

BBVA CONTINENTAL

Investors Report

Fourth Quarter 2018

BBVA Continental

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Appendix
Debt Issuances

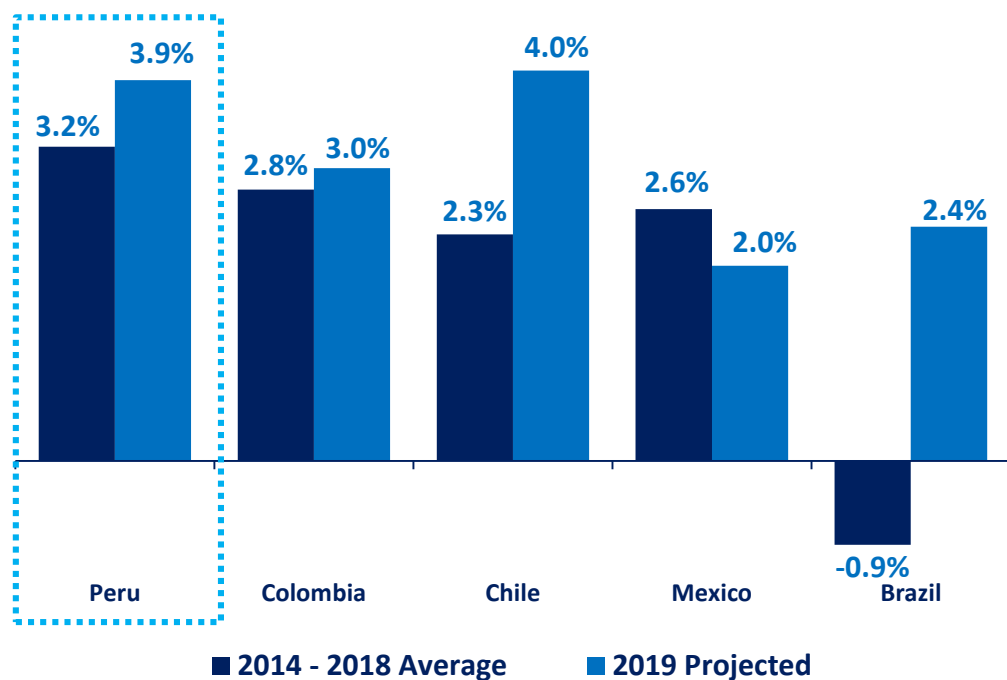


01

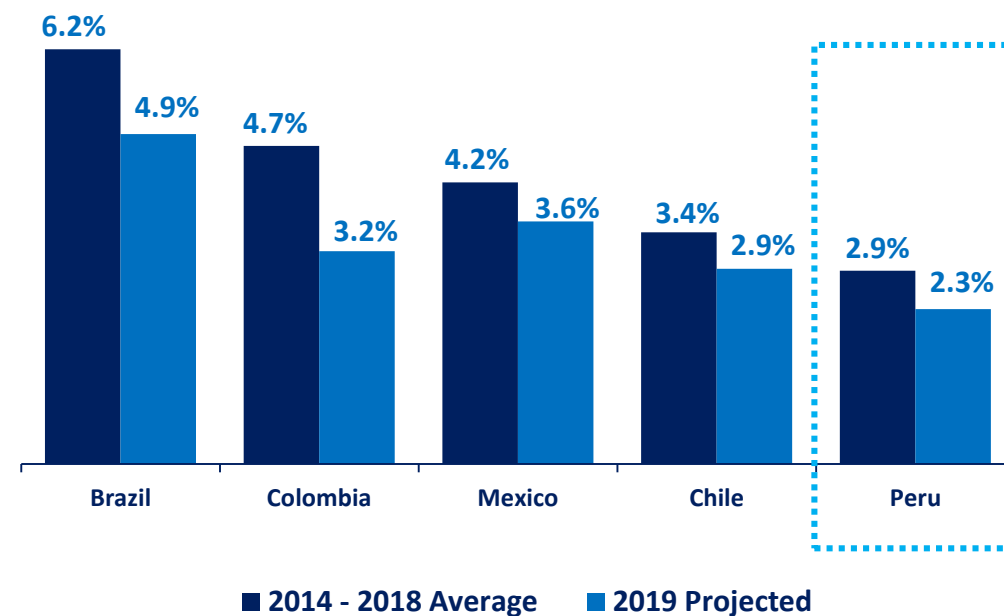
Peruvian Economy & Financial System

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

GDP Growth (Real)

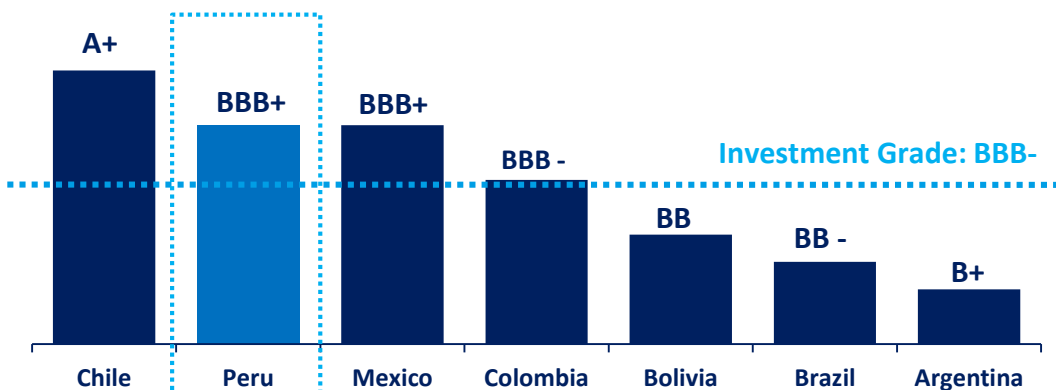


Inflation (End of Period)



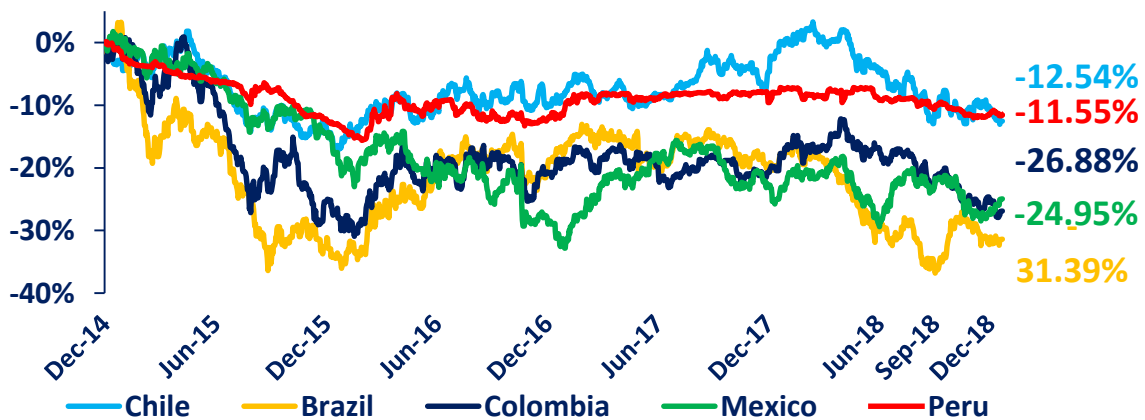
With sovereign investment grade, relatively stable currency and low indebtedness

Credit Risk Profile



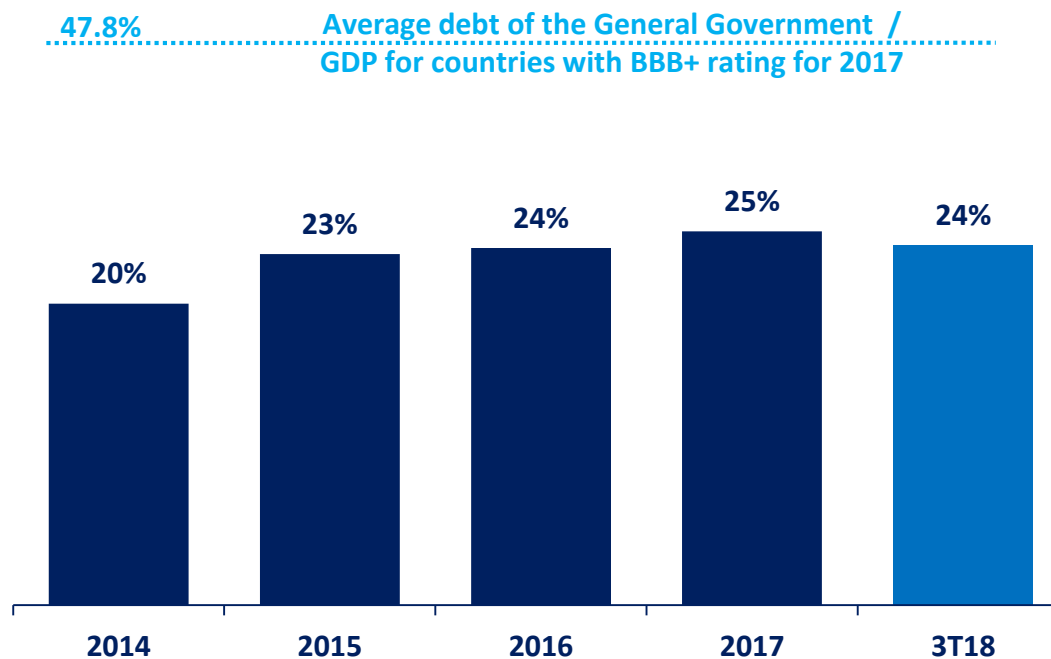
Source: Standard & Poor's

Currency Depreciation Against USD



Source: Bloomberg

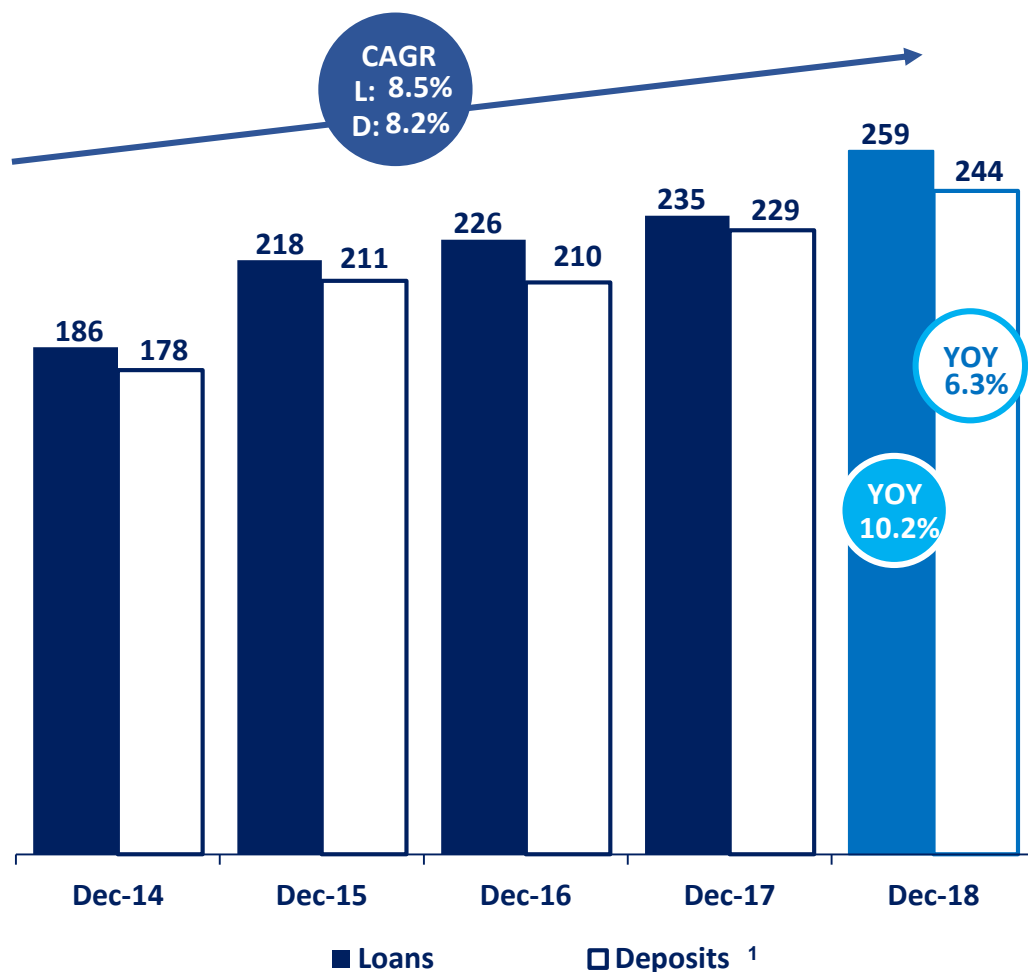
Peruvian Public Debt (% of GDP)



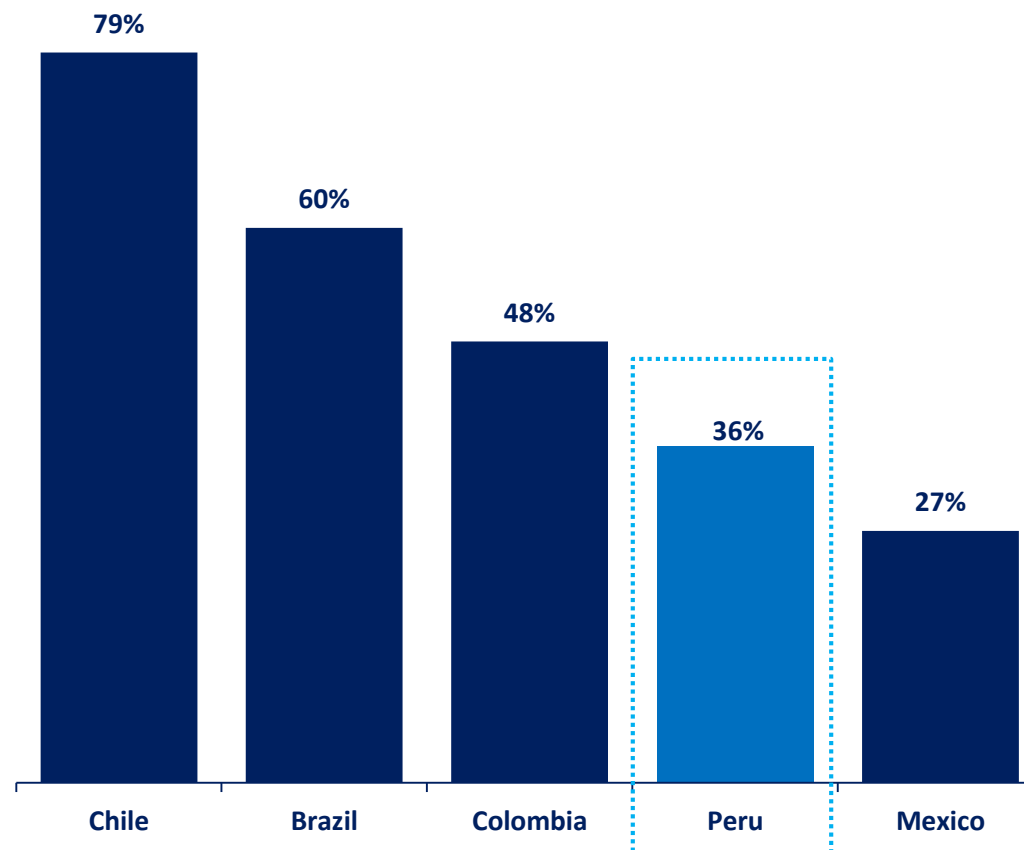
Source: BCRP

Peru has a solid Banking System with great opportunities to expand

Performing Loans and Deposits (S/ Billion)



