

2Q20 Results

July 30th, 2020

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Our priorities remain unchanged in response to the COVID-19 crisis



Protect the health and safety of our employees, clients and the community



Bank **performing as usual** during the crisis, leveraging our **differential technology infrastructure**



Managing the different stages of the **pandemic in the countries** with homogeneous health and business continuity processes

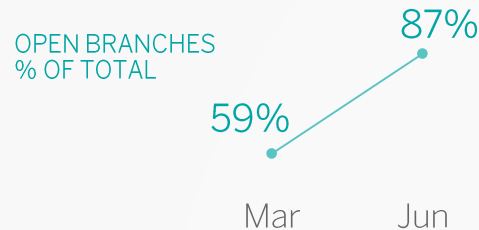


Prudent return to the office leveraging data



Continue to provide an essential service to the economies where we operate

Branch openings based on the evolution of the pandemic and business activity



Reorienting our clients to **remote and digital channels**

DIGITAL CUSTOMERS PENETRATION
(6M20)

MOBILE CUSTOMERS PENETRATION
(6M20)



Offer financial support to our clients

Deferrals of loans and repayment flexibility*

9% of total portfolio
~4 million deferrals

Total loan growth in H1**
€26 billion

Providing **lines of credit** through government facilities*
€20 billion***

(*) Data as of July 20th.

(**) Total gross loan book growth in constant €.

(***) Includes undrawn commitments.

Our digital capabilities led to a competitive advantage in this context

Differential capabilities key to successfully serve our clients through digital and **remote channels**



Ability and **agility to deliver valuable tools** and functionalities in the current environment

INTERACTIONS

Global apps visits

pre vs. post COVID-19



Remote banker interactions

"My conversations in Spain"
Jun.20 vs. Feb.20



GROUP DIGITAL SALES

2Q20

66%

UNITS

50%

VALUE-PRV*



Global Mobile App (GloMo)
deployment in multiple countries

> 240
global features

13 million
clients migrated
in Mexico, Uruguay, Peru, Argentina



Global SMEs App (GEMA)

2.5x

New daily unique users and downloads
Jun.20 vs. Feb.20



Digital Signature in Corporate Investment Banking

Increased

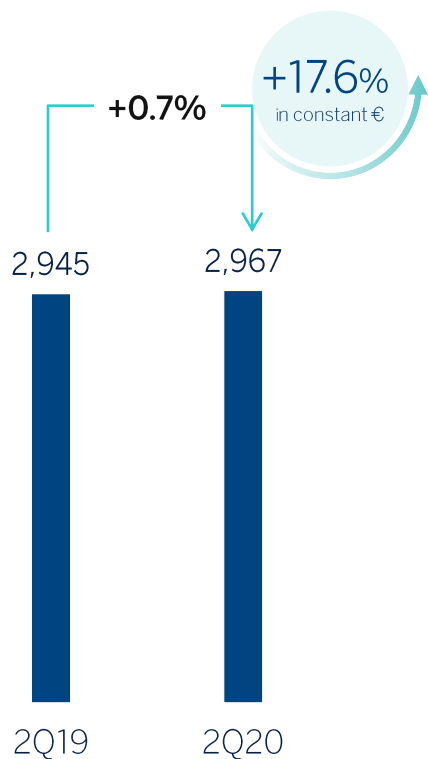
29x

vs. pre COVID-19

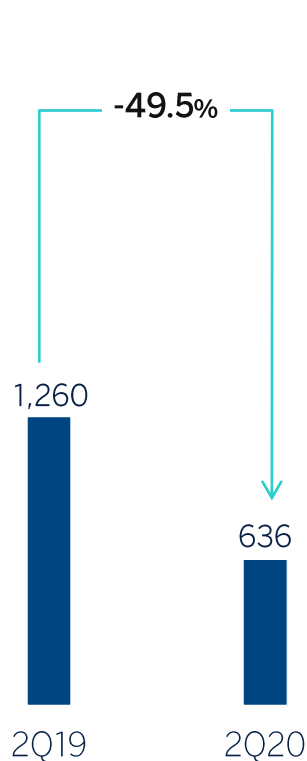
(*) Product Relative Value as a proxy of lifetime economic representation of units sold.

