

**BBVA**

Creating Opportunities

# Group BBVA

3Q20 Results

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## OUR PURPOSE

“ To bring the age of opportunity to everyone ”

## BBVA'S GLOBAL PRESENCE

SEPTEMBER 2020



## FINANCIAL HIGHLIGHTS

SEPTEMBER 2020



## CUSTOMERS &amp; DIGITAL SALES

SEPTEMBER 2020

## CUSTOMERS

79.9 million

Digital customers

35.6 m

Mobile customers

32.8 m

## DIGITAL SALES

 PRV\*  
47.9%

 Units  
63.6%

## SUSTAINABLE DEVELOPMENT AND DIRECT CONTRIBUTION TO SOCIETY

BBVA's Pledge 2025



€100 billion  
between 2018 and 2025

€40.1 billion  
MOBILIZED June 2020

Allocated to social programs  
DECEMBER 2019

113.8 €m

 BBVA  
Open Innovation

Open Talent

 Fundación BBVA  
MicroFinanzas

Fundación BBVA

 BBVA  
Momentum  
Open Mind

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

(\*\*) Excluding BBVA USA goodwill impairment

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# BBVA Purpose

## BBVA PURPOSE

## OUR PURPOSE

“To bring the age  
of opportunity  
to everyone

## 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**

## OUR VALUES



**Customer** comes first



We think **big**



We are **one team**

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# 3Q20 Results

## 3Q20 RESULTS

# Solid profit evolution, strong capital position and stable tangible book value per share in this challenging environment

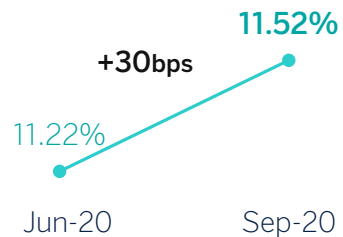
## / NET ATTRIBUTABLE PROFIT

(€M CURRENT)



## / CET1 FULLY LOADED

(%)



## / TBV/SHARE

(€/SHARE)



- € Continue to prove resiliency in **Pre-Provision Profit**
- ✓ Very strong **cost control** and **efficiency**
- 📊 **Risk indicators** improving and within expectations
- 📈 Strong **capital generation**
- 📱 Ahead of the curve in digital **transformation**

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

## 3Q20 RESULTS

## 3Q20 Profit &amp; Loss

BBVA Group (€m)	3Q20	Change 3Q20/3Q19	
		%	% constant
<b>Net Interest Income</b>	<b>4,109</b>	<b>-8.1</b>	<b>5.5</b>
Net Fees and Commissions	1,143	-10.2	-0.8
Net Trading Income	372	6.0	13.3
Other Income & Expenses	38	69.8	n.s.
<b>Gross Income</b>	<b>5,663</b>	<b>-7.5</b>	<b>5.0</b>
Operating Expenses	-2,570	-12.8	-3.8
<b>Operating Income</b>	<b>3,093</b>	<b>-2.6</b>	<b>13.5</b>
Impairment on Financial Assets	-928	-20.8	-0.1
Provisions and Other Gains and Losses	-187	60.7	73.1
<b>Income Before Tax</b>	<b>1,978</b>	<b>4.9</b>	<b>17.6</b>
Income Tax	-524	7.5	21.2
Non-controlling Interest	-312	80.2	n.s.
<b>Net Attributable Profit</b>	<b>1,141</b>	<b>-6.8</b>	<b>4.1</b>



