



# **BBVA Continental**

September 2013

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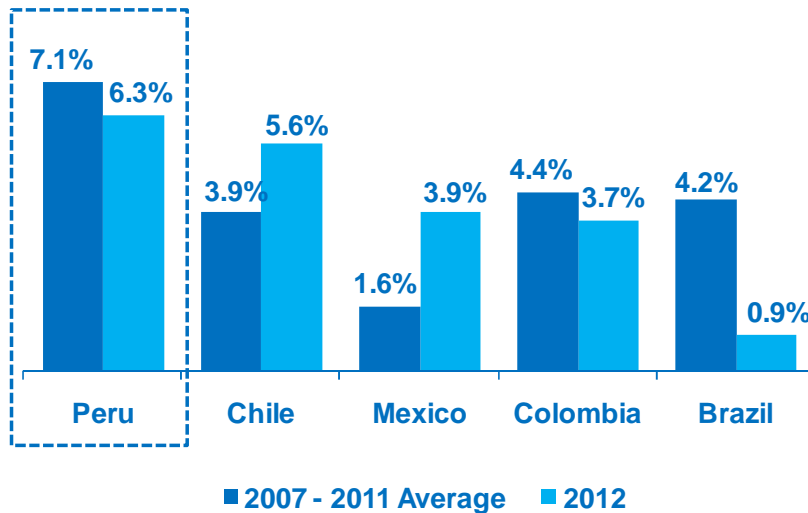


# 1 Peru: Attractive economy and financial system

## Peru: one of the most stable and fastest-growing economies of the region

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

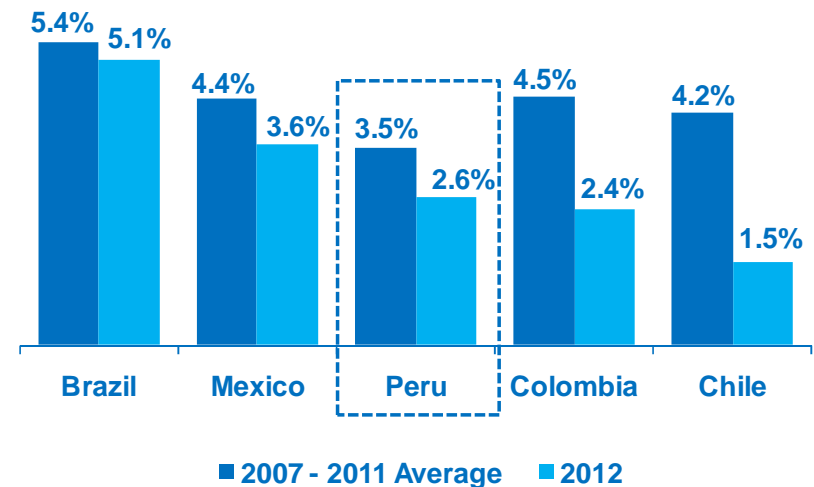
### GDP growth



**Estimated for 2013: 5.8%**  
(BBVA as of July 2013)

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

### Inflation

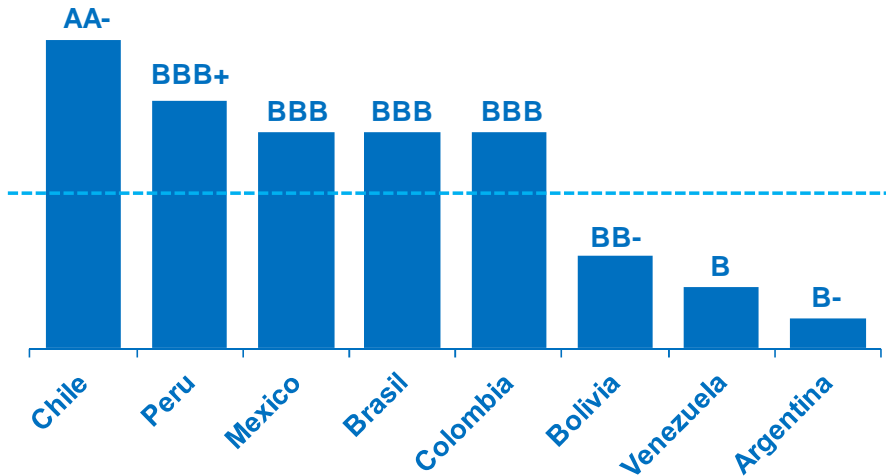


**Estimated for 2013: 2.8%**  
(BBVA as of July 2013)

## Peru: one of the most stable and fastest-growing economies of the region

It has achieved the sovereign investment grade...

### Ratings

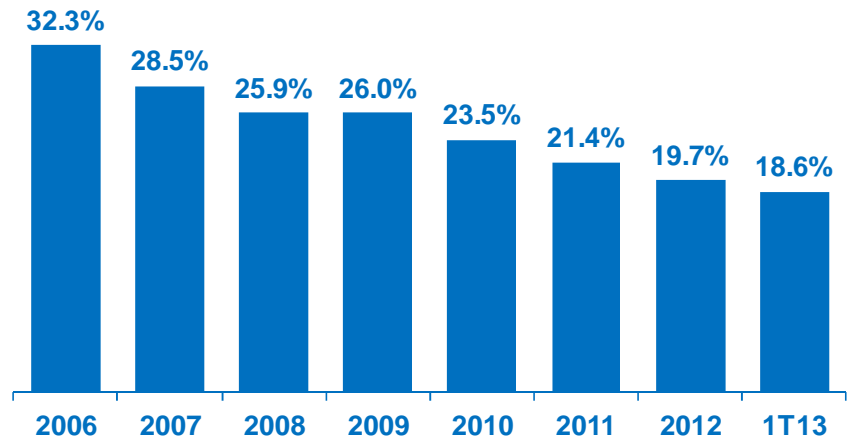


Source: Standard & Poor's

...and maintains low levels of debt

### Public Debt as a percentage of GDP

35.9% Average Public Debt from General Government/GDP for countries with BBB rating for 2012



Source: Banco Central de Reserva del Perú, BBVA Research

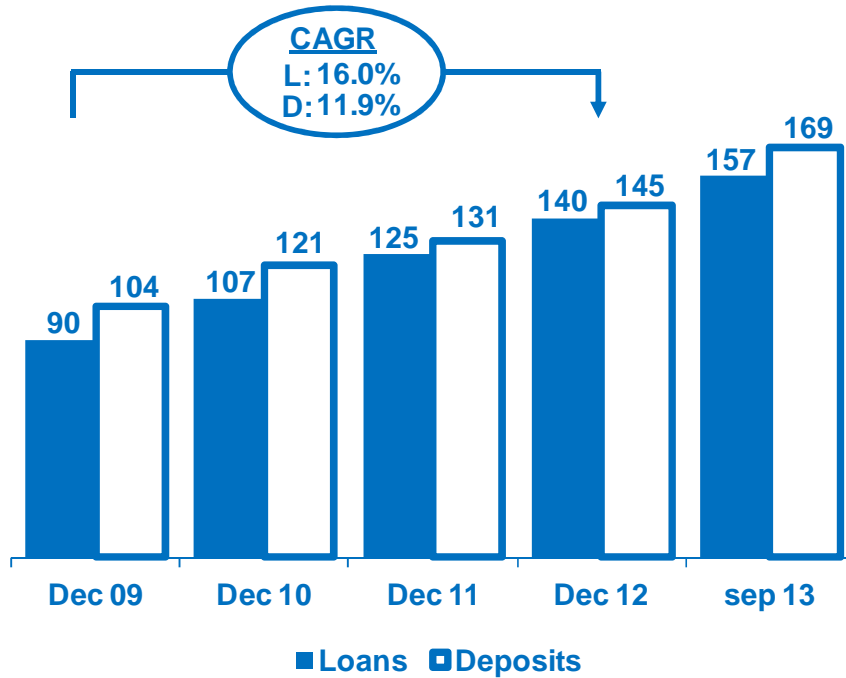
...with a solid Financial System and great opportunities

The Peruvian Banking System has shown strong growth...