Resilient Pre-Provision Profit and strong capital generation in a challenging environment

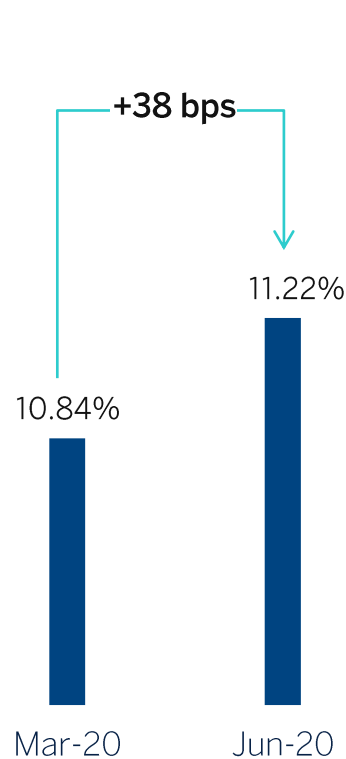
OPERATING INCOME
(€M CURRENT)



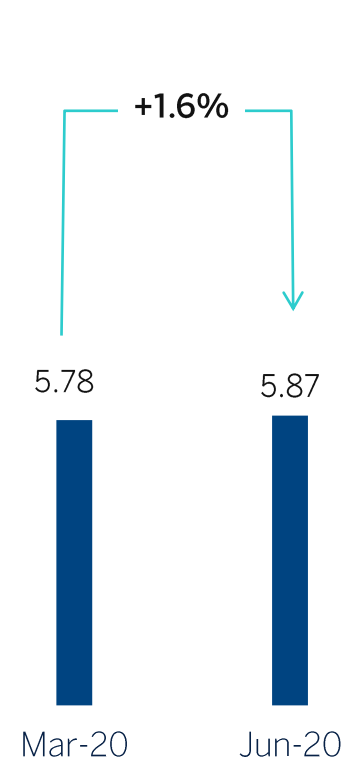
NET ATTRIBUTABLE PROFIT
(€M CURRENT)



CET1 FULLY LOADED
(%)



TBV/SHARE
(€/Share)



Given frontloaded provisioning in 1Q20, Net Attributable Profit has increased 118% QoQ*

(*) Excluding BBVA USA goodwill impairment in 1Q20 (2,084 €M).

Top messages of the quarter

1

Proven resilience in
Pre-Provision Profit

OPERATING INCOME (€ constant)

+17.6% vs.2Q19

2

Very strong **cost control**
and **efficiency**

OPERATING EXPENSES (€ constant)

-4.9% vs.2Q19

3

Risk indicators improving
and within expectations

COST OF RISK (2Q annualized)

1.51% vs. **2.57%** in 1Q20

4

Strong evolution of
capital ratios

CET1 FL

11.22% **+38 bps** vs. Mar 20

2Q20 Profit & Loss

BBVA Group (€m)	2Q20	Change 2Q20/2Q19	
		%	% constant
Net Interest Income	4,097	-9.8	2.0
Net Fees and Commissions	1,043	-16.9	-9.5
Net Trading Income	512	341.5	419.7
Other Income & Expenses	-91	n.s.	n.s.
Gross Income	5,561	-5.7	6.1
Operating Expenses	-2,594	-12.1	-4.9
Operating Income	2,967	0.7	17.6
Impairment on Financial Assets	-1,571	115.0	152.0
Provisions and Other Gains and Losses	-330	176.4	199.6
Income Before Tax	1,066	-49.1	-39.9
Income Tax	-269	-54.8	-46.7
Non-controlling Interest	-162	-32.8	-19.8
Net Attributable Profit (reported)	636	-49.5	-40.5