## 9M20 RESULTS

## 9M20 Profit &amp; Loss

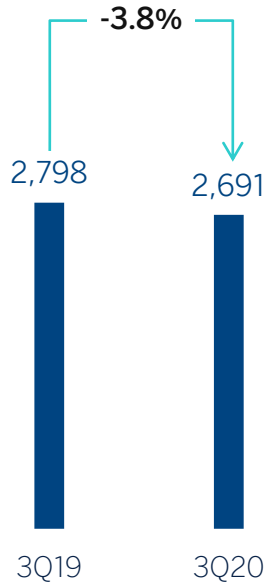
Grupo BBVA (M€)	9M20	Variación 9M20/9M19	
		%	% constantes
<b>Margen de intereses</b>	<b>12,763</b>	<b>-4.9</b>	<b>4.7</b>
Comisiones	3,444	-8.0	-1.3
Resultados de operaciones financieras	1,479	65.5	83.7
Otros ingresos netos	22	76.6	n.s.
<b>Margen bruto</b>	<b>17,708</b>	<b>-2.0</b>	<b>7.4</b>
Gastos de explotación	-8,082	-8.4	-2.4
<b>Margen neto</b>	<b>9,626</b>	<b>4.1</b>	<b>17.3</b>
Pérdidas por deterioro de activos financieros	-5,074	74.8	97.7
Dotaciones a provisiones y otros resultados	-858	113.4	122.6
<b>Beneficio antes de impuestos</b>	<b>3,693</b>	<b>-37.8</b>	<b>-29.7</b>
Impuesto sobre beneficios	-979	-39.7	-32.0
Resultado atribuido a la minoría	-646	-0.3	18.0
<b>Beneficio Atribuido</b> (ex-Deterioro de fondo de comercio BBVA EE.UU.)	<b>2,069</b>	<b>-43.6</b>	<b>-36.6</b>
Deterioro fondo de comercio BBVA EE.UU.	-2,084	n.s.	n.s.
<b>Beneficio Atribuido</b> (reportado)	<b>-15</b>	<b>-100.4</b>	<b>-100.5</b>

## 3Q20 RESULTS

# Very disciplined cost management and leading efficiency indicators

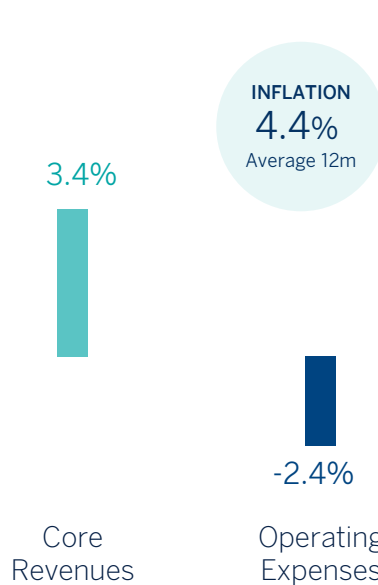
## / OPERATING EXPENSES

(€M CONSTANT)



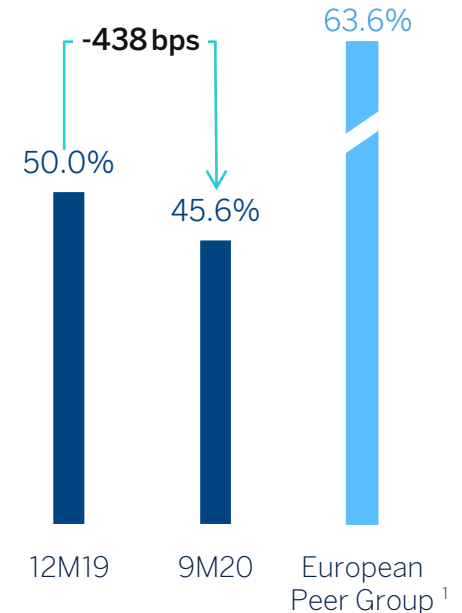
## / GROUP OPERATING JAWS

(6M20 YoY (%); € CONSTANT)



## / EFFICIENCY RATIO

(%; € CONSTANT)



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

## 3Q20 RESULTS

# Leveraging digital capabilities to better serve our clients in this context

## / MOBILE CUSTOMERS

(MILLION CUSTOMERS, %)



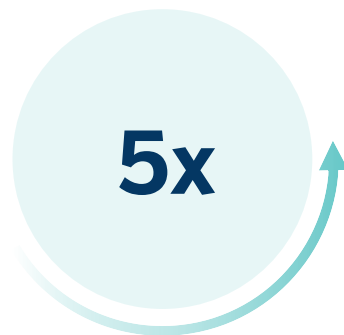
51.8%

MOBILE PENETRATION

57.2%

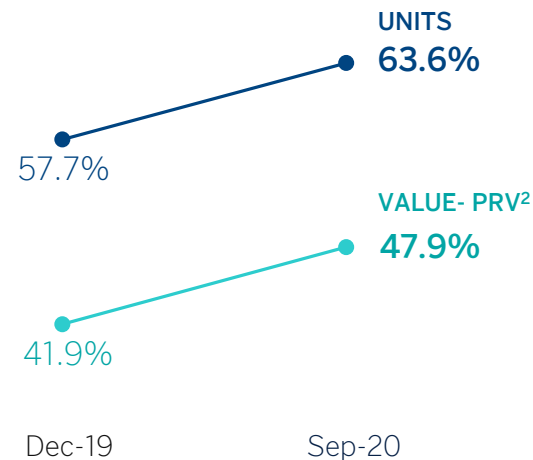
## / APP INTERACTIONS

QUARTERLY SERVICING TRANSACTIONS<sup>1</sup>  
(3Q20 VS 3Q19)



## / GROUP DIGITAL SALES

(YTD, %)



UNITS  
63.6%

VALUE- PRV<sup>2</sup>  
47.9%

(1) Servicing transaction: any financial or non-financial transaction that does not involve new products purchasing (i.e. transfers, simulations, information requests, payments, etc). Considers servicing transactions through the app in Spain, Mexico, Turkey, Colombia, Peru and Argentina.

