



# BBVA Peru

## Investor Report

Third Quarter 2020



Creando Oportunidades

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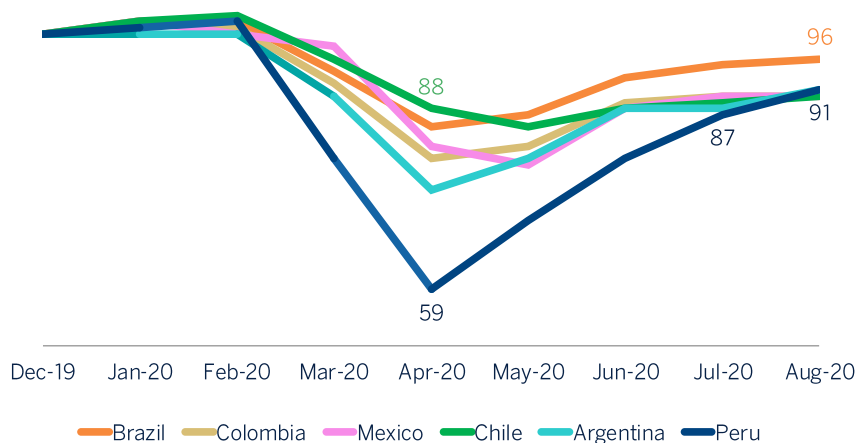
APPENDIX  
Debt Issuances

01

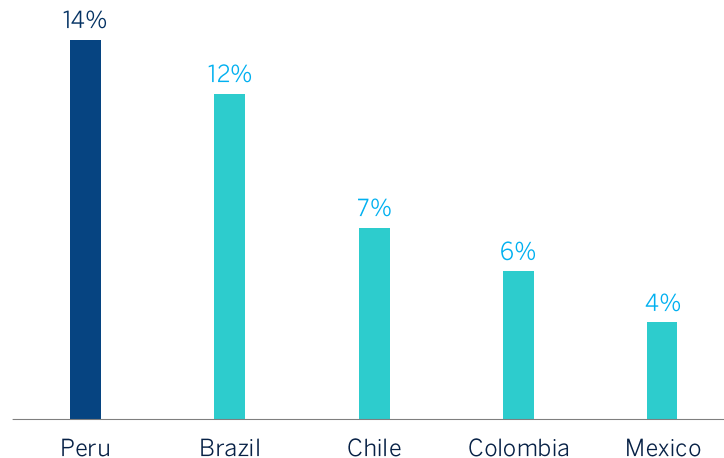
# Peruvian Economy & Financial System

# Latam's economic activity improves in 2S20, while Peru registers the most pronounced recovery

**ECONOMIC ACTIVITY LATAM** (SEASONALLY ADJUSTED, AS % OF REACHED LEVEL IN DEC.19)



**ANNUAL GROWTH OF PRIVATE SECTOR CREDITS<sup>1</sup>** (SEPTEMBER)

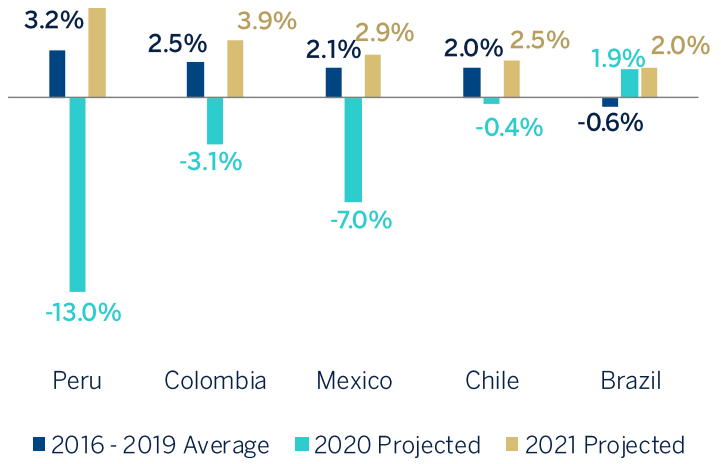


<sup>1</sup> Numbers of Brazil and Mexico as of August

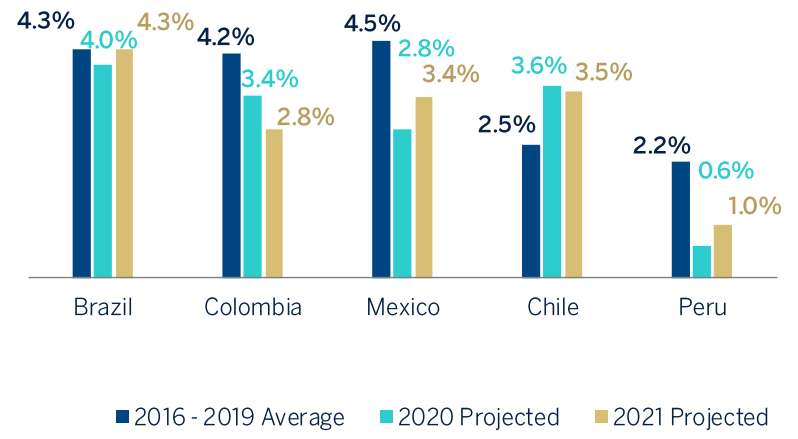
Source: Argentina: Instituto Nacional de Estadística y Censos (INDEC); Brazil: Banco Central do Brasil (BCB); Mexico: Instituto Nacional de Estadística y Geografía (INEGI); Colombia: Departamento Administrativo Nacional de Estadística (DANE), Chile: Banco Central de Chile, Peru: BCRP y BBVA Research

# In this sense, Peru presents a better projection of GDP growth in 2021 and quite restrained inflation

### GDP GROWTH (REAL)



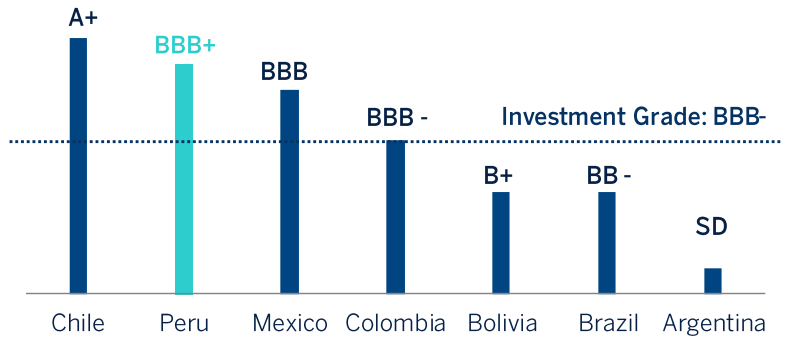
### INFLATION (END OF PERIOD)



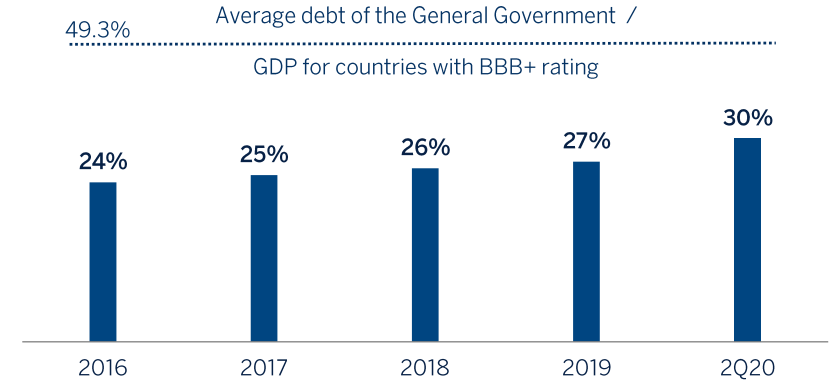
Source: International Monetary Found (IMF), Banco Central de Reserva del Perú (BCRP) & BBVA Research

