

BBVA CONTINENTAL

Investors Report

First Quarter 2018

BBVA Continental

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Appendix
Debt Issuances

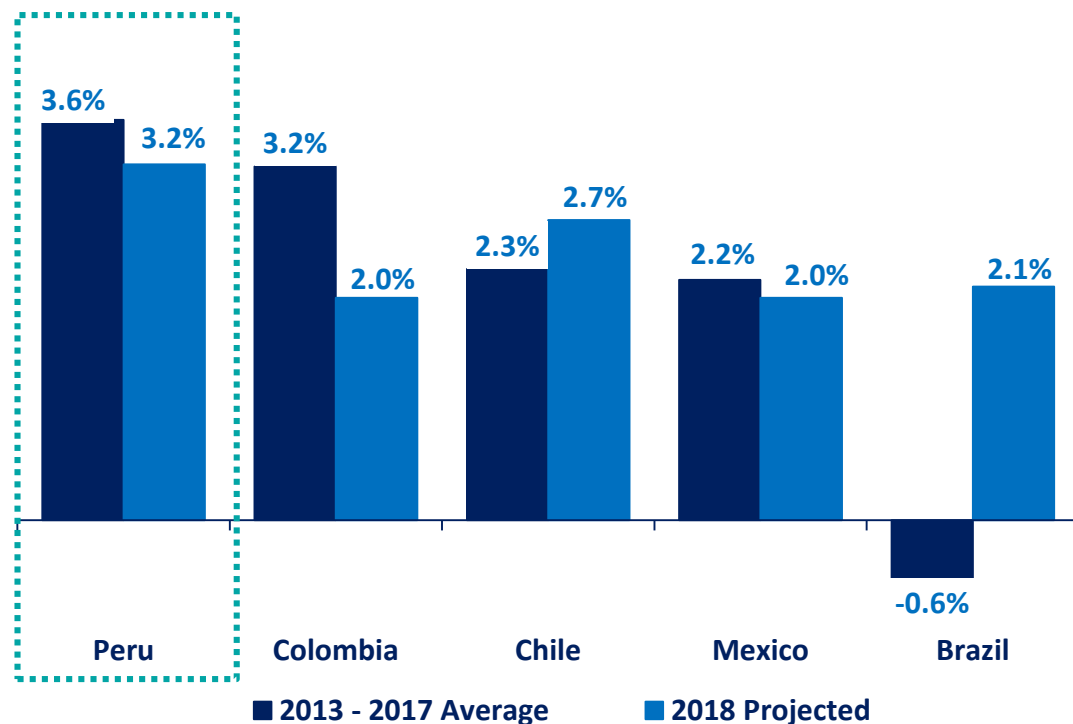


01

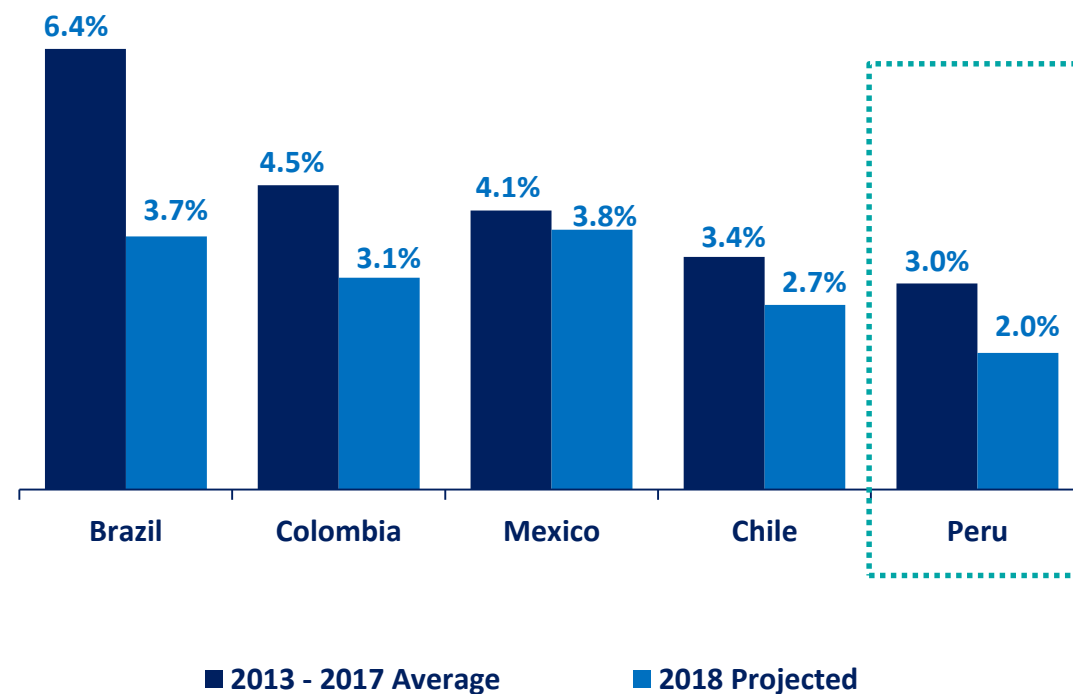
Peruvian Economy & Financial System

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

GDP Growth (Real)



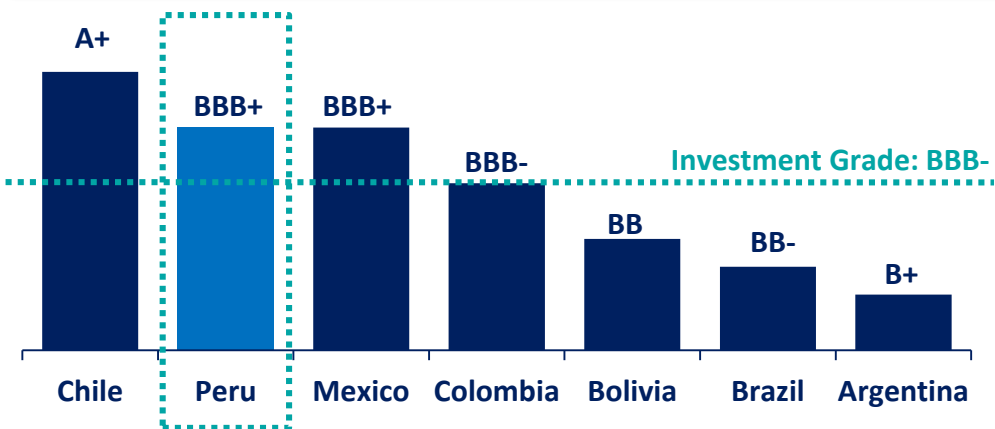
Inflation (End of Period)



Source: BBVA Research. International Monetary Found (IMF) & Central Bank of Peru (BCRP)

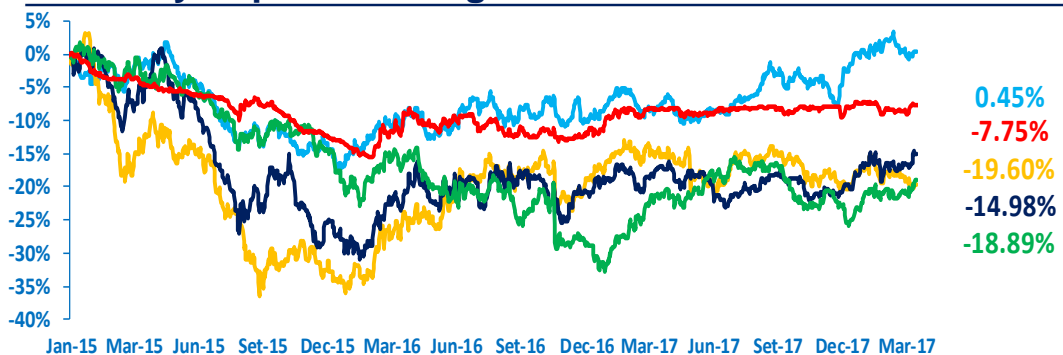
With sovereign investment grade, relatively stable currency and low indebtedness

Credit Risk Profile



Source: Standard & Poor's

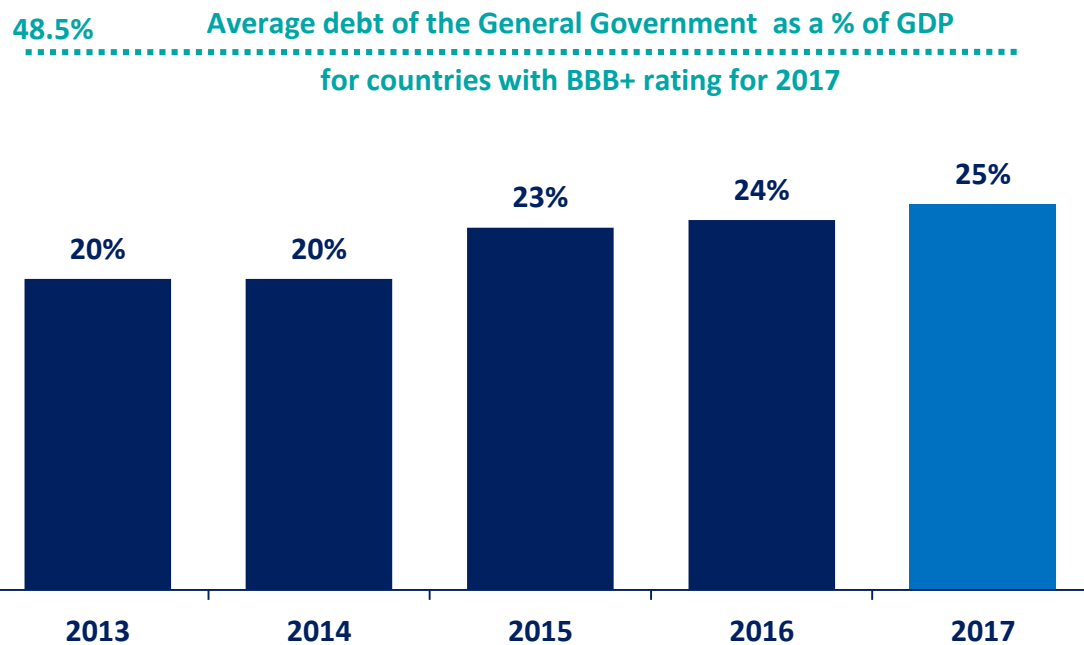
Currency Depreciation Against USD



— Chile — Brazil — Colombia — Mexico — Peru

Source: Bloomberg

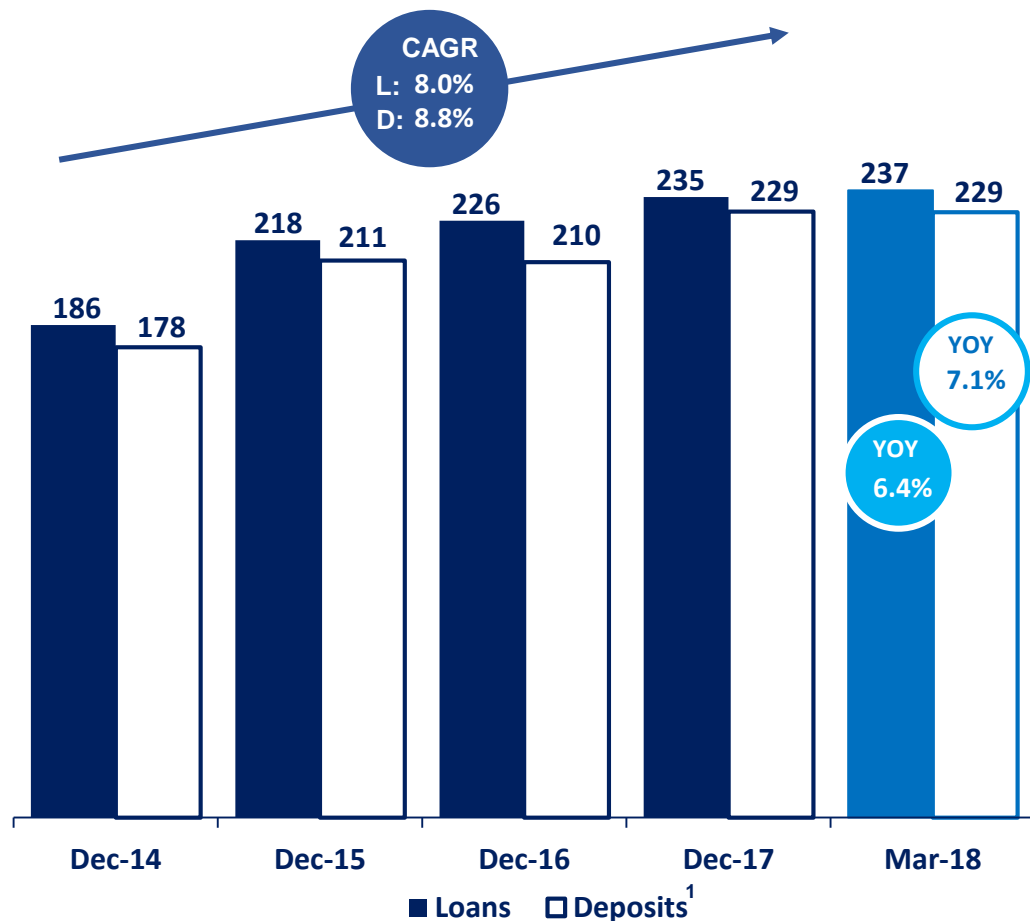
Peruvian Public Debt (% of GDP)



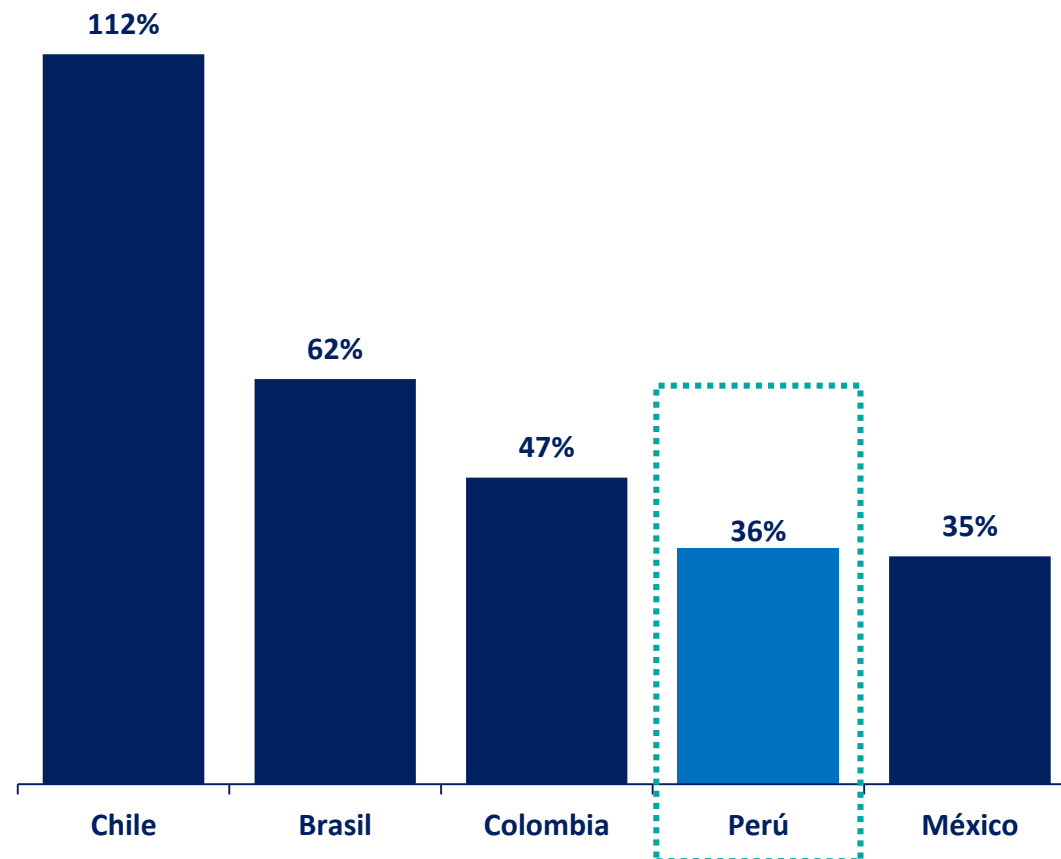
Source: BCRP

Peru has a solid Banking System with great opportunities to expand

Performing Loans and Deposits (S/ Billion)