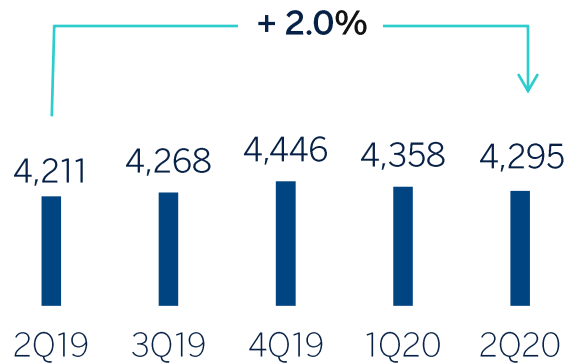
1H20 Profit & Loss

BBVA Group (€m)	1H20	Change 1H20/1H19	
		%	% constant
Net Interest Income	8,653	-3.2	4.5
Net Fees and Commissions	2,301	-6.8	-1.7
Net Trading Income	1,107	104.1	135.1
Other Income & Expenses	-16	n.s.	n.s.
Gross Income	12,045	0.8	8.8
Operating Expenses	-5,512	-6.2	-1.5
Operating Income	6,533	7.6	19.2
Impairment on Financial Assets	-4,146	139.5	162.0
Provisions and Other Gains and Losses	-671	134.9	143.6
Income Before Tax	1,716	-57.7	-52.6
Income Tax	-455	-60.0	-55.5
Non-controlling Interest	-333	-29.7	-17.8
Net Attributable Profit (ex-BBVA USA Goodwill)	928	-62.0	-57.8
BBVA USA Goodwill impairment	-2,084	n.s.	n.s.
Net Attributable Profit (reported)	-1,157	n.s.	n.s.

Robust gross income growth

/ NET INTEREST INCOME

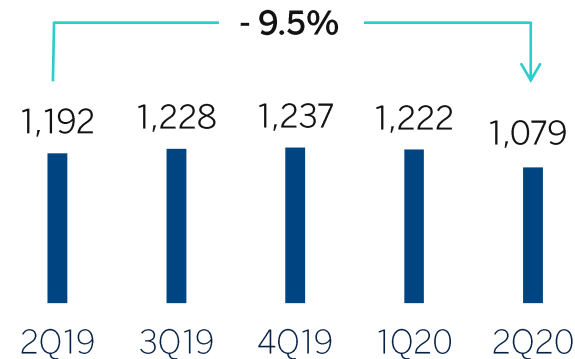
(€M CONSTANT)



Good performance despite rates and retail activity decline

/ NET FEES AND COMMISSIONS

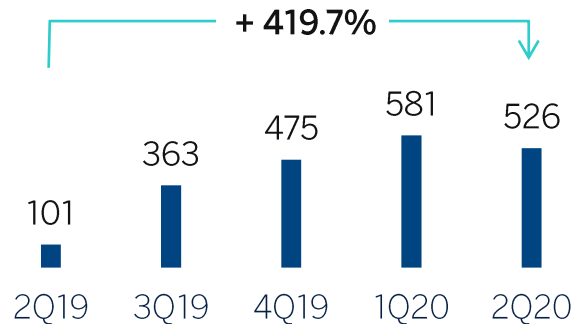
(€M CONSTANT)



Fees affected by lower retail activity, especially in card payments

/ NET TRADING INCOME

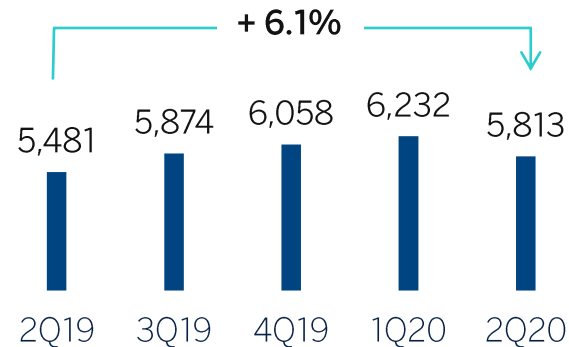
(€M CONSTANT)



NTI performance positively impacted by portfolio sales and Global Markets results

/ GROSS INCOME

(€M CONSTANT)



