



BBVA

Creating Opportunities

# Annual Report 2021

Integrated  
Report



# Annual Report 2021

## Integrated Report

### Responsibility declaration

GRI 102-32

This document contains truthful and sufficient information regarding the development of BBVA's business during 2021. Without prejudice to the responsibility of the issuer, the signatories are responsible for its content, in accordance with the applicable legal provisions.

Lima, March 31, 2022

### Responsible for its preparation



**Ignacio Fernández Palomero**  
Deputy General Manager – Finance Area



**Carlos Loo Pun**  
General Counter



**Raúl Roca Kohler**  
Commercial-Corporate Legal Services Manager – Stock Market Representative

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# 1. BBVA in brief

---

**52%/48%**

women/men on the payroll.

---

**7,961**

private shareholders received **S/570,918,262.42** for cash remuneration.

---

**47%**

transactions carried out through the Plin application.

---

**10,743**

million soles of financing granted to SMEs.

---

**24,875**

people have participated in financial education programs.

---

**35,222**

SMEs with financed loans.

---

**891,345**

new people banked in 2021.

---

**3,552,704.74**

of soles allocated to programs of the BBVA Foundation.

---

**17,806**

beneficiaries of the integration scholarship program.

---

**1,278**

million soles in taxes accrued and collected by the BBVA activity.

---

**1<sup>st</sup>**

Peruvian bank to enter the DJSI-MILA Pacific Alliance index for its high standards in sustainability.

# 2. Letter from President

GRI 102-14, 102-15

Dear shareholders:

The country's health, economic and social situation in 2021 was a significant challenge that BBVA Peru managed positively and efficiently thanks to the great work of its employees, significant comprehensive risk management and constant passion and commitment to support our customers. Said management caused the Bank to end the year with good results, with more satisfied clients and affiliates and with a significant equity strengthening, which is extremely important.

In the constant search to have more satisfied customers and affiliates through efficient products and processes, BBVA Peru maintained a long-term strategic vision, which responds to a marked disruption time such as the current one that requires continuous innovation in central aspects of our activity such as digital transformation.

There were two fronts that were worked on within the digital transformation: our employees and our clients. The results speak for themselves: more than 80% of the employees worked remotely last year without losing excellence in customer service; More than 3.7 million users operated through our mobile banking in 2021 and more than a third of the Bank's sales were made through digital channels.

In addition to the digital theme, 2021 also confirmed the relevance of sustainability for BBVA Peru's comprehensive strategy, which allowed it to be the first Peruvian bank to enter the Dow Jones Sustainability MILA Pacific Alliance, an index that records the performance of companies with the highest sustainable ratings in the Pacific Alliance region. Our commitment to sustainability has as its central axis accompanying the client in its transition towards a more sustainable and inclusive future, with specialized advice, financing and a portfolio of products and services that help mitigate the effects of climate change and promote the comprehensive development of the country. Added to the sustainability integrated into our main business strategy, social responsibility initiatives play a priority role for BBVA Peru and the year ended was no exception. As an active member of the United Nations Global Compact, BBVA Peru continued to carry out actions in the field of connected and inclusive education, financial education, gender equality, diversity, protection of the environment and cultural heritage, an action that framed within the Sustainable Development Goals (SDG) for a prosperous life.

I would like to recognize the great work carried out by each employee of the Bank last year. Thanks to its passion, commitment and dedication, BBVA Peru has once again been able to position itself as a relevant player in the national financial system. Likewise, I express my deep gratitude to you, our shareholders, who with their trust and support encourage us to continue working for the wellbeing of all Peruvians.



**Alex Fort Brescia**

President  
BBVA Perú

**2021 confirmed the relevance of sustainability for BBVA Peru's comprehensive strategy, which allowed it to be the first Peruvian bank to enter the Dow Jones Sustainability MILA Pacific Alliance, index which records the performance of companies with the highest sustainable ratings in the Pacific Alliance region.**

# 3. Letter from CEO

GRI 102-14

Dear shareholders:

2021 was a year still marked by the effects of the pandemic in the health and economic spheres, which also coincided with a polarized general election process and a subsequent change in government administration. In this environment, the Bank's priorities remained on a clear course: to consolidate our business model and generate solid results, which led to a triple-digit net growth margin and evident strengths in terms of profitability.

Of course, the protection of the health of our employee and clients, as well as of society in general, continued to be our main focus of attention in 2021, with the aim of providing an essential service at a national level and accompanying the user whether person or company— in a complex and changing context. Along these lines, the Bank's strategic plan allowed it to take tangible steps on the path to becoming an increasingly retail franchise, with relevant investments in the development of new capacities in processes, data, technology and commercial areas. Of the same Likewise, ambitious measures were put in place to speed up its digital transformation and convert the branch network into centers for specialized customer advice, promoting digitization and sustainability.

Thanks to these advances, throughout 2021 the Bank attracted more than 800 thousand new clients, with sustained growth in the consumer loan and credit card segments, which today have a more diversified and robust portfolio.

The commitment to innovation and new agile ways of working made it possible to create the first app for individuals with businesses and thus continue adding features to our Mobile Banking, which closed the year as number one in specialized stores and which today allows customers to visualize your income and expenses in a categorized way, as well as create savings goals and budgets that aim to improve your financial health.

In the field of sustainability, 2021 stood out as a year in which competitive advantages were achieved, with double-digit growth in sustainable loans, underpinned by the launch of products such as the first green real estate loan of the local bank and with the determined drive of our sustainable transactional product framework linked to the United Nations Sustainable Development Goals (SDGs). These efforts made BBVA the first Peruvian bank to enter the Dow Jones Sustainability MILA Pacific Alliance index.

I would like to end by thanking the more than 6,300 employees of BBVA Peru for their work and contribution in a particularly complex year for all of us. Each of them contributed to the growth of our organization by putting the customer first, thinking big and working as one team in line with our corporate values. And I also thank you, our shareholders, for your closeness, trust and permanent support that inspires us to continue creating opportunities for more Peruvians.



**Fernando Eguiluz Lozano**  
Director Gerente General  
BBVA Perú

**2021 distinguished itself as a year in which achieved competitive advantages, with double-digit growth in sustainable loans, underpinned by the launch of products such as the first residential green real estate loan from local banks and with the determined drive of our sustainable transactional product framework linked to the United Nations Sustainable Development Goals (SDGs).**

# Board of Directors

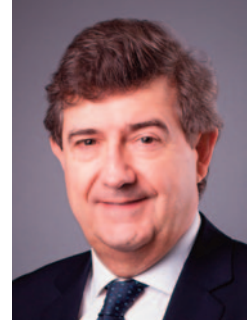
**President**  
Alex Fort Brescia



**First Vice-President**  
Pedro Brescia  
Moreyra



**Scnd Vice-President**  
Ignacio Lacasta  
Casado



**General manager director**



Fernando Eguiluz  
Lozano

**Directors**

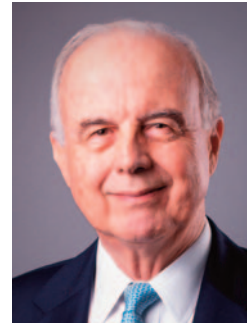


Mario Brescia  
Moreyra



Fortunato Brescia  
Moreyra

**Independent Directors**



Ismael Benavides  
Ferreyros



Rafael Varela  
Martínez



José Ignacio Merino  
Martín



José Manuel  
Rodríguez-Novás  
Sánchez-Diezma



José Carlos López  
Álvarez



# Managing Committee



**General manager director**  
Fernando Eguiluz Lozano

## Deputy general managers



**Gustavo Delgado-Aparicio Labarthe**  
Business and corporate banking



**Frank Erick Babarczy Rodríguez**  
Corporate & Investment Banking



**Sandra Bianco Roa**  
Talent and culture



**Luis Morales Espinoza**  
Client Solutions



**Walter Borra Núñez\***

\*Attend the Steering Committee as a guest.



**Ignacio Fernández-Palmero Morales**  
Finance



**Marco Antonio Galdo Marín**  
Retail banking



**Ruth Anabelí González Velapatiño**  
Legal Services



**Enrique Medina García**  
Transformation and Data



**Héctor Javier Carrera Riva Palacio**  
Engineering



**Vicente Puig Payá**  
Risks



**Katia Alcázar Espinoza**  
Internal Control and compliance

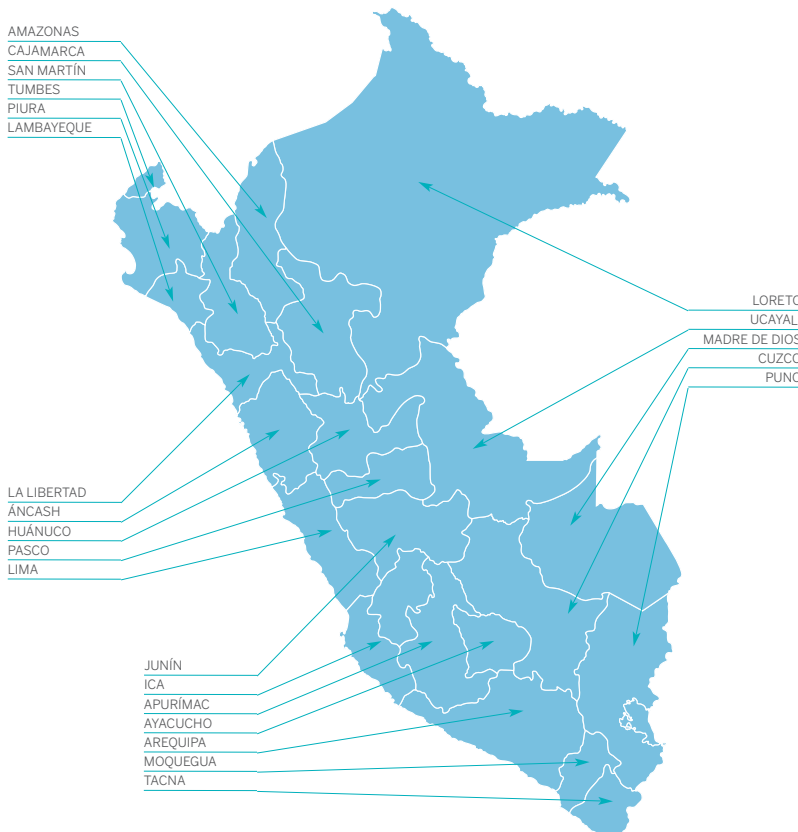
# 4. About BBVA

BBVA Peru bank is a solid financial institution of great national and international prestige belonging to the BBVA Group, whose main shareholders are BBVA Perú Holding S.A.C. and Holding Continental S.A., each of which owns 46.12% of the Bank's shares. It is authorized to operate by the Superintendencia of Banking, Insurance and AFPs (SBS), in accordance with Law No. 26702, General Law of the Financial System and the Insurance and Organic System of the SBS, which establishes the regulatory and supervisory framework to which companies operating in the financial and insurance system are subject. It carries out its activities through a network distributed throughout the country and its headquarters are located at Av. República de Panamá 3055, district of San Isidro, city of Lima, capital of Peru. The Bank is a public limited company incorporated in 1951, with RUC number 20100130204.

GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-7, 207-4

## 4.1. Impact data

GRI 102-6



**S/ 101,645**

million in assets

**7,437,812**

clients

**23**

regions

**335**

offices

**1,903**

ATM

**6,183**

employees

**Responsible business key indicators**

GRI 102-7, 102-8, 201-1, 401-1, 405-1	2021	2020	2019	2018
<b>Economic</b>				
Economic value generated (millions of S/)	5,139	4,644	4,904	4,496
Economic value distributed (millions of S/)	2,451	1,902	2,262	2,070
Economic value retained (millions of S/)	2,689	2,742	2,642	2,426
<b>Social</b>				
<b>Community</b>				
Investment in Social Programs (S/)	3,552,704.74	4,068,711.47	4,320,757.75	4,219,870.52
Profit attributed to the Group dedicated to social programs (%)	0.23	0.62	0.27	0.29
N° of people benefited by the financial education program	24,875	1,891	1,219	1,479
N° of people benefited by the program To Read is to be ahead	17,806	6,365	6,642	5,715
Indirect beneficiaries	71,224	25,900	27,084	31,704
<b>Human Capital</b>				
Employees <sup>(*)</sup>	6,183	5,974	6,180	6,008
Gender diversity of employees (women/total payroll, %)	52	53	52	52
People on the management team	100	92	87	87
Gender diversity in the management team (women/total payroll, %)	28	33	30	30
Average age of employees (years)	34	35	35	34
Job stability (% permanent employment)	84.2	84.00	81.83	81.10
Employee turnover	27	12	18.30	21.00
Net jobs created	705	696	880	891
Seniority of employment (years)	8.00	9.10	9	9.10
Hours of training per employee	51	52.81	50.9	44.00
Participants in volunteer initiatives who are BBVA employees	210	73	270	341
<b>Environmental</b>				
CO <sub>2</sub> emissions per person (T)	0.79	1.0	1.52	1.66
Paper consumption per person (Kg)	29.25	35.71	45.27	43.94
Water consumption per person (m <sup>3</sup> )	24.45	26.06	24.24	24.25
Electricity consumption per person (MWh)	4.50	4.68	4.71	5.00
People working in certified buildings (%)	41.96	41.08	42.26	39.66
<b>Corporate Governance</b>				
<b>Data (number)</b>				
Advisers	9	9	9	9
Independent directors	2	2	2	2
Steering committee	12	11	11	10
Council Meetings	12	14	12	12
Gender diversity on the Board (women/total directors, %) <sup>1</sup>	13	14	30	20

(\*) The figure corresponds to the BBVA payroll.

<sup>1</sup> For the calculation of gender diversity on the Board, the Board of Directors and the Management Committee are considered.

**Relevant data BBVA In million soles and percentage**

GRI 102-7	2021	2020	2019	2018	Var.	Var. %
<b>Statements of financial situation</b>						
Total asset	101,645	107,384	81,722	74,979	-5,740	-5.3%
Credit portfolio <sup>1</sup>	70,382	66,447	56,209	51,866	3,935	5.9%
Obligations with the public	64,130	70,813	54,660	48,946	-7,708	-10.9%
Net Worth	10,182	9,376	9,188	8,359	806	8.6%
<b>Income statements</b>						
Gross financial margin	3,574	3,204	3,373	3,119	370	11.5%
Net financial margin	2,818	1,481	2,623	2,386	1,337	90.3%
Income from net financial services	841	777	787	782	64	8.3%
Results from financial operations	740	687	727	613	53	7.7%
Operational Margin	4,399	2,945	4,137	3,780	1,454	49.4%
Administration expenses	1,784	1,677	1,650	1,520	107	6.4%
Income before income tax	2,226	879	2,222	2,026	1,346	153.1%
Net Profit	1,559	655	1,610	1,476	904	138.0%
<b>Portfolio quality</b>						
Default ratio <sup>2</sup>	3.70%	3.22%	3.02%	2.94%	48 pbs	—
Non-performing portfolio coverage ratio <sup>3</sup>	167.17%	192.88%	161.84%	153.58%	-2,571 pbs	—
<b>Liquidity</b>						
Available Funds / Total Deposits <sup>4</sup>	25.34%	34.48%	26.32%	25.11%	-914 pbs	—
Net loan portfolio / Total deposits <sup>4</sup>	109.75%	91.90%	99.98%	100.81%	1,785 pbs	—
<b>Productivity</b>						
Total assets / N° of personnel (millions of S/)	16.11	17.66	12.89	12.16	—	-8.8%
<b>Capital ratios</b>						
Ratio de capital global <sup>5</sup>	14.13%	13.68%	14.05%	14.95%	45 pbs	—
<b>Profitability and efficiency indices</b>						
ROE <sup>6</sup>	16.30%	7.04%	18.78%	18.98%	926 pbs	—
ROA <sup>7</sup>	1.46%	0.68%	2.00%	1.97%	78 pbs	—
Eco-efficiency Ratio <sup>8</sup>	39.33%	40.42%	37.71%	37.46%	-109 pbs	—
<b>Market share</b>						
Current placements	21.06%	21.53%	20.40%	19.98%	-47 pbs	—
Total deposits	19.08%	21.62%	21.04%	20.81%	-253 pbs	—
<b>Other data</b>						
Structural sheet	6,311	6,080	6,342	6,164	-262	-4.1%
<b>Total Commercial Network</b>						
Commercial Banking Offices	307	321	329	329	-14	-4.4%
Business Banking Offices	23	23	20	20	0	0%
Corporate Banking Offices	1	1	1	1	0	0%
Institutional Banking Office	1	1	1	1	0	0%
Premium Banking Branches	1	3	3	3	-2	-66.7%
ATMs	1,903	1,933	1,969	1,968	-23	-1.2%

1 Net of Provisions.

2 Overdue portfolio / gross loans.

3 Provisions / past due portfolio.

4 Obligations with the public and deposits of the financial system.

5 Effective equity / risk-weighted assets.

6 Annualized net income / average equity.

7 Annualized net income / average assets.

8 Operating expenses / total financial margin.

Includes branches abroad

Source: Superintendency of the Securities Market / Superintendency of Banking, Insurance and AFPs.

**Business volumes** In million soles

	2021	2020	2019	2018	Var.
Credit portfolio	70,382	66,447	56,209	51,866	5.9%
Obligations with the public	63,105	70,813	54,660	48,946	-10.9%

Source: Superintendence of the Securities Market.

**Economic value added (EVA): Breakdown by Stakeholders** In million soles

Value Indicator		dec-21	dec-20	dec-19
Shareholders	Dividend	295	563	812
	Quotation	1.81	2.17	3.43
Employees	Staff and directory expenses <sup>1</sup>	790	734	718
	Worker Participation <sup>2</sup>	130	114	134
Clients	Credit portfolio	70,382	66,447	56,209
	Obligations with the public	63,105	70,813	54,660
Supplier	Expenses for services and others <sup>3</sup>	864	830	798
Society	Income tax	666	224	612

<sup>1</sup> Does not include workers' participation.

According to the latest SBS regulations effective as of 01.01.2011, the participation of workers is included in administrative expenses (personnel expenses item).

<sup>2</sup> Dividends, shares and remuneration payable. Source: Notes to the Financial Statements - SMV. Calculated following the GRI SPI model. www.spfinance.com.

<sup>3</sup> Includes expenses for services received from third parties and taxes and contributions. Source: Notes to the Financial Statements - SMV. Calculated following the GRI SPI model. www.spfinance.com.

Source: Superintendency of the Securities Market - SMV.

**Economic value generated and distributed** In million soles

	dec-21	dec-20	dec-19
<b>Economic value generated (EVG)</b>			
1 Gross financial margin	3,574	3,204	3,373
2 Net commissions	841	777	787
3 Results from financial operations (RFO)	740	687	727
4 Other income and expenses	-16	-25	16
<b>Total (1 + 2 + 3 + 4)</b>	<b>5,139</b>	<b>4,644</b>	<b>4,904</b>
<b>Economic value distributed (EVD)</b>			
1 Worker Participation <sup>1</sup>	130	114	134
2 Income Tax	666	224	612
3 Staff and directory expenses <sup>2</sup>	790	734	718
4 Expenses for services and others <sup>3</sup>	864	830	798
<b>Total (1 + 2 + 3 + 4)</b>	<b>2,451</b>	<b>1,902</b>	<b>2,262</b>
<b>Economic value retained (EVR = EVG – EVD)</b>			
1 Net profit	1,559	655	1,610
2 Provisions and amortizations	1,129	2,087	1,032
<b>Total (1 + 2)</b>	<b>2,689</b>	<b>2,742</b>	<b>2,642</b>

<sup>1</sup> Dividends, shares and remuneration payable. Source: Notes to the Financial Statements - SMV.

<sup>2</sup> Does not include employee participation. According to the latest regulations of the SBS in force as of 01.01.2011, the participation of workers is included in administrative expenses (personnel expenses item).

<sup>3</sup> Includes expenses for services received from third parties and taxes and contributions. Source: Notes to the Financial Statements - SMV. Calculated following the GRI SPI model. www.spfinance.com.

Source: Superintendency of the Securities Market - SMV.

## 4.2. BBVA's environment

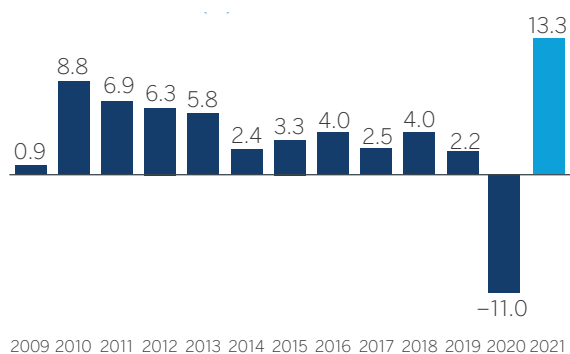
GRI 102-6

### Economic situation

In 2021, the Peruvian economy, measured by the Gross Domestic Product (GDP), grew 13.3%. The rate reflects a low comparative base due to the sharp drop in activity that in 2020 followed the introduction of isolation measures to contain the spread of covid-19, less restrictive in the year ended. Likewise, it reflects a favorable international environment, with low interest rates, ample liquidity, a strong rebound in world economic activity and high terms of trade. On the local side, the strong growth is consistent with the economic stimuli implemented, the measures that increased the liquidity of families and the progress of the vaccination process. All the above amply compensated for the uncertainty generated by the election process and the subsequent change of government administration, to the point that economic activity in 2021 was 0.8 percentage points above the level reached in 2019.

**In 2021, the Peruvian economy, measured by the Gross Domestic Product (GDP), grew 13.3%.**

Real GDP Interannual variation (%)



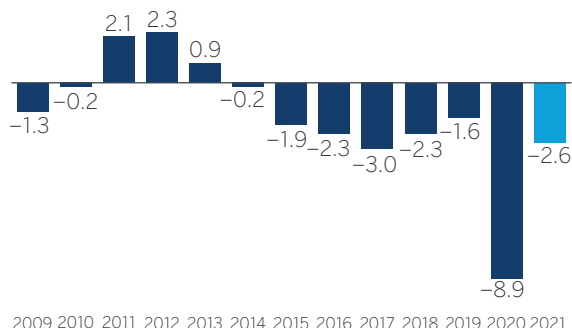
Source: Banco Central de Reserva del Perú.

The GDP registered a general advance of the economic sectors, although not all managed to recover the levels prior to the pandemic. Above all, non-primary activities stood out, that is, those directly linked to the behavior of domestic demand, such as construction, non-primary manufacturing, and commerce, which benefited from economic stimulus policies, measures that raised family liquidity and the favorable external environment. On the other hand, service sectors that require a greater degree of physical interaction, such as accommodation, restaurants and transport, continued to encounter difficulties in their complete normalization.

Regarding spending, the expansion of domestic demand in 2021 was sustained, mainly, by the growth of investment, both public and private. The performance of private consumption was also interesting, supported by the relaxation of isolation measures, the progress of the vaccination process, the recovery of employment, low interest rates and the increase in family liquidity, with the release of deposits, of Compensation for Time of Service (CTS) and the authorization of new withdrawals from pension funds, as well as the delivery, by the Government, of subsidies to households through direct transfers. On the external side, the rebound in exports reflected the recovery in mining production and the increased global demand for other products, although service exports remained weak, especially those related to receptive tourism. Finally, imports were favored by the normalization of domestic demand.

Regarding the public sector accounts, in 2021 the fiscal deficit did not exceed the equivalent of 2.6%<sup>1</sup> of GDP. In this moderation, the vigorous increase in fiscal income stands out, explained by the high international prices of raw materials, the normalization of economic activity and the collection of extraordinary income. As a result, gross public debt stood at 36.1% of GDP<sup>2</sup>.

### Economic result of the non-financial public sector Percentage of nominal GDP (%)

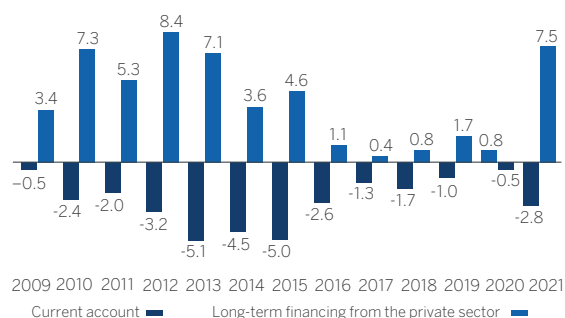


Source: Banco Central de Reserva del Perú.

In 2021, there was an increase in the trade surplus in external accounts, which went from US\$8,196 million in 2020 to US\$14,757 million, supported by the increase in the terms of trade and export volumes, and despite the higher demand of imports. However, the deficit in the balance of services (US\$6,874 million) and the net payment of profits, dividends and interest abroad (US\$18,178 million) also increased. With this, the current account of the balance of payments closed the year with a deficit of 2.8% of GDP. This deficit was financed with the influx of long-term capital oriented to the private sector, which reached 7.5%<sup>3</sup> of GDP, and with the inflow of capital to acquire Treasury bonds, so that, despite the strong outflow of capital in the short term, the net international reserves of the Central Bank (RIN) grew by US\$3,789 million.

**In 2021, there was an increase in the trade surplus in the accounts external, which went from US\$8,196 million in 2020 to US\$14,757 million, supported by the increase in the terms of trade and the volumes exported, and despite the greater demand for imports.**

### Current account of the balance of payments and long-term external financing Percentage of nominal GDP (%)

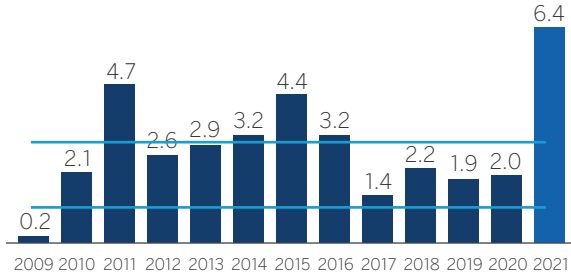


Source: Banco Central de Reserva del Perú.

<sup>1</sup>BCRP, Weekly note, table 122.  
<sup>2</sup>BCRP, Weekly note, table 122.  
<sup>3</sup>BCRP, Weekly note, table 107.

In a context of rising international prices for food supplies and oil, as well as depreciation of the local currency, 2021 closed with an inflation of 6.4%, above the target range of the Central Reserve Bank of Peru (2%, +/- one percentage point).

**Consumer Price Index of Metropolitan Lima**  
Year over year percentage change

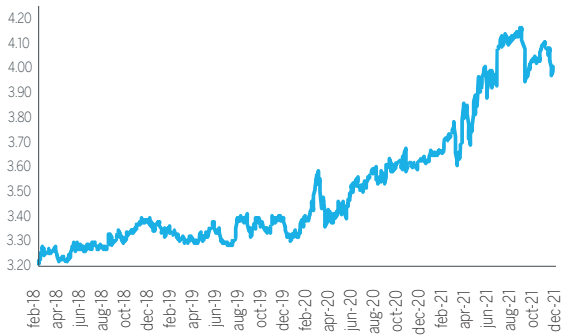


Source: Banco Central de Reserva del Perú.

Contrary to the strength of the country's macroeconomic indicators and the high trade surplus, the Peruvian sol devalued and presented episodes of volatility fueled by external and internal factors. Among the former, they highlighted concerns about the waves of Covid-19 infections worldwide and the start of the process of normalizing the FED's monetary policy; while, among the latter, the uncertainty caused by the electoral process and the constant tensions in the political context stood out. The BCRP frequently intervened in the market to moderate the volatility of the exchange rate. Thus, in the year it offered USD 17.5 billion, both in the spot market (US\$11.6 billion) and through foreign exchange derivatives (US\$5.9 billion).

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**Exchange rate**  
Interbank sale, end of period, soles per dollar



Source: Banco Central de Reserva del Perú.

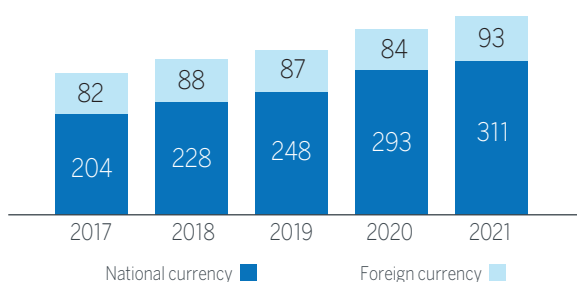


## Peruvian financial system

Financial system loans to the private sector grew 7.0%<sup>4</sup> in 2021, after reaching 12.3% in the previous period. This lower growth occurred in an environment in which loans to companies moderated, extraordinarily supported in 2020 by the Reactiva Peru program, and in which, in addition, the amortization of these loans began. It is worth mentioning that the dollarization of loans stood at 23.0%<sup>5</sup> (22.3% at the end of 2019).

**Financial system loans to the private sector grew 7.0%<sup>4</sup> in 2021, after reaching 12.3% in the period previous.**

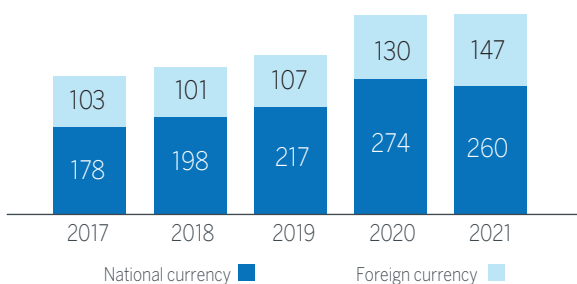
**Financial system credits** Balance valued in billions of soles, end of period



Source: Superintendencia de Banca, Seguros y AFP.

For their part, deposits in the financial system grew 0.9% in 2021 compared to 24.8% in 2020<sup>6</sup>. This lower growth is explained, firstly, because in 2020 deposits increased extraordinarily due to disbursements from the Reactiva Peru program and, secondly, second, due to the capital outflow experienced by the national economy in the second half of 2021 (it should be noted that, at a constant exchange rate, deposits shrank by 2.5%). The dollarization of deposits grew in the year, going from 32.1% in 2020 to 36.2% at the end of 2021<sup>7</sup>.

**Financial system deposits** Balance valued in billions of soles, end of period



Source: Superintendencia de Banca, Seguros y AFP.

The quality of the banking system's portfolio, for its part, varied minimally in 2021, with a delinquency rate that went from 3.80% in 2020 to 3.77%<sup>8</sup> in 2021.

Finally, the average bank profitability, calculated by dividing the annualized net income by the average equity (ROE), reached 13.29%<sup>9</sup> higher level registered than 2020 (3.96%).

<sup>4</sup> Superintendencia de Banca, Seguros y AFP.

<sup>5</sup> Superintendencia de Banca, Seguros y AFP.

<sup>6</sup> Superintendencia de Banca, Seguros y AFP.

<sup>7</sup> Superintendencia de Banca, Seguros y AFP.

<sup>8</sup> Superintendencia de Banca, Seguros y AFP.

<sup>9</sup> Superintendencia de Banca, Seguros y AFP.

## Financial indicators of banking companies

Institution	Defaulting		Profitability	
	2020	2021	2020	2021
<b>BBVA Perú</b>	<b>3.22%</b>	<b>3.70%</b>	<b>7.04%</b>	<b>16.29%</b>
Banco de Comercio	2.56%	3.75%	6.60%	4.66%
Banco de Crédito	3.20%	3.73%	4.47%	15.94%
Banco Pichincha	5.55%	5.40%	-1.94%	-10.42%
BIF	3.18%	2.94%	5.03%	11.96%
Scotiabank	5.37%	3.85%	2.61%	10.12%
Citibank	0.00%	0.00%	14.84%	12.14%
Interbank	3.40%	3.62%	4.35%	19.22%
Mibanco	7.08%	6.79%	-1.71%	8.27%
GNB	3.89%	4.21%	0.64%	4.16%
Banco Falabella	4.69%	1.74%	-11.68%	-5.66%
Banco Santander	0.89%	1.05%	14.32%	17.40%
Banco Ripley	11.65%	1.88%	-25.78%	-5.97%
Banco Azteca	15.46%	5.02%	-46.11%	-295.59%
Banco ICBC	0.00%	0.00%	8.53%	7.05%
Banco de China	—	0.00%	-1.75%	-7.12%
<b>Average Banking system</b>	<b>3.80%</b>	<b>3.77%</b>	<b>3.96%</b>	<b>13.29%</b>

Source: Superintendencia de Banca, Seguros y AFP.

### 4.3. BBVA's purpose

“Making the opportunities of this new era available to everyone” defines BBVA's purpose at a global level. In other words, the Bank bases its existence on its ability to generate opportunities that allow people to make their projects a reality in any personal or social sphere. BBVA Peru activates this conviction by providing its customers with access to opportunities aimed at achieving a full life.

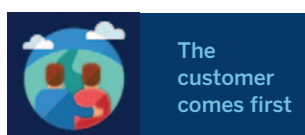
BBVA's first value states that “The customer comes first”, which places the customer at the center of all the Bank's efforts, which in order to make this statement a reality bases its actions on two additional values: “We think big” and “We are one team”.

BBVA guides its actions based on these values and tries to satisfy all of its customers. Unfailingly, it works to make available to the user physical and digital service channels that provide excellence in service quality.

On the other hand, the Bank understands that its actions have a social impact that exceeds the sphere of business, for which it extends its citizen commitment under strict criteria of sustainability and inclusive development.

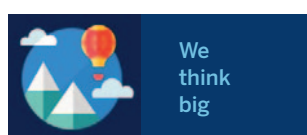
**BBVA bases its existence on its ability to generate opportunities that allow people to make their projects a reality in any personal or social sphere.**

#### Our Purpose Make the opportunities of this new era available to everyone



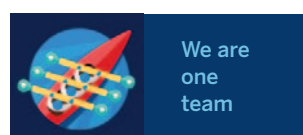
Improve financial health of our clients

Help our clients in the transition towards a sustainable future



Grow in customers

Operational excellence



The best team and the most committed

Data and technology

## 4.4. Organization chart and governance structure

The commitment to innovation and new agile ways of working that provide fast and innovative solutions to the client has earned the Bank to be today a reference in digital transformation. The migration of the central areas to the agile organizational model, with multidisciplinary and empowered teams, makes it an outstanding participant in the synchronized effort that the BBVA Group carries out worldwide.

Thus, the Bank's organizational structure is made up with the following areas, each with agile and integrating functions:

**Internal Audit:** Independently and objectively evaluates the risks linked to business processes, the controls to mitigate them and all related regulatory aspects.

**Internal Control and Compliance:** Proposes and implements the policies related to non-financial risks and the proper management of the Bank's Internal Control Model, and integrates the Non-Financial Risks, Compliance, Internal Risk Control units and the new Supervisory Relations Unit, in charge of defining the relationship strategy with banking regulators.

**Corporate & Investment Banking:** Provided with a broad catalog of high value-added products and services, it centralizes investment banking, global markets, global loans and transactional services for corporate clients and institutional investors.

**Client Solutions:** Designs, develops, innovates and maintains the products, services and distribution channels that take the business to the point and time the customer needs it, with differential solutions to revolutionize their experience.

**Commercial Bank:** In charge of designing the strategies that ensure, in Retail Banking, Private Banking and Business Centers, the maximum performance in the evolution of the business and the balance of results.

**Business and Corporate Banking:** Determines the strategy that ensures the best resolution in the progress of the business, as well as the balance of results in Business and Corporate Banking.

**Engineering:** Provides solutions and technological support, data processing and security measures to the different areas of the Headquarters and Branch Network to achieve their objectives.

**Talent & Culture:** Leads the transformation of the Bank's organizational change by ensuring the deployment of governance and relationship models. Likewise, it manages the most appropriate spaces and actively participates in accompanying the new dynamics in the work teams.

**Finance:** The aim is to achieve the best efficiency and effectiveness of the Bank's economic-financial resources, for which it uses management information systems, different analysis tools and investor relations.

**Risks:** Through a unique, independent and global corporate risk management model, it seeks to guarantee the solvency and sustainable development of the Bank's operations. To do this, it evaluates the risks and minimizes their impact on the expected results of the business.

**Juridical services:** Designs strategies focused on the defense of the BBVA Peru Group to ensure compliance with legal regulations on money laundering, customer protection, personal data and the securities market. Likewise, it advises on legal aspects to the support units.

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**BBVA Peru joined the next stage of the agile transformation, in which its central areas have migrated to the new organizational model agile with multidisciplinary and empowered teams.**

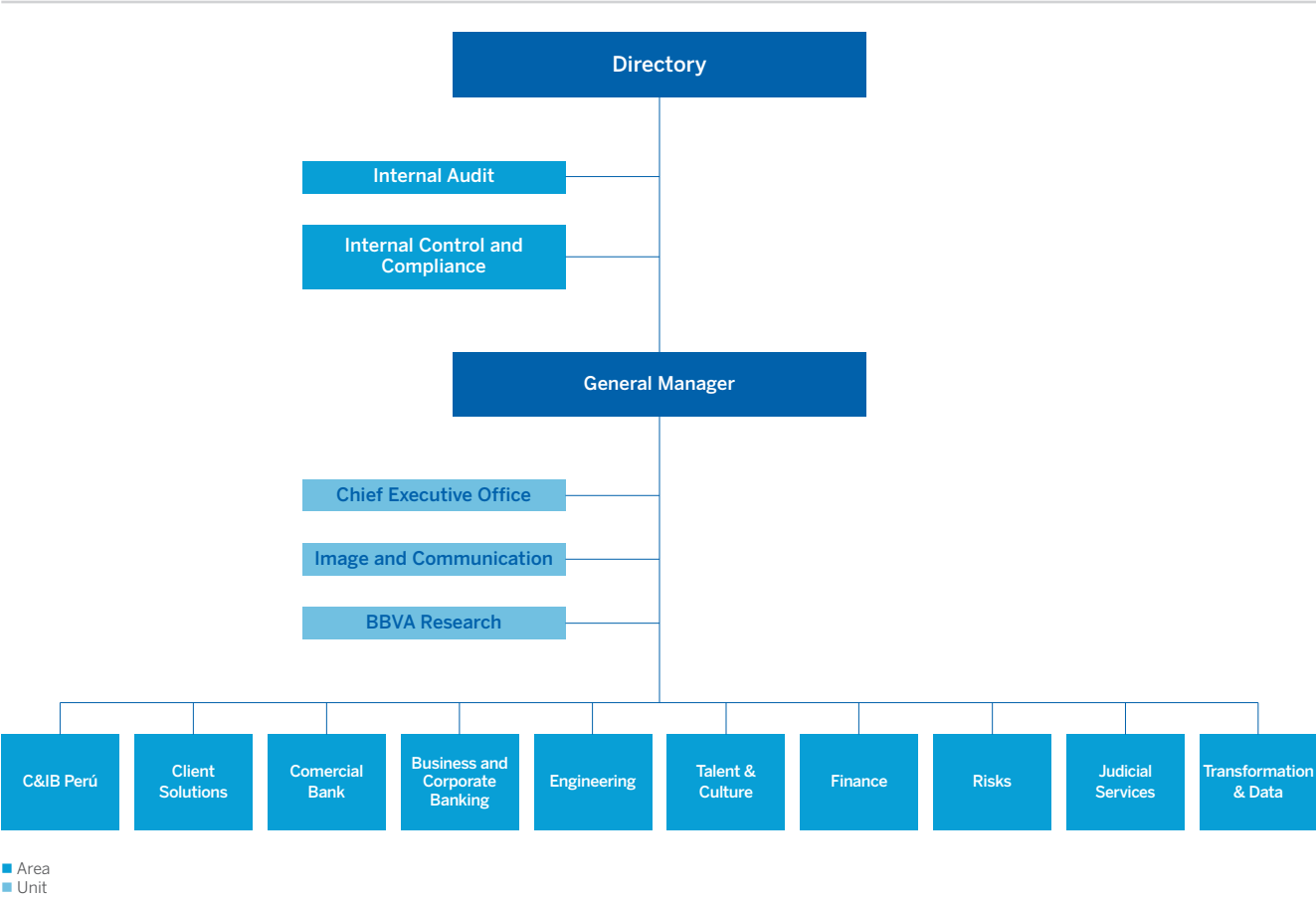
**Transformation & Data:** Design processes that, with a client vision, increase productivity, focused on the key activities of the banking business. In charge of implementing the corporate data development roadmap.

On the other hand, the Bank has the following support units:

**Chief Executive Office:** Created in 2021, it performs the cabinet management of the general management. Supports the alignment of global and local strategies for projects and initiatives that have an impact for the Bank.

**Corporate Image and Communication:** It specializes in the management and promotion of the image of the BBVA Peru Group in the different media and public spaces.

**BBVA Research:** Prepares projections, presentations and reports on the evolution of economic variables to facilitate decision-making at management levels and the different business areas



## 4.5. Engagement with initiatives

### International

GRI 102-12, 201-2, ODS 17

The Responsible Business Committee has seen fit and pertinent to adhere to compliance with the main international standards on corporate social responsibility (CSR), which materializes in BBVA's adherence to the following commitments:

- Responsible Banking Principles, promoted by the United Nations Environment Program Finance Initiative (UNEP FI). (Since 2019.)
- Sustainable development goals ([www.undp.org/content/undp/es/home/sustainabledevelopmentgoals.html](http://www.undp.org/content/undp/es/home/sustainabledevelopmentgoals.html)). (Since 2018.)
- United Nations Global Compact ([www.globalcompact.org](http://www.globalcompact.org)). (Since 2014.)
- United Nations Environment Program Finance Initiative, UNEP-FI ([www.unepfi.org](http://www.unepfi.org)). (Since 1999.)
- Equator Principles ([www.equator-principles.com](http://www.equator-principles.com)).
- United Nations Declaration of Human Rights ([www.un.org](http://www.un.org)).
- Labor regulations of the International Labor Organization ([www.ilo.org](http://www.ilo.org)).
- Carbon Disclosure Project. (Since 2004.)
- Principles for Responsible Investment. ([www.unpri.org](http://www.unpri.org)). (Since 2004.)
- Task Force on Climate-related Financial Disclosures (TCFD). (<https://www.fsb-tcfd.org/>). (Since 2017.)
- Principles for Responsible Investment. (Since 2008.)
- Paris Agreements. (Since 2008.)

### Nationals

GRI 102-13

BBVA is subscribed to several national institutions and associations with which it develops a series of actions. Only in one of them, the Spanish Chamber of Commerce in Peru, one of its directors is a member of its board of directors.

# 5. Non-financial information

## 5.1. Strategy and business model

### 5.1.1. BBVA's transformation

GRI 102-2, 102-14, 102-15, 103-1

During 2021 BBVA Peru built, on the basis already defined in 2020, its Strategic Plan to position itself as the preferred bank of Peruvians and form a genuine retail franchise. In these two years, BBVA Peru created the Transformation and Data Department (which brings together the Transformation, Organization, Data, Processes and Agile offices), transformed its management team (with the incorporation of new talent in strategic positions at the Management and their direct reports), invested in talent and new capabilities (data, processes, key roles in technology, digital sales, etc.) necessary to successfully execute the plan and, in addition, steadily increased its investment in Capex, both for the transformation of its branch network to accelerate its digital transformation.

Likewise, BBVA Peru made progress in its CREO Cultural Transformation, which puts the customer at the center of its decisions and encourages thinking big and acting as a single team.

BBVA's strategy is made up of six priorities:

#### 1. Improve the financial health of BBVA customers

BBVA aspires to enhance its degree of relationship with the customer, turning its channels into comprehensive providers of financial solutions, going beyond the mere management and acquisition of financial products. Thus, the objective of the health program financial is to provide the client with the tools that allow greater visibility and management of their personal finances.

As part of this program, BBVA launched new mobile banking solutions at the beginning of the year and internet banking that allow customers to view their income and expenses in a categorized manner, as well as create savings goals and budgets by expense category. The year closed with hundreds of thousands of clients who used these tools to better manage their personal wealth.

#### 2. Helping clients transition to a sustainable future

In April, BBVA Global announced its firm commitment to achieve 100% of its loans being neutral in terms of greenhouse gas emissions by 2050, in support of its clients on the path to a sustainable future. Along these lines, it doubled its objective of channeling sustainable financing to 200,000 million euros by 2025.

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**BBVA Peru made progress in its CREO Cultural Transformation, which puts the customer at the center of their decisions and encourages thinking big and act as one team.**

In 2021, BBVA Peru managed to consolidate itself as a leader in sustainability with the launch of new products and programs, as well as the strong growth of sustainable loans:

- In Retail Banking, it launched –in collaboration with the IFC (International Finance Corporation)– the first residential green product of the Peruvian banking system.
- In Corporate Banking, promoted agribusiness projects, as well as loans, factoring and leasing to fishing and cosmetics companies.
- In Corporate and Investment Banking (CIB), it granted the first corporate loan in ESG Linked format (Environmental, Social and Governance) in Latin America in the public services sector.

Thanks to its high sustainability standards, BBVA Peru became the first bank to enter the Dow Jones Sustainability MILA Pacific Alliance Index.

### **3. Grow in customers**

BBVA seeks to accelerate its growth to serve more customers in the different segments, either through physical or digital service channels. In 2021, BBVA Peru grew in 805 thousand new clients, of which nearly 360 thousand were acquired through digital channels (~45% of the total). The increase provides a great opportunity to link the customer with a better experience and value proposition of the Bank's financial products.

In a context of contraction of the credit card business, BBVA Peru grew steadily and as of November 2021 it became the N° 1 issuing bank of VISA credit cards. Likewise, it entered the acquisition business in partnership with OpenPay (by BBVA), implemented new online traffic strategies to reach more customers, consolidated its credit card portfolio, created the first app for natural persons with business (PYME PNN) and grew 24% in consumer loans with a strong boost in the agreement business, a business in which, in November, it became the second bank (vs peers) with the highest growth in balances.

### **4. Operational excellence**

BBVA Peru develops a relationship model focused on the digitization of its products and channels with the aim of focusing face-to-face attention on advice and higher value operations. Likewise, it aspires to have an efficient operating model with increasingly simple and agile processes.

In 2021, BBVA Peru focused on generating operational efficiencies and increasing commercial momentum through process optimization and role restructuring, doubling the sales capacity of its executives. Likewise, it transformed the main headquarters processes with an end-to-end vision to provide a better experience for internal and external customers.

### **5. The best and most committed team**

BBVA tries to keep its purpose and values at the center of its strategy at all times, for which the team is a key pillar. Therefore, the Bank seeks to attract and retain the best talent, improve the experience of its employees and reposition its employer brand. Likewise, it focuses on the growth of its teams and the development of skills in line with its strategic priorities.

During 2021, the Bank rose three positions in the Gallup Ranking of all BBVA countries, ranking second. The transformation of the Headquarters, the implementation of high performance policies such as Reinvent Yourself and Profit Advancement, the renovation of the employee service office and the culture of recognition that the Bank displayed were some of the main factors for this achievement.

### **6. Data and technology**

Data and Technology are two key enablers for the Strategic Plan and the comprehensive transformation of BBVA Peru.

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**During 2021, the Bank climbed three positions in the Gallup Ranking of all BBVA countries, ranking second.**

In Data, the Advanced Analytics COE and the data governance model were strengthened. Likewise, it created the Core Data Portfolio with the aim of identifying and prioritizing the projects with the greatest impact and value for the Bank.

In Technology, BBVA Peru increased the productivity of its projects, which accelerated the technological transformation. Likewise, it continued to migrate its transaction to more cost-efficient systems and managed to contain and reverse the growth trend of fraud.

## 5.1.2. BBVA's values

### GRI 102-16

The BBVA Group continues to promote and fulfill the values and traits of leadership that define it, its pillars that allow it to make its purpose a reality: "Make the opportunities of this new era available to everyone".

In Peru, this positioning has been accompanied since 2020 by the CREO cultural movement:

#### I BELIEVE in the client (The client comes first)

- **We are empathic** by putting ourselves in the other's shoes and helping them make the best financial decisions to make the opportunities that arise in their lives come true.
- **We are honest** in making each step transparent so that the client has control of their finances.
- **We solve your needs** by providing you with easy-to-use tools and convenient, personalized products.

#### I BELIEVE BIG (We think big)

- **We are ambitious** for wanting to impact millions of people by creating Unique experiences.
- **We break the mold** by questioning the established, seeking new formulas and transforming banking by doing incredible work.
- **We surprise the client** with those little things that we do in a big way every day.

#### I CREATE Synergies (We are one team)

- **I am committed** to undertake each project with enthusiasm and achieve the objectives it sets. Each employee is a fundamental piece of this revolution.
- **I trust the other** with a spirit of collaboration and because working as a team allows progress and breaks down hierarchical barriers. Being part of this community makes us bigger.
- **I am BBVA** because BBVA is much more than a bank: it is a style, a different and unique culture.

#### I CREATE ideas (Entrepreneurship)

At BBVA, ideas are generated and listened to in order to make the necessary changes. That means:

- Show curiosity.
- Dare to explore.
- Propose improvements.
- Be brave with ideas.
- Be nonconformist with the results.

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**The BBVA Group continues to promote and fulfill the values and leadership traits that define it; its pillars allow it to make its purpose a reality: "Putting the opportunities of this new era within everyone's reach".**



## I CREATE decisions (Empowerment)

At BBVA, decision-making is assumed to be agile and effective. That means:

- Know how to listen.
- Inspire others.
- Encourage others to give the best of themselves.
- Assume the team's decisions as their own.

## I CREATE actions (Accountability)

At BBVA, employees are responsible for things to happen from start to finish. That means:

- Own your work.
- Be responsible for your decisions.
- Get results.
- Promote their development and growth.

## BBVA Diversity

2021 was the starting point for BBVA Diversity. Based on more than 3,000 online surveys, six focus groups (with 15 employees each) and 10 interviews with leaders N1, N2 and N3, a diagnosis was made that would allow focusing the actions for the four-year period 2021-2024. With the findings obtained, the purpose of BBVA Peru in diversity and the four pillars that will help achieve it were defined.

### Purpose:

BBVA seeks to build an environment where all people feel included, that generates equal opportunities typical of the new era and guarantees an experience that enhances the essence of the employee and achieves their best version.

### Pillars:

- **Gender equity:** "Ensure that all people have the same opportunities, regardless of their gender".
- **International and cultural diversity:** "Ensure the sense of belonging, regardless of the place of origin".
- **People with different abilities and disabilities:** "To be a benchmark in the market as a work center that integrates and develops personnel with disabilities and different abilities".

Likewise, in 2021 actions and activities focused on diversity were carried out:

- **Diversity Committee:** Created with the participation of a diverse group of employee that includes seven GGAs and six managers, it seeks to "be the face, driving force and promoter of D&I" in the Bank.
- **EPS for same-sex couples:** An inclusive EPS policy was developed for couples from the LGTB+ community, which currently has six affiliates in the Bank.
- **New infrastructure at Headquarters and AURORA offices:** The lactation center was renovated, while inclusive infrastructure for people with different abilities was implemented in the offices.
- **Alliance with Laboratoria:** Talent Fest: BBVA Mentors participated in the event "Talent Fest" that led to an alliance for the hiring of three talented women.
- **BRAVO Café–Female talent ENG:** A space for recognition and meeting with 19 women Top Talents leaders in the Engineering team.
- **Interviews with Top Talent women:** Conceived as a plan for growth and ad hoc engagement for each one, they called 45 Top Talent Engineering women.
- **Women in Tech:** An event that attracted female talent to learn more about the world of banking and tech, connecting 160 people live, with an NPS of 89.
- **Awareness workshops:** Workshops on Unconscious Bias and Inclusive Selection were held for the Talent Acquisition and Hiring Managers areas of Engineering (110+ participants and an NPS 90).

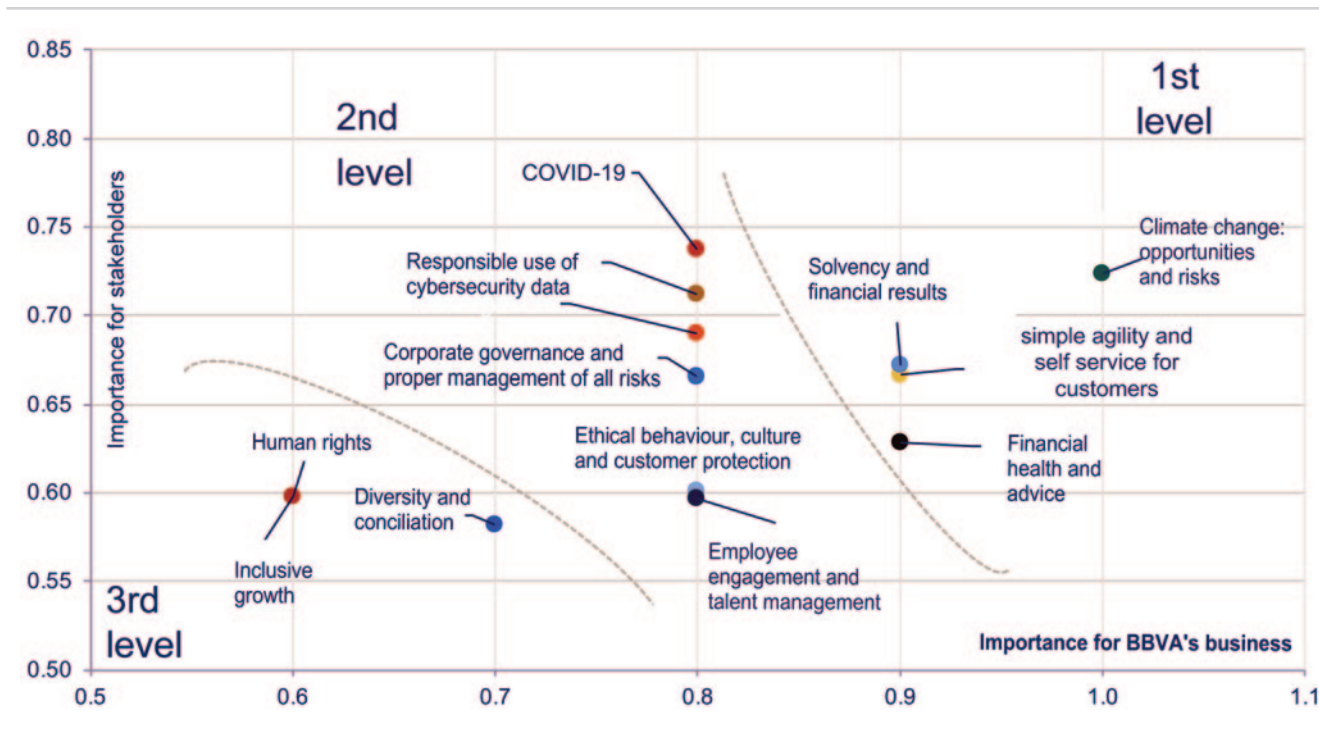
**BBVA seeks to build an environment where all people feel included, which generates equitable opportunities typical of the new era and guarantees an experience that enhances the essence of the employee and achieves their best version.**

### 5.1.3. Materiality analysis

GRI 102-15, 102-21, 102-42, 102-43, 102-44, 102-46, 102-47, 103-1

In order to generate value for its stakeholders, BBVA regularly carries out a “Materiality Analysis” that helps prioritize issues that are relevant to both. Carried out in 2020, its main conclusions have not changed compared to 2021.

The results of the analysis are reflected in the following matrix:



The four most important material issues at the present time and in a longer-term time horizon, both for stakeholders and for BBVA's business strategy, are:

- **Climate change.** It is one of the main concerns of stakeholders, who expect BBVA to contribute to an orderly transition towards a low-carbon economy, which requires adequate risk management and opportunities.
- **Solvency and financial results.** The stakeholders expect BBVA to be a bank with ample capital and liquidity, since this contributes to the stability of the system, and that it generates good results over time; that is, they demand a sustainable business model in the current ecosystem.
- **Simplicity, agility and selfservice for customers.** Stakeholders expect BBVA to continue putting technology and digitization at the service of the customer and of the business to be able to operate in a simple and agile way, at any time and in any place (mobile banking, fully digital contracting processes, etc.).
- **Financial health and personalized advice to clients.** Stakeholders expect the Bank to get to know its customers and offer them personalized solutions and recommendations to better manage their finances and achieve their life goals. All this in a proactive and increasingly automated way.

The information regarding the performance in these relevant matters by the Group in the 2021 financial year is developed in the different chapters of this Report.

For further information on the methodology and objectives, as well as the degree of progress of the material issues for BBVA and its stakeholders, see the section “Additional Information on Materiality” within the chapter “Additional Information” of this report.

## 5.1.4. Responsible Banking Model

GRI 102-16, 102-19, 102-20, 102-32, 102-33, 102-34, 103-1, 103-2

Within the framework of the responsible banking model, the General Corporate Social Responsibility Policy was approved in 2021. It establishes the commitment to develop banking in a responsible manner that creates long-term value shared with all stakeholders (customers, employees, shareholders, suppliers or society) and is reflected in the different corporate policies and regulations of the Bank.

The objective is to create a reference framework that considers the impact of its activity in these areas on the Bank's policies, regulations and decision-making processes, in a way that it contributes to the achievement of BBVA's strategic objectives through responsible practices.

The global policy was approved by the Board of Directors of BBVA Spain in December 2020, and its application in BBVA Peru and its subsidiaries took place throughout 2021. The responsibility for its execution, control and monitoring fell to the management of Image and Communication and the BBVA Foundation.

The general principles of the General Corporate Social Responsibility Policy are:

- Orientation towards generating a positive impact on society.
- Respect for the dignity of people and the rights that are inherent to them.
- Investment in the community.
- Involvement as an agent of social change.

The policy provisions refer to the relationship with stakeholders and other groups (customers, employees, shareholders and investors, suppliers, regulators and investment in the community). This policy is complemented by the guidelines for commitment to the community, whose three action focuses are:

- Focus 1:** Reduction of inequality and promotion of inclusive growth.
- Focus 2:** Connected education for all.
- Focus 3:** Frontier knowledge and accessible culture.

BBVA launched its sustainability policy during 2020 and its adherence in Peru was developed throughout 2021, both in the Bank and in the subsidiaries in which it presented its objectives (hereinafter, the "Group Sustainability Objectives").

### Group sustainability target

1. Promote the development of sustainable solutions, which includes identifying opportunities, developing sustainable products and offering advice to private clients and companies.
2. Integrate sustainability risk into its processes, that is, include the risks associated with climate change –physical or transitional– in the Group's management processes.
3. Establish a single agenda with stakeholders, for which transparency regarding the Group's commitments and performance must be promoted, ensure its direct impact and promote active involvement with all stakeholders to promote sustainability in the financial sector.
4. Develop new skills in the field of sustainability by taking advantage of the Group's capabilities in the field of data and technology to promote the development of the sustainability strategy within the organization, as well as the promotion of training activities on these issues among all employees.

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**BBVA launched its sustainability policy during 2020 and its adherence in Peru was developed throughout 2021, both in the Bank and in the subsidiaries in which it presented its objectives.**

## 5.1.5. Stakeholders

GRI 102-33, 102-37, 102-38, 102-39, 102-40, 102-42, 102-43, 207-3

In order to comply with the general principles of action regarding sustainability and the objectives of the sustainability policy, BBVA implements the following specific commitments:

### a) Customers

- Placing the customer as the center of the Bank's activity, in order to establish lasting relationships, based on mutual trust and value contribution.
- Promote transparent, clear and responsible communication, as well as financial education that facilitates informed decision-making.
- Encourage the development of products and services with a high social impact, adapted to the context in which the client lives.
- Promote financial inclusion and the universalization of responsible access to financial services.

### b) Employees

- Respect diversity, promote equal opportunities and not discriminate for reasons of gender, age, disability or any other circumstance.
- Promote practices for reconciling work and family life.
- Implement practices to guarantee the safety of the payroll and ensure the health of all employees.
- Promote a culture of social commitment and shared values among employees, facilitating the conditions for volunteering activities to be carried out.

### c) Shareholders and investors

- Provide transparency, veracity, immediacy and homogeneity in the dissemination of information.
- Provide the information that may be necessary to allow the proper exercise of shareholders' rights.
- Publishing the information in a continuous, regular, timely and available manner.
- Treat all shareholders and investors who are in the same position equally.
- Use a variety of instruments and communication channels that allow shareholders to access the Bank in an extremely easy and convenient way.

### d) Society and environment

- In societies where the Bank is present, support their development both through financial activity and social programs focused on education, knowledge, financial training and entrepreneurship.
- Promote own or collective initiatives to achieve the United Nations Sustainable Development Goals.
- Participate in initiatives and collaborate with regulators and other organizations for the promotion and dissemination of responsible practices.
- Define and apply an environmental policy that includes, among other objectives, the management of risks in this area, the progressive integration of environmental variables in the development of products and the promotion of eco-efficiency together with the management of direct impacts.
- Promote actions against climate change, such as promoting low-carbon financial solutions and transparency in emissions.

### e) Suppliers

- Define and apply a responsible purchasing policy (PCR) that includes, among other points, providing complete and transparent information in the supply processes, respect for human and labor rights in the supply chain and stimulating demand only of responsible products and services.

#### **f) Tax responsibility**

- Carry out the Bank’s activity in such a way that it adequately complies with tax obligations and avoids any practice that involves the illicit avoidance of paying taxes or harming the public treasury. To this end, the Group has a tax strategy in accordance with the principles of integrity, transparency and prudence.

#### **g) Prevention of illegal conduct**

- Promote compliance with legal obligations and avoid conduct that is contrary to internal regulations and policies or that could harm BBVA's assets, image or reputation.

#### **h) Respect for human rights**

- Apply the Commitment to Human Rights, which includes respect for these in accordance with the International Bill of Human Rights, the United Nations Global Compact and the principles of action and recommendations for the development of business activity published by the United Nations, the Organization for Economic Cooperation and Development and the International Labor Organization.

#### **i) Other international commitments signed**

- BBVA is committed to the main international CSR standards.

It is worth noting that this policy is practiced, in its operating models, by the different business and support areas of the Group. Its implementation is coordinated by the Responsible Business department, which defines the standards and provides the corresponding support, working fundamentally as a second line.

The Board of Directors and its various committees, as well as the Bank’s senior management, are responsible for supervising the responsible banking model.

#### **Listening and dialogue tools**

GRI 102-21, 102-33, 102-42, 102-43

In 2021, BBVA developed its report under the GRI Standards methodology. To comply with each of these indicators, the Bank carried out a series of actions with its stakeholders that allowed it to determine and update the most relevant material aspects for the development of its actions.

For their part, the Bank’s internal teams reported their performance and their main actions, which were reviewed and aligned with the objectives on social responsibility and with the strategy that should accompany their impact on the business.

The listening and dialogue tools that the different units of the Bank use to generate communication with their stakeholders guaranteed adequate and timely attention to their queries and needs, which in turn, being reliable and close sources of information, improved responsiveness.

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**The Bank made a series of actions with its stakeholders that allowed it to determine and update the most relevant material aspects for the development of its actions.**

## Listening and dialogue tools

GRI 102-21

### 1. Society and clients

Customer satisfaction and recommendation survey and other quantitative and qualitative research on quality/satisfaction managed by the Customer Experience areas  
Customer service and complaints and claims analysis committees  
Customer advocate  
Customer and society reputation survey (Reptrak)  
Continuous tracking or advertising and brand tracking Millward Brown  
Focus groups and workdays with clients to find out their opinion on specific issues (in addition to the service quality)  
Presence analysis in social networks: Quantico  
Presence analysis in the media: Access 360  
Participation in corporate responsibility and reputation acts and forums BBVA Research study services  
The Image and Communication Unit uses most of these tools/sources and fulfills the function of “radar”

### 2. Employees

Employee Attention Service (SAE)  
Annual internal reputation survey among employees (Reptrak)  
Oracle or similar tools for regular listening to branch network employees  
Focus groups and workshops with employees to find out their opinion on specific issues  
Regular personal interviews between each manager and their team members, as well as goal-setting, competency and feedback interviews  
Employee Portal: Tu&BBVA and websites for dialogue on specific topics  
Complaint channel (free anonymous line)  
Mass meetings and conferences (management meetings, area conferences and others)  
Talent & Culture Area and in particular the managers who periodically interview people virtually during 2021  
Google+ Communities  
Mobility  
Results presentation meeting

### 3. Shareholders and investors

General meeting of shareholders  
Shareholders and investors website  
Annual report, quarterly reports and relevant facts  
Constant contact with shareholders and investors (electronic mailbox, helplines, events at bank branches, others)  
Roadshows and meetings with investors and shareholders  
Attendance at conferences for investors and shareholders  
Relationship with analysts and rating agencies  
Alert services and delivery of relevant information

### 4. Regulators

Bank participation in various formal and informal groupings to improve understanding of regulators' concerns  
Departments that manage the relationship with regulators: Legal Services, Internal Control, Risks, Presidency  
Reports on regulatory trends.  
The new Unit for Relations with Supervisors also manages the relationship with the regulators, collaborating in the interactions between the supervisor and the rest of the areas, ensuring correct attention.

### 5. Supplier

Homologation questionnaires  
Satisfaction surveys  
Regular meetings with suppliers  
Online negotiation and procurement tool (Adquira)  
Supplier mailbox

GRI 102-40, 102-42

Communicating with its stakeholders, to whom it informs its actions in multiple ways –in internal and external channels, social networks and the main communication media– is a constant concern at BBVA.

## 5.2. Customer relationship

### 5.2.1. Customer experience

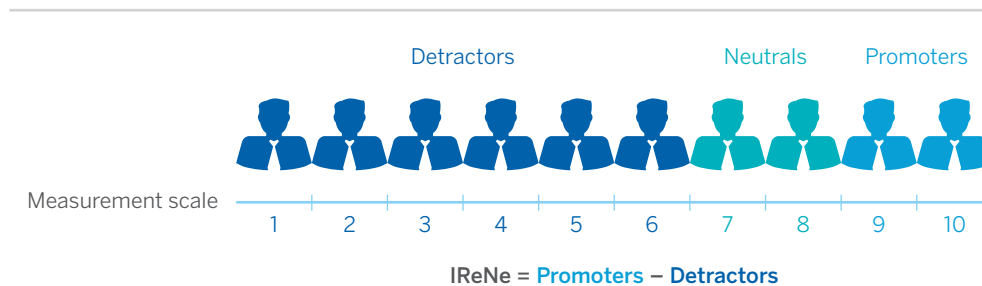
GRI 416-1, 416-2

Being the client the fundamental pillar for BBVA, one of the objectives is to ensure the best experience. The result of this interaction is reflected in the level of recommendation that they can provide to their family and friends, based on premises such as being reliable and innovative, or offering the client access to opportunities that were previously not within their reach; idea that materializes in being the client's preferred financial ally in achieving of your plans.

Listening to the voice of the customer (external/internal) in their interaction with the Bank's multiple products and channels, detecting their pain points and aspirations, and helping to design solutions that generate value, have the corollary of providing them with the best experience. The customer must be placed at the center of the value proposition, and the challenge is in doing so in such a way that the benefits of the BBVA strategy are clearly and opportunely perceived.

#### IReNe and feedback

The Net Promoter Score (NPS or Net Recommendation Index, IReNe) methodology, known and recognized internationally, makes it possible to assess the degree of recommendation and, therefore, the degree of customer satisfaction with the different products, channels and services of the Bank. This index is based on a survey that measures, on a scale of 0 to 10, whether a bank's customer is a promoter (a score of 9 or 10), neutral (7 or 8) or detractor (0 to 6), when asked if they would recommend their bank, the use of a certain channel or a specific customer journey to a family member or friend. This information is of vital importance to: a) validate the alignment between the needs and expectations of the client with the implemented initiatives, b) establish plans that eliminate the gaps detected and c) provide the best experiences.



Four were the key points of this strategy during 2021:

**1. Listen to the customer's voice.** Consolidating feedback collection mechanisms from different sources (Irene, Playstore, Appstore and Digital Support) was a priority throughout the year; for this, a monitoring system implemented in various channels allowed to evaluate the transactional and relational experience developed by the clients.

**2. Quality Committee.** Responsible for promoting the voice of the customer and implementing the actions identified as opportunities to improve the customer experience.

**3. Participation of the Management Committee.** As far as the summary of what was presented in the Quality Committee reaches, for the prioritization and monitoring of improvement opportunities.

**4. Proactive attitude.** BBVA employees help to propose and execute action plans to achieve greater customer recommendation.

**The customer must be placed at the center of the value proposition, and the challenge is to do so in such a way that the benefits of the BBVA strategy are clearly and timely perceived.**

Throughout 2021 the following actions were carried out:

- 144 measurements in the Branch Network, Corporate Banking and segments such as Prime,
- Patrimonial, SMEs, Digital Channels, among other interactions that the client has with BBVA.
- Installation of quality committees, which not only received results, but also action plans of the teams and the impact obtained.
- Permanent evaluation of the Network's employees, with the aim of transmitting to the internal areas the perception of the service provided by these to the offices.
- Thanks to this, improvements were implemented in the attention and processes in the internal areas, which optimized the experience of the network's employees.
- Consolidation of the continuous improvement approach in all channels and products.

### Quality initiatives








- The work groups were kept focused, with the participation of different areas, on solving the pain points of the clients.
- The work front continued with internal clients and the IReNe Internal Headquarters, which evaluated the teams as service providers.
- Talent and Culture was consolidated as a strategic partner in customer experience by help drive a culture of service throughout the organization.

#### GRI 416-1

To find out the degree of customer recommendation, the Group uses the Net Promoter Score (NPS) methodology, which recognizes BBVA as one of the most recommended banking entities in the countries where it operates.

In 2021, BBVA Peru ranked second in the retail NPS indicator with 42.7%, and first place in SME NPS with 25.6% and commercial NPS with 84.5%.

#### Ranking Net Promoter Score by countries Position 2021 (2020)

							
Retail	2° (2°)	2° (1°)	2° (2°)	1° (1°)	2° (1°)	3° (3°)	2° (1°)
Pymes	2° (3°)	1° (3°)	1° (1°)	1° (1°)	1° (1°)	4° (2°)	1° (1°)
Commercial	3° (2°)	2° (1°)	n.a.	1° (1)	1° (1°)	2° (2°)	n.a.

## 5.2.2. TCR Communication

#### GRI 417-1, 417-2, 417-3, ODS 8

The communication project of BBVA's Transparent, Clear and Responsible (TCR) is intended to help clients make informed decisions throughout their relationship with the Bank, so as to guarantee that they are in control. The objective is to increase your confidence, level of recommendation and loyalty, for which you are offered, in easy language, the relevant information that allows you to always take care of your short, medium and long-term interests and promote behaviors that are financially responsible.

The most relevant actions regarding the TCR Communication principles carried out during 2021 were:

#### Training of office employees

In order to So that the information that the Bank provides to the client from the first contact always corresponds to a TCR way, the Commercial School, whose objective is to train all the positions of the network, has the Onboarding program to the position, which offers all the information necessary for the employee to fulfill his role. Recently, the Unique Experience category was incorporated into the curriculum, which reinforces knowledge of the principles of TCR Communication and ensures that advisors, executives and bankers keep them in mind and use them from the moment they start customer service in the office.

**The purpose of BBVA's Transparent, Clear and Responsible (TCR) communication project is to help clients make informed decisions throughout their relationship with the Bank, so as to guarantee that it is he who has the control.**



## TCR product sheets

The TCR product sheets are graphic documents designed for the client that explain the main advantages, requirements and costs associated with the Bank's products in clear language and an easy to understand structure. They are found in the commercial information portal (collaborative environment / the commercial portal), which branch executives can access at any time to share with the client.

The design of the TCR files uses visual elements that facilitate the understanding of the most relevant information for both natural and legal persons.

## TCR Digital

During 2021, compliance with the TCR principles in digital initiatives delivered to the customer (EMC) was monitored. This was carried out through sessions with each project team, from its design, with the aim of validating that each initiative complies with the TCR checklist.

Likewise, the following actions applied were specified, both in the process of creating digital products and services and in the training part:

- Application of the TCR checklist with the 15 TCR principles for 29 projects designed during 2021, mainly in channels such as Internet Banking, Mobile Banking, ATM and the new public website. It should be noted that some of these projects continued for more than a quarter.
- Active participation from the role of TCR Champion in team meetings and sessions with other stakeholders of the project.
- Follow-up sessions between the TCR Manager Digital profile and the TCR Champions team for SDA projects.
- Integration of content production with a user experience approach (UX writing) in all meetings, as well as internal reviews to monitor the application of TCR.
- Carrying out two training courses that included concepts related to TCR and that, given the context of remote work, adapted their sessions to the virtual format. These were:

1. A **Digital TCR 101** workshop focused on the TCR principles (checklist) and the information according to the product family that the user must know in order to make an informed decision when requesting it from the bank.
2. A **UX Writing Masterclass** in which the TCR principles were mentioned according to their relationship with content generation.

- Participation of several members of the design team as students in two plain language lessons and in another two (each with a different number of sessions) related to accessibility organized by Holding. On the other hand, learning and knowledge about TCR was shared in one of the Design CoP (communities of practice) sessions.

## Customer Wellness

GRI 416-1, 416-2, 417-3, 418-1

### Contact Center

After almost 10 months of operating under a new normality, 2021 was a year of technological transformation for the Contact Center. In order to provide operational continuity during the pandemic, a mix on the service fronts teleworking was maintained, two providers and relocation in Colombia – a technological leap was aimed at. In May, Chatbot (Blue) was incorporated, a new service channel that soon achieved excellent results: 91% understanding by the Bot, 5% change to human advisor and 50% solution. In its first stage, Blue responded to informative queries, including responses from the client's private environment, since it can provide the number of accounts, active cards, account number, card or account movements, accounting and available balance.

In May, Chatbot (Blue) was incorporated, a new service channel that soon reached excellent results.

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**In May, Chatbot (Blue) was incorporated, a new service channel that soon reached excellent results.**

Within the technology scalability process, in 2021 a Voicebot for IVR was also developed, whose launch, projected for 2022, will put BBVA Peru at the forefront in the use of this technology in telephone banking.

2021 closed with 98% attention to calls from natural and legal persons, a reduction of –25 seconds in customer service time on call and an increase in quality with an NPS of 39%. Always with the customer at the center, a change was made in the service model of the high-value segment with the creation of the Prime Service Center, which provides a telephone solution to customers who contact their banker for issues related to billing, digital channels or campaigns, which it showed a 93% solution in first contact at the end of the year.

Without neglecting the path to conversion in a profit center, in 2021 Customer Wellness incorporated the sale of credit cards through cross selling and continued the sale of portfolio and PLD products. The results exceeded those obtained in 2020, with 118 million soles placed by the channel and 1,719 credit cards, including new and additional ones.

In the last Q of the year, the migration and transfer process began as a result of the bidding process carried out between December 2020 and September 2021, which went from having 80% of the traffic managed by a single provider (Atento) to one with two providers (GSS and Konecta) in an equal distribution of traffic, which generates a competition that drives the increase in quality, incorporates new technology for excellence in execution (Speech Analytics) and ensures operational continuity to traffic in four locations and telecommuting.

### 5.2.3. Complaints and claims management

GRI 102-2, 406-1, 416-2, 417-3, 418-1

2021 was a very challenging year due to the national state of emergency that continued in the country; however, a correct management strategy focused on “the customer comes first” as the main value allowed us to recover the levels of attention to complaints and claims.

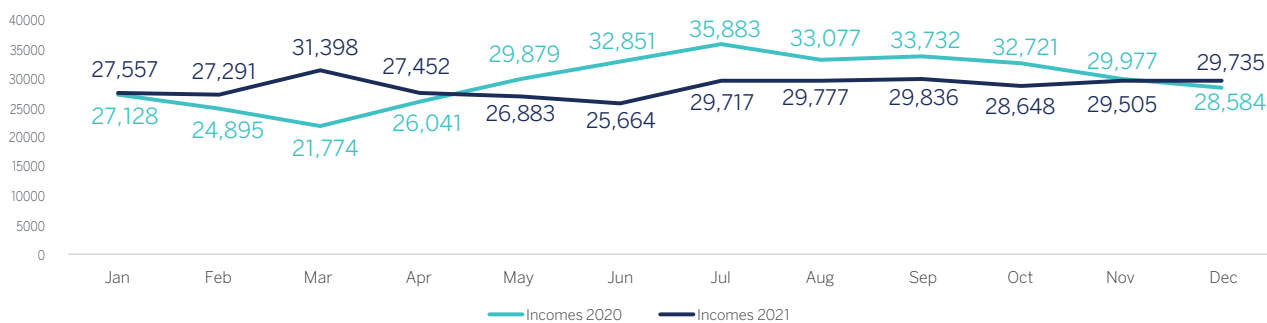
The processes were adapted to the new normality of hybrid work. Aimed at reducing resolution time, a significant improvement was achieved from 19 to 7 days on average between the first and third quarters, thanks to increased team productivity of resolution and to the fact that the service was reorganized, covering unexpected casualties generated by covid-19 with duly qualified personnel to maintain the quality of care. On the other hand, in an effort to implement a single governance model, in mid-October the fraud claims resolution team was transferred to Customer Service, which previously reported to the Operational Fraud Prevention Unit.

Likewise, the actions necessary to better manage the root cause of complaints and claims continued to be actively coordinated with the products and channels, with which a 7% reduction in the income from claims was achieved from the first to the second quarter; however, from the second to the third quarter there was an increase of 12%, mainly due to circumstantial events such as the rise in the exchange rate due to the political situation in the country, the issuance by the BCR of the new Bicentennial bills, the transactional increase in consumption in ecommerce and a worsening of crime as a result of the progressive lifting of the restrictions of the State of National Emergency, among others.

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**A correct management strategy focused on “the customer comes first” as the main value, it allowed to recover the levels of attention to complaints and claims.**

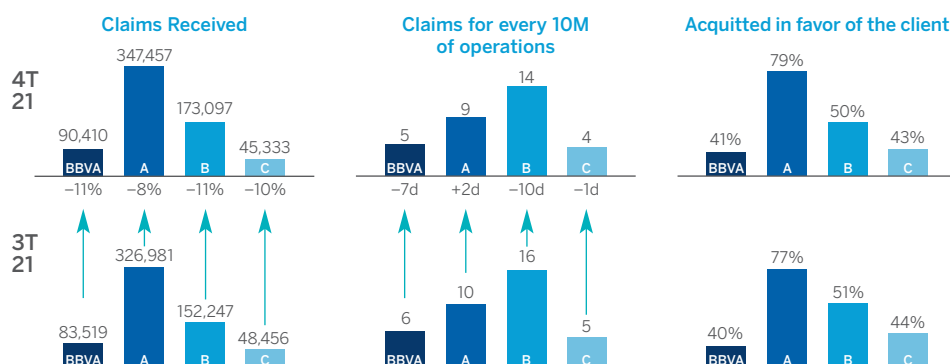
## Monthly Claims Income 2021



Despite the increase in complaints and claims, the Bank met the objective of the operating efficiency indicator 6 claims per 10,000 transactions– due to an 18% growth in the number of monetary transactions from the second to the third quarter.

The following comparative table shows the performance in complaints and claims of the four main banks in the financial system (Source: Asbanc al IIIIT).

## Complaints and claims 2021



The effort to maintain productivity according to the income from complaints and claims, the levels of care and the reorganization of the Customer Service ensures that the Bank is prepared for the new Claims Regulations that the SBS will publish at the end of June 2022.

### GRI 417-3

In the 2021 period, BBVA presented 126 cases of non-compliance with Asbanc's advertising guidelines. Such regulations seek to make it easier for the client to understand the information related to interest rates, fees and other characteristics and conditions of financial products.

### GRI 418-1

In 2021, BBVA received no substantiated complaints<sup>10</sup> regarding breaches of customer privacy or identified cases of customer data leaks, thefts or losses.

## Basic claims data

### GRI 408-1

	2021	2020	2019
Numbers of claims before the suprabank authority	969	893	535
Average claim time (calendar days)	10.87	14.34	8.47
Claims resolved with First Contact Resolution (FCR)	3,719	4,392	13,699

<sup>10</sup> A substantiated claim is understood as a written statement by an official regulatory body or similar and addressed to the organization, in which violations of customer privacy or complaints filed with the organization are identified and that it has recognized as legitimate.

## Customer protection

GRI 416-1, 416-2, 418-1, 419-1

BBVA Peru executes a security strategy that seeks to prevent cybersecurity situations, fraud and physical violations, without affecting or impacting the customer experience. The criterion is that timely detection and action plans will prevent the Bank from any type of monetary or reputational impact.

With the arrival of the pandemic, an unprecedented situation was faced and measures for remote work had to be strengthened, so that 3,500 employees could connect from the home network without running the risk of being compromised. Likewise, the technology that prevents cyberattacks was strengthened, with 40 use cases in Qradar, implementation of the Data Loss Prevention web, FireEye HXD, AV Agent Handler and Crowd-Strike for Linux.

In the face of fraud attempts, the Bank developed a behavioral biometrics component in all digital channels (individuals and legal entities) in order to have better precision in detecting unusual access to customer accounts, which reduced 20% of the impact on these channels. Behavioral biometrics collects information on the customer's performance in their banking to build a pattern through the movement of the mouse and its typing, key data of the device.

All employees have at their disposal, through the collaborative tools provided by BBVA, security policies and procedures. The trainings are carried out through virtual activities (BBVA Campus) and integrate the mandatory training (regulatory packs). The channel established for employees to transfer suspicious events is the CERT global mailbox. In some areas that handle critical information, such as the Branch Network, security indicators were established that influence performance evaluation.

During 2021, BBVA Peru maintained the ISO 27001 and ISO 22301 certification, which accredits it as a mature organization and a benchmark in the financial sector to adequately manage the security of information and the continuity of operations of the lines of business in the face of any event of crisis or interruption of services.

**During 2021, BBVA Peru maintained the ISO 27001 and ISO 22301 certification, which it accredits itself as a mature organization and a reference in the financial sector to adequately manage the security of information and the continuity of the operations of the lines of business before any event of crisis or interruption of services.**

## Customer privacy indicators

	2021	2020	2019	2018
Total number of information security breaches or other incidents of cyber security	0	0	0	0
Total number of information security breaches involving information customer identifiable staff	0	0	0	0
Total number of customers affected by the Company's data breach	0	0	0	0
Total amount of fines/penalties paid in relation to breaches of information security or other cybersecurity incidents	0	0	0	0

## 5.3. Responsible practices

### 5.3.1. The team

GRI 102-8, 102-38, 102-39, 202-2, 401-1, 405-1, ODS 3

#### Management of the second wave of covid-19

At the beginning of 2021, the second wave of covid-19 began, which lasted with great impact until the end of August. Endowed with a greater power of contagion and damage to health and life, this new pandemic period put the biosecurity protocols at BBVA to the test.

With the experience gained during the management of the previous year, the BEX COVID team –the unit created globally to manage the impacts of the crisis at BBVA– designed and implemented a comprehensive action plan that allowed strengthening preventive measures and reducing infections, while ensuring business continuity. Although a significant number of employees faced the effects of the disease with varying severity, the response to the crisis was quick and effective.

Measures such as the creation of the “Hello, doctor” call center, made up of seven medical professionals dedicated exclusively to guiding employees and scheduling discard tests; on-site supervision of compliance in offices with the protocols of biosafety for both workers and clients; preventive virtual talks by areas of the Bank; the assurance of the continuous distribution of EPS at the national level; the assumption by the Bank of the EPS Rimac 100% coverage for hospital care caused by covid-19, among other relevant activities, were essential to contain the spread of the virus within the Organization. Additionally, as a transversal flow, the constant communication/education, shared with all the teams at the national level, was decisive for the results obtained.

An important role in the management of the biosanitary crisis was the direct and constant involvement of the Crisis Committee, led by the General Management and made up of the members of the Management Committee and the BEX COVID. Until today, this space monitors the evolution of the main indicators of covid-19 and takes decisions based on reliable data.

After the end of the second wave, at the beginning of September the evaluation for the return began to face-to-face work at Headquarters. Based on the experience of remote work forced by the pandemic, the analysis contemplated the return through a hybrid model, which would allow obtaining the best of the face-to-face and remote world.

Three biosanitary factors were determined to activate the face-to-face return. First, the positivity in the covid-19 tests had to be below 5%; second, to have a minimum of 20% of ICU beds available and, third, no more than one contagion on average per day. Towards the end of October, the three factors, which had to be concurrent, were reached, which made it possible to organize the return under a hybrid model (60% face-to-face, 40% remote) in the second half of November.

Driven by an intense communication campaign on the creation of new spaces and services at Headquarters, as well as the deployment of biosanitary measures of first level, among which the installation of thermographic cameras and guaranteed distance of two meters were included, 500 employees returned. According to the surveys carried out, 70% of those reincorporated approved the return actions and positively high-lighted the biosanitary measures developed by the Bank. The headquarters had been renovated, adapted to the new times.

At the end of this edition, January 2022, the return has been deactivated due to the increase in infections that have been registered as a result of the third wave of covid-19. All measures and monitoring of key indicators are kept up to date.



At the beginning of 2021, a new incentive model was established, whose main objective is to provide order and transparency in the remuneration of employees.

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**An important role in the management of the biosanitary crisis was the direct and constant involvement of the Crisis Committee, led by the General Management and made up of the members of the Management Committee and the BEX COVID-19.**

Operationally, it consists of the reordering of salary bands, implementation of tabulators, awarding of target bonuses by levels –differentiated according to performance–, a new fixed vs. variable mix for sales positions and a productivity improvement policy made up of a performance and monitoring plan, and recognition for sales positions and staff areas with profit advances.

As part of the Ban's transparency policy, in 2021, 12 new compensation policies were developed and published on the Internal Regulations portal. This allowed all employees who wanted to review a promotion or salary change policy to do so freely.

Likewise, the Bank launched a program of financial benefits that grants exceptional rates on products such as mortgage loans, free availability and credit card. In addition, through the digital tool T-Cambio, the most competitive exchange rate in the national market was made available to employees.

Additionally, complementary measures were implemented to support employees, including:

- Health loan for cases of covid-19, with 0% interest rates.
- Tests to rule out covid-19 for the employee's relatives, the cost of which is deducted per payroll.
- Free psychological hotline for both employees and their families, to provide emotional support.
- Ergonomic chairs for employees at Headquarters working remotely. Administrative loan at a rate of 0% for social cases, with payroll discount.
- Remote coexistence plan that promotes the reconciliation of work life with family, among BBVA leaders and teams.
- Coaching workshops for leaders who manage remote teams to develop habits and behaviors that promote empathy and closeness in their teams and among employees.

#### BBVA team basic data

	2021	2020	2019	2018
Number of employees	6,183.00	5,974.00	6,180.00	6,008.00
Average seniority (years)	8.00	9.10	9.00	9.10
Average age (years)	34.00	35.00	35.00	34.00
Diversity (% women)	52.94	53.00	52.00	52.00
Rotation (%)	27.00	12.00	18.30	21.00

#### Average age of employees (years) and distribution by age groups (%)

	Average age	<25	25-45	>45
2021	34	10.06	77.49	12.45
2020	35	10.6	76.8	12.6
2019	35	14	71.5	14.5
2018	34	15.33	69.49	15.18

#### Average seniority of employees, by gender (%)

	2021	2020	2019	2018
Average seniority	8.0	9.1	9.0	9.2
Men	8.2	9.7	9.7	10.2
Women	7.8	8.6	8.3	8.3

## Employees

Year	Full Time		Part time		Total FTE
	Men	Woman	Men	Woman	
2021	2,892	3,233	18	40	6,183.0
2020	2795	3048	19	46.5	5,908.5
2019	2936	3090	24.5	52.5	6,103.0
2018	2843	3034	25.5	40	5,942.5

Note: To obtain the part-time headcount, multiply by 2.

## Hires

	2021	2020	2019	2018
Total number of new employee hires	1,701	705	1,184	1,368
Percentage of vacant positions filled by intern candidates (internal hiring)	36%	48%	29%	34%
Average hiring cost/FTE. Currency: PEN/annual/basic	S/42,837.11	S/49,297.57	S/44,619.76	S/36,044.45

## Talent and development

2021 was an extremely challenging year for the Talent area, in which it accompanied the business focused both on the Network and at Headquarters to develop and retain the best employees and thus seek to have the best team.

Among the initiatives carried out in 2021, the following stand out:

- Assistance in the Aurora training plan, a key project that seeks to improve the service model by generating greater value for clients and employees.
- Generation of Saturdays of Risks and Productivity Cracks, spaces for continuous training.
- Restructuring of the onboarding training mesh for advisers.
- Talent was a benchmark in promoting The Camp platform at the South American level. Development of People Review 2.0, a model to classify the talent of senior management controls through a differentiated management and development offer (PCD, PDL, coaching, certifications and master's degrees).
- Launch of the Reinventate program at BEC, AS and Headquarters (management of Bottom Talent).
- Reinforcement of the objectivity of the annual evaluation, accompanied by certifications of development conversations, skills governance, training for managers, measurement of the quality of feedback provided by managers, among others.
- The leave policy without pay for studies abroad was created –and thus not to lose the talent that seeks to take a break from work to continue developing professionally–, as well as a promotion policy (objective and standardized criteria to promote an employee) and another for training, in addition to permanence agreements.
- Generation of dashboards, both for the internal team itself and for the managers, in order to facilitate decision making through data.
- Generation of a strategic alliance with Centrum, with the aim of building comprehensive relationships to proactively have the best external talent from various careers, as well as achieve discounts above the market that benefit our teams.
- Mapping of critical leadership positions in the Bank to work proactively and have the best talent in those key positions.

## Training and development supplies

	2021	2020	2019
Average full-time equivalent hours (FTE, for its acronym in English) training and development	51	39	55.5
Average amount spent full-time equivalent (FTE, for its acronym in English) in training and development (in PEN)	S/965	S/1,578	S/1,203

## Employees by professional categories and geographical areas

	2021		2020		2019		2018	
	Number of employees	% area geographical spreadsheet	Number of employees	% area geographical spreadsheet	Number of employees	% area geographical spreadsheet	Number of employees	% area geographical spreadsheet
Management Team <sup>(*)</sup>	103	1.7	92	1.5	87	1.4	87	1.5
Middle managers	1,244	20.1	1,153.0	19.3	1,188	19.2	1,224	20.4
Specialists	1,799	29.1	1,646.0	27.6	1,627	26.4	1,565	26.1
Sales force	1,499	24.2	1,425.0	23.9	1,549	25.1	1,411	23.5
Base Positions	1,538	24.9	1,658.0	27.8	1,729	27.9	1,721	28.7

(\*) Management Committee and unit managers.

### I believe, culture in motion

During 2021, the CREO cultural transformation continued, focused on the values, the traits of the leader and the new BBVA manager.

### Leadership

It focused on the development of BBVA Peru leaders, with Growth Fit sessions (+182 hours executed, 14 of 27 leaders completed the sessions) and certifications in CREO: Change Management, Development Conversations (100 CD leaders, N3 and People Leader ; 714 leaders N4 – N6), Accountability and BalanZen (109 DC, N3 and People Leader leaders; 596 N4 – N6 leaders) and Lidera Valle (55 N3 leaders and 699 leaders in Headquarters and Network).

### CREO cultural movement

Within the CREO cultural movement, the initiatives proposed in 2020 continued, which in 2021 were improved and new ones were included:

- **Agents of change:** 47 CREOs and more than 200 energizers.
- **I BELIEVE challenges:**
  - Challenge #1: I CREATE Ideas: With 1,272 ideas generated by employees, it became a recognized app: Bravo, podcasts for clients, financial automation robots, etc.
  - Challenge #1: CREO for the Client: 3,063 participants in sessions at RED, 1,467 participants in sessions at Headquarters.
- **BRAVO – Recognition:** App that was born from challenge #1, CREO Ideas. During 2021 there were 11,947 recognitions from BBVA Peru employees. Likewise, the BRAVO Cafés were established, recognition spaces for employees with their leaders, of which 38 were held in different areas and more than 480 employees were recognized.
- **Campaign for #BestAmigoBBVA and ReCREO:** The Best Friend BBVA campaign was launched, with the participation of teams from RED and Headquarters, and integrations ReCREO (2 areas, 210 participants), with the aim of generating spaces for connection, integration and camaraderie among employees.

New and better initiatives are scheduled for 2022 to keep the CREO cultural movement focused on the wellbeing and growth of employees.

### Values, from word to action

Regarding BBVA's purpose and values, for the past four years the Bank has dedicated a day, Values Day, to reflect on the importance of these as guides on the path that employees must follow in their daily work.

In 2021, Values Day took on a different meaning, focused on strengths, people and BBVA values, taking into account the commitment to values and purpose as an impetus to continue advancing together in the new stage of growth under the concept "What moves



us”, since it is a global bank in continuous movement, this translates into anticipation, growth and a solid history of which the Bank is very proud.

Based on this premise, Values Day continued, which traditionally takes place at the Headquarters through a series of community activities. As mandated by the health situation, it was carried out virtually, through the different digital platforms, with activities and previous games and during the day (such as Disconnect to connect, Blank Book, Values trainer, People who move us, etc). The 2021 version included conversation sessions between leaders and employees (“Our Purpose and Values move us”) and an event via Meet, to which the Arequipa and Trujillo offices joined to further unite the team.

### Following the cultural transformation

For BBVA, it is important to know the effect that the actions and initiatives of the CREO cultural movement have on employees. In this way, the Group calibrates the level of commitment of the teams in each country where it has a presence through a rigorous survey carried out by the prestigious firm Gallup.

In 2021, the survey sought to define, in a range of 1 to 5 points, the leadership and evolution of the cultural transformation in BBVA Peru.

The Bank set itself the ambitious goal of exceeding the 4.21 obtained in 2020. The result was pleasantly satisfactory: 4.27; that is, a growth of 0.06 with respect to the previous year, which positioned Peru as the country in the Group that improved the most in Gallup and the second with the best Grand Mean in the BBVA Group.

The score, although it generates enthusiasm and security about the path undertaken, does not implies conformism or full satisfaction. The T&C team, like the leaders throughout the Bank, is fully convinced that, to the extent that the CREO culture continues to be adopted, the levels of commitment will continue to rise, which will decisively contribute to the great objective of achieving a score of 4.60 by 2024 and consolidate BBVA Peru as the bank with the best and most committed team.

**In 2021, Values Day took on a different meaning, focused on strengths, people and BBVA values, having taking into account the commitment to values and purpose as an impetus to continue advancing together in the new stage of growth.**

#### Contributor Commitment: Gallup [By gender](#)

2021			2020			2019		
Total	Men	Woman	Total	Men	Woman	Total	Men	Woman
4.27	4.26	4.25	4.21	4.19	4.23	4.08	4.08	4.08

#### Employee commitment: Gallup

Management level	2021	2020	2019
Directors	4.50	4.35	—
Supervisors and senior specialists	4.29	4.18	3.99
Technicians and managers	4.22	4.14	3.99
Base positions	4.18	4.29	4.22
<b>Total</b>	<b>4.27</b>	<b>4.21</b>	<b>4.08</b>

#### Employee commitment: Gallup

Age group	2021	2020	2019
<25 years old	4.43	4.36	4.33
25-34 years	4.24	4.23	4.12
35-44 years	4.23	4.14	3.96
45-54 years	4.28	4.17	3.98
>55 years	4.32	4.18	4.02
<b>Total</b>	<b>4.27</b>	<b>4.21</b>	<b>4.08</b>

## Agile in full growth stage

The transformation towards the Agile model initiated four years ago by BBVA was anticipatory and timely in the face of the scenarios generated by the pandemic. The methodological renewal allowed the Bank to better adapt to the forced process of accelerated change that the world has experienced since 2020.

At the end of 2021, the Bank had 266 teams registered to assess their maturity in agile in the global tool MAT (Maturity Agile Model for Teams); 70% of them in Business Execution and 30% in Solutions Development.

With the interest of accelerating agility in the teams and assessing the progress in their adaptation to the model, comprehensive indicators focused on compliance, quality and achievement of objectives were identified, to which frequent challenges, both for the teams and for the coaches responsible for their orientation. The evaluation showed that 86% of the teams had passed the agile adoption, seeking sustainability, maturity and continuous improvement.

During 2021, synergies between different teams were strongly encouraged, such as Project Review and Talent Management, Continuous Improvement and Business Process, Project Management and SDA, Continuous Improvement Model and Agile Governance Model, with the aim of leveraging their behaviors in the cultural movement I THINK. Likewise, the necessary support was provided to the different territories to find opportunities for development, growth and synergies.

### 5.3.1.1. Selection, training and development

GRI 404-1, 404-2, 404-3

#### Professional development model

The main objective of the professional development model is to put people at the center of the Organization's actions, providing them with the tools they need to make the best decisions about their professional life.

There are three main elements of the model: Know yourself, Improve and Explore.

#### 1. Know yourself

The basis for making good decisions is to know oneself, so the employee must have clearly identified their main objectives, strengths and abilities. For this, the Bank provides the following tools:

- **Roles:** A portal where you can easily identify what BBVA expects from each person in their role.
- **Project Review:** Quarterly evaluation process that evaluates the deliverables of the teams that work on projects. With it, the teams can make visible their contribution and their level of alignment with the objectives and allows them to provide mutual feedback to keep moving forward.
- **Annual Evaluation:** A 360° process through which each employee learns about their performance results, the development of BBVA's intrinsic skills and their potential to continue growing. At the end of the evaluation, you get a detailed report with the results and a summary of the feedback obtained by your leader, peers and employee. In 2021, 5,485 employees (92% of the payroll at the end of 2021) went through this enriching process.
- **Talent Map:** Management and development tool that, through the analysis of sustained performance and the assessment of people's skills, groups talent into nine boxes, identifying the different types of talent existing in the Organization. In this way, it develops differentiated management and development strategies, analyzes objective information on performance and the level of skills in the Bank, facilitates decision-making based on data –thus giving transparency to Talent & Culture processes– and establishes policies for mobility, compensation, training, development, etc. that promote the development of talent and the growth of people, as well as the improvement of the value offer and user experience.

**At the end of 2021, the Bank had 266 teams registered to assess their maturity in agile in the global tool MAT (Maturity Agile Model for Teams).**

## 2. Improve

After receiving the results report, the employee manages actions that allow him to overcome the points of improvement identified in Know yourself. To manage your progress, you have the following tools at this stage of the professional development model:

- **Growth plan:** Roadmap with which the employee can outline training and development actions focused on promoting their professional progress, either in the role currently performed or in others within the Organization.
- **Open Mentoring:** Program that enables the employee to acquire and share new knowledge and expand their network of contacts within the organization, which stimulates the development of their skills. The platform connects, through the use of algorithms, mentors with whom they want to learn and grow professionally to experience a process of mutual development, in which the former shares their knowledge and experience. Mentoring relationships can be transversal, with participants from different roles, areas or even countries, where employees can volunteer. During 2021, there were 188 mentors, 379 interns (mentees, in English) and 55 active mentoring relationships.
- **BBVA Campus:** Digital learning ecosystem through which any member of the BBVA Group can immediately access a universe of virtual and remote training resources (videos, pills, materials, courses, MOOCs, etc.) from various devices. Through a gamified experience with B-Tokens –virtual currencies that, through a reward system, value online training resources– BBVA Campus promotes a culture of continuous learning. The dynamic drives the self-learning of the employee, who earns B-Tokens for each virtual course he takes, which he can then invest in courses of his interest, mostly associated with his role. Campus BBVA also has training schools that promote technical skills and intrinsic, aligned with the strategic priorities of the Bank and that accompany the employee in the development of his career. These schools are of three types: a) business, b) reskilling and upskilling and c) intrinsic skills.

## 3. Explore

Identifying new paths and internal job opportunities in possible areas, or new disciplines that you might want to develop is a possibility for the BBVA employee. To do this, you have at your disposal tools that inform you about different roles within the Group and allow you to apply for job offers, view career paths and even create a personal roadmap.

The BBVA employee has, in this phase of the model, the following tools:

- **Role search engine:** It makes it easier for the employee to know the requirements of other roles of interest. With this data, you can establish actions to cover the improvement opportunities required by the role you want to access.
- **Mobility:** Allows any employee to apply for another role within the Organization at a national level, and even find one in any of the countries where BBVA has a presence.
- **Opportunity:** Uses advanced analytics to predict the possible professional path of each employee within the Organization. Through machine learning, it offers you personalized advice to make the best decisions about your professional development. Opportunity allows the employee to reflect on their current situation, receive personalized recommendations based on their concerns, discover new paths and establish professional goals according to their objectives. At the end of 2021, 58% of employees had browsed and interacted on this tool and 5% achieved their growth goals.

## I believe in my development

During 2021, the lever "I CREATE in My Development" was promoted, which promotes the CREO culture based on leaders and employees who are protagonists of their professional development.

In the first and third quarters of the year, a series of feedback conversations were held between leaders and employees on development and objectives.

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**The feedback conversations promoted during 2021 obtained 86% satisfaction.**

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So the exchange of ideas framed strengths, opportunities for improvement and action plans for professional development of the teams. Likewise, the objectives (or their follow-up) and the management indicators with which performance is measured were transparently communicated.

## Recreation of programs and initiatives

During 2021, the drive to attract and retain the best professionals in the market continued. In addition to maintaining the business schools, there was the launch of a learning experience in strategic capabilities, with the aim of developing skills that allow the Bank's business model to continue transforming.

Additionally, compliance with the global mobility policy that prioritizes internal talent was reinforced. From Talent Acquisition, the Rooney Rule was considered to encourage the delivery of diverse short lists.

## A. Business Schools

### Commercial Schools

Commercial Banking employees have at their disposal a comprehensive training offer that includes onboarding, updating and rescue programs, as well as trainees aimed at the different management positions.

With the participation of internal allies including facilitators, Bank experts and commercial banking leaders, the learning methodology includes virtual, face-to-face/remote and on the job training experiences, under the 70-20-10 modality. The certifications come from alliances with prestigious universities and international consultants with high academic support.

Throughout 2021, 3,256 Commercial Banking employees were trained, who received 188,722 training hours, which represents 34% more than in 2020.

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### BEC Academy

With it, Company and Corporate Banking employees are provided with comprehensive learning on all strategic business issues. The school grants three certifications that accompany the development of the participant: BEC Fundamentals, BEC Advanced and BEC Expert.

With the same mechanics as the Commercial School, throughout 2021 BEC Academy provided a total of 10,197 training hours to employees of the Business Banking segment.

### CIB Academy

Instructs Corporate & Investment Banking employees in various products of investment banking, global markets, global lending and transactional services for international corporate clients and institutional investors. During 2021, CIB Academy provided 4,447 training hours.

## Risks

Under the premise that risk management is a highly relevant factor for the financial business, in 2021 a Learning Map of technical certifications on the subject was developed for the Retail Credit & Wholesale Credit teams. The virtual and face-to-face/remote trainings were given by strategic allies such as ESAN and Pacifico Business School, for a total of 3,220 hours with which 85 Risk employees obtained their certificates.

Likewise, two effective communication programs were deployed for 500 Network employees, who, through 400 hours of training, strengthened their service skills towards our internal customers. On the other hand, internal training was developed with two certifications: one for Basic Risks, which obtained a total of 126 employees trained in 2,394 hours of training, and another for Intermediate Risks, aimed at Wholesale and Retail Risks, which certified 85 employees after 2,065 training hours.

## B. The Camp, a new BBVA Campus experience

The market, the future of work, the evolution of new forms of work and the transformation in which BBVA is immersed require the development of new strategic capabilities that promote the employability of professionals. To respond to this demand, The Camp was designed, an upskilling and reskilling plan.

The Camp is Campus BBVA's new learning experience, where employees can boost their professional development by training in the Group's strategic capabilities. Being gamified, it promotes dynamic and continuous learning that encourages employee motivation and involvement and, therefore, their commitment to its development.

The tool takes advantage of a sustainable narrative, such as the world of the mountain, to design an adventure in which the employee "climbs mountains" as he learns new strategic capabilities in depth. Each of these has a training itinerary, which in The Camp is called an expedition, with three levels of difficulty: valley (beginner), mountain (advanced) and summit (expert). At the end of each level, a certification of the knowledge acquired is obtained.

At the end of 2021, and with only eight months of launch, 83% of the employees had accessed the experience, counting by then with 2,221 hikers, 56 mountaineers and 1 mountaineer.

## C. Certification to leaders

During 2021 and framed in the CREO culture, the leaders in the LIDERA expedition of The Camp were certified.

Through the first Valle level certification, 72% of leaders were trained on topics such as: Our development model, Feedback, Diversity, Commitment management, among others. Likewise, 815 leaders received their certifications either in conversations of development and Accountability as in BalanZen.

**The Camp is Campus BBVA's new learning experience, where employees can boost their professional development by training in the Group's strategic capabilities.**

### Basic training data at BBVA

GRI 404-1, 404-2, 404-3

	2021	2020	2019	2018
Investment in training (in thousands of soles)	6,267,964	7,108,000	7,979,141	7,875,993
Investment in training per employee (in thousands of soles)	965	1,190	1,291	1,311
Employees with training (%)	98	99.50	98	98

### Average hours of training per employee

GRI 404-1

Positions	Training hours		Number of employees		Average hours / Employee	
	Men	Woman	Men	Woman	Men	Woman
Managers	145	50	6	2	24.18	24.85
Midle managers and Specialists	10,552	7,211	245	160	43.07	45.07
Sales force	78,700	69,628	1,875	1,692	41.97	41.15
Base positions	55,412	108,775	825	1,453	67.17	74.86

The annual performance evaluation is an important aspect for professional development, since it assesses the level of compliance with the objectives established in the year (performance), the experience of BBVA values, the skills of the employee with respect to their role and the potential to grow.

**GRI 404-3**

At the beginning of the year, each manager must transparently communicate the results obtained, since this fosters the confidence of their teams and contributes to the commitment to work on the continuous improvement of the performance of the employee under their charge, under the premise of offering a proper running line.

For 2021, the instrument for evaluating and promoting the evolution of the career path was People Assessment, a tool that, based on the competencies defined at the BBVA Group level, compares the skills of the employee with those of their role, that allows identifying strengths and opportunities for improvement through a growth plan.

**Annual evaluation Employees receiving regular professional development re views and performance reviews (%)**

**GRI 404-3**

	2021		
	Men	Woman	Total
Management team <sup>(*)</sup>	91%	84%	89%
Middle managers	100%	100%	100%
Specialists	99%	99%	99%
Sales force	100%	99%	100%
Base positions	86%	97%	93%

(\*) Management Committee and unit managers.

### 5.3.1.2. Diversity and work-life balance

**GRI 405-1, ODS 5**

Diversity is increasingly a determining factor for the creation and implementation of value propositions in Bank projects. The presence of women is an inherent attribute of the BBVA culture, demonstrated by the fact that they make up 53% of the payroll and 14% of the Management Committee and unit managers. For this reason, every selection process to incorporate personnel has gender equality and equity criteria in mind.

As part of the promotion of its diversity and conciliation policy, BBVA offers employment opportunities to people with disabilities, through permanent communication with organizations that promote equal opportunities, such as the National Council for the Integration of People with Disabilities (Conadis) and the Ministry of Labor and Employment Promotion.

Internally, it coordinates for them the requirements of work furniture through the occupational doctor and the team of social workers.

**People with disabilities**

	2021	2020
People with disabilities	0.03%	0.03%
<b>Total</b>	<b>0.03%</b>	<b>0.03%</b>

### Distribution of employees by gender and professional category (%)

GRI 405-1

	2021		2020		2019		2018	
	Men	Women	Men	Women	Men	Women	Men	Women
Management team <sup>(*)</sup>	72%	28%	67%	33%	70%	30%	70%	30%
Middle managers	51%	49%	53%	47%	53%	47%	55%	45%
Specialists	58%	42%	55%	45%	57%	43%	56%	44%
Sales force	43%	57%	40%	60%	43%	57%	44%	56%
Base position	34%	66%	37%	63%	41%	59%	39%	61%

(\*) Management Committee and Unit Managers.

### Employees by type of contract and gender (%)

GRI 405-1

	2021			2020			2019			2018		
	M	W	Total	M	W	Total	M	W	Total	M	W	Total
Fixed or indefinite full time	41.9	42.2	84.0	41.71	42.38	84.09	41.31	40.5	81.81	41.0	40.0	81.1
Fixer or indefinite part time	0.0	0.1	0.0	0.03	0.02	0.05	n.a.	0.02	0.02	n.a.	0.03	0.03
Temporary	5.1	10.6	16.0	5.67	10.18	15.85	6.99	11.18	18.17	7.1	11.8	18.9

n.a.: No aplica.

### Voluntary staff resignations (turnover)<sup>(\*)</sup> and gender distribution (%)

GRI 401-1

	2021		2020		2019		2018	
	Men	Woman	Men	Woman	Men	Woman	Men	Woman
Rotation rate over the total spreadsheet	6.9%	7.0%	14.8%	14.9%	18.3%	18.7%	22.5%	19.7%

(\*) Turn-over = [Voluntary terminations (excluding early retirement) / Number of employees at the beginning of the period] x 100.

### Total FTE turnover rate by gender (%)

	2021		2020		2019		2018					
	Total	M	W	Total	M	W	Total	M	W			
	26.5	24.8	27.9	13.9	13.3	14.5	17.5	17.3	17.6	20.4	19.1	21.6

### Voluntary FTE turnover rate (%)

	2021		2020		2019		2018					
	Total	M	W	Total	M	W	Total	M	W			
	11.0	10.1	11.7	6.3	6.0	6.6	7.2	7.3	7.2	7.0	6.7	7.4

### Employee registrations<sup>(\*)</sup>

GRI 401-1

	Men	Woman	Total
Employee registrations	730	962	1,701

(\*) Additions due to consolidations are included.

## Employee terminations

GRI 401-1

	Men	Woman	Total
Dismissals incentivized	194	145	339
Voluntary resignations	290	376	666
Other	203	309	512
<b>Total</b>	<b>687</b>	<b>830</b>	<b>1,517</b>

## Diversity in the Management Committee and among unit managers

GRI 202-2

Nation	Woman	Men	Grand total	Percentage
Argentina		1	1	0.97%
Colombia		1	1	0.97%
Ecuador		1	1	0.97%
Spain		6	6	5.83%
Mexico	1	6	7	6.80%
Peru	28	58	86	83.50%
Uruguay		1	1	0.97%
<b>Grand total</b>	<b>29</b>	<b>74</b>	<b>103</b>	<b>100.00%</b>

•1.5% of the workforce corresponds to senior managers (Management Committee and unit managers).  
 •Senior managers are understood as first and second line managers.

## Breakdown of the labor force by gender (%)

Indicator	2021	2020
Proportion of women in the total active population (as a percentage of the total active population)	53%	52%
Proportion of women in all management positions, including management junior, middle and senior (as a percentage of total management positions)	47%	32%
Proportion of women in junior management positions, i.e. first level of management (as a percentage of total junior management positions)	49%	47%
Proportion of woman in senior management positions, i.e. at most two executive director levels of comparable positions (as a percentage of total senior management positions)	28%	33%
Proportion of women in managerial positions in job-generating functions revenue (for example, sales) as a % of all those managers (that is, excluding support functions such as HR, IT, Legal, etc.)	20%	27%
Proportion of women in STEM-related positions (science, technology, engineering and mathematics) (as % of total STEM positions)	33%	32%

## Labor force breakdown by age (%)

Age group	2021	2020
<30 years old	38.50%	43.50%
30-50 years old	54.30%	47.05%
>50 years old	7.20%	9.45%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## 5.3.1.3. Compensation and remuneration

GRI 102-35, 102-38, 102-39, 202-1, 405-2

The BBVA Group bases its remuneration model on the priorities defined by the shareholders and takes into account management in accordance with the organization's objectives.



The model adheres to the following principles:

- Long-term value creation.
- Reward for achieving results based on responsible risk taking.
- Attraction and retention of the best professionals.
- Reward to the level of responsibility and professional career.
- Due attention to internal equity and external competitiveness.
- Attentive surveillance of market references, such as analyzes carried out by companies of recognized prestige and leaders in the compensation consulting sector.
- Ensure transparency.
- Guarantee that there are no gender pay differences.