# The local currency has remained relatively stable despite the crisis, outperforming other currencies

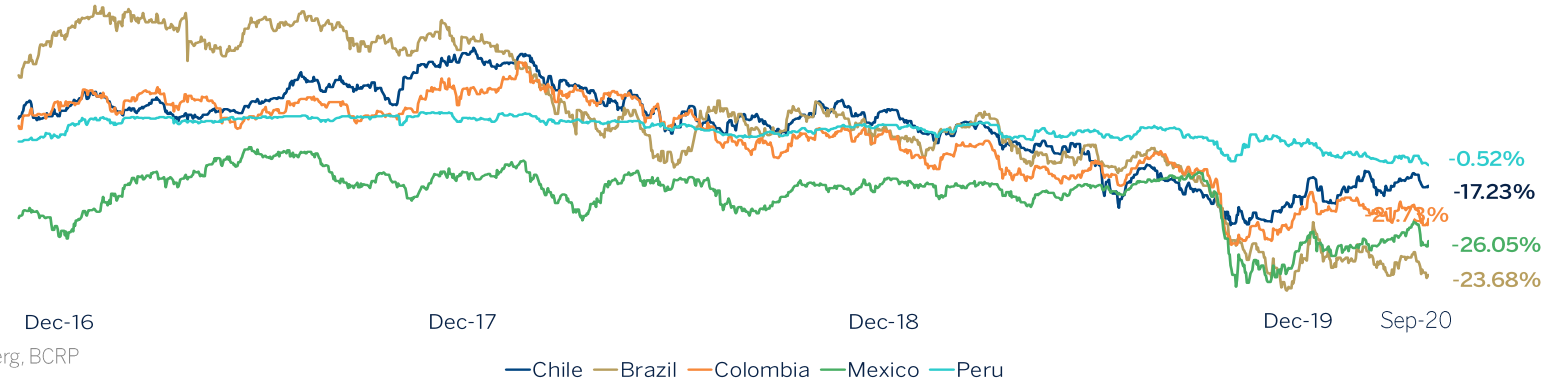
## CREDIT RISK PROFILE



## PERUVIAN PUBLIC DEBT (% OF GDP)



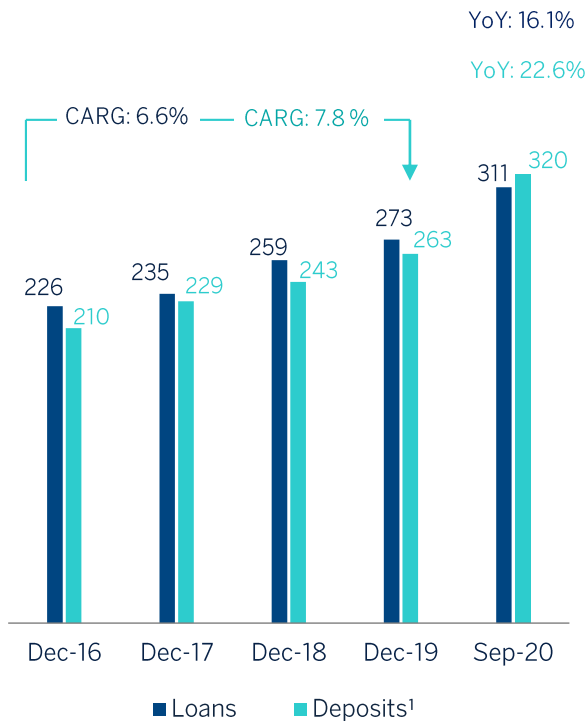
## CURRENCY DEPRECIATION AGAINST USD



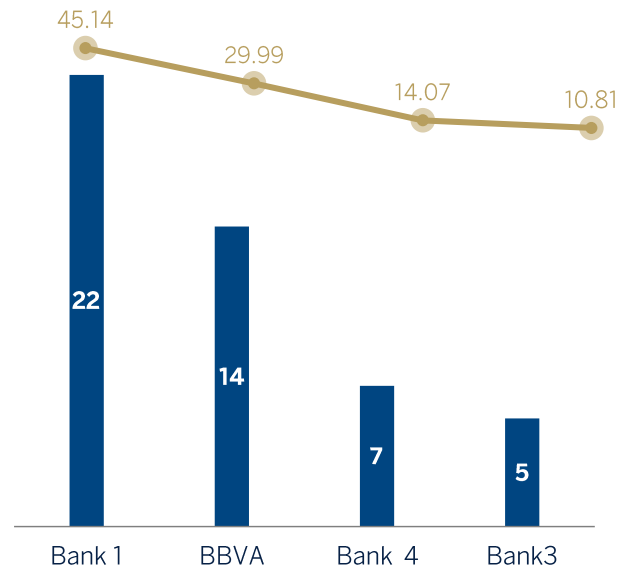
Source: Bloomberg, BCRP

# Meanwhile, the Banking System growth is driven by Reactiva

## PERFORMING LOANS AND DEPOSITS (S/ THOUSAND MILLION)



## REACTIVA LOANS AND MARKET SHARE (S/ THOUSAND MILLION,%)



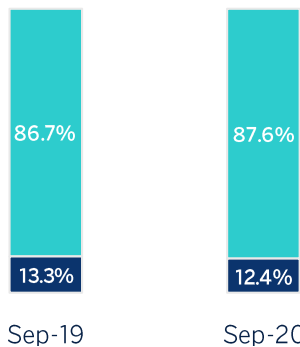
<sup>1</sup> Other obligation are excluded from deposits  
Source: Superintendencia de Banca, Seguros y AFP (SBS) & World bank (WB)



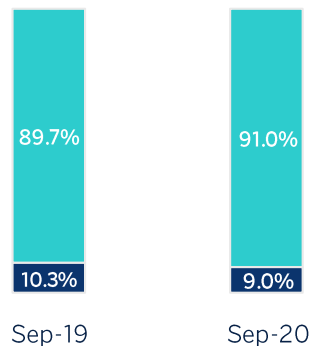
# Peruvian Financial System (SEPTEMBER 2020)

Financial system	Institution S/ Million	Net loans	YoY (%)	Deposits	YoY (%)	Net Income	YoY (%)
Banking system	Banks (15)	305,870	14.5%	319,764	22.6%	2,316	-66.9%
	Banco de la Nación	8,574	35.1%	31,905	30.8%	543	-30.3%
Other financial institutions	Cajas Municipales (12)	22,416	8.6%	24,364	7.5%	82	-73.0%
	Financieras (11)	11,376	-10.6%	8,639	5.1%	-23	-105.7%
	Cajas Rurales (7)	1,991	-6.5%	1,751	0.9%	-26	-913.8%
	Edpymes (9)	2,343	-2.0%	-	-	40	-5.4%
	Leasing (1)	273	7.9%	-	-	-1	-110.6%
	COFIDE	5,935	61.2%	226	333.1%	10	-0.9%
	Agrobanco	163	-42.3%	-	-	-44	-7.1%

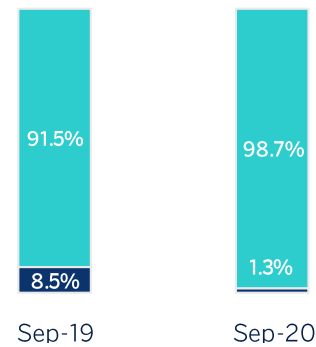
## LOANS



## DEPOSITS<sup>1</sup>



## NET INCOME

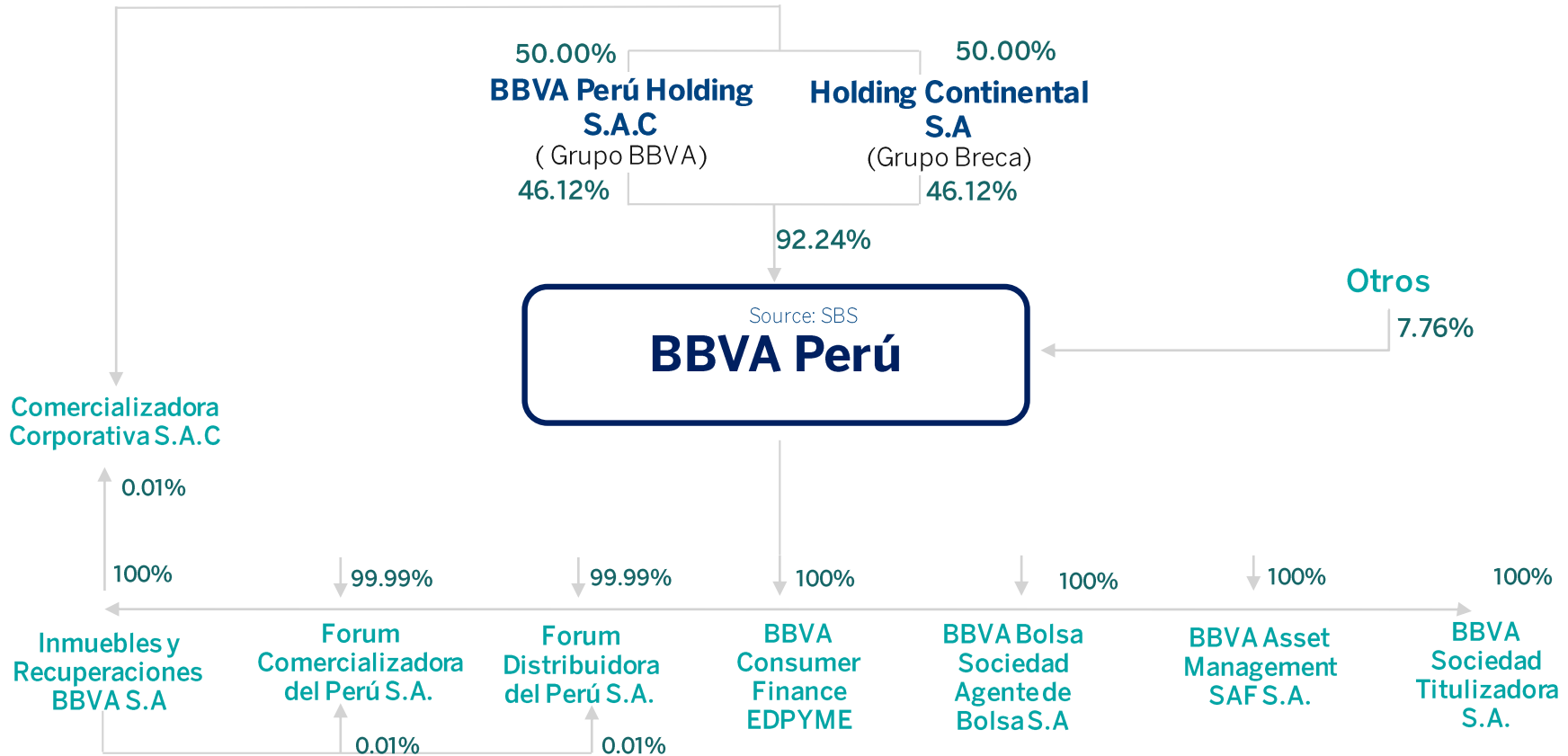


✓ The 4th largest peers concentrate around 85% of the bank loans and deposits.

02

# About BBVA Peru

# BBVA Peru and Subsidiaries belong to the Economic Group formed by BBVA Group and Breca



# BBVA Group maintains an adequate balance between emerging and developed markets, which allows income diversification, providing a high degree of recurrence in results



**€727** miles de millones de activo total

**79,9** millones de clientes

**>30** países

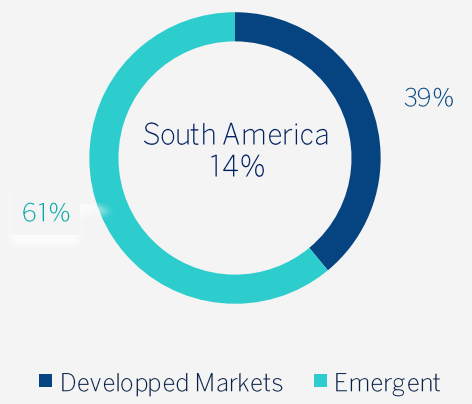
**7.565** oficinas

**31.037** cajeros

**124.110** empleados

Well diversified & self sufficient subsidiaries<sup>1</sup>

## Gross Income



<sup>1</sup> 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

*Decentralized model*

## Corporate Center

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

## 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

# According to the current context, BBVA adopts different measures in order to create new opportunities for our customers



We ensure the **well-being** of our employees and clients



Keeping **strict security protocols** in our offices



Giving **health kits** for employees and **protection** for vulnerable groups.



