



# BBVA Peru

## Investor Report

Fourth Quarter 2020



Creando Oportunidades

# Disclaimer

This document has been elaborated as a part of the information policies and transparency of BBVA. This document contains public, own source and provided by third parties information, that can be corroborated with the specific sources.

This document is only provided for informational purposes and does not constitute, nor should it be interpreted as, an offer to sell or exchange or acquire, or an invitation for offers to buy securities issued by BBVA. Any decision to buy or invest in securities in relation to a specific issue must be made solely and exclusively on the basis of the information set out in the pertinent prospectus filed by the company in relation to such specific issue. No one who becomes aware of the information contained in this report should regard it as definitive, because it is subject to changes and modifications. This document and its contents does not constitute the basis for any contract or commitment.

This document may not be photocopied, reproduced and/or distributed in whole or in part, without prior authorization from BBVA.

# Index

01 Peruvian Economy & Financial System

02 About BBVA Peru

03 Financial Highlights

04 Ratings

05 Social Responsibility and Awards

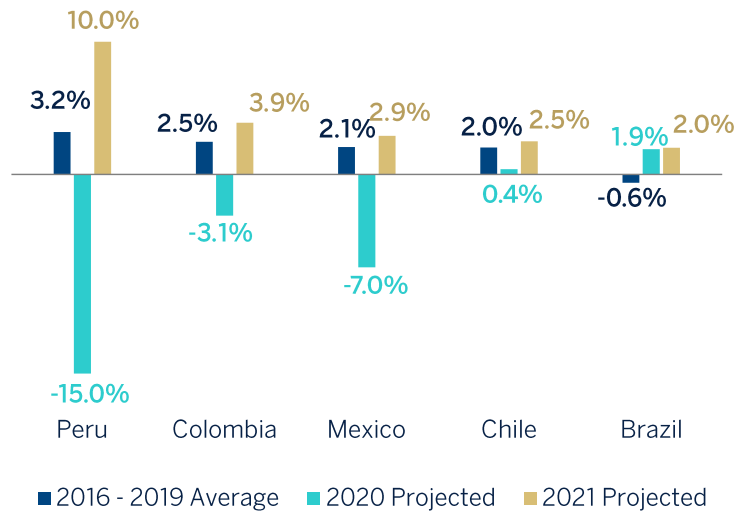
APPENDIX  
Debt Issuances

01

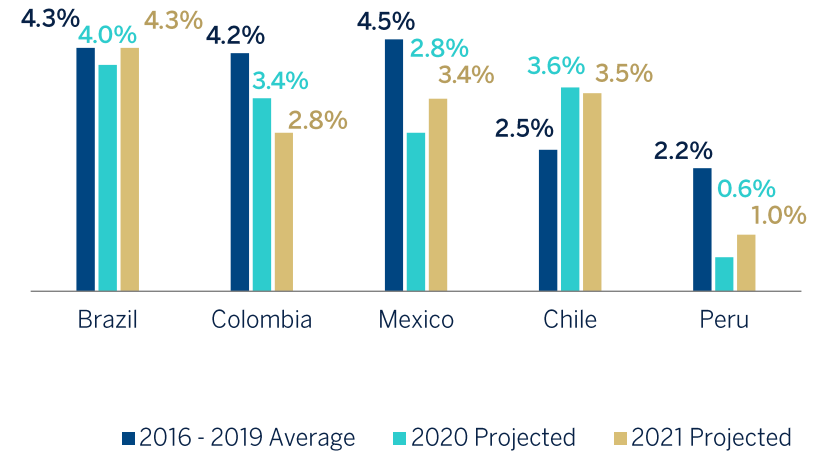
# Peruvian Economy & Financial System

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

## GDP GROWTH (REAL)

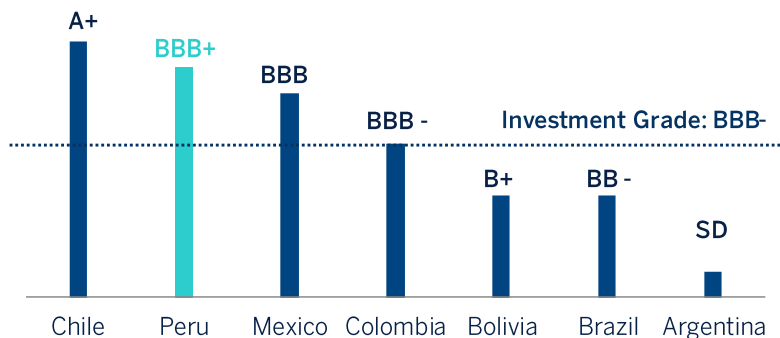


## INFLATION (END OF PERIOD)

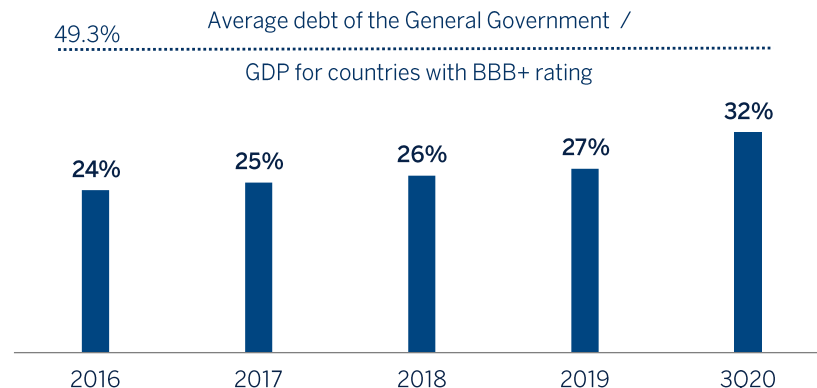


# Peru presents important Private Sector Loans growth in the region and slight growth in Public Debt

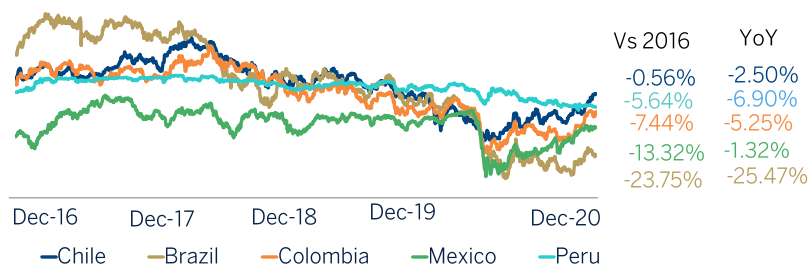
## CREDIT RISK PROFILE



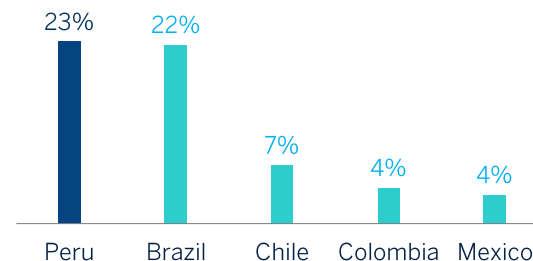
## PERUVIAN PUBLIC DEBT (% OF GDP)



## CURRENCY DEPRECIATION AGAINST USD



## ANNUAL GROWTH OF PRIVATE SECTOR CREDITS<sup>1</sup> (DECEMBER)



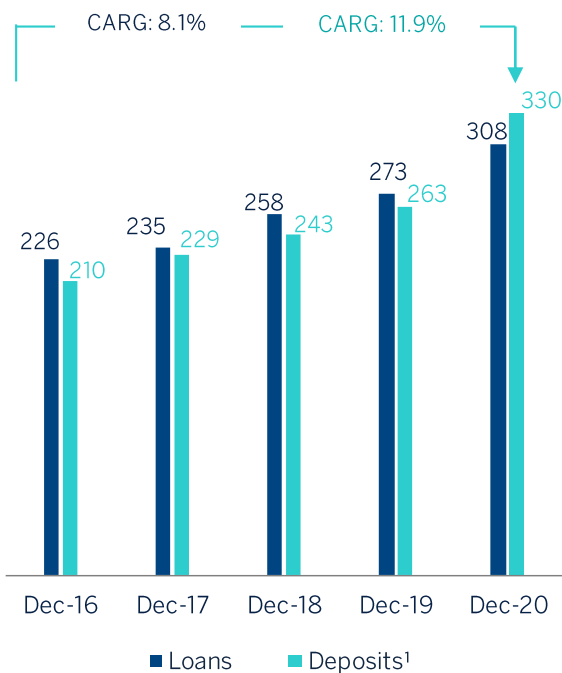
<sup>1</sup> Numbers of Brazil, Mexico, Chile and Colombia as of november,

Source: Bloomberg, BCRP

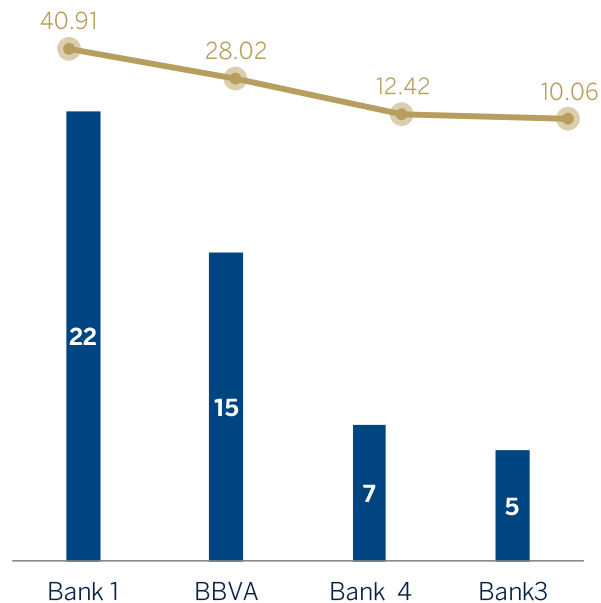
# Meanwhile, the Banking System growth is driven by Reactiva

