



# **BBVA** Continental

March 2014

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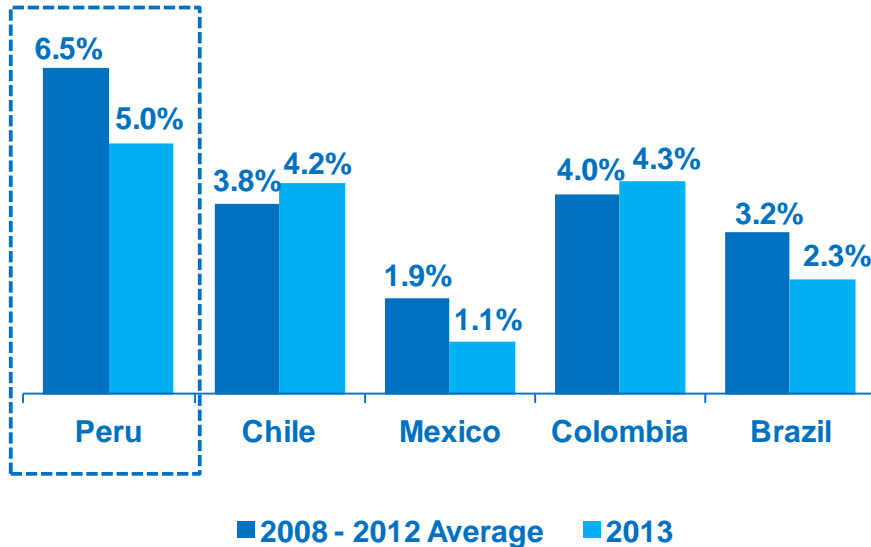
- 1 Peru: Attractive economy and financial system
- 2 Organization
- 3 BBVA Continental vs. Peers
- 4 Social responsibility and Awards
- 5 Ratings

# 1 Peru: Attractive economy and financial system

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

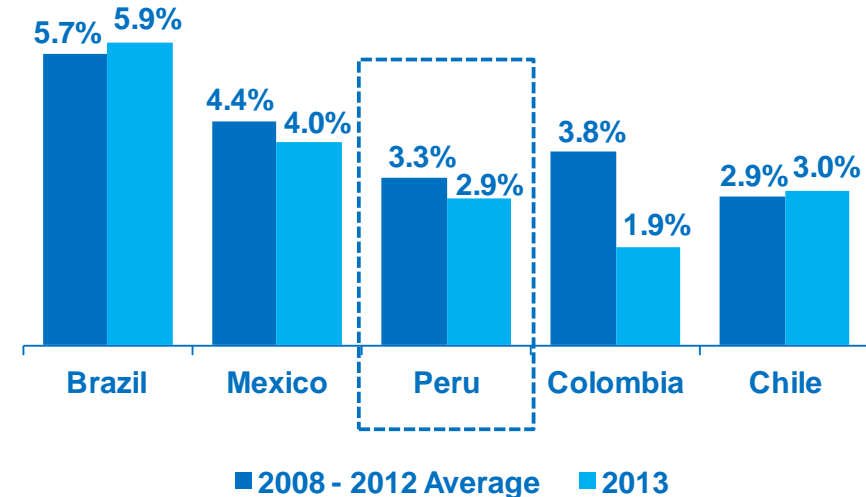
Peru is one of the economies with fastest growth in Latin America...

**GDP growth**



...with one of the lowest inflation rates in the region

**Inflation**



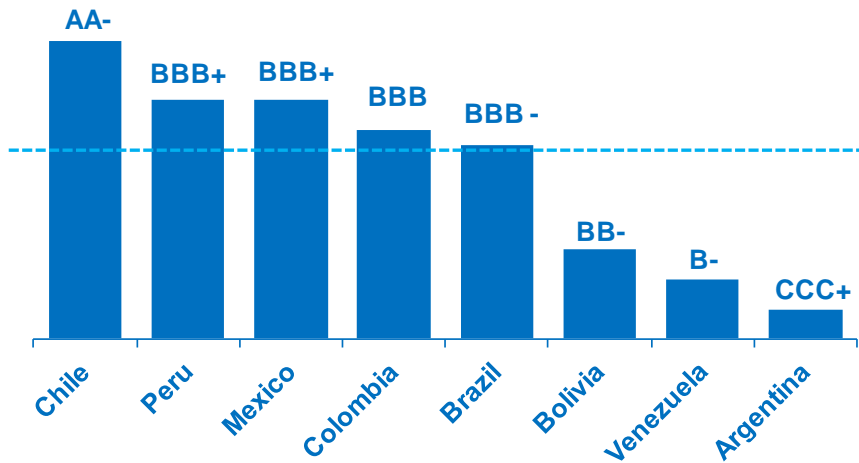
**Peru: 5.2% for 2014**

**Peru: 2.7% for 2014**

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

It has achieved the sovereign investment grade...

### Ratings

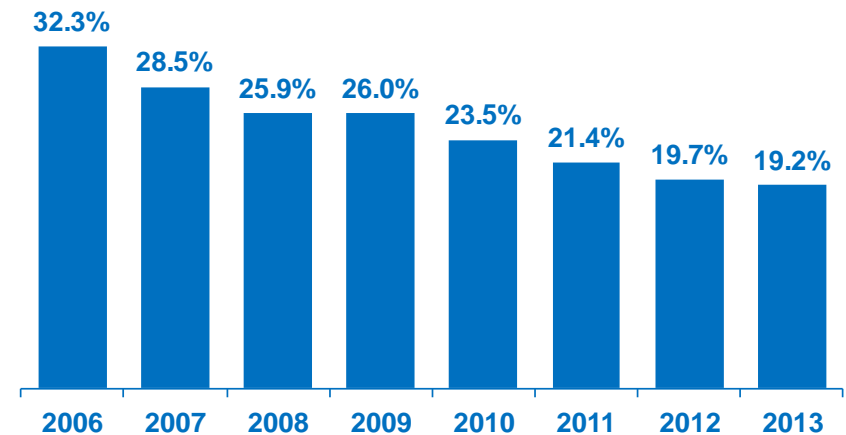


Source: Standard & Poor's

...and maintains low levels of debt

### Public Debt as a percentage of GDP

35.9% Average Public Debt of General Government/GDP for countries with BBB rating for 2012



Source: Central Bank of Peru, BBVA Research

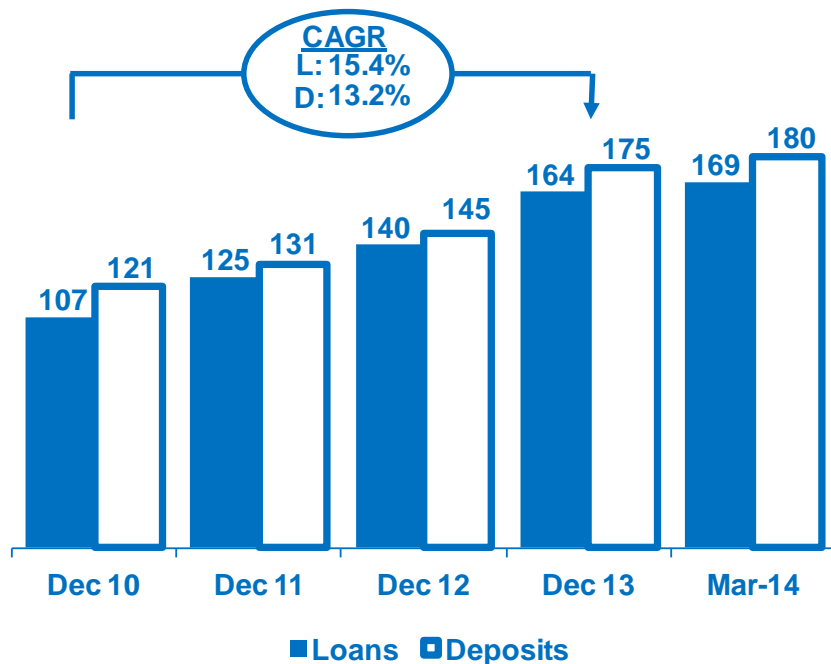
...with a solid Financial System and great opportunities

The Peruvian Banking System has shown strong growth...