And **full-time occupational physicians**



In addition, **e-working and special mobility** are implemented for those employees who attend the office



We get adapted to new digital needs

Promoting the use of **digital channels** for the acquisition of products

### Loans



### Credit Cards



### Saving accounts



We offer **financial support** to our clients



Granting **rescheduling and payment flexibility**



Offering **working capital loans** under Reactiva, Crecer and FAE Programs



Providing **ATMs and offices** for government subsidies



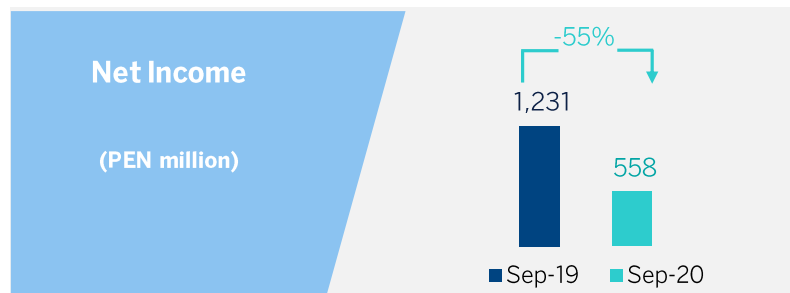
Exempting **transfer commissions** by Digital means

03

# Financial Highlights

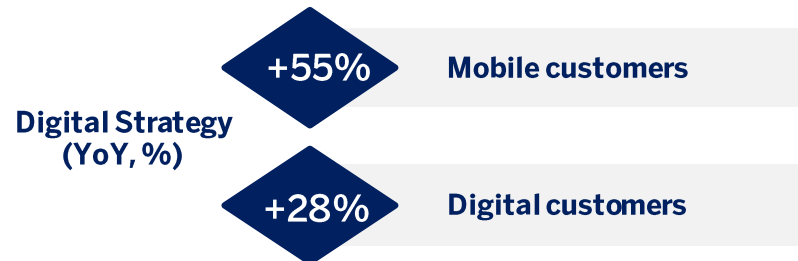
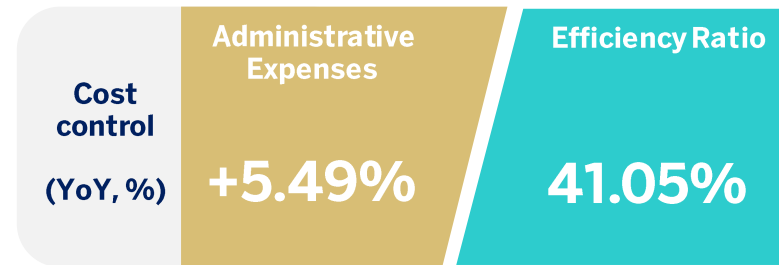
# Highlights of BBVA Peru (SEPTEMBER 2020)

<b>Assets</b> (PEN million)	104,931
<b>ROE</b>	10.13%
<b>ROA</b>	1.03%



## Great Asset Quality

<b>NPL</b>	3.00%
<b>Cost of Risk</b>	2.14%
<b>Coverage Ratio</b>	187.23%



## Strong Capital & Liquidity Ratios

<b>Global Capital</b>	<b>CET1</b>
14.45%	11.16%
<b>Loan – to – deposits</b>	<b>99%</b>

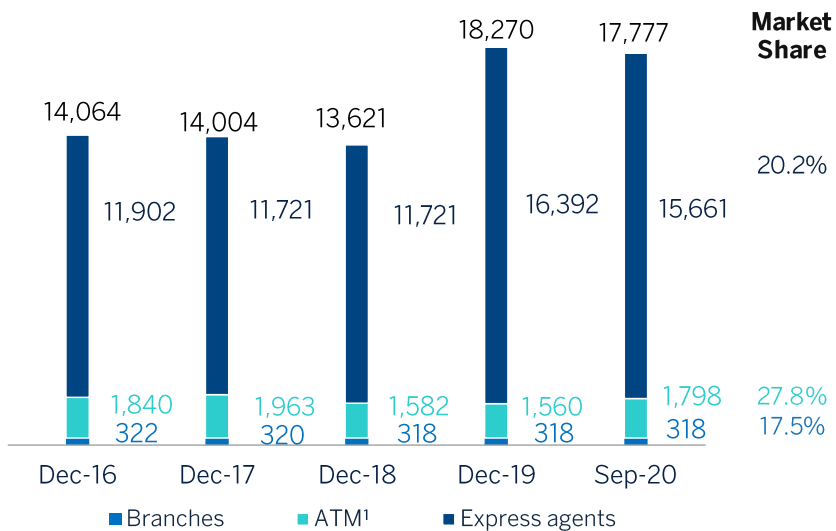


# Strong Banking platform

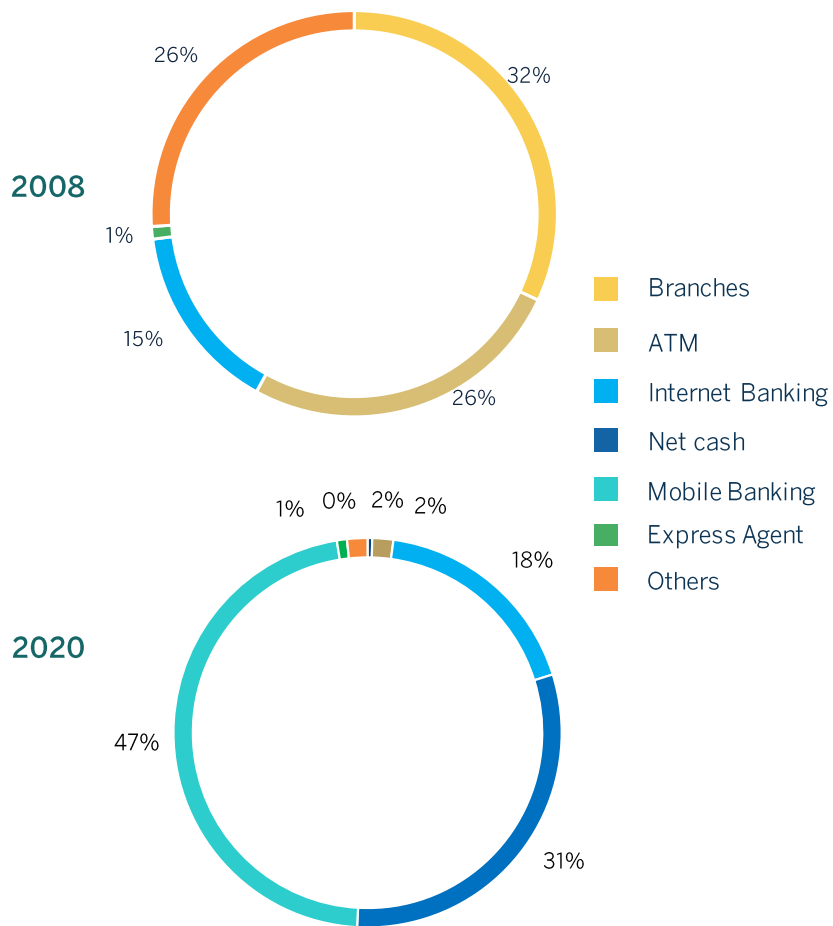
## DISTRIBUTION NETWORK<sup>1</sup> (SEPTEMBER 2020)

One of the largest in the country

- 17,777 points of service
- More than 6.7 million customers



## EVOLUTION IN TRANSACTION PER CHANNEL



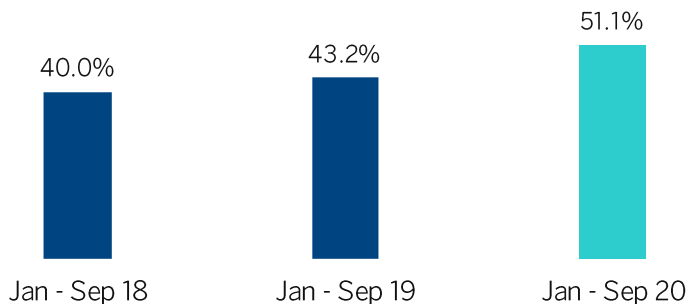
<sup>1</sup> Source: Branches, ATMs from ASBANC

Source: SBS and BBVA

\*The others section includes Telephone Banking, POS, Express cash and automatic debt

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

## DIGITAL UNITS SHARE YTD







- More digital product credits, according to the current context

## HIGHLIGHTS

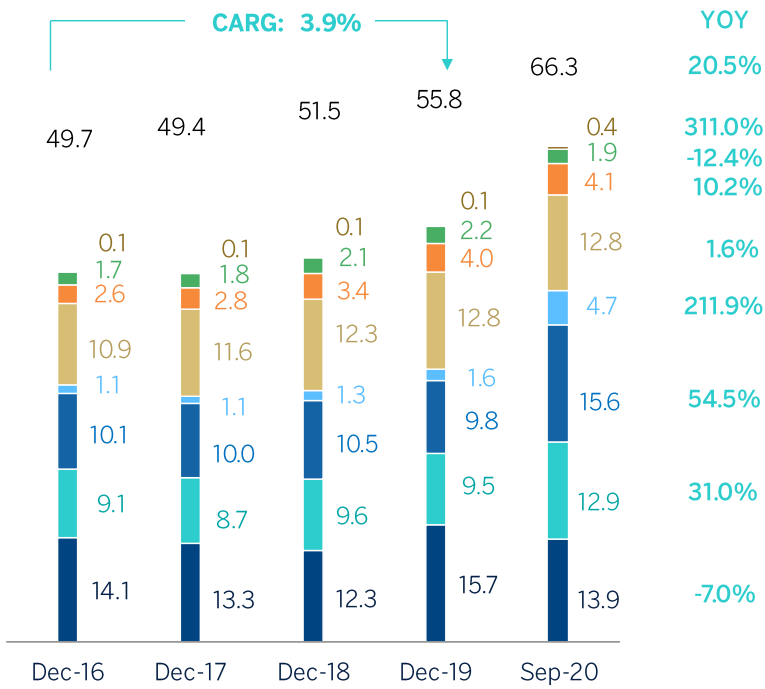
- Digital opening of accounts remain above 30%, according to greater demand for the release of AFPs and government subsidies.
- Continuous improvements in digital sales
- Benefits for digital channels focused on credit cards, loans and saving accounts
- Increase in the use of the Glomo App

## ACCELERATING DIGITAL USE

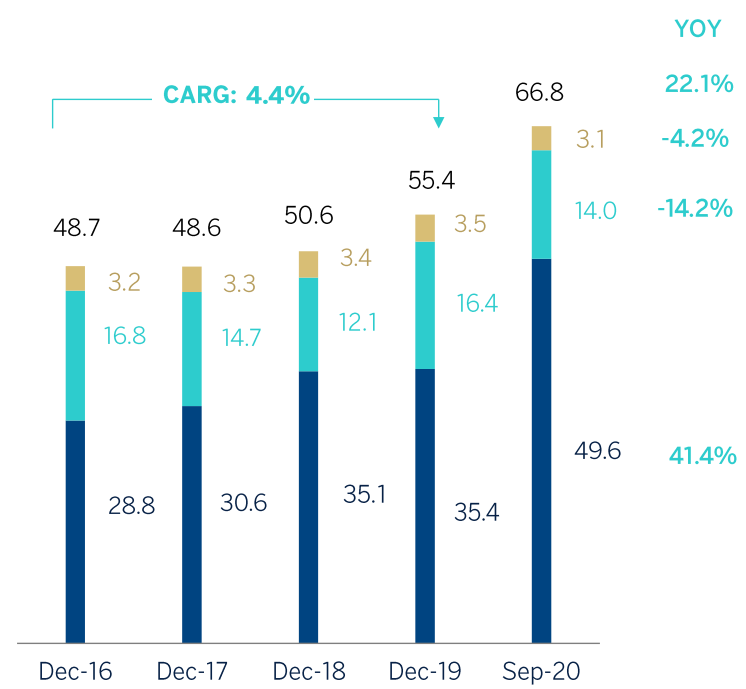
Digital Share	Sep19	Sep20
<b>Digital sales</b>	<b>43.2%</b>	<b>51.1%</b>
Creditcards 	22.4%	24.1%
Saving accounts 	10.4%	45.2%
Fx (T-cambio) 	42.2%	45.1%
Mutual Funds 	27.8%	42.1%

