

The background of the entire page is a low-angle photograph of a modern skyscraper with a glass facade. The building's lines converge towards the top of the frame. The sky is a deep blue with wispy white clouds. The BBVA logo is visible on the building's facade in the lower right quadrant.

**BBVA**

Creating Opportunities

# Annual Report **2023**

**Integrated  
Report**

# Annual Report 2023

## Integrated Report

### Declaration of liability

GRI 2-3

This document contains truthful and sufficient information regarding the development of BBVA's business during 2023. Without prejudice to the responsibility of the issuer, the signatories are responsible for its content, following the applicable legal provisions.

Lima, March 22, 2024

### People responsible for its preparation



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



**Carlos Loo Pun**  
General Accountant



**Cynthia Myrella Yáñez Alva**  
Manager of Commercial-Corporate Legal Services – Stock Exchange Representative

# Index

<b>1. BBVA Perú Bank: Impact Data 2023</b>	<b>5</b>
<b>2. Letter from the President</b>	<b>6</b>
<b>3. Letter from the General Manager</b>	<b>7</b>
<b>4. Governance</b>	<b>10</b>
4.1. BBVA in Peru	10
4.2. Environment	15
4.3. BBVA's purpose	19
4.4. Organizational chart and governance structure	19
4.5. Commitments signed	21
4.6. Awards and recognition	22
4.7. Governance systems and ethical behavior	23
4.7.1. Corporate governance	23
4.7.2. Compliance System	28
4.7.3. Standards of Conduct	34
4.7.4. Internal control model	35
4.8. Tax transparency	38
<b>5. Non-financial information</b>	<b>40</b>
5.1. Strategy and business model	40
5.2. Sustainability strategy	55
5.2.1. Generating new business through sustainability	60
5.2.2. Achieving carbon neutrality	71
5.2.3. Generating a positive impact on all BBVA stakeholders	76
<b>6. Financial information</b>	<b>112</b>
6.1. Business and activities	112
6.1.1. Corporate & Investment Banking (CIB)	117
6.1.2. Financial management	119
6.1.3. Risk management	119
6.1.4. 'BBVA Bolsa SAB SA' Subsidiary	124
6.1.5. 'BBVA Securitization Company SA' Subsidiary	125
6.1.6. 'BBVA Asset Management SA SAF' Subsidiary	125
6.1.7. Engineering	126
6.2. Management report	133
6.3. Separated audited financial statements	144
6.4. Consolidated audited financial statements	274
6.5. Additional information	404
6.5.1. General data	404
6.5.2. Description of operations and development	405
6.5.3. Judicial, administrative or arbitration processes	406
6.5.4. Administration	406
6.5.5. Financial information and financial statements	410
6.5.6. Information related to the stock market	410
6.5.7. Code Compliance Report of good corporate governance for Peruvian companies (10150)	425
6.5.8. Corporate Sustainability Report (10180)	476
6.5.9. Report on shareholding structure by type of investor (10190)	497

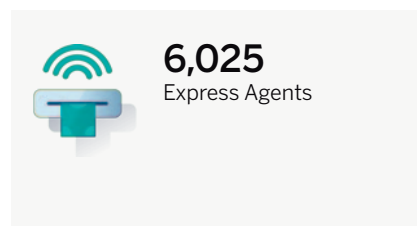
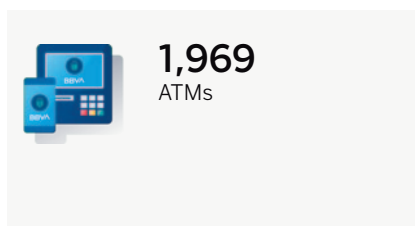
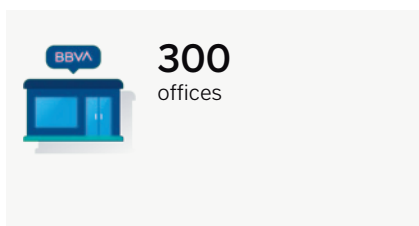
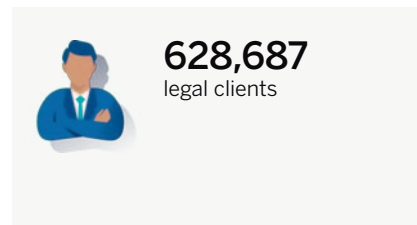
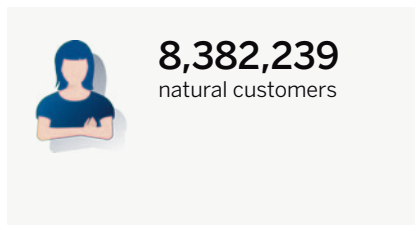
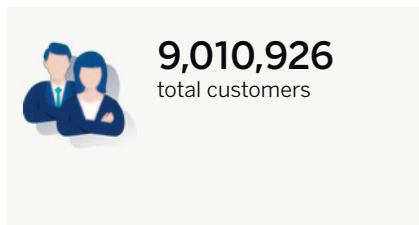
7. Non-financial criteria and standards	498
8. Contents index of the GRI Standards	500
9. SASB indicators	515
10. Independent review report of non-financial information	522

# 1. BBVA Perú Bank: Impact Data 2023

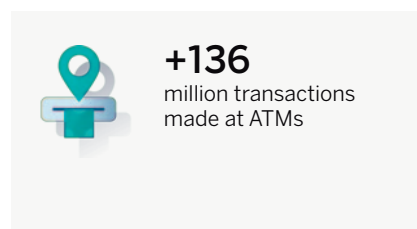
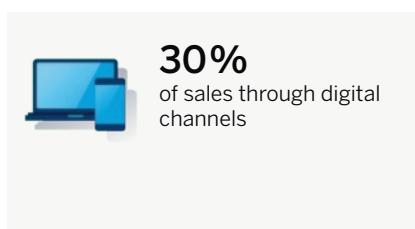
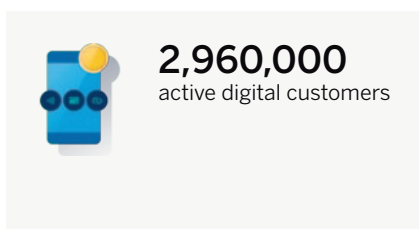
GRI 207-4



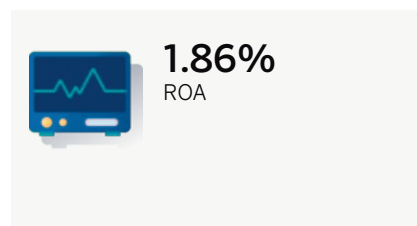
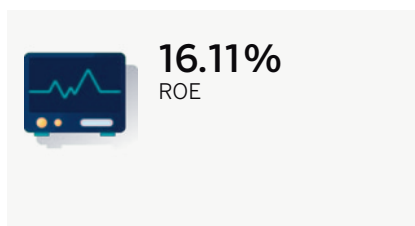
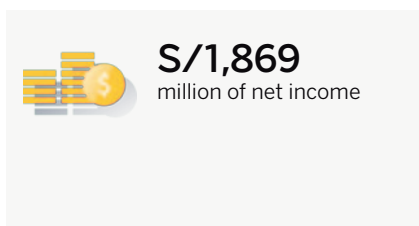
## Business Development



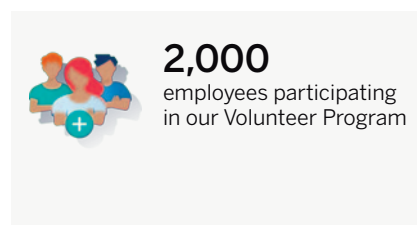
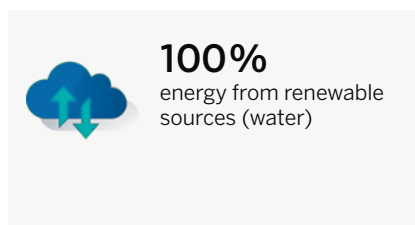
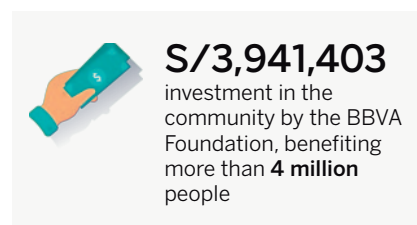
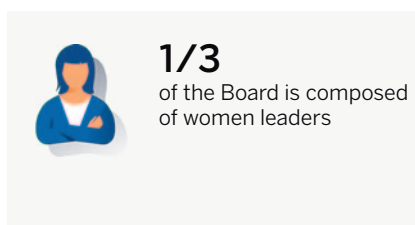
## Customers and digital capabilities



## Results



## Sustainability



## 2. Letter from the President

GRI 2-22



Estimated shareholders:

2023 has been a year of great challenges for the Peruvian economy, which faced a situation of social unrest, climatic anomalies, and a certain caution in private spending, all of which influenced it. However, these challenges were partially positively controlled by the strength of the country's macroeconomic principles, the rapid decline in year-on-year inflation, and an environment of greater stability that was consolidating towards the end of the year.

In this challenging scenario and with a GDP contraction of 0.55%, BBVA Peru managed to mitigate negative factors and strengthen positive ones in 2023 with a solid strategy supported by the pillars of innovation, digitalization and sustainability. Thanks to these actions, in the year ended we achieved a net profit of S/1,869 million and a gross margin of S/7,225 million, with a year-on-year growth of 19%, the highest in the Peruvian financial system.

BBVA Peru continued to work with its customer-oriented approach, which has consolidated our successful goal of being an increasingly people-centric bank, with marked strengths in segments such as cards, consumer and mortgages.

Accompanying the dreams and projects of thousands of Peruvians, at the end of 2023 the Bank provided different services to more than 8 million customers, helping to meet their personal, family and business needs, by supporting their economic growth and personal development through savings and financing products throughout the country.

In the field of corporate banking, during 2023 we expanded and diversified the advice to our business clients with a view to supporting different economic sectors and continuing to promote the sustainable transformation of Peru through the placement of more than half a million financing operations with impact – direct and measurable – both social and environmental.

In addition, we have begun the transformation of our Business Banking (Banca Empresa) with the conviction that we play a key role in driving the national economy through the granting of loans that in turn promote job creation.

Our dedication to delivering high-quality service to our clients has led to us being recognized as the top bank in Peru by various prestigious international publications. Additionally, for the third consecutive year in 2023, we were the only Peruvian bank included in the Dow Jones MILA Pacific Alliance Sustainability Index. All this confirms the fulfilment of the commitments assumed as members of the United Nations Global Compact since 2006, with a special focus on social and environmental responsibility and education.

It is important to highlight, as every year, that the achievements obtained would not have been possible without the outstanding work of all BBVA Peru's employees, the feedback of our customers to be better every day and the support of you, our shareholders, to whom we extend our most sincere gratitude. We act day by day with optimism for the country and with the firmness to continue contributing to the progress of Peru, creating opportunities that transcend everyone.

A stylized, handwritten signature in black ink.

**Alex Fort Brescia**  
President | BBVA Perú



### 3.

# Letter from the General Manager

GRI 2-22



Estimated shareholders:

"To bring the opportunities of this new era available to everyone" is the purpose that guides and defines BBVA Peru's way of acting. The international recognitions we have received during 2023, as well as the trust placed in us by more than 8 million customers, is a sign that we are on the right path and encourages us to continue working for the growth of the country, its companies, and its people.

Our purpose is shared by our 7,500 employees that make up the great BBVA Peru family: a team made up of talented professionals who, from each of their functions, whether in the Bank branches serving our customers or from the support and operations areas, live our values by always seeking to put the customer at the center of their decisions. Thinking big and working as one team to provide the best experience possible.

This great team is the architect of keeping our aspiration alive daily: to become the #1 bank in Peru and the favorite of every Peruvian. To this end, we have been implementing our 2020-2024 Strategic Plan which is focused on results and has a strong governance model aligned with BBVA Global's strategic axes to ensure value capture. Living our purpose and values, coupled with the impeccable execution of strategic programs, is reflected in the results we achieve each year.

In a year in which the GDP decreased 0.55%, BBVA Peru was the Bank with the highest loan growth in the system (+91 basis points), which allowed us to reach a market share of 21% thanks to the solid increase in our retail franchise (+198 basis points in credit cards, +233 basis points in consumer loans and +19 basis points in mortgages), and in the corporate segments (+215 basis points in Large Corporations and +112 basis points in Corporate). In deposits, we were also the Bank with the highest evolution in the system (+49 basis points).

In addition to these solid financial results, during 2023 we continued to improve our value proposition, innovating and generating better products and services for our customers: we deployed OpenPay (BBVA Peru's acquiring business), we launched Power Pay ("Buy now, pay later"), we incorporated new functionalities in the BBVA app, we renewed our ATM network, we expanded the network of agents and we intervened more 200 branches to offer better customer and employee service, among other initiatives.

In this way, we closed on a positive note a year that presented us with various economic, environmental, and political challenges. As always, united as a single team and with the confidence of our shareholders, we look forward to the future of the country, which has great potential for development and for which we will continue to work in line with the purpose and values that distinguish BBVA Peru.

A handwritten signature in black ink, appearing to be 'F. Eguiluz'.

**Fernando Eguiluz Lozano**  
General Manager | BBVA Perú

# Directory



**President**  
**Alex Fort**  
**Brescia**

**First**  
**Vice President**



**Pedro Brescia**  
**Moreyra**

**Second**  
**Vice President**



**Pablo Alfonso**  
**Pastor Muñoz**

**General Managing**  
**Director**



**Fernando Eguiluz**  
**Lozano**

## Directors



**Mario Brescia**  
**Moreyra**



**Fortunato Brescia**  
**Moreyra**



**Rafael Varela**  
**Martínez**



**José Ignacio Merino**  
**Martín**



**José Carlos López**  
**Álvarez**

**Independent**  
**Directors**



**Ismael Benavides**  
**Ferreyros**



**José Manuel**  
**Rodríguez-Novás**  
**Sánchez-Diezma**



## Management Committee

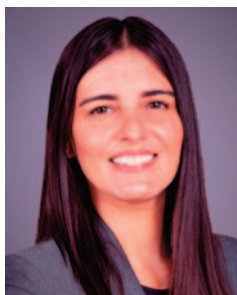


**General Managing Director**  
Fernando Eguiluz Lozano

### Deputy General Managers



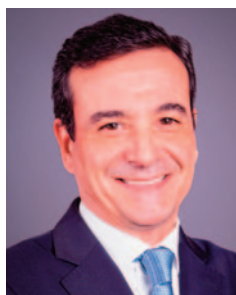
**Frank Erick Babarczy Rodríguez**  
Corporate & Investment Banking Area



**Sandra Bianco Roa**  
Business and Corporate Banking Area



**Luis Morales Espinosa**  
Client Solutions Area



**Ignacio Fernández-Palomero Morales**  
Finance Area



**Marco Antonio Galdo Marín**  
Retail Banking Area



**Ruth Anabelí González Velapatiño**  
Legal Services Area



**Enrique Medina García**  
Talent and Culture Area



**Héctor Javier Carrera Riva Palacio**  
Engineering Area



**Vicente Puig Payá**  
Risk Area



**Katia Alcázar Espinoza**  
Internal Control and Compliance Area

### General Auditor



**Walter Borra Núñez(\*)**

(\*) He attends the Management Committee as a guest.

# 4. Governance

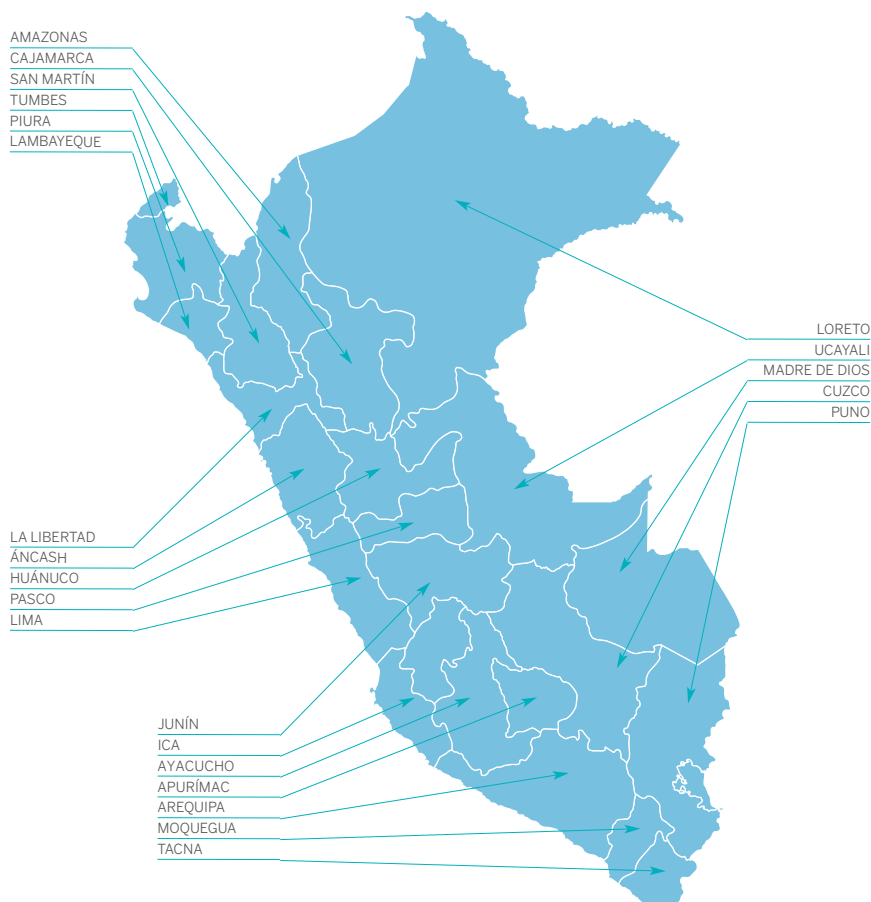


Banco BBVA Peru is a solid financial institution of great prestige both nationally and internationally, belonging to the BBVA Group, whose main shareholders are BBVA Peru Holding S.A.C. and Holding Continental S.A., each of which owns 46.12% of the Bank's shares. It is authorized to operate by the Superintendence of Banking, Insurance and Pension Funds (SBS\*), in accordance with Law No. 26702, General Law of the Financial System and the Insurance System and Organic Law of the SBS, which establishes the regulatory and supervisory framework to which companies operating in the financial and insurance system are subjected. It carries out its activities through a network distributed throughout the country and its headquarters are located at República de Panamá Avenue 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 2-1, 2-6

## 4.1. BBVA in Peru

GRI 2-6



\* **Note from the translator:** Acronyms for Peruvian entities in this document are in Spanish unless otherwise specified.

\*\* RUC stands for "Registro Único del Contribuyente", which translates to "Unique Taxpayer Registry". It is an 11-digit Tax ID number used by individuals and legal entities (such as companies) for various procedures with both public and private entities.

## Network of offices and agents

### Total offices in Lima

#### By divisional management

Offices	Commercial	Special	Total
Main Office	1	—	1
Downtown Lima Div.	34	2	36
East Lima Div.	33	3	36
North Lima Div.	27	2	29
West Lima Div.	33	2	35
South Lima Div.	26	—	26
Miraflores Div.	28	1	29
<b>Total</b>	<b>182</b>	<b>10</b>	<b>192</b>

### Total offices in other states

#### By divisional management

Offices	Commercial	Special	Total
North Div.	32	1	33
East Centre Div.	32	—	32
South Div.	29	2	31
South Lima Div.	7	—	7
North Lima Div.	5	—	5
<b>Total</b>	<b>105</b>	<b>3</b>	<b>108</b>

<b>Total offices in Lima</b>	<b>182</b>	<b>10</b>	<b>192</b>
<b>Total offices in other states</b>	<b>105</b>	<b>3</b>	<b>108</b>
<b>Total</b>	<b>287</b>	<b>13</b>	<b>300</b>

### Business and Corporate Banking, Corporate & Investment Banking, Institutional Banking and Wealth Management Banking Offices

Offices	Lima	Provinces	Total
Business Banking	13	7	20
Premium Banking	3	—	3
Institutional Banking	1	—	1
Corporate Banking	1	—	1
<b>Total</b>	<b>18</b>	<b>7</b>	<b>25</b>

## Express Agents Network

SDG 1, SDG 8

	States	N° Express Agents
Lima	Lima	3,429
<b>Total Lima</b>		<b>3,429</b>
States	Amazonas	50
	Áncash	185
	Apurímac	45
	Arequipa	345
	Ayacucho	103
	Cajamarca	227
	Callao	344
	Cusco	192
	Huancavelica	26
	Huánuco	182
	Ica	248
	Junín	378
	La Libertad	446
	Lambayeque	503
	Loreto	143
	Madre de Dios	16
	Moquegua	26
	Pasco	44
	Piura	330
	Puno	96
	San Martín	276
	Tacna	53
	Tumbes	82
	Ucayali	131
<b>Total states</b>		<b>4,471</b>
<b>Total Express Agents</b>		<b>7,900</b>

## Express Agents Plus Network

	State	N° Express Agents Plus
Lima	Lima	7
<b>Total Lima</b>		<b>7</b>
States	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 states</b>		<b>19</b>
<b>Total Express Agents Plus</b>		<b>26</b>

**Relevant data BBVA** In millions of soles and percentage

	2023	2022	2021
<b>Statements of financial position</b>			
Total Assets	104,413	98,156	101,645
Loan portfolio <sup>1</sup>	70,617	69,088	70,382
Obligations with the public	69,208	66,054	63,197
Net worth	12,369	11,257	10,182
<b>Income statements</b>			
Gross financial services	5,345	4,591	3,611
Net financial margin	3,380	3,592	2,854
Income from net financial services	993	872	841
Results from financial operations	856	641	703
Operating margin	5,229	5,105	4,399
Administration expenses	2,453	2,124	1,784
Profit before income tax	2,420	2,646	2,226
Net profit	1,869	1,913	1,559
<b>Portfolio quality</b>			
NPL ratio <sup>2</sup>	4.71%	4.37%	3.70%
Overdue portfolio coverage ratio <sup>3</sup>	137.91%	144.64%	167.17%
<b>Liquidity</b>			
Available Funds / Total Deposits <sup>4</sup>	13.29%	18.07%	25.28%
Net loan portfolio / Total deposits <sup>4</sup>	99.64%	102.97%	109.49%
<b>Productivity</b>			
Total assets / No. of personnel (millions of S/)	14.37	14.57	16.11
<b>Capital ratios</b>			
Overall capital ratio <sup>5</sup>	15.59%	13.96%	14.13%
<b>Profitability and efficiency indices</b>			
ROE <sup>6</sup>	16.11%	18.21%	16.29%
ROA <sup>7</sup>	1.86%	1.88%	1.46%
Efficiency ratio <sup>8</sup>	38.16%	39.07%	39.33%
<b>Market share</b>			
Current placements	21.22%	20.32%	21.06%
Total deposits	20.78%	20.29%	19.08%
<b>Other data</b>			
Structural sheet	7,266	6,735	6,311
<b>Total Commercial Network</b>			
Commercial Banking Offices	295	295	307
Corporate Banking Branches	23	34	23
Corporate Banking Offices	1	1	1
Institutional Banking Office	1	1	1
Premium Banking Branches	3	3	3
ATMs	1,950	1,909	1,910

1. Net of Provisions.

2. Overdue portfolio / gross placements.

3. Provisions / overdue 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 Stock Market / Superintendency of Banking, Insurance and Private Pension Funds Administrators (SBS).



**Business volume** In million of soles

	2023	2022	2021
Credit portfolio	70,617	69,088	70,382
Obligations with the public	69,208	66,054	63,197

Source: The Peruvian Capital Markets Superintendency.

**Economic value added (EVA): Detail by interest groups** In million of soles

GRI 201-1

	Value Indicator	dec-23	dec-22	dec-21
Shareholders	Dividends	956	780	295
	Price	1.6	1.7	1.81
Employees	Personnel and board expenses <sup>(1)</sup>	999	868	790
	Workers participation <sup>(2)</sup>	117	148	130
Costumers	Credit portfolio	70,617	69,088	70,382
	Obligations with the public	69,208	66,054	63,197
Suppliers	Expenses for service and others <sup>(3)</sup>	1,337	1,109	864
Society	Income tax	551	734	666

(1) Does not include worker participation.

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

(2) Dividends, shares and remuneration payable. Source: Notes to the RUs - SMV.

Calculated following the GRI SPI model. www.spfinance.com.

(3) Includes expenses for services received from third parties and taxes and contributions. Source: Notes to the RUs - SMV.

Calculated following the GRI SPI model. www.spfinance.com.

Source: Superintendency of the Stock Market - SMV.

**Economic value generated and distributed** In millions of soles

GRI 201-1

	dec-23	dec-22	dec-21
<b>Economic Value Added (EVA)</b>			
1 Gross financial margin	5,345	4,591	3,611
2 Net commissions	993	872	841
3 Result from financial operations (ROF)	856	641	703
4 Other income and expenses	69	9	-16
<b>Total (1 + 2 + 3 + 4)</b>	<b>7,262</b>	<b>6,112</b>	<b>5,139</b>
<b>Economic Value Distributed (EVD)</b>			
1 Worker participation <sup>(1)</sup>	117	148	130
2 Income tax	551	734	666
3 Personnel and board expenses <sup>(2)</sup>	999	868	790
4 Other income and expenses <sup>(3)</sup>	1,337	1,109	864
<b>Total (1 + 2 + 3 + 4)</b>	<b>3,004</b>	<b>2,858</b>	<b>2,451</b>
<b>Retained Economic Value (REV = EVA – EVD)</b>			
1 Net profit	1,869	1,913	1,559
2 Provisions and amortizations	2,389	1,342	1,129
<b>Total (1 + 2)</b>	<b>4,258</b>	<b>3,254</b>	<b>2,689</b>

(1) Dividends, shares and remuneration payable. Source: Notes from the Financial Statements

(2) Does not include worker participation. According to the latest regulations of the SBS effective as of 01.01.2011, the participation of workers is included in administrative expenses (personnel expenses item).

(3) Includes expenses for services received from third parties and taxes and contributions. Source: Notes from the Financial Statements. Calculated following the GRI SPI model. www.spfinance.com.

Source: The Peruvian Capital Markets Superintendency.

## 4.2. Environment

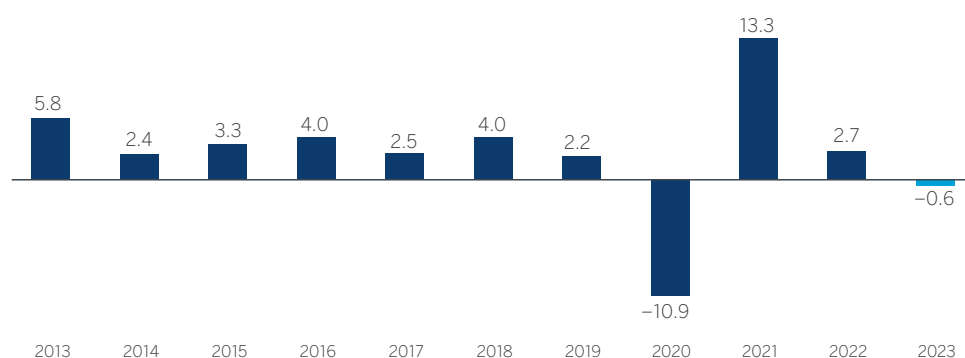
### Economic situation

In 2023, the Gross Domestic Product (GDP) contracted 0.6%. It should be noted that the negative performance of economic activity reflected the impact of adverse shocks such as climatic anomalies (Cyclone Yaku and the El Niño phenomenon) and the political and social unrest that occurred at the beginning of the year.

On the expenditure side, private investment fell in the context of weak business confidence. Household consumption had a limited growth that is explained by the cooling of job creation, the deterioration of the purchasing power of families (due to relatively high inflation) and higher financing costs. Exports, on the other hand, showed a better performance, in line with the improvement in mining production.

On the side of the extractive sectors, the growth of metal mining (9.5%) stood out, favored by the production of the Quellaveco copper mine. In contrast, the fisheries sector had a significant decline (–19.8%) due to the cancellation of the first anchovy capture season due to warm sea conditions, while the activity of the agricultural sector contracted (–2.9%) as a result of the droughts and fertilizer shortages of the previous year. A negative trend was observed in non-extractive activities, particularly in Non-Primary Manufacturing (–8.1%) and Construction (–7.9%).

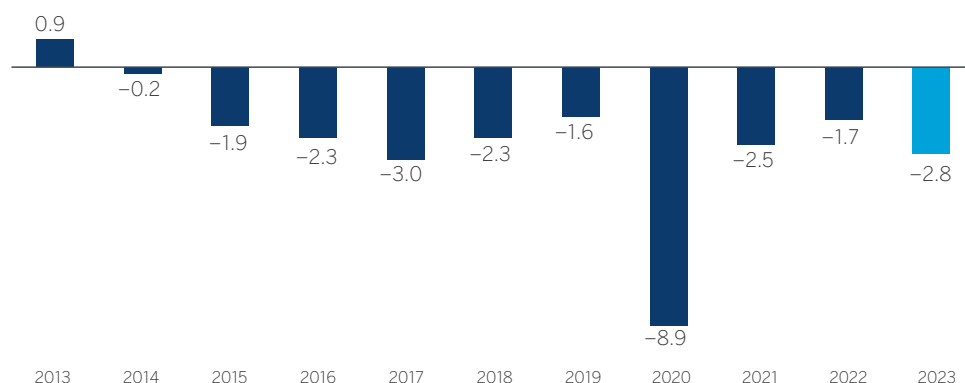
Real GDP Year-on-year change (%)



Source: The National Institute of Statistics and Information (INEI).

Concerning the public sector accounts, the fiscal deficit increased in 2023 and stood at an estimated level equivalent to 2.8%<sup>1</sup> of GDP in the year. This deterioration was explained by the fall in tax revenues.

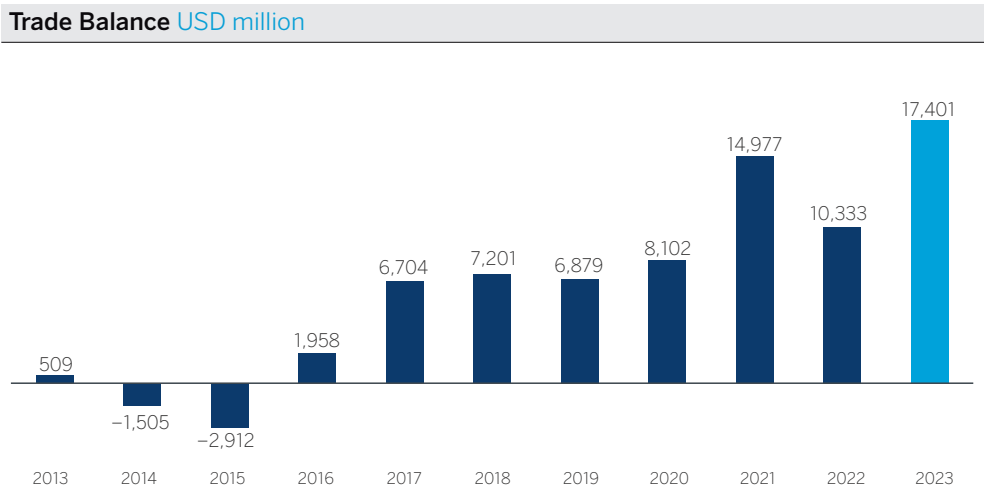
Economic performance of the non-financial public sector Percentage of nominal GDP (%)



Source: Central Reserve Bank of Peru.

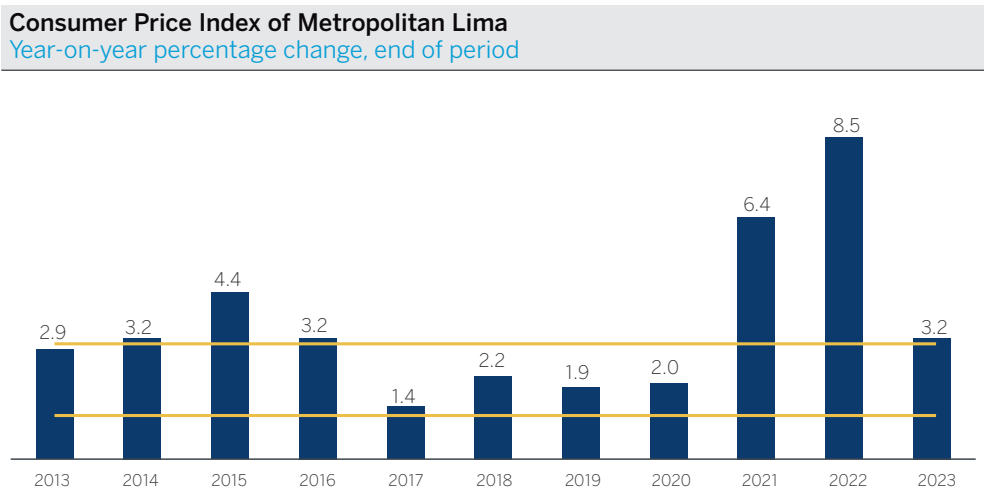
<sup>1</sup> BCRP, Study Note No. 5, January 19, 2024, page 1, Chart 1.

On the external accounts side, in 2023 there was a trade surplus of US\$ 17.4 billion, higher than in 2022 (US\$ 10.3 billion), a result that is mainly explained by the lower value of imports (lower import prices and lower imported volume due to weak private spending).



Source: Central Reserve Bank of Peru.

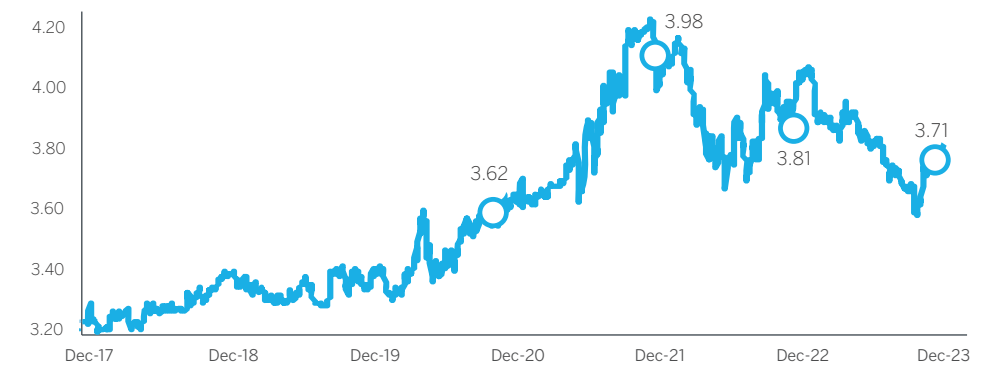
Inflation fell from 8.5% at the end of 2022 to 3.2%, slightly above the target range of the Central Reserve Bank of Peru (2%, +/- one percentage point). The decrease in inflation was associated with the reduction in international quotations of food inputs and fuels, as well as the correction in the prices of some locally produced foods.



Source: Central Reserve Bank of Peru.

In 2023, the exchange rate fell 2.7% (according to the appreciation of the Peruvian Sol), in the context of a large trade surplus and despite the volatility observed in global financial markets (due to the monetary adjustment process implemented by the Federal Reserve and geopolitical factors).

**Exchange rate between banks** Sale at the end of the period, soles per dollar

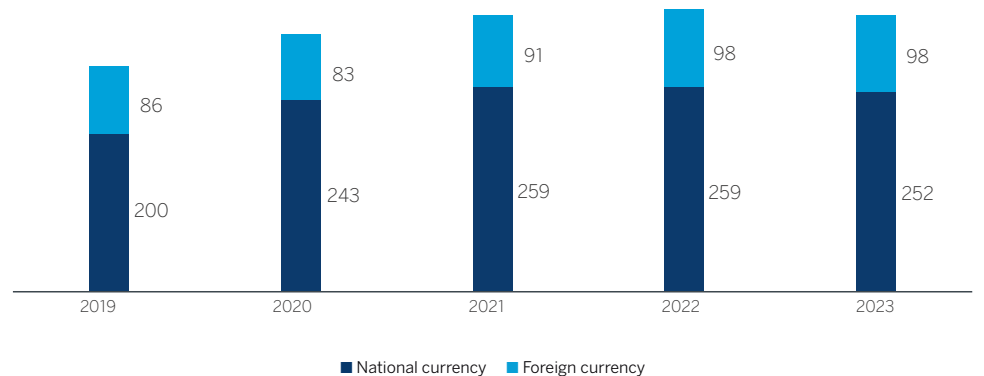


Source: Central Reserve Bank of Peru.

**Peruvian banking system**

During the concluded period, the Banking system's placements to the private sector fell by 1.8%<sup>2</sup> (growth of 1.8% in 2022). The dollarization of placements stood at 27.9% (27.4% at the end of 2022).

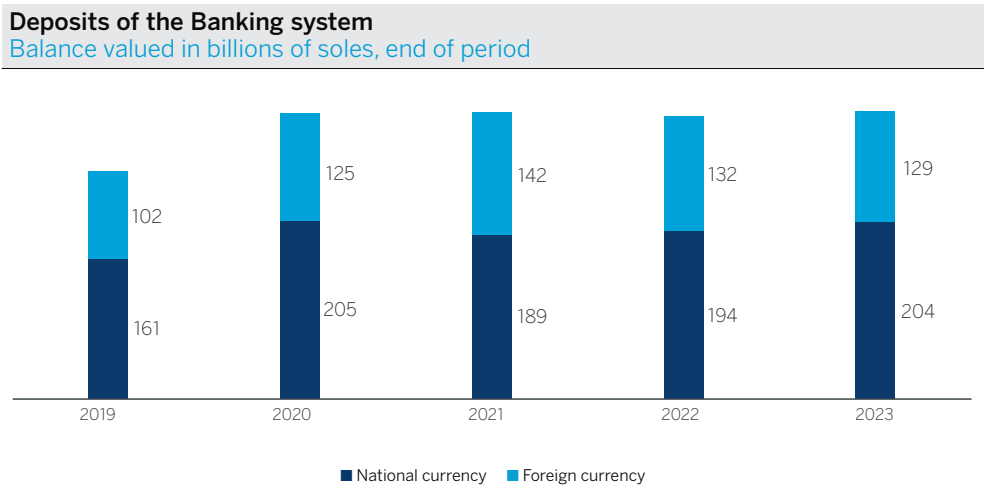
**Loans from the financial system** Balance in thousands of million soles at the end of the period



Source: Superintendency of Banking, Insurance and Private Pension Funds Administrators (SBS).

<sup>2</sup> Superintendency of Banking, Insurance and Private Pension Funds Administrators (SBS).

Deposits in the Banking system grew in 2023 by 2.3%<sup>3</sup> (contraction of 1.7% in 2022). The dollarization of deposits was reduced, from 40.5% in 2022 to 38.8% at the end of 2023<sup>4</sup>.



Source: Superintendency of Banking, Insurance and Private Pension Funds Administrators (SBS).

On the other hand, the quality of the Banking system’s portfolio deteriorated in 2023, with the delinquency rate going from 3.95% in 2022 to 4.31%<sup>5</sup> in 2023.

Finally, the average profitability of banks, which is calculated by dividing annualized net income by average equity, stood at 14.29%<sup>6</sup>, a level lower than that recorded in 2022 (17.27%).

Financial indicators of the Banking system				
Institution	Delinquency		Profitability	
	2022	2023	2022	2023
BBVA Perú	4.37%	4.71%	18.21%	16.11%
Average of the Banking system	3.95%	4.31%	17.27%	14.29%

Source: Superintendency of Banking, Insurance and Private Pension Funds Administrators (SBS).

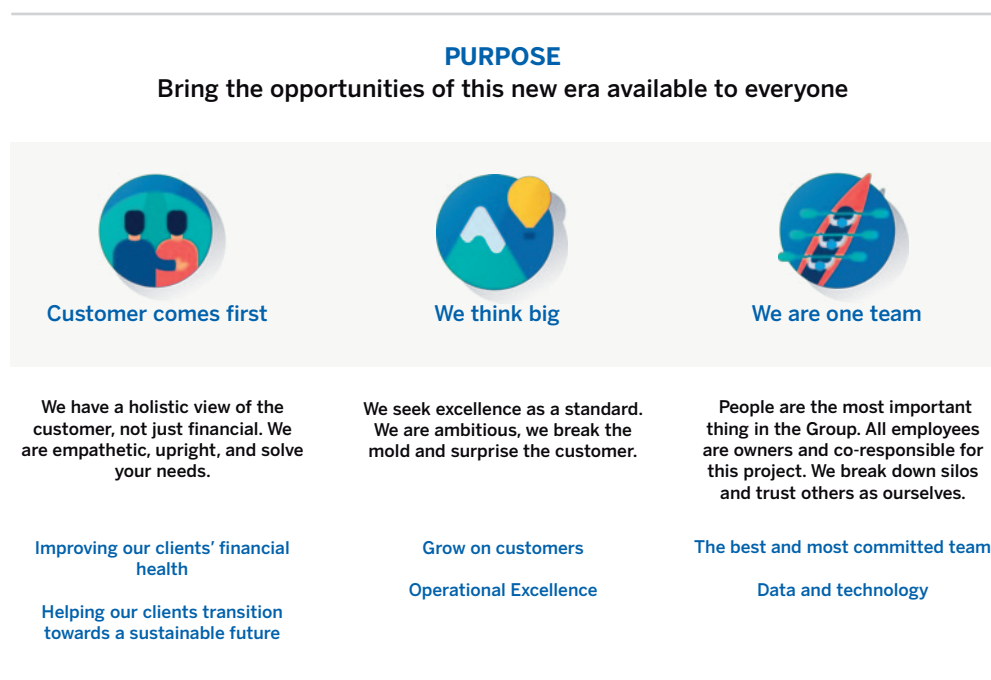
<sup>3</sup> Superintendency of Banking, Insurance and Private Pension Funds Administrators (SBS).  
<sup>4</sup> Superintendency of Banking, Insurance and Private Pension Funds Administrators (SBS).  
<sup>5</sup> Superintendency of Banking, Insurance and Private Pension Funds Administrators (SBS).  
<sup>6</sup> Superintendency of Banking, Insurance and Private Pension Funds Administrators (SBS).



## 4.3. BBVA's purpose

BBVA's strategy revolves around a single purpose: "To bring the opportunities of this new era available to all". With the efficient management of innovation and technology, the Bank seeks to possibly impact on people's lives and companies' businesses, providing access to products, advice, and solutions that allow its customers to make better decisions about their finances and achieve their life and business purposes. As a result, BBVA's responsible banking model aspires to achieve a more inclusive and sustainable society.

Likewise, the group is based on three solid values that, together with their associated behaviors, are the guidelines for action that guide employees when making decisions on a day-to-day basis and help them make BBVA's purpose a reality.



## 4.4. Organizational chart and governance structure

The achievements obtained by being based on innovation and the use of new forms of agile work allow BBVA to deliver solutions that are benchmarks in digital transformation in record time. The Bank's core areas are consolidated into multidisciplinary teams aligned with the global agile transformation path.

As part of this, at the end of 2023 the Bank's organizational structure was consolidated and structured with the following areas and units:

**Internal Audit:** Responsible for objectively and independently executing assessments of the risks of the processes of the entire business, as well as the controls that mitigate them and the associated regulations.

**Internal Control and Compliance:** Proposes and implements policies related to non-financial risks and ensures optimal management of the Bank's internal control model. It is made up of the Non-Financial Risks, Compliance, Internal Risk Control, Risk Control Specialists (RCS) and Supervisory Relations teams, a team responsible for defining the Bank's strategy for attention and relations with regulators.

**Chief Executive Office:** Responsible for the management of the general manager's cabinet. In addition, it supports all Bank units in aligning local and global strategies for strategic impact projects and initiatives.

**Image and Communication:** Manage and ensure the image of the BBVA Peru Group in the different channels and public spaces.

**BBVA Research:** Makes projections and analyses of the evolution of economic variables to facilitate decision-making by managers and business areas.

**Corporate & Investment Banking:** Performs functions associated with investment banking, global markets, global lending, and transactional services for corporate clients and institutional investors. Responsible for providing a catalog of high-value products and services to customers.

**Client Solutions:** Defines, designs, and develops opportunities and differential solutions that the client needs with an innovative experience at the level of products, services, and distribution channels. He is responsible for the leadership of the Bank's Sustainability Strategy.

**Commercial Banking:** Implements the relevant strategy in Retail Banking and Private Banking to obtain maximum performance in the development and results of the business.

**Business and Corporate Banking:** Carries out the strategy that safeguards the progress of the business and the balance sheet in business and corporate banking.

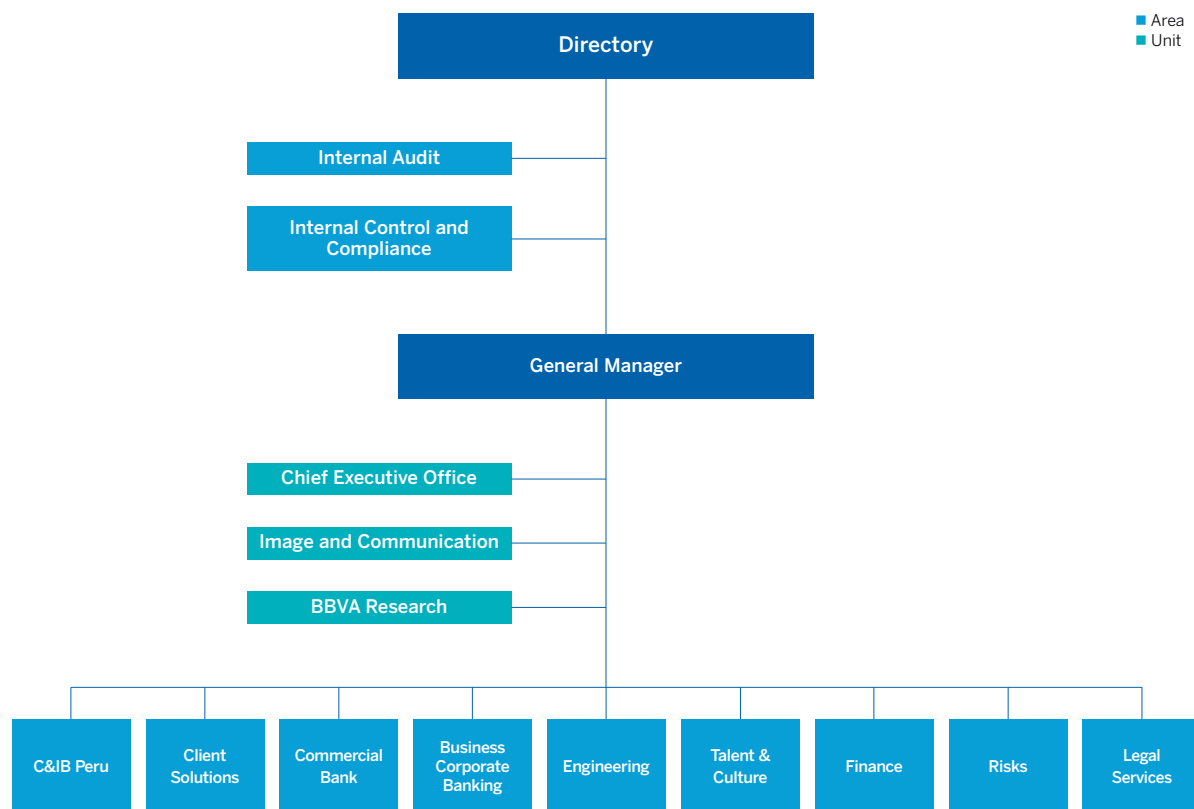
**Engineering:** Accompanies the different areas of the headquarters and office network to achieve the objectives based on solutions and technological support with optimal security measures. It also helps in the design of processes on the road to continuous improvement that promotes productivity and assurance of key business activities. All this incorporates the global roadmap of data and analytics development in the country.

**Talent & Culture:** Leads the transformation of organizational change with the collaborator as the center of attention and provides the appropriate spaces and the best accompaniment in the agile work dynamics of the teams.

**Finance:** Ensures the efficiency and effectiveness of the organization's economic-financial resources through the exploitation and analysis of information systems, ensuring the relationship with investors.

**Risks:** Guarantees the solvency of operations through the corporate model of independent and global management and risk assessment. In addition, it minimizes the impact on the expected results of the business.

**Legal Services:** Advises the Bank's units in the different regulatory and legal specialties. It also designs strategies that ensure prevention and defense for compliance with the regulations applicable to its activities, in order to avoid contingencies.



## 4.5. Commitments signed<sup>7</sup>

### International

GRI 2-23, 2-24, 2-28, SDG 17

BBVA considers adherence to the main international standards on sustainability to be pertinent and appropriate. To date we can mention the following:

- United Nations Global Compact ([www.globalcompact.org](http://www.globalcompact.org)). (BBVA Peru has joined since 2006.)
- United Nations Environment Programme Finance Initiative, UNEP-FI ([www.unepfi.org](http://www.unepfi.org)). (Since 1999.)
- Carbon Disclosure Project ([www.cdproject.net](http://www.cdproject.net)). (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.)
- Paris Agreements. (Since 2018.)
- Sustainable Development Goals ([www.undp.org/content/undp/en/home/sustainable-development-goals.html](http://www.undp.org/content/undp/en/home/sustainable-development-goals.html)). (Since 2018.)
- Principles for Responsible Banking, promoted by the United Nations Environment Programme Finance Initiative (UNEP FI). (Since 2019.)
- 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 Labour Organization ([www.ilo.org](http://www.ilo.org)).

### National

GRI 2-28

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

<sup>7</sup> They are global commitments and involve their implementation at BBVA offices in other regions.

## 4.6. Awards and recognition

### BBVA, the best bank in Peru by The Banker

The British magazine The Banker, which belongs to the Financial Times, selected BBVA as the best financial institution in Peru for its advances in digitalization and sustainability. It was also recognized as Bank of the Year in Latin America for its ability to stand out from its competitors, not only in Peru but throughout the region.



### BBVA, the best bank in Peru by Euromoney

BBVA was chosen as the best bank in the country by Euromoney magazine during its Awards for Excellence 2023. The publication specialized in the financial world and highlighted the entity's operational excellence, as well as its growth in the retail segment.



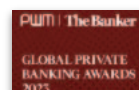
### BBVA, best ESG bank in Peru

Euromoney magazine recognized BBVA as the best ESG (Environmental, Social, and Governance) bank for its continuous effort and investment to reduce its carbon footprint, as well as for the different sustainable financing alternatives it offers its customers.



### BBVA, the best private bank in Peru in 2023

The prestigious British magazine The Banker recognized BBVA as the best Private Bank in Peru at the Global Private Banking Awards 2023. The publication highlighted the Bank's ability to identify opportunities amid the complex challenges facing the Latin American region.



### BBVA, the best investment bank in Peru

During the prestigious Latin American financial market conference Bonds, Loans & ESG Capital Markets, BBVA was recognized as the best ESG lending house in Latin America and as the best investment bank in Peru and Mexico for, as noted, closing the most innovative and disruptive deals in Latin America and the Caribbean.



### BBVA, recognized for its investment in infrastructure in Peru

LatinFinance magazine awarded BBVA for its participation in the financing of the expansion project of the Jorge Chávez International Airport in Lima, in the categories of Infrastructure Financing of the Year – Latin America and Airport Financing of the Year. It was also credited as the Infrastructure Bank of the Year.



### BBVA, the best foreign trade bank in Peru

BBVA was recognized as the best foreign trade provider in Peru by the British magazine Global Finance. The award reflects the effort made by BBVA's Comex team to make a wide range of innovative products and services available to its customers.



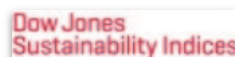
### BBVA, Peru's best bank in treasury management

Global Finance magazine published the list of winners of the twenty-third edition of its Best Treasury & Cash Management Banks 2023 awards. For the second year in a row, BBVA stood out from its competitors by obtaining the award as the best bank in the Peruvian financial sector.



### BBVA, the only Peruvian bank present at the DJSI 2023

For the third consecutive year, BBVA was the only Peruvian bank present in the Dow Jones Sustainability Index 2023, according to the results presented after the annual evaluation carried out on the performance of companies with the best sustainability ratings.



### BBVA, the first Peruvian bank to be considered EDGE Champions

BBVA was recognized by the International Finance Corporation (IFC) as the first EDGE Champions of Peruvian banking, having certified more than 250,000 square meters of sustainable construction under the EDGE parameters.



### BBVA, is considered one of the Most Admired Companies in the country

For the ninth consecutive year, BBVA was considered among the Most Admired Companies in the Country. In this recognition, granted by PwC and G de Gestión magazine, BBVA stood out in the categories of Technological Innovation and Financial Management.



### BBVA, the most awarded company at the 2023 ABE Awards

BBVA stood out as the most awarded company in the IX edition of the ABE Awards, organized by the Association of Good Employers (ABE) of the American Chamber of Commerce in Peru. The entity won in the categories of Integral Well-being; New forms of Learning and Development of People and New forms of hybrid and flexible work.



### BBVA was recognized as one of the Companies with Sustainable Management in Peru

The Sustainable Peru organization recognized BBVA in Peru, along with other companies, for its compliance with the parameters in its sustainability management through the Sustainable Management Company (EGS) distinction.



## 4.7. Governance systems and ethical behavior

### 4.7.1. Corporate governance

GRI 2-9, 2-10, 2-28

BBVA includes its report on compliance with the principles of good corporate governance in this Integrated Report for the concluded period. This brief explains in detail and following the legal provisions the degree of implementation of the recommendations in this regard. Similarly, all the required current information has been placed in the corresponding section of the Bank's website.

For the Bank, the good corporate governance system is a fundamental element of the sustainability model and one of the pillars that underpins its development. According to the entity's internal regulations, the approval of its General Sustainability Policy corresponds to the board of directors, which receives an annual report on its implementation and execution.

This practice allows for transparent and adequate management of the organization's corporate bodies and the actions of its shareholders, under the objectives of the stakeholders.

Uninterruptedly, from 2008 to 2021, BBVA was part of the Good Corporate Governance Index (IBGC) of the Lima Stock Exchange (BVL), a stock market statistical indicator that reflected the behavior of the most representative share prices of the issuing companies that complied with the principles of good governance and had a minimum level of liquidity established by the BVL.

In order to provide a regional benchmark for investors, the BVL replaced the IBGC with the Dow Jones MILA Pacific Alliance Sustainability Index in 2021. Based on three criteria—environmental, social, and governance (ESG)—this index measures the performance of companies within the Latin American Integrated Market (MILA), which encompasses the stock markets of Chile, Colombia, Mexico, and Peru.

BBVA was added to the Dow Jones Sustainability Index MILA Pacific Alliance, which demonstrates its commitment to sustainability issues.



The system of good corporate governance has essential characteristics, such as:

- Adequate composition of its corporate bodies.
- Clear distribution of functions between the Board of Directors and its committees, as well as between them and senior management.
- Orderly decision-making process.
- Solid system of monitoring, supervision, and control of the Company's management.

## 1. Regulatory framework

The regulatory system of corporate governance in Peru is structured by the principles contained in the Code of Good Corporate Governance for Peruvian Companies (CBGC) approved by the Superintendence of the Securities Market (SMV), as well as by the Regulation of Corporate Governance and Comprehensive Risk Management, authorized by Superintendence of Banking, Insurance and Pension Funds (SBS). Its goal is to generate a culture of corporate governance, improve investors' perception of corporations, promote business development, and contribute to the generation of value in the national economy.

The CBGC is applicable to public limited companies in the country, especially those that have securities registered in the Public Registry of the Stock Market (the "Registry"). They are obliged to disseminate their good corporate governance practices to the market.

It is made up of five pillars:

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

The CBGC also includes complementary principles that apply to companies owned by the State and family members, considering that some of them have securities registered in the registry.

Adherence to the principles contained in the CBGC by companies not only fosters a climate of respect for the rights of shareholders –and investors in general–, but rather contributes to creating value, solidity, and efficiency in societies. Similarly, it promotes better risk management to which companies could be exposed and facilitates access to the capital market. Therefore, it reduces capital costs and favors greater and better access to sources of financing and long-term investment.

## 2. The Bank's Corporate Governance Regime

GRI 2-12, 2-13

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, prepared in accordance with the guidelines indicated by the principles contemplated in the CBGC and in the Corporate Governance Regulations and Comprehensive Risk Management. These standards are constantly reviewed, so that they are kept up-to-date and their application is adapted to the activities carried out by the Bank as a society.

Within this regulatory regime, BBVA has a General Shareholders' Meeting Regulation, which dictates the principles of organization and operation of this governing body and establishes its rules for calling, information and attendance, as well as the conduct of the meeting itself. The guiding principle is to facilitate the exercise of shareholders' corresponding rights, protected not only by the bylaws but also by regulatory rules, the General Companies Law and the principles of corporate governance.

Likewise, the Regulations of the Board of Directors authorize the board of directors to constitute, in pursuit of the best performance of its functions, the committees it deems necessary to assist it in matters of its competence. Under this premise, the following five committees have been created: Audit, Compliance, Appointments, Remuneration and Talent Management, Risk and Corporate Governance. The latter is responsible for supervising the Bank's compliance with such practices, as well as implementing the necessary improvements to maintain social responsibility standards. It was constituted by agreement of the board of directors meeting dated November 17, 2011, and its regulations contain the provisions related to its operation, structure and composition.

We also have a Sustainability Committee, whose purpose is to lead, propose, design, review, approve, make decisions, and monitor current and future policies, guidelines, procedures and strategies in the field of Sustainability. It also ensures compliance with national and international standards as well as the voluntary agreements signed by BBVA Peru on issues related to its sustainable management. The specific objective of the Sustainability Committee is to ensure compliance with the three objectives of its strategy (sustainable mobilization, net zero 2050, and positive impact).

### **3. Board composition<sup>8</sup>**

GRI 2-9, 2-10

The Bank's board of directors is made up of people with different specialties and competencies, all of them recognized for their prestige, ethics, financial independence, sufficient availability, and a series of relevant qualities for the Company so that a plurality of approaches and opinions coexist. Likewise, following the provisions of the Corporate Governance and Comprehensive Risk Management Regulations, approved by SBS Resolution No. 272-2017, it has two (02) independent directors, who meet the applicable requirements according to current regulations.

To comply with the aforementioned regulations, the Bank has internal rules to assess compliance with the suitability requirements for board members, as well as their status as independents in such cases. The Bank's appointments, remuneration, and talent management committee is responsible for evaluating the candidate directors. Once the evaluation has been carried out, the proposal for members of the board of directors is submitted for approval to the mandatory annual meeting of shareholders of the Bank, in which all shareholders have the right to participate with voice and vote.

The delegated committees are composed only of the same members of the board of directors, with the exception of the comprehensive risk committee, which is also composed of the Bank's risk manager. The election of the members of the delegated committees is carried out within the board of directors, based on the knowledge and qualities of each of its members.

<sup>8</sup> Directors of the Breca Group: Alex Fort Brescia, Pedro Brescia Moreira, Mario Brescia Moreira, Fortunato Brescia Moreira. They are shareholders and owners of the Breca Group. They are affiliated with the following companies: Rímac Seguros, Rímac EPS, property leasing, and with real estate companies within the group.

The current members of BBVA's board of directors are as follows:

GRI 2-11

GRUPO 2-11

Names and surnames	Vocational training	Date		Shareholding	
		Start date	End date	Nº of shares	Stake %
Directors not including independents					
<b>Alex Fort Brescia</b> Chairman of the Board (Non-Executive)	Master in Business Administration. He is a member of the board of directors of Holding Continental and the board of the BBVA Peru Foundation.	May 1995		Not applicable	Not applicable
<b>Pedro Brescia Moreyra</b> First Vice-President	Business administrator. He participates on the board of directors of Continental Holding and on the board of BBVA Foundation Peru.	May 1995		Not applicable	Not applicable
<b>Pablo Alfonso Pastor Muñoz</b> Second Vice-President	Degree in Economics and Business Sciences. MBA. Serve on the board of BBVA Foundation Peru.	July 2022		Not applicable	Not applicable
<b>Mario Brescia Moreyra</b> Principal Conductor	Administrator. He participates on the board of directors of Continental Holding and the board of BBVA Foundation Peru.	March 2013		Not applicable	Not applicable
<b>Fortunato Brescia Moreyra</b> Principal Conductor	Engineer. He participates on the board of directors of Continental Holding and the board of BBVA Foundation Peru.	June 2013		Not applicable	Not applicable
<b>Fernando Eguiluz Lozano</b> General Managing Director	Industrial and systems engineer. MBA. He participates on the board of BBVA Foundation Peru and participated in the boards of directors of BBVA Consumer Finance Edpyme in Liquidation, Forum Comercializadora del Peru S.A. in Liquidation, Forum Distribuidora del Peru S.A.	July 2019		Not applicable	Not applicable
<b>José Ignacio Merino Martín</b> Principal Conductor	Degree in Business Sciences. Serve on the board of BBVA Foundation Peru.	March 2016		Not applicable	Not applicable
<b>Rafael Varela Martínez</b> Principal Conductor	Degree in Law. Serve on the board of BBVA Foundation Peru.	May 2020		Not applicable	Not applicable
<b>José Carlos López Álvarez</b> Principal Conductor	Degree in Business Sciences. Serve on the board of BBVA Foundation Peru.	June 2018		Not applicable	Not applicable

>

Names and surnames	Vocational training	Date		Shareholding	
		Start date	End date	Nº of shares	Stake %
Independent Directors					
José Manuel Rodríguez Novás Sánchez-Diezma Independent Principal Conductor	Master’s Degree in Engineering in Agricultural Industry. He participates in the board of directors of BBVA Foundation Peru.	May 2020		Not applicable	Not applicable
Ismael Alberto Benavides Ferreyros Independent Principal Conductor	Agronomist engineer. He participates in the board of directors of BBVA Foundation Peru.	March 2018		Not applicable	Not applicable
Alternate Directors					
Jaime Aráoz Medanic Alternate Director	Business administrator. MBA.	March 2018		Not applicable	Not applicable
Pedro José Malo Rob Alternate Director	Degree in Economics. MBA.	March 2022		Not applicable	Not applicable
Miguel Ángel Salmón Jacobs Alternate Director	Degree in Law and Political science.	March 2018		Not applicable	Not applicable
Gustavo Alberto Mazzolini Casas Alternate Director	Certified Public Accountant and Bachelor of Administration.	March 2018		Not applicable	Not applicable
Antonio Alonso Granada Alternate Director	Bachelor of Science Economic.	March 2018		Not applicable	Not applicable

#### Board Delegated Committees

GRI 2-9

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

(\*) Independent director.

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

## 4.7.2. Compliance System

GRI 2-26

Under the principles established in the Bank for International Settlements (BIS) and the reference regulations on the matter, BBVA articulates its activity around the development and implementation of specific policies and procedures that follow strict canons of ethical behavior, as well as their dissemination and compliance. In this sense, the compliance risk management model is oriented towards the identification, evaluation, and mitigation of the eventual appearance of these.

“Compliance risks” are defined as the danger of incurring legal penalties and financial or reputational losses that an entity may suffer due to non-compliance with laws, regulations, rules, self-regulatory standards and codes of conduct applicable to its activities, whether this occurs intentionally or through gross negligence.

In line with the corporate organizational structure, and to adequately manage compliance risks in BBVA's entities in Peru, there is the Internal Control & Compliance area, whose Compliance subarea reports directly to the manager of the area without affecting direct access to the board of directors, which reaffirms the autonomy, importance and independence with which the Group has endowed it.

Under an agile organizational structure, Compliance consists of six disciplines based on a block of process execution (Compliance Execution) and another of project development (Compliance Solutions):

- **Anti Money Laundering (AML)**, in charge of money laundering and terrorist financing AML risks.
- **Customer Compliance**, in charge of managing market conduct risks (product design, business practices, transparency, and monitoring of complaints), customer protection, product governance, and conflicts of interest, among others.
- **Corporate Compliance**, is responsible for managing mainly risks related to ethical conduct, corruption, criminal liability of Group companies, and competition risks (antitrust).
- **Securities & Derivatives (S&D)**, which manages conduct risks in the securities markets, preventing insider trading and market abuse, among others.
- **Model & Assurance**, a discipline that develops and implements the Compliance model of global scope, which includes Compliance Testing, an independent function of assurance of controls and compliance mitigators.
- **Data Protection (PDP) Compliance**, is responsible for efficiently managing regulatory compliance risks related to the protection of personal data of customers, collaborators, and suppliers.

During 2023, due to the political situation and measures in force, the Compliance function continued to strengthen the following lines of action:

- (i) Implementation of appropriate procedures and action protocols for compliance with emerging regulations.
- (ii) Prevention in the supply of products and services so that they do not present deficiencies in compliance risk management.

The corporate management model consists of the following elements and pillars on which it is based:

- A. Provision of an adequate organizational structure that allows it to maintain its authority and independence of criteria.
- B. Maintenance or updating, as appropriate, of internal regulations, policies and procedures that guarantee business continuity.

- C. Support in the technological infrastructure is a crucial element for the effective development of Compliance supervision and control activities remotely.
- D. Permanent activity in risk assessment, both in the scenarios affected by the changes – to define mitigation actions to properly manage the risks involved – and in those not affected.
- E. Dissemination and communication of the relevant changes and actions, also understood, if necessary, as a "re-education" in the new ways of developing activities.
- F. Continuity in the supervision and control of the established processes, while developing monitoring schemes for the changes implemented.

This management scheme made it possible to respond in a timely and effective manner to activities with a high component of risk factors linked to Compliance activity. In this way, the onboarding of clients in a non-face-to-face manner was promoted and streamlined, with the support of biometric technology, as well as the attention of operations through non-face-to-face channels and credit requirements.

The regulatory and environmental changes in the special situation of 2023 impacted to a greater or lesser extent on the prevention of money laundering and terrorist financing, corruption risks, market conduct, prevention of conflicts of interest and competition, and corporate integrity.

On the other hand, because the Bank has a macro vision that implies that any action undertaken must ensure traceability for subsequent evaluation, independent evaluations of regulators and internal and external audit bodies were implemented in 2023. This tool is becoming increasingly relevant as the new normal becomes viable.

In terms of communication and training for the entire organization, the Bank has, in addition to the face-to-face and e-learning instruction of Campus BBVA – a portal for providing courses and corporate training tools – a compliance portal (intranet) that it uses for the following functions:

- Disseminate news or changes in the legal framework, domestic regulations, national and international documents, warning signs, patterns of suspicious behavior, and also answers to frequently asked questions.
- To give differential visibility to a certain standard or informative or training content related to activities for the prevention of money laundering and financing of terrorism or other compliance risks.
- Maintain an appropriate level of awareness, which is achieved when compliance with the rules and appropriate ethical behavior are part of the institutional messages.
- To have a continuous and easily accessible means of information for employees.

During 2023, the Culture of Compliance Program implemented training and communication actions to promote a strong culture of compliance among the members of the organization. These initiatives focused on the development and awareness of BBVA employees regarding compliance with local regulations applicable to compliance and conduct issues, as well as BBVA's internal regulations.

BBVA's Strategic Plan included data as one of its priorities, considering it a critical and strategic asset, characterized by its complexity, technological evolution, and regulatory changes. In accordance with the ISO 37301:2021 Compliance Management System standard, the Data Protection Compliance Program was implemented in 2023. Its comprehensive approach, based on eight indicators and 25 controls, ensures that the protection of the personal data of customers, suppliers, and collaborators is not only robust and effective but also compliant with privacy regulations.

In 2023, Banco BBVA Peru's board of directors approved the Crime Prevention Program and appointed the five members of the new Supervisory Body in charge of it:

- Head of Internal Control and Compliance (President)
- Head of Legal Services
- Head of Litigation Legal Services
- Head of Compliance (Secretary)
- Head de Non Financial Risk

The Supervisory Body has functional autonomy and control initiative for the monitoring and supervision functions of the program, to review the risks to which the Bank is exposed. Its main functions include: implementing and managing the Crime Prevention Programme, periodically evaluating the effectiveness of the model, analyzing and managing cases in which indications of alleged criminal activities are detected, and adopting or proposing to senior management or corporate bodies the adoption of the appropriate measures.

In January 2023, the new Code of Ethics in the Securities Market (CEMV) approved by the board of directors came into force, which incorporates modifications to adjust to new legislation and industry best practices on market abuse.

In addition, BBVA has specific policies that strengthen its commitment to compliance and integrity, including conduct in the securities markets, anti-corruption, prevention of conflicts of interest, product governance, competition, and the general policy on conflicts of interest.

### Advice on ethical and legal behavior

GRI 2-12, 2-23, 2-25, 2-26

The Code of Conduct of the BBVA Group in Peru includes the latest regulatory requirements and recommendations from international organizations, as well as the best practices and requirements of supervisory bodies. It also contains current societal expectations of what a strict business culture based on ethics should be.

The Code clearly stipulates that the behavior of BBVA employees must be legal, morally acceptable, and publishable. It also provides guidelines for behavior in line with the Group's principles of prudence, integrity, and transparency and includes procedures to help employees resolve doubts and clarify compliance with their obligations.

The Code applies to all entities related to the BBVA Group in Peru. Each employee has a copy of the Code, which is also published on the Bank's website and the Compliance portal (intranet).

The Compliance team promotes the revision of the Code at least annually, which reinforces the Group's commitment to integrity in business and promotes communication, training, and adherence to the Code, as well as the fundamentals that inspire it.

BBVA has several corporate tools, such as:

- **Register your gifts and events**, an internal tool that aims to make transparent the courtesy details that are received and delivered to third parties.
- **Consultation Channel**, an internal tool that advises the Bank's members in resolving any doubts that may arise concerning the guidelines established in the Code of Conduct and related policies.
- **Whistleblowing Channel**, which can be accessed by both members of the BBVA Group and people outside it who wish to communicate, via the link <https://www.bkmssystem.com/bbva>, possible unethical or criminal conduct. The tool provides the whistleblower with the guidelines for the information to be shared, giving them the possibility of attaching relevant documentation, as well as keeping their data anonymous and confidential.

In 2023, BBVA implemented a new corporate tool:

- **Conflict of Interest**, a tool that allows employees to identify, record and manage conflicts of interest detected or that may be perceived as such.

Along the same lines, the Compliance team continued to provide support and advice to BBVA's employees and senior management on the application of the Code, current corporate policies and new corporate tools. The advice was provided on matters related to the acceptance of gifts or personal benefits, the development of professional activities, the management of personal assets and the treatment and management of potential conflicts of interest, among others.

In addition, in 2023 the Board of Directors approved the Whistleblowing Channel Policy, which includes as main aspects the appointment of a channel manager – a role that falls to the head of the Internal Control and Compliance area –, the description of the E2E of the whistleblowing management process at BBVA, the protection measures for the whistleblower (e.g., the prohibition of retaliation) and the protection of personal data.

In 2023, in addition, the Competition Policy was reviewed annually and its new version was approved by the board of directors, which presented as main changes the incorporation of the general principles by which BBVA is governed and the description of the main sources of risk (e.g., agreements on the reciprocal non-hiring of employees, internal communications and with third parties and contracts with non-competing companies).

BBVA has established the Corporate Integrity Management Committee as the body with the highest level of oversight for the proper application of the policies and guidelines included in the Code. In addition, the Compliance area presents the evolution of all areas related to the Code at the Committee's sessions.

### Anti-corruption policy

The anti-corruption policy is aligned with the FCPA (USA), the UK Bribery Act, the Spanish Penal Code, and the best practices in the sector, among which ISO 37001 is taken as a reference and the guidelines are established to be able to make donations to public entities.

The review of the policy is annual and in 2023 a new version was approved that, without affecting its structure, strengthened the following aspects: commercial contribution and sponsorship, gifts and events, and selection and hiring of personnel.

#### GRI 205-2

The Anti-Corruption Policy and Code of Conduct course is mandatory for any new employee of any of the Group entities in Peru, through the virtual training platform. During the second half of 2023, the Crime Prevention and Free Competition courses were included in the regulatory package and specialized training on crime prevention related to Law 30424 was carried out.

During 2023, 100% of board members received communications and training on the Group's anti-corruption policies. Likewise, 100% of the suppliers have been informed about the anticorruption policies and procedures that BBVA Peru has.

#### Total number and percentage of employees who have received anti-corruption training by job category

Job category	Total Number	% of total employees
Management team <sup>(*)</sup>	81	75
Middle management	1,137	86.3
Specialists	1,949	83.6
Sales Force	1,556	91.3
Basic Positions	1,448	80.2

Includes employees who have completed at least one of the following courses: Anti-Corruption Policy or Code of Conduct.

(\*) Management Committee and unit managers.



## Prevention of Money Laundering and Terrorist Financing (AML/CFT)

BBVA Peru is aware of the fundamental role that financial institutions play in the prevention of money laundering and terrorist financing (AML/FT). Therefore, to prevent its products and services from being used for criminal purposes, it ensures that its activity is carried out in strict compliance with current legal requirements and the best practices of the international financial industry.

To this end, it bases its actions on a corporate model and has a General AML/FT Policy, approved by the Board of Directors, which constitutes the formalization of its model and establishes a homogeneous framework for risk management in the Group. The model is based on a prior understanding of the risks of money laundering and terrorist financing to which the Bank is exposed, considering those related to customers, geographical areas, products, services, operations, and distribution channels.

The model is subject to continuous independent reviews, internal and external auditing, and verification by the Compliance Testing function, all of which allow controls to be reinforced and additional mitigating measures to be established to strengthen it.

During 2023, the Manual for the Prevention of Money Laundering and Terrorist Financing was updated – to include common criteria and reinforce the Bank's framework for action as part of an international financial group – and adhered to various corporate regulations that seek to strengthen policies and controls to mitigate this type of risk.

In addition, given the current situation and the increase in crime, monitoring systems were strengthened in order to detect new forms of money laundering and terrorist financing.

### GRI 205-2

The training process of the different lines of defense is an important aspect that contributes to risk mitigation, so specialized training for the Compliance Officer and his support staff on current issues appropriate to the risks identified in the Bank was reinforced. In addition, 95% of the entity's staff were trained through the e-learning platform and based on a risk analysis, the need for additional training was determined for a total of 67 offices in the commercial network.

## Market conduct (Transparency and user protection)

The Market Conduct Management (Customer Compliance), in charge of the Market Conduct Officer (CMO), aims to ensure the development of the following activities established within the framework of the regulation of this matter issued by the Superintendency of Banking, Insurance and Private Pension Fund Administrators (SBS) and the policies and good corporate practices:

- Evaluation of the risks related to the protection of customers that could arise from the design, marketing and life cycle of BBVA's products, services, and activities; likewise, the implementation of control measures to mitigate any weaknesses that may be detected is promoted. The implementation of the compliance model is carried out through the new product committees, in the Single Development Agenda (SDA) sessions and within the quality assurance program (PAC), which ensures the intervention of the CMO from the conception of the commercial initiatives to their development, marketing and post-contracting.
- Coordination of action plans to adapt to the new requirements and criteria issued in terms of user protection, mainly by the SBS. Given the political situation, the continuity of regulatory measures and changes with a special focus on consumer protection has been increasing, which required proactive action by the CMO to prevent non-compliance.
- Close and continuous collaboration with the product and business development units, with an emphasis on digital banking and open banking initiatives, to ensure the incorporation of the customer protection vision in their projects.
- Permanent updating of the internal regulatory framework for the correct marketing of the Bank's products and services, with a focus on the proper application of the regulatory changes provided in terms of market conduct.

- Participation in projects to improve and update the Bank's business processes and computer systems, to ensure their alignment with the best practices for the protection of the client's interests. The situation and the permanent regulatory changes determined the need for permanent support from the CMO.
- Communication and training actions aimed at commercial networks in the field of transparency and consumer protection. Since each employee who serves a client/user must be duly informed and permanently updated, the annual training program was developed, and extended to all employees who provide support to internal processes, while a periodic update of the reference material of the offices was carried out through a centralized application.
- Targeted reviews of publicly available information, including monitoring the application of fees and posting them on channels made available to customers. All the updates issued were validated and the governance framework of the commissions was reviewed, which allowed a new internal regulatory framework to be issued to ensure the management of commissions.
- Ex-post review of the contents of promotional campaigns and commercial actions of products/services, in compliance with the principle of transparent, clear, and responsible advertising (TCR) and the Advertising Self-Regulation Code signed by the Association of Banks of Peru (Asbanc). To this end, quarterly reports were prepared to monitor advertising activity.
- Strengthening of compliance risk monitoring metrics and indicators, to promote a preventive approach.
- Evaluation of customer complaints, internal and external audit reviews, and regulatory examinations and requirements, which verified that the attention to these occurred within the current legal period.
- Training of BBVA staff in Market Conduct, an objective that in 2023 reached an effectiveness of 98%. The idea is to ensure that both the staff who interact with users and those who design products and services comply with the principles of transparency and conduct with the user in accordance with the relationship that the Bank generates with its customers.
- During the concluded period, the application of the corporate policy Customer Conduct and Product Governance was reinforced, which allowed the OCM to comprehensively evaluate the launch of new products or significant variations thereof, ensuring compliance with the model from the pre-launch evaluation to the subsequent monitoring of all commercial initiatives developed by the Bank.

## Protection of personal data

BBVA considers data a critical and strategic asset, especially in an environment characterized by complexity, technological evolution, and regulatory changes. In this regard, to ensure that it has the necessary measures in place to ensure privacy and respect for regulatory requirements, a compliance program on personal data protection was incorporated that includes the following points:

- Data protection governance model detailing the governing bodies, roles, functions, and responsibilities.
- Internal control framework for compliance with internal regulations, which must include a periodic review of the same.
- Internal privacy policy and regulations accessible to all users (employees and suppliers).
- A data protection compliance culture program that allows training and awareness of employee privacy and information security.
- Operational procedures that guarantee the processing and management of the rights and complaints of data subjects in terms of data protection.
- Operational procedures for the management of privacy incidents (data breach).
- Data anonymization, blocking, and deletion processes in accordance with applicable regulatory requirements.
- Privacy information on all channels where data relating to customers or potential customers is obtained.
- Inventory of international data transfers from geography to holding and other geographies.
- Record of acceptances or withdrawals of consents, along with their traceability (interested party, date, channel, etc.).

- Processes for consulting consent brands prior to carrying out the data processing that requires it.
- Internal regulations and operating procedures for outsourcing services that involve the processing of personal data.
- Procedures that regulate the contractual relationship with service providers that process personal data under the Bank's responsibility.
- Continuous monitoring of the level of compliance by suppliers with contractual obligations regarding privacy.
- Processes for admission and evaluation of initiatives and projects (internal control model for non-financial risks).
- Mitigation and control frameworks for the risk assessment of initiatives and projects from a legal (privacy compliance) and technical (security measures) point of view.

### Significant fines and breaches

GRI 2-27

During 2023, there were no significant cases of non-compliance with legislation and regulations associated with the SBS (Superintendence of Banking, Insurance and AFP), BCR (Central Reserve Bank of Peru) and SMV (Superintendence of the Securities Market).

On the other hand, in November 2022, BBVA paid a total of S/1,564,000<sup>9</sup> for non-compliance with the law and regulations during periods prior to 2023.

## 4.7.3. Standards of Conduct

GRI 2-23, 2-26

The Code of Conduct applies to all BBVA Group personnel and companies in Peru and, where applicable, to third parties linked to the Bank if they represent a reputational risk. The Code develops guidelines in four behavioral areas: with the client, colleagues, the company and society. It also develops the framework for governance and application of the Code.

The Code of Ethics in the Stock Markets defines the actions of the personnel in BBVA that carries out its activities in the field of investments on behalf of third parties or Group entities in Peru. In order to prevent the improper use of privileged information and/or market abuse, the Bank applies measures to control the flow of information to its associates (natural and/or legal persons), the prior authorization of operations, the construction of physical or intangible "Chinese walls" and the monitoring of operations on their own account or those of their associates in the stock markets.

To achieve synergies and simplify the communication of actions or situations that may be contrary to the Code, the policies that develop it or its values and guidelines, it was established that the complaints channel be the means of communication of such actions, regardless of the Group's self-regulatory provisions.

The BBVA Code of Conduct includes in the section Conduct with our Colleagues, guidelines related to respect for people, diversity and inclusion, while in the section Conduct with our Customers, it develops non-discrimination and financial inclusion. Likewise, the Conduct with Society section includes a commitment to sustainability.

### Whistleblowing Channel

GRI 2-16, 2-25, 207-2

In order to avoid any behavior or action that is morally questionable or outside the law, the Group and all the companies that comprise it are covered by the BBVA Code of Conduct.

The complaints channel is a means by which any stakeholder can report any noncompliance that he himself observes or that is transmitted to him by other collaborators, clients or suppliers, which includes, but is not limited to, illegal conduct or unethical. To do this, you must notify the case through the local complaints channel.

<sup>9</sup> In 2022, the SBS imposed a fine on BBVA amounting to 340 UIT (S/1,564,000) for alleged non-compliance involving improper charges of fees, interests, and inadequate business practices. The sanction has been contested in court and is currently awaiting a final resolution from the Judiciary.

Those people who in good faith report facts or inappropriate actions to the complaints channel may not be subject to reprisals or suffer any adverse consequences for this reason.

The Compliance Unit processes the complaints received diligently and promptly, promotes their investigation and verifies and promotes the necessary measures for their resolution according to the procedures for managing the whistleblowing channel. The information is analyzed objectively, impartially and confidentially (the identity of the complainant is kept confidential, through the BKMS tool).

The timely and effective resolution of the complaints raised ensured due compliance with the Code during 2023 and consolidated confidence in the use of the whistleblowing channel.

The Board of Directors supervises, directly or through the Compliance Committee, the application of the whistleblowing channel policy, based on the periodic reports received by both the Head of Internal Control and Compliance or the Head of Compliance or, where appropriate, by the information submitted in this regard by the Internal Audit area to the Audit Committee in the exercise of its functions.

GRI 406-1

During 2023, no cases of discrimination were recorded.

The Compliance Committee collects critical concerns arising from the channels available to the organization and reports in a summary to the Board of Directors. In the 2023 period, no critical concerns were identified at BBVA.

GRI 205-3

Likewise, during the period concluded, BBVA Peru was not sanctioned for any case related to corruption<sup>10</sup>.

On the other hand, during this year a case of violation of the Code of Conduct was identified, which was sanctioned with dismissal. In this regard, actions are being carried out to continuously reinforce BBVA's regulations and values.

## Legal Compliance

GRI 417-3

During 2023, BBVA did not register cases of non-compliance with marketing communications with financial penalties from Indecopi.

## 4.7.4. Internal control model

GRI 2-23, 3-3, 205-1

The Basel Committee's recommendations and industry best practices are the basis of the Bank's internal control model, whose three-line defense scheme ensures that operations are carried out within the applicable regulatory framework and the internal policies and procedures established by BBVA.

- **First line:** Responsible for both the management of current and emerging risks and the execution of the control procedures inherent to them. It is made up of the owners of the processes and has the Risk Control Assurers, responsible for promoting adequate operational risk management in their respective management areas, extending the risk identification methodology, and establishing controls for the owners of the processes.
- **Second line:** In charge of defining the mitigation and control frameworks in their field of specialization (transversal to the entire organization) and contrasting with what has been implemented by the first line. It is made up of a team of Risk Control Specialists (Compliance, Processes, Third Party, Finance, Legal, People, Risks, Physical Security, Information & Data Security and Technology Security).
- **Third line:** Adds value, improves operations and supports the Group in achieving its objectives within an appropriate control environment. Assumed by the Internal Audit Area, it evaluates the Organization's internal control and risk management systems in an independent, impartial and objective manner.

<sup>10</sup> The Bank did not conduct an external audit of its anti-corruption policies in 2023.

This model allows the Bank to comply with the highest standards in terms of internal control, issued and updated in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Regarding the strengthening of the Bank's internal control scheme, in 2023 they highlighted the improvements in the MIGRO corporate tool for the Operational Risk Admission workflow for the evaluation of risks in new products, important changes and outsourcing processes, the monitoring of weaknesses and action plans; as well as in the methodology for assessing operational risks.

In addition, BBVA periodically evaluates and monitors the processes in its risk matrix related to corruption issues through MIGRO (e.g.: undue influence: acceptance of gifts, donations and sponsorships), from the three lines of defense and according to their scope of action.

### **Corporate Assurance**

Since 2013, the Corporate Assurance model has provided a comprehensive and homogeneous view of the control of the Group's non-financial risks and control weaknesses, helping to anticipate and enable more efficient decision-making by management bodies. For the viability of the model, a governance scheme has been established that involves senior management and is supported by the work carried out by the control teams.

The scheme promotes the coordinated action of the three lines of defense, so as to increase the effectiveness and efficiency of the operation of the internal control model. In addition, it provides the necessary management tools for the prioritization and escalation of the most relevant matters related to internal control.

For the proper fulfillment of the mechanism, quarterly meetings are held in which the members of the management committees of the Group and its subsidiaries participate. The purpose is to know and make decisions on control issues that can have a significant impact on the objectives of the different units.

### **Internal Audit**

BBVA's Internal Audit (IA) Department is a global unit that reports at the corporate level to the Group's presidency and, locally, to the Bank's board of directors, which approves its work plan each year.

BBVA has defined its control model in three layers of defense, where Internal Audit is the third and aims to ensure the existence and effectiveness of the model through multiple reviews of the Bank's processes. Its work methodology adapts to the progress of the organization in order to effectively accompany its transformation and growth, focusing its revisions on the Bank's new processes and providing adequate coverage for the risks inherent in business and business support activities.

To define the annual audit plan, the team develops a Risk Assessment (RA) process that is applied to all areas and procedures of the Bank, under the premise of assessing the levels of inherent risk and control of each one and identifying possible sources of risk, in order to propose specific revisions to the processes that it considers to have the greatest sources of risk. In addition, the plan includes regulatory reviews provided for in current Peruvian regulations, as well as others requested by Management. IA prepares a proposal for an annual plan that is presented and approved by the board; after that, any changes to the plan must be approved by the Audit Committee and reported to the local regulator.

Since 2009, BBVA Peru has been authorized by the SBS to carry out its annual risk-based audit plan (ABR Res. SBS 5442-2009). This authorization allows specific regulatory reviews not to be included in the annual plan, to the extent that IA has information to control the process that the standard establishes to review. Since December 31, 2014, this ABR authorization is permanent (Res. SBS 8599-2014).

The pandemic generated by COVID-19 altered the lives of society and people. In 2020, the business world of work had to take a hurried step towards teleworking to protect the health of employees and customers. At BBVA, this was possible due to the operational contribution provided by the Bank and the invaluable cohesion of the teams in its different areas and departments. Logically, the situation generated changes in the work plans, including the review of risk sources that arose precisely as a result of the health emergency, operational innovations ordered by the Bank and reviews required by the regulatory entity to supervise the support plans provided by the Government.

As there have been changes in the BBVA Group's corporate risk taxonomy, Internal Audit has aligned the Risk Assessment and the annual plan, which now consists of 21 risks, around it. In this regard, the audit plan contemplates the following distribution of work:

#### Main internal audit activities

Type of risk	Plan 2023 <sup>(1)</sup>	Plan 2022 <sup>(2)</sup>	Plan 2021 <sup>(3)</sup>
Business Continuity	1	1	1
Capital	0	1	1
Conduct & Compliance	4	2	2
Credit	4	3	6
Data Management	1	1	0
Financial & Tax	0	1	2
Fraud	1	0	0
Governance	1	1	2
Information & Data Security	3	2	3
Legal	1	1	0
Market	0	1	1
Money Laundering and Terrorism Financing-AML&TF	1	1	2
Strategy & Business Model	1	1	0
Structural	1	1	0
Technology	1	2	1
Third Party	1	2	0
Transaction Processing	4	1	4
<b>Total</b>	<b>25</b>	<b>22</b>	<b>25</b>

(1) Plan executed during the 2023 fiscal year.

(2) Plan executed during the 2022 fiscal year.

(3) Plan executed during the 2021 fiscal year.

The main risk focuses on which IA focused its work plan for Banco BBVA Peru in 2023 were:

- **Business Continuity:** Business continuity management.
- **Conduct & Compliance:** Consumer protection, governance in the management of personal data.
- **Credit:** Credit quality, collection and recovery process.
- **Data Management:** Data governance.
- **Fraud:** Card alert system.
- **Governance:** Framework for controlling credit risk models.
- **Information & Data Security:** Compliance with the information security policy and control framework.
- **Legal:** Operation of sufficient powers of attorney.
- **Money Laundering and Terrorism Financing (AML/FT):** Prevention of money laundering and terrorist financing.
- **Strategy & Business Model:** KPIs estratégicos.
- **Structural:** Separation of the Trading Banking Book activity.
- **Technology:** Obsolescence management.
- **Third Party:** Controls on the provision of services by external suppliers.
- **Transaction Processing:** Lines of credit, operational coverage of systems, regulatory reports.

## 4.8. Tax transparency

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

### Tax strategy<sup>11</sup>

The BBVA Group is fully committed to promoting progress in the countries in which it operates. An example of this is its tax strategy, which is based on the Group's corporate principles and values, summarized as follows: integrity in tax matters, prudence in the tax context and transparency in the information on its activity. The government bodies responsible for monitoring and supervising fiscal strategy are the Finance Committee and the Board of Director.

The tax strategy is integrated into the policies, scope, principles and values that, together, guide the Group's conduct in tax matters. For BBVA Peru, intelligent risk management is essential, which is why it maintains its leadership in anticipating tax matters and adapting to such a changing environment, in the face of the tax obligations to be fulfilled as taxpayers, withholding agents and product creators.

Since 2015, when the Board of Directors approved the "Corporate Principles in tax matters and fiscal strategy", these remain in force. The principles are public knowledge, they affect each Bank employee and team and their obligatory compliance is reflected in the image that a multinational of the dimensions of BBVA displays both globally and in each location where it carries out its activity.

In the field of cooperation with the different tax administrations, BBVA actively collaborates both in the interpretative clarification of the rules and in the reduction of tax conflict. The policies and values that shape 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:** Principle of due caution when interpreting the regulations and take risk. BBVA constantly 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 legal limits and with the commitment to collaborate with the tax authorities. In tax matters, this means being transparent in the information you provide to your clients and to other interest groups, including the administration, about their activity.

Compliance with the provisions of the fiscal 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; as it is an important part of their contribution to the economies of the different jurisdictions in which it carries out its activity, it aligns taxation both with the effective performance of the economic activity and with the generation of value in the different geographies in which it is present.
- Actively work on adapting to the new digital environment, including in tax matters, by incorporating the virtual presence to the generation of value and its consequent assessment. Similarly, it seeks to adapt to the requirements in this matter by the tax administration regarding the new channels of formal and substantial tax compliance.
- Establish a reciprocally cooperative relationship with the different tax administrations, based on the principles of transparency, mutual trust, collaboration, good faith and loyalty between the parties.
- Promote clear, transparent and responsible communication with its different interest groups about its main magnitudes and fiscal matters.

The different areas and businesses act in accordance with their internal regulations and, in particular, with the standard fiscal control framework, compliance with which is reported periodically by the Tax Department to the governing bodies of BBVA.

<sup>11</sup> BBVA Peru has a new Tax Strategy approved in December 2023. Its publication is in process; however, the public link to the previous strategy approved in 2017 is available: <https://www.bbva.com/wp-content/uploads/2017/07/Estrategia-Fiscal.pdf>.



## Tax contribution

BBVA is committed to transparency in the payment of taxes and, moved by this effort, voluntarily breaks down its total tax contribution.

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

The ITTC provides the opportunity to understand the Bank's tax payment and represents a forward-looking approach, as well as a clear correspondence with the corporate fiscal responsibility, assuming a leadership position in fiscal transparency.

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

	2023	2022	2021
Own taxes	1,269	1,126	958
Third-Party Taxes	316	303	320
<b>Total contribution</b>	<b>1,585</b>	<b>1,429</b>	<b>1,278</b>

### Effective tax rate

	2023	2022
Earnings before taxes	S/2,420,130,511	S/2,646,283,875
Declared taxes	S/551,027,752	S/733,717,032
Cash Taxes Paid	S/889,013,290	S/825,815,116

### Calculated average tax rate

Reason	Impact of the 2023 tax	Impact of the 2022 tax
Net losses that can be carried forward for income tax for the entire BBVA Peru group	0	0
Unique tax domicile code (e.g. low domestic rate and maximum sales of 10% abroad)	0	0
Non-recurring operating losses on own operations	0	0
Net losses that can be carried forward for income tax on acquired companies	0	0
Timing – problems outside the reported two-year period	0	0



# 5.

## Non-financial information



### 5.1. Strategy and business model

2023 was a year for BBVA Peru in which the maturity of the transformation plans was achieved to make the Bank the customer's favorite. At the beginning of the year, the estimated investment was executed to promote the change in the branch network and thus accelerate its digital transformation.

Likewise, the 'Creo Cultural Transformation' program at BBVA Peru was strengthened, through initiatives such as the launch of BBVA Ambassadors, spaces for synergies such as Creo Talks, integration days to promote pride of belonging, and training and recognition programs, among others.

BBVA's strategy is made up of six strategic priorities:

**1 Improve the financial health of BBVA customers:** BBVA seeks to strengthen its relationship with customers by turning its channels into comprehensive providers of financial solutions. In 2023, the Financial Health program focused on bringing financial management tools closer to customers, including expense analysis. There was significant growth in interactions (+3.8MM), an increase in the creation of goals and budgets (+33% and +24%, respectively), and the interoperability of digital wallets to foster the digitization of payments.

**2 Helping customers in the transition to a sustainable future:** BBVA Peru positioned itself as a leader in sustainability in 2023, being the only bank in the country in the Dow Jones Sustainability Index. It was recognized as the best ESG bank by Euromoney, highlighting its efforts to reduce the carbon footprint and offer sustainable financing options.

**3 Grow in customers:** BBVA Peru captured more than 1 million new customers in 2023, with a successful focus on the digital channel. It has established itself as the fastest-growing bank in credit card balances with more than 200 basis points. With the integration of OpenPay, BBVA Peru consolidated its position as the country's leading acquiring bank, with more than 16,000 active merchants per month and a transaction flow of more than one billion soles.

**4 Operational excellence:** BBVA Peru continues its focus on digitalization, improving processes, and optimizing headquarters to offer an efficient experience. During 2023, it continued with the improvements and optimization of processes in its headquarters and offices to guarantee a better experience for its internal and external customers, through the centralization and automation of operational activities. In addition, it implemented the Process Maturity Model that will allow knowing and supporting the core processes.

**5 The best and most committed team:** BBVA Peru stands out in the Gallup ranking as a leader in all the Group's countries, with initiatives to attract and retain talent, improve the employee experience, and strengthen the employer brand. Important improvements continued in the experience and development of the employee, with initiatives such as Vive+ App, network connection, the opening of the first gym at headquarters, The Good Manager, etc.

**6 Data and technology:** In 2023, data processes were improved to ensure their availability and reuse, accelerating the creation of analytical value; likewise, it focused on the democratization of data with the Golden Data model. In technology, he focused on efficient migration, improvements in business systems, and fraud containment.

## BBVA Values

GRI 2-23

The BBVA Group permanently promotes and fulfills the values and traits of leadership that define it and are the pillars to make its purpose a reality: "To bring the opportunities of this new era available to everyone."

At BBVA Peru, this positioning has been accompanied since 2020 by the 'CREO Cultural Movement':

I BELIEVE (CREO) in the customer (The customer comes first)		
<b>We are empathetic</b> , which allows you to put yourself in the shoes of the other and help them make the best financial decisions to make the opportunities that present themselves in their life real.	<b>We have integrity</b> , which means providing transparency at every step so that clients are in control of their finances.	<b>We solve your needs</b> , by making intelligent use of data, with easy-to-use tools and convenient and personalized products.
I BELIEVE (CREO) in the customer (The customer comes first)		
<b>We are ambitious</b> to want to impact millions of people by creating unique experiences for them.	<b>We break the mold</b> by transforming banking by questioning the status quo and looking for new formulas. Only in this way is it possible to do an incredible job.	<b>We surprise the customer.</b> Big things are those small things that are done every day in a big way.
I CREATE (CREO) synergies (We are one team)		
<b>I am committed</b> to undertaking each project with enthusiasm and achieving the objectives set. Each one is a fundamental piece of this revolution.	<b>I trust the other.</b> The spirit of collaboration and teamwork allows us to move forward and break down hierarchical barriers. Being part of this community makes you bigger.	<b>BBVA is much more than a bank.</b> It is a different and unique style, a culture. I'm BBVA.
I CREATE (CREO) ideas (Entrepreneurship)		
<b>We generate and listen to ideas</b> to make the necessary changes, including: <ul style="list-style-type: none"> <li>• Show curiosity.</li> <li>• Dare to explore.</li> <li>• Propose improvements.</li> <li>• Be brave with ideas.</li> <li>• Being non-conformist with results.</li> </ul>		
I CREATE decisions (Empowerment)		
<b>We take on our decision-making</b> to be agile and effective, which involves: <ul style="list-style-type: none"> <li>• Know how to listen.</li> <li>• Inspire others.</li> <li>• Encourage others to do their best.</li> <li>• Assume the team's decisions as their own.</li> </ul>		
CREO actions (Accountability)		
<b>We hold ourselves accountable</b> to make things happen from start to finish, which means: <ul style="list-style-type: none"> <li>• Own your work.</li> <li>• Be responsible for their decisions.</li> <li>• Achieve results.</li> <li>• To promote their development and growth.</li> </ul>		

BBVA seeks to promote a culture focused on challenge, supported and accompanied by people, in which hierarchies are reduced and entrepreneurship is promoted.

During 2023, the Bank carried out various actions that accompanied the 'CREO Cultural Movement':

- **Values Day:** A global event that is held in a hybrid way through face-to-face and virtual activities that allow us to reflect on the importance of personal and Bank purpose and the importance of corporate values as guides for the path that employees should follow in their daily work. The concept of Values Day 2023 was Connected to our purpose.
- **Gallup Engagement Survey:** Conducted by the Gallup company, it measures the level of commitment of teams in each country where it has a presence. The result for 2023 was 4.63, which placed BBVA Peru in first place among all the countries of the Group.
- **Bravo:** A tool born in 2021 that allows us to recognize those who demonstrate that they live corporate values and leadership skills in an exemplary way. During 2023, 30,666 'bravo' were sent.
- **Cafés Bravo:** Recognition space led by the Deputy General Manager of each area in which team members who have stood out for the fulfillment of achievements are recognized. In 2023, 72 meetings were held that brought the culture of recognition closer to the Bank's employees and managers.
- **Integration Days:** Spaces whose objective is to promote integration, live values and reinforce the sense of belonging. In 2023, 21 of these meetings were held with the Bank's teams.
- **Culture of prevention:** Under the umbrella of the Creo Actions Cultural Driver, content is deployed that promotes a culture of prevention as part of the actions of all Bank employees. In July 2023, Creo Talk convened employees in person and virtually to share best practices and the responsibility everyone has in doing the right thing. The Management Committee got involved by reinforcing the initiative with the first two lines of reporting of all areas, so that from there the information and reflection continue to cascade down with the teams.
- **Managers' Meeting:** Full day aimed at the first two lines of each management in which, through dynamics and presentations, the Bank's leadership skills and tools are reinforced. In October 2023, the Bank held the second of these annual meetings, this time focused on strengthening leadership skills, as well as recognition tools among peers and with their teams.

## Materiality analysis

### Identification of relevant aspects

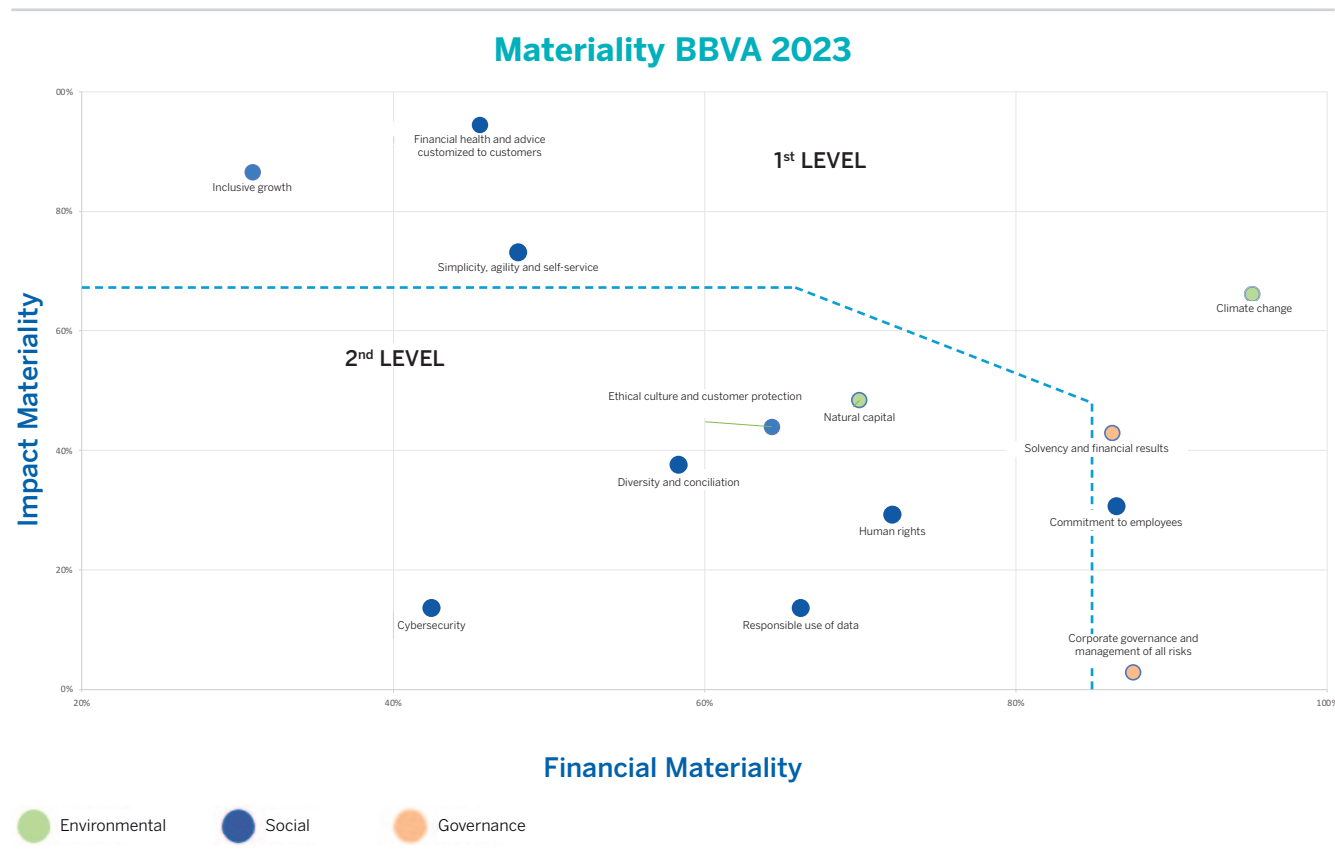
GRI 2-25, 2-29, 3-1, 3-2, 3-3

BBVA periodically prepares a materiality analysis to identify the most relevant environmental, social and governance issues for the Group and its stakeholders.

This report has maintained the material topics defined in 2022<sup>12</sup>, the process of which has been carried out following the requirements of the Global Reporting Initiative – GRI (in the December 2021 version) and the proposal for the new European Corporate Sustainability Reporting Directive (CSRD), which implied the incorporation of the double materiality approach that analyzes both the impact that BBVA's activity has on the environment and on the environment. its stakeholders (impact materiality), such as the impact that the environment and its stakeholders have in BBVA's activity (financial materiality).

<sup>12</sup> BBVA Peru did not conduct a review of its material topics in 2023. The frequency of this analysis depends on the company's strategic objectives, as well as the context and business model. For this reason, the material topics identified in 2022 remain, with a review scheduled every two years.

As a result of the analysis, the material topics for BBVA's stakeholders are those presented in the following matrix:



- **Financial health.** Stakeholders expect the Bank to get to know its customers and propose personalized solutions and recommendations to better manage their finances and achieve their life goals. All this in a proactive and increasingly automated way.
- **Inclusive growth.** Stakeholders expect the Bank's business model to support the financial inclusion of people (entrepreneurs) and the development of inclusive infrastructure in the countries in which it operates.
- **Simplicity, agility and self-service.** Stakeholders expect a transformation towards a more digitalised and connected economy, through the development of new innovative financial products and services.
- **Climate change.** Stakeholders have climate change among their main concerns and expect BBVA to contribute to an orderly transition to a low-emission economy. This requires proper management of risks and opportunities.

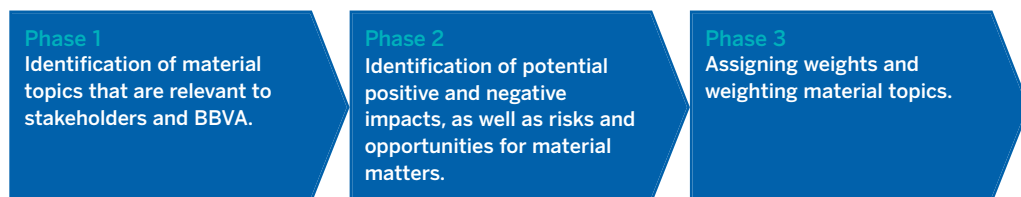
These topics are embodied in three of the six strategic priorities: Improving the financial health of customers, Helping our customers in the transition to a sustainable future and Pursuing operational excellence, as well as ambitious objectives in terms of efficiency, profitability, shareholder value creation, customer growth and sustainable business channeling for the coming years.

Although the scope of this analysis includes all the Group's geographies, the data presented here belong to BBVA Peru and short, medium and long-term time horizons have been taken into account. For more details on the sources used and the methodology used, as well as the objectives and degree of progress on these material matters for BBVA and its stakeholders, see the section Additional information on the materiality analysis.

## Additional information on materiality analysis

### Phases of the materiality analysis and identification of relevant aspects

Analysis carried out based on the following three phases:



#### Phase 1 – Identification of material issues relevant to stakeholders and BBVA

For the identification of material topics, the following sources have been reviewed:

##### Internal sources:

- List of BBVA's material matters obtained from previous analyses.
- Human Rights Diligence carried out by BBVA (2021).
- Portfolio Impact Analysis Tool for Banks – UNEP-FI (Group Analysis).
- Stakeholder consultations:
  - Customers and non-customers (by surveys).
  - Shareholders and investors: On matters in which they show interest from a risk perspective and a trend depending on the degree of relevance and growing interest.
  - Employees (by surveys).
- Reports published by BBVA, such as, among others, the BBVA Annual Report 2022 and the TCFD Climate Report (Group Data).
- Mentions that appeared in the media (both analysis in print or audiovisuals and mentions in social networks).

##### External sources:

Sustainability reporting frameworks (such as SASB, GRI, World Economic Forum Stakeholder Capitalism Metrics) based on group analysis, leading ESG and regulatory analysts, as well as other sources (UNEP-FI (Group), analysts, indices and benchmark studies), reports on financial sector context and trends and others of international relevance were taken into account for the identification of material issues.

#### Phase 2 – Identification of impacts (positive and negative) as well as risks and opportunities

For each of these material topics, whether they were potential positive and negative impacts directly caused by BBVA or by its value chain in the environment, the risks and opportunities capable of causing financial effects by affecting cash flows and, therefore, BBVA's value in the short, medium and long term were identified.

The potential positive and negative impacts, as well as the risks and opportunities developed because of the internal review and contrast with expert areas and with the different geographical areas are:

Issue	Description	Impact materiality <sup>(1)</sup>		Financial materiality	
		Positive impacts	Negative impacts	Risks	Opportunities
1. Climate chang GRI 201-2	Measures aimed at: •Adapting to the consequences of climate change: establishing policies, identifying and managing climate risks and opportunities, defining decarbonization targets for the portfolio in line with the objectives of the Paris Agreement and local regulation, including sustainability criteria and specifically climate change criteria within the credit analysis of transactions with clients. •Development of products that guarantee a responsible use of resources (energy, water, materials, etc.) and promotion of products and services with environmental content aligned with local regulations, which contribute to the circular economy and avoid pollution. •Improve efficiency in the use of resources, raw materials (paper), water and energy, and waste generation in its own operations in order to reduce the internal environmental and carbon footprint. It includes the measures taken to promote the development and promotion of the circular economy and the prevention and management of waste.	•Reduction of GHG emission levels and contribution to the fulfilment of the objectives set in the Paris Agreement (Group) and local regulation through financing and support for the transition of clients/sectors towards a lower carbon economy. •Reduction of GHG emission levels and contribution to the fulfillment of the objectives set in the Paris Agreement by directing and boosting financing towards more sustainable sectors and activities. •Reducing pollution levels by directing and boosting funding towards more sustainable sectors and activities. •Reduction in the generation of waste produced by the entity's own operations through management and circular economy measures. •Reduction of the consumption of resources, mainly water, energy, and paper, for the entity's own operations through management and efficiency measures.	•Financing of clients without transition strategies to a lower carbon economy and lack of support in this transition, leading to non-compliance with the decarbonization targets set by the Paris Agreement (Group) and local regulation. •GHG emissions from the portfolio in general, and from financing of clients/sectors/operations with high GHG emissions that contribute negatively to climate change. •Negative environmental impacts of the portfolio due to pollution in general: and from the financing of highly polluting customers/sectors/operations. •Negative environmental impacts derived from the waste produced by the entity's own operations. •Negative environmental impacts are derived from the resources consumed, mainly water, energy, and paper, in the entity's own operations.	•Litigation and sanctions related to non-compliance with climate change. •Lack of adaptation or slow adaptation of financial products to the effects of climate change. •Failure to adapt the portfolio (especially high-risk sectors) to the climate transition (transition risk). •Exposure of the portfolio to acute and chronic physical risk events (storms, floods, heat waves, etc.). •Depreciation and early retirement of existing assets (damage to property and assets in "high-risk" locations). •Reduction of income from financing/non-financing of highly polluting products/sectors. •Reduction in the value of fixed assets (e.g., highly polluting assets). •Increased costs and reduced demand for products and services due to fines and sentences. •Absence or poor integration of an operational efficiency strategy. •Increase in long-term costs of resources (circularity, energy, water).	•Financing of new activities linked to the energy transition (mitigation and adaptation): •Biofuels and hydrogen transport, CP; •CO2 capture, LP; •Renewables, CP; •Green hydrogen, MP; •Distribution of solar panels in construction and infrastructure, CP; •Building renovation, CP; •Adaptation infrastructures, CP; •Electric or low-emission transport, CP; •Hydrogen transport, LP; •Metals for electric vehicles, CP; •Agricultural residues such as biogas, CP; •Energy in agricultural plants, PM; •Products against drought, MP; •Carbon Credit Markets, CP; •Other sectors towards carbon neutrality, CP. •Financing of sustainable activities without pollution disputes. •Recognition for positioning as an environmentally efficient company. •Cost savings through improved efficiency in the consumption of resources (water, energy, paper).
2. Natural capital	Management of risks and opportunities related to natural capital: Measures taken to preserve or restore biodiversity; impacts and dependencies on natural capital; impacts caused by activities or operations in protected areas, as well as remediation or compensation measures carried out.	•Contribute to reducing and reversing ecosystem degradation by directing and boosting funding towards more sustainable sectors and activities and excluding more harmful activities. •Contribution to the preservation or restoration of biodiversity by financing projects aimed at the protection and/or restoration of natural capital (forest protection, reforestation, ecosystem restoration, etc.); including the blue economy.	•Degradation of ecosystems through soil degradation, depletion of water resources or destruction of forests and biodiversity as a result of negative environmental impacts on the portfolio in general and by client financing /sectors/operations with a high impact on the degradation of ecosystems. •Degradation of ecosystems in areas of high ecological value through the financing of clients/operations with activity in these locations.	•Portfolio exposure to sectors with high dependencies on natural capital. •Exposure of the portfolio to sectors with high impacts on natural capital that are not able to adapt or are slow to adapt to new requirements in terms of natural capital protection.	Financing of activities linked to the protection and restoration of natural capital (with their corresponding time horizon): •Sustainable Forest Management, CP •Reforestation, CP •Nature-based solutions (NBS), MP •Organic farming, CP •Adaptation of sectors in general to ecosystem degradation, COP •Adaptation infrastructures, CP •Anti-drought products, PM

►Additional information on the measures adopted for associated impacts and the monitoring of the effectiveness of the measures adopted is included in sections 5.2.2. Achieve emissions neutrality and 5.2.1. Generating new business through sustainability

►Additional information on measures taken to Managing the issue, the associated impacts, and monitoring the effectiveness of the measures adopted is included in section 5.2.1. Generate new business through sustainability.

(1) The identified impacts, both positive and negative, are potential, as they fundamentally stem from the UNEP-FI tool that considers the potential impacts of BBVA's portfolio.

Issue	Description	Impact materiality <sup>(2)</sup>		Financial materiality	
		Positive impacts	Negative impacts	Risks	Opportunities
3. Simplicity, agility, and self-service	To offer a good experience for all customers, ensuring simplicity, agility, speed, and self-service in their transactions. Promote innovation and digitalization of customer service and business, such as the development of new disruptive technologies and consolidation of big tech.	<ul style="list-style-type: none"><li>•Contribution to the transformation towards a digital and connected economy.</li><li>•Access to financing and financial services through the promotion of new digital channels, products, and services (indirect).</li><li>•Access to financing and financial services by facilitating accessibility, simplicity, and agility in customer management (indirect).</li></ul>	<ul style="list-style-type: none"><li>•Indirect negative impacts on access to financing and financial services derived from possible exclusions of some vulnerable groups that may not adapt to digitalization (e.g., the elderly).</li><li>•Exclusion of groups with less adaptability to changes oriented to new technologies (e.g. the elderly, rural areas).</li></ul>	<ul style="list-style-type: none"><li>•Lack of adaptation or slow adaptation to expectations in terms of digital transformation.</li><li>•Loss of business due to competition from digital players that provide financial services.</li><li>•Costs associated with the investments resulting from the approach and facilitation of services.</li><li>•Implementation of solutions, products, or services perceived as inadequate.</li></ul>	<ul style="list-style-type: none"><li>•Development of new innovative and digital financial products and services.</li><li>•Positioning and recognition by stakeholders, especially customers, as an innovative and digital company.</li><li>•Positioning and recognition by stakeholders, especially customers, as a company that offers a simple, agile, and fast service.</li><li>•Positioning and recognition by stakeholders, especially customers, as a company that provides and facilitates access to its facilities for people from vulnerable groups (people with disabilities, the elderly, etc.).</li></ul>
4. Financial health and personalized advice to customers	Customer relationship management: channels used to measure customer satisfaction, complaints channel, proposal of solutions, and personalized recommendations to improve your financial health and achieve your life goals.	<ul style="list-style-type: none"><li>•Positive contribution to the health of the economy through access to quality and personalized financial services.</li><li>•Positive contribution to the financial health and well-being of customers.</li><li>•Positive contribution to consumer protection (indirect).</li><li>•Financial education for customers and society in general and specifically for disadvantaged and/or vulnerable groups (indirect).</li><li>•Access to quality financial products and services.</li></ul>	<ul style="list-style-type: none"><li>•Negative effects on the health of the economy due to the lack of quality and personalization of financial services.</li><li>•No or negative contribution to the financial health and well-being of customers.</li><li>•Non-contribution or negative contribution to consumer protection (indirect).</li></ul>	<ul style="list-style-type: none"><li>•Inadequate design of the product and service catalog due to the lack of inclusion of products and services with an ESG orientation or the lack of inclusion of ESG criteria in products and services (associated with non-compliance with customer needs).</li><li>•Inadequate handling of complaints / customer complaints.</li></ul>	<ul style="list-style-type: none"><li>•Positioning and recognition among customers as a trustworthy company that responds to their needs.</li></ul>
5. Inclusive growth	<p>Promote access to sources of financing for low-income populations and small businesses/professionals with fewer resources and possibilities. The development of new products with the help of new technologies that open new markets previously inaccessible due to the risk factor is complemented by efforts to improve the financial education of customers to ensure informed decision-making.</p> <p>The company's commitments to society and the populations and territory in which it operates, to employment and local development through the company's philanthropic activities.</p>	<ul style="list-style-type: none"><li>•Access to finance and financial services in areas with less access (e.g. rural areas).</li><li>•Access to financing and financial services for vulnerable and disadvantaged groups through both the offer of financing in general and through the offer of products aimed at these groups.</li><li>•Financial education for customers and society, specifically for disadvantaged and/or vulnerable groups.</li><li>•Accessibility of financial products.</li><li>•Products aimed at SMEs and the self-employed with less access to financing and sustainable business models.</li><li>•Positive impact on society and communities through the promotion of alliances.</li></ul>	<ul style="list-style-type: none"><li>•Lack of access to finance and financial services in areas with less access (e.g. rural areas).</li><li>•Lack of access to financing and financial services for vulnerable and disadvantaged groups, through both the offer of financing in general and the specific offer of products aimed at these groups.</li><li>•Lack of financial education for customers and society in general and specifically for disadvantaged and/or vulnerable groups.</li><li>•Lack of accessibility of financial products.</li><li>•Lack of products aimed at SMEs and the self-employed with less access to financing and sustainable business models.</li></ul>	<ul style="list-style-type: none"><li>•Reputational loss due to lack or insufficiency of financial inclusion measures.</li><li>•Loss of competitiveness/income due to excessive attention to financial inclusion.</li><li>•Reputational risk due to lack of contribution or inadequate contribution to the needs of the social environment.</li></ul>	<ul style="list-style-type: none"><li>•Positioning and recognition by stakeholders, especially customers, as a company that provides and facilitates access to financing for vulnerable groups, disadvantaged areas and promotes the revitalization of the local and regional economy.</li><li>•Development of new products and services aimed at disadvantaged and/or vulnerable groups, or underserved areas.</li><li>•Promotion of financing for SMEs and the self-employed with less access to financing.</li><li>•Positioning and recognition by stakeholders as a philanthropic company.</li></ul>

►Additional information on measures taken to Managing the issue, the associated impacts, and the monitoring of the effectiveness of the measures adopted is included in section 5.2.3. To generate a positive impact on all BBVA stakeholders, 6.1. Business and activities and 6.1.7. Engineering.

►Additional information on measures taken to Managing the issue, the associated impacts, and monitoring the effectiveness of the measures adopted is included in section 5.2.3. To generate a positive impact on all BBVA stakeholders.

►Additional information on measures taken to Managing the issue, the associated impacts and the monitoring of the effectiveness of the measures adopted is included in sections 5.2.2. Achieve emissions neutrality and 5.2.3. To generate a positive impact on all BBVA stakeholders.





