

BBVA CONTINENTAL

Investors Report

Third Quarter 2018

BBVA Continental

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Appendix
Debt Issuances

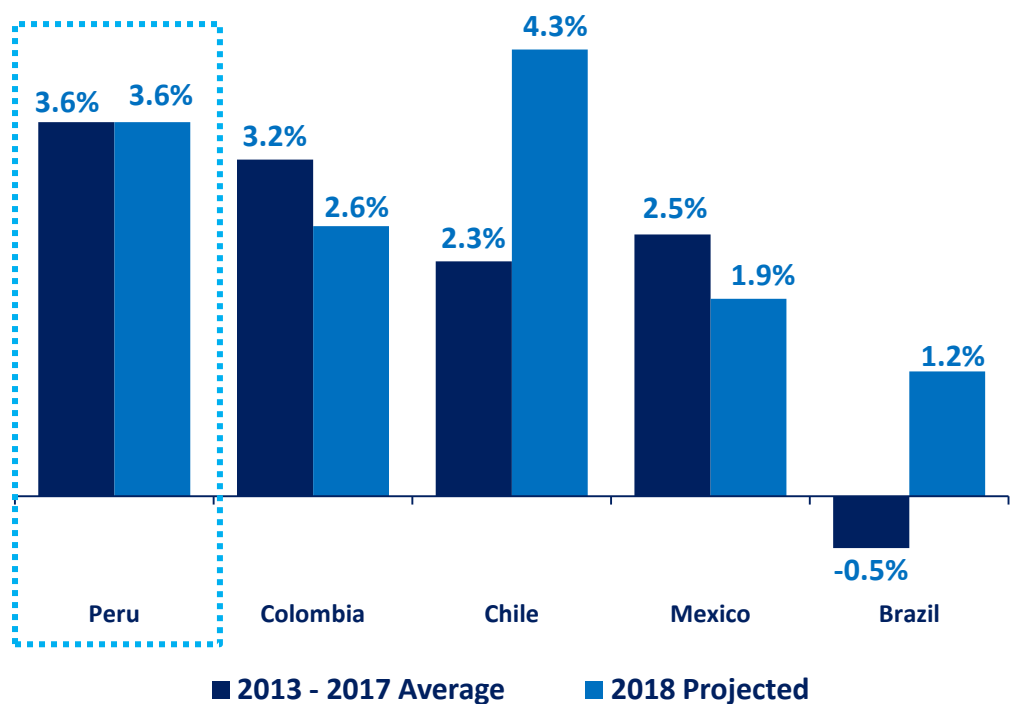


01

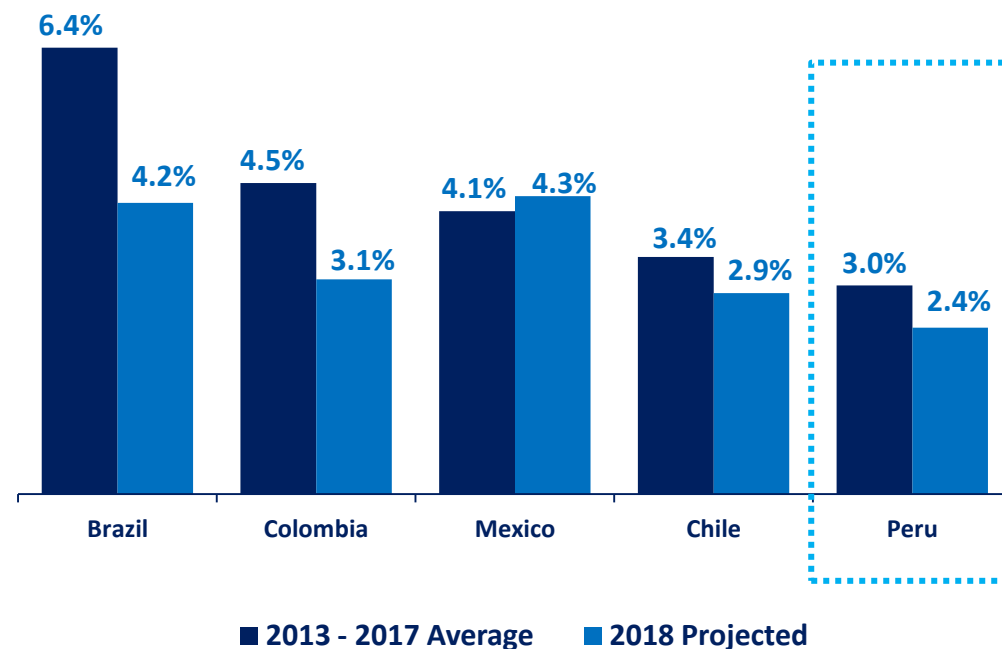
Peruvian Economy & Financial System

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

GDP Growth (Real)

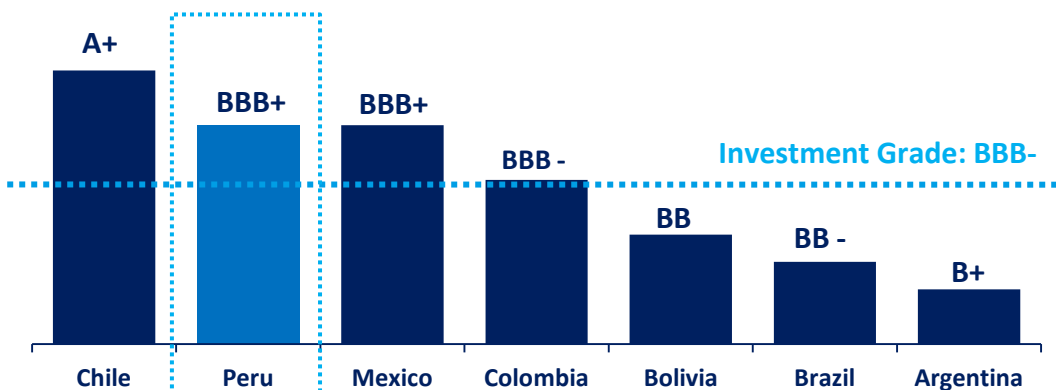


Inflation (End of Period)



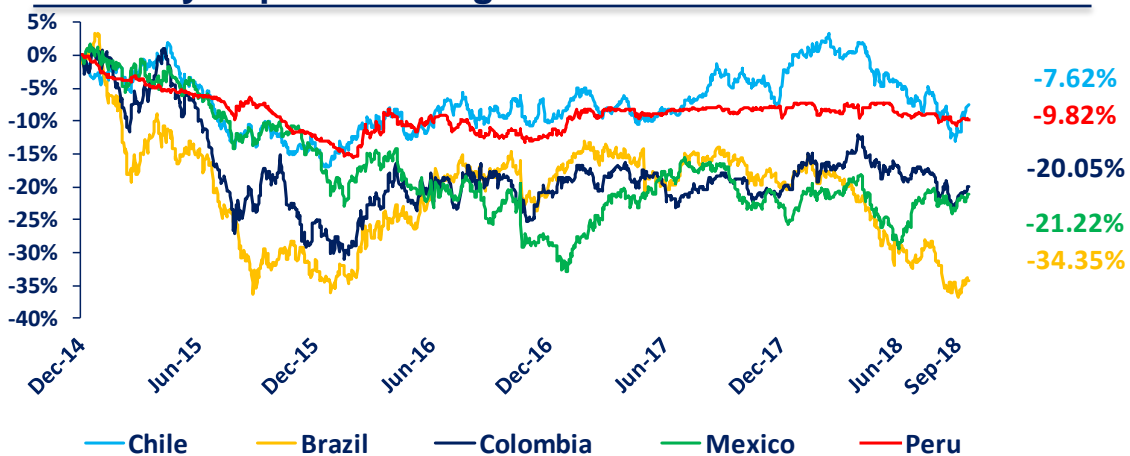
With sovereign investment grade, relatively stable currency and low indebtedness

Credit Risk Profile



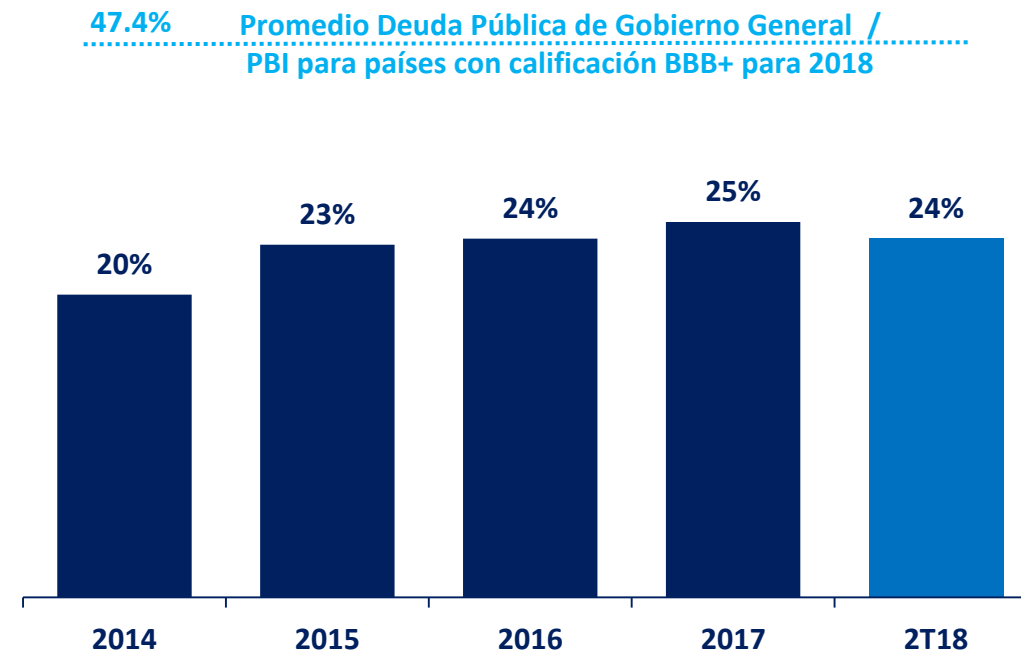
Source: Standard & Poor's

Currency Depreciation Against USD



Source: Bloomberg

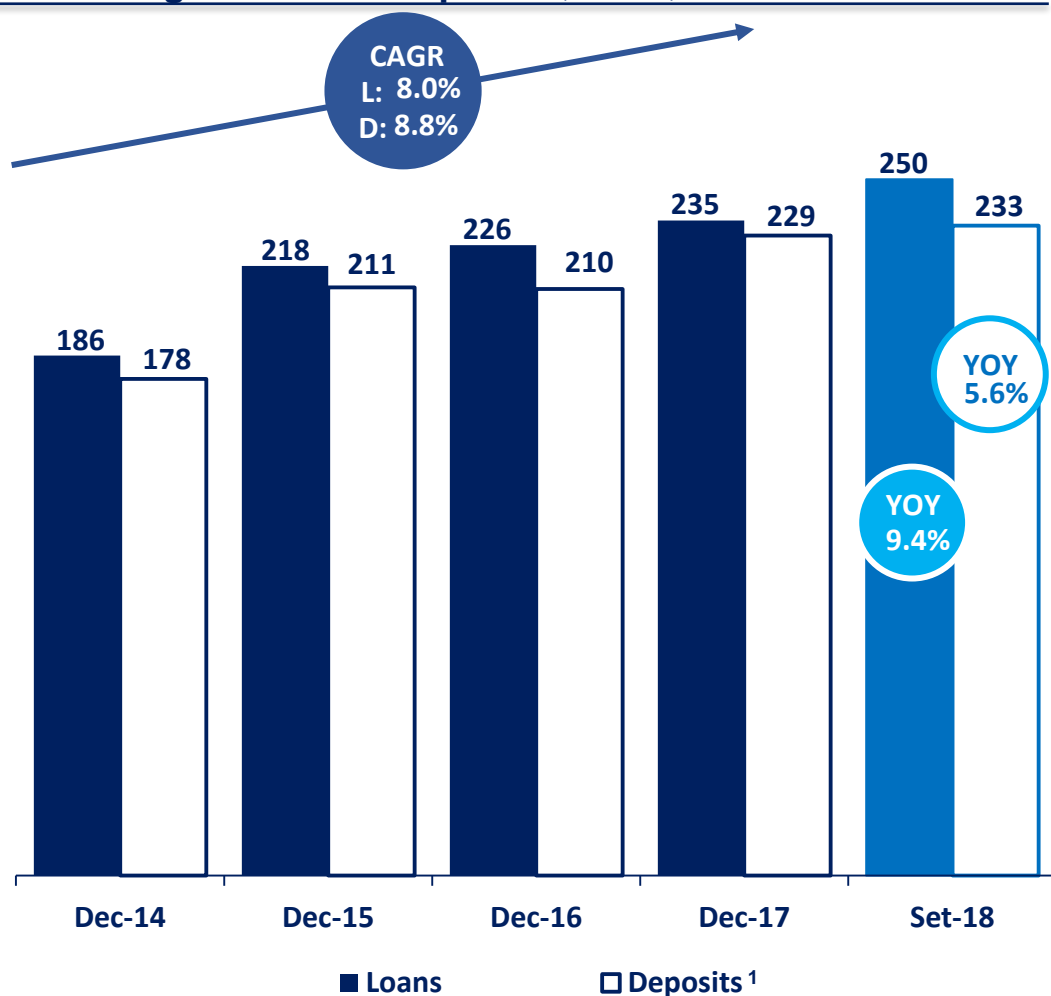
Peruvian Public Debt (% of GDP)



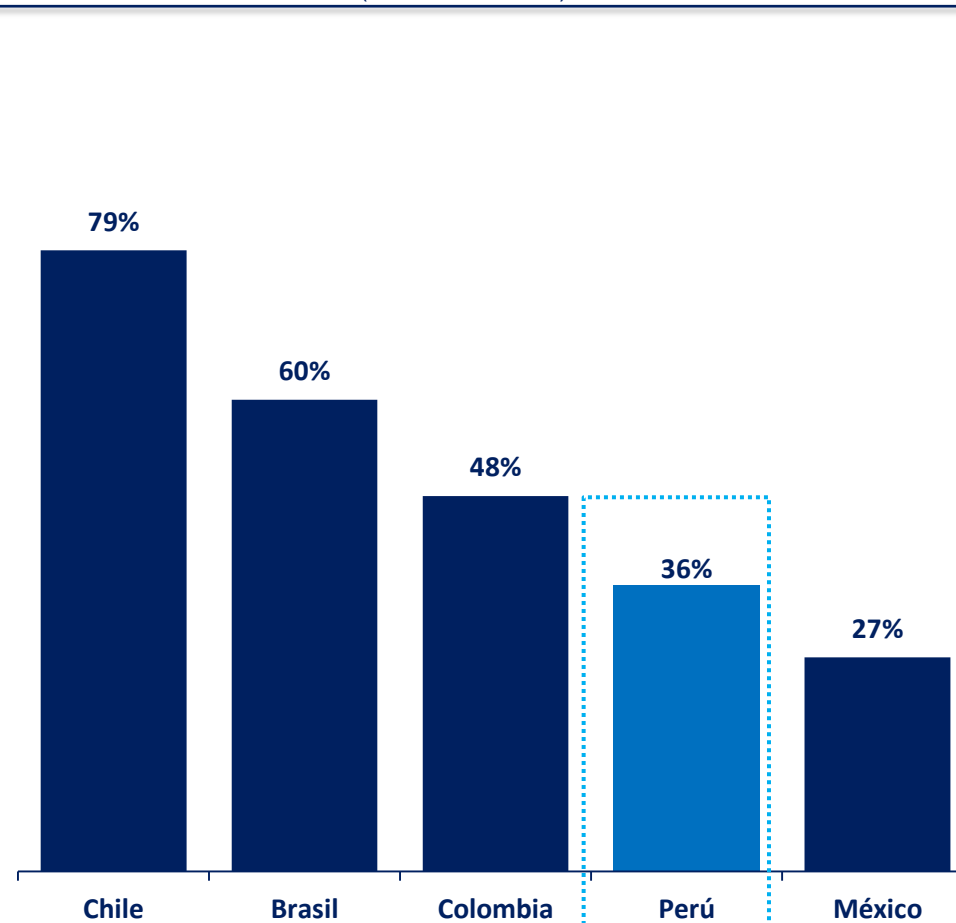
Source: BCRP

Peru has a solid Banking System with great opportunities to expand

Performing Loans and Deposits (S/ Billion)