Loans to Private Sector (% of GDP, 2016)



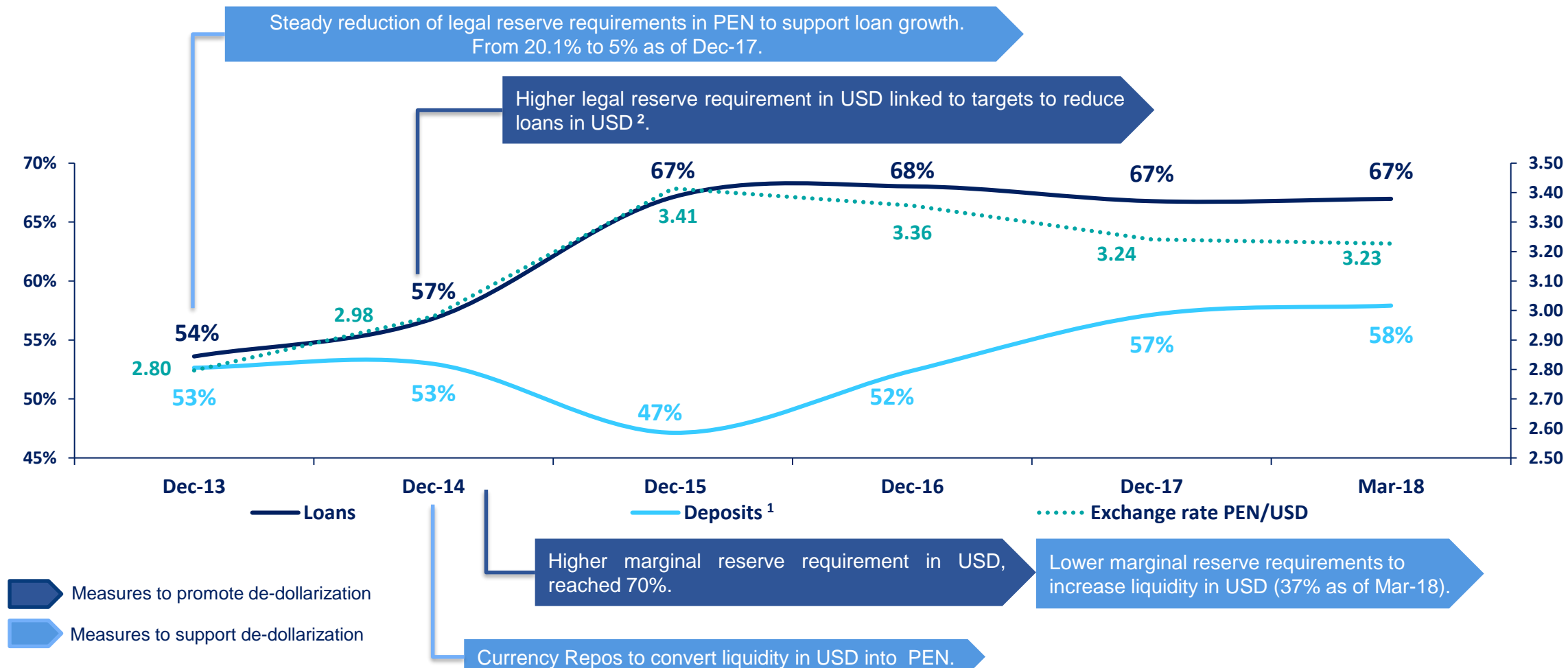
¹ Other obligations are excluded from deposits

Source: Superintendencia de Banca, Seguros y AFP (SBS) / World Bank (WB)

and a Central Bank that promotes PEN denomination of Loans

Local Currency Loans & Deposits

(% Total Loans & Deposits)



¹ Other obligations are excluded from deposits

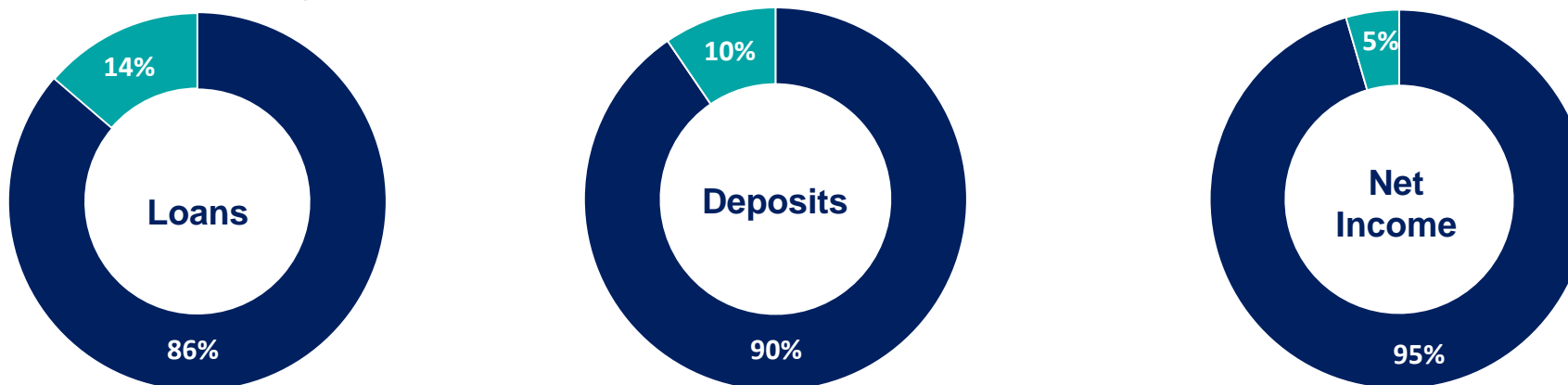
² Excluded operations higher than USD10MM and 3 years from June 2015

Source: SBS & BCRP

Peruvian Financial System (December 2017)

Financial system	Institution S/ Million	Net loans Dec-17	Deposits Dec-17	Net Income Dec-17
Banking system	Banks (16)	233,900	229,358	7,459
	Banco de la Nación	8,593	24,799	739
Other financial institutions	Cajas Municipales (12)	18,207	18,873	397
	Financieras (11)	10,250	6,640	326
	Cajas Rurales (6)	1,367	1,095	-5
	Edpymes (10)	1,860	-	11
	Leasing (2)	192	-	-4
	COFIDE	5,671	163	4
	Agrobanco	991	-	-340

The 4th largest banks concentrate around 83% of the banks loans and deposits



■ Banking System ■ Other Financial Institutions

¹ Other obligations are excluded from deposits
Source: SBS

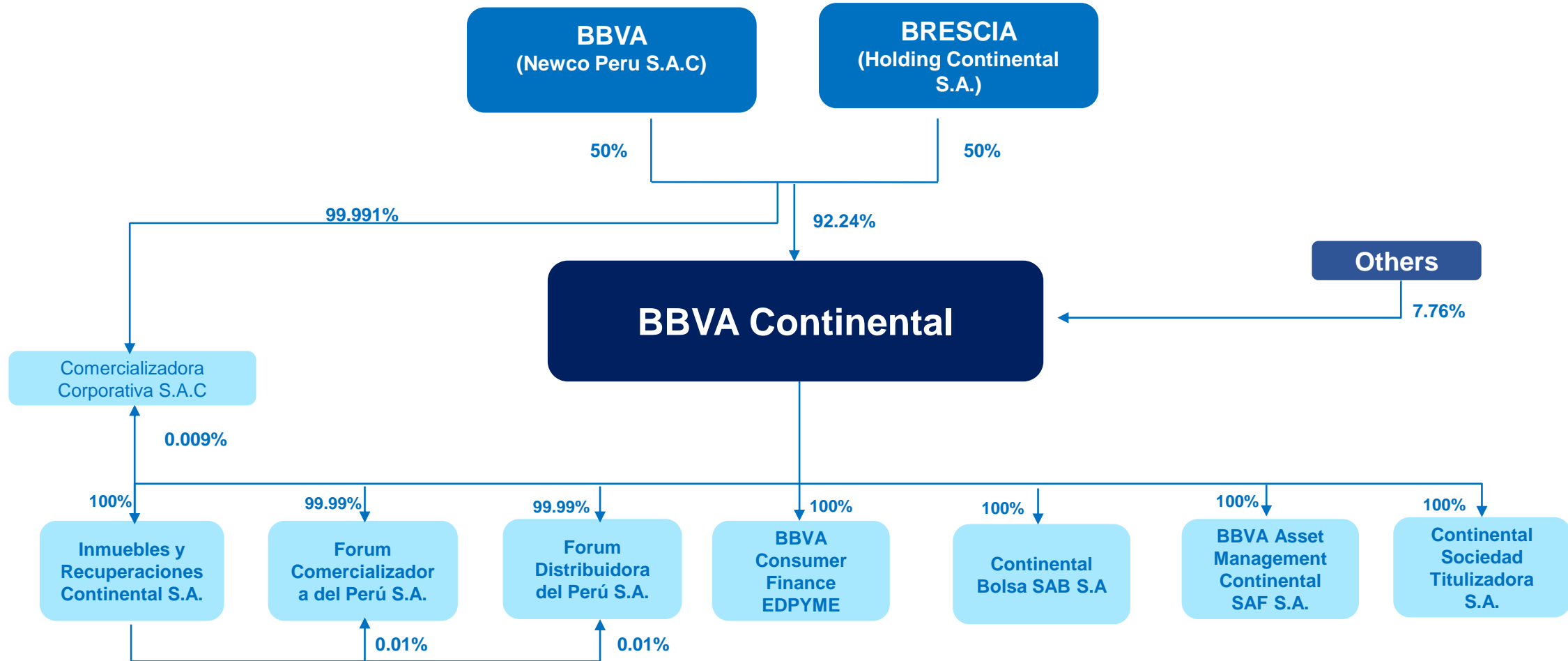


02

About BBVA Continental

Shareholders

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

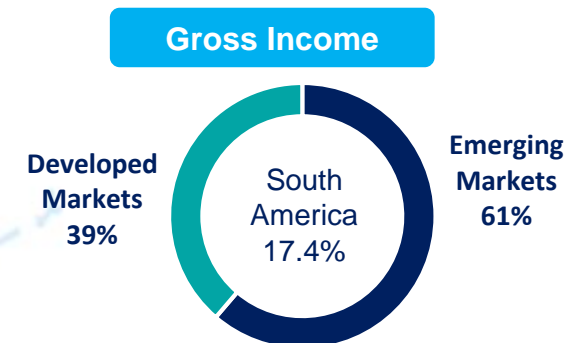
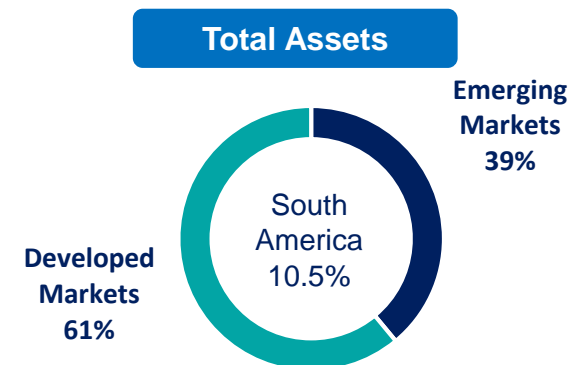


BBVA Group (March 2018)

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



Well diversified & self sufficient subsidiaries¹



€685
billion in total
assets

73
million customers

>30
countries

8,200
branches

31,602
ATMs

131,745
employees

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

Principles of Liquidity & Capital Management of BBVA Group





Self-sufficient subsidiaries from a liquidity point of view, with robust supervision and control by parent company

Retail profile of BBVA Group balance sheet with limited dependence on wholesale funding

Parent and subsidiaries proven ability to access the wholesale funding markets (medium & long term) on a regular basis

Ample high quality collateral available, compliant with regulatory liquidity requirements at a Group and Subsidiary level

Subsidiaries

-  Self-sufficient balance-sheet management
-  Own capital and liquidity management
-  Market access with its own credit, name and rating
-  Responsible for doing business locally

Corporate Center

-  Guidelines for capital and liquidity / ALCO supervision
-  Common risk culture

Decentralized model

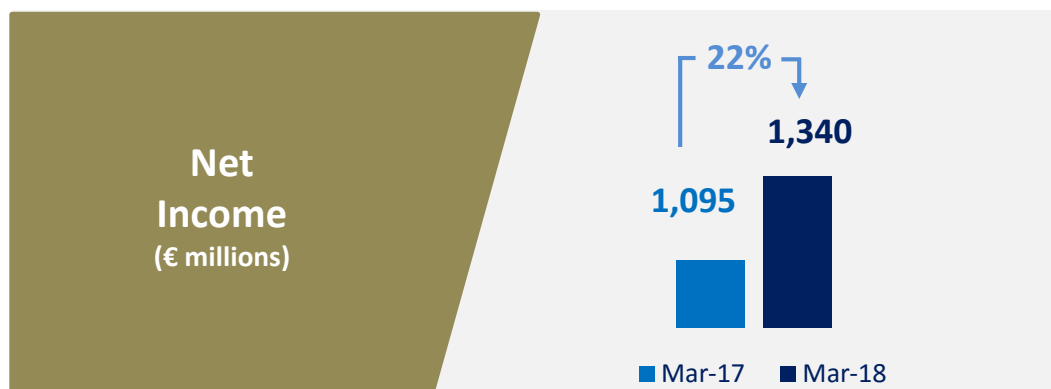
Advantages

-  Market discipline and proper incentives / sustainable credit growth
-  Medium term orientation / consistent with retail banking
-  Natural firewalls / limited contagion
-  Safeguards financial stability / proven resilience during the crisis
-  Helps development of local capital markets
-  Buffers in different balance sheets

No liquidity transfers between the parent and subsidiaries or among subsidiaries

Highlights of BBVA Group (March 2018)

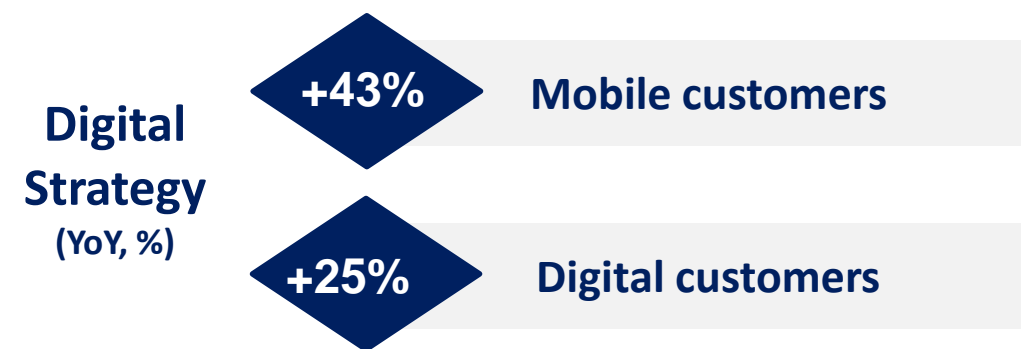
Assets <small>(€ millions)</small>	685,441
ROE	11.94%
ROA	0.97%



Great Asset Quality

NPL	4.4%
Cost of Risk	0.85%
Coverage Ratio	73%

Cost Control <small>(YoY, %)</small>	Administrative Expenses +3.2%	Gross Margin + 4.2%
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Strong Capital & Liquidity Ratios

