

# BBVA Group

2019 Results

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## OUR PURPOSE

“To bring the age of opportunity to everyone”

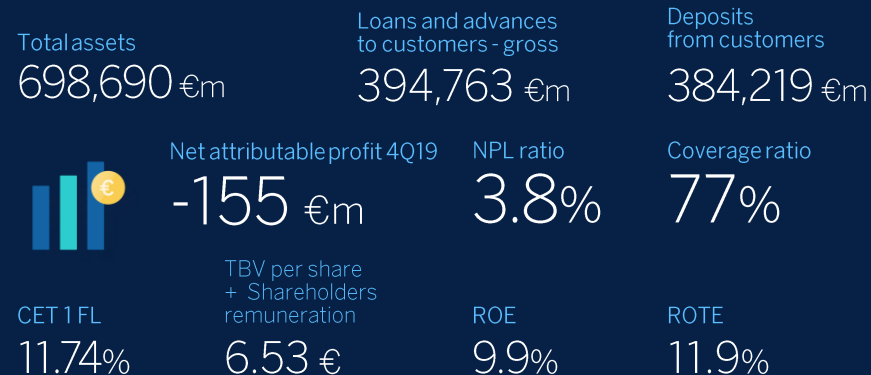
## BBVA'S GLOBAL PRESENCE

DECEMBER 2019



## FINANCIAL HIGHLIGHTS

DECEMBER 2019



## CUSTOMERS &amp; DIGITAL SALES

DECEMBER 2019

## CUSTOMERS

78.0 million

Digital customers

32.1 m

Mobile customers

29.0 m

## DIGITAL SALES

PRV\*  
45.0%Units  
59.4%

## SUSTAINABLE DEVELOPMENT AND DIRECT CONTRIBUTION TO SOCIETY

BBVA's Pledge 2025



€100 billion

MOBILIZED between 2018 and 2025

Allocated to social programs

104.5 €m

BBVA Open Talent

Fundación BBVA MicroFinanzas

Fundación BBVA

BBVA

Open Mind

(\*) PRV: Product Relative Value as a proxy of a better economic representation of units sold.



Creating Opportunities

# BBVA Purpose

## BBVA PURPOSE

# BBVA Strategy Defined in 2015: Boost Its Transformation

## OUR PURPOSE

“To bring the **age of opportunity** to **everyone**”