Loans to Private Sector (% of GDP, 2017)



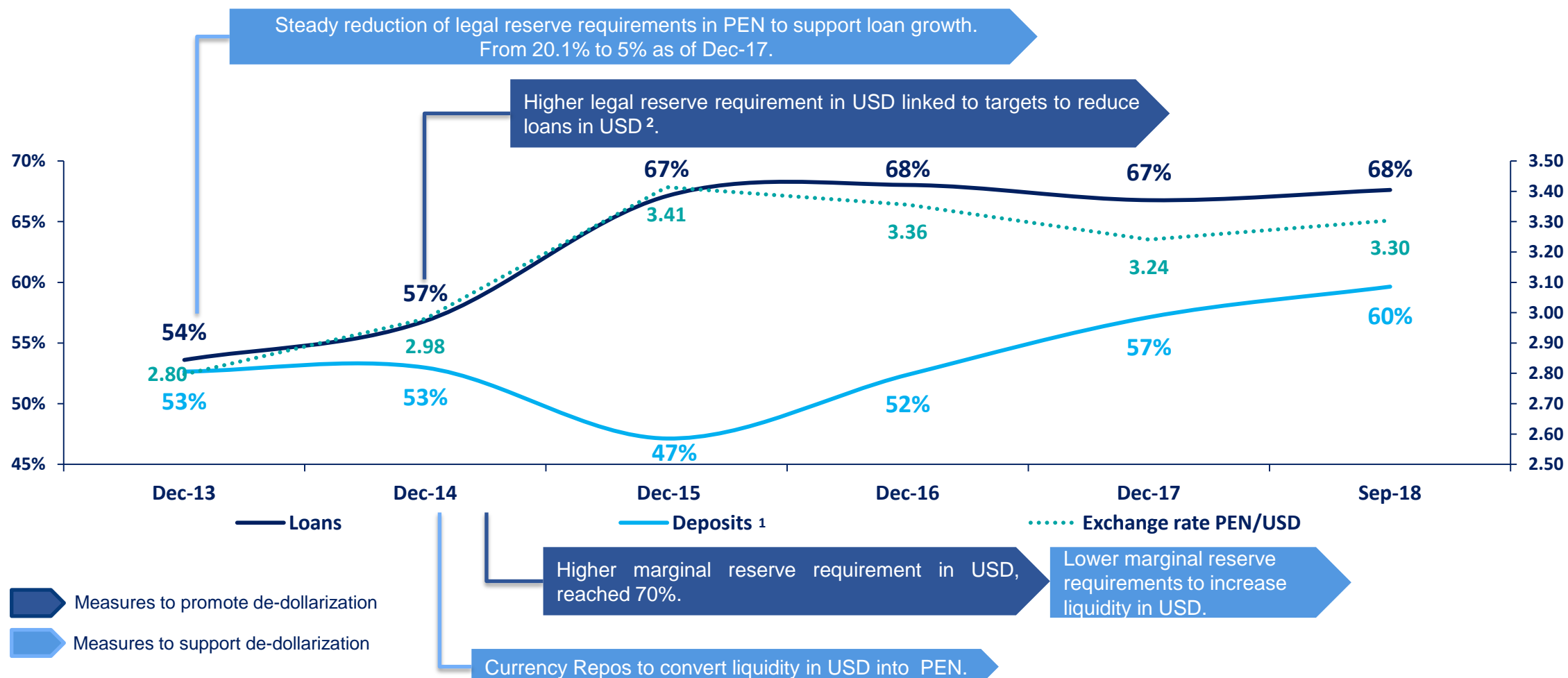
¹ Other obligations are excluded from deposits

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)



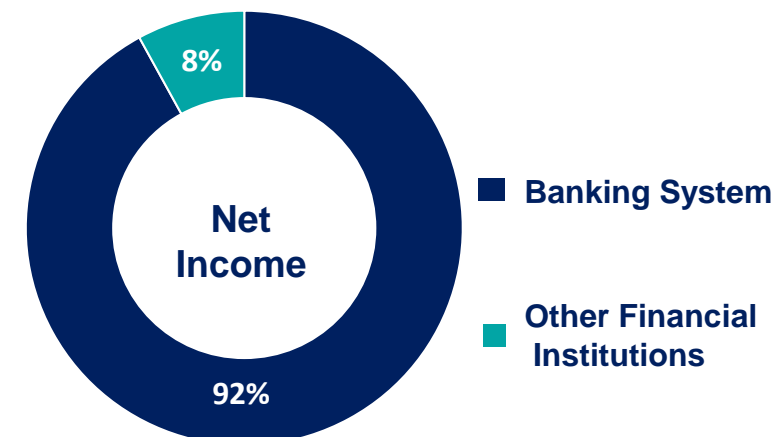
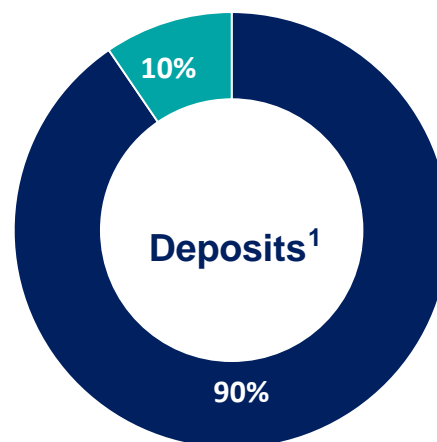
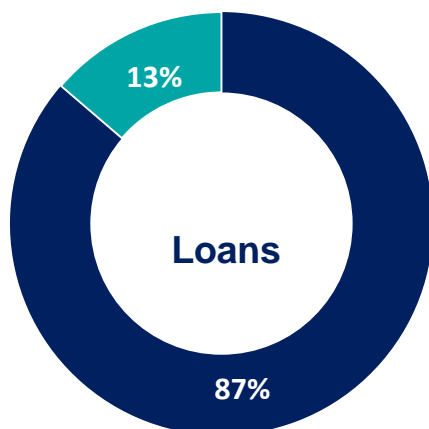
¹ Other obligations are excluded from deposits

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

Source: SBS & BCRP

Peruvian Financial System (September 2018)

Financial system	Institution S/ Million	Net loans Sep-18	Deposits Sep-18	Net Income Sep-18
Banking system	Banks (16)	248,882	232,887	6,112
	Banco de la Nación	9,086	23,588	623
Other financial institutions	Cajas Municipales (12)	18,756	20,431	265
	Financieras (11)	11,190	7,162	365
	Cajas Rurales (6)	1,416	1,325	12
	Edpymes (9)	1,990	-	35
	Leasing (1)	225	-	1
	COFIDE	4,448	141	10
	Agrobanco	343	-	-103



The 4th largest players concentrate around 82.4% of the banks loans and deposits

¹ Other obligations are excluded from deposits
Source: SBS

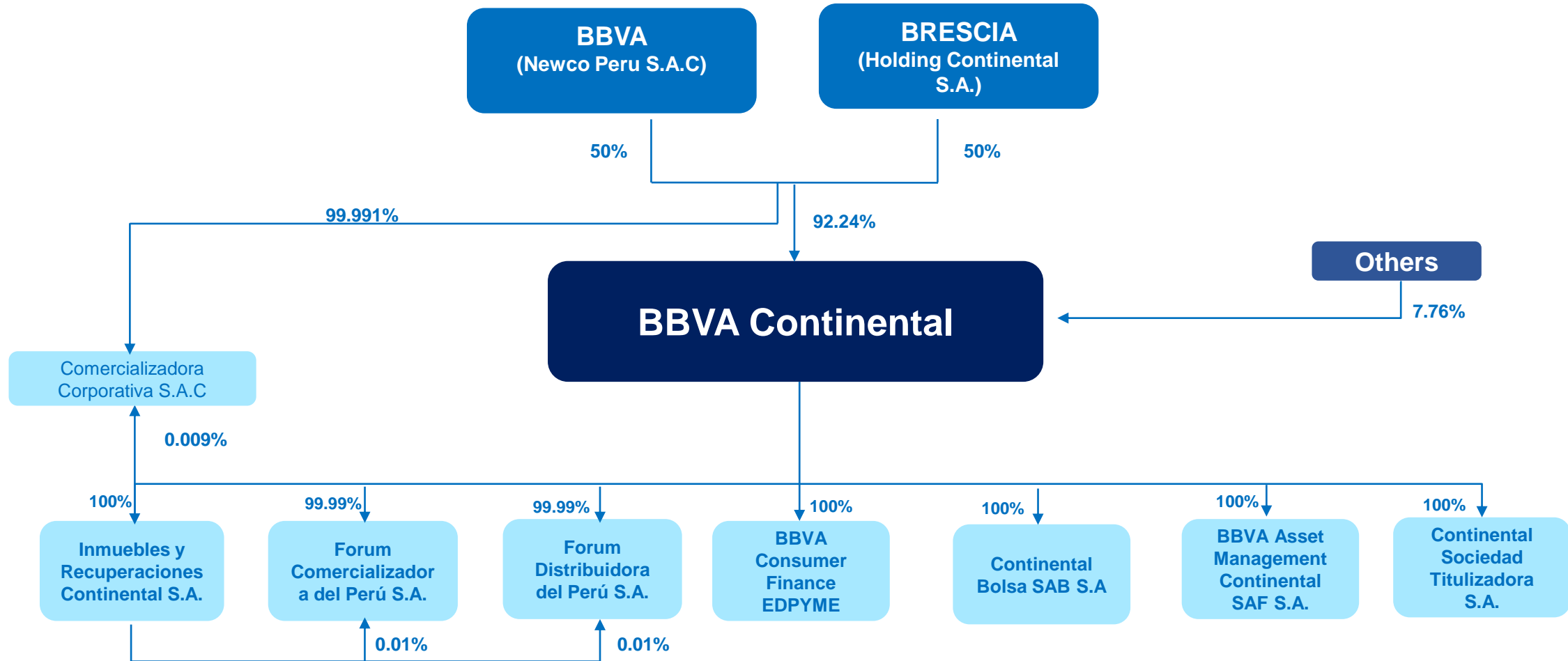


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About BBVA Continental

Shareholders

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

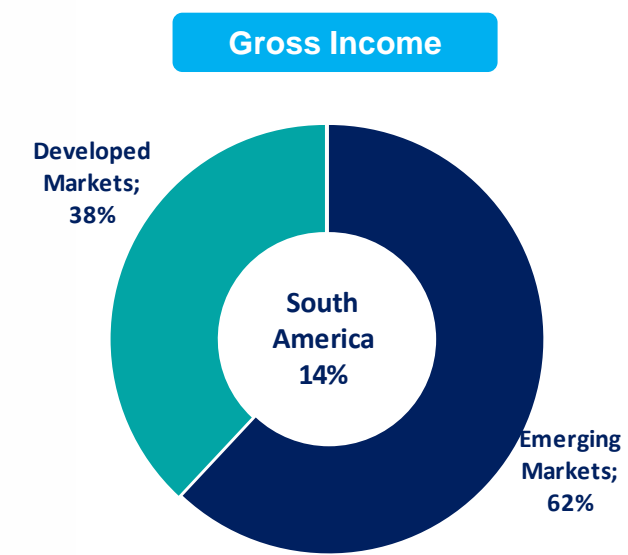


BBVA Group (September 2018)

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 its results



Well diversified & self sufficient subsidiaries¹



€669 billion in total assets **75** million customers **>30** countries **7,999** branches **31,396** ATMs **126,357** employees

¹ Excludes Corporate activities. Leading franchises in Developed (Spain and EEUU) and Emerging Markets (South America, Mexico and Turkey).
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

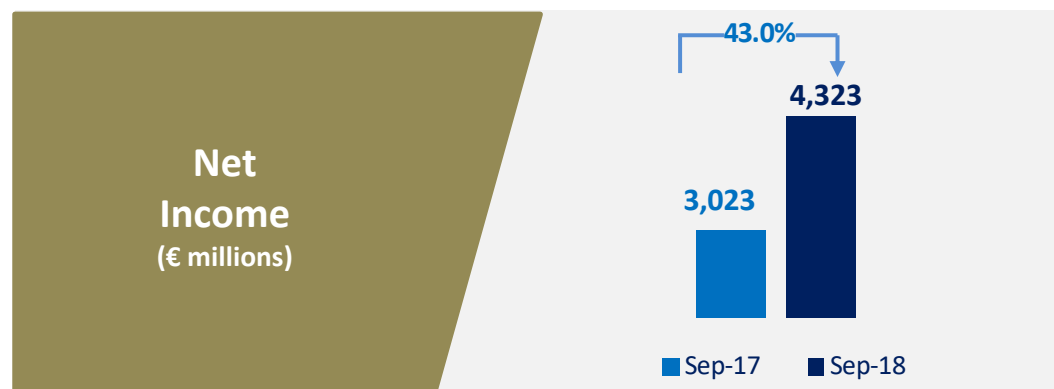
Advantages

-  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 (September 2018)

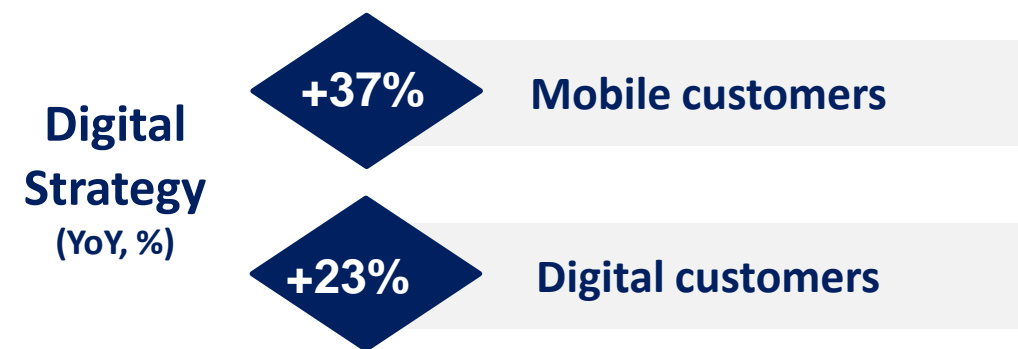
Assets <small>(€ millions)</small>	668,985
ROE	12.2%
ROA	0.95%



Great Asset Quality

NPL	4.1%
Cost of Risk	0.90%
Coverage Ratio	73%

Cost Control <small>(YoY, %)</small>	Administrative Expenses +2.7%	Efficiency Ratio 49.6%
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Strong Capital & Liquidity Ratios

Global Capital	CET1
15.9%	11.6%
Liquidity Coverage Ratio	127%



03

Financial Highlights

Highlights of BBVA Continental (September 2018)

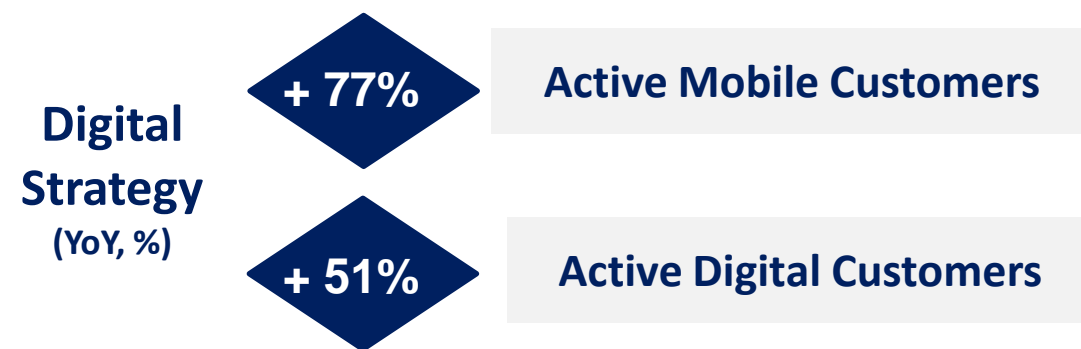
Assets <small>(S/ million)</small>	73,715
ROE	18.68%
ROA	1.89%



