



BBVA Continental

Investors Report

Second Quarter 2017

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Sections

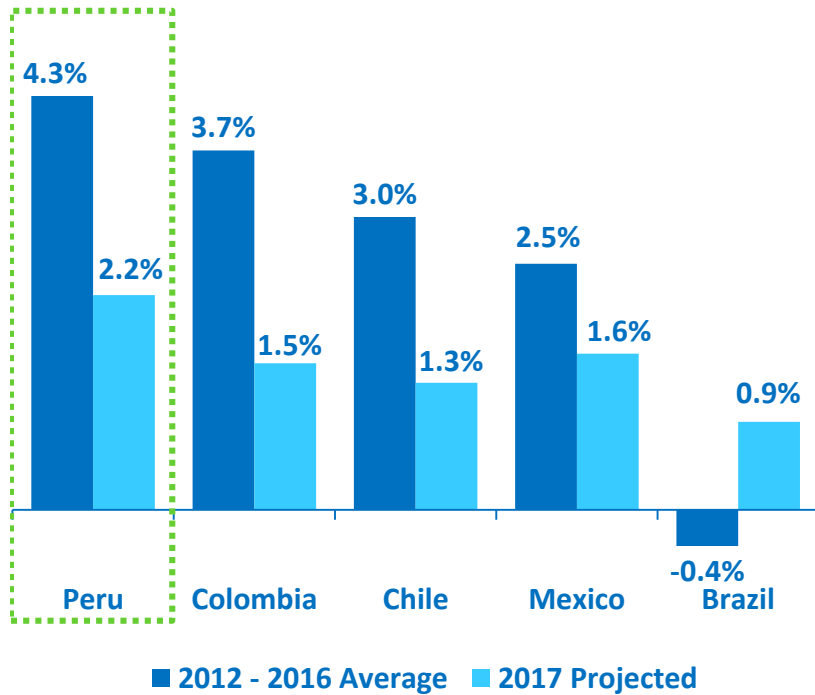
- 1 Peruvian Economy & Financial System
- 2 BBVA Continental
- 3 Ratings
- 4 Social responsibility and Awards

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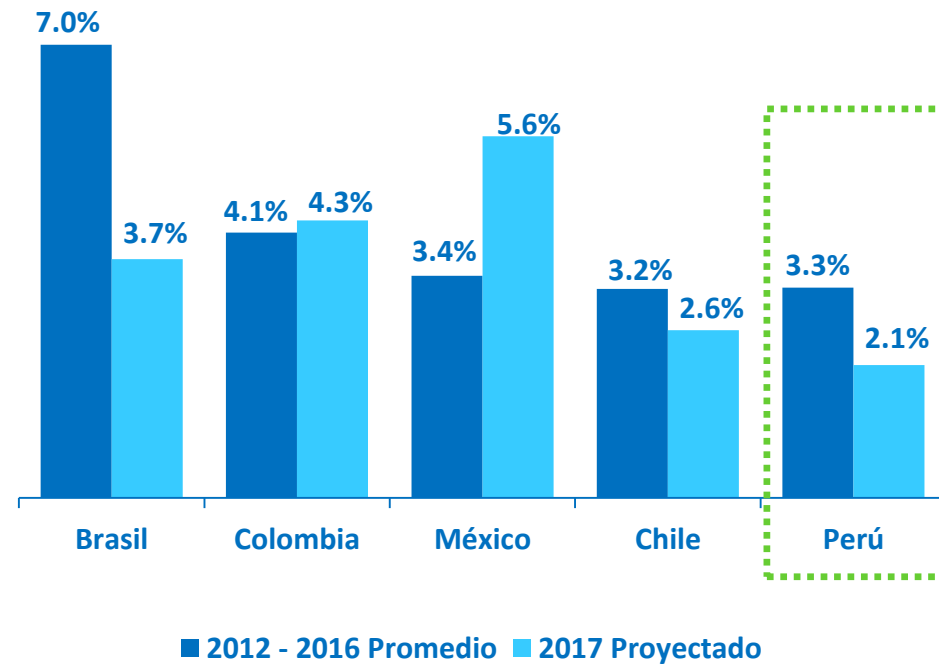
Peruvian Economy & Financial System

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

GDP Growth (Real)

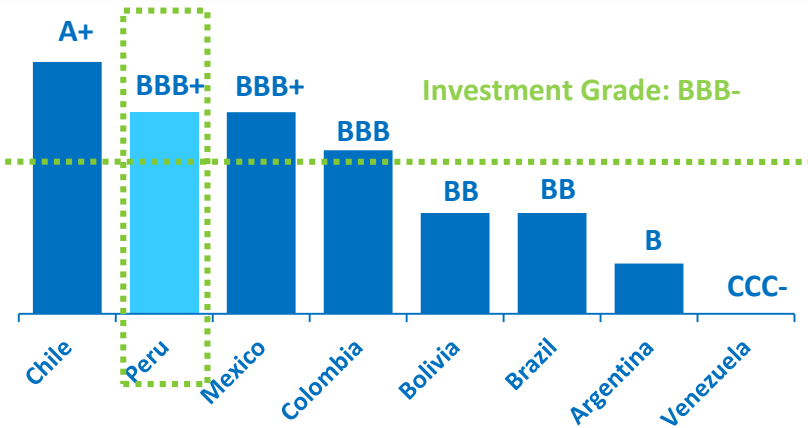


Inflation (End of Period)



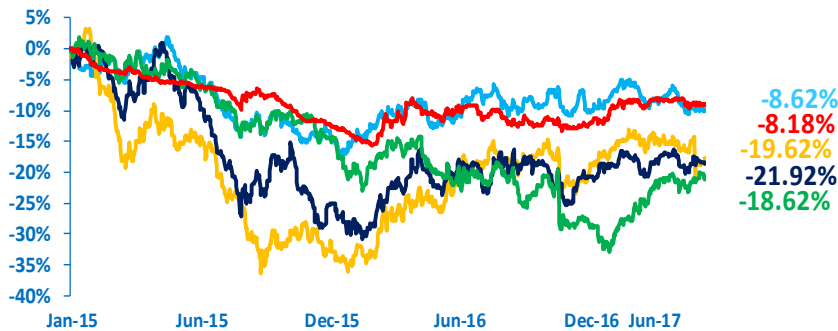
...sovereign investment grade, relatively stable currency and low levels of debt

Credit Risk Profile



Source: Standard & Poor's

Currency depreciation against USD

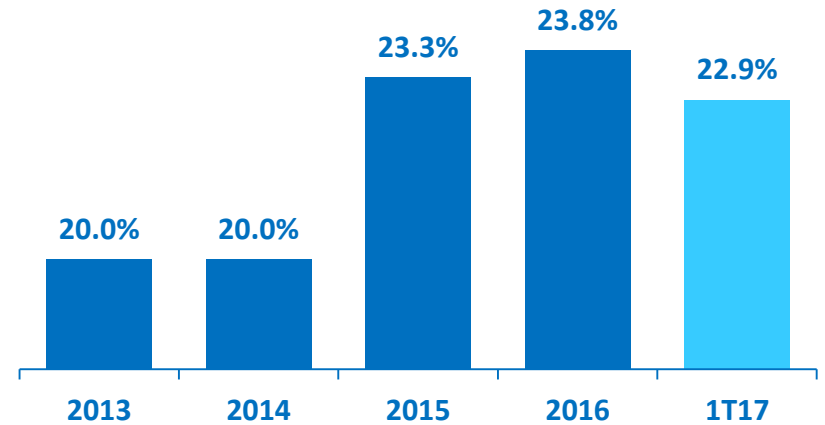


— Chile — Brazil — Colombia — Mexico — Peru

Source: Bloomberg

Peruvian Public Debt (% of GDP)

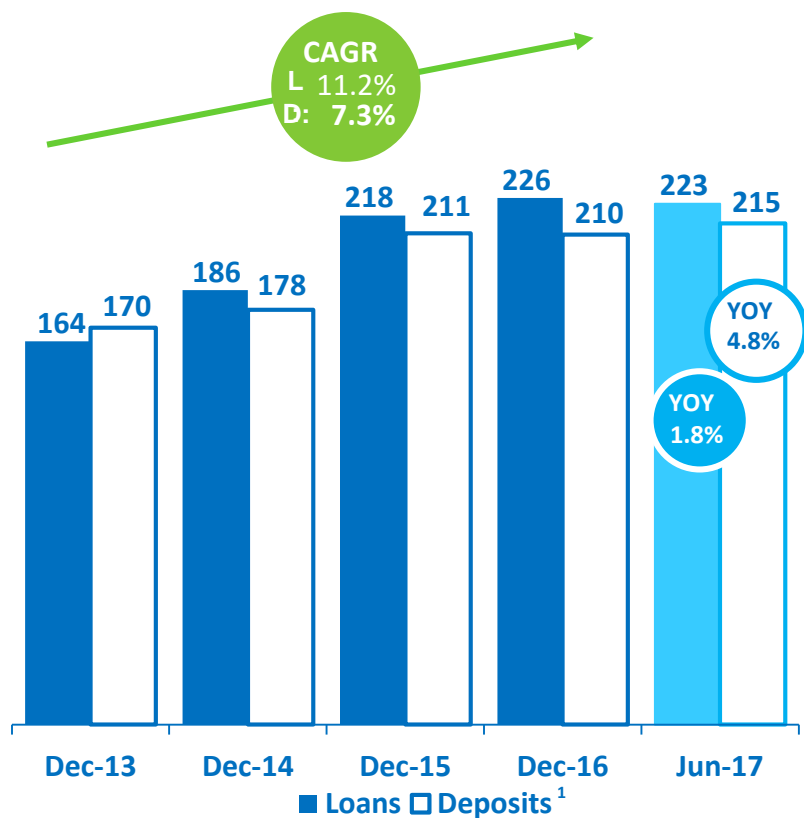
55.5% Average debt of the General Government / GDP for countries with BBB+ rating for 2016



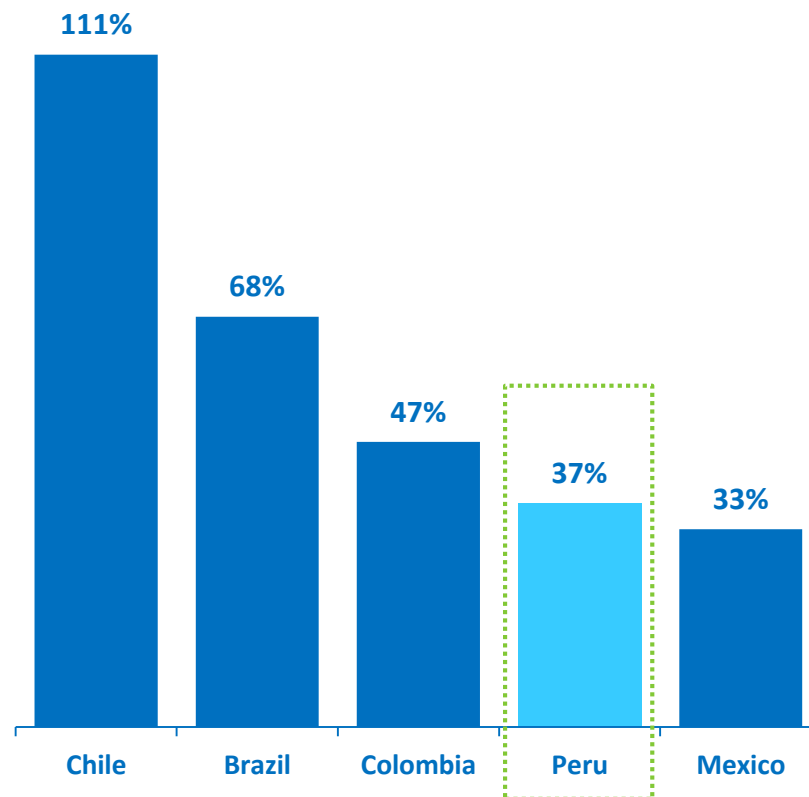
Source: BCRP

Peru has a solid Financial System with great opportunities of expansion...