## OUR VALUES

 **Customer** comes first

 We think **big**

 We are **one team**

## STRATEGIC PRIORITIES

 New standard in customer experience

 Digital sales

 New business models

 Optimize capital allocation

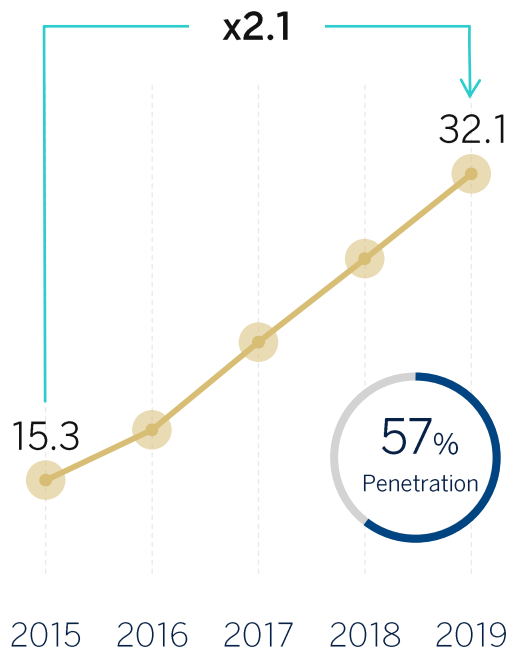
 Unrivalled efficiency

 A first class workforce

# Impressive Progress on the Digitization of Our Clients and Value Proposition

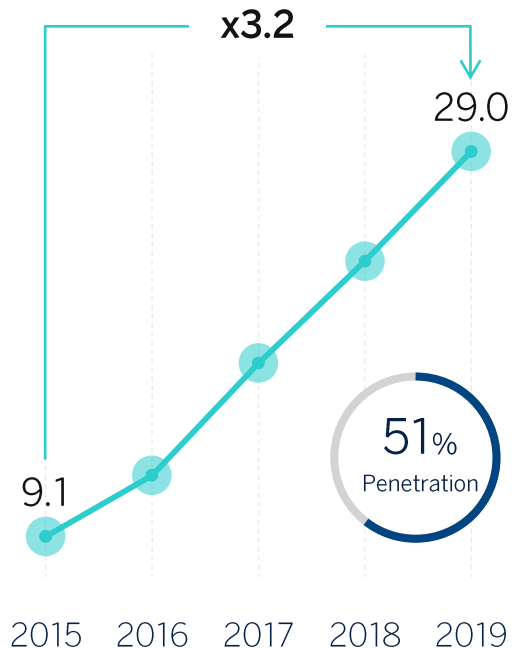
## DIGITAL CUSTOMERS

MILLION



## MOBILE CUSTOMERS

MILLION



## BEST MOBILE APP

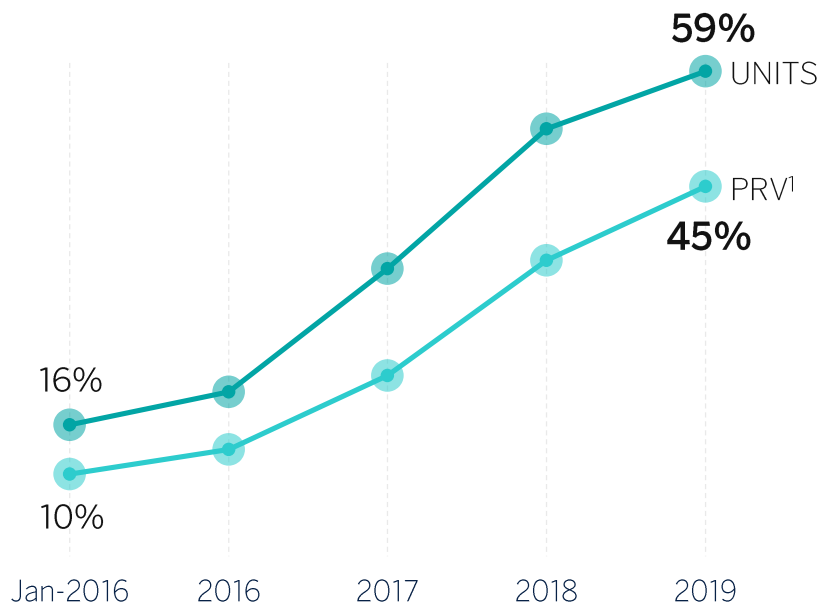
FORRESTER RESEARCH



# Digital Channels Allow Significant Acceleration in Sales Growth and Client Acquisition

## DIGITAL SALES

(% OF TOTAL SALES YTD; # OF TRANSACTIONS AND PRV<sup>1</sup>)



Group figures exclude Venezuela and Chile.

(1) Product Relative Value as a proxy of a better economic representation of units sold.



## E2E DIGITAL ONBOARDING FOR SMEs



650k

potential new clients



## OPEN BANKING - CUSTOMER GROWTH PARTNERSHIP WITH UBER

500k

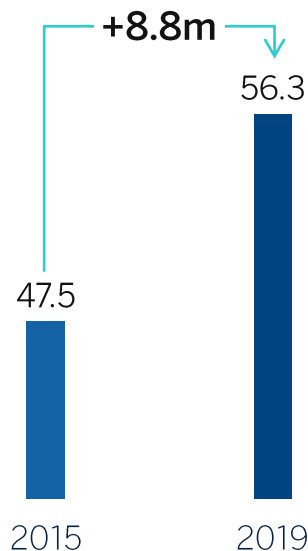
Uber drivers in Mexico



# Digitization Positively Impacting Growth and Customer Satisfaction



MORE **customers**



MORE **satisfied**

## NET PROMOTER SCORE<sup>1</sup>

RANKING, DECEMBER 2019

### Individuals



### Commercial



(1) Retail & Commercial NPS with YTD data.

