

**BBVA**

Creando Oportunidades

# BBVA Peru

## Investor Report

First Quarter 2021



Creando Oportunidades

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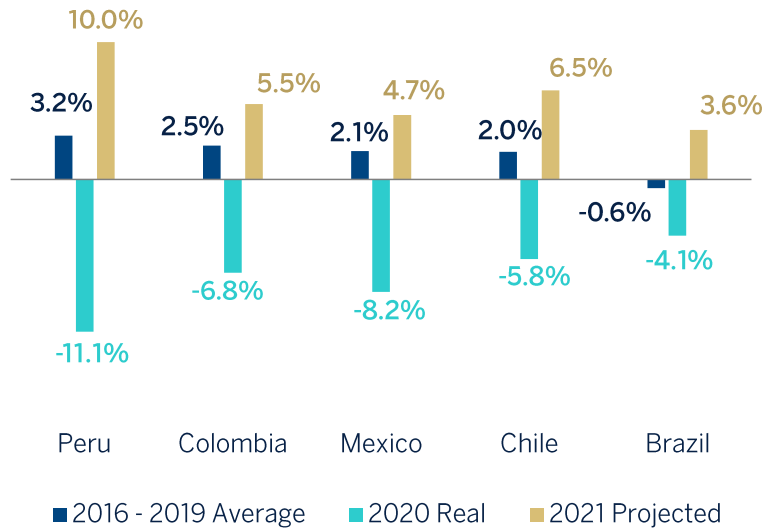
APPENDIX  
Debt Issuances

01

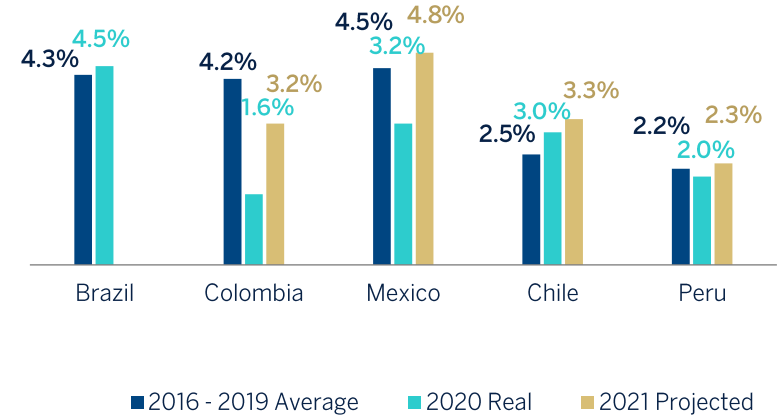
# Peruvian Economy & Financial System

# Peru's economy continues to recover in Q121 and presents quite restrained inflation

## GDP GROWTH (REAL)

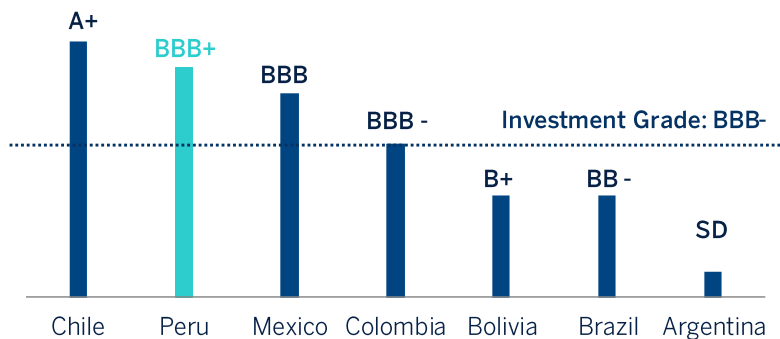


## INFLATION (END OF PERIOD)

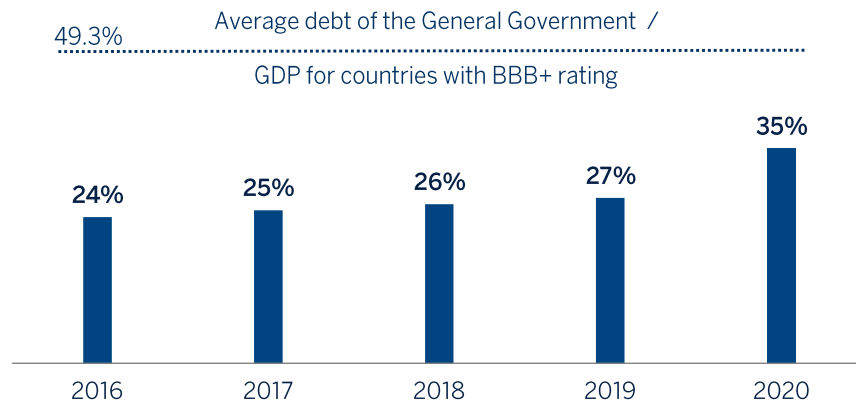


# Peru presents slight growth in Public Debt

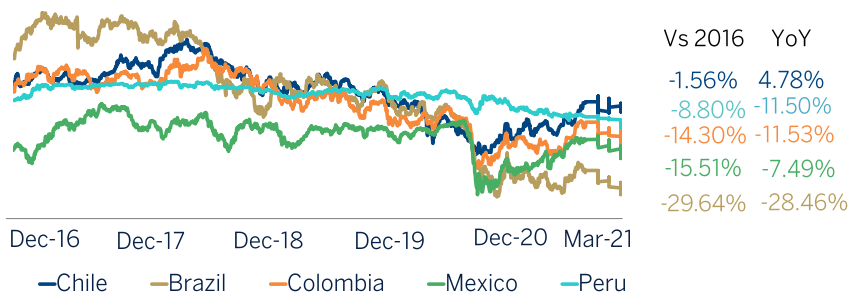
## CREDIT RISK PROFILE



## PERUVIAN PUBLIC DEBT (% OF GDP)



## CURRENCY DEPRECIATION AGAINST USD

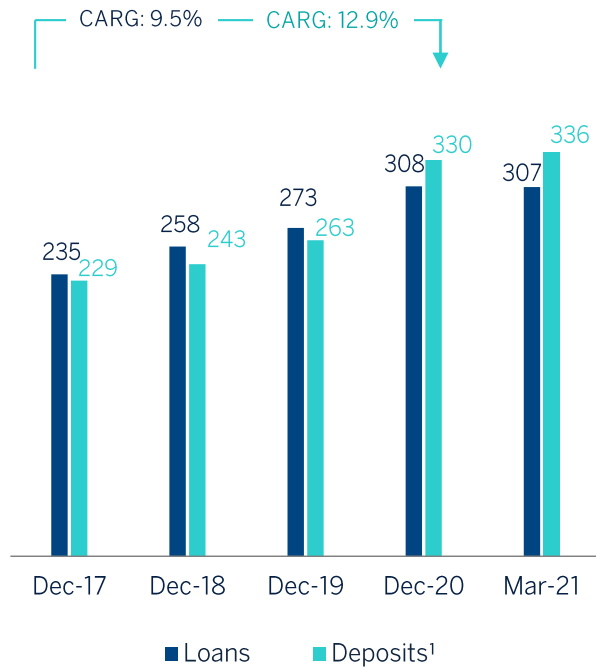


1 Numbers of Brazil, Mexico, Chile and Colombia as of november,  
Source: Bloomberg, BCRP

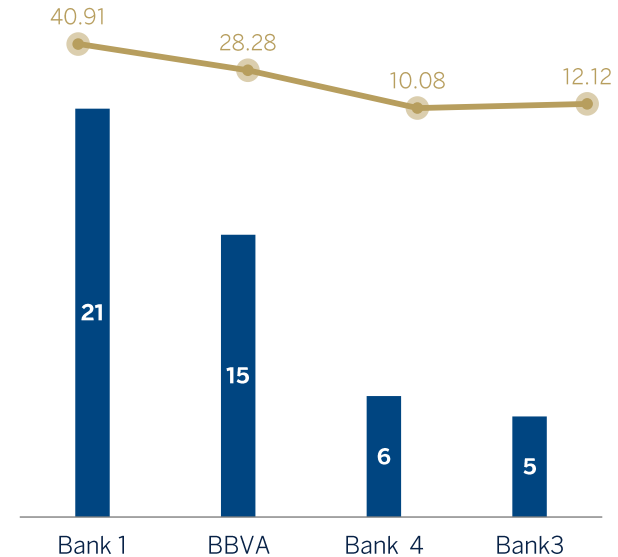
# Meanwhile, the Banking System growth is driven by Reactiva

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

YoY: 9.0%  
YoY: 21.4%



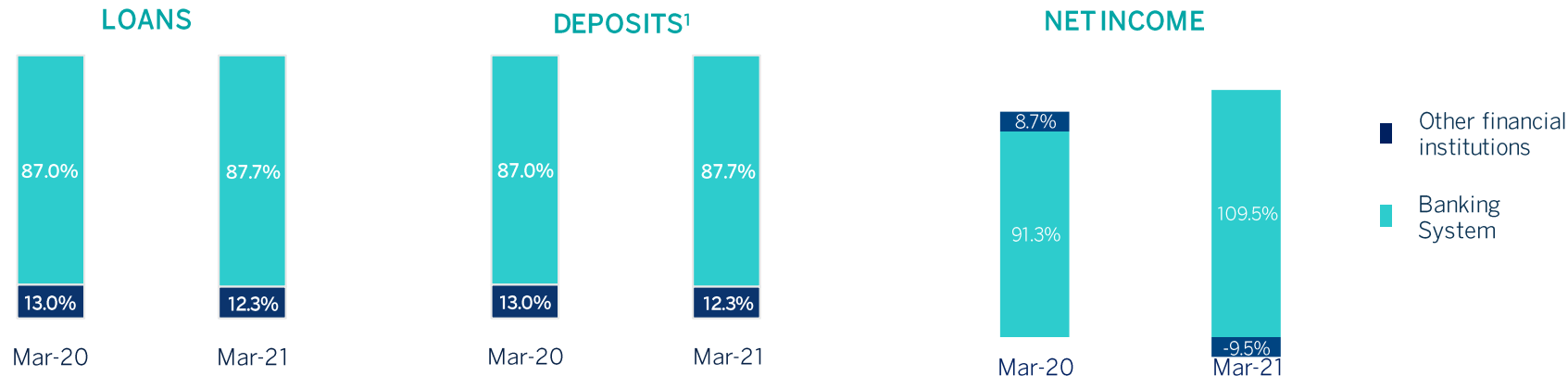
## REACTIVA LOANS AND MARKET SHARE (S/ THOUSAND MILLION,%)