Performing loans and Deposits (S/Billions)



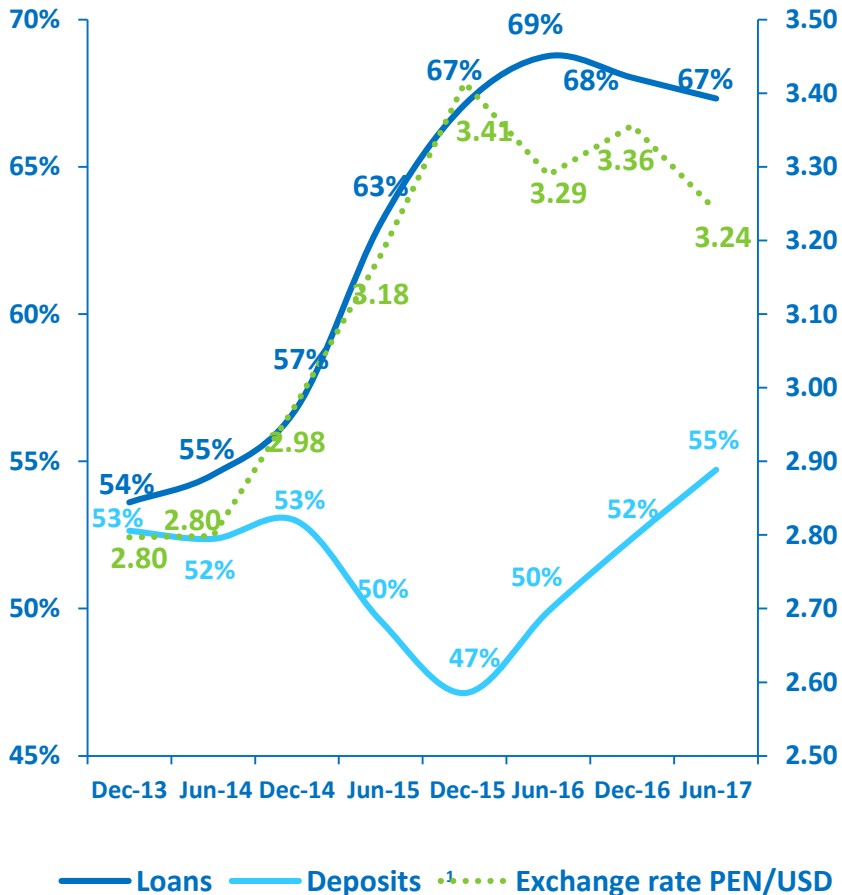
Loans to private sector (% of GDP, 2015)



¹ Other obligations are excluded from deposits
 Source: Superintendencia de Banca, Seguros y AFP (SBS) / World Bank (WB)

...and an active Central Bank, which promotes PEN denomination of Loans

Domestic currency Loans & Deposits (% Total Loans & Deposits)



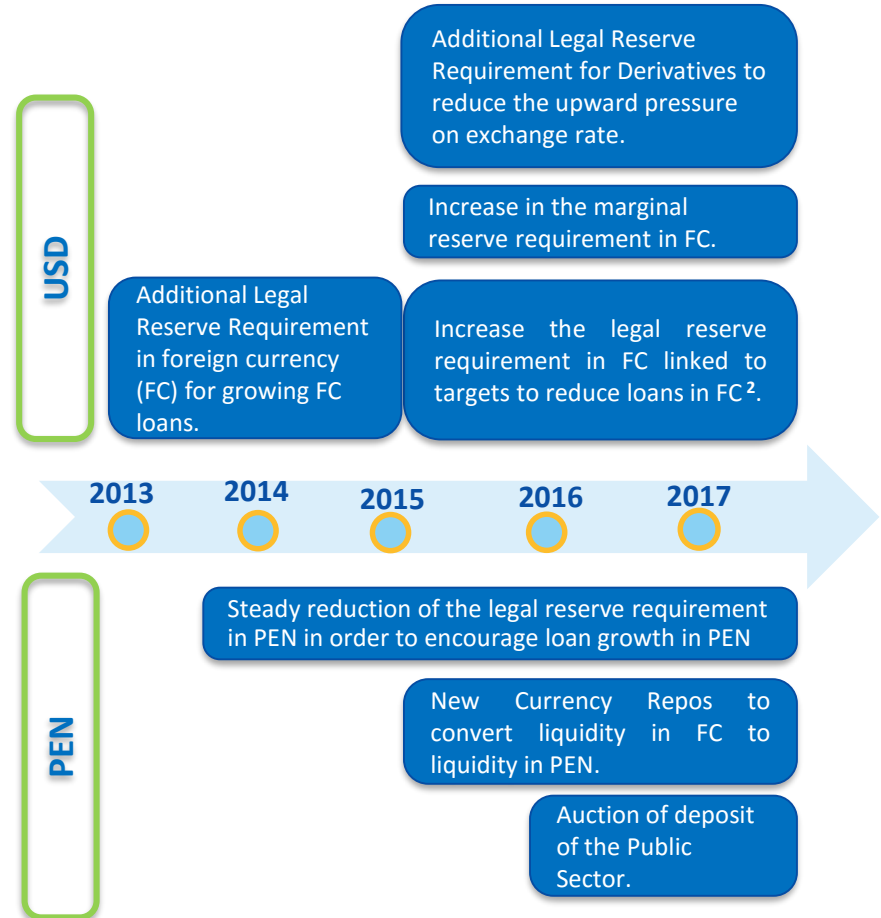
¹ Other obligations are excluded from deposits

² Excluded operations higher than USD10MM and 3 years from June 2015

Source: SBS & BCRP

Central Bank Measures

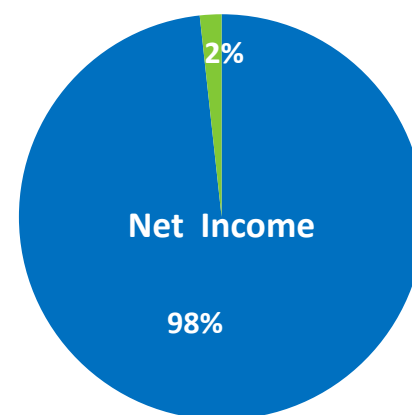
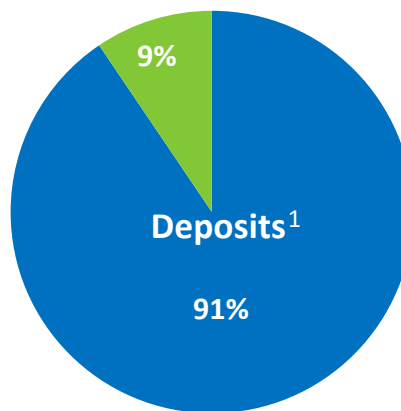
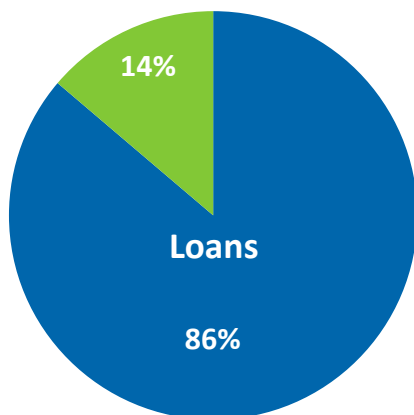
Objective: To reduce credit exchange rate risk



Peruvian Financial System (June 2017)

Financial system	Institution S/ Million	Net loans Jun-17	Deposits Jun-17	Net Income Jun-17
Banking system	Banks (16)	222,332	215,011	3,495
	Banco de la Nación	10,247	21,981	386
Other financial institutions	Cajas Municipales (12)	16,760	17,733	180
	Financieras (11)	9,500	6,149	128
	Cajas Rurales (6)	1,166	803	-3
	Edpymes (10)	1,693	-	0
	Leasing (2)	192	-	-5
	COFIDE	6,635	86	-84
	Agrobanco	1,237	-	-148

The four largest banks concentrate around 82% of the banks loans and deposits



■ Banking System

■ Other Financial Institutions

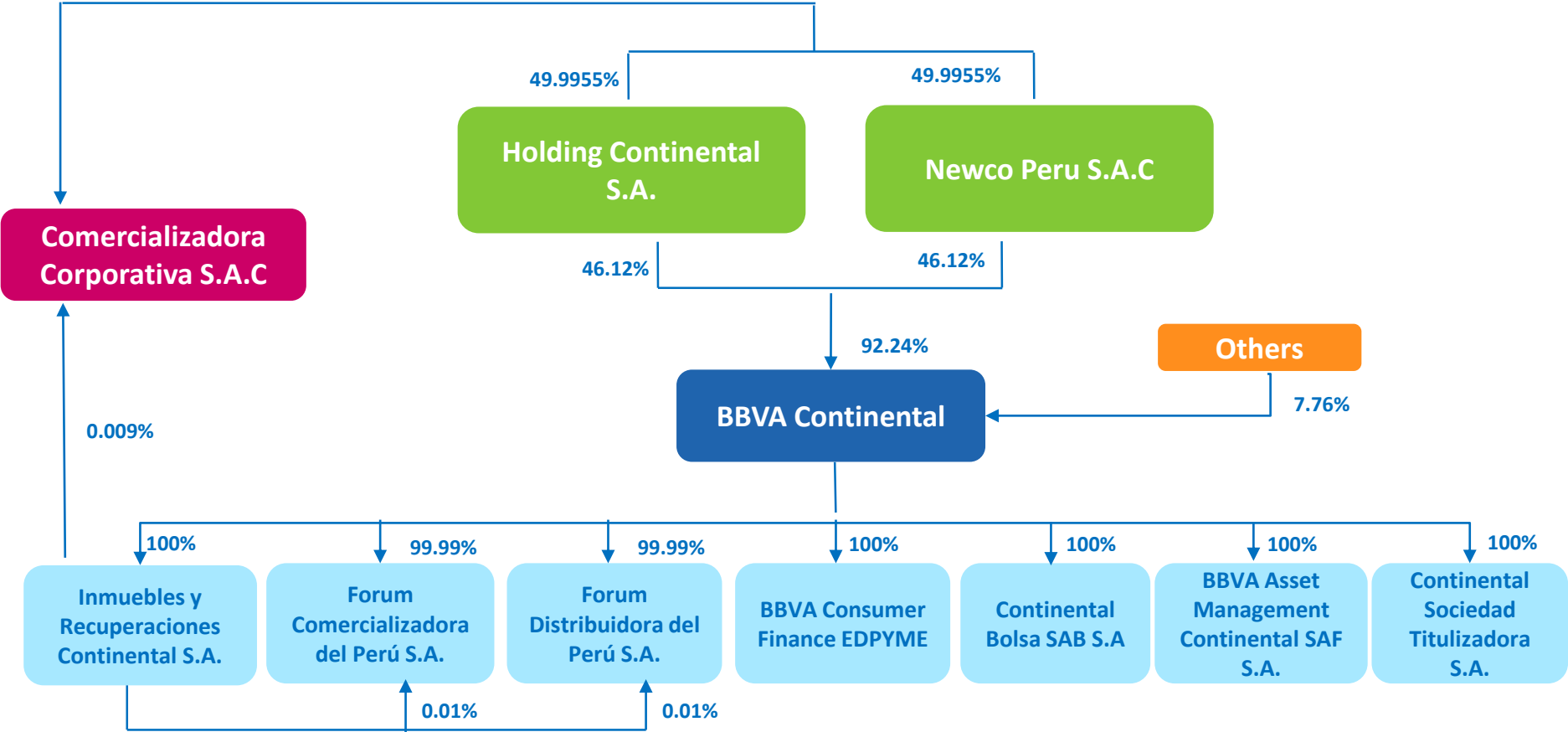
¹Other obligations are excluded from deposits
Source: SBS