...with great potential for future expansion

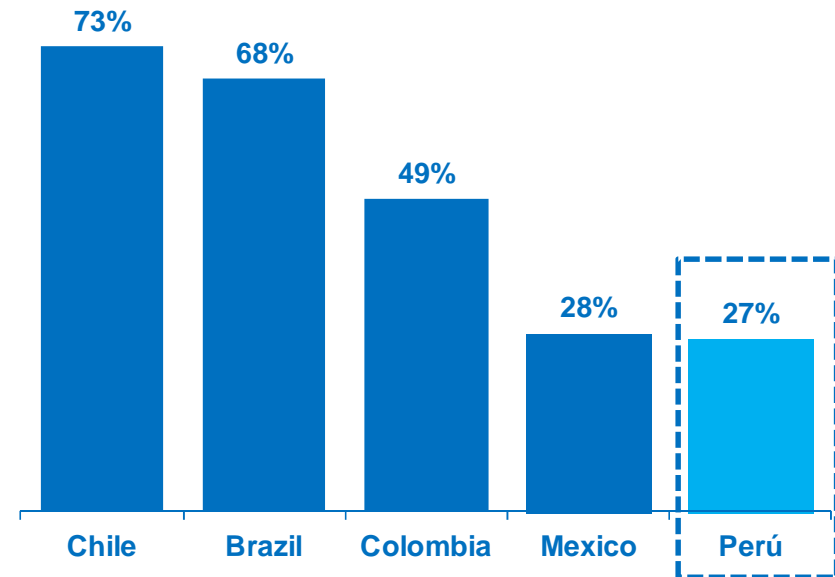
**Performing loans and Deposits**

PEN MMM



**Loans to private sector as a percentage of GDP**

2012



Source: Superintendencia de Banca, Seguros y AFP

Source: World Bank

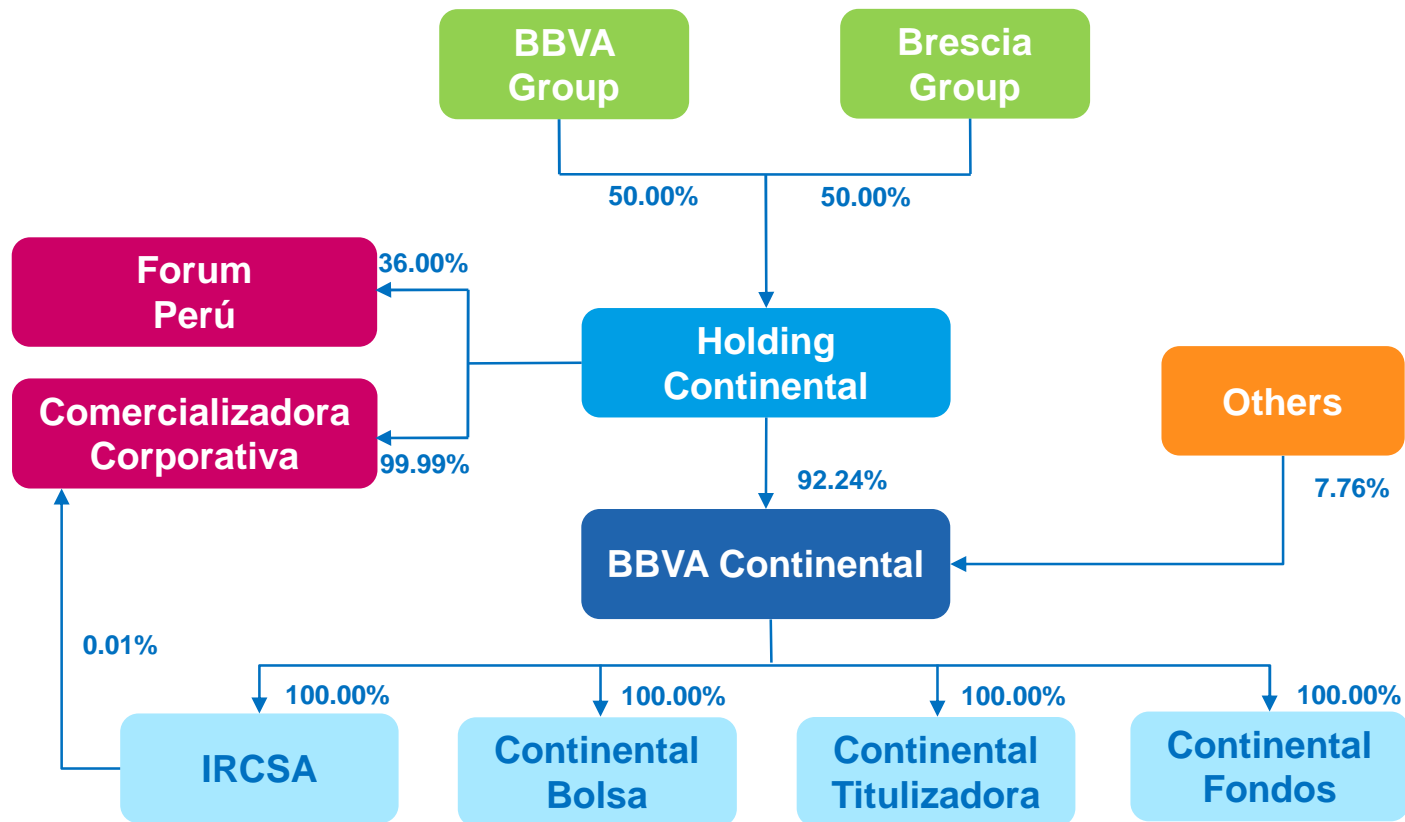


# 2 Organization



# BBVA Continental Shareholders

BBVA Continental and Subsidiaries are part of the Economic Group formed by Holding Continental



# BBVA Continental BBVA Group

**607** Assets (€ billion)    **49 M** Customers    **7,688** Branches    **113,293** Employees

## North America

- United States
- Mexico

**United States**  
*1st. Regional Bank in the Sunbelt*

**Mexico**  
*Market leader*

## South America

- Chile
- Colombia
- Peru
- Venezuela
- Argentina

**South America**  
*1st. / 2nd.*

**Spain**  
*1st. / 2nd.*

## Europe - Asia

- Europe
- Turkey
- China

**Turkey**  
*Strategic participation*

**Asia / China**  
*Strategic alliance*

### 1H13 Gross Income (1) breakdown

Developed	Emerging
Weight: 42%	Weight: 58%
YoY var.: -4.7%	YoY var.: +9.8%

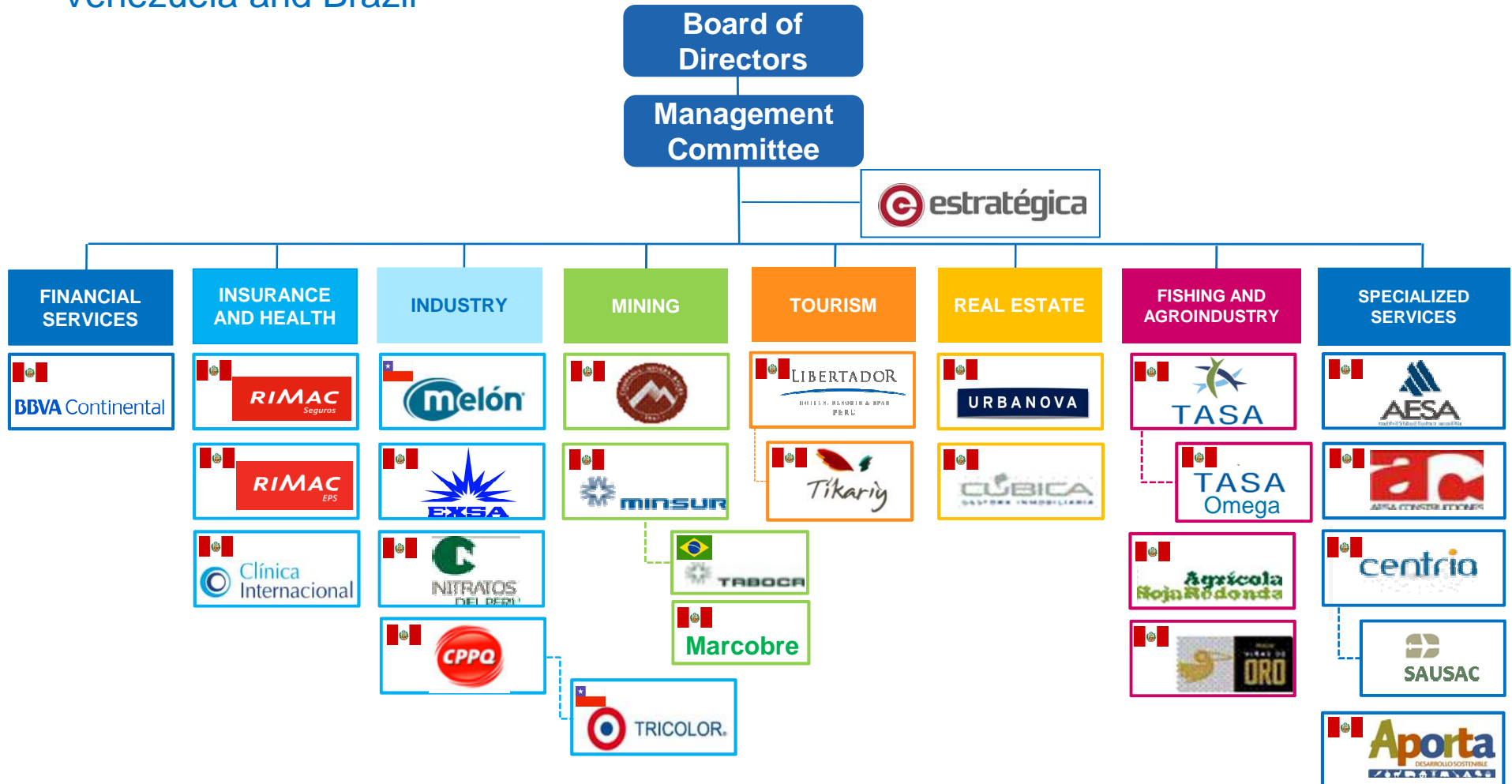
**South America:**  
23% of BBVA Group's 1H13 Gross Income

1/ Excludes Corporate activities; YoY change in constant Euros.

# BBVA Continental

## Breca

Business group founded by the Brescia Cafferata family, is one of the largest business conglomerates in Peru, with operations in Peru, Chile, Colombia, Venezuela and Brazil

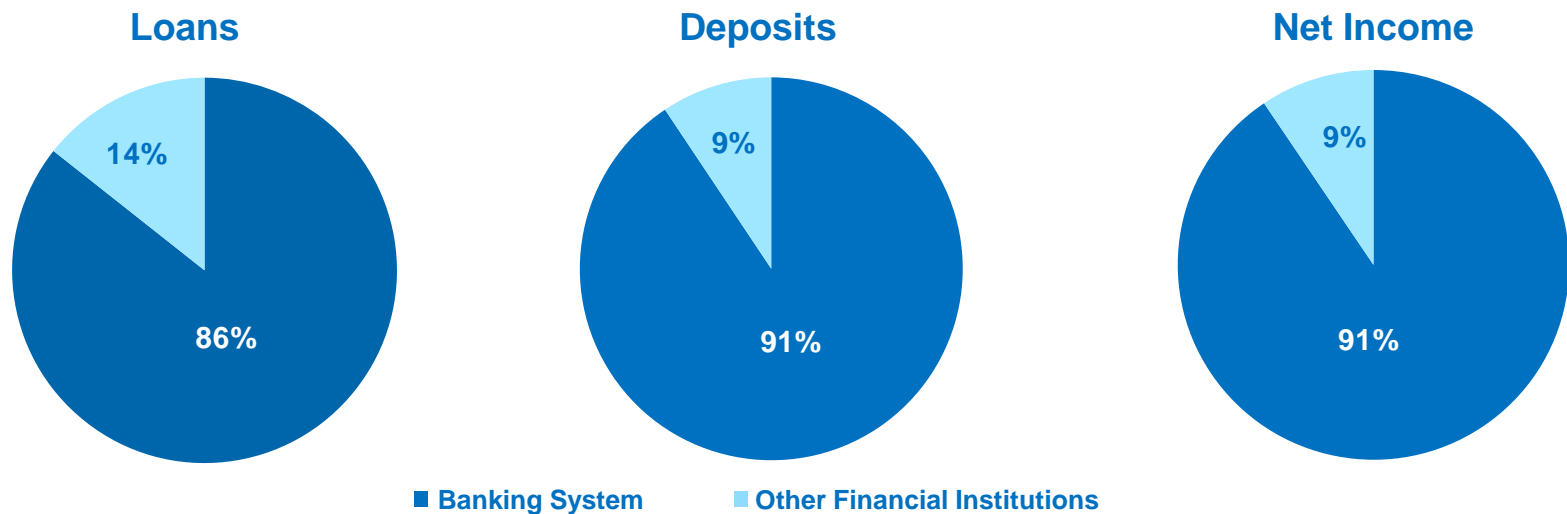


# Peruvian Financial System

Financial system	Institution PEN Million	Net loans Sep-13	Deposits Sep-13	Net Income Sep-13
<b>Banking system</b>	Banks (16)	155,427	169,367	3,695
	Banco de la Nación	5,719	20,362	462
<b>Other financial institutions</b>	Cajas Municipales (13)	10,987	12,417	178
	Financieras (11)	8,287	4,703	169
	Cajas Rurales (10)	1,459	1,710	-
	Edpymes (10)	1,026	0	11
	Leasing (2)	442	-	4
	COFIDE	4,235	80	54
	Agrobanco	661	-	19

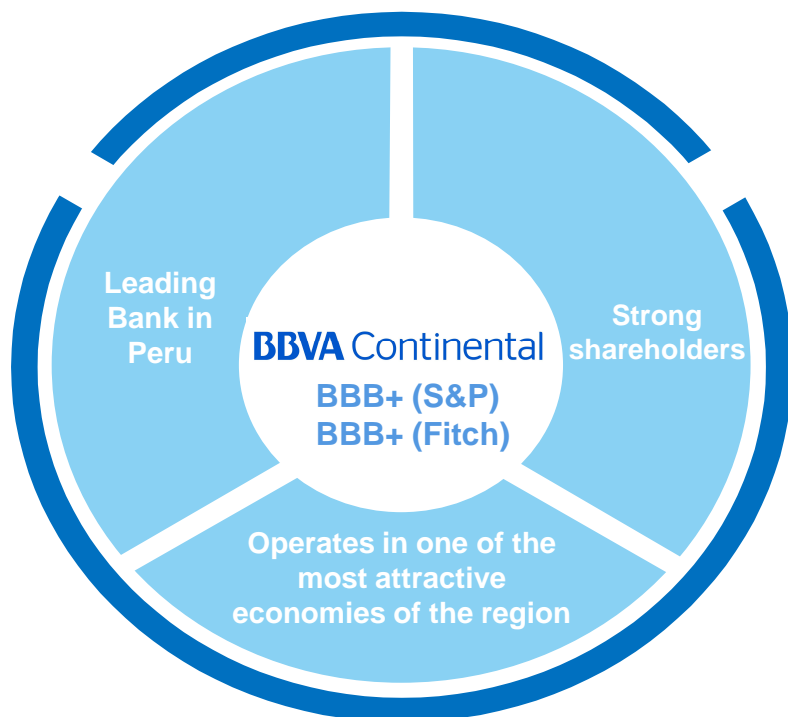
Source: Superintendencia de Banca, Seguros y AFP