Great Asset Quality

NPL	3.05%
Cost of Risk	1.27%
Coverage Ratio	158.6%

Cost Control	Efficiency Ratio	37.90%
	Administrative Expenses ¹	+ 5.4% <small>(YoY, %)</small>



Strong Capital & Liquidity Ratios

Global Capital	CET1
14.72%	10.51%
Loan-to-Deposit	102%

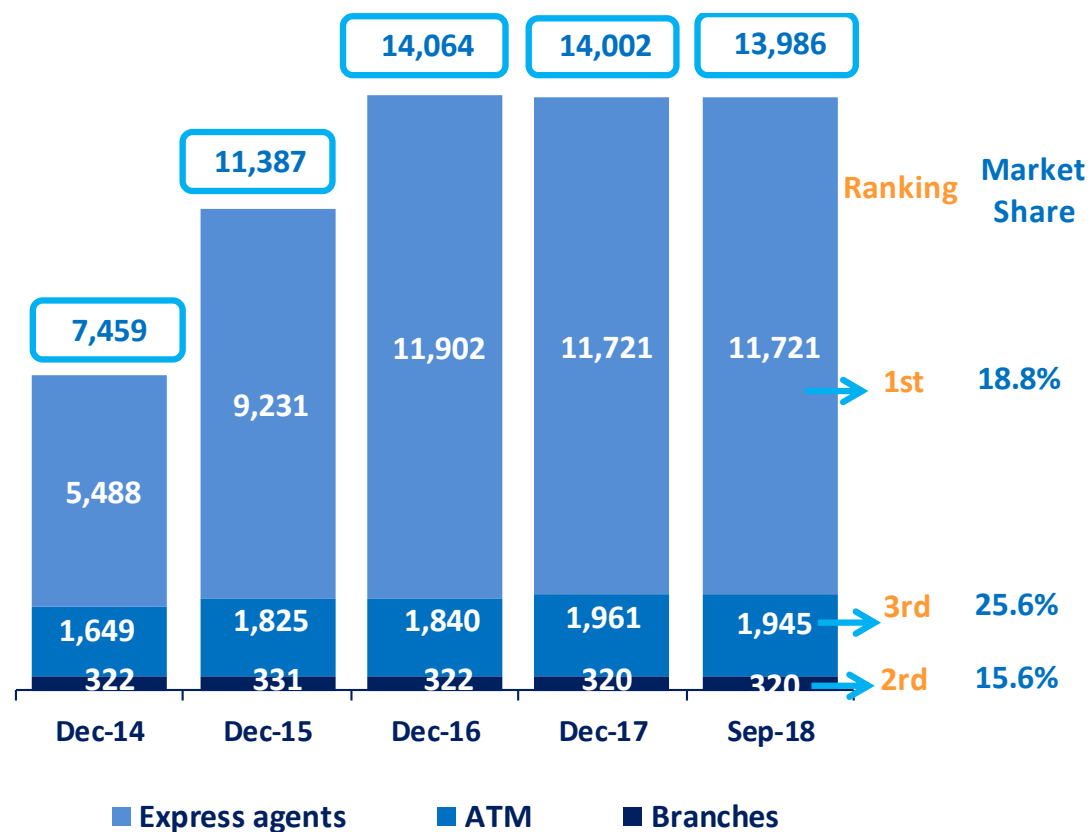
¹ Administrative Expenses include depreciation and amortization.

Strong banking platform

Distribution network¹

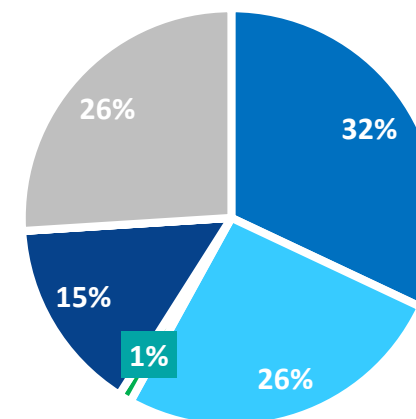
One of the largest in the country

- ✓ 13,986 points of service
- ✓ More than 5.5 million customers

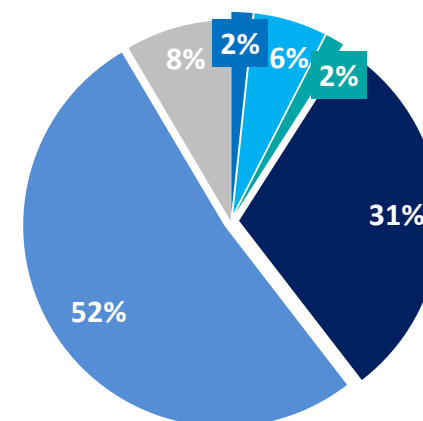


Evolution in transactions per channel

2008



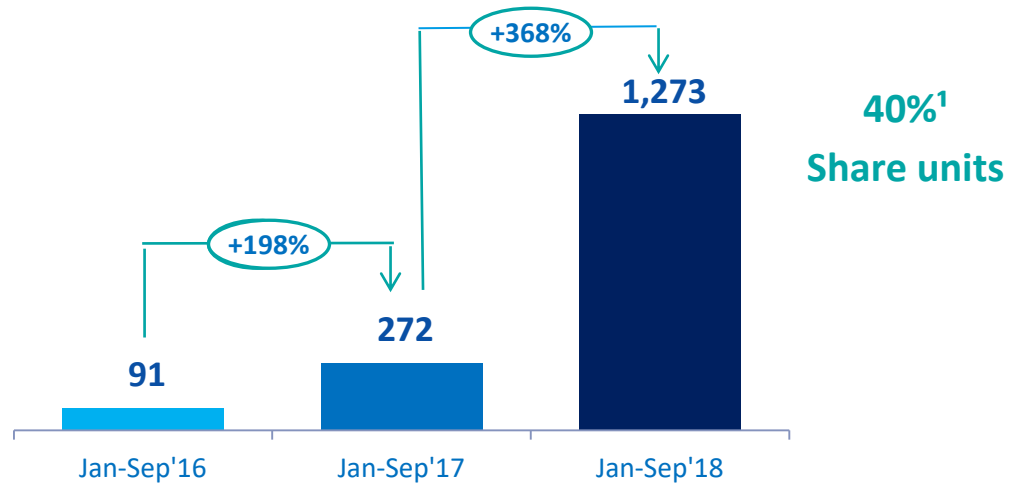
September 2018



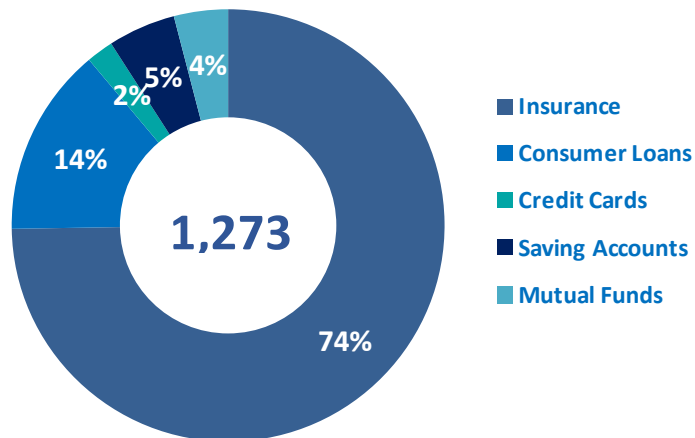
- Branches
- ATM
- Express Agent
- Internet Banking
- Mobile Banking
- Others²

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

Digital Sales – Units (thousands)



Digital Sales by Product (September 2018)



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

Main Growth Drivers

- 1** Product Digitalization

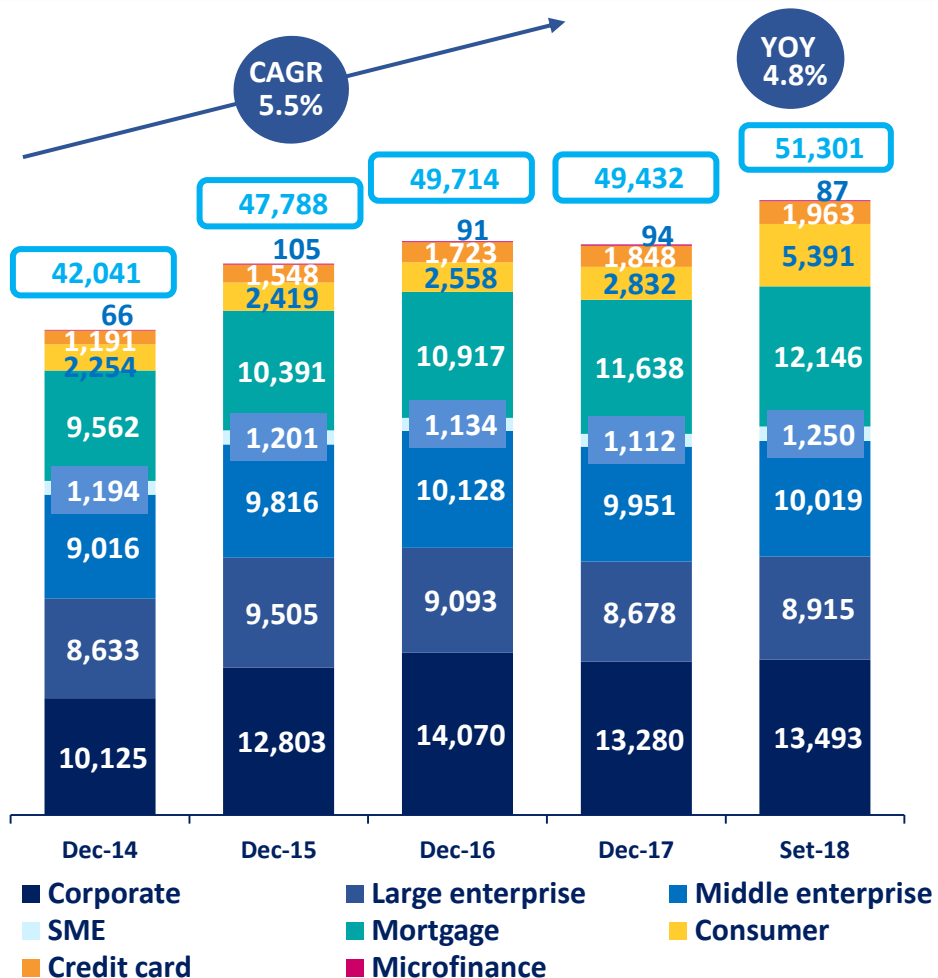
New sale channels for products: mutual funds, demand deposits, insurances and time deposits.
- 2** New Developments

Credit cards sale by web forms with risks evaluation fully online. Credit cards sale and opening saving accounts by Mobile Banking.
- 3** Clients digitalization and branches incentives with a better post-lead management

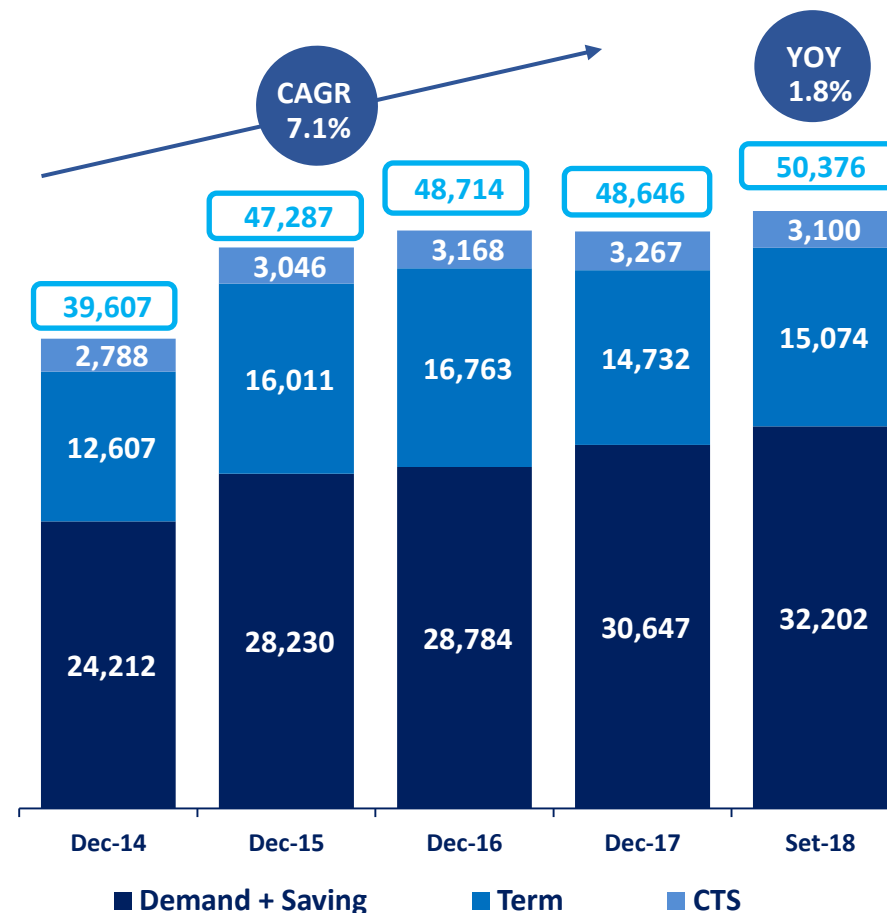
Salesforce objectives based on digitalization, incentive programs
- 4** Digital Sales Processes improvement through AB tests
- 5** Investment in digital marketing and media optimization