...with great potential for future expansion

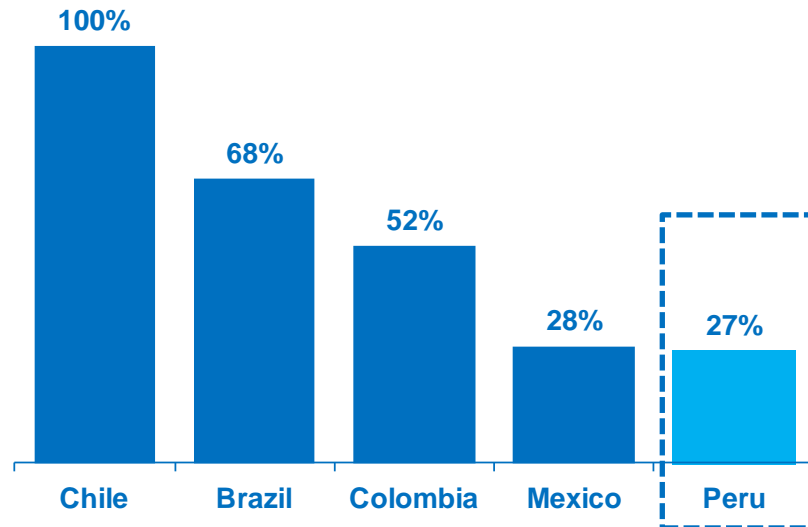
**Performing loans and Deposits**

PEN thousands of millions



**Loans to private sector as a percentage of GDP**

2012

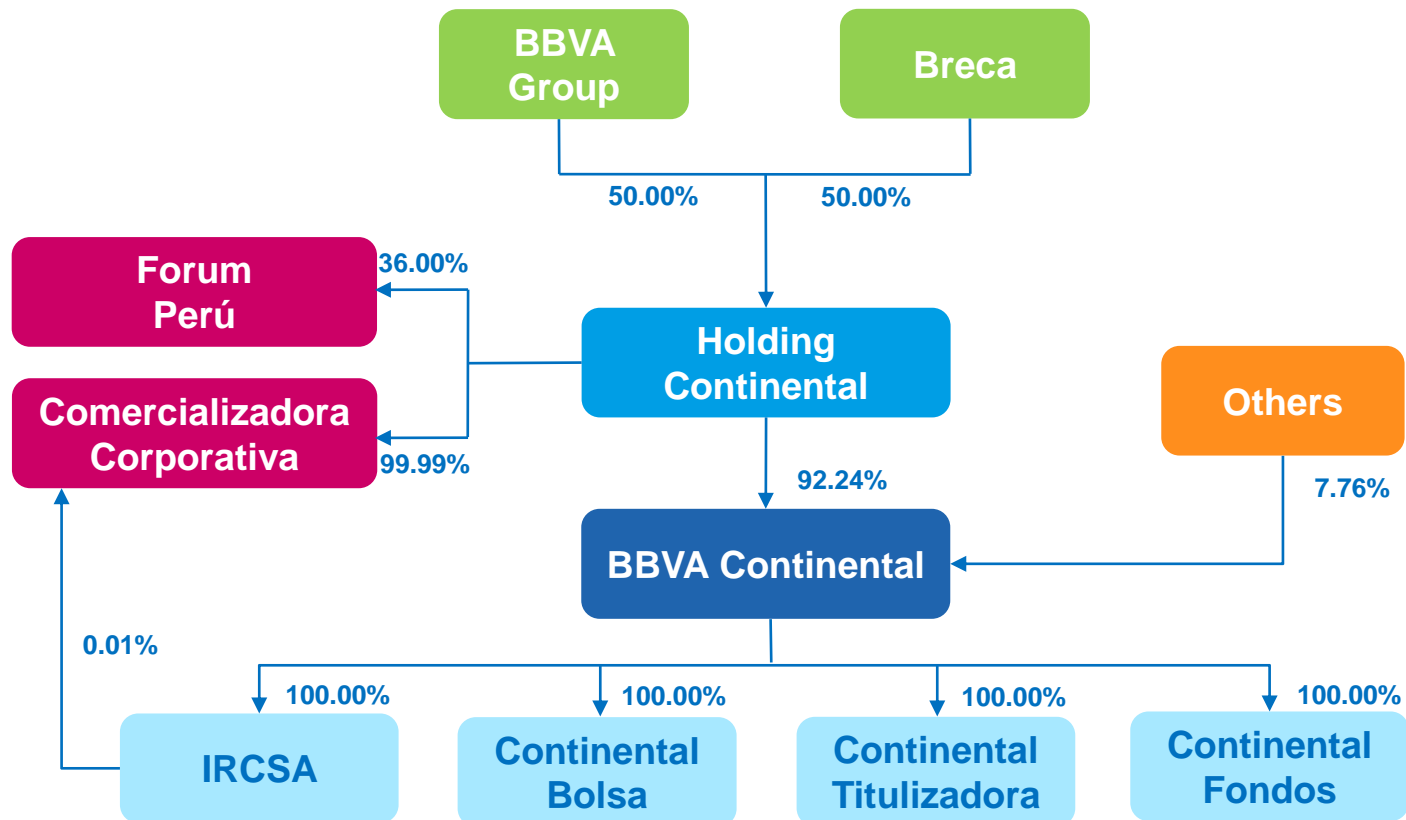


# 2 Organization



## Shareholders

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



# BBVA Continental

# BBVA Group

**599** Assets  
(€ billion)

**50 M** Customers

**7,512** Branches

**109,079** Employees

## North America

- USA
- Mexico

**United States**  
*1st. Regional Bank in the Sunbelt*

**Mexico**  
*Market leader*

**Spain**  
*1st. / 2nd.*

**Turkey**  
*Strategic participation*

**Asia / China**  
*Strategic alliance*

## South America

- Argentina
- Bolivia
- Brazil
- Chile
- Colombia
- Paraguay
- Peru
- Uruguay
- Venezuela

**South America**  
*1st. / 2nd.*

## Asia – Pacífico

- Abu Dhabi, UAE
- Australia
- China
- Hong Kong
- India
- Japan
- Singapore
- South Korea
- Taiwan
- Belgium
- France
- Germany
- Italy
- Portugal
- Russia
- Spain
- Switzerland
- Turkey
- U.K.

### Gross Income YTD 2013 <sup>(1)</sup>

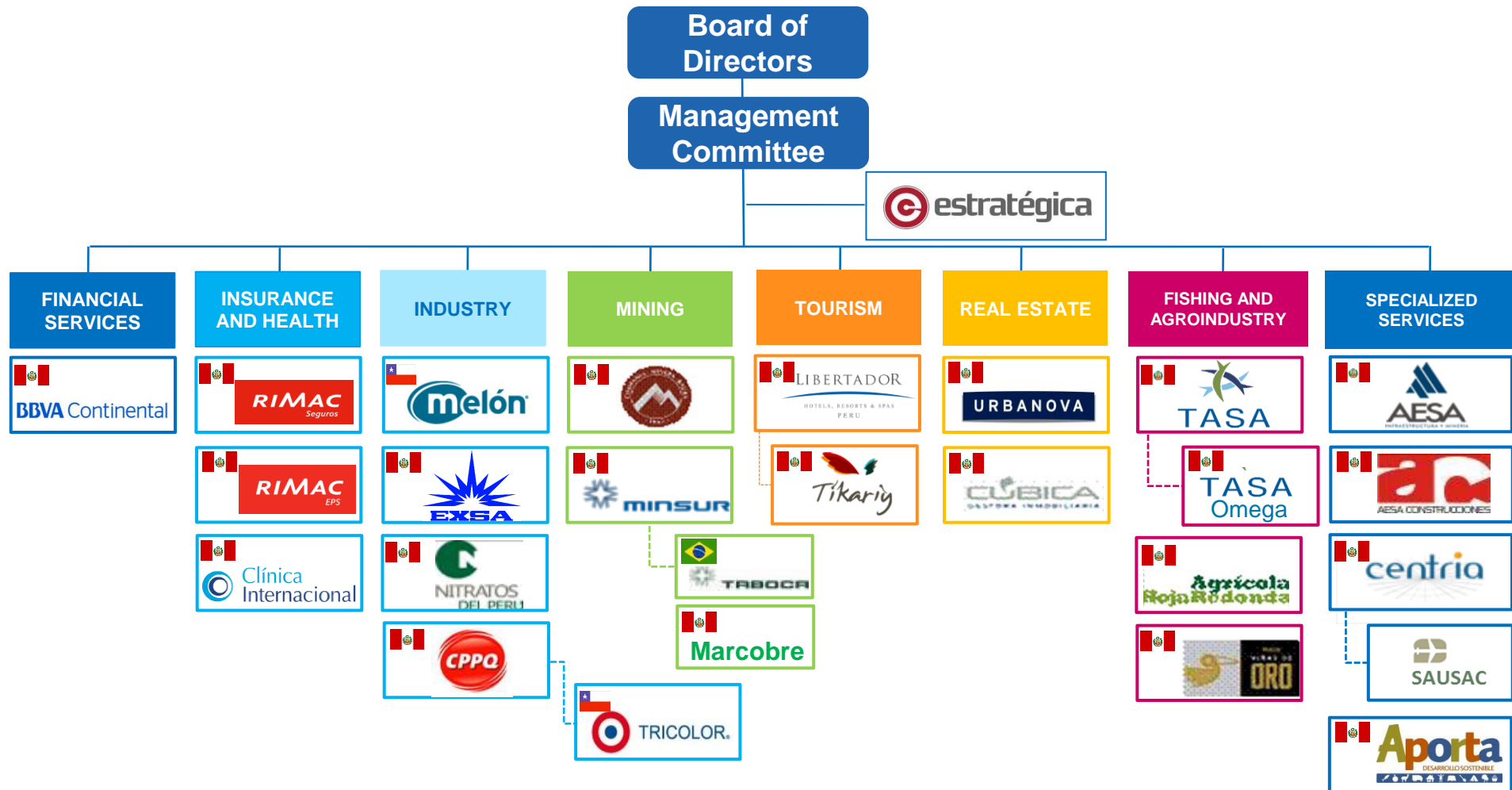


**South America:**  
26% of BBVA Group's YTD Gross Income

<sup>1/</sup> Excludes Corporate activities; YoY change in constant Euros.

# Breca

Business group founded by the Brescia Cafferata family, is one of the largest business conglomerates in Peru, with operations in Peru, Chile, Colombia, Venezuela and Brazil

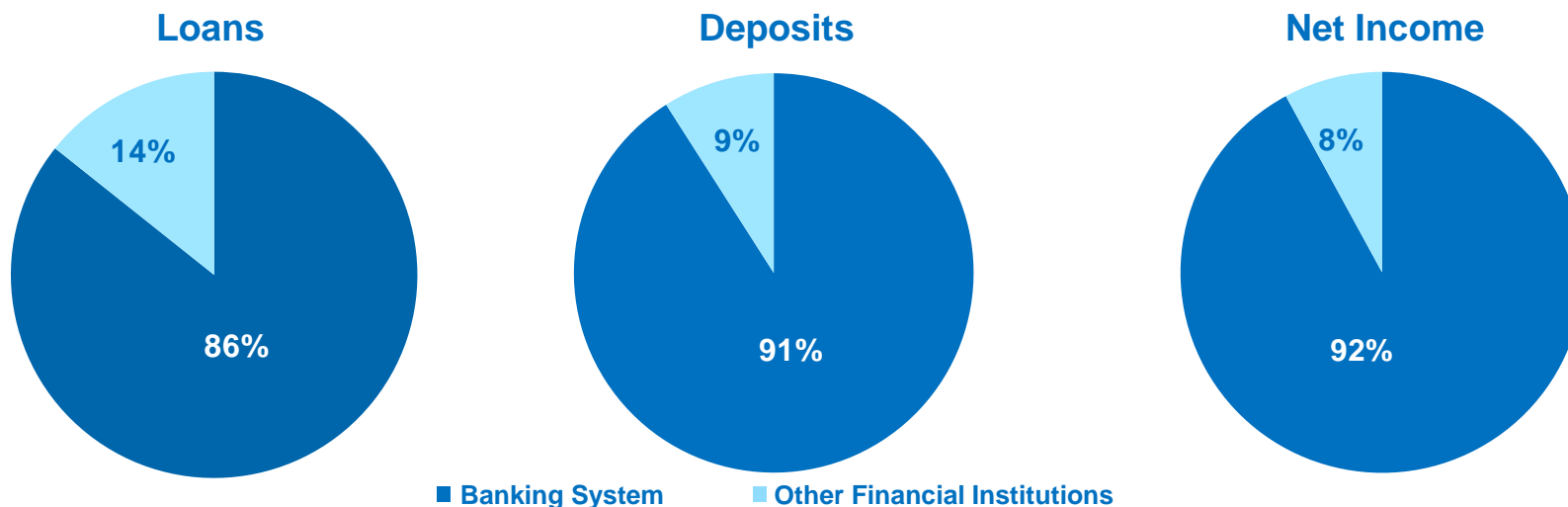


# Peruvian Financial System

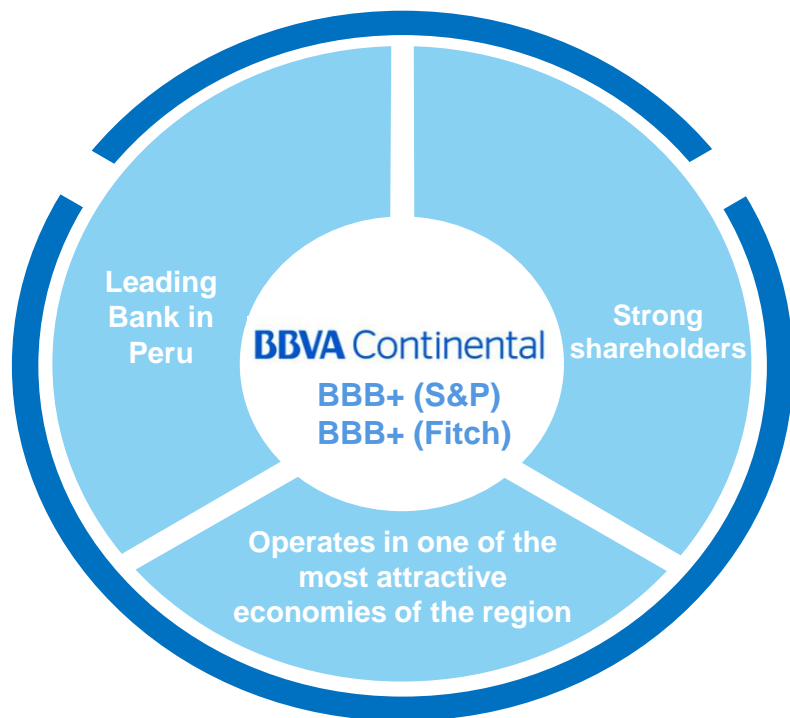
Financial system	Institution PEN Million	Net loans Mar-14	Deposits Mar-14	Net Income Mar-14
Banking system	Banks (17)	167,097	180,374	1,226
	Banco de la Nación	6,953	22,008	195
Other financial institutions	Cajas Municipales (13)	11,480	12,814	55
	Financieras (12)	9,111	5,532	41
	Cajas Rurales (9)	1,544	1,714	-2
	Edpymes (9)	967	3	1
	Leasing (2)	456	-	1
	COFIDE	4,527	260	21
	Agrobanco	942	-	6