> Issue	Description	Impact materiality		Financial materiality	
		Positive impacts	Negative impactos	Risks	Opportunities
<b>6. Ethical behavior, culture, and customer protection</b>	<p>Guarantee an environment of business ethics by ensuring compliance with the rules in this area and the establishment of policies and measures in relation to privileged information, the fight against corruption and bribery, and money laundering, among others.</p> <p>In addition to implementing measures aimed at offering a quality service guaranteeing the security of customers, transparency in customer information, prevention and detection of bad sales practices, for example, company policies on compensation or other incentives that may generate risk of selling products and services that threaten the benefit for customers, among others, must be implemented.</p>	<ul style="list-style-type: none"> <li>•Positive contribution to consumer protection.</li> <li>•Positive contribution to the health of the economy through access to quality and transparent financial services (indirect).</li> <li>•Positive contribution to the financial health and well-being of customers (indirect).</li> <li>•Positive contribution to the health of economies.</li> <li>•Positive contribution to the achievement of ethical, resilient, and solvent institutions.</li> </ul>	<ul style="list-style-type: none"> <li>•No contribution or negative contribution to consumer protection.</li> <li>•Negative effects on the health of the economy due to the lack of quality and transparency of financial services (indirect).</li> <li>•No contribution or negative contribution to the financial health and well-being of customers (indirect).</li> <li>•No contribution or negative contribution to the health of economies.</li> <li>•No contribution or negative contribution to the achievement of ethical, resilient, and solvent institutions.</li> </ul>	<ul style="list-style-type: none"> <li>•Loss of competitiveness/income due to inappropriate advice and marketing (including malpractice and/or lack of transparency in the advice and marketing process, possible discrimination against customers in access to services and products, not offering products and services appropriate to the needs and/or type of customer, with special attention to vulnerable customers).</li> <li>• Loss of competitiveness/revenue due to inadequate design of the product and service catalog, including abusive clauses, wrong target audience, misallocation of the level of customer risk, etc.</li> <li>•Litigation related to non-compliance in terms of customer protection derived from regulatory requirements.</li> <li>•Reputational risk and litigation for cases of corruption, fraud, bribery and tax non-compliance.</li> </ul>	<ul style="list-style-type: none"> <li>•Positioning and recognition by stakeholders, especially customers, as a secure company against cyberattacks.</li> <li>•Positioning and recognition by stakeholders, especially customers, as a company that ensures good compliance and the fight against unethical activities (bribery, corruption, money laundering).</li> </ul>
<b>7. Cybersecurity</b>	<p>Measures aimed at guaranteeing the security of the entity at the software and information security level that prevent theft, attacks, or alterations of any kind that compromise the credibility and good work of the company.</p>	<ul style="list-style-type: none"> <li>•Positive contribution to the health of the economy through the protection of customers' finances.</li> <li>•Cybersecurity education for customers and society in general as a result of information campaigns (indirect).</li> </ul>	<ul style="list-style-type: none"> <li>•Non-contribution or negative contribution to the health of the economy due to lack of protection or inadequate protection of customers' finances.</li> </ul>	<ul style="list-style-type: none"> <li>•Loss of competitiveness/revenue due to failures in information systems and/or lack of protection against cyberattacks, leaks of confidential information, and security breaches.</li> <li>•Excessive dependence on service providers for cybersecurity management.</li> </ul>	<ul style="list-style-type: none"> <li>•Positioning and recognition by stakeholders, especially customers, as a secure company against cyberattacks.</li> <li>•Development of solutions against cyberattacks that can provide a competitive advantage in the market.</li> </ul>
<b>8. Responsible use of data</b>	<p>Ensure the privacy and security of personal financial data: Ensure data protection from current, emerging, and evolving cybersecurity threats and technologies, actual data breaches that compromise customers' personally identifiable information, and credit and debit card fraud. Compliance with local laws regarding this purpose is necessary to protect personal data and guarantee digital rights.</p>	<ul style="list-style-type: none"> <li>•Positive contribution to the health of the economy through the protection of customers' finances and data.</li> <li>•Protection of the right to privacy.</li> <li>•Education in responsible use of data for customers and society in general, generated by information campaigns (indirect).</li> </ul>	<ul style="list-style-type: none"> <li>•No or negative contribution to the protection of the right to privacy.</li> </ul>	<ul style="list-style-type: none"> <li>•Loss of competitiveness/income due to improper processing of customers' personal information.</li> <li>•Reputational risk due to inappropriate processing of employees' personal information.</li> <li>•Litigation related to non-compliance with the use of data derived from regulatory requirements.</li> </ul>	<ul style="list-style-type: none"> <li>•Positioning and recognition by stakeholders, especially customers, as a company that carries out a responsible use of data.</li> </ul>

►The information additional on the measures are taken to manage the matter, the associated impacts and the Follow-up of the effectiveness of measures adopted is included in sections 5.2.3. Making an impact positive in all stakeholders de BBVA, y 4.7. Governance systems and ethical behavior

►Additional information on measures taken to Managing the issue, the associated impacts, and the monitoring of the effectiveness of the measures adopted is included in sections 5.2.3. Generate a positive impact on all BBVA stakeholders, and 6.1.7. Engineering.

►Additional information on measures taken to Managing the issue, the associated impacts, and monitoring the effectiveness of the measures adopted are included in the section 6.1.7. Engineering.

>



> Issue	Description	Impact materiality		Financial materiality		
		Positive impacts	Negative impacts	Risks	Opportunities	
9. Human rights	Actions aimed at promoting, protecting, and ensuring the effective exercise of human rights: creation of policies, identification of associated risks, control and management of possible human rights violations, among others, by the entity and third parties related to it (e.g., suppliers).	<ul style="list-style-type: none"> <li>•Positive contribution to the protection of the human rights of employees, customers, third parties and society in general:</li> <li>•Financing of clients/activities/sectors with positive contributions to human rights (such as activities that provide access to services and commodities).</li> <li>•Hiring suppliers that protect the human rights of their employees.</li> <li>•Positive contribution to improving the protection of employees' rights.</li> <li>•It positively contributes to the social development of the countries in which it has a presence by hiring local suppliers.</li> <li>•Sustainable transformation of suppliers through the introduction of contracting clauses that require progress on human rights issues.</li> </ul>	<p>No contribution or negative contribution to the protection of the human rights of employees, customers, third parties and society in general.</p> <ul style="list-style-type: none"> <li>•Financing of clients/activities/sectors that violate human rights.</li> <li>•Hiring suppliers that violate the human rights of their employees.</li> <li>•Violation of the rights of direct employees.</li> <li>•No or negative contribution to the social development of the countries in which it has a presence when hiring local suppliers.</li> <li>•Failure to contribute to the sustainable transformation of suppliers as a result of bad practices in the supplier approval process (e.g., working conditions that do not respect Human Rights) or failure to include sustainability requirements.</li> </ul>	<ul style="list-style-type: none"> <li>•Reputational risk and litigation for non-compliance with the human and labor rights of employees.</li> <li>•Exposure of the portfolio to sectors/clients/operations with a high risk of human rights violations.</li> <li>•Bad practices or cases of human rights violations by a third party that may be linked to the company or the sector.</li> <li>•Bad practices in social and governance matters by a third-party supplier or contractor that may be linked to the company or sector.</li> <li>•Unfair and abusive contractual conditions.</li> <li>•Absence of social and environmental due diligence processes for the hiring and maintenance of suppliers and contractors (including modern slavery, forced labor, and child labor).</li> </ul>	<ul style="list-style-type: none"> <li>•Positioning and recognition by stakeholders as a company with a positive contribution to human rights.</li> <li>•Promotion of the financing of activities that provide access to services and basic products, especially for populations or regions with difficulty in access.</li> <li>•Strengthening relationships with suppliers through the promotion of the defense of Human Rights and the establishment of alliances.</li> </ul>	<p>►Additional information on the measures taken to manage the matter, the associated impacts and the monitoring of the effectiveness of the measures adopted is included in sections 5.2.3. Generate a positive impact on all BBVA stakeholders, 4.5. Commitments signed.</p>
10. Diversity and work-life balance	Measures aimed at ensuring the management and integration of individual differences within the company's stakeholders: implementation of policies and plans on discrimination, equality, and diversity; other initiatives aimed at guaranteeing equal opportunities, work-life balance and disconnection, and the well-being of employees.	<ul style="list-style-type: none"> <li>•Positive contribution to the objectives of ensuring equal opportunities.</li> <li>•Contribution to the well-being of society.</li> </ul>	<ul style="list-style-type: none"> <li>•No contribution or negative contribution to the objectives of guaranteeing equal opportunities.</li> <li>•No contribution or negative contribution to the well-being of society.</li> </ul>	<ul style="list-style-type: none"> <li>•Reputational risk and litigation for cases of discrimination, limitation of maternity/paternity rights, workplace harassment, or similar in employees.</li> <li>•Bad practices in equality and work-life balance or cases of discrimination by a third party that may be linked to the company or the sector.</li> <li>•Lack of adaptation or slow adaptation of the Bank's strategy (and implementation of measures) to promote equality, diversity, and work-life balance that may affect the perception of employees and other stakeholders about it.</li> </ul>	<ul style="list-style-type: none"> <li>•Positioning and recognition by stakeholders, especially employees, as a company that promotes equal opportunities and work-life balance.</li> <li>•Increased productivity as a result of the implementation of actions to improve work-life balance.</li> </ul>	<p>►Additional information on the measures taken to manage the matter, the associated impacts, and the monitoring of the effectiveness of the measures taken is included in section 5.2.3. To generate a positive impact on all BBVA stakeholders.</p>
11. Employee Engagement	Talent management measures include talent selection, attraction, retention, and development, as well as the organization of working time, remuneration policies, competitive and fair wages, policies and initiatives in the field of training, and career plans. Organization of social dialogue, including procedures for informing, consulting, and negotiating with staff: freedom of association, relationship with trade unions, and collective agreements. Measures aimed at preventing occupational risks and promoting the health (physical and mental) and safety of employees.	<ul style="list-style-type: none"> <li>•Generation of quality employment and payment of decent wages.</li> <li>•Contribution to the well-being of society.</li> <li>•Positive contribution to employees' labor rights.</li> <li>•Positive contribution to the safety, health, and integrity of employees.</li> <li>•Positive contribution to safety and health education.</li> </ul>	<ul style="list-style-type: none"> <li>•Generation of employment with worsening quality.</li> <li>•No contribution or negative contribution to the well-being of society.</li> <li>•Non-contribution or negative contribution to employees' labor rights.</li> <li>•No contribution or negative contribution to the safety, health, and integrity of employees.</li> <li>•No or negative contribution to safety and health education.</li> </ul>	<ul style="list-style-type: none"> <li>•Reputational risk and litigation due to the absence of fair and dignified salary conditions.</li> <li>•Lack of adaptation or slow adaptation of the Bank's strategy (and implementation of measures) to promote the attraction and retention of talent that may affect the perception of employees and other stakeholders about it.</li> <li>•Reputational risk or litigation due to limitations on freedom of association, association, and collective bargaining or perception of limitation to these rights.</li> <li>•Absence of measures or insufficient measures linked to the protection of the safety, health and well-being of employees.</li> </ul>	<ul style="list-style-type: none"> <li>•Positioning and recognition by stakeholders, especially employees, as a company that facilitates the career development of its employees.</li> <li>•Positioning and recognition by stakeholders, especially employees, as a company that favors social dialogue.</li> <li>•Positioning and recognition by stakeholders, especially employees, as a company that protects the safety and health of employees.</li> </ul>	<p>►Additional information on the measures taken to manage the matter, the associated impacts, and the monitoring of the measures' effectiveness is included in section 5.2.3. To generate a positive impact on all BBVA stakeholders.</p>

(2) The identified impacts, both positive and negative, are potential, as they fundamentally stem from the UNEP-FI tool that considers the potential impacts of BBVA's portfolio.

Governance					
Issue	Description	Impact materiality <sup>(3)</sup>		Financial materiality	
		Positive impacts	Negative impacts	Risks	Opportunities
12. Solvency and financial results	An entity with ample capital and liquidity contributes to the system's stability, manages tax information adequately, and generates good results over time. In other words, it is a sustainable business model in the current ecosystem.	<ul style="list-style-type: none"> <li>•Positive contribution to the health of economies.</li> <li>•Positive contribution to socio-economic well-being.</li> </ul>	<ul style="list-style-type: none"> <li>•No contribution or negative contribution to the health of economies.</li> <li>•No contribution or negative contribution to socio-economic well-being.</li> </ul>	<ul style="list-style-type: none"> <li>•Solid financial situation, essential for the permanence of the entity</li> <li>•Maintain adequate levels of solvency and develop a resilient business model.</li> <li>•Failure to meet stakeholder expectations.</li> </ul>	<ul style="list-style-type: none"> <li>•Supports the growth of the Banking business and the number of customers.</li> <li>•It allows you to maintain access to financial markets.</li> </ul>
13. Corporate governance and proper management of all risks	Ensure compliance with best practices in good governance: composition, independence, and remuneration of governing bodies; promotion of transparency; promotion of control, management, and actions against anti-competitiveness and monopolistic practices; promotion of economic, social, and environmental competencies in the members of the Board/management, among others. In addition to having a risk management and control model, systems and procedures are used to detect and evaluate the different risks to which the company is exposed in accordance with the national, European, or international reference frameworks for each matter. Management and control of all types of risks, both traditional and social, climatic, environmental and good governance; systemic risk and adaptation to different regulations and the resilience of the company. Impacts that are detected derive from these risks and mechanisms to deal with them.	<ul style="list-style-type: none"> <li>•Positive contribution to the achievement of ethical, resilient and solvent institutions.</li> <li>•Positive contribution to equal opportunities and diversity (through diversity in senior positions).</li> <li>•Positive contribution to the health of economies through the mitigation of risks that may affect it.</li> <li>•Positive contribution to the achievement of resilient institutions.</li> </ul>	<ul style="list-style-type: none"> <li>•No contribution or negative contribution to the achievement of ethical, resilient and solvent institutions.</li> <li>•No contribution or negative contribution to equal opportunities and diversity (through diversity in senior positions).</li> <li>•No contribution or negative contribution to the health of economies through the mitigation of risks that may affect it.</li> <li>•No contribution or negative contribution to the achievement of resilient institutions.</li> </ul>	<ul style="list-style-type: none"> <li>•Corporate governance structure or practices misaligned with the principles and standards of good governance.</li> <li>•Inadequate inclusion of new types of risk or without the necessary speed.</li> <li>•Absence or insufficiency of mitigation plans for all relevant risk types.</li> <li>•Lack of integration of risks (traditional and non-traditional) in the company or inadequate integration or without the necessary speed.</li> </ul>	<ul style="list-style-type: none"> <li>•Long-term value creation thanks to the development of a strong good governance policy that seeks to favor shareholders and key stakeholders for the entity.</li> <li>•Identification of new opportunities as a counterposition to emerging risks.</li> </ul>

►Additional information on the measures taken to manage the matter, the associated impacts, and the monitoring of the effectiveness of the measures adopted is included in section 6. Financial Information.

►Additional information on the measures taken to manage the matter, the associated impacts and the monitoring of the effectiveness of the measures adopted is included in sections 4.7. Governance systems and ethical behavior; 5.2.1. Generate new business through sustainability and 6.1.3. Risk management.

(3) The identified impacts, both positive and negative, are potential, as they fundamentally stem from the UNEP-FI tool that considers the potential impacts of BBVA's portfolio.

### Phase 3 – Assigning weights and weighting material topics

The UNEP-FI-Portfolio Impact Analysis Tool for Banks (BBVA Group Analysis) – in Consumer Banking and Institutional Banking – which makes it possible to measure and prioritize potential positive and negative impacts, served as the basis for prioritizing material topics that allow the impact that BBVA has on its environment to be assessed.

In addition, the TCFD report (BBVA Group), the human rights due diligence process carried out in 2021, and the ENCORE tool (for natural capital issues with BBVA Group scope), among other sources, complemented the results.

The risk assessment was carried out considering their impact and likelihood. Once the associated risks and their quantification were identified, the risk measurement calculation was aggregated according to the different issues.

#### Materiality matrix

Linking potential material topics with the analysis of impact materiality (ordinate axis, Y) and financial materiality (abscissa axis, X) made it possible to order these issues into two axes from the outset: the Bank's impact on the environment and the Bank's impact on BBVA. The process allows the identification of the most relevant material topics, which, in turn, makes it easier to prioritize the company's focus and actions when dealing with possible impacts and opportunities.

The results detailed in the tables above correspond to the research carried out at the BBVA Group level. The information related to Peru was obtained from the materiality matrix of this chapter and is described throughout this analysis.

## 5.2. Sustainability strategy

GRI 2-14, 2-23

BBVA is aware of the important role it plays in accelerating the transformation towards a low-carbon economy, which is more inclusive and with greater and better opportunities for people. As an entity in the financial sector, it seeks to lead the transformation of the sector, accompanying its different stakeholders – employees, customers, suppliers, and others – in their process of adopting sustainable practices. Along these lines, sustainability is understood by BBVA Peru as a form of strategic management of the organization, which includes managing and minimizing environmental impacts, achieving the expected economic growth, and generating a positive impact on people, companies, and society as a whole in its interactions.

#### Sustainable Development Goals

In 2015, the United Nations 2030 Agenda for Sustainable Development adopted the 17 Sustainable Development Goals (SDGs) that seek to eradicate poverty, protect the planet and ensure prosperity for all. The initiative aims to involve all stakeholders, from governments to companies to civil society. Each objective, stated with a specific purpose, defines several goals to achieve it and each goal has its own indicators, which serve to determine the degree of achievement of each objective.

In December 2018, BBVA adhered to the United Nations SDGs, participating in all of them through its various actions, including the direct impacts of its activity and its investment in the community. However, it focuses its contribution on five—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 multiplier effect of banking.

SDGs in customer support



Climate change

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

- Energy efficiency (technologies that reduce energy consumption per unit of product).
- Circular economy (recycling, new materials, responsible use of natural resources, others).
- Reduction of CO<sub>2</sub> (renewable energies, other sources of clean energy).



Inclusive development

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

- Digital solutions (provides 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 operating and governance models.

Investment in the community

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

Our Pillars

Our strategy is based on three main pillars:

<p><b>Generating new business through sustainability</b></p> <p>This includes identifying new business opportunities, innovating in the development of sustainable products, as well as offering specialized advice for individual and corporate customers. All this is done by applying and adapting the BBVA Standard for Financing Sustainable Activities.</p>	<p><b>Achieving Carbon Neutrality</b></p> <p>We seek to reduce direct and indirect emissions from our operation—as a result of the financing granted to our customers—with the aim of achieving emissions neutrality by 2050, in line with the objectives of the Paris Agreement.</p>	<p><b>Generate a positive impact on all our stakeholders</b></p> <p>It aims to be an active agent of change and committed to the country's development. For this reason, we seek to ensure a responsible relationship with customers and suppliers, promote diversity and inclusion in our team, enhance transparency, and promote investment in the community.</p>
---	---	---

## Team with strategic vision

Since 2022, BBVA Peru has had the Sustainability area within Client Solutions, responsible for leading the sustainability strategy at the national level in coordination with the 16 work-streams defined by the local Sustainability team. This ensures that sustainability objectives and goals are deployed throughout the value chain by strengthening the accountability of the Bank's different strategic areas in social, environmental, and/or corporate governance matters.

It should be noted that BBVA Peru has a General Sustainability Policy, which is published on the website and is available to all stakeholders. The strong commitment to sustainability on the part of the Board of Directors responsible for reviewing and approving this integrated report ensures the Company's long-term value.

## Stakeholders

GRI 2-23, GRI 2-24, 2-25, 2-29

### Commitments made

BBVA is committed to the main international standards in sustainability; therefore, in its actions, it ensures respect for Human Rights, compliance with the ten principles of the United Nations Global Compact, and the implementation of initiatives that promote compliance with the Sustainable Development Goals - SDGs.

In order to comply with the general principles of action in terms of sustainability and the objectives of the sustainability policy, BBVA implements the following specific commitments to each of its main stakeholders.

#### Employees

- Respect diversity and promote equal opportunities and non-discrimination on the basis of gender, sex, gender identity, origin, race, religion, disability, or any other nature.
- Promote the reconciliation of work and family life.
- Establish practices that guarantee the health and safety of the employee.
- Promote a sustainability culture to practice it in their day-to-day work.
- To provide volunteer spaces that allow employees to live BBVA's values.

#### Clients

- To always place it at the center of the Bank's activity so that a lasting relationship is established based on mutual trust and the generation of value.
- Promote transparent, clear, timely, and responsible communication.
- Develop products and services according to their needs and context.
- Promote financial education and inclusion, as well as the universalization of responsible access to financial services.

#### Shareholders and investors

- Disseminate and publish information in a transparent, truthful, timely, and homogeneous manner.
- Provide shareholders with the necessary information to exercise their duties and rights properly in a prompt and accessible manner.
- Proceed equally with all shareholders and investors who are in the same position.
- Use a variety of communication tools and channels that allow shareholders to access the Bank quickly and easily.

#### Suppliers

- Promote the correct implementation of the Responsible Procurement Policy (PCR), which includes, among other points, providing complete and transparent information in procurement processes, respect for human and labor rights in the supply chain, and stimulating demand only for socially and/or environmentally responsible products and services.

### Society

- To support the development of the societies where the Bank is present, both through financial activity and social programs focused on education and entrepreneurship promotion.
- To 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 the payment of taxes or damage to the public treasury.
- To promote compliance with legal obligations and avoid conduct that is contrary to internal rules and policies or that may damage the Bank's assets, image, or reputation.
- To promote their own or collective initiatives to achieve the United Nations Sustainable Development Goals.
- Propose its own initiatives and collaborate with regulators and other organizations for the promotion and dissemination of responsible practices.

### Environment

- To establish and develop an environmental policy that includes, among other objectives, the management of risks in this area, the progressive integration of environmental variables in product development, and the promotion of eco-efficiency together with the management of direct and indirect impacts. Promoting concrete actions in the fight against climate change.

## Listening and dialogue tools

### GRI 2-29

BBVA's 2023 annual report, developed under the GRI Standards methodology, has required a series of activities among the Bank's stakeholders to locate and update the material topics that, at the moment, are most relevant for the development of its actions. In this line, the reports of the internal teams were reviewed, and their indications were aligned with the objectives of social responsibility and the strategy that must accompany their impact on the business.

The different listening and dialogue tools that the Bank uses to communicate between its different units and stakeholders guarantee adequate and timely attention to their queries and needs. As these tools are reliable and close sources of information, the result is an improvement in the response.

Stakeholders	Communication tool
<b>Society and customers</b>	<ul style="list-style-type: none"> <li>•Customer satisfaction and recommendation survey and other quantitative and qualitative quality/satisfaction investigations managed by the Customer areas experience.</li> <li>•Customer service and complaints and claims analysis committees customer advocate.</li> <li>•Customer and society reputation survey (Kantar).</li> <li>•Continuous tracking or monitoring of Millward Brown advertising and brand.</li> <li>•Focus groups and work sessions with customers to find out their opinion on specific issues (in addition to service quality).</li> <li>•Analysis of presence in social networks: Quántico.</li> <li>•Media presence analysis: 360 Access.</li> <li>•Participation in corporate responsibility and reputation events and forums.</li> <li>•Study services BBVA Research.</li> <li>•The Image and Communication Unit use most of these tools/sources and fulfills the function of "radar".</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>•Employee Care Service (SAE).</li> <li>•Annual Internal Employee Reputation Survey (Kantar).</li> <li>•Oracle or similar tools for regular listening to employees of the branch network.</li> <li>•Focus groups and working days with employees to find out their opinion on specific topics.</li> <li>•Regular personal interviews between each manager and their team members, as well as goal-setting, competency and feedback interviews.</li> <li>•Employee Portal: Tu&amp;BBVA and websites for dialogue on specific topics.</li> <li>•Whistleblowing channel (free anonymous line).</li> <li>•Mass meetings and days (directors' meetings, area days and others).</li> <li>•Talent &amp; Culture Area and in particular the managers who periodically interview people virtually and in person during 2023.</li> <li>•Vive+ and Google Spaces communities.</li> <li>•Mobility.</li> <li>•Whatsapp We are Headquarters.</li> <li>•Results presentation meeting.</li> </ul>
<b>Shareholders and investors</b>	<ul style="list-style-type: none"> <li>•General Shareholders' Meeting and Chairman of the Board of Directors (non-executive).</li> <li>•Shareholders and investors website.</li> <li>•Annual report, quarterly reports and important facts.</li> <li>•Constant contact with shareholders and investors (electronic mailbox, customer service telephone numbers, events in bank branches, others).</li> <li>•Roadshows and meetings with investors and shareholders.</li> <li>•Attendance at conferences for investors and shareholders.</li> <li>•Relationship with analysts and rating agencies.</li> <li>•Alert services and sending of relevant information.</li> </ul>
<b>Regulators</b>	<ul style="list-style-type: none"> <li>•The Bank's participation in various formal and informal groupings to improve understanding of regulators' concerns</li> <li>•Departments that manage the relationship with regulators: Legal Services, Internal Control and Compliance, Risks, Presidency</li> <li>•Regulatory trend reports.</li> <li>•The Supervisory Relations Unit manages the relationship with regulators, collaborates in the interactions between the supervisor and the rest of the areas and ensures correct attention.</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>•Approval process.</li> <li>•Satisfaction surveys.</li> <li>•Regular meetings with suppliers.</li> <li>•Online negotiation and procurement tool (Procure).</li> <li>•Supplier mailbox.</li> </ul>



## 5.2.1. Generating new business through sustainability

SDG 8, SDG 13

To talk about sustainable finance is to talk about a form of investment in which environmental, social and corporate governance (ESG) criteria are considered in decision-making. As a bank, BBVA has incorporated ESG criteria into its sustainability strategy, considering them a transcendental part of a new business management model.

This confirms the Bank's commitment to sustainable development and to the purpose of generating financing solutions that favor the transition of its clients, allowing them to develop investments that allow them to adapt to and/or mitigate the effects of climate change, as well as the development of infrastructures that promote inclusion. In this sense, during 2023, a total of S/5,122 million in sustainable financing was mobilized, which meant an increase of 100% compared to what was mobilized in 2022.

Thanks to this, and the commitment of its customers, BBVA Peru received important recognitions during 2023:

**The prestigious Euromoney magazine has recognized it as the best ESG bank** for its continuous effort and investment to reduce its carbon footprint, as well as for the different sustainable financing alternatives it offers its customers.

**LatinFinance Magazine Award in five important categories** at the LatinFinance Project & Infrastructure Finance Awards that recognize the best transactions and financial institutions in infrastructure issues in 2023

**Best Bank in Peru in 2023 by the Banker** for its progress towards digitalization and sustainability.



### Sustainable financing

The Bank is committed to making a significant contribution to the fight against climate change and the reduction of inequalities.



To respond to this important challenge, BBVA has the "BBVA Standard for Financing Sustainable Activities" at the global level, a reference guide for the identification of operations that contribute to Climate Action and/or Inclusive Growth. During 2023, BBVA Peru's Sustainability team worked on revising the standard to adapt it to the local reality, thus allowing the customization of calculation criteria for a key sector such as agriculture.



Likewise, the criteria for identifying the financing of Inclusive Infrastructures were built, incorporating, for example, the concept of Social Housing within the local standard for the marking of financing of Crédito Mi Vivienda, provided that this is the client's first home and whose value is between S/65,200 and S/464,200, and of the Techo Propio Program, in this case considering a maximum value of S/128,400.

## Corporate and Investment Banking

The Corporate and Investment Banking (CIB) division has a global strategic sustainability plan, under which each geography coordinates with the parent company to meet its objectives.

The plan contemplates the following lines of global action, including local lines of work for their development:

- **Customer mapping:** Know the sustainability strategy of the Bank's corporate and institutional clients and generate a list of target customers by product and geography.
- **Development of sustainable products and services:** Develop a portfolio of sustainable products and services for each CIB product (GTB, Global Transactional Banking; IB&F, Investment, Banking & Finance; DCM, Debt Capital Markets; and GM, Global Markets) that can be offered to corporate and institutional clients.
- **Boosting demand for sustainable products** in Peru through a strategic dialogue with our corporate and institutional clients on ESG-related issues. BBVA Peru seeks to play a leading role in the financial and corporate sector on sustainability issues, leveraging the institution's knowledge at a global level.
- **Knowledge and community:** Promote the technical training of employees and corporate clients on sustainability issues.

From an organizational point of view, the CIB division in BBVA Peru has a person responsible for promoting sustainable financing for its customers, as well as a geographic manager who coordinates the strategy between the local teams and the parent company.

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

- **Global Transactional Banking (GTB):** It has an advisory team on sustainability issues at a global level, focused on short-term financing lines. In 2023, GTB Peru closed 33 transactions considered sustainable, for which it mobilized some S/1,283 million of capital.
- **IB&F (Investment Banking & Finance):** Its main focus is advising and financing corporate clients' investment projects. At a global level, it has an advisory team for sustainable issues, through which it advises corporate clients on how to make sustainable investments and how to obtain sustainable ratings granted by external rating agencies. In 2023, it closed three considered sustainable operations for S/524 million.
- **DCM (Debt Capital Markets):** The DCM team is committed to promoting the issuance of ESG bonds and advises and accompanies clients who wish to make their commitment to sustainability known.

Locally, contact the Lima Stock Exchange (BVL), which is the entity that "labels" the sustainable instruments (bonds or papers) that are issued in Peru. Sometimes, he approaches potential issuers together and, with the support of the Global team, manages action plans (visits, calls, pitches, etc.), objectives, and monthly follow-ups. All the activities related to potential sustainable bond issuances are placed in a template that can be accessed by those who lead DCM's 62 initiatives in the parent company, from which, in turn, a bulletin arrives with the sustainable bond issuances that occur in the different geographies, whether BBVA participates in them or not.

- **GM (Global Markets):** Although the market for sustainability-linked financial products is relatively new, one of GM's main objectives for the coming years is to increase the offer of structured products (investment and hedging) that incorporate sustainable criteria. For global markets, it is important to offer clients the possibility of investing in products that are backed by sustainable financing, as well as alternatives underlying the market that seek to promote a sustainable future. Likewise, it is proposed that hedging products associated with sustainability KPIs for customers be generated to promote a culture of greater sustainable responsibility in companies.

## Corporate Enterprise Banking & Institutions

### SDG 1

Business Banking recorded a record evolution in sustainable financing figures, with 225 operations in the completed period, compared to the mobility achieved in 2022 (75).

This growth made it possible to diversify the identification of opportunities in more sectors, such as agribusiness, textiles, education, health, manufacturing, and transportation. 100% of the offices carried out at least one sustainable financing operation, and 85% of the executives managed a sustainable operation with a climate and/or social impact.

The strong growth was a consequence of the implementation of the strategic plan designed for Business Banking, which, although it began in 2022, had its most mature stage in 2023, whose lever was the generation of knowledge and capabilities in sustainability for executives, the encouragement and support by the Sustainability team at Client Solutions to integrate this approach into the commercial system.

At the end of 2023, Banca Empresa managed to mobilize more than S/2,440 million in sustainable financing, of which S/840 million was allocated to investment projects in inclusive growth and S/1,601 million to climate action.

The range of financial products includes:

- The BBVA standard categorizes commercial loans that use sustainable funds to invest in assets as sustainable.
- KPI-Linked Loans: loans linked to the achievement of sustainability indicators, where the company, together with an independent third party, establishes goals with a relevant impact on its sector in social and environmental aspects.
- Sustainable asset leasing.
- Letters of guarantee.

## Retail Bank

### ODS 1

BBVA Peru aims to generate a sustainable ecosystem among all its customers. For this reason, in 2023, it was not only once again the benchmark for housing financing with environmental efficiencies through the "Green Mortgage" product, but also, in the second half of the year, it promoted the generation of knowledge in its customers and collaborators:

- **Together with Sistema B Peru, it launched "Measure What Matters",** a program for which more than 180 SME clients applied. Of these, 50 were selected to follow a training route that has allowed them to measure their social and environmental performance, identifying opportunities for improvement.
- **Deployed a training plan for all its SME executives on sustainability** so that they can talk to their clients about the challenges and opportunities presented by Sustainability in their sectors, with the aim of making 2024 a key year for their transition.

Successfully launched in 2021, the Green Mortgage Credit is, to date, the only sustainable one for the purchase of a home with EDGE or LEED certification in Peruvian banks. In 2023, the placement of "Hipotecario Verde" reached more than S/334,203,000.

Regarding participation in the social interest housing business, the Bank placed 1,774 mortgage loans between Mivivienda, Mivivienda Verde, and Techo Propio for a total amount of S/317,588 million.

Likewise, in 2023, Retail Banking took important steps to strengthen its value proposition. Thanks to the coordinated work between different areas, it was possible to:

- Financing more than 3,500 SMEs led by women and women with businesses for more than S/260 million.
- Grant a credit card to more than 42,000 people considered within the threshold of social inclusion.
- Provide financial support to 14 people directly affected by natural disasters and/or social crises.

The data generated during 2023 allows us to strengthen the banking institution's value proposition towards 2024, paying special attention to the financial inclusion of vulnerable groups and the promotion of financial education for our customers.

### **Operational risk management**

The operational risk management model that BBVA Peru implements throughout the organization is based on methodologies and procedures for identifying, evaluating, and monitoring operational risk. It is supported by tools that allow for qualitative and quantitative management.

Carried out by management teams in this modality of operational risk, the model is based on two lines of defense: the Risk Control Assurer (RCA) team assumes the first, with the aim of promoting adequate operational risk management in its management areas, extending the risk identification methodology and the constitution of controls to the owners of the processes, who are in charge of implementing mitigation plans and the execution of controls. On the other hand, a Risk Control Specialist (RCS) team makes up the second line, defining mitigation and control frameworks in their field of specialization and transversally to the entire organization, contrasting with the provisions of RCA. The coordination between both teams is permanent, and they report to the Internal Control and Operational Risk (CIRO) committees in the areas.

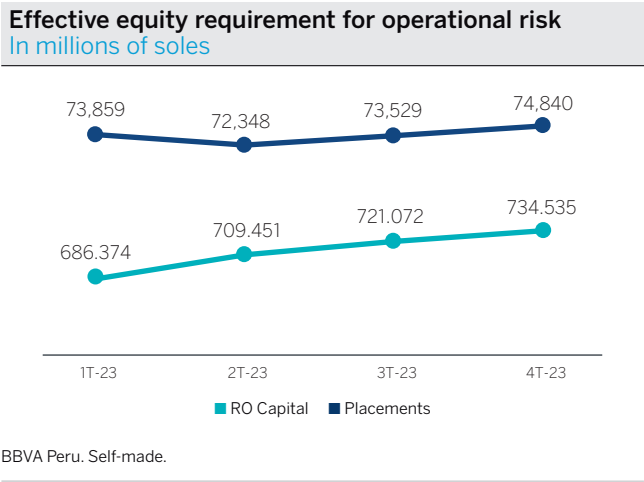
For its part, the Non-Financial Risk Unit of the Internal Control and Compliance area ensures the implementation of corporate management methodologies and tools, makes up the RCA and RCS teams, coordinates the updating of the risk map according to the established methodology, and monitors the monitoring of mitigation plans.

Qualitative management is carried out with the MIGRO tool (Comprehensive Framework for Operational Risk Management), which allows both the registration of identified operational risks and the registration of 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 in force throughout 2023.

In addition to the above, SIRO (Integrated Operational Risk System) participates in a fundamental quantitative tool for operational risk management as a database that collects any operational risk event that represents a loss for BBVA and its subsidiaries.

As proof of the maturity of the Bank's operational risk management, business continuity management, and information security model, in December 2023—and until June 30, 2026—the Superintendence of Banking, Insurance, and AFPs authorized BBVA Peru to use the Alternative Standard Method (ASA) to calculate the effective equity requirement for operational risk, which allows it to optimize the regulatory capital requirement.

At the end of 2023, the effective equity requirement for operational risk based on the alternative standard method amounted to S/734.5 million as of December 31, 2023 (S/664 million as of December 31, 2022).



In 2023, the Bank’s internal control scheme was strengthened by improvements in Migro for the operational risk admission workflow, the monitoring of weaknesses and action plans, and the optimization of the methodology for assessing operational risk.

**Managing social and environmental risks**

GRI 2-24, 3-3

BBVA’s activities impact the environment and society directly through the responsible use of natural resources and its relationship with its stakeholders and indirectly through lending and financing projects. These impacts result in three types of risks: direct, indirect, and reputational.

Extra-financial risks can affect the credit profile of borrowers or projects being financed, which in turn would damage the quality of the risk assumed and, consequently, affect the repayment of loans.

To manage these risks, BBVA considers environmental, social, and reputational aspects along with the usual financial variables in risk management. The integration of these aspects is consistent with the principle of prudence that governs the Bank’s activity and is specified in different lines of action.

The Portfolio Management, Risk Reporting & Sustainability Unit includes within its management the Risk Sustainability subunit, which is in charge of implementing and monitoring the proper use of ESG tools and their results to evaluate the portfolio’s risks associated with sustainability.

Risk Sustainability’s strategy focuses on the evolution of the credit model, incorporating ESG risks into the management of the customer portfolio through four axes: a) management of tools, processes, and data; (b) strengthening the regulatory and policy base; c) training and dissemination for the development of the teams’ capacities, and d) monitoring and reporting of internal and external follow-up.

In line with the Group’s ambitious climate objectives for the decarbonization of its portfolio by 2050, two major fronts are being managed in the environmental field:

GRI 201-2

- Climate risks:** Identification and management of physical and transition risks likely to impact clients to support them in their transition to sustainable businesses through various tools.
- Socio-environmental risks:** Identification of clients’ management with respect to the environmental and social impacts of investment projects.

To manage the aforementioned risks, BBVA has implemented tools and processes that allow it to identify its customers' ESG strategy, management, and positioning.

Tool	Description
<b>PACTA</b>	A methodology that sets decarbonization targets and defines alignment plans for High Transition Risk sectors such as Energy, Steel, Cement, and Oil & Gas.
<b>PCAF</b>	A methodology for the calculation of the issues financed for various assets of the bank's portfolio. In 2023, the accounting of the issuances of seven types of assets began.
<b>Client Sustainability Toolkit</b>	A tool that compiles sustainability information aligned with the TCFD recommendations of corporate clients and quantifies their environmental positioning.
<b>HTR</b>	The concentration limit for the exposure of portfolio clients related to activities considered key to the planet's decarbonization, both for Wholesale Risk and SMEs.
<b>HMM</b>	Concentration limit of the portfolio that considers clients that maintain annual CO <sub>2</sub> emissions > 30% of the average market emissions.

### Principles of Ecuador<sup>13</sup>

GRI 2-23, 2-24

2024 marks 20 years since the BBVA Group voluntarily and decisively adhered to the Ecuador Principles (EP), based on the International Finance Corporation (IFC) policy and performance standards in social and environmental sustainability and the general guidelines on environment, health, and safety of the World Bank Group (WBG). Thus, BBVA applies EP standards in the determination, evaluation and management of environmental and social risks involved in project financing.

The development and dissemination of EPs are not only a commitment assumed by the Management Committee and the working groups in which it participates but also the starting point for applying the best practices of responsible financing and the framework for dialogue with customers and stakeholders in the projects that BBVA finances. All decisions in this regard are based on the criterion of profitability adjusted to the EPs.

"Making the opportunities of this new era available to everyone" implies meeting the expectations of the groups interested in the projects and the social demand for the fight against climate change, as well as respecting human rights.

In this way, each project is subjected to a due diligence process by technical advisors specialized in two fundamental aspects, environmental and social, who assign it one of the categories (A, B, C) pre-established by the IFC. The documentation provided by the client and by the independent advisors is then reviewed, which will make it possible to assess whether or not the requirements set out in the EPs are met in terms of ESG aspects, both in the initial stages (in the case of project financing) and in the operational stage.

### Social and environmental risk assessment and responsible lending

FN-CB-410a

BBVA Peru is aligned with Regulation 1928-2015 issued by the SBS, which references the EP and IFC performance standards. Thus, it manages the social and environmental risk of clients seeking to finance projects, taking into consideration the minimum requirements established in the regulation.

<sup>13</sup> In 2023, we did not finance projects under the Equator Principles.

Based on this scheme, project financing is categorized according to their levels of social and environmental risk, which contributes to the assessment of the probability and severity of the impacts of the projected economic activities and favors anticipated action to prevent or reduce undesirable consequences.

The Investment Banking & Finance team assumes the responsibilities of project finance analysis, representing the Bank to stakeholders, accountable to senior management, and designing and implementing the management system.

In addition, the wholesale credit risk management standard includes the assessment of risks associated with ESG factors in the admission of transactions. In particular, the potential impact of environmental factors and climate change is included in the analysis and calculation of corporate and corporate customer ratings and must be considered in the establishment of risk policy.

In 2023, BBVA implemented the Client Sustainability Toolkit (CST) platform, a tool designed to compile customer ESG information and better understand their strategy and positioning in sustainable matters to strengthen the analysis of customers' climate and sustainable management. CST contains four large segments of queries aligned with the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations, which provide a score associated with the client's sustainable management.

Specifically, this integration of ESG factors for risk analysis is supported by:

- Analysis of compliance with the environmental and social framework.
- Analysis of the relevant sustainability factors according to the client's sectoral affiliation.
- Sustainability aspects included in the sectoral policies for the establishment of the risk policy with the client.

### **Reputational risk management**

BBVA has its own methodology that facilitates the identification, evaluation, and management of reputational risk, which considers:

- **Reputational risk:** It arises from the negative perception that various stakeholders may have about an entity, depending on their expectations about it; that is, the higher the expectations, the greater the risk of disappointing them.
- **Risk factors:** This is the relationship of all the identified risk scenarios, which depends on various causes.

BBVA's methodology includes the Annual Reputational Risk Exercise, an analysis of approximately 20 risks and 40 factors, including responsibility and ethics in product management, customer protection, employee treatment, and sustainable banking.

This exercise, carried out in all the geographies where the Group operates, considers two variables:

- The strength of the Bank against each risk
- The impact of each scenario on the perceptions of different stakeholders of the entity.

The Reputation Discipline analyzes this exercise, working with RCAs and RCS to assess and mitigate the risks identified.

## Products with a high social impact

### People-centric solutions

GRI 2-6, SDG 1

One of BBVA's firm objectives is to integrate social attributes that make a difference in the products and initiatives of its daily activity. To do this, we design our products and services with an impact greater than that already generated by our own ordinary activity by focusing on the following:

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

### Access to savings with greater benefits

BBVA continued to promote the digitization of account customers by encouraging self-service with tools that help them in their day-to-day lives, such as Plin, a functionality that incorporated interoperability with other wallets in 2023; T-exchange, to carry out currency exchange operations at a preferential rate, and Financial Health, which includes My day-to-day, My budgets, and My goals.

### Correspondent ATMs

To expand the capillarity of the agent network, during 2023, over 1,500 points were implemented nationwide, reaching 7,926 BBVA Agents. The focus was on the provinces, so at the end of the year, 54% of the Bank's agents were located outside Lima. It should be noted that, in addition, digital advice was deployed throughout the network of agents so that customers and users can open their savings accounts or buy their SOAT through digital channels.

### Support for companies

In 2023, BBVA participated in the expansion of the 'Impulsa MyPerú Program', which aims to reactivate the country's economy. As of December 2023, the bank's focus was on enabling SMEs to access the social program. Market share in mortgage loan financing BBVA was an important player in the development of the real estate market, registering a net increase in mortgage loan balances of S/774 million, reaching S/15,063 million, that is, a market share of 24.33% throughout the period.

### Housing and access to mortgage loans at the end of 2023



Mortgage loans:

**S/15.063 MM**



Market share:

**24.33%**

The Bank's commitment was to generate the largest portfolio of real estate projects (at the end of 2023, there were more than 30,217 units for sale in the different socioeconomic segments) with the aim of not only covering customers' needs but also exceeding their expectations. Thanks to this effort, BBVA became one of the leading banks in the generation of available real estate projects.

As for the business of sustainable residential real estate projects with EDGE and LEED certification, BBVA expects to consolidate itself in the area by 2024 and exceed 2,500 mortgage loans in social housing.



## Omnichannel

At the end of 2023, the Bank had a network of 325 branches (Retail, Wholesale, and Wealth Banking), 1,950 ATMs (dispensing and multifunction ATMs), and more than 7,926 agents nationwide.

The Bank's main direct channels are:

### App BBVA

The intensity of use of the BBVA app grew steadily throughout 2023. At the end of the year, there were 2.8 million active mobile customers and a penetration of 62% within target customers. Likewise, the app represents 64% of the total monetary transactions carried out at the Bank: more than 25 million operations per month. The most used feature is Plin, with 15 million monthly transactions.

### Internet banking

At the end of 2023, the Bank's public portal had 59 million visits, while the private Internet Banking area registered more than 140 million transactions (monetary and non-monetary) executed by 395,000 customers on average per month. The three most frequently carried out transactions were transfers, service payments, and credit card payments.

### Digital Selling

In 2023, only digital native sales were taken into account, E2E + Leads, whose participation yielded 46.9% (annual cumulative) of the Bank's total sales, 1,300 bps more than in 2022.

The E2E share closed at 32%, 1,800 bps higher than in 2022, and 14.9% of Lead sales.

The products that contributed the most to the growth in digital E2E sales were:

- Credit Cards: 10% to 11.9%
- Savings accounts: From 24.8% to 26.7%
- Salary Accounts: From 9.7% to 18%
- FX: 90.2% to 92.5%
- Insurance: From 12.1% to 14.3%
- FFMM: by 44.4% to 49.8%

### Correspondent Agent

SDG 1

At the end of the year, there were 7,900 BBVA Agents and 26 Express Plus Agents nationwide, which together generated 65 million transactions.

### Cashier Dispenser

This network of 1,566 ATMs recorded more than 118 million transactions.

### ATM Deposit

The Bank has 384 deposit ATMs, in which, at year's end, over 18 million transactions were done.

#### Basic omnichannel data

	2023	2022	2021
Digital customers (in thousands)	2,960	1,400	1,286
Mobile customers (in thousands)	2,832	1,315	1,263

## Attention channels

<b>Nationwide Offices</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Retail Network	300	306	307
Wealth Banking	5	5	3
Wholesale Banking Network	20	23	25
<b>Total</b>	<b>325</b>	<b>334</b>	<b>335</b>
<b>ATMs and ATMs Deposit</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Lima	1,249	1,248	1,296
States	701	661	614
<b>Total</b>	<b>1,950</b>	<b>1,909</b>	<b>1,910</b>
<b>Express Agents + Express Plus Agents</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Lima	3,617	3,056	2,669
States	4,309	2,994	2,365
<b>Total</b>	<b>7,926</b>	<b>6,050</b>	<b>5,034</b>
Variation	+23%	+15%	-3%

## Monetary transactions by channel

<b>Channels</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Bureaux	2.00%	0.24%	0.23%
ATMs	11.00%	1.59%	1.33%
Internet banking	1.00%	2.65%	3.01%
App BBVA	29.00%	64.43%	63.04%
Net Cash	7.00%	28.05%	29.57%
Phone banking	0.00%	0.00%	0.00%
Express Agent	8.00%	0.85%	0.81%
Automatic debit	1.00%	0.11%	0.10%
POS Points of Sale	41.00%	2.08%	1.91%
	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

## Customer Solutions

During 2023, work was done to give greater scope to the solutions for customers so that they obtain a better experience when using the Bank's digital channels.

In the second quarter, the PLIN wallet was made interoperable with Yape; that is, BBVA customers can now send and receive money to Yape immediately, securely, and at no cost. Likewise, interoperability with the rest of the financial institutions was achieved at the end of the period. All wallets or banking applications with this functionality could read QR codes. As a result of this interoperability, transactions in BBVA PLIN tripled.

At the end of the year, Google Pay and Garmin Pay were also launched. They have the same functionality as Apple Pay and allow you to buy easily, quickly, and securely with any of BBVA's credit or debit cards on mobile devices and/or smartwatches running the Android operating system.

Finally, a new feature was launched in the BBVA app so that customers can upgrade their credit card with simple, fast and secure steps. With this functionality, the number of upgrades made monthly was doubled.

## Mortgage Products

SDG 1, SDG 8, SDG 11

The Bank will always plan to support projects with a high social impact, as they are in line with its purpose of making the opportunities of this new era available to everyone. 2023 was a year in which it worked hand in hand with different non-profit institutions.

The policy implemented by the Bank in the real estate business seeks to generate mortgage loans in projects that have sustainability certificates throughout the country, such as Hipotecario Verde and Mi Vivienda Verde, and to support access to credit, especially low-income families, through financing from the Techo Propio program. The goal for 2024 is to place 2,000 loans in both programs – led by the Mivivienda Fund and managed by Commercial Banks – for which this type of project has been consolidated at the national level.

On the other hand, as mentioned, BBVA is committed to real estate projects that have the EDGE or LEED sustainability certifications granted by the IFC (International Finance Corporation), an organization of the World Bank. Regarding the results, 1,836 loans were disbursed, 149 of which, for S/6.3 million, were under the Techo Propio modality, while the remaining 1,687 correspond to the Mi Vivienda and Mi Vivienda Verde program, for S/323.7 million, which meant an additional 32% than the previous year in terms of amount disbursed.

Finally, it is important to note that in 2023, BBVA organized the annual “Best Place to Live” awards ceremony, a seal that promotes housing excellence in its different stages. The process seeks to highlight the real estate agencies that have the best quality in the products they deliver, which includes the process and the customer experience.

Mortgage Product Categories	Total disbursements (S/)	
	2023	2022
My Home Mortgage Loan	333,760,024	221,778,000
Techo Propio Mortgage Loan	6,333,301	6,170,000

## SME loans

In 2023, the Bank continued with its strategy of massification and simplification of credit processes for SMEs through digital processes, channels, and products.

Billing structure			
	2023	2022	2021
Micro and small enterprises	52%	43%	31%
Medium Business	48%	57%	69%

As a result, BBVA's market share increased again in 2023, exceeding 18% in the small business segment.

In addition, the Bank focused on improving the customer experience, and for this, it innovated 100% digital loans that customers can disburse 24/7 without leaving their businesses.

Thanks to these launches focused on small business entrepreneurs, the segment accounted for 30% of global digital turnover in 2023.

	2023	2022	2021
Contribution of digital invoicing	30%	6%	7%

## 5.2.2. Achieving carbon neutrality

### Eco-efficiency

GRI 3-3, 303-1, SDG 3, SDG 6, SDG 7, SDG 11, SDG 12, SDG 13

Since 2014, BBVA has made several commitments focused on the efficiency of energy, water, and other resource consumption, actions aligned with the Global Efficient Plan (PGE), which aims to reduce the environmental footprint.

Since then, and 2023 was no exception, initiatives have materialized that include using renewable energies, implementing technologies for energy saving, and optimizing resources to improve efficiency in infrastructures, facilities, and construction systems. In addition, environmental and energy audits have been carried out on buildings, among other measures, thus contributing to the establishment of the concept of a “green office”.

#### Main indicators of the PGE<sup>(1)</sup>

GRI 3-3, 302-3, 305-4

	2023	2022	2021
Area of certified properties (%) <sup>(2)</sup>	36.59%	44.05%	41.96%
CO <sub>2</sub> emissions per occupant (tCO <sub>2</sub> e/occupant-year) Method Market-Based (MB) <sup>(3)(4)</sup>	1.07	0.98	0.79
CO <sub>2</sub> emissions per occupant (tCO <sub>2</sub> e/occupant-year) Method Location-Based (LB) <sup>(4)</sup>	1.85	1.12	—
Paper consumption per occupant (kg)	30.62	27.88	29.25
Electricity consumption per occupant (MW-h/occupant-year)	4.22	3.45	4.50
Water consumption per occupant (m <sup>3</sup> /occupant-year)	17.21	16.77	24.45

1. It includes BBVA employees, including personnel of a subsidiary of Holding BBVA. Does not include external collaborators.

2. Based on ISO 14001 (Headquarters), LEED and Edge (group of 32 Headquarters Offices and Dining Room) certifications.

3. Information based on the change in CO<sub>2</sub> emission considerations in Carbon Footprint category 3. Unlike 2022 in which information referring to the Displacement of Employees to the Headquarters is incorporated, this year 2023 the Displacement of Employees to the Office Network is added.

4. Parameter (denominator): monthly average of BBVA Peru employees 2023.

For the calculation of CO<sub>2</sub>e, the following greenhouse gases are considered: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O.

For the calculation of CO<sub>2</sub> emissions of the Market-Base and LB Methods, the ratio considers Scopes 1, 2 and 3.

### Environmental Initiatives 2023

SDG 3, SDG 6, SDG 7, SDG 13

BBVA Peru continued to implement, in 2023, the guidelines established in its Sustainability Plan, executing various initiatives and projects aimed at reducing consumption and optimizing the use of resources.

As a reflection of the Bank's ongoing commitment to responsible and environmentally friendly business practices, work was done on the renewal and incorporation of new international certifications related to sustainability, such as the following:

#### Corporate Building Transformation – Headquarters

The remodeling of the 15<sup>th</sup>, 16<sup>th</sup>, 18<sup>th</sup>, and 19<sup>th</sup> floors of the Headquarters was completed in 2023, and by 2024, the remodeling of the 7<sup>th</sup>, 8<sup>th</sup>, 9<sup>th</sup>, and 10<sup>th</sup> floors is planned. The project considers the comprehensive renovation of the electromechanical facilities by solutions and technologies that optimize the efficient use of energy, water, and drainage.

The installations (lighting, air conditioning, and ventilation system) of all the areas remodeled during 2023 were incorporated into the Building Management System (BMS) tool, which allows their operation to be managed, digitally monitoring the efficient use of electromechanical facilities and equipment, as well as water cisterns and fuel tanks.

The remodeling of the areas has been conceived under the Workplace criterion, a hybrid work model that includes the necessary infrastructure for the development of videoconferences without greater travel of employees to the office (i.e. lower fuel consumption), as well as centralized areas for document printing (if essential), which optimizes paper consumption.

It should be noted that all the remodeled floors of the Headquarters have centralized waste segregation areas, where the employees themselves apply prior and selective disposal of waste.

### Other projects at the Headquarters and Office Network

As a sign of its commitment to sustainability, BBVA Peru deployed several initiatives focused on reducing the carbon footprint, generating energy efficiency, and promoting sustainable culture. Based on this, in 2023, it executed the following projects:

In line with the reduction of the carbon footprint of scope 3, the following sustainable mobility initiatives were promoted at the Headquarters and in the Office Network:

- Enabling two charging stations for electric and hybrid cars at the Headquarters to facilitate the migration from traditional vehicles to eco-friendly vehicles and allow employees to travel to their workplace with zero direct carbon dioxide emissions.
- Inauguration of a new bike lane at the Headquarters, which, in addition to the bicycle parking spaces previously implemented, made it easier for employees to move comfortably and safely within the BBVA facilities using healthy and eco-friendly means of transportation (bicycles, scooters, and unicycles). At the end of 2023, 167 employees were using this transport, an increase of more than 100% compared to the previous year.
- The #Sustainablemobility pilot was deployed at the Headquarters to promote the use of efficient and/or sustainable alternative transport, such as carpooling, bicycle riding, scootering, and walking, through an app that integrates information on the means of transport and the available routes and connects employees who share the same interests.
- The deployment of bicycle parking in the Network of Offices began. In 2023, the first four were installed in Lima, and this plan is planned to continue nationwide in the coming years.
- The deployment of the General Waste Management Plan was designed and initiated at the Headquarters, improving the segregation centers, standardizing the informative signage of the containers, providing training to employees and experiential workshops on how to correctly segregate waste, as well as reinforcing the knowledge of waste managers. This deployment is planned to be implemented in the Network of Offices from 2024, according to the available infrastructure in the various locations outside Metropolitan Lima such as: Ancash, Arequipa, Ica, La Libertad, Lima province, Loreto, Piura, San Martín and Ucayali.

In pursuit of energy efficiency, the following initiatives were worked on in 2023:

- Renovation of 97% of the air conditioning system of the Central Headquarters that uses ecological gas and cold water as refrigerant.
- Preparing the Eco-efficiency Standard at the Headquarters and Office Network to promote responsible and efficient electricity consumption among employees.
- Generating efficiency through the implementation of presence sensors and programmable thermostats in the customer service area of the network's offices. This plan will continue throughout 2024.

Promoting sustainable culture, various awareness campaigns were deployed for employees:

- A communication campaign on the responsible use of energy, which encourages the use of stairs instead of elevators and the maintenance of regulated air conditioning in environments, among other things.
- Campaign of testimonials from BBVA ambassadors so that more employees make use of eco-friendly transport.
- Circular economy campaign at the Headquarters and Office Network that promotes giving a new life to unused items and objects.
- The second edition of Sustainability Week allows employees to learn in detail about the sustainability strategy and how to incorporate it into their day-to-day work.
- Sustainability fair, in which sustainable business entrepreneurs presented and offered eco-friendly products and services to BBVA employees.
- Volunteering such as beach cleanups, tree planting, and sustainability training for small entrepreneurs nationwide, among others.

## Certified premises

**ISO 14001–Headquarters:** ISO 14001 is an international standard that provides organizations with a framework for protecting the environment, responding to changing environmental conditions, and balancing socio-economic needs. The standard specifies the requirements to achieve the expected results as objectives in the environmental management system.

In 2023, the Bank requested the second ISO 14001 environmental management certification monitoring for the Headquarters, which includes, among other points, the selective collection of waste and its sustainable final disposal, as well as the efficiency of water and energy consumption.

## Energy certification from renewable sources

**IREC:** Since 2023, the electricity consumed by the office network comes from renewable sources at the Cheves Hydroelectric Power Plant, guaranteed by the International Certificate of Renewable Origin (IREC) that will be delivered at the end of the annual year.

## Other certifications

**EDGE:** EDGE certification allows design teams and project owners to evaluate the benefits of incorporating energy and water-saving options into their buildings and premises. At BBVA, all the new branches in the network and the new spaces at its Headquarters are designed and implemented following the criteria necessary for sustainability accreditation.

By 2023, the Bank will have 32 nationally certified offices and one in the main dining room of the Headquarters. Once the refurbishments carried out during the concluded period were completed, 13 new EDGE certifications were obtained and another two were in the process of being issued.

## Corporate Taxi Service

- In line with environmental initiatives, the corporate taxi service provider is committed to promoting the Sustainable Development Goals (SDGs) of the UN 2030 Agenda, maintaining its commitment throughout the chain of the service provided.
- Contribute to the principles contemplated in the United Nations Global Compact, specifically in terms of Human Rights (principle 7), Labor (principle 8), Environment (principle 9), and the Anti-Corruption principle.
- Consider the goal of being carbon neutral so as not to affect the natural concentration of greenhouse gasses in the atmosphere.

## Carbon Footprint Peru

BBVA measures its greenhouse gas emissions through the Carbon Footprint Peru platform, which is why it has been recognized by the Ministry of the Environment (MINAM of Peru) as a pioneer and leader in the use of the tool (Data Upload and Audit Process).

## Aurora Project – Office Remodeling

The Aurora Project includes the intervention of a set of offices/branches with design improvement objectives, creating efficiencies in the use of resources both in design and construction, which has allowed the Bank to obtain the EDGE Certification in each of them.

As part of BBVA's interest in innovating its contribution to the environment, in 2023, the first bank branch with sustainable modular construction was implemented in Peru. The space is considered an optimized design in engineering, materials, and equipment, reusing four shipping containers in its construction and incorporating solar panels for its energy supply.

At the end of 2023, a solar panel system was being installed in three Auroras offices in the southern part of the country.

## Reduction in paper consumption due to the format Please

The Business Transformation Unit of the Client Solutions area carried out an analysis on the use of the Please Execute format, identifying that of the 23 transactions that were carried out over the counter with this format, in seven of them, its use could be dispensed with.

The provisions resulting from the analysis made it possible to reduce paper consumption from a monthly average of 156 kg to 85 kg, thus avoiding the felling of one tree per month.

## Improvement of organic waste management by the concessionaire of the employee canteen at the Central Headquarters

GRI 306-2

The concessionaire of the main dining room for collaborators works hand in hand with an organization specialized in improving the sustainable management of organic waste, which can have various treatments.

For the sustainable management of waste, the concessionaire has differentiated bins in the kitchen, which are emptied at the end of the shift into containers provided by the specialized organization, which collects organic and inorganic (usable) waste three times a week.

In addition, constant training is provided to the dining room staff so that they are aligned to apply better waste management in all their processes.

## Environmental management

GRI 301-1, 302-1, 303-5, 306-3

	2023	2022	2021
<b>Water consumption</b>			
Water consumption (m <sup>3</sup> )	120,557.00	127,357.00	176,732.27
Water Consumption (ML)	120.56	127.36	176.73
Water consumed per occupant (m <sup>3</sup> /employee-year)	17.21	16.77	24.45
<b>Electricity consumption</b>			
Total annual renewable energy (kWh) <sup>(*)</sup>	29,554,464	5,988,266	6,066,711
Total annual non-renewable energy (kWh) <sup>(*)</sup>	0	20,226,812	26,475,469
Total annual electricity Headquarters (kWh)	7,394,115	5,988,266	5,991,220
Total annual electricity Office Network (kWh)	22,160,349	20,226,812	25,467,609
Total annual electricity (kWh)	29,554,464	26,215,078	32,542,181
<b>Paper consumption</b>			
Total annual paper purchased (MT)	214.55	212	211
Total paper consumed per occupant (kg/occupant-year) <sup>(**)</sup>	30.62	27.88	29.25
Purchased Green Paper (TM)	214.55	212	211
<b>Waste management</b>			
Annual recycled paper (first stage: chopped) (kg)	4,188	10,948.00	8,070.67
Electrical and electronic equipment (kg)	68,614.80	185,698	0.00
Waste generated (MT) <sup>(***)</sup>	214.03	323.13	1,307.79

(\*) Only electricity consumption is being considered.

(\*\*) Occupant comprises BBVA employees, including subsidiary Holding BBVA. Excludes external and other subsidiaries.

(\*\*\*) Waste management is broken down as follows:

- Non-hazardous waste (paper, cardboard, plastic containers, glass, organic waste, cooking oil and others): 156.57 MT.
- Hazardous waste (includes electrical, electronic, fluorescent equipment, industrial oils and others): 57.47 MT.



## Atmospheric emissions

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

	2023	2022	2021
Scope 1: CO <sub>2</sub> e emissions (t) <sup>(1)</sup>	2,679.80	1,649.27	56.58
Net emissions scope (MB) CO <sub>2</sub> e (t) <sup>(2)</sup>	0.00	3,596.33	5,353.36
Net Scope Emissions (LB) CO <sub>2</sub> e (t) <sup>(3)</sup>	5,503.04	4,661.04	—
Scope 3: CO <sub>2</sub> e emissions (t) <sup>(4)</sup>	4,785.40	3,039.28	320.22

(1) **Scope 1:** Emissions derived from the consumption of fuels (diesel and natural gas) in facilities (Generator Sets and Kitchen) and fleet of vehicles (petrol and oil) and Refrigerant gas, in tonnes CO<sub>2</sub>e. For the calculation of CO<sub>2</sub>e, the following greenhouse gases are considered: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O.

(2) **Scope 2 (MB):** Emissions derived from electricity consumption (under the Market-Based methodology) in tonnes CO<sub>2</sub>e. Keep in mind that the Headquarters receives an International Certificate of Renewable Origin - IREC delivered by the Supply Provider; in 2023 the Network of Offices/Branches has International Certification of Renewable Origin - IREC.

(3) **Scope 2 (LB):** Emissions derived from electricity consumption (under the Location Based methodology) and calculated based on Peru's energy mix. For the calculation of CO<sub>2</sub>e, the following greenhouse gases are considered: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O.

(4) **Scope 3:** Emissions derived from (air) business travel by professionals and trips of employees to the Bank, in tons CO<sub>2</sub>e. Unlike the year 2022 in which information referring to the Displacement of Employees to the Headquarters is incorporated, this year 2023 the Displacement of Employees to the Office Network is added. For the calculation of CO<sub>2</sub>e, the following greenhouse gases are considered: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O.

The variation in greenhouse gases cannot be estimated until 2023 because the methodology for total emissions has changed. 2023 represents the new baseline year for emissions reduction estimates.

### Total energy consumption

GRI 302-1

	Unit	2023	2022	2021
Total non-renewable energy consumption	GJ	0	72,816.52	95,311.69
Total renewable energy (biomass, solar, wind, etc.) purchased or generated for the own consumption	GJ	106,396.07	21,557.76	21,840.16
Total costs of energy consumption	PEN	22,699,936	19,779,413	20,240,730

Only electricity consumption is being considered.

The conversion factor used is the ISO Unit System for the conversion of units of measurement; however, the data on the consumption of different concepts (energy, water, fuel for facilities, air flight routes, non-hazardous waste and hazardous waste, etc.) are reported monthly in the Am - biennial Peru data file, a spreadsheet that internally evaluates CO<sub>2</sub> equivalent emissions in its three scopes, for which it contains a sheet with the emission factors corresponding to each concept in which it applies.

### Waste destined for recycling and disposal

GRI 306-4, 306-5

	Unit	2023	2022	2021
Total recycled/reused waste	TM	105.6	218.32	10.93
Total waste disposed of to safety landfill	TM	0.29	0.65	0.86
Total waste disposed of in landfill	TM	108.18	104.16	1,296

**Waste disposed of:** Includes the total waste disposed of to (i) sanitary landfill for other non-hazardous waste (108.18 MT) and (ii) safety landfill for hazardous waste (0.29 MT that includes fluorescent waste, and other hazardous waste).

**Recycled/reused waste:** Includes (i) Non-hazardous waste (Paper and Cardboard = 6.15 MT, Plastic packaging = 0.85 MT, Glass = 0.42 MT, Organic waste = 40.40 MT and cooking oils = 0.55 MT), and (ii) Hazardous waste (WEEE = 57.18 MT). These breakdowns include waste from only BBVA Peru (the Bank's own facilities).

Due to changes in the structure of the reported table, the data for the years 2021 and 2022 have been updated for waste destined and not destined for disposal so that they can be comparable.

### Work travels

	Unit	2023	2022	2021
Total business trips by air, road, etc.	Ton. CO <sub>2</sub> equivalent	1,697.15	2,275.2	320.22

## Managing Significant Waste-Related Impacts

GRI 306-2

**Headquarters:** The treatment of waste is concentrated in the collection room, where it is grouped and segregated according to its type: hazardous, non-hazardous, and electrical and electronic equipment (WEEE). After taking inventory, they are transported to a company duly accredited and authorized by the corresponding entities for integrated waste management, which finally issues the corresponding manifests, as well as the certificates of reusable waste and the certificates of hazardous and non-hazardous waste.

**Commercial Network:** Waste treatment is managed through the municipal cleaning services of each locality (district) where the offices are located.

In the case of Metropolitan Lima, a duly accredited and authorized company applies a routine of collecting paper and plastic bottles/containers on different routes, which converge at the corresponding sanitary landfill, which finally issues a monthly certificate expressed in kg for waste generated.

### Involvement in global initiatives

## Water Management

GRI 303-1

Due to its nature as a banking and financial business, BBVA Peru is identified as a consumer of water from the management of the Public Water Network of the various concessionaires of this service throughout the country.

In the same sense, sewage is disposed of through the public drainage or sewerage network of the various concessionaires of this service throughout the country.

As part of its environmental policies and its Global Eco-efficiency Plan 2021-2025, BBVA identifies water as an important resource that must be cared for and used appropriately. The aforementioned plan establishes annual objectives for each geography of BBVA Peru.

## 5.2.3. Generating a positive impact on all BBVA stakeholders

### Customer Experience

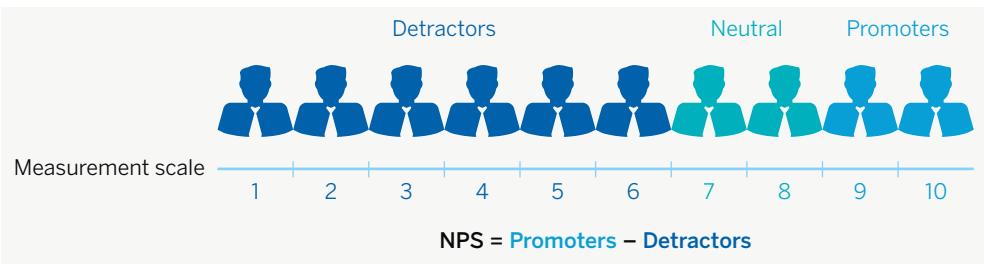
With the customer as BBVA's fundamental pillar, one of the Bank's objectives is to ensure the best experience. In that sense, it is a priority to listen at all times to the voice of the customer, whether external or internal, in their interaction with the Bank's multiple products and channels, with a permanent focus on detecting pain points and opportunities that can contribute to designing solutions that generate value and a better user experience.

Therefore, BBVA's challenge is to ensure that the customer perceives the benefits and values of the Bank's strategy clearly and timely.

### NPS and feedback

The Net Promoter Score (NPS) methodology, used by BBVA and internationally recognized, allows us to know the degree of recommendation and, therefore, customer satisfaction with the different products, channels, and services. To do this, it surveys the customer, asking them if they would recommend (on a scale of 0 to 10) their bank or the use of a certain channel or a specific customer journey to a family member or friend; depending on your answer, you will be considered as a promoter (9 or 10 in favor), neutral (7 to 8) or detractor (0 to 6).

The results are of vital importance for the Bank, as they will allow it to a) validate the alignment between the needs and expectations of the client with the initiatives implemented, b) establish plans that eliminate the gaps detected, and c) provide the best experiences.



In 2023, three of the key points of this strategy:

**Listen to the voice of the customer**

A priority throughout 2023 was to consolidate the mechanisms for collecting feedback from different sources (NPS, Playstore, Appstore and digital support). A monitoring system of various channels was implemented that allowed the evaluation of the transactional and relational experience developed by customers.

**Participation of the Steering Committee**

As far as the summary of what is presented in the Quality Committee for the prioritization and monitoring of opportunities for improvement.

**Proactive attitude**

BBVA employees are called upon to help in the design and Execution of action plans that seek greater customer recommendation.

ACTIONS CARRIED OUT DURING 2023		
144 measurements in branch networks, business banking, segments (prime, real estate, SMEs) and digital channels, among other interactions that customers can access with BBVA.	Continuous measurements of the network's employees, to transmit to the internal areas the perception of the service provided by them to the offices. This made it possible to implement improvements in service and processes in the internal areas, which in turn optimized the experience of the network's employees.	Consolidation of the continuous improvement approach in all channels and products.
QUALITY INITIATIVES		
We maintained the working groups, which, with the participation of different areas, focused on solving the customers' pain points.	The work front continued with internal clients and the NPS Internal Headquarters, which evaluated the teams as service providers.	'Talento y Cultura' established itself as a strategic customer experience partner, helping to promote a culture of service through various actions throughout the organization.

Cumulatively, BBVA Peru ranked first in SME NPS and commercial NPS in 2023 and third in retail NPS, which had a target of 52.72% for that period.

## TCR Communication

### SDG 8

BBVA considers it one of its objectives to help customers make informed decisions throughout their relationship with the Bank, ensuring that they are in control. For this reason, the Transparent, Clear, and Responsible (TCR) communication project seeks to increase their trust, level of recommendation, and loyalty by offering them relevant information that allows them to take care of their interests in the short, medium, and long term in an easy language, which promotes financially responsible behavior.

The most relevant actions in terms of the TCR communication principles carried out during 2023 were:

Training of office employees	Fichas de productos TCR	TCR Digital
<p>The information that the Bank provides to the customer from the first contact must always be given in a TCR manner. To this end, the Commercial School, whose objective is to train all the positions in the network, has the Onboarding program for the position, which offers all the necessary information for the employee to fulfill their role.</p> <p>In that sense, the Unique Experience course, part of the curriculum of the commercial positions, reinforces the 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.</p>	<p>TCR product sheets are graphic documents designed with the customer in mind, explaining the main advantages, requirements and costs associated with the Bank's products in clear language and an easy-to-understand structure.</p> <p>It should be noted that, to date, these documents are under review, since no updates have been made and their use for the public has been discontinued.</p>	<p>During 2023, compliance with the TCR principles and Red Lines of Integrity (LRI) was monitored in the digital initiatives delivered in the hands of the client and prioritized for the Design team. 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 check.</p>

Likewise, during 2023, the following specific actions were applied, both in the process of creating digital products and services and in the training part:

- Application of the 15 TCR principles check for 72 projects designed during the year, mainly in channels such as Internet Banking, Mobile Banking, ATM, and the new public website (some projects continued for more than a quarter).
- Validation of LRI compliance for Retail clients in 50 projects prioritized for design (some projects continued for more than that time).
- Active participation in the role of TCR Champion in team meetings and sessions with other project stakeholders.
- Follow-up sessions between the TCR Manager Digital profile and the TCR Champions team for SDA projects.
- TCR and LRI training sessions for new members of the design team.
- Integration of content production with a focus on user experience (Content Design) in all meetings, in addition to internal reviews for the follow-up of the TCR application.
- Conduct virtual training on concepts related to content design, TCR, and LRI for bank employees.
- Final approval of the document Procedure to comply with the Red Lines of Integrity in Digital Solutions for Retail Customers - Peru.

## Contact Center

2023 was a year focused on improving the customer experience in service channels and focused on operational KPIs after closing the supplier migration in 2022. On the quality side, NPS was the main focus, seeking to deliver the solution to the customer in the first contact without impacting service time. Therefore, at the end of the year, an NPS of 56% was achieved, growing 12 points compared to 2022 for telephone banking and 35 points in the written channel solution (Chat), reaching a solution 92% of the time.

These results, the best in the last four years, were the result of the following implementations:

- i. Management of reconquest for detractor customers.
- ii. Root-cause working groups to improve internal processes.
- iii. New capabilities in the contact center to address product blockages.
- iv. IVR 3.0 to reduce browsing times.
- v. New processes for back office service.
- vi. Work by quartiles in the management of advisors to ensure improvement in low-performance groups.

On the efficiency side, it was possible to reduce the average service time (TMO) by one minute, which not only generated spending efficiency but also supported improving the customer experience. In addition to reducing the average service time (TMO), we also managed to decrease claims from the online solution, increasing FCR executions by 60% compared to 2022.

Chatbot Blue continued its path of growth and maturation, incorporating seven new functionalities and reaching a total of 17 procedures that can be carried out within the channel. Thus, Blue managed to consolidate with 56 points of maturity without neglecting the solution, which at the end of the year reached 84%, growing 4 points compared to 2022 and, above all, ensuring customer preference with a 70% comeback index, for growth of five points compared to the beginning of the year.

In June 2023, 'Blue Informativo' was launched on social networks, solving 37% of the queries received on private Facebook (4,500 unique comments per month), accompanied by a 38% solution and efficiency in spending and channel efficiency

The strengthening of the after-sales service for the Openpay acquiring service continued, with an average of 4,000 customers being served and a solution level of 95%. This channel had a significant challenge in consolidating and improving its processes, accompanying the customer throughout their journey.

For business customers, the first self-management systems were incorporated into the IVR, which allowed them to generate an efficiency of 10% in calls. In addition, the quality results were consolidated in the 44,000 customers served by the channel, achieving an NPS result of 70% and an increase in the level of solution of 2 points compared to 2022, which meant a result of 96% of online solution. These results are the result of the restructuring of care protocols for online solutions, and the implementation of user unblocks.

Aligned with the route of remaining a profit center, in 2023, the transfer of calls with sales potential grew from 28% in 2022 to 42% at the end of 2023, which mitigated the short-term impacts of interest rates and delinquencies. At the end of the period, the channel had contributed a turnover of S/195MM in PDL products and subrogation of portfolio products, as well as placement of 6 thousand credit cards (new and additional).

## **Complaint and claim management**

GRI 2-25

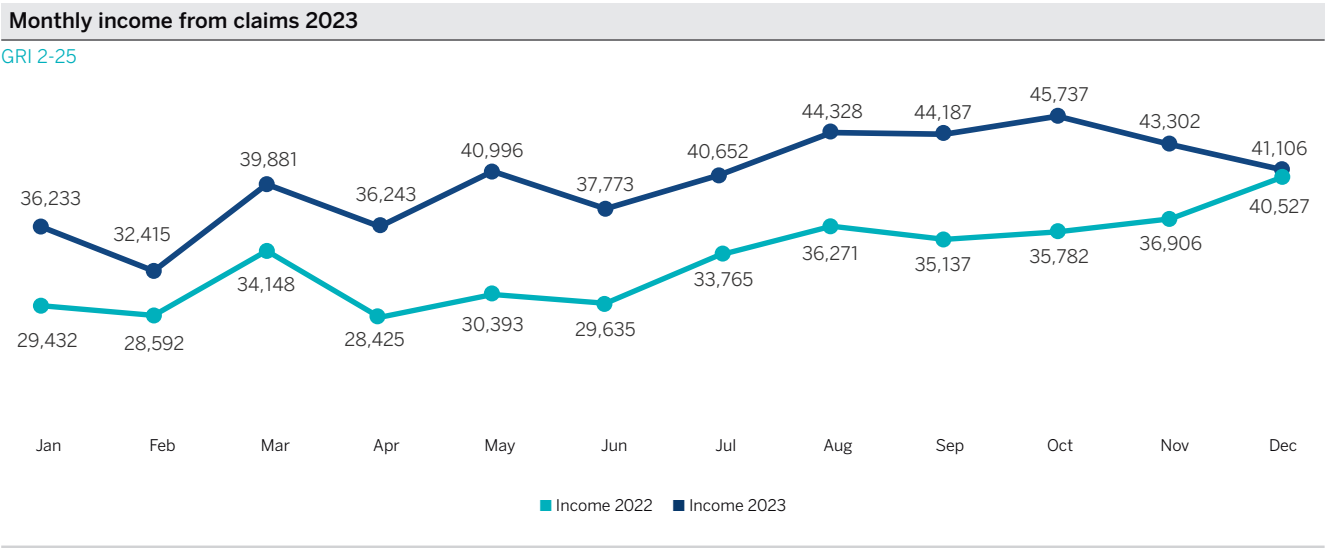
In 2023, the main value, "Customer first", remained the focus of strategic objectives and actions.

In terms of customer experience, actions were managed based on the quality governance model focused on achieving the Claims NPS (14 points) by the end of the year. This task was even exceeded, reaching a result of 20 points at the end of 2023, thanks to adequate advice to the customer when contacting them by telephone, as well as the updating and reordering of complaint resolution procedures and the transformation of response letters with Marketing accompaniment. Likewise, identifying and planning improvement actions based on customer surveys answered by customers participated in the success.

Likewise, 90% of user claims and complaints were resolved in no more than seven business days, thus complying with the new service period of up to 15 business days established by the SBS on February 28, 2023.

On the other hand, in the first quarter of 2023, the new “Acquisition” business model was implemented, in which the Bank complements its role as a card issuer with the marketing of POS. This model assumes the after-sales service and the resolution of claims and complaints, whose average monthly income in the last quarter was 30 cases, with growth projection tailored to new business affiliations.

In the second quarter of 2023, the interoperability of digital wallets – such as Plin and Yape – began, which allows money to be transferred through the use of cell phone numbers, encouraging immediate transactions regardless of the financial institution. This integration led to a tripling of claims associated with transactional growth, constant failures, and 30 external incidents.



Likewise, the provisions of the new SBS Claims and Requirements Management Regulations were implemented during the third and fourth quarters of 2023.

With technological development through the transformation of functionalities in the management tool (HAREC):

- Freezing of term in up to 2 business days when requesting additional information or documentation from the client.
- Modification of the structure and periodicity (monthly) of regulatory reports.
- Create a new report with details of operations by product and channel.

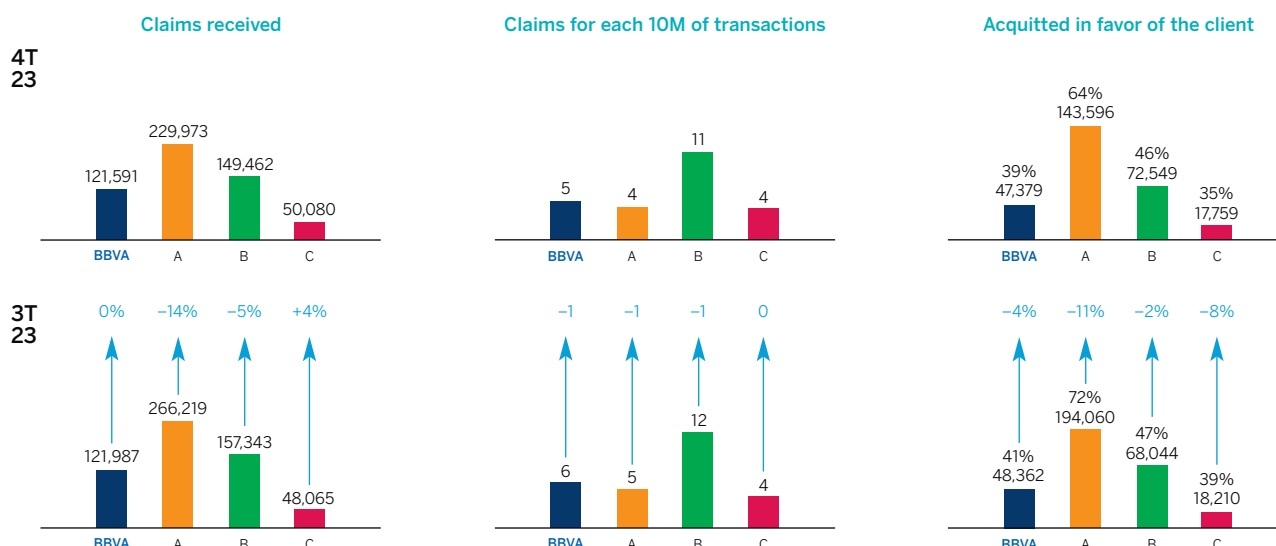
With the adaptation of internal procedures:

- Allowing the third party to register a claim without proving its representation.
- Identification of complaints that will always be resolved for the benefit of the user without the need for prior analysis, i.e., FCR attention.

Despite the events that have impacted 2023, BBVA’s operational efficiency indicator closed the year with a ratio of 5 complaints per 10,000 transactions.

The following table shows a comparative graph of the four main banks in the country.

## Complaints and Claims 2023



Source: Asbanc.

As of January 2024, complaints and claims will be treated in accordance with the new Regulations for the Management of Claims and Requirements that rule the entire financial system; in addition, the focus will be on the new quality management model for the entire complaints resolution service.

### Protection of personal data

GRI 418-1

FN-CF-220a.1, FN-CF-220a.2

During 2023, the following administrative sanctioning procedures have been completed:

- **Against BBVA:** A fine of 18 Tax Units (UIT) has been imposed against BBVA for having processed the complainant's personal data for commercial and advertising purposes without his consent, having revoked it.

PAS files	Infringement	Discount	Total canceled
File N° 016-2022-JUS/DGTAIPD-PAS	18 UIT	40%	S/46,440.00

- **In favor of BBVA:** Administrative sanctioning procedures amounting to S/1,637,815.50 have been completed in favor of BBVA (05).

PAS files	Infringement	Total
File N° 002-2023-JUS/DGTAIPD-PAS	27.13 UIT	S/134,293.50
File N° 039-2022-JUS/DGTAIPD-PAS	147.09 UIT	S/728,095.50
File N° 039-2022-JUS/DGTAIPD-PAS	147.09 UIT	S/728,095.50
File N° 009-2021 -JUS/DGTAIPD-PAS	5 UIT	S/22,000.00
File N° 093-2022-JUS/DGTAIPD-PAS.	146.84 UIT	S/675,464.00
<b>Total</b>		<b>S/1,637,815.50</b>

- **In favor of BBVA:** The following audits have been closed and filed in favor of BBVA (03):

–Audit N° 153-2023-DFI  
–Audit N° 356-2022-DFI  
–Audit N° 288-2023-DFI

- During 2023, (02) trilateral administrative processes were completed without any materialized fine:

–File N° 084-2022-PTT  
–File N° 10-2023-PTT



BBVA uses the information of personal data subjects for commercial and/or advertising purposes, for which it collects the prior consent of customers or potential customers in accordance with current regulations. As of December 2023, BBVA has collected 9,655,713 consents for these purposes. In 2023, BBVA implemented a Personal Data Protection Compliance Program as a comprehensive and cross-cutting strategy that addresses the challenges and opportunities inherent in the digital age.

The purpose of the program in terms of personal data protection is to prevent the risks associated with non-compliance with the rules. This is to avoid penalties and reputational risks, as well as to protect personal data owners from any impact caused by the improper use of their data.

The program promotes a culture of compliance in personal data protection through the training and awareness of employees in order to achieve adequate data processing with respect to the information that the Bank makes available to them for the fulfillment of their labor obligations.

#### Basic claims data

	2023	2022	2021
Number of complaints to the suprabanking authority	1,462	963	850
Average Claims Time (Calendar Days)	7.3	8.8	11.33
Claims resolved with First Contact Resolution (FCR)	21,166	10,848	3,460

A substantiated complaint is understood to be the written statement by an official regulatory body or similar and addressed to the organization, which identifies violations of customer privacy or complaints filed with the organization and that the organization has recognized as legitimate.

#### Customer Protection

[FN-CB-230a.2/FN-CF-230a.3](#)

As part of the deployment and maintenance of the security strategy during 2023 efforts were focused on the following fronts:

Concerning fraud prevention, the level of fraud prevented was improved by 8% compared to 2022, reaching a prevention level of 78% based on potential fraud. Likewise, materialized fraud was reduced by 3.6% compared to 2022.

Materialized fraud was reduced by 19% in retail digital banking channels and by 40% in our enterprise digital banking channels compared to 2022. Likewise, materialized fraud has been reduced by 0.2% in the card category compared to 2022.

- Monitoring and compliance with the regulatory change of Resolution SBS-504-2021, maintenance of ISO 27001 certification, and compliance with controls of the PCI DSS standard and other standards, with special attention to the level of maturity in the "Government" domains.
- Since the human factor is a key element in the cybersecurity strategy, through the People Information Security front, training and awareness actions were deployed for employees, customers, and society in general. Likewise, simulated phishing campaigns were executed for employees with the aim of measuring and reducing the level of internal risk in the event of cyberattacks.
- On the head of the Business Continuity Government, the process of continuous improvement and compliance with the regulatory requirements of Resolution SBS-877-2022 continued. To this end, continuity exercises were carried out aimed at members of Senior Management and exercises on recovery strategies, which focus on testing the correct execution of critical business processes based on the scenarios contemplated in our Continuity plans: unavailability of buildings, people, ICT services, and third parties. Finally, the 2023 testing and training schedule was met.
- Regarding the management of physical security, thanks to the measures previously adopted, the strengthening of the intelligence area, and active monitoring to quickly identify critical points throughout the country, during 2023, there were no incidents that affected the integrity of employees or offices.

## Information security incident indicators

FN-CB-230a.1/FN-CF-230a.1  
GRI 418-1

	2023	2022	2021
Total number of information security breaches or other cybersecurity incidents	0	0	0
Total number of information security breaches involving personally identifiable information of customers	0	0	0
Total number of customers affected by the Company's data breach	0	0	0
Total amount of fines/penalties paid in relation to information security breaches or other cybersecurity incidents	0	0	0

## Suppliers

### Responsible Purchasing

GRI 2-6, 2-24, 3-3

### Supply chain

BBVA has the Global Procurement System (GPS), a global technology platform that underpins all phases of the supply process in the BBVA Group, from the approval of the budget to the registration and accounting of the invoices (budgeting, purchases, and finances).

The Group carries out the different negotiation processes with its suppliers (RFIs, RFQs, RFPs, electronic auctions, and final award rounds) through Adquira Podium, an electronic platform that offers the following advantages:

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

GRI 308-1, 414-1

To evaluate suppliers using environmental, social, and good governance criteria, a pilot plan that incorporated the new sustainability module in their evaluation, selection, award, and contracting was completed. The suppliers were evaluated in this module during 2023.

Align the Purchasing strategy with the Group's sustainability strategy and with the SDGs.

Manage legal, reputational, social and environmental risks.

Assess the impact of products and services on the environment and in the social sphere.

Be prepared for regulatory changes in terms of due diligence in the sustainability of the supply chain.

Report environmental and social indicators of the supply chain according to the GRI Standard.

In 2023, 100% of our suppliers were evaluated by the VRM<sup>14</sup> model through third parties, including social and environmental criteria.

On the other hand, as part of the sustainability plan, the United Nations Global Compact SME Training Plan was carried out, and various local companies were invited to participate. BBVA understands that suppliers are a fundamental part of its business model. Its relationship with them is governed by the Group's Code of Conduct, the Supplier Code of Ethics, the Responsible Procurement Policy, and the Standard for the Procurement of Goods and Procurement of Services.

<sup>14</sup> Supplier Risk Management, abbreviated as SRM. Only manageable suppliers are considered.

BBVA contributes positively to the development of the societies in which it operates, which is why it assumes that integrating ethical, social, and environmental factors into the supply chain is part of its responsibility. Its Supplier Code of Ethics defines the minimum standards of ethical, social, and environmental conduct that it expects all its suppliers of products and services to follow. Similarly, the Code reflects BBVA's aspiration to promote human rights in its relations with suppliers, which is reflected in its Commitment to Human Rights.

#### Basic data on suppliers

	2023	2022	2021
Number of Providers <sup>(1)</sup>	1,928	1,931	6,508
Volume invoiced by suppliers (in millions of soles)	1,407	1,143	1,153
Number of approved suppliers <sup>(2)</sup>	817	797	490

(1) Suppliers who have invoiced the Bank are considered. Consider the amount excluding taxes.

(2) Suppliers with approval in force for 2023.

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

#### Average payment term to suppliers

	2023	2022	2021
Number of days	9.78	10	10

### Supplier management

#### Supplier Evaluation Process

As a general rule, any supplier that applies to supply goods or services to BBVA must go through an evaluation process, in order to identify its associated risk level.

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

#### Basic facts about the supplier approval process

	2023	2022	2021
Number of suppliers that went through the approval process <sup>(1)</sup>	464	704	510
Purchases to suppliers that participated in the approval process (in percentage) <sup>(2)</sup>	23.60	36.46	7.84
Number of suppliers that did not pass the approval process	4	23	20

(1) Suppliers evaluated by the certifier.

(2) The percentage of suppliers that have passed the approval process with respect to the total number of suppliers that have invoiced during 2023 is considered (preferential shares are not included).

In 2023, 42.38% of suppliers had current approval, accounting for 90.44% of the total invoiced.



### Supplier Satisfaction Survey

BBVA conducts a biennial survey to measure supplier satisfaction. The last version was carried out in 2023, with a result of 85 points out of 100.

#### GRI 204-1

BBVA is firmly committed to contributing to the economic and social growth of the countries in which it operates. Thus, 94.35% of its suppliers were local and represented 82.78% of total turnover. A local supplier is one whose tax identification coincides with the country of the company receiving the good or service.

## Impact Management

To achieve optimal management of the impacts that may be caused to the entity, the Bank has a purchasing policy, an evaluation process, and a corporate standard for the acquisition of goods and contracting of services.

Impacts that are considered feasible may include:

- Environmental.
- Produced by bad labor practices carried out in the suppliers' companies.
- Derived from the absence of freedom of association.
- That has an impact on human rights (HR).
- Positive or negative to society.

## Employees

### The team

GRI 2-7, SDG 3

## Talent Management

### Basic data of the BBVA team

	2023	2022	2021
Number of employees	7,266	6,735	6,183
Average seniority (years)	7.14	7.35	8.00
Mean age (years)	34.00	34.00	34.00
Diversity (% women)	53.69	54.51	52.94
Turnover (%)	26.10	22.97	27.00

## Total number of employees per employment contract

State	Contract period Determined / Temporary (fixed duration)	Regular (indefinite)	Total sum
Amazonas		8	8
Áncash	3	56	59
Apurímac	2	16	18
Arequipa	9	137	146
Ayacucho	1	14	15
Cajamarca	5	42	47
Callao (Constitutional province)	17	144	161
Cusco	11	69	80
Huánuco	1	35	36
Ica	6	55	61
Junín	9	90	99
La Libertad	12	125	137
Lambayeque	8	84	92
Lima (State)	704	5,222	5,926
Loreto	3	43	46
Madre de Dios	5	15	20
Moquegua	1	15	16
Metropolitan Municipality of Lima		4	4
Pasco	2	12	14
Piura	6	93	99
Puno	1	45	46
San Martín	2	64	66
Tacna	1	28	29
Tumbes	2	10	12
Ucayali	6	23	29
<b>Total sum</b>	<b>817</b>	<b>6,449</b>	<b>7,266</b>

The total number of employees who work full-time.

## Turnover rate

	2023	2022	2021
Total employee turnover rate	26.1	22.97	26.5
Employee voluntary turnover rate	14.4	11.3	11.0
Data Coverage (as % of FTEs)	100%	100%	100%

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

	2023	2022	2021
Average age	34	34	34
< 25	9.54	10.54	10.06
25-45	78.85	79.53	77.49
> 45	11.61	77.49	12.45

## Pay gap

GRI 405-2

Indicator	Wage difference between men and women (%)	
	2023	2022
Average gender pay gap	-4.25	-4.7
Medium bonus gap	7.26	2.4

## Return on human capital investment

	2023	2022	2021
Total revenue (in billions)	S/7,574,812	S/5,716,675	S/4,236,841
Operating expenses (in PEN)	S/2,230,285	S/1,125,966	S/635,187
Expenses related to collaborators (wages and benefits) (in PEN)	S/818,391,015	S/698,824,662	S/641,762,497
HC ROI = (a-(b-c))/c	1.00653	1.00657	1.00562
FTE total	7,208	6,735	6,183

## Average years of service of employees, by gender [Percentage](#)

	2023	2022	2021
Average years of service	7.14	7.02	8.0
Men	7.4	7.37	8.2
Women	6.92	6.72	7.8

The difference is due to other declared genres.

## Employees(\*)

GRI 2-8

Year	Full-time		Part-time		Total employees
	Men	Women	Men	Women	
2023(**)	3,358	3,901	0	0	7,266
2022	3,063	3,669	1	2	6,735
2021	2,892	3,233	18	40	6,183

(\*) At the end of 2023, we had 5,102 external employees.

(\*\*) The difference is due to other declared genres.

## Total number of employees by gender and state

State	Man	Woman	Non-binary	Undeclared	Total sum
Amazonas	2	6			8
Áncash	19	40			59
Apurímac	5	13			18
Arequipa	46	100			146
Ayacucho	6	9			15
Cajamarca	20	27			47
Callao (Constitutional province)	76	84	1		161
Cusco	34	46			80
Huánuco	12	24			36
Ica	26	35			61
Junín	41	58			99
La Libertad	54	83			1,137
Lambayeque	41	51			92
Lima (State)	2,828	3,092	4	2	5,926
Loreto	23	23			46
Madre de Dios	4	16			20
Moquegua	5	11			16
Metropolitan Municipality of Lima	1	3			4
Pasco	9	5			14
Piura	29	70			99
Puno	18	28			46
San Martín	29	37			66
Tacna	12	17			29
Tumbes	6	6			12
Ucayali	12	17			29
<b>Total sum</b>	<b>3,358</b>	<b>3,901</b>	<b>5</b>	<b>2</b>	<b>7,266</b>

The difference is due to other declared genres.

## Recruitment

GRI 2-7, 401-1

	2023	2022	2021
Total number of new employee hires	2,306	2,653	1,909
Percentage of vacancies filled by internal candidates (internal hiring)	58.3%	42.83%	36%
Average hire cost/FTE. Currency: PEN/annual/basic	S/51,030.00	S/37,423.97	S/42,837.11

The total hiring rate in 2023 was 31.74%. The hiring rate for men represented 27.99%, while for women it was 35.02%.

## Employee Engagement: Gallup By gender

2023			2022			2021		
Total	Men	Women	Total	Men	Women	Total	Men	Women
4.63	4.63	4.62	4.44	4.45	4.44	4.27	4.26	4.25

The difference is due to other declared genres.

## Employee engagement: Gallup

	2023	2022	2021
Directors	4.83	4.86	4.50
Managers	4.7		
Supervisors and Senior Specialists	4.67	4.42	4.29
Technicians and managers	4.49	4.43	4.22
Base Positions	4.71	4.51	4.18
<b>Total</b>	<b>4.68</b>	<b>4.56</b>	<b>4.29</b>

## Employee engagement: Gallup

Age group	2023	2022	2021
<25 years old	4.71	4.56	4.43
25-34 years old	4.63	4.44	4.24
35-44 years old	4.58	4.40	4.23
45-54 years old	4.62	4.47	4.28
>55 years old	4.64	4.48	4.32
<b>Total</b>	<b>4.63</b>	<b>4.47</b>	<b>4.30</b>

## Agile in consolidation

BBVA Peru began its transformation path of the Agile Model in 2018, which was timely and anticipatory in the face of the scenarios generated by the pandemic, as it allowed optimal adaptation to the accelerated changes that have been experienced since 2020.

In mid-2023, a new stage in the transformational route began with two fronts:

### EBBvolution

Through the implementation of Core/Cross Services units, an E2E vision and responsibility for the processes of each area was established, maintaining the good practices generated by the building block model. At the end of 2023, all areas, except Client Solutions, have been restructured with the Cross/Core Services unit model.

### SDA 3.0

We improve the way we prioritize and execute projects through program implementation. At the end of 2023, 60 programs have already been formed within his government.



## **Selection, training, and development**

In terms of selection, training, and development, BBVA made great efforts to increase the range of action, improve processes, and innovate the services provided. With this, it was possible to reinforce BBVA's employer brand, standing out internally and externally.

### **Employer brand**

In 2023, the Bank participated in more than 80 face-to-face and virtual activities nationwide, both at employability fairs and in talks at various universities and institutes. In these activities, BBVA's value proposition was presented to position the employment brand and attract the best talent, doubling participation compared to the previous year.

These actions have enabled BBVA to recruit more than 3,000 interested young people from among candidates for the Commercial Network and Headquarters, which has made it possible to expand the database for talent acquisition.

On the other hand, the employer brand strategy was deployed on social networks to expose BBVA's organizational culture and value proposition to various stakeholders. For example, during 2023, BBVA's LinkedIn account increased its number of followers by 15%. Likewise, the EmBBvajadores (Ambassadors) Program was launched to create a community of employees who promote and share life at BBVA, both inside and outside the organization.

Finally, BBVA managed to be the company with the highest recognition in the ABE (Association of Good Employers of Amcham Peru) Labor Social Responsibility Awards, achieving first place in three out of 12 categories, which reinforced the Employer Brand.

### **Selection process**

The Bank successfully executed 13 Tech Opportunities talks in 10 universities, which were designed to attract talent to fill technical positions in Engineering. These talks had 622 participants.

Likewise, a referral program was implemented for the engineering area, with the aim of allowing employees to recommend talent to the organization and seeking to create new opportunities for BBVA and society. In this way, referrals help strengthen the culture and contribute to reducing turnover and selection times.

As for Corporate Investment Banking, a rigorous selection process was carried out among more than 1,200 applicants to choose the finalists selected as part of the Female Graduate Training Program, a global initiative focused on the development of women in investment banking. Likewise, the talent program for Business Banking was developed with the aim of having a pool of talent to cover the base positions, which had 1,600 participants.

In addition, the first edition of the Internship Program was launched with the aim of covering base positions in the different units of the central areas. To this end, a dynamic, fun, but rigorous selection process was designed and executed where the different skills of the applicants could be measured through gamified, face-to-face, and online evaluations. This increased the creativity, healthy competition, and teamwork of the participants in the face of innovative mechanics, ensuring the best experience. This program had the participation of 6,500 applicants from more than 30 universities.

### **Reputation surveys**

The strength of the employer brand and the efforts recently mentioned have been fundamental in adding value to the results of various reputation studies.

In 2023, BBVA Peru remained in the top 5 of the general Merco Talento ranking. This reputation assessment measures how attractive the employer brand is for attracting and retaining the best talent.

There was also a relevant improvement in the evaluation of Employers for Youth, a study where young people up to 35 years of age evaluate their experiences as collaborators in companies. The results of this evaluation positioned BBVA Peru as the best company for young female talent in Peru.

## **Talent and development**

2023 was a year of many innovations and developments in the development and management of human talent, which are detailed below.

The Bank launched the second edition of the Top Talent Program locally to recognize outstanding employees who exceed the individual objectives set and live BBVA values, granting them the best development experiences and opportunities that lead them to boost their commitment, as well as special benefits to generate a high-performance culture that fosters the loyalty of the best talent. In 2023, in a strategic alliance with Centrum, 'Tecnológico de Monterrey', and ESAN, 50 scholarships were awarded to employees with superior performance. In addition, the bank created networking spaces with the main executives to share experiences from their professional careers.

BBVA Peru also launched the first edition of the Coaching Club, a space where conversations occur between 19 internal coaches from the Talent and Culture team certified by the European School of Coaching and a local BBVA coachee. The meetings promote continuous learning and development through tools that help meet goals or generate specific skills in the coachee.

In 2023, BBVA Peru certified 10 new internal coaches who will join in providing support to employees. At the same time, it opened a global edition between Peru, Chile, and Venezuela, generating synergy between coaches and coachees from the 3 participating countries.

The Bank also carried out the People Review exercise, a model that classifies the talent of its senior management through specialized management and development offerings such as the Corporate Management Program, the Leadership program, Coaching with international institutions, certifications, master's degrees and ad hoc programs designed to close development gaps. At the same time, it identified strengths and opportunities for improvement to create development and succession plans at the leadership level, manage high-performance teams, and develop a business vision to work proactively and have the best talent in key positions.

In terms of training, the company continued to support the training plan for digital commercial positions, improving its service model to generate greater value for its customers and collaborators.

In conclusion, 2023 was a year when talent was managed differently and more comprehensively, which generated new initiatives, enhanced existing ones, and impacted employee development and growth.

## Employees by professional category and geographic area

	2023		2022		2021	
	Number of employees	% Geographic Area Payroll	Number of employees	% Geographic Area Payroll	Number of employees	% Geographic Area Payroll
Management team <sup>(*)</sup>	108	1.5	115	1.7	103	1.7
Middle management	1,317	18.1	1,291	18.8	1,244	20.1
Specialists	2,331	32.1	1,948	28.4	1,799	29.1
Sales Force	1,704	23.5	1,517	22.1	1,499	24.2
Base Positions	1,806	24.9	1,981	28.9	1,538	24.9

(\*) Management Committee and unit managers.

## Training and development inputs

	2023	2022	2021
Average full-time equivalent (FTE) training and development hours	74.9 horas	52 horas	51 horas
Average amount spent full-time equivalent (FTE) on training and development (in PEN), (FTE) on training and development (in PEN)	S/1,007	S/965	S/965

## Professional Development Model

GRI 404-2

The main objective of BBVA's professional development model is to provide employees with various tools for their own development so that they are the protagonists of change, reach their full potential, and prepare to take advantage of the opportunities that the organization has for them.

In 2023, the Bank held the second edition of Talent Week, a week dedicated to positioning the Professional Development Model with employees through face-to-face and virtual events. Over 1,500 participants from Commercial Banking were present in the streams, and over 450 from Business and Corporate Banking. At the headquarters, a development fair was held, and over 700 employees participated.

The three main elements of BBVA's development model are: Get to know yourself, Improve, and Explore, pillars with which the Bank won the ABE Award for "Learning and Development of People" in 2023.

### 1. Get to know yourself

As a starting point, the employee must clearly know their objectives and be aware of their strengths and opportunities for this they have these tools

- **Project Review:** It is the process of evaluating the deliverables of those teams that work on projects. It is done through a quarterly evaluation process where the contribution and alignment with the objectives are visible.
- **Annual Evaluation:** It is a 360° evaluation process in which each employee has the opportunity to clearly understand their performance results, the development of intrinsic skills, and their potential.
- **Talent Map:** This is a powerful tool through which BBVA segments talent to develop differentiated management and development strategies. It provides objective information on employees' performance and skill levels.

## Type of performance evaluation As a percentage

	2023	2022
Individual Performance Appraisal Process <sup>(*)</sup>	100	90.25
Formal comparative classification of employees within a job category	100	100

(\*) During 2023, performance evaluations were applied to employees who entered until September. These evaluations do not include practitioners.

## Employees who underwent individual performance evaluation by job category

404-3

	2023		
	Men	Women	Total <sup>(**)</sup>
Management team <sup>(*)</sup>	79	33	112
Middle management	673	666	1,339
Specialists	1,326	979	2,311
Sales Force	697	1,001	1,698
Base Positions	533	1,170	1,704
<b>Total</b>	<b>3,308</b>	<b>3,849</b>	<b>7,164</b>

100% of the mapped employees were evaluated in the individual performance appraisal process.

(\*) Management Committee and unit managers.

(\*\*) The difference is other declared genres.

## 2. Improvement

After receiving the results report, the employee manages actions that allow them to overcome the identified opportunities for improvement, having the following tools to do so:

- **BBVA Campus:** It is a digital learning ecosystem that allows each of the employees to access a universe of training resources, promoting continuous learning through a gamification experience that rewards training hours with B-Tokens that provide access to new courses of interest.

The content of the online offer is reflected in a global platform that contains more than 50,000 training courses in the aforementioned subjects and can be accessed by all our collaborators from any device.

The platform is offered in different formats:

- **MOOCs (Massive Open Online Courses):** Training programs from the most prestigious universities and business schools in the world.
- **Watch & Learn:** A channel of short videos explaining the main keys to leadership, digital, and cultural transformation, explained by experts in each field, both from BBVA and external experts.
- **Language Center:** A language platform that includes innovative training experiences. It is accessible via the web and our mobile app.
- **The BBVA Campus** allows us to stay current in the face of constant change. In 2023, we achieved the incredible result that 98% of our employees were trained in at least one course within it.
- **Growth plan:** It allows the employee to define a roadmap with training and development actions to promote their professional progress.
- **Open Mentoring:** This program allows employees to have mentors with whom to learn and grow professionally through a process of mutual development. Mentoring relationships can be with participants from different areas or even other countries.

During the process, the relationship between mentor and mentee is guided by the Talent Management team, which has a roadmap that the participants follow, completing various milestones, sessions, and activity surveys that allow us to ensure success and recognize those involved.

In 2023, we have had a cumulative 270 mentors, 633 mentees, and 614 active mentoring relationships.

### 3. Explore

At this stage, employees can identify internal development opportunities through the tools that the bank makes available to them, which allow them to learn about the different roles within the BBVA Group, apply for job offers, see career paths, and even create a personal roadmap. To do this, the bank provides the employee with the following tools:

- **Mobility:** Application to other roles within the bank, even giving access to positions in any of the countries where BBVA has a presence. In 2023, through Mobility, we exported talent, and to date, we have 12 Peruvian collaborators working in other geographies and 32 foreigners working in Peru.
- **Opportunity:** A tool that, through advanced analytics, predicts the career path of each employee within the bank, offering personalized advice so that they can make the best decisions about their professional development.
- Finally, in 2023, Talent Week was relaunched, which is a week focused on raising awareness of BBVA's Professional Development Model globally. It was created in 2022 in order to accompany employees in their growth and make them aware of the tools that the bank makes available to them to continue improving professionally. Likewise, during the week, practical activities were carried out for the employees to test and use the development tools. More than 3,500 participants participated in global and local talks in the second edition.

At BBVA, our development model encompasses the entire employee journey in their growth, enhancing their self-knowledge, providing them with personal and professional learning tools, and thus preparing them for new opportunities without borders.

#### I believe in my development

In 2023, BBVA promoted a culture focused on leaders. During this period, the Bank implemented development and goal-setting dialogues, facilitating exchanges between leaders and employees to identify strengths and areas for improvement and plan professional development actions. This approach also provided an opportunity to communicate and track management objectives and indicators that measure performance.

Unlike in 2022, in 2023, it was possible to summon 100% of the managers with a team in charge, with a participation of 60% on the 4 dates on which the workshops were deployed. Likewise, in 2023, we achieved that 100% of managers were certified in Feedback and Development Conversations.

### A. Business schools

#### Commercial School

Comprehensive training offers that include onboarding and updating programs, as well as the Trainee program, aimed at the different management positions, with the aim of preparing the employee for the next position.

In 2023, the Bank launched the new Trainee programs for the positions of Personal Banking Executives and Office Managers. These programs offer an intensive training experience for emerging talents, with rotations and training in different offices, preparing participants for their future roles.

As part of the 2023 strategy, the learning methodology followed an on-the-job approach. Likewise, to continue improving and growing, the Bank began updating the virtual training resources with theoretical and practical content, with the support and backing of internal bank facilitators and experts and in collaboration with the leaders of Commercial Banking.

As a major milestone in 2023, BBVA initiated leadership certifications for all Commercial Banking leaders in collaboration with two renowned educational institutions, the 'Universidad del Pacífico' for Office Managers and the ESAN University for Assistant Office Managers. Both programs were designed with leadership as the main axis as the center of growth of all work teams.

### **BEC Academy**

It is a school that provides business and corporate banking employees with comprehensive learning on all strategic business topics. The school focuses on three certifications: BEC Fundamentals, BEC Advanced, and BEC Expert.

The learning methodology includes virtual, face-to-face, remote experiences and real case studies supported by expert references from the organization. Alliances with the most prestigious universities in the country and international consultants of high academic prestige also support the certifications.

Likewise, this year, the BEC Trainee Program was created to prepare young talents who have recently graduated from the university for three months of academic training, field accompaniment with practical cases, and a final stage of office training. This program provides them with the fundamental foundations to develop as Commercial Managers.

### **CIB Academy**

Training for Corporate and Investment Banking employees through a specialized approach to their role that encompasses investment banking products, global markets and loans, and transactional services for international corporate clients and institutional investors.

### **Risks**

In 2023, the Bank carried out a Learning Map of technical certifications and soft skills for the entire Risk team, allowing the bank to diversify and provide the budget among all business units so that they can receive external training through virtual, face-to-face, and remote training with strategic allies such as ESAN and Pacífico Business School, La Neurona Reina, Tandem, Fides, and Andes Risk, among others.

Another of the most important events this year has been the alliance between Riesgos and Corporate Company Banking, where specialists and executives from the commercial side were able to share the same classroom and thus homologate knowledge in credit planning and structuring, among other technical knowledge. In addition, the bank deployed an effective communication program for the network that allowed it to enhance its service skills for internal customers in the support areas.

## **B. The Camp, a new experience of the BBVA Campus**

GRI 2-17

BBVA, promotes the continuous development of its employees through The Camp training tool that promotes the development of new strategic skills. Through a gamified experience, the bank promotes dynamic and continuous learning focused on fostering motivation and commitment to their development.

The Camp promotes a path of development for employees through courses with training itineraries that have levels of difficulty that must be climbed: valley (beginner), mountain (advanced), and summit (expert). At the end of each level, a certification is obtained that guarantees the knowledge acquired.

The tool includes training plans for twelve of the fourteen strategic skills, and the inclusion of the last ones is expected in 2024.

## C. Certification of leaders

In 2023, the Bank certified its middle management leaders in The Camp's Lidera expedition. Through the first "Valley" level certification, 90% of leaders were trained in topics such as the development model, feedback, diversity, and commitment management, among others. Board members also receive a Sustainability course from The Camp.

Until 2021 and 2022, only leaders belonging to the management committee and direct reports to them had been impacted on the leadership front. That is why now there are more than a thousand managers certified in development through The Camp.

Additionally, in 2023, as part of The Good Manager global program, which seeks to train managers who meet their objectives, who live the Bank's values, and who influence their peers and their teams, the Bank deployed local training in the processes and tools that every manager must handle organically for their management.

In addition, the Bank has leadership programs for Office Directors and Assistant Managers in highly prestigious external educational institutions seeking to enhance their leadership skills.

Likewise, certifications of development conversations and Accountability and BalanZen were delivered.

### Basic data on training at BBVA(\*)

	2023	2022	2021
Investment in training (in thousands of soles)	7,899,311	6,797,638	6,900,139
Investment in training per employee (in thousands of soles)	1,095.91	1,009.30	1,116

(\*) Training data includes mandatory and regular courses.

### Average hours of training per employee

GRI 404-1

Rank	Training hours		Number of collaborators		Average Hours / Contributor	
	Men	Women	Men	Women	Men	Women
Management team <sup>*)</sup>	3,936	1,781	76	32	52	56
Middle management	55,764	52,290	662	655	84	80
Specialists	94,537	61,207	1,353	972	70	63
Sales Force	49,731	65,118	702	1,002	71	65
Base Positions	56,140	116,445	565	1,240	99	94

(\*) Management Committee and unit managers.

## CREO: Culture in Motion

The BBVA Group annually calibrates, through a rigorous survey carried out by the Gallup company, the level of commitment of the teams in each country where it operates. Through various questions, the aim is to define, in a range of 1 to 5 points, the commitment of the employees. The Bank set itself the ambitious goal of exceeding the 4.44 obtained in 2022 and obtained an extraordinary result of 4.63, a growth of 0.19, which positioned Peru as the country with the best Grand Mean (commitment indicator) of the Group.

The Bank's goal is to continue promoting the principles and behavior of the CREO culture by example. Likewise, the result obtained in 2023 motivates the team to continue generating actions to promote pride and commitment to building the best place to work.

## **BBVA Pride: Purpose and values**

The Bank dedicates a day to reflecting on how values guide the path employees must follow in their daily work. The concept for 2023 was “Connected to Our Purpose”, seeking to reinforce the Bank's values, pride of belonging, and the connection of personal purpose with its purpose.

On this day, the Bank carried out digital and face-to-face activities. The main workshop, “Game of Connections”, deepened the connection between the team members through different pre-established questions. Likewise, employees were encouraged to participate in the BBVA Poem contests and the photography contest to represent how values are lived within the teams. In addition, the bank held a contest aimed at the families of employees, where children were able to paint BBVA values.

Seeking to promote values as well as pride of belonging within each of the Bank's teams, integration days are held throughout the year. In 2023, a total of 21 events were held for employees in the different areas.

Within the CREO cultural movement, there are actions related to the Culture of Prevention. During 2023, the focus has been to publicize all employees' roles in the Culture of Prevention. In July, the “CREO Talk” event was held, a hybrid event with a bank-wide reach, in which representatives from various areas participated as panelists and shared good practices about the actions they carry out with their teams. Likewise, the Deputy General Managers committed to holding sessions with the first two lines of management to reinforce the Bank's prevention model and commit to continue transferring the information to their work teams.

To strengthen leadership skills and the recognition tools that the bank wishes to promote, the Managers' Meetings were created. These spaces bring together the Deputy General Managers and their first line of reports. The first meeting was held in November 2022, and in October 2023, the second meeting was held. Both meetings focused on strengthening leadership skills and recognition tools among peers and with their teams.

## **Recognition Tools**

The Bank has an ecosystem of recognition through spaces that allow us to recognize how employees add value, demonstrating behaviors that highlight BBVA's values through exceptional results and generating a professional career at BBVA.

The “Bravo” tool was born in 2021 through the “Factory of Ideas” initiative. It is a tool that seeks to applaud the added value that each of our collaborators demonstrates in their day-to-day work, associated with the bank's values: I CREATE (CREO) for the customer, I CREATE (CREO) big, I CREATE (CREO) synergies, I CREATE (CREO) decisions, I CREATE (CREO) ideas and I CREATE (CREO) actions. In 2023, 31,411 recognitions were shared through the tool.

Likewise, the Bank promoted more “Bravos Café” recognition spaces, led by the Deputy General Managers of the areas, holding 73 events during 2023, which aimed to recognize employees who obtained various achievements.

In 2023, the Bank launched the first edition of the Olivo Award, a recognition event for employees who celebrate 30, 35, 40, and 45 years at BBVA. There were 40 employees who were invited, accompanied by a family member, to attend an event where the years of contribution to the Bank were celebrated. The event was streamed so that more family and friends could share this moment with the collaborators.

In 2023, BBVA presented, for the first time, the initiatives worked on to the ABE awards for labor social responsibility, being finalists in the Recognition category.



Diversity and work-life balance

SDG 5

Diversity and inclusion

The diversity strategy was created in 2021 through a methodology that included applying online surveys, which obtained more than 4,000 responses from employees, 6 focus groups, and 10 interviews with the Deputy General Managers and their two direct reporting lines.

Through the findings obtained, BBVA Peru’s Diversity purpose for the years 2022-2024 was defined. Thus, 2023 was a year of consolidation of the strategy of various actions carried out with employees throughout the Bank.

**BBVA Purpose**

Peru seeks to build an environment where all people feel included, generating equitable opportunities and guaranteeing an experience that enhances the essence of the employee and achieves their best version.

**Aspiration**

Promote initiatives with the aim of continuing to build a more inclusive BBVA and position BBVA Peru as a leading company in diversity issues capable of attracting and keeping the most diverse talent.

Based on its purpose and aspiration for diversity, the following Pillars / Objectives have been defined, reinforced and disseminated at BBVA.



**Gender equity**  
"To ensure that all people have the same opportunities, regardless of their gender."



**International and cultural diversity**  
"To ensure a sense of belonging, regardless of the place of origin and to promote cultural exchange."



**People with disabilities**  
"To be a benchmark in the market as an inclusive workplace that develops personnel with disabilities."



**LGBTIQ+ Community**  
"To be a benchmark in the market as a safe place that respects and integrates people from the LGBTIQ+ community."



**Generational diversity**  
"Ensure interaction and respect between employees regardless of their age."

In this sense, and considering the objectives defined during 2023, the following actions and activities were carried out focused on promoting diversity, equity, and inclusion:

Style Guide

The guide was updated to provide general clothing guidelines for the Commercial Network (advisors, executives, and managers), eliminating physical appearance biases.

Diversity Days

For the second consecutive year, the Diversity Days were celebrated in Peru, which was also the host country for the other geographies. This event featured 12 activities: 1 workshop, 3 panels, and 8 talks.

Panels were held on gender equity, the inclusion of people with disabilities, and the LGBTIQ+ Community, with a total of 1,401 connections (476, 365, and 560, respectively). BBVA Peru had a total of 342 connections between the 3 panels (41, 125, and 178, respectively).

The 8 transversal talks focused on reinforcing issues of Gender, Generational Diversity, Cultural Diversity, and Disability. Among all the geographies that were connected, there were 3,674 connections, and in the case of BBVA Peru, there were 297 connections.

For the first time, employees were encouraged to post on their personal LinkedIn and publicize the actions carried out by BBVA during the Diversity Days. This action resulted in 40 posts, of which 16 were in Peru.

### Activities that promote gender equity

Indicators to measure gender equity were incorporated into the management dashboards, which allows the leaders of each area to periodically visualize the progress in the gender indicators of the team under their management. These indicators include the Rooney Rule and the Flow and Stock of women at different levels of the organization.

The Women's Open Mentoring program continued, and it was deployed in the CIB team between March and September 2023.

Women in Tech talks were held, a program focused on attracting women to positions in central areas, especially technology, through testimonies and experiences of collaborators who work in this field.

The Women's Meeting was held in a space led by the Talent and Culture team, whose main sponsor is the Deputy General Manager. The focus for 2023 is framed on the importance of promoting the professional brand of female employees:

- **Virtual recognition:** sending recognition cards to people who promote equal opportunities and BBVA talent. In Peru, 645 recognitions were sent from 428 users.
- **Face-to-face central event:** held at the headquarters and streamed to the commercial network. The event consisted of a talk entitled "Breaking Biases" and 3 presentations by women leaders from BBVA Peru who commented on their experiences and learnings.
- **Activations:** through the delivery of merchandising that symbolized the commitment of all employees to create actions that promote gender equality.
- **Cocktail for Leaders:** A networking session was held between women leaders of the first and second lines reporting to the deputy general managers, who committed to promoting gender equality in their teams.
- **Activities by areas:** Different areas held meetings with women from their areas to discuss the importance of the date and the actions to be carried out during the year.

### Activities that promote international and cultural diversity

BBVA participated in 2 virtual recruitment fairs at provincial universities.