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

YoY: 12.7%  
YoY: 25.4%



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

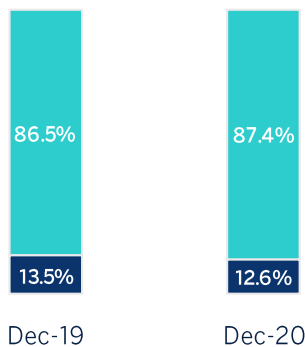


<sup>1</sup> Other obligation are excluded from deposits  
Source: Superintendencia de Banca, Seguros y AFP (SBS) & World bank (WB)

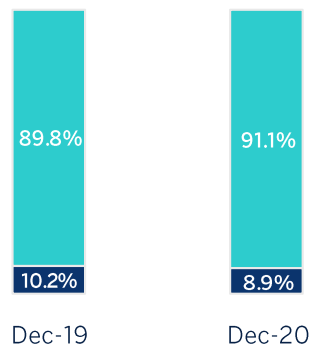
# Peruvian Financial System (DECEMBER 2020)

Financial system	Institution S/ Million	Net loans	YoY (%)	Deposits	YoY (%)	Net Income	YoY (%)
Banking system	Banks (15)	303,527	11.3%	329,938	25.4%	2,112	-76.8%
	Banco de la Nación	7,999	27.4%	38,464	40.2%	658	-39.6%
Other financial institutions	Cajas Municipales (12)	23,874	11.2%	25,453	8.8%	84	-81.3%
	Financieras (11)	10,711	-15.7%	8,379	5.5%	-252	-144.0%
	Cajas Rurales (7)	1,966	-8.6%	1,780	0.4%	-50	5435.2%
	Edpymes (9)	2,295	-6.7%	-	-	14	-82.9%
	Leasing (1)	296	18.5%	-	-	3	-63.9%
	COFIDE	5,537	33.0%	208	417.6%	20	-22.5%
	Agrobanco	138	-39.6%	-	-	-67	29.4%

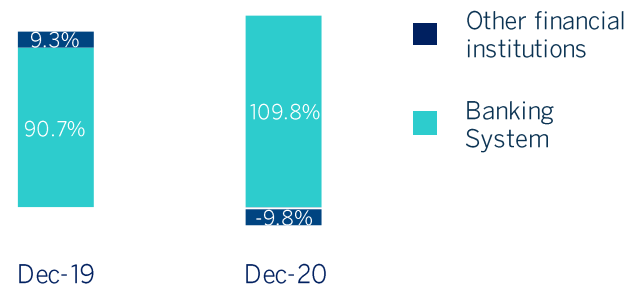
## LOANS



## DEPOSITS<sup>1</sup>



## NET INCOME



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

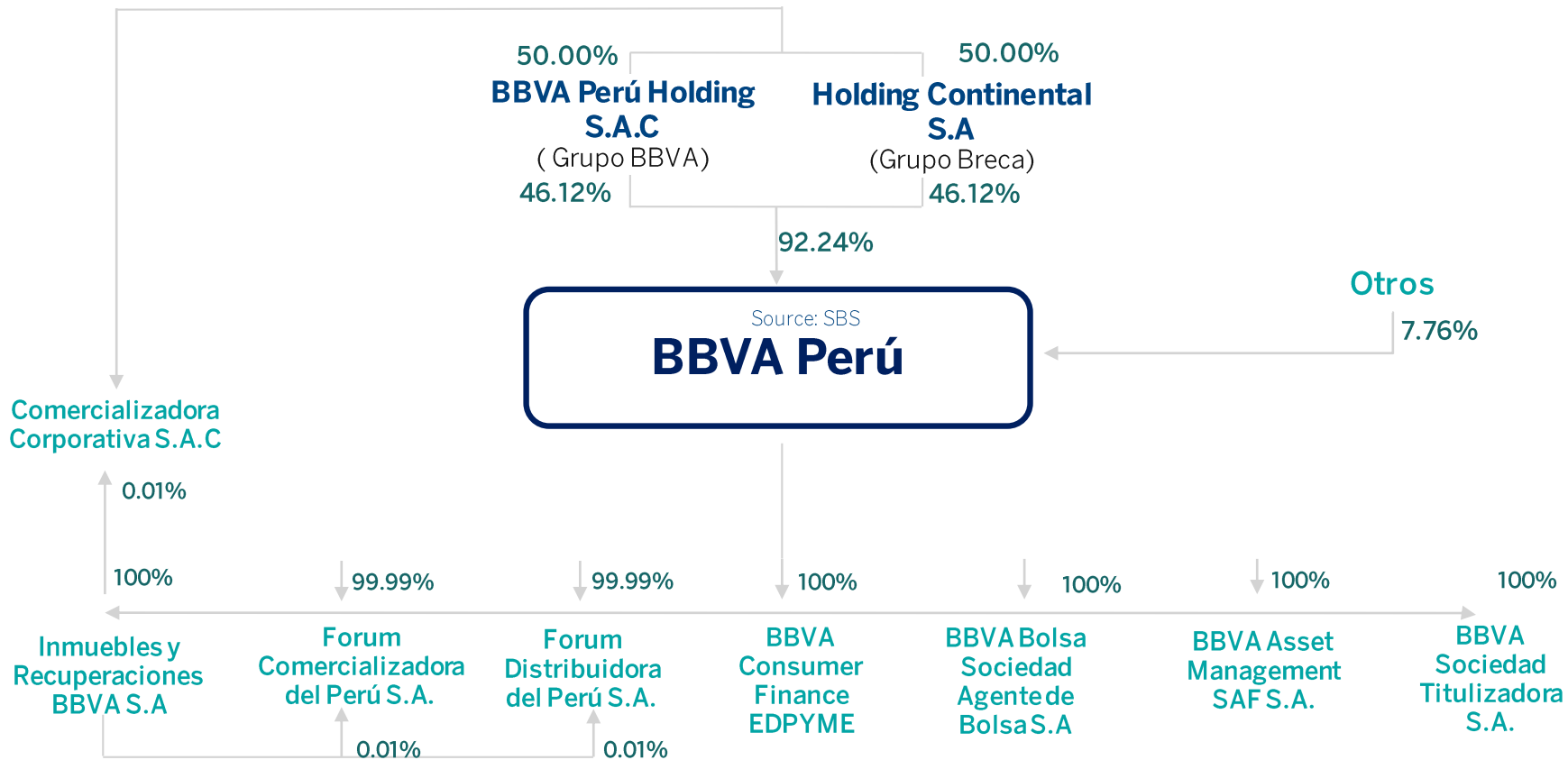
<sup>1</sup> Other obligations are excluded from deposits  
Source: SBS



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



**€736** miles de millones de activo total

**80,7** millones de clientes

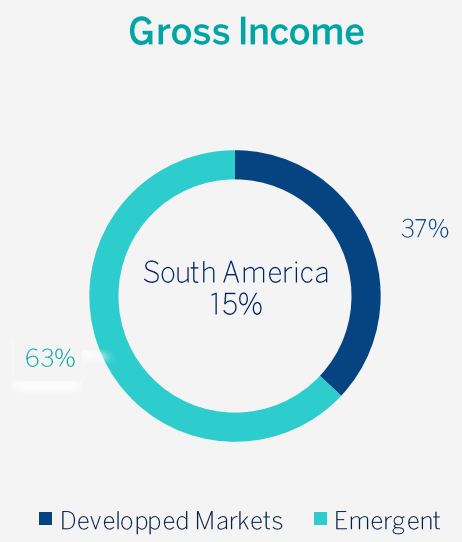
**>30** países

**7.432** oficinas

**31.000** cajeros

**123.174** empleados

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



<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

## 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

# In 2020, BBVA Peru adopted different measures in order to create new opportunities for its 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**



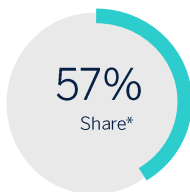
In addition, **e-working and special mobility** are implemented for those employees who attend the office



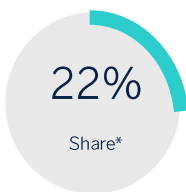
We get adapted to new digital needs

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

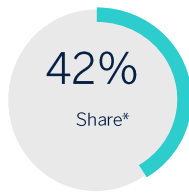
## Consumer Loans



## 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

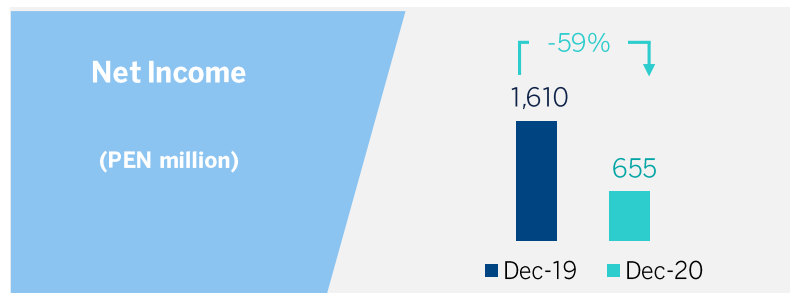
\* Share information calculated in units

03

# Financial Highlights

# Highlights of BBVA Peru (DECEMBER 2020)

<b>Assets</b> (PEN million)	107,384
<b>ROE</b>	7.04%
<b>ROA</b>	0.68%



## Great Asset Quality

<b>NPL</b>	3.22%
<b>Cost of Risk</b>	2.65%
<b>Coverage Ratio</b>	192.88%

<b>Cost control</b> (YoY, %)	<b>Administrative Expenses</b>	<b>Efficiency Ratio</b>
	<b>+2.61%</b>	<b>40.42%</b>