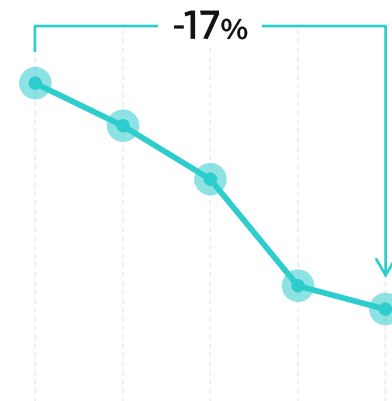
Peer Group: Spain: Santander, CaixaBank, Bankia, Sabadell // Mexico: Banamex, Santander, Banorte, HSBC // Argentina: Banco Galicia, HSBC, Santander Río y Banco Macro // Colombia: Davivienda, Bancolombia, Banco de Bogotá // Peru: Interbank, BCP, Scotiabank // Uruguay: ITAU, Santander, Scotiabank // Turkey: Akbank, Isbank, YKB, Deniz, Finans.



MORE **loyal**

## 12 MONTHS ATTRITION RATE

%



2015 2016 2017 2018 2019



# New Strategic Priorities



Improving our **clients'**  
**financial health**



Helping our clients transition  
towards a **sustainable future**



Reaching **more clients**



Driving **operational excellence**



The best and most  
**engaged team**



**Data and Technology**



Creating Opportunities

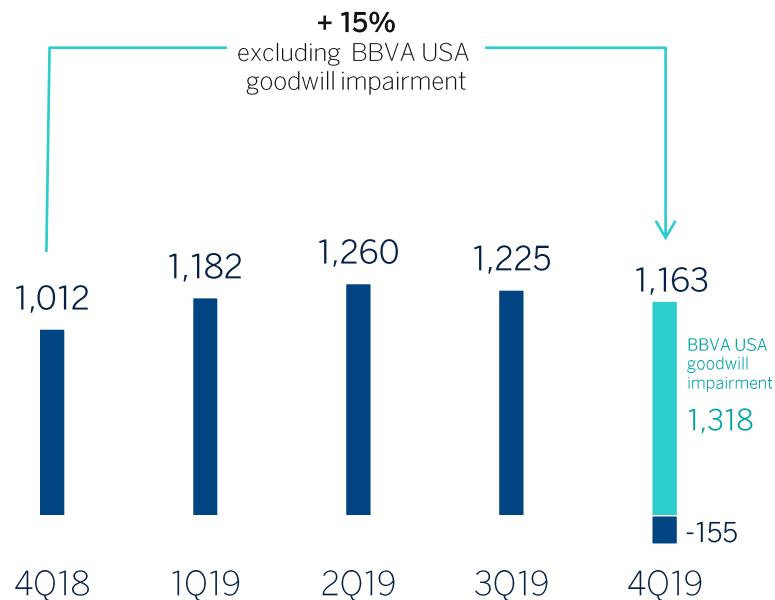
# 2019 Results

## 2019 RESULTS

# Excellent profit growth

## NET ATTRIBUTABLE PROFIT

(€M)



- Robust core revenue growth
- Further improvement in best-in-class efficiency
- Sound risk indicators
- Strong capital position
- Outstanding delivery on shareholder value creation
- Ahead of the curve in digital transformation