Publications were made in the Bank's internal application to celebrate the holidays of each province, with the participation of employees from these geographies.

The discussion was held with the Steering Committee to reflect on ethnic/racial discrimination figures by the consulting firm Mosquera Rosado.

### Activities that promote the inclusion of people with disabilities

BBVA participated in discussion forums on initiatives that promote the inclusion of people with disabilities, such as the "Network of companies and disability," "Include me network," and "EsSalud Business Forum working for an Inclusive Country," spaces where we learned about good practices carried out in different sectors.

The review of current selection, hiring, and training processes was initiated with the aim of making these processes inclusive, achieving greater participation of people with disabilities and, therefore, resulting in greater hiring.

## Activities that promote the inclusion of the LGBTIQ+ community

Pride month was celebrated through different activities:

- Rainbow lights of the headquarters building.
- Re-launch of the Be Yourself interest group, which has 50 new members.
- Organize an event to welcome new members of Be Yourself and reaffirm the commitment and support of the CEO and Deputy General Manager of Talent & Culture.
- A talk for managers to raise awareness of leaders' role in creating safe spaces for their teams, especially employees who are part of the LGBTIQ+ community.
- Main event: talk held at the Headquarters and streamed for the Commercial Network where the NGO Presente explained why it is important to talk about gender identity and sexual orientation in the workplace. The talk continued with 5 informative modules: 3 playful modules that addressed concepts of LGBTIQ+ diversity such as representation, identity, and expression; 1 module on BBVA's Diversity, Equity, and Inclusion strategy; and a final module with data on ethnic-racial diversity.
- For the first time, the Be Yourself interest group organized to attend, like BBVA Peru, the march commemorating Pride Month in Peru. More than 20 attendees were identified as a team through the delivery of a polo shirt.
- The LinkedIn banner was rebranded with a design related to Pride Month and the slogan "Pride to be you, pride to be BBVA". In addition, three posts were made: one showing the lighting of the lights accompanied by a message reaffirming BBVA's commitment to an inclusive work environment, one presenting the BeYourself stakeholder group and its objectives, and a final post detailing all the activities carried out during Pride Month. These publications had a number of impressions of 65,610, 66,078, and 34,527, respectively.
- Participation in three Diversity and Inclusion forums by the Culture team: These consisted of an interview as part of the Economic Week event "Diversity and Inclusion, Generating Value for the Organization"; another participation was as a panelist of the Roundtable of the 'Universidad del Pacífico' "Labor Diversity: How to promote it within our companies?" and an interview for the newspaper Gestión under the article "The diversities that are part of Peruvian companies".

## Activities that promote generational diversity

The "Olive Tree Awards" event was established where anniversaries were celebrated for employees who celebrated 25, 30, 35, 40, and 45 years at BBVA.

Launch of the pilot of the Reverse mentoring program with 4 pairs in the area of Talent and Culture.

### Inclusion

GRI 405-1

	2023	2022	2021
People with disabilities	0.04%	0.04%	0.03%

### People with disabilities by professional category

GRI 405-1

	People with disabilities	Total	% of people with disabilities
Management team(*)	0	108	0.00%
Middle management	0	1,317	0.00%
Specialists	1	2,331	0.04%
Sales Force	0	1,704	0.00%
Base Positions	2	1,806	0.11%
<b>Total</b>	<b>3</b>	<b>7,266</b>	<b>0.04%</b>

(\*) Management Committee and unit managers

## Distribution of employees by gender and professional category [In percentages](#)

GRI 405-1

	2023		2022		2021	
	Men	Women	Men	Women	Men	Women
Management team <sup>(*)</sup>	70	30	67	33	72	28
Middle management	50	50	51	49	51	49
Specialists	58	42	57	43	58	42
Sales Force	41	59	36	64	43	57
Base Positions	31	69	35	65	34	66

(\*) Management Committee and unit managers.

## Compensation and remuneration

GRI 2-19, 2-20

BBVA seeks to optimize, enhance, and simplify the compensation and incentives of BBVA employees through fair and transparent policies and processes for all our employees. In line with this purpose and values, in 2023, the Bank made salary increases even above inflation, with a scope of 6% higher than in 2022, reaching 67.9% of employees.

BBVA seeks to promote a remuneration policy that ensures equal treatment between genders and rejects any salary differentiation between men and women. This model rewards the professional career and level of responsibility of each employee and also ensures internal equity and external competitiveness. Per Article 13 of the Board of Directors Regulations, the compensation of the Bank's Board of Directors members shall be determined annually by the Shareholders' Meeting, based on the market and professional experience. The percentage of their remuneration in relation to the Bank's gross income shall be disclosed. In addition, travel expenses will be covered for directors who are not residents of Peru.

In 2023, the Total Annual Remuneration (TAR) ratio was 97.05%, that is, women earned 2.95% less than men.

In 2023, the focus on incentives, transparency, and fairness continued to be reinforced through processes such as salary increases. A 100% meritocratic process not only impacts fixed remuneration but also variable remuneration, with merit being determined by the achievement of the BBVA Talent Map.

## Employees by type of contract and gender [In percentages](#)

GRI 2-7

	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time permanent or indefinite	42.43	46.2	88.64	39.85	41.10	80.95	41.9	42.2	84.0
Permanent or indefinite part-time	0	0	0	0.01	0.03	0.04	0.0	0.1	0.0
Temporary	3.78	7.46	11.24	5.63	13.38	19.01	5.1	10.6	16.0

No other genres are being considered within the percentage (7 collaborators).

## Voluntary resignations of employees (turn-over)<sup>(\*)</sup> and distribution by gender [As a percentage](#)

Turnover rate on the total of the payroll	2023		Turnover rate on the total of the payroll	2022		Turnover rate on the total of the payroll	2021	
	Men	Women		Men	Women		Men	Women
15.58	4.71	9.85	16.2	12.8	19.3	6.9	6.8	7

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

## Total FTE turnover rate by gender [In percentage](#)

GRI 401-1

2023			2022			2021		
Total <sup>(*)</sup>	Men	Women	Total	Men	Women	Total	Men	Women
25.5	19.5	30.6	27.4	23.7	30.5	26.5	24.8	27.9

(\*) The difference is other declared genres.

## Voluntary turnover rate FTE In percent [In percentage](#)

2023			2022			2021		
Total	Men	Women	Total	Men	Women	Total	Men	Women
14.4	10.07	18.13	14,3	11,8	16,3	11,0	10,1	11,7

The difference is other declared genres.

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

GRI 401-1

2023			2022		
Men	Women	Total	Men	Women	Total
940	1,366	2,306	967	1.686	2.653

(\*) Inclusions are made due to consolidations.

(\*\*) The difference consists of other declared genders.

## Employee terminations

GRI 401-1

	2023			2022		
	Men	Women	Total <sup>(*)</sup>	Men	Women	Total
Incentivized resignations	57	74	131	142	134	276
Voluntary resignations (resign.)	318	666	985	359	598	957
Other	254	409	667	224	386	610
<b>Total</b>	<b>629</b>	<b>1,149</b>	<b>1,783</b>	<b>725</b>	<b>1.118</b>	<b>1.843</b>

(\*) The difference is other declared genres.

## Diversity on the Management Committee and among unit managers

GRI 202-2

Nation	Women	Men	Total general	Percentage
Argentina	—	2	2	1.9%
Brasil	—	1	1	0.9%
Chile	—	—	0	0%
Colombia	—	1	1	0.9%
Ecuador	—	—	0	0%
Spain	—	7	7	6.5%
United States	—	1	1	0.9%
Mexico	2	10	12	11.1%
Panama	—	—	0	0%
Peru	30	53	83	76.9%
Uruguay	—	1	1	0.9%
<b>Total</b>	<b>32</b>	<b>76</b>	<b>108</b>	<b>100%</b>

## Diversity in the Management

GRI 405-1

Gender			
	Man	Woman	Total
Quantity	9	3	12
%	75	25	100
Birthplace			
	Spain	Mexico	Peru
Quantity	2	4	6
%	17	33	50
State			
	Lima (state)		
Quantity	12		
%	100		

•1.5% of the workforce corresponds to senior managers (Management Committee and unit managers).

•Senior managers are understood to be first- and second-line managers.

•The geographical definition of "local" refers to Peru.

## Breakdown of the labor force by gender [In percentages](#)

Indicator	2023	2022	2021
Proportion of women in the total labour force (as a percentage of the total labour force)	54	52	53
Proportion of women in all management positions, including management junior, middle and senior (as a percentage of total management positions)	49	32	47
Proportion of women in junior management positions, i.e. first level of Management (as a percentage of total junior management positions)	50	47	49
Proportion of women in senior management positions, i.e. at most two levels of the Executive Director or comparable positions (as a percentage of total senior management positions)	42	33	28
Proportion of women in managerial positions in income-generating functions (e.g., sales) as a % of all such managers (i.e., excluding support functions such as HR, IT, Legal, etc.)	44	27	20
Proportion of women in STEM-related positions (science, technology, engineering and mathematics) (as % of total STEM positions)	3	32	33

## Breakdown of the labor force by age [In percentages](#)

Age group	2023	2022	2021
<30 years old	38.59	39.79	38.50
30-50 years old	56.06	54.30	54.30
>50 years old	5.35	5.91	7.20
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

No other genders are being considered.

## Working conditions

### GRI 401-2

In addition to complying with the benefits established by law, BBVA Peru provides the following additional benefits for full-time and temporary employees:

- Life insurance (second layer of life law)
- 100% covered EPS insurance for employees and their dependents
- Oncosalud Plus cancer insurance covered at 100% for employees and their dependents
- Parental leave with additional days to those stipulated by law in the case of paternity
- Food Card
- Day off for birthdays

### GRI 401-3

On the other hand, leave for the birth of children is governed by Law 26644, which grants mothers 98 days, and Law 30807, which assigns 10 days to fathers; however, since 2022, the Bank decided to extend the benefit for these to 30 days.

## Total number of employees who were eligible for and took parental leave by gender during 2023

Gender	Total Employees
Women	199
Men	139

## Total number of employees who have returned to work after termination of parental leave by gender during 2023

Gender	Total Employees
Women	198
Men	138

**Total number of employees who returned to work after parental leave ended and were still employed 12 months later, by gender during 2023**

Gender	Total Employees
Women	101
Men	86

The values do not consider employees to be non-binary or undeclared.

**Return-to-work rate of employees on parental leave, by gender during 2023**

Gender	Rate
Women	96.88%
Men	98.56%

**Retention rate of employees who took parental leave, by gender during 2023**

Gender	Rate
Women	65.2%
Men	87.8%

The strategy in 2023 was to improve the well-being of employees. BBVA firmly believes that happy employees generate happy customers, and therefore, it took several actions to achieve this.



**Hybrid Model and New Schedules:**

- A hybrid work model was continued with 60% face-to-face and 40% virtual for BBVA's headquarters.
- "New Network Hours" were implemented in the network, reducing the hours of operation on Saturdays from 9 am to 1 pm to 9 am to 12 noon.



**Launch of the VIVE+ App:**

- In April 2023, the VIVE+ application was launched exclusively for BBVA employees.
- The app allows you to share daily experiences, access news, view publications, and consult personal information such as the payroll slip.
- The goal is to centralize benefits in one place, including discounts at exclusive restaurants for employees.



**Olivo Award:**

- For the first time, the Olivo Award was held to recognize employees with 25, 30, 35, 40, and 45 years of service at BBVA.
- More than 50 employees were honored at a Gala evening, and they were accompanied by the bank's deputy general managers, sharing various stories.



**Advances in Working Conditions and ABE Award:**

- During 2023, BBVA made significant progress in working conditions for employees.
- The ABE award for "Integral Well-being" was achieved for the "Work Better, Enjoy Life" program, which focused on implementing better efficient work practices so that the team can enjoy their personal lives more.

To this end, BBVA has implemented a series of improvements in the physical spaces for both the commercial branches and the headquarters:

### Headquarters:

- Collaborative areas for active breaks: co-creation rooms with a series of tools available that encourage employee idea proposals and innovation. Likewise, lactation centers have been implemented, and improvements in the application for the reservation of spaces, stalls, and parking have been achieved, achieving an equitable distribution of spaces in order to reach the largest number of collaborators.
- Be Well Zone: Development of physical activities, yoga classes, multipurpose rooms for dance, theater, and meditation, spa and hairdresser, zen space with vegetation, healthy food bar, laundry, and changing rooms.
- Terraces with high-quality living furniture are needed for better employee comfort. Likewise, the One Play zone was launched for recreational activities such as hand football, air hockey, chess, and table tennis.
- Chargers for bicycles and scooters were installed in the car park, thus facilitating sustainable and healthy mobility among our employees.

### Commercial Network

- Lactariums.
- Co-creation rooms ad-hoc to the spaces available within the offices.
- Rooms for meetings with clients or with the different work teams.
- One Team spaces, or collaborative areas where teams can hold meetings at the beginning and end of the day, in addition to having a kitchenette for lunch, in all offices to be able to have team ideation sessions.

It is for this reason that during 2023, BBVA emphasized the proposal to promote the best working conditions and the well-being of employees. In relation to "Work Better", the focus during 2023 was on promoting digital disconnection, the "Afternoons of Learning and Growing", the "New Network Schedules" and "Your Saturday" so that employees of both the Headquarters and the Commercial Network can spend more time with their families and achieve a better work-life balance. As for the "Enjoy Life" front, the needs related to improving the quality of life of the teams, both inside and outside working hours, were grouped to increase employee satisfaction and reduce stress levels. For this reason, after four years, the BBVA Olympics were held with the aim of encouraging a healthy life through sport and camaraderie.

Different sports disciplines participated in these Olympics, such as Soccer, Basketball, and Volleyball, among others, achieving for the first time to hold lightning tournaments in 5 provinces: Trujillo, Tarapoto, Huancayo, Arequipa, and Cusco. In addition, all the winning soccer (men and women) and mixed volleyball teams were invited to a final in Lima to compete for the BBVA Cup in those disciplines.

Likewise, as part of the Olympics, the traditional flat race was held again, and thinking big, sim races were held for the first time in Trujillo and Lima, achieving a historical record with more than 1,500 assists in the different distances of 5km, 10km and a 3km walk. Thanks to this event, S/35,120 soles were raised, which were donated in their entirety to two non-profit organizations: Operation Smile and CERCIL.

On the other hand, the first vertical race in Peru was organized with the aim of climbing the 20 floors of the Headquarters in the shortest possible time. Over 100 collaborators participated this year and a prelude with 800 spectators who enjoyed the event via streaming with cameras on all floors.



Finally, the "Art and Talent" program was carried out where different collaborators voluntarily taught different extracurricular courses such as dance, clown, yoga, and modern dance, among others. Likewise, the Bank maintained benefits such as extended paternity leave, preventive and virtual medicine, and a boost in diversity since 2022, when employees have a policy for same-sex couples with the same coverage as any dependent.

GRI 2-30, 407-1

The Bank maintains a dialogue with the representatives of the BBVA Federated Center to reach agreements that are in accordance with the legal provisions. It is also important to inform that employees affiliated with the union are covered by the collective agreements negotiated annually. The Federated Center elections for the Board of Directors are held every two years, and it is the members themselves who elect the Board of Directors. The election of the Board of Directors was held in 2023.

At the end of 2023, BBVA had 123 employees registered under the collective bargaining agreement, representing approximately 1.69% of the total employees.

As part of the facilities provided by BBVA in compliance with the law, four executives have union licenses.

For employees not covered by the collective bargaining agreement, the working conditions and terms of employment are applied in accordance with the provisions of the employment contracts.

### **Social welfare system**

GRI 201-3

The social security system, which is the worker's responsibility for the contingency of retirement, is a legal contribution. These contributions can be made to the private system (AFP) or to the public system (ONP), and both systems are governed by current legislation. The contribution to the ONP during 2023 was S/1,186,530, and to the AFP was S/72,235,691<sup>15</sup>.

### **Occupational health and safety**

GRI 403-3, 403-6, 403-7, SDG 3

BBVA is genuinely concerned about acquiring knowledge and tools that allow its employees to develop the prevention habits necessary for the identification and early detection of any situation that may put their health or safety at risk. It also encourages employees to actively participate in improving their environments to carry out their work.

That is why BBVA has carried out prevention or awareness campaigns throughout the year. For example, from October to November, a campaign to prevent breast and prostate cancer was deployed, and in December, the occupational medical examination began. With this initiative, half a day off was granted without compensation so that employees could have an oncological check-up.

In addition, BBVA has the BBVA Medical Center equipped to attend any medical consultation, both face-to-face and virtual, for general medicine and occupational health. At the Medical Center, they attend the specialties of psychology, nutrition, physical medicine, and rehabilitation. At the end of the year, 2,405 face-to-face and 730 virtual consultations were registered, with a greater demand for General Medicine, followed by nutrition and psychology. Finally, two key milestones were carried out during 2023: first, the influenza vaccination campaign, where it was possible to preventively vaccinate employees of the Central Headquarters and the Commercial Network, and second, the blood donation campaign at the Central Headquarters, in which the number of donors doubled compared to 2022.

### **Occupational Health and Safety Management System**

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-7, 403-8

Law No. 29783, the Law on Safety and Health at Work, promotes the principle of prevention. Therefore, BBVA must establish measures to control occupational risks to promote a safe and healthy workplace.

<sup>15</sup> Consider contributions related to current and former employees.

The occupational health and safety management system (OH&S Management System), within the framework of quality, generates planning, occupational health and safety policy, and the development of medical examinations. Additionally, after verifying what was planned, opportunities for improvement are raised. The scope of the management system includes all the Bank's employees, as well as the subcontracted third parties who carry out their work at the Bank's facilities, establishing the same level of protection in this area.

It is essential to carry out the evaluation of the hazards and risks associated with the job, which are assessed and placed in a matrix of control measures (IPER). This makes it possible to develop protocols for occupational medical examinations, plan monitoring of physical and ergonomic agents, develop training topics (management system, occupational health, ergonomics, emergency prevention), and develop health programs in those strategic risks to the health of employees, including healthy lifestyles.

We guarantee the quality of the hazard investigation, risk assessment, and incident investigation processes. We carry out the evaluation of the IPER matrix once a year, which, according to the law's recommendations, is updated and presented to the OSH committee.

Within the evaluation of the IPER matrix, annual monitoring of lighting, ergonomics, and risk is carried out, and this is reported. The scenario of possible reprisals is not contemplated.

We also have a procedure that our workers use to withdraw from work situations that they consider a danger to their physical integrity and health. This consists of the employee requesting the occupational doctor to evaluate their case and the possible occupational risks associated with their job that could affect their health. For his part, the occupational doctor will ask him to present the report of his treatment doctor and auxiliary evaluations as support.

All information is confidential in accordance with current regulations. The occupational doctor will prepare a medical report with the case restrictions. All these activities are presented and approved every year as part of the activities of the Occupational Safety and Health Committee. The agreements are recorded in minutes and are reviewed at the next meeting that takes place every month. This committee is made up of representatives of the workers and the employer.

In accordance with the provisions of the current regulation, in 2023, BBVA resumed the medical-occupational examinations of the Headquarters and the Commercial Network; these examinations seek to determine the employee's health status and establish preventive measures by the Bank. Examinations include medical evaluation, laboratory tests, musculoskeletal examination, ophthalmological examination, and psychosocial risk factor testing.

Within the general health measures, we maintain care through our medical center for suspected cases of COVID-19, and we monitor national and Bank-level statistics.

Four training courses on health and safety are provided virtually at the beginning of each year: occupational health, occupational health and safety management system, emergency and disaster response, and occupational and ergonomic risks. We also have courses for the CSST. Likewise, specific talks on topics such as COVID-19, Dengue, etc., are prepared.

#### GRI 403-10

The OH&S Management System carries out preventive and medical surveillance tasks, work inspections, and monitoring of physical and ergonomic agents to assess the conditions in which the work is carried out.

A fundamental aspect is investigating occupational accidents, which allows corrective and preventive measures to be established. In 2023, there were no cases of death due to occupational accidents or diseases.

## Basic occupational health data

	2023	2022	2021
Number of technical-preventive procedures	256	156	3.919
Preventive actions to improve working conditions	256	168	21
Health Exam Appointments	6	5	0
Employees represented on health and safety committees (%)	100	100	100
Absenteeism rate	0.97%	1.21%	1.07%

**Technical-preventive management:** includes all the health and safety measures adopted by an organization with the aim of reducing or avoiding risks derived from work.

**Preventive actions to improve working conditions:** This process seeks to recognize and evaluate all risks that may disturb safety and health at work in order to anticipate them, address them in time, and thus safeguard the physical, mental, and social well-being of workers.

## Absenteeism rate [Percentage](#)

GRI 403-9

	2023	2022	2021
Employees	0.97	1.21	1.07
Data coverage (such as % of employees, operations, or revenue)	100	100	100

The total man hours worked during 2023 was 16,229,728.

## Indicators of occupational illnesses, deaths and work-related illnesses for all

	2023
Number of deaths resulting from a workplace injury	0
Rate of Fatalities Resulting from a Work-Related Injury	0
The main types of occupational diseases and diseases	n.a.

## Indicators of occupational illnesses, deaths and diseases for all workers who are not employees, but whose jobs or workplaces are controlled by BBVA

	2023
Number of deaths resulting from a workplace injury	0
Rate of Fatalities Resulting from a Work-Related Injury	0
The main types of occupational diseases and diseases	n.a.
Number of disabling accidents	0

GRI 403-10

Occupational disease risk was determined as a hazard through direct evaluation of the job and according to its functions. In 2023, no occupational diseases were identified; however, if they existed, the working conditions were verified, and the procedures for recommending safety in offices were applied.

## Community

### Community Investment Plan

GRI 413-1

## Resources provided by BBVA and its Foundation [In soles](#)

By entity	2023	2022	2021
BBVA	201,457.82	37,966.80	0.00
BBVA Foundation	3,739,945.47	3,554,775.82	3,522,704.74
<b>Total</b>	<b>3,941,403.29</b>	<b>3,592,742.62</b>	<b>3,522,704.74</b>

•BBVA carries out all its actions for the benefit of the community through its Foundation. The details of the programs that were executed during 2023 are reflected in the BBVA Foundation's Annual Report Peru, which is housed at [www.fundacionbbva.pe](http://www.fundacionbbva.pe).

As part of the commitment to the community strategy, BBVA developed the Community Investment Plan, a horizon that covers 2021 to 2025 and aims to meet the main needs of the communities where it operates based on three focuses of action. In Peru, these actions are carried out by the BBVA Foundation, the Image and Communication, Marketing and Talent and Culture Unit through Volunteering. Education initiatives and programs on several fronts (regular basic education, university education, and financial education), financial inclusion, and culture stand out.

It should be noted that all the support provided by the Bank for the benefit of the community through its Foundation is carried out through donations or contributions to mainly non-profit entities that are the executors of the projects and that are governed by the Norm of donations and contributions with a social purpose.

It is also important to mention that BBVA's strategic priorities in Peru are established based on the materiality analysis and the pillars under which its Foundation is governed, from which the annual action plan is created in response to internal rules and procedures.

## Programs by focus area

### Commitment to the community In thousands of soles and thousands of people

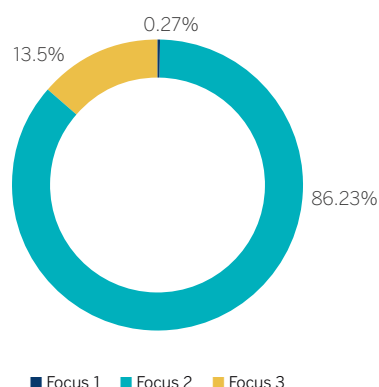
Focus of action	2023		2022		2021	
	Investment in the community	Beneficiaries (*)	Investment in the community	Beneficiaries	Investment in the community	Beneficiaries
<b>Focus 1:</b> Reducing inequalities and promoting entrepreneurship	288,306.75	11,259	259,537.11	21,777	163,189.19	47,105
<b>Focus 2:</b> Creating opportunities for all through education	2,600,022.77	3,557,568	2,309,305.28	1,048,045	1,964,224.01	454,528
<b>Focus 3:</b> Supporting research and culture	1,053,073.77	556,767	1,023,900.23	357,604	1,395,291.54	14,021
<b>Total</b>	<b>3,941,403.29</b>	<b>4,125,594</b>	<b>3,592,742.62</b>	<b>1,427,426</b>	<b>3,522,704.74</b>	<b>515,654</b>

(\*) Breakdown of beneficiaries:

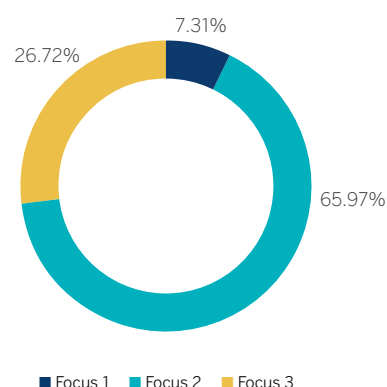
• Direct beneficiaries: 762,659.

• Unique users: 3,557,568.

### Beneficiaries of the community by focus in 2023



### Community engagement investment by focus in 2023



## Focus 1: Reducing inequality and promoting entrepreneurship

This line mainly brings together the financial education programs “Tu dinero, tu amigo”, “Finanzas como jugando” and the III Financial Education Week, cybersecurity workshops, and the alliance with the Peruvian Cancer Foundation.

### Main indicators of financial education

Program	2023	2022	2021
Tu dinero, tu amigo	1,965	1,778	3,419
Finanzas como jugando <sup>(*)</sup>	6,473	17,160	21,456
Semana de la Educación Financiera <sup>(*)</sup>	415	178	57 <sup>(*)</sup>

(\*) They correspond to the virtual workshops of the talks “Tu dinero, tu amigo”.

Note: The marked difference in beneficiaries between 2021 and 2022 is due to a new way of calculating the indicator.

## Focus 2: Creating opportunities for all through education

The programs that this line brings together are To Read is to be ahead, Once Upon a Time, the undergraduate scholarships and the Cultural Center of the Pontificia Universidad Católica del Perú, the agreement with the Association of Entrepreneurs for Education, the agreement with the Faculty of Biomedical Engineering (Pontificia Universidad Católica and Universidad Peruana Cayetano Heredia), Business Solutions against poverty, the ARBIO Association, UNESCO, ‘Misión Huascan’, Find your poem and the blog Adding Opportunities.

## Focus 3: Supporting research and culture

With continuous work, BBVA Perú, through its Foundation, contributes to the cultural development of the country through the conservation and enhancement of buildings that are Cultural Heritage of Humanity, such as the ‘Casa Tristán del Pozo’ in the city of Arequipa, the ‘Casa de la Emancipación’ in the city of Trujillo and the ‘Casa Jerónimo Luis de Cabrera’ in the city of Cusco.

In addition to these initiatives, the contribution to the Hay Festival Arequipa, the Lima International Book Fair, the Institute of Contemporary Art – MAC, the Association of Homes Nuevo Futuro, the Official Chamber of Commerce of Spain, the Organization of Ibero-American States, the Museum of Art of Lima, publications through the OLI Association and Abra editions and the online catalog project of the Martín Chambi Association.

## Volunteering and social engagement

In its global strategy, the BBVA Group has a corporate volunteering program that encourages it to develop sustainability projects in all the countries where it has a presence. Employees are active participants in these initiatives.

The volunteer program reinforces self-esteem and pride in belonging to the company, as it contributes to building an identity based on values of solidarity, empathy, and collective thinking within the organization.

This year, there were over six volunteer activities and over 2,000 volunteers nationwide since activities were included in Lima and other states.

Among the activities developed are the following:



#### **Beach Cleanups**

Volunteering activities this year began in a decentralized manner with a cleanup on Carpayo Beach (Callao) and simultaneously on Pimentel Beach in Chiclayo, collecting more than 135 kg of waste from BBVA volunteers.



#### **Volunteering "Painting Hopes"**

More than 100 volunteers painted the houses of the Cerro Franco community in Villa María del Triunfo to bring joy and contribute to the commune's development.



#### **Volunteering for entrepreneurs**

BBVA reached 200 entrepreneurs with its training in Financial Health and Sustainability, and four provinces and five stores were connected simultaneously.



#### **Visit to the "Ronald McDonald House"**

More than 40 BBVA volunteers visited the Ronald McDonald House in Surco to support the recovery of children through spaces of fellowship and sharing of moments and joys.



#### **Together with the BBVA Foundation**

BBVA trained more than 200 students of the "Reading is being ahead" program. With the aim of promoting learning in low-income schools in matters of Financial Education, Cybersecurity, Sustainability, and inclusion together with the foundation, an event was held that consisted of 3 talks by experts in each subject followed by a didactic class with practical cases where students were separated into groups to present their work.



#### **Collection and donation of toys with the "Happiness Factory" and "The Joy of Sharing"**

BBVA was able to collect and deliver more than 800 toys thanks to the donations of employees, who also donated their time to cover gifts and then distribute them on Saturday, December 9, in the Great Hall of BBVA's main building in an event designed specifically for children and their families, where they visited the headquarters and had different Christmas activities including a hot chocolate, in addition to the delivery of gifts.

Finally, it is important to mention that BBVA employees, including the Management Committee, carry out volunteer activities entirely. Likewise, employees are allowed to invite family members to participate in the volunteering, achieving a family atmosphere of camaraderie, knowledge, and integration. Among the activities developed are the following:

### **Institutional activities**

For BBVA, it is essential to strengthen the relationship with its different stakeholders. For this reason, every year it carries out various actions to maintain contact with its stakeholders.

Among the relationship activities carried out during 2023, the alliance signed with TV Peru to broadcast the content of "Let's Learn Together Kids" stands out. This program seeks to educate new generations about their important role in the future of humanity. This alliance also allowed the broadcast of the episodes of this space in Quechua, the second official language of Peru.

"Let's Learn Together 2030" responds to BBVA's purpose of making the opportunities of this new era available to everyone because it is a transformative educational project that seeks to involve people in spaces to share knowledge and learning that serve as inspiration and reference for viewers and viewers.

Because sustainability is one of BBVA's strategic axes, the bank has participated in various projects related to this issue, including its participation in the panel "Financial and Digital Inclusion" – within the framework of the Sustainable Peru event – in which the scope and challenges of banking institutions to ensure that more people are part of the national financial system were discussed. Along the same line, the signing of the agreement between BBVA and the 'Sistema B' organization to implement the "Measure What Matters" program is also noteworthy, which allowed the Bank to accompany a selected group of its SME customers in the measurement, management, and improvement of their socio-environmental performance. Finally, it is important to mention the relationship work carried out with customers from different banks (Business Banking, CIB and Private and Prime Banking), through face-to-face meetings in which they receive useful information, such as the analysis of economic perspectives prepared by BBVA Research.

#### Type of contribution [In soles](#)

	2023	2022
Philanthropic Cash Contributions	2,948,961.24	2,877,180
Time: volunteer during paid work hours	0	0
In-kind donations: donations of products or services, projects/associations or similar	0	0
General management costs	790,984.23	715,563

#### Contributions and other expenses [In soles](#)

GRI 415-1

	2023	2022	2021
Lobby, Interest Representation, or alike	0	0	0
National, regional or local political candidates/organizations/campaigns	0	0	0
Trade associations and other tax-exempt groups (e.g. think tanks)	179,853.8	157,392.2	2,183,003.48
Other (expenditure related to proposed laws or referendums)	0	0	0
<b>Total contributions and other expenditures<sup>(*)</sup></b>	<b>179,853.8</b>	<b>157,392.2</b>	<b>2,183,003.48</b>

(\*) BBVA does not make contributions to political parties and/or representatives.

# 6. Financial information



## 6.1. Business and activities

GRI 2-6

### Segment management

#### I. Natural person

##### a. Private individual

During 2023, BBVA experienced a 1.5% YoY increase in one-off deposit balances (Dec-23) and a 142% YoY increase in provisions (Dec-23) due to the severe political and social crisis that began at the end of 2022. Additionally, the agricultural and fishing industries were impacted by the El Niño phenomenon, which was particularly strong in 2023, affecting all families involved in these activities and/or those who consume these products as part of their essential needs.

BBVA continued with its purpose of making opportunities available to all Peruvians, providing them with consumer loans and facilities to transact in their day-to-day lives in increasingly digital environments.

In this context, functionalities such as credit card payments with points, interoperability between Plin and other digital wallets in the Peruvian financial system, direct access to card data, and the new discreet mode—an innovative security feature to hide app balances—were developed.

- **Plin:** In the digital realm, BBVA actively participated in the growth of this functionality that promotes clients' banking and reduces the use of cash through free and immediate transfers between individuals with accounts at different banks, using only a cell phone number or a QR code. The implementation of interoperability, mainly between Plin and Yape, the two most important digital wallets in Peru, contributed to Plin's continued growth, which exceeded 13.8 million users at the end of 2023. BBVA was involved in more than 45% of the transactions carried out.

- **BBVA App:** Its objective is to become a relational channel that provides customers with personalized financial advice, allowing them to make inquiries and bank operations anytime. The app added functionalities and digital products designed to meet the needs of each customer in a timely and safe manner, taking care of their financial health, empowering them in their decision-making, and facilitating their access to more and more opportunities.

BBVA's constant efforts allowed us to improve the customer experience, reaching a retail NPS of 62% in December 2023, representing a growth of +37 points compared to the result of January 2023.



## **b. BBVA Prime**

2023 marked the fifth anniversary of the creation of this segment, which responds to the Bank's need to have a relational model with valuable customers who require personalized attention and preferential channels.

Despite the political and economic context that the country suffered during 2023, it was possible to achieve a 6.4% YoY Dec-23 in one-off balances of profitable investment and a growth of 5.4% YoY Dec-23 in one-off balances of managed resources thanks to the service model and the experience customers receive in each interaction with their bankers. The relationship with them was a priority for the segment, without losing sight of the business opportunities generated through this connection.

As a result, there was a 26% and 16% growth in sales of the number of agreements and mortgages, respectively (Dec-23).

## **c. Private and Wealth Banking**

2023 was a year of significant growth for the Private and Wealth Banking banks, which achieved, respectively, increases of 35% and 15% in one-off balances of managed resources and 11% and 5% in one-off balances of profitable investment. Notably, each bank grew freely available loans (PLD) by 39% and 18%, respectively.

During the concluded period, the transformation plan for both segments continued, with the main objectives achieved being the following:

- Implementation of the management and oversight model under the Single Experience in the Private Banking system.
- Certification in investments for private and wealth bankers in partnership with the Universidad del Pacífico.
- Systematization of the investment advisory model and automation of advisory tools.
- Strengthening the investment product offering by launching of eight new mutual funds and 36 structured products.
- Expansion of collateralizable assets and improvements in the process and pricing of AML with guarantees.
- Standards of excellence in service and process simplification reflected in NPS scores of 89% and 85% for private and wealth bankers and 84% and 82% for both segments, respectively.

The wealth management service includes a full range of funds and investment products in an open architecture framework that provides the client with comprehensive investment solutions in each asset category. In 2023, the offer of mutual funds continued to be consolidated – with particular emphasis on fixed-income funds, both open and closed-end – with the aim of taking advantage of the situation of high rates in instruments of high credit quality. Additionally, the volume of structured products placed quadrupled, favoring products with exposure to high-investment-grade fixed income, which is in line with the Bank's investment strategy and positioning.

The investment strategy and advisory team published high-quality daily, weekly, monthly, and quarterly reports and organized webinars and conferences with experts and industry leaders, thus providing clients with quality information that guided them in decision-making in the context of the high volatility present in the financial asset markets in 2023.

In addition, business clients were supported in the education of the next generation through webinars and face-to-face courses in Mexico and Spain, with the participation of experts from the Instituto de Empresas (IE) in Madrid. It is worth highlighting the workshop offered to business clients, "Women as a Great Asset of the Family Legacy," given by Julia Téllez, an advisor to business families and an independent director with a long and recognized career in Spain.

Additionally, BBVA aims to provide clients with an experience beyond investment advisory and wealth management. Through Global Wealth's non-financial solutions team, clients were offered activities in art, culture, sports, entertainment, health, and education in collaboration with the Prado and Thyssen museums, Christie's auction house, El Celler de Can Roca, the Santiago Bernabéu Stadium of Real Madrid, Teladoc, and the IE in Madrid.

It is worth highlighting the distinction received by the Banker magazine (of the English publishing group Financial Times), in collaboration with the PWM (Professional Wealth Management) magazine, which in 2023 distinguished BBVA as the Best Private Bank in Peru, highlighting its customer-centric relationship model and the significant growth in its business volumes, reflecting its renewed value proposition.

2023 was a year of high volatility for global markets, and in Peru, it was marked by political uncertainty and economic slowdown. In this context, the key to reinforcing customer confidence in BBVA's services and advice was to remain remarkably close to them, providing them with advice and savings and investment alternatives that would allow them to preserve, diversify, and increase their wealth.

## **II. Legal entities**

### **a. Business Banking**

In 2023, the focus on Business Banking for the attention of SME customers (PJ and PNN) continued, strengthening the offer of digital products to provide ease and accessibility. The effort made it possible to surpass the growth record, reaching S/1,070 million per month, of which 30% was generated through digital channels.

With the NNP My Business profile app already consolidated, new 100% digital products were implemented, such as the revolving digital loan and the POS advance. Both with these products and existing ones, the profile had a turnover of S/3,912 MM from January to November 2023.

In addition, BBVA Companies was deployed, the new app for PJ that provides the same functionalities as the previous app with 100% digital products, such as the Digital Business Loan (one-off and revolving loan), the TKT, and the Fast Cash Provision.

In 2023, the functionalities of the SME Service Center continued to be reinforced, adding new operations and generating developments that allow executives to be relieved of operational burden and focused on meeting customers' financial needs.

Additionally, the process of identifying internal customers with potential SMEs continued, increasing the capacity by 33 additional executives for these customers and attracting additional ones from the open market, which implied a 10% growth in executives compared to 2022. These measures contributed to the segment's growth without affecting the segment's productivity levels.

### **b. Business and Corporate Local Banking**

The Bank maintained its growth in billing volume by disbursing more than S/3,100 MM monthly. This result is mainly explained by: a) the focus on long and medium-term operations, reaching historical placements during the 4Q, and b) the shift towards management and commercial incentives for net balance growth. All of this allowed a positive billing-cancellation balance for five straight months for the first time in two years.

A relevant milestone during 2023 was the volume of sustainable mobilization, which reached S/1,200 MM, with more than 90% of executives managing at least one sustainable operation, positioning the Bank as the Group's leading sustainability benchmark in the region.

Additionally, at the market level, it is essential to note that, with respect to the main peers, BBVA was the only bank to show positive and sustained growth during 2023. By November, it grew by around +271 bps, which allowed it to obtain a solid second place in the large enterprise segment.

In 2023, the transformation process began with four main axes: 1) Generate new customer segments profiled by size and business area, which resulted in the reordering of portfolios and the generation of more productive portfolios; 2) launch the new BEC structure, including a new division focused on corporate clients; 3) deploying the “1+5” collaborative business model, to become a team “more at the service of the Network” by transferring the governance of the entire support structure of the leading products and services to the commercial team, and 4) finally, the operating model and system developments also accompanied the change, relieving the commercial team of operational tasks to allow more outstanding dedication to advice and the generation of new business.

On the other hand, developments (SDA) were initiated, the main objective of which is to establish and execute the transformation plan of the products for PJ and adapt the product offer to new needs.

### c. Transactionality

BBVA deployed its transactional strategy, betting on healthy growth in sales, use, and recurrence of use in transactional products, tripling the monthly production of new products during 2023 to reach a cross-selling of 2.7 families (approximately one thousand products per month) per customer. With this, 50% of the portfolio was linked using BBVA's services on a recurring basis and with a reciprocity index (customers with debt and with transactional business) above 60%. Additionally, record participation was reached in supplier payments, consolidating a market share above 30%, closing December with an average V+A balance of S/11,211MM (+14% YTD).

In 2023, emphasis was placed on the value offer of digital solutions for Cross Border (Pivot) customers, working on a pipeline with banks (CIB and BEC), which allowed growth, compared to the previous year, 13% in the number of customers and 14% in contracted services. Complementing the transactional offer for companies, the commercial activity in acquiring began in the company of the strategic partner OpenPay, managing to process POS collections of ~S/1,000 MM during the year.

Likewise, the three-year transformational plan was launched, which defined the lines of work that would allow BBVA to continue differentiating itself as the best bank in the financial system. In this sense, the innovation program in business services began with the production of the first B2B API in the country, making the catalog of collectors available and closing commercial agreements to multiply the network by six at the national level. Additionally, the foundations (developments) were laid to provide the best payroll payment solution in the financial system for business customers, and the value offered to the new payer was improved.

### d. Multichannel

At the end of 2023, there were more than 2.8 million active mobile customers. 64% of the Bank's total monetary transactions were carried out through the BBVA app, i.e., more than 25 million monthly transactions. As for its evaluation, the app scored 4.5 stars on Playstore and 4.7 on Appstore. Additionally, the profile of the digital advisor in the network of offices was strengthened thanks to a renewed training agenda, a space where relevant content from the app is shared, and new decentralized workshops in Lima, Arequipa, and Trujillo.

Plin established itself as the preferred way for customers to send and receive money. The launch of interoperability between digital wallets boosted the growth of this functionality to exceed the record of 15 million monthly transactions and 2.5 million affiliated customers.

As part of the distribution model, 40 transformed offices were delivered in the areas of most significant potential in Lima, Cusco, and Arequipa, seeking to provide a better customer experience.

2023 was also crucial because three new offices were inaugurated:

- In October, the Mantas digital office in the city of Cusco opened. It is a strategically located site with a self-service area, digital advice, and currency exchange.

- The first shopping center in San Juan Lurigancho, in Lima, has had an office since December, bringing the BBVA differentiated offer to this popular district.
- Abancay has a new BBVA office, an important milestone for the Bank because, for the first time, it will have a permanent presence with digital advice and commercial positions for individuals and small businesses.

#### e. Unique Experience

As part of the Bank's strategic plan, efforts focused on strengthening the management and service models of retail banking, digital advisors, and private banking, generating protocols, action models, and tools that allow for ideal traceability.

On the other hand, the Unique Experience site was created using behavioral research methodology. This enabler made it possible to concentrate all the tools, models, and protocols in one place in a friendly and understandable way for the commercial network.

In addition, the certification grid was strengthened to guarantee the sustainability of the franchise model and promote CX management, entering new headings and removing those in the maturation stage.

Finally, the construction of the assertive sales booklets began, focusing on five main products so that the network can serve customers with quality, transparency, and agility.

The management model was redesigned for legal entities, generating ceremonies and protocols that allow for the correct communication of messages at all levels of the organization. Likewise, the relaunch of the Enterprise site reinforced commercial monitoring tools.

## 6.1.1. Corporate & Investment Banking (CIB)

The Corporate & Investing Banking (CIB) area developed its activities in 2023 on two pillars: Global Transaction Banking (GTB) and Global Markets (GM).

Global Transaction Banking	Global Markets
<ul style="list-style-type: none"><li>•Managed around US\$6,968 million in assets placed in large corporations operating in Peru.</li><li>•The business comprises relationship units (Global Clients and Global Transaction Banking) and product units (Investment Banking and Finance).</li><li>•In addition, it has a Fiduciary Services Unit.</li></ul>	<ul style="list-style-type: none"><li>•During 2023, it managed an average of US\$3,140 million in assets.</li><li>•Covers the areas of Trading, Sales and Structuring of Derivative Products.</li><li>•Manages and distributes treasury products related to Foreign Exchange, Interest Rates &amp; Credit.</li><li>•It also offers debt origination service (DCM), as well as stock brokerage, through its subsidiary BBVA 'Bolsa SA'.</li></ul>

In its operations, which are carried out within the scope of global business, CIB relies on a Chief Operating Officer, a support unit responsible for managing results and reports, leading the execution of strategies, and developing key performance indicators while also providing operational support to the entire business.

### Investment Banking and Finance

BBVA has specialized teams offering products, services, and comprehensive solutions that, in the realm of investment banking, create global opportunities for its clients: large national and international corporations. In 2023, the IB&F unit had a very active year in financing and advisory operations.

In financing operations, mainly aimed at corporate clients in the mining, infrastructure, and industry sectors, notable transactions included the international syndicated loan to Skanon Investments Inc. (Grupo UNACEM) for USD 345 million led by BBVA and the sustainable bilateral loan for S/150 million to Supermercados Peruanos. In Project Finance, the most significant operations were the revolving credit facility for Metro de Lima Línea 2 for USD 150 million, the new fuel farm at Jorge Chávez International Airport led by Exolum Peru for USD 90 million, and the bridge financing for Lima Expresa for S/1,195 million.

Highlighted operations include advising Enel in the merger between Enel Generación Perú and Enel Green Power as part of its divestment process in Peru; advising Celsia in the acquisition of 100% of the Caravelí wind project from Iberéolica Renovables, marking the entry of this significant energy player into the country; and advising constructors Copasa and Espina in the sale of Circuito Vial 3, the most significant operational road concession in Uruguay, to a consortium formed by Abrdn and Bestinver.

### Global Transaction Banking

In 2023, Global Transaction Banking (GTB) made it a strategic priority to accompany corporate and financial clients in their transition towards a greener and more inclusive future. Thus, it provided a set of financing solutions and treasury services that are part of the daily decisions of companies, such as working capital, foreign trade, factoring, and guarantees, allowing them to achieve their own sustainability commitments through an innovative framework of CIB Sustainable Products that directly impact the United Nations Sustainable Development Goals (SDGs), certified by an independent sustainability agency DNV. This doubled the annual mobilization of sustainable financing over the past three years, totaling more than S/1,100 million by the end of 2023.

In the constant search to improve the digital experience of the corporate customer, BBVA reduced the payment processing time across all its global channels (Pivot Connect) from an average of two hours to a maximum of 30 minutes. This strengthened the offer of direct channels for prominent local and multinational corporations, enabling 188 economic groups to use this solution by the end of 2023.

GTB has been driving the digital transformation of customer operations to digital channels and paperless solutions for the last few years. As a result, in 2023, the average number of manual operations via instruction letters was reduced by more than 30% over the past three years, thus speeding up clients' treasury operations.

With the aim of providing innovative collection solutions for its corporate customers, BBVA has become the first acquiring bank in the country, offering its clients card payment processing through online and offline channels. This value offer was implemented through Openpay, a BBVA company with over 10 years in the international market that began operations in Peru in 2021.

## **Global Markets**

Global presence and experience are differentiating elements for the BBVA Group, allowing it to offer customized derivative and structured products like interest rate swaps, cross-currency swaps, FX options, structured notes, and credit link notes, among others, in addition to transactional products such as FX spot, bond trading, and treasury deposits.

During 2023, BBVA Peru's Global Markets maintained the top spot among the products it offers, both in the Peruvian sovereign bond sector—where it led the ranking of market makers published by the Ministry of Economy and Finance (MEF) for most of the year, especially for the highest trading volume across all digital channels and platforms (Datatec)—and in the FX market (Spot and derivatives), where BBVA Peru has held the first place for the last seven years.

Additionally, thanks to its strategy of customized financial solutions for each client, BBVA maintained its leadership position in all customer segments within the Peruvian financial system in 2023, capturing a 28% market share in derivatives, leading the corporate, institutional, and commercial banking segments.

Meanwhile, BBVA SAB also consolidated its position in the Peruvian stock market, becoming the No. 1 SAB in profits among bank brokerage firms.

Despite the challenging political context and the global rate hike scenario that affected the capital market and issuances, the Debt Capital Markets team maintained second place in the local capital market due to the structuring and placing of nine public issues (15% of the market), totaling S/594 million as of December 31, 2023.

The Bank has massive platforms, such as Net Cash, Gema, Glomo and Bxl, which offer the BBVA T-Cambio product; additionally, for corporate clients and investors, it maintains BBVA eMarkets, a specialized global platform that includes the world's main currencies.

BBVA was recognized as the “Best FX Bank in Peru” in the Global Finance Best FX Banks Awards 2023, a ranking organized by the prestigious Global Finance magazine. The award recognizes the collective effort of teams across all geographies and areas to develop a fully integrated value chain business model. It is worth noting that Global Finance bases its list on transaction volume, market share, global coverage reach, customer service, competitive pricing, and innovative technologies.

## 6.1.2. Financial management

During 2023, there was tremendous growth in activity concerning the evolution of deposits (excluding loans under the Reactiva program). This liquidity gap was covered with excess liquidity and long-term debt from multilateral banks without resorting to capital markets with bond issues. The shift from sight and savings products to term deposits continued during 2023 due to the environment with high monetary policy rates, both from the FED and the Central Reserve Bank of Peru. On the structural financing side, notable transactions include a \$400 million credit line signed with the International Finance Corporation (IFC) for channeling green loans and a \$200 million credit line signed with China Development Bank (CDB).

Regarding interest rate risk, the high monetary policy rate environment, previously mentioned, had a positive impact on the Bank's financial margin evolution, derived from BBVA's positive sensitivity to interest rate hikes, both in local currency and dollars. During 2023, management levers were activated to reduce negative sensitivity to a declining interest rate environment, which began in the latter part of the year and is expected to continue during 2024.

Regarding exchange rate risk, BBVA maintains a structurally long dollar position due to financial income from its lending activities exceeding financial costs from its foreign currency financing and currency outflows for OPEX and CAPEX. This provides the Bank with natural balance sheet protection against potential exchange rate depreciation scenarios.

## 6.1.3. Risk management

Risk management is fundamental to the Bank's strategy and guarantees its solvency and sustainable development. The Bank's risk profile is established in accordance with the BBVA Group's strategy and policies, which consider a unique, independent, and global risk management model.

- **Unique:** Focused on a single objective. Sustained risk appetite is determined by fundamental metrics, portfolio and economic sector limits, and indicators for portfolio management and monitoring.
- **Independent:** Autonomous and complementary to the business. The risk area adaptation process allows for close business monitoring to detect opportunities.
- **Global:** BBVA Peru has a risk model that can be adapted to all cases, in all countries, and to all businesses.

The Risk Area centralizes and consolidates credit and market risk management through five units (Retail Risk, Wholesale Risk, Market & Structural Risk, Collection, Mitigation & Work Out, and Portfolio Management, Data & Reporting) and two sub-units (Risk Solution Group and Risk Transformation). This structure provides adequate support to create synergies in work teams and generate greater integration in all processes, ranging from strategy and planning to implementing models and tools in management. This is where Risk Solution and Risk Transformation consolidate transversal functions that support management, while Portfolio Management, Data & Reporting are responsible for diligent monitoring of risk indicators across the Bank's entire portfolio, with particular attention to sensitive portfolios.

Complementing this management, the Internal Risk Control Unit (part of the Internal Control and Compliance Area) is responsible for verifying the controls corresponding to the Risk Area's most important processes and deliverables.

At BBVA Peru, priority strategic risks are classified according to their impact on achieving business objectives and alignment with the company's tolerated risk appetite. The overall risk management and control model includes the management of financial and non-financial risks. The Bank has specialized areas and units for managing the following types of risks:

- Credit risk
- Market risk
- Structural risk
- Operational risk
- Reputational risk
- Risks associated with climate change

Each area defines metrics and thresholds according to the risk appetite they monitor permanently.

Regarding sensitivity analysis, a comprehensive approach was implemented to assess the susceptibility of strategic risks to various variables and scenarios. In addition, a periodic stress test was carried out to determine the organization's resilience in the face of extreme conditions. Two stress exercises are carried out annually at the request of the local regulator: the Capital Self-Sufficiency Report (IASC) and the Recovery Plan. In these exercises, stress scenarios are evaluated in the risks that are considered to have the most significant impact, taking into account the assessment of the Research Unit on the behavior of macroeconomic variables.

### **Portfolio Management, Data & Reporting Unit**

Reporting, Monitoring & Data is the sub-unit responsible for the permanent follow-up and monitoring of the portfolios' risk indicators based on the Bank's strategy and defined risk appetite. It certifies the timely measurement, which it communicates to the corresponding bodies to ensure proper management and compliance with the risk appetite framework.

The Measurement sub-unit integrates processes for measuring credit risk indicators related to provisions, risk-adjusted profitability, and regulatory and economic capital. It concentrates on the calculation processes of the main risk metrics.

Another sub-unit is Risk Advance Analytics, under the Center of Expertise (CoE). It develops and maintains credit risk models used in the Bank's risk management, participating in some phases of their implementation through necessary technological tools/platforms, integrating them into risk and commercial network management as needed. It has teams for Model Monitoring and Parameter Estimation, IFRS9, and Stress.

Finally, the Data Quality Team sub-unit ensures the data quality of the calculation and reporting processes prioritized at the Risk area level, focused on continuing to develop the data governance model at the Bank level and ensuring compliance with quality rules.

The following table describes the composition of the unit:



## PORTFOLIO MANAGEMENT, DATA & REPORTING

CoE: Risk Model Factory		Reporting, Monitoring & Data	Measurement	DQ Team
Model monitoring	Parameters Estimation, IFRS9 and Stress	Reporting and Monitoring of risk metrics at Bank level (internal and Holding).	In charge of ensuring the correct calculation of provisions for credit, capital and risk-adjusted portfolio profitability	In charge of ensuring the process data quality level calculation at the Risk Area level.
Responsible for defining and executing the plan model estimations of credit and regulatory risks for natural and legal persons.	Responsible for calibration of credit risk parameters for IFRS 9 capital, estimation of expected losses and economic capital; in addition to capital optimization, impairment monitoring and scenario analysis.			

### Credit risk management

#### Retail risks

The following fundamentals describe credit risk management in the retail sector:

- Define the guidelines for the admission of customers from the retail segment.
- Study the results of the behavior of products, segments, and campaigns, analyzing their respective evolutions and developments.
- Disseminate and strengthen the risk culture throughout the organization, with a special focus on ongoing training programs and capacity building in the commercial areas and Risk specialists.
- Ensure, through the interrelationship with the different business areas and attention to internal and external supervisory bodies, compliance with credit risk policies, guaranteeing adequate compliance with the Bank's Risk Appetite Framework (RAF).
- Propose and promote continuous improvements in processes, tools, and regulations for efficient credit risk management.

#### Wholesale Risk

The management of credit risk in the segments of companies, corporations, institutions, global clients, IFIS, and real estate-rental integrates the phases of origination, admission, and monitoring based on the guidelines defined in the wholesale credit risk policy.

Maintaining the agile structure, the admission team is segmented into two groups:

- **Stage 1:** Primary analysis by sector groups, maintaining specialization by segment.
- **Stage 2 and Business Monitoring:** Preventive management with strategies to maintain and/or reduce portfolio risk and contain deterioration by structuring suitable financial solutions.

Since 2021, the Portfolio Management team has been divided into two groups: the Strategies team and the Governance team. The Strategies team focuses on ensuring portfolio quality and has launched the 'Valida+' initiative to achieve the Holding's goal of rating most of the portfolio. In addition, this team developed the Radar Plan, which identifies vulnerable customer groups based on the country's situation, activating preventive management actions to avoid future contingencies.

On the other hand, the Governance team, dedicated to conducting adequate credit risk management by establishing and ensuring compliance with policies, rules, and procedures, included in the office manager delegation calculator a traffic light with a sectoral vision – new delegation consultation variables for evaluation support – which reduced the time of the search operation in various sources.

It is worth highlighting that the Rating, Credilens, ARCE Global, ARCE Local, and Early Warnings tools are important supports in decision-making. Likewise, the ARCE Local PF and the Digital Financial Program, used in the BEC and CIB segments, respectively, are the current digital platforms for the preparation and analysis of credit proposals.

### **Monitoring, collection, and recovery management**

The objective is to achieve processes efficiencies across external management channels (such as collection agencies and law firms) and internal channels (including the Network of Offices, Solution Office, and Anticipa Office). It integrates the necessary functions and processes for monitoring, preventing non-payment, collecting, recovering, and divesting troubled portfolios in Commercial Banking, Business Banking, and CIB throughout the entire credit life cycle.

The management of distressed portfolios is articulated through a centralized strategy that defines differentiated actions by segment and credit lifecycle stage, leveraging rescheduling, refinancing, adjudication, and payment agreements with clients to minimize provisioning expenses and delinquency levels under local vision and IFRS9 standards.

During 2023, the execution of the Comprehensive Collection Plan continued. This transformation project, initiated in 2018, involves improvements in processes and information management, remediable products such as “commitment loans” and “refinanced with grace period,” customer experience, and the technological platform in line with market best practices. These actions consolidated the Collections Factory, aiming to complete the redesign as a specialized collections center based on the new portfolio context by 2024.

Key actions of the factory include managing the Reactiva portfolio, agile execution of honors, containing the overdue portfolio in adverse conditions, and reactivating write-offs greater than three UIT as a divestment strategy.

### **Market risk management**

Market risk is the potential loss in the value of held positions due to movements in market variables affecting the valuation of financial instruments. Risk management is carried out through metrics aligned with market standards.

Risk management is carried out using metrics aligned with the market standards. The benchmark metric is VaR (Value at Risk), which measures the maximum loss that can occur in a portfolio with a given confidence level (i.e., 99%) over a specific time horizon (i.e., 1 day).

The market risk limit structure includes VaR limits and economic capital by market risk, as well as specific alerts and ad-hoc sub-limits by risk typologies.

The control scheme is completed with validity tests of the risk measurement models – which estimate the maximum loss that can occur in the positions under consideration – used with a certain level of probability (“backtesting”) and measurements of the impact of extreme market movements on the risk positions held (“stress testing”).

## Structural risk management

Structural interest rate risk, along with liquidity and funding risks, constitutes the structural risk in the Bank's management.

Structural interest rate risk is defined as the potential change in an entity's net interest income and/or equity value due to fluctuations in interest rates.

Managing structural interest rate risk aims to maintain the stability of net interest income amidst interest rate variations, which supports the generation of consistent results. This includes controlling potential impacts on equity from the mark-to-market of instruments classified as "held to collect and sale" (known as "available for sale" in local accounting) and limiting capital needs related to structural interest rate risk.

Liquidity and funding risk is defined as the inability of a financial institution to meet its payment commitments due to a lack of funds or that, in order to meet them, it has to resort to obtaining funds under particularly burdensome conditions.

The management and monitoring of liquidity risk are carried out comprehensively with a double approach: short-term and long-term. The short-term liquidity approach, with a time horizon of up to one year, is focused on the management of payments and collections of market activities, volatile customer funds, 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 all assets and liabilities, focusing on the financing structure and with a time horizon equal to or greater than the annual one.

## Internal Risk Control Framework

The Internal Risk Control unit is part of the Internal Control and Compliance area, focusing on strengthening control objectives independently of the financial risks function within the Risk Area. In this context, and without affecting the responsibilities of the Internal Audit area, it ensures that the regulatory framework, measures, and processes in place are adequate and appropriate for each type of financial risk.

Likewise, the unit controls the application and operation of the processes, confirms that the decisions of the Risk Area are made independently of the lines of business and, in particular, that there is an adequate separation of functions between units. It is also responsible for the validation of risk models.

## 6.1.4. 'BBVA Bolsa SAB SA' Subsidiary

Despite 2023 being the worst year for the Lima Stock Market, 'BBVA Bolsa' closed the year in positive territory, ranking as the top broker-dealers among all Peruvian banking companies in terms of profits.

### First place in profits among broker-dealers (S/)

Nº	Companies	Amount (in thousands)
1	Seminario y Cía	12,569
2	Grupo Coril	6,070
3	Kallpa	4,344
4	Renta4	2,757
5	Larraín Vial	2,314
6	BNB Valores Perú Solfin	1,596
7	Credicorp Capital	1,556
8	Inversion y Desarrollo	1,266
9	Investa	1,053
10	BTG Pactual Perú	776
11	Tradek	689
12	Diviso Bolsa	656
13	<b>BBVA Bolsa</b>	<b>535</b>
14	Magot	472
15	Inteligo	248
16	Acres	234
17	SAB Cartisa	-256
18	Scotiabolsa	-741
19	Sura	-1,413

Source: Superintendency of the Stock Market - SMV as of December 2023.

Despite experiencing high volatility in interest rates, characterized by prolonged periods of interest rate increases and decreases, the primary issuance market demonstrated an important performance, concentrating predominantly on issues with a maturity of one year. In this environment, the Debt Capital Markets demonstrated a remarkable ability to adapt by identifying and capitalizing on this trend. As a result, it secured second place in the local capital market. This was achieved through the structuring and effective placement of 11 public issuances, which represented about 15% of the market, accumulating a total of S/594 million at the close of December 31, 2023.

### Second place in fixed income (S/)

Nº	Companies	Amount (in millions)
1º	Credicorp Capital	2,293
2º	<b>BBVA Bolsa</b>	<b>594</b>
3º	Scotiabolsa	504
4º	Inteligo	419
5º	Cofide	276

Source: Superintendency of the Stock Market. Self-made.

### 6.1.5. 'BBVA Securitization Company SA' Subsidiary

In 2023, BBVA Sociedad Titulizadora SA continued managing ten securitization estates established in previous years:

- Trust Estate – DS 093-2002-EF, Title XI, Concesionaria La Chira SA.
- Trust Estate – DL 861, Title XI, Odebrecht Inversiones Inmobiliarias SAC – Edificio Las Palmeras.
- Trust Estate – Edificio Pardo y Aliaga – DL 861, Title XI.
- Trust Estate – DS 093-2002-EF, Title XI, Emisión La Chira.
- Trust Estate – DL 861, Title XI, Centro Empresarial San Isidro.
- Trust Estate – DS 093-2002-EF, Title XI, Concesionaria Desaladora del Sur SA.
- Trust Estate – DL 861, Title XI – Best – CLN Investment Grade Global.
- Trust Estate – DL 861, Title XI – Advance C X C Utilities.
- Trust Estate – DL 861, Title XI – Macrofideicomiso BBVA – Best Bonds.
- Trust Estate – DL 861, Title XI – C X C 001.

In 2023, no new securitized trust estate was established.

### 6.1.6. 'BBVA Asset Management SA SAF' Subsidiary

A period of high volatility persisted during 2023, especially in international financial markets, both in equities and fixed income. The first half of the year was characterized by the decline in sovereign and corporate fixed income rates, in line with the market's expectation of a recession in the United States economy that would force the Federal Reserve to lower its benchmark rate sharply. In the equity market, there was a strong performance driven by the positive returns of technology companies.

However, in the year's second half, rates increased significantly, affecting both fixed income and equities. This shift was due to a slower-than-expected slowdown in inflation, coupled with stronger-than-anticipated labor and economic indicators. From November onwards, rates began to decline again after the 10-year US Treasury rate reached a 16-year high of 5.0%, marking another correction in December influenced by the Fed's new economic projections and its inflation and rate convergence estimates for 2024.

Central banks in emerging economies reduced their monetary policy rates to align with inflation expectations and mitigate weak global economic growth. Locally, the easing of conflicts between the Executive and Legislative branches reduced political uncertainty, generating greater confidence in financial markets. Economically, the Central Reserve Bank of Peru (BCRP) implemented an accommodative policy, lowering the reference rate from 7.75% to 6.75%.

For the Peruvian economy, a GDP decrease of –0.4% is projected in 2023, attributed to the weakness of non-primary sectors and the slowdown in private spending. However, a growth of 2.0% is anticipated for 2024, supported by the acceleration of public spending and a stable political environment. Inflation is expected to decrease in the year's second half as the El Niño phenomenon dissipates. The BCRP is expected to maintain an expansionary monetary policy, with the monetary policy rate projected to be within the range of 4.0% to 5.0%, depending on the conditions of the international rate cycle.

Despite being a challenging year for the mutual fund market, 2023 saw a growing appetite for investing in maturity funds. In that sense, BBVA Asset Management launched five closed-end dollar deposit funds with a one-year term (Fondo Súper Dólares 8, 9, 10, 11, 12, and 13), another closed-end dollar fixed income fund with a three-year term (Fondo Distributivo Dólares), and a closed-end six-month term sol deposit fund (Fondo Súper Soles 6M), aimed at implementing a competitive capture strategy against the industry.

Likewise, given the expectation of a gradual reduction in interest rates, clients were advised to increase the duration of their portfolios, which was accompanied by a strategy of reducing commissions in Fixed-Income funds, with special emphasis on medium-term funds in soles and dollars. Finally, to complement the value offer, the Emerging Markets Fixed Income fund was launched, which meets the need to increase the duration to an attractive return/risk for participants.

The total assets managed by the mutual fund industry increased by 14.34% year over year, totaling S/32,991 million at the end of December 2023. BBVA Asset Management closed the year with assets under management of S/6,176 million and a market share of 18.72%.

## 6.1.7. Engineering

SDG 9

The area's commitment as a strategic business enabler to create and transform ideas into innovative solutions was confirmed in 2023, with the optimization of technological capabilities in all services that facilitated better opportunities for the customer.

A score of 4.44 was obtained in the Gallup survey, +0.6pp compared to 2022 (4.38) and +0.21pp compared to 2021 (4.23). During the year, a cultural transformation plan was deployed, and a new figure was created: "Happy Managers," strategic allies in the transformation, and the global Clapp initiative was added to "Bravo" as recognition tools.

### Security and fraud prevention

At BBVA Peru, comprehensive cybersecurity management is the responsibility of the Corporate Security area. As part of implementing and maintaining the security strategy, our efforts in 2023 were focused on the following areas:

- In terms of fraud prevention, the level of fraud prevented improved by 8% compared to 2022, reaching a prevention level of 78% in terms of potential fraud. Additionally, materialized fraud was reduced by 3.6% compared to 2022.
- In digital retail banking channels, materialized fraud was reduced by 19%, while in digital enterprise banking channels, it decreased by 40% compared to 2022. In the card sector, materialized fraud decreased by 0.2% compared to 2022.

Cybersecurity management posed a challenging task, and excellent results were achieved in Security and Fraud Prevention in 2023. Thus, in a joint effort by the Systems, Infrastructure & IT Operations, and Corporate Security units, the remediation of vulnerabilities in the operating systems of different families of technological assets exceeded the threshold set by the Bank by 110%.

The management and protection of critically confidential information (CCI) set challenging goals for 2023, requiring a clear and short-term strategy to exceed expectations.

Focused on the prevention, identification, and early warning of any security event that could compromise the Bank's security posture, real-time monitoring of end-user activities of applications and security platforms was strengthened.

Considering regulation and independent auditors as strategic allies in the strengthening and continuous improvement of safety management, openness and willingness with these work teams made it possible to obtain high levels of compliance (above 95%) with international standards such as PCI DSS, OWASP, SBS Resolution No. 504-2021, ASA Certification, among others.

In a year in which the perception of security in the country's south was complex, BBVA positioned itself as the Bank with the highest percentage of hours of operation in the area, even being the benchmark organization in the sector. In addition, the number of visits made to the Network of Offices increased by 150%, which made it possible to identify key points of improvement that are already being addressed.

Any collaborator or client is entitled to submit information about possible cyber threats anonymously. An internal compliance form ensures the confidentiality of the whistleblower, encouraging active participation in the detection and prevention of potential cyberattacks.

## Operational Excellence

During this period, we worked closely on service levels, achieving 99% for all relevant critical levels. Significant changes were made in customer-facing operations, impacting both the Branch Network and central office areas. Additionally, we implemented transactional measurement—a milestone as it was the first area in the Bank to do so—by introducing a Net Promoter Score (NPS) for 25 critical processes.

As part of the ongoing development of specific skills in employees, the Samurai program graduated its third graduating class globally (Peru, Colombia, Mexico, Argentina, and Uruguay) in the Process Academy, Kanban, Dashboard, Wizard, RDAs, and Leadership courses. Additionally, the first class of the Sensei program graduated with the same courses as the samurai but focused on a banking profile. Its work scheme allowed the presentation of the analysis and proposal of seven transformation projects to be executed during the first quarter of 2024 by the senseis themselves.

On the ATM front, 99% availability stabilization was achieved, ensuring reliable and constant service, positioning itself as a leader in Open Market measurement.

In the management of BBVA Agents, the goal of expanding the network nationwide by 19% was achieved, improving accessibility and presence in the market. Registration time was reduced by 30%, increasing efficiency in incorporating new BBVA Agents. In addition, channel availability was increased to 93%, reinforcing the reliability of the service.

Operations continued with its commitment to having services with efficient suppliers. In that sense, important negotiations were closed for the provision of Back Office services for processes, storage, and document digitization.

Other operational improvements supported by Data Analytics achieved savings of S/7.0 million in the cash transport account. Additionally, service quality was closely worked on, improving the quality of cash purification for ATM supply.

Likewise, in the process of mass openings of pay, assets and CTS accounts, about 700 thousand accounts opened were delivered to company customers, 70% of them processed within 30 minutes of receiving the request. Providing an attractive value proposition for the customer ensures they are chosen as their main option and will later achieve the link between BBVA's services.

On the other hand, in the second half of the year, the operational transformation in Business and Corporate Banking began, centralizing the service and after-sales of customers in the segment. In this first stage, 30% of the total operations were collected in Business and Corporate Banking Branches. At the end of the year, the team achieved a transactional NPS of 97.5% and a compliance with service levels of 90%.

BBVA Peru was positioned as the leading bank in authorizations for VISA and MC brands. Similarly, service levels for non-present card authorizations exceeded the target, reaching 87.1%.

An expert leasing task force was created, which relieved the work carried out by the Offices and improved quality levels by 30%.

On the Logistics front, managing two Savings Fortnight campaigns was successfully completed, which supplied all of Peru with the prizes associated with the placements.

In support of the commercial network of DAR Offices, the team was recognized as the second team with the best NPS at BBVA Peru level, whose effort and commitment are reflected in customers' voices. In addition, visits to the Office Network increased by 25%, allowing the team to focus on operational tasks most critically.

On the operational assurance front, the process of continuous improvement at the level of billing control continued, increasing the invoices processed by the Unit by 75%, while having the traceability of their situation. Likewise, early attention was consolidated to internal and external audit recommendations.

## Technology implementation

The modernization of the Bank's systems through the Ether technology platform was one of the central purposes of the front during 2023, in addition to the reduction of processing costs defined as part of the Zero strategy plan, a program of Engineering initiatives to obtain the highest efficiency in the use of technologies.

As part of the channel transformation, the transaction KPI was exceeded in 2023, closing the year with more than 65% and achieving turnover savings of \$4 million.

In the data architecture area, Datio ended the year with resource consumption efficiency 1.1 million dollars below budget despite a 36% increase in user activity (523 users). Additionally, 30TB of disk space was freed up on the platform compared to 2022.

Finally, user incidents were reduced to 0.03, reflecting 97% in the user satisfaction indicator, that is, 2% above the target defined for 2023, of 95%.

Solutions Architect achieved in 2023 the KPI of 90.9% of MSA with respect to all MSAs produced. Participation in SDA and Non-SDA refinements was 192 projects. A key part of the decentralization and scaling strategy was that 54 Systems employees obtained the Solution Architect Specialized certificate, and another three obtained the Master SA 3.0 certificate.

The Solutions Architect team participated in the analysis, elaboration of MSAs and support in relevant projects such as Acquisition, Horizon, Cronos particulares, Feature Space, Open Banking, LRA Batch / Titan. Likewise, he intervened in the adoption of the Analysis 2.0 work modality in conjunction with the Systems teams to be able to perform a greater number of MSAs by subdividing them into Go Systems, MSA Lean, and MSA Deep solutions.

On the communication front, for the third consecutive time, the Tier III Gold certification was obtained for the local data center, which ensures local and factory support, as well as greater capacity and state-of-the-art technology, which ensures the continuity of the communications service for the servers of the local data center.

## Technology solutions

As part of the technological transformation of channels for companies (BTGE), the first release of the new BBVA Companies app (Gema PJ) was carried out, with Peru being the first geography at the Group level to achieve the authentication mechanism with Soft token R3, starting the pilot with the migration of 1.3K customers. Likewise, the new look and feel for BBVA Companies Web (Senda) was produced, supported by a new ISVA10 infrastructure that enables coexistence with Net Cash, with a restructured portal and a new exchange flow of passwords.

At ETBP Digital Products, the first productive case for payment of 5th-category salaries in streaming (processing up to 5,000 records) was successfully carried out. In Open Banking, the B2B - Self-consumption and B2B - Non-self-consumption models (first channel 100% in Alpha) were built, which in 2024 will start the first pilots with the use cases Account Opening and Collection as a Service, projecting with the latter to have the largest collection network in the country in 1Q24: 30K additional points nationwide and PEN 10 MM of net commissions.

A new line of business was inaugurated, making BBVA the first acquiring bank in the market supported by technology. Openpay by BBVA was created, which underwent constant evolution: initially, it processed transactions with VISA and Mastercard, and then expanded its offer to include Diners and American Express. It also evolved to support tipped payments, integration with wallets such as Apple Pay, Garmin Pay, and Google Pay, interest-free payments, and shift closing, all supported by microservices. In the field of payment methods, Google Pay was implemented, obtaining certification for both VISA and Mastercard, in credit and debit modalities. By placing the customer at the center of operations, multichannel solutions were provided that allow them, for example, to improve their credit card from platforms such as Glomo and BXI.



On the Software Development Transformation front, efforts were channeled towards creating eight playbooks, distributed in two fundamental models. The first, a management model, focuses on the service owner, who provides an integral vision of the service by allowing it to be managed in the development, operation, and maintenance steps. The second model emphasizes the developer, providing them with best practices throughout the development cycle.

In the testing line, remarkable efficiency was achieved by saving 56,730 hours per quarter, made possible by designing 17,000 test cases using advanced techniques, of which 2,000 were automated on critical channels. By putting the developer at the center of its strategy, the Bank optimized processes and mitigated vulnerabilities, reflected in a 45% reduction in windows or customs during the development cycle, which decreased delivery times and significantly improved the developer experience.

With a metrics-based governance model, the number of completed projects increased by 60%, and the number of executed projects increased by 45% since 2021. The difference between LT and CT went from 32 to 15 days, a 53% reduction compared to 2022. Productivity continued to rise throughout 2023, with an overall improvement in cycle time indicators (48 days) increasing by +0.4 compared to the previous period. Adopting the activity report (98%) and the productivity of software (0.79) will allow the business to generate +80% of deliverables.

The talent internalization strategy implemented in 2023 focused on strengthening Internal Talent. Key knowledge was incorporated into internal capabilities, stabilizing and consolidating teams, enabling efficiencies in Engineering capacity, and reducing the amount of resources without affecting performance.

A ratio of 57% of in-house developers was achieved, with Capex cost efficiencies of 17MM. These good practices enabled compliance with POST KPIs Average Cost 80.83, generating savings of S/3.16 MM in SW outsourcing and reducing turnover volatility from 5% to 3%.

Internalization optimized Engineering capacity and improved productivity, reflected in an 8% increase in the number of projects covered during the year. The percentage of Engineering delivery increased by 10%, achieving 134 completed projects in 2023. This improved team performance with an average of 9.8 FTE/proj, better positioning the Bank with the fulfillment of the Golden Rules.

A maturity of 98% was achieved in the Activity Report tool, allowing the registration of development activities to have a better understanding and detect opportunities for improvement within the software development cycle. BBVA Peru continues to lead the adoption and use process globally.

Working focusing on optimization, the 2023 target of the POST KPI Average Cost equal to 80.4 was met, generating savings of S/4.8MM with IGV, thanks to compliance with POST's profile pyramid and comprehensive quality assessment model.

## Risks and control

The workstream established for 2023 focused on the early identification of risks and the definition and implementation of controls to mitigate them in internal and outsourced processes.

The process of risk admission in technological development initiatives and projects was consolidated by integrating the JIRA tool for end-to-end project management, ensuring that all projects have a technological risk assessment and an associated control framework proportional to the level of risk.

Regarding the maturity of the control model, the new engineering risk control frameworks were formalized in the Migro tool, allowing the complete structural control model to be tested and challenged. This model covers all the technological processes managed by Engineering and provides transversal support to the entire organization under a global framework.

The risks and controls related to the assurance of service level agreements and the confirmation of billing on contractually established rates were formalized, covering processes where suppliers of significant engineering services participate, according to the methodology established by the Third-Party risk specialty.

During 2023, the government's definition of ITR3P in terms of technological risk management in third parties was established. At the end of the period, deployment was carried out according to the work plan, evaluating 54% of suppliers within the scope defined for 2023-2024. Regarding reach, 38% of suppliers were audited for on-site visits in 2023.

Early attention to internal audit recommendations was consolidated, managing 64 recommendations from auditors and other reviewers and closing the year with no overdue or updated observations. Follow-up of already re-planned observations was established, consisting of meetings two months before the deadline with the heads of the impacted unit and delivery of evidence one month before. Finally, the flow of attention to information requests from external auditors and regulators was reinforced, participating in dissemination at the Bank level.

## Business Process Engineering

2023 was a year of consolidating the value contribution of BPE from ENG to BBVA Peru, beginning with structural changes within the team to develop specialized capabilities. This allowed better focus and reduced response time.

For natural persons, network time equivalent to 64 FTEs was freed up through initiatives to migrate operations to alternative channels, reduce the time to contract for CT offers to nine minutes, and reduce paper usage in the network by up to 1 MM. Pilots were launched to reduce the time of balancing advisors at the end of the day, deploying best practices in network operations and reducing closure time by up to 20%.

The use of the Single Contracting Platform (PUC) was enhanced, deploying the delegation flow and 100% guaranteed operations for TC and PLD, increasing revenues by more than 4 million. The diagnosis of Private and Wealth Banking processes was conducted, and a roadmap of initiatives for process transformation in the affluent segment was created, focusing on improving customer experience and increasing the productivity of commercial executives.

For companies, more than S/7 MM of income was achieved in projects and initiatives to free up commercial time for EBNs and other projects within the Factoring product. The model centralized office operational activities within the operations team for SME and Enterprise banks, releasing more than 28 FTEs in commercial posts. Automation within operations generated up to six FTEs of release for BCOM, with savings (+S/4.6 MM) from automation initiatives in main operations processes, reducing reprocesses and increasing productivity per person. Loss mitigation focused on CIB banking generated up to S/5.5MM, mostly from timely identification of FX Position imbalances.

Project execution at headquarters achieved: a) in Claims: laying the foundations for technological change (to Ether), reducing the number of tools in management and providing traceability to the E2E of the claim; b) in Provisions: reducing them by S/27.4MM through improvements in managing uninsured guarantees, regularizing late items (transitory), and closing the Accounts Receivable project; c) in Governance: creating regulations for non-manageable procurement, ensuring the management of transitional accounts based on flows/procedures and optimizing the AS (Workforce) allocation model considering criticality and escalations; d) in Cost Savings: generating savings of S/2.7MM from tactical actions (new insurance provider, changes in uniforms, and generating credit notes in returns).

Strategy & Process Management continued to encourage process culture through training 196 Process Owners to promote Accountability in process management. The process maturity model was implemented, assessing the status of 283 Front processes supporting the business value chain and identifying target maturity based on budgeted projects for 2024. The tool shows how business processes will be transformed, generating a release/endowment of 21 FTEs through task automation using RDA.

### Transformation towards a data-driven bank

At BBVA Peru, data and Artificial Intelligence represent critical success factors for the Bank's strategic path and transformation acceleration, aiming to consolidate its leadership in the local financial system.

During 2023, as part of the data strategy, advanced analytical capabilities were consolidated in the three axes of action: data, talent, and technological platforms. In the first, the Golden Data multi-domain initiative was launched with the aim of strengthening the 315 most used data sources with the application of the governance and quality journey and the participation of data owners from all areas of the Bank. Likewise, the construction of the Omnichannel Transactionality Model began, aiming at generating datasets of monetary transactions in all service channels, with historical and granular data that favor the development of solutions and analytical models in core business processes. At the same time, in coordination with the global team, the construction of the Single Data Model continued as a cornerstone to promote common data under a homogeneous and global definition, which fosters communication between areas and geographies, with a focus on business and a high level of quality, promoting reuse in the initiatives of the areas and driving better decisions. All this was accompanied by a robust training plan called "Data Governance Expert" focused on methodology and tools of governance and data quality, aimed at all employees of the Bank's areas who assume the role of generators of data processes for use by the entire local community.

In the second axis, multiple actions were deployed to promote top talent with the Data Scientists group of the COE Advanced Analytics Expertise Center, reinforcing the training line with the global Data University program and the self-training offer The Data Camp at BBVA Campus, with content associated with new technologies, the use of AI and innovative methods of high practical application. In turn, in the middle of the year, the discipline of Business Analytics was launched, focused on the management of specialists and data analysts from all areas at the Bank level with a comprehensive strategy to strengthen careers, training, and professional development, with 115 employees in the first promotion of Business Analytics practitioners at BBVA Peru.

As for the third axis, technological platforms, in 2023, ADA was launched, a global initiative focused on taking advantage of cutting-edge technologies by migrating data and services from the on-premise Datio platform to Cloud Computing, hand in hand with Amazon Web Services (AWS). Once the transfer is completed, BBVA Peru will be able to leverage AWS's analytical and machine learning capabilities to drive the transformation of internal processes, improve risk model management, drive growth, and provide innovative solutions to customers.

Similarly, actions were deployed to promote the protection and privacy of customer data. Along these lines, the security and data protection model was implemented in Datio with the tokenization of sensitive fraud data and better governance of users and access within data platforms at the local level through the Multidisciplinary Data Table management forums and in collaboration with the Data Privacy areas, Data Security, and Bank-level data domains. Similarly, the adoption of Ways of Working, a new execution methodology that optimizes the time to deliver value to the business of data-based analytical solutions and AI, empowering data scientists and specialists through the use of standardized journeys and components for self-service and rapid scalability in global and local initiatives, was promoted.

With this, during 2023, more than 70 data projects were executed at BBVA Peru, highlighting the deliveries of the Core Data Portfolio with 13 innovative and strategic solutions based on data and advanced analytics and high value to the business, focused on accelerating the transformation in business processes and risk models, attention to digital channels, and the strengthening of the value offer to achieve the objectives of the local strategic route. As part of these deliveries, among several models, the analysis models for the estimation of sales in the SME segment, the propensity to non-customers for consumer loans in the Retail segment, pricing for corporate customers, data for the sustainability plan, and those to identify relationships between customers with an SME profile stand out.

Finally, as part of the consolidation of the Data Management model, the data culture continued to be promoted at all levels in the organization, on the one hand, with Peru, for the first time, hosting the DataFest of the BBVA Advanced Analytics community and, on the other, with the permanent promotion of management forums at the a) strategic level, with a high involvement of the management team; b) management between business areas, to promote collaborative work and best practices, and c) execution, which establishes guidelines for continuous improvement in the execution of new analytical projects.

## 6.2. Management Report

### Evolution of the Peruvian Banking System

#### Main figures In millions of soles

	2022	2023	ΔYear-over-year (2023/2022)	
			Absolute	%
Financial Position				
Total Assets1	502,134	512,218	10,084	2.0%
Net Loans	335,355	328,595	(6,760)	−2.0%
Provisions for Direct Credits	(20,890)	(21,897)	1,008	4.8%
Total Liabilities	440,185	444,467	4,282	1.0%
Public Obligations	324,178	333,246	9,068	2.8%
Net Equity	61,949	67,751	5,801	9.4%
Income Statement				
Gross Financial Margin	24,831	28,372	3,541	14.3%
Provisions for Direct Credits	(5,824)	(10,245)	4,421	75.9%
Administrative Expenses	(13,247)	(14,137)	890	6.7%
Profit Before Income Tax	13,564	11,991	(1,573)	−11.6%
Net Profit	10,138	9,211	(926)	−9.1%

#### Main ratios

	2022	2023	ΔYear-over-year (2023/2022)	
Asset quality				
Delinquency ratio	3.95%	4.31%	36	pbs
Coverage ratio	148.46%	144.64%	(4)	pp
Profitability and efficiency				
ROE	17.27%	14.29%	(298)	pbs
ROA	1.97%	1.81%	(16)	pbs
Efficiency ratio	42.52%	40.83%	(169)	pbs
Solvency				
Global capital ratio	14.39%	16.36%	197	pbs

Source: Asbanc and SBS.

At the end of 2023, the total assets of the banking system reached S/512,218 million, representing a slight increase of 2.0% compared to the previous year, mainly due to the observed dynamics in investments, which increased by 25%, offsetting the drop in total net loans by S/6,760 million (-2.0%). Despite the growth in Retail loans, driven by Consumer and Credit Cards, and to a lesser extent by Mortgages, this growth was mitigated by the contraction in the Legal segment due to amortizations of the Reactiva program and the Large Companies segment.

Regarding the quality of the portfolio, the banking system's delinquency ratio increased by 36 basis points compared to 2022, attributable to two main factors. First, there was a 7.6% increase in the overdue portfolio, driven mainly by credits associated with Consumption, Small Business, and Medium-Sized Business, indicating the materialization of the deterioration of the reprogramming measures implemented during the first half of 2023 in response to negative economic impacts characterized by protests and social conflicts, Cyclone Yaku, and the El Niño phenomenon. Second, a 2% reduction in total loans was identified, reflecting less dynamism in credit granting aligned with overall economic performance and lower demand in the Corporate segment. Additionally, the Coverage Ratio decreased by 4 percentage points due to the increase in the overdue portfolio.

Meanwhile, Total Liabilities reached S/444,467 million, an increase of 1.0% compared to 2022. This behavior is explained by the increase in Public Obligations, highlighting the rise in term deposits. Notably, this effect is partially offset by a reduction in Accounts Payable, influenced by the amortizations of the Reactiva liabilities.

Regarding results, the Gross Financial Margin reached S/28,372 million, representing a 14% year-on-year increase. This behavior is mainly due to higher income generated by the loan portfolio (+23.3%), driven by the increase in the retail segment volume and the rise in interest rates. Additionally, there was an increase in gains in Investments and Cash. However, in line with the higher risk observed in the system, Provisions for Direct Credits increased by S/4,421 million, equivalent to a 75.9% year-on-year increase. Administrative Expenses increased by S/890 million (+6.7%), as explained by Services Received from Third Parties and Personnel Expenses. Consequently, the system achieved a Net Profit of S/9,211 million, with a reduction of S/926 million (–9.1%) compared to the previous year. The Return on Equity (ROE) was 14.29%, and the Return on Assets (ROA) was 1.81%.

## BBVA Perú

### Highlights

#### Key figures In millions of soles

			ΔYear-over-year (2023/2022)	
	2022	2023	Absolute	%
Financial position				
Total assets	98,156	104,413	6,256	6.4%
Net loans	69,088	70,617	1,530	2.2%
Provisions for direct credits	(4,626)	(4,865)	239	5.2%
Total liabilities	86,899	92,044	5,145	5.9%
Public obligations	66,054	69,208	3,154	4.8%
Net equity	11,257	12,369	1,112	9.9%

#### Main ratios

	2022	2023	ΔYear-over-year (2023/2022)	
Asset quality				
Delinquency ratio	4.37%	4.71%	34	pbs
Coverage ratio	144.64%	137.90%	(674)	pbs
Profitability and efficiency				
ROE	18.21%	16.11%	(210)	pbs
ROA	1.88%	1.86%	(2)	pbs
Efficiency ratio	39.07%	38.16%	(91)	pbs
Solvency				
Global capital ratio	13.96%	15.59%	163	pbs
Tier 1 ratio	10.39%	12.33%	194	pbs

## Main Figures In millions of soles

	2022	2023	ΔYear-over-year (2023/2022)	
			Absolute	%
<b>Financial position</b>				
Gross financial margin	4,591	5,345	754	16.4%
Provisions for direct credits	(999)	(1,964)	(965)	96.6%
Net financial services income	872	993	121	13.8%
Financial operations result (ROF)	641	856	215	33.6%
Operating expenses	(2,334)	(2,518)	(184)	7.9%
Profit before income tax	2,646	2,420	(226)	-8.5%
Net profit	1,913	1,869	(43)	-2.3%

The gross financial margin of BBVA Peru grew by 16.4% compared to the previous year, driven by a significant increase in Interest Income due to the growth of the loan portfolio in retail segments and higher market rates, as well as more significant fee generation and positive results in financial operations (ROF). This income performance offset higher operating expenses (Opex) and provisions, resulting in a net profit of S/1,869 million.

Net loans reached S/70,617 million, showing a year-on-year growth of 2.2% and gaining market share, with outstanding performance in the retail segments of Consumer, Cards, and Mortgages. In the business sector, all segments closed with an increase, excluding the amortization of Reactiva loans.

Public obligations remained the main funding source at the end of 2023, reaching S/69,208 million, a 4.8% increase compared to the previous year.

## Asset Management

### Assets In millions of soles

	2022	2023	ΔYear-over-year (2023/2022)	
			Absolute	%
Available funds	12,127	9,422	(2,706)	-22.3%
Interbank funds	0	17	17	—
Investments at fair value through profit or loss	3,279	4,387	1,109	33.8%
Available-for-sale Investments	8,293	10,755	2,462	29.7%
Held-to-Maturity Investments	0	0	—	—
Net loan portfolio	69,088	70,617	1,530	2.2%
Property, furniture, and equipment	1,078	1,193	115	10.7%
Other assets	4,292	8,021	3,730	86.9%
<b>Total assets</b>	<b>98,156</b>	<b>104,413</b>	<b>6,256</b>	<b>6.4%</b>

### Detail of loans In millions of soles

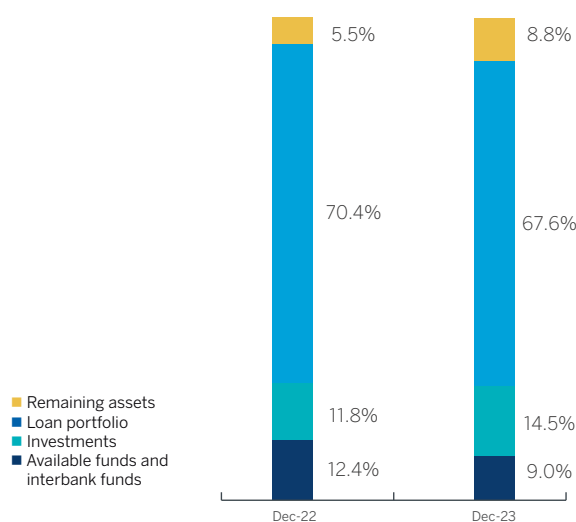
	2022	2023	ΔYear-over-year (2023/2022)	
			Absolute	%
Outstanding loans	68,929	70,192	1,263	1.8%
Overdue loans	3,148	3,482	335	10.6%
Restructured and refinanced loans	1,637	1,809	171	10.5%
<b>Gross loan portfolio</b>	<b>73,714</b>	<b>75,483</b>	<b>1,769</b>	<b>2.4%</b>
<b>Provisions</b>	<b>(4,626)</b>	<b>(4,865)</b>	<b>(239)</b>	<b>5.2%</b>
<b>Net loan portfolio</b>	<b>69,088</b>	<b>70,617</b>	<b>1,530</b>	<b>2.2%</b>

## Variation

In 2023, total assets increased by S/6,256 million (+6.4%), explained by higher balances in Other Assets due to Derivatives operations and Available-for-Sale Investments, driven by the increase in the Bond portfolio.

Loans increased year-on-year, with performance in the Personal and Business segments offsetting the amortizations of Reactiva. In Personal, Mortgages stood out with an increase in Traditional and Sustainable Housing; Consumer loans grew due to the commercial push of Free Availability Loans and placements via Agreements; and Cards saw higher billing as a result of increased usage in Purchases, Cash Dispositions, and Debt Purchases. In Business, the dynamics of SMEs slowed in the last months of the year due to a higher-risk environment, which was countered by a recovery in placements in the Large Enterprise and Corporate segments.

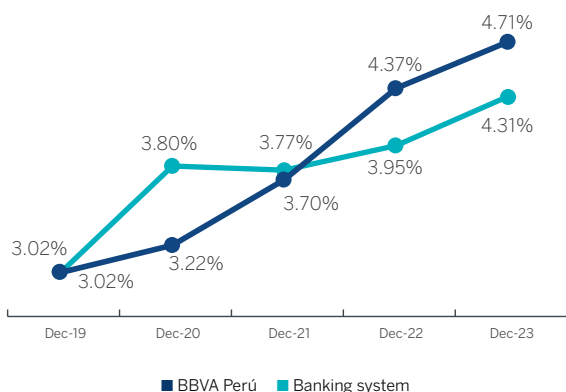
### Asset structure composition



In the year-over-year comparison of the Asset mix, an increase in the share of Available-for-Sale Investments and Other Assets was observed. Additionally, Cash decreased and was used to cover the liquidity needs of the balance sheet due to the growth of the Non-Reactiva Loan Portfolio.

## Asset quality

### Delinquency ratio



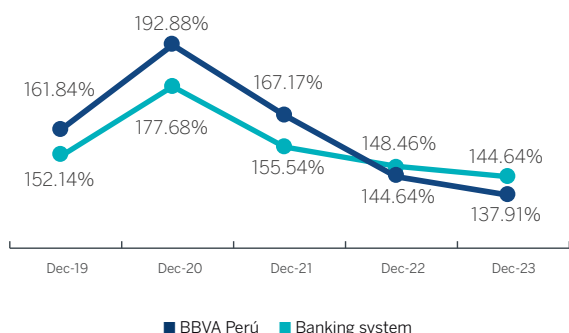
Source: Superintendence of Banking, Insurance and AFPs.



The upward trend in the delinquency ratio observed in the banking system intensified in 2023, due to negative impacts experienced at the beginning of the year, such as social conflicts and floods, coupled with the slowdown in economic activity in the latter half of the year. These factors affected the payment capacity of clients in segments such as Consumers and SMEs.

In line with this, BBVA Peru's delinquency ratio stood at 4.71% at the end of 2023, marking an increase of 36 basis points compared to the previous year. This performance is attributed to an increase in overdue loans by S/329 million, with the small business segment being the main contributor to the deterioration (over 80%). Additionally, the disparity in delinquency levels compared to the system was due to various policies on divestments, sales, and write-offs. Isolating these effects, BBVA Peru maintained a position aligned with major competitors.

#### Coverage ratio



Source: Superintendency of Banking, Insurance and AFPs (SBS).

The coverage ratio at the end of 2023 stood at 138%, reflecting a decrease from the 145% recorded in 2022. This variation is attributed to the increase in the overdue portfolio during 2023 (+10%), due to external factors that particularly affected small businesses, as detailed in the previous point. Despite a 5% YoY growth in the stock of provisions, the reduction in the ratio was accentuated by the internal dynamics of the provisions. On the other hand, specific provisions increased by 15%, while voluntary provisions experienced a 23% contraction, in line with the utilization of these provisions in the financial system.

In this scenario, it is noteworthy that the Bank maintains a competitive position in coverage compared to its peers, especially against the main competitor, which has a balance sheet structure similar to BBVA's.

#### Liabilities management

##### Liabilities and equity In millions of soles

	2022	2023	ΔYear-over-year (2023/2022)	
			Absolute	%
Public obligations	66,054	69,208	3,154	4.8%
Deposits from the Financial System	1,042	1,665	623	59.8%
Interbank Funds	0	378	378	—
Financial Debts and Obligations	4,029	5,903	1,874	46.5%
Other Liabilities(*)	15,774	14,889	(885)	-5.6%
<b>Total Liabilities</b>	<b>86,899</b>	<b>92,044</b>	<b>5,145</b>	<b>5.9%</b>
<b>Equity</b>	<b>11,257</b>	<b>12,369</b>	<b>1,112</b>	<b>9.9%</b>
<b>Total liabilities and equity</b>	<b>98,156</b>	<b>104,413</b>	<b>6,256</b>	<b>6.4%</b>

(\*) Other Liabilities: Includes BCR Funding, Reactiva Funding, and Repo Operations.

## Deposits detail *In millions of soles*

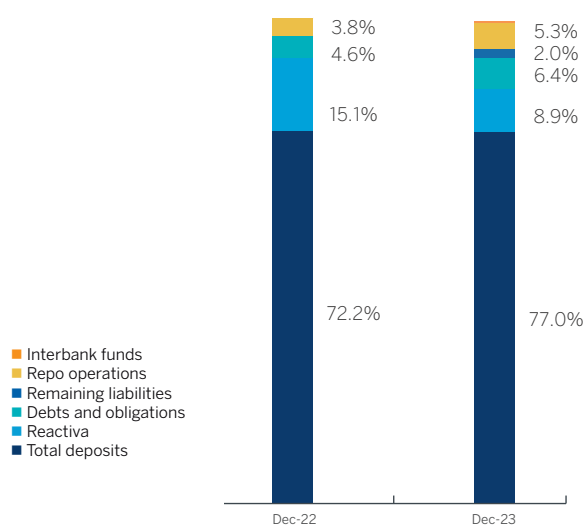
	2022	2023	ΔYear-over-year (2023/2022)	
			Absolute	%
Sight deposits	22,484	22,733	249	1.1%
Savings deposits	25,112	22,742	(2,370)	-9.4%
Time deposits	18,222	23,523	5,301	29.1%
Otras obligaciones	235	210	(25)	-10.7%
<b>Public obligations</b>	<b>66,054</b>	<b>69,208</b>	<b>3,154</b>	<b>4.8%</b>
<b>Financial system deposits</b>	<b>1,042</b>	<b>1,665</b>	<b>623</b>	<b>59.8%</b>
<b>Total deposits</b>	<b>67,096</b>	<b>70,874</b>	<b>3,777</b>	<b>5.6%</b>

## Variation

Year-over-year, Total Liabilities increased by S/5,145 million (+5.4%), mainly in Public Obligations (+4.8%), concentrated in Time Deposits and Debt and Financial Obligations (+46.5%) due to financing from the IFC for USD 150 million and China Development Bank for USD 179 million.

Total Deposits showed a 4.8% increase compared to the previous year, driven by the rise in Time Deposits (+29.1%). Campaigns offering attractive interest rates in both soles and dollars maintained the growth of Natural Term Deposit balances. Meanwhile, legal deposits increased in both Demand and Time Deposits, highlighting the performance of Corporate and Business Banking.

## Composition of the liability structure



Regarding the liability mix, as of December 2022, deposits remained the primary funding source, while the share of Reactiva funding continued to decrease due to amortizations. The weight of debt and financial obligations increased due to loans from IFC and CDB.

## Income Statement

### Income Statement In millions of soles

	2022	2023	ΔYear-over-year (2023/2022)	
			Absolute	%
Interest income	5,717	7,575	1,858	32.5%
Interest expense	(1,126)	(2,230)	1,104	98.1%
<b>Gross financial margin</b>	<b>4,591</b>	<b>5,345</b>	<b>754</b>	<b>16.4%</b>
Provisions for direct loans	(999)	(1,964)	965	96.6%
<b>Net financial margin</b>	<b>3,592</b>	<b>3,380</b>	<b>(211)</b>	<b>-5.9%</b>
Financial services income	1,547	1,692	145	9.4%
Financial services expense	(674)	(699)	24	3.6%
<b>Net financial margin of income and expense from financial services</b>	<b>4,464</b>	<b>4,373</b>	<b>(91)</b>	<b>-2.0%</b>
ROF (Result from Financial Operations)	641	856	215	33.6%
<b>Operating margin</b>	<b>5,105</b>	<b>5,229</b>	<b>124</b>	<b>2.4%</b>
Administrative expenses	(2,124)	(2,453)	329	15.5%
Depreciation and amortization	(210)	(231)	21	10.0%
<b>Net operating margin</b>	<b>2,770</b>	<b>2,545</b>	<b>(225)</b>	<b>-8.1%</b>
Asset valuation and provisions	(133)	(194)	61	45.9%
<b>Operating result</b>	<b>2,638</b>	<b>2,352</b>	<b>(286)</b>	<b>-10.8%</b>
Other income and expenses	9	69	60	698.0%
<b>Profit before taxes</b>	<b>2,646</b>	<b>2,420</b>	<b>(226)</b>	<b>-8.5%</b>
Income tax	(734)	551	183	-24.9%
<b>Net profit</b>	<b>1,913</b>	<b>1,869</b>	<b>(43)</b>	<b>-2.3%</b>

## Financial Margin

Year-over-year, interest income increased by 32.5% in 2023, driven by the performance of the Loan Portfolio, which experienced significant volume and price growth in both Retail and Non-Reactiva Corporate Loans. The high reference rate for most of the year also boosted the profitability of Available Funds and the Securities Portfolio. Lastly, interest expenses grew due to the higher volume and price of Time Deposits for both Natural and Legal Persons.

## Provisions

Provisions for direct loans increased by S/965 million, mainly due to the rise in specific provisions, explained by a higher constitution in the retail segments, given the macroeconomic shocks mentioned earlier, increased retail mix, and external alignment.

## Commissions

Financial services income improved by S/145 million due to the outstanding performance in the Retail segment (Cards and Insurance), account maintenance fees, Guarantees, and long-term Operations Structuring, offsetting lower income from Transfers. Meanwhile, Paid Commissions rose by S/25 million, primarily due to payments to Visa and MasterCard brands and expenses associated with the Card Loyalty Program. Consequently, Net Commissions had a positive year-over-year performance, growing by S/120 million (+13.8%).

## ROF and RINO

Regarding Results from Financial Operations (ROF), there was an increase of S/215 million compared to the previous year, representing a 33.6% rise due to the recovery of the Derivatives position, valuation of the Investment Portfolio, and positive results in hedging operations. On the other hand, Results from Non-Operating Income (RINO) decreased by S/33 million, mainly due to lower profits generated by subsidiaries and associates.

## Administrative Expenses

### Administrative Expenses In millions of soles

	2022	2023	ΔYear-over-year (2023/2022)	
			Absolute	%
Staff and Board expenses	1,016	1,116	100	9.9%
Third-party services expenses	1,060	1,286	226	21.3%
Taxes and contributions	49	51	2	4.6%
<b>Total</b>	<b>2,124</b>	<b>2,453</b>	<b>329</b>	<b>15.5%</b>

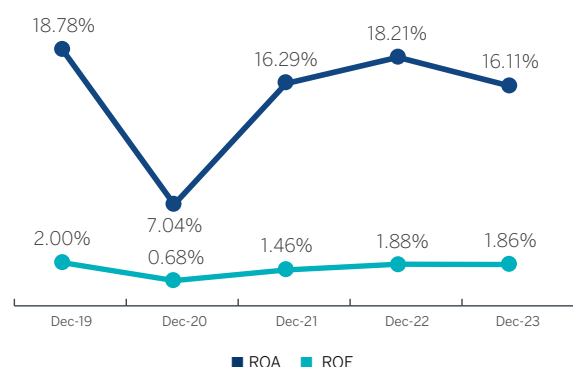
Administrative expenses increased by S/329 million due to higher costs for Third-Party Services related to licenses, rentals, maintenance, security, the back office, advertising campaigns, and digital sales. Additionally, Fixed and Variable Personnel Expenses rose due to salary adjustments and new hires.

## Net income and profitability

Finally, net income was S/1,869 million, 2.3% lower than the previous year, due to higher Administrative Expenses and Provisions, which offset the good performance in Gross Margin, Net Income from Financial Services, ROF, and the lower implicit tax cost.

## Profitability management

### Return on Equity (ROE) Return on Assets (ROA)



Source: Superintendency of Banking, Insurance and AFPs.

The results yielded a Return on Assets ratio of 1.86% and a Return on Equity of 16.11%, with a variation of -2 bps and -2.1 pp, respectively, compared to December 2022.

## Solvency and regulatory capital

Legislative Decree No. 1531, dated March 19, 2022, amended the Banking Law to adapt the capital approach to Basel III standards, effective January 2023. Fundamental changes include the composition of effective equity, minimum ratio requirements by capital levels, and authorities in case of non-compliance with solvency requirements, among others. The SBS, through general norms, established the forms and timelines for compliance; thus, by SBS Resolution No. 03952-2022 of December 27, 2022, the minimum solvency requirements established in Article 199 of the General Law were set to be gradually implemented from January 2023 to December 2026, reaching 4.5% for CET1, 6% for Tier 1, and 10% as Global Limit, plus additional buffers to be covered with CET1 or the Global Ratio.

As of December 31, 2023, the minimum regulatory global capital ratio was 9.0%, and according to the schedule published in SBS resolution 02192-2023 issued on June 26, 2023, which modifies the gradual increase of the global limit, the ratio will be 9.0% until February 2024, 9.5% from March 2024 to August 2024, and 10% from September 2024 onwards.

Period	Minimum common equity Tier 1 Capital	Minimum effective Tier 1 Capital	Global Limit
January 2023 to March 2023	3.825%	5.10%	8.50%
April 2023 to February 2024	4.05%	5.40%	9.00%
March 2024 to August 2024	4.275%	5.70%	9.50%
September 2024 onwards	4.50%	6.00%	10.00%

In the new Effective Equity structure, within Common Equity Tier 1, new concepts such as Accumulated and Current Year Net Income, Unrealized Gains/Losses on Available-for-Sale Investments, and deductions for Investments in Subsidiaries / Financial System Companies, Intangible Assets, and other deferred charges for the calculation of the Capital measure are included. Furthermore, a new conservation buffer (equivalent to 2.5% of total RWA) is created, to be covered by Common Equity Tier 1, along with buffers for Economic Cycle and Market Concentration.

As of December 31, 2023, the Bank's effective equity according to current legal norms is S/14,912 million:

#### Total effective equity In millions of soles

	2022	2023	Year-over-year variation	
			Absolute	%
<b>Total effective equity</b>	<b>12,885</b>	<b>14,912</b>	<b>2,027</b>	<b>15.7%</b>
<b>Common Equity Tier 1 (CET1)</b>	<b>9,587</b>	<b>11,798</b>	<b>2,211</b>	<b>23.1%</b>
Social capital	7,382	8,147	765	10.4%
Reserves	2,245	2,245	0	0.0%
Current year net income	0	1,869	1,869	—
Unrealized gains on DPV investments	0	131	131	—
Regulatory adjustments deductions	-40	-595	-555	1398.1%
<b>Additional Tier 1 Capital</b>	<b>3,298</b>	<b>3,114</b>	<b>-183</b>	<b>-5.6%</b>
Generic provisions	1,055	1,073	18	1.7%
Subordinated debt	2,282	2,041	-241	-10.6%
Regulatory adjustments deductions	-40	0	40	-100.0
<b>Risk-weighted assets</b>	<b>92,296</b>	<b>95,668</b>	<b>3,371</b>	<b>3.7%</b>
Credit risk	84,224	85,739	1,514	1.8%
Market risk	1,425	2,584	1,158	81.2%
Operational risk	6,646	7,345	699	10.5%
<b>CET1 ratio %(*)</b>		<b>12.33%</b>		
<b>Tier 1 ratio</b>		<b>12.33%</b>		
<b>Global capital ratio</b>	<b>13.96%</b>	<b>15.59%</b>		
<b>Legal minimum ratio / Legal ratio</b>	<b>8.50%</b>	<b>9.00%</b>		

(\*) Common Equity Tier 1 (CET1) as stipulated in Law No. 1531, dated March 19, 2022, and Official Letter No. 7850-2023-SBS dated February 17, 2023, which establishes maintaining a minimum level of 10%.

According to the Regulation for the Requirement of Effective Equity for Additional Risks, approved by SBS Resolution No. 03953-2022 (published on December 22, 2022), the requirement for additional effective equity is equal to the sum of the effective equity requirements calculated for each of the following components: concentration risk and interest rate risk in the banking book. As of December 31, 2023, the effective equity requirement for additional risks for the Bank amounted to S/486 million.

The Regulation for the Requirement of Conservation Buffers, Economic Cycle, and Market Concentration Risk, approved by SBS Resolution No. 03954-2022 (published on December 22, 2022), established methodologies for calculating the buffer requirements for the economic cycle, the activation and functioning of the economic cycle buffer requirement, the market concentration risk buffer requirement, the capital conservation buffer requirement, applicable restrictions in case of non-compliance with buffer requirements, and other measures. As of December 31, 2023, the requirement for these buffers amounted to S/1,555 million.

Furthermore, by SBS Official Letter No. 7850-2023-SBS dated February 17, 2023, the SBS established that the Bank must maintain Common Equity Tier 1 (CET1) levels above 10%, considering the new composition effective from 2023. As of December 31, this ratio stood at 12.33%.

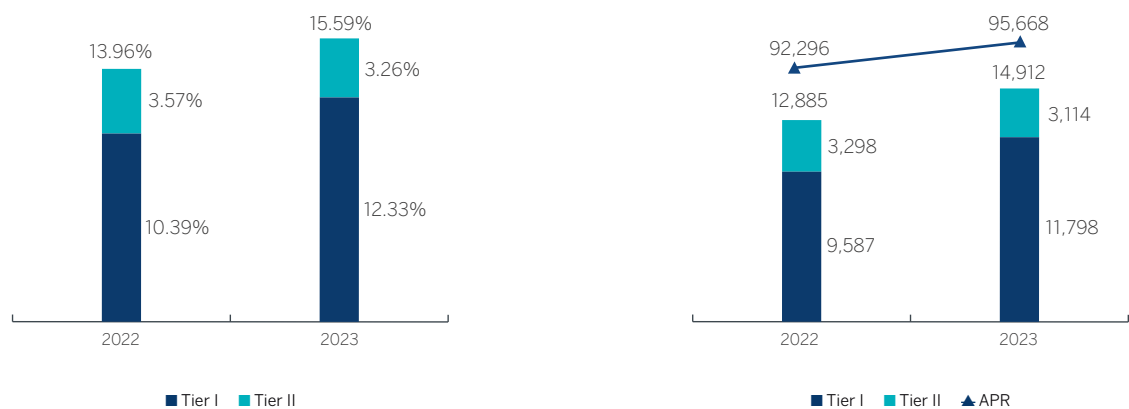
Variation

Comparing year-over-year, Regulatory Capital increased by 15.7% due to the capitalization of 2022 profits (+S/765 million) and higher Legal Reserves. Additionally, due to a change in the capital calculation methodology, net income for the year (+S/1,869 million) and unrealized gains on investments were included in Common Equity, partially offset by higher regulatory deductions, including investments in subsidiaries and financial system companies, intangible assets, other deferred charges, and unrealized losses on available-for-sale investments. Moreover, there was an increase in generic provisions that count towards Effective Equity and a slight reduction in Tier 2 subordinated debt in dollars due to higher deductions, the execution of the subordinated bond call for USD45 million (maturing in Oct-28), and a lower exchange rate.

Risk-weighted assets (RWA) increased by 3.7%, driven by growth in Credit RWA (+1.8%), in line with increased activity in all segments excluding Reactiva maturities, partially offset by the exclusion of intangible assets and other deferred charges within the Credit Risk calculation (alignment with Basel III). Market RWA increased by 81%, mainly due to greater exposure to interest rate risk in the net derivative position, partially offset by lower Exchange Rate Risk, while Operational RWA showed a positive variation of 10.5% due to business growth in all segments and increased financial services income.

It is important to highlight that BBVA Peru maintains the objective of strengthening solvency levels, enabling it to comfortably cover capital requirements that have been implemented locally in line with international standards.

Effective equity, risk-weighted assets, and capital ratios In millions of soles and percentages



Source: Superintendency of Banking, Insurance and AFPs.

## Risk classification

As of December 31, 2023, BBVA Peru held the investment grade assigned by prestigious international agencies.

### International risk classification

Instrument	Standard & Poor's
Long-term issues in FC	BBB
Short-term issues in FC	A-2
Long-term issues in LC	BBB
Short-term issues in LC	A-2
Perspective	Negative

Instrument	Standard & Poor'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 and Moody's Local.

### Local risk classification

Instrument	Apoyo & Asociados	Moody's
Term deposits < 1 year	CP-1+(pe)	ML A-1+,pe
Term deposits > 1 year	AAA (pe)	AAA.pe
Corporate Bonds	AAA (pe)	AAA.pe
Subordinated Bonds	AA+(pe)	AA+.pe
Financial Leasing Bonds	AAA (pe)	AAA.pe
Common Stock	1a (pe)	1a Clase.pe
Entity Rating	A+	A+
Negotiable Deposit Certificates	CP-1+(pe)	ML A-1+,pe

Current ratings as of December 2023. 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. Separated audited financial statements

### **Banco BBVA Perú**

Separate financial statements as of December 31, 2023 and 2022 together with Independent Auditor's Report



# Translation of financial statements originally issued in Spanish - Note 32

## **Banco BBVA Perú**

### Separate financial statements as of December 31, 2023 and 2022 together with Independent Auditor's Report

#### **Contents**

#### **Independent Auditor's Report**

#### **Separate Financial Statements**

Separate statement of financial position

Separate statement of income

Separate statement of income and other comprehensive income

Separate statement of changes in equity

Separate statement of cash flows

Notes to the separate financial statements

## Translation of independent auditor's report and financial statements originally issued in Spanish - Note 32

### Independent Auditor's Report

To the Shareholders of Banco BBVA Perú

#### *Opinion*

We have audited the separate financial statements of Banco BBVA Perú (a subsidiary of BBVA Perú Holding S.A.C., an entity incorporated in Peru, hereinafter "the Bank" which comprise the separate statement of financial position as of December 31, 2023, and the separate statements of income, separate income and other comprehensive income, changes in equity and cash flows for the year then ended; and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of Banco BBVA Perú as of December 31, 2023, as well as its financial performance and separate cash flows for the year then ended, in accordance with the accounting standards established by the Superintendence of Banking, Insurance and Private Pension Funds Administrators ("SBS", by its Spanish acronym) for financial entities in Peru, see note 2.

#### *Basis of the opinion*

We conducted our audit in accordance with the International Standards on Auditing (ISAs) approved for application in Peru by the Board of Peruvian Associations of Certified Public Accountants. Our responsibilities under these standards are further described in more detail in the section Auditor's responsibilities for the audit of the financial statements of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Peru, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Lima  
Av. Víctor Andrés  
Belaunde 171  
San Isidro  
Tel: +51 (1) 411 4444

Lima II  
Av. Jorge Basadre 330  
San Isidro  
Tel: +51 (1) 411 4444

Arequipa  
Edificio City Center, Piso  
13, Torre Sur, Cerro  
Colorado, Arequipa  
Tel: +51 (54) 484 470

Trujillo  
Av. El Golf 591 Urb. Del Golf III  
Víctor Larco Herrera 13009,  
Sede Miguel Ángel Quijano Doig  
La Libertad  
Tel: +51 (44) 608 830

## Translation of independent auditor's report and financial statements originally issued in Spanish - Note 32

### Independent Auditor's Report (continued)

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide an opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included conducting procedures designed to respond to the risks of material misstatement assessed in the financial statements. The results of the audit procedures, including the procedures performed to address the matters mentioned below, form the basis for the audit opinion on the accompanying financial statements.

Key Audit Matter	Audit response
<p>Estimation of the provision for the non-retail loan portfolio under the regulations of the Superintendence of Banking, Insurance and Private Pension Funds Administrators ("SBS", by its Spanish acronym)</p>	<p>We gained an understanding, evaluated the design and tested the operational effectiveness of the controls of the estimation of the provision for non-retail loan portfolio under the regulations of the SBS, which included:</p> <ul style="list-style-type: none"> <li>- Methodology and criteria established for the calculation according to SBS required regulations.</li> <li>- Integrity and accuracy of the database in the Bank's systems.</li> <li>- Credit classification of non-retail loan portfolio, considering the Bank's methodology and SBS requirements.</li> </ul>
<p>As described in note 3(d) to the separate financial statements, the estimate of the provision for the non-retail loan portfolio is determined following the methodology defined by the SBS, which establishes the specific percentages for the calculation of the provision, which depend on the credit classification of the debtor. To define the debtor's credit rating, the Bank, among other relevant factors, considers: The debtor's payment experience, the history of commercial relations with the debtor's management, the history of operations, the debtor's ability to pay and availability of funds, the situations of</p>	

## Translation of independent auditor's report and financial statements originally issued in Spanish - Note 32

### Independent Auditor's Report (continued)

collaterals and guarantees received, the analysis of the financial statements of the debtor, the risk of the debtor in other financial institutions in the market.

Therefore, we consider that the estimation of the provision for the non-retail loan portfolio is a key audit matter; given that, to define the calculation rate of the provision, the debtor must be classified based on qualitative and quantitative variables in which the critical and professional judgment of the Bank's risk specialists intervenes.

- Review of the calculation of the estimation of the provision for the non-retail loan portfolio in the Bank's systems.
- Disclosure in the notes to the financial statements.

In addition, we carried out detailed substantive procedures, which included:

- We assessed whether the accounting policies defined by the Bank are coherent with SBS requirements.
- We tested the integrity and accuracy of the data used in the provision calculation.
- We inspected in a selective manner the credit classification of the debtor, assessing the reasonability of Management's most relevant assumptions.
- We perform a recalculation of the estimate of the non-retail loan portfolio provision.
- We evaluated the adequacy of disclosures in the notes to the separate financial statements.

---

#### Information Technology (IT) Environment

The Bank's activities depend to a large extent on the efficient and continuous operation of information technology key systems and technology infrastructures, which encompass a large number of IT applications and systems for the processing of its operations (from significant volumes), accounting records and preparation of the financial statements.

Assisted by our Information Technology (IT) specialists, our audit efforts focused on the Bank's key systems, related to the processing of its operations, accounting records and preparation of the separate financial statements of the Bank carrying out, among others, the following procedures:

## Translation of independent auditor's report and financial statements originally issued in Spanish - Note 32

### Independent Auditor's Report (continued)

The Bank's IT system consists of a set of complex computer applications, essential in the Bank's various business operations. IT environment controls include: IT governance, overall IT controls over program development and changes, access to programs and data, and IT operations, therefore, such controls must be designed and operated effectively with the aim of ensuring the integrity of accurate accounting records and financial reports, in this way mitigate the potential risk of fraud or error. As same of importance are executed calculations of systems, other IT application controls, and interfaces between IT systems.

Therefore, we consider the information technology environment as a key issue, given that the reliability and security of IT systems plays a fundamental role in ensuring the correct treatment of data processing, accounting records and preparation of financial statements.

#### *Other matters*

The separate financial statements of Banco BBVA Peru have been prepared in compliance with Peruvian legal requirements for the presentation of financial information, as indicated in note 2. These separate financial statements should be read in conjunction with the consolidated financial statements of Banco BBVA Peru and Subsidiaries as of December 31, 2023, which are prepared and presented separately.

- We evaluated and tested overall IT controls by performing: an understanding of IT governance, reviewing key (including compensatory) controls over application and data access management, application changes and developments, and IT operations.
- We tested application controls, considering the design and operational effectiveness of critical automated controls to data processing, accounting records and the preparation of the financial statement. With respect to identified control deficiencies, we tested the design and operational effectiveness of compensation controls.

## Translation of independent auditor's report and financial statements originally issued in Spanish - Note 32

### Independent Auditor's Report (continued)

#### *Other information included in the Bank's 2023 Annual Report*

Other information consists of the information included in the Bank's Annual Report, other than the separate financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the separate financial statements does not cover other information and we do not express any form of conclusion that provides a degree of assurance thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, to consider whether the other information is materially inconsistent with the separate financial statements or our knowledge gained in the audit or otherwise appears to be materially misstated. If, based on the work we have done, we conclude that there is a material error of this other information, we are obliged to report that fact. We have nothing to report in this regard.

#### *Responsibilities of the Bank's management and corporate governance officers in relation to the separate financial statements*

Management is responsible for the preparation and fair presentation of separate financial statements in accordance with the accounting standards established by the Superintendence of Banking, Insurance and Private Pension Funds Administrators ("SBS", by its Spanish acronym) for financial entities 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.