Thus, BBVA's remuneration policy promotes equal treatment between men and women and rejects wage differentiation based on gender. Likewise, it rewards the level of responsibility and professional career, ensuring the internal equity and external competitiveness.

[GRI 102-36, 102-39](#)

The remuneration is made up of two clearly differentiated parts:

- **Fixed compensation:** Considers the level of responsibility and professional career of the employee, which sets a salary reference for each function.
- **Variable compensation:** Rewards the generation of value in each of the units that make up the BBVA Group, remunerating individual contributions measured by the evaluation of individual performance made up of objectives and values, team evaluations and the integration of these contributions. It is aimed at rewarding the achievement of individual, group and organizational results, measured with various indicators.

All Bank employees, working full or part time, have access to the same benefits, among which are the payment of school fees, insurance, Christmas bonuses and uniform, as well as snack vouchers, mobility allowance and bereavement rest. BBVA ensures that no employee earns less than the current minimum wage.

[GRI 401-2, 202-1](#)

The Talent & Culture area is responsible for disseminating the "Corporate compensation and valuation schemes", as well as detailing the management of these processes and their impact on the professional development of the employee. The implementation of these schemes allows promoting the importance of the role of the direct boss in the differentiation and recognition of his team.

BBVA promotes a remuneration policy that grants equal treatment between men and women and rejects wage differentiation based on gender. This remuneration model rewards the level of responsibility and professional experience, while that ensures internal equity and external competitiveness. In the case of the latter, salary studies are carried out through the Korn Ferry company, which compares remuneration based on the size of the position and the comparison of similarities between positions.

[GRI 405-2](#)

As BBVA has been able to determine, during 2021 the ratio of the base salary of women compared to men in the Organization was -6.4%%. The calculation was made for all new employees during the year ended, with the exception of the Management Committee and service advisors.

## Social prevention system

[GRI 201-3](#)

The social security system is defined contribution (paid by the employee) for the contingency of retirement. Employee contributions, whether to an AFP or the ONP, are made within the framework of Peruvian labor regulations.

## Employee benefits

[ODS 8](#)

- Loans with free availability, mortgages and credit cards.
- Full coverage of the EPS Health Plan, EPS 2021-2022 Health Plan and Oncology Plus Benefits Oncoplus.
- Snack vouchers per day worked.

**BBVA has a pension system social (AFP/ ONP) according with the Peruvian laws, which it offers to the different groups of employees.**

### 5.3.1.4. Labor conditions

#### GRI 102-41, 401-2

Within the framework of the development of adequate working conditions in a pandemic scenario, during 2021 BBVA promoted the training, integration and quality of life of employees and their families. The Bank outlined strategies and adopted concrete measures to safeguard the comprehensive health of workers and their environment.

The Culture & Welfare team worked in a committed manner to carry out programs and activities in favor of the employee, based on the following premises:

- Maximum wellbeing of employees and their families.
- Health protection and contribution to their quality of life.
- Promotion of the benefits and facilities available to the employee.
- Dissemination of the important portfolio of benefits that the Bank offers you.

During 2021, MI BBVA, a digital space on the web portal, and the BBVA Benefits app were launched, two tools that inform the value proposition based on six pillars: My Benefits, My Compensation, My development, CREO, My Social Support, My Discounts and promotions. The benefits granted by the Bank are given equitably to all employees, without differentiating their type of contract, working hours, gender, age, etc.

#### GRI 401-2

During 2021, under the protection of laws 26644 and 30807, which govern parental leave and assign 10 days of leave for men as a complement to the right to enjoy maternity and whose paid leave is for 98 days, in BBVA a total of 256 employees enjoyed this benefit (108 parental leave and 148 maternity leave).

#### GRI 401-3

In accordance with the provisions of the law, the Bank maintains a dialogue with the representatives of the BBVA Federated Center to reach agreements. The employees affiliated to the union are covered by the collective agreements and every two years they elect the board of directors of the union representation.

#### GRI 102-1

As of December 31, 2021, BBVA Peru had 274 employees 4.34% of the total registered under the collective bargaining agreement entered into for the 2022 period.

#### GRI 102-41

##### Health and safety at work

#### GRI 403-2, 403-5, 403-6, 403-7, ODS 3

BBVA is interested in its employees acquiring the knowledge and tools that allow them to develop habits of prevention and early detection of any situation that could put their safety or health at risk, as well as encouraging them to actively participate in the process of improving work environments. In such a way. The Bank assumes the objective of impacting the employee's working life and extending it to family life in terms of risk prevention and health care.

Within the 2021 pandemic scenario, a series of surveillance and control measures for covid-19 at work were established:

- Close surveillance of suspected and positive cases of covid-19.
- Development of 21 preventive virtual talks aimed at the entire payroll.
- Ruling out covid-19: 1,119 antigen tests, 7,931 screening tests and 1,425 molecular tests were carried out.
- Registration and evaluation of vulnerable and suspected employees of covid-19 for monitoring and care.
- Taking medical evaluations: identification of 653 vulnerable employees.
- Development of protocols and recommendations for work in a face-to-face return.
- Development of prevention activities in BBVA regarding infrastructure (natural gas lines, diesel, substation maintenance) and work accidents.
- Call Center Service: attention to 4,152 calls.
- Promotion of the importance of vaccination through videos and training talks that resolve doubts on the subject.
- Development of a plan for the surveillance, prevention and control of covid-19, according to current regulations.

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**The Bank assumes the objective of impacting the employee's working life and extending it to life family in terms of risk prevention and health care.**

## Occupational health and safety management system

GRI 403-1, 403-2, 403-4, 403-5, 403-7, 403-8, 403-9, 403-10

BBVA promotes the control of occupational risks under an occupational health and safety management system model (SGSST) that contemplates the development of the provisions in Law No. 29783, Law on Safety and Health at Work. Its scope includes all the Bank's employees, as well as subcontracted third parties who carry out their work in its facilities, establishing the same level of protection in this matter. Among the important points of the SGSST is promoting the activities of the Occupational Health and Safety Committee, which are described in the agreements at the monthly meetings. This committee is made up of equal numbers of representatives of the workers and the employer.

In accordance with current regulations, four annual training sessions are established: Occupational health and safety management system, Occupational risks and ergonomics, Occupational health and Emergency prevention. All of them have been developed virtual and during the first quarter of the year. Due to the pandemic, training in prevention of covid-19 was also developed through informative talks and videos about prevention measures, such as the use of the mask, washing handshakes, physical distancing, and the importance of vaccination.

The organization establishes the evaluation of hazards and risks (IPER) related to the job. The necessary control measures are established, such as evaluations of ergonomics in specific positions, plan occupational medical examinations that include musculoskeletal evaluations and training on occupational hazards and ergonomics. Likewise, in 2021 a psychological support line was established for issues of stress caused by the pandemic. During 2022, this approach will continue.

An important element of the Bank's SGSST is the investigation of accidents worked. During 2021 there have been seven occupational accidents that generated a total of 116 days of medical rest. In the same year, no case of death due to accident at work or occupational diseases.

### Basic occupational health data

GRI 403-1, 403-2, 403-8, 403-9, 403-10

	2021	2020	2019	2018
Number of technical-preventive procedures	3.919	n.a.	52	116
Preventive actions to improve working conditions	21	n.a.	150	622
Health exam appointments	0	n.a.	1,588	1,719
Employees represented on health and safety committees (%)	100%	100%	100%	100%
Absenteeism rate	1.07%	2.90%	0.86%	1.15%

## 5.3.1.5. Volunteering and social engagement

GRI 413-1

The BBVA Group has a global corporate volunteering program that encourages it to develop sustainability projects in all the countries where it has a presence. Employees are an active part of these initiatives.

The volunteer program helps reinforce self-esteem and pride of belonging to the company and contributes to building an identity based on values of solidarity, empathy and collective thinking within the Organization.

During 2021, volunteering helped to continue fulfilling the BBVA purpose "Make the opportunities of this new era available to everyone". Despite the health and social situation, 39 activities were implemented that sought to promote financial education and training in reading skills. More than 2,000 people benefited from knowledge and practices to have more opportunities for a better life.

Activities developed (39):

- Digital collection "Ponle corazón" (1).
- "Once upon a time", shared reading (15).

**More than 2,000 people benefited from knowledge and practices to have more opportunities for a better life.**

- Cleaning of the Pescadores beach in Chorrillos (1).
- Cybersecurity workshop for teachers (15).
- Financial education workshop for users of social action entities and teachers (7).

During 2021, the global corporate volunteering program had the participation of 210 volunteers, accumulating a total of 455 hours of support outside working hours.

## 5.3.2. Governance systems and ethical behavior

### 5.3.2.1. Corporate governance

GRI 102-13, 102-18, 102-19, 102-20, 102-21, 102-24, 102-26, 102-29, 102-30, 102-32, 103-2, 417-3

This 2021 Integrated Report includes BBVA Peru's report on compliance with the principles of good corporate governance during the completed period. In accordance with the legal provisions, the degree of implementation of the recommendations in this regard is explained in detail. It is worth noting that all the current information required can be found in the corresponding section of the Bank's website.

The good corporate governance system is a fundamental element of the Bank's corporate social responsibility (CSR) model and one of the pillars that supports its development. The CSR policy was approved by the Bank's Board of Directors, which annually receives a detailed report on its implementation and specification, a practice that allows transparent and adequate management of the organization's corporate bodies and the actions of its shareholders. in accordance with the objectives of the stakeholders.

Between 2008 and 2021 BBVA was an uninterrupted member of the Good Corporate Governance Index (IBGC) of the Lima Stock Exchange (BVL), a stock market statistical indicator that reflects the behavior of the prices of the most representative shares of the issuing companies that meet with the principles of good governance and have a minimum level of liquidity established by the BVL. This index was deactivated by the BVL as of December 31, 2021.

As of November 2021, the BVL launched the new S&P/BVL Peru General ESG Index, which includes those companies that meet environmental, social and good corporate governance criteria, BBVA being part of this index.

Similarly, as of November 2021, BBVA is part of the MILA Pacific Alliance Dow Jones Sustainability Index, a regional index that measures the performance of the companies that make up the Latin American Integrated Market (MILA, in which the markets for securities of Chile, Colombia, Mexico and Peru) in terms of environmental, social and governance (ESG) criteria, with the aim of providing a regional benchmark for investors.

The inclusion of BBVA in both indices, as the only local bank that integrates them, demonstrates its commitment and compliance with environmental, social and governance (ESG) aspects.

The good corporate governance system has essential characteristics such as:

- Adequate composition of its corporate bodies.
- Meridian distribution of functions between the Board of Directors and its committees, and between these and senior management.
- Ordered decision-making process.
- Solid system for monitoring, supervising and controlling the Company's management.

### 1. Regulatory framework

In Peru, the corporate governance regulatory system is structured by the principles contained in the Code of Good Corporate Governance for Peruvian Companies (CBGC), approved by the Superintendency of the Securities Market (SMV), as well as by the Government Regulation Corporate and Comprehensive Risk Management, approved by the Superintendency of Banking, Insurance and AFPs (SBS). Generating a culture of corporate governance aims to improve investors' perception of corporations, promote business development and contribute to the generation of value in the national economy.

**Between 2008 and 2021 BBVA was an uninterrupted member of the Good Corporate Governance Index (IBGC) of the Lima Stock Exchange (BVL), a stock market statistical indicator that reflects the behavior of the prices of the most representative shares of the issuing companies that comply with the principles of good governance and have a minimum level of liquidity established by the BVL.**

Between 2008 and 2021 BBVA was an uninterrupted member of the Good Corporate Governance Index (IBGC) of the Lima Stock Exchange (BVL), a stock market statistical indicator that reflects the behavior of the prices of the most representative shares of the issuing companies that comply with the principles of good governance and have a minimum level of liquidity established by the BVL.

Although all corporations in the country are required to follow the CBGC, those that have securities registered in the Public Registry of the Securities Market (the "Registry") must, by law, disclose their good corporate governance practices to the market. This report must be made up of five pillars:

- a. Shareholder rights.
- b. General meeting of shareholders.
- c. Board of directors and senior management.
- d. Risks and compliance and Information transparency.

The CBGC also includes complementary principles applicable to state-owned and family companies, since some of them have securities registered in the Registry.

That corporations adhere to the principles contained in the CBGC favors a climate of respect for the rights of shareholders and investors in general, and also contributes to the creation of value, solidity and efficiency. Another immediate effect is that it fosters better risk management to which companies may be exposed and facilitates access to the capital market. With this, it reduces capital costs and favors greater and better access to sources of financing and long-term investment.

## 2. Bank's corporate governance regime

GRI 102-20, 102-26, 102-29

The corporate governance regime is made up of a set of internal rules and regulations that determine various rights and duties of the governing bodies of the Company, drawn up in line with the guidelines indicated by the principles contemplated in the CBGC and in the Corporate Governance Regulations, and Comprehensive Risk Management. Such standards are under permanent review, so that they are kept up to date and their application is adapted to the activities carried out by the Bank as a company.

Thus, BBVA has a Regulation for the General Shareholders' Meeting, which dictates the principles of organization and operation of this governing body and establishes its system for calling, information, attendance and the development of the meeting itself. Its guiding principle is to make it easier for shareholders to exercise their rights, protected not only by the bylaws but also by regulatory standards, the General Law of Companies and the principles of corporate governance.

For its part, the regulations of the Board of Directors empower it to constitute, in pursuit of the best performance of its functions, the committees that it considers necessary to assist it in the matters of its competence. Currently, these committees are the following: Audit; Compliance; Appointments, Remuneration and Talent Management; Risk, and Corporate Governance.

The Corporate Governance Committee supervises compliance with such practices by the Bank, as well as implements the necessary improvements to maintain social responsibility standards. The committee was established by agreement of the board meeting on November 17, 2011, and its regulations include the provisions related to its operation, structure and composition.

## 3. Board composition

BBVA Peru's Board of Directors is made up of people with different specialties and skills, all of whom are recognized for their prestige, ethics, economic independence, sufficient availability and a series of relevant qualities for the Company, so that a plurality of approaches and opinions coexist. In accordance with the provisions of the Corporate Governance and Comprehensive Risk Management Regulations, it has two (02) independent directors, who meet the applicable requirements according to current regulations.

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**BBVA has a Regulation for the General Meeting of Shareholders, which dictates the principles of organization and operation of this governing body and establishes its regime call, information, attendance and development of the meeting per se.**

The current members of the BBVA Board of Directors are the following:

GRI 102-18, 102-22, 102-23

Names and surnames	Vocational training <sup>(*)</sup>	Date		Shareholding	
		Start	End	N° stocks	Part. %
<b>Directors not including independent</b>					
Alex Fort Brescia Chairman	Master in Business Administration. Participate in the Holding directories Continental and Foundation BBVA Peru.	May 1995		Not applicable	Not applicable
Pedro Brescia Moreyra First Vice-President	Administrator. Participates in the directories of Holding Continental and BBVA Peru Foundation.	May 1995		Not applicable	Not applicable
Ignacio Javier Lacasta Casado Second Vice-President	Economist. Participate in the Foundation directory BBVA Peru. Participated in the board of directors of Holding Continental.	January 2013		Not applicable	Not applicable
Mario Brescia Moreyra Principal Director	Administrator. Participates in the directories of Holding Continental and BBVA Peru Foundation.	March 2013		Not applicable	Not applicable
Fortunato Brescia Moreyra Principal Director	Engineer. Participate in the Holding directories Continental and BBVA Peru Foundation.	June 2013		Not applicable	Not applicable
Fernando Eguiluz Lozano General Managing Director	Industrial and Systems Engineer. MBA. Participate in BBVA Peru Foundation directory and participated in Consumer Finance Edpyme, Forum Comercializadora del Perú S.A. and Forum Distribuidora del Perú S.A.	July 2019		Not applicable	Not applicable
José Ignacio Merino Martín Principal Director	Bachelor of Business Sciences. Participate in BBVA Peru Foundation directory.	March 2016		Not applicable	Not applicable
Rafael Varela Martínez Principal Director	Degree in Law. He participates in BBVA Peru Foundation directory.	May 2020		Not applicable	Not applicable
José Carlos López Álvarez Principal Director	Bachelor of Business Sciences. Participate in the BBVA Peru Foundation directory.	June 2018		Not applicable	Not applicable
<b>Independent directors</b>					
José Manuel Rodríguez-Novás Sánchez-Diezma Independent Director	Master in Engineering in Agricultural Industry. He participates in BBVA Peru Foundation directory.	May 2020		Not applicable	Not applicable
Ismael Alberto Benavides Ferreyros Independent Director	Agricultural engineer. He participates in the BBVA Peru Foundation directory.	March 2018		Not applicable	Not applicable

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GRI 102-22, 102-23

Names and surnames	Vocational training <sup>(*)</sup>	Date		Shareholding	
		Start	End	Nº stocks	Part. %
<b>Alternate directors</b>					
Jaime Araújo Medanic Alternate Director	Business administrator. MBA.	March 2018		Not applicable	Not applicable
Claudia Milagros Valdivia Valladares Alternate Director	Business Administrator, Accountant. MBA.	March 2021		Not applicable	Not applicable
Miguel Ángel Salmón Jacobs Alternate Director	Graduated in Law and Political Science.	March 2018		Not applicable	Not applicable
Gustavo Alberto Mazzolini Casas Alternate Director	Public accountant and Bachelor in Administration.	March 2018		Not applicable	Not applicable
Antonio Alonso Granada Alternate Director	Degree in Economics.	May 2020		Not applicable	Not applicable

**Delegated Committees of the Board of Directors**

GRI 102-18

Names and surnames	Position
<b>Audit Committee</b>	
José Manuel Rodríguez-Novás Sánchez-Diezma <sup>(*)</sup>	President
Alex Fort Brescia	Member
José Ignacio Merino Martín	Member
Ismael Alberto Benavides Ferreyros <sup>(*)</sup>	Member
<b>Appointments, Remuneration and Talent Management Committee</b>	
Ignacio Lacasta Casado	President
Alex Fort Brescia	Member
Mario Brescia Moreyra	Member
Fernando Eguiluz Lozano	Member
<b>Corporate Governance Committee</b>	
Alex Fort Brescia	President
Pedro Brescia Moreyra	Member
Fernando Eguiluz Lozano	Member
Rafael Varela Martínez	Member
<b>Risk Committee</b>	
José Ignacio Merino Martín	President
Alex Fort Brescia	Member
Fernando Eguiluz Lozano	Member
Vicente Puig Payá <sup>(**)</sup>	Member
<b>Compliance Committee</b>	
Ismael Alberto Benavides Ferreyros <sup>(*)</sup>	President
Fortunato Brescia Moreyra	Member
Fernando Eguiluz Lozano	Member

(\*) Independent director.

(\*\*) In his capacity as Risk Manager of the Bank.

**Average age of the Board of Directors**

Names and surnames	Date		Years on the Board 2021
	Start	End	
<b>Directors not including independent directors</b>			
Alex Fort Brescia	19/05/1995		26
Pedro Brescia Moreyra	19/05/1995		26
Ignacio Javier Lacasta Casado	24/01/2013		8
Mario Brescia Moreyra	27/03/2013		8
Fortunato Brescia Moreyra	26/06/2013		8
Fernando Eguiluz Lozano	01/07/2019		2
José Ignacio Merino Martín	31/03/2016		5
Rafael Varela Martínez	11/05/2020		1
José Carlos López Álvarez	27/06/2018		3
<b>Independent directors</b>			
Ismael Alberto Benavides Ferreyros	28/03/2018		3
José Manuel Rodríguez-Novás Sánchez-Diezma	11/05/2020		1
<b>Alternate directors</b>			
Jaime Aráoz Medanic (suplente)	2013		8
Miguel Ángel Salmón Jacobs (suplente)	2013		8
Gustavo Alberto Mazzolini Casas (suplente)	2017		4
Antonio Alonso Granada (suplente)	2020		1
Claudia Milagros Valdivia Valladares (suplente)	2021		1
<b>Average years on the Board</b>			<b>7</b>

### 5.3.2.2. Compliance system

GRI 102-16, 102-17, 102-25, 102-28, 205-2, 205-3

BBVA carries out its activity according to the principles established in the Bank for International Settlements (BIS) and the reference regulations on the matter, and implements its specific policies and procedures following strict canons of ethical behavior. The identification, evaluation and mitigation of potential compliance risks guide the compliance risk management model.

“Compliance risks” are understood as the eventuality for a corporation to incur legal sanctions, financial losses or damage to its reputation for failing to comply with laws, regulations, norms, self-regulatory standards and codes of conduct that regulate its operations.

In 2021, with the aim of conveniently managing compliance risks in the entities of the BBVA Group in Peru, the Internal Control & Compliance area was created. Thus, Compliance reports directly to the Manager of the area, without detriment to its direct access to the Board of Directors, which reaffirms its autonomy, importance and independence.

The area consists of five disciplines that act within an agile structure, based on two blocks: Compliance Execution (execution of processes) and Compliance Solutions (development of projects). The disciplines and their focus on risks are:

- **Anti Money Laundering (AML) Compliance:** Money laundering and financing of terrorism (LAFT).
- **Customer Compliance:** Market conduct, customer protection, product governance and conflicts of interest, among other related risks.
- **Corporate Compliance:** Ethical conduct, corruption, criminal liability of the Group companies and competition risks (antitrust).
- **Securities & Derivatives (S&D) Compliance:** Conduct in the securities markets, prevention of improper use of privileged information and market abuse, among others.



•**Model & Assurance:** Development and implementation of the Compliance model with a global scope, which includes Compliance Testing, an independent function for ensuring compliance controls and mitigating compliance.

**The special situation of 2021 brought about regulatory and environmental changes that had a greater or lesser impact on the prevention of money laundering and financing of terrorism, as well as on the risks of corruption, market conduct, prevention of conflicts of interest and competence and corporate integrity, among others.**

The continuation of the global health emergency meant that, during 2021, the Compliance function had two main drivers of action:

- I. Implementation of appropriate action procedures and protocols, in the shortest possible time, that allow compliance with the emerging regulation.
- II. Requirement so that the offer of products and services does not present deficiencies in the management of compliance risks.

Given this intense period, it was decided to reinforce the elements and pillars that support the corporate compliance risk management model, for which Compliance put into practice the fundamental elements of the model:

- a. Provide the appropriate organizational structure that allows maintaining its authority and independence of criteria.
- b. Maintain or update, as appropriate, the internal regulations, policies and procedures that guarantee business continuity;
- c. Support the technological infrastructure, crucial for the correct performance of remote Compliance supervision and control activities.
- d. Maintain constant vigilance in risk assessment, especially in scenarios affected by changes, to manage the risks involved with the appropriate mitigation actions.
- e. Disseminate and communicate the pertinent changes and actions with a re-educational vision of the new ways of developing activities.
- f. Monitor the changes implemented to deal with the pandemic, as well as continue with the supervision and control of the processes that were not altered.

The management measures adopted in the context of the health emergency facilitated a timely and effective response to actions with high risk factors linked to the Compliance activity. Biometric technology made it possible to promote and streamline credit and debt rescheduling requirements, service operations through non-face-to-face channels, and non-face-to-face customer onboarding.

The special situation of 2021 brought about regulatory and environmental changes that had a greater or lesser impact on the prevention of money laundering and financing of terrorism, as well as on the risks of corruption, market conduct, prevention of conflicts of interest and competence and corporate integrity, among others.

On the other hand, the Bank's macro vision that every action taken also requires ensuring traceability for subsequent evaluation led to the implementation, in 2021, of independent evaluations by both regulators and internal and external audit bodies. This tool becomes increasingly relevant as the new normal becomes viable.

For the communication and training of the organization via e-learning, the Bank has two portals: Campus BBVA, designed to teach corporate courses and training tools, and a Compliance Portal, which acts through the intranet and uses the following functions internally:

- Inform about innovations or changes that have occurred in the legal framework, internal regulations, national and international documents, as well as warn of warning signs and suspicious behavior patterns and provide answers to frequently asked questions.
- Disseminate preferentially informative or training standards or content related to activities to prevent money laundering and financing of terrorism and other compliance risks.
- Ensure that institutional messages contain the appropriate level of awareness for compliance with standards and ethical behavior.
- Provide staff with an up-to-date and easily accessible information medium.

During 2021, the strengthening of the Internal Regulation Framework (self-regulation) continued, which the Internal Regulation Standard, approved in 2020, ordered to be applied in all the Bank's units, giving a period of two years for its update. Thus, BBVA has with policies that strengthen its commitment to compliance and integrity, such as the Conduct Policy in the Securities Markets, the Anti-Corruption Policy, the Conflict of Interest Prevention Policy, the Product Governance Policy, the Competition Policy, and the General Policy on Conflicts of Interest.

### **Advice on ethical and legal behavior**

GRI 102-16, 102-17, 102-25, 102-26, 102-27

The BBVA Group in Peru has a Code of Conduct that includes the latest regulatory requirements and recommendations issued by international organizations such as BIS, EBA, ISO, among others, and incorporates the best practices and requirements of supervisory bodies. Likewise, it attends to social expectations regarding a correct business culture based on ethics. As clearly established by the Code, the BBVA employee must maintain legal, morally acceptable and publishable conduct, for which he indicates behavior guidelines in accordance with the principles of prudence, integrity and transparency of the Cluster. It also includes procedures to help the employee resolve doubts and clarify compliance with their obligations.

The BBVA Group's commitment to business integrity is always reinforced by the Compliance team, which promotes communication, training and adherence to the Code, as well as the fundamentals that inspire it: transparency, integrity and prudence.

All entities linked to the BBVA Group in Peru are required to comply with the Code. Likewise, all employees receive a copy of the Code, which is also permanently published on the Bank's website and on the Compliance portal (intranet). In line with the Group's technological innovation strategy, training and the consequent formal membership are done by electronic signature.

As part of its constant advice to BBVA employees and senior management on the application of the Code and current corporate policies, during 2021 Compliance implemented the corporate Consultations tool through the link <https://www.bkms-system.com/consultas>. For example, it was instructed regarding the acceptance of gifts or personal benefits, the development of professional activities, the treatment and management of potential conflicts of interest and the management of personal assets.

The Corporate Integrity Management Committee is the body with the highest hierarchy in monitoring the proper application of the policies and guidelines indicated by the Code. Compliance presents to him the evolution of everything related to the Code. During 2021, the use of the Complaint Channel was established, renewed with the implementation of a new corporate complaint tool available to workers and third parties through the link <https://www.bkms-system.com/bbva>. Through this, all communication is collected confidentially and anonymously about any possible breach of the policy, internal and legal regulations or codes.

### **Anticorruption policy**

GRI 412-2, ODS 16

In the introduction to the update made in 2021 to the BBVA Policy, it is pointed out with special emphasis that it is aligned with the FCPA (USA), the UK Bribery Act, the Spanish Penal Code and the best practices in the sector, taking as a reference ISO 37001. It should be noted that establishing the guidelines for making donations to public entities and collaborating during the covid-19 pandemic did not require any modification.

With the participation of the General Manager, during 2021 the "Soy Integro" program was launched, with the aim of reinforcing the desired actions within the framework of the Code of Conduct. For the campaign, videos and communications were produced that developed topics such as conduct with customers, acceptance of gifts, anticorruption policy, conflict of interest, and conduct with colleagues (this one on the work environment and sexual harassment).

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**During 2021, the use of the Complaint Channel was established, renewed with the implementation of a new corporate complaint tool available to workers and third parties through the link <https://www.bkms-system.com/bbva>.**

All employees who start working in any of the Group's entities in Peru must follow the AntiCorruption Policy and Code of Conduct courses through the virtual training platform. During the second semester, the Crime Prevention Program and Free Competition courses were added to the regulatory pack.

During 2021, 93.53% of new employees took the Code of Conduct course, which includes within its content guidelines on human rights relevant to operations.

In the first half of the year, the project to reinforce the ABC (Anti Bribery and Corruption) Model was completed, whose main objective is the proper application of the anticorruption policy and the applicable regulations in this regard.

### **Prevention of money laundering and financing of terrorism (PLA/FT)**

#### **GRI 205-2**

The prevention of money laundering and financing of terrorism (hereinafter, PLAFT) is a main objective of the BBVA Group, since it is associated with its commitment to improve the social environments in which it carries out its activities.

Preventing the Bank's products and services from being used for criminal purposes is of vital importance and an essential requirement to preserve corporate integrity and maintain the trust of the stakeholders with whom it is directly related (customers, employees, shareholders, suppliers, etc.) and with society in general.

BBVA bases its actions on a corporate model based on: a) compliance with policies and procedures developed within the current legal framework, and b) ML/FT risk management through controls and procedures that allow timely detection and reporting of suspicious transactions and contemplate improvements practices of the financial industry worldwide in the prevention of LAFT, among them the recommendations of organizations such as the International Financial Action Task Force (FATF/GAFI).

The constant independent reviews of the LAFT risk management model allow the controls to be renewed and additional mitigating measures to be established to strengthen it. Thus, in 2021, the model was reinforced with the implementation of new management indicators in order to ensure diligent anticipation of risks.

As part of the mitigation and control processes, the risks linked to the granting of monetary subsidies by the State were analyzed. In other words, the timely adaptation to the contingency of non-face-to-face account opening processes, the monitoring of remote or non-face-to-face financial operations and cash operations with foreign currencies, as well as new types of money laundering linked to this situation.

As part of the permanent training of the Group's employees in the area of money laundering prevention, online training activities were carried out for both new employees and all staff. In total, 99.69% and 98.62% of the employees dedicated to commercial activities and the general payroll were trained.

#### **GRI 205-2**

### **Market conduct (Transparency and user protection)**

The Market Conduct Officer (OCM) is in charge of Customer Compliance issues. In this order of things, it must ensure the development of the activities established within the framework of the market conduct regulation issued by the Superintendence of Banking, Insurance and AFPs (SBS), and the policies and good corporate practices. These activities are:

- Assess the risks for the client associated with BBVA products, services and activities, as well as promote or implement measures for their mitigation. The application of the compliance model is carried out through the committees for new products and in the quality assurance program (PAC), ensuring the intervention of the OCM from the conception of commercial initiatives to their development, marketing and post-contracting.

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**As a part of the permanent training of the Group's employees in the money laundering prevention area, online training activities were carried out for both new employees and all staff.**

- Coordinate action plans to adapt to new requirements and criteria issued in terms of user protection, mainly by the SBS. Due to the continuity of the health emergency, during 2021 there were regulatory changes with a special focus on consumer protection, which required proactive action from the OCM to prevent non-compliance.
- Collaborate closely and constantly with the product and business development units, especially with digital banking initiatives, so that they incorporate the vision of user protection into their projects.
- Permanently update the internal regulatory framework for the correct commercialization of the Bank's products and services, especially with the due application of the regulatory changes established in the field of market conduct.
- Participate in projects that seek to improve and update the Bank's business processes and computer systems, ensuring their alignment with the best practices for protecting the client's interests. The emergency situation of 2020 and 2021 determined the need for permanent support from the OCM.
- Carry out communication and training actions aimed at commercial networks in terms of transparency and consumer protection so that every employee who attends to a client/user is duly informed. To this end, during 2021 the office reference material was updated and an extensive training program was carried out for all employees who provide support to internal processes.
- Review in detail the information available to the public and the sales force, which includes control in the application of commissions and expenses and their posting on the office network. During 2021, all the communications issued were validated and the governance framework of the commissions was reviewed.
- Examine, with a vision of compliance with the principle of transparent, clear and responsible advertising (TCR) and the Code of Advertising Self-regulation signed by Peru's Banks Association (ASBANC), the contents of promotional campaigns and commercial actions of products/services. During the year ended, quarterly reports were made to monitor advertising activity.
- Strengthen the metrics and indicators for monitoring compliance risks, in an attempt to promote a preventive approach.
- Evaluate customer complaints, internal and external audit reviews, and regulatory reviews and requirements. In 2021 it was verified that the attention of these occurred within the current legal term.

BBVA Peru provides regulatory training that seeks to ensure that both the personnel who have a relationship with the client, such as those who design the products and services, develop compliance with the principles of transparency and conduct with the user. In 2021, the Bank achieved 98% effectiveness in staff training on Market Conduct.

#### GRI 417-1

During 2021, the application of the corporate product governance policy was reinforced, which now allows the OCM to comprehensively evaluate the launch of new products or significant variations of these, ensuring compliance with the model from before launching it until its subsequent performance.

### 5.3.2.3. Standards of conduct

#### GRI 102-16, 102-17, 205-2, 307-1, 406-1, 412-2, 419-1, ODS 16

All BBVA Group companies in Peru and their employees are required to comply with the Code of Conduct. Even, if it is the case, this reaches third parties linked to the Bank, if they represent an exposure to reputational risk. The Code develops guidelines in four areas: i) Conduct with the client, ii) Conduct with colleagues, iii) Conduct with the company and, iv) Conduct with society. Likewise, it develops the governance and application framework of the Code.

The actions of the personnel who carry out their activities in the field of investments on behalf of third parties or entities of the Group in Peru are defined by the Code of Ethics in the Securities Markets. The Bank applies measures to control the flow of information to its related parties (individuals and/or legal entities), prior authorization of operations, construction of physical or intangible "Chinese walls" and monitoring operations on its own account or those of its related parties in the security markets, in order to prevent the improper use of privileged information and/or market abuse.

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**All BBVA Group companies in Peru and their employees are required to comply with the code of conduct.**

The Complaints Channel is, apart from the Group's self-regulatory provisions, the means of communication for actions or situations that may be contrary to the Code, the policies that develop it or its values and guidelines. During 2021, there were no cases of discrimination at the Bank.

GRI 406-1

Once the corresponding analysis was done, no report was identified in 2021 in the written or digital media that affected the Bank's sustainability.

GRI 307-1

### Whistleblower channel

GRI 102-33, 102-34

The Group and all the companies that make it up rely on the BBVA Code of Conduct to avoid any act or behavior that is morally questionable or outside the law.

Any stakeholder can report through the Whistleblower Channel any breach – which includes, but is not limited to, illegal or unethical conduct – that observe or be informed by another employee, client or supplier, for which you must comply with the following protocol:

- Discuss the case with your immediate superior or your Talent & Culture manager.
- Notify the case through the local Whistleblowing Channel.
- Use the corporate Complaints Channel –through the link <https://www.bkms-system.com/bbva>– if you want the case to be reported to Compliance Holding.

Those who, in good faith, report inappropriate acts or conduct to the Whistleblower Channel may not receive retaliation or suffer any adverse consequences for that reason.

The Compliance Unit processes complaints diligently and promptly, promotes their investigation and verifies and promotes the necessary measures for their resolution according to the Complaints Channel management procedures. The information will be analyzed in an objective, impartial and confidential manner, keeping the identity of the complainant confidential.

At the end of 2021, of the total complaints received about misconduct by employees, 16% were related to customers, 53% to colleagues, 29% to the company, and the remaining 2% to society. Thanks to the effective and appropriate resolution of the complaints raised, due compliance with the Code was guaranteed and the use of the Complaint Channel was strengthened.

In the year ended there were no cases of corruption in BBVA.

GRI 205-3

### Legal compliance

GRI 419-1

In the ended year, no material fine or non-monetary sanction was issued against BBVA in socioeconomic matters.

GRI 416-2, 417-2

During 2021, the Bank did not receive sanctions for non-compliance in Health and Safety regarding products and services.

GRI 416-2

During the year 2021, 14 complaints sanctioned by INDECOPI related to the Consumer Protection Code and the Code of Conduct of the Market applicable to the financial system, with regard to information and labeling of products and services, which resulted in fines of 56 UIT.

GRI 417-2

## 5.3.2.4. Internal control model

GRI 102-11, 103-3, 205-1

The internal control model is based on the recommendations of the Basel Committee and the best practices of the industry. Its structure in three lines of defense guarantees that the operations are carried out in compliance with both the applicable regulations and the internal policies and procedures established by the Bank.

**At the end of 2021, from total complaints received about misconduct by employees, 16% were related to customers, 53% to colleagues, 29% to the company and the rest 2% with society.**

- First line:** It is made up of the owners of the processes, responsible for the management of current and emerging risks and the execution of the control procedures inherent to them. Likewise, it has the Risk Control Assurer, whose purpose is to promote the proper management of operational risk in their respective management areas, by extending the methodology for identifying risks and establishing controls to the owners of the processes.
- Second line:** Made up of a Risk Control Specialist team (Compliance, Processes, Third Party, Finance, Legal, People, Risks, Physical Security, Information & Data Security and Technology Security). Their task is to define the mitigation and control frameworks in their area of expertise (transversally throughout the organization) and compare them with what has been implemented by the first line.
- Third line:** In the hands of the Internal Audit Area, it independently, impartially and objectively evaluates the organization's internal control and risk management systems. Its purpose is to add value, improve operations and support the Group in achieving its objectives within an adequate control environment.

Structured in this way, the model has allowed BBVA to comply with the highest internal control standards updated in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In the process of strengthening the Bank's internal control scheme, in 2021 the maturity of the control model and the number of initiatives approved in the Operational Risk Admission Committee (CARO) stood out, both in new products and important changes such as in outsourcing processes.

## Corporate Assurance

GRI 102-30

Since 2013, the Bank has been involved in the Corporate Assurance model, which strengthens internal control and allows senior management to have a comprehensive vision of the organization. In this sense, a governance scheme was established that involves senior management and is based on the work of the control teams, which makes the model viable.

One of the keys to the internal control model is to promote the coordinated action of the three lines of defense, which increases effectiveness and efficiency, while provides the necessary management tools for the prioritization and escalation of matters related to internal control.

In order to learn about and make decisions on control issues that may have a significant impact on the objectives of the different units, quarterly meetings are held in which the members of the Group's management committees and those of its subsidiaries participate.

## Internal Audit

Internal Audit (IA) is a global unit of BBVA that reports to the Group's Chairmanship at the corporate level and, locally, to the Bank's Board of Directors. Its annual work plan is approved by the Board of Directors.

As part of the BBVA Control Model, IA is the third layer of it. As its function is to ensure the existence and effectiveness of the model through reviews of the Bank's processes, it accompanies the digital transformation process in which it is immersed. To this end, it has transformed its work methodology and adapted its internal processes in order to being tune with the changes in the organization, obtain efficiencies and enhance the work carried out.

A Risk Assessment process applied to all areas and procedures is the basis for preparing the Bank's annual plan. The analysis consists of a continuous evaluation of the levels of inherent risk and control of each process to identify the sources of risk, which allows proposing specific revisions to those procedures that are considered to have a higher level of risk. In addition to this assessment, the plan includes reviews of a regulatory nature established in current Peruvian regulations as well as reviews requested by Management.

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**Since 2013, the Bank operates in the corporate model Assurance, which strengthens internal control and allows senior address have a holistic view of the organization. In this sense, a governance scheme was established that involves senior management and is based on the work of the control teams, which makes the model viable.**

IA takes into account, for the preparation of the annual plan, the coverage of a type of risk that allows maintaining adequate control in the organization. The regulation establishes that the Audit Committee must approve any change in the plan, as well as that the local regulator must be informed.

During 2021, IA kept the Risk Assessment up to date and reviewed the work proposal on a quarterly basis, with a special focus on ensuring that, if a change in the plan was required due to the appearance of any relevant issue, it would be done quickly and efficiently.

BBVA Peru is authorized by the SBS to design its annual risk-based audit plan (ABR). This allows specific regulatory reviews not to be included in the plan, since IA has process control information that the standard establishes to review. Granted for the first time in 2008, this authorization became permanent on December 31, 2014.

IA had to adapt to the teleworking modality in these two years of health emergency due to covid-19. The operational support provided by the Bank and the internal coordination of the team made it possible to continue with the execution of the plan. During 2021, as had happened in 2020, changes were made to the work plans to address the sources of risk arising from the same pandemic, modifications in the Bank's operation and revisions requested by the regulator aimed at revising the support plans arranged by the national government.

The IA plan contemplated, during 2021, the following distribution of work by type of risk:

Main internal audit activities by type of risk			
	2021 Plan <sup>(1)</sup>	2020 Plan <sup>(2)</sup>	2019 Plan <sup>(3)</sup>
Operational risk	4	5	2
Compliance risk	4	4	5
Credit risk	6	6	4
Technological risk	5	4	2
Legal risk	2	2	5
Structural risk	0	1	1
Capital risk	1	0	0
Business model risk	1	2	0
Market risk	1	0	0
Extended enterprise risk	0	0	1
Internal governance risk	1	0	1
<b>Total</b>	<b>25</b>	<b>24</b>	<b>21</b>

<sup>(1)</sup> Plan executed during fiscal year 2021.

<sup>(2)</sup> Plan executed during fiscal year 2020.

<sup>(3)</sup> Plan executed during fiscal year 2019.

On the other hand, the main sources of risk on which IA focused its work plan during 2021 were:

- **Operational risk:** Banking channels and processes.
- **Compliance risk:** Consumer protection and PLD&FT.
- **Credit risk:** Credit quality and model risk methodologies and reactive admission.
- **Technological risk:** Information security, development and acquisition of software and cybersecurity.
- **Legal risk:** Financial reporting.
- **Capital risk:** Local capital requirement.
- **Business model risk:** Governance framework.
- **Market risk:** Monitoring.
- **Internal governance risk:** Policies and procedures.

**During 2021, IA kept the Risk Assessment up to date and reviewed the work proposal on a quarterly basis, with a special focus on ensuring that, if a change in the plan was required due to the appearance of any relevant issue, it would be done quickly and efficiently.**

### 5.3.3. Fiscal transparency

GRI 207-1, 207-2, 207-3

#### Tax strategy

BBVA's tax strategy is built on the commitment to promote the progress of the countries in which the Group operates. It rests on the principles and values reflected in the Group's tax policies, which are aligned with its corporate principles and which are summarized as: integrity in tax matters, prudence in the tax context and transparency in the entity's information about your activity.

The Board of Directors approved the "Corporate Principles on Tax Matters and Tax Strategy" in 2015, and since then they remain in force and have been deployed in all the geographies where the Group has a presence. The tax strategy is accompanied by the policies, scope, principles and values that must guide the Group's behavior in tax matters. The "principles" are public and have a global scope, they affect all the Group's teams and their mandatory compliance generates a huge impact on the image that a large multinational such as BBVA has in the jurisdictions where it is present.

The policies and values that make up BBVA's tax strategy are supported and aligned with the following corporate principles:

- **Integrity:** Manifestation of ethics in everything the Group does and in all its relationships with stakeholders. In tax matters, it means respecting the rules and cooperating with the different tax authorities, within a relationship based on good faith.
- **Prudence:** Due caution when interpreting the rules and taking risks. BBVA always analyzes the tax implications as part of its decision-making process and avoids aggressive interpretations of tax regulations.
- **Transparency:** The Group must provide clear and truthful information, within the limits of legality and with the commitment to collaborate with the tax authorities. In tax matters, this implies being transparent in the information provided to the client and in the information provided to the rest of the stakeholders, including the administration, regarding BBVA's own activity.

Compliance with the provisions of the tax strategy is duly monitored and supervised by BBVA's governing bodies. The Bank's fiscal strategy is based on the following basic points:

- BBVA's decisions on tax matters are linked to the payment of taxes, since this is an important part of the Bank's contribution to the economies of the different jurisdictions in which it carries out its activity, aligning taxation both with the effective performance of the economic activity as well as with the generation of value in the different geographies in which it is present.
- Active work to adapt to the new digital environment, also in tax matters, through the incorporation of the virtual presence to the generation of value and its consequent valuation. Similarly, it seeks to adapt to the demands of the tax administration regarding the new formal and substantial tax compliance channels.
- Establishment of a mutually cooperative relationship with the different tax administrations, based on the principles of transparency, mutual trust, collaboration, good faith and loyalty between the parties.
- Promotion of clear, transparent and responsible communication with its various stakeholders on its main magnitudes and tax matters.

The different areas and businesses act in accordance with their internal regulations with the Standard Fiscal Control Framework, compliance with which is periodically reported by the Fiscal Department to BBVA's governing bodies.

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**Policies and values that make up BBVA's tax strategy are supported and aligned with corporate principles.**



## Tax contribution

As part of its commitment to transparency in the payment of taxes, BBVA voluntarily breaks down its total tax contribution.

The total tax contribution of the BBVA Group (Total Tax Contribution Report, ITTC) follows a methodology created by PricewaterhouseCoopers (PwC). It includes payments, both their own and those withheld from third parties (income tax, tax general sales, local taxes and rates, withholdings for the tax on individuals and companies, as well as contributions to the social security system and those made during the year for tax litigation related to the taxes). In other words, they include both related taxes (those that entail a cost for companies and have an impact on their results) and those paid on behalf of third parties.

The ITTC, by making it possible to understand the Bank's tax payment, represents a forward-looking approach to transparency in corporate tax responsibility, in which BBVA assumes a leadership position.

### Total tax contribution Year-on-year variation (in millions soles)

	2021	2020	2019	2018
Own taxes	958	853	923	698
Third party taxes	320	392	321	353
<b>Total contribution</b>	<b>1,278</b>	<b>1,245</b>	<b>1,244</b>	<b>1,051</b>

### Financial reports

	2021	2020	Calculated average
Earnings before taxes	2,225,682,089	879,492,000	1,552,586,854
Declared taxes	666,388,998	224,356,000	445,372,464
Cash taxes paid	714,318,407	652,622,610	683,470,509

## 5.3.4. Responsible purchases

GRI 102-9, 102-10, 103-2, 204-1, 308-1, 308-2, 414-1, 414-2

### Supply chain

Global Procurement System (GPS) is the global technological platform that supports all phases of the procurement process in the BBVA Group, from the approval of the budget to the registration and posting of invoices (budgeting, purchases and finances).

The Bank's need to increase control over procurement, together with the new definition of the corporate and management scope of the Goods Acquisition and Service Contracting Standard with respect to manageable expenses and investments, led to the launch in February of the project to incorporate or increase the functionality of GPS to the subsidiaries.

The different negotiation processes (RFI, RFQ, RFP, electronic auctions and rounds final award) with suppliers are made through Adquira Podium. This electronic platform offers the Group advantages such as:

- Greater control, traceability and visibility of the status of the different negotiation processes in which it participates.
- Agility, standardization and automation of trading processes.
- Transparency and simplicity of the process.
- Comprehensive telephone advice on the operation of the portal for questions, queries, incidents and training.

For its part, during 2021 the development of the Procurement Action Plan, launched in May 2019, continued. Among the actions carried out, the following stand out:

**During 2021, the development of the action plan Procurement, released in May 2019.**

- Reduction to a minimum of non-standard billing and the obligation to persistent billing –within a very low threshold and for basically operational reasons– to the explanation and consequent commitment to redirect its situation in the quarter, endorsed by the highest level (Committee of direction). This is a common and homogeneous model throughout the Group.
- Local adaptation of the new supplier evaluation model, execution of a pilot and deployment of Procurement as the Group's main objective.
- Formalization and implementation of the new controls associated with supplies outside the purchasing perimeter. Formalization of the procedures and preparation of GPS in all areas, which allows the implementation of new controls associated with said supplies.

## Supplier satisfaction survey

In 2021, the survey conducted among BBVA Peru suppliers showed 85 satisfaction points, six more than in 2019.

## Suppliers

Suppliers are a key part of BBVA's business model, which forms a relationship that is governed by the Group's Code of Conduct, the Code of Ethics for suppliers, the Responsible Purchasing Policy and the Standard for the acquisition of goods and service contracting.

BBVA makes a positive contribution to the development of the societies in which it operates, and assumes that integrating ethical, social and environmental factors in the supply chain is part of its responsibility. Your Code of Ethics suppliers defines the minimum standards of behavior regarding ethical, social and environmental conduct that it expects all its suppliers of products and services to follow. Similarly, the Code includes BBVA's aspiration to promote respect for human rights in its relationships with suppliers, which is reflected in its Commitment to Human Rights.

### Basic supplier data

GRI 102-9

	2021	2020	2019	2018
Suppliers <sup>(1)</sup>	6,508	5,846	2,147	3,752
Volume billed by suppliers (in millions soles)	1,153	942	1,030	1,054
Number of approved suppliers <sup>(2)</sup>	490	508	366	486

<sup>(1)</sup> Suppliers that have invoiced the Bank are considered. Consider the amount without taxes.

<sup>(2)</sup> Suppliers with valid approval as of 2021.

The contracts that the Bank signs with suppliers are, among others, labor intermediation, construction contractors, outsourcing of services and purchase of goods. Depending on the item, purchases are made with local or non-domiciled suppliers.

### Average term of payment to suppliers

	2021	2020	2019	2018
Number of days	10	11	8	11

## Supplier management

### Supplier evaluation process

#### GRI 412-3

In order to work with BBVA, all suppliers of goods or services with manageable expenses must, as a general rule, go through an evaluation process that will identify the level of associated risk.

The unique and homogeneous evaluation, process and result model for the BBVA Group integrates nine different types of risks (anticorruption, legal, tax, labor, reputational, country and concentration, technological, financial and, lastly, customer protection) and its defined weights, which allows it to identify the appropriate strategy and decision making with suppliers and the market. It has been designed and approved by the Vendor Risk Management governance model, in consensus with the risk specialists involved in the supplier evaluation process.

#### GRI 102-10

In contracts with suppliers, it is specified that they must comply with the supplier code of ethics, which includes the commitment to human rights, establishing mandatory guidelines for suppliers and the Bank.

### Basic supplier data in the approval process

#### GRI 102-10

	2021	2020	2019	2018
Number of suppliers who went through the homologation process <sup>(1)</sup>	510	304	391	505
Purchases from suppliers who participated in the homologation process (in percentage) <sup>(2)</sup>	7.84	5.20	18.21	13.47
Number of suppliers that did not exceed the homologation process	20	26	25	19

<sup>(1)</sup> Suppliers evaluated by the certifier.

<sup>(2)</sup> The percentage of suppliers that have passed the homologation process with respect to the total number of suppliers that have invoiced during 2021 is considered (Preferred are not included).

The percentage of approved suppliers in 2021 was 7.82%, which accounted for 83.99% of the total awarded.

BBVA maintains the firm commitment to contribute to the economic and social growth of the countries in which it is present. Thus, 98.31% of its suppliers were local and represented 83.99% of the total billing. A local supplier is understood to be one whose tax ID matches the country of the company receiving the good or service.

#### GRI 204-1

### Impact management

#### GRI 102-10

In order to conveniently manage the impact that they may have on the entity, the Bank has a purchasing policy, an evaluation process and a corporate rule for the acquisition of goods and contracting of services.

Among the feasible impacts, the following are considered:

- Environmental.
- Produced by poor labor practices carried out in supplier companies.
- Derived from the absence of freedom of association.
- That affect human rights (HR).
- Positive or negative to society.

**The percentage of approved suppliers in 2021 was 7.82%, which accounted for 83.99% of the total awarded.**

## 5.4. Sustainable finance

ODS 8, ODS 13

Thanks to their unique position to mobilize capital through investments, loans, issuances and advisory functions, banks play a crucial role in combating climate change and in achieving the United Nations Sustainable Development Goals (SDGs). There are two most relevant ways to contribute to this challenge: one, to provide the client with innovative solutions that help them in the transition towards a low-carbon economy and that promote sustainable financing and, another, to integrate environmental and social risks in the decision decisions in a systematic way.

### 5.4.1. Commitment 2025

GRI 201-2

To contribute to meeting the Sustainable Development Goals (SDGs) and the challenges arising from the Paris Climate Agreement, the BBVA Group undertook the "2025 Commitment" on climate change and sustainable development, which contemplated mobilizing 100 billion euros in green financing, sustainable infrastructure, social entrepreneurship and financial inclusion, with the aim of allowing all people to achieve the opportunities of this new era.

**BBVA announced on March 5 that in 2030 it will stop financing coal in developed economies and in 2040 in emerging ones. To this end, it will support the financing of renewable and sustainable energy projects for these companies in order to help them in their energy transition.**

2025 COMMITMENT		
<p><b>Finance</b></p> <p>Help create the mobilization of capital to curb climate change and achieve the Sustainable Development Goals.</p> <ul style="list-style-type: none"> <li>•Green financing.</li> <li>•Sustainable infrastructures and agribussines.</li> <li>•Financial inclusion and entrepreneurship.</li> </ul>	<p><b>Manage</b></p> <p>Manage environmental and social risks to minimize potential direct and indirect negative impacts.</p> <ul style="list-style-type: none"> <li>•Transparency in the exhibition of fossil fuels.</li> <li>•Alignment with the 2oC scenario for 2050.</li> <li>•Sectoral regulations in mining, energy, agribusiness and infrastructure.</li> </ul>	<p><b>Involve</b></p> <p>Involve all stakeholders to collectively promote the contribution of the financial sector to sustainable development.</p> <ul style="list-style-type: none"> <li>•Implementation of the TCFD recommendations for 2021.</li> <li>•Education and financial education.</li> <li>•Promotion of the responsible banking model in the industry.</li> </ul>

That ambitious goal was doubled in July 2021, with the Group committing to channeling up to €200 billion. "Sustainability is a strategic priority for BBVA. Challenges as important as climate change or the fight against inequality represent a titanic task that affects us all as a society and that we must address at an unprecedented rate", said Carlos Torres Vila, Chairman of BBVA. "But helping our customers transition to a more sustainable future also represents a great opportunity. For this reason, we believe that we must and can be more ambitious, doubling our commitment to sustainability to go further", he added.

BBVA announced on March 5 that in 2030 it will stop financing coal in developed economies and in 2040 in emerging ones. To this end, it will support the financing of renewable and sustainable energy projects for these companies in order to help them in their energy transition.

In addition, the Group has committed to being carbon neutral by 2050, not only in its own which it already is but also in those of the clients. BBVA is the most sustainable bank in Europe and the second in the world, according to Dow Jones Sustainability Index.

## 5.4.2. Sustainable financing

The performance of customers in the fight against climate change and their ability to adapt to environmental challenges can affect a bank's business and, ultimately, its payment capacity and solvency.

Helping its clients in the transition to a low-carbon economy is a significant contribution of BBVA in the fight against climate change. The Bank is committed to supporting inclusive economic development, both through its business and through the various social programs that the Group promotes. To do this, it initially focuses on those SDGs in which the Group can have a greater positive impact by taking advantage of the banking multiplier effect.

**The Bank is committed to supporting inclusive economic development, both through its business and through the various social programs that the Group promotes.**

### CLIMATE CHANGE

Mobilization of investments necessary to manage the challenge of climate change, in accordance with:



Three categories of business initiatives:

- **ENERGY EFFICIENCY**  
(technologies that reduce energy consumption per unit of product)
- **CIRCULAR ECONOMY**  
(recycling, new materials, responsible use of natural resources, etc.)
- **CO<sub>2</sub> REDUCTION**  
(renewable and other clean energy sources, electric mobility)

### INCLUSIVE DEVELOPMENT

Mobilization of necessary investments to build inclusive infrastructure and support inclusive economic development, in accordance with:



Three categories of business initiatives:

- **DIGITAL SOLUTIONS**  
Provide financial services to the unbanked population primarily with digital solutions according to your needs
- **INCLUSIVE INFRASTRUCTURES**  
with a focus on basic services and safe, affordable and sustainable transport systems
- Support for **ENTREPRENEURS** and promotion of economic growth and full and productive employment

## Corporate Investment Banking (CIB)

CIB has a global strategic sustainability plan in which each geography participates in coordination with the parent company to meet its objectives.

The plan involves the following lines of global actions, each with its own local lines of work for its development:

- **Client mapping:** Know the sustainability strategy of corporate and institutional clients and generate a list of target clients by product and geography.
- **Development of sustainable products and services:** Develop for each CIB product—Global Transactional Banking (GTB), Investment, Banking & Finance (IB&F), Debt Capital Markets (DCM) and Global Markets (GM) – a portfolio of sustainable products for corporate and institutional clients.
- **Increased demand for sustainable products in less developed markets:** Develop a strategy that includes: a) active leadership with institutional clients, b) generation of sustainable awareness in corporate clients, c) internalization of some of the expenses associated with operations and d) promotion of BBVA's institutional role within the financial sector in each country.
- **Knowledge and community:** Technically train employees and corporate clients on sustainability issues.

From an organizational point of view, the CIB division in BBVA Peru has a person responsible for sustainability issues for each product, as well as a geographic manager, who coordinates the strategy between the local teams and the parent company.

The main sustainable actions developed by each product from the CIB division in BBVA Peru are:

- **Global Transactional Banking (GTB):** Its main action plan was the signing and development of the Transactional Framework of the Sustainable Transactional Product at a global level, by which credit lines linked to sustainability are classified as such. All the geographies in which GTB has a presence have adhered to the Framework. During 2021, GTB Peru closed nine transactions considered sustainable that mobilized approximately US\$150 million of capital. The operations include the first Sustainable Factoring credit facilities, as well as the first facility of letters of credit for foreign trade considered sustainable.
- **Investment Banking & Finance (IB&F):** The main focus of the IB&F team is to advise and finance the main investment projects of corporate clients. IB&F has a global sustainability advisory team that advises corporate clients on how to make sustainable investments and obtain sustainable ratings from third-party rating agencies. During 2021, IB&F Peru advised a client in the energy world, mobilizing capital for sustainable issues for an amount of US\$88 million.
- **Debt Capital Markets (DCM):** With the aim of promoting the issuance of ESG bonds, the DCM team advises and accompanies clients who wish to commit to sustainability. In Peru, contact the Lima Stock Exchange (BVL), an entity that "labels" the sustainable instruments (bonds or paper) that are issued in the country. On occasion, he approaches potential issuers together and, with the support of the global team, manages action plans (visits, calls, pitches, etc.) and reports about their goals and monthly follow-ups. All the activities related to potential sustainable bond issues are placed in a template that can be accessed by those who lead the DCM initiatives in the parent company, which prepares a bulletin with the sustainable bond issues that take place in the different geographies, either whether or not BBVA participates in them.
- **Global Markets (GM):** Although the market for financial products linked to sustainability is relatively new, one of GM's main objectives for the coming years is to increase the offer of structured products (investment and coverage) that incorporate sustainable criteria. For GM it is important to offer the client the possibility of investing in products that are backed by sustainable financing, as well as alternative underlying in the market that seek to promote a sustainable future. Likewise, it is proposed to generate coverage products for clients associated with sustainability KPIs that promote a culture of greater sustainable responsibility in companies.

## Banking Corporate Business and Institutions

### ODS 1

At the beginning of the year, the Business Banking segment joined BBVA's commitment to sustainable financing, promoting these through its multidisciplinary teams (Client Solution, Irrigation and Commercial Banking). Among the most important pillars of 2021, responsible for meeting the budgeted objective, are:

- **Synergies with the Risk team:** Interactive sessions with the Risk team admission of wholesale risks in which some of the operations that are in the process of obtaining the sustainable seal are reviewed and certain considerations are agreed upon. It is stage 2 for the identification of potential green financing.
- **Creation of the sustainability guide:** It arises in response to the need to have a protocol for the approval process of a sustainable operation. In addition to helping to maintain a structure in the requirement, it was also a process guide for the sales force.
- **Training for the Front:** Throughout the year, Corporate Banking executives and the admission team were trained on the main pillars of the standard, on a casuistry base that allowed to quickly identify potential clients. Also, together with the T&C team, the Fundamental Sustainability module was promoted to all the employees of BBVA Peru
- **Portfolio identification:** One of the first actions in Corporate Banking was to identify the segments where sustainability is most relevant, finding in the agro-export industry an opportunity to initiate its first approaches. In the second half of the year, opportunities arose in other industries, as a result of progress in the integration of a sustainable culture in the commercial management of the team.

**The segment achieved a budget achievement of 227% with PEN 767 million in climate action, driven by Real Estate and Commercial Loans, in addition to adding PEN 42 MM in social inclusion.**

After deploying these initiatives, the segment achieved a budget achievement of 227% with PEN 767MM in climate action, driven by Real Estate and Commercial Loans, in addition to adding PEN 42MM in the area of social inclusion.

**Real Estate**

**ODS 1**

During 2021, there was a significant increase in the placement of sustainable mortgage loans, thanks to the Mivivienda Verde program –grade 2 and grade 3–, of the order of PEN 91.5MM in placed balances and PEN 177MM in terms of sustainable financing lines for said loans. programs. On the other hand, in November Hipotecario Verde was launched, the only loan of the private banking type in the country, which at the end of the year managed to place more than PEN 9MM.

Graphics and posters of the launch of the BBVA Green Mortgage Credit



The BBVA Green Mortgage grants up to PEN 25M in bonds to families that purchase their eco-friendly homes with BBVA financing.



Mortgage Mivivienda Verde.

## 5.4.3. Social, environmental and reputational risks management

GRI 102-11, 102-15, 102-29, 102-30

BBVA's activities have a direct or indirect impact on the environment and society. In the first case, it does so through the use of natural resources and the relationship with its stakeholders; in the second, through credit activity and financing projects.

These impacts derive in three types of risks: direct, indirect and reputational. On the other hand, non-financial risks can affect the credit profile of the borrowers or of the projects that are financed, which in turn damages the quality of the risk assumed and, consequently, affects the repayment of the credits.

To manage these risks, BBVA evaluates the environmental, social and reputational aspects, together with the usual financial variables in risk management. Integrating these aspects is consistent with the principle of prudence that governs the Bank's activity and is specified in various lines of action.

### 5.4.3.1. Social and environmental risks management

#### Equator Principles

GRI 102-12, 201-2, 303-1, 412-3

Adherent since 2004 to the Equator Principles (PE), the BBVA Group applies its standards to determine, assess and manage environmental and social risks in project financing. Similarly, it is based on the policy and performance standards in social and environmental sustainability of the International Finance Corporation (IFC) and the general guidelines on environment, health and safety of the World Bank Group (WBG).

BBVA assumes the PE as a framework for dialogue with the client and the stakeholders in the projects it finances and a starting point for applying the best responsible financing practices. Converted into the reference standard for responsible financing, the development and dissemination of EPs are a commitment assumed by the Committee Management and the working groups in which it participates.

Aware that the energy, transport and social services infrastructures that drive economic development and create jobs can have an impact on the environment and society, BBVA is committed to managing the financing of these projects in such a way as to reduce and even avoid negative impacts and thus enhance its economic, social and environmental value.

Placing people at the center of the business implies meeting the expectations of the stakeholders in the projects, the social demand to fight climate change and respect for human rights. For BBVA, any project financing decision must be based on the criterion of profitability adjusted to principles. Thus, the financing contracts incorporate the client's obligations regarding the environment and social impact, and their submission to monitoring by a specialized team.

Each transaction presented to BBVA is subjected to a due diligence process in two fundamental aspects: environmental and social, which begins with the assignment of a category (A, B, C), as established in the classification protocol of the IFC. The documentation provided by the client is reviewed by independent advisors who assess environmental and social compliance as indicated in the PE.

GRI 102-31

#### Social and environmental risk assessment and responsible credit granting

GRI 102-34

The Bank's social and environmental risk management system is aligned with SBS Regulation 1928-2015, which takes as a reference the PE and the IFC's performance standards, requirements that BBVA has largely contemplated since 2004 by initiative own. The minimum requirements for social and environmental risk management established in this regulation they promote the implementation of good practices and prudent risk taking by banking entities.

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**BBVA assumes the Equator Principles as a framework for dialogue with customers and stakeholders in the projects it finances and a starting point for applying the best practices of responsible financing.**



Project financings are categorized according to risk levels social and environmental. This makes it possible to assess the probability and severity of the impacts of the economic activities to which they are exposed and facilitates the prevention or even reduction of their unintended consequences.

The responsibility for the analysis of Project Finance is the responsibility of the Investment Banking & Finance team, which also assumes the Bank's representation before stakeholders, accountability to senior management and the design and implementation of the management system. For its part, the Board of Directors and the committees involved review the risks and opportunities of an economic, environmental and social nature on a monthly basis.

### Reputational risk management

The health emergency has reinforced the need to take care of the reputation of companies. Unlike past years, when the main concern was the tangible aspects, today it is assumed that most of the value corresponds to the intangible aspects.

In accordance with this, BBVA has developed a methodology that allows it to identify, evaluate and manage the differences between:

- **Reputational risk:** It arises from the negative perception of stakeholders about an entity, according to the expectations they have of it. The higher the expectation, the greater the risk of disappointing.
- **Risk factors:** Breakdown of identified risks, reflecting possible causes or variants.

The methodology analyzes two variables: the impact on the perceptions of stakeholders and BBVA's strength against this risk. This exercise is carried out in all the geographies where the BBVA Group operates.

The scheme has also identified two key instances: the Responsible Business & Communications teams, in charge of identifying the risks and assessing their possible impact, and the Assurance Providers (AP), who must evaluate and mitigate the risks identified.

The development of this annual exercise includes the analysis of 20 reputational risks and 42 risk factors. In line with the Bank's strategic axes, as of 2021 sustainability has been included in the list.

It is important to highlight that BBVA has added to its organizational structure a Reputation Risk Operating Committee, made up of the areas of Operational Risk and Internal Control, Regulatory Compliance, Corporate Communication and Corporate Responsibility and Reputation. His main responsibility is to prepare the reputation risk management model, as well as to promote its proper implementation within the Group.

### 5.4.3.2. Eco-efficiency

GRI 103-2, 103-3, 201-2, 301-1, 302-1, 302-3, 302-4, 302-5, 303-1, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 306-2, ODS 3, ODS 6, ODS 7, ODS 11, ODS 12, ODS 13

Within the framework of the Global Efficiency Plan (PGE) to reduce its environmental footprint, since 2014 the BBVA Group has adopted various initiatives in favor of efficient energy consumption. One of them is the concept of "green office", for whose realization the implementation of renewable energies, the use of new technologies for energy saving, the performance of environmental and energy audits in buildings and the rationalization of resources were arranged during 2021. to make the infrastructure more efficient.

**BBVA has added to its organizational structure a Reputation Risk Operating Committee, made up of the areas of Operational Risk and Internal Control, Compliance Regulatory, Corporate Communication, Corporate Responsibility and Reputation.**

## PGE Main Indicator<sup>(1)</sup>

GRI 103-3, 305-4	2021	2020	2019	2018
Occupants in certified buildings (%) <sup>(2)</sup>	41.96%	41%	42%	40%
CO <sub>2</sub> emissions per occupant (tCO <sub>2</sub> e/occupant-year)	0.79	0.78	1.30	1.65
Paper consumption per employee (kg)	29.25	30.92	38.68	37.58
Electricity consumption per occupant (MW-h/occupant-year)	4.50	4.68	4.71	5.00
Water consumption per occupant (m <sup>3</sup> /occupant-year)	24.45	26.06	24.24	24.25

<sup>(1)</sup> Includes BBVA employees, including personnel from subsidiaries and external employees (working in the Bank's facilities) at the national level, except for any other express indication in this document.

<sup>(2)</sup> Based on ISO 14001 (Headquarters) and EDGE (Headquarters Dining Room) Certifications.

## Environmental initiatives 2021

GRI 302-4, 303-5, ODS 3, ODS 6, ODS 7, ODS 13

Consistent with its sustainability guidelines, during 2021 BBVA implemented initiatives and projects to achieve lower consumption and efficient use of resources, as well as maintain and in some cases add the certifications related to the subject.

### 1. Transformation of the Corporate Building – Headquarters

As a continuation of Open Space, the remodeling project of the upper floors of the building and the various areas of the Headquarters, during 2021 the remodeling of basements 1, 2 and 3 was carried out, which included the renovation of all the electromechanical installations for solutions and technology that allow optimizing the efficient use of:

- **Energy:** Installation of LED lighting, with low electrical consumption, and presence detectors in meeting rooms and SSHH, which allows the correct time of use of the resource, that is, only when it is needed.
- **Water and drainage:** Renovation of drinking water storage areas and the pump system and pipe networks, as well as the installation of taps savers and low-consumption sanitary devices in the SSHH. Likewise, new fire-fighting cisterns and a pump system with its corresponding network of sprinklers and cabinets were installed.

The remodeled areas were incorporated into the new Building Management System (BMS or Building Management System, implemented within the Open Space project), a tool that allows monitoring and controlling the operation and efficient use of equipment and electrical installations (lighting, for example) and air conditioning of the Headquarters.

Regarding to Work Place (jobs), and analogously to what has been implemented In Open Space, the remodeling of the basements of the Headquarters included work areas with the permanent infrastructure necessary for the development of audio and/or videoconferences to reduce the displacement of employees (and, therefore, lower fuel consumption), as well as such as new centralized document printing areas (if absolutely essential), which will result in optimal paper consumption.

During 2021, the (central) garbage/waste room was also remodeled and other centralized areas were enabled for prior and selective waste disposal.

### 2. Other projects at Headquarters

In the surface parking lot, the lighting fixtures on the poles were replaced, while a system of LED lamps was installed for the four bicycle areas, which saves energy consumption and provides greater nighttime security.

### 3. Certified premises

GRI 302-3

**ISO 14001: Headquarters.** The Headquarters began the process for the renewal of its ISO 14001 Environmental Management Certification. The purpose of this international standard is to provide organizations with a reference framework to protect the environment and respond to changing environmental conditions, in balance with socioeconomic needs.

**During 2021 the room was also remodeled (center of rubbish/waste and other centralized areas were set up for prior and selective waste disposal.**

ISO 14001 specifies the requirements that allow an organization to achieve the expected results (in the case of BBVA, selective waste collection and sustainable final disposal, among other points) established as objectives in its environmental management system.

**Certification of energy from renewable sources: Headquarters.** The electricity supply contract for the Headquarters signed in 2020 established that it must come from renewable sources, accredited annually by means of a supplier certificate. Since 2021, this has become a standard requirement for the following contracting processes.

On the other hand, the agreement with the same supplier for the installation of a “solar bank” was maintained, as a promotion of the interest and objectives of both companies for environmental initiatives. The equipment harnesses solar energy to allow users to re-charge cell phones, inflate bicycle tires and night lighting of the device itself.

**Other certifications: EDGE.** In 2021, the engineering projects of 22 commercial offices were completed under the EDGE standards and the process of obtaining certification began. At the end of the year, two offices had received their certificates, and it is estimated that by 2Q 2022 the remaining 20 will arrive. EDGE enables design teams and Project owners assess the costs of incorporating energy and water saving options into their buildings.

#### 4. Corporate tax service

The service provider has the following environmental commitments:

- Maintain the Sustainable Development Goals of the UN 2030 Agenda.
- Participate in the United Nations Global Compact, supporting its principles related to human rights, labor, the environment (principles 7, 8 and 9) and anti-corruption.

Igualmente, está comprometido con lograr ser “carbono neutral”, con el objetivo final de no afectar la concentración natural de gases de efecto invernadero existentes en la atmósfera.

#### 5. Carbon Footprint Peru

BBVA measures its greenhouse gas emissions through the Peru Carbon Footprint platform of the Ministry of the Environment (MINAM), which in 2021 recognized the Bank as a pioneering organization and leader in the use of the tool.

BBVA Peru obtained in 2020 the first star for the measurement of the carbon footprint. In 2021, the process began to receive the third star through the verification/audit carried out on its emissions.

#### 6. AURORA Project – Office Remodeling

It includes the intervention in a set of Offices/Branches with objectives very similar to those indicated in item 1.

In the 2021 period, the engineering of 22 offices was developed under the EDGE standards, of which the certification procedures of 02 Offices have already been completed, and this Project will also continue in the year 2022 with the 20 missing certifications.

## Environmental management

GRI 103-2, 301-1, 302-4, 302-5, 303-5, 306-2, 306-3, 306-4

	2021	2020	2019	2018
<b>1. Water consumption</b>				
Total annual water consumed (m <sup>3</sup> )	176,732.27	192,829.26	176,934.00	175,286.00
Water consumed per occupant (m <sup>3</sup> /occupant-year)*	24.45	26.06	24.24	24.25
*In 2021 there is a reduction in water consumption of around 8.35% compared to 2020.				
<b>2. Electrical consumption</b>				
Total annual renewable energy (kWh)	6,066,711	8,159,792	1,188.33	1,258.93
Total annual non-renewable energy (kWh)	26,475,469	26,502,410		
Total annual electricity (kWh)*	32,542,181	34,662,202	123,801.00	128,564.32
*In 2021 there is a reduction in electricity consumption of around 6.12% compared to 2020. •Since 2020, annual energy consumption was classified as: energy at the BBVA Peru Headquarters, from certified sources of renewable origin; that corresponding to Offices in Lima and Provinces, non-renewable. •The figures for 2018 and 2019 are expressed in diesel (GJ).				
<b>3. Paper consumption</b>				
Total annual paper consumed (t)	211	229	282	272
Total paper consumed per occupant (kg/occupant-year)	29.25	30.92	38.68	37.58
Ecological paper consumed (t)	211	229	282	272
<b>4. Waste management</b>				
Recycled annual paper (first stage: chopped) (kg)	8070.67	5,693.00	17,525.00	15,705.00
Electrical and electronic equipment (kg)**	0.00	0.00	61,031.00	216,434.00

\*Occupant includes BBVA employees, including subsidiaries and external employees.

\*\*Devices sold.

On the other hand, during 2021 the following were generated:

- 1,257 tons of non-hazardous waste, made up of 10 T of recycling (paper and plastic) and 1,247 T to the landfill (ordinary solid waste).
- 1 T of hazardous waste corresponding to security landfill was also generated.

## Atmospheric emissions

GRI 305-1, 305-2, 305-3, 305-4, 305-5

	2021	2020	2019	2018
Scope 1: CO <sub>2</sub> e Emissions (t) <sup>(1)</sup>	56.58	92.73	88.27	83.46
Scope 2: CO <sub>2</sub> e Emissions (t) <sup>(2)</sup>	5,353.36	5,321.68	7,703.16	9,610.21
Scope 3: CO <sub>2</sub> e Emissions (t) <sup>(3)</sup>	320.22	336.23	1,666.82	2,179.31

In 2021 there is a reduction in electricity consumption of 0.36% compared to 2020.

(1) Scope 1: Emissions derived from fuel consumption (diesel and LPG) in tons of CO<sub>2</sub>e.

(2) Scope 2: Emissions derived from electricity consumption (under the Market Based methodology), in tons of CO<sub>2</sub>e.

(3) Scope 3: Emissions derived from business (air) travel by Bank professionals, in tons of CO<sub>2</sub>e.

Total energy consumption	Unit	2021	2020	2019	2018
Non renewable total energy consumption	GJ	95,311.69	96,101	124,989	131,164
Total renewable energy (biomass, solar, wind, etc.) purchased or generated for the own consumption	GJ	21,840.16	29,948	0	0
Total costs of energy consumption	PEN	20,240,730	19,658,259	21,576,534	20,834,146

GRI 302-1, 302-4

## Management of significant impacts related to waste

GRI 306-2

**a) Headquarters:** The waste in the collection room in which it is grouped and segregated according to its classification (hazardous waste, non-hazardous waste and waste from electrical and electronic equipment – WEEE), is taken with inventory towards a company duly accredited and authorized by the corresponding entities for comprehensive waste management, which finally issues the corresponding waste manifests.

**b) Branch Network (banks):** Waste is managed by the municipal cleaning service of each district where it is located. Only for the case of Metropolitan Lima, a paper and plastic bottle/ container collection routine is applied for its subsequent shipment to the collection room of the Central Headquarters and the final circuit explained above.

## Involvement in global initiatives

Among the main international sustainable development initiatives in which BBVA participates are the United Nations Global Compact, the Equator Principles, the Principles for Responsible Investment and the United Nations Environment Program Finance Initiative (UNEP FI, for its acronym in English).

Likewise, it expresses its commitment to the United Nations Sustainable Development Goals (SDGs), an adherence confirmed in December 2018.

The Bank actively participates in forums and events in which it presents its main actions in terms of social responsibility.

## 5.4.4. Sustainable Development Goals

In 2015, within the framework of the United Nations 2030 Agenda for Sustainable Development, 17 Sustainable Development Goals (SDGs) were adopted that seek to eradicate poverty, protect the planet and ensure prosperity for all. In sum, the initiative aspires to involve all stakeholders: governments, companies and civil society. Each objective, stated with a specific purpose, defines several goals for its achievement, which have their own indicators to determine the degree of achievement achieved.

BBVA participates in all the SDGs from its various actions, both through the direct impacts of its activity and its investment in the community, but it focuses on contributing to five of them –7, 12 and 13 (climate action) and 8 and 9 (inclusive growth)– through the development of its business, generating a greater positive impact by taking advantage of the banking multiplier effect.

### SDGs in customer support



### Climate change

Development of investments necessary to manage the challenge of climate change based on the following business categories:

- Energy efficiency:** Technologies that reduce energy consumption per product unit.
- Circular economy:** Recycling, new materials, responsible use of natural resources, among others.
- CO<sub>2</sub> reduction:** Renewable energies, other clean energy sources.



**BBVA participates in all the SDGs from its various actions, both through the direct impacts of its activity and its investment in the community.**

## Inclusive development

Mobilization of necessary investments to build inclusive infrastructures and support inclusive economic development under the following business initiatives:

- Digital solutions:** Provide financial services to unbanked groups.
- Inclusive infrastructures:** Focused on basic services and affordable and sustainable housing.
- Support for entrepreneurs:** Promotion of economic growth.

## Other impacts



## Direct impact

Impacts generated through the operating and governance models.



## Investment in the community

Impact generated by social initiatives and programs that contribute to the improvement of the societies in which BBVA operates.

## 5.4.5. High social impact products

### People-centric solutions

GRI 102-2, 103-2, ODS 1

Integrate the products and initiatives of the Bank's daily activity with attributes that make a difference is one of BBVA's constant objectives. In this line, it designs its products and services with an impact greater than that already generated with its usual activity, with a focus on:

- Financial inclusion.
- Small and medium enterprises (SMEs).
- Individuals with special needs.
- Socially responsible investment.

### Financial inclusion

ODS 9

The Bank's strategy for financial inclusion in 2022 includes promoting the BBVA app together with the Plin platform, while stepping aside from the alliance with Asbanc and PDP to stop participating in the BIM ecosystem.

### Access to savings with greater benefits

In the context of the pandemic caused by covid-19, synergies between the state and private spheres continued. During 2021, the deployment of government bonds and the release of funds from the AFPs translated into around 1.5MM intangible accounts, with which the client can carry out their operations without commissions.

Additionally, customer digitization was promoted by promoting selfservice with tools that help them on a daily basis, such as Plin, which allows payments with QR and the transfer of funds between the banks and savings banks belonging to the consortium; T-change, to carry out currency exchange operations at a preferential exchange rate, and Financial Health, with My day to day, My Budgets and My Goals. Digital contracting processes were also improved to optimize the customer experience.

**During 2021, the deployment of government bonds and the release of funds from the AFPs translated into around 1.5MM intangible accounts, with which the client can carry out their operations without commissions.**

### Correspondent ATMs

At the end of the year, the BBVA Agents correspondent channel had more than 5,000 own points, 47% of them located in the provinces. The channel's capillarity allows it to serve more customers, which increased the number of users by 36% compared to 2021.

	Number of points	Number of transactions
2021	5,034	75,831,813
2020	5,206	55,307,432
2019	5,366	46,006,997
2018	6,617	39,304,994

### Business support

With the aim of promoting the economic reactivation of the country, BBVA participated in the second stage of the Reactiva Peru program, which consisted of rescheduling for up to 24 additional months between grace and repayment period. Thus, the Bank actively participated in rescheduling the debt of 43% of customers who took Reactiva in 2020 for almost S/4,500 million.

### Support for individuals with special needs

In 2021, BBVA had 45 active agreements with public companies, to which consumer loans are offered with special conditions and collection is made through payroll discount.

## Market share in mortgage loan financing

BBVA was a major player in the development of the real estate market in 2021, by record a net increase in mortgage loan balances of S/586MM, with which it reached S/14,002MM, that is, a market share of 25.48% for the end of the year.

## Housing and access to mortgage credit at the end of 2021

Mortgage loans:

**S/14,002 MM**

Market share:

**25.48%**

BBVA ranked as one of the leading banks in the generation of available real estate projects. Its commitment is to generate the largest portfolio of real estate projects at the end of the year there were more than 3,300 units for sale in the different socioeconomic segments and meet the demand of customers, who expect to receive a quality product that meets their needs and expectations.

In November, the first green mortgage loan from Peruvian private banks was launched, positioning the strategy to generate sustainable financing. At the end of the year, it had managed to place more than PEN 9MM and accumulated more than 50 green projects, among approved and active, in the portfolio of real estate projects.

**Hipotecario Verde BBVA**

Orientado a la compra de una vivienda en un proyecto inmobiliario **sostenible y energéticamente eficiente** financiado por BBVA. Proyectos con certificación **EDGE o LEED**

Además, te regalamos un **Bono Verde BBVA** de hasta S/25,000

**2021 was a year of consolidation in the housing business of social interest, in which more than a thousand mortgage loans were placed, including Mivivienda, Mivivienda verde and Techo Propio loans.**

2021 was a year of consolidation in the social interest housing business, in which more than a thousand mortgage loans were placed, including Mivivienda, Mivivienda verde and Techo Propio loans.

By 2022, the Bank expects to consolidate the business of green residential real estate projects with Edge and Leed certification, as well as exceed 1,500 social mortgage loans.

## Omnichannel

In order to serve customers in the most timely manner, regardless of when, how or where they want to access the different services available to them, BBVA has designed an omnichannel strategy based on three pillars:

- Full Channel Choice:** The client can choose the channel that most interests him for each operation.
- Consistent Experience:** The customer must perceive a unique and satisfactory experience in all channels.
- Seamless Journeys:** The client receives an agile and categorical service that responds to the needs.



At the end of 2021, the Bank had a network of 335 branches (Retail Banking, Wholesale Banking and Patrimonial Banking) and 1,910 ATMs (dispensing ATMs and multifunction ATMs).

BBVA's main direct channels are:

### Internet banking

BBVA's website (www.bbva.pe) received approximately 100 million visits in 2021. The public portal allows access to the private Banking by Internet, which recorded more than 327 million transactions (monetary and non-monetary) during the period ended.

The Bank has 5.0 million active clients, of which 3.7 million are affiliated with digital channels.

### BBVA app

The BBVA app is continuously growing and in 2021 it obtained 1,263k mobile clients, which represents a penetration of 58.8% within target clients. The permanent evolution of the BBVA app (85% on Android and 15% on iPhone) allowed 5,046 million transactions (monetary and non-monetary) to be carried out from this type of device.

### Digital sales

During 2021, the share of digital sales over the Bank's total sales was 38.3% (annual accumulated) for personal banking. Transactions were increasing steadily and in December, the eighth consecutive month of growth, a record 50.8% of sales was set, leaving that floor for the beginning of 2022.

The products that most drove this growth were:

- **Credit cards:** Sales originating from digital sales channels grew six times in one semester from 3,000 to 18,000 per month, which made Peru the country that best worked on the credit card digital open market in the entire BBVA Group.
- **Savings Banks:** We went from originating 20% of registrations to generating 64% of these, with great coordinated work from all sales areas (physical and digital).
- **FX:** The star product "T-Cambio" went from 140,000 monthly operations to 210,000.

### Correspondent Agent

ODS 1

At the end of 2021, there were 5,009 BBVA Agents and 25 Express Plus Agents, which together generated a total of 75 million transactions.

### Dispenser Cashier

With its own network of 1,567 ATMs, the channel recorded 117 million transactions.

### Cashier Deposit

The Bank has 343 deposit ATMs (multifunction), in which 16 million transactions were carried out by the end of 2021.

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**During 2021, the share of digital sales over the Bank's total sales was 38.3% (annual accumulated) for people banking.**

## Omnichannel basics

	2021	2020	2019	2018
Digital customers (in thousands)	1,286	1,185	974	714
Mobile customers (in thousands)	1,263	1,097	840	550

## Transactions per channel

Channel	2021	2020	2019	2018
Offices	0.23%	0.36%	0.68%	0.75%
ATMs	1.33%	1.64%	2.80%	2.89%
Internet banking	3.01%	14.95%	17.17%	18.25%
BBVA app	63.04%	51.99%	40.82%	37.25%
Continental Net Cash	29.57%	28.74%	35.36%	37.36%
Phone banking	0.0%	0.01%	0.10%	0.41%
Express agent	0.81%	0.79%	0.86%	0.95%
Automatic debit	0.10%	0.16%	0.21%	0.23%
Balances and operations modules	0.00%	0.00%	0.00%	0.00%
POS (debit)	1.91%	1.36%	2.00%	1.98%
	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

## Care channels

Nationwide offices	2021	2020	2019	2018
Retail Network	307.00	321.00	329.00	329.00
Patrimonial Banking	3.00	3.00	3.00	3.00
Wholesale Banking Network	25.00	25.00	22.00	22.00
<b>Total</b>	<b>335.00</b>	<b>349.00</b>	<b>354.00</b>	<b>354.00</b>

ATMs and deposit tellers	2021	2020	2019	2018
Lima	1,296.00	1,321.00	1,351.00	1,360.00
Provinces	614.00	612.00	618.00	610.00
<b>Total</b>	<b>1,910.00</b>	<b>1,933.00</b>	<b>1,969.00</b>	<b>1,970.00</b>

Express Agents + Express Plus Agents + Kasnet Agents + Western Union Agents + FullCarga	2021	2020	2019	2018
Lima	2,669.00	2,971.00	3,087.00	3,469.00
Provinces	2,365.00	2,235.00	2,257.00	3,148.00
<b>Total</b>	<b>5,034.00</b>	<b>5,206.00</b>	<b>5,344.00</b>	<b>6,617.00</b>
Variations	-3%	-3%	-19%	-9%

## Customer solutions

Thanks to numerous launches of technological products and services that make life easier for customers, BBVA leads the digital transformation of Peruvian banking.

Along these lines, the Bank focused on constantly reinforcing and optimizing the new BBVA app (mobile banking), which replaced the previous version and added several new benefits:

- **Presentation in constant improvement:** An interface approved at the BBVA Group level and that is in continuous optimization of flows and experience.
- **New features:** Digital Shift (started in a first group of offices), Blue virtual assistant, Plin with QR, tax payments (Sunat).
- **Greater security:** Online purchases with dynamic CVV.

On the other hand, the Bank continued to mature the functionality of Plin, complemented by the transaction through QR, which allows transfers between BBVA and Interbank, Scotiabank, BanBif, Caja Arequipa, Caja Sullana and Caja Ica, with the following benefits:

- No commission charge.
- Without using account numbers or CCI (interbank account code).
- Always immediate and available (24 hours a day, 365 days a year).

The continuation of the pandemic situation during 2021 consolidated digital modalities as the Bank's main transactional channel, by providing the client with greater security it reduces the use and transfer of cash and above all by reducing the exposure of their wellbeing and health, since you can carry out your operations remotely and at home. 20 million transfers were generated by Plin from BBVA and 45 million transfers between all the banks in the consortium. At the end of the year, Plin had 5.7 million users.

## Mortgage products

GRI 203-1, ODS 1, ODS 8, ODS 11

In line with its purpose "to make the opportunities of this new era available to everyone", BBVA supports and will always support projects with a high social impact, for which reason it worked hand in hand with different non-profit institutions in 2021.

Generating mortgage loans in projects that have certificates of sustainability in Mi vivienda Verde projects at the national level, as well as articulating access to credit, especially for low-income families, through the financing of the Techo Propio program, reflect the policy implemented by the Bank in the real estate business. Placing 1,500 credits in both programs –led by the Mi vivienda Fund and managed by commercial banks– is the objective in 2022, for which the Bank consistently supports the realization of this type of projects at the national level.

Its commitment to projects that have the Edge sustainability certification granted by the IFC –an agency of the World Bank– includes publishing a real estate catalog, so that the client can appreciate its different sustainability and social stamps.

Closing the housing gap for the emerging population is undoubtedly a pending issue in the country, so the Bank was particularly pleased with what was done in 2021 with the Mi vivienda Fund.

A total of 1,136 credits were granted, 198 of them under the Techo Propio modality, for PEN 7.5MM, while the Mi Vivienda and Mi Vivienda Verde programs granted the other 938, for PEN 111.1MM, an amount that meant 85% more than in 2020.

It is important to point out that in 2021 BBVA organized the "Best place to live" award for the second consecutive year, a seal that promotes housing excellence in its different stages. Led by Intelligence and Data, a company belonging to Capeco, the merit seeks to highlight the real estate agencies that perform best in product quality, in making it easier for families to find the best place to live or invest and in worrying that they obtain the best experience during the process.

**A total of 1,136 credits were given, 198 of them under the Own Roof modality, for PEN 7.5MM, while the Mi Vivienda and Mi Vivienda Verde programs granted the other 938, for PEN 111.1MM, an amount that meant 85% more than in 2020.**

Mortgage products categories	Monetary value (S/)
Mi Vivienda mortgage credit	111,077,229
Techo Propio mortgage loan	7,451,725

## 5.5. Contribution to society

### 5.5.1. Investment in social programs

GRI 103-2, 203-1, 203-2, 413-1, ODS 4

#### Resources allocated by BBVA and its Foundation

By entity	2021	2020	2019	2018
BBVA	0.00	629,982.55	155,996.00	238,242.00
BBVA Foundation	3,522,704.74	3,438,728.92	4,164,761.75	3,981,628.52
<b>Total</b>	<b>3,522,704.74</b>	<b>4,068,711.47</b>	<b>4,320,757.75</b>	<b>4,219,870.52</b>

The BBVA Foundation made, during 2021, an economic contribution of S/3,522,704.74, as part of its constant contribution to the education and culture of the country.

#### Investment in social programs by strategic priorities

	%
Culture	20%
Communication	12%
Financial education	4%
Education for the society	46%
Other	18%

### 5.5.2. Financial education

ODS 8

Among the action focuses defined within the framework of the Commitment to Society plan is financial education. As a reinforcement of the actions carried out in previous years, during 2021 the financial education platform for SMEs Finances for all, developed together with the fintech ALFI, was added to the program Your money, your friend.

In the case of Tu Dinero, Tu Amigo, virtual workshops continued, throughout 2021 they attended 3,419 people in a total of 57 talks.

“Finanzas para todos” allowed 21,456 people to be certified in the courses hosted on the platform.

#### Main indicators of financial education

	2021	2020	2019	2018
Tu dinero, tu amigo	3,419	1,891	1,219	1,459
Finanzas para todos	21,456	0	0	0
Number of financial education workshops	57 <sup>(*)</sup>	33	40	37

(\*) They correspond to the virtual workshops of the talks “Your money, your friend”.

## 5.5.3. Knowledge, science, and culture

### Education for society

The BBVA Foundation has not ceased, in its 48 years of continuous work, in its efforts to develop activities in the field of education and culture, with the firm intention of creating opportunities for society as a whole and always in a decentralized and inclusive.

In the educational field, the Foundation served 98,658 people during 2021, between adults and minors.

	2021		2020		2019		2018	
	Direct beneficiaries	Indirect beneficiaries	Direct beneficiaries	Indirect beneficiaries	Direct beneficiaries	Indirect beneficiaries	Direct beneficiaries	Indirect beneficiaries
Kinder and primary education(*)	18,265	73,060	6,475	25,900	6,771	27,084	7,926	31,704
Training for adults(**)	25,693	n.a.	2,377	n.a.	2,069	n.a.	1,754	n.a.
<b>Total</b>	<b>43,958</b>	<b>73,060</b>	<b>8,840</b>	<b>27,084</b>	<b>9,680</b>	<b>31,704</b>		

(\*) In 2021, this category was made up of the students who participate in the program To read is to be ahead (17,806) and the children who participate in the program to promote virtual and face-to-face reading Once upon a time (459).

(\*\*) In 2021, this item was made up of PUCP undergraduate scholarship holders (16), those attending the financial education workshops Your money, your friend (3,419), the participants in the education platform courses finance Finance for all (21,456), the participants of the Marcelino Champagnat University program (259) and the parents of the program Once upon a time (543).

In the area of education, the following actions stand out:

#### Program Reading is being ahead and its adaptation to covid-19

The pandemic posed a challenge for the program Read is to be Ahead, a challenge that was faced with a strategy designed to accompany students and teachers during distance education, who before this situation did not have, in many cases, resources such as the Internet, computers or cell phones nor were they used to their use for teaching or learning.

Thus, the Foundation's activities during 2021 aimed to provide learning resources to students and implement accompaniment and support actions for distance teaching work.

#### 1. Educational materials

The Foundation designed an operation that complied with all biosafety protocols for the printing and distribution of "Adelante" books, to which the school directors joined so that the students of the program had their Adelante book in their homes.

Likewise, the elaboration of the pedagogical folders continued. Considered an important support material in the task of teachers, they contain worksheets for students with learning activities and episodes of the podcast series "Yachay profe" and "Learn and play", plus a variety of additional digital resources to support the teaching task.

During 2021, nine "Yachay profe" podcasts were produced on educational policy for teachers and eight "Learn and play" podcasts with activities that complement learning in a playful way.

As part of the Bicentennial commemoration, four short videos were made for use in the classroom to help students understand the meaning of the country's independence process.

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**With the aim of facilitating the connectivity of the teaching teams of the schools and with their students, during 2021 all the schools participating in the program subscribed to the zoom platform.**

With the purpose of serving the rural schools of Ayacucho and Huancavelica that participate in Adelante, thanks to PERU LNG, a partner of the Foundation in this task, 30 radio programs were produced and broadcast aimed at students with information on care to face the pandemic, learning and recreational activities. The programs were broadcast on seven stations in the rural communities where the schools in the program are located.

With the aim of facilitating the connectivity of the teaching teams of the schools and of these with their students, during 2021 all the schools participating in the program subscribed to the Zoom platform. As a result, the directors organized the work of teachers and, in many cases, they implemented learning sessions with their students.

## 2. Training and teacher support

The activities of this component sought to provide pedagogical support to our teachers through training sessions via Zoom.

Training sessions were convened once a month, in order to support distance teaching and learning activities. The theme developed during 2021 included the emotional support that teachers needed to provide their students.

In addition to eight educational sessions throughout 2021, the following activities were organized:

- Office automation course:** In response to demands and suggestions from teachers, a training course was organized on the basic use of the computer and the Windows environment, in an attempt to bring them closer to certain computer tools that would allow them to face their work more efficiently. from distance. During the last session of the course, and in coordination with the Foundation, a cybersecurity workshop was added that provided teachers with greater knowledge about the danger of networks and how to protect personal information on the Internet.
- Financial education workshops:** At the initiative of the Foundation and in order to develop financial skills in teachers, a financial inclusion workshop facilitated by BBVA Volunteers was included in the training program. The workshop was given during the month of November to four groups of teachers from the program.
- Telephone accompaniment for teachers:** In order to verify the use of the "Adelante" book in interactions between teachers and students, during the second semester a round of telephone accompaniment was carried out by the program team.

## 3. Teacher satisfaction study 2021

In order to evaluate the activities during the year, a study of teacher satisfaction was carried out. The focus was on collecting information on the coverage and quality of the activities of the training and support component, as well as on the coverage and quality of the educational materials prepared and distributed.

The information was collected at two times of the year, one for each semester. In the first, surveys and interviews were applied to a sample of teachers participating in the program during 2020; in the second, a census survey was taken of the teachers participating in the program during 2021, information that was complemented with interviews.

The study found that the teachers of the program recognize its effort to support the distance education process through the development of digital skills for teaching. Likewise, it found a high appreciation for the program's effort to distribute the "Adelante" books during the pandemic, which in many cases were the only ones that the boys and girls of the participating schools had.

## Alliance with the State

### ODS 17

During 2021, an agreement was maintained with Minedu for the participation and dissemination of the Foundation's pedagogical content through the web platform [www.aprendoencasa.pe](http://www.aprendoencasa.pe); radio, TV and tablet. Participation in the section "We read together".

This alliance contemplated:

- Access to the virtual library.
- Use of the poems "Find your poem".
- Pedagogical material on "Reading is being ahead".

### Main indicators of the program Reading is being ahead

	Investment 2021	Number of grants	Number of allies <sup>(*)</sup>
Peru	S/ 425,237.98	17,806.00	4.00

(\*) Includes: IEP, Ministry of Education and the private partners PERU LNG and Paita Port Terminal Social Fund.

## Once upon a time

From March to December 2021, the virtual modality of the shared reading program Once upon a time was implemented. In collaboration with the non-profit association Luminario, it maintained the same objectives established in 2019, when it emerged.

- Promote shared reading in families with children aged 3-6.
- Train BBVA collaborating volunteers in the good practices of shared reading.

During 2021, two awareness workshops were held for BBVA employees, who were introduced to the importance and techniques of shared reading, with the idea of encouraging them to join the Once upon a time volunteer program. The new seven registered volunteers received various trainings in feedback meetings throughout the year, with which they strengthened their abilities to lead sessions with parents and children.

Once upon a time, he sought to propose new ways of bringing the magic of reading to all homes and generating new strategic alliances through participation in various events and facilitation of workshops for his community. Between them:

- 17 private reading sessions were held, prior registration, on Saturday mornings, aimed at 503 adults and children between 3 and 6 years of age. Three of them were coordinated with the National Library of Peru, the Arequipa Book Fair and the Ronald McDonald House.
- Five semi-private reading sessions were held, shared live on Facebook Live and addressed to 20 adults accompanied by a boy or girl between 3 and 6 years of age. Three of them were organized in conjunction with the "Lima Lee" Book Fair and "Entrepreneurs for Education". At the end of the year, the sessions had obtained 55,100 reproductions.
- When the health situation allowed it, a face-to-face session was held within the framework of the Bicentennial Book Fair in Lima, with the participation of 40 adults and children.

The foundation was invited to exhibit on Once upon a time at the XIII National Meeting of Libraries held within the framework of the 200 years of the National Library. The objective was to contribute to the strengthening of information management, knowledge and the modernization of school libraries. The initiative featured four zoom events broadcast on Facebook aimed at librarians in the east (Amazonas, Loreto, Madre de Dios, Ucayali, San Martín and Huánuco), the center (Apurímac, Pasco, Ayacucho, Huancavelica, Callao and Junín) and the south (Ica, Moquegua, Cusco, Arequipa, Puno and Tacna) of the country, as well as to all school libraries.

**During 2021, two awareness workshops were held for BBVA employees, who were presented with the importance and techniques of shared reading, with the idea of encouraging them to join the volunteer program Once Upon a Time.**

## Other education programs

The agreement with the Pontifical Catholic University of Peru (PUCP) was renewed to provide support to high-performing students in the specialties of Management, Senior Management, Industrial Engineering, Communication for Development, Graphic Design, Systems Engineering, and Economics. During 2021, 16 students benefited from the full payment of their studies, health insurance, learning a second language and undergraduate rights.

Similarly, the Foundation, together with the Marcelino Champagnat University, maintained the A teacher for Datem initiative, which enabled the graduation of 259 teachers from the communities of the province of Datem del Marañón, in the Loreto region, in eastern Peru. With the arrival of the pandemic, the Foundation decided to participate in the financing of research projects that seek to confront covid-19. In that line, in 2020 signed an agreement with the PUCP Faculty of Biomedical Engineering and the Cayetano Heredia Peruvian University, the results of which were seen throughout 2021.

One of the objectives was to integrate undergraduate and master's students into the research teams of these universities in various health centers in the country.

Another important initiative was the signing of alliances in the field of environmental conservation and sustainability, such as the agreement with the Institute of Nature, Land and Energy of the PUCP (INTE-PUCP) for the financing of the following projects:

- Alliance for integrated socioeconomic and environmental research in the Peruvian Amazon (participants: PUCP, UNI, Penn State University).
- Redefining conservation: Co-creating indicators for ecological and social wellbeing in the Andes of northern Peru (participants: PUCP and Fondecyt).

During 2021, the Innovative Educational Projects Contest developed by UNESCO and the BBVA Foundation also stood out. Aimed at individual teachers or a group of teachers with their students from public educational institutions who act as agents of change in favor of an education committed to a sustainable future. The call allowed the realization of a virtual fair with the pre-selected projects, seven of which were finalists and benefited from pedagogical support and technical assistance to strengthen the capacities of the participants, in order to enable their consolidation and sustainability in practice.

During 2021, the BBVA Foundation signed a donation agreement with the ARBIO Amazonia Association, to support the project called "Inventory of large Amazonian trees" in the Madre de Dios region, whose objective is to collect information in situ, study and monitor the main species of trees at risk of felling, identifying species, their georeferencing and registration, as well as the protection of 120 ha. of forest.

GRI 304-3

### Conservation of Heritage and Culture

ODS 11

In 2021, activities were gradually resumed at the Trujillo and Cusco venues, as the public was allowed to enter the facilities.

#### Tristán del Pozo House-Arequipa

The House hosted only one activity throughout the year, within the framework of the Hay Festival Arequipa, broadcast in virtual format. To date it does not receive visitors.

#### Emancipation House-Trujillo

Cultural activities at the Emancipation House were suspended, with the exception of visits to its rooms during restricted hours, under strict biosecurity measures. In recognition of compliance with its biosafety and hygiene protocols, the Emancipation House received the "Safe Travels" Certification established by the World Travel and Tourism Council for safe destinations during the health emergency. At the end of the year, the House had received 6,546 visitors.

**The BBVA Foundation, together with the Marcelino Champagnat University, maintained the A Teacher for Datem initiative, which enabled 259 teachers from the communities of the Datem del Marañón province to graduate.**



## The Museum of Pre-Columbian Art of Cusco (MAP)

### ODS 11

Given the measures announced by the Executive and to preserve the health of visitors and workers, the MAP Cusco did not provide care between January 30 and March 1, as well as from April 1 to 19.

Although the museum kept its doors open the other days of the year, foreign tourism and interior were greatly affected by the crisis, which is why the museum received only 7,469 visitors throughout 2021 (still 27.8% more than in 2020). On the other hand, due to the special situation of the pandemic, the grace period agreed with the three tenants of Casa Cabrera was extended.

The integration of new pieces from the collection on display was coordinated with the Larco Museum, in exchange for others destined to participate in international exhibitions. On the other hand, the employees participated in seven online courses related to the sector and the Association of Peruvian Museums was formalized, after voting internally for the election of its board of directors, for a period of two years.

A communication campaign was carried out with RPP, from October 19 to November 19, which integrated web and radio and reached more than one million Peruvians. Throughout the year, alliances with local actors were strengthened, mainly the managers of the hotels in Plaza Las Nazarenas. In June, the MAP catalog was launched in Spanish, English and French, of which 45 copies were sold during the year.

## Cultural sponsorships

### ODS 11, ODS 17

The PUCP Cultural Center maintained its programming in virtual format. The Foundation's sponsorship made it possible to offer full scholarships for all monthly virtual courses and tickets to online plays. The Lima Film Festival reached 147,458 spectators in 15 regions of the country.

The exhibition "Khipus: our history in knots", which brought together an important variety of these precious objects from ancient Peru from private collections and archaeological projects and included recent revelations and documentary sources that allow them to expand their study, was held until August 15 at the Lima Art Museum. In the month of May, a virtual visit to the exhibition was made, which was visited by 16,200 people on Facebook.

In agreement with the Museum of Contemporary Art of Barranco, the Foundation sponsored the exhibition "Deny the desert", which had 6,717 visitors. In addition, a public program related to the exhibition was carried out, a set of podcasts, face to face family workshops and webinars that reached 30,303 people.

The Bicentennial Book Fair (name adopted by the Lima International Book Fair in 2021) was held in November in a mixed manner (face-to-face and virtual) during 17 days. The Foundation presented at its stand the gallery of eternal Peruvian poetry, a tribute to the great Peruvian poets that allowed visitors to converse "live" with an anonymous poet who was inspired by them. In addition, the "Once upon a time" workshop was held with the BBVA volunteers and the book "200 years of the Republic in photos" was presented.

The Foundation participated for the seventh consecutive year as the main partner of the Hay Festival Arequipa, which took place in 2021 in digital format. For this, three talks were presented with personalities of recognized international prestige, as well as 11 activities within the Hay Festivalito section, aimed at children and young people from all over the country. In addition, the Hay Festival raffle was held to enjoy the recorded work "Conference on the rain" by Juan Villoro. The festival, which took place in November, had 318,120 visits to all its events.

In the publishing field and within the framework of the Bicentennial of Peru, the Foundation participated, in alliance with El Comercio, in the publication of "200 years of the Republic in photos", a book that recounts the most transcendental moments of contemporary Peru recorded by the dean of the national press. The edition consists of 3,600 copies.

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**The Foundation participated for the seventh consecutive year in quality of main partner of There is Festival Arequipa, which was developed in 2021 in digital format. For this, three talks were presented with personalities of recognized international prestige, as well as 11 activities within the section there is Festivalito, addressed to children and young people of all the country.**

## Find your poem

On the fifth anniversary of this BBVA Foundation initiative that seeks to bring more Peruvians closer to the poetry of national and Latin American authors through a web page, more and more authors and poems and, above all, more readers joined.

At the end of 2021, the platform had collected 70 poems in audio video and 49 in audio. In addition, 23 podcasts were launched on the secret stories of the main Peruvian poets, in a new way of approaching and enjoying national poetry through interesting biographies of its most renowned representatives, which reached 1,128 downloads.

The pandemic situation prevented the traditional poetry reading contest from being held. However, within the framework of the Lima Bicentennial Fair, the first edition of the Gallery of Eternal Peruvian Poetry was held in a face-to-face format that allowed for a “live” conversation with an anonymous poet inspired by the great Peruvian poets, as well as take a photo behind a hanging frame to enter a raffle.

Its content was available to 666,625 participants, including primary (3<sup>rd</sup> and 4<sup>th</sup> grade) and secondary students and teachers, thanks to the renewal of the strategic alliance with the Minedu, which integrates the poems into the “I learn at home” program with its dissemination on the web, radio and television. To this was added a digital and printed communication campaign carried out together with El Comercio, which reached 200,024 people.

During 2021, the platform recorded 910,047 page views, of which 402,164 were unique users.

**During 2021, the Find your poem platform recorded 910,047 visits to the page, of which 402,164 were unique users.**

### Portal statistics Find your poem

	2021	2020	2019	2018
Annual number of visits	910,047	1,173,496	839,297	551,862
Users	402,164	540,149	408,774	270,307

## Other sponsorships and donations

### ODS 2

The Foundation and the Bank collaborated throughout 2021 with the following non-profit entities:

- Peruvian Cancer Foundation (“Ponle corazón” collection).
- New Future Peru Homes Association.
- Ayacucho Emergency Association.
- Peruvian Center for Hearing and Language (CPAL).
- Huascarán Mission.
- Integra Association.
- Business Solutions Against Poverty, “Shoulder to shoulder” campaign.

## Institutional activities

### GRI 203-1

Relationship activities with the Bank’s different stakeholders continued to be carried out in 2021 in a virtual format, as indicated by the health recommendations in the midst of the emergency caused by covid-19.

The most outstanding action on this point occurred within the framework of Sustainable Peru 2021, the largest sustainability event in the country that allowed the meeting between Fernando Eguiluz, CEO of BBVA, and the American economist Rebecca Henderson, author of the book “Reimagining Capitalism in a World on Fire”.

The specialist left a key message on ways to promote a greener and more inclusive economic development, stating that it will be important to resort to human values as a means for a change in which “companies generate profitability and, in parallel, contribute to reducing the pollution and social inequality.

On the other hand, from the Business Banking and CIB, as well as the Private Banking and Prime Unit, the relationship with customers was strengthened through webinars and virtual activities on a variety of topics, which helped them access political analysis and prepared by BBVA Research, as well as information from the financial and economic markets.

Finally, the Bank presented to its clients, also virtually, its new sustainable products, such as the Fund of Funds BBVA Sustainable Investment FMIV, which invests in international fixed income and variable income instruments that meet the criteria of the field of sustainability, and the Green Mortgage Credit, which made BBVA the first entity in the private financial sector to launch a product with these characteristics.

### Institutional outreach: contributions to trade associations

“Making the opportunities of this new era available to everyone” is how BBVA has defined its determination to have a positive impact on the lives of people, companies and society as a whole at a global level. The Bank’s commitment to sustainability is possibly one of the clearest procedures in favor of materializing this purpose and helping clients in their transition. For this reason, it collaborates with organizations that share its vision and whose activity is aligned with its business and social objectives.

Through the Image and Communication Unit, during 2021 BBVA contributed S/ 2,183,003.48 as a member of different commercial and business associations. We worked mainly with Asbanc (Association of Banks of Peru), a union entity that promotes the strengthening of the private financial system, as well as its sustainable development and that of the country.

The Bank is also affiliated with IPAE (S/10,800), a business association through which actions are coordinated between various actors, such as the private and public sectors, academia and civil society, in an effort to develop priority business issues for the country development.

#### Contributions to associations

	2021	2020	2019	2018
Lobby, representation de interest or similar	0	0	0	0
Candidates / organizations / campaigns national political regional o local	0	0	0	0
<b>Total contributions and other expenses</b>	<b>2,183,003.48</b>	<b>1,922,344.51</b>	<b>134,786.80</b>	<b>90,064.56</b>

### BBVA Research

As a contribution to the exchange of knowledge, BBVA Research Peru produced 55 economic publications during 2021, which it hosted on its website and generated great repercussions in different media.

Throughout 2021, the team held 460 public interventions on macroeconomic, financial and sector analysis. The publications touched both on issues of the Peruvian economy and the world economic environment that impacts it. Written in Spanish, some of them, due to BBVA Research’s global approach, were translated into English for greater dissemination.

Peru Situation, the quarterly publication of analysis of the national economy, took the pulse of the country’s development in 2021. Its reports are offered freely on the [www.bbvarsearch.com](http://www.bbvarsearch.com) website, thus taking advantage of a new publication platform to fulfill its social commitment and attend to digital transformation.

**Throughout 2021, the team held 460 public interventions on macroeconomic, financial and sectoral analysis. The publications touched on both issues of the Peruvian economy and the world economic environment that shocks her.**

## 5.6. Awards and honours

### **BBVA, best bank in Peru 2021**

BBVA was recognized as the bank of the year 2021 in Peru by the British magazine The Banker, belonging to the Financial Times group, which highlighted the Bank's capacity to develop innovative digital products and services available to people and companies, as well as its firm commitment to sustainability to help its clients transition to a low-carbon economy that promotes inclusive growth.

### **BBVA in Peru, best Finance Trade provider**

For the third consecutive year, BBVA Peru was chosen as the best financial institution in the country in providing trade finance services (foreign trade) by the prestigious international magazine Global Finance. The publication highlighted its focus on customer needs, the solutions it offers for their means of payment and the Bank's position as the entity with the largest market share.

### **BBVA, best bank in Customer Experience**

The IZO company, through its BCX study, the largest Benchmark in Customer Experience of Ibero America, recognized BBVA Peru as the best company in Customer Experience in the banking sector in 2020 in the country. For the analysis, nearly 400,000 consumer opinions were taken into account and more than 300 companies were evaluated.

### **BBVA, most admired companies in Peru for the seventh consecutive year**

PwC and G de Gestión magazine recognized BBVA Peru as one of Peru's Most Admired Companies, based on a survey of more than 6,000 senior executives from the country's main companies. The Bank stood out in the categories of "Technological capacity and digitization" and "Financial management".

### **BBVA, recognized in Merco 2021 ranking**

BBVA was recognized in the rankings prepared by Merco, a corporate reputation business monitor, during 2021. The Bank ranked fifth among the companies with the best corporate reputation, while it was considered among the top ten companies in the country that best attract and retain personal talent.

# 6. Financial information

## 6.1. Business and activities

GRI 102-6

### Management by segments

#### I. Natural people

##### a. Individuals

During 2021, BBVA increased the number of new customers promoted mainly through digital channels. This was accompanied by an increase in early linking, as the offer for paying customers was strengthened with new products.

In a situation caused by the covid-19 pandemic, in which customers increasingly value digital service, the Bank developed new functionalities in the app to improve the customer experience, promote the use of digital channels and contribute with people's health care.

As part of this work, in 2021 functionalities designed for the client were deployed, such as the dynamic CVV, to give greater security in their purchases in electronic stores, and another that allows them to consolidate their debt from the application in an agile and simple way.