Source: Superintendencia de Banca, Seguros y AFP

The four largest banks concentrate around 84% of the Banking System loans and deposits



## BBVA Continental, leading financial institution in Peru, among its peers



- ✓ Peru, one of the most dynamic and attractive economies in the region
- ✓ BBVA Continental: second largest bank in the country and leading institution for over 60 years
- ✓ Strong shareholders: BBVA Group, leading global financial institution, and Breca, one of the largest business conglomerates in Peru

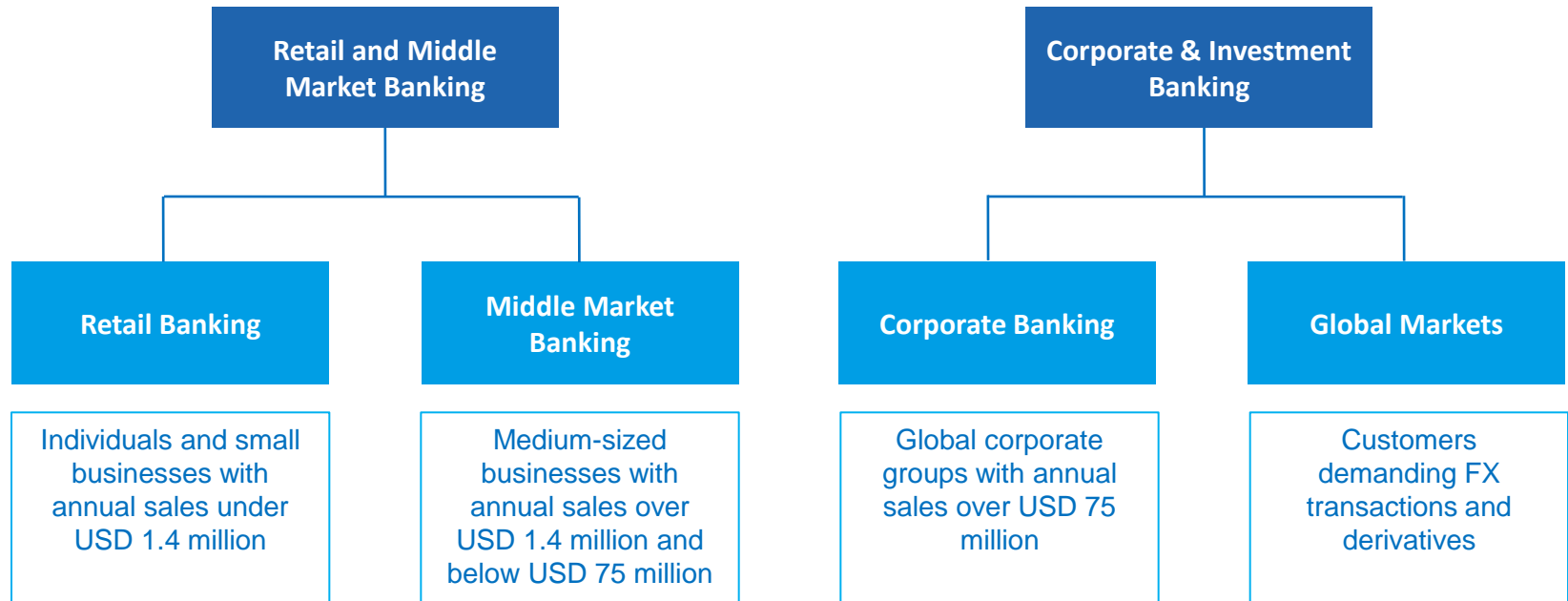
<b>#2 in performing loans</b>	<b>S/.39,508 million</b>
<b>#2 in deposits</b>	<b>S/.38,110 million</b>
<b>#2 in assets</b>	<b>S/.58,024 million</b>
<b>#1 in efficiency</b> Administrative expenses / Financial Margin	<b>38.48%</b>
<b>#1 in coverage ratio</b> <b>#2 in NPL ratio</b>	<b>229.07%</b> <b>2.03%</b>
<b>#1 in profitability</b> ROE: Annualized net income / Average equity	<b>28.57%</b>
<b>#2 in number of branches</b>	<b>312</b>

\* Since January 2013, performing loans, past due loans, restructured loans and refinanced loans include accrued interest

Information as of March 2014

Source: Superintendencia de Banca, Seguros y AFP

# Clients and Products



- Products for individuals: credit cards, consumer loans, mortgages loans, vehicle loans, saving deposits, demand deposits, term deposits, CTS, funds and investments.
- Products for businesses: Leasing, foreign trade loans, discounts, commercial loans, factoring, advance accounts, credit cards, funds, savings deposits, demand deposits, term deposits. Also syndicated loans and debt issuances.
- Treasury: FX transactions (spot and forward), IRS, Cross Currency Swaps, options.

3

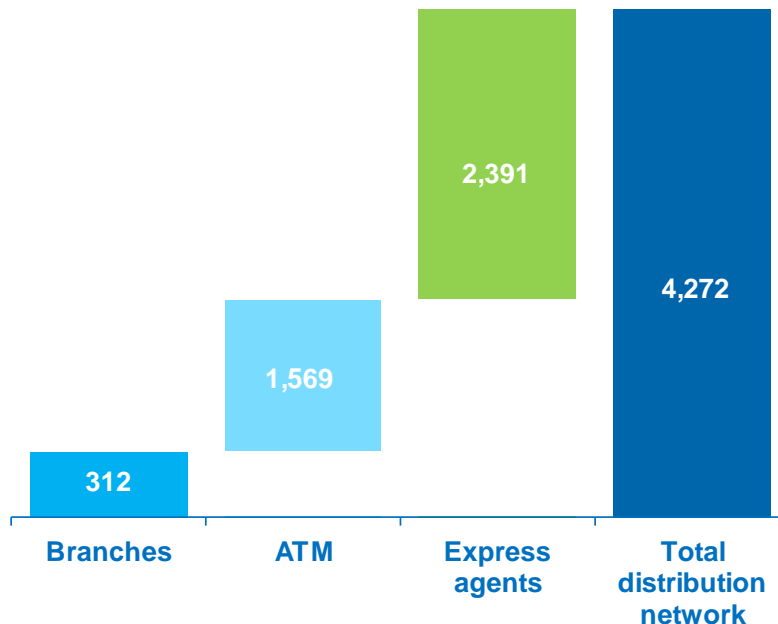
BBVA  
Continental  
vs. Peers

# Strong banking platform

Distribution network: One of the largest in the country

- ✓ 4,272 points of service
- ✓ 312 branches nationwide
- ✓ More than 3.6 million customers

March 2014



Great capacity for cross-selling

Sinergies with subsidiaries and affiliates: leading companies which offer the broadest available spectrum of financial products and services

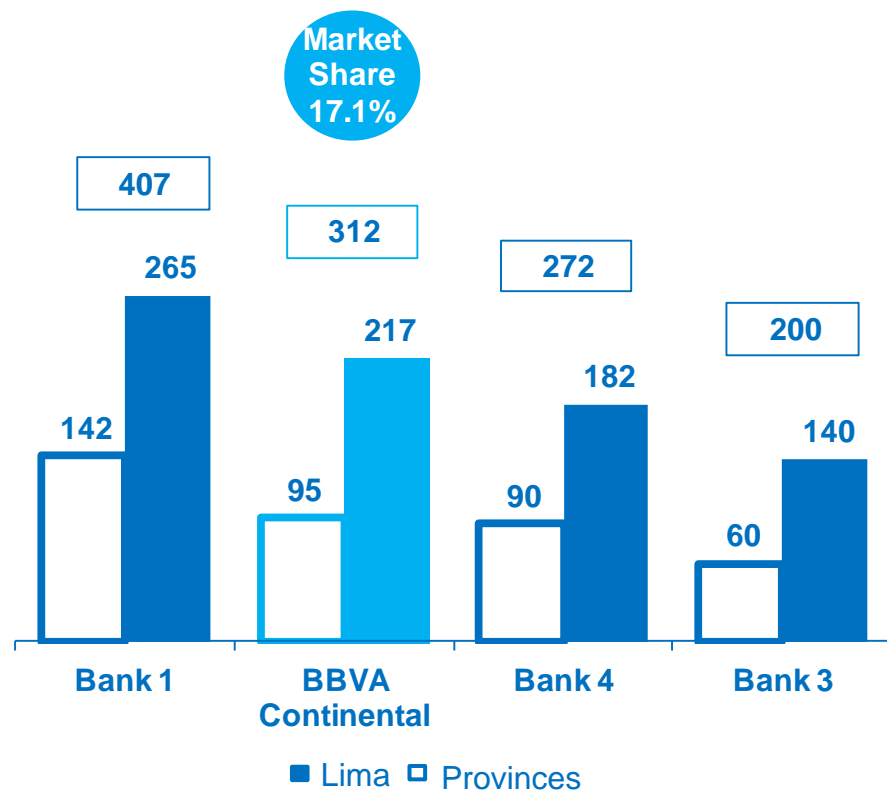
- Advisory, brokerage and investment services through its subsidiaries
- Insurance products through affiliated companies