Global Capital	CET1
15.1%	11.5%
Liquidity Coverage Ratio	> 100%



03

Financial Highlights

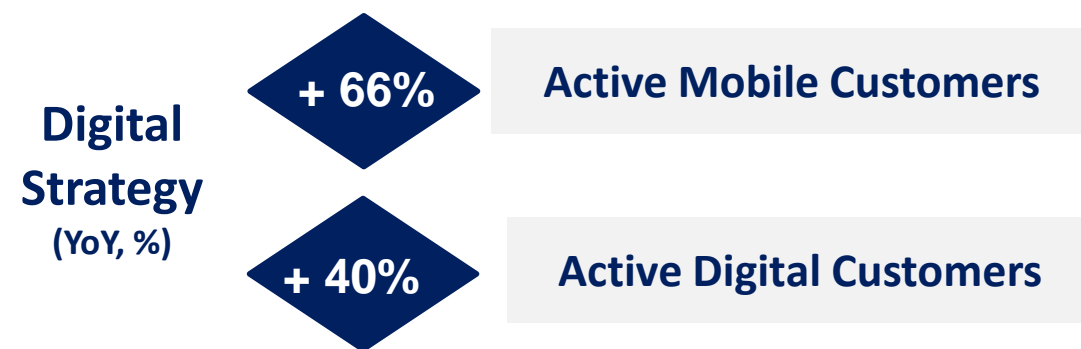
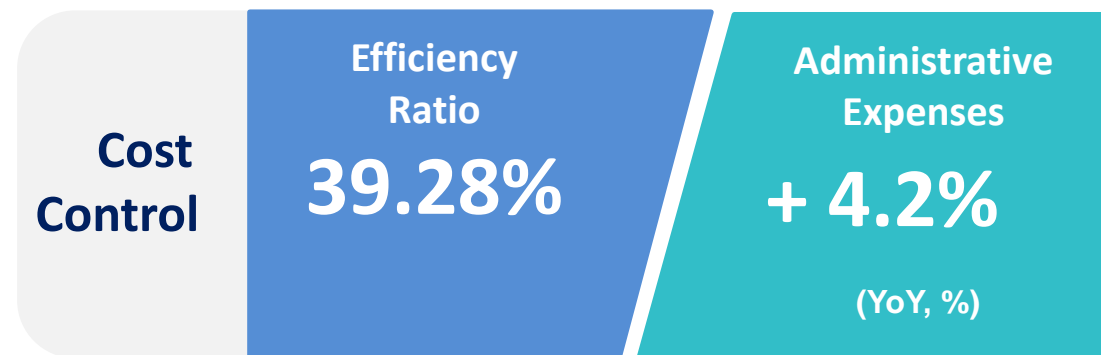
Highlights of BBVA Continental (March 2018)

Assets <small>(S/ million)</small>	77,197
ROE	19.29%
ROA	1.86%



Great Asset Quality

NPL	2.83%
Cost of Risk	1.28%
Coverage Ratio	165.4%



Strong Capital & Liquidity Ratios

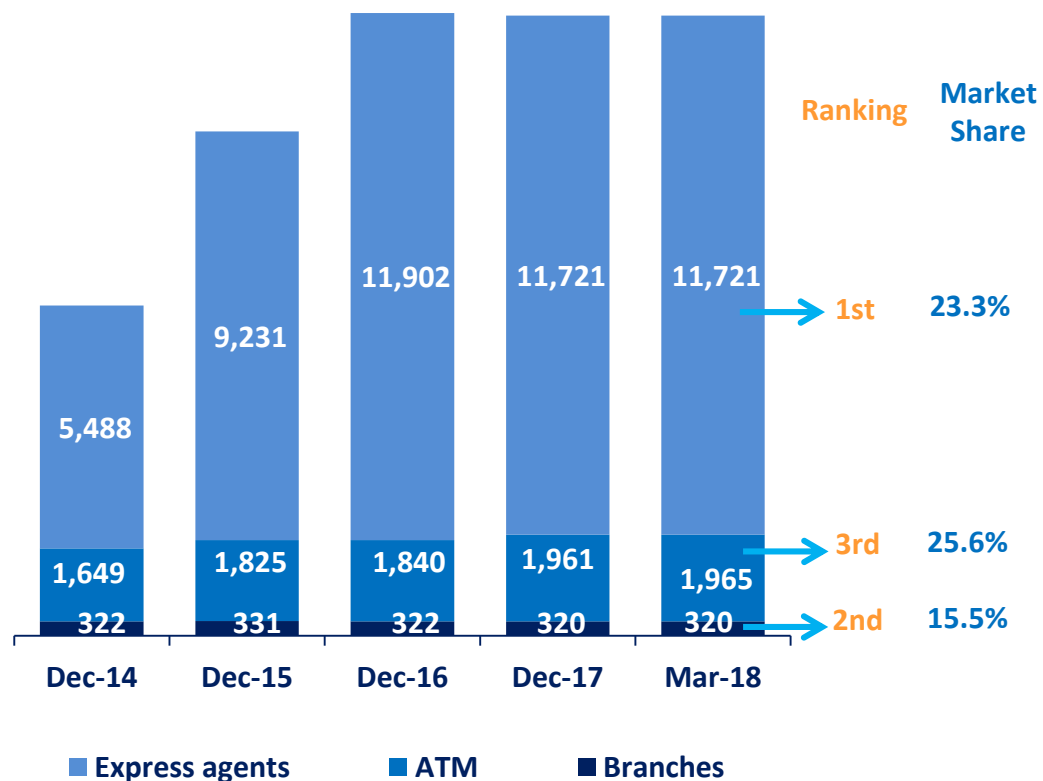
Global Capital	14.98%	CET1	10.72%
Loan-to-Deposit			102.4%

Strong banking platform

Distribution network¹

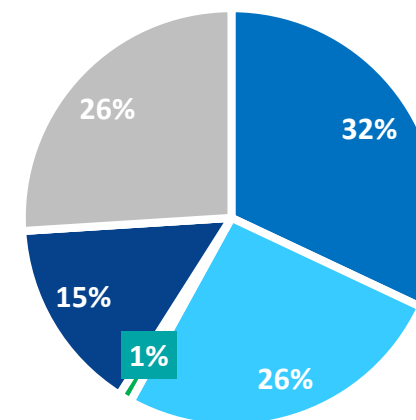
One of the largest in the country

- ✓ 14,006 points of service
- ✓ More than 4.5 million customers

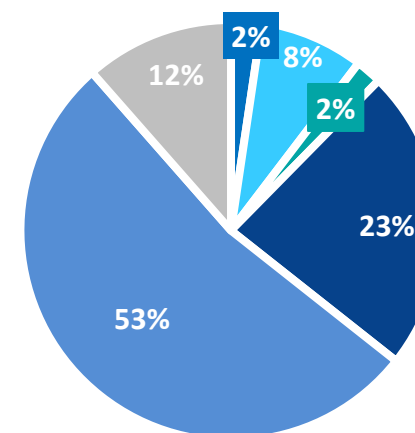


Evolution in transactions per channel

2008



March 2018



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

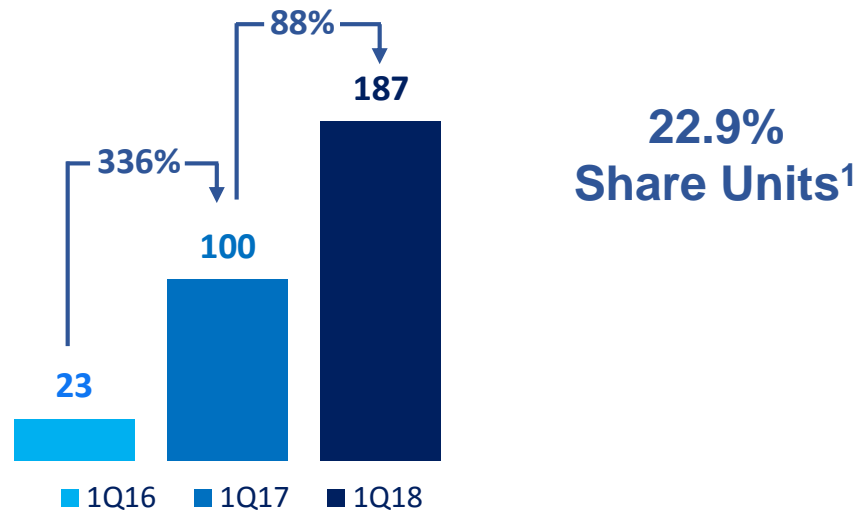
1 Source: ATM & Express agents from ASBANC, Branches from SBS

2 Other channels include Telephone Banking, POS, Net Cash and Automatic debit.

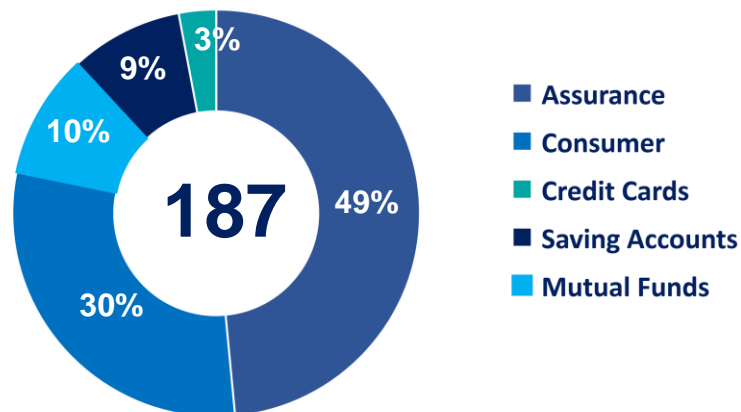
Source: SBS & BBVA Continental

With the purpose of being the leading digital bank in the region

Digital Sales – Units (thousands)



Digital Sales by Product (March 2018)



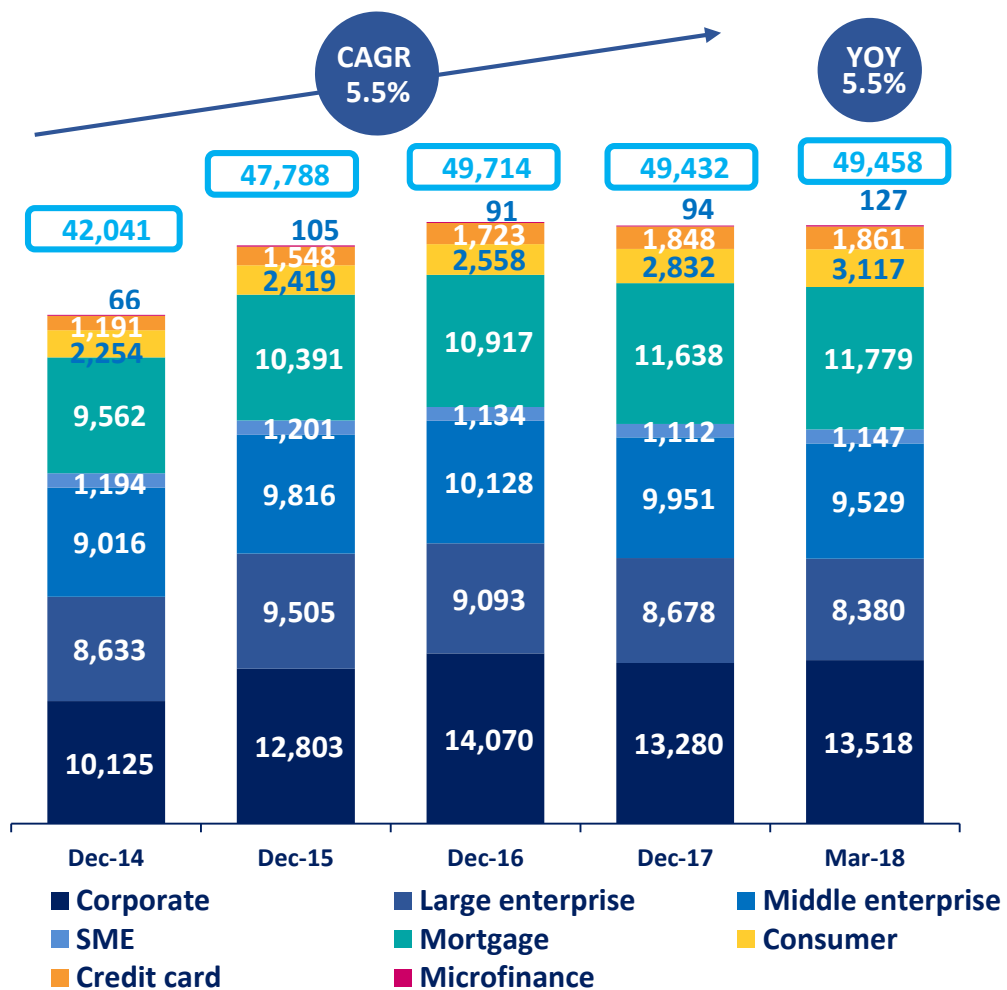
Main Growth Drivers

- 1** Product digitalization
 New products for business clients: leasing, commercial loans, trade loans.
 New sale channels: credit cards hiring by mobile banking and web page.
- 2** Clients digitalization and branches incentives
- 3** Better post-lead management
 Sales goals and management ratios for the external sales force, incentive programs, tracking dashboards
- 4** Investment in digital marketing and media optimization
- 5** Improvement of digital sales processes through AB tests

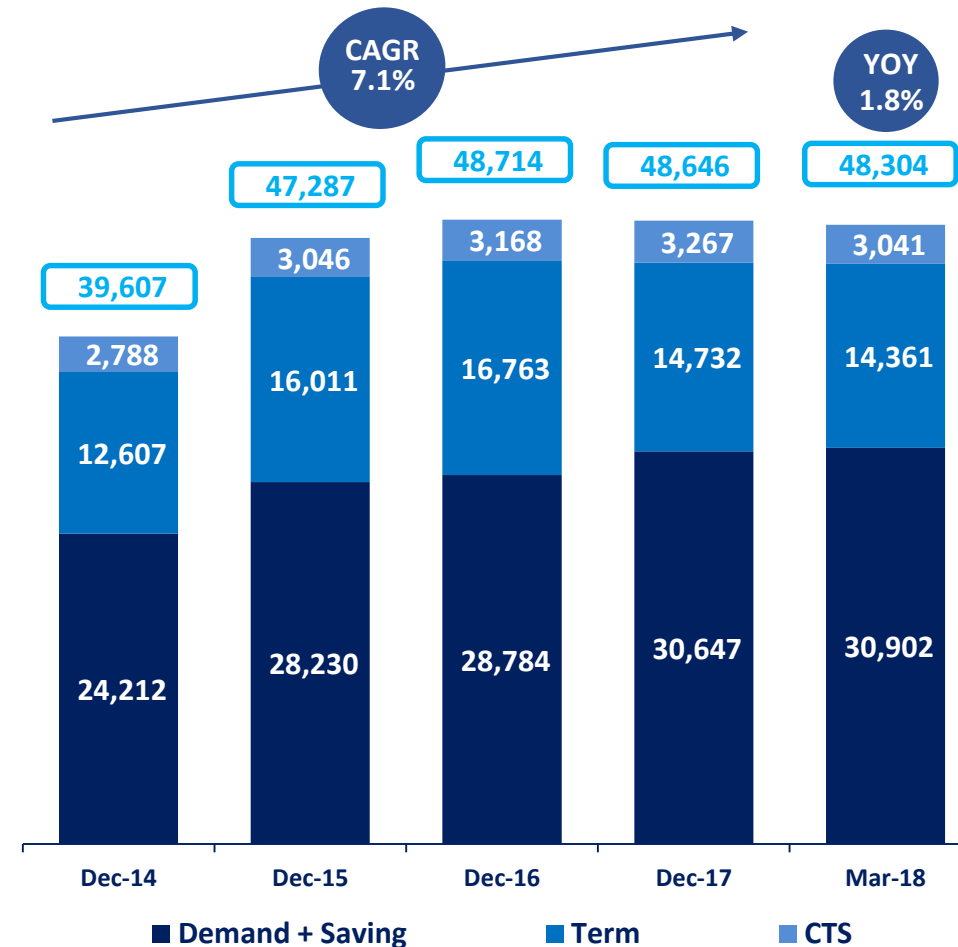
¹ Digital sales between total sales (consider only products that are currently sold by digital channels)
Source: BBVA Continental

Loans and Deposits Performance (\$/ Million, %)