In preparing the separate financial statements, Management is responsible for assessing the Bank's ability to continue as a going concern, disclosing as appropriate matters relating to the going concern and using the going concern basis of the undertaking unless Management intends to liquidate the Bank or cease operations, or have no realistic alternative to doing so.

*Those responsible for the Bank's corporate governance are responsible for overseeing the Bank separate financial reporting process.*

## Translation of independent auditor's report and financial statements originally issued in Spanish - Note 32

### Independent Auditor's Report (continued)

#### *Auditor's responsibilities for the audit of the separate financial statements*

Our objectives are to obtain reasonable assurance as to whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable security is a high level of assurance, but it does not guarantee that an audit conducted in accordance with ISAs approved for application in Peru will always detect a material misstatement where it exists. Inaccuracies may arise due to fraud or error and are considered material if, individually or cumulatively, they could reasonably be expected to influence the economic decisions users make based on the separate financial statements.

As part of an audit in accordance with the International Standards on Auditing (ISAs) approved for application in Peru by the Board of Peruvian Associations of Certified Public Accountants, we exercise professional judgment and maintain professional skepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement in the separate financial statements, whether due to fraud or error, design and execute audit procedures that respond to those risks, and obtain audit evidence that is sufficient and appropriate to provide us with a basis for our opinion. The risk of not detecting a material misstatement due to fraud is greater than that resulting from an error, as fraud may involve collusion, falsification, intentional omissions, misrepresentations or overstepping the internal control system.
- We gained an understanding of the internal control relevant to the audit 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 internal control of the Bank.
- We evaluate the adequacy of the accounting policies used, the reasonableness of the accounting estimates and the respective disclosures made by Management.
- We conclude on the suitability of Management's use of the going concern basis and, based on the audit evidence obtained, whether there is material uncertainty related to events or conditions that may raise significant doubts about the Bank ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our audit report to disclosures relating to the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Conclusions are based on audit evidence obtained to date from our audit report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

## Translation of independent auditor's report and financial statements originally issued in Spanish - Note 32

### Independent Auditor's Report (continued)

- We evaluate the overall presentation, structure, content of the separate financial statements, including disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

We communicate to those charged with the Bank's corporate governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with the Bank's corporate governance with a statement that we have complied with the applicable ethics requirements in relation to independence and that we have disclosed all relationships and other matters that could reasonably be expected to affect our independence and, where applicable, the measures taken to eliminate the threats or safeguards applied.

From the matters that have been the subject of communication with those charged with the Bank's corporate governance, we determine those that have been of the greatest significance in the audit of the separate financial statements for the current period and, therefore, are the key audit matters. We have described such matters in our audit report unless legal or regulatory provisions prohibit public communication of the matter or, in extremely rare circumstances, we determine that a matter should not be disclosed in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lima, Peru  
February 22, 2024

Tanaka, Valdivia & Asociados

Countersigned by:



Sandra Luna Victoria Alva  
Partner  
C.P.C.C. Register No. 50093



# Translation of financial statements originally issued in Spanish - Note 32

## Banco BBVA Perú

### Separate statement of financial position

At December 31, 2023 and 2022

	Note	2023 S/(000)	2022 S/(000)
Assets			
Cash and due from banks	5	9,421,531	12,127,347
Interbank funds		17,009	-
Investments at fair value through profit or loss and available-for-sale investments	6	15,142,464	11,571,509
Loan portfolio, net	7	70,617,356	69,087,751
Trading derivatives	8	1,237,496	1,349,619
Hedging derivatives	8	-	3,659
Realizable, received in payment and seized assets		118,776	67,873
Interests in subsidiaries and associates	9	257,177	175,262
Property, furniture and equipment, net	10	1,192,905	1,077,718
Deferred income tax	24	783,653	768,539
Other assets, net	11	5,624,392	1,926,988
Total assets		<u>104,412,759</u>	<u>98,156,265</u>
Contingent risks and commitments	16	<u>37,062,567</u>	<u>36,308,949</u>
Liabilities			
Obligations with the public and deposits from financial institutions	12	70,873,549	67,096,104
Interbank funds		378,451	-
Debts and financial obligations	13	5,903,205	4,029,240
Trading derivatives	8	1,076,972	1,245,843
Hedging derivatives	8	93,486	103,628
Accounts payable, provisions and other liabilities	14	13,718,247	14,424,261
Total liabilities		<u>92,043,910</u>	<u>86,899,076</u>
Equity	15		
Share capital		8,147,211	7,382,184
Reserves		2,245,122	2,053,490
Unrealized results		107,413	(91,052)
Retained earnings		1,869,103	1,912,567
Total equity		<u>12,368,849</u>	<u>11,257,189</u>
Total equity and liabilities		<u>104,412,759</u>	<u>98,156,265</u>
Contingent risks and commitments	16	<u>37,062,567</u>	<u>36,308,949</u>

The accompanying notes are an integral part of these separate financial statements.

# Translation of financial statements originally issued in Spanish - Note 32

## Banco BBVA Perú

### Separate statement of income

For the years ended December 31, 2023 and 2022

	Note	2023 S/(000)	2022 S/(000)
Interest income	17	7,574,812	5,716,675
Interest expense	18	(2,230,286)	(1,125,966)
Gross financial margin		5,344,526	4,590,709
Provision for direct loans, net of recoveries	7(g)	(1,964,303)	(999,089)
Net financial margin		3,380,223	3,591,620
Income from financial services, net	19	993,138	872,480
Net financial margin of income and expenses from financial services		4,373,361	4,464,100
Profit or loss from financial transactions	20	855,743	640,612
Operating margin		5,229,104	5,104,712
Administrative expenses	21	(2,453,184)	(2,124,482)
Depreciation and amortization		(230,771)	(209,808)
Net operating margin		2,545,149	2,770,422
Measurement of assets and provisions		(193,620)	(132,734)
Operating profit or loss		2,351,529	2,637,688
Other income and expenses, net	22	68,602	8,596
Profit before income tax		2,420,131	2,646,284
Income tax	23	(551,028)	(733,717)
Net profit		1,869,103	1,912,567
Basic and diluted earnings per share in soles	25	0.2294	0.2348
Weighted average number of outstanding shares (in thousands of shares)	25	8,147,211	8,147,211

The accompanying notes are an integral part of these separate financial statements.

# Translation of financial statements originally issued in Spanish - Note 32

## Banco BBVA Perú

### Separate statement of income and other comprehensive income

For the years ended December 31, 2023 and 2022

	2023 S/(000)	2022 S/(000)
Net profit	1,869,103	1,912,567
Other comprehensive income:		
Unrealized gain (loss) on available-for-sale investments	196,079	(40,204)
Unrealized gain (loss) on cash flow hedges	9,980	(30,095)
Interests in other comprehensive income of subsidiaries and associates	(1,275)	(892)
Unrealized (loss) gains on actuarial liabilities	(3,228)	846
Income tax on items of other comprehensive income	(3,091)	11,997
Other comprehensive income for the year, net of income tax	198,465	(58,348)
Total comprehensive income for the year	2,067,568	1,854,219

The accompanying notes are an integral part of these separate financial statements.

## Translation of financial statements originally issued in Spanish - Note 32

### Banco BBVA Perú

### Separate statement of changes in equity

For the years ended December 31, 2023 and 2022

	Number of shares in thousands (note15(a))	Share capital (note15(a)) S/(000)	Legal reserve (note15(b)) S/(000)	Unrealized results (note15(c)) S/(000)	Retained earnings (note15(d)) S/(000)	Total equity S/(000)
Balance as of January 1, 2022	6,758,467	6,758,467	1,896,680	(32,704)	1,559,293	10,181,736
Net profit	-	-	-	-	1,912,567	1,912,567
Other comprehensive income						
Unrealized loss on available-for-sale investments	-	-	-	(36,835)	-	(36,835)
Unrealized loss on cash flow hedges	-	-	-	(21,217)	-	(21,217)
Unrealized loss on interest in other comprehensive income of subsidiaries and associates	-	-	-	(892)	-	(892)
Unrealized gains on actuarial liabilities	-	-	-	596	-	596
Total comprehensive income for the year	-	-	-	(58,348)	1,912,567	1,854,219
Changes in equity (not included in comprehensive income):						
Dividends, note15(d)	-	-	-	-	(779,647)	(779,647)
Capitalization of retained earnings, note15(a)	623,717	623,717	-	-	(623,717)	-
Transfers to reserves and other movements, note 15(b)	-	-	156,810	-	(155,929)	881
Balances as of December 31, 2022	7,382,184	7,382,184	2,053,490	(91,052)	1,912,567	11,257,189
Net profit	-	-	-	-	1,869,103	1,869,103
Other comprehensive income						
Unrealized gains on available-for-sale investments	-	-	-	194,980	-	194,980
Unrealized gains on cash flow hedges	-	-	-	7,036	-	7,036
Unrealized loss on interest in other comprehensive income of subsidiaries and associates	-	-	-	(1,275)	-	(1,275)
Unrealized loss on actuarial liabilities	-	-	-	(2,276)	-	(2,276)
Total comprehensive income for the year	-	-	-	198,465	1,869,103	2,067,568
Changes in equity (not included in comprehensive income):						
Dividends, note 15(d)	-	-	-	-	(956,283)	(956,283)
Capitalization of retained earnings note15(a)	765,027	765,027	-	-	(765,027)	-
Transfers to reserves and other movements, note15(b)	-	-	191,632	-	(191,257)	375
Balances as of December 31, 2023	8,147,211	8,147,211	2,245,122	107,413	1,869,103	12,368,849

The accompanying notes are an integral part of these separate financial statements.

# Translation of financial statements originally issued in Spanish - Note 32

## Banco BBVA Perú

### Separate statement of cash flows

For the years ended December 31, 2023 and 2022

	Note	2023 S/(000)	2022 S/(000)
<b>Reconciliation of the net profit to cash and flows from operating activities</b>			
Net profit		1,869,103	1,912,567
<b>Adjustments</b>			
Depreciation and amortization		230,771	209,808
Impairment of property, furniture and equipment, and intangible assets		45,056	48,400
(Reversal of impairment) Impairment of available-for-sale investments		(11,830)	267
Provisions		2,124,698	1,083,156
Other adjustments		597,440	650,565
<b>Net changes in assets and liabilities</b>			
Loan portfolio		(4,084,564)	(444,194)
Available-for-sale investments		410,210	(178,036)
Accounts receivable and others		(3,449,699)	88,376
Unsubordinated financial liabilities		5,430,733	4,255,702
Accounts payable and others		(949,487)	(4,456,093)
<b>Profit or loss for the year after net changes in assets, liabilities and adjustments</b>		<u>2,212,431</u>	<u>3,170,518</u>
Paid income tax		<u>(1,103,845)</u>	<u>(984,322)</u>
<b>Net cash and cash equivalents from operating activities</b>		<u>1,108,586</u>	<u>2,186,196</u>
Cash flows from investing activities:			
Purchases of interests		-	(153)
Sales of intangibles and property, furniture and equipment		13,705	-
Acquisition of intangible assets and property, furniture, and equipment		(421,638)	(323,593)
Other cash inflows from investing activities		146,199	188,406
Other cash outflows from investing activities		<u>(85,000)</u>	<u>-</u>
<b>Net cash and cash equivalents used in investing activities</b>		<u>(346,734)</u>	<u>(135,340)</u>

# Translation of financial statements originally issued in Spanish - Note 32

## Separate statement of cash flows (continued)

	Note	2023 S/(000)	2022 S/(000)
<b>Cash flows from financing activities</b>			
Cash outflows for redemption of subordinated financial liabilities		-	(78,190)
Cash paid for dividends	15(d)	(955,356)	(778,101)
Other cash inflows from financing activities		4,556,439	796,200
Other cash outflows from financing activities		(3,100,152)	(3,574,144)
<b>Net cash and cash equivalents from (used in) financing activities</b>		<u>500,931</u>	<u>(3,634,235)</u>
<b>Net increase (decrease) in cash and cash equivalents before effects of exchange rate fluctuations</b>		<u>1,262,783</u>	<u>(1,583,379)</u>
Effects of changes in exchange rates on cash and cash equivalents		(292,154)	(624,136)
<b>Net increase (decrease) in cash and cash equivalents</b>		<u>970,629</u>	<u>(2,207,515)</u>
<b>Cash and cash equivalents at the beginning of the year</b>		<u>17,566,095</u>	<u>19,773,610</u>
<b>Cash and cash equivalents at the end of the year</b>		<u>18,536,724</u>	<u>17,566,095</u>
Guarantee funds		849,482	699,639
Interbank funds		(17,009)	-
Investment with maturities of less than 90 days		(9,947,666)	(6,138,387)
<b>Cash and due from Banks per the separate statement of financial position</b>	5	<u>9,421,531</u>	<u>12,127,347</u>

The accompanying notes are an integral part of these separate financial statements.

# Translation of financial statements originally issued in Spanish - Note 32

## Banco BBVA Perú

### Notes to the separate financial statements

As of December 31, 2023 and 2022

#### 1. Operations

##### (a) Background and economic activity -

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, 2023 and 2022. The Bank Bilbao Vizcaya Argentaria S.A. (hereinafter BBVA S.A.) holds 100% of the shares of BBVA Perú Holding S.A.C.

The Bank is a closely held corporation incorporated in 1951 and is authorized to operate as a banking institution by the Superintendence of Banking, Insurance and Private Pension Funds Administrators (hereinafter "SBS", by its Spanish acronym).

The Bank is mainly engaged in financial intermediation inherent to 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 N° 3055 - San Isidro, Lima, Perú.

At December 31, 2023 and 2022, the Bank carries out its activities through a national network of 305 and 314 agencies, respectively. The number of personnel employed by the Bank at December 31, 2023 and 2022 is 7,266 and 6,735, respectively.

##### (b) Climate and political juncture in Peru -

###### (i) Climate juncture

On March 12, 2023, on the wake of the sea-related, atmospheric and prospects of rainfall, as part of the impact of the Cyclone Yaku in Peru, the Peruvian Government instated a National Emergency in several provinces in Peru, given the damage caused by heavy rainfalls to the population's way of living. This was necessary for the government to be able to implement the necessary and immediate response and disaster relief measures and actions, on an exceptional basis, as appropriate.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### (ii) Political juncture -

On December 2022, after a series of political events, various acts of violence and vandalism against public and private institutions were generated, as well as attacks against the personal integrity of citizens and authorities in different regions of Perú. Given this situation, on December 14 and 15, 2022, the Cabinet Presidency enacted supreme decrees No143-2022-PCM and No144-2022-PCM, setting up a 30-day National Emergency, and a mandatory social confinement for 5 days nationwide, respectively.

Due to these events increased the risk of economic losses and difficulties for the affected debtors to be able to comply with the timely payment of their debts, the SBS authorized the financial institutions, as a preventive measure, to reschedule to its customers, see note 2(e) for further details.

Management considers that those conditions have not affected the Bank's operations and have not had a significant impact on the separate financial statements presented as of December 31, 2023, and 2022

### (c) National State of Emergency (COVID19 pandemics) -

In March 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 No 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. In October 2022, the Peruvian officially ended the National Emergency by means of Supreme Decree No 130-2022-PCM.

In coping with the COVID-19 pandemic, the Peruvian Government, the Ministry of Economy and Finance, the Central Reserve Bank of Peru (hereinafter BCRP, by its Spanish acronym) and the banking regulator, SBS, set a number of exceptional measures; see further detail in note 2(e).

### (d) Approval of the separate financial statements -

The separate financial statements As of December 31, 2023 were approved by management on February 22, 2024 and will be submitted for approval to the Board of Directors and General Shareholder's Meeting within the terms established by Law. In management and Board of Director's opinion, the General Shareholder's Meeting will approve the accompanying separate financial statements without amendments. The General Shareholders' Meeting, held March 30, 2023, approved the separate financial statements as of December 31, 2022.



# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### 2. Basis of preparation of the Separate Financial Statements

#### (a) Statement of compliance -

The separate financial statements have been prepared and presented in accordance with the accounting standards established by the SBS for financial institutions in Peru. Those standards are contained in the Accounting Manual for Financial Institutions (hereinafter the Accounting Manual) approved by SBS Resolution N° 895-98 on September 1, 1998 and effective January 1, 2001, including supplemental standards and amendments.

In the absence of such applicable SBS regulations, the SBS has the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and made official in Peru by the Peruvian Accounting Board (CNC, for its Spanish acronym), are applied.

The separate financial statements in accordance with the legal regulations in Peru do not include the effects of consolidation of the Bank with its subsidiaries (note 9). At December 31, 2023 and 2022; the Bank records these investments applying the equity method.

At December 31, 2023 and 2022, the subsidiaries of the Bank 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 in liquidation, Forum Comercializadora del Perú S.A. in liquidation, Forum Distribuidora del Perú S.A. and Continental DPR Finance Company B.V., a special purpose entity.

The consolidated balances of the Bank are presented below at December 31:

	2023 S/(000)	2022 S/(000)
Loan portfolio	70,647,238	69,122,387
Total assets	104,323,802	98,045,446
Total liabilities	91,954,134	86,792,072
Equity	12,369,668	11,253,374
Net profit for the year	1,873,736	1,921,759

#### (b) Basis of measurement -

The separate financial statements were prepared in Peruvian soles based on the accounting records of the Bank under the historical cost principles, except for derivatives, financial instruments at fair value through profit or loss and the available-for-sale financial assets that are measured at fair value.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

(c) Functional and presentation currency -

The Bank prepares and present its separate financial statements in soles (S/ or PEN), which is the currency of the main economic environment in which the Bank operates, such currency influences the Bank's transactions and services it provides, among other factors. All figures are stated in thousands of soles and 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 and the disclosure of significant events in notes to the financial statements. The accounting estimates and underlying judgments used are reviewed on an ongoing basis and are based on historical experience and other factors. The final results may differ from these estimates.

Adjustments resulting from the review of accounting estimates are recognized prospectively, recording the effect on the separate statement of income, at the year in which the review is made.

The most relevant estimates and judgments for the preparation of the Bank's separate financial statements are the following:

- Determination of the fair value of investments, note 3(c) and note 30.
- Provisions for loan losses, note 3(e) and note 7.
- Provision for realizable, received as payment, and repossessed assets, note 3(g).
- Useful life of property, furniture and equipment, note 3(f) and intangible assets, note 3(h).
- Provision for income tax, note 3(o) and note 23.
- Deferred tax, note 3(o) and note 24.
- Determination of the fair value of derivative instruments, note 3(b) and note 30.
- Impairment of non-financial assets, note 3(j).
- Provision for contingencies, note 3(n)(i).

(e) Major pronouncements issued by the SBS, BCRP and the Peruvian Government with an impact on the Peruvian financial system:

As described in note 1 (b) and (c), in addition to measures taken to support the economic recovery and growth of the MYPEs (micro and small businesses), the Peruvian Government, the Ministry of Economy and Finance, the BCRP and the SBS have issued the following regulations with impact on the overall financial system:

Translation of financial statements originally issued in Spanish - Note 32

Notes to the separate financial statements (continued)

Nº	Programs / Measures	Legal basis	Short description of programs / measures	Impact on the Bank
(i)	Loan rescheduling	Official letter Nº10997-2020-SBS, Nº11150-2020-SBS, Nº11170-2020-SBS, Nº12679-2020-SBS, Nº13195-2020-SBS, Nº13805-2020-SBS, Nº14355-2020-SBS y Nº15944-2020-SBS. Issued between March and July 2020.	These official letters set exceptional measures applicable to the loan portfolio, intended to make debt repayment easier for customers of financial institutions that were affected by the restrictive measures taken by the Peruvian Government due to the COVID-19 pandemic. At the reporting date, these official letters are no longer effective.	At December 31, 2023 and 2022, the balance of rescheduled loans with individual and mass portfolio evaluation under these official letters was approximately S/ 270 million and S/ 593 million, respectively.
		Official letter Nº13613-2021-SBS, Nº6302-2021-SBS, y Nº 08441-2023-SBS. Issued between February 2021 and February 2023.	Per these Official letters, the SBS entitled financial institutions to reschedule loans to their customers over 2021. At the reporting date, these official letters are no longer effective.	At December 31, 2023, the balance of rescheduled loans with individual and mass portfolio evaluation due to social unrest was S/ 519 million.
		Official letter Nº 54961-2022-SBS, Nº 03140-2023-SBS, Nº 03583-2023-SBS, Nº 09702-2023-SBS, Nº 11235-2023-SBS y Nº 17305-2023-SBS. Issued between December 2022 and April 2023.	New supplemental prudential measures (loan rescheduling), issued in the framework of the Emergency Status instated due to the social unrest occurring in Peru. At the reporting date, those official letters were no longer effective.	As of December 31, 2023 the balance of rescheduled loans with mass portfolio evaluation due to climate effects amounts to S/126 million.
		Official letter Nº 12174-2023-SBS dated March 15, 2023.	The SBS includes one single document with all prudential provisions for loan rescheduling issued up to the date, making relevant changes in the accounting records and making them applicable to the general Emergency Conditions resulting from the social unrest in the country and natural disasters with severe consequences affecting the lives of the population in certain areas of Peru or nationwide.	
		Official letter Nº 63223-2023-SBS. Dated November 06, 2023.	The SBS clarifies to the prudential measures related to rescheduling. The letter provides accounting clarifications and indications to not consider emergency status classified as “imminent danger” in future rescheduling	
(ii)	Additional provisions for rescheduled loans	SBS resolution Nº3922- dated December 23, 2021.	The SBS set the requirement that for those loans that were rescheduled because of the COVID-19 pandemic, and accounted for as such, the financial institutions shall record additional provisions, as if they had a worse credit rating.	At December 31, 2023 and 2022, the Bank recorded provisions for rescheduled loans of debtors rated as Normal, CPP and Substandard for approximately S/3 million and S/7 million, respectively.
(iii)	Reactiva Perú economic relief program	Legislative Decree Nº 1455-2020 dated April 6, 2020.	Instated with the following objectives: <ul style="list-style-type: none"><li>- Respond to the liquidity needs faced by companies in the context of the COVID-19 pandemic.</li><li>- Ensure continuity of the chain of payments.</li></ul>	At December 31, 2023 and 2022, the Bank holds "Reactiva Perú" loans for around S/1,900 million and S/5,801 million, note 7(c). The amounts secured by the Peruvian Government totaled S/1,675 million and S/5,296 million, respectively.
	Reactiva Perú Up until November 30, 2020	Ministry Resolution Nº 134-2020-EF dated April 13, 2020.	Using this program, the Government granted guarantees to back entities so they can obtain working capital credit facilities and meet their short-term obligations with workers and suppliers of goods and services. Guarantees range from 80% and 98% of the loan amount, whose maximum amount per customer was S/ 10 million, which was determined based on the total sales. Additionally, the Bank obtains the resources to grant these loans based on its repo transactions with the Peruvian Central Reserve Bank (hereinafter BCRP), for the secured portion of the loan.	

Translation of financial statements originally issued in Spanish - Note 32

Notes to the separate financial statements (continued)

N°	Programs / Measures	Legal basis	Short description of programs / measures	Impact on the Bank
	Reactiva Perú rescheduling's Up to December 31, 2021	Emergency Decree N° 026-2021 dated March 6, 2021  Emergency Decree No 091-2021 September 30, 2021	The Peruvian Government has ordered that loans granted under the Reactiva Perú program can be eligible for rescheduling, provided that they meet the requirement set by the applicable standards (mainly involving a decrease in sales). Loan rescheduling can be provided with Bank´s or BCRP´s funding. If Bank´s funding is used, the interest rate can be raised up to 25 basis points. The due dates set for customers to be able to obtain loan rescheduling expired on December 31, 2021.	At December 31, 2023 and 2022, the rescheduled loans including those obtained in the context of the health emergency and those under the Reactiva program totaled S/2,112 million and S/4,115 million, respectively, note 7(c)
	New REACTIVA rescheduling Up to December 31, 2022	Emergency Decree No 011- 2022 May 13, 2022.	Also, the possibility was raised for REACTIVA loans to be subject to new rescheduling up to 10 billion. Rescheduled loans will continue to be backed by the Peruvian Government. BCRP funding will be kept up to due date of the prior rescheduled loan, at which date, they will be replaced with resources of the financial system.	
	Ampliación reprogramaciones REACTIVA hasta el 30 de setiembre de 2023.	Emergency Decree No 026-2022 December 27, 2022.  Ministry Resolution No 074-2023-EF/15 (February 21, 2023).  Emergency Decree N°029-2023 dated July 25, 2023.  Ministry Resolution N° 287-2023-EF/15 dated August 11, 2023.	For those loans from S/ 90,001 to S/ 10 million, decrease in sales of 30% or more in 2021, as compared to 2019, should be demonstrated.  An extension of the due date to apply for rescheduling of Program-backed loans was ordered until September 30, 2023.  Amendments were made to the Operating rules to the economic relief program called Reactiva, under which an extension is given to the loan rescheduling program originally granted under the Programa Reactiva Perú. Also, the possibility is set for new rescheduling for an additional grace period of 24 months to those loans that had been rescheduled under the provisions of Emergency Decree 011-2022.  In this respect, a new debt rescheduling and another period of grace of up to 24 months were authorized to be granted to entities that had rescheduled their Reactiva loans in accordance with the provisions of Urgency Decree N° 011-2022.	
(iv)	Fondo Crecer Up to 2049	Legislative Decree N° 1399 (September 7, 2018).  Supreme Decree N° 007-2019-EF (January 11, 2019).  Law N° 31683 (February 09, 2023)  Supreme Decree N°227-2023-EF (October 25, 2023).	This is a program to secure loans obtained for working capital, fixed assets and export credits intended to bolster the productive development and growth of medium-sized and small entities. The maximum amount to be secured per customer is S/ 10 million. Amounts secured are up to 75% for microbusiness and small entities, up to 70% for medium-sized and up to 60% for exporters.  The scope of application by beneficiaries of the relief fund called Fondo Crecer is amended to be used by microbusinesses, small and medium-sized entities according to the type of financing obtained under the criteria set by the SBS.  Several articles of the rules for application of Legislative Decree N° 1399 were amended. This piece of legislation was enacted to promote and strengthen Micro, Small and Medium-sized entities and create Fondo CRECER, pursuant to Supreme Decree N° 007-2019-EF as a way to implement the changes introduced by Law N° 31689.	At December 31, 2023 and 2022, the Bank holds loans under this program for around S/ 118 million and S/ 133 million, respectively, note 7(c). The amounts secured by the Peruvian Government totaled S/ 75 million and S/ 86 million, respectively.
(v)	Repo transactions with loan portfolio rescheduling	Circular N°0014-2020-BCRP dated April 3, 2020.  Circular BCRP 0021-2020 dated June 7, 2020.	BCRP sets the characteristics and procedures for repo transactions of the loan portfolio secured by the Peruvian Government. At the selling date, the Bank receives the local currency (the sale amount) and, at the same time, it becomes engaged to repurchase such portfolio (repo amount). BCRP will draw down 80 percent of the funds to the Bank´s checking account with the BCRP and the remaining portion will be credited to restricted account also held by the Bank with the BCRP.  The ninth transitional provision supersedes Circular N° 0014-2020-BCRP to introduce changes in the provisions applicable to the Repo Transactions with Loan Portfolio represented by Securities for the purpose of making operability more flexible.	At December 31, 2023 and, 2022, the Bank maintains balances of repo transactions related to the rescheduled portfolio for S/ 4,898 and S/4,901 million, respectively, see note 14.

Translation of financial statements originally issued in Spanish - Note 32

Notes to the separate financial statements (continued)

N°	Programs / Measures	Legal basis	Short description of programs / measures	Impact on the Bank
		Circular N° 033-2020-BCRP dated December 18, 2020.	BCRP has instated the possibility for financial institutions to obtain funding at 0.5% by means of Repo Transactions. Under this mechanism, financial system entities engage to reschedule loans to customers or portfolio bought from other financial system entities to reduce temporarily the interest rate over the period the transaction with the BCRP lasts.	
		Official letter N°11518-2020 dated April 7, 2020 and Official letters N°12791-2020 dated May 8, 2020	SBS has set the accounting model for repo transactions as well as some reporting requirements. Based on those official letters, the loan portfolio is not derecognized but provisions will continue to be made for the portfolio used in repo transaction.	
(vi)	Impulso MYPERU program	Law N°31658 "Ley que Crea el Programa Impulso Empresarial MYPE - IMPULSO MYPERU" dated December 29, 2022 and Ministry Resolution N°066-2023-EF/15 dated February 11, 2023.	<p>The approved Law created the "Impulso MYPERU program" with the purpose of financing loans for debt consolidation, working capital, fixed assets and purchase of debt from MYPEs (the criteria was later expanded to include other companies).</p> <p>The scope and maximum amount were expanded and time limit of reception extended up to June 30, 2024. To date, the program is in force and has a fund of S/15,000 million to financing companies in all productive sectors of the country.</p>	As of December 31, 2023, the Bank does not maintain a credit financing balance under the MYPE Business Impulse Program - IMPULSO MYPERU.
		Emergency Decree N°039-2023 and Ministry Resolution N°419-2023-EF/15, dated November 29, 2023 and December 15, 2023; respectively.		

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

Management considers that the Bank has complied with all exceptional rules and measures set forth by the Peruvian Government, the Ministry of Economy and Finance, the Peruvian Central Reserve Bank and the SBS established to cope with the COVID-19 pandemic, social unrest and climate effects.

(f) New International Financial Reporting Standards (IFRS) -

(i) IFRS issued and effective in Peru as of December 31, 2023:

At the date of the separate financial statements, the CNC has issued the following resolutions:

- Resolution N°001-2023-EF/30 issued on March 30, 2023, which approves the modification to the International Accounting Standard - IAS 1 "Presentation of Financial Statements" and the International Financial Reporting Standard - IFRS 16 is approved "Leases".
- Resolution N°002-2023-EF/30 issued on June 23, 2023, which approves the Complete Set of International Financial Reporting Standards version 2023 is approved, as well as the Conceptual Framework for Financial Reporting.
- Resolution N°003-2023-EF/30 issued on August 16, 2023, which approves the Pre-Publication of the Peruvian Financial Reporting Standard for Microenterprises is approved.
- Resolution N°004-2023-EF/30 issued on December 5, 2023, which approves the use of the modifications to the International Accounting Standard - IAS 12 Income tax, International Financial Reporting Standard - IFRS 1 is approved First-time adoption of International Financial Reporting Standards, International Accounting Standard - IAS 7 Statement of Cash Flows, International Financial Reporting Standard - IFRS 7 Financial Instruments: Disclosure and International Financial Reporting Standard - IAS 21 Effects of variations in foreign currency exchange rates.

Application of the above-mentioned IFRS is effective one day after the date of the resolution or subsequently as indicated in each IFRS.

In 2019 IFRS 16 "Leases" became effective to replace IAS 17 "Leases", interpretation IFRIC 4 "Determining whether an arrangement contains a lease", interpretation SIC 15 "Operating leases -incentives" and SIC 27 "Evaluating the substance of transactions involving the legal form of a lease". The SBS issued official letter N° 467-2019 -SBS dated January 7, 2020 setting that IFRS 16 is not applicable by entities under its supervision.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

IFRS 9 “Financial instruments” became effective in 2018 replacing IAS 39 “Financial instruments: Recognition and Measurement”. At the reporting date, the SBS has not amended or modified its Manual of Accounting for Financial System Entities to be consistent with that standard.

(ii) IFRS issued internationally but not effective as of December 31, 2023:

The following amendments to standards and interpretations have been published by the IASB and are effective for reporting periods beginning on or after January 1, 2024:

- Amendments to IFRS 16 “Leases”: Lease liability in a sale and leaseback  
The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and shall be applied retrospectively to sales and leaseback transactions entered into after the initial effective date of IFRS 16. Early application is permitted provided that this fact is disclosed.
- Amendments to IAS 1 “Presentation of financial statements”: Classification of liabilities and current and non-current  
In January 2020 and October 2022, the IASB published amendments to paragraphs 69 to 76 of IAS 1 to specify the criteria to classify liabilities as current and non-current. The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and shall be applied retrospectively.
- Amendments to IAS 7 “Statement of cash flows” and IFRS 7 “Financial instruments: disclosures”: Supplier finance arrangements.  
In May 2023, the IASB issued amendments to IAS<sup>o</sup> 7 “Statement of cash flows” and IFRS 7 “Financial instruments: Disclosures” to clarify the characteristics of supplier financing arrangements and set the requirement to provide additional information about those arrangements. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Early application is permitted provided that this fact is disclosed.

As indicated in note 2(a), the above-mentioned standards and interpretation in (i) and (ii) will only be applicable to the Bank on a supplemental basis, to those indicated by the SBS, when situations arise that are not addressed in the Accounting Manual. Bank Management has not determined the effect on the preparation of its separate financial statements because the SBS has not adopted those accounting pronouncements.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### 3. Accounting Principles and Practices

In preparing and presenting the accompanying separate financial statements, the Bank Management has met the standards set by the SBS currently effective in Peru. Major accounting principles and practices implemented as of December 31, 2023 have not changed significantly in relation with those applied as of December 31, 2022, as summarized in the audit report dated February 23, 2023.

#### (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 income. Payments to holders of financial instruments are directly recorded in equity.

Gains from the transfer of loan portfolio are recognized as income; however, in the case of transfers through swap, or financed, such gains are recognized as deferred income, 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:

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.

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 derecognizes 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.



## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the separate financial statements (continued)

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. 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 one 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 income.

#### 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 Institutions" and amendments, derivative financial instruments are recorded on the negotiation date.

#### Held-for-trading instruments:

Held-for-trading instruments are initially recognized in the separate statement of financial position at fair value; subsequently, they are measured at fair value.

Future foreign currency operations ("forwards"), interest rate or currency exchange operations ("swaps") and options are recorded at their estimated market value, recognizing an asset or liability in the separate statement of financial situation, as appropriate, and the gain or loss from the valuation or settlement in the separate result for the year. The nominal value of derivative financial instruments is recorded in the committed or agreed currency, in contingent and/or memorandum accounts.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### Hedge derivative instruments:

A hedging derivative financial instrument is recorded as such if, on the negotiation date, it is expected that the changes in its fair value or in the cash flows it generates will be highly effective in offsetting the changes generated in the hedged item, during the coverage term. Pursuant to SBS Resolution N° 1737-2006 and amendments, a hedge is considered highly effective if changes in the fair value or cash flows of the hedged instrument and the instrument used as a hedge are expected to be within a range of 80% to 125% effective in reducing the risk associated with the hedged exposure.

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 trading derivatives.

#### (i) Fair value hedge -

Changes in the fair value of the hedge derivative instrument and hedge item is recognized in the separate statement of income, from the moment the hedge is designated and, provided it is effective.

Changes in fair value of hedge item (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 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 separate statement of income and other comprehensive income, while the ineffective portion is recognized in the separate statement of income.

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 income and other comprehensive income, as appropriate, are transferred to the separate statement of income within the effective term of the hedged item.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### (c) Investments -

The Bank applies the recognition and measurement criteria to investments in instruments, in accordance with SBS Resolution N° 7033-20 12 "Regulation on the 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 recognition.

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 separate statement of income 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 income.

#### (ii) Held-to-maturity investments

This category includes debt instruments with collections 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 of holding them until maturity; ii) the Bank must have the financial capacity to hold them until maturity; and iii) they are instruments other than those that, at the time of initial recognition, the Bank has designated to be accounted for at fair value through profit or loss, or as available-for-sale assets.

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.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the separate financial statements (continued)

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 separate statement of income.

(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.

The gain or loss originated by the fluctuation of the fair value of the available-for-sale investments is recognized directly in equity until the instrument is sold or realized, at which time the gain or loss that previously recognized in equity is transferred and recorded in the separate result for the year, except for value impairment losses that are recorded in the results when they occur.

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 income) is removed from equity and recognized in the separate statement of income. 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 profit or loss for the period.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

Interest income 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 separate statement of income when the right to receive the payment has been established.

### Impairment assessment -

SBS Resolution N° 7033-2012, as amended, as well as SBS resolution N° 2610-2018 set a standard methodology for identifying impairment of available-for-sales investments and held-to-maturity investments. That methodology is to be applied quarterly to all debt and equity instruments as follows:

#### (i) Debt instrument:

At each quarter-end, involving the entire debt instrument portfolio, an assessment shall be conducted of whether the following has occurred:

1. Weakening of the financial position or financial ratios of issuer and its economic group.
2. Downgrading of the credit rating of the instrument or issuer, in at least two (02) "notches", from the date of acquisition of the instrument, where one "notch" reflects the minimum difference between two risk ratings inside one single rating scale.
3. Disruption of transactions or an active market for the financial asset, due to issuer's financial difficulty.
4. Observable inputs indicate that, from the initial recognition of a group of financial assets with similar characteristics to those of the assessed instrument, there is a measurable decrease in the estimated future cash flows, even though that decrease cannot yet be related to individual financial assets of the group.
5. Decrease in value due to changes in standards (tax, regulatory or governmental).
6. Significant decrease in fair value below the amortized cost. A significant decrease exists if the fair value at the closing date has decreased by at least 40% below its amortized cost at that date.
7. Prolonged decrease in fair value. A prolonged decrease exists if the fair value at the closing date has decreased by at least 20% as compared to the amortized cost of the prior twelve (12) months, and the fair value at each month's closing date for the period of the prior twelve (12) months has always been held below the amortized cost at the date of each month's closing date.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

The fair value to be used to assess criteria 6 and 7 is that used in determining the value of debt instruments available for sale, under the criteria set by the above-mentioned resolution, regardless of the accounting classification given to the debt instrument. However, if the decrease in fair value of the debt instrument is fully due to an increase in risk-free interest, such a decrease shall not be considered an indicator of impairment.

In the event at least two (2) of the above-described conditions actually occur, it is said that impairment exists. In the event at least two (2) of the above-described conditions have not occurred, it will be enough to see one of the following specific conditions to occur to considered that impairment exists:

- (a) Noncompliance with contractual clauses, such as default in payment interest or not principal.
- (b) Renegotiating contractual terms of the instruments based on legal or financial issues involving the issuer.
- (c) Evidence exists that the issuer is undergoing mandatory restructuring or bankruptcy.
- (d) When the risk rating of an instrument that held investment grade is downgraded below the investment grade.

(ii) Equity instrument:

At each quarter-end, involving equity instruments, an assessment shall be conducted of whether the following has occurred:

- 1. Downgrading the risk rating of any debt instrument of the issuer that was rated as investment grade to a rating that below the investment grade.
- 2. Significant changes have occurred in the technological, market, economic, or legal environment in which the issuer operates that may have adverse effects on the recovery of the investment.
- 3. Weakening of the financial position or financial ratios of issuer and its economic group.
- 4. Disruption of transactions or an active market for the financial asset, due to issuer's financial difficulty.
- 5. Observable inputs indicate that, from the initial recognition of a group of financial assets with similar characteristics to those of the assessed instrument, there is a measurable decrease in the estimated future cash flows, even though that decrease cannot yet be related to individual financial assets of the group.
- 6. Decrease in value due to changes in standards (tax, regulatory or governmental).

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the separate financial statements (continued)

7. In the event at least two (2) of the above-described conditions actually occur, it is said that impairment exists. In the event at least two (2) of the above-described conditions have not occurred, it will be enough to see one of the following specific conditions to occur to be considered that impairment exists:
- (a) Significant decrease in fair value below the amortized cost. A significant decrease exists if the fair value at the closing date has decrease by at least 40% below its amortized cost, acquisition cost is always to be the initial cost, regardless of whether impairment had been previously recognized of the equity instruments assessed.
  - (b) Prolonged decrease in fair value. A prolonged decrease exists if the fair value at the closing date has decreased by at least 20% as compared to the amortized cost of the prior twelve (12) months, and the fair value at each month's closing date for the period of the prior twelve (12) months has always be held below the amortized cost at the date of each month's closing date.
  - (c) Noncompliance with statutory provisions by issuer, involving payment of dividends.
  - (d) Evidence exists that the issuer is undergoing mandatory restructuring or bankruptcy.

The fair value to be used for the purposes of evaluating the situations indicated in numerals a) and b), is the fair value considered for the purposes of the valuation of available for sale capital instruments, in accordance with the guidelines established in the aforementioned Resolution. The aforementioned numerals a) and b) are not applicable to equity instruments classified in the available for sale category and valued at cost due to the absence of a reliable fair value.

Further, if the SBS considers that an additional provision shall be recorded for any type of investment, such a provision will be determined based on each individual security and shall be recorded in profit or loss for the year in which SBS sets the requirement to make such a provision.

Recognizing differences on exchange -

Exchange gains or losses derived from the amortized cost of debt instruments are stated in profit or loss and those arising from the difference between the amortized cost and the fair value are stated within unrealized gains or losses in equity.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the separate financial statements (continued)

For equity instruments, they are considered non-monetary items, and therefore, they are stated at their historical cost in local currency because exchange gains or losses are part of their valuation and are recognized in unrealized gains or losses in equity.

#### Changes in classification -

In the event of changes in classification from available-for-sale investments to held-to-maturity investments, the carrying amount of fair value of the investment instrument at the date of exchange will be considered the new amortized cost. Any previously recognized profit or loss on that instrument that was previously directly stated in equity will be carried to profit or loss for the period over the remaining life of the held-to-maturity investment using the effective interest method. Any difference arising between the new amortized cost and the amount at maturity date will be also amortized over the remaining life of the investment instrument using the effective interest method, same way as the amortization of a premium or a discount. If the investment instrument is subsequently impaired, any resulting gains or losses that had been directly recognized in equity shall be transferred and stated in profit or loss for the period. During 2023 and 2022, the Bank did not perform any reclassifications.

#### (d) Equity in subsidiaries and associates -

The representative capital securities acquired in order to equity participation and have control in subsidiaries or significant influence in associates.

At inception, these investments are stated at fair value, including the costs attributable directly to the acquisition; subsequently, they are measured under 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 assessed for impairment as part of the investment, note 3(j). In the event the fair value of the investment exceeds the consideration paid, this amount is recognized as profit in the separate statement of income.

The Bank determined that the fair value of investments equals the carrying amount of the investee at the acquisition date, since they do not have significant non-monetary assets, or they have non-monetary assets recorded at their updated fair value.



## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the separate financial statements (continued)

When management identifies that one or more investments in subsidiaries and associates are impaired, said impairment shall reflect 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 immediately recognized in the separate statement of income.

According to the equity method, dividends declared by subsidiaries in cash are recorded by decreasing the value of the investment.

(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 N°11356-2008, loans are classified as: corporate loans, large-business loans, medium-business loans, small-business loans, micro-business loans, revolving loans, non-revolving loans and 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 N° 27809.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### 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:

Type of loans / Product	Days in arrear
Sovereign loans, to multilateral development banks, public entities, securities intermediaries, financial entities, corporations, large companies and medium-sized companies.	15 calendar days after the due date for payment of any of the agreed installments.
Small-business and micro-business loans.	30 calendar days after the due date for payment 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.	Progressive tax 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 thirty-first (31st) calendar day of granted the overdraft.

### 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.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### Rescheduled loans:

By means of Official Letter N° 5345 - 2010-SBS, the SBS has clarified that, in certain situations, volatility of the debtor's revenue is expected to increase, which can cause a mismatch between the expected cash flows and the originally agreed repayment timetables. To the extent those situations or events are temporary in nature and the debtor's feasibility is not compromised, adjusting the originally agreed contractual terms should not reflect diminished payment capacity of the customer, and therefore, those adjustments shall not qualify as refinancing.

In the event the volatility of revenue affects the structural viability of a debtor's, or a debtor is incurred in delays in payment, the adjustments made to the contractual terms and conditions will be considered to reflect impaired payment capacity, and therefore, those contractual term adjustments shall constitute refinancing.

Through Official Letter N° 63223-2023-SBS dated November 6, 2023, the SBS specified that there are two types of rescheduling depending on the type of credit evaluation:

1. Reschedule with individual evaluation: In accordance with Official Letter N° 5345-2010-SBS, these cases must be evaluated individually by the companies of the financial system and support their decision by incorporating the risk assessments and the respective documentation in the customer file, which must be available to the SBS.

Official Letter N° 63223-2023-SBS also specifies that the client's acceptance alone without evaluating the degree of impact on the debtor's cash flow, is not considered a sufficient criteria to define a rescheduling as individual.

2. Reschedule with mass (portfolio) evaluation: includes both unilateral rescheduling and with the debtor's agreement, based on a portfolio evaluation, in compliance with the reschedule requirements.

To date, the loan reschedules with balances in the consolidated statement of financial position are:

- (a) Health Emergency due to COVID-19: Official Letters N° 10997-2020-SBS, N° 11150-2020-SBS, N° 11170-2020-SBS, N° 12679-2020-SBS, N° 13195-2020-SBS, N° 13805-2020-SBS, N° 14355-2020-SBS, N° 15944-2020, N° 19109-2020-SBS, N° 13613-2021-SBS, N° 6302-2021-SBS, and N° 08441-2023-SBS.
- (b) Social unrest: Official Letters N° 54961-2022-SBS, N° 03140-2023-SBS, N° 03583-2023-SBS, N° 09702-2023-SBS, N° 11235-2023-SBS and N° 17305-2023-SBS.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

- (c) Emergency States issued by the Peruvian government since March 15, 2023 within the framework of Official Letter N° 12174-2023-SBS.
- (d) Rescheduling with individual evaluation, in accordance with Official Letter N° 5345-2010-SBS.

The official letters mentioned in a) and b) are not in force, loans reschedules may occur under Official Letter N° 12174-2023-SBS and Official Letter N° 5345 -2010-SBS which are in force.

### (iii) Credit risk rating categories

The debtor classification categories for credit risk established by the SBS are the following: Normal, with Potential Problem (CPP, by its Spanish acronym), Substandard, Doubtful and Loss; which are assigned according to the credit behavior of the debtor.

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 N° 041-2005 and amendments, the Bank evaluates the exposure to credit exchange risk for loans in foreign currency.

### (iv) Provision for loan losses

The provision for loan losses is measured in accordance with the criteria established in SBS Resolution N° 11356-2008 "Regulations for the Evaluation and Classification of the Debtor and the Requirement of Provisions".

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.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

Voluntary provision is determined by the Bank 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 that established on direct credits and the equivalent exposure to credit risk of indirect credits of debtors that have been classified in a risk category higher than the normal category.

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.	-
(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 rating	No collateral	Preferred collateral	Preferred easily realizable collateral	Self-liquidating preferred collateral
Standard				
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%

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

Credit risk rating	No collateral	Preferred collateral	Preferred easily realizable collateral	Self-liquidating preferred collateral
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, 2023 and 2022, the procyclical component for the provision for loan portfolio is deactivated, according to SBS Official Letter N° B-2224-2014.

SBS Resolution N° 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 June 30, 2024. The minimum rates of the procyclical component are the following:

Types of loans	Procyclical component
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%.

The SBS exceptionally established a 0% provision rate for credit risk to the part of the loans covered by the guarantee of the Reactiva Peru and FAE-MYPE program, note 2(e)(iv).

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

In the case of consumer loans, micro-business, small business and medium-sized businesses accounted for as Rescheduled loans - Health Emergency (COVID-19), the requirement for specific provisions is presented as follows:

Credit risk category /Accounting classification	Conditions	Specific provision according to risk category
Normal	Debtor's rescheduled loans with Normal category.	Requires provision according to CPP category (over the principal)
Normal / CPP	Have not made any complete installment payment including principal in the last six months	Requires provision according to Substandard (over the principal)
Normal / CPP/ Substandard	Have not made any complete installment payment including principal in the last twelve months.	Requires provision according to Doubtful category (over the principal)
Current loans	Rescheduled loans in current accounting situation.	Requires provision according to Substandard category (over accrued interest)
	Rescheduled loans in current accounting situation which have not made any complete installment payment including principal in the last six months.	Requires provision according to Loss category (over accrued interest)

Under no circumstances will companies be able to generate profits or generate better results due to the reversal of provisions, and must reallocate them to specific mandatory provisions.

(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:

	Years
Buildings and premises	33 and 10
Installations and improvements to rental property	Until 20
Property, furniture and equipment	10 and 4
Vehicles	5

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the separate financial statements (continued)

In-transit units and work in progress items are stated at cost and consist of installations, furniture and equipment remaining to be received or under construction. This includes the cost of acquisition or construction and other direct costs. These items are not depreciated until the relevant assets are received or completed and are already operational.

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.

Disbursements for maintenance and repairs are recognized as an expense in the year in which they are incurred. When a component of property, furniture and equipment is sold or withdrawn from use, its accumulated cost and depreciation are eliminated and the gain or loss resulting from the sale is recognized in the consolidated result for the year. The accounting balance of leased offices which contracts are terminated or rescinded before maturity are recognized as provisions for impairment.

Banks are not permitted to apply the revaluation model. It is only permitted to apply the cost model. Likewise, banks are prohibited from giving as collateral their property, furniture and equipment as collateral, except those acquired in financial leasing operations.

(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 N° 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.



## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the separate financial statements (continued)

- For fixed assets, a monthly provision, within a maximum period of 42 months, a uniform monthly provision must be made, based on the net value obtained in the twelfth or eighteenth month of its adjudication or recovery, depending on whether the SBS extension is available and until completing 100% of the book value of the asset. On an annual basis, the net book value of real estate is compared with the realizable value determined by an independent appraiser and, in the event that this value is lower, a provision for impairment is established.
- 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 income. If the recoverable amount exceeds the carrying amount, the higher amount shall not be recognized.

#### (h) 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.

#### (i) 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.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

For the purpose of impairment testing, assets are grouped into the smallest identifiable group of assets that generates cash inflows from continuing use and is largely independent of the cash inflows from other assets or groups of assets of cash-generating units. Goodwill is allocated to each cash-generating unit that is expected to benefit from the synergies arising from the business combination. A cash-generating unit to which the acquired goodwill has been allocated, is tested for impairment annually, or more frequently, when indicators exist that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, an impairment loss is recognized reducing the carrying amount of any goodwill allocated to a cash-generating unit, and then to the other assets of the cash-generating unit, prorating it based on the amount in books of each of the assets of the cash-generating unit. Any impairment losses on goodwill is recognized against profit or loss for the year in which it occurs. Impairment losses on goodwill acquired is not reversed in subsequent periods.

(j) 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 income. The recoverable amount is estimated for each asset.

(k) 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 separate statement of income.

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.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the separate financial statements (continued)

As of December 31, 2023 and 2022, the Bank does not have financial liabilities that qualify as held for trading.

A financial liability other than 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; or
- 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 "Profit or loss from financial transactions" in the separate statement of income.

As of December 31, 2023 and 2022, the Bank does not have financial liabilities at fair value.

(l) Securities and obligations outstanding -

The liabilities arising from the issuance of instruments, securities and other obligations outstanding are accounted for at their nominal value, with interest accrued recognized in profit or loss for the year. Discounts granted and income obtained in their placement are deferred and are shown net of their issuance value and they are amortized over the effective period of the related instruments, securities, and obligations outstanding using the effective interest rate method.

(m) 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.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### 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.

### 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.

### 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.

## (n) 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 at 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.

## (o) Income tax -

Income tax, either current and deferred, is recognized as income and expense, and is included in the separate statement of income, except if such amounts are related to items recognized in equity accounts, in which case, current income tax or deferred is also recognized in equity accounts.

According to current tax legislation, current income tax is determined by applying the tax rate for the year and it is recognized as an expense.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the separate financial statements (continued)

The Bank recognizes deferred income tax in accordance with the provisions of IAS 12 - Income Tax. The deferred income tax reflects the effects of the temporary differences between the accounting balances of assets and liabilities and those determined for tax purposes.

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 at the consolidated statement of financial position.

As set forth under IAS 12, the Bank determines its deferred income tax based on the tax rate applicable to its undistributed profits, recognizing any additional tax on dividend distribution on the date the liability is recognized.

(p) Income and expense recognition -

Interest income and expenses 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 income when are collected effectively. If it is determined that the financial condition of the debtor has improved to such an extent that the uncertainty about the recoverability of the principal disappears, the accounting of the interest generated by these credits is restored on the basis of the accrued.

Other income and expenses are recorded in the period in which they are accrued.

(q) 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.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### (r) Repurchase agreements -

The Bank applies SBS Resolution N° 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.

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 loans (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.

By means of Emergency Decree N° 011-2022, the Government has established the possibility that loans under the Reactiva Peru program can be eligible for a new rescheduling (or first rescheduling for those who did not obtain one previously) for up to a total of S/10 thousand million.

It should be noted that in the event rescheduling is decided, the repo transaction with the BCRP will not continue but financing for those (rescheduled) loans will be completed with the Bank's resources.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the separate financial statements (continued)

The Peruvian government guarantee will continue to be effective up until the new due date for the rescheduled loan and will also continue to be effective the same percentage of guarantee coverage.

As of December 31, 2023 and 2022, the Bank carries out securities repurchase agreements, loan portfolio guaranteed by the Peruvian Government, both represented by securities and loans (notes 6, 7 and 14).

- (s) Separate statement of income, other comprehensive income, and separate statement of changes in equity -

The separate statement of income and other comprehensive income includes 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. Deferred tax related with these items are detailed in the corresponding note (note 3(o)).

The separate statement of changes in equity shows profit or loss for the period, the other comprehensive income shows the 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.

- (t) 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.

- (u) 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.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the separate financial statements (continued)

(v) Foreign currency transactions -

At initial recognition, foreign currency transactions are recorded by translating to the functional currency by applying the exchange rate on the transaction date.

The exchange difference that arises when converting monetary assets and liabilities in foreign currency at the current exchange rates at the date of the separate statement of financial position are recognized in the profit or loss as "Foreign exchange differences" in the caption of "Profit or loss from financial transactions".



Translation of financial statements originally issued in Spanish -  
Note 32

Notes to the separate financial statements (continued)

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, 2023 and 2022, the exchange rate is US\$ 1 per S/ 3.709 and US\$ 1 per S/3.814, 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, 2023, buy and sell exchange rates used were US\$ 1 = S/3.705 and US\$ 1 = S/3.713, respectively (buying rate of US\$ 1= S/3.808 and selling rate of US\$ 1 = S/3.820, as of December 31, 2022).

As of December 31, 2023 and 2022, foreign currency balances stated in thousands of U.S. dollars are as follows:

	2023			2022		
	US Dollars US\$(000)	Other currencies US\$(000)	Total US\$(000)	US Dollars US\$(000)	Other currencies US\$(000)	Total US\$(000)
<b>Assets -</b>						
Cash and due from banks	1,441,325	115,174	1,556,499	2,306,355	109,203	2,415,558
Investments at fair value through profit or loss and available-for-sale investments	1,707,772	-	1,707,772	1,028,502	-	1,028,502
Loan portfolio, net	5,225,071	-	5,225,071	4,636,713	-	4,636,713
Other assets, net	484,113	3,602	487,715	169,214	16,795	186,009
	<u>8,858,281</u>	<u>118,776</u>	<u>8,977,057</u>	<u>8,140,784</u>	<u>125,998</u>	<u>8,266,782</u>
<b>Liabilities -</b>						
Obligations with the public and deposits from financial institutions	7,087,149	62,864	7,150,013	7,070,250	60,597	7,130,847
Interbank funds	40,018	-	40,018	-	-	-
Debts and financial obligations	1,210,014	-	1,210,014	670,299	-	670,299
Accounts payable, provisions and other liabilities	561,841	7,303	569,144	289,719	23,821	313,540
	<u>8,899,022</u>	<u>70,167</u>	<u>8,969,189</u>	<u>8,030,268</u>	<u>84,418</u>	<u>8,114,686</u>
<b>Short position (liabilities)</b>	(40,741)	48,609	7,868	110,516	41,580	152,096
Derivative instruments, assets	6,166,648	500,777	6,667,425	4,890,362	147,751	5,038,113
Derivative instruments, liabilities	6,073,313	555,208	6,628,521	4,986,132	191,082	5,177,214
	<u>52,594</u>	<u>(5,822)</u>	<u>46,772</u>	<u>14,746</u>	<u>(1,751)</u>	<u>12,995</u>
<b>Long position (assets)</b>						

As of December 31, 2023 and 2022, the Bank recorded net exchange gains for S/707 million and S/936 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 income (note 20).

The percentage change in the exchange rate of the Sol in relation to the U.S. dollar was -2.75% and -4.34% for the years 2023 and 2022, respectively.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### 5. Cash and due from banks

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
Banks and other foreign financial entities (c)	4,240,686	3,627,707
Cash (a)	2,956,853	2,725,393
Central Reserve Bank of Peru (a)	1,220,422	4,970,231
Other guarantee funds (b)	849,483	699,639
Banks and other local financial entities (c)	96,429	57,647
Clearing	57,006	46,657
Other cash and due from banks	652	73
	<u>9,421,531</u>	<u>12,127,347</u>

- (a) Cash balances held by the Bank as well as those held with Central Reserve Bank of Peru (BCRP, by its Spanish acronym) are intended to cover the legal reserve requirement that the Bank must keep for the deposits and obligations with the public, according to the current provisions. These cash balances are in the Bank's vault or deposited in the BCRP.

As of December 31, 2023 and 2022, this item shows the following accounting balances:

	2023 S/(000)	2022 S/(000)
<b>Legal reserve</b>		
Deposits with BCRP	415,186	3,065,635
Cash in vault	<u>2,956,853</u>	<u>2,725,393</u>
Subtotal legal reserve	<u>3,372,039</u>	<u>5,791,028</u>
<b>Non-mandatory legal reserve</b>		
Time deposits with BCRP	779,915	1,884,659
Interest on checking account	<u>25,321</u>	<u>19,937</u>
Subtotal non-mandatory legal reserve	<u>805,236</u>	<u>1,904,596</u>
<b>Total</b>	<u>4,177,275</u>	<u>7,695,624</u>

As of December 31, 2023 and 2022, the balances are subject to an implicit rate of 6% in local currency and 35% in foreign currency for both period, over total obligations subject to legal reserve ("TOSE", by its Spanish acronym), as required by the BCRP.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the separate financial statements (continued)

The legal reserve funds that reflect the legal minimum are not interest bearing. The legal reserve funds comprising the additional legal reserve in foreign currency and in local currency bear interest at a nominal rate set by the BCRP. During the years 2023 and 2022, a portion of the additional legal reserve funds in U.S. dollars are hedged with a cash flow hedge, see note 8(ii).

As of December 31, 2023, balances held with the BCRP include overnight deposits of S/780 million (S/1,885 million of overnight deposits as of December 31, 2022).

- (b) As of December 31, 2023 and 2022 cash includes guarantee funds that secure transactions with derivatives as requested by the Bank counterparties for a total US\$25 million and US\$79 million, respectively. Also, as of December 31, 2023, this balance includes S/646 million and US\$28 million to secure the transfer process in line with a requirement of BCRP (S/330 million and US\$16 million, as of December 31, 2022).
- (c) As of December 31, 2023 and 2022 deposits held with local and foreign banks are mainly in Peruvian soles and in U.S. dollars but also other currencies for smaller amounts; they are cash in hand and bear interest at market rates.

As of December 31, 2023, they include balances mainly with the following financial institutions: JP Morgan Chase Bank of S/1,396 million, Citibank N.A. New York of S/955 million, Bank of New York of S/773 million, BBVA Paris of S/340 million, Brown Brother Harriman of S/256 million, Standard Chartered Bank of S/225 million and Wells Fargo Bank of S/207 million (as of December 31, 2022, balances were held mainly with: JP Morgan Chase Bank of S/1,355 million, Bank of New York of S/771 million, Citibank N.A. New York of S/675 million, Standard Chartered Bank of S/410 million and BBVA Paris of S/384 million).

As of December 31, 2023, and 2022, interest income on cash and due from banks totaled S/452 million and S/166 million, respectively, and is shown within interest income in the separate statement of income, see note 17.

Translation of financial statements originally issued in Spanish -  
Note 32

Notes to the separate financial statements (continued)

6. Investments at fair value through profit or loss and available-for-sale investments

As of December 31, this caption comprises the following:

	2023				2022			
	Gross unrealized gains or losses				Gross unrealized gains or losses			
	Amortized cost S/(000)	Gains S/(000)	Losses S/(000)	Estimated fair value S/(000)	Amortized cost S/(000)	Gains S/(000)	Losses S/(000)	Estimated fair value S/(000)
<b>Investments at fair value through profit or loss:</b>								
Certificates of deposit with BCRP (a)				2,837,641				2,691,234
Peruvian Public Treasury bonds (b)				1,549,360				587,625
U.S. treasury bills (c)				391				-
<b>Subtotal</b>				<u>4,387,392</u>				<u>3,278,859</u>
				<u>4,387,392</u>				<u>3,278,859</u>
<b>Available-for-sale investments (g):</b>								
<b>Debt instruments:</b>								
Peruvian Public Treasury bonds (b)	3,953,685	123,957	-	4,077,642	3,036,064	-	(66,613)	2,969,451
U.S. treasury bills (c)	6,125,090	-	(6,546)	6,118,544	3,659,533	-	(11,777)	3,647,756
Certificates of deposit with BCRP (a)	539,889	505	-	540,394	1,583,830	-	(1,135)	1,582,695
Corporate bonds (d)	-	-	-	-	68,689	-	(177)	68,512
	<u>10,618,664</u>	<u>124,462</u>	<u>(6,546)</u>	<u>10,736,580</u>	<u>8,348,116</u>	<u>-</u>	<u>(79,702)</u>	<u>8,268,414</u>
<b>Shares:</b>								
Shares of local and foreign companies (e) and (f)	20,030	-	(1,538)	18,492	24,236	-	-	24,236
<b>Subtotal</b>	<u>10,638,694</u>	<u>124,462</u>	<u>(8,084)</u>	<u>10,755,072</u>	<u>8,372,352</u>	<u>-</u>	<u>(79,702)</u>	<u>8,292,650</u>
<b>Total</b>				<u>15,142,464</u>				<u>11,571,509</u>

(a) As of December 31, 2023, the certificates of deposit issued by the BCRP consist of negotiable instruments obtained in public auctions held by the BCRP or traded in the secondary market with maturities up until December 2024 (September 2023, as of December 31, 2022). As of December 31, 2023, the balance includes certificates of deposit of S/305 million that secure repo transactions (S/204 million as of December 31, 2022).

As of December 31, 2023, annual return in local currency on these instruments ranged from 6.41% to 6.86% (from 7.00% to 8.06% in local currency as of December 31, 2022).

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

- (b) Peruvian Public Treasury Bonds include sovereign bonds of the Republic of Peru in local currency and global bonds in foreign currency issued by the Ministry of Economy and Finance of Peru (MEF, by its Spanish acronym), which represent public internal debt securities of the Republic of Peru.

As of December 31, 2023, these bonds bore interest at an annual interest rates ranging from 5.35% to 8.20% in local currency (5.20% and 8.20% as of December 31, 2022) and 7.35% in foreign currency (7.35% as of December 31, 2022). As of December 31, 2023 and 2022, local currency bonds have maturities up until February 2055 and February 2042, respectively, and foreign currency bonds up until July 2025, in both periods.

As of December 31, 2023 and 2022, a portion of the balance of global bonds Peru of US\$30 million are hedged with a cash flow hedge (note 8(ii)).

- (c) As of December 31, 2023, the U.S. Treasury Bills bear interest ranging from 3% and 5.29% in foreign currency (ranging from 0.75% to 4.42% as of December 31, 2022) and with maturities up until November 2033 (July 2024 as of December 31, 2022). As of December 31, 2023 and 2022, a portion of the U.S. Treasury Bills are used as collateral for S/23 million and S/57 million, respectively.
- (d) As of December 31, 2022, this balance included corporate bonds issued by financial institutions in Peru in foreign currency bearing interest ranging from 3.50% to 4.25%.
- (e) As of December 31, 2023, a provision for impairment was made of S/4 million on the investments held on Pagos Digitales Peruanos (S/12 million on the Lima Stock Exchange and S/4 million on Pagos Digitales Peruanos, as of December 31, 2022).
- (f) It includes shares of Holding Bursatil Chilena S.A., established as a result of the integration process of the stock exchanges of Chile, Peru and Colombia. This stock exchanges integration process involved the exchange of shares held by the Bank and its subsidiary BBVA Bolsa Sociedad Agente de Bolsa S.A., on the Lima Stock Exchange for S/25 million; by those of Holding Bursatil Chilena S.A. with balance as of December 31, 2023 amounts to S/17 million.
- (g) As of December 31, 2023, unrealized gains on the valuation of available-for-sale investments, net of the related deferred income tax amounts to S/119 million (unrealized losses of S/76 million as of December 31, 2022), note 15(c).

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

During the course of 2023 and 2022, the interest accrued of the Bank's investment portfolio amounts to S/589 million and S/441 million, respectively (note 17).

### 7. Loan portfolio, net

As of December 31, this caption comprises the following:

	2023 S/(000)	2022 S/(000)
<b>Direct loans:</b>		
Loans (c)	26,794,950	27,613,594
Mortgage loans (d)	14,768,114	13,959,809
Consumer loans	11,868,127	9,798,074
Foreign trade	5,797,177	6,010,104
Finance lease	3,259,775	3,180,799
Project financing	1,707,092	1,372,565
Factoring	1,109,191	1,585,012
Discounts	1,102,234	1,229,437
Others	3,049,856	3,499,415
	<u>69,456,516</u>	<u>68,248,809</u>
 Loans past due and loans under legal collection	 3,527,860	 3,198,454
Refinanced loans	1,856,072	1,672,801
	<u>74,840,448</u>	<u>73,120,064</u>
 <b>Plus (less):</b>		
Accrued interest on performing loans	742,000	680,379
Deferred interest	(99,710)	(86,431)
Provisions for direct loan losses	(4,865,382)	(4,626,261)
Direct loans total	<u>70,617,356</u>	<u>69,087,751</u>
 Contingent or indirect loans, note 16	 <u>18,511,403</u>	 <u>17,981,921</u>

- (a) As of December 31, 2023 and 2022, 51.00% of the direct loan portfolio is concentrated in 4,919 customers which amounts to S/38,505 million and 4,718 customers which amount to S/37,653 million, respectively.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

- (b) Direct loan portfolio with guarantees received from customers, which comprise mortgages, deposits, letters of guarantees, collaterals and warrants, amounts to S/49,327 million as of December 31, 2023 (S/44,922 million as of December 31, 2022).
- (c) As of December 31, 2023 and 2022, part of the loan portfolio belongs to the Reactiva Peru program (note 2(e)(iii)) with a balance for S/1,900 million (S/5,801 million as of December 31, 2022). The detail of such loans is detailed as follows:

	2023 S/(000)	2022 S/(000)
<b>Types of loans</b>		
Medium-business loans	1,247,444	3,838,459
Small-business loans	343,745	838,921
Large-business loans	301,258	1,109,798
Micro-business loans	5,213	7,554
Corporate loans	2,396	6,152
<b>Total of Reactiva Peru program loans</b>	<u>1,900,056</u>	<u>5,800,884</u>

As of December 31, 2023, the Bank holds repo transactions involving the loan portfolio with the BCRP (note 14(a)) for S/1,579 million (S/5,408 million as of December 31, 2022) that relate to the Reactiva Peru program.

As of December 31, 2023, the balances of the loans and payables on repo transactions involving loan portfolio with the BCRP (note 14(a)) totaled S/5,019 million and S/4,898 million, respectively (as of December 31, 2022, these balances totaled S/5,793 million and S/4,901 million, respectively).

As of December 31, 2023, loans under the Crecer program totaled S/118 million (S/133 million as of December 31, 2022), note 2(e)(iv).

As of December 31, 2023 and 2022, rescheduled loans totaled S/3,620 million and S/4,516 million, respectively. Includes rescheduled loans in accordance with Official Letter N°5345-2010-SBS, due to the public health emergency, Reactiva Peru program, social unrest and climate effects, in accordance with the provisions of the SBS. Balances by the type of loan are broken down as follows:

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

	2023 S/(000)	2022 S/(000)
<b>Types of loans</b>		
Medium-business loans	1,716,668	2,833,401
Large-business loans	696,134	864,347
Small-business loans	525,830	552,790
Consumer loans	415,303	35,078
Mortgage loans	252,887	216,575
Micro-business loans	5,647	4,045
Public sector	5,166	-
Corporate loans	2,396	10,134
<b>Total rescheduled loans</b>	<b>3,620,031</b>	<b>4,516,370</b>

- (d) As of December 31, 2023, a portion of the balance of the mortgage loan portfolio is securing a debt with Fondo MIVIVIENDA - Programa MIHOGAR for up to S/926 million (S/664 million as of December 31, 2022) (note 13 (c)).
- (e) In 2022, the Bank purchased a portfolio from its subsidiary BBVA Consumer Finance Edpyme, in liquidation, for a capital equivalent to S/4 million. The purchase price of the aforementioned portfolio amounted to S/4 million.
- (f) As of December 31, 2023 and 2022, the balances of the direct loan portfolio segmented by type of customer, in accordance with the provisions of SBS Resolution N° 11356-2008, is as follows:

	2023 S/(000)	2022 S/(000)
Mortgage	15,379,909	14,613,415
Medium-sized businesses	15,260,795	17,547,101
Corporate	13,135,920	11,963,606
Large business	12,524,795	12,737,814
Consumer	12,385,722	10,153,888
Small business	3,969,382	3,785,178
Financial system entities	1,033,572	808,890
Public sector entities	503,254	862,688
Security brokerage	466,486	486,041
Micro businesses	180,613	161,443
	<b>74,840,448</b>	<b>73,120,064</b>



## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the separate financial statements (continued)

- (g) During 2023 and 2022, the interest earned on the loan portfolio were mutually agreed based on the prevailing market rates.

In March 2021, the Peruvian Congress enacted Law N° 31143 that establishes that the BCRP is charged with setting the maximum and minimum interest rates for financial institutions. In April 2021, BCRP set the methodology for the calculation of the maximum interest rate on consumer loans, and loans to microbusinesses and small entities, which is to be updated semiannually in May and November. As of December 31, 2023, the maximum annual interest rate is 101.86% in local currency (87.91% as of December 31, 2022) and 82.94% in foreign currency (68.27% as of December 31, 2022).

Translation of financial statements originally issued in Spanish - Note 32

Notes to the separate financial statements (continued)

As of December 31, 2023 and 2022, in accordance with current SBS regulations, the Bank's loan portfolio is classified by risk as follows:

Risk category	2023						2022					
	Direct S/(000)	%	Contingent S/(000)	%	Total S/(000)	%	Direct S/(000)	%	Contingent S/(000)	%	Total S/(000)	%
Normal	66,389,356	89	16,781,602	91	83,170,958	89	65,765,671	90	16,292,144	90	82,057,815	90
With potential problems	2,552,171	3	1,150,292	6	3,702,463	4	2,382,750	3	1,202,558	7	3,585,308	4
Substandard	1,403,383	2	264,754	1	1,668,137	2	1,117,219	2	236,992	1	1,354,211	1
Doubtful	1,756,633	2	136,493	1	1,893,126	2	1,263,460	2	124,124	1	1,387,584	2
Loss	2,639,195	4	178,262	1	2,817,457	3	2,504,533	3	126,103	1	2,630,636	3
	<u>74,740,738</u>	<u>100</u>	<u>18,511,403</u>	<u>100</u>	<u>93,252,141</u>	<u>100</u>	<u>73,033,633</u>	<u>100</u>	<u>17,981,921</u>	<u>100</u>	<u>91,015,554</u>	<u>100</u>
Deferred interest	<u>99,710</u>				<u>99,710</u>		<u>86,431</u>				<u>86,431</u>	
	<u>74,840,448</u>		<u>18,511,403</u>		<u>93,351,851</u>		<u>73,120,064</u>		<u>17,981,921</u>		<u>91,101,985</u>	

(\*) In recording provisions, in accordance with SBS resolution N° 3922-2021, COVID-19 rescheduled loans that were rated as “Normal” were considered as rated “CPP”, and those that were rated “Normal” and “CPP” by the Bank, which had not made effective payment of one full installment, including the principal, for the last 6 months, were rated as “Substandard”; for which one full installment has not been paid, including the principal over the last 12 months, they will be considered as “Doubtful”. At December 31, 2023 and 2022, the balance of these provisions for rescheduled loans totaled S/3 million and S/7 million, respectively.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

Movement of the provision for direct loan losses is as follows:

	2023 S/(000)	2022 S/(000)
<b>Balance at the beginning of the year</b>	(4,626,261)	(4,605,836)
Provisions recognized as an expense for the year	(3,635,413)	(2,393,908)
Recovery of provisions	1,644,837	1,369,709
Sale of loan portfolio	878,499	430,517
Write-off	780,134	448,669
Waiver	77,385	55,703
Exchange difference, net	15,437	68,885
	<u>(4,865,382)</u>	<u>(4,626,261)</u>

The table below shows the provision for direct loan losses, net stated in the separate statement of income:

	2023 S/(000)	2022 S/(000)
Provisions for loan losses	(3,635,413)	(2,393,908)
Recovery of provisions for loan losses	1,644,837	1,369,709
Recovery of provisions for country risk	4,666	12,643
Income from recovery of loan portfolio	21,607	12,467
<b>Provision for loan losses, net of recoveries</b>	<u>(1,964,303)</u>	<u>(999,089)</u>

The balance of the provision for direct loan losses is broken down as follows:

	2023 S/(000)	2022 S/(000)
Specific	(3,487,433)	(3,021,965)
Specific - COVID-19	(2,698)	(8,646)
Generic	(730,344)	(699,500)
Voluntary	(644,465)	(895,657)
Provision for country risk	(442)	(493)
	<u>(4,865,382)</u>	<u>(4,626,261)</u>

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the separate financial statements (continued)

The provision for indirect loans losses is shown within "Accounts payable, provisions and other liabilities" in the separate statement of financial position (note 14).

The Bank, in compliance with current standards and regulations, has identified those customers that are exposed to the credit risk and currency risk and no additional provision has been deemed necessary to be made.

Management of the Bank considers that the provision loan losses recorded at December 31, 2023 and 2022 has been made in accordance with the SBS standards effective at those dates.

Translation of financial statements originally issued in Spanish - Note 32

Notes to the separate financial statements (continued)

8. Trading and hedging derivatives

As of December 31, 2023 and 2022, the Bank holds foreign-exchange forward contracts, cross-currency swaps and interest rate swaps and options. The table below shows the fair value of these derivative financial instruments, including receivables (asset) or payables (liabilities):

			2023			
	Note	Underlying	Maturity date	Nominal S/(000)	Assets S/(000)	Liabilities S/(000)
Trading derivatives						
Currency forward			Between 2024 and 2029	27,351,685	424,120	322,995
Currency swap			Between 2024 and 2042	18,674,946	418,360	444,617
Interest rate swaps			Between 2024 and 2050	14,430,450	397,838	294,226
Options of shares, changes and others			Between 2024 and 2026	2,018,215	15,134	15,134
Provision for country risk				-	(17,956)	-
				62,475,296	1,237,496	1,076,972
Hedging derivatives						
At fair value (i)	5, 6, 12 and 13					
Interest rate swaps		Bonds issue	2024	1,112,700	-	42,318
Cash flows (ii)						
Interest rate swaps		Legal reserve	Between 2024 and 2026	4,450,800	-	17,678
Currency swap		Borrowing	2027	222,540	-	22,601
Currency swap		Global Peru bonds	2025	111,270	-	10,294
Currency forward		Time deposits	2024	18,083	-	595
				5,915,393	-	93,486
				68,390,689	1,237,496	1,170,458

Translation of financial statements originally issued in Spanish - Note 32

Notes to the separate financial statements (continued)

		2022				
	Note	Underlying	Maturity date	Nominal S/(000)	Assets S/(000)	Liabilities S/(000)
<b>Trading derivatives</b>						
Currency forwards			Between 2023 and 2029	21,636,906	330,171	112,740
Interest rate swaps			Between 2023 and 2050	17,944,373	532,972	384,954
Currency swaps			Between 2023 and 2042	16,645,992	482,709	736,333
Options of shares, changes and others			Between 2023 and 2026	871,647	11,816	11,816
Provision for country risk				-	(8,049)	-
				<u>57,098,919</u>	<u>1,349,619</u>	<u>1,245,843</u>
<b>Hedging derivatives</b>						
<b>At fair value (i)</b>	5, 6 and 13					
Interest rate swaps		Bonds issue	2024	1,144,200	-	67,398
Interest rate swaps		Borrowing	2026	762,800	2,974	-
<b>Cash flows (ii)</b>						
Interest rate swaps		Legal reserve	Between 2024 and 2025	3,051,200	685	2,750
Currency swaps		Borrowing	2027	228,840	-	15,125
Currency swaps		Global Peru bonds	2025	114,420	-	15,274
Currency forwards		Time deposits	2023	90,814	-	3,081
				<u>5,392,274</u>	<u>3,659</u>	<u>103,628</u>
				<u>62,491,193</u>	<u>1,353,278</u>	<u>1,349,471</u>

(i) Fair value - Hedging derivatives

Interest rate swap - IRS

As of December 31, 2023, the Bank has contracted "interest rate swaps - IRS" for a nominal value equivalent to S/1,113 million to hedge issues (S/1,907 million to hedge borrowings and bonds issue as of December 31, 2022). By the IRS, the Bank receives interest at a fixed rate in U.S. dollars and pays interest at a variable rate in that same currency. In 2023, the variation in the fair value of the IRS resulted in a gain of S/31 million and is presented within "Profit or loss from financial transactions" of the separate statement of income (S/92 million loss in 2022).

Translation of financial statements originally issued in Spanish - Note 32

Notes to the separate financial statements (continued)

The table below shows the detail of hedged items and their hedging derivatives at December 31, 2023 and 2022:

Hedge item		Hedging instrument	Face value of the hedging instrument		Fair value of the hedging instrument	
			2023 S/(000)	2022 S/(000)	2023 S/(000)	2022 S/(000)
Fair value hedge						
First international issuance of subordinated bonds for US\$300 million	Interest rate swap (IRS) The Bank receives fixed interest rate and pays a variable interest rate.	1,112,700	1,144,200	(42,318)	(67,398)	
BBVA borrowing for US\$200 million	Interest rate swap (IRS) The Bank receives fixed interest rate and pays a variable interest rate.	-	762,800	-	2,974	
Total fair value hedge		1,112,700	1,907,000	(42,318)	(64,424)	

(ii) Cash flow - Hedging derivatives

Currency forward contracts -

As of December 31, 2023, the Bank has foreign exchange forward contracts with a face value of S/18 million to hedge time deposits of US\$5 million (S/91 million to hedge time deposits of US\$24 million at December 31, 2022). By means of this foreign exchange contract, the Bank receives cash flows in U.S. dollars and pays future cash flows in Peruvian soles.

During 2023, the fair value of the forward contracts was a loss of S/0.02 million stated in equity accounts, net of its Income tax (gains, net of Income tax of S/2 million during 2022).

Currency swap - CCS -

As of December 31, 2023 and 2022, the Bank holds currency swaps with a face value amounting to S/334 million and S/343 million, respectively, for the bonds hedge accounted for as available-for-sale investments (US\$30 million of a global bond) and due from banks (US\$60 million). By means of the CCS on global bonds, the Bank received a fixed interest rate in Peruvian soles and pays a fixed interest rate in U.S. dollars; while by means of the CCS on balances due, the Bank obtains a fixed interest rate in U.S. dollars and pays and fixed interest rate in soles.

During 2023, the fair value of the CCS was a loss of S/9 million and stated in equity accounts, net of its Income tax (loss, net of Income tax of S/22 million during 2022).

Interest rate swap - IRS -

As of December 31, 2023 and 2022, the Bank has an interest rate swap (IRS) contract with face value of S/4,451 million and S/3,051 million, respectively, to hedge legal reserve funds in U.S. dollars in BCRP. The Bank receives a fixed interest rate in U.S. dollars and pays a floating interest rate in the same currency.

During 2023, the fair value of the IRS resulted in a loss of S/10 million as recognized in equity items, net of Income tax (loss of S/1 million net of deferred income tax during 2022).

Translation of financial statements originally issued in Spanish - Note 32

Notes to the separate financial statements (continued)

The table below shows the detail of hedged items and their hedging instrument as of December 31, 2023 and 2022:

Hedge element		Hedging instrument		Face value of the hedging instrument		Fair value of the hedging instrument	
				2023 S/(000)	2022 S/(000)	2023 S/(000)	2022 S/(000)
Cash flows hedges							
Additional legal reserve funds for US\$1,200 million	Interest rate swap (IRS)						
	The bank receives a fixed interest rate in U.S. dollars and makes payments at a variable interest rate in the same currency.	4,450,800	-	(17,678)	-		
Borrowing with IFC (Institute Finance Corporation) of US\$60 million	Cross currency swap (CCS)						
	The bank receives a fixed interest in soles and pays fixed interest rate in U.S. dollars.	222,540	228,840	(22,601)	(15,125)		
Global bonds of US\$30 million	Cross currency swap (CCS)						
	The bank receives a fixed interest rate in soles and fixed interest rate in U.S. dollars.	111,270	114,420	(10,294)	(15,274)		
Time deposits of US\$5 million	Currency forward						
	The Bank receives U.S. dollars at a fixed exchange rate at a future date and pays soles at a future date.	18,083	-	(594)	-		
Additional legal reserve funds of US\$800 million	Interest rate swap (IRS)						
	The Bank receives a fixed interest rate in U.S. dollars and pays a variable interest rate in the same currency.	-	3,051,200	-	(2,065)		
Time deposits of US\$24 million	Forward exchange contract						
	The Bank receives U.S. dollars at a fixed exchange rate at a future date and pays soles at a future date.	-	90,814	-	(3,081)		
Total cash flows hedges		4,802,693	3,485,274	(51,167)	(35,545)		



Notes to the separate financial statements (continued)

9. Interests in subsidiaries and associates

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
<b>Shares in subsidiaries (a)</b>		
Inmuebles y Recuperaciones BBVA S.A. (b)	152,179	62,064
Forum Distribuidora del Perú S.A.	33,644	30,823
BBVA Asset Management S.A. S.A.F.	28,072	28,494
BBVA Consumer Finance Edpyme, in liquidation (c)	16,559	16,111
BBVA Bolsa Sociedad Agente de Bolsa S.A.	14,230	18,583
BBVA Sociedad Titulizadora S.A.	4,384	4,730
Forum Comercializadora del Perú S.A. in liquidation	2,375	2,309
	<u>251,443</u>	<u>163,114</u>
<b>Shares in associates (d)</b>		
TFP S.A.C.	5,215	4,798
Compañía Peruana de Medios de Pago S.A.C.	519	7,350
	<u>5,734</u>	<u>12,148</u>
	<u>257,177</u>	<u>175,262</u>

- (a) As of December 31, 2023 and 2022, the Bank holds 100% of shares in its subsidiaries.
- (b) On April 26, 2023, an increase in the entity's share capital of S/85 million was approved. On October 28, 2022, the reduction of share capital for S/120 million was approved at the Universal shareholders' meeting.
- (c) Goodwill resulting from the acquisition of the companies BBVA Consumer Finance EDPYME (in liquidation), Forum Comercializadora del Perú S.A (in liquidation) and Forum Distribuidora del Perú S.A., as of December 31, 2023 and 2022, amounts to S/10 million, and its provision for impairment is S/10 million, for both periods. During 2022, as part of the liquidation process of BBVA Consumer Finance EDPYME in liquidation, the share capital was reduced for S/79 million and the distribution of profits from previous years for S/22 million approved in a Universal shareholders' meeting held on October 28, 2022.

Notes to the separate financial statements (continued)

In addition, subsidiaries BBVA Consumer Finance EDPYME in liquidation under SBS Resolution N° 00429 2022 dated February 9, 2022 and Forum Comercializadora del Perú S.A. in liquidation based on a decision made at the general shareholders' meeting on October 28, 2022, are currently undergoing a process of liquidation and wind-up, respectively.

- (d) As of December 31, 2023 the Bank holds 24.30% and 20.20% of shares in the share capital of TFP S.A.C. and Compañía Peruana de Medios de Pago S.A.C. (Niubiz), respectively (24.30% and 21.50% at December 31, 2022 of TFP S.A.C. and Compañía Peruana de Medios de Pago S.A.C. respectively).

During 2023, the Bank recognized net gains on investments in subsidiaries and associates for S/9 million (net gains for S/43 million, at December 31, 2022) (note 20).

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the separate financial statements (continued)

#### 10. Property, furniture and equipment, net

Movement in property, furniture and equipment and accumulated depreciation for the years 2023 and 2022 was as follows:

	Land S/(000)	Buildings and premises S/(000)	Property, furniture and equipment S/(000)	Vehicles S/(000)	Installations and improvements to rental property S/(000)	Work-in progress S/(000)	Goods in transit and replacement parts S/(000)	Total S/(000)
<b>Costs</b>								
<b>Balance as of January 1, 2022</b>	118,224	925,718	852,658	7,721	354,086	207,235	256	2,465,898
Additions	-	13,821	69,618	1,823	8,547	50,369	-	144,178
Disposals and others	-	(293)	(15,174)	-	(8)	-	-	(15,475)
Transfers	-	154,815	13,019	-	38,592	(206,426)	-	-
<b>As of December 31, 2022</b>	<u>118,224</u>	<u>1,094,061</u>	<u>920,121</u>	<u>9,544</u>	<u>401,217</u>	<u>51,178</u>	<u>256</u>	<u>2,594,601</u>
Additions	-	25,296	114,610	-	15,852	99,700	-	255,458
Disposals and others	(6,277)	(8,964)	(40,672)	(1,174)	(35)	-	-	(57,122)
Transfers	-	29,627	10,904	-	9,949	(50,480)	-	-
<b>As of December 31, 2023</b>	<u>111,947</u>	<u>1,140,020</u>	<u>1,004,963</u>	<u>8,370</u>	<u>426,983</u>	<u>100,398</u>	<u>256</u>	<u>2,792,937</u>
<b>Accumulated depreciation -</b>								
<b>Balance as of January 1, 2022</b>	-	609,591	565,719	7,343	211,895	-	-	1,394,548
Additions	-	32,243	75,085	404	11,911	-	-	119,643
Impairment	-	-	-	-	17,926	-	-	17,926
Disposals and others	-	(294)	(14,940)	-	-	-	-	(15,234)
Transfers	-	(4)	-	-	4	-	-	-
<b>As of December 31, 2022</b>	<u>-</u>	<u>641,536</u>	<u>625,864</u>	<u>7,747</u>	<u>241,736</u>	<u>-</u>	<u>-</u>	<u>1,516,883</u>
Additions	-	35,384	79,943	460	14,466	-	-	130,253
Disposals and others	-	(6,192)	(39,719)	(1,174)	(19)	-	-	(47,104)
Transfers	-	1	-	-	(1)	-	-	-
<b>As of December 31, 2023</b>	<u>-</u>	<u>670,729</u>	<u>666,088</u>	<u>7,033</u>	<u>256,182</u>	<u>-</u>	<u>-</u>	<u>1,600,032</u>
<b>Net carrying amount</b>								
<b>As of December 31, 2023</b>	<u>111,947</u>	<u>469,291</u>	<u>338,875</u>	<u>1,337</u>	<u>170,801</u>	<u>100,398</u>	<u>256</u>	<u>1,192,905</u>
<b>As of December 31, 2022</b>	<u>118,224</u>	<u>452,525</u>	<u>294,257</u>	<u>1,797</u>	<u>159,481</u>	<u>51,178</u>	<u>256</u>	<u>1,077,718</u>

- (a) Under 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.
- (b) Management performs a periodic review the method of depreciation used to ensure it is consistent with the economic benefit assessed for the fixed assets. Bank Management considers that there is no indicator of impairment of the Bank's fixed assets at December 31, 2023 and 2022, additional to the registered.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### 11. Other assets, net

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
<b>Financial instruments -</b>		
Transactions in progress (a)	4,314,888	973,083
Others	1,665	1,665
	<u>4,316,553</u>	<u>974,748</u>
 Accounts receivable for sale of assets, services and trust	5,037	6,194
Other accounts receivable	115,604	151,584
Receivables, note 28	120,641	157,778
 <b>Non-financial instruments -</b>		
Intangible assets (b)	398,527	377,921
Tax credit (c)	596,672	234,854
Prepaid expenses (d)	191,999	181,687
	<u>1,187,198</u>	<u>794,462</u>
	<u>5,624,392</u>	<u>1,926,988</u>

- (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 separate statement of financial position. These transactions do not affect the Bank's profit. As of December 31, 2023, it mainly corresponds to treasury transactions: i) acquisition and sale of currency for S/2,749 million (S/291 million As of December 31, 2022), and ii) sale of securities for S/1,514 million (S/646 million As of December 31, 2022).

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

- (b) The movement of intangible assets as of December 31, 2023 and 2022 was as follows:

	2023 S/(000)	2022 S/(000)
<b>Costs</b>		
Balances as of January 1	860,816	681,403
Additions	166,180	194,907
Disposal and other	(315,624)	(15,494)
<b>Balances as of December 31</b>	<b>711,372</b>	<b>860,816</b>
<b>Accumulated amortization and impairment</b>		
Balances as of January 1	(482,895)	(362,688)
Amortization	(100,518)	(90,165)
Impairment (*)	(45,056)	(45,536)
Disposals and other	315,624	15,494
<b>Balances as of December 31</b>	<b>(312,845)</b>	<b>(482,895)</b>
<b>Net carrying amount</b>	<b>398,527</b>	<b>377,921</b>

- (\*) The carrying amounts of applications acquired or software developed that are not used or do not generate future economic benefits are stated as a provision for impairment.

- (c) As of December 31, 2023, this balance includes the tax credit for sales to S/61 million (S/29 million at December 31, 2022), and the tax credit for income tax for S/536 million (S/206 million At December 31, 2022)
- (d) As of December 31, 2023 and 2022, the balances mainly includes prepaid insurance contracts and deferred loan origination costs related to fees paid to the external sales force and the premium paid for the acquisition of loan portfolio.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### 12. Obligations with the public and deposits from financial institutions

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
<b>Obligations with the public</b>		
Time deposits	23,522,635	18,222,052
Savings accounts	22,741,991	25,112,300
Demand deposits	22,733,172	22,483,924
Other liabilities	210,319	235,476
	<u>69,208,117</u>	<u>66,053,752</u>
 <b>Deposits from financial institutions</b>		
Demand deposits	1,140,516	678,951
Time deposits	357,497	212,983
Savings accounts	167,419	150,418
	<u>1,665,432</u>	<u>1,042,352</u>
	<u>70,873,549</u>	<u>67,096,104</u>

Interest rates for liability transactions are stated by the Bank, based on market interest rates.

As of December 31, 2023 and 2022, deposits and obligations include deposits received as guarantees of direct and indirect loan for S/1,291 million and S/822 million, respectively.

As of December 31, 2023, from the total deposits and obligations from individuals and non-profit entities and legal entities, S/24,383 million are hedge by the Deposit Insurance Fund and are obtained from the closing balances of the month according with SBS Resolution N° 2448-2020 (S/25,520 million as of December 31, 2022). The maximum amount subject to coverage per person amounts to S/123,810 at the end of December 2023 (S/125,603 at the end of December 2022).

As of December 31, 2023, a portion of the time deposit balances of US\$5 million are hedged with a cash flow hedge (US\$24 million as of December 31, 2022) (note 8(ii)).

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

On May 25, 2022 and April 8, 2021, by means of Law N° 31480 and Law N° 31171, "Law that authorizes the provision of compensation for time of service in order to cover the economic needs caused by the COVID-19 pandemic", the Peruvian Government authorized workers to make free use of their full employees' severance indemnities (CTS, by its Spanish acronym) until December 31, 2023, deposited with financial institutions and accumulated at the date of disposal, including the deposits that were made in May and November 2022 and 2021 and the deposits that will be made in May and November 2023 to enable workers to meet their economic needs arising from the COVID-19 pandemic.

### 13. Debts and financial obligations

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
<b>Debts and financial obligations</b>		
Foreign financial institutions (a)	2,315,514	956,420
International financial organizations (b)	964,340	228,840
MIVIVIENDA Program (c)	926,386	664,462
Accrued interest payable	40,960	23,049
Corporación Financiera de Desarrollo - COFIDE	5,092	5,143
	<u>4,252,292</u>	<u>1,877,914</u>
<b>Securities and obligations (d):</b>		
Subordinated bonds	1,385,420	1,703,278
Corporate bonds	246,550	420,015
Accrued interest payable	18,943	27,992
Negotiable certificates of deposit	-	41
	<u>1,650,913</u>	<u>2,151,326</u>
	<u>5,903,205</u>	<u>4,029,240</u>

Certain loan agreements include standard clauses regarding compliance with financial ratios, use of funds and other administrative matters. As of December 31, 2023 and 2022, in management's opinion, these clauses are being met, in all material respects, and do not represent any restriction to the Bank activities.

Translation of financial statements originally issued in Spanish - Note 32

Notes to the separate financial statements (continued)

(a) As of December 31, 2023 and 2022, the Bank has the following debt agreements with foreign financial institutions:

	2023			2022			Maturity date
	US\$	S/	Exchange rate	US\$	S/	Exchange rate	
BBVA S.A. (i)	200,000	741,800	3.18%	200,765	765,720	3.18%	February 2031
China Development Bank	180,000	667,620	SOFR + 1.37%	-	-	-	December 2026
ICO - Instituto de crédito	54,381	201,699	SOFR + 0.64%	-	-	-	March 2030
ICO - Instituto de crédito	29,915	110,955	SOFR + 0.81%	-	-	-	July 2030
Wells Fargo Bank	60,000	222,540	SOFR + 0.68%	-	-	-	June 2024
Caixa Bank	50,000	185,450	SOFR + 0.51%	-	-	-	January 2024
Bank of America	50,000	185,450	SOFR + 0.70%	-	-	-	May 2024
Mizuho Corporate Bank	-	-	-	50,000	190,700	SOFR + 1.56%	November 2023
	624,296	2,315,514		250,765	956,420		
Accrued interest payable	9,099	33,748		5,555	21,187		
	633,395	2,349,262		256,320	977,607		

(i) It corresponds to a subordinated debt in foreign currency for US\$200 million 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 with maturity on February 2031. Such a borrowing is accounted for as a Tier 2 regulatory capital. As of December 31, 2022 this borrowing is hedged by a fair value hedge through an “interest rate swap- IRS”, which generated in accumulated losses of S/3 million.

As of December 31, 2023 and 2022, the Bank has deferred issuance expenses in accounts payable for S/1 million and S/2 million, respectively.

- (b) As of December 31, 2023, this balance includes two borrowings for US\$150 million and US\$60 million with International Finance Corporation (IFC) with maturity in June 2029 and December 2027, respectively and a borrowing for US\$50 million with CAF (Corporación Andina de Fomento) with maturity in May 2024. The annual interest rate is SOFR + 1.65% on the US\$150 million loan, 3.11% on the US\$60 million loan and SOFR + 0.55% on the US\$50 million. Also, US\$60 million borrowing cash flows have been hedged with a “cross currency swap - CCS” (note 8(ii)) and this transaction is reflected in a balance within payables of S/2 million relating to deferred issue expenses (at December 31, 2022, this item included a borrowing of US\$60 million from the IFC with maturity in December 2027 and at an annual interest rate of 3.11%. Also, it was hedged with a “cross currency swap - CCS” (note 8(ii)) and this transaction reflected a balance within payables of S/2 million relating to deferred issue expenses).
- (c) As of December 31, 2023, it corresponds to resources obtained from Fondo MIVIVIENDA for the financing of the acquisition of houses under the MIVIVIENDA program (Crédito MI HOGAR) for S/926 million in local currency and US\$0.1 million in foreign currency (S/664 million in local currency and US\$0.2 million in foreign currency as of December 31, 2022). As of December 31, 2023 and 2022, this borrowing accrues interest at an effective annual rate in US dollars of 7.75% and 6.25% in soles over the principal plus the constant update value (“VAC”, by its Spanish acronym) in both periods, and has maturities until December 2043 and December 2042, respectively .

As of December 31, 2023 and 2022, the borrowings with Fondo MIVIVIENDA are guaranteed with mortgage loan portfolio up to S/926 million and S/664 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.



Translation of financial statements originally issued in Spanish - Note 32

Notes to the separate financial statements (continued)

(d) As of December 31, 2023 and 2022, securities and bonds consist of the following:

	Amount authorized by program	Currency	Original amount placed	2023	2022	Maturity date
<b>Corporate bonds</b>						
2nd issuance series A - Fifth Program	US\$250 million	PEN	150,000	150,000	150,000	December 2026
2nd issuance series A - Seventh Program	US\$1,000 million	PEN	100,000	-	100,000	July 2023
2nd issuance series B - Seventh Program		PEN	73,465	-	73,465	August 2023
2nd issuance series C - Seventh Program		PEN	96,550	96,550	96,550	December 2024
				<u>246,550</u>	<u>420,015</u>	
<b>Subordinated bonds</b>						
3rd issuance series A - First Program	US\$50 million or S/158.30 million	PEN	55,000	97,425	93,580	June 2032
2nd issuance series A - Second Program		PEN	50,000	86,740	83,317	November 2032
3rd issuance series A - Second Program		USD	20,000	74,180	76,280	February 2028
4th issuance single series - Second Program	US\$100 million	PEN	45,000	-	72,363	July 2023
5th issuance single series - Second Program		PEN	50,000	-	79,366	September 2023
6th issuance series A - Second Program		PEN	30,000	48,722	46,799	December 2033
1st issuance single series - Third Program	US\$55 million	USD	45,000	-	171,630	October 2028
First Program of international Issuance - Single issuance (i)	US\$300 million	USD	300,000	1,078,353	1,079,943	September 2029
				<u>1,385,420</u>	<u>1,703,278</u>	
<b>Negotiable certificates of deposit</b>				-	41	
<b>Accrued interest payable</b>				<u>18,943</u>	<u>27,992</u>	
				<u>1,650,913</u>	<u>2,151,326</u>	

(i) In September 2014, the Bank issued subordinated bonds in the international market for a nominal amount of US\$300 million, at an annual fixed rate of 5.25%, and with maturity in September 2029, the payment of the principal shall be carried out in full on its maturity date. These bonds are hedged by a fair value hedge through an “interest rate swap-IRS”, which has resulted in accumulated gains of S/31 million as of December 31, 2023 (accumulated gains of S/60 million as of December 31, 2022).

As of December 31, 2023, corporate bonds do not have specific collaterals and accrue interest at effective annual interest rates ranging in local currency from 4.44% and 7.47% (4.40% and 7.50% as of December 31, 2022).

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 5.30% and 6.50% in foreign currency as of December 31, 2023 and 2022.

As of December 31, 2023 and 2022, the Bank records in accounts payable a balance of S/10 million and S/5 million, respectively, which corresponds to deferred issuance expenses.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### 14. Accounts payable, provisions and other liabilities

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
<b>Accounts payable</b>		
Repurchase agreements with BCRP (a)	6,775,261	10,505,016
Accounts payable to suppliers	1,018,563	878,397
Other accounts payable (b)	429,346	404,232
Premium to deposit insurance fund, contributions and obligations with tax collecting institutions	238,520	203,842
Dividends, interest and remunerations payable	116,637	147,698
Interest payable	114,148	74,023
Accounts payable, note 28	<u>8,692,475</u>	<u>12,213,208</u>
<b>Provisions</b>		
Labor provisions and others	667,900	627,417
Provision for litigations, claims and other contingencies (c)	317,095	281,321
Provision for indirect loans (d)	267,403	251,668
	<u>1,252,398</u>	<u>1,160,406</u>
<b>Other liabilities</b>		
Transactions in progress (e)	3,698,689	974,196
Deferred income and others	74,685	76,451
	<u>3,773,374</u>	<u>1,050,647</u>
	<u>13,718,247</u>	<u>14,424,261</u>

- (a) As of December 31, 2023, it corresponds to repurchase agreements of the loan portfolio of the Reactiva Peru program for S/1,579 million (S/5,408 million as of December 31, 2022), repurchase agreements of rescheduled loans for S/4,898 million (S/4,901 million as of December 31, 2022) and repurchase agreements of certificates of deposits with the BCRP for S/298 million (S/196 million as of December 31, 2022).

As of December 31, 2023 and 2022, repurchase agreements of the loan portfolio of the Reactiva Peru program mature in December 2025 and accrue interest at annual interest rates of 0.50%. Also, repurchase agreements of rescheduled loans mature in September 2025 and accrue interest at annual interest rates ranging from 0.50% to 3.50% for both periods.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

- (b) As of December 31, 2023, it includes S/16 million insurance on behalf of borrowers (S/74 million as of December 31, 2022) and S/366 million for short selling transactions (S/279 million as of December 31, 2022).
- (c) 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 consider that they will not result in additional liabilities to those already recognized.
- (d) Movement in the provisions for indirect loan (contingent) is as follows:

	2023 S/(000)	2022 S/(000)
Balance at the beginning of the year	251,668	244,377
Provisions	97,078	114,069
Recovery and reversals	(78,579)	(100,938)
Exchange difference and other adjustments	(2,764)	(5,840)
	<u>267,403</u>	<u>251,668</u>

The balance of the provision for loan losses (indirect loans) is as follows:

	2023 S/(000)	2022 S/(000)
Specific	146,575	129,753
Generic	103,773	108,423
Provision for country risk	17,055	13,492
Balance as of December 31	<u>267,403</u>	<u>251,668</u>

- (e) 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 separate statement of financial position. These transactions do not have an impact on the Bank's profit or loss. As of December 31, 2023, liability transactions in progress mainly include treasury transactions for S/3,488 million (S/647 million as of December 31, 2022).

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### 15. Equity

#### (a) Share capital -

As of December 31, 2023 and 2022, the Bank's authorized, subscribed, and paid-in capital is represented by 8,147,211 and 7,382,184 thousand of common shares, respectively, with a nominal value of S/1.00 per share.

The General Shareholders' Meeting held on March 30, 2023 and March 31, 2022 approved the increase in share capital for S/765 million and S/624 million, respectively, through the capitalization of retained earnings.

As of December 31, 2023 and 2022, shareholding in the Bank's share capital is as follows:

	2023		2022	
	Nº of shareholders	Interests %	Nº of shareholders	Interests %
Up to 1	9,995	6.59	8,601	6.62
From 1.01 to 5	1	1.17	1	1.14
From 45.01 to 100	2	92.24	2	92.24
	<u>9,998</u>	<u>100</u>	<u>8,604</u>	<u>100</u>

#### (b) 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

The General Shareholders' Meeting, held on March 30, 2023 and March 31, 2022, approved to record the legal reserve for the amount equivalent to 10% of 2022 profits (S/191 million) and 2021 (S/156 million), respectively.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### (c) Unrealized results -

As of December 31, 2023 and 2022, unrealized gains or losses, net of deferred tax, was as detailed below:

	2023 S/(000)	2022 S/(000)
Available-for-sale investments, note 6 (g)	118,763	(76,217)
Cash flow hedges, note 8	(18,980)	(26,016)
Other comprehensive income of subsidiaries and associates	(4,173)	(2,898)
Actuarial liabilities for long-term employee benefits	11,803	14,079
	<u>107,413</u>	<u>(91,052)</u>

### (d) Retained earnings -

At the General Shareholders' Meeting, held on March 30, 2023 and March 31, 2022, the decision was made to approve the capitalization of retained earnings for S/765 million and S/624 million, respectively, and dividend distribution for S/956 million and S/780 million, respectively.

### (e) Regulatory capital and legal limits -

In accordance with the Banking Law, the regulatory capital amount could not be less than 10% of risk - weighted assets for credit risk, market risk and operational risk, which are calculated by the Bank using the standardized approach.

By means of Legislative Decree N° 1531 dated March 19, 2022, the Peruvian banking law was amended to adopt the Basel III capital standards and approach; major changes include: composition of regulatory capital, requirement at minimum ratios, powers in the event of noncompliance with solvency requirements, among others. The SBS, by means of general purpose standards, set the form and due dates for adequacy. On December 27, 2022 by means of SBS resolution N° 03952-2022, as amended by Resolution SBS N° 2192-2023 dated June 23, 2023, the minimum solvency requirements were set in article 199 of the General Banking Law with the following adequacy due dates.

Period	Minimum common equity Tier 1 requirement	Tier 1 regulatory capital requirement	Minimum total regulatory capital ratio
January 2023 to March 2023	3.825%	5.10%	8.5%
April 2023 to February 2024	4.05%	5.40%	9.0%
March 2024 to August 2024	4.275%	5.70%	9.5%
September 2024 and later	4.50%	6.00%	10.0%

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

As of December 31, 2023, the regulatory capital of the Bank, determined according to current legal regulations, is S/14,912 million (S/12,885 million as of December 31, 2022):

	2023 S/(000)	2022 S/(000)
<b>Common Equity Tier 1</b>		
<b>Plus</b>		
Common shares	8,147,211	7,382,184
Profit or loss of the year	1,869,103	-
Unrealized gains on available-for-sales investments	130,940	-
Legal reserve	2,245,122	2,244,747
<b>Less</b>		
Regulatory adjustments	(594,612)	(39,692)
	<u>11,797,764</u>	<u>9,587,239</u>
<b>Tier 2</b>		
<b>Plus</b>		
Subordinated debt	741,800	762,800
Subordinated bonds	1,299,444	1,519,295
Generic provisions for loans	1,073,253	1,055,237
<b>Less</b>		
Regulatory adjustments	-	(39,692)
	<u>3,114,497</u>	<u>3,297,640</u>
<b>Total regulatory capital</b>	<u>14,912,261</u>	<u>12,884,879</u>

Pursuant to the Rules to meet the Requirement of Regulatory Capital for Additional Risk, as approved under Resolution SBS N° 03953-2022 (published on December 22, 2022), the requirement for additional regulatory capital is set to be the sum of the regulatory capital requirements each of which is calculated based on the following components: credit concentration risk and interest rate risk stated in the banking book. As of December 31, 2023 the requirement of regulatory capital for additional risks for the Bank amounts to S/486 million. Pursuant to the Rules to meet the Requirement of Conservation Buffers per Economic Cycle and for the Market Concentration Risk of, as approved under Resolution SBS N° 03954-2022 (published December 22, 2022), the methodologies were set to calculate the conservation buffer requirements per economic cycle, activation and operation of this buffer per economic cycle, the requirement for a buffer for market concentration risk, requirement for capital conservation buffer, and the restrictions applicable to non-compliance buffer requirements and other measures. As of December 31, 2023, the balance of the buffer requirement is S/1,555 million.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the separate financial statements (continued)

As of December 31, 2023 and 2022, by means of Letter N° 7850-2023-SBS dated February 17, 2023 and Letter No 2097-2022 dated January 19, 2022, the SBS established that the Bank should maintain Tier 1 Capital Level above the 10% of the total risk-weighted assets. According these letters, as of December 31, 2023, Tier 1 Capital is measured considering share capital, retained earnings, net profit, unrealized gains on available-for-sale investments, legal reserve and deductions on Tier 1 Capital, while, as of December 31, 2022, Tier 1 Capital is measured considering share capital, legal reserve and deductions on regulatory capital. As of December 31, 2023 and 2022, the Bank's solvency ratio is 12.33% and 10.34%, respectively, in consistency with the requirements of the above mentioned letters.

As of December 31, 2023, the contingent asset and liabilities weighted by credit risk, market risk and operational risk under current regulations amounts to S/95,668 million (S/92,296 million as of December 31, 2022). Also, the Bank's global capital ratio by credit risk, market risk and operational risk is 15.59% (13.96% as of December 31, 2022).

It should be noted that the regulatory capital is a figure also used to calculate certain limits and restrictions applicable to the Bank and which Management considers the Bank has fully complied with.

#### 16. Contingent risks and commitments

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
<b>Indirect loans</b>		
Guarantees and letters of guarantee	17,457,156	16,672,087
Letters of credit and banker's acceptance	1,054,247	1,309,834
Total indirect loans, note 7	<u>18,511,403</u>	<u>17,981,921</u>
Unused credit lines and undisbursed loans granted	18,545,229	18,320,926
Various responsibilities	<u>5,935</u>	<u>6,102</u>
	<u>37,062,567</u>	<u>36,308,949</u>

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.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

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 at December 31, 2023 and 2022.

### 17. Interest income

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
Direct loan portfolio	6,514,426	5,007,330
Cash and due from banks, note 5(c)	451,780	165,668
Available-for-sale investments, note 6(g)	302,522	215,818
Investments at fair value through profit or loss, note 6(g)	286,908	224,683
Interbank funds	15,057	6,753
Other finance income	4,119	4,312
Net profit on hedge transactions	-	92,111
	<u>7,574,812</u>	<u>5,716,675</u>

### 18. Interest expenses

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
Obligations with the public	(1,567,138)	(627,030)
Debts and financial obligations	(289,603)	(312,120)
Accounts payable	(169,887)	(116,181)
Net loss on hedge transactions	(100,063)	-
Deposits from financial institutions	(70,658)	(20,945)
Interbank funds	(15,372)	(13,522)
Other financial expenses	(17,565)	(36,168)
	<u>(2,230,286)</u>	<u>(1,125,966)</u>



# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### 19. Income from financial services, net

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
<b>Income</b>		
Income from fees of credit cards	399,262	374,933
Income from indirect loans	288,101	263,715
Transfer fees	256,854	286,404
Income from fees for collections services	193,080	157,961
Income from online banking services for business	76,610	70,670
Income from services and maintenance of checking accounts	64,852	53,761
Income from technical and legal studies	29,542	12,351
Income from advisory services	19,845	25,551
Income from cash services	12,102	8,885
Income from trust and trust fees	1,372	1,220
Other income for services	350,211	291,444
	<u>1,691,831</u>	<u>1,546,895</u>
<b>Expenses</b>		
Expenses from operating with Visa, Mastercard and Plin	(197,561)	(164,612)
Customer loyalty program	(173,438)	(148,802)
Premiums to the Deposit Insurance Fund	(107,635)	(114,443)
Financial product sponsors	(87,684)	(73,220)
Transfers	(52,145)	(42,722)
Government fund guarantee	(18,355)	(76,771)
Purchase of foreign currency - spot transaction	(11,492)	(9,615)
Expenses of maintenance of checking accounts	(4,468)	(5,465)
Other expenses from services	(45,915)	(38,765)
	<u>(698,693)</u>	<u>(674,415)</u>
	<u>993,138</u>	<u>872,480</u>

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### 20. Profit or loss from financial transactions

The table below shows a detail:

	2023 S/(000)	2022 S/(000)
Foreign exchange differences, note 4	706,658	936,080
Investments at fair value through profit or loss	35,353	3,944
Hedging derivatives	31,608	(91,939)
Trading derivatives	23,192	(277,628)
Gains on interests held, note 9	9,184	42,622
Available-for-sale investments	(4,058)	823
Other	53,806	26,710
	<u>855,743</u>	<u>640,612</u>

### 21. Administrative expenses

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
Third party service expenses	(1,285,643)	(1,059,717)
Personnel and Board of Directors expenses	(1,116,128)	(1,015,630)
Tax and contributions	(51,413)	(49,135)
	<u>(2,453,184)</u>	<u>(2,124,482)</u>

### 22. Other income and expenses, net

As of December 31, 2023, this caption comprises "Other income" of S/171 million mainly reflecting the reversal of contingent provisions of S/133 million, other income of S/16 million, income from leases of S/10 million and "Other expenses" of S/102 million, mainly including operating losses due to technological fraud and customer returns of S/45 million, losses on sales of seized and recovered assets of S/33 million, cost of sales of goods of S/9 million and claims on cards of S/9 million. At December 31, 2022, this item shows "Other income" of S/97 million mainly include the reversal of contingent provisions of S/57 million, other income of S/13 million, income from leases of S/3 million and "Other expenses" of S/88 million mainly including losses in sales of seized assets and recovered of S/21 million, technological fraud operations and returns to customers of S/29 million and administrative and tax sanctions of S/8 million.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### 23. Tax situation

#### (a) Tax rates -

The Bank is subject to the Peruvian tax regime. As of December 31, 2023 and 2022, the corporate income tax rate in Peru is 29.50% on the net taxable income determined individually by each of the companies that make up the Bank.

Through Legislative Decree N° 1261, published December 10, 2016 and effective January 1, 2017, the corporate income rate was amended to 29.50%.

The aforementioned Legislative 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.

- (b) In accordance with current tax legislation in Peru, non-resident subjects are taxed only on their Peruvian source income. Thus, in general terms, the income obtained by subjects not domiciled for services rendered in our country are taxed with income tax at a rate of 30% on a gross basis, as long as the application of an Agreement to avoid double taxation (CDI in Peru) that the country has signed and that is in force. Currently, Peru has CDIs in force with the Andean Community, Chile, Canada, Brazil, Portugal, Switzerland, Mexico, South Korea and Japan.

For the purposes of technical assistance services or digital services provided by non-resident subjects in favor of domiciled subjects, the place of provision will be indistinct, and in all cases they will be taxed with income tax at a rate of 15% and 30% on gross basis, respectively. The rate applicable to technical assistance services will be 15%, provided that the requirements indicated in the Tax Law on Rent. As indicated in the previous paragraph, the withholding rate in these cases may vary or the withholding may even be inapplicable if the provisions of a current CDI are used.

On June 30, 2023 Supreme Decree N° 137-20223-EF was enacted by which article 30 to the rules for the application of the Peruvian Income Tax Law was amended, an article governing the rates applicable to transactions with non-domiciled residents. By such an amendment, the use of the SOFR rate is instated as the prevailing preferred rate for the purpose of using the reduced rate of 4.99 percent. It is worth noting that such a regulation became effective on June 30, 2023.

#### (c) Income tax determination -

In determining its tax base for the years ended December 31, 2023 and 2022 the Bank determined current income tax payable of S/551 million and S/780 million, respectively.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

Tax expense per company comprises the following:

	2023 S/(000)	2022 S/(000)
Current tax	551,214	779,580
<b>Deferred tax</b>		
Profit or loss	(18,205)	(60,643)
Income tax (adjustment/provision recovery)	18,019	14,780
	<u>551,028</u>	<u>733,717</u>

The reconciliation of the effective income tax rate with the tax rate is as follows:

	2023		2022	
	S/(000)	%	S/(000)	%
Profit before income tax	2,420,131	100.00	2,646,284	100.00
Income tax calculated according to the tax rate	(713,939)	(29.50)	(780,654)	(29.50)
<b>Tax effect on additions (deductions)</b>				
Permanent differences	180,930	7.48	61,717	2.33
Others	(18,019)	(0.74)	(14,780)	(0.56)
Current and Income tax recorded at effective rate	<u>(551,028)</u>	<u>(22.76)</u>	<u>(733,717)</u>	<u>(27.73)</u>

(d) Temporary tax on net assets -

The Bank is subject to the temporary tax on net assets, the tax base of which is composed of the prior year adjusted net asset value less depreciations, amortizations, legal reserve requirements and specific provisions for credit risk. The tax rate is 0.4% for fiscal 2023 and 2022 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 November 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. The Bank has calculated the temporary tax on net assets for 2023 to be S/343 million (S/359 million in 2022).

(e) Financial transaction tax -

For the years 2023 and 2022, the Financial Transaction Tax rate has been set at 0.005% and is applicable to charges and credits in bank accounts or movements of funds through the financial system, unless it is exempt.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the separate financial statements (continued)

(f) Transfer pricing -

For purposes of determining income tax, the transfer prices of transactions with related companies and with companies resident in territories with low or no taxation, or with subjects or permanent establishments whose income, income or gains from said contracts are subject to a preferential tax regime, they must be supported with documentation and information on the valuation methods used and the criteria considered for their determination. The Tax Administration is authorized to request this information from the Company.

Until the 2016 taxable year, the formal Transfer Pricing obligations were given by the obligation to present the informative affidavit and have the technical study. As of January 1, 2017, through Legislative Decree N° 1312, published on December 31, 2016, the following formal obligations are established that replace the previous ones: i) submit the Local Report affidavit (as long as have income accrued over 2,300 UIT); ii) submit the Master Report affidavit (as long as the taxpayer has accrued income greater than 20,000 UIT); and, (iii) present the Country by Country Report affidavit (as long as the consolidated accrued income of the parent company of the multinational group for the previous year is greater than or equal to S/2,700 million. Both the Master Report and the Country by Country Report are required as of the 2018 taxable year. It should be noted that the Master Report is only on international operations and that BBVA Peru is not subject to submitting the Country by Country Report in accordance with the exceptions established in Superintendence Resolution N° 163-2018/SUNAT and the Regulations of the Income Tax Law.

Also, under the provisions of the above-mentioned Legislative Decree N° 1312, low valued-added intragroup services are not allowed to have a margin of more than 5% over cost; in respect to services rendered between related parties; further, taxpayers must meet the beneficial owner test requirement and furnish all relevant documentation that support the economic substance of related-party transactions and count on with all information requested in minimum good conditions that are needed for tax deduction of costs or expenses. Legislative Decree N° 1116 established that Transfer Pricing standards are not applicable to sales tax (IGV, by its Spanish acronym) purposes.

Through Legislative Decree N° 1381 published on August 24, 2018, the concept of “non-cooperative” countries or territories and preferential tax regimes are incorporated into the Income Tax Law, in respect of which the already existing defensive measures are imposed for countries and territories with low or no taxation.

Based on an analysis of the Bank’s transactions, Management and its legal counsel consider that no significant contingencies arose from the application of these standards at December 31, 2023 and 2022.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

(g) Tax assessment by the Peruvian tax authorities -

The Peruvian tax authorities have the power to review and, if applicable, correct the income tax calculated by the Bank over the four years after the year of filing the annual income tax return. The annual income tax returns for fiscal 2018 to 2022, and the one that will be presented for fiscal 2023 remain to be audited by the Peruvian tax administration. In April 2019, the income tax audit for fiscal 2016 was completed, while the tax audit of fiscal 2014 and 2015 ended in December 2021.

Management considers that no significant liabilities that may affect the Bank's profit or loss will arise from the tax claims and years subject to tax audits, under the provisions of IFRIC 23.

Due to the possible interpretations of the current tax laws by the Tax Authorities, it is not possible to determine, at the present 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 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 separate financial statements at December 31, 2023 and 2022.

As of December 27, 2023, the Bank has been served notice by the Tax Court ordering the tax authority to reassess the income tax for 2016 and return the related credit balance, an amount expected to be received during 2024 and for which S/ 84 million is recognized.

(h) Sales tax regime (Value-added tax VAT or IGV in Peru) -

Regarding the VAT, interest arising on securities issued by public or private offering by legal entities incorporated in Peru is not subject to VAT; and neither the interest on the securities not placed via public offering, when they were acquired via a centralized mechanism of trading as described in the Peruvian Securities Market Law.

On December 30, 2021, Legislative Decree N° 1519 was published to extend the effective date of Legislative Decree N° 783, which approves the rule on the refund of taxes levied on acquisitions with donations from abroad and imports of diplomatic missions and others, as well as the VAT (IGV) exemption on the issuance of electronic money made by companies issuing electronic money up until December 31, 2024.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

Also, on December 29, 2022, Law N° 31651 was published to amend Article 7 of the Peruvian VAT Law, setting forth that the exemptions included in Appendices I and II will be in force until December 31, 2025. It is worth mentioning that the aforementioned law came into effect as from January 1, 2023.