**Digital Strategy**  
(YoY, %)

- +31%** Mobile customers
- +22%** Digital customers

## Strong Capital & Liquidity Ratios

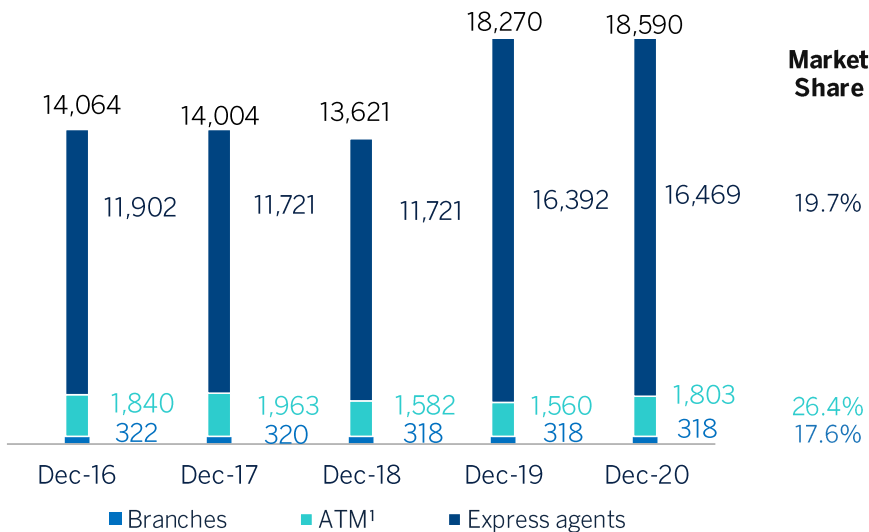
<b>Global Capital</b>	<b>CET1</b>
13.68%	10.77%
<b>Loan – to – deposits</b>	<b>93%</b>

# Strong Banking platform

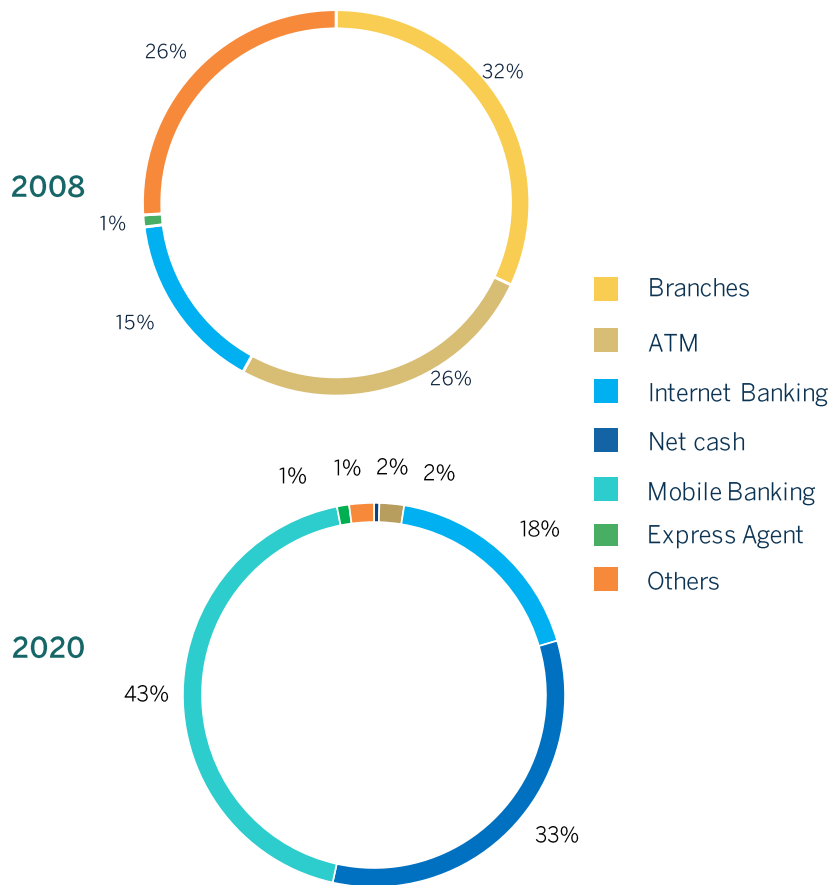
## DISTRIBUTION NETWORK<sup>1</sup> (DECEMBER 2020)

One of the largest in the country

- 18,590 points of service
- More than 6.7 million customers



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



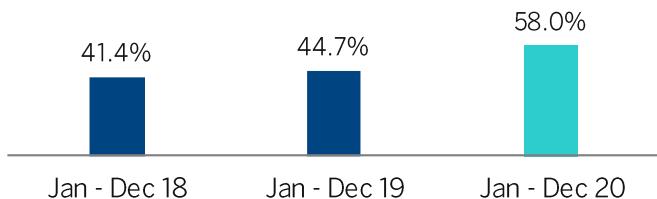
<sup>1</sup> Source: Branches, ATMs from ASBANC

<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

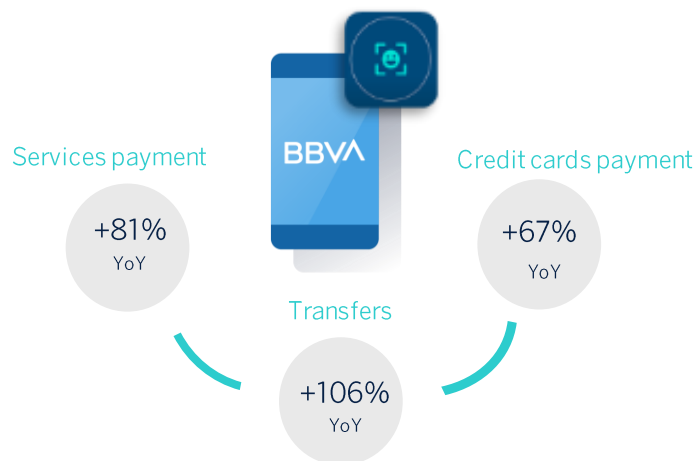


## DIGITAL USE

Digital Share	2019	2020
<b>Digital sales</b>	<b>44.7%</b>	<b>58.0%</b>
Préstamos de consumo	67.3%	56.5%
Credit cards	23.5%	21.8%
Saving accounts	11.6%	42.0%
Fx (T-cambio)	47.6%	66.7%
Mutual Funds	27.1%	42.2%

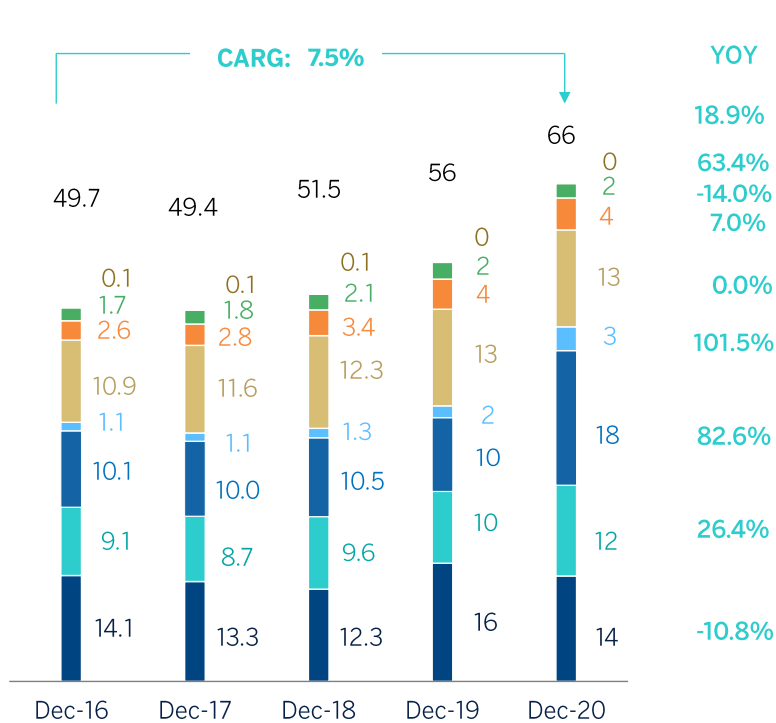
## BBVA JOINS THE GLOBAL MOBILE BANKING PLATFORM

- BBVA has renewed its mobile banking platform.
- This App has different innovations, which includes facial/finger biometrics to log in or confirm banking operations in a safe, comfortable and quick way.
- It includes: Plin App integrated, bank key changes and CVV query.
- From the customers who downloaded the BBVA App: 93% of them already have this new version (2.3 million)



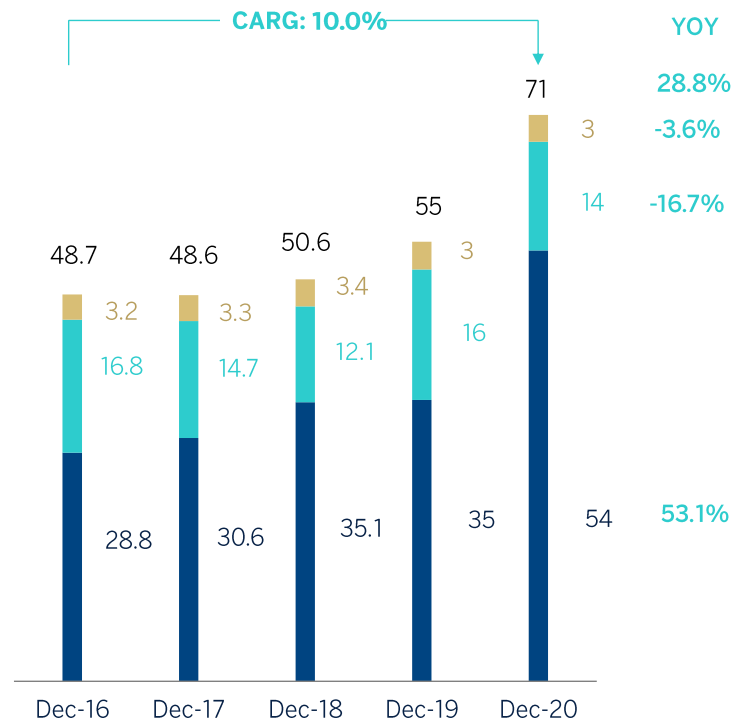
# Loans and deposit performance (S/ Thousands million,%)