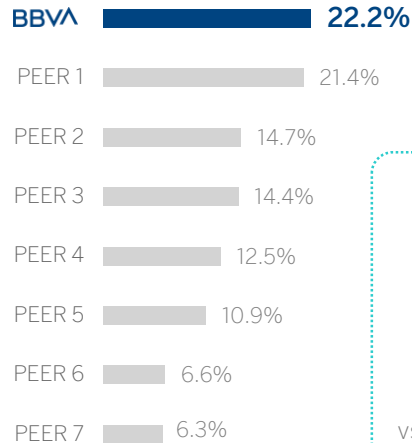
(2) Product Relative Value as a proxy of lifetime economic representation of units sold.

## 3Q20 RESULTS

# Leading digital capabilities



## / BANKING APP MARKET SHARE (%)



BBVA Ranked

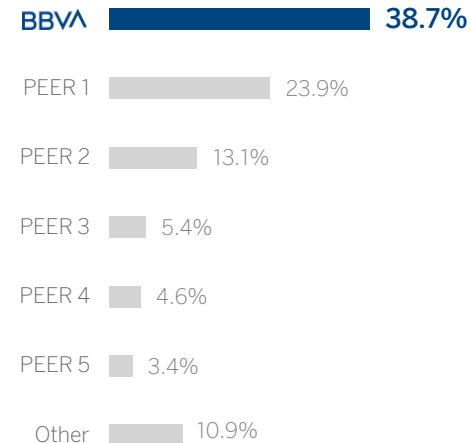
#1 in DIY<sup>1</sup>

**90%**

vs. 68% peers average



## / E-COMMERCE MARKET SHARE (%)



Source: Smartme Analytics. Banks analyzed: BANKIA, BBVA, CAIXABANK, IMAGINBANK, ING, OPENBANK, SABADELL and SANTANDER. Market share calculated as the percentage of banking app users that used each of the banking apps. Market share data as of 3Q20. DIY results as of June 2020 Smartme Analytics' Individuals Functionalities report.  
(1) DIY: Do-It-Yourself.

Source: BBVA acquiring business including Openpay and Adquira/Flap. E-commerce approved transactions using credit & debit cards. Banks analyzed: BANORTE, BANCOPPEL, BBVA, CITIBANAMEX, HSBC, SANTANDER and others. Data as of 9M20.

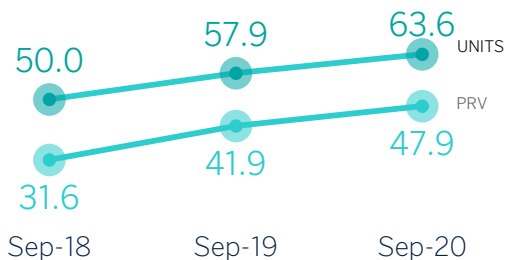
## 3Q20 RESULTS

# Outstanding trend in digital sales

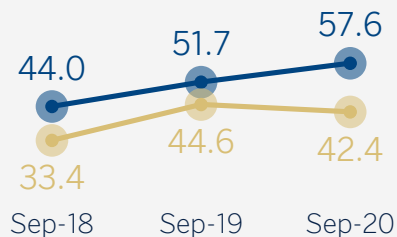
(% OF TOTAL SALES YTD, # OF TRANSACTIONS AND PRV\*)

● UNITS ● PRV

## GROUP



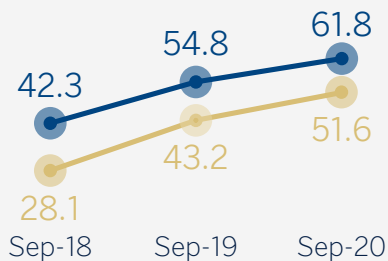
## SPAIN



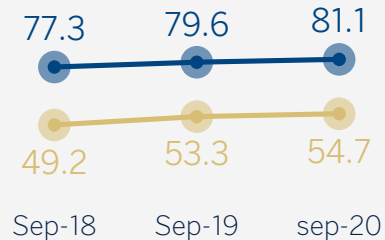
## USA



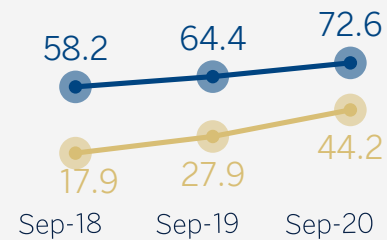
## MEXICO



## TURKEY



## SOUTH AMERICA



Group and South America figures exclude Venezuela, Chile and Paraguay.