The four largest banks concentrate around 86% 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 Breca, one of the largest business conglomerates in Peru

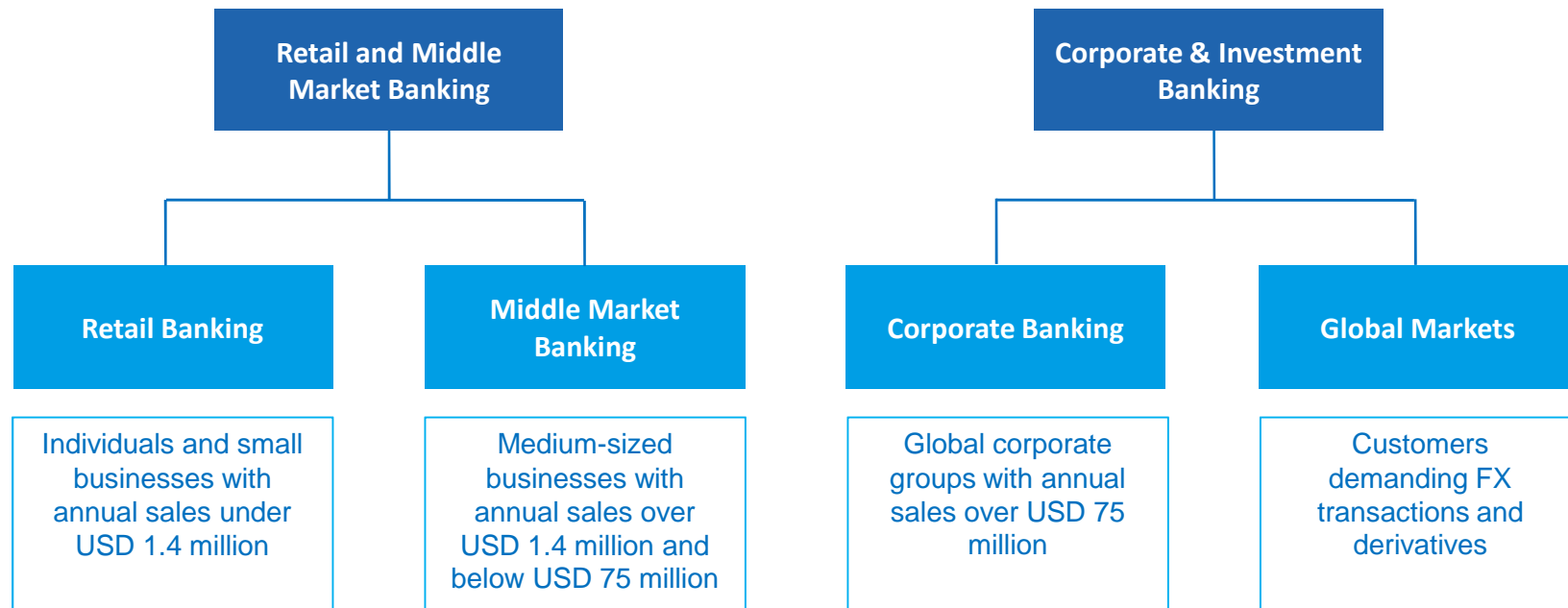
#2 in performing loans	S/.35,977 million
#2 in deposits	S/.35,993 million
#2 in assets	S/.54,781 million
#1 in efficiency Administrative expenses / Financial Margin	37.28%
#1 in asset quality Allowances for loan losses / Past due loans Past due loans / Total loans	260.17% 1.79%
#1 in profitability ROE: Annualized net income / Average equity	30.20%
#2 in number of branches	295

\* Since January 2013, performing loans, past due loans, restructured loans and refinanced loans include accrued interest

Information as of September 2013

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, foreign trade loans, discounts, commercial loans, factoring, advance accounts, credit cards, funds, savings deposits, demand deposits, term deposits. Also syndicated loans and debt issuances.
- Treasury: FX transactions (spot and forward), IRS, Cross Currency Swaps, options.



3

**BBVA  
Continental  
vs. Peers**



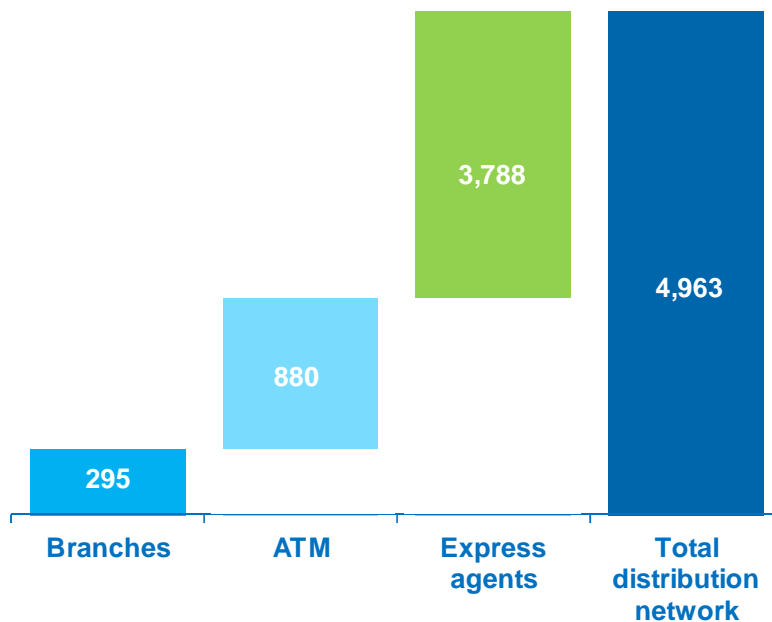
**BBVA** Continental

# Strong banking platform

Distribution network: One of the largest in the country

- ✓ 4,963 points of service
- ✓ 295 branches nationwide
- ✓ More than 3.3 million customers

**September 2013**



## Great capacity for cross-selling

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

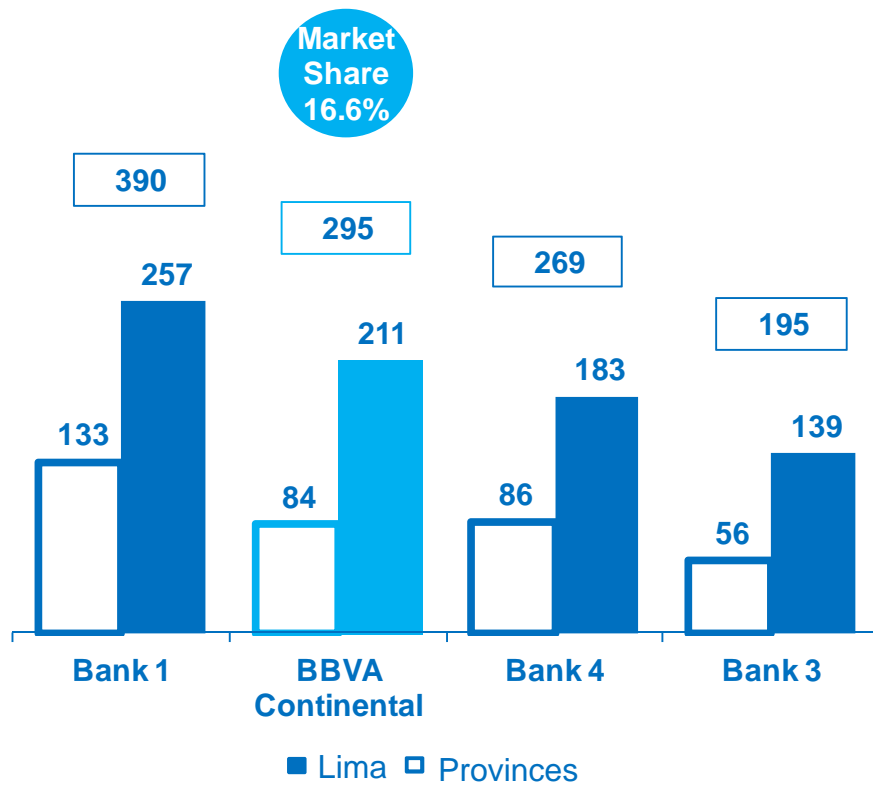
- Advisory, brokerage and investment services through its subsidiaries
- Insurance products through affiliated companies



