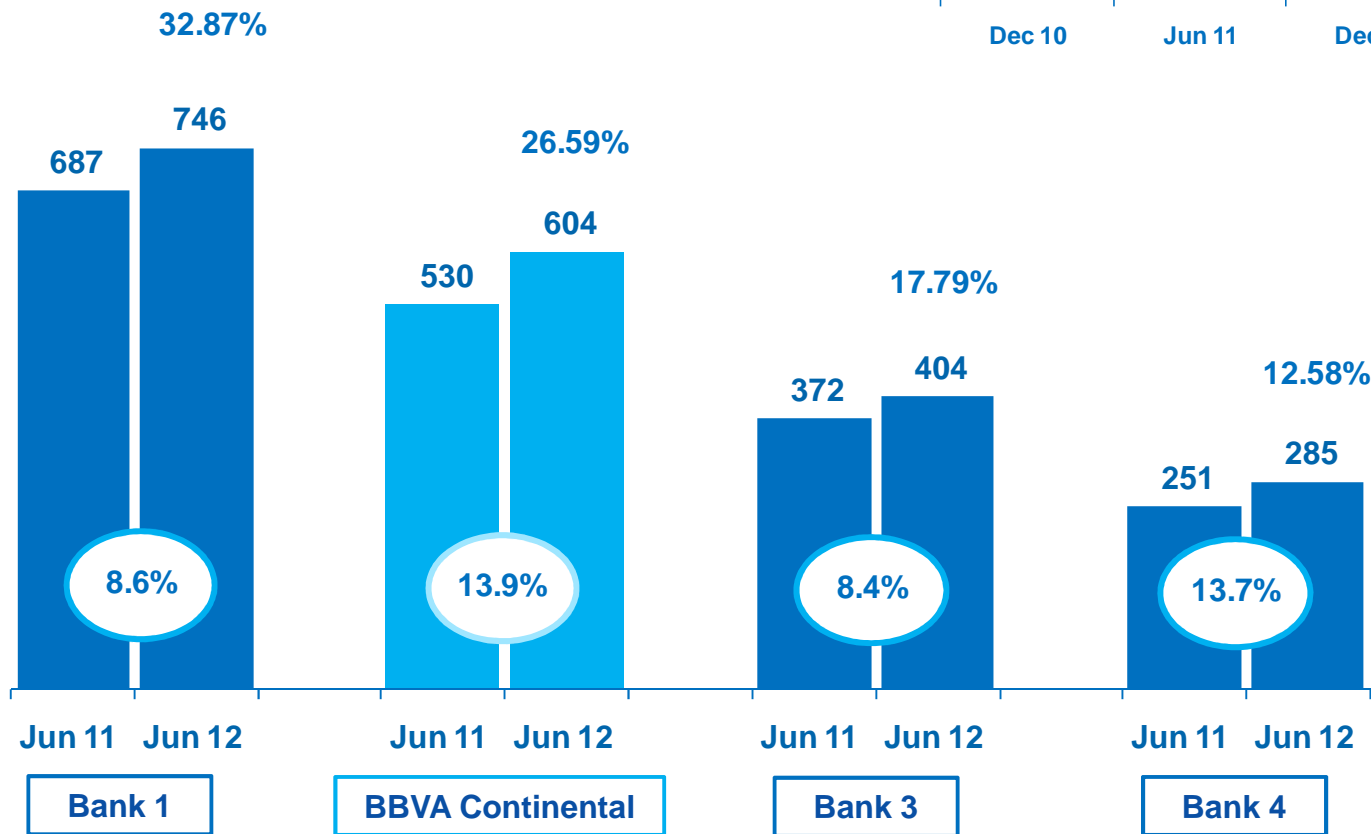


**BBVA Continental**

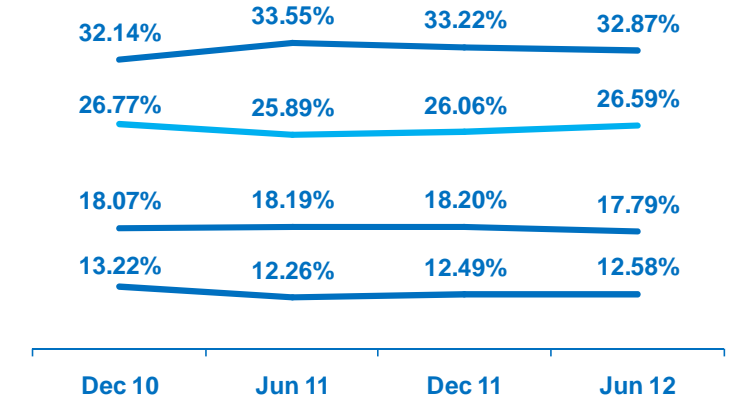
# Profitability management

## Net income

PEN millions