Loans to Private Sector (% of GDP, 2018)



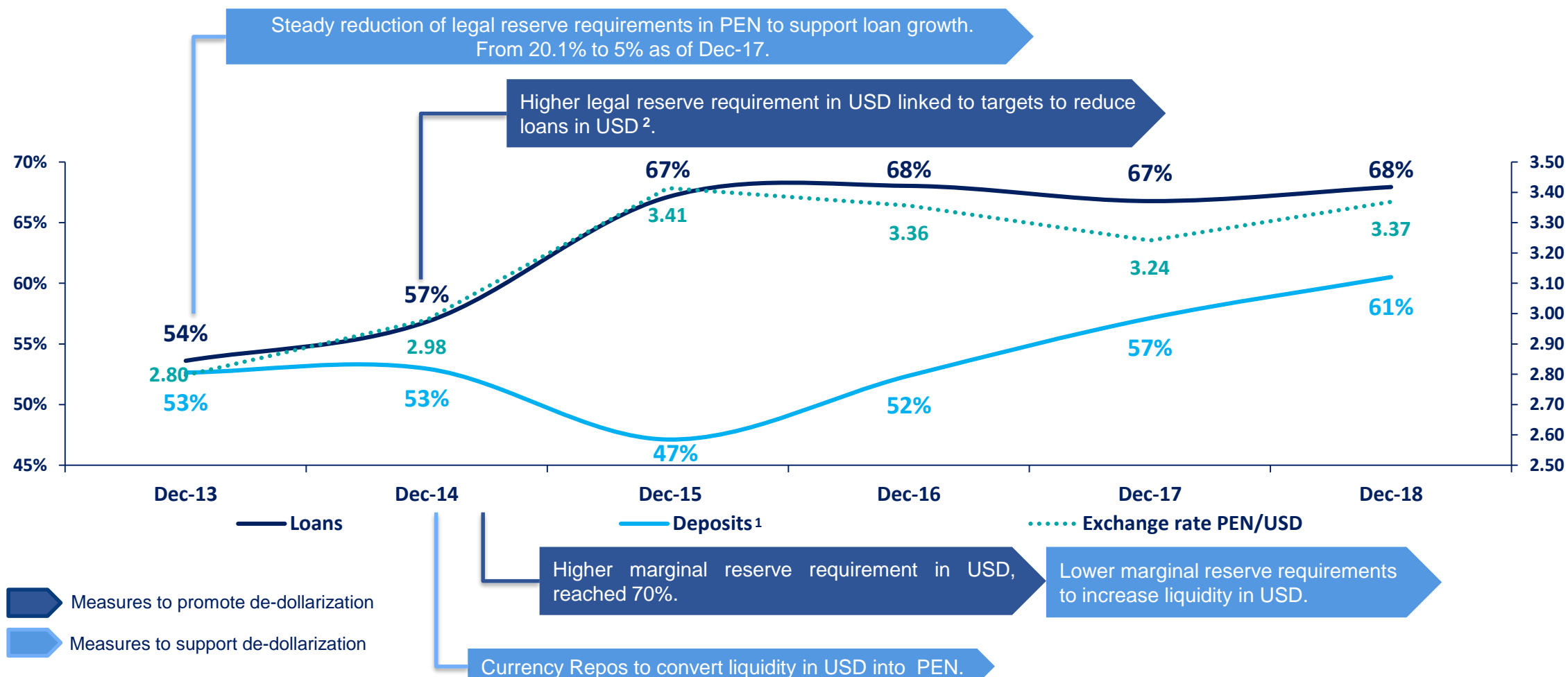
¹ Other obligations are excluded from deposits

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)



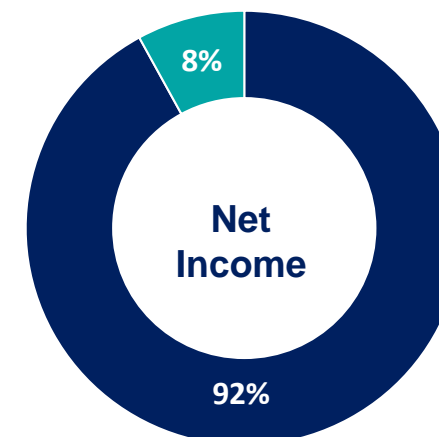
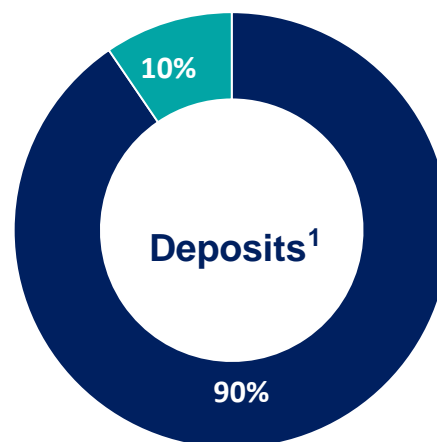
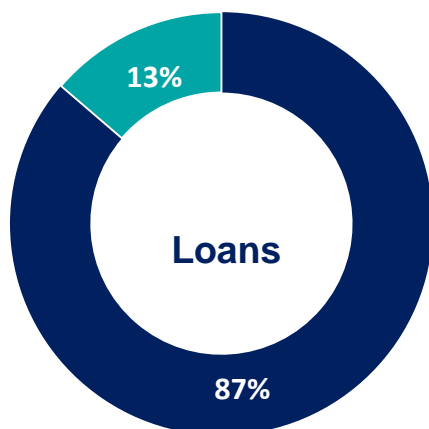
¹ Other obligations are excluded from deposits

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



■ Banking System
■ Other Financial Institutions

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

¹ Other obligations are excluded from deposits
Source: SBS

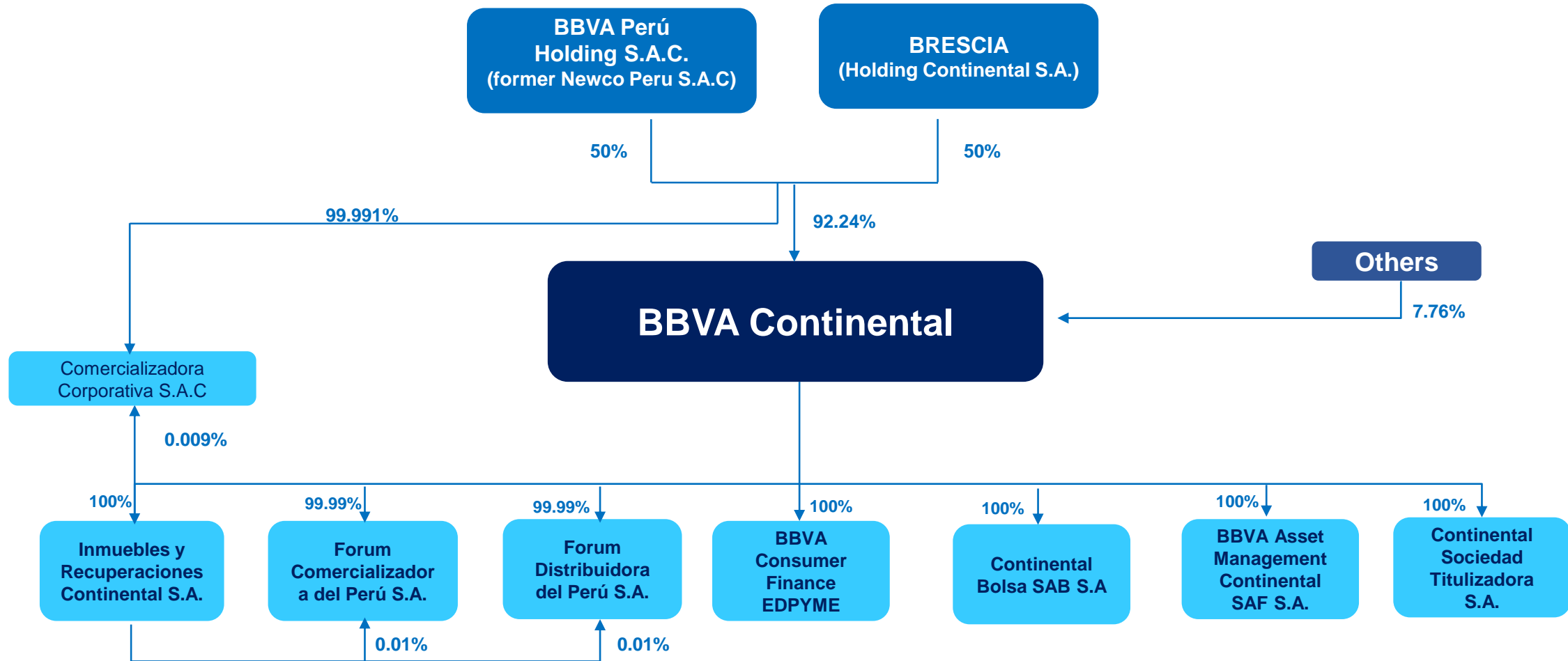


02

About BBVA Continental

Shareholders

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



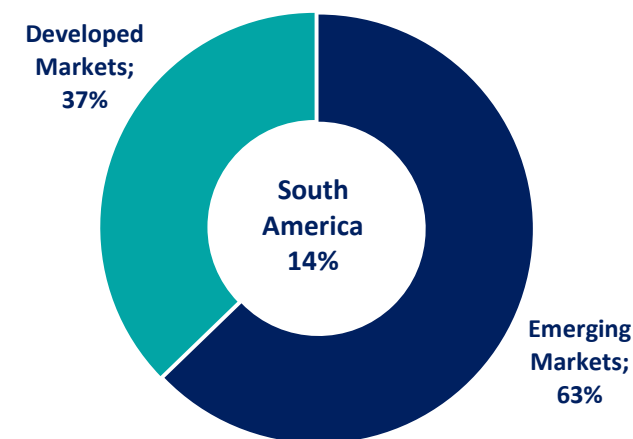
BBVA Group (December 2018)

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

Gross Income



€677 billion in total assets
74.5 million customers
>30 countries
7,963 branches
32,029 ATMs
125,627 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 (December 2018)

Assets <small>(€ millions)</small>	676,689
ROE	11.6%
ROA	0.91%



Great Asset Quality

NPL	3.9%
Cost of Risk	1.01%
Coverage Ratio	73%

Cost Control <small>(YoY, %)</small>	Administrative Expenses +2.9%	Efficiency Ratio 45.3%
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Digital Strategy
(YoY, %)

+29%	Mobile customers
+20%	Digital customers

Strong Capital & Liquidity Ratios

Global Capital	CET1
15.7%	11.3%
Liquidity Coverage Ratio	127%



03

Financial Highlights

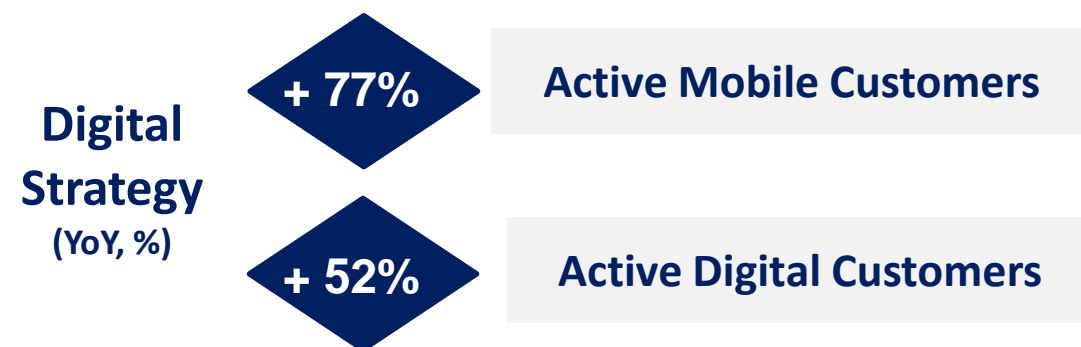
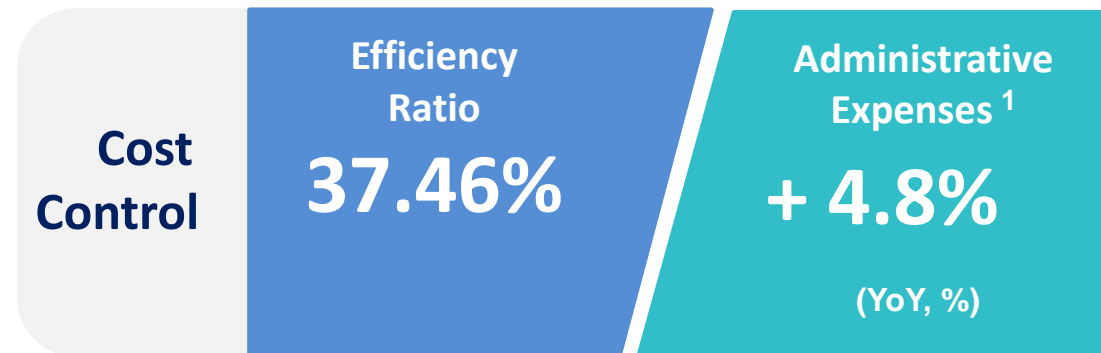
Highlights of BBVA Continental (December 2018)

Assets <small>(S/ million)</small>	73,133
ROE	18.98%
ROA	1.97%



Great Asset Quality

NPL	2.94%
Cost of Risk	1.34%
Coverage Ratio	163.4%



Strong Capital & Liquidity Ratios

Global Capital	CET1
14.95%	10.79%
Loan-to-Deposit	102%

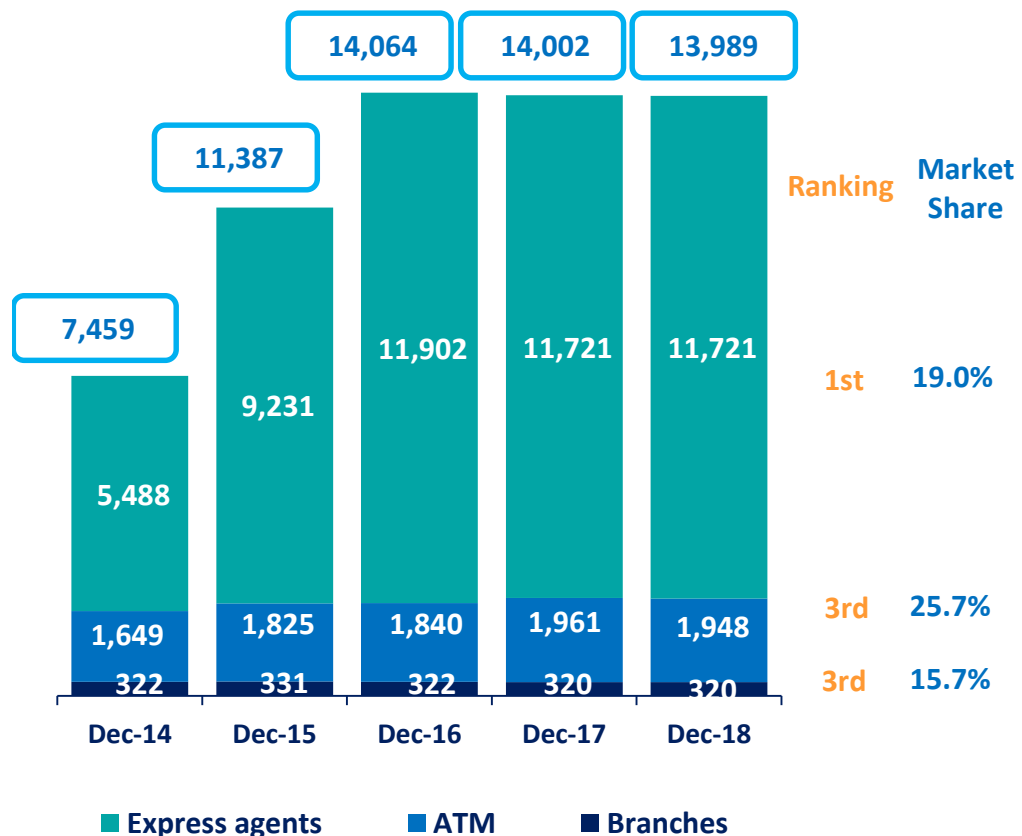
¹ Administrative Expenses include depreciation and amortization.