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

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3Q20 Results

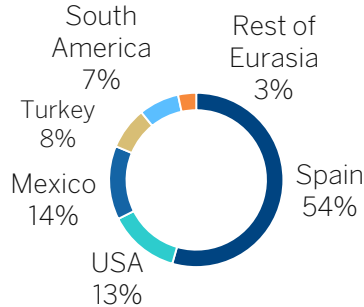
# Business Areas

3Q20 RESULTS - BUSINESS AREAS

# A well-diversified footprint with leadership positioning

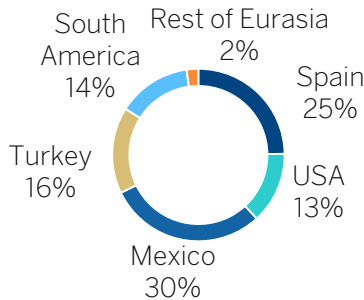
## / BREAKDOWN BY BUSINESS AREA

### TOTAL ASSETS (\*) SEP.20



70%  
Developed Markets

### GROSS INCOME (\*) 9M20



40%  
Developed Markets

(\*) Percentages exclude Corporate Center

## / LEADERSHIP POSITIONING

MARKET SHARE (IN %) AND RANKING (\*\*)



### SOUTH AMERICA



(\*\*) Loans market shares except for USA (Deposits). Spain based on BoS (Aug'20) and ranking (Jun'20) by AEB and CECA; Mexico data as of Aug'20 (CNBV); South America (June'20 for Argentina Jul'20 for Colombia and Aug'20 for Peru). Ranking considering main peers in each country; USA: SNL (Jun'20) considering Texas and Alabama; Turkey: BRSA total performing loans among private banks (market share as of Sep'20 and ranking as of June'20).

## 3Q20 RESULTS - BUSINESS AREAS

# Business Areas

€M 9M20. Change in % vs. 2Q20 and 9M19

 Spain

## / OPERATING INCOME

€2,105 M

## / NET ATTRIBUTABLE PROFIT

€440 M

	vs. 2Q20	vs. 9M19
Net Interest Income	-4.1%	+0.5%
Net Fees and Commissions	+0.3%	+4.8%
Operating Expenses	-0.4%	-6.7%
Operating Income	+14.1%	+16.6%
Impairment on Financial Assets	-13.6%	n.s.
<b>Net Attributable Profit</b>	<b>+54.2%</b>	<b>-58.7%</b>

- Remarkable decrease in Operating Expenses, exceeding expectations.
- Pre-provision profit growing at 16.6% YoY.
- Asset quality improvement: CoR improving trend. Best in class coverage ratio.

 USA Constant €

## / OPERATING INCOME

€960 M

## / NET ATTRIBUTABLE PROFIT

€115 M

	vs. 2Q20	vs. 9M19
Net Interest Income	+4.8%	-5.5%
Net Fees and Commissions	+11.4%	+3.3%
Operating Expenses	+5.4%	-2.5%
Operating Income	+0.4%	-2.4%
Impairment on Financial Assets	+34.7%	+109.1
<b>Net Attributable Profit</b>	<b>-27.1%</b>	<b>-75.8%</b>

- Solid core revenue growth in the quarter, improving trend.
- Significant cost reduction in the year.
- CoR downward trend continues.



## 3Q20 RESULTS - BUSINESS AREAS

# Business Areas

€M 9M20. Change in % vs. 2Q20 and 9M19

 **Mexico** Constant €

## / OPERATING INCOME

€3,489 M

## / NET ATTRIBUTABLE PROFIT

€1,204 M

	vs. 2Q20	vs. 9M19
Net Interest Income	+11.1%	-0.4%
Net Fees and Commissions	+15.1%	-8.7%
Operating Expenses	+0.1%	+0.9%
Operating Income	+10.5%	+0.1%
Impairment on Financial Assets	-40.6%	+60.3%
<b>Net Attributable Profit</b>	<b>+88.1%</b>	<b>-30.5%</b>

- **Significant p&l recovery** in the quarter explained by core revenue growth, opex control and lower impairments.
- **Asset quality improving:** CoR improvement after 1H provision frontloading.