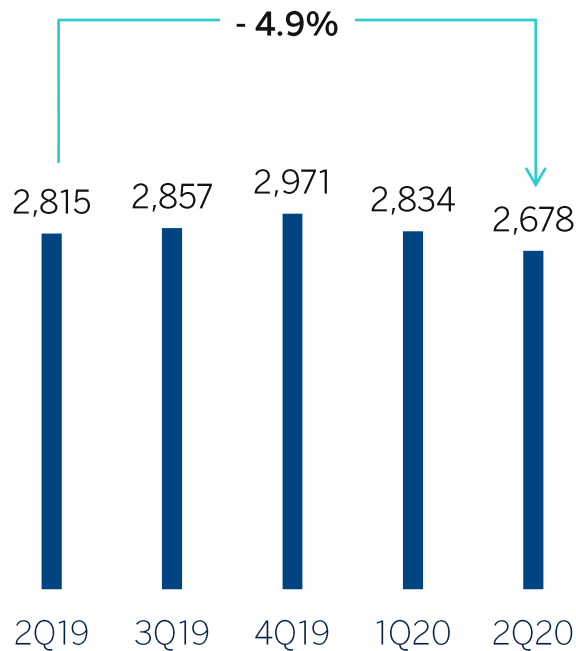
Growth supported mainly by NTI

2Q typically lower due to SRF* deposit insurance payment

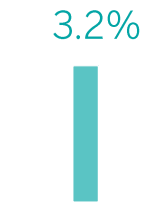
(* Single Resolution Fund.

Very disciplined cost management and leading efficiency indicators

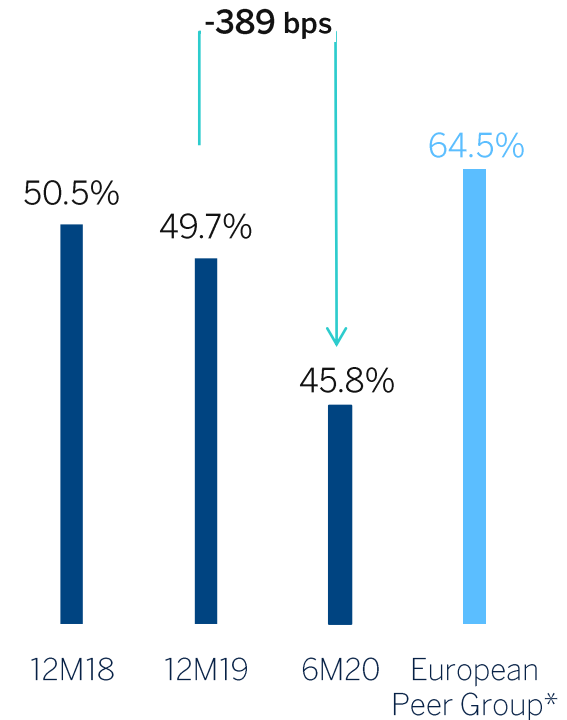
/ OPERATING EXPENSES (€M CONSTANT)



/ GROUP OPERATING JAWS (6M20 YoY (%); € CONSTANT)



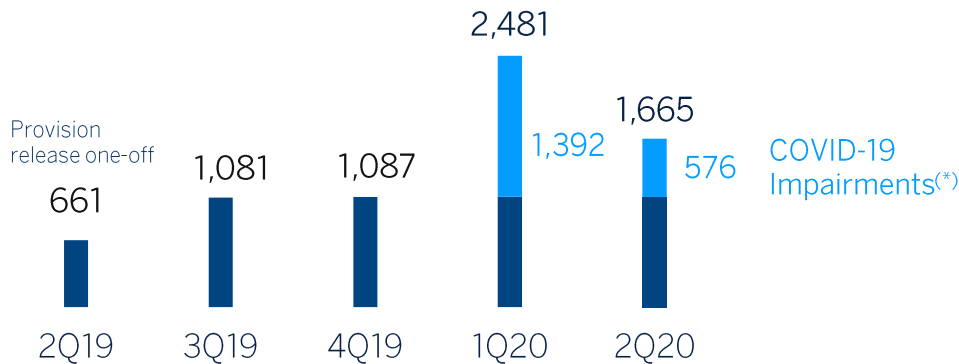
/ EFFICIENCY RATIO (%; € CONSTANT)