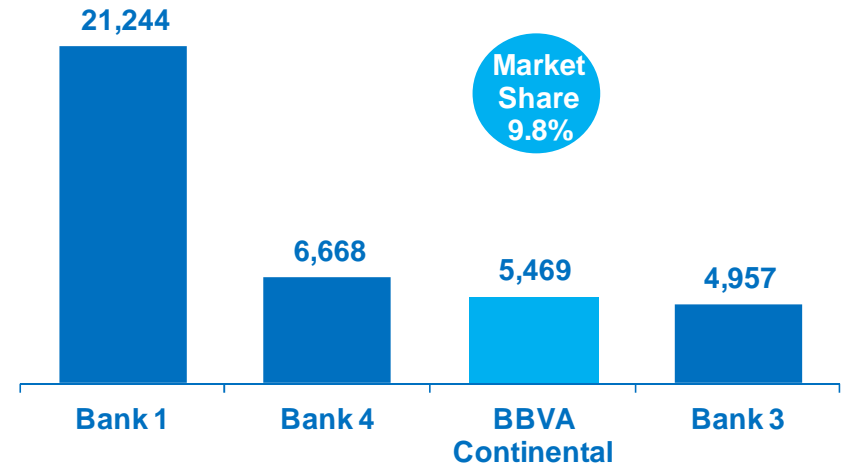
# Number of branches and employees

September 2013

### Number of branches



### Number of employees



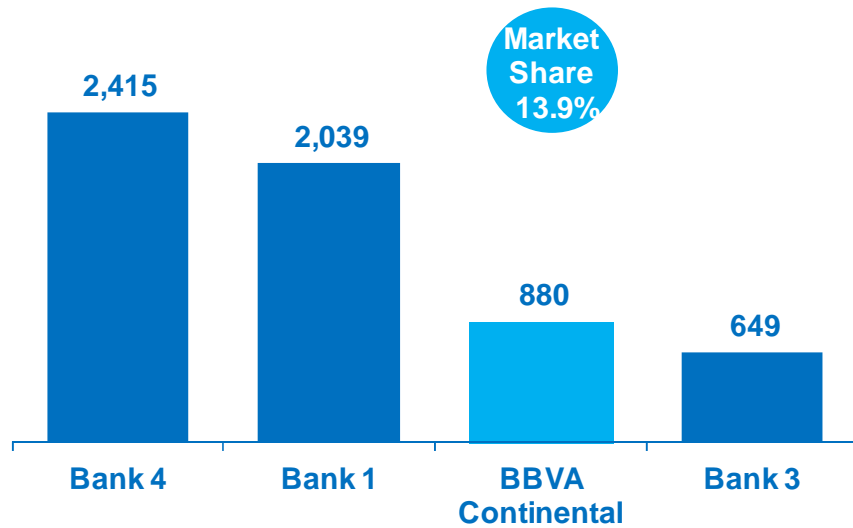


**BBVA** Continental

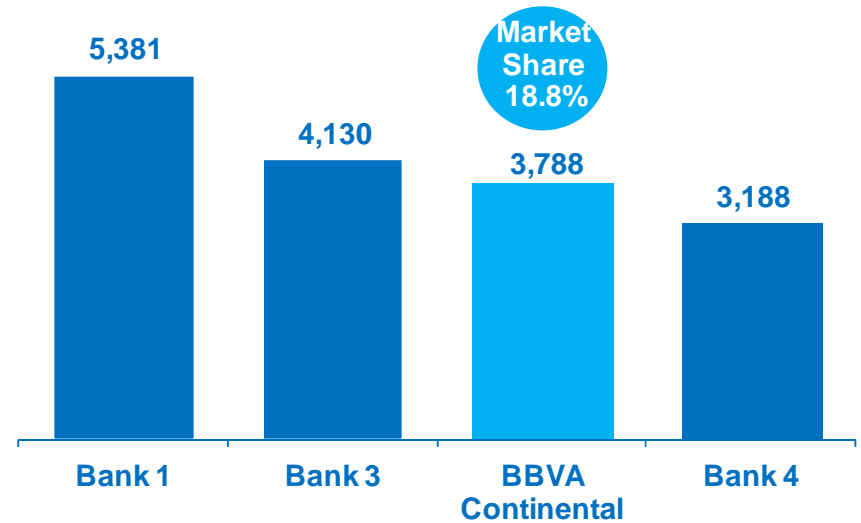
# Number of ATMs and Express agents

September 2013

### Number of ATMs

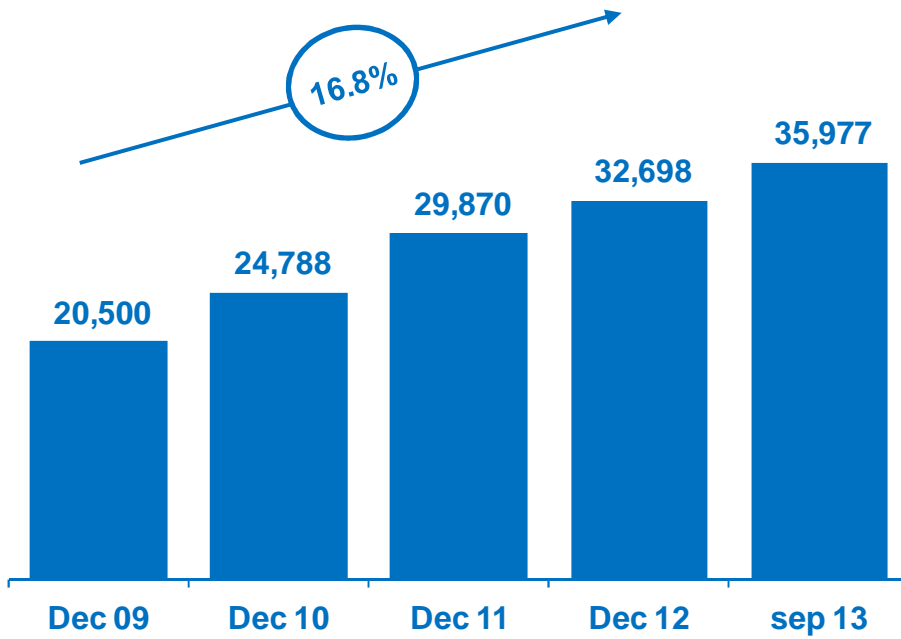


### Number of Express agents

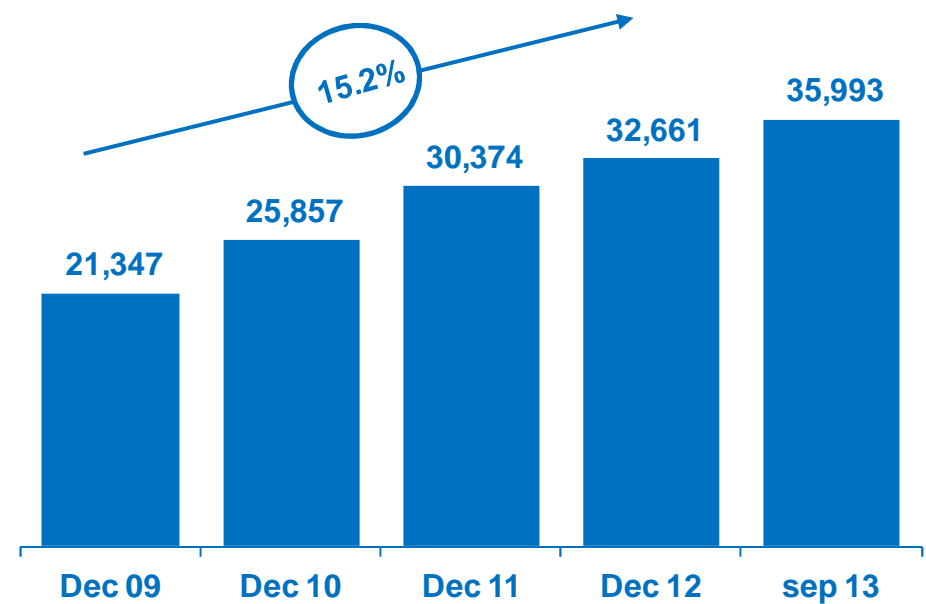


Source: Superintendencia de Banca, Seguros y AFP

## Performing loans



## Deposits



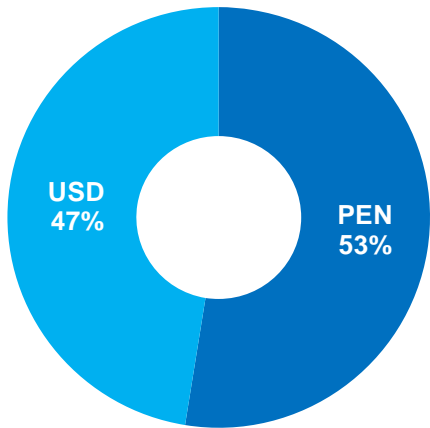


**BBVA** Continental

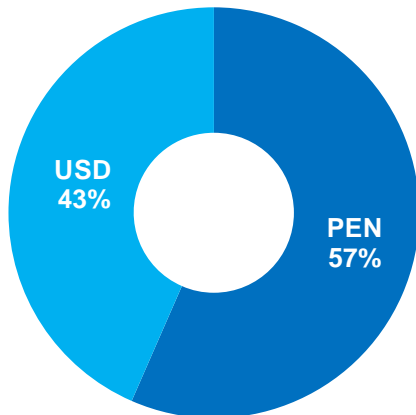
High level of self-financing and natural match of currencies