# Loans and deposit performance (S/ Thousands million,%)

## PERFORMING LOANS



## DEPOSITS<sup>1</sup>

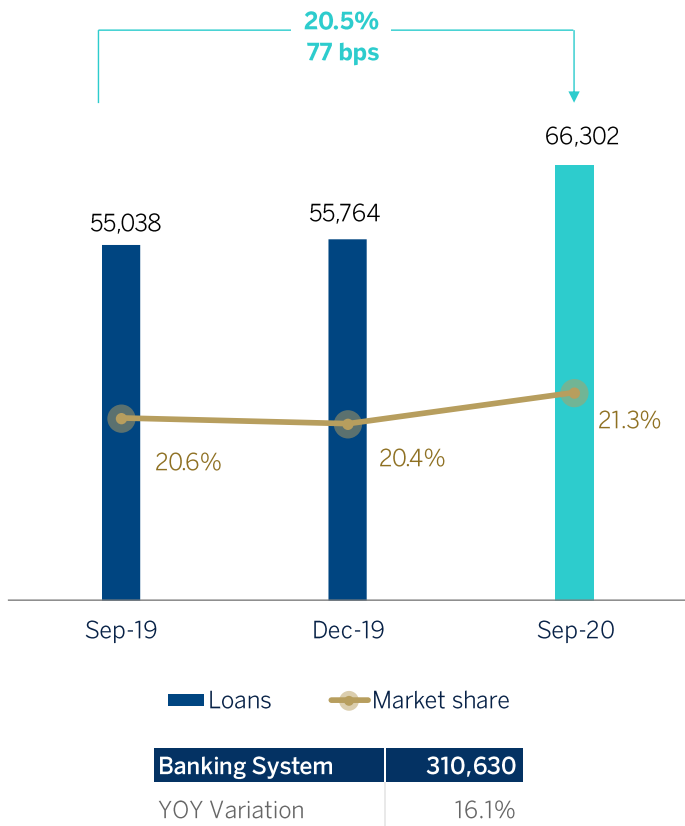


- Corporate
- SME
- Credit card
- Large enterprise
- Mortgage
- Microfinance
- Middle enterprise
- Consumer

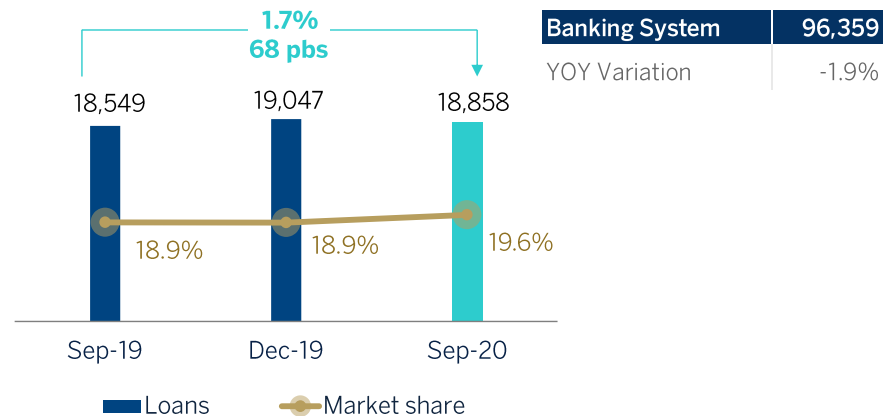
- Demand + Saving
- Term
- CTS

<sup>1</sup> Other obligations are excluded from deposits  
Source: ASBANC and SBS

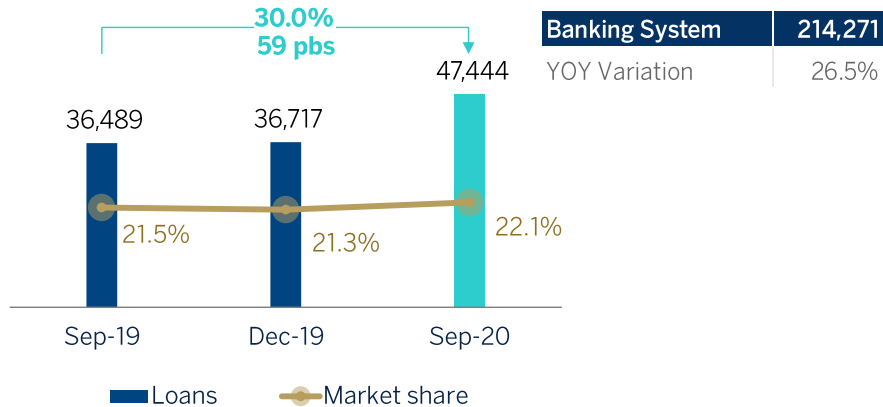
# Performing loans (\$/ Million, %)



## RETAIL LOANS



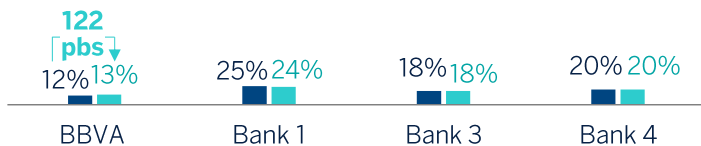
## BUSINESS LOANS



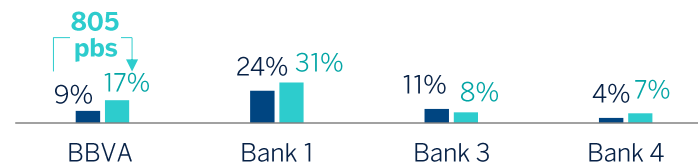
<sup>1</sup> Other obligations are excluded from deposits  
Source: ASBANC