Strong banking platform

Distribution network¹

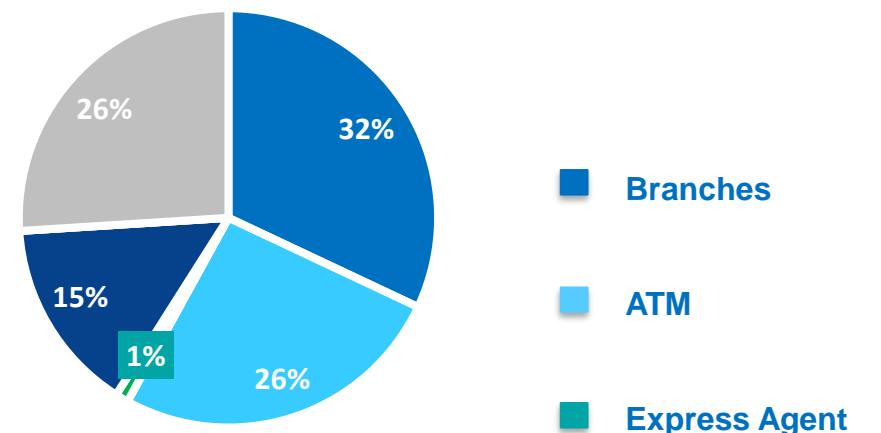
One of the largest in the country

- ✓ 13,989 points of service
- ✓ More than 5.5 million customers

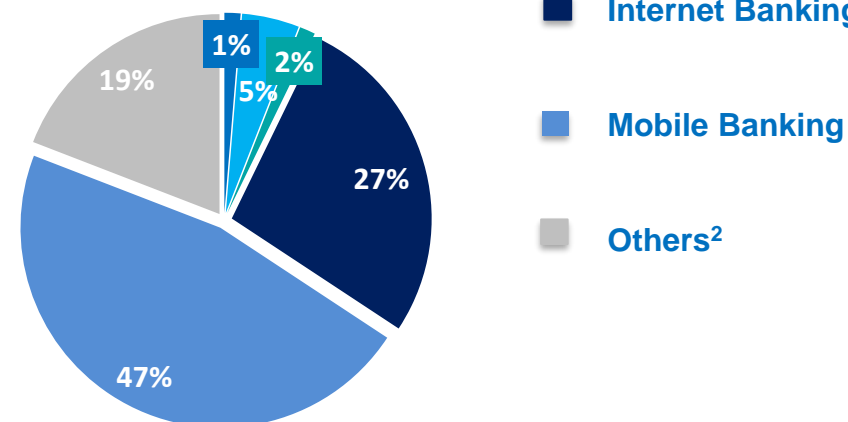


Evolution in transactions per channel

2008

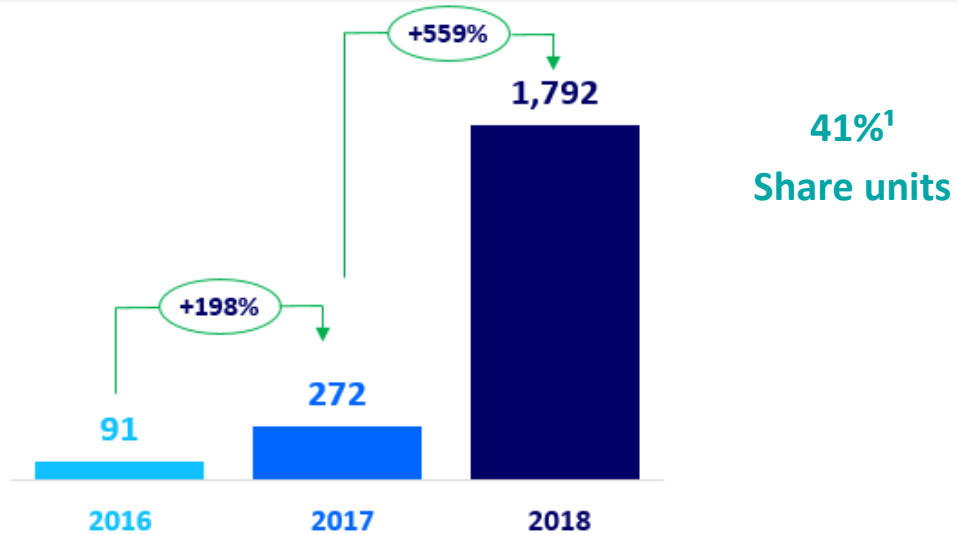


December 2018

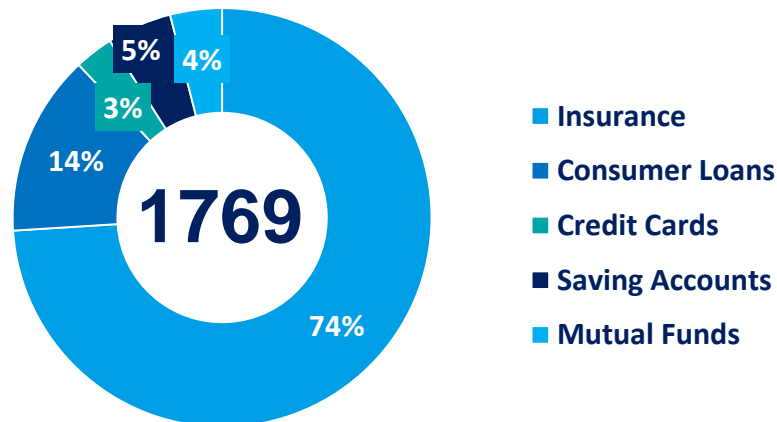


With the purpose of being the leading digital bank in the region

Digital Sales – Units (thousands)



Digital Sales by Product (December 2018)



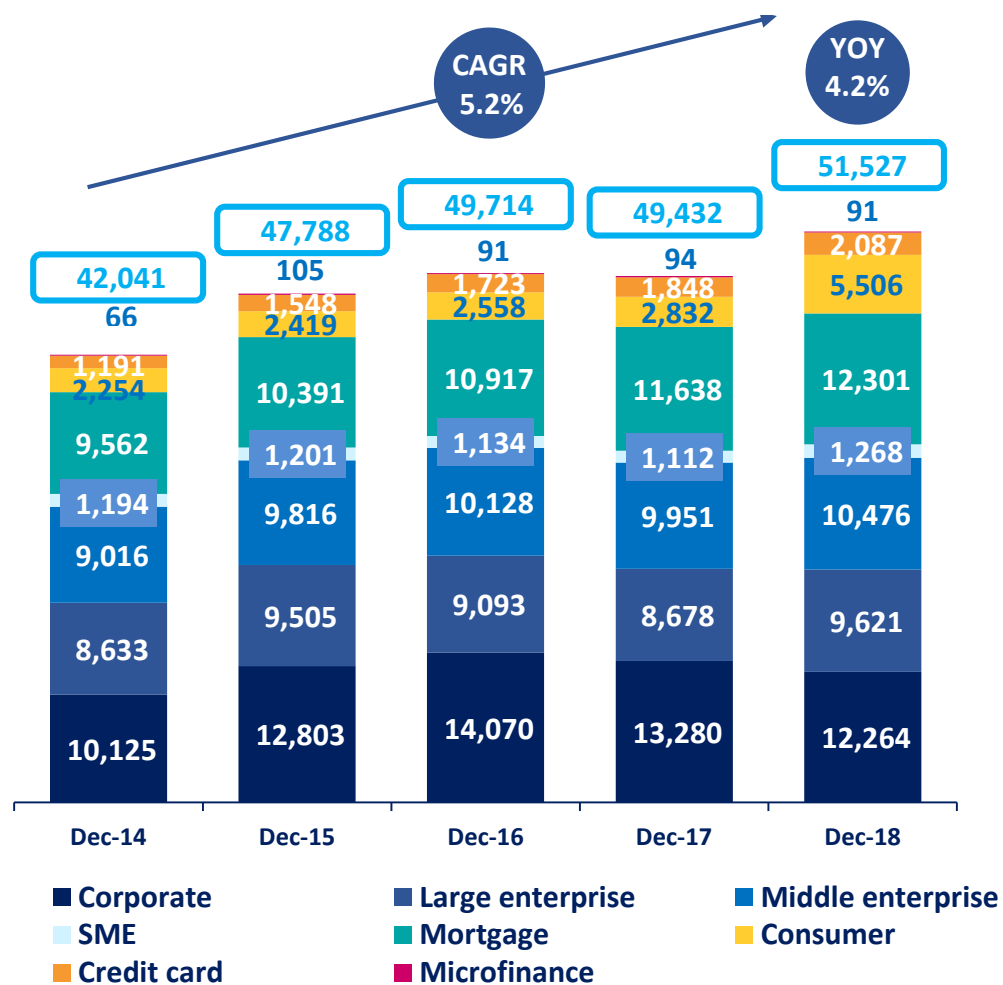
Main Growth Drivers

- 1 Product Digitalization**
 - More products available in digital channels, web and mobile banking.
- 2 Sales to no clients**
 - Launch of online evaluation engine for credit cards
 - eCommerce event in november doubled he sales of a week.
- 3 Digital sales incentives in branches**
 - Salesforce incentive programs
 - Use of step to step videos of digital sales
- 4 Focus in digital marketing**
 - Launch of 65 improvement tests through the web.
 - Higher efficiency in campaigns investment

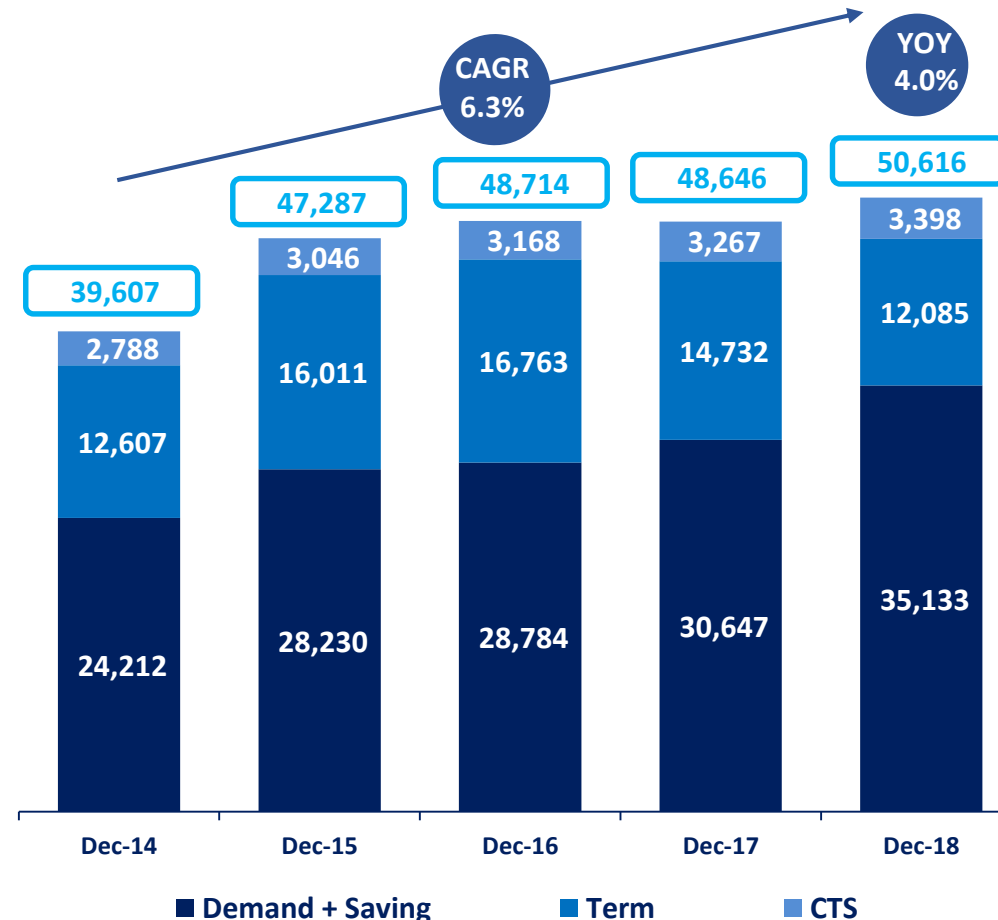
¹ Digital sales between total sales (consider only products that are currently sold by digital channels).
Source: BBVA Continental

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

Performing loans



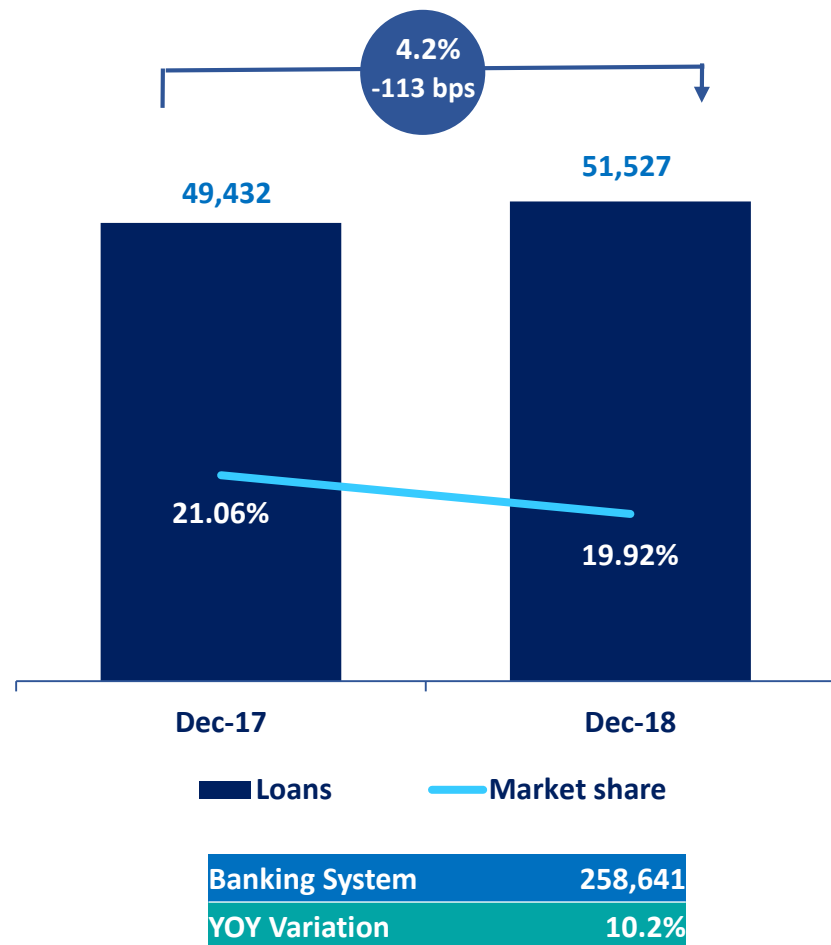
Deposits¹



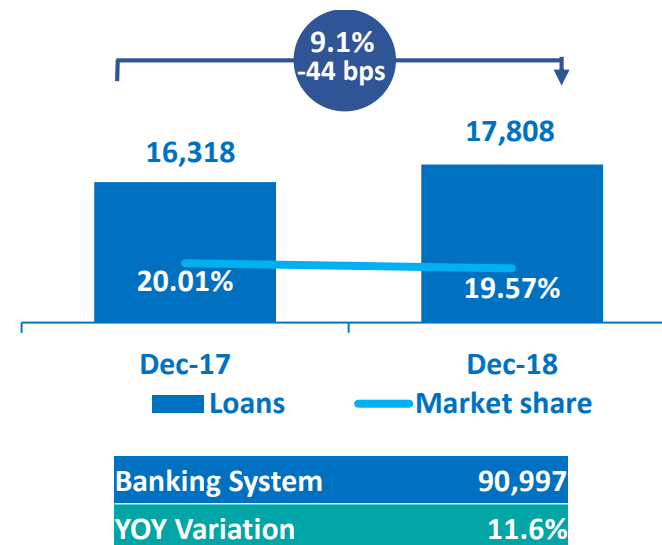
¹ Other obligations are excluded from deposits