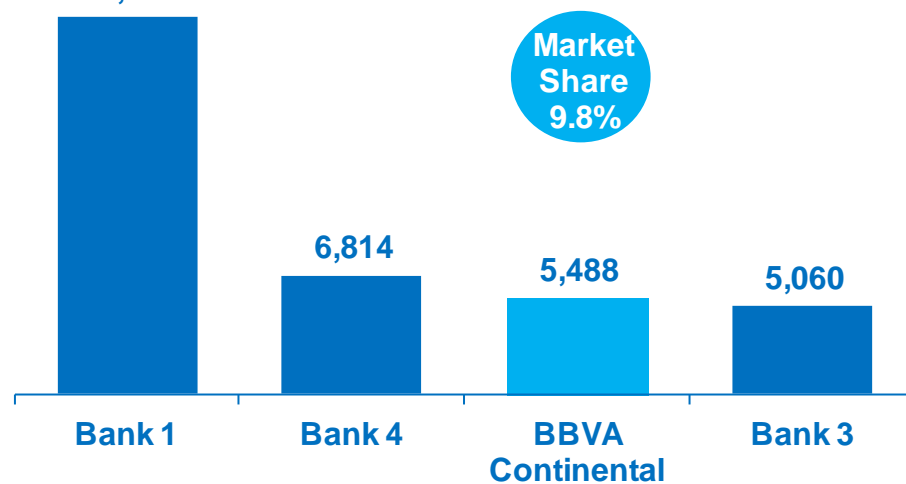
# Number of branches and employees

March 2014

Number of branches



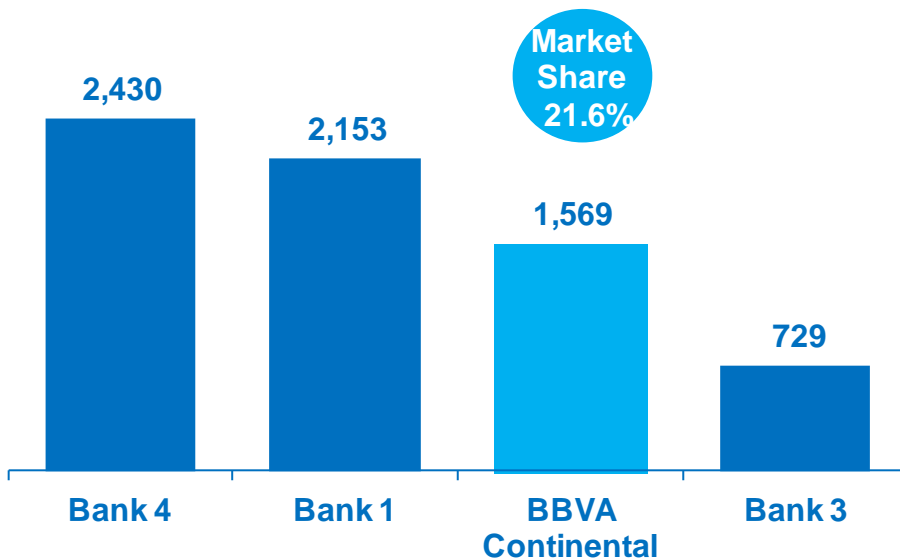
Number of employees



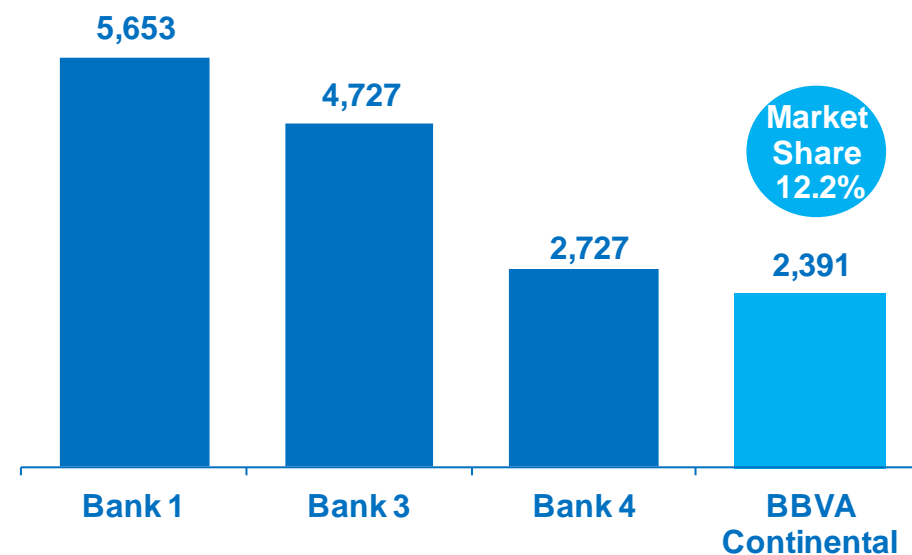
# Number of ATMs and Express agents

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## Number of ATMs



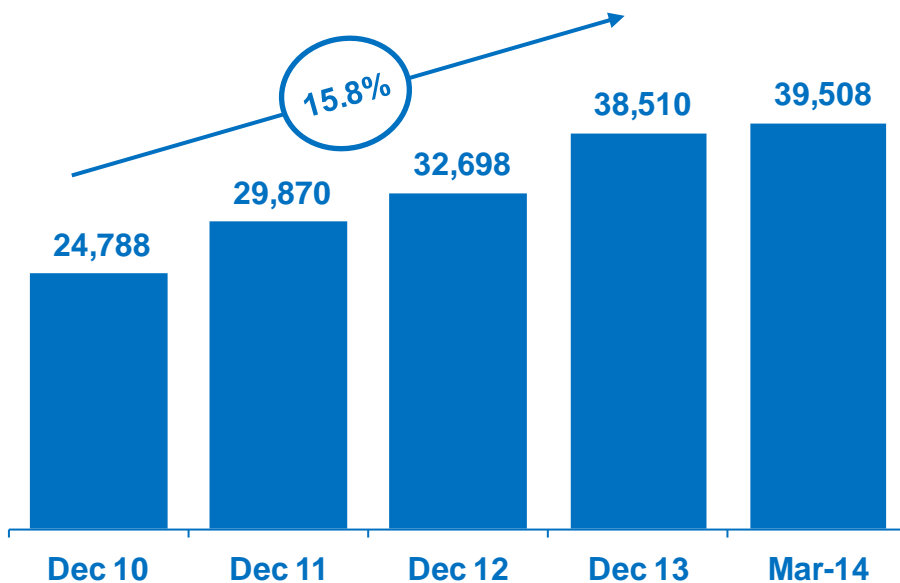
## Number of Express agents



# Outstanding growth

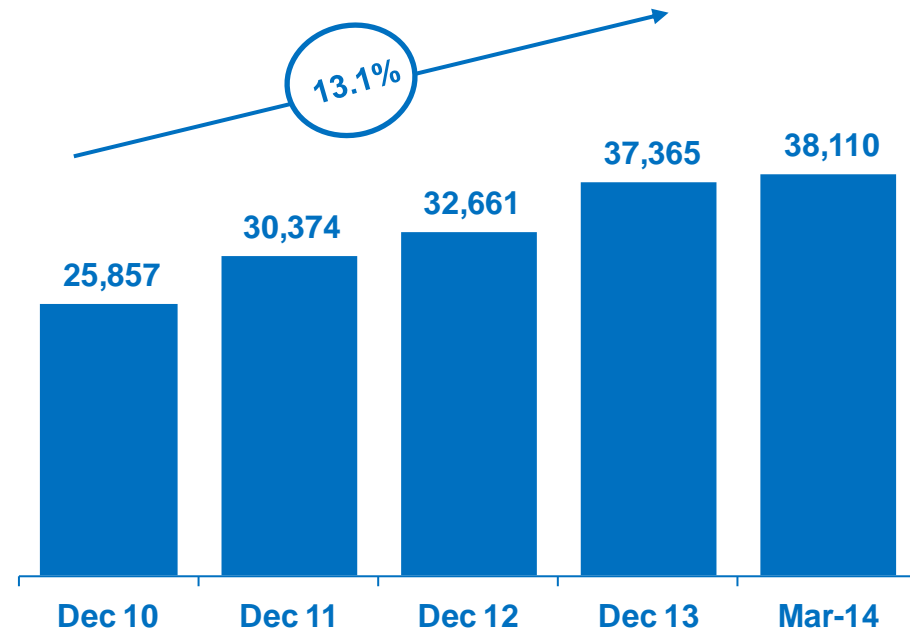
PEN Million

## Performing loans



● Compound annual growth rate: 2010 - 2013

## Deposits

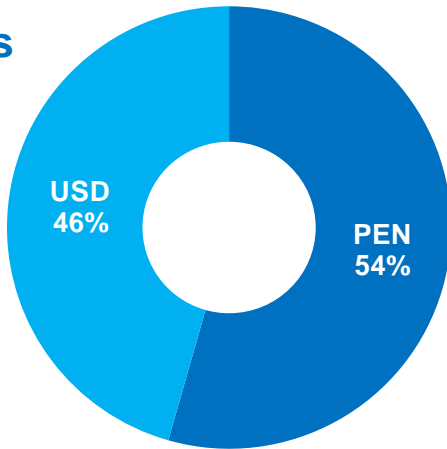


● Compound annual growth rate: 2010 - 2013

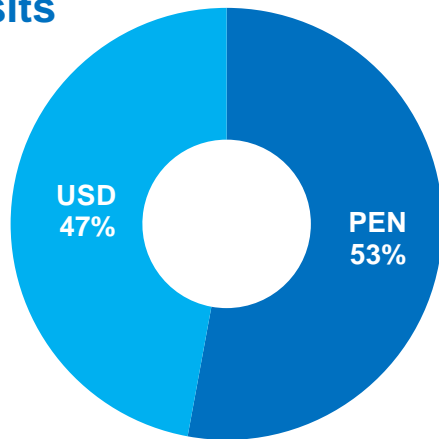
# High level of self-financing and natural match of currencies