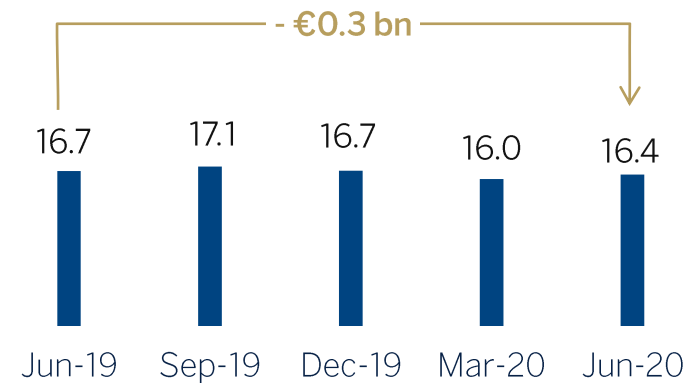
*European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCG. European Peer Group figures as of Mar-20. BBVA figures as of Jun-20.

Risk indicators improving and within expectations

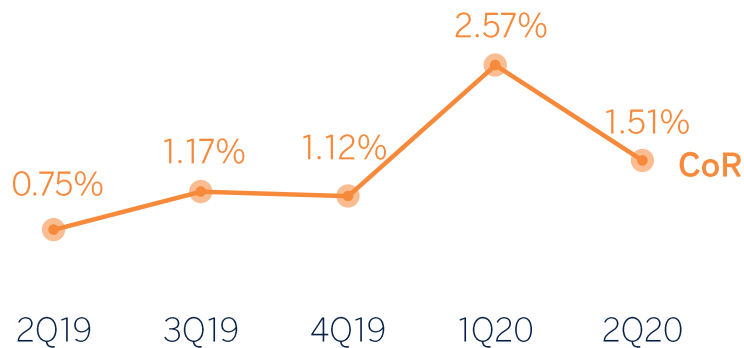
/ FINANCIAL ASSETS IMPAIRMENTS (€M CONSTANT)



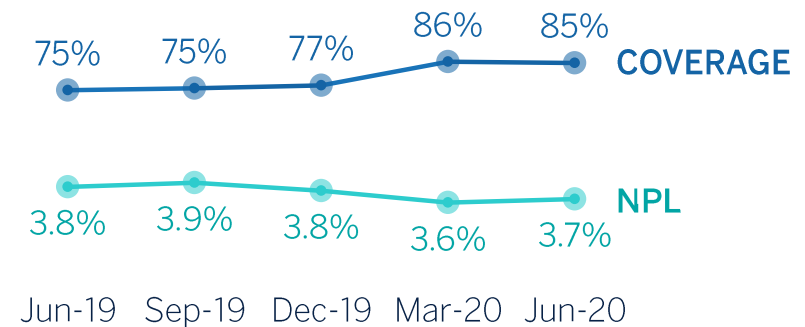
/ NPLs (€BN)



/ COST OF RISK (%, QUARTERLY)



/ NPL & COVERAGE RATIOS (%)



(*) Additionally, COVID-19 extraordinary provisions related to guarantees and undrawn commitments of €68M. Total COVID-19 impairments and provisions -€644 M in 2Q20.