Performing loans



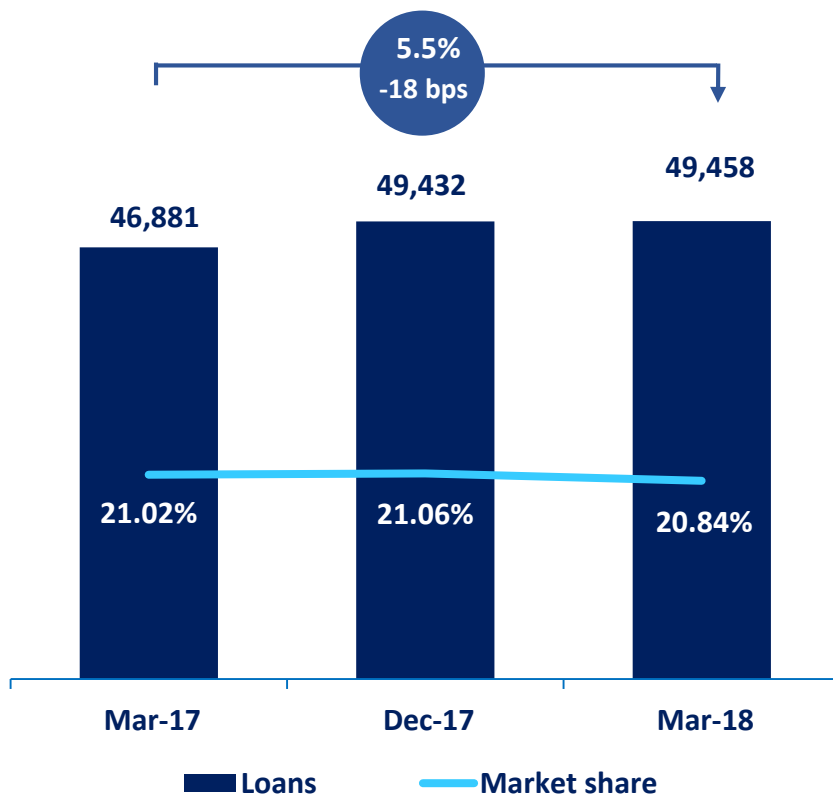
Deposits¹



¹ Other obligations are excluded from deposits

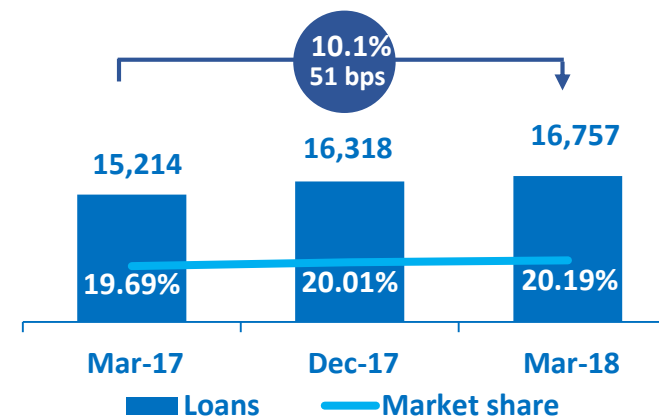
Source: SBS

Performing Loans (\$/ Million, %)



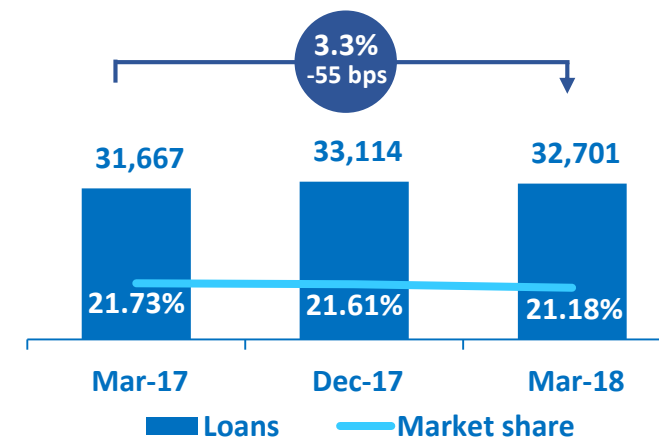
Banking System	237,368
YOY Variation	6.4%

Retail Loans



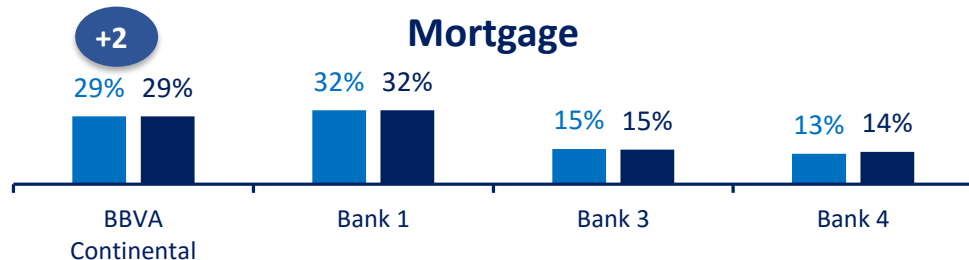
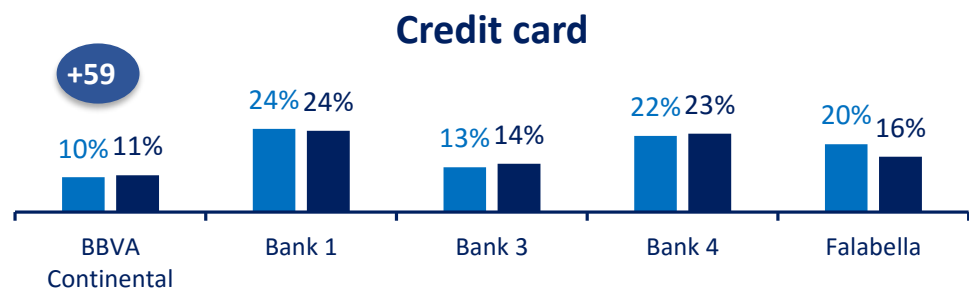
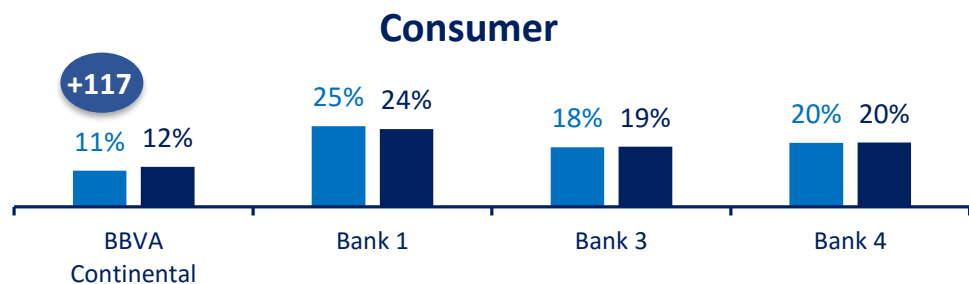
Banking System	82,982
YOY Variation	7.4%

Business Loans



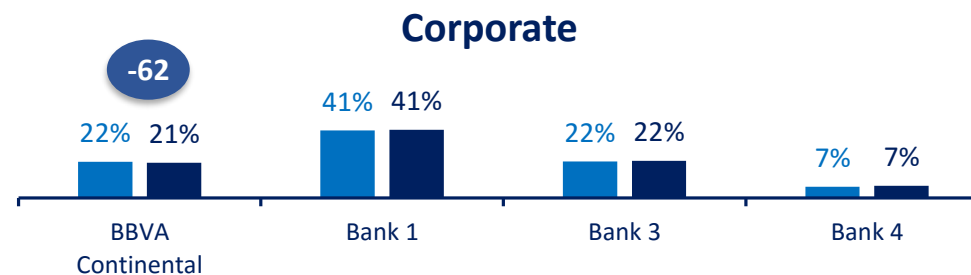
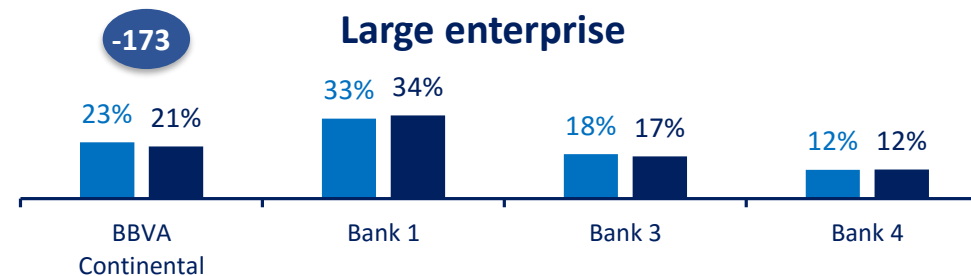
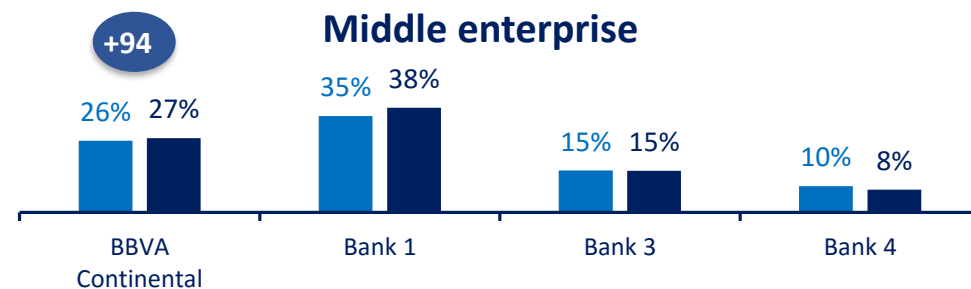
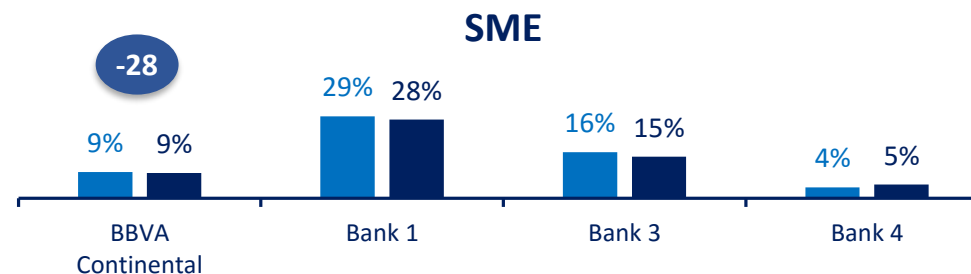
Banking System	154,385
YOY Variation	5.9%

Market Share - Loans



● YoY changes in basis points.

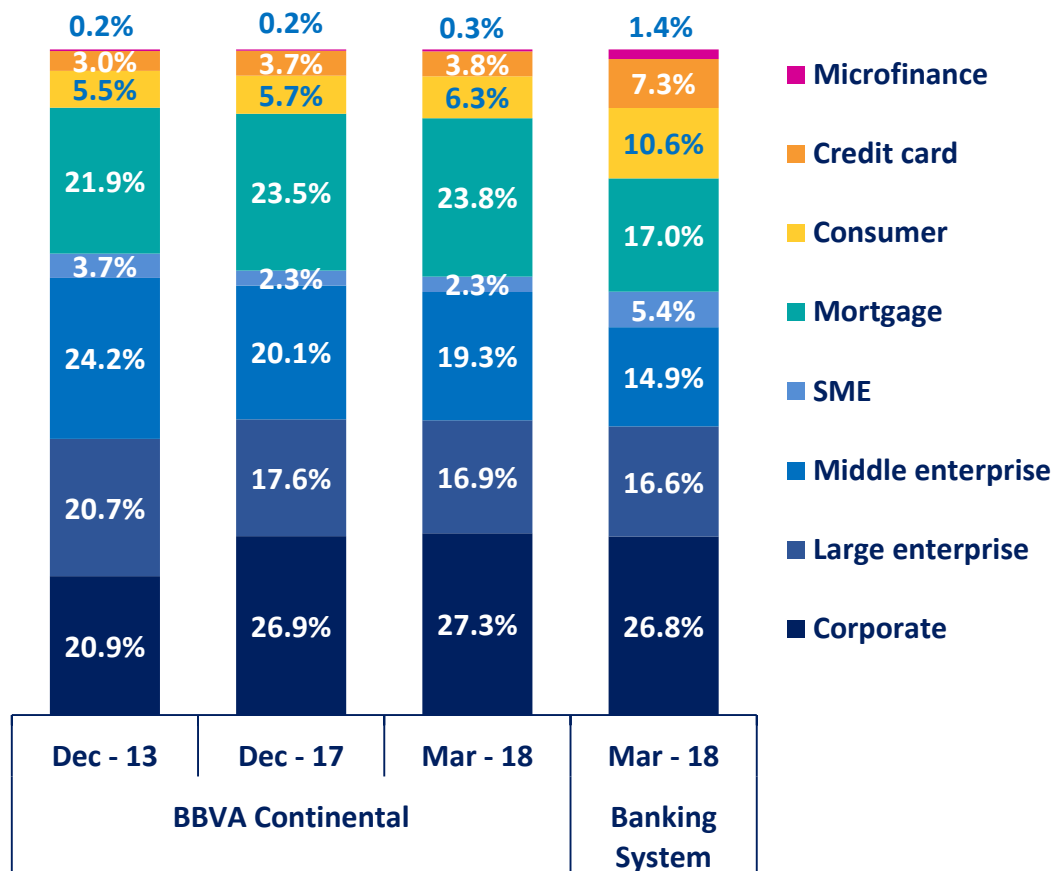
■ Mar-17 ■ Mar-18



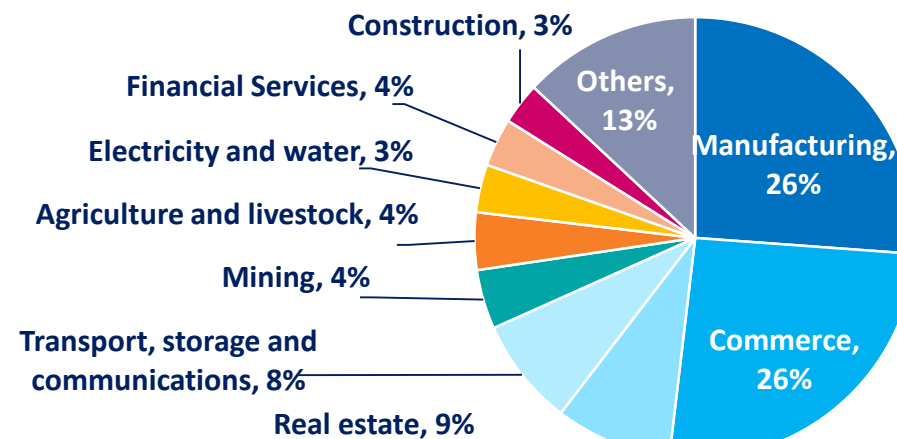
Well Diversified Loan Portfolio

(March 2018)