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## Loans

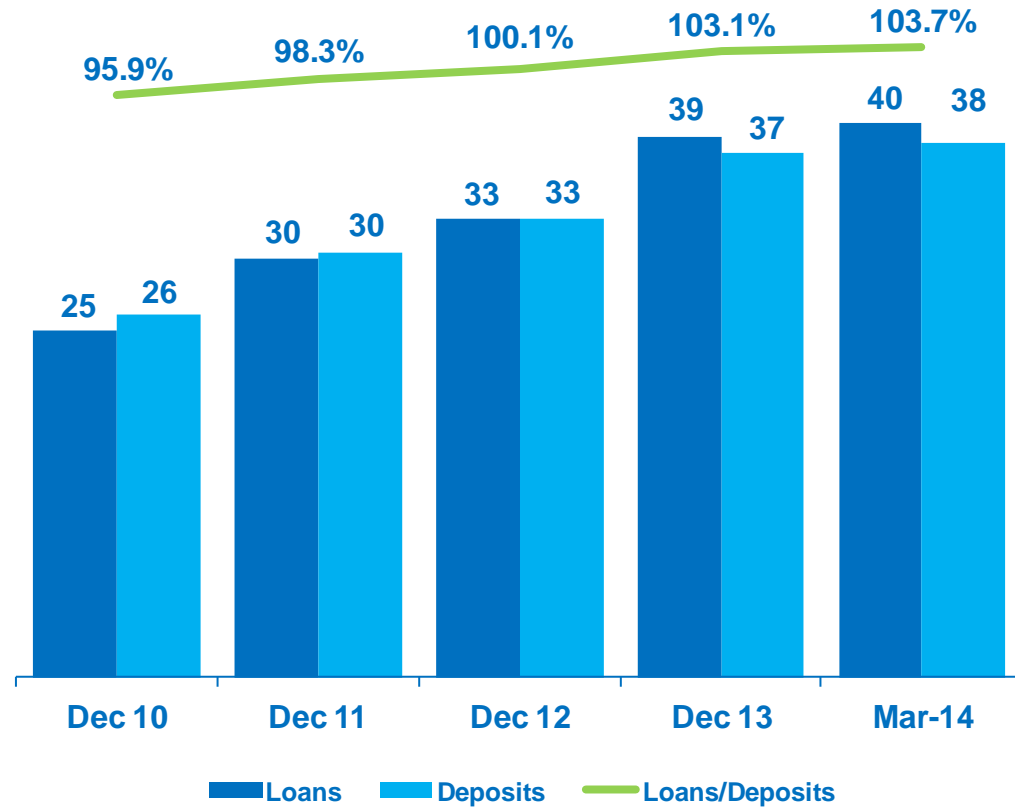


## Deposits



## Loans and Deposits

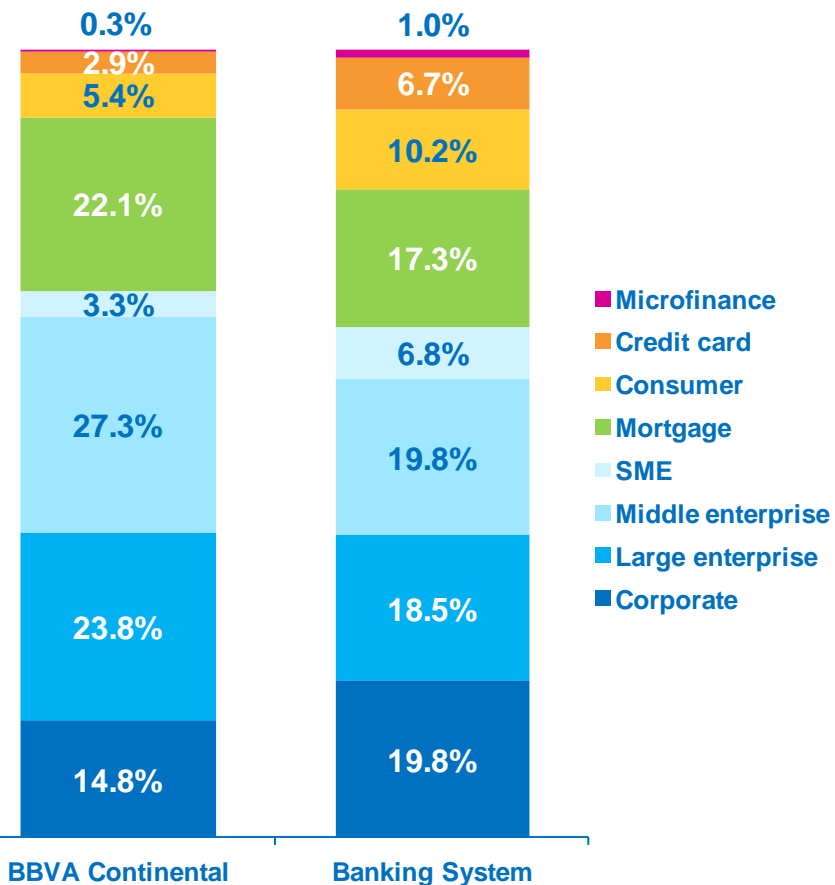
PEN Thousands of millions



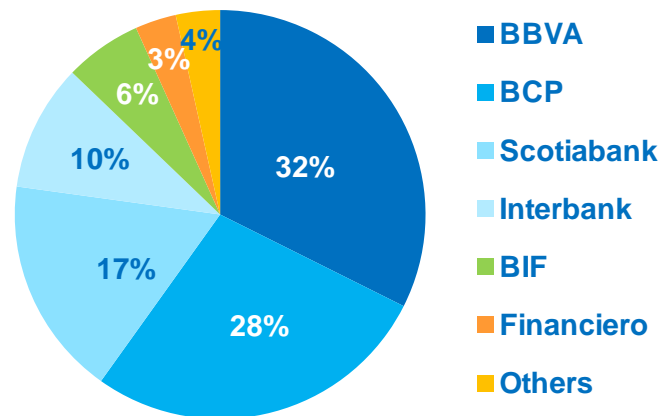
# High quality of loan portfolio

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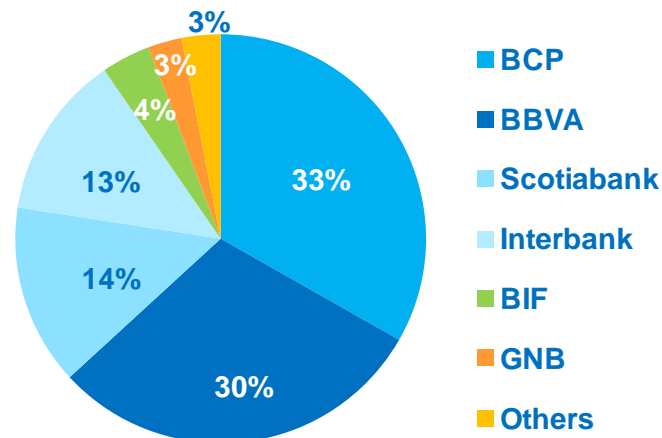
## Loans breakdown



## Middle enterprise market share



## Mortgage loans market share

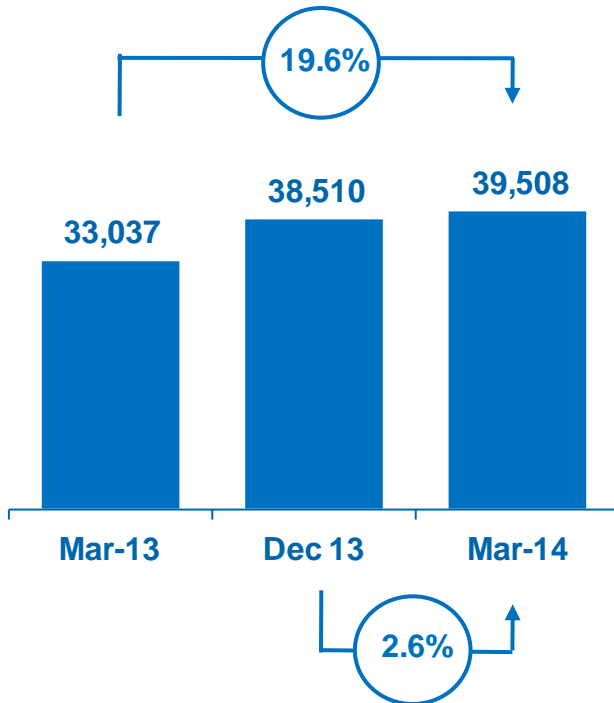


# Performing loans

BBVA Continental continues growing in loans...

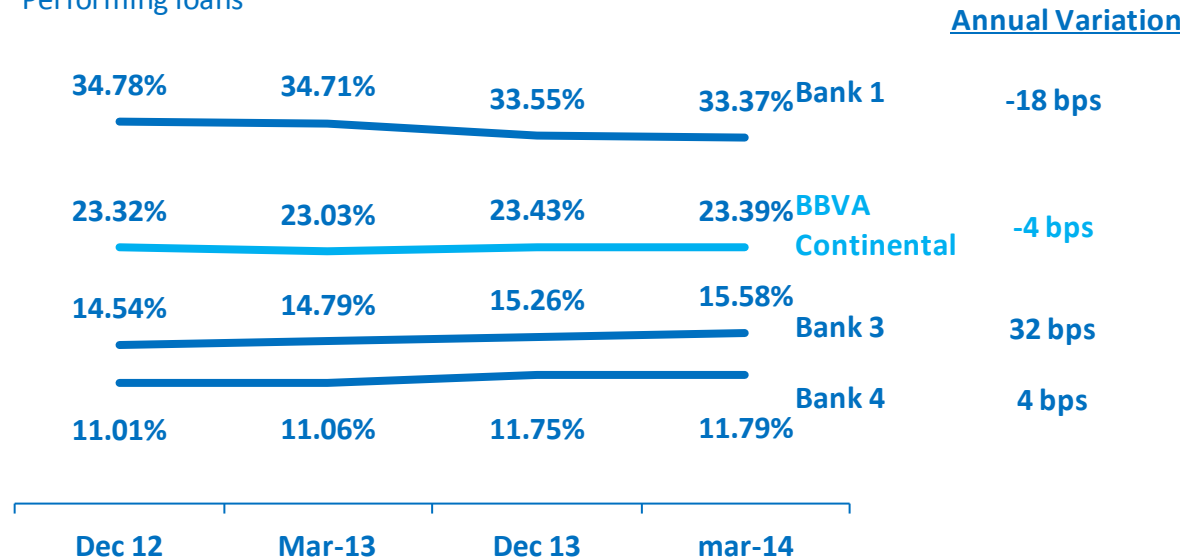
## Performing loans

PEN Million



## Market share

Performing loans



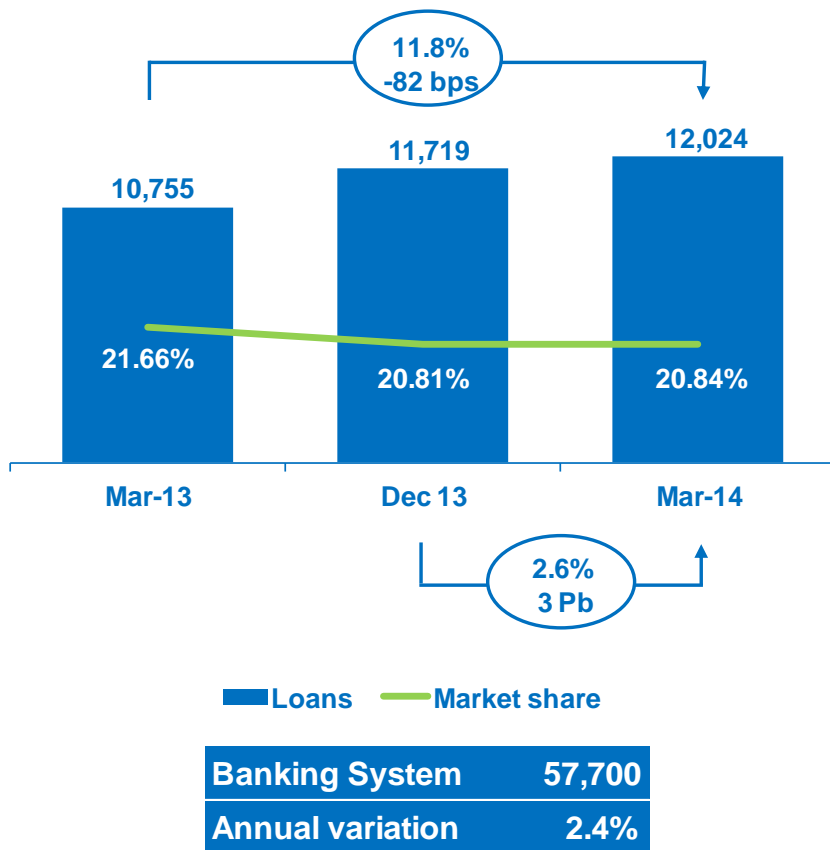
Source: Superintendencia de Banca, Seguros y AFP

# Performing loans

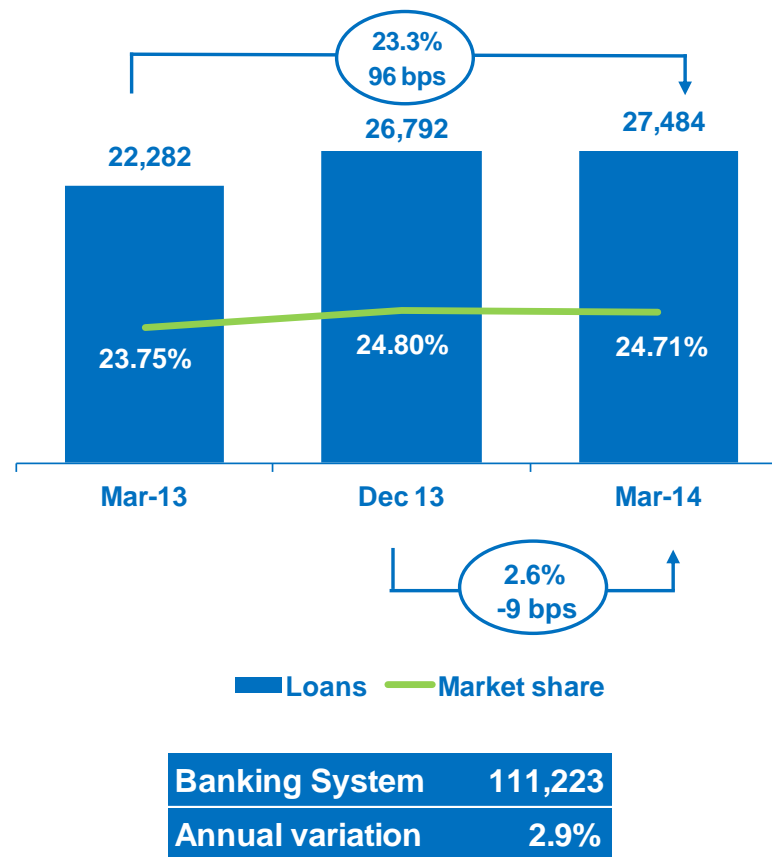
...with gains in both retail and business customers

PEN Million and percentage (%)