## PERFORMING LOANS



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

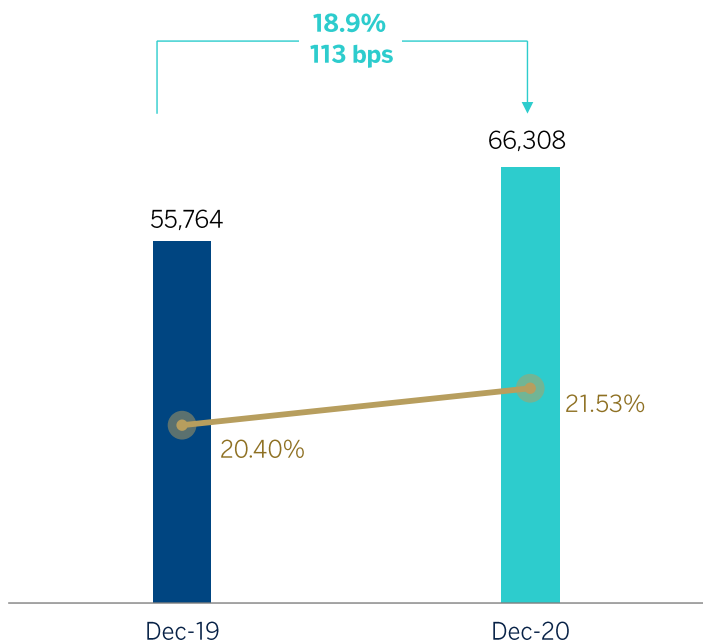
## DEPOSITS<sup>1</sup>



- Demand + Saving
- Term
- CTS

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

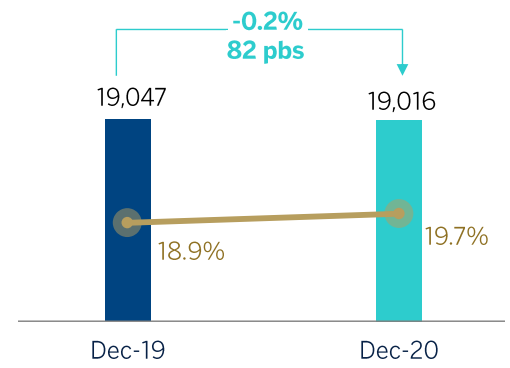
# Performing loans (S/ Million, %)