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

Performing loans

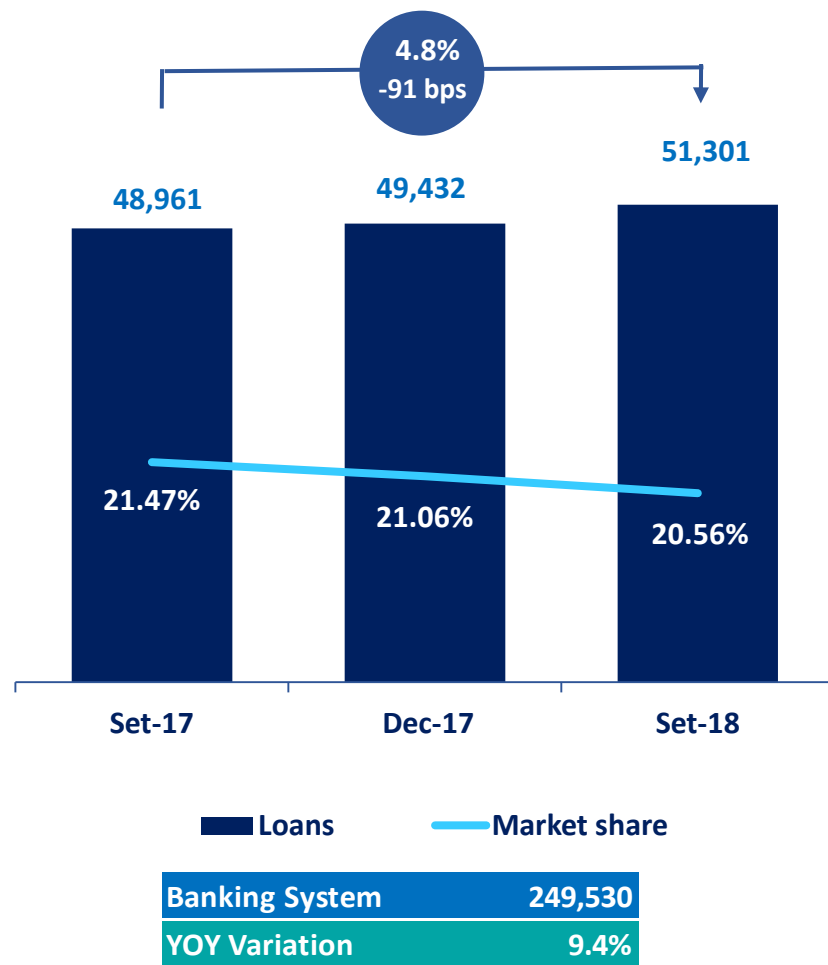


Deposits¹

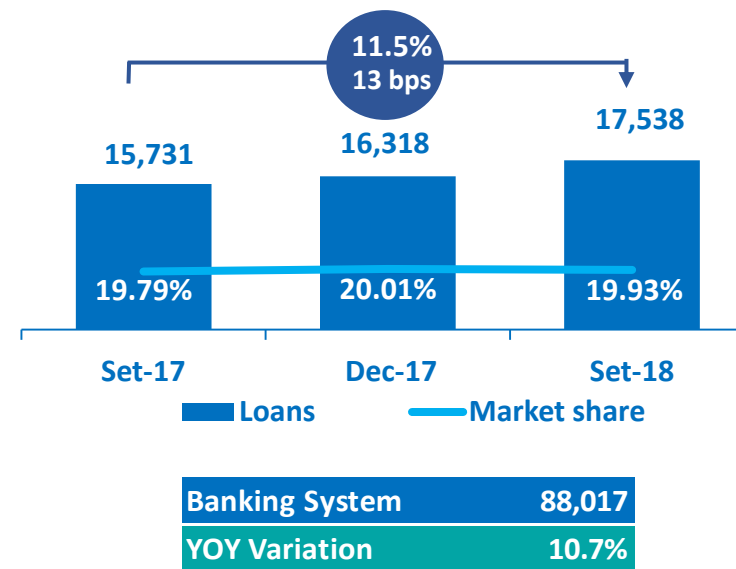


¹ Other obligations are excluded from deposits

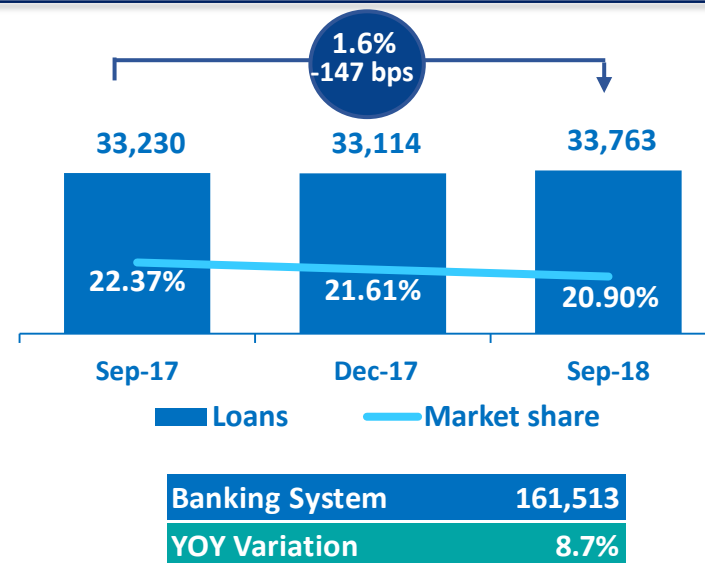
Performing Loans (S/ Million, %)



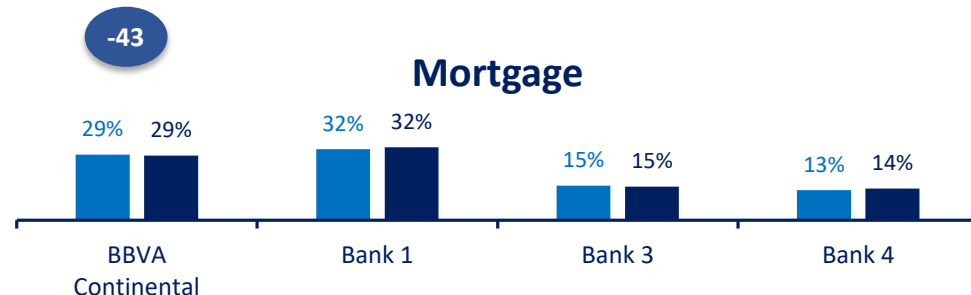
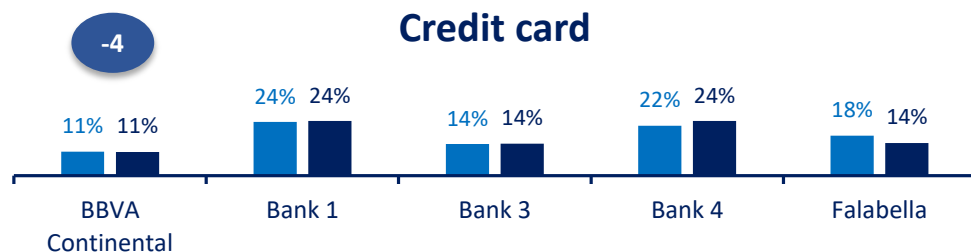
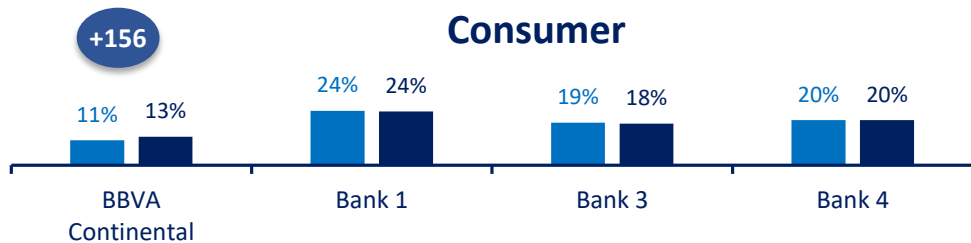
Retail Loans



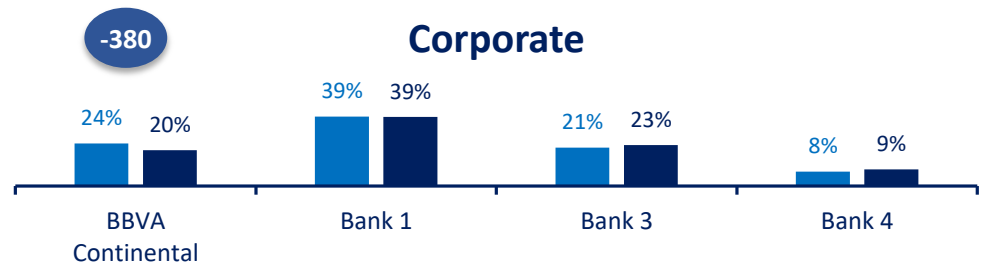
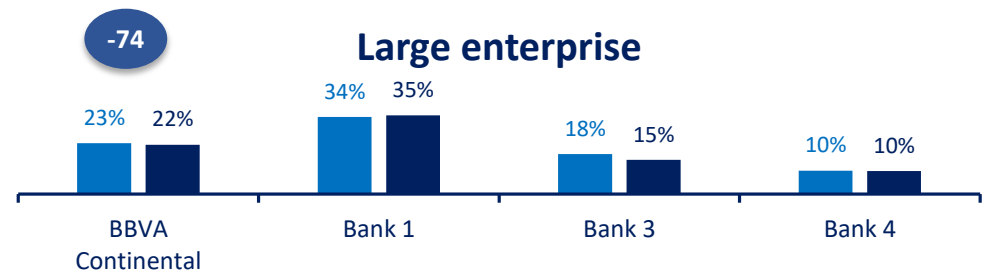
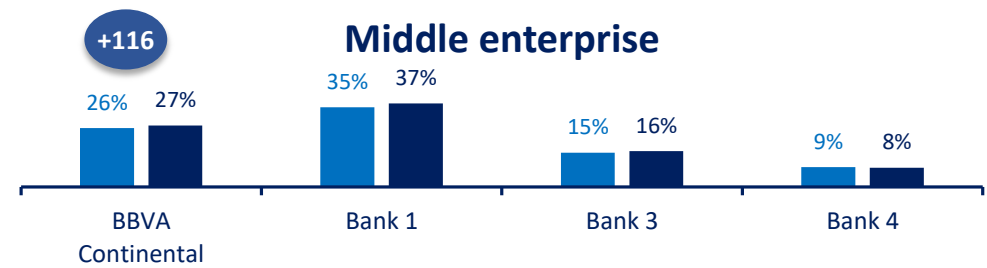
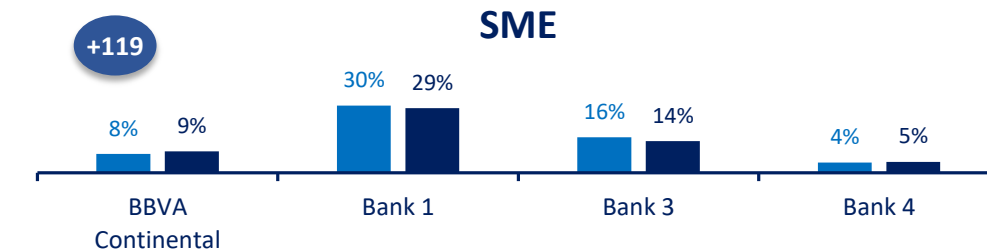
Business Loans



Market Share - Loans



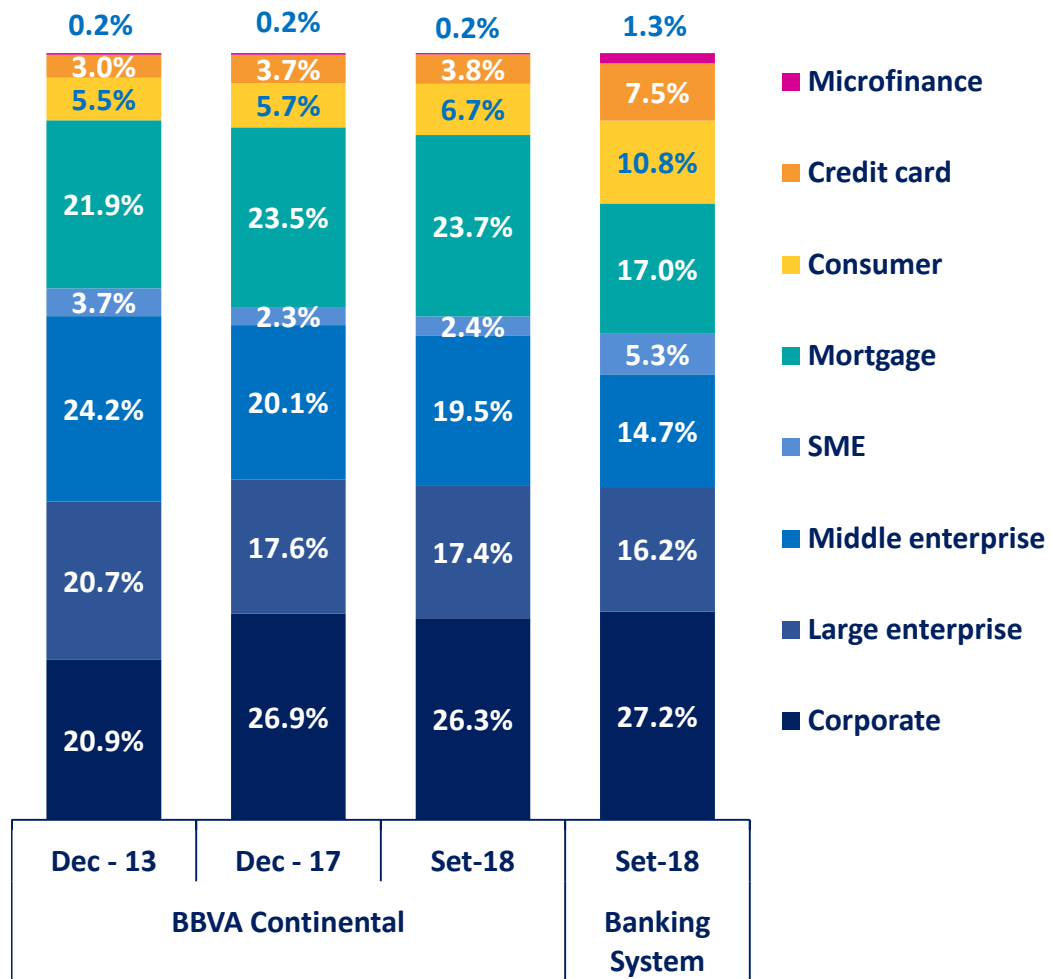
● YoY changes in basis points.
■ Sep-17 ■ Sep-18



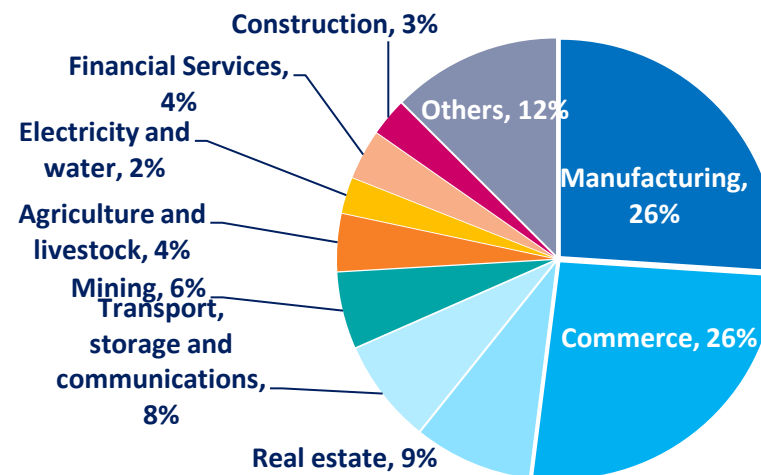
Well Diversified Loan Portfolio

(September 2018)