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

# Peruvian Financial System (MARCH 2021)

Financial system	Institution S/ Million	Net loans	YoY (%)	Deposits	YoY (%)	Net Income	YoY (%)
Banking system	Banks (15)	302,768	7.7%	335,951	21.4%	988	-45.9%
	Banco de la Nación	7,363	10.9%	38,943	30.3%	93	-69.1%
Other financial institutions	Cajas Municipales (12)	23,890	13.7%	24,917	7.1%	-24	-137.5%
	Financieras (11)	10,075	-20.1%	8,160	-1.1%	-51	-140.1%
	Cajas Rurales (7)	1,857	-9.4%	1,731	-0.6%	-26	520.7%
	Edpymes (9)	2,281	-4.6%	-	-	-7	-131.0%
	Leasing (1)	342	35.3%	-	-	1	-38.0%
	COFIDE	4,988	16.0%	117	217.5%	25	638.4%
	Agrobanco	151	-30.5%	-	-	-13	-37.9%



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



# Macroeconomic Environment

## NEW MEASURES APPROVED:



① **Reactiva y FAE-MYPE Rescheduling:** Reactiva Loan rescheduling is approved up to PEN 19,500 MM y FAE-MYPE (Both until July).

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 micro enterprises.
- The Central Bank will set these rates.

③ **100% CTS withdrawal :** It is approved until december 2021 (PEN 21,800 MM as of february 2021).

## PRIVATE PENSION FUND:

① **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.

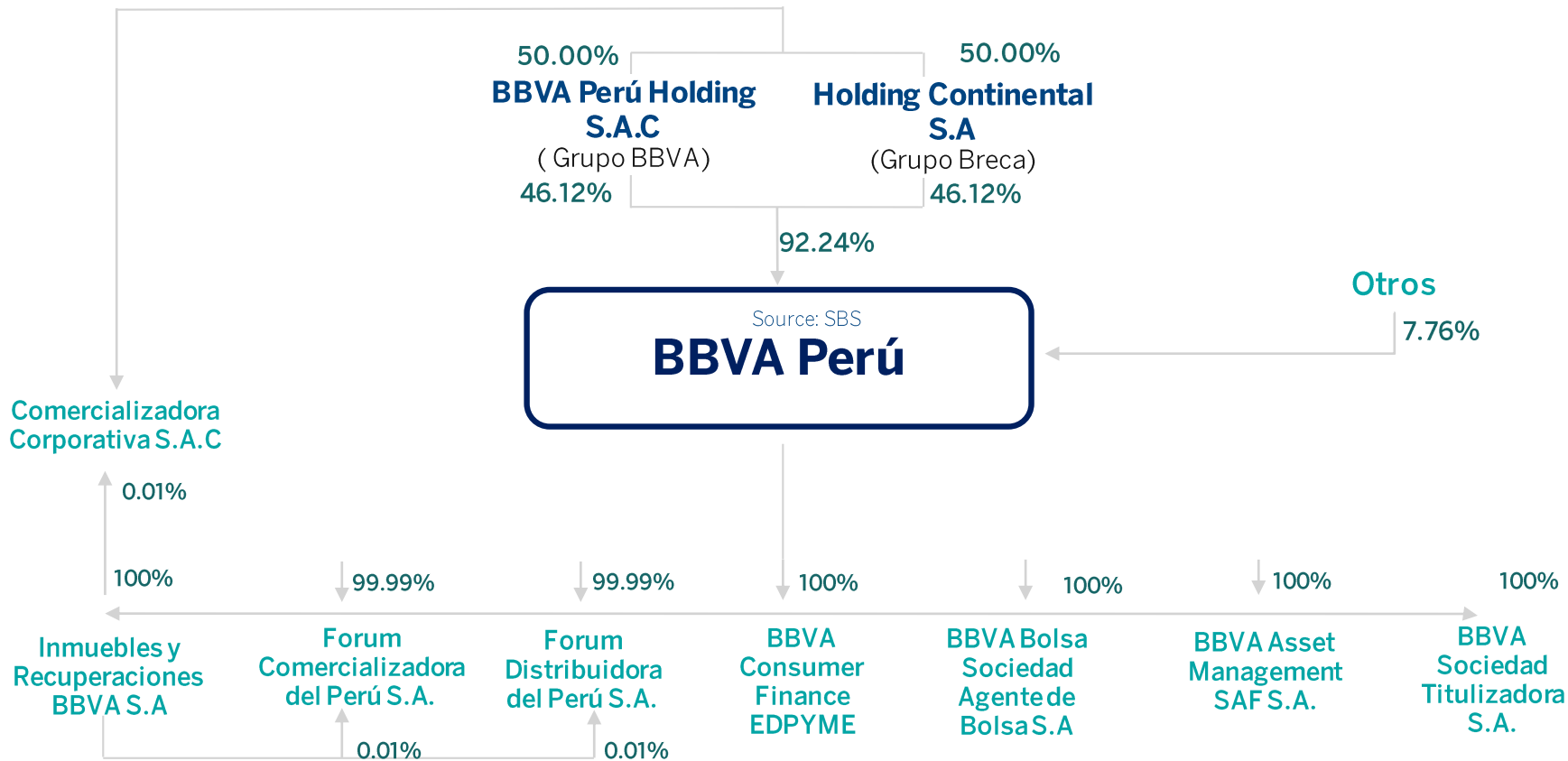
- **This will take place in 3 phrases:** the first disbursement will be within 30 days of submission of the request, the same for the second disbursement and the rest will be delivered in the third disbursement.



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# 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



**€719,7**  
miles de millones de activo total

**79,8**  
millones de clientes

**>25**  
países

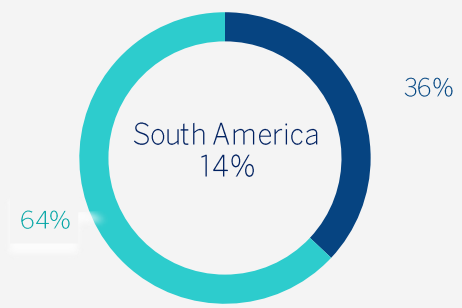
**7.254**  
oficinas

**30.747**  
cajeros

**122.021**  
empleados

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

## Gross Income



■ Developed Markets ■ Emergent

<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

# BBVA Peru adopts 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**



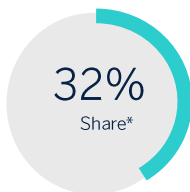
In addition, **e-working and special mobility** are implemented for those employees who attend the office



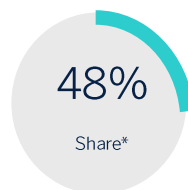
We get adapted to new digital needs

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

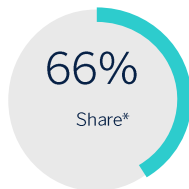
Saving Accounts



Mutual Funds



FX



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

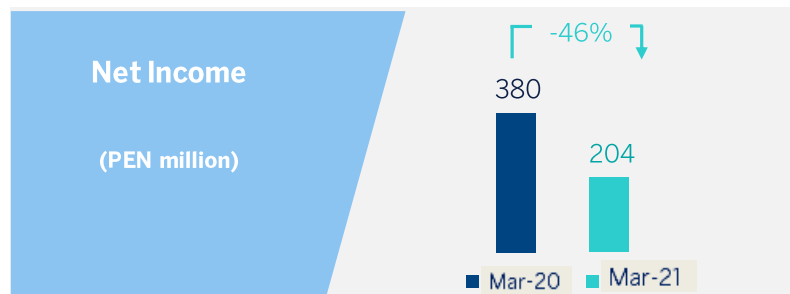
\* Share information calculated in units

03

# Financial Highlights

# Highlights of BBVA Peru (MARCH 2021)

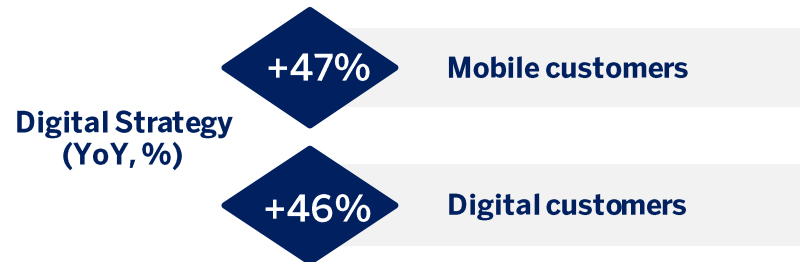
<b>Assets</b> (PEN million)	105,316
<b>ROE</b>	5.15%
<b>ROA</b>	0.47%



## Great Asset Quality

<b>NPL</b>	3.38%
<b>Cost of Risk</b>	2.85%
<b>Coverage Ratio</b>	196.65%

<b>Cost control</b> (YoY, %)	<b>Administrative Expenses</b> <b>+2.52%</b>	<b>Efficiency Ratio</b> <b>39.66%</b>
---------------------------------	-------------------------------------------------	------------------------------------------



## Strong Capital & Liquidity Ratios

<b>Global Capital</b>	<b>CET1</b>
15.06%	11.07%
<b>Loan – to – deposits</b>	<b>98%</b>