- (i) Uncertainty over income tax treatments -  
In accordance with IFRIC 23, the Bank 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 tax treatment. The Interpretation did not have an effect on the Bank's financial statements as of December 31, 2023 and 2022.
- (j) New accrual concept -  
Legislative Decree N° 1425 introduced the definition of "legal accrual" for income tax purposes, stating that: a) income 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) income from rendering the service occurs when realization level of the rendered service has been established.

In general, the new criteria for income tax determination will matter if the substantial facts underlying income-earning or expense-incurring activities occur as agreed by the parties, facts that are not subject to a suspensive condition; in which case, income shall be recognized when that condition is met regardless of the timing of collection of payment; and, whenever the determination of the consideration depends on a future event or fact, the proportional portion or total income or expense would be deferred until the relevant event or fact actually occurs.

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.

The new "legal accrual" concept requires the necessary reconciliation between the financial recognition of income, costs and/or expenses and their related recognition for tax purposes because the "legal accrual" concept differs from the financial accrual concept. Finally, it is worth indicating that this new concept shall not be applicable by those entities which accrue income or expenses for income tax purposes under the provisions of a special tax regime (industry-specific) of accrual.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

(k) 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 fiscal year. If there is any financial expense balance that is not expected to be absorbed as an expense over a given year under the new rule of thin capitalization effective from January 1, 2021, it can be offset against the entity's income that is obtained over the four (4) following fiscal years (for example, four year carry forward) at the end of which, the balance will be considered expired and give rise to permanent differences. There are some exemptions regarding this 30% limit for banks, taxpayers whose income is lower than 2,500 Peruvian tax units (UIT, in Peru), infrastructure, and public utilities, among others.

Supreme Decree N° 402-2021, published December 30 and effective December 31, 2021, modified the Regulation on the Income Tax Law that governs the calculation of tax-EBITDA for the purpose of setting interest rate limits.

For the fiscal 2019 and 2020, finance costs arising from debts of independent and related parties are subject to the thin capitalization limit of three times the net equity at December 31 of the prior fiscal year.

(l) Deduction of expenses or costs incurred in transactions with non-domiciled parties

Legislative Decree N° 1369 requires that costs and/or expenses (including "outbound" interest) incurred with non-resident counterparties must have been effectively paid in order to be deductible in the year in which they were incurred up to before the expiration of the term for the presentation of the annual affidavit. Otherwise, its impact on the determination of the net income will be deferred to the year in which cash is paid, the opportunity in which the corresponding withholding will be applied.

Such a piece of regulation removed the obligation to pay the amount of the withholding on the amount accounted for as cost and/or expense.

(m) Indirect tax credit -

Effective January 1, 2019, under certain requirements, domiciled entities receiving foreign inbound dividends may deduct as direct tax credit the income tax that may have been levied foreign dividends and the corporate income tax (indirect tax credit) 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.

(n) Permanent establishments -

Effective January 1, 2019, new assumptions of permanent establishments have been included, such as, the service completed in Peru to the same project, service or for a related one for a period not exceeding 183 calendar days within any given period of twelve months.



# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

- (o) Measures for the enforcement of the anti-tax-avoidance general clause contained in Standard XVI of the Peruvian Tax Code -

Legislative Decree N° 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 from a review committee composed of Tax Authorities' officers; and (iii) final tax 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.

It should be noted that, at the reporting date, the General Anti-Avoidance Rule is in full effect together with the application of Standard XVI of the Peruvian Tax Code.

Dated May 6, 2019 Supreme Decree 145-2019-EF, was published on the official newspaper of Peru "El Peruano," approving all the formal and substantial parameters for the application of the General Anti-avoidance Rule provided in the Standard XVI of the Peruvian Tax Code.

Consequently, the requirement to end the suspension of the application for such rule, established by Law N° 30230, is deemed fulfilled. Likewise, the Regulation for Tax Audits performed by SUNAT has been modified accordingly.

By means of Resolution N° 000184-2021/SUNAT, published December 13, 2021, the members of the Review Committee of the Tax Authorities (SUNAT) were appointed, in accordance with Article 62-C of the Consolidated Text of the Tax Code. It states that, when applying the General Anti-Tax avoidance Rule over a tax audit, a report and the auditor's report shall be submitted to the Reviewer Committee.

- (p) Joint and several liability of legal representatives and directors of entities -

Since September 14, 2018, through Legislative Decree N° 1422, when an audited individual is subject to the General Anti-Tax-Avoidance Rule, there is joint and several liability of legal representatives for any fraud, gross negligence or misuse of powers, unless proven otherwise. The aforementioned joint and several liability shall be attributable to such representatives provided that they collaborated with the design or approval or execution of acts, situations or economic relationships with a tax-avoidance purpose.

The regulation also involves the members of the Board of Directors of companies, by noting that these subjects are responsible for defining the tax strategy of the companies in which they are directors, and they must decide whether or not to approve acts, situations or economic relations to be carried out in the framework of tax planning, being non-delegable - according to the norm in comment - this attribution of the Directors.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the separate financial statements (continued)

Members of domiciled entities' Board of Directors were granted until March 29, 2019 to ratify or modify the acts, situations or economic relationships carried out within the tax planning framework and implemented from September 14, 2018 that have tax effect up to the current date.

Nonetheless the aforementioned maximum term for complying with this formal requirement and considering that such joint and several liability attributable to legal representatives and directors, and the absence of a definition of "tax planning", it will be critical for entities to review any act, situation or economic relationship that has: (i) increased tax liabilities; and/or (ii) generated a lower payment of taxes for such periods, in order to prevent any joint and several liability from arising, both from an administratively and criminal perspectives, depending on the tax audit criteria, in case the General Anti-Tax-Avoidance Rule is applied to the entity on the occasion of a tax audit by SUNAT.

(q) Information about beneficial owners -

In the framework of the regulations to strengthen the fight against tax evasion and tax avoidance, as well as against money laundering and terrorism financing, effective August 3, 2018, the provisions introduced by Legislative Decree N° 1372 are currently in force. The aforementioned Decree requires the presentation of information related to the beneficial owners to the competent authorities through a sworn statement on the ultimate beneficiaries. Such statement shall disclose the names of the individuals that actually hold title, ownership or control. Thus, it is mandatory to report the following: (i) identification of the beneficial owner; (ii) chain of title with its respective supporting documentation; and (iii) identification of third parties that have said information, if applicable. Also, it states that the information related to the identification of the beneficial owners of 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 or rule.

Note that on December 23, 2022, Superintendence Resolution N° 000278 2022/SUNAT was published, establishing that legal entities must submit the Declaration of Final Beneficiary up to the dates established for compliance with the monthly obligations corresponding to the period of December 2023, modifying the original presentation date corresponding to December 2022.

On the other hand, it should be noted that SUNAT Resolution N° 000041-2022/SUNAT established that entities which reported net income in 2021 of more than of 300 UIT (S/1,380,000.00) and up to 500 UIT (S/2,300,000.00), and which were not required to file the Sworn Statement on Beneficial Owner previously in fiscal 2022, shall file such a statement for fiscal period May 2023, based on the last digit of the Peruvian taxpayer number (RUC) of the entities subject to the requirement, in line with the timetable of monthly tax obligations of fiscal 2023.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the separate financial statements (continued)

It should be noted that if the informative sworn statement containing the information about the beneficial owner is not submitted, the legal representatives of the entity that failed to comply with that filing will be considered jointly and severally liable.

On December 16, 2019 and June 20, 2022, the Bank complied with filing the sworn statement on beneficial owner on the date set in the monthly tax obligation timetable.

On December 10, 2023, the SBS Resolution N° 000236-2023/SUNAT was published setting forth the possibility for using the format containing the beneficial owner's information, in order to report the identification of the beneficial owner, via a means other than the physical one. For this purpose, the provision is included allowing for an individual that qualifies as a beneficial owner, under the provisions of the Exhibit to the rules for application of the Peruvian Beneficial Owner Law to be submitted in an electronic document with the digital signature of that beneficial owner, as established in the rules for application of the Digital Signature and Digital Certificate Law

The aforementioned provisions may not apply to legal persons or legal entities under the oversight of the Peruvian regulators SMV or SBS, provided that such parties subject to the obligation to disclose their beneficial owners use any of the mechanisms that, in accordance with the provisions of such regulators, are implemented to interact with their users, provided that such mechanisms allow the beneficial owner to be reliably identified.

#### (r) Indirect disposal of shares -

As of January 1, 2019, an anti-avoidance rule is incorporated to avoid the division of operations, through which, indirectly, shares of companies domiciled in Peru are sold. In this sense, Peruvian source income is considered to be that obtained from the indirect sale of shares or participations representing the capital of legal persons domiciled in the country. For such purposes, it must be considered that an indirect sale occurs when shares or participations representing the capital of a legal person not domiciled in the country are sold, which, in turn, is the owner directly or through another person or persons of shares or participations representing the capital of one or more legal entities domiciled in the country, provided that the conditions established by Law N° 30341 occur concurrently.

Currently, the Income Tax Law states that an indirect transfer of shares occurs when, in any of the 12 months prior to the disposal, the market value of the shares or ownership interest held by the domiciled legal entity equals 50 percent or more of the market value of the shares or ownership interest of the non-domiciled legal entity; this requirement is automatically met whenever the market value threshold of the Peruvian companies is exceeded.

Finally, as a concurrent condition, it is established that in any 12-month period shares or ownership interest representing 10% or more of the capital of a non-domiciled legal entity are sold.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

Likewise regardless of compliance with the provisions of the Income Tax Law, an indirect taxable transfer shall always occur 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 Peruvian tax units (UIT). Further, from the effective date stated above, 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 severally liable party. Thus, the latter is required to provide, among other information, that about the transferred shares or interests of the non-domiciled legal person.

Per Legislative Decree N° 1262 amending Law N° 30341, the law promoting the integration of the securities market and by means of Emergency Decree N° 005-2019, the income obtained from the disposal of the following securities is exempted from income tax until December 31, 2022: a) common shares and investment shares b) American Depositary Receipts (ADR) and Global Depositary Receipts (GDR), c) Units of Exchange Trade Fund (ETF) with underlying items such as shares and debt instruments, d) Debt instruments, e) Certificates of ownership interest in mutual funds for investments in securities, f) Certificates of ownership interest in Investment Fund of Real- Estate Assets (Fondo de Inversión en Renta de Bienes Inmuebles - FIRBI) and certificates of ownership interest in securitization trusts (Fideicomiso de Titulización para Inversión en Renta de Bienes Raíces - FIBRA).

For common shares and investment shares, ADRs, GDRs and bonds convertible in shares, the following requirements should be met:

1. Disposal should be carried out via a centralized trading mechanism under the oversight of the securities market regulator (Superintendence of the Securities Market),
2. Over a period of 12 months, a taxpayer and related parties do not transfer via one or more simultaneous or successive transactions, the ownership of 10 percent or more of the securities issued by the entity. For ADR and GDR, this requirement is determined based on the underlying shares. If this requirement is not met, the taxable income is determined based on the transfers that that would had been exempted over the 12 months prior to the disposal. The relatedness is determined base d on the provisions in subsection b, article 32-A of the Law.
3. Securities should be listed.

For all the securities involved, disposal is required to be completed via a centralized trading mechanism under the oversight of the SMV and they should be listed. With respect to negotiable invoices, the only requirement is that the disposal be completed via a centralized trading mechanism under the oversight of the SMV.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the separate financial statements (continued)

Finally, one cause for loss of exemption includes the fact an issuer delists its securities from the local stock exchange registry, either fully or partially, in one single act or progressively within a time span of 12 months following the date of disposal. Exemptions are to be determined under the relevant regulations.

Without prejudice of the above, on December 30, 2022 Law N° 31662 was published to extend until December 31, 2023 an income tax exemption on the disposal of securities carried out on the local stock exchange (BVL) as previously instated and set forth the following:

1. The income tax exemption is applicable to capital gains earned by an individual, undivided succession or matrimonial regime who opted to be pay taxes as such.
2. The income tax exemption is applicable to the first 100 UITs of capital gains earned in each taxable fiscal year.

The requirements originally set in Law N° 30341, Law promoting the liquidity and integration of the securities market are kept unchanged regarding the listed status of the securities and keeping ownership of at least 10% of the securities issued by the entity.

As of the date of this report, it should be noted that the aforementioned exemptions have not been renewed, therefore, as of January 1, 2024, they are not valid.

(s) Financial information to be provided to SUNAT -

By means of Supreme Decree N° 430-2020-EF, published on December 31, 2020, the relevant Rules were approved stating the financial information that financial system entities must furnish to SUNAT for the fight against tax evasion and tax avoidance under the provisions of Legislative Decree N° 1434. Such Rules became effective on January 1, 2021.

In addition, the aforementioned Rules specified that the items on which the Bank should, report to SUNAT are, among others, the cumulative balances and/or amounts, average or the highest balances and the return obtained on accounts for the reporting period and which equal or exceed S/30,800 over that period. The information will be submitted to SUNAT on a semiannual basis, via informative tax returns that will contain information for monthly periods.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### (t) Income Tax Exemptions -

Through Legislative Decree N° 1549, the validity of all the exemptions in force to date contained in article 19 of the Income Tax Law is extended until December 31, 2026.

In this regard, some of the aforementioned extended exemptions applicable or related to the Bank's operations to benefit individual taxpayers are the following:

- Subsection i) Article 19 states that the exemption covers any type of fixed rate or floating rate interest, in local or foreign currency, that is paid on a deposit or balance pursuant to the General Law of the Financial System and the Insurance System and Comprehensive Law of the Peruvian Banking and Insurance Regulator, Law N° 26702, as well as any capital increases in those deposits or balances in local or foreign currency, excepted when those inflows are third category (corporate) income.

### (u) Bancarization Law -

On March 3, 2022 Legislative Decree N° 1529 was published amending the Financial Inclusion law (Ley de Bancarización) to promote the use of formal means of payment and reduce the amount at which formal means of payments are required to be used, as follows:

- The minimum amount at which formal Means of Payments should be used is two thousand Soles (S/ 2 000) or five hundred U.S. dollars (US\$ 500).
- In order to improve the coverage of Means of Payment and thus expand the set of traceable transactions, Article 3 of the Banking Law was modified in order to indicate that the payment of sums of money for the transactions indicated in said article, for amounts equal to or greater than 1 UIT, even when it is partially carried out, can only be made using the Means of Payment established by Law.
- Payment of obligations to non-domiciled individuals and/or legal entities that need to be made using the statutory Means of Payment can be made effective using non-domiciled ESF financial institutions; in those cases in which the payer makes foreign trade transactions, including obligations derived from the acquisition of land and rights to shares and other securities.
- The requirement to use Means of Payment is considered met if the payment is made directly to the creditor, supplier and/or service provider, or whenever such payment is made to a third party designated by one of the above, as long as such designation is reported to SUNAT prior to payment.
- The requirement to use Means of Payment will not be considered met in any case when the payments are made effective via financial institutions or banks that are based in or have permanent establishments in territories or countries considered as tax havens.

This piece of legislation became effective on April 1, 2022, except for the amendment related to payments via the non-domiciled financial system entities that are based in tax havens, which would become effective on January 1, 2023.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

- (v) On March 26, 2022 Legislative Decree N° 1539 was published amending the Peruvian Income Tax Law to include new methods to determine the market value of securities in transactions between unrelated third parties. This legislation would become effective in January 1, 2023.

Through Supreme Decree N° 326-2022-EF, published on December 29, 2022, amended Article 19 of the Income Tax Law Regulations regarding the determination of the Market Value of securities in order to adapt it to the amendments introduced by Legislative Decree N° 1539. For that purpose, the Decree establishes the following:

- In cases in which the quoted value is not applied, the market value will be the highest value resulting from comparing the transaction value and the discounted cash flow value or the equity participation value, as applicable.
  - If there are securities listed on more than one exchange or centralized trading mechanism, the highest daily value recorded on the transaction date will be considered.
  - Securities representing debt that are not listed on the Stock Exchange or in any centralized trading mechanism will be valued in accordance with the Price Vector. If there is no published Price Vector for said value, the one determined by a Price Provider Company, supervised by the SMV, will be used.
  - The discounted cash flow method is applied when the value of all the company's future cash flows discounted to their present value is established. If the company has several business units, the referred value will take into account the projection made for each business unit involving a foreseeable horizon of future cash flows.
  - When the value of the assets of the legal entity is calculated on the basis of the last audited balance sheet closed prior to the date of the sale of shares or participations representing the capital, in the case of legal entities that are under the control and supervision of the Superintendence of the Securities Market, said balance sheet must have been closed within the 90 days prior to the aforementioned sale, and must be audited by an audit company domiciled in the country that has its current registration in the Registry of Audit Companies in a College of Public Accountants.
- (w) Filing the Common Standard Reporting for fiscal 2023 with SUNAT should be made in in adherence to the timetable set for monthly tax obligations for the period of April 2024. It should be noted that on the due dates contained in that timetable, financial institutions are required to report all required financial information to SUNAT as follows:
- Preexisting accounts of individuals (high and low value) as of December 31, 2023.
  - Preexisting accounts of (reportable) entities as of December 31, 2023.
  - New accounts of individuals as of December 31, 2023.
  - New accounts of entities as of December 31, 2023.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

(x) Deductibility of provisions for loans -

In 2020, Ministry Resolution N° 387-2020-EF/15 was published to state that the provisions made for COVID-19 rescheduled loans, as described in the relevant regulations (Octava Disposición Final y Transitoria del Reglamento para la Evaluación y Clasificación del Deudor y la Exigencia de Provisiones), approved under Resolution N° 11356-2008, and modified by SBS Resolution N° 3155-2020, jointly meet altogether the requirements set out in subsection h), Article 37 of the Peruvian Income Tax Law, with regulations per subsection e), Article 21 of the Rules. In this sense, these provisions must be treated as specific provisions and must be accepted for tax purposes by SUNAT.

On December 31, 2021, the Ministry Resolution N° 394-2021-EF/15 was published to state that provisions for COVID-19 rescheduled loans, as described in the relevant regulations (Novena Disposición Final y Transitoria del Reglamento para la Evaluación y Clasificación del Deudor y la Exigencia de Provisiones), approved under SBS resolution No. 11356-2008, meet altogether the requirements set out in subsection h), Article 37 of the Peruvian Income Tax Law. In this respect, subsection h), Article 37 of the Peruvian Income Tax Law states that financial system entities are allowed to deduct from its gross incomes those provisions that meet all the following requirements:

- These are specific provisions.
- These are provisions that are not part of the regulatory capital and,
- These are provisions solely related to credit risk, classified into the categories of with potential problems, substandard, doubtful and Loss.

(y) On March 15, 2023, Legislative Decree N° 1545 was published, by which the first paragraph of article 26 of the Income Tax Law, on presumed interest income, is modified, establishing the following:

1. Regarding loans in national currency, it is presumed that they accrue interest no less than the monthly average active market rate in national currency (TAMN, by its Spanish acronym) published by the SBS multiplied by an adjustment factor of 0.42.
2. Regarding loans in foreign currency, it is presumed that they accrue interest no less than the monthly average active market rate in foreign currency (TAMEX, by its Spanish acronym) published by the SBS multiplied by an adjustment factor of 0.65.

It should be noted that the provisions indicated above came into force as of January 1, 2024.



# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

- (z) On September 30, 2023, Superintendence Resolution N° 000204-2023/SUNAT was published, postponing the period from October 2023 to January 2024, the opportunity from which they must carry the Sales and Income Registry and the Purchase Registry through the Integrated System of Electronic Records (SIRE, by its Spanish acronym), and the subjects who are obliged to keep the aforementioned records. It should be noted that by Superintendence Resolution N° 000258-2023/SUNAT, the use of the SIRE was postponed from January 2024 to the period April 2024.
- (a1) On November 10, 2023, the Resolution of the Deputy National Superintendence of Internal Taxes N° 039-2023-SUNAT/700000 was published, which provides for the application of the discretionary power of the SUNAT to not sanction the infractions classified in the numerals 2 and 10 of article 175 of the Tax Code related to the keeping of books and records linked to tax matters electronically, provided that the criteria established in the Annex of the aforementioned Resolution are met, until April 30, 2024.
- (a2) The SBS through SBS Resolution N° 4342-2023 dated December 29, 2023, modified procedure N° 32 referring to the "Proof of irrecoverability for tax punishment of credits and/or accounts receivable from operating companies multiple and specialized companies" of the TUPA of the Superintendence of Banking and Insurance.

In this respect, it is worth noting the following:

- According to our tax legislation, in order for the entities of the financial system to carry out the write-off of doubtful debts that exceed 3 UITs (S/ 15,450 for 2024), they must previously provision said debts, according to the parameters established for this purpose, as well as demonstrating the impossibility of taking legal action for bad debts, when the Board of Directors of said entities declares the futility of initiating the corresponding judicial actions.
- Said agreement must be ratified by the SBS, through a certificate certifying that the aforementioned companies have demonstrated the existence of real and verifiable evidence on the unrecoverability of the credits that are subject to punishment, which must be issued. Within the deadline for the presentation of the annual sworn declaration of the year to which the punishment corresponds or until the date on which the company had submitted said declaration, whichever occurs first.
- As can be seen, our tax regulations provide that financial entities must process the certificate of unrecoverability before the SBS, in order to support the admissibility of the write-off of bad debts within the deadlines established for this purpose, that is, the presentation of the declaration. Annual sworn, and at the discretion of the tax authority, failure to comply with such requirement generates a permanent objection, as seen in SUNAT Official Letter N° 009-2004-2B0000.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

- (a3) On December 19, 2023 Law N° 31962 was published, by means of which the interest rates applicable to refunds of tax payments made improperly or in excess, refunds for withholdings or perceptions not applied of the general sales tax and the corresponding amount for updating fines. In this sense, the following modifications are established:

In the opinion of management, as of December 31, 2023 and 2022, the Bank complies with applicable regulations.

The most important changes are:

- Refunds of payments made improperly and/or in excess will be made applying the Default Interest Rate published by SUNAT (currently 10.8% annually), which is the same Rate that applies to unpaid taxes that are not paid on time. With this, the distinction of the interest rate is eliminated depending on whether the payment had been made voluntarily (5.04% annually, currently) or as a consequence of a requirement from the Tax Administration (10.8% annually, currently).
- In the case of the restitution of returns that become improper, the Average Passive Market Rate for operations in National Currency (TIPMN) published by the SBS will be applied.
- Interest applicable to tax fines: i) Unpaid tax fines will be updated by applying the legal interest rate set by the BCRP, in accordance with the provisions of article 1244 of the Civil Code (currently 3.7% annually). ii) Said interest will be applied from the date on which payment of the fine is required from the debtor by the Tax Administration., iii) Regarding the return of withholdings or perceptions not applied, the interest rate will be the same as It is applied to the unpaid tax, in accordance with article 33 of the Tax Code (10.8% annually).

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the separate financial statements (continued)

#### 24. Deferred income tax

Deferred tax has been calculated applying the liability method, and is attributed to the following items:

	Balance as of January 01,2022 S/(000)	Credit (debit) to equity S/(000)	Credit (debit) to income S/(000)	Balance as of December 31,2022 S/(000)	Credit (debit) to equity S/(000)	Credit (debit) to income S/(000)	Balance as of December 31.2023 S/(000)
Assets							
Generic provision for direct loans	490,057	-	(19,484)	470,573	-	(66,273)	404,300
Provision for other expenses and others	138,832	-	113,125	251,957	-	67,997	319,954
Labor provisions	107,398	(250)	13,596	120,744	952	12,005	133,701
Specific provision for indirect loans	36,551	-	1,725	38,276	-	4,963	43,239
Provision for indirect loan losses	39,440	-	63	39,503	-	1,688	41,191
Provision for awarded assets	40,559	-	(4,058)	36,501	-	(1,379)	35,122
Valuation of hedge of debt	10,958	-	-	10,958	-	8,632	19,590
Cash flow hedges	2,131	8,878	-	11,009	-	-	11,009
Available-for-sale investments	5,191	-	-	5,191	-	-	5,191
Interest in suspense	278	-	-	278	-	-	278
	<u>871,395</u>	<u>8,628</u>	<u>104,967</u>	<u>984,990</u>	<u>952</u>	<u>27,633</u>	<u>1,013,575</u>
Liabilities							
Intangible assets / deferred charges	(121,721)	-	(25,352)	(147,073)	-	(12,061)	(159,134)
Valuation of hedge of debt	-	-	(28,627)	(28,627)	-	-	(28,627)
Balancing of assets and liabilities due to exchange difference	(39,235)	-	10,543	(28,692)	-	3,917	(24,775)
Tax depreciation of property, furniture and equipment	(9,341)	-	(888)	(10,229)	-	(1,284)	(11,513)
Cash flow hedges	(123)	-		(123)	(2,944)	-	(3,067)
Available-for-sale investments	(5,075)	3,368		(1,707)	(1,099)	-	(2,806)
	<u>(175,495)</u>	<u>3,368</u>	<u>(44,324)</u>	<u>(216,451)</u>	<u>(4,043)</u>	<u>(9,428)</u>	<u>(229,922)</u>
Net deferred tax asset	<u>695,900</u>	<u>11,996</u>	<u>60,643</u>	<u>768,539</u>	<u>(3,091)</u>	<u>18,205</u>	<u>783,653</u>

Management considers that the net deferred asset for income tax will be recovered with future taxable profits to be obtained by the Bank in the following years, including the portion that is recorded in equity.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### 25. Earnings per share

The calculation of the weighted average number of shares outstanding and earnings per share as of December 31, 2023, and 2022, is as follows:

	Shares outstanding	Base shares in determining weighted average	Effective days to period-end	Weighted average number of common shares
<b>2023</b>				
Balance as of January 1, 2023	7,382,184	7,382,184	360	7,382,184
Capitalization of 2022 profit	765,027	765,027	360	765,027
Balance as of December 31, 2023	<u>8,147,211</u>	<u>8,147,211</u>		<u>8,147,211</u>
Net Profit as of December 31, 2023				1,869,103
Basic and diluted earnings per share				<u>0.2294</u>
<b>2022</b>				
Balance as of January 1, 2022	6,758,467	6,758,467	360	6,758,467
Capitalization of 2021 profit	623,717	623,717	360	623,717
Capitalization of 2022 profit	-	765,027	360	765,027
Balance as of December 31, 2022	<u>7,382,184</u>	<u>8,147,211</u>		<u>8,147,211</u>
Net Profit as of December 31, 2022				1,912,567
Basic and diluted earnings per share				<u>0.2348</u>

Translation of financial statements originally issued in Spanish -  
Note 32

Notes to the separate financial statements (continued)

26. Related party transactions

As of December 31, 2023 and 2022, 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 transactions with related parties are carry out under the available market conditions for unbound third parties.

(a) The balances of the Bank's separate statement of financial position arising from related parties at December 31, 2023 and 2022 were as follows:

	2023						2022					
	Controlling party S/(000)	Subsidiaries S/(000)	Related parties (*) S/(000)	Associates S/(000)	Key personnel and directors S/(000)	Total S/(000)	Controlling party S/(000)	Subsidiaries S/(000)	Related parties (*) S/(000)	Associates S/(000)	Key personnel and directors S/(000)	Total S/(000)
<b>Assets:</b>												
Cash and due from banks	373,364	-	159	-	-	373,523	386,470	-	1,475	-	-	387,945
Loan portfolio, net	-	103,553	586,031	29,009	21,550	740,143	-	63,064	244,587	27,279	22,942	357,872
Trading derivatives	504,693	-	50,876	-	-	555,569	485,210	-	49,732	-	-	534,942
Other assets, net	49,908	209	272,454	-	-	322,571	214,896	126,377	28,886	-	-	370,159
Total assets	927,965	103,762	909,520	29,009	21,550	1,991,806	1,086,576	189,441	324,680	27,279	22,942	1,650,918
<b>Liabilities:</b>												
Obligations with the public and deposits from financial institutions	406,410	146,987	810,703	34,595	30,400	1,429,095	225,055	194,603	292,882	1,096	38,752	752,388
Debts and financial obligations	761,950	-	-	-	-	761,950	783,588	-	-	-	-	783,588
Trading derivatives	307,309	-	3,917	-	-	311,226	485,466	-	190	-	-	485,656
Provisions and other liabilities	186,850	256	362,556	-	-	549,662	271,976	239	303,343	-	-	575,558
Total liabilities	1,662,519	147,243	1,177,176	34,595	30,400	3,051,933	1,766,085	194,842	596,415	1,096	38,752	2,597,190
<b>Off-balance sheet accounts:</b>												
Indirect loans	-	158,261	168,392	193	-	326,846	-	214,700	70,287	13,385	-	298,372
Derivative instruments	19,274,866	-	413,900	-	-	19,688,766	18,579,416	-	16,400	-	-	18,595,816

(\*) Related parties include balances and transactions with other related parties in accordance with IAS 24 and SBS regulations.

Translation of financial statements originally issued in Spanish -  
Note 32

Notes to the separate financial statements (continued)

(b) The effects of related party transactions in the bank separate statement of financial income are detailed below for the years ended December 31, 2023 and 2022:

	2023						2022					
	Controlling party S/(000)	Subsidiaries S/(000)	Related parties (*) S/(000)	Associate S/(000)	Key personnel and directors S/(000)	Total S/(000)	Controlling party S/(000)	Subsidiaries S/(000)	Related parties (*) S/(000)	Associates S/(000)	Key personnel and directors S/(000)	Total S/(000)
Interest income	-	4,773	1,412	219	102	6,506	-	4,117	960	181	103	5,361
Interest expense	(25,584)	(7,885)	(20,877)	(63)	(17)	(54,426)	(25,021)	(14,257)	(19,207)	-	(27)	(58,512)
Financial margin	(25,584)	(3,112)	(19,465)	156	85	(47,920)	(25,021)	(10,140)	(18,247)	181	76	(53,151)
Financial service income	8,038	17,562	739	-	30	26,369	6,945	18,398	546	-	23	25,912
Financial service expenses	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Net commissions	8,038	17,562	739	-	30	26,369	6,945	18,398	546	-	22	25,911
Profit or loss from financial transactions, net	(7,587)	-	(6,234)	-	5	(13,816)	(11,623)	-	(1,878)	-	2	(13,499)
Administrative expenses	(127,003)	(578)	(227,063)	-	-	(354,644)	(140,501)	-	(166,623)	-	-	(307,124)
Other income and expenses, net	11	(4,046)	-	-	-	(4,035)	-	(2,405)	16	-	-	(2,389)
Other income and expenses	(134,579)	(4,624)	(233,297)	-	5	(372,495)	(152,124)	(2,405)	(168,485)	-	2	(323,012)

(\*) Related parties include balances and transactions with other related parties in accordance with IAS 24 and SBS regulations.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the separate financial statements (continued)

(c) Loans to personnel and remunerations to key personnel-

As of December 31, 2023 and 2022, 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. At December 31, 2023 and 2022, direct loans granted to employees, directors, executives and key personnel amount to S/879 million and S/709 million, respectively.

Likewise, as of December 31, 2023 and 2022, remuneration to key personnel and expenses allowance for the board of directors amount to S/15 million and S/16 million, respectively.

#### **27. Trust activities**

The Bank offers structuring and management services of trust transactions and trust fees and is in charge of the preparation of the underlying contractual agreements. 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, 2023, the allocated value of assets in trusts and trust fees totaled S/4,009 million (S/3,201 million, as of December 31, 2022).

Translation of financial statements originally issued in Spanish -  
Note 32

Notes to the separate financial statements (continued)

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:

	2023					
	At fair value through profit or loss		Loans and accounts receivable	Available-for-sale		
	Held for trading	Allocated at inception		At amortized cost (*)	Fair value	Held-to maturity
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Assets						
Cash and due from banks	-	-	9,421,531	-	-	-
Interbank funds	-	-	17,009	-	-	-
Investments	4,387,392	-	-	1,122	10,753,950	-
Equity instruments	-	-	-	1,122	17,370	-
Debt instruments	4,387,392	-	-	-	10,736,580	-
Loan portfolio	-	-	70,617,356	-	-	-
Trading derivatives	1,237,496	-	-	-	-	-
Accounts receivable, note 11	-	-	120,641	-	-	-
Other assets, note 11	-	-	4,316,553	-	-	-
	<u>5,624,888</u>	<u>-</u>	<u>84,493,090</u>	<u>1,122</u>	<u>10,753,950</u>	<u>-</u>

(\*) Including investments measured at cost.

	2023				
	At fair value through profit or loss		At amortized cost	Other liabilities	Hedging derivatives
	Held for trading	Allocated at inception			
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
Liabilities					
Deposits and obligations	-	-	69,208,117	-	-
Interbank funds	-	-	378,451	-	-
Deposits with financial institutions and international financial institutions	-	-	1,665,432	-	-
Debts and financial obligations	-	-	5,903,205	-	-
Trading derivatives	1,076,972	-	-	-	-
Hedging derivatives	-	-	-	-	93,486
Accounts payable, note 14	-	-	8,692,475	-	-
	<u>1,076,972</u>	<u>-</u>	<u>85,847,680</u>	<u>-</u>	<u>93,486</u>



Translation of financial statements originally issued in Spanish -  
Note 32

Notes to the separate financial statements (continued)

	2022					
	At fair value through profit or loss		Loans and accounts receivable S/(000)	Available-for-sale		
	Held for trading S/(000)	Allocated at inception S/(000)		At amortized cost (*) S/(000)	Fair value S/(000)	Held-to maturity S/(000)
Assets						
Cash and due from banks	-	-	12,127,347	-	-	-
Investments	3,278,859	-	-	1,121	8,291,529	-
Equity instruments	-	-	-	1,121	23,115	-
Debt instruments	3,278,859	-	-	-	8,268,414	-
Loan portfolio	-	-	69,087,751	-	-	-
Trading derivatives	1,349,619	-	-	-	-	-
Hedging derivatives	-	-	-	-	-	3,659
Accounts receivable, note 11	-	-	157,778	-	-	-
Other assets, note 11	-	-	974,748	-	-	-
	<u>4,628,478</u>	<u>-</u>	<u>82,347,624</u>	<u>1,121</u>	<u>8,291,529</u>	<u>3,659</u>

(\*) Including investments measured at cost.

	2022				
	At fair value through profit or loss		At amortized cost S/(000)	Other liabilities S/(000)	Hedging derivatives S/(000)
	Held for trading S/(000)	Allocated at inception S/(000)			
Liabilities					
Deposits and obligations	-	-	66,053,752	-	-
Deposits with financial institutions and international financial institutions	-	-	1,042,352	-	-
Debts and financial obligations	-	-	4,029,240	-	-
Trading derivatives	1,245,843	-	-	-	-
Hedging derivatives	-	-	-	-	103,628
Accounts payable, note 14	-	-	12,213,208	-	-
	<u>1,245,843</u>	<u>-</u>	<u>83,338,552</u>	<u>-</u>	<u>103,628</u>

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### 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.

This risk management area centralizes and concentrates management of the credit and market risk through 5 units that provide main services (core): (i) Retail Risk, (ii) Wholesale Risk, (iii) Market & Structural Risk, (iv) Recoveries, and (v) Portfolio Management, Risk Reporting & Sustainability and 2 units that provide cross-sectional services: (i) Strategy, Transformation & Performance and (ii) GRM Data & Analytics.

This structure adequately supports the creation of synergies among several work teams and drives greater interaction in all major processes, from strategy and planning to model implementation and management tools.

Supplemental to this management, the Unit of Internal Control of Risks (Unidad de Control Interno de Riesgos), part of the Internal Control and Compliance function) is charged with verifying that the relevant controls are in place and operating effectively over the major business processes and deliverables of the overall Risk Area.

Given the ongoing overly complex junction, where the new context requires us to continue to make efforts to contain risks and to focus on special groups to provide better support to areas affected by social unrest and the climate effect, risk management remains totally focused on portfolio management on all fronts:

- Portfolio management ensuring compliance with the provisions issued by the SBS and the Government, customizing management and monitoring reports to meet the new needs of the ongoing juncture.
- From the wholesale and retail Admission, ongoing review and adjustment of the admission policies, rescheduling modalities carrying out the portfolio diagnosis, segmentation and action plans according to the identified criticality.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

- Collections continues with an anticipatory management focused on vulnerable groups affected by the crisis derived from the climate effect and social unrest to mitigate the possible impacts of impairment that may be concentrated in those portfolios by setting up specialized teams for the management of collections. Differentiated strategies have been implemented consistent with each portfolio and focused on containment.

The functions of the 2 cross-sectional service units are described below:

- GRM Data & Analytics: Its purpose is to lead the Data Driven culture in Risk, promoting the achievement of strategic objectives with reliable data and advanced analytics. The subunits that make it up are the following:

Analytics Expertise Center: Has the responsibility of defining and executing the development plan of credit risk models and parameters for natural and legal persons. Likewise, it has the function of permanent monitoring of the models, generating the necessary alerts to redirect and re-estimate the models if needed.

Risk Data: The function includes promoting the appropriate governance of data in the Risk area, as well as the interrelation between areas to seek the best quality of the data used. Likewise, it is responsible for supervising the definition, construction and monitoring of quality rules in prioritized critical processes.

- Strategy; Transformation & Performance: Provides services for strategic and transversal management in the Risk area. This allows to manage synergies between internal units and be a link with external areas to ensure operational excellence and transformation of the area. The subunits they make up are the following:

Strategy & Portfolio: Articulate strategic planning and transversal vision of the area. Promote the main levers of transformation and develop strategic communication. Manage the area's project portfolio to ensure adequate planning, execution and monitoring of progress and impacts.

Risk Control Assurance: Ensure adequate mitigation of operational risks of the assigned area in the first line of defense. Coordinate the admission and monitoring of control frameworks for new processes and projects. Coordination with control model partners and external auditors.

Process Improvement: Manage continuous improvement projects with a focus on the efficiency, quality and profitability of internal Risk services. Monitor the maturity and transformation of processes in order to achieve operational excellence objectives.

Solution Development: Manage technological transformation projects (platforms, engines, data infrastructure, analytical models, automations, etc.). Manage work teams to be able to execute projects that achieve strategic objectives.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

Risk Tools: Manage the governance and functional management of productive Risk tools, offering support to users and monitoring their availability. Coordinate the execution of minor evolutionary changes that allow improvement and secure optimal performance of the tools.

### Credit risk:

The Bank's risk management system is supported by a corporate governance scheme in which the Bank determines the policies for the management and control of retail and wholesale credit risks, which adapt to local regulation and circumstances.

The structure of the risk area for credit risk management is as follows:

- Portfolio Management, Risk Reporting & Sustainability: 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 & Guarantees team 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 profitability. In addition, the guarantee management function has recently been incorporated with the measurement of impacts on the regulatory processes of provisions and capital.

The Risk Sustainability team has the objective of ensuring the correct execution of the calculation processes related to ESG (Environmental Social and Governance) metrics in scope of the Risk area, emphasizing the importance of this information being included in the clients' analysis to the appropriate management of ESG risks of the entire portfolio.

- Retail Credit: Manages retail credit risk, according to the strategic objectives established by the Bank and monitoring the quality of the risk of the operations generated. This management involves:
  - Define the guidelines for the admission of clients from the retail segment: natural person and "Business Banking".
  - Monitor the results of the behavior of products, segments and origination channel (massive campaigns or individual evaluation), analyzing their respective evolutions and developments.
  - Evaluation of the level of debt, disseminating and strengthening the Bank's risk culture.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

- Disseminate and strengthen the risk culture throughout the Organization, with special focus on continuous training programs, the development of capabilities in commercial areas and Risk specialists.
- Detect warning signs of high-risk groups based on statistical information and portfolio monitoring. Establish corrective measures by making adjustments to internal policy and guidelines.
- 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 Bank's Risk Appetite Framework.
- Maintaining a comprehensive credit risk policy that underlies the quality of the loan portfolio based on an intensive interaction of the several business areas and attention to the internal and external overseeing bodies.
- Proposing and promoting continuing improvements in business processes, tools, and standards for an efficient management of the Credit Risk.
- Overseeing compliance with policies in the process of analysis and admission of the credit risk on transactions arising in the commercial areas.

There are 5 subunits supporting management: Individual Admission; Individual Admission Pymes, Campaign Natural Person (generate campaigns to individuals), Campaign Pymes (campaigns to small business), Strategies & Governance (responsible for policies and standards intended to ensure compliance with corporate and local rules and analysis and diagnostics of portfolio).

- Wholesale Credits: A unit charged with managing the wholesale loan portfolio oriented to maximize the economic benefits to be earned from the risk positioning and the limits set in the Asset Allocation framework, as derived from the definition of the Group's risk profile and risk appetite, and in compliance with the applicable laws and regulations and corporate and local policies.

Within its structure, there is a subunit called Wholesale Credit Strategies, charged with management of the wholesale portfolio, control of the Asset Allocation limits as well as definition of the growth and disinvestment policies and strategies.

On the other hand, there is the subunit called Wholesale Credit Governance, charged with updating and implementing the overall policies, standards and procedures as well as the following up on observations raised by Internal Audit, External Audit, Internal Control, Holding and the SBS. It services consultations made regarding standards and delegations. It also leads the Technical Office of the Credit Technical Committee (CTO).

In addition, as a way to keep an agile structure, there are two subunits in Admission:

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

Admission Stage 1: This is a primary axis of analysis under industry groupings and keeps expertise by segment.

Admission Stage 2 and Company Monitoring: Operating under a preventive management approach, involving strategies to hold and/or reduce the risk of portfolio, and stop impairment by structuring pertinent financial solutions.

Real Estate Risk: a team specialized in the real-estate sector; it has two subunits.

- Wholesale Admission Real Estate: Charged with assessing the economic and financial aspects of the credit proposals of entities in the real-estate industry.
- Wholesale Monitoring Real Estate: Charged with following up on the portfolio of real-estate projects in progress (monthly valuation of work progress, updating sales dashboard, matching cash flows, etc); until work satisfaction is obtained and sponsor debt is settled.

It should be noted that the tools Rating and Early Warnings are an important support for decision making. Further, the digital platforms "Programa Financiero ARCE" and "Programa Financiero Digital", used in the Banca Empresa y Corporativa (BEC) and Corporate Investment Banking (CIB) segments, respectively, allow to prepare and analyze credit proposals.

Both the Wholesale Credit Governance team and Wholesale Credit Strategies have been working on initiatives to improve management. The Governance team continues with the review of local regulations for the respective updates. Likewise, together with Risk Transformation, they established a new model for assigning delegations for the Wholesale Admission part. The Strategies team promoted the Valida + rating validation initiative, having most of the portfolio qualified; Furthermore, ensuring the care of the Portfolio, containment plans are being generated to identify groups of vulnerable clients, either due to alerts specific to the sector or due to the situation (road closures, social mobilizations, FEN, etc.) that could activate preventive management actions that allow us to avoid future contingencies. Likewise, the Master Plan has been created as a long-term strategic plan to segment the portfolio and identify the best profiles, and guide the network's growth actions.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

- Recoveries: It groups together the functions and processes necessary for the preventive monitoring, nonpayment containment, collection, recoveries and the divestment of the portfolio with problems, from retail and wholesale banking and CIB, 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 major sub-units are the following:
  - Retail Credit Early Default, a team charged with recovery of the preventive monitoring and unpaid retail portfolio.
  - Wholesale Credit Early Default, a team charged with managing the wholesale portfolio with payment difficulties and leading the sub-unit of Individual Classification, which assesses the Bank's non-retail customer portfolio to determine its rating and required level of provision, in consistency with the SBS and BBVA Group standards.
  - Strategy, Governance & Management, a team that articulates collections and recoveries by means of initiatives, pilots and other projects that support data-processing an analysis.
  - Retail Credit Late Default, a team charged with the court-ordered secured and off-court recovery and write-off of the retail portfolio.
  - Wholesale Credit Late Default, a team charged with highest number of loans via court-ordered recoveries of the wholesale portfolio.
  - IRBSA & Guarantees, a team charged with management and administration of commercialization of real-estate properties and other properties and setting the policies for the comprehensive management of guarantees.

The management of the portfolio with problems is articulated based on a centralized strategy that defines the differentiated actions for each of the segments and for each stage of the life cycle of the credit leveraged on policies of rescheduling, refinancing, adjudication and payment agreements with clients, in the search to provide solutions to clients in viable cases and minimize the expense of supplies. Finally, the divestment lever allows you to focus on the recoverable portfolio and control delinquency levels.

During 2023, the execution of the Comprehensive Collection Plan continued, with improvements in processes and information management scheduled within this transformation project that began in 2018, as well as solution products such as "commitment loan" and "refinanced with period of grace", the customer experience and the collection management platform that will allow greater traceability of the procedures carried out today, in line with good market practices. These actions consolidated the Recoveries team into a Collection and Recovery Center of Excellence.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the separate financial statements (continued)

Maximum exposure to credit risk:

As of December 31, the maximum exposure to credit risk is as follows:

	2023 S/(000)	2022 S/(000)
Cash and due from banks	9,421,531	12,127,347
Interbank funds	17,009	-
Investments at fair value through profit or loss	4,387,392	3,278,859
Available-for-sale investments	10,755,072	8,292,650
Loan portfolio, net	70,617,356	69,087,751
Trading derivatives	1,237,496	1,349,619
Hedging derivatives	-	3,659
Accounts receivable, note 11	120,641	157,778
Other assets, note 11	4,316,553	974,748
	<u>100,873,050</u>	<u>95,272,411</u>

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 recorded, ensuring that they are in force and that they have insurance policies, in strict compliance with the regulations established by the regulator.



# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

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, and 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.

Below is the detail of the guarantees as of December 31, 2023 and 2022:

	2023		2022	
	S/(000)	%	S/(000)	%
Mortgages	26,044,979	34	25,940,643	35
Endorsements and letters of guarantee received	3,606,263	5	6,490,818	9
Finance lease	3,529,543	5	3,511,965	5
Self-liquidating collaterals	647,150	1	518,081	1
Vehicle, industrial, agricultural pledges and others	54,312	-	74,435	-
Rest of guarantees	15,444,785	21	8,386,322	11
Guaranteed loans	49,327,032	66	44,922,264	61
Non-guaranteed loans	25,513,416	34	28,197,800	39
<b>Total</b>	<b>74,840,448</b>	<b>100</b>	<b>73,120,064</b>	<b>100</b>

Translation of financial statements originally issued in Spanish -  
Note 32

Notes to the separate financial statements (continued)

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:

	2023						2022					
	Wholesale loans S/(000)	Small and micro- business loans S/(000)	Consumer loans S/(000)	Mortgage loans S/(000)	Total S/(000)	%	Wholesale loans S/(000)	Small and micro- business loans S/(000)	Consumer loans S/(000)	Mortgage loans S/(000)	Total S/(000)	%
Neither-past-due nor impaired loans	38,922,323	3,488,395	11,366,953	14,515,416	68,293,087	97	40,532,894	3,588,256	9,523,521	13,824,143	67,468,814	98
Normal	37,687,694	3,308,362	11,064,690	14,274,873	66,335,619	94	39,280,116	3,463,410	9,319,661	13,648,634	65,711,821	95
CPP	1,234,629	180,033	302,263	240,543	1,957,468	3	1,252,778	124,846	203,860	175,509	1,756,993	3
Substandard	-	-	-	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-	-	-
Past due but not impaired loans	136,316	1,311	51	653	138,331	-	174,159	2	2	516	174,679	-
Normal	40,623	745	12	-	41,380	-	38,453	1	2	4	38,460	-
CPP	95,693	566	39	653	96,951	-	135,706	1	-	512	136,219	-
Substandard	-	-	-	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-	-	-
Impaired loans	3,866,182	660,291	1,018,718	863,839	6,409,030	10	3,699,086	358,364	630,365	788,756	5,476,571	9
Normal	16,453	4	31	-	16,488	-	15,666	4	39	-	15,709	-
CPP	513,990	1	16	135	514,142	1	493,770	-	143	-	493,913	1
Substandard	741,623	147,124	253,436	273,358	1,415,541	2	699,869	73,298	148,548	205,967	1,127,682	2
Doubtful	871,629	185,951	463,026	252,888	1,773,494	3	752,557	93,200	236,629	189,595	1,271,981	2
Loss	1,722,487	327,211	302,209	337,458	2,689,365	4	1,737,224	191,862	245,006	393,194	2,567,286	4
Gross portfolio	42,924,821	4,149,997	12,385,722	15,379,908	74,840,448	107	44,406,139	3,946,622	10,153,888	14,613,415	73,120,064	107
Less: Provisions	(2,964,108)	(522,914)	(824,746)	(553,614)	(4,865,382)	(7)	(2,991,879)	(277,028)	(753,770)	(603,584)	(4,626,261)	(7)
Total net portfolio	39,960,713	3,627,081	11,560,976	14,826,294	69,975,066	100	41,414,260	3,669,594	9,400,118	14,009,831	68,493,803	100

The 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

In 2023 and 2022, customer transactions that throughout said periods were classified as past due and not impaired loans and as impaired loans have generated finance income of S/171 million and S/198 million, respectively.

Translation of financial statements originally issued in Spanish -  
Note 32

Notes to the separate financial statements (continued)

As of December 31, 2023 and 2022, the guarantees of past due and non-impaired loans and impaired loans amount to S/3,257 million and S/2,659 million, respectively, of which S/3,255 million and S/2,523 million correspond to mortgage loans. As of December 31, 2023 and 2022, past due and non-impaired loans amounts to S/138 million and S/175 million, respectively. The breakdown of the referred credits according to days of arrears is shown below:

Days past due	2023				2022			
	16-30 S/(000)	31-60 S/(000)	61-90 S/(000)	Total S/(000)	16-30 S/(000)	31-60 S/(000)	61-90 S/(000)	Total S/(000)
Types of loans								
Corporate	-	-	-	-	41	1,663	674	2,378
Large-business loans	2,438	1,447	653	4,538	8,153	15,949	1,321	25,423
Medium-business loans	53,950	57,464	20,364	131,778	60,980	65,511	19,867	146,358
	56,388	58,911	21,017	136,316	69,174	83,123	21,862	174,159
Small-business loans	-	1,309	1	1,310	-	2	-	2
Micro-business loans	-	1	-	1	-	-	-	-
Consumer loans	-	51	-	51	-	2	-	2
Mortgage loans	-	653	-	653	-	516	-	516
	-	2,014	1	2,015	-	520	-	520
Total	56,388	60,925	21,018	138,331	69,174	83,643	21,862	174,679

Risk concentrations:

The loan portfolio is distributed in the following economic sectors:

	2023 S/(000)	2022 S/(000)
Mortgage and consumer loans	27,765,631	24,767,302
Commerce	12,848,384	13,821,173
Manufacture	10,306,904	10,691,306
Transport, storage and communications	7,313,152	6,299,939
Real estate, business and rental companies	3,745,360	3,809,945
Agriculture and livestock	2,803,778	3,144,823
Financial intermediation	2,335,228	2,278,990
Hotels and restaurants	1,469,431	1,623,101
Mining	1,466,553	1,136,403
Construction	950,420	1,063,506
Electricity, gas and water companies	788,699	1,233,808
Others	3,046,908	3,249,768
	74,840,448	73,120,064

Translation of financial statements originally issued in Spanish -  
Note 32

Notes to the separate financial statements (continued)

As of December 31, financial assets are distributed among the following geographic areas:

2023						
	At fair value through profit or loss					
	Held-for-trading S/(000)	Allocated at inception S/(000)	Loans and receivables (*) S/(000)	Available-for- sale S/(000)	Total S/(000)	
Financial instruments						
Peru	4,804,124	-	75,099,706	4,618,148	84,521,978	
Rest of South America	-	-	19,780	18,350	38,130	
Rest of the world	-	-	18,170	-	18,170	
Mexico	4,124	-	739	-	4,863	
United States of America	391	-	7,976	6,118,544	6,126,911	
Europe	834,205	-	5,055	30	839,290	
	<u>5,642,844</u>	<u>-</u>	<u>75,151,426</u>	<u>10,755,072</u>	<u>91,549,342</u>	
Provisions	(17,956)	-	(5,055,719)	-	(5,073,675)	
Accrued interest of performing loans, note 7	-	-	742,000	-	742,000	
Deferred interest, note 7	-	-	(99,710)	-	(99,710)	
	<u>5,624,888</u>	<u>-</u>	<u>70,737,997</u>	<u>10,755,072</u>	<u>87,117,957</u>	
2022						
	At fair value through profit or loss					
	Held-for-trading S/(000)	Allocated at inception S/(000)	Loans and receivables (*) S/(000)	Available-for- sale S/(000)	Hedging derivatives S/(000)	Total S/(000)
Financial instruments						
Peru	3,706,864	-	73,406,503	4,643,884	-	81,757,250
Rest of South America	-	-	25,685	980	-	26,665
Mexico	314	-	1,163	-	-	1,477
United States of America	-	-	9,188	3,647,756	-	3,656,944
Europe	929,349	-	3,000	30	3,659	936,038
Rest of the world	-	-	9,572	-	-	9,572
	<u>4,636,527</u>	<u>-</u>	<u>73,455,111</u>	<u>8,292,650</u>	<u>3,659</u>	<u>86,387,946</u>
Provisions	(8,049)	-	(4,803,529)	-	-	(4,811,578)
Accrued interest of performing loans, note 7	-	-	680,378	-	-	680,378
Deferred interest, note 7	-	-	(86,431)	-	-	(86,430)
	<u>4,628,478</u>	<u>-</u>	<u>69,245,529</u>	<u>8,292,650</u>	<u>3,659</u>	<u>82,170,316</u>

(\*) As of December 31, 2023 and 2022, this item includes the loan portfolio and accounts receivable.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### 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 term structure of market interest rates for the different currencies
- Exchange rate risk: It arises due to fluctuations in the exchange rates for the different currencies.
- Price risk: It arises as a result of changes in the market prices, either by specific factors of the instrument itself or by factors affecting all the instruments traded in the market.

In addition, and for certain positions, it is necessary to also consider other risks: credit "spread" risk, basis risk, 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.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

As of December 31, 2023 and December 31, 2022 the detail of the VaR for risk factors was as follows:

	2023 S/(000)	2022 S/(000)
VaR for risk factors		
VaR without smoothing	16,838	7,547
VaR interest	17,080	7,673
VaR Exchange	568	1,451
VaR weighted	11,923	8,678
VaR maximum	20,272	12,498
VaR minimum	3,941	5,435

### Structural interest risk

Structural interest risk is defined as the potential alteration that occurs in the interest income and/or in the equity value of an entity due to the variation in interest rates.

Considering the impact variable, we can see the following typologies of risk in the Group and the Bank:

- Interest margin risk: potential adverse deviation in the interest margin projected over a given horizon.
- Equity economic value risks: potential impact on the economic value of the financial institution's balance sheet.
- Risk of carrying amount of instruments accounted for at fair value in the banking book: potential impact on equity given the effect on the carrying amount of the portfolios of fixed income and derivatives classified as "Held to Collect and Sell" (HtC&S).

Structural interest rate risk management is aimed at maintaining the stability of the interest margin in the face of interest rate variations, contributing to the generation of recurring results, and controlling the potential impacts on equity due to the mark-to-market of instruments classified as "held to collect and sale" (in local accounting as "available for sale") as well as limiting capital needs for structural interest risk.

The Asset & Liability Management & Capital unit, supported by the Assets and Liabilities Committee (hereinafter ALCO) 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 Asset & Liability Management & Capital unit 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.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the separate financial statements (continued)

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 bodies of the Bank.

Translation of financial statements originally issued in Spanish -  
Note 32

Notes to the separate financial statements (continued)

The consumptions of the structural interest risk levels of the Bank during 2023 and 2022 are presented as follows:													
2023		Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23
Limit consumption													
Financial margin sensitivity	9.5%	1.88%	1.74%	2.49%	2.65%	3.28%	3.41%	3.64%	3.83%	4.38%	4.66%	4.78%	4.66%
Alert consumption													
Economic value sensitivity (*)	750	754	761	720	712	698	683	665	582	535	538	494	499
Economic capital (EC) (*)	950	976	989	941	934	938	922	903	779	749	715	666	669
Earnings at risk (EaR)	4.5%	2.01%	1.74%	1.64%	1.80%	2.00%	1.97%	2.38%	2.24%	2.47%	2.71%	2.46%	2.70%
2022		Dec-22	Nov-22	Oct-22	Sep-22	Aug-22	Jul-22	Jun-22	May-22	Apr-22	Mar-22	Feb-22	Jan-22
Limit consumption													
Financial margin sensitivity	9.5%	N/D	4.5%	4.9%	5.9%	6.2%	6.6%	6.6%	7.9%	7.5%	7.4%	8.5%	7.7%
Alert consumption													
Economic value sensitivity	750	N/D	501	484	485	503	512	517	506	332	329	399	285
Economic capital (EC)	900	N/D	753	735	744	743	700	725	689	659	716	612	445
Earnings at risk (EaR)	4.5%	N/D	2.5%	2.4%	3.0%	3.1%	3.1%	3.2%	3.6%	3.9%	4.0%	3.2%	3.0%

(\*) Since November 2023, there has been an exceedance of the Economic Value Sensitivity limit (PEN 750 MM) and the Economic Capital limit (PEN 950 MM) explained mainly by the balance of soles due to a longer duration of the asset and by decrease in market interest rates.

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.



# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### Liquidity risk:

The liquidity and financing risk is defined as the inability of a financial institution to honor its payment obligations due to a lack of funds or whenever a financial institution has to resort to financing under especially severe conditions to be able to honor those obligations.

As part of this risk and considering a temporary horizon over which the payment obligation occurs, we can distinguish:

- Liquidity risk: The risk of suffer losses in the short-term resulting from events that affect their ability to use cash resources to meet its more immediate payment obligations, either because of the impossibility to sell assets or an unexpected reduction of trade liabilities, or because the regular financing sources are shut down bot in normal or stress situation, and including the potential outflow of additional resources for contingent reasons.
- Intraday liquidity risk: Risks that a financial institution is not able to meet its daily settlement obligations; for example, because of timing mismatches in payment, settlement systems or other relevant.
- Financing risk: This risk reflects the increase in the exposure of balance sheet of a financial institution, medium and short-term resulting from its deviation from its target to keep stable resources inherent to its activity, together with other wholesale stable financing resources to enable a diversification by due dates and sources, as a way to concentration of counterparties that sharpen the exposure or vulnerability of the financial institution in a stress scenario. In a context of higher exposure to this risk, a higher probability exists of incurring in higher short-term financing, higher use of collaterals, and in any case, an intensified short-term liquidity risk.

The Group and Banco BBVA Perú aim at promoting a sound financing structure to contribute with the sustainability of the business model. For that purpose, the risk model promotes maintaining an adequate number of stable resources in a wholesale diversified financing model that restrict the weight of short-term financing, ensure access to several markets, optimize the costs of financing, and creates a buffer of liquid assets for the Bank to be able to survive under stress scenarios.

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.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the separate financial statements (continued)

The integral management of liquidity is carried out by Asset & Liability Management & Capital unit, in the Finance area, which 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 Asset & Liability Management & Capital unit, in accordance with the approved budgets, executes the agreed proposals by the ALCO 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 ALCO; 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 COVID-19 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) that entered into force in 2015 and the "Net Stable Funding Ratio" (NSFR) has been implemented since 2018. Both the Bank and the BBVA Group as a whole participated in the corresponding impact study (QIS) that has included the new regulatory challenges in its new general framework of action in the field of liquidity and financing. At the local level, the SBS has also implemented monitoring of the Liquidity Coverage Ratio (RCL), following the general guidelines of the Basel Committee, although adapting it to the Peruvian reality. This RCL indicator began to be measured from December 2013 and its calculation is daily. The limit established for the RCL is 80% for the period 2014 - 2017, 90% for 2018 and 100% for 2019 onwards, which is being met with ease. It should be noted that in December 2023, the SBS published the new Regulation for Liquidity Risk Management, which establishes changes in the methodology of the Liquidity Coverage Ratio and the measurement is carried out by currencies and in an aggregate manner, which will come into effect as of January 1, 2024.

Translation of financial statements originally issued in Spanish -  
Note 32

Notes to the separate financial statements (continued)

In accordance with SBS regulations, the maturities of assets and liabilities as of December 31, 2023 and 2022, including accrued interest on loans and deposits, are set out below. Other receivable and the other financial assets are not included:

	Up to 1 month S/(000)	1-3 months S/(000)	Between 3 and 6 months S/(000)	Between 6 months and 1 year S/(000)	Between 1 year and 5 years S/(000)	More than 5 years S/(000)	Sold and under court collection S/(000)	Total S/(000)
<b>2023</b>								
<b>Assets</b>								
Cash and due from banks	9,084,700	51,351	24,849	17,363	242,865	403	-	9,421,531
Interbank funds	17,009	-	-	-	-	-	-	17,009
Investments at fair value through profit or loss	4,387,392	-	-	-	-	-	-	4,387,392
Available-for-sale investments	9,455,308	7,675	2,856	731,800	220,087	337,346	-	10,755,072
Loan portfolio	6,224,730	6,205,973	6,171,406	11,980,234	27,623,107	13,849,138	3,527,860	75,582,448
Trading derivatives	190,592	77,396	92,081	191,103	217,462	468,862	-	1,237,496
	<u>29,359,731</u>	<u>6,342,395</u>	<u>6,291,192</u>	<u>12,920,500</u>	<u>28,303,521</u>	<u>14,655,749</u>	<u>3,527,860</u>	<u>101,400,948</u>
<b>Liabilities</b>								
Obligations with the public	13,362,892	8,599,552	4,041,765	2,916,947	40,205,961	81,000	-	69,208,117
Demand deposits	2,626,640	1,922,862	-	-	18,183,670	-	-	22,733,172
Saving accounts	2,404,859	1,049,403	-	-	19,287,729	-	-	22,741,991
Time deposits	8,121,074	5,627,287	4,041,765	2,916,947	2,734,562	81,000	-	23,522,635
Others	210,319	-	-	-	-	-	-	210,319
Interbank funds	378,451	-	-	-	-	-	-	378,451
Deposits with financial institutions	1,407,873	128,609	34,131	3,406	91,413	-	-	1,665,432
Debts and financial obligations	229,013	18,361	599,018	105,423	1,414,799	3,536,591	-	5,903,205
Trading derivatives	353,660	50,182	96,830	91,799	228,949	255,552	-	1,076,972
Hedging derivatives	-	-	594	42,318	50,574	-	-	93,486
Accounts payable	2,307,874	180,216	463,900	3,136,024	2,604,461	-	-	8,692,475
Other liabilities	3,773,374	-	-	-	-	-	-	3,773,374
	<u>21,813,137</u>	<u>8,976,920</u>	<u>5,236,238</u>	<u>6,295,917</u>	<u>44,596,157</u>	<u>3,873,143</u>	<u>-</u>	<u>90,791,512</u>

Translation of financial statements originally issued in Spanish -  
Note 32

Notes to the separate financial statements (continued)

	Up to 1 month S/(000)	1-3 months S/(000)	Between 3 and 6 months S/(000)	Between 6 months and 1 year S/(000)	Between 1 year and 5 years S/(000)	More than 5 years S/(000)	Sold and under court collection S/(000)	Total S/(000)
<b>2022</b>								
<b>Assets</b>								
Cash and due from banks	9,580,916	250,930	159,722	145,085	1,990,474	220	-	12,127,347
Investments at fair value through profit or loss	3,278,859	-	-	-	-	-	-	3,278,859
Available-for-sale investments	6,871,164	70,508	45,786	-	986,580	318,612	-	8,292,650
Loan portfolio	8,276,036	8,727,045	7,430,104	8,876,959	27,344,612	9,947,233	3,198,454	73,800,443
Trading derivatives	81,384	125,626	88,827	160,245	287,151	606,386	-	1,349,619
Hedging derivatives	-	-	-	-	3,659	-	-	3,659
	<u>28,088,359</u>	<u>9,174,109</u>	<u>7,724,439</u>	<u>9,182,289</u>	<u>30,612,476</u>	<u>10,872,451</u>	<u>3,198,454</u>	<u>98,852,577</u>
<b>Liabilities</b>								
Deposits and obligations								
Demand deposits	2,556,312	1,871,329	-	-	18,056,283	-	-	22,483,924
Savings accounts	1,836,092	1,338,309	-	-	21,937,899	-	-	25,112,300
Time deposits	4,835,886	2,769,871	3,819,413	3,411,417	3,284,465	101,000	-	18,222,052
Others	235,476	-	-	-	-	-	-	235,476
Deposits with financial institutions	302,109	242,961	32,607	103	464,572	-	-	1,042,352
Debts and financial obligations	30,191	24,664	11,148	533,740	401,736	3,027,761	-	4,029,240
Trading derivatives	383,109	106,631	51,200	87,052	269,152	348,699	-	1,245,843
Hedging derivatives	-	-	3,081	15,125	85,422	-	-	103,628
Accounts payable	2,136,380	1,068,505	1,204,232	1,033,142	6,770,938	11	-	12,213,208
Other liabilities	<u>1,050,647</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,050,647</u>
	<u>13,366,202</u>	<u>7,422,270</u>	<u>5,121,681</u>	<u>5,080,579</u>	<u>51,270,467</u>	<u>3,477,471</u>	<u>-</u>	<u>85,738,670</u>

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### 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. Throughout 2023, because of the risks and controls are being updated, the operational risk management model remained valid.

In addition, there is a database which is a fundamental quantitative tool for operational risk management (Integrated Operational Risk System - SIRO), that collects every operational risk event that represents a loss for the Bank and its subsidiaries.

The Bank is authorized to use the alternative standard method for calculating the regulatory capital requirement for operational risk, which allows it to optimize it.

The effective equity requirement for operational risk based on the alternative standard method as of December 31, 2023 amounts to S/735 million (S/665 million as of December 31, 2022).

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### 30. Fair value

Fair value is the amount for which an asset could be exchanged between duly informed buyer and seller, or a liability settled, between knowledgeable between duly informed debtor and creditor, in an arm's length transaction.

In the cases where the quoted price is not available, the fair value shall be estimated based on the quoted price of a financial instrument with similar characteristics, the current value of expected cash flows, or other valuation techniques, which are significantly affected by the different assumptions used.

Although Management uses its best judgment to estimate the fair value of the financial instruments of the Bank, there are weaknesses inherent to any valuation technique. As a result, the fair value may not be an approximate estimate of the net realizable value or the liquidation value.

The following considerations may be applied to the methodology and assumptions used in the fair value estimates of the Bank financial instruments:

- (i) Assets and liabilities whose fair value is similar to the carrying amount  
This assumption applies to those assets and liabilities with current maturity, arranged at a floating rate and to those included in Official Letter N° 43078-2014-SBS, where the SBS determined that their fair value corresponded to the carrying amount.
- (ii) Assets and liabilities at fixed rate  
Uses the methodology of projection of future cash flows discounted at market interest rates for instruments with similar characteristics.
- (iii) Assets and liabilities measured at fair value  
In the determination of fair value, three levels are distinguished:

#### Level 1:

For instruments quoted in active markets, the fair value is determined by the price observed in those markets; and for instruments whose market price is not available but that of its components is, the fair value will be determined based on the relevant market prices of such components.

#### Level 2:

For instruments quoted in non-active markets, the fair value is determined by valuation techniques or models that mostly uses data from the market and minimizing the use of data calculated internally.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

Level 3:

For unquoted instruments, fair value is determined using valuation techniques or models.

The fair value of held-for-trading and available-for-sale investments has been determined based on their market prices or the quotations of the underlying assets (sovereign risk rates) on the date of the separate financial statements.

In the case of derivatives, their fair value is determined through the use of valuation techniques.

Carrying amount and fair value of financial assets and financial liabilities:

Taking into account fair value considerations and the Official Letter 43078-2014-SBS, in which the SBS determined that fair value corresponds to the carrying amount in the case of loans and deposits, as of December 31, 2023 and 2022, the carrying amounts and fair values of the Bank's financial assets and liabilities are presented as follows:

	Carrying amount		Fair value	
	2023	2022	2023	2022
	S/(000)	S/(000)	S/(000)	S/(000)
<b>Assets</b>				
Cash and due from banks	9,421,531	12,127,347	9,421,531	12,127,347
Interbank funds	17,009	-	17,009	-
Investment at fair value through profit or loss				
Debt instruments	4,387,392	3,278,859	4,387,392	3,278,859
Investments available-for-sale				
Equity instruments	18,492	24,236	18,492	24,236
Debt instruments	10,736,580	8,268,414	10,736,580	8,268,414
Loan portfolio	70,617,356	69,087,751	70,617,356	69,087,751
Trading derivatives	1,237,496	1,349,619	1,237,496	1,349,619
Hedging derivatives	-	3,659	-	3,659
Accounts receivable, note 11	120,641	157,778	120,641	157,778
Other assets, note 11	4,316,553	974,748	4,316,553	974,748
	<u>100,873,050</u>	<u>95,272,411</u>	<u>100,873,050</u>	<u>95,272,411</u>

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

	Carrying amount		Fair value	
	2023	2022	2023	2022
	S/(000)	S/(000)	S/(000)	S/(000)
<b>Liabilities</b>				
Obligations with the public	69,208,117	66,053,752	69,208,117	66,053,752
Interbank funds	378,451	-	378,451	-
Deposits in local and foreign financial institutions	1,665,432	1,042,352	1,665,432	1,042,352
Debts and financial obligations	5,903,205	4,029,240	5,931,770	3,943,359
Trading derivatives	1,076,972	1,245,843	1,076,972	1,245,843
Hedging derivatives	93,486	103,628	93,486	103,628
Accounts payable, note 14	8,692,475	12,213,208	8,692,475	12,213,208
	<u>87,018,138</u>	<u>84,688,023</u>	<u>87,046,703</u>	<u>84,602,142</u>



Translation of financial statements originally issued in Spanish - Note 32

Notes to the separate financial statements (continued)

Assets and liabilities recorded at fair value based on the hierarchy level are shown as follows:

Financial instruments recorded at fair value and the fair value hierarchy used

	2023				2022			
	Fair Value	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3
Assets								
Investments at fair value through profit of loss								
Debt instruments	4,387,392	692,675	3,694,717	-	3,278,859	316,774	2,962,085	-
Available-for-sale investments								
Equity instruments	17,370	17,370	-	-	23,115	23,115	-	-
Debt instruments	10,736,580	7,438,877	3,297,703	-	8,268,414	4,307,377	3,961,037	-
Trading derivatives	1,237,496	-	1,237,496	-	1,349,619	-	1,349,619	-
Hedging derivatives	-	-	-	-	3,659	-	3,659	-
	<u>16,378,838</u>	<u>8,148,922</u>	<u>8,229,916</u>	<u>-</u>	<u>12,923,666</u>	<u>4,647,266</u>	<u>8,276,400</u>	<u>-</u>
Liabilities								
Debt and financial obligations	1,124,258	-	1,124,258	-	1,845,663	-	1,845,663	-
Trading derivatives	1,076,972	-	1,076,972	-	1,245,843	-	1,245,843	-
Hedging derivatives	93,486	-	93,486	-	103,628	-	103,628	-
	<u>2,294,716</u>	<u>-</u>	<u>2,294,716</u>	<u>-</u>	<u>3,195,134</u>	<u>-</u>	<u>3,195,134</u>	<u>-</u>

Translation of financial statements originally issued in Spanish - Note 32

Notes to the separate financial statements (continued)

Description of the valuation techniques for instruments recorded at fair value			
	Level 2	Valuation techniques / Hypothesis	Main inputs used
Fixed and variable income		Fixed income: Present value of cash flows from bonds (coupons and face value): $Price_{bond} = \sum_{n=1}^N \frac{Coupon}{(1 + YTM)^n} + \frac{Face\ value}{(1 + YTM)^N}$	Fixed income: Bond information (coupon rate, coupons payment frequency, face value)
		These cash flows are discounted at yield to maturity (YTM)	Yield to Maturity (YTM): Obtained from operations traded in Datatec so that the transaction greater than or equal to S/2 million (internally defined condition).
		Variable income: The closing price is taken from a public source of information (Price Vendors). Does not have trading portfolio of variable income.	Variable income: closing price of Bloomberg, Reuters or the Lima Stock Exchange website.
Derivatives (a) - Forwards, IRS and CCS		Calculation of the present value of each component of the derivative (fixed/variable) considering the market interest rates and converting into soles at the exchange rate of that day (if necessary). It takes into account the variable flows (if any), flow projection, discount curves for each underlying, and current market interest rates.	<ul style="list-style-type: none"><li>- Forward points.</li><li>- Fixed vs variable price.</li><li>- Closing exchange rates.</li><li>- Market interest rate curves.</li></ul>
(b) Options		For options on shares, currency and raw materials	Derivatives on shares, currency and raw materials:
		The hypothesis derived from the use of the Black-Scholes model takes into account the possible adjustments to convexity.	<ul style="list-style-type: none"><li>- Forward structure of the underlying.</li><li>- Volatility of options.</li><li>- Observable correlations between underlying.</li></ul>
			Derivatives on interest rates:
		For derivatives on interest rates	<ul style="list-style-type: none"><li>- Term structure of interest rate curve.</li><li>- Volatility of the underlying</li></ul>
		The hypothesis derived from the use of the Black-Scholes assumes a normal process of forward rates and considers the possible adjustment to convexity.	

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the separate financial statements (continued)

### **31. Subsequent events**

The Bank is not aware of any events occurring between the closing date and the issuing date of these separate financial statements and the authorization date for their issuance, which may affect them significantly.

### **32. Additional explanation for English translation**

The accompanying separate financial statements are presented based on the generally accepted accounting principles in Peru for financial entities. Certain accounting practices applied by the Bank, that conform to generally accepted accounting principles in Peru for financial entities, may differ in certain significant respects from generally accepted accounting principles in other countries. In the event of any discrepancy, the Spanish-language version prevails.



## Constancia de Habilitación

El Decano y el Director Secretario del Colegio de Contadores Públicos de Lima, que suscriben, declaran que, en base a los registros de la institución, se ha verificado que:

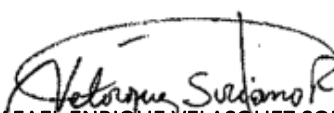
**TANAKA VALDIVIA & ASOCIADOS SOCIEDAD CIVIL  
DE RESPONSABILIDAD LIMITADA**

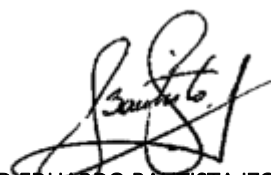
**N.º MATRICULA: S0761**

Se encuentra **HABIL**, para el ejercicio de las funciones profesionales que le faculta la Ley N.º 13253 y su modificación Ley N.º 28951 y conforme al Estatuto y Reglamento Interno de este Colegio; en fe de lo cual y a solicitud de parte, se le extiende la presente constancia para los efectos y usos que estime conveniente.

Esta constancia tiene vigencia hasta el 31 DICIEMBRE 2024.

Lima, 20 DE JULIO 2023.

  
CPC. RAFAEL ENRIQUE VELASQUEZ SORIANO  
DECANO

  
CPC. DAVID EDUARDO BAUTISTA IZQUIERDO  
DIRECTOR SECRETARIO

**EY | Assurance | Tax | Transactions | Advisory**

**About EY**

EY is the global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies over the world. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

For more information, please visit [ey.com/pe](https://ey.com/pe)

©EY

All Rights Reserved.

## 6.4. Consolidated audited financial statements

### **Banco BBVA Perú and Subsidiaries**

Consolidated financial statements as of December 31, 2023 and 2022 together with Independent Auditor's Report

# Translation of financial statements originally issued in Spanish - Note 32

## **Banco BBVA Perú and Subsidiaries**

### Consolidated financial statements as of December 31, 2023 and 2022 together with Independent Auditor's Report

#### **Contents**

#### **Independent Auditor's Report**

#### **Consolidated Financial Statements**

Consolidated statement of financial position

Consolidated statement of income

Consolidated statement of income and other comprehensive income

Consolidated statement of changes in equity

Consolidated statement of cash flows

Notes to the consolidated financial statements

## Translation of independent auditor's report and financial statements originally issued in Spanish

### Independent Auditors' Report

To the Shareholders of Banco BBVA Perú and Subsidiaries

#### *Opinion*

We have audited the consolidated financial statements of Banco BBVA Perú (a subsidiary of BBVA Perú Holding S.A.C., an entity incorporated in Peru, hereinafter "the Bank") and Subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2023, and the consolidated statements of income, income and other comprehensive income, changes in equity and cash flows for the year then ended; and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Banco BBVA Perú and Subsidiaries as of December 31, 2023, as well as its consolidated financial performance and cash flows for the year then ended, in accordance with the accounting standards established by the Superintendence of Banking, Insurance and Private Pension Funds Administrators ("SBS", by its Spanish acronym) for financial entities in Peru, see note 2.

#### *Basis of the opinion*

We conducted our audit in accordance with the International Standards on Auditing (ISAs) approved for application in Peru by the Board of Peruvian Associations of Certified Public Accountants. Our responsibilities under these standards are further described in more detail in the section Auditor's responsibilities for the audit of the consolidated financial statements of our report. We are independent of the Bank and Subsidiaries in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Peru, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Lima  
Av. Víctor Andrés  
Belaunde 171  
San Isidro

Tel: +51 (1) 411 4444

Lima II  
Av. Jorge Basadre 330  
San Isidro  
Tel: +51 (1) 411 4444

Arequipa  
Av. Bolognesi 407  
Yanahuara  
Tel: +51 (54) 484 470

Trujillo  
Av. El Golf 591 Urb. Del Golf III  
Víctor Larco Herrera 13009,  
Sede Miguel Ángel Quijano Doig  
La Libertad  
Tel: +51 (44) 608 830



## Translation of independent auditor's report and financial statements originally issued in Spanish

### Independent Auditors' Report (continued)

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included conducting procedures designed to respond to the risks of material misstatement assessed in the consolidated financial statements. The results of the audit procedures, including the procedures performed to address the matters mentioned below, form the basis for the audit opinion on the accompanying consolidated financial statements.

Key Audit Matter	Audit response
<p>Estimation of the provision for the non-retail loan portfolio under the regulations of the Superintendence of Banking, Insurance and Private Pension Funds Administrators ("SBS", by its Spanish acronym)</p> <p>As described in note 3(d) to the consolidated financial statements, the estimate of the provision for the non-retail loan portfolio is determined following the methodology defined by the SBS, which establishes the specific percentages for the calculation of the provision, which depend on the credit classification of the debtor. To define the debtor's credit rating, the Bank, among other relevant factors, considers: The debtor's payment experience, the history of commercial relations with the debtor's management, the history of operations, the debtor's ability to pay and availability of funds, the situations of collaterals and guarantees received, the analysis of the financial statements of the debtor, the risk of the debtor in other financial institutions in the market.</p>	<p>We gained an understanding, evaluated the design and tested the operational effectiveness of the controls of the estimation of the provision for non-retail loan portfolio under the regulations of the SBS, which included:</p> <ul style="list-style-type: none"> <li>- Methodology and criteria established for the calculation according to SBS required regulations.</li> <li>- Integrity and accuracy of the database in the Bank's systems.</li> <li>- Credit classification of non-retail loan portfolio, considering the Bank's methodology and SBS requirements.</li> <li>- Review of the calculation of the estimation of the provision for the non-retail loan portfolio in the Bank's systems.</li> <li>- Disclosure in the notes to the consolidated financial statements.</li> </ul>

## Translation of independent auditor's report and financial statements originally issued in Spanish

### Independent Auditors' Report (continued)

Key Audit Matter	Audit response
<p>Therefore, we consider that the estimation of the provision for the non-retail loan portfolio is a key audit matter; given that, to define the calculation rate of the provision, the debtor must be classified based on qualitative and quantitative variables in which the critical and professional judgment of the Bank's risk specialists intervenes.</p>	<p>In addition, we carried out detailed substantive procedures, which included:</p> <ul style="list-style-type: none"> <li>- We assessed whether the accounting policies defined by the Bank are coherent with SBS requirements.</li> <li>- We tested the integrity and accuracy of the data used in the provision calculation.</li> <li>- We inspected in a selective manner the credit classification of the debtor, assessing the reasonability of Management's most relevant assumptions.</li> <li>- We perform a recalculation of the estimate of the non-retail loan portfolio provision.</li> <li>- We evaluated the adequacy of disclosures in the notes to the financial statements.</li> </ul>
<p><b>Information Technology (IT) Environment</b></p> <p>The Bank's activities depend to a large extent on the efficient and continuous operation of information technology systems and technology infrastructures, which encompass a large number of IT applications and systems for the processing of all its operations (from significant volumes), accounting records and preparation of the consolidated financial statements.</p> <p>The Bank's IT system consists of a set of complex computer applications, essential in the Bank's various business operations. IT environment controls include: IT governance, overall IT controls over program development and changes, access to programs and data, and IT operations, therefore, such controls must be designed and operated effectively with the aim of ensuring the integrity of accurate accounting records and financial reports, in this way mitigate the potential risk of fraud or error. As same of importance are executed calculations of systems, other IT application controls, and interfaces between IT systems.</p>	<p>Assisted by our Information Technology (IT) specialists, our audit efforts focused on the Bank's key systems, related to the processing of its operations, accounting records and preparation of the consolidated financial statements of the Bank and its Subsidiaries carrying out, among others, the following procedures:</p> <ul style="list-style-type: none"> <li>- We evaluated and tested overall IT controls by performing: an understanding of IT governance, reviewing key (including compensatory) controls over application and data access management, application changes and developments, and IT operations.</li> <li>- We tested application controls, considering the design and operational effectiveness of critical automated controls to data processing, accounting records and the preparation of the financial statement. With respect to identified control deficiencies, we tested the design and operational effectiveness of compensation controls.</li> </ul>

## Translation of independent auditor's report and financial statements originally issued in Spanish

### Independent Auditors' Report (continued)

Key Audit Matter	Audit response
------------------	----------------

Therefore, we consider the information technology environment as a key issue, given that the reliability and security of IT systems plays a fundamental role in ensuring the correct treatment of data processing, accounting records and preparation of financial statements.

#### *Other information included in the Bank's 2023 Annual Report*

Other information consists of the information included in the Bank's Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover other information and we do not express any form of conclusion that provides a degree of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, to consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge gained in the audit or otherwise appears to be materially misstated. If, based on the work we have done, we conclude that there is a material error of this other information, we are obliged to report that fact. We have nothing to report in this regard.

#### *Responsibilities of the Bank's management and corporate governance officers in relation to the consolidated financial statements*

Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with the accounting standards established by the Superintendence of Banking, Insurance and Private Pension Funds Administrators ("SBS", by its Spanish acronym) for financial entities 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.

## Translation of independent auditor's report and financial statements originally issued in Spanish

### Independent Auditors' Report (continued)

In preparing the consolidated financial statements, Management is responsible for assessing the Bank's ability and Subsidiaries to continue as a going concern, disclosing as appropriate matters relating to the going concern and using the going concern basis of the undertaking unless Management intends to liquidate the Bank or cease operations, or have no realistic alternative to doing so.

Those responsible for the Bank's corporate governance are responsible for overseeing the Bank and Subsidiaries financial reporting process.

#### *Auditor's responsibilities for the audit of the consolidated financial statements*

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable security is a high level of assurance, but it does not guarantee that an audit conducted in accordance with ISAs approved for application in Peru will always detect a material misstatement where it exists. Inaccuracies may arise due to fraud or error and are considered material if, individually or cumulatively, they could reasonably be expected to influence the economic decisions users make based on the financial statements.

As part of an audit in accordance with the International Standards on Auditing (ISAs) approved for application in Peru by the Board of Peruvian Associations of Certified Public Accountants, we exercise professional judgment and maintain professional skepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and execute audit procedures that respond to those risks and obtain audit evidence that is sufficient and appropriate to provide us with a basis for our opinion. The risk of not detecting a material misstatement due to fraud is greater than that resulting from an error, as fraud may involve collusion, falsification, intentional omissions, misrepresentations or overstepping the internal control system.
- We gained an understanding of the internal control relevant to the audit 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 internal control of the Bank and its Subsidiaries.
- We evaluate the adequacy of the accounting policies used, the reasonableness of the accounting estimates and the respective disclosures made by Management.

## Translation of independent auditor's report and financial statements originally issued in Spanish

### Independent Auditors' Report (continued)

- We conclude on the suitability of Management's use of the going concern basis and, based on the audit evidence obtained, whether there is material uncertainty related to events or conditions that may raise significant doubts about the Bank and its Subsidiaries ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our audit report to disclosures relating to the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Conclusions are based on audit evidence obtained to date from our audit report. However, future events or conditions may cause the Bank and its Subsidiaries to cease to continue as a going concern.
- We evaluate the overall presentation, structure, content of the consolidated financial statements, including disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank and its Subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Bank and its Subsidiaries. We remain solely responsible for our audit opinion.

We communicate to those charged with the Bank's corporate governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with the Bank's corporate governance with a statement that we have complied with the applicable ethics requirements in relation to independence and that we have disclosed all relationships and other matters that could reasonably be expected to affect our independence and, where applicable, the measures taken to eliminate the threats or safeguards applied.

## Translation of independent auditor's report and financial statements originally issued in Spanish

### Independent Auditors' Report (continued)

From the matters that have been the subject of communication with those charged with the Bank's corporate governance, we determine those that have been of the greatest significance in the audit of the consolidated financial statements for the current period and, therefore, are the key audit matters. We have described such matters in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter or, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lima, Peru  
February 22, 2024

Tanaka, Valdivia & Asociados

Countersigned by:



---

Sandra Luna Victoria Alva  
Partner  
C.P.C.C. Register No. 50093

# Translation of financial statements originally issued in Spanish - Note 32

## Banco BBVA Perú and Subsidiaries

### Consolidated statement of financial position

As of December 31, 2023 and 2022

	Note	2023 S/(000)	2022 S/(000)
<b>Assets</b>			
Cash and due from banks	5	9,431,609	12,145,003
Interbank funds		17,009	-
Investments at fair value through profit or loss and available-for-sale investments	6	15,148,595	11,591,723
Loan portfolio, net	7	70,647,238	69,122,387
Trading derivatives	8	1,237,496	1,349,619
Hedging derivatives	8	-	3,659
Realizable, received in payment and seized assets		118,776	67,873
Non-current assets held for sale		94,162	86,007
Interests in associates	9	5,734	12,148
Property, furniture and equipment, net	10	1,192,939	1,077,726
Deferred tax	24	786,862	774,048
Other assets, net	11	5,643,382	1,815,253
<b>Total assets</b>		<u>104,323,802</u>	<u>98,045,446</u>
<b>Contingent risks and commitments</b>	16	<u>36,992,657</u>	<u>36,240,066</u>
<b>Equity and liabilities</b>			
<b>Liabilities</b>			
Obligations with the public and deposits from financial institutions	12	70,726,777	66,901,546
Interbank funds		378,451	-
Debts and financial obligations	13	5,907,327	4,036,978
Trading derivatives	8	1,076,972	1,245,843
Hedging derivatives	8	93,486	103,628
Accounts payable, provisions and other liabilities	14	13,771,121	14,504,077
<b>Total liabilities</b>		<u>91,954,134</u>	<u>86,792,072</u>
<b>Equity</b>	15		
Share capital		8,147,211	7,382,184
Reserves		2,245,122	2,053,490
Unrealized results		107,413	(91,052)
Retained earnings		1,869,922	1,908,752
<b>Total equity</b>		<u>12,369,668</u>	<u>11,253,374</u>
<b>Total equity and liabilities</b>		<u>104,323,802</u>	<u>98,045,446</u>
<b>Contingent risks and commitments</b>	16	<u>36,992,657</u>	<u>36,240,066</u>

The accompanying notes are an integral part of these consolidated financial statements.

# Translation of financial statements originally issued in Spanish - Note 32

## Banco BBVA Perú and Subsidiaries

### Consolidated statement of income

For the years ended December 31, 2023 and 2022

	Note	2023 S/(000)	2022 S/(000)
Interest income	17	7,585,895	5,739,163
Interest expenses	18	(2,228,895)	(1,125,846)
<b>Gross financial margin</b>		<u>5,357,000</u>	<u>4,613,317</u>
Provision for direct loans, net of recoveries	7(g)	(1,963,483)	(984,612)
<b>Net financial margin</b>		<u>3,393,517</u>	<u>3,628,705</u>
Income from financial services, net	19	<u>1,013,670</u>	<u>893,408</u>
<b>Net financial margin of income and expenses from financial services</b>		<u>4,407,187</u>	<u>4,522,113</u>
Profit or loss from financial transactions	20	<u>846,939</u>	<u>620,496</u>
<b>Operating margin</b>		<u>5,254,126</u>	<u>5,142,609</u>
Administrative expenses	21	(2,474,631)	(2,146,352)
Depreciation and amortization		(230,856)	(209,980)
<b>Net operating margin</b>		<u>2,548,639</u>	<u>2,786,277</u>
Measurement of assets and provisions		(189,104)	(124,661)
<b>Operating profit or loss</b>		<u>2,359,535</u>	<u>2,661,616</u>
Other income and expenses, net	22	<u>74,027</u>	<u>14,006</u>
<b>Profit before income tax</b>		<u>2,433,562</u>	<u>2,675,622</u>
Income tax	23	(559,826)	(753,863)
<b>Net profit</b>		<u>1,873,736</u>	<u>1,921,759</u>
<b>Basic and diluted earnings per share in soles</b>	25	<u>0.2300</u>	<u>0.2359</u>
<b>Weighted-average number of outstanding shares (in thousands of shares)</b>		<u>8,147,211</u>	<u>8,147,211</u>

The accompanying notes are an integral part of these consolidated financial statements.



# Translation of financial statements originally issued in Spanish - Note 32

## Banco BBVA Perú and Subsidiaries

### Consolidated statement of income and other comprehensive income

For the years ended December 31, 2023 and 2022

	2023 S/(000)	2022 S/(000)
<b>Net profit</b>	1,873,736	1,921,759
<b>Other comprehensive income:</b>		
Unrealized gain (loss) on available-for-sale investments	195,594	(40,995)
Unrealized gain (loss) on cash flow hedges	9,980	(30,095)
Interests in other comprehensive income of associates	(65)	(109)
Unrealized gains (loss) on actuarial liabilities	(3,228)	846
Income tax on items of other comprehensive income	(3,816)	12,005
<b>Other comprehensive income for the period, net of income tax</b>	<u>198,465</u>	<u>(58,348)</u>
<b>Total comprehensive income for the year</b>	<u>2,072,201</u>	<u>1,863,411</u>

The accompanying notes are an integral part of these consolidated financial statements.

Translation of financial statements originally issued in Spanish -  
Note 32

Banco BBVA Perú and Subsidiaries

Consolidated statement of changes in equity

For the years ended December 31, 2023 and 2022

	Number of shares in thousands (note 15(a))	Share capital(note 15(a)) S/(000)	Legal reserve (note 15(b)) S/(000)	Unrealized results (note 15(c)) S/(000)	Retained earnings (note 15(d)) S/(000)	Total equity S/(000)
<b>Balance as of January 1, 2022</b>	6,758,467	6,758,467	1,896,680	(32,704)	1,546,286	10,168,729
Net profit	-	-	-	-	1,921,759	1,921,759
<b>Other comprehensive income</b>						
Unrealized losses on available-for-sale investments	-	-	-	(37,618)	-	(37,618)
Unrealized losses on cash flow hedges	-	-	-	(21,217)	-	(21,217)
Unrealized losses on interests in other comprehensive income of associates	-	-	-	(109)	-	(109)
Unrealized gains on actuarial liabilities	-	-	-	596	-	596
<b>Total comprehensive income for the year</b>		-	-	(58,348)	1,921,759	1,863,411
<b>Changes in equity (not included in comprehensive income):</b>						
Dividends, note 15(d)	-	-	-	-	(779,647)	(779,647)
Capitalization of retained earnings, note 15(a)	623,717	623,717	-	-	(623,717)	-
Transfers to reserves and other movements, note 15(b)	-	-	156,810	-	(155,929)	881
<b>Balance as of December 31, 2022</b>	7,382,184	7,382,184	2,053,490	(91,052)	1,908,752	11,253,374
Balance as of January 1, 2023	7,382,184	7,382,184	2,053,490	(91,052)	1,908,752	11,253,374
Net profit	-	-	-	-	1,873,736	1,873,736
<b>Other comprehensive income</b>						
Unrealized gains on available-for-sale investments	-	-	-	193,770	-	193,770
Unrealized gains on cash flow hedges	-	-	-	7,036	-	7,036
Unrealized losses on interests in other comprehensive income of associates	-	-	-	(65)	-	(65)
Unrealized losses on actuarial liabilities	-	-	-	(2,276)	-	(2,276)
<b>Total comprehensive income for the year</b>				198,465	1,873,736	2,072,201
<b>Changes in equity (not included in comprehensive income)</b>						
Dividends, note 15(d)	-	-	-	-	(956,283)	(956,283)
Capitalization of retained earnings, note 15(a)	765,027	765,027	-	-	(765,027)	-
Transfers to reserves and other movements, note 15(b)	-	-	191,632	-	(191,256)	376
<b>Balance as of December 31, 2023</b>	8,147,211	8,147,211	2,245,122	107,413	1,869,922	12,369,668

The accompanying notes are an integral part of these consolidated financial statements.

# Translation of financial statements originally issued in Spanish - Note 32

## Banco BBVA Perú and Subsidiaries

### Consolidated statement of cash flows

For the years ended December 31, 2023 and 2022

	Note	2023 S/(000)	2022 S/(000)
<b>Reconciliation of the net profit to cash and flows</b>			
<b>from operating activities</b>			
Net profit		1,873,736	1,921,759
<b>Adjustments</b>		2,829,447	1,885,532
Depreciation and amortization		230,856	209,980
Impairment of property, furniture and equipment, and intangible assets		45,056	48,400
(Impairment reversal) impairment of available-for- sale investments		(11,830)	267
Provisions		2,119,361	1,060,606
Other adjustments		446,004	566,279
<b>Net changes in assets and liabilities</b>		(2,488,792)	(708,401)
Loan portfolio		(3,966,290)	(357,317)
Available-for-sale investments		411,977	(148,457)
Accounts receivable and others		(3,432,641)	(30,575)
Unsubordinated financial liabilities		5,474,904	4,260,211
Accounts payable and others		(976,742)	(4,432,263)
<b>Net profit for the period after net changes in assets, liabilities and adjustments</b>		2,214,391	3,098,890
Paid income tax		(1,112,725)	(992,850)
<b>Net cash and cash equivalents from operating activities</b>		<u>1,101,666</u>	<u>2,106,040</u>
<b>Cash flows from investing activities:</b>			
Purchase of interests		-	(153)
Sale of intangibles and property, furniture and equipment		13,705	-
Acquisition of intangible assets and property, furniture, and equipment		(422,170)	(323,593)
Other cash inflows from investing activities		61,074	239,078
<b>Net cash and cash equivalents used in investing activities</b>		<u>(347,391)</u>	<u>(84,668)</u>

Translation of financial statements originally issued in Spanish -  
Note 32

Consolidated statement of cash flows (continued)

	Note	2023 S/(000)	2022 S/(000)
<b>Cash flows from financing activities</b>			
Cash outflows for redemption of subordinated financial liabilities		-	(78,190)
Cash paid for dividends	15(d)	(955,356)	(778,101)
Other cash inflows from financing activities		4,556,439	796,200
Other cash outflows from financing activities		<u>(3,100,152)</u>	<u>(3,574,144)</u>
<b>Net cash and cash equivalents from (used in) financing activities</b>		<u>500,931</u>	<u>(3,634,235)</u>
<b>Net increase (decrease) in cash and cash equivalents before effects of exchange rate fluctuations</b>		1,255,206	(1,612,863)
Effects of changes in exchange rates on cash and cash equivalents		(292,155)	(624,138)
<b>Net increase (decrease) in cash and cash equivalents</b>		963,051	(2,237,001)
<b>Cash and cash equivalents at the beginning of the year</b>		<u>17,583,751</u>	<u>19,820,752</u>
<b>Cash and cash equivalents at the end of the year</b>		<u>18,546,802</u>	<u>17,583,751</u>
Guarantee funds		849,482	699,639
Interbank funds		(17,009)	-
Investment with maturities of less than 90 days		<u>(9,947,666)</u>	<u>(6,138,387)</u>
<b>Cash and due from banks per the consolidated statement of financial position</b>	5	<u>9,431,609</u>	<u>12,145,003</u>

The accompanying notes are an integral part of these consolidated financial statements.

# Translation of financial statements originally issued in Spanish - Note 32

## Banco BBVA Perú and Subsidiaries

### Notes to the consolidated financial statements

As of December 31, 2023 and 2022

#### 1. Operations

##### (a) Identification and economic activity -

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, 2023 and 2022. Banco Bilbao Vizcaya Argentaria S.A. (hereinafter BBVA S.A.) holds 100% of the shares of BBVA Perú Holding S.A.C.

The Bank is a closely held corporation incorporated in 1951 and is authorized to operate as a banking institution by the Superintendence of Banking, Insurance and Private Pension Funds Administrators (hereinafter "SBS", by its Spanish acronym).

The Bank is mainly engaged in financial intermediation inherent to commercial banks. Such activities are governed by the SBS according to Law N° 26702 "General Law of the Financial and Insurance Systems and SBS Organic Law" and its amendments (hereinafter the Banking Law) which 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 N° 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 en liquidación, Forum Comercializadora del Perú S.A. en liquidación and Forum Distribuidora del Perú S.A. Even though the Bank does not hold share capital or voting rights over Continental DPR Finance Company B.V. (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).

##### (b) Climate and Political juncture in Peru -

###### (i) Climate juncture

On March 12, 2023, on the wake of the sea-related, atmospheric and prospects of rainfall, as part of the impact of the Cyclone Yaku in Peru, the Peruvian Government instated a National Emergency in several provinces in Peru, given the damage caused by heavy rainfalls to the population's way of living. This was necessary for the government to be able to implement the necessary and immediate response and disaster relief measures and actions, on an exceptional basis, as appropriate.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

(ii) Political juncture

On December 2022, after a series of political events, various acts of violence and vandalism against public and private institutions were generated, as well as attacks against the personal integrity of citizens and authorities in different regions of Perú. Given this situation, on December 14 and 15, 2022, the Cabinet Presidency enacted supreme decrees No143-2022-PCM and No144-2022-PCM, setting up a 30-day National Emergency, and also a mandatory social confinement for 5 days nationwide, respectively.

Due to these events increase the risk of economic losses and difficulties for the affected debtors to comply with the timely payment of their debts, on a preventive basis, the SBS authorized financial institutions to reschedule to its customers, see further detail in note 2(f).

In Management's opinion, these situations have not affected the Bank's operations nor have generated any significant impact on the consolidated financial statements presented as of December 31, 2023 and 2022.

(c) National State of Emergency (COVID-19 pandemic) -

On March 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 No 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. In October 2022, the Peruvian officially ended the National Emergency by means of Supreme Decree No 130-2022-PCM.

In coping with the COVID-19 pandemic, the Peruvian Government, the Ministry of Economy and Finance, the Central Reserve Bank of Peru (hereinafter BCRP, by its Spanish acronym) and the SBS, set a number of exceptional measures; see further detail in note 2(f).

(d) Approval of the consolidated financial statements -

The consolidated financial statements as of December 31, 2023 were approved by the Board of Directors on February 22, 2024 and will be submitted for approval by the General Shareholder's Meeting within the terms established by Law. In management and Board of Directors's opinions, the General Shareholder's Meeting will approve the accompanying consolidated financial statements without amendments. The General Shareholders' Meeting, held on March 30, 2023, approved the consolidated financial statements as of December 31, 2022.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

### 2. Basis of preparation of the consolidated financial statements

#### (a) Statement of compliance -

The consolidated financial statements have been prepared and presented in accordance with the accounting standards established by the SBS for financial entities in Peru. Those standards are contained in the Accounting Manual for Financial Institutions (hereinafter the Accounting Manual) approved by SBS Resolution N° 895-98 on September 1, 1998 and effective January 1, 2001, including supplemental standards and amendments.

The SBS has established that, for situations not addressed in such standards, the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and made official in Peru by the Peruvian Accounting Board (CNC, for its Spanish acronym), are applied.

#### (b) Basis of consolidation -

The consolidated financial statements include the financial statements of the Bank and its subsidiaries that are part of the BBVA Peru Group, described in note 1(a), from the date control is obtained over those entities. The controls is obtained when the Bank is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Particularly, the Bank controls an investee if and only if it has all the following:

- Power over the investee; that is, the investor has existing rights that give it the current ability to direct the relevant activities,
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect the amount of the investor's returns.

In general, it is presumed that majority voting rights or similar rights in the investee grants control over the investee. The Bank considers all facts and circumstances when assessing whether it controls an investee, including:

- The contractual arrangement between the Bank and other voting right or similar right holders of the investee's.
- Rights arising from other contractual arrangements.
- The investor's voting rights, its potential voting rights and a combination of both.

The Bank reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the above-indicated three elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to the Bank. They are deconsolidated from the date that control ceases. Consolidated financial statements include the assets, liabilities, revenue and expenses of the Bank and its subsidiaries.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

Income for the period and each component of other comprehensive income are attributable to the owners of the controlling interest and to the share of non-controlling interests, even if this results in non-controlling interest with a negative balance. Adjustments are made to the financial statements of subsidiaries, when necessary, to align their accounting policies with those of the Bank.

All assets, liabilities, equity, revenue, expenses and cash flows related to transactions between entities that are consolidated by the Bank are eliminated in whole.

Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are recorded as equity transactions.

If the Bank ceases to have control over a subsidiary the related assets are derecognized (including goodwill), liabilities, non-controlling interest and other equity components, while any resulting profit or loss is stated in the consolidated statement of income. Any interest held in an investee is recognized at fair value.

Subsidiaries are all the entities over which the Bank has the power to govern its operating and financial policies. The consolidation ends at the date in which the Bank loses the control over them.



Translation of financial statements originally issued in Spanish - Note 32

Notes to the consolidated financial statements (continued)

As of December 31, 2023 and 2022, main balances of the BBVA Peru Group are the following:

In millions of soles	Assets		Liabilities		Equity	
	2023	2022	2023	2022	2023	2022
Entity						
Banco BBVA Perú	104,413	98,156	92,044	86,899	12,369	11,257
BBVA Bolsa Sociedad Agente de Bolsa S.A.(i)	55	86	41	68	14	19
BBVA Asset Management S.A. SAF (ii)	31	30	3	2	28	28
BBVA Sociedad Titulizadora S.A. (iii)	5	6	1	1	4	5
Inmuebles y Recuperaciones BBVA S.A. (iv)	153	183	1	121	152	62
Continental DPR Finance Company B.V. (v)	-	-	-	-	-	-
BBVA Consumer Finance Edpyme en liquidación (vi)	20	21	4	5	16	16
Forum Comercializadora del Perú S.A. en liquidación (vii)	2	2	-	-	2	2
Forum Distribuidora del Perú S.A. (viii)	145	106	112	75	33	31

- (i) BBVA Bolsa Sociedad Agente de Bolsa S.A. 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, mainly comprising purchase and sale of securities by orders of customers (owners of contract), as well as rendering advisory and information services to investors. Likewise, Sociedad Agente de Bolsa can carry out operations and services inherent to 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 is a subsidiary of the Bank, in which it owns 100% of the shares with voting rights representing its share capital. Sociedad Admnistradora 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, 2023, it manages 32 mutual funds of investments insecurities, 2 private investment funds and 1 public investment fund (as of December 31, 2022: 25 mutual funds of investments in securities, 2 private investment funds and 1 public investment fund).
- (iii) BBVA Sociedad Titulizadora S.A. is a subsidiary of the Bank, in which it owns 100% of its 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, 2023 and 2022, Sociedad Titulizadora manages the assets in 10 and 12 trust funds, respectively.
- (iv) Inmuebles y Recuperaciones BBVA S.A. 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 B.V. is a special purpose company created with the objective of securitizing remittances from abroad. On January 30, 2023, the company was registered in the Netherlands and is governed by the regulations of that country. The registration in the Netherlands was the result of the migration of Continental DPR Finance Company that was located in the Cayman Islands. The financing carried out through the special purpose company is guaranteed by the present and future flows generated by the electronic payment orders of clients (Diversified payments rights - DPR's).
- (vi) BBVA Consumer Finance Edpyme en liquidación, is a subsidiary of the Bank, in which it owns 100% of the shares with voting rights representing its share capital and is currently undergoing liquidation and wind-up.
- (vii) Forum Comercializadora del Perú S.A. en liquidación, is a subsidiary of the Bank, in which it owns 100% of the shares with voting rights representing its share capital and is currently undergoing liquidation and wind-up.
- (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; including 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.

## Notes to the consolidated financial statements (continued)

(c) Basis of measurement -

The consolidated financial statements were prepared in Peruvian soles based on the accounting records of the Bank under the historical cost principle, except for derivatives, financial instruments at fair value through profit or loss and the available-for-sale financial assets, which are measured at fair value.

(d) Functional and presentation currency -

The Bank prepares and present its consolidated financial statements in soles (S/ or PEN), which is the currency related to the main economic environment in which the Bank operates, such currency has influence on its transactions and services, among other factors. All figures are stated in thousands of soles and have been rounded to the nearest thousands, except when 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 accounting policies and the reported amounts of assets, liabilities, income and expenses, and the disclosure of significant events in notes to the financial statements. The accounting estimates and underlying judgments used are reviewed on an ongoing basis and are based on historical experience and other factors. Actual results may differ from these estimates.

Adjustments resulting from the review of accounting estimates are recognized prospectively, recording the effect in the consolidated statement of income, at 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, note 3(c) and note 30.
- Provisions for loan losses, note 3(e) and note 7.
- Provision for realizable, received as payment, and repossessed assets, note 3(g).
- Useful life of property, furniture and equipment, note 3(f) and intangible assets, note 3(h).
- 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-financial assets, note 3(j).
- Provision for contingencies, note 3(o)(i).

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

- (f) Major pronouncements issued by the SBS, the BCRP and the Government with an impact on the financial system -

As described in note 1(b) and (c), in addition to measures in order to support the economic recovery and growth of MYPEs (micro and small businesses), the Peruvian government, the Ministry of Economy and Finance, the BCRP and the SBS have issued the following regulations with an impact on the financial system:

Translation of financial statements originally issued in Spanish - Note 32

Notes to the consolidated financial statements (continued)

N°	Programs / Measures	Legal basis	Short description of programs / measures	Impact on the Bank
(i)	Loan rescheduling	Official letters N°10997-2020-SBS, N°11150-2020-SBS, N°11170-2020-SBS, N°12679-2020-SBS, N°13195-2020-SBS, N°13805-2020-SBS, N°14355-2020-SBS and N°15944-2020-SBS. Issued between March and July 2020	These official letters set exceptional measures applicable to the loan portfolio, intended to make debt repayment easier for customers of financial institutions that were affected by the restrictive measures taken by the Peruvian Government due to the COVID-19 pandemic. At the reporting date, these official letters are no longer effective.	As of December 31, 2023 and 2022 the balance of rescheduled loans with individual and mass portfolio evaluation under these official letters amounts to approximately S/270 million and S/593 million, respectively.
		Official letters N°13613-2021-SBS, N°6302-2021-SBS and N°08441-2023-SBS. Issued from February 2021 and February 2023.	Per these Official letters, the SBS entitled financial institutions to reschedule loans to their customers over 2021. At the reporting date, these official letters are no longer effective.	As of December 31, 2023 the balance of rescheduled loans with individual and mass portfolio evaluation due to social unrest amounts to S/519 million.
		Official letters N°54961-2022-SBS, N°03140-2023-SBS, N°03583-2023-SBS, N° 09702-2023-SBS, N°11235-2023-SBS and N°17305-2023-SBS. Issued between December 2022 and April 2023.	New supplemental prudential measures (loan rescheduling), issued in the framework of the Emergency Status instated due to the social unrest occurring in Peru. At the reporting date, those official letters were no longer effective.	As of December 31, 2023 the balance of rescheduled loans with mass portfolio evaluation due to climate effects amounts to S/126 million.
		Official letter N°12174-2023-SBS dated March 15, 2023.	The SBS included one single document with all prudential provisions for loan rescheduling issued up to the date, making relevant changes in the accounting records and making them applicable to the general Emergency Conditions resulting from the social unrest in the country and natural disasters with severe consequences affecting the lives of the population in certain areas of Peru or nationwide.	
		Official letter N°63223-2023-SBS dated November 6, 2023.	The SBS clarifies to the prudential measures related to rescheduling. The letter provides accounting clarifications and indications to not consider emergency status classified as “imminent danger” in future rescheduling.	
(ii)	Additional provisions for rescheduled loans	SBS resolution N°3922-2021 dated December 23, 2021.	The SBS set the requirement that for those loans that were rescheduled because of the COVID-19 pandemic, and accounted for as such, the financial institutions shall record additional provisions, as if they had a worse credit rating.	As of December 31, 2023 and 2022, the Bank recorded provisions for rescheduled loans of debtors rated as Normal, CPP and Substandard for approximately S/3 million and S/7 million, respectively.
(iii)	Reactiva Perú economic relief program	Legislative Decree N°1455-2020 dated April 6, 2020.	Instated with the following objectives: <ul style="list-style-type: none"><li>- Respond to the liquidity needs faced by companies in the context of the COVID-19 pandemic.</li><li>- Ensure continuity of the chain of payments.</li></ul>	As of December 31, 2023 and 2022, the Bank holds "Reactiva Peru" loans for around S/1,900 million and S/5,801 million note 7(c). The amounts secured by the Peruvian Government totaled S/1,675 million and S/5,296 million, respectively.
	Reactiva Perú Up until November 30, 2020	Ministry Resolution N°134-2020-EF dated April 13, 2020.	Using this program, the Government granted guarantees to back entities so they can obtain working capital credit facilities and meet their short-term obligations with workers and suppliers of goods and services. Guarantee range from 80% and 98% of the loan amount, whose maximum amount per customer was S/ 10 million, which was determined based on the total sales. Additionally, the Bank obtains the resources to grant these loans based on its repo transactions with the Central Reserve Bank of Peru (hereinafter BCRP), for the secured portion of the loan.	As of December 31, 2023 and 2022, the rescheduled loans including those obtained in the context of the health emergency and those under the Reactiva program totaled S/2,112 million and S/4,115 million, respectively, note 7(c).
	Reactiva Peru reschedulings up to December 31, 2021	Emergency Decree N°026-2021 dated March 6, 2021.  Emergency Decree N°091-2021 September 30, 2021.	The Peruvian Government has ordered that loans granted under the Reactiva Perú program can be eligible for rescheduling, provided that they meet the requirement set by the applicable standards (mainly involving a decrease in sales). Loan rescheduling can be provided with Bank´s or BCRP´s funding. If Bank´s funding is used, the interest rate can be raised up to 25 basis points. The due dates set for customers to be able to obtain loan rescheduling expired on December 31, 2021.	

Translation of financial statements originally issued in Spanish -  
Note 32

Notes to the consolidated financial statements (continued)

N°	Programs / Measures	Legal basis	Short description of programs / measures	Impact on the Bank
	New Reactiva rescheduling up to December 31, 2022	Emergency Decree N°011- 2022 dated May 13, 2022.	The possibility was raised for Reactiva program loans to be subject to new rescheduling up to S/10 mil million. Rescheduled loans will continue to be backed by the Peruvian Government. BCRP funding will be kept up to due date of the prior rescheduled loan, at which date, will be replaced with resources of the financial system.	
	Reactiva rescheduling extension until September 30, 2023	Emergency Decree N°026-2022 dated December 27, 2022.	For those loans from S/ 90,001 to S/ 10 million, decrease in sales of 30% or more in 2021, as compared to 2019, should be demonstrated.	
		Ministry Resolution N°074-2023-EF/15 dated February 21, 2023.	An extension of the due date to apply for rescheduling of Program-backed loans was ordered until September 30, 2023.	
		Emergency Decree N°029-2023 dated July 25, 2023		
		Ministry Resolution N°287-2023-EF/15 dated August 11, 2023.	Amendments were made to the Operating rules to the economic relief program called Reactiva, under which an extension is given to the loan rescheduling program originally granted under the Programa Reactiva Perú. Also, the possibility is set for new rescheduling for an additional grace period of 24 months to those loans that had been rescheduled under the provisions of Emergency Decree N° 011-2022.	
			In this respect, a new rescheduling and another period of grace of up to 24 months were authorized to be granted to entities that had rescheduled their Reactiva loans in accordance with the provisions of Urgency Decree N° 011-2022.	
(iv)	Fondo Crecer Up to 2049	Legislative Decree N°1399 dated September 7, 2018.	This is a program to secured loans obtained for working capital, fixed assets and export credits intended to bolster the productive development and growth of medium-sized and small entities. The maximum amount to be secured per customer is S/10 million. Amounts secured are up to 75% for microbusiness and small entities, up to 70% for medium-sized and up to 60% for exporters.	As of December 31, 2023 and 2022, the Bank holds loans under this program for around S/118 million and S/133 million, respectively, note 7(c). The amounts secured by the Peruvian Government totaled S/75 million and S/86 million, respectively.
		Supreme Decree N°007-2019-EF dated January 11, 2019.		
		Law N°31683 dated February 09, 2023.		
		Supreme Decree N°227-2023-EF dated October 25, 2023.	The scope of application by beneficiaries of the relief fund called Fondo Crecer is amended to be used by microbusinesses, small and medium-sized entities according to the type of financing obtained under the criteria set by the SBS.	
			Several articles of the rules for application of Legislative Decree N° 1399 were amended. This piece of legislation was enacted to promote and strengthen Micro, Small and Medium-sized entities and create Fondo Crecer, pursuant to Supreme Decree N° 007- 2019-EF as a way to implement the changes introduced by Law N° 31683.	
(v)	Repo transactipns with loan portfolio rescheduling	Circular N°0014-2020-BCRP dated April 3, 2020.	BCRP sets the characteristics and procedures for repo transactions of the loan portfolio secured by the Peruvian Government. At the selling date, the Bank receives the local currency (the sale amount) and, at the same time, it becomes engaged to repurchase such portfolio (repo amount). BCRP will draw down 80 percent of the funds to the Bank’s checking account with the BCRP and the remaining portion will be credited to restricted account also held by the Bank with the BCRP.	As of December 31, 2023 and 2022, the Bank holds repo transaction balances involving rescheduled loan portfolio for S/4,898 million and S/4,901 million, respectively, see note 14.
		Circular N°0021-2020-BCRP dated June 7, 2020.		
		Circular N°033-2020-BCRP dated December 18, 2020		
		Official letter N°11518-2020 dated April 7, 2020 and Official letter N°12791-2020 dated May 8, 2020.	The ninth transitional provision supersedes Circular N° 0014-2020-BCRP to introduce changes in the provisions applicable to the Repo Transactions with Loan Portfolio represented by Securities for the purpose of making operability more flexible.	

Translation of financial statements originally issued in Spanish -  
Note 32

Notes to the consolidated financial statements (continued)

N°	Programs / Measures	Legal basis	Short description of programs / measures	Impact on the Bank
			<p>BCRP has instated the possibility for financial institutions to obtain funding at 0.5% by means of Repo Transactions. Under this mechanism, financial system entities engage to reschedule loans to customers or portfolio bought from other financial system entities to reduce temporarily the interest rate over the period the transaction with the BCRP lasts.</p> <p>SBS has set the accounting model for repo transactions as well as some reporting requirements. Based on those official letters, the loan portfolio is not derecognized but provisions will continue to be made of the portfolio used in repo transaction.</p>	
(vi)	Impulso MYPERU program	<p>Law N°31658 “Ley que Crea el Programa Impulso Empresarial MYPE - IMPULSO MYPERU” dated December 29, 2022 and Ministry Resolution N°066-2023-EF/15 dated February 11, 2023.</p> <p>Emergency Decree N°039-2023 and Ministry Resolution N°419-2023-EF/15,dated November 29, 2023 and December 15, 2023; respectively.</p>	<p>The approved Law created the “Impulso MYPERU program” with the purpose of financing loans for debt consolidation, working capital, fixed assets and purchase of debt from MYPEs (the criteria was later expanded to include other companies).</p> <p>The scope and maximum amount were expanded and time limit of reception extended up to June 30, 2024. To date, the program is in force and has a fund of S/15,000 million to financing companies in all productive sectors of the country.</p>	<p>As of December 31, 2023, the Bank does not maintain a credit financing balance under the MYPE Business Impulse Program - IMPULSO MYPERU.</p>

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

Management considers the Bank has complied with all exceptional rules and measures set forth by the Peruvian Government, the Ministry of Economy and Finance, the Central Reserve Bank of Peru and the SBS established as a response of COVID-19 pandemic, social unrest and climate effects.

(g) New International Financial Reporting Standards (IFRS) -

(i) IFRS issued and effective in Peru as of December 31, 2023:

At the date of the consolidated financial statements, the CNC has issued the following resolutions:

- Resolution N°001-2023-EF/30 issued on March 30, 2023, which approves the modification to the International Accounting Standard - IAS 1 "Presentation of Financial Statements" and the International Financial Reporting Standard - IFRS 16 is approved "Leases".
- Resolution N°002-2023-EF/30 issued on June 23, 2023, which approves the Complete Set of International Financial Reporting Standards version 2023 is approved, as well as the Conceptual Framework for Financial Reporting.
- Resolution N°003-2023-EF/30 issued on August 16, 2023, which approves the Pre-Publication of the Peruvian Financial Reporting Standard for Microenterprises is approved.
- Resolution N°004-2023-EF/30 issued on December 5, 2023, which approves the use of the modifications to the International Accounting Standard - IAS 12 Income tax, International Financial Reporting Standard - IFRS 1 First-time adoption of International Financial Reporting Standards, International Accounting Standard - IAS 7 Statement of Cash Flows, International Financial Reporting Standard - IFRS 7 Financial Instruments: Disclosure and International Accounting Standard - IAS 21 Effects of variations in foreign currency exchange rates.

Application of the above-mentioned IFRS is effective one day after the date of the resolution or subsequently as indicated in each IFRS.

In 2019 IFRS 16 "Leases" became effective to replace IAS 17 "Leases", IFRIC 4 "Determining whether an arrangement contains a lease", SIC 15 "Operating leases - incentives" and SIC 27 "Evaluating the substance of transactions involving the legal form of a lease". The SBS issued official letter N° 467-2019 -SBS dated January 7, 2020 setting that IFRS 16 is not applicable by entities under its supervision.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

IFRS 9 "Financial instruments" became effective in 2018 replacing IAS 39 "Financial instruments: Recognition and Measurement". At the reporting date, the SBS has not amended or modified its Accounting Manual for Financial Institutions to be consistent with that standard.

(ii) IFRS issued internationally but not effective as of December 31, 2023:

The following amendments to standards and interpretations to standards have been published by the IASB and are effective for reporting periods beginning on or after January 1, 2024:

- Amendments to IFRS 16 "Leases": Lease liability in a sale and leaseback  
The amendments will be effective for annual periods beginning on or after January 1, 2024 and must be applied retroactively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Application is permitted advance as long as this fact is revealed.
- Amendments to IAS 1 "Presentation of financial statements": Classification of liabilities as current and non-current  
In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The modifications will come into effect for periods beginning on or after January 1, 2024 and must be applied retroactively.
- Amendments to IAS 7 "Cash Flow Statements" and IFRS 7 "Financial Instruments: Disclosures": Supplier Finance Agreements  
In May 2023, the IASB issued amendments to IAS 7 "Cash Flow Statements" and IFRS 7 "Financial Instruments: Disclosures" to clarify the characteristics of supplier financing arrangements and require additional information to be disclosed about such agreements. The amendments will be effective for annual periods beginning on or after January 1, 2024. Early application is permitted as long as this fact is disclosed.