Source: SBS

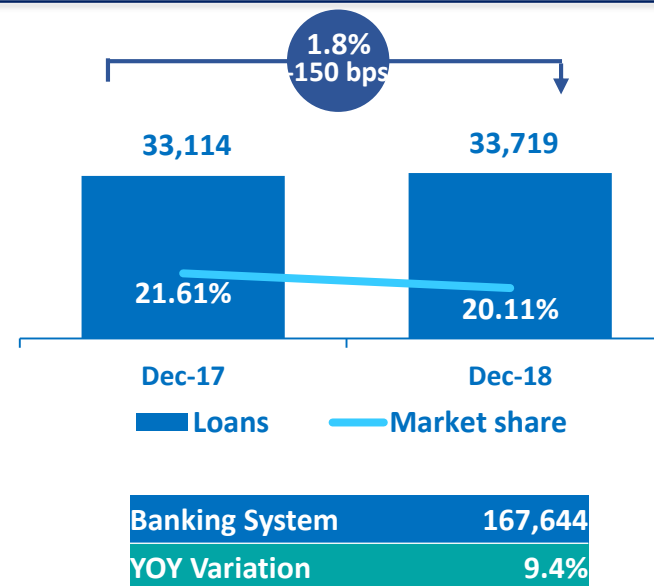
Performing Loans (S/ Million, %)



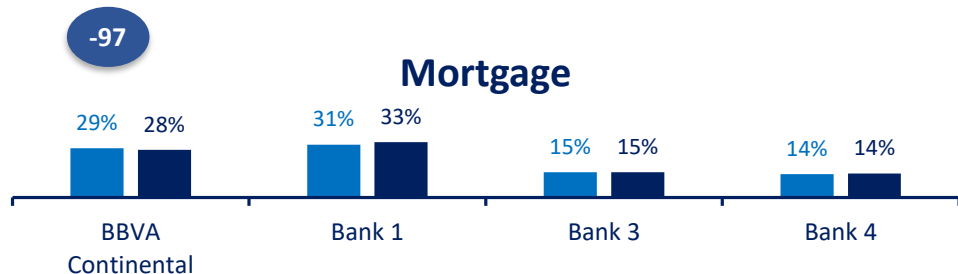
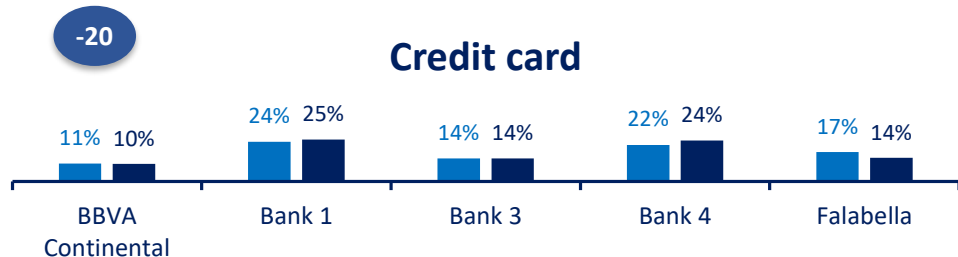
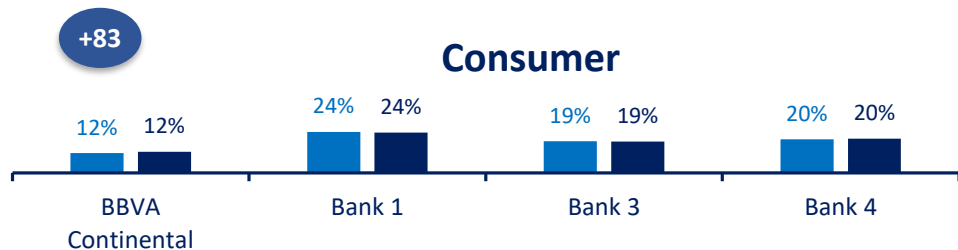
Retail Loans



Business Loans

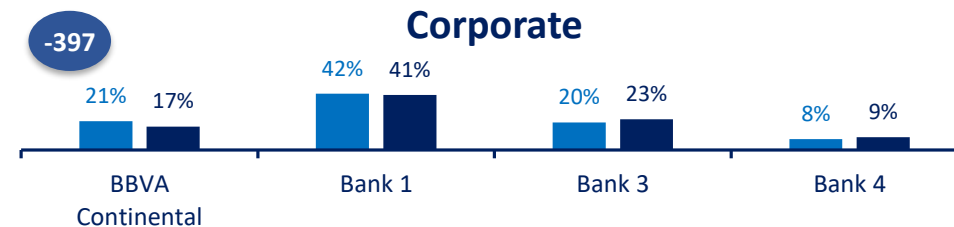
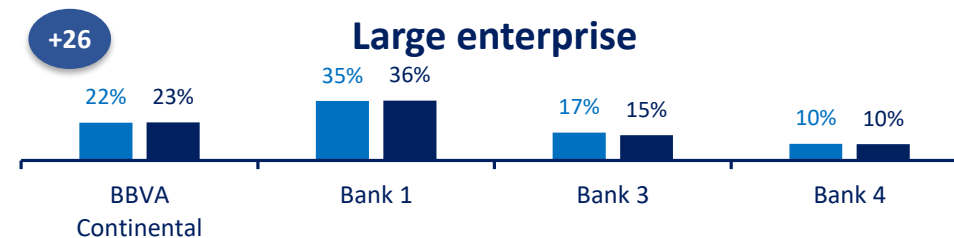
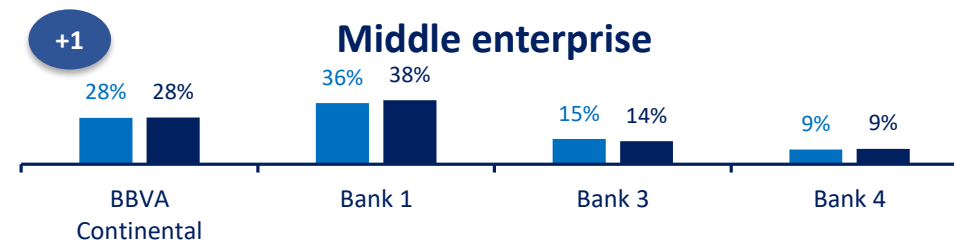
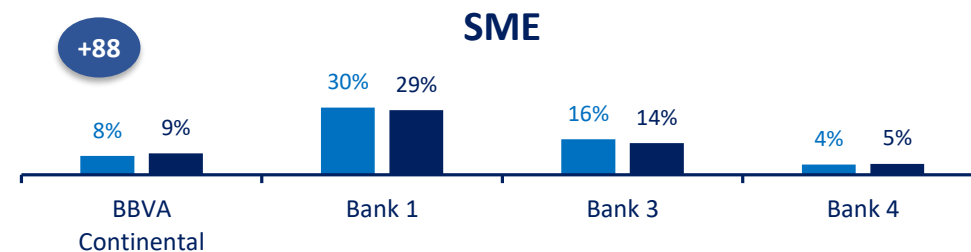


Market Share - Loans



● YoY changes in basis points.

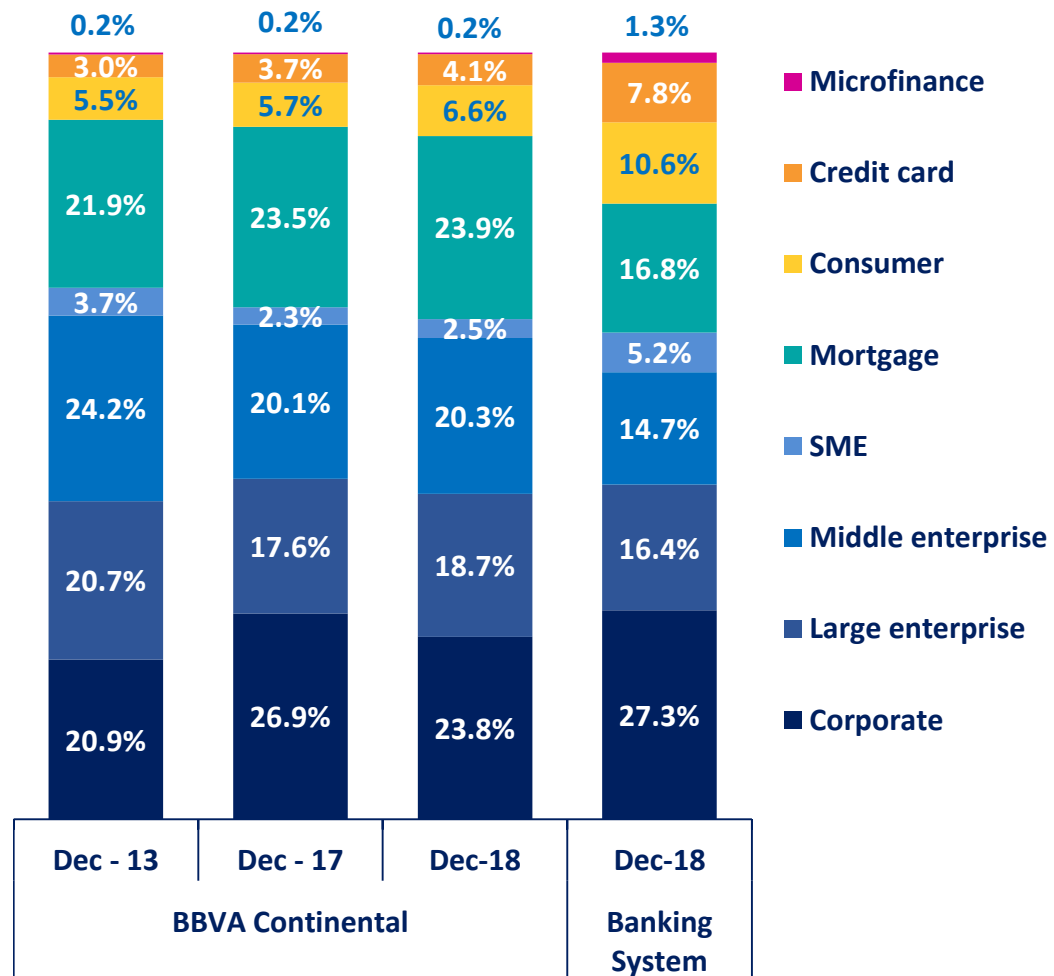
■ Dec-17 ■ Dec-18



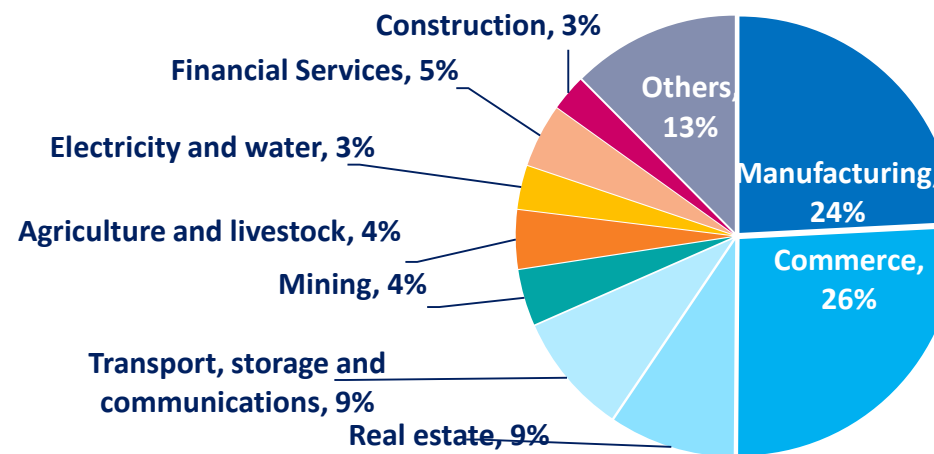
Well Diversified Loan Portfolio

(December 2018)

