

**BBVA**

Creando Oportunidades

# BBVA Peru

## Investor Report

Second Quarter 2021



Creando Oportunidades

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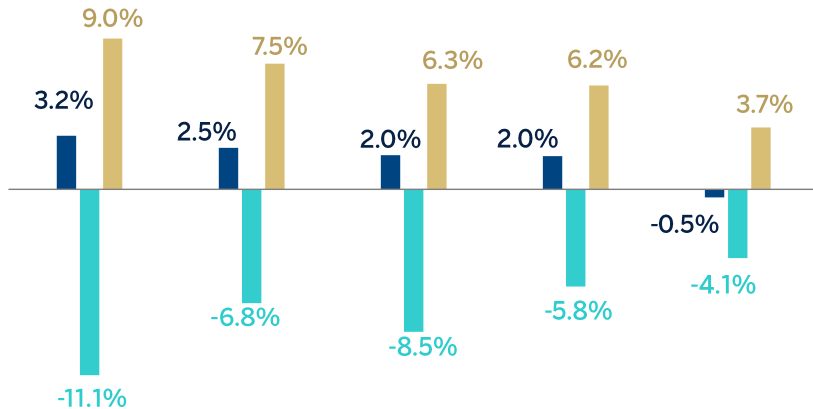
APPENDIX  
Debt Issuances

01

# Peruvian Economy & Financial System

# Peru with the best GDP growth projection for 2021 and restrained inflation, despite of a scenario of high uncertainty.

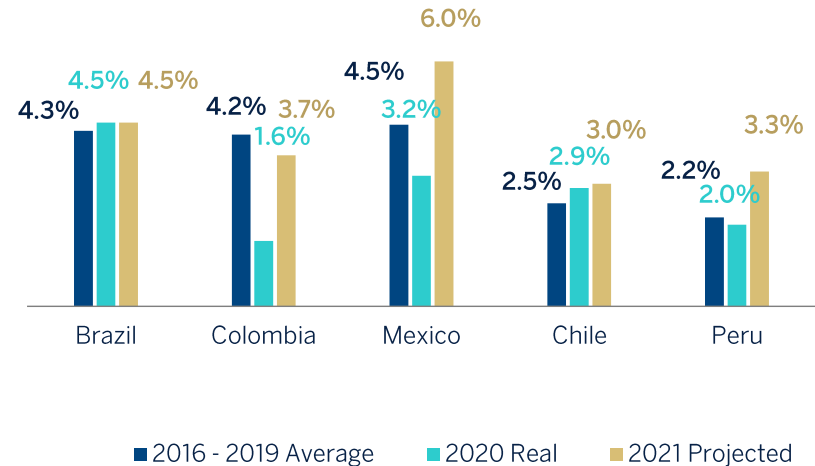
## GDP GROWTH (REAL)



Peru      Colombia      Mexico      Chile      Brazil

■ 2016 - 2019 Average      ■ 2020 Real      ■ 2021 Projected

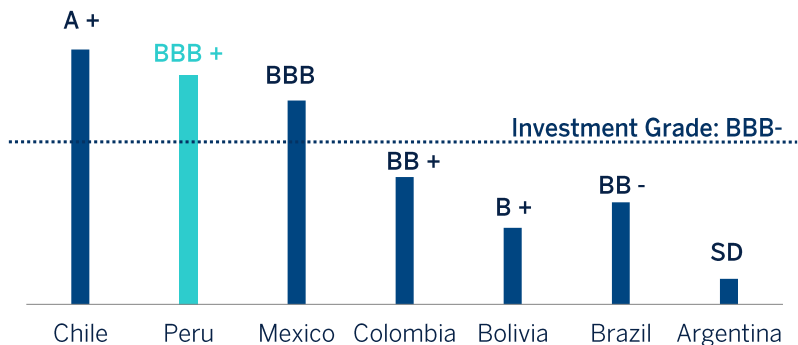
## INFLATION (END OF PERIOD)



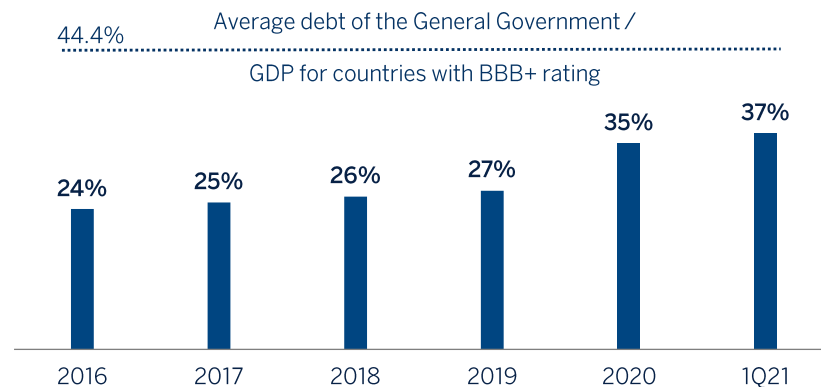
■ 2016 - 2019 Average      ■ 2020 Real      ■ 2021 Projected

# Although with an increase in public debt and more volatility in the exchange rate.

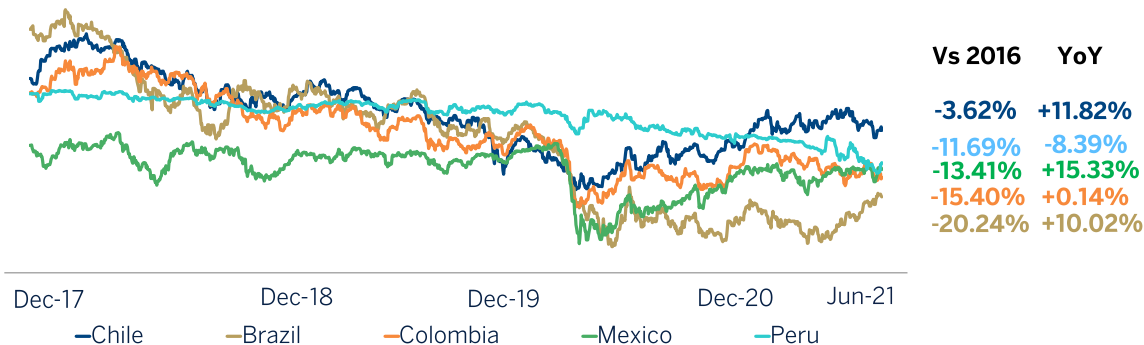
## CREDIT RISK PROFILE



## PERUVIAN PUBLIC DEBT (% OF GDP)

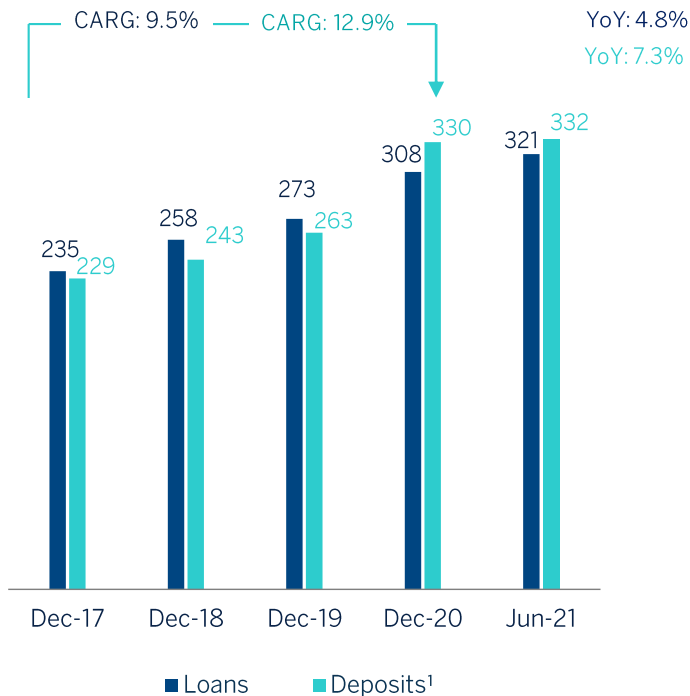


## CURRENCY DEPRECIATION AGAINST USD

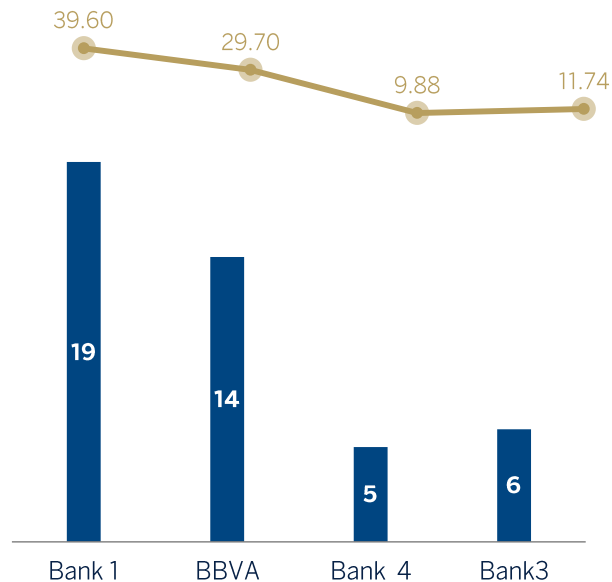


# Reactiva promoted the growth of the Banking System's loans while the flow of these credits, the release of AFPs and CTS and the payment of Government subsidies helped Deposits grow.