As indicated in note 2(a), the above-mentioned standards and interpretation in (i) and (ii) will only be applicable to the Bank and its subsidiaries on a supplemental basis, to those indicated by the SBS, when situations arise that are not addressed in the Accounting Manual. Bank Management has not determined the effect on the preparation of its consolidated financial statements because the SBS has not adopted those accounting pronouncements.



# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

### 3. Accounting principles and practices

In preparing and presenting the accompanying consolidated financial statements, Management of BBVA Peru Group has met the standards set by the SBS currently effective in Peru. Major accounting principles and practices implemented as of December 31, 2023 have not changed significantly in relation with those applied as of December 31, 2022, as summarized in the audit report dated February 23, 2023

#### (a) Financial instruments -

##### Recognition of financial instruments

A financial instrument is any contract that gives rise to both a financial asset in an 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; or (iii) transfers substantially all risks and rewards of ownership of the financial asset to other entity.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

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. 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 one 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 income.

#### 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, derivative financial instruments are recorded on the negotiation date.

#### Held-for-trading instruments:

Held-for-trading instruments are initially recognized in the consolidated statement of financial position at fair value; subsequently, they are measured at fair value.

Future foreign currency operations ("forwards"), interest rate or currency exchange operations ("swaps") and options are recorded at their estimated market value, recognizing an asset or liability in the consolidated statement of financial situation, as appropriate, and the gain or loss from the valuation or settlement in the consolidated result for the year. The nominal value of derivative financial instruments is recorded in the committed or agreed currency, in contingent and/or memorandum accounts.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

#### Hedge derivative instruments:

A hedging derivative financial instrument is recorded as such if, on the negotiation date, it is expected that the changes in its fair value or in the cash flows it generates will be highly effective in offsetting the changes generated in the hedged item, which it must be documented on the trading date of the derivative financial instrument, and during the coverage term. Pursuant to SBS Resolution N° 1737-2006 and amendments, a hedge is considered highly effective if changes in the fair value or cash flows of the hedged instrument and the instrument used as a hedge are expected to be within a range of 80% to 125% effective in reducing the risk associated with the hedged exposure.

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 hedges-

Changes in the fair value of the hedge derivative instrument and hedge item is recognized in the consolidated statement of income, from the moment the hedge is designated and, provided it is effective.

Changes in fair value of hedge item (gain and losses due to valuation) are recorded as accounts receivable or 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 income and other comprehensive income, while the ineffective portion is recognized in the consolidated statement of income.

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.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

### (c) Investmentss -

BBVA Peru Group applies the recognition and measurement criteria to investments in instruments, in accordance with SBS Resolution N° 7033-2012 "Regulation on Classification and Measurement of Investments of Financial Institutions" and amendment 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.

- 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 of holding them until maturity; ii) BBVA Peru Group must have the financial capacity to hold them until maturity; and iii) they are instruments other than those that, at the time of initial recognition, BBVA Peru Group has designated to be accounted for at fair value through profit or loss, or as available-for-sale assets.

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.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

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 income.

### 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.

The gain or loss originated by the fluctuation of the fair value of the available-for-sale investments is recognized directly in equity until the instrument is sold or realized, at which time the gain or loss that previously recognized in equity is transferred and recorded in the consolidated result for the year, except for value impairment losses that are recorded in the results when presented.

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 income) is removed from equity and recognized in the consolidated statement of income. 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 results", while those related to debt instruments are recognized in the net profit for the period.

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.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

Dividends are recognized in the consolidated statement of profit or loss when the right to receive the payment has been established.

### Impairment assessment -

SBS resolution N° 7033-2012, as amended, as well as SBS resolution N° 2610-2018 set a standard methodology for identifying impairment of available-for-sales investments and held-to-maturity investments. That methodology is to be applied quarterly to all debt and equity instruments as follows:

#### (I) Debt instrument:

At each quarter-end, involving the entire debt instrument portfolio, an assessment shall be conducted of whether the following has occurred:

1. Weakening of the financial position or financial ratios of issuer and its economic group.
2. Downgrading of the credit rating of the instrument or issuer, in at least two (02) "notches", from the date of acquisition of the instrument, where one "notch" reflects the minimum difference between two risk ratings inside one single rating scale.
3. Disruption of transactions or an active market for the financial asset, due to issuer's financial difficulty.
4. Observable inputs indicate that, from the initial recognition of a group of financial assets with similar characteristics to those of the assessed instrument, there is a measurable decrease in the estimated future cash flows, even though that decrease cannot yet be related to individual financial assets of the group.
5. Decrease in value due to changes in standards (tax, regulatory or governmental).
6. Significant decrease in fair value below the amortized cost. A significant decrease exists if the fair value at the closing date has decreased by at least 40% below its amortized cost at that date.
7. Prolonged decrease in fair value. A prolonged decrease exists if the fair value at the closing date has decreased by at least 20% as compared to the amortized cost of the prior twelve (12) months, and the fair value at each month's closing date for the period of the prior twelve (12) months has always been held below the amortized cost at the date of each month's closing date.

## Notes to the consolidated financial statements (continued)

The fair value to be used to assess criteria 6 and 7 is that used in determining the value of debt instruments available for sale, under the criteria set by the above-mentioned resolution, regardless of the accounting classification given to the debt instrument. However, if the decrease in fair value of the debt instrument is fully due to an increase in risk-free interest rate, such a decrease shall not be considered an indicator of impairment.

In the event at least two (2) of the above-described conditions actually occur, it is said that impairment exists. In the event at least two (2) of the above-described conditions have not occurred, it will be enough to see one of the following specific conditions to occur to consider that impairment exists:

- (a) Noncompliance with contractual clauses, such as default in payment interest or not principal.
- (b) Renegotiating contractual terms of the instruments based on legal or financial issues involving the issuer.
- (c) Evidence exists that the issuer is undergoing mandatory restructuring or bankruptcy.
- (d) When the risk rating of an instrument that held investment grade is downgraded below the investment grade.

(II) Equity instrument:

At each quarter-end, involving equity instruments, an assessment shall be conducted of whether the following has occurred:

- 1. Downgrading the risk rating of any debt instrument of the issuer that was rated as investment grade to a rating that below the investment grade.
- 2. Significant changes have occurred in the technological, market, economic, or legal environment in which the issuer operates that may have adverse effects on the recovery of the investment.
- 3. Weakening of the financial position or financial ratios of issuer and its economic group.
- 4. Disruption of transactions or an active market for the financial asset, due to issuer's financial difficulty.
- 5. Observable inputs indicate that, from the initial recognition of a group of financial assets with similar characteristics to those of the assessed instrument, there is a measurable decrease in the estimated future cash flows, even though that decrease cannot yet be related to individual financial assets of the group.
- 6. Decrease in value due to changes in standards (tax, regulatory or governmental).

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

7. In the event at least two (2) of the above-described conditions actually occur, it is said that impairment exists. In the event at least two (2) of the above-described conditions have not occurred, it will be enough to see one of the following specific conditions to occur to be considered that impairment exists:
- (a) Significant decrease in fair value below the amortized cost. A significant decrease exists if the fair value at the closing date has decreased by at least 40% below its amortized cost. Cost or acquisition cost is always to be the initial cost, regardless of whether impairment had been previously recognized of the equity instruments assessed.
  - (b) Prolonged decrease in fair value. A prolonged decrease exists if the fair value at the closing date has decreased by at least 20% as compared to the amortized cost of the prior twelve (12) months, and the fair value at each month's closing date for the period of the prior twelve (12) months has always been held below the amortized cost at the date of each month's closing date.
  - (c) Noncompliance with statutory provisions by issuer, involving payment of dividends.
  - (d) Evidence exists that the issuer is undergoing mandatory restructuring or bankruptcy.

The fair value to be used for the purposes of evaluating the situations indicated in numerals a) and b), is the fair value considered for the purposes of the valuation of available for sale capital instruments, in accordance with the guidelines established in the aforementioned Resolution. The aforementioned numerals a) and b) are not applicable to equity instruments classified in the available for sale category and valued at cost due to the absence of a reliable fair value.

Further, if the SBS considers that an additional provision shall be recorded for any type of investment, such a provision will be determined based on each individual security and shall be recorded in profit or loss for the year in which SBS sets the requirement to make such a provision.

#### Recognizing differences on exchange -

Exchange gains or losses derived from the amortized cost of debt instruments are stated in profit or loss and those arising from the difference between the amortized cost and the fair value are stated within unrealized gains or losses in equity.

For equity instruments, they are considered non-monetary items, and therefore, they are stated at their historical cost in local currency because exchange gains or losses are part of their valuation and are recognized in unrealized gains or losses in equity.



# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

### Changes in classification -

In the event of changes in classification from available-for-sale investments to held-to-maturity investments, the carrying amount of fair value of the investment instrument at the date of exchange will be considered the new amortized cost. Any previously recognized profit or loss on that instrument that was previously directly stated in equity will be carried to profit or loss for the period over the remaining life of the held-to-maturity investment using the effective interest method. Any difference arising between the new amortized cost and the amount at maturity date will be also amortized over the remaining life of the investment instrument using the effective interest method, same way as the amortization of a premium or a discount. If the investment instrument is subsequently impaired, any resulting gains or losses that had been directly recognized in equity shall be transferred and stated in profit or loss for the period. During 2023 and 2022, the BBVA Peru Group did not perform any reclassifications.

### (d) Investments accounted for under the equity method -

An associate is an entity over which the investor has significant influence. Significant influence refers to the power to govern the financial and operating policies of the entity receiving the investment, but without having control or jointly control.

The considerations to be taken into account to determine the existence of significant influence or joint control are similar to those necessary to determine the existence of control over subsidiaries.

The Bank and its Subsidiaries record its investment in associates under the equity method. At inception, these investments are stated at fair value, including the costs attributable directly to the acquisition; subsequently, they are measured under 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 assessed for impairment as part of the investment (note 3(j)). In the event the fair value of the investment exceeds the consideration paid, this amount is recognized as profit in the consolidated statement of income.

BBVA Peru Group determined that the fair value of investments equals the carrying amount of the investee at the acquisition date, since they do not have significant non-monetary assets, or they have non-monetary assets recorded at their updated appraisal value.

When management identifies that one or more investments in subsidiaries and associates are impaired, such impairment shall reflect 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 immediately recognized in the consolidated statement of income.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

In the event the Bank loses significant influence over an associate, the Bank and its subsidiaries measure and recognize its retained interest at its fair value. Any difference resulting between the carrying amount of the associate at the date significant influence is lost and the fair value of any retained interest in an associate and any proceeds obtained from disposal of a portion of the interest in the associate is recognized in the consolidated statement of comprehensive income.

(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 N° 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 N° 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.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

### 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:

Type of loans / Product	Days in arrear
Sovereign loans, to multilateral development banks, public entities, securities intermediaries, financial entities, corporations, large companies and medium-sized companies.	15 calendar days after the due date for payment of any of the agreed installments.
Small-business and micro-business loans.	30 calendar days after the due date for payment 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.	Progressive tax 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 thirty-first (31st) calendar day of granted the overdraft.

### 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.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

### Rescheduled loans

By means of Official Letter N° 5345 - 2010-SBS, the SBS has cleared that in certain situations, volatility of the debtor's revenue is expected, which can cause a mismatch between the expected cash flows and originally agreed repayment timetables. To the extent those situations or events are temporary in nature and the debtor's feasibility is not compromised, adjusting the originally agreed contractual terms should not reflect diminished payment capacity of the customer, and therefore, those adjustments shall not constitute refinancing.

In the event the volatility of revenue affects the structural viability of a debtor's, or a debtor is incurred in delays in payment, the adjustments made to the contractual terms and conditions will be considered to reflect impaired payment capacity, and therefore, those contractual term adjustments shall constitute refinancing.

Through Official Letter N° 63223-2023-SBS dated November 6, 2023, the SBS specified that there are two types of rescheduling depending on the type of credit evaluation:

1. Reschedule with individual evaluation: In accordance with Official Letter N° 5345-2010-SBS, these cases must be evaluated individually by the companies of the financial system and support their decision by incorporating the risk assessments and the respective documentation in the customer file, which must be available to the SBS.

Official Letter N° 63223-2023-SBS also specifies that the client's acceptance alone without evaluating the degree of impact on the debtor's cash flow, is not considered a sufficient criteria to define a rescheduling as individual.

2. Reschedule with mass (portfolio) evaluation: includes both unilateral rescheduling and with the debtor's agreement, based on a portfolio evaluation, in compliance with the reschedule requirements.

To date, the loan reschedules with balances in the consolidated statement of financial position are:

- (a) Health Emergency due to COVID-19: Official Letters N° 10997-2020-SBS, N° 11150-2020-SBS, N° 11170-2020-SBS, N° 12679-2020-SBS, N° 13195-2020-SBS, N° 13805-2020-SBS, N°14355-2020-SBS, N° 15944-2020, N° 19109-2020-SBS, N°13613-2021-SBS, N°6302-2021-SBS, and N° 08441-2023-SBS.
- (b) Social unrest: Official Letters N° 54961-2022-SBS, N° 03140-2023-SBS, N° 03583-2023-SBS, N° 09702-2023-SBS, N° 11235-2023-SBS and N° 17305-2023-SBS.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

- (c) Emergency States issued by the Peruvian government since March 15, 2023 within the framework of Official Letter N° 12174-2023-SBS.
- (d) Rescheduling with individual evaluation, in accordance with Official Letter N° 5345-2010-SBS.

The official letters mentioned in a) and b) are not in force, loans reschedules may occur under Official Letter N° 12174-2023-SBS and Official Letter N° 5345 -2010-SBS which are in force.

### (iii) Credit risk ratings

The debtor classification categories for credit risk established by the SBS are the following: Normal, with Potential Problem (CPP, by its Spanish acronym), Substandard, Doubtful and Loss; which are assigned according to the credit behavior of the debtor.

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 N° 041 -2005 and amendments, the Bank evaluates the exposure to credit exchange risk for loans in foreign currency.

### (v) Provision for loan losses

The provision for loan losses is measured in accordance with the criteria established in SBS Resolution N° 11356-2008 "Regulations for the Evaluation and Classification of the Debtor and the Requirement of Provisions".

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.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

The specific provision is that established on direct credits and the equivalent exposure to credit risk of indirect credits of debtors that have been classified in a risk category higher than the normal category.

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.	-
(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 rating	No collateral	Preferred collateral	Preferred easily realizable collateral	Self-liquidating preferred collateral
<b>Normal</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%

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

As of December 31, 2023 and 2022, the procyclical component for the provision for loan portfolio is deactivated, according to SBS Official Letter N° B-2224-2014.

SBS Resolution N° 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 June 30, 2024. The minimum rates of the procyclical component are the following:

Types of loans	Procyclical component
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%.

The SBS exceptionally established a 0% provision rate for credit risk to the part of the loans covered by the guarantee of the Reactiva Peru program and FAE-MYPE program, note 2(f)(iv).

In the case of consumer loans, micro-business, small business and medium-sized businesses accounted for as Rescheduled loans - Health Emergency (COVID-19), the requirement for specific provisions is presented as follows:

Credit risk category / Accounting classification	Conditions	Specific provision according to risk category
Normal	Debtor's rescheduled loans with Normal category.	Requires provision according to CPP category (over the principal)
Normal / CPP	Have not made any complete installment payment including principal in the last six months	Requires provision according to Substandard (over the principal)
Normal / CPP / Substandard	Have not made any complete installment payment including principal in the last twelve months	Requires provision according to Doubtful category (over the principal)

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

Credit risk category / Accounting classification	Conditions	Specific provision according to risk category
Current loans	Rescheduled loans in current accounting situation.	Requires provision according to Substandard category (over accrued interest)
	Rescheduled loans in current accounting situation which have not made any complete installment payment including principal in the last six months	Requires provision according to Loss category (over accrued interest)

Under no circumstances will companies be able to generate profits or generate better results due to the reversal of provisions, and must reallocate them to specific mandatory provisions.

(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.

	Years
Buildings and premises	33 and 10
Installations and improvements to rental property	until 20
Property, furniture and equipment	10 and 4
Vehicles	5

In-transit units and work in progress items are stated at cost and consist of installations, furniture and equipment remaining to be received or under construction. This includes the cost of acquisition or construction and other direct costs. These items are not depreciated until the relevant assets are received or completed and are already operational.

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.

Disbursements for maintenance and repairs are recognized as an expense in the year in which they are incurred. When a component of property, furniture and equipment is sold or withdrawn from use, its accumulated cost and depreciation are eliminated and the gain or loss resulting from the sale is recognized in the consolidated result for the year.



## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

The accounting balance of leased offices which contracts are terminated or rescinded before maturity are recognized as provisions for impairment.

Banks are not permitted to apply the revaluation model. It is only permitted to apply the cost model. Likewise, banks are prohibited from giving as collateral their property, furniture and equipment as collateral, except those acquired in financial leasing operations.

- (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 N° 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 period of 42 months, a uniform monthly provision must be made, based on the net value obtained in the twelfth or eighteenth month of its adjudication or recovery, depending on whether the SBS extension is available and until completing 100% of the book value of the asset. On an annual basis, the net book value of real estate is compared with the realizable value determined by an independent appraiser and, in the event that this value is lower, a provision for impairment is established.
- 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 consolidated statement of profit or loss. If the recoverable amount exceeds the carrying amount, the higher amount shall not be recognized.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

(h) 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.

(i) 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 purpose of impairment testing, assets are grouped into the smallest identifiable group of assets that generates cash inflows from continuing use and is largely independent of the cash inflows from other assets or groups of assets of cash-generating units. Goodwill is allocated to each of the Group's cash-generating unit that is expected to benefit from the synergies arising from the business combination. A cash-generating unit to which the acquired goodwill has been allocated, is tested for impairment annually, or more frequently, when indicators exist that the unit may be impaired. If the recoverable amount of the cash-generating unit exceeds its carrying amount, an impairment loss is recognized reducing the carrying amount of any goodwill allocated to a cash-generating unit, and then to the other assets of the cash-generating unit, on a prorata basis, proportionally to the carrying amount of each of the assets of the cash-generating unit. Any impairment losses on goodwill is recognized against profit or loss for the year in which it occurs. Impairment losses on goodwill acquired is not reversed in subsequent periods.

(j) 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.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

(k) Non-current held-for-sale assets -

Non-current held-for-sale assets presented in the consolidated statement of financial position are measured at the lower of carrying amount and fair value less selling costs. Non-current assets are classified as held-for-sale when the asset is available for immediate sale and its sale is highly probable, management must be committed to a plan to sell the asset, 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 -

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.

As of December 31, 2023 and 2022, BBVA Peru Group does not have financial liabilities that qualify as held for trading.

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; or
- 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 BBVA Peru Group, 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.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

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 "Profit or loss from financial transactions" in the consolidated statement of income.

As of December 31, 2023 and 2022, BBVA Peru Group does not have financial liabilities at fair value.

(m) Securities and obligations outstanding -

The liabilities arising from the issuance of instruments, securities and other obligations outstanding are accounted for at their nominal value, with interest accrued recognized in profit or loss for the year. Discounts granted and revenue obtained in their placement are deferred and are shown net of their issuance value and they are amortized over the effective period of the related instruments, securities, and obligations outstanding using the effective interest rate method.

(n) 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.

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.

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.

According to the legal regulations on this matter, the subsidiaries shall not to determine employees' profit sharing since the number of employees does not exceed 20.

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.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

(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 at 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 income, except if such amounts are related to items recognized in equity accounts, in which case, current income tax or deferred is also recognized in equity accounts.

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 Bank recognizes deferred income tax in accordance with the provisions of IAS 12 - Income Tax. The deferred income tax reflects the effects of the temporary differences between the accounting balances of assets and liabilities and those determined for tax purposes.

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, BBVA Peru Group 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 at the consolidated statement of financial position.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

As set forth under IAS 12, the Bank determines its deferred income tax based on the tax rate applicable to its undistributed profits, recognizing any additional tax on dividend distribution on the date the liability is recognized.

(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 financial condition of the debtor has improved to such an extent that the uncertainty about the recoverability of the principal disappears, the accounting of the interest generated by these credits is restored on the basis of the accrued.

In the case of ordinary rescheduled loans, the recognition of interest income is carried out under the accrual method. In the case of credits rescheduled in the context of a health emergency, if they are rescheduled under a massive scheme, the recognition of income is carried out under the cash basis, and if it is under an individual analysis scheme, the recognition of income is under the accrual principle.

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 BBVA Peru Group does not have dilutive financial instruments, earnings per ordinary and diluted share are the same.

(s) Repurchase agreements -

The Bank applies SBS Resolution N° 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 BBVA Peru Group retains substantially all risks and rewards of ownership of the asset.

BBVA Peru Group 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.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

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 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.

By means of Emergency Decree N° 011-2022, the Government has established the possibility that loans under the Reactiva Peru program can be eligible for a new rescheduling (or first rescheduling for those who did not obtain one previously) for up to a total of S/10 thousand million.

It should be noted that in the event rescheduling is decided, the repo transaction with the BCRP will not continue but financing for those (rescheduled) loans will be completed with the Bank's resources.

The Peruvian government guarantee will continue to be effective up until the new due date for the rescheduled loan and will also continue to be effective the same percentage of guarantee coverage.

As of December 31, 2023 and 2022, the Bank carries out securities repurchase agreements, loan portfolio guaranteed by the Peruvian Government, both represented by securities and loans (notes 6, 7 and 14).

- (t) Consolidated statement of other comprehensive income and consolidated statement of changes in equity

The consolidated statement of other comprehensive income includes 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. Deferred tax related with these items are detailed in the corresponding note (note 3(p)).

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

The consolidated statement of changes in equity shows profit or loss for the period, the other comprehensive income shows the 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 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 in financial statements separately and are presented in memorandum accounts.

(w) Intermediation activities -

Intermediation activities on behalf of third parties correspond to purchase-sale operations carried out in the stock market and over-the-counter market under specific instructions given by customers to Sociedad Agente de Bolsa. In this type of operations, the customers transfer funds to Sociedad Agente de Bolsa, so that it can settle the operations according to the instructions of the customers. These funds are recorded as assets and liabilities in the consolidated statement of financial position.

(x) Foreign currency transactions -

At initial recognition, foreign currency transactions are recorded by translating to the functional currency by applying the exchange rate on the transaction date.

The exchange difference that arises when converting monetary assets and liabilities in foreign currency at the current exchange rates at the date of the consolidated statement of financial position are recognized in the profit or loss as "Foreign exchange differences" in the caption of "Profit or loss from financial transactions".



# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

### 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, 2023 and 2022, the exchange rate is US\$ 1 per S/ 3.709 and US\$ 1 per S/3.814, 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, 2023, buy and sell exchange rates used were US\$1 per S/3.705 and US\$ 1 per S/3.713, respectively (buying rate of US\$ 1 per S/3.808 and buying rate of US\$ 1 per S/3.820, as of December 31, 2022).

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

As of December 31, 2023 and 2022, foreign currency balances stated in thousands of U.S. dollars are as follows:

	2023			2022		
	US Dollars US\$(000)	Other currencies US\$(000)	Total US\$(000)	US Dollars US\$(000)	Other currencies US\$(000)	Total US\$(000)
<b>Assets</b>						
Cash and due from banks	1,442,283	115,174	1,557,457	2,306,918	109,203	2,416,121
Investments at fair value through profit or loss and available-for-sale investments	1,707,942	-	1,707,942	1,028,692	-	1,028,692
Loan portfolio, net	5,232,933	-	5,232,933	4,650,731	-	4,650,731
Other assets, net	484,706	3,602	488,308	171,138	16,795	187,933
	<u>8,867,864</u>	<u>118,776</u>	<u>8,986,640</u>	<u>8,157,479</u>	<u>125,998</u>	<u>8,283,477</u>
<b>Liabilities</b>						
Obligations with the public and deposits from financial institutions	7,087,149	62,864	7,150,013	7,070,250	60,597	7,130,847
Interbank funds	40,018	-	40,018	-	-	-
Debts and financial obligations	1,211,022	-	1,211,022	672,314	-	672,314
Accounts payable, provisions and other liabilities	567,307	7,303	574,610	301,430	23,821	325,251
	<u>8,905,496</u>	<u>70,167</u>	<u>8,975,663</u>	<u>8,043,994</u>	<u>84,418</u>	<u>8,128,412</u>
<b>Short position (liabilities)</b>	(37,632)	48,609	10,977	113,485	41,580	155,065
Derivative instruments, assets	6,166,648	500,777	6,667,425	4,890,362	147,751	5,038,113
Derivative instruments, liabilities	6,073,313	555,208	6,628,521	4,986,132	191,082	5,177,214
<b>Long position (assets)</b>	<u>55,703</u>	<u>(5,822)</u>	<u>49,881</u>	<u>17,715</u>	<u>(1,751)</u>	<u>15,964</u>

In 2023 and 2022, BBVA Peru Group recorded net exchange gains for S/707 million and S/ 935 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 income (note 20).

The percentage change in the exchange rate of the Sol in relation to the US dollar is -2.75% and -4.34% for the years 2023 and 2022, respectively.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

### 5. Cash and due from banks

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
Banks and other foreign financial entities (c)	4,240,686	3,627,707
Cash (a)	2,956,853	2,725,393
Central Reserve Bank of Peru (a)	1,220,422	4,970,231
Other guarantee funds (b)	849,483	699,639
Banks and other local financial entities (c)	106,507	75,303
Clearing	57,006	46,657
Other cash and due from banks	652	73
	<u>9,431,609</u>	<u>12,145,003</u>

- (a) Cash balances held by the Bank as well as those held with the Central Reserve Bank of Peru (BCRP) are intended to cover the legal reserve requirement that the Bank must keep for the deposits and obligations with the public, according to the current provisions. These cash balances are in the Bank's vaults or deposited in the BCRP.

As of December 31, 2023 and 2022 this item shows the following accounting balances:

	2023 S/(000)	2022 S/(000)
<b>Legal reserve</b>		
Cash in vault	2,956,853	2,725,393
Deposits with BCRP	415,186	3,065,635
Subtotal legal reserve	<u>3,372,039</u>	<u>5,791,028</u>
<b>Non-mandatory legal reserve</b>		
Time deposits with BCRP	779,915	1,884,659
Interest on checking account	25,321	19,937
Subtotal non-mandatory legal reserve	<u>805,236</u>	<u>1,904,596</u>
<b>Total</b>	<u>4,177,275</u>	<u>7,695,624</u>

As of December 31, 2023 and 2022, the balances are subject to an implicit rate of 6% in local currency and 35.% in foreign currency for both period, over total obligations subject to legal reserve ("TOSE", by its Spanish acronym), as required by the BCRP.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

The legal reserve funds which represent the minimum mandatory do not bear interest. The legal reserve funds comprising the additional legal reserve in foreign currency and in local currency bear interest at a nominal rate set by the BCRP. During the years 2023 and 2022, a portion of the additional legal reserve funds in U.S. dollars are hedged with a cash flow hedge (Note 8(ii)).

As of December 31, 2023, balances held with the BCRP include overnight deposits of S/780 million (S/1,885 million of overnight deposits as of December 31, 2022).

- (b) As of December 31, 2023 and 2022 cash includes guarantee funds that secure transactions with derivatives as requested by the Bank counterparties for a total US\$25 million and US\$79 million, respectively. Also, as of December 31, 2023, this balance includes S/646 million and US\$28 million to secure the transfer process in line with a requirement of BCRP (S/330 million and US\$16 million, as of December 31, 2022).
- (c) As of December 31, 2023 and 2022 deposits held with local and foreign banks are mainly in Peruvian soles and in U.S dollars but also other currencies for smaller amounts; are unrestricted and bear interest at market rates.

As of December 31, 2023, they include balances mainly with the following financial institutions: JP Morgan Chase Bank of S/1,396 million, Citibank N.A. New York of S/955 million, Bank of New York of S/773 million, BBVA Paris of S/340 million, Brown Brother Harriman of S/256 million, Standard Chartered Bank of S/225 million and Wells Fargo Bank S/207 million (as of December 31, 2022, balances were held mainly with JP Morgan Chase Bank of S/1,355 million, Bank of New York of S/771 million, Citibank N.A. New York of S/ 675 million, Standard Chartered Bank S/410 million and BBVA Paris of S/384 million).

During the course of 2023 and 2022, interest income on cash totaled S/457 million and S/175 million, respectively, and is shown within interest income in the consolidated statement of income (note 17).

Translation of financial statements originally issued in Spanish -  
Note 32

Notes to the consolidated financial statements (continued)

6. Investments at fair value through profit or loss and available-for-sale

As of December 31, this caption comprises the following:

	2023				2022			
	Unrealized results			Estimated fair value S/(000)	Unrealized results			Estimated fair value S/(000)
	Amortized cost S/(000)	Gains S/(000)	Losses S/(000)		Amortized cost S/(000)	Gains S/(000)	Losses S/(000)	
Investments at fair value through profit or loss:								
Certificates of deposit with BCRP (a)				2,837,641				2,691,234
Peruvian Public Treasury bonds (b)				1,549,360				587,625
U.S. Treasury bills (c)				391				-
Subtotal				4,387,392				3,278,859
Available-for-sale investments (g)								
Debt instruments:								
Peruvian Public Treasury bonds (b)	3,954,338	123,934	-	4,078,272	3,049,769	-	(67,628)	2,982,141
U.S. Treasury bills (c)	6,125,090	-	(6,546)	6,118,544	3,659,533	-	(11,777)	3,647,756
Certificates of deposit with BCRP (a)	539,889	505	-	540,394	1,583,830	-	(1,135)	1,582,695
Corporate bonds (d)	-	-	-	-	68,689	-	(177)	68,512
-	10,619,317	124,439	(6,546)	10,737,210	8,361,821	-	(80,717)	8,281,104
Shares:								
Shares of local and foreign companies (e) and (f)	26,024	-	(2,031)	23,993	31,760	-	-	31,760
	26,024	-	(2,031)	23,993	31,760	-	-	31,760
Subtotal	10,645,341	124,439	(8,577)	10,761,203	8,393,581	-	(80,717)	8,312,864
Total				15,148,595				11,591,723

(a) As of December 31, 2023, the certificates of deposit issued by the BCRP consist of negotiable instruments obtained in public auctions held by the BCRP or traded in the secondary market with maturities up until December 2024 (September 2023, as of December 31, 2022). As of December 31, 2023 the balance includes certificates of deposit of S/305 million that secure repo transactions (S/ 204 million as of December 31, 2022).

As of December 31, 2023, annual return in local currency on these instruments ranged from 6.41% to 6.86% (from 7.00% to 8.06% in local currency as of December 31, 2022).

(b) Peruvian Public Treasury Bonds include sovereign bonds of the Republic of Peru in local currency and global bonds in foreign currency issued by the Ministry of Economy and Finance of Peru (MEF), which represent public internal debt securities of the Republic of Peru.

As of December 31, 2023, these bonds bore interest at an annual interest rates ranging from 5.35% and 8.20% in local currency (from 5.20% and 8.20% as of December 31, 2022) and 7.35% in foreign currency in both periods. As of December 31, 2023 and 2022, local currency bonds have maturities up until February 2055 and February 2042, respectively, and foreign currency bonds up until July 2025, in both periods.

As of December 31, 2023 and 2022, a portion of the balance of global bonds Peru of US\$30 million are hedged with a cash flow hedge (note 8(ii)).

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

- (c) As of December 31, 2023, the U.S. Treasury Bills bear interest ranging from 3% y 5.29% in foreign currency (ranging from 0.75% and 4.42% as of December 31, 2022) and with maturities up until November 2033 (July 2024 as of December 31, 2022). As of December 31, 2023 and 2022, a portion of the U.S. Treasury Bills are used as collateral for S/23 million and S/57 million, respectively.
- (d) As of December 31, 2022 this balance included corporate bonds issued by financial institutions in Peru in foreign currency and bear interest ranging from 3.50% and 4.25%.
- (e) As of December 31, 2023 the amounts include a provision for impairment for S/4 million over the investments held on Pagos Digitales Peruanos (S/12 million on the Lima Stock Exchange and S/4 million on Pagos Digitales Peruanos, as of December 31, 2022).
- (f) It includes shares of Holding Bursatil Chilena S.A., established as a result of the integration process of the stock exchanges of Chile, Peru and Colombia. This stock exchanges integration process involved the exchange of shares held by the Bank and its subsidiary BBVA Bolsa Sociedad Agente de Bolsa S.A., on the Lima Stock Exchange for S/25 million and S/10 million, respectively; by those of Holding Bursatil Chilena S.A. with balance as of December 31, 2023 amounts to S/17 million and S/6 million, respectively.
- (g) As of December 31, 2023, unrealized gains on the valuation of available-for-sale investments, net of the related deferred income tax amounts to S/114 million (unrealized losses of S/ 79 million as of December 31, 2022), note 15(c).

During the course of 2023 and 2022, the interest accrued of the Bank's investment portfolio amounts to S/590 million and S/441 million, respectively (note 17).

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

### 7. Loan portfolio, net

As of December 31, this caption comprises the following:

	2023 S/(000)	2022 S/(000)
Direct loans:		
Loans (c)	26,845,471	27,672,810
Mortgage loans (d)	14,768,114	13,959,809
Consumer loans	11,868,127	9,798,074
Foreign trade	5,797,177	6,010,104
Finance lease	3,259,775	3,180,799
Factoring	1,707,092	1,585,012
Project financing	1,109,191	1,372,565
Discounts	1,102,234	1,229,437
Others	3,049,856	3,499,414
	<u>69,507,037</u>	<u>68,308,024</u>
Loans past due and loans under legal collection	3,536,302	3,207,132
Refinanced loans	<u>1,856,072</u>	<u>1,672,801</u>
	<u>74,899,411</u>	<u>73,187,957</u>
Plus (less):		
Accrued interest on performing loans	746,092	683,399
Deferred interest	(99,710)	(86,431)
Provisions for direct loan losses	<u>(4,898,555)</u>	<u>(4,662,538)</u>
	<u>70,647,238</u>	<u>69,122,387</u>
Contingent or indirect loans, note 16	<u>18,441,493</u>	<u>17,913,038</u>

- (a) As of December 31, 2023 and 2022, 51.00% of the direct loan portfolio is concentrated in 4,919 customers which amounts to S/38,505 million and 4,718 customers which amounts to S/37,653 million, respectively.
- (b) Direct loan portfolio with guarantees received from customers, which comprise mortgages, deposits, letters of guarantees, collaterals and warrants, amounts to S/49,237 million as of December 31, 2023 (S/44,992 million as of December 31, 2022).

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

- (c) As of December 31, 2023 and 2022, part of the loan portfolio belongs to the Reactiva Peru program (note 2(f)(iii)) with a balance for S/1,900 million (S/5,801 million as of December 31, 2022). The detail of such loans are detailed as follows:

	2023 S/(000)	2022 S/(000)
<b>Types of loans</b>		
Medium-business loans	1,247,444	3,838,459
Small-business loans	343,745	838,921
Large-business loans	301,258	1,109,798
Micro-business loans	5,213	7,554
Corporate loans	2,396	6,152
<b>Total of Reactiva Peru program loans</b>	<u>1,900,056</u>	<u>5,800,884</u>

As of December 31, 2023, the Bank holds repo transactions involving the loan portfolio with the BCRP (note 14(a)) for S/1,579 million (S/5,408 million as of December 31, 2022) that relate to the Reactiva Peru program.

As of December 31, 2023, the balances of the loans and payables on repo transactions involving loan portfolio with the BCRP (note 14(a)) totaled S/5,019 million and S/4,898 million, respectively (as of December 31, 2022, these balances totaled S/5,793 million and S/4,901 million, respectively).

As of December 31, 2023, loans that under the Crecer program totaled S/118 million (S/133 million as of December 31, 2022), note 2(f)(iv).



# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

As of December 31, 2023 and 2022, the rescheduled loans totaled S/3,620 million and S/4,516 million, respectively. Includes rescheduled loans in accordance with Official Letter N°5345-2010-SBS, due to the public health emergency, Reactiva Peru program, social unrest and climate effects, in accordance with the provisions of the SBS. Balances by the type of loan are broken down as follows:

	2023 S/(000)	2022 S/(000)
<b>Types of loans</b>		
Medium-sized entity loans	1,716,668	2,833,401
Large-business loans	696,134	864,347
Small-business loans	525,830	552,790
Consumer loans	415,303	35,078
Mortgage loans	252,887	216,575
Micro-business loans	5,647	4,045
Public sector	5,166	-
Corporate loans	2,396	10,134
<b>Total rescheduled loans</b>	<b>3,620,031</b>	<b>4,516,370</b>

- (d) As of December 31, 2023, a portion of the balance of the mortgage loan portfolio is securing a debt with Fondo MIVIVIENDA - Programa MIHOGAR for up to S/926 million (S/664 million as of December 31, 2022), note 13 (c).
- (e) As of December 31, 2023 and 2022, the balances of the direct loan portfolio segmented by type of customer, in accordance with the provisions of SBS Resolution N° 11356-2008, is as follows:

	2023 S/(000)	2022 S/(000)
Mortgage	15,379,908	14,613,415
Medium-sized entities	15,319,759	17,614,995
Corporate	13,135,920	11,963,605
Large entities	12,524,795	12,737,814
Consumer	12,385,722	10,153,888
Small entities	3,969,382	3,785,178
Financial system entities	1,033,572	808,890
Public sector entities	503,254	862,688
Security brokerage	466,486	486,041
Micro businesses	180,613	161,443
<b>Total loans</b>	<b>74,899,411</b>	<b>73,187,957</b>

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

- (f) During 2023 and 2022, the interest earned on the loan portfolio were mutually agreed based on the prevailing market rates.

In March 2021, the Peruvian Congress enacted Law No31143 that establishes that the BCRP is charged with setting the maximum and minimum interest rates for financial institutions. In April 2021, BCRP set the methodology for the calculation of the maximum interest rate on consumer loans, and loans to microbusinesses and small entities, which is to be updated semiannually in May and November. As of December 31, 2023, the maximum annual interest rate is 101.86% in local currency (87.91% as of December 31, 2022) and 82.94% in foreign currency (68.27% as of December 31, 2022).

Translation of financial statements originally issued in Spanish -  
Note 32

Notes to the consolidated financial statements (continued)

As of December 31, 2023 and 2022, in accordance with current SBS regulations, the BBVA Peru Group's loan portfolio is classified by risk as follows:

Risk category	2023						2022					
	Direct S/(000)	%	Contingent S/(000)	%	Total S/(000)	%	Direct S/(000)	%	Contingent S/(000)	%	Total S/(000)	%
Normal	66,439,876	89	16,711,692	91	83,151,568	89	65,824,886	90	16,223,261	90	82,048,147	90
With potential problems	2,552,171	3	1,150,292	6	3,702,463	4	2,382,750	3	1,202,558	7	3,585,308	4
Substandard	1,403,383	2	264,754	1	1,668,137	2	1,117,219	2	236,992	1	1,354,211	1
Doubtful	1,756,633	2	136,493	1	1,893,126	2	1,263,460	2	124,124	1	1,387,584	2
Loss	2,647,638	4	178,262	1	2,825,900	3	2,513,211	3	126,103	1	2,639,314	3
	74,799,701	100	18,441,493	100	93,241,194	100	73,101,526	100	17,913,038	100	91,014,564	100
Deferred interest	99,710		-		99,710		86,431		-		86,431	
Total	74,899,411		18,441,493		93,340,904		73,187,957		17,913,038		91,100,995	

(\*) For the purpose of recording provisions, pursuant to Resolution SBS N° 3922-2021, rescheduled loans due to COVID-19 that were rated as “Normal” will be given a classification of “CPP”; for loans that were rated as “Normal” and “CPP” given by the Bank, for which one full installment has not been paid, including the principal over the last 6 months, will be given a classification of “Substandard”; and for those rescheduled loans rated as normal, CPP and substandard, for which one full installment has not been paid, including the principal over the last 12 months, they will be considered as “Doubtful”. As of December 31, 2023 and 2022, the balance of these provisions for rescheduled loans is S/ 3 million and S/ 7 million, respectively.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

(g) The movement of the provision for direct loan losses is as follows:

	2023 S/(000)	2022 S/(000)
<b>Balance at the beginning of the year</b>	(4,662,538)	(4,658,162)
Additions debited to profit or loss	(3,635,074)	(2,382,251)
Recovery of provisions	1,644,837	1,371,455
Sale of loan portfolio	878,499	430,517
Write-off	780,134	448,669
Waiver	77,385	55,703
Exchange difference, net	18,202	71,531
<b>Closing balance</b>	<b>(4,898,555)</b>	<b>(4,662,538)</b>

Below is the composition of the provisions for direct loan losses, net, presented in the consolidated statement of income:

	2023 S/(000)	2022 S/(000)
Provisions for loan losses	(3,635,074)	(2,382,251)
Recovery of provisions for loan losses	1,644,837	1,371,455
Recovery of provisions for country risk	4,666	12,643
Income from recovery of loan portfolio	22,088	13,541
<b>Provision for loan losses, net of recoveries</b>	<b>(1,963,483)</b>	<b>(984,612)</b>

The balance of the provisions for direct loan losses involving direct loans is broken down as follows:

	2023 S/(000)	2022 S/(000)
Specific	(3,487,433)	(3,021,965)
Specific - COVID-19	(2,698)	(8,646)
Generic	(763,517)	(735,777)
Voluntary	(644,465)	(895,657)
Provision for country risk	(442)	(493)
<b>Closing balance</b>	<b>(4,898,555)</b>	<b>(4,662,538)</b>

The provisions for indirect loan losses is shown within "Payables, provisions, and other liabilities" in the consolidated statement of financial position (note 14).

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

BBVA Peru Group, in compliance with current standards and regulations, has identified those customers that are exposed to the credit risk and currency risk and no additional provision has been deemed necessary to be made.

Management of BBVA Peru Group considers that the provision for loans losses recorded as of December 31, 2023 and 2022 has been made in accordance with the SBS standards effective at those dates.

Translation of financial statements originally issued in Spanish -  
Note 32

Notes to the consolidated financial statements (continued)

8. Trading and hedging derivatives

As of December 31, 2023 and 2022, the Bank holds foreign-exchange forward contracts, cross-currency swaps (CCS), interest rate swaps (IRS) and options. As of December 31, 2023 and 2022, changes in the fair value of these derivatives are presented as accounts receivable (assets) or accounts payable (liabilities), as appropriate:

			2023		
	Underlying	Maturity date	Nominal S/(000)	Assets S/(000)	Liabilities S/(000)
Trading derivatives					
Currency forwards		Between 2024 and 2029	27,351,685	424,120	322,995
Currency swaps		Between 2024 and 2042	18,674,946	418,360	444,617
Interest rate swaps		Between 2024 and 2050	14,430,450	397,838	294,226
Options of shares, changes and others		Between 2024 and 2026	2,018,215	15,134	15,134
Provision for country risk		-	-	(17,956)	-
			62,475,296	1,237,496	1,076,972
Hedging derivatives (note 5, 6, 12 and 13)					
At fair value (i)					
Interest rate swaps	Bonds issue	2024	1,112,700	-	42,318
Cash flows (ii)					
Interest rate swaps	Legal reserve	Between 2024 and 2026	4,450,800	-	17,678
Currency swaps	Borrowing	2027	222,540	-	22,601
Currency swaps	Global Peru bonds	2025	111,270	-	10,294
Currency forwards	Time deposits	2024	18,083	-	595
			5,915,393	-	93,486
			68,390,690	1,237,496	1,170,458

Translation of financial statements originally issued in Spanish -  
Note 32

Notes to the consolidated financial statements (continued)

			2022		
			Underlying	Maturity date	
			Nominal S/(000)	Assets S/(000)	Liabilities S/(000)
Trading derivatives					
Currency forwards		Between 2023 and 2029	21,636,906	330,171	112,740
Interest rate swaps		Between 2023 and 2050	17,944,373	532,972	384,954
Currency swaps		Between 2023 and 2042	16,645,992	482,709	736,333
Options of shares, changes and others		Between 2023 and 2026	871,648	11,816	11,816
Provision for country risk		-	-	(8,049)	-
			57,098,919	1,349,619	1,245,843
Hedging derivatives (note 5, 6 and 13)					
At fair value (i)					
Interest rate swaps	Bonds issue	2024	1,144,200	-	67,398
Interest rate swaps	Borrowing	2026	762,800	2,974	-
Cash flows (ii)					
Interest rate swaps	Legal reserve	Between 2024 and 2025	3,051,200	685	2,750
Currency swaps	Borrowing	2027	228,840	-	15,125
Currency swaps	Global Peru bonds	2025	114,420	-	15,274
Currency forwards	Time deposits	2023	90,814	-	3,081
			5,392,274	3,659	103,628
			62,491,193	1,353,278	1,349,471

- (i) Fair value - hedging derivatives
- Interest rate swap (IRS)*

As of December 31, 2023, BBVA Peru Group holds interest rate swaps contracts at face value for S/1,113 million to hedge bonds issue (S/1,907 million to hedge borrowings and bonds issue as of December 31, 2022). Through IRS, the BBVA Peru Group receives a fixed interest rate in U.S. dollars and pays a variable interest rate in that same currency. In 2023, changes in the fair value of the IRS amounts to a gain of S/31 million and is presented in "Profit or loss from financial transactions" of the consolidated statement of income (S/92 million loss in 2022).

Translation of financial statements originally issued in Spanish -  
Note 32

Notes to the consolidated financial statements (continued)

The table below shows the detail of hedged items and their hedging instruments as of December 31, 2023 and 2022:

Hedged item	Hedging instrument	Face value of the hedging instrument		Fair value of the hedging instrument	
		2023 S/(000)	2022 S/(000)	2023 S/(000)	2022 S/(000)
Fair value hedge					
	Interest rate swap (IRS)				
First international issuance of subordinated bonds for US\$ 300 million	The Bank receives fixed interest rate and pays variable interest rate.	1,112,700	1,144,200	(42,318)	(67,398)
	Interest rate swap (IRS)				
BBVA borrowing for US\$ 200 million	The Bank receives fixed interest rate and pays variable interest rate.	-	762,800	-	2,974
Total fair value hedge		1,112,700	1,907,000	(42,318)	(64,424)

(ii) Cash flow - hedging derivatives

*Currency forward contracts*

As of December 31, 2023, the Bank has foreign exchange forward contracts with a face value of S/18 million to hedge time deposits of US\$5 million (S/91 million for hedging the time deposits for US\$ 24 million as of December 31 2022). By means of this foreign exchange forward contract, the Bank receives future cash flows in U.S. dollars and pays future cash flows in soles.

During 2023, the fair value of the forward contracts amounts to S/0.2 million of loss, recorded in equity accounts net of its deferred income tax (gain of S/2 million net of its deferred income tax of during 2022).

*Currency swap*

As of December 31, 2023 and 2022, the Bank holds currency swaps with a face value of S/334 million and S/343 million, respectively, to hedge bonds accounted for as available-for-sale investments (US\$30 million of a Global Bond) and a borrowing (US\$60 million). By means of the CCS on Global Bonds, the Bank receives a fixed interest rate in soles and pays a fixed interest rate in U.S. dollars; while by means of the CCS on borrowings, the Bank receives a fixed interest rate in U.S. dollars and pays a fixed interest rate in soles.

During 2023, the fair value of the CCS amounts to S/9 million of loss, recorded in equity accounts net of its deferred income tax (loss of S/22 million net of deferred income tax of during 2022).



Translation of financial statements originally issued in Spanish -  
Note 32

Notes to the consolidated financial statements (continued)

Interest rate swap - IRS

As of December 31, 2023 and 2022, the Bank has an interest rate swap (IRS) contract with face value of S/4,451 million and S/3,051 million, respectively, to hedge legal reserve funds in U.S. dollars in BCRP. The Bank receives a fixed interest rate in U.S. dollars and pays a floating interest rate in the same currency.

During 2023, the fair value of IRS amounts to S/ 10 million of loss, recorded in equity accounts net of deferred income tax (loss of S/ 1 million net of deferred income tax during 2022).

The table below shows the detail of hedged elements and their hedging instruments as of December 31, 2023 and 2022:

Hedge element		Hedging instrument		Face value of the hedging instrument		Fair value of the hedging instrument	
				2023	2022	2023	2022
				S/(000)	S/(000)	S/(000)	S/(000)
Cash flows hedges							
		<b>Interest rate swap (IRS)</b>					
Additional legal reserve funds for US\$1,200 million		The Bank receives a fixed interest rate in U.S. dollars and pays a floating interest rate in the same currency.		4,450,800	-	(17,678)	-
		<b>Cross currency swap (CCS)</b>					
Borrowing with IFC (Institute Finance Corporation) for US\$60 million		The Bank receives a fixed interest rate in soles and pays a fixed interest rate in U.S. dollars.		222,540	228,840	(22,601)	(15,125)
		<b>Cross currency swap (CCS)</b>					
Global bonds for US\$30 million		The Bank receives a fixed interest rate in soles and pays a fixed interest rate in U.S. dollars.		111,270	114,420	(10,294)	(15,274)
		<b>Currency forward</b>					
Time deposits for US\$5 million		The Bank receives future cash flows in U.S. dollars and pays future cash flows in soles.		18,083	-	(594)	-
		<b>Interest rate swap (IRS)</b>					
Additional legal reserve funds for US\$800 million		The Bank receives fixed interest rate in U.S. dollars and pays a floating interest rate in the same currency.		-	3,051,200	-	(2,065)
		<b>Foreign exchange forward</b>					
Time deposits for US\$24 million		The Bank receives future cash flows in U.S. dollars and pays future cash flows in soles.		-	90,814	-	(3,081)
Total cash flows hedges				4,802,693	3,485,274	(51,167)	(35,545)

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

#### 9. Interests in associates

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
TFP S.A.C. (a)	5,215	4,798
Compañía Peruana de Medios de Pagos S.A.C. (b)	519	7,350
	<u>5,734</u>	<u>12,148</u>

(a) As of December 31, 2023 and 2022, BBVA Peru Group, through the Bank, maintains share of 24.30% in the share capital of TFP S.A.C., for both periods.

(b) As of December 31, 2023 and 2022, the BBVA Peru Group, through the Bank holds share of 20.20% and 21.15% in the share capital of Compañía Peruana de Medios de Pago S.A.C. (Niubiz), respectively.

During 2023, the Bank recognized net loss on investments in associates for S/5 million (net gains of S/8 million in 2022), (note 20.)

Translation of financial statements originally issued in Spanish -  
Note 32

Notes to the consolidated financial statements (continued)

10. Property, furniture and equipment, net

Below is the movement of the item as of December 31, 2023 and 2022:

	Land S/(000)	Buildings and premises S/(000)	Furniture and equipment S/(000)	Vehicles S/(000)	Installations and improvements to rental property S/(000)	Work-in progress S/(000)	Goods in transit and replacement parts S/(000)	Total S/(000)
<b>Cost</b>								
Balance as of January 1, 2022	118,224	925,717	853,488	7,722	354,087	207,236	255	2,466,729
Additions	-	13,821	69,618	1,823	8,547	50,369	-	144,178
Disposals and other	-	(293)	(15,174)	-	(8)	-	-	(15,475)
Transfers	-	154,816	13,019	-	38,592	(206,427)	-	-
<b>As of December 31, 2022</b>	<b>118,224</b>	<b>1,094,061</b>	<b>920,951</b>	<b>9,545</b>	<b>401,218</b>	<b>51,178</b>	<b>255</b>	<b>2,595,432</b>
Additions	-	25,296	114,641	-	15,852	99,702	-	255,491
Disposals and other	(6,277)	(8,964)	(40,674)	(1,174)	(35)	-	-	(57,124)
Transfers	-	29,628	10,904	-	9,949	(50,481)	-	-
<b>As of December 31, 2023</b>	<b>111,947</b>	<b>1,140,021</b>	<b>1,005,822</b>	<b>8,371</b>	<b>426,984</b>	<b>100,399</b>	<b>255</b>	<b>2,793,799</b>
<b>Accumulated depreciation</b>								
Balance as of January 1, 2022	-	609,591	566,426	7,343	211,890	-	-	1,395,250
Additions	-	32,243	75,204	404	11,911	-	-	119,762
Impairment	-	-	-	-	17,926	-	-	17,926
Disposals and other	-	(293)	(14,939)	-	-	-	-	(15,232)
Transfers	-	(4)	-	-	4	-	-	-
<b>As of December 31, 2022</b>	<b>-</b>	<b>641,537</b>	<b>626,691</b>	<b>7,747</b>	<b>241,731</b>	<b>-</b>	<b>-</b>	<b>1,517,706</b>
Additions	-	35,384	79,949	460	14,466	-	-	130,259
Impairment	-	-	-	-	-	-	-	-
Disposals and other	-	(6,192)	(39,720)	(1,174)	(19)	-	-	(47,105)
Transfers	-	1	-	-	(1)	-	-	-
<b>As of December 31, 2023</b>	<b>-</b>	<b>670,730</b>	<b>666,920</b>	<b>7,033</b>	<b>256,177</b>	<b>-</b>	<b>-</b>	<b>1,600,860</b>
<b>Net carrying amount</b>								
<b>As of December 31, 2023</b>	<b>111,947</b>	<b>469,291</b>	<b>338,902</b>	<b>1,338</b>	<b>170,807</b>	<b>100,399</b>	<b>255</b>	<b>1,192,939</b>
<b>As of December 31, 2022</b>	<b>118,224</b>	<b>452,524</b>	<b>294,260</b>	<b>1,798</b>	<b>159,487</b>	<b>51,178</b>	<b>255</b>	<b>1,077,726</b>

- (a) 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.
- (b) Management performs a periodic review the method of depreciation used to ensure it is consistent with the economic benefit assessed for the fixed assets. BBVA Peru Group Management considers that there is no indicator of impairment of the Bank's fixed assets as of December 31, 2023 and 2022, additional to the registered.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

### 11. Other assets, net

As of December 31, this caption comprises the following:

	2023 S/(000)	2022 S/(000)
<b>Financial instruments -</b>		
Transactions in progress (a)	4,314,888	973,083
Others	4,847	3,679
	<u>4,319,735</u>	<u>976,762</u>
Other assets, note 28		
Other accounts receivable	125,031	39,601
Accounts receivable for sale of assets, services and trust	5,037	6,194
	<u>130,068</u>	<u>45,795</u>
Receivables, note 28		
<b>Non-financial instruments -</b>		
Sales and income tax credit, net	602,700	239,323
Intangible assets (b)	399,088	378,061
Prepaid expenses (c)	191,791	175,312
	<u>1,193,579</u>	<u>792,696</u>
	<u>5,643,382</u>	<u>1,815,253</u>

- (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 net profit. As of December 31, 2023, it mainly correspond to treasury transactions: i) purchase and sale of currency for S/2,749 million (S/291 million as of December 31, 2022), and ii) sale of securities for S/1,514 million (S/646 million as of December 31, 2022).

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

- (b) The movement of intangible assets as of December 31, 2023 and 2022 is as follows:

	2023 S/(000)	2022 S/(000)
<b>Cost</b>		
Balances as of January 1	869,955	690,545
Additions	166,681	179,414
Disposal and other	(315,624)	(4)
<b>Balances as of December 31</b>	<b>721,012</b>	<b>869,955</b>
<b>Accumulated amortization and impairment</b>		
Balances as of January 1	(491,894)	(371,638)
Amortization	(100,598)	(107,066)
Impairment (*)	(45,056)	(45,536)
Disposals and other	315,624	32,346
<b>Balances as of December 31</b>	<b>(321,924)</b>	<b>(491,894)</b>
<b>Net carrying amount</b>	<b>399,088</b>	<b>378,061</b>

- (\*) The carrying amounts of applications acquired or software developed that are not used or do not generate future economic benefits are stated as a provision for impairment.

- (c) As of December 31, 2023 and 2022, prepaid expenses mainly include prepaid insurance contracts and deferred loan origination costs related to fees paid to the external sales force.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

### 12. Obligations with the public and deposits from financial institutions

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
Obligations with the public		
Time deposits	23,522,635	18,222,052
Savings accounts	22,741,991	25,112,300
Demand deposits	22,733,172	22,483,924
Other liabilities	210,319	235,476
	<u>69,208,117</u>	<u>66,053,752</u>
Deposits from financial institutions		
Demand deposits	1,077,220	603,166
Time deposits	330,219	192,859
Savings accounts	111,221	51,769
	<u>1,518,660</u>	<u>847,794</u>
	<u>70,726,777</u>	<u>66,901,546</u>

Interest rates for liability transactions are stated by the Bank, based on market interest rates.

As of December 31, 2023 and 2022, deposits and obligations include deposits received as guarantees of direct and indirect loan for S/1,291 million and S/822 million, respectively.

As of December 31, 2023, from the total deposits and obligations from individuals and non-profit entities and legal entities, S/24,383 million are hedge by the Deposit Insurance Fund and are obtained from the closing balances of the month according with SBS Resolution N° 2448-2020 (S/25,520 million as of December 31, 2022). The maximum amount subject to coverage per person amounts to S/123,810 as of December 31, 2023 (S/125,603 at the end of December 2022).

As of December 31, 2023, a portion of the time deposit balances of US\$5 million have a cash flow hedge (US\$24 million as of December 31, 2022), (note 8(ii).)

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

On May 25, 2022 and April 8, 2021, by means of Law No 31480 and Law No31171, "Law that authorizes the provision of compensation for time of service in order to cover the economic needs caused by the COVID-19 pandemic", the Peruvian Government authorized workers to make free use of their full employees' severance indemnities (CTS) until December 31, 2023, deposited with financial institutions and accumulated at the date of disposal, including the deposits that were made in May and November 2022 and 2021 and the deposits that will be made in May and November 2023 to enable workers to meet their economic needs arising from the COVID-19 pandemic.

### 13. Debts and financial obligations

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
Debts and financial obligations:		
Foreign financial institutions (a)	2,315,514	956,420
International financial organizations (b)	964,340	228,840
MIVIVIENDA Program - MIHOGAR loan - Local financial system (c)	930,192	672,155
Corporación Financiera de Desarrollo - COFIDE	5,092	5,143
Accrued interest payable	41,276	23,094
	<u>4,256,414</u>	<u>1,885,652</u>
Securities and obligations (d):		
Subordinated bonds	1,385,420	1,703,278
Corporate bonds	246,550	420,015
Accrued interest payable	18,943	27,992
Negotiable certificates of deposit	-	41
	<u>1,650,913</u>	<u>2,151,326</u>
	<u>5,907,327</u>	<u>4,036,978</u>

Certain loan agreements include standard clauses regarding compliance with financial ratios, use of funds and other administrative matters. As of December 31, 2023 and 2022, in management's opinion, these clauses are being met in all aspects, and do not represent any restriction to the BBVA Peru Group activities.

Translation of financial statements originally issued in Spanish -  
Note 32

Notes to the consolidated financial statements (continued)

(a) As of December 31, 2023 and 2022, the BBVA Peru Group maintains the following debt agreements with foreign financial institutions:

	2023			2022			Maturity date
	US\$(000)	S/(000)	Rate	US\$(000)	S/(000)	Rate	
BBVA S.A. (i)	200,000	741,800	3.18%	200,765	765,720	3.18%	February 2031
China Development Bank	180,000	667,620	SOFR + 1.37%	-	-	-	December 2026
ICO - Instituto de Crédito	54,381	201,699	SOFR + 0.64%	-	-	-	March 2030
ICO - Instituto de Crédito	29,915	110,955	SOFR + 0.81%	-	-	-	July 2030
Wells Fargo Bank	60,000	222,540	SOFR + 0.68%	-	-	-	June 2024
Caixa Bank	50,000	185,450	SOFR + 0.51%	-	-	-	January 2024
Bank of America	50,000	185,450	SOFR + 0.70%	-	-	-	May 2024
Mizuho Corporate Bank	-	-	-	50,000	190,700	SOFR + 1.56%	November 2023
	624,296	2,315,514		250,765	956,420		
Accrued interest payable	9,099	33,748		5,555	21,187		
	633,395	2,349,262		256,320	977,607		

(i) It corresponds to a subordinated debt in foreign currency for US\$200 million 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 with maturity on February 2031. Such a borrowing is accounted for as a Tier 2 regulatory capital. As of December 31, 2022 this borrowing is hedged by a fair value hedge through an interest rate swap, which has resulted in accumulated losses of S/3 million.

As of December 31, 2023 and 2022, BBVA Peru Group has deferred issuance expenses in accounts payable for S/1 million and S/2 million, respectively.

- (b) As of December 31, 2023 and 2022, this balance includes two borrowings for US\$150 million and US\$60 million with International Finance Corporation (IFC) with maturity on June 2029 and December 2027, and a borrowing for US\$50 million with CAF (Corporación Andina de Fomento) with maturity on May 2024. For the borrowing of US\$150 million the annual interest rate is SOFR + 1.65%, for the borrowing of US\$60 million the annual interest rate is 3.11% and for the borrowing of US\$50 million the annual interest rate is SOFR + 0.55%. Also, cash flows of the borrowing of US\$60 million are hedged with a cross currency swap - CCS (note 8(ii)) and this transaction reflects a balance of payables of S/2 million comprising deferred issuance expenses for both period.
- (c) As of December 31, 2023, it corresponds to resources obtained from Fondo MIVIVIENDA for the financing of the acquisition of houses under the MIVIVIENDA program (Credito MI HOGAR) for S/926 million in local currency and US\$0.1 million in foreign currency (S/664 million in local currency and US\$0.2 million in foreign currency as of December 31, 2022). As of December 31, 2023 and 2022, this borrowing accrues interest at an effective annual rate in US dollars of 7.75% and 6.25% in soles over the principal plus the constant update value (“VAC”, by its Spanish acronym) in both periods, and has maturities until December 2043 and December 2042, respectively.

As of December 31, 2023 and 2022, the borrowings with Fondo MIVIVIENDA are guaranteed with mortgage loan portfolio up to S/926 million and S/664 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.



Translation of financial statements originally issued in Spanish -  
Note 32

Notes to the consolidated financial statements (continued)

(d) As of December 31, 2023 and 2022, securities and bonds are as follows:

	Amount authorized by program	Currency	Original amount placed	2023	2022	Maturity date
<b>Corporate bonds</b>						
2nd issuance series A - Fifth Program	US\$250 million	PEN	150,000	150,000	150,000	December 2026
2nd issuance series A - Seventh Program		PEN	100,000	-	100,000	June 2023
2nd issuance series B - Seventh Program		PEN	73,465	-	73,465	August 2023
2nd issuance series C - Seventh Program	US\$1,000 million	PEN	96,550	96,550	96,550	December 2024
				<u>246,550</u>	<u>420,015</u>	
<b>Subordinated bonds</b>						
3rd issuance series A - First Program		PEN	55,000	97,425	93,580	June 2032
2nd issuance series A - Second Program	US\$50 million or S/158.30 million	PEN	50,000	86,740	83,317	November 2032
3rd issuance series A - Second Program		USD	20,000	74,180	76,280	February 2028
4th issuance single series - Second Program		PEN	45,000	-	72,363	July 2023
5th issuance single series - Second Program		PEN	50,000	-	79,366	September 2023
6th issuance series A - Second Program	US\$100 million	PEN	30,000	48,722	46,799	December 2033
1st issuance single series - Third Program	US\$55 million	USD	45,000	-	171,630	October 2028
First Program of international Issuance I - Single issuance (i)	US\$300 million	USD	300,000	1,078,353	1,079,943	September 2029
				<u>1,385,420</u>	<u>1,703,278</u>	
<b>Negotiable certificates of deposit</b>				-	41	
<b>Accrued interest payable</b>				<u>18,943</u>	<u>27,992</u>	
				<u>1,650,913</u>	<u>2,151,326</u>	

(i) In September 2014, the Bank issued subordinated bonds in the international market for a nominal amount of US\$300 million, at an annual fixed rate of 5.25%, and with maturity in September 2029, the payment of the principal shall be carried out in full on its maturity date. These bonds are hedged by a fair value hedge through an interest rate swap, which has resulted in accumulated gains of S/31 million as of December 31, 2023 (accumulated gains of S/60 million as of December 31, 2022).

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

As of December 31, 2023, corporate bonds do not have specific collaterals and accrue interest at effective annual interest rates ranging in local currency from 4.44% and 7.47% (4.40% and 7.50% as of December 31, 2022).

Subordinated bonds have been issued in accordance with the Banking Law, and accrue interest at a rate ranging from the constant update value (VAC) plus a spread for local currency, and from 5.3% and 6.5% for foreign currency, as of December 31, 2023 and 2022.

As of December 31, 2023 and 2022, el Bank records in accounts payable a balance of S/10 million and S/5 million, respectively, which corresponds to deferred issuance expenses.

### 14. Accounts payable, provisions and other liabilities

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
<b>Accounts payable, note 30</b>		
Repurchase agreements with BCRP (a)	6,775,261	10,505,016
Accounts payable to suppliers	1,018,563	878,397
Other accounts payable (b)	476,753	478,266
Premium to deposit insurance fund, contributions and obligations with tax collecting institutions	238,520	203,842
Dividends, interest and remunerations payable	116,637	147,698
Interest payable	114,148	74,023
	<u>8,739,882</u>	<u>12,287,242</u>
<b>Provisions</b>		
Labor provisions and others	672,269	632,031
Provision for litigations, claims and other contingencies (c)	317,095	281,321
Provisions for indirect loan losses (d)	267,159	251,427
	<u>1,256,523</u>	<u>1,164,779</u>
<b>Other liabilities</b>		
Transactions in progress (e)	3,699,384	974,957
Deferred income and others	75,332	77,099
	<u>3,774,716</u>	<u>1,052,056</u>
	<u>13,771,121</u>	<u>14,504,077</u>

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

- (a) As of December 31, 2023, it corresponds to repurchase agreements of the loan portfolio of the Reactiva Peru program for S/1,579 million (S/5,408 million as of December 31, 2022), repurchase agreements of rescheduled loans for S/4,898 million (S/4,901 million as of December 31, 2022) and repurchase agreements of certificates of deposits with the BCRP for S/298 million (S/196 million as of December 31, 2022).

As of December 31, 2023 and 2022, repurchase agreements of the loan portfolio of the Reactiva Peru program have a maturity until December 2025 and accrue interest at annual interest rates of 0.50%, repurchase agreements of rescheduled loans have a maturity until September 2025 and accrue interest at annual interest rates ranging from 0.50% to 3.50% for both periods.

- (b) As of December 31, 2023, it mainly includes S/16 million for insurance on behalf of borrowers (S/74 million as of December 31, 2022) and S/366 million for short sale transactions (S/279 million as of December 31, 2022).
- (c) 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.
- (d) Movement in the provisions for indirect loan losses is as follows:

	2023 S/(000)	2022 S/(000)
Balance at the beginning of the year	251,427	244,106
Provisions	97,078	114,069
Recovery and reversals	(78,582)	(100,908)
Exchange difference and other adjustments	(2,764)	(5,840)
	<u>267,159</u>	<u>251,427</u>

The balance of the provision for loan losses (indirect loans) is as follows:

	2023 S/(000)	2022 S/(000)
Specific	146,575	129,753
Generic	103,529	108,182
Provision for country risk	17,055	13,492
	<u>267,159</u>	<u>251,427</u>

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

- (e) 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 BBVA Peru Group's net profit. As of December 31, 2023, liability transactions in progress mainly include treasury transactions for S/3,488 million (S/647 million as of December 31, 2022).

### 15. Equity

- (a) Share capital -

As of December 31, 2023 and 2022, the Bank's authorized, subscribed, and paid-in capital is represented by 8,147,211 and 7,382,184 thousand of ordinary shares outstanding, respectively, with a nominal value of S/1.00 per share.

The General Shareholders' Meeting held on March 30, 2023 and March 31, 2022 approved the increase in share capital for S/765 million and S/624 million, respectively, through the capitalization of retained earnings.

As of December 31, 2023 and 2022, shareholding on the Bank's share capital is as follows:

	2023		2022	
	Nº of shareholders	Interests %	Nº of shareholders	Interests %
Up to 1	9,995	6.59	8,601	6.62
From 1.01 to 5	1	1.17	1	1.14
From 45.01 to 100	2	92.24	2	92.24
	<u>9,998</u>	<u>100.00</u>	<u>8,604</u>	<u>100.00</u>

- (b) Reserves -

In accordance with the Banking Law, BBVA Peru Group 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 net profit. 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.

The General Shareholders' Meeting, held on March 30, 2023 and March 31, 2022, approved to record the legal reserve for the amount equivalent to 10% of 2022 profits (S/191 million) and 2021 (S/156 million), respectively.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

### (c) Unrealized results -

As of December 31, 2023 and 2022, unrealized gain or loss, net of deferred income tax, is as detailed below:

	2023 S/(000)	2022 S/(000)
Available-for-sale investments, note 6(g)	114,460	(79,310)
Cash flows hedges, note 8	(18,980)	(26,016)
Interest on associates	130	195
Actuarial liabilities for long-term employee benefits	11,803	14,079
	<u>107,413</u>	<u>(91,052)</u>

### (d) Retained earnings -

The General Shareholders' Meeting, held on March 30, 2023 and March 31, 2022, approved the capitalization of retained earnings for S/765 million and S/624 million, respectively, and dividend distribution for S/956 million and S/780 million, respectively.

### (e) Regulatory capital and legal limits -

In accordance with the Banking Law, the regulatory capital amount could not be less than 10% of risk - weighted assets for credit risk, market risk and operational risk, which are calculated by the Bank using the standardized approach.

By means of Legislative Decree N° 1531 dated March 19, 2022, the Peruvian banking law was amended to adopt the Basel III capital standards and approach; major changes include: composition of regulatory capital, requirement of minimum ratios, powers in the event of noncompliance with solvency requirements, among others. The SBS, by means of general purpose standards, set the form and due dates for adequacy. By means of SBS resolution N° 03952-2022 dated December 27, 2022 and then modified by the SBS resolution N° 2192-2023 dated June 23, 2023, the minimum solvency requirements were set in article 199 of the General Banking Law with the following adequacy due dates.

Period	Common equity Tier 1 requirement	Tier 1 Regulatory Capital requirement	Minimum total regulatory capital ratio
January 2023 to March 2023	3.825%	5.10%	8.50%
April 2023 to February 2024	4.05%	5.40%	9.00%
March 2024 to August 2024	4.275%	5.70%	9.50%
September 2024 onwards	4.50%	6.00%	10.00%

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

As of December 31, 2023, the regulatory capital of the Bank, determined according to current legal regulations, is S/14,912 million (S/12,885 million as of December 31, 2022):

	2023 S/(000)	2022 S/(000)
<b>Common Equity Tier 1</b>		
<b>Plus</b>		
Common shares	8,147,211	7,382,184
Profit or loss of the year	1,869,103	-
Unrealized gains from available-for-sale investments	130,940	-
Legal reserve	2,245,122	2,244,747
<b>Less</b>		
Regulatory adjustments	(594,612)	(39,692)
	<u>11,797,764</u>	<u>9,587,239</u>
<b>Tier 2</b>		
<b>Plus</b>		
Subordinated debt	741,800	762,800
Subordinated bonds	1,299,444	1,519,295
Generic provisions for loans	1,073,253	1,055,237
<b>Less</b>		
Regulatory adjustments	-	(39,692)
	<u>3,114,497</u>	<u>3,297,640</u>
<b>Total regulatory capital</b>	<u>14,912,261</u>	<u>12,884,879</u>

Pursuant to the Rules to meet the Requirement of Regulatory Capital for Additional Risk, as approved under Resolution SBS N° 03953-2022 (published on December 22, 2022), the requirement for additional regulatory capital is set to be the sum of the regulatory capital requirements each of which is calculated based on the following components: credit concentration risk and interest rate risk stated in the banking book. As of December 31, 2023 the requirement of regulatory capital for additional risks for the Bank amounts to S/486 million. Pursuant to the Rules to meet the Requirement of Conservation Buffers per Economic Cycle and for the Market Concentration Risk of, as approved under Resolution SBS N° 03954-2022 (published December 22, 2022), the methodologies were set to calculate the conservation buffer requirements per economic cycle, activation and operation of this buffer per economic cycle, the requirement for a buffer for market concentration risk, requirement for capital conservation buffer, and the restrictions applicable to non-compliance buffer requirements and other measures. As of December 31, 2023, the balance of the buffer requirement is S/1,555 million.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

As of December 31, 2023 and 2022, by means of Letter N° 7850-2023-SBS dated February 17, 2023 and Letter No 2097-2022 dated January 19, 2022, the SBS established that the Bank should maintain Tier 1 Capital Level above the 10% of the total risk-weighted assets. According these letters, as of December 31, 2023, Tier 1 Capital is measured considering share capital, retained earnings, net profit, unrealized gains on available-for-sale investments, legal reserve and deductions on Tier 1 Capital, while, as of December 31, 2022, Tier 1 Capital is measured considering share capital, legal reserve and deductions on regulatory capital. As of December 31, 2023 and 2022, the Bank's solvency ratio is 12.33% and 10.34%, respectively, in consistency with the requirements of the above mentioned letters.

As of December 31, 2023, the contingent asset and liabilities weighted by credit risk, market risk and operational risk under current regulations amounts to S/95,668 million (S/92,296 million as of December 31, 2022). Also, the Bank's global capital ratio by credit risk, market risk and operational risk is 15.59% (13.96% as of December 31, 2022).

It should be noted that the regulatory capital is a figure also used to calculate certain limits and restrictions applicable to the Bank and which Management considers the Bank has fully complied with.

### 16. Contingent risks and commitments

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
<b>Indirect loans:</b>		
Guarantees and letters of guarantee	17,387,246	16,603,204
Letters of credit and banker's acceptance	1,054,247	1,309,834
	<u>18,441,493</u>	<u>17,913,038</u>
Unused credit lines and undisbursed loans granted	18,545,229	18,320,926
Various responsibilities	<u>5,935</u>	<u>6,102</u>
	<u>36,992,657</u>	<u>36,240,066</u>

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.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

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 current contingent transactions as of December 31, 2023 and 2022.

### 17. Interest income

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
Direct loan portfolio	6,520,042	5,019,347
Cash and due from banks, note 5 (c)	457,129	175,312
Available-for-sale investments	302,640	216,645
Investments at fair value through profit or loss	286,908	224,683
Interbank funds	15,057	6,753
Other finance income	4,119	4,312
Net gain result on hedge transactions	-	92,111
	<u>7,585,895</u>	<u>5,739,163</u>

### 18. Interest expenses

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
Obligations with the public	(1,567,138)	(627,030)
Debts and financial obligations	(289,920)	(312,358)
Accounts payable	(169,887)	(116,181)
Net loss result on hedge transactions	(100,063)	-
Deposits from financial institutions	(68,951)	(20,560)
Interbank funds	(15,372)	(13,522)
Other financial expenses	(17,564)	(36,195)
	<u>(2,228,895)</u>	<u>(1,125,846)</u>



# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

### 19. Income from financial services, net

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
<b>Income</b>		
Income from fees of credit cards	399,262	374,933
Income from indirect loans	288,101	263,715
Transfer fees	256,854	286,404
Income from fees for collections services	193,080	157,961
Income from online banking services for business	76,610	70,670
Income from services and maintenance of checking accounts	64,852	53,761
Income from technical and legal studies	29,542	12,351
Income from advisory services	19,845	25,551
Income from cash services	12,102	8,885
Income from trust and trust fees	1,372	1,220
Other income from services	370,841	313,565
	<u>1,712,461</u>	<u>1,569,016</u>
<b>Expenses</b>		
Expenses from operating with Visa, Mastercard and Plin	(197,561)	(164,612)
Customer loyalty program	(173,438)	(148,802)
Premiums to the Deposit Insurance Fund	(107,635)	(114,443)
Financial product sponsors	(87,684)	(73,220)
Transfers	(52,145)	(42,722)
Purchase of foreign currency - spot transaction	(11,492)	(9,615)
Government fund guarantee	(18,355)	(76,771)
Expenses of maintenance of checking accounts	(4,468)	(5,465)
Other expenses from services	(46,013)	(39,958)
	<u>(698,791)</u>	<u>(675,609)</u>
	<u>1,013,670</u>	<u>893,408</u>

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

### 20. Profit or loss from financial transactions

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
Foreign exchange differences, note 4	707,071	934,505
Investments at fair value through profit or loss	35,353	3,944
Hedging derivatives	31,608	(91,939)
Trading derivatives	23,192	(277,628)
Available-for-sale investments	(5,172)	823
Income from interest in associates, nota 9	(5,086)	7,846
Other	59,973	42,945
	<u>846,939</u>	<u>620,496</u>

### 21. Administrative expenses

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
Personnel and Board of Directors expenses	(1,125,848)	(1,024,888)
Third party service expenses	(1,296,488)	(1,071,086)
Tax and contributions	(52,295)	(50,378)
	<u>(2,474,631)</u>	<u>(2,146,352)</u>

### 22. Other income and expenses, net

This caption comprises the following:

	2023 S/(000)	2022 S/(000)
Income tax recovery from previous years	84,279	-
Reversal of tax provisions, lawsuits and others	48,496	56,847
Profit on sale of non-current assets held for sale	4,705	631
Realizable, received in payment and seized assets	(29,659)	(21,101)
Loss in cards	(9,072)	(2,762)
Administrative and fiscal sanctions	(8,296)	(7,857)
Donations made	(3,770)	(4,153)
Other income and expenses	(12,656)	(7,599)
	<u>74,027</u>	<u>14,006</u>

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

### 23. Tax situation

#### Tax rates

- (a) BBVA Peru Group is subject to the Peruvian tax regime. As of December 31, 2023 and 2022, the corporate income tax rate in Peru is 29.50% on the net taxable income determined individually by each of the companies that make up the Group.

Through Legislative Decree N°1261, published December 10, 2016 and effective January 1, 2017, the rate applicable to corporate income is amended to 29.50%.

The aforementioned Legislative 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.

- (b) In accordance with current tax legislation in Peru, non-resident subjects are taxed only on their Peruvian source income. Thus, in general terms, the income obtained by subjects not domiciled for services rendered in our country are taxed with income tax at a rate of 30% on a gross basis, as long as does not require the application of an Agreement to avoid the double taxation (CDI) that the country has signed and that is in force. Currently, Peru has CDIs in force with the Andean Community, Chile, Canada, Brazil, Portugal, Switzerland, Mexico, South Korea and Japan.

For the purposes of technical assistance services or digital services provided by non-resident subjects in favor of domiciled subjects, the place of provision will be indistinct, and in all cases they will be taxed with income tax at a rate of 15% and 30 % on gross basis, respectively. The rate applicable to technical assistance services will be 15%, provided that the requirements indicated in the Income Tax Law. As indicated in the previous paragraph, the withholding rate in these cases may vary or the withholding may even be inapplicable if the provisions of a current CDI are used.

On June 30, 2023, Supreme Decree No. 137-20223-EF was published, by which Article 30 of the Regulations of the Income Tax Law is modified, an article that regulates the applicable rates for operations with non-domiciled residents. The amendment updates the use of the SOFR rate as the predominant prime rate for purposes of applying the reduced rate of 4.99 percent. It should be noted that the aforementioned rule came into force on June 30, 2023.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

(c) Income tax determination -

BBVA Peru Group computed its tax base as of December 31, 2023 and 2022 and determined consolidated current income tax for S/560 million and S/754 million, respectively.

Income tax expense per company comprises the following:

	2023 S/(000)	2022 S/(000)
<b>Entities</b>		
Banco BBVA Perú	551,028	733,717
BBVA Bolsa Sociedad Agente de Bolsa S.A.	166	1,100
BBVA Asset Management S.A. SAF	2,786	2,408
BBVA Sociedad Titulizadora S.A.	162	279
Inmuebles y Recuperaciones BBVA S.A.	2,184	4,001
BBVA Consumer Finance Edpyme en liquidación	2,019	10,912
Forum Comercializadora del Perú S.A. en liquidación	36	2
Forum Distribuidora del Perú S.A.	1,445	1,444
	<u>559,826</u>	<u>753,863</u>

Income tax expense comprises the following:

	2023 S/(000)	2022 S/(000)
Current income tax	558,402	791,089
Deferred income tax:		
Profit or loss	(16,629)	(51,952)
Income tax (adjustment/provision recovery)	<u>18,053</u>	<u>14,726</u>
	<u>559,826</u>	<u>753,863</u>

(d) Temporary tax on net assets -

BBVA Peru Group are 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 0.40% for the years 2023 and 2022 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 payments on account of income tax for taxable periods from March to December of the taxable year in 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 relevant taxable year. In the event a remaining balance is not applied, its refund could be requested. BBVA Peru Group has computed temporary tax on net assets for the year 2023 at S/343 million (S/359 million at 2022).

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

(e) Financial transaction tax -

For the years 2023 and 2022, the Financial Transaction Tax rate has been set at 0.005% and is applicable to charges and credits in bank accounts or movements of funds through the financial system, unless it is exempt.

(f) Transfer pricing -

For purposes of determining income tax, the transfer prices of transactions with related companies and with companies resident in territories with low or no taxation, or with subjects or permanent establishments whose income, income or gains from said contracts are subject to a preferential tax regime, they must be supported with documentation and information on the valuation methods used and the criteria considered for their determination. The Tax Administration is authorized to request this information from the Company..

Until the 2016 taxable year, the formal Transfer Pricing obligations were given by the obligation to present the informative affidavit and have the technical study. As of January 1, 2017, through Legislative Decree N° 1312, published on December 31, 2016, the following formal obligations are established that replace the previous ones: i) submit the Local Report affidavit (as long as have income accrued over 2,300 UIT); ii) submit the Master Report affidavit (as long as the taxpayer has accrued income greater than 20,000 UIT); and, (iii) present the Country by Country Report affidavit (as long as the consolidated accrued income of the parent company of the multinational group for the previous year is greater than or equal to S/2,700 million). Both the Master Report and the Country by Country Report are required as of the 2018 taxable year. It should be noted that the Master Report is only on international operations and that Banco BBVA Perú is not subject to submitting the Country by Country Report in accordance with the exceptions established in Superintendence Resolution N° 163-2018/SUNAT and the Regulations of the Income Tax Law.

Also, under the provisions of the above-mentioned Legislative Decree N° 1312 low valued-added intragroup services are not allowed to have a margin of more than 5% over cost; in respect to services rendered between related parties, taxpayers must meet the benefit test requirement and provide the requested documentation to support conditions and have with the information requested that are needed for tax deduction of costs or expense.

Legislative Decree N° 1116 established that Transfer Pricing standards are not applicable to sales tax (IGV, by its Spanish acronym) purposes.

Through Legislative Decree N° 1381 published on August 24, 2018, the concept of "non-cooperative" countries or territories and preferential tax regimes are incorporated into the Income Tax Law, in respect of which the already existing defensive measures are imposed for countries and territories with low or no taxation.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

Based on an analysis of the Bank's transactions, Management and its legal counsel consider that no significant contingencies arose from the application of these standards as of December 31, 2023 and 2022.

(g) Tax assessment by Tax Authority -

The Tax Authority (SUNAT, by its Spanish acronym) has the power to review and, if applicable, correct the income tax calculated by the Bank and its subsidiaries in the four years after the year of the tax return filing.

The income tax returns open for review by the tax administration of BBVA Peru Group's entities are the following:

Entities	Years open for review
Banco BBVA Perú	2018 - 2022
BBVA Bolsa Sociedad Agente de Bolsa S.A.	2019 - 2023
BBVA Asset Management Continental S.A. S.A.F.	2019 - 2023
BBVA Sociedad Titulizadora S.A.	2019 - 2023
Inmuebles y Recuperaciones BBVA S.A.	2019 - 2023
BBVA Consumer Finance EDPYME en liquidación	2019 - 2023
Forum Comercializadora del Perú S.A. en liquidación	2019 - 2023
Forum Distribuidora del Perú S.A.	2019 - 2023

In management's opinion, the tax processes and the tax returns not yet reviewed will not generate significant liabilities that would impact on the results of the Bank and its subsidiaries, in accordance with IFRIC 23.

Due to the possibility of various interpretations of the current legal regulations by the Tax Authorities, it is not possible to determine, to date, whether a future tax audit will or will not result in liabilities for the Bank and its subsidiaries; therefore, any major tax, surcharges, and sanctions that might arise from eventual tax audits would be applied to profit or loss of the period in which they are recognized. However, it is the opinion of Management and its internal legal advisors that any possible additional settlement of taxes would not be significant for the consolidated financial statements as of December 31, 2023 and 2022.

As of December 27, 2023, the Bank has been notified by the Tax Court where it orders the tax authority to re-assess the Income Tax for the 2016 financial year and return the corresponding balance in favor, an amount that will be received during 2024 and for which S/84 million is recognized.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

(h) Tax regime applicable to sales tax (Value-added tax - VAT or IGV) -

Regarding the IGV, interest arising on securities issued by public or private offering by legal entities incorporated or established in Peru is not subject to IGV; and neither are the interest on the securities not placed via public offering, when they were acquired via a centralized mechanism of trading as described in the Peruvian Securities Market Law.

Dated December 30, 2021 Legislative Decree N° 1519 was enacted to extend the effective of Legislative Decree N° 783 that approves the refund of taxes levied on acquisitions with foreign grants and imports of diplomatic missions and other as well as the VAT exemption on electronic money issuance by issuers of electronic money up until December 31, 2024.

In addition, dated December 29, 2022 Law N° 31651 was enacted to amendment of Article 7 to the Peruvian VAT Law establishing that exemptions contained in Appendices I and II will be effective until December 31, 2025. It should be noted that this standard became effective on January 1, 2023.

(i) Uncertainty over income tax treatments -

In accordance with IFRIC 23, the BBVA Peru Group has assessed its uncertain positions over tax treatments and concluded, based on its assessment of tax compliance and transfer pricing, that it is probable that the Tax Authority will accept its tax treatment. The interpretation did not have an effect on the Bank and Subsidiaries consolidated financial statements as of December 31, 2023 and 2022.

(j) Regulatory concept of accrual -

Legislative Decree N°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.

In general, the new criteria for Income Tax determination will matter if the substantial facts underlying revenue-earning or expense-incurring activities occur as agreed by the parties, facts that are not subject to a suspensive condition; in which case, revenue shall be recognized when that condition is met regardless of the timing of collection or payment; and, whenever the determination of the consideration depends on a future event or fact, the proportional portion or total revenue or expense would be deferred until the relevant event or fact actually occurs.

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.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

The new "legal accrual" concept requires the necessary reconciliation between the financial recognition of revenue, costs and/or expenses and their related recognition for tax purposes because the "legal accrual" concept differs from the accrual accounting concept.

Finally, it is worth indicating that this new concept shall not be applicable by those entities which accrue revenue or expenses for income tax purposes under the provisions of a special tax regime (industry-specific) of accrual.

(k) 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. If there is any financial expense balance that is not expected to be absorbed as an expense over a given year under the new rule of thin capitalization effective from January 1, 2021, it can be offset against the entity's income that is obtained over the four (4) following fiscal years (for example, four year carry forward) at the end of which, the balance will be considered expired and give rise to permanent differences. There are some exemptions regarding this limit for banks, taxpayers whose income is lower than 2,500 Peruvian tax units, infrastructure, public utilities, etc.

Through the Supreme Decree N° 402-2021 published on December 30, 2021 and with effective date since December 31, 2021, it was modified the Regulation on the Income Tax Law that governs the calculation of tax-EBITDA for the purpose of setting interest rate limits.

For the fiscal 2019 and 2020, finance costs arising from debts of independent and related parties are subject to the thin capitalization limit of three times the net equity as of December 31 of the prior period.

(l) Deduction of expenses or costs incurred in transactions with non-domiciled parties -

Legislative Decree N° 1369 requires that costs and/or expenses (including "outbound" interest) incurred with non-resident counterparties must have been effectively paid in order to be deductible in the year in which they were incurred up to before the expiration of the term for the presentation of the annual affidavit. Otherwise, its impact on the determination of the net income will be deferred to the year in which cash is paid, opportunity in which the corresponding withholding will be applied.

Such piece of regulation removed the obligation to pay the amount of the withholding on the amount accounted for as cost and/or expense.

(m) Indirect tax credit -

Effective January 1, 2019, under certain requirements, domiciled entities receiving foreign inbound dividends may deduct as direct tax credit the income tax that may have been levied foreign dividends and the corporate income tax (indirect tax credit) 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.



# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

(n) Permanent establishments -

Effective January 1, 2019, new assumptions of permanent establishments have been included, such as, the service completed in Peru to the same project, service or for a related one for a period not exceeding 183 calendar days within any given period of twelve months.

(o) Measures for the enforcement of the anti-tax-avoidance general clause contained in Standard XVI of the Peruvian 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 from a review committee composed of SUNAT's officers; and (iii) final tax 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

It should be noted that, at the reporting date, the General Anti-avoidance Rule is in full effect together with the application of Standard XVI of the Peruvian Tax Code.

Dated May 6, 2019 Supreme Decree 145-2019-EF, was published on the official newspaper of Peru "El Peruano," approving all the formal and substantial parameters for the application of the General Anti-avoidance Rule provided in the Standard XVI of the Peruvian Tax Code.

Consequently, the requirement to end the suspension of the application for such rule, established by Law 30230, is deemed fulfilled. Likewise, the Regulation for Tax Audits performed by SUNAT has been modified accordingly.

By means of Resolution N° 000184-2021/SUNAT, published December 13, 2021, the members of the Review Committee of the Tax Authorities (SUNAT) were appointed, in accordance with Article 62-C of the Consolidated Text of the Tax Code. It states that, when applying the General Anti-Tax avoidance Rule over a tax audit, a report and the auditor's report shall be submitted to the Reviewer Committee.

(p) Joint and several liability of legal representatives and directors of entities -

Since September 14, 2018, through Legislative Decree N°1422, it was established that when an audited individual is subject to the General Anti-Tax-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 attributable to such representatives provided that they collaborated with the design or approval or execution of acts, situations or economic relationships with a tax-avoidance purpose.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

The regulation also involves the members of the Board of Directors of companies, by noting that these subjects are responsible for defining the tax strategy of the companies in which they are directors, and they must decide whether or not to approve acts, situations or economic relations to be carried out in the framework of tax planning, being non-delegable - according to the norm in comment - this attribution of the Directors.

Members of domiciled entities' Board of Directors were granted until March 29, 2019 to ratify or modify the acts, situations or economic relationships carried out within the tax planning framework and implemented from September 14, 2018 that have tax effect up to the current date.

Nonetheless the aforementioned maximum term for complying with this formal requirement and considering that such joint and several liability attributable to legal representatives and directors, and the absence of a definition of "tax planning," it will be critical for entities to review any act, situation or economic relationship that has: (i) increased tax liabilities; and/or (ii) generated a lower payment of taxes for such periods, in order to prevent any joint and several liability from arising, both from an administratively and criminal level, depending on the tax audit criteria, in case the General Anti-Tax-Avoidance Rule is applied to the entity on the occasion of a tax audit by SUNAT.

(q) Information about beneficial owners -

In the framework of the regulations to strengthen the fight against tax evasion and tax avoidance, as well as against money laundering and terrorism financing, effective August 3, 2018, the provisions introduced by Legislative Decree N°. 1372 are currently in force. The aforementioned Decree requires the presentation of information related to the beneficial owners to the competent authorities through a sworn statement on the ultimate beneficiaries. Such statement shall disclose the names of the individuals that actually hold title, ownership or control. Thus, it is mandatory to report the following: (i) identification of the beneficial owner; (ii) chain of title with its respective supporting documentation; and (iii) identification of third parties that have said information, if applicable. Also, it states that the information related to the identification of the beneficial owners 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 or rule.

Note that on December 23, 2022, Superintendence Resolution N° 000278 2022/SUNAT was published, establishing that legal entities must submit the Declaration of Final Beneficiary up to the dates established for compliance with the monthly obligations corresponding to the period of December 2023, modifying the original presentation date corresponding to December 2022.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

On the other hand, it should be noted that Superintendence Resolution N° 000041-2022/SUNAT established that entities which reported net revenue in 2021 of more than of 300 UIT (S/1,380,000.00) and up to 500 UIT (S/2,300,000.00), and which were not required to file the Sworn Statement on Beneficial Owner previously in fiscal 2022, shall file such a statement for fiscal period May 2023, based on the last digit of the Peruvian taxpayer number (RUC) of the entities subject to the requirement, in line with the timetable of monthly tax obligations of fiscal 2023.

It should be noted that if the informative sworn statement containing the information about the beneficial owner is not submitted, the legal representatives of the entity that failed to comply with that filing will be considered jointly and severally liable.

On December 16, 2019 and June 20, 2022, the Bank comply with filing the sworn statement on beneficial owner on the date set in the monthly tax obligation timetable.

On December 10, 2023, Superintendence Resolution No. 000236-2023/SUNAT was published establishing the possibility of using the format that contains the information of the final beneficiary, for the purpose of reporting their identification, through a different means. to the physical. In this sense, it is provided that the format of the natural person who qualifies as a final beneficiary established in the Annex to the Regulation of the Law of the Final Beneficiary may appear in an electronic document that has a digital signature of the final beneficiary, in accordance with the provisions of the Regulations of the Law on Digital Signatures and Digital Certificates.

The aforementioned may not apply to persons or legal entities supervised by the SMV or SBS, provided that said subjects required to declare their final beneficiaries use any of the mechanisms that, in accordance with the provisions of said superintendencies, they implement to interact with their users. , provided that they allow the final beneficiary to be reliably identified.

(r) Indirect disposal of shares -

As of January 1, 2019, an anti-avoidance rule is incorporated to avoid the division of operations, through which, indirectly, shares of companies domiciled in Peru are sold. In this sense, Peruvian source income is considered to be that obtained from the indirect sale of shares or participations representing the capital of legal persons domiciled in the country. For such purposes, it must be considered that an indirect sale occurs when shares or participations representing the capital of a legal person not domiciled in the country are sold, which, in turn, is the owner directly or through another person or persons of shares or participations representing the capital of one or more legal entities domiciled in the country, provided that the conditions established by Law N° 30341 occur concurrently.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

Currently, the Income Tax Law states that a case of indirect transfer of shares is configured when, in any of the 12 months prior to the sale, the market value of the shares or participations of the domiciled legal entity is equivalent to 50 percent or more of the market value of the shares or participations of the non-domiciled legal entity, this requirement is automatically met if the market value threshold of Peruvian companies is exceeded.

Finally, as a concurrent condition, it is established that in any 12-month period, shares or participations that represent 10% or more of the capital of a non-domiciled legal entity are sold.

Likewise, regardless of compliance with the provisions of the Income Tax Law, an indirect taxable transfer shall always occur 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 Peruvian tax units (UIT, by its Spanish acronym).

Further, from the effective date stated above, 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 severally liable party. Thus, the latter is required to provide, among other information, that about the transferred shares or interests of the non-domiciled legal person.

Per Legislative Decree N°. 1262 amending Law N°. 30341, the law promoting the integration of the securities market and by means of Emergency Decree N° 005-2019, the income obtained from the disposal of the following securities is exempted from income tax until December 31, 2022: a) common shares and investment shares b) American Depositary Receipts (ADR) and Global Depositary Receipts (GDR), c) Units of Exchange Trade Fund (ETF) with underlying items such as shares and debt instruments, d) Debt instruments, e) Certificates of ownership interest in mutual funds for investments in securities, f) Certificates of ownership interest in Investment Fund of Real- Estate Assets (Fondo de Inversión en Renta de Bienes Inmuebles - FIRBI) and certificates of ownership interest in securitization trusts (Fideicomiso de Titulización para Inversión en Renta de Bienes Raíces - FIBRA).

For common shares and investment shares, ADRs, GDRs and bonds convertible in shares, the following requirements should be met:

1. Disposal should be carried out via a centralized trading mechanism under the oversight of the securities market regulator (Superintendencia of the Securities Market).

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

2. Over a period of 12 months, a taxpayer and related parties do not transfer via one or more simultaneous or successive transactions, the ownership of 10 percent or more of the securities issued by the entity. For ADR and GDR, this requirement is determined based on the underlying shares.  
If this requirement is not met, the taxable income is determined based on the transfers that that would had been exempted over the 12 months prior to the disposal. The relatedness is determined based on the provisions in subsection b, article 32-A of the Law.
3. Securities should be listed.

For all the securities involved, disposal is required to be completed via a centralized trading mechanism under the oversight of the SMV and they should be listed. With respect to negotiable invoices, the only requirement is that the disposal be completed via a centralized trading mechanism under the oversight of the SMV.

Finally, one cause for loss of exemption includes the fact an issuer delist its securities from the local stock exchange registry, either fully or partially, in one single act or progressively within a time span of 12 months following the date of disposal. Exemptions are to be determined under the relevant regulations.

Without prejudice of the above, on December 30, 2022 Law N° 31662 was published to extend until December 31, 2023 an income tax exemption on the disposal of securities carried out on the local stock exchange (BVL) as previously instated and set forth the following:

1. The income tax exemption is applicable to capital gains earned by an individual, undivided succession or matrimonial regime who opted to be pay taxes as such.
2. The income tax exemption is applicable to the first 100 UITs of capital gains earned in each taxable fiscal year.

The requirements originally set in Law N° 30341, Law promoting the liquidity and integration of the securities market are kept unchanged regarding the listed status of the securities and keeping ownership of at least 10% of the securities issued by the entity.

As of the date of this report, it should be noted that the aforementioned exemptions have not been renewed, therefore, as of January 1, 2024, they are not valid.

- (s) Information to be provided to SUNAT -  
By means of Supreme Decree N° 430-2020-EF, published on December 31, 2020, the relevant Rules were approved stating the financial information that financial system entities must furnish to SUNAT for the fight against tax evasion and tax avoidance under the provisions of Legislative Decree N° 1434. Such Rules became effective on January 1, 2021.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

In addition, the aforementioned Rules specified that the items on which the Bank should, report to SUNAT are, among others, the cumulative balances and/or amounts, average or the highest balances and the return obtained on accounts for the reporting period and which equal or exceed S/30,800 over that period. The information will be submitted to SUNAT on a semiannual basis, via informative tax returns that will contain information for monthly periods.

(t) Income Tax Exemptions -

Through Legislative Decree N° 1549, the validity of all the exemptions in force to date contained in article 19 of the Income Tax Law is extended until December 31, 2026.

In this regard, some of the aforementioned extended exemptions applicable or related to the Bank's operations to benefit individual taxpayers are the following:

- Subsection i) article 19 states that the exemption covers any type of fixed rate or floating rate interest, in local or foreign currency, that is paid on a deposit or balance pursuant to the General Law of the Financial System and the Insurance System and Comprehensive Law of the Peruvian Banking and Insurance Regulator, Law N° 26702, as well as any capital increases in those deposits or balances in local or foreign currency, excepted when those inflows are third category income.

(u) Bancarization Law -

On March 3, 2022 Legislative Decree N° 1529 was published amending the Bancarization Law to promote the use of formal means of payment and reduce the amount at which formal means of payments are required to be used, as follows:

- The minimum amount at which formal Means of Payments should be used is two thousand soles (S/2,000) or five hundred U.S. dollars (US\$500).
- In order to improve the coverage of Means of Payment and thus expand the set of traceable operations, article 3 of the Banking Law was modified in order to indicate that the payment of sums of money from the operations indicated in Said article, for amounts equal to or greater than 1 UIT, even when it is partially carried out, can only be made using Means of Payment provided for in the Law.
- Payment of obligations to non-domiciled individuals and/or legal entities that need to be made using the statutory Means of Payment can be made effective using non-domiciled financial institutions; in those cases in which the payer makes foreign trade transactions, including obligations derived from the acquisition of land and rights to shares and other securities.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

- The requirement to use Means of Payment is considered met if the payment is made directly to the creditor, supplier and/or service provider, or whenever such payment is made to a third party designated by one of the above, as long as such designation is reported to SUNAT prior to payment.
- The requirement to use Means of Payment will not be considered met in any case when the payments are made effective via financial institutions or banks that are based in or have permanent establishments in territories or countries considered as tax havens.

This piece of legislation became effective on April 1, 2022, except for the amendment related to payments via the non-domiciled financial system entities that are based in tax havens, which would become effective on January 1, 2023.

- (v) On March 26, 2022 Legislative Decree N° 1539 was published amending the Peruvian Income Tax Law to include new methods to determine the market value of securities in transactions between unrelated third parties. This legislation would become effective in January 1, 2023.

Through Supreme Decree No. 326-2022-EF, published on December 29, 2022, Article 19 of the Regulations of the Income Tax Law was modified regarding the determination of the Market Value of securities in order to adapt it to the modifications introduced by Legislative Decree No. 1539. In that sense, the Decree establishes the following:

- In cases in which the quoted value is not applied, the market value will be the highest value resulting from comparing the transaction value and the discounted cash flow value or the equity participation value, as applicable.
- If there are securities listed on more than one exchange or centralized trading mechanism, the highest daily value recorded on the transaction date will be considered.
- Securities representing debt that are not listed on the Stock Exchange or in any centralized trading mechanism will be valued in accordance with the Price Vector. If there is no published Price Vector for said value, the one determined by a Price Provider Company, supervised by the SMV, will be used.
- The discounted cash flow method must be applied when the value of all the company's future flows discounted to their current value is established. If the company has several business units, the aforementioned value will take into account the projection made by each business unit that involves a foreseeable horizon of future flows.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

- When the value of the assets of the legal entity is calculated on the basis of the last audited balance sheet closed prior to the date of the sale of shares or participations representing the capital, in the case of legal entities that are under the control and supervision of the Superintendency of the Securities Market, said balance sheet must have been closed within the 90 days prior to the aforementioned sale, and must be audited by an audit company domiciled in the country that has its current registration in the Registry of Audit Companies in a College of Public Accountants.

- (w) Filing the Common Standard Reporting for fiscal 2023 with SUNAT should be made in adherence to the timetable set for monthly tax obligations for the period of April 2024.

It should be noted that on the due dates contained in that timetable, financial institutions are required to report all required financial information to SUNAT as follows:

- Preexisting accounts of individuals (high and low value) as of December 31, 2023.
- Preexisting accounts of (reportable) entities as of December 31, 2023.
- New accounts of individuals as of December 31, 2023.
- New accounts of entities as of December 31, 2023.

- (x) Deducibility of provisions for loans -

In 2020, Ministry Resolution N° 387-2020-EF/15 was published to state that the provisions made for COVID-19 rescheduled loans, as described in the Resolution No. 11356-2008, and modified by SBS Resolution No. 3155-2020, jointly meet altogether the requirements set out in subsection h), Article 37 of the Peruvian Income Tax Law, with regulations per subsection e), Article 21 of the Rules. In this sense, these provisions must be treated as specific provisions and must be accepted for tax purposes by SUNAT.

On December 31, 2021, the Ministry Resolution N°. 394-2021-EF/15 was published to state that provisions for COVID-19 rescheduled loans, as described in the relevant regulations, meet altogether the requirements set out in subsection h), Article 37 of the Peruvian Income Tax Law. In this respect, subsection h), Article 37 of the Peruvian Income Tax Law states that financial system entities are allowed to deduct from its gross incomes those provisions that meet all the following requirements:

- these are specific provisions
- these are provisions that are not part of the regulatory capital, and
- these are provisions solely related to credit risk, classified into the categories of with potential problems, substandard, doubtful and loss.



# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

- (y) On March 15, 2023, Legislative Decree No. 1545 was published, by which the first paragraph of article 26 of the Income Tax Law, on presumed interest income, is modified, establishing the following:

1. Regarding loans in national currency, it is presumed that they accrue interest no less than the monthly average active market rate in national currency (TAMN) published by the SBS multiplied by an adjustment factor of 0.42.
2. Regarding loans in foreign currency, it is presumed that they accrue interest no less than the monthly average active market rate in foreign currency (TAMEX) published by the SBS multiplied by an adjustment factor of 0.65.

It should be noted that the provisions indicated above came into force as of January 1, 2024.

- (z) On September 30, 2023, Superintendency Resolution No. 000204-2023/SUNAT was published, postponing the period from October 2023 to January 2024, the opportunity from which they must carry the Sales and Income Registry and the Purchase Registry through the Integrated System of Electronic Records (SIRE), the subjects who are obliged to keep the aforementioned records. It should be noted that by Superintendency Resolution No. 000258-2023/SUNAT, the use of the SIRE was postponed from January 2024 to the period April 2024.
- (a.1) On November 10, 2023, the Resolution of the Deputy National Superintendency of Internal Taxes No. 039-2023-SUNAT/700000 was published, which provides for the application of the discretionary power of the SUNAT to not sanction the infractions classified in the numerals 2 and 10 of article 175 of the Tax Code related to the keeping of books and records linked to tax matters electronically, provided that the criteria established in the Annex of the aforementioned Resolution are met, until April 30, 2024.
- (a2) The SBS through SBS Resolution No. 4342-2023 dated December 29, 2023, modified procedure No. 32 referring to the "Proof of irrecoverability for tax punishment of credits and/or accounts receivable from operating companies multiple and specialized companies" of the TUPA of the Superintendency of Banking and Insurance.

In this regard, it is pertinent to highlight the following:

- According to our tax legislation, in order for the entities of the financial system to carry out the write-off of doubtful debts that exceed 3 UITs (S/ 15,450 for 2024), they must previously provision said debts, according to the parameters established for for this purpose, as well as demonstrating the impossibility of taking legal action for bad debts, when the Board of Directors of said entities declares the futility of initiating the corresponding judicial actions.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

- Said agreement must be ratified by the SBS, through a certificate certifying that the aforementioned companies have demonstrated the existence of real and verifiable evidence on the unrecoverability of the credits that are subject to punishment, which must be issued. within the deadline for the presentation of the annual sworn declaration of the year to which the punishment corresponds or until the date on which the company had submitted said declaration, whichever occurs first.
- As can be seen, our tax regulations provide that financial entities must process the certificate of unrecoverability before the SBS, in order to support the admissibility of the write-off of bad debts within the deadlines established for this purpose, that is, the presentation of the declaration. annual sworn, and at the discretion of the tax authority, failure to comply with such requirement generates a permanent objection, as seen in SUNAT Official Letter No. 009-2004-2B0000.

(a3) On December 19, 2023, Law No. 31962 was published, by means of which the interest rates applicable to refunds of tax payments made improperly or in excess, refunds for withholdings or perceptions not applied of the general sales tax and the corresponding amount for updating fines. In this sense, the following modifications are established:

The most important changes are:

Refunds of payments made improperly and/or in excess will be made applying the Default Interest Rate published by SUNAT (currently 10.8% annually), which is the same Rate that applies to unpaid taxes that are not paid on time. With this, the distinction of the interest rate is eliminated depending on whether the payment had been made voluntarily (5.04% annually, currently) or as a consequence of a requirement from the Tax Administration (10.8% annually, currently).

- In the case of the restitution of returns that become improper, the Average Passive Market Rate for operations in National Currency (TIPMN) published by the SBS will be applied.
- Interest applicable to tax fines: i) Unpaid tax fines will be updated by applying the legal interest rate set by the BCRP, in accordance with the provisions of article 1244 of the Civil Code (currently 3.7% annually). ii) Said interest will be applied from the date on which payment of the fine is required from the debtor by the Tax Administration., iii) Regarding the return of withholdings or perceptions not applied, the interest rate will be the same as It is applied to the unpaid tax, in accordance with article 33 of the Tax Code (10.8% annually).

In the opinion of management, as of December 31, 2023 and 2022, the BBVA Perú Group complies with the applicable regulations.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

#### 24. Deferred income tax

Deferred income tax has been calculated applying the liability method, and is attributed to the following items:

	Balance as of January 01, 2022 S/(000)	Credit (debit) to equity S/(000)	Credit (debit) to income S/(000)	Balance as of December 31, 2022 S/(000)	Credit (debit) to equity S/(000)	Credit (debit) to income S/(000)	Balance as of December 31, 2023 S/(000)
<b>Assets</b>							
Generic provision for direct loans	495,196	-	(23,059)	472,137	-	(66,358)	405,779
Generic provision for indirect loans	39,448	-	63	39,511	-	1,688	41,199
Provision for Realizable, received in payment and seized assets	41,445	-	(4,331)	37,114	-	(817)	36,297
Specific provision for indirect loans	39,389	-	1,725	41,114	-	4,963	46,077
Provision for other expenses and others	143,668	-	107,968	251,636	-	66,191	317,827
Labor provisions	107,784	(250)	13,412	120,946	952	12,033	133,931
Interest in suspense	278	-	-	278	-	-	278
Available-for-sale investments	6,052	9	-	6,061	(724)	-	5,337
Cash flow hedges	2,131	8,878	-	11,009	-	-	11,009
Valuation of hedge of debt	10,958	-	-	10,958	-	8,632	19,590
	<u>886,349</u>	<u>8,637</u>	<u>95,778</u>	<u>990,764</u>	<u>228</u>	<u>26,332</u>	<u>1,017,324</u>
<b>Liabilities</b>							
Valuation of hedge of debt	-	-	(28,627)	(28,627)	-	-	(28,627)
Cash flow hedges	(123)	-	-	(123)	(2,944)	-	(3,067)
Intangible assets / deferred charges	(122,440)	-	(24,944)	(147,384)	-	(12,381)	(159,765)
Available-for-sale investments	(5,075)	3,368	-	(1,707)	(1,099)	-	(2,806)
Tax depreciation of property, furniture and equipment	(9,341)	-	(888)	(10,229)	-	(1,284)	(11,513)
Balancing of assets and liabilities due to exchange difference	(39,279)	-	10,633	(28,646)	-	3,962	(24,684)
	<u>(176,258)</u>	<u>3,368</u>	<u>(43,826)</u>	<u>(216,716)</u>	<u>(4,043)</u>	<u>(9,703)</u>	<u>(230,462)</u>
<b>Net deferred tax asset</b>	<u>710,091</u>	<u>12,005</u>	<u>51,952</u>	<u>774,048</u>	<u>(3,815)</u>	<u>16,629</u>	<u>786,862</u>

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

### 25. Earnings per share

The calculation of the weighted average number of shares outstanding and earnings per share as of December 31 2023 and 2022, is as follows:

	Shares outstanding	Base shares in determining weighted average	Effective days to period-end	Weighted average number of common shares
<b>2023</b>				
Balance as of January 1, 2023	7,382,184	7,382,184	360	7,382,184
Capitalization of 2022 profit	765,027	765,027	360	765,027
<b>Balance as of December 31, 2023</b>	<u>8,147,211</u>	<u>8,147,211</u>		<u>8,147,211</u>
<b>Net profit as of December 31, 2023</b>				1,873,736
<b>Basic and diluted earnings per share</b>				<u>0.2300</u>
<b>2022</b>				
Balance as of January 1, 2022	6,758,467	6,758,467	360	6,758,467
Capitalization of 2021 profit	623,717	623,717	360	623,717
Capitalization of 2022 profit	-	765,027	360	765,027
<b>Balance as of December 31, 2022</b>	<u>7,382,184</u>	<u>8,147,211</u>		<u>8,147,211</u>
<b>Net profit as of December 31, 2022</b>				1,921,759
<b>Basic and diluted earnings per share</b>				<u>0.2359</u>

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

#### 26. Related party transactions

As of December 31, 2023 and 2022, the BBVA Peru Group's 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, 2023 and 2022 were as follows:

	2023					2022				
	Controlling party S/(000)	Related parties (*) S/(000)	Associates S/(000)	Key personnel and directors S/(000)	Total S/(000)	Controlling party S/(000)	Related parties (*) S/(000)	Associates S/(000)	Key personnel and directors S/(000)	Total S/(000)
<b>Assets:</b>										
Cash and due from banks	373,364	159	-	-	373,523	386,470	1,475	-	-	387,945
Loan portfolio, net	-	584,169	29,009	23,412	636,590	-	242,643	27,279	24,886	294,808
Trading derivatives	504,693	50,876	-	-	555,569	485,210	49,732	-	-	534,942
Other assets, net	49,908	272,454	-	-	322,362	214,896	28,886	-	-	243,782
<b>Total assets</b>	<b>927,965</b>	<b>907,658</b>	<b>29,009</b>	<b>23,412</b>	<b>1,888,044</b>	<b>1,086,576</b>	<b>322,736</b>	<b>27,279</b>	<b>24,886</b>	<b>1,461,477</b>
<b>Liabilities:</b>										
Obligations with the public and deposits from financial institutions	406,410	809,416	34,595	31,687	1,282,108	225,055	292,060	1,096	39,574	557,785
Debts and financial obligations	761,950	-	-	-	761,950	783,588	-	-	-	783,588
Trading derivatives	307,309	3,917	-	-	311,226	485,466	190	-	-	485,656
Provisions and other liabilities	186,850	362,556	-	-	549,406	271,976	303,343	-	-	575,319
<b>Total liabilities</b>	<b>1,662,519</b>	<b>1,175,889</b>	<b>34,595</b>	<b>31,687</b>	<b>2,904,690</b>	<b>1,766,085</b>	<b>595,593</b>	<b>1,096</b>	<b>39,574</b>	<b>2,402,348</b>
<b>Off-balance sheet accounts:</b>										
Indirect loans	-	168,392	193	-	168,585	-	70,287	13,385	-	83,672
Derivative instruments	19,274,866	413,900	-	-	19,688,766	18,579,416	16,400	-	-	18,595,816

(\*) Related parties include balances and transactions with other related parties in accordance with IAS 24 and SBS regulations.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

(b) The effects of related party transactions in the BBVA Peru Group's consolidated statement of financial position are detailed below for the years ended December 31, 2023 and 2022:

	2023					2022				
	Controlling party S/(000)	Related parties (*) S/(000)	Associates S/(000)	Key personnel and directors S/(000)	Total S/(000)	Controlling party S/(000)	Related parties (*) S/(000)	Associates S/(000)	Key personnel and directors S/(000)	Total S/(000)
Interest income	-	1,404	219	110	1,733	-	951	181	112	1,244
Interest expense	(25,584)	(20,877)	(63)	(17)	(46,541)	(25,021)	(19,207)	-	(27)	(44,255)
<b>Financial margin</b>	<b>(25,584)</b>	<b>(19,473)</b>	<b>156</b>	<b>93</b>	<b>(44,808)</b>	<b>(25,021)</b>	<b>(18,256)</b>	<b>181</b>	<b>85</b>	<b>(43,011)</b>
Financial service income	8,038	741	-	28	8,807	6,945	545	-	23	7,513
<b>Net commissions</b>	<b>8,038</b>	<b>741</b>	<b>-</b>	<b>28</b>	<b>8,807</b>	<b>6,945</b>	<b>545</b>	<b>-</b>	<b>23</b>	<b>7,513</b>
Profit or loss from financial transactions, net	(7,587)	(6,235)	-	6	(13,816)	(11,623)	(1,878)	-	2	(13,499)
Administrative expenses	(127,003)	(227,063)	-	-	(354,066)	(140,501)	(166,623)	-	-	(307,124)
Other income and expenses, net	11	-	-	-	11	-	16	-	-	16
<b>Other income and expenses</b>	<b>(134,579)</b>	<b>(233,298)</b>	<b>-</b>	<b>6</b>	<b>(367,871)</b>	<b>(152,124)</b>	<b>(168,485)</b>	<b>-</b>	<b>2</b>	<b>(320,607)</b>

(\*) Related parties include balances and transactions with other related parties in accordance with IAS 24 and SBS regulations.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

(c) Loans to personnel and remunerations to key personnel -

As of December 31, 2023 and 2022, Board of Directors, executives and employees of BBVA Peru Group 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 the banks in Peru. As of December 31, 2023 and 2022, direct loans granted to employees, directors, executives and key personnel amount to S/879 million and S/709 million, respectively.

Likewise, as of December 31, 2023 and 2022, remuneration to key personnel and expenses allowance for the board of Director amounts to S/15 million and S/16 million, respectively.

#### 27. Trust activities

The Bank offers structuring and management services of trust transactions and trust fees and is in charge of the preparation of the underlying contractual agreements. 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, 2023, the allocated value of assets in trusts and trust fees amount to S/11,201 million (S/10,288 million, as of December 31, 2022).

Translation of financial statements originally issued in Spanish - Note 32

Notes to the consolidated financial statements (continued)

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:

	2023					
	At fair value through profit or loss		Loans and accounts receivable	Available-for-sale		
	Held for trading	Allocated at inception		At amortized cost (*)	Fair value	Hedging derivatives
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
<b>Assets</b>						
Cash and due from banks	-	-	9,431,609	-	-	-
Interbank funds	-	-	17,009	-	-	-
Investments	4,387,392	-	-	1,122	10,760,082	-
Equity instruments	-	-	-	1,122	22,872	-
Debt instruments	4,387,392	-	-	-	10,737,210	-
Loan portfolio	-	-	70,647,238	-	-	-
Trading derivatives	1,237,496	-	-	-	-	-
Accounts receivable, note 11	-	-	130,068	-	-	-
Other assets, note 11	-	-	4,319,735	-	-	-
	<u>5,624,888</u>	<u>-</u>	<u>84,545,659</u>	<u>1,122</u>	<u>10,760,082</u>	<u>-</u>

(\*) It includes investments measured at cost.

	2023				
	At fair value through profit or loss		At amortized cost	Other liabilities	Hedging derivatives
	Held for trading	Allocated at inception		S/(000)	S/(000)
	S/(000)	S/(000)	S/(000)		
<b>Liabilities</b>					
Obligations with the public	-	-	69,208,117	-	-
Interbank funds	-	-	378,451	-	-
Deposits from financial institutions	-	-	1,518,660	-	-
Debts and financial obligations	-	-	5,907,327	-	-
Trading derivatives	1,076,972	-	-	-	-
Hedging derivatives	-	-	-	-	93,486
Accounts payable, note 14	-	-	8,739,882	-	-
	<u>1,076,972</u>	<u>-</u>	<u>85,752,437</u>	<u>-</u>	<u>93,486</u>



Translation of financial statements originally issued in Spanish - Note 32

Notes to the consolidated financial statements (continued)

2022						
	At fair value through profit or loss		Loans and accounts receivable	Available-for-sale		Hedging derivatives
	Held for trading	Allocated at inception		At amortized cost (*)	Fair value	
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
<b>Assets</b>						
Cash and due from banks	-	-	12,145,003	-	-	-
Investments	3,278,859	-	-	1,121	8,311,743	-
Equity instruments	-	-	-	1,121	30,639	-
Debt instruments	3,278,859	-	-	-	8,281,104	-
Loan portfolio	-	-	69,122,387	-	-	-
Trading derivatives	1,349,619	-	-	-	-	-
Hedging derivatives	-	-	-	-	-	3,659
Accounts receivable, note 11	-	-	45,795	-	-	-
Other assets, note 11	-	-	976,762	-	-	-
	<u>4,628,478</u>	<u>-</u>	<u>82,289,947</u>	<u>1,121</u>	<u>8,311,743</u>	<u>3,659</u>

(\*) It includes investments measured at cost.