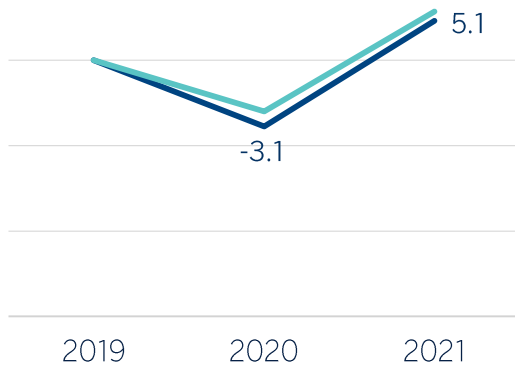
Extraordinary provisioning based on revised growth estimates

Macro scenarios by region

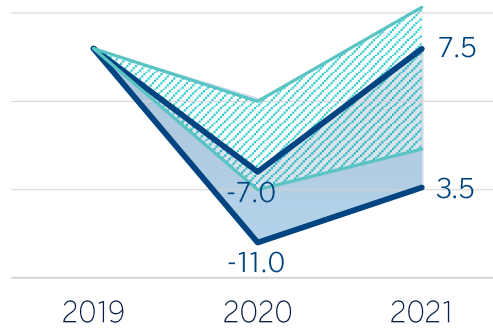
LINES REPRESENT GDP LEVELS ACCORDING TO CURRENT AND PREVIOUS RANGE FORECASTS (2019=100); NUMBERS REPRESENT GDP ANNUAL GROWTH

— Range Apr.20 — Range Jul.20

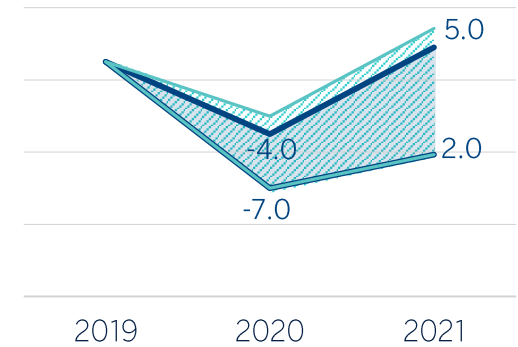
GLOBAL



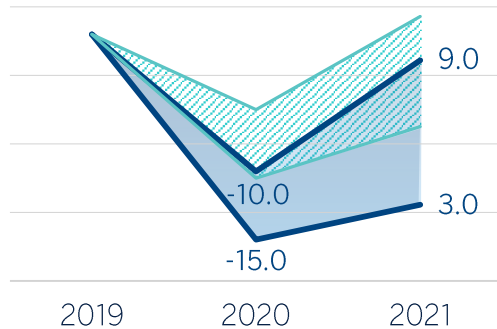
EUROZONE



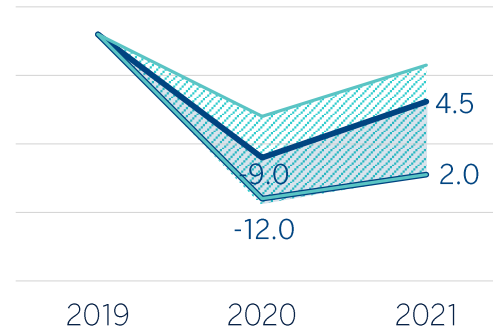
USA



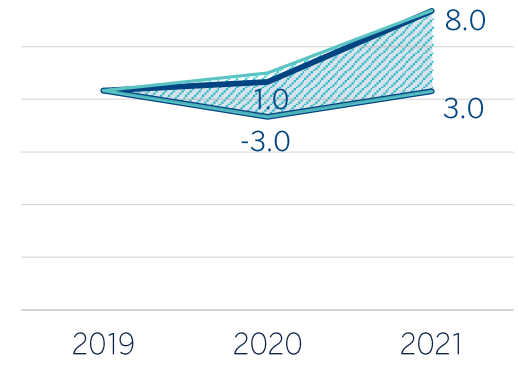
SPAIN



MEXICO










TURKEY



Impairments breakdown by business area

/ IMPAIRMENTS BREAKDOWN

(€M CONSTANT, 2Q20)

	RECURRENT Impairments	COVID-19 Impairments*	TOTAL Impairments
 Spain	159	64	223
 USA	120	68	188
 Mexico	356	323	679
 Turkey	160	78	238
 Argentina	43	-12	31
 Colombia	101	-10	91
 Peru	78	62	140
Rest	72	3	75
TOTAL	1,089	576	1,665

/ COST OF RISK BREAKDOWN

(%, CURRENT ANNUALIZED, 1H20)