2

BBVA Continental

BBVA Continental Shareholders

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



Appropriate balance between developed and emerging markets that allows the BBVA Group to diversify its sources of income by providing a high degree of recurrence in their results



€ 702
billion in total assets

71
million customers

>30
countries

8,421
branches

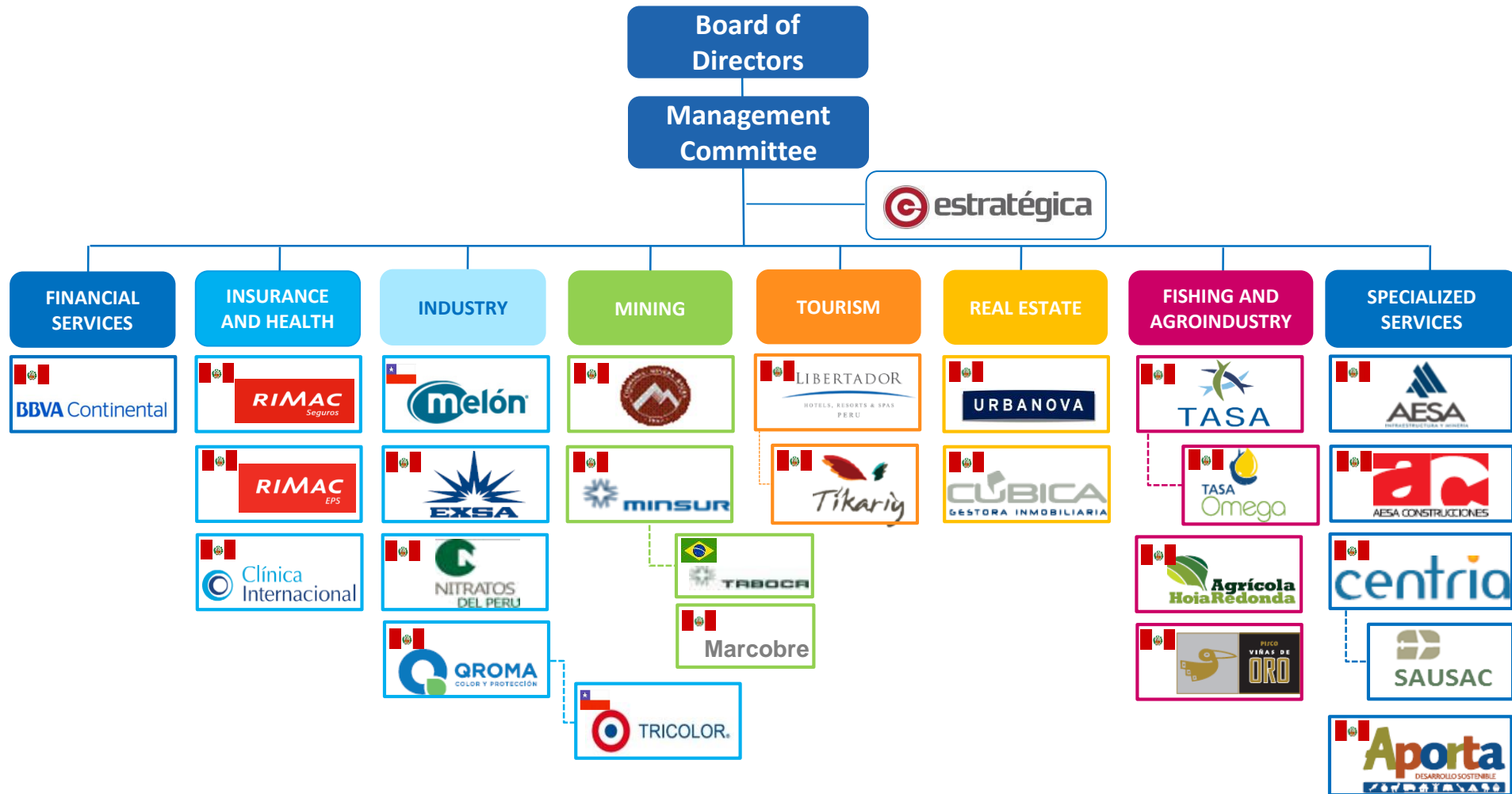
31,194
ATMs

132,321
employees

¹ Excludes Corporate activities; YoY change in constant Euros
Source: BBVA Group

Breca

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



Key performance indicators of BBVA Continental:

(June 2017)



- ✓ **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

Ranking among the 4 largest banks in terms of assets:

#1 in Cost of risk ¹	1.33%
#3 in NPL ratio	2.92%
#2 in Coverage ratio	171.20%
#3 in profitability ROE	19.77%
#2 in efficiency	38.45%
#2 in assets	S/ 73,068 million
#2 in performing loans	S/ 46,588 million
#2 in deposits ²	S/ 46,501 million
#2 in number of branches	320

¹ Cost of risk: Provisions for the last 12 months between total loans (average of the last 12 months).

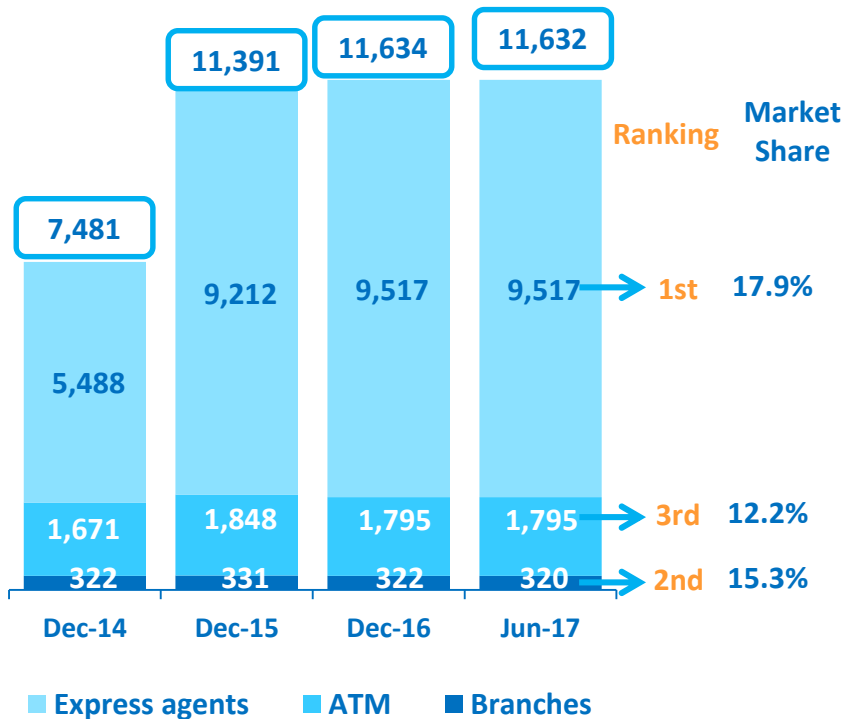
² Other obligations are excluded from deposits.

Strong banking platform

Distribution network¹

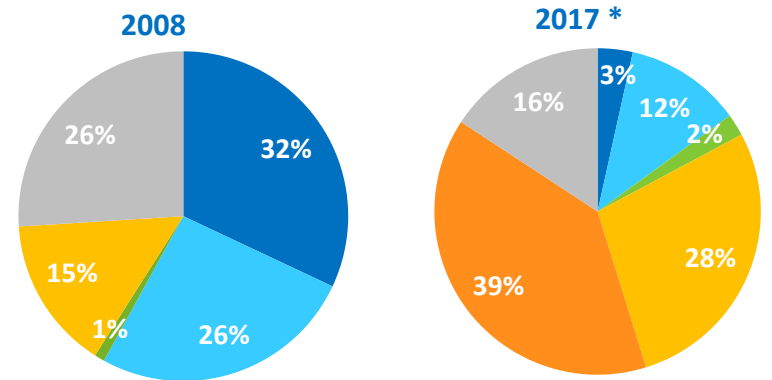
One of the largest in the country

- ✓ 11,634 points of service
- ✓ More than 4.5 million customers



1 ATM & Express agents as of September 2016, last available public data.
 2 Other channels include Telephone Banking, POS, Net Cash and Automatic debit.
 Source: SBS & BBVA Continental