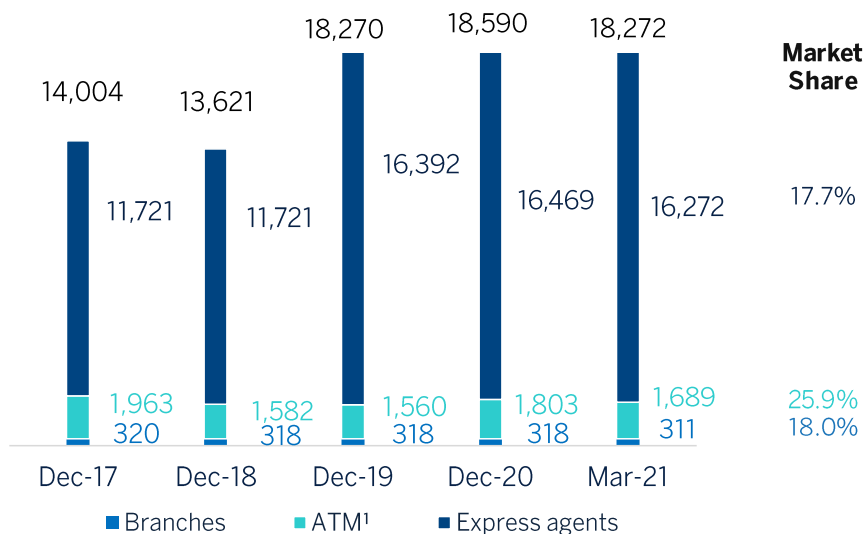


# Strong Banking platform

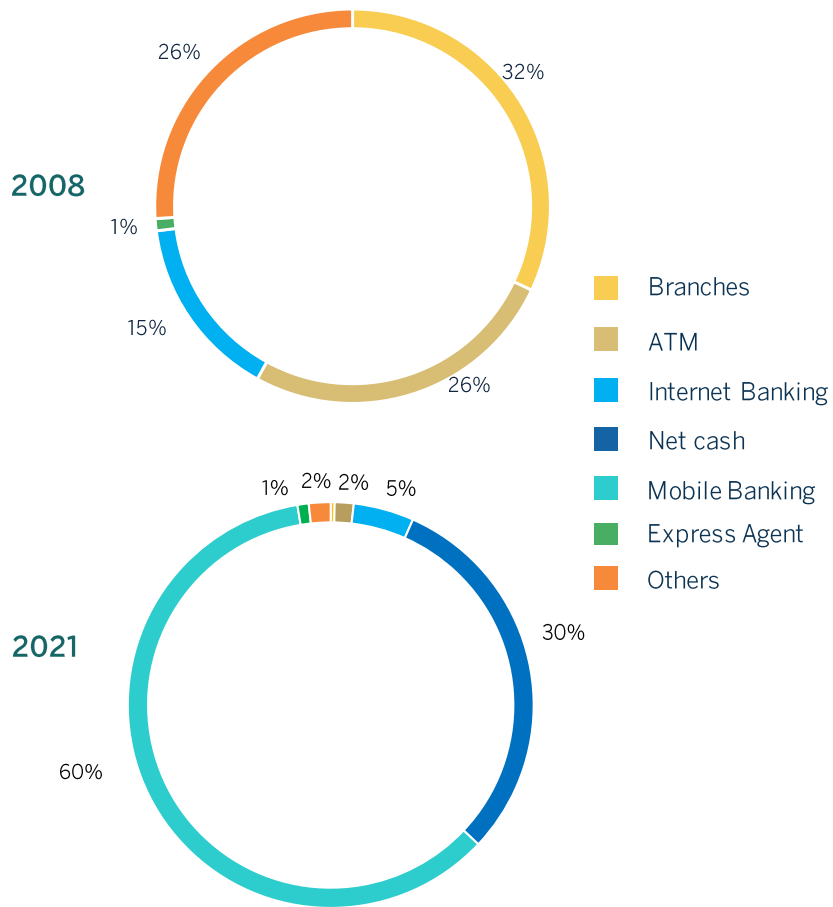
## DISTRIBUTION NETWORK<sup>1</sup> (MARCH 2021)

One of the largest in the country

- 18,272 points of service
- More than 6.7 million customers



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

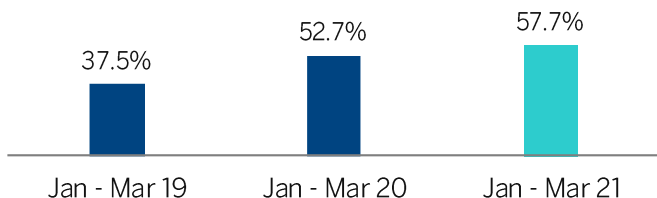


<sup>1</sup> Source: Branches, ATMs from ASBANC






<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

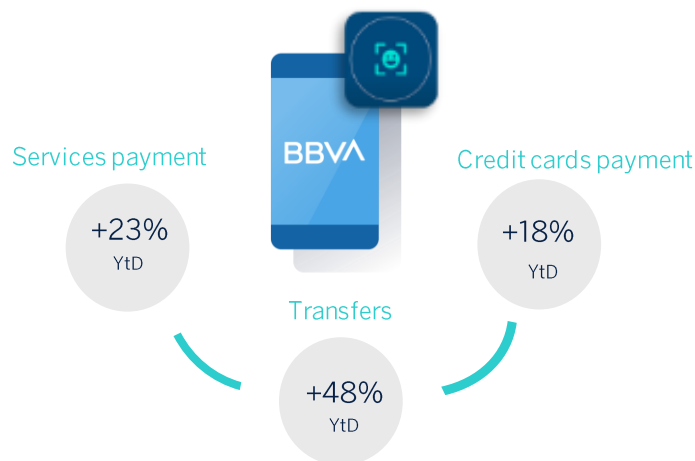


## DIGITAL USE

Digital Share	2020	2021
<b>Digital sales</b>	<b>52.8%</b>	<b>57.7%</b>
Préstamos de consumo 	61.5%	51.3%
Credit cards 	28.9%	19.8%
Saving accounts 	15.9%	32.3%
Fx (T-cambio) 	58.1%	66.2%
Mutual Funds 	31.5%	48.0%

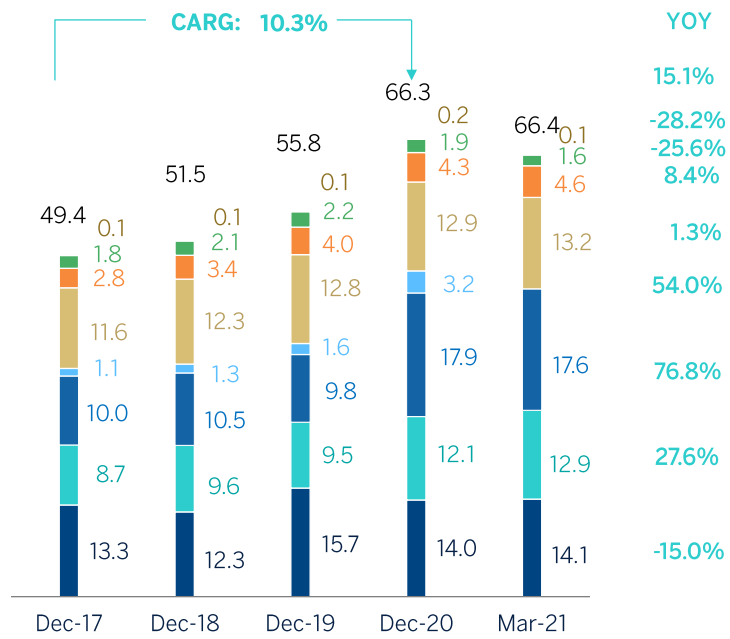
## BBVA JOINS THE GLOBAL MOBILE BANKING PLATFORM

- 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: Immediate interbank transfers (24x7), Plin App integrated, bank key changes, CVV query and account status download.
- From the customers who downloaded the BBVA App: 96% of them already have this new version (3.1 million)



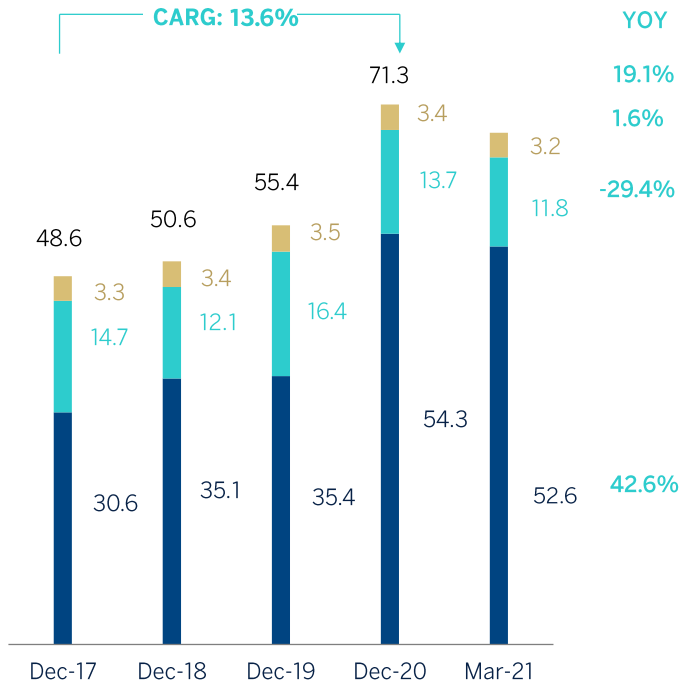
# Loans and deposit performance (S/ Thousands million,%)