RECURRENT Impairments	TOTAL Impairments	2019
0.35%	1.00%	0.18%**
0.78%	1.80%	0.88%
2.88%	4.95%	3.01%
1.83%	2.71%	2.07%
3.66%	3.64%	4.22%
2.72%	3.37%	1.67%
1.72%	2.91%	1.45%
n.a.	n.a.	n.a.
1.13%	2.04%	1.02%

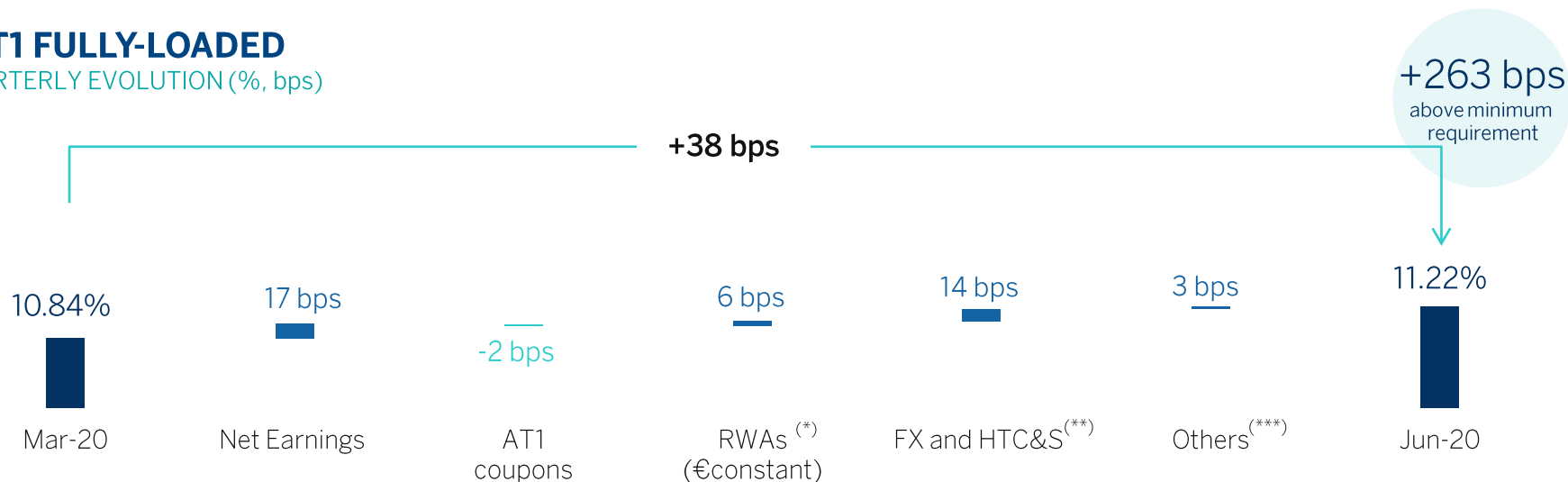
(*) IFRS9 updated macro adjustment plus specific provisions for most affected portfolios.

(**) Excludes 2Q19 mortgage portfolio sales.

2Q20 Cost of risk significantly below 1Q20 levels

Strong evolution of capital ratios

/ CET1 FULLY-LOADED QUARTERLY EVOLUTION (% , bps)

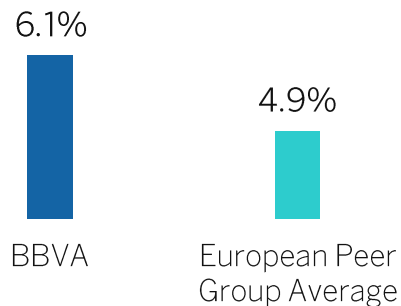


(*) Includes CRR new supporting factor on SMEs and infrastructures (+5 bps).

(**) Includes exchange rate impact (FX) and mark to market of HTC&S equity and fix income portfolios (HTC&S: Held to Collect and Sell).