Evolution in transactions per channel



- Branches
- ATM
- Express Agent
- Internet Banking
- Mobile Banking
- Others²

* June - 17

Digital Banking

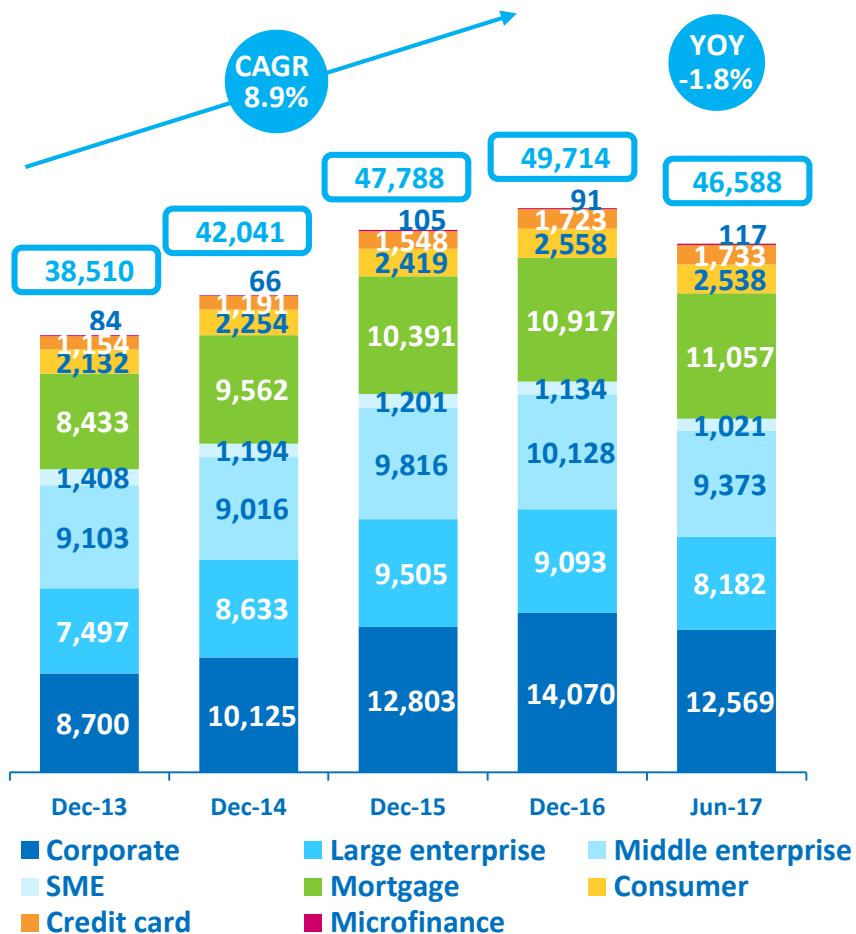
Objective: To be the leading Digital Bank in the region

- ✓ Digital Sales:
 - Credit Cards
 - Consumer Loans
 - Insurances
 - Mutual Funds
 - Online Accounts Opening
- ✓ New Features and UX optimization in Online and Mobile Banking
- ✓ Improvements in the user experience on the web

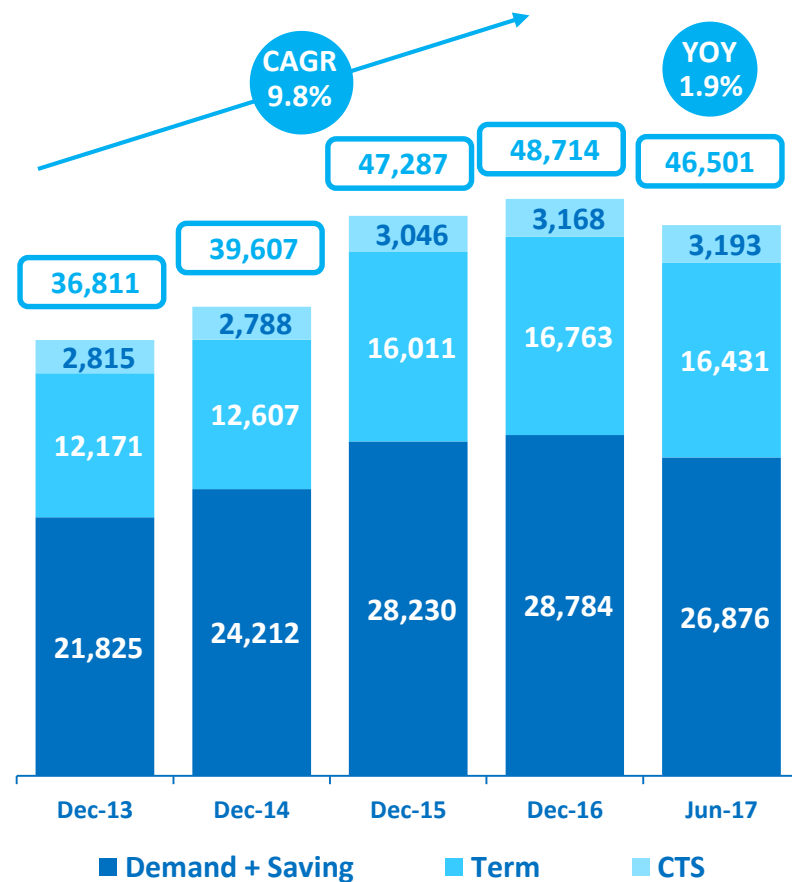


Outstanding growth (\$/ Million, %)

Performing loans

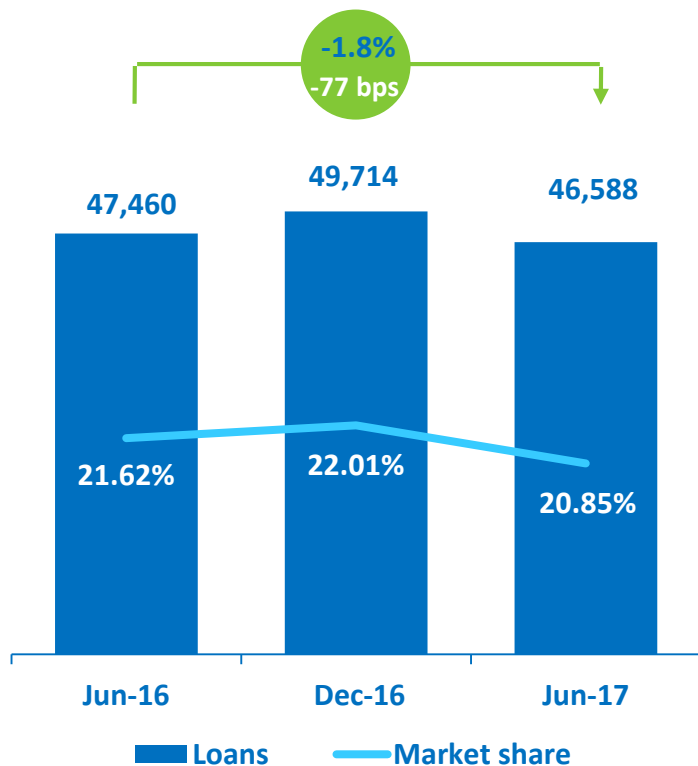


Deposits¹



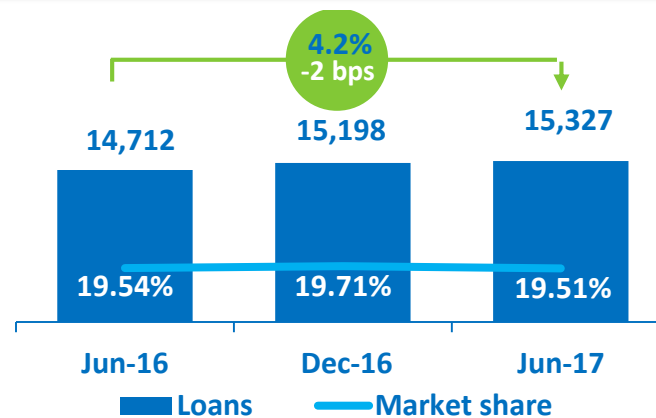
¹Other obligations are excluded from deposits
Source: SBS

Performing loans (\$/ Million, %)



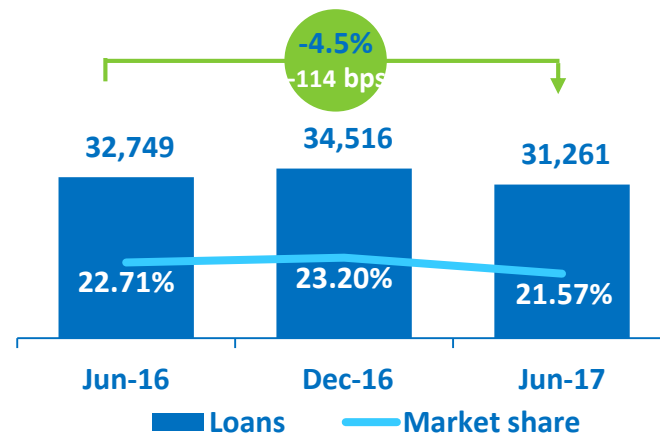
Banking System	223,459
YOY Variation	1.8%

Retail Loans



Banking System	78,550
YOY Variation	4.3%

Business Loans

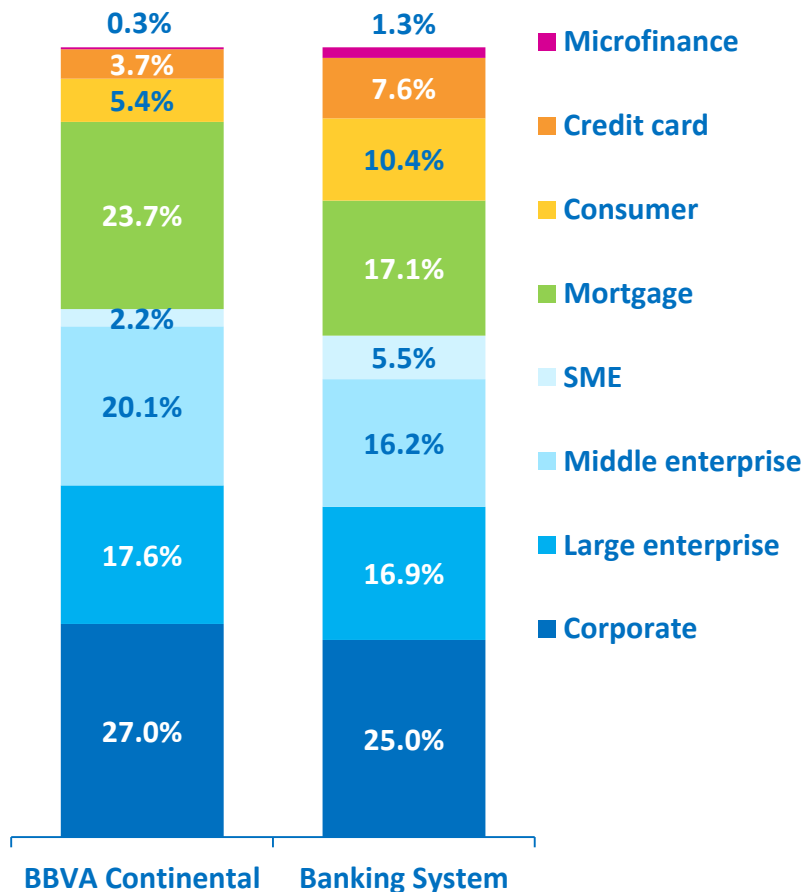


Banking System	144,908
YOY Variation	0.5%

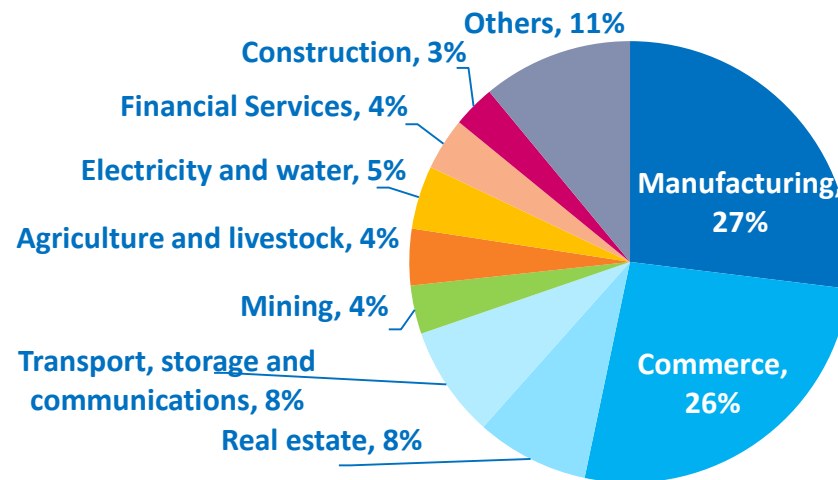
High quality of loan portfolio

(June 2017)