## PERFORMING LOANS



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

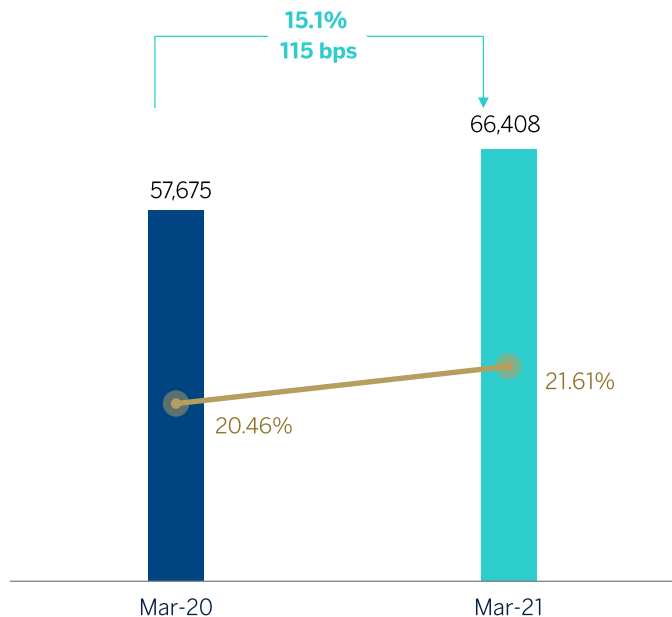
## DEPOSITS<sup>1</sup>



- Demand + Saving
- Term
- CTS

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

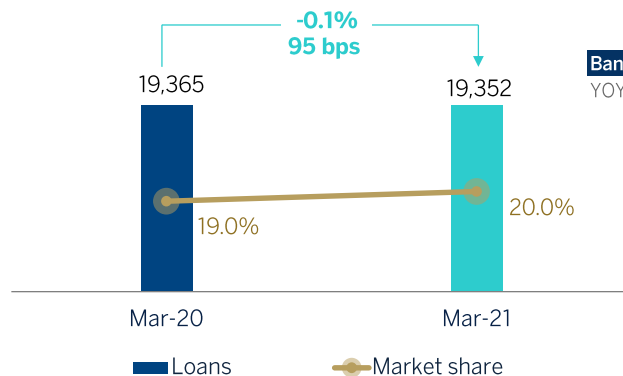
# Performing loans (S/ Million, %)



Loans Market share

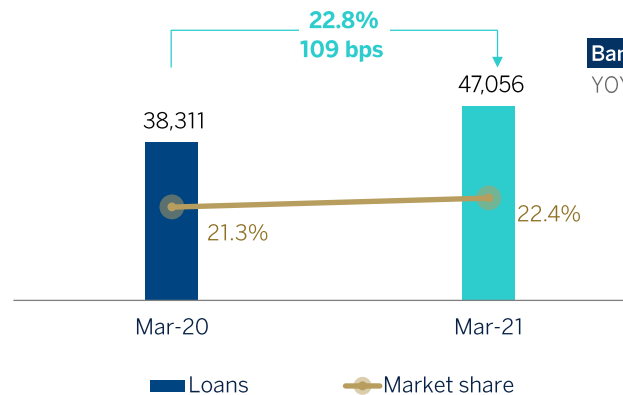
Banking System	307,315
YOY Variation	9.0%

## RETAIL LOANS



Banking System	96,860
YOY Variation	-4.8%

## BUSINESS LOANS

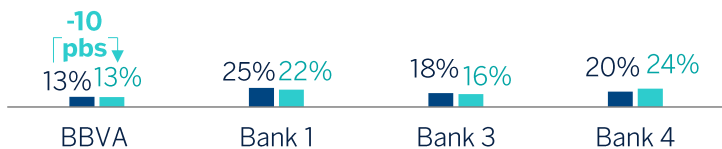


Banking System	210,456
YOY Variation	16.8%

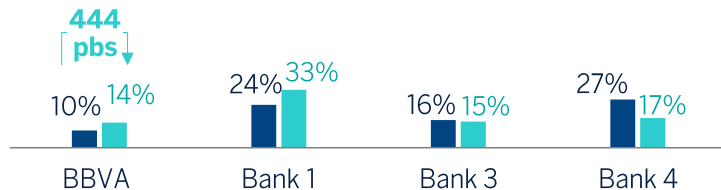
1 Source: ASBANC

# Market share - Loans

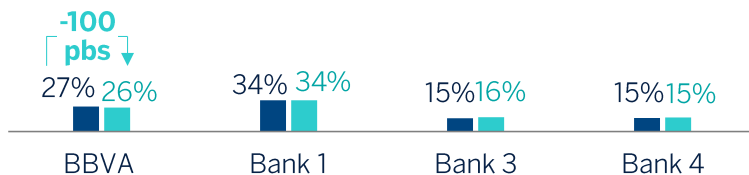
## Consumer



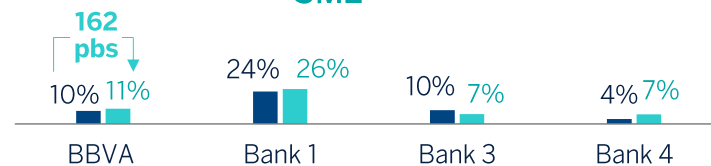
## Credit cards



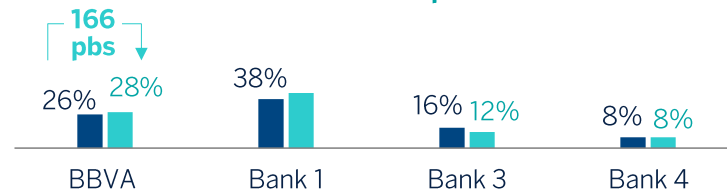
## Mortgage



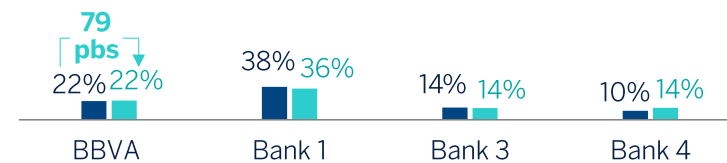
## SME<sup>1</sup>



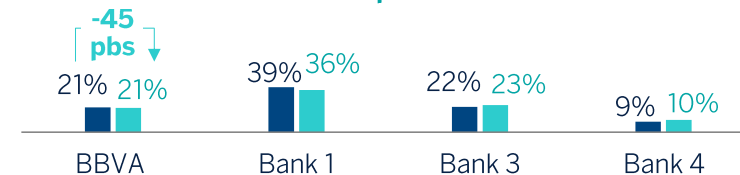
## Middle enterprises



## Large enterprises



## Corporate



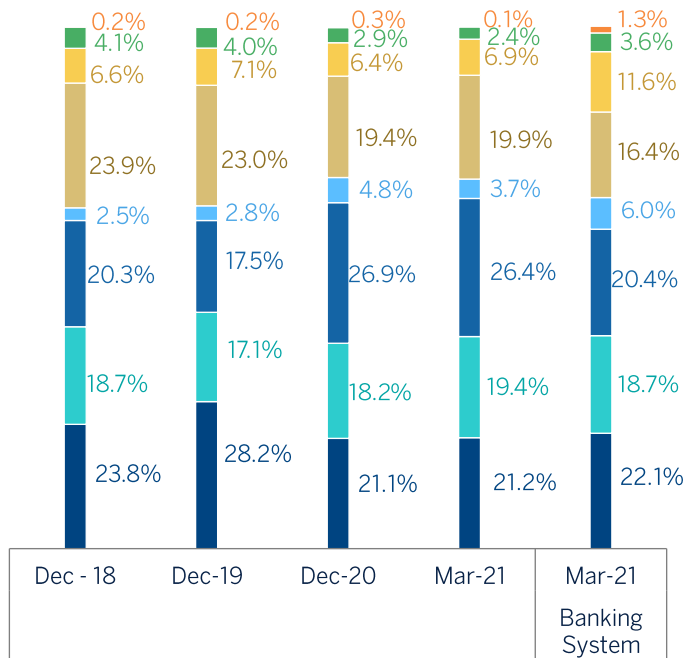
■ March 2020

■ March 2021

<sup>1</sup> Includes Small enterprises and Micro-enterprises.  
Source: ASBANC (Consumer Includes Auto Loans)

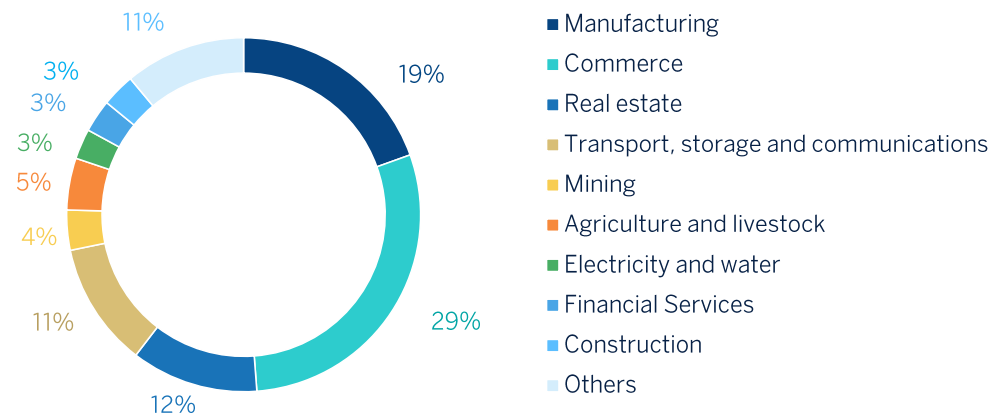
# Well diversified loan portfolio

## LOANS BREAKDOWN

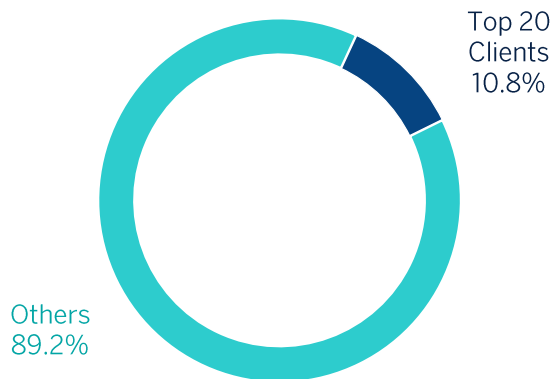


- Corporate
- Large enterprise
- Middle enterprise
- SME
- Mortgage
- Consumer
- Credit card
- Microfinance