## Retail customers



## Business customers

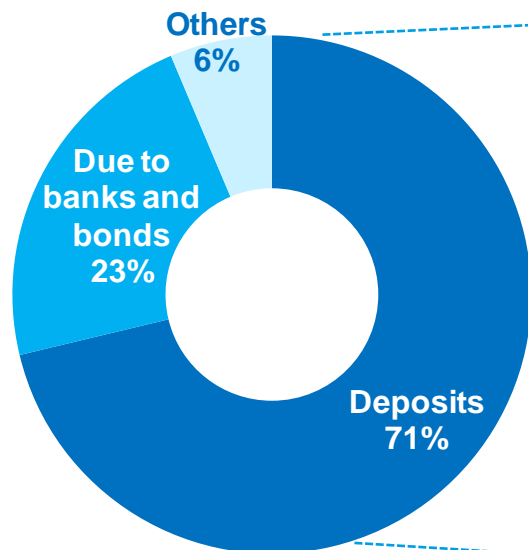


# Deposits structure

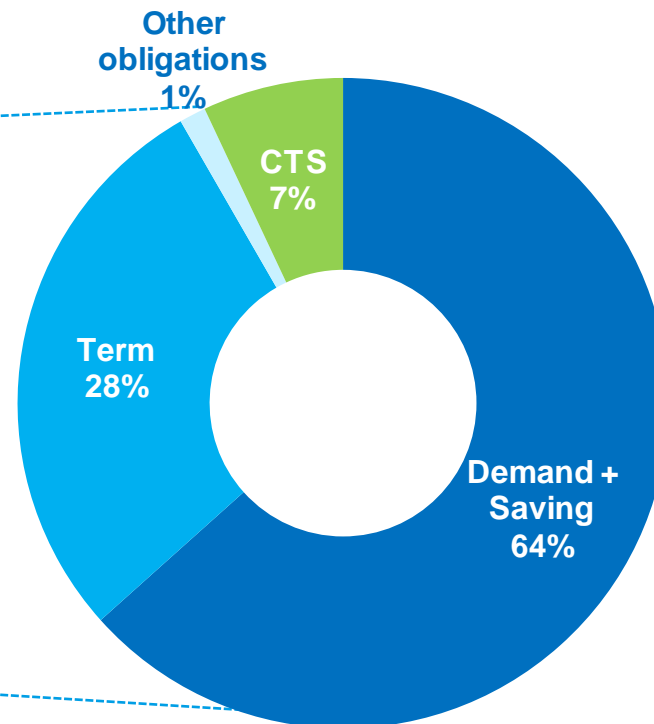
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... and a low-cost deposit base

## Cost effective source of funding



## Diversified deposit base



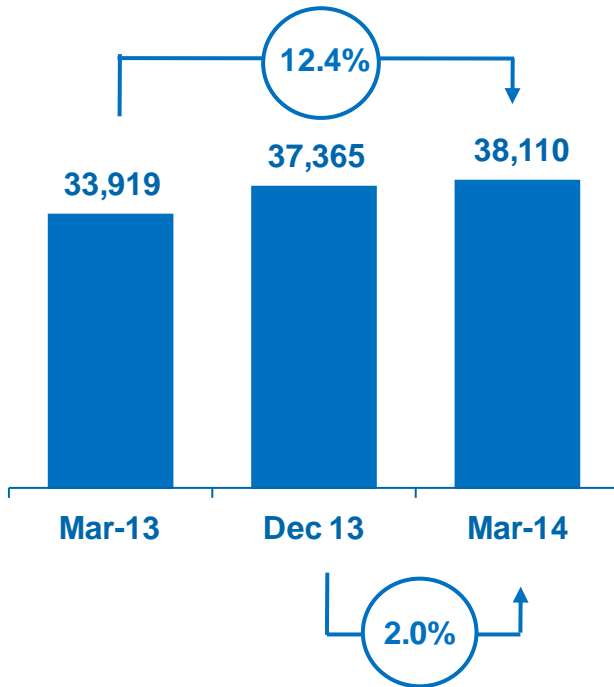


# Deposits

Growth continues also in deposits...

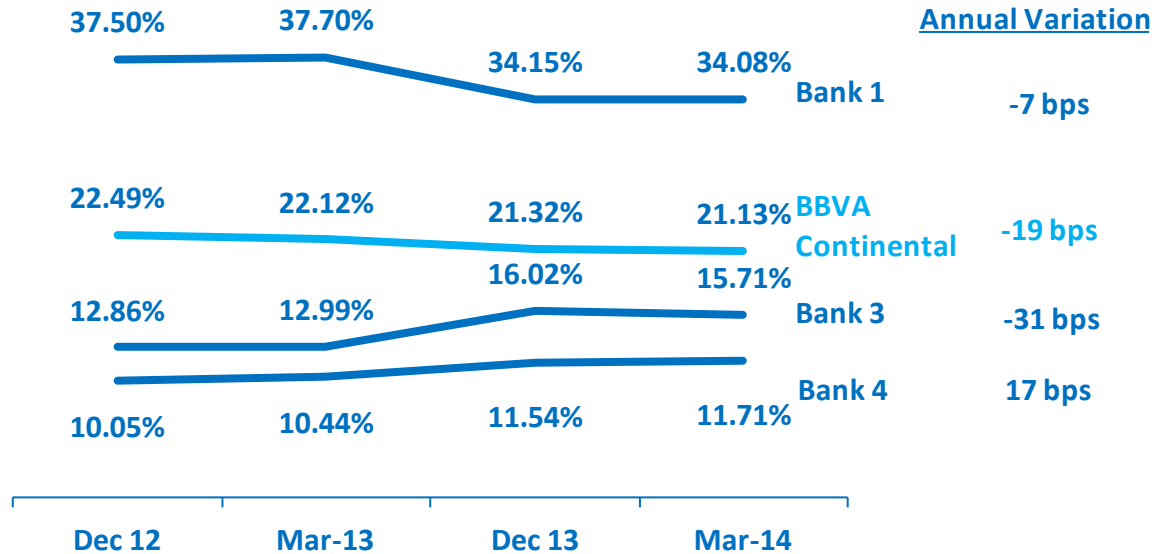
## Deposits

PEN Million



## Market share

Total deposits

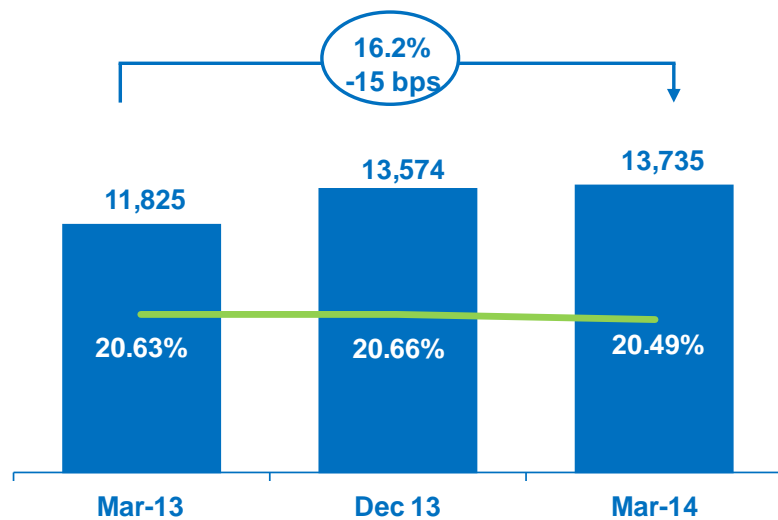


# Deposits

... mainly focused on individuals

PEN Million and percentage (%)

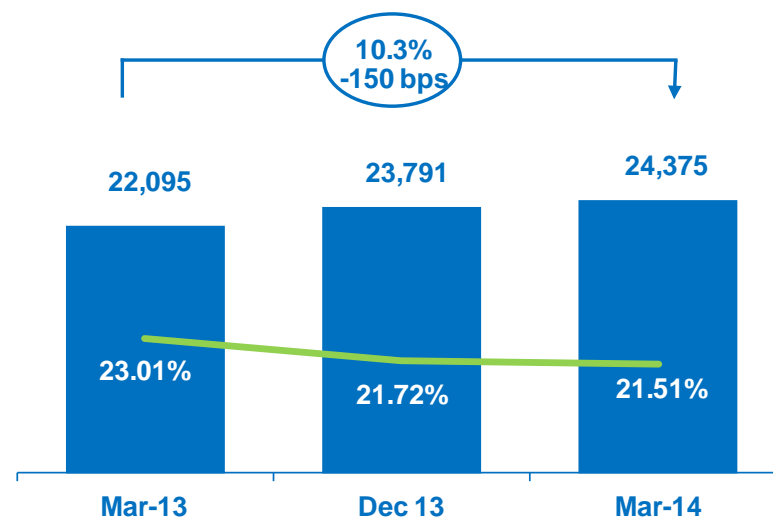
## Retail customers



■ Deposits — Market share

<b>Banking System</b>	<b>67,048</b>
<b>Annual variation</b>	<b>2.0%</b>

## Business customers

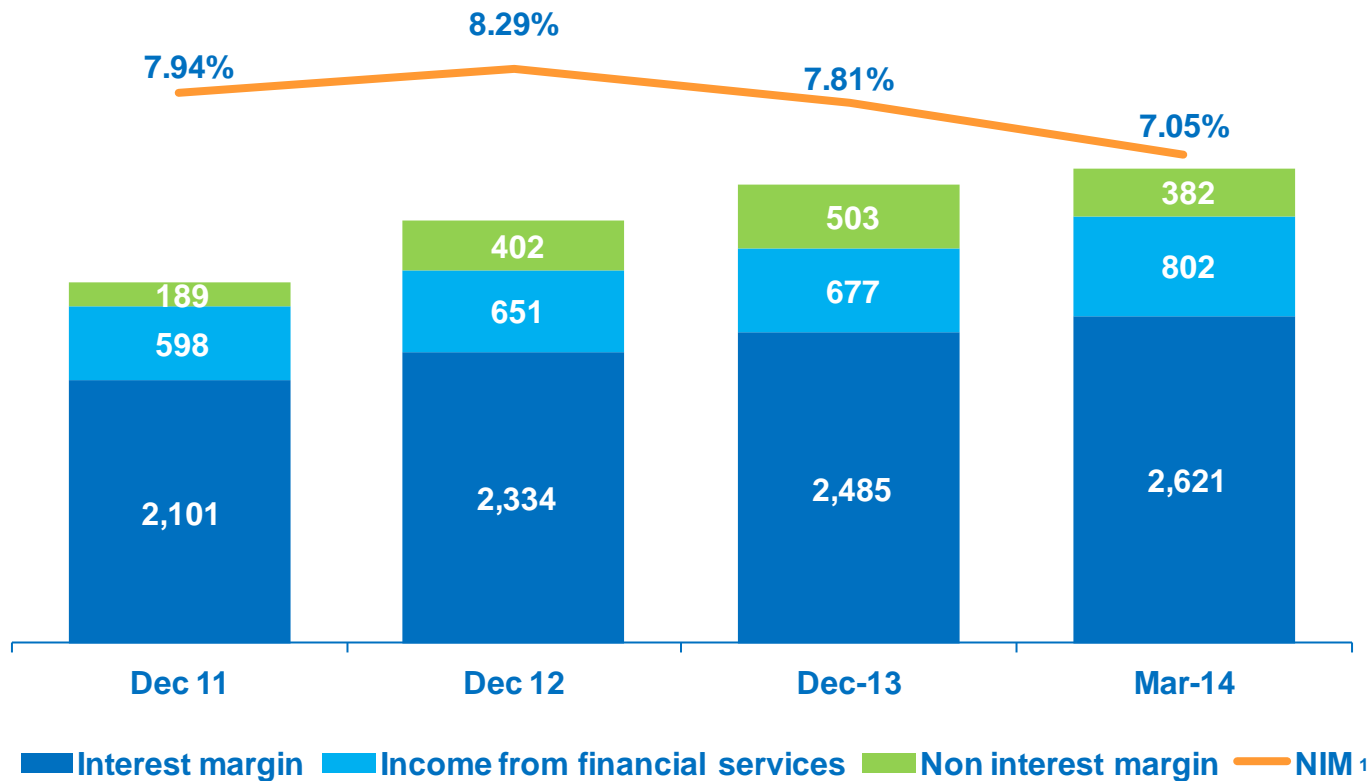


■ Deposits — Market share

<b>Banking System</b>	<b>113,326</b>
<b>Annual variation</b>	<b>3.4%</b>

# Net financial margin

PEN Million and percentage (%)