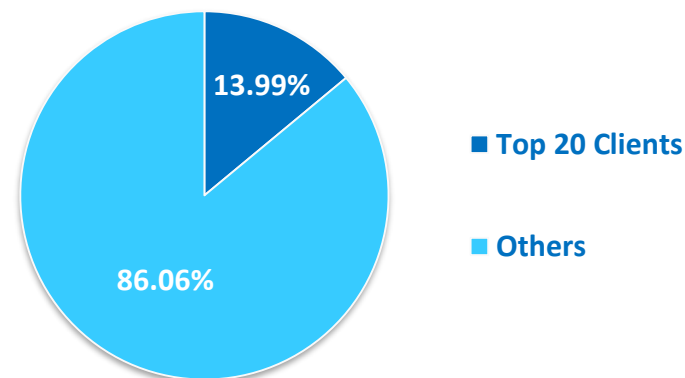
Loans breakdown



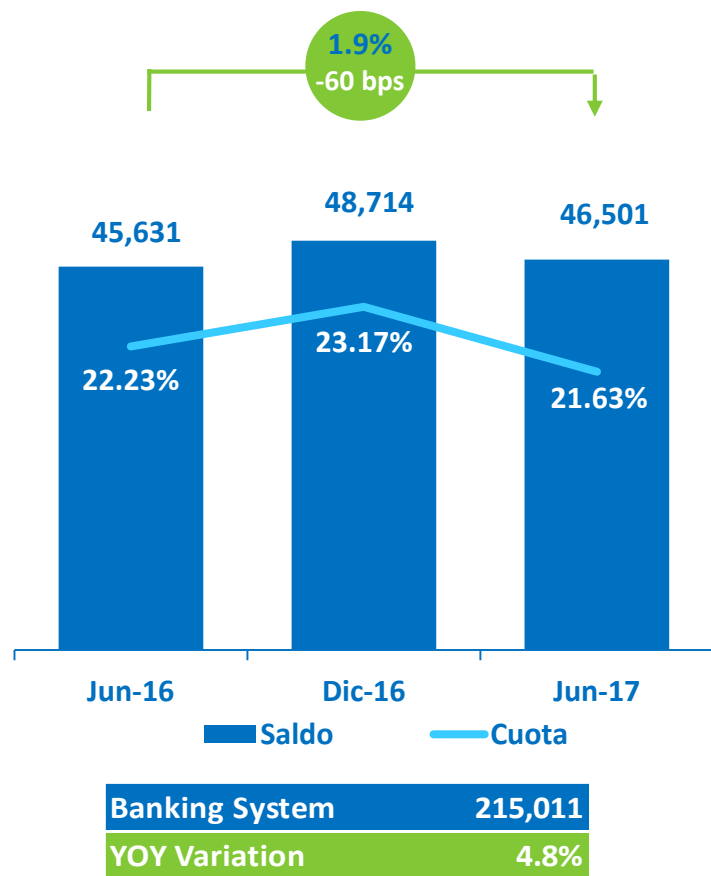
Loans by economic sector



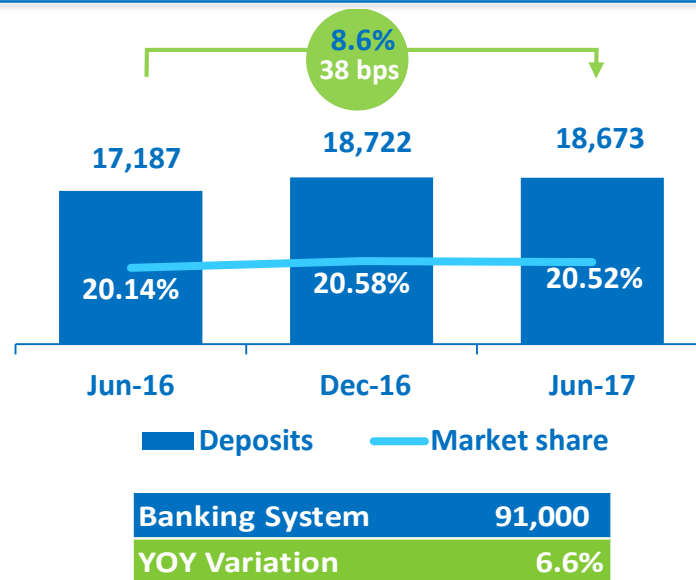
Concentration Risk



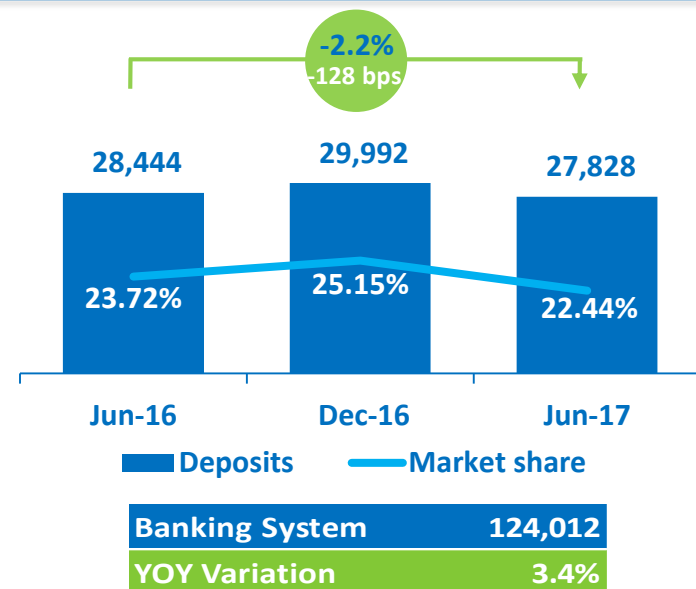
Deposits (S/ Million, %)