## Market share





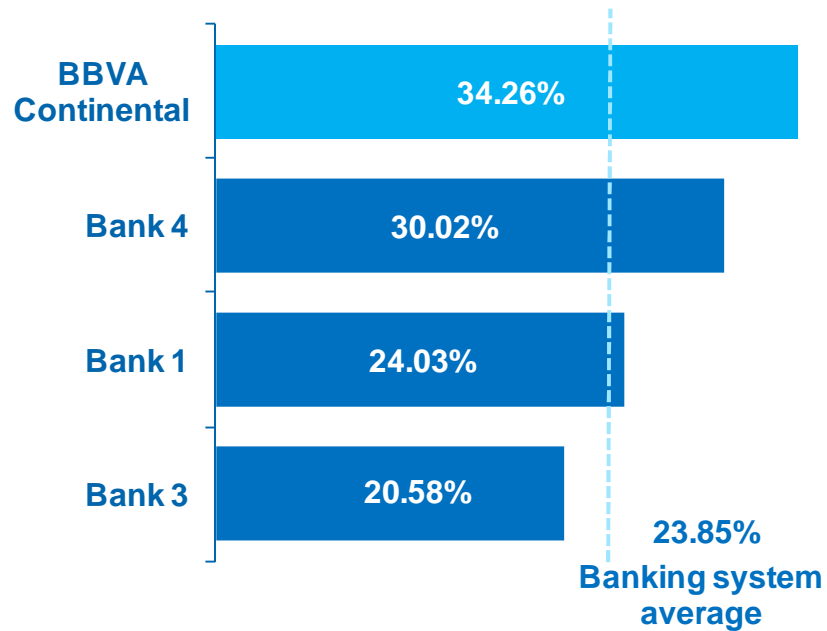


# Profitability management

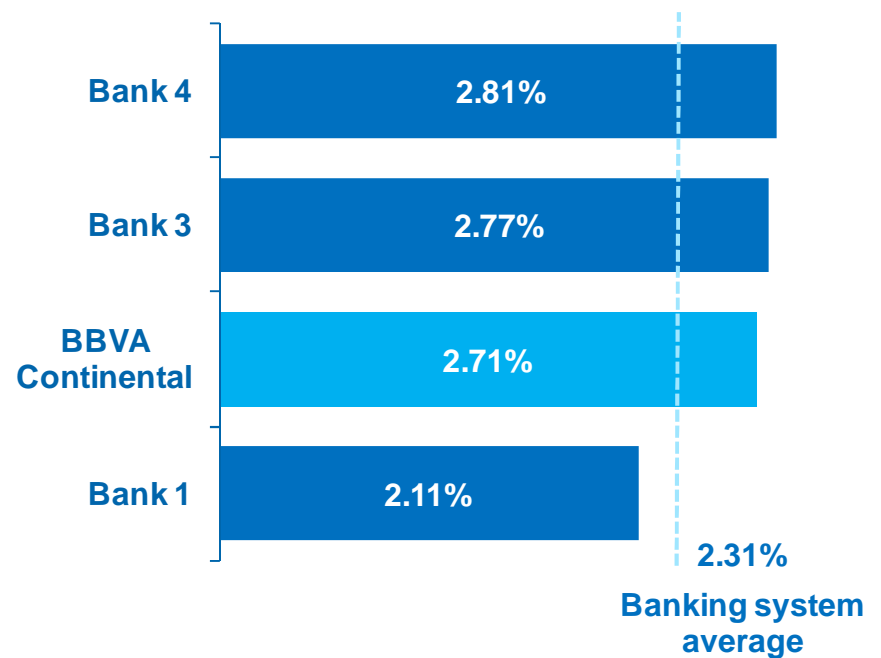
The Bank has high levels of profitability...

