# Group BBVA

## 2020 Results

BBVA
Creating Opportunities

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## OUR PURPOSE

# “To bring the age of opportunity to everyone”

## BBVA’S GLOBAL PRESENCE

DECEMBER 2020

Countries
>30

Branches
7,432

Employees
123,174

## FINANCIAL HIGHLIGHTS

DECEMBER 2020

Total assets
736,258 €m

Loans and advances to customers - gross
378,139 €m

Deposits from customers
409,122 €m

Net attributable profit 12M20
1,305 €m

NPL ratio
4.0%

Coverage ratio
81%

CET 1 FL
11.73%

TBV per share + Shareholders remuneration
6.21 €

ROE[2]
6.9%

ROTE[2]
7.8%

## CUSTOMERS & DIGITAL SALES

DECEMBER 2020

### CUSTOMERS

80.7 million

Digital customers
37.0 m

Mobile customers
34.5 m

### DIGITAL SALES

PRV[1]
48.7%

Units
64.0%

## SUSTAINABLE DEVELOPMENT AND DIRECT CONTRIBUTION TO SOCIETY

BBVA’s Pledge 2025

€100 billion
between 2018 and 2025

€50 billion
MOBILIZED December 2020

Allocated to social programs
DECEMBER 2020

142.2 €m

BBVA Open Innovation
Open Talent
Fundación BBVA MicroFinanzas
BBVA Momentum
Fundación BBVA
Open Mind

(1) Product Relative Value as a proxy of lifetime economic representation of units sold.
(2) Excludes net capital gains from the from the JV with Allianz and BBVA USA goodwill impairment in 2019 and 2020.

Creating Opportunities

# 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**

BBVA PURPOSE

# BBVA has taken a step forward in response to the COVID-19 crisis

## **Protect the health and safety** of our employees, clients and society

**BBVA has donated more than €35 million and has mobilized more than €11 million** through clients and employees contributions for the fight against COVID-19

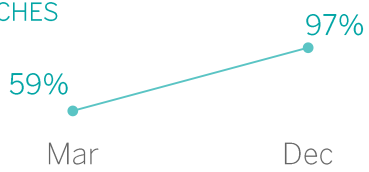
At the peak, **86,000 teammates working from home**

Return to the office plans **combining physical and remote work**

## **Provide an essential service** to our communities

**Branch openings** based on operational and health protocols

OPEN BRANCHES
% OF TOTAL




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

INTERACTIONS
Global App Visits[1]
(Pre vs. post COVID)

+43%

REMOTE BANKER INTERACTIONS
"My Conversations in Spain"
(Dec.20 vs Dec.19)

+45%

## **Offer financial support** to our clients

**Deferrals** of loans and repayment flexibility
**€38 billion**[2]

Providing **credit facilities** through government programs
**€25 billion**[3]

**Financial support** to individuals and businesses
**~3 million clients**

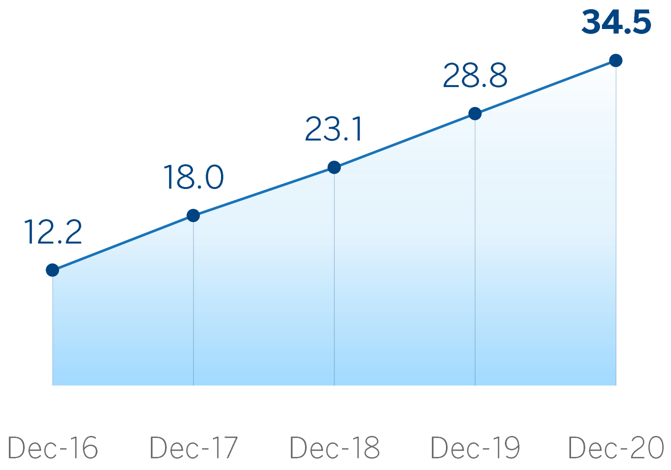
(1) Only taking into account visits that log in the Private Area. (2) Includes loans that have been paid off. (3) Includes undrawn commitments.