**PERFORMING LOANS AND DEPOSITS** (\$/ THOUSAND MILLION)



**REACTIVA LOANS AND MARKET SHARE** (\$/ THOUSAND MILLION,%)

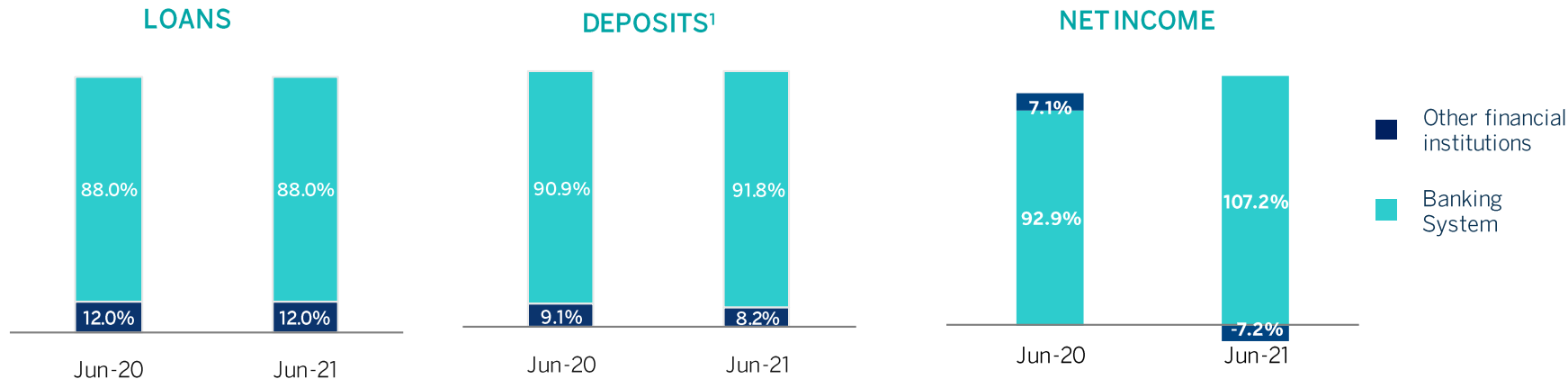


<sup>1</sup> Other obligation are excluded from deposits  
 Source: Superintendencia de Banca, Seguros y AFP (SBS) & World bank (WB)

# Peruvian Financial System (JUNE 2021)

Financial system	Institution S/ Million	Net loans	YoY (%)	Deposits	YoY (%)	Net Income	YoY (%)
Banking system	Banks (16)	317,165	4.6%	332,443	7.3%	2,543	20.5%
	Banco de la Nación	6,759	-13.9%	37,934	21.1%	206	-49.4%
Other financial institutions	Cajas Municipales (12)	24,556	20.0%	23,947	1.8%	-61	-171.3%
	Financieras (10)	10,072	-13.9%	7,538	-12.4%	-82	-184.5%
	Cajas Rurales (7)	1,802	-5.1%	1,562	-8.3%	-57	363.6%
	Edpymes (9)	2,419	5.6%	-	-	14	-62.5%
	Leasing (2)*	369	48.8%	-	-	2	126.1%
	COFIDE	4,867	-14.9%	34	-83.5%	23	727.0%
Agrobanco	169	-19.6%	-	-	-23	-25.5%	

\*May information.



✓ The 4th largest peers concentrate around 85% of the bank loans and 84% of deposits.



# Measures approved this year



**1 Reactiva y FAE-MYPE Rescheduling:** The Government approved Ractiva, FAE-MYPE, PAE-Mype, FAE-Agro and FAE-Turismo loan rescheduling until 30th September.

**2 Approval of Interest rate ceiling:**

- The Congress has approved interest rate ceiling that will be applied to Consumer loans, low-value consumer loans, and credit for small and microenterprises.
- The Central Bank will set these rates.

**3 100% CTS withdrawal :** It is approved until December 2021.



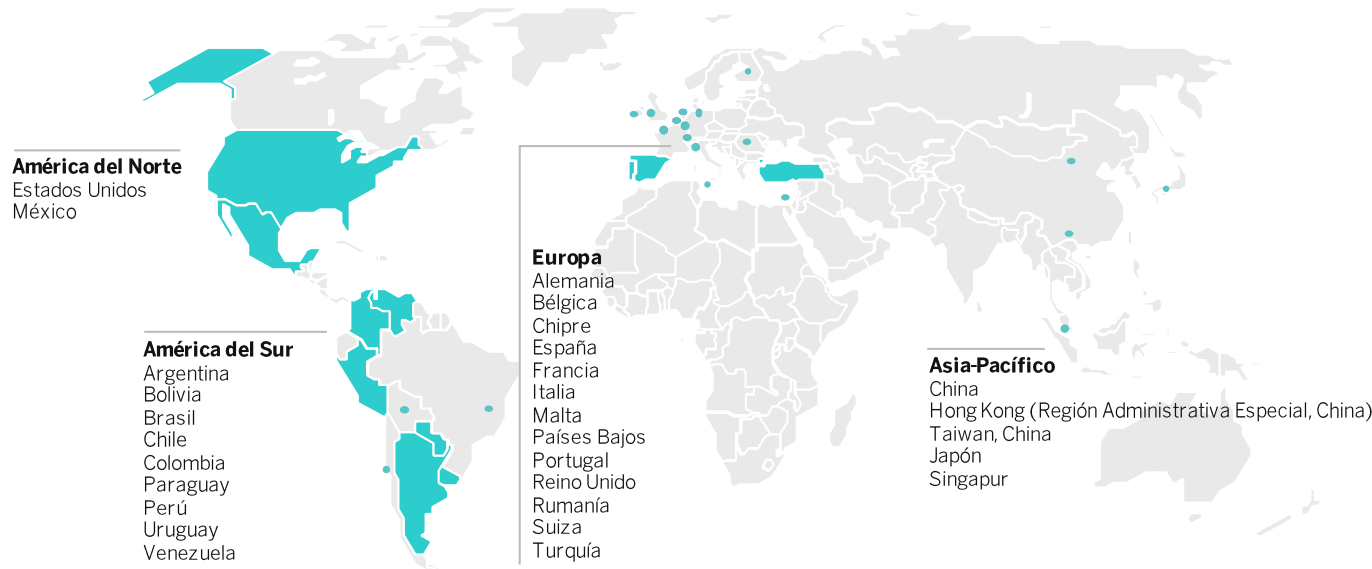
**4 Withdrawal from a new Private Pension Fund:** It is approved in order to let individuals to get up to PEN 17,600 from accounts.

- **This withdrawal fund can be made within 90 calendar days** after the regulation has effect.
- **This will take place in 3 phrases:** the first disbursement will be within 30 days of submission of the request, the same for the second disbursement and the rest will be delivered in the third disbursement.

02

# About BBVA Peru

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



**€ 719.7**  
thousand million of  
total Assets

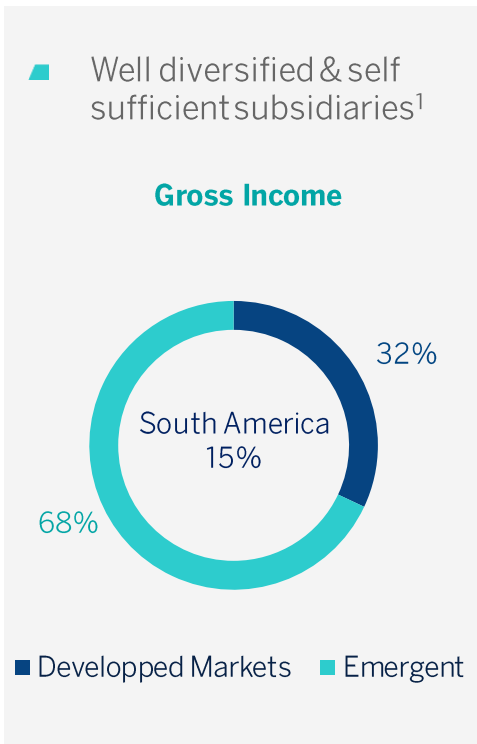
**79.8**  
millions of clients

**>25**  
countries

**7,254**  
branches

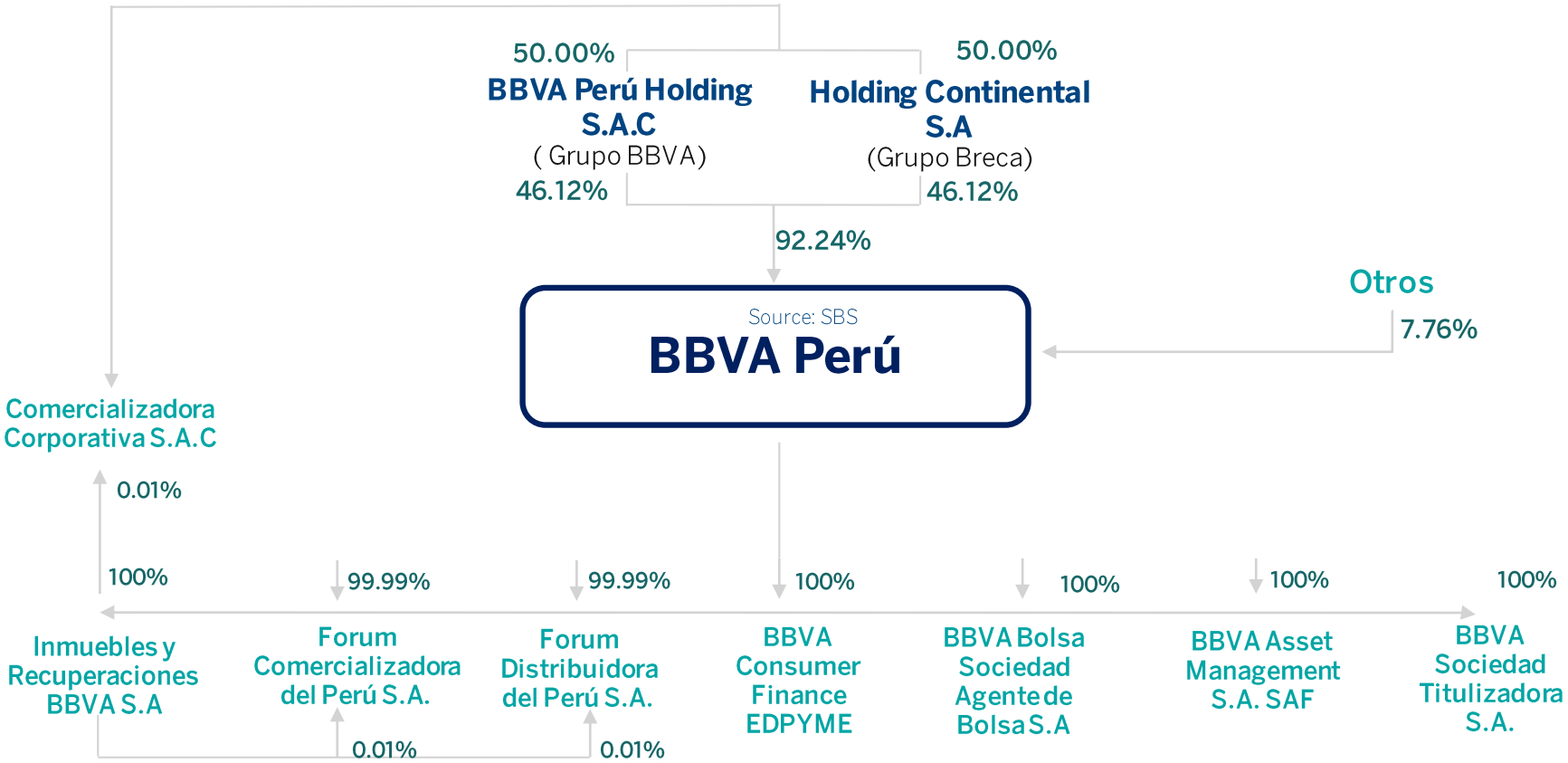
**30,747**  
ATMs

**122,021**  
employees



<sup>1</sup> Excludes corporate activities. Leading franchises in developed (Spain and EEUU) and Emerging markets (South America, Mexico and Turkey)  
Source: BBVA Group

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



# 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

# BBVA Peru takes some measures to offer everyone the opportunities of this new era



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**



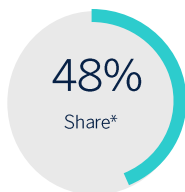
In addition, **e-working and special mobility** are implemented for those employees who attend the office



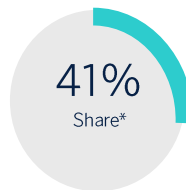
We get adapted to new digital needs

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

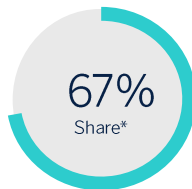
Saving Accounts



Mutual Funds



FX



We offer **products** to make our clients grow



Clients can get Credit Cards, Loans and Saving accounts **100% digital**.