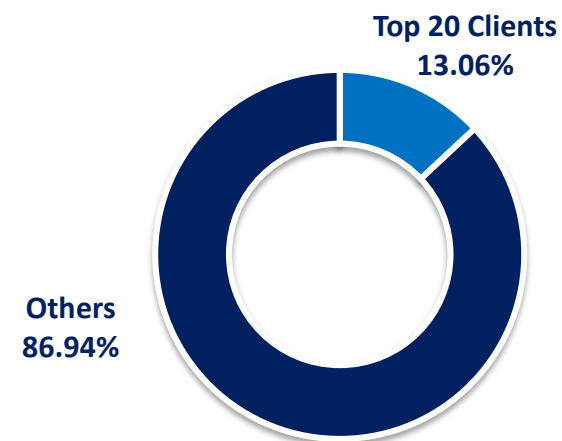
Loans breakdown



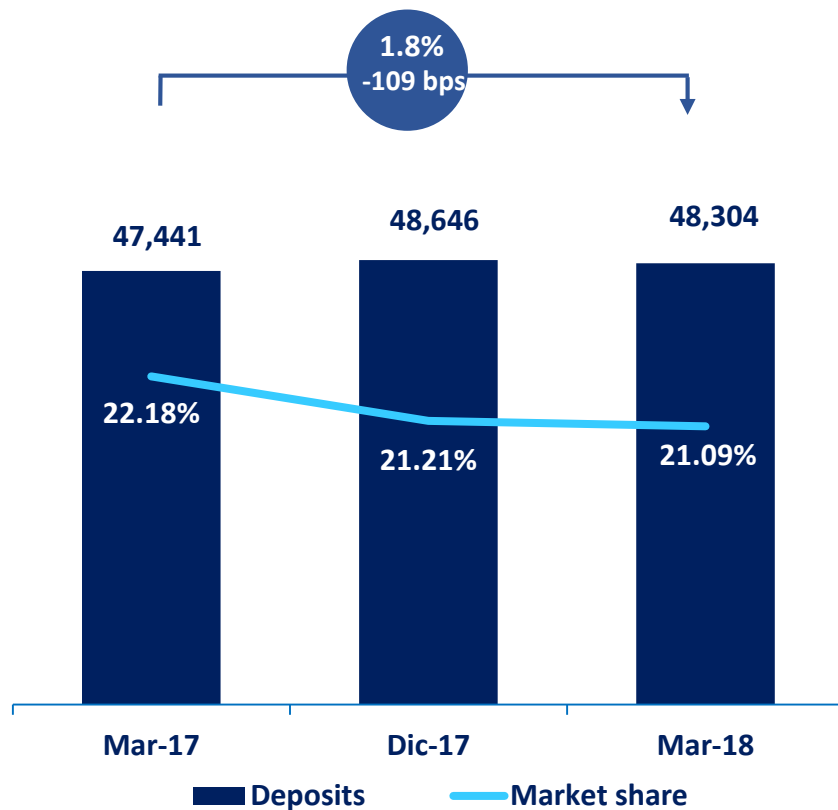
Loans by economic sector



Concentration Risk

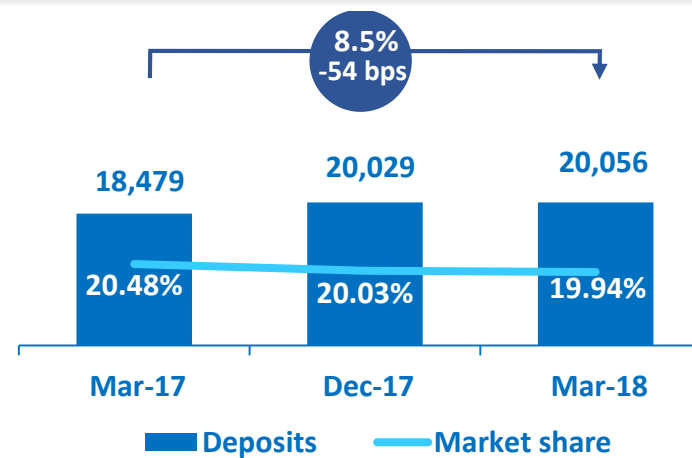


Deposits (\$/ Million, %)



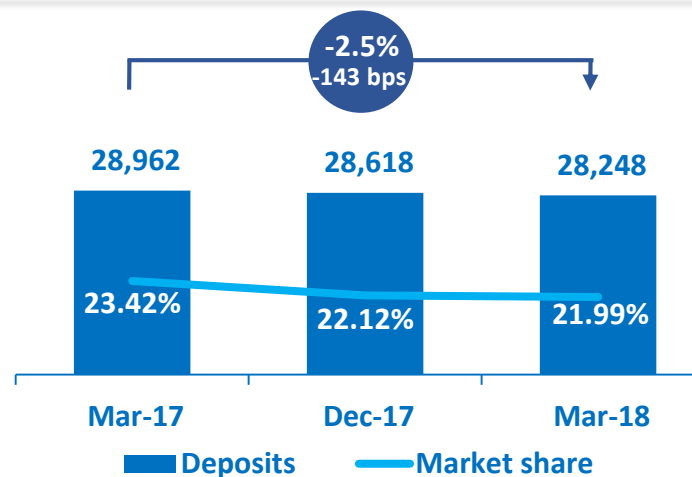
Banking System	229,025
YOY Variation	7.1%

Retail Deposits



Banking System	100,567
YOY Variation	11.5%

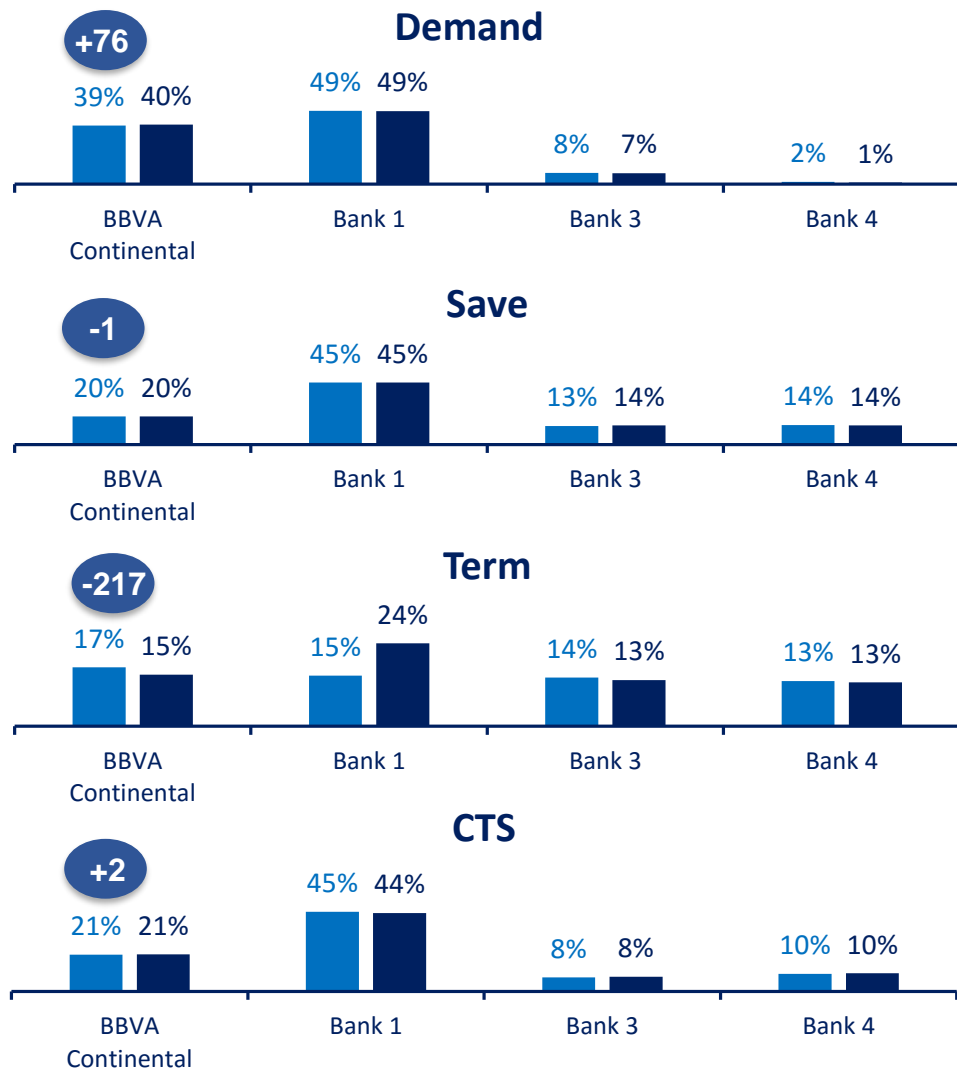
Business Deposits



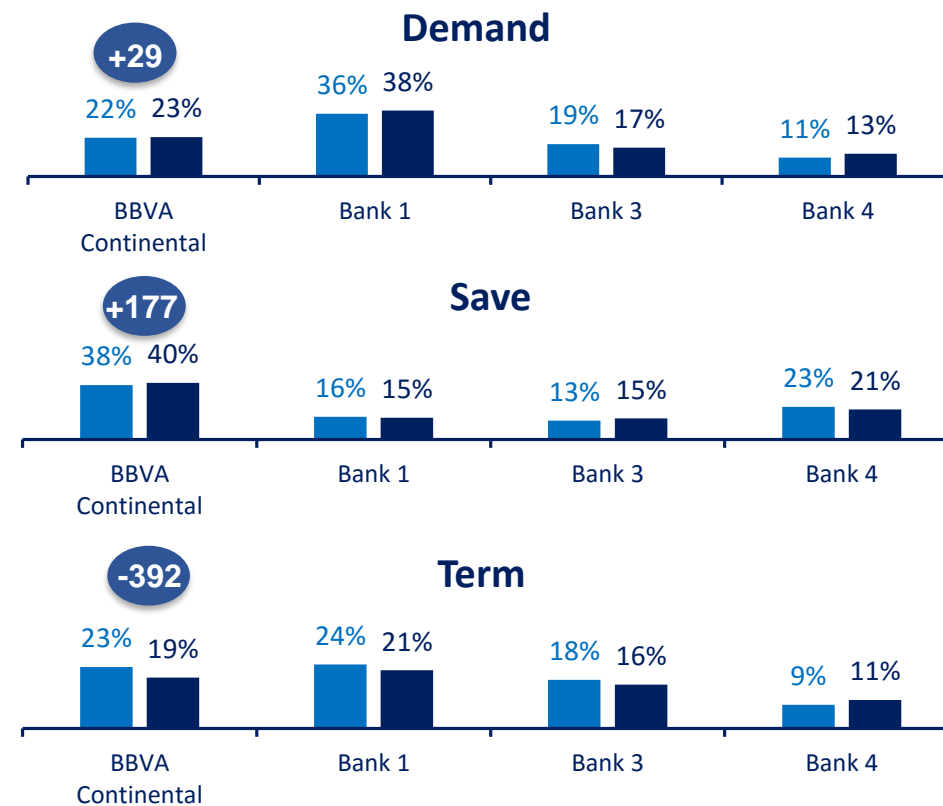
Banking System	128,458
YOY Variation	3.9%

Market Share - Deposits

Retail Deposits



Business Deposits

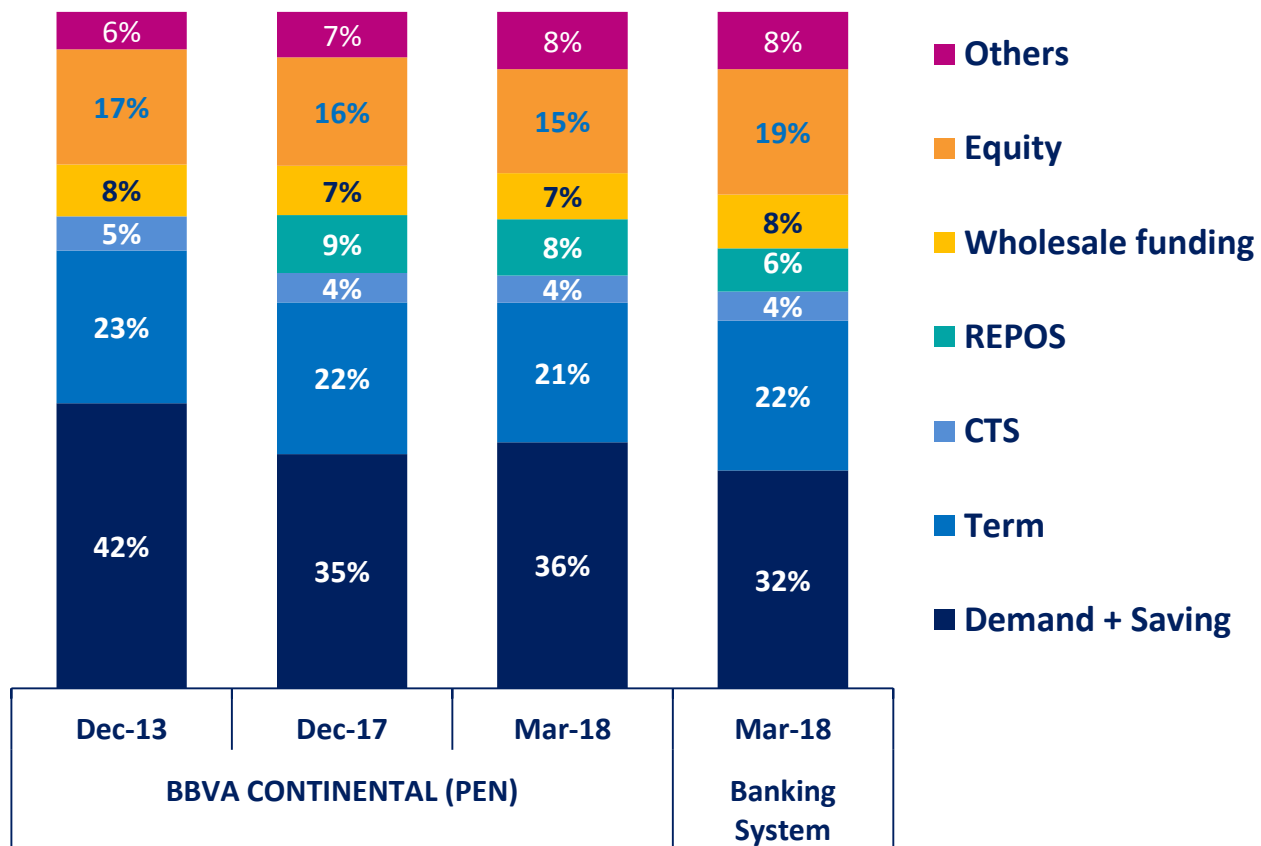


● YoY changes in basis points.