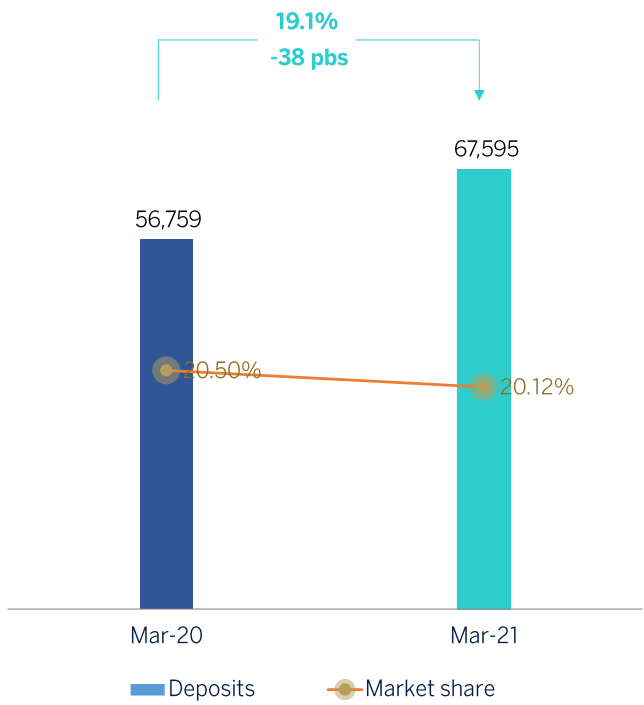
## LOANS BY ECONOMIC SECTOR (MARCH 2021)



## CONCENTRATION RISK (MARCH 2021)

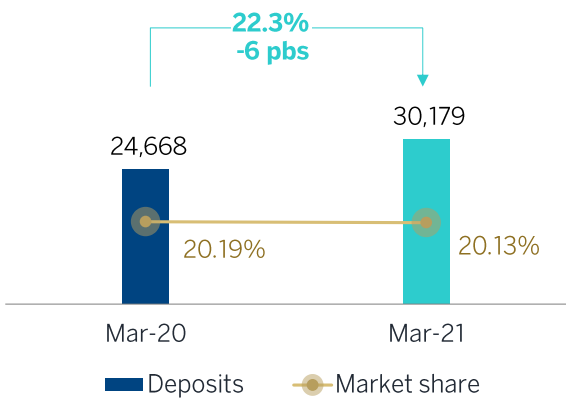


# Deposits<sup>1</sup> (S/ Million,%)



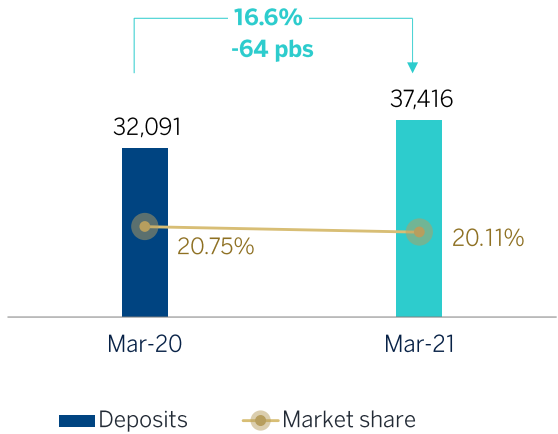
<b>Banking System</b>	<b>335,951</b>
YOY Variation	21.4%

## RETAIL DEPOSITS



<b>Banking System</b>	<b>149,932</b>
YOY Variation	22.7%

## BUSINESS DEPOSITS



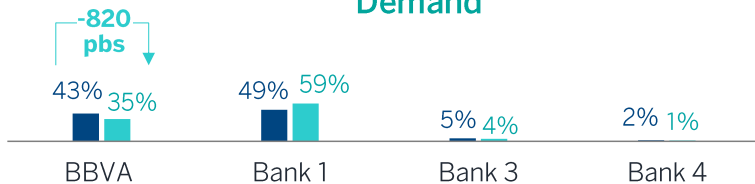
<b>Banking System</b>	<b>186,019</b>
YOY Variation	20.3%