2023					
	At fair value through profit or loss		At amortized cost	Other liabilities	Hedging derivatives
	Held for trading	Allocated at inception		S/(000)	S/(000)
	S/(000)	S/(000)	S/(000)		
<b>Liabilities</b>					
Obligations with the public	-	-	66,053,752	-	-
Interbank funds	-	-	-	-	-
Deposits from financial institutions	-	-	847,794	-	-
Debts and financial obligations	-	-	4,036,978	-	-
Trading derivatives	1,245,843	-	-	-	-
Hedging derivatives	-	-	-	-	103,628
Accounts payable, nota 14	-	-	12,287,242	-	-
	<u>1,245,843</u>	<u>-</u>	<u>83,225,766</u>	<u>-</u>	<u>103,628</u>

## Notes to the consolidated financial statements (continued)

### 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.

This risk management area centralizes and concentrates management of the credit and market risk by means of 5 units that provide core services: (i) Retail Risk, (ii) Wholesale Risk, (iii) Market & Structural Risk, (iv) Recoveries and (v) Portfolio Management, Risk Reporting & Sustainability, and 2 units that provide cross-cutting functions: (i) Strategy, Transformation & Performance and (ii) GRM Data & Analytics.

This structure provides the adequate environment for synergies to be created in work teams and higher integration to be obtained in all business processes, from strategy, planning, to modeling and management tools.

Supplemental to this management, the Unit of Internal Control of Risks, part of the Internal Control and Compliance function, is charged with verifying that the relevant process controls and most important deliverables prepared by the Risk area.

In a highly complex juncture, in which the new reality demands us to keep making containment efforts as well as focusing on special groups of population for the bank to be able to provide the best support to those geographical areas most affected by social unrest and climate change effects, the risk management function is fully focused on managing portfolios from all fronts:

- Portfolio management under the guidelines defined by the SBS and the Government, customizing management and monitoring reports to meet the new needs of the ongoing juncture.
- From the Wholesale and Retail Admission, ongoing review and adjustment of the admission policies, rescheduling modalities carrying out the portfolio diagnosis, segmentation and action plans according to the identified criticality.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

- Collections continue with follow-up and management efforts under a preventive and anticipatory approach, with a focus on special groups and the potential impact of impairment off the different portfolios always oriented to the most vulnerable and hardest-hit sectors. Specialized teams have been set up to manage collections by implementing differentiated strategies according to the portfolio to implement special containment efforts.

The functions of the 2 transversal service units are described below:

- GRM Data & Analytics: Its purpose is to lead the Data Driven culture in Risk, promoting the achievement of strategic objectives with reliable data and advanced analytics. The subunits that make it up are the following:

Analytics Expertise Center: Has the responsibility of defining and executing the development plan of credit risk models and parameters for natural and legal persons. Likewise, it has the function of permanent monitoring of the models, generating the necessary alerts to redirect and re-estimate the models if needed.

Risk Data: The function includes promoting the appropriate governance of data in the Risk area, as well as the interrelation between areas to seek the best quality of the data used. Likewise, it is responsible for supervising the definition, construction and monitoring of quality rules in prioritized critical processes.

- Strategy; Transformation & Performance: Provides services for strategic and transversal management in the Risk area. This allows to manage synergies between internal units and be a link with external areas to ensure operational excellence and transformation of the area. The subunits they make up are the following:

Strategy & Portfolio: Articulate strategic planning and transversal vision of the area. Promote the main levers of transformation and develop strategic communication. Manage the area's project portfolio to ensure adequate planning, execution and monitoring of progress and impacts.

Risk Control Assurance: Ensure adequate mitigation of operational risks of the assigned area in the first line of defense. Coordinate the admission and monitoring of control frameworks for new processes and projects. Coordination with control model partners and external auditors.

Process Improvement: Manage continuous improvement projects with a focus on the efficiency, quality and profitability of internal Risk services. Monitor the maturity and transformation of processes in order to achieve operational excellence objectives.

Solution Development: Manage technological transformation projects (platforms, engines, data infrastructure, analytical models, automations, etc.). Manage work teams to be able to execute projects that achieve strategic objectives.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

Risk Tools: Manage the governance and functional management of productive Risk tools, offering support to users and monitoring their availability. Coordinate the execution of minor evolutionary changes that allow improvement and secure optimal performance of the tools.

### **Credit risk**

The Bank's risk management system is supported by a corporate governance scheme in which the BBVA Peru Group determines the policies for the management and control of retail and wholesale credit risks, which adapt to local regulation and circumstances.

The structure of the risk area for credit risk management is as follows:

- Portfolio Management, Risk Reporting & Sustainability: 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 & Guarantees team 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 profitability. In addition, the guarantee management function has recently been incorporated with the measurement of impacts on the regulatory processes of provisions and capital.

The Risk Sustainability team has the objective of ensuring the correct execution of the calculation processes related to ESG (Environmental Social and Governance) metrics in scope of the Risk area, emphasizing the importance of this information being included in the clients' analysis to the appropriate management of ESG risks of the entire portfolio.

- Retail Credit: Manages retail credit risk, according to the strategic objectives established by the Bank and monitoring the quality of the risk of the operations generated. This management involves:
  - Define the guidelines for the admission of clients from the retail segment: natural person and "Business Banking".
  - Monitor the results of the behavior of products, segments and origination channel (massive campaigns or individual evaluation), analyzing their respective evolutions and developments.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

- Evaluation of the level of debt, disseminating and strengthening the Bank's risk culture.
- Disseminate and strengthen the risk culture throughout the Organization, with special focus on continuous training programs, the development of capabilities in commercial areas and Risk specialists.
- Detect warning signs of high-risk groups based on statistical information and portfolio monitoring. Establish corrective measures by making adjustments to internal policy and guidelines.
- 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 Bank's Risk Appetite Framework.
- Maintaining a comprehensive credit risk policy that underlies the quality of the loan portfolio based on an intensive interaction of the several business areas and attention to the internal and external overseeing bodies.
- Proposing and promoting continuing improvements in business processes, tools, and standards for an efficient management of the Credit Risk.
- Overseeing compliance with policies in the process of analysis and admission of the credit risk on transactions arising in the commercial areas.

There are 5 sub-units supporting management: Individual Admission; Individual Admission Pymes, Campaign Natural Person (generate campaigns to individuals), Campaign Pymes (campaigns to small business), Strategies & Governance (responsible for policies and standards intended to ensure compliance with corporate and local rules and analysis and diagnostics of portfolio).

- Wholesale Credit: A unit charged with managing the wholesale loan portfolio oriented to maximize the economic benefits to be earned from the risk positioning and the limits set in the Asset Allocation framework, as derived from the definition of the Group's risk profile and risk appetite, and in compliance with the applicable laws and regulations and corporate and local policies.

Within its structure, there is a sub-unit called Wholesale Credit Strategies, charged with management of the wholesale portfolio, control of the Asset Allocation limits as well as definition of the growth and disinvestment policies and strategies.

On the other hand, there is the sub-unit called Wholesale Credit Governance, charged with updating and implementing the overall policies, standards and procedures as well as the following up on observations raised by Internal Audit, External Audit, Internal Control, Holding and the SBS. It services consultations made regarding standards and delegations. It also leads the Technical Office of the Credit Technical Committee (CTO).

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

In addition, as a way to keep an agile structure, there are two subunits in Admission:

Wholesale Admission Stage 1: This is a primary axis of analysis under industry groupings and keeps expertise by segment.

Admission & Monitoring Stage 2: Operating under a preventive management approach, involving strategies to hold and/or reduce the risk of portfolio, and stop impairment by structuring pertinent financial solutions.

Real Estate Risk: a team specialized in the real-estate sector; it has two subunits.

Wholesale Admission Real Estate: Charged with assessing the economic and financial aspects of the credit proposals of entities in the real-estate industry.

Wholesale Monitoring Real Estate: Charged with following up on the portfolio of real-estate projects in progress (monthly valuation of work progress, updating sales dashboard, matching cash flows, etc); until work satisfaction is obtained and sponsor debt is settled.

It should be noted that the tools Rating and Early Warnings are an important support for decision making. Further, the digital platforms "Programa Financiero ARCE" and "Programa Financiero Digital", used in the BEC (Banca Empresa y Corporativa) and CIB (Corporate Investment Banking) segments, respectively, allow to prepare and analyze credit proposals.

Both the Wholesale Credit Governance team and Wholesale Credit Strategies have been working on initiatives to improve management. The Governance team continues with the review of local regulations for the respective updates. Likewise, together with Risk Transformation, they established a new model for assigning delegations for the Wholesale Admission part. The Strategies team promoted the Valida + rating validation initiative, having most of the portfolio qualified; Furthermore, ensuring the care of the Portfolio, containment plans are being generated to identify groups of vulnerable clients, either due to alerts specific to the sector or due to the situation (road closures, social mobilizations, FEN, etc.) that could activate preventive management actions that allow us to avoid future contingencies. Likewise, the Master Plan has been created as a long-term strategic plan to segment the portfolio and identify the best profiles, and guide the network's growth actions.

- Collection, Mitigation & Workout: It groups together the functions and processes necessary for the monitoring, nonpayment containment, collection, recoveries and the divestment of the portfolio with problems, from retail and wholesale banking and CIB, 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 major sub-units are the following:
  - Retail Credit Early Default, a team charged with the recovery of the preventive and unpaid retail portfolio.

Notes to the consolidated financial statements (continued)

- Wholesale Credit Early Default, a team charged with managing the wholesale portfolio with payment difficulties and leading the sub-unit of Individual Classification, which assesses the Bank's non-retail customer portfolio to determine its rating and required level of provision, in consistency with the SBS and BBVA Group standards.
- Strategy, Governance & Management, a team that articulates collections and recoveries by means of initiatives, pilots and other projects that support data-processing and analysis.
- Retail Credit Late Default, a team charged with the court-ordered secured and off-court recovery and write-off of the retail portfolio.
- Wholesale Credit Late Default, a team charged with highest number of loans via court-ordered recoveries of the wholesale portfolio.
- IRBSA & Guarantees, a team charged with management and administration of commercialization of real-estate properties and other properties and setting the policies for the comprehensive management of guarantees.

The management of the portfolio with problems is articulated based on a centralized strategy that defines the differentiated actions for each of the segments and for each stage of the life cycle of the credit leveraged on policies of rescheduling, refinancing, adjudication and payment agreements with clients, in the search to provide solutions to clients in viable cases and minimize the expense of supplies. Finally, the divestment lever allows you to focus on the recoverable portfolio and control delinquency levels.

During 2023, the execution of the Comprehensive Collection Plan continued, with improvements in processes and information management scheduled within this transformation project that began in 2018, as well as solution products such as "commitment loan" and "refinanced with period of grace", the customer experience and the collection management platform that will allow greater traceability of the procedures carried out today, in line with good market practices. These actions consolidated the Recoveries team into a Collection and Recovery Center of Excellence.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

#### Maximum exposure to credit risk

As of December 31, the maximum exposure to credit risk is as follows:

	2023 S/(000)	2022 S/(000)
Cash and due from banks	9,431,609	12,145,003
Interbank funds	17,009	-
Investments at fair value through profit or loss	4,387,392	3,278,859
Available-for-sale investments	10,761,203	8,312,864
Loan portfolio	70,647,238	69,122,387
Trading derivatives	1,237,496	1,349,619
Hedging derivatives	-	3,659
Accounts receivable, note 11	130,068	45,795
Other assets, note 11	4,319,735	976,762
	<u>100,931,750</u>	<u>95,234,948</u>

#### 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.



# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

Below is the detail of the guarantees as of December 31, 2023 and 2022:

	2023		2022	
	S/(000)	%	S/(000)	%
Mortgages	26,044,979	34	25,940,643	35
Endorsements and letters of guarantee received	3,606,263	5	6,490,818	9
Finance lease	3,529,543	5	3,511,965	5
Self-liquidating collaterals	647,150	1	518,081	1
Vehicle, industrial, agricultural pledges and others	54,312	-	74,435	-
Rest of guarantees	15,444,785	21	8,386,321	11
Guaranteed loans	49,327,032	66	44,922,263	61
Non-guaranteed loans	25,572,379	34	28,265,694	39
<b>Total</b>	<b>74,899,411</b>	<b>100</b>	<b>73,187,957</b>	<b>100</b>

Translation of financial statements originally issued in Spanish - Note 32

Notes to the consolidated financial statements (continued)

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:

In thousands of soles	2023						2022					
	Wholesale loans	Small and micro- business	Consumer loans	Mortgage loans	Total	%	Wholesale loans	Small and micro- business	Consumer loans	Mortgage loans	Total	%
Neither-past-due nor impaired loans	38,972,843	3,488,395	11,366,953	14,515,416	68,343,607	97	40,592,109	3,588,256	9,523,521	13,824,143	67,528,029	99
Normal	37,738,214	3,308,362	11,064,690	14,274,873	66,386,139	94	39,339,331	3,463,410	9,319,661	13,648,634	65,771,036	96
With potential problems	1,234,629	180,033	302,263	240,543	1,957,468	3	1,252,778	124,846	203,860	175,509	1,756,993	3
Substandard	-	-	-	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-	-	-
Past due but not impaired loans	136,316	1,311	51	653	138,331	-	174,159	2	2	516	174,679	-
Normal	40,623	745	12	-	41,380	-	38,453	1	2	4	38,460	-
With potential problems	95,693	566	39	653	96,951	-	135,706	1	-	512	136,219	-
Substandard	-	-	-	-	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-	-	-	-	-
Impaired loans	3,874,625	660,291	1,018,718	863,839	6,417,473	10	3,707,764	358,364	630,365	788,756	5,485,249	8
Normal	16,453	4	31	-	16,488	-	15,666	4	39	-	15,709	-
With potential problems	513,990	1	16	135	514,142	1	493,770	-	143	-	493,913	1
Substandard	741,623	147,124	253,436	273,358	1,415,541	2	699,869	73,298	148,548	205,967	1,127,682	2
Doubtful	880,072	185,951	463,026	252,888	1,781,937	3	761,235	93,200	236,629	189,595	1,280,659	2
Loss	1,722,487	327,211	302,209	337,458	2,689,365	4	1,737,224	191,862	245,006	393,194	2,567,286	3
Gross portfolio	42,983,784	4,149,997	12,385,722	15,379,908	74,899,411	107	44,474,032	3,946,622	10,153,888	14,613,415	73,187,957	107
Less: Provisions	(2,997,281)	(522,914)	(824,746)	(553,614)	(4,898,555)	(7)	(3,028,156)	(277,028)	(753,770)	(603,584)	(4,662,538)	(7)
Total net portfolio	39,986,503	3,627,083	11,560,976	14,826,294	70,000,856	100	41,445,876	3,669,594	9,400,118	14,009,831	68,525,419	100

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.

During 2023 and 2022, 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/171 million and S/198 million, respectively.

As of December 31, 2023 and 2022, the guarantees of past due and non-impaired loans and impaired loans amount to S/3,257 million and S/2,659 million, respectively, of which S/3,255 million and S/2,523 million correspond to mortgage loans.

Translation of financial statements originally issued in Spanish - Note 32

Notes to the consolidated financial statements (continued)

As of December 31, 2023 and 2022, past due and non-impaired loans amounts to S/138 million and S/175 million, respectively. The breakdown of the referred credits according to days of arrears is shown below:

	2023				2022			
	16- 30 S/(000)	31- 60 S/(000)	61 - 90 S/(000)	Total S/(000)	16- 30 S/(000)	31- 60 S/(000)	61 - 90 S/(000)	Total S/(000)
Day in arrear								
Type of loans								
Corporate loans	-	-	-	-	41	1,663	674	2,378
Large-business loans	2,438	1,447	653	4,538	8,153	15,949	1,321	25,423
Medium-sized entity loans	53,950	57,464	20,364	131,778	60,980	65,511	19,867	146,358
	56,388	58,911	21,017	136,316	69,174	83,123	21,862	174,159
Small-business loans	-	1,309	1	1,310	-	2	-	2
Micro-business loans	-	1	-	1	-	-	-	-
Consumer loans	-	51	-	51	-	2	-	2
Mortgage loans	-	653	-	653	-	516	-	516
	-	2,014	1	2,015	-	520	-	520
Total	56,388	60,925	21,018	138,331	69,174	83,643	21,862	174,679

Risk concentrations

The loan portfolio is distributed in the following economic sectors:

	2023 S/(000)	2022 S/(000)
Mortgage and consumer loans	27,765,630	24,767,302
Commerce	12,907,348	13,889,067
Manufacture	10,306,904	10,691,306
Transportation, storage and communications	7,313,152	6,299,939
Real estate, business and rental companies	3,745,360	3,809,945
Agriculture and Livestock	2,803,778	3,144,823
Financial intermediation	2,335,228	2,278,990
Hotels and restaurants	1,469,431	1,623,101
Mining	1,466,553	1,136,403
Construction	950,420	1,063,506
Electricity, gas and water companies	788,699	1,233,808
Others	3,046,908	3,249,767
	74,899,411	73,187,957

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

As of December 31, financial assets are distributed among the following geographic areas:

	2023					
	At fair value through profit or loss		Loans and accounts receivable	Available-for sale	Hedging derivatives	Total
	Held-for-trading	Allocated at inception				
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
<b>Financial instruments</b>						
Peru	4,804,124	-	75,168,097	4,624,279	-	84,596,500
Rest of South America	-	-	19,780	18,350	-	38,130
Rest of world	-	-	18,170	-	-	18,170
Mexico	4,124	-	739	-	-	4,863
United States of America	391	-	7,976	6,118,544	-	6,126,911
Europe	834,205	-	5,055	30	-	839,290
	<u>5,642,844</u>	<u>-</u>	<u>75,219,817</u>	<u>10,761,203</u>	<u>-</u>	<u>91,623,864</u>
Provisions	(17,956)	-	(5,088,893)	-	-	(5,106,849)
Accrued interest on performing loans, note 7	-	-	746,092	-	-	746,092
Deferred interest, note 7	-	-	(99,710)	-	-	(99,710)
	<u>5,624,888</u>	<u>-</u>	<u>70,777,306</u>	<u>10,761,203</u>	<u>-</u>	<u>87,163,397</u>
	2022					
	At fair value through profit or loss		Loans and accounts receivable	Available-for sale	Hedging derivatives	Total
	Held-for-trading	Allocated at inception				
	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)	S/(000)
<b>Financial instruments</b>						
Peru	3,706,864	-	73,362,413	4,664,098	-	81,733,375
Rest of South America	-	-	25,685	980	-	26,665
Rest of world	-	-	9,572	-	-	9,572
Mexico	314	-	1,163	-	-	1,477
United States of America	-	-	9,188	3,647,756	-	3,656,944
Europe	929,349	-	3,000	30	3,659	936,038
	<u>4,636,527</u>	<u>-</u>	<u>73,411,021</u>	<u>8,312,864</u>	<u>3,659</u>	<u>86,364,071</u>
Provisions	(8,049)	-	(4,839,806)	-	-	(4,847,855)
Accrued interest on performing loans, note 7	-	-	683,399	-	-	683,399
Deferred interest, note 7	-	-	(86,431)	-	-	(86,431)
	<u>4,628,478</u>	<u>-</u>	<u>69,168,183</u>	<u>8,312,864</u>	<u>3,659</u>	<u>82,113,184</u>

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

### 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 term structure of market interest rates for the different currencies
- Exchange rate risk: It arises due to fluctuations in the exchange rates for the different currencies.
- Price risk: It arises as a result of changes in the market prices, either by specific factors of the instrument itself or by factors affecting all the instruments traded in the market.

In addition, and for certain positions, it is necessary to also consider other risks: credit "spread" risk, basis risk, 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.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

As of December 31, 2023 and 2022 the detail of the VaR for risk factors is as follows:

	2023 S/(000)	2022 S/(000)
<b>VaR for risk factors</b>		
VaR without smoothing	16,838	7,547
VaR interest	17,080	7,673
VaR exchange	568	1,451
VaR weighted	11,923	8,678
VaR maximum	20,272	12,498
VaR minimum	3,941	5,435

### ***Structural interest risk***

Structural interest risk is defined as the potential alteration that occurs in the interest income and/or in the equity value of an entity due to the variation in interest rates.

Considering the impact variable, we can see the following typologies of risk in the Group and the Bank:

- Interest margin risk: potential adverse deviation in the interest margin projected over a given horizon.
- Equity economic value risks: potential impact on the economic value of the financial institution's balance sheet.
- Risk of carrying amount of instruments accounted for at fair value in the banking book: potential impact on equity given the effect on the carrying amount of the portfolios of fixed income and derivatives classified as "Held to Collect and Sell" (HtC&S).

Structural interest rate risk management is aimed at maintaining the stability of the interest margin in the face of interest rate variations, contributing to the generation of recurring results, and controlling the potential impacts on equity due to the mark-to-market of instruments classified as "held to collect and sale" (in local accounting as "available for sale") as well as limiting capital needs for structural interest risk.

The Asset & Liability Management & Capital unit, supported by the Assets and Liabilities Committee (hereinafter ALCO) 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.

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

The activity performed by the Asset & Liability Management & Capital unit 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 bodies of the Bank.

Translation of financial statements originally issued in Spanish - Note 32

Notes to the consolidated financial statements (continued)

The consumption of the structural interest risk levels of the BBVA Peru Group during the years 2023 and 2022 are presented as follows:													
2023		Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23
Limit consumption													
Financial margin sensitivity	9.5%	1.88%	1.74%	2.49%	2.65%	3.28%	3.41%	3.64%	3.83%	4.38%	4.66%	4.78%	4.66%
Alert consumption													
Economic value sensitivity (*)	750	754	761	720	712	698	683	665	582	535	538	494	499
Economic capita (EC) (*)	950	976	989	941	934	938	922	903	779	749	715	666	669
Earnings at risk (EaR)	4.5%	2.01%	1.74%	1.64%	1.80%	2.00%	1.97%	2.38%	2.24%	2.47%	2.71%	2.46%	2.70%
2022		Dec-22	Nov-22	Oct-22	Sep-22	Aug-22	Jul-22	Jun-22	May-22	Apr-22	Mar-22	Feb-22	Jan-22
Limit consumption													
Financial margin sensitivity	9.5%	N/D	4.5%	4.9%	5.9%	6.2%	6.6%	6.6%	7.9%	7.5%	7.4%	8.5%	7.7%
Alert consumption													
Economic value sensitivity	750	N/D	501	484	485	503	512	517	506	332	329	399	285
Economic capital (EC)	900	N/D	753	735	744	743	700	725	689	659	716	612	445
Earnings at risk (EaR)	4.5%	N/D	2.5%	2.4%	3.0%	3.1%	3.1%	3.2%	3.6%	3.9%	4.0%	3.2%	3.0%

(\*) Since November 2023, there has been an exceedance of the Economic Value Sensitivity limit (PEN 750 MM) and the Economic Capital limit (PEN 950 MM) explained mainly by the balance of soles due to a longer duration of the asset and by decrease in market interest rates.

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.



## Notes to the consolidated financial statements (continued)

### **Liquidity risk:**

The liquidity and financing risk is defined as the inability of a financial institution to honor its payment obligations due to a lack of funds or whenever a financial institution has to resort to financing under especially severe conditions to be able to honor those obligations.

As part of this risk and considering a temporary horizon over which the payment obligation occurs, we can distinguish:

- Liquidity risk: The risk of suffer losses in the short-term resulting from events that affect their ability to use cash resources to meet its more immediate payment obligations, either because of the impossibility to sell assets or an unexpected reduction of trade liabilities, or because the regular financing sources are shut down bot in normal or stress situation, and including the potential outflow of additional resources for contingent reasons.
- Intraday liquidity risk: Risks that a financial institution is not able to meet its daily settlement obligations; for example, because of timing mismatches in payment, settlement systems or other relevant.
- Financing risk: This risk reflects the increase in the exposure of balance sheet of a financial institution, medium and short-term resulting from its deviation from its target to keep stable resources inherent to its activity, together with other wholesale stable financing resources to enable a diversification by due dates and sources, as a way to concentration of counterparties that sharpen the exposure or vulnerability of the financial institution in a stress scenario. In a context of higher exposure to this risk, a higher probability exists of incurring in higher short-term financing, higher use of collaterals, and in any case, an intensified short-term liquidity risk.

The Group and Banco BBVA Peru aim at promoting a sound financing structure to contribute with the sustainability of the business model. For that purpose, the risk model promotes maintaining an adequate number of stable resources in a wholesale diversified financing model that restrict the weight of short-term financing, ensure access to several markets, optimize the costs of financing, and creates a buffer of liquid assets for the Bank to be able to survive under stress scenarios.

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.

## Notes to the consolidated financial statements (continued)

The integral management of liquidity is carried out by Asset & Liability Management & Capital unit, in the Finance area, which 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 Asset & Liability Management & Capital unit, in accordance with the approved budgets, executes the agreed proposals by the ALCO 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 ALCO; 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 COVID-19 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) that entered into force in 2015 and the "Net Stable Funding Ratio" (NSFR) has been implemented since 2018. Both the Bank and the BBVA Group as a whole participated in the corresponding impact study (QIS) that has included the new regulatory challenges in its new general framework of action in the field of liquidity and financing. At the local level, the SBS has also implemented monitoring of the Liquidity Coverage Ratio (RCL), following the general guidelines of the Basel Committee, although adapting it to the Peruvian reality. This RCL indicator began to be measured from December 2013 and its calculation is daily. The limit established for the RCL is 80% for the period 2014 - 2017, 90% for 2018 and 100% for 2019 onwards, which is being met with ease.

Translation of financial statements originally issued in Spanish - Note 32

Notes to the consolidated financial statements (continued)

In accordance with SBS regulations, the maturities of assets and liabilities as of December 31, 2023 and 2022, including accrued interest on loans and deposits, are as follows. Other accounts receivable and other financial assets are not included.

	Up to 1 month S/(000)	1-3 months S/(000)	Between 3 and 6 months S/(000)	Between 6 months and 1 year S/(000)	Between 1 year and 5 years S/(000)	More than 5 years S/(000)	Sold and under court collection S/(000)	No contractual maturity S/(000)	Total S/(000)
<b>2023</b>									
<b>Assets</b>									
Cash and due from banks	9,094,778	51,351	24,849	17,363	242,865	403	-	-	9,431,609
Interbank funds	17,009	-	-	-	-	-	-	-	17,009
Investments at fair value through profit or loss	4,387,392	-	-	-	-	-	-	-	4,387,392
Available-for-sale investments	9,455,308	7,675	2,856	737,931	220,087	337,346	-	-	10,761,203
Loan portfolio	6,224,730	6,205,973	6,171,406	11,980,234	27,677,721	13,849,137	3,536,302	-	75,645,503
Trading derivatives	190,592	77,396	92,081	191,103	217,462	468,862	-	-	1,237,496
	<u>29,369,809</u>	<u>6,342,395</u>	<u>6,291,192</u>	<u>12,926,631</u>	<u>28,358,135</u>	<u>14,655,748</u>	<u>3,536,302</u>	<u>-</u>	<u>101,480,212</u>
<b>Liabilities</b>									
Obligations with the public	13,362,892	8,599,552	4,041,765	2,916,947	40,205,961	81,000	-	-	69,208,117
Demand deposits	2,626,640	1,922,862	-	-	18,183,670	-	-	-	22,733,172
Saving accounts	2,404,859	1,049,403	-	-	19,287,729	-	-	-	22,741,991
Time deposits	8,121,074	5,627,287	4,041,765	2,916,947	2,734,562	81,000	-	-	23,522,635
Others	210,319	-	-	-	-	-	-	-	210,319
Interbank funds	378,451	-	-	-	-	-	-	-	378,451
Deposits from financial institutions	1,407,873	65,313	34,131	3,406	7,937	-	-	-	1,518,660
Debts and financial obligations	229,013	22,483	599,018	105,423	1,414,799	3,536,591	-	-	5,907,327
Trading derivatives	353,660	50,182	96,830	91,799	228,949	255,552	-	-	1,076,972
Hedging derivatives	-	-	594	42,318	50,574	-	-	-	93,486
Accounts payable	2,355,281	180,216	463,900	3,136,024	2,604,461	-	-	-	8,739,882
Other liabilities	3,774,716	-	-	-	-	-	-	-	3,774,716
	<u>21,861,886</u>	<u>8,917,746</u>	<u>5,236,238</u>	<u>6,295,917</u>	<u>44,512,681</u>	<u>3,873,143</u>	<u>-</u>	<u>-</u>	<u>90,697,611</u>

Translation of financial statements originally issued in Spanish - Note 32

Notes to the consolidated financial statements (continued)

	Up to 1 month S/(000)	1-3 months S/(000)	Between 3 and 6 months S/(000)	Between 6 months and 1 year S/(000)	Between 1 year and 5 years S/(000)	More than 5 years S/(000)	Sold and under court collection S/(000)	Total S/(000)
2022								
<b>Assets</b>								
Cash and due from banks	9,598,572	250,930	159,722	145,085	1,990,474	220	-	12,145,003
Investments at fair value through profit or loss	3,278,859	-	-	-	-	-	-	3,278,859
Available-for-sale investments	6,871,164	70,508	45,786	20,214	986,580	318,612	-	8,312,864
Loan portfolio	8,276,036	8,727,045	7,430,104	8,876,959	27,406,847	9,947,233	3,207,132	73,871,356
Trading derivatives	81,384	125,626	88,827	160,245	287,151	606,386	-	1,349,619
Hedging derivatives	-	-	-	-	3,659	-	-	3,659
	<u>28,106,015</u>	<u>9,174,109</u>	<u>7,724,439</u>	<u>9,202,503</u>	<u>30,674,711</u>	<u>10,872,451</u>	<u>3,207,132</u>	<u>98,961,360</u>
<b>Liabilities</b>								
Obligations with the public	9,463,766	5,979,509	3,819,413	3,411,417	43,278,647	101,000	-	66,053,752
Demand deposits	2,556,312	1,871,329	-	-	18,056,283	-	-	22,483,924
Saving accounts	1,836,092	1,338,309	-	-	21,937,899	-	-	25,112,300
Time deposits	4,835,886	2,769,871	3,819,413	3,411,417	3,284,465	101,000	-	18,222,052
Others	235,476	-	-	-	-	-	-	235,476
Deposits from financial institutions	302,109	167,176	32,607	103	345,799	-	-	847,794
Debts and financial obligations	30,191	32,402	11,148	533,740	401,736	3,027,761	-	4,036,978
Trading derivatives	383,109	106,631	51,200	87,052	269,152	348,699	-	1,245,843
Hedging derivatives	-	-	3,081	15,125	85,422	-	-	103,628
Accounts payable	2,210,414	1,068,505	1,204,232	1,033,142	6,770,938	11	-	12,287,242
Other liabilities	1,052,056	-	-	-	-	-	-	1,052,056
	<u>13,441,645</u>	<u>7,354,223</u>	<u>5,121,681</u>	<u>5,080,579</u>	<u>51,151,694</u>	<u>3,477,471</u>	<u>-</u>	<u>85,627,293</u>

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

### ***Operational risk***

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. Throughout 2023, because of the risks and controls are being updated, the operational risk management model remained valid.

In addition, there is a database which is a fundamental quantitative tool for operational risk management (Integrated Operational Risk System - SIRO), that collects every operational risk event that represents a loss for the Bank and its subsidiaries.

The Bank is authorized to use the alternative standard method for calculating the regulatory capital requirement for operational risk, which allows it to optimize it.

The effective equity requirement for operational risk based on the alternative standard method as of December 31, 2023 amounts to S/735 million (S/665 million as of December 31, 2022).

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

### 30. Fair value

Fair value is the amount for which an asset could be exchanged between duly informed buyer and seller, or a liability settled, between knowledgeable between duly informed debtor and creditor, in an arm's length transaction.

In the cases where the quoted price is not available, the fair value shall be estimated based on the quoted price of a financial instrument with similar characteristics, the current value of expected cash flows, or other valuation techniques, which are significantly affected by the different assumptions used.

Although Management uses its best judgment to estimate the fair value of the financial instruments of the BBVA Peru Group, there are weaknesses inherent to any valuation technique. As a result, the fair value may not be an approximate estimate of the net realizable value or the liquidation value.

The following considerations may be applied to the methodology and assumptions used in the fair value estimates of the BBVA Peru Group's financial instruments.

- (i) Assets and liabilities whose fair value is similar to the carrying amount  
This assumption applies to those assets and liabilities with current maturity, arranged at a floating rate and to those included in Official Letter N° 43078-2014-SBS, where the SBS determined that their fair value corresponded to the carrying amount.
- (ii) Assets and liabilities at fixed rate  
Uses the methodology of projection of future cash flows discounted at market interest rates for instruments with similar characteristics.
- (iii) Assets and liabilities measured at fair value

In the determination of fair value, three levels are distinguished:

#### Level 1:

For instruments quoted in active markets, the fair value is determined by the price observed in those markets; and for instruments whose market price is not available but that of its components is, the fair value will be determined based on the relevant market prices of such components.

#### Level 2:

For instruments quoted in non-active markets, the fair value is determined by valuation techniques or models that mostly uses data from the market and minimizing the use of data calculated internally.

#### Level 3:

For unquoted instruments, fair value is determined using valuation techniques or models.

# Translation of financial statements originally issued in Spanish - Note 32

## Notes to the consolidated financial statements (continued)

The fair value of held-for-trading and available-for-sale investments has been determined based on their market prices or the quotations of the underlying assets (sovereign risk rates) on the date of the consolidated financial statements.

In the case of derivatives, their fair value is determined through the use of valuation techniques.

### Carrying amount and fair value of financial assets and liabilities:

Taking into account fair value considerations and the Official Letter 43078-2014-SBS, in which the SBS determined that fair value corresponds to the carrying amount in the case of loans and deposits, as of December 31, 2023 and 2022, the carrying amounts and fair values of the Bank's financial assets and liabilities are presented as follows:

	Carrying amount		Fair value	
	2023	2022	2023	2022
	S/(000)	S/(000)	S/(000)	S/(000)
<b>Assets</b>				
Cash and due from banks	9,431,609	12,145,003	9,431,609	12,145,003
Interbank funds	17,009	-	17,009	-
Investments at fair value through profit or loss and investment available-for-sale	15,148,595	11,591,723	15,148,595	11,591,723
Loan portfolio	70,647,238	69,122,387	70,647,238	69,122,387
Trading derivatives	1,237,496	1,349,619	1,237,496	1,349,619
Hedging derivatives	-	3,659	-	3,659
Accounts receivable, note 11	130,068	45,795	130,068	45,795
Other assets, note 11	4,319,735	976,762	4,319,735	976,762
<b>Total</b>	<b>100,931,750</b>	<b>95,234,948</b>	<b>100,931,750</b>	<b>95,234,948</b>
<b>Liabilities</b>				
Obligations with the public and deposits from financial institutions	70,726,777	66,901,546	70,726,777	66,901,546
Interbank funds	378,451	-	378,451	-
Debts and financial obligations	5,907,327	4,036,978	5,931,770	3,943,359
Trading derivatives	1,076,972	1,245,843	1,076,972	1,245,843
Hedging derivatives	93,486	103,628	93,486	103,628
Accounts payable, note 14	8,739,882	12,287,242	8,739,882	12,287,242
<b>Total</b>	<b>86,922,895</b>	<b>84,575,237</b>	<b>86,947,338</b>	<b>84,481,618</b>

Translation of financial statements originally issued in Spanish - Note 32

Notes to the consolidated financial statements (continued)

Assets and liabilities recorded at fair value according to the hierarchy level are presented as follows:

	2023				2022			
	Fair value S/(000)	Level 1 S/(000)	Level 2 S/(000)	Level 3 S/(000)	Fair value S/(000)	Level 1 S/(000)	Level 2 S/(000)	Level 3 S/(000)
<b>Assets</b>								
<b>Investments at fair value through profit or loss</b>								
Debt instruments	4,387,392	692,675	3,694,717	-	3,278,859	316,774	2,962,085	-
<b>Available-for-sale investments</b>								
Instruments representing capital	22,872	22,872	-	-	30,639	30,639	-	-
Instruments representing debt	10,737,210	7,438,877	3,298,333	-	8,281,104	4,307,377	3,973,727	-
Trading derivatives	1,237,496	-	1,237,496	-	1,349,619	-	1,349,619	-
Hedging derivatives	-	-	-	-	3,659	-	3,659	-
	<u>16,384,970</u>	<u>8,154,424</u>	<u>8,230,546</u>	<u>-</u>	<u>12,943,880</u>	<u>4,654,790</u>	<u>8,289,090</u>	<u>-</u>
<b>Liabilities</b>								
Borrowings and financial obligations	1,124,258	-	1,124,258	-	1,845,663	-	1,845,663	-
Trading derivatives	1,076,972	-	1,076,972	-	1,245,843	-	1,245,843	-
Hedging derivatives	93,486	-	93,486	-	103,628	-	103,628	-
	<u>2,294,716</u>	<u>-</u>	<u>2,294,716</u>	<u>-</u>	<u>3,195,134</u>	<u>-</u>	<u>3,195,134</u>	<u>-</u>



Translation of financial statements originally issued in Spanish - Note 32

Notes to the consolidated financial statements (continued)

Description of the valuation techniques for instruments recorded at fair value

Level 2		Valuation technique / Hypothesis	Main inputs used
Fixed and variable income		<b>Fixed income:</b> Present value of cash flows from bonds (coupons and face value): $Price_{bond} = \sum_{n=1}^N \frac{Coupon}{(1 + YTM)^n} + \frac{Face\ value}{(1 + YTM)^N}$	<ul style="list-style-type: none"><li>– <b>Fixed income:</b> Bond information (coupon rate, coupons payment frequency, face value)</li><li>– <b>Yield to Maturity (YTM):</b> Obtained from operations traded in Datatec so that the transaction is greater than or equal to S/2 million (internally defined condition).</li><li>– <b>Variable income:</b> closing price of Bloomberg, Reuters or the Lima Stock Exchange website.</li></ul>
		These cash flows are discounted at Yield to Maturity (YTM)	
		<b>Variable income:</b> The closing price is taken from a public source of information (Price Vendors). Does not have trading portfolio of variable income.	
Derivatives	(a) Forwards, IRS and CCS	Calculation of the present value of each component of the derivative (fixed/variable) considering the market interest rates and converting into soles at the exchange rate of that day (if necessary). It takes into account the variable flows (if any), flow projection, discount curves for each underlying, and current market interest rates.	<ul style="list-style-type: none"><li>– Forward points.</li><li>– Fixed vs variable price.</li><li>– Closing exchange rates.</li><li>– Market interest rate curves.</li></ul>
	(b) Options	<b>For options on shares, currency and raw materials</b> The hypothesis derived from the use of the Black-Scholes model takes into account the possible adjustments to convexity.  <b>For derivatives on interest rates</b> The hypothesis derived from the use of the Black-Scholes assumes a lognormal process of forward rates and model takes into account the possible adjustment to convexity.	<b>Derivatives on shares, currency and raw materials</b> <ul style="list-style-type: none"><li>– Forward structure of the underlying.</li><li>– Volatility of options.</li><li>– Observable correlations between the underlyings.</li></ul> <b>Derivatives on interest rates</b> <ul style="list-style-type: none"><li>– Term structure of interest rate curve.</li><li>– Volatility of the underlying.</li></ul>

## Translation of financial statements originally issued in Spanish - Note 32

### Notes to the consolidated financial statements (continued)

#### **31. Subsequent events**

The Bank is not aware of any subsequent events occurring between the closing date of these consolidated financial statements and the authorization date for their issuance, which may affect them significantly.

#### **32. Additional explanation for English translation**

The accompanying consolidated financial statements are presented based on the generally accepted accounting principles in Peru for financial entities. Certain accounting practices applied by the Bank, that conform to generally accepted accounting principles in Peru for financial entities, may differ in certain significant respects from generally accepted accounting principles in other countries. In the event of any discrepancy, the Spanish-language version prevails.



## Constancia de Habilitación

El Decano y el Director Secretario del Colegio de Contadores Públicos de Lima, que suscriben, declaran que, en base a los registros de la institución, se ha verificado que:

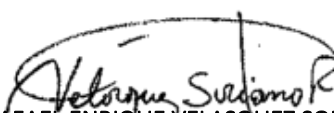
**TANAKA VALDIVIA & ASOCIADOS SOCIEDAD CIVIL  
DE RESPONSABILIDAD LIMITADA**

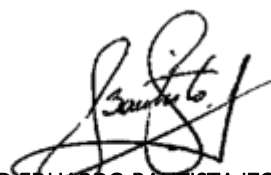
**N.º MATRICULA: S0761**

Se encuentra **HABIL**, para el ejercicio de las funciones profesionales que le faculta la Ley N.º 13253 y su modificación Ley N.º 28951 y conforme al Estatuto y Reglamento Interno de este Colegio; en fe de lo cual y a solicitud de parte, se le extiende la presente constancia para los efectos y usos que estime conveniente.

Esta constancia tiene vigencia hasta el 31 DICIEMBRE 2024.

Lima, 20 DE JULIO 2023.

  
CPC. RAFAEL ENRIQUE VELASQUEZ SORIANO  
DECANO

  
CPC. DAVID EDUARDO BAUTISTA IZQUIERDO  
DIRECTOR SECRETARIO

**EY | Assurance | Tax | Transactions | Advisory**

**About EY**

EY is the global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies over the world. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

For more information, please visit [ey.com/pe](https://ey.com/pe)

©EY

All Rights Reserved.

## 6.5. Additional information

### 6.5.1. General data

---

Business name	Banco BBVA Perú
RUC	20100130204
Address	Av. República de Panamá 3055, San Isidro, Lima
Phone	209-1000

---

#### Constitution and corporate purpose

GRI 2-1

Banco BBVA Perú, whose abbreviated name is BBVA, was constituted by public deed on August 20, 1951, granted by the notary's office of Dr. Ricardo Ortiz de Zevallos, and began operations on October 9 of the same year.

Its current corporate name was adopted by approval of the annual mandatory shareholders' meeting held on March 27, 2019, for which a partial amendment of its bylaws was made, the same as registered in entry No. B00025 of File No. 11014915 of the Juridical Entities Registry Office of Lima.

The Bank is registered in entry 1, on page 109, of volume 118 of Societies of the Lima Commercial Registry, and its continuation in file No. 117639 and file No. 11014915 of the Juridical Entities Registry Office of Lima. Its duration is indefinite, and its corporate purpose is to engage in all banking activities permitted by law.

Its main office is located in the city of Lima, district of San Isidro, along with 334 branches nationwide.

#### List of legal entities that constitute the economic group

GRI 2-2, 207-4

Banco BBVA Perú is part of the BBVA economic group (Banco Bilbao Vizcaya Argentaria). At the end of fiscal year 2023, the Bank has the following subsidiaries and investee companies\*:

- Banco BBVA Perú – BBVA 02-921015 - Bank
- BBVA Bolsa Sociedad Agente de Bolsa SA – BBVA SAB 03-970067 – Brokerage firm
- BBVA Asset Management SA SAF – BBVA SAF 04-972020 – Mutual fund management company
- BBVA Sociedad Titulizadora SA – BBVA Securitization T-00004-RPJ – Securitization company
- Inmuebles y Recuperaciones BBVA SA – IRBSA – Real estate company and general services
- Comercializadora Corporativa SAC – COMCORP SAC – Financial products trading company
- BBVA Consumer Finance Edpyme en liquidación – Small and Microenterprise Development Entity
- Forum Comercializadora del Perú SA en liquidación – Vehicle and insurance trading company
- Forum Distribuidora del Perú SA – Vehicle and insurance trading company

It is important to highlight that BBVA Perú Holding SAC and Holding Continental SA, whose shares are not registered in the Public Registry of the Stock Market (RPMV), are the majority shareholders of Banco BBVA Perú.

#### Subscribed and paid-in capital as of 12/31/2023

The subscribed and paid-in capital of the Bank is S/8,147,210,701.00, represented by an equal number of common voting shares, each with a nominal value of S/1.00 (one Peruvian Sol).

\*The non-financial information (sustainability) is framed solely within Banco BBVA Perú. It does not consider subsidiaries (unlike the consolidated financial statements, which do include subsidiaries).

\* **Note from the translator:** The names of the subsidiaries and investee companies will be presented in Spanish.

## Modifications during 2023

On March 30, 2023, the annual mandatory shareholders' meeting of the company approved the capitalization of profits amounting to S/765,026,737.00.

The shares representing the capital stock are dematerialized and represented by account entries in the name of each holder. During 2023, Peruvian regulations did not modify affecting Banco BBVA Perú's capital stock.

To date, BBVA Perú Holding S.A.C., a company wholly controlled by the BBVA Group, holds 46.12% of the shares representing the capital stock of Banco BBVA Perú. Likewise, the Breca Group holds the entire shareholding in Holding Continental S.A., as well as 46.12% of the shares representing the capital stock of the Bank.

## Constitution of subsidiaries

### Main shareholders as of December 31, 2023

Shareholders	Country	Shares	Stake	Rank
BBVA Perú Holding S. A. C.	Perú	3,757,617,270	46.12%	Greater than 10%
Holding Continental S. A.	Perú	3,757,617,270	46.12%	Greater than 10%
Others	Perú	95,714,969	1.17%	Between 1% and 5%
Others	Varios	536,261,192	6.59%	Less than 1%
<b>Total</b>		<b>8,147,210,701</b>	<b>100.00%</b>	

### Ownership

Ownership	Number of shareholders	Stake
Greater than 10%	2	92.24%
Between 5% and 10%	—	0.00%
Between 1% and 5%	1	1.17%
Less than 1%	8,995	6.59%
<b>Total</b>	<b>8,998</b>	<b>100.00%</b>

## 6.5.2. Description of operations and development

Banco BBVA Perú is a private law entity authorized to operate by the Superintendence of Banking, Insurance and Pension Funds (SBS), in accordance with Law No. 26702, General Law of the Financial System and the Insurance System and Organic Law of the Superintendence of Banking and Insurance, which establishes the regulatory and supervisory framework to which companies operating in the financial and insurance system are subject.

CIUU	6519
Term of duration	Indefinite

### Operations Development

The Bank was created in 1951 under the corporate name of Banco Continental. In 1970, it became part of the associated banking sector (nationalized). During the second quarter of 1995, its privatization took place, with the winning consortium in the auction being formed by the Spanish group Banco Bilbao Vizcaya (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 Public Offering of Securities mechanism.

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 Banco Continental, which may also be identified with the abbreviated name BBVA Continental. Subsequently, at the shareholders' meeting on March 27, 2019, the corporate name was changed to the current Banco BBVA Perú in response to a global corporate project aimed at rebranding the companies within the BBVA Group.

#### Company staff as of December 31, 2023

Staff	BBVA	BBVA and subsidiaries
Executives	115	117
Officials and specialists	4,468	4,592
Administrative	2,152	2,182
<b>Total</b>	<b>6,735</b>	<b>6,891</b>
Variation 2021-2022 (%)	8.93%	9.54%
Variation 2020-2021 (%)	3.64%	4.68%

### 6.5.3. Judicial, administrative, or arbitration processes

Banco BBVA Perú and its subsidiaries are involved in various legal proceedings. In the management's opinion, none of these affects or would affect the regular operation of its activities and businesses.

### 6.5.4. Administration

#### Brief profile of the board members

GRI 2-11

**Alex Fort Brescia**, Chairman of the Board. MBA from Columbia University (USA). Bachelor of Economics from Williams College (USA). He served as director of the bank since May 1995 and assumed the position of chairman of the board in June 2013. He has 25 years of experience in banking. He is Chairman of the Board of the BBVA Peru Foundation. He is also Chairman of the Board of Directors of Rímac Seguros. He is Co-Chair of the Breca Corporation and of the holding companies of Breca (Breca Banca, Breca Cementos, Breca Inmobiliaria, Breca Minería, Breca Pesca, Breca Pinturas, Breca Seguros and Health, Breca Specialized Services and Breca Tourism). Also, he is president of the board of directors of Holding Continental, Inmobiliaria San Patricio (Chile) and Melón (Chile). He is vice president of the board of the real estate companies of the Breca Group, Holding Vencedor, Peruvian Corporation of Chemical Products, National Tourism Investments, Minsur and Compañía Minera Raura, and director of Cumbres Andinas and Tecnológica de Alimentos. He is a member of the board of directors of Aporta, Breca's social impact platform; of the executive committee of Brein Hub, Breca's innovation platform, and Bodegas Viñas de Oro.

**Pedro Brescia Moreyra**, first vice president of the board of directors. Economist from Boston University (USA). He has been director of Banco BBVA Peru since May 1995. He has 25 years of experience in banking. He is a member of the board of the BBVA Peru Foundation. He is also co-chairman of Corporación Breca and of the Breca holdings (Breca Banca, Breca Cementos, Breca Inmobiliaria, Breca Minería, Breca Pesca, Breca Pinturas, Breca Seguros y Salud, Breca Servicios Especializados and Breca Turismo). He is also vice president of the board of Holding Continental and Rímac Seguros y Reaseguros. He is president of the board of the real estate companies of the Breca Group, of Holding Vencedor, Peruvian Corporation of Chemical Products and National Investments of Tourism, and director of Inmobiliaria San Patricio (Chile), Melón (Chile), Minsur, Compañía Minera Raura, Cumbres Andinas and Tecnológica de Alimentos. Likewise, he is a member of the board of directors of Aporta, Breca's social impact platform; of the Executive Committee of Brein Hub, Breca's innovation platform; and of Bodegas Viñas de Oro.

**Pablo Alfonso Pastor Muñoz**, second vice president. MBA - MS European and international business from ESCP Business School. Degree in Economics and Business from the University of Deusto (Spain). He has held the position since 13 July 2022. He is a 397 member of the board of the BBVA Peru Foundation. Similarly, he is Head of Global Risk Management in South America, Turkey, and M&A at BBVA. He is also a member of the

board of Garanti BBVA (Turkey) and Forum Servicios Financieros (Chile). He has held various management positions in the BBVA Group, such as Global Head of Wholesale Risk Discipline, Global Head of Wholesale Risk Management, Head Risk of CIB, Chief Risk Officer at Bancomer, among others.

**Fernando Eguiluz Lozano**, general manager director. International Executive MBA from the Adolfo Ibáñez University (Miami/Chile) - Deusto Business School (Spain); MBA from the Pan-American Institute of Senior Business Management. Industrial and Systems Engineer from the Monterrey Institute of Technology and Higher Studies (Mexico). He has held the position since July 2019. He chairs different internal committees of the Bank, including the Specialized Security and Cybersecurity Committee (CESIC), and is a member of the board of the BBVA Peru Foundation. 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 Corporate Banking, of Business Development, among other management positions at BBVA Bancomer SA.

**Fortunato Brescia Moreyra**, director. Mining Engineer from the Colorado School of Mines (USA) and the National Engineering University - UNI (Peru). He has held the position of director of Banco BBVA Peru since June 2013. He is a member of the board of Fundación BBVA Peru. He is also a member of the board of directors of Corporación Breca, Holding Continental, the Breca Holdings (Breca Banca, Breca Cementos, Breca Inmobiliaria, Breca Minería, Breca Pesca, Breca Pinturas, Breca Seguros y Salud, Breca Servicios Especializados and Breca Turismo), the real estate companies of the Breca Group, Holding Vencedor, Inmobiliaria San Patricio (Chile), the Peruvian Corporation of Chemical Products, National Tourism Investments, Melón (Chile) and Rimac Seguros y Reaseguros. He is president of the board of directors of Minsur, Compañía Minera Raura, and Cumbres Andinas. In the same way, he is vice president of the board of Tecnológica de Alimentos, president from the board of directors of Aporta, Breca's social impact platform; member of the Executive Committee of Business Administration; of Brein Hub, a platform for innovation from Breca, and from Bodegas Viñas de Oro.

**Mario Brescia Moreyra**, director. Business administrator from Ricardo Palma University. He has held the position of director of Banco BBVA Perú since March 1997. He is a member of the board of Fundación BBVA Perú. He is a member of the board of directors of Holding Continental, Corporación Breca, the Breca holdings (Breca Banca, Breca Cementos, Breca Inmobiliaria, Breca Minería, Breca Pesca, Breca Pinturas, Breca Seguros y Salud, Breca Servicios Especializados and Breca Turismo), of the real estate companies of the Group Breca, Vencedor Holding, Peruvian Chemical Products Corporation, National Tourism Investments, Minsur, Raura Mining Company, Cumbres Andinas and Rimac Insurance and Reinsurance. He is president of the board of Tecnológica de Alimentos and vice president of the board of Inmobiliaria San Patricio (Chile) and Melón (Chile). Similarly, he is vice president of the board of directors of Aporta, Breca's social impact platform; member of the executive committee of Brein Hub, Breca's innovation platform, and of Bodegas Viñas de Oro.

**José Ignacio Merino Martín**, director. Degree in Business Sciences, UPV-EHU (Spain), and chartered accountant member of the Official Register of Account Auditors of Spain (ROAC). He has been director of Banco BBVA Perú since April 2016. He is a member of the board of Fundación BBVA Perú. He was Risk Director of the South America Business Area at BBVA. He was also director of Retail Banking Risk 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 was a member of the board of directors of BBVA Previsión AFP in Bolivia.

**Rafael Varela Martínez**, director. Degree in Economics and Business Sciences from the University of Deusto (Spain) and an International MBA from the IE Business School (Spain). He has held the position since May 2020. He is a member of the board of the BBVA Peru Foundation. He has been the financial director of the BBVA Group in Chile, CEO of BBVA Puerto Rico, financial director of the Spain and Portugal area, and director of the Institutional Banking Business. In addition, he was Country Manager of BBVA in France, Director of Business Development Wholesale Banking BBVA America, Director of Management BBV Financial, BBV Strategic Planning Manager, and BBV Capital Markets Manager.



**José Carlos López Álvarez**, director. Studies in Economic Sciences at the University of Barcelona (Spain). He has held the position since June 2018. He is a member of the board of the BBVA Peru Foundation. He has been a member of the Spanish Chamber of Commerce in Argentina and a director of the Miguel de Cervantes Spanish School in Brazil. He has been the BBVA Group's corporate director, BBVA Real Estate (Spain) director, deputy director to the president at BBVA Francés (Argentina), and vice president of Risk and financial director at BBVA Brazil, among other positions.

### Independent directors

**José Manuel Rodríguez-Novás Sánchez-Diezma**, director. Master's Degree in Agricultural Industry Engineering from the ET Superior de Ingenieros Agronomists and MBA from IESE, 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 and Corporate Finance for BBVA Spain. He has been a member of the USA-Spain Chamber of Commerce board, among others.

**Ismael Alberto Benavides Ferreyros**, director. Master in Finance and Agricultural Engineering from the University of California, Berkeley (USA). He has held the position since March 2018. He is a member of the board of the BBVA Peru Foundation. He is director of Agroindustrial Huamaní SAC, Peruvian Institute of Technology, Innovation and Management - IPTIG, Foundation Pronaturaleza, Quimpac SA, Tubos y Perfiles Metálicos SA – Tupemesa and San Ignacio de Loyola University – USIL. Likewise, he has been general manager of the International Bank of Peru - Interbank, director of the InterAmerican Finance Bank – BanBif and president of the Association of Banks of Peru – Asbanc. In addition, he has been Minister of Economy and Finance, of Agriculture and Fisheries, director of the BCRP and general manager of Corporación Financiera de Desarrollo - 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. Was Appointed general manager in July 2019.

**Frank Erick Babarczy Rodríguez**, manager of the Corporate & Investment Banking area. Lawyer, MBA. He has held the position since March 2020.

**Luis Morales Espinosa** is the manager of the Client Solutions area. He is an Industrial Engineer who has held the position since March 2020.

**Marco Antonio Galdo Marín**, manager of the Retail Banking area. Economist. He has held the position since January 2019.

**Ignacio Fernández Palomero Morales**, manager of the Finance area. Economist. He has held the position since March 2017.

**Anabelí González Velapatiño**, manager of Legal Services. Lawyer. Master in Law. He has held the position since July 2019.

**Sandra Bianco Roa**, manager of the Business and Corporate Banking area. Economist. 399 He has held the position since June 1, 2022; previously, he held the position of manager of the Talent and Culture area from August 2018 to May 31, 2022.

**Héctor Javier Carrera Riva Palacio**, manager of the Engineering area. Degree in Computing. Master's Degree in Administration of Information Technology Services. Appointed in the position in May 2021.

**Vicente Puig Payá**, manager of the Risk area, has a degree in Law, and was appointed to his current position in September 2019.

**Enrique Medina García**, manager of the Talent and Culture area. Resource Certificate Humans. He has held the position since June 1, 2022; previously, he was the manager of the Transformation and Data area from December 2019 to May 31, 2022.

**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, has a master's in Financial Engineering and a certificate in Human Resources. He has held the position since January 2010 and participates in the Committee of Address as a guest.

### Degree of Kinship

Directors Mr. Pedro Brescia Moreyra, Mr. Mario Brescia Moreyra, and Mr. Fortunato Brescia Moreyra are second-degree collateral blood relatives.

Director Alex Fort Brescia is a fourth-degree collateral blood relative to Directors Mr. Pedro Brescia Moreyra, Mr. Fortunato Brescia Moreyra, and Mr. Mario Brescia Moreyra.

Furthermore, Directors Mr. Alex Fort Brescia, Mr. Pedro Brescia Moreyra, Mr. Mario Brescia Moreyra, and Mr. Fortunato Brescia Moreyra are also directors of Holding Continental S.A., which owns 46.12% of the shares of Banco BBVA Perú.

### Committees

#### GRI 2-12, 2-20

The Board of Directors established a delegated committee named the Nomination, Remuneration, and Talent Management Committee, whose primary function is to ensure that the design and implementation of the Bank's remuneration system are aligned with its business strategy, risk appetite, policies, and financial strength. This committee is composed of the general manager and three directors.

The Audit Committee, comprising four directors, is primarily responsible for overseeing the proper functioning of the internal control system and keeping the Board informed about compliance with internal policies and procedures.

The Compliance Committee, also consisting of three directors, is responsible for supervising the implementation of compliance policies, approving, modifying, and ensuring adherence to anti-corruption policies, as well as the annual evaluation of the effectiveness in managing compliance risk.

The Comprehensive Risk Committee, composed of the general manager, two directors, and the deputy general manager of the Risk area, is the body responsible for making decisions that affect the significant risks to which the company is exposed.

Finally, the Corporate Governance Committee, composed of four directors, is responsible for supervising corporate governance practices and policies and proposing improvements to them.

## 6.5.5. Financial information and financial statements

Details related to management's analysis and discussion about the results of operations, the financial-economic situation, and the financial statements, are shown and discussed in the sections: Management Report and Audited Financial Statements 2023.

### Changes in those responsible for preparing and reviewing financial information

There have been no changes in the areas responsible for preparing and compiling financial information for Banco BBVA Perú during 2023.

## 6.5.6. Information related to the stock market

### Behavior and operations of the company

During the 2023 fiscal year, 42,035,863 shares were traded on the Lima Stock Exchange for an amount of S/65,252,589.00 in 3,998 operations. A statistical summary of the quotation and movement of buy and sell transactions during this period is attached.

The record date for the right to cash dividends of S/0.12953936 per share was April 21, 2023. The record date for the entitlement to bonus shares at a rate of 10.363149% was June 16, 2023.

#### Evolution of common stock – Variable income

ISIN code	Nemonic	Year-month	Number of operations	Amount negotiated (S/)	Number of shares	Quotes (Soles)				
						Opening	Closing	Maximum	Minimum	Average
PEP116001004	BBVAC1	2023-01	305	4,419,983	2,533,386	1.72	1.71	1.78	1.70	1.74
PEP116001004	BBVAC1	2023-02	208	4,005,414	2,337,797	1.73	1.73	1.74	1.67	1.71
PEP116001004	BBVAC1	2023-03	247	4,368,706	2,537,166	1.73	1.74	1.75	1.69	1.72
PEP116001004	BBVAC1	2023-04	475	3,620,818	2,057,119	1.78	1.68	1.84	1.64	1.76
PEP116001004	BBVAC1	2023-05	345	3,921,373	2,350,462	1.70	1.72	1.73	1.63	1.67
PEP116001004	BBVAC1	2023-06	361	3,087,479	1,892,800	1.72	1.60	1.78	1.55	1.63
PEP116001004	BBVAC1	2023-07	428	11,069,206	6,967,165	1.58	1.53	1.64	1.53	1.59
PEP116001004	BBVAC1	2023-08	387	4,738,137	3,065,133	1.53	1.55	1.58	1.51	1.55
PEP116001004	BBVAC1	2023-09	321	2,389,818	1,588,228	1.54	1.49	1.55	1.47	1.50
PEP116001004	BBVAC1	2023-10	285	5,594,463	3,966,984	1.50	1.40	1.50	1.40	1.41
PEP116001004	BBVAC1	2023-11	241	8,694,681	6,284,752	1.40	1.38	1.40	1.33	1.38
PEP116001004	BBVAC1	2023-12	395	9,342,511	6,454,871	1.40	1.60	1.61	1.39	1.45
			3,998	65,252,589	42,035,863					

## Direct and indirect shareholding in other companies as of 12.31.2023

Institution	Stake
BBVA SAB	100%
BBVA SAF	100%
BBVA Securitization	100%
BBVA Consumer Finance EDPYME in liquidation	100%
Forum Comercializadora del Perú S. A. in liquidation	100%
Forum Distribuidora del Perú S. A.	100%
Real Estate and Recoveries BBVA S. A.	100%

	Number of members
CEOs	1
Independent directors	2
Other non-executive directors	8
<b>Total directory size</b>	<b>11</b>

Membership non-executive / independent with experience in the sector	10
Please list the directors non-executive / independent included in that group	Alex Fort Brescia, Pedro Brescia Moreyra, Pablo Alfonso Pastor Muñoz, Mario Brescia Moreyra, Fortunato Brescia Moreyra, José Ignacio Merino Martín, Rafael Varela Martínez, José Carlos López Álvarez, José Manuel Rodríguez-Novás Sánchez-Diezma, Ismael Alberto Benavides Ferreyros

Voting rights for one (1) share	Votes for share	Number of shares	Voting power (=votes per share x amount of shares)
Non-voting (excluding preferred shares and non-voting treasury)	—	—	—
One (1) vote	1	8,147,210,701	8,147,210,701
A vote with restricted voting rights. Please specify below:	—	—	—
Other, please specify the number of votes per share:	—	—	—
Other, please specify the number of votes per share:	—	—	—
Other, please specify the number of votes per share:	—	—	—
<b>Total</b>	<b>1</b>	<b>8,147,210,701</b>	<b>8,147,210,701</b>

## Distribution of the code of conduct

% relative to the total number of:	Coverage	Physical or Digital acknowledgment	Training provided
Employees	100%	100%	98%
Contractors / Suppliers	100%	100%	0%
Subsidiaries	100%	100%	100%

## Fifth corporate bond program

Feature	Second issuance
<b>Serie</b>	<b>A</b>
Class	Nominatives
Authorized amount	PEN 100,000,000 expandable to PEN 150,000,000
Placed amount	PEN 150,000,000
Representation	Account annotation
Term	15 years – No call option
Issuance Date	19-dec-11
Redemption date	19-dec-26
Interest rate	7.46875%
Spread over sovereign	132 pbs
Auction type	Dutch by rate
Placement price	100%
Interest payment date	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	At maturity
Demanded Amount	PEN 249,410,000
Demand / Offer	1.66x
Outstanding balance as of 29.12.2023	PEN 150,000,000

## Quotes

### Money market

Nemonic	Year-month	Currency	Opening %	Closing %	Maximum %	Minimum %	Average price %
BBVA5BC2A	2023-01	PEN	97.66	97.66	97.66	97.66	97.66
BBVA5BC2A	2023-02	PEN	98.44	98.44	98.44	98.44	98.44
BBVA5BC2A	2023-03	PEN	100.97	100.97	100.97	100.97	100.97
BBVA5BC2A	2023-04	PEN	101.86	101.86	101.86	101.86	101.86
BBVA5BC2A	2023-05	PEN	104.46	104.46	104.46	104.46	104.46
BBVA5BC2A	2023-06	PEN	100.49	100.49	100.49	100.49	100.49
BBVA5BC2A	2023-07	PEN	101.14	101.14	101.14	101.14	101.14
BBVA5BC2A	2023-08	PEN	102.17	102.17	102.17	102.17	102.17
BBVA5BC2A	2023-09	PEN	100.48	100.48	100.48	100.48	100.48
BBVA5BC2A	2023-10	PEN	101.36	101.36	101.36	101.36	101.36
BBVA5BC2A	2023-11	PEN	103.46	103.46	103.46	103.46	103.46
BBVA5BC2A	2023-12	PEN	101.62	101.62	101.62	101.62	101.62

## Seventh corporate bond program

Feature	Second issuance	Second issuance	Second issuance
Serie	A	B	C
Class	Nominatives	Nominatives	Nominatives
Authorized amount	USD 1,000,000,000,000	USD 1,000,000,000,000	USD 1,000,000,000,000
Placed Amount	PEN 100,000,000	PEN 73,465,000	PEN 96,550,000
Representation	Account entry	Account entry	Account entry
Term	5 years – No call option	5 years – No call option	5 years – No call option
Issue date	11-jul-18	15-aug-18	06-dec-19
Redemption date	11-jul-23	15-aug-23	06-dec-24
Interest rate	5.53125%	5.62500%	4.43750%
Spread over sovereign	117 pbs	120 pbs	124 pbs
Auction type	Dutch by rate	Dutch by rate	Dutch by rate
Placement price	100%	100%	100%
Interest payment	Semi-annual coupon	Semi-annual coupon	Semi-annual coupon
1	11-jan-19	15-feb-19	06-jun-20
2	11-jul-19	15-aug-19	06-dec-20
3	11-jan-20	15-feb-20	06-jun-21
4	11-jul-20	15-aug-20	06-dec-21
5	11-jan-21	15-feb-21	06-jun-22
6	11-jul-21	15-aug-21	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
Demanded amount	PEN 205,275,000	PEN 181,750,000	PEN 154,550,000
Demand / Offer	2.05x	2.47x	1.60x
Outstanding balance as of 12.30.23	PEN 100,000,000	PEN 73,465,000	PEN 96,550,000

## Quotes

### Money market

Nemonic	Year-month	Currency	Opening %	Closing %	Maximum %	Minimum %	Average price %
BBVA7BC2A	2023-01	PEN	99.20	99.20	99.20	99.20	99.20
BBVA7BC2A	2023-02	PEN	99.88	99.88	99.88	99.88	99.88
BBVA7BC2A	2023-03	PEN	100.45	100.45	100.45	100.45	100.45
BBVA7BC2A	2023-04	PEN	101.08	101.08	101.08	101.08	101.08
BBVA7BC2A	2023-05	PEN	101.86	101.86	101.86	101.86	101.86
BBVA7BC2A	2023-06	PEN	102.51	102.51	102.51	102.51	102.51
BBVA7BC2B	2023-01	PEN	101.31	101.31	101.31	101.31	101.31
BBVA7BC2B	2023-02	PEN	99.23	99.23	99.23	99.23	99.23
BBVA7BC2B	2023-03	PEN	99.75	99.75	99.75	99.75	99.75
BBVA7BC2B	2023-04	PEN	100.37	100.37	100.37	100.37	100.37
BBVA7BC2B	2023-05	PEN	101.20	101.20	101.20	101.20	101.20
BBVA7BC2B	2023-06	PEN	101.78	101.78	101.78	101.78	101.78
BBVA7BC2B	2023-07	PEN	102.47	102.47	102.47	102.47	102.47
BBVA7BC2C	2023-01	PEN	94.40	94.40	94.40	94.40	94.40
BBVA7BC2C	2023-02	PEN	95.33	95.33	95.33	95.33	95.33
BBVA7BC2C	2023-03	PEN	96.37	96.37	96.37	96.37	96.37
BBVA7BC2C	2023-04	PEN	97.17	97.17	97.17	97.17	97.17
BBVA7BC2C	2023-05	PEN	99.18	99.18	99.18	99.18	99.18
BBVA7BC2C	2023-06	PEN	96.67	96.67	96.67	96.67	96.67
BBVA7BC2C	2023-07	PEN	97.33	97.33	97.33	97.33	97.33
BBVA7BC2C	2023-08	PEN	97.65	97.65	97.65	97.65	97.65
BBVA7BC2C	2023-09	PEN	97.66	97.66	97.66	97.66	97.66
BBVA7BC2C	2023-10	PEN	98.57	98.57	98.57	98.57	98.57
BBVA7BC2C	2023-11	PEN	99.46	99.46	99.46	99.46	99.46
BBVA7BC2C	2023-12	PEN	98.18	98.18	98.18	98.18	98.18



## First subordinated bond program

Feature	Third issuance
<b>Serie</b>	<b>A</b>
Class	Nominatives
Authorized amount	PEN 55,000,000
Placed Amount	PEN 55,000,000
Representation	Account entry
Term	25 years – No call option
Issue date	18-jun-07
Redemption date (Call)	—
Fecha de redención	18-jun-32
Interest rate	VAC + 3.46875%
Auction type	Dutch by rate
Placement price	100.000%
Interest payment	Semi-annual coupon
1	18-dec-07
2	18-jun-08
3	18-dec-08
4	18-jun-09
5	18-dec-09
6	18-jun-10
7	18-dec-10
8	18-jun-11
9	18-dec-11
10	18-jun-12
11	18-dec-12
12	18-jun-13
13	18-dec-13
14	18-jun-14
15	18-dec-14
16	18-jun-15
17	18-dec-15
18	18-jun-16
19	18-dec-16
20	18-jun-17
21	18-dec-17
22	18-jun-18
23	18-dec-18
24	18-jun-19
25	18-dec-19
26	18-jun-20
27	18-dec-20
28	18-jun-21
29	18-dec-21
30	18-jun-22
31	18-dec-22
32	18-jun-23
33	18-dec-23
34	18-jun-24
35	18-dec-24
36	18-jun-25
37	18-dec-25
38	18-jun-26
39	18-dec-26
40	18-jun-27
41	18-dec-27
42	18-jun-28

>

Feature	Third issuance
>	
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 the expiration
Demanded amount	PEN 126,500,000
Demand / Offer	2.30x
Outstanding balance as of 12.30.23	PEN 55,000,000

## Quotes

### Money market

Nemonic	Year-month	Currency	Opening %	Closing %	Maximum %	Minimum %	Average price %
BBVA1BS3A	2023-01	VAC	91.74	91.74	91.74	91.74	91.74
BBVA1BS3A	2023-02	VAC	92.45	92.45	92.45	92.45	92.45
BBVA1BS3A	2023-03	VAC	94.80	94.80	94.80	94.80	94.80
BBVA1BS3A	2023-04	VAC	96.55	96.55	96.55	96.55	96.55
BBVA1BS3A	2023-05	VAC	99.72	99.72	99.72	99.72	99.72
BBVA1BS3A	2023-06	VAC	99.07	99.07	99.07	99.07	99.07
BBVA1BS3A	2023-07	VAC	98.24	98.24	98.24	98.24	98.24
BBVA1BS3A	2023-08	VAC	97.70	97.70	97.70	97.70	97.70
BBVA1BS3A	2023-09	VAC	94.60	94.60	94.60	94.60	94.60
BBVA1BS3A	2023-10	VAC	93.13	93.13	93.13	93.13	93.13
BBVA1BS3A	2023-11	VAC	96.36	96.36	96.36	96.36	96.36
BBVA1BS3A	2023-12	VAC	97.08	97.08	97.08	97.08	97.08

## Second subordinated bond program

Feature	Second issuance	Third issuance	Fourth issuance	Fifth issuance	Sixth issuance
<b>Serie</b>	<b>A</b>	<b>A</b>	<b>Unique</b>	<b>Unique</b>	<b>A</b>
Class	Nominatives	Nominatives	Nominatives	Nominatives	Nominatives
Authorized amount	PEN 50,000,000	USD 20,000,000	PEN 45,000,000	PEN 50,000,000	PEN 30,000,000
Placed amount	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
Term	25 years – No call option	20 years – No call option	15 years – No call option	15 years – No call option	25 years – No call option
Issuance 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	Dutch by price	Dutch by price	Dutch by price	Dutch by price	Dutch by price
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

>

Feature	Second issuance	Third issuance	Fourth issuance	Fifth issuance	Sixth issuance
>					
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 the expiration	To the expiration	To the expiration	To the expiration	To the expiration
Demanded amount	PEN 168,000,000	USD 37,300,000	PEN 140,000,000	PEN 120,500,000	PEN 61,500,000
Demand / Offer	3.36x	1.87x	3.11x	2.41x	2.05x
Outstanding balance at 29.12.2023	PEN 50,000,000	USD 20,000,000	PEN 45,000,000	PEN 50,000,000	PEN 30,000,000

## Quotes

### Money market

Nemonic	Year-month	Currency	Opening %	Closing %	Maximum %	Minimum %	Average price %
BBVA2BS2A	2023-01	VAC	92.57	92.57	92.57	92.57	92.57
BBVA2BS2A	2023-02	VAC	93.34	93.34	93.34	93.34	93.34
BBVA2BS2A	2023-03	VAC	95.60	95.60	95.60	95.60	95.60
BBVA2BS2A	2023-04	VAC	97.40	97.40	97.40	97.40	97.40
BBVA2BS2A	2023-05	VAC	97.51	97.51	97.51	97.51	97.51
BBVA2BS2A	2023-06	VAC	100.08	100.08	100.08	100.08	100.08
BBVA2BS2A	2023-07	VAC	99.14	99.14	99.14	99.14	99.14
BBVA2BS2A	2023-08	VAC	98.61	98.61	98.61	98.61	98.61
BBVA2BS2A	2023-09	VAC	95.40	95.40	95.40	95.40	95.40
BBVA2BS2A	2023-10	VAC	93.80	93.80	93.80	93.80	93.80
BBVA2BS2A	2023-11	VAC	94.05	94.05	94.05	94.05	94.05
BBVA2BS2A	2023-12	VAC	98.02	98.02	98.02	98.02	98.02
BBVA2BS3A	2023-01	USD	96.39	96.39	96.39	96.39	96.39
BBVA2BS3A	2023-02	USD	93.95	93.95	93.95	93.95	93.95
BBVA2BS3A	2023-03	USD	96.52	96.52	96.52	96.52	96.52
BBVA2BS3A	2023-04	USD	97.49	97.49	97.49	97.49	97.49
BBVA2BS3A	2023-05	USD	98.03	98.03	98.03	98.03	98.03
BBVA2BS3A	2023-06	USD	98.31	98.31	98.31	98.31	98.31
BBVA2BS3A	2023-07	USD	97.71	97.71	97.71	97.71	97.71
BBVA2BS3A	2023-08	USD	94.95	94.95	94.95	94.95	94.95
BBVA2BS3A	2023-09	USD	94.10	94.10	94.10	94.10	94.10
BBVA2BS3A	2023-10	USD	94.00	94.00	94.00	94.00	94.00
BBVA2BS3A	2023-11	USD	95.71	95.71	95.71	95.71	95.71
BBVA2BS3A	2023-12	USD	97.73	97.73	97.73	97.73	97.73
BBVA2BS4U	2023-01	VAC	100.84	100.84	100.84	100.84	100.84
BBVA2BS4U	2023-02	VAC	101.18	101.18	101.18	101.18	101.18
BBVA2BS4U	2023-03	VAC	101.52	101.52	101.52	101.52	101.52
BBVA2BS4U	2023-04	VAC	101.98	101.98	101.98	101.98	101.98
BBVA2BS4U	2023-05	VAC	102.39	102.39	102.39	102.39	102.39
BBVA2BS4U	2023-06	VAC	102.53	102.53	102.53	102.53	102.53
BBVA2BS5U	2023-01	VAC	102.59	102.59	102.59	102.59	102.59
BBVA2BS5U	2023-02	VAC	103.02	103.02	103.02	103.02	103.02
BBVA2BS5U	2023-03	VAC	101.05	101.05	101.05	101.05	101.05
BBVA2BS5U	2023-04	VAC	101.48	101.48	101.48	101.48	101.48
BBVA2BS5U	2023-05	VAC	102.08	102.08	102.08	102.08	102.08
BBVA2BS5U	2023-06	VAC	102.25	102.25	102.25	102.25	102.25
BBVA2BS5U	2023-07	VAC	101.94	101.94	101.94	101.94	101.94
BBVA2BS5U	2023-08	VAC	102.40	102.40	102.40	102.40	102.40
BBVA2BS6A	2023-01	VAC	96.64	96.64	96.64	96.64	96.64
BBVA2BS6A	2023-02	VAC	97.58	97.58	97.58	97.58	97.58
BBVA2BS6A	2023-03	VAC	99.74	99.74	99.74	99.74	99.74
BBVA2BS6A	2023-04	VAC	101.70	101.70	101.70	101.70	101.70
BBVA2BS6A	2023-05	VAC	104.99	104.99	104.99	104.99	104.99
BBVA2BS6A	2023-06	VAC	104.64	104.64	104.64	104.64	104.64
BBVA2BS6A	2023-07	VAC	103.41	103.41	103.41	103.41	103.41
BBVA2BS6A	2023-08	VAC	102.89	102.89	102.89	102.89	102.89
BBVA2BS6A	2023-09	VAC	99.32	99.32	99.32	99.32	99.32
BBVA2BS6A	2023-10	VAC	97.37	97.37	97.37	97.37	97.37
BBVA2BS6A	2023-11	VAC	101.14	101.14	101.14	101.14	101.14
BBVA2BS6A	2023-12	VAC	102.21	102.21	102.21	102.21	102.21

## Third subordinated bond program

Feature	First issuance
<b>Serie</b>	<b>Unique</b>
Class	Nominatives
Authorized amount	USD 55,000,000
Placed amount	USD 45,000,000
Representation	Account entry
Term	15 years
Issuance date	02-oct-13
Redemption date (Call)	02-oct-23
Redemption date	02-oct-28
Interest rate	6.531%
Auction type	Dutch by fee
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 the expiration
Demanded amount	USD 67,000,000
Demand / Offer	1.489x
Outstanding balance as of 12.30.23	USD 45,000,000

## Quotes

### Money market

Nemonic	Year-month	Currency	Opening %	Closing %	Maximum %	Minimum %	Average price %
BBVA3BS1U	2023-01	USD	98.87	98.87	98.87	98.87	98.87
BBVA3BS1U	2023-02	USD	99.87	99.87	99.87	99.87	99.87
BBVA3BS1U	2023-03	USD	101.27	101.27	101.27	101.27	101.27
BBVA3BS1U	2023-04	USD	99.32	99.32	99.32	99.32	99.32
BBVA3BS1U	2023-05	USD	100.43	100.43	100.43	100.43	100.43
BBVA3BS1U	2023-06	USD	101.02	101.02	101.02	101.02	101.02
BBVA3BS1U	2023-07	USD	100.38	100.38	100.38	100.38	100.38
BBVA3BS1U	2023-08	USD	101.30	101.30	101.30	101.30	101.30
BBVA3BS1U	2023-09	USD	103.15	103.15	103.15	103.15	103.15

## Corporate bonds 144A/RegS

Feature	First issuance
<b>Serie</b>	<b>Unique</b>
Class	Nominatives
Authorized amount	USD 300,000,000
Placed amount	USD 300,000,000
Representation	Account entry
Term	15 years – Call option 10 years
Issuance date	22-sep-14
Redemption date	22-sep-29
Interest rate	5.3390%
Spread over UST (U.S. Treasuries)	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 the expiration
Amount demanded	USD 2,371,015,000
Demand / Offer	7.9x
Outstanding balance as of 12.30.23	USD 300,000,000



## Quotes

First broadcast

### Money market

Nemonic	Year-month	Currency	Opening %	Closing %	Maximum %	Minimum %	Average price %
USP16236AG98	2023-01	USD	97.56	97.56	97.56	97.56	97.56
USP16236AG98	2023-02	USD	96.91	96.91	96.91	96.91	96.91
USP16236AG98	2023-03	USD	97.22	97.22	97.22	97.22	97.22
USP16236AG98	2023-04	USD	97.85	97.85	97.85	97.85	97.85
USP16236AG98	2023-05	USD	98.16	98.16	98.16	98.16	98.16
USP16236AG98	2023-06	USD	97.53	97.53	97.53	97.53	97.53
USP16236AG98	2023-07	USD	98.12	98.12	98.12	98.12	98.12
USP16236AG98	2023-08	USD	98.01	98.01	98.01	98.01	98.01
USP16236AG98	2023-09	USD	97.75	97.75	97.75	97.75	97.75
USP16236AG98	2023-10	USD	97.42	97.42	97.42	97.42	97.42
USP16236AG98	2023-11	USD	98.18	98.18	98.18	98.18	98.18
USP16236AG98	2023-12	USD	98.96	98.96	98.96	98.96	98.96

## 6.5.7. Code Compliance Report of good corporate governance for Peruvian companies (10150)

Name	Banco BBVA Perú
Year	2023
Website	www.bbva.pe
Denomination or Business name of the reviewing company <sup>1</sup>	

### Methodology

Companies with securities registered in the Public Registry of the Securities Market must disclose their corporate governance practices to the public by reporting their adherence to the principles contained in the Corporate Governance Code for Peruvian Companies<sup>2</sup>.

The information presented covers the fiscal year ending December 31 of the calendar year preceding its submission. Therefore, any reference to “the fiscal year” should be understood as referring to the abovementioned period. This information is submitted as an annex to the company's annual report in the electronic formats established by the Superintendence of the Securities Market (SMV) to facilitate the submission of this report through the MVnet system.

**Section A** includes a presentation letter from the company, highlighting the main advances in corporate governance achieved during the fiscal year.

**Section B** reveals the level of compliance with the principles of the code. To this end, the report is structured in accordance with the five pillars it comprises:

- I. Rights of shareholders.
- II. General meeting of shareholders.
- III. Board of Directors and senior management<sup>3</sup>.
- IV. Risk and compliance.
- V. Transparency of information.

Each principle is evaluated based on the following parameters:

a) **Evaluation “Comply or explain”**: the level of compliance achieved by the company is marked with an (x), considering the following criteria:

- Yes    The principle is fully met.  
No:    The principle is not fulfilled.

**Explanation**: in this field, the company, if it has marked the “No” option, must explain the reasons for not adopting the principle or the actions taken that allow it to consider progress towards its compliance or partial adoption, as applicable.

Additionally, if deemed necessary, if the “Yes” option is marked, the company may provide information about the compliance of the principle.

b) **Supporting information**: details how the company has implemented the principle.

**Section C** lists the company's documents that regulate policies, procedures, or other relevant aspects of the evaluated principles.

**Section D** includes additional information not covered in the previous sections or other relevant information that the company freely decides to include so that investors and various stakeholders can have a broader understanding of the corporate governance practices implemented by the company.

<sup>1</sup> It is only applicable if the information contained in this report has been examined by a specialized company (for example, an audit or consulting company).

<sup>2</sup> The Code of Good Corporate Governance for Peruvian Companies (2013) can be consulted in the Guidance – Corporate Governance section of the Stock Market Portal: [www.smv.gob.pe](http://www.smv.gob.pe)

<sup>3</sup> “Senior management” includes the general manager and other managers.

## Section A

### Presentation letter<sup>4</sup>

During 2023, Banco BBVA Perú continued to strengthen and consolidate its corporate governance system as a fundamental pillar of its growth and the achievement of its strategic objectives.

As part of the BBVA Group's commitment to complying with ESG (environmental, social, and governance) factors, which include components such as gender equity, diversity, and inclusion, Banco BBVA Perú created its diversity committee. This committee aims to drive initiatives to build a more inclusive bank, positioning it as a company capable of attracting and retaining the most diverse talent.

Several actions were taken on this topic to advance in balancing opportunities and working conditions available for both women and men. Among the most notable was the application of the 'Rooney Rule,' committing to interview 50% female candidates for leadership positions within the organization; raising employee awareness through talks on unconscious biases, diversity, and inclusion; and implementing programs such as "Yo soy talento femenino" for CIB, based on knowledge and experience transfer for women considered as such. These women had a mentor from their same area who guided, challenged, and motivated them in their career development process to accelerate their growth in the workplace.

In 2023, Banco BBVA Perú reaffirmed its commitment to making the opportunities of this new era available to everyone. The bank hosted the "Diversity Days," global events where different countries showcased their diversity, equity, and inclusion achievements. Banco BBVA Perú strives to create an environment where everyone feels included, ensuring an experience that enhances the essence of the employee and brings out their best version.

Furthermore, Banco BBVA Perú is included in the S&P/BVL Peru General ESG Index of the Lima Stock Exchange, Peru's first sustainable stock index. It is also the only Peruvian bank included for the third consecutive year in the Dow Jones Sustainability MILA Pacific Alliance Index (DJSI MILA Pacific Alliance), a ranking that analyzes the performance of companies with the highest sustainability ratings in the Pacific Alliance countries, namely Chile, Colombia, Mexico, and Peru. This highlights the bank's commitment to being a key player in the "2025 Commitment" assumed by the BBVA Group through sustainable financing initiatives that generate value for the bank and its clients, helping the latter make better investment decisions.

Finally, we hope that this presentation letter will be considered as a reaffirmation to our clients, shareholders, investors, and society in general of our firm and unwavering commitment to a more sustainable and inclusive society.

Lima, February 22, 2024.

<sup>4</sup> The main actions implemented during the year are described 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): rights of the shareholders, General Meeting, The board of directors and senior management, Risk and compliance, and transparency of information.

## Sección 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 a treatment equal to shareholders of the same class and who maintain the same conditions <sup>(*)</sup> ?	X		Both the statute and the regulations of the General Shareholders' Meeting (GSM) grant equal treatment to shareholders.

(\*) By "same conditions," 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.) are understood. It should 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 have shares with voting rights?	X		The statute contemplates only the existence of shares with voting rights.

a. Regarding the capital of the company, specify:

Subscribed capital at the end of the financial year	Paid-in capital at the end of the financial year	Total number of shares representative of capital
S/8,147,210,701.00	S/8,147,210,701.00	8,147,210,701.00

b. Detail the following information for each class of shares that the company has:

Class	Number of shares	Nominal value	Political rights <sup>(*)</sup>	Economic rights <sup>(*)</sup>
Common	8,147,210,701.00	S/1.00	Totals	Totals

(\*) In these fields, the particular rights of the class must be indicated, such as participation and voting in the GSM, subscription of shares, treatment in corporate reorganization, transfer of rights, others.

###### Question I.3

	Yes	No	Explanation
If the company has investment shares, does the company execute a policy of redemption or voluntary exchange of investment shares for ordinary shares?			Not applicable

## Principle 2: Participation of the shareholders

### Question I.4

	Yes	No	Explanation
1. Does the company expressly state in its corporate documents the form of representation of the actions and who carries the registration in the registration of shares?	X		The statute and the regulations of the GSM establish the form of representation of the actions. Responsibilities related to the registration of ownership of shares are established in the company's internal regulations.
2. Does the share registration remain permanently updated?	X		The company has up to date the registration of shareholders in notation in account before Cavali, as well as in his internal application.

Indicate the frequency with which the share registration is updated, after having taken knowledge of any change.

Frequency	
Within 48 hours	
Weekly	
Others / Detail (in days)	One day after the settlement date issued by Cavali.

## Principle 3: No dilution in share capital

### Question I.5

	Yes	No	Explanation
1. Does the company have a policy that proposals from the Board of Directors related to corporate transactions that might affect the shareholders' right of anti-dilution (e.g., mergers, acquisitions, spin-offs, capital increases, among others) be explained in advance by the Board in a detailed report with an independent opinion from a reputable external advisor appointed by the Board?	X		The company's Board of Directors' regulations stipulate that when this body proposes a corporate transaction that could affect the shareholders' anti-dilution rights, it must include a detailed report prepared by the Board itself, along with an independent opinion from a reputable external advisor.
2. Does the company have a policy of making these reports available to shareholders?	X		The GSM regulations state that the relationship between the company and its shareholders is based on the principle of transparency. In this regard, there is an obligation to determine the appropriate means to ensure the communication of all information that is important to shareholders and investors in a correct and truthful manner, disseminating facts that could significantly influence the stock price.

If the company has carried out corporate transactions during the fiscal year that fall under the scope of item a) of question I.5, and if the company has independent directors<sup>(\*)</sup>, specify whether in all cases:

	Yes	No
Did the company obtain the favorable vote of all Independent Directors for the appointment of the external advisor?		
Did all Independent Directors clearly express their acceptance of the report and, if applicable, provide reasons for any dissent?		

(\*) Independent directors are those who qualify as such according to the Guidelines for the Qualification of Independent Directors approved by the Securities Market Superintendency (SMV).

#### Principle 4: Information and communication to shareholders

##### Question I.6

	Yes	No	Explanation
Does the company identify the responsible parties and methods to ensure that shareholders receive and/or request accurate, sufficient, and timely information?	X		The company provides assistance to shareholders through its Shareholder Assistance Office, which can be contacted via email at <a href="mailto:accionistas.pe@bbva.com">accionistas.pe@bbva.com</a> . The General Shareholders' Meeting (GSM) regulations govern the relationships between the entity and its shareholders, including how they access information about the company. Additionally, relevant information is made available to shareholders on the company's website.

a. Indicate the methods through which shareholders receive and/or request information from the company.

Media	Receive information	Request information
At the offices of the company	X	X
Email	X	X
Via telephone	—	—
Corporate website	X	—
Postal mail	—	X
Informative meetings (face-to-face or virtual)	—	—
Social networks	—	—
Others / Detail	SMV website; Shareholder Service Office.	

b. Does the company have and adhere to a formally established maximum time frame to respond to information requests made by shareholders?

Yes ☒ No ☐

If the answer is affirmative, specify the time frame:

Maximum time frame (in business days) 10

**Question I.7**

	Yes	No	Explanation
Do shareholders have mechanisms to express their opinions about the company's management?	X		In the General Shareholders' Meeting (GSM) regulations, the company establishes the mechanism that allows shareholders to propose and introduce agenda items to be discussed in shareholders' meetings.

If affirmative, indicate the means by which shareholders express their opinions on the company's management.

Media	Express your opinion
At the offices of the company	
Email	
Via telephone	
Corporate website	
Postal mail	
Informative meetings (face-to-face or virtual)	
Social networks	
Others / Detail	The details of these mechanisms are contained in the GSM regulations.

**Principle 5: Participation in company's dividends****Question I.8**

	Yes	No	Explanation
1. Is the adherence to the dividend policy subject to evaluations at defined intervals?		X	The Bank's dividend policy is always subject to verification of the legal requirements outlined in banking regulations and is continuously evaluated. However, there is no written internal document or procedure on this matter.
2. Is the dividend policy made known to the shareholders?	X		The dividend policy is disseminated both on the Bank's website and on the SMV portal.

a. If your answer to numeral 2 of Question I.8 is affirmative, specify the means by which the company made its dividend policy available to shareholders.

Media	Dividend Policy Provision
At the offices of the company	X
Email	X
Via telephone	
Corporate website	X
Postal mail	
Briefings (face-to-face or virtual)	
Social networks	
Others / Detail	SMV portal.

b. Has the company's dividend policy been complied with in the reporting year?

Yes ☒ No ☐

If the answer was negative, indicate the reasons or explanations why the company did not comply with its dividend policy during the period.

c. Indicate the dividend policy of the company applicable to the year.

Approval date	30/03/2023
Criteria for profit distribution according to the dividend policy	<p>Pay dividends in cash, and the shareholders' meeting may also approve payment in shares. At least 10% of freely available profits will be distributed provided that: (i) the decision does not affect the Bank's capital growth requirements; (ii) the economic and financial conditions, and the environment in which the Bank carries out its activities, as permitted; and (iii) said distribution does not generate breaches of the global limit and/or the buffer requirements and/or the Bank's effective equity requirements due to additional risks. Dividends will be distributed to the extent that there are freely available profits, there are profits from previous years or there are optional reserves. Dividends may not be distributed against future results of the Bank. The general meeting of shareholders may delegate to the board of directors the power to determine the criteria for the distribution of dividends, as well as the timing of their distribution, taking into account compliance with the preceding rules. The payment of dividends will be verified within 60 calendar days following the adoption of the respective distribution agreement. The Bank's board of directors may recommend to the shareholders' meeting the distribution of dividends in a percentage of less than 10% or even the non-distribution of dividends, in case (i) the legal requirements indicated in the (LGSF) or in the applicable (Resolutions) will be affected; (ii) the Bank's capital growth requirements are affected; and/or (iii) that the economic and financial conditions and/or the environment in which the Bank carries out its activities do not advise it.</p>

d. Indicate the cash and stock dividends distributed by the company during the current fiscal year and the previous fiscal year.

Per share	Stock dividends			
	Reporting exercise		Year prior to reporting	
	In cash	In share	In cash	In share
Class	0.12953936	0.10363149	0.11535849	0.09228679
Class	—	—	—	—
Investment share	—	—	—	—



## Principle 6: Change or acquisition of control

### Question I.9

	Yes	No	Explanation
Does the company maintain policies or agreements against adopting anti-takeover mechanisms?	X		The company's bylaws and policies do not establish control absorption mechanisms (such as poison pills or any other type of mechanism aimed at restricting a change of control in the company).

Indicate if your company has established any of the following measures:

	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 Chairman of the Board		X
Indemnity agreements for executives/officials as a result of changes after a control takeover and/or corporate reorganization		X
Others of a similar nature / Detail (example: establishment of supermajorities to approve mergers, stock option plans for employees, among others)	—	

## Principle 7: Arbitration for dispute resolution

### Question I.10

	Yes	No	Explanation
1. Do the company's bylaws include an arbitration agreement that acknowledges submission to arbitration for any disputes between shareholders or between shareholders and the Board of Directors, as well as for the challenge of General Shareholders' Meeting (GSM) and Board of Directors' resolutions by the shareholders of the company?	X		The bylaws establish that any issue or disagreement between any shareholder and the company and its board, whether during the company's operational period or during liquidation, regarding the interpretation and application of the bylaws or company operations, will be submitted to arbitration by a legal arbitration panel composed of three arbitrators.
2. Does this clause allow an independent third party to resolve disputes, except in cases where there is an express legal reservation to the ordinary courts?	X		The company considers the Arbitration Tribunal to be the appropriate instance for resolving conflicts, except in cases where there is an express legal reservation to the ordinary courts.

If any resolutions of the General Shareholders' Meeting (GSM) or Board of Directors were challenged by shareholders or others involving the company during the period, please specify the number.

Number of challenges to resolutions of the General Shareholders' Meeting (GSM)	—
Number of challenges to resolutions of the Board of Directors	—

## PILLAR II: General Shareholders' Meeting (GSM)

### Principle 8: Function and competence

#### Question II.1

	Yes	No	Explanation
Is it the exclusive and non-delegable function of the General Shareholders' Meeting (GSM) to approve the Board's remuneration policy?	X		Both the bylaws and the General Shareholders' Meeting (GSM) regulations state that among its functions are setting the number of board members and their remuneration.

Indicate whether the following functions are exclusive to the General Shareholders' Meeting (GSM). If not, specify which body exercises them.

	Yes	No	Management
Conduct special investigations and audits		X	The GSM and board of directors.
Agree to amend the bylaws	X		However, according to
Approve the increase in share capital	X		Resolution SBS No. 4595-2009, the Board of Directors can be delegated the authority to undertake commitments for future capitalization of profits.
Approve interim dividend distributions	X		However, according to the General Financial System Law, profits cannot be distributed based on net earnings of an annual period until the GSM approves the final balance and the respective distribution of profits.
Appoint external auditors		X	The GSM and board of directors.

### Principle 9: General Shareholders' Meeting (GSM) regulations

#### Question II.2

	Yes	No	Explanation
Does the company have a GSM Regulation that is binding and whose non-compliance leads to responsibility?	X		The company has a GSM Regulation, approved by the General Shareholders' Meeting on March 31, 2014.

a. Specify whether the following procedures are covered in the GSM Regulation or, if not, indicate in which document the procedure is outlined, if applicable:

	Yes	No	Name of the document
Call for face-to-face GSMs	X		GSM Regulations.
Convocation for non-in-person GSMs in accordance with the Statute or regulations permitting such modality	X		GSM Regulations.
Incorporation of agenda items by shareholders	X		GSM Regulations.
Provision of additional information to shareholders for GSMs	X		GSM Regulations.
Development of GSMs	X		GSM Regulations.
Appointment of Board members	X		GSM Regulations.
Representation of shareholders at GSMs	X		GSM Regulations.
Shareholder participation in GSMs	X		GSM Regulations.
Distance voting via electronic or postal means	X		GSM Regulations.
Other relevant in the GSM Regulation / Detail	Right to request certified copies of minutes, regulation of conflicts of interest, among others.		

b. Indicate whether the procedure regulating the conduct of the GGA session establishes mechanisms for shareholders to express their opinions on the following matters:

	Yes	No
1. On the management of the company and its financial results	X	
2. On a new proposal for an agreement, regarding one or more items on the agenda		X

## Principle 10: Call mechanisms

### Question II.3

	Yes	No	Explanation
In addition to the call mechanisms established by law, does the company have call mechanisms that allow contact with shareholders, particularly those who do not have a stake in the control or management of the company?	X		The mechanisms are outlined in the bylaws and general meeting regulations. Additionally, the call notices are published on the company's website and are also communicated as material events to the SMV.

a. Complete the following information for each of the GSM held during the fiscal year:

Call notice date	Meeting date	Meeting place <sup>(*)</sup>	Joint type		Universal meeting		% Quorum installation	Number of shareholders	Participation (%) over the total shares with right to vote		
			Special	General	Yes	No			Thought power	Direct exercise <sup>(**)</sup>	Not vote
24.02.2023	30.03.2023	Not face-to-face		X		X	95.53%	7,159,323,706	96.81%	0.17%	3.02%

(\*) Specify if the GSM was face-to-face or remote.

(\*\*) Direct exercise includes voting by any means or modality that does not imply representation.

b. What methods, in addition to those specified in Article 43 of the General Corporations Law and the provisions of the Regulations on Material Facts and Confidential Information, did the company use to disseminate the convocations for the General Shareholders' Meetings during the fiscal year?

Media	Disclosure of calls
At the offices of the company	
Email	
Via telephone	
Corporate website	X
Postal mail	
Informative meetings (face-to-face or virtual)	
Social networks	
Others / Detail	

c. In the notices of convocations issued by the company during the fiscal year:

	Yes	No
Was the location where the information related to the agenda items to be discussed at the GSM specified?	X	
Was the location where the information related to proposed agreements (motions) to be adopted at the GSM specified?	X	
Were "other matters," "various items," or similar topics included as agenda items?		X
Was the location where the model letter of representation for the GSM was available specified?	X	

#### Question II.4

	Yes	No	Explanation
Does the company make available to the shareholders all the information related to the items on the GSM agenda and the proposed agreements (motions) to be adopted?	X		<p>The bylaw provides that, from the day the call is published, the documents, motions, and projects related to the GSM are available to the shareholders at Banco BBVA Peru's main office in Lima.</p> <p>The GSM regulations include mechanisms for shareholders to obtain information related to the items on the agenda of the General Shareholders' Meeting.</p>

a. If the answer is affirmative, specify the means of dissemination of the documentation supporting the agenda items and motions of the GSM held during the exercise:

Media	Support points and motions
At the offices of the company	X
Email	
Via telephone	
Corporate website	X
Postal mail	
Briefings (face-to-face or virtual)	
Social networks	
Others / Detail	Important facts are communicated through the SMV portal.

b. Indicate which documents served as support or the motions that were disclosed for the celebration of the GSM during the fiscal year (more than one option may be selected):

Curriculum Vitae for director candidates	X
Proposal for a text to modify the articles of the Statute and reason for the change	X
Proposal for the text to modify articles of the GSM Regulations and the reason for the change	
Text proposal to modify the Dividend Policy and the reason for the change	X
Proposal for the application of profit	X
Proposal for services and background of the External Auditing Firm	X
Other relevant documents (detail):	

## Principle 11: Proposals for agenda items

### Question II.5

	Yes	No	Explanation
Does the GSM regulation include mechanisms that allow shareholders to exercise the right to propose agenda items to be discussed at the GSM and the procedures for accepting or rejecting such proposals?	X		The GSM regulations provide the inclusion of agenda items for shareholders.

a. Provide the following information related to the procedure for submitting proposals for agenda items to be discussed at the GSM:

Minimum percentage of shares of the capital stock that must represent shareholders in order to submit proposals	Maximum term (in business days ) before the AGM for formulating the proposed agenda item	Maximum period (in business days ) in which the company responds (accepts or rejects) the proposal presented	Means by which society responds (accepts or denies) the proposal presented
Not applicable.	February 15 of each year.	5 business days after the board meeting that approves the agenda of the GSM.	In writing.

b. Indicate the number of requests submitted by shareholders during the year to include agenda items to be discussed at the GSM, and how they were resolved:

Number of requests		
Received	Accepted	Denied
1	1	0

c. If requests to include agenda items to be discussed at the GSM were denied during the period, indicate whether the company communicated the reasons for the denial to the requesting shareholders:

In all requests	—
In some requests	—
In none of the applications	—

## Principle 12: Procedures for the exercise of the vote

### Question II.6

	Yes	No	Explanation
Does the company have mechanisms in place that allow shareholders to vote remotely via secure electronic or postal means, ensuring that the person casting the vote is indeed the shareholder?	X		The company has implemented the Webex tool, which allows online connection from various locations, enabling interaction among all participants.

a. If applicable, indicate the mechanisms or means the company has for remote voting.

Electronic voting	X	Postal voting	
-------------------	---	---------------	--

b. If remote voting was used during the exercise, specify the following information:

Date of meeting	% Distance vote				% Distance vote / total
	Electronic mail	Corporate website	Postal mail	Others	
30.03.2023	—	—	—	100% of assistants.	100% attendees.

### 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, allowing them to express separate voting preferences?	X		The GSM regulations state that any shareholder can vote separately on any matter that is substantially independent, allowing them to express their voting preferences separately.

Indicate whether the company has corporate documents that clearly specify that shareholders can vote separately on matters that are substantially independent.

	Yes	No
The appointment or ratification of directors by individual vote for each one of them.	X	
The modification of the bylaws, by each article or group of articles that are substantially independent.	X	
Otros / Detalle		

### Question II.8

	Yes	No	Explanation
Does the company allow those acting on behalf of multiple shareholders to cast differentiated votes for each shareholder, in order to follow the instructions of each represented party?	X		The GSM regulations allow those acting on behalf of multiple shareholders to cast differentiated votes, following the instructions provided by each represented shareholder.

## Principle 13: Proxy voting

### Question II.9

	Yes	No	Explanation
Does the company's bylaws allow its shareholders to delegate their vote to any person?	X		The bylaws allow shareholders to delegate their representation to one or more persons.

If your answer is negative, please indicate if the bylaws restrict the right of representation in favor of any of the following individuals:

	Yes	No
From a shareholder		
From a director		
From a manager		

### Question II.10

	Yes	No	Explanation
1. Does the company have procedures detailing the conditions, means, and formalities to be fulfilled in situations of proxy voting?	X		The GSM regulations establish the procedures that must be followed in proxy voting situations.
2. Does the company provide shareholders with a model proxy letter, which includes the details of the representatives, the items for which the shareholder delegates their vote, and, if applicable, the direction of their vote on each of the proposals?	X		The company provides shareholders with a model proxy letter on the bank's website.

a. If your answer to question II.10 number 2 is affirmative, indicate the means by which the company made the mentioned proxy letter model available for the GSMs held during the year:

Media	Provision sample letter
At the offices of the company	
Email	
Via telephone	
Corporate website	X
Postal mail	
Informative meetings (face-to-face or virtual)	
Social networks	
Others / Detail	

b. Indicate the minimum content and formalities required for a shareholder to be represented at a GSM:

Minimum content (e.g., details of the representatives, direction of vote for each one of items on the agenda, or others).	Data of the shareholder, proxy, signature.
Formality (indicate if the company requires a simple letter, notarial letter, public deed or others).	Simple letter.
Anticipation (number of business days prior to the GSM with which the power of attorney must be).	Powers of attorney must be registered at least 24 hours before (GSM regulation).
Cost (indicate if there is a payment required by the company for these purposes and how much).	No cost.

**Question II.11**

	Yes	No	Explanation
1. Does the company have a policy to establish limitations on the percentage of proxy votes in favor of members of the Board of Directors or Senior Management?		X	The company considers that the individuals who comprise the management and the board are competent and professional.
2. In cases of proxy voting in favor of members of the Board of Directors or Senior Management, does the company have a policy that requires shareholders who delegate their votes to clearly state their voting intentions?	X		The company has developed a proxy letter template that allows shareholders to clearly express their voting intentions.

**Principle 14: Follow-up of GSM agreements**
**Question II.12**

	Yes	No	Explanation
1. Does the company monitor and document the resolutions adopted by the General Shareholders' Meeting?	X		The Corporate Governance Committee monitors the resolutions adopted at each General Shareholders' Meeting.
2. Regarding these resolutions, does the company's senior management issue periodic reports to the Board, and are these made available to the shareholders?	X		The company annually evaluates the follow-up on the shareholders' meeting resolutions in its Corporate Governance Committee sessions. The results are then reported to the Board.

a. If applicable, indicate the area and/or person responsible for monitoring the resolutions adopted by the General Shareholders' Meeting. If an individual is responsible, also include their position and the department they work in.

Area in charge | Corporate Governance Committee and Secretary of the Board of Directors

Person in charge		
Name and surname	Position	Area
Ruth Anabelí González Velapatiño	Deputy General Manager	Services legal



b. If your answer to question II.12 numeral 2 is affirmative, please indicate the means by which the company makes these reports available to shareholders:

Media	Makes available
At the offices of the company	X
Email	
Corporate website	X
Postal mail	
Briefings (face-to-face or virtual)	
Social networks	
Others / Detail	<p>The company provides an assistance service to holders through its Attention Office to the Shareholder, whose email address is: <a href="mailto:accionistas.pe@bbva.com">accionistas.pe@bbva.com</a>.</p> <p>The GSM regulations regulate the relationships between the entity and its shareholders, and the way in which they have access to information about it.</p> <p>Additionally, relevant information in this regard is made available to shareholders on its website.</p>

### PILLAR III: The board of directors and senior management

#### Principle 15: Composition of director's board

##### Question III.1

	Yes	No	Explanation
Has the company established and applied selection and tenure criteria to ensure that its Board of Directors is composed of people with different specializations and competencies, with prestige, ethics, economic independence, sufficient availability, and other qualities relevant to the company, so that there is a plurality of approaches and opinions?	X		The company, in compliance with the provisions of the Corporate Governance and Comprehensive Risk Management Regulation of the SBS, approved by SBS Resolution No. 272-2017, has internal rules to evaluate the compliance with the suitability requirements of the board members.

a. Indicate the following information corresponding to the members of the Board of Directors of the company during exercise.

Names and surnames	Nationality	Gender (M/F)	Birthdate	Training professional	Date		Stake stock <sup>(*)</sup>		Other positions / Directories <sup>(****)</sup>
					Start <sup>(*)</sup>	Term <sup>(**)</sup>	Nº of shares	Stake %	
<b>Directors (not including independent)</b> <b>Alex Fort Brescia</b>	Peruvian	M	1957	MBA, B.A. in Economics	May 1995	—	—	—	Participates in the Holding Continental board of directors SA and the board of the BBVA Peru.
<b>Pedro Brescia Moreyra</b>	Peruvian	M	1967	Economist	May 1995	—	—	—	Participates in the Holding Continental board of directors SA and the board of the BBVA Peru Foundation.
<b>Pablo Alfonso Pastor Muñoz</b>	Spanish	M	1965	MBA. Bachelor of Science Economic and Business	July 2022	—	—	—	Participates in the board of the BBVA Peru Foundation.
<b>Mario Brescia Moreyra</b>	Peruvian	M	1961	Business administrator	March 2013	—	—	—	Member of the Board of Directors of Holding Continental SA and of the BBVA Peru Foundation.
<b>Fortunato Brescia Moreyra</b>	Peruvian	M	1959	Mining engineer	June 2013	—	—	—	Member of the Board of Directors of Holding Continental SA and of the BBVA Peru Foundation.
<b>Fernando Eguiluz Lozano</b>	Mexican	M	1972	MBA. Industrial and systems engineer	July 2019	—	—	—	Participates in the board of the BBVA Peru Foundation.
<b>José Ignacio Merino Martín</b>	Spanish	M	1957	Degree in Sciences business	March 2016	—	—	—	Participates in the board of the BBVA Peru Foundation.
<b>Rafael Varela Martínez</b>	Spanish	M	1961	MBA. Bachelor of Economics and Business Sciences	May 2020	—	—	—	Participates in the board of the BBVA Peru Foundation.
<b>José Carlos López Álvarez</b>	Spanish	M	1959	Studies in Sciences economic Económicas	June 2018	—	—	—	Participates in the board of the BBVA Peru Foundation.
<b>Independent directors</b> <b>Ismael Alberto Benavides Ferreyros</b>	Peruvian	M	1945	MBA, agronomist and agricultural economist	January 2018	—	—	—	Participates in the board of the BBVA Peru Foundation.
<b>José Manuel Rodríguez-Novás Sánchez-Diezma</b>	Spanish	M	1959	MBA. Master of Engineering in Farming industry	May 2020	—	—	—	Participate in the Forum Distribuidora directory del Peru SA and the board of the BBVA Foundation Peru.

(\*) Corresponds to the first appointment in the reporting company.  
(\*\*) Complete only if he had ceased to hold the position of Director during the year.  
(\*\*\*) Mandatorily applicable only to Directors with a participation in the capital stock equal to or greater than 4% of the shares of the reporting company.  
(\*\*\*\*) Detail if the Director has other executive positions outside the company and/or simultaneously participates in other Boards, specifying the number and whether they are part of the reporting company's economic group. For this purpose, use the definition of economic group contained in the Regulation of Indirect Ownership, Linkage, and Economic Groups.

Also, indicate the following:

% of total shares held by directors | Not applicable

	Number of women	Total number of directors	% of women in the directory
Presence of women on the Board of Directors	0	11	0

b. Indicate if there are specific requirements formally established to be appointed President of the Board of Directors, in addition to those required to be appointed Director.

Yes | No | ☒

If your answer is affirmative, please indicate those requirements.

Does not apply.

c. Does the Chairman of the Board have a casting vote?

Yes | No | ☒

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 singular provisions applicable to financial entities allow the appointment of substitute and alternate directors.

If there are alternate or alternate Directors, specify the following:

Names and surnames	Nationality	Gender (M/F)	Birthdate	Training professional	Date		Stake stock <sup>(***)</sup>		Other positions / Directories <sup>(****)</sup>
					Start (*)	Term (**)	Nº of shares	Stake %	
Antonio Alonso Granada	Spanish	M	1959	Degree in Economic Science	May 2020	—	—	—	—
Jaime Aráoz Medanic	Peruvian	M	1971	MBA. Bachelor of Business Administration	March 2018	—	—	—	—
Miguel Angel Salmón Jacobs	Peruvian	M	1964	Degree in Law and Political Science	March 2018	—	—	—	—
Gustavo Alberto Mazzolini Casas	Spanish	M	1967	Public and licensed accountant in administration	March 2018	—	—	—	—
Pedro José Malo Rob	Ecuadorian	M	1972	Master in Finance and Bachelor of Economics	March 2022	—	—	—	—

(\*) Corresponds to the first appointment in the reporting company.  
(\*\*) Complete only if he had ceased to hold the position of Director during the year.  
(\*\*\*) Mandatorily applicable only to Directors with a participation in the capital stock equal to or greater than 4% of the shares of the reporting company.  
(\*\*\*\*) Detail if the Director has other executive positions outside the company and/or simultaneously participates in other Boards, specifying the number and whether they are part of the reporting company's economic group. For this purpose, use the definition of economic group contained in the Regulation of Indirect Ownership, Linkage, and Economic Groups.

Principle 16: Directory functions

Question III.3	Yes	No	Explanation
Does the directory have the function?: 1. Approve and direct the corporate strategy of the society.	X		Functions contained in the statute and the directory regulations.
2. Establish objectives, goals, and action plans, including annual budgets and business plans.	X		Functions contained in the statute and the directory regulations.
3. Control and supervise the management and take charge of government and administration of society.	X		Functions contained in the statute and the directory regulations.
4. Supervise the adoption of good corporate governance practices and establish the necessary policies and measures to improve implementation.	X		Functions contained in the board regulations.
5. Approve procedures or policies to prevent, detect, manage, disclose and punish conflicts of interest.	X		Functions contained in the board regulations.
6. Approve and monitor the design and implementation of the remuneration and incentive system, ensuring that it is aligned with the company's corporate strategy, its policies and its financial soundness.	X		Functions contained in the board regulations.

a. Please detail what other relevant powers are vested in the company's board of directors.

Establish special committees, made up of some of its members.

Does the Directory delegate any of its functions?

Yes | X | No

Indicate, if applicable, what are the main functions of the Board of Directors that have been delegated, the body that exercises them by delegation and the name of the document where said delegation is found:

Functions	Organ / Area to which it has been delegate functions	Document name
Appointment of general manager, managers deputy generals, and auditor.	Appointments, Remuneration, and Management Committee Talent	Regulations of the Board of Directors, Regulations of the Appointments, Remunerations and Talent management.
Monitor the proper functioning of the internal control system and keep the Board of Directors informed about compliance with the policies and internal procedures.	Audit Committee	Board of Directors Regulations, Audit Committee Regulations.
Supervision of compliance with practices of Good Corporate Governance of the company and informed the board of directors about it.	Government Committee Corporate	Regulations of the board of directors, Regulations of the 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 of directors about it.	Comprehensive Risk Committee	Regulations of the board of directors, Regulations of the Comprehensive Risk Committee.
Supervision of compliance policies and evaluate the effectiveness in managing compliance risk, and inform the Board of Directors about them.	Compliance Committee	Regulations of the board of directors, Regulations of the Compliance Committee.

## Principle 17: Duties and rights of board members

### Question III.5

	Yes	No	Explanation
Board members have the right to: 1. Request support or contribution of experts from the Board of Directors.	X		The Board Regulations establish the power that directors have to request advice from external experts on matters whose complexity warrants it.
2. Participate in induction programs regarding their powers and responsibilities and to be informed in a timely manner about the organizational structure of the company.	X		The Board Regulations provide that directors have access to manuals and other company documents where they are informed about their duties and powers.
3. Receive training on topics of interest necessary for performing their functions.	X		This is provided for in the board regulations.
4. Receive Remuneration for their work, which combines recognition of professional experience and dedication to the company with a rational approach.	X		This is provided for in the bylaws and the board regulations.

a. Specify if the board members have the duty to promptly inform the board of the following cases:

	Yes	No
Ownership or holding of securities or rights over securities issued by the company	X	
Conducting transactions with securities or rights over securities issued by the company	X	
Ongoing negotiations regarding securities or rights over securities issued by the company	X	
Stake in others boards	X	

b. If specialized advisors were hired during the year, indicate whether the list of specialized advisors who provided services during the fiscal year for the company's decision-making was disclosed to the shareholders.

Yes ☐ No ☒

If applicable, specify if any of the specialized advisors had any connection with a shareholder holding more than 4% of the share capital, a Board Member, and/or Senior Management <sup>(\*)</sup>.

Yes ☐ No ☒

(\*) For the purposes of determining connections, the criteria contained in the Regulation of Indirect Ownership, Connections, and Economic Groups will be applied.

c. If applicable, indicate if the company conducted induction programs for new members who joined the company.

Yes ☒ No ☐

d. Does the company have a board remuneration policy approved by the GSM?

Yes ☒ No ☐

e. Indicate the percentage that the total amount of Remunerations and annual bonuses of the Directors represents with respect to the gross income, according to the company's financial statements.

Remuneration	(%) Gross Income	Bonuses	(%) Gross Income
Directors (excluding independents)	0.005%	Delivery of shares	—
Independent directors	0.002%	Delivery of shares	—
		Delivery of shares	—
		Others (detail)	—

f. Specify the Remuneration scheme of the board members applicable in the fiscal year:

Remuneration scheme	
Fixed	<input checked="" type="checkbox"/>
Variable	<input type="checkbox"/>
Mixed (fixed + variable)	<input type="checkbox"/>

g. Specify the criteria used by the company to determine the Remuneration scheme of the board members:

Fixed scheme	
Per board session	<input checked="" type="checkbox"/>
Per committee session	<input type="checkbox"/>
Per month	<input type="checkbox"/>
Per year	<input type="checkbox"/>
Other (detail)	<input type="checkbox"/>

Variable scheme	
Based on fiscal year's results	<input type="checkbox"/>
Based on achieving objectives	<input type="checkbox"/>
Other (detail)	<input type="checkbox"/>

## Principle 18: Board regulations

Question III.5	Yes	No	Explanation
Does the company have board regulations that are binding and their non-compliance entails responsibility?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The company has Board regulations that are mandatory and non-compliance generates responsibility.

Indicate if the directory regulation contains:

	Yes	No
Policies and procedures for its operation	X	
Organizational structure of the Board	X	
Duties and responsibilities of the Chairman of the Board	X	
Duties and responsibilities of the Board members	X	
Procedures for identifying, evaluating, and nominating candidates for Board members, who are proposed to the GSM.	X	
Procedures for cases of vacancy, cessation, and succession of Board members	X	
Policies and procedures to prevent, detect, manage and relieve conflicts of interests of the members of the Board of Directors	X	
Criteria used for the evaluation of the Board and its members	X	
Others / Details	Codes of conduct, conflicts of interest, liability coverage.	

## Principle 19: Independent Directors

### Question III.6

	Yes	No	Explanation
Is at least one-third of the Board composed of Independent Directors?		X	The company forms its board considering their personal qualities, professional reputation, accumulated experience in the sector in which the company operates, as well as the regulations issued by the Superintendency of Banking, Insurance, and AFP and the Superintendency of the Securities Market, as applicable. Similarly, the Corporate Governance and Comprehensive Risk Management Regulations of the SBS establish that financial system companies must have two independent directors if their boards are made up of six (6) or more members.

Additionally, to the criteria established in the "Guidelines for the Qualification of Independent Directors", the company has established the following criteria to qualify its Directors as independent:

1. Not holding the position for more than 7 years.
2. The Bank considers independent directors to be those appointed based on their professional reputation and economic independence and who have not had any connection with the Bank, its management, economic group, or its main shareholders (those holding 5% or more of the Bank's shares) in the last three consecutive years prior to their appointment. It is worth noting that the company applies the rules on independent directors issued by the Superintendency of Banking, Insurance, and AFP, as it is a company regulated by this body.

**Question III.7**

	Yes	No	Explanation
1. Does the Board declare that the proposed candidate is independent based on the inquiries made and the candidate's declaration?	X		The Nomination, Remuneration, and Talent Management Committee of the company's board must declare that the candidate is independent based on the inquiries made and the candidate's declaration.
2. Do the candidates for independent directors declare their independent status to the company, its shareholders, and executives?	X		Independent directors declare their independent status upon taking office and annually thereafter.

Indicate if at least once a year the Board verifies that the Independent Directors maintain compliance with the requirements and conditions to be qualified as such.

Yes ☒ No ☐

**Principle 20: Operability of the directory****Question III.8**

	Yes	No	Explanation
Does the Board have an annual work plan that contributes to the efficiency of its functions?	X		The work plan is presented annually to the board and is approved at the first session in which the board is appointed by the GSM.