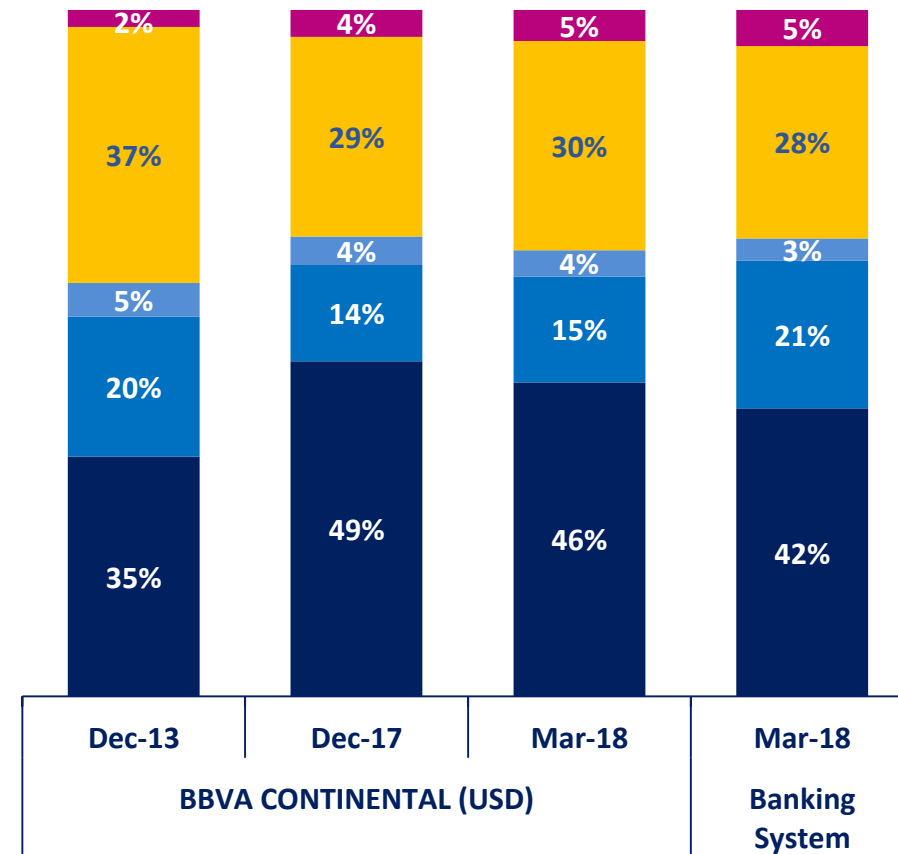
■ Mar-17 ■ Mar-18

Liabilities and Capital Breakdown

Local Currency

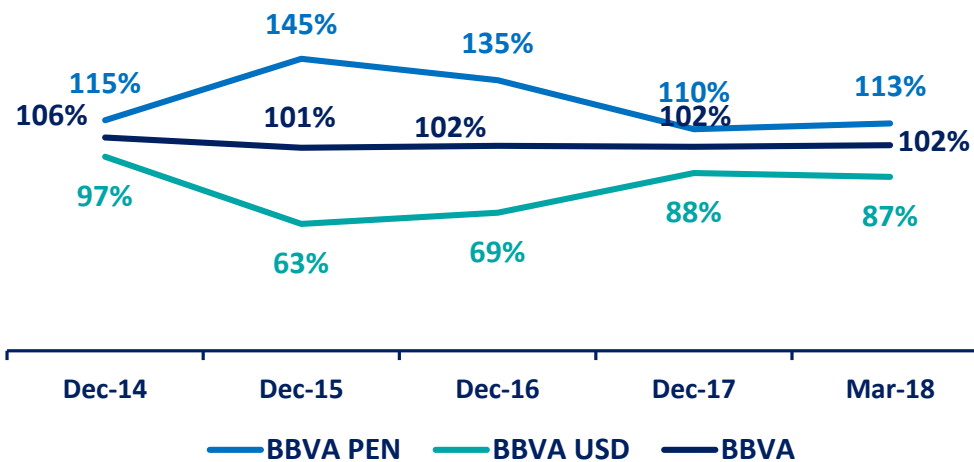


Foreign Currency

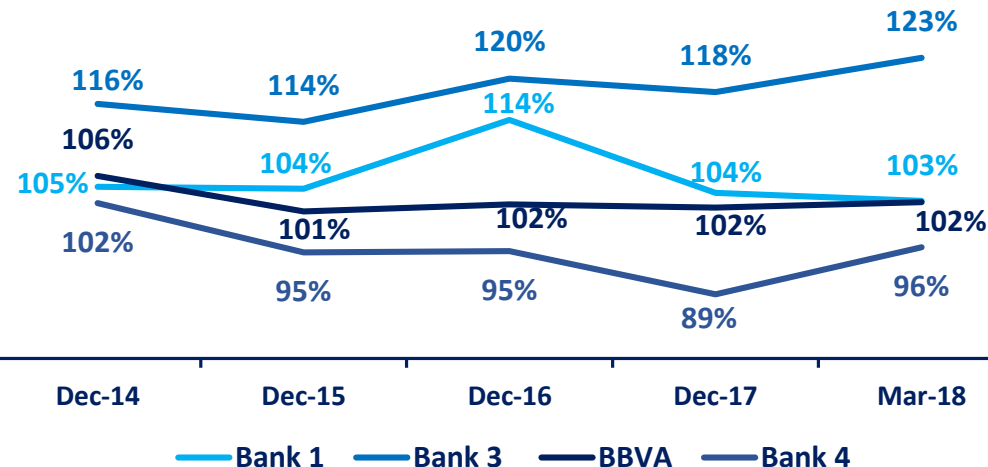


High level of self-financing and balance sheet in local currency

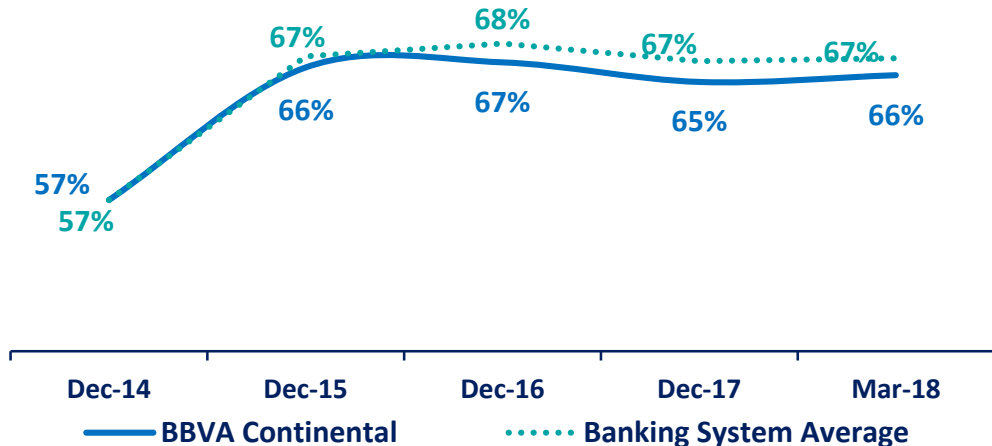
Loan-To-Deposit by currency¹



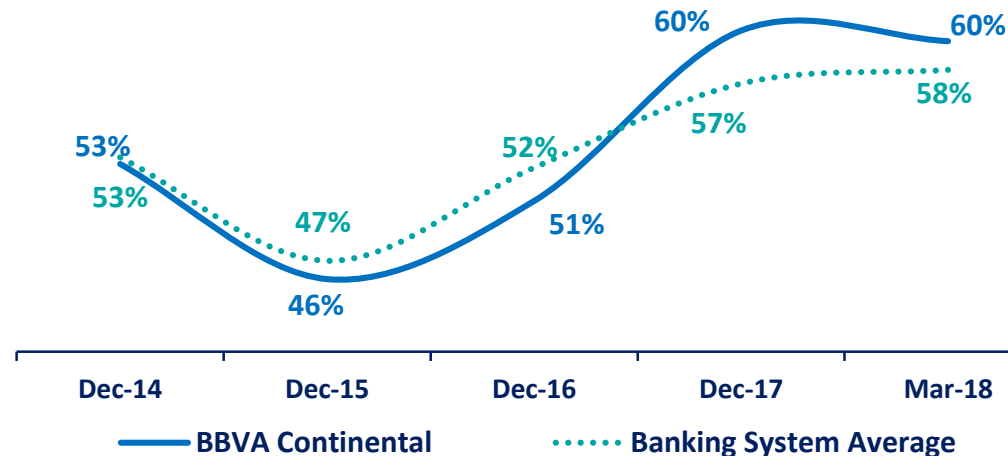
Loan-To-Deposit - Peer group



Domestic Currency Performing Loans (% Total Loans)



Domestic Currency Deposits (% Total Deposits)



¹ Other obligations are excluded from deposit.

Source: SBS

BBVA Continental Profit & Loss

(S/ Million)

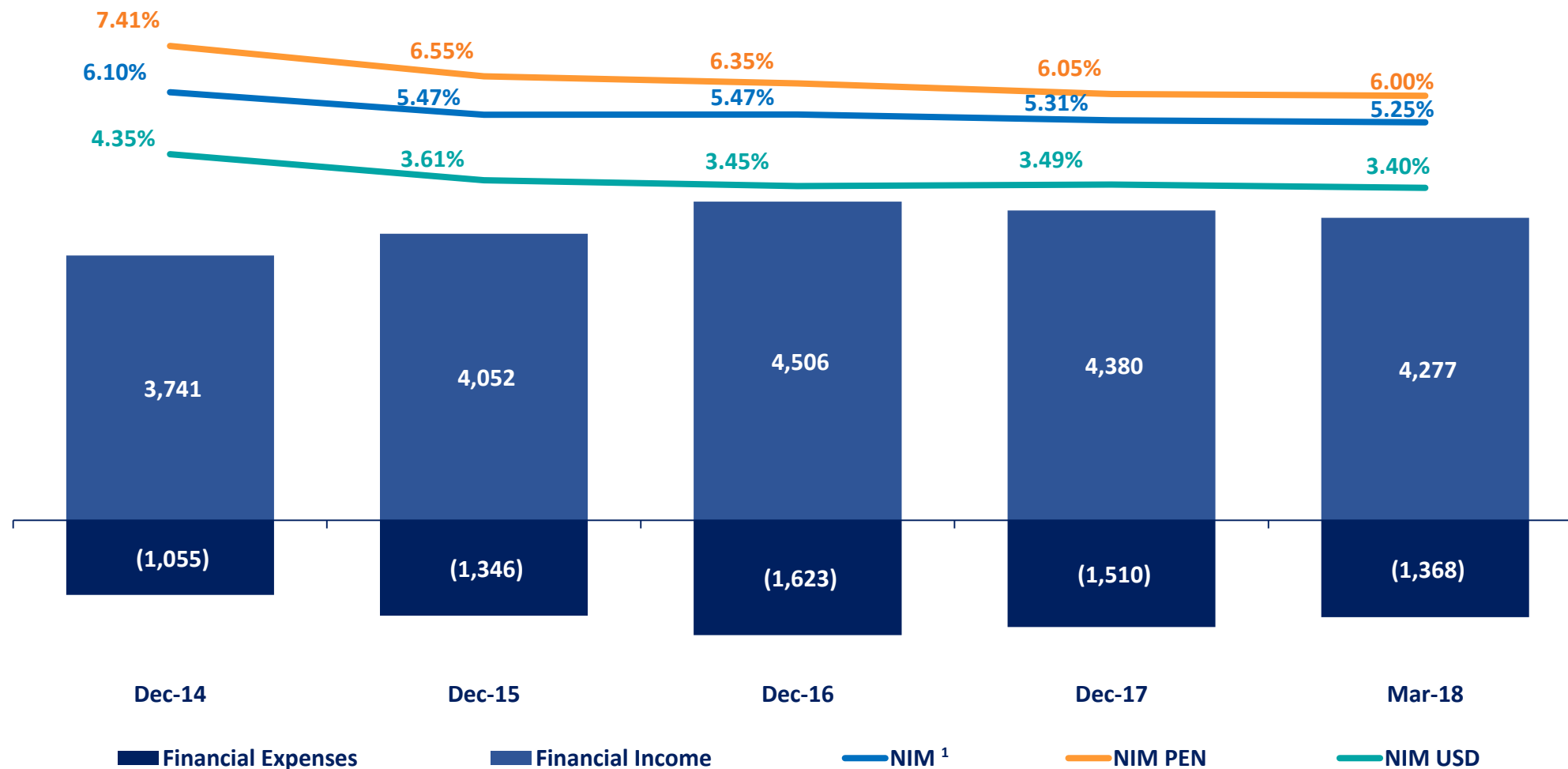
	Mar-18	Mar-17	%
Gross Financial Margin	727	714	1.8
Provisions for direct loans	(176)	(140)	25.6
Net Financial Margin	551	574	-4.0
Income from financial services	264	254	4.0
Expenses from financial services	(85)	(72)	18.6
Gain / Loss From Financial Operations (ROF)	149	129	15.6
Operating Margin	879	885	-0.7
Administrative expenses	(377)	(366)	2.9
Depreciation and amortization	(35)	(29)	20.7
Net Operating Margin	467	489	-4.6
Asset valuation and other provisions	3	(33)	-109.3
Other Income and Expenses	(3)	(16)	-78.2
Profit / Loss Before Income Tax	466	440	5.9
Income tax	(133)	(123)	7.9
Net Profit	334	317	5.2



¹ Includes administrative expenses, depreciation and amortization

² Includes asset valuation, other provisions, and other income and expenses

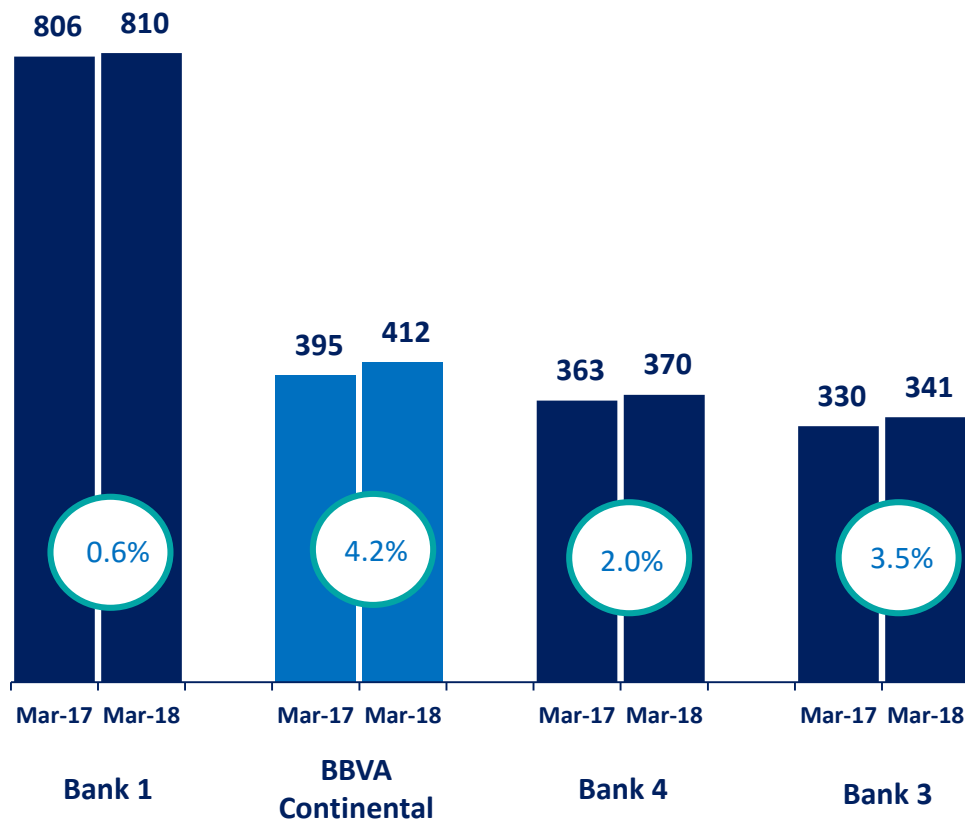
Gross Financial Margin (\$/ Million,%)



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

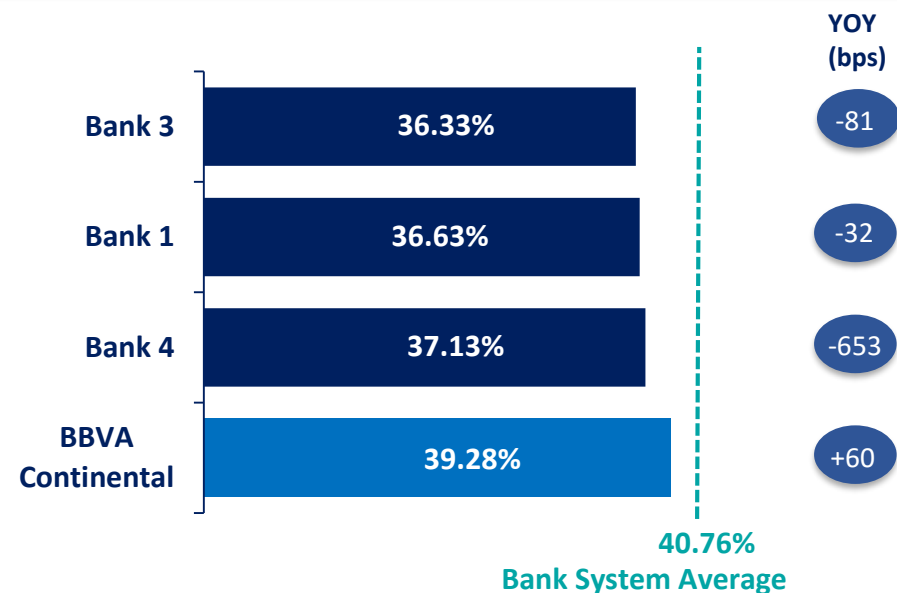
Expenses Management

Administrative Expenses¹ (\$/ Million, %)

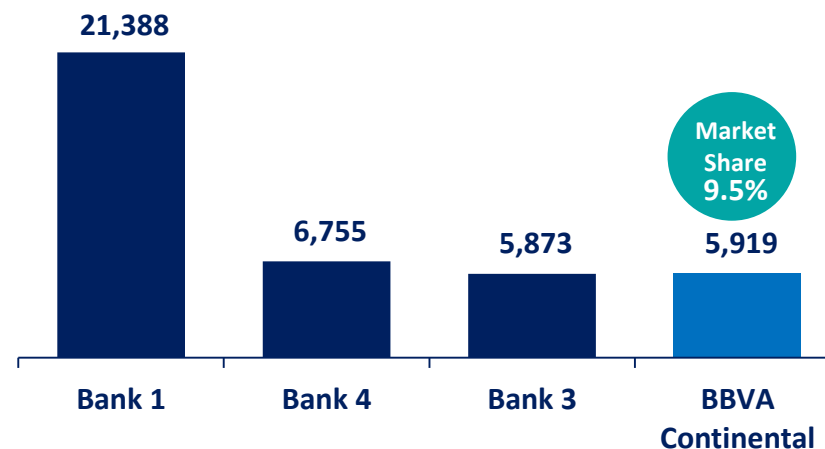


¹ Includes Amortization and Depreciation
Source: SBS

Efficiency Ratio (March 2018)