- **Plin:** It is an effort of the financial system to accelerate the reduction of the use of cash, which contributes to improving the safety of operations and the wellbeing of the client. BBVA actively participated in the maturation of this functionality that allows the transfer of money between accounts of different banks with only the cell phone number of the contact, and from 2021 also through QR technology. At the end of 2021, Plin added more than six million subscribers and BBVA intervened in more than 47% of the transactions carried out. The functionality allowed the Bank to reach new customers and increase their capture, strengthening their acquisition through digital channels.

- **Glomo:** BBVA consolidated its position as the best valued bank in the Peruvian market by being the first to use this state-of-the-art application. Glomo, which includes a series of innovations such as biometric technology, which uses the recognition facial or fingerprint as a security mechanism to enter and confirm operations, seeks to become a standardized version at the Group level and before its arrival in Peru it was launched in Spain and Mexico. Its main competitive advantage is its "global aspect", which allows it to adapt to advances in each country where BBVA operates, which facilitates the development of new functionalities in the shortest possible time.

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**In 2021, functionalities designed for the client were deployed, such as the Dynamic CVV to give greater security in purchases in electronic stores, and another that allows to consolidate the debt from the application in an agile and simple way.**

On the other hand, BBVA Peru provided customers with the facility to consolidate their consumer loan and credit card debts by extending the payment term and reducing installments of up to 40% and facilitated the contracting of financial products through digital channels. With the relaxation of health restrictions, new markets were entered through loans by agreement so that more clients could organize their personal finances, which generated a 27% growth in personal loan balances compared to the end of 2020.

In savings accounts for individuals, BBVA continued the line of work in financial health and self-service by promoting the use of digital tools such as Plin (transfers between entities of the consortium), T-change (exchange of dollars) and Financial Health (information of income and expenses, budgets and savings goals) through your app.

Digital contracting, both for clients and non clients, took on greater importance, especially in the context of the health emergency. In line with the measures adopted by the Government to combat the pandemic, BBVA actively participated in the process of granting social bonds, while the release of AFP balances was reflected in the opening of more than 1.5 million intangible accounts.

With the economic reactivation that occurred during 2021, the collection of payrolls was managed with the companies, those who collaborated were offered, through the Mundo Salado program, a package of financial and non-financial benefits. The strategy developed a growth of 9% in the number of payrolls.

## b. BBVA Prime

In 2021, three years have passed since the launch of the Prime segment, which responds to a relationship model that provides personalized attention to value customers, with attention through personalized bankers and preferential channels.

The socioeconomic context that the country faced due to the pandemic did not prevent the consolidation of the value offer of the segment, which obtained significant growth in profitable investment thanks to the execution of agile and lasting action plans, such as the increase in customer contact to forge better relationships. This allows to address queries, needs and requirements, which ultimately translated into the generation of new business opportunities.

**Consumer loans:** Due to the fact that last year's situation improved compared to 2020, it was possible to increase billing by 56%. These figures are a consequence of the boost provided from the first half of 2021, when the restrictions to combat the pandemic were eased, which facilitated access and reactivation of consumption and allowed growth in the number and amount of loans.

**Credit card:** In 2021, a change was applied to the credit card regulations, which now allows contracts to be associated with a parallel line. With this, debt consolidations and cash withdrawals are disbursed on the credit line, which increases its use. Similarly, work was done to improve the pricing of these by-products to make them more efficient in operations.

**Mutual funds:** Six new strategic funds were launched in February, with the aim of implementing a fundraising strategy based on the correct investment advice, leveraged over a medium and long-term horizon and a differentiated offer according to the risk profile of the clients, which were provided with a comprehensive portfolio with access to a wide range of financial assets globally. Although 2021 was a year in which uncertainty prevailed and many clients chose to keep their balances in their accounts, S/56 million were captured. On the other hand, a virtual meeting was held that allowed the client to generate security for making their decisions.

## c. Patrimonial and Private Banking

In April, the new Patrimonial Bank was launched in Lima, aimed at clients in need of investment products and financing with support for their investments. They receive highly personalized attention through a banker and associate executive, as well as an investment advisor if specialized investment advice is required.

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**In 2021 it will be three years since launch of the Prime segment, which responds to a relationship model that provides personalized attention to value customers, with attention through bankers personalized and preferential channels.**

The direction and management model and the new value offer have made it possible to reach a customer profile that was not reached with the traditional offer. By being closer to it, the Bank has improved its perception and satisfaction, with which it reached a relational NPS of 75% (not far from the relational NPS of Private Banking: 85%)

**Investment products:** In a difficult year, with a reduction in positions with capital outflows since May, the last quarter marked a turning point for 2022. In Private Banking, there was quarterly growth in average balances of 8%, led by funds and bag with the same percentage. In Patrimonial Banking, the quarterly growth in average balances it was 60% in structured products and 25% in the stock market.

**Consumer loans:** During 2021, an annual historical record growth of 61% in average balances was experienced, led by Private Banking, with 79%, and followed by Patrimonial Banking, with 46% annual growth.

Finally, throughout the year, and in line with the principle “Always be close to the client, reporting first-hand on issues relevant to wealth management”, webinars and live broadcasts were held on different topics, such as the economic situation, financial markets and investment alternatives, as well as issues related to health in the pandemic, with the participation of the strategic partner Teladoc.

## II. Legal persons

### a. Business Banking

During 2021, Business Banking continued its drive in serving small business customers, with a range of products and services designed to meet their high demands, which allowed for a 73% growth in billing, without considering the programs government guarantees (Reactive). The commercial proposal to the client was favored with the generation of commercial leads with pre-approved and pre-offered offers to the segment, which resulted in a better sales experience for customers. This action had a positive impact on sales growth, which came to represent 24% of the segment's billing, from 9% in the previous year.

As part of the government guarantee program to offer a quick and effective response to the liquidity needs faced by companies in the face of the impact of covid-19, BBVA continued its active participation through the Reactiva funds in the rescheduling of loans granted during 2021, which benefited 12,300 clients of the segment with S/2,900 MM in loans.

During 2021, Gema was launched, a functionality for natural persons with business (PNN) incorporated into the My Business profile of the BBVA application, which makes it easier for them to see their personal finances and those of their business in a single app. At the end of the year, Gema managed to enroll 59,000 new clients and sell more than 400 credits.

The Unique Experience project was also implemented in the Commercial Banking network, which standardizes the direction and management models of the commercial roles promoted by the segment to increase productivity.

On the Cash Management side, and seeking to expand the range of solutions for online payments and reinforce the Bank's commitment to digital transformation, an alliance was launched in October with OpenPay, a company specializing in the development and marketing of digital platforms and tools to generate secure commercial transactions. More than 1,400 digital collection solutions were enabled for B2C businesses, which in December alone generated more than S/ 100,000 in transactions through their innovative solutions, such as the collection link and the payment button.

In addition, relations with POS providers were strengthened and equipment sales protocols were designed in offices nationwide, which increased productivity by +63% compared to 2020.

Finally, in order to strengthen the insurance portfolio for the segment, the Salud a tu Alcance insurance was promoted, which offers compensation for cancer diagnosis and a benefit of outpatient medical care for the client and his family group.

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**During 2021, Gema was launched, a functionality for natural persons with business (PNN) incorporated into the My Business profile of the BBVA application, which makes it easier for them to see their personal finances and those of their business in a single app.**

## b. Local Business and Corporate Banking

During the period that has elapsed, the deployment of the management model and commercial plan of proximity to the client continued to meet their needs. Thus, a program of remote and/or face-to-face visits was developed, adapted to each situation, which allowed the creation of more than 3,200 strategic plans that revealed all the updated information on the business to identify opportunities for linking, growth and reactivation.

As part of the management of the Reactiva program, companies were accompanied in the face of the impact of covid-19, actively participating in the rescheduling of loans granted by the Government in 2020, which benefited 640 clients for S/1,577MM in placements.

Finally, in 2021, the Business Banking segment grew in balances by 18% compared to the end of the previous year, without considering the Reactiva program. This represented a reactivation in the financing of commercial loans for working capital and foreign trade for S/2,374MM, reaching 799 new lines of credit and a use of 55% of the lines.

## c. Transactionality

During 2021, BBVA focused on designing and implementing the linkage strategy and cross-selling of transactional products in the entire Business segment, with a special focus on clients financed with the Reactiva program.

The result was the capture of more than 44,800 new uses of transactional products and an increase in linkage levels of 900 bps in Business Banking and 1,800 bps in SMEs compared to December 2020.

This great achievement was accompanied by the growth of transactional collection and payment flows, which had an increase of +19% compared to 2019 and +23% compared to last year.

In the second quarter, the Bank renewed the offer of services for companies with BBVA Pivot, an ecosystem that simplifies the management of the treasury of companies with an international presence. The solution allows centralized operations with a unique and homogeneous digital user experience through direct channels, SWIFT, web or app and regardless of the type of operation carried out, the currency used and the schedule or regulation of the geography in which it is located. At the end of the year, this solution had been provided to 50 companies, which exceeded the results of 2020 by +75%.

In the middle of the third quarter, the Entrepreneur account was launched on the market, created for natural persons with a business (PNN) who start a new venture. This current account opens the door to the entire value offer designed for this segment of client. Since its implementation, more than 5,600 accounts have been sold, which is +97% higher than the previous sales average.

In October, the digital launch of the Business account was developed in the new My Business profile in the BBVA app, which constituted the first digital End to End channel that allows PNNs to open a checking account with a checkbook and carry out BBVA operations in soles or dollars from a single account.

Finally, to encourage operations through digital channels, which are cheaper and generate savings in companies, the commissions of all the products to the new market conditions, which reached a budget compliance of 134%.

## d. Multichannel

Regarding digital channels for natural persons, during 2021 the continuous improvement of the customer's user experience was sought after getting 100% of customers to migrate to the new BBVA app, a completely repowered digital channel, with a more intuitive format and with demanding security mechanisms.

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**During 2021, BBVA focused on designing and launch the linkage and cross-sell strategy for transactional products in the entire Business segment, with a special focus on customers financed with the Reactiva program.**



At the end of 2021, the BBVA app had more than 3.7 million users and a detailed follow-up was carried out for its permanent improvement. For that same date, the channel was valued with 4.5 stars in the Playstore rating and 4.3 in the Appstore rating. The purpose for 2022 is to reach at least 4.7 in both lists.

Additionally, PLIN was enhanced within the BBVA app with operations through QR, the P2P transfer platform for Bank and consortium customers. At the end of 2021, this service had more than 1.5 million affiliated clients, who executed more than 11.2 million P2P transfers. For 2022, the main immediate objective is the inclusion of operations with companies.

With the aim of providing better customer service and transforming their visit to the branch network into a digital experience, a new model of these was deployed in 2021, offering: (1) renovated spaces, (2) a large self-service area and with a greater number of ATMs, (3) new role of digital advisor in charge of migrating clients to alternative channels and digitizing them, (4) a new digital podium (segmenter) that facilitates queue management, (5) the launch of the digital shift, which allows appointments to be scheduled in the office, (6) the launch of the universal advisor role, a reconversion of the advisor role, with more commercial functions, and (7) a digital area for sales and financial education. During 2021, offices were delivered in Mall Plaza Trujillo, Real Plaza Pro, Huánuco and Real Plaza Huancayo, and a branch was opened in a new plaza: Moquegua.

The Bank concentrated its efforts on accelerating the maturation of its own network of correspondent agents, which at the end of the year reached a record monthly transaction level of 6.4 million and an influx of 1.2 million unique customers through this channel.

#### **e. Unique experience**

As part of the Bank's strategic plan for 2021, the consolidation of the unique experience models deployed the previous year was sought and the implementation of new models continued in the different segments.

At BCOM, a robust management model was designed that allows relevant information to be channeled to each member of the network in an appropriate manner. Similarly, work was done on the management model in important roles such as the SME executive and the Prime banker.

Additionally, it was accompanied in the process of creating the new patrimonial bank, which generated a special direction and management model.

On the other hand, it sought to renew the customer experience by launching the new Aurora offices, in whose design of guidelines, protocols and service guidelines the EU actively participated so that the experience is digital and unforgettable.

Finally, for the BEC segment, the chart of accounts was activated as part of the management model, accompanied by a protocol of visits and a review of the main pain points with the stakeholders. Functions were defined, optimize times and equalize workloads in order to better serve the client. This last point is called a commercial ecosystem, whose deployment is scheduled for mid- 2022.

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**At the end of 2021, the BBVA app had more than 3.7 million users and a detailed follow-up was carried out for its permanent improvement. For that same date, the channel was valued with 4.5 stars in the Playstore rating and 4.3 in the Appstore rating.**

## 6.1.1. Corporate & Investment Banking (CIB)

During 2021, the Corporate & Investment Banking (CIB) area developed its activities on two pillars: Global Banking and Global Markets.

For its work, which is carried out within the scope of global business, CIB relied on the Chief Operating Officer, a support unit in charge of managing results and reports, leading the execution of strategies and developing key indicators, while providing operational support to the entire business.

### Investment Banking and Finance

In terms of investment banking, the Bank has teams specialized in offering comprehensive products, services and solutions that generate global opportunities for its clients: large national and foreign corporations.

In 2021, the IB&F commercial activity presented an interesting performance. In direct loans, mainly aimed at corporate clients in the energy, infrastructure, mining and industry sectors, international syndicated loans to Cálidda, Antamina and Hochschild Mining stood out, as well as operations with UNACEM, Ferreyros and Prosegur. For its part, Project Finance had the most outstanding operations carried out for Line 2 of the Lima Metro and for Airports of Peru.

In the capital market (ECM), BBVA advised Repsol in the delisting of La Pampilla refinery shares from the Lima Stock Exchange through a public takeover bid (OPC).

### Global Transactional Banking

With an annual sustainable fund mobilization for more than PEN580 million, Global Transactional Banking (GTB) Peru led the national corporate market in 2021, by accompanying and advising its clients on the transition towards sustainability, making available these loans, factoring, leasing, letters of guarantee, letters of credit and foreign trade financing.

By consolidating the offer of direct channels for local multinational companies, GTB reached, at the end of the year, 145 economic groups that used its solution. The increase in the number of customers that migrated to digital channels reduced the average number of manual operations processed by 42%, which ostensibly improved the Customer Experience by streamlining operations in user treasuries.

On the other hand, there was innovation in the offer of electronic signature solutions for operations, which allowed the client to operate safely and simply in their transactions.

The strategic alliance between BBVA and CONFIRMATION (part of Thomson Reuters) made BBVA Peru the pioneer bank in the country in offering its Corporate & Investment Banking and its auditing firms a simple and 100% digital solution for confirmations in their auditing processes.

BBVA was named the 2021 best bank in the world for corporate clients for the second time by Global Finance magazine, an award that is a trusted standard of excellence for the financial industry.

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## Global Markets

For the BBVA Group, global presence and experience are elements that make the difference for clients, who can thus obtain personalized and innovative products such as, among others, Interest Rate Swaps, Cross Currency Swaps, FX Options, Structured Notes and Credit Link Notes.

For yet another year, BBVA Peru's Global Markets products led the Sovereign Bonds, Currencies and Government Bonds sectors. Likewise, its financial solutions tailored to each client allowed it to maintain leadership in all market segments of financial derivatives, with a 33% market share for clients Peruvian SMEs and corporations.

On the other hand, BBVA SAB participated in important public offering of shares, which allowed it to occupy second place in the ranking of variable income trading, thus consolidating its position in the intermediation of income operations. variable and fixed income.

In the midst of the political context of extreme uncertainty that in 2021 affected the capital and issuance markets, the Debt Capital Markets team led the local capital market with the structuring and placement of nine public issuances (24% of the market), for a total of S/529 million (26% of the market).

### 6.1.2. Financial management

The measures implemented by the BCRP to inject liquidity into the financial system allowed BBVA Peru to maintain surplus liquidity in soles during the largest part of the year. The various Repo programs provided the Bank with approximately 5 bn of medium-term funding (between 3 and 4 years), while seeking to increase funding for the retail sector and small and medium-sized companies.

The situation of high uncertainty generated by the general elections merited the coordination between the corresponding teams to maintain a manageable level of cash in dollars. Regarding the exchange rate risk, efforts were mainly made to cover the flows for OPEX operations, coupling a scenario of high volatility of the exchange rate with an upward bias motivated by the political and economic moment.

Regarding the portfolio, we sought to reduce the duration in the scenario of rate increases. It should be noted that assets representing HQLA were maintained during the year, considered as a liquidity buffer.

On the interest rate risk side, the objective in 2021 was to promote the Alquid project, which will allow better control of balance sheet sensitivities to interest rate risk.

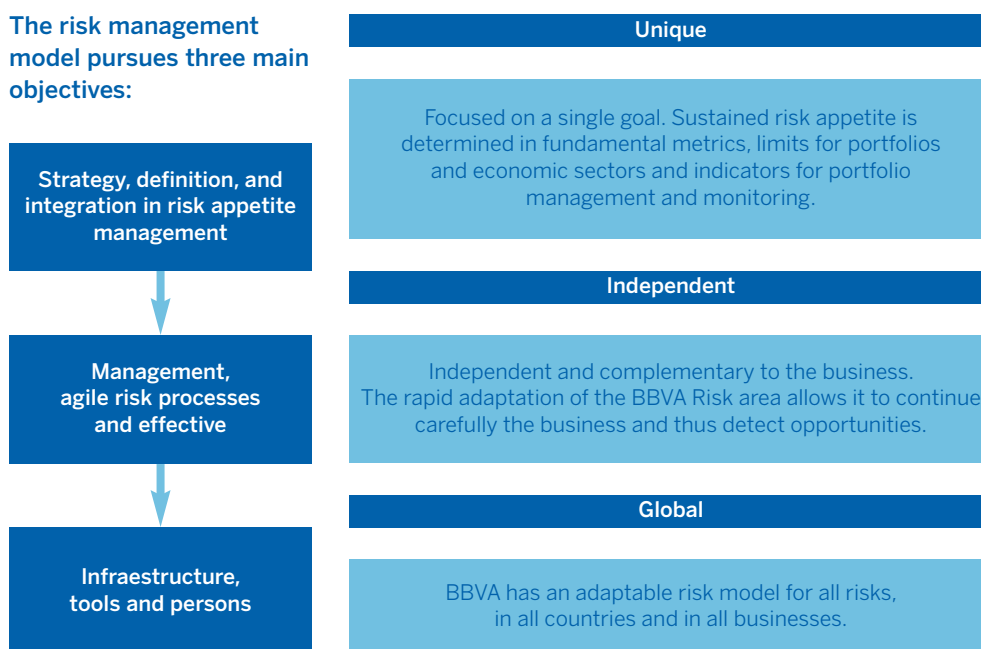
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**The measures implemented by the BCRP to injecting liquidity into the financial system allowed BBVA Peru to maintain excess liquidity in soles for most of the year.**

## 6.1.3. Risk management

Risk management guarantees the Bank's solvency and sustainable development, which is why it plays a fundamental role in its strategy. Established in accordance with the strategy and policies of the BBVA Group, the risk profile considers a unique, independent and global management model in this regard, executed and verified by the Internal Risk Control Unit, a member of the Internal Control and Compliance Area.

The risk management model pursues three main objectives:



The risk area is structured according to its type: Retail Risks, Wholesale Risks, Monitoring, Collections and Recoveries, Structural, Market and Fiduciary Risks, and Portfolio Management, Data & Reporting. Added to this is the Risk Solution and Risk Transformation team, which consolidates transversal functions with the aim of seeking synergies and achieving greater integration of processes ranging from strategy and planning to the implementation of models and tools for better management.

### Portfolio, Management, Data & Reporting Unit

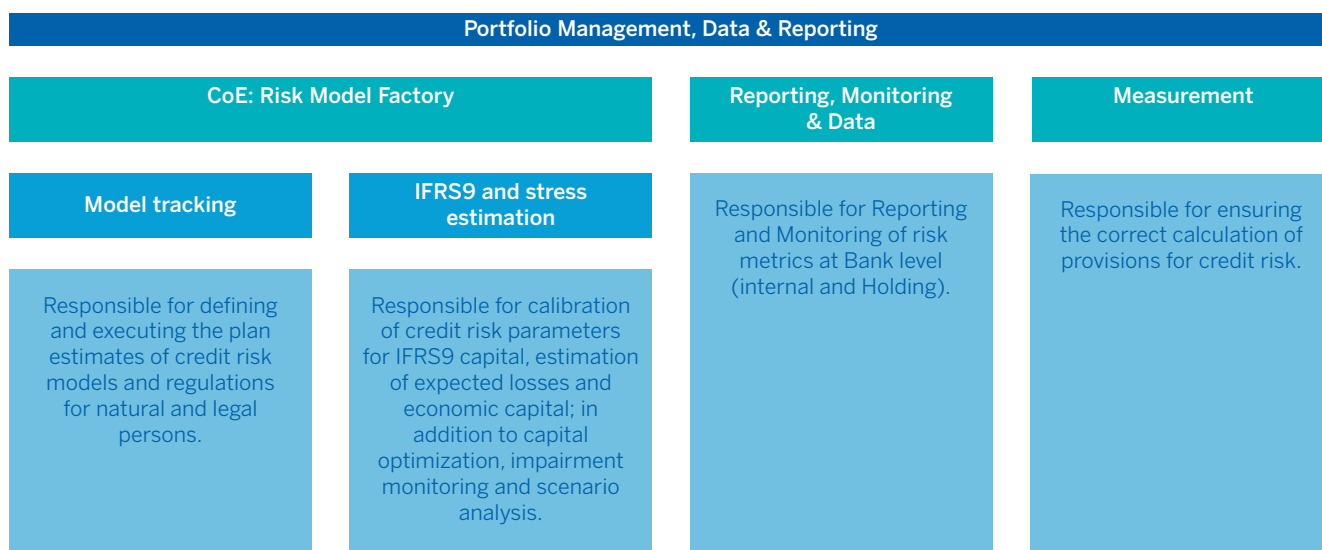
Reporting, Monitoring & Data is the sub-unit responsible for the permanent monitoring of portfolio risk indicators. Following the strategy defined by the Bank and its Risk Appetite Framework, it ensures timely measurement and communicates its observations to the corresponding instances.

The Measurement sub-unit concentrates the calculation processes of the main risk metrics, integrating measurement processes of credit risk indicators related to provisions, regulatory capital, economic capital and risk-adjusted return.

Regarding to the Risk Advance Analytics sub-unit develops, under the guidance of the Center of Expertise (CoE), the models that support the different credit processes from the perspective of the risk function.

In August 2021, the Data Quality Team sub-unit was created, whose objective is to ensure the quality of the data obtained by the calculation and reporting processes and prioritized at the Risk Area level. The creation of the sub-unit places even greater focus on the development of the data governance model at the Bank level and ensures compliance with quality rules.

Thus, the Portfolio Management, Data & Reporting unit is made up as follows:



## Credit risk management

### Retail risks

The Bank detects warning signs and high-risk groups in the retail field based on statistical information and monitoring management of the Natural Persons Risk and Business Banking portfolios.

To fulfill this important function, credit risk management in this area includes:

- Define the guidelines for the admission of customers from the retail segment.
- Examine the results of the behavior of products, segments and campaigns, analyzing their evolutions and developments.
- Disseminate and strengthen the risk culture throughout the Organization, with a special focus on continuous training programs, the development of skills in the commercial areas and of Risk specialists.
- Ensure, through interrelation with the different business areas and attention to internal and external supervisory bodies, compliance with credit risk policies, guaranteeing adequate compliance with the Risk Appetite Framework established by the Bank.
- Propose and promote the optimization of processes, tools and regulations for efficient Credit Risk management.

### Wholesale risks

Credit risk management in the corporate segments of the Retail Network, Corporate Banking, Institutions, Global Clients, IFIS and Real Estate Sector seeks to integrate under the lines of action defined by the Bank's wholesale credit risk policy the phases of origination, admission and follow-up.

Thus, within the framework of the Group's strategy and considering the challenging environment of the local market as a result of the pandemic and the Government's measures to contain it, BBVA strengthened the control of asset allocation limits and suggested sector profiles when considering the appetite of risk, the evolution of the health emergency and the reactivation of economic activities.

Measures such as portfolio containment, selection of the best profiles, and monitoring of concentration thresholds by sector allowed the Bank to diversify the portfolio, prioritizing risk-adjusted returns.

In 2021 different strategies were deployed in the Branch Network, including the action prevention focused on collections and the identification and redirection of business opportunities.

The admission team was segmented, under the agile structure, into two groups:

- Stage 1:** Primary axis of analysis, acts under the criteria of sector groups and maintains specialization by segment.
- Stage 2 and Business Monitoring:** With a preventive management approach, it executes strategies that stop and/or reduce portfolio risk, by containing deterioration by structuring suitable financial solutions.

Portfolio segmentation by axes of vulnerability and sensitivity was the focus of the Portfolio Management team, for which in 2021 it divided the team into Strategies and Governance and incorporated quantitative and qualitative variables and traffic lights with sector vision. In addition, different dashboards were developed with useful information for credit risk management and protocols for the attention of the different aid programs arranged by the Government.

In 2021, Rating, Risk Analyst and Early Alerts consolidated their role as important decision making tools, while digital platforms for the preparation and analysis of credit proposals, such as the Automated Financial and Digital Financial programs, were used in the BEC and CIB segments, respectively.

### **Monitoring, collection and recovery management**

With the aim of achieving efficiencies in processes across the board, both in external management channels (collection agencies and legal firms) and internal ones (Office Network, Solution Office and Anticipa Office), it brings together functions and processes for monitoring, non-payment containment, collection, recoveries and disinvestment of the problem portfolio, whether from Commercial Banking or Business Banking and CIB throughout the credit life cycle.

A centralized strategy allows the management of the troubled portfolio. In the search to minimize the cost of provisions and the level of delinquency, differentiated actions are defined for each segment and for each stage of the life cycle of the leveraged loan in refinancing policies, adjudication and payment agreements with clients.

The Comprehensive Collection Plan, a transformation project started in 2018 that involves improvements in processes and information management, remedial products such as "commitment loan" and "refinanced with grace period", the customer experience and the technological platform allowed In 2021, consolidate the Collection Factory.

Among the main actions of the Factory, the management of the Reactive portfolio stands out, which allowed the Bank to obtain the lowest ratio of overdue portfolio compared to its main competitors, thanks to the agile execution of honorings, the containment of overdue portfolio and savings of provisions in an adverse situation and the reactivation of write-offs greater than 3 UIT as a divestment strategy.

### **Market risk management**

Market risk is understood as the possible loss in the value of the positions held in the portfolio due to movements in market variables that affect the valuation of financial instruments

Risk management is carried out using metrics aligned with market standards. The reference metric is the VaR (Value at Risk), which measures the maximum loss that can occur in a portfolio with a certain level of confidence (i.e. 99%) at a time horizon (i.e. 1 day).

Likewise, additional metrics are established that follow the Basel 2.5 requirements together with a limit monitoring scheme based on the risk appetite approved by the corporate government.

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**The management of the Reactive portfolio allowed the Bank to obtain the lowest non-performing portfolio ratio compared to its main competitors, thanks to the agile execution of the honors, the containment of overdue portfolio and saving of provisions in an adverse situation.**

The control scheme is completed with limits on losses (Stop-Loss), periodic tests of the validity of the risk measurement model (Backtesting) and stress tests (Stress Testing) that simulate extreme market movements and their impact on the portfolio.

### **Structural risk management**

The structural risk in the Bank's management is made up of the interest rate risk structural and liquidity and financing. The nature of the first lies in the variation of market interest rates and the consequent alteration in the interest margin or in the economic value of the entity's equity. If being exposed to adverse movements in said rates constitutes an inherent risk in the development of BBVA's activity, it is, at the same time, an opportunity to create economic value.

The management and monitoring of liquidity and funding risk are carried out in a comprehensive with a double approach (short and long term), interrelated and concatenated. If there is no timely response, stress on one cause pressure on the other both under normal and low stress conditions.

The Bank has a contingency plan whose sole objective is to respond to possible liquidity problems.

### **Internal Risk Control Framework**

During the second quarter of 2021, the Internal Risk Control unit was integrated into the Internal Control and Compliance area, where it acts as a control unit for Risk activities and strengthens the control objective independently of the financial risk function of the Risk Area.

In this sense and without prejudice to the functions carried out in this area by the of Internal Audit, verifies that the regulatory framework, processes and measures established are sufficient and appropriate for each type of financial risk. Likewise, it controls its application and operation and confirms that the decisions of the Risk Area are made independently of the business lines. In particular, there is an adequate separation of functions between units. Lastly, it is responsible for validating the risk models.

### **Operational risk management**

BBVA has implemented an operational risk management model throughout the organization based on methodologies and procedures for the identification, evaluation and monitoring of operational risk, supported by tools that allow its qualitative and quantitative management.

A decentralized management of operational risk carried out by two teams in respective lines of defense is the basis of the model. In the first line, the Risk Control Assurer promote the proper management of operational risk in their respective management areas, extending the risk identification methodology and the establishment of controls to the owners of the processes, responsible for implementing the mitigation plans and the execution of the controls. In the second, a Risk Control Specialist team defines the mitigation and control frameworks in their field of specialty (transversely throughout the organization) and compares what has been implemented by the first line.

In permanent coordination of a methodological unit, both teams constantly report to the Internal Control and Operational Risk Committees (CIRO) of each area.

From the Internal Control and Compliance Area, the Non Financial Risk unit ensures the implementation of corporate management methodologies and tools, forms both control teams, coordinates the updating of the risk map according to the established methodology and monitors the mitigation plans.

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**BBVA has implemented throughout the organization a management model of operational risk based on methodologies and procedures for the identification, evaluation and monitoring of operational risk, supported by tools that allow its qualitative and quantitative management.**

The deployment, during 2021, of the new corporate tool MIGRO (“Comprehensive Framework for Operational Risk Management”) to the entire geography of the Group enabled it to cover the complete cycle of operational risk management. By providing support to the activity of the different roles of the operational risk management model (Risk Control Assurer and Risk Control Specialist), the tool strengthened the Bank’s internal control scheme.

Specifically, MIGRO makes it possible to record both the identified operational risks, quantify them and associate them with a taxonomy of processes, as well as the periodic evaluation of the controls associated with manageable (critical) risks.

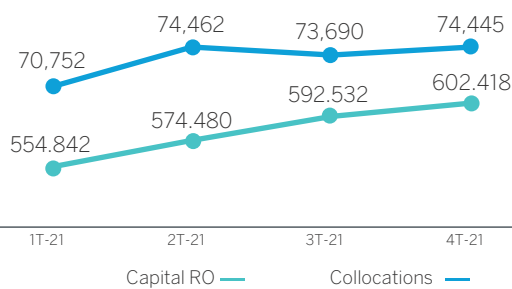
The permanent updating of risks and controls allowed the operational risk management model to remain valid throughout 2021.

The fundamental quantitative tool for operational risk management is the SIRO (Integrated Operational Risk System) database, which collects any operational risk event that entails a loss for the Bank and its subsidiaries.

It is important to note that BBVA is authorized to use the Alternative Standardized Approach (ASA), which calculates the effective equity requirement for operational risk and allows optimization of the regulatory capital requirement.

**The permanent updating of risks and controls allowed the operation risks management model to remain valid throughout 2021.**

**Requirement of effective equity for operational risk**  
In million soles



Source: BBVA Peru. Own elaboration.

In 2021, the operational deployment of the new MIGRO tool (“Comprehensive Framework for Operational Risk Management”) stood out as a relevant initiative, which is a corporate tool deployed in all the Group’s geographies, which allows covering the complete cycle of the Operational Risk management, providing support to the activity of the different roles of the operational risk management model (Risk Control Assurer and Risk Control Specialist), allowing the strengthening of the scheme internal control of the Bank.

### 6.1.4. Subsidiary BBVA Bolsa SAB SA

BBVA Bolsa SAB remained throughout 2021 among the main stock exchange houses in the Equity and Fixed Income markets. Thus, operations such as the Luz del Sur takeover bid for \$568 Mn USD and La Pampilla Refinery takeover bid, in which more than 1,000 investors, earned it second place in the BVL equity trading ranking.



## Second place in equities (PEN)

N°	Stock broker company	Amount (millions)
1°	Credicorp Capital	9,917
<b>2°</b>	<b>BBVA Stock</b>	<b>4,219</b>
3°	Seminario y Cía. SAB	4,204
4°	Larraín Vial SAB	3,698
5°	Scotiabolsa SAB	2,498
6°	BTG Pactual Perú SAB	1,584

Source: SMV. Own elaboration.

On the other hand, BBVA Bolsa SAB ranked first in the Primary Emissions Market, with an issued amount of S/529 million, and third in the Fixed Income trading ranking. It is noteworthy that, in a situation of political uncertainty, it was possible to exceed the expectations of both issuers and investors.

## First place in placements of primary issues (PEN)

N°	Stock broker company	Amount (millions)
<b>1°</b>	<b>BBVA Stock</b>	<b>529</b>
2°	Credicorp Capital	515
3°	Inteligo SAB	335
4°	Cofide	208
5°	Scotiabolsa	310
6°	Kallpa Securities	39

Source: SMV. Own elaboration.

## 6.1.5. Subsidiary BBVA Sociedad Titulizadora SA

In 2021, BBVA Sociedad Titulizadora SA maintained the administration of fourteen securitization assets established in previous years:

- Trust Estate – DS 093-2002-EF, Title XI, Concessionaire La Chira SA.
- Trust estate – DL 861, Title XI, Odebrecht Inversiones Inmobiliarias SAC – Las Palmeras Building.
- Trust estate – Pardo y Aliaga Building – DL 861, Title XI.
- Trust Estate – DS 093-2002-EF, Title XI, La Chira Issue.
- Trust estate – DL 861, Title XI, San Isidro Business Center.
- Equity in trust – DS 093-2002-EF, Title XI, Desalination Concessionaire of the South SA.
- Trust Estate – DL N° 861, Title XI – Best Structured Bonds – CLN Investment Grade.
- Patrimony in trust – DL N° 861, Title XI – Securitization Trust for Investment in Real Estate Income – Fibra – Prime.
- Equity in trust – Structured bonds – Equity Autocall IIQ19.
- Trust estate – DL N° 861, Title XI – Best – CLN Investment Grade Global.
- Patrimony in trust – DL N° 861, Title XI – Arte Express.
- Estate in trust DL 861, Title XI – Advance C X C Utilities.
- Equity in trust DL 861, Title XI – BBVA Macrotrust – Best Bonds.
- Estate in trust DL 861, Title XI – C X C 001.
- In 2021, no new securitized assets were created.

## 6.1.6. Subsidiary BBVA Asset Management SA SAF

2021 was a year of volatility, but with benefits for international financial markets, mainly in equity markets. At the international level, the first semester was strongly linked to the monitoring of the vaccination process in the countries, the reopening of borders and the reactivation of local businesses, processes that were fruitful, especially in developed economies. However, the strong impetus for the recovery of international monetary and fiscal policies generated, as of the second half of the year, high inflation. At the local level, the electoral process and its result generated an atmosphere of volatility and strong corrections in the financial markets in the face of institutional and political uncertainty, in addition to the increased risk in the economic sphere. However, the government moderated itself and as of October, with the appointment of a new cabinet, the market calmed down.

In Peru, the GDP is expected to grow 12.2% in 2021, mainly supported by the growth of domestic demand (from public and private investment), and it is projected to increase by 2.3% in 2022, a slowdown due to a base. With most of the population already vaccinated, capacity will gradually return to pre-pandemic levels, which will benefit the productive sectors, especially those most affected by isolation measures. The BCRP is expected to continue with the normalization process of the monetary position to contain a disanchoring of inflationary expectations. Thus, for the second half of 2022, less exchange rate pressure will normalize prices and return inflation to the target range.

Despite being a difficult year, in which many clients reduced their positions in local investments, 2021 generated an appetite to invest in instruments with global exposure. For this reason, BBVA Asset Management launched six strategic funds, in a fundraising plan that included investment advice, leverage in a medium and long-term horizon and a differentiated offer according to the client's risk profile, which was provided with a comprehensive portfolio. A wide range of financial assets was accessed globally, capturing approximately S/263 million. During the second semester, seeking to expand the value offer for clients in the affluent segment, the BBVA Debt High Yield fund was launched, which managed to raise some USD 13 million. Finally, in mid-November the first Sustainable Investment Fund was launched, which invests in international fixed income and variable income instruments with ESG (environmental, social and corporate governance) criteria.

The total assets managed by the mutual fund industry registered a contraction of 29% in year-on-year terms, with a total of S/32,508 million at the end of 2021. BBVA Asset Management completed the period with assets of S/6,937 and a share of 21.34%.

## 6.1.7. Engineering

### ODS 9

2021 made it possible to reaffirm the area's commitment to creating and transforming ideas into innovative solutions, optimizing technological capabilities in all services and providing better opportunities for BBVA customers.

Through the Strategic IT Route, in 2021 the transformation of the Engineering operating model continued, focused on five fronts: security and fraud prevention, operational excellence, adoption of technologies, technological solutions and, lastly, risks and control.

### 6.1.7.1. Security and fraud prevention

In 2021, the focus was on reducing vulnerabilities and ensuring containment in the event of an impact. Thus, the implementation of the Dynamic CVV in Mobile Banking and behavioral biometrics to improve the detection and prevention of fraud in digital channels reinforced the security of online purchases, with 64% of fraud prevented, while claims for fraud they dropped 31% (63% on digital channels).

- In the context of the public health emergency, the Crisis Management Committee focused on preserving the health and safety of employees and providing the necessary support for the Bank to continue its operations safely.

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**The total assets managed by the mutual fund industry registered a contraction of 29% in year-on-year terms, with a total of S/32,508 million at the end of 2021.**

- Various types of exercises oriented towards prevention and continuous improvement were implemented: a) business continuity, for members of the High Management, b) dynamic, on the local and regional technological infrastructure, and c) communication, location and response of critical personnel. In 2021 it was renewed by ISO 22301-2019 certification for the fourth consecutive year, which supports the level of maturity and implementation of recognized global standards and best practices.
- To optimize cybersecurity prevention, security agents were deployed security in technological assets for the early detection and mitigation of deviations and vulnerabilities. In addition, based on a classification of sensitive data applied to the entire technological park of the end user, the rules to where the employees carry out remote work, which counteracted the danger of unauthorized exit of information.
- Furthermore, customer data protection processes, cards and business information with the aim of improving data protection at third party level. To this end, audits were carried out on outsourced services and compliance with the information security clauses in the contracts with the Bank's suppliers was verified.
- BBVA Peru was externally certified by PWC in 2021, after completing successfully with what is required by the Swift Security Framework, which placed it in third position at a regional level (America) and in seventh position globally in the Group.
- Regarding the physical security front, an intelligence and active monitoring area was implemented to quickly identify critical points throughout the country, which not only provided continuous support to the entire Commercial Network in the event of any emergency, but also allowed the Bank to lead the reopening of offices during the context of the mobilizations for the presidential elections. On the other hand, thanks to a risk methodology, the perimeter protection of 35 main offices was strengthened, with which no human incident was reported.
- The implementation of projects and technologies such as Dynamic CVV and behavioral biometrics made it possible to reduce fraud by 47% and contain its impact on customers by 64%.
- For improving the security of credit card information and debit, recommendations were implemented to truncate and/or obfuscate data from the cards on the NACAR screens, as well as for 100% obfuscation of sensitive data present in the GLOMO and Internet Banking services. On the other hand, PCI Compliance was achieved in agents and the work program was maintained to ensure the requirements of the PCI DSS standard.

### 6.1.7.2. Operational excellence

This line of work seeks on the one hand, to optimize key processes so that they consume fewer resources, and, on the other, to eliminate critical crafts and thus mitigate operational risks. In 2021, the transformation carried out in the operations and claims model increased its productivity by 15.3%, which gave BBVA Peru first place at the Group level, while IT operations increased by 300% and, with the implementation of the chatbot, a quick attention was achieved in 95% of the queries.

- The productivity of the development teams grew from 0.26 to 0.61, while the performance in the delivery of the planned features went from 50% to 71%.
- Engineering capacity in percentage of deliveries increased from 49% to 72%. Internalization increased productivity, which was reflected in a greater number of projects covered, 105 during the year, a growth of 123%.
- The stabilization of the Reactiva rescheduling process, which automated part of it reduced runtimes from 2.5 hours to 10 minutes. On the other hand, a plan was generated that regularizes the files for the honor process.
- The coverage of services in the Lending area included in 2021 the services of Government Guarantees (Reactive Program) and Consumer Finance (vehicular credits). Likewise, with the aim of creating a management front for company products and services with the three banks –CIB, BEC and Commercial Banking (PYMES)– to provide a homogeneous and efficient experience, the area Enterprise Services, which includes the Customer Service Channels and Comex & Leasing teams.

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**In 2021, the transformation made in the operations and claims model increased its productivity by 15.3%, which gave BBVA Peru first place at the Group level.**

- Regarding Centralized Operations, the required documents were reduced by 80%, which in turn shortened the disbursement times in the Webpyme process to only two days. In the management of cash logistics, two predictors were created with machine learning, which allowed us to go to the next level in the automation of this process. The new ATM withdrawal and deposit flow formats automatic –intuitive and with a modern design in accordance with the Bank’s virtual platforms and for the benefit of the client– simplified the processes.
- The local storage usage capacity experienced a growth of 53.32%, with an availability of critical services of 99.49% annual average. Availability measurement was implemented in the ACS model for four local applications: Correos Engine, Cotiza, WebPymes and FastTrack.
- In 2021, the Windows 10 operating system was upgraded in 1,702 ATMs (94.30% of the park) and Checker 6.2.3 in 1,754 (97.17%), as well as the test technique of the BRS Local plan (11 services at 100%) and two six-monthly business tests (the last one at 100%).
- The plan to return to headquarters reviewed 1,280 positions and 348 laptops to ensure their correct operation, relocated 113 employees and transferred another 800 to work in the hybrid model.
- The Aurora plan implemented six digital offices under their new model, which involves the technological renewal of platform, counter, audiovisual, digital area and digital podium positions.
- The renewal of service contracts (from Nov 2021 to Oct 2023) of mobile phones for employees (3,643 devices) and the family plan (2,423 devices), which has evolved as a benefit from the supplier to the Bank’s employee, was executed normally. By 2022, the change of chip to the total of employees and the renewal of equipment for 1,043 of them is planned.
- The launch of the Digital Factories for Retail, Enterprise, GRM and Finance It made it possible to respond more efficiently to the needs of its portfolios and was recognized as the first country with a comprehensive methodological deployment on digital factories. For its part, the implementation of the SW Development Supplier Evaluation Model made it easier to evaluate the services of seven factories (545 employees) on the Legacy and Next Gen platforms.
- The start-up of the data intake industrialization process in Datio managed to configure, under a factory approach, the analysis and intake stations; the first, focused on the opinion of the sources, the second, on the provisioning and data quality rules.
- The optimization of the flow by matching stages and automating operational tasks improved the efficiency ratio, which went from 1.4 to 1.8, which represents an improvement of 28%. At the end of 2021, the goal of the KPI Ingested tables of 10% to 11.4% of global model tables ingested in the local tenant was exceeded.
- The successful execution of stages 1 and 2 of the Datio Obsolescence Migration plan moved all the components (1,997) of data quality rules to the latest version (HAAS 4x).

### 6.1.7.3. Adoption of technologies

The modernization of technologies through the Bank’s technological platform offers greater flexibility and lower processing costs without compromising quality and facilitating service scalability. In that order of ideas, a processing efficiency of the technological platform was obtained with 39% of transactions migrated to low cost technologies, while the first use cases were implemented in the Smart Assistant Engine, which seeks to provide an online response to the customer who does not generate claims.

- As part of the transformation of the Banking Backend and core, 2021 closed with more than 34% of the transaction KPI –from 32% in 2020–, an indication that a large part of BBVA Peru’s transaction activity is already resolved in the new Technological platform.
- The integration of Genesys with Google Dialog Flow, achieved by Contact Center and Channel Architecture, gave way to the implementation of the first BLUE chatbot, which together with Voicebot reduced the number of queries by 94%: from 288 thousand per month to 17 thousand, with a level of understanding of 90%, improving the efficiency of attention in the Contact Center.

**An efficiency of the processing of the technological platform with 39% transactionality was obtained migrated to technologies low cost, while the first use cases were implemented in the Smart Assistant Engine, which seeks provide an online response to the customer that does not generate complaints.**

- The deployment of Notification Manager (email and push sending) reduced incidents in Netcash and strengthened GLOMO. Finally, the target of 52% transformation in the channels was exceeded.
- Solution Architects achieved a KPI of 73% of MSA in Ether with respect to all MSAs produced. Participation in SDA refinements was 145 projects and 25 discoveries, while architecture committees were 241.
- For the renewal of communication links in the central headquarters (head offices), 314 branches, 618 island ATMs and 31 redex plus agents, SDWAN solutions were deployed, between the central headquarters and branches, and LAN, within them.

#### 6.1.7.4. Technological solution

In 2021, the focus was on reducing the delivery times of solutions to the business through improvements in productivity of the software cycle, manual automation and anticipation of capabilities for developers. Contribution was made in the delivery of key projects, such as the transformation of the customer experience in the channels through a new Look & Feel in ATMs (withdrawal and deposit), which included artificial intelligence in chatbot and functionalities that made Banking Mobile number one in Peru in Market Places.

- In Software Development Transformation, work was done on DevOps Adoption and Application Maturity lines. Among the first, an adoption of 77.58% of Plan (Full Traceability), Code (Code Management), Build (Build Automation), Testing (Static code analysis and Automated integration tests) and Security (Code analysis to find vulnerabilities) was achieved.), for a transformation, at the end of the year, of a total of 25 applications.
- Regarding agile technological solutions, the 100% execution of ASO and APX Physics allowed 98% of successful interventions. On the other hand, the releases ASO-SEC and APX annual reports were 100% successfully completed.
- In an effort to improve productivity, the Transformation Plan from Functionals to Developers was activated, with the aim of providing technical knowledge. Thus, the Core teams were trained to reduce requests for collaboration, the concept of Feature, EMC history, MVP was reinforced, and indicators such as alerts to points of improvement were worked on.
- During 2021, the ecosystem of productivity metrics for projects was deployed, in order to provide teams with a continuous improvement tool to optimize Time to Market and provide greater visibility for timely decision-making. The deployment allowed BBVA Peru to be the first in the Group to implement such practices.

**In 2021, the focus was on reducing lead times delivery of business solutions through improvements in productivity of the software cycle, automation of crafts and anticipation of capabilities for developers.**

#### 6.1.7.5. Risks and control

We sought to strengthen the early identification of risks through the new technological risk admission process, which automates the generation of the control framework with a focus on the criticality of the initiative; on the other hand, the early management of commitments to auditors and regulators was consolidated.

- The deployment of 15 new control frameworks and the implementation of 36 control framework gap remediation plans made it possible to mitigate identified weaknesses, with 66% coverage globally. This represented a effective mitigation of engineering risks and the transformation towards a risk control model aligned with international standards.
- As part of the early identification of risks, models of control in 26 initiatives deployed by the Engineering teams, including projects, new processes and subcontracting.
- In 2021, early attention to internal audit recommendations was consolidated, with the management of a total of 35 recommendations from auditors and other reviewers.

## 6.2. Management report

GRI 103-3

### Evolution of the Peruvian banking system

#### Main indicators In million soles

	dec-20	dec-21	Δ Y o Y (dec-21/dec-20)	
			Absolute	%
<b>Financial situation statement</b>				
Total assets	515,698	518,094	2,396	0.5%
Net placement	303,527	329,102	25,575	8.4%
Provisions for direct loans	(22,009)	(20,522)	1,487	-6.8%
Total passive income	461,883	460,665	(1,218)	-0.3%
Obligations with the public	327,985	328,829	844	0.3%
Net worth	53,815	57,429	3,614	6.7%
<b>Income statement</b>				
Gross financial margin	20,227	19,908	(319)	-1.6%
Provisions for direct loans	(11,996)	(4,785)	7,211	-60.1%
Administration expenses	(10,810)	(12,072)	(1,262)	11.7%
Profit before income tax	2,620	9,727	7,107	271.3%
Net income	2,116	7,235	5,119	241.9%

#### Main ratios

	dec-20	dec-21	Δ Y o Y (dec-21/dec-20)	
<b>Asset quality</b>				
Default ratio	3.80%	3.77%	(3)	pbs
Coverage ratio	177.68%	155.54%	(2,214)	pbs
<b>Profitability and efficiency indices</b>				
ROE	3.96%	13.29%	933	pbs
ROA	0.44%	1.38%	94	pbs
Efficiency ratio	43.40%	46.63%	323	pbs
<b>Solvency</b>				
Overall capital ratio	15.44%	14.88%	(56)	pbs

At the end of 2021, the total assets of the banking system reached S/518,094 million, with a year-on-year variation of 0.5% explained by the growth in loans (+S/25,575 million), which thus exceeded the decrease in investments (-S/14,955 million) and available (-S/ 9,641 million). The positive variation in loans was generated by higher balances in current loans from companies and individuals. In the case of companies, the increase was driven by the corporate segments (+S/14,499 million) and large companies (+S/1,908 million), while in individuals the increase was due to consumption (+S/9,979 million) and mortgages (+S/4,410 million), which offset the reduction in cards (-S/4,695 million).

Regarding the quality of the portfolio, the NPL ratio presented a 3bps reduction as a consequence of the greater growth of the gross portfolio (+7.4%) compared to that of the non-performing portfolio (+6.5%), all due to the reduction in balance of overdue loans, mainly in consumption and mortgages. On the other hand, the coverage ratio decreased by 22pp due to the greater increase in the past-due portfolio and the decrease in provisions (-6.8%). It should be noted that, according to the SBS, as of November 2021 the system had additional provisions for S/6.2 billion to cover possible portfolio impairments.

Meanwhile, total liabilities reached S/460,665 million, with a slight year-on-year decrease of 0.3%, due to the drop in balances of accounts payable (-S/5,540 million) due to Reactiva's maturities. This exceeded the increase in deposits by S/1,322 million, which is explained by transactional resources in natural persons (+ S/18,480 million), caused mainly by the release of the AFPs. Followed by the largest debts and issues due to the increase in the exchange rate in the year.

Regarding the results, the gross financial margin reached S/19,908 million, with a reduction compared to the previous year of -1.6%, due to lower revenues in credits in S/2,084 million (-8.4%) due to the losses rates. Added to this was the contraction of disposable income of S/ 37 million (-19.3%) due to the change in the reserve remuneration policy and the context of low rates, followed by the decrease in profits on investments of S/ 22 million (-1.5%). On the other hand, provisions for direct credits were reduced by S/7,211 million; while administrative expenses increased by S/1,262 million due to higher expenses for services received from third parties (S/872 million). In this sense, the banking system generated a net income of S/7,235 million, with an increase of S/5,119 million (+241.9%), which resulted in an ROE of 13.29% (+933 bps) and an ROA of 1.38% (+94bps).

**The banking system generated a net income of S/7,235 million, with an increase of S/5,119 million (+241.9%), which resulted in an ROE of 13.29% (+933 bps) and an ROA of 1.38% (+94bps).**

## BBVA

### Highlights

#### Main indicators In million soles

	dec-20	dec-21	Δ Y o Y (dec-21/dec-20)	
			Absolute	%
<b>Financial position statement</b>				
Total assets	107,384	101,645	(5,740)	-5.3%
Net placements	66,447	70,382	3,935	5.9%
Direct loans provisions	(4,364)	(4,606)	(242)	5.5%
Total passive income	98,008	91,463	(6,545)	-6.7%
Obligations with the public	70,813	63,105	(7,708)	-10.9%
Net worth	9,376	10,182	806	8.6%

#### Main ratios

	dec-20	dec-21	Δ Y o Y (dec-21/dec-20)	
<b>Asset Quality</b>				
Default ratio	3.22%	3.70%	48	pbs
Coverage ratio	192.88%	167.17%	(2,571)	pbs
<b>Profitability and efficiency indices</b>				
ROE	7.04%	16.29%	925	pbs
ROA	0.68%	1.46%	78	pbs
Efficiency ratio	40.42%	39.33%	(109)	pbs
<b>Solvency</b>				
Overall capital ratio	13.68%	14.13%	45	pbs
Ratio Tier 1	10.77%	10.25%	(52)	pbs

#### Main indicators In million soles

	dec-20	dec-21	Δ Y o Y (dec-21/dec-20)	
<b>Income statement</b>				
Gross financial margin	3,204	3,574		11.5%
Provisions for direct loans	(1,724)	(756)		-56.1%
Net income for financial services	777	841		8.3%
Result from financial operations	687	740		7.7%
Operation expenses	(1,871)	(1,979)		5.8%
Profit before income tax	879	2,226		153.1%
Net profit	655	1,559		138.0%

BBVA Peru's gross financial margin increased by 11.5% during 2021 due to an outstanding management of financial expenses, added to the good performance in commissions and ROF, with increases of 8.3% and 7.7%, respectively. Furthermore, the provisions decreased, with which net income increased by 138.0%, reaching levels quite similar to pre pandemic figures.

Net placements reached S/70,382 million, with a year-on-year growth of 5.9%, due to higher consumer loans and mortgages and, to a lesser extent, by companies in corporates. Regarding obligations with the public, they remained the main source of liquidity, although with a decrease due to outflows from Reactiva and wholesale funds.

Regarding digital developments, BBVA continued to encourage the attraction of transactional flows of collections and payments from companies. In this sense, improvements were implemented in the BBVA Pivot platform, which simplified the treasury management of companies with a global presence. In addition, the new Daily Cash Payment service was deployed and the use of the new "My Business" profile for natural persons with businesses continued to be encouraged in the BBVA app.

On the other hand, BBVA continued to grow in placements of products via digital channels for individuals, reaching the milestone of more than half of sales via digital channels in December. In addition, he highlighted that 70% of savings accounts and 48% of cards were originated by digital means, while 74% of bank-type operations exchange were made via T-Exchange. It should be noted that, at the end of 2021, BBVA's mobile banking platform remained N° 1 in customer experience.

## Asset management

### Assets In million soles

	dec-20	dec-21	Δ Y o Y (dec-21/dec-20)	
			Absolute	%
Available	24,930	16,248	(8,682)	-34.8%
Interbank funds	138	—	(138)	-100.0%
Investments at reasonable value with change in results	4,679	4,130	(549)	-11.7%
Available investments for sale	6,692	5,580	(1,112)	-16.6%
Investments held to maturity	—	—	—	—
Net loan portfolio	66,447	70,382	3,935	5.9%
Property, furniture, and equipment	1,013	1,071	58	5.8%
Other assets	3,486	4,234	748	21.5%
<b>Total assets</b>	<b>107,384</b>	<b>101,645</b>	<b>(5,740)</b>	<b>-5.3%</b>

## Variation

In the year-on-year variation, total assets decreased by 5.3%, due to the decrease in cash used to cover the credit gap, added to the decrease in investments at fair value (11.7%) and available for sale (16.6%), explained by sales and maturities of dollar bills. The foregoing offset the growth in loans, which is explained by higher placements both in individuals (S/2,016 million) and in companies (S/1,208 million), as well as the increase in other assets associated with higher accounts receivable from derivatives of negotiation before the gain in valuation of currency swaps.



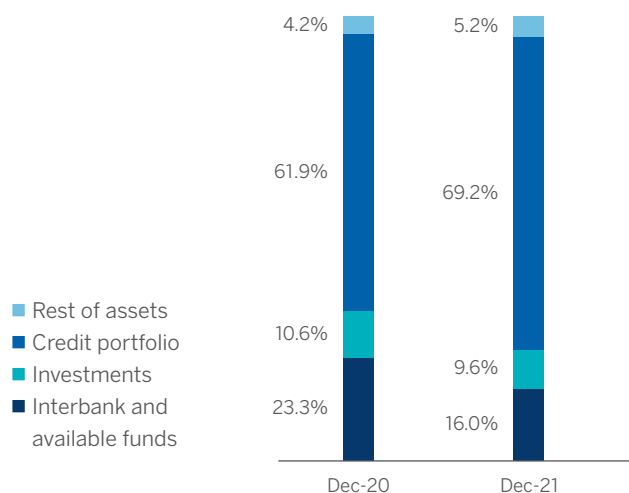
## Collocations

### Detail of collocations In million soles

	dec-20	dec-21	Δ Y o Y (dec-21/dec-20)	
			Absolute	%
Current credits	66,843	70,171	3,328	5.0%
Overdue credits	2,225	2,707	482	21.7%
Refinanced and restructured loans	1,743	2,109	367	21.0%
<b>Gross loan portfolio</b>	<b>70,811</b>	<b>74,988</b>	<b>4,177</b>	<b>5.9%</b>
<b>Provisions</b>	<b>(4,364)</b>	<b>(4,606)</b>	<b>(242)</b>	<b>5.5%</b>
<b>Net loan portfolio</b>	<b>66,447</b>	<b>70,382</b>	<b>3,935</b>	<b>5.9%</b>

The growth of loans (5.9%) is explained in individuals by consumption (S/1,352 million) and mortgages (S/705 million) due to the economic reactivation, the greater real estate dynamism and the various commercial campaigns, in contrast to the decrease in cards. Likewise, higher balances were observed in companies, mainly in corporates (+S/2,364 million) and in the rest of the segments when excluding Reactiva maturities.

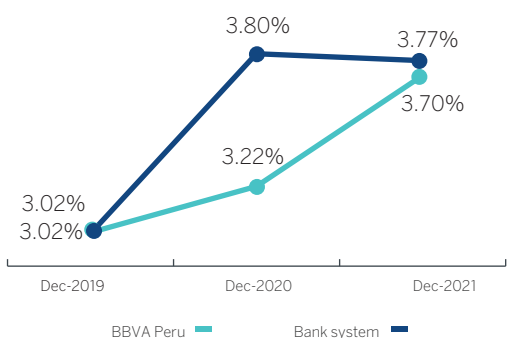
### Asset structure evolution



Regarding the mix of assets, in the year-on-year comparison, a decrease was observed in the amount available to cover the liquidity needs of the balance sheet, which explains the growth in the mix of the loan portfolio, while investments decreased due to maturity of paper in USD and portfolio sales, and the rest of assets grew due to higher accounts receivable from trading derivatives.

## Asset quality

### Default ratio

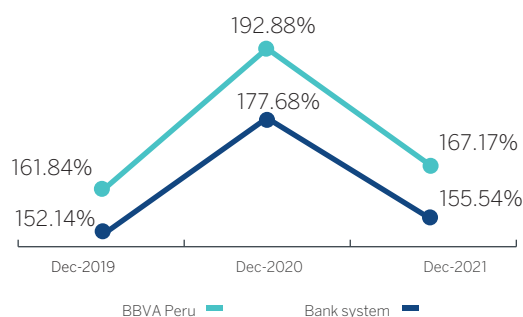


Source: Superintendencia of Banking, Insurance and AFP.

At the end of 2021, BBVA presented a NPL ratio of 3.70% with an increase of 48bps year on year, although it was below the system.

At the end of 2021, BBVA presented a NPL ratio of 3.70% with an increase of 48bps year-on-year, although it was below the system. The deterioration of the ratio was caused by the greater past-due portfolio compared to the increase in the gross portfolio, mainly due to the higher balances due in medium-sized companies, observing a similar situation in the system.

### Coverage ratio



Source: Superintendencia of Banking, Insurance and AFPs.

On the other hand, a coverage ratio of 167.17% was recorded, reducing by 26pp in relation to the previous year, explained by the decrease in provisions and the increase in the overdue portfolio. However, a ratio above the system was maintained due to the relative greater containment of the growth of the non-performing portfolio.

## Liability management

### Liabilities and equity In million soles

	dec-20	dec-21	Δ Y o Y (dec-21/dec-20)	
			Absolute	%
Obligations with the public	70,813	63,105	(7,708)	-10.9%
Financial system deposits	1,493	1,026	(467)	-31.3%
Interbank funds	72	—	(72)	-100.0%
Debts and financial obligations	7,030	6,990	(41)	-0.6%
Other pasives*	18,600	20,343	1,743	9.4%
<b>Total liabilities</b>	<b>98,008</b>	<b>91,463</b>	<b>(6,545)</b>	<b>-6.7%</b>
<b>Heritage</b>	<b>9,376</b>	<b>10,182</b>	<b>806</b>	<b>8.6%</b>
<b>Total liabilities and equity</b>	<b>107,384</b>	<b>101,645</b>	<b>(5,740)</b>	<b>-5.3%</b>

\*Includes BCR Funding, Reactive Funding, Report Operations.

## Variation

In the interannual period, total liabilities decreased by S/6,545 million (–6.7%) due to the reduction in obligations with the public (–10.9%) and, to a lesser extent, due to financial system deposits (–31.3%). This was partially offset by the increase in other liabilities from repurchase transactions with the BCRP for loans and securities portfolio (+S/ 1,102 million), as well as by the increase in accounts payable from trading derivatives due to loss in valuation of currency swap contracts.

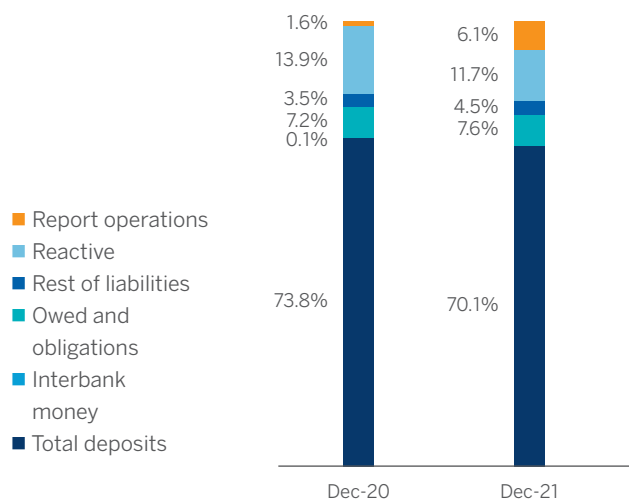
## Deposits

### Deposit details In million soles

	dec-20	dec-21	Δ Y o Y (dec-21/dec-20)	
			Absolute	%
Demand deposits	29,779	24,887	(4,892)	–16.4%
Savings deposits	24,712	28,493	3,781	15.3%
Time deposits	16,247	9,633	(6,614)	–40.7%
Other obligations	75	91	17	22.3%
<b>Obligations with the public</b>	<b>70,813</b>	<b>63,105</b>	<b>(7,708)</b>	<b>–10.9%</b>
<b>Financial systems deposits</b>	<b>1,493</b>	<b>1,026</b>	<b>(467)</b>	<b>–31.3%</b>
<b>Total deposits</b>	<b>72,306</b>	<b>64,130</b>	<b>(8,175)</b>	<b>–11.3%</b>

Regarding total deposits, these presented a decrease of S/8,175 million due to a reduction in the balances of company sight accounts (–S/4,635 million), product, in turn, of the use of liquidity for the payment of Reactiva credits and the non-renewal of operations with wholesale customers. Likewise, there was a reduction in legal terms (S/4,191 million), mostly from professional clients, balances that were allowed to expire due to the lack of need for liquidity and the strategy of maintaining the cost of liabilities at optimal levels. These effects could not be completely offset by the increase in individual savings accounts (+S/3,698) due to AFP payments.

### Evolution of liability structure



Regarding the mix of liabilities, the weight of repo operations increased, compared to 2020, because in 2021 financing was taken from the BCRP to grant loans at low rates. On the other hand, the weight of deposits was reduced by maturities of balances of professional clients due to lower liquidity needs. Finally, there was a greater composition in the mix by the rest of liabilities, due to an increase in accounts payable from trading derivatives due to loss in valuation of currency swap contracts.

## Income statement

Income statement In million soles				
	dec-20	dec-21	Δ Y o Y (dec-21/dec-20)	
			Absolute	%
Interest income	4,254	4,209	(44)	-1.0%
Interest financial expenses	(1,049)	(635)	414	-39.5%
<b>Gross financial margin</b>	<b>3,204</b>	<b>3,574</b>	<b>370</b>	<b>11.5%</b>
Provisions for direct loans	(1,724)	(756)	967	-56.1%
<b>Net financial margin</b>	<b>1,481</b>	<b>2,818</b>	<b>1,337</b>	<b>90.3%</b>
Income from financial services	1,111	1,380	269	24.2%
Expenses for financial services	(334)	(539)	(205)	61.3%
<b>Net financial margin of income and expense for financial services</b>	<b>2,257</b>	<b>3,659</b>	<b>1,402</b>	<b>62.1%</b>
Results from financial operations (ROF)	687	740	53	7.7%
<b>Operating margin</b>	<b>2,945</b>	<b>4,399</b>	<b>1,454</b>	<b>49.4%</b>
Administration expenses	(1,677)	(1,784)	(107)	6.4%
Depreciation and amortization	(194)	(194)	(1)	0.4%
<b>Net operating margin</b>	<b>1,074</b>	<b>2,420</b>	<b>1,347</b>	<b>125.4%</b>
Valuation of assets and provisions	(169)	(178)	(9)	5.4%
<b>Operation result</b>	<b>904</b>	<b>2,242</b>	<b>1,337</b>	<b>147.9%</b>
Other income and expenses	(25)	(16)	9	-35.0%
<b>Income before taxes</b>	<b>879</b>	<b>2,226</b>	<b>1,346</b>	<b>153.1%</b>
Income tax	(224)	(666)	(442)	197.0%
<b>Net profit</b>	<b>655</b>	<b>1,559</b>	<b>904</b>	<b>138.0%</b>

Year-on-year, gross financial margin increased 11.5% as a result of outstanding liability management, which helped offset lower interest income due to lower earnings from loans (-S/44 million), investments (-S/15 million) and cash (-S/8 million). Regarding credits, the lower income generation was associated with the repricing of mortgage loans and the context of low rates. Likewise, the lower return on cash was due to the change in the reserve remuneration policy and the low reference rates, which was also reflected in the returns investments, such as certificates of deposit. On the other hand, interest expenses (-39.5%) showed a significant reduction due to repricing of deposits (-S/292 million) and lower expenses in debt and issuances (-S/117 million), associated with maturities of bonds, loans in dollars and financing with the BCRP at low rates.

Provisions for direct credits were reduced by S/967 million compared to the year due to a decrease in specific provisions, as a result of the proper management of the port folios most sensitive to deterioration, the strengthening of collection circuits and anticipatory management in all segments. Likewise, there was a lower constitution of voluntary provisions, which amounted to S/100 million during 2021.

Income from financial services presented a positive variation of S/269 million, mainly from the miscellaneous income item (+S/233 million), due to the highest income in cards from merchants, national transfers, collections from services, interplace operations, correspondent, foreign trade and insurance. In addition, higher revenues were generated from bonds (S/33 million) as a result of the increased commercial activity of companies. On the other hand, service charges financial expenses increased by S/205 million due to the payment for the Puntos program, as well as payment to Visa and Mastercard. Likewise, there was a growth in the expenses of electronic transfers and import of banknotes from abroad.

Regarding results from financial operations (ROF), a growth of S/53 million was obtained, mainly due to derivatives (+S/525 million) due to the rise in the exchange rate, partially offset by lower income from interest rate operations. (-S/381 million), added to the negative results of investments available for sale (-S/64 million) and at fair value (-S/60 million), explained by the sale of the portfolio of Sovereign Bonds and lower port folio valuation, respectively.

Results from non-ordinary income increased by S/19 million due to higher profits at Visanet (+10 million) and BBVA Consumer Finance Edpyme (+S/9 million).

Administrative expenses increased by S/107 million due to higher variable personnel expenses and services received from third parties associated with licenses, custody, transfer, maintenance and supply of ATMs.

A reduction in indirect provisions of S/19 million was recorded, as a result of the expiration, in March 2021, of a group of letters of guarantee

Finally, profit before tax increased by 153.1%, due to the savings in financial expenses and the good performance in ROF and commissions, added to the decrease in voluntary and specific provisions. The implicit tax rate went from 25.5% to 29.9%, which resulted in a net profit of S/1,559 million, reaching levels similar to those prior to the pandemic.

**The profit before taxes increased by 153.1%, due to the savings in financial expenses and the good performance in ROF and commissions, added to the reduction of voluntary and specific provisions.**

**Return on equity – ROE**  
**Return on assets – ROA**



Source: Superintendencia of Banking, Insurance and AFP.

The recovery of results allowed, for December 2021, to significantly improve the profitability ratios, to the point that BBVA presented an ROA of 1.46% and an ROE of 16.29%, with an increase, compared to December 2020, of 9pp and 1pp, respectively.

## Solvency and regulatory capital

### Solvency and regulatory capital In million soles

	dec-20	dec-21	dec-21 vs. dec-20	
			Absolute	%
<b>Regulatory capital</b>	<b>10,649</b>	<b>11,919</b>	<b>1,270</b>	<b>11.9%</b>
(i) Basic capital (Tier 1)	8,383	8,648	265	3.2%
(ii) Supplementary capital (Tier 2)	2,266	3,271	1,005	44.4%
Capital	6,529	6,758	229	3.5%
Reserves	1,897	2,053	156	8.2%
Results with capitalization agreement	—	—	—	—
Provisions	892	957	65	7.3%
Tier 1 subordinated debt	—	—	—	—
Tier 2 subordinated debt	1,559	2,478	919	58.9%
Drawdowns and Goodwill	-370	-327	44	-11.8%
<b>Risk weighted assets</b>	<b>77,820</b>	<b>84,328</b>	<b>6,508</b>	<b>8.4%</b>
(i) Credit risk-weighted assets	71,155	76,317	5,162	7.3%
(ii) Market risk weighted assets	1,249	1,988	739	59.1%
(iii) Operations risk weighted assets	5,416	6,024	608	11.2%
<b>Ratio Common Equity</b>	<b>10.77%</b>	<b>10.25%</b>		
<b>Ratio Tier 1</b>	<b>10.77%</b>	<b>10.25%</b>		
<b>Minimum legal ratio adjusted to the risk profile</b>	<b>11.65%</b>	<b>9.27%</b>		
<b>Overall capital ratio</b>	<b>13.68%</b>	<b>14.13%</b>		

At the end of the year, regulatory capital amounted to S/11,919 million, an increase of 3.2% compared to 2020, due to the capitalization of 35% of profits for the year previous (S/229 million) and the increase in legal reserves.

Complementary capital increased (+44.4%) due to the new Tier 2 subordinated debt for \$200 million taken in February, which replaced the Hybrid Tier 1 instrument after the call executed in October 2020.

On the other hand, risk-weighted assets (RWAs) grew by +8.4% compared to the previous year, with the main component being credit RWAs, which represented 90.5% of the total. Credit RWAs grew by 8.0%, as a result of greater activity in individuals and companies, to which was added the greater exposure in the weight of intangible assets (+S/635 million) and income tax assets deferred (+S/196 million).

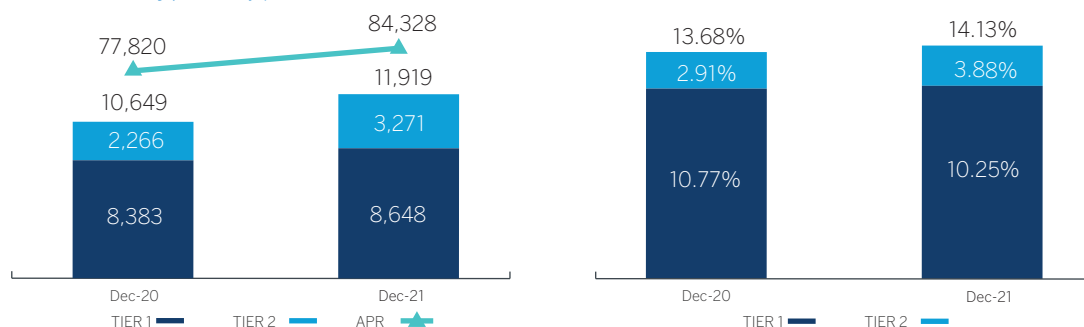
Meanwhile, market RWAs increased by 59.2% compared to 2020, mainly due to the greater exposure to foreign exchange and interest rate risk in the net position of derivatives. For its part, operating RWAs obtained a positive variation of 11.2% in the year, due to the natural growth of the business reflected in the financial statements, mainly in the segments with a high participation of Reactiva, and the increase in income from financial services and decrease of expenses.

In this way, the Bank registered a global capital ratio of 14.13%, which was above the global limit adjusted to the institution's risk profile established at 9.0%, in line with the prudential rules established in the Emergency Decree N° 037-2021, where a new limit of 8% (previously 10%) is temporarily established. Likewise, CET1 stood at 10.25%, even above the level recommended by the regulator in the expansive phase of the cycle (9.5%), as well as Tier 1. It is important to highlight that BBVA Peru maintained the objective of continuing to strengthen the solvency level, in such a way that it allows it to comfortably cover capital requirements, which have been implemented as part of the adaptation of local regulations to international standards.

**At the end of the year, the Regulatory capital amounted to S/11,919 million, an increase of 3.2% compared to 2020, due to the capitalization of 35% of the profits of the previous year (S/229 million) and the increase in legal reserves.**

## Annexes

### Equity, risk-weighted assets and capital ratios In million soles and percentage



Source: Superintendencia of Banking, Insurance and AFP.

## Risk classification

In December 2021, BBVA Peru held the investment grade granted by prestigious international agencies.

### International risk classification

Instrument	Fitch Ratings	Standard & Poor's
Long term issuances in E.M.	BBB	BBB+
Short term issuances in E.M.	F2	A-2
Long term issuances in M.N.	BBB+	BBB+
Short term issuances in M.N.	F2	A-2
Perspective	Stable	Negative <sup>2</sup>

Current ratings as of December 2021. Source: [www.fitchratings.com](http://www.fitchratings.com) / [www.standardandpoors.com](http://www.standardandpoors.com)

### International risk classification

Instrument	Moody's
Long term deposits	Baa1
Short term deposits	Prime2
Perspective	Stable

Additionally, BBVA Peru is subject to credit rating by local rating agencies: Apoyo & Asociados Internacionales, Moody's Local and Pacific Credit Rating.

### Local risk classification

Instrument	Apoyo & Asociados	Moody's	Pacific Credit Rating
Term deposits < 1 year	CP - 1 + (pe)	ML 1 + pe	PE Category I
Term deposits > 1 year	AAA (pe)	AAA.pe	PE AAA
Corporate bonds	AAA (pe)	AAA.pe	PE AAA
Subordinated bonds	AA+ (pe)	AA+.pe	PE AA+
Financial lease bonds	AAA (pe)	AAA.pe	PE AAA
Common stock	1a (pe)	1ª Clase.pe	PE N1
Entity rating	A+	A+	PE A+
Deposit negotiable certificates	CP - 1 + (pe)	ML 1+.pe	PE 1+

Current ratings as of December 2021. Source: [www.aai.com.pe](http://www.aai.com.pe) / [www.equilibrium.com.pe](http://www.equilibrium.com.pe) / [www.ratingspcr.com](http://www.ratingspcr.com)

## 6.3. Separate audited financial statements



Banco BBVA Perú

Separate Financial Statements

**As of December 31, 2021 and 2020**

**(including Independent Auditors' Report)**

**(TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN SPANISH)**





**KPMG en Perú**  
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Internet [www.kpmg.com/pe](http://www.kpmg.com/pe)

*(TRANSLATION OF A REPORT ORIGINALLY ISSUED IN SPANISH)*

## INDEPENDENT AUDITORS' REPORT

### **To the Stockholders and Directors of Banco BBVA Perú**

We have audited the accompanying separate financial statements of Banco BBVA Perú (a subsidiary of BBVA Perú Holdings S.A.C., incorporated in Peru), which comprise the separate statement of financial position as of December 31, 2021 and 2020, and the separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Separate Financial Statements**

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with accounting standards established for financial institutions in Peru by the Banking, Insurance and Pension Plan Agency (Superintendencia de Banca, Seguros y Administradoras Privadas de Fondos de Pensiones – SBS) for financial institutions in Peru, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing approved for their application in Peru by the Dean's Council of the Peruvian Professional Associations of Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Bank's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### Opinion

In our opinion, the separate financial statements referred to above, present fairly, in all material respects, the non-consolidated financial position of Banco BBVA Perú as of December 31, 2021 and 2020, and their non-consolidated financial performance and their non-consolidated cash flows for the years then ended, in accordance with accounting standards established for financial institutions in Peru by the SBS.

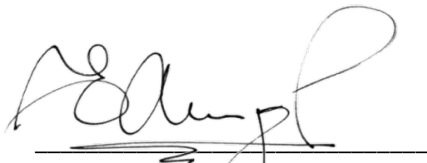
### Other Matters

The consolidated financial statements as of December 31, 2021 and 2020 of Banco BBVA Perú S.A. and its subsidiaries have been prepared and presented separately; and in our report, dated February 23, 2022, we expressed an unqualified opinion on those financial statements. The separate financial statements have been prepared in compliance with existing Peruvian requirements for financial statement presentation, and reflect the carrying amount of an investment in a subsidiary using the equity method.

Lima, Peru,

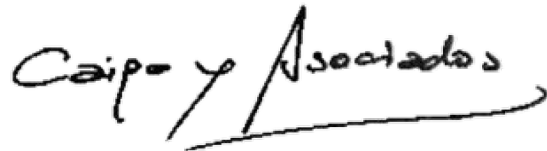
February 23, 2022

Countersigned by:



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Eduardo Alejos (Partner)  
Peruvian CPA Registration 29180



**Banco BBVA Perú**

# Separate Financial Statements

**As of December 31, 2021 and 2020**

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(Translation of Financial Statements originally issued in Spanish)

**Banco BBVA Perú**

Separate Statement of Financial Position

As of December 31, 2021 and 2020

<i>In thousands of soles</i>	<i>Note</i>	<b>2021</b>	<b>2020</b>
<b>Assets</b>			
Cash and due from banks	5	16,247,884	24,929,883
Interbank funds		-	137,599
Investments at fair value through profit or loss and available for sale	6	9,710,027	11,371,092
Loan portfolio, net	7	70,381,769	66,446,955
Held-for-trading instruments	8	1,767,732	898,595
Hedging instruments	8	75,805	103,354
Realizable, received as payment and repossessed assets		43,916	34,296
Investments in Subsidiaries and Associates	9	389,390	372,137
Property, furniture and equipment, net	10	1,071,350	1,012,968
Deferred tax	24	695,900	673,980
Net asset position	11	1,260,804	1,403,250
<b>Total assets</b>		<b>101,644,577</b>	<b>107,384,109</b>
Contingent risk and commitments	16	32,374,034	34,118,738

<i>In thousands of soles</i>	<i>Note</i>	<b>2021</b>	<b>2020</b>
<b>Liabilities</b>			
Deposits and obligations			
Financial institutions	12	64,130,359	72,305,600
Interbank funds		-	72,421
Debts and financial obligations	13	6,989,674	7,030,231
Held-for-trading instruments	8	1,572,020	876,395
Hedging instruments	8	35,059	14,633
Accounts payable, provisions and other liabilities	14	18,735,729	17,708,760
<b>Total liabilities</b>		<b>91,462,841</b>	<b>98,008,040</b>
<b>Equity</b>			
Capital stock	15	6,758,467	6,529,169
Reserves		1,896,680	1,831,131
Adjustments to equity		(32,704)	119,148
Retained earnings		1,559,293	896,621
<b>Total equity</b>		<b>10,181,736</b>	<b>9,376,069</b>
<b>Total equity and liabilities</b>		<b>101,644,577</b>	<b>107,384,109</b>
Contingent risk and commitments	16	32,374,034	34,118,738

The accompanying notes on pages 6 to 96 are an integral part of these separate financial statements.

(Translation of Financial Statements originally issued in Spanish)

**Banco BBVA Perú**

Separate Statement of Profit or Loss

For the years ended December 31, 2021 and 2020

<i>In thousands of soles</i>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Interest revenue	17	4,209,339	4,253,579
Interest expense	18	(635,187)	(1,049,264)
<b>Gross financial income</b>		<b>3,574,152</b>	<b>3,204,315</b>
Provision for direct loans, net of recovery	7	(756,352)	(1,723,646)
<b>Net financial income</b>		<b>2,817,800</b>	<b>1,480,669</b>
Financial service income, net	19	841,242	776,808
<b>Financial income net of income and expenses for financial services</b>		<b>3,659,042</b>	<b>2,257,477</b>
Profit or loss from financial transactions	20	739,974	687,338
<b>Operating margin</b>		<b>4,399,016</b>	<b>2,944,815</b>
Administrative expenses	21	(1,784,279)	(1,677,491)
Depreciation and amortization		(194,469)	(193,654)
<b>Net operating margin</b>		<b>2,420,268</b>	<b>1,073,670</b>
Measurement of assets and provisions		(178,415)	(169,297)
<b>Net operating profit or loss</b>		<b>2,241,853</b>	<b>904,373</b>
Other income and expenses, net	22	(16,171)	(24,881)
<b>Profit or loss before tax</b>		<b>2,225,682</b>	<b>879,492</b>
Income tax	23	(666,389)	(224,356)
<b>Net profit or loss</b>		<b>1,559,293</b>	<b>655,136</b>
<b>Basic and diluted earnings per share in soles</b>	<b>25</b>	<b>0.2307</b>	<b>0.0969</b>
<b>Weighted average number of outstanding shares (in thousands of shares)</b>	<b>25</b>	<b>6,758,467</b>	<b>6,758,467</b>

The accompanying notes on pages 6 to 96 are an integral part of these separate financial statements.

*(Translation of Financial Statements originally issued in Spanish)*

**Banco BBVA Perú**

Separate Statement of Profit or Loss and Other Comprehensive Income  
For the years ended December 31, 2021 and 2020

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Net profit	1,559,293	655,136
<b>Other comprehensive income</b>		
Unrealized gain (loss) for investments available-for-sale	(153,023)	79,405
Unrealized gain (loss) on cash flow hedges	(15,251)	14,754
Interests in other comprehensive income of subsidiaries and associates	512	410
Unrealized gain for actuarial liabilities	15,566	16,493
Income tax related to components of other comprehensive income	344	(14,730)
<b>Other comprehensive income, net of tax</b>	<b>(151,852)</b>	<b>96,332</b>
<b>Total other comprehensive income</b>	<b>1,407,441</b>	<b>751,468</b>

*The accompanying notes on pages 6 to 96 are an integral part of these separate financial statements.*

(Translation of Financial Statements originally issued in Spanish)

**Banco BBVA Perú**

Separate Statement of Changes in Equity

For the years ended December 31, 2021 and 2020

<i>In thousands of soles</i>	Number of shares in thousands (note 15.B)	Share capital (note 15.B)	Reserves (note 15.C)	Adjustments to equity (note 15.D)	Retained earnings (note 15.E)	Total equity
Balance as of January 1, 2020	5,885,209	5,885,209	1,669,835	22,816	1,609,900	9,187,760
Net profit	-	-	-	-	655,136	655,136
<b>Other comprehensive income</b>						
Unrealized gain on available-for-sale investments	-	-	-	73,893	-	73,893
Unrealized profit from cash flow hedges	-	-	-	10,401	-	10,401
Interests in other comprehensive income of subsidiaries and associates	-	-	-	410	-	410
Unrealized gain for actuarial liabilities	-	-	-	11,628	-	11,628
<b>Total other comprehensive income</b>	-	-	-	<b>96,332</b>	<b>655,136</b>	<b>751,468</b>
<b>Changes in equity (not included in comprehensive income)</b>						
Dividends	-	-	-	-	(563,465)	(563,465)
Capitalization of retained earnings	643,960	643,960	-	-	(643,960)	-
Additions to reserves and other movements	-	-	161,296	-	(160,990)	306
<b>Balance as of December 31, 2020</b>	<b>6,529,169</b>	<b>6,529,169</b>	<b>1,831,131</b>	<b>119,148</b>	<b>896,621</b>	<b>9,376,069</b>
Balance as of January 1, 2021	6,529,169	6,529,169	1,831,131	119,148	896,621	9,376,069
Net profit	-	-	-	-	1,559,293	1,559,293
<b>Other comprehensive income</b>						
Unrealized loss on available-for-sale investments	-	-	-	(152,587)	-	(152,587)
Unrealized loss from cash flow hedges	-	-	-	(10,752)	-	(10,752)
Interests in other comprehensive income of subsidiaries and associates	-	-	-	512	-	512
Unrealized gain for actuarial liabilities	-	-	-	10,975	-	10,975
<b>Total other comprehensive income</b>	-	-	-	<b>(151,852)</b>	<b>1,559,293</b>	<b>1,407,441</b>
<b>Changes in equity (not included in comprehensive income)</b>						
Dividends	-	-	-	-	(601,810)	(601,810)
Capitalization of retained earnings	229,298	229,298	-	-	(229,298)	-
Additions to reserves and other movements	-	-	65,549	-	(65,513)	36
<b>Balance as of December 31, 2021</b>	<b>6,758,467</b>	<b>6,758,467</b>	<b>1,896,680</b>	<b>(32,704)</b>	<b>1,559,293</b>	<b>10,181,736</b>

The accompanying notes on pages 6 to 96 are an integral part of these separate financial statements.

(Translation of Financial Statements originally issued in Spanish)

**Banco BBVA Perú**

Separate Statement of Cash Flows

For the years ended December 31, 2021 and 2020

<i>In thousands of soles</i>	<i>Note</i>	<b>2021</b>	<b>2020</b>
Reconciliation of the net profit to the cash and flows from operating activities			
Net profit		1,559,293	655,136
<b>Adjustments</b>			
Depreciation and amortization		194,469	193,654
Impairment of property, furniture and equipment, and intangible assets		50,946	20,113
Impairment of available-for-sale investments and investments in subsidiaries		(2,633)	23,972
Provisions		886,454	1,848,858
Other adjustments		1,030,989	119,605
<b>Net changes in assets and liabilities</b>			
Loan portfolio		(2,964,975)	(10,405,427)
Available-for-sale investments		(1,889,581)	434,543
Accounts receivable and others		591,405	309,011
Unsubordinated financial liabilities		(11,044,961)	13,272,864
Accounts payable and others		1,454,296	11,866,290
<b>Profit or loss for the period after net changes in assets, liabilities and adjustments</b>		<b>(10,134,298)</b>	<b>18,338,619</b>
Paid tax		(861,651)	(635,438)
<b>Net cash and cash equivalents from operating activities</b>		<b>(10,995,949)</b>	<b>17,703,181</b>
<b>Cash flows from investing activities</b>			
Acquisition of intangible assets and property, furniture, and equipment		(337,421)	(236,999)
Other cash inflows from investing activities		75,684	53,407
<b>Net cash and cash equivalents used in investing activities</b>		<b>(261,737)</b>	<b>(183,592)</b>
<b>Cash flows from financing activities</b>			
Cash inflows from issuance of subordinated financial liabilities		729,800	-
Redemptions of subordinated financial liabilities		-	(719,400)
Cash paid for dividends		(601,232)	(562,761)
Other cash inflows from financing activities		192,900	308,048
Other cash outflows from financing activities		(1,451,913)	(2,303,090)
<b>Net cash and cash equivalents used in financing activities</b>		<b>(1,130,445)</b>	<b>(3,277,203)</b>
<b>Net increase (decrease) in cash and cash equivalents before effects of exchange rate fluctuations</b>		<b>(12,388,131)</b>	<b>14,242,386</b>
Effects of changes in exchange rates on cash and cash equivalents		963,645	1,238,806
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(11,424,486)</b>	<b>15,481,192</b>
<b>Opening balance</b>		<b>31,198,096</b>	<b>15,716,904</b>
<b>Closing balance</b>		<b>19,773,610</b>	<b>31,198,096</b>
Guarantee funds		843,075	1,896,324
Interbank funds		-	(137,599)
Investment with maturities of less than 90 days		(4,368,801)	(8,026,938)
<b>Aviable according to the separate statement of financial position</b>	<b>5</b>	<b>16,247,884</b>	<b>24,929,883</b>

The accompanying notes on pages 6 to 96 are an integral part of these separate financial statements.



(Translation of Financial Statements originally issued in Spanish)

## **Banco BBVA Perú**

Notes to the Separate Financial Statements  
December 31, 2021 and 2020

### **1. Background and Economic Activity**

#### **A. Background**

Banco BBVA Perú (hereinafter the Bank) is a subsidiary of BBVA Perú Holding S.A.C., which holds 46.12% of its share capital as of December 31, 2021 and 2020. The Bank Bilbao Vizcaya Argentaria S.A. holds 100% of the shares of BBVA Perú Holding S.A.C.

#### **B. Economic activity**

The Bank is a closely held corporation incorporated in 1951, and is authorized to operate as a banking institution by the SBS.

The Bank's activities mainly comprise financial intermediation by commercial banks. Such activities are governed by the SBS according to Law 26702 "General Law of the Financial and Insurance Systems and SBS Organic Law" and its amendments (hereinafter the Banking Law). This Law establishes the requirements, rights, obligations, collaterals, restrictions, and other operating conditions to which every legal entity operating in the financial and insurance systems is subject.

The Bank's legal domicile and headquarters is located at Av. República de Panamá No. 3055 - San Isidro, Lima, Peru.

As of December 31, 2021 and 2020, the Bank carries out its activities through a national network of 317 and 332 agencies, respectively. As of December 31, 2021 and 2020, the number of personnel was 6,183 and 5,974 employees, respectively.

As of December 31, 2021 and 2020, the Bank's subsidiaries are the following: BBVA Bolsa Sociedad Agente de Bolsa S.A., BBVA Asset Management S.A. SAF, BBVA Sociedad Titulizadora S.A., Inmuebles y Recuperaciones BBVA S.A, BBVA Consumer Finance EDPYME, Forum Comercializadora del Perú S.A. y Forum Distribuidora del Perú S.A. y Continental DPR Finance Company, a special purpose entity.

In accordance with the requirements of the SBS, the Bank prepares and separately presents its consolidated financial statements, in accordance with Peruvian GAAP applicable to companies of the Financial Institutions, which show the following balances as of December 31:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Loan portfolio	70,433,581	66,593,761
Total assets	101,495,755	107,337,268
Total liabilities	91,327,026	97,975,412
Equity	10,168,729	9,361,856
Net profit or loss	1,560,500	648,216

#### **National State of Emergency**

On March 11, 2020, the World Health Organization declared the new coronavirus (COVID-19) strain as a pandemic and recommended containment and mitigation measures globally. On March 15, 2020, the Peruvian government declared, through Supreme Decree 044-2020-PCM, a national state of emergency due to the serious circumstances affecting people's life as a result of the COVID-19 outbreak. At the reporting date, the Peruvian government extended the national state of emergency until February 28, 2022. In this sense, the Government established a series of exceptional and preventive measures.

**Banco BBVA Perú**

Notes to the Separate Financial Statements  
December 31, 2021 and 2020

The Bank did not stop its activities, even during the quarantine, to attend and support the government's financing programs and distribute social assistance initiatives, such as bonds (economic subsidies) for households vulnerable to poverty or extreme poverty.

Since the beginning of the pandemic, the Bank carried out a series of containment actions that led to the creation of a multidisciplinary team in charge of designing and implementing the strategy against the biosanitary crisis, whose main objective is to protect the health of employees and customers throughout Peru.

For this purpose, this multidisciplinary team designed a health strategy, a comprehensive infrastructure implementation and an office demand management based on the new reality raised due to the pandemic. Likewise, it was implemented a remote work strategy for employees of the main areas and for the employees considered vulnerable due to preexisting medical conditions.

The COVID-19's second wave in Peru started in early 2021 and progressed more until the end of August. The Bank organized a crisis management team that, based on its prior-year experience, is responsible for designing and implementing an action plan to strengthen the measures to prevent COVID-19 infection and ensure business continuity. The measures implemented by the Bank include the following:

- launch a COVID-19 helpline called "Hello, doctor" offered by a team of seven health experts that provide health advice to employees and book a COVID-19 diagnostic test;
- monitor the compliance of employees and customers with health and safety measures at the workplace; and
- provide online training on COVID-19 infection prevention and control.

In early September 2021, after the end of the COVID-19's second wave, the Bank start assessing a return-to-work plan. The assessment used experiences with remote work during the pandemic and contemplated the return of 500 employees through a hybrid work model (60% of on-site work and 40% of remote work), which was implemented in mid-November 2021.

It included communications on the development of new areas and services at the headquarters, as well as the implementation of health and safety measures—e.g., installing thermal imaging cameras and setting a physical distance of two meters.

At the reporting date, the Bank pushed its return-to-work date as a result the third wave, driven by Omicron variant, that lead to a surge in cases. The Bank continuously updates all measures and monitors key indicators.

**C. Peruvian government programs for economic reactivation**

The Ministry of Economy and Finance (MEF) implemented the following economic aid programs to debtors affected by the state of emergency:

<b>Program / Validity</b>	<b>Legal basis</b>	<b>Brief description of the program</b>	<b>Amount of the program</b>
Reactiva Perú Until November 30, 2020	Legislative Decree 1455 (April 6, 2020)  Ministerial Resolution 134-2020-EF (April 13, 2020)	It was created with the following purposes: <ul style="list-style-type: none"><li>▪ Respond to the liquidity needs that companies face due to the impact of COVID-19.</li></ul>	S/ 60,000 million

(Translation of Financial Statements originally issued in Spanish)

**Banco BBVA Perú**

Notes to the Separate Financial Statements  
December 31, 2021 and 2020

<b>Program / Validity</b>	<b>Legal basis</b>	<b>Brief description of the program</b>	<b>Amount of the program</b>
		<ul style="list-style-type: none"> <li>▪ Ensure the continuity of the chain of payments.</li> </ul> <p>Through this program, the Government grants guarantees to companies so that they can access working capital loans, and can meet short-term obligations with their workers, and suppliers of goods and services. Credit hedge ranges between 80% and 98% of the loan, whose maximum amount per customer is S/ 10 million, which is terminated based on the volume of sales.</p> <p>Additionally, the Bank obtains the resources to grant these loans through repurchase agreement with the Central Reserve Bank of Peru (BCRP, for its Spanish acronym), for the guaranteed portion.</p>	
Debt rescheduling – Reactiva Peru Until December 31, 2021	<p>Emergency Decree 026- 2021 (March 6, 2021)</p> <p>Emergency Decree 039-2021 (April 22, 2021)</p> <p>Emergency Decree 091-2021 (September 30, 2021)</p>	<p>The Peruvian government stated that loans granted under the Reactiva Peru program may be rescheduled, provided that they meet the legal requirements (mainly due to a drop in sales). Loans can be rescheduled using funding from the Bank or BCRP. The Bank may rise the interest rate by 25 BPS where its funds are used. The deadlines to access the debt rescheduling expired on September 30, 2021.</p> <p>It was decided to extend the acceptance period for the rescheduling of guaranteed loans with the program until December 31, 2021.</p>	S/ 19,500 million
FAE-SME Fund Until December 31, 2020	<p>Emergency Decree 029- 2020 (March 20, 2020)</p> <p>Ministerial Resolution 124-2020-EF (March 25, 2020)</p>	<p>Business Support Fund (FAE) for Small and Micro Enterprise (SME).</p> <p>Initially, it applied for new working capital loans, rescheduling and refinancing and the maximum amount of the loan per customer was up to S/ 90 thousand with coverage percentages of 30%, 50% and 70%.</p> <p>Currently, it applies for new working capital loans and the maximum amount of the loan per customer is up to S/ 30 thousand with coverage percentages of 95% and 98%.</p>	S/ 4,000 million
FAE-MYPE rescheduling until December 31, 2021.	<p>Emergency Decree 091-2021 (September 30, 2021)</p>	<p>It was decided to extend the acceptance period for the rescheduling of guaranteed loans with the program until December 31, 2021.</p>	Not applicable

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<b>Program / Validity</b>	<b>Legal basis</b>	<b>Brief description of the program</b>	<b>Amount of the program</b>
FAE for Tourism Until March 31, 2022	Emergency Decree 076-2020 (June 30, 2020)  Ministerial Resolution 228-2020-EF (August 11, 2020)	It was intended for SME that carry out lodging activities, interprovincial passenger land transport, tourist transport, travel and tourism agencies, restaurants, leisure activities, organization of congresses, conventions and events, tourist guidance, and production and marketing of handicrafts. Currently, it applies for new working capital loans and the maximum amount of the loan per customer is up to S/ 750 thousand with coverage percentages of 95% and 98%.	S/ 1,500 million
	Emergency Decree 091-2021 (September 30, 2021)	The term of the program was extended until March 31, 2022 and the credits will no longer be used exclusively for "working capital" but also the acquisition of "fixed assets".	
FAE for Farmers Until March 31, 2022	Emergency Decree 082-2020 (July 9, 2020)  Ministerial Resolution 226-2020-EF (August 09, 2020)	It was intended for farmers. The loans are granted by the Bank to its clients for working capital and guaranteed by the FAE for Farmers, which is managed by COFIDE. The maximum amount of the loan per customer is up to S/ 30 thousand with coverage percentages of 95% and 98%.	S/ 2,000 million
	Emergency Decree 091-2021 (September 30, 2021)	The term of the program was extended until March 31, 2022.	
CRECER Fund Until year 2049	Legislative Decree 1399 (September 7, 2018)  Supreme Decree 007-2019-EF (January 11, 2019)	It is a program that grants guarantees to loans for working capital, fixed assets and export credits to promote the productive and business development of SME. The maximum amount of the loan per customer is up to S/ 10 million. Coverage percentages are up to 75% for SME, up to 70% for Medium-business and up to 60% for exporting company.	Not specified
Government guarantee program, to the credit portfolio of financial institutions.  Until December 31, 2022.	Legislative Decree 1508-2020 (May 11, 2020)  Ministerial Resolution 178-2020-EF (June 24, 2020)	It is intended to provide liquidity to banks, financial entities and credit agencies.	S/ 7,000 million

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<b>Program / Validity</b>	<b>Legal basis</b>	<b>Brief description of the program</b>	<b>Amount of the program</b>
Repurchase agreement with rescheduling of credit portfolio	BCRP Official Letter 0021--2020 (June 7, 2020)	BCRP order the possibility that financial entities obtain an economic fund at a rate of 0.5% through repurchase agreement. Therefore, financial entities are committed to reschedule their customer's credit portfolio or the portfolio compared to other financial entities, temporarily reducing the interest rate for the duration of the operation with the BCRP.	Not specified
Guarantee programs - COVID-19  Until December 31, 2021	Law 31050 (October 8, 2020)  Ministerial Resolution 296-2020-EF (October 18, 2020)  Emergency Decree 033- 2021 (March 30, 2021)	It is intended to consumer credit portfolios, personal loans, mortgages for homes, vehicles and SME. The program guarantees credits rescheduled by financial entities. Such reschedule contemplates the decrease of the interest rate.	S/ 5,500 million
Business Support Program for Small and Micro Enterprise (SME). Until March 31, 2022	Emergency Decree 019-2021 (February 12, 2021)  Emergency Decree 091-2021 (September 30, 2021)	It is a program whose objective is to promote working capital financing to small and micro enterprises. It is managed by COFIDE.  The program term was extended, and loans will no longer be used for working capital exclusively but also for the acquisition of fixed assets.	S/ 2,000 million

**D. Approval of the separate financial statements**

The separate financial statements as of December 31, 2021 were approved by management, and will be presented for approval to Board of Directors and General Shareholder's Meeting within the terms established by Law. In management's opinion, the Board of Directors and the General Shareholder's Meeting will approve the accompanying separate financial statements without amendments. The General Shareholders' Meeting, held March 24, 2021, approved the separate financial statements as of December 31, 2020.

**2. Basis of Preparation of the Separate Financial Statements**

**A. Statement of compliance**

The separate financial statements are prepared and presented in accordance with current regulations and Peruvian GAAP applicable to financial institutions, which comprise the accounting standards and practices authorized by the SBS, in use of its powers, delegated in accordance with the provisions of the Banking Law. The aforementioned standards are contained in the Accounting Manual for Financial Institutions (hereinafter the Accounting Manual) approved by SBS Resolution 895-98, dated September 1, 1998, effective as of January 1, 2001, and complementary norms and amendments.

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In the absence of such applicable SBS regulations, the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), made official in Peru by the Peruvian Accounting Board (CNC, for its Spanish acronym), are applied.

Peruvian GAAP comprise the standards and interpretations issued or adopted by the IASB, which include IFRSs, International Accounting Standards (IAS), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), or the former Standing Interpretations Committee (SIC), adopted by the IASB and made official by the CNC for their application in Peru.

The separate financial statements, as referred to by the legal regulations in Peru, do not include the effects of consolidation of the Bank with its subsidiaries (note 9). As of December 31, 2021 and 2020, the Bank records these investments applying the equity participation method.

In accordance with GAAP in Peru applicable to companies in the Financial Institutions, the Bank prepares and presents its separate financial statements without including the effect of consolidation with those of its subsidiaries.

**B. Basis of measurement**

The separate financial statements have been prepared on a historical cost basis, except for the following:

- Derivative instruments are measured at fair value.
- financial instruments at fair value through profit or loss (FVTPL) are measured at fair value; and
- available-for-sale financial assets are measured at fair value.

**C. Functional and presentation currency**

The Bank prepares and present its separate financial statements in soles (S/), which is the currency related to the main economic environment in which the Bank operates, such currency influences the Bank's transactions and services it provides, among other factors. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

**D. Use of judgments and estimates**

In preparing these separate financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The accounting estimates and judgments used are reviewed on an ongoing basis. The related effects are recorded in the accounts of the separate statement of profit or loss, as of the year of review.

The most relevant estimates and judgments to prepare the separate financial statements are the following:

- Determination of the fair value of investments (note 3.C. and note 30).
- Accounted investments using the equity method (note 3.D and note 9).
- Provision for loan losses (note 3.E and note 7).
- Provision for realizable, received as payment, and repossessed assets (note 3.G).
- Provision for fringe benefits of the employees (note 3.M).

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- Useful life of property, furniture and equipment and intangible assets (note 3.F and 3.I).
- Provision for income tax (note 3.P and note 23).
- Deferred tax (note 3.P and note 24).
- Determination of the fair value of derivative instruments (note 3.B and note 30).
- Impairment of non-monetary assets (note 3.H).

**E. New accounting pronouncements**

**i. New accounting pronouncements not yet adopted**

A number of new standards, amendments and interpretations have been issued or amended by the IASB and are effective for annual periods beginning on or after January 1, 2022.

<b>IFRSs, amendments and interpretations</b>	<b>Effective date</b>
<i>Onerous Contracts – Cost of Fulfilling a Contract</i> (Amendments to IAS 37)	Annual periods beginning on or after January 1, 2022.
<hr/>	
<i>Annual Improvements to IFRS Standards 2018-2020</i>	
Property, Plant and Equipment Amounts obtained prior to intended use (Amendments to IAS 16).	
<hr/>	
<i>Reference to the Conceptual Framework</i> (Amendments to IFRS 3)	
<i>Classification of Liabilities as Current or Non-current</i> (Amendments to IAS 1)	Annual periods beginning on or after January 1, 2023.
<i>IFRS 17 Insurance Contracts</i>	
<i>Disclosure of Accounting Policies</i> (amendments to IAS 1 and IFRS Practice Statement 2)	
<hr/>	
<i>Definition of Accounting Estimates</i> (Amendments to IAS 8)	
<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> (Amendments to IAS 12)	
<hr/>	
<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> (Amendments to IFRS 10 and IAS 28)	Available for optional adoption. Effective date deferred indefinitely.

**ii. Resolutions and standards issued by the CNC and the Superintendence of Securities Market (SMV) concerning the approval and adoption of IFRSs in Peru**

As of the date of the separate financial statements, the CNC through:

- Resolution No. 001-2021-EF/30 issued on November 15, 2021, made official the amendments to IFRS 16 *Leases*, IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, IAS 1 *Presentation of Financial Statements*, IAS 12 *Income Taxes*; and the complete set of IFRS 2021 that includes the Conceptual Framework for the Financial Reporting. The validity of the indicated standards is established in each one of them.

As indicated in note 2.A, the standards and amendments detailed in *i.*, *ii.* and *iii.* shall only be applicable to the Bank in the absence of applicable SBS regulations for situations not covered in the Accounting Manual. Management has not determined the effects on the preparation of its separate financial statements since those standards were not adopted by the SBS.

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**iii. Main pronouncements issued by the SBS**

In 2021, SBS published, among others, the following significant pronouncements:

<b>Regulation</b>	<b>Date</b>	<b>Brief description</b>
SBS Resolution 00049-2021	January 6, 2021	The treatment for ownership of repossessed and recovered assets, under the Regulation on the Treatment of Repossessed and Recovered Assets and its Provisions, approved by SBS Resolution 1535-2005, was extended until December 31, 2021 for entities requesting it.
Official Letter 6302-2021-SBS	February 5, 2021	The measures implemented due to the state of national emergency (declared through Supreme Decree 044-2020-PCM) include the following: <ul style="list-style-type: none"> <li>▪ Clarifications in relation to contract modifications or debt rescheduling as a result of the COVID-19 pandemic, after an assessment of the customer's ability to meet its payment obligations.</li> <li>▪ Revenue recognition criteria (accrued and earned).</li> <li>▪ Conditions for unilateral debt rescheduling.</li> <li>▪ Definition of the requirement to be up-to-date with payments or have no defaults on the rescheduling date.</li> <li>▪ Treatment of accrued and unearned interest at the rescheduling date.</li> <li>▪ Treatment of provisions in case of an upgrade of the borrower's risk rating under the official letter, among others.</li> </ul>
Official Letter 13613-2021-SBS	March 16, 2021	The measures implemented due to the state of national emergency (declared through Supreme Decree 044-2020-PCM) include the following: <ul style="list-style-type: none"> <li>▪ Conditions for unilateral debt rescheduling.</li> <li>▪ Revenue recognition criteria.</li> </ul>
SBS Resolution 0779-2021	March 16, 2021	The Regulation on the Consolidated Supervision of Financial Conglomerates and Mixed Activity, effective April 1, 2021, was modified to apply IFRS 10 <i>Consolidated Financial Statements</i> in the preparation of consolidated financial statements, where the provisions of the Regulation do not apply.
SBS Resolution 1333-2021	April 30, 2021	Clarifications on prudential and accounting matters were set out, which modified the Accounting Manual for Financial Institutions. They shall be considered by financial institutions when rescheduling loans guaranteed with the Reactiva Peru Program.
SBS Resolution 1378-2021	May 5, 2021	The Regulation on the Consolidated Supervision of Financial Conglomerates and Mixed Activity was modified, including changes in the calculation of the Group's regulatory capital, changes in the reporting formats to be submitted to the SBS, clarifications of disclosures in notes to the consolidated financial statements for the fourth quarter, among others. It is effective June 1, 2022.



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<b>Regulation</b>	<b>Date</b>	<b>Brief description</b>
Official Letter 22799-2021-SBS	May 6, 2021	The counting of days past due of loans granted through the Reactiva Peru program was stopped over the period of debt rescheduling under such program.
Official Letter 27358-2021-SBS	June 2, 2021	Until March 31, 2022, the regulatory capital shall be equal to or greater than 8% of the total risk-weighted assets and indirect loans, which corresponds to the sum of the regulatory capital requirements for market risk multiplied by 10, the regulatory capital requirements for operational risk multiplied by 10, and the credit risk-weighted assets and indirect loans.
Official Letter 27360-2021-SBS	June 2, 2021	Clarifications on the rescheduling of loans guaranteed with the Reactiva Peru program in relation to accounting treatment, provisions, calculation of regulatory capital and legal limits.
SBS Resolution 1760-2021	June 16, 2021	The Regulation on the Regulatory Capital Requirements for Credit Risk and the Accounting Manual for Financial Institutions were modified.
Official Letter 31933-2021-SBS	June 30, 2021	The deadline for the application of the suspension of the counting of days past due under Official Letter 22799-2021-SBS is June 30, 2021.
SBS Resolution 1933-2021	July 1, 2021	The rescheduled loans guaranteed by the FAE for SME program are subject to the same treatment for loans guaranteed by the FAE for SME program, and the Accounting Manual for Financial Institutions was modified.
Official Letter 32591-2021-SBS	July 5, 2021	Clarifications on the rescheduling of loans guaranteed with the FAE for SME program.
SBS Resolution 2451-2021	August 20, 2021	The minimum procedures for the management, classification, reporting and constitution of provisions for disputes are approved, and the Accounting Manual for the Companies of the Financial System is modified, which is effective as of January 1, 2022.
SBS Resolution 3718-2021	December 7, 2021	The Regulation for the Evaluation and Classification of the Debtor and the Requirement of Provisions is modified, with respect to the activation criteria of the procyclical provisions and the minimum rates of the procyclical component.
SBS Resolution 3748-2021	December 10, 2021	The Regulation on Financial Fees and Expenses was approved, and the following were modified: <ul style="list-style-type: none"> <li>a) Regulation on Consumer Behavior Management;</li> <li>b) Regulation on Credit and Debit Card; and,</li> <li>c) Regulation on Offenses and Penalties of the SBS.</li> </ul>

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<b>Regulation</b>	<b>Date</b>	<b>Brief description</b>
SBS Resolution 3791-2021	December 14, 2021	The Regulation on the Leverage Ratio applicable to Financial Institutions was approved and the Accounting Manual for Financial Institutions was modified. This resolution is effective from the quarterly report that includes the months from April to June 2022.
SBS Resolution 3921-2021	December 23, 2021	The Regulation on the Additional Regulatory Capital Requirement was modified in relation to the calculation of the additional regulatory capital requirement for market risk, considering the criteria of size, interconnection, substitutability and complexity in order to adapt it to international standards and obtain a more risk-sensitive approach.
SBS Resolution 3922-2021	December 23, 2021	The Regulation on Borrower Risk Assessment and Credit Rating, and Provision Requirements (SBS Resolution 11356-2008), effective December 2021, was modified in relation to loans recognized as rescheduled loans due to the public health emergency.  Accrued interest not collected as of the rescheduling date, recognized as revenue, that is capitalized as a result of the rescheduling, must be repaid and recorded as deferred revenue, being recorded as revenue based on the new term of the loan and as installments are settled.

**iv. Other pronouncements impacting financial institutions**

In 2021, SBS published, among others, the following significant pronouncements:

<b>Regulation</b>	<b>Date</b>	<b>Brief description</b>
Law 31143 - Law on rate limits in financial system operations	March 18, 2021	This Law regulates the limits of interest rates for certain loans and other provisions.  The main measures include the following: <ul style="list-style-type: none"> <li>▪ The BCRP will have the power to set maximum and minimum interest rates on a semi-annual basis, a power that it may not delegate.</li> <li>▪ The BCRP shall set the maximum borrowing rates for consumer loans, small consumer loans (equal to or less than S/ 8,800) and small and micro-business loans.</li> <li>▪ The fees shall be approved by the SBS and will include the rendering of a service based on actual and demonstrable costs. Contracts, summary sheets, expenses and fees must also have the approval of the SBS.</li> <li>▪ Elimination of certain fees.</li> </ul>

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<b>Regulation</b>	<b>Date</b>	<b>Brief description</b>
Official Letters 008-2021-BCRP and 010-2021- BCRP	As of April 28, 2021 and May 07, 2021	The BCRP establishes a method for calculating interest rate caps for consumer and small and micro-business loans, as well as the frequency.
Emergency Decree 037-2021	April 14, 2021	<p>It exceptionally establishes, until March 31, 2022, that Banks, Finance Institutions, Municipal Savings and Credit Institutions, Municipal Popular Credit Institutions, EDPYMES and Rural Savings and Credit Institutions are temporarily subject to the following prudential rules :</p> <p>a. The effective equity must be equal to or greater than 8% (previously 10%) of the total risk-weighted assets and contingents.</p> <p>b. The following are grounds for intervention: i) When the effective equity is less than 25% (previously it was 50%) of that required in the preceding paragraph; ii) Loss or reduction of more than 80% (previously 50%) of regulatory capital in the last 12 months.</p> <p>c. The loss or reduction of more than 60% (previously 40%) of the regulatory capital is cause for submission to the surveillance regime.</p> <p>d. The computation limits of the Regulatory Capital stipulated in article 185 of Law 26702 are suspended, which are detailed below:</p> <ul style="list-style-type: none"><li>▪ The supplementary capital may not exceed the basic capital.</li><li>▪ The redeemable subordinated debt of tier 2 capital may not exceed fifty percent (50%) of the amount corresponding to the components of the basic capital considered in numerals 1, 2, 3, 4 and 5 of literal A of article 184.</li><li>▪ Tier 3 capital may not exceed two hundred and fifty percent (250%) of the amount corresponding to the components of the basic capital considered in numerals 1, 2, 3, 4 and 5 of literal A of article 184 assigned to cover risk market.</li></ul>

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**F. Reclassifications**

Certain items in the separate financial statements as of December 31, 2020 have been reclassified for comparative purposes. In management's opinion, such reclassifications do not require any changes in the decisions made. The amounts reclassified and accounts affected are the following:

Separate Statement of Financial Position as of December 31, 2020.