BBVA promotes the capture of **collection and payment transactions** from companies.



With **channels for businesses** such as Net Cash. In addition, BBVA has created a new profile for business people in the App.

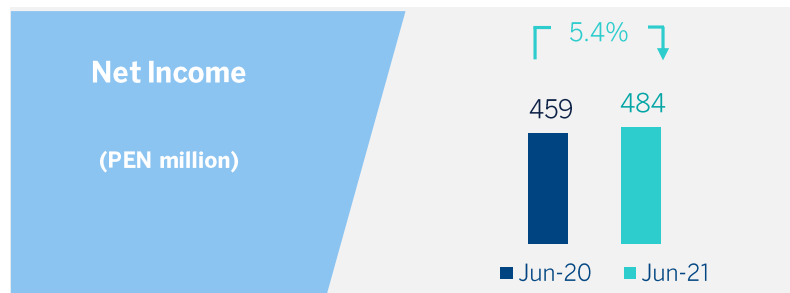
\* Share information calculated in units

03

# Financial Highlights

# Highlights of BBVA Peru (JUNE 2021)

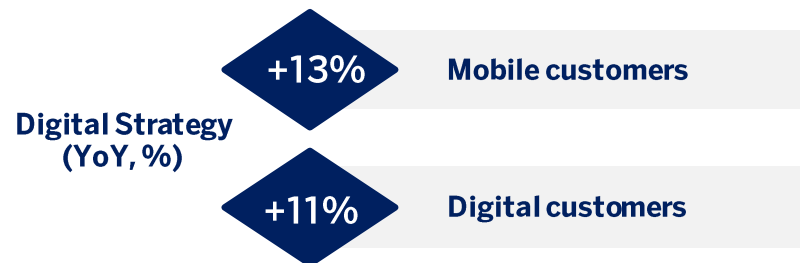
<b>Assets</b> (PEN million)	108,402
<b>ROE</b>	7.32%
<b>ROA</b>	0.64%



## Great Asset Quality

<b>NPL</b>	3.26%
<b>Cost of Risk</b>	2.64%
<b>Coverage Ratio</b>	202.09%

<b>Cost control</b> (YoY, %)	<b>Administrative Expenses</b> <b>+5.37%</b>	<b>Efficiency Ratio</b> <b>38.85%</b>
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## Strong Capital & Liquidity Ratios

<b>Global Capital</b>	<b>CET1</b>
14.59%	10.63%
<b>Loan – to – deposits</b>	<b>104%</b>

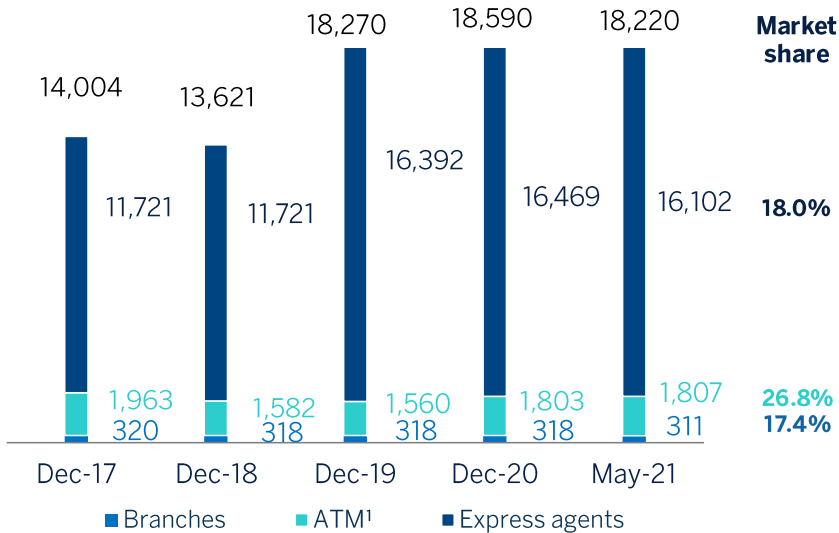


# Strong Banking platform

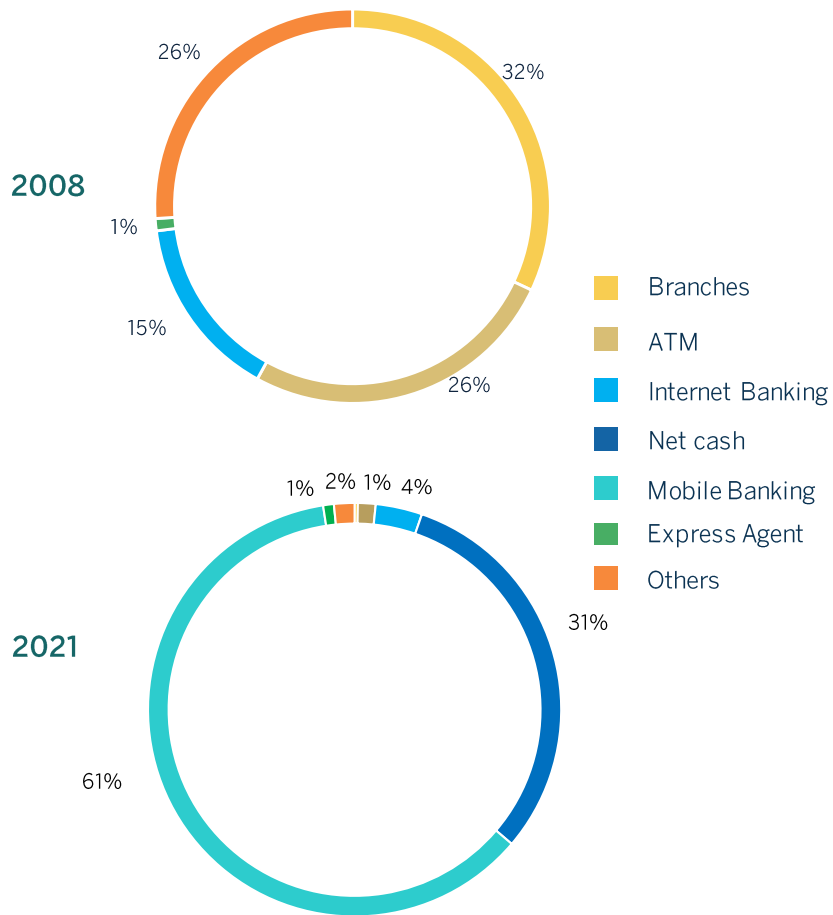
## DISTRIBUTION NETWORK<sup>1</sup> (JUNE 2021)

One of the largest in the country

- In may with 18,220 points of service
- More than 7.3 million customers



## EVOLUTION IN TRANSACTION PER CHANNEL<sup>2</sup>



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

<sup>2</sup> The others section includes Telephone Banking, POS, Express cash and automatic debt  
Source: SBS and BBVA

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

## DIGITAL UNITS SHARE YTD



## DIGITAL USE

	2020	2021
<b>Digital Sales</b>	<b>1.7 MM</b>	<b>1.8 MM</b>
Consumer	19 mil	34 mil
Fx (T-cambio)	887 mil	931 mil
Insurance	560 mil	611 mil
Credit Cards	22 mil	29 mil

## HIGHLIGHTS

- Digital share of Saving accounts is above 40% due to the release of AFPs.
- Benefits for the digital channel focused on Credit cards, Consumer loans, Savings accounts, Insurance, Mutual funds and BBVA T-Cambio.

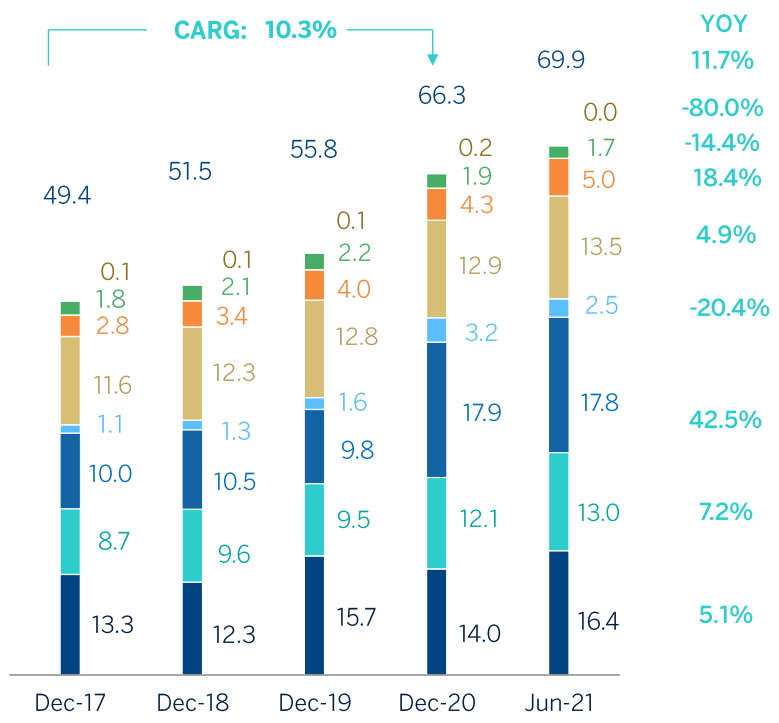
## BBVA JOINS THE GLOBAL MOBILE BANKING PLATFORM

- The App includes immediate interbank transfers, Plin App integrated, bank key changes, dynamic CVV, and account status download.