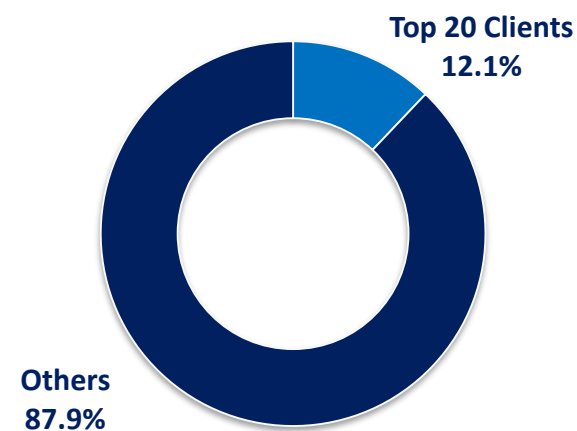
Loans breakdown



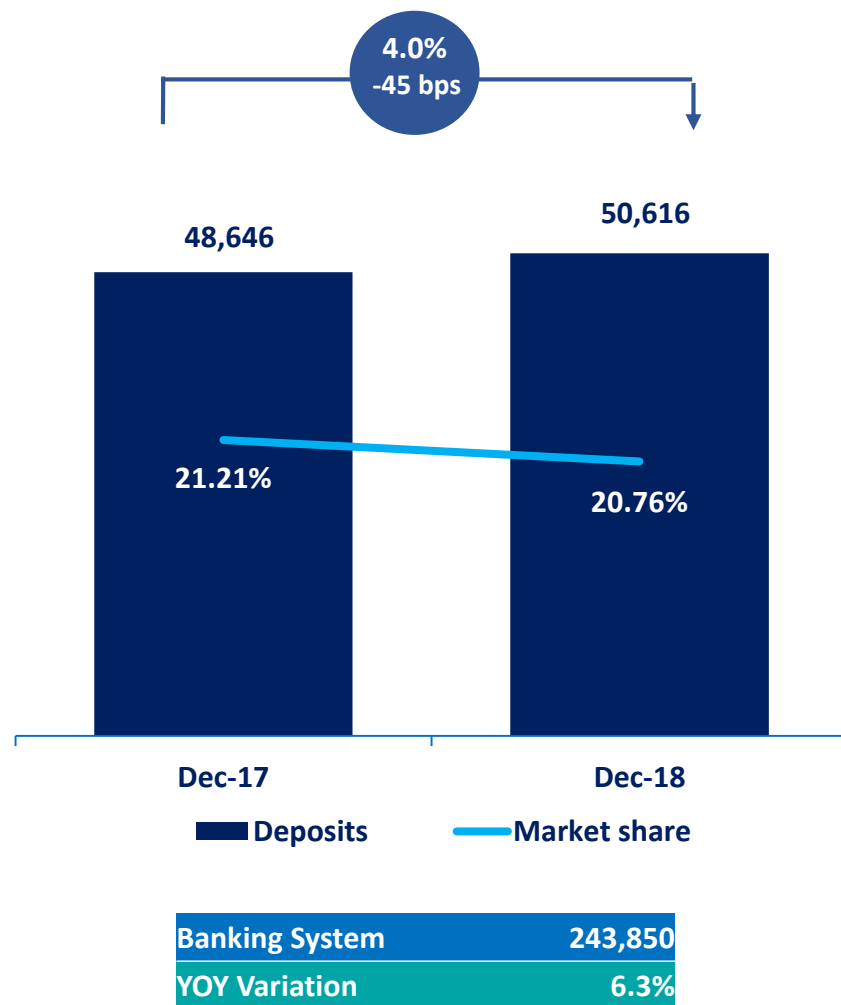
Loans by economic sector



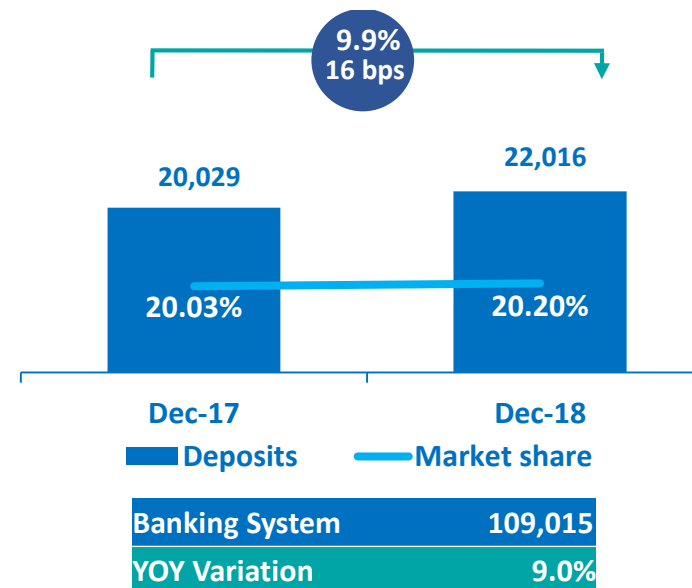
Concentration Risk



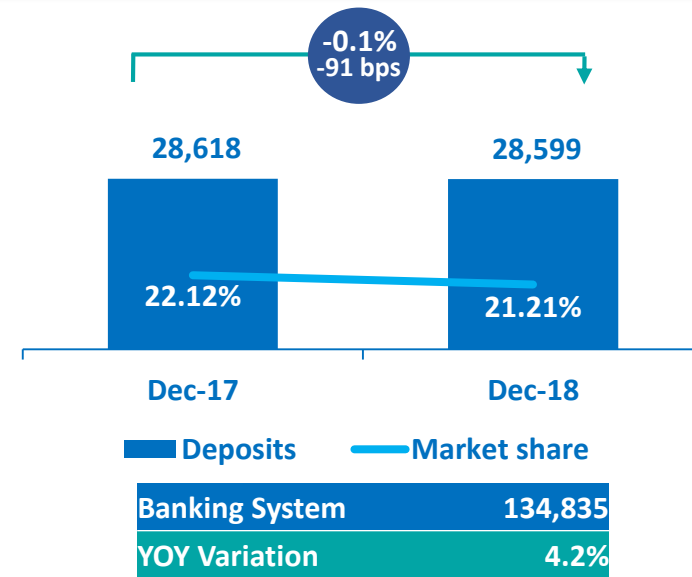
Deposits (\$/ Million, %)