For comparative purposes, the following reclassification has been made in the Available note:

<i>In thousands of soles</i>	<b>Amounts not reclassified</b>	<b>Reclassifications</b>	<b>Balances with reclassifications</b>
<b>Cash and cash equivalents</b>			
Banco Central de Reserva del Perú	15,404,584	(96,382)	15,308,202
Other guarantee funds	294,346	96,382	390,728

**3. Significant Accounting Policies**

The significant accounting principles and practices used in the preparation of the Bank's separate financial states, have been applied uniformly with those of the previous period, except for the set of exceptional and preventive measures taken by the Peruvian Government to face the economic crisis generated due to the national state of emergency and the mandatory social isolation due to the COVID-19 outbreak, mentioned in the note 2.E.iii.

**A. Financial instruments**

***Recognition of financial instruments***

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability, or equity instrument in another.

Financial instruments are recognized on the date when they are originated (trade date) and classified as assets, liabilities, or equity according to the contract that gave rise to the financial instrument. Interest, dividends, gains and losses generated by a financial instrument classified as an asset or liability are recorded as income or expenses in the separate statement of profit or loss. Payments to holders of financial instruments are directly recorded in equity.

Gains from the transfer of loan portfolio are recognized as revenue; however, in the case of transfers through swap, or financed, such gains are recognized as deferred revenue, which is accrued based on the monetary income obtained of the realization of the goods received in exchange, or in proportion to the perception of the payment of the acquirer of the transferred loan portfolio. Losses from transfer of loan portfolio is recognized by transferring.

***Classification financial instruments***

The Bank classifies its financial instruments on initial recognition and on an instrument-by-instrument basis, in the following categories, according with the Accounting Manual: at fair value through profit or loss, credits and accounts receivable, available-for-sale, held-to-maturity, at amortized cost, and other liabilities.

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The classification of financial instruments on initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics. At initial recognition, a financial instrument is measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instrument, except for financial assets or financial liabilities measured at fair value through profit or loss.

***Derecognition of financial assets and financial liabilities***

The Bank recognizes derecognition of a financial asset when: (i) the contractual rights to receive the cash flows from the financial asset expire; or (ii) transfers the contractual rights to receive the cash flows from the financial asset, or assumes a contractual obligation to pay the cash flows to a third party in a pass through arrangement; and (iii) transfers substantially all risks and rewards of ownership of the financial asset to other entity.

The Bank recognizes derecognition of a financial liability when its contractual obligations are discharged or canceled or expire. An exchange between an existing borrower and lender of financial liabilities with substantially different terms is recognized as a derecognition of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is recognized as a derecognition of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability derecognized and the consideration paid is recognized in the separate statement of financial position.

***Impairment of financial assets***

Impairment of financial assets and the corresponding provisions for impairment are assessed and recorded by the Bank in accordance with SBS standards. A financial asset or group of financial assets is impaired if there is objective evidence of impairment as a result of 1 or more events that occurred subsequent to the initial recognition of the asset (loss event), and if such loss event had an impact on the expected future cash flows of the financial asset or group of financial assets that can be estimated reliably. Any impairment loss is recognized in the separate statement of profit or loss.

***Offsetting financial instruments***

Financial instruments are offset when the Bank has a legally enforceable right to set them off, and management intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

**B. Derivative instruments**

Derivative instruments are recorded at trade date according with SBS Resolution 1737-2006 "Regulation on Trading and Accounting of Derivative Products in Financial System" and amendments.

***Held-for-trading instruments***

Held-for-trading instruments are initially recognized in the separate statement of financial position at fair value. Subsequently, any change in fair value of such derivative generates an asset or liability in the separate statement of financial position, as applicable, and affects the profit or loss for the year.

*Forward operations, swaps operations and options are recorded at their estimated market price, recognizing an asset or liability in the separate statement of financial position, and gains and losses due to valuation or settlement in the separate statement of the year. The face value of derivative instruments is recorded in the agreed-upon currency in suspense accounts.*

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***Hedge derivative instruments***

A hedge derivative instrument is recorded as such if, on trade date, it is foreseen that changes in fair value or cash flows will be highly effective in offsetting changes in hedge, which shall be documented on the trade date of the derivative instrument and during the term of the hedging relationship. A hedge is considered highly effective if changes in the fair value or cash flows of the hedged item and hedging instrument are within a range of 80-125%, according with SBS Resolution 1737-2006 and its amendments.

If the SBS determines the documentation to be insufficient or identifies some weaknesses in the methods used by the Bank, it can require the Bank to eliminate the hedge accounting and recognize derivative instruments as held-for-trading instruments.

***i. Fair value hedge***

Changes in the fair value of the hedge derivative instrument and hedge is recognized in the separate statement of profit or loss, from the moment the hedge is designated and, provided it is effective.

Changes in fair value of hedge (gain and losses due to valuation) are recorded as 'accounts receivable' or 'accounts payable,' as appropriate, in the separate statement of financial position.

***ii. Cash flow hedges***

Cash flow hedges are measured at fair value and may affect 'equity' and 'profit or loss.' The portion of the adjustment to its fair value is recognized in 'equity' of the separate statement of profit or loss and other comprehensive income. The ineffective portion of the gain or loss on the hedging instrument is recognized in profit or loss.

For both types of hedging, if the derivative expires, is sold, terminates or is executed, or no longer meets the criteria for hedge accounting, the hedging relationship ends prospectively and the balances recorded in the separate statement of financial position and in the separate statement of profit or loss and other comprehensive income, as appropriate, are transferred to the separate statement of profit or loss within the effective term of the hedged item.

**C. Investments**

The Bank applies the recognition and measurement criteria to investments in instruments, in accordance with SBS Resolution 7033-2012 "Regulation on Classification and Measurement of Investments of Financial Institutions" and amendments, as follows:

***i. Investments at fair value through profit or loss***

Equity and debt securities are classified as investments at fair value through profit or loss if they have been mainly acquired for trading purposes in the near future, or are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking or have been designated in this category since their initial registration.

On initial recognition, these investments are measured at fair value less transaction costs, which are included as expenses in profit or loss for the period. Subsequently, they are measured at their fair value and the gain or loss from the recovery or sale of these financial assets is recorded in the profit or loss of the year.

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Interest income is recognized using the effective interest method. Dividends are recognized in the separate statement of profit or loss when the right to receive the payment has been established.

Investments at fair value through profit or loss that are pledged as collaterals shall be reclassified as available-for-sale investments. Once these transactions are concluded, investments shall be reclassified at their initial category, transferring the unrealized gains and losses from equity to the separate statement of profit or loss.

**ii. Held-to-maturity investments**

This category includes debt instruments whose collections are of a fixed or determinable amount and whose maturities are fixed, and which also meet the following requirements:

i) they have been acquired or reclassified with the intention to hold them to maturity; ii) the Bank shall have the financial capacity to hold them to maturity; and iii) they are instruments other than those designated by the Bank at initial recognition as at fair value through profit or loss or as available-for-sale assets.

Likewise, they should be rated by at least two local or foreign risk rating agencies, and the ratings should be within the parameters established by the SBS. These requirements do not apply to instruments of Central Banks from countries whose sovereign debt obtains as a minimum the rating corresponding to the Peruvian sovereign debt.

These financial assets are initially recorded at fair value, including the transaction costs that are directly attributable to the acquisition.

These investments are subsequently measured at amortized cost using the effective interest rate method. Any impairment loss is recognized in the separate statement of profit or loss.

**iii. Available-for-sale investments**

It includes all investments in instruments not classified as investments at fair value through profit or loss, or held-to-maturity investments or investments in subsidiaries and associates and interests in joint ventures. Likewise, all instruments shall be included in this category as required by the SBS.

These investments are initially recorded at fair value, including the transaction costs that are directly attributable to the acquisition. The subsequent measurement of these investments is made at fair value; in the case of capital instruments that do not have quoted prices in active markets and whose fair value cannot be estimated reliably, they shall be measured at cost. In addition, in the case of debt instruments, prior to the measurement at fair value, their amortized cost must be updated on an accounting basis, and from this point, any gain or loss from changes in the fair value shall be recognized.

Any gain or loss arising from changes in fair value of available-for-sale investments is directly recognized in equity until the instrument is sold or realized, when any gain or loss that could have been previously recognized will be transferred and recorded in the statement of profit or loss, except for impairment losses which are recorded in profit or loss when they occur.

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If an available-for-sale investment is impaired, the accumulated loss (difference between the acquisition cost, net of any repayment and amortization, and the current fair value, less any impairment previously recognized in the separate statement of profit or loss) is removed from equity and recognized in the separate statement of profit or loss. Impairment of unlisted securities shall be the difference between the carrying amount and the present value of net expected future cash flows, discounted using current market rates for similar instruments.

Exchange gains or losses from equity instruments are recognized in 'unrealized gains and losses,' and those related to debt instruments are recognized in profit or loss.

Interest revenue from available-for-sale investments is recognized using the effective interest method, calculated over the useful life of the instrument. Premiums and discounts originated on the acquisition date are included in the calculation of effective interest rates.

Dividends are recognized in the separate statement of profit or loss when the right to receive the payment has been established.

**D. Investments in Subsidiaries and Associates**

This caption comprises equity instruments acquired to have interests in and joint control or significant influence over other subsidiaries or associates.

At initial recognition, they are measured at fair value, including transactions costs that are directly attributable to the acquisition, and subsequently are measured at investments using the equity method.

The excess between the consideration paid and the fair value of the identifiable assets acquired, and the liabilities assumed on the acquisition date is recognized as goodwill. This goodwill is included in the carrying amount of the investment, and is evaluated for impairment as part of the investment (note 3J). In case the fair value of investment exceeds the consideration paid, this amount is recognized as profit in the separate statement of profit or loss of the year.

The Bank determined that the fair value of investments equivalent to the carrying amount of the invested at acquisition date, since they do not have significant non-monetary assets, or they have non-monetary assets recorded at their updated fair value.

When management identifies that one or more investments in subsidiaries and associates are impaired, said impairment shall correspond to the difference between the carrying amount and the recoverable amount of the investment, in accordance with IAS 36 *Impairment of Assets*. The carrying amount of the investment shall be reduced to its recoverable amount. Impairment loss shall be recognized in the separate statement of profit or loss for the year.

**E. Loans and provisions for loan losses**

Direct loans are recorded when fund expenditures are made in favor of customers. Indirect loans are recorded when the documents supporting such credit facilities are issued.

Finance leases are recognized using the effective interest method, and the amount of the installments receivable is recognized as a loan. Financial income is recorded on an accrual basis in accordance with the lease arrangement terms. Initial direct costs are immediately recognized as expenses.



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**i. Types of loans**

In accordance with SBS Resolution 11356-2008, loans are classified as: i) corporate loans; ii) large-business loans; iii) medium-business loans; iv) small-business loans; v) micro-business loans; vi) revolving loans; vii) non-revolving loans; and viii) mortgage loans. This classification considers nature of customer, purpose of loan, business size measured per revenue, debt, among others.

**ii. Accounting situation of loans**

According with the Accounting Manual, direct loans present the following classification according to their situation:

**Current loans**

They are loans granted in its different modalities, whose payments are up-to-date, in accordance with the agreement.

**Restructured loans**

They are loans or direct funding, regardless of its modalities, subject to the rescheduling of payments approved in the restructuring process, ordinary or preventive bankruptcy, as the case may be, in accordance with the Banking Law of the Bankruptcy System approved by Law 27809.

**Refinanced loans**

They are loans, in their different modalities, in which there are variations in the term and/or amount of the original agreement that are due to difficulties of the debtor's ability to meet its obligations.

**Past-due loans**

They are loans that have not been settled or amortized by the borrowers on the due date. They include loans originated by the amounts disbursed by the Bank in the event of the customer's default, for operations whose payment has been guaranteed by the Bank and/or by letters of credits issued and confirmed assumed by the Bank.

The terms for a loan to change from current status to past due are presented below:

<b>Type of loans / Product</b>	<b>Days past due</b>
Sovereign loans, to multilateral development banks, public entities, securities intermediaries, financial entities, corporations, large companies and medium-sized companies.	After 15 calendar days of the expiration of any of the agreed installments.
Small-business and micro-business loans	After 30 calendar days of the expiration of any of the agreed installments.
Consumer (revolving and non-revolving) loans and mortgage loans. Finance lease and real state capitalization agreement, regardless of the type of the loan.	<b>Graduated tax</b> After 30 calendar days of not having paid on the agreed date, only the unpaid portion will be considered past due; while after 90 calendar days of default in any of the agreed installments, the entire debt will be considered past due.

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<b>Type of loans / Product</b>	<b>Days past due</b>
Overdrafts in checking accounts, regardless of the amount and type of the loan.	As of the 31 calendar day the overdraft was granted.

**Lawsuit loans**

They are loans for which the Bank has initiated legal collection actions. The demand for legal collection, unless there are technical and legal reasons, begins within a period of 90 calendar days of having recorded the loan as past due.

**iii. Measurements in the COVID-19 context**

As a result of COVID-19 and the national state of emergency and mandatory social isolation (note 1.B), the SBS adopted a series of exception measures with accounting impact, which, in terms of credit, are detailed below:

**Reschedule loans for National State of Emergency**

They are those credits in which, after evaluation, their contractual conditions have been modified, without going through a refinance, to the extent that the total term of the aforementioned loans does not extend for more than 6 or 12 months of the original term, depending on the type of loan, and that the debtors are up to date with their payments as of the date of the state of emergency. The balance of equity and interests of the rescheduling are controlled in memorandum accounts.

The types of rescheduling are:

- Massive rescheduling  
Massive rescheduling of loans, with or without the approval of the customer and without credit risk assessment, have the following requirements:
  - (i) The customer shall record 15 days past due as maximum as of February 29, 2020 or as of March 15, 2020.
  - (ii) The maximum date to request the first rescheduling is May 30, 2020 for credits to large companies and corporate credits, and June 30, 2020 for retail credits to medium-sized companies.
  - (iii) The maximum date for rescheduling is 6 months for loans to large companies and corporate loans, and 12 months for retail loans and medium-sized companies.
- Individual rescheduling  
In individual rescheduling, there must be a credit risk assessment and have the customer's approval. The maximum rescheduling period of 6 and 12 months for massive rescheduling does not apply and could be extended to longer periods. Likewise, the customer shall not have more than 30 days past due at rescheduling date.
- For both rescheduling types, as of July 1, 2020, revolving loans for credit cards shall be rescheduled only for the entire debt or the total payment for the month in a new payment schedule.

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- A financial institution may recognize on an accrual basis interest on retail loans that are subject to rescheduling. If such retail loans change the accounting treatment to default after the payment obligation according with the new schedule is resumed, the entity shall reverse the accrued and unpaid interest, having 6 months to carry out such reverse proportionally.
- Interest on rescheduled wholesale loans under massive rescheduling, the accounting record of the interests associated with such placements must be carried out according to the criteria of what is received. For rescheduling process carried out as an individual credit risk assessment, accrual basis may be applied.
- In 2021, Official Letters 6302-2021-SBS and 13613-2021-SBS were issued, whose provisions in force to date are:
  - As of March 16, 2021, unilateral modifications of loan operations may be made, when the client has made the payment of at least one full installment, including capital, in the last 6 months; The modified payment schedule cannot be extended for more than 3 months in total, considering the client's last payment schedule. Likewise, the accounting treatment of interest associated with the rescheduled loans operations from the date, unilaterally, must be carried out by the criteria of what is received.
  - As of March 16, 2021, unilateral modifications of loan operations may be made without the client having made the payment of at least one full installment, including capital, in the last 6 months; The modified payment schedule may be extended for a maximum of 3 months in total, considering the client's last payment schedule. For the credits of the debtors with Normal and With Potential Problems (CPP) classification rescheduled under these conditions, the companies must establish additional voluntary provisions, equivalent to the Deficient risk classification. Likewise, the accounting record of the interests associated with the credit operations rescheduled unilaterally as of the date, must be carried out by the criteria of what is received.
- On December 23, 2021, SBS Resolution 3922-2021 was issued, which go into effect in December 2021, in which the Regulations for Evaluation and Classification of Debtors and Requirement of Provisions are modified by SBS Resolution 11356-2008, regarding credits accounted for as rescheduled loans - National State of Emergency, providing mainly the following:
  - The provisions on specific provisions for rescheduled loans - National State of Emergency will be applicable to consumer loans, micro-businesses, small businesses, and medium-sized businesses.
  - Requirement of specific provisions:

<b>Debtor Classification/Accounting Status</b>	<b>Conditions</b>	<b>Specific provision to constitute according to risk ratings</b>
Standard	Rescheduled loans of debtors with Normal classification.	CPP (on balance)
Normal / CPP	They have not made the payment of at least one full installment that includes capital in the last six months at the closing of the accounting information.	Deficient (on balance)

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<b>Debtor Classification/Accounting Status</b>	<b>Conditions</b>	<b>Specific provision to constitute according to risk ratings</b>
Normal / CPP / Deficient	They have not made the payment of at least one full installment that includes capital in the last twelve months.	Doubtful (on balance)
Current loans	Rescheduled loans in current situation.	Deficient (on accrued interest)
	Reschedule loans in a current situation and that have not made the payment of at least one full installment that includes capital in the last six months at the closing of the accounting information.	Loss (on accrued interest)

- Companies may not, in any case, generate profits or generate better results from the reversal of provisions, and must reallocate them for the creation of mandatory specific provisions.
- Accrued interest not collected as of the rescheduling date, recognized as revenue, that is capitalized as a result of the rescheduling, must be repaid and recorded as deferred revenue, being recorded as revenue based on the new term of the loan and as installments are settled.

**Suspension of days in arrears**

If there are debtors with more than 15 days past due as of February 29, 2020, financial entities shall be able to suspend the counting of days in arrears and maintain the same financial situation until August 31, 2020. In addition, the days in arrears suspended shall be considered for the credit rating classification process and calculation of the provision for loans while they remain suspended.

**iv. Credit risk ratings**

The borrower's credit rating established by the SBS is the following: Standard, With Potential Problems (WPP), Substandard, Doubtful and Loss, which are designated according to the credit history of the borrower.

For wholesale loan portfolio (corporate loans, large-business loans and medium-business loans), the rating is based on the borrower's ability to meet its debt obligation, cash flows, level of compliance with obligations, rating designated by other financial institutions, financial position, and management quality. For retail loan portfolio (small-business loans, micro-business loans, revolving and non-revolving loans, and mortgage loans), the rating is based on the borrower's level of compliance with obligations, reflected in the defaults and delays, and rating designated by other financial institutions. Additionally, the Bank assesses the exposure to exchange rate risk of the loan portfolio in foreign currency, according to the SBS Resolution 041-2005 and amendments.

**v. Provision for loan**

The provision for loan losses is measured in accordance with the criteria established in SBS Resolution 11356-2008 "Regulation on Borrower Risk Assessment and Credit Rating, and Provision Requirements."

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According to current regulations, the Bank considers 2 types of provisions for loan portfolio: general and specific provisions. The general provision is recorded in a preventive manner for direct and indirect loans rated as "standard" and additionally for the procyclical component when the SBS orders its application. The general provision also includes voluntary provisions.

Voluntary provision is determined considering the following: the economic situation of the debtors that make up the high-risk loan portfolio (overdue loans, in judicial collection, rescheduled, refinanced and restructured), previous experience and other factors that, at the management's discretion, require to current recognition of possible losses in the loan portfolio. The amount of voluntary provisions is reported periodically to the SBS.

The specific provision is recorded for direct loans and exposure to credit risk of borrower's indirect loans rated in a credit rating higher than "standard."

The credit risk equivalent of indirect loans is determined by multiplying the indirect loans by the different types of Credit Conversion Factor (CCF) described as follows:

	Description	CCF (%)
(a)	Confirmations of irrevocable letters of credit up to one year, when the issuing bank is a tier 1 foreign financial institution.	20
(b)	Collaterals, import letters of credit, and letters of guarantee, and confirmations of letters of credit not included in a), as well as banker's acceptance.	100
(c)	Letters of guarantee not included in b)	50
(d)	Undisbursed loans granted and unused credit lines.	0
(e)	Other indirect loans not included in the prior paragraphs.	100

Provision requirements are determined considering the borrower's credit rating, whether the loan is secured by collateral, and type of collateral.

The percentages applied to determine the provision for the loan portfolio are the following:

Credit risk ratings	No collateral	Preferred collateral	Preferred easily realizable collateral	Self-liquidating preferred collateral
<b>Standard</b>				
Corporate loans	0.70%	0.70%	0.70%	0.70%
Large-business loans	0.70%	0.70%	0.70%	0.70%
Medium-business loans	1.00%	1.00%	1.00%	1.00%
Small-business loans	1.00%	1.00%	1.00%	1.00%
Micro-business loans	1.00%	1.00%	1.00%	1.00%
Revolving loans	1.00%	1.00%	1.00%	1.00%
Non-revolving loans	1.00%	1.00%	1.00%	1.00%
Mortgage loans	0.70%	0.70%	0.70%	0.70%
With potential problems	5.00%	2.50%	1.25%	1.00%
Substandard	25.00%	12.50%	6.25%	1.00%
Doubtful	60.00%	30.00%	15.00%	1.00%
Loss	100.00%	60.00%	30.00%	1.00%

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As of December 31, 2021 and 2020, the procyclical component for the provision for loan portfolio is deactivated, according to SBS Official Letter B-2224-2014. Through SBS Resolution 3718-2021 that modified the Regulation for the Evaluation and Classification of the Debtor and the Requirement of Provisions, modifications were made to the criteria for the activation of procyclical provisions, establishing that it can be activated as of December 31, 2023. The minimum rates of the procyclical component are presented as follows:

<b>Type of loan</b>	<b>Procyclical component</b>
Corporate loans	0.10%
Large-business loans	0.40%
Medium-business loans	0.60%
Small-business loans	1.00%
Micro-business loans	1.00%
Revolving loans	1.50%
Non-revolving loans	1.00%
Mortgage loans	0.40%

Procyclical component of all other types of loans with self-liquidating preferred collaterals is 0% for the portion hedged by such collaterals. For non-revolving consumer loans that have contracts referring to payroll or pension deduction agreements, and as long as they are eligible, the procyclical component will be 0.25%.

A provision for direct loan losses is recorded deducting the balance of the relevant asset (note 7). A provision for indirect loan losses is recorded in 'liabilities' (note 14).

The SBS exceptionally established a zero percent provision rate for credit risk to the part of the loans covered by the guarantee of the Reactiva Peru and FAE for SME program (note 1.C).

**F. Property, furniture and equipment**

Property, furniture and equipment is recorded at historical cost, which includes disbursements attributable to acquisition, and is presented net of accumulated depreciation and accumulated impairment losses. Annual depreciation is recognized as expense and is determined using the standard cost, under the straight-line method based on the estimated useful life of property, furniture and equipment, using depreciation rates.

	<b>Years</b>
Buildings and premises	33 & 10
Installations and improvements to rental property	10
Property, furniture and equipment	10 and 4
Vehicles	5

Disbursements incurred after a component of property, furniture and equipment has been put into use are capitalized only when they can be measured reliably, and it is probable that such disbursements will result in future economic benefits in excess of the normal performance originally assessed for said asset.

Repair and maintenance expenditures are recognized as expenses in the period in which they are incurred. When an item of property, furniture and equipment is sold or disposed, its cost and accumulated depreciation are deleted, and profit or loss resulting from its sale is recognized in the separate statement of profit or loss.

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The Bank is not permitted to apply the revaluation model. It is only permitted to apply the cost model. Likewise, the Banks are prohibited from giving as collateral their property, furniture and equipment, except those acquired in finance leases.

**G. Realizable, received in payment and repossessed assets**

Assets received as payment and repossessed by the Bank as payment of debts are recorded at judicial or extrajudicial value or at value agreed upon in the payment. At initial recognition, recovered assets as a result of the agreement termination, if any, are measured at the lower of the outstanding debt value and the net realizable value. If the outstanding debt value is higher than the value of the recovered asset, the difference is recognized as a loss, provided that its recovery is remote.

Likewise, in accordance with Resolution 1535-2005 "Regulation on the Accounting Treatment of Repossessed and Recovered Assets and Provisions" and amendments, the Bank records provisions as follows:

- For assets received, a provision for 20% of the value on the award or recovery date.
- For fixed assets, a monthly provision within a period of not more than 42 months for the net value obtained during the 12th or the 18th month of award or recovery, depending on whether an extension is granted by the SBS and until 100% of the asset's carrying amount is completed. The net carrying amount of fixed assets is compared with the net realizable value determined by an independent appraiser. The Bank recognizes a provision for impairment loss if the carrying amount exceeds the net realizable value.
- For assets other than fixed assets, a provision for the remaining balance within a period of not more than 12 or 18 months, depending on whether an extension is granted by the SBS.

An impairment loss is recognized when the net realizable value is lower than net carrying amount; accordingly, the carrying amount shall be reduced and the loss shall be recognized in the separate statement of profit or loss. If the net realizable value is higher than the net carrying amount, the higher value shall not be recognized.

**H. Impairment of non-financial assets**

When events or circumstances indicate that the carrying amount of a long-lived asset may not be recoverable, management reviews the carrying amount of the asset at separate statement of financial statement. If after the impairment test, the carrying amount exceeds its recoverable amount, an impairment loss is recognized in the separate statement of profit or loss. The recoverable amount is estimated for each asset.

**I. Intangible assets**

Intangible assets with finite useful life are recognized at acquisition cost and are presented net of accumulated amortization and any impairment loss. Amortization is recognized as expense. It is determined under the straight-line method based on the estimated useful life of assets. The assets' estimated useful life is between 1 and 5 years.

Costs associated with maintenance of software are recognized as expenses when incurred. The development expenses and unique and identifiable software, which are likely to generate economic benefits, are recognized as intangible assets.

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**J. Goodwill**

Goodwill resulting from the acquisition of a subsidiary or associate corresponds to the excess of the consideration paid over the net fair value of the identifiable assets, liabilities and contingent liabilities of the investee, on the acquisition date. At the beginning, goodwill is recognized as an asset at cost, and, subsequently, presented at cost less any accumulated impairment loss, if any.

For impairment test, assets are grouped into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGU). Goodwill is assigned to each CGU of the Bank that is expected to benefit from the synergies of the combination. A CGU, to which the acquired goodwill has been distributed, is tested for impairment on an annual basis, or more frequently when there are indications that the unit may have deteriorated. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is distributed first by reducing the carrying amount of any goodwill distributed to the CGU, and then to the other assets of the CGU, prorated based on the carrying amount of each of the assets of the unit. Any impairment loss of goodwill is recognized in profit or loss of the period in which it is generated. An impairment loss recognized in goodwill is not reversed in subsequent periods.

**K. Non-current assets held for sale**

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell and are recorded in 'other assets' of the separate financial statement. Non-current assets are classified as held for sale when their disposal is highly probable, and are promptly available for sale. Therefore, management must be committed to sale and the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification.

**L. Debts and financial obligations**

Loans and borrowings are financial liabilities measured at amortized cost using the effective interest method. Amortized cost is calculated taking into consideration any discounts or premiums on issuance. Costs are an integral part of the effective interest rate and are amortized during the validity term of the liabilities. Accrued interest are recognized in the separate statement of profit or loss.

Outstanding loans and borrowings are classifying as financial liabilities at fair value through profit or loss when are held for trading or, when at initial recognition have been to be accounted at fair value through profit or loss.

A financial liability classifies as held-for trading if:

- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- it is part of a portfolio of identified financial instruments, which are managed together, and for which there is evidence of a recent pattern of obtaining short-term profits; or
- it is a derivative that is not a financial guarantee contract, nor has it been designated as a hedging instrument, and it meets the conditions to be effective.



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A financial liability different to those held-for-trading is classified as at fair value through profit or loss if:

- this eliminates or significantly reduces any inconsistency in valuation or recognition;
- it is part of a group of financial assets, financial liabilities or both, which are managed and evaluated according to the fair value criteria, in accordance with a documented investment or risk management strategy of the Bank, and whose information is provided by internal way on that basis; or
- it is part of an agreement containing one or more embedded derivatives, and IAS 39 allows the entire hybrid (combined) agreement to be designated as a financial asset or a financial liability at fair value through profit or loss.

financial liabilities at fair value through profit or loss are recorded at fair value. Gains and losses from changes in the fair value of these liabilities are recognized in 'operating profit' in the separate statement of profit or loss.

**M. Employee benefits**

***i. Short-term employee benefits***

***Holidays and other benefits***

Personnel's annual holidays, paid leaves, and other employee benefits are recognized on an accrual basis, considering their probability of occurrence. The provision for estimated liabilities corresponding to personnel's annual holidays, resulting from the service rendered by an employee, is recorded on the date of the separate statement of financial position.

***Severance payment***

The provision for severance payment is measured, according to current regulations, on the total employees' reimbursement rights, according to current regulations. Payments are deposited in the Bank since it is the financial institution chosen by the employee.

***ii. Long-term benefits***

It comprises post-employment benefits granted to the Bank's active or retired employee, mainly related to seniority awards and medical benefits. Such benefits are recorded based on an actuarial valuation method determined independently, considering future wages levels in accordance with the market expectations, and the average historical cost of medical expenses and other benefits adjusted for inflation, as well as their probability of occurrence. These future cash flows are discounted considering a market interest rate that corresponds to the issuance of bonds with high credit rating.

***Employees' profit sharing***

The Bank recognizes a liability and an expense for employees' profit sharing equivalent to 5% of tax base determined in accordance with current tax laws.

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**N. Share-based payments**

A group of employees of the Bank is subject to the European Parliament Directive 2013/36/UE in which limits are established on variable remuneration in relation to fixed remuneration. This system of settlement and payment of annual variable remuneration (hereinafter the system) corresponds to those employees who have a significant impact on the Bank's risk profile or exercise control functions and are subject to the following rules:

- Regarding the total annual variable remuneration, 60% is paid the year following the one corresponding to remuneration, during the first quarter of the year; being that 50% is paid in cash and the other 50% in shares of the Parent Company at the market price of the settlement day. The shares go through a restricted period, which does not allow them to be sold until 12 months after their acquisition.
- The outstanding balance of variable remuneration is deferred to 4 years, 50% is paid in cash and the other 50% in shares. All these payments are released in quarters for each year until their completion, the shares go through a restriction period, which does not allow them to be sold until 12 months after their acquisition.
- Likewise, assumptions are established that may limit or prevent in certain cases the delivery of deferred variable remuneration, such as compliance with multi-year indicators that may reduce the compensation to be received.
- The delivered shares will not be available for at least one year, except for the necessary portion to be used for the payment of applicable taxes.

The settlement of the variable remuneration is carried out in the first months of the following year. As of December 31, 2021 and 2020, management's estimation of the deferred variable remuneration amounts to S/ 11 million and S/ 14 million, respectively.

**O. Provision, contingent liabilities and contingent assets**

**i. Provisions**

A provision is recognized when the Bank has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources to settle the obligation shall be required, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed on an ongoing basis and adjusted to reflect the best estimates as of the date of the separate statement of financial position. Where the effect of the time value of money is material, the amount of a provision shall be the present value of the expenses expected to be required to settle the obligation.

**ii. Contingent assets and contingent liabilities**

Contingent assets are not recognized in the separate financial statements. They are only disclosed when an inflow of economic resources is probable.

Contingent liabilities are not recognized in the separate financial statements. They are disclosed in the notes to the separate financial statements unless the possibility of an outflow of economic resources is remote.

**P. Income tax**

Income tax, either current and deferred, is recognized as 'income and expense', and is included in the separate statement of profit or loss, except if such amounts are related to items recognized in 'equity,' in which case, current or deferred income tax is also recognized in 'equity.'

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According to current tax legislation, current income tax is determined by applying the tax rate for the year and is recognized as an expense.

The deferred tax liabilities is recognized for all taxable temporary differences that arise when comparing the carrying amount of assets and liabilities and their tax base, without considering that the temporary differences estimated at the beginning will be reversed. The deferred tax asset is recognized for all taxable temporary differences that arise when comparing the carrying amount of assets and liabilities and their tax base, to the extent that it is probable that, in the future, the Bank will have sufficient income tax against which it can apply the temporary differences that revert. Deferred tax liability and asset are measured at the income tax rate, which is expected to be applied to tax of the year in which this liability is settled or the asset is realized, using the income tax rate enacted or substantially effective as of the separate statement of financial position.

**Q. Revenue and expense recognition**

Interest revenue and expense and service fees are recognized in profit or loss for the period on an accrual basis, depending on the term of the generating transactions.

Accrued interest from past due, refinanced, restructured and under legal collection loans, as well as loans rated as "doubtful" or "loss", which is recognized in the separate statement of profit or loss when are collected effectively. If it is determined that the borrower's financial position has improved so that uncertainty on payment of principal does no longer exists, interest is recorded on an accrual basis again.

Other income and expenses are recorded in the period in which they are accrued.

**R. Basic and diluted earnings per share**

Basic earnings per ordinary share are calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted-average number of outstanding ordinary shares during the year. Since the Bank does not have dilutive financial instruments, earnings per ordinary and diluted share are the same.

**S. Repurchase agreements**

The Bank applies SBS Resolution 5790-2014, which establishes that securities sold under repurchase agreements on a specific future date, are not derecognized from the separate statement of financial position since the Bank retains substantially all risks and rewards of ownership of the asset.

The Bank recognizes the cash received and a liability recorded in 'accounts payable' to refund such cash at maturity. Also, it will make the reclassification of securities subject to the transaction in accordance with SBS regulations. Accounting records of returns will depend on the agreements between the parties. The difference between the final amount and the initial amount shall be recognized as expense against a liability within the transaction term using the effective interest method.

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***Credit portfolio reporting operations guaranteed by the Government represented in securities***

These operations are agreed within the framework of the Reactiva Peru Program. BCRP conducts operations through auctions or direct operations. Market participants sell to the BCRP the securities representative of credits guaranteed by the Government. They receive local currency (amount of the sale) and are obliged to repurchase said securities subsequently, against the payment of local currency (amount of the repurchase). Securities could be:

- Portfolio of securities representative of credits (regular form)
- Certificates of participation in real estate trusts (special form)

The market participant shall monthly pay interest. The operation includes a grace period of 12 months without paying interest, which are prorated over the life of the operation. The market participant is forced to repurchase loans guaranteed by the Government guarantee program each time there is a reduction in their value, or on the resulting date in case of early maturity. In the event of breaches, BCRP shall maintain definitively loans with the Government guarantee program.

As of December 31, 2021 and 2020, the Bank carry out currencies, securities and credit portfolio reporting operations guaranteed by the Government represented in securities, loan portfolio (note 5, 6, 7 and 14).

**T. Separate statement of profit or loss and other comprehensive income, and changes in equity**

Unrealized profit or loss of the measurement of available-for-sale investment, modifications of the hypothesis related with actuarial liabilities and measurement of cash flow hedges is recognized in the separate statement of profit or loss and other comprehensive income. Deferred tax related with these items are detailed in the corresponding note (note 3.P).

The separate statement of changes in equity shows profit or loss for the period, other comprehensive income, accumulated effects of changes in accounting policies or correction of errors, if any, changes in the shareholder transactions, as payment of dividends and capital contributions, and the reconciliation of the opening balances to the closing balances, by revealing every move or change.

**U. Cash and cash equivalents**

This caption, recorded in the separate statement of cash flows, comprises cash and cash equivalents (without including guarantee funds), interbank funds, and cash equivalents that correspond to short-term and highly liquid instruments easily convertible into cash and subject to an insignificant risk of changes in the fair value, whose maturity does not exceed 90 days from the acquisition date. According to the SBS, the Bank prepares and presents this statement by applying the indirect method.

The Bank's overdrafts are reclassified as liabilities in the separate statement of financial position.

**V. Trust activities**

Assets from fiduciary activities in which there is a commitment to return such assets to customers and in which the Bank acts as the holder, trustee or agent, have been excluded from the separate financial statements. Such assets are controlled separately in the separate financial statements and are presented in memorandum accounts.

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**W. Foreign currency transactions**

Foreign currency transactions are recorded, at initial recognition, using the local currency. For this purpose, the amounts in foreign currency are translated to the functional currency by applying the exchange rate on the transaction date, which is the date on which the conditions for their recognition are met.

At the end of each reporting period, the following guidelines are followed:

- Monetary assets and liabilities are translated at exchange rate as the end of each reporting period.
- Non-monetary items, not measured at fair value, are translated at the exchange rate on the date of the transaction.
- Non-monetary items, measured at fair value, are translated at the exchange rate on the date their fair value was established.

The recognition of the exchange difference is subject to the following guidelines:

- The exchange difference that arises when settling monetary assets and liabilities, or when converting said items at exchange rates different from those used for their initial recognition, which have occurred during the year or in previous periods, are recognized in the profit or loss of the year in which they occur.
- When the loss or gain generated by a non-monetary item is recognized in other comprehensive income, any exchange difference included is also recognized in other comprehensive income.
- In the case of non-monetary items, the loss or gain of which is recognized in profit or loss for the year, any exchange difference included in that loss or gain is also recognized in income for the year.

**4. Foreign Currency Balances**

The separate statement of financial position includes balances of foreign currency transactions, mainly in U.S. dollars (US\$), which are recorded in soles (S/) at the exchange rate established by the SBS. As of December 31, 2021 and 2020, buy and sell exchange rate was US\$ 1 = S/ 3.987 and US\$ 1 = S/ 3.621, respectively.

Foreign currency transactions in Peru referred to the concepts authorized by the BCRP are channeled through a free banking system. As of December 31, 2021, buy and sell exchange rates used were US\$ 1 = S/ 3.975 and US\$ 1 = S/ 3.998, respectively (2020: US\$ 1 = S/ 3.618 and US\$ 1 = S/ 3.624)

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As of December 31, foreign currency balances stated in thousands of U.S. dollars are as follows:

<i>In thousands of U.S. dollars</i>	2021			2020		
	U.S. Dollars	Other currencies	Total	U.S. Dollars	Other currencies	Total
<b>Assets</b>						
Cash and due from banks	2,949,732	99,220	3,048,952	3,239,581	69,646	3,309,227
Interbank funds	-	-	-	38,000	-	38,000
Investments at fair value through profit or loss and available-for-sale	400,035	-	400,035	941,932	-	941,932
Loan portfolio, net	4,308,418	222	4,308,640	4,556,995	1,443	4,558,438
Net asset position	122,780	1,716	124,496	247,587	1,715	249,302
	<b>7,780,965</b>	<b>101,158</b>	<b>7,882,123</b>	<b>9,024,095</b>	<b>72,804</b>	<b>9,096,899</b>
<b>Liabilities</b>						
Deposits and obligations with financial institutions	6,610,015	68,562	6,678,577	7,509,554	55,222	7,564,776
Interbank funds	-	-	-	20,000	-	20,000
Debts and financial obligations	1,306,241	-	1,306,241	1,323,129	-	1,323,129
Provisions and other liabilities	298,423	5,814	304,237	193,021	10,824	203,845
	<b>8,214,679</b>	<b>74,376</b>	<b>8,289,055</b>	<b>9,045,704</b>	<b>66,046</b>	<b>9,111,750</b>
<b>Short position (liabilities)</b>	<b>(433,714)</b>	<b>26,782</b>	<b>(406,932)</b>	<b>(21,609)</b>	<b>6,758</b>	<b>(14,851)</b>
Derivative instruments, assets	6,047,373	202,693	6,250,066	4,301,983	267,285	4,569,268
Derivative instruments, liabilities	5,426,887	233,758	5,660,645	4,255,335	277,984	4,533,319
<b>Long position (assets)</b>	<b>186,772</b>	<b>(4,283)</b>	<b>182,489</b>	<b>25,039</b>	<b>(3,941)</b>	<b>21,098</b>

In 2021 and 2020, the Bank recorded net exchange gains for S/ 208 million and S/ 589 million, respectively, which corresponds to the valuation of exchange rate, as well as purchase and sales transactions in foreign currency in 'profit or loss from financial transactions' of the separate statement of profit or loss (note 20).

The percentage change in the exchange rate of the Sol in relation to the US dollar was 10.11% and 9,26% as of December 31, 2021 and 2020, respectively.

## 5. Cash and Due from Banks

This caption comprises the following:

<i>In thousands of soles</i>	2021	2020
Central Reserve Bank of Perú (a)	12,117,862	15,308,202
Cash (a)	2,583,579	2,360,065
Other guarantee funds (b)	803,222	390,728
Foreign banks and other financial institutions (c)	513,896	5,223,908
Local banks and other financial institutions (c)	151,102	112,993
BCRP funds pledges as guarantee (d)	39,854	1,505,604
Clearing	38,003	28,023
Other cash and due from banks	366	360
	<b>16,247,884</b>	<b>24,929,883</b>

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- (a) As of December 31, 2021, funds held in cash and deposits with BCRP include US\$ 705 million and S/ 1,731 million (2020: US\$ 1,366 million and S/ 1,890 million), which are intended for hedging the reserve requirement that the Bank shall hold for deposits and obligations according to the limits established by current regulation. These funds are held in the Bank's vault or deposited in the BCRP.

As of December 31, 2021, reserve funds are subject to a rate of 4.75% in local currency (2020: between 4% and 5%) and of 35% in foreign currency (2020: 35%) in both periods, on the total obligations subject to reserve requirements, as required by the BCRP.

Bank reserve funds of the legal reserve requirements, which is 4%, do not accrue interest. Reserve funds corresponding to the additional reserve requirements in local and foreign currency are remunerated at a nominal interest rate established by the BCRP.

As of December 31, 2021, balances at BCRP correspond to time deposits for S/ 800 million and overnight deposits for S/ 9,326 million (2020: time deposits for S/ 10,600 million).

- (b) As of December 31, 2021 and 2020, available includes funds in guarantee for operations with derivative financial instruments amounting to US\$ 158 million and US\$ 80 million, respectively. Likewise, as of December 31, 2021, it is included S/ 132 million and US\$ 9 million to guarantee the transfer process according with the BCRP requirement (2020: S/ 80 million and US\$ 5 million).
- (c) As of December 31, 2021 and 2020, deposits with local and foreign banks mainly correspond to balances in soles and U.S. dollars, as well as lower amounts in other currencies. They have free withdrawal option and accrue interest at market rates.
- (d) As of December 31, 2021 and 2020, cash and due from banks correspond to guarantee funds for repurchase agreements of loan portfolio for S/ 40 million. Additionally, as of December 31, 2020, it includes guarantee funds that support currency repurchase commitments with the BCRP for US\$ 400 million. They matured in April 2021 (note 14(a)).

As of December 31, 2021 and 2020, interest revenue from cash and due from banks amounts to S/ 30 million and S/ 38 million, respectively. It is included in 'interest revenue' in the consolidated statement of profit or loss (note 17).

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**6. Investments at Fair Value Through Profit or Loss and Available-for-sale**

This caption comprises the following:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Investments at fair value through profit or loss		
BCRP certificates of deposit (a)	3,738,906	4,015,271
Peruvian treasury bonds (b)	390,675	663,785
	<b>4,129,581</b>	<b>4,679,056</b>
Available-for-sale investments		
BCRP certificates of deposit (a)	2,613,849	2,557,657
Peruvian treasury bonds (b)	1,795,192	1,903,892
U.S. treasury bills (c)	1,035,644	1,912,583
Corporate bonds (d)	109,789	102,955
Shares in local entities (e)	24,962	22,313
Shares in foreign entities	1,010	1,010
Multilateral development banks bonds (f)	-	147,062
U.S. treasury bonds	-	44,564
	<b>5,580,446</b>	<b>6,692,036</b>
	<b>9,710,027</b>	<b>11,371,092</b>

- (a) As of December 31, 2021, BCRP certificates of deposit are freely tradable securities, repossessed through BCRP public auctions or traded in the Peruvian secondary market. They mature in March 2022 (2020: April 2021). The balance includes certificates of deposit for S/ 630 million that are as guarantee of repurchase agreements.

As of December 31, 2021, annual interest on these instruments ranges from 0.38% to 5% (2020: from 0.25% to 5%) in local currency and is 0.22% (2020: from 0.17% to 5%) in foreign currency.

- (b) Peruvian Treasury Bonds correspond to sovereign bonds issued in local currency by the Ministry of Economy and Finance (MEF) of Peru and represent internal public debt securities of the Republic of Peru.

As of December 31, 2021, these bonds accrue interest at annual rates ranging from 1.5% and 6.87% in local currency (2020: from 0.73% and 5.25%) and 1.72% in foreign currency (2020: from 0.96% and 1.76%). As of December 31, 2021 and 2020, such bonds in local currency mature in February 2055, and in foreign currency mature in July 2025 in both periods.

As of December 31, 2021 and 2020, part of Peru's global bonds in foreign currency for US\$ 30 million have a cash flow hedge (note 8(ii)).

- (c) As of December 31, 2021, U.S. treasury bills accrue interest at annual rates ranging from 0.019% and 0.212% (2020: 0.03% and 0.76%) in foreign currency and have current maturity in September 2022 (2020: March 2021).



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As of December 31, 2021, part of the U.S. treasury bills for US\$ 100 million (2020: US\$ 60 million) has a cash flow hedge (note 8 (ii)). As of December 31, 2020, the exposure in U.S. Treasury Bills includes S/ 6 million of provisions for country risk.

- (d) As of December 31, 2021 and 2020, include corporate bonds issued by Peruvian entities in foreign.

As of December 31, 2021, these bonds accrue interest at annual rates ranging from 1.21% and 1.57% (2020: 0.65% and 1.04%) in foreign currency. As of December 31, 2021 and 2020, such bonds in foreign currency have maturity in April 2023, in both periods.

- (e) As of December 31, 2021, the balance includes a loss allowance for S/ 11 million and S/ 4 million (2020: S/ 14 million and S/ 4 million) on investments held in BVL and PDP, respectively.

- (f) Multilateral development banks bonds include international corporate bonds in foreign currency issued by Asian Development Bank (ADB) and European Investment Bank (EIB). As of December 31, 2020, these bonds accrue interest at annual rates ranging from 0.16% and 7.28% in foreign currency and have maturity in June 2021.

As of December 31, 2020, the ADB bonds and part of EIB bonds are in foreign currency and have a cash flow hedge. (Note 8 (ii))

As of December 31, 2021, unrealized losses on measurement of available-for-sale investments (note 15.D) amount to S/ 39 million (2020: unrealized gains for S/ 113 million).

As of December 31, 2021 and 2020, accrued interest of loan portfolio managed by the Bank amounts to S/ 132 million and S/ 148 million, respectively (note 17).

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**7. Loan Portfolio, Net**

This caption comprises the following:

<i>In thousands of soles</i>	<b>2021</b>		<b>2020</b>	
<b>Direct loans</b>				
Loans	32,420,826	47%	34,001,435	51%
Mortgage loans	13,600,490	20%	12,850,101	19%
Consumer loans	7,431,548	11%	6,165,726	9%
Foreign trade	4,894,668	7%	3,647,036	6%
Finance lease	3,463,072	5%	3,478,196	5%
Project financing	1,649,807	2%	1,853,442	3%
Factoring	1,537,513	2%	1,295,540	2%
Discounts	1,014,448	1%	874,658	1%
Others	3,519,296	5%	2,141,713	4%
	<b>69,531,668</b>	<b>100%</b>	<b>66,307,847</b>	<b>100%</b>
Loans past due and loans under legal collection	2,755,251	3%	2,262,590	3%
Refinanced loans	2,158,755	3%	1,801,996	3%
	<b>74,445,674</b>	<b>106%</b>	<b>70,372,433</b>	<b>106%</b>
<b>Plus (less):</b>				
Accrued returns on current loans	640,209	1%	536,916	1%
Deferred interest	(98,278)	-	(98,348)	-
Provisions for direct loan losses	(4,605,836)	(7%)	(4,364,046)	(7%)
	<b>70,381,769</b>	<b>100%</b>	<b>66,446,955</b>	<b>100%</b>
Indirect loans	<b>17,058,943</b>		<b>20,388,829</b>	

As of December 31, 2021 and 2020, 51% of the direct loan portfolio is concentrated in 3,532 and 3,705 customers, which amounts to S/ 38,320 million and S/ 36,257 million, respective.

Direct loan portfolio with guarantees received from customers, which comprise mortgages, deposits, letters of guarantees, collaterals and warrants, amounts to S/ 54,632 million as of December 31, 2021 (2020: S/ 54,458 million).

As of December 31, 2021, part of the commercial loan portfolio for US\$ 146 million have a cash flow hedge (note 8(ii)).

As of December 31, 2021, part of the mortgage loan portfolio guarantee a loan with Fondo MIVIVIENDA S.A. – MI HOGAR Program up to S/ 500 million (2020: S/ 452 million). (note 13(b)).

As of December 31, 2021, loans of the Crecer program (note 1.C) amount to S/ 20 million (2020: S/ 15 million).

As of December 31, 2021, part of the loan portfolio belongs to the FAE program (note 1.C) with a balance for S/ 28 million (2020: S/ 144 million) and provisions for S/ 13 million (2020: S/ 10 million). As of December 31, 2021, loans of the FAE program guarantee a debt with COFIDE (note 13 (c)) for up to S/ 14 million (2020: S/ 128 million).

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As of December 31, 2021, part of the loan portfolio belongs to the Reactiva Peru program (note 1.C) with a balance for S/ 11,511 million (2020: S/ 14,931 million). Loans of the Reactiva Peru program are part of the repurchase agreement of credit portfolio with BCRP (note 14(a)). The detail of such loans are detailed as follows:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
<b>Type of loan</b>		
Medium-business loans	7,375,613	8,636,617
Large-business	2,799,296	3,835,084
Small-business	1,300,959	2,286,746
Corporate loans	26,737	38,000
Micro-business loans	8,147	134,929
<b>Total of Reactiva Peru program loans</b>	<b>11,510,752</b>	<b>14,931,376</b>

As of December 31, 2021, loans that guarantee the repurchase agreements of loan portfolio with the BCRP amount to S/ 6,273 million (2020: S/ 199 million) (note 14(a)).

As of December 31, effective interest rates of main assets were the following:

<b>Loans</b>	<b>2021</b>		<b>2020</b>	
	<b>Local currency</b>	<b>Foreign currency</b>	<b>Local currency</b>	<b>Foreign currency</b>
Loans and discounts	4.10	3.95	3.39	4.57
Mortgage loans	5.86	5.43	6.99	6.14
Consumer loans	19.49	21.25	21.68	22.64

The following are the balances as of December 31 of the direct loan portfolio segmented by type of customer, in accordance with the provisions of SBS Resolution No. 11356-2008:

<i>In thousands of soles</i>	<b>2021</b>		<b>2020</b>	
Medium-business loans	20,110,390	27%	19,909,336	29%
Mortgage loans	14,383,976	19%	13,560,999	19%
Corporate loans	13,861,115	19%	11,941,981	17%
Large-business	12,862,938	17%	12,662,580	18%
Consumer loans	7,714,282	10%	6,571,475	9%
Small-business loans	2,859,546	4%	3,414,100	5%
Public entities	1,324,985	2%	1,195,003	2%
Securities brokerage	654,890	1%	322,952	0%
Financial institutions	593,153	1%	608,661	1%
Micro-business loans	80,399	-	172,346	-
Multilateral development banks	-	-	13,000	-
	<b>74,445,674</b>	<b>100%</b>	<b>70,372,433</b>	<b>100%</b>

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As of December 31, according to current SBS regulations, the credit risk rating of loan portfolio of the Bank is as follows:

<i>In thousands of soles</i>	2021						2020					
	Direct	%	Indirect	%	Total	%	Direct	%	Indirect	%	Total	%
Credit risk ratings												
Standard	67,075,078	90	15,350,043	90	82,425,121	90	64,007,214	91	19,392,569	96	83,399,783	91
With potential problems	2,596,746	3	1,119,484	7	3,716,230	4	2,144,229	3	466,670	2	2,610,899	3
Substandard	1,147,927	2	454,809	3	1,602,736	2	1,070,113	2	416,776	2	1,486,889	2
Doubtful	1,217,112	2	71,894	-	1,289,006	1	857,199	1	36,260	-	893,459	1
Loss	2,310,533	3	62,713	-	2,373,246	3	2,195,330	3	76,554	-	2,271,884	3
	<b>74,347,396</b>	<b>100</b>	<b>17,058,943</b>	<b>100</b>	<b>91,406,339</b>	<b>100</b>	<b>70,274,085</b>	<b>100</b>	<b>20,388,829</b>	<b>100</b>	<b>90,662,914</b>	<b>100</b>
Deferred interest	98,278	-	-	-	98,278	-	98,348	-	-	-	98,348	-
	<b>74,445,674</b>	<b>-</b>	<b>17,058,943</b>	<b>-</b>	<b>91,504,617</b>	<b>-</b>	<b>70,372,433</b>	<b>-</b>	<b>20,388,829</b>	<b>-</b>	<b>90,761,262</b>	<b>-</b>

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In 2021, the Bank wrote-off loans for S/ 41 million (2020: S/ 18 million).

As of December 31, 2021, the Bank has proceeded with the write-off of impaired loan portfolio for S/ 184 million (2020: S/ 64 million).

Movement in provision for direct loan losses is as follows:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Balance at the beginning of the year	(4,364,046)	(2,873,191)
Additions debited to profit or loss	(2,261,022)	(2,717,200)
Recovery of provisions	1,491,145	987,864
Sale of loan portfolio	399,621	225,546
Write-off	184,458	64,013
Waiver	40,663	18,334
Exchange difference and other adjustments	(96,655)	(69,412)
	<b>(4,605,836)</b>	<b>(4,364,046)</b>

The provision for direct loan losses, as shown in the separate statement of profit or loss, is as follows:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Provision for loan losses	(2,261,022)	(2,717,200)
Recovery of provisions	1,491,145	987,864
Revenue from recovery of loan portfolio	13,525	5,690
<b>Provision for loan losses, net of recoveries</b>	<b>(756,352)</b>	<b>(1,723,646)</b>

Management considers that the level of provision for loans losses covers eventual losses in the direct loan portfolio as of the date of the separate statement of financial position, and has been made in compliance with all the requirements of current regulations.

The balance of the provision for loan losses (direct and indirect loans) is as follows:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Specific	(2,893,965)	(2,753,185)
Specific – COVID-19	(49,124)	(123,453)
Generic	(661,321)	(576,899)
Voluntary	(1,000,538)	(908,963)
Provision for country risk	(888)	(1,546)
	<b>(4,605,836)</b>	<b>(4,364,046)</b>

The Bank, according with current law, has identified customers exposed to exchange rate risk, and considers that the level of such risk is appropriate; therefore, it has not determined an additional provision for this concept.

In 2021, the Bank sold loan portfolio for S/ 400 million (2020: S/ 226 million). The sale amounted to S/ 23 million (2020: S/ 11 million) and presented in 'profit or loss from financial transactions' of the consolidated statement of profit or loss.

In 2021, the Bank purchased a loan portfolio to its subsidiary BBVA Consumer Finance EDPYME for S/ 199 million (2020: S/ 214 million). The purchase price of the aforementioned portfolio amounted to S/ 218 million (2020: S/ 247 million).

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As of December 31, 2021 and 2020, rescheduled loans, including rescheduled loans due to the public health emergency and the rescheduled loans of the Reactiva Peru program, amount to S/ 5,939 and S/ 13,088 million, respectively.

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
<b>Type of loans</b>		
Medium-business loans	3,395,204	3,960,602
Large-business loans	1,142,183	1,214,955
Small-business loans	717,116	511,646
Mortgage loans	351,850	4,676,367
Corporate	230,545	157,953
Consumer loans	96,640	2,561,585
Micro-business	4,974	4,429
<b>Total rescheduled loans</b>	<b>5,938,512</b>	<b>13,087,537</b>

The Bank rescheduled loans for S/ 2,872 million loans between April and June 2020 for a term of no more than 3 months without interest (consumer, small-business and micro-business loans). The debt rescheduling resulted in lower finance income for S/ 97 million.

## 8. Held-for-Trading and Hedging Instruments

As of December 31, 2021 and 2020, the Bank holds foreign-exchange forward contracts, cross-currency swaps and interest rate swaps and options. As of December 31, the changes in fair value of these derivative financial instruments are recorded as accounts receivable (assets) or accounts payable (liabilities), as appropriate:

<i>In thousands of soles</i>	<i>Note</i>	<i>Underlying</i>	<i>Nominal</i>	<i>Assets</i>	<i>Liabilities</i>
<b>2021</b>					
<b>Held-for-trading instruments</b>					
Currency forward contracts			23,311,275	339,541	428,488
Interest rate swaps			21,067,297	221,545	236,945
Currency swap			21,285,101	1,217,374	904,980
Options of shares, changes and others			1,024,321	1,607	1,607
Provision for country risk			-	(12,335)	-
			<b>66,687,994</b>	<b>1,767,732</b>	<b>1,572,020</b>
<b>Hedging instruments</b>	<i>6, 7, 13 and 14</i>				
<b>At fair value (i)</b>					
Interest rate swaps		Bonds issue	3,189,600	51,090	-
Interest rate swaps		Loans	19,935	76	-
<b>Contractual cash flows (ii)</b>					
Currency forward contracts		Loan portfolio	583,738	16,958	-
Currency forward contracts		U.S. treasury bills	398,700	7,446	-
Currency forward contracts		Future cash flows – suppliers	210,115	-	2,733
Currency forward contracts		Interest on bonds	158,982	235	3,894
Currency swap		Peru's global bonds	119,610	-	28,378
Interest rate swaps		Loans	11,391	-	54
			<b>4,692,071</b>	<b>75,805</b>	<b>35,059</b>
			<b>71,380,065</b>	<b>1,843,537</b>	<b>1,607,079</b>

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<i>In thousands of soles</i>	<i>Note</i>	<i>Underlying</i>	<i>Nominal</i>	<i>Assets</i>	<i>Liabilities</i>
<b>2020</b>					
<b>Held-for-trading instruments</b>					
Currency forward contracts			20,640,060	153,918	205,947
Interest rate swaps			12,326,261	280,024	375,716
Currency swap			10,138,403	469,980	291,822
Options of shares, changes and others			720,484	2,910	2,910
Provision for country risk			-	(8,237)	-
			<b>43,825,208</b>	<b>898,595</b>	<b>876,395</b>
<b>Hedging instruments</b>					
	<i>6 and 13</i>				
<b>At fair value (i)</b>					
Interest rate swaps		Bonds issue	2,896,800	102,960	-
Interest rate swaps		Loans	54,315	394	-
<b>Contractual cash flows (ii)</b>					
Currency forward contracts		U.S. treasury bills	217,260	-	2,674
Currency forward contracts		Multilateral development banks bonds	111,161	-	5,466
Currency swap		Peru's global bonds	108,630	-	6,196
Interest rate swaps		Loans	31,037	-	297
			<b>3,419,203</b>	<b>103,354</b>	<b>14,633</b>
			<b>47,244,412</b>	<b>1,001,948</b>	<b>891,028</b>

### *i. Fair value – hedging instruments*

#### **Interest rate swap**

As of December 31, 2021, the Bank holds cross-currency swaps contract at face value for S/ 3,210 million for loans and issuance (2020: S/ 2,951 million). Through IRS, the Bank receives a fixed interest rate in U.S. dollars and pays a variable interest rate in the same currency. In 2021, changes in fair value of IRS amounts to a loss for S/ 37 million (2020: loss for S/ 86 million) and is recorded in 'operating profit' of the consolidated statement of profit or loss.

The table below shows the detail of hedged elements and their hedging instruments as of December 31:

<b>Hedge element</b>	<b>Hedging instrument</b>	<b>Note</b>	<b>Face value of the hedging instrument stated in thousands of S/</b>		<b>Fair value of the hedging instrument stated in thousands of S/</b>	
			<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Fair value hedge</b>						
First international issuance of corporate bonds for US\$ 500 million	<b>Interest rate swap (IRS)</b> The Bank receives a fixed interest rate and pays a variable interest rate.	<i>13(d)</i>	1,993,500	1,810,500	28,839	48,067
First international issuance of subordinated bonds for US\$ 300 million	<b>Interest rate swap (IRS)</b> The Bank receives a fixed interest rate and pays a variable interest rate.	<i>13(d)</i>	1,196,100	1,086,300	22,251	54,894
Wells Fargo loan for US\$ 5 million	<b>Interest rate swap (IRS)</b> The Bank receives a fixed interest rate and pays a variable interest rate.	<i>13(a)</i>	19,935	54,315	76	393

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**ii. Cash flow - hedging instruments**

**Currency forward contracts**

As of December 31, 2021, the Bank has currency forward contracts at face value equivalent to S/ 1,352 million for hedging the loan portfolio for US\$ 146 million, U.S. treasury bills for US\$ 100 million, commitment of future payments to suppliers for US\$ 53 million and interest on bonds for US\$ 40 million. For the loan portfolio and U.S. treasury bills, the Bank receives a future cash flow in soles and pays a future cash flow in U.S. Dollars. Also, for the commitment of future payments to suppliers and interest on bonds, the Bank receives a future cash flow in U.S. dollars and pays a future cash flow in soles.

As of December 31, 2020, the Bank has currency forward contracts at face value equivalent to S/ 328 million for hedging instrument at fixed tax accounted as available-for-sale investment, including U.S. treasury bills for US\$ 60 million, ASD bonds for US\$ 20 million and EUI bonds for US\$ 10 million. Through currency forward of the U.S. treasury bills, the Bank receives a future cash flow in soles and pays a future cash flow in U.S. dollars; for ASD and EUI receives a future cash flow in soles and pays a future cash flow in U.S. dollars.

In 2021, fair value of currency forwards amounts to a gain for S/ 31 million recorded in 'equity, net of deferred tax' (2020: gain for S/ 3 million).

**Currency swap**

As of December 31, 2021, the Bank holds currency swaps for a face value amounting to S/ 120 million (2020: S/ 109 million) for the bonds hedge accounted as available-for-sale investments (US\$ 30 million of a global bond). Through currency swap of global bonds, the Bank receives a fixed interest rate in soles and pays a fixed interest rate in U.S. dollars.

In 2021, fair value of currency swaps amounts to a loss for S/ 35 million recorded in 'equity, net of deferred tax' (2020: gain for S/ 3 million).

**Interest rate swap**

As of December 31, 2021, the Bank holds cross-currency swaps contract at face value for S/ 11 million for loans and issuance (2020: S/ 31 million). The Bank receives a variable interest rate in U.S. dollars and pays a fixed interest rate in the same currency. In 2021, fair value of interest rate swaps amounts to a loss for S/ 0.1 million recorded in 'equity, net of deferred tax' (2020: loss for S/ 0.1 million).



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The table below shows the detail of hedged elements and their hedging instruments as of December 31:

Hedge element	Hedging instrument	Note	Face value of the hedging instrument stated in thousands of S/		Fair value of the hedging instrument stated in thousands of S/	
			2021	2020	2021	2020
<b>Cash flow hedges</b>			<b>1,482,536</b>	<b>468,088</b>	<b>(10,420)</b>	<b>(14,633)</b>
Loan Portfolio for US\$ 146 million	<b>Interest rate swap (IRS)</b> The Bank receives a future cash flow in soles and pays a future cash flow in U.S. dollars.	7	583,738	-	16,958	-
U.S. treasury bills for US\$ 100 million	<b>Interest rate swap (IRS)</b> The Bank receives a future cash flow in soles and pays a future cash flow in U.S. dollars.	6(c)	398,700	217,260	7,446	(2,674)
Future cash flows to suppliers for US\$ 53 million.	<b>Currency forward</b> The Bank receives a future cash flow in U.S. dollars and pays a future cash flow in soles.		210,100	-	(2,733)	-
Interest on bonds for US\$ 40 million.	<b>Currency forward</b> The Bank receives a future cash flow in U.S. dollars and pays a future cash flow in soles.	13(d)	158,982	-	(3,659)	-
Global bonds for US\$ 30 million	<b>Interest rate swap (IRS)</b> The Bank receives a fixed interest rate and pays a fixed interest rate in U.S. dollars.	6(b)	119,610	108,630	(28,378)	(6,196)
Standard Chartered loan for US\$ 3 million	<b>Interest rate swap (IRS)</b> The Bank receives a variable interest rate and pays a fixed interest rate in U.S. dollars.	13(a)	11,391	31,037	(54)	(297)
ADB bond for US\$ 20 million	<b>Interest rate swap (IRS)</b> The Bank receives a future cash flow in soles and pays a future cash flow in U.S. dollars.	6(f)	-	74,067	-	(4,084)
EUI bond for US\$ 10 million.	<b>Interest rate swap (IRS)</b> The Bank receives a future cash flow in soles and pays a future cash flow in U.S. dollars.	6(f)	-	37,094	-	(1,382)

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**9. Investments in Subsidiaries and Associates**

This caption comprises the following:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
<b>Shares in subsidiaries (a)</b>		
Inmuebles y Recuperaciones BBVA S.A.	181,337	172,057
BBVA Consumer Finance Edpyme	104,423	104,557
BBVA Asset Management S.A. S.A.F.	37,384	40,381
Forum Distribuidora del Perú S.A.	27,161	24,506
BBVA Bolsa Sociedad Agente de Bolsa S.A.	18,693	18,655
BBVA Sociedad Titulizadora S.A.	5,125	5,212
Forum Comercializadora del Perú S.A.	2,268	2,187
	<b>376,391</b>	<b>367,555</b>
<b>Shares in associates (b)</b>		
Compañía Peruana de Medios de Pago S.A.C.(c)	7,001	-
TFP S.A.C.	5,998	4,582
	<b>12,999</b>	<b>4,582</b>
	<b>389,390</b>	<b>372,137</b>

- (a) As of December 31, 2021 and 2020, the Bank holds 100% of its subsidiaries shares.

The goodwill corresponding to the acquisition of the companies BBVA Consumer Finance EDPYME, Forum Comercializadora del Perú S.A. and Forum Distribuidora del Perú S.A., as of December 31, 2021 and 2020, amounts to S/ 10 million, and its provision for impairment loss is S/ 10 million, for both periods.

Also, BBVA Consumer Finance has a plan to integrate the vehicle business with the Bank in the first half of 2022, and from that period on, the dissolution process of such company would begin.

- (b) As of December 31, 2021, the BBVA Peru Group, through the Bank, holds 21.15% and 24.30% of shares in the share capital of Compañía Peruana de Medios de Pago S.A.C. (Niubiz, formerly Visanet Perú) and TFP S.A.C. (2020: 21.03% and 24.30%), respectively.
- (c) As of December 31, 2020, the current situation and the decree of the national state of emergency had an impact on the operations and profit or loss of Compañía Peruana de Medios de Pagos S.A.C. (hereinafter the Company), hence the Bank recognized loss in such subsidiary for S/ 2 million. The Company's profit and loss were impacted by the national state of emergency due to COVID-19. On the other hand, the Company's financial statements include the profit or loss of its subsidiary Soluciones y Servicios Integrados SAC, which was created three years ago focusing on the mass sector; therefore, costs and expenses related to generation have been incurred for the new products and brand positioning.

In 2021 and 2020, the Bank recognized gains on investments in subsidiaries and associates for S/ 62 million and S/ 43 million, respectively (note 20).

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### 10. Property, Furniture and Equipment, Net

The movement in property, furniture, and equipment and accumulated depreciation in 2021 and 2020 is as follows:

<i>In thousands of soles</i>	Land	Buildings and premises	Property, furniture and equipment	Vehicles	Installations and improvements to rental property	Work-in-progress	Goods in transit and replacement parts	Total
<b>Costs</b>								
Balance as of January 1, 2020	118,224	970,781	731,517	8,087	263,399	85,087	256	2,177,351
Additions	-	8,725	52,385	-	4,560	66,604	-	132,274
Derecognition of assets and others	-	(217)	(3,214)	-	24	-	-	(3,407)
Transfers	-	(79,557)	-	-	79,770	(213)	-	-
<b>As of December 31, 2020</b>	<b>118,224</b>	<b>899,732</b>	<b>780,688</b>	<b>8,087</b>	<b>347,753</b>	<b>151,478</b>	<b>256</b>	<b>2,306,218</b>
Additions	-	12,154	98,692	-	6,618	70,026	-	187,490
Derecognition of assets	-	(356)	(27,088)	(366)	-	-	-	(27,810)
Transfers	-	14,188	366	-	(285)	(14,269)	-	-
<b>As of December 31, 2021</b>	<b>118,224</b>	<b>925,718</b>	<b>852,658</b>	<b>7,721</b>	<b>354,086</b>	<b>207,235</b>	<b>256</b>	<b>2,465,898</b>
<b>Depreciation</b>								
Balance as of January 1, 2020	-	563,560	453,702	6,639	165,640	-	-	1,189,541
Additions	-	24,645	71,350	643	10,606	-	-	107,244
Impairment	-	118	-	-	-	-	-	118
Derecognition of assets and others	-	(217)	(3,456)	-	20	-	-	(3,653)
Transfers	-	(16,582)	-	-	16,582	-	-	-
<b>As of December 31, 2020</b>	<b>-</b>	<b>571,524</b>	<b>521,596</b>	<b>7,282</b>	<b>192,848</b>	<b>-</b>	<b>-</b>	<b>1,293,250</b>
Additions	-	26,456	71,188	427	11,213	-	-	109,284
Impairment	-	9,700	-	-	10,100	-	-	19,800
Derecognition of assets	-	(355)	(27,065)	(366)	-	-	-	(27,786)
Transfers	-	2,266	-	-	(2,266)	-	-	-
<b>As of December 31, 2021</b>	<b>-</b>	<b>609,591</b>	<b>565,719</b>	<b>7,343</b>	<b>211,895</b>	<b>-</b>	<b>-</b>	<b>1,394,548</b>
<b>Net cost</b>								
<b>As of December 31, 2021</b>	<b>118,224</b>	<b>316,127</b>	<b>286,939</b>	<b>378</b>	<b>142,191</b>	<b>207,235</b>	<b>256</b>	<b>1,071,350</b>
<b>As of December 31, 2020</b>	<b>118,224</b>	<b>328,208</b>	<b>259,092</b>	<b>805</b>	<b>154,905</b>	<b>151,478</b>	<b>256</b>	<b>1,012,968</b>

According to current regulations, the Bank in Peru cannot pledge as collateral the assets that are part of their property, furniture and equipment, except for those acquired through the issuance of lease bonds to carry out finance leases.

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**11. Other Assets, Net**

This caption comprises the following:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Transactions in progress (a)	548,502	765,064
Intangible assets (b)	318,715	285,018
Tax credit (c)	198,787	172,714
Prepaid expenses (d)	159,050	133,340
Accounts receivable for sale of assets, services and trust	23,597	22,299
Other accounts receivable	10,488	23,155
Others	1,665	1,660
	<b>1,260,804</b>	<b>1,403,250</b>

- (a) Transactions in progress are mainly those carried out during the last days of the month and are reclassified in the following month to their final accounts in the consolidated statement of financial position. These transactions do not affect the Bank's profit or loss. As of December 31, 2021, it mainly correspond to treasury transactions: i) acquisition and sale of currency for S/ 176 million (2020: S/ 480 million), and ii) sale of securities for S/ 296 million (2020: S/ 231 million).
- (b) Intangible assets is recorded net of S/ 363 million of accumulated amortization and provision for impairment (2020: S/ 246 million).
- (c) As of December 31, 2021, it corresponds to sales tax credit for S/ 25 million (2020: S/ 27 million), and income tax credit for S/ 174 million (2020: S/ 145 million).
- (d) As of December 31, 2021 and 2020, advance payment mainly includes prepaid insurance contracts and deferred loan origination costs related to fees paid to the external sales force and premium paid to buy the loan portfolio.

**12. Deposits and Obligations in Local and Foreign Financial Institutions**

This caption comprises the following:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Deposits and obligations		
Savings accounts	28,493,043	24,711,799
Demand deposits	24,887,037	29,778,628
Time deposits	9,633,223	16,247,276
Other liabilities	91,485	74,831
	<b>63,104,788</b>	<b>70,812,534</b>
Deposits with financial institutions		
Demand deposits	543,923	541,344
Time deposits	345,686	846,698
Savings accounts	135,962	105,024
	<b>1,025,571</b>	<b>1,493,066</b>
	<b>64,130,359</b>	<b>72,305,600</b>

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As of December 31, 2021 and 2020, deposits and obligations include deposits received as guarantees of direct and indirect loan for S/ 731 million and S/ 963 million, respectively.

Interest rates for liability transactions are stated by the Bank, based on current interest rates. Current interest rates as of December 31 fluctuated as detailed below for the main products, respectively:

	2021		2020	
	Local currency	Foreign currency	Local currency	Foreign currency
Checking accounts	0.00-0.25	0.00-0.125	0.00-0.25	0.00-0.125
Savings accounts	0.00-0.125	0.00-0.125	0.00-0.50	0.00-0.25
Time deposits and bank certificates	0.01-1.35	0.01-0.80	0.80-1.35	0.10-0.80
Super deposit	0.01-1.35	0.01-0.25	0.80-1.35	0.10-0.80
Length-of-service compensation deposits	0.25-1.50	0.15-1.75	1.00-2.50	0.60-1.75

As of December 31, 2021, from the total deposits and obligations from individuals and non-profit entities and legal entities, S/ 24,935 million are hedge by the Deposit Insurance Fund (2020: S/ 22,813 million) and are obtained from the average daily balances of the month according with SBS Resolution 0657-99. The maximum amount subject to hedge by person amounts to S/ 115,637 at the end of December 2021 (2020: S/ 101,522).

### 13. Debts and Financial Obligations

This caption comprises the following:

<i>In thousands of soles</i>	2021	2020
Debts and Financial Obligations		
Foreign financial institutions (a)	1,566,388	1,443,573
Mi Vivienda Program – mortgage loan (b)	500,011	452,435
Corporación Financiera de Desarrollo - COFIDE (c)	19,627	134,236
Accrued interest payable	24,210	7,056
	<b>2,110,236</b>	<b>2,037,300</b>
Securities and obligations (d)		
Corporate bonds	2,767,766	3,026,713
Subordinated bonds	1,894,193	1,763,493
Negotiable certificates of deposit	139,398	131,903
Accrued interest payable	78,081	70,822
	<b>4,879,438</b>	<b>4,992,931</b>
	<b>6,989,674</b>	<b>7,030,231</b>

Loan agreements include standard clauses regarding compliance with financial ratios, use of funds and other administrative matters. As of December 31, 2021 and 2020, in management's opinion, these clauses are being met, in all material respects, and do not represent any restriction to the Bank's activities.

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- (a) As of December 31, 2021, the BBVA Peru Group maintain the following debt agreements with foreign financial institutions, which accrue interest at annual LIBOR rates ranging from +0.52% and 5% for both periods.

In thousands of	2021		2020		Maturity date
	US\$	S/	US\$	S/	
BBVA S.A. (i)	200,000	797,400	-	-	February 2031
Wells Fargo Bank (ii)/(iii)	105,017	418,702	115,096	416,761	May and June 2022
Mizuho Corporate Bank	50,000	199,350	50,000	181,050	November 2023
ICO - Instituto de crédito	35,000	139,545	35,000	126,735	August 2022
Standard Chartered (iii)/(iv)	2,857	11,391	8,571	31,037	June 2022
Toronto Dominion Bank	-	-	80,000	289,680	April 2021
Sumitomo Bank, NY	-	-	60,000	217,260	May 2021
Citibank NY	-	-	50,000	181,050	November 2021
	<b>392,874</b>	<b>1,566,388</b>	<b>398,667</b>	<b>1,443,573</b>	
Accrued interest payable	5,764	22,981	1,696	6,141	
	<b>398,638</b>	<b>1,589,369</b>	<b>400,363</b>	<b>1,449,714</b>	

- (i) It corresponds to a subordinated loan in foreign currency agreed at an annual interest rate of 3.18% for the first 5 years, and for the remaining years a new rate will be set. It matures in February 2031. Such loan is recognized as tier 2 capital.
- (ii) It corresponds to a loan for a nominal amount of US\$ 5 million (2020: US\$ 15 million), agreed at annual fixed interest rate of 5%, with maturity in June 2022, which have a fair value hedge through interest rate swaps. As of December 31, 2021, such loan has generated accumulated losses for S/ 0.1 million (2020: S/ 0.3 million accumulated gains).
- (iii) Includes financing received for a total of US\$ 8 million (US\$ 24 million as of December 31, 2020) maturing in June 2022, guaranteed by present and future flows generated by electronic customer payment orders ("*Diversified Payments Rights DPRs*"). These orders are sent to the Bank via SWIFT (Society for Worldwide Interbank Financial Telecommunications Network) and accrue interest at the Libor rate plus a spread.
- The Bank signed specific agreements on these loans, which contain clauses for compliance with financial ratios and other specific conditions related to flows assigned by the Bank, which in Management's opinion have been fully complied with.
- (iv) The balance includes a loan for US\$ 3 million (US\$ 9 million as of December 31, 2020) maturing in June 2022, whose cash flows are hedged through an "interest rate swap - IRS" ( note 8 (ii)).

As of December 31, 2021 and 2020, the Bank has in accounts payable a balance of S/ 2 million and S/ 0.4 million, respectively, which corresponds to deferred issuance expenses.

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- (b) As of December 31, 2021, it corresponds to resources for the financing of the acquisition of houses under the MI VIVIENDA program (MI HOGAR credit) for S/ 498 million in local currency and US\$ 0.5 million in foreign currency (2020: S/ 449 million in local currency and US\$ 1 million in foreign currency). As of December 31, 2021 and 2020, this loan accrue interest at an annual effective rate in U.S. dollars of 7.75 % and in soles of 6.25 % on principal plus constant update value in both periods, and have maturity on December 2041 and December 2040, respectively.

As of December 31, 2021 and 2020, debts with MIVIVIENDA fund are guaranteed with mortgage loan portfolio up to S/ 500 million and S/ 452 million, respectively (note 7). These loans include specific agreements on how the funds should be used, the financial conditions that the final borrower must maintain, as well as other administrative matters.

- (c) As of December 31, 2021, it includes balances corresponding to the FAE program that is managed by COFIDE (note 7). The debt amounts to S/ 14 million (2020: S/ 127 million) in local currency and to US\$ 0.01 million (2020: US\$ 0.2 million) in foreign currency. As of December 31, 2021 and 2020, these balances accrue interest at annual rates ranging from 4.61% and 7.51% in local currency, and 5.29% and 7.36% in foreign currency, in both periods and have maturity in April 2023.
- (d) As of December 31, securities and bonds are as follows:

<b>Program</b>	<b>Amount authorized</b>	<b>Currency</b>	<b>Original amount in place</b>	<b>2021</b>	<b>2020</b>	<b>Maturity date</b>
<b>Corporate bonds</b>						
2nd issuance, series A - Fifth Program	US\$ 250 million	S/	150,000	150,000	150,000	December 2026
2nd issuance, series A - Sixth Program	US\$ 250 million	S/	150,000	-	150,000	June 2021
1st issuance, series A - Seventh Program	US\$ 1,000 million	S/	132,425	-	132,425	June 2021
1st issuance, series B - Seventh Program		S/	69,435	-	69,435	June 2021
2nd issuance, series A - Seventh Program		S/	100,000	100,000	100,000	July 2023
2nd issuance, series B - Seventh Program		S/	73,465	73,465	73,465	August 2023
1st issuance, series C - Seventh Program		S/	70,000	-	70,000	September 2021
1st issuance, series D - Seventh Program		S/	120,000	120,000	120,000	July 2022
1st issuance, series E - Seventh Program		S/	65,520	65,520	65,520	August 2022
1st issuance, series F - Seventh Program		S/	150,000	150,000	150,000	October 2022
2nd issuance, series C - Seventh Program		S/	96,550	96,550	96,550	December 2024
First Program of international Issuance (i)	US\$ 500 million	US\$	500,000	2,012,231	1,849,318	August 2022
				<b>2,767,766</b>	<b>3,026,713</b>	
<b>Subordinated bonds</b>						
2nd issuance, series A - First Program	US\$ 50 million or S/ 158.30 million	US\$	20,000	79,507	72,177	May 2027
3rd issuance, series A - First Program		S/	55,000	86,291	81,672	June 2032
2nd issuance, series A - Second Program	US\$ 100 million	S/	50,000	76,827	72,715	November 2032
3rd issuance, series A - Second Program		US\$	20,000	79,740	72,420	February 2028
4th issuance, single series - Second Program		S/	45,000	66,727	63,155	July 2023
5th issuance, single series - Second Program		S/	50,000	73,183	69,266	September 2023
6th issuance, series A - Second Program		S/	30,000	43,153	40,844	December 2033
1st issuance, single series - Third Program	US\$ 55 million	US\$	45,000	179,415	162,945	October 2028
First Program of international Issuance - Single issuance (ii)	US\$ 300 million	US\$	300,000	1,209,350	1,128,299	September 2029
				<b>1,894,193</b>	<b>1,763,493</b>	
<b>Negotiable certificates of deposit</b>				<b>139,398</b>	<b>131,903</b>	
<b>Accrued interest payable</b>				<b>78,081</b>	<b>70,822</b>	
				<b>4,879,438</b>	<b>4,992,931</b>	

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- (i) In August 2012, the Bank issued corporate bonds in the international market for a face value of US\$ 500 million, at an annual fixed rate of 5%, and with maturity in August 2022. The main payment shall be carried out in full on its maturity date. As of December 31, 2021, fair value of this issuance have an accounting hedge through interest rate swaps, which accrued accumulated losses for S/ 19 million (2020: S/ 39 million).
- (ii) In September 2014, the Bank issued subordinated bonds in the international market for a face value of US\$ 300 million, at an annual fixed rate of 5.25%, and with maturity in September 2029. The main payment shall be carried out in full on its maturity date. As of December 31, 2021, fair value of this issuance have an accounting hedge through interest rate swaps, which accrued accumulated losses for S/ 18 million (2020: accumulated gains for S/ 47 million).

As of December 31, 2021 and 2020, corporate bonds do not have specific collaterals and accrue interest at effective annual interest rates ranging from 3.9% to 7.5% in local currency and of 5% in foreign currency for both periods.

Subordinated bonds have been issued in accordance with the Banking Law, and accrue interest at a rate ranging from constant update value plus a spread for local currency, and from 5.3% and 6.5% in foreign currency, as of December 31, 2021 and 2020.

As of December 31, 2021, a portion of the corporate and subordinated bonds (US\$ 40 million) have a cash flow hedge (note 8 (ii)).

As of December 31, 2021 and 2020, The Bank have in accounts payable a balance of S/ 6 million and S/ 7 million, respectively, which corresponds to deferred issuance expenses.

**14. Accounts Payable, Provisions and Other Liabilities**

This caption comprises the following:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
<b>Accounts payable</b>		
Repurchase agreements with BCRP (a)	16,217,008	15,183,940
Accounts payable to suppliers	469,926	361,868
Premium to deposit insurance fund, contributions and obligations with tax collecting institutions	174,252	128,063
Dividends, interest and remunerations payable	130,263	114,026
Other accounts payable (b)	92,108	157,686
Interest payable	25,273	61,136
	<b>17,108,830</b>	<b>16,006,719</b>
<b>Other liabilities</b>		
Transactions in progress (c)	528,077	741,570
Deferred income and others	74,189	73,976
	<b>602,266</b>	<b>815,546</b>
<b>Provisions</b>		
Labor provisions and others	477,586	413,909
Provision for litigations, claims and other contingencies (d)	302,670	225,220
Provision for indirect loan losses (e)	244,377	247,366
	<b>1,024,633</b>	<b>886,495</b>
	<b>18,735,729</b>	<b>17,708,760</b>



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- (a) As of December 31, 2021, it corresponds to repurchase agreements of the loan portfolio of the Reactiva Peru program for S/ 10,677 million (2020: S/ 13,602 million), repurchase agreements of rescheduled loans for S/ 4,942 million (2020: S/ 199 million) and repurchase agreements of certificates of deposits with the BCRP for S/ 598 million. Additionally, as of December 31, 2020, repurchase agreements in foreign currency amounted to S/ 1,383 million, matured in April 2021 and accrued interest at annual interest rates ranging from 1.80% to 3.61%.

As of December 31, 2021, repurchase agreements of the loan portfolio of the Reactiva Peru program mature in December 2025 (2020: December 2023) and accrue interest at annual interest rates of 0.50% for both periods. Also, repurchase agreements of rescheduled loans mature in September 2025 (2020: August 2024) and accrue interest at annual interest rates ranging from 0.50% to 3.5% (2020: 0.50%).

- (b) As of December 31, 2021, it includes S/ 35 million for insurance on behalf of borrowers (2020: S/ 12 million) and S/ 24 million for short-term sale transactions (2020: S/ 110 million).
- (c) Transactions in progress are mainly those carried out during the last days of the month and are reclassified in the following month to their final accounts in the consolidated statement of financial position. These transactions do not have an impact on the Bank's profit or loss. As of December 31, 2021, liability transactions in progress mainly include treasury transactions for S/ 350 million (2020: S/ 612 million).
- (d) The Bank has several pending court claims, litigation and other processes that are related to the activities it develops, and in the opinion of Management and its legal advisors, they will not result in additional liabilities to those registered.
- (e) Movement in the loss allowance for direct (or indirect) loans is as follows:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Balance at the beginning of the year	247,366	226,399
Provisions	113,519	84,193
Recovery and reversals	(120,128)	(72,064)
Exchange difference and other adjustments	3,620	8,838
<b>Balance as of December 31</b>	<b>244,377</b>	<b>247,366</b>

The balance of the provision for loan losses (indirect loans) is as follows:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Specific	123,905	111,295
Generic	106,233	121,031
Provision for country risk	14,239	15,040
<b>Balance as of December 31</b>	<b>244,377</b>	<b>247,366</b>

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**15. Equity**

**A. Effective capital and legal limits**

In accordance with the Banking Law, regulatory capital amount could not be less than 10% of the assets and indirect loans weighted per credit risk, market and operational risk, which are calculated by the Bank using the standard method. Emergency Decree 037-2021, dated June 2, 2021, reduced the global limit to 8% until March 31, 2022. Likewise, it is used to calculate certain limits and restrictions applicable to the Bank. In management's opinion, the Bank met such limits and restrictions.

As of December 31, 2021, the effective equity of the Bank, determined according to current legal regulations, is S/ 11,919 million (2020: S/ 10,649 million).

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
<b>Level 1</b>		
Ordinary shares	6,758,467	6,529,169
<b>Plus</b>		
Legal reserve	2,052,610	1,896,645
Profit or loss with capitalization agreement	-	142,000
<b>Less</b>		
Investments in subsidiaries and other deductions	(163,328)	(185,102)
	<b>8,647,749</b>	<b>8,382,712</b>
<b>Level 2</b>		
<b>Plus</b>		
Subordinated debts	797,400	-
Subordinated bonds	1,680,327	1,559,213
General provision for loans	957,001	892,118
<b>Less</b>		
Investments in subsidiaries and other deductions	(163,328)	(185,102)
	<b>3,271,400</b>	<b>2,266,229</b>
<b>Total regulatory capital</b>	<b>11,919,149</b>	<b>10,648,941</b>

As of December 31, 2021, assets and indirect loans weighted per credit, market and operational risk, determined according to current legal regulations, is S/ 84,328 million (2020: S/ 77,820 million). Also, aggregate capital ratio for market, operational and credit risks of the Bank is 14.13% (2020: 13.68%).

SBS Resolution 8425-2011, dated July 20, 2011, approved the "Regulation on Additional Reserve Requirements." It also established that the additional reserve requirements shall be equal to the sum of the legal reserve requirements calculated per factor: credit risk (individual and sector), market risk, interest rate risk and other risks. As of December 31, 2021 and 2020, the Bank's additional reserve requirements amount to S/ 1,067 million and S/ 1,285 million, respectively.

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The regulatory capital surplus is as follows:

<i>In thousands of soles</i>	2021	2020
<b>Minimum regulatory capital requirement</b>		
For loan, market and operational risks	6,906,510	7,782,024
Additional regulatory capital	1,067,460	1,284,540
<b>Total minimum capital requirements</b>	<b>7,973,970</b>	<b>9,066,564</b>
<b>Total regulatory capital calculated</b>	<b>11,919,149</b>	<b>10,648,941</b>
<b>Regulatory capital surplus</b>	<b>3,945,179</b>	<b>1,582,377</b>

### B. Share capital

As of December 31, 2021 and 2020, the Bank's authorized, subscribed, and paid-in capital is represented by 6,758,467 and 6,529,169 ordinary shares, respectively, with a face value of S/ 1.00 each.

The General Shareholders' Meeting, held March 24, 2021 and May 11, 2020, approved the increase in share capital for S/ 229 million and S/ 644 million, respectively, through the capitalization of retained earnings.

Shareholding on the Bank's share capital as of December 31, is as follows:

	2021		2020	
	N° of shareholders	Interests %	N° of shareholders	Interests %
Interests				
Up to 1	7,952	6.13	8,045	3.01
From 1.01 to 5	1	1.63	4	4.75
From 45.01 to 100	2	92.24	2	92.24
	<b>7,955</b>	<b>100.00</b>	<b>8,051</b>	<b>100.00</b>

### C. Reserves

In accordance with the Banking Law, the Bank is required to have a legal reserve of more than 35% of the paid-in-capital. This legal reserve shall be recognized by an annual transfer of more than 10% of profit after tax. It shall replace the reserve referred to in the Companies Act. In accordance with the Banking Law, the amount of this reserve may also be increased with contributions made by the stockholders for this purpose.

General Shareholders' Meeting, held March 24, 2021 and May 11, 2020, approved to record the legal reserve for the amount equivalent to 10% of 2020 profits (S/ 66 million) and 2019 profit (S/ 161 million), respectively.

### D. Adjustments to equity

As of December 31, 2021 and 2020, unrealized profit or loss, net of deferred tax, was as detailed below:

<i>In thousands of soles</i>	Note	2021	2020
Available-for-sale investments	6	(39,380)	113,205
Cash Flow hedges	8	(4,799)	5,953
Investments in subsidiaries and associates		(2,007)	(2,518)
Actuarial liabilities		13,482	2,508
		<b>(32,704)</b>	<b>119,148</b>

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### **E. Retained earnings**

The General Shareholders' Meeting, held March 24, 2021 and May 11, 2020, approved the capitalization of retained earnings for S/ 229 million and S/ 644 million, respectively, dividend distribution and have an amount of S/ 295 million y S/ 563 million in 'retained earnings,' respectively and dividend distribution for S/ 66 million y S/ 241 million, respectively.

The General Shareholders' Meeting, held March 24, 2021, approved to delegate to the Board of Directors the power to determine the distribution of profits (recognized in 'retained earnings'), as well as the amount and timing provided that it is not necessary to adopt a commitment for the capitalization of such profits.

On September 22, 2021, the Bank's Board of Directors agreed to distribute dividends for S/ 307 million corresponding to the profits of the years 2019 and 2020. They were allocated to 'retained earnings.'

### **16. Contingent Risks and Commitments**

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
<b>Indirect loans</b>		
Guarantees and letters of guarantee	15,647,556	18,938,716
Letters of credit and banker's acceptance	1,411,387	1,450,113
	<b>17,058,943</b>	<b>20,388,829</b>
Unused credit lines and undisbursed loans granted	15,308,712	13,724,115
Various responsibilities	6,379	5,794
	<b>32,374,034</b>	<b>34,118,738</b>

In the normal course of its business, the Bank participates in transactions whose risk is recorded in contingent accounts. These transactions expose the Bank to credit risk, in addition to the amounts presented in the separate statement of financial position.

Credit risk for contingent transactions is related to the probability that a counterparty will fail to meet its obligations in accordance with agreed terms.

The Bank applies similar credit policies when evaluating and granting direct and indirect loans. In management's opinion, contingent transactions do not represent a relevant credit risk since it expects that a portion of these indirect loans expire without being used. The total amount of indirect loans does not necessarily represent future cash outflows for the Bank.

Management estimates that no significant losses will arise, for contingent transactions effective as of December 31, 2021 and 2020.

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**17. Interest Revenue**

This caption comprises the following:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Direct loan portfolio	3,989,521	4,033,809
Available-for-sale investments	74,337	91,689
Investments at fair value through profit or loss	58,096	56,088
Profit or loss from hedging transactions	50,876	28,297
Cash and due from banks	30,410	38,099
Interbank funds	547	263
Other finance revenue	5,552	5,334
	<b>4,209,339</b>	<b>4,253,579</b>

**18. Interest Expenses**

This caption comprises the following:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Debts and financial obligations	(351,373)	(467,963)
Deposits and obligations	(150,359)	(442,524)
Accounts payable	(95,085)	(87,573)
Deposits with financial institutions	(7,269)	(28,806)
Interbank funds	(738)	(3,231)
Other borrowing costs	(30,363)	(19,167)
	<b>(635,187)</b>	<b>(1,049,264)</b>

**19. Financial Service Income, Net**

This caption comprises the following:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
Revenue from fees of credit cards	294,514	202,955
Transfer fees	274,243	175,959
Revenue from indirect loans	246,878	210,330
Revenue from fees for collections services	147,518	142,761
Revenue from online banking services for business	56,886	49,896
Revenue from services and maintenance of checking accounts	55,357	53,245
Revenue from technical and legal studies	18,409	14,887
Revenue from advisory services	16,093	17,948
Revenue from cash services	5,279	6,850
Revenue from trust and trust fees	1,469	1,480
Other revenue for services	263,267	234,350
	<b>1,379,913</b>	<b>1,110,661</b>
<b>Expenses</b>		
Expenses for operating with Visa and Mastercard	(138,489)	(106,841)
Premiums to the Deposit Insurance Fund	(107,034)	(91,753)
Customer loyalty program	(82,177)	(57,114)
Guarantee fees - Reactiva Peru program	(69,076)	-
Transfers	(32,942)	(18,062)
Purchase of foreign currency - spot transaction	(12,309)	(7,891)
Expenses of maintenance of checking accounts	(5,299)	(4,222)
Other expenses of services	(91,345)	(47,970)
	<b>(538,671)</b>	<b>(333,853)</b>
	<b>841,242</b>	<b>776,808</b>

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**20. Operating Profit**

This caption comprises the following:

<i>In thousands of soles</i>	<i>Note</i>	<b>2021</b>	<b>2020</b>
Held-for-trading investments		525,563	105
Exchange gains	4	207,722	589,147
Gain on interests	9	62,152	43,023
Available-for-sale investments		(42,079)	21,478
Investments at fair value through profit or loss		(34,229)	26,261
Others		20,845	7,324
		<b>739,974</b>	<b>687,338</b>

**21. Administrative Expenses**

This caption comprises the following:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Personnel and Board of Directors expenses	(920,415)	(847,752)
Third Party Service Expenses	(813,430)	(783,930)
Tax and contributions	(50,434)	(45,809)
	<b>(1,784,279)</b>	<b>(1,677,491)</b>

**22. Other Income and Expenses, Net**

As of December 31, 2021 and 2020, it mainly comprises gain on sale of repossessed assets, loss on sale of non-current assets held for sale, expenses on repossessed and recovered assets, loss not covered by insurance, donations granted, revenue from leases, among other income and expenses.

**23. Tax Matters**

**Tax rates**

- A. The Bank is subject to Peruvian tax regime. As of December 31, 2021 and 2020, the corporate income tax is calculated on the basis of the net taxable profits determined by the Bank at a rate of 29.5%.

Through Legislative Decree 1261, published December 10, 2016 and effective January 1, 2017, the corporate income rate was amended to 29.5%.

The aforementioned Decree also established the amendment to the income tax rate applicable to dividend distribution and any other form of profit distribution to 5% for profits generated and distributed from January 1, 2017.

It shall be presumed, without otherwise evidence, that the dividend distribution or any other form of profit distribution corresponds to retained earnings or other items that may generate older taxable dividends.

- B. In accordance with current Peruvian tax law, non-domiciled individuals only pay taxes for their Peruvian source income. Thus, in general terms, income obtained by non-domiciled individuals from the services rendered in Peru shall be subject to a 30% income tax rate on gross income. On this concern, Peru has currently entered into double tax treaties with the Andean Community, Chile, Canada, Brazil, Portugal, Switzerland, Mexico and South Korea.

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Concerning the technical assistance or digital services rendered by non-domiciled individuals to domiciled individuals, regardless of the place where the service is rendered, they shall be subject to a 15% and 30% income tax rate on gross income, respectively. Technical support shall be subject to a 15% applicable rate, provided that Income Tax Law requirements are met.

**Income tax determination**

- C. The Bank computed its tax base for the years ended December 31, 2021 and 2020 and determined current tax for S/ 660 and S/ 494, respectively.

Tax expense comprises the following:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Current tax	660,048	493,565
<b>Deferred tax</b>		
Profit or loss	(21,576)	(254,388)
Income tax (adjustment/provision recovery)	27,917	(14,821)
	<b>666,389</b>	<b>224,356</b>

Reconciliation of the effective tax rate to the tax rate is as follows:

<i>In thousands of soles</i>	<b>2021</b>		<b>2020</b>	
<b>Profit before tax</b>	<b>2,225,682</b>	<b>100.00%</b>	<b>879,492</b>	<b>100.00%</b>
Income tax applying tax rate	(656,576)	(29.50%)	(259,450)	(29.50%)
<b>Tax effect on additions (deductions)</b>				
Permanent differences	18,104	0.81%	20,273	2.31%
Others	(27,917)	(1.25%)	14,821	1.69%
<b>Current and deferred tax recorded as per effective rate</b>	<b>(666,389)</b>	<b>(29.94%)</b>	<b>(224,356)</b>	<b>(25.50%)</b>

**Temporary tax on net assets**

- D. The Bank is subject to the temporary tax on net assets, whose tax base is composed of the prior periods adjusted net asset value less depreciations, amortizations, legal reserve requirements and specific provisions for credit risk. The tax rate is 0.4% for the years 2021 and 2020 and is applied to the amount of net assets exceeding S/ 1 million. It may be paid in cash or nine consecutive monthly installments. The amount paid may be used as a credit against payments on account of Income Tax Law for taxable periods from March to December of the fiscal period for which the tax was paid until maturity date of each of the payments on account, and against the payment for regularization of income tax of the corresponding taxable period. In the event a remaining balance is not applied, its refund could be requested. Temporary tax on net assets for the year 2021 amounts to S/ 381 million thousand (2020: S/ 281 million).

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**Financial transaction tax**

- E. Financial transaction tax for the years 2021 and 2020 was fixed at the rate of 0.005%. This tax is applicable to debits and credits in bank accounts or movements in funds made through the financial system unless the account is tax-exempt.

**Transfer pricing**

- F. In determining income tax, transfer pricing with related parties and entities domiciled in territories with low or zero taxation shall be supported with documents and information on the valuation techniques and the criteria used for the pricing. Until taxable year 2016, formal obligations of transfer pricing were the presentation of a transfer pricing sworn statement and a technical study.

Legislative Decree 1312, published December 31, 2016 and effective January 1, 2017, established the following formal obligations to replace the former ones: (i) presentation of a Local File (if accrued revenue of the taxpayer exceeds 2,300 tax units [UIT, for its Spanish acronym]); (ii) presentation of a Master File (if accrued revenue of the taxpayer in a group exceeds 20,000 tax units); and (iii) presentation of a Country-by-Country Reporting. The presentation of the Master File and the Country-by-Country Reporting is mandatory from the taxable year 2018.

Tax Authorities' Resolution 014-2018-SUNAT, published January 18, 2018, approved the Electronic Form 3560 for presentation of the Local File, establishing the deadlines for its presentation and the content and format that shall be included therein.

Thus, the deadline for the presentation of the Local File for the taxable year 2020 shall be June 17, 2021, in accordance with the maturity schedule published by the Tax Authorities. The Local File for the taxable year 2019 shall be presented in June 2020, in accordance with the schedule of monthly tax liabilities agreed upon for May and published by the Tax Authorities.

The content and format of the Local File are stated in the Appendixes I, II, III and IV of Tax Authorities' Resolution 014-2018-SUNAT.

Legislative Decree 1312 also established that intragroup services with low added value shall not have a margin greater than 5% of their costs. Concerning the services rendered between related parties, taxpayers shall comply with the benefit test and provide the documents and information under specific conditions for the deduction of costs or expenses.

Tax Authorities' Resolution 0163-2018-SUNAT, published June 29, 2018, approved the Electronic Form 3561 for presentation of the Master File and the Electronic Form 3562 for presentation of the Country-by-Country Reporting, establishing the deadlines for its presentation and the content and format that shall be included therein.



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The Master File for the taxable year 2020 shall be presented in October 2021, in accordance with the schedule of monthly tax liabilities agreed upon for September and published by the Tax Authorities.

Legislative Decree 1116 established that transfer pricing regulations are not applicable to sales tax.

As of December 31, 2021 and 2020, the Bank is required to present the Local File.

Based on the business analysis, it is the opinion of management and its legal advisors that no significant contingencies will arise as of December 31, 2021 and 2020 from the application of such regulations.

***Tax Assessment***

- G. The Tax Authorities are entitled to audit and, if applicable, to correct the income tax calculated by the Bank within the 4 years following the year of the tax return filing. The Branch's income and sales tax returns for the years from 2017 to 2021 are open for review by the Tax Authorities.

Due to the possible interpretations of the current laws by the Tax Authorities, it is not possible to determine, to date, whether a future tax assessment will result in liabilities for the Bank. Therefore, any major tax or surcharge that might arise from eventual tax assessments would be applied to profit or loss when they are determined. However, it is the opinion of management and its legal advisors that any possible additional settlement of taxes would not be significant for the consolidated financial statements as of December 31, 2021 and 2020.

***Uncertainty over income tax treatments***

- H. In accordance with IFRIC 23, the Group assessed its uncertain tax treatments and concluded, based on its assessment of tax compliance and transfer pricing, that it is probable that the Tax Authorities will accept its uncertain tax treatment. The Interpretation did not have an effect on the Bank and Subsidiaries' consolidated financial statements as of December 31, 2021 and 2020.

***Sales Tax Regime***

- I. Legislative Decree 1347, published January 7, 2017 and effective July 1, 2017, established the possible reduction of 1% in the sales tax, provided that the goal of annual sales tax collection as of May 31, 2017 is reached, net of internal refunds of 7.2% of Gross Domestic Product. Accordingly, if the aforementioned goal is met, the sales tax rate (including the municipal tax) shall be reduced from 18% to 17%.

However, the estimated collection goal was not met at the end of the term, so the sales tax rate shall be held at 18%.

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**Major amendments to tax laws effective for periods beginning on January 1, 2020**

- J. **New accrual concept:** Legislative Decree 1425 introduced the definition of "legal accrual" for income tax purposes, stating that: a) revenue from transfer of goods occurs when i) control has been transferred (under IFRS 15); or ii) risk has been transferred to the acquirer (Risk Theory set out in the Civil Code), whichever occurs first; and b) revenue from rendering the service occurs when realization level of the rendered service has been established.

The new legal accrual concept is applicable to lessees when determining the tax treatment of the expense associated with leases regulated by IFRS 16—i.e., operating leases for tax purposes.

This concept shall not be applicable for those entities accruing income or expenses for income tax purposes in accordance with tax laws establishing a special (sector) accrual system.

- K. **Deduction of expenses or costs incurred in transactions with non-domiciled individuals** Legislative Decree 1369 states that costs and/or expenses (including outbound interest) incurred with non-domiciled individuals shall be paid effectively to be deducted in the period in which they are incurred. Otherwise, their effect on the determination of net income shall be deducted in the period they are actually paid, and the relevant withholding shall be applied.

Such regulation abolished the obligation to pay the amount equivalent to the withholding on the amount recognized as cost and/or expense.

- L. **Indirect loans:** From January 1, 2019, under certain requirements, domiciled entities receiving foreign inbound dividends may deduct as direct loan the income tax that taxed the foreign dividends and the corporate income tax (indirect loan) paid by the tier 1 and tier 2 non-domiciled entity (provided that they are in the same jurisdiction) that distributed the dividends from abroad.

- M. **Measures to implement the General Anti-avoidance Rule provided in the Regulation XVI of Tax Code:** Legislative Decree 1422 sets up the procedure to implement the General Anti-avoidance Rule, mainly stating that: (i) it is applicable only in final audit procedures in which acts, events or situations that occurred since July 19, 2012 are reviewed; (ii) it is applicable only if there is a favorable opinion (unappealable) from a review committee composed of Tax Authorities' officers; and (iii) final audit procedures, in which the General Anti-avoidance Rule is applicable, are not subject to a 1-year term to request information from the audited parties.

Supreme Decree 145-2019-EF, dated May 6, 2019 and published on the official daily newspaper of Peru "El Peruano," approved all the formal and substantial parameters for the application of the General Anti-avoidance Rule provided in the Regulation XVI of Tax Code. Consequently, the requirement to end the suspension of the application for such rule, established by Law 30230, is deemed as complied with. Likewise, the Regulation on Tax Assessment has been modified for such purposes.

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Through Superintendence Resolution 000184-2021/SUNAT published on December 13, 2021, the members of the Review Committee of the Tax Authorities referred to in article 62-C of the Single Ordered Text were appointed of the Tax Code, which states that when applying the Anti-Avoidance Rule in an audit procedure, a report must be submitted together with the audit file to the Review Committee.

N. **Joint and several liability of legal representatives and directors**

From September 14, 2018, through Legislative Decree 1422, when an audited individual is subject to the General Anti-Avoidance Rule, there is joint and several liability of legal representatives due to fraud, gross negligence or misuse of powers, unless proven otherwise. The aforementioned joint and several liability shall be attributed to such representatives provided that they collaborated with the design or approval or execution of acts, situations or economic relationships with an avoidance purpose.

Such regulation also involves the members of the Board of Directors, since it is stated that these individuals are responsible for setting the tax strategy of the entities where they are directors. Thus, the latter are responsible for determining whether to approve the acts, situations or economic relationships carried out within the tax planning framework, and finally they shall not delegate such liability.

Lastly, members of the domiciled entities' Board of Directors were granted a term (until March 29, 2019) to verify or modify the acts, situations or economic relationships carried out within the tax planning framework and implemented from September 14, 2018 that are effective to date.

Considering the aforementioned joint and several liability attributable to legal representatives and directors, and the absence of a definition of "tax planning," it will be crucial to review any act, situation or economic relationship that has: (i) increased tax attributes; and/or (ii) generated a lower payment of taxes of such periods, in order to avoid the attribution of joint and several liability, both administratively and punitively, depending on the supervisory agent criterion. The latter in case the entity to be audited by the Tax Authorities is subject to the General Anti-Avoidance Rule.

- O. **Information related to ultimate beneficiaries** In line with the regulations to strengthen the fight against tax evasion and avoidance, as well as against money laundering and terrorism financing, from August 3, 2018, provisions introduced by Legislative Decree 1372 are currently in force. The aforementioned Decree requires the presentation of information related to ultimate beneficiaries to the competent authorities through a sworn statement of the ultimate beneficiaries. Such statement shall disclose the names of the natural persons that effectively retain ownership or control. Thus, it is mandatory to report the following: (i) identification of the ultimate beneficiaries; (ii) chain of title with its respective supporting documents; and (iii) identification of third parties that have such information, if applicable. Also, it states that the information related to the identification of the ultimate beneficiaries of legal persons and legal entities provided to the competent authorities under these regulations neither violates professional secrecy nor is subject to restrictions on the disclosure of information arising from secrecy requirements under contracts or any regulatory provision.

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Lastly, if the informative sworn statement with the information related to the ultimate beneficiaries is not presented, the legal representatives of the entity that failed to comply with the presentation of such statement shall assume the joint and several liability.

- P. **Indirect transfer of shares:** From January 1, 2019, an anti-avoidance measure is included to prevent the split of transactions, which allows indirect transfer of shares of entities domiciled in Peru.

In order to determine if a Peruvian entity has made a transfer within a 12-month period of 10% or more of capital, transfers of the analyzed entity and transfers to related parties shall be considered, whether transfers are made through one or several (simultaneous or successive) transactions. The relationship shall be set up in accordance with the provisions of section b) of Article 32-A of Income Tax Law.

Likewise, regardless of compliance with the provisions of the Income Tax Law, an indirect taxable transfer shall always be established when, over any 12-month period, the total amount of transferred shares of the Peruvian legal person is equal to or greater than 40,000 UIT.

Lastly, as of January 1, 2019, when the transferor is a non-domiciled legal person that has a branch office or any permanent establishment in Peru with allocated equity, the latter is considered a jointly liable party. Thus, the latter is required to provide information, among others, regarding the transferred shares or interests of the non-domiciled legal person.

**Major amendments to tax laws effective for periods beginning in 2021**

- Q. **Depreciation of assets**  
Legislative Decree 1488 established a special depreciation regime and modified depreciation periods by increasing depreciation rates for assets acquired during the years 2020 and 2021 to promote private sector investment and provide greater liquidity given the economic outlook due to the COVID-19 pandemic.

- R. **Thin capitalization**  
From January 1, 2021, borrowing costs shall be deductible up to 30% of the tax-EBITDA (Net Income – Loss Compensation + Net Interest + Depreciation + Amortization) of the prior period. There are some exemptions regarding this 30% limit for banks, taxpayers whose income is lower than 2,500 tax units, infrastructure, public utilities, among others.

Supreme Decree 402-2021, published December 30 and effective December 31, 2021, modified the Regulation on the Income Tax Law that regulates the calculation of tax-EBITDA for the purpose of setting interest rate limits.

From 2019 to December 31, 2020, borrowing costs generated by debts of independent and related parties are subject to the thin capitalization limit of 3:1 debt-to-equity ratio, which is calculated at the end of the prior period.

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S. ***Other significant changes***

On December 30, 2021, as part of the delegation of powers to make tax, financial and economic recovery laws given to the executive branch (Law 31380), the first tax laws were published, including the tax benefits approved for the fishing and wood industries, the price standardization for tax stability and the extension of the sales tax exemptions. They also include the following:

The term of some tax exemptions and benefits was extended as follows:

- The term of tax exemptions included in Appendixes I and II of the Sales Tax Law was extended until December 31, 2022. Consequently, the sale of staple food and basic services—e.g., public transport, among others—will not be subject to sales tax.
- The issuance of e-money will not be subject to sales tax until December 31, 2024.
- Until December 31, 2024, the refund of taxes levied on acquisitions with donations from abroad and imports from diplomatic missions is allowed. Link to the rule in the comments: Legislative Decree 1519.

Likewise, through Supreme Decree 1516 published on December 30, 2021 and in force as of December 31, 2021, it has been arranged to standardize the cost for access to the stability provided for in the Legal Stability Agreements under the Decrees Legislative 662 and 757, therefore said decree has modified article 1 of Law No. 27342 that regulates said agreements, therefore the companies that receive investment sign with the Peruvian government, stabilize the Income Tax that corresponds apply in accordance with the regulations in force at the time of signing the corresponding agreement, being applicable the current rate referred to in the first paragraph of article 55 of the Income Tax Law at that time plus 2 percentage points .