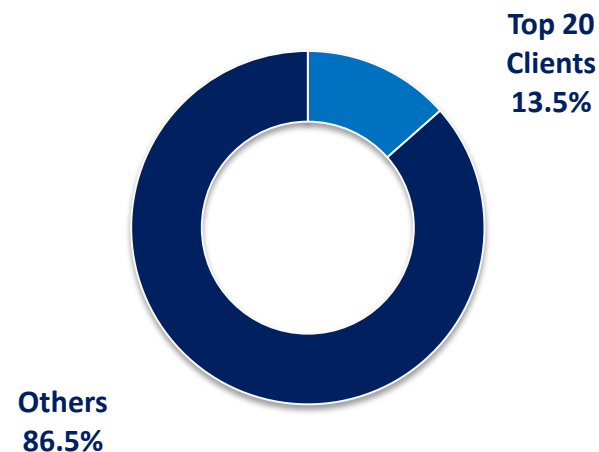
Loans breakdown



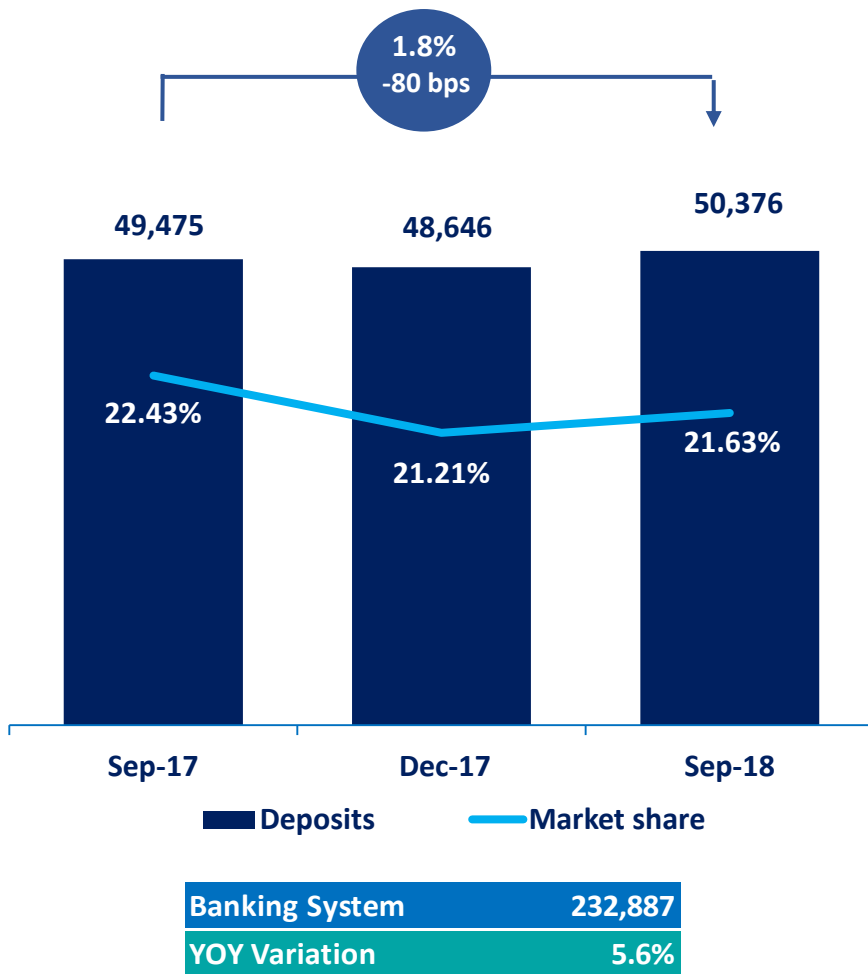
Loans by economic sector



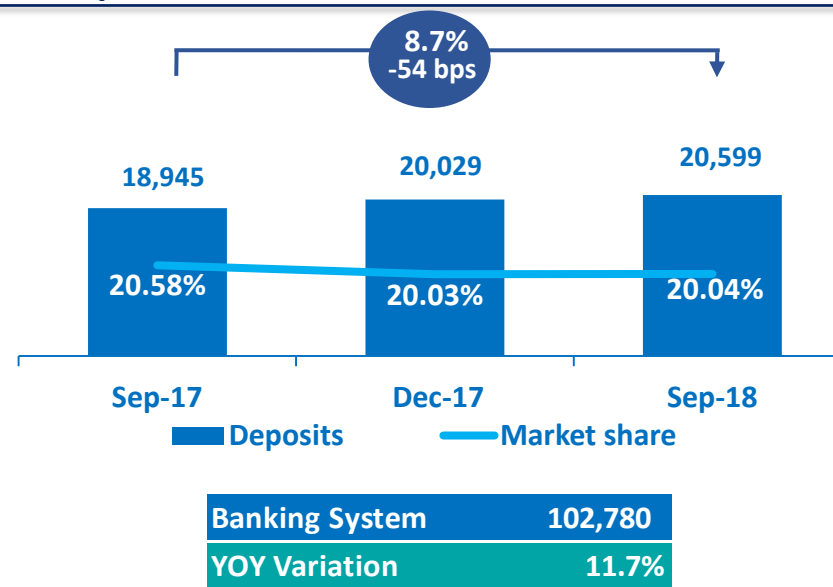
Concentration Risk



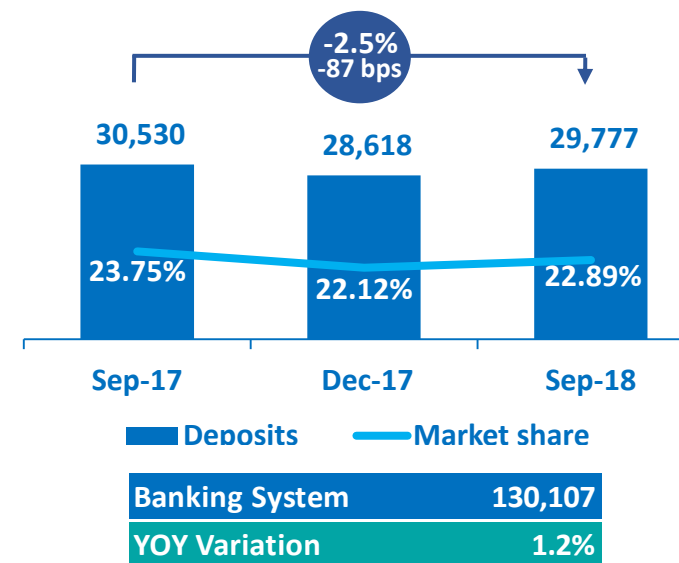
Deposits (\$/ Million, %)



Retail Deposits



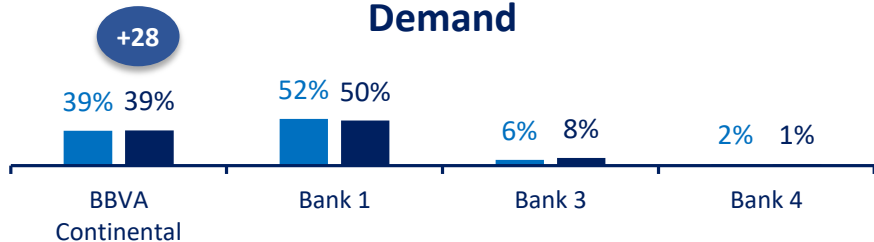
Business Deposits



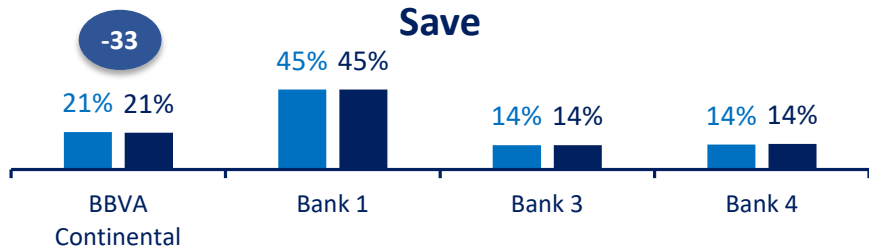
Market Share - Deposits

Retail Deposits

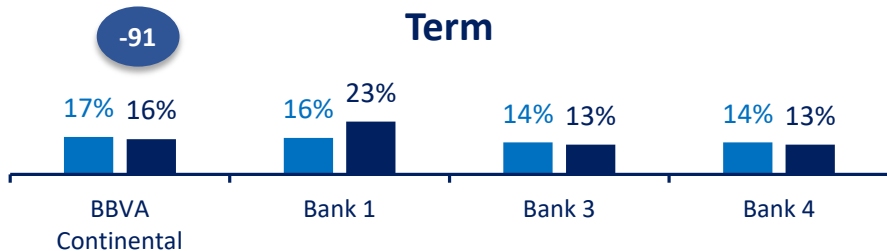
Demand



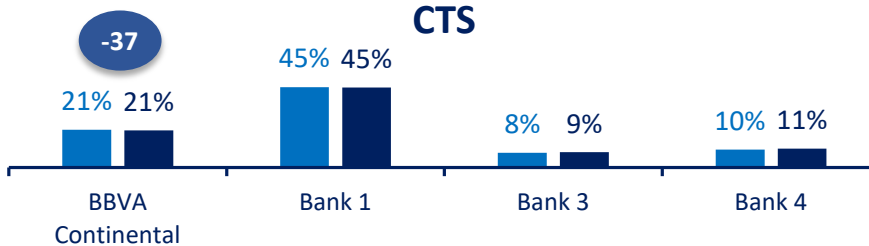
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Term

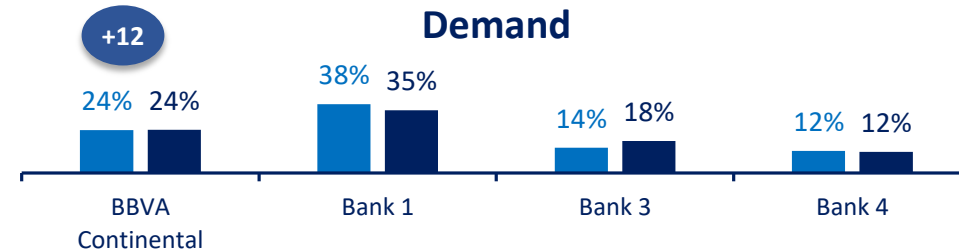


CTS

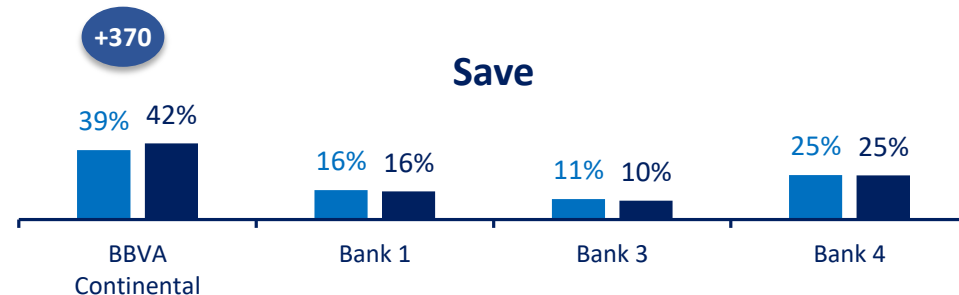


Business Deposits

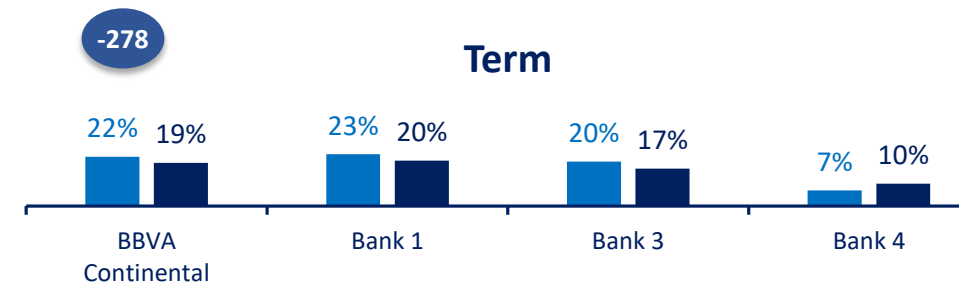
Demand



Save



Term

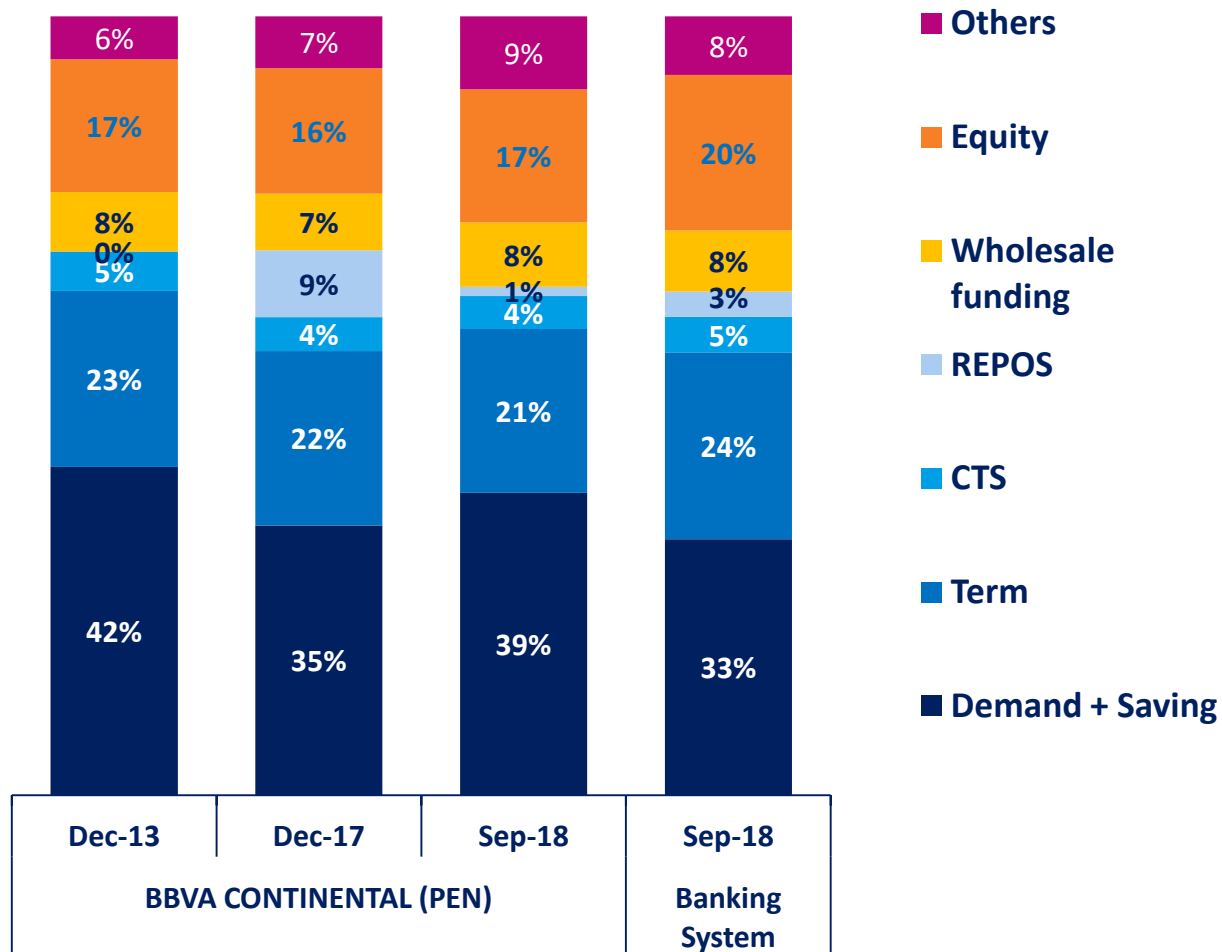


● YoY changes in basis points.