September 2013

### Loans

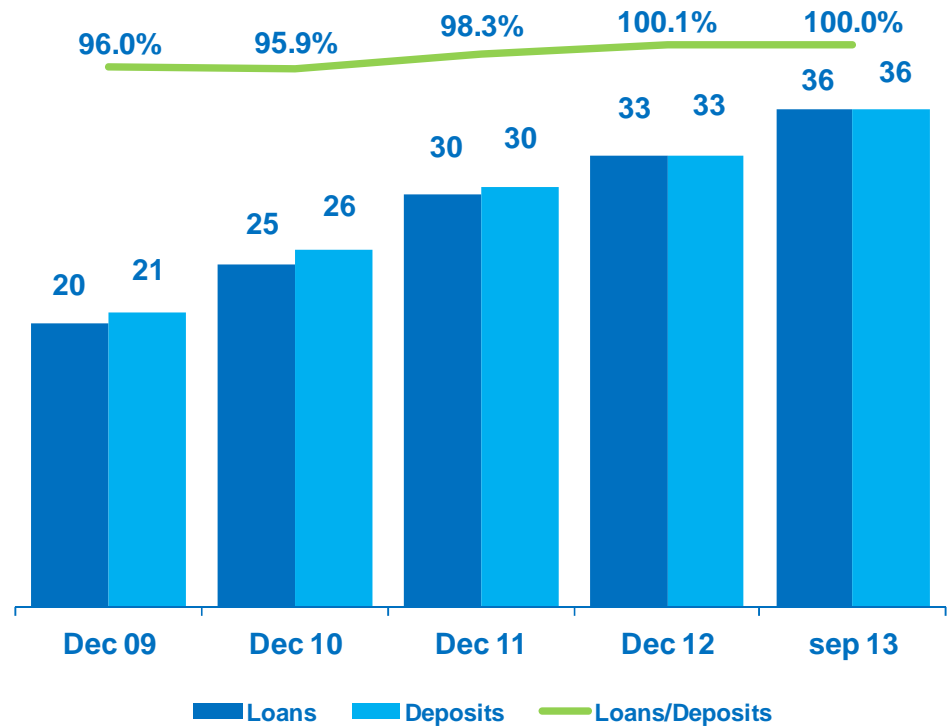


### Deposits



### Loans and Deposits

PEN Thousands of millions



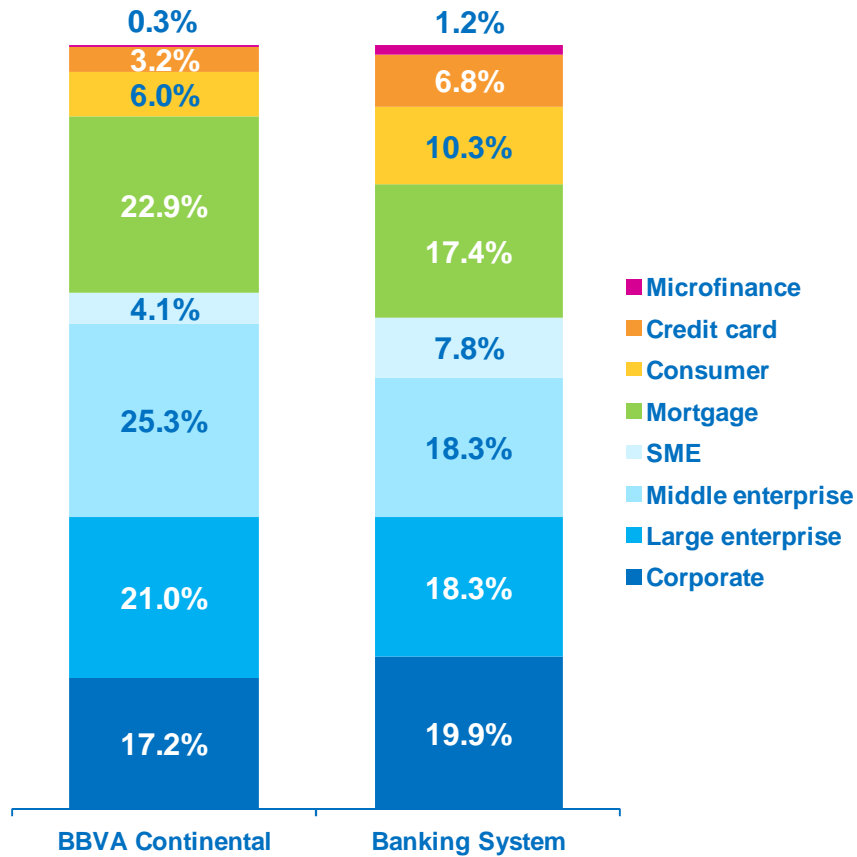


**BBVA Continental**

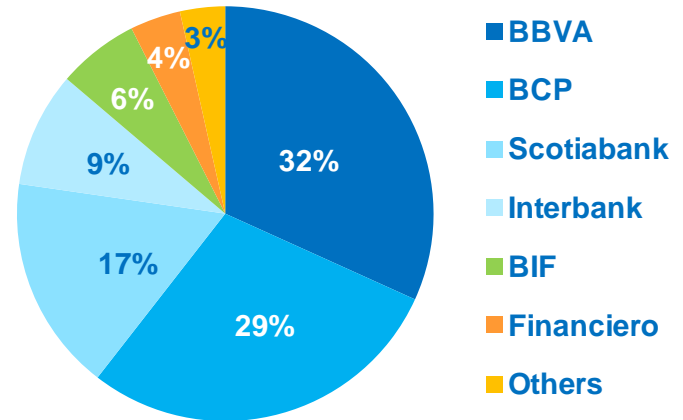
High quality of loan portfolio

September 2013

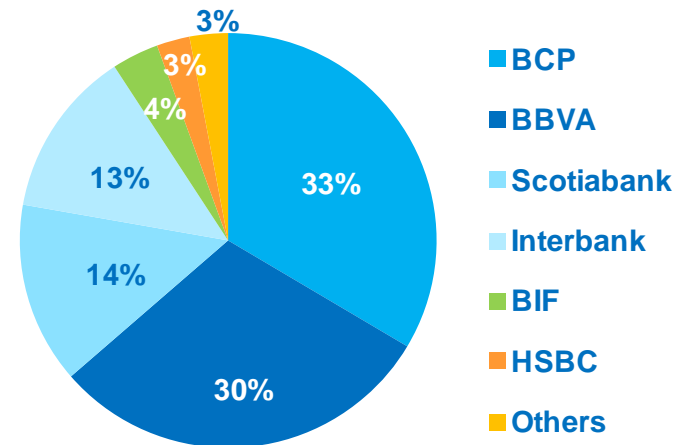
### Loans breakdown



### Middle enterprise market share



### Mortgage loans market share



Source: Asociación de Bancos del Perú

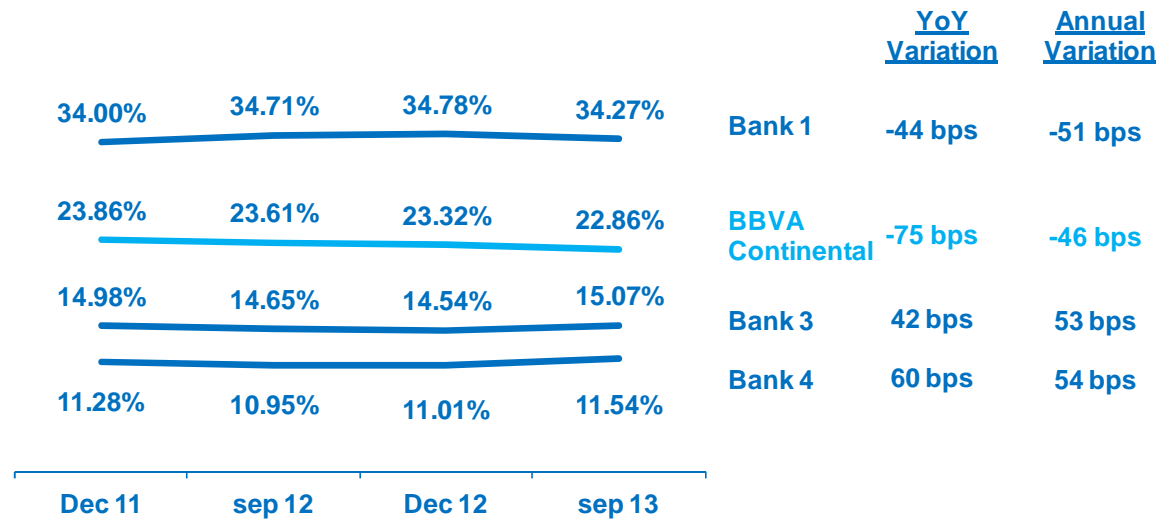
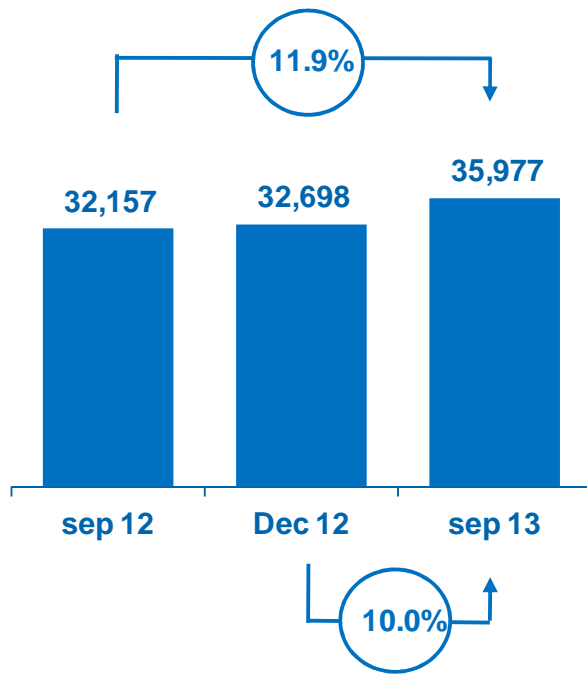


# Performing loans

BBVA Continental continues growing in loans...

## Performing loans

PEN Million



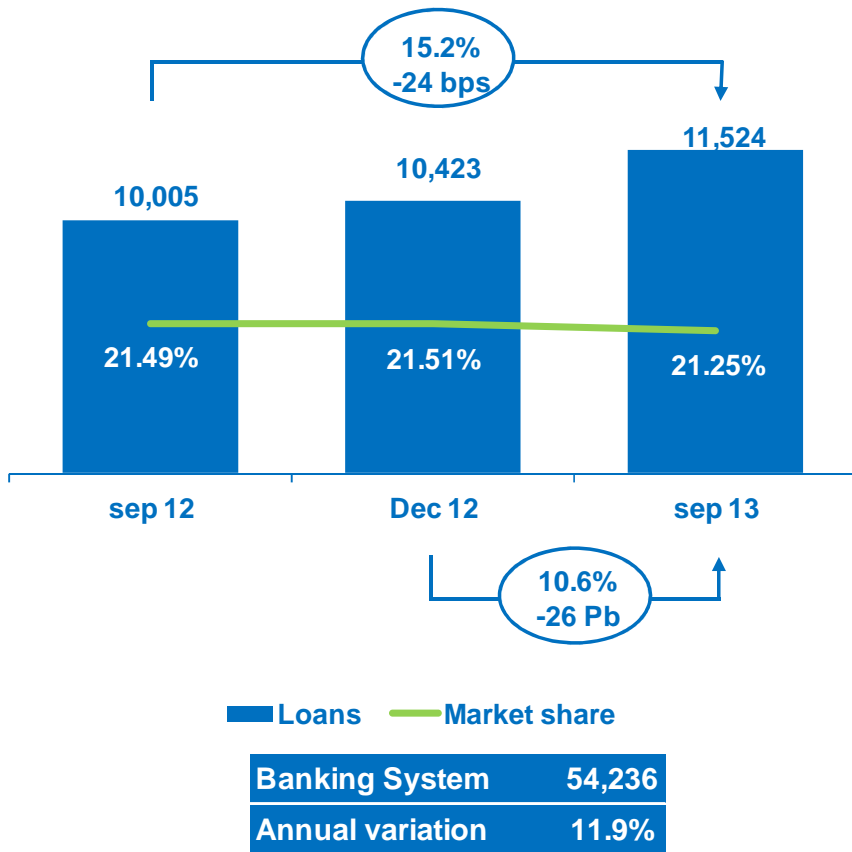
Source: Superintendencia de Banca, Seguros y AFP

# Performing loans

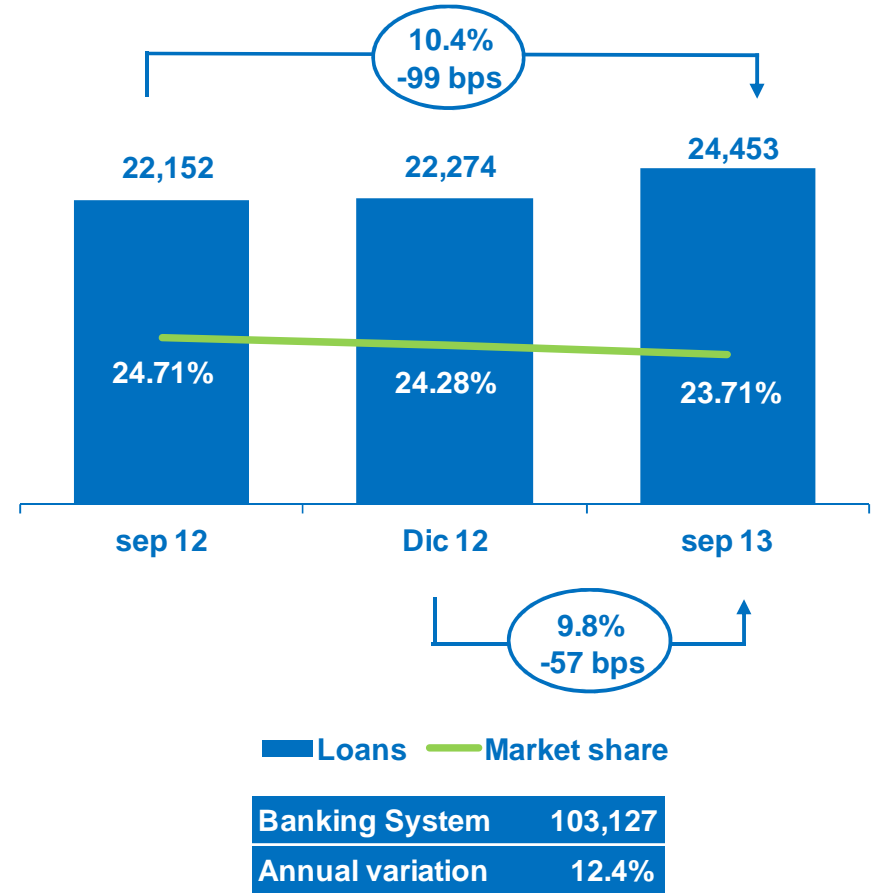
...with gains in both retail and business customers

PEN Million and percentage (%)