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**24. Deferred Tax**

Deferred tax has been calculated applying the liability method, and is attributed to the following items:

<i>In thousands of soles</i>	<b>Balance as of 01.01.2020</b>	<b>Additions to (recoveries of) equity</b>	<b>Additions (recoveries) to profit or loss</b>	<b>Balance as of 12.31.2020</b>	<b>Additions to (recoveries of) equity</b>	<b>Additions (recoveries) to profit or loss</b>	<b>Balance as of 12.31.2021</b>
<b>Assets</b>							
Provision for direct loan losses	297,155	-	163,225	460,380	-	29,677	490,057
Provision for indirect loan losses	41,676	-	1,650	43,326	-	(3,886)	39,440
Provision for awarded assets	48,817	-	(2,633)	46,184	-	(5,625)	40,559
Specific provision for indirect loan losses	28,635	-	2,362	30,997	-	5,554	36,551
Provision for other expenses and others	62,570	-	39,553	102,123	-	36,709	138,832
Labor provisions	80,822	(4,866)	16,565	92,521	(4,592)	19,469	107,398
Interest in suspense	278	-	-	278	-	-	278
Available-for-sale investments	5,191	-	-	5,191	-	-	5,191
Cash flow hedges	2,131	-	-	2,131	-	-	2,131
Recovery of loans and issuance	2,579	-	24,006	26,585	-	(15,627)	10,958
	<b>569,854</b>	<b>(4,866)</b>	<b>244,728</b>	<b>809,716</b>	<b>(4,592)</b>	<b>66,271</b>	<b>871,395</b>
<b>Liabilities</b>							
Recovery of loans and issuance	-	-	-	-	-	-	-
Cash flow hedges	(270)	(4,352)	-	(4,622)	4,499	-	(123)
Intangible assets / deferred charges	(112,970)	-	12,515	(100,455)	-	(21,266)	(121,721)
Available-for-sale investments	-	(5,512)	-	(5,512)	437	-	(5,075)
Tax deduction of property, furniture and equipment	(8,687)	-	2,642	(6,045)	-	(3,296)	(9,341)
Equalization of exchange assets and liabilities	(13,605)	-	(5,497)	(19,102)	-	(20,133)	(39,235)
	<b>(135,532)</b>	<b>(9,864)</b>	<b>9,660</b>	<b>(135,736)</b>	<b>4,936</b>	<b>(44,695)</b>	<b>(175,495)</b>
<b>Deferred tax asset, net</b>	<b>434,322</b>	<b>(14,730)</b>	<b>254,388</b>	<b>673,980</b>	<b>344</b>	<b>21,576</b>	<b>695,900</b>

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**25. Earnings per Share**

The calculation of weighted average amount of shares and earnings per share as of December 31 is as follows:

<i>In thousands of</i>	<b>Outstanding shares</b>	<b>Weighted average number of basic share</b>	<b>Effective days until year-end</b>	<b>Weighted average number of ordinary shares</b>
<b>2021</b>				
Balance as of January 1, 2021	6,529,169	6,529,169	360	6,529,169
Capitalization of 2020 profit or loss	229,298	229,298	360	229,298
<b>Balance as of December 31, 2021</b>	<b>6,758,467</b>	<b>6,758,467</b>		<b>6,758,467</b>
<b>2020</b>				
Balance as of January 1, 2020	5,885,209	5,885,209	360	5,885,209
Capitalization of 2019 profit or loss	643,960	643,960	360	643,960
Capitalization of 2020 profit or loss	229,298	229,298	360	229,298
<b>Balance as of December 31, 2020</b>	<b>6,758,467</b>	<b>6,758,467</b>		<b>6,758,467</b>

As of December 31, 2021 and 2020, earnings per share calculated on the base of the weighted average number of shares amounted to S/ 0.2307 and S/ 0.0969, respectively.

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**26. Related Party Transactions**

As of December 31, 2021 and 2020, the separate financial statements include related party transactions, which, under IAS 24 and SBS regulations, comprise the Parent Company, subsidiaries, related parties, associates, other related parties, and the Bank's directors and key management. All related party transactions are conducted in accordance with market conditions applicable to non-related third parties.

(a) The balances of the Bank's separate statement of financial position arising from related parties as of December 31, were as follows:

	2021						2020					
	Controlling Party	Subsidiaries	Related parties (*)	Associates	Key personnel and directors	Total	Controlling Party	Subsidiaries	Related parties (*)	Associates	Key personnel and directors	Total
<i>In thousands of soles</i>												
<b>Assets</b>												
Cash and due from banks	364,274	-	-	-	-	364,274	207,721	-	-	-	-	207,721
Loan portfolio, net	-	134,480	812,606	11,783	26,473	985,342	-	276,057	358,129	32,824	24,571	691,581
Held-for-trading instruments	487,180	-	107,829	-	-	595,009	322,397	-	80,325	-	-	402,722
Net asset position	544,682	20,167	52,013	-	-	616,862	195,313	26,409	33,235	4,207	-	259,164
<b>Total assets</b>	<b>1,396,136</b>	<b>154,647</b>	<b>972,448</b>	<b>11,783</b>	<b>26,473</b>	<b>2,561,487</b>	<b>725,431</b>	<b>302,466</b>	<b>471,689</b>	<b>37,031</b>	<b>24,571</b>	<b>1,561,188</b>
<b>Liabilities</b>												
Deposits and obligations in financial institutions	123,188	193,579	370,874	803	206,824	895,268	91,266	99,189	807,398	331	94,682	1,092,866
Debts and financial obligations	819,131	-	-	-	-	819,131	-	-	-	-	-	-
Held-for-trading instruments	1,071,514	-	1,816	-	-	1,073,330	511,778	-	380	-	-	512,158
Provisions and other liabilities	60,158	1,136	139,400	-	-	200,694	25,981	210	15,825	35	8	42,059
<b>Total liabilities</b>	<b>2,073,991</b>	<b>194,715</b>	<b>512,090</b>	<b>803</b>	<b>206,824</b>	<b>2,988,423</b>	<b>629,025</b>	<b>99,399</b>	<b>823,603</b>	<b>366</b>	<b>94,690</b>	<b>1,647,083</b>
<b>Off-balance sheet accounts</b>												
Indirect loans	-	293,287	21,932	14,213	-	329,432	-	317,506	353,276	317	1,539	672,638
Hedging instruments	22,852,867	-	498,037	-	-	23,350,904	17,759,685	-	23,252	-	-	17,782,937

(\*) It includes balances and transactions with other related parties in accordance with IAS 24 and SBS regulations.



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(b) The effects of related party transactions in the Bank's separate statement of financial position are detailed below for the year ended December 31:

	2021						2020					
	Controlling party	Subsidiaries	Related parties (*)	Associates	Key personnel and directors	Total	Controlling Party	Subsidiaries	Related parties (*)	Associates	Key personnel and directors	Total
<i>In thousands of soles</i>												
Interest income	-	4,338	1,820	39	122	6,319	-	9,268	1,231	68	106	10,673
Interest expense	-	(17,770)	(14,352)	-	(26)	(32,148)	-	(15,299)	(8,471)	-	(62)	(23,832)
<b>Profit margin</b>	<b>-</b>	<b>(13,432)</b>	<b>(12,532)</b>	<b>39</b>	<b>96</b>	<b>(25,829)</b>	<b>-</b>	<b>(6,031)</b>	<b>(7,240)</b>	<b>68</b>	<b>44</b>	<b>(13,159)</b>
Financial service income	229	31,522	682	-	37	32,470	1,937	35,256	1,991	-	41	39,225
Financial service expenses	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net commissions</b>	<b>229</b>	<b>31,522</b>	<b>682</b>	<b>-</b>	<b>37</b>	<b>32,470</b>	<b>1,937</b>	<b>35,256</b>	<b>1,991</b>	<b>-</b>	<b>41</b>	<b>39,225</b>
Net profit or loss from financial transactions	(9,315)	-	(3,434)	-	4	(12,745)	(8,003)	-	(1,984)	-	4	(9,983)
Administrative expenses	(49,057)	(90)	(107,545)	-	-	(156,692)	(28,048)	(77)	(75,436)	-	-	(103,561)
Other income, net	-	(1,635)	11	-	-	(1,624)	-	(1,334)	277	-	-	(1,057)
<b>Other income and expenses</b>	<b>(58,372)</b>	<b>(1,725)</b>	<b>(110,968)</b>	<b>-</b>	<b>4</b>	<b>(171,061)</b>	<b>(36,051)</b>	<b>(1,411)</b>	<b>(77,143)</b>	<b>-</b>	<b>4</b>	<b>(114,601)</b>

(\*) It includes balances and transactions with other related parties in accordance with IAS 24.

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- (c) Loans to personnel and remunerations to key personnel  
As of December 31, 2021 and 2020, Board of Directors, executives and employees of the Bank hold allowed loan transactions pursuant to the Banking Law, which regulates and establishes certain limits to transactions with members of the Board of Directors, executives and employees of financial entities in Peru. As of December 31, 2021 and 2020, direct loans granted to employees, directors, executives and key personnel amount to S/ 562 million and S/ 496 million, respectively.

Likewise, as of December 31, 2021 and 2020, remuneration to key personnel and expenses allowance for the board of Director amount to S/ 16 million and S/ 11 million, respectively.

**27. Trust Activities**

The Bank offers structuring and management services of trust operations and trust fees, and is in charge of the preparation of agreements related to these operations. Assets held in trust are not included in the separate financial statements. The Bank is responsible for the appropriate management of these trusts based on the limits established by applicable laws and the respective agreement. As of December 31, 2021, the value of assets in trusts and trust fees amounts to S/ 4,881 million (2020: S/ 4,689 million).

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**28. Classification of Financial Instruments**

The Bank classifies its financial assets and financial liabilities into categories as described in note 3. As of December 31, financial assets and financial liabilities are classified as follows:

	2021					
	At fair value through profit or loss		Loans and accounts receivable	Available-for-sale		Hedging instruments
	Held-for- trading	Allocated at inception		At amortized cost (*)	Fair value	
<i>In thousands of soles</i>						
<b>Assets</b>						
Cash and due from banks	-	-	16,247,884	-	-	-
Interbank funds	-	-	-	-	-	-
Investments	4,129,581	-	-	1,122	5,579,324	-
Equity instruments	-	-	-	1,122	24,850	-
Debt instruments	4,129,581	-	-	-	5,554,474	-
Loan portfolio	-	-	70,381,769	-	-	-
Held-for-trading instruments	1,767,732	-	-	-	-	-
Hedging instruments	-	-	-	-	-	75,805
Accounts receivable	-	-	34,085	-	-	-
Other assets	-	-	709,217	-	-	-
	<b>5,897,313</b>	<b>-</b>	<b>87,372,955</b>	<b>1,122</b>	<b>5,579,324</b>	<b>75,805</b>

(\*) It includes investments measured at cost.

	2021				
	At fair value through profit or loss		At amortized cost	Other liabilities	Hedging instruments
	Held-for- trading	Allocated at inception			
<i>In thousands of soles</i>					
<b>Liabilities</b>					
Deposits and obligations	-	-	63,104,788	-	-
Interbank funds	-	-	-	-	-
Deposits with financial institutions and international financial institutions	-	-	1,025,571	-	-
Debts and financial obligations	-	-	6,989,674	-	-
Held-for-trading instruments	1,572,020	-	-	-	-
Hedging instruments	-	-	-	-	35,059
Accounts payable	-	-	17,108,830	-	-
	<b>1,572,020</b>	<b>-</b>	<b>88,228,863</b>	<b>-</b>	<b>35,059</b>

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<i>In thousands of soles</i>	2020					
	At fair value through profit or loss		Loans and accounts receivable	Available-for-sale		Hedging instruments
	Held-for- trading	Allocated at inception		At amortized cost (*)	Fair value	
<b>Assets</b>						
Cash and due from banks	-	-	24,929,883	-	-	-
Interbank funds	-	-	137,599	-	-	-
<b>Investments:</b>						
Equity instruments	-	-	-	1,122	22,200	-
Debt instruments	4,679,056	-	-	-	6,668,714	-
Loan portfolio	-	-	66,446,955	-	-	-
Held-for-trading instruments	898,595	-	-	-	-	-
Hedging instruments	-	-	-	-	-	103,354
Accounts receivable	-	-	45,454	-	-	-
Other assets	-	-	900,064	-	-	-
	<b>5,577,651</b>	<b>-</b>	<b>92,459,955</b>	<b>1,122</b>	<b>6,690,914</b>	<b>103,354</b>

(\*) It includes investments measured at cost.

<i>In thousands of soles</i>	2020				
	At fair value through profit or loss		At amortized cost	Other liabilities	Hedging instruments
	Held-for- trading	Allocated at inception			
<b>Liabilities</b>					
Deposits and obligations	-	-	70,812,534	-	-
Interbank funds	-	-	72,421	-	-
Deposits with financial institutions and international financial institutions	-	-	1,493,066	-	-
Debts and financial obligations	-	-	7,030,231	-	-
Held-for-trading instruments	876,395	-	-	-	-
Hedging instruments	-	-	-	-	14,633
Accounts payable	-	-	16,006,719	-	-
	<b>876,395</b>	<b>-</b>	<b>95,414,971</b>	<b>-</b>	<b>14,633</b>

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## **29. Financial Risk Management**

Financial risk management is fundamental on the Bank's strategy since it guarantees its creditworthiness and sustainable development. The Bank's risk profile has been established in accordance with the strategy and policies of the BBVA Group, and considers a unique, independent and global risk management model.

- **Unique:** Focused on a sole objective. Risk appetite supported in fundamental metrics, limits for portfolios and economic sectors, and indicators for the management and monitoring of portfolios, is determined.
- **Independent:** It is independent and complementary to the business. The process of adapting the risk area allows to closely monitor the business and thus detect opportunities.
- **Global:** The Bank has a flexible risk model that can be used for all risk, in all countries and for all business.

For effective management with a comprehensive vision, the risk area of the BBVA Peru Group is structured by type of risk: admission of retail and wholesale risks, monitoring, collections and recoveries, structural, market and fiduciary risks; and with the aim of seeking synergies and greater integration of the processes that range from strategy, planning, to the implementation of management models and tools, the Risk Solution and Risk Transformation team consolidates cross-cutting functions that support management. Finally, the Portfolio Management, Data & Reporting team is responsible for the continuous oversight and monitoring of key risk indicators.

During the year, the new internal control and compliance area was created. Its objective is to ensure proper management of internal control and compliance, as well as relations with authorities. Such area includes the Internal Control and Non-Financial Risk teams, which previously belonged to the Risk area.

This year, due to the country's situation for the COVID-19 outbreak, risk management has been focused on the crisis management from all fronts:

- Portfolio management under the guidelines defined by the SBS and the Government, adaptation of management and monitoring reports according to the new needs of the situation.
- Permanent follow up and monitoring of the liquidity risks.
- From the wholesale and retail Admission, permanent review and adjustment of the admission policies, rescheduling modalities carrying out the portfolio diagnosis, segmentation and action plans according to the criticality identified.
- The follow up and management of collection has had a preventive and anticipatory approach, which is oriented to the most vulnerable and affected sectors. Specialized teams have been implemented to manage the collections by implementing differentiated strategies according to the portfolio. Therefore, a good containment level of the rescheduled portfolio has been achieved.
- Under the non-financial risk management, control of the measures and decisions are taken in order to mitigate operational risks.

### **Credit risk**

The Bank's risk management system is based on a corporate governance scheme in which the BBVA Group determines the policies for managing and controlling the risk of retail and wholesale loans, which are adapted to local regulations and reality.

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The structure of the risk area for credit risk management is as follows:

- **Portfolio Management, Data & Reporting:** It is responsible for the continuous oversight and monitoring of key risk indicators.

The Reporting, Monitoring & Data team is responsible for the continuous oversight and monitoring of key risk indicators of portfolios based on the entity's strategies and risk appetite. It ensures timely measurement and communication with the relevant authorities, as well as adequate management and compliance with the risk appetite framework.

The Measurement team is responsible for the calculation of the key risk indicators, including the measurement of credit risk indicators related to provisions, regulatory capital, economic capital and risk-adjusted return.

The Risk Advance Analytics team, under the Center of Expertise (CoE), is responsible for the developing of models supporting different credit processes for the development of the risk function.

In August 2021, the Data Quality team was created. It is responsible for ensuring data quality in the calculation and reporting processes at a risk level. The focus is placed on creating a data governance model at the entity level and ensuring compliance with quality rules.

- **Risk Solution:** It manages the portfolio of projects in the Risk area. It ensures its definition, prioritization, execution and startup.
- **Risk Transformation:** It is the team responsible for ensuring the execution and continuous improvement of the dependent processes, complying with the defined and committed quality and productivity standards. As part of the process organization, it must seek efficiency and synergy between the services involved.
- **Retail Loan:** It manages retail credit risk, in accordance with the Bank's strategic objectives, and monitors the risk quality of transactions. Such management includes the following:

Definition of customer admission requirements for the retail segment.

Study of the results of consumer behavior, segments and campaigns, analyzing their evolutions and developments.

Develop and improve risk culture at the entity level, focusing on continuous training programs, development of skills of professionals in the commercial areas and risk professionals.

Ensure, through an interrelationship with the different business areas and internal and external supervisory authorities, compliance with credit risk policies and the Bank's risk appetite framework.

Provide and promote continuous improvements in processes, tools and regulations for effective credit risk management.

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Warning signs and high-risk groups are detected based on statistical data and monitoring management of risk portfolios of natural and legal persons.

Data is analyzed to generate offers to potential customer profiles that meet the Bank's appetite, through advanced computer tools, which allow provisioning, validating and implementing strategies for the creation of campaigns for natural persons and SMEs.

- **Wholesale Loan:** It manages credit risk in the business segments of the Retail Network, Business Banking, Institutions, Global Customers, Intermediary Financial Institutions and the Real Estate Sector, integrating the phases of origination, admission and follow-up, in accordance with the guidelines defined in the Wholesale Credit Risk Policy.

Based on the Group's strategies, the challenges of the local market due to the COVID-19 pandemic and the COVID-19 government measures, the Bank strengthened the control of asset allocation constraints and sector profiles, consistent with risk appetite and together with the evolution of the COVID-19 pandemic and the resumption of economic activities.

Likewise, the portfolio diversification was promoted through the containment of the portfolio, the selection of best profiles and the monitoring of concentration thresholds by sectors, and prioritizing the risk-adjusted return. Accordingly, different strategies were developed in the network of offices, such as preventive action focused on collections and identification and redirection of business opportunities.

The segmentation of the admission team was divided into two groups, maintaining the agile organization structure:

- Stage 1: It acts with a principal axis analysis under sector groups, while maintaining specialization by segment.
- Stage 2 and business monitoring: It operates under a preventive management approach, along with strategies to maintain and/or reduce portfolio risk, and contains impairment by structuring suitable financial solutions.

The Portfolio Management team focused on segmenting the portfolio by vulnerability and sensitivity, incorporating quantitative and qualitative variables, and detecting signs at a sector level. Likewise, particular emphasis was placed on the development of dashboards with useful information for credit risk management and protocols for the attention of the government assistance programs. From 2021, the team was divided into Strategies and Governance to have a more focused management.

It should be noted that the Rating, Risk Analyst and Early Warning tools provide a significant support in decision-making. Likewise, the Authorized Financing Program and the Digital Financing Program, used in Business and Corporate Banking segments, respectively, continued as digital platforms for the preparation and analysis of credit proposals.

- **Collection, Mitigation & Workout:** It groups together the functions and processes necessary for the monitoring, non-payment containment, collection, recoveries and the divestment of the portfolio with problems, both from retail and wholesale banking, achieving crossway efficiencies in the processes, as well as in the external management channels (collection agencies, calls, and law firms) and internal (network of offices).

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The portfolio with problems is managed through a focused strategy that defines actions for each segment and for each stage of the credit life cycle, based on refinancing policies, repossessed assets and payment agreements with customers, in order to reduce the provision expense and default levels.

Financing risk management in the COVID-19 context:

- **Anticipate Plan:** It is made up of four executives from the commercial banking network and a risk leader. In 2021, it managed a portfolio of 262 customers to provide them rescheduling or refinancing solutions and financing facilities that allow the normalization of their activity and compliance with the financing facilities granted. This specialized management resulted in the agreement of debt rescheduling and refinancing of 610 loans, allowing the negotiated extinction of positions with 31 high-risk customers and reduction of direct and indirect risk by S/ 252 million. In 2022, this financial assistance will continue to be provided to customers and to the wholesale segment in risk quality management.
- **Solution plan:** The executives of the Solution team are responsible for the recovery activities and collection team. It is led by 13 heads whose objective is the location of the main customers, diagnosis and redirection of operations through rescheduling or refinancing.

The retail portfolio segmentation was carried out considering the impact and materiality matrices (debt ranges) for the private, SME and retail portfolio. In addition, collection management differs whether the portfolio was rescheduled, refinanced or a government fund. The impact level is assessed through a collection score that allows to identify the non-performance risk levels of customers.

- **Collection Plan (external agencies):** The implant model remains in force (virtual presence of the BBVA supervisor in the daily activities of collection agencies). This model guarantees the continuous monitoring of key performance indicators for compliance with the Bank's strategies. In addition, the motivation of human resource management is maintained by rewarding and recognizing the best call center agents. The portfolio allocation model has recently been modified in preventive and unpaid stages in order to recognize not only the leadership of suppliers, but also the dispersion in performance results in bimonthly assessment periods.

In 2021, the Collection Factory was consolidated, the implant model was reinforced, and the program was 100% completed. Also, the collection score was integrated into the collection strategies for all portfolios from the preventive stage to the unpaid stage, emphasizing the management of loans of the Reactiva Peru program, since the lowest ratio of past-due loans of the Reactiva Peru program was achieved in the financial system at the end of November 2021, together with an execution of honors, containment of past-due loans and saving of provisions in a situation adverse. A management system was developed for the legal portfolio to improve the monitoring and negotiation with customers and suppliers, and a strong flow was established for the write-offs of loans greater than 3 tax units corresponding to bad debts. The first execution was in June 2021. Lastly, new methods of refinancing were developed for customers—e.g., refinancing over the phone, specific products such as loan commitment, loan refinanced with a grace period and special debt relief.



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**Maximum exposure to credit risk**

As of December 31, the maximum exposure to credit risk is as follows:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Cash and due from banks	16,247,884	24,929,883
Interbank funds	-	137,599
Investments at fair value through profit or loss	4,129,581	4,679,056
Available-for-sale investments	5,580,446	6,692,036
Loan portfolio	70,381,769	66,446,955
Held-for-trading instruments	1,767,732	898,595
Hedging instruments	75,805	103,354
Accounts receivable	34,085	45,454
Other assets	709,217	900,064
	<b>98,926,519</b>	<b>104,832,996</b>

**Guarantees received**

The requirement of guarantees may be a necessary instrument, but not sufficient for the granting of risks, and its acceptance is complementary to the credit process, which requires and mainly weighs the prior verification of the debtor's ability to pay or whether can generate the sufficient resources to allow the amortization of the risk incurred and under the agreed conditions.

The procedures for the management and valuation of the guarantees received for the loans granted to customer are indicated in the Guarantee Regulation that includes the policies for the admission of guarantees, as well as the basic principles for their constitution, maintenance and release. This regulation establishes that the guarantees must be properly instrumented and registered, ensuring that they are in force and that they have insurance policies, in strict compliance with the regulations established by the regulator.

The valuation of the guarantees is governed by the principle of prudence, which implies the use of appraisal reports in real estate guarantees, market prices in securities, quotes in shares in investment funds, among others. This principle establishes internal milestones that may be more conservative than those contemplated by local regulations, and under which the value of the guarantees is updated.

<i>In thousands of soles</i>	<b>2021</b>	<b>%</b>	<b>2020</b>	<b>%</b>
Mortgages	24,729,658	33%	22,639,889	32%
Endorsements and letters of guarantee received	9,142,676	12%	11,925,213	17%
Finance lease	3,816,240	5%	3,772,204	5%
Self-liquidating collaterals	468,380	1%	512,970	1%
Vehicle, industrial, agricultural pledges and others	42,790	-	26,486	-
Rest of guarantees	16,431,824	22%	15,581,259	22%
<b>Guaranteed loans</b>	<b>54,631,568</b>	<b>73%</b>	<b>54,458,021</b>	<b>77%</b>
<b>Non-guaranteed loans</b>	<b>19,814,106</b>	<b>27%</b>	<b>15,914,412</b>	<b>23%</b>
	<b>74,445,674</b>	<b>100%</b>	<b>70,372,433</b>	<b>100%</b>

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**Credit quality of the loan portfolio**

The segmentation of the loan portfolio into "Not past due or impaired", "Past due but not impaired" and "Impaired" is presented as follows:

	2021						2020					
	Wholesale loans	Small and micro-business loans	Consumer loans	Mortgage loans	Total	%	Wholesale loans	Small and micro-business loans	Consumer loans	Mortgage loans	Total	%
<i>In thousands of soles</i>												
<b>Non past-due nor impaired loans</b>	<b>45,504,657</b>	<b>2,647,754</b>	<b>7,296,750</b>	<b>13,496,568</b>	<b>68,945,729</b>	<b>99</b>	<b>43,696,767</b>	<b>3,356,781</b>	<b>5,913,024</b>	<b>12,669,372</b>	<b>65,635,944</b>	<b>99</b>
Standard	43,968,160	2,577,528	7,204,745	13,290,174	67,040,607	96	42,357,370	3,327,084	5,807,279	12,499,191	63,990,924	97
With potential problems	1,536,497	70,226	92,005	206,394	1,905,122	3	1,339,397	29,697	105,745	170,181	1,645,020	2
Substandard	-	-	-	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-	-	-
<b>Non past-due nor impaired loans</b>	<b>98,795</b>	<b>5</b>	<b>3</b>	<b>759</b>	<b>99,562</b>	<b>-</b>	<b>25,892</b>	<b>948</b>	<b>1</b>	<b>841</b>	<b>27,682</b>	<b>-</b>
Standard	31,692	4	2	-	31,698	-	11,908	865	1	3	12,777	-
With potential problems	67,103	1	1	759	67,864	-	13,984	83	-	838	14,905	-
Substandard	-	-	-	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-	-	-
<b>Impaired loans</b>	<b>3,804,019</b>	<b>292,186</b>	<b>417,529</b>	<b>886,649</b>	<b>5,400,383</b>	<b>8</b>	<b>2,930,855</b>	<b>228,715</b>	<b>658,451</b>	<b>890,786</b>	<b>4,708,807</b>	<b>7</b>
Standard	3,294	2	16	-	3,312	-	7,275	-	-	-	7,275	-
With potential problems	638,444	-	9	-	638,453	1	494,254	91	8	-	494,353	1
Substandard	838,795	38,079	76,856	201,271	1,155,001	2	729,586	32,250	96,392	230,788	1,089,016	2
Doubtful	779,147	51,203	163,601	245,173	1,239,125	2	306,636	54,424	251,300	262,335	874,695	1
Loss	1,544,339	202,902	177,047	440,205	2,364,492	3	1,393,104	141,950	310,751	397,663	2,243,468	3
<b>Gross loan portfolio</b>	<b>49,407,471</b>	<b>2,939,945</b>	<b>7,714,282</b>	<b>14,383,976</b>	<b>74,445,674</b>	<b>107</b>	<b>46,653,514</b>	<b>3,586,444</b>	<b>6,571,476</b>	<b>13,560,999</b>	<b>70,372,433</b>	<b>106</b>
Less: provisions	(3,032,007)	(238,507)	(634,813)	(700,509)	(4,605,836)	(7)	(2,608,517)	(203,418)	(861,210)	(690,901)	(4,364,046)	(6)
<b>Net portfolio</b>	<b>46,375,464</b>	<b>2,701,438</b>	<b>7,079,469</b>	<b>13,683,467</b>	<b>69,839,838</b>	<b>100</b>	<b>44,044,997</b>	<b>3,383,026</b>	<b>5,710,266</b>	<b>12,870,098</b>	<b>66,008,387</b>	<b>100</b>

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Criteria to determine if a loan is impaired are the following:

<b>Type of debtor</b>	<b>Impairment criteria</b>
Retail	Loans past due over 90 days. Debtor is rated as deficient, doubtful or loss.
Wholesale	Debtor is rated as deficient, doubtful or loss. Rescheduled or refinancing loans.

The specific provisions associated with transactions that as of December 31, 2021 have been classified as past due and non-impaired loans and impaired loans amount to S/ 2,845 million (2019: S/ 2,699 million).

In 2021 and 2020, customer transactions that throughout said periods were classified as past due and not impaired loans and as impaired loans have generated finance revenue of S/ 182 million and S/ 121 million, respectively.

As of December 31, 2021 and 2020, the guarantees of past due and non-impaired loans and impaired loans amount to S/ 2,718 million and S/ 2,085 million, respectively, of which S/ 2,626 million and S/ 1,963 million correspond to mortgage loans.

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As of December 31, 2021 and 2020, past due and non-impaired loans amounts to S/ 100 million and S/ 28 million, respectively. The breakdown of the referred credits according to days of arrears is shown below:

<i>In thousands of soles</i>	<b>2021</b>				<b>2020</b>			
	<b>16 - 30</b>	<b>31 - 60</b>	<b>61 - 90</b>	<b>Total</b>	<b>16 - 30</b>	<b>31 - 60</b>	<b>61 - 90</b>	<b>Total</b>
<b>Days past due</b>								
<b>Type of loans</b>								
Large-business	892	11,025	1,673	13,590	1,244	-	24	1,268
Medium-business loans	34,250	32,614	18,341	85,204	8,728	9,849	6,047	24,624
	<b>35,142</b>	<b>43,639</b>	<b>20,014</b>	<b>98,794</b>	<b>9,972</b>	<b>9,849</b>	<b>6,071</b>	<b>25,892</b>
Small-business loans	-	2	3	5	-	948	-	948
Micro-business loans	-	1	-	1	-	-	-	-
Consumer loans	-	2	1	3	-	1	-	1
Mortgage loans	-	759	-	759	-	841	-	841
	-	<b>764</b>	<b>4</b>	<b>768</b>	-	<b>1,790</b>	-	<b>1,790</b>
	<b>35,142</b>	<b>44,403</b>	<b>20,018</b>	<b>99,562</b>	<b>9,972</b>	<b>11,639</b>	<b>6,071</b>	<b>27,682</b>

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**Risk concentrations**

The loan portfolio is distributed in the following economic sectors:

<i>In thousands of soles</i>	<b>2021</b>		<b>2020</b>	
Mortgage and consumer loans	22,098,258	30%	20,132,475	29%
Commerce	15,007,388	20%	14,327,736	21%
Manufacturing	11,572,044	16%	10,042,002	14%
Transport, storage and communications	6,657,607	9%	5,706,033	8%
Real estate, business and leasing	4,069,603	5%	5,959,733	8%
Agriculture and livestock	2,727,398	4%	2,307,799	3%
Mining	2,201,883	3%	2,007,471	3%
Financial intermediation	1,811,653	2%	1,432,764	2%
Power, gas and water	1,793,180	2%	1,392,350	2%
Hotels and restaurants	1,722,813	2%	1,780,768	3%
Construction	1,477,096	2%	1,416,643	2%
Others	3,306,751	5%	3,866,659	5%
	<b>74,445,674</b>	<b>100%</b>	<b>70,372,433</b>	<b>100%</b>

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As of December 31, financial assets are distributed among the following geographic areas:

<i>In thousands of soles</i>	2021					
	At fair value through profit or loss		Loans and accounts receivable	Available-for-sale	Hedging instruments	Total
	Held-for- trading	Allocated at inception				
<b>Financial instruments</b>						
Peru	5,290,281	-	74,552,575	4,543,792	24,639	84,411,287
Rest of South America	-	-	28,614	980	-	29,594
Rest of the world	487,180	-	12,904	-	-	500,084
Mexico	1,330	-	1,383	-	-	2,713
United States	-	-	81,764	1,035,644	-	1,117,408
Europe	130,857	-	10,469	30	51,166	192,522
	<b>5,909,648</b>	-	<b>74,687,709</b>	<b>5,580,446</b>	<b>75,805</b>	<b>86,253,608</b>
Provisions	(12,335)	-	(4,813,786)	-	-	(4,826,121)
Accrued interest	-	-	640,209	-	-	640,209
Deferred interest	-	-	(98,278)	-	-	(98,278)
	<b>5,897,313</b>	-	<b>70,415,854</b>	<b>5,580,446</b>	<b>75,805</b>	<b>81,969,418</b>
	2020					
	At fair value through profit or loss		Loans and accounts receivable	Available-for-sale	Hedging instruments	Total
<i>In thousands of soles</i>	Held-for- trading	Allocated at inception				
<b>Financial instruments</b>						
Peru	5,108,017	-	70,373,209	4,586,817	-	80,068,043
Rest of South America	-	-	157,325	980	-	158,305
Rest of the world	322,533	-	16,566	74,117	-	413,216
Mexico	-	-	2,212	-	-	2,212
United States	-	-	19,952	1,963,500	-	1,983,452
Europe	155,338	-	10,468	72,975	103,354	342,135
	<b>5,585,888</b>	-	<b>70,579,732</b>	<b>6,698,389</b>	<b>103,354</b>	<b>82,967,363</b>
Provisions	(8,237)	-	(4,525,891)	(6,353)	-	(4,540,481)
Accrued interest	-	-	536,916	-	-	536,916
Deferred	-	-	(98,348)	-	-	(98,348)
	<b>5,577,651</b>	-	<b>66,492,409</b>	<b>6,692,036</b>	<b>103,354</b>	<b>78,865,450</b>

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**Market risk**

Market risk arises as a consequence of the activity maintained in the markets, through financial instruments whose value may be affected by variations in market conditions, reflected in changes in the different assets and financial risk factors. The risk can be mitigated and even eliminated through hedging (assets/liabilities or derivatives), or by undoing the open operation or position.

There are three major risk factors that affect market prices: interest rates, exchange rates and variable-income.

- Interest rate risk It arises as a consequence of variations in the provisional structure of market interest rates, for the different currency.
- Exchange rate risk: It arises as a consequence of variations in the exchange rate risk among the different currency.
- Price risk: It arises as a consequence of changes in the market price, either for the specific instruments factors, nor for factors affecting all the instruments trades in the market.

In addition, and for certain positions, it is necessary to also consider other risks: spread, base, volatility or correlation risk.

Value at risk (VaR) is the basic variable to measure and control the Bank's market risk. This risk measure estimates the maximum loss, with a given level of confidence, that can occur in the market positions of a portfolio for a certain time horizon. The Bank calculates the VaR using the historical method with a confidence level of 99% and a time horizon of one day; the data period considered is two years.

The structure of market risk limits determines a scheme of VaR and economic capital limits for market risk, as well as alerts and specific ad-hoc sub-limits for types of risk, among others.

Likewise, validity tests are carried out on the risk measurement models used, which estimate the maximum loss that can occur in the positions considered, with a certain level of probability ("back testing"), as well as measurements of the impact of extreme movements market in the risk positions maintained ("stress testing"). Currently, the stress analysis on historical scenarios of the Lehman Brothers crisis (2008) is being carried out.

As of December 31, the detail of the VaR for risk factors was as follows:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
<b>VaR for risk factors</b>		
VaR without smoothing	10,144	7,957
VaR interest	10,458	8,068
VaR exchange	319	481
VaR weighted	8,479	8,411
VaR maximum	13,348	12,387
VaR minimum	5,245	5,803

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***Structural interest rate risk***

The objective of managing the banking book interest risk is to maintain the Bank's exposure to variations in market interest rates at levels consistent with its strategy and risk profile. To this end, the Assets and Liabilities Committee (hereinafter COAP) conducts active management of the banking book through operations to optimize the level of risk assumed, in relation to the expected results, and allow compliance with the maximum levels of tolerable risk.

The activity performed by the COAP is based on the interest risk measurements conducted by the risks area. Which, acting as an independent unit, periodically quantifies the impact the variation in interest rates has on the interest margin and the economic value of the Bank.

In addition to the sensitivity measurements to different variations in market rates, the Bank develops probabilistic calculations that determine the "economic capital" (maximum loss in economic value) and the "margin at risk" (maximum loss in the interest margin) due to structural interest risk of the Bank's banking activity, excluding treasury activity, based on interest rate curve simulation models. Stress testing is conducted periodically to complete the evaluation of the Bank's interest risk profile.

All these risk measures are subject to subsequent analysis and monitoring, and the levels of risk assumed and the degree of compliance with the authorized limits are transferred to the different management and administration departments of the Bank.



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The consumption of the structural interest risk levels of the Bank during the years 2021 and 2020 are presented as follows:

		December	November	October	September	August	July	June	May	April	March	February	January
<b>2021</b>		<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>
<b>Limit consumption</b>													
Sensitivity in profit margin	7%	6.42%	6.78%	6.86%	6.6%	5.5%	5.0%	5.1%	5.6%	5.1%	5.4%	5.4%	5.4%
<b>Alert consumption</b>													
Economic value sensitivity	1,200	221	262	264	297	309	444	422	417	403	439	452	496
Economic capital	1,200	422	432	400	411	422	535	528	534	529	556	559	584
Margin at risk	4%	3.5%	2.9%	3%	2.8%	2.2%	2.2%	2.2%	2.4%	2.1%	2.2%	2.2%	2.3%
<b>2020</b>													
		December	November	October	September	August	July	June	May	April	March	February	January
<b>2020</b>		<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>
<b>Limit consumption</b>													
Sensitivity in profit margin	7%	4.3%	4.5%	4.8%	5.1%	3.7%	3.2%	2.9%	3.5%	3.8%	3.9%	4.6%	4.6%
<b>Alert consumption</b>													
Economic value sensitivity	1,200	452	483	480	454	535	498	572	597	565	565	625	635
Economic capital	1,200	533	569	579	589	680	626	608	620	621	667	709	729
Margin at risk	7%	1.9%	1.9%	2.0%	2.1%	1.8%	1.7%	1.3%	1.4%	1.3%	1.4%	1.8%	1.8%

In the measurement process, the Bank has established hypotheses on the evolution and behavior of certain items, such as those relating to products without explicit or contractual expiration. These hypotheses are based on studies that approach the relationship between the interest rates of these products and those of the market, and that allow the disaggregation of the specific balances into trend balances, with a long-term permanence degree, and seasonal or volatile balances, with a short-term residual maturity.

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***Liquidity risk***

The control, monitoring and management of liquidity risk aims, in the short term, to ensure compliance with the Bank's payment commitments in a timely manner, without resorting to obtaining funds under unfavorable conditions, or deteriorating the image and reputation of the Bank. In the medium term, its objective is to ensure the suitability of the financial structure and its evolution, in the context of the economic situation, the markets and regulatory changes.

The management of liquidity and structural financing in the Bank are based on the principle of financial autonomy of the BBVA Group. This management approach contributes to prevent and limit liquidity risk by reducing the Bank's vulnerability in periods of high risk.

The management and monitoring of liquidity risk is carried out comprehensively with a dual approach: short-term and long-term. The short-term liquidity approach, with a time horizon of up to one year, is focused on managing payments and collections from market activities, volatile customer resources and the potential liquidity needs of the Bank as a whole. The second approach, medium-term or financing, is focused on the financial management of the set of assets and liabilities, focusing on the financing structure, and having a time horizon equal to or greater than the annual one.

The integral management of liquidity is carried out by COAP, where the Financial Management Unit of the Finance area analyzes the implications, in terms of financing and liquidity of the various Bank projects and their compatibility with the structure of target financing and the situation of financial markets. In this sense, the Financial Management Unit, in accordance with the approved budgets, executes the agreed proposals by the COAP and manages liquidity risk in accordance with wide scheme of limits, sub-limits and approved warnings on which the risk area carries out, independently, its measurement and control work, providing the manager with support tools and metrics for decision-making.

The periodic measurements of the risk incurred and the monitoring of the consumption of limits are carried out by the Structural, Markets and Fiduciary Risks Unit, which monthly reports the liquidity risks level to the COAP; as well as more frequently to the management units. It should be noted that during the beginning of the state of emergency due to the COVID19 pandemic, the structural risks unit increased the measurement frequency of the main liquidity indicators in order to carry out a daily monitoring that allows anticipating any contingency and supporting the management areas.

Moreover, the Basel Committee on Banking Supervision (BCBS) has proposed a new liquidity regulation scheme based on two ratios: Liquidity coverage ratio (LCR) which is effective from 2015 and net stable funding ratio (NSFR) which has been implemented since 2018. The Bank and the BBVA Peru Group participated in the quantitative impact study (QIS), which has included the new regulatory challenges in its new general framework of action in the liquidity and financing area. At local level, the SBS has also implemented the monitoring of the liquidity coverage ratio, following the general guidelines of the BCBS, although adapting it to the Peruvian reality. The measurement of liquidity coverage ratio have started on December 2013 and its measurement have a daily frequency. The limit established for liquidity coverage ratio is 80% for the period from 2014 to 2017, 90% for 2018 and 100% for 2019 henceforth, which is being complied.

Since March 2020, the SBS has established the temporary inapplicability of the liquidity coverage ratios in local and foreign currency. However, the structural risks unit has continued with the daily measurement of the liquidity coverage ratios on a timely basis.

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**Banco BBVA Perú**

Notes to the Separate Financial Statements  
December 31, 2021 and 2020

Repurchase agreement established by the Official Letter 022-2015-BCRP, and repurchase agreement with BCRP of Legislative Decree 1508, which created the Government guarantee program, are considered sources of financing available to be included in the Bank's contingency liquidity plan. To this effect, the SBS requires that the framework agreement be signed with COFIDE and the portfolio that could be used for these operations be identified.

(Translation of Financial Statements originally issued in Spanish)

**Banco BBVA Perú**

Notes to the Separate Financial Statements  
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In accordance with SBS regulations, the maturities of assets and liabilities as of December 31, 2021 and 2020, including accrued interest on loans and deposits, are as follows:

<i>In thousands of soles</i>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-6 months</b>	<b>6-12 months</b>	<b>1-5 years</b>	<b>More than 5 years</b>	<b>Loans past due and loans under legal collection</b>	<b>Total</b>
<b>2021</b>								
<b>Assets</b>								
Cash and due from banks	14,502,378	164,513	46,374	67,296	1,467,323	-	-	16,247,884
Interbank funds	-	-	-	-	-	-	-	-
Investments at fair value through profit or loss	4,129,581	-	-	-	-	-	-	4,129,581
Available-for-sale investments	4,131,160	43,335	2,607	796,423	307,755	299,166	-	5,580,446
Loan portfolio	6,546,559	8,206,497	7,745,944	8,290,753	27,421,118	14,119,761	2,755,251	75,085,883
Held-for-trading instruments	41,085	192,642	262,774	238,881	356,740	675,610	-	1,767,732
Hedging instruments	-	-	235	53,319	22,251	-	-	75,805
	<b>29,350,763</b>	<b>8,606,987</b>	<b>8,057,934</b>	<b>9,446,672</b>	<b>29,575,187</b>	<b>15,094,537</b>	<b>2,755,251</b>	<b>102,887,331</b>
<b>Liabilities</b>								
Deposits and obligations	7,213,661	5,487,526	1,272,887	2,055,379	47,075,335	-	-	63,104,788
Demand deposits	2,476,778	1,812,755	-	-	20,597,504	-	-	24,887,037
Savings	2,508,338	1,759,651	-	-	24,225,054	-	-	28,493,043
Term	2,137,060	1,915,120	1,272,887	2,055,379	2,252,777	-	-	9,633,223
Others	91,485	-	-	-	-	-	-	91,485
Interbank funds	-	-	-	-	-	-	-	-
Deposits with financial institutions	400,186	258,213	69,208	125,057	172,907	-	-	1,025,571
Debts and financial obligations	54,708	77,108	428,670	2,507,707	1,766,927	2,154,554	-	6,989,674
Held-for-trading instruments	127,439	123,859	231,400	107,251	475,044	507,027	-	1,572,020
Hedging instruments	-	-	1,565	3,391	30,103	-	-	35,059
Accounts payable	1,813,016	648,460	969,896	2,451,469	10,608,108	617,881	-	17,108,830
Other liabilities	602,266	-	-	-	-	-	-	602,266
	<b>10,211,276</b>	<b>6,595,166</b>	<b>2,973,626</b>	<b>7,250,254</b>	<b>60,128,424</b>	<b>3,279,462</b>	<b>-</b>	<b>90,438,208</b>

(Translation of Financial Statements originally issued in Spanish)

**Banco BBVA Perú**

Notes to the Separate Financial Statements  
December 31, 2021 and 2020

<i>In thousands of soles</i>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-6 months</b>	<b>6-12 months</b>	<b>1-5 years</b>	<b>More than 5 years</b>	<b>Loans past due and loans under legal collection</b>	<b>Total</b>
<b>2020</b>								
<b>Assets</b>								
Cash and due from banks	19,137,640	1,263,307	793,377	243,696	3,491,863	-	-	24,929,883
Interbank funds	137,599	-	-	-	-	-	-	137,599
Investments at fair value through profit or loss	4,679,056	-	-	-	-	-	-	4,679,056
Available-for-sale investments	5,746,998	187,460	75,352	44,564	335,071	302,591	-	6,692,036
Loan portfolio	5,970,613	6,351,096	4,507,113	6,584,206	34,529,062	10,704,669	2,262,590	70,909,349
Held-for-trading instruments	93,939	62,911	47,726	22,369	288,069	383,581	-	898,595
Hedging instruments	-	-	-	-	103,354	-	-	103,354
	<b>35,765,845</b>	<b>7,864,774</b>	<b>5,423,568</b>	<b>6,894,835</b>	<b>38,747,419</b>	<b>11,390,841</b>	<b>2,262,590</b>	<b>108,349,872</b>
<b>Liabilities</b>								
Deposits and obligations	10,503,851	8,000,059	2,186,005	3,078,306	47,044,313	-	-	70,812,534
Demand deposits	4,613,896	3,378,292	-	-	21,786,440	-	-	29,778,628
Savings	2,172,598	1,495,035	-	-	21,044,166	-	-	24,711,799
Term	3,642,526	3,126,732	2,186,005	3,078,306	4,213,707	-	-	16,247,276
Others	74,831	-	-	-	-	-	-	74,831
Interbank funds	72,421	-	-	-	-	-	-	72,421
Deposits with financial institutions	530,432	454,819	34,206	327,182	146,427	-	-	1,493,066
Debts and financial obligations	26,675	180,431	778,489	301,105	3,604,598	2,138,933	-	7,030,231
Held-for-trading instruments	108,096	107,034	69,850	34,589	247,926	308,900	-	876,395
Hedging instruments	-	-	6,758	1,382	6,493	-	-	14,633
Accounts payable	804,211	830,000	553,100	-	13,819,408	-	-	16,006,719
Other liabilities	815,546	-	-	-	-	-	-	815,546
	<b>12,861,232</b>	<b>9,572,343</b>	<b>3,628,408</b>	<b>3,742,564</b>	<b>64,869,165</b>	<b>2,447,833</b>	<b>-</b>	<b>97,121,545</b>

**Banco BBVA Perú**

Notes to the Separate Financial Statements  
December 31, 2021 and 2020

**Operational risk**

The Bank articulates an operational risk management model implemented throughout the organization, based on methodologies and procedures for the identification, assessing and monitoring of operational risk, and supported by tools that allow qualitative and quantitative management.

This model is based on a decentralized management of operational risk carried out by operational risk management teams in the two lines of defense. In the first line we have the Risk Control Assurer whose objective is to promote the adequate management of operational risk in their respective management areas. The previous by extending the methodology of risk identification and establishment of controls, and working for this with the owners of the processes who are those responsible for implementing mitigation plans and execution of controls. In the second line of defense, there is a Risk Control Specialist team who define mitigation and control frameworks in their area of specialty (across the entire organization) and contrast with the one implemented by the first line.

Both control teams are in constant coordination of a methodological unit and constantly report to the corresponding Internal Control and Operational Risk Committees. From the internal control and compliance area, the non-financial risk unit is in charge of the implementation of corporate management tools, the training of both control teams (Risk Control Assurer and Risk Control Specialist), coordination for updating the risk map and monitoring of mitigation plans.

In connection with qualitative management, the Support Tool for Operational Risk Management (MIGRO tool) makes it possible to record the operational risks identified by associating them with a taxonomy of processes and their quantification, as well as recording the evaluation periodical controls associated with critical risks. In 2021, risks and controls are being updated, maintaining the validity of the model.

In addition, there is a database, Integrated Operational Risk System (SIRO), which includes all operational risk events that represent a loss for the BBVA Peru Group, is the fundamental quantitative tool for risk management operational.

The Bank is authorized to use the alternative standard method for calculating the effective equity requirement for operational risk, which allows it to optimize the regulatory capital requirement for operational risk management.

The effective equity requirement for operational risk based on the alternative standard method as of December 31, 2021 amounts to S/ 602 million (2020: S/ 542 million)

**30. Fair Value**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

In cases where the listed value is not available, the fair value is estimated based on the listed value of a financial instrument with similar characteristics, the present value of the expected cash flows or other valuation techniques; which can be significantly affected by the different assumptions used.

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Management used its best judgment in measuring the fair value of financial instruments; however, there are inherent weaknesses in any valuation technique. Thus, the fair value may not be an indicative of the net realizable value or the liquidation value of such financial instruments.

Regarding the methodology and assumptions used in estimating the fair value of the Bank's financial instruments, the following should be considered:

***Financial instruments whose fair value is similar to the carrying amount:***

This assumption applies for those assets and liabilities with current maturity, with variable interest rate and those whose fair value correspond to the carrying amount according to the SBS Official Letter 43078-2014-SBS.

***Financial instruments at fixed rate***

The methodology of future flows projection discounted at market interest rates is used, for instruments with similar characteristics.

***Financial instruments measured at fair value***

The fair value hierarchy categorizes into 3 levels the inputs to valuation techniques used to measure fair value:

- Level 1: If the observed value in an active market does not refer to the financial instrument as a whole, but there is an active market for its components, fair value shall be determined based on relevant market prices of those components.
- Level 2: For instruments quoted in non-active markets, fair value is determined by using a valuation technique or model that mostly uses market data and minimizes the use of data provided by the Bank.
- Level 3: For unquoted instruments, fair value is determined using valuation techniques or models.

Financial assets at fair value through profit or loss and available-for-sale financial assets are measured at market prices, which are determined based on the published share prices of mutual funds and quoted prices, respectively.

The fair value of derivative instruments is determined through the use of valuation techniques.

(Translation of Financial Statements originally issued in Spanish)

**Banco BBVA Perú**

Notes to the Separate Financial Statements  
December 31, 2021 and 2020

**Carrying amount and fair value of financial assets and financial liabilities.**

Taking into account the fair value considerations and the Official Letter 43078-2014- SBS, in which the SBS determined that the fair value corresponds to the carrying amount of loans and deposits, as of December 31, 2021 and 2020, the carrying amount and fair value of financial assets and financial liabilities are presented as follows:

<i>In thousands of soles</i>	Carrying amount		Fair value	
	2021	2020	2021	2020
<b>Assets</b>				
Cash and due from banks	16,247,884	24,929,883	16,247,884	24,929,883
Interbank funds	-	137,599	-	137,599
<b>Investments at fair value through profit or loss</b>				
Debt instruments	4,129,581	4,679,056	4,129,581	4,679,056
<b>Available-for-sale investments</b>				
Equity instruments	25,972	23,322	25,972	23,322
Debt instruments	5,554,474	6,668,714	5,554,474	6,668,714
Loan portfolio	70,381,769	66,446,955	70,381,769	66,446,955
Held-for-trading instruments	1,767,732	898,595	1,767,732	898,595
Hedging instruments	75,805	103,354	75,805	103,354
Accounts receivable	34,085	45,454	34,085	45,454
Other assets	709,217	900,064	709,217	900,064
	<b>98,926,519</b>	<b>104,832,996</b>	<b>98,926,519</b>	<b>104,832,996</b>
<b>Liabilities</b>				
Deposits and obligations	63,104,788	70,812,534	63,104,788	70,812,534
Interbank funds	-	72,421	-	72,421
Deposits with financial institutions and international financial institutions	1,025,571	1,493,066	1,025,571	1,493,066
Debts and financial obligations	6,989,674	7,030,231	7,034,614	7,035,674
Held-for-trading instruments	1,572,020	876,395	1,572,020	876,395
Hedging instruments	35,059	14,633	35,059	14,633
Accounts payable	17,108,830	16,006,719	17,108,830	16,006,719
	<b>89,835,942</b>	<b>96,305,999</b>	<b>89,880,882</b>	<b>96,311,442</b>



(Translation of Financial Statements originally issued in Spanish)

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Notes to the Separate Financial Statements

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Assets and liabilities recorded at fair value based on the hierarchy level are recorded as follows:

**Financial instruments recorded at fair value and value hierarchy**

	2021				2020			
	Fair value	Level 1	Level 2	Level 3	Fair value	Level 1	Level 2	Level 3
<i>In thousands of soles</i>								
<b>Assets</b>								
<b>Investments at fair value through profit or loss</b>								
Debt instruments	4,129,581	204,934	3,924,647	-	4,679,056	296,595	4,382,461	-
<b>Available-for-sale investments</b>								
Equity instruments	24,850	24,850	-	-	22,201	22,201	-	-
Debt instruments	5,554,474	1,389,913	4,164,561	-	6,675,067	2,570,885	4,104,182	-
Held-for-trading instruments	1,767,732	-	1,767,732	-	898,595	-	898,595	-
Hedging instruments	75,805	-	75,805	-	103,354	-	103,354	-
	<b>11,552,442</b>	<b>1,619,697</b>	<b>9,932,745</b>	<b>-</b>	<b>12,378,273</b>	<b>2,889,681</b>	<b>9,488,592</b>	<b>-</b>
<b>Liabilities</b>								
Debts and financial obligations	3,251,564	-	3,251,564	-	3,032,280	-	3,032,280	-
Held-for-trading instruments	1,572,020	-	1,572,020	-	876,395	-	876,395	-
Hedging instruments	35,059	-	35,059	-	14,633	-	14,633	-
	<b>4,858,643</b>	<b>-</b>	<b>4,858,643</b>	<b>-</b>	<b>3,923,308</b>	<b>-</b>	<b>3,923,308</b>	<b>-</b>

(Translation of Financial Statements originally issued in Spanish)

**Banco BBVA Perú**

Notes to the Separate Financial Statements  
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**Description of the valuation techniques for instruments recorded at fair value**

Level 2	Valuation techniques/ Hypothesis	Main inputs used
Fixed and variable rate	<p><b>Fixed rate:</b> Present value of cash flows from bonds (coupons and face value):</p> $Price_{bond} = \sum_{n=1}^N \frac{Coupon}{(1 + YTM)^n} + \frac{Face\ value}{(1 + YTM)^N}$ <p>These cash flows are discounted at yield to maturity (YTM)</p> <p><b>Variable rate:</b> The closing price taken is the one consigned in a public source of information (Price Vendors). The Bank does not have trading portfolio of variable rate.</p>	<ul style="list-style-type: none"> <li>▪ <b>Fixed rate:</b> Bonds details (coupon rate, coupons payment frequency, face value) <i>Yield to Maturity(YTM):</i> Obtained from operations traded in Datatec in such a way that the transaction is greater than or equal to S/ 2 million (internally defined condition).</li> <li>▪ <b>Variable rate:</b> closing price of Bloomberg, Reuter or the website of the BVL.</li> </ul>
Derivatives (a) Forwards, cross-currency swaps contracts and cross currency swaps	<p>Calculation of the present value of each of the components of the derivative (fixed / variable) considering market interest rates and converting it to soles with the exchange rate of the day, if necessary. The following are taken into account: variable flows (if any), the projection of flows, the discount curves for each underlying and the current market interest rates.</p>	<ul style="list-style-type: none"> <li>▪ Forward points</li> <li>▪ Fixed vs variable price</li> <li>▪ Exchange rate at closure</li> <li>▪ Market interest rate curves</li> </ul>
(b) Options	<p><b>For options on shares, currency and raw materials</b></p> <p>The hypothesis derived from the use of the Black-Scholes model takes into account the possible adjustments to convexity.</p> <hr/> <p><b>For derivatives on interest rates:</b></p> <p>The hypothesis derived from the use of the Black-Scholes assumes a lognormal process of forward rates and model takes into account the possible adjustments to convexity.</p>	<p><b>Derivatives on shares, currency and raw materials</b></p> <ul style="list-style-type: none"> <li>▪ Forward structure of the underlying</li> <li>▪ Changes in options</li> <li>▪ Observable correlations between underlying</li> </ul> <hr/> <p><b>Derivatives on interest rates:</b></p> <ul style="list-style-type: none"> <li>▪ Maturity structure of interest type curve</li> <li>▪ Underlying volatility</li> </ul>

*(Translation of Financial Statements originally issued in Spanish)*

**Banco BBVA Perú**

Notes to the Separate Financial Statements  
December 31, 2021 and 2020

**31. Subsequent Events**

The Bank is not aware of any subsequent event occurring between the closing date and the issuing date of these consolidated financial statements that may affect it significantly.

SBS Resolution 00429-2022, dated February 9, 2022, authorized BBVA Consumer Finance Edpyme to start its voluntary dissolution and liquidation process in accordance with the schedule and proposed activities presented to the SBS.

## 6.4. Consolidated audited financial statements



# Banco BBVA Perú and Subsidiaries

## Consolidated Financial Statements

**As of December 31, 2021 and 2020**

**(including Independent Auditors' Report)**

**(TRANSLATION OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN SPANISH)**



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*(TRANSLATION OF A REPORT ORIGINALLY ISSUED IN SPANISH)*

## INDEPENDENT AUDITORS' REPORT

### **To the Shareholders and Directors of Banco BBVA Perú**

We have audited the accompanying consolidated financial statements of Banco BBVA Perú (a subsidiary of BBVA Perú Holdings S.A.C., incorporated in Peru) and Subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2021 and 2020, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting standards established for financial institutions in Peru by the Banking, Insurance and Pension Plan Agency (Superintendencia de Banca, Seguros y Administradoras Privadas de Fondos de Pensiones – SBS) for financial institutions in Peru, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing approved for its application in Peru by the Dean's Council of the Peruvian Professional Associations of Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Banco BBVA Perú and Subsidiaries' preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Banco BBVA Perú and Subsidiaries' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



**Opinion**

In our opinion, the consolidated financial statements referred to above, present fairly, in all material respects, the consolidated financial position of Banco BBVA Perú and Subsidiaries as of December 31, 2021 and 2020, and their consolidated financial performance and their consolidated cash flows for the years then ended, in accordance with accounting standards established for financial institutions in Peru by the SBS.

Lima, Peru,

February 23, 2022

Countersigned by:

Eduardo Alejos (Partner)  
Peruvian CPA Registration 29180

## **Banco BBVA Perú and Subsidiaries**

# Consolidated Financial Statements

**As of December 31, 2021 and 2020**

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**Banco BBVA Perú and Subsidiaries**

Consolidated Statement of Financial Position

As of December 31, 2021 and 2020

<i>In thousands of soles</i>	<b>Note</b>	<b>2021</b>	<b>2020</b>	<i>In thousands of soles</i>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Assets</b>				<b>Equity and liabilities</b>			
Cash and due from banks	5	16,295,026	24,954,267	Deposits and obligations in financial institutions	12	63,939,029	72,212,597
Interbank funds		-	137,599	Interbank funds		-	72,421
Investments at fair value through profit or loss and available-for-sale	6	9,760,611	11,421,340	Debts and financial obligations	13	6,989,674	7,053,718
Loan portfolio, net	7	70,433,581	66,593,761	Held-for-trading instrument	8	1,572,020	876,395
Held-for-trading instrument	8	1,767,732	898,595	Hedging instruments	8	35,059	14,633
Hedging instruments	8	75,805	103,354	Accounts payable, provisions and other liabilities	14	18,791,244	17,745,648
Realizable, received as payment and repossessed assets		43,916	34,296	<b>Total liabilities</b>		<b>91,327,026</b>	<b>97,975,412</b>
Non-current assets held for sale		85,870	94,830	<b>Equity</b>	15		
Interests in associates	9	12,999	4,582	Share capital		6,758,467	6,529,169
Property, furniture and equipment, net	10	1,071,479	1,013,105	Reserves		1,896,680	1,831,131
Deferred tax	24	710,091	685,326	Adjustments to equity		(32,704)	119,148
Other assets, net	11	1,238,645	1,396,213	Retained earnings		1,546,286	882,408
<b>Total assets</b>		<b>101,495,755</b>	<b>107,337,268</b>	<b>Total equity</b>		<b>10,168,729</b>	<b>9,361,856</b>
Contingent risks and commitments	16	32,296,585	34,034,065	<b>Total equity and liabilities</b>		<b>101,495,755</b>	<b>107,337,268</b>
				Contingent risks and commitments	16	32,296,585	34,034,065

The accompanying notes on pages 6 to 100 are an integral part of these consolidated financial statements.



(Translation of Financial Statements originally issued in Spanish)

**Banco BBVA Perú and Subsidiaries**

Consolidated Statement of Profit or Loss

For the years ended December 31, 2021 and 2020

<i>In thousands of soles</i>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Interest revenue	17	4,236,841	4,298,555
Interest expense	18	(634,973)	(1,054,376)
<b>Gross financial income</b>		<b>3,601,868</b>	<b>3,244,179</b>
Provision for direct loans, net of recovery		(752,691)	(1,751,212)
<b>Net financial income</b>		<b>2,849,177</b>	<b>1,492,967</b>
Financial service income, net	19	873,397	811,479
<b>Financial income net of income and expenses for financial services</b>		<b>3,722,574</b>	<b>2,304,446</b>
Profit or loss from financial transactions	20	709,063	659,712
<b>Operating margin</b>		<b>4,431,637</b>	<b>2,964,158</b>
Administrative expenses	21	(1,805,002)	(1,707,448)
Depreciation and amortization		(194,623)	(194,265)
<b>Net operating margin</b>		<b>2,432,012</b>	<b>1,062,445</b>
Measurement of assets and provisions		(168,985)	(154,220)
<b>Net operating profit or loss</b>		<b>2,263,027</b>	<b>908,225</b>
Other expenses, net	22	(10,805)	(20,842)
<b>Profit or loss before tax</b>		<b>2,252,222</b>	<b>887,383</b>
Income tax	23	(691,722)	(239,167)
<b>Net profit or loss</b>		<b>1,560,500</b>	<b>648,216</b>
<b>Basic and diluted earnings per share in soles</b>	25	<b>0.2309</b>	<b>0.0959</b>
<b>Weighted average number of outstanding shares (in thousands of shares)</b>	25	<b>6,758,467</b>	<b>6,758,467</b>

The accompanying notes on pages 6 to 100 are an integral part of these consolidated financial statements.

(Translation of Financial Statements originally issued in Spanish)

**Banco BBVA Perú and Subsidiaries**

Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the years ended December 31, 2021 and 2020

<i>In thousands of soles</i>	<i>Note</i>	<b>2021</b>	<b>2020</b>
Net profit		1,560,500	648,216
Other comprehensive income:			
Unrealized gain (loss) for investments available-for-sale	<i>6 &amp; 15.D</i>	(152,436)	79,899
Unrealized gain (loss) on cash flow hedges	<i>8 &amp; 15.D</i>	(15,251)	14,753
Interests in other comprehensive income of associates		173	78
Unrealized gain for actuarial liabilities	<i>15.D</i>	15,566	16,494
Income tax on items of other comprehensive income		96	(14,892)
<b>Other comprehensive income, net of tax</b>		<b>(151,852)</b>	<b>96,332</b>
<b>Total comprehensive income</b>		<b>1,408,648</b>	<b>744,548</b>

The accompanying notes on pages 6 to 100 are an integral part of these consolidated financial statements.

(Translation of Financial Statements originally issued in Spanish)

**Banco BBVA Perú and Subsidiaries**

Consolidated Statement of Changes in Equity

For the years ended December 31, 2021 and 2020

	Number of shares (note 15.B)	Share capital (note 15.B)	Legal reserve (note 15.C)	Adjustments to equity (note 15.D)	Retained earnings (note 15.E)	Total equity
<i>In thousands of soles</i>						
Balance as of January 1, 2020	5,885,209	5,885,209	1,669,835	22,816	1,602,606	9,180,466
Net profit	-	-	-	-	648,216	648,216
<b>Other comprehensive income</b>						
Unrealized gain for available-for-sale investments	-	-	-	74,225	-	74,225
Unrealized profit from cash flow hedges	-	-	-	10,401	-	10,401
Unrealized gain on interests in other comprehensive income of associates	-	-	-	78	-	78
Unrealized gain for actuarial liabilities	-	-	-	11,628	-	11,628
<b>Total comprehensive income</b>	-	-	-	<b>96,332</b>	<b>648,216</b>	<b>744,548</b>
<b>Changes in equity (not included in comprehensive income)</b>						
Dividends	-	-	-	-	(563,465)	(563,465)
Capitalization of retained earnings	643,960	643,960	-	-	(643,960)	-
Additions to reserves and other movements	-	-	161,296	-	(160,989)	307
<b>Balance as of December 31, 2020</b>	<b>6,529,169</b>	<b>6,529,169</b>	<b>1,831,131</b>	<b>119,148</b>	<b>882,408</b>	<b>9,361,856</b>
Balance as of January 1, 2021	6,529,169	6,529,169	1,831,131	119,148	882,408	9,361,856
Net profit	-	-	-	-	1,560,500	1,560,500
<b>Other comprehensive income</b>						
Unrealized loss for available-for-sale investments	-	-	-	(152,247)	-	(152,247)
Unrealized loss on cash flow hedges	-	-	-	(10,752)	-	(10,752)
Unrealized gain on interests in other comprehensive income of associates	-	-	-	173	-	173
Unrealized gain for actuarial liabilities	-	-	-	10,974	-	10,974
<b>Total comprehensive income</b>	-	-	-	<b>(151,852)</b>	<b>1,560,500</b>	<b>1,408,648</b>
<b>Changes in equity (not included in comprehensive income)</b>						
Dividends	-	-	-	-	(601,810)	(601,810)
Capitalization of retained earnings	229,298	229,298	-	-	(229,298)	-
Additions to reserves and other movements	-	-	65,549	-	(65,514)	35
<b>Balance as of December 31, 2021</b>	<b>6,758,467</b>	<b>6,758,467</b>	<b>1,896,680</b>	<b>(32,704)</b>	<b>1,546,286</b>	<b>10,168,729</b>

The accompanying notes on pages 6 to 100 are an integral part of these consolidated financial statements.

(Translation of Financial Statements originally issued in Spanish)

**Banco BBVA Perú and Subsidiaries**

Consolidated Statement of Cash Flows

For the years ended December 31, 2021 and 2020

<i>In thousands of soles</i>	<i>Note</i>	<b>2021</b>	<b>2020</b>
Reconciliation of the net profit to the cash and flows from operating activities			
Net profit		1,560,500	648,216
<b>Adjustments</b>		<b>2,136,980</b>	<b>1,964,551</b>
Depreciation and amortization		194,623	194,266
Impairment of property, furniture and equipment, and intangible assets		50,946	20,113
(Reversal of an impairment loss) Impairment of available-for-sale investments and goodwill		(2,633)	19,070
Provisions		873,364	1,866,249
Other adjustments		1,020,680	(135,147)
<b>Net changes in assets and liabilities</b>		<b>(13,872,603)</b>	<b>15,724,535</b>
Loan portfolio		(2,820,337)	(10,367,765)
Available-for-sale investments		(1,932,546)	459,032
Accounts receivable and others		575,342	590,813
Unsubordinated financial liabilities		(11,155,468)	13,175,174
Accounts payable and others		1,460,406	11,867,281
<b>Profit or loss for the period after net changes in assets, liabilities and adjustments</b>		<b>(10,175,123)</b>	<b>18,337,302</b>
Paid tax		(871,516)	(647,402)
<b>Net cash and cash equivalents from operating activities</b>		<b>(11,046,639)</b>	<b>17,689,900</b>
<b>Cash flows from investing activities</b>			
Acquisition of intangible assets and property, furniture, and equipment		(337,421)	(237,007)
Other cash inflows from investing activities		105,919	88,642
<b>Net cash and cash equivalents used in investing activities</b>		<b>(231,502)</b>	<b>(148,365)</b>
<b>Cash flows from financing activities</b>			
Cash inflows for issuance of subordinated financial liabilities		729,800	-
Cash outflows for redemption of subordinated financial liabilities		-	(719,400)
Cash paid for dividends		(601,232)	(562,761)
Other cash inflows from financing activities		192,900	308,048
Other cash outflows from financing activities		(1,451,913)	(2,303,090)
<b>Net cash and cash equivalents used in financing activities</b>		<b>(1,130,445)</b>	<b>(3,277,203)</b>
<b>Net increase (decrease) in cash and cash equivalents before effects of exchange rate fluctuations</b>		<b>(12,408,586)</b>	<b>14,264,332</b>
Effects of changes in exchange rates on cash and cash equivalents		963,642	1,238,806
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(11,444,944)</b>	<b>15,503,138</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>31,265,696</b>	<b>15,762,558</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>19,820,752</b>	<b>31,265,696</b>
Guarantee funds		843,075	1,896,323
Interbank funds		-	(137,599)
Investment with maturities of less than 90 days		(4,368,801)	(8,070,153)
<b>Available according to the statement of financial position</b>	<i>5</i>	<b>16,295,026</b>	<b>24,954,267</b>

The accompanying notes on pages 6 to 100 are an integral part of these consolidated financial statements.

## **Banco BBVA Perú and Subsidiaries**

Notes to the Consolidated Financial Statements

December 31, 2021 and 2020

### **1. Background and Economic Activity**

#### **A. Background**

Banco BBVA Perú (hereinafter the Bank) is a subsidiary of BBVA Perú Holding S.A.C., which holds 46.12% of its share capital as of December 31, 2021 and 2020. The Bank Bilbao Vizcaya Argentaria S.A. (hereinafter BBVA S.A.) holds 100% of the shares of BBVA Perú Holding S.A.C.

#### **B. Economic activity**

The Bank is a closely held corporation incorporated in 1951, and is authorized to operate as a banking institution by the SBS.

The Bank's activities mainly comprise financial intermediation by commercial banks. Such activities are governed by the SBS according to Law 26702 "General Law of the Financial and Insurance Systems and SBS Organic Law" and its amendments (hereinafter the Banking Law). This Law establishes the requirements, rights, obligations, collaterals, restrictions, and other operating conditions to which every legal entity operating in the financial and insurance systems is subject.

The Bank's legal domicile and headquarters is located at Av. República de Panamá No. 3055 - San Isidro, Lima, Peru.

The Bank holds 100% of the share capital with voting rights over its subsidiaries: BBVA Bolsa Sociedad Agente de Bolsa S.A, BBVA Asset Management S.A. SAF, BBVA Sociedad Titulizadora S.A., Inmuebles y Recuperaciones BBVA S.A., BBVA Consumer Finance EDPYME, Forum Comercializadora del Perú S.A. and Forum Distribuidora del Perú S.A. Even though the Bank does not hold share capital or voting rights over Continental DPR Finance Company (DPR), due to the characteristics of its corporate purpose and its relationship with the Bank, the accounting standards that govern the Bank require DPR's financial statements to be included on the consolidated basis with those of the Bank (all these companies including the Bank are denominated, hereinafter, BBVA Peru Group).

#### **National State of Emergency**

On March 11, 2020, the World Health Organization (WHO) declared a pandemic due to the coronavirus disease (COVID-19), and recommended contention and mitigation measurements worldwide. On March 15, 2020, the Peruvian government declared, through Supreme Decree, a national state of emergency due to the serious circumstances affecting people's life as a result of the COVID-19 outbreak. As of reporting date, the state of emergency has been extended until February 28, 2022, inclusive. In this context, the government enforced a series of exceptional and preventive measurements.

The Bank did not stop its activities, even during the quarantine, to attend and support the government's financing programs and distribute social assistance initiatives, such as bonds (economic subsidies) for households vulnerable to poverty or extreme poverty.

Since the beginning of the pandemic, the Bank carried out a number of contingency actions, which led to the creation of a multidisciplinary team in charge of designing and implementing the strategy for the biosanitary crisis, whose main objective is to protect the health of employees and customers throughout Peru.

**Banco BBVA Perú and Subsidiaries**

Notes to the Consolidated Financial Statements

December 31, 2021 and 2020

For this purpose, this multidisciplinary team designed a health strategy, comprehensive infrastructure implementation and management of the demand of the offices, based on the new reality due to the pandemic. Likewise, teleworking for the employees of the core areas was implemented, as well as for the employees considered vulnerable population due to preexisting health conditions.

The COVID-19's second wave in Peru started in early 2021 and progressed more until the end of August. The Bank organized a crisis management team that, based on its prior-year experience, is responsible for designing and implementing an action plan to strengthen the measures to prevent COVID-19 infection and ensure business continuity. The measures implemented by the Bank include the following:

- launch a COVID-19 helpline called "Hello, doctor" offered by a team of seven health experts that provide health advice to employees and book a COVID-19 diagnostic test;
- monitor the compliance of employees and customers with health and safety measures at the workplace; and
- provide online training on COVID-19 infection prevention and control.

In early September 2021, after the end of the COVID-19's second wave, the Bank start assessing a return-to-work plan. The assessment used experiences with remote work during the pandemic and contemplated the return of 500 employees through a hybrid work model (60% of on-site work and 40% of remote work), which was implemented in mid-November 2021.

It included communications on the development of new areas and services at the headquarters, as well as the implementation of health and safety measures—e.g., installing thermal imaging cameras and setting a physical distance of two meters.

At the reporting date, the Bank pushed its return-to-work date as a result the third wave, driven by Omicron variant, that lead to a surge in cases. The Bank continuously updates all measures and monitors key indicators.

## Banco BBVA Perú and Subsidiaries

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### C. Peruvian government programs for economic reactivation

The Ministry of Economy and Finance (MEF) implemented the following economic aid programs to debtors affected by the state of emergency:

<b>Program / Validity</b>	<b>Legal basis</b>	<b>Brief description of the program</b>	<b>Amount of the program</b>
Reactiva Perú Until November 30, 2020	Legislative Decree 1455 (April 6, 2020)  Ministerial Resolution 134-2020-EF (April 13, 2020)	It was created with the following purposes: <ul style="list-style-type: none"><li>▪ Respond to the liquidity needs that companies face due to the impact of COVID-19.</li><li>▪ Ensure the continuity of the chain of payments.</li></ul> Through this program, the Government grants guarantees to companies so that they can access working capital loans, and can meet short-term obligations with their workers, and suppliers of goods and services. Credit hedge ranges between 80% and 98% of the loan, whose maximum amount per customer is S/ 10 million, which is terminated based on the volume of sales.  Additionally, the Bank obtains the resources to grant these loans through repurchase agreement with the Central Reserve Bank of Peru (BCRP, for its Spanish acronym), for the guaranteed portion.	S/ 60,000 million
Rescheduling – Reactiva Peru program Until December 31, 2021	Emergency Decree 026- 2021 (March 6, 2021)  Emergency Decree 039-2021 (April 22, 2021)  Emergency Decree 091-2021 (September 30, 2021)	The Peruvian government stated that loans granted under the Reactiva Peru program may be rescheduled, provided that they meet the legal requirements (mainly due to a drop in sales). Loans can be rescheduled using funding from the Bank or BCRP. The Bank may rise the interest rate by 25 BPS where its funds are used. The deadlines to access the debt rescheduling expired on September 30, 2021.  However, it was extended until December 31, 2021.	S/ 19,500 million
FAE for SME Until December 31, 2020	Emergency Decree 029- 2020 (March 20, 2020)  Ministerial Resolution 124-2020-EF (March 25, 2020)	Business Support Fund (FAE) for Small and Micro Enterprise (SME).  Initially, it applied for new working capital loans, rescheduling and refinancing and the maximum amount of the loan per customer was up to S/ 90 thousand with coverage percentages of 30%, 50% and 70%.  Currently, it applies for new working capital loans and the maximum amount of the loan per customer is up to S/ 30 thousand with coverage percentages of 95% and 98%.	S/ 4,000 million

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## Banco BBVA Perú and Subsidiaries

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<b>Program / Validity</b>	<b>Legal basis</b>	<b>Brief description of the program</b>	<b>Amount of the program</b>
Rescheduling – FAE for SME Until December 31, 2021	Emergency Decree 091-2021 (September 30, 2020)	However, it was extended until December 31, 2021.	Not applicable
FAE for Tourism Until March 31, 2022	Emergency Decree 076-2020 (June 30, 2020)  Ministerial Resolution 228-2020-EF (August 11, 2020)  Emergency Decree 091-2021 (September 30, 2021)	It was intended for SME that carry out lodging activities, interprovincial passenger land transport, tourist transport, travel and tourism agencies, restaurants, leisure activities, organization of congresses, conventions and events, tourist guidance, and production and marketing of handicrafts. Currently, it applies for new working capital loans and the maximum amount of the loan per customer is up to S/ 750 thousand with coverage percentages of 95% and 98%.  The program term was extended until March 31, 2022 and loans will no longer be used for working capital exclusively but also for the acquisition of fixed assets.	S/ 1,500 million
FAE for Farmers Until March 31, 2022	Emergency Decree 082-2020 (July 9, 2020)  Ministerial Resolution 226-2020-EF (August 9, 2020)  Emergency Decree 091-2021 (September 30, 2021)	It was intended for farmers. The working capital loans are granted by the Bank to its customers and are guaranteed by the FAE-AGRO, which is managed by COFIDE. The maximum amount of the loan per customer is up to S/ 30 thousand with coverage percentages of 95% and 98%.  The program term was extend until March 31, 2022.	S/ 2,000 million
CRECER Fund Until year 2049	Legislative Decree 1399 (September 7, 2018)  Supreme Decree 007-2019-EF (January 11, 2019)	It is a program that grants guarantees to loans for working capital, fixed assets and export credits to promote the productive and business development of SME. The maximum amount of the loan per customer is up to S/ 10 million. Coverage percentages are up to 75% for SME, up to 70% for Medium-business and up to 60% for exporting company.	Not specified



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<b>Program / Validity</b>	<b>Legal basis</b>	<b>Brief description of the program</b>	<b>Amount of the program</b>
Government guarantee program, to the loan portfolio of financial institutions.  Until December 31, 2022	Legislative Decree 1508-2020 (May 11, 2020)  Ministerial Resolution 178-2020-EF (June 24, 2020)	It is intended to provide liquidity to banks, financial entities and credit agencies.	S/ 7,000 million
Repurchase agreement with rescheduling of loan portfolio	Official Letter 0021-2020 (June 7, 2020)	BCRP order the possibility that financial entities obtain an economic fund at a rate of 0.5% through repurchase agreement. Therefore, financial entities are committed to reschedule their customer's loan portfolio or the portfolio compared to other financial entities, temporarily reducing the interest rate for the duration of the operation with the BCRP.	Not specified
Guarantee programs - COVID-19  Until December 31, 2021	Law 31050 (October 8, 2020)  Ministerial Resolution 296-2020-EF (October 18, 2020)  Emergency Decree 033- 2021 (March 30, 2021)	It is intended to consumer loan portfolios, personal loans, mortgages for homes, vehicles and SME. The program guarantees credits rescheduled by financial entities. Such reschedule contemplates the decrease of the interest rate.	S/ 5,500 million
Business Support Fund (FAE) for Small and Micro Enterprise (SME). Until March 31, 2022	Emergency Decree 019-2021 (February 12, 2021)  Emergency Decree 091-2021 (September 30, 2021)	It is a program whose objective is to promote working capital financing to small and micro enterprises. It is managed by COFIDE.  The program term was extended and loans will no longer be used for working capital exclusively but also for the acquisition of fixed assets.	S/ 2,000 million

## Banco BBVA Perú and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2021 and 2020

### D. Approval of the consolidated financial statements

The consolidated financial statements as of December 31, 2021 were approved by management, and will be presented for approval to Board of Directors and General Shareholder's Meeting within the terms established by Law. In management's opinion, the Board of Directors and the General Shareholder's Meeting will approve the accompanying consolidated financial statements without amendments. The General Shareholders' Meeting, held March 24, 2021, approved the consolidated financial statements as of December 31, 2020.

## 2. Basis of Preparation of the Consolidated Financial Statements

### A. Statement of compliance

The consolidated financial statements are prepared and presented in accordance with current regulations and Peruvian GAAP applicable to financial institutions, which comprise the accounting standards and practices authorized by the SBS, in use of its powers, delegated in accordance with the provisions of the Banking Law. The aforementioned standards are contained in the Accounting Manual for Financial Institutions (hereinafter the Accounting Manual) approved by SBS Resolution 895-98, dated September 1, 1998, effective as of January 1, 2001, and complementary norms and amendments.

In the absence of such applicable SBS regulations, the International Financial Reporting Standards (IFRS), issued by the *International Accounting Standards Board* (IASB), made official in Peru by the Peruvian Accounting Board (CNC, for its Spanish acronym), are applied.

Peruvian GAAP comprise the standards and interpretations issued or adopted by the IASB, which include IFRSs, International Accounting Standards (IAS), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), or the former Standing Interpretations Committee (SIC), adopted by the IASB and made official by the CNC for their application in Peru.

### B. Basis of consolidation

The consolidated financial statements include the financial statements of entities that are part of the BBVA Peru Group, described in note 1.B, after eliminating significant balances and transactions among the consolidated entities, and the gains and losses resulting from those transactions. All subsidiaries have been consolidated since their constitution or acquisition.

Subsidiaries are all the entities over which the Bank has the power to govern its operating and financial policies. The consolidation ends as of the date in which the Bank loses the control over them.

As of December 31, main balances of the BBVA Peru Group are the following:

<i>In millions of soles</i>	Assets		Liabilities		Equity	
	2021	2020	2021	2020	2021	2020
<b>Entity</b>						
Banco BBVA Perú	101,645	107,384	91,463	98,008	10,182	9,376
BBVA Bolsa Sociedad Agente de Bolsa S.A.(i)	54	34	35	15	19	19
BBVA Asset Management S.A. SAF (ii)	39	42	2	2	37	40
BBVA Sociedad Titulizadora S.A. (iii)	6	6	1	1	5	5
Inmuebles y Recuperaciones BBVA S.A. (iv)	184	176	3	4	181	172
Continental DPR Finance Company (v)	47	101	47	101	-	-
BBVA Consumer Finance Edpyme (vi)	120	340	16	235	104	105
Forum Comercializadora del Perú S.A. (vii)	2	2	-	-	2	2
Forum Distribuidora del Perú S.A. (viii)	163	110	136	85	27	25

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- (i) BBVA Bolsa Sociedad Agente de Bolsa S.A. (hereinafter Sociedad Agente de Bolsa) is a subsidiary of the Bank, in which it owns 100% of the shares with voting rights representing its share capital. Sociedad Agente de Bolsa is engaged in the intermediation of securities, which mainly comprises the purchase and sale of securities by orders of customers (owners of contract), as well as the provision of advisory and information services to investors. Likewise, Sociedad Agente de Bolsa can carry out operations and services compatible with the brokerage activity in the stock market, authorized by the Superintendence of Securities Market (SMV, for its Spanish acronym).
- (ii) BBVA Asset Management S.A. Sociedad Administradora de Fondos (hereinafter Sociedad Administradora) is a subsidiary of the Bank, in which it owns 100% of the shares with voting rights representing its share capital. Sociedad Administradora is engaged in management of mutual and investment funds authorized to operate by the SMV, as well as acquisition and sale of securities. As of December 31, 2021, it manages 22 mutual funds of investments in securities, 2 private investment funds and 1 public investment fund (2020: 19 mutual funds of investments in securities, 2 private investment funds and 1 public investment fund).
- (iii) BBVA Sociedad Titulizadora S.A. (hereinafter Sociedad Titulizadora) is a subsidiary of the Bank, in which it owns 100% of the shares with voting rights representing its share capital. Sociedad Titulizadora is dedicated to the function of trustee in securitization processes, as well as to acquire assets in order to establish trust funds that support the issuance of credit-bearing securities. As of December 31, 2021, Sociedad Titulizadora manages the assets in 12 trust funds (2020: 14).
- (iv) Inmuebles y Recuperaciones BBVA S.A. (hereinafter IRBSA) is a subsidiary of the Bank, in which it owns 100% of the shares with voting rights representing its share capital. IRBSA is engaged to the trade of personal and real state property for its own use or for third parties, through the acquisition, sale, lease, import and export of such properties; as well as any other related activity, without any limitation. Likewise, IRBSA provides management services for the Bank's health care program.
- (v) Continental DPR Finance Company is a society created for the special purpose stated in note 13(d)(iii) (securitization of remittances from abroad).
- (vi) BBVA Consumer Finance Edpyme (hereinafter Edpyme) is a subsidiary of the Bank, in which it owns 100% of the shares with voting rights representing its share capital. Edpyme is engaged to granting financing to natural and legal persons that develop activities classified as small and micro businesses.  
  
Edpyme has a plan to integrate the vehicle business with the Bank in the first half of 2022, and from that period on, the dissolution process of such company would begin (note 31).
- (vii) Forum Comercializadora del Perú S.A. is a subsidiary of the Bank, in which it owns 100% of the shares with voting rights representing its share capital. Forum Comercializadora del Perú S.A. is engaged to financing motor vehicles, wholesale or retail, to take them or give them in financial lease.

## **Banco BBVA Perú and Subsidiaries**

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- (viii) Forum Distribuidora del Perú S.A. is a subsidiary of the Bank, in which it owns 100% of the shares with voting rights representing its share capital. Forum Distribuidora del Perú S.A. is engaged to direct and indirect financing for motor vehicle dealerships; also to trade, acquire and sell motor vehicles, on credit or cash, wholesale or retail, and take or give them in lease, assignment in use or any other modality allowed by Peruvian laws.

### **C. Basis of measurement**

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- derivative instruments are measured at fair value;
- financial instruments at fair value through profit or loss (FVTPL) are measured at fair value; and
- available-for-sale investments measured at fair value.

### **D. Functional and presentation currency**

The Bank prepares and present its consolidated financial statements in soles (S/), which is the currency related to the main economic environment in which the Bank operates, such currency influences the Bank's transactions and services it provides, among other factors. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

### **E. Use of judgments and estimates**

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The accounting estimates and underlying judgments used are reviewed on an ongoing basis. Adjustments resulting from the review of accounting estimates are recognized prospectively, recording the effect in the consolidated statement of profit or loss, as of the year in which the revision is made.

The most relevant estimates and judgments to prepare the consolidated financial statements are the following:

- Determination of the fair value of investments (notes 3.C and 30).
- Accounted investments using the equity method (notes 3.D and 9).
- Provisions for loan losses (notes 3.E and 7).
- Provision for realizable, received as payment, and repossessed assets (note 3.G).
- Provision for fringe benefits of the employees (note 3.M).
- Useful life of property, furniture and equipment and intangible assets (notes 3.F, 3.I, 10 and 11).
- Provision for income tax (notes 3.P and 23).
- Deferred tax (notes 3.P and 24).
- Determination of the fair value of derivative instruments (notes 3.B and 30).
- Impairment of non-financial assets (note 3.H).
- Goodwill (note 3.J).

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## **Banco BBVA Perú and Subsidiaries**

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### **F. New accounting pronouncements**

#### ***i. New accounting pronouncements not yet adopted***

A number of new standards, amendments and interpretations have been issued or amended by the IASB and are effective for annual periods beginning on or after January 1, 2022.

<b>IFRSs, amendments and interpretations</b>	<b>Effective date</b>
<i>Onerous Contracts – Cost of Fulfilling a Contract</i> (Amendments to IAS 37)	
<i>Annual Improvements to IFRS Standards 2018-2020</i>	Annual periods beginning on or after January 1, 2022.
<i>Property, Plant and Equipment: Proceeds before Intended Use</i> (Amendments to IAS16).	
<i>Reference to the Conceptual Framework</i> (Amendments to IFRS 3)	
<i>Classification of Liabilities as Current or Non-current</i> (Amendments to IAS 1)	
<i>Amendments to IFRS 17 Insurance Contracts</i>	
<i>Disclosure of Accounting Policies</i> (Amendments to IAS 1 and IFRS Practice Statement 2)	Annual periods beginning on or after January 1, 2023.
<i>Definition of Accounting Estimates</i> (Amendments to IAS 8)	
<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> (Amendments to IAS 12)	
<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> (Amendments to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures</i> )	Early adoption is permitted. Effective date deferred indefinitely.

#### ***ii. Resolutions and standards issued by the CNC and the Superintendence of Securities Market (SMV) concerning the approval and adoption of IFRSs in Peru***

As of the date of the consolidated financial statements, the CNC through:

- Resolution 001-2021-EF/30, dated November 15, 2021, made official the amendments to IFRS 16 *Leases*, IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, IAS 1 *Presentation of Financial Statements*, IAS 12 *Income Taxes*, and the 2021 edition of IFRS, including the Conceptual Framework for Financial Reporting. The validity of the indicated standards is established in each one of them.

As indicated in note 2.A, the standards and amendments detailed in *i.* and *ii.* shall only be applicable to the Bank in the absence of applicable SBS regulations for situations not covered in the Accounting Manual. Management has not determined the effects on the preparation of its consolidated financial statements since those standards were not adopted by the SBS.

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**iii. Main pronouncements issued by the SBS**

In 2021, SBS published, among others, the following significant pronouncements:

<b>Regulation</b>	<b>Date</b>	<b>Brief description</b>
SBS Resolution 00049-2021	January 6, 2021	The treatment for ownership of repossessed and recovered assets, under the Regulation on the Treatment of Repossessed and Recovered Assets and its Provisions, approved by SBS Resolution 1535-2005, was extended until December 31, 2021 for entities requesting it.
Official Letter 6302-2021-SBS	February 5, 2021	The measures implemented due to the state of national emergency (declared through Supreme Decree 044-2020-PCM) include the following: <ul style="list-style-type: none"> <li>▪ Clarifications in relation to contract modifications or debt rescheduling as a result of the COVID-19 pandemic, after an assessment of the customer's ability to meet its payment obligations.</li> <li>▪ Revenue recognition criteria (accrued and earned).</li> <li>▪ Conditions for unilateral debt rescheduling.</li> <li>▪ Definition of the requirement to be up-to-date with payments or have no defaults on the rescheduling date.</li> <li>▪ Treatment of accrued and unearned interest at the rescheduling date.</li> <li>▪ Treatment of provisions in case of an upgrade of the borrower's risk rating under the official letter, among others.</li> </ul>
Official Letter 13613-2021-SBS	March 16, 2021	The measures implemented due to the state of national emergency (declared through Supreme Decree 044-2020-PCM) include the following: <ul style="list-style-type: none"> <li>▪ Conditions for unilateral debt rescheduling.</li> <li>▪ Revenue recognition criteria.</li> </ul>
SBS Resolution 0779-2021	March 16, 2021	The Regulation on the Consolidated Supervision of Financial Conglomerates and Mixed Activity, effective April 1, 2021, was modified to apply IFRS 10 <i>Consolidated Financial Statements</i> in the preparation of consolidated financial statements, where the provisions of the Regulation do not apply.
SBS Resolution 1333-2021	April 30, 2021	Clarifications on prudential and accounting matters were set out, which modified the Accounting Manual for Financial Institutions. They shall be considered by financial institutions when rescheduling loans guaranteed with the Reactiva Peru Program.

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<b>Regulation</b>	<b>Date</b>	<b>Brief description</b>
SBS Resolution 1378-2021	May 05, 2021	The Regulation on the Consolidated Supervision of Financial Conglomerates and Mixed Activity was modified, including changes in the calculation of the Group's regulatory capital, changes in the reporting formats to be submitted to the SBS, clarifications of disclosures in notes to the consolidated financial statements for the fourth quarter, among others. It is effective July 1, 2022.
Official Letter 22799-2021-SBS	May 06, 2021	The counting of days past due of loans granted through the Reactiva Peru program was stopped over the period of debt rescheduling under such program.
Official Letter 27358-2021-SBS	June 02, 2021	Until March 31, 2022, the regulatory capital shall be equal to or greater than 8% of the total risk-weighted assets and indirect loans, which corresponds to the sum of the regulatory capital requirements for market risk multiplied by 10, the regulatory capital requirements for operational risk multiplied by 10, and the credit risk-weighted assets and indirect loans.
Official Letter 27360-2021-SBS	June 02, 2021	Clarifications on the rescheduling of loans guaranteed with the Reactiva Peru program in relation to accounting treatment, provisions, calculation of regulatory capital and legal limits.
SBS Resolution 1760-2021	June 16, 2021	The Regulation on the Regulatory Capital Requirements for Credit Risk and the Accounting Manual for Financial Institutions were modified.
Official Letter 31933-2021-SBS	June 30, 2021	The deadline for the application of the suspension of the counting of days past due under Official Letter 22799-2021-SBS is June 30, 2021.
SBS Resolution 1933-2021	July 01, 2021	The rescheduled loans guaranteed by the FAE for SME program are subject to the same treatment for loans guaranteed by the FAE for SME program, and the Accounting Manual for Financial Institutions was modified.
Official Letter 32591-2021-SBS	July 05, 2021	Clarifications on the rescheduling of loans guaranteed with the FAE for SME program.

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Regulation	Date	Brief description
SBS Resolution 2451-2021	August 20, 2021	The minimum procedures for the management, classification, reporting and recognition of provisions for claims were approved, and the Accounting Manual for Financial Institutions, effective January 1, 2022, was modified.
SBS Resolution 3718-2021	December 7, 2021	The Regulation on Borrower Risk Assessment and Credit Rating and Provision Requirements was modified in relation to the activation criteria of procyclical provisions and the minimum rates of the procyclical component.
SBS Resolution 3748-2021	December 10, 2021	The Regulation on Financial Fees and Expenses was approved and the following were modified:  (a) Regulation on Consumer Behavior Management; (b) Regulation on Credit and Debit Cards; and (c) Regulation on Offenses and Penalties of the SBS.
SBS Resolution 3791-2021	December 14, 2021	The Regulation on the Leverage Ratio applicable to Financial Institutions was approved and the Accounting Manual for Financial Institutions was modified. This resolution is effective from the quarterly report that includes the months from April to June 2022.
SBS Resolution 3921-2021	December 23, 2021	The Regulation on the Additional Regulatory Capital Requirement was modified in relation to the calculation of the additional regulatory capital requirement for market risk, considering the criteria of size, interconnection, substitutability and complexity in order to adapt it to international standards and obtain a more risk-sensitive approach.
SBS Resolution 3922-2021	December 23, 2021	The Regulation on Borrower Risk Assessment and Credit Rating, and Provision Requirements (SBS Resolution 11356-2008), effective December 2021, was modified in relation to loans recognized as rescheduled loans due to the public health emergency.  Accrued interest not collected as of the rescheduling date, recognized as revenue, that is capitalized as a result of the rescheduling, must be repaid and recorded as deferred revenue, being recorded as revenue based on the new term of the loan and as installments are settled.



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**iv. Other pronouncements impacting financial institutions**

In 2021, SBS published, among others, the following significant pronouncements:

<b>Regulation</b>	<b>Date</b>	<b>Brief description</b>
Law 31143 "Law on interest rate caps for financial transactions"	March 18, 2021	<p>This Law aims at regulating interest rate caps for certain loans and other provisions.</p> <p>The main measures include the following:</p> <ul style="list-style-type: none"><li>▪ The BCRP will have the power to set maximum and minimum interest rates on a semi-annual basis. Such power may not be delegated.</li><li>▪ The BCRP shall set the maximum borrowing rates for consumer loans, small consumer loans (equal to or less than S/ 8,800) and small and micro-business loans.</li><li>▪ The fees shall be approved by the SBS and will include the rendering of a service based on actual and demonstrable costs. Contracts, summary sheets, expenses and rates shall also be approved by the SBS.</li></ul> <p>Elimination of certain fees.</p>
Official Letters 008-2021-BCRP and 010-2021-BCRP	April 28, 2021 and May 7, 2021	<p>The BCRP establishes a method for calculating interest rate caps for consumer and small and micro-business loans, as well as the frequency.</p>
Emergency Decree 037- 2021	April 14, 2021	<p>Until March 31, 2022, banks, financial institutions, municipal savings and credit banks, municipal popular credit banks, small and micro enterprises, and rural savings and credit banks are temporarily subject to the following:</p> <ul style="list-style-type: none"><li>(a) The regulatory capital shall be equal to or greater than 8% (previously 10%) of the total risk-weighted assets and indirect loans.</li><li>(b) An entity is subject to an intervention when: i) the regulatory capital is less than 25% (previously 50%) of the rate required; and ii) there is a loss or reduction of more than 80% (previously 50%) of the regulatory capital in the last 12 months.</li><li>(c) An entity is subject to an intervention when there is a loss or reduction of more than 60% (previously 40%) of the regulatory capital.</li></ul>

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Regulation	Date	Brief description
		(d) The calculation limits of the regulatory capital set out in Article 185 of Law 26702 are suspended: <ul style="list-style-type: none"> <li>▪ The auxiliary capital may not exceed the basic capital.</li> <li>▪ The tier 2 capital (redeemable) subordinated debt may not exceed 50% of the amount corresponding to the components of the basic capital considered in Article 184 (1, 2, 3, 4 and 5) (A).</li> <li>▪ The tier 3 capital (redeemable) subordinated debt may not exceed 250% of the amount corresponding to the components of the basic capital considered in Article 184 (1, 2, 3, 4 and 5) (A) for hedging market risk.</li> </ul>

**G. Reclassifications**

Comparative amounts of certain items in the consolidated financial statements as of December 31, 2020 were reclassified. In management's opinion, such reclassifications do not require any changes in the decisions made. The amounts reclassified and accounts affected are the following:

**Consolidated Statement of Financial Position as of December 31, 2020**

The following comparative amounts were reclassified:

- From 'realizable, received as payment and repossessed assets' to 'non-current assets held for sale.'

<i>In thousands of soles</i>	Amounts not reclassified	Reclassifications	Amounts reclassified
<b>Assets</b>			
Realizable, received as payment and repossessed assets	129,126	(94,830)	34,296
Non-current assets held for sale	-	94,830	94,830

- From 'BCRP' to 'other guarantee funds' in 'cash and cash equivalents.'

<i>In thousands of soles</i>	Amounts not reclassified	Reclassifications	Amounts reclassified
<b>Cash and cash equivalents</b>			
BCRP	15,404,584	(96,382)	15,308,202
Other guarantee funds	294,346	96,382	390,728

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### **3. Accounting Principles and Practices**

The significant accounting principles and practices used in the preparation of the BBVA Peru Group's consolidated financial states, have been applied uniformly with those of the previous period, except for the set of exceptional and preventive measures taken by the Peruvian Government to face the economic crisis generated due to the national state of emergency and the mandatory social isolation due to the COVID-19 outbreak, mentioned in the note 2.F.iii.

#### **A. Financial instruments**

##### ***Recognition of financial instruments***

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability, or equity instrument in another.

Financial instruments are recognized on the date when they are originated (trade date) and classified as assets, liabilities, or equity according to the contract that gave rise to the financial instrument. Interest, dividends, gains and losses generated by a financial instrument classified as an asset or liability are recorded as income or expenses in the consolidated statement of profit or loss. Payments to holders of financial instruments are directly recorded in equity.

Gains from the transfer of loan portfolio are recognized as revenue; however, in the case of transfers through swap, or financed, such gains are recognized as deferred revenue, which is accrued based on the monetary income obtained of the realization of the goods received in exchange, or in proportion to the perception of the payment of the acquirer of the transferred loan portfolio. Losses from transfer is recognized by transferring.

##### ***Classification financial instruments***

BBVA Peru Group classifies its financial instruments on initial recognition and on an instrument-by-instrument basis, in the following categories, according with the Accounting Manual: at fair value through profit or loss, credits and accounts receivable, available-for-sale, held-to-maturity, at amortized cost, and other liabilities.

The classification of financial instruments on initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics. At initial recognition, a financial instrument is measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instrument, except for financial assets or financial liabilities measured at fair value through profit or loss.

##### ***Derecognition of financial assets and financial liabilities***

BBVA Peru Group recognizes derecognition of a financial asset when: (i) the contractual rights to receive the cash flows from the financial asset expire; or (ii) transfers the contractual rights to receive the cash flows from the financial asset, or assumes a contractual obligation to pay the cash flows to a third party in a pass through arrangement; and (iii) transfers substantially all risks and rewards of ownership of the financial asset to other entity.

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BBVA Peru Group recognizes derecognition of a financial liability when its contractual obligations are discharged or canceled or expire. An exchange between an existing borrower and lender of financial liabilities with substantially different terms is recognized as a derecognition of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is recognized as a derecognition of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability derecognized and the consideration paid is recognized in the consolidated statement of financial position.

### ***Impairment of financial assets***

Impairment of financial assets and the corresponding provisions for impairment are assessed and recorded by BBVA Peru Group in accordance with SBS standards. A financial asset or group of financial assets is impaired if there is objective evidence of impairment as a result of 1 or more events that occurred subsequent to the initial recognition of the asset (loss event), and if such loss event had an impact on the expected future cash flows of the financial asset or group of financial assets that can be estimated reliably. Any impairment loss is recognized in the consolidated statement of profit or loss.

### ***Offsetting financial instruments***

Financial instruments are offset when the BBVA Peru Group has a legally enforceable right to set them off, and management intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

## **B. Derivative instruments**

Derivative instruments are recorded at trade date according with SBS Resolution 1737-2006 "Regulation on Trading and Accounting of Derivative Products in Financial Institutions" and amendments.

### ***Held-for-trading instruments***

Held-for-trading instruments are initially recognized in the consolidated statement of financial position at fair value. Subsequently, any change in fair value of such derivative generates an asset or liability in the consolidated statement of financial position, as applicable, and affects the profit or loss for the year.

Forward operations, swaps operations and options are recorded at their estimated market price, recognizing an asset or liability in the consolidated statement of financial position, and gains and losses due to valuation or settlement in the consolidated statement of the year. The face value of derivative instruments is recorded in the agreed-upon currency in suspense accounts.

### ***Hedge derivative instruments***

A hedge derivative instrument is recorded as such if, on trade date, it is foreseen that changes in fair value or cash flows will be highly effective in offsetting changes in hedge, which shall be documented on the trade date of the derivative instrument and during the term of the hedging relationship. A hedge is considered highly effective if changes in the fair value or cash flows of the hedged item and hedging instrument are within a range of 80-125%, according with SBS Resolution 1737-2006 and its amendments.

If the SBS determines the documentation to be insufficient or identifies some weaknesses in the methods used by the Bank, it can require the Bank to eliminate the hedge accounting and recognize derivative instruments as held-for-trading instruments.

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**i. Fair value hedge**

Changes in the fair value of the hedge derivative instrument and hedge is recognized in the consolidated statement of profit or loss, from the moment the hedge is designated and, provided it is effective.

Changes in fair value of hedge (gain and losses due to valuation) are recorded as 'accounts receivable' or 'accounts payable,' as appropriate, in the consolidated statement of financial position.

**ii. Cash flows hedges**

In a cash flow hedge, the derivative instrument is measured at fair value and may affect 'equity' and 'profit or loss.' The portion of the adjustment to its fair value is recognized in 'equity' of the consolidated statement of profit or loss and other comprehensive income, while the ineffective portion is recognized in the consolidated statement of profit or loss.

For both types of hedging, if the derivative expires, is sold, terminates or is executed, or no longer meets the criteria for hedge accounting, the hedging relationship ends prospectively and the balances recorded in the consolidated statement of financial position and in the consolidated statement of profit or loss and other comprehensive income, as appropriate, are transferred to the consolidated statement of profit or loss within the effective term of the hedged item.

**C. Investments**

The Bank applies the recognition and measurement criteria to investments in instruments, in accordance with SBS Resolution 7033-2012 "Regulation on Classification and Measurement of Investments of Financial Institutions" and amendments, as follows:

**i. Investments at fair value through profit or loss**

Equity and debt securities are classified as investments at fair value through profit or loss if they have been mainly acquired for trading purposes in the near future, or are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking or have been designated in this category since their initial registration.

On initial recognition, these investments are measured at fair value less transaction costs, which are included as expenses in profit or loss for the period. Subsequently, they are measured at their fair value and the gain or loss from the recovery or sale of these financial assets is recorded in the profit or loss of the year.

Interest income is recognized using the effective interest method. Dividends are recognized in the consolidated statement of profit or loss when the right to receive the payment has been established.

Investments at fair value through profit or loss that are pledged as collaterals shall be reclassified as available-for-sale investments. Once these transactions are concluded, investments shall be reclassified at their initial category, transferring the unrealized gains and losses from equity to the consolidated statement of profit or loss.

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**ii. Held-to-maturity investments**

This caption comprises debt instruments with fixed or determinable payments and fixed maturity, which are: they have been acquired or reclassified with the intention of keeping them until their expiration date; companies must have the financial capacity to hold them until maturity; and are instruments different from, at the time of initial recognition, the company has designated to be accounted at fair value through profit or loss, or as assets available for sale.

Likewise, they shall be classified by at least two local or international credit rating agencies and the classifications shall be within the parameters established by the SBS, being excluded from this requirement the instruments of Central Banks of countries whose sovereign debt receives at least the classification that corresponds to the sovereign debt of Peru.

Investments are initially measured at fair value plus transactions costs that are directly attributable to the instrument's acquisition.

The subsequent measurement of these investments is carried out at amortized cost, using the effective interest rate method. Any impairment loss is recognized in the consolidated statement of profit or loss.

**iii. Available-for-sale investments**

Available-for-sale investments are all investment instruments that are not classified as investments at fair value through profit or loss, held-to-maturity investments, or investments in subsidiaries, associates and joint ventures. Likewise, all instruments shall be included in this category as required by the SBS.

Investments are initially measured at fair value plus transactions costs that are directly attributable to the instrument's acquisition. Subsequent measurement of these investments is carried out at fair value; in the case of equity instruments that do not have prices quoted in active markets and whose fair value cannot be reliably estimated, they must be measured at cost. Likewise, in the case of debt instruments, prior to the measurement at fair value, shall be remeasured using the effective interest method, and gains or losses from the changes in fair value shall be recognized.

Gains and losses from the changes in fair value of available-for-sale investments is recognized directly in equity until the instrument is either sold or realized, which is when gains and losses are recognized in profit and loss, except for impairment losses that are recorded in profit and loss.

If an available-for-sale investment is impaired, the accumulated loss (difference between the acquisition cost, net of any repayment and amortization, and the current fair value, less any impairment previously recognized in the consolidated statement of profit or loss) is removed from equity and recognized in the consolidated statement of profit or loss. Impairment of unquoted shares is the difference between the carrying amount and the present value of future net cash flows discounted using the prevailing market rates for a similar instrument.

Gains or losses from exchange differences related to equity instruments are recognized in equity as 'unrealized profit or loss', while those related to debt instruments are recognized in the consolidated profit or loss for the period.

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Interest revenue from available-for-sale investments is recognized using the effective interest method, considering the useful life of the instrument. Premiums and discounts originated on the acquisition date are included in the calculation of effective interest rate.

Dividends are recognized in the consolidated statement of profit or loss when the right to receive the payment has been established.

**D. Interests in associates**

This caption comprises equity instruments acquired to have interests in and joint control or significant influence over other entities.

At initial recognition, they are measured at fair value, including transactions costs that are directly attributable to the acquisition, and subsequently are measured at investments using the equity method.

The excess between the consideration paid and the fair value of the identifiable assets acquired and the liabilities assumed on the acquisition date is recognized as goodwill. This goodwill is included in the carrying amount of the investment, and is evaluated for impairment as part of the investment. In case the fair value of investment exceeds the consideration paid, this amount is recognized as profit in the consolidated statement of profit or loss.

The Bank determined that the fair value of investments equivalent to the carrying amount of the invested at acquisition date, since they do not have significant non-monetary assets or they have non-monetary assets recorded at their updated appraised value.

When management identifies that one or more investments in associates are impaired, said impairment shall correspond to the difference between the carrying amount and the recoverable amount of the investment, in accordance with IAS 36 *Impairment of Assets*. The carrying amount of the investment shall be reduced to its recoverable amount. Impairment loss shall be recognized in the consolidated statement of profit or loss.

**E. Loans and provisions for loan losses**

Direct loans are recorded when fund expenditures are made in favor of customers. Indirect loans (contingent) are recorded when the documents supporting such credit facilities are issued.

Finance leases are recognized using the effective interest method, and the amount of the installments receivable is recognized as a loan. Related financial income is recorded on an accrual basis in accordance with the lease arrangement terms. Initial direct costs are immediately recognized as expenses.

**i. Types of loans**

In accordance with SBS Resolution 11356-2008, loans are classified as: i) corporate loans; ii) large-business loans; iii) medium-business loans; iv) small-business loans; v) micro-business loans; vi) revolving loans; vii) non-revolving loans; and viii) mortgage loans. This classification considers nature of customer, purpose of loan, business size measured per revenue, debt, among others.

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**ii. Accounting situation of loans**

According with the Accounting Manual, direct loans present the following classification according to their situation:

**Current loans**

They are loans granted in its different modalities, whose payments are up-to-date, in accordance with the agreement.

**Restructured loans**

They are loans or direct funding, regardless of its modalities, subject to the rescheduling of payments approved in the restructuring process, ordinary or preventive bankruptcy, as the case may be, in accordance with the Banking Law of the Bankruptcy System approved by Law 27809.

**Refinanced loans**

They are loans, in their different modalities, in which there are variations in the term and/or amount of the original agreement that are due to difficulties of the debtor's ability to meet its obligations.

**Past due loans**

They are loans that have not been settled or amortized by the borrowers on the due date. They include loans originated by the amounts disbursed by the Bank in the event of the customer's default, for operations whose payment has been guaranteed by the Bank and/or by letters of credits issued and confirmed assumed by the Bank. The terms for a loan to change from current status to past due are presented below:

<b>Type of loans / Product</b>	<b>Days in arrears</b>
Sovereign loans, to multilateral development banks, public entities, securities intermediaries, financial entities, corporations, large companies and medium-sized companies.	After 15 calendar days of the expiration of any of the agreed installments.
Small-business and micro-business loans	After 30 calendar days of the expiration of any of the agreed installments.
Consumer (revolving and non-revolving) loans and mortgage loans. Finance lease and real state capitalization agreement, regardless of the type of the loan.	<b>Graduated tax</b> After 30 calendar days of not having paid on the agreed date, only the unpaid portion will be considered past due; while after 90 calendar days of default in any of the agreed installments, the entire debt will be considered past due.
Overdrafts in checking accounts, regardless of the amount and type of the loan.	As of the 31 calendar day the overdraft was granted.



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**Lawsuit loans**

They are loans for which the Bank has initiated legal collection actions. The demand for legal collection, unless there are technical and legal reasons, begins within a period of 90 calendar days of having recorded the loan as past due.

**iii. Measurements in the COVID-19 context**

As a result of COVID-19 and the national state of emergency and mandatory social isolation (note 1.B), the SBS adopted a series of exception measures with accounting impact, which, in terms of credit, are detailed below:

**Rescheduled loans due to the public health emergency**

They are those credits in which whose contractual conditions have been modified (mainly due to an extension of the payment schedule as a result of the provision of a grace period), without going through a refinance, to the extent that the total term of the aforementioned loans does not extend for more than 6 or 12 months of the original term, depending on the type of loan, and that the debtors are up to date with their payments as of the date of the state of emergency. The balance of equity and interests of the rescheduling are controlled in memorandum accounts.

The types of rescheduling are:

- (a) Massive rescheduling  
Massive rescheduling of loans, with or without the approval of the customer and without credit risk assessment, have the following requirements:
  - i. The customer shall record 15 days past due as maximum as of February 29, 2020 or as of March 15, 2020.
  - ii. The maximum date to request the first rescheduling is until May 30, 2020 (loans to large companies and corporate loans) and until June 30, 2020 (retail loans to medium-sized companies).
  - iii. The maximum date for rescheduling is 6 months for loans to large companies and corporate loans, and 12 months for retail loans and medium-sized companies.
- (b) Individual rescheduling  
In individual rescheduling, there must be a credit risk assessment and have the customer's approval. The maximum rescheduling period of 6 and 12 months of mass rescheduling does not apply, and it may be extended to longer periods. Likewise, the customer shall not be more than 30 days past due to the rescheduling date.
- (c) For both rescheduling types, as of July 1, 2020, revolving loans for credit cards shall be rescheduled only for the entire debt in a new payment schedule.
- (d) Financial entities may apply the accrual criterion for the accounting treatment of the interests associated with the retail loans that are subject to rescheduling. If such retail loans change the accounting treatment to default after the payment obligation according with the new schedule is resumed, the entity shall reverse the accrued and unpaid interest, having 6 months to carry out such reverse proportionally.