# Market share - Loans

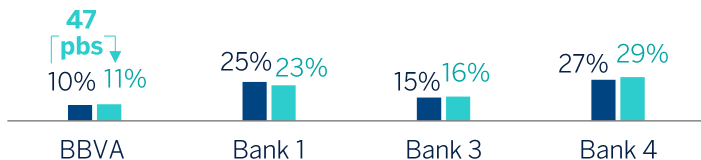
## Consumer



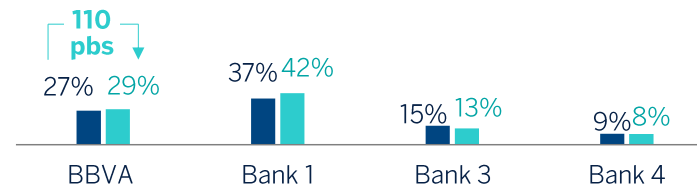
## SME



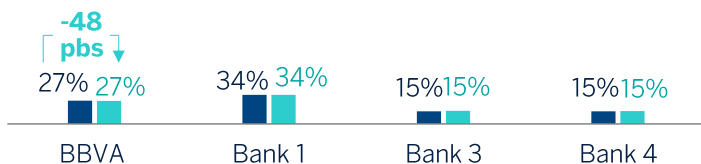
## Credit cards



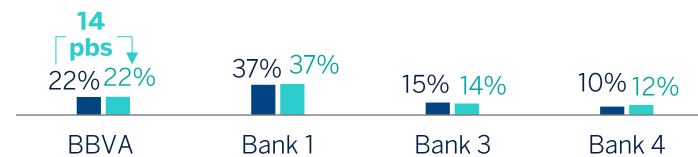
## Middle enterprises



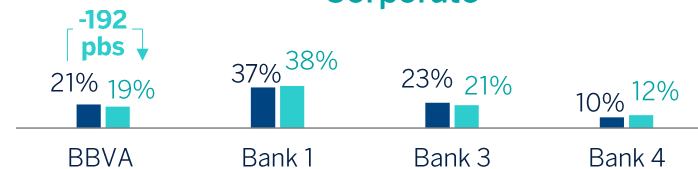
## Mortgage



## Large enterprises



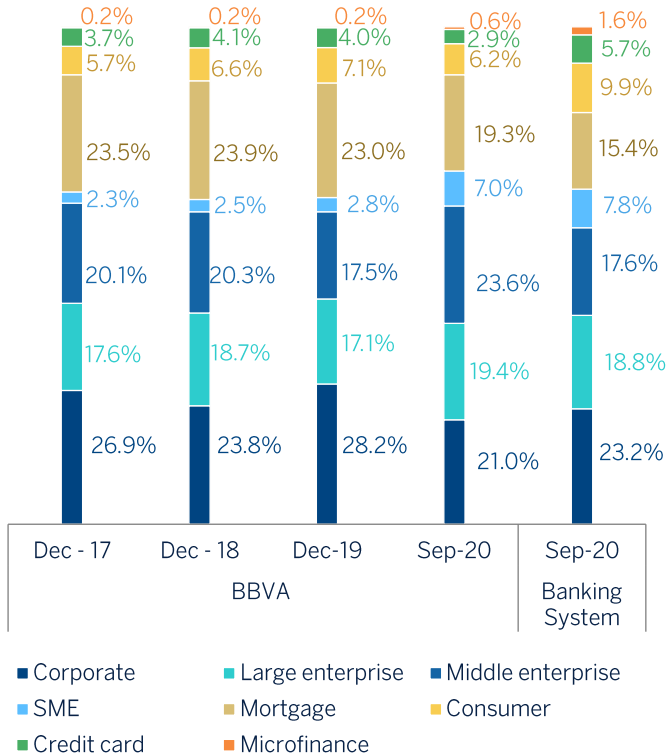
## Corporate



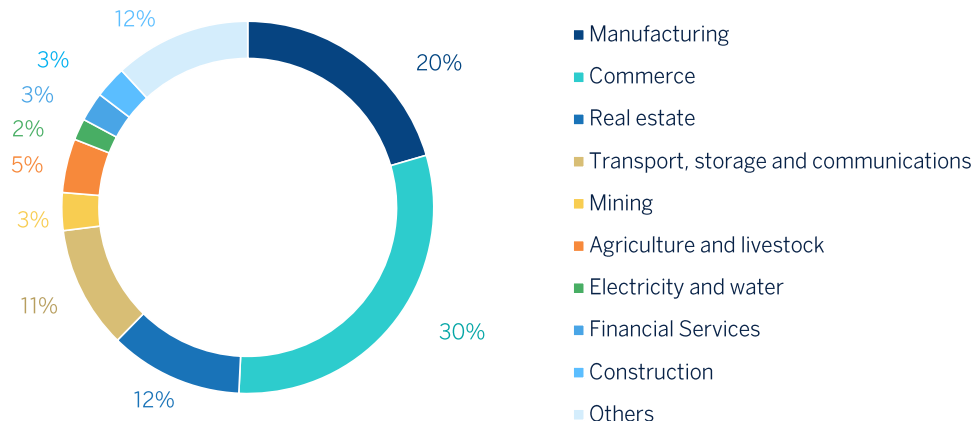
■ September 2019  
■ September 2020

# Well diversified loan portfolio

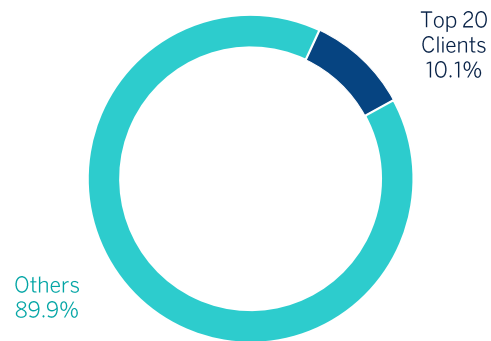
## LOANS BREAKDOWN



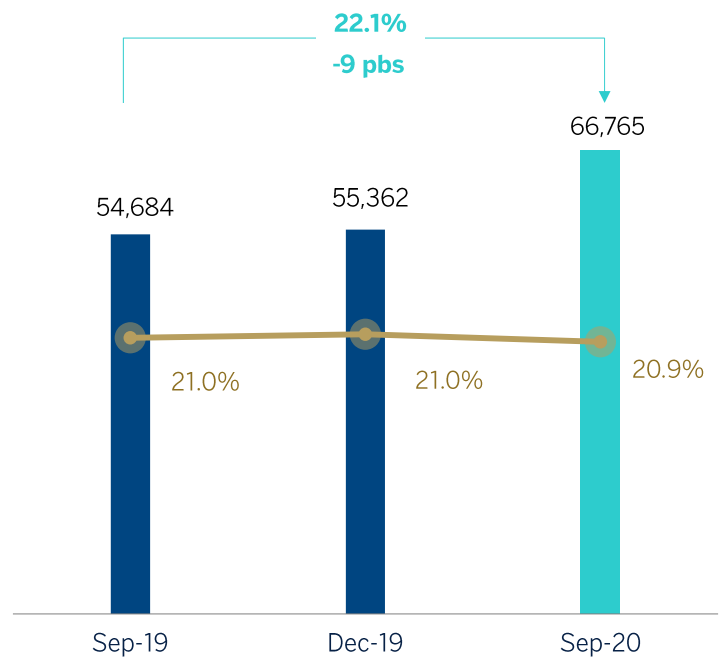
## LOANS BY ECONOMIC SECTOR (SEPTEMBER 2020)



## CONCENTRATION RISK (SEPTEMBER 2020)



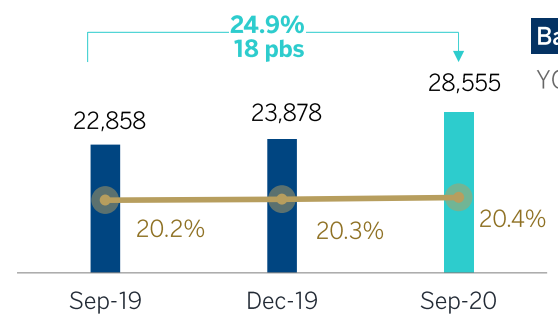
# Deposits (S/ Million, %)



■ Deposits    ● Market share

<b>Banking System</b>	<b>319,764</b>
YOY Variation	22.6%

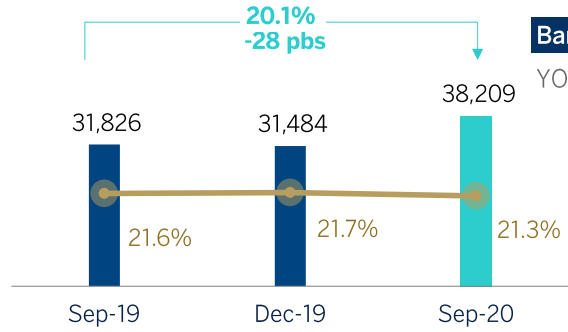
## RETAIL DEPOSITS



■ Deposits    ● Market share

<b>Banking System</b>	<b>140,156</b>
YOY Variation	23.8%

## BUSINESS DEPOSITS



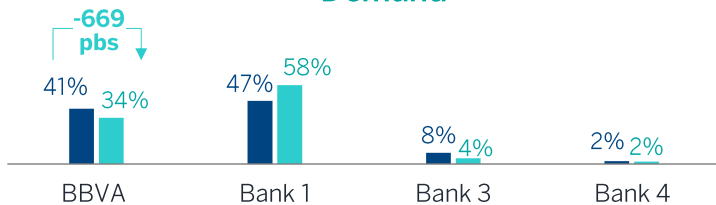
■ Deposits    ● Market share

<b>Banking System</b>	<b>179,609</b>
YOY Variation	21.7%

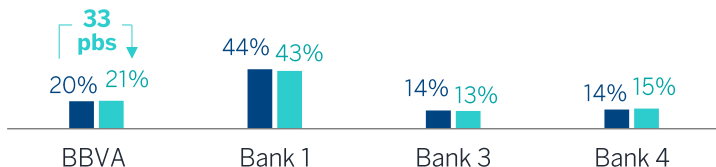
# Market share - Deposits

## RETAIL DEPOSITS

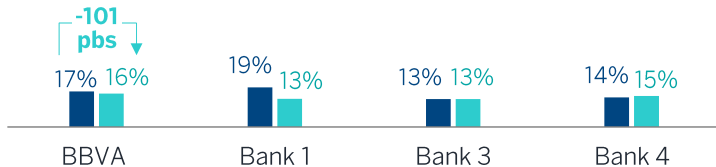
### Demand



### Save



### Term

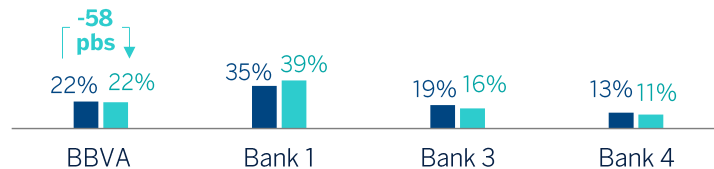


### CTS



## BUSINESS DEPOSITS

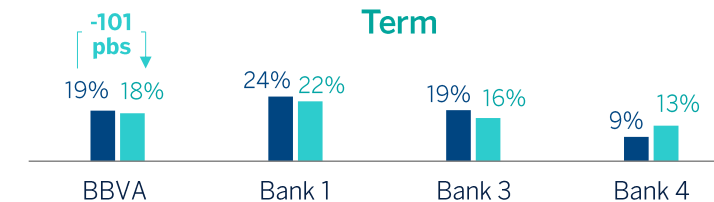
### Demand



### Save



### Term



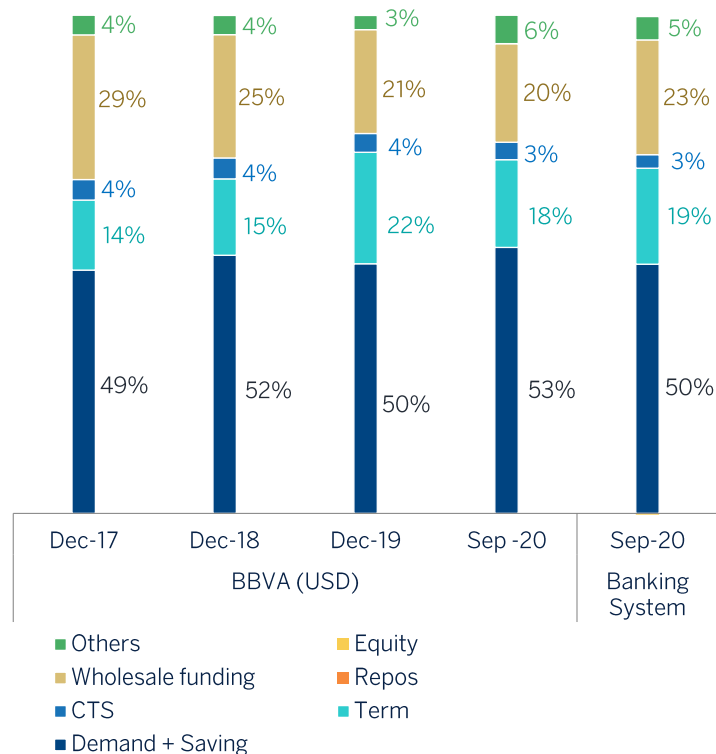
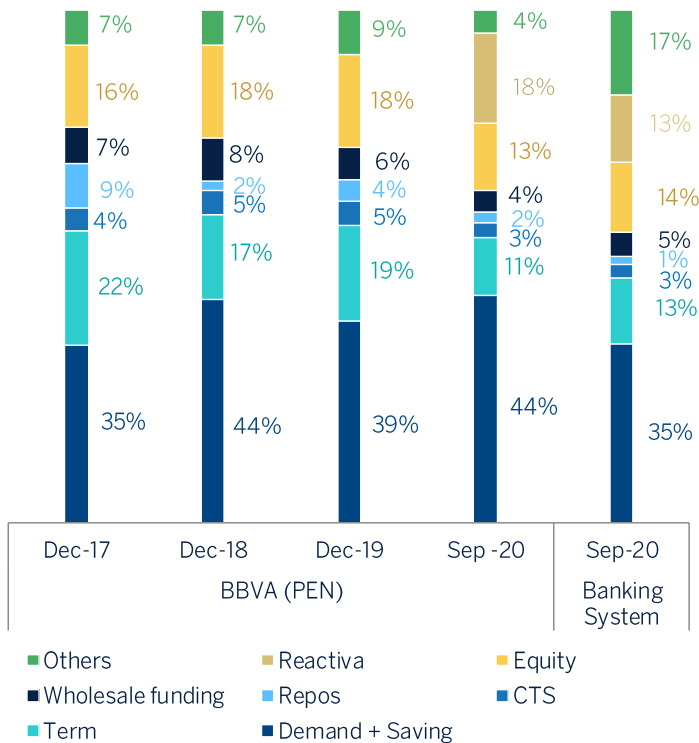
■ September 2019  
 ■ September 2020