## 2019 RESULTS

## 2019 Profit &amp; Loss

BBVA Group (€m)	2019	Change <sup>(*)</sup> 2019/2018	
		%	% constant
<b>Net Interest Income</b>	<b>18,202</b>	<b>4.8</b>	<b>5.6</b>
Net Fees and Commissions	5,033	3.9	4.2
Net Trading Income	1,383	16.6	18.9
Other Income & Expenses	-77	n.a.	n.a.
<b>Gross Income</b>	<b>24,542</b>	<b>4.7</b>	<b>5.4</b>
Operating Expenses	-11,902	3.0	3.5
<b>Operating Income</b>	<b>12,639</b>	<b>6.2</b>	<b>7.4</b>
Impairment on Financial Assets	-4,151	5.3	7.1
Provisions and Other Gains and Losses	-772	58.3	62.2
<b>Income Before Tax</b>	<b>7,716</b>	<b>3.3</b>	<b>4.0</b>
Income Tax	-2,053	4.5	4.5
Non-controlling Interest	-833	4.4	16.0
<b>Net Attributable Profit</b> (ex-BBVA USA Goodwill impairment)	<b>4,830</b>	<b>2.7</b>	<b>2.0</b>
BBVA USA Goodwill impairment	-1,318	n.a.	n.a.
<b>Net Attributable Profit</b> (reported)	<b>3,512</b>	<b>-35.0</b>	<b>-35.3</b>

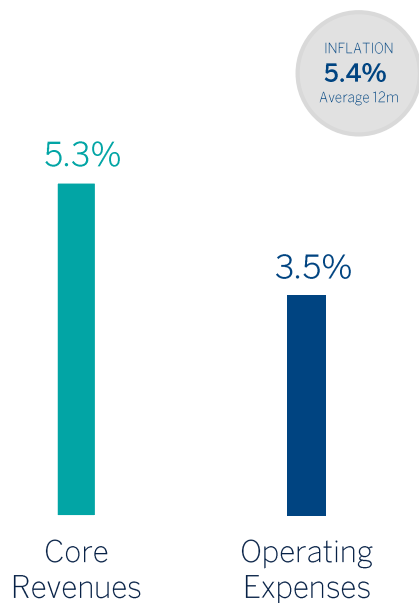
(\*) Variations exclude BBVA Chile recurrent operations and capital gains in 2018 except for Net Attributable Profit line (reported).

## 2019 RESULTS

# Further improvement in best-in-class efficiency

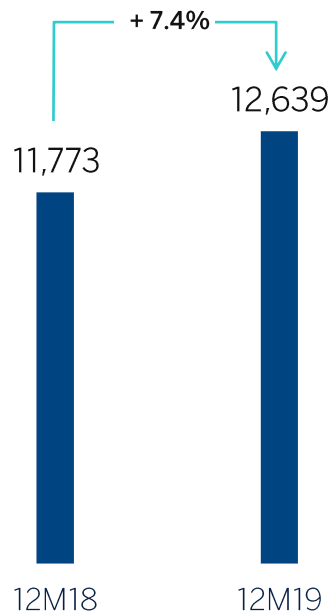
## GROUP OPERATING JAWS

(12M YoY (%); € CONSTANT)



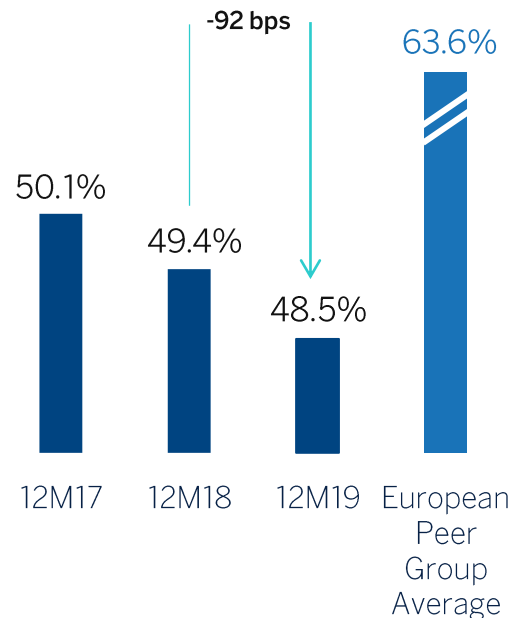
## GROUP OPERATING INCOME

(YoY (%); €M CONSTANT)



## EFFICIENCY RATIO

(%; € CONSTANT)