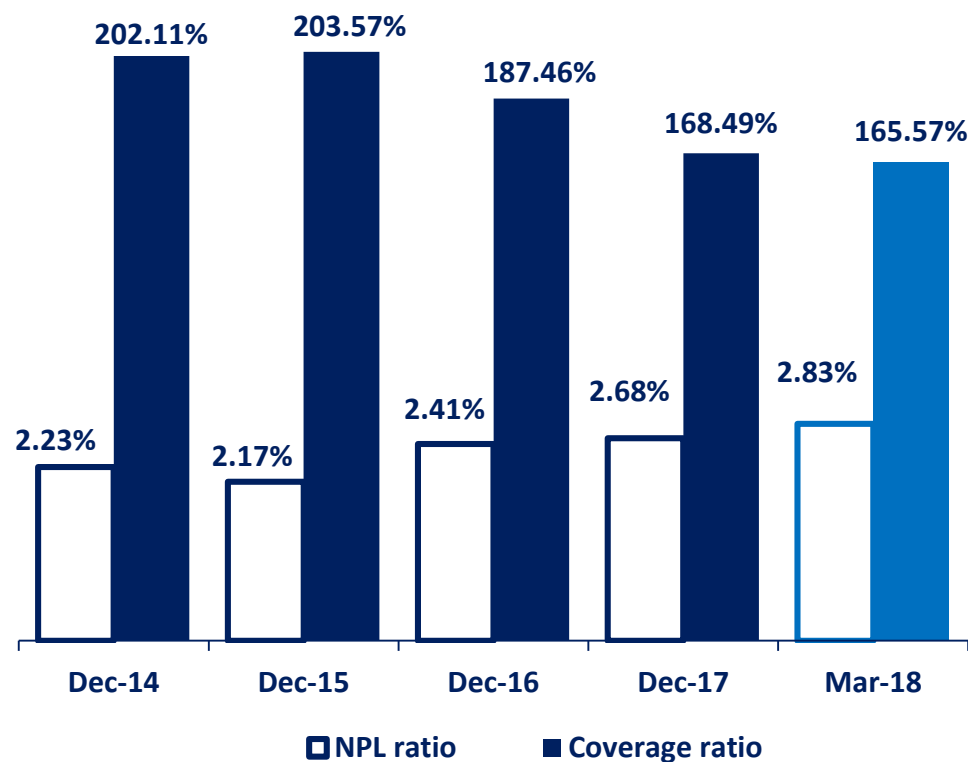


Number of Employees (March 2018)

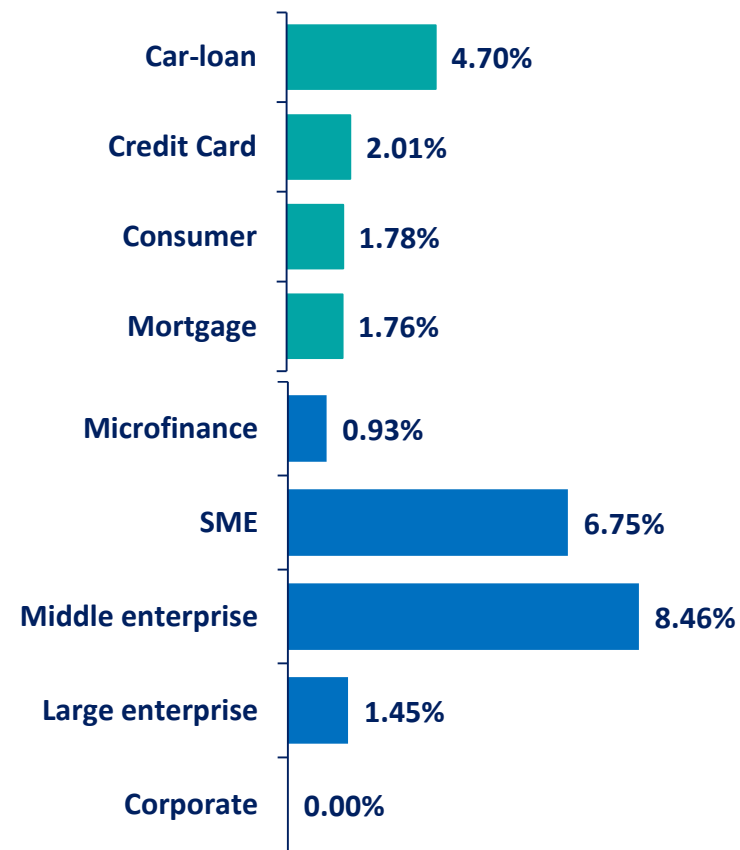


Risk Management

Outstanding Asset quality (March 2018)

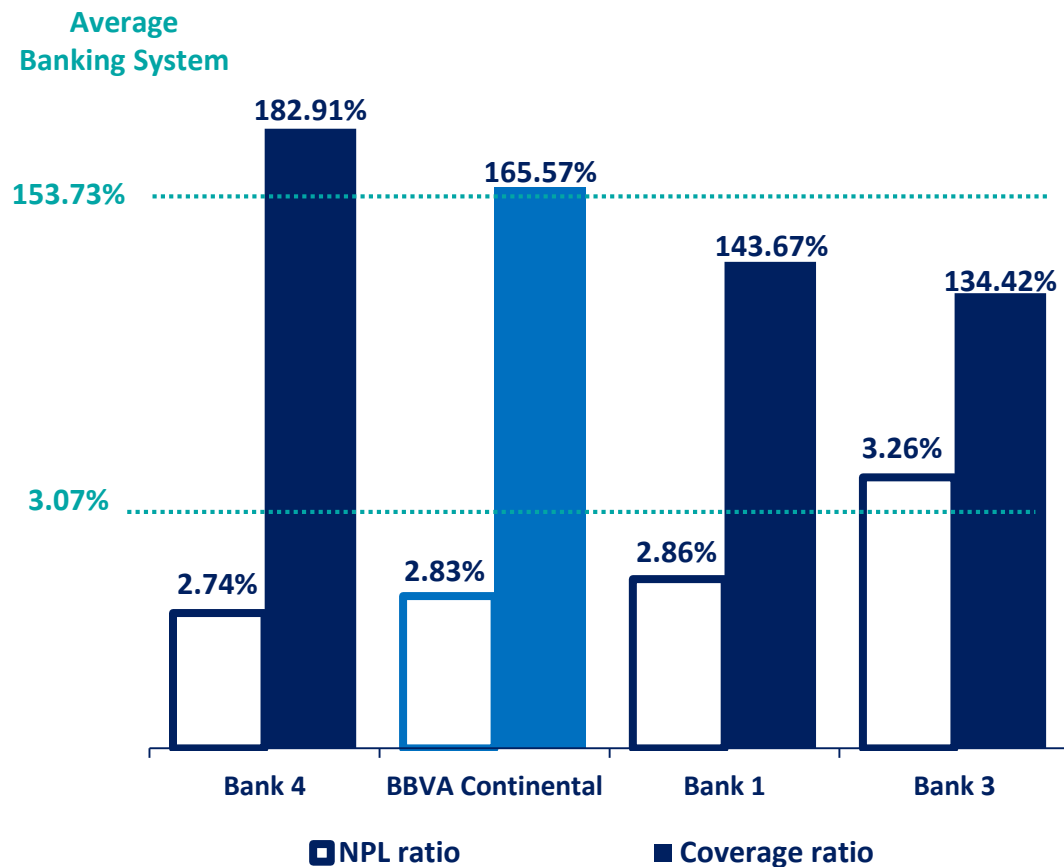


NPL Ratio by Product and Segment (March 2018)



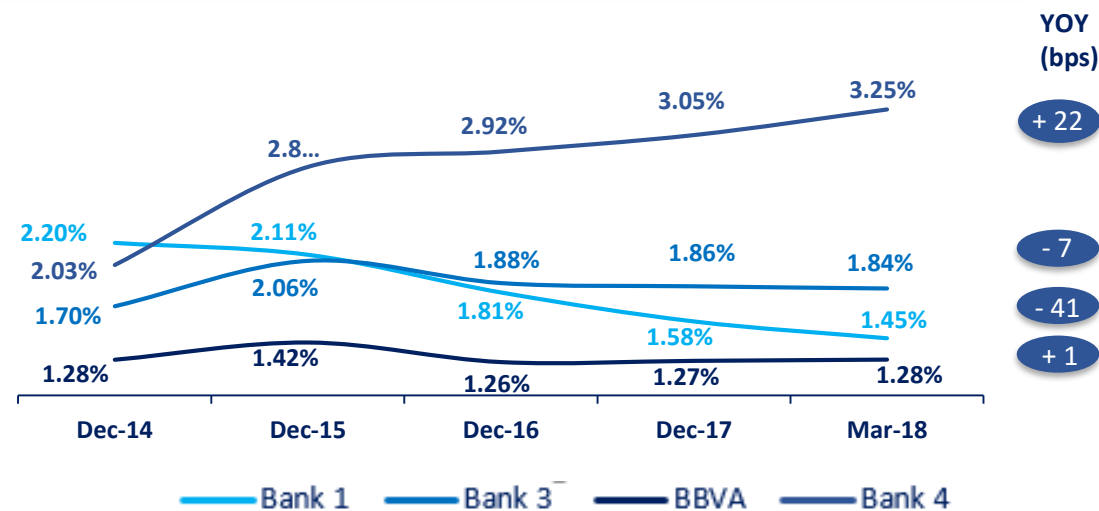
Risk Management

NPL Ratio & Coverage Ratio (March 2018)

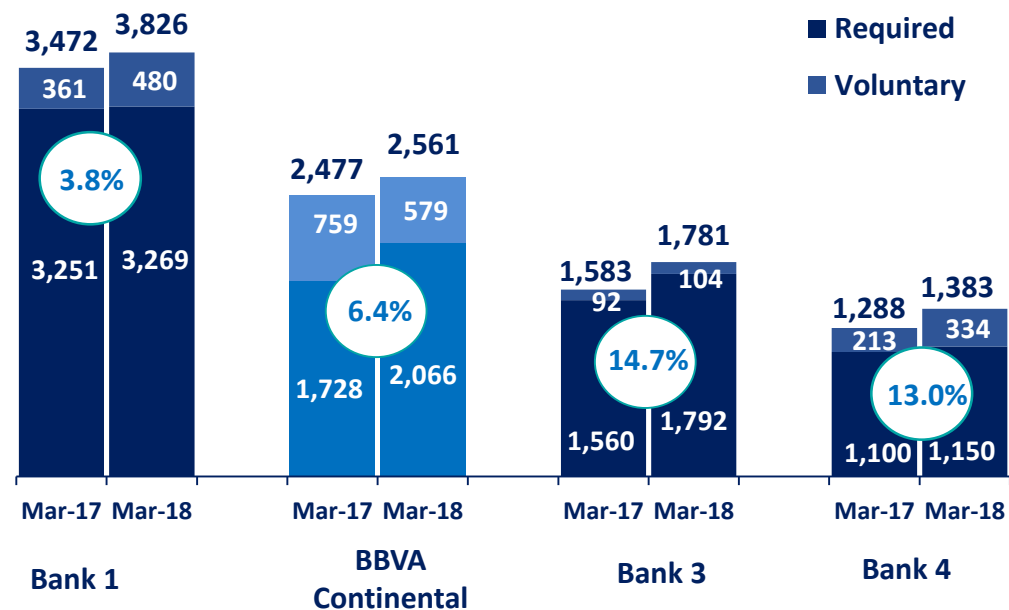


¹ Risk Cost: Provisions for the last 12 months between average loans from the last 12 months. Source: SBS

Best Cost of Risk¹ vs. Peer Group

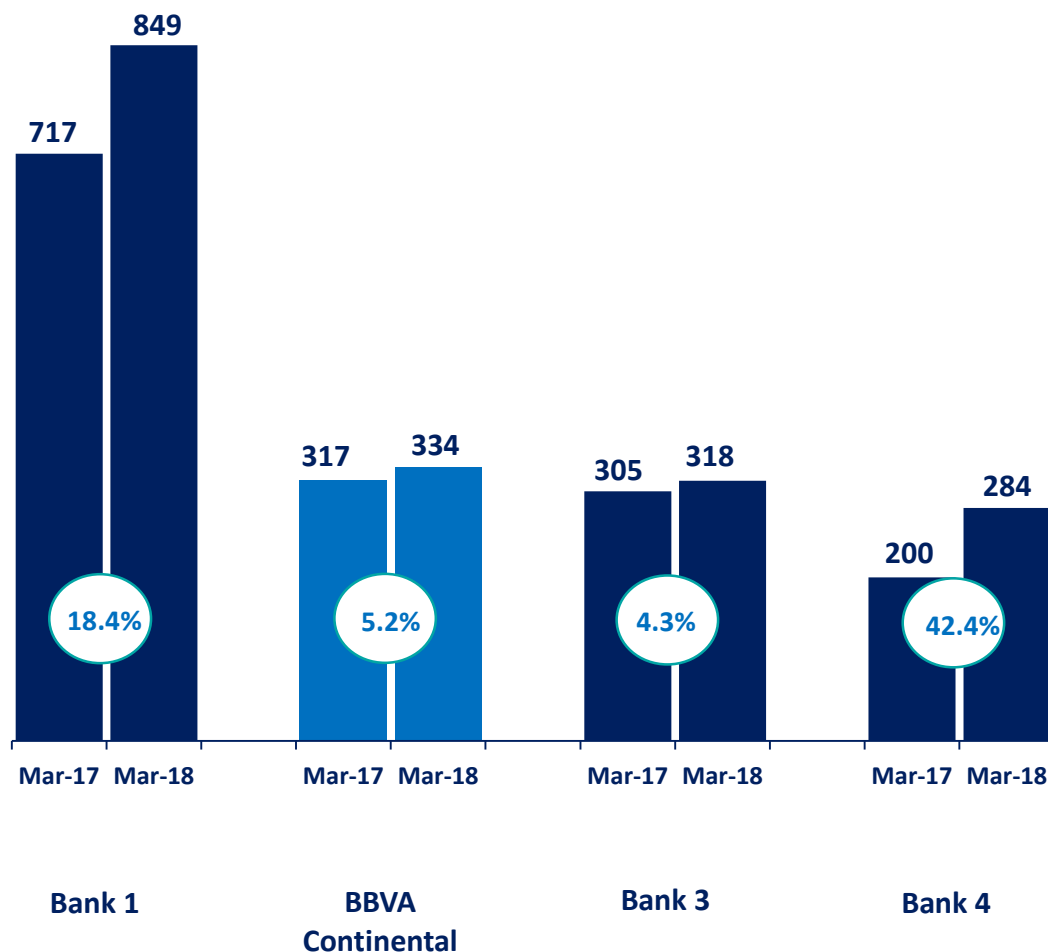


Maintaining High Levels of Voluntary Provisions (S/ Million)