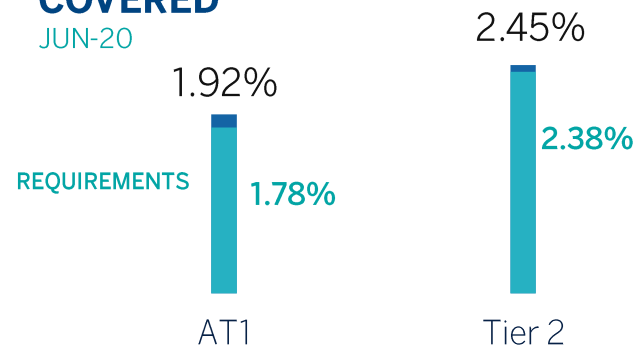
(***) Includes prudent valuation adjustment (+3 bps), among others.

/ HIGH QUALITY CAPITAL- LEVERAGE RATIO FL JUN-20 BBVA, MAR-20 EUROPEAN PEERS



European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCG.

/ AT1(*) AND TIER 2(**) BUCKETS ALREADY COVERED JUN-20



(*) AT1 includes the €1.0 Bn AT1 instrument issued in Jul.20.

(**) Tier 2 includes the GBP300 Mn Tier 2 instrument issued in Jul.20.

CET 1 FL already at the high end of the target range (225-275 bps)

BBVA

Creating Opportunities

Business Areas



Business Areas

€M 1H20. Change in % vs. 1H19

Spain

/ NET ATTRIB. PROFIT		/ OPERATING INCOME	
88	-88.1%	1,371	+19.8%
NET INTEREST INCOME	+1.7%	NET FEES & COMMISSIONS	+7.4%
		OPERATING EXPENSES	-6.1%

- **Strong revenue growth**, mainly driven core revenues and NTI.
- **Decreasing trend in expenses** continue.

USA Constant€

/ NET ATTRIB. PROFIT		/ OPERATING INCOME	
26	-91.6%	648	-3.5%
NET INTEREST INCOME	-9.2%	NET FEES & COMMISSIONS	+2.6%
		OPERATING EXPENSES	-2.5%

- **NII** impacted by lower interest rates.
- Outstanding **cost** management.

Mexico Constant€

/ NET ATTRIB. PROFIT		/ OPERATING INCOME	
654	-43.9%	2,349	-0.8%
NET INTEREST INCOME	-1.5%	NET FEES & COMMISSIONS	-9.0%
		OPERATING EXPENSES	+2.6%

- **NII** impacted by lower reference rates.
- **Costs** growing below average inflation.
- **Flat operating income**, supported by NTI and costs.

Business Areas

€M 1Q20. Change in % vs. 1Q19

Turkey Constant €

/ NET ATTRIB.
PROFIT

266

+6.3%

NET INTEREST
INCOME

+27.6%

NET FEES &
COMMISSIONS

-17.5%

/ OPERATING
INCOME

1,394

+44.8%

OPERATING
EXPENSES

+6.6%

South America¹ Constant €

/ NET ATTRIB.
PROFIT

159

-47.3%

NET ATTRIB.
PROFIT 

48 -58.2%

NET ATTRIB.
PROFIT 

32 -66.7%

/ OPERATING
INCOME

945

-3.0%

NET ATTRIB.
PROFIT 

43 +32.8%

- **Significant NII growth** explained by loan growth and the improvement in TL customer spread.
- **Fees** impacted by new regulation capping certain commissions.
- **Costs** growing below average inflation.

- **Colombia:** High single digit growth in NII, supported by activity.
- **Peru:** Net Attributable Profit negatively impacted by higher provisioning.
- **Argentina:** Net Attributable Profit growth driven by recurring income.

(1) Venezuela in current €.

BBVA

Creating Opportunities

Final Remarks



Final Remarks

Resilient Operating Income, proving a successful crisis management and our differential digital capabilities.

Very strong cost control and efficiency improvement.

Significant improvement in Risk indicators for the quarter, following the frontloading of provisions in 1Q20.

Solid capital generation in the quarter and year-end target already achieved.



BBVA