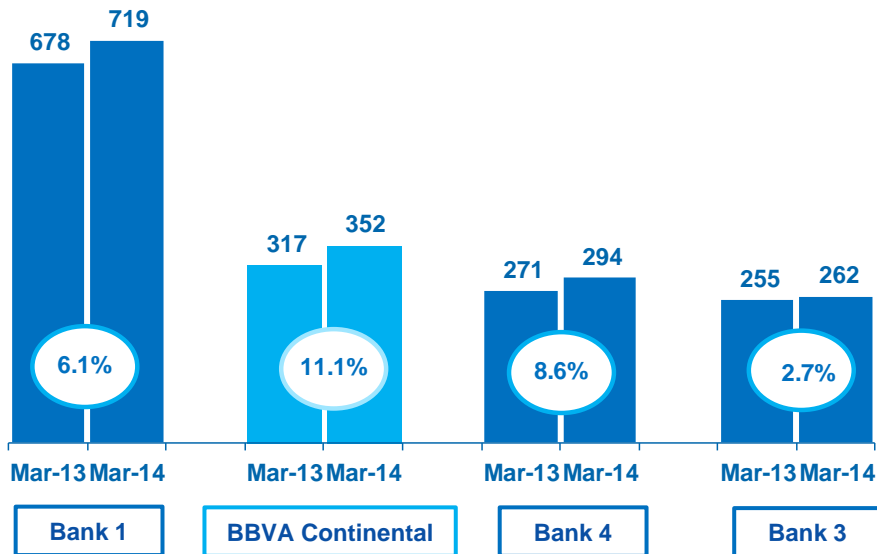
<sup>1</sup> **NIM ratio:** Gross financial margin (interest margin + non interest margin) over average interest earning assets (interbank funds, investments, loans)

# Expenses management

We remain the most efficient bank in Peru

## Administrative expenses \*

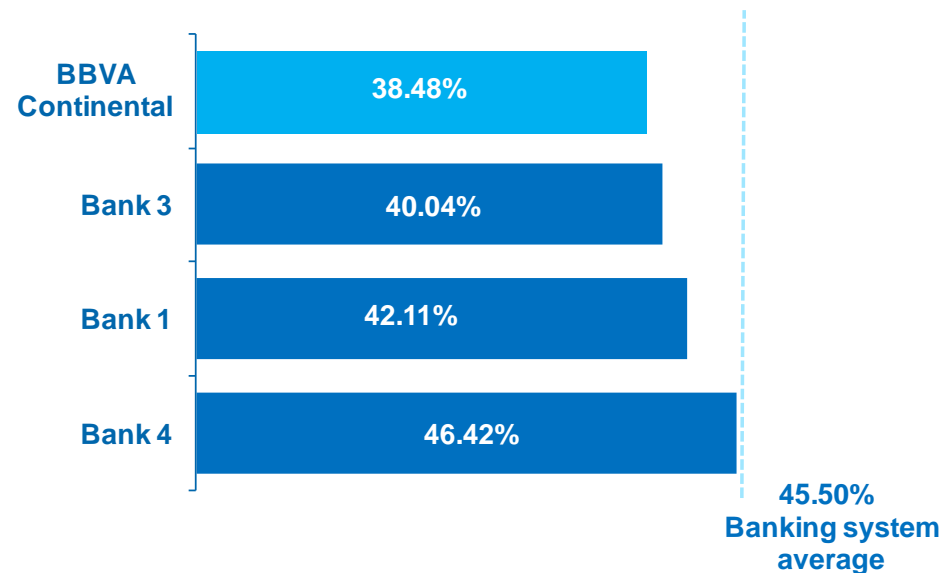
PEN Million



\* Includes Amortization and Depreciation

## Efficiency

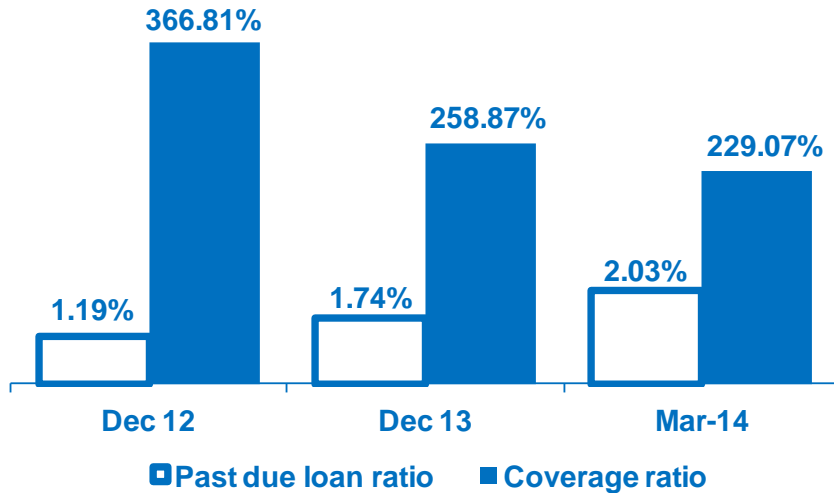
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# Risk management

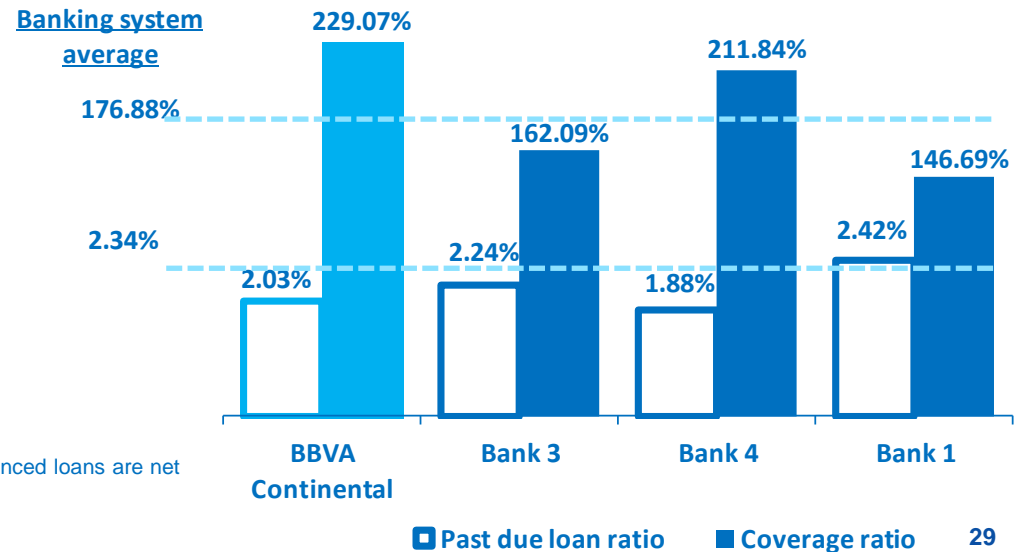
## Outstanding asset quality

### BBVA Continental



## Remarkable Past Due Loan Ratio and Coverage Ratio

March 2014



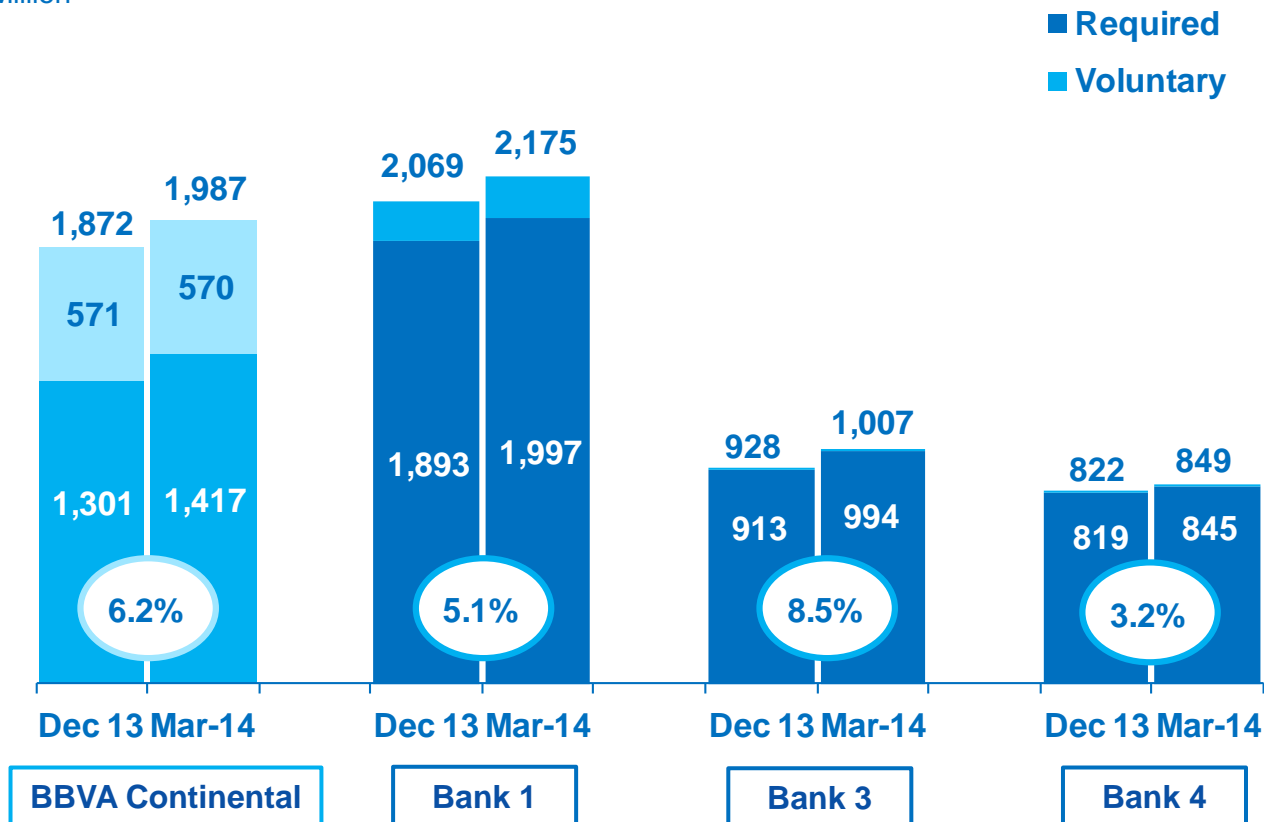
\* Since January 2013, performing loans, past due loans, restructured loans and refinanced loans are net of non-accrued lease and lease-back interest revenue.