# Liabilities and capital breakdown

## LOCAL CURRENCY

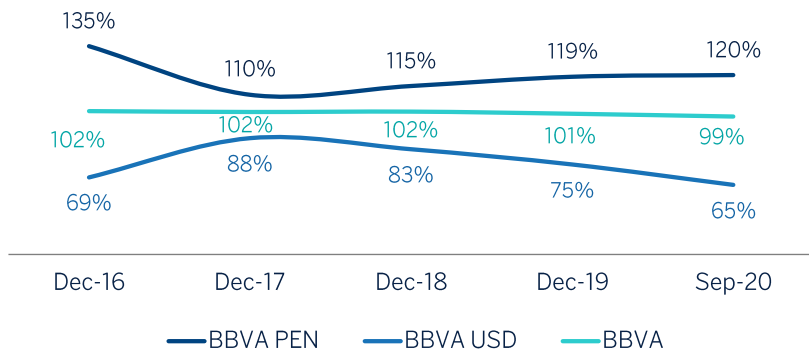
## FOREIGN CURRENCY



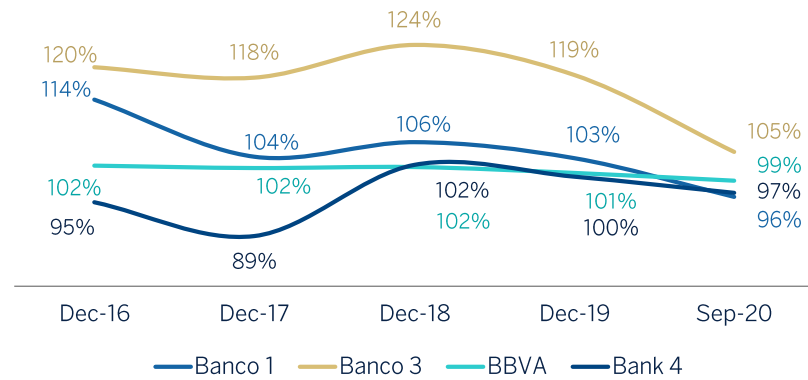
Source: SBS and BCRP

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

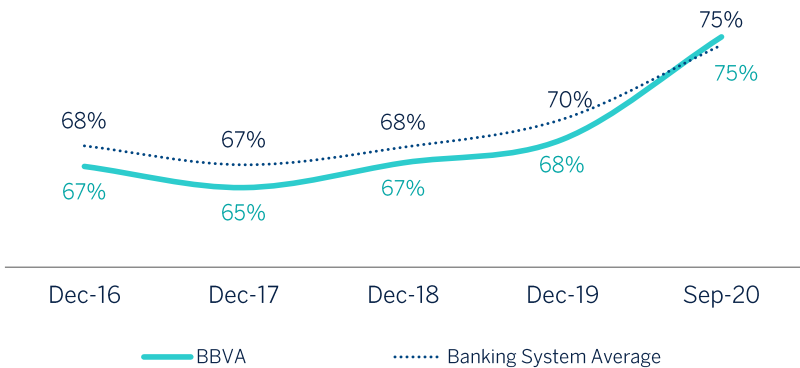
## LOAN TO DEPOSITS BY CURRENCY<sup>1</sup>



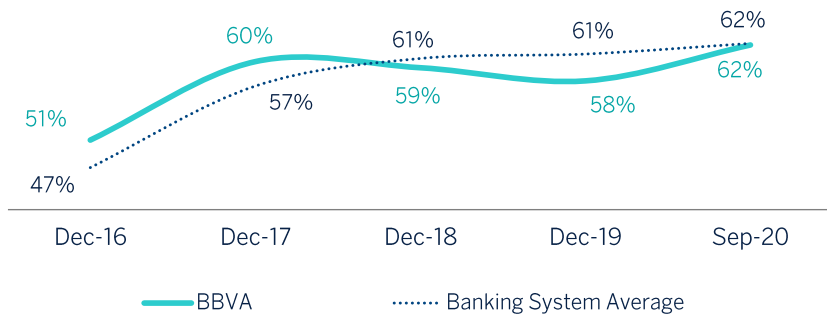
## LOAN TO DEPOSIT – PEER GROUP



## DOMESTIC CURRENCY PERFORMING LOANS



## DOMESTIC CURRENCY DEPOSITS (% TOTAL DEPOSITS)

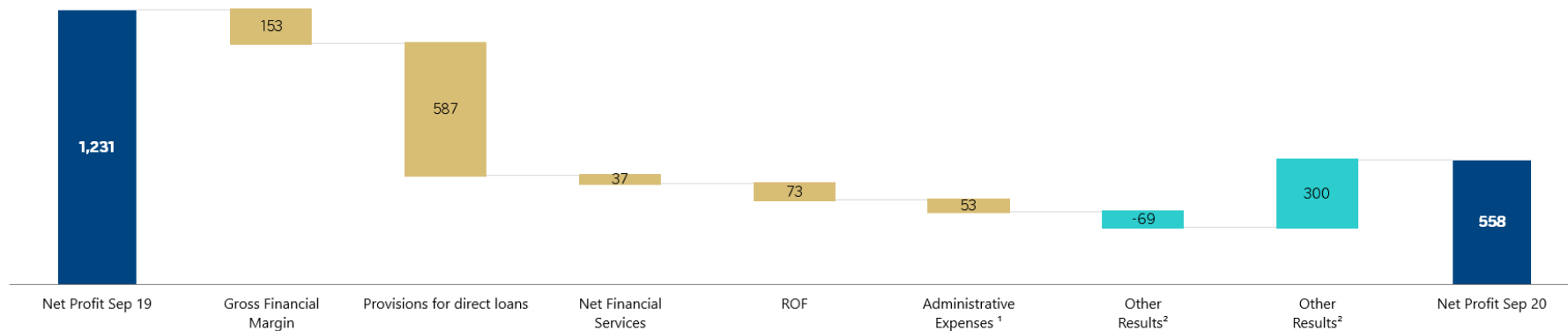


<sup>1</sup>Other obligations are excluded from deposits  
Source: SBS

# BBVA Profit & Loss

(S/. Million)

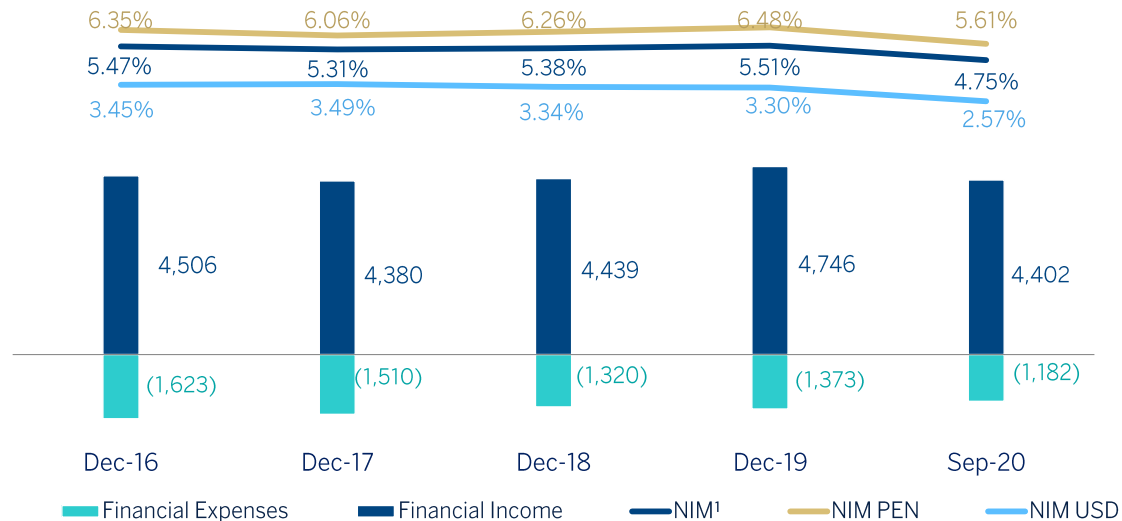
	Sep-19	Sep-20	%
Gross Financial Margin	2,532	2,379	-6.0
Provisions for direct loans	(559)	(1,146)	105.0
Net Financial Margin	1,972	1,232	-37.5
Income from financial services	873	796	-8.8
Expenses from financial services	(287)	(247)	-13.7
Gain / Loss From Financial Operations (ROF)	560	487	-13.1
Operating Margin	3,119	2,268	-27.3
Administrative expenses	(1,205)	(1,239)	2.8
Depreciation and amortization	(127)	(147)	15.2
Net Operating Margin	1,786	882	-50.6
Asset valuation and other provisions	(71)	(162)	127.3
Other Income and Expenses	(0)	22	-148143.2
Profit / Loss Before Income Tax	1,714	741	-56.8
Income tax	(484)	(184)	-62.0
<b>Net Profit</b>	<b>1,231</b>	<b>558</b>	<b>-54.7</b>



<sup>1</sup> Includes administrative expenses, depreciation and amortization

<sup>2</sup> Includes asset valuation, other provisions and other income and expenses

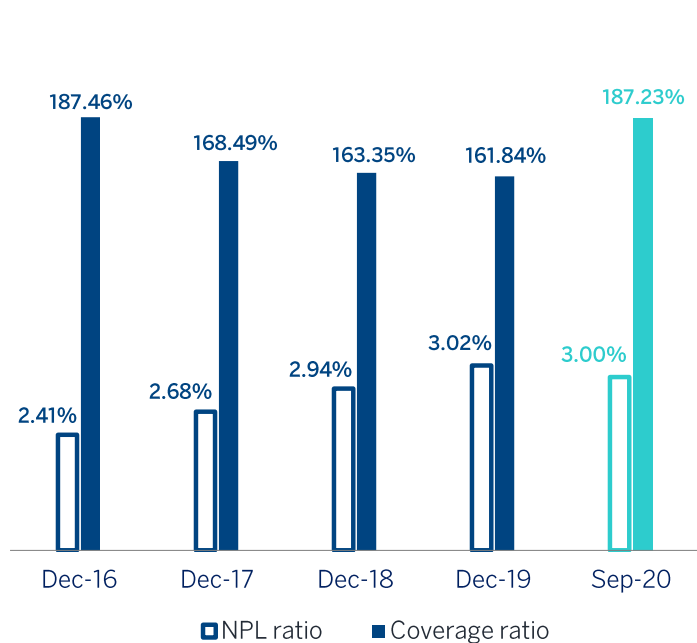
# Gross financial margin (S/ Millions, %)