## Retail customers



## Business customers



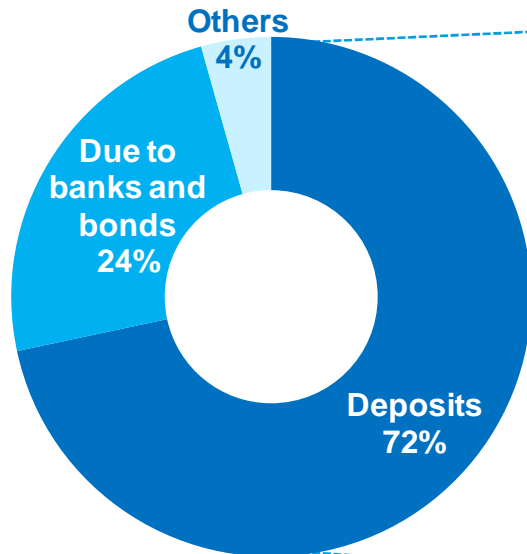


# Deposits structure

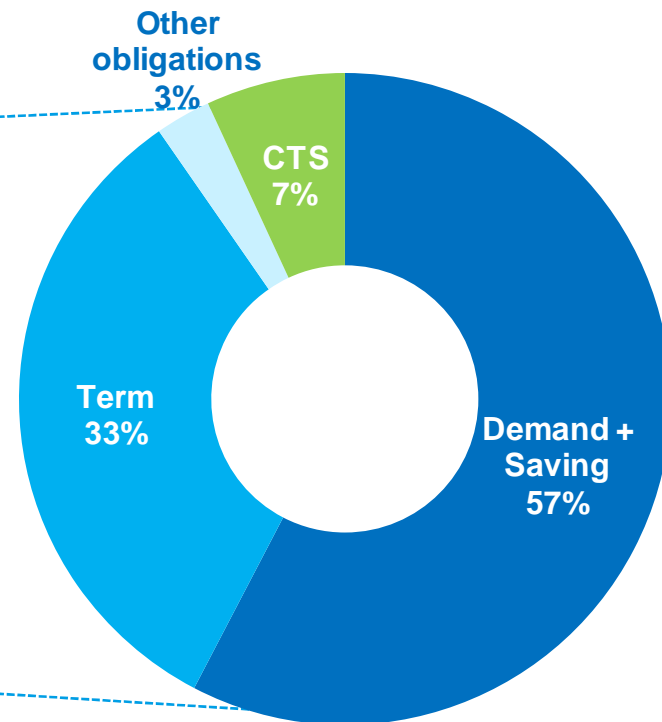
September 2013

... and a low-cost deposit base

## Cost effective source of funding



## Diversified deposit base



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



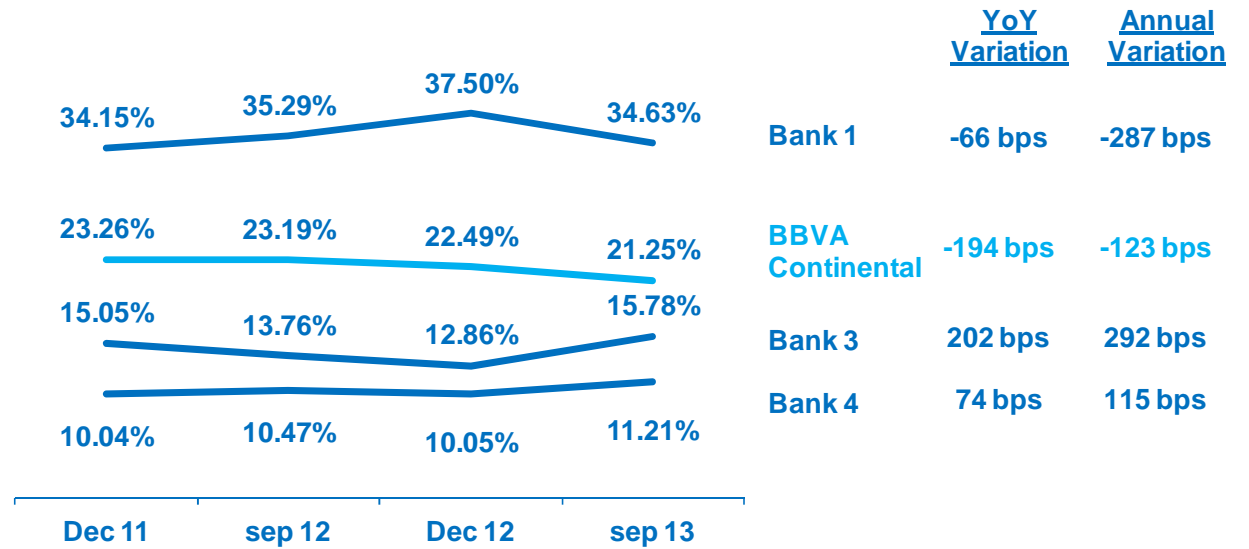
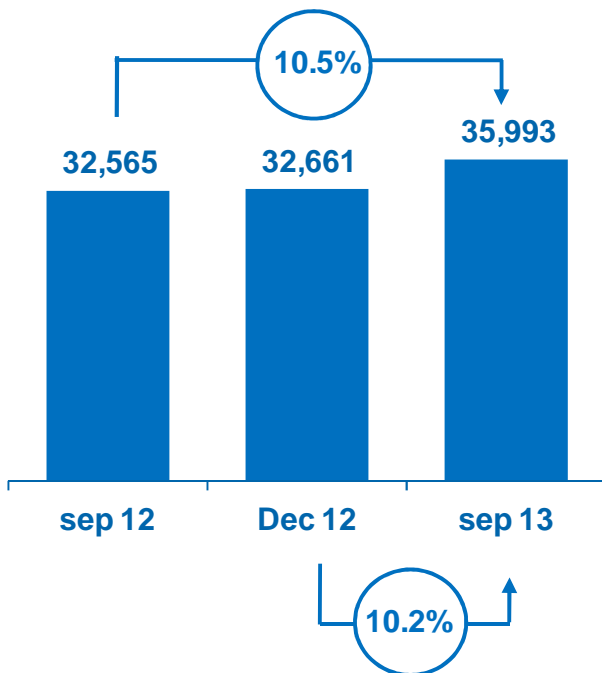
# BBVA Continental

## Deposits

Growth continues also in deposits...

### Deposits

PEN Millions



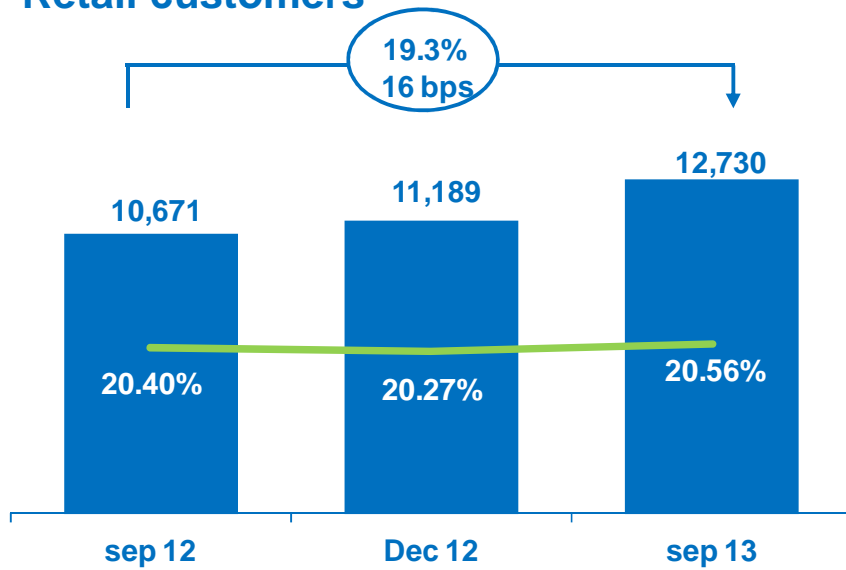
Source: Superintendencia de Banca, Seguros y AFP

# Deposits

... mainly focused on individuals

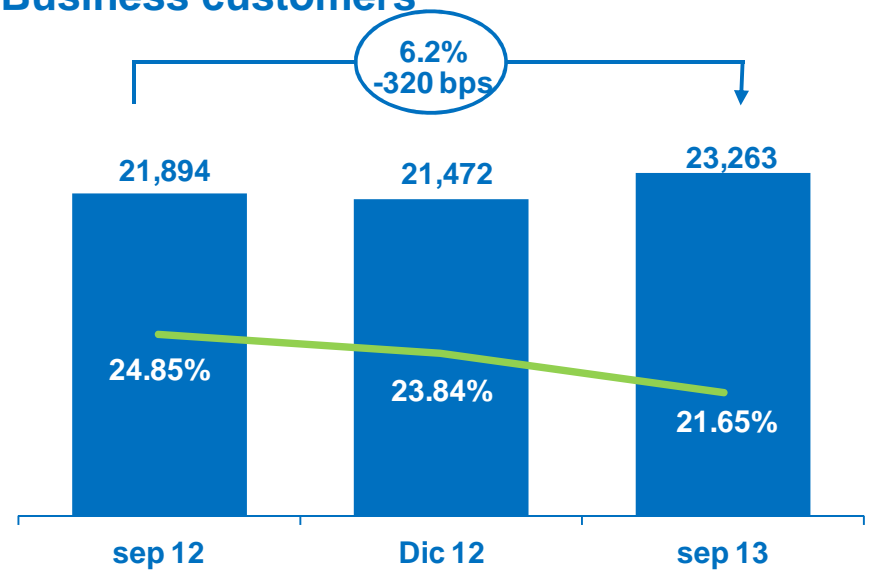
PEN Million and percentage (%)

## Retail customers



	Deposits	Market share
Banking System	61,911	
Annual variation	12.2%	

## Business customers



	Deposits	Market share
Banking System	107,457	
Annual variation	19.3%	

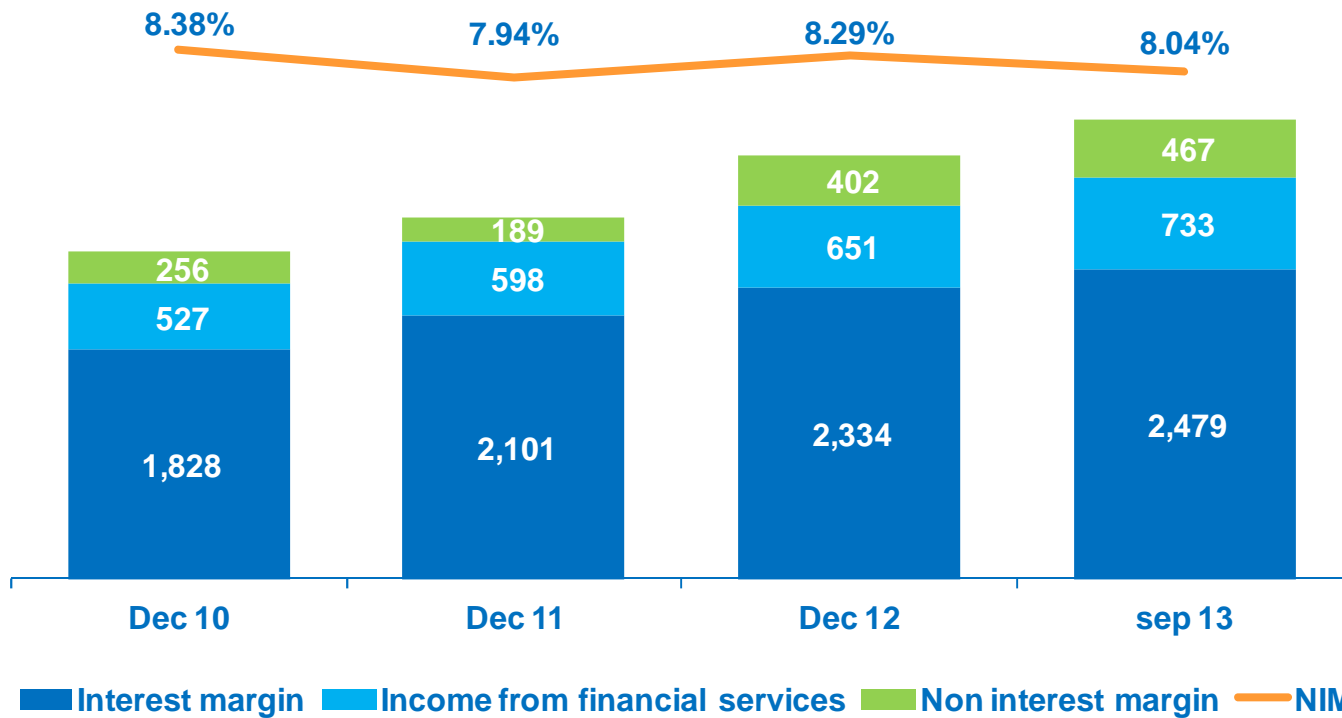
Source: Superintendencia de Banca, Seguros y AFP / Asociación de Bancos del Perú



**BBVA** Continental

# Net financial margin

PEN Million and percentage (%)