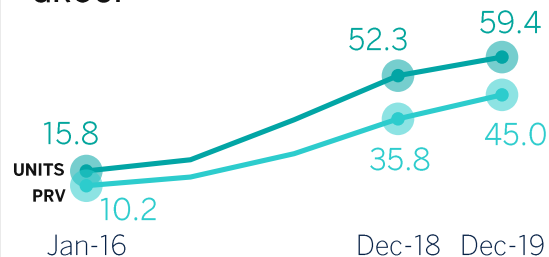
## 2019 RESULTS

# Outstanding trend in digital sales across the board

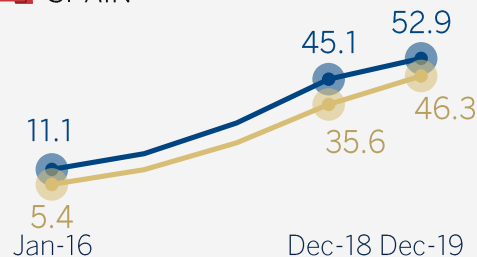
(% of total sales YtD, # of transactions and PRV<sup>1</sup>)

● UNITS ● PRV

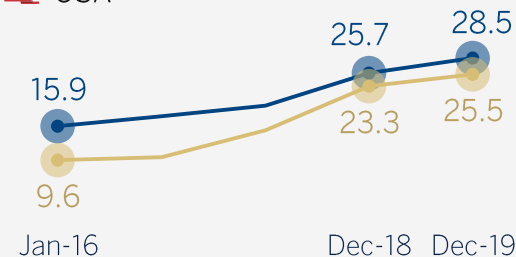
## GROUP



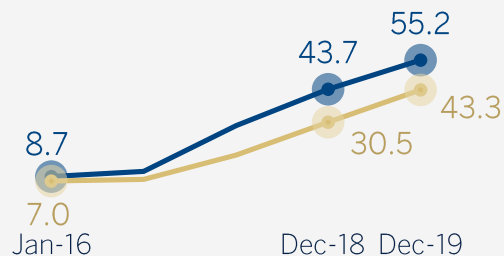
## SPAIN



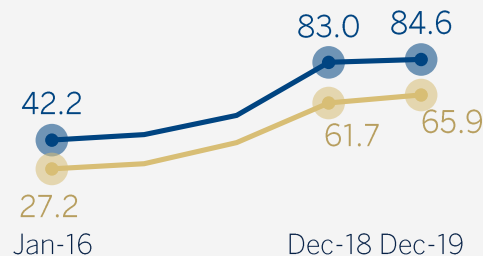