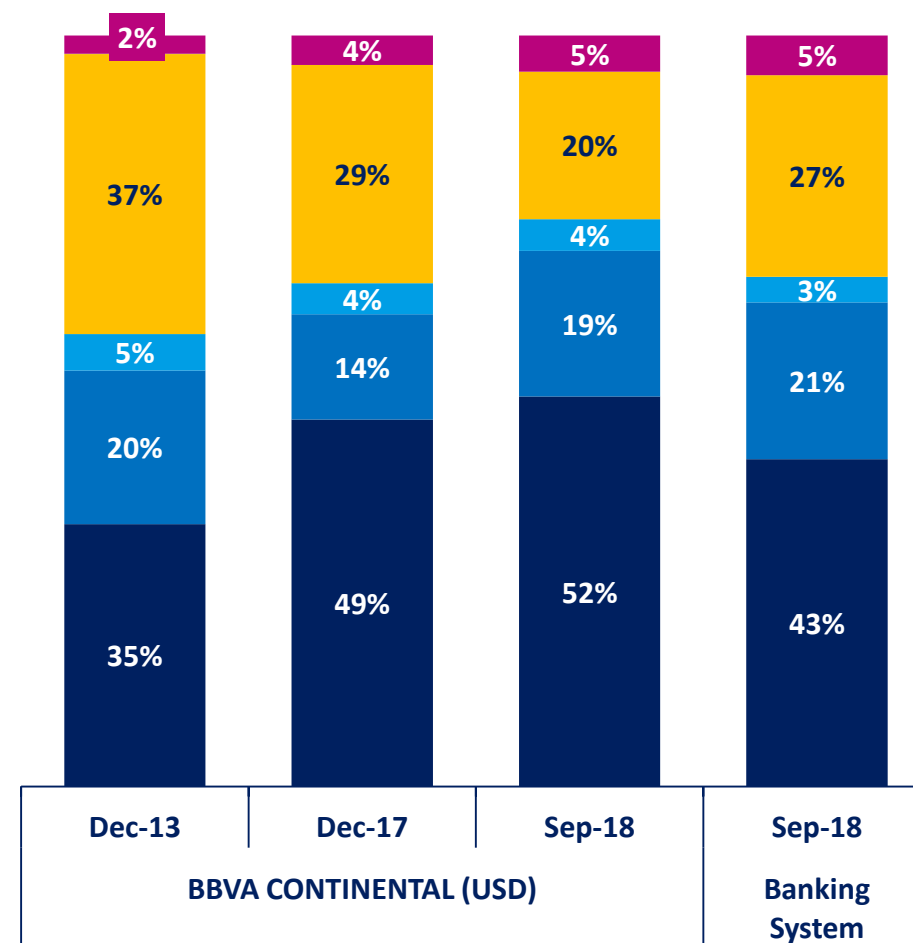
■ Sep-17 ■ Sep-18

Liabilities and Capital Breakdown

Local Currency

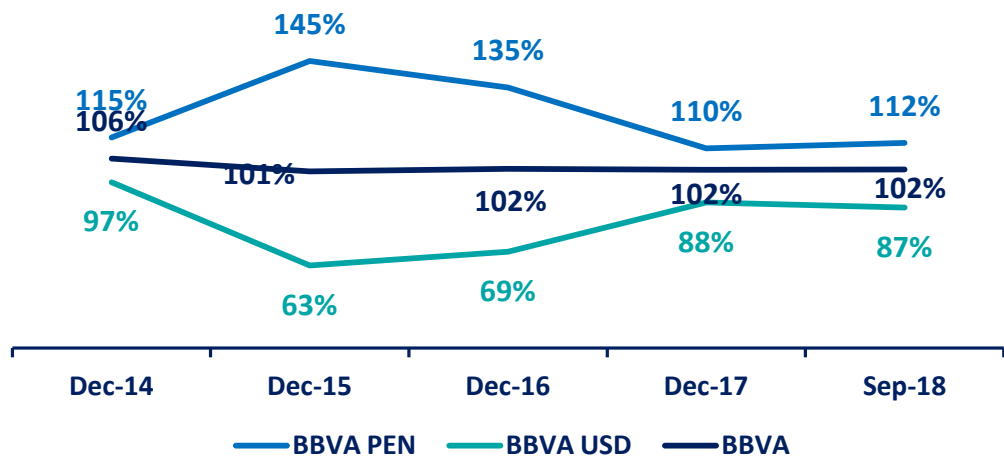


Foreign Currency

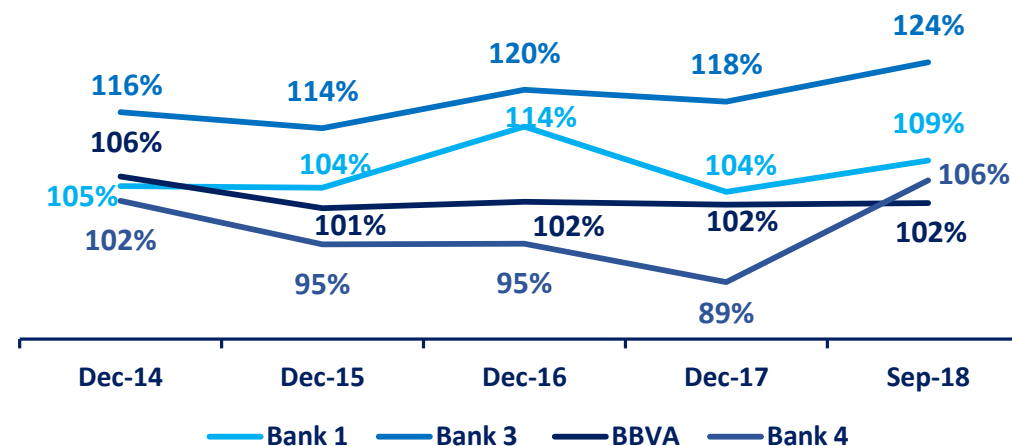


High level of self-financing and balance sheet in local currency

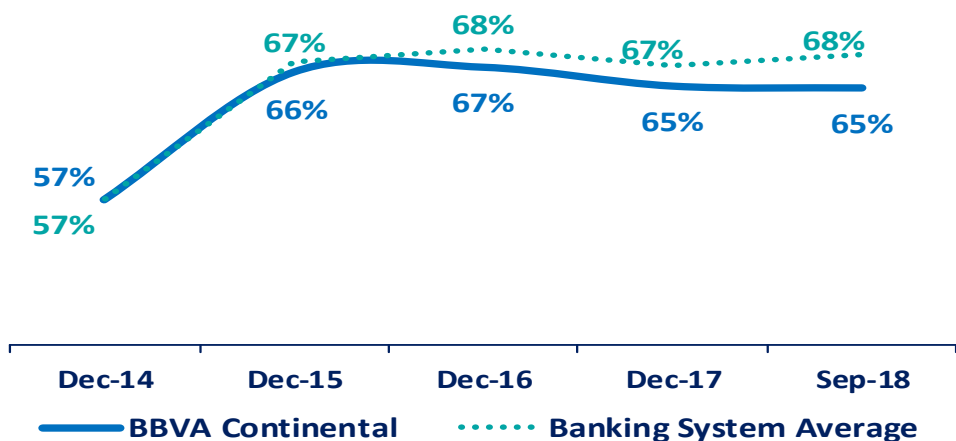
Loan-To-Deposit by currency¹



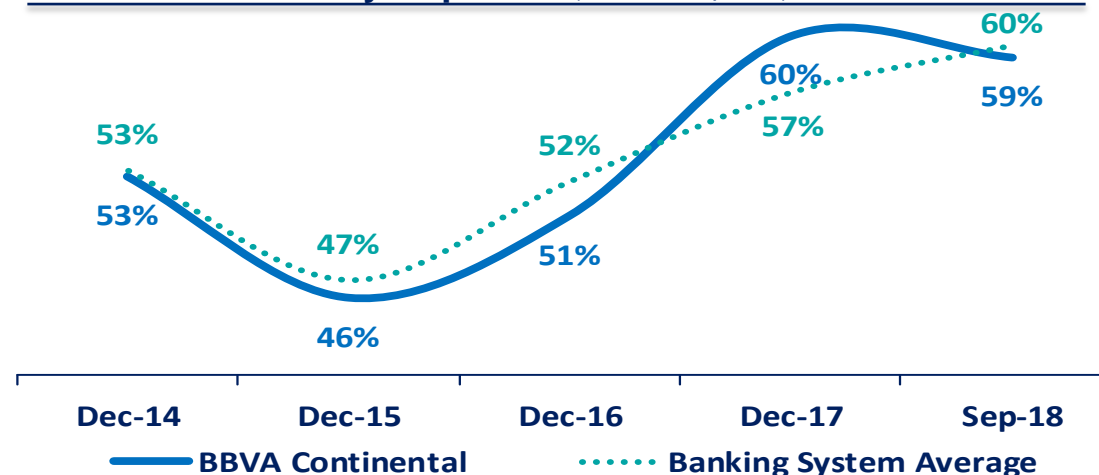
Loan-To-Deposit - Peer group



Domestic Currency Performing Loans (% Total Loans)



Domestic Currency Deposits (% Total Deposits)



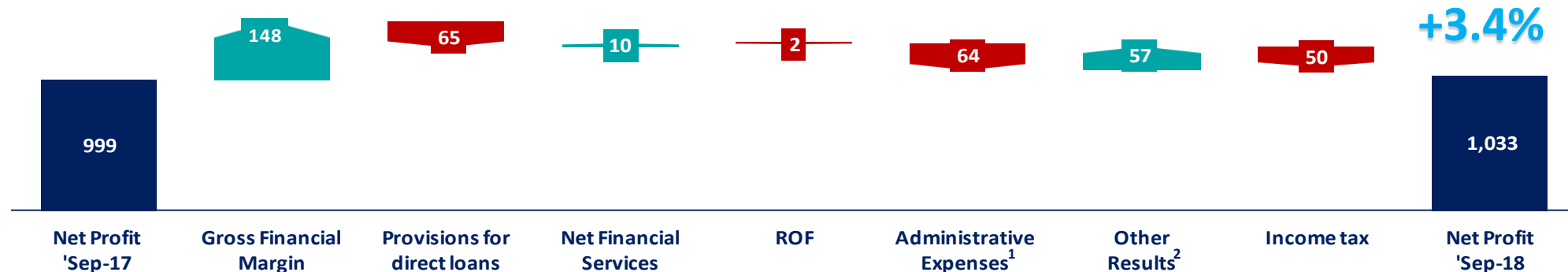
¹Other obligations are excluded from deposit.

Source: SBS

BBVA Continental Profit & Loss

(S/ Million)

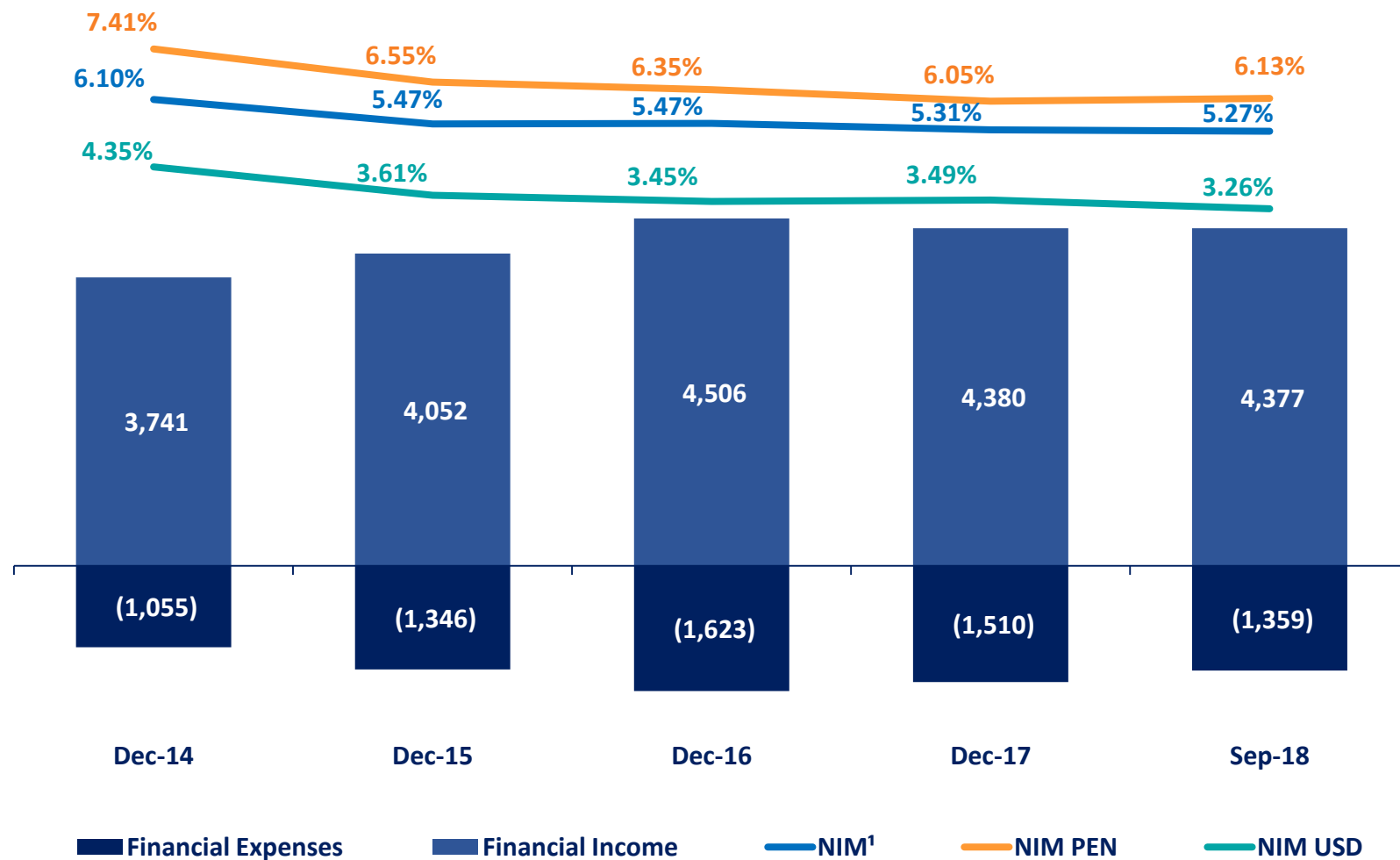
	Sep18	Sep17	%
Gross Financial Margin	2,284	2,136	6.9
Provisions for direct loans	(578)	(513)	12.7
Net Financial Margin	1,706	1,623	5.1
Income from financial services	821	781	5.1
Expenses from financial services	(249)	(219)	13.7
Gain / Loss From Financial Operations (ROF)	440	442	-0.5
Operating Margin	2,718	2,627	3.5
Administrative expenses	(1,133)	(1,089)	4.0
Depreciation and amortization	(110)	(90)	22.3
Net Operating Margin	1,475	1,448	1.9
Asset valuation and other provisions	(19)	(48)	-59.6
Other Income and Expenses	(12)	(40)	-69.9
Profit / Loss Before Income Tax	1,444	1,360	6.2
Income tax	(410)	(360)	13.8
Net Profit	1,033	999	3.4



¹ Includes administrative expenses, depreciation and amortization

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

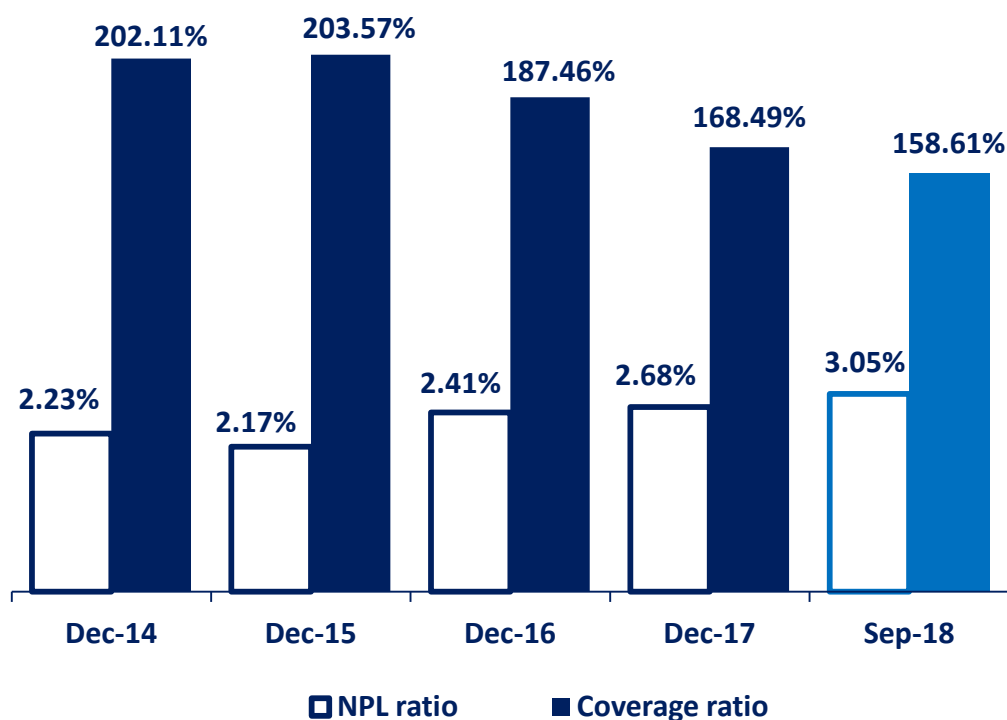
Gross Financial Margin (\$/ Million,%)



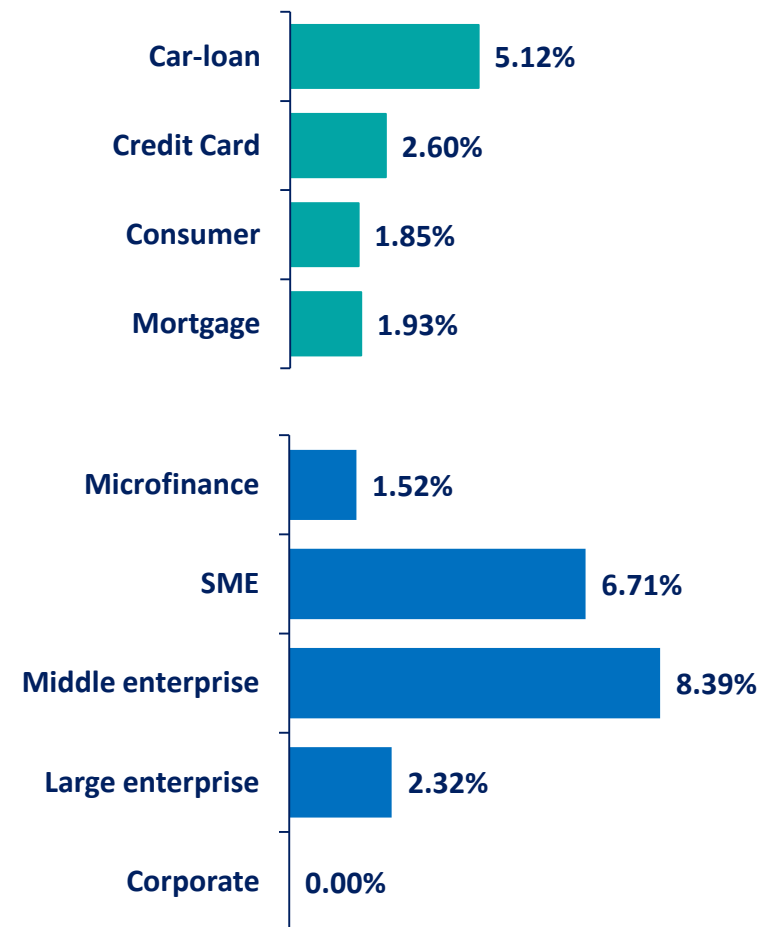
¹ NIM ratio: Gross financial margin for the last 12 months divided by average interest earning assets (interbank funds, investments, net loans).