Retail Deposits



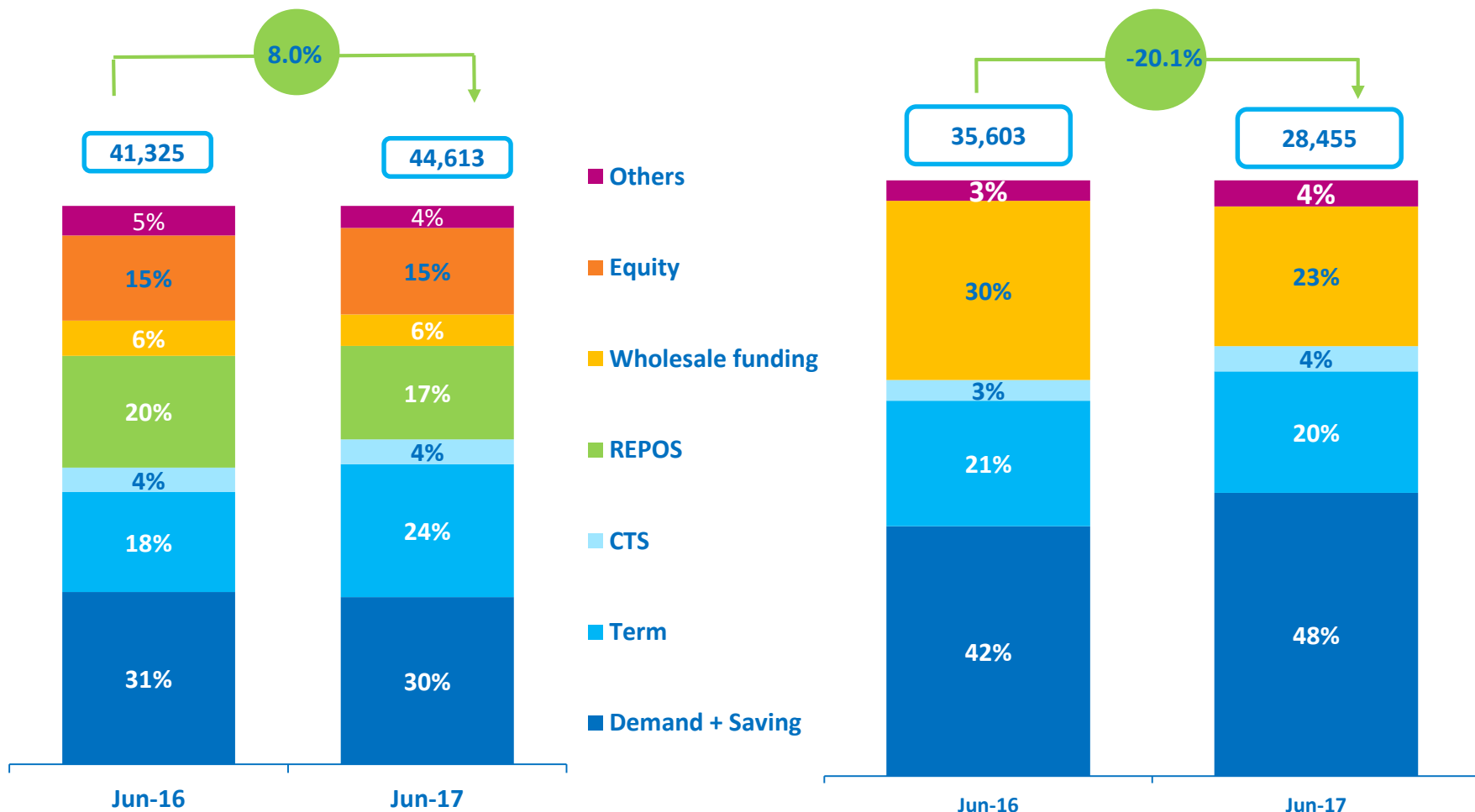
Business Deposits



Liabilities and Capital Breakdown

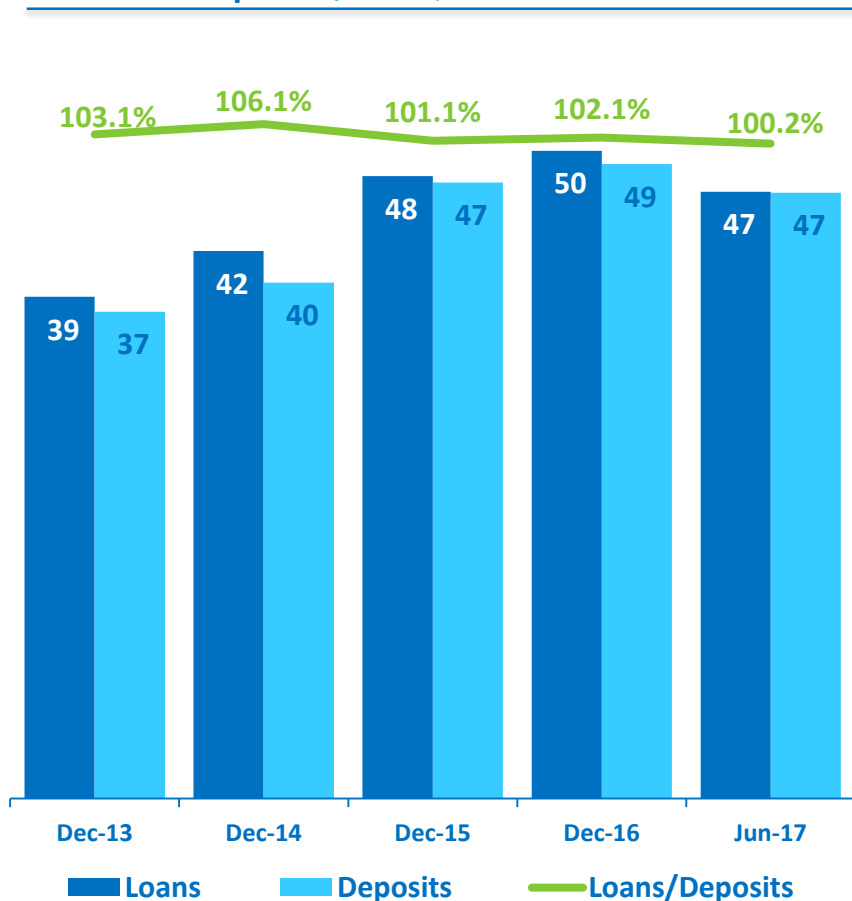
Domestic Currency

Foreign Currency

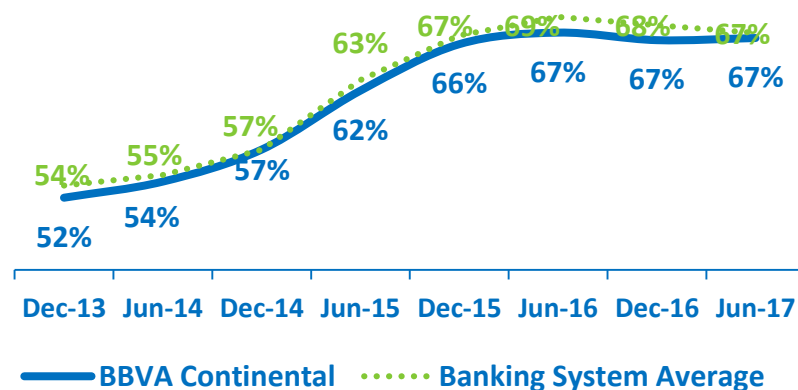


High level of self-financing and balance sheet denomination in PEN

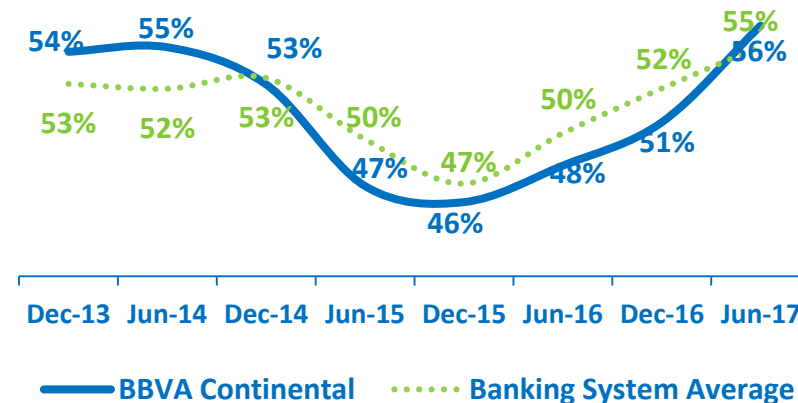
Loans and Deposits (\$/ Billion)



Domestic Currency Performing Loans (% Total Loans)

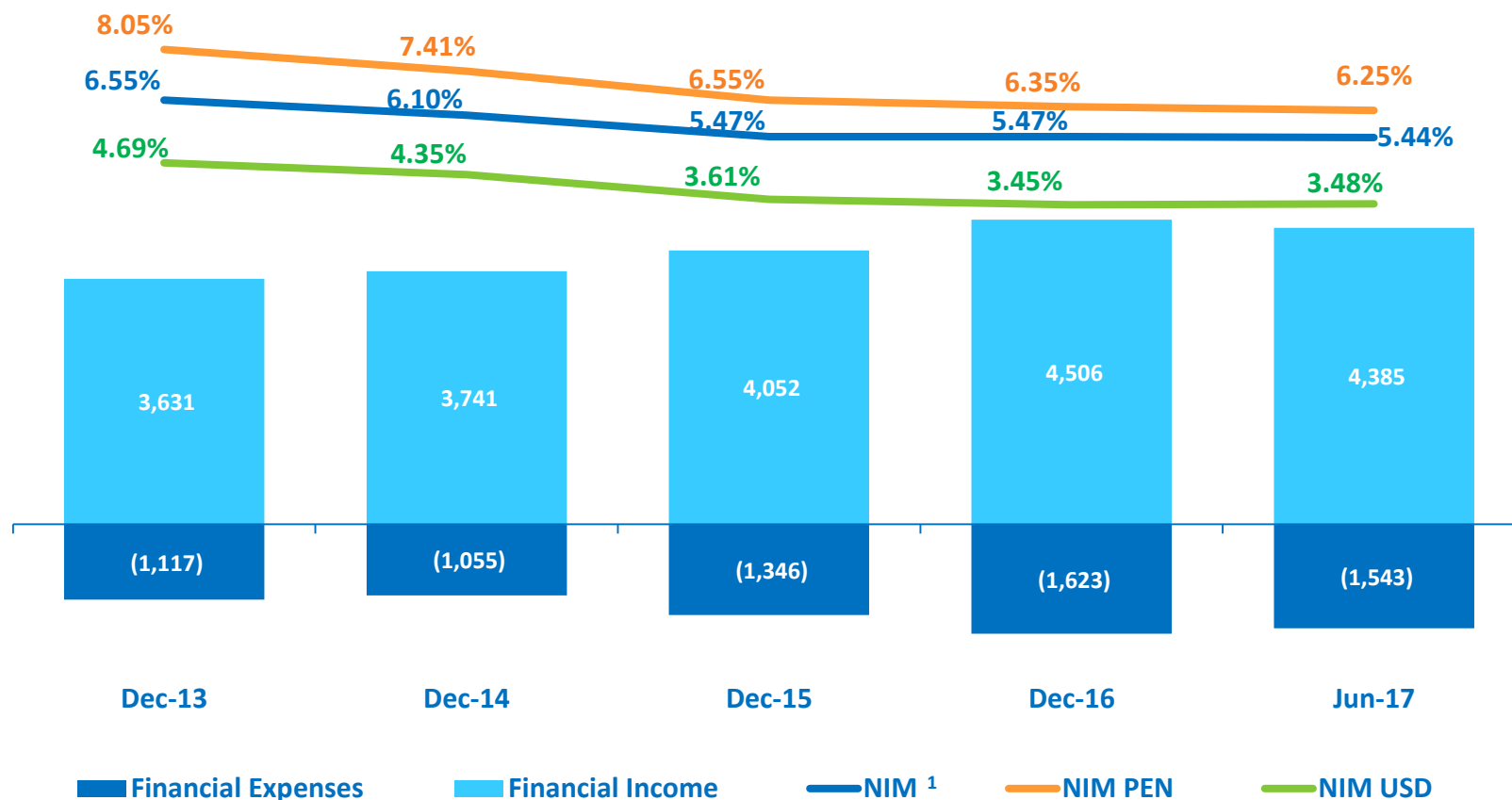


Domestic Currency Deposits¹ (% Total Deposits)



¹ Other obligations are excluded from deposits
Source: SBS

Financial margin (\$/ Million,%)



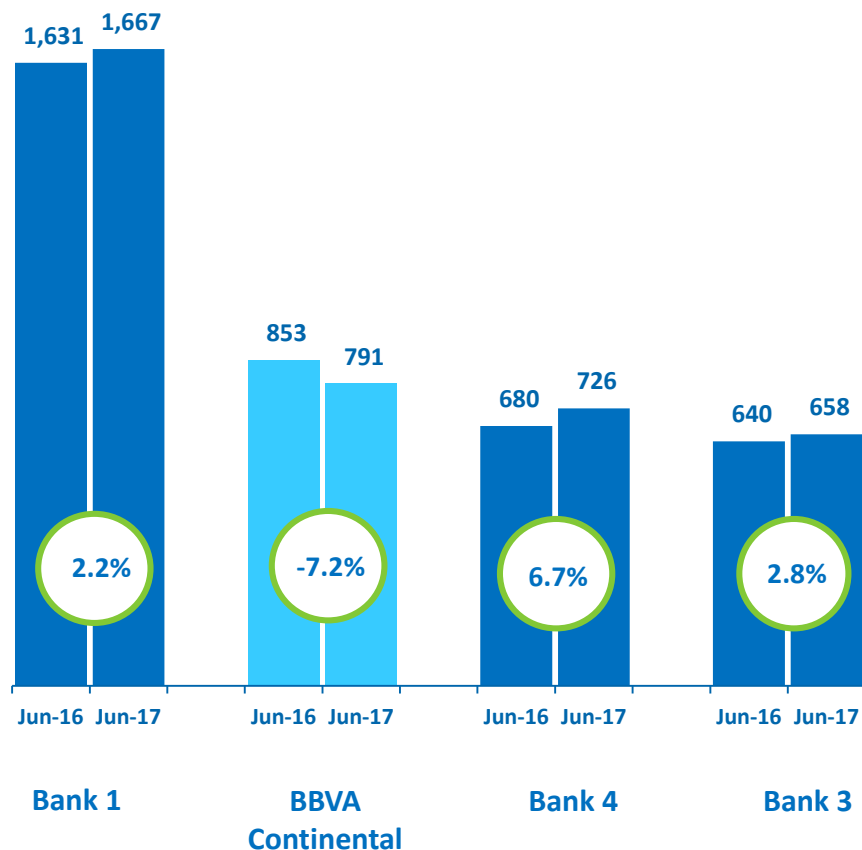
¹ **NIM ratio:** Interest margin for the last 12 months divided by average interest earning assets (interbank funds, investments, net loans).