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- (e) For wholesale debtors with massive rescheduling loan, the accounting treatment of interest shall be subject to the assumption method. For rescheduling process carried out as an individual credit risk assessment, accrual basis may be applied.
- (f) In 2021, through Official Letters 6302-2021-SBS and 13613-2021-SBS, the following provisions are effective:
- From March 16, 2021, loans may be subject to unilateral modifications when the customer pays at least one full installment, including principal, in the last six months, but the modified payment schedule cannot be extended for more than three months, considering the customer's last payment schedule. Likewise, interest on loans rescheduled from such date shall be recognized when earned.
  - From March 16, 2021, loans may be subject to unilateral modifications and it is not necessary that the customer pays at least one full installment, including principal, in the last six months, and the modified payment schedule can be extended for a maximum of three months, considering the customer's last payment schedule. An entity shall recognize additional voluntary provisions, equivalent to Substandard, for rescheduled loans of borrowers classified as Standard and With Potential Problems. Likewise, interest on loans rescheduled from such date shall be recognized when earned.
- (g) SBS Resolution 3922-2021, issued on December 23, 2021 and effective December 2021, modified the Regulation on Borrower Risk Assessment and Credit Rating, and Provision Requirements (SBS Resolution 11356-2008) in relation to loans recognized as rescheduled loans due to the public health emergency. It also stated the following:

- The specific provisions for rescheduled loans due to the public health emergency include consumer loans, micro-business loans, small-business loans and medium-business loans.
- Requirement of specific provisions:

<b>Borrower's risk rating / financial position</b>	<b>Covenant</b>	<b>Specific provision according to risk rating</b>
Standard	Rescheduled loans of borrowers classified as Standard.	With potential problems (on principal)
Standard / With potential problems	Borrowers that did not pay at least one full installment, including principal, in the last six months at the end of the reporting period.	Substandard (on principal)
Standard / With potential problems/ Substandard	Borrowers that did not pay at least one full installment, including principal, in the last twelve months.	Doubtful (on principal)

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<b>Borrower's risk rating / financial position</b>	<b>Covenant</b>	<b>Specific provision according to risk rating</b>
Current loans	Rescheduled loans classified as current.	Substandard (on accrued interest)
	Rescheduled loans classified as current and borrowers that did not pay at least one full installment, including principal, in the last six months at the end of the reporting period.	Loss (on accrued interest)

- Entities may not, in any case, generate profits or generate higher profit or loss from the reversal of provisions, and shall be used to recognize specific mandatory provisions.
- Accrued interest not collected as of the rescheduling date, recognized as revenue, that is capitalized as a result of the rescheduling, must be repaid and recorded as deferred revenue, being recorded as revenue based on the new term of the loan and as installments are settled.

***Suspension of days in arrears***

If there are debtors with more than 15 days past due as of February 29, 2020, financial entities shall be able to suspend the counting of days in arrears and maintain the same financial situation until August 31, 2020. In addition, the days in arrears suspended shall be considered for the credit rating classification process and calculation of the provision for loans while they remain suspended.

***iv. Credit risk ratings***

Borrower's credit rating established by the SBS is the following: Standard, With Potential Problems (WPP), Substandard, Doubtful and Loss, which are designated according to the credit history of the borrower.

For wholesale loan portfolio (corporate loans, large-business loans and medium-business loans), the rating is based on the borrower's ability to meet its debt obligation, cash flows, level of compliance with obligations, rating designated by other financial institutions, financial position, and management quality. For retail loan portfolio (small-business loans, micro-business loans, revolving and non-revolving loans, and mortgage loans), the rating is based on the borrower's level of compliance with obligations, reflected in the defaults and delays, and rating designated by other financial institutions. Additionally, the Bank assesses the exposure to exchange rate risk of the loan portfolio in foreign currency, according to the SBS Resolution 041-2005 and amendments.

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**v. Provision for loan**

The provision for loan losses is measured in accordance with the criteria established in SBS Resolution 11356-2008 "Regulation on Borrower Risk Assessment and Credit Rating, and Provision Requirements."

According to current regulations, the Bank considers 2 types of provisions for loan portfolio: general and specific provisions. The general provision is recorded in a preventive manner for direct and indirect loans rated as "standard" and additionally for the procyclical component when the SBS orders its application. The general provision also includes voluntary provisions.

Voluntary provision is determined by the BBVA Peru Group considering the following: the economic situation of the debtors that make up the high-risk loan portfolio (overdue loans, in judicial collection, rescheduled, refinanced and restructured), previous experience and other factors that, at the management's discretion, require to current recognition of possible losses in the loan portfolio. The amount of voluntary provisions is reported periodically to the SBS.

The specific provision is recorded for direct loans and exposure to credit risk of borrower's indirect loans rated in a credit rating higher than "standard."

The credit risk equivalent of indirect loans is determined by multiplying the indirect loans by the different types of Credit Conversion Factor (CCF) described as follows:

	<b>Description</b>	<b>CCF (%)</b>
(a)	Confirmations of irrevocable letters of credit up to one year, when the issuing bank is a tier 1 foreign financial institution.	20
(b)	Collaterals, import letters of credit, and letters of guarantee, and confirmations of letters of credit not included in a), as well as banker's acceptance.	100
(c)	Letters of guarantee not included in b)	50
(d)	Undisbursed loans granted and unused credit lines.	0
(e)	Other indirect loans not included in the prior paragraphs.	100

Provision requirements are determined considering the borrower's credit rating, whether the loan is secured by collateral, and type of collateral.

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The percentages applied to determine the provision for the loan portfolio are the following:

<b>Credit risk ratings</b>	<b>No collateral</b>	<b>Preferred collateral</b>	<b>Preferred easily realizable collateral</b>	<b>Self-liquidating preferred collateral</b>
<b>Standard</b>				
Corporate loans	0.70%	0.70%	0.70%	0.70%
Large-business loans	0.70%	0.70%	0.70%	0.70%
Medium-business loans	1.00%	1.00%	1.00%	1.00%
Small-business loans	1.00%	1.00%	1.00%	1.00%
Micro-business loans	1.00%	1.00%	1.00%	1.00%
Revolving loans	1.00%	1.00%	1.00%	1.00%
Non-revolving loans	1.00%	1.00%	1.00%	1.00%
Mortgage loans	0.70%	0.70%	0.70%	0.70%
With potential problems	5.00%	2.50%	1.25%	1.00%
Substandard	25.00%	12.50%	6.25%	1.00%
Doubtful	60.00%	30.00%	15.00%	1.00%
Loss	100.00%	60.00%	30.00%	1.00%

As of December 31, 2021 and 2020, the procyclical component for the provision for loan portfolio is deactivated, according to SBS Official Letter B-2224-2014. SBS Resolution 3718-2021 modified the Regulation on Borrower Risk Assessment and Credit Rating and Provision Requirements in relation to activation criteria of procyclical provisions. Accordingly, they can be activated as of December 31, 2023.

The minimum rates of the procyclical component are the following:

<b>Types of loans</b>	<b>Procyclical component</b>
Corporate loans	0.10%
Large-business loans	0.40%
Medium-business loans	0.60%
Small-business loans	1.00%
Micro-business loans	1.00%
Revolving loans	1.50%
Non-revolving loans	1.00%
Mortgage loans	0.40%

For loans with self-liquidating preferred collaterals, the procyclical component shall be 0% for the portion covered by such collaterals. For non-revolving loans supported by payroll or pension deduction agreements, the procyclical component shall be 0.25%.

A provision for direct loan losses is recorded deducting the balance of the relevant asset (note 7). A provision for indirect loan losses is recorded in 'liabilities' (note 14).

The SBS exceptionally established a zero percent provision rate for credit risk to the part of the loans covered by the guarantee of the Reactiva Peru and FAE for SME program (note 1.C).

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**F. Property, furniture and equipment**

Property, furniture and equipment is recorded at historical cost, which includes disbursements attributable to acquisition, and is presented net of accumulated depreciation and accumulated impairment losses. Annual depreciation is recognized as expense and is determined using the standard cost, under the straight-line method based on the estimated useful life of property, furniture and equipment, using depreciation rates.

	<b>Years</b>
Buildings and premises	33 & 10
Installations and improvements to rental property	10
Property, furniture and equipment	10 & 4
Vehicles	5

Disbursements incurred after a component of property, furniture and equipment has been put into use are capitalized only when they can be measured reliably and it is probable that such disbursements will result in future economic benefits in excess of the normal performance originally assessed for said asset.

Repair and maintenance expenditures are recognized as expenses in the period in which they are incurred. When an item of property, furniture and equipment is sold or disposed, its cost and accumulated depreciation are deleted, and profit or loss resulting from its sale is recognized in the consolidated statement of profit or loss.

The Bank is not permitted to apply the revaluation model. It is only permitted to apply the cost model. Likewise, the Banks are prohibited from giving as collateral their property, furniture and equipment, except those acquired in finance leases.

**G. Realizable, received as payment and repossessed assets**

Assets received as payment and repossessed by the Bank as payment of debts are recorded at judicial or extrajudicial value or at value agreed upon in the payment. At initial recognition, recovered assets as a result of the agreement termination, if any, are measured at the lower of the outstanding debt value and the net realizable value. If the outstanding debt value is higher than the value of the recovered asset, the difference is recognized as a loss, provided that its recovery is remote.

Likewise, in accordance with Resolution 1535-2005 "Regulation on the Accounting Treatment of Repossessed and Recovered Assets and Provisions" and amendments, the Bank records provisions as follows:

- For assets received, a provision for 20% of the value on the award or recovery date.
- For fixed assets, a monthly provision, within a maximum term of 42 months, of the net value obtained in the twelfth or eighteenth month of the asset's repossession or recovery for up to 100% of the asset's carrying amount, depending on whether an extension is granted by the SBS. The net carrying amount of fixed assets is compared with the net realizable value determined by an independent appraiser. The Bank recognizes a provision for impairment loss if the carrying amount exceeds the net realizable value.
- For assets other than fixed assets, a provision for the remaining balance within a period of not more than 12 or 18 months, depending on whether an extension is granted by the SBS.

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An impairment loss is recognized when the net realizable value is lower than net carrying amount; accordingly, the carrying amount shall be reduced and the loss shall be recognized in the consolidated statement of profit or loss. If the recoverable amount exceeds the carrying amount, the higher amount shall not be recognized.

### **H. Impairment of non-financial assets**

When events or circumstances indicate that the carrying amount of a long-lived asset may not be recoverable, management reviews the carrying amount of the asset at consolidated statement of financial statement. If after the impairment test, the carrying amount exceeds its recoverable amount, an impairment loss is recognized in the consolidated statement of profit or loss. The recoverable amount is estimated for each asset.

### **I. Intangible assets**

Intangible assets with finite useful life are recognized at acquisition cost and are presented net of accumulated amortization and any impairment loss. Amortization is recognized as expense. It is determined under the straight-line method based on the estimated useful life of assets. The assets' estimated useful life is between 1 and 5 years.

Costs associated with maintenance of software are recognized as expenses when incurred. The development expenses and unique and identifiable software, which are likely to generate economic benefits, are recognized as intangible assets.

### **J. Goodwill**

Goodwill resulting from the acquisition of a subsidiary or associate corresponds to the excess of the consideration paid over the net fair value of the identifiable assets, liabilities and contingent liabilities of the investee, on the acquisition date. At the beginning, goodwill is recognized as an asset at cost, and, subsequently, presented at cost less any accumulated impairment loss, if any.

For the impairment test, goodwill is assigned to each CGU of the Bank that is expected to benefit from the synergies of the combination. A CGU, to which the acquired goodwill has been distributed, is tested for impairment on an annual basis, or more frequently when there are indications that the unit may have deteriorated. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is distributed first by reducing the carrying amount of any goodwill distributed to the CGU, and then to the other assets of the CGU, prorated based on the carrying amount of each of the assets of the unit. Any impairment loss of goodwill is recognized in profit or loss of the period in which it is generated. An impairment loss recognized in goodwill is not reversed in subsequent periods.

### **K. Non-current assets held for sale**

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale when their disposal is highly probable, and are promptly available for sale. Therefore, management must be committed to sale and the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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Non-current assets held for sale comprise land, buildings, vehicles, and property, furniture and equipment. As of December 31, 2021 and 2020, net revenue from sales amounts to S/ 10 million and S/ 1 million, respectively. Sales plans on these assets are designed on an annual basis and sales management is monitored.

### **L. Debts and financial obligations**

Outstanding instruments and liabilities are financial liabilities recorded at amortized cost using the effective interest method. Amortized cost is calculated taking into consideration any discounts or premiums on issuance. Costs are an integral part of the effective interest rate and are amortized during the validity term of the liabilities. Accrued interest are recognized in the consolidated statement of profit or loss.

Outstanding instruments and liabilities are classified as financial liabilities at fair value through profit or loss when are held for trading or, when at initial recognition have been to be accounted at fair value through profit or loss.

A financial liability classifies as held-for trading if:

- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- it is part of a portfolio of identified financial instruments, which are managed together, and for which there is evidence of a recent pattern of obtaining short-term profits; or
- it is a derivative that is not a financial guarantee contract nor has it been designated as a hedging instrument, and it meets the conditions to be effective.

A financial liability different to those held-for-trading is classified as at fair value through profit or loss if:

- this eliminates or significantly reduces any inconsistency in valuation or recognition;
- it is part of a group of financial assets, financial liabilities or both, which are managed and evaluated according to the fair value criteria, in accordance with a documented investment or risk management strategy of the Bank, and whose information is provided by internal way on that basis; or
- it is part of an agreement containing one or more embedded derivatives, and IAS 39 allows the entire hybrid (combined) agreement to be designated as a financial asset or a financial liability at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are recorded at fair value. Gains and losses from changes in the fair value of these liabilities are recognized in 'operating profit' in the consolidated statement of profit or loss.

### **M. Employee benefits**

#### ***i. Short-term employee benefits***

##### ***Holidays and other benefits***

Personnel's annual holidays, paid leaves, and other employee benefits are recognized on an accrual basis, considering their probability of occurrence. The provision for estimated liabilities corresponding to personnel's annual holidays, resulting from the service rendered by an employee, is recorded on the date of the consolidated statement of financial position.



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### **Severance payment**

The provision for severance payment is measured, according to current regulations, on the total employees' reimbursement rights, according to current regulations. Payments are deposited in the Bank since it is the financial institution chosen by the employee.

### **ii. Long-term benefits**

It comprises post-employment benefits granted to the Bank's active or retired employee, mainly related to seniority awards and medical benefits. Such benefits are recorded based on an actuarial valuation method determined independently, considering future wages levels in accordance with the market expectations, and the average historical cost of medical expenses and other benefits adjusted for inflation, as well as their probability of occurrence. These future cash flows are discounted considering a market interest rate that corresponds to the issuance of bonds with high credit rating.

### **Employees' profit sharing**

The Bank recognizes a liability and an expense for employees' profit sharing equivalent to 5% of tax base determined in accordance with current tax laws.

In the case of subsidiaries, according to legal provisions on the matter, it is not their responsibility to determine the employee's profit sharing, since the number of employees is not more than 20.

## **N. Share-based payments**

A group of employees of the Bank is subject to the European Parliament Directive 2013/36/UE in which limits are established on variable remuneration in relation to fixed remuneration. This system of settlement and payment of annual variable remuneration (hereinafter the system) corresponds to those employees who have a significant impact on the Bank's risk profile or exercise control functions and are subject to the following rules:

- Regarding the total annual variable remuneration, 60% is paid the year following the one corresponding to remuneration, during the first quarter of the year; being that 50% is paid in cash and the other 50% in shares of the Parent Company at the market price of the settlement day. Shares are under some kind of sales restriction during a 12-month period after their acquisition.
- The outstanding balance of variable remuneration is deferred to 4 years, 50% is paid in cash and the other 50% in shares. All these payments are released in quarters for each year until their completion, and shares are under some kind of sales restriction during a 12-month period after their acquisition.
- Likewise, assumptions that may limit or prevent the payment of the deferred portion of the variable remuneration are established—e.g., compliance with multi-year indicators that may reduce the compensation to be received.
- The delivered shares will not be available for at least one year, except for the necessary portion to be used for the payment of applicable taxes.

The settlement of the variable remuneration is carried out in the first months of the following year. As of December 31, 2021 and 2020, management's estimation of the deferred variable remuneration amounts to S/ 11 million and S/ 14 million, respectively.

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**O. Provision, contingent liabilities and contingent assets**

**i. Provisions**

A provision is recognized when the Bank has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources to settle the obligation shall be required, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed on an ongoing basis and adjusted to reflect the best estimates as of the date of the consolidated statement of financial position. Where the effect of the time value of money is material, the amount of a provision shall be the present value of the expenses expected to be required to settle the obligation.

**ii. Contingent assets and contingent liabilities**

Contingent assets are not recognized in the consolidated financial statements. They are only disclosed when an inflow of economic resources is probable.

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed in the notes to the consolidated financial statements, unless the possibility of an outflow of economic resources is remote.

**P. Income tax**

Income tax, either current and deferred, is recognized as 'income and expense', and is included in the consolidated statement of profit or loss, except if such amounts are related to items recognized in 'equity,' in which case, current or deferred income tax is also recognized in 'equity.'

According to current tax legislation, current income tax is determined by applying the tax rate for the year and is recognized as an expense.

The deferred tax liabilities is recognized for all taxable temporary differences that arise when comparing the carrying amount of assets and liabilities and their tax base, without considering that the temporary differences estimated at the beginning will be reversed. The deferred tax asset is recognized for all taxable temporary differences that arise when comparing the carrying amount of assets and liabilities and their tax base, to the extent that it is probable that, in the future, the Bank will have sufficient income tax against which it can apply the temporary differences that revert. Deferred tax liability and asset are measured at the income tax rate, which is expected to be applied to tax of the year in which this liability is settled or the asset is realized, using the income tax rate enacted or substantially effective as of the consolidated statement of financial position.

**Q. Revenue and expense recognition**

Interest revenue and expense and service fees are recognized in profit or loss for the period on an accrual basis, depending on the term of the generating transactions.

Accrued interest from past due, refinanced, restructured and under legal collection loans, as well as loans rated as "doubtful" or "loss", which is recognized in the consolidated statement of profit or loss when are collected effectively. If it is determined that the borrower's financial position has improved so that uncertainty on payment of principal does no longer exists, interest is recorded on an accrual basis again.

Other income and expenses are recorded in the period in which they are accrued.

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### **R. Basic and diluted earnings per share**

Basic earnings per ordinary share are calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted-average number of outstanding ordinary shares during the year. Since the Bank does not have dilutive financial instruments, earnings per ordinary and diluted share are the same.

### **S. Repurchase agreements**

The Bank applies SBS Resolution 5790-2014, which establishes that securities sold under repurchase agreements on a specific future date, are not derecognized from the consolidated statement of financial position since the Bank retains substantially all risks and rewards of ownership of the asset.

The Bank recognizes the cash received and a liability recorded in 'accounts payable' to refund such cash at maturity. Also, it will make the reclassification of securities subject to the transaction in accordance with SBS regulations. Accounting records of returns will depend on the agreements between the parties. The difference between the final amount and the initial amount shall be recognized as expense against a liability within the transaction term using the effective interest method.

### ***Loan portfolio reporting operations guaranteed by the Government represented in securities***

These operations are agreed within the framework of the Reactiva Peru Program. BCRP conducts operations through auctions or direct operations. Market participants sell to the BCRP the securities representative of credits guaranteed by the Government. They receive local currency (amount of the sale) and are obliged to repurchase said securities subsequently, against the payment of local currency (amount of the repurchase). Securities could be:

- Portfolio of securities representative of credits (regular form)
- Certificates of participation in real estate trusts (special form)

The market participant shall monthly pay interest. The operation includes a grace period of 12 months without paying interest, which are prorated over the life of the operation. The market participant is forced to repurchase loans guaranteed by the Government guarantee program each time there is a reduction in their value, or on the resulting date in case of early maturity. In the event of breaches, BCRP shall maintain definitively loans with the Government guarantee program.

As of December 31, 2021 and 2020, the Bank carries out currency, securities and loan portfolio reporting operations guaranteed by the Government represented in securities and loan portfolio (notes 5, 6, 7 and 14).

### **T. Consolidated statement of profit or loss and other comprehensive income, and changes in equity**

Unrealized profit or loss of the measurement of available-for-sale investment, modifications of the hypothesis related with actuarial liabilities and measurement of cash flow hedges is recognized in the consolidated statement of profit or loss and other comprehensive income. Deferred tax related with these items are detailed in the corresponding note (note 3.P).

The consolidated statement of changes in equity shows profit or loss for the period, other comprehensive income, accumulated effects of changes in accounting policies or correction of errors, if any, changes in the shareholder transactions, as payment of dividends and capital contributions, and the reconciliation of the opening balances to the closing balances, by revealing every move or change.

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**U. Cash and cash equivalents**

This caption, recorded in the consolidated statement of cash flows, comprises cash and cash equivalents (without including guarantee funds), interbank funds, and cash equivalents that correspond to short-term and highly liquid instruments easily convertible into cash and subject to an insignificant risk of changes in the fair value, whose maturity does not exceed 90 days from the acquisition date. According to the SBS, the Bank prepares and presents this statement by applying the indirect method.

The Bank's overdrafts are reclassified as liabilities in the consolidated statement of financial position.

**V. Trust activities**

Assets from fiduciary activities in which there is a commitment to return such assets to customers and in which the Bank acts as the holder, trustee or agent, have been excluded from the consolidated financial statements. Such assets are controlled separately in the consolidated financial statements and are presented in memorandum accounts.

**W. Intermediation transactions**

Intermediation transactions on behalf of third parties correspond to purchase / sale operations carried out in the stock and over-the-counter markets under specific instructions given by customers to Sociedad Agente de Bolsa. In this type of operation, customers transfer funds to Sociedad Agente de Bolsa in order to settle the operations according to customer' instructions. Such funds are recorded as assets and liabilities in the consolidated statement of financial position.

**X. Foreign currency transactions**

Foreign currency transactions are recorded, at initial recognition, using the local currency. For this purpose, the amounts in foreign currency are translated to the functional currency by applying the exchange rate on the transaction date, which is the date on which the conditions for their recognition are met.

At the end of each reporting period, the following guidelines are followed:

- Monetary assets and liabilities are translated at exchange rate as the end of each reporting period.
- Non-monetary items, not measured at fair value, are translated at the exchange rate on the date of the transaction.
- Non-monetary items, measured at fair value, are translated at the exchange rate on the date their fair value was established.

The recognition of the exchange difference is subject to the following guidelines:

- The exchange difference that arises when settling monetary assets and liabilities, or when converting said items at exchange rates different from those used for their initial recognition, which have occurred during the year or in previous periods, are recognized in the profit or loss of the year in which they occur.
- When the loss or gain generated by a non-monetary item is recognized in other comprehensive income, any exchange difference included is also recognized in other comprehensive income.
- In the case of non-monetary items, the loss or gain of which is recognized in profit or loss for the year, any exchange difference included in that loss or gain is also recognized in income for the year.

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### Y. Material errors

Material errors in the preparation of the consolidated financial statements of previous years amended the following year are recognized retrospectively restating balances at the beginning of the year in 'assets', 'liabilities' and 'equity,' as appropriate. As December 31, 2021 and 2020, no material errors that involve the restatement of the consolidated financial statements.

### 4. Foreign Currency Balances

The consolidated statement of financial position includes balances of foreign currency transactions, mainly in U.S. dollars (US\$), which are recorded in soles (S/) at the exchange rate established by the SBS. As of December 31, 2021 and 2020, buy and sell exchange rate was US\$ 1 = S/ 3.987 and US\$ 1 = S/ 3.621, respectively.

Foreign currency transactions in Peru referred to the concepts authorized by the BCRP are channeled through a free banking system. As of December 31, 2021, buy and sell exchange rates used were US\$ 1 = S/ 3.975 and US\$ 1 = S/ 3.998, respectively (2020: US\$ 1 = S/ 3.618 and US\$ 1 = S/ 3.624).

As of December 31, foreign currency balances stated in thousands of U.S. dollars are as follows:

	2021			2020		
	U.S. Dollars	Other currencies	Total	U.S. Dollars	Other currencies	Total
<i>In thousands of U.S. dollars</i>						
<b>Assets</b>						
Cash and due from banks	2,949,877	99,220	3,049,097	3,239,797	69,646	3,309,443
Interbank funds	-	-	-	38,000	-	38,000
Investments at fair value through profit or loss and available-for-sale investments	400,035	-	400,035	941,932	-	941,932
Loan portfolio, net	4,316,442	222	4,316,664	4,565,737	1,443	4,567,180
Other assets, net	126,893	1,716	128,609	249,745	1,715	251,460
	<b>7,793,247</b>	<b>101,158</b>	<b>7,894,405</b>	<b>9,035,211</b>	<b>72,804</b>	<b>9,108,015</b>
<b>Liabilities</b>						
Deposits and obligations in financial institutions	6,610,015	68,562	6,678,577	7,511,607	55,222	7,566,829
Interbank funds	-	-	-	20,000	-	20,000
Debts and financial obligations	1,306,241	-	1,306,241	1,323,129	-	1,323,129
Provisions and other liabilities	301,951	5,814	307,765	196,586	10,824	207,410
	<b>8,218,207</b>	<b>74,376</b>	<b>8,292,583</b>	<b>9,051,322</b>	<b>66,046</b>	<b>9,117,368</b>
<b>Short position (liabilities)</b>	<b>(424,960)</b>	<b>26,782</b>	<b>(398,178)</b>	<b>(16,111)</b>	<b>6,758</b>	<b>(9,353)</b>
Derivative instruments, assets	6,047,373	202,693	6,250,066	4,301,983	267,285	4,569,268
Derivative instruments, liabilities	5,426,887	233,758	5,660,645	4,255,335	277,984	4,533,319
<b>Long position (assets)</b>	<b>195,526</b>	<b>(4,283)</b>	<b>191,243</b>	<b>30,537</b>	<b>(3,941)</b>	<b>26,596</b>

In 2021 and 2020, the Bank recorded net exchange gains for S/ 213 million and S/ 593 million, respectively, which corresponds to the valuation of exchange rate, as well as purchase and sales transactions in foreign currency in 'profit or loss from financial transactions' of the consolidated statement of profit or loss (note 20).

The percentage change in the exchange rate of the Sol in relation to the US dollar was 10.11% and 9.26% for the years 2021 and 2020, respectively.

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**5. Cash and Due from Banks**

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Central Reserve Bank of Peru (a)	12,117,862	15,308,202
Cash (a)	2,583,579	2,360,065
Other guarantee funds (b)	803,222	390,728
Foreign banks and other financial institutions (c)	513,896	5,223,908
Local banks and other financial institutions (c)	198,244	137,377
BCRP funds pledges as guarantee (d)	39,854	1,505,604
Clearing	38,003	28,023
Other cash and due from banks	366	360
	<b>16,295,026</b>	<b>24,954,267</b>

- (a) As of December 31, 2021, funds held in cash and deposits with BCRP include US\$ 705 million and S/ 1,731 million (2020: US\$ 1,366 million and S/ 1,890 million), which are intended for hedging the reserve requirement that the Bank shall hold for deposits and obligations according to the limits established by current regulation. These funds are held in the Bank's vault or deposited in the BCRP.

As of December 31, 2021, reserve funds are subject to a rate of 4.75% in local currency (2020: between 4% and 5%) and of 35% in foreign currency (2020: 35%) in both periods, on the total obligations subject to reserve requirements, as required by the BCRP.

Bank reserve funds of the legal reserve requirements, which is 4%, do not accrue interest. Reserve funds corresponding to the additional reserve requirements in local and foreign currency are remunerated at a nominal interest rate established by the BCRP.

As of December 31, 2021, balances at BCRP correspond to time deposits for S/ 800 million and overnight deposits for S/ 9,326 million (2020: time deposits for S/ 10,600 million).

- (b) As of December 31, 2021 and 2020, available includes funds in guarantee for operations with derivative financial instruments amounting to US\$ 158 million and US\$ 80 million, respectively. Likewise, as of December 31, 2021, it is included S/ 132 million and US\$ 9 million to guarantee the transfer process according with the BCRP requirement (2020: S/ 80 million and US\$ 5 million).
- (c) As of December 31, 2021 and 2020, deposits with local and foreign banks mainly correspond to balances in soles and U.S. dollars, as well as lower amounts in other currencies. They have free withdrawal option and accrue interest at market rates.
- (d) As of December 31, 2021 and 2020, correspond to guarantee funds for repurchase agreements of loan portfolio for S/ 40 million. Additionally, as of December 31, 2020, it includes guarantee funds that support currency repurchase commitments with the BCRP for US\$ 400 million. They matured in April 2021 (note 14(a)).

As of December 31, 2021 and 2020, interest revenue from cash and due from banks amounts to S/ 31 million and S/ 38 million, respectively. It is included in 'interest revenue' in the consolidated statement of profit or loss (note 17).

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**6. Investments at Fair Value Through Profit or Loss and Available-for-Sale**

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Investments at fair value through profit or loss		
BCRP certificates of deposit (a)	3,738,906	4,015,271
Peruvian treasury bonds (b)	390,675	663,785
Investment in mutual funds (g)	-	43,216
	<b>4,129,581</b>	<b>4,722,272</b>
Available-for-sale investments		
BCRP certificates of deposit (a)	2,613,849	2,557,657
Peruvian treasury bonds (b)	1,807,890	1,903,892
U.S. treasury bills (c)	1,035,644	1,912,583
Corporate bonds (d)	109,789	102,955
Shares in local entities (e)	32,834	29,345
Investment in mutual funds (g)	30,014	-
Shares in foreign entities	1,010	1,010
Multilateral development banks bonds (f)	-	147,062
U.S. treasury bonds	-	44,564
	<b>5,631,030</b>	<b>6,699,068</b>
	<b>9,760,611</b>	<b>11,421,340</b>

- (a) As of December 31, 2021, BCRP certificates of deposit are freely tradable securities, repossessed through BCRP public auctions or traded in the Peruvian secondary market. They mature in March 2022 (2020: April 2021). The balance includes certificates of deposit for S/ 630 million that are as guarantee of repurchase agreements.

As of December 31, 2021, annual interest on these instruments ranges from 0.38% to 5% (2020: from 0.25% to 5%) in local currency and is 0.22% (2020: from 0.17% to 5%) in foreign currency.

- (b) Peruvian Treasury Bonds correspond to sovereign bonds issued in local currency by the Ministry of Economy and Finance (MEF) of Peru and represent internal public debt securities of the Republic of Peru.

As of December 31, 2021, these bonds accrue interest at annual rates ranging from 1.5% and 6.87% in local currency (2020: from 0.73% and 5.25%) and 1.72% in foreign currency (2020: from 0.96% and 1.76%). As of December 31, 2021 and 2020, such bonds in local currency mature in February 2055, and in foreign currency mature in July 2025 in both periods.

As of December 31, 2021 and 2020, part of Peru's global bonds in foreign currency for US\$ 30 million have a cash flow hedge (note 8).

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- (c) As of December 31, 2021, U.S. treasury bills accrue interest at annual rates ranging from 0.019% and 0.212% (2020: 0.03% and 0.76%) in foreign currency and have current maturity in September 2022 (2020: March 2021).

As of December 31, 2021, part of the U.S. treasury bills for US\$ 100 million (2020: US\$ 60 million) has a cash flow hedge (note 8 (ii)). As of December 31, 2020, the exposure in U.S. Treasury Bills includes S/ 6 million of provisions for country risk.

- (d) As of December 31, 2021 and 2020, include corporate bonds issued by Peruvian entities in foreign.

As of December 31, 2021, these bonds accrue interest at annual rates ranging from 1.21% and 1.57% (2020: 0.65% and 1.04%) in foreign currency. As of December 31, 2021 and 2020, such bonds in foreign currency have maturity in April 2023, in both periods.

- (e) As of December 31, 2021, the balance includes a loss allowance for S/ 11 million and S/ 4 million (2020: S/ 14 million and S/ 4 million) on investments held in BVL and PDP, respectively.

- (f) Multilateral development banks bonds include international corporate bonds in foreign currency issued by Asian Development Bank (ADB) and European Investment Bank (EIB). As of December 31, 2020, these bonds accrue interest at annual rates ranging from 0.16% and 7.28% in foreign currency and have maturity in June 2021.

As of December 31, 2020, the ADB bonds and part of EIB bonds are in foreign currency and have a cash flow hedge (note 8 (ii)).

- (g) As of December 31, 2021, the investment in mutual funds corresponds to the numbers of shares held by BBVA Consumer Finance Edpyme in the different funds managed by BBVA Asset Management S.A. SAF. As of December 31, 2020, the investment in mutual funds corresponds to the numbers of shares held by IRBSA in the different funds managed by BBVA Asset Management S.A. SAF.

As of December 31, 2021, unrealized losses on measurement of available-for-sale investments (note 15.D) amount to S/ 42 million (2020: unrealized gains for S/ 111 million).

As of December 31, 2021 and 2020, accrued interest of loan portfolio managed by the Bank amounts to S/ 133 million and S/ 148 million, respectively (note 17).



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### 7. Loan Portfolio, Net

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	<b>2021</b>		<b>2020</b>	
<b>Direct loans</b>				
Loans	32,444,769	47%	33,852,056	52%
Mortgage loans	13,600,490	20%	12,850,101	19%
Consumer loans	7,482,224	11%	6,489,115	10%
Foreign trade	4,894,668	7%	3,647,036	5%
Finance lease	3,463,072	5%	3,478,196	5%
Project financing	1,649,807	2%	1,853,442	3%
Factoring	1,537,513	2%	1,295,540	2%
Discounts	1,014,448	1%	874,658	1%
Others	3,519,296	5%	2,141,713	3%
	<b>69,606,287</b>	<b>100%</b>	<b>66,481,857</b>	<b>100%</b>
Loans past due and loans under legal collection	2,778,677	4%	2,285,362	3%
Refinanced loans	2,164,622	3%	1,808,355	3%
	<b>74,549,586</b>	<b>107%</b>	<b>70,575,574</b>	<b>106%</b>
<b>Plus (less)</b>				
Accrued returns on current loans	641,441	1%	539,844	1%
Deferred interest	(99,284)	-	(102,554)	-
Provisions for direct loan losses	(4,658,162)	(8%)	(4,419,103)	(7%)
	<b>70,433,581</b>	<b>100%</b>	<b>66,593,761</b>	<b>100%</b>
<b>Indirect loans</b>	<b>16,981,494</b>	<b>-</b>	<b>20,304,156</b>	<b>-</b>

As of December 31, 2021 and 2020, 51% of the direct loan portfolio is concentrated in 3,562 and 3,795 customers, which amounts to S/ 38,385 million and S/ 36,447 million, respective

Direct loan portfolio with guarantees received from customers, which comprise mortgages, deposits, letters of guarantees, collaterals and warrants, amounts to S/ 54,701 million as of December 31, 2021 (2020: S/ 54,746 million).

As of December 31, 2021, part of the commercial loan portfolio for US\$ 146 million have a cash flow hedge (note 8).

As of December 31, 2021, part of the mortgage loan portfolio guarantee a loan with Fondo MIVIVIENDA S.A. – MI HOGAR Program up to S/ 500 million (2020: S/ 452 million). (note 13(b)).

As of December 31, 2021, loans of the Crecer program (note 1.C) amount to S/ 20 million (2020: S/ 15 million).

As of December 31, 2021, part of the loan portfolio belongs to the FAE program (note 1.C) with a balance for S/ 28 million (2020: S/ 144 million) and provisions for S/ 13 million (2020: S/ 10 million). As of December 31, 2021, loans of the FAE program guarantee a debt with COFIDE (note 13 (c)) for up to S/ 14 million (2020: S/ 128 million).

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As of December 31, 2021, part of the loan portfolio belongs to the Reactiva Peru program (note 1.C) with a balance for S/ 11,511 million (2020: S/ 14,931 million). Loans of the Reactiva Peru program are part of the repurchase agreement of loan portfolio with BCRP (note 14(a)). The detail of such loans are detailed as follows:

<i>In thousands of soles</i>	2021	2020
<b>Types of loans</b>		
Medium-business loans	7,375,613	8,636,617
Large-business loans	2,799,296	3,835,084
Small-business loans	1,300,959	2,286,746
Corporate loans	26,737	38,000
Micro-business loans	8,147	134,929
<b>Total of Reactiva Peru program loans</b>	<b>11,510,752</b>	<b>14,931,376</b>

As of December 31, 2021, loans that guarantee the repurchase agreements of loan portfolio with the BCRP amount to S/ 6,273 million (2020: S/ 199 million) (note 14(a)).

As of December 31, effective interest rates of main assets were the following:

Type of transaction (%)	2021		2020	
	Local currency	Foreign currency	Local currency	Foreign currency
Loans and discounts	4.10	3.95	3.39	4.57
Mortgage loans	5.86	5.43	6.99	6.14
Consumer loans	19.49	21.25	21.68	22.64

The following are the balances as of December 31, 2021 and 2020 of the direct loan portfolio segmented by type of customer, in accordance with the provisions of SBS Resolution 11356-2008:

<i>In thousands of soles</i>	2021		2020	
Medium-business loans	20,135,035	27%	19,959,956	28%
Mortgage loans	14,383,976	19%	13,560,999	19%
Corporate loans	13,861,115	19%	11,941,981	17%
Large-business loans	12,862,938	17%	12,662,580	18%
Consumer loans	7,792,114	10%	6,921,830	10%
Small-business loans	2,860,981	4%	3,416,998	5%
Public entities	1,324,985	2%	1,195,003	2%
Securities brokerage	654,890	1%	322,952	0%
Financial institutions	593,153	1%	407,929	1%
Micro-business loans	80,399	0%	172,346	0%
Multilateral development banks	-	0%	13,000	0%
	<b>74,549,586</b>	<b>100%</b>	<b>70,575,574</b>	<b>100%</b>

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As of December 31, according to current SBS regulations, the credit risk rating of loan portfolio of the BBVA Peru Group is as follows:

<i>In thousands of soles</i>	2021						2020					
	Direct	%	Indirect	%	Total	%	Direct	%	Indirect	%	Total	%
Credit risk ratings												
Standard	67,126,831	90	15,272,594	90	82,399,425	90	64,142,505	91	19,307,896	96	83,450,401	91
With potential problems	2,602,306	3	1,119,484	7	3,721,790	4	2,154,440	3	466,670	2	2,621,110	3
Substandard	1,153,049	2	454,809	3	1,607,858	2	1,084,194	2	416,776	2	1,500,970	2
Doubtful	1,231,574	2	71,894	-	1,303,468	1	881,024	1	36,260	-	917,284	1
Loss	2,336,542	3	62,713	-	2,399,255	3	2,210,857	3	76,554	-	2,287,411	3
	<b>74,450,302</b>	<b>100</b>	<b>16,981,494</b>	<b>100</b>	<b>91,431,796</b>	<b>100</b>	<b>70,473,020</b>	<b>100</b>	<b>20,304,156</b>	<b>100</b>	<b>90,777,176</b>	<b>100</b>
Deferred interest	99,284				99,284		102,554				102,554	
	<b>74,549,586</b>		<b>16,981,494</b>		<b>91,531,080</b>		<b>70,575,574</b>		<b>20,304,156</b>		<b>90,879,730</b>	

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Movement in provision for direct loan losses is as follows:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Balance at the beginning of the year	(4,419,103)	(2,907,009)
Additions debited to profit or loss	(2,260,664)	(2,749,072)
Recovery of provisions	1,493,656	991,859
Sale of loan portfolio	399,621	225,546
Write-off	184,458	71,506
Waiver	40,663	18,334
Exchange difference, waivers and other adjustments	(96,793)	(70,267)
<b>Closing balance</b>	<b>(4,658,162)</b>	<b>(4,419,103)</b>

In 2021, the BBVA Peru Group wrote-off loans for S/ 41 million (2020: S/ 18 million).

As of December 31, 2021, the BBVA Peru Group has proceeded with the write-off of impaired loan portfolio for S/ 184 million (2020: S/ 72 million).

The provision for direct loan losses, as shown in the consolidated statement of profit or loss, is as follows:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Provisions for loan losses	(2,260,664)	(2,749,072)
Recovery of provisions	1,493,656	991,859
Revenue from recovery of loan portfolio	14,317	6,001
<b>Provision for loan losses, net of recoveries</b>	<b>(752,691)</b>	<b>(1,751,212)</b>

Management considers that the level of provision for loans losses covers eventual losses in the direct loan portfolio as of the date of the consolidated statement of financial position, and has been made in compliance with all the requirements of current regulations.

The balance of the provision for loan losses (direct and indirect loans) is as follows:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Specific	(2,925,600)	(2,788,296)
Specific – COVID-19	(49,222)	(128,446)
Generic	(671,810)	(585,172)
Voluntary	(1,010,642)	(915,643)
Provision for country risk	(888)	(1,546)
<b>Closing balance</b>	<b>(4,658,162)</b>	<b>(4,419,103)</b>

BBVA Peru Group, according with current law, has identified customers exposed to exchange rate risk, and considers that the level of such risk is appropriate; therefore, it has not determined an additional provision for this concept.

In 2021, BBVA Peru Group sold loan portfolio for S/ 400 million (2020: S/ 226 million). The sale amounted to S/ 23 million (2020: S/ 11 million) and presented in 'profit or loss from financial transactions' of the consolidated statement of profit or loss.

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As of December 31, 2021 and 2020, rescheduled loans, including rescheduled loans due to the public health emergency and the rescheduled loans of the Reactiva Peru program, amount to S/ 5,954 and S/ 13,210 million, respectively.

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
<b>Types of loans</b>		
Medium-business loans	3,396,056	3,966,509
Large-business loans	1,142,183	1,214,955
Small-business loans	717,561	512,861
Mortgage loans	351,850	4,676,367
Corporate loans	230,545	157,953
Consumer loans	110,871	2,676,737
Micro-business loans	4,974	4,429
<b>Total rescheduled loans</b>	<b>5,954,040</b>	<b>13,209,811</b>

The Bank rescheduled loans for S/ 2,872 million loans between April and June 2020 for a term of no more than 3 months without interest (consumer, small-business and micro-business loans). The debt rescheduling resulted in lower finance income for S/ 97 million.

## 8. Held-for-Trading and Hedging Instruments

As of December 31, 2021 and 2020, BBVA Peru Group through the Bank holds foreign-exchange forward contracts, cross-currency swaps and interest rate swaps and options. As of December 31, changes in the fair value of held-for-trading derivative financial instruments are presented as account receivable (assets) or accounts payable (liabilities), as appropriate:

<i>In thousands of soles</i>	<b>Note</b>	<b>Underlying</b>	<b>Nominal</b>	<b>Assets</b>	<b>Liabilities</b>
<b>2021</b>					
<b>Held-for-trading instrument</b>					
Currency forward contracts			23,311,275	339,541	428,488
Interest rate swaps			21,067,297	221,545	236,945
Currency swap			21,285,101	1,217,374	904,980
Options of shares, changes and others			1,024,321	1,607	1,607
Provision for country risk			-	(12,335)	-
			<b>66,687,994</b>	<b>1,767,732</b>	<b>1,572,020</b>
<b>Hedging instruments</b>	<b>6 &amp; 13</b>				
<b>At fair value (i)</b>					
Interest rate swaps		Bonds issue	3,189,600	51,090	-
Interest rate swaps		Loans	19,935	76	-
<b>Contractual cash flows (ii)</b>					
Currency forward contracts		Loan portfolio	583,738	16,958	-
Currency forward contracts		U.S. treasury bills	398,700	7,446	-
Currency forward contracts		Future cash flows – suppliers	210,115	-	2,733
Currency forward contracts		Interest on bonds	158,982	235	3,894
Currency swap		Peru's global bonds	119,610	-	28,378
Interest rate swaps		Loans	11,391	-	54
			<b>4,692,071</b>	<b>75,805</b>	<b>35,059</b>
			<b>71,380,065</b>	<b>1,843,537</b>	<b>1,607,079</b>

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<b>2020</b>					
<b>Held-for-trading instrument</b>					
Currency forward contracts			20,640,060	153,918	205,947
Interest rate swaps			12,326,261	280,024	375,716
Currency swap			10,138,403	469,980	291,822
Options of shares, changes and others			720,484	2,910	2,910
Provision for country risk			-	(8,237)	-
			<b>43,825,208</b>	<b>898,595</b>	<b>876,395</b>
<b>Hedging instruments</b>					
	<i>6 &amp; 13</i>				
<b>At fair value (i)</b>					
Interest rate swaps		Bonds issue	2,896,800	102,960	-
Interest rate swaps		Loans	54,315	394	-
<b>Contractual cash flows (ii)</b>					
Currency forward contracts		U.S. treasury bills	217,260	-	2,674
Currency forward contracts		Multilateral development banks bonds	111,161	-	5,466
Currency swap		Peru's global bonds	108,630	-	6,196
Interest rate swaps		Loans	31,037	-	297
			<b>3,419,203</b>	<b>103,354</b>	<b>14,633</b>
			<b>47,244,412</b>	<b>1,001,949</b>	<b>891,028</b>

### *i. Fair value – hedging instruments*

#### **Interest rate swap**

As of December 31, 2021, the Bank holds cross-currency swaps contract at face value for S/ 3,210 million for loans and issuance (2020: S/ 2,951 million). Through IRS, the Bank receives a fixed interest rate in U.S. dollars and pays a variable interest rate in the same currency. In 2021, changes in fair value of IRS amounts to a loss for S/ 37 million (2020: loss for S/ 86 million) and is recorded in 'operating profit' of the consolidated statement of profit or loss.

The table below shows the detail of hedged elements and their hedging instruments as of December 31:

<b>Hedge element</b>	<b>Hedging instrument</b>	<b>Note</b>	<b>Face value of the hedging instrument stated in thousands of S/</b>		<b>Fair value of the hedging instrument stated in thousands of S/</b>	
			<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Fair value hedge</b>			<b>3,209,535</b>	<b>2,951,115</b>	<b>51,166</b>	<b>103,354</b>
First international issuance of corporate bonds for US\$ 500 million	<b>Interest rate swap (IRS)</b> The Bank receives a fixed interest rate and pays a variable interest rate.	13(d)	1,993,500	1,810,500	28,839	48,067
First international issuance of subordinated bonds for US\$ 300 million	<b>Interest rate swap (IRS)</b> The Bank receives a fixed interest rate and pays a variable interest rate.	13(d)	1,196,100	1,086,300	22,251	54,894
Wells Fargo loan for US\$ 5 million	<b>Interest rate swap (IRS)</b> The Bank receives a fixed interest rate and pays a variable interest rate.	13(a)	19,935	54,315	76	393

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**ii. Cash flow - hedging instruments**

**Currency forward contracts**

As of December 31, 2021, the Bank has currency forward contracts at face value equivalent to S/ 1,352 million for hedging the loan portfolio for US\$ 146 million, U.S. treasury bills for US\$ 100 million, commitment of future payments to suppliers for US\$ 53 million and interest on bonds for US\$ 40 million. For the loan portfolio and U.S. treasury bills, the Bank receives a future cash flow in soles and pays a future cash flow in U.S. Dollars. Also, for the commitment of future payments to suppliers and interest on bonds, the Bank receives a future cash flow in U.S. dollars and pays a future cash flow in soles.

As of December 31, 2020, the Bank has currency forward contracts at face value equivalent to S/ 328 million for hedging instrument at fixed tax accounted as available-for-sale investment, including U.S. treasury bills for US\$ 60 million, ASD bonds for US\$ 20 million and EUI bonds for US\$ 10 million. For currency forward of the U.S. treasury bills, the Bank receives a future cash flow in soles and pays a future cash flow in U.S. dollars; for ASD and EUI receives a future cash flow in soles and pays a future cash flow in U.S. dollars.

In 2021, fair value of currency forwards amounts to a gain for S/ 31 million recorded in 'equity, net of deferred tax' (2020: gain for S/ 3 million).

**Currency swap**

As of December 31, 2021, the Bank holds currency swaps for a face value amounting to S/ 120 million (2020: S/ 109 million) for the bonds hedge accounted as available-for-sale investments (US\$ 30 million of a global bond). Through currency swap of global bonds, the Bank receives a fixed interest rate in soles and pays a fixed interest rate in U.S. dollars.

In 2021, fair value of currency swaps amounts to a loss for S/ 35 million recorded in 'equity, net of deferred tax' (2020: gain for S/ 3 million).

**Interest rate swap**

As of December 31, 2021, the Bank holds cross-currency swaps contract at face value for S/ 11 million for loans and issuance (2020: S/ 31 million). The Bank receives a variable interest rate in U.S. dollars and pays a fixed interest rate in the same currency. In 2021, fair value of interest rate swaps amounts to a loss for S/ 0.1 million recorded in 'equity, net of deferred tax' (2020: loss for S/ 0.1 million).

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The table below shows the detail of hedged elements and their hedging instruments as of December 31:

Hedge element	Hedging instrument	Note	Face value of the hedging instrument stated in thousands of S/		Fair value of the hedging instrument stated in thousands of S/	
			2021	2020	2021	2020
<b>Cash flows hedges</b>			<b>1,482,536</b>	<b>468,088</b>	<b>(10,420)</b>	<b>(14,633)</b>
Loan portfolio for US\$ 146 million.	<b>Currency forward contracts</b> The Bank receives a future cash flow in soles and pays a future cash flow in U.S. dollars.	7	583,738	-	16,958	-
U.S. treasury bills for US\$ 100 million.	<b>Currency forward contracts</b> The Bank receives a future cash flow in soles and pays a future cash flow in U.S. dollars.	6(c)	398,700	217,260	7,446	(2,674)
Future cash flows to suppliers for US\$ 53 million.	<b>Currency forward contracts</b> The Bank receives a future cash flow in U.S. dollars and pays a future cash flow in soles.		210,115	-	(2,733)	-
Interest on bonds for US\$ 40 million.	<b>Currency forward contracts</b> The Bank receives a future cash flow in U.S. dollars and pays a future cash flow in soles.	13(d)	158,982	-	(3,659)	-
Global bonds for US\$ 30 million	<b>Cross currency swap (CCS)</b> The Bank receives a fixed interest rate and pays a fixed interest rate in U.S. dollars.	6(b)	119,610	108,630	(28,378)	(6,196)
Standard Chartered loan for US\$ 3 million.	<b>Interest rate swap (IRS)</b> The Bank receives a variable interest rate and pays a fixed interest rate in U.S. dollars.	13(a)	11,391	31,037	(54)	(297)
ADB bond for US\$ 20 million.	<b>Currency forward contracts</b> The Bank receives a future cash flow in soles and pays a future cash flow in U.S. dollars.	6(f)	-	74,067	-	(4,084)
EUI bond for US\$ 10 million.	<b>Currency forward contracts</b> The Bank receives a future cash flow in soles and pays a future cash flow in U.S. dollars.	6(f)	-	37,094	-	(1,382)



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**9. Interests in Associates**

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Compañía Peruana de Medios de Pagos S.A.C. (a)	7,001	-
TFP S.A.C. (b)	5,998	4,582
	<b>12,999</b>	<b>4,582</b>

- (a) As of December 31, 2021, the BBVA Peru Group, through the Bank, holds 21.15% of shares in the share capital of Compañía Peruana de Medios de Pago S.A.C. (Niubiz, formerly Visanet Perú) (2020: 21.03%).

As of December 31, 2020, the decree of the national state of emergency had an impact on the operations and profit or loss of Compañía Peruana de Medios de Pagos S.A.C. (Niubiz, formerly Visanet Perú); therefore, the BBVA Peru Group, through the Bank, recognized losses in such subsidiary for S/ 2 million. The Company's profit and loss were impacted by the national state of emergency due to COVID-19. On the other hand, the Company's financial statements include the profit or loss of its subsidiary Soluciones y Servicios Integrados S.A.C., which was created three years ago focusing on the mass sector; therefore, costs and expenses related to generation have been incurred for the new products and brand positioning.

- (b) As of December 31, 2021 and 2020, BBVA Peru Group, through the Bank, maintains share of 24.30% in the share capital of TFP S.A.C.

In 2021 and 2020, the Bank recognized net gains on investments in associates for S/ 10 million (2020: net losses for S/ 0.7 million) (note 20).

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### 10. Property, Furniture and Equipment, Net

Movement in property, furniture and equipment and accumulated depreciation for the years 2021 and 2020 was as follows:

<i>In thousands of soles</i>	Land	Buildings and premises	Property, furniture and equipment	Vehicles	Installations and improvements to rental property	Work-in-progress	Goods in transit and replacement parts	Total
<b>Costs</b>								
Balance as of January 1, 2020	118,224	970,780	732,353	8,088	263,400	85,125	255	2,178,225
Additions	-	8,725	52,390	-	4,560	66,606	-	132,281
Disposals and sales	-	-	(4)	-	-	-	-	(4)
Derecognition of assets and others	-	(217)	(3,214)	-	24	(39)	-	(3,446)
Transfers	-	(79,557)	-	-	79,770	(213)	-	-
<b>As of December 31, 2020</b>	<b>118,224</b>	<b>899,731</b>	<b>781,525</b>	<b>8,088</b>	<b>347,754</b>	<b>151,479</b>	<b>255</b>	<b>2,307,056</b>
Additions	-	12,154	98,700	-	6,618	70,026	-	187,498
Disposals and sales	-	-	(15)	-	-	-	-	(15)
Derecognition of assets	-	(356)	(27,088)	(366)	-	-	-	(27,810)
Transfers	-	14,188	366	-	(285)	(14,269)	-	-
<b>As of December 31, 2021</b>	<b>118,224</b>	<b>925,717</b>	<b>853,488</b>	<b>7,722</b>	<b>354,087</b>	<b>207,236</b>	<b>255</b>	<b>2,466,729</b>
<b>Depreciation</b>								
Balance as of January 1, 2020	-	563,560	454,287	6,639	165,635	-	-	1,190,121
Additions	-	24,645	71,475	643	10,606	-	-	107,369
Disposals and sales	-	-	(4)	-	-	-	-	(4)
Impairment	-	118	-	-	-	-	-	118
Derecognition of assets and others	-	(216)	(3,457)	-	20	-	-	(3,653)
Transfers	-	(16,582)	-	-	16,582	-	-	-
<b>As of December 31, 2020</b>	<b>-</b>	<b>571,525</b>	<b>522,301</b>	<b>7,282</b>	<b>192,843</b>	<b>-</b>	<b>-</b>	<b>1,293,951</b>
Additions	-	26,456	71,251	427	11,213	-	-	109,347
Disposals and sales	-	-	(15)	-	-	-	-	(15)
Impairment	-	9,700	-	-	10,100	-	-	19,800
Derecognition of assets	-	(356)	(27,111)	(366)	-	-	-	(27,833)
Transfers	-	2,266	-	-	(2,266)	-	-	-
<b>As of December 31, 2021</b>	<b>-</b>	<b>609,591</b>	<b>566,426</b>	<b>7,343</b>	<b>211,890</b>	<b>-</b>	<b>-</b>	<b>1,395,250</b>
<b>Net cost</b>								
<b>As of December 31, 2021</b>	<b>118,224</b>	<b>316,126</b>	<b>287,062</b>	<b>379</b>	<b>142,197</b>	<b>207,236</b>	<b>255</b>	<b>1,071,479</b>
<b>As of December 31, 2020</b>	<b>118,224</b>	<b>328,206</b>	<b>259,224</b>	<b>806</b>	<b>154,911</b>	<b>151,479</b>	<b>255</b>	<b>1,013,105</b>

According to current regulations, the Bank in Peru cannot pledge as collateral the assets that are part of their property, furniture and equipment, except for those acquired through the issuance of lease bonds to carry out finance leases.

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**11. Other Assets, Net**

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
<b>Other assets</b>		
Transactions in progress (a)	548,896	765,274
Intangible assets (b)	318,907	285,337
Sales and income tax credit, net (c)	199,451	176,754
Prepaid expenses (d)	139,892	122,256
Other accounts receivable	21,823	37,511
Accounts receivable for sale of assets, services and trust	7,578	7,103
Others	2,098	1,978
	<b>1,238,645</b>	<b>1,396,213</b>

- (a) Transactions in progress are mainly those carried out during the last days of the month and are reclassified in the following month to their final accounts in the consolidated statement of financial position. These transactions do not affect the BBVA Peru Group's profit or loss. As of December 31, 2021, it mainly correspond to treasury transactions: i) acquisition and sale of currency for S/ 176 million (2020: S/ 480 million), and ii) sale of securities for S/ 296 million (2020: S/ 231 million).
- (b) As of December 31, 2021, intangible assets is recorded net of S/ 363 million of accumulated amortization and loss allowance (2020: S/ 246 million).
- (c) As of December 31, 2021, it corresponds to sales tax credit for S/ 25 million (2020: S/ 27 million), and income tax credit for S/ 174 million (2020: S/ 145 million).
- (d) As of December 31, 2021 and 2020, advance payment mainly includes prepaid insurance contracts and deferred loan origination costs related to fees paid to the external sales force.

**Goodwill**

As of December 31, 2021 and 2020, the BBVA Peru Group through the Bank has evaluated the recoverable amount of CGU it holds, and has recognized loss allowance for S/ 10 million of goodwill, which corresponds to the higher value paid over the carrying amount of Edpyme, Forum Comercializadora del Perú S.A. and Forum Distribuidora del Perú S.A.

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### 12. Deposits and Obligations in Local and Foreign Financial Institutions

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	2021	2020
Deposits and obligations		
Savings accounts	28,493,043	24,711,799
Demand deposits	24,887,037	29,778,628
Time deposits	9,633,223	16,247,276
Other liabilities	91,485	74,831
	<b>63,104,788</b>	<b>70,812,534</b>
Deposits with financial institutions		
Demand deposits	472,489	512,338
Time deposits	287,005	815,785
Savings accounts	74,747	71,940
	<b>834,241</b>	<b>1,400,063</b>
	<b>63,939,029</b>	<b>72,212,597</b>

As of December 31, 2021 and 2020, deposits and obligations include deposits received as guarantees of direct and indirect loan for S/ 731 million and S/ 963 million, respectively.

Interest rates for liability transactions are stated by the Bank, based on current interest rates. Current interest rates as of December 31, 2021 and 2020 fluctuated as detailed below for the main products, respectively:

%	2021		2020	
	Local currency	Foreign currency	Local currency	Foreign currency
Checking accounts	0.00 - 0.25	0.00 - 0.125	0.00 - 0.25	0.00 - 0.125
Savings accounts	0.00 - 0.125	0.00 - 0.125	0.00 - 0.50	0.00 - 0.25
Time deposits and bank certificates	0.01 - 1.35	0.01 - 0.80	0.80 - 1.35	0.10 - 0.80
Super deposit	0.01 - 1.35	0.01 - 0.25	0.80 - 1.35	0.10 - 0.80
Length-of-service compensation deposits	0.25 - 1.50	0.15 - 1.75	1.00 - 2.50	0.60 - 1.75

As of December 31, 2021, from the total deposits and obligations from individuals and non-profit entities and legal entities, S/ 24,935 million are hedge by the Deposit Insurance Fund (2020: S/ 22,813 million) and are obtained from the average daily balances of the month according with SBS Resolution 0657-99. The maximum amount subject to hedge by person amounts to S/ 115,637 at the end of December 2021 (2020: S/ 101,522).

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## 13. Debts and Financial Obligations

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	2021	2020
Debts and Financial Obligations		
Foreign financial institutions (a)	1,534,994	1,357,873
MIVIVIENDA Program - MIHOGAR loan (b) - Local financial system	500,011	475,677
Corporación Financiera de Desarrollo S.A. - COFIDE (c)	19,627	134,236
Accrued interest payable	24,146	7,125
	<b>2,078,778</b>	<b>1,974,911</b>
Securities and obligations (d):		
Corporate bonds	2,767,766	3,026,713
Subordinated bonds	1,894,193	1,763,493
Negotiable certificates of deposit	139,398	131,903
Bill	31,394	85,700
Accrued interest payable	78,145	70,998
	<b>4,910,896</b>	<b>5,078,807</b>
	<b>6,989,674</b>	<b>7,053,718</b>

Loan agreements include standard clauses regarding compliance with financial ratios, use of funds and other administrative matters. As of December 31, 2021 and 2020, in management's opinion, these clauses are being met, in all material respects, and do not represent any restriction to the BBVA Peru Group's activities.

- (a) As of December 31, 2021, the BBVA Peru Group maintain the following debt agreements with foreign financial institutions, which accrue interest at annual LIBOR rates ranging from +0.52% and 5% for both periods.

<i>In thousands of</i>	2021		2020		Maturity date
	US\$	S/	US\$	S/	
BBVA S.A. (i)	200,000	797,400	-	-	February 2031
Wells Fargo Bank	100,000	398,700	100,000	362,100	May 2022
Mizuho Corporate Bank	50,000	199,350	50,000	181,049	November 2023
ICO - Instituto de crédito	35,000	139,544	35,000	126,735	August 2022
Toronto Dominion Bank	-	-	80,000	289,680	April 2021
Sumitomo Bank, NY	-	-	60,000	217,260	May 2021
Citibank NY	-	-	50,000	181,049	November 2021
	<b>385,000</b>	<b>1,534,994</b>	<b>375,000</b>	<b>1,357,873</b>	
Accrued interest payable	5,748	22,917	1,647	5,965	
	<b>390,748</b>	<b>1,557,911</b>	<b>376,647</b>	<b>1,363,838</b>	

- (i) It corresponds to a subordinated loan in foreign currency agreed at an annual interest rate of 3.18% for the first 5 years, and for the remaining years a new rate will be set. It matures in February 2031. Such loan is recognized as tier 2 capital.

As of December 31, 2021, the BBVA Peru Group has deferred issuance expenses in accounts payable for S/ 2 million.

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- (b) As of December 31, 2021, it corresponds to resources for the financing of the acquisition of houses under the MI VIVIENDA program (MI HOGAR credit) for S/ 498 million in local currency and US\$ 0.5 million in foreign currency (2020: S/ 449 million in local currency and US\$ 1 million in foreign currency). As of December 31, 2021 and 2020, this loan accrue interest at an annual effective rate in U.S. dollars of 7.75 % and in soles of 6.25 % on principal plus constant update value in both periods, and have maturity on December 2041 and December 2040, respectively.

As of December 31, 2021 and 2020, debts with MIVIVIENDA fund are guaranteed with mortgage loan portfolio up to S/ 500 million and S/ 452 million, respectively (note 7). These loans include specific agreements on how the funds should be used, the financial conditions that the final borrower must maintain, as well as other administrative matters.

- (c) As of December 31, 2021, it includes balances corresponding to the FAE program that is managed by COFIDE (note 7). The debt amounts to S/ 14 million (2020: S/ 127 million) in local currency and to US\$ 0.01 million (2020: US\$ 0.2 million) in foreign currency. As of December 31, 2021 and 2020, these balances accrue interest at annual rates ranging from 4.61 % and 7.51 % in local currency, and 5.29 % and 7.36 % in foreign currency, in both periods and have maturity in April 2023.
- (d) As of December 31, securities and bonds are as follows:

Program	Amount authorized	Currency	Original amount in place	2021	2020	Maturity date
<b>Corporate bonds</b>						
2nd issuance, series A - Fifth Program	US\$ 250 million	S/	150,000	150,000	150,000	December 2026
2nd issuance, series A - Sixth Program	US\$ 250 million	S/	150,000	-	150,000	June 2021
1st issuance, series A - Seventh Program	US\$ 1,000 million	S/	132,425	-	132,425	June 2021
1st issuance, series B - Seventh Program		S/	69,435	-	69,435	June 2021
2nd issuance, series A - Seventh Program		S/	100,000	100,000	100,000	July 2023
2nd issuance, series B - Seventh Program		S/	73,465	73,465	73,465	August 2023
1st issuance, series C - Seventh Program		S/	70,000	-	70,000	September 2021
1st issuance, series D - Seventh Program		S/	120,000	120,000	120,000	July 2022
1st issuance, series E - Seventh Program		S/	65,520	65,520	65,520	August 2022
1st issuance, series F - Seventh Program		S/	150,000	150,000	150,000	October 2022
2nd issuance, series C - Seventh Program		S/	96,550	96,550	96,550	December 2024
First Program of international Issuance (i)	US\$ 500 million	US\$	500,000	2,012,231	1,849,318	August 2022
				<b>2,767,766</b>	<b>3,026,713</b>	
<b>Subordinated bonds</b>						
2nd issuance, series A - First Program	US\$ 50 million or S/ 158.30 million	US\$	20,000	79,507	72,177	May 2027
3rd issuance, series A - First Program		S/	55,000	86,291	81,672	June 2032
2nd issuance, series A - Second Program	US\$ 100 million	S/	50,000	76,827	72,715	November 2032
3rd issuance, series A - Second Program		US\$	20,000	79,740	72,420	February 2028
4th issuance, single series - Second Program		S/	45,000	66,727	63,155	July 2023
5th issuance, single series - Second Program		S/	50,000	73,183	69,266	September 2023
6th issuance, series A - Second Program		S/	30,000	43,153	40,844	December 2033
1st issuance, single series - Third Program	US\$ 55 million	US\$	45,000	179,415	162,945	October 2028
First Program of international Issuance - Single issuance (ii)	US\$ 300 million	US\$	300,000	1,209,350	1,128,299	September 2029
				<b>1,894,193</b>	<b>1,763,493</b>	
<b>Negotiable certificates of deposit</b>						
				<b>139,398</b>	<b>131,903</b>	
<b>Bills (iii)</b>						
2nd issuance of bills - Series 2012-C and 2012-D	US\$ 235 million	US\$	235,000	31,394	85,699	June 2022
				<b>31,394</b>	<b>85,699</b>	
<b>Accrued interest payable</b>						
				<b>78,145</b>	<b>70,998</b>	
				<b>4,910,896</b>	<b>5,078,806</b>	

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- (i) In August 2012, the Bank issued corporate bonds in the international market for a face value of US\$ 500 million, at an annual fixed rate of 5%, and with maturity in August 2022. The main payment shall be carried out in full on its maturity date. As of December 31, 2021, fair value of this issuance have an accounting hedge through interest rate swaps, which accrued accumulated losses for S/ 19 million (2020: S/ 39 million).
- (ii) In September 2014, the Bank issued subordinated bonds in the international market for a face value of US\$ 300 million, at an annual fixed rate of 5.25%, and with maturity in September 2029. The main payment shall be carried out in full on its maturity date. As of December 31, 2021, fair value of this issuance have an accounting hedge through interest rate swaps, which accrued accumulated losses for S/ 18 million (2020: accumulated gains for S/ 47 million).
- (iii) As of December 31, 2021, bills issued in June 2012 for US\$ 8 million (2020: US\$ 24 million) include a loan for US\$ 3 million (2020: US\$ 9 million), with maturity in June 2022, and have accounting hedge through interest rate swaps contracts (note 8(ii)). Likewise, it corresponds to a loan for US\$ 5 million (2020: US\$ 15 million), agreed at annual fixed interest rate of 5%, with maturity in June 2022, which have accounting hedge through interest rate swaps. As of December 31, 2021, such loan has generated accumulated losses for S/ 0.1 million (2020: accumulated losses for S/ 0.3 million).

These financings are guaranteed by the present and future flows generated by the electronic payment orders of customers (Diversified payments rights - DPR's). Likewise, it have compliance terms related to the Bank's financial ratios, and other specific terms related to transferred cash flows, which the management consider to fulfill as of December 31, 2021 and 2020.

As of December 31, 2021 and 2020, corporate bonds do not have specific collaterals and accrue interest at effective annual interest rates ranging from 3.9% to 7.5% in local currency and of 5% in foreign currency for both periods.

Subordinated bonds have been issued in accordance with the Banking Law, and accrue interest at a rate ranging from constant update value plus a spread for local currency, and from 5.3% and 6.5% in foreign currency, as of December 31, 2021 and 2020.

As of December 31, 2021, a portion of the corporate and subordinated bonds (US\$ 40 million) have a cash flow hedge (note 8 (ii)).

As of December 31, 2021 and 2020, BBVA Peru Group have in accounts payable a balance of S/ 6 million and S/ 7 million, respectively, which corresponds to deferred issuance expenses.

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**14. Accounts Payable, Provisions and Other Liabilities**

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
<b>Accounts payable</b>		
Repurchase agreements with BCRP (a)	16,217,008	15,183,940
Accounts payable to suppliers	469,926	361,868
Premium to deposit insurance fund, contributions and obligations with tax collecting institutions	174,252	128,063
Other accounts payable (b)	139,813	186,878
Dividends, interest and remunerations payable	130,263	114,026
Interest payable	25,273	61,136
	<b>17,156,535</b>	<b>16,035,911</b>
<b>Other liabilities</b>		
Transactions in progress (c)	532,375	746,284
Deferred income and others	74,712	74,524
	<b>607,087</b>	<b>820,808</b>
<b>Provisions</b>		
Labor provisions and others	480,846	416,682
Provision for litigations, claims and other contingencies (d)	302,670	225,220
Provision for indirect loans (e)	244,106	247,027
	<b>1,027,622</b>	<b>888,929</b>
	<b>18,791,244</b>	<b>17,745,648</b>

- (a) As of December 31, 2021, it corresponds to repurchase agreements of the loan portfolio of the Reactiva Peru program for S/ 10,677 million (2020: S/ 13,602 million), repurchase agreements of rescheduled loans for S/ 4,942 million (2020: S/ 199 million) and repurchase agreements of certificates of deposits with the BCRP for S/ 598 million. Additionally, as of December 31, 2020, repurchase agreements in foreign currency amounted to S/ 1,383 million, matured in April 2021 and accrued interest at annual interest rates ranging from 1.80% to 3.06%.

As of December 31, 2021 and 2020, repurchase agreements of the loan portfolio of the Reactiva Peru program mature in December 2025 (2020: December 2023) and accrue interest at annual interest rates of 0.50% for both periods. Also, repurchase agreements of rescheduled loans mature in September 2025 (2020: August 2024) and accrue interest at annual interest rates ranging from 0.50% to 3.5% (2020: 0.50%).

- (b) As of December 31, 2021, it includes S/ 24 million for short-term sale transactions (2020: S/ 110 million).
- (c) Transactions in progress are mainly those carried out during the last days of the month and are reclassified in the following month to their final accounts in the consolidated statement of financial position. These transactions do not have an impact on the Bank's profit or loss. As of December 31, 2021, liability transactions in progress mainly include treasury transactions for S/ 350 million (2020: S/ 612 million).



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- (d) BBVA Peru Group has several pending court claims, litigation and other processes that are related to the activities it develops, and in the opinion of Management and its legal advisors, they will not result in additional liabilities to those registered.
- (e) Movement in the loss allowance for direct (or indirect) loans is as follows:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Balance at the beginning of the year	247,027	226,175
Provisions	113,519	84,193
Recovery and reversals	(120,060)	(72,179)
Exchange difference and other adjustments	3,620	8,838
<b>Closing balance</b>	<b>244,106</b>	<b>247,027</b>

The balance of the provision for loan losses (indirect loans) is as follows:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Specific	123,905	111,295
Generic	105,961	120,692
Provision for country risk	14,240	15,040
<b>Closing balance</b>	<b>244,106</b>	<b>247,027</b>

## 15. Equity

### A. Effective capital and legal limits

In accordance with the Banking Law, regulatory capital amount could not be less than 10% of the assets and indirect loans weighted per credit risk, market and operational risk, which are calculated by the Bank and by EDPYME using the standard method. Emergency Decree 037-2021, dated June 2, 2021, reduced the global limit to 8% until March 31, 2022. Likewise, it is used to calculate certain limits and restrictions applicable to the Bank. In management's opinion, the Bank met such limits and restrictions. In the case of operational risk, the Bank uses the alternative standard method, while EDPYME uses the basic indicator method.

On an individual basis, as of December 31, 2021, the effective equity of the Bank and EDPYME, determined according to current legal regulations, is S/ 11,919 million and S/ 84 million, respectively (2020: S/ 10,649 million and S/ 87 million). This figure is used to calculate certain limits and restrictions applicable to all banking entities in Peru, which management considers to have fully complied with.

As of December 31, 2021, assets and indirect loans weighted per credit, market and operational risk of the Bank and EDPYME, determined according to current legal regulations, is S/ 84,328 million and S/ 99 million, respectively (2020: S/ 77,820 million and S/ 476 million).

As of December 31, 2021, aggregate capital ratio for market, operational and credit risks of the Bank and EDPYME is 14.13% and 85.13%, respectively (2020: 13.68% and 18.25%).

As of December 31, 2021, the Additional Regulatory Capital Requirement of the Bank and EDPYME is S/ 1,067 million and S/ 4 million, respectively (2020: S/ 1,285 million and S/ 8 million).

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### B. Share capital

As of December 31, 2021 and 2020, the Bank's authorized, subscribed, and paid-in capital is represented by 6,758,467 and 6,529,169 ordinary shares, respectively, with a face value of S/ 1.00 each.

The General Shareholders' Meeting, held March 24, 2021 and May 11, 2020, approved the increase in share capital for S/ 229 million and S/ 644 million, respectively, through the capitalization of retained earnings.

As of December 31, 2021 and 2020, shareholding on the Bank's share capital is as follows:

Interests	2021		2020	
	N° of shareholders	Interests %	N° of shareholders	Interests %
Up to 1	7,952	6.13	8,045	3.01
From 1.01 to 5	1	1.63	4	4.75
From 45.01 to 100	2	92.24	2	92.24
	<b>7,955</b>	<b>100.00</b>	<b>8,051</b>	<b>100.00</b>

### C. Reserves

In accordance with the Banking Law, the Bank is required to have a legal reserve of more than 35% of the paid-in-capital. This legal reserve shall be recognized by an annual transfer of more than 10% of profit after tax. It shall replace the reserve referred to in the Companies Act. In accordance with the Banking Law, the amount of this reserve may also be increased with contributions made by the shareholders for this purpose.

General Shareholders' Meeting, held March 24, 2021 and May 11, 2020, approved to record the legal reserve for the amount equivalent to 10% of 2020 profits (S/ 66 million) and 2019 profit (S/ 161 million), respectively.

### D. Adjustments to equity

As of December 31, 2021 and 2020, unrealized profit or loss, net of deferred tax, was as detailed below:

<i>In thousands of soles</i>	<i>Note</i>	2021	2020
Available-for-sale investments	6	(41,691)	110,556
Cash Flows hedges	8	(4,799)	5,953
Other comprehensive income of associates		304	131
Actuarial liabilities		13,482	2,508
		<b>(32,704)</b>	<b>119,148</b>

### E. Retained earnings

The General Shareholders' Meeting, held March 24, 2021 and May 11, 2020, approved the capitalization of retained earnings for S/ 229 million and S/ 644 million, respectively, dividend distribution and have an amount of S/ 295 million y S/ 563 million in 'retained earnings,' respectively.

The General Shareholders' Meeting, held March 24, 2021, approved to delegate to the Board of Directors the power to determine the distribution of profits (recognized in 'retained earnings'), as well as the amount and timing provided that it is not necessary to adopt a commitment for the capitalization of such profits.

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On September 22, 2021, the Bank's Board of Directors agreed to distribute dividends for S/ 307 million corresponding to the profits of the years 2019 and 2020. They were allocated to 'retained earnings.'

### 16. Contingent Risks and Commitments

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
<b>Indirect loans</b>		
Guarantees and letters of guarantee	15,570,107	18,854,043
Letters of credit and banker's acceptance	1,411,387	1,450,113
	<b>16,981,494</b>	<b>20,304,156</b>
Unused credit lines and undisbursed loans granted	15,308,712	13,724,115
Various responsibilities	6,379	5,794
	<b>32,296,585</b>	<b>34,034,065</b>

In the normal course of its business, BBVA Peru Group participates in transactions whose risk is recorded in contingent accounts. These transactions expose the BBVA Peru Group to credit risk, in addition to the amounts presented in the consolidated statement of financial position.

Credit risk for contingent transactions is related to the probability that a counterparty will fail to meet its obligations in accordance with agreed terms.

BBVA Peru Group applies similar credit policies when evaluating and granting direct and indirect loans. In management's opinion, contingent transactions do not represent a relevant credit risk since it expects that a portion of these indirect loans expire without being used. The total amount of indirect loans does not necessarily represent future cash outflows for BBVA Peru Group.

Management estimates that no significant losses will arise, for contingent transactions effective as of December 31, 2021 and 2020.

### 17. Interest Revenue

This caption comprises the following:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Direct loan portfolio	4,016,619	4,078,586
Available-for-sale investments	74,597	91,689
Investments at fair value through profit or loss	58,096	56,268
Profit or loss from hedging transactions	50,876	28,297
Cash and due from banks	30,553	38,118
Interbank funds	547	263
Other finance revenue	5,553	5,334
	<b>4,236,841</b>	<b>4,298,555</b>

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### 18. Interest Expenses

This caption comprises the following:

<i>In thousands of soles</i>	2021	2020
Debts and financial obligations	(351,390)	(474,005)
Deposits and obligations	(150,359)	(442,523)
Accounts payable	(95,085)	(87,573)
Deposits with financial institutions	(7,019)	(27,866)
Interbank funds	(738)	(3,231)
Other borrowing costs	(30,382)	(19,178)
	<b>(634,973)</b>	<b>(1,054,376)</b>

### 19. Financial Service Income, Net

This caption comprises the following:

<i>In thousands of soles</i>	2021	2020
<b>Revenue</b>		
Revenue from fees of credit cards	294,514	202,955
Transfer fees	274,243	175,959
Revenue from indirect loans	246,878	210,330
Revenue from fees for collections services	147,518	142,761
Revenue from on line banking services for business	56,886	49,896
Revenue from services and maintenance of checking accounts	55,357	53,245
Revenue from technical and legal studies	18,409	14,887
Revenue from advisory services	16,093	17,948
Revenue from cash services	5,279	6,850
Revenue from trust and trust fees	1,469	1,480
Other revenue for services	302,510	281,356
	<b>1,419,156</b>	<b>1,157,667</b>
<b>Expenses</b>		
Expenses for operating with Visa and Mastercard	(138,489)	(106,841)
Premiums to the Deposit Insurance Fund	(107,034)	(91,753)
Customer loyalty program	(82,177)	(57,114)
Guarantee fees - Reactiva Peru program	(69,076)	-
Transfers	(32,942)	(18,062)
Purchase of foreign currency - spot transaction	(12,309)	(7,891)
Expenses of maintenance of checking accounts	(5,299)	(4,222)
Other expenses of services	(98,433)	(60,305)
	<b>(545,759)</b>	<b>(346,188)</b>
	<b>873,397</b>	<b>811,479</b>

### 20. Operating Profit

This caption comprises the following:

<i>In thousands of soles</i>	Note	2021	2020
Held-for-trading investments		525,563	105
Exchange gains	4	212,586	592,586
Gain (loss) on interests	9	10,106	(760)
Investments at fair value through profit or loss		(35,800)	27,394
Available-for-sale investments		(42,079)	21,478
Others		38,687	18,909
		<b>709,063</b>	<b>659,712</b>

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**21. Administrative Expenses**

This caption comprises the following:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Personnel and Board of Directors expenses	(928,619)	(862,851)
Third party service expenses	(823,743)	(794,818)
Tax and contributions	(52,640)	(49,779)
	<b>(1,805,002)</b>	<b>(1,707,448)</b>

**22. Other Income and Expenses, Net**

As of December 31, 2021 and 2020, it mainly comprises gain on sale of repossessed assets, loss on sale of non-current assets held for sale, expenses on repossessed and recovered assets, loss not covered by insurance, donations granted, revenue from leases, among other income and expenses.

**23. Tax Matters**

***Tax rates***

- A. BBVA Peru Group is subject to the Peruvian tax regime. As of December 31, 2021 and 2020, the corporate income tax is calculated on the basis of the net taxable profits determined by each entity at a rate of 29.5%.

Through Legislative Decree 1261, published December 10, 2016 and effective January 1, 2017, the corporate income rate was amended to 29.5%.

The aforementioned Decree also established the amendment to the income tax rate applicable to dividend distribution and any other form of profit distribution to 5% for profits generated and distributed from January 1, 2017.

It will be presumed, without proven otherwise, that the dividend distribution or any other form of profit distribution that is made corresponds to retained earnings or other concepts likely to generate older taxed dividends.

- B. In accordance with current Peruvian tax law, non-domiciled individuals only pay taxes for their Peruvian source income. Thus, in general terms, revenues obtained by non-domiciled individuals from the services rendered in Peru shall be subject to a 30% income tax on gross income, provided that no current and entered into double tax treaties are applicable. On this concern, Peru has currently entered into double tax treaties with the Andean Community, Chile, Canada, Brazil, Portugal, Switzerland, Mexico and South Korea.

Concerning the technical assistance or digital services rendered by non-domiciled individuals to domiciled individuals, regardless of the place where the service is rendered, they shall be subject to a 15% and 30% income tax rate on gross income, respectively. Technical support shall be subject to a 15% applicable rate, provided that Income Tax Law requirements are met.

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**Income tax determination**

- C. The BBVA Peru Group computed its tax base for the years ended December 31, 2021 and 2020 and determined consolidated current tax for S/ 692 and S/ 239, respectively.

Tax expense per company comprises the following:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
<b>Entities</b>		
Banco BBVA Perú	666,389	224,356
BBVA Bolsa Sociedad Agente de Bolsa S.A.	1,071	1,317
BBVA Asset Management S.A. SAF	6,218	6,976
BBVA Sociedad Titulizadora S.A.	372	647
Inmuebles y Recuperaciones BBVA S.A.	4,761	2,766
BBVA Consumer Finance Edpyme	11,797	1,713
Forum Distribuidora del Perú S.A.	1,114	1,392
	<b>691,722</b>	<b>239,167</b>

Tax expense comprises the following:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Current tax	688,502	514,636
Deferred tax		
Profit or loss	(24,669)	(260,525)
Income tax (adjustment/provision recovery)	27,889	(14,944)
	<b>691,722</b>	<b>239,167</b>

**Temporary tax on net assets**

- D. The BBVA Peru Group is subject to the temporary tax on net assets, whose tax base is composed of the prior period adjusted net asset value less depreciations, amortizations, legal reserve requirements and specific provisions for credit risk. The tax rate is 0.4% for the years 2021 and 2020 and is applied to the amount of net assets exceeding S/ 1 million. It may be paid in cash or nine consecutive monthly installments. The paid amount may be used as a credit against income tax paid for tax periods from March to December of the taxable year in which the tax was paid until maturity date of each down payment, and against the payment for regularization of income tax of the relevant taxable year. In the event a remaining balance is not applied, its refund may be requested. Temporary tax on net assets for the year 2021 amounts to S/ 381 million thousand (2020: S/ 281 million).

**Financial transaction tax**

- E. Financial transaction tax for the years 2021 and 2020 was fixed at the rate of 0.005%. This tax is applicable to debits and credits in bank accounts or movements in funds made through the financial system, unless the account is tax-exempt.

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***Transfer pricing***

- F. In determining income tax, transfer pricing with related parties and entities domiciled in territories with low or zero taxation shall be supported with documents and information on the valuation techniques and the criteria used for the pricing. Until taxable year 2016, formal obligations of transfer pricing were the presentation of a transfer pricing sworn statement and a technical study.

Legislative Decree 1312, published December 31, 2016 and effective January 1, 2017, established the following formal obligations to replace the former ones: (i) presentation of a Local File (if accrued revenue of the taxpayer exceeds 2,300 tax units [UIT, for its Spanish acronym]); (ii) presentation of a Master File (if accrued revenue of the taxpayer in a group exceeds 20,000 tax units); and (iii) presentation of a Country-by-Country Reporting. The presentation of the Master File and the Country-by-Country Reporting is mandatory from the taxable year 2018.

Tax Authorities' Resolution 014-2018-SUNAT, published January 18, 2018, approved the Electronic Form 3560 for the presentation of the Local File, establishing the deadlines for its presentation and the content and format that shall be included therein.

Thus, the deadline for the presentation of the Local File for the taxable year 2020 shall be June 17, 2021, in accordance with the maturity schedule published by the Tax Authorities. The Local File for the taxable year 2019 shall be presented in June 2020, in accordance with the schedule of monthly tax liabilities agreed upon for May and published by the Tax Authorities.

The content and format of the Local File are stated in the Appendixes I, II, III and IV of Tax Authorities' Resolution 014-2018-SUNAT.

Legislative Decree 1312 also established that intragroup services with low added value shall not have a margin greater than 5% of their costs. Concerning the services rendered between related parties, taxpayers shall comply with the benefit test and provide the documents and information under specific conditions for the deduction of costs or expenses.

Tax Authorities' Resolution 0163-2018-SUNAT, published June 29, 2018, approved the Electronic Form 3561 for presentation of the Master File and the Electronic Form 3562 for presentation of the Country-by-Country Reporting, establishing the deadlines for its presentation and the content and format that shall be included therein.

The Master File for the taxable year 2020 shall be presented in October 2021, in accordance with the schedule of monthly tax liabilities agreed upon for September and published by the Tax Authorities.

Legislative Decree 1116 established that transfer pricing regulations are not applicable to sales tax.

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As of December 31, 2021 and 2020, the Bank is required to present the Local File.

Based on the business analysis, it is the opinion of management and its legal advisors that no significant contingencies will arise as of December 31, 2021 and 2020 from the application of such regulations.

**Tax assessment**

- G. The Tax Authorities are entitled to audit and, if applicable, to correct the income tax calculated by the BBVA Peru Group within the 4 years following the year of the income tax return.

BBVA Peru Group's income tax returns that are open for review by the Tax Authorities are as follows:

<b>Entities</b>	<b>Tax returns subject to audit</b>
BBVA Bolsa Sociedad Agente de Bolsa S.A.	2017 - 2021
BBVA Asset Management Continental S.A. S.A.F.	2017 - 2021
BBVA Sociedad Titulizadora S.A.	2017 - 2021
Inmuebles y Recuperaciones BBVA S.A.	2017 - 2021
BBVA Consumer Finance Edpyme	2017 - 2021
Forum Comercializadora del Perú S.A.	2017 - 2021
Forum Distribuidora del Perú S.A.	2017 - 2021

Due to the possible interpretations of the current laws by the Tax Authorities, it is not possible to determine, to date, whether a future tax assessment will result in liabilities for the BBVA Peru Group. Therefore, any major tax or surcharge that might arise from eventual tax assessments would be applied to profit or loss when they are recognized. However, it is the opinion of management and its legal advisors that any possible additional settlement of taxes would not be significant for the consolidated financial statements as of December 31, 2021 and 2020.

**Uncertainty over income tax treatments**

- H. In accordance with IFRIC 23, the BBVA Peru Group assessed its uncertain tax treatments and concluded, based on its assessment of tax compliance and transfer pricing, that it is probable that the Tax Authorities will accept its uncertain tax treatment. The Interpretation did not have an effect on the Bank and Subsidiaries' consolidated financial statements as of December 31, 2021 and 2020.

**Sales Tax Regime**

- I. Legislative Decree 1347, published January 7, 2017 and effective July 1, 2017, established the possible reduction of 1% in the sales tax, provided that the goal of annual sales tax collection as of May 31, 2017 is reached, net of internal refunds of 7.2% of Gross Domestic Product. Accordingly, if the aforementioned goal is met, the sales tax rate (including the municipal tax) shall be reduced from 18% to 17%.

However, the estimated collection goal was not met at the end of the term, so the sales tax rate shall be held at 18%.



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**Major amendments to tax laws effective for periods beginning on January 1, 2020**

- J. **New accrual concept:** Legislative Decree 1425 introduced the definition of "legal accrual" for income tax purposes, stating that: a) revenue from transfer of goods occurs when i) control has been transferred (under IFRS 15); or ii) risk has been transferred to the acquirer (Risk Theory set out in the Civil Code), whichever occurs first; and b) revenue from rendering the service occurs when realization level of the rendered service has been established.

The new legal accrual concept is applicable to lessees when determining the tax treatment of the expense associated with lease arrangements regulated by IFRS 16 (i.e., operating leases for tax purposes).

This concept shall not be applicable for those entities accruing income or expenses for income tax purposes in accordance with tax laws establishing a special (sector) accrual system.

- K. **Deduction of expenses or costs incurred in transactions with non-domiciled individuals:** Legislative Decree 1369 states that costs and/or expenses (including outbound interest) incurred with non-domiciled individuals shall be paid effectively to be deducted in the period they were incurred. Otherwise, their effect on the determination of net income shall be deducted in the period they are actually paid and the relevant withholding shall be applied.

Such regulation abolished the obligation to pay the amount equivalent to the withholding on the amount recorded as cost and/or expense.

- L. **Indirect loans:** From 2019, under certain requirements, domiciled entities receiving foreign inbound dividends may deduct as direct loan the income tax that taxed the foreign dividends and the corporate income tax (indirect loan) paid by the tier 1 and tier 2 non-domiciled entity (provided that they are in the same jurisdiction) that distributed the dividends from abroad.

- M. **Measures to implement the General Anti-avoidance Rule provided in the Regulation XVI of Tax Code:** Legislative Decree 1422 sets up the procedure to implement the General Anti-avoidance Rule, mainly stating that: (i) it is applicable only in final audit procedures in which acts, events or situations that occurred since July 19, 2012 are reviewed; (ii) it is applicable only if there is a favorable opinion (unappealable) from a review committee composed of Tax Authorities' officers; and (iii) final audit procedures, in which the General Anti-avoidance Rule is applicable, are not subject to a 1-year term to request information from the audited parties.

Supreme Decree 145-2019-EF, dated May 6, 2019 and published on the official daily newspaper of Peru "El Peruano," approved all the formal and substantial parameters for the application of the General Anti-avoidance Rule provided in the Regulation XVI of Tax Code. Consequently, the requirement to end the suspension of the application for such rule, established by Law 30230, is deemed as complied with. Likewise, the Regulation on Tax Assessment has been modified for such purposes.

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Through Resolution 000184-2021/SUNAT, published December 13, 2021, the members of the Review Committee of the Tax Authorities (SUNAT) were appointed, in accordance with the Article 62-C of the Consolidated Text of the Tax Code. It states that, when applying the General Anti-avoidance Rule in an audit, a report and the auditor's report shall be submitted to the Review Committee.

- N. **Joint and several liability of legal representatives and directors:** From September 14, 2018, through Legislative Decree 1422, when an audited individual is subject to the General Anti-Avoidance Rule, there is joint and several liability of legal representatives due to fraud, gross negligence or misuse of powers, unless proven otherwise. The aforementioned joint and several liability shall be attributed to such representatives provided that they collaborated with the design or approval or execution of acts, situations or economic relationships with an avoidance purpose.

Such regulation also involves the members of the Board of Directors, since it is stated that these individuals are responsible for setting the tax strategy of the companies where they are directors. Thus, they are responsible for determining whether to approve the acts, situations or economic relationships carried out within the tax planning framework and finally, they shall not delegate such liability.

Lastly, members of the domiciled entities' Board of Directors were granted a term (until March 29, 2019) to verify or modify the acts, situations or economic relationships carried out within the tax planning framework and implemented from September 14, 2018 that are effective to date.

Considering the aforementioned joint and several liability attributable to legal representatives and directors, and the absence of a definition of "tax planning," it will be crucial to review any act, situation or economic relationship that has: (i) increased tax attributes; and/or (ii) generated a lower payment of taxes of such periods, in order to avoid the attribution of joint and several liability, both administratively and punitively, depending on the supervisory agent criterion. The latter, in case the entity to be audited by the Tax Authorities is subject to the General Anti-Avoidance Rule.

- O. **Information related to ultimate beneficiaries:** In line with the regulations to strengthen the fight against tax evasion and avoidance, as well as against money laundering and terrorism financing, from August 3, 2018, provisions introduced by Legislative Decree 1372 are currently in force. The aforementioned Decree requires the presentation of information related to ultimate beneficiaries to the competent authorities through a sworn statement of the ultimate beneficiaries. Such statement shall disclose the names of the natural persons that effectively retain ownership or control. Thus, it is mandatory to report the following: (i) identification of the ultimate beneficiaries; (ii) chain of title with its respective supporting documents; and (iii) identification of third parties that have said information, if applicable. Also, it states that the information related to the identification of the ultimate beneficiaries of legal persons and legal entities provided to the competent authorities under these regulations neither violates professional secrecy nor is subject to restrictions on the disclosure of information arising from secrecy requirements under contracts or any regulatory provision.

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Lastly, if the informative sworn statement with the information related to the ultimate beneficiaries is not presented, the legal representatives of the entity that failed to comply with the presentation of such statement shall assume the joint and several liability.

- P. **Indirect transfer of shares:** From January 1, 2019, an anti-avoidance measure is included to prevent the split of transactions, which allows indirect transfer of shares of entities domiciled in Peru.

In order to determine if a Peruvian entity has made a transfer within a 12-month period of 10% or more of capital, transfers of the analyzed entity and transfers to related parties shall be considered, whether transfers are made through one or several (simultaneous or successive) transactions. The relationship shall be set up in accordance with the provisions of section b) of Article 32-A of Income Tax Law.

Likewise, regardless of compliance with the provisions of the Income Tax Law, an indirect taxable transfer shall always be made when, over any 12-month period, the total amount of transferred shares of the Peruvian legal person is equal to or greater than 40,000 tax units.

Lastly, from January 1, 2019, when the transferor is a non-domiciled legal person that has a branch office or any permanent establishment in Peru with allocated equity, the latter is considered a jointly liable party. Thus, it is required to provide information, among others, regarding the transferred shares or interests of the non-domiciled legal person.

**Major amendments to tax laws effective for periods beginning on January 1, 2020**

- Q. **Depreciation of assets**  
Legislative Decree 1488 established a special depreciation regime and modified depreciation periods by increasing depreciation rates for assets acquired during the years 2020 and 2021 to promote private sector investment and provide greater liquidity given the economic outlook due to the COVID-19 pandemic.

- R. **Thin capitalization:**  
From January 1, 2021, borrowing costs shall be deductible up to 30% of the tax-EBITDA (Net Income – Loss Compensation + Net Interest + Depreciation + Amortization) of the prior period. There are some exemptions regarding this 30% limit for banks, taxpayers whose income is lower than 2,500 tax units, infrastructure, public utilities, among others.

Supreme Decree 402-2021, published December 30 and effective December 31, 2021, modified the Regulation on the Income Tax Law that regulates the calculation of tax-EBITDA for the purpose of setting interest rate limits.

For the years 2019 and 2020, finance costs generated by debts of independent and related parties are subject to the thin capitalization limit of 3:1 debt-to-equity ratio, which is calculated at the end of the prior period

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S. **Other significant changes**

On December 30, 2021, as part of the delegation of powers to make tax, financial and economic recovery laws given to the executive branch (Law 31380), the first tax laws were published, including the tax benefits approved for the fishing and wood industries, the price standardization for tax stability and the extension of the sales tax exemptions. They also include the following:

The term of some tax exemptions and benefits was extended as follows:

- The term of tax exemptions included in Appendixes I and II of the Sales Tax Law was extended until December 31, 2022. Consequently, the sale of staple food and basic services—e.g., public transport, among others—will not be subject to sales tax.
- The issuance of e-money will not be subject to sales tax until December 31, 2024.
- The refund of taxes on acquisitions through foreign donations from and imports from diplomatic missions will be effective until December 31, 2024.

Supreme Decree 1516, published December 30, 2021 and effective December 31, 2021, required the price standardization for tax stability under legal stability agreements according to Legislative Decrees 662 and 757. Therefore, such Decree modified the Article 1 of Law 27342 that regulates such agreements. Accordingly, under those legal stability agreements entered into between entities that receive investment and the Peruvian government, the income tax is stabilized. Such tax is applicable in accordance with the current laws and corresponds to the tax rate (plus 2%) referred to in the first paragraph of Article 55 of the Income Tax Law.

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### 24. Deferred Tax

Deferred tax has been calculated applying the liability method, and is attributed to the following items:

<i>In thousands of soles</i>	Balance as of 01.01.2020	Additions to (recoveries of) equity	Additions (recoveries) to profit or loss	Others	Balance as of 31.12.2020	Additions to (recoveries of) equity	Additions (recoveries) to profit or loss	Others	Balance as of 31.12.2021
<b>Assets</b>									
Provision for direct loan losses	300,281	-	163,791	-	464,072	-	31,124	-	495,196
Provision for indirect loan losses	41,684	-	1,650	-	43,334	-	(3,886)	-	39,448
Provision for awarded assets and non-current assets held for sale	51,100	-	(3,447)	554	48,207	-	(6,762)	-	41,445
Specific provision for indirect loan losses	31,473	-	2,362	-	33,835	-	5,554	-	39,389
Provision for other expenses and others	61,413	-	45,723	-	107,136	-	36,532	-	143,668
Labor provisions	81,212	(4,866)	16,654	-	93,000	(4,592)	19,376	-	107,784
Tax losses	13	-	(13)	-	-	-	-	-	-
Interest in suspense	278	-	-	-	278	-	-	-	278
Available-for-sale investments	6,462	(162)	-	-	6,300	(248)	-	-	6,052
Cash flow hedges	2,131	-	-	-	2,131	-	-	-	2,131
Recovery of loans and issuance	2,579	-	24,006	-	26,585	-	(15,627)	-	10,958
<b>Total assets</b>	<b>578,626</b>	<b>(5,028)</b>	<b>250,726</b>	<b>554</b>	<b>824,878</b>	<b>(4,840)</b>	<b>66,311</b>	<b>-</b>	<b>886,349</b>
<b>Liabilities</b>									
Cash flow hedges	(270)	(4,352)	-	-	(4,622)	4,499	-	-	(123)
Intangible assets / deferred charges	(116,925)	-	12,611	-	(104,314)	-	(18,126)	-	(122,440)
Available-for-sale investments	-	(5,512)	-	-	(5,512)	437	-	-	(5,075)
Tax deduction of property, furniture and equipment	(8,687)	-	2,642	-	(6,045)	-	(3,296)	-	(9,341)
Equalization of exchange gains and losses	(13,605)	-	(5,454)	-	(19,059)	-	(20,220)	-	(39,279)
<b>Total liabilities</b>	<b>(139,487)</b>	<b>(9,864)</b>	<b>9,799</b>	<b>-</b>	<b>(139,552)</b>	<b>4,936</b>	<b>(41,642)</b>	<b>-</b>	<b>(176,258)</b>
<b>Deferred tax asset, net</b>	<b>439,139</b>	<b>(14,892)</b>	<b>260,525</b>	<b>554</b>	<b>685,326</b>	<b>96</b>	<b>24,669</b>	<b>-</b>	<b>710,091</b>

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**25. Earnings Per Share**

The calculation of weighted average amount of shares and earnings per share as of December 31 is as follows:

<i>In thousands of</i>	<b>Outstanding shares</b>	<b>Weighted average number of basic shares</b>	<b>Effective days until year-end</b>	<b>Weighted average number of basic shares</b>
<b>2021</b>				
Balance as of January 1, 2021	6,529,169	6,529,169	360	6,529,169
Capitalization of 2020 profit or loss	229,298	229,298	360	229,298
<b>Balance as of December 31, 2021</b>	<b>6,758,467</b>	<b>6,758,467</b>		<b>6,758,467</b>
<b>2020</b>				
Balance as of January 1, 2020	5,885,209	5,885,209	360	5,885,209
Capitalization of 2019 profit or loss	643,960	643,960	360	643,960
Capitalization of 2020 profit or loss	229,298	229,298	360	229,298
<b>Balance as of December 31, 2020</b>	<b>6,758,467</b>	<b>6,758,467</b>		<b>6,758,467</b>

As of December 31, 2021 and 2020, earnings per share calculated on the base of the weighted average number of shares amounted to S/ 0.2309 and S/ 0.0959, respectively.

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### 26. Related Party Transactions

As of December 31, 2021 and 2020, the consolidated financial statements include related party transactions, which, under IAS 24 and SBS regulations, comprise the Parent Company, subsidiaries, related parties, associates, other related parties, and the Bank's directors and key management. All transactions with related parties are carry out under the available market conditions for unbound third parties.

(a) The balances of the BBVA Peru Group's consolidated statement of financial position arising from related parties as of December 31, were as follows:

	2021					2020				
	Controlling party	Related parties (*)	Associates	Key personnel and directors	Total	Controlling party	Related parties (*)	Associates	Key personnel and directors	Total
<i>In thousands of soles</i>										
<b>Assets</b>										
Cash and due from banks	364,274	-	-	-	364,274	207,721	-	-	-	207,721
Loan portfolio, net	-	809,374	11,783	29,705	850,862	-	353,554	32,824	29,146	415,524
Held-for-trading instrument	487,180	107,829	-	-	595,009	322,397	80,325	-	-	402,722
Other assets, net	544,682	52,013	-	-	596,695	195,313	33,235	4,207	-	232,755
<b>Total assets</b>	<b>1,396,136</b>	<b>969,216</b>	<b>11,783</b>	<b>29,705</b>	<b>2,406,840</b>	<b>725,431</b>	<b>467,114</b>	<b>37,031</b>	<b>29,146</b>	<b>1,258,722</b>
<b>Liabilities</b>										
Deposits and obligations in financial institutions	123,188	369,239	803	208,459	701,689	91,266	803,885	331	98,195	993,677
Debts and financial obligations	819,131	-	-	-	819,131	-	-	-	-	-
Held-for-trading instrument	1,071,514	1,816	-	-	1,073,330	511,778	380	-	-	512,158
Provisions and other liabilities	60,158	139,400	-	-	199,558	25,981	15,808	35	25	41,849
<b>Total liabilities</b>	<b>2,073,991</b>	<b>510,455</b>	<b>803</b>	<b>208,459</b>	<b>2,793,708</b>	<b>629,025</b>	<b>820,073</b>	<b>366</b>	<b>98,220</b>	<b>1,547,684</b>
<b>Off-balance sheet accounts</b>										
Indirect loans	-	21,932	14,213	-	36,145	-	353,276	317	1,539	355,132
Derivative instruments	22,852,867	498,037	-	-	23,350,904	17,759,685	23,252	-	-	17,782,937

(\*) Related parties include balances and transactions with other related parties in accordance with IAS 24 and SBS regulations.

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- (b) The effects of related party transactions in the BBVA Peru Group's consolidated statement of financial position are detailed below for the year ended December 31:

	2021					2020				
	Controlling Party	Related parties (*)	Associates	Key personnel and directors	Total	Controlling Party	Related parties (*)	Associates	Key personnel and directors	Total
<i>In thousands of soles</i>										
Interest revenue	-	1,807	39	135	1,981	-	1,215	68	122	1,405
Interest expense	-	(14,352)	-	(26)	(14,378)	-	(8,467)	-	(66)	(8,533)
	-	<b>(12,545)</b>	<b>39</b>	<b>109</b>	<b>(12,397)</b>	-	<b>(7,252)</b>	<b>68</b>	<b>56</b>	<b>(7,128)</b>
Financial service income	229	682	-	37	948	1,937	1,991	-	41	3,969
Financial service expenses	-	-	-	-	-	-	-	-	-	-
	<b>229</b>	<b>682</b>	-	<b>37</b>	<b>948</b>	<b>1,937</b>	<b>1,991</b>	-	<b>41</b>	<b>3,969</b>
Profit or loss from financial transactions, net	(9,315)	(3,434)	-	4	(12,745)	(8,003)	(1,984)	-	4	(9,983)
Administrative expenses	(49,057)	(107,545)	-	-	(156,602)	(28,048)	(75,436)	-	-	(103,484)
Other income and expenses, net	-	11	-	-	11	-	277	-	-	277
	<b>(58,372)</b>	<b>(110,968)</b>	-	<b>4</b>	<b>(169,336)</b>	<b>(36,051)</b>	<b>(77,143)</b>	-	<b>4</b>	<b>(113,190)</b>

(\*) Related parties include balances and transactions with other related parties in accordance with IAS 24 and SBS regulations.



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- (c) Loans to personnel and remunerations to key personnel.  
As of December 31, 2021 and 2020, Board of Directors, executives and employees of the Bank hold allowed loan transactions pursuant to the Banking Law, which regulates and establishes certain limits to transactions with members of the Board of Directors, executives and employees of financial entities in Peru. As of December 31, 2021 and 2020, direct loans granted to employees, directors, executives and key personnel amount to S/ 562 million and S/ 496 million, respectively.

Likewise, as of December 31, 2021 and 2020, remuneration to key personnel and expenses allowance for the board of Director amount to S/ 16 million and S/ 11 million, respectively.

**27. Trust Activities**

The Bank offers structuring and management services of trust operations and trust fees, and is in charge of the preparation of agreements related to these operations. Assets held in trust are not included in the Bank's financial statements. The Bank is responsible for the appropriate management of these trusts based on the limits established by applicable laws and the respective agreement. As of December 31, 2021, the allocated value of assets in trusts and trust fees amounts to S/ 13,012 million (S/ 15,199 million, as of December 31, 2020).

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**28. Classification of Financial Instruments**

BBVA Peru Group classifies its financial assets and financial liabilities into categories as described in note 3. As of December 31, financial assets and financial liabilities are classified as follows:

	At fair value through profit or loss			Available-for-sale			
	Held-for-trading	Allocated at inception	Loans and accounts receivable	At amortized cost (*)	Fair value	Held-to-maturity	Hedging instruments
<i>In thousands of soles</i>							
<b>Assets</b>							
Cash and due from banks	-	-	16,295,026	-	-	-	-
Interbank funds	-	-	-	-	-	-	-
Investments	4,129,581	-	-	1,122	5,629,908	-	-
<i>Equity instruments</i>	-	-	-	1,122	62,735	-	-
<i>Debt instruments</i>	4,129,581	-	-	-	5,567,173	-	-
Loan portfolio	-	-	70,433,581	-	-	-	-
Held-for-trading instrument	1,767,732	-	-	-	-	-	-
Hedging instruments	-	-	-	-	-	-	75,805
Accounts receivable	-	-	29,401	-	-	-	-
Other assets	-	-	690,886	-	-	-	-
	<b>5,897,313</b>	-	<b>87,448,894</b>	<b>1,122</b>	<b>5,629,908</b>	-	<b>75,805</b>

(\*) It includes investments measured at cost.

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	At fair value through profit or loss				
	Held-for-trading	Allocated at inception	At amortized cost	Other liabilities	Hedging instruments
<i>In thousands of soles</i>					
<b>Liabilities</b>					
Deposits and obligations	-	-	63,104,788	-	-
Interbank funds	-	-	-	-	-
Deposits with financial institutions and international financial institutions	-	-	834,241	-	-
Debts and financial obligations	-	-	6,989,674	-	-
Held-for-trading instrument	1,572,020	-	-	-	-
Hedging instruments	-	-	-	-	35,059
Accounts payable	-	-	17,108,830	37,650	-
	<b>1,572,020</b>	<b>-</b>	<b>88,037,533</b>	<b>37,650</b>	<b>35,059</b>

	At fair value through profit or loss		Loans and accounts receivable	Available-for-sale		Hedging instruments
	Held-for-trading	Allocated at inception		At amortized cost	Fair value	
<i>In thousands of soles</i>						
<b>Assets</b>						
Cash and due from banks	-	-	24,954,267	-	-	-
Interbank funds	-	-	137,599	-	-	-
Investments	4,722,272	-	-	1,122	6,697,946	-
<i>Equity instruments</i>	43,216	-	-	1,122	29,232	-
<i>Debt instruments</i>	4,679,056	-	-	-	6,668,714	-
Loan portfolio, net	-	-	66,593,761	-	-	-
Held-for-trading instrument	898,595	-	-	-	-	-
Hedging instruments	-	-	-	-	-	103,354
Accounts receivable	-	-	44,614	-	-	-
Other assets	-	-	889,508	-	-	-
	<b>5,620,867</b>	<b>-</b>	<b>92,619,749</b>	<b>1,122</b>	<b>6,697,946</b>	<b>103,354</b>

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	<b>At fair value through profit or loss</b>				
	<b>Held-for-trading</b>	<b>Allocated at inception</b>	<b>At amortized cost</b>	<b>Other liabilities</b>	<b>Hedging instruments</b>
<i>In thousands of soles</i>					
<b>Liabilities</b>					
Deposits and obligations	-	-	70,812,534	-	-
Interbank funds	-	-	72,421	-	-
Deposits with financial institutions and international financial institutions	-	-	1,400,063	-	-
Debts and financial obligations	-	-	7,053,718	-	-
Held-for-trading instrument	876,395	-	-	-	-
Hedging instruments	-	-	-	-	14,633
Accounts payable	-	-	16,006,719	25,057	-
	<b>876,395</b>	<b>-</b>	<b>95,345,455</b>	<b>25,057</b>	<b>14,633</b>

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### **29. Financial Risk Management**

Financial risk management is fundamental on the Bank's strategy, since it guarantees its creditworthiness and sustainable development. The Bank's risk profile has been established in accordance with the strategy and policies of the BBVA Group, and considers a unique, independent and global risk management model.

- **Unique:** Focused on a sole objective. Risk appetite supported in fundamental metrics, limits for portfolios and economic sectors, and indicators for the management and monitoring of portfolios, is determined.
- **Independent:** It is independent and complementary to the business. The process of adapting the risk area allows to closely monitor the business and thus detect opportunities.
- **Global:** BBVA Peru Group has a flexible risk model that can be used for all risk, in all countries and for all business.

For effective management with a comprehensive vision, the risk area of the BBVA Peru Group is structured by type of risk: admission of retail and wholesale risks, monitoring, collections and recoveries, structural, market and fiduciary risks; and with the aim of seeking synergies and greater integration of the processes that range from strategy, planning, to the implementation of management models and tools, the Risk Solution and Risk Transformation team consolidates cross-cutting functions that support management. Finally, the Portfolio Management, Data & Reporting team is responsible for the continuous oversight and monitoring of key risk indicators.

During the year, the new internal control and compliance area was created. Its objective is to ensure proper management of internal control and compliance, as well as relations with authorities. Such area includes the Internal Control and Non-Financial Risk teams, which previously belonged to the Risk area.

This year, due to the country's situation for the COVID-19 outbreak, risk management has been focused on the crisis management from all fronts:

- Portfolio management under the guidelines defined by the SBS and the Government, adaptation of management and monitoring reports according to the new needs of the situation.
- Permanent follow up and monitoring of the liquidity risks.
- From the wholesale and retail Admission, permanent review and adjustment of the admission policies, rescheduling modalities carrying out the portfolio diagnosis, segmentation and action plans according to the criticality identified.
- The follow up and management of collection has had a preventive and anticipatory approach, which is oriented to the most vulnerable and affected sectors. Specialized teams have been implemented to manage the collections by implementing differentiated strategies according to the portfolio. Therefore, a good containment level of the rescheduled portfolio has been achieved.

Under the non-financial risk management, control of the measures and decisions are taken in order to mitigate operational risks.

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### **Credit risk**

The Bank's risk management system is based on a corporate governance scheme in which the BBVA Group determines the policies for managing and controlling the risk of retail and wholesale loans, which are adapted to local regulations and reality.

The structure of the risk area for credit risk management is as follows:

- **Portfolio Management, Data & Reporting:** It is responsible for the continuous oversight and monitoring of key risk indicators.

The Reporting, Monitoring & Data team is responsible for the continuous oversight and monitoring of key risk indicators of portfolios based on the entity's strategies and risk appetite. It ensures timely measurement and communication with the relevant authorities, as well as adequate management and compliance with the risk appetite framework.

The Measurement team is responsible for the calculation of the key risk indicators, including the measurement of credit risk indicators related to provisions, regulatory capital, economic capital and risk-adjusted return.

The Risk Advance Analytics team, under the Center of Expertise (CoE), is responsible for the developing of models supporting different credit processes for the development of the risk function.