Retail Deposits

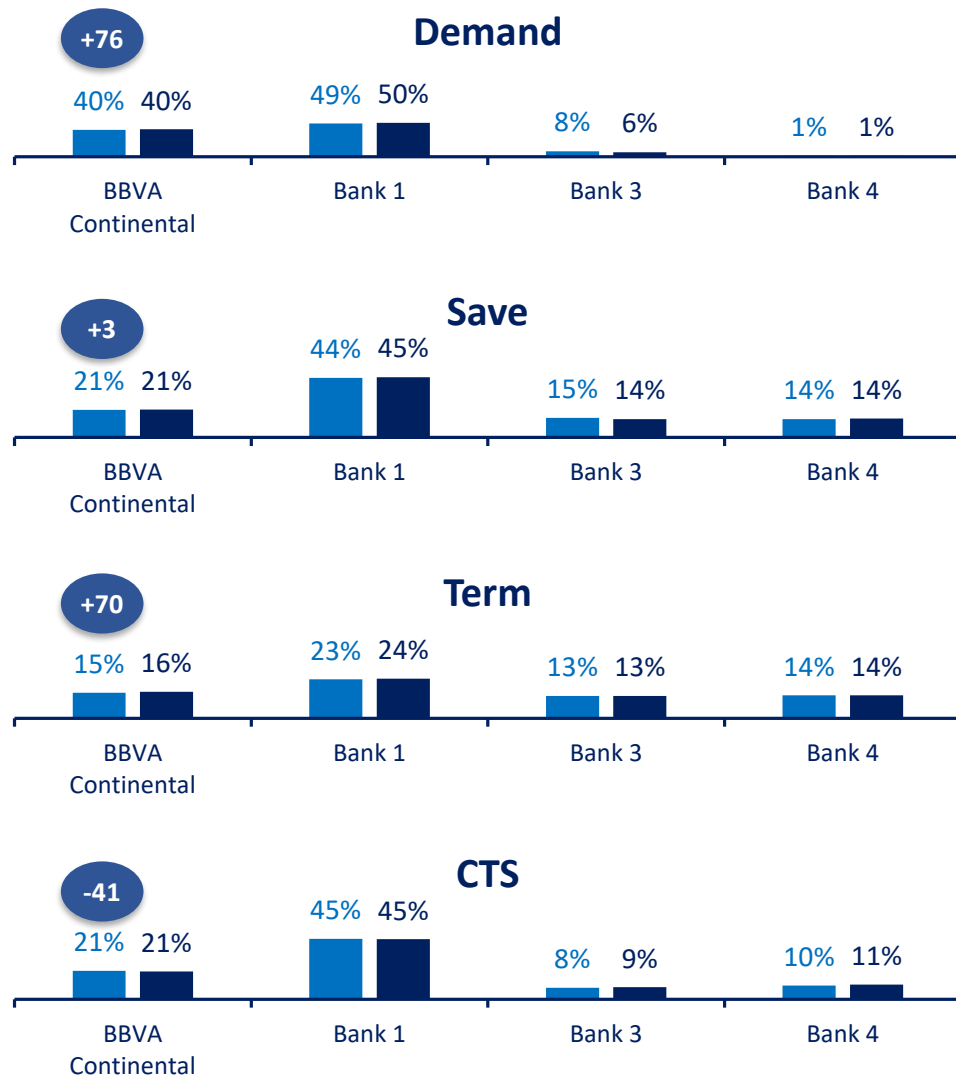


Business Deposits

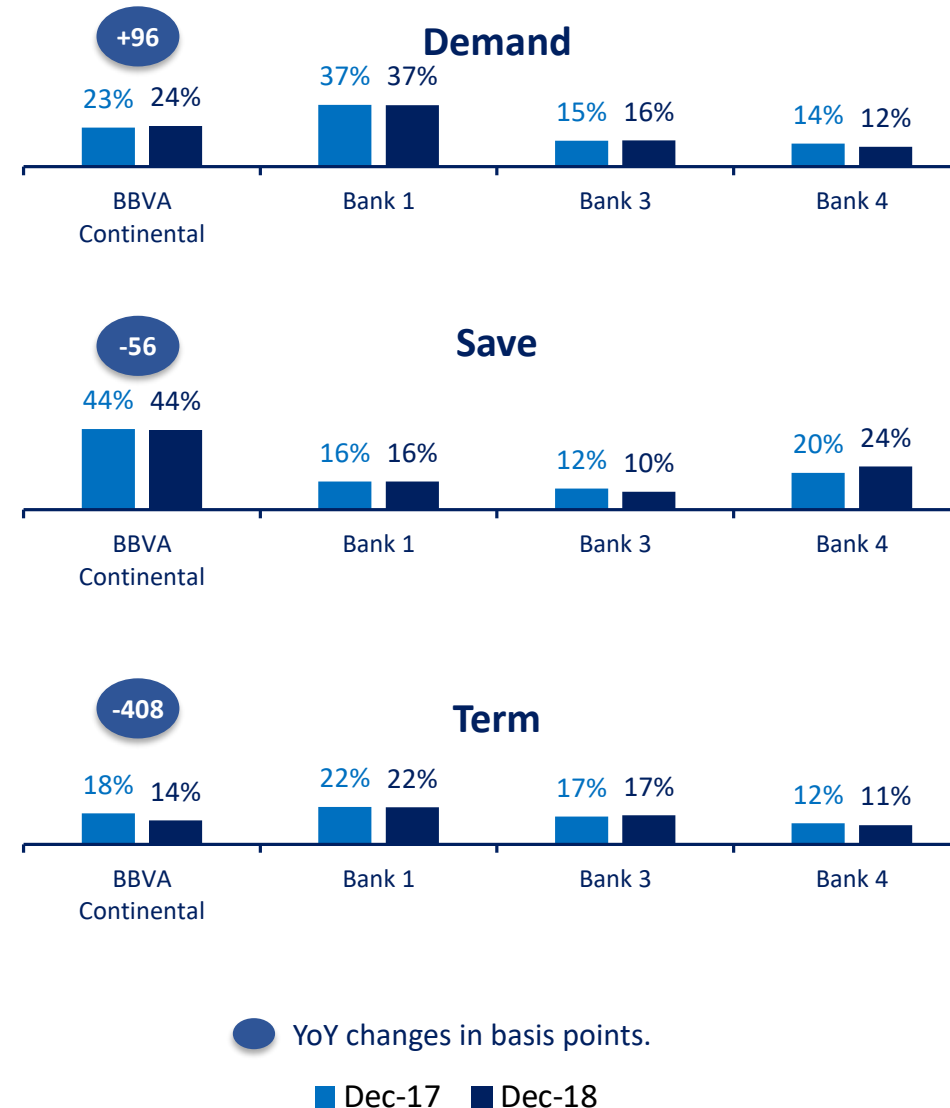


Market Share - Deposits

Retail Deposits

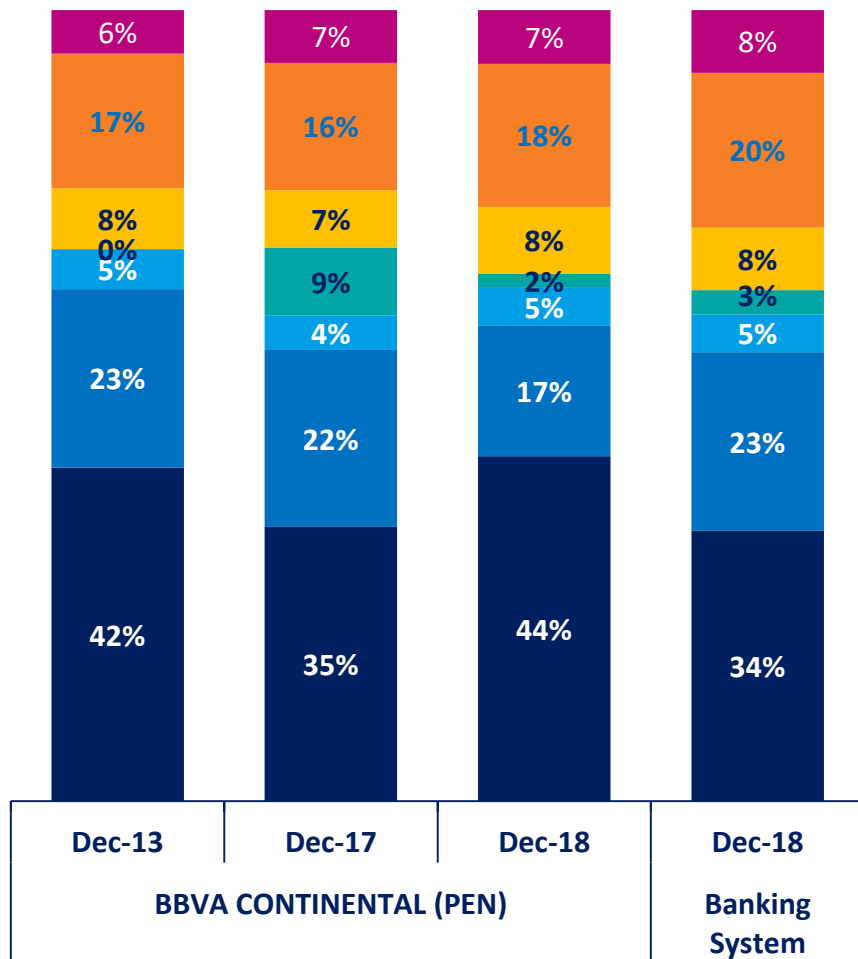


Business Deposits

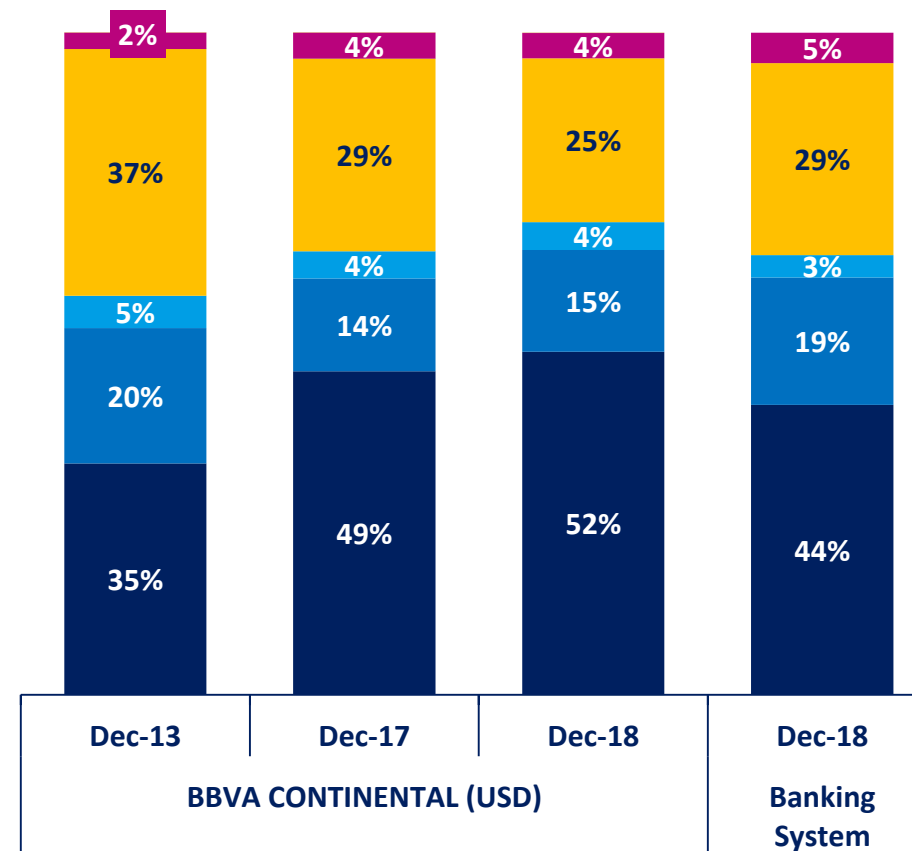


Liabilities and Capital Breakdown

Local Currency



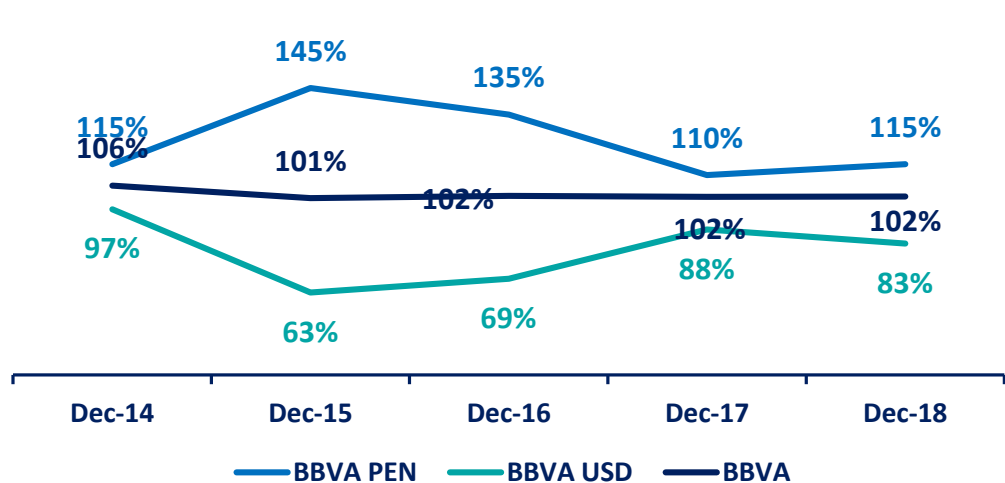
Foreign Currency



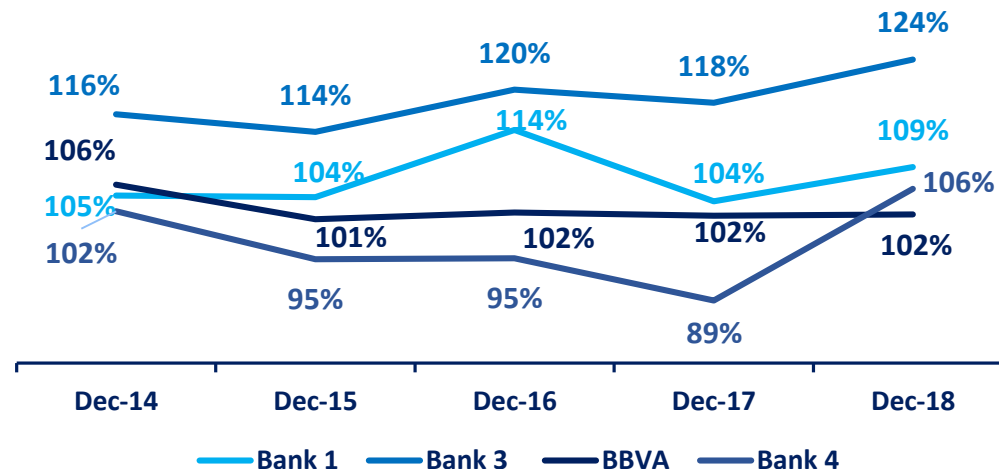
- Others
- Equity
- Wholesale funding
- REPOS
- CTS
- Term
- Demand + Saving

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

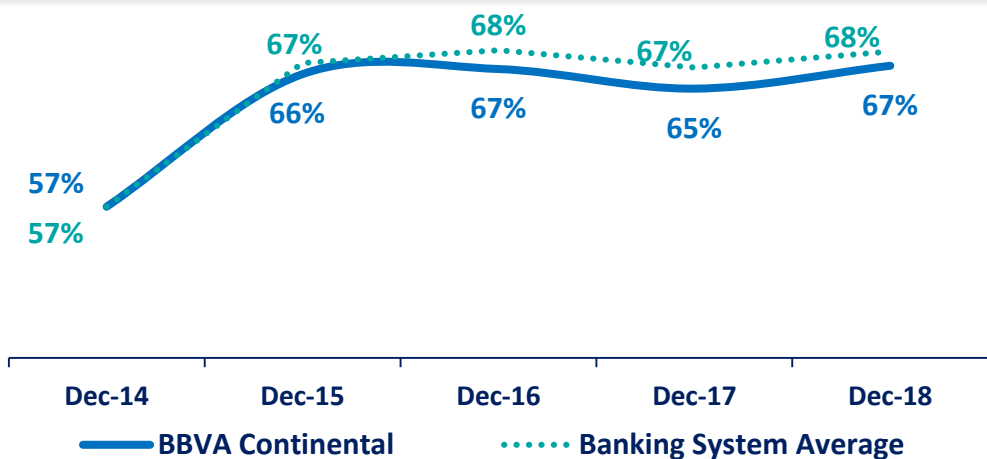
Loan-To-Deposit by currency¹



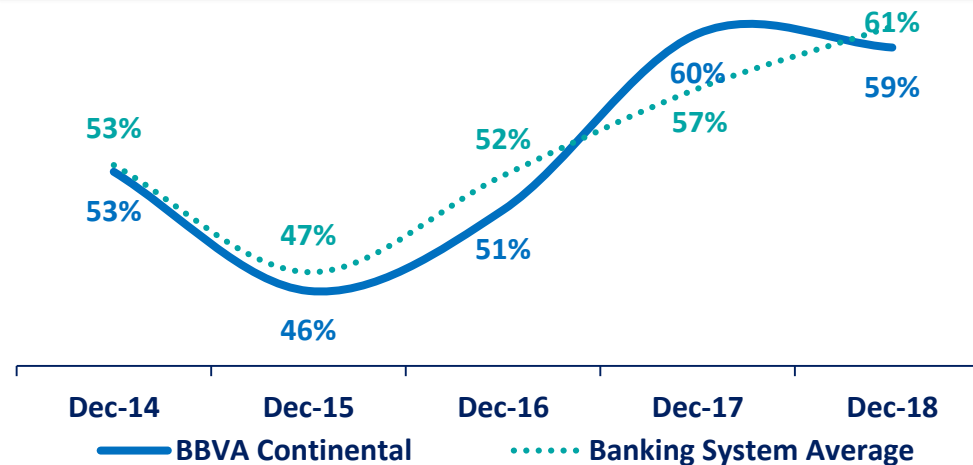
Loan-To-Deposit - Peer group



Domestic Currency Performing Loans (% Total Loans)



Domestic Currency Deposits (% Total Deposits)



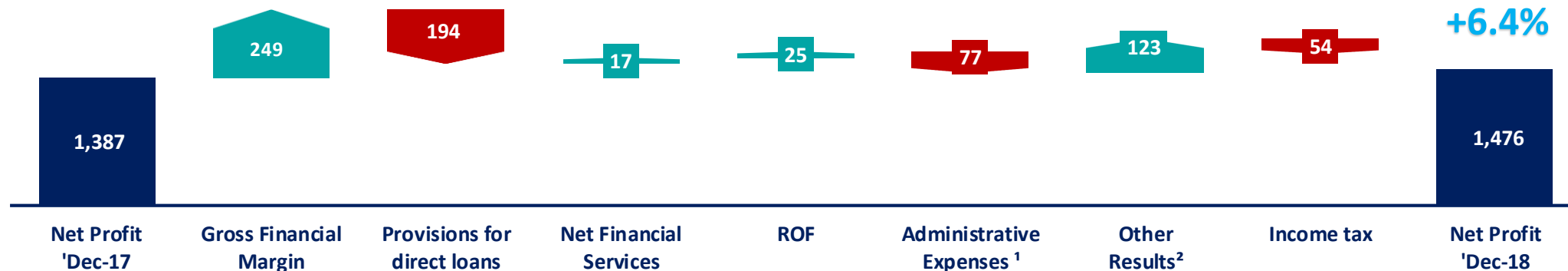
¹ Other obligations are excluded from deposit.

Source: SBS

BBVA Continental Profit & Loss

(S/ Million)

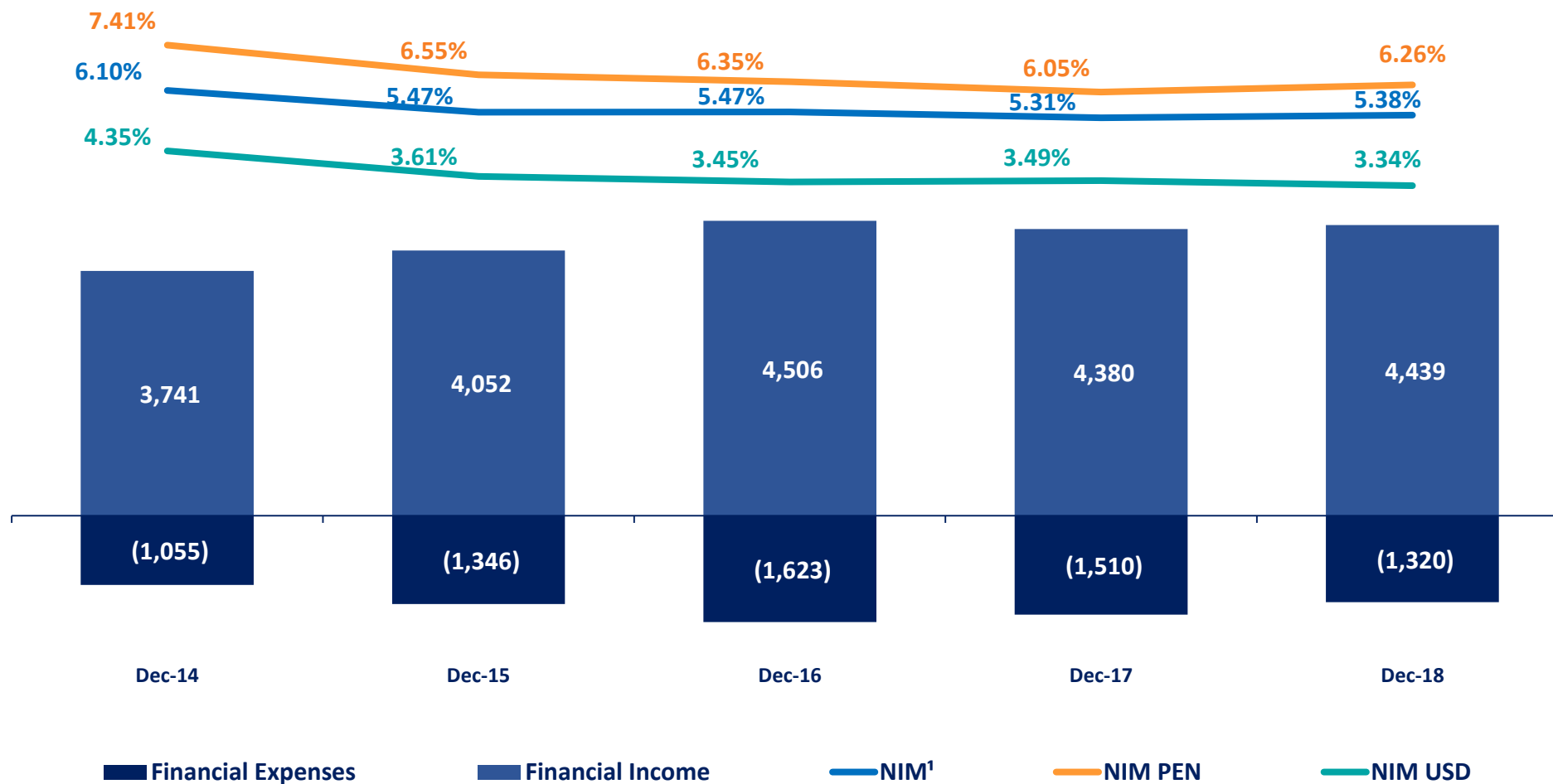
	Dec-18	Dec-17	%
Gross Financial Margin	3,119	2,870	8.7
Provisions for direct loans	(734)	(539)	36.1
Net Financial Margin	2,386	2,331	2.3
Income from financial services	1,125	1,068	5.4
Expenses from financial services	(344)	(303)	13.2
Gain / Loss From Financial Operations (ROF)	613	587	4.3
Operating Margin	3,780	3,683	2.6
Administrative expenses	(1,520)	(1,468)	3.5
Depreciation and amortization	(148)	(123)	20.9
Net Operating Margin	2,112	2,092	1.0
Asset valuation and other provisions	(68)	(155)	-56.2
Other Income and Expenses	(18)	(53)	-67.0
Profit / Loss Before Income Tax	2,026	1,883	7.6
Income tax	(550)	(496)	11.0
Net Profit	1,476	1,387	6.4



¹ Includes administrative expenses, depreciation and amortization

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

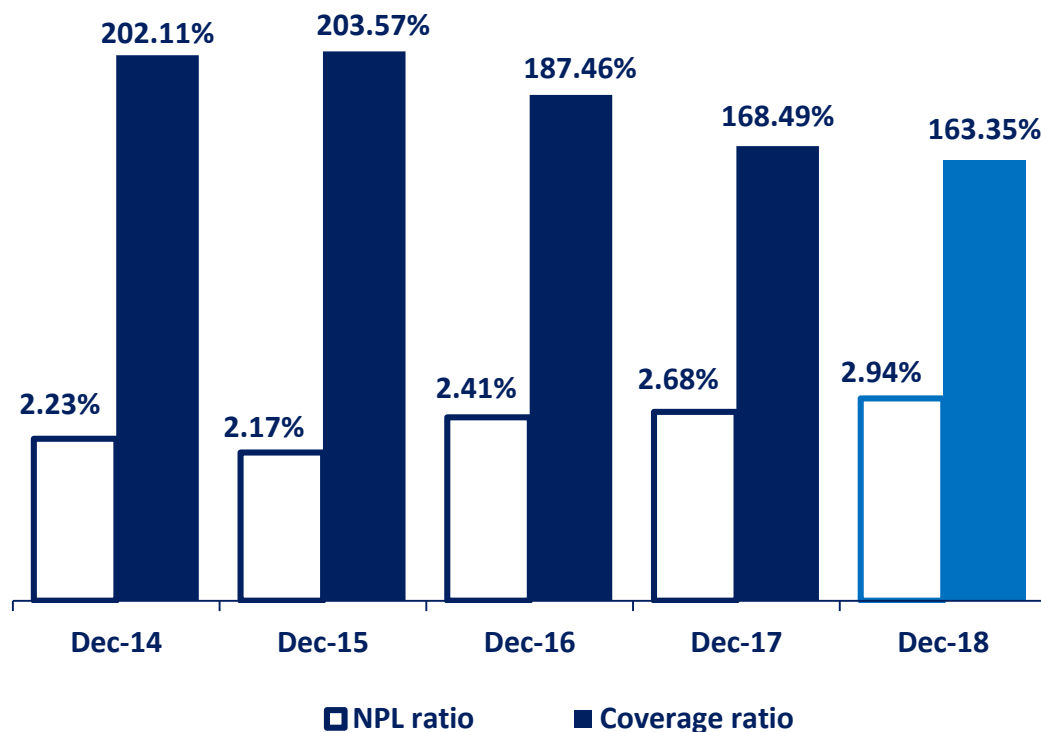
Gross Financial Margin (\$/ Million,%)