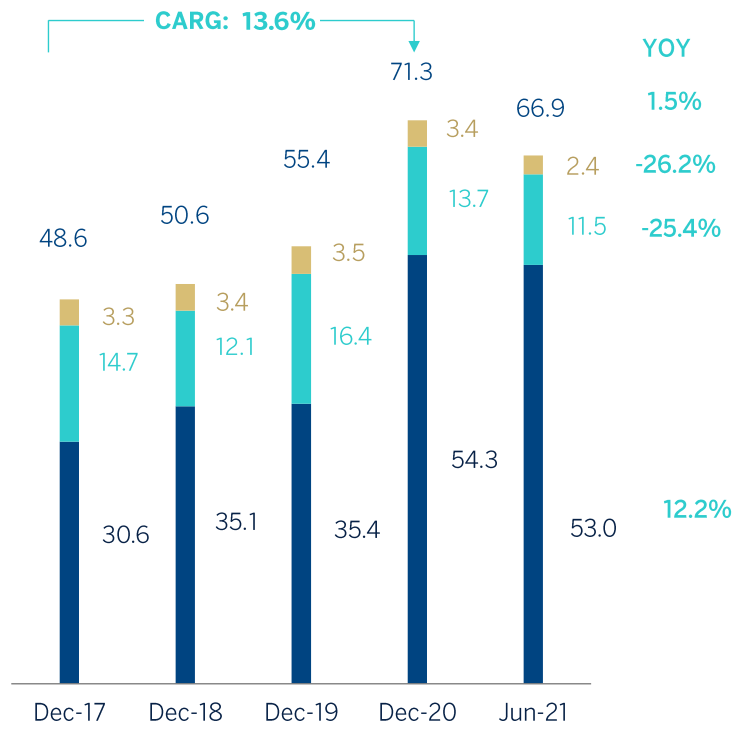
# Loans and deposit performance (S/ Thousands million,%)

## PERFORMING LOANS



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

## DEPOSITS<sup>1</sup>



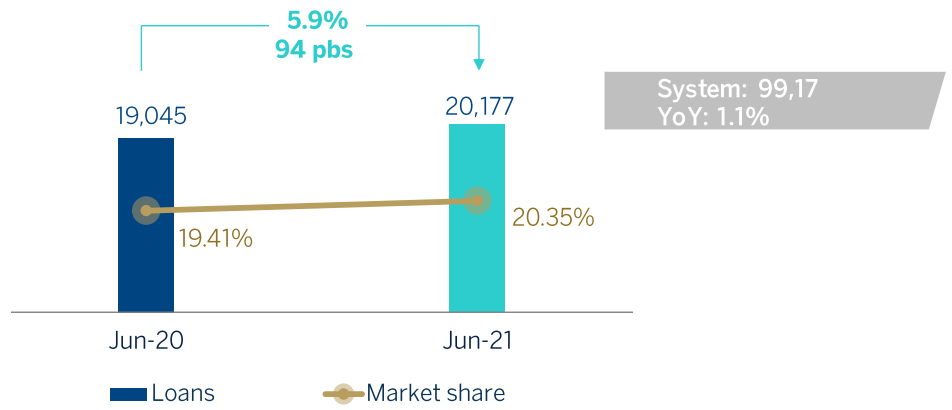
- Demand + Saving
- Term
- CTS

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

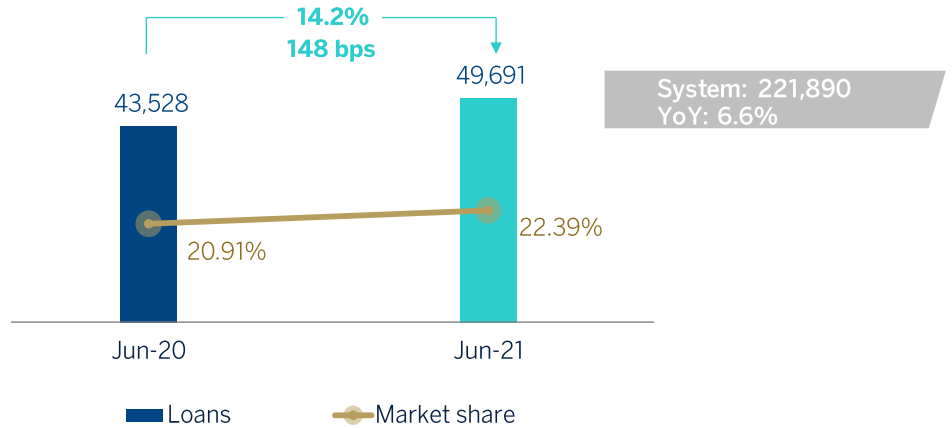
# Performing loans (S/ Million, %)



## RETAIL LOANS



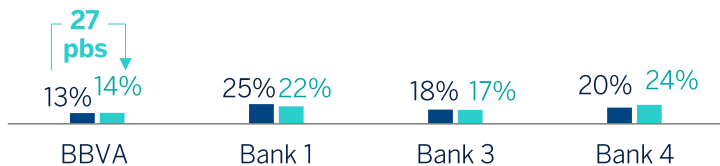
## BUSINESS LOANS



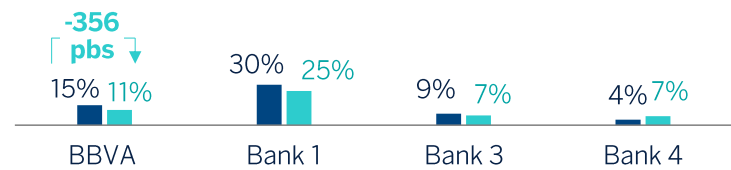
1 Source: ASBANC

# Market share - Loans

## Consumer



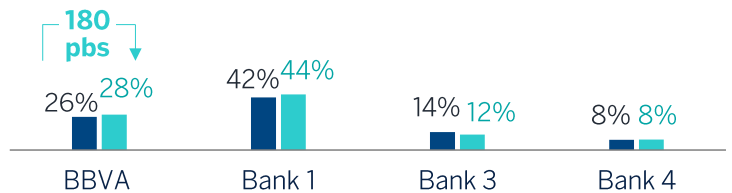
## Small enterprises and Microfinance



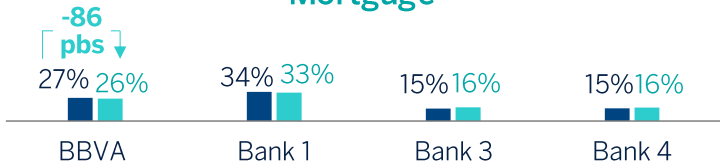
## Credit cards



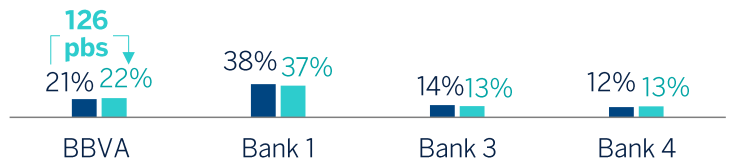
## Middle enterprises



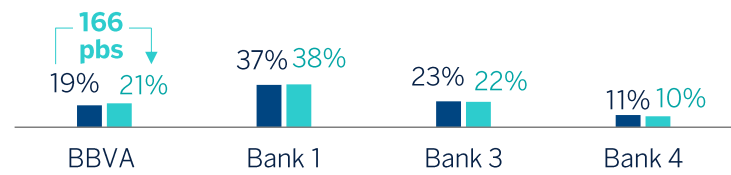
## Mortgage



## Large enterprises



## Corporate

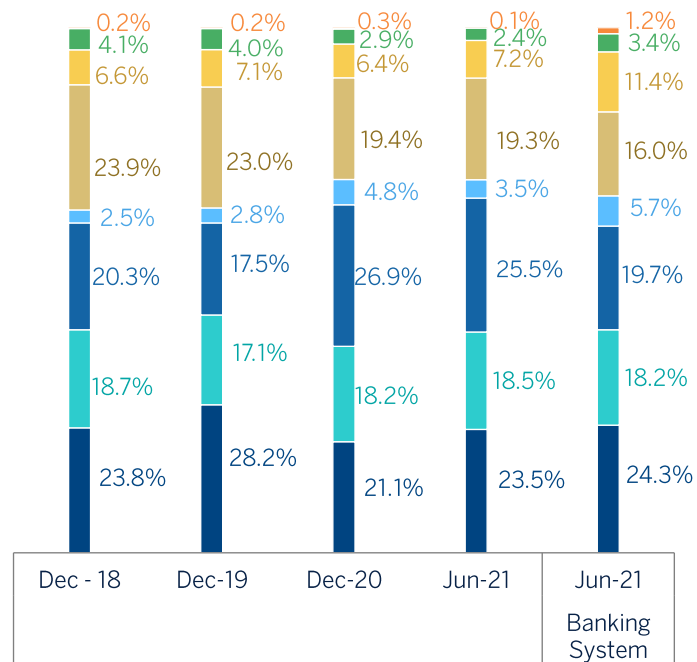


■ June 2020  
 ■ June 2021

Source: ASBANC (Consumer Includes Auto Loans)

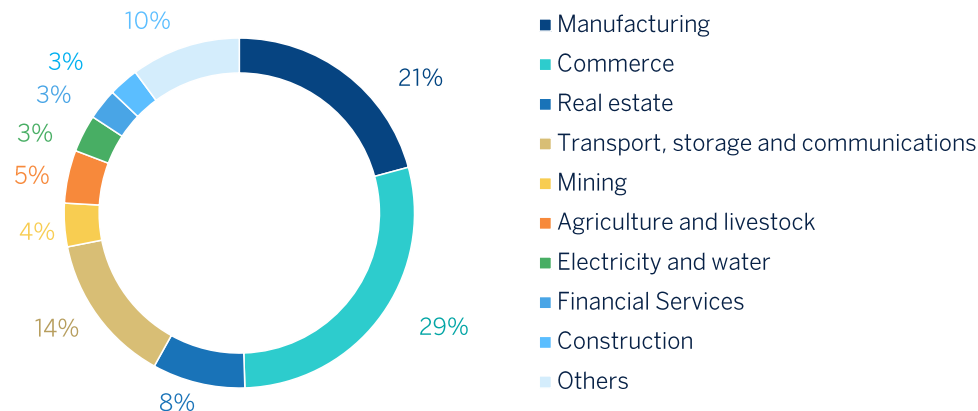
# Well diversified loan portfolio

## LOANS BREAKDOWN

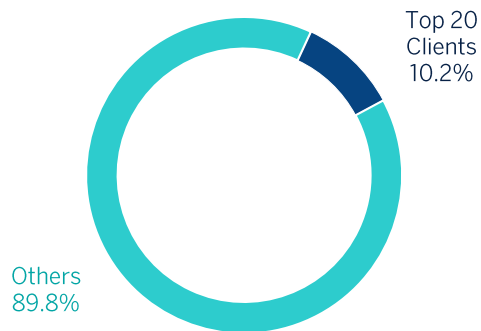


- Corporate
- Large enterprise
- Middle enterprise
- Small enterprise
- Mortgage
- Consumer
- Credit card
- Microfinance