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

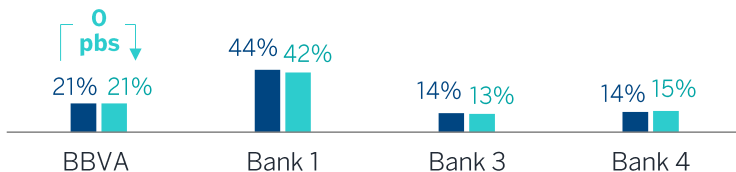
# Market share - Deposits<sup>1</sup>

## RETAIL DEPOSITS

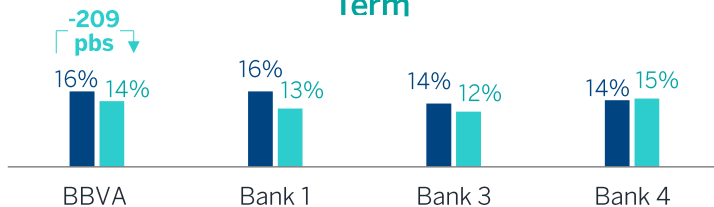
### Demand



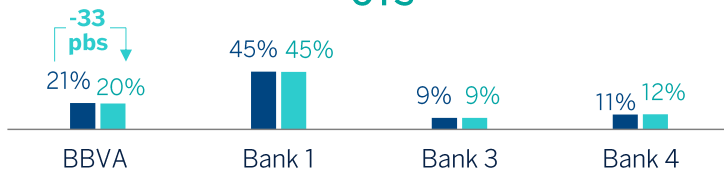
### Save



### Term

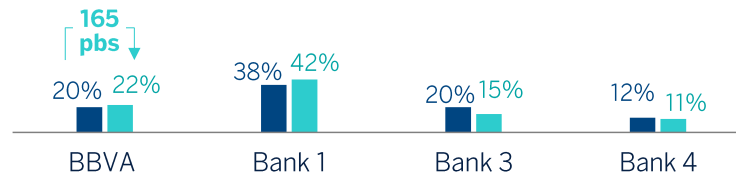


### CTS

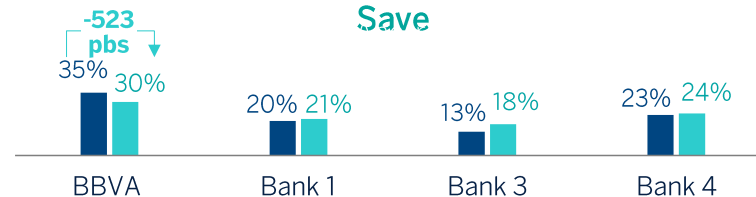


## BUSINESS DEPOSITS

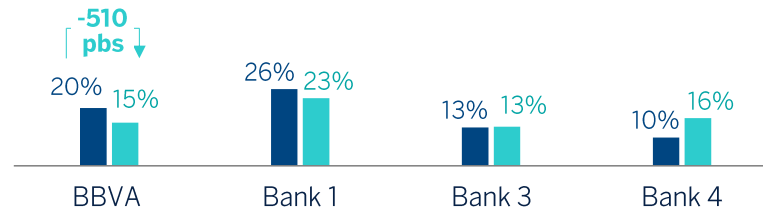
### Demand



### Save



### Term



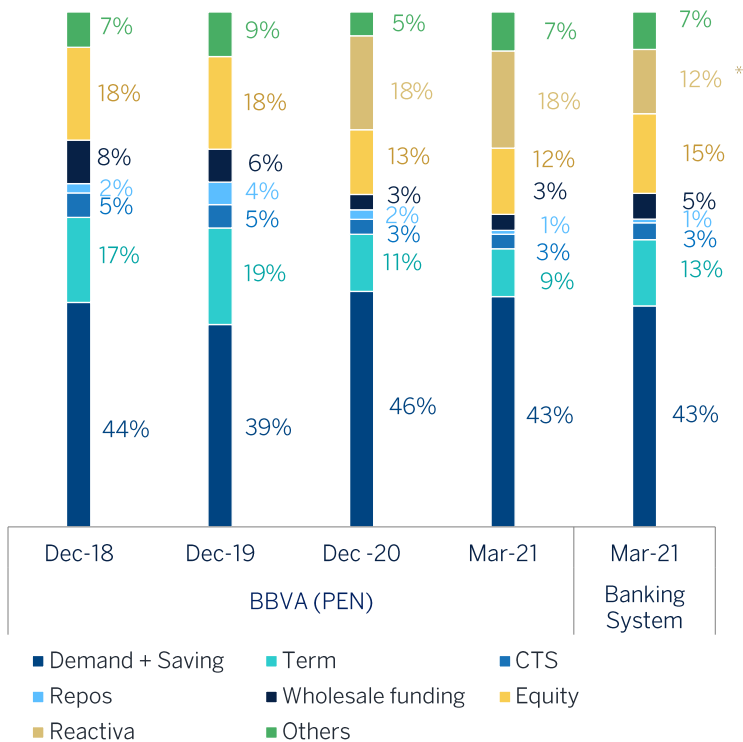
■ March 2020  
 ■ March 2021

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

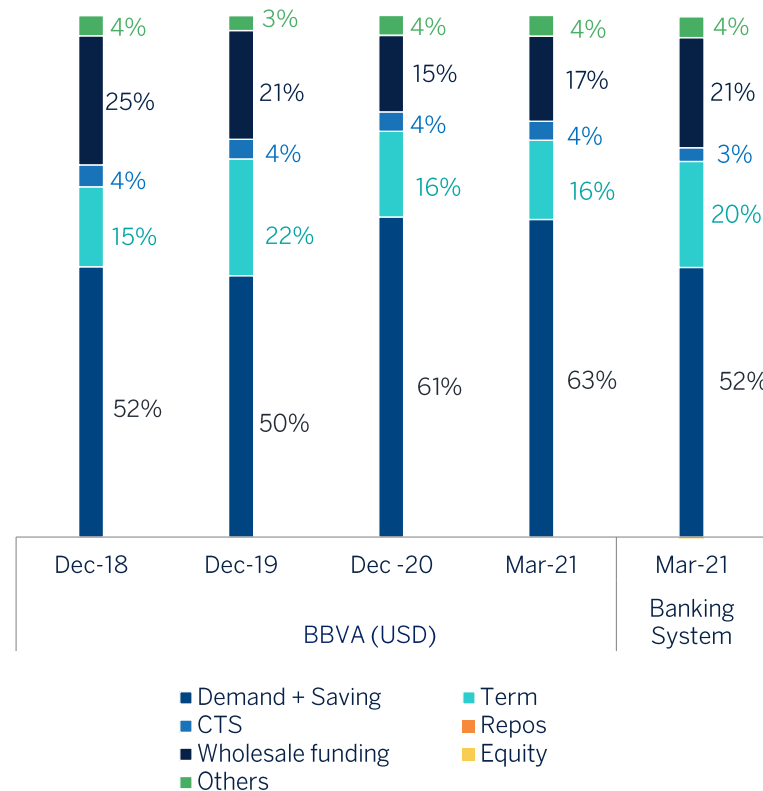


# Liabilities and capital breakdown

## LOCAL CURRENCY



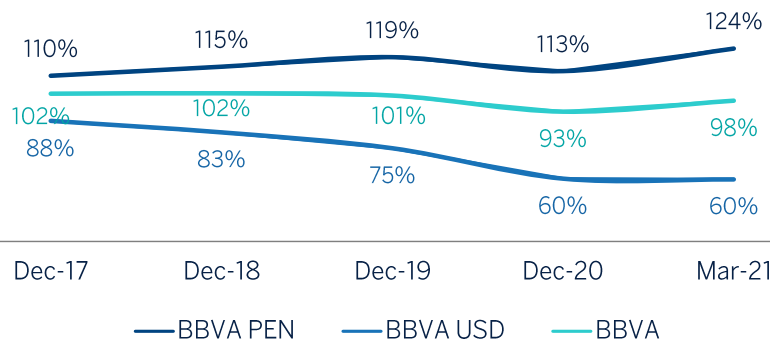
## FOREIGN CURRENCY



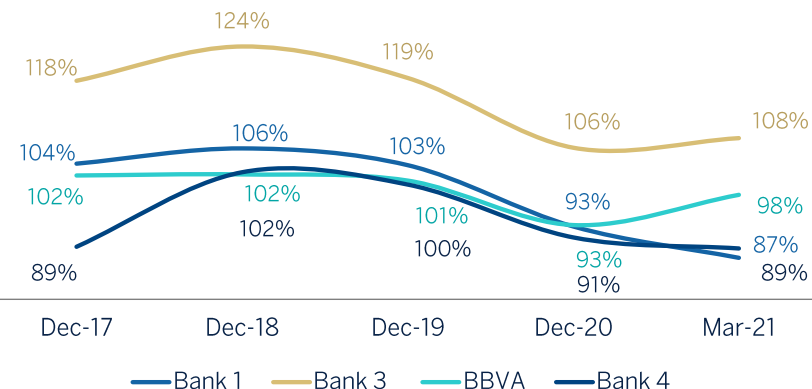
\* Approximate amount according to the Financial System

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

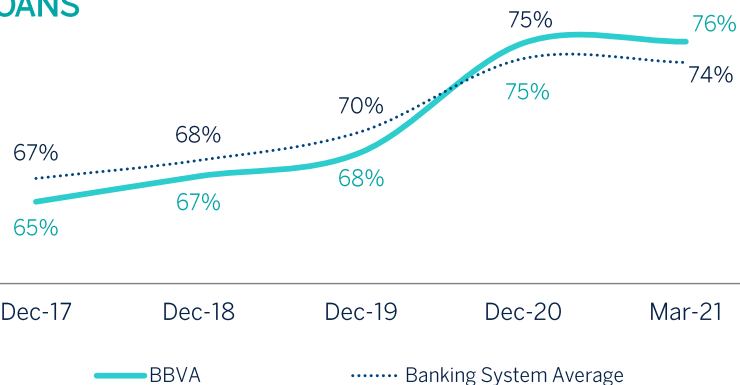
## LOAN TO DEPOSITS<sup>1</sup> BY CURRENCY



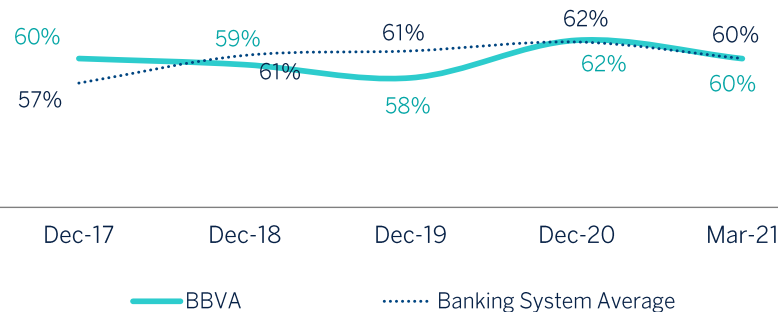
## LOAN TO DEPOSIT<sup>1</sup> – PEER GROUP



## DOMESTIC CURRENCY PERFORMING LOANS



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

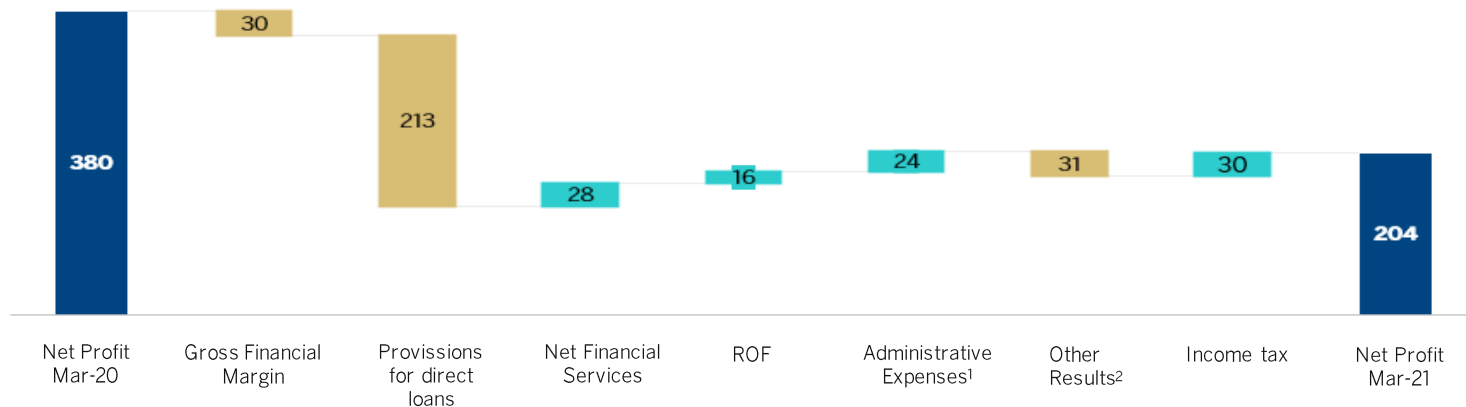


<sup>1</sup>Other obligations are excluded from deposits  
Source: SBS

# BBVA Profit & Loss

(S/. Million)

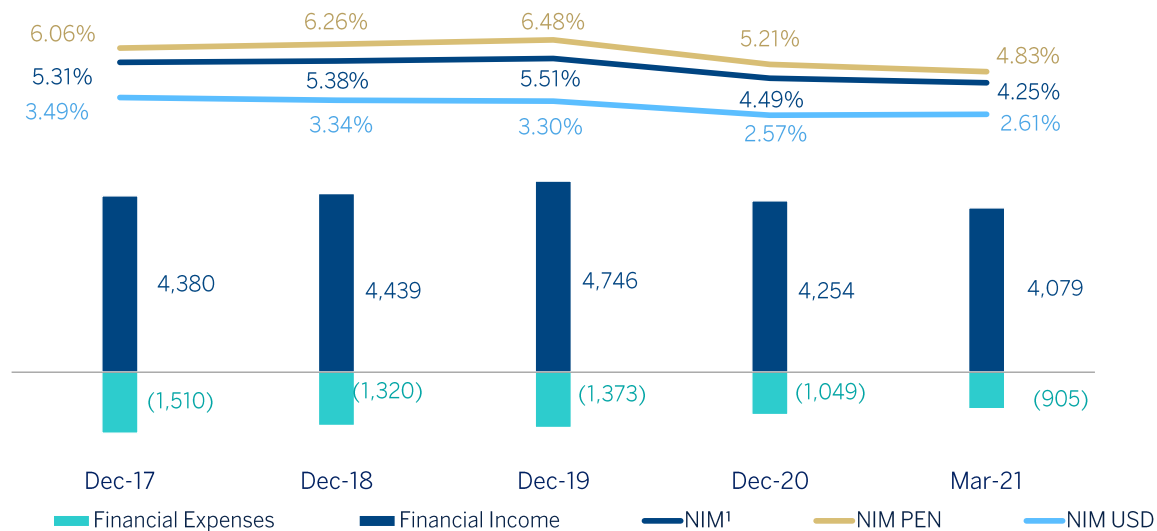
	Mar-20	Mar-21	%
Gross Financial Margin	834	804	-3.6
Provisions for direct loans	(191)	(404)	111.7
Net Financial Margin	644	401	-37.8
Income from financial services	279	309	10.9
Expenses from financial services	(98)	(101)	2.7
Gain / Loss From Financial Operations (ROF)	165	181	9.5
Operating Margin	990	791	-20.2
Administrative expenses	(437)	(412)	-5.8
Depreciation and amortization	(50)	(51)	2.8
Net Operating Margin	503	328	-34.9
Asset valuation and other provisions	(17)	(33)	96.1
Other Income and Expenses	11	(4)	-136.5
Profit / Loss Before Income Tax	497	291	-41.5
Income tax	(117)	(87)	-25.7
<b>Net Profit</b>	<b>380</b>	<b>204</b>	<b>-46.4</b>



