Early Warning System

MIGA-15491

BBVA Peru Capital Optimization

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Quick Facts

Countries	Peru
Financial Institutions	Multilateral Investment Guarantee Agency (MIGA)
Status	Proposed
Bank Risk Rating	B
Voting Date	2025-03-27
Borrower	Banco Bilbao Vizcaya Argentaria, S.A. (BBVA)
Sectors	Finance, Industry and Trade
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 700.00 million

Project Description

PROJECT DESCRIPTION

This summary covers equity investments by Banco Bilbao Vizcaya Argentaria, S.A. (BBVA or the Group), in its subsidiary in Peru, Banco BBVA Peru S.A. (BBVA Peru or the Subsidiary). The investor has applied for a MIGA guarantee of up to USD700 million for capital optimization cover for a period of up to 3 years (the Project). This guarantee is part of a multi-country Mandatory Reserves Program with BBVA.

MIGA analyzed BBVA Peru's portfolio by types of transactions, tenor, size, industry sectors, and exposure to MIGA's Exclusion List. As of December 2024, BBVA Peru's portfolio included the following business segments - corporate finance (medium to long term loans to clients in mostly medium-risk sectors), and project finance, retail banking and consumer loans, SMEs, and loans to financial institutions. The main sectors supported include consumer loans; retail; agriculture and fishing; construction and real estate; consumer goods; retail; transportation; transport service; leisure and common services; machinery and other industrial production; and oil, gas and mining. BBVA Peru currently has no exposure to activities on the MIGA Exclusion List. The Bank has exposure to oil and gas activities. BBVA Group has policies covering the Group's commitment decarbonization of its loan portfolio by 2030 and Net Zero by 2050.

For the proposed guarantee, BBVA Peru will report annually to MIGA regarding the implementation of the E&S procedures for the Project portfolio, as well as its labor practices.

The aim of MIGA's proposed guarantee is to help BBVA optimize the Group's risk- weighted assets (RWA) on a consolidated basis. Through the MIGA guarantee, the parent bank will pass the benefits of the RWA relief at the Group level to its operating subsidiary. The RWA capacity that is freed up by MIGA's proposed guarantee would be utilized to support BBVA Peru's lending operations in key socially responsible development areas, such as climate activities, social projects and SMEs, including women-SMEs.

Early Warning System Project Analysis

People Affected By This Project

Investment Description

- Multilateral Investment Guarantee Agency (MIGA)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Banco Bilbao Vizcaya Argentaria SA (BBVA) (Financial Intermediary)
- BANCO BBVA PERU SA (Subsidiary) **is owned by** Banco Bilbao Vizcaya Argentaria SA (BBVA) (Financial Intermediary)

Private Actor Relationship

Private Actors Description

As stated by the MIGA, BBVA is a global financial services group founded in 1857. The bank is present in more than 25 countries, has a strong leadership position in the Spanish market, is the largest financial institution in Mexico and it has leading franchises in South America and Turkey. As of December 2024, the group employed 125,916 people across 5,749 branches and served more than 77.2 million customers. Further information on the BBVA Group can be found on https://shareholdersandinvestors.bbva.com/.

BBVA Peru was acquired by the Group in 1995. The Group holds 47.1% of shares. The Subsidiary provides a broad range of financial and non-financial products, serving more than 8.8 million clients through its 7,545 employees.

Contact Information

No project contacts provided at the time of disclosure.

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://www.miga.org/contact/access_to_information

You can also request general information about MIGA and for information on guarantees by emailing: migainquiry@worldbank.org

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org

Other Related Projects

- MIGA-15492 BBVA Turkiye Capital Optimization
- MIGA-15490 BBVA Argentina Capital Optimization