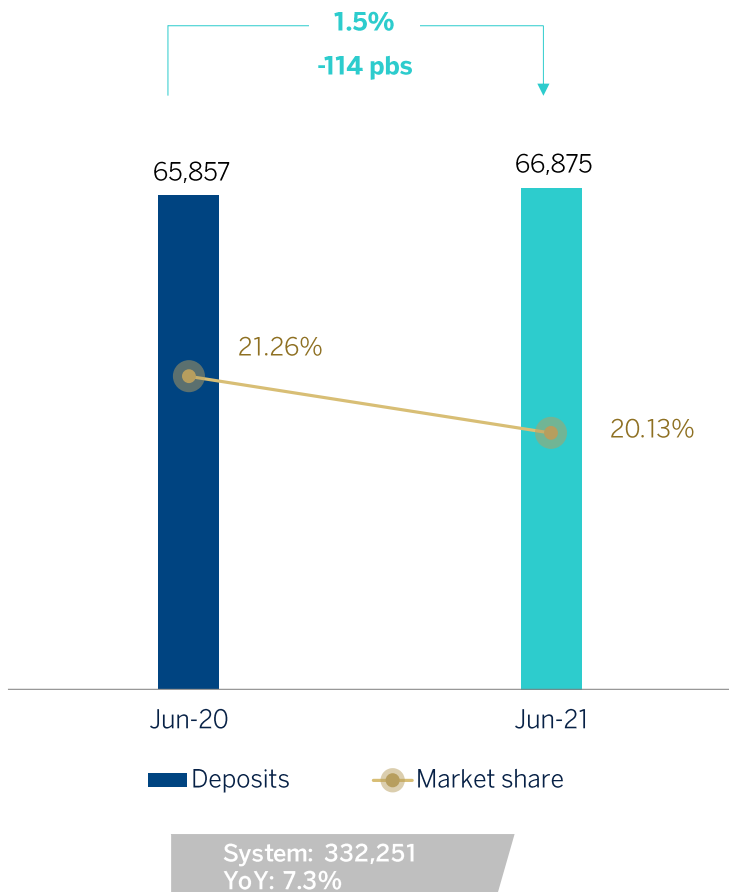
## LOANS BY ECONOMIC SECTOR (JUNE 2021)



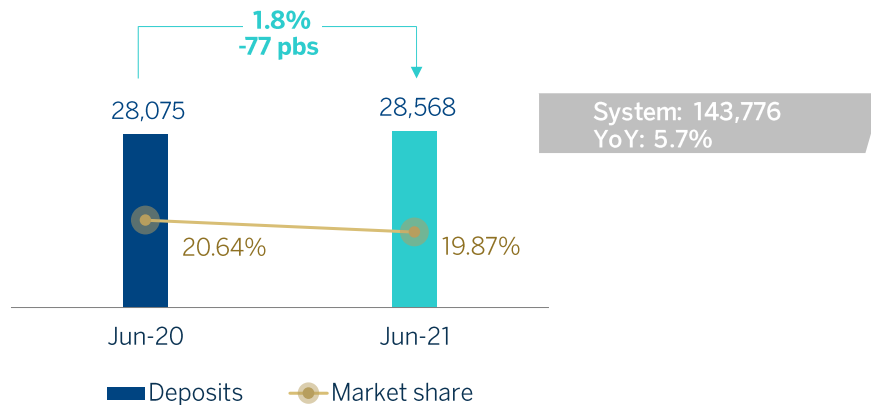
## CONCENTRATION RISK (JUNE 2021)



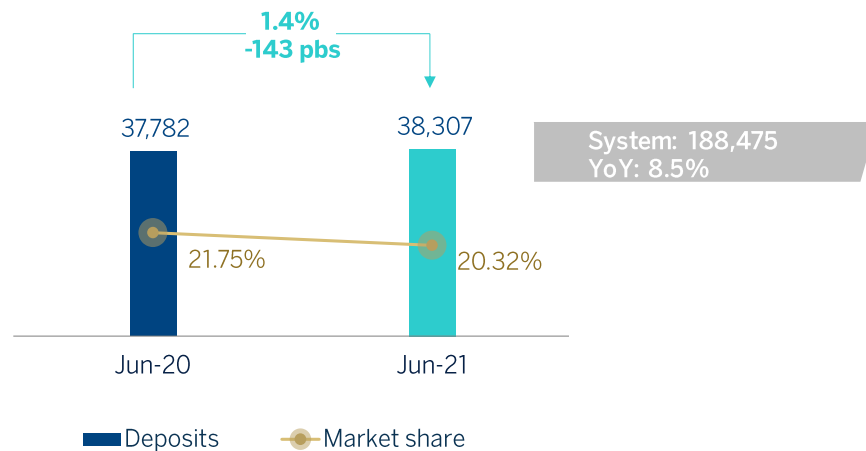
# Deposits<sup>1</sup> (S/ Million,%)



## RETAIL DEPOSITS



## BUSINESS DEPOSITS

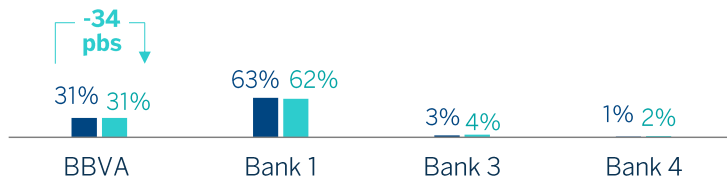


<sup>1</sup> Other obligations are excluded from deposits  
Source: ASBANC. In June 2021 the market share excludes demand and term deposits of Bank of China.

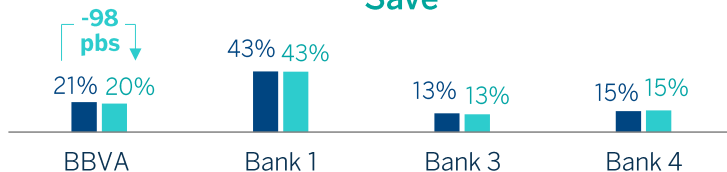
# Market share - Deposits<sup>1</sup>

## RETAIL DEPOSITS

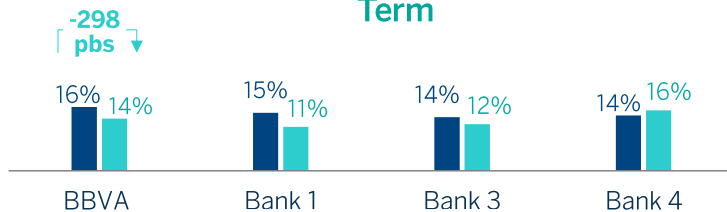
### Demand



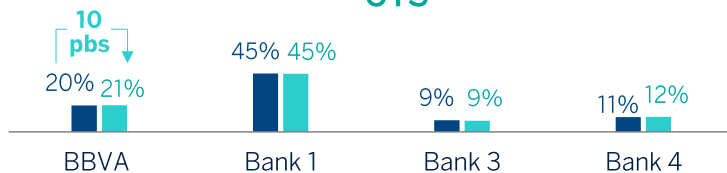
### Save



### Term

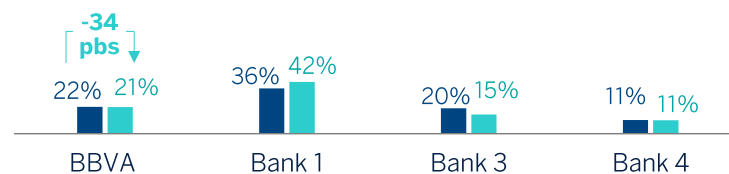


### CTS



## BUSINESS DEPOSITS

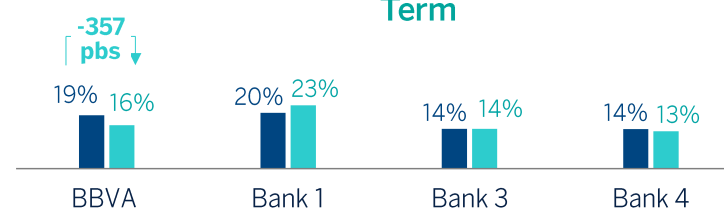
### Demand



### Save



### Term



■ June 2020  
■ June 2021

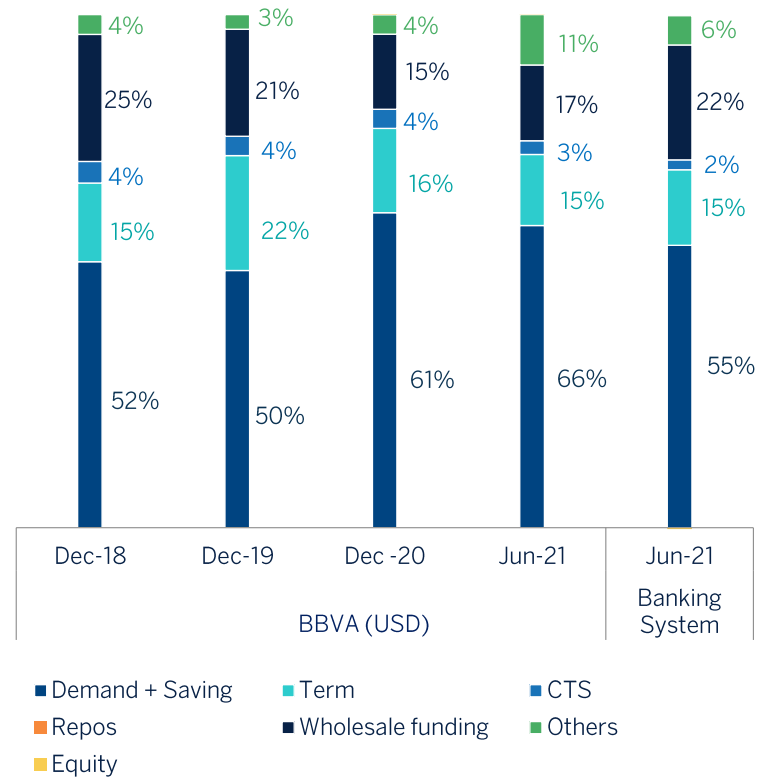
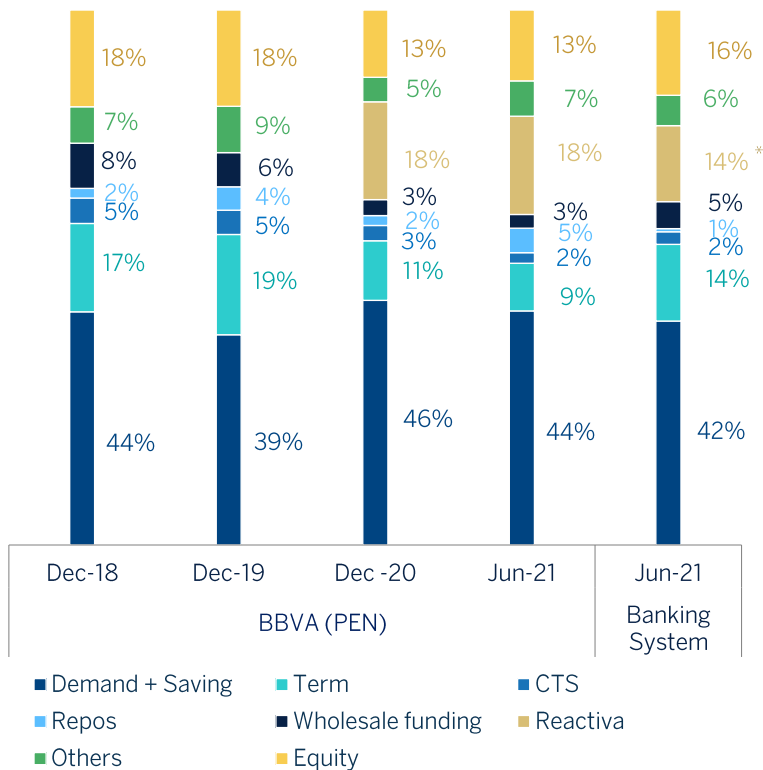
<sup>1</sup> Other obligations are excluded from deposits  
Source: ASBANC. In June 2021 the market share excludes demand and term deposits of Bank of China.