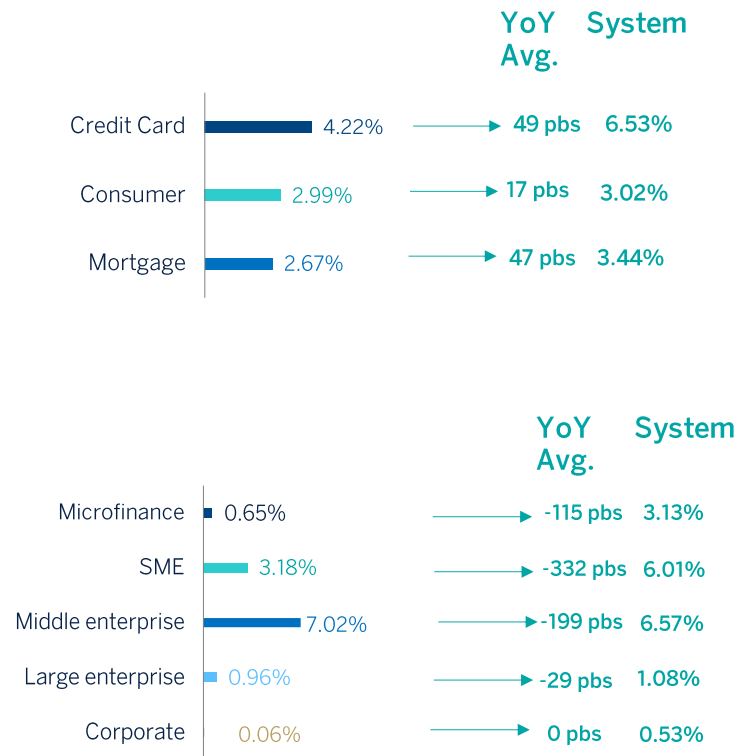
<sup>1</sup>NIM: Gross financial margin for the last 12 months divided by average interest earning assets (interbank funds, investments and net loans)  
Source: SBS and ASBANC

# Risk management

## OUTSTANDING ASSET QUALITY

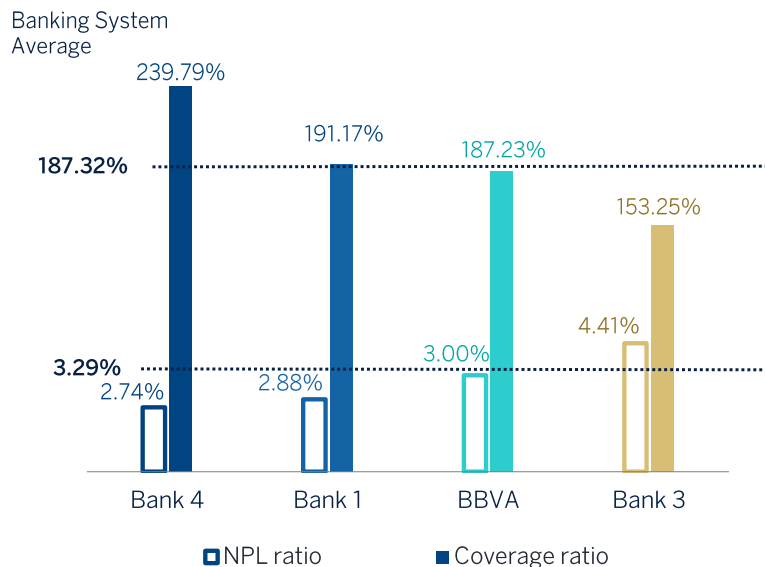


## NPL RATION BY PRODUCT AND SEGMENT (SEPTEMBER 2020)

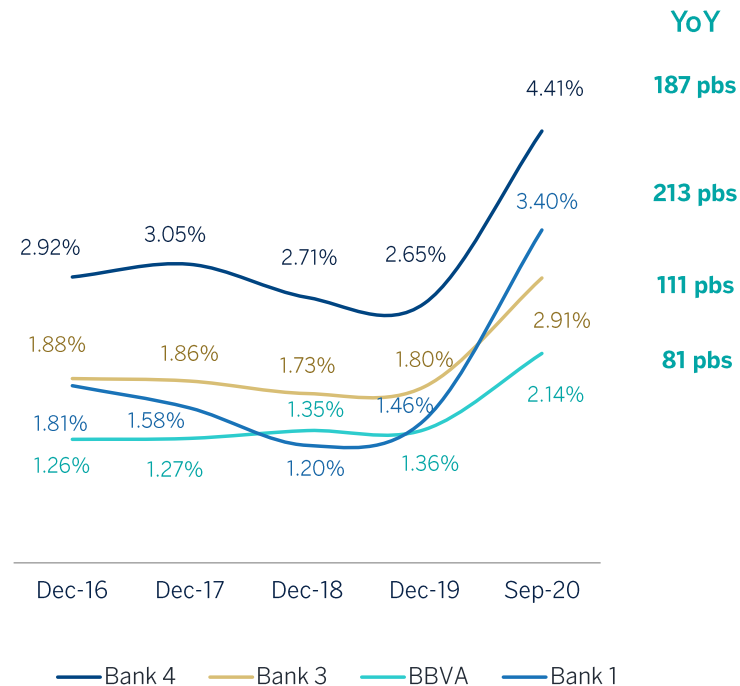


# Risk management

## NPL RATIO & COVERAGE RATIO (SEPTEMBER 2020)

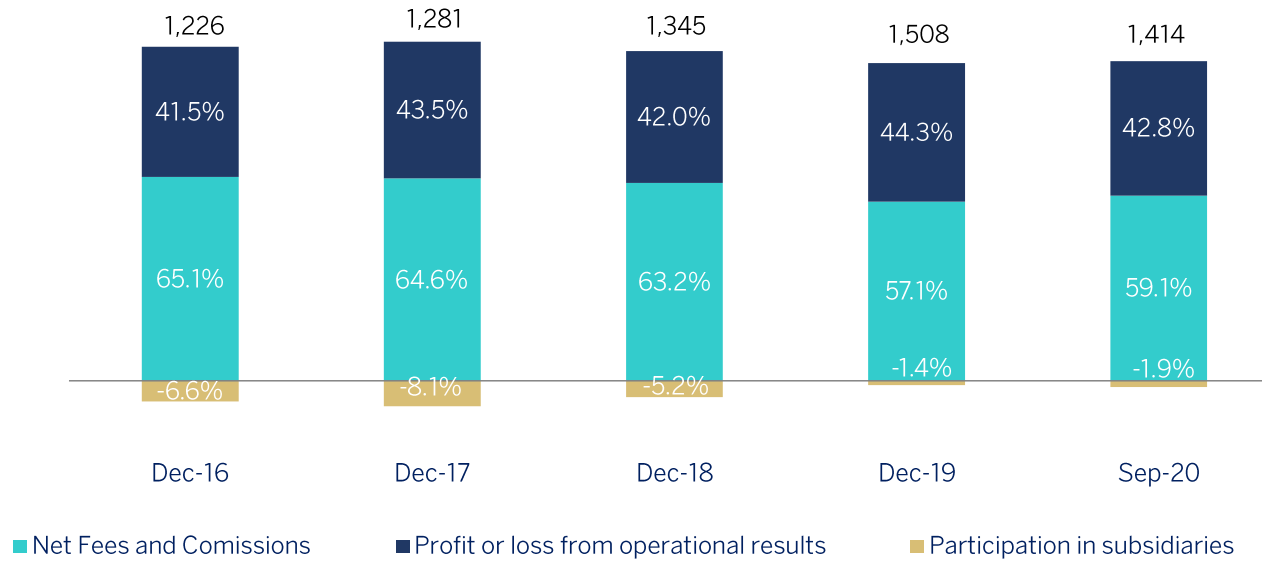


## BEST COST OF RISK<sup>1</sup> VS. PEER GROUP



<sup>1</sup> Includes provisions / total credits of the last 12 months  
Source: SBS

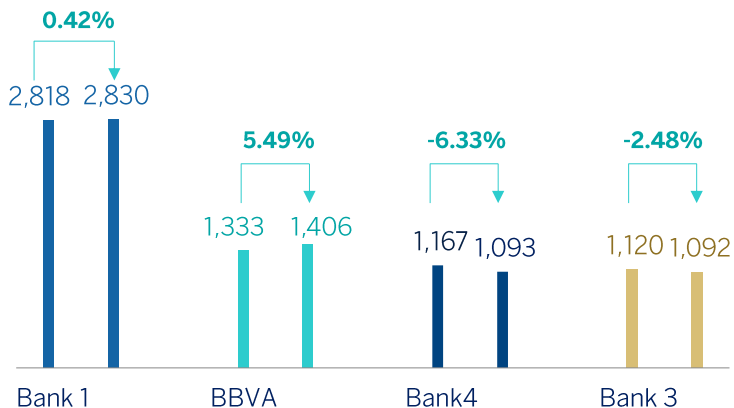
# Other Financial Income (S/ Millions, %)



# Expenses management

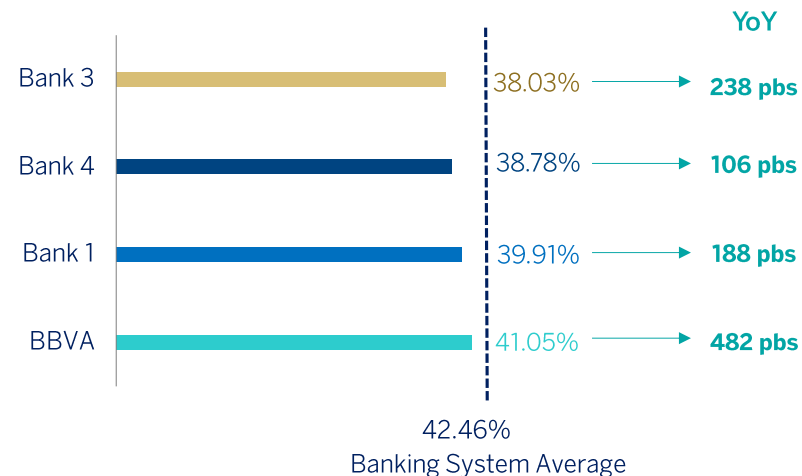
## ADMINISTRATIVE EXPENSES<sup>1</sup>

(SEPTEMBER 2019 VS 2020)



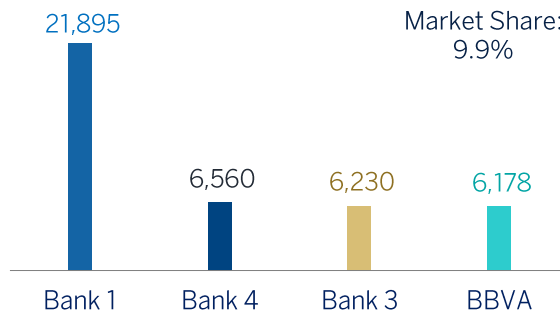
## EFFICIENCY RATIO

(SEPTEMBER 2020)



## NUMBER OF EMPLOYEES

(SEPTEMBER 2020)