In August 2021, the Data Quality team was created. It is responsible for ensuring data quality in the calculation and reporting processes at a risk level. The focus is placed on creating a data governance model at the entity level and ensuring compliance with quality rules.

- **Risk Solution:** It manages the portfolio of projects in the Risk area. It ensures its definition, prioritization, execution and startup.
- **Risk Transformation:** It is the team responsible for ensuring the execution and continuous improvement of the dependent processes, complying with the defined and committed quality and productivity standards. As part of the process organization, it must seek efficiency and synergy between the services involved.
- **Retail Loan:** It manages retail credit risk, in accordance with the Bank's strategic objectives, and monitors the risk quality of transactions. Such management includes the following:

Definition of customer admission requirements for the retail segment.

Study of the results of consumer behavior, segments and campaigns, analyzing their evolutions and developments.

Develop and improve risk culture at the entity level, focusing on continuous training programs, development of skills of professionals in the commercial areas and risk professionals.

Ensure, through an interrelationship with the different business areas and internal and external supervisory authorities, compliance with credit risk policies and the Bank's risk appetite framework.

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Provide and promote continuous improvements in processes, tools and regulations for effective credit risk management.

Warning signs and high-risk groups are detected based on statistical data and monitoring management of risk portfolios of natural and legal persons.

Data is analyzed to generate offers to potential customer profiles that meet the Bank's appetite, through advanced computer tools, which allow provisioning, validating and implementing strategies for the creation of campaigns for natural persons and SMEs.

- **Wholesale Loan:** It manages credit risk in the business segments of the Retail Network, Business Banking, Institutions, Global Customers, Intermediary Financial Institutions and the Real Estate Sector, integrating the phases of origination, admission and follow-up, in accordance with the guidelines defined in the Wholesale Credit Risk Policy.

Based on the Group's strategies, the challenges of the local market due to the COVID-19 pandemic and the COVID-19 government measures, the Bank strengthened the control of asset allocation constraints and sector profiles, consistent with risk appetite and together with the evolution of the COVID-19 pandemic and the resumption of economic activities.

Likewise, the portfolio diversification was promoted through the containment of the portfolio, the selection of best profiles and the monitoring of concentration thresholds by sectors, and prioritizing the risk-adjusted return. Accordingly, different strategies were developed in the network of offices, such as preventive action focused on collections and identification and redirection of business opportunities.

The segmentation of the admission team was divided into two groups, maintaining the agile organization structure:

- Stage 1: It acts with a principal axis analysis under sector groups, while maintaining specialization by segment.
- Stage 2 and business monitoring: It operates under a preventive management approach, along with strategies to maintain and/or reduce portfolio risk, and contains impairment by structuring suitable financial solutions.

The Portfolio Management team focused on segmenting the portfolio by vulnerability and sensitivity, incorporating quantitative and qualitative variables, and detecting signs at a sector level. Likewise, particular emphasis was placed on the development of dashboards with useful information for credit risk management and protocols for the attention of the government assistance programs. From 2021, the team was divided into Strategies and Governance to have a more focused management.

It should be noted that the Rating, Risk Analyst and Early Warning tools provide a significant support in decision-making. Likewise, the Authorized Financing Program and the Digital Financing Program, used in Business and Corporate Banking segments, respectively, continued as digital platforms for the preparation and analysis of credit proposals.

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- **Collection, Mitigation & Workout:** It groups together the functions and processes necessary for the monitoring, non-payment containment, collection, recoveries and the divestment of the portfolio with problems, both from retail and wholesale banking, achieving crossway efficiencies in the processes, as well as in the external management channels (collection agencies, calls, and law firms) and internal (network of offices).

The portfolio with problems is managed through a focused strategy that defines actions for each segment and for each stage of the credit life cycle, based on refinancing policies, repossessed assets and payment agreements with customers, in order to reduce the provision expense and default levels.

Financing risk management in the COVID-19 context:

- **Anticipate Plan:** It is made up of four executives from the commercial banking network and a risk leader. In 2021, it managed a portfolio of 262 customers to provide them rescheduling or refinancing solutions and financing facilities that allow the normalization of their activity and compliance with the financing facilities granted. This specialized management resulted in the agreement of debt rescheduling and refinancing of 610 loans, allowing the negotiated extinction of positions with 31 high-risk customers and reduction of direct and indirect risk by S/ 252 million. In 2022, this financial assistance will continue to be provided to customers and to the wholesale segment in risk quality management.
- **Solution plan:** The executives of the Solution team are responsible for the recovery activities and collection team. It is led by 13 heads whose objective is the location of the main customers, diagnosis and redirection of operations through rescheduling or refinancing.

The retail portfolio segmentation was carried out considering the impact and materiality matrices (debt ranges) for the private, SME and retail portfolio. In addition, collection management differs whether the portfolio was rescheduled, refinanced or a government fund. The impact level is assessed through a collection score that allows to identify the non-performance risk levels of customers.

- **Collection Plan (external agencies):** The implant model remains in force (virtual presence of the BBVA supervisor in the daily activities of collection agencies). This model guarantees the continuous monitoring of key performance indicators for compliance with the Bank's strategies. In addition, the motivation of human resource management is maintained by rewarding and recognizing the best call center agents. The portfolio allocation model has recently been modified in preventive and unpaid stages in order to recognize not only the leadership of suppliers, but also the dispersion in performance results in bimonthly assessment periods.



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In 2021, the Collection Factory was consolidated, the implant model was reinforced and the program was 100% completed. Also, the collection score was integrated into the collection strategies for all portfolios from the preventive stage to the unpaid stage, emphasizing the management of loans of the Reactiva Peru program, since the lowest ratio of past-due loans of the Reactiva Peru program was achieved in the financial system at the end of November 2021, together with an execution of honors, containment of past-due loans and saving of provisions in a situation adverse. A management system was developed for the legal portfolio to improve the monitoring and negotiation with customers and suppliers, and a strong flow was established for the write-offs of loans greater than 3 tax units corresponding to bad debts. The first execution was in June 2021. Lastly, new methods of refinancing were developed for customers—e.g., refinancing over the phone, specific products such as loan commitment, loan refinanced with a grace period and special debt relief.

### **Maximum exposure to credit risk**

As of December 31, the maximum exposure to credit risk is as follows:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
Cash and due from banks	16,295,026	24,954,267
Interbank funds	-	137,599
Investments at fair value through profit or loss	4,129,581	4,722,272
Available-for-sale investments	5,631,030	6,699,068
Loan portfolio, net	70,433,581	66,593,761
Held-for-trading instrument	1,767,732	898,595
Hedging instruments	75,805	103,354
Accounts receivable	29,401	44,613
Other assets	690,886	889,508
	<b>99,053,042</b>	<b>105,043,037</b>

### **Guarantees received**

The requirement of guarantees may be a necessary instrument, but not sufficient for the granting of risks, and its acceptance is complementary to the credit process, which requires and mainly weighs the prior verification of the debtor's ability to pay or whether can generate the sufficient resources to allow the amortization of the risk incurred and under the agreed conditions.

The procedures for the management and valuation of the guarantees received for the loans granted to customer are indicated in the Guarantee Regulation that includes the policies for the admission of guarantees, as well as the basic principles for their constitution, maintenance and release. This regulation establishes that the guarantees must be properly instrumented and registered, ensuring that they are in force and that they have insurance policies, in strict compliance with the regulations established by the regulator.

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The valuation of the guarantees is governed by the principle of prudence, which implies the use of appraisal reports in real estate guarantees, market prices in securities, quotes in shares in investment funds, among others. This principle establishes internal milestones that may be more conservative than those contemplated by local regulations, and under which the value of the guarantees is updated.

<i>In thousands of soles</i>	<b>2021</b>	<b>%</b>	<b>2020</b>	<b>%</b>
Mortgages	24,729,658	33%	22,639,889	32%
Endorsements and letters of guarantee received	9,142,676	12%	11,925,213	17%
Finance lease	3,816,240	5%	3,772,204	5%
Self-liquidating collaterals	468,380	1%	512,970	1%
Vehicle, industrial, agricultural pledges and others	49,287	-	39,805	-
Warrants of goods and merchandise	-	-	-	-
Rest of guarantees	16,494,524	22%	15,855,613	23%
Guaranteed loans	54,700,765	73%	54,745,694	78%
Non-guaranteed loans	19,848,821	27%	15,829,880	22%
	<b>74,549,586</b>	<b>100%</b>	<b>70,575,574</b>	<b>100%</b>

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### Credit quality of the loan portfolio

The segmentation of the loan portfolio into "Not past due or impaired", "Past due but not impaired" and "Impaired" is presented as follows:

	2021						2020					
	Wholesale loans	Small and micro-business loans	Consumer loans	Mortgage loans	Total		Wholesale loans	Small and micro-business loans	Consumer loans	Mortgage loans	Total	
<i>In thousands of soles</i>												
<b>Non past-due nor impaired loans</b>	<b>45,523,256</b>	<b>2,648,467</b>	<b>7,334,506</b>	<b>13,496,568</b>	<b>69,002,797</b>	<b>99</b>	<b>43,541,037</b>	<b>3,358,907</b>	<b>6,212,063</b>	<b>12,669,372</b>	<b>65,781,379</b>	<b>100</b>
Standard	43,986,617	2,578,162	7,239,215	13,290,174	67,094,168	96	42,201,346	3,329,026	6,096,584	12,499,191	64,126,147	97
With potential problems	1,536,639	70,305	95,291	206,394	1,908,629	3	1,339,691	29,881	115,479	170,181	1,655,232	3
Substandard	-	-	-	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-	-	-
<b>Non past-due nor impaired loans</b>	<b>99,141</b>	<b>5</b>	<b>3</b>	<b>759</b>	<b>99,908</b>	<b>-</b>	<b>25,892</b>	<b>948</b>	<b>67</b>	<b>841</b>	<b>27,748</b>	<b>-</b>
Standard	31,692	4	2	-	31,698	-	11,908	865	67	3	12,843	-
With potential problems	67,449	1	1	759	68,210	-	13,984	83	-	838	14,905	-
Substandard	-	-	-	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-	-	-
<b>Impaired loans</b>	<b>3,809,721</b>	<b>292,907</b>	<b>457,605</b>	<b>886,648</b>	<b>5,446,881</b>	<b>8</b>	<b>2,936,472</b>	<b>229,489</b>	<b>709,700</b>	<b>890,786</b>	<b>4,766,447</b>	<b>7</b>
Standard	3,294	2	16	-	3,312	-	7,275	-	-	-	7,275	-
With potential problems	638,444	-	9	-	638,453	1	494,254	91	8	-	494,353	1
Substandard	839,062	38,220	81,685	201,271	1,160,238	2	730,439	32,456	109,414	230,788	1,103,097	2
Doubtful	784,358	51,500	177,381	245,173	1,258,412	2	311,224	54,866	270,095	262,335	898,520	1
Loss	1,544,563	203,185	198,514	440,204	2,386,466	3	1,393,280	142,076	330,183	397,663	2,263,202	3
<b>Gross portfolio</b>	<b>49,432,118</b>	<b>2,941,379</b>	<b>7,792,114</b>	<b>14,383,975</b>	<b>74,549,586</b>	<b>107</b>	<b>46,503,401</b>	<b>3,589,344</b>	<b>6,921,830</b>	<b>13,560,999</b>	<b>70,575,574</b>	<b>107</b>
Less: Provisions	(3,042,877)	(239,002)	(675,774)	(700,509)	(4,658,162)	(7)	(2,615,468)	(203,778)	(908,956)	(690,901)	(4,419,103)	(7)
<b>Total net portfolio</b>	<b>46,389,241</b>	<b>2,702,377</b>	<b>7,116,340</b>	<b>13,683,466</b>	<b>69,891,424</b>	<b>100</b>	<b>43,887,933</b>	<b>3,385,566</b>	<b>6,012,874</b>	<b>12,870,098</b>	<b>66,156,471</b>	<b>100</b>

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Criteria to determine if a loan is impaired are the following:

Type of debtor	Impairment criteria
Retail	Loans past due over 90 days.
	Debtor is rated as deficient, doubtful or loss.
Wholesale	Debtor is rated as deficient, doubtful or loss.
	Rescheduled or refinancing loans.

The specific provisions associated with transactions that as of December 31, 2021 have been classified as past due and non-impaired loans and impaired loans amount to S/ 2,845 million (2020: S/ 2,699 million).

In 2021 and 2020, customer transactions that throughout said periods were classified as past due and not impaired loans and as impaired loans have generated finance revenue of S/ 182 million and S/ 121 million, respectively.

As of December 31, 2021 and 2020, the guarantees of past due and non-impaired loans and impaired loans amount to S/ 2,718 million and S/ 2,085 million, respectively, of which S/ 2,626 million and S/ 1,963 million correspond to mortgage loans.

As of December 31, 2021 and 2020, past due and non-impaired loans amounts to S/ 100 million and S/ 28 million, respectively. The breakdown of the referred credits according to days of arrears is shown below:

<i>In thousands of soles</i>	2021				2020			
	16 - 30	31 - 60	61 - 90	Total	16 - 30	31 - 60	61 - 90	Total
<b>Days in arrears</b>								
<b>Types of loan</b>								
Large-business loans	892	11,025	1,673	13,590	1,244	-	24	1,268
Medium-business loans	34,250	32,959	18,341	85,550	8,728	9,849	6,047	24,624
	<b>35,142</b>	<b>43,984</b>	<b>20,014</b>	<b>99,140</b>	<b>9,972</b>	<b>9,849</b>	<b>6,071</b>	<b>25,892</b>
Small-business loans	-	2	3	5	-	948	-	948
Micro-business loans	-	1	-	1	-	-	-	-
Consumer loans	-	2	1	3	-	1	66	67
Mortgage loans	-	759	-	759	-	841	-	841
	-	<b>764</b>	<b>4</b>	<b>768</b>	-	<b>1,790</b>	<b>66</b>	<b>1,856</b>
	<b>35,142</b>	<b>44,748</b>	<b>20,018</b>	<b>99,908</b>	<b>9,972</b>	<b>11,639</b>	<b>6,137</b>	<b>27,748</b>

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**Risk concentrations**

The loan portfolio is distributed in the following economic sectors:

<i>In thousands of soles</i>	<b>2021</b>		<b>2020</b>	
Mortgage and consumer loans	22,176,089	30%	20,482,829	30%
Commerce	15,027,845	20%	14,370,278	20%
Manufacturing	11,572,507	16%	10,042,657	14%
Transport, storage and communications	6,658,443	9%	5,707,309	8%
Real estate, business and leasing	4,070,870	5%	5,962,891	8%
Agriculture and livestock	2,727,454	4%	2,308,038	3%
Mining	2,201,883	3%	2,007,550	3%
Financial intermediation	1,811,720	2%	1,232,140	2%
Power, gas and water	1,793,180	2%	1,392,419	2%
Hotels and restaurants	1,723,099	2%	1,781,799	3%
Construction	1,477,262	2%	1,417,140	2%
Others	3,309,234	4%	3,870,524	5%
	<b>74,549,586</b>	<b>100%</b>	<b>70,575,574</b>	<b>100%</b>

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As of December 31, financial assets are distributed among the following geographic areas:

		2021					
		At fair value through profit or loss					
<i>In thousands of soles</i>	<i>Note</i>	Held-for-trading	Allocated at inception	Loans and accounts receivable	Available-for-sale	Hedging instruments	Total
<b>Financial instruments</b>							
Peru		5,290,281	-	74,651,803	4,594,376	24,639	84,561,099
Rest of South America		-	-	28,614	980	-	29,594
Rest of the world		487,180	-	12,904	-	-	500,084
Mexico		1,330	-	1,383	-	-	2,713
United States of America		-	-	81,764	1,035,644	-	1,117,408
Europe		130,857	-	10,469	30	51,166	192,522
		<b>5,909,648</b>	<b>-</b>	<b>74,786,937</b>	<b>5,631,030</b>	<b>75,805</b>	<b>86,403,420</b>
Provisions		(12,335)	-	(4,866,112)	-	-	(4,878,447)
Accrued returns on current loans	7	-	-	641,441	-	-	641,441
Deferred interest		-	-	(99,284)	-	-	(99,284)
		<b>5,897,313</b>	<b>-</b>	<b>70,462,982</b>	<b>5,631,030</b>	<b>75,805</b>	<b>82,067,130</b>
		2020					
		At fair value through profit or loss					
<i>In thousands of soles</i>	<i>Note</i>	Held-for-trading	Allocated at inception	Loans and accounts receivable	Available-for-sale	Hedging instruments	Total
<b>Financial instruments</b>							
Peru		5,151,233	-	70,575,511	4,593,849	-	80,320,593
Rest of South America		-	-	157,325	980	-	158,305
Rest of the world		322,533	-	16,566	74,117	-	413,216
Mexico		-	-	2,212	-	-	2,212
United States of America		-	-	19,952	1,963,500	-	1,983,452
Europe		155,338	-	10,468	72,975	103,354	342,135
		<b>5,629,104</b>	<b>-</b>	<b>70,782,034</b>	<b>6,705,421</b>	<b>103,354</b>	<b>83,219,913</b>
Provisions		(8,237)	-	(4,580,948)	(6,353)	-	(4,595,538)
Accrued returns on current loans	7	-	-	539,844	-	-	539,844
Deferred interest		-	-	(102,554)	-	-	(102,554)
		<b>5,620,867</b>	<b>-</b>	<b>66,638,376</b>	<b>6,699,068</b>	<b>103,354</b>	<b>79,061,665</b>

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### **Market risk**

Market risk arises as a consequence of the activity maintained in the markets, through financial instruments whose value may be affected by variations in market conditions, reflected in changes in the different assets and financial risk factors. The risk can be mitigated and even eliminated through hedging (assets/liabilities or derivatives), or by undoing the open operation or position.

There are three major risk factors that affect market prices: interest rates, exchange rates and variable-income.

- Interest rate risk It arises as a consequence of variations in the provisional structure of market interest rates, for the different currency.
- Exchange rate risk: It arises as a consequence of variations in the exchange rate risk among the different currency.
- Price risk: It arises as a consequence of changes in the market price, either for the specific instruments factors, nor for factors affecting all the instruments trades in the market.

In addition, and for certain positions, it is necessary to also consider other risks: spread, base, volatility or correlation risk.

Value at risk (VaR) is the basic variable to measure and control the Bank's market risk. This risk measure estimates the maximum loss, with a given level of confidence, that can occur in the market positions of a portfolio for a certain time horizon. The Bank calculates the VaR using the historical method with a confidence level of 99% and a time horizon of one day; the data period considered is two years.

The structure of market risk limits determines a scheme of VaR and economic capital limits for market risk, as well as alerts and specific ad-hoc sub-limits for types of risk, among others.

Likewise, validity tests are carried out on the risk measurement models used, which estimate the maximum loss that can occur in the positions considered, with a certain level of probability ("back testing"), as well as measurements of the impact of extreme movements market in the risk positions maintained ("stress testing"). Currently, the stress analysis on historical scenarios of the Lehman Brothers crisis (2008) is being carried out.

As of December 31, the detail of the VaR for risk factors was as follows:

<i>In thousands of soles</i>	<b>2021</b>	<b>2020</b>
<b>VaR for risk factors</b>		
VaR without smoothing	10,144	7,957
VaR interest	10,458	8,068
VaR exchange	319	481
VaR weighted	8,479	8,411
VaR maximum	13,348	12,387
VaR minimum	5,245	5,803

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***Structural interest rate risk***

The objective of managing the banking book interest risk is to maintain the Bank's exposure to variations in market interest rates at levels consistent with its strategy and risk profile. To this end, the Assets and Liabilities Committee (hereinafter COAP) conducts active management of the banking book through operations to optimize the level of risk assumed, in relation to the expected results, and allow compliance with the maximum levels of tolerable risk.

The activity performed by the COAP is based on the interest risk measurements conducted by the risks area. Which, acting as an independent unit, periodically quantifies the impact the variation in interest rates has on the interest margin and the economic value of the BBVA Peru Group.

In addition to the sensitivity measurements to different variations in market rates, the BBVA Peru Group develops probabilistic calculations that determine the "economic capital" (maximum loss in economic value) and the "margin at risk" (maximum loss in the interest margin) due to structural interest risk of the Bank's banking activity, excluding treasury activity, based on interest rate curve simulation models. Stress testing is conducted periodically to complete the evaluation of the Bank's interest risk profile.

All these risk measures are subject to subsequent analysis and monitoring, and the levels of risk assumed and the degree of compliance with the authorized limits are transferred to the different management and administration departments of the BBVA Peru Group.



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The consumption of the structural interest risk levels of the BBVA Peru Group during the years 2021 and 2020 are presented as follows:

		December	November	October	September	August	July	June	May	April	March	February	January
		2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021
<b>2021</b>													
<b>Limit consumption</b>													
Sensitivity in profit margin	7%	6.42%	6.78%	6.86%	6.6%	5.5%	5.0%	5.1%	5.6%	5.1%	5.4%	5.4%	5.4%
<b>Alert consumption</b>													
Economic value sensitivity	1,200	221	262	264	297	309	444	422	417	403	439	452	496
Economic capital	1,200	422	432	400	411	422	535	528	534	529	556	559	584
Margin at risk	4%	3.5%	2.9%	3%	2.8%	2.2%	2.2%	2.2%	2.4%	2.1%	2.2%	2.2%	2.3%
		December	November	October	September	August	July	June	May	April	March	February	January
		2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020
<b>2020</b>													
<b>Limit consumption</b>													
Sensitivity in profit margin	7%	4.3%	4.5%	4.8%	5.1%	3.7%	3.2%	2.9%	3.5%	3.8%	3.9%	4.6%	4.6%
<b>Alert consumption</b>													
Economic value sensitivity	1,200	452	483	480	454	535	498	572	597	565	565	625	635
Economic capital	1,200	533	569	579	589	680	626	608	620	621	667	709	729
Margin at risk	7%	1.9%	1.9%	2.0%	2.1%	1.8%	1.7%	1.3%	1.4%	1.3%	1.4%	1.8%	1.8%

In the measurement process, the BBVA Peru Group has established hypotheses on the evolution and behavior of certain items, such as those relating to products without explicit or contractual expiration. These hypotheses are based on studies that approach the relationship between the interest rates of these products and those of the market, and that allow the disaggregation of the specific balances into trend balances, with a long-term permanence degree, and seasonal or volatile balances, with a short-term residual maturity.

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### **Liquidity risk**

The control, monitoring and management of liquidity risk aims, in the short term, to ensure compliance with the Bank's payment commitments in a timely manner, without resorting to obtaining funds under unfavorable conditions, or deteriorating the image and reputation of the BBVA Peru Group. In the medium term, its objective is to ensure the suitability of the financial structure and its evolution, in the context of the economic situation, the markets and regulatory changes.

The management of liquidity and structural financing in the Bank are based on the principle of financial autonomy of the BBVA Peru Group. This management approach contributes to prevent and limit liquidity risk by reducing the Bank's vulnerability in periods of high risk.

The management and monitoring of liquidity risk is carried out comprehensively with a dual approach: short-term and long-term. The short-term liquidity approach, with a time horizon of up to one year, is focused on managing payments and collections from market activities, volatile customer resources and the potential liquidity needs of the Bank as a whole. The second approach, medium-term or financing, is focused on the financial management of the set of assets and liabilities, focusing on the financing structure, and having a time horizon equal to or greater than the annual one.

The integral management of liquidity is carried out by COAP, where the Financial Management Unit of the Finance area analyzes the implications, in terms of financing and liquidity of the various Bank projects and their compatibility with the structure of target financing and the situation of financial markets. In this sense, the Financial Management Unit, in accordance with the approved budgets, executes the agreed proposals by the COAP and manages liquidity risk in accordance with wide scheme of limits, sub-limits and approved warnings on which the risk area carries out, independently, its measurement and control work, providing the manager with support tools and metrics for decision-making.

The periodic measurements of the risk incurred and the monitoring of the consumption of limits are carried out by the Structural, Markets and Fiduciary Risks Unit, which monthly reports the liquidity risks level to the COAP; as well as more frequently to the management units. It should be noted that during the beginning of the state of emergency due to the COVID19 pandemic, the structural risks unit increased the measurement frequency of the main liquidity indicators in order to carry out a daily monitoring that allows anticipating any contingency and supporting the management areas.

Moreover, the Basel Committee on Banking Supervision (BCBS) has proposed a new liquidity regulation scheme based on two ratios: Liquidity coverage ratio (LCR) which is effective from 2015 and net stable funding ratio (NSFR) which has been implemented since 2018. The Bank and the BBVA Peru Group participated in the quantitative impact study (QIS), which has included the new regulatory challenges in its new general framework of action in the liquidity and financing area. At local level, the SBS has also implemented the monitoring of the liquidity coverage ratio, following the general guidelines of the BCBS, although adapting it to the Peruvian reality. The measurement of liquidity coverage ratio have started on December 2013 and its measurement have a daily frequency. The limit established for liquidity coverage ratio is 80% for the period from 2014 to 2017, 90% for 2018 and 100% for 2019 henceforth, which is being complied.

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Since March 2020, the SBS has established the temporary inapplicability of the liquidity coverage ratios in local and foreign currency. However, the structural risks unit has continued with the daily measurement of the liquidity coverage ratios on a timely basis.

Repurchase agreement established by the Official Letter 022-2015-BCRP, and repurchase agreement with BCRP of Legislative Decree 1508, which created the Government guarantee program, are considered sources of financing available to be included in the Bank's contingency liquidity plan. To this effect, the SBS requires that the framework agreement be signed with COFIDE and the portfolio that could be used for these operations be identified.

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In accordance with SBS regulations, the maturities of assets and liabilities as of December 31, 2021 and 2020, including accrued interest on loans and deposits, are as follows:

<i>In thousands of soles</i>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-6 months</b>	<b>6-12 months</b>	<b>1-5 years</b>	<b>More than 5 years</b>	<b>Loans past due and loans under legal collection</b>	<b>No contractual maturity</b>	<b>Total</b>
<b>2021</b>									
<b>Assets</b>									
Cash and due from banks	14,549,520	164,513	46,374	67,296	1,467,323	-	-	-	16,295,026
Investments at fair value through profit or loss	4,129,581	-	-	-	-	-	-	-	4,129,581
Available-for-sale investments	4,131,160	43,335	2,607	847,007	307,755	299,166	-	-	5,631,030
Loan portfolio	6,546,559	8,206,497	7,745,944	8,290,753	26,861,395	14,119,761	2,778,677	-	74,549,586
Held-for-trading instrument	41,085	192,642	262,774	238,881	356,740	675,610	-	-	1,767,732
Hedging instruments	-	-	235	53,319	22,251	-	-	-	75,805
	<b>29,397,905</b>	<b>8,606,987</b>	<b>8,057,934</b>	<b>9,497,256</b>	<b>29,015,464</b>	<b>15,094,537</b>	<b>2,778,677</b>	<b>-</b>	<b>102,448,760</b>
<b>Liabilities</b>									
Deposits and obligations	7,213,661	5,487,526	1,272,887	2,055,379	47,075,335	-	-	-	63,104,788
Demand deposits	2,476,778	1,812,755	-	-	20,597,504	-	-	-	24,887,037
Savings accounts	2,508,338	1,759,651	-	-	24,225,054	-	-	-	28,493,043
Time deposits	2,137,060	1,915,120	1,272,887	2,055,379	2,252,777	-	-	-	9,633,223
Others	91,485	-	-	-	-	-	-	-	91,485
Deposits with financial institutions	400,186	125,564	69,208	125,057	114,226	-	-	-	834,241
Debts and financial obligations	54,708	77,108	428,670	2,507,707	1,766,927	2,154,554	-	-	6,989,674
Held-for-trading instrument	127,439	123,859	231,400	107,251	475,044	507,027	-	-	1,572,020
Hedging instruments	-	-	1,565	3,391	30,103	-	-	-	35,059
Accounts payable	1,850,666	648,460	969,896	2,451,469	10,608,108	617,881	-	-	17,146,480
Other liabilities	607,087	-	-	-	-	-	-	-	607,087
	<b>10,253,747</b>	<b>6,462,517</b>	<b>2,973,626</b>	<b>7,250,254</b>	<b>60,069,743</b>	<b>3,279,462</b>	<b>-</b>	<b>-</b>	<b>90,289,349</b>

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<i>In thousands of soles</i>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-6 months</b>	<b>6-12 months</b>	<b>1-5 years</b>	<b>More than 5 years</b>	<b>Loans past due and loans under legal collection</b>	<b>No contractual maturity</b>	<b>Total</b>
<b>2020</b>									
<b>Assets</b>									
Cash and due from banks	19,162,024	1,263,307	793,377	243,696	3,491,863	-	-	-	24,954,267
Interbank funds	137,599	-	-	-	-	-	-	-	137,599
Investments at fair value through profit or loss	4,679,056	-	-	-	-	-	-	43,216	4,722,272
Available-for-sale investments	5,746,998	187,460	75,352	51,596	335,071	302,591	-	-	6,699,068
Loan portfolio	5,970,613	6,351,096	4,507,113	6,584,206	34,172,515	10,704,669	2,285,362	-	70,575,574
Held-for-trading instrument	93,939	62,911	47,726	22,369	288,069	383,581	-	-	898,595
Hedging instruments	-	-	-	-	103,354	-	-	-	103,354
	<b>35,790,229</b>	<b>7,864,774</b>	<b>5,423,568</b>	<b>6,901,867</b>	<b>38,390,872</b>	<b>11,390,841</b>	<b>2,285,362</b>	<b>43,216</b>	<b>108,090,729</b>
<b>Liabilities</b>									
Deposits and obligations	10,503,851	8,000,059	2,186,005	3,078,306	47,044,313	-	-	-	70,812,534
Demand deposits	4,613,896	3,378,292	-	-	21,786,440	-	-	-	29,778,628
Savings accounts	2,172,598	1,495,035	-	-	21,044,166	-	-	-	24,711,799
Time deposits	3,642,526	3,126,732	2,186,005	3,078,306	4,213,707	-	-	-	16,247,276
Others	74,831	-	-	-	-	-	-	-	74,831
Interbank funds	72,421	-	-	-	-	-	-	-	72,421
Deposits with financial institutions	530,432	454,819	34,206	234,179	146,427	-	-	-	1,400,063
Debts and financial obligations	26,675	180,431	778,489	324,592	3,604,598	2,138,933	-	-	7,053,718
Held-for-trading instrument	108,096	107,034	69,850	34,589	247,926	308,900	-	-	876,395
Hedging instruments	-	-	6,758	1,382	6,493	-	-	-	14,633
Accounts payable	829,267	830,000	553,100	-	13,819,408	-	-	-	16,031,775
Other liabilities	820,808	-	-	-	-	-	-	-	820,808
	<b>12,891,550</b>	<b>9,572,343</b>	<b>3,628,408</b>	<b>3,673,048</b>	<b>64,869,165</b>	<b>2,447,833</b>	<b>-</b>	<b>-</b>	<b>97,082,347</b>

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***Operational risk***

The BBVA Peru Group articulates an operational risk management model implemented throughout the organization, based on methodologies and procedures for the identification, assessing and monitoring of operational risk, and supported by tools that allow qualitative and quantitative management.

This model is based on a decentralized management of operational risk carried out by operational risk management teams in the two lines of defense. In the first line we have the Risk Control Assurer whose objective is to promote the adequate management of operational risk in their respective management areas. The previous by extending the methodology of risk identification and establishment of controls, and working for this with the owners of the processes who are those responsible for implementing mitigation plans and execution of controls. In the second line of defense, there is a Risk Control Specialist team who define mitigation and control frameworks in their area of specialty (across the entire organization) and contrast with the one implemented by the first line.

Both control teams are in constant coordination of a methodological unit and constantly report to the corresponding Internal Control and Operational Risk Committees. From the internal control and compliance area, the non-financial risk unit is in charge of the implementation of corporate management tools, the training of both control teams (Risk Control Assurer and Risk Control Specialist), coordination for updating the risk map and monitoring of mitigation plans.

In connection with qualitative management, the Support Tool for Operational Risk Management (MIGRO tool) makes it possible to record the operational risks identified by associating them with a taxonomy of processes and their quantification, as well as recording the evaluation periodical controls associated with critical risks. In 2021, risks and controls are being updated, maintaining the validity of the model.

In addition, there is a database, Integrated Operational Risk System (SIRO), which includes all operational risk events that represent a loss for the BBVA Peru Group, is the fundamental quantitative tool for risk management operational.

The Bank is authorized to use the alternative standard method for calculating the effective equity requirement for operational risk, which allows it to optimize the regulatory capital requirement for operational risk management.

The effective equity requirement for operational risk based on the alternative standard method as of December 31, 2021 amounts to S/ 602 million (2020: S/ 542 million) and for EDPYME based on the basic indicator method as of December 31, 2021 amounts to S/ 2 million (2020: S/ 7 million).

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**30. Fair Value**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

In cases where the listed value is not available, the fair value is estimated based on the listed value of a financial instrument with similar characteristics, the present value of the expected cash flows or other valuation techniques; which can be significantly affected by the different assumptions used.

Management used its best judgment in measuring the fair value of financial instruments; however, there are inherent weaknesses in any valuation technique. Thus, the fair value may not be an indicative of the net realizable value or the liquidation value of such financial instruments.

Regarding the methodology and assumptions used in estimating the fair value of the BBVA Peru Group's financial instruments, the following should be considered:

***Financial instruments whose fair value is similar to the carrying amount:***

This assumption applies for those assets and liabilities with current maturity, with variable interest rate and those whose fair value correspond to the carrying amount according to the SBS Official Letter 43078-2014-SBS.

***Financial instruments at fixed rate***

The methodology of future flows projection discounted at market interest rates is used, for instruments with similar characteristics.

***Financial instruments measured at fair value***

The fair value hierarchy categorizes into 3 levels the inputs to valuation techniques used to measure fair value:

- Level 1: If the observed value in an active market does not refer to the financial instrument as a whole, but there is an active market for its components, fair value shall be determined based on relevant market prices of those components.
- Level 2: For instruments quoted in non-active markets, fair value is determined by using a valuation technique or model that mostly uses market data and minimizes the use of data provided by the Bank.
- Level 3: For unquoted instruments, fair value is determined using valuation techniques or models.

Financial assets at fair value through profit or loss and available-for-sale financial assets are measured at market prices, which are determined based on the published share prices of mutual funds and quoted prices, respectively.

The fair value of derivative instruments is determined through the use of valuation techniques.

(Translation of Financial Statements originally issued in Spanish)

**Banco BBVA Perú and Subsidiaries**

Notes to the Consolidated Financial Statements

As of December 31, 2021 and 2020

**Carrying amount and fair value of financial assets and financial liabilities.**

Taking into account the fair value considerations and the Official Letter 43078-2014- SBS, in which the SBS determined that the fair value corresponds to the carrying amount of loans and deposits, as of December 31, 2021 and 2020 the carrying amount and fair value of financial assets and financial liabilities are presented as follows:

<i>In thousands of soles</i>	<b>Carrying amount</b>		<b>Fair value</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Assets</b>				
Cash and due from banks	16,295,026	24,954,267	16,295,026	24,954,267
Interbank funds	-	137,599	-	137,599
Investments at fair value through profit or loss and investment available-for-sale	9,760,611	11,421,340	9,760,611	11,421,340
Loan portfolio	70,433,581	66,593,761	70,433,581	66,593,761
Held-for-trading instrument	1,767,732	898,595	1,767,732	898,595
Hedging instruments	75,805	103,354	75,805	103,354
Accounts receivable	29,401	44,614	29,401	44,614
Other assets	690,886	889,507	690,886	889,507
	<b>99,053,042</b>	<b>105,043,037</b>	<b>99,053,042</b>	<b>105,043,037</b>
<b>Liabilities</b>				
Deposits and obligations in local and foreign financial institutions	63,939,029	72,212,597	63,939,029	72,212,597
Interbank funds	-	72,421	-	72,421
Debts and financial obligations	6,989,674	7,053,718	7,034,614	7,035,674
Held-for-trading instrument	1,572,020	876,395	1,572,020	876,395
Hedging instruments	35,059	14,633	35,059	14,633
Accounts payable	17,146,480	16,031,775	17,146,480	16,031,775
	<b>89,682,262</b>	<b>96,261,539</b>	<b>89,727,202</b>	<b>96,243,495</b>



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**Banco BBVA Perú and Subsidiaries**

Notes to the Consolidated Financial Statements

December 31, 2021 and 2020

Assets and liabilities recorded at fair value based on the hierarchy level are recorded as follows:

**Financial instruments recorded at fair value and value hierarchy**

<i>In thousands of soles</i>	2021				2020			
	Fair value	Level 1	Level 2	Level 3	Fair value	Level 1	Level 2	Level 3
<b>Assets</b>								
<b>Investments at fair value through profit or loss</b>								
Equity instruments	-	-	-	-	43,216	43,216	-	-
Debt instruments	4,129,581	204,934	3,924,647	-	4,679,056	296,595	4,382,461	-
<b>Available-for-sale investments</b>								
Equity instruments	62,735	62,735	-	-	29,233	29,233	-	-
Debt instruments	5,567,172	1,389,913	4,177,259	-	6,675,067	2,570,885	4,104,182	-
Held-for-trading instrument	1,767,732	-	1,767,732	-	898,595	-	898,595	-
Hedging instruments	75,805	-	75,805	-	103,354	-	103,354	-
	<b>11,603,025</b>	<b>1,657,582</b>	<b>9,945,443</b>	<b>-</b>	<b>12,428,521</b>	<b>2,939,929</b>	<b>9,488,592</b>	<b>-</b>
<b>Liabilities</b>								
Debts and financial obligations	3,251,564	-	3,251,564	-	3,032,280	-	3,032,280	-
Held-for-trading instrument	1,572,020	-	1,572,020	-	876,395	-	876,395	-
Hedging instruments	35,059	-	35,059	-	14,633	-	14,633	-
	<b>4,858,643</b>	<b>-</b>	<b>4,858,643</b>	<b>-</b>	<b>3,923,308</b>	<b>-</b>	<b>3,923,308</b>	<b>-</b>

(Translation of Financial Statements originally issued in Spanish)

## Banco BBVA Perú and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2021 and 2020

### Description of the valuation techniques for instruments recorded at fair value

Level 2	Valuation techniques/ Hypothesis	Main inputs used
Fixed and variable rate	<p><b>Fixed rate:</b> Present value of cash flows from bonds (coupons and face value):</p> $Price_{bond} = \sum_{n=1}^N \frac{Coupon}{(1 + YTM)^n} + \frac{Face\ value}{(1 + YTM)^N}$ <p>These cash flows are discounted at yield to maturity (YTM)</p> <p><b>Variable rate:</b> The closing price taken is the one consigned in a public source of information (Price Vendors). The Bank does not have trading portfolio of variable rate.</p>	<ul style="list-style-type: none"> <li>▪ <b>Fixed rate:</b> Bonds details (coupon rate, coupons payment frequency, face value)</li> <li><i>Yield to Maturity (YTM):</i> Obtained from operations traded in Datatec in such a way that the transaction is greater than or equal to S/ 2 million (internally defined condition).</li> <li>▪ <b>Variable rate:</b> closing price of Bloomberg, Reuter or the website of the BVL.</li> </ul>
Derivatives	<p>(a) Forwards, cross-currency swaps contracts and cross currency swaps</p> <p>Calculation of the present value of each of the components of the derivative (fixed / variable) considering market interest rates and converting it to soles with the exchange rate of the day, if necessary. The following are taken into account: variable flows (if any), the projection of flows, the discount curves for each underlying and the current market interest rates.</p>	<ul style="list-style-type: none"> <li>▪ Forward points</li> <li>▪ Fixed vs variable price</li> <li>▪ Exchange rate at closure</li> <li>▪ Market interest rate curves</li> </ul>
(b) Options	<p><b>For options on shares, currency and raw materials</b></p> <p>The hypothesis derived from the use of the Black-Scholes model takes into account the possible adjustments to convexity.</p> <p><b>For derivatives on interest rates:</b></p> <p>The hypothesis derived from the use of the Black-Scholes assumes a lognormal process of forward rates and model takes into account the possible adjustments to convexity.</p>	<p><b>Derivatives on shares, currency and raw materials</b></p> <ul style="list-style-type: none"> <li>▪ Forward structure of the underlying</li> <li>▪ Changes in options</li> <li>▪ Observable correlations between underlying</li> </ul> <p><b>Derivatives on interest rates:</b></p> <ul style="list-style-type: none"> <li>▪ Maturity structure of interest type curve</li> <li>▪ Underlying volatility</li> </ul>

*(Translation of Financial Statements originally issued in Spanish)*

**Banco BBVA Perú and Subsidiaries**

Notes to the Consolidated Financial Statements

December 31, 2021 and 2020

**31. Subsequent Events**

The Bank is not aware of any subsequent event occurring between the closing date and the issuing date of these consolidated financial statements that may affect it significantly.

SBS Resolution 00429-2022, dated February 9, 2022, authorized BBVA Consumer Finance Edpyme to start its voluntary dissolution and liquidation process in accordance with the schedule and proposed activities presented to the SBS.

## 6.5. Additional information

### 6.5.1. General data

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Business name	Banco BBVA Perú
RUC	20100130204
Address	Av. República de Panamá 3055, San Isidro, Lima
Telephone	209-1000

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#### Constitution and corporate purpose

##### GRI 102-5

BBVA Peru bank, whose abbreviated name is BBVA, was established by means of a public deed dated August 20, 1951, granted by the Notary Public of Dr. Ricardo Ortiz de Zevallos, and began operations on October 9 of the same year.

The new company name adopted was approved at the mandatory annual shareholders' meeting held on March 27, 2019, for which purpose a partial modification of its bylaws was made, the same that is registered in seat N° B00025 of Item N° 11014915 of Registry of Legal Entities of Lima.

The Bank is registered in entry 1, on page 109, of volume 118 of Companies of the Mercantile Registry of Lima, and its continuation in file N° 117639 and item N° 11014915 of the Registry of Legal Entities of Lima. Its term of duration is indefinite and its object social is to engage in all banking activities permitted by law.

Its main office is located in the city of Lima, district of San Isidro, to which are added 335 agencies nationwide.

#### List of legal entities that make up the economic group

BBVA Peru bank is part of the economic group of BBVA (Banco Bilbao Vizcaya Argentaria). At the end of the 2021 financial year, the bank has the following subsidiary and investee companies:

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Business name	RPMM enrollment	Core business
Banco BBVA Perú – BBVA	02-921015	Bank
BBVA Bolsa Sociedad Agente de Bolsa S. A. – BBVA SAB	03-970067	Stockbroker company
BBVA Asset Management S. A. Sociedad Administradora de Fondos – BBVA SAF	04-972020	Mutual fund management company
BBVA Sociedad Titulizadora S. A. – BBVA Titulizadora	T-00004-RPJ	Securitization company
Inmuebles y Recuperaciones BBVA S. A. – IRBSA	—	Real state company and general services
Comercializadora Corporativa S. A. C. – COMCORP SAC	—	Financial product trading company
BBVA Consumer Finance Edpyme	—	Edpyme
Forum Comercializadora del Perú S. A.	—	Product trading vehicle and insurance marketer
Forum Distribuidora del Perú S. A. A.	—	Product trading vehicle and insurance company

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It is important to note that BBVA Peru Holding S.A.C. and Holding Continental S.A., whose shares are not registered in the Public Registry of the Securities Market (RPMV), are the majority shareholders of BBVA Peru bank.

#### Capital subscribed and paid on 12.31.2021

The subscribed and paid-in capital of BBVA Peru bank is S/6,758,466,728.00 represented in the same number of common capital shares with voting rights, with a value nominal S/1.00 (one sol and 00/100) each.

## Modifications during 2021

On March 24, 2021, the mandatory annual meeting of shareholders of the company approved the capitalization of profits, for the sum of S/229,297,491.00. The shares representing the capital stock are dematerialized and represented by book entries in the name of each holder. During 2021, there have been no changes in Peruvian regulations that affect the share capital of BBVA Peru Bank.

To date, BBVA Peru Holding S.A.C., a company wholly controlled by the BBVA Group, maintains ownership of 46.12% of the shares representing the capital stock of BBVA Peru Bank. Similarly, Breca Group maintains the entire shareholding in Holding Continental S.A., as well as ownership of 46.12% of the shares representing the Bank's capital stock.

## Subsidiaries incorporation

### Main shareholders on December 31, 2021

Shareholders	Country	Stocks	Participation percentage	Rank
BBVA Perú Holding S. A. C.	Peru	3,117,107,485	46.12%	Greater than 10%
Holding Continental S. A.	Peru	3,117,107,485	46.12%	Greater than 10%
Other	Peru	109,919,417	1.63%	Between 1% y 5%
Other	Several	414,332,341	6.13%	Less than 1%
<b>Total</b>		<b>6,758,466,728</b>	<b>100.00%</b>	

### Possession

Possession	Shareholders	Participation percentage
Greater than 10%	2	92.24%
Between 5% y 10%	—	0.00%
Between 1% y 5%	1	1.63%
Less than 1%	7,952	6.13%
<b>Total</b>	<b>7,955</b>	<b>100.00%</b>

## 6.5.2. Operational and development description

BBVA Peru bank is a private law entity, authorized to operate by the SBS, in accordance with Law N° 26702, General Law of the Financial System and the Insurance System and Organic Law of the Superintendence of Banking and Insurance, which establishes the framework of regulation and supervision to which companies operating in the financial and insurance system are subject.

CIUU	6519
Duration term	Undefined

## Evolution of operations

The Bank was created in 1951, under the corporate name of Continental Bank. In 1970 it joined the associated bank (nationalized). During the second quarter of 1995, its privatization was carried out, with the winning consortium in the auction being by the Spanish group Bilbao Vizcaya Bank (BBV) and the Brescia Group, of Peruvian origin, through Holding Continental S.A. In July 1998, the State transferred the rest of its shares, equivalent to 19.12%, under the mechanism of Public Offering of Securities.

At the shareholders' meeting held on March 31, 2011, it was agreed to amend article 1 of the bylaws to change the Bank's name to BBVA Continental bank and may also be identified by the abbreviated name BBVA Continental. Subsequently, at a shareholders' meeting held on March 27, 2019, its corporate name was changed to BBVA Peru bank, in response to the deployment of a global corporate project aimed at changing the image of the companies that make up the BBVA Group.

Currently, the Bank's main shareholders are BBVA Peru Holding S.A.C. and Holding Continental S.A., companies that each hold 46.12% of the Bank's shares.

#### Company personnel on December 31, 2021

Personnel	BBVA	BBVA and subsidiaries
Executives	92	94
Officials and specialists	4,365	4,311
Administrative	1,509	1,605
<b>Total</b>	<b>5,966</b>	<b>6,010</b>
Variation 2019-2020 (%)	-3.46%	-3.47%
Variation 2018-2019 (%)	2.86%	2.89%

### 6.5.3. Judicial, administrative or arbitration proceedings

BBVA Peru bank and subsidiaries participate in legal processes of various kinds. In management's opinion, none of these affects or would affect the normal development of its activities and businesses.

### 6.5.4. Management

#### Brief profile of the board members

GRI 102-23

**Alex Fort Brescia**, Chairman of the Board. Master in Business Administration by Columbia University. Bachelor of Economics from Williams College. He has served as director of BBVA Peru bank since May 1995 and assumed the position of chairman of the board of directors in June 2013. He has 25 years of experience in banking. Chairman of the board of Rímac Seguros. Vice President of Minsur, Compañía Minera Raura, of the real estate companies of the Breca Group and the Peruvian Chemical Products Corporation. Director of TASA, Melón, Intursa and Cumbres Andinas. Marcobre controlling shareholder.

**Pedro Brescia Moreyra**, first vice president of the board. Bachelor of Economics with a specialization in Business Administration from Boston University. He has held the position of director of BBVA Peru bank since May 1995. He has 25 years of experience in banking. Co-president of Breca. Chairman of the board of directors of the Peruvian Chemical Products Corporation, of the Breca and Intursa real estate companies. Vice Chairman of the board of directors of Rímac and BBVA Peru bank. Board member of Minsur, TASA, Melón, Raura and Cumbres Andinas. Marcobre controlling shareholder.

**Ignacio Javier Lacasta Casado**, second vice president. Master in finance, Banking and Insurance from the Institute of European Finance, University of Wales, United Kingdom. Degree in Economic and Business Sciences from the University of Deusto, Spain. He has held the position since January 2013. He has been director of Emissions and Asset Management, director of Retail Banking, country manager of BBVA Chile and director of Business for Mexico and South America at the BBVA Group.

**Fernando Eguiluz Lozano**, general manager director. International Executive Master in Business Administration from Adolfo Ibáñez University (Miami/Chile) Deusto Business School, Spain. Master in Business Administration from the Pan-American Institute of Senior Business Management. Industrial and systems engineer from the Instituto Tecnológico y de Estudios Superiores de Monterrey, Mexico. He has held the position since July 2019.

He began his career at the BBVA Group as Deputy Director of Corporate Banking, Director of Capital Markets and Structured Operations, of Businesses Collection, of Banking Company, Business Development, among other management positions at BBVA Bancomer S.A.

**Fortunato Brescia Moreyra**, director. Bachelor of Engineering from the Colorado School of Mines. He has held the position of director of BBVA Peru bank since June 2013. Member of the Breca board of directors. Chairman of the board of directors of Minsur, Raura and Cumbres Andinas. Vice President of the TASA Board of Directors. Member of the board of directors of the real estate companies of Breca, Rímac, Melón, Intursa and Corporación Peruana de Productos Químicos. Marcobre controlling shareholder.

**Mario Brescia Moreyra**, director. Business Administrator from the Ricardo Palma University. He has held the position of director of BBVA Peru bank since March 1997. Member of the Breca board of directors. Chairman of the TASA board. Vice President of Intursa and Melón. Member of the board of directors of Rímac Seguros, of the real estate companies of Breca, Minsur, Raura, Corporación Peruana de Productos Químicos and Cumbres Andinas. Marcobre controlling shareholder.

**José Ignacio Merino Martín**, director. Degree in Business Sciences, UPV-EHU. He has held the position of director of BBVA Peru bank since April 2016. He was Risk Director of the South American Business area at BBVA. He was also director of Retail Banking Risks in Spain and Director of Credit Risk Monitoring at BBVA, Director of Internal Audit of International Retail Banking and Director of Internal Audit at BBVA Bancomer – Mexico, among others. In addition, he is a member of the board of directors of BBVA Previsión AFP in Bolivia.

**Rafael Varela Martínez**, Degree in Economics and Business Sciences from the University of Deusto and International MBA from the IE Business School. He has held the position since May 2020. He has been financial director of the BBVA Group in Chile, CEO of BBVA Puerto Rico, financial director of the Spain and Portugal area, director of the Institutional Banking Business. In addition, he was Country Manager of BBVA in France, director of BBVA América Wholesale Banking Business Development, director of BBV Financial Management, BBV Strategic Planning manager and Market manager of Capitals BBVA.

**José Carlos López Álvarez**, director. Studies in Economic Sciences at the University of Barcelona. He has held the position since June 2018. He has been a member of the Spanish Chamber of Commerce in Argentina and a board member of the Miguel de Cervantes Spanish College in Brazil. He has been corporate director of the BBVA Group, director of BBVA Real Estate (Spain), deputy director to the president at BBVA Francés, Argentina, and vice president of Risks and financial director at BBVA Brazil, among other positions.

### Independent directors

**José Manuel Rodríguez-Novás Sánchez-Diezma**, director. Master in Engineering in Agricultural Industry by the E.T. Superior of Agricultural Engineers and MBA from the I.E.S.E., University of Navarra. He has held the position since May 2020. Until 2014, he held management positions for the BBVA Group as director of Global Client Coverage, CIB Latin America and Corporate Clients Latin America at BBVA USA; Director of Corporate Development, Corporate Finance and CFO for BBVA Spain. He has been a member of the board of directors of the USA-Spain Chamber of Commerce, among others.

**Ismael Alberto Benavides Ferreyros**, director. Master in Finance and Agricultural Engineering from the University of California, Berkeley. He has held the position since March 2018. He has been managing director of the International Bank of Peru-Interbank, director of the Inter-American Finance Bank-BanBif and president of the Association of Banks of Peru-Asbanc. In addition, he has been Minister of Economy and Finance, Agriculture and Fisheries, director of the BCRP and general manager of the Development Finance Corporation-Cofide, among other senior positions.

## Brief profile of the managers who are members of the Management Committee

**Fernando Eguiluz Lozano**, general manager. Industrial and Systems Engineer. He was appointed general manager in July 2019.

**Frank Erick Babarczy Rodríguez**, manager of the Corporate & Investment Banking area. Lawyer, MBA. He has been in office since March 2020.

**Gustavo Delgado-Aparicio Labarthe**, manager of the Business and Corporate Banking area. Economist. He has held the position since July 2013.

**Luis Morales Espinosa**, manager of the Client Solutions area. Industrial Engineer. He has been in office since March 2020.

**Marco Antonio Galdo Marín**, manager of the Retail Banking area. Economist. He has been in office since January 2019.

**Ignacio Fernández Palomero Morales**, manager of the Finance area. Economist. He has held the position since March 2017.

**Ruth Anabelí González Velapatiño**, Legal Services manager. Lawyer. Master in Law. He has been in office since July 2019.

**Sandra Bianco Roa**, manager of the Talent and Culture area. Economist. He has been in office since August 2018.

**Guadalupe Pérez Suárez**, manager of the Engineering area. Degree in Systems and Informatics. He held the position until May 2021.

**Héctor Javier Carrera Riva Palacio**, manager of the Engineering area. Degree in computer science. Master in Administration of Information Technology Services. Appointed in the position from May 2021.

**Vicente Puig Payá**, manager of the Risk area. Degree in Law. He was appointed Risk Manager in September 2019.

**Enrique Medina García**, manager of the Transformation and Data area. Certificate in human resources. He has been in office since December 2019.

**Ana María Katia Alcázar Espinoza**, manager of the Internal Control and Compliance area. Industrial Engineer, MBA. He has held the position since May 2021.

**Walter Borra Núñez**, general auditor. Master in Financial Engineering. Certificate in Human Resources. He has held the position since January 2010. He participates in the Management Committee as a guest.

## Degree of bonding

### GRI 102-23

The directors Messrs. Pedro Brescia Moreyra, Mario Brescia Moreyra and Fortunato Brescia Moreyra are collateral blood relatives in the second degree. The director, Alex Fort Brescia, is a fourth-degree collateral blood relative to the directors, Messrs. Pedro Brescia Moreyra, Fortunato Brescia Moreyra and Mario Brescia Moreyra. On the other hand, the directors Messrs. Alex Fort Brescia, Pedro Brescia Moreyra, Mario Brescia Moreyra and Fortunato Brescia Moreyra are, at the same time, directors of Holding Continental S.A., a shareholder that owns 46.12% of the shares of BBVA Peru bank.

## Committees

### GRI 102-24

The board of directors set up a delegate committee called the Appointments, Remuneration and Talent Management Committee. Its main function is to ensure that the design and implementation of the Bank's remuneration system is in line with its business strategy, its risk appetite, its policies and its financial soundness. This committee is made up of the general managing director and three directors.



For its part, the Audit Committee is made up of four directors and its main function is to monitor the proper functioning of the internal control system and keep the board informed of compliance with internal policies and procedures.

The Compliance Committee, made up of three directors, is in charge of supervising the implementation of the compliance policies, approving, modifying and ensuring compliance with the anticorruption policies, as well as the annual evaluation of the effectiveness of the risk management of compliance.

The Comprehensive Risk Committee, made up of the general manager, two directors and the deputy general manager of the Risk area, is the body in charge of determining the decisions that affect the significant risks to which the company is exposed.

Finally, the Corporate Governance Committee has been set up, made up of four directors and in charge of supervising corporate governance practices and policies, as well as proposing improvements to them.

## **6.5.5. Financial information and financial statements**

Details related to the analysis and discussion of the administration about the results of operations and the economic financial situation, as well as the financial statements, are shown and commented on in the sections: Management Report and Audited Financial Statements 2021.

### **Changes in those responsible for preparing and reviewing the financial information**

During 2021 there have been no changes in the areas responsible for the preparation and preparation of the financial information of BBVA Peru Bank.

## **6.5.6. Information related to the stock markets**

### **Behavior and operations of the company's securities**

During fiscal year 2021, 87,431,084 shares were traded on the Lima Stock Exchange for an amount of S/181,305,636.00 in 3,420 operations. Statistics of the price and movement of purchase and sale during said exercise are attached.

The registration date of the right to cash dividends of S/0.04515292 per share was 04.16.2021 and cash dividend of S/0.04542428 per share was 10.14.2021. The registration date with the right to the released shares for 3.51189382% was 06.25.2021.

## Evolution of the common stock – Variable income

ISIN code	Nemonic	Year-month	Number of operations	Amount negotiated (S/)	Number of stocks	Quotes (Soles)				
						Opening	Closure	Maximum	Minimum	Average
PEP116001004	BBVAC1	2021-01	382	20,303,681	8,546,473	2.2	2.45	2.45	2.19	2.38
PEP116001004	BBVAC1	2021-02	278	20,419,357	8,018,676	2.4	2.47	2.6	2.38	2.55
PEP116001004	BBVAC1	2021-03	279	9,267,913	3,844,863	2.47	2.42	2.49	2.34	2.41
PEP116001004	BBVAC1	2021-04	412	16,419,541	7,631,241	2.42	2.06	2.51	1.9	2.15
PEP116001004	BBVAC1	2021-05	412	45,155,296	21,549,713	2.08	2.1	2.23	1.88	2.1
PEP116001004	BBVAC1	2021-06	239	17,236,694	8,963,202	2.1	1.92	2.1	1.85	1.92
PEP116001004	BBVAC1	2021-07	220	6,284,508	3,315,569	1.92	1.8	1.95	1.7	1.9
PEP116001004	BBVAC1	2021-08	256	13,075,850	7,970,711	1.8	1.72	1.8	1.47	1.64
PEP116001004	BBVAC1	2021-09	145	3,297,735	1,940,685	1.72	1.75	1.8	1.64	1.7
PEP116001004	BBVAC1	2021-10	256	5,866,310	2,986,769	1.74	2	2.1	1.74	1.96
PEP116001004	BBVAC1	2021-11	184	11,020,162	5,569,461	2	1.96	2.05	1.9	1.98
PEP116001004	BBVAC1	2021-12	357	12,958,590	7,093,721	1.96	1.81	2	1.76	1.83
			<b>3420</b>	<b>181,305,636</b>	<b>87,431,084</b>					

## Direct and indirect shareholding in other companies on 12.31.2021

Institution	Participation
BBVA SAB	100%
BBVA SAF	100%
BBVA Titulizadora	100%
BBVA Consumer Finance EDPYME	100%
Forum Comercializadora del Perú S. A.	100%
Forum Distribuidora del Perú S. A.	100%
Inmuebles y Recuperaciones BBVA S. A.	100%

## Fifth corporate bond program

Characteristic	Second emission
<b>Series</b>	<b>A</b>
Class	Nominative
Authorized amount	PEN 100,000,000 expandable to PEN 150,000,000
Amount placed	PEN 150,000,000
Representation	Account entry
Deadline	15 years – Without call option
Date of issue	19-dec-11
Redemption date	19-dec-26
Interest rate	7.46875%
Sovereign Spread	132 pbs
Auction type	Dutch by rate
Placement price	100%
Interest payment	Semi-annual coupon
1	19-jun-12
2	19-dec-12
3	19-jun-13
4	19-dec-13
5	19-jun-14
6	19-dec-14
7	19-jun-15
8	19-dec-15
9	19-jun-16
10	19-dec-16
11	19-jun-17
12	19-dec-17
13	19-jun-18
14	19-dec-18
15	19-jun-19
16	19-dec-19
17	19-jun-20
18	19-dec-20
19	19-jun-21
20	19-dec-21
21	19-jun-22
22	19-dec-22
23	19-jun-23
24	19-dec-23
25	19-jun-24
26	19-dec-24
27	19-jun-25
28	19-dec-25
29	19-jun-26
30	19-dec-26
Amortization	To expire
Amount demanded	PEN 249,410,000
Demand / Supply	1.66x
Outstanding loan on 31.12.2021	PEN 150,000,000

## Quotes

### Money market

Mnemonic	Year-month	Currency	Opening %	Closure %	Maximum %	Minimum %	Average price %
BBVA5BC2A	2021-01	PEN	123.9	123.9	123.9	123.9	123.9
BBVA5BC2A	2021-02	PEN	123.65	123.65	123.65	123.65	123.65
BBVA5BC2A	2021-03	PEN	120.66	120.66	120.66	120.66	120.66
BBVA5BC2A	2021-04	PEN	115.62	115.62	115.62	115.62	115.62
BBVA5BC2A	2021-05	PEN	115.62	115.62	115.62	115.62	115.62
BBVA5BC2A	2021-06	PEN	105.87	105.87	105.87	105.87	105.87
BBVA5BC2A	2021-07	PEN	105.87	105.87	105.87	105.87	105.87
BBVA5BC2A	2021-08	PEN	108.03	108.03	108.03	108.03	108.03
BBVA5BC2A	2021-09	PEN	108.03	108.03	108.03	108.03	108.03
BBVA5BC2A	2021-10	PEN	108.03	108.03	108.03	108.03	108.03
BBVA5BC2A	2021-11	PEN	108.03	108.03	108.03	108.03	108.03
BBVA5BC2A	2021-12	PEN	105.42	105.42	105.42	105.42	105.42

## Sixth corporate bond program

Characteristic	Second issue
<b>Series</b>	<b>A</b>
Class	Nominative
Authorized amount	PEN 600,000,000
Amount placed	PEN 150,000,000
Representation	Account entry
Deadline	5 years – Without call option
Issue date	30-jun-16
Redemption date	30-jun-21
Interest rate	6.28125%
Sovereign spread	95 pbs
Auction type	Dutch by rate
Placement price	100%
Interest payment	Semi-annual coupon
1	30-dec-16
2	30-jun-17
3	30-dec-17
4	30-jun-18
5	30-dec-18
6	30-jun-19
7	30-dec-19
8	30-jun-20
9	30-dec-20
10	30-jun-21
Amortization	To expire
Amount demanded	PEN 287,195,000
Demand / Supply	1.91x
Outstanding balance on 31.12.2021	PEN 0

Seventh corporate bond program

Characteristic	First issue	First issue	Second issue	Second issue	First issue	First issue	First issue	First issue	Second issue
Series	A	B	A	B	C	D	E	F	C
Class	Nominative	Nominative	Nominative	Nominative	Nominative	Nominative	Nominative	Nominative	Nominative
Authorized amount	USD 1,000,000,000,000	USD 1,000,000,000,000	USD 1,000,000,000,000	USD 1,000,000,000,000	USD 1,000,000,000,000	USD 1,000,000,000,000	USD 1,000,000,000,000	USD 1,000,000,000,000	USD 1,000,000,000,000
Amount placed	PEN 132,425,000	PEN 69,435,000	PEN 100,000,000	PEN 73,465,000	PEN 70,000,000	PEN 120,000,000	PEN 65,520,000	PEN 150,000,000	PEN 96,550,000
Representation	Account entry	Account entry	Account entry	Account entry	Account entry	Account entry	Account entry	Account entry	Account entry
Term	3 years – No call option	3 years – No call option	5 years – No call option	5 years – No call option	3 years – No call option	3 years – No call option	3 years – No call option	3 years – No call option	5 years – No call option
Date of issue	01-jun-18	13-jun-18	11-jul-18	15-aug-18	21-sep-18	04-jul-19	06-aug-19	18-oct-19	06-dec-19
Redemption date	01-jun-21	13-jun-21	11-jul-23	15-aug-23	21-sep-21	04-jul-22	06-aug-22	18-oct-22	06-dec-24
Interest rate	4.4375%	4.50000%	5.53125%	5.62500%	4.78125%	4.31250%	4.09375%	3.90625%	4.43750%
Spread over sovereign	114 pbs	120 pbs	117 pbs	120 pbs	156 pbs	120 pbs	142 pbs	139 pbs	124 pbs
Type of auction	Dutch by rate	Dutch by rate	Dutch by rate	Dutch by rate	Dutch by rate	Dutch by rate	Dutch by rate	Dutch by rate	Dutch by rate
Placement price	100%	100%	100%	100%	100%	100%	100%	100%	100%
Interest payment	Semi-annual coupon	Semi-annual coupon	Semi-annual coupon	Semi-annual coupon	Semi-annual coupon	Semi-annual coupon	Semi-annual coupon	Semi-annual coupon	Semi-annual coupon
1	01-dec-18	13-dec-18	11-jan-19	15-feb-19	21-mar-19	04-jan-20	06-feb-20	18-apr-20	06-jun-20
2	01-jun-19	13-jun-19	11-jul-19	15-aug-19	21-sep-19	04-jul-20	06-aug-20	18-oct-20	06-dec-20
3	01-dec-19	13-dec-19	11-jan-20	15-feb-20	21-mar-20	04-jan-21	06-feb-21	18-apr-21	06-jun-21
4	01-jun-20	13-jun-20	11-jul-20	15-aug-20	21-sep-20	04-jul-21	06-aug-21	18-oct-21	06-dec-21
5	01-dec-20	13-dec-20	11-jan-21	15-feb-21	21-mar-21	04-jan-22	06-feb-22	18-apr-22	06-jun-22
6	01-jun-21	13-jun-21	11-jul-21	15-aug-21	21-sep-21	04-jul-22	06-aug-22	18-oct-22	06-dec-22
7			11-jan-22	15-feb-22					06-jun-23
8			11-jul-22	15-aug-22					06-dec-23
9			11-jan-23	15-feb-23					06-jun-24
10			11-jul-23	15-aug-23					06-dec-24
Amortization	To the expiration	To the expiration	To the expiration	To the expiration	To the expiration	To the expiration	To the expiration	To the expiration	To the expiration
Amount demanded	PEN 212,320,000	PEN 130,080,000	PEN 205,275,000	PEN 181,750,000	PEN 115,525,000	PEN 162,200,000	PEN 139,380,000	PEN 183,100,000	PEN 154,550,000
Demand / Supply	1.60x	1.87x	2.05x	2.47x	1.65x	1.35x	2.13x	1.22x	1.60x
Outstanding balance on 12.31.21	PEN 0	PEN 0	PEN 100,000,000	PEN 73,465,000	PEN 0	PEN 120,000,000	PEN 65,520,000	PEN 150,000,000	PEN 96,550,000

## Quotes

### Money market

Mnemonic	Year-month	Currency	Opening %	Closure %	Maximum %	Minimum %	Average price %
BBVA7BC2A	2021-03	PEN	108.92	108.92	108.92	108.92	108.92
BBVA7BC2A	2021-04	PEN	108.92	108.92	108.92	108.92	108.92
BBVA7BC2A	2021-05	PEN	100.5	100.5	100.5	100.5	100.5
BBVA7BC2A	2021-06	PEN	100.5	100.5	100.5	100.5	100.5
BBVA7BC2A	2021-07	PEN	100.97	100.97	100.97	100.97	100.97
BBVA7BC2A	2021-08	PEN	98.3	98.3	98.3	98.3	98.3
BBVA7BC2A	2021-09	PEN	98.3	98.3	98.3	98.3	98.3
BBVA7BC2A	2021-10	PEN	98.3	98.3	98.3	98.3	98.3
BBVA7BC2A	2021-11	PEN	98.3	98.3	98.3	98.3	98.3
BBVA7BC2A	2021-12	PEN	101.38	101.38	101.38	101.38	101.38
BBVA7BC2B	2021-03	PEN	109.51	109.51	109.51	109.51	109.51
BBVA7BC2B	2021-04	PEN	109.51	109.51	109.51	109.51	109.51
BBVA7BC2B	2021-05	PEN	107.64	107.64	107.64	107.64	107.64
BBVA7BC2B	2021-06	PEN	107.64	107.64	107.64	107.64	107.64
BBVA7BC2B	2021-07	PEN	107.64	107.64	107.64	107.64	107.64
BBVA7BC2B	2021-08	PEN	96.25	96.25	96.25	96.25	96.25
BBVA7BC2B	2021-09	PEN	102.23	102.23	102.23	102.23	102.23
BBVA7BC2B	2021-10	PEN	102.23	102.23	102.23	102.23	102.23
BBVA7BC2B	2021-11	PEN	102.23	102.23	102.23	102.23	102.23
BBVA7BC2B	2021-12	PEN	102.23	102.23	102.23	102.23	102.23
BBVA7BC1D	2021-08	PEN	102.78	102.78	102.78	102.78	102.78
BBVA7BC1D	2021-09	PEN	100.23	100.23	100.23	100.23	100.23
BBVA7BC1D	2021-10	PEN	101.18	101.18	101.18	101.18	101.18
BBVA7BC1D	2021-11	PEN	101.18	101.18	101.18	101.18	101.18
BBVA7BC1D	2021-12	PEN	101.18	101.18	101.18	101.18	101.18

The remaining issues have already matured or have not been listed during 2021.

## 144A/RegS Corporate Bonds

Characteristic	First issue
<b>Series</b>	<b>Unique</b>
Class	Nominative
Authorized amount	USD 500,000,000
Amount placed	USD 500,000,000
Representation	Account entry
Deadline	10 years – Call option
Issue date	29-aug-12
Redemption date	26-aug-22
Interest rate	5.0000%
Spread over UST	332.5 pbs
Placement price	100%
Interest payment	Semi-annual coupon
1	26-feb-13
2	26-aug-13
3	26-feb-14
4	26-aug-14
5	26-feb-15
6	26-aug-15
7	26-feb-16
8	26-aug-16
9	26-feb-17
10	26-aug-17
11	26-feb-18
12	26-aug-18
13	26-feb-19
14	26-aug-19
15	26-feb-20
16	26-aug-20
17	26-feb-21
18	26-aug-21
19	26-feb-22
20	26-aug-22
Amortization	To expiration
Amount demanded	USD 7,370,960,000
Local demanded amount	USD 671,500,000
Demand / Supply	14.74x
Outstanding balance on 31.12.2021	USD 500,000,000



## Quotes

First issue

### Money market

Mnemonic	Year-month	Currency	Opening %	Closure %	Maximum %	Minimum %	Average price %
USP16260AA28	2021-01	USD	106.34	106.46	106.51	106.34	106.47
USP16260AA28	2021-02	USD	106.21	106.22	106.23	106.21	106.23
USP16260AA28	2021-03	USD	105.46	105.46	105.47	105.46	105.47
USP16260AA28	2021-04	USD	103.53	103.94	103.97	103.53	103.95
USP16260AA28	2021-05	USD	104.31	104.43	104.44	104.31	104.44
USP16260AA28	2021-06	USD	104.33	104.36	104.36	104.33	104.38
USP16260AA28	2021-07	USD	103.88	103.42	103.89	103.42	103.44
USP16260AA28	2021-08	USD	103.70	103.75	103.78	103.69	103.76
USP16260AA28	2021-09	USD	103.60	103.60	103.62	103.60	103.62
USP16260AA28	2021-10	USD	103.28	103.29	103.30	103.28	103.29
USP16260AA28	2021-11	USD	102.81	102.80	102.82	102.80	102.80
USP16260AA28	2021-12	USD	102.46	102.67	102.68	102.46	102.67

### c) Subordinated bonds

#### First subordinated bond program

Characteristic	First issue	Second issue	Third issue
<b>Series</b>	<b>A</b>	<b>A</b>	<b>A</b>
Class	Nominatives	Nominatives	Nominatives
Authorized amount	PEN 40,000,000	USD 20,000,000	PEN 55,000,000
Amount placed	PEN 40,000,000	USD 20,000,000	PEN 55,000,000
Representation	Account entry	Account entry	Account entry
Term	15 years – Call option year 10	20 years – Call option year 15	25 years – Without call option
Date of issue	07-may-07	14-may-07	18-jun-07
Redemption date (Call)	07-may-17	14-may-22	—
Redemption date	07-may-22	14-may-27	18-jun-32
Interest rate	5.85% n.a. set to start	6.00% n.a. set to beginning	VAC + 3.46875%
Auction type	Dutch by price	Dutch by price	Dutch by price
Placement price	99.250%	99.375%	100.000%
Interest payment	Semi-annual coupon	Semi-annual coupon	Semi-annual coupon
1	07-nov-07	14-nov-07	18-dec-07
2	07-may-08	14-may-08	18-jun-08
3	07-nov-08	14-nov-08	18-dec-08
4	07-may-09	14-may-09	18-jun-09
5	07-nov-09	14-nov-09	18-dec-09
6	07-may-10	14-may-10	18-jun-10
7	07-nov-10	14-nov-10	18-dec-10
8	07-may-11	14-may-11	18-jun-11
9	07-nov-11	14-nov-11	18-dec-11
10	07-may-12	14-may-12	18-jun-12
11	07-nov-12	14-nov-12	18-dec-12
12	07-may-13	14-may-13	18-jun-13
13	07-nov-13	14-nov-13	18-dec-13
14	07-may-14	14-may-14	18-jun-14
15	07-nov-14	14-nov-14	18-dec-14
16	07-may-15	14-may-15	18-jun-15
17	07-nov-15	14-nov-15	18-dec-15
18	07-may-16	14-may-16	18-jun-16
19	07-nov-16	14-nov-16	18-dec-16
20	07-may-17	14-may-17	18-jun-17
21		14-nov-17	18-dec-17
22		14-may-18	18-jun-18
23		14-nov-18	18-dec-18
24		14-may-19	18-jun-19
25		14-nov-19	18-dec-19
26		14-may-20	18-jun-20
27		14-nov-20	18-dec-20
28		14-may-21	18-jun-21
29		14-nov-21	18-dec-21
30		14-may-22	18-jun-22
31		14-nov-22	18-dec-22
32		14-may-23	18-jun-23
33		14-nov-23	18-dec-23
34		14-may-24	18-jun-24
35		14-nov-24	18-dec-24
36		14-may-25	18-jun-25
37		14-nov-25	18-dec-25
38		14-may-26	18-jun-26
39		14-nov-26	18-dec-26
40		14-may-27	18-jun-27
41			18-dec-27
42			18-jun-28

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Characteristic	First issue	Second issue	Third issue
>			
43			18-dec-28
44			18-jun-29
45			18-dec-29
46			18-jun-30
47			18-dec-30
48			18-jun-31
49			18-dec-31
50			18-jun-32
Amortization	To expiration	To expiration	To expiration
Amount demanded	PEN 79,500,000	USD 40,000,000	PEN 126,500,000
Demand/ Supply	1.99x	2.00x	2.30x
Outstanding balance to 31.12.2021	Expired	USD 20,000,000	PEN 55,000,000

## Quotes

### Money market

Mnemonic	Year-month	Currency	Opening %	Closure %	Maximum %	Minimum %	Average price %
BBVA1BS2A	2021-01	USD	104.38	104.38	104.38	104.38	104.38
BBVA1BS2A	2021-02	USD	104.38	104.38	104.38	104.38	104.38
BBVA1BS2A	2021-03	USD	102.65	102.65	102.65	102.65	102.65
BBVA1BS2A	2021-04	USD	102.65	102.65	102.65	102.65	102.65
BBVA1BS2A	2021-05	USD	102.65	102.65	102.65	102.65	102.65
BBVA1BS2A	2021-06	USD	103.6	103.6	103.6	103.6	103.6
BBVA1BS2A	2021-07	USD	99.62	99.62	99.62	99.62	99.62
BBVA1BS2A	2021-08	USD	98.75	98.75	98.75	98.75	98.75
BBVA1BS2A	2021-09	USD	95.0000	95.0000	95.0000	95.0000	95.0000
BBVA1BS2A	2021-10	USD	97.0000	97.0000	97.0000	97.0000	97.0000
BBVA1BS2A	2021-11	USD	97.0000	97.0000	97.0000	97.0000	97.0000
BBVA1BS2A	2021-12	USD	97.0000	97.0000	97.0000	97.0000	97.0000

## Second subordinated bond program

Feature	Second issue	Third issue	Fourth issue	Fifth issue	Sixth issue
Series	A	A	Única	Única	A
Class	Nominativos	Nominativos	Nominativos	Nominativos	Nominativos
Authorized amount	PEN 50,000,000	USD 20,000,000	PEN 45,000,000	PEN 50,000,000	PEN 30,000,000
Amount placed	PEN 50,000,000	USD 20,000,000	PEN 45,000,000	PEN 50,000,000	PEN 30,000,000
Representation	Account entry	Account entry	Account entry	Account entry	Account entry
Deadline	25 years – Without call option	20 years – Without call option	15 years – Without call option	15 years – Without call option	25 years – Without call option
Issue date	19-nov-07	28-feb-08	08-jul-08	09-sep-08	15-dec-08
Redemption date (Call)					
Redemption date	19-nov-32	28-feb-28	08-jul-23	09-sep-23	15-dec-33
Interest rate	VAC + 3.5625%	6.468750%	VAC + 3.0625%	VAC + 3.09375%	VAC + 4.1875%
Auction type	Deutch per margin	Deutch per margin	Deutch per margin	Deutch per margin	Deutch per margin
Placement price	100.000%	100.000%	100.000%	100.000%	100.000%
Interest payment	Semi-annual coupon	Semi-annual coupon	Semi-annual coupon	Semi-annual coupon	Semi-annual coupon
1	19-may-08	28-aug-08	08-jan-09	09-mar-09	15-jun-09
2	19-nov-08	28-feb-09	08-jul-09	09-sep-09	15-dec-09
3	19-may-09	28-aug-09	08-jan-10	09-mar-10	15-jun-10
4	19-nov-09	28-feb-10	08-jul-10	09-sep-10	15-dec-10
5	19-may-10	28-aug-10	08-jan-11	09-mar-11	15-jun-11
6	19-nov-10	28-feb-11	08-jul-11	09-sep-11	15-dec-11
7	19-may-11	28-aug-11	08-jan-12	09-mar-12	15-jun-12
8	19-nov-11	28-feb-12	08-jul-12	09-sep-12	15-dec-12
9	19-may-12	28-aug-12	08-jan-13	09-mar-13	15-jun-13
10	19-nov-12	28-feb-13	08-jul-13	09-sep-13	15-dec-13
11	19-may-13	28-aug-13	08-jan-14	09-mar-14	15-jun-14
12	19-nov-13	28-feb-14	08-jul-14	09-sep-14	15-dec-14
13	19-may-14	28-aug-14	08-jan-15	09-mar-15	15-jun-15
14	19-nov-14	28-feb-15	08-jul-15	09-sep-15	15-dec-15
15	19-may-15	28-aug-15	08-jan-16	09-mar-16	15-jun-16
16	19-nov-15	28-feb-16	08-jul-16	09-sep-16	15-dec-16
17	19-may-16	28-aug-16	08-jan-17	09-mar-17	15-jun-17
18	19-nov-16	28-feb-17	08-jul-17	09-sep-17	15-dec-17
19	19-may-17	28-aug-17	08-jan-18	09-mar-18	15-jun-18
20	19-nov-17	28-feb-18	08-jul-18	09-sep-18	15-dec-18
21	19-may-18	28-aug-18	08-jan-19	09-mar-19	15-jun-19
22	19-nov-18	28-feb-19	08-jul-19	09-sep-19	15-dec-19
23	19-may-19	28-aug-19	08-jan-20	09-mar-20	15-jun-20
24	19-nov-19	28-feb-20	08-jul-20	09-sep-20	15-dec-20
25	19-may-20	28-aug-20	08-jan-21	09-mar-21	15-jun-21
26	19-nov-20	28-feb-21	08-jul-21	09-sep-21	15-dec-21
27	19-may-21	28-aug-21	08-jan-22	09-mar-22	15-jun-22
28	19-nov-21	28-feb-22	08-jul-22	09-sep-22	15-dec-22
29	19-may-22	28-aug-22	08-jan-23	09-mar-23	15-jun-23
30	19-nov-22	28-feb-23	08-jul-23	09-sep-23	15-dec-23
31	19-may-23	28-aug-23			15-jun-24
32	19-nov-23	28-feb-24			15-dec-24
33	19-may-24	28-aug-24			15-jun-25
34	19-nov-24	28-feb-25			15-dec-25
35	19-may-25	28-aug-25			15-jun-26
36	19-nov-25	28-feb-26			15-dec-26
37	19-may-26	28-aug-26			15-jun-27
38	19-nov-26	28-feb-27			15-dec-27
39	19-may-27	28-aug-27			15-jun-28
40	19-nov-27	28-feb-28			15-dec-28

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Feature	Second Issue	Third issue	Fourth issue	Fifth issue	Sixth issue
>					
41	19-may-28				15-jun-29
42	19-nov-28				15-dec-29
43	19-may-29				15-jun-30
44	19-nov-29				15-dec-30
45	19-may-30				15-jun-31
46	19-nov-30				15-dec-31
47	19-may-31				15-jun-32
48	19-nov-31				15-dec-32
49	19-may-32				15-jun-33
50	19-nov-32				15-dec-33
Amortization	To expiration	To expiration	To expiration	To expiration	To expiration
Demanded amount	PEN 168,000,000	USD 37,300,000	PEN 140,000,000	PEN 120,500,000	PEN 61,500,000
Demand / Supply	3.36x	1.87x	3.11x	2.41x	2.05x
Outstanding balance to 31.12.2021	PEN 50,000,000	USD 20,000,000	PEN 45,000,000	PEN 50,000,000	PEN 30,000,000

## Quotes

### Money market

Mnemonic	Year-month	Currency	Opening %	Closure %	Maximum %	Minimum %	Average price %
BBVA2BS3A	2021-04	USD	113.62	113.62	113.62	113.62	113.62
BBVA2BS3A	2021-05	USD	103.95	103.95	103.95	103.95	103.95
BBVA2BS3A	2021-06	USD	99.33	99.33	99.33	99.33	99.33
BBVA2BS3A	2021-07	USD	99.33	99.33	99.33	99.33	99.33
BBVA2BS3A	2021-08	USD	95.84	95.84	95.84	95.84	95.84
BBVA2BS3A	2021-09	USD	97.09	97.09	97.09	97.09	97.09
BBVA2BS3A	2021-10	USD	95.93	95.93	95.93	95.93	95.93
BBVA2BS3A	2021-11	USD	95.93	95.93	95.93	95.93	95.93
BBVA2BS3A	2021-12	USD	95.93	95.93	95.93	95.93	95.93

### Third program of subordinated bonds

Feature	First issue
<b>Series</b>	<b>Unique</b>
Class	Nominatives
Authorized amount	USD 55,000,000
Amount placed	USD 45,000,000
Representation	Account entry
Deadline	15 years
Issue date	02-oct-13
Redemption date (Call)	02-oct-23
Redemption date	02-oct-28
Interest rate	6.531%
Auction type	Dutch by rate
Placement price	100.000%
Interest payment	Semi-annual coupon
1	02-apr-14
2	02-oct-14
3	02-apr-15
4	02-oct-15
5	02-apr-16
6	02-oct-16
7	02-apr-17
8	02-oct-17
9	02-apr-18
10	02-oct-18
11	02-apr-19
12	02-oct-19
13	02-apr-20
14	02-oct-20
15	02-apr-21
16	02-oct-21
17	02-apr-22
18	02-oct-22
19	02-apr-23
20	02-oct-23
21	02-apr-24
22	02-oct-24
23	02-apr-25
24	02-oct-25
25	02-apr-26
26	02-oct-26
27	02-apr-27
28	02-oct-27
29	02-apr-28
30	02-oct-28
Amortization	To expiration
Demanded amount	USD 67,000,000
Demand / Supply	1.489x
Outstanding balance on 31.12.2021	USD 45,000,000

## Quotes

### Money market

Mnemonic	Year-month	Currency	Opening %	Closure %	Maximum %	Minimum %	Average price %
BBVA3BS1U	2021-01	USD	134,521	134,521	134,521	134,521	134,521
BBVA3BS1U	2021-02	USD	132,067	132,067	132,067	132,067	132,067
BBVA3BS1U	2021-03	USD	122,768	122,768	122,768	122,768	122,768
BBVA3BS1U	2021-04	USD	116,779	116,779	116,779	116,779	116,779
BBVA3BS1U	2021-05	USD	109,345	109,345	109,345	109,345	109,345
BBVA3BS1U	2021-06	USD	115,123	115,123	115,123	115,123	115,123
BBVA3BS1U	2021-07	USD	116,221	116,221	116,221	116,221	116,221
BBVA3BS1U	2021-08	USD	120,149	120,149	120,149	120,149	120,149
BBVA3BS1U	2021-09	USD	121,465	121,465	121,465	121,465	121,465
BBVA3BS1U	2021-10	USD	122,973	122,973	122,973	122,973	122,973
BBVA3BS1U	2021-11	USD	123,269	123,269	123,269	123,269	123,269
BBVA3BS1U	2021-12	USD	125,235	125,235	125,235	125,235	125,235

## Subordinated bonds 144A/RegS

Feature	First issue
<b>Series</b>	<b>Unique</b>
Clase	Nominatives
Authorized amount	USD 300,000,000
Amount placed	USD 300,000,000
Representation	Account entry
Deadline	15 years – Call option 10 years
Issue date	22-sep-14
Redemption date	22-sep-29
Interest rate	5.3390%
Spread over UST	275.0 pbs
Placement price	99.32%
Interest payment	Semi-annual coupon
1	22-mar-15
2	22-sep-15
3	22-mar-16
4	22-sep-16
5	22-mar-17
6	22-sep-17
7	22-mar-18
8	22-sep-18
9	22-mar-19
10	22-sep-19
11	22-mar-20
12	22-sep-20
13	22-mar-21
14	22-sep-21
15	22-mar-22
16	22-sep-22
17	22-mar-23
18	22-sep-23
19	22-mar-24
20	22-sep-24
Amortization	To expiration
Demanded amount	USD 2,371,015,000
Demand / Supply	7.9x
Outstanding balance on 31.12.2021	USD 300,000,000



## Quotes

First broadcast

### Money market

Mnemonic	Year-month	Currency	Opening %	Closure %	Maximum %	Minimum %	Average price %
USP16236AG98	2021-01	USD	109.60	109.71	109.71	109.57	109.71
USP16236AG98	2021-02	USD	109.74	109.62	109.77	109.41	109.62
USP16236AG98	2021-03	USD	108.40	108.27	108.55	108.25	108.27
USP16236AG98	2021-04	USD	101.63	102.30	102.60	101.62	102.31
USP16236AG98	2021-05	USD	103.98	104.43	104.45	103.94	104.42
USP16236AG98	2021-06	USD	105.33	105.45	105.49	105.14	105.45
USP16236AG98	2021-07	USD	105.31	104.97	105.32	104.91	104.92
USP16236AG98	2021-08	USD	105.55	105.56	105.57	105.49	105.53
USP16236AG98	2021-09	USD	106.65	106.72	106.72	106.62	106.73
USP16236AG98	2021-10	USD	105.26	105.83	105.87	104.53	105.84
USP16236AG98	2021-11	USD	105.62	105.16	105.62	105.05	105.17
USP16236AG98	2021-12	USD	105.27	105.26	105.30	105.26	105.27

## 6.5.7. Report on compliance with the code of good corporate governance for Peruvian companies (10150)

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Denomination	Banco BBVA Perú
Year	2021
Web page	www.bbva.pe
Denomination or Business name of the reviewing company <sup>1</sup>	

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### Methodology

Companies that have securities registered in the Public Registry of the Stock Market have the obligation to disclose their good corporate governance practices to the public, for which they report their adherence to the principles contained in the Code of Good Corporate Governance for Peruvian Companies<sup>2</sup>.

The information to be submitted covers the financial year ending on December 31 of the calendar year prior to its submission, so any mention of “the financial year” should be understood as referring to the period. It is sent as an annex to the annual report of the company under the electronic formats that the Superintendence of the Stock Market (SMV) establishes to facilitate the submission of the information in this report through the MVnet system.

**Section A** includes the company’s cover letter, highlighting the main advances in corporate governance achieved during the year.

**Section B** reveals the degree of compliance with the principles that make up the code. To this end, the report is structured in accordance with the five pillars that comprise it:

- i. Rights of shareholders.
- ii. General meeting of shareholders.
- iii. Board of directors and senior management<sup>3</sup>.
- iv. Risk and compliance.
- v. Information transparency.

Each principle is evaluated based on the following parameters:

a) **Evaluation “comply or explain”**: the level of compliance that the company has reached is marked with a cross (x), considering the following criteria:

- Yes: The principle is fully met.  
No: The principle is not fulfilled.

**Explanation**: in this field, if the “No” option has been marked, the company must explain the reasons why it did not adopt the principle or the actions carried out that allow it to consider progress towards compliance or partial adoption, depending on the correspond.

Likewise, if deemed necessary, if the “Yes” option has been checked, the Company may provide information on compliance with the principle.

b) **Supporting information**: information is provided that allows knowing in greater detail how the company has implemented the principle.

<sup>1</sup> It is only applicable in the event that the information contained in this report has been reviewed by a specialized company (for example: auditing company or consulting company).

<sup>2</sup> The Good Corporate Governance Code for Peruvian Companies (2013) can be consulted in the Orientation – Corporate Governance section of the Stock Market Portal: [www.smv.gob.pe](http://www.smv.gob.pe)

<sup>3</sup> The term “senior management” includes the general manager and other managers.

**Section C** lists the company documents that regulate the policies, procedures or other relevant aspects that are related to the principles subject to evaluation.

**Section D** includes additional information not developed in the previous sections or other relevant information, which the company freely decides to include so that investors and the various stakeholders can have a greater scope of good practices. corporate governance implemented by it.

## Section A

### Presentation letter<sup>4</sup>

During fiscal year 2021, BBVA Peru bank continued to strengthen and consolidate its corporate governance scheme, taking as a model the best practices in this regard defined for the Peruvian market and adopting those established as global standards as its own.

It should be noted that since 2008, and uninterruptedly until 2021, BBVA Peru bank formed the Good Corporate Governance Index of the Lima Stock Exchange for its implementation of best governance practices, which at the time made it worthy of the distinction "the Silver Key", by obtaining the highest qualification scores. This index, which reflected the behavior of the prices of the most representative shares of the issuing companies that complied with the principles of good governance and had a minimum level of liquidity established by the Lima Stock Exchange, was deactivated by the BVL from December 31, 2021.

On November 2021, the BVL launched the new S&P/BVL Peru General ESG Index, to reflect the performance of the shares of those companies that meet the environmental, social and good corporate governance criteria defined by S&P in its Evaluation of Corporate Sustainability, BBVA Peru bank being the only bank that integrates it.

Similarly, since November BBVA Peru bank has been included in the MILA Pacific Alliance Dow Jones Sustainability Index, which marks the performance of companies with the highest sustainability ratings in the Pacific Alliance region, including Chile, Colombia, Mexico and Peru. This index is an important criterion that gives investors an objective benchmark for managing a sustainable investment portfolio in the region. We proudly announce that BBVA Peru bank is the first Peruvian bank to enter this index thanks to its high environmental, social and governance standards.

The inclusion of BBVA Peru bank in these indices is recognition of its leadership in sustainability and at the same time a commitment that we will renew year after year, aware of the importance of being a sustainable company and having the duty to help its customers navigate the path towards the transition of a low-carbon, inclusive economy and good corporate governance.

On the other hand, the Bank also continued to strengthen its technological and digital processes to make the opportunities of this new era available to people, allowing a quick and simple contracting scheme, always accompanying its clients throughout the process of technological adaptation and providing them with the highest security standards to allow them to be mobilized in an environment of trust. Technology continued to be his best ally in this complex context unleashed by the pandemic.

Thus, it not only favored the contracting or attracting of new clients, but also extended to the Bank's investors and shareholders. Indeed, at the shareholders' meeting held on March 24, 2021, its bylaws were modernized to allow and facilitate the holding of shareholders' meetings remotely, through the use of technological or telematic mechanisms that grant the parties interested parties the possibility of participating and exercising their right to vote remotely. Similarly, the general regulations for the Bank's shareholders' meeting now also provide for the possibility of holding non-face-to-face meetings, regulating the necessary details to allow, with agility, the holding of this type of session.

Finally, we want this cover letter to be considered as an agreement with our clients, shareholders and investors, which reinforces our commitment to sustainability, incorporated into the strategic priorities of BBVA Peru bank with the double objective of helping its clients in the transition to a greener future and stimulate economic growth that leaves no one behind, thus providing opportunities for all.

Lima, February 24, 2022.

<sup>4</sup> The main actions implemented during the year in terms of good corporate governance practices that the company considers relevant to highlight in line with the five pillars that make up the Code of Good Corporate Governance for Peruvian Companies (2013) are described: shareholders' rights, General Meeting, The board of directors and senior management, Risk and compliance, and transparency of information.

## Section B

### Compliance evaluation with the principles of the code of good corporate governance for Peruvian companies

#### PILLAR I: Shareholders' rights

##### Principle 1: Parity of treatment

Question I.1	Yes	No	Explanation
Does the company recognize in its actions equal treatment to shareholders of the same class and who maintain the same conditions(*)?	X		Both the statute and the regulations of the Board General Shareholders (JGA) grant equal treatment to shareholders.

(\*) "Same conditions" are understood as those particularities that distinguish the shareholders or make them have a common characteristic in their relationship with the company (institutional investors, non-controlling investors, etc.). It must be considered that this in no way implies that the use of privileged information is favored.

Question I.2	Yes	No	Explanation
Does the company only promote the existence of classes of shares with voting rights?	X		The statute only contemplates the existence of shares with voting rights.

a. Regarding the capital of the company, specify:

Subscribed capital at the end of the fiscal year	Paid-in capital at the end of the fiscal year	Total number of shares representing capital	Number of shares with voting rights
S/6,758,466,728.00	S/6,758,466,728.00	6,758,466,728	6,758,466,728

b. If the company has more than one class of shares, specify:

Does not apply

Question I.3	Yes	No	Explanation
If the company has investment shares, does the company promote a policy of voluntary redemption or exchange of investment shares? common stock investment?			Does not apply. The company does not have investment shares.

## Principle 2: Participation of shareholders

Question I.4	Yes	No	Explanation
a. Does the company establish in its corporate documents the form of representation of the shares and the person responsible for registering the shares?	X		The statute and the regulations of the JGA establish the form of representation of the actions. The responsibilities related to the registration of the ownership of the shares are established in the internal regulations of the company.
b. ¿La matrícula de acciones se mantiene permanentemente actualizada?	X		The company has an up-to-date register of shareholders book-entry with Cavali, as well as in its internal application.

Indicate the frequency with which the registration of shares is updated, after having become aware of any change.

Periodicity	
Within 48 hours	
Weekly	
Others / Detail (in days)	One day after settlement date issued by Cavali.

## Principle 3: No dilution in the share capital participation

Question I.5	Yes	No	Explanation
a. Does the company have a policy that the proposals of the board of directors referring to corporate operations that may affect the shareholders' right to non-dilution (i.e. mergers, spin-offs, capital increases, among others), are previously explained by said body in a detailed report with the independent opinion of an external adviser of recognized professional solvency appointed by the board of directors?	X		The company contemplates in its regulations of the board of directors that when this collegiate body proposes a corporate operation that could affect the shareholders' right to non-dilution, a detailed report prepared by this body must be available, together with the independent opinion of an external advisor of recognized professional standing.
b. Does the company have a policy of making said reports available to shareholders?	X		The JGA regulations determine that the relationship between the company and its shareholders is based on the principle of transparency. In this sense, there is an obligation to determine the appropriate means to ensure the correct communication of all information that is important to shareholders and investors and truthful, disseminating the facts that may significantly influence the price share price.

If there have been corporate operations in the company during the year under the scope of literal a) of question I.5, and if the company has independent directors<sup>(\*)</sup>, specify Yes in all cases:

Does not apply.

(\*) Independent directors are those who, according to the Guidelines for the qualification of independent directors, approved by the SMV, qualify as such.

#### Principle 4: Information and communication to shareholders

##### Question I.6

	Yes	No	Explanation
Does the company determine those responsible or means for shareholders to receive and require timely, reliable and truthful information?	X		The company provides an assistance service to holders through its Office of Shareholder Service, whose e-mail is: <a href="mailto:shareholders.pe@bbva.com">shareholders.pe@bbva.com</a> The regulations of the JGA regulate the relations between the entity and its shareholders and the way in which they have access to information about it. In addition, relevant information in this regard is made available to shareholders on its website.

a. Indicate how the shareholders receive and/or request information from the company.

Media	Receive information	Request information
Mail	X	X
Via telephone	—	—
Corporate website	X	—
Post mail	—	X
Informative meetings	—	—
Other / Details	Website of the General Meeting of Shareholders (JGA); Shareholder Service Office.	

b. Does the company have a maximum period to respond to requests for information submitted by shareholders? If your answer is affirmative, specify this period:

Maximum term (days) | 10 working days

##### Question I.7

	Yes	No	Explanation
Does the company have mechanisms for shareholders to express their opinion on its development?	X		In its AGM regulations, the company establishes the mechanism that allows shareholders to propose and introduce agenda items to be discussed at shareholders' meetings.

If your answer is affirmative, detail the established mechanisms that the company has for shareholders to express their opinion on its development.

The details of these mechanisms are contained in the regulations of the AGM.

## Principle 5: Participation in company dividends

### Question I.8

	Yes	No	Explanation
Is compliance with the dividend policy subject to evaluations at defined intervals?		X	The Bank's dividend policy is always subject to verification of the legal requirements indicated in banking regulations and is permanently evaluated. However, there is no written internal document or procedure in this regard.
Is the dividend policy made known to shareholders, among other means, through your corporate website?	X		The dividend policy is disclosed both on the Bank's website and on the SMV portal.

a. Indicate the company's dividend policy applicable to the year.

Fecha Approval date	31/03/2011
Dividend policy (criteria for the distribution of profits)	At the mandatory annual meeting of shareholders held on March 31, 2011, the policy of paying dividends in cash was proposed and approved, with the AGM being able to agree on the payment of dividends in shares. The distribution of dividends paid in cash shall be made in a single annual payment within a maximum period of thirty days after the AGM approving said distribution is held. Dividends to be distributed in cash in each year do not will be less than 10% of freely available profits. However, the distribution will be adopted considering the provisions of articles 65 and following of Law 26702, General Law of the Financial System and the Insurance System and Organic Law of the Superintendence of Banking, Insurance and AFP, in the section referring to Application of profits, reserves and dividends. In this sense, the profits for the year, determined after having made all the provisions provided by law and the Superintendence of Banking, Insurance and AFPs, will be applied according to the order of priority contained in article 66 of the law.

b. Indicate the dividends in cash and in shares distributed by the company in the current year and in the previous year.

Per share	Dividends per share			
	Exercise that is reported		Fiscal year prior to reporting	
	Cash	Shares	Cash	Shares
Class	0.04515292	0.03511893	0.09574253	0.10942004
Class	—	—	—	—
Investment share	—	—	—	—



## Principle 6: Change or take control

### Question I.9

	Yes	No	Explanation
Does the company maintain policies or agreements not to adopt anti-absorption mechanisms?	X		The bylaws of the company and its policies do not establish control absorption mechanisms (such as poison pills or any other type of mechanism aimed at restrict a change of control in society).

Indicate whether any of the following measures have been established in your company:

	Yes	No
Requirement of a minimum number of shares to be a director		X
Minimum number of years as a director to be appointed as president of the directory		X
Severance agreements for executives / officers as a result of changes after a takeover bid		X
Others of a similar nature / Detail	Does not apply	

## Principle 7: Arbitration for dispute resolution

### Question I.10

	Yes	No	Explanation
Does the bylaws of the company include an arbitration agreement that recognizes that any dispute between shareholders, or between shareholders and the board of directors, is subject to legal arbitration; as well as the challenge of AGM and board of directors agreements by the shareholders of the company?	X		The statute establishes that any question or disagreement between any shareholder and the company and its board of directors, either during the social period or during the liquidation, about the intelligence and application of the same or the social operations will be subject to legal arbitration by an arbitral tribunal made up of three arbitrators.
Does said clause make it easier for an independent third party to resolve disputes, except in the case of express legal reserve before the ordinary justice system?	X		The company considers that the arbitral tribunal is an independent third party and the suitable for the resolution of conflicts, except in the case of express legal reservation before the ordinary justice.

If shareholders have challenged AGM and board agreements or other disputes involving the company, during the year, specify their number.

Does not apply

## PILLAR II: General Meeting of Shareholders

### Principle 8: Role and competence

#### Question II.1

	Yes	No	Explanation
Is the approval of the remuneration policy of the board of directors an exclusive and non-delegable function of the AGM?	X		Both the statute and the regulations of the JGA indicate that among its functions are to set the number of members of the directory and their remuneration.

Indicate if the following functions are exclusive to the AGM, if your answer is negative, specify the body that exercises them.

	Yes	No	Management
Order investigations and special audits		X	The JGA and the directory.
Agree on the modification of the statute	X		
Agree on the increase in share capital	X		However, based on what is stated in SBS Resolution N° 4595-2009, the power to adopt commitments to capitalize future profits can be delegated to the board of directors.
Agree on the distribution of interim dividends	X		However, in merit of what is stated in the General Law of the Financial System, profits cannot be distributed charged to net profits of an annual exercise as long as the AGM does not approve the final balance and the respective distribution of profits.
Appoint external auditors		X	The JGA and the directory.

### Principle 9: Regulations of the General Meeting of Shareholders

#### Question II.2

	Yes	No	Explanation
Does the company have a regulation of the JGA, which is binding and non-compliance entails responsibility?	X		The company has regulations from the AGM, approved by the General Shareholders' Meeting on March 31, 2014.

If there is a regulation of the AGM, specify if it establishes the procedures for:

	Yes	No
Board calls	X	
Incorporate agenda items by shareholders	X	
Provide additional information to shareholders for meetings	X	
The development of the boards	X	
The appointment of the board directors members	X	
Other relevant / Detail	Right to request certified copies of minutes, regulation of conflicts of interest, among others.	

## Principle 10: Call mechanisms

### Question II.3

	Yes	No	Explanation
In addition to the summons mechanisms established by law, does the company have summons mechanisms that allow establishing contact with the shareholders, particularly with those who do not have participation in the control or management of the company?	X		The mechanisms are foreseen in the statute and in the regulations of the JGA. In the same way, notices of calls are published on the company's website and are also communicated as important events to the SMV.

a. Complete the following information for each of the meetings held during the year:

Call notice date	Meeting date	Meeting place	Joint type		Universal meeting		Quorum %	Number of shareholders attending	Participation (%) on total shares with voting rights		
			Special	General	Yes	No			Through powers	Direct exercise(*)	Did not exercise their right to vote
24.02.2021	24.03.2021	Lima		X		X	97.26%	34	97.15%	0.11%	2.74%

(\*) The direct exercise includes the vote by any means or modality that does not imply representation.

b. What means, in addition to those contemplated in article 43 of the General Law of Companies and the provisions of the Regulation of Significant Events and Reserved Information, did the company use to disseminate the calls to meetings during the year?

Email	—	Postal code	—
via telephone	—	Social media	—
Corporate website	Yes	Others / Detail	—

### Question II.4

	Yes	No	Explanation
Does the company make available to the shareholders all the information related to the points contained in the agenda of the AGM and the proposals of the agreements that are proposed to be adopted (motions)?	X		<p>The bylaws provide that, as of the day of publication of the the documents, motions and projects, related to the AGM are available to shareholders at the main office of Banco BBVA Peru in Lima.</p> <p>The regulations of the AGM contemplates the mechanisms for shareholders to obtain information related to the items contained in the agenda of the General Shareholders Meeting.</p>

In the call notices made by the company during the year:

	Yes	No
Was the place where the information regarding the items on the agenda that would be discussed at the meetings specified?	X	
Were the following items included on the agenda: "other topics", "miscellaneous points" or similar?		X

**Principle 11: Proposals for agenda items**

**Question II.5**

	Yes	No	Explanation
Do the AGM bylaws include mechanisms that allow shareholders to exercise the right to make proposals for agenda items to be discussed at the AGM and procedures for accepting or denying such proposals?	X		The regulations of the AGM provide for the inclusion of agenda items by the shareholders.

a. Indicate the number of requests submitted by shareholders during the year to include agenda items to be discussed at the AGM, and how they were resolved:

Number of requests		
Received	Accepted	Denied
0	0	0

b. In the event that requests to include agenda items to be discussed at the AGM have been denied during the fiscal year, indicate whether the company communicated the support for the denial to the requesting shareholders.

Does not apply.

**Principle 12: Procedures for the exercise of the vote**

**Question II.6**

	Yes	No	Explanation
Does the company have the mechanisms in place that allow the shareholder to vote remotely by secure, electronic or postal means that guarantee that the person who casts the vote is actually the shareholder?	X		Due to the health emergency generated by the covid-19 outbreak, the company implemented, in an extraordinary way, the Webex tool, which allows the online connection from various points and enables interaction between all participants.

a. If this is the case, indicate the mechanisms or means that the company has for exercising remote voting.

Electronic voting	X	Postal vote
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b. If remote voting has been used during the financial year, specify the following information:

During the 2021 financial year, due to the health emergency generated by the covid-19 outbreak and in accordance with the current regulatory framework, the mandatory annual shareholders' meeting was held through the Webex tool, which allowed its development without setbacks. Similarly, the shareholders' meeting approved the modification of the company's bylaws, in order to allow non-face-to-face meetings to be held.

**Question II.7**

	Yes	No	Explanation
Does the company have corporate documents that clearly specify that shareholders can vote separately on matters that are substantially independent, so that they can exercise their voting preferences separately?	X		The regulations of the JGA establish that any shareholder can vote separately any matter substantially independent, so that it can exercise your voting preferences separately.

Indicate whether the company has corporate documents that clearly specify that shareholders can vote separately for:

	Yes	No
The appointment or ratification of directors by individual vote for each of them.	X	
The modification of the statute, for each article or group of articles that are substantially independent.	X	
Others / Detail		

**Question II.8**

	Yes	No	Explanation
Does the company allow those who act on behalf of several shareholders to cast differentiated votes for each shareholder, so that they comply with the instructions of each represented party?	X		The regulations of the JGA allow those who act on behalf of several shareholders to cast differentiated votes, complying with the instructions given by each represented party.

**Principle 13: Votes delegation****Question II.9**

	Yes	No	Explanation
Does the bylaws of the company allow its shareholders to delegate their vote in favor of any person?	X		The statute allows shareholders to delegate their representation to one or more people.

If your answer is negative, indicate whether your statute restricts the right of representation in favor of any of the following persons:

Does not apply.

Question II.10	Yes	No	Explanation
a. Does the company have procedures detailing the conditions, means and formalities to be fulfilled in situations of proxy voting?	X		The regulations of the AGM establish the procedures that must be followed in situations of proxy voting.
b. Does the company make available to the shareholders a model letter of representation that includes the data of the representatives, the issues for which the shareholder delegates his vote and, if applicable, the direction of his vote for each of the the proposals?	X		The regulations of the AGM contain an annex in which a model of letter of delegation of vote, a model that is also available on the Bank's website.

Indicate the requirements and formalities required for a shareholder to be represented at a meeting:

Formality (indicate if the company requires a simple letter, notarial letter, public deed or others)	Letter of delegation of vote (regulations of the AGM).
Anticipation (number of days prior to the meeting with which the power of attorney must be presented).	Proxies must be registered at least 24 hours in advance (JGA regulations).
Cost (indicate if there is a payment required by the company for these purposes and how much it amounts to).	Free of charge.

Question II.11	Yes	No	Explanation
a. Does the company have as a policy to establish limitations on the percentage of delegation of votes in favor of the members of the board of directors or senior management?		X	The regulations of the AGM establish the procedures that must be followed in situations of proxy voting.
a. In cases of delegation of votes in favor of members of the board of directors or senior management, does the company have a policy that shareholders who delegate their votes in this way clearly leave established the meaning of these? That the shareholder delegate his vote and, if applicable, the meaning of this for each of the proposals?	X		The company has drawn up a power letter model where shareholders are allowed to clearly express the meaning of their votes.

## Principle 14: Monitoring of AGM agreements

### Question II.12

	Yes	No	Explanation
a. Does the company monitor the agreements adopted by the AGM?	X		The Corporate Governance Committee monitors the agreements adopted at each general meeting of shareholders.
b. Does the company issue periodic reports to the board and are they made available to the shareholders?	X		Society evaluates annually the follow-up of the agreements of the shareholders meeting in its sessions of the Corporate Governance Committee. The board is then informed.

If so, indicate the area and/or person in charge of monitoring the agreements adopted by the AGM. If a person is in charge, also include their position and area in which they work.

Area in charge | Corporate Governance Committee and Board Directors Secretary

Person in charge		
Names and surnames	Position	Area
Ruth Anabelí González Velapatiño	Deputy General Manager	Juridical Services

## PILLAR III: The board of directors and senior management

### Principle 15: Composition of director's board

#### Question III.1

	Yes	No	Explanation
Principle 15.1: Is the board of directors made up of people with different specialties and skills, with prestige, ethics, economic independence, sufficient availability, and other relevant qualities for society so that there is a plurality of approaches and opinions?	X		In accordance with the unique provisions applicable to financial entities, the company's board of directors complies with the indicated principle, which is included in the regulations of the board of directors and in that of the Committee Appointments, Remuneration and Talent Management.

a. Indicate the following information corresponding to the members of the company's board of directors during the fiscal year.

Names and surnames	Vocational training <sup>(*)</sup>	Date		Shareholding <sup>(****)</sup>	
		Start date <sup>(**)</sup>	End date <sup>(***)</sup>	N° of shares	Participation %
<b>Directors (excluding independent directors)</b>					
<b>Alex Fort Brescia</b>	Master in Business Administration. Participate in the Holding directories Continental and BBVA Peru Foundation.	19/05/1995		Does not apply	Does not apply
<b>Pedro Brescia Moreyra</b>	Business administrator. He participates in the directories of Holding Continental and BBVA Peru foundation.	19/05/1995		Does not apply	Does not apply
<b>Ignacio Javier Lacasta Casado</b>	Economist. He participates in the BBVA Peru Foundation directory. He participated in the board of directors of Holding Continental.	24/01/2013		Does not apply	Does not apply
<b>Mario Brescia Moreyra</b>	Administrator. Participate in the Holding directories Continental and BBVA Peru Foundation.	27/03/2013		Does not apply	Does not apply
<b>Fortunato Brescia Moreyra</b>	Engineer. Participate in the Holding directories Continental and BBVA Peru Foundation.	26/06/2013		Does not apply	Does not apply
<b>Fernando Eguiluz Lozano</b>	Industrial and Systems Engineer. MBA. He participates in the BBVA Peru Foundation directory.	01/07/2019		Does not apply	Does not apply
<b>José Ignacio Merino Martín</b>	Bachelor of Business Sciences. He participates in the BBVA Peru Foundation directory.	31/03/2016		Does not apply	Does not apply
<b>Rafael Varela Martínez</b>	Degree in Economics and Business Administration. He participates in the BBVA Peru Foundation directory.	11/05/2020		Does not apply	Does not apply
<b>José Carlos López Álvarez</b>	Degree in Economics. Participate in the directory of BBVA Peru Foundation.	27/06/2018		Does not apply	Does not apply



Names and surnames	Vocational training <sup>(*)</sup>	Date		Shareholding <sup>(****)</sup>	
		Start date <sup>(**)</sup>	End date <sup>(***)</sup>	Nº of shares	Participation %
<b>Independent directors</b>					
<b>Ismael Alberto Benavides Ferreyros</b>	Agricultural engineer. He participates in the BBVA Peru Foundation directory.	28/03/2018		Does not apply	Does not apply
<b>José Manuel Rodríguez-Novás Sánchez-Diezma</b>	Master in Engineering in Agricultural Industry. He participates in the BBVA Peru Foundation directory.	11/05/2020		Does not apply	Does not apply

(\*) Additionally detail if the director participates simultaneously in other directories, specifying the number and if these are part of the economic group of the reporting company. For this purpose, the definition of economic group contained in the Regulation of Indirect Ownership, Linkage and Economic Groups must be considered.

(\*\*) Corresponds to the first appointment in the reporting company.