## USA<sup>2</sup>



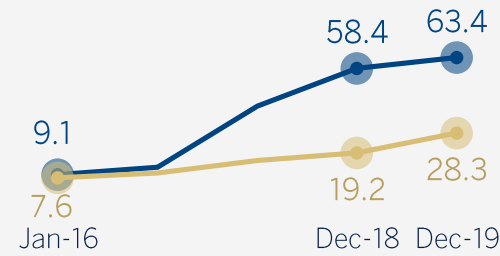
## MEXICO



## TURKEY



## SOUTH AMERICA



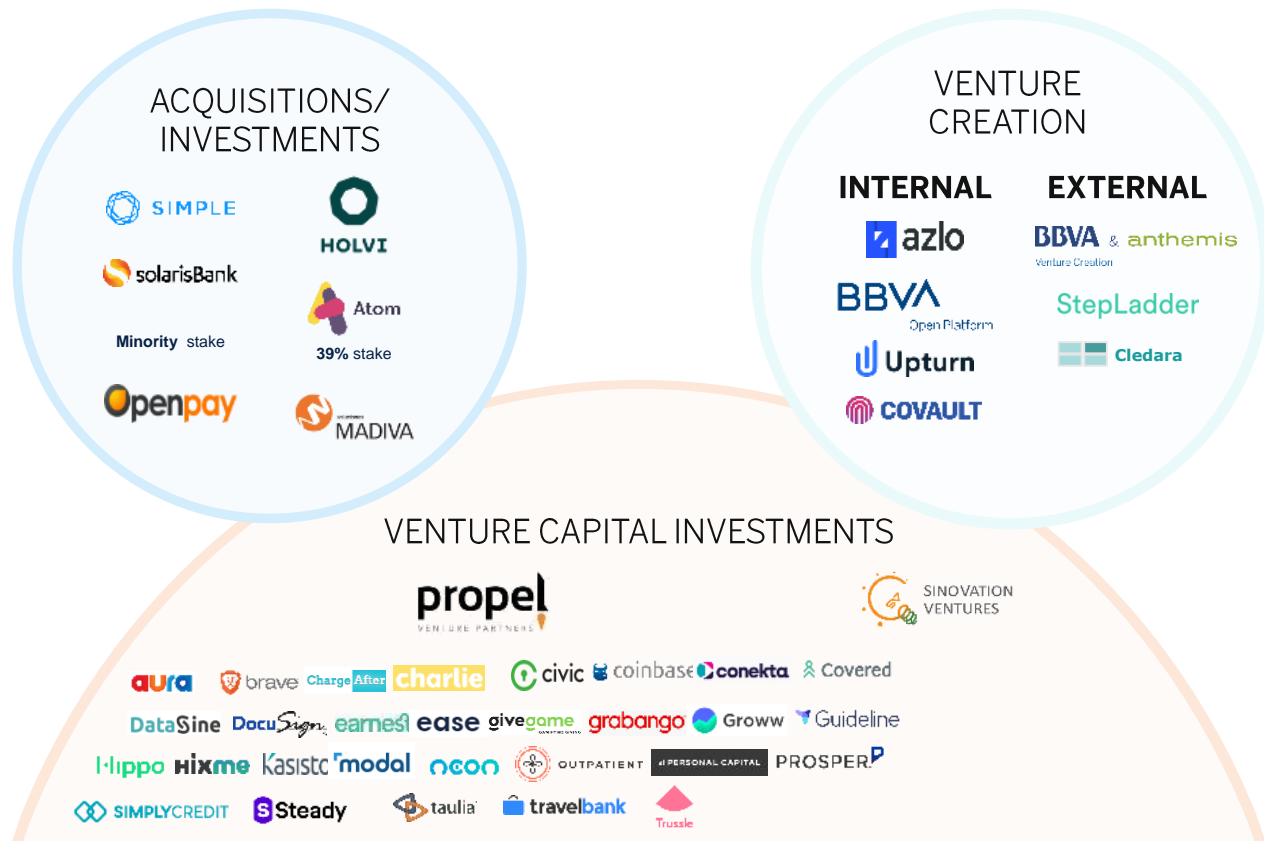
Group and South America figures exclude Venezuela and Chile.

(1) Product Relative Value as a proxy of a better economic representation of units sold. (2) Excludes ClearSpend Debit cards.