Loans Market share

<b>Banking System</b>	<b>308,022</b>
YOY Variation	12.7%

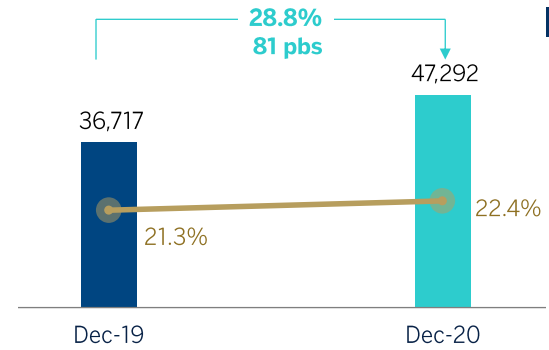
## RETAIL LOANS



Loans Market share

<b>Banking System</b>	<b>96,467</b>
YOY Variation	-4.4%

## BUSINESS LOANS



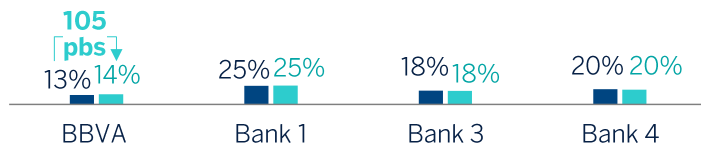
Loans Market share

<b>Banking System</b>	<b>211,555</b>
YOY Variation	22.7%

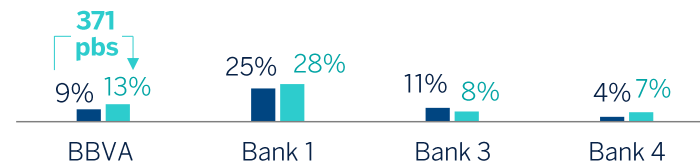
1 Source: ASBANC

# Market share - Loans

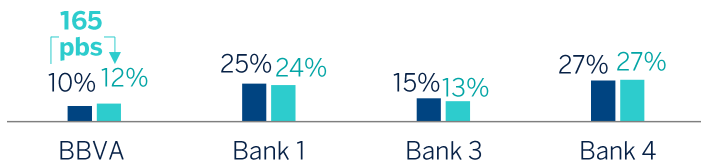
## Consumer



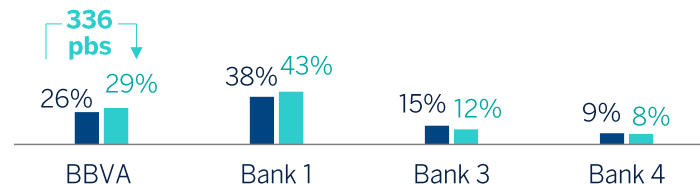
## SME<sup>1</sup>



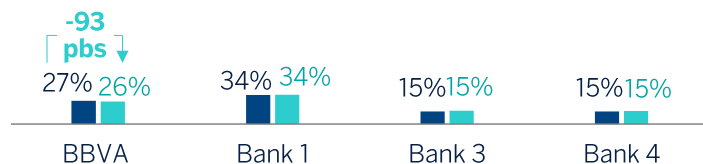
## Credit cards



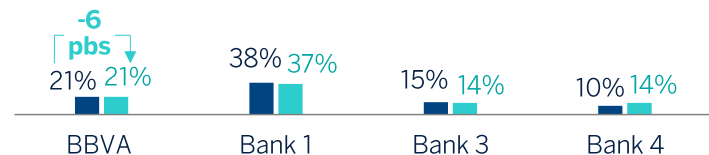
## Middle enterprises



## Mortgage



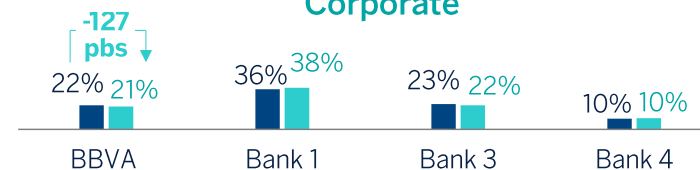
## Large enterprises



■ December 2019

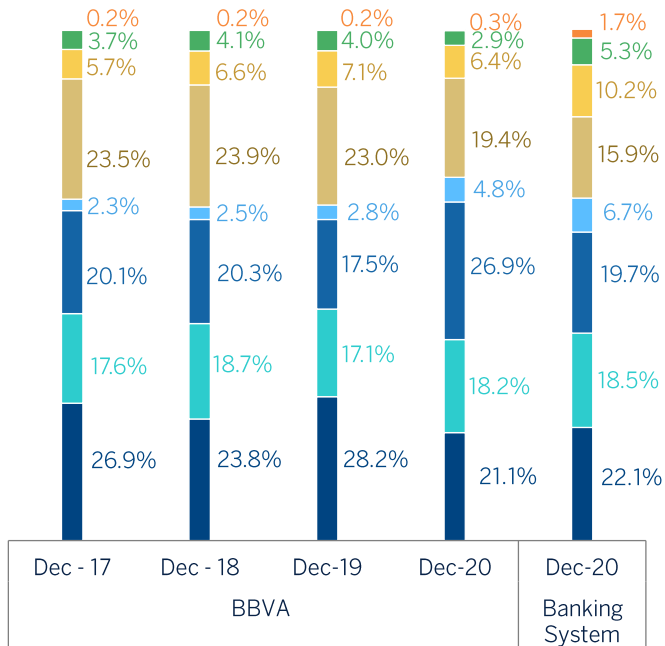
■ December 2020

## Corporate

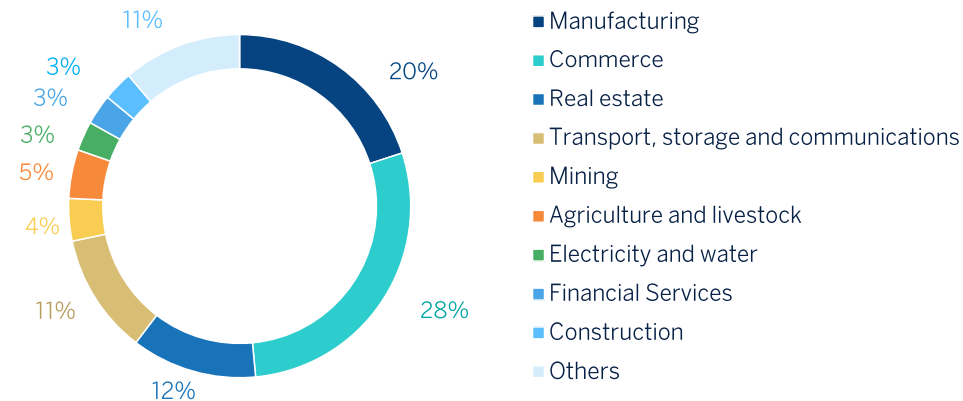


# Well diversified loan portfolio

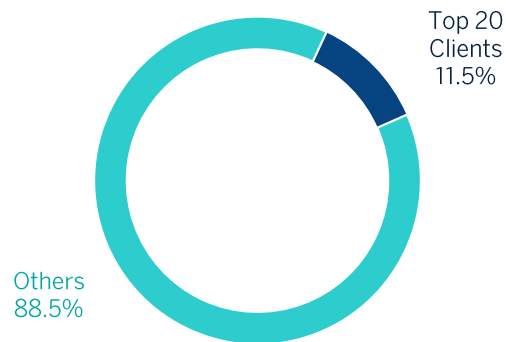
## LOANS BREAKDOWN



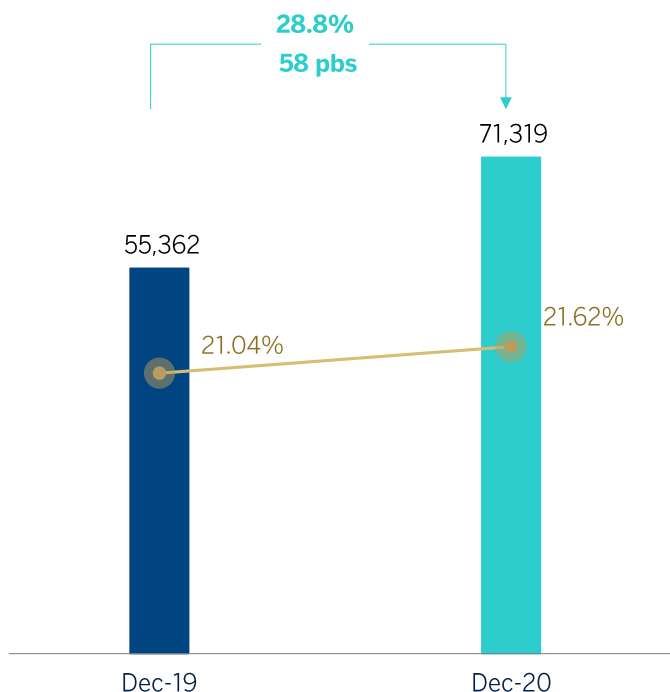
## LOANS BY ECONOMIC SECTOR (DECEMBER 2020)



## CONCENTRATION RISK (DECEMBER 2020)



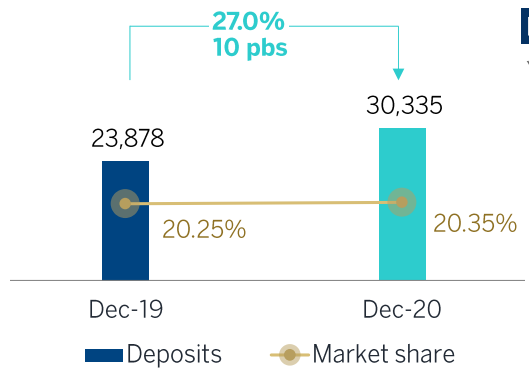
# Deposits<sup>1</sup> (S/ Million,%)



■ Deposits    ● Market share

<b>Banking System</b>	<b>329,938</b>
YOY Variation	25.4%

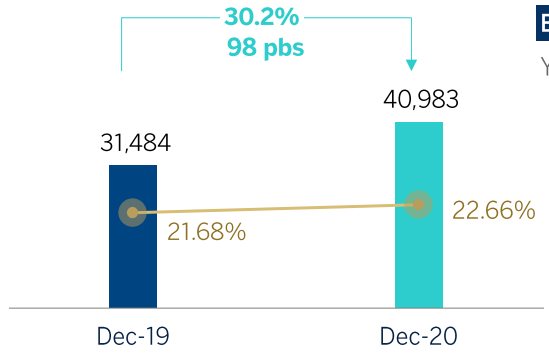
## RETAIL DEPOSITS



■ Deposits    ● Market share

<b>Banking System</b>	<b>149,069</b>
YOY Variation	26.4%

## BUSINESS DEPOSITS



■ Deposits    ● Market share

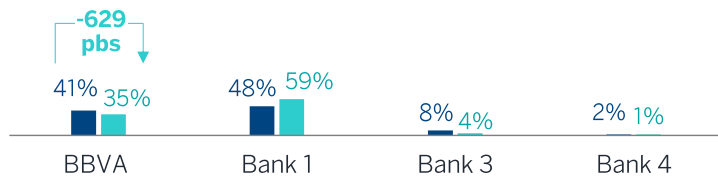
<b>Banking System</b>	<b>180,869</b>
YOY Variation	24.6%

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

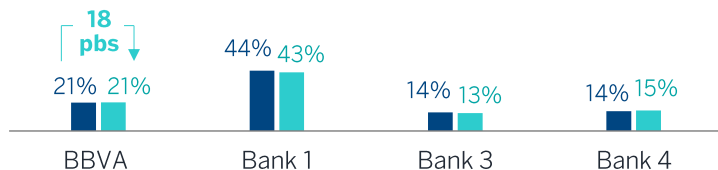
# Market share - Deposits<sup>1</sup>

## RETAIL DEPOSITS

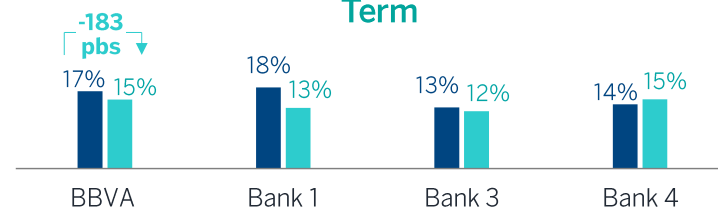
### Demand



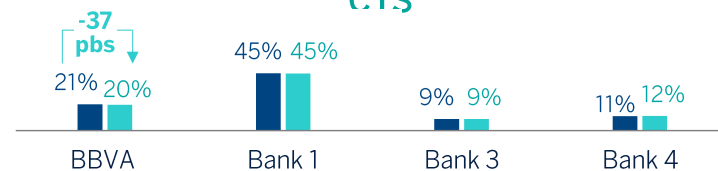
### Save



### Term

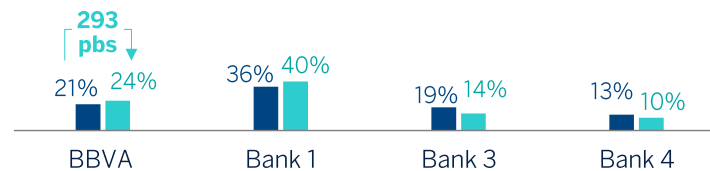


### CTS

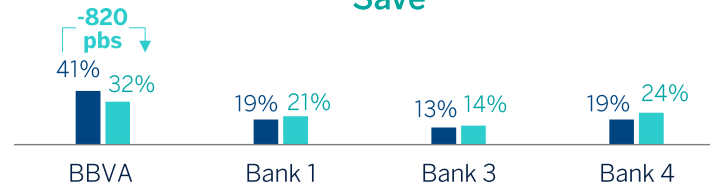


## BUSINESS DEPOSITS

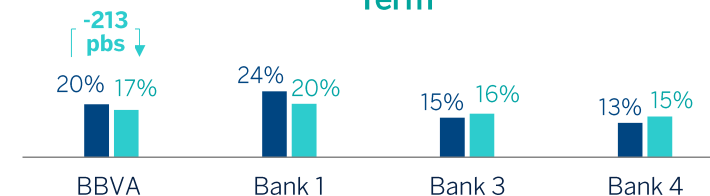
### Demand



### Save



### Term



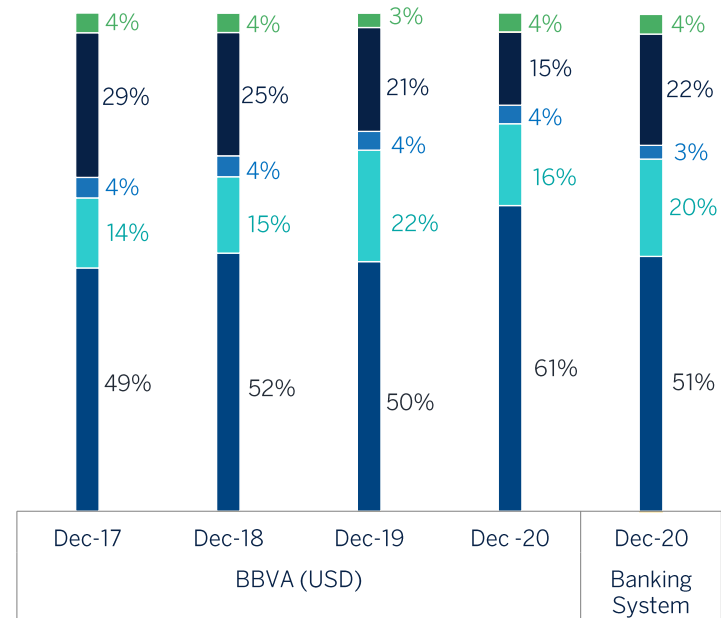
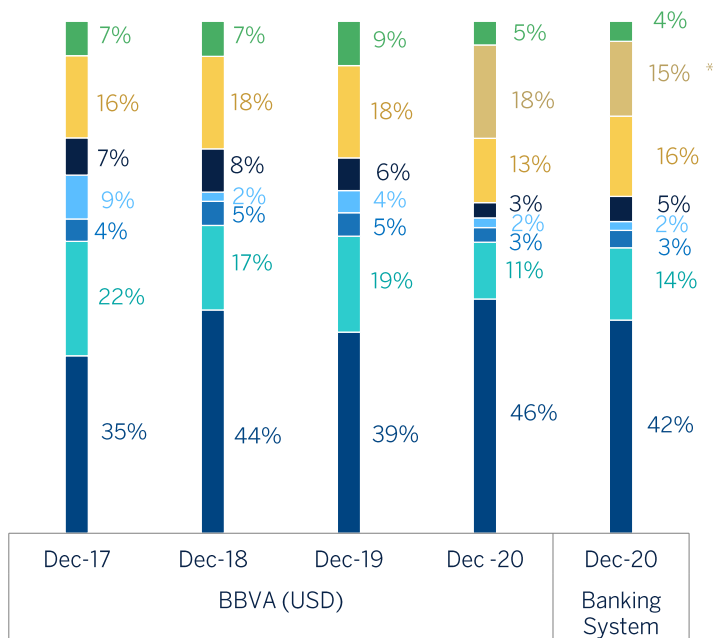
■ December 2019  
 ■ December 2020