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

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

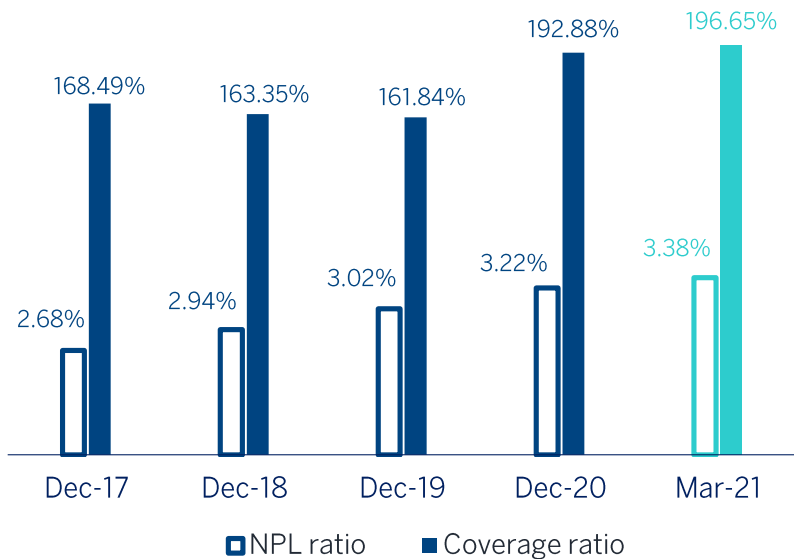
# Gross financial margin (S/ Millions, %)



<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

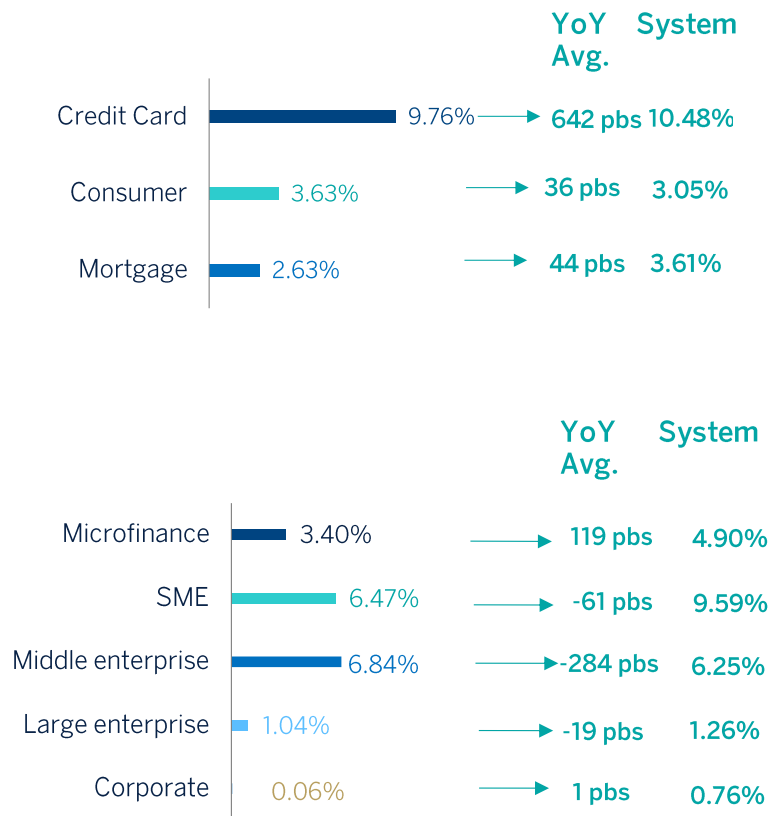
# Risk management

## OUTSTANDING ASSET QUALITY



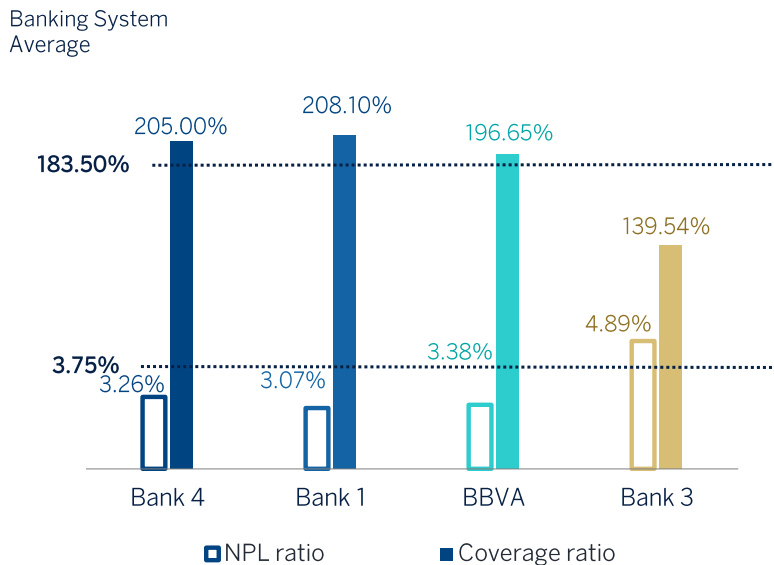
## NPL RATION BY PRODUCT AND SEGMENT

(MARCH 2021)