Risk Management

Outstanding Asset quality (September 2018)

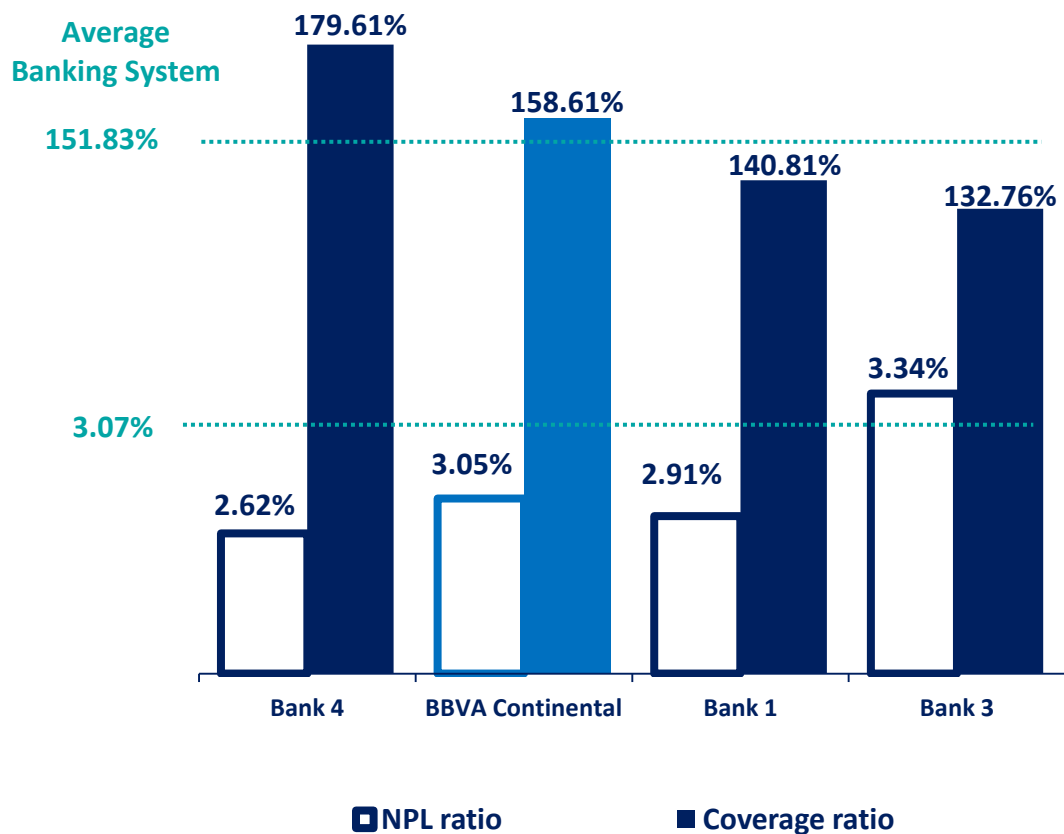


NPL Ratio by Product and Segment (September 2018)



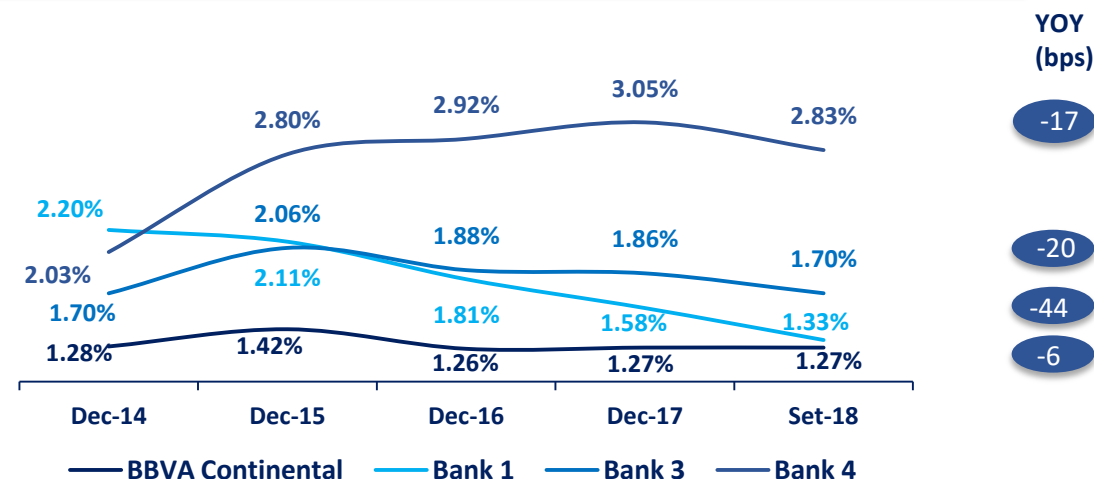
Risk Management

NPL Ratio & Coverage Ratio (September 2018)

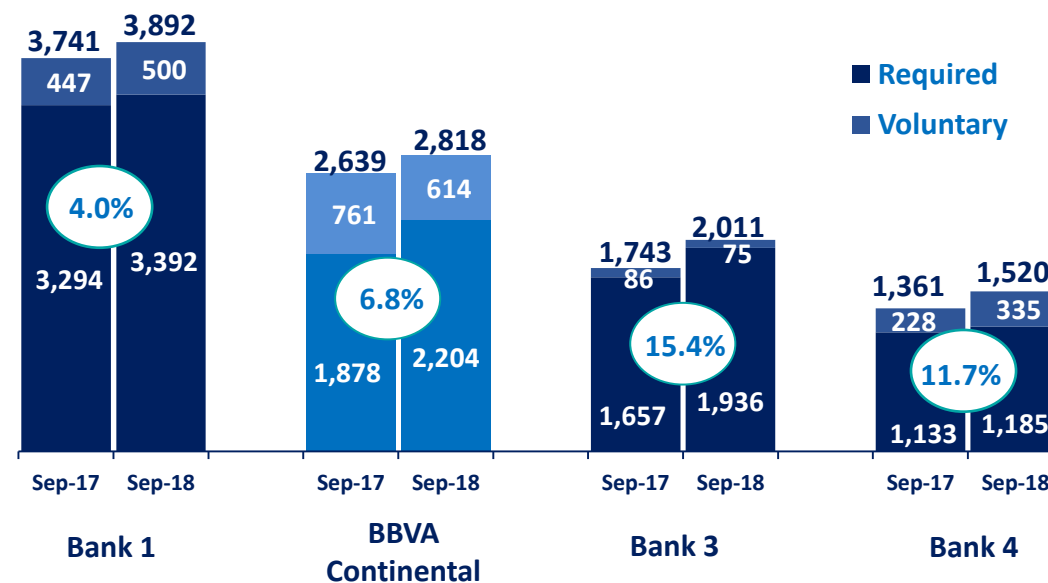


¹Risk Cost: Provisions for the last 12 months between average loans from the last 12 months. Source: SBS

Best Cost of Risk¹ vs. Peer Group

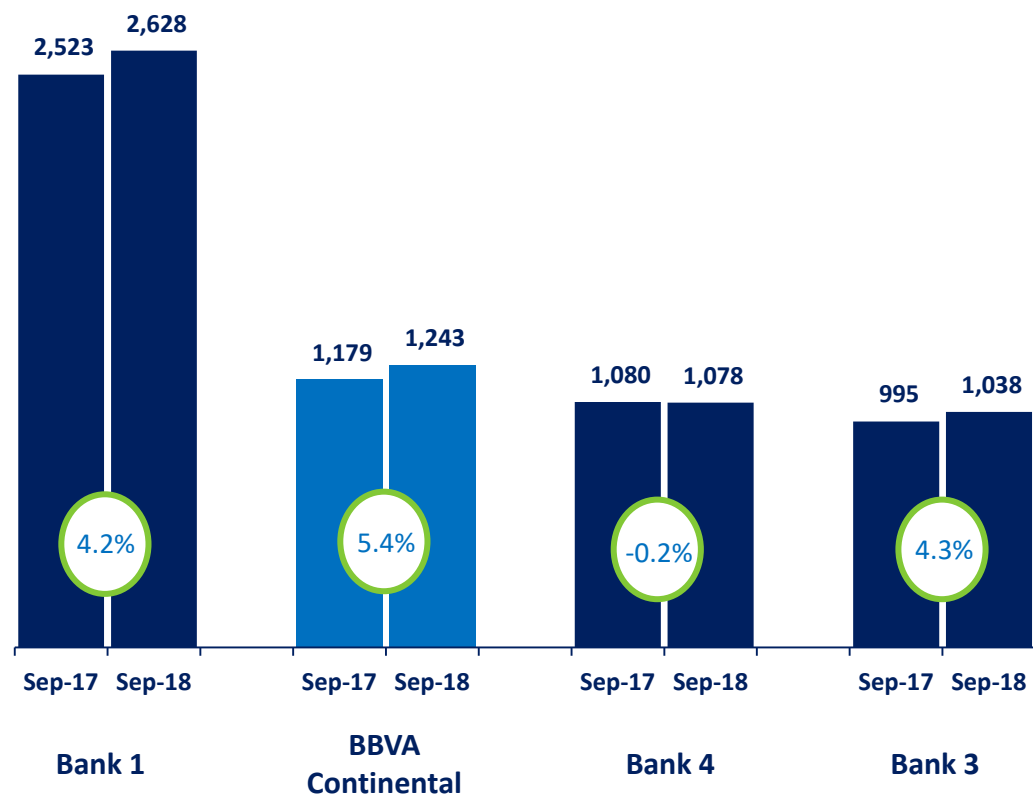


Maintaining High Levels of Voluntary Provisions (S/ Million)



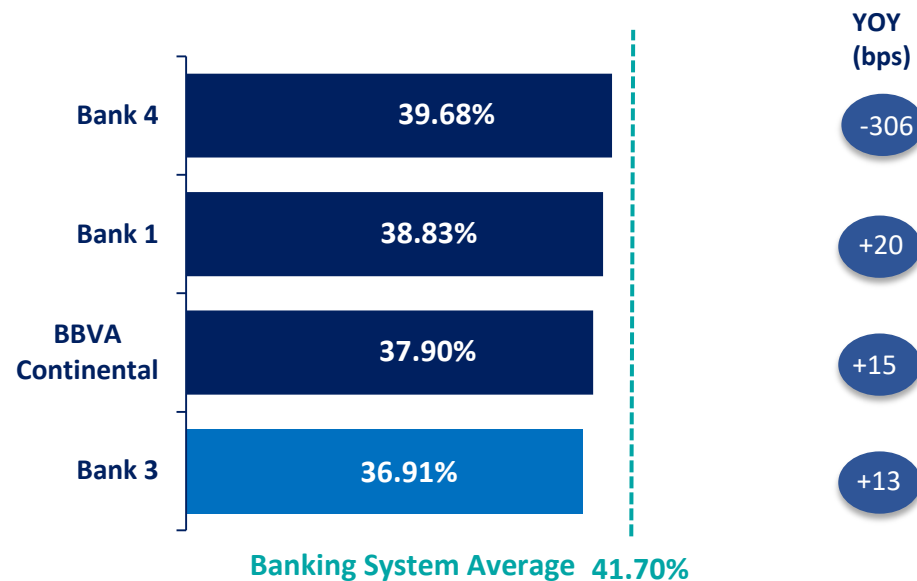
Expenses Management

Administrative Expenses ¹ (\$/ Million, %)

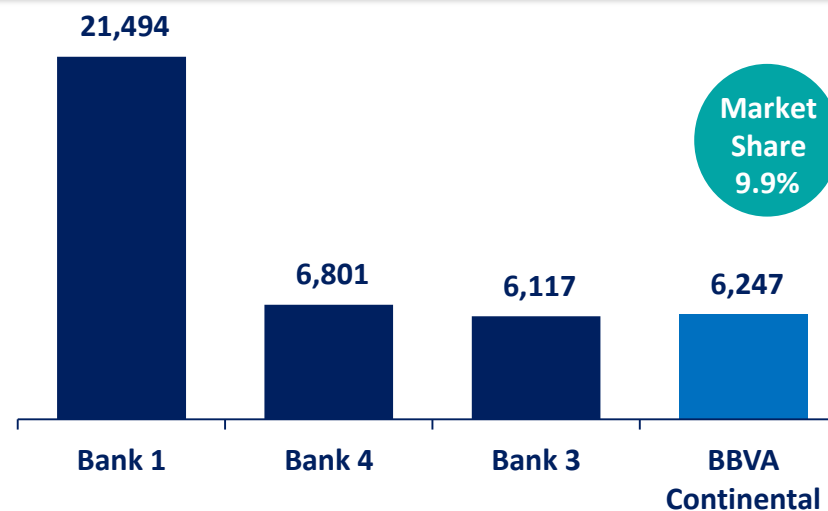


¹ Includes Amortization and Depreciation
Source: SBS

Efficiency Ratio (September 2018)

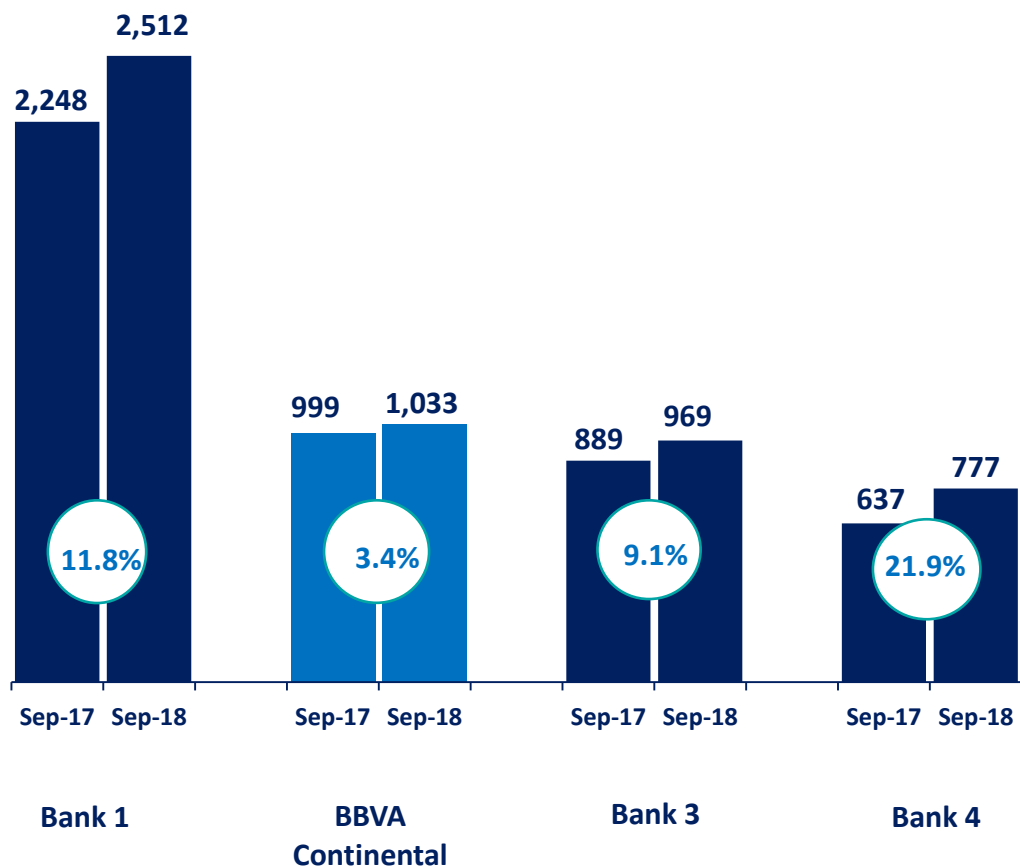


Number of Employees (September 2018)