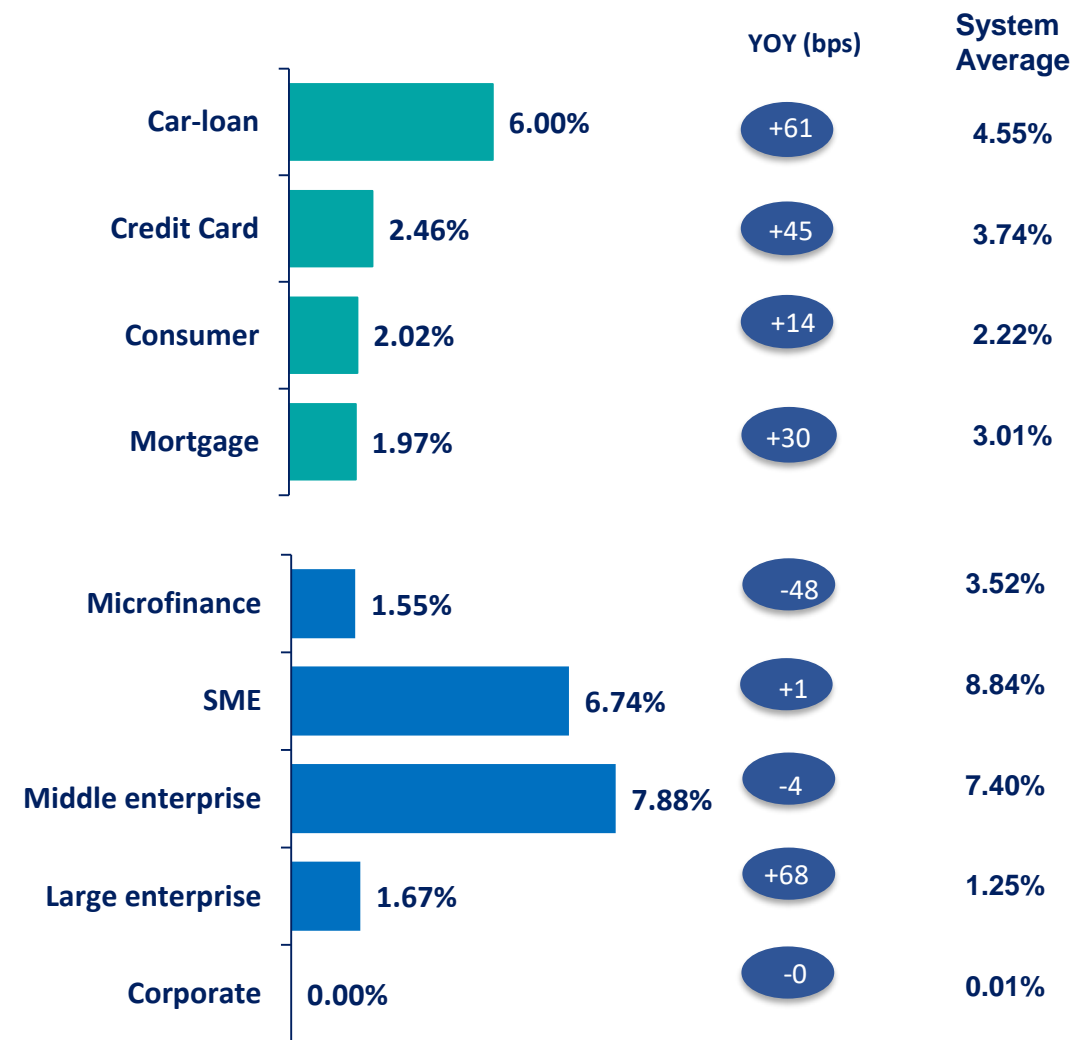
¹ NIM ratio: Gross financial margin for the last 12 months divided by average interest earning assets (interbank funds, investments, net loans).

Risk Management

Outstanding Asset quality (December 2018)

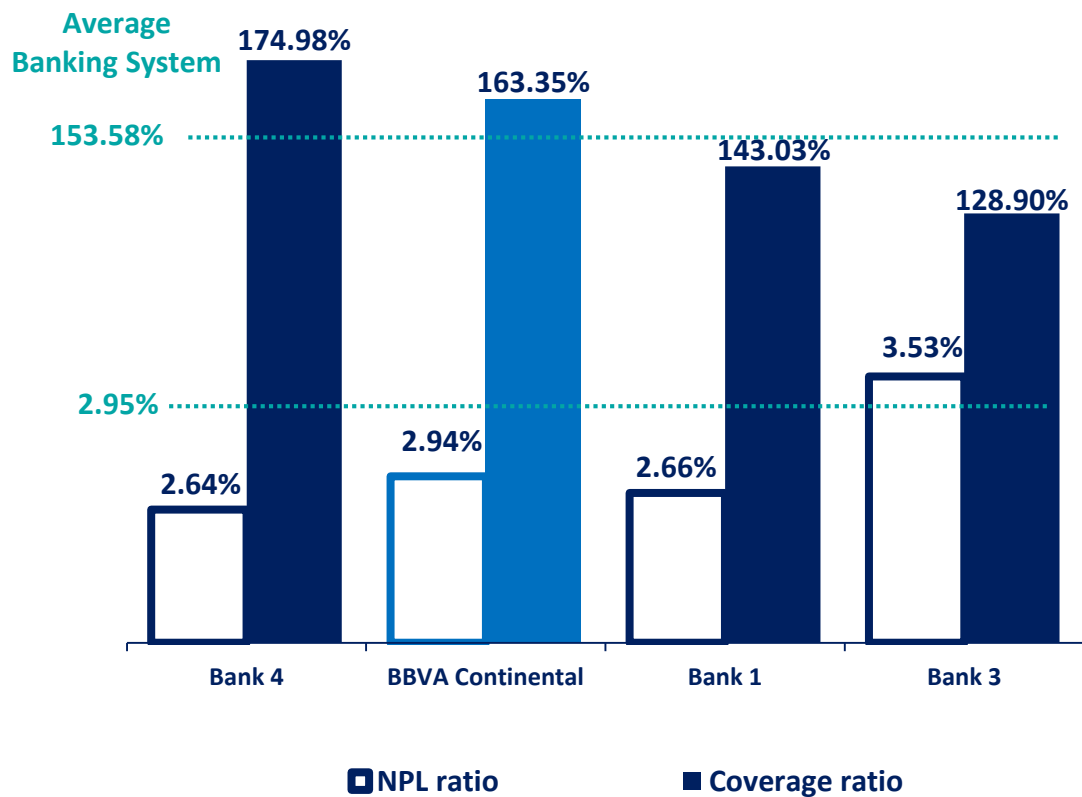


NPL Ratio by Product and Segment (December 2018)

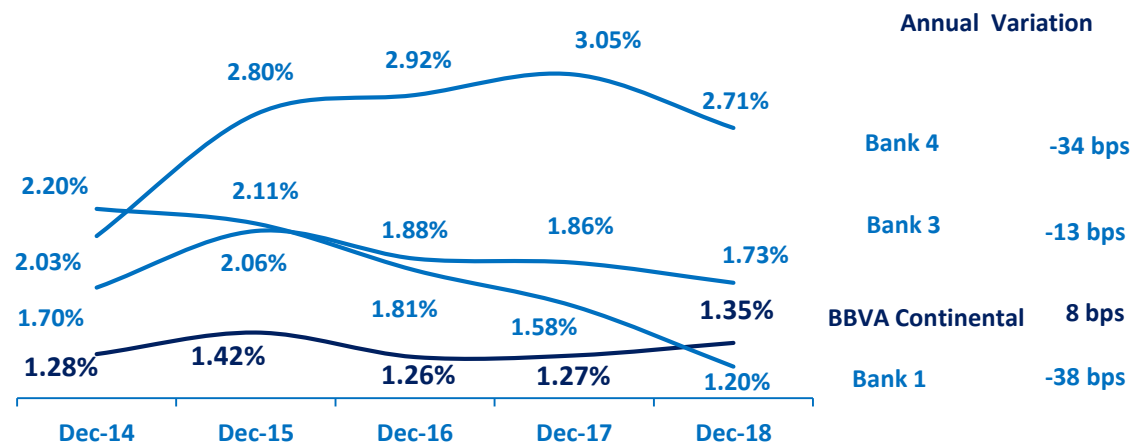


Risk Management

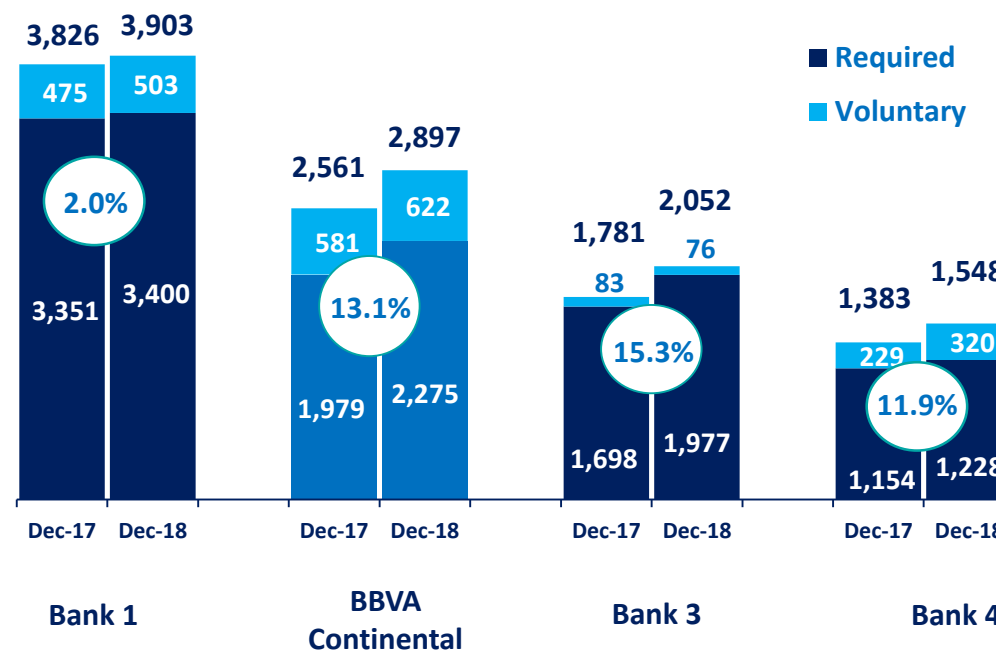
NPL Ratio & Coverage Ratio (December 2018)



Best Cost of Risk¹ vs. Peer Group



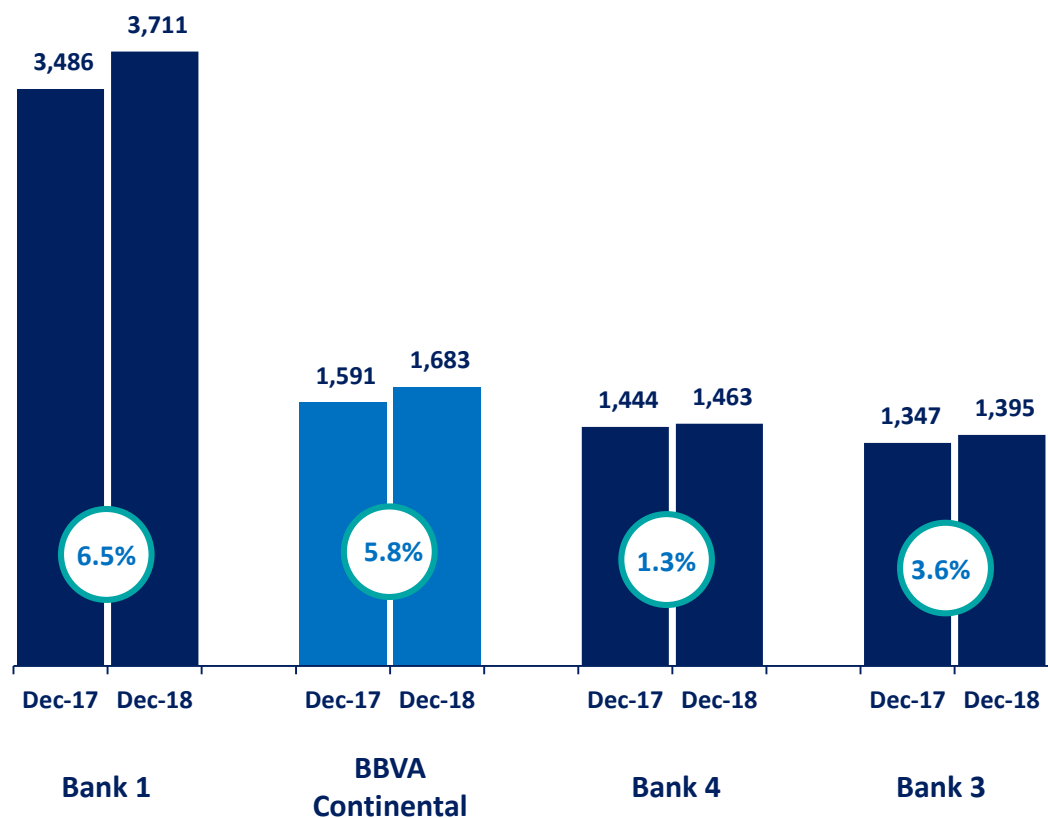
Maintaining High Levels of Voluntary Provisions (S/ Million)



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

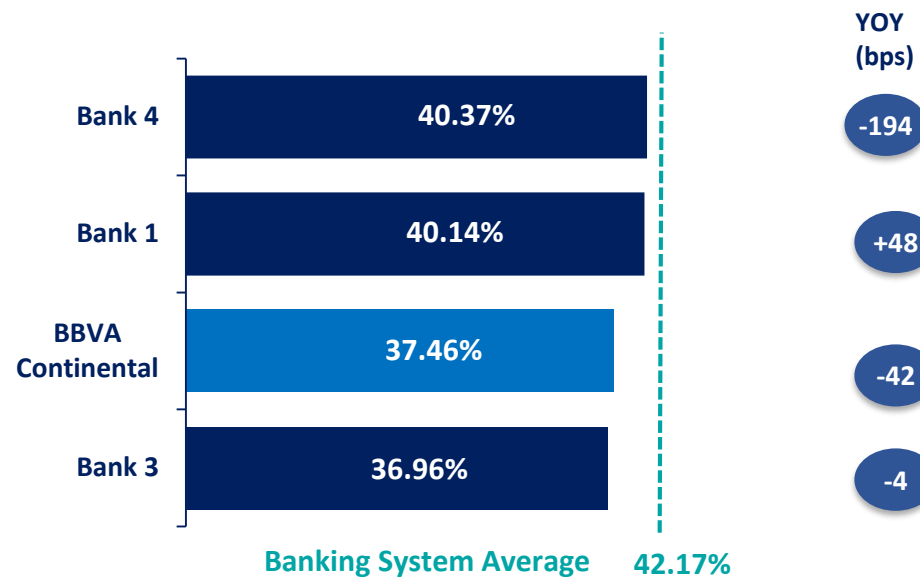
Expenses Management

Administrative Expenses ¹ (\$/ Million, %)