# Liabilities and capital breakdown

## LOCAL CURRENCY

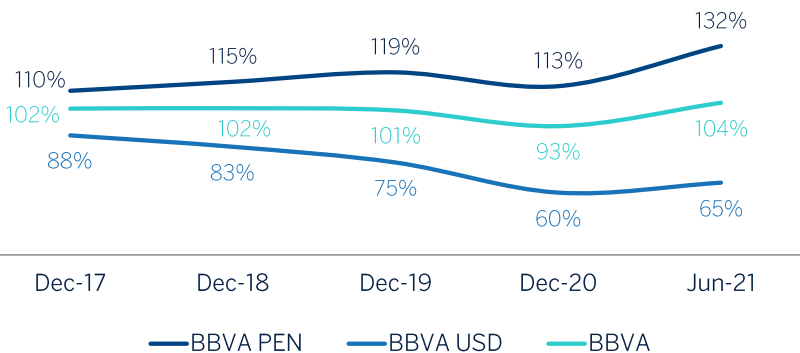
## FOREIGN CURRENCY



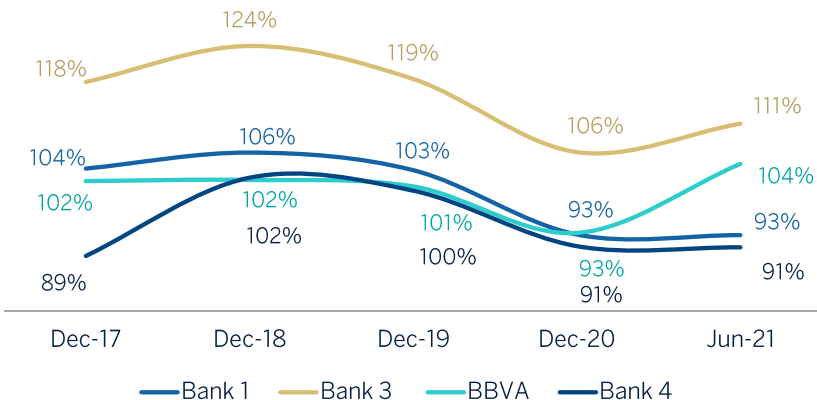
\*Approximate amount according to the Financial System on 16<sup>th</sup> June.

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

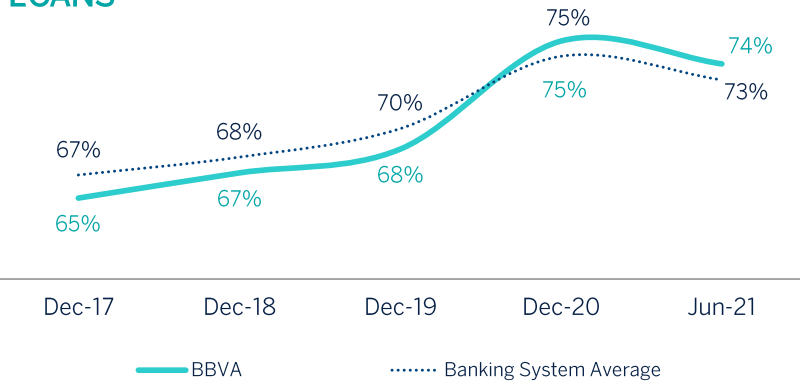
## LOAN TO DEPOSITS<sup>1</sup> BY CURRENCY



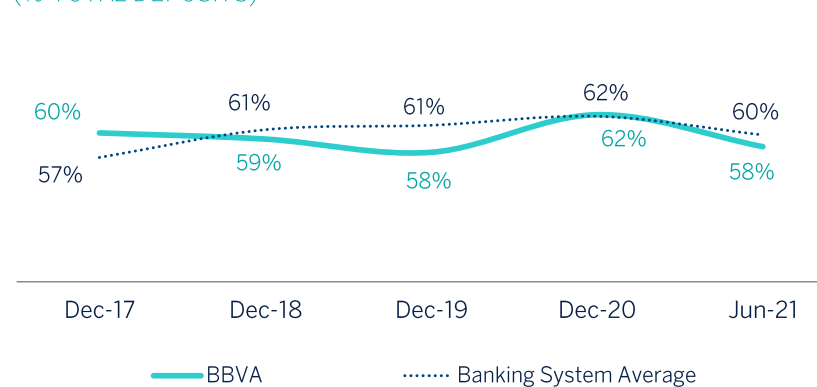
## LOAN TO DEPOSIT<sup>1</sup> – PEER GROUP



## DOMESTIC CURRENCY PERFORMING LOANS



## DOMESTIC CURRENCY DEPOSITS<sup>1</sup> (% TOTAL DEPOSITS)

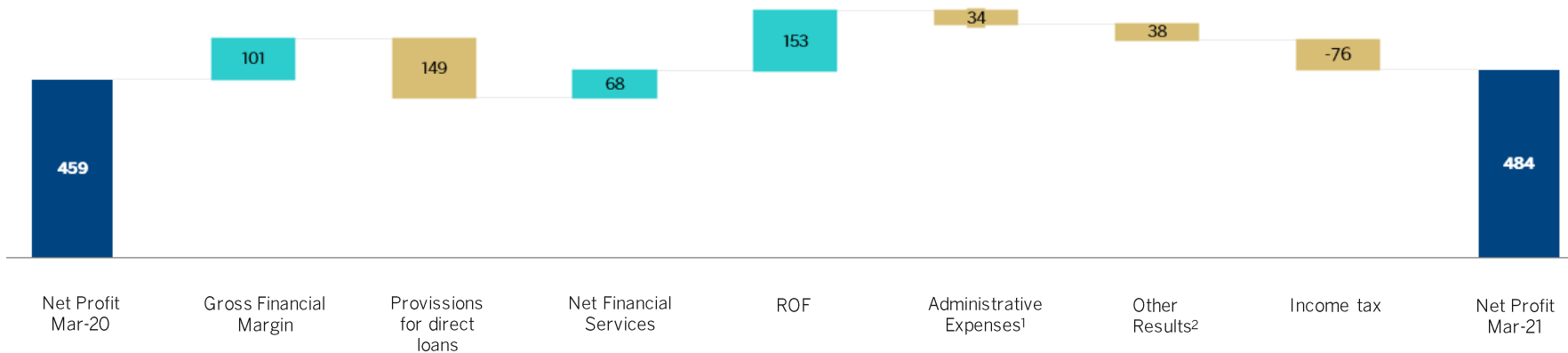


<sup>1</sup>Other obligations are excluded from deposits  
Source: SBS

# BBVA Profit & Loss

(S/. Million)

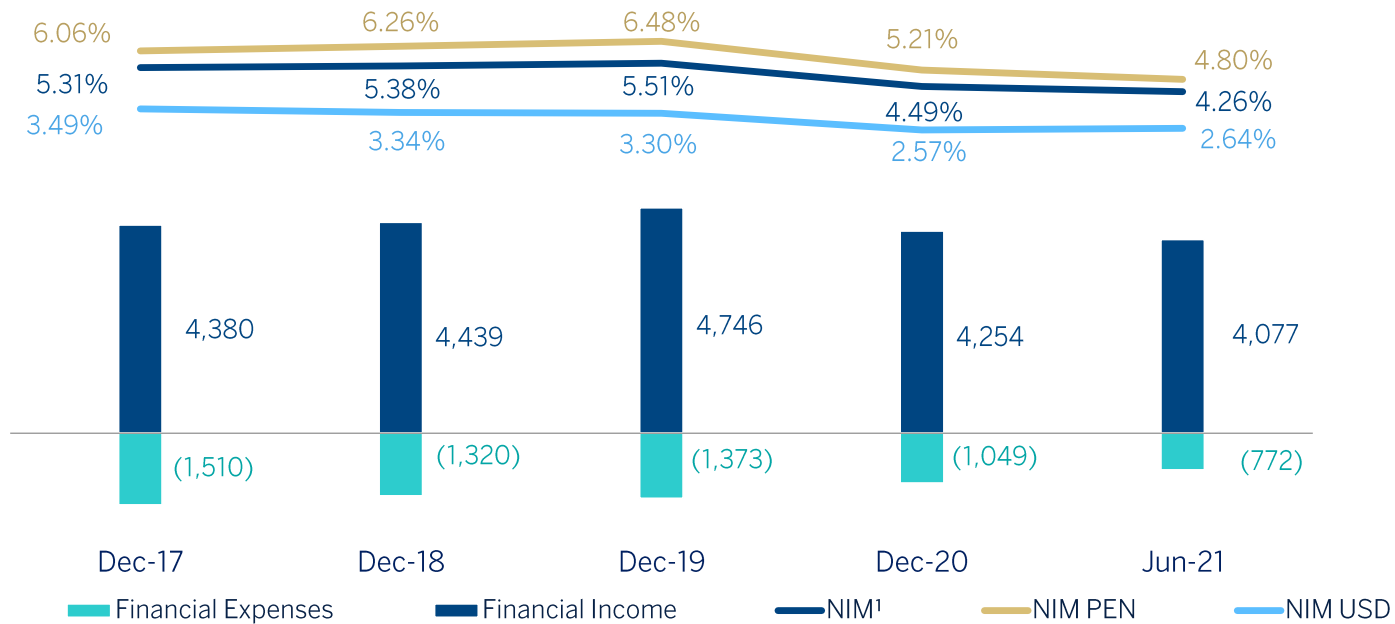
	Jun-20	Jun-21	%
Gross Financial Margin	1,556	1,657	6.5
Provisions for direct loans	(615)	(764)	24.2
Net Financial Margin	940	893	-5.1
Income from financial services	502	641	27.7
Expenses from financial services	(171)	(242)	41.7
Gain / Loss From Financial Operations (ROF)	294	447	52.0
Operating Margin	1,566	1,739	11.1
Administrative expenses	(813)	(845)	3.9
Depreciation and amortization	(99)	(102)	2.5
Net Operating Margin	654	792	21.2
Asset valuation and other provisions	(61)	(90)	48.0
Other Income and Expenses	13	4	n.a
Profit / Loss Before Income Tax	605	706	16.6
Income tax	(146)	(222)	51.6
Net Profit	459	484	5.4