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

# Liabilities and capital breakdown

## LOCAL CURRENCY

## FOREIGN CURRENCY



■ Demand + Saving    ■ Term    ■ CTS  
 ■ Repos    ■ Wholesale funding    ■ Equity  
 ■ Reactiva    ■ Others

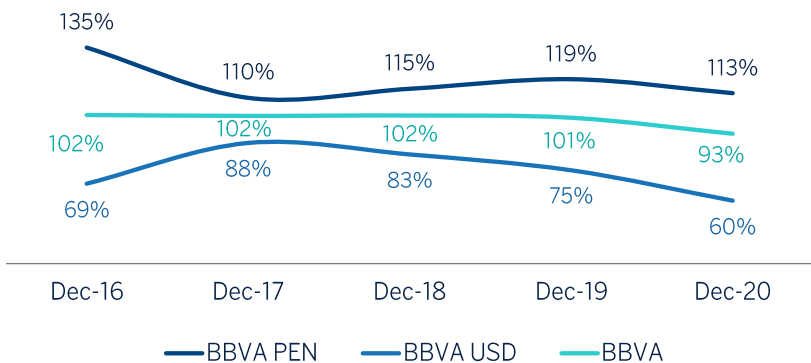
■ Demand + Saving    ■ Term    ■ CTS  
 ■ Repos    ■ Wholesale funding    ■ Equity  
 ■ Others

\* Approximate amount according to the Financial System

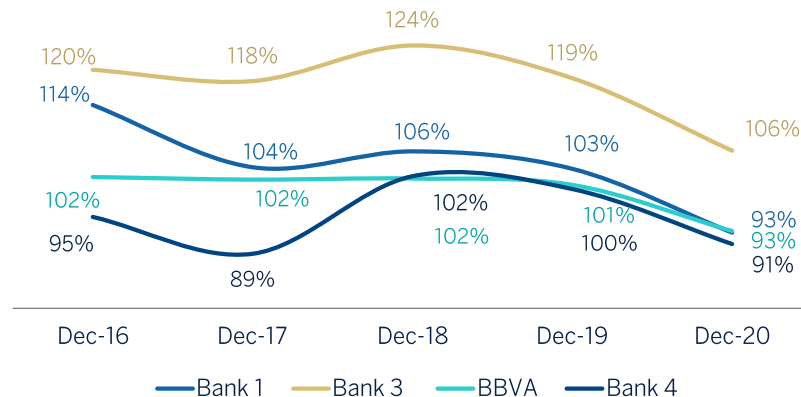


# High level of self-financing and balance sheet in local currency

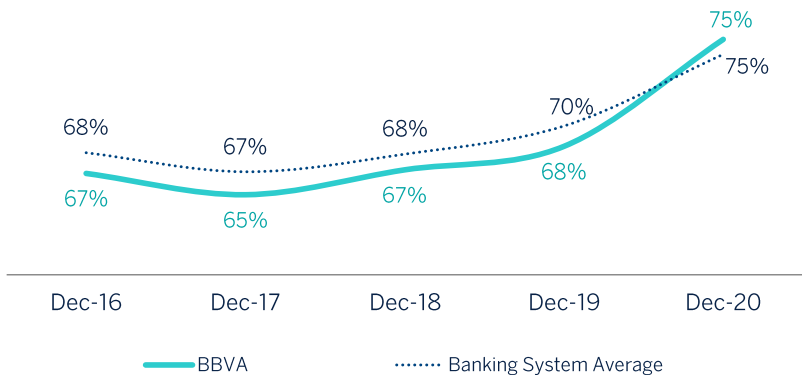
## LOAN TO DEPOSITS<sup>1</sup> BY CURRENCY



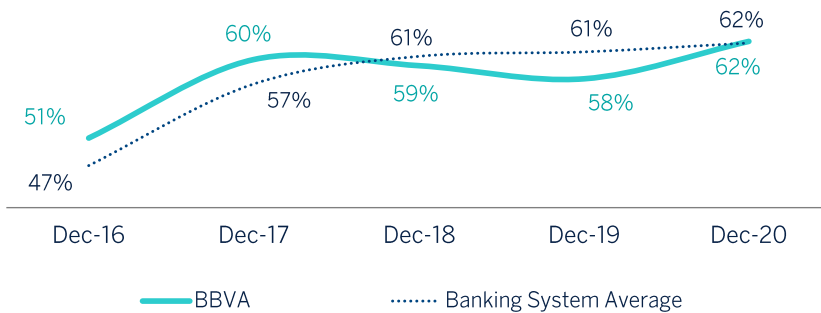
## LOAN TO DEPOSIT<sup>1</sup> – PEER GROUP



## DOMESTIC CURRENCY PERFORMING LOANS



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

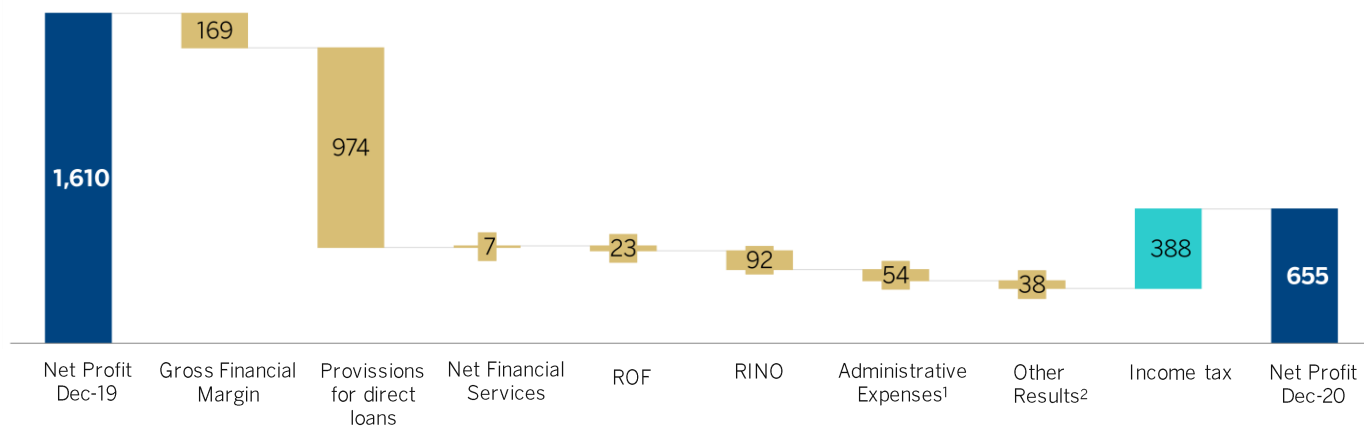


<sup>1</sup>Other obligations are excluded from deposits  
Source: SBS

# BBVA Profit & Loss

(S/. Million)

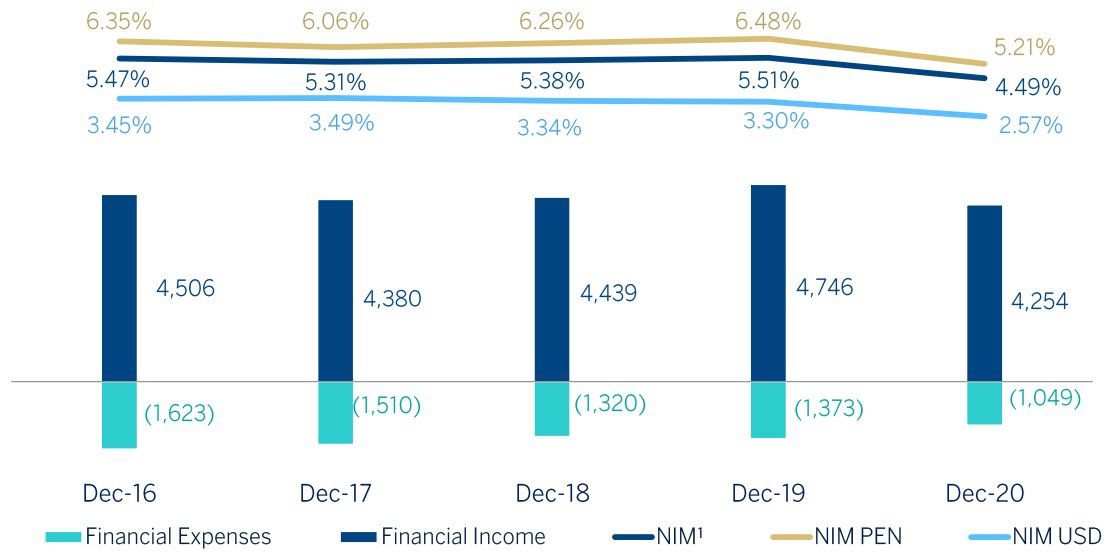
	Dec-19	Dec-20	%
Gross Financial Margin	3,373	3,204	-5.0
Provisions for direct loans	(750)	(1,724)	129.8
Net Financial Margin	2,623	1,481	-43.6
Income from financial services	1,176	1,111	-5.6
Expenses from financial services	(315)	(242)	-23.1
Gain / Loss From Financial Operations (ROF)	668	644	-3.5
Other non-ordinary income (RINO)	(21)	(113)	443.7
Operating Margin	4,131	2,880	-30.3
Administrative expenses	(1,650)	(1,677)	1.7
Depreciation and amortization	(167)	(194)	16.1
Net Operating Margin	2,314	1,009	-56.4
Asset valuation and other provisions	(92)	(130)	40.8
Profit / Loss Before Income Tax	2,222	879	-60.4
Income tax	(612)	(224)	-63.4
<b>Net Profit</b>	<b>1,610</b>	<b>655</b>	<b>-59.3</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, %)