## 2019 RESULTS

# New business models

Leveraging  
the FinTech  
ecosystem  
to develop  
our value  
proposition





Creating Opportunities

4Q19 Results

# Business Areas

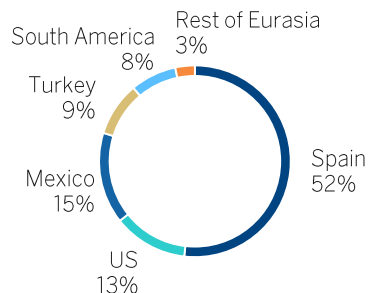


# Unique footprint with leadership positioning

## BREAKDOWN BY BUSINESS AREA

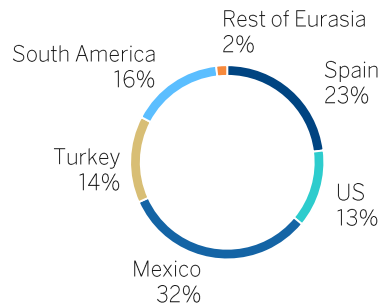
### TOTAL ASSETS<sup>1</sup>

Dec.19



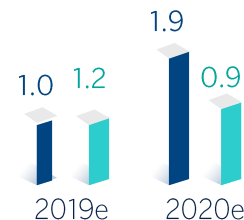
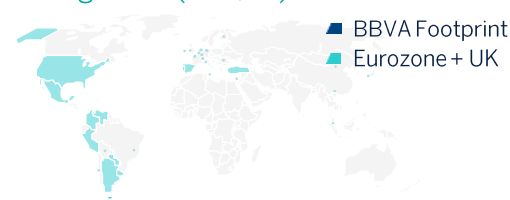
### GROSS INCOME<sup>1</sup>

12M19



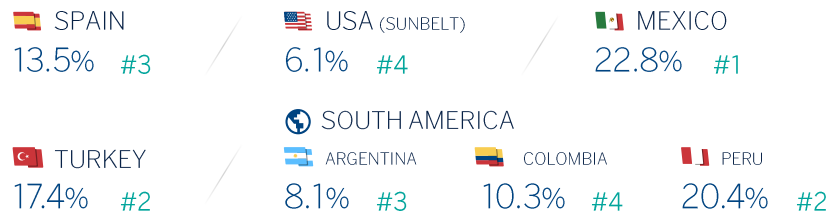
## GROWTH PROSPECTS

GDP growth (YoY, %)



Source: BBVA Research. GDP growth: weighted by each country contribution to Group's Gross Income

## LEADERSHIP POSITIONING

Market share (in %) and ranking<sup>2</sup>

(2) Loans market shares except for USA (Deposits). **Spain** based on BoS (Nov'19) and ranking (Nov'19) by AEB and CECA; **Mexico** data as of Nov.19 (CNBV); **South America** (Sep'19 for Argentina and Oct'19 for Colombia and Peru). Ranking considering main peers in each country; **USA**: SNL (Jun'19) considering Texas and Alabama; **Turkey**: BRSA total performing loans among private banks (market share as of Dec'19 and ranking as of Sep'19).

(1) Percentages exclude Corporate Center.

## 4Q19 RESULTS - BUSINESS AREAS

## Business Areas



Spain

## NET ATTRIBUTABLE PROFIT (12M19)

1,386 €m -1.0% vs. 12M18

NPL RATIO

4.4%

vs. 5.1% 4Q18

COVERAGE RATIO

60%

vs. 57% 4Q18

- Loans: growth in most profitable retail segments.
- NII aligned with expectations: positive performance of commercial activity more than offset by lower ALCO contribution and IFRS16 impact.
- Fees. Significant recovery in 4Q19, thanks to CIB and asset management fees.
- Costs continue to go down.



USA constant €

## NET ATTRIBUTABLE PROFIT (12M19)

590 €m -23.9% vs. 12M18

NPL RATIO

1.1%

vs. 1.3% 4Q18

COVERAGE RATIO

101%

vs. 85% 4Q18

- Loan growth at low single digit, driven by the commercial portfolio.
- Deposits +3.7% YoY, and mix improvement.
- Flat NII, in line with expectations. QoQ decrease explained by lower rates.
- Positive jaws with flat operating expenses in 2019.



Mexico constant €

## NET ATTRIBUTABLE PROFIT (12M19)

2,699 €m +8.2% vs. 12M18

NPL RATIO

2.4%

vs. 2.1% 4Q18

COVERAGE RATIO

136%

vs. 154% 4Q18

- NII: the main P&L driver, supported by loan growth.
- Loan growth (+7% excl. FX), driven by retail. Gaining share in consumer loans (+212 bps YoY) and mortgages (+26 bps YoY).
- Fees growth accelerated in 4Q thanks to CIB.
- Positive jaws maintained, despite best in class efficiency.

# Business Areas

## Turkey constant €

### NET ATTRIBUTABLE PROFIT (12M19)

506 €m -0.5% vs. 12M18

NPL RATIO

7.0%  
vs. 5.3% 4Q18

COVERAGE RATIO

75%  
vs. 81% 4Q18

- TL loan growth acceleration in 4Q19. FC loans continue to shrink, in line with expectations.
- NII: flat in 2019, despite the lower contribution from CPI-linkers.
- Strong fee growth.
- Costs growing significantly below inflation.