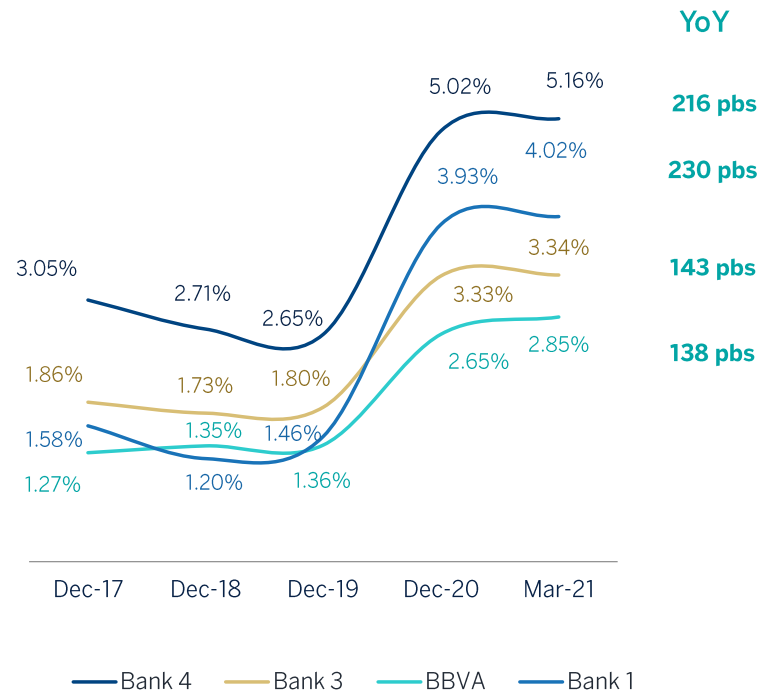


# Risk management

## NPL RATIO & COVERAGE RATIO (DECEMBER 2020)

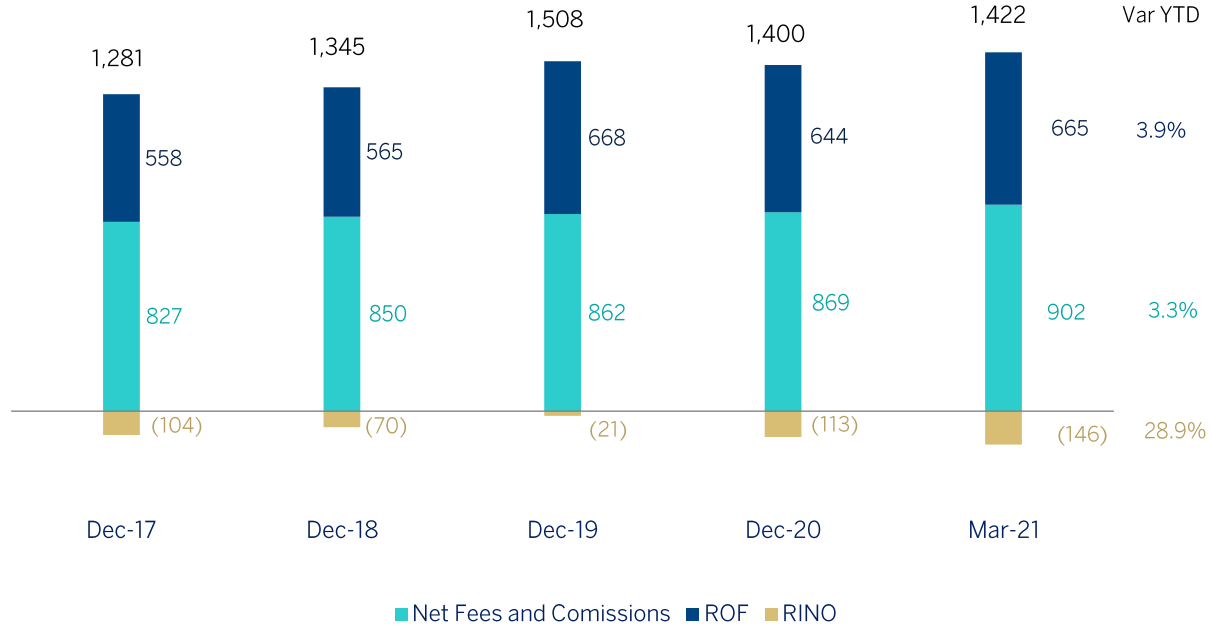


## BEST COST OF RISK<sup>1</sup> VS. PEER GROUP



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

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

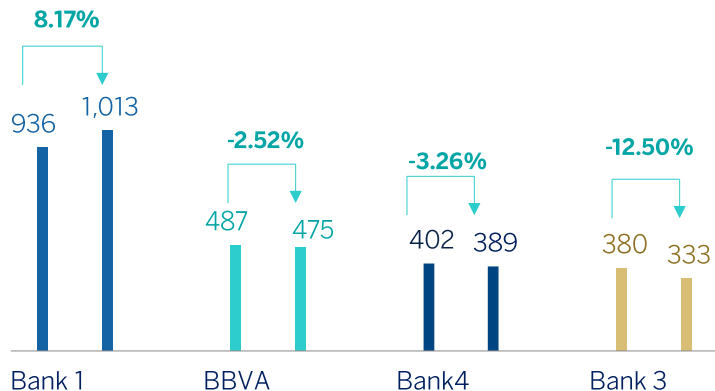


Source: ASBANC

# Expenses management

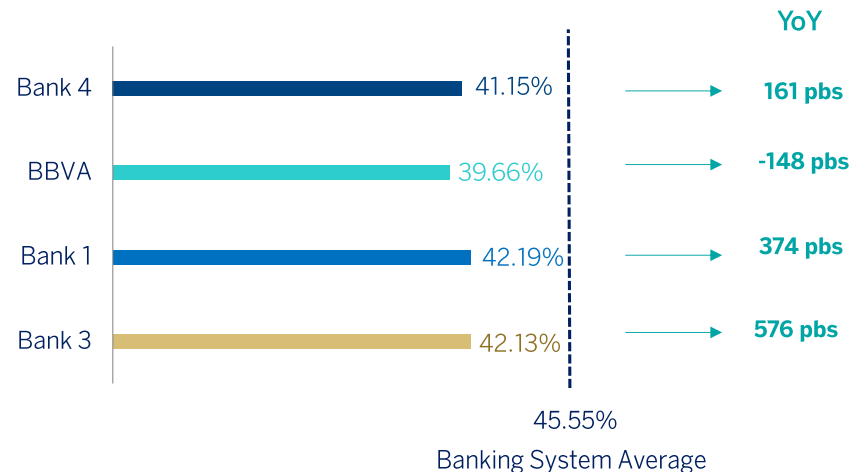
## ADMINISTRATIVE EXPENSES<sup>1</sup>

(MARCH 2021 VS 2020)



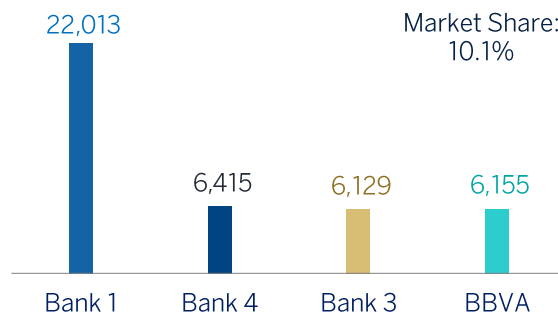
## EFFICIENCY RATIO

(MARCH 2021)



## NUMBER OF EMPLOYEES

(MARCH 2021)

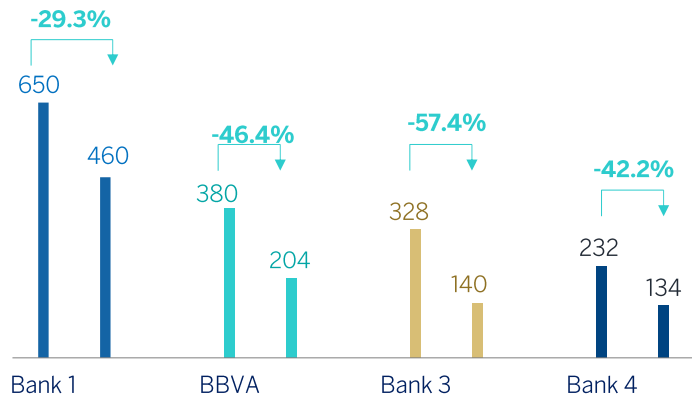


<sup>1</sup>Includes depreciation and amortization  
Source: SBS and ASBANC

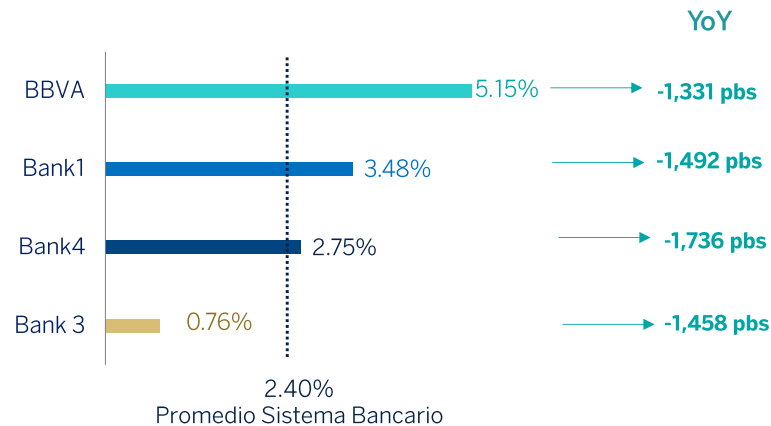


# Profitability management

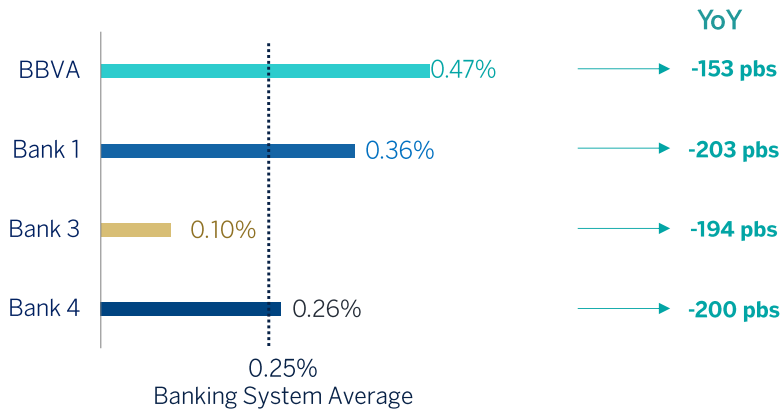
### NET PROFIT (S/ MILLION,%) (MARCH 2021 VS 2020)



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

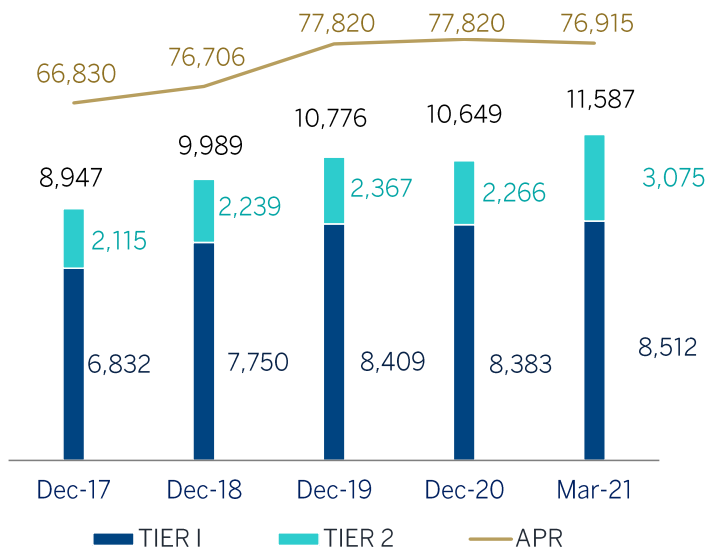


### RETURN ON ASSETS – ROA (MARCH 2021)

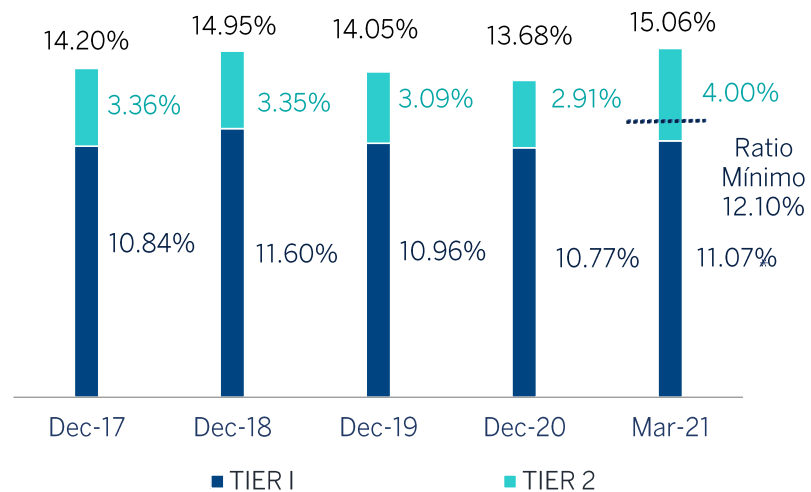


# Solvency management

## 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 (March 2021)

## INTERNATIONAL RATING

S&P		Moody's	
<b>BBB+</b>	Foreign currency long term issuances	<b>Baa1</b>	Long Term
<b>A-2</b>	Foreign currency short term issuances	<b>Prime2</b>	Short Term Deposits
<b>BBB+</b>	Local currency long term issuances	<b>Stable</b>	Outlook
<b>A-2</b>	Local currency short term issuances		
<b>Negative</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
---------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------



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	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
	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	1,727	36%
International	3,006	64%
<b>Total</b>	<b>4,732</b>	<b>100%</b>



**BBVA**

Creando Oportunidades

# BBVA Peru

## Investor Report

First Quarter 2021