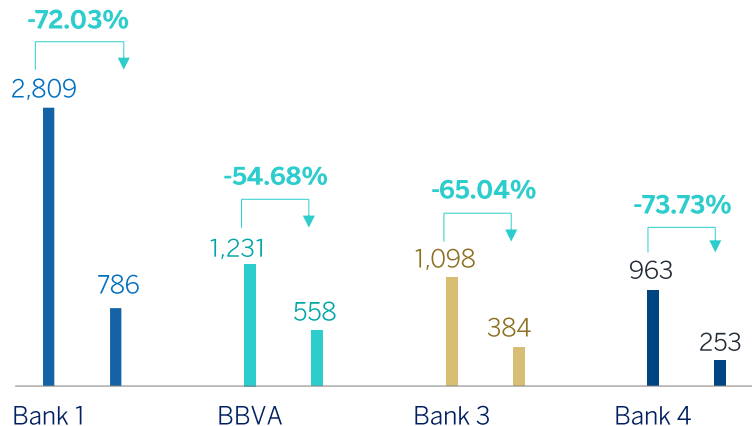


<sup>1</sup>Includes depreciation and amortization  
Source: SBS and ASBANC

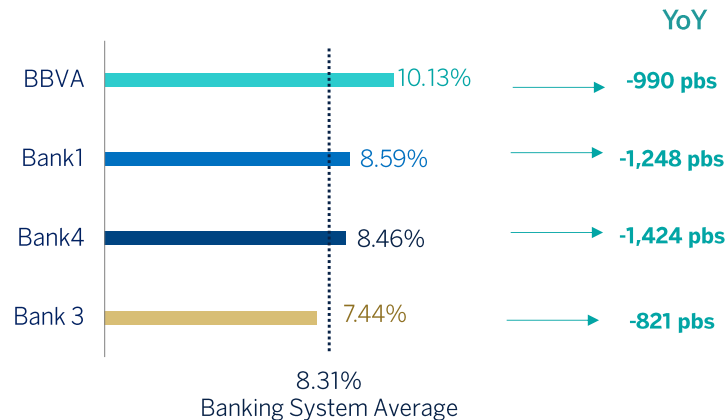


# Profitability management

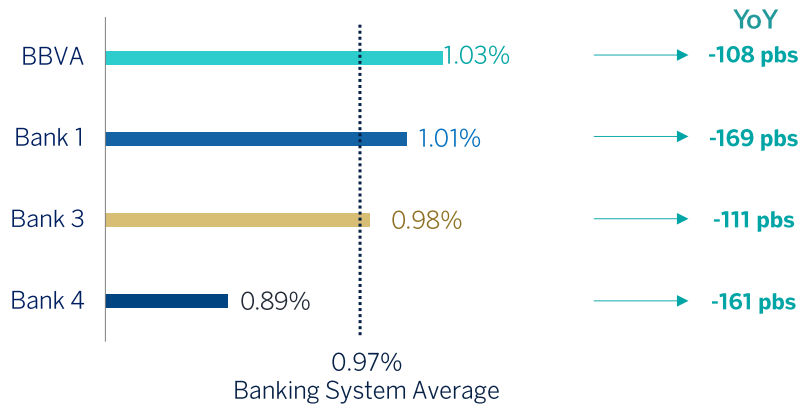
### NET PROFIT (S/ MILLION,%) (SEPTEMBER 2019 VS 2020)



### RETURN ON EQUITY – ROE (SEPTEMBER 2020)

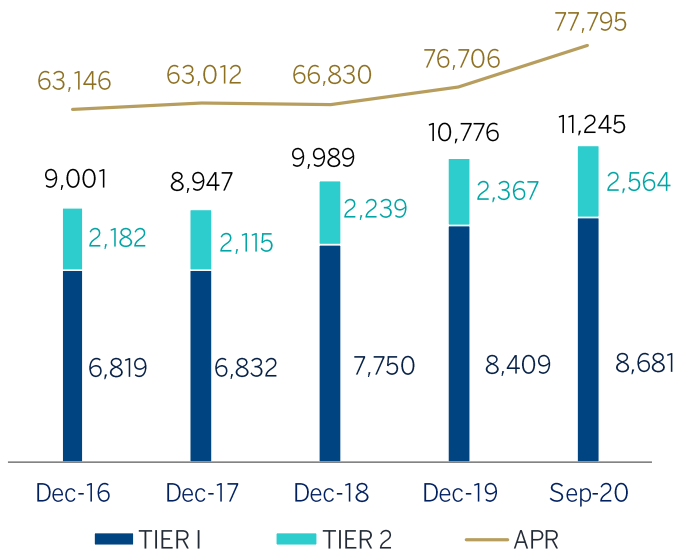


### RETURN ON ASSETS – ROA (SEPTEMBER 2020)

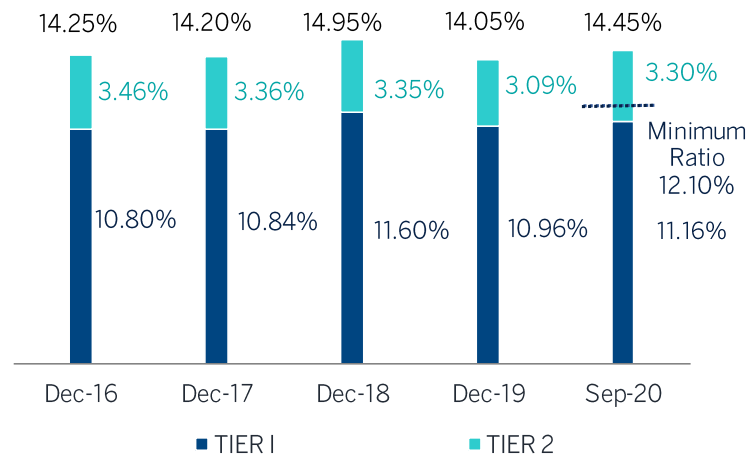


# Solvency management

## REGULATORY CAPITAL & RWA (S/ MILLION)



## CAPITAL RATIOS



04

# Ratings

# International & local rating

Rating agencies have granted BBVA Peru the Best international and local ratings (September 2020)

## INTERNATIONAL RATING

### Fitch Ratings

<b>BBB+</b>	Foreign currency long term issuances
<b>F2</b>	Foreign currency short term issuances
<b>BBB+</b>	Local currency long term issuances
<b>F2</b>	Local currency short term issuances
<b>Negative</b>	Outlook

### S&P

<b>BBB+</b>	Foreign currency long term issuances
<b>A-2</b>	Foreign currency short term issuances
<b>BBB+</b>	Local currency long term issuances
<b>A-2</b>	Local currency short term issuances
<b>Negative</b>	Outlook

### Moody's

<b>Baa1</b>	Long Term
<b>Prime2</b>	Short Term Deposits
<b>Stable</b>	Outlook

## LOCAL RATING

	Apoyo & Asociados	Moody's	S&P
Negotiable Certificate of Deposits (CD)	CP - 1+ (pe)	ML - 1+ pe	PE1+
Short term deposits	CP - 1+ (pe)	ML - 1+ pe	PE Categoría1
Term deposits > 1 year	AAA (pe)	AAA.pe	PEAAA
Corporate bonds	AAA (pe)	AAA.pe	PEAAA
Subordinated bonds	AA+ (pe)	AA+.pe	PEA+
Leasing bonds	AAA (pe)	AAA.pe	PEAAA
Common shares	1a (pe)	1a Clase.pe	PEN1
Issuer rating	A+	A+	PEA+

On July 16<sup>th</sup> Standard & Poor's changed their perspective from "stable" to "negative"

04

# Social Responsibility and Awards

# We are recognized for maintaining our commitment to society

## FOUNDATION BBVA

### 1 LEER Program



### 2 Scholarship Program



### 3 Cultural Activities

- ✓ XXIV Lima International Book Fair
- ✓ Pre-Columbian Art Museum



## AWARDS

- 1 Best bank in Latin America and Peru
- 2 Most innovative digital bank in Latin America
- 3 Fourth company with the best reputation in Peru
- 4 Among the 10 most admired companies in the country
- 5 Sustainable Finance Bank of the Year



BBVA

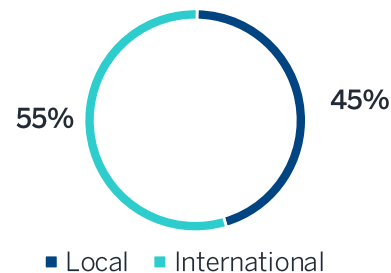
Creando Oportunidades

# APPENDIX

# Debt Issuance

		Bond	Issue Date	Call Date	Due Date	Currency	Issued Amount (m)	Coupon Rate	ISIN
		International	Corporativo	Ago-12	-	Ago-22	USD	500,000	5.00%
Subordinado	Set-14		Set-24	Set-29	USD	300,000	5.25%	US05537GAD79-USP16236AG98	
BBVA	Local	Corporativos	Dic-11		Dic-26	PEN	150,000	7.47%	PEP11600M186
		Corporativos	Jun-16		Jun-21	PEN	150,000	6.28%	PEP11600M236
		Corporativos	Nov-17		Nov-20	PEN	350,000	4.78%	PEP11600M244
		Corporativos	Jun-18		Jun-21	PEN	132,425	4.44%	PEP11600M251
		Corporativos	Jun-18		Jun-21	PEN	69,435	4.50%	PEP11600M269
		Corporativos	Jul-18		Jul-23	PEN	100,000	5.53%	PEP11600M277
		Corporativos	Ago-18		Ago-23	PEN	73,465	5.63%	PEP11600M285
		Corporativos	Set-18		Set-21	PEN	70,000	4.78%	PEP11600M293
		Corporativos	Jul-19		Jul-22	PEN	120,000	4.31%	PEP11600M301
		Corporativos	Ago-19		Ago-22	PEN	65,520	4.09%	PEP11600M319
		Corporativos	Oct-19		Oct-22	PEN	150,000	3.91%	PEP11600M327
		Corporativos	Dic-19		Dic-24	PEN	96,550	4.44%	PEP11600M335
		Subordinados	May-07	May-22	May-27	USD	20,000	6.00%	PEP11600D029
		Subordinados	Jun-07		Jun-32	PEN	55,000	3.47%	PEP11600D037
		Subordinados	Nov-07		Nov-32	PEN	50,000	3.56%	PEP11600D052
		Subordinados	Feb-08		Feb-28	USD	20,000	6.47%	PEP11600D060
		Subordinados	Jul-08		Jul-23	PEN	45,000	3.06%	PEP11600D078
		Subordinados	Set-08		Set-23	PEN	50,000	3.09%	PEP11600D086
		Subordinados	Dic-08		Dic-33	PEN	30,000	4.19%	PEP11600D094
		Subordinados	Oct-13	Oct-23	Oct-28	USD	45,000	6.53%	PEP11600D102
CDN	Oct-19		Oct-20	PEN	150,000	3.33%	PEP11600Q179		
BAF	Dic-17		Dic-20	PEN	158,000	4.63%	PEP11600K073		

Total Debt	S/ MM	%
Local	2,371	45%
International	2,878	55%
<b>Total</b>	<b>5,249</b>	<b>100%</b>





**BBVA**

Creando Oportunidades

# BBVA Peru

## Investor Report

Third Quarter 2020