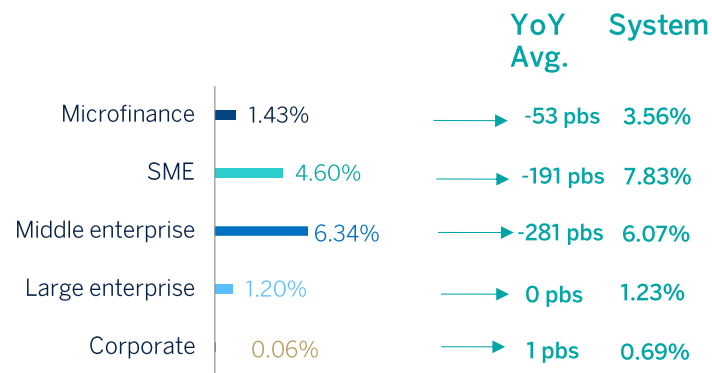
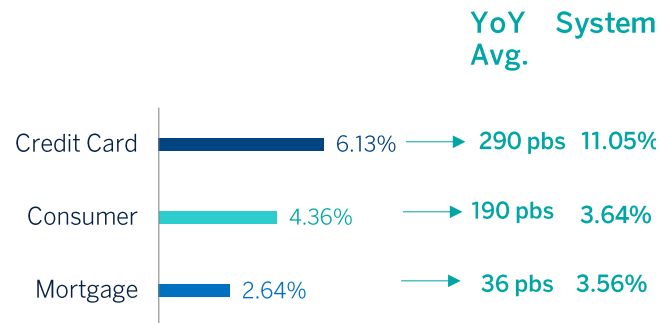
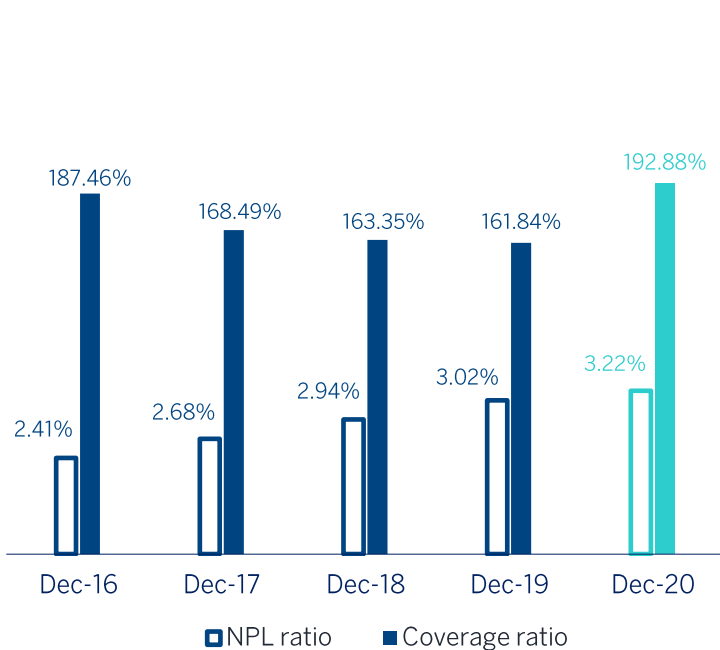


<sup>1</sup>NIM: Gross financial margin for the last 12 months divided by average interest earning assets (interbank funds, investments and net loans)  
Source: SBS and ASBANC

# Risk management

## OUTSTANDING ASSET QUALITY

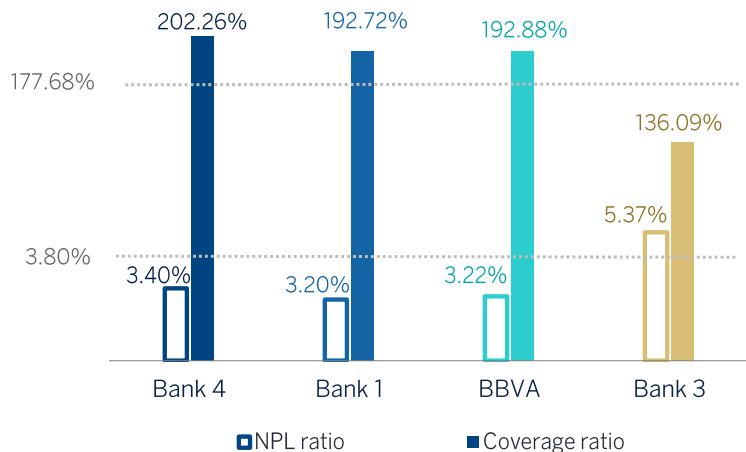
## NPL RATION BY PRODUCT AND SEGMENT (DECEMBER 2020)



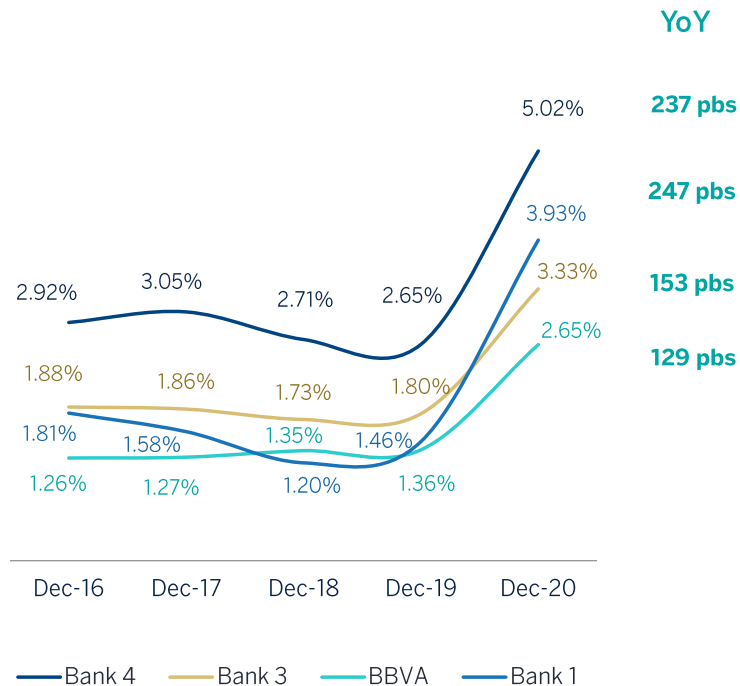
# Risk management

## NPL RATIO & COVERAGE RATIO (DECEMBER 2020)

Banking System Average

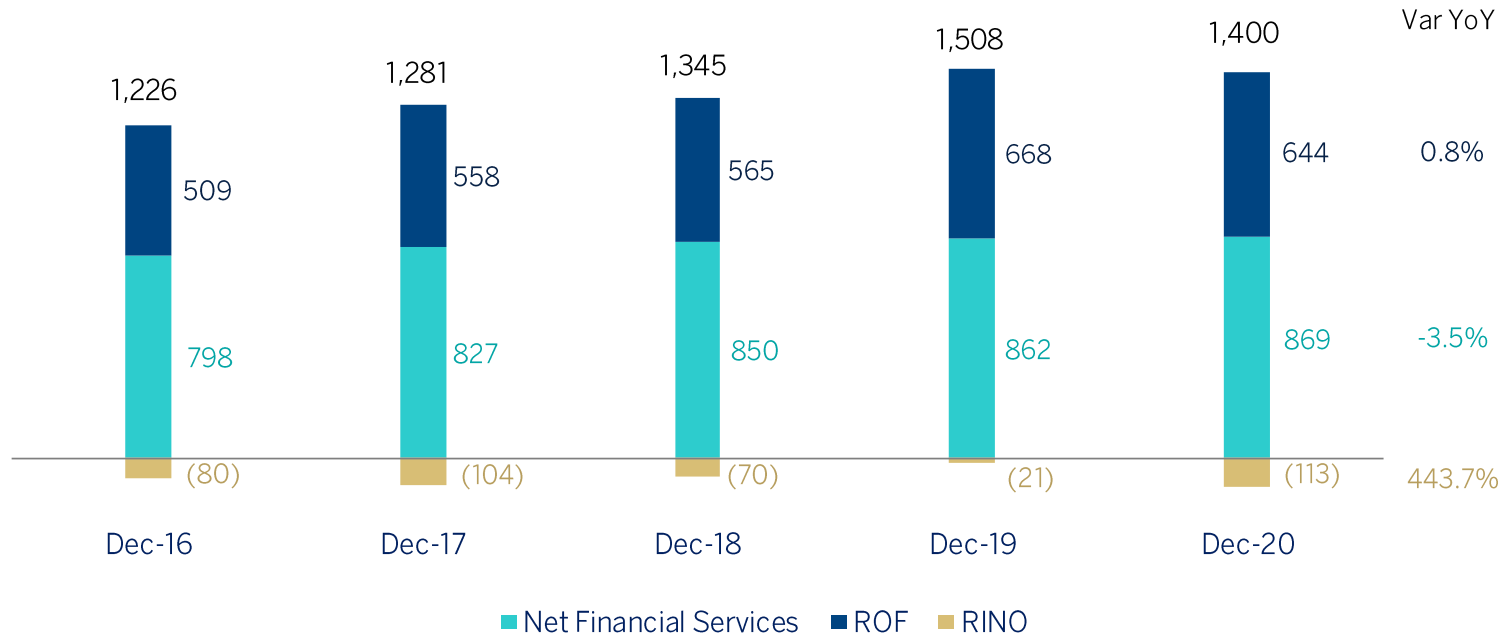


## BEST COST OF RISK<sup>1</sup> VS. PEER GROUP



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

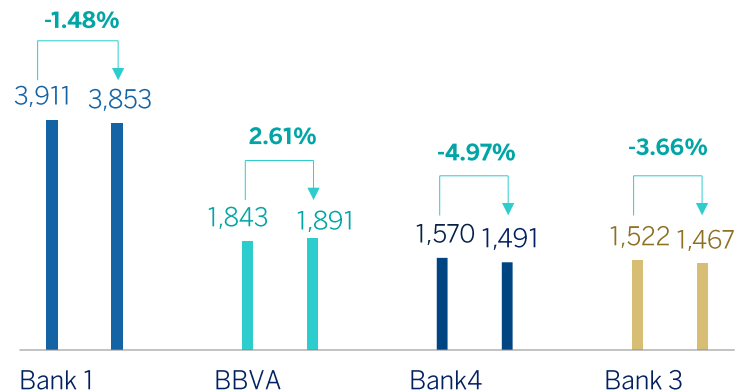
# Other Financial Income (\$/ Millions, %)