June 2012

## Return on Equity - ROE



## Return on Assets - ROA

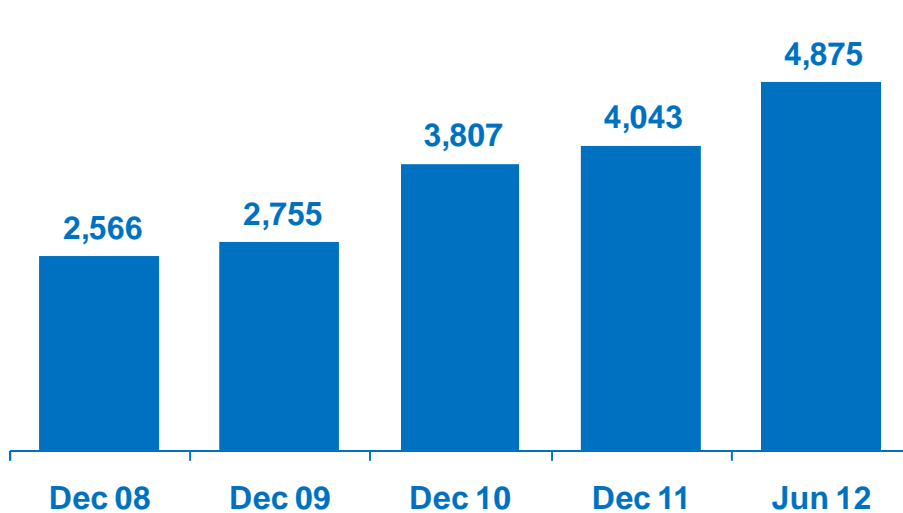




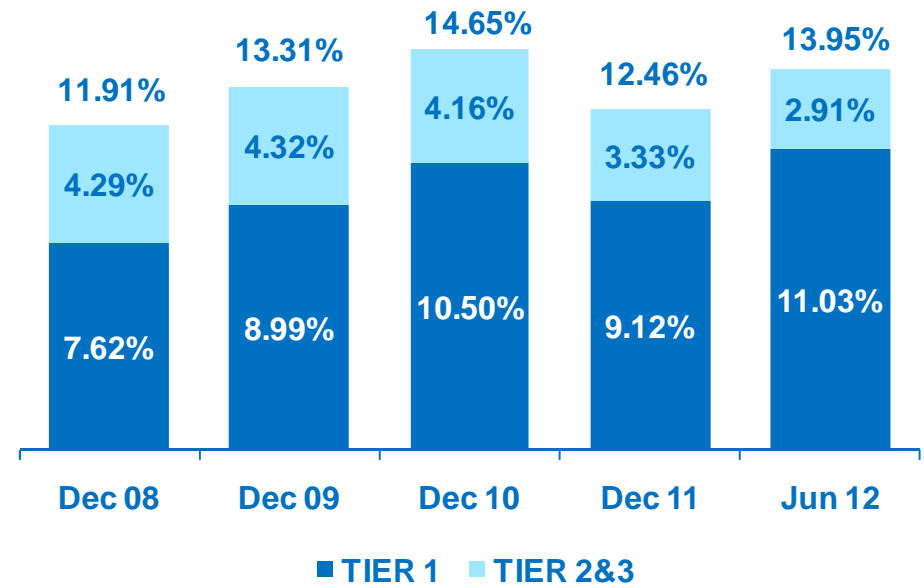
# Gestión de solvencia

## Regulatory capital

En millones de S/.



## Composition of capitalization



The minimum capital ratio is 10% as of March 2012. From July 2012 to July 2016 capital requirements will increase gradually to comply with new local regulations, based on Basel III standards .



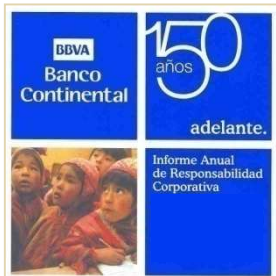
# 4

# Social responsibility and Awards

## BBVA Continental

The Bank maintains its commitment with society and is recognized in the market

### SOCIAL RESPONSIBILITY



### Corporate Social Responsibility Report



First environmental facility made in South America



Program:  
"Leer es estar adelante"

### AWARDS



The only Bank in Peru included in the Best Corporate Governance Principle's Index



**BBVA** Continental

# 5 Ratings

# International rating

The Bank has the best international ratings

Instruments	Fitch Ratings	Standard & Poors
Foreign currency long term issuances	BBB+	BBB
Foreign currency short term issuances	F2	A-2
Local currency long term issuances	BBB+	BBB
Local currency short term issuances	F2	A-2
Individual rating	WD	-
Outlook	Negativa	Estable

# Local rating

Three rating agencies in Perú have granted BBVA Continental, the best local ratings

Instrumentos	Apoyo & Asociados	Equilibrium	PCR	Top local
Short term deposits	CP-1+ (pe)	EQL 1+.pe	Categoría I	Categoría 1
Term deposits > 1 year	AAA (pe)	AAA.pe	pAAA	AAA
Corporate bonds	AAA (pe)	AAA.pe	pAAA	AAA
Subordinated bonds	AA+ (pe)	AA+.pe	pAA+	AA+
Leasing bonds	AAA (pe)	AAA.pe	pAAA	AAA
Common shares	1 <sup>a</sup> (pe)	1 <sup>a</sup> Clase.pe	PC N1	Categoría 1
Issuer rating	A+	A+	A+	A



# BBVA Continental

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