<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, %)

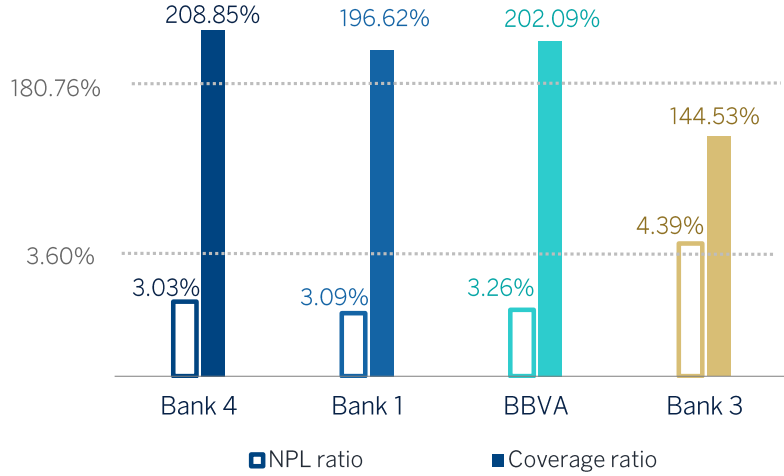


<sup>1</sup>NIM: Gross financial margin for the last 12 months divided by average interest earning assets (interbank funds, investments and net loans)  
Source: SBS and ASBANC

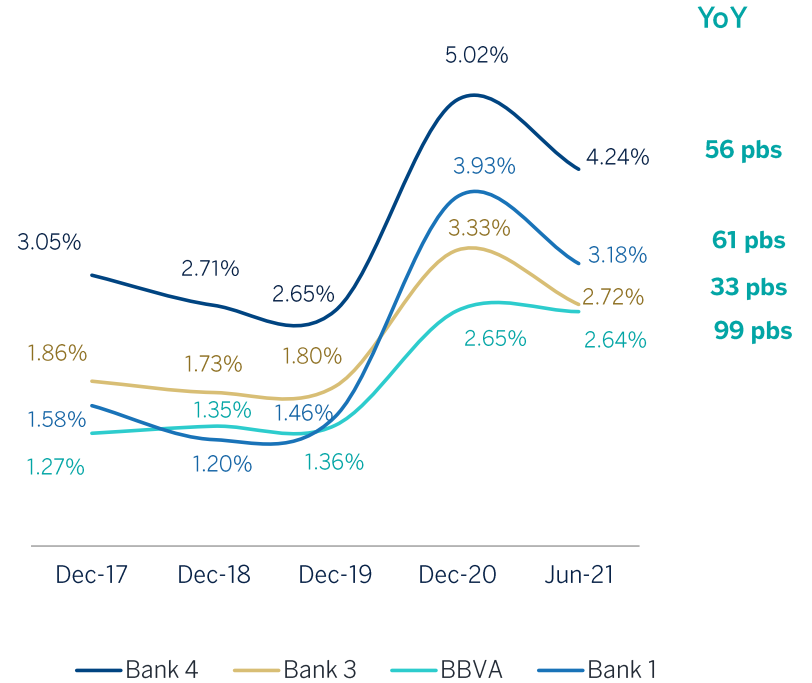
# Risk management

## NPL RATIO & COVERAGE RATIO (JUNE 2020)

Banking System Average



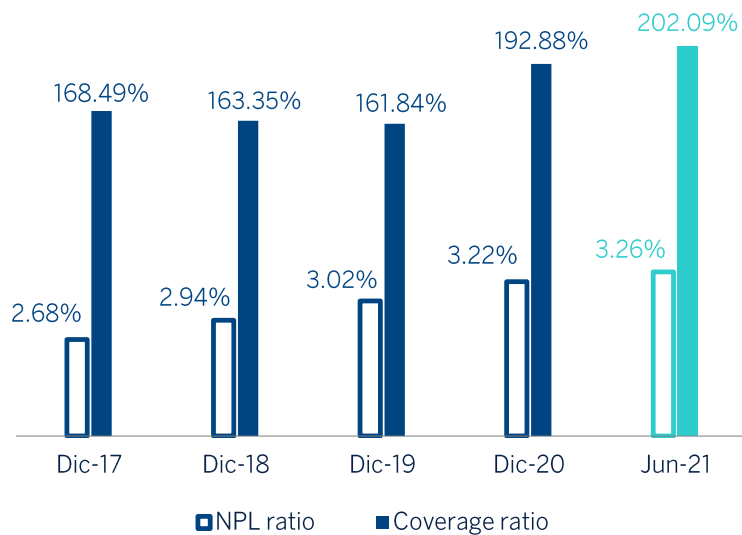
## BEST COST OF RISK<sup>1</sup> VS. PEER GROUP



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

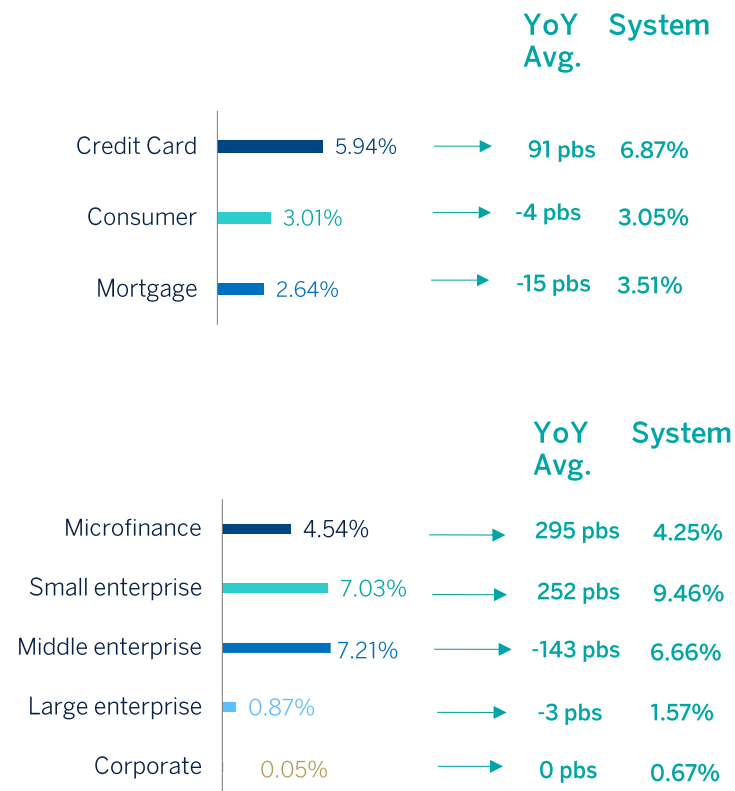
# Risk management

## OUTSTANDING ASSET QUALITY

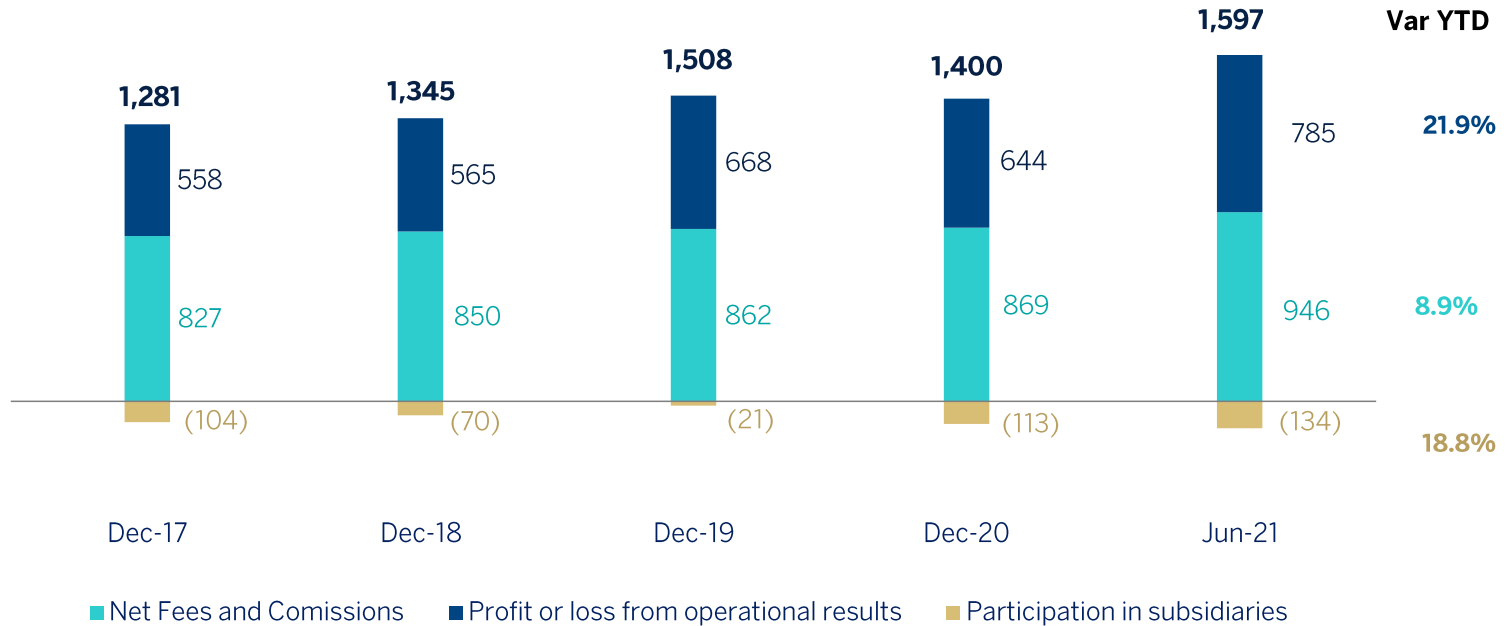


## NPL RATION BY PRODUCT AND SEGMENT

(JUNE 2021)



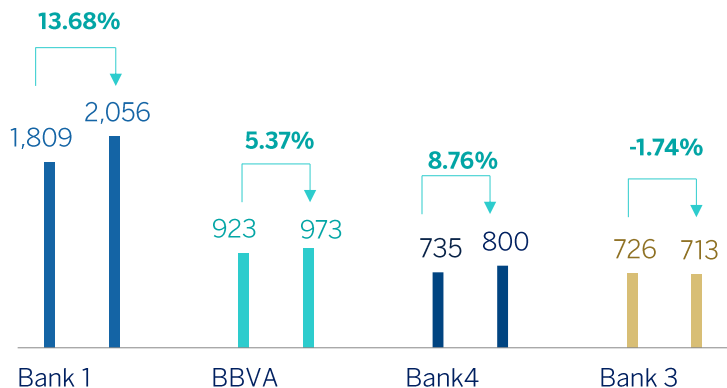
# Other Financial Income (\$/ Millions, %)