# Expenses management

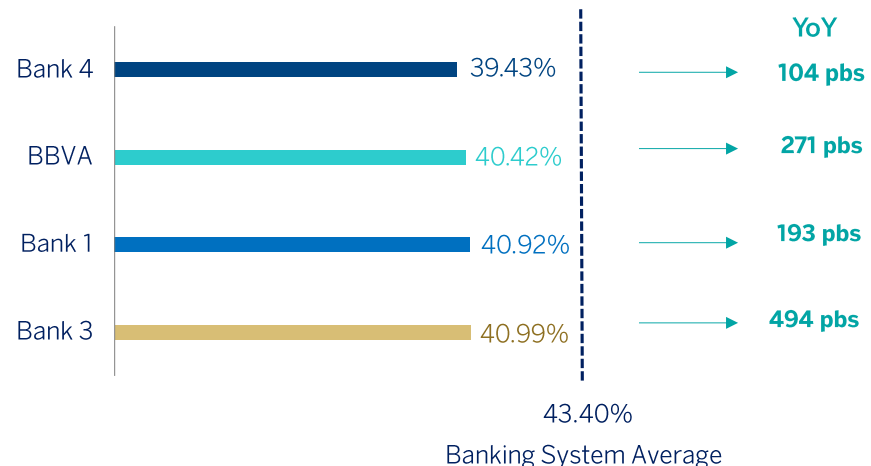
## ADMINISTRATIVE EXPENSES<sup>1</sup>

(DECEMBER 2019 VS 2020)



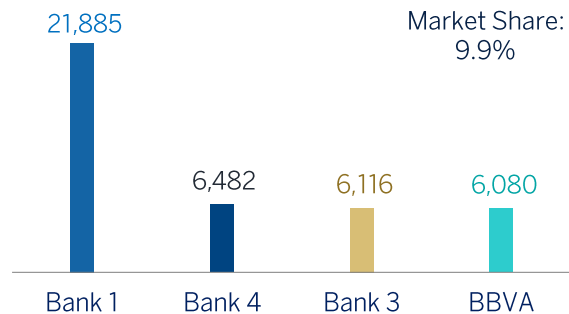
## EFFICIENCY RATIO

(DECEMBER 2020)



## NUMBER OF EMPLOYEES

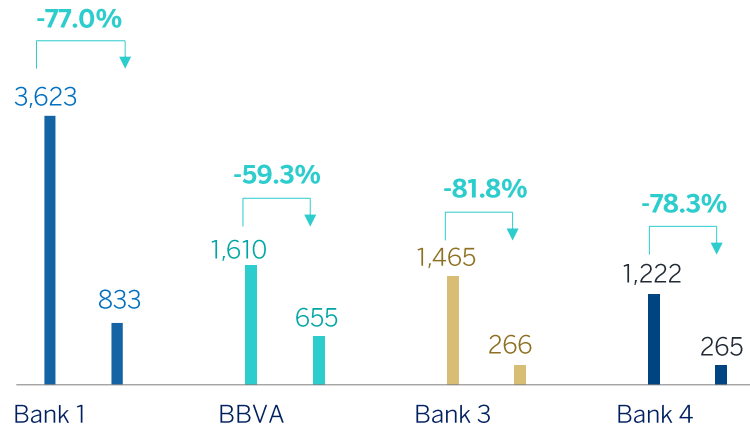
(DECEMBER 2020)



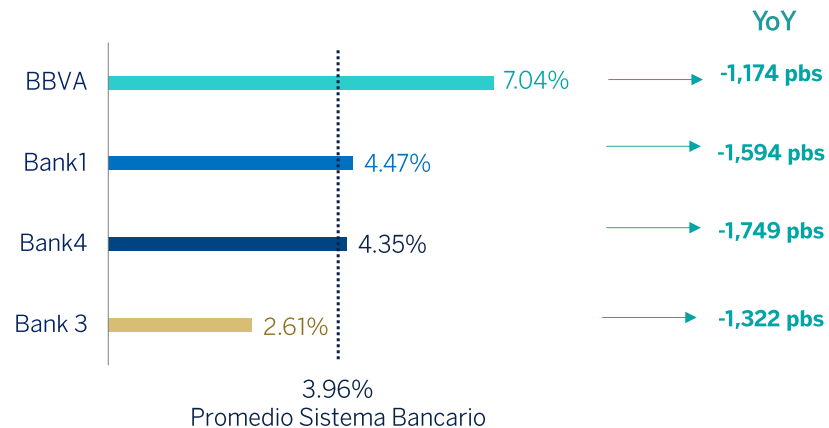
<sup>1</sup>Includes depreciation and amortization  
Source: SBS and ASBANC

# Profitability management

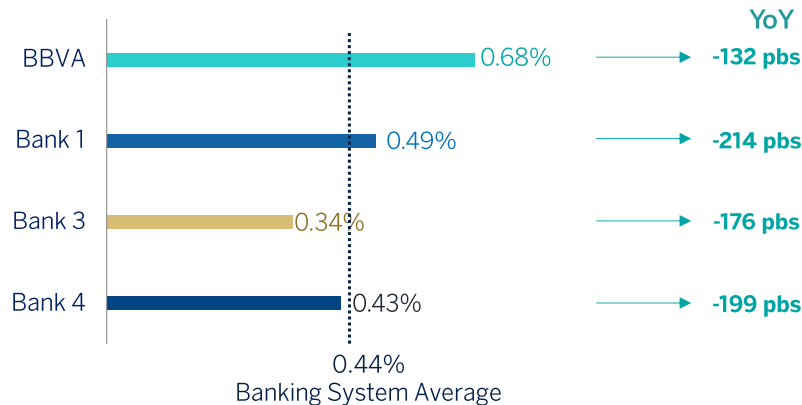
### NET PROFIT (S/ MILLION,%) (DECEMBER 2019 VS 2020)



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



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

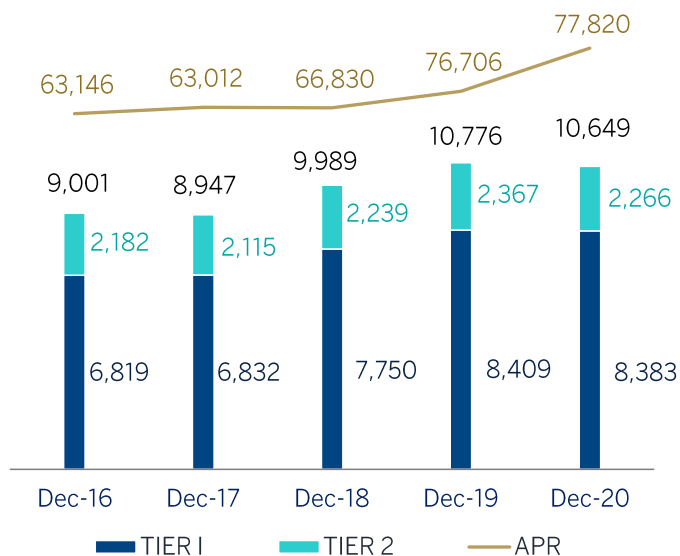


Source: SBS

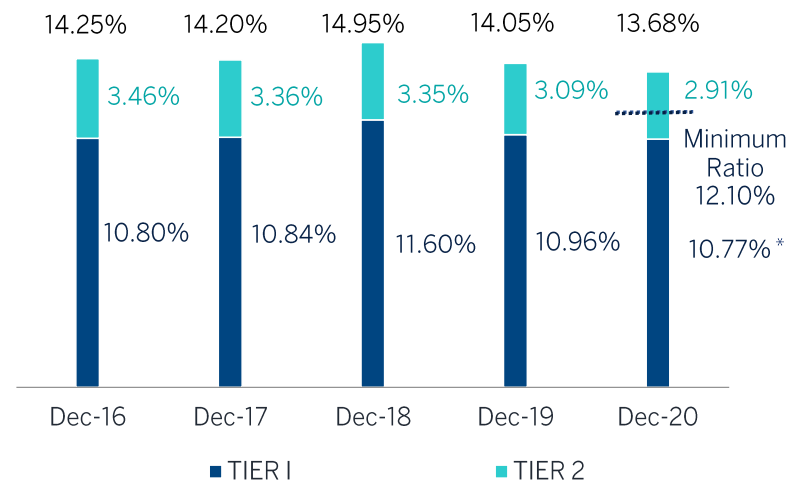


# Solvency management

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



## CAPITAL RATIOS



\* CET1=10.77%  
Source: SBS

04

# Ratings

# International & local rating

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

## 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>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
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+

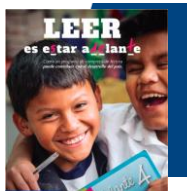
# 04

## Social Responsibility and Awards

# We are recognized for maintaining our commitment to society

## FOUNDATION BBVA

- 1 LEER Program



- 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
		BBVA	International	Corporativo	Ago-12	-	Ago-22	USD	500,000
	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	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		

Total Debt	S/ MM	%
Local	1,715	37%
International	2,897	63%
<b>Total</b>	<b>4,612</b>	<b>100%</b>

**BBVA**

Creando Oportunidades

# BBVA Peru

## Investor Report

Fourth Quarter 2020