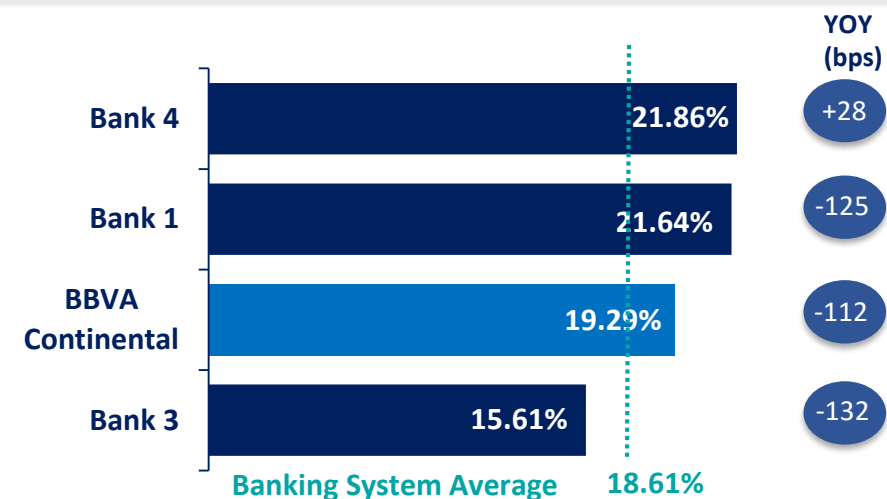


Profitability Management

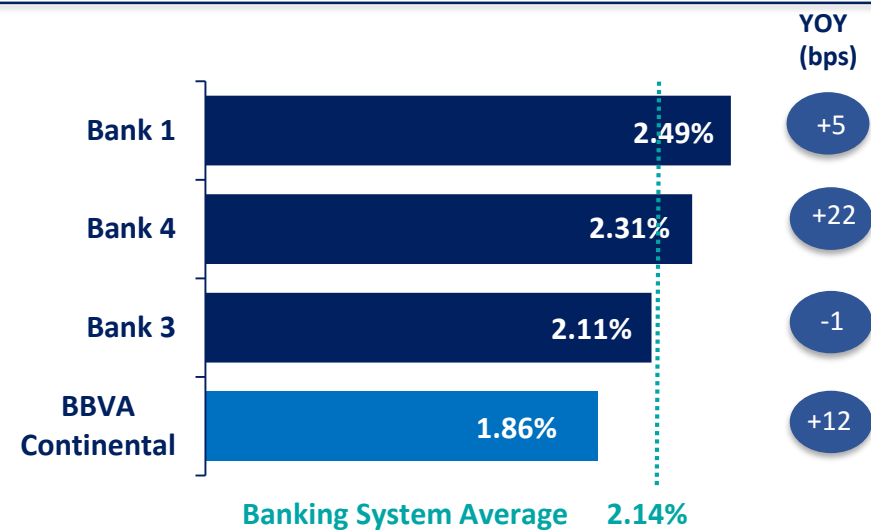
Net Profit (\$/ Million, %)



Return on Equity – ROE (March 2018)

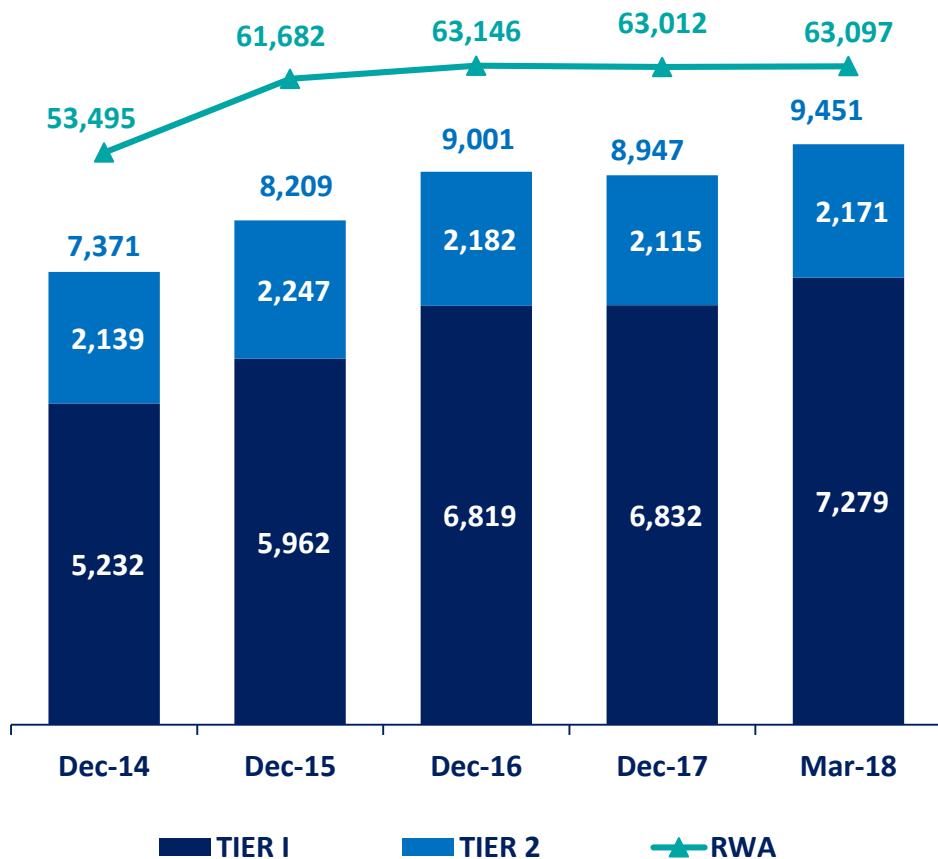


Return on Assets – ROA (March 2018)

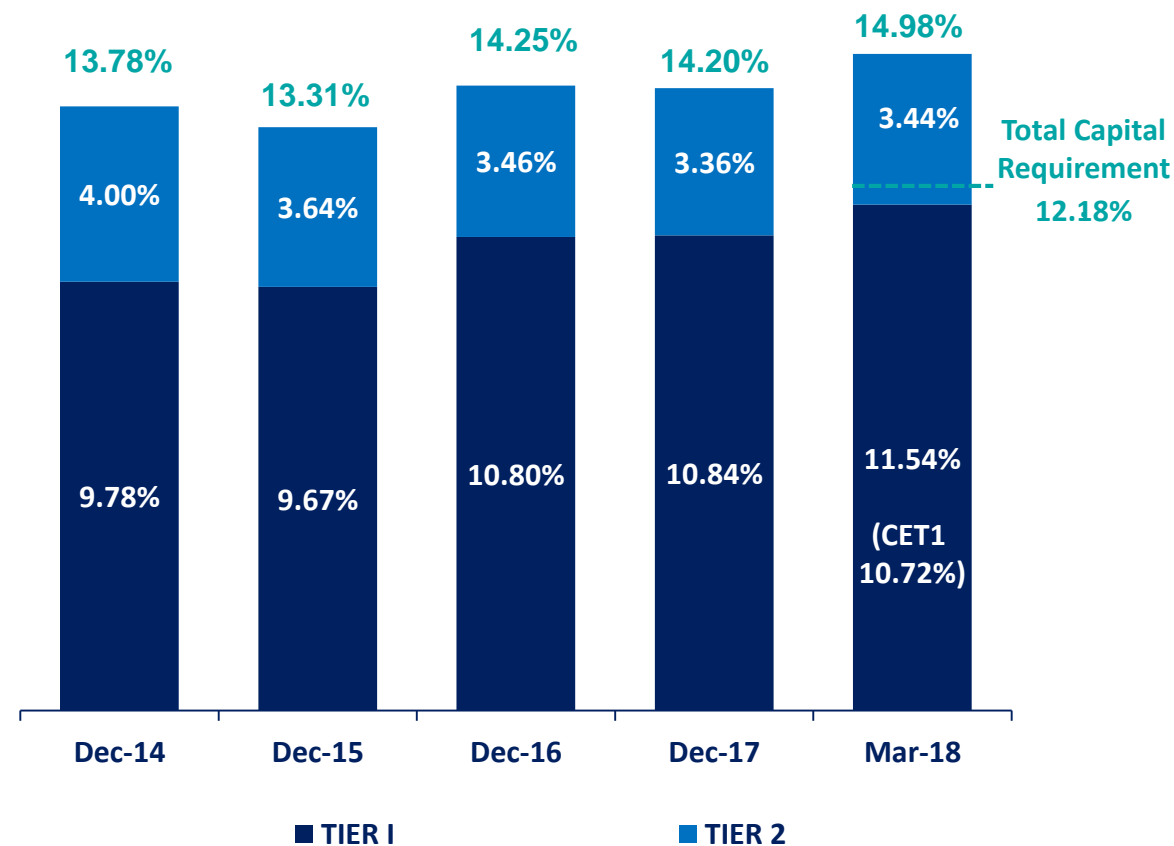


Solvency Management

Regulatory capital & RWA (\$/ Million)

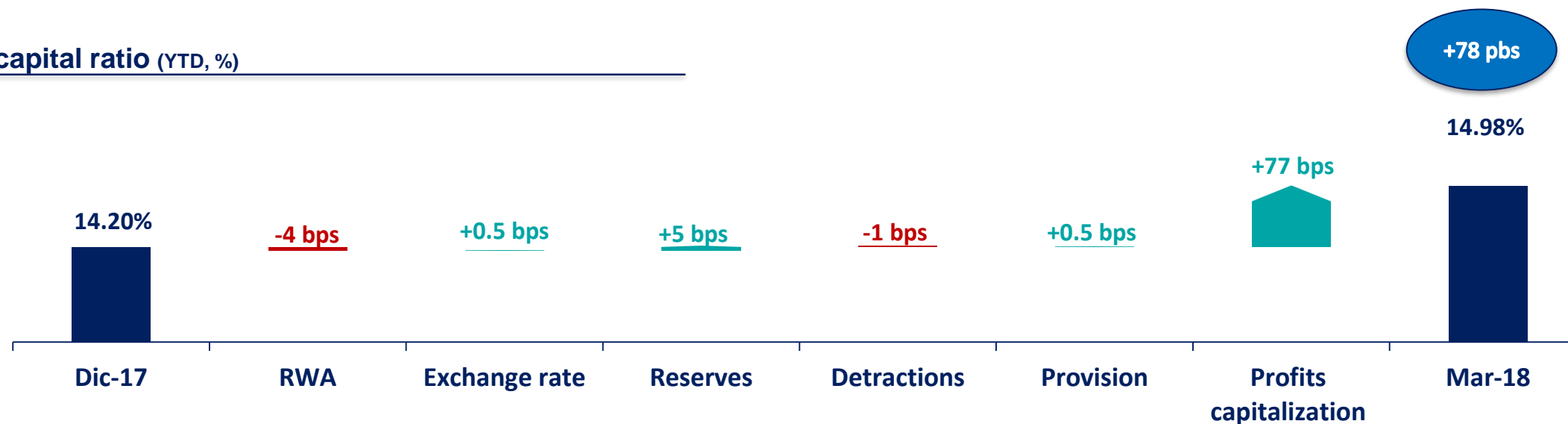


Capital Ratios

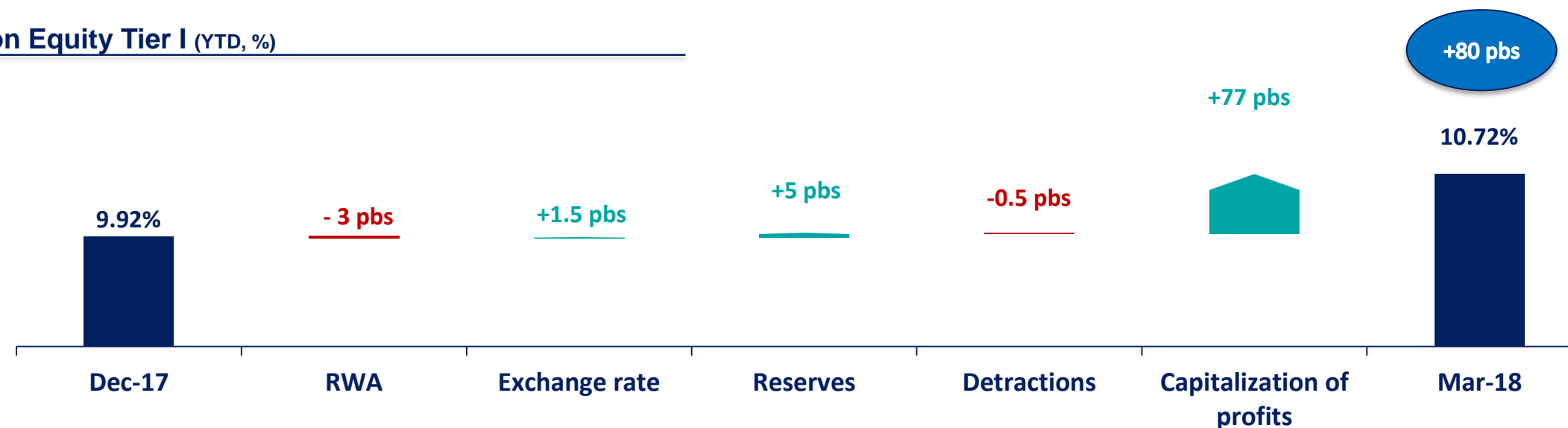


Main Changes in Capital Ratios

Global capital ratio (YTD, %)



Common Equity Tier I (YTD, %)





04

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	p1+
Short term deposits	CP-1+ (pe)	EQL 1+.pe	Categoría I
Term deposits > 1 year	AAA (pe)	AAA.pe	pAAA
Corporate bonds	AAA (pe)	AAA.pe	pAAA
Subordinated bonds	AA+ (pe)	AA+.pe	pAA+
Leasing bonds	AAA (pe)	AAA.pe	pAAA
Common shares	1a (pe)	1a Clase.pe	PC N1
Issuer rating	A+	A+	A+



05

Social Responsibility and Awards

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

SOCIAL RESPONSIBILITY



BBVA Continental
Informe de Banca Responsable 2017

Social, Economical and Environmental Responsibility Report

Reading Program:
“Leer es estar adelante”



BOLSA DE VALORES DE LIMA **BVL**

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

AWARDS



GLOBAL PRIVATE BANKING AWARDS 2017



GLOBAL FINANCE



Best Digital Bank 2017



EUROMONEY
CASH MANAGEMENT SURVEY 2016

IRENE



Most Recommended Bank 2017



RANKING SAB 2015
1er PUESTO
CONTINENTAL BOLSA S.A.B.
UNIVERSIDAD DEL PACIFICO
DE GESTION



Appendix

Debt Issuances

Debt Issuances

	Bond	Issue Date	Call Date	Due Date	Currency	Issued Amount (m)	Coupon Rate	ISIN
International	Corporate	Ago-12	-	Ago-22	USD	500,000	5.00%	US05537GAA31-USP16260AA28
	Corporate	Abr-13	-	Abr-18	USD	500,000	3.25%	US05537GAC96-USP16236AF16
	Subordinated	Set-14	Set-24	Set-29	USD	300,000	5.25%	US05537GAD79-USP16236AG98
Local	Subordinated	May-07	May-22	May-27	USD	20,000	6.00%	PEP11600D029
	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
	Corporate	May-08	-	May-18	PEN	60,000	7.09%	PEP11600M137
	Subordinated	Jul-08	-	Jul-23	PEN	45,000	3.06%	PEP11600D078
	Subordinated	Set-08	-	Set-23	PEN	50,000	3.09%	PEP11600D086
	Subordinated	Dic-08	-	Dic-33	PEN	30,000	4.19%	PEP11600D094
	Corporate	Ago-10	-	Ago-20	PEN	40,000	7.19%	PEP11600M145
	Corporate	Ago-10	-	Ago-20	PEN	80,000	7.22%	PEP11600M152
	Corporate	Ago-11	-	Ago-18	PEN	100,000	7.13%	PEP11600M160
	Corporate	Dic-11	-	Dic-26	PEN	150,000	7.47%	PEP11600M186
	Corporate	Abr-12	-	Abr-19	PEN	200,000	5.81%	PEP11600M194
	Subordinated	Oct-13	Oct-23	Oct-28	USD	45,000	6.53%	PEP11600D102
	Corporate	Abr-16	-	Abr-19	PEN	150,000	6.19%	PEP11600M210
	Corporate	Abr-16	-	Abr-19	PEN	100,000	6.19%	PEP11600M228
	Corporate	Jun-16	-	Jun-21	PEN	150,000	6.28%	PEP11600M236
	BAF	Oct-16	-	Oct-19	PEN	205,100	5.47%	PEP11600K057
	BAF	Ene-17	-	Ene-20	PEN	200,000	6.03%	PEP11600K065
	Corporate	Nov-17	-	Nov-20	PEN	350,000	4.78%	PEP11600M244
BAF	Dic-17	-	Dic-20	PEN	158,000	4.63%	PEP11600K073	

Total Debt	S/ Millions
Local	2,447
International	4,195
Total	6,642



BBVA CONTINENTAL

Investors Report

First Quarter 2018

BBVA Continental