Source: SBS & ASBANC

Expenses management

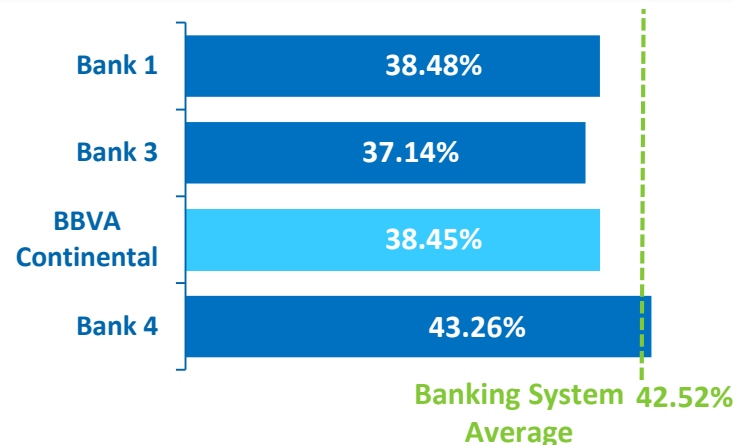
We manage an attractive efficiency ratio

Administrative expenses ¹ (S/ Million, %)

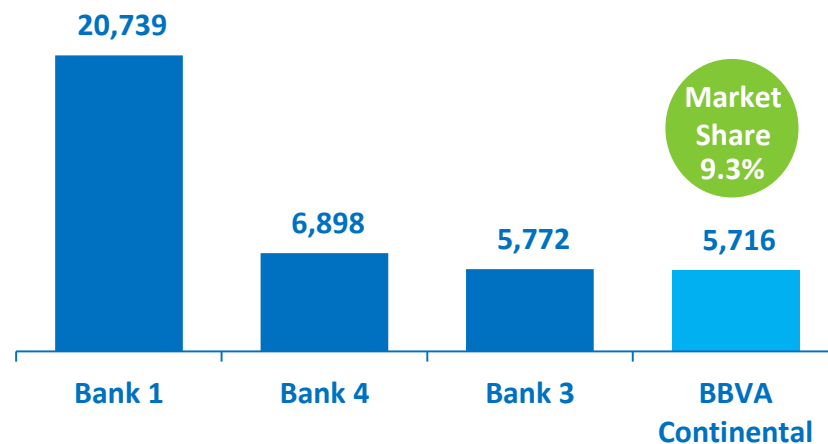


¹ Includes Amortization and Depreciation
Source: SBS

Efficiency Ratio (June 2017)

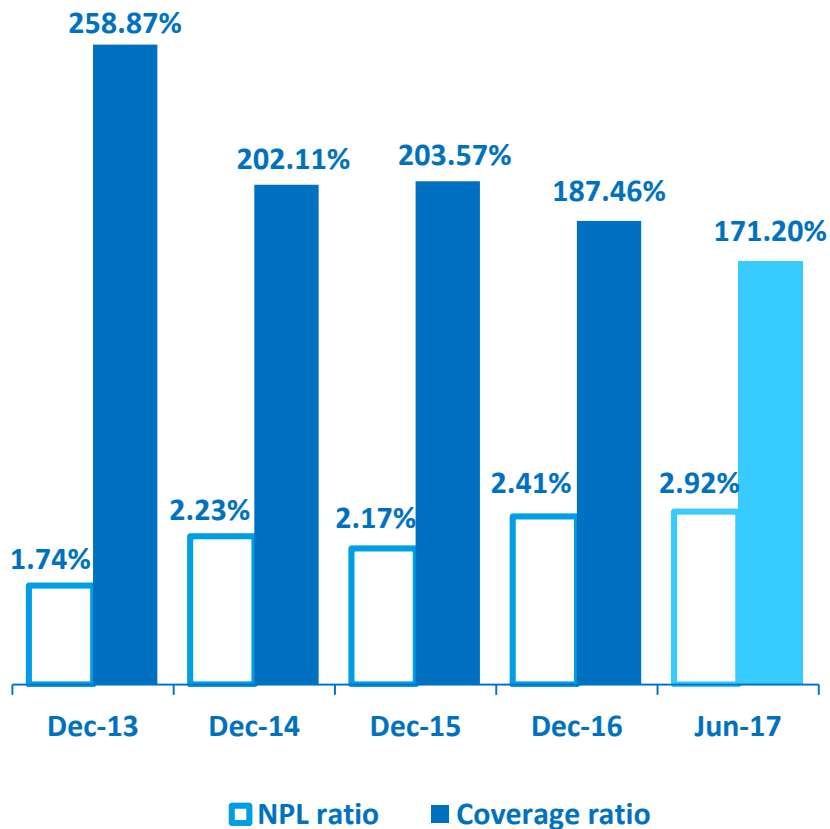


Number of employees (June 2017)

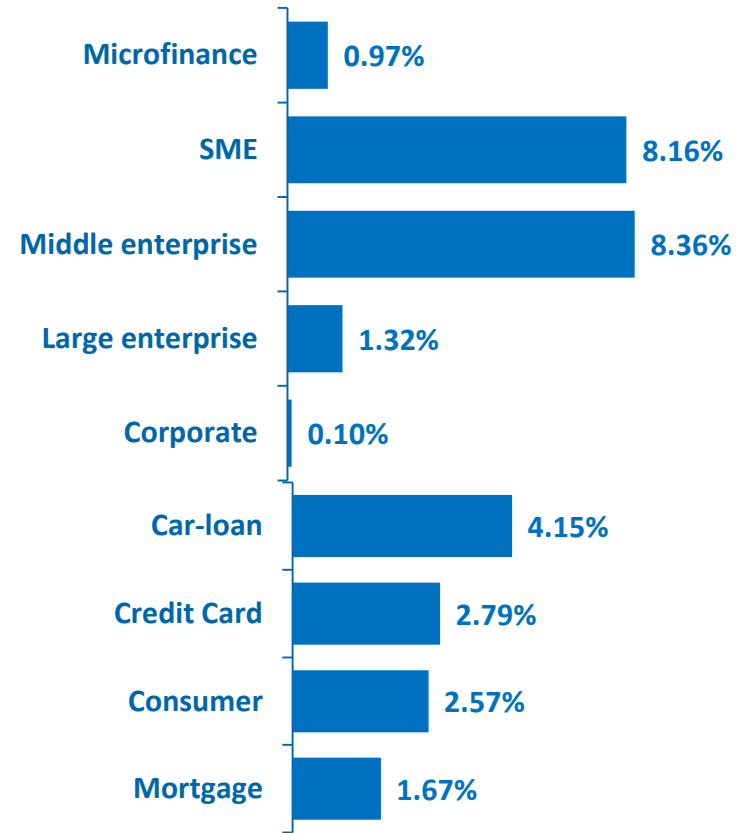


Risk management

Outstanding asset quality (June 2017)



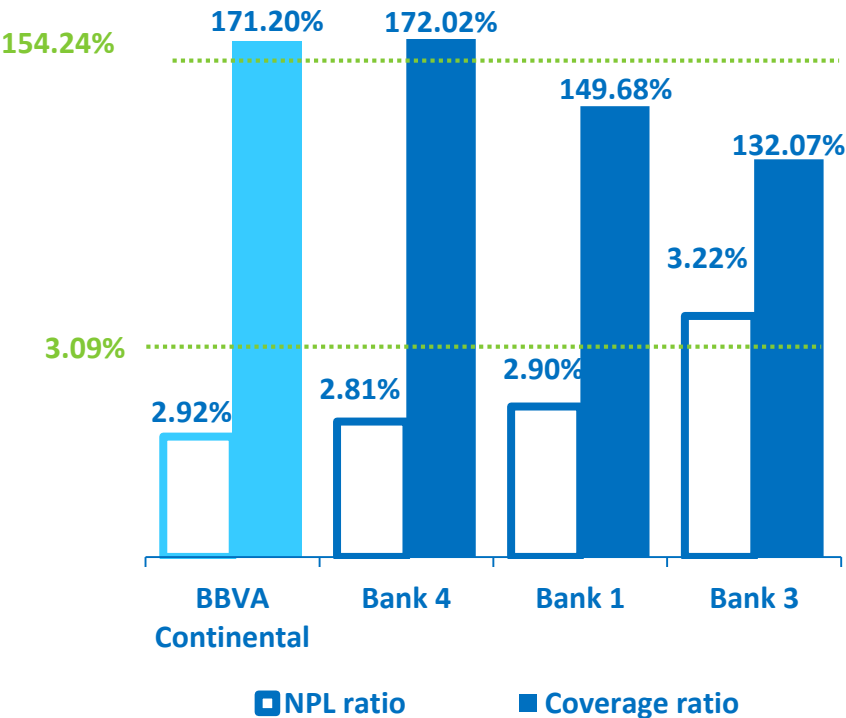
NPL ratio by product and segment (June 2017)



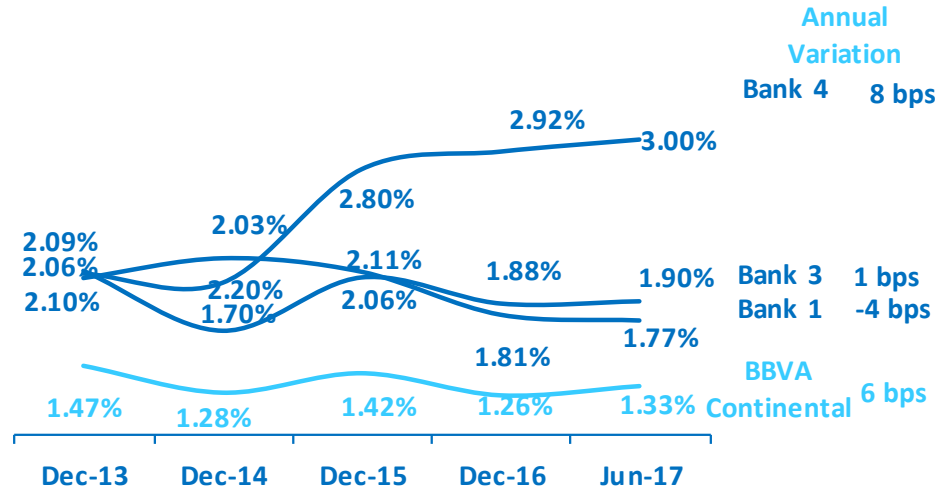
Risk management

Best NPL Ratio and Coverage Ratio (June 2017)