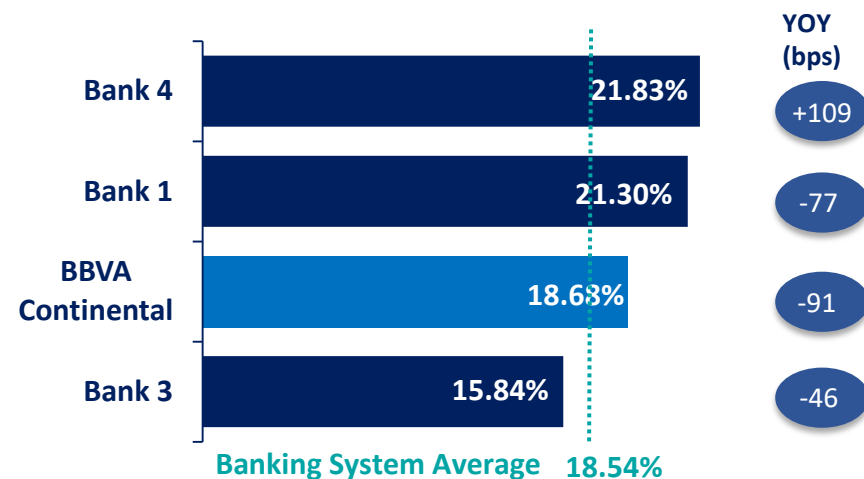


Profitability Management

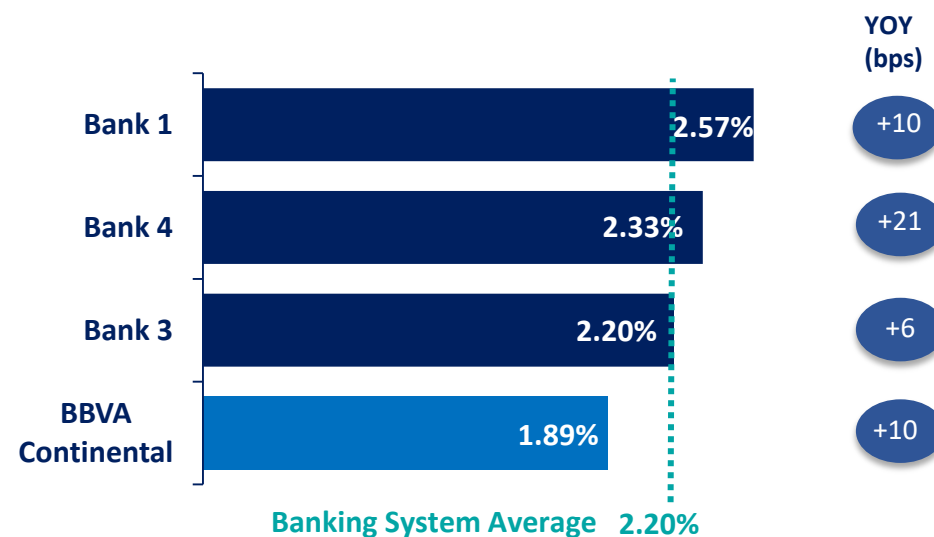
Net Profit (S/ Million, %)



Return on Equity – ROE (September 2018)

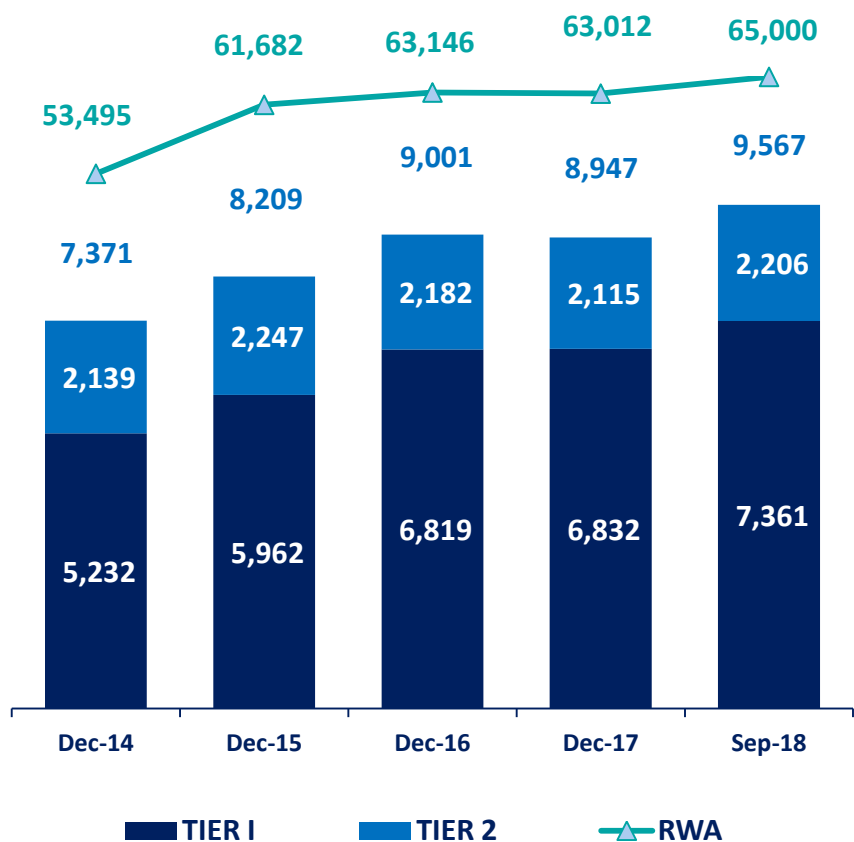


Return on Assets – ROA (September 2018)

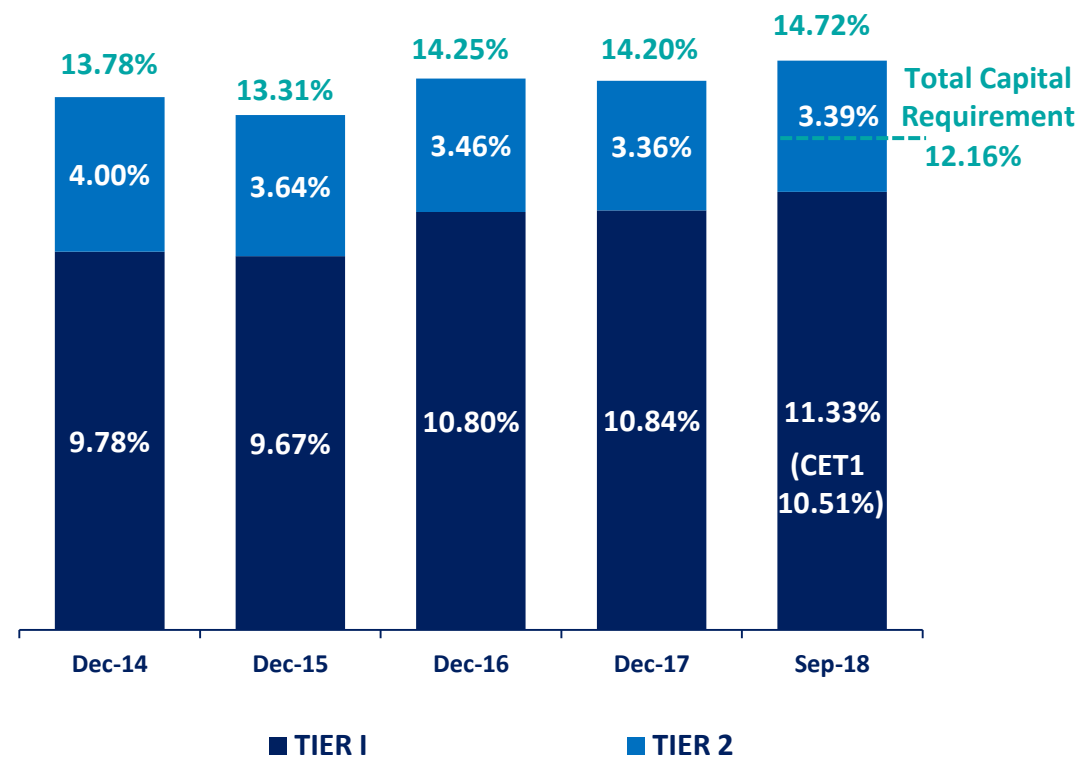


Solvency Management

Regulatory capital & RWA (\$/ Million)

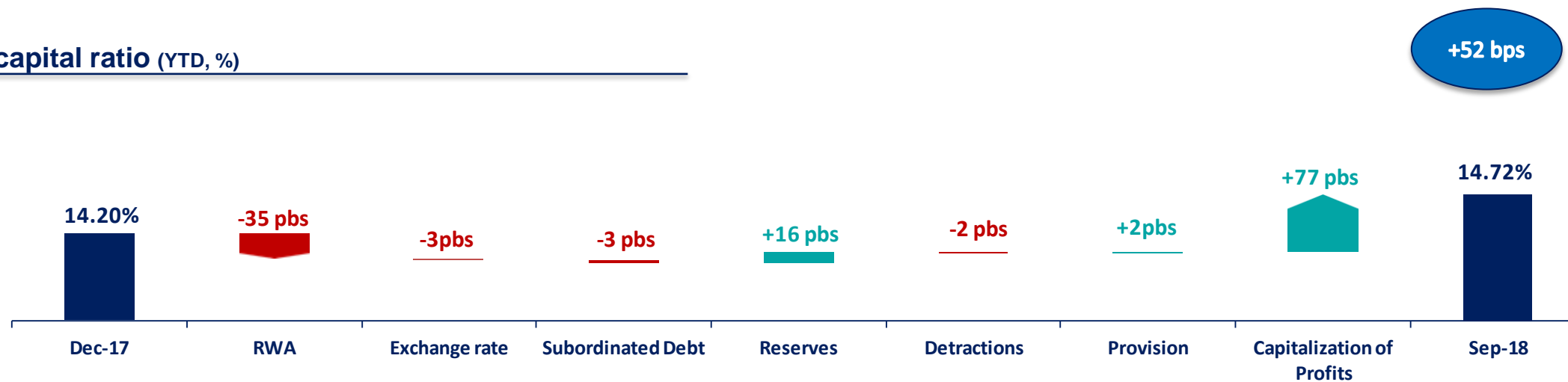


Capital Ratios

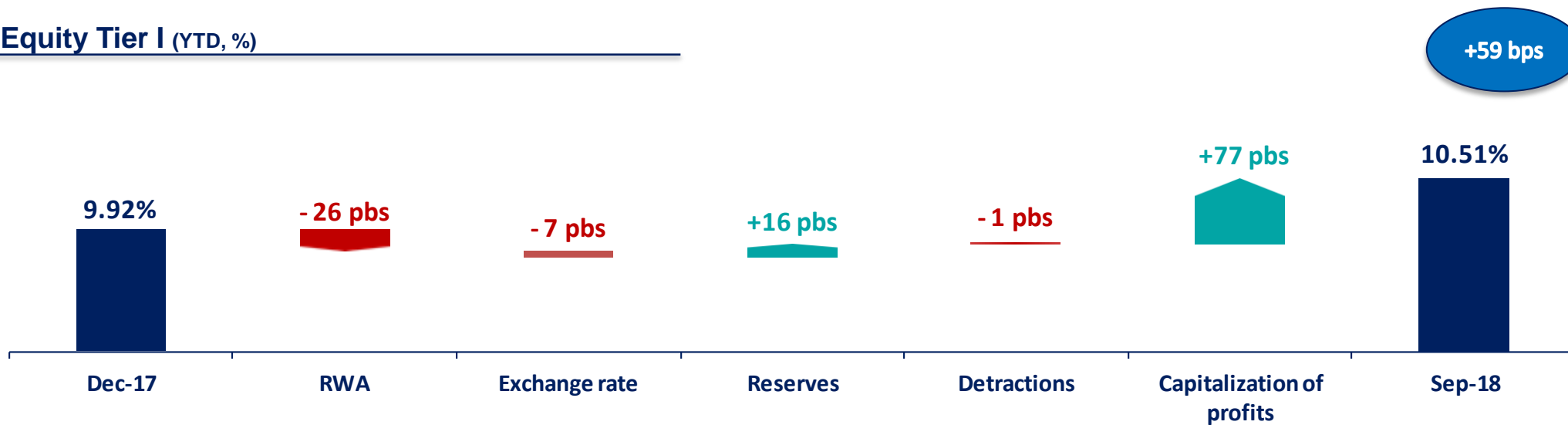


Main Changes in Capital Ratios

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

(September 2018):

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	Estable	Negativa

Instrument	Apoyo & Asociados	Equilibrium	PCR
Negotiable Certificate of Deposits (CD)	CP - 1 + (pe)	EQL 1+ pe	PE1+
Short term deposits	CP - 1 + (pe)	EQL 1 + pe	PECategoría I
Term deposits > 1 year	AAA (pe)	AAA.pe	PEAAA
Corporate bonds	AAA (pe)	AAA.pe	PEAAA
Subordinated bonds	AA+ (pe)	AA+.pe	PEAA+
Leasing bonds	AAA (pe)	AAA.pe	PEAAA
Common shares	1a (pe)	1a Clase.pe	PEN1
Issuer rating	A+	A+	PEA+



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"

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

AWARDS



IRENE

Best Digital Bank 2017

Most recommended Bank 2017






Felicitemos a las 10 empresas más admiradas del Perú



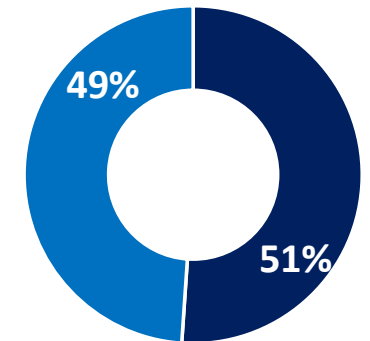


Appendix

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
	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
	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	Dic-11		Dic-26	PEN	150,000	7.47%	PEP11600M186
	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
	Corporate	Jun-18		Jun-21	PEN	132,425	4.44%	PEP11600M251
	Corporate	Jun-18		Jun-21	PEN	69,435	4.50%	PEP11600M269
	Corporate	Jul-18		Jul-23	PEN	100,000	5.53%	PEP11600M277
	Corporate	Ago-18		Ago-23	PEN	73,465	5.63%	PEP11600M285
	Corporate	Set-18		Set-21	PEN	70,000	4.78%	PEP11600M293



■ Local ■ International

	Total Debt	S/ Millions	%
Local		2,739	51%
International		2,643	49%
Total		5,382	100%

BBVA CONTINENTAL

Investors Report

Third Quarter 2018

BBVA Continental