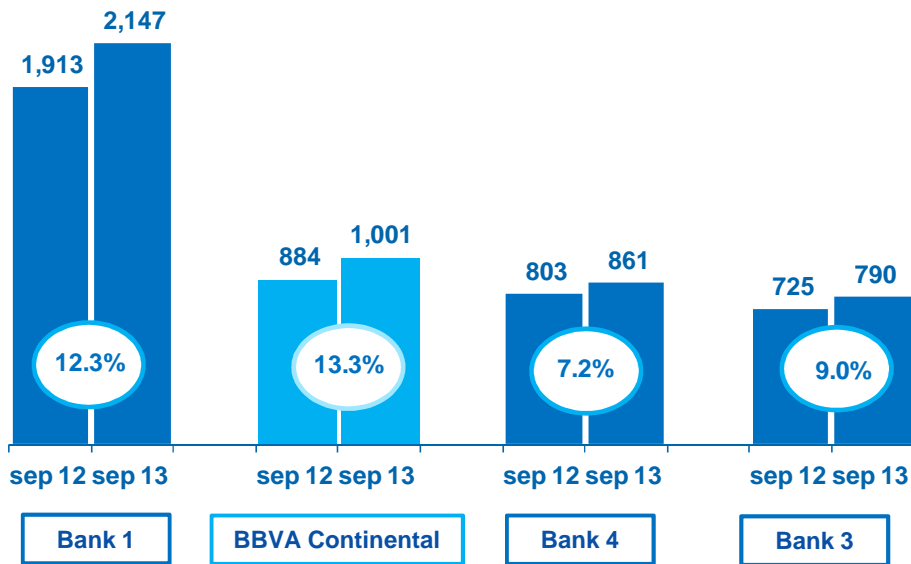
<sup>1</sup> **NIM ratio:** Gross financial margin (interest margin + non interest margin) over average interest earning assets (interbank funds, investments, loans)

# Expenses management

We remain the most efficient bank in Peru

## Administrative expenses \*

PEN Million

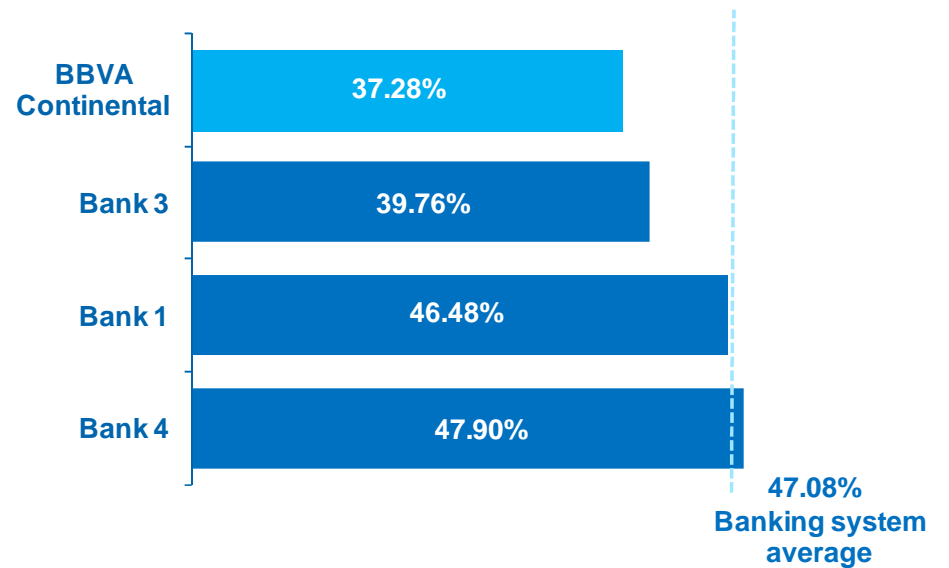


\* Includes Amortization and Depreciation

Source: Superintendencia de Banca, Seguros y AFP

## Efficiency

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# BBVA Continental

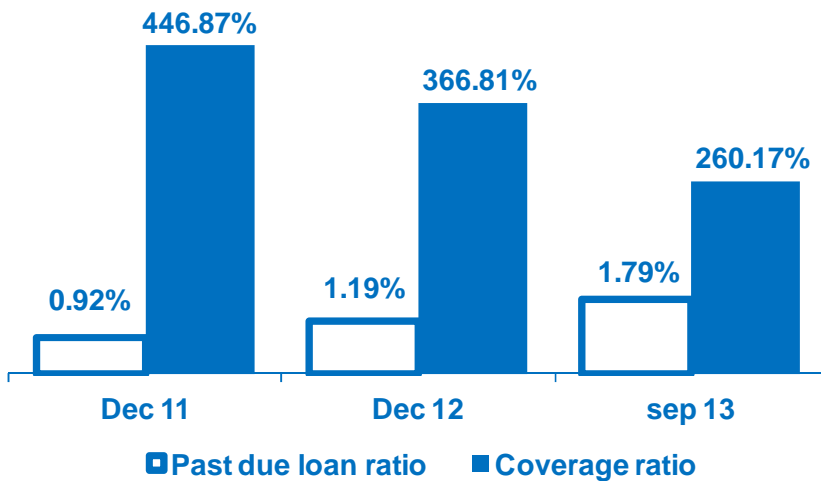
## Risk management

### Outstanding asset quality

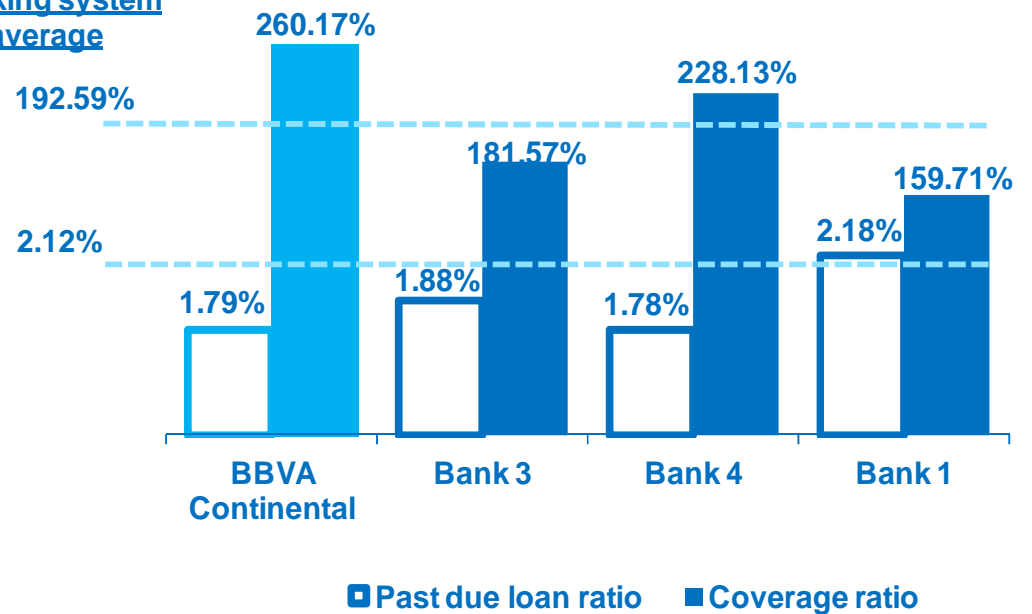
### Remarkable Past Due Loan Ratio and Coverage Ratio

September 2013

#### BBVA Continental



#### Banking system average



\* Since January 2013, performing loans, past due loans, restructured loans and refinanced loans are net of non-accrued lease and lease-back interest revenue.