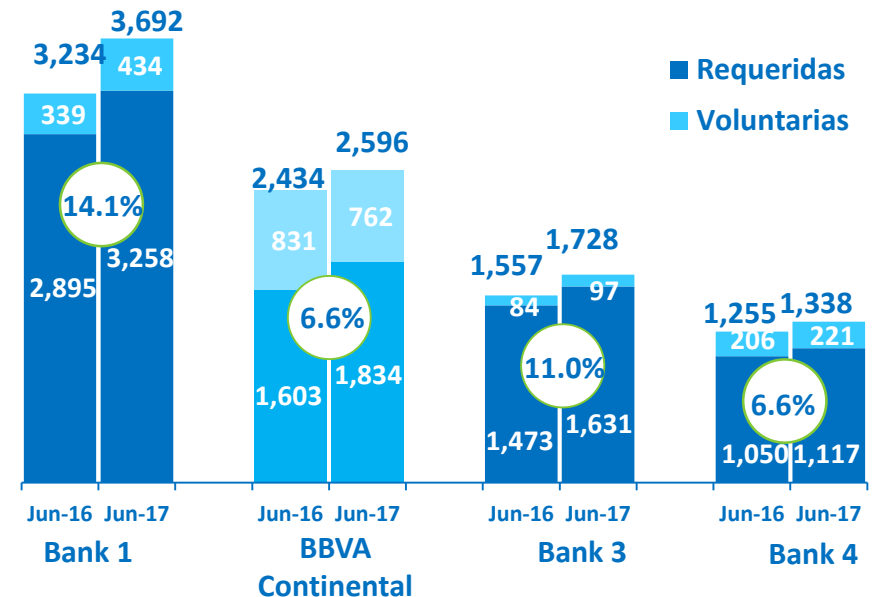
Average Banking System



Best Risk Cost¹ ratio vs. Peer Group



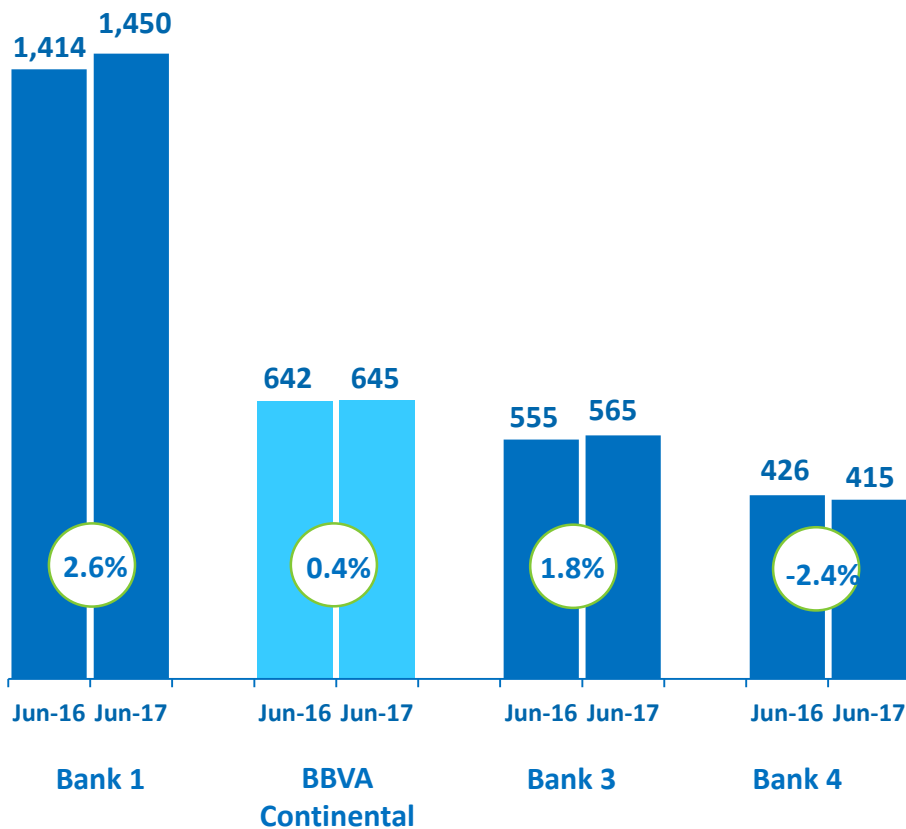
Maintaining high levels of voluntary provisions (S/ Million)



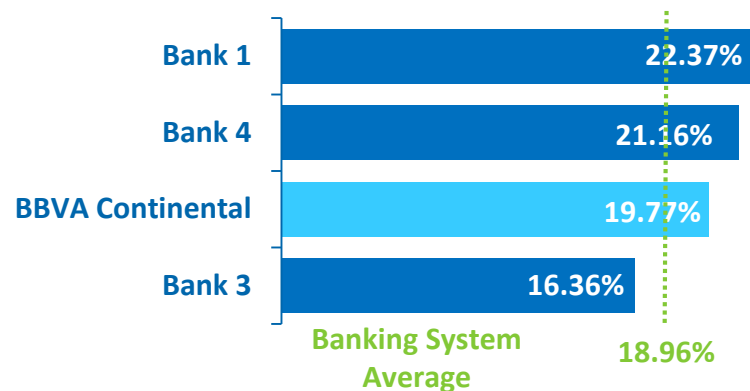
¹ Risk Cost: Provisions for the last 12 months between average loans from the last 12 months. Source: SBS

Profitability management

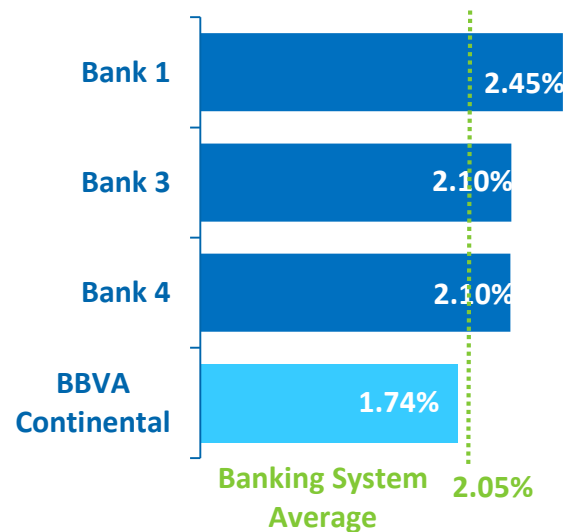
Net income (\$/ Million, %)



Return on Equity – ROE (June 2017)

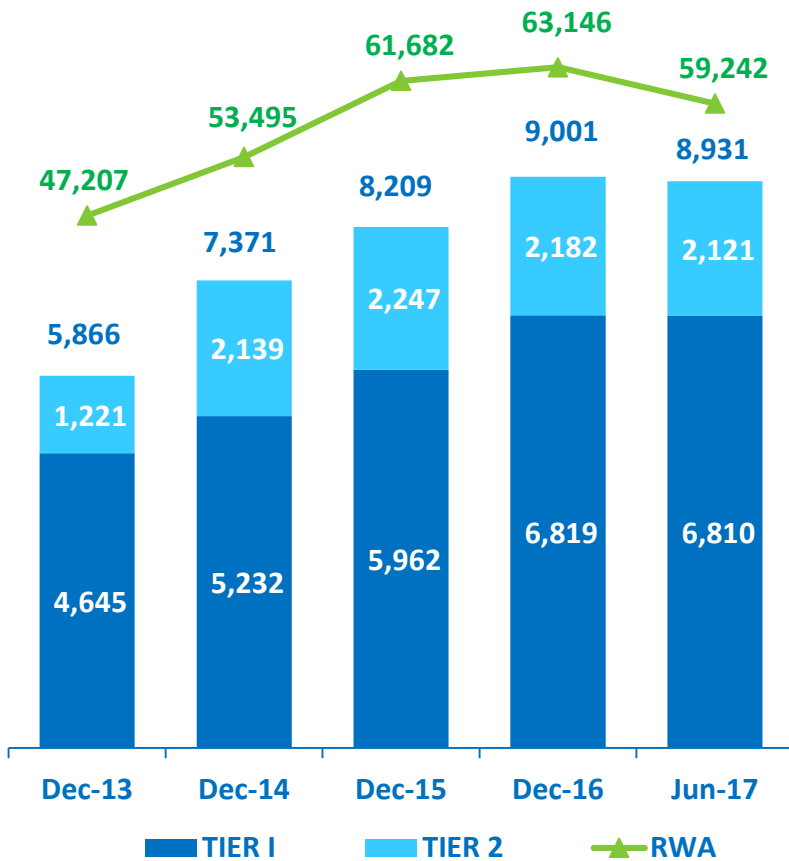


Return on Assets – ROA (June 2017)

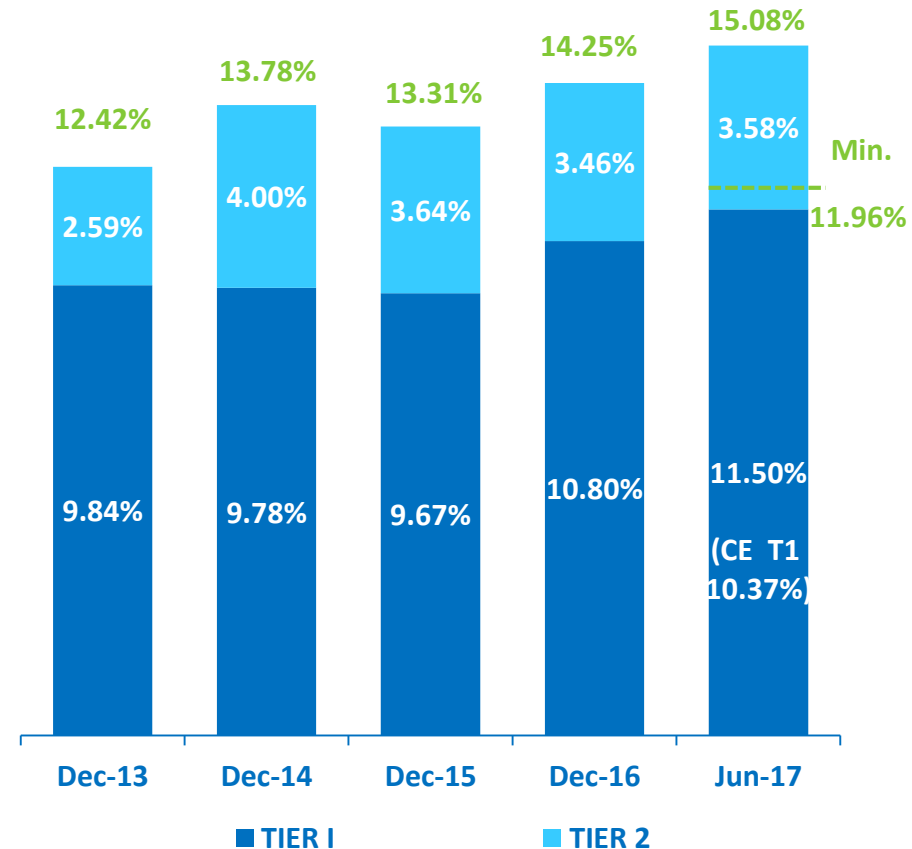


Solvency management

Regulatory capital & RWA (\$/ Million)



Main Capital Ratios



3 Ratings

International & Local Rating

Rating agencies have granted BBVA Continental the best international and local ratings:

Instrument	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
Outlook	Stable	Stable

Instrument	Apoyo & Asociados	Equilibrium	PCR
Negotiable Certificate of Deposits (CD)	CP - 1 + (pe)	EQL 1+.pe	_{PE} 1+
Short term deposits	CP - 1 + (pe)	EQL 1 + pe	_{PE} Categoría I
Term deposits > 1 year	AAA (pe)	AAA.pe	_{PE} AAA
Corporate bonds	AAA (pe)	AAA.pe	_{PE} AAA
Subordinated bonds	AA+ (pe)	AA+.pe	_{PE} AA+
Leasing bonds	AAA (pe)	AAA.pe	_{PE} AAA
Common shares	1a (pe)	1a Clase.pe	_{PE} N1
Issuer rating	A+	A+	_{PE} A+

4 Social Responsibility and Awards

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

SOCIAL RESPONSIBILITY

Informe de Banca
Responsable 2015



Social, Economical and
Environmental
Responsibility Report



Reading Program:
"Leer es estar adelante"



AWARDS



Forbes



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



BBVA Continental

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