(\*\*\*) Complete only if he had ceased to hold the position of director during the fiscal year.

(\*\*\*\*) Mandatorily applicable only to directors with a share of the capital stock equal to or greater than 5% of the shares of the reporting company.

% of total shares held by directors | Does not apply

Indicate the number of directors of the company who are in each of the following age ranges:

Less than 35	Between 35 a 55	Between 55 a 65	Greater than 65
—	1	9	1

Note: All directors who held the position during the 2021 financial year are considered.

b. Indicate if there are specific requirements to be appointed chairman of the board of directors, in addition to those required to be appointed director.

Yes | No |

If your answer is affirmative, indicate these requirements.

Does not apply.

c. Does the chairman of the board have a casting vote?

Yes | No |

### Question III.2

Question III.2	Yes	No	Explanation
Does the company avoid the appointment of substitute or alternate directors, especially for reasons of quorum?		<input checked="" type="checkbox"/>	The unique provisions applicable to financial entities allow the appointment of substitute and alternate directors.

If there are alternate or substitute directors, specify the following:

Names and surnames of the substitute or alternate director	Start <sup>(*)</sup>	End <sup>(**)</sup>
Jaime Aráoz Medanic (alternate)	2013	—
Miguel Ángel Salmón Jacobs (alternate)	2013	—
Gustavo Alberto Mazzolini Casas (alternate)	2017	—
Antonio Alonso Granada (alternate)	2020	—
Claudia Milagros Valdivia Valladares (alternate)	2021	—

(\*) Corresponds to the first appointment as alternate or substitute director in the reporting company.

(\*\*) Complete only in the event that the position of alternate or substitute director had left during the fiscal year.

## Principle 16: Directory functions

### Question III.4

	Yes	No	Explanation
The directory has the function: a. Approve and direct the corporate strategy of the company.	X		Functions contained in the statute and in the regulations of the board of directors.
b. Establish objectives, goals and action plans, including annual budgets and business plans.	X		Functions contained in the statute and in the regulations of the board of directors.
c. Control and supervise the management and be in charge of the government and administration of the company.	X		Functions contained in the statute and in the regulations of the board of directors.
d. Supervise good corporate governance practices and establish the necessary policies and measures for their best application.	X		Functions contained in the statute and in the regulations of the board of directors.

a. Detail what other relevant powers fall on the company's board of directors.

Establish special committees, made up of some of its members.

b. Does the board delegate any of its functions?

Yes  |  | No

Indicate, if applicable, what are the main functions of the board of directors that have been delegated, and the body that performed them by delegation:

Functions	Body/Area to which functions have been delegated
Appointment of general manager, deputy general managers and auditor.	Appointments, Remuneration and Talent Management Committee
Monitor the proper functioning of the internal control system and keep the board informed about compliance with policies and internal procedures.	Audit Committee
Supervision of compliance with practices of good corporate governance of the company and inform the board of directors about it.	Corporate Governance Committee
Supervision of the risks faced by the company in order to have an appropriate environment for the development of its activities and inform the board about it.	Risk Committee
Supervision of compliance policies and evaluating the effectiveness of compliance risk management, and informing the board about it.	Compliance Committee

## Principle 17: Duties and rights of the members of the board of directors

### Question III.5

	Yes	No	Explanation
a. Board members have the right to: a. Request the support or contribution of experts from the board of directors.	X		The regulations of the board of directors establish the power that the directors have to request the advice of experts outside the company in those matters whose complexity so warrants.
b. Participate in induction programs on their powers and responsibilities and to be informed in a timely manner about the organizational structure of the company.	X		The board director's regulations establish that the directors have access to manuals and other corporate documents where they are informed about their duties and powers.
c. Receive remuneration for the work carried out, which combines recognition of professional experience and dedication to society with criteria of rationality.	X		It is foreseen in the regulation of the directory.

a. If specialized advisors have been hired during the year, indicate whether the list of specialized advisors to the board of directors who have provided services during the year for the company's decision-making was made known to the shareholders.

Yes | | No | | Does not apply |

If this is the case, specify if any of the specialized advisors had any relationship with any member of the board of directors and/or senior management<sup>(\*)</sup>.

Yes | | No | | Does not apply |

(\*) For the purposes of this point, the criteria contained in the Regulation of Indirect Ownership, Linkage and Economic Groups will be applied.

b. If so, indicate whether the company carried out induction programs for new members who had joined the company.

Yes | | No | | Does not apply |

c. Indicate the percentage that represents the total amount of remuneration and annual bonuses of directors with respect to gross income, according to the financial statements of the company.

Remuneration	(%) Gross income	Bonuses	(%)Gross income
Directors (excluding independent directors)	0.006%	Delivery of shares	—
Independent directors	0.002%	Delivery of options	—
		Delivery of money	—
		Others (detail)	

## Principle 18: Regulations of the board of directors

Question III.6	Yes	No	Explanation
Does the company have board regulations that are binding, and non-compliance entails liability?	X		The company has a board of directors regulation that is mandatory and its non-compliance generates liability.

Indicate if the directory regulations contain:

	Yes	No
Policies and procedures for its operation	X	
Organizational structure of the directory	X	
Roles and responsibilities of the chairman of the board	X	
Procedures for the identification, evaluation and nomination of candidates for board members, who are proposed to the AGM	X	
Procedures for cases of vacancy, dismissal and succession of directors	X	
Others / Details	Rules of conduct, conflicts of interest, liability coverage.	

## Principle 19: Independent directors

Question III.7	Yes	No	Explanation
Is at least one third of the board of directors made up of independent directors?		X	The company forms its board of directors taking into consideration their personal conditions, their professional prestige, the experience accumulated in the sector in which the company carries out its activities, as well as the regulations issued by the Superintendency of Banking, Insurance and AFPs and the Superintendence of the Market of Securities, as applicable.

Additionally, to those established in the Guidelines for the qualification of directors independent, the company has established the following criteria to classify its directors as independent:

	Yes	No
Not be a director or employee of a company in the same business group, unless three (3) years have elapsed, respectively, since the termination of that relationship.	X	
Not be an employee of a shareholder with a participation equal to or greater than five percent (5%) in the company.	X	
Not have more than seven (7) continuous years as an independent director of the company.	X	
Not having or having had in the last three (3) years a commercial or contractual business relationship, direct or indirect, and of a significant <sup>(*)</sup> , with the company or any other company in the same group.		X
Not be a spouse, nor have a relationship in the first or second degree of consanguinity, or in the first degree of affinity, with shareholders, members of the board of directors or senior management of the company.	X	
Not be a director or member of the senior management of another company in which any director or member of the senior management of the company is part of the board of directors.	X	
Not having been in the last eight (8) years a member of senior management or an employee either in the company, in companies of the same group or in the companies that are shareholders of the company.		X
Not having been, during the last three (3) years, a partner or employee of the external auditor or the auditor of any company of the same group.	X	
Other / Detail	<p>The company considers independent directors to be those appointed based on their personal conditions and professional prestige who are not part of the entity's executive staff and who are not related to its main shareholders. They will be, even if, having had a relationship with the company, economic group or its main shareholders, they have concluded their relationship for a period equal to or greater than three years prior to their appointment.</p> <p>It should be noted that the company applies the rules on independent directors issued by the Superintendency of Banking, Insurance and AFPs, as it is a company regulated by it.</p>	

(\*) The business relationship will be presumed significant when either party has issued invoices or payments for a value greater than 1% of its annual income.

### Question III.8

	Yes	No	Explanation
a. Does the board declare that the candidate it proposes is independent based on its inquiries and the candidate's statement?	X		The Nominating, Compensation and Remuneration and Talent Management Committee of the company's board of directors must declare that the candidate is independent based on the inquiries it makes and the candidate's declaration.
b. Do candidates for independent directors declare their status as such before the company, its shareholders and directors?	X		Independent directors declare their status as independent at the time of taking office and after each year of permanence in this.

Indicate if at least once a year the Board of Directors verifies that the Independent Directors maintain compliance with the requirements and conditions to be qualified as such:

Yes | X | No

## Principle 20: Operability of the directory

### Question III.9

	Yes	No	Explanation
Does the board have a work plan that contributes to the efficiency of its functions?	X		The work plan is presented annually to the board of director and is approved at the first session in which the directory is appointed by the AGM.

### Question III.10

	Yes	No	Explanation
Does the company provide its directors with the necessary channels and procedures so that they can participate effectively in board meetings, even remotely?	X		In accordance with the provisions of the statute, a video-conferencing system has been implemented that allows simultaneous communication in real time between all the directors.

a. Indicate the following in relation to the board meetings held during the year:

Number of sessions held	12
Number of sessions in which the call has been dispensed with <sup>(*)</sup>	0
Number of sessions not attended by the chairman of the board of directors	0
Number of sessions in which one or more directors were represented by alternate directors	5
Number of regular directors who were represented on at least one occasion	3

(\*) In this field, the number of sessions that have been held under the provisions of the last paragraph of article 167 of the LGS must be reported.

b. Indicate the percentage of directors' attendance at board meetings during the fiscal year.

Name	% assistance
Alex Fort Brescia	100%
Pedro Brescia Moreyra	75%
Ignacio Lacasta Casado	91.67%
Mario Brescia Moreyra	75%
Fortunato Brescia Moreyra	100%
Fernando Eguluz Lozano <sup>(*)</sup>	100%
José Ignacio Merino Martín	100%
Rafael Varela Martínez	100%
José Carlos López Álvarez	100%
José Manuel Rodríguez-Novás Sánchez-Diezma	100%
Ismael Alberto Benavides Ferreyros	100%

(\*) Regarding the period in which they held the position.

c. Indicate how far in advance of the board meeting all the information regarding the matters to be discussed in a meeting is available to the directors.

	Less than 3 days	Between 3-5 days	Greater than 5 days
Non-confidential information			X
Confidential information			X

### Question III.11

Question III.11	Yes	No	Explanation
a. Does the board objectively evaluate, at least once a year, its performance as collegiate body and that of its members?	X		
b. Is the self-assessment methodology alternated with the assessment carried out by external advisors?		X	The board of directors may resort to external advisors for its evaluation, if it so decides.

a. Indicate whether performance evaluations of the board of directors have been carried out during the fiscal year.

	Yes	No
As a collegiate body	X	
To its members	X	

If the answer to the previous question in any of the fields is affirmative, indicate the following information for each evaluation:

Evaluation	Self-evaluation		External evaluation		
	Date	Diffusion(*)	Date	Entity on charge	Diffusion(*)
Institutions of the bank Corporate Governance	27.01.2021	No	Does not apply	Does not apply	Does not apply

(\*) Indicate Yes or No in case the evaluation has been made known to the shareholders.

### Principle 21: Special committees

#### Question III.12

Question III.12	Yes	No	Explanation
a. Does the company's board of directors form special committees that focus on the analysis of those aspects that are most relevant to the company's performance?	X		The regulations of the board contemplate the constitution of special committees.
b. Does the board of directors approve the regulations that govern each of the special committees that it constitutes?	X		The regulations of the board contemplate the constitution of special committees.
c. Are special committees chaired by independent directors?	X		Only the Audit and Compliance committees are presided over by a independent director. The society considers that the special committees should be chaired by directors who are experts in the issues addressed by each committee, who have full knowledge of the company and who have had professional contact with it.
d. Do the special committees have an assigned budget?		X	The society considers that these committees do not demand the specific allocation of a particular budget.

Question III.13	Yes	No	Explanation
Does the company have an Appointments and Remuneration Committee that is in charge of nominating the candidates for board members that are proposed to the AGM by the board of directors, as well as approving the remuneration and incentives system for senior management?	X		The company has an Appointments and Remuneration Committee, whose functions are detailed in its respective regulations.

Question III.14	Yes	No	Explanation
Does the company have an Audit Committee that supervises the effectiveness and suitability of the internal and external control system of the company, the work of the audit firm or the independent auditor, as well as compliance with the rules of legal and professional independence?	X		The company has an Audit Committee, whose functions are detailed in their respective regulations.

a. Specify whether the company also has the following special committees:

	Yes	No
Risk Committee	X	
Corporate Governance Committee	X	



b. If the company has special committees, indicate the following information regarding each committee:

### Audit Committee

#### I. Creation date

March 23, 2000

#### II. Functions

- a) Monitor that the accounting and financial reporting processes are appropriate.
- b) Monitor the proper functioning of internal control.
- c) Monitor and keep the board informed about compliance with internal policies and procedures and about the detection of weaknesses in control and internal administration.
- d) Follow up on audit recommendations.
- e) Assess that the performance of the internal audit unit and the external audit unit correspond to the needs of the company.
- f) Coordinate aspects of effectiveness and efficiency of the internal control system with the internal audit unit and the external auditors.
- g) Approve the audit statute.
- h) Approve the audit risk assessment and the annual internal audit plan.
- i) Define the criteria for the selection and hiring of the internal auditor and its main employees and evaluate their performance.
- j) Evaluate the activities carried out by the internal and external auditors.

#### III. Committee members

Names and surnames	Start date	End date	Position within the committee
José Manuel Rodríguez-Novás Sánchez-Diezma	27/05/2020	To date	President
Alex Fort Brescia	26/06/2013	To date	Member
José Ignacio Merino Martín	28/04/2016	To date	Member
Ismael Alberto Benavides Ferreiros	24/03/2021	To date	Member

#### IV. Percentage of independent directors with respect to the total committee

50%

#### V. Number of sessions carried out during the exercise

4 times per year.

#### VI. It has delegated powers in accordance with article 174 of the General Law of Companies

Yes       No

#### The committee or its president participates in the AGM

Yes       No

## Appointments and Remuneration Committee

### I. Creation date

February 18, 2004

### II. Functions

- a) Approve and monitor the design of the Bank's remuneration system.
- b) Evaluate conflicts of interest in the remuneration system.
- c) Evaluate the goals and indicators considered in the remuneration system.
- d) Appreciate the qualification and propose the people who will integrate the Bank's board of directors.
- e) Propose to the meeting the remuneration of the board of directors.
- f) Appoint the general manager, first-level managers, the internal auditor, the antimoney laundering and terrorist financing compliance officer, the regulatory compliance officer, the market conduct officer and the general accountant of the Bank.
- g) Know the conditions of the loans and other benefits granted to the Bank's employees and, in particular, to the Management Committee, as well as order changes to the policies on the matter that are considered appropriate.
- h) Inform the Bank's board of directors of the main issues discussed at its meetings.

### III. Committee members

Names and surnames	Start date	End date	Position within the committee
Ignacio Lacasta Casado	28/04/2016	To date	President
Alex Fort Brescia	26/06/2013	To date	Member
Fernando Eguiluz Lozano	16/07/2019	To date	Member
Mario Brescia Moreyra	24/03/2021	To date	Member
Pedro Brescia Moreyra	25/09/2008	24/03/2021	Member

### IV. Percentage of independent directors with respect to the total committee

0%

### V. Number of sessions carried out during the exercise

6 times a year.

### VI. It has delegated powers in accordance with article 174 of the General Law of Companies

Yes       No

### The committee or its president participates in the AGM

Yes       No

## Corporate Governance Committee

### I. Creating date

December 15, 2011

### II. Functions

- a) Ensure that shareholders and the market in general have access in a complete, truthful and timely manner to the information that in quality of issuer must disclose.
- b) Approve and supervise the application of the best practices of good corporate governance.
- c) Supervise that the shareholders' meetings are carried out in accordance with the law.
- d) Monitor the implementation of the agreements adopted at the Bank's shareholders' meeting.
- e) Prepare an annual activity report.
- f) Evaluate the degree of compliance with the shareholders' meeting regulations.
- g) Ensure that these regulations are available to shareholders.
- h) Other functions consistent with the nature of the committee's objective that are assigned by the board of directors or commissioned by the shareholders' meeting.

### III. Committee members

Names and surnames	Start date	End date	Position within the committee
Alex Fort Brescia	28/04/2016	To date	President
Fernando Eguiluz Lozano	16/07/2019	To date	Member
Rafael Varela Martínez	27/05/2020	To date	Member
Pedro Brescia Moreyra	24/03/2021	To date	Member
Mario Brescia Moreyra	26/06/2014	24/03/2021	Member

### IV. Percentage of independent directors with respect to the total committee

0%

### V. Number of sessions carried out during the exercise

2 times per year.

### VI. It has delegated powers in accordance with article 174 of the General Law of Companies

Yes       No

### The committee or its president participates in the AGM

Yes       No

## Compliance Committee

### I. Creating date

September 25, 2008

### II. Functions

- a) Approve the policies, codes, manuals, procedures and methodologies defined in order to guarantee the due compliance with regulatory requirements.
- b) Be aware of the reports on the matters that are within their competence.
- c) Approve the annual programs of activities.
- d) Be aware of and order the necessary corrective measures in the event of failures in the application of the compliance functions.
- e) Approve the training plans in the area of the compliance function.
- f) Arrange for the necessary resources and infrastructure to be provided for the proper performance of compliance functions and responsibilities.
- g) Approve, modify and ensure compliance with anticorruption policies to prevent and significantly reduce the risk of committing crimes involving corruption of officials.

### III. Committee members

Names and surnames	Start date	End date	Position within the committee
Ismael Alberto Benavides Ferreyros	24/03/2021	To date	President
Fortunato Brescia Moreyra	28/04/2016	To date	Member
Fernando Eguiluz Lozano	16/07/2019	To date	Member
Alex Fort Brescia	26/06/2013	24/03/2021	Member

### IV. Percentage of independent directors with respect to the total committee

33%

### V. Number of sessions carried out during the exercise

2 times per year.

### VI. It has delegated powers in accordance with article 174 of the General Law of Companies

Yes       No

### The committee or its president participates in the AGM

Yes       No

## Risk Committee

### I. Creation date

July 17, 2008

### II. Functions

- a) Approve policies for comprehensive risk management.
- b) Verify that the provision of means, systems and resources is adequate for risk management.
- c) Analyze the proposal for the risk appetite framework.
- d) Decide the actions for the implementation of the corrective measures required in case there are deviations regarding to the levels of appetite and risk limits and the degrees of exposure assumed.
- e) Evaluate the adequacy of capital and liquidity required by the Bank.
- f) Approve the reports on the risks associated with new products.
- g) In accordance with the delegation made by the Bank's board of directors, take note of all the other reports that must be submitted to the Bank's board of directors.
- h) Report to the Bank's Board of Directors, at its next session, on the main topics discussed and the resolutions adopted for control and monitoring purposes.

### III. Committee members<sup>(\*)</sup>

Names and surnames	Start date <sup>(**)</sup>	End date <sup>(***)</sup>	Position within the committee
José Ignacio Merino Martín	April 2018	To date	President
Fernando Eguiluz Lozano	July 2019	To date	Member
Alex Fort Brescia	April 2018	To date	Member
Vicente Puig Payá (in his capacity as Risk Manager)	September 2019	To date	Member

### IV. Percentage of independent directors with respect to the total committee

0%

### V. Number of sessions held during the year

1 time per month.

### VI. It has delegated powers in accordance with article 174 of the General Law of Companies

Yes       No

### The committee or its president participates in the AGM

Yes       No

(\*) Information will be provided regarding the people who are or were part of the committee during the reporting period.

(\*\*) Corresponds to the first appointment as a committee member in the reporting company.

(\*\*\*) Complete only if you had ceased to be part of the committee during the year.

## Principle 22: Code of ethics and conflicts of interest

### Question III.15

	Yes	No	Explanation
Does the company adopt measures to prevent, detect, manage and disclose conflicts of interest that may arise?	X		The company has a conflict of interest policy, a code of ethics, and a code of conduct, which regulate the issues addressed in this principle.

Indicate, if applicable, which area and/or person is responsible for monitoring and controlling possible conflicts of interest. If a person is in charge, also include their position and the area in which they work.

Area in charge | Compliance

Person in charge		
Names and surnames	Position	Area
Pablo Jimeno Sarkar	Head Front	Compliance

### Question III.16

	Yes	No	Explanation
a. Does the company have a code of ethics <sup>(*)</sup> whose compliance is required of its directors, managers, officers and other employees <sup>(**)</sup> , which includes ethical and professional responsibility criteria, including the handling of potential cases of conflicts of interest?	X		It has a code of ethics and conduct that is applicable to the directors and officers of the company, in accordance with the contemplated in this principle.
b. Does the board of directors or general management approve training programs for compliance with the code of ethics?	X		Policies and training programs are approved following corporate guidelines.

(\*) The code of ethics may form part of the internal rules of conduct.

(\*\*) The term employee covers all people who maintain some type of employment relationship with the company, regardless of the work regime or modality.

If the company has a code of ethics, indicate the following:

a. It is available to:

	Yes	No
Shareholders	X	
Other people to whom it is applicable	X	
From the general public	X	

b. Indicate the area and/or person responsible for monitoring and compliance with the code of ethics. If a person is in charge, also include their position, the area in which they work, and who they report to.

Area in charge | Compliance

Person in charge		
Names and surnames	Charge	Area
Pablo Jimeno Sarkar	Head Front	Compliance

c. Is there a record of cases of non-compliance with said code?

Yes |  | No |

d. Indicate the number of breaches of the provisions established in said code, detected or reported during the year.

Number of breaches | 111

Question III.17	Yes	No	Explanation
a. Does the company have mechanisms that allow complaints to be made corresponding to any illegal or unethical behavior, guaranteeing the confidentiality of the complainant?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The company has procedures for dealing with complaints regarding illegal or unethical behavior, which are known to its employees and guarantee the confidentiality of the complainant.
b. Are complaints presented directly to the Audit Committee when they are related to accounting matters or when management general or financial management are involved?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Additionally, the complaints are evaluated by the Committee Fraud Prevention and Corporate Integrity Management.

Question III.18	Yes	No	Explanation
a. Is the board of directors responsible for monitoring and controlling possible conflicts of interest that arise within it?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The board of directors regulations, regulate the conflict of interest cases
b. If the company is not a financial institution, does it have an established policy that the members of the board of directors are prohibited from receiving loans from the company or from any company in its economic group, unless they have the prior authorization of the board of directors?	<input type="checkbox"/>	<input type="checkbox"/>	Does not apply.
c. If the company is not a financial institution, does it have an established policy that members of senior management are prohibited from receiving loans from the company or from any company in its economic group, unless they have the prior authorization of the board of directors?	<input type="checkbox"/>	<input type="checkbox"/>	Does not apply.

a. Indicate the following information of the members of senior management who have the status of shareholders in a percentage equal to or greater than 5% of the company.

Does not apply.

b. Indicate if any of the members of the board of directors or senior management of the company is a spouse, first or second degree blood relative, or first degree affinity relative of:

Names and surnames	Link with:			Shareholder Names and surnames / director / manager	Link type(**)	Additional information(***)
	Shareholder(*)	Director	Senior management			
Pedro Brescia Moreyra		X		Mario Brescia Moreyra Fortunato Brescia Moreyra Alex Fort Brescia	2 <sup>nd</sup> grade 2 <sup>nd</sup> grade 4 <sup>th</sup> grade	
Mario Brescia Moreyra		X		Pedro Brescia Moreyra Fortunato Brescia Moreyra Alex Fort Brescia	2 <sup>nd</sup> grade 2 <sup>nd</sup> grade 4 <sup>th</sup> grade	
Fortunato Brescia Moreyra		X		Pedro Brescia Moreyra Mario Brescia Moreyra Alex Fort Brescia	2 <sup>nd</sup> grade 2 <sup>nd</sup> grade 4 <sup>th</sup> grade	
Alex Fort Brescia		X		Pedro Brescia Moreyra Mario Brescia Moreyra Fortunato Brescia Moreyra	4 <sup>th</sup> grade 4 <sup>th</sup> grade 4 <sup>th</sup> grade	

(\*) Shareholders with a participation equal to or greater than 5% of the share capital.

(\*\*) For the purposes of this point, the criteria contained in the Regulation of Indirect Ownership, Linkage and Economic Groups will be applied.

(\*\*\*) In the event that there is a relationship with a shareholder, include their shareholding. In the event that the relationship is with a member of the management team, include their position.

c. In case that any member of the Board of Directors holds or has held, during the fiscal year covered by this report, any management position in the Company, please provide the following information:

Names and surnames	Management position held	Date in managerial position	
		Start(*)	End(**)
Fernando Eguiluz Lozano	General manager	July 2019	To date

(\*) Corresponds to the first appointment in the management position of the reporting company.

(\*\*) Complete only if the managerial position had ceased during the year.

d. In case any member of the board of directors or senior management of the company has maintained, during the fiscal year covered by this report, any relationship of a commercial or contractual nature with the company, which has been important due to its amount or its subject matter, indicate the following information.

Does not apply.



## Principle 23: Transactions with related parties

### Question III.19

Question III.19	Yes	No	Explanation
a. Does the board of directors have policies and procedures for the assessment, approval and disclosure of certain operations between the company and related parties, as well as to know the commercial relations or personal, direct or indirect, that the directors maintain among themselves, with the company, with its suppliers or clients, and other stakeholders?	X		The company, being a system company financial, is subject to restrictions and controls to carry out operations with related parties. In the same way, the board of directors authorizes commercial operations with related parties.
b. In the case of operations of special relevance or complexity, is the intervention of independent external advisors contemplated for their assessment?	X		The company, as a company in the financial system, usually resorts to external advisors who issue their opinion on complex or important operations.

a. If you comply with literal a) of question III.19, indicate the area(s) of the company in charge of processing operations with related parties in the following aspects:

Aspects	Area in charge
Appraisal	Risks
Approval	Directory
Disclosure	Not applicable

b. Indicate the procedures for approving transactions between related parties:

Being a company of the financial system, operations between related parties are regulated by SBS Resolution N° 472-2006 and SBS Resolution No. 5780-2015.  
Likewise, there is the internal standard "SC.05.P.005 – Financing for related parties and the BBVA Peru group" that includes the scope of the aforementioned standards.

c. Detail those operations carried out between the company and its related parties during the year that have been important due to their amount or their subject matter.

Does not apply.

d. Specify whether the company sets limits to carry out operations with related parties:

Yes |  | No |

## Principle 24: Functions of senior management

### Question III.20 / Compliance

	Yes	No	Explanation
a. Does the company have a clear policy of delimitation of functions between the administration or government performed by the board of directors, the ordinary management in charge of senior management and the leadership of the general manager?	X		The organization and functions manual of the company establishes the functions assigned to the board of directors, senior management and the general manager.
b. Do the appointments of general manager and chairman of the board of directors of the company fall on different people?	X		The possibility of expressly including this specification in the directory regulations will be evaluated.
c. Does senior management have sufficient autonomy to carry out assigned functions, within the framework of policies and guidelines defined by the board of directors, and under its control?	X		Senior management has sufficient autonomy to carry out its functions.
d. Is the general management responsible for complying with and enforcing the policy for the delivery of information to the board of directors and its directors?	X		This function is within the attributions of the general management.
e. Does the board annually evaluate the performance of the general management against well-defined standards?	X		According to the statute, it is an inherent function of the board of directors evaluate the function of general management.
f. Does the remuneration of senior management have a fixed and a variable component, which take into consideration the results of the company, based on a prudent and responsible assumption of risks, and the fulfillment of the goals outlined in the respective plans?	X		The company has a policy that defines the remuneration of senior management and contemplates such attributes.

a. Indicate the following information regarding the remuneration received by the general manager and the management team (including bonuses).

Position	Remuneration(*)	
	Fixed	Variable
General manager	0.04%	0.02%
Management leaders	0.23%	0.06%

(\*) Indicate the percentage that represents the total amount of the annual remuneration of the members of senior management with respect to the level of gross income, according to the company's financial statements.

b. If the company pays bonuses or compensation to senior management other than those determined by legal mandate, indicate the form(s) in which they are paid.

Does not apply.

c. If there is a variable component in the remuneration, specify the main aspects taken into account for its determination.

To determine the variable component of remuneration, the results of the company and the individual performance of the members of senior management are taken into account.

d. Indicate whether the board of directors evaluated the performance of the general management during the fiscal year.

Yes | X | No

**Principle 25: Environment of the risk management system**

Question IV.1	Yes	No	Explanation
a. Does the board of directors approve a comprehensive risk management policy according to its size and complexity, promoting a culture of risk management within the company, from the board of directors and senior management to the employees themselves?	X		Society, being a system company has a comprehensive risk management policy designed in accordance with current legal provisions.
b. Does the comprehensive risk management policy reach all the companies that make up the group and allow a global vision of critical risks?	X		The company has a comprehensive risk management policy that is applicable to the companies in its group.

Does the company have a risk management delegation policy that establishes the risk limits that can be managed by each level of the company?

Yes | X | No

Question IV.2	Yes	No	Explanation
a. Does the general management manage the risks to which the company is exposed and inform the board of directors of them?	X		The general management manages the risks based on the information received from the Risk Committee and the Risk Management.
b. Is the general management responsible for the risk management system, in the event that there is no risk committee or risk management?		X	There is a Risk Committee.

Does the company have a risk manager?

Yes | X | No

If your answer is yes, please provide the following information:

Names and surnames	Position date		Area / body to which it reports
	Start <sup>(*)</sup>	End <sup>(**)</sup>	
Vicente Puig Payá	01/09/2019	—	General management Directory

(\*) Corresponds to the first appointment in the reporting company.  
 (\*\*) Complete only if you have stopped holding the position during the year.

Question IV.3	Yes	No	Explanation
Does the company have an internal and external control system, the effectiveness and suitability of which are supervised by the board of directors?	X		The company, being a financial system company, complies with the provisions of this principle

## Principle 26: Internal audit

### Question IV.4

	Yes	No	Explanation
a. Does the internal auditor carry out auditing tasks exclusively, does he/she have autonomy, experience and specialization in the issues under his/her evaluation, and with independence to monitor and evaluate the effectiveness of the risk management system?	X		The company, being a financial system company, complies with the provisions of this principle.
b. Are functions of the internal auditor the permanent evaluation that all the financial information generated or registered by society is valid and reliable, as well as verify the effectiveness of regulatory compliance?	X		The company, being a financial system company, complies with the provisions of this principle.
c. Does the internal auditor report directly to the Audit Committee on its plans, budget, activities, progress, results obtained and actions taken?	X		The company, being a financial system company, complies with the provisions of this principle.

a. Indicate whether the company has an independent area in charge of internal auditing.

Yes  |  | No

If the answer to the previous question is affirmative, within the organic structure of the company, indicate, hierarchically, who the audit reports to.

Depends on:  | Company directory

b. Indicate whether the company has an internal corporate auditor.

Yes  |  | No

Indicate what are the main responsibilities of the person in charge of internal audit and if he/she performs other functions unrelated to internal audit.

The general auditor is responsible for managing the Audit area, whose purpose is to objectively and independently supervise the operation of the organization's internal control model, verifying its adequacy and effectiveness. For this, it reports to the Audit Committee, made up of directors who have received the delegation of the board of directors. Due to the nature of his function, the auditor general cannot perform any other executive function in the Bank.

### Question IV.5

	Yes	No	Explanation
Does the appointment and dismissal of the internal auditor correspond to the board of directors at the proposal of the Audit Committee?	X		The Audit Committee appoints the internal auditor and then reports to the board.

## Principle 27: External auditors

### Question IV.6

	Yes	No	Explanation
Does the AGM, at the proposal of the board of directors, appoint the auditing company or the independent auditor, those who maintain a clear independence from society?	X		In accordance with the provisions of the statute, the election can be delegated to the board of directors.

a. Does the company have a policy for the appointment of the external auditor?

Yes  |  | No

In case the answer to the previous question is affirmative, describe the procedure for contracting the audit firm in charge of issuing an opinion on the annual financial statements (including the identification of the body of the company in charge of choosing the audit firm).

The selection of external auditors is made at the corporate level from our parent company, which defines the guidelines and independence criteria that the auditing company must meet. proposal. At the local level, the Board of Directors approves the company proposed by the corporation and submits it to the consideration of the mandatory annual shareholders meeting, which ultimately decides on the appointment of the external auditors, being able to delegate said decision to the Board of Directors in accordance with the law

b. If the auditing company has performed services other than the actual auditing of accounts, indicate whether such contracting was reported to the AGM, including the percentage billing that these services represent on the total billing of the auditing company to the company.

Yes | | No |

c. Do the persons or entities linked to the auditing company provide services to the company, other than those of the auditing of accounts?

Yes | | No |

If the answer to the previous question is affirmative, indicate the following information regarding the additional services provided by persons or entities linked to the audit firm in the reporting period.

Does not apply.

d. Indicate if the audit company has used different teams, in case it has provided additional services to the audit of accounts.

Yes | | No |

**Question IV.7**

	Yes	No	Explanation
a. Does the company maintain a renewal policy for its independent auditor or audit firm?	<input checked="" type="checkbox"/>		The company maintains a policy that defines the guidelines for hiring or renewing audit firms.
b. If said policy establishes longer terms for renewal of the audit firm, does the firm's work team Audist system rotated at most every five (5) years?	<input checked="" type="checkbox"/>		The company maintains a policy that defines the guidelines for hiring or renewing audit firms.

Indicate the following information on the auditing firms that have provided services to the company in the last five (5) years.

Business name of the audit company	Service <sup>(*)</sup>	Term	Remuneration <sup>(**)</sup>	% of the income from the society Audit Service
Gris y Asociados S. C. R. L. (Deloitte)	Annual audit EE.FF.	2017-2021	S/376,000	
Deloitte & Touche S. R. L. (Deloitte)	Corporate social responsibility	2017-2021	S/85,000	
Gris y Asociados S. C. R. L. (Deloitte)	Other services	2017-2021	S/1,358,000	
Price Waterhouse Coopers S. R. L. (PWC)	Consulting	2017-2021	S/396,000	
Ernst & Young	Consulting	2017-2021	S/3,788,000	
KPMG Asesores S. C. R. L.	Other services	2017-2021	S/305,000	
Caipo y Asociados S. C. R. L. (KPMG)	Annual audit EE. FF.	2017-2021	S/9,369,000	
Caipo y Asociados S. C. R. L. (KPMG)	Corporate social responsibility	2017-2021	S/166,000	
Caipo y Asociados S.C.R.L. (KPMG)	Other services	2017-2021	S/487,000	

(\*) Include all types of services, such as financial information reports, accounting reports, operational audits, systems audits, tax audits or others.

(\*\*) Of the total amount paid to the audit firm for all concepts, indicate the percentage that corresponds to remuneration for financial audit services.

#### Question IV.8

	Yes	No	Explanation
In the case of economic groups, is the external auditor the same for the entire group, including the off-shore subsidiaries?	X		There are no off-shore subsidiaries.

Indicate whether the audit firm hired to audit the financial statements of the company corresponding to the fiscal year that is the subject of this report, also audited the financial statements for the same year for other companies in its economic group.

Yes  No

If your answer to the previous question is affirmative, please indicate the following:

#### Name or company name of the company of the economic group

Banco BBVA Perú – BBVA  
 BBVA Bolsa Sociedad Agente de Bolsa S. A. – BBVA SAB  
 BBVA Asset Management S. A. Sociedad Administradora de Fondos – BBVA SAF  
 BBVA Sociedad Titulizadora S. A. – BBVA Titulizadora  
 Inmuebles y Recuperaciones BBVA S. A.  
 Comercializadora Corporativa S. A. C.  
 BBVA Consumer Finance Edpyme  
 Forum Comercializadora del Perú S. A.  
 Forum Distribuidora del Perú S. A.  
 Fundación BBVA Perú

## PILLAR V: Transparency of information

### Principle 28: Information Policy

#### Question V.1

	Yes	No	Explanation
Does the company have an information policy for shareholders, investors, other stakeholders and the market in general, with which it defines in a formal, orderly and comprehensive manner the guidelines, standards and criteria that will be applied in the management, compilation, elaboration, classification, organization and/or distribution of the information generated or received by society?	X		

a. If so, indicate whether, according to its information policy, the company disseminates the following:

	Yes	No
Society objectives		X
List of members of the board of directors and senior management	X	
Shareholder structure		X
Description of the economic group to which it belongs	X	
Financial statements and annual report	X	
Others / Detail		

b. Does the company have a corporate website?

Yes  No  No

The corporate website includes:

	Yes	No
A special section on corporate governance or relations with shareholders and investors that includes a Corporate Governance Report	X	
Facts of importance	X	
Financial information	X	
Statute	X	
AGM regulations and information on meetings (attendance, minutes, others)	X	
Composition of the directory and its regulations	X	
Code of ethics	X	
Risk policy		X
Corporate social responsibility (community, environment, others)	X	
Others / Detail		

#### Question V.2

	Yes	No	Explanation
Does the company have an investor relations office?	X		The Finance area assumes this responsibility.

If you have an investor relations office, indicate who is the responsible person.

Head of the investor relations office	Stefany Campos Gutarra – Principal Manager Budget Modeling & Planning
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If there is no investor relations office, indicate the unit (department/area) or person in charge of receiving and processing requests for information from the company's shareholders and the general public. If you are a person, also include your position and area in which you work.

Area in charge | Finance

Person in charge		
Names and surnames	Position	Area
María Esther Díaz Castro	Physical guard specialist stables and shareholders	Centralized Operations – Securities

### Principle 29: Financial statements and annual report

If there are caveats in the report by the external auditor, have these caveats been explained and/ or justified to the shareholders?

Yes | No | Does not apply |

### Principle 30: Information on shareholding structure and agreements between shareholders

Question V.3	Yes	No	Explanation
Does the company disclose the ownership structure, considering the different classes of shares and, if applicable, the joint participation of a particular economic group?	<input checked="" type="checkbox"/>		There are no different classes of shares.

Indicate the composition of the shareholding structure of the company at the end of the fiscal year.

Share holdings with voting rights	Number of holders (at year end)	% participation
Less than 1%	7,952	6.13%
Between 1% and 5%	1	1.63%
Between 5% and 10%	0	0
Greater than 10%	2	92.24%
Total	7,955	100%

Percentage of shares in portfolio over share capital:

Does not apply.

Question V.4	Yes	No	Explanation
Does the company report on agreements or pacts between shareholders?		<input checked="" type="checkbox"/>	The company is an S.A.A.

a. Does the company have registered agreements in force between shareholders?

Yes |  | No | Does not apply |

b. If there has been any pact or agreement between the shareholders that has been reported to the company during the year, indicate the matters dealt with by each of these.

Does not apply.



**Principle 31: Corporate governance report**

**Question V.5**

	Yes	No	Explanation
Does the company disclose the standards adopted in matters of corporate governance in an annual report, the content of which is the responsibility of the board of directors, following a report from the Audit Committee, the Corporate Governance Committee or an external consultant, if applicable?	X		The board of directors approves the annual report of the Corporate Governance Committee.

a. Does the company have mechanisms for internal and external dissemination of corporate governance practices?

Yes  No

If the answer to the previous question is affirmative, specify the mechanisms used.

Bank website \_\_\_\_\_

## Section C

### Content of company documents

Indicate in which of the following company document(s) the following issues are regulated:

		Principle	Estatute	Rules of procedure(*)	Manual	Others	Not regulated	Does not apply	Denomination of document(**)
1.	Policy for the redemption or exchange of shares without voting rights	1						X	
2.	Method of registration of share ownership rights and person responsible for registration	2				X			
3.	Procedures for the selection of an external advisor who issues an independent opinion on the proposals of the corporate operations board that may affect the shareholders' right to non-dilution	3						X	
4.	Procedure for receiving and responding to requests for information and opinions from shareholders	4		X					
5.	Dividend policy	5				X			
6.	Policies or agreements not to adopt anti-absorption mechanisms	6						X	
7.	Arbitration agreement	7	X						
8.	Policy for the selection of company directors	8		X					
9.	Policy to evaluate the remuneration of company directors	8		X					

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		Principle	Estatute	Rules of procedure(*)	Manual	Others	Not regulated	Does not apply	Denomination of document(**)
10.	Mechanisms to make available to shareholders information related to points contained in the agenda of the AGM and proposed resolutions	10		X					
11.	Additional means to those established by law, used by the company to convene meetings	10		X					
12.	Additional mechanisms so that shareholders can formulate proposals for agenda items to be discussed at the AGM	11		X					
13.	Procedures for accepting or denying shareholder proposals to include agenda items to be discussed at the AGM	11		X					
14.	Mechanisms that allow non-face-to-face participation of shareholders	12						X	
15.	Procedures for the issuance of the differentiated vote by the shareholders	12		X					
16.	Procedures to be followed in proxy voting situations	13		X					
17.	Requirements and formalities for a shareholder to be represented at a meeting	13		X					
18.	Procedures for the delegation of votes in favor of the members of the board of directors or senior management	13						X	

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		Principle	Estatute	Rules of procedure(*)	Manual	Others	Not regulated	Does not apply	Denomination of document(**)
19.	Procedure for monitoring the agreements of the AGM	14						X	
20.	The minimum and maximum number of directors that make up the company's board of directors	15	X	X					
21.	The duties, rights and functions of the directors of the company	17		X					
22.	Types of bonuses received by the board of directors for meeting goals in the company	17						X	
23.	Hiring policy for advisory services for directors	17		X					
24.	Induction policy for new directors	17		X					
25.	The special requirements to be an independent director of the company	19		X					
26.	Criteria for evaluating the performance of the board of directors and that of its members	20				X			
27.	Policy for determination, monitoring and control of possible conflicts of interest	22		X					
28.	Policy that defines the procedure for the valuation, approval and disclosure of operations with related parties	23				X			

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		Principle	Estatute	Rules of procedure(*)	Manual	Others	Not regulated	Does not apply	Denomination of document(**)
29.	Responsibilities and functions of the chairman of the board of directors, the executive president, the general manager and other officials with senior management positions	24		X					
30.	Criteria for evaluating the performance of senior management	24				X			
31.	Policy to set and evaluate the remuneration of senior management	24		X					
32.	Comprehensive risk management policy	25		X					
33.	Internal Audit Manager Responsibilities	26		X					
34.	Policy for the appointment of the external auditor, duration of the contract and criteria for renewal	27		X					
35.	Policy for disclosure and communication of information to investors	28						X	

(\*) Includes AGM regulations, board regulations or others issued by the company.

(\*\*) Indicate document name except in the case of the company's bylaws.

## Section D

### Other information of interest<sup>4</sup>

The restrictions arranged by the Government in the face of the covid-19 pandemic were maintained throughout 2021, although some attention to the public was allowed in certain sectors. Due to this, the activities with the various stakeholders were handled in hybrid formats that prioritized the virtual.

Remote work was successfully applied with the Bank's employees, in constant coordination with the Head of Talent & Culture and with the support of the Engineering and Occupational Health and Safety areas.

Communication and interaction with the client was maintained through virtual and face-to-face meetings generated by the various business segments, which promptly provided the knowledge and business opportunities that the user expects.

In November, the Financial Education Week was held, aimed at clients of the Business segment and individuals, with the participation of representatives of numerous entities in the sector and of the Bank's units.

In the field of attention to society, the BBVA Foundation strengthened the programming it is responsible for. To its already recognized activities in education and culture, it added new actions in 2021, this time in science and sustainability, all under the Group's new model of commitment to society.

Throughout this document, a detailed account is given of all the actions that BBVA carried out during 2021 to serve all its stakeholders.

<sup>4</sup> Information of interest not dealt with in the previous sections is included, which contributes to the investor and the various stakeholders having a greater scope on other good corporate governance practices implemented by the company, as well as on practices related to corporate responsibility, corporate social, the relationship with institutional investors, etc. Likewise, the company may indicate whether it has voluntarily adhered to other international, sectoral or other codes of ethical principles or good practices, indicating the code and the date of adherence.

## 6.5.8. Corporate Sustainability Report (10180)

Denomination	Banco BBVA Perú
Year	2021
Web page	www.bbva.pe
Name or business name of the reviewing company <sup>1</sup>	KPMG
RPJ	

### I. Environment and climate change

#### Environmental policy:

Question 1	Yes	No	Explanation
Does the company have an environmental policy or a management system that includes environmental commitments?	X		BBVA's General Sustainability Policy includes the Group's commitment to the responsible management of natural resources; The main expression of this commitment is the Global Eco-efficiency Plan (PGE), with specific goals by indicator and country that are renewed every 4 years.

a. If the answer to question 1 is affirmative, indicate the document name in which the policy or management system adopted by the company is evidenced, date of approval and the year since is being applied:

Document name	Approval date	Year since is being applied
Global Eco-efficiency Plan 2021-2025; Pledge 2025 (Commitment 2025)	5/05/2021	2008

<sup>1</sup> It is only applicable in the event that the information contained in this report has been reviewed by a specialized company (for example: auditing company or consulting company).

b. If the answer to question 1 is affirmative, please specify:

	Yes	No	Explanation
Has said environmental policy or management system been approved by the Board of Directors?	X		The General Sustainability Policy is a global policy, due to which it is approved by the Board of Directors at the Holding level before being adopted by BBVA Peru.
Does said environmental policy or management system contemplate risk management, identification and measurement of the environmental impacts of its operations related to climate change(*)?	X		The General Sustainability Policy mentions the management of the impact of climate change, which is specified in the strategic plan approved by the Board of Directors in 2019 and Its priority axes are climate change and inclusive and sustainable social development.
Does the company have an annual report in which the results of its environmental policy are evaluated and has it been brought to the attention of the Board of Directors?	X		The BBVA Peru board evaluates the results of environmental management during the review of the Integrated Annual Report.

(\*) It is expected that society considers, in management related to climate change, the "physical" aspects (floods, landslides, droughts, desertification, etc.) and/or the aspects of "transition" to a new low economy in carbon (use of new technologies, decarbonization of investment portfolios, etc.).

**Question 2**

	Yes	No	Explanation
Has the company, during the year, been the subject of any investigation, community complaint, public controversy or has any corrective measure, precautionary measure, fine or other sanction been imposed on it that involves the violation of environmental regulations by it?(*)		X	BBVA no ha sido objeto de investigaciones, quejas de la comunidad o controversias por la violación de normas ambientales.

(\*) It is expected that society will consider in this point those investigations, community complaints, public disputes or corrective measures, precautionary measures, fines or other sanction, which are linked to impacts of a material nature. According to the definition of the Global Reporting Initiative, material is understood as those aspects that reflect significant economic, environmental and social impacts of the organization or substantially influence the assessments and decisions of the stakeholders.

a. If the answer to question 2 is affirmative, indicate the type of investigation, complaint of the community, public controversy, corrective measure, precautionary measure, fine or other sanction, which involves the violation of the environmental norms to which the company has been subjected during the fiscal year; as well as the state or situation of the same at the end of the fiscal year:

<b>Investigation, community complaint, public controversy corrective measure, precautionary measure, fine or other sanction</b>	<b>State or situation</b>
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b. Specify whether the company maintains any current investigation, community complaint, public controversy, corrective measure, precautionary measure, fine or other sanction involving a breach of environmental regulations initiated in previous years; as well as the state or situation of the same at the end of the fiscal year:

<b>Investigation, community complaint, public controversy corrective measure, precautionary measure, fine or other sanction</b>	<b>State or situation</b>
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## Greenhouse Gas Emissions (GHG):

### Question 3

	Yes	No	Explanation
Does the company measure its GHG <sup>(*)</sup> emissions?	X		BBVA measures its emissions of GHG and has reduction commitments through the Global Eco-efficiency Plan (PGE). Scope 1 (emissions from fuel consumption –LPG, diesel– and the Bank's own vehicles in tons of CO <sub>2</sub> ), scope 2 (emissions from electricity consumption in tons of CO <sub>2</sub> ) and scope 3 (emissions from rented vehicles) are measured. and business trips by Bank professionals in tons of CO <sub>2</sub> ).

(\*) **Greenhouse Gases (GHG):** Gases that are part of the atmosphere, of natural or human origin, that trap the sun's energy in the atmosphere, causing it to heat up (Law No. 30754, Framework Law on Climate Change, or regulation replace or modify it).

a. If the answer to question 3 is affirmative, please specify:

Document name	Required information
If the company has a certification, report or report from a third party that shows the measurement of total GHG <sup>(*)</sup> emissions. Indicate its name, date of issue and if it is valid at the end of the fiscal year.	The Ministry of the Environment has recognized BBVA as a pioneering organization and leader in the use of the Peru Carbon Footprint tool, which makes it possible to identify public and private organizations that have managed to manage their greenhouse gas emissions. In this way, the financial entity reaffirms its commitment to sustainability and care for the environment.
If the company has a platform, tool or standard developed internally for the measurement of total GHG emissions <sup>(*)</sup> , indicate its name, its implementation date and, if applicable, its last update.	BBVA has a corporate platform called "Sustainability Data Upload" in which information related to environmental indicators, including GHG, is recorded on a monthly basis. BBVA Peru has been using the standardized global platform since 2017.

(\*) The total GHG emissions generated by a company is called the corporate carbon footprint.

b. If the answer to question 3 is affirmative, indicate the following information corresponding to the last three (3) years:

Year	Total GHG emissions (MT CO <sub>2</sub> e)		
	Scope 1 <sup>(*)</sup>	Scope 2 <sup>(**)</sup>	Scope 3 <sup>(***)</sup>
2021	65.40	5,149.55	382.94
2020	92.73	5,321.68	336.23
2019	88.27	7,703.16	1,666.82

(\*) **Scope 1:** GHG emissions that are directly generated by the company. For example, emissions from combustion in boilers, ovens, vehicles, etc.

(\*\*) **Scope 2:** GHG emissions generated indirectly by the use of energy by the company.

(\*\*\*) **Scope 3:** All other GHG emissions generated indirectly by the company. For example: air travel, land travel, paper consumption, transfer of employees, etc.

Question 4	Yes	No	Explanation
Does society have objectives or goals to reduce GHG emissions?	X		<p>1. Transformation of the Corporate Building - Headquarters.</p> <p>2. Other Projects at Headquarters.</p> <ul style="list-style-type: none"> <li>•Replacement of pole lighting fixtures.</li> <li>•Localized lighting system for the four bicycle parking areas applying the use of LED technology lamps (with lower electrical energy consumption) and the additional objective of providing better nighttime security to these areas.</li> </ul> <p>3. Certified premises</p> <ul style="list-style-type: none"> <li>•ISO 14001: Headquarters.</li> <li>•Certification of Energy from renewable sources: Headquarters.</li> <li>•Other certifications: EDGE.</li> </ul> <p>4. Corporate taxi service.</p> <p>5. Carbon Footprint Peru.</p> <p>6. AURORA Project – Office Remodeling since 2020.</p> <p>On the other hand, we have the annual goal of being a Carbon Neutral company. For this, we offset our entire Carbon Footprint by buying credits from Projects within the Voluntary Carbon Market.</p>

a. If the answer to question 4 is affirmative, indicate the document name in which the GHG emission reduction objectives or goals by the company are based, the date of approval of the objectives or goals and the year since is being applied:

Document name	Approval date	Year since is being applied
Global Eco-efficiency Plan 2021-2025; Pledge 2025 (Commitment 2025)	5/05/2021	2008

b. If the answer to question 4 is affirmative, please specify:

	Yes	No	Explanation
Have these reduction targets or goals been approved by the Board?	X		The Global Eco-efficiency Plan (PGE), which indicates the reduction goals for each indicator environment, is approved by the Holding.

## Water:

### Question 5

	Yes	No	Explanation
Does the company measure its water consumption (in m <sup>3</sup> ) in all its activities?	X		Within the framework of the PGE for the reduction of its environmental footprint, the company has established an objective in the environmental management system that includes the measurement and reduction of water consumption per occupant, among other measures, within a new concept of "office green". Also, as part of the transformation of the corporate headquarters building authorization has been carried out of saving taps and low consumption sanitary appliances.

If the answer to question 5 is affirmative, indicate the following information corresponding to the last three (3) years:

Year	Total water consumption (m <sup>3</sup> )
2021	165,959.77
2020	192,829.26
2019	176,933.00

### Question 6

	Yes	No	Explanation
Does society measure its water footprint <sup>(*)</sup> ?		X	BBVA does not consider relevant the measurement of the water footprint in its processes because the impacts of the Bank's operations are not significant, as it is a financial services company.

(\*) **Water Footprint:** indicator that defines the total volume of water used and impacts caused by the production of goods and services. Considers direct and indirect water consumption throughout the production process, including its different stages in the supply chain ("Norm that Promotes the Measurement and Voluntary Reduction of the Water Footprint and Shared Value in the Hydrographic Basins" - Jefatural Resolution No. 023-2020-ANA, or rule that replaces or modifies it).

If the answer to question 6 is affirmative, please specify:

Water footprint measurement	Required information
If the company has a certification, report or report from a third party that shows the measurement of its water footprint, indicate its name, date of issue and if it is valid at the end of the fiscal year.	
If the company has a platform, tool or standard developed internally for measuring its water footprint, indicate its name, its date of implementation and, if applicable, its latest update.	

Question 7	Yes	No	Explanation
Does society have objectives or goals to reduce its water consumption?	X		Within the framework of the PGE for the reduction of its environmental footprint, objectives have been established in the environmental management system that includes the measurement and reduction of water consumption per occupant, among others measures, within a new concept of "green office". Likewise, as part of the transformation of the corporate building of the Headquarters, saving taps and low-consumption sanitary devices have been fitted out in line with the design standards of our Branch Network.

a. If the answer to question 7 is affirmative, indicate the document name in which the adopted objectives or goals for the reduction of water consumption of the company are evidenced, date of approval and the year since is being applied:

Document name	Approval date	Year since is being applied
Global Eco-efficiency Plan 2021-2025; Pledge 2025 (Commitment 2025)	5/05/2021	2008

b. En caso de que sea afirmativa la respuesta a la pregunta 7, precise:

	Yes	No	Explanation
Have these reduction targets or goals been approved by the Board?	X		The PGE, which indicates the reduction goals for each environmental indicator, is approved by the Holding.

Question 8	Yes	No	Explanation
Does the company control the quality of its effluents(*)?		X	BBVA does not discharge wastewater directly into the environment as it is a company that provides financial services.

(\*) **Effluent:** Direct discharge of wastewater into the environment, whose concentration of polluting substances must contemplate the Maximum Permissible Limits (LMP) regulated by Peruvian legislation. Wastewater is considered to be those whose characteristics have been modified by anthropogenic activities, require prior treatment and can be discharged into a natural body of water or reused. (Glossary of Terms for Peruvian Environmental Management, General Directorate of Environmental Management Policies, Standards and Instruments, 2012, Ministry of the Environment – MINAM).

If the answer to question 8 is affirmative, indicate the document name that evidences the control of the effluents:

Document name
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## Energy:

### Question 9

	Yes	No	Explanation
Does the company measure its energy consumption (in kWh)?	X		Within the framework of the PGE to reduce its environmental footprint, the BBVA Group has adopted since 2008 various initiatives that include the measurement of electricity consumption (kWh) per occupant, as well as its reduction.

If the answer to question 9 is affirmative, indicate the following information corresponding to the last three (3) years:

Year	Total energy consumption (kWh)
2021	31,458,828
2020	34,662,202
2019	34,389,123

### Question 10

	Yes	No	Explanation
Does society have objectives or goals to reduce its energy consumption?	X		<p>Within the framework of the PGE to reduce its environmental footprint, since 2008 the BBVA Group has adopted various initiatives that include efficient energy consumption, such as the implementation of renewable energies, the use of new technologies for energy saving, the implementation of environmental and energy audits in buildings and the rationalization of resources to make infrastructure more efficient, among other measures that contribute to reducing GHG emissions. Projects carried out in 2021 include:</p> <ul style="list-style-type: none"> <li>•1. Transformation of the corporate building–Headquarters.</li> <li>•2. Other projects at Headquarters: <ul style="list-style-type: none"> <li>-Replacement of lighting fixtures on poles.</li> <li>-Localized lighting system for the four bicycle parking areas applying the use of LED technology lamps (with lower electrical energy consumption) and the additional objective of providing better nighttime security to these areas.</li> </ul> </li> <li>•3. Certified premises: <ul style="list-style-type: none"> <li>-ISO 14001: Headquarters.</li> <li>-Certification of energy from renewable sources: Headquarters.</li> <li>-Other certifications: EDGE.</li> </ul> </li> <li>•4. Corporate taxi service.</li> <li>•5. Carbon Footprint Peru.</li> <li>•6. AURORA Project – Remodeling of offices.</li> </ul>

a. If the answer to question 10 is affirmative, indicate the document name in which the reduction objectives adopted by the company are evidenced, date of approval and the year since is being applied:

Document name	Approval date	Year since is being applied
Global Eco-efficiency Plan 2021-2025; Pledge 2025 (Commitment 2025)	05/05/2021	2008

b. If the answer to question 10 is affirmative, please specify:

	Yes	No	Explanation
Have these reduction targets or goals been approved by the Board?	X		The PGE, which indicates the reduction goals for each environmental indicator, is approved by the Holding.

### Solid waste:

Question 11	Yes	No	Explanation
Does the company measure the solid waste it generates (in tons)?	X		<p>Within the framework of the PGE to reduce its environmental footprint, the BBVA Group has adopted since 2008 various initiatives that include the measurement, establishment of controls and collection of waste resulting in supplies such as paper, electrical appliances and other remnants throughout the BBVA Group's sphere of influence.</p> <p>It should be noted that only since 2019 the information is disaggregated by type of waste collected, so there is no data for 2018.</p>

If the answer to question 11 is affirmative, indicate the following information corresponding to the last three years:

Year	Hazardous solid waste (MT) <sup>(*)</sup>	Non-hazardous solid waste (MT) <sup>(**)</sup>	Total solid waste (MT)
2021	1	1,307	1,308
2020	1	1,103	1,104
2019	2	1,032	1,034

(\*) **Hazardous solid waste:** Hazardous solid waste is considered to be that contemplated in Annex III of the Regulation of Legislative Decree No. 1278, Legislative Decree that approves the Law of Integral Management of Solid Waste, approved by Decree Supreme No. 014-2017-MINAM, or rule that replaces or modifies it.

(\*\*) **Non-hazardous solid waste:** Non-hazardous solid waste is considered to be that contemplated in Annex V of the Regulation of Legislative Decree No. 1278, Legislative Decree that approves the Law of Comprehensive Management of Solid Waste, approved by Supreme Decree No. 014-2017 -MINAM, or rule that replaces or modifies it.

Question 12	Yes	No	Explanation
Does the company have objectives or goals to manage (reduce, recycle or re- use) its solid waste?	X		Within the framework of the PGE to reduce its environmental footprint, the BBVA Group has adopted since 2008 various initiatives that include consumption energy efficient, such as the implementation of renewable energies, the use of new technologies for energy saving, the performance of environmental and energy audits in buildings and the rationalization of resources to make infrastructure more efficient, among other measures that contribute to reducing GHG emissions.

a. If the answer to question 12 is affirmative, indicate the document name in which the solid waste management objectives adopted by the company are evidenced, date of approval and year since is being applied.

Document name	Approval date	Year since is being applied
Global Eco-efficiency Plan 2021-2025; Pledge 2025 (Commitment 2025)	5/05/2021	2008

b. If the answer to question 12 is affirmative, specify:

	Yes	No	Explanation
Have these reduction targets been approved by the Board?	X		The PGE, which indicates the reduction goals for each environmental indicator, is approved by the Holding.

## II. Social

### Stakeholders:

Question 13	Yes	No	Explanation
Has the company identified the risks and opportunities in relation to its stakeholders (such as employees, suppliers, shareholders, investors, authorities, customers, community, among others)?	X		From the management framework of risks, the Bank has a risk policy. Likewise, there are listening and dialogue tools that the different units use to generate communication with its stakeholders, which guarantees adequate and timely attention to their queries and needs from reliable and close sources of information, which in turn improves response capacity.

a. If the answer to question 13 is affirmative, indicate:

	Yes	No	Explanation
Do you have an action plan to manage risks and opportunities in relation to your stakeholders?	X		Each BBVA area that manages the relationship with the different stakeholders has established guidelines and action plans to identify risks and opportunities.
Does the company have a report in which the results of its action plan are evaluated and has this been made known to the Board of Directors?	X		In the meetings of the board of directors, the areas that manage the relationship with the different stakeholder present reports independently.
Do you publicly report your action plan and progress in relation to your stakeholders?	X		The 2021 Annual Report Integrated Report details the specific commitments with the following stakeholders: customers, employees, shareholders and investors, society and suppliers.

b. If the answer to question 13 is affirmative, indicate the document name that evidences the company's action plan in relation to its stakeholders:

#### Document name

Annual Report 2021 – Integrated Report  
(where the different commitments are found for each interest group)



Question 14	Yes	No	Explanation
During the year, has the company had any controversy or material conflict <sup>(*)</sup> , with any of its stakeholders, including the social conflicts contained in the Report on Social Conflicts of the Ombudsman's Office <sup>(**)</sup> and the Willaqniki Report on social conflicts issued by the Presidency of the Council of Ministers <sup>(***)</sup> ?		X	BBVA has not had controversies or material conflicts with any of its stakeholders.

(\*) According to the definition of the Global Reporting Initiative, material is understood as those aspects that reflect significant economic, environmental and social impacts of the organization or substantially influence the assessments and decisions of the stakeholders.

(\*\*) A "social conflict" must be understood as "a complex process in which sectors of society, the State and companies perceive that their objectives, interests, values or needs are contradictory and that contradiction can lead to violence." Source: Office for the Prevention of Social Conflicts and Governance of the Ombudsman of Peru. Social Conflict Report No. 186 (August-2019), Lima, 2019, p. 3.

(\*\*\*) "Social conflict" is defined as the "dynamic process in which two or more social actors perceive that their interests are generally opposed by the exercise of a fundamental right or by access to goods and services, adopting actions that may constitute a risk or a threat to governance and/or public order. As a social process, it can escalate towards scenarios of violence between the parties involved, meriting the coordinated intervention of the State, civil society and the productive sectors. Social conflicts are dealt with when the demands that generate them are within the Government policies and its guidelines." Source: Secretariat of Social Management and Dialogue of the Presidency of the Council of Ministers. ABC of the Secretariat of Social Management and Dialogue. Lima, 2018, p. 3.

If the answer to question 14 is affirmative, indicate the controversy or material conflict with any of your stakeholders; the state or situation of the same and the year of initiation of said controversy or conflict:

Controversy or conflict	State or situation	Start year

Question 15	Yes	No	Explanation
Does the company include environmental, social and corporate governance (ESG) aspects in its purchase criteria and/or selection of suppliers of goods and/or services?	X		BBVA carries out an approval process for recurrent suppliers with higher volumes of purchases. Said homologation consists of assessing its financial, legal, labor and reputational situation, know their basic technical capabilities and validate that they share the same values as the Group in terms of social responsibility. The process also allows knowing if the supplier fulfills its legal responsibilities (labour or environmental regulations, among others) and promotes its civic responsibilities.

If the answer to question 15 is affirmative, indicate the document name that evidences the inclusion of ESG aspects in the criteria for the purchase and/or selection of suppliers of goods and/or services:

Document name
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Approval to suppliers

**Labor rights:**

**Question 16**

	Yes	No	Explanation
Does the company have a labor policy?	X		The Bank has a Code of Conduct, a basic rule of commitment for any natural or legal person who performs actions on behalf of BBVA. It also states the principles and values that regulate the actions of all employees. Likewise, it has the BBVA Commitment in the Matter of Rights, which seeks strict compliance with the applicable legislation in its activities and operations, a commitment that includes the promotion and respect of human rights. Likewise, it has the Internal Work Regulations that establish the obligations and rights for both parties (employees and company).

a. If the answer to question 16 is affirmative, specify:

	Yes	No	Explanation
Has said labor policy been approved by the Directory?	X		The Code of Conduct and BBVA's Commitment to Human Rights come from the Holding to be adopted for each country. On the other hand, the Internal Work Regulations (RIT) have been approved by the Management Committee, made up of area managers, in 2012 (prior to that, BBVA had an earlier version of the RIT).
Does the company have a report in which the results of its labor policy are evaluated and this has been made known to the Board of Directors?		X	A report on compliance with the Code of Conduct is presented to the Management Committee, made up of area managers.

b. If the answer to question 16 is affirmative, indicate whether said labor policy includes and/or promotes, as appropriate, the following topics; as well as specify the document name that evidences its adoption, date of approval and the year since is being applied.

	Yes	No	Document denomination	Approval date	Year since is being applied
a. Equality and non discrimination.	X		<ul style="list-style-type: none"> <li>•Internal Work Regulation (the date of approval corresponds to Mintra approval)</li> <li>•Code of ethics</li> </ul>	3/08/2012	2012
b. Diversity.	X		<ul style="list-style-type: none"> <li>•Internal Work Regulation (the date of approval corresponds to Mintra approval)</li> <li>•Code of ethics</li> </ul>	3/08/2012	2012
c. Prevention of sexual harassment(**).	X		<ul style="list-style-type: none"> <li>•Internal Work Regulation (the date of approval corresponds to Mintra approval)</li> <li>•Code of ethics</li> </ul>	3/08/2012	2012
d. Prevention of harassment crimes and sexual harassment(**).	X		<ul style="list-style-type: none"> <li>•Internal Work Regulation (the date of approval corresponds to Mintra approval)</li> <li>•Code of ethics</li> </ul>	3/08/2012	2012
e. Affiliation freedom and collective bargaining.	X		<ul style="list-style-type: none"> <li>•Internal Work Regulation (the date of approval corresponds to Mintra approval)</li> <li>•Code of ethics</li> </ul>	3/08/2012	2012
f. Forced labour eradication	X		•Code of conduct	24/09/2015	2015
g. Child labour eradication	X		•Code of conduct	24/09/2015	2015

(\*) Take into consideration the scope of Law No. 27942.

(\*\*) Take into consideration the scope of articles 151-A and 176-B of the Penal Code, respectively.

c. Indicate the number of men and women within the organization and the percentage they represent of the total employees.

Employees	Number	Overall percentage of employees
Woman	3,215	52
Men	2,967	48
Total	6,183	100.00

#### Question 17

	Yes	No	Explanation
During the year, has the company been the subject of an investigation or has any corrective measure, precautionary measure, fine or other sanction related to non compliance with labor standards, health and safety, forced labor or child labor been imposed on it?		X	BBVA has not been the subject of investigations nor have corrective or precautionary measures, fines or sanctions been imposed on it related to non-compliance with labor, health and security, forced labor or child labor.

a. If the answer to question 17 is affirmative, indicate the type of investigation, corrective measure, precautionary measure, fine or other sanction, to which the company has been subject during the year related to non-compliance with labor standards, health and security, forced labor or child labor; as well as the state or situation of the same at the end of the fiscal year:

Investigation, corrective measure, precautionary measure, fine or other sanction	State or situation

b. Specify whether the company maintains current investigations, corrective measures, precautionary measures, fines or other sanctions from previous years related to non-compliance with labor standards, health and safety, forced labor or child labor; as well as the state or situation of the same at the end of the fiscal year:

Investigation, corrective measure, precautionary measure, fine or other sanction	State or situation

Question 18	Yes	No	Explanation
Does the company carry out an annual evaluation of its compliance or observance of the regulations referring to Health and Safety at Work?	X		The annual evaluation is carried out as an opportunity for improvement in accordance with the security and health at work.

Question 19	Yes	No	Explanation
Does the company keep a record of occupational accidents?	X		In the last three years there have been no fatal accidents. It should be noted that it is from 2021 that the information has been disaggregated, including minor and disabling accidents, so there is no such information for the years 2020 and 2019. Likewise, the Bank does not have such disaggregated information from its contractors, only the detail of accidents deadly.

If the answer to question 19 is affirmative, indicate the following information corresponding to occupational accidents<sup>(\*)</sup> of direct employees<sup>(\*\*)</sup> and contract employees<sup>(\*\*\*)</sup> of the company in the last three (3) years:

Indicator	Year	(Year-1)	(Year-2)
Year	2021	2020	2019
Number of direct employees	6,183	6,178	
Total hours worked by all direct employees during the year	0	1,181,800	
Number of minor accidents (direct employees)	0	1	
Number of disabling accidents (direct employees)	0	2	
Number of fatal accidents (direct employees)	0	0	0

Indicador	Year	(Year-1)	(Year-2)
Years	2021	2020	2019
Number of employees hired			
Total hours worked by all contracted employees during the year			
Number of minor accidents (contracted employees)	0	0	0
Number of disabling accidents (contract employees)	0	0	0
Number of fatal accidents (contract employees)	0	0	0

(\*) **Minor accident:** Event whose injury, as a result of the medical evaluation, generates a short break in the injured person with a maximum return to their usual work the following day. **Disabling accident:** Event whose injury, as a result of the medical evaluation, gives rise to rest, justified absence from work and treatment. **Fatal accident:** Event whose injuries cause the death of the worker. Source: Glossary of Terms of the Regulation of Law N° 29783 - Law on Safety and Health at Work, Supreme Decree N° 005-2012-TR or regulation that replaces or modifies it.

(\*\*) Direct employees are considered to be all those who are directly linked to the company through any contractual modality.

(\*\*\*) Contracted employees are considered to be all those who carry out outsourced activities.

#### Question 20

	Yes	No	Explanation
¿Does society measure its work environment?	X		<p>BBVA measures the levels of commitments of its employees through the measurement of the Q12 survey from Gallup. These questions seek to measure employee engagement and explain their productive motivations at work.</p> <p>The Q12 or 12 elements of commitment are separated into categories such as: basic needs, individual, teamwork and growth.</p> <p>Additionally, questions have been added referring to the experience of the Group's values, diversity and conciliation.</p>

a. If the answer to question 20 is affirmative, indicate:

	Yes	No	Explanation
¿Does the society have objectives or goals in order to improve their work environment?	X		At a global level, the group calibrates the level of commitment of the teams in each country where it has a presence through a survey carried out by the Gallup firm. In 2021, the survey sought to define, in a range of 1 to 5 points, the leadership and evolution of the cultural transformation in BBVA Peru. The Bank surpassed the score of 4.21 obtained in 2020 with a result of 4.27 for 2021; positioning Peru as the country of the Group that improved more in Gallup and the second with the best Grand Mean in the BBVA Group.

b. If you have indicated that you have objectives or goals to improve your work environment, indicate the document name in which said objectives are evidenced, the date of approval and the year since is being applied:

Document name	Approval date	Year since is applied
Commitment plan at BBVA 2020-2024 (Gallup)	2/09/2020	2020

Question 21	Yes	No	Explanation
Does the company have a talent management policy for its employees?	X		Talent Map: Tool that opts for the evaluation of the performance of the last two years and the assessment of skills. It allows to provide a differentiated value offer, recognizing the employee with the best performance. administration policy Compensation: Sets levels and grades that those people with a certain performance must occupy in the salary band and the target bonus.

a. If the answer to question 21 is affirmative, indicate the document name that supports the talent management policy for your employees:

Document name
Compensation Administration Policy

b. If the answer to question 21 is affirmative, specify:

	Yes	No	Explanation
Has said talent management policy been approved by the Board of Directors?	X		The salary bands initiative was presented in December 2021 committee. The talent map is the corporate talent model of the Holding and approved by it and is not optional for Peru.

**Question 22**

	Yes	No	Explanation
Does the company have procedures to identify and punish sexual harassment and workplace hostility? (*)	X		With the participation of the General Manager, during 2021 the Soy Íntegro program was launched, with the aim of reinforce the desired actions within the framework of the Code of Conduct. For the campaign, videos and communications were produced that developed topics such as conduct with customers, acceptance of gifts, anticorruption policy, conflict of interest, and conduct with colleagues (this one on the work environment and sexual harassment). Every employee who enters To work in any of the Group's entities in Peru, it is compulsory to follow the Anticorruption Policy and Code of Conduct courses through the virtual training platform. During the second semester, the Crime Prevention Program and Free Competition courses were added to the regulatory pack.

(\*) Take into consideration the scope that Law N° 27942 gives to sexual harassment and Supreme Decree No. 003-97-TR to workplace hostility or regulation that replaces or modifies it.

If the answer to question 22 is affirmative, indicate the name of the company document that supports the procedures to prevent sexual harassment and workplace hostility:

**Document name**

Code of conduct

**Human rights:**

**Question 23**

	Yes	No	Explanation
Does the company have an internal and external management policy or system that includes a complaints/reporting channel to deal with impacts on human rights?	X		<p>One of the purposes of the BBVA Code of Conduct and the companies of the BBVA Group in Peru is to reinforce the obligation of its members not to tolerate behaviors that deviate from the policies and guidelines indicated in it and prevent any action in the development of functions of Group members outside the law, or that are morally questionable.</p> <p>The Complaints Channel is a means where any stakeholder can report any non-compliance that observes or is transmitted to the stakeholder by other employee, clients or suppliers, which includes, but is not limited to, illegal or unethical conduct. To do this, following procedure must be fulfilled:</p> <ul style="list-style-type: none"> <li>•Discuss the case with your immediate superior or your Talent &amp; Culture manager.</li> <li>•Notify the case through the local Whistleblowing Channel.</li> <li>•Use the corporate Complaints Channel when the case to be notified to Fulfillment Holding is needed.</li> </ul>
Does the company record and respond, within a given period, to the results of the investigations derived from the complaints/accusations referred to in the preceding question?		X	The Whistleblowing Channel has specific deadlines for monitoring the investigations derived from it.



a. If the answer to question 23 is affirmative, indicate the document name that evidences the internal and external management policy or system adopted by the company, date of issue and the year since it has been implemented.

Document name	Issue date	Implementation year
Code of conduct	24/09/2015	2015

b. If the answer to question 23 is affirmative, indicate:

	Yes	No	Explanation
Does the company have a report evaluating the results of its internal and external management policy or system to remedy impacts on human rights?	X		BBVA adheres to the Principles of the Global Compact and each year prepares and discloses the Communication on Progress (COP) report of the United Nations. For more information, you can review the 2021 Annual Report – Integrated Report.
Does the company have a report evaluating the results of its internal and external management policy or system in order to mitigate impacts on human rights?			With the participation of the General Manager, during 2021 the Soy Íntegro program was launched, with the aim of reinforce the desired actions within the framework of the Code of Conduct. For the campaign, videos and communications were produced that developed topics such as conduct with clients, gifts acceptance, anticorruption policy, conflict of interest, and conduct with colleagues (emphasis on the work environment and sexual harassment). Every employee who work in any of the Group’s entities in Peru, it is compulsory to follow the Anticorruption Policy and Code of Conduct courses through the virtual training platform. During the second semester, the Crime Prevention Program and Free Competition courses were added to the regulatory pack.

### III. Additional information

Question 24	Yes	No	Explanation
Does the company have an international certification in Corporate Sustainability?		X	<p>Although BBVA does not have an international certification in terms of corporate sustainability, it does comply with the main international standards on corporate social responsibility (CSR), as well as with other initiatives that the Responsible Business Committee considers appropriate and convenient, which is reflected in the following:</p> <ul style="list-style-type: none"> <li>•Principles of Responsible Banking, promoted by the United Nations Environment program Finance Initiative (UNEPFI). (Since 2019)</li> <li>•Sustainable Development Goals (<a href="https://www.undp.org/content/undp/es/home/sustainable-developmentgoals.html">https://www.undp.org/content/undp/es/home/sustainable-developmentgoals.html</a>). (Since 2018.)</li> <li>•United Nations Global Compact (<a href="http://www.globalcompact.org">www.globalcompact.org</a>). (since 2014)</li> <li>•United Nations Environment Program Finance Initiative, UNEP-FI (<a href="http://www.unepfi.org">www.unepfi.org</a>). (Since 1999)</li> <li>•Equator Principles (<a href="http://www.equatorprinciples.com">www.equatorprinciples.com</a>)</li> <li>•United Nations Declaration of Human Rights (<a href="http://www.un.org">www.un.org</a>).</li> <li>•Labor regulations of the International Labor Organization (<a href="http://www.ilo.org">www.ilo.org</a>).</li> <li>•Carbon Disclosure Project (<a href="http://www.cdproject.net">www.cdproject.net</a>). (since 2004)</li> <li>•Principles for Responsible Investment. (<a href="http://www.unpri.org">www.unpri.org</a>). (Since 2004)</li> <li>•Task Force on Climate-related Financial Disclosures (TCFD). (<a href="https://www.fsb-tcf.org/">https://www.fsb-tcf.org/</a>). (Since 2017)</li> <li>•Principles for Responsible Investment (since 2008)</li> <li>•Paris Agreement (since 2008)</li> </ul>

If the answer to question 24 is affirmative, indicate the certification that the company has and indicate the web link where it can be validated.

International certification	Web link

**Question 25**

	Yes	No	Explanation
Does the company have a Corporate Sustainability Report other than this report?	X		BBVA presents the 2021 Annual Integrated Report for the second year, after reporting information related to sustainability through the Responsible Banking Report since 2005, aligned with the 2025 Commitment Communication on Progress (COP). Non-financial information is verified by an independent third party.

If the answer to question 24 is affirmative, indicate the certification that the company has and indicate the web link where it can be validated.

Report name	Web link
Annual Report 2021 – Integrated Report	<a href="https://www.bbva.pe/content/dam/publicweb/peru/documents/personas/Memoria_Anual_2021-.pdf">https://www.bbva.pe/content/dam/publicweb/peru/documents/personas/Memoria_Anual_2021-.pdf</a>

## 6.5.9. Report on shareholder structure report by investor type (10190)

Denomination	Banco BBVA Perú
Year	2021

### Methodology

The information to be presented refers to those shares or securities representing the Company's participation that have been part of the S&P/BVL Peru Select Index, according to the information published on the website of the Lima Stock Exchange at the end of the fiscal year reported. The Company must indicate for each share or its representative value, which belongs to the aforementioned index, the composition of the shareholding structure by type of shareholder.

Shareholding structure by type of investor [Share: \[ISIN PEP116001004 Nemotécnico CONTINC1\]](#)

Ownership by type of shareholders of the share or share value that makes up the S&P Peru Selective Index (at the end of the year)	Number of holders	% participation <sup>(3)</sup>
1 Members of the board of directors and senior management of the company, including relatives <sup>(1)</sup>	0	0.00%
2 Workers of the company, not included in the numeral 1	80	0.20%
3 Natural persons, not included in numeral 1 and 2	7,802	2.29%
4 Pension funds managed by the Pension Fund Administrators under supervision of the Superintendence of Banking, Insurance and AFP	12	5.04%
5 Pension fund managed by the pension Standarization Office (ONP)	0	0.00%
6 Entities of the Peruvian State, with the exception of the assumption included in numeral 5	3	0.01%
7 Banks, finance companies, municipal savings banks, edpymes, rural savings banks and cooperatives and credit under the supervision of the Superintendence of Banking, Insurance and AFP	0	0.00%
8 Insurance companies under the supervision of the Superintendency of Banking, Insurance and AFPs	1	0.01%
9 Brokerage agents, under the supervision of the SMV	3	0.01%
10 Investment funds, mutual funds and trust assets under the scope of the Securities Market Law on Investment Funds and bank trusts under the scope of the General Law of the Financial System	11	0.01%
11 Autonomous estates and bank trusts abroad, to the extent that they can be identified	0	0.00%
12 Foreign depositaries that appear as holders of the share in the framework of programs of ADR or ADS	0	0.00%
13 Foreign depositaries that appear as holders of shares not included in number 12	0	0.00%
14 Foreign custodians listed as holders of shares	0	0.00%
15 Entities not included in previous numbers <sup>(2)</sup>	43	92.43%
16 Stocks belonging to the S&P/BVL Peru Select Index or representative value of these shares held by the company	0	0.00%
<b>Total</b>	<b>7,955</b>	<b>100.00%</b>
Ownership by holders of the share or of the value representing participation that makes up the S&P/BVL Peru Select Index, according to their residence (at the end of the fiscal year)	Number of holders	% participation <sup>(3)</sup>
Domiciled	7,902	99.84%
Not domiciled	53	0.16%
<b>Total</b>	<b>7,955</b>	<b>100.00%</b>

(1) Term "Relatives" according to the Regulation of Indirect Ownership, Linkage and Economic Groups.

(2) Term "Entities" according to the Regulation of Indirect Ownership, Linkage and Economic Groups.

(3) Two decimal places.

## 6.6. Branch and agent network

### Total offices in Lima

#### By territorial management

Offices	Commercial	Specials	Total
Principal office	1	—	1
G.T. Lima Centro	25	1	26
G.T. Lima Residencial	19	1	20
G.T. Surco – La Molina	25	2	27
G.T. Lince	23	1	24
G.T. Callao – San Miguel	25	1	26
G.T. Miraflores	24	—	24
CAFAE	—	—	—
<b>Total</b>	<b>142</b>	<b>6</b>	<b>148</b>

### Total offices in provinces

#### By territorial management

Offices	Commercial	Specials	Total
G.T. North	30	1	31
G.T. Center	23	1	24
G.T. East	22	—	22
G.T. South	26	1	27
G.T. Short North	29	2	31
G.T. Short South	24	—	24
<b>Total</b>	<b>154</b>	<b>5</b>	<b>159</b>

<b>Total offices in Lima</b>	<b>142</b>	<b>6</b>	<b>148</b>
<b>Total offices in provinces</b>	<b>154</b>	<b>5</b>	<b>159</b>
<b>Total general</b>	<b>296</b>	<b>11</b>	<b>307</b>

### Offices for Business and Corporate Banking, Corporate & Investment Banking, Institutional Banking and Wealth Banking

Offices	Lima	Provinces	Total
Business Banking	15	8	23
Premium Banking	3	—	3
Institutional Banking	1	—	1
Corporate Banking	1	—	1
<b>Total</b>	<b>20</b>	<b>8</b>	<b>28</b>

## Express Agent Network

ODS 1, ODS 8

	Department	N° Express Agents
Lima	Lima	2,663
<b>Total Lima</b>		<b>2,663</b>
Province	Amazonas	25
	Áncash	85
	Apurímac	21
	Arequipa	251
	Ayacucho	34
	Cajamarca	132
	Callao	306
	Cusco	116
	Huancavelica	4
	Huánuco	68
	Ica	107
	Junín	133
	La Libertad	249
	Lambayeque	242
	Loreto	49
	Madre de Dios	2
	Moquegua	19
	Pasco	25
	Piura	161
	Puno	47
	San Martín	128
	Tacna	29
	Tumbes	47
	Ucayali	66
<b>Total provinces</b>		<b>2,346</b>
<b>Total Express Agents</b>		<b>5,009</b>

## Express Plus Agents Network

	Department	N° Express Agents
Lima(*)	Lima	6
<b>Total Lima</b>		<b>6</b>
Province	Áncash	0
	Arequipa	1
	Cajamarca	1
	Huánuco	1
	Ica	2
	La Libertad	3
	Lambayeque	1
	Loreto	1
	Madre de Dios	1
	Piura	2
	Puno	1
	San Martín	1
	Tacna	1
	Tumbes	1
	Ucayali	2
<b>Total provinces</b>		<b>19</b>
<b>Total Express Agents Plus</b>		<b>25</b>

# 7. Non-financial information criteria and standards

[GRI 102-43, 102-46, 102-48, 102-49, 102-50, 102-51, 102-52, 102-54, 102-56, ODS 12](#)

This report has been prepared in order to account for BBVA's shares in its commitment to sustainable development during the 2021 financial year. For the second year consecutively, BBVA presents in a single document the financial information and the non-financial information financial, called Annual Report 2021–Integrated Report (MA-II).

Like the 2020 version, the development of the MA-II 2021 follows the standards internationally recognized based on the Sustainability Reporting model Standards of the Global Reporting Initiative (GRI Standards), in its exhaustive option, to the time that incorporates the criteria of the AA1000 standard of the Social and Ethical Institute Accountability.

The data entered refer, in a relevant and concise manner, to the financial framework and non-financial with respect to the strategy, corporate governance and performance of BBVA, on an annual basis and closing as of December 31, 2021. The present report includes comparative data for the years 2018, 2019 and 2020. If for any case some modification in the historical data will occur due to subsequent changes in the indicators, the respective indication is accompanied.

For the development of the MA-II 2021, the materiality analysis has been considered, in order to identify the relevant issues for the Bank and, therefore, for its different stakeholders, which are dealt with in the different chapters of this report.

It should be noted that the MA-II 2021 complies with the guidelines of the United Nations Global Compact, including BBVA's actions that contribute to achieving the United Nations Sustainable Development Goals as part of its sustainability and corporate responsibility policy.

## Principles to ensure the quality of information

[GRI 102-43, 102-45](#)

The principles of the MA-II 2021 respond to the guidelines of the Sustainability Reporting Standards (GRI Standards), both in the definition of the content and in the quality of the information. The principles mentioned are:

- **Participation of stakeholders:** BBVA details who its stakeholders are and explains how they have responded to their expectations and reasonable interests.
- **Context of sustainability:** The MA-II 2021 highlights the practices of the organization in the broader context of sustainability with the available information.
- **Materiality:** The MA-II 2021 takes into account the specific aspects that reflect the significant economic, environmental and social effects of the organization or that substantially influence the evaluations and decisions of the stakeholders.
- **Comprehensiveness:** The MA-II 201 considers the material and coverage aspects that explain the economic, environmental and social impact of the Bank's actions.

- Balance:** BBVA supports this principle by including in the MA-II 2021 both the positive and negative aspects of its performance, in order to promote an objective and well-founded evaluation of its general performance.
- Comparability:** BBVA presents, in a consistent manner, the information compared between the last four years; in this way, stakeholders can determine the evolution of performance in recent years.
- Accuracy:** The MA-II 2021 presents accurate and detailed information that allows the analysis by stakeholders regarding the organization's performance.
- Punctuality:** The Bank complies with a regular schedule for the presentation of its reports, so that its stakeholders have the information in a timely manner and allow them to make well-founded decisions.
- Clarity:** The information is presented in such a way that the stakeholders to whom it is addressed can access it and understand it properly.
- Reliability:** The information has been collected, registered, compiled, analyzed and presented in such a way that it can be submitted for evaluation by an external auditor. Financial information –separately audited financial statements and consolidated audited financial statements– as well as non-financial information –detailed in The GRI Content Index– of the MA-II 2021 has been verified by the company KPMG, which reviewed said information according to the scope included in the report. The recommendations made evident in these review processes are subject to an action plan that ensures its implementation.



# 8. GRI content index

GRI 102-55

## General basic contents GRI Standards

	Indicator	Page number / Chapter / Direct response	Reason for omission	External verification
GRI 102	General contents 2016			
	Organization profile			
102-1	Organization name	Page 10 – About BBVA		✓
102-2	Activities, brands, products and services	Page 10 – About BBVA Page 22 – Strategy and business model Page 79 – High social impact products		✓
102-3	Headquarters location	Page 10 – About BBVA		✓
102-4	Location of operations	Page 10 – About BBVA		✓
102-5	Location of operations	Page 10 – About BBVA Page 324 – Constitution and social object		✓
102-6	Markets served	Page 10 – About BBVA Page 14 – BBVA's environment Page 93 – Business and activities		✓
102-7	Organization sized	Page 10 – About BBVA Page 11 – Key indicators of Responsible Business Page 12 – Relevant data BBVA		✓
102-8	Information about employees and other workers	Page 11 – Key indicators of Responsible Business		✓
102-9	Supply chain	Page 65 – Responsible Purchases (Supply Chain) Page 66 – Number of suppliers and invoice volume		✓
102-10	Significant changes in the organization and its supply chain	Page 65 – Responsible Purchases (Supply Chain) Page 67 – Policies and regulations for the relationship with suppliers Page 67 – Homologation process Page 67 – Impacts management		✓
102-11	Precautionary principle or approach	Page 61 – Internal and control model Page 72 – Social, environmental and reputational risks management		✓
102-12	External initiatives	Page 21 – Engagement with initiatives Page 72 – Social, environmental and reputational risks management (Equator principles)		✓
102-13	Associations membership	Page 21 – Engagement with initiatives Page 52 – Governance systems and ethical behavior		✓
	Strategy			
102-14	Statement from Senior Executives Responsible for Decision Making	Page 6 – Letter from president Page 7 – Letter from CEO		✓
102-15	Main Impacts, Risks and Opportunities	Page 6 – Letter from president Page 22 – Strategy and business model Page 26 – Materiality analysis Page 72 – Social, environmental and reputational risks management		✓

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	<b>Indicator</b>	<b>Page number / Chapter / Direct response</b>	<b>Reason for omission</b>	<b>External verification</b>
<b>Ethics and integrity</b>				
102-16	Values, principles, standards and conduct regulations	Page 24 – BBVA's values Page 27 – Responsible Banking Model Page 58 – Advice on ethical and legal behavior Page 60 – Standards of conduct		✓
102-17	Mechanisms for advice and ethical concerns	Page 58– Advice on ethical and legal behavior Page 60 – Standards of conduct Page 61 – Whistleblower channel		✓
<b>Governance</b>				
102-18	Governance structure	Page 54 – Board composition Page 55 – Board delegate committees		✓
102-19	Authority delegation	Page 27 – Responsible banking model Page 27 – Group sustainability target		✓
102-20	Executive-level responsibility for economic, environmental and social issues	Page 27 – Group sustainability target Page 52 – Governance systems and ethical behavior Page 53 – Bank's corporate governance regime		✓
102-21	Consultation with stakeholders on economic, environmental and social issues	Page 26 – Materiality analysis Page 30 – Listening and dialogue tools		✓
102-22	Composition of the highest governance body and its committees	Page 54 – Board composition		✓
102-23	President of the highest governing body	Page 54 –Board composition Page 326 – Brief profile of the board members Page 328 – Degree of bonding		✓
102-24	Nomination and selection of the highest governance body	Page 52 – Bank's corporate governance regime Page 328 – Committees		✓
102-25	Conflicts of interest	Page 56 – Compliance system Page 58 – Advice on ethical and legal behavior		✓
102-26	Role of the highest governance body in selecting objectives, values and strategy	Page 53 – Bank's corporate governance regime Page 58 – Advice on legal and ethical behavior Page 363 – Principle 16: Directory Functions Page 370 – Functions of special committees		✓
102-27	Conocimientos colectivos del máximo órgano de gobierno	Page 58 – Advice on ethical and legal behavior		✓
102-28	Evaluation of the performance of the highest governance body	Page 367 – Principle 20: Operability of the Directory		✓
102-29	Identification and management of economic, environmental and social impacts	Page 52 – Corporate governance Page 53 – Bank's corporate governance regime Page 72 – Social, environmental and reputational risks management		✓

	<b>Indicator</b>	<b>Page number / Chapter / Direct response</b>	<b>Reason for omission</b>	<b>External verification</b>
102-30	Efficiency of risk management process	Page 52 – Bank’s corporate governance regime. Page 62 – Corporate Assurance Page 72 – Social, environmental and reputational risks management		✓
102-31	Evaluation of economic, environmental and social issues	Page 72 – Social and environmental risks assessment		✓
102-32	Role of the highest governance body in Reporting sustainability	Page 2 – Responsibility declaration Page 27 – Responsible banking model		✓
102-33	Communication of critical concerns	Page 30 – Listening and dialogue tools Page 61 – Whistleblower channel		✓
102-34	Nature and total number of critical concerns	Page 61 – Whistleblower channel Page 72 – Social, environmental and reputational risks management Page 363 – Principle 16: Directory functions		✓
102-35	Remuneration policies	Page 48 – Compensation and remuneration		✓
102-36	Process to determine the remuneration	Page 48 – Compensation and remuneration		✓
102-37	Involvement of the stakeholders in remuneration	Page 48 – Compensation and remuneration		✓
102-38	Annual total compensation ratio	Page 28 – Stakeholders Page 37 – The team. Page 48 – Compensation and Remuneration		✓
102-39	Ratio of the percentage increase of the total annual compensation	Page 28 – Stakeholders Page 37 – The team Page 48 – Compensation and Remuneration		✓
<b>Stakeholders participation</b>				
102-40	Stakeholders list	Page 28 – Stakeholders Page 30 – Listening and dialogue tools		✓
102-41	Collective bargaining agreements	Page 50 – Labor conditions		✓
102-42	Group of interest identification and selection	Page 26 – Materiality analysis Page 28– Stakeholders Page 30 – Listening and dialogue tools		✓
102-43	Approach to the participation of stakeholders.	Page 26 – Materiality analysis Page 30– Listening and dialogue tools Page 416 – Non-financial information criteria and standards Page 416 – Principles to ensure the quality of information		✓
102-44	Key issues and concerns	Page 26 – Materiality analysis		✓
<b>Reporting practices</b>				
102-45	Entities includes in financial statements	Page 234– Basis of consolidation		✓
102-46	Definition of the contents of the reports and the coverage of the topic	Page 26 – Materiality analysis Page 416 – Non-financial information criteria and standards		✓
102-47	Material topics list	Page 26 – Materiality analysis		✓

	<b>Indicator</b>	<b>Page number / Chapter / Direct response</b>	<b>Reason for omission</b>	<b>External verification</b>
102-48	Reworking of information	Page 416 – Non-financial information criteria and standards		✓
102-49	Reporting changes	Page 416 – Non-financial information criteria and standards		✓
102-50	Reporting period	Page 416 – Non-financial information criteria and standards		✓
102-51	Date of last report	Page 416 – Non-financial information criteria and standards		✓
102-52	Reporting cycle	Page 416 – Non-financial information criteria and standards		✓
102-53	Contact point for questions about the report	Page 431 – Back cover		✓
102-54	Declaration of the compliance report elaboration in accordance with the GRI standards	Page 416 – Non-financial information criteria and standards		✓
102-55	GRI content index	Page 418 – GRI content index		✓
102-56	External verification	Page 429 – Independent review report of non-financial information		✓
<b>GRI 103</b>	<b>Management approach 2016</b>			
103-1	Explanation of the material topic and its coverage	Page 22 – Strategy and business model Page 26 – Materiality analysis Page 27 – Responsible banking model		✓
103-2	The management approach and its components	Page 27 – Responsible banking model Page 34 – Complaints and claims management Page 73 – Eco-efficiency Page 76 – Environmental management Page 79 – High social impact products Page 84 – Contribution to society		✓
103-3	Evaluation of the management approach	Page 61 – Internal control model Page 74 – Eco-efficiency Page 110 – Management report		✓

## Economic dimension

	<b>Indicator</b>	<b>Page number / Chapter / Direct response</b>	<b>Reason for omission</b>	<b>External verification</b>
<b>GRI 201</b>	<b>Economic performance 2016</b>			
201-1	Economic value generated and distributed	Page 11 – Responsible business key indicators		✓
201-2	Financial indicator and other risks and opportunities arising from the climate change	Page 21 – Engagement with initiatives Page 73 – Eco-efficiency		✓
201-3	Benefit plan obligation defined and other retirement plans	Page 49 – Social prevention system		✓
201-4	Financial assistance received from government	Not applicable	BBVA has not received public aid aimed at the financial sector that is intended to promote the development of the banking activity	

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## Economic dimension

	Indicator	Page number / Chapter / Direct response	Reason for omission	External verification
<b>GRI 202</b>	<b>Market presence 2016</b>			
202-1	Starting Category Salary Ratio standard by sex vs. local minimum wage	Page 48 – Compensation and remuneration		✓
202-2	Proportion of senior management hired from the local community	Page 48 – Diversity and work-life balance		✓
<b>GRI 203</b>	<b>Indirect economic impacts 2016</b>			
203-1	Investment in infrastructure and provided services	Page 83 – Mortgage products Page 84 – Investment in social programs		✓
203-2	Indirect economic significant impacts	Page 84 – Investment in social programs		✓
<b>GRI 204</b>	<b>Procurement practices 2016</b>			
204-1	Proportion of spending on local suppliers	Page 65 – Responsible purchases		✓
<b>GRI 205</b>	<b>Anticorruption 2016</b>			
205-1	Risk-assessed operations related to corruption	Page 61 – Internal control model		✓
205-2	Communication and assessment on anticorruption policies and procedures	Page 56 – Compliance system		✓
205-3	Confirmed corruption cases and measures taken	Page 61 – Standards of conduct		✓
<b>GRI 206</b>	<b>Unfair competition 2016</b>			
206-1	Legal actions related to the unfair competition and monopolistic practices and against free competition	Not applicable	BBVA has not identified any significant lawsuit in which a final ruling has been issued against this concept	

## Fiscal dimension

	Indicator	Page number / Chapter / Direct response	Reason for omission	External verification
<b>GRI 207</b>	<b>Taxation 2019</b>			
207-1	Tax approach	Page 64 – Fiscal transparency		✓
207-2	Fiscal governance, control and management of risks	Page 64 – Fiscal transparency		✓
207-3	Participation of stakeholders and concerns management regarding tax matter	Page 64 – Fiscal transparency Page 28 – Stakeholders		✓
207-4	Country-by-country reporting	Page 10 – About BBVA		✓

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## Environmental dimension

	Indicator	Page number / Chapter / Direct response	Reason for omission	External verification
<b>GRI 301 Materials 2016</b>				
301-1	Materials used by weight or volume	Page 76 – Sustainable Finance – Environmental management		✓
301-2	Recycled supplies	Not applicable	Given the activities of the group, it is considered that this indicator is not material	
301-3	Reused products and materials from packing	Not applicable	Given the activities of the group, it is considered that this indicator is not material	
<b>GRI 302 Energy 2016</b>				
302-1	Energy consumption within the organization	Page 76 – Sustainable Finance – Environmental management		✓
302-2	Energy consumption outside the organization	Not applicable	Given the activities of the group, it is considered that this indicator is not material	
302-3	Energy intensity	Page 75 – Sustainable Finance – Eco-efficiency		✓
302-4	Energy consumption reduction	Page 75 – Sustainable Finance – Eco-efficiency		✓
302-5	Energy reduction requirement on products and services	Not applicable	Given the activities of the group, it is considered that this indicator is not material	
<b>GRI 303 Water and effluents 2018</b>				
303-1	Interaction with water as a resource shared resource	Page 72 – Social, environmental and reputational risks management		✓
303-2	Management of impacts related to water spills	Not applicable	Given the activities of the group, it is considered that this indicator is not material	
303-3	Water extraction	Not applicable	Given the activities of the group, it is considered that this indicator is not material	
303-4	Water discharge	Not applicable	Given the activities of the group, it is considered that this indicator is not material	
303-5	Water consumption	Page 76 – Eco-efficiency		✓
<b>GRI 304 Biodiversity 2016</b>				
304-1	Owned operations centers, leased or managed located within or adjacent to protected areas or areas of high biodiversity value outside protected areas	Not applicable	BBVA has its headquarters in urban land, so it does not have a significant impact on protected natural spaces and/or on biodiversity	
304-2	Significant impacts of activities, products and biodiversity services	Not applicable	BBVA has its headquarters in urban land, so it does not have a significant impact on protected natural spaces and/or on biodiversity	
304-3	Habitats protected or restored	Page 88 – Contribution to society		✓
304-4	Species that appear on the Red List of the UINC and on conservation lists whose habitats are in areas affected by operations	Not applicable	BBVA has its headquarters in urban land, so it does not have a significant impact on protected natural spaces and/or on biodiversity	

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	<b>Indicator</b>	<b>Page number / Chapter / Direct response</b>	<b>Reason for omission</b>	<b>External verification</b>
<b>GRI 305</b>	<b>Emissions 2016</b>			
305-1	Direct greenhouse gas emissions greenhouse (scope 1)	Page 76 – Eco-efficiency		✓
305-2	Indirect greenhouse gas emissions when generating energy (scope 2)	Page 76 – Eco-efficiency		✓
305-3	Other indirect greenhouse gas emissions greenhouse effect (scope 3)	Page 76 – Eco-efficiency		✓
305-4	Intensity of gas emissions greenhouse	Page 76 – Eco-efficiency		✓
305-5	Reduction of gas emissions greenhouse	Page 76 – Eco-efficiency		✓
305-6	Emissions of the ozone layer destructive substances	Not applicable	Given the group activities, this indicator is considered not material	
305-7	Nitrogen oxides (NO <sub>x</sub> ), oxides of sulfur (SO <sub>x</sub> ) and other significant air emissions	Not applicable	Given the group activities, this indicator is considered not material	
<b>GRI 306</b>	<b>Effluents and waste 2020</b>			
306-1	Waste generation and significant impacts related to waste	Not applicable	BBVA does not generate significant impacts in relation to waste from its own business activities.	✓
306-2	Management of significant impacts waste related	Page 76 – Sustainable finance – Environmental management		✓
306-3	Generated residues	Page 76 – Sustainable finance – Environmental management		✓
306-4	Waste not destined for disposal	Page 76 – Sustainable finance – Environmental management		✓
306-5	Waste destined for disposal	Not applicable	Given the group activities, this indicator is considered not material	
<b>GRI 307</b>	<b>Environmental compliance 2016</b>			
307-1	Non-compliance with the legislation and environmental regulations	Page 60 – Standards of conduct		✓
<b>GRI 308</b>	<b>Supplier environmental assessment 2016</b>			
308-1	New providers who have passed evaluation and selection filters according to environmental criteria	Information not available	BBVA has not examined suppliers based on environmental criteria given that the perceived impact for the Bank is not significant	
308-2	Negative environmental impacts on supply chain and measures taken	Information not available	BBVA has not examined suppliers based on environmental criteria given that the perceived impact for the Bank is not significant	

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## Social dimension

	Indicator	Page number / Chapter / Direct response	Reason for omission	External verification
<b>GRI 401</b>	<b>Employment 2016</b>			
401-1	New hires and turnover staff	Page 11 – Responsible business key indicators Page 37 – The team Page 47 – Diversity and work-life balance		✓
401-2	Benefits for full-time employees that are not given to part-time or temporary employees	Page 50 – Labor conditions		✓
401-3	Parental leave	Page 50 – Labor conditions		✓
<b>GRI 402</b>	<b>Labor/management relations 2016</b>			
402-1	Minimum notice periods on operational changes	Not applicable	BBVA indicated that there is no established minimum notice period. Organizational changes are analyzed case per case, in such a way that the negative impacts that they could have can be avoided or mitigated, for employees, always carried out in accordance with what is specified in local regulations	
<b>GRI 403</b>	<b>Occupational health and safety 2018</b>			
403-1	Health management system and safety at work	Page 51 – Occupational health and safety		✓
403-2	Hazard identification, evaluation risk and incident investigation	Page 51 – Occupational health and safety		✓
403-3	Occupational health services	Not applicable	Given the nature of BBVA's activity, no high risk of serious occupational illnesses has been identified	
403-4	Participation of the workers, consultation and communication on health and safety at work	Page 51 – Occupational health and safety		✓
403-5	Training for workers on Health and Safety at Work	Page 51 – Occupational health and safety		✓
403-6	Workers health promotion	Not applicable	Information not available	
403-7	Prevention and mitigation of impacts on the health and safety of workers directly linked through business relationships	Page 51 – Occupational health and safety		✓
403-8	Workers covered by a system occupational health and safety management	Page 51 – Occupational health and safety		✓
403-9	Work accident injuries	Page 51 – Occupational health and safety		✓
403-10	Occupational ailments and diseases	Page 51 – Occupational health and safety		✓
<b>GRI 404</b>	<b>Training and education 2016</b>			
404-1	Average hours of training per year by professional	Page 45 – Selection, training and development		✓
404-2	Programs to improve skills of employees and programs transition aid	Page 45 – Selection, training and development		✓





	<b>Indicator</b>	<b>Page number / Chapter / Direct response</b>	<b>Reason for omission</b>	<b>External verification</b>
404-3	Percentage of employees receiving periodic evaluations of performance and professional development	Page 11 – Responsible business key indicators Page 45 – Selection, training and development		✓
<b>GRI 405</b>	<b>Diversity and equal opportunities 2016</b>			
405-1	Diversity in governing bodies and employees	Page 46 – Diversity and work-life balance		✓
405-2	Base salary ratio and the women's pay vs men	Page 48 – Diversity and work-life balance		✓
<b>GRI 406</b>	<b>Non-discrimination 2016</b>			
406-1	Cases of discrimination and actions corrective actions taken	Page 34 – Complaints and claims management Page 60 – Standards of conduct		✓
<b>GRI 407</b>	<b>Freedom of association and collective bargaining 2016</b>			
407-1	Operations and suppliers whose right to freedom of association and collective bargaining could be at risk	Not applicable	BBVA has not identified centers or suppliers likely to have significant risks related to freedom of association and the Collective negotiation	
<b>GRI 408</b>	<b>Child labor 2016</b>			
408-1	Operations and suppliers with significant risk of incidents of child labor	Not applicable	BBVA has not identified centers or suppliers likely to have significant risks related to child exploitation	
<b>GRI 409</b>	<b>Forced or compulsory labor 2016</b>			
409-1	Operations and suppliers at risk significant cases of forced or compulsory labor	Not applicable	BBVA has not identified centers or suppliers likely to have significant risks related to incidents of forced labor	
<b>GRI 410</b>	<b>Security Practices 2016</b>			
410-1	Security personnel trained in human rights policies or procedures	Not applicable	BBVA indicated that the staff of security belongs to external companies. Although these companies undertake to assume the BBVA standards on human rights, there is no specific commitment on training in the matter	
<b>GRI 411</b>	<b>Rights of indigenous peoples 2016</b>			
411-1	Rights violations cases of indigenous peoples	Not applicable	Given the nature of the BBVA activity, no cases of rights violations of indigenous people have been identified	
<b>GRI 412</b>	<b>Human rights assessment 2016</b>			
412-1	Operations subject to reviews or human rights impact assessments	Not applicable	BBVA has not identified significant impacts on human rights in their workplaces	
412-2	Training of professionals in policies and procedures related to human rights	Page 58 – Anticorruption policy Page 60 – Standards of conduct		✓

	<b>Indicator</b>	<b>Page number / Chapter / Direct response</b>	<b>Reason for omission</b>	<b>External verification</b>
412-3	Significant Investment agreements and contracts with clauses on human rights or subjected to human rights assessments	Page 67 – Supplier management Page 72 – Social, environmental and reputational risks management		✓
<b>GRI 413 Local communities 2016</b>				
413-1	Operations with local community participation, impact assessments and development programs	Page 51 – Volunteering and social engagement Page 84 – Contribution to society		✓
413-2	Operations with significant negative, real or potential impacts on local communities	Not applicable	BBVA has not detected impacts Significant negatives in local communities caused by the operations of your workplace	
<b>GRI 414 Social evaluation of suppliers 2016</b>				
414-1	New suppliers that have passed selection filters according to the social criteria	Not applicable	BBVA has not examined suppliers based on criteria related to human rights, given that the risk perceived by the bank is not significant	
414-2	Negative social impacts in the supply chain and actions taken	Not applicable	BBVA has not examined suppliers based on social criteria, given that the perceived impact for the bank is not significant	
<b>GRI 415 Public politics 2016</b>				
415-1	Contributions to parties and/or political representatives	Not applicable	BBVA's corporate policy in different countries does not allow contributions of this type	
<b>GRI 416 Customer health and safety 2016</b>				
416-1	Assessment of health impacts and security of products and services categories	Page 31 – Customer Relationship Page 36 – Customer Protection		✓
416-2	Cases of non-compliance relating to health and safety impacts of product and services categories	Page 34 – Complaints and claims management Page 36 – Customer Protection Page 60 – Standards of Conduct		✓
<b>GRI 417 Marketing and labeling 2016</b>				
417-1	Requirements for information and labeling of products and services	Page 32 – TCR Communication Page 60 – Market Conduct		✓
417-2	Related Non-compliance Cases related with the information and labeling of products and services	Page 61 – Standards of conduct (Legal Compliance)		✓
417-3	Related non-compliance cases with marketing communications	Page 34 – Complains and claims management Page 52 – Corporate governance		✓
<b>GRI 418 Customer Privacy 2016</b>				
418-1	Substantiated claims relating to client's privacy violations and loss of customer's data	Page 36 – Customer Protection		✓

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GRI 419	Indicator	Page number / Chapter / Direct response	Reason for omission	External verification
419-1	Failure to comply with laws and regulations in social and economic aspects	Page 36 – Customer Protection		✓

✓ Content reviewed according to the scope described and using the procedures indicated in the Independent Review Report of the non-financial information of the Annual Report 2021 – Integrated Report

# 9. Independent review report of non-financial information

GRI 102-56



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## Independent Review Report for the Management of Banco BBVA Peru

### To the Management of Banco BBVA Peru

We have been engaged by Banco BBVA Peru to perform an independent review of the non-financial information contained in the Annual Report 2021 - Integrated Annual Report for the year ended December 31, 2021 (hereinafter the Report). The information reviewed is limited to the content described in the GRI Content Index identified in the "General GRI Standards" box, with the symbol "✓" in the "External Verification" field.

### Management Responsibilities

BBVA's Management is responsible for the preparation and presentation of the Report in accordance with the Global Reporting Initiative (GRI) Social Responsibility Reporting Guidelines in its Global Sustainability Standards Board version, in its exhaustive option, and the Financial Services Sector Supplement, as detailed in the GRI Content Index of the Report. Management is also responsible for the information and assertions contained therein; for determining BBVA's objectives regarding the selection and presentation of information on sustainable development performance, including the identification of stakeholders and material issues; and for establishing and maintaining the performance management and control systems from which the information is obtained.

These responsibilities include establishing such controls as management deems necessary to enable the preparation of indicators with a limited level of assurance to be free from material misstatement due to fraud or error.

### Our responsibility

Our responsibility is to perform a limited review and, based on the work performed, to issue this report, which relates exclusively to the information for the year 2021. We conducted our work in accordance with ISAE 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information.

This standard requires that we plan and perform our work so as to obtain limited assurance about whether the report is free from material misstatement.

KPMG applies ISQC1 (International Standard on Quality Control 1) and in accordance with ISQC1 maintains a comprehensive system of quality control that includes documented policies and procedures relating to compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is based on the fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

### Limited review procedures

Our limited review work has been carried out through interviews with the Head of Institutional Relations and the persons in charge of preparing the information included in the Report, and the application of analytical and other procedures aimed at gathering evidence, such as:

- Verification of the processes in place at Banco BBVA Peru to determine which are the material aspects, as well as the participation of stakeholders in them.
- Verification, through interviews with the Head of Institutional Relations and other relevant employees, both at group level and at the level of the selected business units, of the existence of a sustainability and Corporate Responsibility strategy and policies to address material issues, and their implementation.
- The evaluation of the consistency of the description of the application of the policies and strategy in terms of sustainability, governance, ethics and integrity of Banco BBVA Peru.
- The review of the consistency of the information that responds to the General Standard Disclosures with the internal systems or documentation.
- The analysis of the compilation and internal control processes of the quantitative data reflected in the Report, in terms of the reliability of the information, using analytical procedures and review tests based on sampling, including the information related to Banco BBVA Peru established in the Global Reporting Initiative (GRI) in its Sustainability



Reporting Standards version of the Global Reporting Initiative (GRI Standards), in accordance with the exhaustive option.

- Reading the information included in the Report to determine whether it is in line with our general knowledge and experience regarding the sustainability performance of Banco BBVA Peru.
- The contrast of the financial information reflected in the Report with that included in the annual accounts of Banco BBVA Peru, audited by independent third parties.

Any information other than that described above and included in the GRI Index has not been reviewed as part of our work.

The procedures performed in a limited assurance engagement vary in nature and time spent, being less extensive than those of a reasonable assurance engagement.

Consequently, the level of assurance obtained in a limited assurance engagement is lower than that of a reasonable assurance engagement. This report should in no way be construed as an audit report.

### **Conclusions**

Our conclusion is based on, and subject to, the matters indicated in this Independent Review Report. We consider that the evidence we have obtained provides a sufficient and appropriate basis for our conclusions.

Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the GRI indicators in the Report have not been prepared, in all material respects, in accordance with the Global Reporting Initiative (GRI) Social Responsibility Reporting Guidelines and are not fairly presented, including the reliability of the data and the absence of material misstatements and omissions.

In a separate document, we will provide BBVA management with an internal report containing all of our findings and/or areas for improvement.

### **Purpose of our report**

In accordance with the terms and conditions of our engagement letter, this Independent Review Report has been prepared for Banco BBVA Peru in connection with the 2021 Annual Report - Integrated Annual Report and therefore has no other purpose and may not be used in any other context.

Lima, Peru

March 23, 2022

Endorsed by:

Marcelo de Angelo (Socio)



For any opinion, doubt or suggestion about the information in this report, please contact:

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