**Question III.9**

	Yes	No	Explanation
Does the company provide its Directors with the necessary channels and procedures to effectively participate in Board meetings, including non-presential means?	X		In accordance with the provisions of the statute, a videoconferencing system has been implemented that allows simultaneous and real-time communication among all directors.

a. Indicate, in relation to the board meetings held during the fiscal year, the following:

Number of sessions made	12
Number of sessions in which the call deadlines have not been met	0
Number of sessions in which the internal procedures for delivering information to directors were not followed	0
Number of sessions in which the call has been dispensed with <sup>(*)</sup>	0
Number of sessions to which the president of the board of directors did not attend	0
Number of sessions in which one of the independent directors did not attend	0
Number of sessions in which one or more Directors were represented by substitute or alternate directors	3
Number of regular directors who were represented on at least one occasion	2

(\*) In this field, report the number of meetings held under the provisions of the last paragraph of Article 167 of the LGS.

b. Indicate the following information regarding the attendance of the Directors at the sessions of the Board during the year

Names and surnames	Number of sessions convened	Number of sessions attended out of those convened	Number of universal sessions attended
Alex Fort Brescia	12	12	0
Pedro Brescia Moreyra	12	9	0
Pablo Alfonso Pastor Muñoz	12	12	0
Mario Brescia Moreyra	12	11	0
Fortunato Brescia Moreyra	12	11	0
Fernando Eguiluz Lozano	12	12	0
José Ignacio Merino Martín	12	12	0
Rafael Varela Martínez	12	12	0
José Carlos López Álvarez	12	12	0
Ismael Benavides Ferreyros	12	12	0
José Manuel Rodríguez-Novás Sánchez-Diezma	12	12	0

c. Indicate the average advance notice period for the board meetings during the fiscal year:

3 calendar days	4 to 6 calendar days	More than 6 calendar days
		X

d. Indicate with what average period of time in advance of the board meetings in the fiscal year all the information referring to the matters to be dealt with in said sessions were made available to the Directors sessions.

Less than 3 business days	Between 3 to 5 days	Greater than 5 business days
		X

GRI 2-18

#### Question III.10

	Yes	No	Explanation
1. Does the Board evaluate, at least once a year, its performance as a collegial body in an objective manner?	X		
2. Does the Board of Directors evaluate, at least once a year, objectively, the performance of its members?	X		
3. Does the Board alternate the self-evaluation methodology with evaluations conducted by external advisors?		X	The Board may resort to external advisors for its evaluation if it decides to do so.

(1) No action was required in response to the results of the Board and its members' evaluation during 2023, but action would be taken if necessary. Reference: Article 28 of the Board Regulations.

a. Indicate whether performance evaluations of the Board were conducted during the fiscal year:

	Yes	No
As collegiate body	X	
Of its members	X	



If the answer to the previous question in any field is affirmative, provide the following information for each assessment

Evaluation	Self appraisal			External evaluation			
	Date	Dissemination of results (Yes/No)	Diffused to Date <sup>(*)</sup>	Date	Entity manager	Dissemination of results (Yes/No)	Diffused to <sup>(*)</sup>
Estates government corporate	25.01.2024	No	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

(\*) Indicate if the evaluation results were disseminated to shareholders, the Board, or another body or stakeholder group.

## Principle 21: Specials Committees

### Question III.11

	Yes	No	Explanation
1. Does the Board of Directors of the company create special committees that focus on the analysis of those aspects most relevant to the performance of the company?	X		The board regulations contemplate the constitution of special committees.
2. Does the Board approve the regulations that govern each of the special committees that it constitutes?	X		The board regulations contemplate the constitution of special committees.
3. Are the special committees chaired by Independent Directors?	X		Only the Audit Committee and the Compliance Committee are chaired by independent directors. The company believes that special committees should be chaired by directors who are experts in the topics addressed by each committee, have full knowledge of the company, and have had professional contact with it.
4. Do the special committees have an assigned budget?		X	The company considers that these committees do not require the specific assignment of a particular budget.

### Question III.12

	Yes	No	Explanation
Does the company have a Nominations and Remuneration Committee responsible for nominating candidates for Board membership, which are proposed to the GSM by the Board, as well as approving the Remuneration and incentive system for Senior Management?	X		The company has a Nominations and Remuneration Committee, whose functions are detailed in its respective regulations.

**Question III.13**

	Yes	No	Explanation
Does the company have an Audit Committee that oversees the effectiveness and suitability of the company's internal and external control system, the work of the auditing company or independent auditor, as well as compliance with legal and professional independence standards?	X		The company has an Audit Committee, whose functions are detailed in its 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:

**Committee name:** Audit Committee

**Creation date**

March 23, 2000

**Principal functions**

- Ensure that the accounting and financial reporting processes are appropriate.
- Oversee the proper functioning of internal control.
- Monitor and keep the board of directors informed about compliance with internal policies and procedures and about the detection of control and internal administration weaknesses
- Follow up on audit recommendations.
- Evaluate that the performance of the internal audit unit and the external audit correspond to the needs of the company.
- Coordinate with the internal audit unit and the external auditors the effectiveness and efficiency aspects of the internal control system.
- Approve the audit statute.
- Approve the audit risk assessment and the annual internal audit plan.
- Define the criteria for the selection and hiring of the internal auditor and its main collaborators and evaluate their performance.
- Evaluate the activities carried out by the internal and external auditors.

**Committee members<sup>(\*)</sup>**

Name and surname	Fecha		Position within the committee	Position within the company
	Start <sup>(**)</sup>	Term <sup>(***)</sup>		
José Manuel Rodríguez-Novás	27.05.2020	To date	Chairman	None
Sánchez-Diezma	26.06.2013	To date	Member	None
Alex Fort Brescia	28.04.2016	To date	Member	None
José Ignacio Merino Martín				
Ismael Alberto Benavides				
Ferreyros	24.03.2021	To date	Member	None

**% Independent Directors regarding the total of the committee**

50%

**Number of sessions held during the year**

4

**It has delegated powers in accordance with article 174 of the General Law of Companies**

[X] Yes      [...] No

**The committee or its president participates in the GSM**

[...] Yes      [X] No

**Committee name:** Nomination, Remuneration and Talent Management Committee

GRI 2-20

**Creation date**

February 18, 2004

**Principal functions**

- Approve and oversee the design of the Bank's Remuneration system.
- Evaluate conflicts of interest in the Remuneration system.
- Evaluate the goals and indicators considered in the Remuneration system.
- Assess qualifications and propose individuals to join the Bank's board of directors.
- Propose to the board the remuneration of the board of directors.
- Designate the general manager, first level managers, the internal auditor, the compliance officer for the prevention of money laundering and financing of terrorism, the regulatory compliance officer, the market conduct officer and the general accountant of the Bank.
- Be aware of the terms of loans and other benefits granted to the Bank's employees, especially the management committee, and propose changes to related policies as deemed appropriate.
- Inform the Bank's board of directors of the main topics discussed in their meetings.

**Committee members<sup>(\*)</sup>**

Name and surname	Date		Position within the committee	Position within the company
	Start <sup>(**)</sup>	Term <sup>(***)</sup>		
Pablo Alfonso Pastor Muñoz	13.07.2022	To date	President	None
Alex Fort Brescia	26.06.2013	To date	Member	None
Mario Brescia Moreyra	24.03.2021	To date	Member	None
Fernando Eguluz Lozano	16.07.2019	To date	Member	General Manager

**% Independent Directors of the committee**

0%

**Number of sessions held during the year**

3

**It has delegated powers in accordance with article 174 of the General Law of Companies**

[X] Yes      [...] No

**The committee or its president participates in the GSM**

[...] Yes      [X] No

**Committee name:** Corporate Governance Committee

**Creation date**

December 15, 2011

**Principal functions**

- Ensure that shareholders and the market in general have complete, truthful, and timely access to the information required to be disclosed by issuer status.
- Approve and supervise the application of best practices in good corporate governance.
- Supervise that shareholders' meetings are held in accordance with the law.
- Follow up on the implementation of the resolutions adopted at the Bank's shareholders' meetings.
- Prepare an annual activity report.
- Evaluate the degree of compliance with the regulations of the shareholders' meeting.
- Ensure that the committee regulations are available to shareholders.
- Carry out other functions in accordance with the nature of the committee's objectives as assigned by the board of directors or commissioned by the shareholders' meeting.

**Committee members<sup>(\*)</sup>**

Name and surname	Date		Position within the committee	Position within the company
	Start <sup>(**)</sup>	Term <sup>(***)</sup>		
Alex Fort Brescia	28.04.2016	To date	President	None
Pedro Brescia Moreyra	16.07.2019	To date	Member	None
Rafael Varela Martínez	27.05.2020	To date	Member	None
Fernando Eguluz Lozano	16.07.2019	To date	Member	General manager

**% Independent Directors with respect to the total of the committee**

0%

**Number of sessions held during the year**

2

**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 GSM**

☐ Yes      ☒ No

**Committee name:** Compliance Committee

**Creation date**

September 25, 2008

**Principal functions**

- Approve the policies, codes, manuals, procedures, and methodologies defined to ensure compliance with regulatory requirements.
- Review reports on matters within their competence.
- Approve the annual activity programs.
- Be aware of and order the necessary corrective measures in the event of failures in the application of compliance functions.
- Approve the training plans related to compliance functions.
- Ensure the provision of necessary resources and infrastructure for the proper performance of compliance functions and responsibilities.
- Approve, modify, and ensure compliance with anti-corruption policies to prevent and significantly reduce the risk of corruption.

**Committee members(\*)**

Name and surname	Date		Position within the committee	Position within the company
	Start(**)	Term(***)		
Ismael Alberto Benavides Ferreyros	24.03.2021	To date	President	None
Fortunato Brescia Moreyra	28.04.2016	To date	Member	None
Fernando Eguiluz Lozano	16.07.2019	To date	Member	General manager

**% Independent Directors with respect to the total of the committee**

33%

**Number of sessions held during the year**

2

**It has delegated powers in accordance with article 174 of the General Law of**

[ ☒ ] Yes      [ ... ] No

**The committee or its president participates in the GSM**

[ ... ] Yes      [ ☒ ] No

**Committee name:** Risk Committee

**Creation date**

July 17, 2008

**Principal functions**

- Approve policies for comprehensive risk management.
- Verify that the provision of means, systems, and resources is adequate for risk management.
- Analyze the proposal of the risk appetite framework.
- Decide on the actions for implementing corrective measures required in case of deviations from the appetite and risk limits and the levels of exposure assumed.
- Evaluate the adequacy of capital and liquidity required by the Bank.
- Approve reports on risks associated with new products.
- In accordance with the delegation made by the Bank's board of directors, review all other reports that must be presented to the Bank's board of directors.
- Report to the Bank's board of directors, at its next meeting, on the main issues discussed and the resolutions adopted for control and monitoring purposes.

**Committee members<sup>(\*)</sup>**

Name and surname	Date		Position within the committee	Position within the company
	Start <sup>(**)</sup>	Term <sup>(***)</sup>		
José Ignacio Merino Martín	17.04.2018	To date	President	None
Alex Fort Brescia	17.04.2018	To date	Member	None
Fernando Eguiluz Lozano	16.07.2019	To date	Member	General Manager
Vicente Puig Payá	25.09.2019	To date	Member	Risk Manager

**% Independent Directors with respect to the total of the committee**

0%

**Number of sessions held during the year**

11

**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 GSM**

☐ Yes      ☒ No

(\*) Information will be provided regarding the people who make up 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.14**

	Yes	No	Explanation
Does society adopt measures to prevent, detect, manage and disclose conflicts of interest <sup>(*)</sup> that may arise?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The company has a conflict of interest policy, a code of ethics and a code of conduct that regulates the issues dealt with in this principle.

(\*) For the purposes of this report, a director, manager, officer, and/or employee of the company is considered to have a conflict of interest in any situation, whether specific or general, temporary or permanent, current or potential, in which they have a personal or general interest that is or could be in conflict with the company's interests.

Indicate, if applicable, the area and/or person responsible for monitoring and controlling potential conflicts of interest. If a person is in charge, include additionally their position and the area in which they work.

Responsible area | Internal control and compliance

Person in charge		
Name	Position	Area
Pablo Jimeno Sarkar	Head front	Internal control and compliance

#### Question III.15 / Compliance

	Yes	No	Explanation
1. Does the company have a Code of Ethics <sup>(*)</sup> whose compliance is required for its Directors, managers, officials, and other employees <sup>(**)</sup> of the company, which includes ethical criteria and professional responsibility, including the handling of potential cases of conflicts of interest?	X		The company has a code of conduct and a code of ethics in the securities markets that are applicable to the directors and officers of the company, in accordance with the provisions of this principle.
2. Does the Board of Directors or General Management approve and execute training programs for compliance with the Code of Ethics at least once a year?	X		The policies and training programs are approved following corporate guidelines.
3. Does the Board of Directors evaluate the effectiveness of training programs for compliance with the code of ethics?		X	As of the 2023 fiscal year, the report of received complaints will be presented to the Compliance Committee, composed of board members.

(\*) The Code of Ethics may be part of the Internal Conduct Regulations.

(\*\*) The term "employees" includes all persons who have any type of employment relationship with the company, regardless of the employment regime or modality.

If the company has a code of ethics, indicate the following:

a. It is available to:

	Yes	No
Shareholders	X	
Other persons to whom it applies	X	
The general public	X	

b. Indicate the means by which the company makes the code of ethics available:

Media	Made available
At the offices of the company	X
Email	
Corporate website	X
Postal mail	
Informative meetings (face-to-face or virtual)	
Social networks	
Others / Detail	

c. Indicate the area and/or person responsible for monitoring and compliance with the Code of Ethics. In the event that a person is in charge, additionally include their position, the area in which who works, and to whom it report.

Responsible area | Internal control and compliance

Person in charge			
Names	Position	Area	Person to whom reports
Pablo Jimeno Sarkar	Head front	Internal control and Compliance	Internal Control Manager and Compliance

d. Is there a record of cases of non-compliance with said code?

Yes | ☒ | No | ☐

e. Indicate the number of complaints filed and investigations initiated and completed during the exercise with respect to non-compliance with the provisions established in said Code:

Number of complaints filed	240
Number of investigations initiated	240
Number of investigations completed	178
Number of violations	72

#### Question III.16

	Yes	No	Explanation
1. Does the company have mechanisms that allow for the reporting of any illegal or unethical behavior, guaranteeing the confidentiality of the whistleblower?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The company has procedures for handling reports of illegal or unethical behavior, which are known to its employees and guarantee the confidentiality of the whistleblower.
2. Are reports submitted directly to the Audit Committee when they are related to accounting issues or when General Management or Financial Management is involved?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Additionally, they are evaluated by the fraud prevention and corporate integrity management committee.



## Question III.17

	Yes	No	Explanation
1. Is the Board of Directors responsible for monitoring and controlling potential conflicts of interest involving its directors?	X		The board regulations govern cases of conflicts of interest. See details in: <a href="https://www.bbva.pe/content/dam/public-web/peru/documents/prefooter/gobierno-corporativo/reglamento-directorio-bbva.pdf">https://www.bbva.pe/content/dam/public-web/peru/documents/prefooter/gobierno-corporativo/reglamento-directorio-bbva.pdf</a>
2. If the company is not a financial institution, does it have a policy that prohibits Board members from receiving loans from the company or any company within its economic group, unless they have prior authorization from the Board of Directors?			Not applicable.
3. If the company is not a financial institution, does it have a policy that prohibits Senior Management members from receiving loans from the company or any company within its economic group, unless they have prior authorization from the Board of Directors?			Not applicable.

(1) By SMV rule, the membership of directors on boards of directors of other companies is published on the SMV website.

a. Indicate the following information of the members of Senior Management who are shareholders with a percentage equal to or greater than 4% of the company:

Names and surnames	Position	Number of shares	% of total shares
Not applicable			
% of total shares held by senior management		Not applicable.	

b. Please indicate if any of the members of the Board of Directors or Senior Management of the company is a spouse, first or second-degree relative by blood, or first-degree relative by marriage:

Names	Related to:			Names of the shareholder / director / manager	Type of affiliation(**)	Additional information(***)
	Shareholder (*)	Director	Senior management			
Pedro Brescia Moreyra		X		Mario Brescia Moreyra Fortunato Brescia Moreyra Alex Fort Brescia	2 <sup>nd</sup> degree 2 <sup>nd</sup> degree 4 <sup>th</sup> degree	
Mario Brescia Moreyra		X		Pedro Brescia Moreyra Fortunato Brescia Moreyra Alex Fort Brescia	2 <sup>nd</sup> degree 2 <sup>nd</sup> degree 4 <sup>th</sup> degree	
Fortunato Brescia Moreyra		X		Pedro Brescia Moreyra Mario Brescia Moreyra Alex Fort Brescia	2 <sup>nd</sup> degree 2 <sup>nd</sup> degree 4 <sup>th</sup> degree	
Alex Fort Brescia		X		Pedro Brescia Moreyra Mario Brescia Moreyra Fortunato Brescia Moreyra	4 <sup>th</sup> degree 4 <sup>th</sup> degree 4 <sup>th</sup> degree	

(\*) Shareholders with a stake equal to or greater than 4% of the share capital.

(\*\*) For the purposes of the relationship, the criteria contained in the Regulation of Indirect Ownership, Relationships, and Economic Groups will be applied.

(\*\*\*) In the case of a relationship with a shareholder, include their shareholding percentage. If the relationship is with a member of the management team, include their position.

c. In the event that any member of the Board of Directors holds or has held a managerial position in the company during the reporting period, please provide the following information:

Names and surnames	Management position holds or held	Date in management position	
		Start <sup>(*)</sup>	Term <sup>(**)</sup>
Fernando Eguluz Lozano	General manager	July 2019	To the date.

(\*) Corresponds to the first appointment in the reporting company in the management position.

(\*\*) Complete only if you have ceased to hold the managerial position during the year.

d. In the event that any member of the Board of Directors or Senior Management of the company has maintained during the period any commercial or contractual relationship with the company, which has been significant in terms of amount or subject matter, please provide the following information.

Name and surname	Relationship type	Short description
Not applicable		

### Principle 23: Transactions with related parties

Question III.18	Yes	No	Explanation
1. Does the Board of Directors have policies and procedures for the evaluation, approval, and disclosure of certain transactions between the company and related parties, as well as to be aware of the commercial or personal relationships, direct or indirect, that the Directors maintain among themselves, with the company, with its suppliers or customers, and other stakeholders?	X		The company, being a financial system entity, is subject to restrictions and controls for conducting transactions with related parties. Similarly, the Board of Directors authorizes commercial transactions with related parties.
2. In the case of particularly significant or complex transactions, is the involvement of independent external advisors considered for its assessment?	X		The company, as a financial system entity, may resort to external advisors who provide their opinion on complex or significant transactions.

a. If the answer to numeral 1 of question III.18 is affirmative, indicate the area(s) of the company responsible for handling related party transactions in the following aspects:

Aspects	Area in charge
Assessment	Risks
Approval	Directory
Revelation	Not applicable

b. Indicate the procedures to approve transactions between related parties:

Being a financial system entity, transactions between related parties are regulated by SBS Resolution No. 472-2006 and SBS Resolution No. 5780-2015. Additionally, there is an internal regulation "RSC.NN.05.001 - Financing to related parties and the BBVA Group of Peru" that incorporates the scope of the aforementioned regulations.

c. Detail those transactions carried out between the company and its related parties during the period that have been significant due to their amount or the matter involved.

Name or corporate name of the related party	Nature of the binding <sup>(*)</sup>	Operation Type	Amount (S/)
Not applicable			

(\*) For the purposes of determining the relationship, the Provisions for the application of literal c) of article 51 of the Securities Market Law, approved by SMV Resolution No. 029-2018-SMV/01 or its substitute, will be applied.

d. Specify whether the company sets limits for conducting transactions with related parties.

Yes ☒ No ☐

## Principle 24: Functions of senior management

### Question III.19 / Compliance

	Yes	No	Explanation
1. Does the company have a clear policy for delineating functions between the administration or governance exercised by the Board of Directors, the day-to-day management carried out by Senior Management, and the leadership of the General Manager?	<input checked="" type="checkbox"/>		The company's organizational and functional manual establishes the functions assigned to the Board of Directors, Senior Management, and the General Manager.
2. Are the appointments of General Manager and Chairman of the Board of the company in different people?	<input checked="" type="checkbox"/>		The possibility of including this specification in the board of directors regulations will be evaluated. expressly.
3. Does Senior Management have sufficient autonomy to perform the assigned functions within the framework of policies and guidelines defined by the Board of Directors and under its control?	<input checked="" type="checkbox"/>		Senior Management has sufficient autonomy to perform its functions.
4. Is the General Management responsible for complying with and enforcing the delivery policy of information to the Board of Directors and its directors?	<input checked="" type="checkbox"/>		This function falls within the attributions of the General Manager.
5. Does the Board of Directors annually evaluate the performance of the general management based on well-defined standards?	<input checked="" type="checkbox"/>		According to the bylaws, it is inherent to the Board of Directors to evaluate the performance of the General Manager.
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 set in the respective plans?	<input checked="" type="checkbox"/>		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 management plan (including bonuses).

Post	Remuneration(*)	
	Fixed	Variable
General management	0.04%	0.03%
Management plan	0.17%	0.10%

(\*) Indicate the percentage that represents the total amount of the annual remuneration of members of senior management, with respect to the level of gross income, according to the financial statements of the company.

b. In the event that the company provides bonuses or remuneration other than that determined by legal mandate to senior management, indicate the form(s) in which they are paid.

	General management	Managers
Delivery of shares	Yes	Yes*
Delivery of options	No	No
Delivery of money	Yes	Yes
Others / Detail	*The delivery of shares to managers applies only to the special risk group takers.	

c. If there is a variable component in the remuneration, specify which are the main aspects considered for its determination.

To determine the variable component of the remuneration, the company considers the results of the company and the individual performance of senior management members.

d. Has the company defined a long-term incentive plan for management?

Yes ☒ No ☐

e. Indicate whether the Board of Directors evaluated the performance of General Management during the year.

Yes ☒ No ☐

## Principle 25: Environment of the risk management system

## Question IV.1

	Yes	No	Explanation
1. Has the Board of Directors approved a comprehensive risk management policy that includes procedures and responsibilities appropriate to its size and complexity, promoting a risk management culture 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 the current legal provisions.
2. Does the comprehensive risk management policy cover all the companies that are part of the group and does it allow for a global vision of critical risks?	X		The company has a comprehensive management policy for risks that is applicable to the companies of its group.

a. If your answer to number 1 of question IV.1 is affirmative, indicate which of the following mechanisms the Board of Directors uses to promote a culture of risk management (you may mark more than one option):

The appointment of a person responsible for comprehensive risk management at the highest level.	X
A risk-based delegation of authority policy.	X
Training and awareness on key responsibilities and risks.	X
Supervision of risk exposure at the highest level.	X
The approval of an annual risk management work plan.	X
Others (detail)	The Board of Directors approves the general management and control model of risks, as well as its risk appetite framework. Additionally, it presents its annual risk report in line with the provisions of the Corporate Governance and Comprehensive Risk Management Regulations, approved by SBS Resolution 272-2017.

b. 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
1. Does the General Management manage the risks to which the company is exposed and notify the Board of Directors?	X		The General Management manages risks based on information received from the Risk Committee and Risk Management.
2. Is the General Management responsible for the risk management system if there is no Risk Committee or Risk Management?		X	There is a Risk Committee and a Risk Management function in place.

a. Indicate the following regarding the comprehensive risk management system:

	Yes	No
Does senior management maintain a risk management process that includes identification, measurement, administration, control and monitoring.	X	
Does senior management inform the Board of risk exposure, through an Audit or Risk Committee?	X	

Does the company have a risk manager?

Yes ☒ No ☐

If your answer is yes, please provide the following information:

Name	Position date		Area / body to which it reports
	Start <sup>(*)</sup>	Term <sup>(**)</sup>	
Vicente Puig Payá	01.09.2019	Up to date	General Management, Board of Directors

(\*) Corresponds to the first appointment in the reporting company.

(\*\*) Complete only if the person had ceased holding the position during the year.

#### Question IV.3

	Yes	No	Explanation
Does the company have a control system whose effectiveness and suitability is supervised by the company's Board of Directors?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The company, being a financial system company, complies with the provisions of this principle.

a. If your answer to the previous question is affirmative, indicate if said system is integrated into a complaint reporting line and a process to resolve them.

Yes ☒ No ☐

b. Does the company have a prevention model implemented and in operation, in accordance with to the provisions of Law No. 30424, Law that regulates the administrative responsibility of persons legal, or by the rule that modifies or replaces it?

Yes ☒ No ☐

If your answer is affirmative, indicate which of the following elements you consider your prevention model includes:

Identification, evaluation and mitigation of risks	<input checked="" type="checkbox"/>
Prevention officer	<input checked="" type="checkbox"/>
Implementation of complaint procedures	<input checked="" type="checkbox"/>
Dissemination and periodic training of the model	<input checked="" type="checkbox"/>
Evaluation and continuous monitoring of the model	<input checked="" type="checkbox"/>

If the company has certifications related to the risk management system, risk management, compliance or anti-bribery management system, indicate which ones.

Not applicable

## Principle 26: Internal audit

### Question IV.4

	Yes	No	Explanation
1. Does the internal auditor perform audit work exclusively, has autonomy, experience and specialization in the issues under its evaluation, and 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.
2. Are the permanent evaluations of all the financial information generated or registered by the company valid and reliable, as well as the verification of the effectiveness of regulatory compliance, functions of the internal auditor?	X		The company, being a financial system company, complies with the provisions of this principle.
3. 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 if 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 reports to the audit.

Depends on ☐ Directory ☐

b. If the company belongs to an economic group, indicate whether the company has a corporate internal auditor.

Yes ☒ No ☐

If your answer is affirmative, indicate what are the main responsibilities of the person in charge of corporate internal audit and if they fulfill 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 sufficiency and effectiveness. The General Auditor reports to the Audit Committee, composed of directors delegated by the Board of Directors. Given the nature of this role, the General Auditor cannot perform any other executive functions within 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 subsequently reports to the Board of Directors.

## Principle 27: External auditors

### Question IV.6

	Yes	No	Explanation
Does the GSM, at the proposal of the Board of Directors, appoint the auditing company or the independent auditor, ensuring that they maintain clear independence from the company?	X		In accordance with statutory provisions, the election can be delegated to the Board of Directors.

a. In the event that your answer to the previous question is affirmative, does the Board of Directors or the Audit Committee verify that the audit firm or the independent auditor maintains clear independence from the firm?

Yes ☒ No ☐

If your answer is affirmative, specify the mechanisms that the company used to validate independence (you can check more than one):

The company requires an affidavit from the audit firm or the independent auditor where it declares its independence from the company.	<input checked="" type="checkbox"/>
The company carries out its own validation of potential conflicts of interest of the audit firm or independent auditor.	<input checked="" type="checkbox"/>

b. Does the external audit firm or the external auditor report directly to the Board of Directors or to the Audit Committee

Yes ☒ No ☐

c. Does the company have a policy approved by the Board of Directors or the Audit Committee for the appointment of the External Auditor?

	Yes	No
Directory	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Audit Committee	<input type="checkbox"/>	<input type="checkbox"/>

If the previous question is affirmative, describe the procedure for hiring 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 carried out at the corporate level from our parent company, which defines the guidelines and independence criteria that the audit firm must comply with.  
At the local level, the Board of Directors approves the company proposed by the corporation and submits it for consideration by the mandatory annual shareholders' meeting, which ultimately decides the appointment of external auditors, with the possibility of delegating this decision to the Board of Directors in accordance with the law and the bank's bylaws.

d. In the event that the audit firm has performed services other than the audit of the accounts, indicate whether such contracting was reported to the GSM, including the percentage of billing that such services represent over the total billing of the audit firm to the company.

Yes ☐ No ☒

e. Do the persons or entities linked to the external audit firm or the independent external auditor provide services to the company, other than those of the accounts audit itself?

Yes ☐ No ☒

If the answer to the previous question is affirmative, indicate the following information regarding the additional services provided by persons or entities related to the company audit in the reporting year.

Name or company name	Services additional	% Of remuneration(*)
Does not apply		

(\*) Billing of additional services on the billing of audit services.



f. Indicate whether the external audit firm or the independent external auditor has used different equipment, in case it has provided additional services to the audit of accounts.

Yes ☐ No ☐ Does not apply. ☐

#### Question IV.7

	Yes	No	Explanation
1. Does the company maintain and execute a renewal policy for the partner in charge of auditing and of the external audit firm?	X		The company maintains a corporate policy that defines the guidelines for contracting or renewing audit firms.
2. In the event that said policy establishes longer terms for the renewal of the audit, does the work team of the company audit rotates at most every five (5) years?	X		The company maintains a corporate policy that defines the guidelines for contracting or renewing audit firms.

Indicate the following information on the audit firms that have provided services to the company in the last five (5) years.

Period (start with the exercise)	Audit Company Business Name	Service <sup>(*)</sup>	Approximate duration of audit work (in business days)	Remuneration <sup>(**)</sup>	% of audit firm revenue <sup>(***)</sup>
2019-2023	Deloitte & Touche S.R.L. (Deloitte)	Consultancies	—	2,331,000	0.012%
2019-2023	Gris y Asociados S.C.R.L. (Deloitte)	Other services	—	1,271,000	0.007%
2019-2023	Price Waterhouse Coopers S.R.Ltda.	Consultancies	—	508,000	0.003%
2019-2023	Price Waterhouse Coopers S.R.Ltda.	Other services	—	939,000	0.005%
2019-2023	Ernst & Young	Consultancies	—	199,000	0.001%
2019-2023	Ernst & Young	Corporate social responsibility	—	86,000	0.000%
2019-2023	Tanaka Valdivia y Asociados SC (EY)	Annual audit EE.FF.	—	6,370,000	0.033%
2019-2023	Grellaud y Luque, Abogados (KPMG)	Consultancies	—	0	0.000%
2019-2023	Caipo y Asociados S.C.R.L	Annual audit EE.FF.	—	6,760,	0.035%
2019-2023	Caipo y Asociados S.C.R.L	Corporate social responsibility	—	88,000	0.000%
2019-2023	Caipo y Asociados S.C.R.L	Consultancies	—	561,000	0.003%
2019-2023	KPMG Asesores S. Civil de R.L.	Consultancies	—	569,000	0.003%

(\*) Include all types of services, such as financial information opinions, accounting experts, operational audits, system audits, tax audits, or other services.

(\*\*) Of the total amount paid to the audit firm for all concepts, indicate the percentage that corresponds to remuneration for financial audit services.

(\*\*\*) Data obtained from the audit firm.

**Question IV.8**

	Yes	No	Explanation
In the case of economic groups, is the external auditor the same for the entire group, including offshore subsidiaries?	X		There are no offshore subsidiaries.

Indicate whether the audit firm hired to review 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 yes, please indicate the following:

**Name or business name (in spanish) of the company(ies) of the economic group**

GRI 2-15

Banco BBVA Perú – BBVA

BBVA Bolsa Sociedad Agente de Bolsa SA – BBVA SAB

BBVA Asset Management SA SAF – BBVA SAF

BBVA Sociedad Titulizadora SA – BBVA Titulizadora

Inmuebles y Recuperaciones BBVA SA

Comercializadora Corporativa SAC

BBVA Consumer Finance Edpyme en Liquidación

Forum Comercializadora del Perú SA en Liquidación

Forum Distribuidora del Perú SA

## 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 company?	X		

a. If so, indicate whether, in accordance with its information policy, the company disseminates the following:

	Yes	No	Medium in which it is disseminated
Statutes	X		Corporate website, Annual memory
Company objectives		X	
Resume of senior management members	X		Annual report
Regulations of the Board of Directors	X		Corporate website, Annual memory
Board Committee Regulations	X		Corporate website
Contact information with investor relations office or whoever performs said functions	X		Corporate website, Annual memory
GSM Regulation	X		Corporate website
Code of Ethics	X		Corporate website
Comprehensive risk management policy		X	
Dividend policy	X		Corporate website, SMV portal
Others / Detail			

#### Question V.2

	Yes	No	Explanation
Does the company have a relationship area with investors?	X		The Finance area assumes such responsibility.

a. If you have an investor relations area, indicate who the person responsible is.

Head of the investor relations office	Stefany Campos Gutarra – Principal Manager Budget Modeling & Planning
---------------------------------------	--

b. If you do not have an investor relations area, indicate the unit (department/area) or person in charge of receiving and processing information requests from investors, shareholders of the company and the general public. If it is a person, additionally include the position and area in which they work.

Area in charge	
----------------	--

Person in charge		
Names and surnames	Position	Area

## Principle 29: Financial statements and annual report

a. Does the opinion of the external auditors regarding the financial statements for the year contain caveats and their measurement?

Yes ☐ No ☒

b. In the event that there are caveats in the report by the external auditor, have they been explained and/or justified to the shareholders?

Yes ☐ No ☐ Not applicable.

## Principle 30: Information on shareholding structure and agreements between

### 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 certain economic cluster?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	There are no different types of shares.

Indicate the composition of the shareholding structure of the company at the end of the fiscal year.

Holding shares with right to vote	Number of holders (at year end)	% of stake
Less than 1%	8,995	6.59%
Between 1% and 5%	1	1.17%
Between 5% and 10%	—	—
Greater than 10%	2	92.24%
Total	8,998	100%

Percentage of treasury shares over share capital ☐ Not applicable.

### Question V.4

	Yes	No	Explanation
Are there agreements or pacts between shareholders?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

If your answer is affirmative, indicate what matters each of the agreements or pacts in force between shareholders deal with.

Election of members of the Board of Directors	<input checked="" type="checkbox"/>
Exercise of the right to vote in the GSM	<input checked="" type="checkbox"/>
Restriction of the free transferability of shares	<input checked="" type="checkbox"/>
Changes in internal or statutory rules of the company	<input checked="" type="checkbox"/>
Others / Detail	

## Principle 31: Corporate government report

### Question V.5

	Yes	No	Explanation
Does the society disclose the standards adopted regarding corporate governance in an annual report other than this 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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The board of directors approves the annual report of the Corporate Governance Committee.

a. If your answer was yes, please provide the following information:

Name of the document	Approval date	Link
Annual report of the Committee on Corporate Governance	23.02.2023	

b. Specify the instances that review said Report before its presentation to the Board of Directors:

General Management	
Internal audit	
Audit Committee	
Government Committee	X
External specialized adviser	
Area specialized ESG	
Others / Detail	Legal Services Management - Secretary of the Board of Directors

c. Does the company have mechanisms for the internal and/or external diffusion of the corporate governance practices adopted?

	Yes	No
Internal diffusion	X	
External diffusion	X	

If the answer above is affirmative, check the mechanisms used, as appropriate:

	Diffusion internal	Diffusion external
Specific section of the website	X	X
Email		
Physical publication and distribution		
Participation in events, forums, or institutional specialized circles		
Others / Detail	Annual Report	

## Section C

### Content of company documents

GRI 2-19

Indicate which corporate document (s) regulates the following topics.

		Principle	Statute	Rules of Procedure(*)	Manual	Others	Not regulated	Not applicable	Denomination of content(**)
1.	Policy for the redemption or exchange of shares without voting rights	1						X	
2.	Method of registration of share ownership rights and the 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 nondilution	3						X	
4.	Procedure to receive and respond to requests for information and opinions from shareholders	4		X					
5.	Dividend policy	5				X			
6.	Policies or agreements of not adopting of anti absorption mechanisms	6						X	
7.	Arbitration Agreement	7	X						
8.	Policy for the selection of directors of the company	8		X					
9.	Policy to assess the remuneration of company directors	8		X					

>

		Principle	Statute	Rules of Procedure(*)	Manual	Others	Not regulated	Not applicable	Denomination of content(**)
10.	Mechanisms to make available to shareholders information related to the points contained on the agenda of the GSM and resolution proposals	10		X					
11.	The company uses additional means to those established by law to convene meetings	10		X					
12.	Additional mechanisms so that shareholders can formulate proposals of agenda items to be discussed at the GSM	11		X					
13.	Procedures to accept or deny the proposals of the shareholders to include items on the agenda to be discussed at the GSM	11		X					
14.	Mechanisms that allow the remote participation of shareholders	12		X					
15.	Procedures for the issuance of the differentiated vote by shareholders	12		X					
16.	Procedures to comply in situations of proxy voting	13		X					
17.	Requirements and formalities for a shareholder to be represented in a GSM	13		X					
18.	Procedures for the delegation of votes in favor of the members of the board of directors or senior management	13		X					

>

		Principle	Statute	Rules of Procedure(*)	Manual	Others	Not regulated	Not applicable	Denomination of content(**)
19.	Procedure to perform the monitoring of the agreements of the GSM	14		X					
20.	The minimum and maximum number of directors that make up the board of directors of the company	15	X	X					
21.	Procedure for the selection and permanence of board members	15	X	X					
22.	The duties, rights, and functions of directors of the society	17	X	X					
23.	Remuneration policy directory	17		X					
24.	Hiring policy advisory services for Directors	17		X					
25.	Induction policy for new Directors	17		X					
26.	Special requirements for being an independent director of the society	19		X					
27.	Mechanisms that allow making complaints corresponding to any behavior illegal or unethical	22		X					
28.	Policy that defines the procedure for the valuation, approval, and disclosure of operations with related parties	23				X			

>



		Principle	Statute	Rules of Procedure(*)	Manual	Others	Not regulated	Not applicable	Denomination of content(**)
29.	Responsibilities and functions of the president of the board of directors, the executive president, the general manager, and other officials with senior management positions	24	X	X					
30.	Evaluation criteria top management performance	24				X			
31.	Policy to set and assess senior management remuneration	24		X					
32.	Comprehensive management policy risk	25		X					
33.	Internal Audit Manager Responsibilities	26		X					
34.	Policy for designation of the external auditor, duration of the contract, and criteria for renewal	27		X					
35.	Disclosure policy and communication of information to investors	28		X					

(\*) This includes GSM regulations, board regulations, or other company-issued regulations.

(\*\*) Indicate the name of the document, except in the case of the bylaws of the company

## Section D

### Other information of interest<sup>5</sup>

BBVA, with its purpose of creating opportunities for all its stakeholders, carries out a series of high-impact actions throughout the year.

Throughout 2023, the Bank, through its Foundation, has reaffirmed its commitment to the community, prioritizing its three focuses of action that bring together actions aimed at improving reading comprehension through the “Leer es estar adelante” program, serving more of 25,000 children in five regions of the country, strengthening capacities in financial education through its programs “Tu dinero, tu amigo,” the III Week of financial education and the courses of the Finance as a game platform benefiting 8,853 people or conservation of properties that are World Heritage in Arequipa, Cusco and La Libertad.

In recent years, BBVA has been consolidating its sustainability strategy, which is applied to its business lines and social actions. Notable efforts include the conservation of 120 hectares of Amazon rainforest through an agreement with the ARBIO Association. Similarly, they finance scientific research projects and contribute to the Faculty of Biomedical Engineering (PUCP-UPCH).

This line of action also includes the relationship with TV Peru for the broadcast of content from “Aprendemos Juntos Kids,” a program that invites children to reflect on the future of humanity.

Starting in 2023, BBVA Peru has been implementing the “Mide lo que importa” program, a product of the agreement with the Sistema B organization, aimed at improving the socio-environmental performance of a group of SME segment companies.

BBVA’s presence in sustainability discussion forums and spaces has been strengthened, becoming a local benchmark. It is important to highlight that all the actions developed by the bank for these purposes allowed it to be included as the only Peruvian bank in the Dow Jones Sustainability Index for the third consecutive year.

<sup>5</sup> Information of interest not dealt with in the previous sections is included, which contributes to the investor and the various groups of interest may have a greater scope than other good corporate governance practices implemented by the company, as well as practices related to corporate social responsibility, relations 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 adhesion date.

## 6.5.8. Corporate Sustainability Report (10180)

Name	Banco BBVA Perú
Year	2023
Website	www.bbva.pe
Name or business name of the reviewing company <sup>1</sup>	Ernst & Young SRL
SRL RPJ	

### I. Environment and Climate

#### 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 primary expression of this commitment is the Global Eco-efficiency Plan (PGE), which has specific goals for indicators and countries that are renewed every five years.

a. If the answer to question 1 is affirmative, indicate the name of the document in which the policy or management system adopted by the company is evidenced, the date of approval, and the year from which it has been applied:

Document name	Approval date	A year from which it is being applied
Global Eco-efficiency Plan 2021-2025; Pledge (Commitment 2025)	5.05.2021	2008
General Sustainability Policy Peru	December 2022	2022
General Sustainability Policy BBVA (Holding)	September 2022	2022

<sup>1</sup> It only applies if the information contained in this report has been reviewed by a specialized company (e.g., an audit firm or consulting firm).

b. If the answer to question 1 is affirmative, specify:

	Yes	No	Explanation
Has the Board of Directors approved the environmental policy or management system?	X		As the general sustainability policy is global, it is approved first by the Holding's board before being adopted by BBVA Peru.
Does said environmental policy or management system include risk management, identification, and measurement of the ecological impacts of its operations related to climate change (*)?	X		The General Sustainability Policy mentions managing the impact of climate change, which is specified in the strategic plan approved by the Board of Directors in 2022 and has as priorities climate change and development inclusive and sustainable social.
Does the company have an annual report evaluating the results of its environmental policy, and has the Board of Directors been informed of this?	X		The board of directors of BBVA Peru evaluates the results of environmental management during the review of the Report Annual Integrated 2023.

(\*) The company is expected to consider the "physical" aspects of climate change (floods, landslides, droughts, desertification, etc.) and/or the "transition" aspects to a new low-carbon economy (use of new technologies, decarbonization of investment portfolios, etc.) in its climate change management.

## Question 2

	Yes	No	Explanation
Has the company, during the year, been subject to any investigation, community complaint, or public controversy, or has it imposed any corrective action, injunction, exemplary, or other sanction involving the violation of environmental regulations? (*)		X	BBVA has not been the subject of investigations, community complaints, or controversies regarding the violation of environmental regulations.

(\*) It is expected that the company considers at this point those investigations, community complaints, public controversies or corrective measures, preventive measures, fines, or other sanctions linked to material impacts. According to the definition of the Global Reporting Initiative, material aspects reflect significant economic impacts and environmental and social aspects of the organization or substantially influence the assessments and decisions of stakeholders.

a. If the answer to question 2 is affirmative, indicate the type of investigation, community complaint, public controversy, corrective measure, injunction, exemplary or other sanction that involves the violation of environmental regulations 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 financial year:

Investigation, community complaint, public controversy corrective measure, injunction, exemplary or other sanction	State or situation
Not applicable	BBVA has not been subject to investigations, complaints from the community, or controversies for the violation of environmental regulations.

b. Specify if the company maintains any investigation, community complaint, controversy public, corrective measure, precautionary measure, exemplary 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 financial year:

Investigation, community complaint, public controversy corrective measure, injunction, exemplary or other sanction	State or situation
Not applicable	BBVA has not been subject to investigations, complaints from the community, or controversies for the violation of environmental regulations.

### Greenhouse Gas Emissions (GHG):

#### Question 3

	Yes	No	Explanation
Does the company measure its GHG emissions <sup>(*)</sup> ?	X		BBVA measures its GHG emissions and has reduction commitments through the Global Eco-efficiency Plan "PGE 2021-2025." It measures Scope 1 (emissions from fuel consumption: diesel-gas oil, natural gas, and refrigerant gas recharge by the Bank 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 and business travel of Bank professionals in tons of CO <sub>2</sub> ).

(\*) **Greenhouse Gases (GHG):** Gases of natural or human origin that are part of the atmosphere and trap the sun's energy in it, causing it to heat up (Law No. 30754, Framework Law on Climate Change, or regulation that replaces or modifies it).

a. If the answer to question 3 is affirmative, specify:

Document name	Information required
If the company has a certification, report, or third-party verification of the measurement of total GHG emissions <sup>(*)</sup> , indicate the document's name, the issuance date, and whether it is valid at the end of the financial year.	The Ministry of the Environment of Peru has recognized BBVA as a pioneer organization and leader in using the tool Carbon Footprint Peru, which allows the identification of public and private organizations that have effectively managed their greenhouse gas emissions. The emissions inventory corresponding to the year 2022 was recorded in 2023. External verification was not carried out during the year as in previous years.
If the company has an internally developed platform, tool, or standard for measuring total GHG emissions <sup>(*)</sup> , please indicate its name, implementation date, and, if applicable, its most recent update.	Since fiscal year 2021, BBVA has utilized a corporate tool called "Environmental Data Peru," similar to tools used in other countries within the BBVA Group. This tool records information related to various environmental concepts every month. The Sustainability Area of BBVA Spain evaluates the GHG results.

(\*) The total GHG emissions generated by a company are called corporate carbon footprint.

b. If the answer to question 3 is affirmative, indicate the following information corresponding to the last three (3) years:

Exercise	Total GHG emissions (MT CO <sub>2</sub> e)		
	Scope 1 <sup>(*)</sup>	Scope 2 <sup>(**)</sup>	Scope 3 <sup>(***)</sup>
2023	2,674.99	0,00	4,785.40
2022	1,649.27	3,596.333	3,039.284
2021	56.58	5,353.34	320.22

(\*) **Scope 1:** GHG emissions that are directly generated by the company, such as emissions from combustion in boilers, ovens, vehicles, etc.

(\*\*) **Scope 2:** GHG emissions are generated indirectly by the company's energy use.

(\*\*\*) **Scope 3:** All other indirect GHG emissions generated by the company, such as air travel, land travel, paper consumption, and employee transfers.

#### Question 4

	Yes	No	Explanation
Does society have objectives or goals for reducing GHG emissions?	X		<ol style="list-style-type: none"> <li>1. Transformation of the Corporate Building - Central Headquarters.</li> <li>2. Other Projects at Headquarters: <ul style="list-style-type: none"> <li>• Sustainable mobility</li> </ul> </li> <li>3. Focus on energy efficiency</li> <li>4. Certification of premises with ISO 14001.</li> <li>5. Energy certification from renewable sources.</li> <li>6. Corporate taxi service.</li> <li>7. Carbon Footprint Peru</li> <li>8. Aurora Project</li> </ol>

a. If the answer to question 4 is affirmative, indicate the name of the document that supports the company's objectives or targets for reducing GHG emissions, the date of approval of these objectives or targets, and the year from which they have been applied:

Document name	Approval date	Year from which it is being applied
Global Eco-efficiency Plan 2021-2025; Pledge 2025 (Commitment 2025)	May 5, 2021	2008
General Sustainability Policy BBVA	September 15, 2022	2022

b. If the answer to question 4 is affirmative, specify:

	Yes	No	Explanation
Have these reduction objectives or targets been approved by the Board of Directors?	X		The Holding approves the Global Eco-Efficiency Plan (PGE), which outlines the reduction goals for each environmental indicator.

## 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 Global Eco-efficiency Plan (PGE) 2021-2025 to reduce its environmental footprint, objectives have been established in the Environmental Management System that includes measuring and reducing water consumption per occupant, among other measures, within a new concept of "green office." Additionally, during the transformation of the corporate building at the headquarters, water-saving taps and low-consumption sanitary devices were installed, which was in line with the design standards of our offices.

If the answer to question 5 is affirmative, indicate the following information corresponding to the last three (3) years:

Exercise	Total water consumption (m <sup>3</sup> )
2023	120,557.00
2022	127,357.009
2021	176,732.27

### Question 6

	Yes	No	Explanation
Does society measure its water footprint(*)?		X	BBVA does not consider it relevant to measure the water footprint in its processes because, as a financial services company, the impacts of its operations are not significant.

(\*) **Water Footprint:** an indicator that defines the total volume of water used and the impacts caused by producing goods and services. It includes the direct and indirect consumption of water throughout the production process, including various stages in the supply chain ("Standard that Promotes the Measurement and Voluntary Reduction of the Water Footprint and Shared Value in Hydrographic Basins" - Chief Resolution No. 023-2020-ANA, or the rule that replaces or modifies it).

If the answer to question 6 is affirmative, specify:

Water footprint measurement	Required information
If the company has a certification, report, or statement from a third party that evidences 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 the measurement of its water footprint, indicate its name, its implementation date, and, if applicable, its latest update:	

### Question 7

	Yes	No	Explanation
Does the company have objectives or goals to reduce its water use?	X		Within the framework of the PGE's efforts to reduce its environmental footprint, objectives have been established in the environmental management system that includes measuring and reducing water consumption per occupant, among other 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 network of offices.

a. If the answer to question 7 is affirmative, indicate the name of the document evidencing the adopted objectives or targets for reducing the company's water consumption, the date of approval, and the year from which it has been applied:

Document name	Approval date	Year from which it is being applied
Global Eco-efficiency Plan 2021-2025; Pledge 2025 (Commitment 2025)	May 5, 2021	2008

b. If the answer to question 7 is affirmative, specify:

	Yes	No	Explanation
Have these reduction objectives or targets been approved by the Board of Directors?	X		The Holding approves the PGE 2021-2025, which indicates the reduction goals for each environmental indicator.

### Question 8

	Yes	No	Explanation
Does the company control the quality of its effluents(*)?		X	BBVA does not directly discharge wastewater into the environment because it is a company that provides financial services.

(\*) **Effluent:** Direct wastewater discharge into the environment, whose concentration of polluting substances must comply with the Maximum Permissible Limits (LMP) regulated by Peruvian legislation. Wastewater is defined as that which anthropogenic activities have modified, requires 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 name of the document evidencing the control of effluents:

Document name
Not applicable.



## Energy:

### Question 9

	Yes	No	Explanation
Does society measure its energy consumption (in kWh)?	X		Within the PGE 2021- 2025 framework to reduce its environmental footprint, the BBVA Group has adopted various initiatives since 2008, including measuring electricity consumption (kWh) per occupant and its reduction.

If the answer to question 9 is affirmative, indicate the following information corresponding to the last three (3) years:

Exercise	Total energy consumption (kWh)
2023	29,554,464
2022	26,215,078
2021	32,542,181

### Question 10

	Yes	No	Explanation
Does society have objectives or goals for reducing its energy consumption?	X		<p>Within the framework of the PGE 2021-2025 for reducing its environmental footprint, the BBVA Group has adopted various initiatives since 2014 that include efficient energy consumption, such as the implementation of renewable energies, the use of new technologies for energy saving, carrying out environmental and energy audits in buildings and the rationalization of resources to make the infrastructure more efficient, among other measures within a new concept of "green office."</p> <ul style="list-style-type: none"> <li>•Renovated air conditioning in the headquarters with ecological gas and cold water (97% installed).</li> <li>•Preparing the Eco-efficiency Standard to promote responsible energy consumption at the Headquarters and Office Network.</li> <li>•Implementation of presence sensors and programmable office thermostats to generate energy efficiencies.</li> <li>•Enabling two charging stations for electric and hybrid cars at the Headquarters.</li> <li>•Inauguration of a cycle path at the headquarters and increased use of eco-friendly transportation.</li> <li>•Deployment of the sustainable mobility pilot at the headquarters</li> <li>•Started the deployment of bicycle parking spaces in the Office Network, with four installed in Lima in 2023.</li> <li>•Certified premises</li> <li>•ISO 14001(Recertification): Headquarters</li> <li>•Energy Certification from renewable sources: Headquarters</li> <li>•Other Certifications: EDGE</li> <li>•Corporate Taxi Service</li> <li>•Peru's Carbon Footprint</li> <li>•AURORA Project – Office Remodeling</li> </ul>

a. If the answer to question 10 is affirmative, indicate the denomination of the document evidencing the reduction targets adopted by the company, the date of approval, and the year since it has been applied:

Document name	Approval date	Year from which it is being applied
Global Eco-efficiency Plan 2021-2025; Pledge 2025 (Commitment 2025)	May 5, 2021	2008
General Sustainability Policy	December 15, 2022	2022

b. If the answer to question 10 is affirmative, specify:

	Yes	No	Explanation
Have these reduction objectives or targets been approved by the Board of Directors?	X		The Holding approves the PGE, which indicates the reduction targets for each environmental indicator.

#### Solid waste:

##### Question 11

	Yes	No	Explanation
Does the company measure the solid waste generated (in tons)?	X		Within the framework of the PGE 2021- 2025 to reduce its environmental footprint, the BBVA Group adopted various initiatives in 2008, including measuring, establishing controls, and segregating waste resulting in inputs such as paper, appliances, electricity, and other remnants throughout the BBVA Group's sphere of influence. It should be noted that only since 2019 has the information been collected separately by type of waste, so there are no such data before that date.

If the answer to question 11 is affirmative, indicate the following information corresponding to the last three years:

Exercise	Hazardous solid Waste (MT) <sup>(*)</sup>	Non-hazardous solid Waste (MT) <sup>(**)</sup>	Total solid waste (MT)
2023	112.35	144.45	256.8
2022	186.34	1,710	1,896
2021	1	1,307	1,308

(\*) **Hazardous solid waste:** Hazardous solid waste is considered to be those contemplated in Annex III of the Regulations of Legislative Decree No. 1278, Legislative Decree approving the Law on Comprehensive Solid Waste Management, approved by Supreme Decree No. 014-2017-MINAM, or standard that replaces or modifies it.

(\*\*) **Non-hazardous solid waste:** Non-hazardous solid waste is considered to be those contemplated in Annex V of the Regulations of Legislative Decree No. 1278, Legislative Decree approving the Law on Comprehensive Solid Waste Management, approved by Supreme Decree No. 014-2017-MINAM, or regulation that replaces or modifies it.

**Note:** The information corresponding to the year 2022 includes the concept of Electrical and electronic devices with a total weight of 109.10 tons.

**Question 12**

	Yes	No	Explanation
Does society have objectives or goals for managing (reduce, recycle, or reuse) its solid waste?	X		<p>Within the framework of the PGE 2021- 2025 to reduce its environmental footprint, the BBVA Group adopted various initiatives in 2008, including measuring, establishing controls, and segregating waste resulting in inputs such as paper, appliances, electricity, and other remnants throughout the BBVA Group's sphere of influence.</p> <p>It is worth noting that information has been collected separately by type of waste since 2019, which is why there is no data prior to 2018.</p>

a. If the answer to question 12 is affirmative, indicate the document's name in which the solid waste management objectives adopted by the company are evidenced, the date of approval, and the year from which it has been applied.

Document name	Approval date	Year from which it is being applied
Global Eco-efficiency Plan 2021-2025; Pledge 2025 (Commitment 2025)	May 15, 2021	2008

b. If the answer to question 12 is affirmative, specify:

	Yes	No	Explanation
Has the Board approved these reduction targets?	X		<p>The Holding approves the PGE, which indicates the reduction targets for each environmental indicator.</p>

## II. Social

### Stakeholders:

#### Question 13

	Yes	No	Explanation
Has the company identified the risks and opportunities related to its stakeholders (such as collaborators, suppliers, shareholders, investors, authorities, clients, and the community, among others)?	X		From the risk management framework, the Bank has a risk policy. Likewise, the different units use listening and dialogue tools to generate communication with their stakeholders. This 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
Does the company have an action plan to manage the risks and opportunities of its stakeholders?	X		Each area of BBVA that manages the relationship with the different groups of interest has established guidelines and action plans to identify risks and opportunities. In 2022, BBVA carried out its materiality analysis using standards such as GRI and CSRD, considering environmental, social, and governance aspects. This analysis was completed in 2023 and identified relevant issues for BBVA and its stakeholders, constituting an action plan to manage risks and opportunities.
Does the company have a report evaluating the results of its action plan, and has this information been known to the Board of Directors?	X		The areas that manage the relationship with different stakeholder groups present reports at board meetings independently.
Does the company publicly report its action plan and progress in relation to its stakeholders?	X		The 2023 Annual Report – Integrated Report details specific commitments with the following stakeholder groups: customers, employees, shareholders and investors, society, and suppliers.

b. If the answer to question 13 is affirmative, indicate the name of the document that evidences the company's action plan in relation to its stakeholder groups:

**Document name**

Annual Report 2023 – Integrated Report  
(Where there are different commitments for each interest group)

**Question 14**

	Yes	No	Explanation
Has the company had any controversy or material conflict <sup>(*)</sup> with any of its stakeholders during the year, 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 material controversies or conflicts with its interest groups.

(\*) According to the Global Reporting Initiative's definition, "material" aspects are those that reflect the organization's significant economic, environmental, and social impacts or substantially influence stakeholders' assessments and decisions.

(\*\*) 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 Conflicts 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 in conflict due to the exercise of a fundamental right or access to goods and services, adopting actions that may constitute a risk or threat to governance and/or public order. As a social process, it can escalate towards scenarios of violence between the parties involved, meriting the articulated intervention of the State, civil society, and the productive sectors. Social conflicts are addressed when the demands that generate them are within Government policies and their guidelines." Source: Secretariat for Social Management and Dialogue of the Presidency of the Council of Ministers. ABC of the Secretariat for Social Management and Dialogue. Lima, 2018, p. 3.

If the answer to question 14 is affirmative, indicate the controversy or material conflict with one 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
No events were reported.	No events were reported.	No events were reported.

**Question 15**

	Yes	No	Explanation
Does the company include environmental, social, and corporate governance (ESG) aspects in its purchase criteria and/or selection of goods and/or services suppliers?	X		BBVA carries out an approval process for recurring suppliers with higher purchase volumes. This approval consists of assessing their financial, legal, employment, and reputational situation, understanding their basic technical capabilities, and validating that they share the same values as the Group regarding social responsibility. The process also verifies whether the supplier complies with its legal obligations (labor or environmental regulations, among others) and encourages their civic duties.

If the answer to question 15 is affirmative, indicate the name of the document evidencing the inclusion of ESG aspects in the criteria for the purchase and/ or selection of suppliers of goods and/or services:

Document name

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 acts on behalf of BBVA. It also states the principles and values that regulate the actions of all employees. Additionally, it has the BBVA Commitment to Human Rights, which seeks strict compliance with applicable legislation in its activities and operations, including promoting and respecting human rights. It also has the Internal Work Regulations, which establish the obligations and rights of both parties (employees and company).

a. If the answer to question 16 is affirmative, specify:

	Yes	No	Explanation
Has the Directory approved the labor policy?	X		The BBVA Code of Conduct and Commitment regarding Human Rights comes from the Holding and is to be adopted for each country. On the other hand, the Internal Work Regulations (RIT) were approved by the Management Committee, which comprised area managers, in 2012 (before that, BBVA had a previous version of the RIT).
Does the company have a report evaluating the results of its labor policy, and has this been known to the Board of Directors?		X	A report on compliance with the Code of Conduct is presented to the Management Committee, composed 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; also, specify the document's name evidencing its adoption, date of approval, and the year from which it has been applied.

	Yes	No	Document	Date approval	Year since it is being applied
a. Equality and non-discrimination.	X		•Internal Work Regulations (the date of approval corresponds to the Mintra approval) •Code of Ethics	3.08.2012	2012
b. Diversity.	X		•Internal Work Regulations (the date of approval corresponds to the Mintra approval) •Code of Ethics	3.08.2012	2012
c. Prevention of sexual harassment(**).	X		•Internal Work Regulations (the date of approval corresponds to the Mintra approval) •Code of Ethics	3.08.2012	2012
d. Prevention of criminal harassment and sexual harassment(**).	X		•Internal Work Regulations (the date of approval corresponds to the Mintra approval) •Code of Ethics	3.08.2012	2012
e. Freedom of association and collective bargaining.	X		•Internal Work Regulations (the date of approval corresponds to the Mintra approval) •Code of Ethics	3.08.2012	2012
f. Eradication of forced labor.	X		•Code of Conduct	24.09.2015	2015
g. Eradication of child labor.	X		•Code of Conduct	24.09.2015	2015

(\*) Take into consideration the scope of Law No. 27942.

(\*\*) Consider 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 of total employees.

Collaborators	Number	Total percentage of employees
Women	3,901	46.31%
Men	3,358	53.69%
Total	7,266	100%

#### Question 17

	Yes	No	Explanation
Has the company been the subject of an investigation or had any corrective measure, precautionary measure, fine, or other sanction imposed during the year related to non-compliance with labor standards, health and safety, forced labor, or child labor?		X	BBVA has not been the subject of investigations or had corrective measures, injunctions, fines, or sanctions related to non-compliance with labor, health and safety, forced labor, or child labor imposed on it.

a. If the answer to question 17 is affirmative, indicate the type of investigation, corrective measure, precautionary measure, fine, or other sanction to which there has been the company was subjected during the year related to non-compliance with labor regulations, health and safety, forced labor or child labor, as well as the state or situation of the same at the end of the financial year:

Investigation, corrective action, measure injunction, fine or other sanction	State or situation
No investigations, fines, or other sanctions.	There are no situations to report.

b. Specify whether the company maintains ongoing investigations, corrective measures, measures injunctions, fines, or other sanctions from prior years related to non-compliance with labor, health and safety regulations, forced labor, or child labor, as well as the state or situation of the same at the end of the financial year:

Investigation, corrective action, measure injunction, fine or other sanction	State or situation
No investigations, fines, or other sanctions.	There are no situations to report.

#### Question 18

	Yes	No	Explanation
Does the company carry out an annual assessment of its compliance or observance of the Health and Safety at Work standards?	X		Annual evaluation is carried out as an opportunity to improve the security and health at work.

#### Question 19

	Yes	No	Explanation
Does the company keep a record of work accidents?	X		There have been no fatal accidents in the last three years. In 2023, the information has been disaggregated, including minor and incapacitating accidents. On the other hand, the Bank does not have such disaggregated information on the part of its contractors, only the details of fatal accidents.



If the answer to question 19 is affirmative, indicate the following information corresponding to work accidents<sup>(\*)</sup> of direct employees() and contracted employees<sup>(\*)</sup> of the company in the last three (3) years:

GRI 403-9

Indicator	Exercise	(Exercise-1)	(Exercise-2)
Exercise	2023	2022	2021
Number of direct employees	7,266	6,735	6,183
Total hours worked by all direct employees during the year	16,299,728	14,316,960	0
Number of minor accidents (direct employees)	1	0	0
Number of incapacitating accidents (direct employees)	5	6	0
Number of fatal accidents (direct employees)	0	0	0

Accident rate per 500 workers: 0.06%.

Indicator	Exercise	(Exercise-1)	(Exercise-2)
Ejercicio	2023	2022	2021
Number of contracted employees		0	0
Total hours worked by all contracted employees during the year		0	0
Number of minor accidents (contracted employees)		0	0
Number of incapacitating accidents (contracted employees)		0	0
Number of fatal accidents (contracted employees)		0	0

(\*) **Minor accident:** An event whose injury, as a result of the medical evaluation, gives the injured person a short rest with a maximum return the following day to their usual work. **Incapacitating accident:** An event whose injury, as a result of the medical evaluation, gives rise to rest, justified absence from work, and treatment. **Fatal accident:** An event whose injuries cause the death of the worker. Source: Glossary of Terms of the Regulation of Law No. 29783 - Occupational Health and Safety Law, Supreme Decree No. 005-2012-TR or the standard 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		BBVA measures the engagement levels of its collaborators through the Q12 survey from Gallup. These questions measure employee engagement and explain their productive motivations on the job. The Q12 or 12 engagement items are categorized into basic needs, individual, teamwork, and growth. Additionally, questions referring to the experience of the Group's values, diversity, and work-life balance have been added.

a. If the answer to question 20 is affirmative, indicate:

	Yes	No	Explanation
Does the company have objectives or goals to improve its 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 surveys carried out by the firm Gallup. In 2022, the survey sought to define, in a range of 1 to 5 points, the leadership and transformation evolution culture at BBVA Peru. The Bank exceeded the score obtained in 2022 with a result of 4.63 for 2023, positioning Peru as the country of the Group that improved the most in Gallup and the second with the best Grand Mean in the BBVA Group.

b. In the event that you have indicated that you have objectives or goals to improve your work environment, indicate the name of the document in which said objectives are evidenced, the date of approval, and the year from which it has been applied:

Document name	Approval date	Year from which it is being 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 your employees?	X		Talent Map: This is a tool for evaluating performance over the last two years and assessing skills. It allows for providing a differentiated value offer and recognizing employees with the best performance. Remuneration Administration Policy: This policy sets levels and grades for those who perform well within the salary band and the target bonus.

a. If the answer to question 21 is affirmative, indicate the denomination of the document that supports the talent management policy for its employees:

Document name
Remuneration Administration Policy

b. If the answer to question 21 is affirmative, specify:

	Yes	No	Explanation
Has the board approved the talent management policy?	X		The initiative for salary bands was presented at the December 2022 committee. The talent map is Holding's corporate talent model, which it approves and which 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		There is an Integrity Committee, whose objective is to investigate any case of sexual harassment and workplace hostility. In addition, during 2023, communications were launched on special dates, such as the day against harassment and violence against women, reminding the existence of the various reporting channels that the Bank has.  Likewise, every employee who starts working in any of the Group's entities in Peru must follow the Anti-Corruption Policy and Code of Conduct courses through the virtual training platform.

(\*) Consider the scope of Law No. 27942 regarding sexual harassment and Supreme Decree No. 003-97-TR regarding workplace hostility or regulations that replace or modify 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 complaint/claim channel to address impacts on human rights?	X		<p>One purpose of BBVA's Code of Conduct and the BBVA Group companies in Peru is to reinforce the obligation of its members not to tolerate behaviors that deviate from the policies and guidelines indicated therein and to prevent any action that develops the Group members' functions outside the law, or that is morally questionable. The Complaints Channel constitutes a means by which any stakeholder can report any breach that they observe or transmit to them by other collaborators, clients, or suppliers, including but not limited to illegal or unethical conduct. To do this, the following procedure must be complied with:</p> <ul style="list-style-type: none"> <li>• Deal with the case with your immediate superior or Talent &amp; Culture manager.</li> <li>• Notify the case through the local Complaints Channel</li> <li>• Use the Complaints Channel when you want the case notified to Compliance Holding.</li> </ul>
Does the company register and respond, within a determined timeframe, to the results of the investigations derived from the complaints/claims referred to in the preceding question?	X		The Complaints Channel has specific deadlines for monitoring the investigations derived from it.

a. If the answer to question 23 is affirmative, indicate the name of the document in which the policy or internal and external management system adopted by the company is evidenced, date of issuance, and the year since it has been implemented:

Document name	Approval date	Year of implementation
Code of Conduct	May, 2022	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 Global Compact Principles and each year prepares and disseminates the Communication of Progress (COP) report of the United Nations.
Does the company have a training plan on human rights issues that encompasses the organization?			Within the framework of the Code of Conduct, which includes the chapter "Commitment to respect for Human Rights," there are human rights training courses.

### III. Complementary 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 corporate sustainability, it complies with the primary international standards in terms of corporate social responsibility (CSR), as well as with other initiatives that the Responsible Business Committee considers appropriate and convenient, which are reflected in the following commitments:</p> <ul style="list-style-type: none"> <li>•Principles of Responsible Banking, promoted by the Financial Initiative of the United Nations Environment Program (UNEP FI). (Since 2019.)</li> <li>•Sustainable Development Goals (<a href="https://www.undp.org/content/undp/es/home/sustainable-development-goals.html">https://www.undp.org/content/undp/es/home/sustainable-development-goals.html</a>). (Since 2018.)</li> <li>•United Nations Global Compact (<a href="http://www.globalcompact.org">www.globalcompact.org</a>). (Since 2014.)</li> <li>•Financial Initiative of the United Nations Environment Program, UNEP-FI (<a href="http://www.unepfi.org">www.unepfi.org</a>). (Since 1999.)</li> <li>•Equator Principles (<a href="http://www.equator-principles.com">www.equator-principles.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-tcfd.org/">https://www.fsb-tcfd.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 company's certification and the web link where this can be validated.

International Certification	Link
No certificates.	No certificates.

Question 25	Yes	No	Explanation
Does the company have a Corporate Sustainability Report other than the present report?	X		For the fourth year, BBVA presents the Annual Report 2023—Integrated Report, after reporting information related to sustainability through the Responsible Banking Report since 2005, aligned with the Communication of Progress (COP) of the United Nations Global Compact. An independent third party verifies non-financial information.

If the answer to question 25 is affirmative, indicate the name of the report and the web link through which the latest available report can be accessed:

Name of the report	Link
Annual Report 2023 – Integrated Report	<a href="https://www.bbva.pe/personas/nuestro-banco/investor-relations/memoria-financiera.html">https://www.bbva.pe/personas/nuestro-banco/investor-relations/memoria-financiera.html</a>

## 6.5.9. Report on shareholding structure by type of investor (10190)

Name	Banco BBVA Perú
Year	2023

### 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 Lima Stock Exchange's website at the end of the fiscal year. The Company must indicate the composition of the shareholding structure by type of shareholder for each share or its representative value that belongs to the index above.

**Share 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	% de 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 Employees of the company, not included in numeral 1	80	0.03%
3 Natural persons, not included in numeral 1 and 2	8,807	2.81%
4 Pension funds are managed by the Pension Fund Administrators under the supervision of the Superintendency of Banking, Insurance, and AFP	12	4.52%
5 Pension fund managed by the Pension Standardization Office (ONP)	0	0.00%
6 Entities of the Peruvian State, with the exception of the case included in the numeral 5	3	0.01%
7 Banks, finance companies, municipal savings banks, edpymes, rural savings banks, and savings and credit under the supervision of the Superintendency of Banking, Insurance, and AFP	0	0.00%
8 Insurance companies under the supervision of the Superintendency of Banking, Insurance and AFP	1	0.00%
9 Brokerage agents, under the supervision of the SMV	4	0.02%
10 Investment funds, mutual funds, and trust assets under the scope of the Law of the Stock Market and the Law on Investment Funds and bank trusts under the scope of the General Law of the Financial System	8	0.00%
11 Autonomous assets and bank trusts abroad, to the extent that they can be identified	0	0.00%
12 Foreign depositories that appear as holders of the share in the framework of programs of ADRs or ADSs	0	0.00%
13 Foreign depositories that appear as holders of shares not included in numeral 12	0	0.00%
14 Foreign custodians listed as holders of shares	0	0.00%
15 Entities not included in previous numerals <sup>(2)</sup>	83	92.65%
16 Stocks belonging to the S&P/BVL Peru Select Index or representative value of these shares in the company's portfolio	0	0.00%
<b>Total</b>	<b>8,998</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	% de participation <sup>(3)</sup>
Domiciled	8,939	99.62%
Not domiciled	59	0.38%
<b>Total</b>	<b>8,998</b>	<b>100.00%</b>

(1) Term "Relatives" according to the Regulation of Indirect Ownership, Relationship, and Economic Groups.

(2) Term "Entities" according to the Regulation of Indirect Ownership, Linkage, and Economic Groups.

(3) Two decimal places.



# 7.

## Non-financial criteria and standards



GRI 2-3, 2-4, 2-29, 3-1

The objective of this document, called Annual Report 2023 – Integrated Report (MA-II 2023), is to account for the actions of BBVA during the financial year 2023 in terms of its commitment to sustainable development. For the third consecutive year, a single text is presented that includes both financial and non-financial information.

As in the two previous versions, for this MA-II 2023, internationally recognized standards have been followed based on the Global Reporting Initiative (GRI) Standards, in its comprehensive option, to which the criteria of the AA1000 standard of the Institute of Social and Ethical Accountability have been incorporated.

It should be noted that the data contained in this report refer, in a relevant and concise manner, to the financial and non-financial framework of BBVA's strategy, corporate governance, and performance, including on an annual basis and closing on 31 December 2023. Since the document contains comparative data for the years 2021, 2022, and 2023, the respective indication is attached if any changes occur in these historical data due to subsequent changes in the indicators.

In preparing the MA-II 2023, the materiality analysis has been taken into account to identify the relevant issues for the Bank and, consequently, for its different stakeholders, which are dealt with in the various chapters of this report.

Notably, this document 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 2-5, 2-29

Both in the definition of its content and the quality of its information, the principles of the MA-II 2023 respond to the guidelines of the GRI Standards. These principles are:

- **Participation of stakeholders:** BBVA details who its stakeholders are and explains how they have responded to their reasonable expectations and interests.
- **Context of sustainability:** The MA-II 2023 highlights the organization's practices in the broader context of sustainability, using available information.
- **Materiality:** The MA-II 2023 takes into account the specific aspects that reflect the organization's significant economic, environmental, and social effects or that substantially influence stakeholders' evaluations and decisions.

•Non-financial information (sustainability) is marked only in Banco BBVA Perú. It does not consider subsidiaries (unlike the consolidated financial statements that do consider subsidiaries).

- **Completeness:** The MA-II 2023 considers the material and coverage aspects that explain the Bank's actions' economic, environmental, and social impact.
- **Balance:** BBVA upholds this principle by including both the positive and negative aspects of its performance in the MA-II 2023 to promote an objective and well-founded evaluation of its general performance.
- **Comparability:** BBVA consistently presents information comparing the last four years; this way, stakeholders can determine the evolution of performance in recent years.
- **Accuracy:** The MA-II 2023 presents accurate and detailed information that allows stakeholders to analyze the organization's performance.
- **Punctuality:** The Bank follows a regular calendar for presenting its reports so its stakeholders have the information in a timely manner and can make well-founded decisions.
- **Clarity:** The information is presented so that the stakeholders to whom it is addressed can access it and understand it correctly.
- **Reliability:** The information has been collected, recorded, 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 2023 has been verified by the company Ernst & Young, which reviewed such information according to the scope included in the report. The recommendations revealed in these review processes are the subject of an action plan ensuring implementation.

# 8. Contents index of the GRI Standards



## Declaration of use

BBVA Peru prepared the report according to the GRI Standards for the period from January 1 to December 31, 2023.

## GRI 1 used

GRI 1: Fundamentals 2021

## Applicable GRI Sector Standards

Does not apply

## GRI STANDARDS

### Indicator

### Chapter/Section/Reason for omission

#### GRI 1: Fundamentals

##### Report in accordance with GRI standards

	Publish a GRI content index	Contents index of the GRI Standards (p. 500)
	Provide a statement of use	Non-financial criteria and standards (p. 498)

#### GRI 2: General Disclosures

##### The organization and practices of presenting reports

2-1	Organizational details	Governance (p. 10)
2-2	Entities included in the organization's sustainability reporting	Additional information (p. 404)
2-3	Reporting period, frequency, and contact point	Declaration of liability (p. 2) Non-financial criteria and standards (pp. 498 and back cover)
2-4	Restatements of information	Non-financial criteria and standard (p. 498)
2-5	External assurance	Non-financial criteria and standard (p. 498)

##### Activities and workers

2-6	Activities, value chain, and other business relationships	Governance (p. 10) BBVA in Peru (p. 10) Generating new business through sustainability (p. 60) Suppliers (p. 83) Businesses and activities (p. 112)
2-7	Employees	Employees (pp. 85, 88 y 100) • Information on employees with non-guaranteed hours is not available. • 2-7 c), d), and e) Information on methods and assumptions used to compile data, context, and fluctuations is unavailable.
2-8	Workers who are not employees	Employees (p. 87) • 2-8 a) i. and ii. Information on the contractual relationship and the type of work performed by non-employee collaborators is unavailable. • 2-8 b) and c) There is no information related to data compilation methods or fluctuations.

##### Governance

2-9	Governance structure and composition	Corporate Governance (pp. 23, 25, and 27)
2-10	Nomination and selection of the highest governance body	Corporate Governance (pp. 23 and 25)
2-11	Chair of the highest governance body	Corporate Governance (p. 26) Management (p. 406)
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance (p. 24) Compliance System (p. 30)



Indicator		Chapter/Section/Reason for omission
		Management (p. 409) •2-12 b) and c) These requirements do not apply to BBVA Peru.
2-13	Delegation of responsibility for managing impacts	Corporate governance (p. 24)
2-14	Role of the highest governance body in sustainability reporting	Strategy and business model (p. 55)
2-15	Conflicts of interest	Report on Compliance with the Corporate Governance Code for Peruvian Companies (10150) (p. 458)
2-16	Communication of critical concerns	Standards of conduct (p. 34)
2-17	Collective knowledge of the highest governance body	Employees (p. 94)
2-18	Evaluation of the performance of the highest governance body	Report on Compliance with the Corporate Governance Code for Peruvian Companies (10150) (p. 449)
2-19	Remuneration policies	Employees (page 100) Report on Compliance with the Corporate Governance Code for Peruvian Companies (10150) (p. 471) •Due to confidentiality restrictions, the remuneration policies for the Board of Directors are not described.
2-20	Process to determine remuneration	Employees (p. 100) •2-20 b) ii. Any adjustment or definition of allowances is presented by the committee and validated by the shareholders' meeting. •2-20 b) iii. The information requirement does not apply as no external remuneration consultants have been involved.
2-21	Annual total compensation ratio	Due to confidentiality restrictions, this indicator has not been reported.
<b>Strategy, policies, and practices</b>		
2-22	Statement on Sustainable Development Strategy	Letter from the President (p. 6) Letter from the General Manager (p. 7)
2-23	Policy commitments	Commitments signed (p. 21) Compliance system (p. 30) Standards of Conduct (p. 34) Internal control model (p. 35) Strategy and business model (p. 41) Sustainability Strategy: Commitments to 2025 (pp. 55 and 57) Generating New Business Through Sustainability (p. 65) •2-23 a), b), c), d), e), f) No information is available regarding whether the commitments stipulate the implementation of due diligence, the precautionary principle, or human rights application. There is also no information on whether these commitments specify certain stakeholder groups. There is no public availability of the total documents mentioned, the approval level of each commitment, the extent to which they apply to the organization's activities and business relationships, and the method of communication with stakeholders.
2-24	Embedding policy commitments	Commitments signed (p. 24) Sustainability strategy: commitments to 2025 (p. 57) Generating New Business Through Sustainability (pp. 64 and 65) Generating a positive impact on all BBVA stakeholders (p. 83) •No specific information is presented on how its commitments or policies are incorporated for responsible business conduct in all its activities and business relationships.
2-25	Processes to remediate negative impacts	Compliance system (p. 30) Standards of conduct (p. 34) Strategy and business model (p. 42) Sustainability strategy: commitments to 2025 (p. 57) Generating a positive impact on all BBVA stakeholders (pp. 79 and 80)
2-26	Mechanisms for seeking advice and raising concerns	Compliance system (pp. 28 and 30) Standards of conduct (p. 34)



Indicator		Chapter/Section/Reason for omission
2-27	Compliance with laws and regulations	Compliance system (p. 34) •2-27 b), c), and d) Since there were no significant cases of non-compliance, the total number and value of fines paid during 2023, the description of significant non-compliance cases, and how they were determined are not reported.
2-28	Membership associations	Commitments signed (p. 21) Corporate governance (p. 23)
<b>Stakeholder engagement</b>		
2-29	Approach to Stakeholder Engagement	Strategy and business model (p. 42) Sustainability strategy: commitments to 2025 (p. 57 and 58) Non-financial criteria and standards (p. 498) •2-29 a. i) Information on identifying each stakeholder category is unavailable.
2-30	Collective bargaining agreements	Employees (p. 105)
<b>GRI 3: Material Topics</b>		
<b>Report of material topics</b>		
3-1	The process of determining material topics	Materiality analysis (p. 42)
3-2	List of material topics	Materiality analysis (p. 42)

Indicator			Chapter/Section/Reason omission	Scope	Material topic identified and coverage
<b>ECONOMIC DIMENSION</b>					
GRI 3 Material topics 2021	3-3	Management of material topics	Materiality analysis (p. 42)	Local	Solvency and results in financial Climate change Commitment to employees
GRI 201 Economic Performance 2016	201-1	Direct economic value generated and distributed	BBVA in Peru (p. 14)	Local	Solvency and results financial
	201-2	Financial implications and other risks and opportunities derived from climate change	Strategy and business model (p. 45) Generating new business through sustainability (p. 64) •201-2 BBVA has not conducted a climate change risk and opportunity analysis related to the business during the 2023 period.	Local	Climate change
	201-3	Defined benefit plan obligations and other retirement plans	Employees (p. 105) •201-3 b), c), and e) BBVA does not have the provisions stipulated in these sections.	Local	Solvency and results financial Commitment to employees
	201-4	Financial assistance received from the government	•BBVA did not receive government financial assistance during 2023. Therefore, the information required in sections b) and c) of this indicator does not apply.	Local	Solvency and results financial
GRI 202 Market Presence 2016	202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	•202-1 a), b), c), and d) BBVA determines the starting salary of employees according to Peruvian regulations and equitably for all employees starting at BBVA. Information regarding the ratio is not available as BBVA does not systematize it under these characteristics.	Local	Commitment to employees Diversity and work-life balance
	202-2	The proportion of senior management hired from the local community	Employees (p. 101) 202-2 d) Information on the description of significant operational locations is unavailable.	Local	Commitment to employees Diversity and work-life balance
GRI 203 Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	•BBVA did not participate in tax-related work mechanisms during the 2023 period.	Local	
	203-2	Significant indirect economic impacts	•BBVA did not identify indirect economic impacts during 2023.	Local	Growth inclusive
GRI 204 Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Generating a positive impact on all BBVA stakeholders (p. 85) •204-1 c). Information on the description of significant operational locations is not available.	Local	Growth inclusive Human rights
<b>Anti-corruption</b>					
GRI 3 Material Topics 2021	3-3	Management of material topics	Materiality analysis (p- 42)	Local	Corporate governance and proper management of all risks Ethical behavior, culture, and protection of the clients

Indicator			Chapter/Section/Reason omission	Scope	Material topic identified and coverage
GRI 205 Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Internal control model (p. 35) •205-1 b) The risk identification process determines the level of exposure that a bank area may have; however, it does not allow for identifying significant risks.	Local	Corporate governance and proper management of all risks Ethical behavior, culture, and protection of the clients
	205-2	Communication and training about anti-corruption policies and procedures	Compliance system (pp. 31 and 32) •205-2 b) and d) The regional breakdown of the total number and percentage of governing body members who have received anti-corruption training is unavailable as BBVA does not systematize it under these characteristics.	Local	Corporate governance and proper management of all risks Ethical behavior, culture, and protection of the clients
	205-3	Confirmed incidents of corruption and actions taken	Standards of conduct (p. 35)	Local	Corporate governance and proper management of all risks Ethical behavior, culture, and protection of the clients

#### Anti-competitive behavior

GRI 3 Material topics 2021	3-3	Management of material topics	Materiality analysis (p. 42)	Local	Corporate governance and proper management of all risks Ethical behavior, culture, and protection of the clients
GRI 206 Competition unfair	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	•The information corresponding to this indicator is not applicable as it is not relevant to BBVA Peru's significant impacts.	Local	

#### Taxation

GRI 3 Material topics 2021	3-3	Management of material topics	Materiality analysis (p. 42)	Local	Solvency and results financial
GRI 207 Tax 2019	207-1	Approach to tax	Fiscal transparency (p. 38)		Solvency and results financial
	207-2	Tax governance, control, and risk management	Standards of conduct (p. 34) •207-2 c) Information about the description of the verification processes of tax content is not available.	Local	Solvency and results financial
	207-3	Stakeholder engagement and management of concerns related to tax	Fiscal transparency (p. 38) •207-3 a. ii) and iii) Information on the approach to public policy defense in fiscal matters and processes for collecting stakeholder opinions on this matter is not available.	Local	Solvency and results financial



Indicator			Chapter/Section/Reason omission	Scope	Material topic identified and coverage
	207-4	Country-by-country reporting	BBVA Peru Bank: 2023 impact data (p. 5) General data (p. 404)	Local	Solvency and results financial
<b>ENVIRONMENTAL DIMENSION</b>					
GRI 3 Material topics 2021	3-3	Management of material topics	Materiality analysis (page 42)	Local	Climate change
<b>Materials</b>					
GRI 301 Materials 2016	301-1	Materials used by weight or volume	Achieving carbon neutrality (p. 74) 301-1 a) i. Information on the weight or total volume of non-renewable materials used to produce and package the leading products and deliver the primary services of BBVA is not available.	Local	Climate change
	301-2	Recycled input materials used	•Due to BBVA's activities, this indicator is not material.	Local	
	301-3	Reclaimed products and their packaging materials	•Given BBVA's activities, it is considered that this indicator is not material.	Local	
<b>Energy</b>					
GRI 302 Energy 2016	302-1	Energy consumption within the organization	Achieving carbon neutrality (pp. 74 and 75) •302-1 a), b), c), d), f) y g) The information for this indicator is presented in Kwh. BBVA does not have information available regarding electricity sold or heating consumption, among other details requested by this indicator. Likewise, the conversion source methodologies used are partially reported.	Local	Climate change
	302-2	Energy consumption outside of the organization	•BBVA does not have information available about energy consumption outside the organization.	Local	
	302-3	Energy intensity	Achieving carbon neutrality (p. 71)	Local	Climate change
	302-4	Reduction of energy consumption	•302-4 a), b), c), d), and e) BBVA does not have available information on the magnitude of energy consumption reductions achieved as a direct result of conservation and efficiency initiatives, as energy consumption was not reduced during 2023.	Local	Climate change
	302-5	Reductions in energy requirements of products and services	•Due to BBVA's activities, this indicator is not material.	Local	Cambio climático Capital natural

>



Indicator			Chapter/Section/Reason omission	Scope	Material topic identified and coverage
Water					
GRI 303 Water and effluents 2018	303-1	Interaction with water as a shared resource	Achieving carbon neutrality (pp. 71 and 76) •303-1 a), b), c), d) The information presented pertains to interaction, extraction, and water-related impacts. However, BBVA does not provide information on the approaches, handling each impact, and a detailed explanation of the process with objectives and goals.	Local	Climate change Natural capital
	303-2	Management of water discharge-related impacts	•Due to BBVA's activities, this indicator is not material.	Local	
	303-3	Water withdrawal	•Due to BBVA's activities, this indicator is not material.	Local	
	303-4	Water discharge	•Due to BBVA's activities, this indicator is not material.	Local	
	303-5	Water consumption	Achieving carbon neutrality (p. 74) •303-5 b), c), and d) BBVA reports water consumption at its locations; however, total water consumption in water-stressed areas is not reported as there are no operational areas with such risks, nor are there reports on changes in water storage or contextual information to understand how data was collected.	Local	Climate change Natural capital
Biodiversity					
GRI 3 Material topics 2021	3-3	Management of material topics	Materiality analysis (p. 42)	Local	
GRI 304 Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	•Due to BBVA's activities, this indicator is not material.	Local	
	304-2	Significant impacts of activities, products, and services on biodiversity	•Due to BBVA's activities, this indicator is not material.	Local	
	304-3	Habitats protected or restored	•Due to BBVA's activities, this indicator is not a matter.	Local	Natural capital
	304-4	IUCN Red List species and National Conservation List species with habitats in areas affected by operations	•Due to BBVA's activities, this indicator is not a matter.	Local	



Indicator			Chapter/Section/Reason omission	Scope	Material topic identified and coverage
Emissions					
GRI 3 Material topics 2021	3-3	Management of material topics	Materiality analysis (p. 42)	Local	
GRI 305 Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Achieving carbon neutrality (p. 75) •305-1 c), d), e), f) y g) Due to the nature of BBVA Perú's activities, biogenic emissions do not apply. On the other hand, information on the base year for the calculation, the source of emission factors and potential rate of global warming, and the consolidation approach for emissions are not available.	Local	Climate change
	305-2	Energy indirect (Scope 2) GHG emissions	Achieving carbon neutrality (p. 75) •305-2 b), d), e), f), and g) Information on the gross value of market-based indirect GHG emissions, emission factor sources, potential global warming rate, and the consolidation approach for emissions is not available.	Local	Climate change
	305-3	Other indirect (Scope 3) GHG emissions	Achieving carbon neutrality (p. 75) •305-3 c), d), e), f), and g) Due to the nature of BBVA Peru's activities, biogenic emissions do not apply. Additionally, base year information for calculation, emission factor sources, potential global warming rate, and the consolidation approach for emissions are not available.	Local	Climate change
	305-4	GHG emissions intensity	Achieving carbon neutrality (p. 71)	Local	Climate change
	305-5	Reduction of GHG emissions	Achieving carbon neutrality (p. 75)	Local	Climate change
	305-6	Emissions of ozone-depleting substances (ODS)	•Due to BBVA's activities, this indicator is not material.		
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	•Due to BBVA's activities, this indicator is not material.	Local	
GRI 306 Waste 2020	306-1	Waste generation and significant waste-related impacts Management of	•Due to BBVA's activities, this indicator is not material.	Local	
	306-2	significant waste-related impacts	Achieving carbon neutrality (p. 74 and 76) •306-2 a) Actions are not reported for downstream activities and/or the value chain, including how significant impacts are managed.	Local	Climate change

Indicator			Chapter/Section/Reason omission	Scope	Material topic identified and coverage
	306-3	Waste generated	Achieving carbon neutrality (p. 74) •306-3 b) No contextual information is reported to understand the data and/or the way it was collected, such as the reason for the difference between generated and recycled waste.	Local	Climate change
	306-4	Waste diverted from disposal	Achieving carbon neutrality (p. 75) •306-4 b), c), d), and e) BBVA does not present information on hazardous waste not destined for disposal, broken down by valorization operations, the breakdown of total waste weights destined for disposal outside facilities, or contextual information necessary to understand the data and how it was collected.	Local	Climate change
	306-5	Waste directed to disposal	Achieving carbon neutrality (p. 75) •306-5 b), c), d) and e) Information on the total weight of hazardous and non-hazardous waste intended for disposal, broken down by disposal operations, and the breakdown of this waste outside BBVA Perú's facilities is not available, nor is contextual information needed to understand the data and how it was collected.	Local	

#### Environmental compliance

GRI 3 Material topics 2021	3-3	Management of material topics	Materiality analysis (p. 42)	Local	Climate Change Ethical Behavior, Culture, and Customer Protection
GRI 308 Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Suppliers (p. 83)	Local	Climate Change Ethical Behavior, Culture, and Customer Protection
	308-2	Negative environmental impacts in the supply chain and actions taken	•308-2 a), b), c), d), and e) BBVA Perú does not have data on the number of suppliers assessed for environmental impacts, nor on the identification of suppliers with potential and actual significant adverse environmental impacts in its supply chain. It also lacks information on the percentage of identified suppliers with such significant adverse environmental impacts with whom improvement measures have been established.	Local	Climate Change Ethical Behavior, Culture, and Customer Protection



Indicator			Chapter/Section/Reason omission	Scope	Material topic identified and coverage
<b>SOCIAL DIMENSION</b>					
<b>Labor practices and decent work</b>					
<b>Employment</b>					
GRI 3 Material topics 2021	3-3	Management of material topics	Materiality analysis (p. 42)	Local	Commitment to employees Diversity and work-life balance
GRI 401 Employment 2016	401-1	New employee hires and employee turnover	Employees (pp. 88 and 101) •401-1 a) and b) The data presented for this indicator is not broken down by age group and region.	Local	Commitment to employees Diversity and work-life balance
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employees (p. 102)	Local	Commitment to employees Diversity and work-life balance
	401-3	Parental leave	Employees (p. 102)	Local	Commitment to employees Diversity and work-life balance
<b>Labor/Management Relations</b>					
GRI 3 Material topics 2021	3-3	Management of material topics	Materiality analysis (p. 42)	Local	Commitment to employees
GRI 402 Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	•There is no minimum notice period because organizational changes are analyzed case-by-case to avoid or mitigate any negative impacts they might have on employees, always by local regulations. •402-1 b) BBVA Perú does not have information on whether notice periods and provisions for consultation and negotiation are specified in collective agreements.	Local	
<b>Health and Safety</b>					
GRI 3 Material topics 2021	3-3	Management of material topics	Materiality analysis (p. 42)	Local	Commitment to employees
GRI 403 Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Occupational Health and Safety Management System (p. 105)	Local	Commitment to employees
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety Management System (p. 105) •403-2 c) BBVA Perú does not provide information about the policies and processes workers must follow if they want to withdraw from situations they believe may cause injuries, ailments, or illnesses or an explanation of how such workers are protected from potential retaliation.	Local	Commitment to employees

Indicator			Chapter/Section/Reason omission	Scope	Material topic identified and coverage
	403-3	Occupational health services	Occupational Health and Safety (p. 105) Occupational Health and Safety Management System (p. 105)	Local	Commitment to employees
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety Management System (p. 105) •Employee participation and consultation occur through their representatives on the Occupational Health and Safety Committee (CSST).	Local	Commitment to employees
	403-5	Worker training on occupational health and safety	Occupational Health and Safety Management System (p. 105)	Local	Commitment to employees
	403-6	Promotion of worker health	Occupational Health and Safety (p. 105)	Local	Commitment to employees
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety Management System (p. 105) Occupational Health and Safety (p. 105)	Local	Commitment to employees
	403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety Management System (p. 105) •100% of employees are covered by the occupational health and safety management system. Additionally, all safety standards apply to third parties. •403-8 a. ii) Internal audits of the Occupational Health and Safety System are not conducted at BBVA Perú. •403-8 a. iii) BBVA does not have specific information about non-employee workers covered by the safety and health system that has been audited and certified by an external party.	Local	Commitment to employees
	403-9	Work-related injuries	Occupational Health and Safety Management System (p. 107) Corporate Sustainability Report (10180) (p. 490) •In 2023, no operational risk activities or activities with severe risks were identified in the Risk Matrix (IPER); only ergonomic risks were identified. •403-9 a) ii) In 2023, no disabling accidents requiring recovery periods longer than 6 months were recorded. •403-9 a) iii) There is no information on the rate of recordable work-related injury incidents. •403-9 c), d), and e) No information is presented regarding non-employee workers, the details of hazards, and measures taken to minimize risks through the hierarchy of controls.	Local	Commitment to employees

Indicator			Chapter/Section/Reason omission	Scope	Material topic identified and coverage
	403-10	Work-related ill health	Occupational Health and Safety Management System (pp. 106 and 107) •During 2023, there were no cases of occupational diseases.	Local	Commitment to employees
<b>Training</b>					
GRI 3 Material topics 2021	3-3	Management of material topics	Materiality analysis (p. 42)	Local	Commitment to employees
GRI 404 Training and Education 2016	404-1	Average hours of training per year per employee	Professional development model (p. 95)		Commitment to employees
	404-2	Programs for upgrading employee skills and transition assistance programs	Professional development model (p. 91) •BBVA does not have information on transition assistance programs provided to facilitate continued employability and career management at the end of professional careers due to retirement or dismissal.		Commitment to employees
	404-3	Percentage of employees receiving regular performance and career development reviews	Employees by professional categories (p. 92)		Commitment to employees
<b>Diversity and equality</b>					
GRI 3 Material topics 2021	3-3	Management of material topics	Materiality analysis (p. 42)	Local	Diversity and conciliation
GRI 405 Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Activities promoting generational diversity (pp. 99, 100 and 101) •405-1 a. ii) and b. ii) BBVA does not have information on the percentages of age groups by governance bodies or employees by job category. •405-2 a) and b) The requested information is presented; however, it is not broken down by job category according to the location of significant operations, as BBVA does not systematize this information under these characteristics.	Local	Diversity and conciliation
	405-2	Ratio between salary basic income and the remuneration of women and men	Employees (p. 86) •405-2 a) y b) The requested information is presented; however, it is not broken down for each job category based on the location of significant operations since BBVA does not systematize this information under these characteristics.	Local	Diversity and conciliation

Indicator			Chapter/Section/Reason omission	Scope	Material topic identified and coverage
<b>Human Rights</b>					
GRI 3 Material topics 2021	3-3	Topic management materials	Materiality analysis (p. 42)	Local	Human Rights Diversity and Conciliation
GRI 406 Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Whistleblowing Channel (p. 35)	Local	Human Rights Diversity and Conciliation
GRI 407 Freedom of association and collective bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Commercial network (p. 105) •BBVA Perú has not identified risks related to the violation of employees' rights to freedom of association and collective bargaining, as it complies with current national regulations on this matter.	Local	
GRI 408 Child labor	408-1	Operations and suppliers at significant risk for incidents of child labor	•Due to BBVA's activities, this indicator is not material.	Local	
GRI 409 Forced or compulsory labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	•Due to BBVA's activities, this indicator is not material.	Local	
GRI 410 Security practices	410-1	Security personnel trained in human rights policies or procedures	•BBVA ensures through the Physical Security Unit that 100% of the security service providers (Proseguridad and ISEG) comply with training on human rights policies or procedures. Consequently, the same service provider trains its employees in security and provides BBVA with annual reports detailing the training conducted.	Local	
GRI 411 Rights of Indigenous Peoples	411-1	Incidents of violations involving the rights of Indigenous peoples	•Due to BBVA's activities, this indicator is not material.	Local	
<b>Society</b>					
GRI 3 Material topics 2021	3-3	Management of material topics	Materiality analysis (p. 42)	Local	Inclusive growth Ethical behavior, culture, and protection of the clients
GRI 413 Local communities	413-1	Operations with local community engagement, impact assessments, and development programs	Community (page 107) •413-1 a) BBVA does not have information on the percentage of operations with implemented local community engagement programs, impact evaluations, and development.	Local	Inclusive growth Ethical behavior, culture, and protection of the clients
	413-2	Operations with significant negative impacts – actual and potential – on local communities	•Due to BBVA's activities, this indicator is not material.	Local	Inclusive growth Ethical behavior, culture, and protection of the clients



Indicator			Chapter/Section/Reason omission	Scope	Material topic identified and coverage
GRI 414 Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	Supply chain (page 83)	Local	Inclusive growth Ethical behavior, culture, and protection of the clients
	414-2	Negative social impacts in the supply chain and actions taken	<ul style="list-style-type: none"> <li>•414-2 a), b), c), d), and e)</li> </ul> BBVA Perú has not developed an established process for identifying potential and actual negative social impacts in the supply chain, including reference parameters for what qualifies as a significant potential and/or actual impact.	Local	Inclusive growth Ethical behavior, culture, and protection of the clients
GRI 415 Public Policy	415-1	Political contributions	Community (p. 111) <ul style="list-style-type: none"> <li>•Due to internal policy, BBVA Perú restricts itself from participating monetarily in political parties.</li> </ul>	Local	Inclusive growth Ethical behavior, culture, and protection of the clients

#### Responsibility over products

GRI 3 Material topics 2021	3-3	Management of material topics	Materiality analysis (p. 42)	Local	Ethical behavior, culture, and client protection
GRI 416 Customer health and safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	<ul style="list-style-type: none"> <li>•This indicator does not apply to the type of service provided by BBVA.</li> </ul>	Local	Ethical behavior, culture, and client protection Cybersecurity Responsible use of data
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<ul style="list-style-type: none"> <li>•Information related to non-compliance cases concerning the impacts of product and service categories on health and safety is not available as BBVA does not systematize this information with such characteristics.</li> </ul>	Local	Ethical behavior, culture, and client protection Cybersecurity Responsible use of data

#### Products and services labeling

GRI 3 Material topics 2021	3-3	Management of material topics	Materiality analysis (p. 42)	Local	Simplicity, agility, and self-service Financial health and personalized advice to clients Ethical behavior, culture, and client protection
GRI 417 Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	<ul style="list-style-type: none"> <li>•This indicator does not apply to the type of service provided by BBVA.</li> </ul>	Local	Simplicity, agility, and self-service Financial health and personalized advice to clients Ethical behavior, culture, and client protection





Indicator			Chapter/Section/Reason omission	Scope	Material topic identified and coverage
	417-2	Incidents of non-compliance concerning product and service information and labeling	•BBVA does not have information available at the time of preparing this report.	Local	Simplicity, agility, and self-service Financial health and personalized advice to clients Ethical behavior, culture, and client protection
	417-3	Incidents of non-compliance concerning marketing communications	Standards of conduct (p. 35)	Local	Simplicity, agility, and self-service Financial health and personalized advice to clients Ethical behavior, culture, and client protection
<b>Clients privacy</b>					
GRI 3 Material topics 2021	3-3	Management of material topics	Materiality analysis (p. 42)	Local	Cybersecurity Responsible use of data Ethical behavior, culture, and client protection
GRI 418 Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Personal data protection (p. 81) Personal data protection (p. 83)	Local	Cybersecurity Responsible use of data Ethical behavior, culture, and client protection

## 9. SASB indicators



### SASB-Commercial Banks

#### SASB Content. Commercial Banks

Issue	Metric	Response from the BBVA Group
Data security	(1) Number of data breaches.	Customer protection (pp. 82 and 83).
	(2) Percentage involving personally identifiable Information (PII).	During 2023, there were no data breaches.
	(3) Number of account holders affected by data leaks.	
	Description of approach to identifying and addressing data security risks.	No risks have been identified.
Financial inclusion and capacity building	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development.	For the 2023 analysis, no information has been gathered to respond to this metric, and it is planned to present it in a consolidated manner in 2024.
	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development.	
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers.	
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers.	
Incorporation of environmental, social, and governance factors in credit analysis	Commercial and industrial credit exposure by industry.	Social and environmental risk assessment and responsible lending (p. 65).
	Description of the approach for the incorporation of ESG factors in credit analysis.	BBVA manages these risks by incorporating them into processes and maintaining a properly established governance structure that allows for comprehensive monitoring and supervision, from diagnosis to relevant control measures.  BBVA develops the necessary methodologies and tools for identifying and measuring different components of climate risk.

>

Issue	Metric	Response from the BBVA Group
Financed emissions	Gross absolute emissions financed, broken down by (1) Scope 1, (2) Scope 2, and (3) Scope 3.	This indicator has not been identified, given the nature of BBVA's activity.
	Gross exposure for each industry by asset class.	
	Percentage of gross exposure included in the calculation of financed emissions.	
	Description of the methodology used to calculate financed emissions.	
Business ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.	<p>The total amount of monetary losses has not been identified.</p> <p>The Whistleblowing Channel is an essential part of the BBVA Group's compliance system in Peru. It is one of the established processes to ensure the effective application of regulations and the BBVA Group Code of Conduct guidelines in Peru. Communications through this channel include but are not limited to, reporting suspected illegal or professionally unethical conduct.</p> <p>To make a communication, you must enter the following link: <a href="https://www.bkms-system.com/bkwebanon/report/clientInfo?cin=h4uMFy&amp;c=-1&amp;language=spa">https://www.bkms-system.com/bkwebanon/report/clientInfo?cin=h4uMFy&amp;c=-1&amp;language=spa</a>. This channel is secure and confidential and, if the complainant wishes, anonymously. This Channel is available 24 hours a day, 365 days a year, from any computer or mobile phone and is also available to third parties not belonging to the BBVA Group.</p> <p>The procedure for the Channel is described in section 6.4 of the Code of Conduct Whistleblowing Channel. Additionally, in September 2023, the Board approved the Whistleblowing Channel Policy, which establishes corporate standards for the Whistleblowing Channel and includes critical aspects such as appointing a Whistleblowing Channel Responsible Officer, an end-to-end description of the Whistleblowing Channel management process, measures for whistleblower protection, and protection of personal data.</p>
	Description of whistleblower policies and procedures.	
Systemic Risk Management	Global Systemically Important Bank (GSIB) score by category	<p>BBVA Perú did not record situations indicated in the metric as it is not on the Global Systemically Important Bank (GSIB) list.</p> <p>An annual Capital Self-Sufficiency Report is prepared in response to local regulatory requirements. In 2023, social and climate scenarios from the national context were incorporated into the capital self-sufficiency exercises. As a result, capital requirements were identified, and strategies were designed to respond to these results (capital planning).</p>
	Description of approach to incorporating the results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities.	

>

Issue	Metric	Response from the BBVA Group		
Activity Metrics	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small businesses.	Subproduct Group	Number of Contracts	Balance
	(1) Number and (2) value of loans by segment: (a) personal, (b) small businesses, and (c) corporate.	Savings (PN)	8,227,627	18,308,128,076
		Checking (PN)	97,404	1,284,479,055
		<p>“Vista PN” refers to checking accounts for individuals, and “contract number” refers to the number of accounts by account type.</p> <p>Information on small business accounts is not available.</p>		

(1) Any practice related to the behaviors described in the metric is considered bad practice. It does not include amounts related to the claims associated with the alleged lack of transparency or defects in the consent for being considered outside the object of the metric. The “Commercial Banks” industry is understood as Business and Corporation Banking (including Real Estate).

(2) The concept “monetary losses” includes the amounts paid, provisionally or definitively (without defense expenses), by banking entities that are members of BBVA as of December 31, 2023, during the 2023 financial year, excluding those derived from purely internal claims (customer service or customer advocates). The Fixing Rate is applied as the exchange rate as of 12/31/2023.

(3) As a consequence of said monetary losses, in the ordinary course of their business, the affected entities analyze them and proceed to adopt a series of corrective measures, among which are making adjustments to internal operations or adapting the corresponding documentation, such as the requirements for opening and maintaining accounts with real estate developers.

## SASB-Consumer Finance

### SASB Contents. Consumer Finance

Issue	Metric	Response from the BBVA Group
<b>Customer Privacy</b>	Number of account holders whose information is used for secondary purposes.	Customer privacy (p. 81).
	Total amount of monetary losses due to legal proceedings associated with customer privacy.	BBVA uses the information of personal data holders for commercial and/or advertising purposes, as required by regulations, provided that prior consent from customers is obtained. As of December 2023, 9,655,713 customers have consented to these purposes.
<b>Data security</b>	(1) Number of data breaches, (2) percentage that involving personally identifiable information (PII) and (3) number of affected account holders.	Customer privacy (pages 82 and 83).
	Card-related fraud losses: (1) card-not-present fraud and (2) card-present and other fraud.	During 2023, there were no data breaches.
	Description of the approach to identify and address the data security risks.	Focused on risk management, market trends, and own strategy and innovations.
<b>Selling practices</b>	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold.	100% Commercial Banking or Business Banking. Payment mix (80% - 20% Variable).
	Approval rate for (1) credit and (2) pre-paid products for applicants with higher FICO scores above and below 660.	
	(1) Average fees for add-on products, (2) average APR, (3) average age of accounts, (4 ) average number of commercial lines, and (5) average annual fees for prepaid products for customers with a FICO score above and below 660.	
	(1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB), (2) percentage with monetary or non-monetary relief, (3) percentage disputed by the consumer, (4) percentage that resulted in an investigation by the CFPB.	
	Total amount of monetary losses due to related legal proceedings associated with selling and servicing products.	
<b>Activity metrics</b>	Number of unique customers with an active (1) credit card and (2) a pre-paid debit card account.	For the 2023 analysis, the information needed to respond to this metric is not yet available, and it is planned to be presented in a consolidated form in 2024.
	Number of (1) credit card accounts and (2) pre-paid debit card accounts.	

(1) Includes information from Peru.



(2) The concept of "monetary losses" includes the amounts paid, provisionally or definitively (without defense expenses in general), by the entity in question during the financial year 2021, excluding those derived from purely internal claims (services of customer service or customer advocate). It is applied as the exchange rate to December 31, 2023.

(3) As a consequence of said judgments (and transactional agreements), the affected entities analyze them in the ordinary course of their business and proceed to adopt a series of corrective measures, among which are adapting the documentation or adjusting the conditions of the contracts.

(4) As a consequence of said court rulings, agreements, and administrative fines, the affected entities analyze them in the ordinary course of their business and proceed to adopt a series of corrective measures, among which are adapting the documentation, making adjustments in internal operations, or implementing changes in privacy policies.

## SASB-Mortgage Finance

### SASB Contents. Mortgage Finance

Issue	Metric	Response from the BBVA Group
<b>Practices of loan</b>	(1) Number and (2) value of residential mortgages of the following types: (a) Hybrid or Option Adjustable-rate Mortgages (ARM), (b) Prepayment Penalty, (c) Higher Rate, (d) Total, with FICO scores above or below 660.	The information needed to respond to this metric for the 2023 analysis is not yet available, but it is planned to be presented in consolidated form in 2024.
	(1) Number and (2) value of (a) residential mortgage modifications, (b) foreclosures, and (c) short sales or deeds instead of foreclosure by FICO scores above and below 660.	
	Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators.	
	Description of remuneration structure of the loan originators.	
<b>Discriminatory Lending</b>	(1) Number, (2) value, and (3) weighted average Loan-To-Value (LTV) ratio of mortgages issued to (a) minority and (b) all other borrowers, by FICO scores above and below 660.	The information needed to respond to this metric for the 2023 analysis is not yet available, but it is planned to be presented in consolidated form in 2024.
	Total amount of monetary losses due to legal proceedings associated with discriminatory mortgage lending.	
	Description of policies and procedures for ensuring nondiscriminatory mortgage origination.	
<b>Environmental Risk to Mortgaged Properties</b>	(1) Number and (2) value of mortgage loans in 100-year flood zones.	The information needed to respond to this metric for the 2023 analysis is not yet available, but it is planned to be presented in consolidated form in 2024.
	(1) Total expected loss and (2) Loss Given Default (LGD) attributable to mortgage loan default and delinquency due to weather-related natural catastrophes by geographic region.	
	Description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting.	
<b>Activity metrics</b>	(1) Number and (2) value of mortgages originated by category:(a) residential and (b) commercial.	The information needed to respond to this metric for the 2023 analysis is not yet available, but it is planned to be presented in consolidated form in 2024.
	(1) Number and (2) value of the mortgages purchased by category: (a) residential and (b) commercial.	

(1) The concept of "monetary losses" includes the amounts paid, provisionally or definitively (without defense expenses in general), by the entity in question during the financial year 2023, excluding those derived from purely internal claims (services of customer service or customer advocate).

>

(2) As a consequence of said judgments (and transactional agreements), the affected entities, in the ordinary course of their business, analyze them and proceed to adopt a series of corrective measures, among which are the adaptation of the documentation, the adjustment of the conditions of the contracts, or the modification or elimination of the clauses declared null (e.g., the clause of expenses and floor clauses).

(3) The concept "monetary losses" includes the amounts paid, provisionally or definitively (without defense expenses), by the entity in question during the year 2023, excluding those derived from purely internal claims (customer service or customer advocacy)



## 10. Independent review report for non-financial information



### **BBVA Bank Peru**

Sustainability information included in the 2023 Integrated Annual Report as of and for the period ended December 31st, 2023 together with the independent limited assurance report

## Independent Accountant Assurance report

To the Management of Banco BBVA Peru:

### Scope

We have been hired by **Banco BBVA Peru** (hereinafter "**BBVA**" or "**the Company**"), to develop a limited assurance engagement, as defined by the International Standards on Assurance Engagements (hereinafter "**the Engagement**"), to report on the identified sustainability information (the "**Subject Matter**") detailed in **Annex 1<sup>1</sup>** and contained in the **2023 Integrated Annual Report of Banco BBVA Peru** (the "**Memory**") for the period from January 1 to December 31, 2023.

Other than what is described in the previous paragraph, which sets out the scope of our engagement, we do not perform assurance procedures on the remaining information included in the "**Memory**" and, consequently, we do not express a conclusion on this remaining information.

### Criteria applied by BBVA Perú

In preparing the **Subject Matter** included in the **Memory**, the company applied the GRI (Global Reporting Initiative) Standards, in accordance with GRI Standard 2: General Contents 2021, GRI Standard 3: Material Topics 2021 and GRI Topic Standards, as well as the SASB (Sustainability Accounting Standards Board) metrics for the Commercial Banks and Consumer Finance sectors; (the "**Criteria**") which are listed in **Annex 2** of this Report.

### Responsibilities of the Company

**BBVA's** Management is responsible for selecting the **Criteria** and presenting the **Subject Matter** in accordance with these **Criteria**, in all material aspects. This responsibility includes establishing and maintaining internal controls, proper record keeping, and making estimates that are relevant to the preparation of the subject matter, so that it is free from material misstatement, whether due to fraud or error.

---

<sup>1</sup> **GRI General Contents:** 2-7, **GRI Material Topics:** 3-1, 3-2, **GRI Topic Standards:** 301-1, 302-1, 302-2, 303-1, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 306-2, 306-3, 306-4, 306-5, 308-1, 401-1, 401-2, 401-3, 402-1, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10, 404-1, 404-2, 404-3, 405-1, 405-2, 406-1, 407-1, 410-1, 413-1, 414-1, 415-1, 417-3, 418-1.  
**SASB - Commercial Banks:** FN-CB-230a, FN-CB-410a, FN-CB-510a, FN-CB-550a, **SASB - Consumer Finance:** FN-CF-220a, FN-CF-230a, FN-CF-270a.

## Independent limited Assurance report (continued)

### *Responsibilities of EY*

Our responsibility is to express a conclusion on the presentation of the **Subject Matter** based on the evidence we have obtained.

We have carried out our engagement in accordance with International Standards on Assurance Engagements other than Auditing or Reviewing Historical Information (ISAE 3000) and the terms and conditions for this engagement agreed with BBVA on February 26, 2024 in our contract. These standards require us to plan and perform our work to obtain limited assurance as to whether material modifications must be made to the **Subject Matter** in order for it to be presented in accordance with the **Criteria**. The nature, timeliness and scope of the procedures selected depend on our judgment, which includes assessing the risk of material misstatement either through fraud or error.

We consider that the evidence obtained is sufficient and adequate to support our limited assurance conclusions.

### *Our Independence and Quality Control*

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the requisite competencies and experience to carry out this Assurance work.

EY also applies International Quality Control Standard 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive quality control system that includes documented policies and procedures on compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### *Description of the Procedures Performed*

The procedures performed in a limited assurance engagement vary in nature and timing and are less extensive than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained if reasonable assurance work had been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance. As such, our review does not guarantee that we have become aware of all material matters that would be disclosed in a reasonable engagement.

## Independent limited Assurance report (continued)

Although we have considered the effectiveness of management's internal controls in determining the nature and extent of our procedures, our assurance engagement is not intended to provide assurance about internal controls.

Our procedures did not include testing of controls or performing procedures related to the checking of the aggregation or the calculation of the data within IT systems.

A limited assurance engagement consists of enquiries, primarily with the people responsible for the preparation of the identified sustainability information that detailed in **Annex 1**, and in the application of analytical procedures and other appropriate procedures.

Our limited assurance procedures performed included, but were not limited to:

- Conduct interviews with the **Company's** personnel responsible for preparing the **Memory** to understand the process of compiling, consolidating and presenting the information on the **Subject Matter**.
- Conduct interviews with the people responsible for the information on the **Subject Matter** for the understanding of the activities carried out and the processes used for the collection of information.
- Obtain documented evidence, based on sampling, that supports the information of the reported contents.
- Review and analysis of the relevant quantitative and qualitative information on the **Subject Matter** reported in the **Memory**.
- Carry out analytical review procedures to support the reasonableness of the data of the **Subject Matter**.
- Perform recalculations, based on sampling, to have greater certainty of the **Subject Matter** reported in the **Memory**.
- Verify that the issues identified during the assurance process have been adjusted.
- We have also carried out other procedures that we have considered necessary under the circumstances.

## Independent limited Assurance report (continued)

### *Limitations of our assurance engagement*

Our Assurance engagement was limited to the **Subject Matter** contained in the **Memory** for the period between January 1st and December 31st 2023, does not include information from previous years included in the **Memory**, nor related projections or future goals.

Nor did it attempt to determine whether the technological tools used for the development of the **Memory** are the most adequate and/or efficient.

### *Conclusion*

Based on our procedures and the evidence obtained, we are not aware of any material modification that should be made to the information of the **Subject Matter**, contained in the **Memory**, for the period from January 1st to December 31st, 2023, so that it is in accordance with the provisions of the **Criteria**.

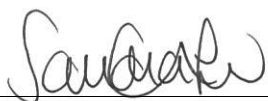
### *Use of this Assurance Report*

Our responsibility, when carrying out the limited assurance procedures, is solely with the Management of the **Company**, therefore, we do not accept or assume any responsibility for any other purpose or to any other person or organization.

Lima, Peru,  
March 22, 2024

Countersigned by:

Tanaka, Valdivia & Asociados



Sandra Luna Victoria  
Partner  
C.P.C.C. Register No. 50093

Tanaka, Valdivia & Asociados S. Civil de R.L.

# Annex 1

## Subject Matter

The sustainability information identified in the indicators included in the printed **Memory** and included by the Company on its website<sup>2</sup> is presented in the following tables<sup>3</sup>:

GRI standard	Content	Description
GRI 2: General Disclosures 2021	2-7	Employees
GRI 3: Material topics 2021	3-1	Process to determine material topics
	3-2	List of material topics
GRI 301: Materials 2016	301-1	Materials used by weight or volume
GRI 302: Energy 2016	302-1	Energy consumption within the organization
	302-3	Energy intensity
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource
	303-5	Water consumption
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions
	305-2	Energy indirect (Scope 2) GHG emissions
	305-3	Other indirect (Scope 3) GHG emissions
	305-4	GHG emissions intensity
	305-5	Reduction of GHG emissions
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts
	306-3	Waste generated
	306-4	Waste diverted from disposal
	306-5	Waste directed to disposal
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria
GRI 401: Employment 2016	401-1	New employee hires and employee turnover
	401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees
	401-3	Parental leave
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system
	403-2	Hazard identification, risk assessment, and incident investigation
	403-3	Occupational health services
	403-4	Worker participation, consultation and communication on occupational health and safety
	403-5	Worker training on occupational health and safety
	403-6	Promotion of worker health
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

<sup>2</sup> The maintenance and integrity of the Company's website (<https://www.bbva.pe/personas/nuestro-banco/investor-relations/memoria-financiera.html>) repository of the Memory, is the responsibility of BBVA Management. The work carried out by EY does not include consideration of these activities and therefore EY does not accept responsibility for any differences between the information presented in said website and the Subject Matter contained in the Memory on which the Engagement was made, and the conclusion was issued.

<sup>3</sup> Apart from what is described in the table, which establishes the scope of our work, we do not apply information assurance procedures to the remaining information included in the Memory and, consequently, we do not express a conclusion on this information.

## Annex 1 (Continued)

GRI standard	Content	Description
	403-8	Workers covered by an occupational health and safety management system
	403-9	Work-related injuries
	403-10	Work-related ill health
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee
	404-2	Programs for upgrading employee skills and transition assistance programs
	404-3	Percentage of employees receiving regular performance and career development reviews
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees
	405-2	Ratio of basic salary and remuneration of women to men
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessment and development programs
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria
GRI 415: Public Policy 2016	415-1	Political contributions
GRI 417: Marketing and Labeling 2016	417-3	Incidents of non-compliance concerning marketing communications
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data

SASB sector	Metrics	Description
Commercial Banks	FN-CB-230a	Data Security
	FN-CB-410a	Incorporation of Environmental, Social, and Governance Factors in Credit Analysis
	FN-CB-510a	Business Ethics
	FN-CB-550a	Systematic Risk Management
Consumer Finance	FN-CF-220a	Customer Privacy
	FN-CF-230a	Data Security
	FN-CF-270a	Selling Practices

## Annex 2

### GRI Content Criteria

The assurance criteria that are applicable to the **Subject Matter** and the presentation statement in accordance with GRI Standard 2: General Contents 2021, GRI Standard 3: Material Issues 2021 and GRI Topic Standards, their thematic contents on the page <https://www.globalreporting.org/standards/gri-standards-translations/gri-standards-spanish-translations-download-center/>

The assurance criteria of the Sustainability Accounting Standards Board (SASB) that they are also applicable to the **Subject Matter**, are available at the following link <https://www.sasb.org/standards/download/?lang=en-us>



**EY | Assurance | Tax | Transactions | Advisory**

**About EY**

EY is the global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies over the world. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

For more information, please visit [ey.com/pe](https://ey.com/pe)

©EY  
All Rights Reserved.



For any opinion, doubt or suggestion about the information in this report, please contact:

**Image and Communication Unit**  
Av. República de Panamá 3055,  
San Isidro, Lima-Perú  
**[imagenycomunicacion@bbva.com](mailto:imagenycomunicacion@bbva.com)**  
Telephone: +511 209 1498

GRI 2-3

**[www.bbva.pe](http://www.bbva.pe)**