Source: Superintendencia de Banca, Seguros y AFP



**BBVA** Continental

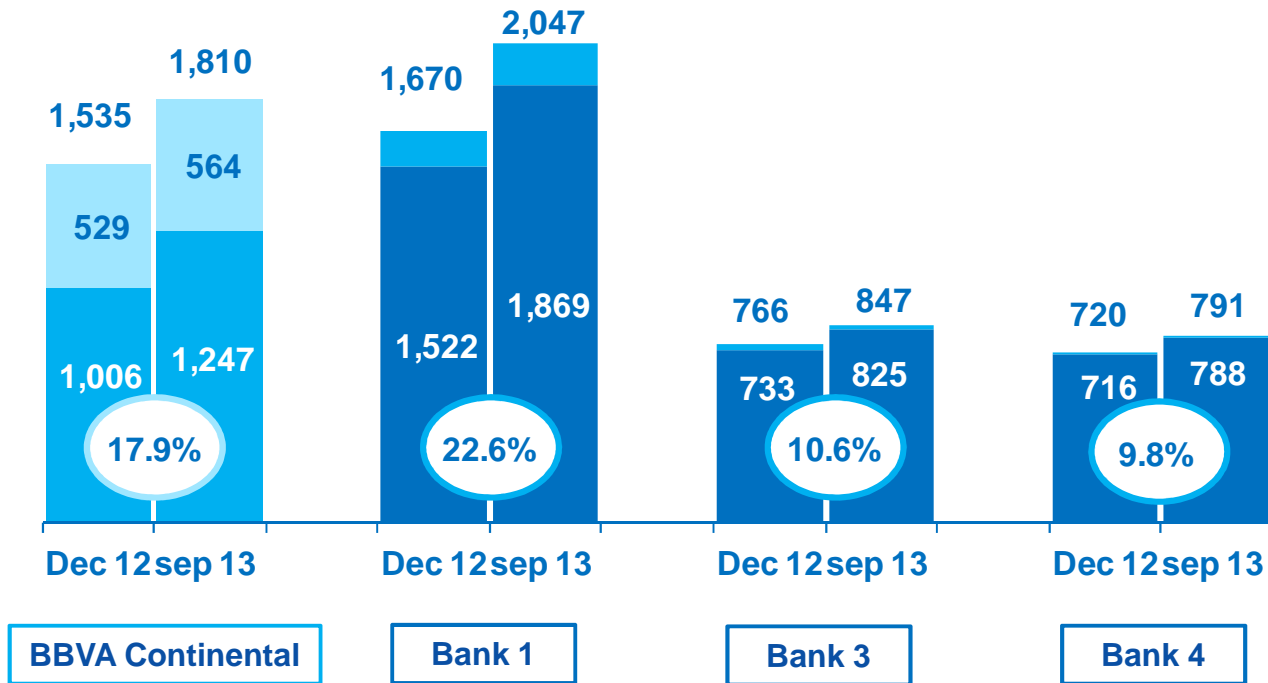
# Risk management

BBVA Continental maintains high levels of voluntary provisions

## Provisions

PEN Million

■ Required  
■ Voluntary



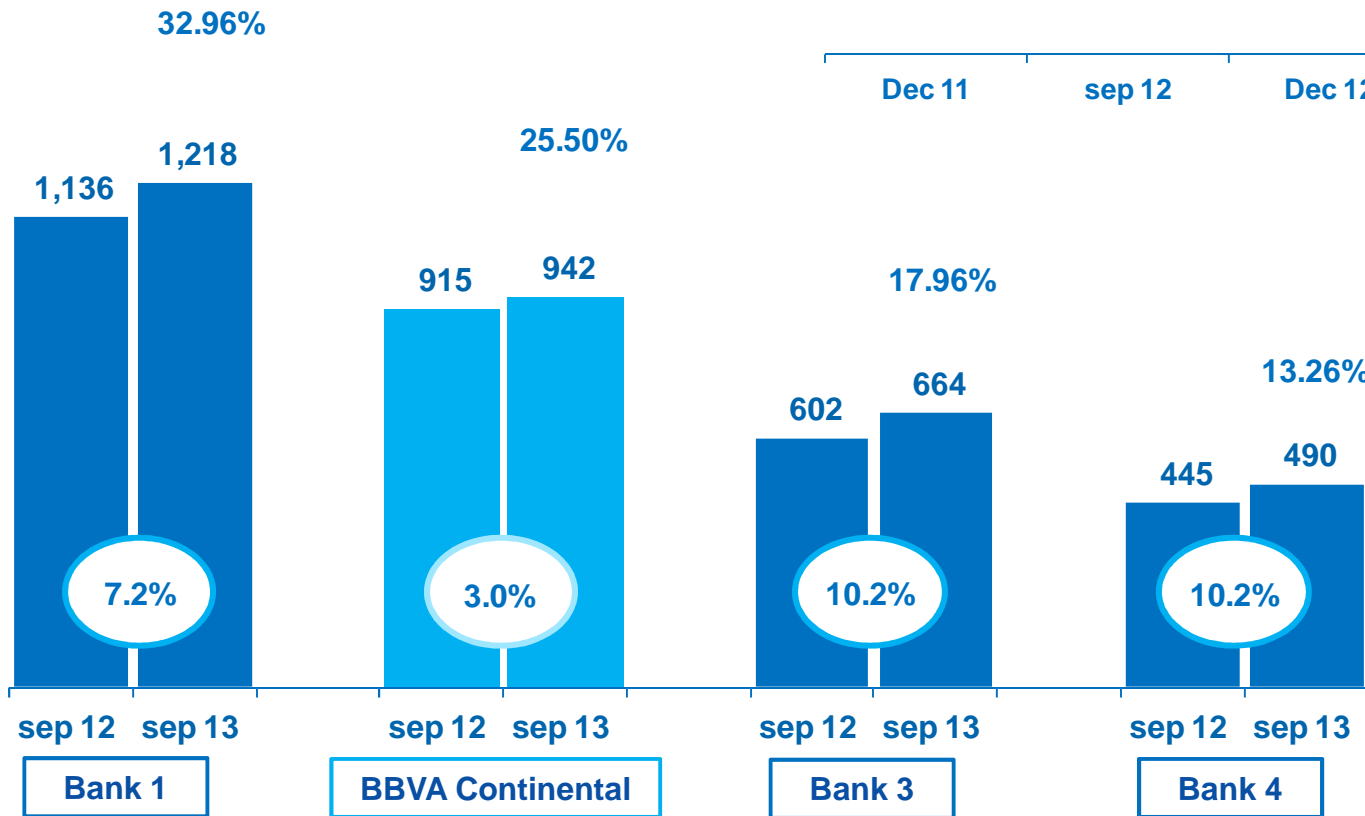


**BBVA** Continental

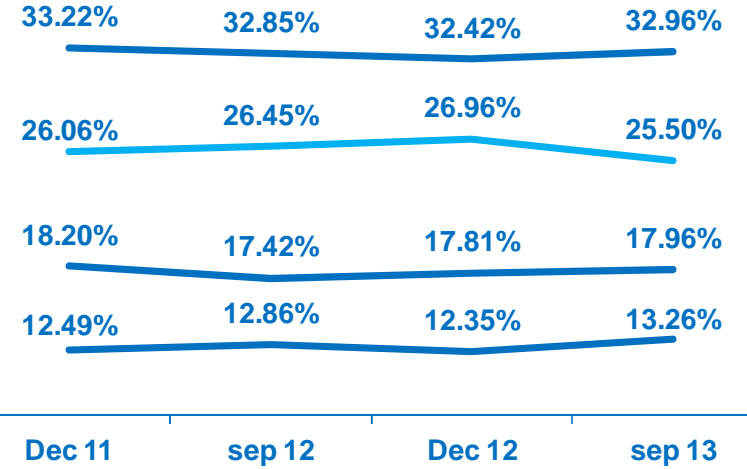
# Profitability management

## Net income

PEN million



## Market share





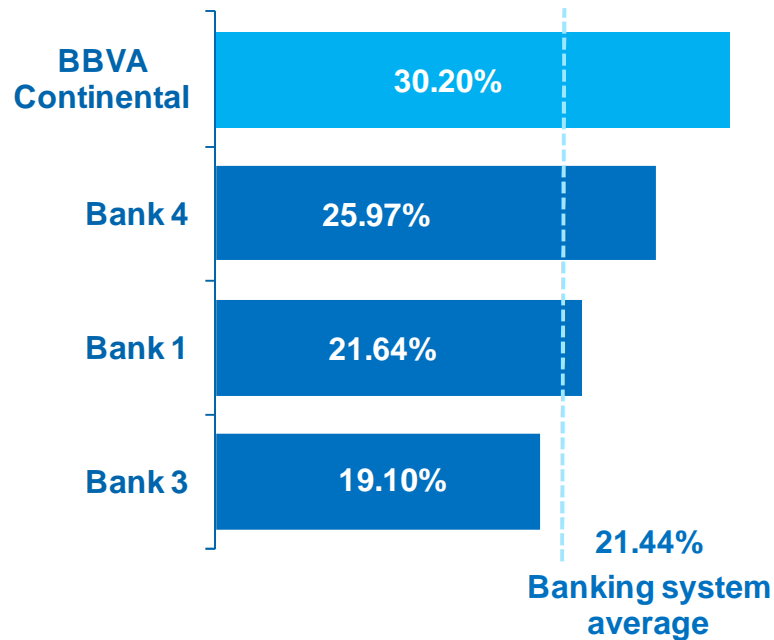
**BBVA** Continental

# Profitability management

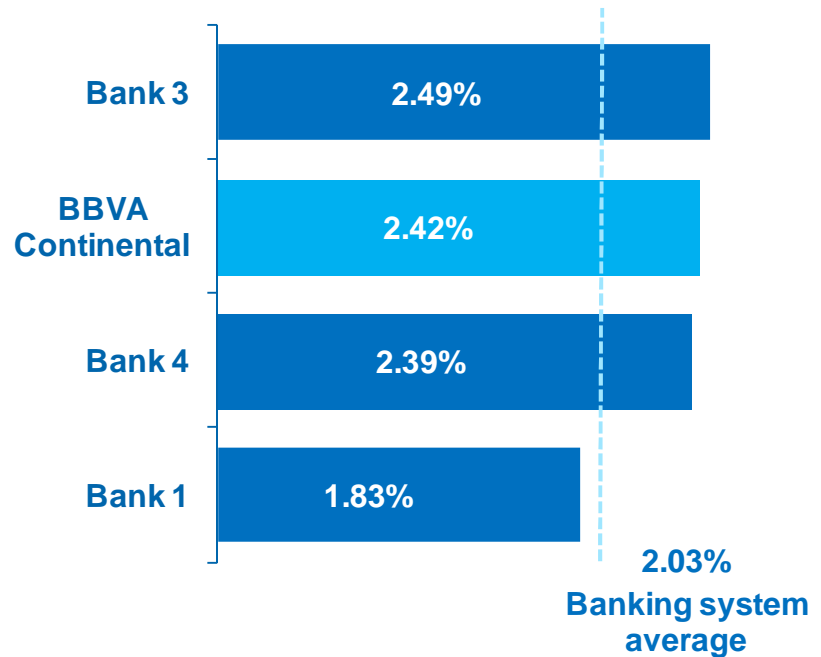
BBVA Continental has high profitability ratios...

September 2013

## Return on Equity - ROE



## Return on Assets - ROA



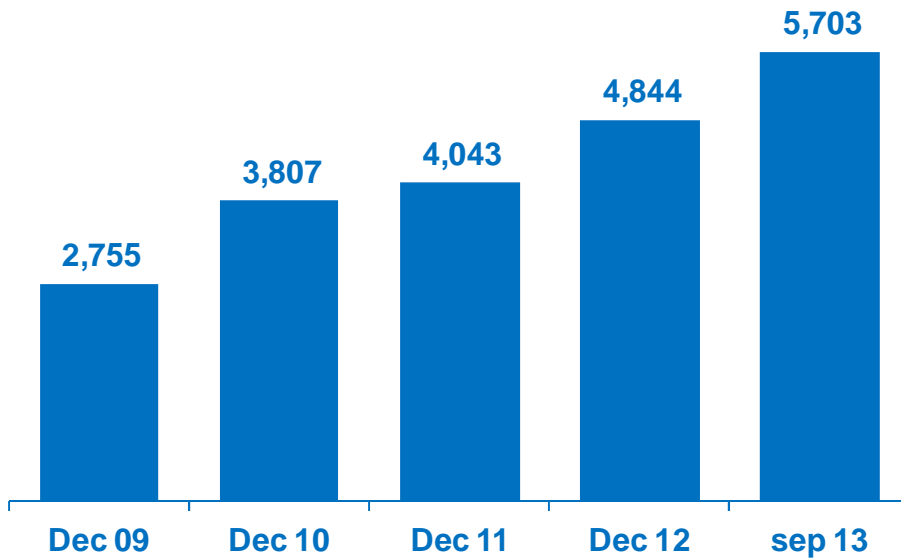




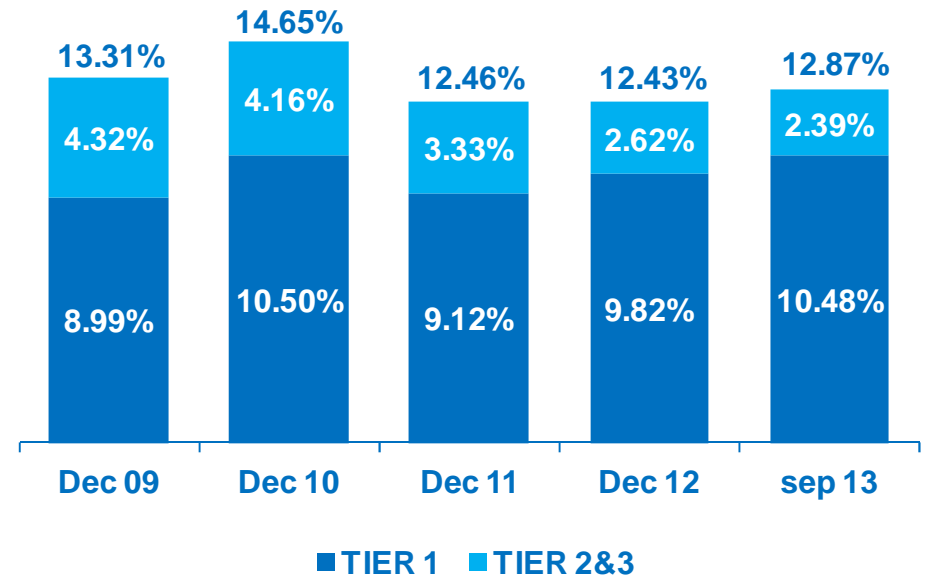
# Solvency management

## Regulatory capital

PEN million



## Composition of capitalization



*From July 2012 to July 2016 capital requirements will increase gradually to comply with new local regulations, based on Basel III standards*



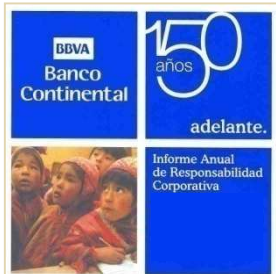
# 4

# Social Responsibility and Awards

## BBVA Continental

The Bank maintains its commitment to society and is highly regarded in the market

### SOCIAL RESPONSIBILITY



### Corporate Social Responsibility Report



First environmental facility made in South America



Program:  
"Leer es estar adelante"

### AWARDS



BBVA Continental is part of the Best Corporate Governance Principle's Index of companies



**BBVA** Continental

# 5 Ratings

# International rating

The Bank has the best international ratings

Instrument	Fitch Ratings	Standard & Poor's
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	Stable	Stable

# Local rating

Three rating agencies in Peru 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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