# Expenses management

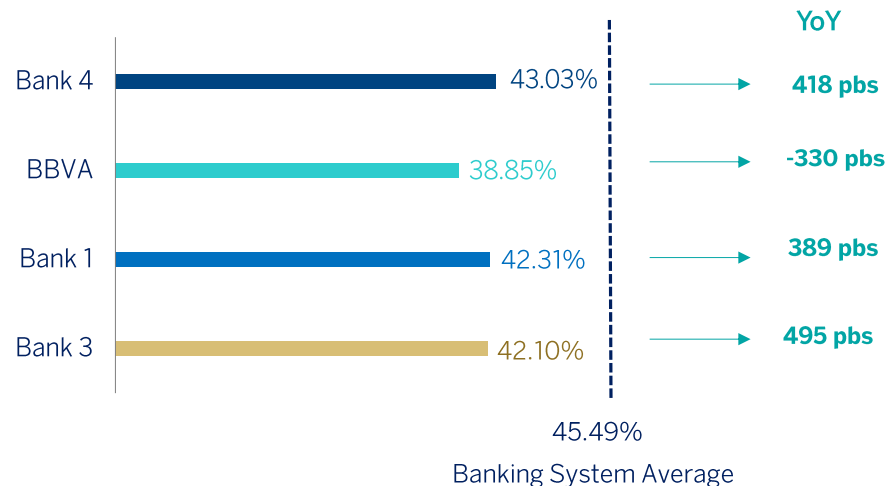
## ADMINISTRATIVE EXPENSES<sup>1</sup>

(JUNE 2021 VS 2020)



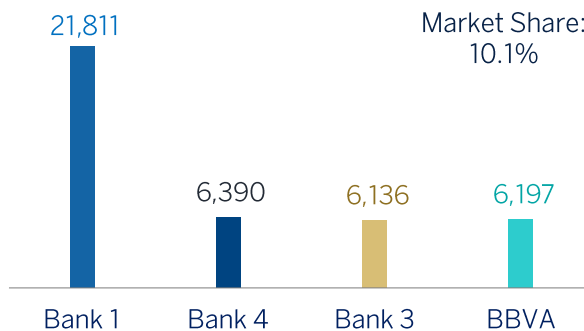
## EFFICIENCY RATIO

(JUNE 2021)



## NUMBER OF EMPLOYEES

(JUNE 2021)

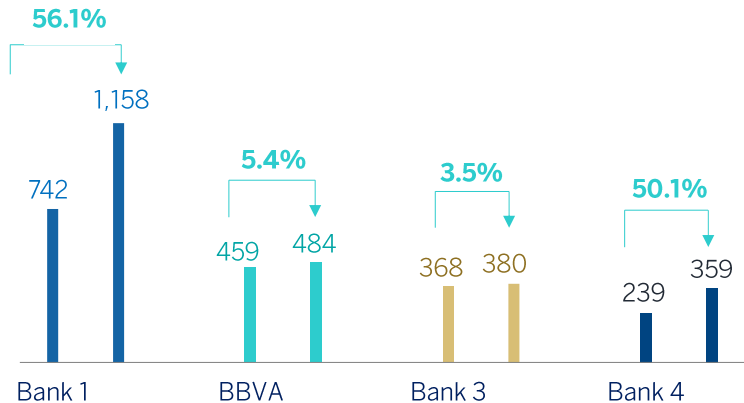


<sup>1</sup>Includes depreciation and amortization  
Source: SBS and ASBANC

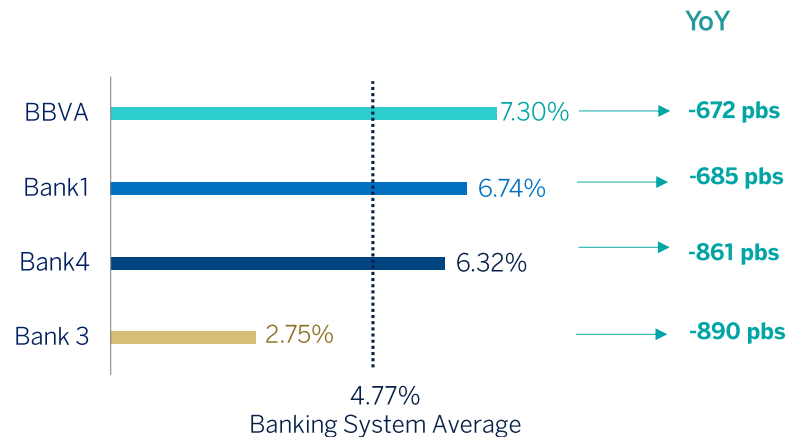


# Profitability management

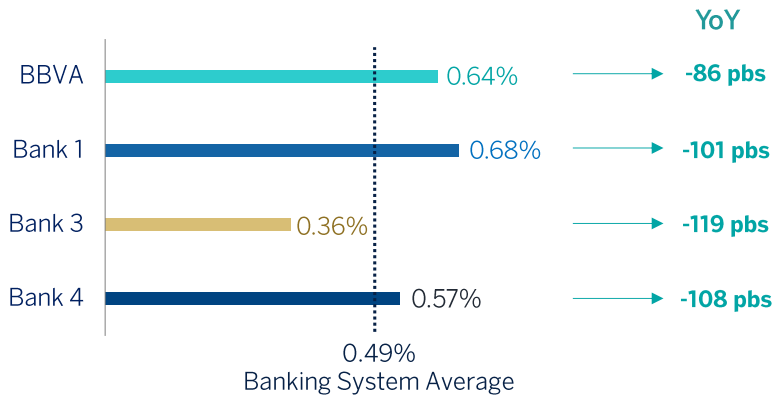
### NET PROFIT (S/ MILLION,%) (JUNE 2021 VS 2020)



### RETURN ON EQUITY – ROE (JUNE 2021)

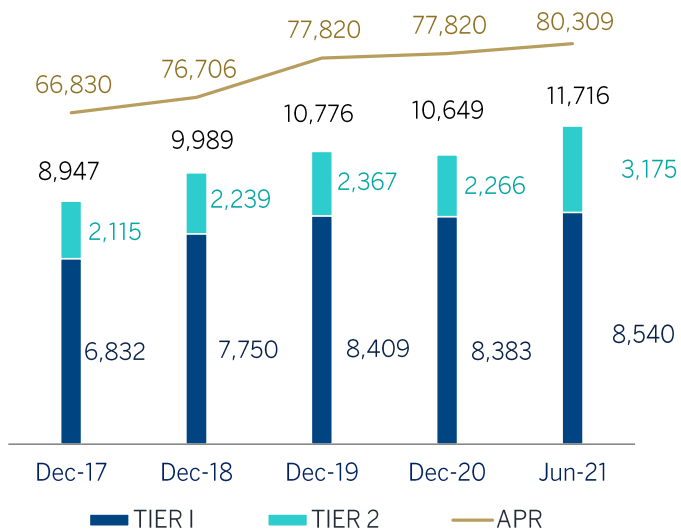


### RETURN ON ASSETS – ROA (JUNE 2021)

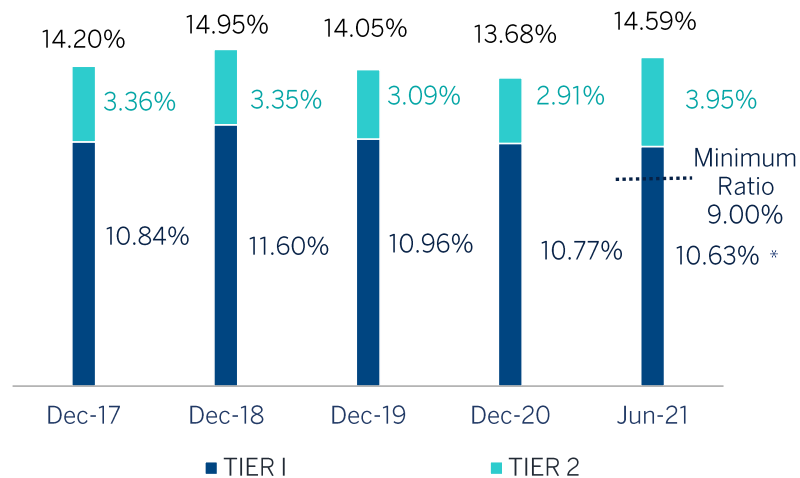


# Solvency management

## REGULATORY CAPITAL & RWA (\$/ MILLION)



## CAPITAL RATIOS



\* CET1=10.63%  
Source: SBS

04

Ratings

# International & local rating

Rating agencies have granted BBVA Peru the Best international and local ratings (June 2021)

## INTERNATIONAL RATING

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>Stable</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
Negotiable Certificate of Deposits (CD)	CP - 1+ (pe)	ML - 1+ pe
Short term deposits	CP - 1+ (pe)	ML - 1+ pe
Term deposits > 1 year	AAA (pe)	AAA.pe
Corporate bonds	AAA (pe)	AAA.pe
Subordinated bonds	AA+ (pe)	AA+.pe
Leasing bonds	AAA (pe)	AAA.pe
Common shares	1a (pe)	1a Clase.pe
Issuer rating	A+	A+

04





# Social Responsibility and Awards

# We are recognized for maintaining our commitment to society

## FOUNDATION BBVA



1 LEER Program is to be beyond

 5 REGIONS	 54 SCHOOLS	 643 TEACHERS	 17,468 STUDENTS
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2 Cultural Activities

- ✓ Poetry Web: Find your poem
- ✓ Pre-Columbian Art Museum

## AWARDS



1 Peru's Best bank in Trade Finance Provider 2021.



2 Best bank in Loan Market. Prize "Loan House of the Year".



3 Best Customer Experience, according to BCX study.

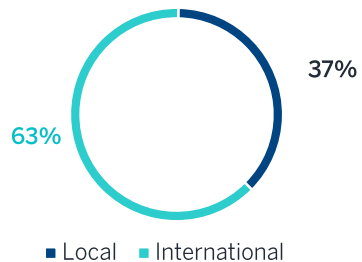
BBVA

Creando Oportunidades

# APPENDIX

# Debt Issuance

		Bond	Issue Date	Call Date	Due Date	Currency	Amount (m)	CouponRate	ISIN
BBVA	Internacional	Corporativo	Ago-12	-	Ago-22	USD	500,000	5.00%	US05537GAA31-USP16260AA28
		Subordinado	Set-14	Set-24	Set-29	USD	300,000	5.25%	US05537GAD79-USP16236AG98
	Nacional	Corporativos	Dic-11		Dic-26	PEN	150,000	7.47%	PEP11600M186
		Corporativos	Jun-16		Jun-21	PEN	150,000	6.28%	PEP11600M236
		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





**BBVA**

Creando Oportunidades

# BBVA Peru

## Investor Report

Second Quarter 2021