## South America constant €

### NET ATTRIBUTABLE PROFIT (12M19)

721 €m +64.0%\* vs. 12M18

COST OF RISK (YtD)

 1.67%  
vs. 2.16% 4Q18

 1.45%  
vs. 0.98% 4Q18

 4.22%  
vs. 1.60% 4Q18

- Colombia: Bottom line growth >25%, supported by activity, positive jaws and lower impairments.
- Peru: high-single digit growth in revenues more than offsetting the increase in provisions, due to releases in 2018.
- Argentina: positive contribution thanks to NII growth (due to securities portfolios) and NTI (Prisma).

(\*) South America comparison at constant perimeter, Venezuela in current € (excl. BBVA Chile).

## 4Q19 RESULTS - BUSINESS AREAS

**CIB – 12M19 Results****BUSINESS ACTIVITY**

(CONSTANT €, % YtD)

**LENDING**

66 €bn +11.9%

**CUSTOMER FUNDS**

40 €bn -1.7%

**CLIENT'S REVENUE**

(CONSTANT €, % YoY)

2,894 €m +7%



Wholesale banking  
recurrent business<sup>1</sup>  
% of revenues given by our  
relations with clients

**RESULTS**

(CONSTANT €, % YoY)

**GROSS INCOME**

3,055 €m +4.8%

**OPERATING INCOME**

1,988 €m +5.4%

**NET ATTRIBUTABLE PROFIT**

1,031 €m +1.5%

- Despite a complex environment, revenue recurrence supported by product diversification and geographies.
- Higher Client's Revenue levels thanks to the positive evolution of the transactional business.
- Growth in Net Attributable Profit supported by solid results in emerging markets, cost control and lower level of provisions than the previous year.

(1) Client's revenue / Gross income

# Annex

## ANNEX

# BBVA had significant growth since 1995

## More than 160 years of history



## ANNEX

# Organizational chart



Chief Executive Officer  
**Onur Genç**

## BUSINESS UNITS



Corporate & Investment Banking  
**Luisa Gómez Bravo**



Country Monitoring<sup>1</sup>  
**Jorge Sáenz-Azcúnaga**



Country Manager España  
**Peio Belausteguigoitia**



Country Manager México  
**Eduardo Osuna**



Country Manager Estados Unidos  
**Javier Rodríguez Soler**



Country Manager Turquía  
**Recep Bastug**

## GLOBAL FUNCTIONS



Client Solutions  
**David Puente**



Finance  
**Jaime Sáenz de Tejada**



Global Risk Management  
**Rafael Salinas**



GROUP EXECUTIVE CHAIRMAN  
**Carlos Torres Vila**

## TRANSFORMATION



Engineering & Organization  
**Ricardo Forcano**



Talent & Culture  
**Carlos Casas**



Data  
**Ricardo Martín**



Global Economics & Public Affairs  
**José Manuel González-Páramo**



Senior Advisor to the Chairman  
**Juan Asúa**



Strategy & M&A  
**Victoria del Castillo**



Communications & Responsible Business  
**Paul G. Tobin**



Legal  
**María Jesús Arribas**



General Secretary  
**Domingo Armengol**



Regulation & Internal Control<sup>2</sup>  
**Ana Fernández Manrique**



Internal Audit<sup>2</sup>  
**Joaquín Gortari**

(1) Reporting channel to CEO for Argentina, Colombia, Peru, Venezuela, Uruguay and Paraguay, as well as monitoring of all countries, including Spain, Mexico, USA and Turkey.

(2) Reporting to the Board of Directors through its corresponding committees.

The image features the BBVA logo in white, centered on a dark blue background. A diagonal line with a gradient from dark blue to a lighter teal color runs from the top right towards the bottom left, passing behind the logo.

BBVA