 **Turkey** Constant €

## / OPERATING INCOME

€2,075 M

## / NET ATTRIBUTABLE PROFIT

€503 M

	vs. 2Q20	vs. 9M19
Net Interest Income	+7.8%	+31.0%
Net Fees and Commissions	+39.6%	-14.3%
Operating Expenses	+3.0%	+7.0%
Operating Income	+19.8%	+49.6%
Impairment on Financial Assets	-56.6%	+26.4%
<b>Net Attributable Profit</b>	<b>+84.8%</b>	<b>+58.6%</b>

- **Robust operating income growth:** supported by NII, NTI and opex control.
- **Expenses growth below average inflation.**
- **Significant CoR improvement** due to the strong provision frontloading in 1H20.

## 3Q20 RESULTS - BUSINESS AREAS

# Business Areas

€M 9M20. Change in % vs. 2Q20 and 9M19

## South America Constant €<sup>1</sup>

**/ OPERATING INCOME**

€1,397 M

**/ NET ATTRIBUTABLE PROFIT**

326 M€

**RESULTADO ATRIBUIDO****vs. 2Q20****vs. 9M19**

Colombia

+42.0%

-40.6%

- **Colombia:** Solid core revenue growth, NTI and opex control as main P&L levers in 3Q. CoR improvement in the quarter due to the strong provision frontloading in 1H20.



Peru

+1,638.5%

-48.1%

- **Peru:** Increased contribution vs. previous quarters explained by a lower CoR, impacted by a positive macro adjustment and revenue growth.



Argentina

+65.9%

+39.3%

- **Argentina:** Increased contribution due to provision releases in the fixed income portfolio in 3Q.

(1) Venezuela in current €.

## 3Q20 RESULTS - BUSINESS AREAS

## CIB – 9M20 Results

## / BUSINESS ACTIVITY

(CONSTANT €, % YTD)

## LENDING

65 €bn +8.7%

## CUSTOMER FUNDS

45 €bn +22.8%

## / CLIENT'S REVENUE

(CONSTANT €, % YOY)

2,186 €m +15%



Wholesale banking  
recurrent business\*  
% of revenues given by our  
relations with clients

## / RESULTS

(CONSTANT €, % YOY)

## GROSS INCOME

2,394 €m +19.0%

## OPERATING INCOME

1,673 €m +33.0%

## NET ATTRIBUTABLE PROFIT

668 €m -1.1%

- Volatile capital markets with high volumes have driven growth in CIB revenues, although with disparities between regions.
- Covid-19 pandemic has created significant financial volatility and demands for liquidity boosting both activity performance and Client's Revenues.
- High level of provisions, mainly in USA and Turkey, affecting Attributable Profit despite double digit growth in revenues and cost control.

(\*) Client's revenue / Gross income

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# Annex

## ANNEX

# Organizational chart



**Chief Executive Officer**  
Onur Genç



**GROUP EXECUTIVE CHAIRMAN**  
Carlos Torres Vila

## BUSINESS UNITS



Global Head of Corporate  
& Investment Banking  
Luisa Gómez Bravo



Country Monitoring\*  
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



Global Head of Client Solutions  
David Puente



Global Head of Finance  
Jaime Sáenz de Tejada



Global Head of Global Risk  
Management  
Rafael Salinas

## TRANSFORMATION



Global Head of Engineering  
& Organization  
Ricardo Forcano



Global Head of Talent  
& Culture  
Carlos Casas



Global Head of Data  
Ricardo Martín Manjón

## STRATEGY



Senior Advisor to the Chairman  
Juan Asúa



Global Head of Strategy & M&A  
Victoria del Castillo



Global Head of Communications  
& Responsible Business  
Paul G. Tobin

## LEGAL AND CONTROL



Global Head of Legal  
María Jesús Arribas



General Secretary  
Domingo Armengol



Global Head of Regulation  
& Internal Control\*\*  
Ana Fernández Manrique



Chief Audit Executive\*\*  
Joaquín Gortari

(\* ) 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.

(\*\* ) 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 of a lighter, teal-blue color splits the background from the top right to the bottom left. The logo consists of the letters 'BBVA' in a bold, sans-serif font, with the 'A' having a unique, angular design.

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