# Risk management

BBVA Continental maintains high levels of voluntary provisions

## Provisions

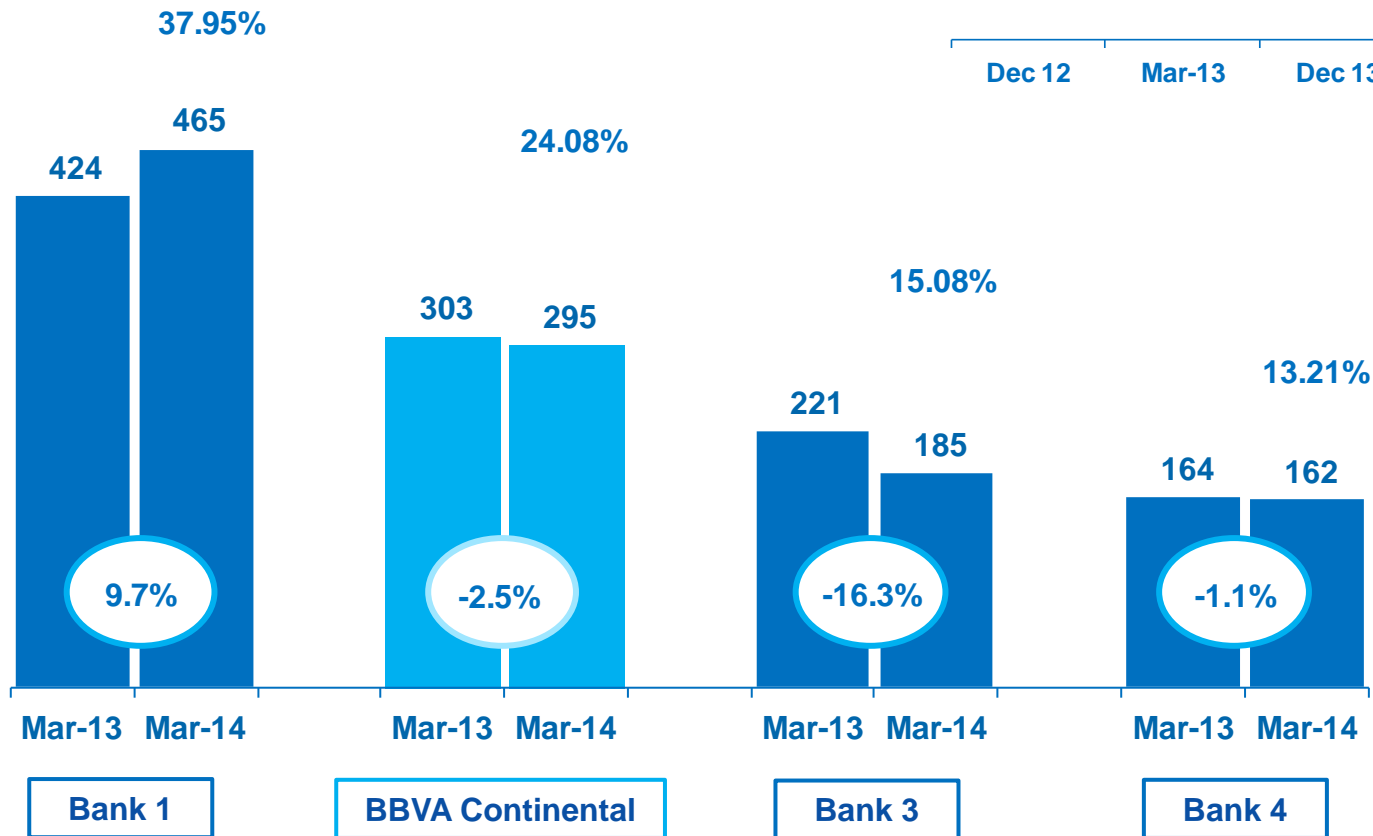
PEN Million



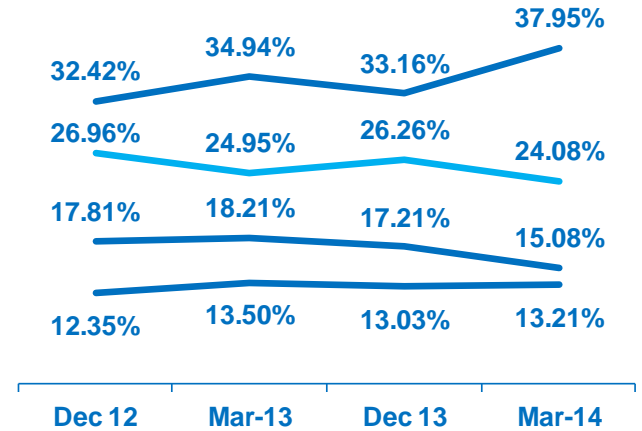
# Profitability management

## Net income

PEN million



## Market share

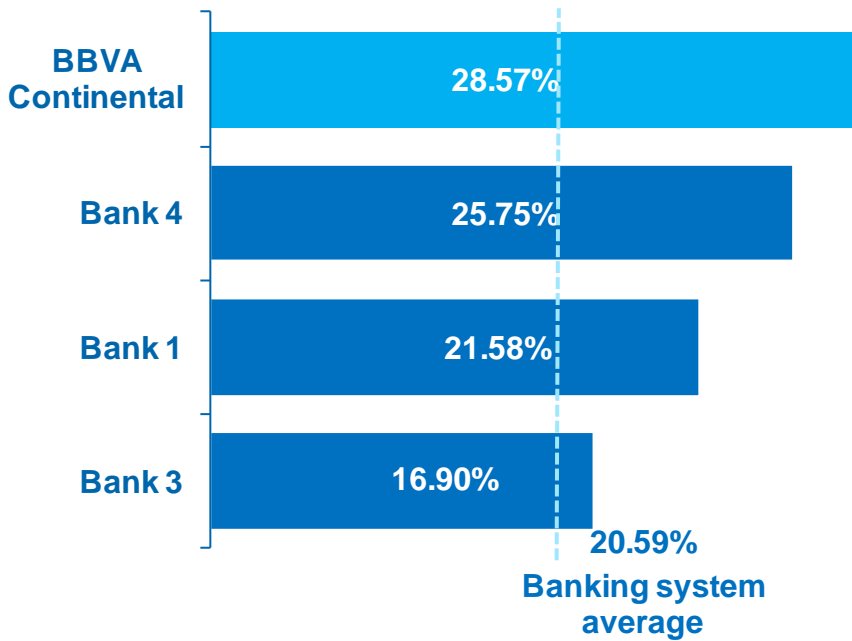


# Profitability management

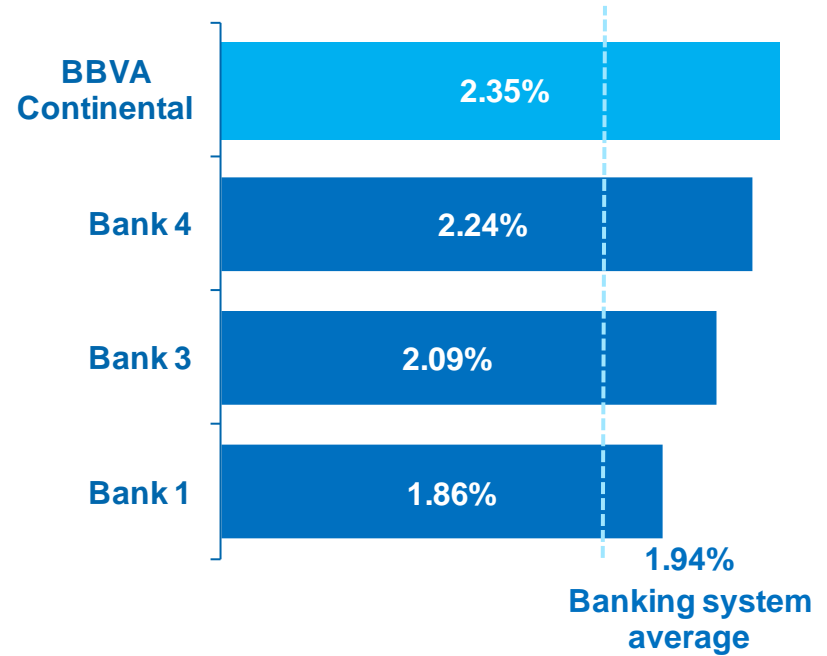
BBVA Continental has the best profitability ratios as compared to its peers...

March 2014

## Return on Equity - ROE



## Return on Assets - ROA

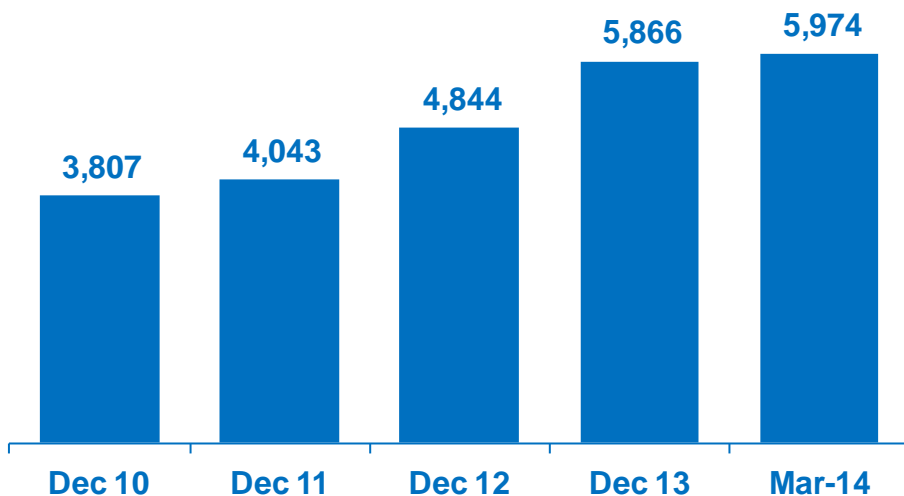




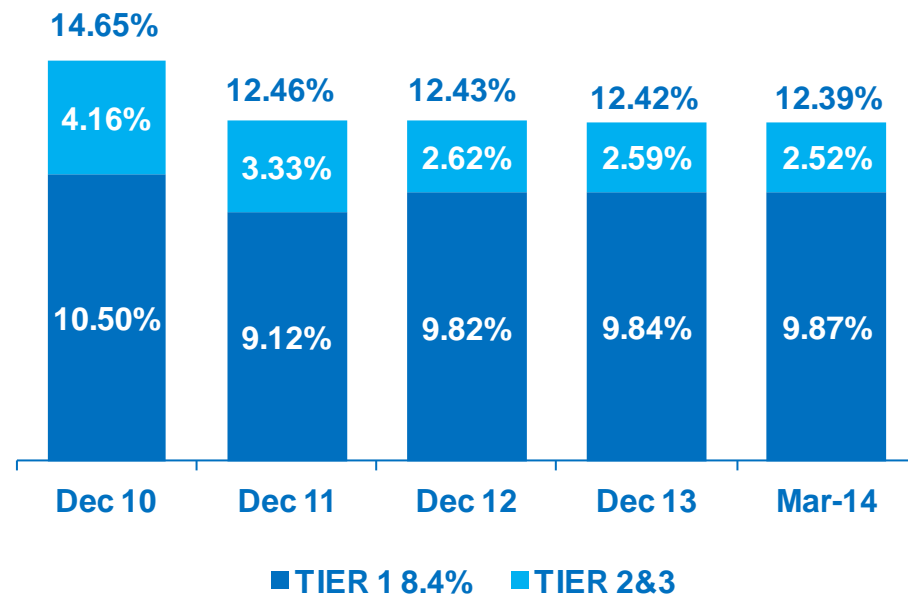
# Solvency management

## Regulatory capital

PEN million



## Composition of capitalization



*From July 2012 to July 2016 capital requirements will increase gradually to comply with new local regulations, based on Basel III standards.*

# 4 Social Responsibility and Awards

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

**SOCIAL RESPONSIBILITY**

**AWARDS**

**BBVA Continental**  
Informe Anual 2013  
Responsabilidad Corporativa



**Corporate Social Responsibility Report**



**IFC International Finance Corporation**  
World Bank Group

First environmental facility made in South America



**Program:**  
“Leer es estar adelante”



**BOLSA DE VALORES DE LIMA BVL**

BBVA Continental is part of the Best Corporate Governance Principle's Index of companies

# 5 Ratings

# International rating

The Bank has the best international ratings

Instrument	Fitch Ratings	Standard & Poor's
Foreign currency long term issuances	BBB+	BBB+
Foreign currency short term issuances	F2	A-2
Local currency long term issuances	BBB+	BBB+
Local currency short term issuances	F2	A-2
Individual rating	WD	-
Outlook	Stable	Stable

# Local rating

Three rating agencies in Peru have granted BBVA Continental the best local ratings

Instrumentos	Apoyo & Asociados	Equilibrium	PCR	Top local
Short term deposits	CP-1+ (pe)	EQL 1+.pe	Categoría I	Categoría 1
Term deposits > 1 year	AAA (pe)	AAA.pe	pAAA	AAA
Corporate bonds	AAA (pe)	AAA.pe	pAAA	AAA
Subordinated bonds	AA+ (pe)	AA+.pe	pAA+	AA+
Leasing bonds	AAA (pe)	AAA.pe	pAAA	AAA
Common shares	1 <sup>a</sup> (pe)	1 <sup>a</sup> Clase.pe	PC N1	Categoría 1
Issuer rating	A+	A+	A+	A



# **BBVA** Continental

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