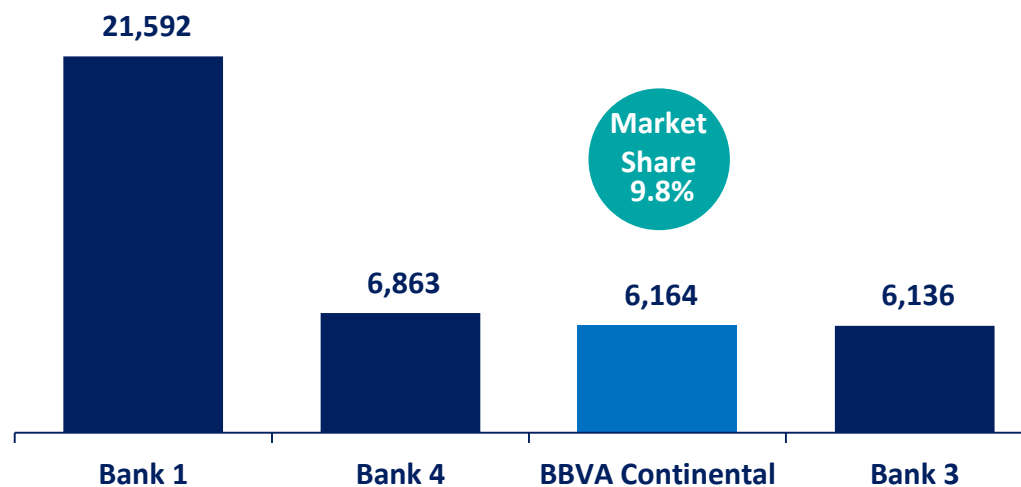


¹ Includes Amortization and Depreciation
Source: SBS

Efficiency Ratio (December 2018)

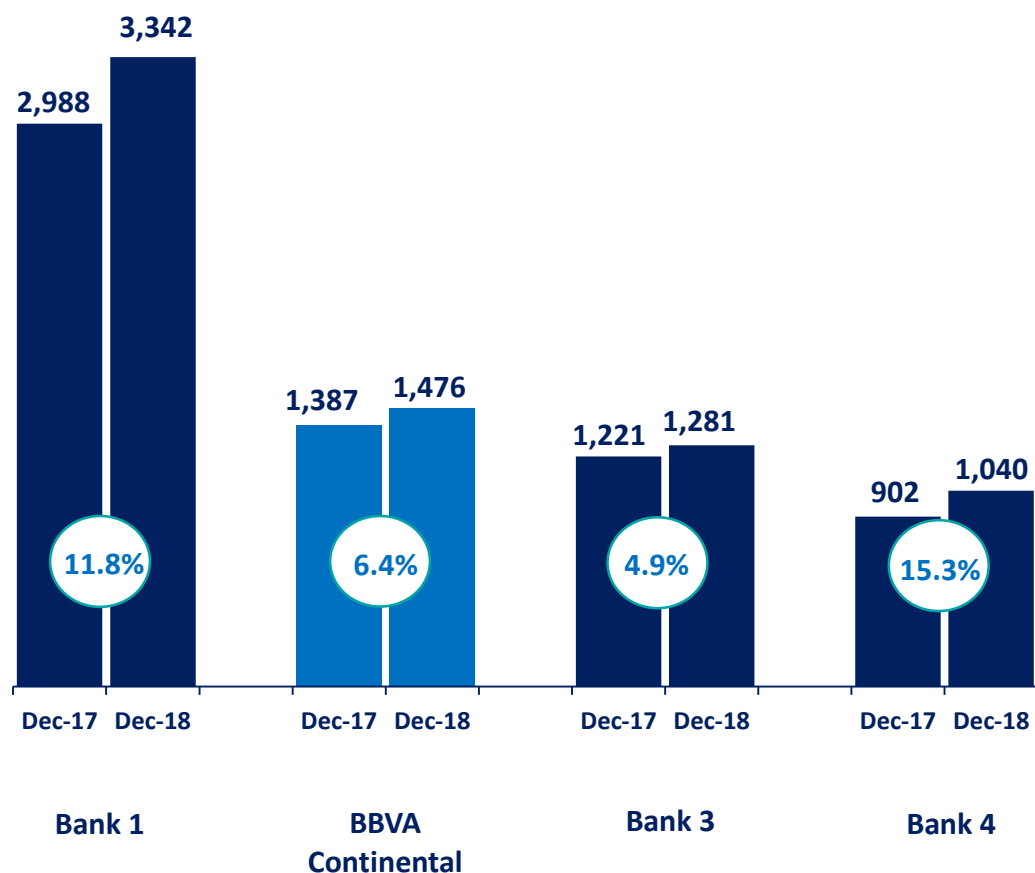


Number of Employees (December 2018)

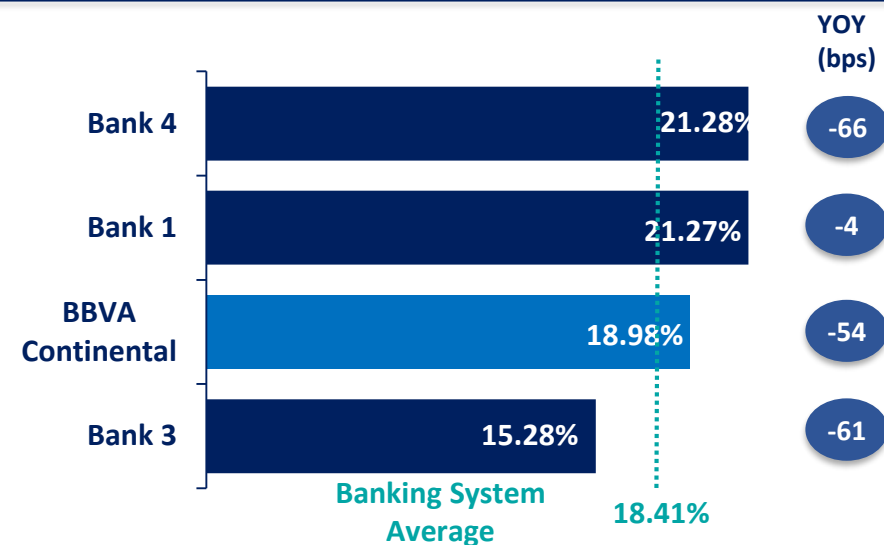


Profitability Management

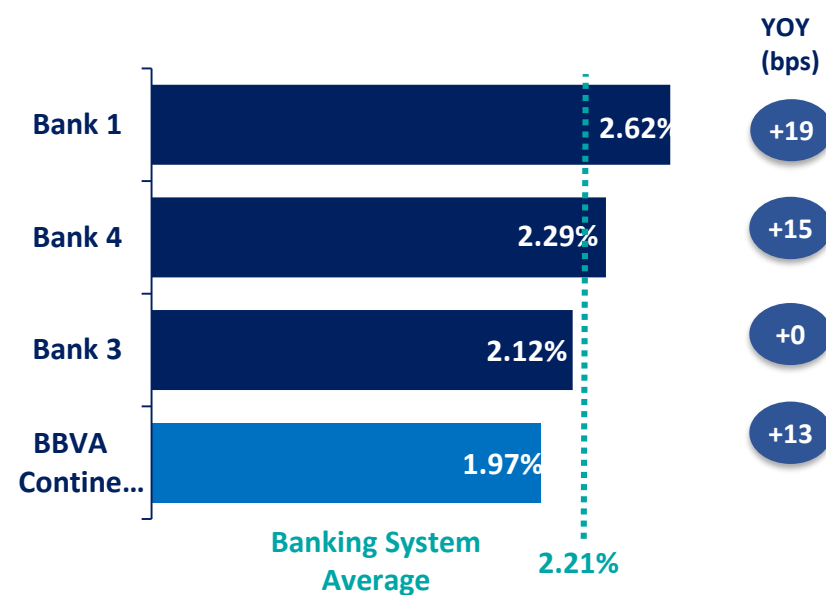
Net Profit (\$/ Million, %)



Return on Equity – ROE (December 2018)

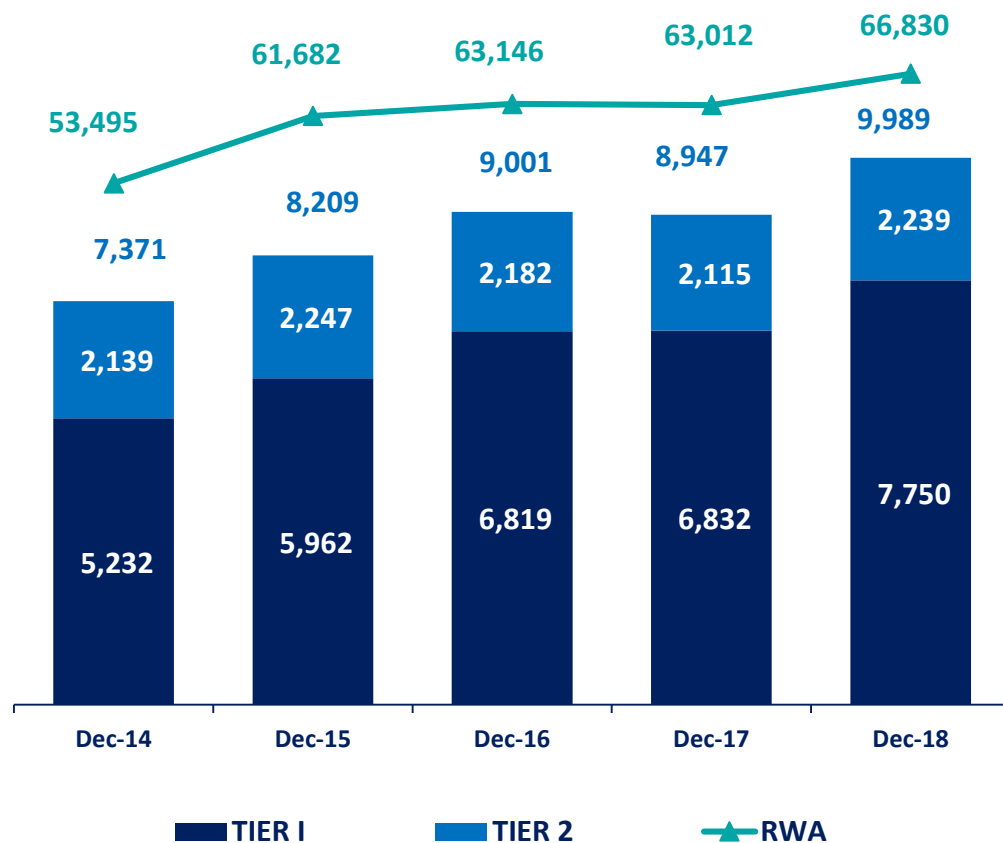


Return on Assets – ROA (December 2018)

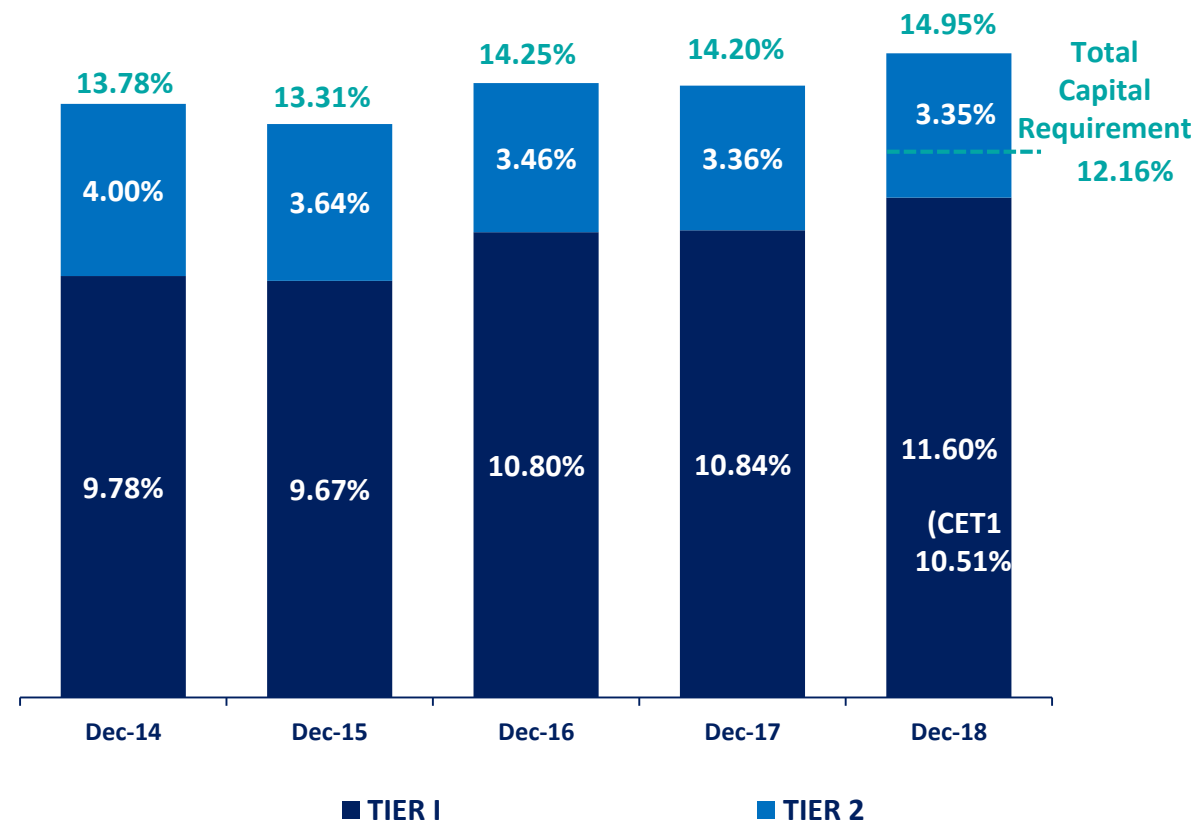


Solvency Management

Regulatory capital & RWA (\$/ Million)



Capital Ratios





04

Ratings

International & Local Rating

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

(December 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+

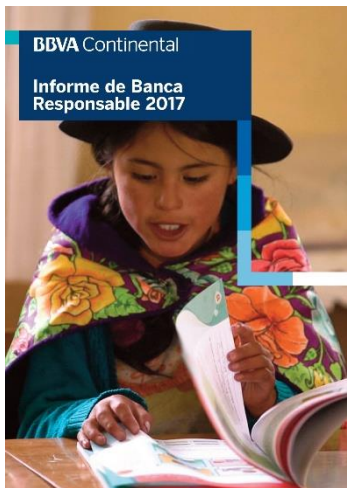


05

Social Responsibility and Awards

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

SOCIAL RESPONSIBILITY



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



Best Digital Bank 2017

IRENE

Most recommended Bank 2017



Felicitemos a las **10 empresas más admiradas del Perú**



PERÚ **GOLDEN AWARDS 2018**



Best Investment Bank in Perú (local issuances)

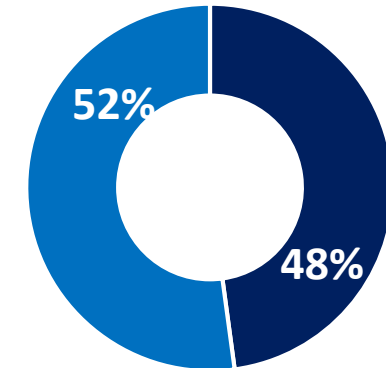


Appendix

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	48%
International	2,985	52%
Total	5,724	100%

BBVA CONTINENTAL

Investors Report

Fourth Quarter 2018

BBVA Continental