BBVA PURPOSE

# Leveraging our digital capabilities to better serve our clients

## MOBILE CUSTOMERS

MILLION CUSTOMERS, PERCENTAGE

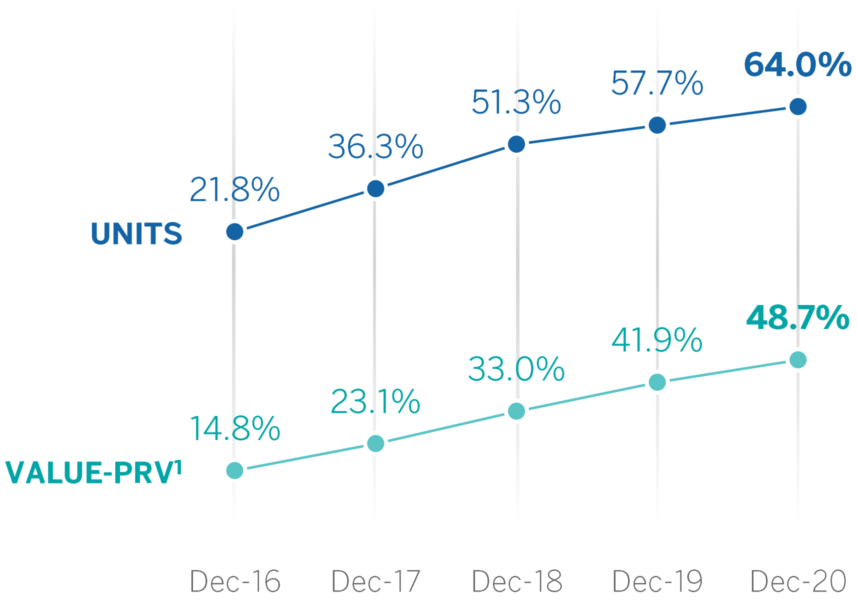



| | | | | |
|---|---|---|---|---|
| 24.9% | 35.1% | 43.8% | 51.8% | 59.0% |

MOBILE PENETRATION

## GROUP DIGITAL SALES

YTD, PERCENTAGE



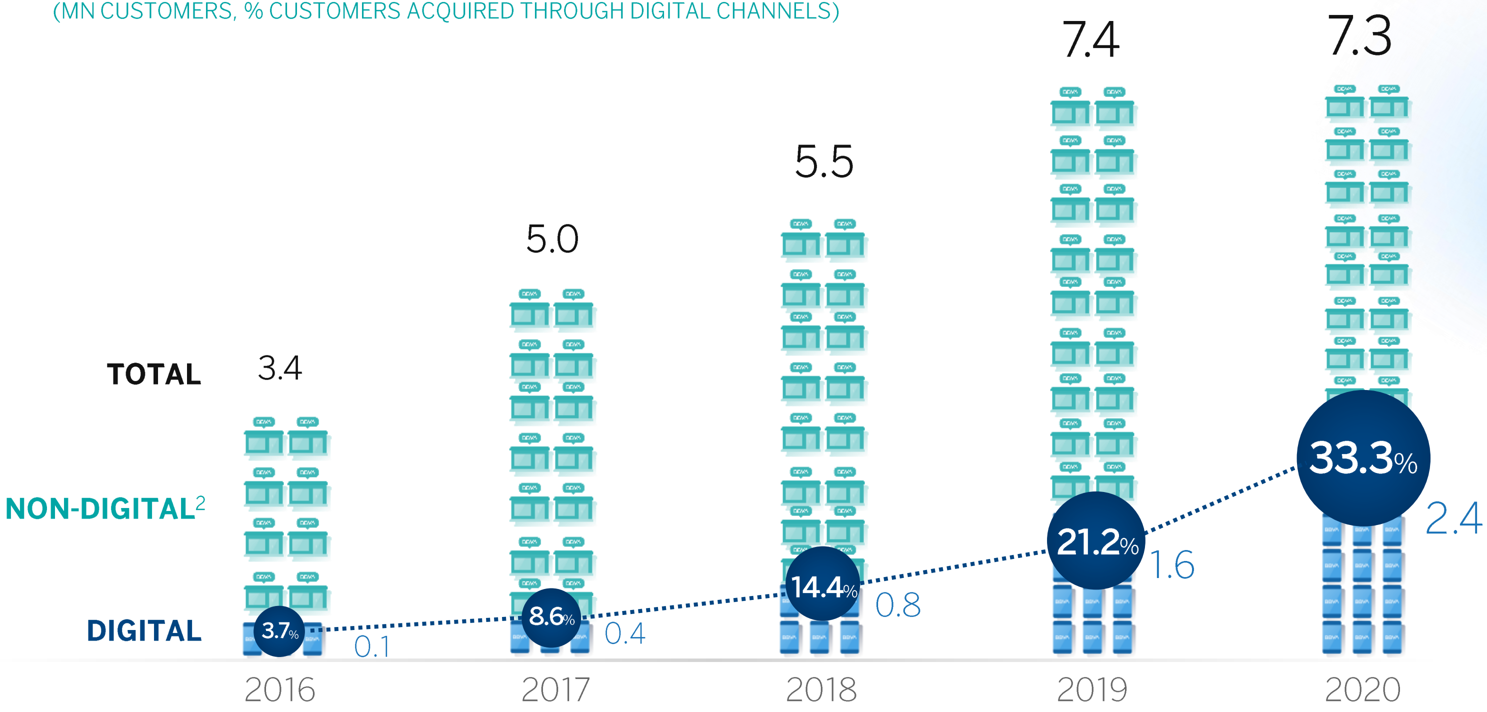

(1) Product Relative Value as a proxy of lifetime economic representation of units sold.

BBVA PURPOSE

# Our digital capabilities have proven to be differential in reaching more customers

## GROSS NEW CUSTOMERS ACQUISITION[1]

(MN CUSTOMERS, % CUSTOMERS ACQUIRED THROUGH DIGITAL CHANNELS)




DIGITAL ACQUISITION
+56%
vs. 2019

(1) Gross customer acquisition through own channels for retail segment. (2) Branches, external salesforce and ATMs.

BBVA PURPOSE

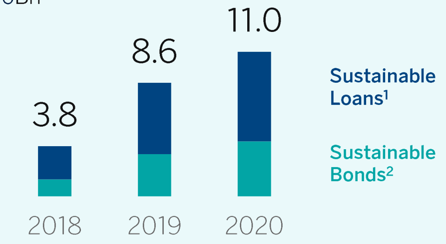
# We continue to successfully deliver on sustainability strategy

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

### OVERDELIVERING ON BBVA'S 2025 PLEDGE


### PROVIDING SUSTAINABLE FINANCE AND ADVICE

Wholesale clients
€Bn




Note: preliminary data. (1) Corporate Sustainable Loans include BBVA's underwriting share in: (i) Certified Loans, (ii) Project Finance and (iii) KPI and/or ESG Linked Loans. (2) BBVA's underwriting share in ESG bonds (BBVA led bond issuances for a total €22 Bn in 2020).

New sustainable solutions for all segments


Energy-efficient linked mortgages


Carbon footprint calculator


Hybrid and electric vehicles loans

## Aligning our Portfolio

- Climate risk included in loan admission frameworks
- Internal taxonomy on transition risk

PACTA
Paris Agreement Capital Transition Assessment

## Increasing transparency


## Leading sustainability indexes

Dow Jones Sustainability Indexes

#1 EUROPEAN BANK

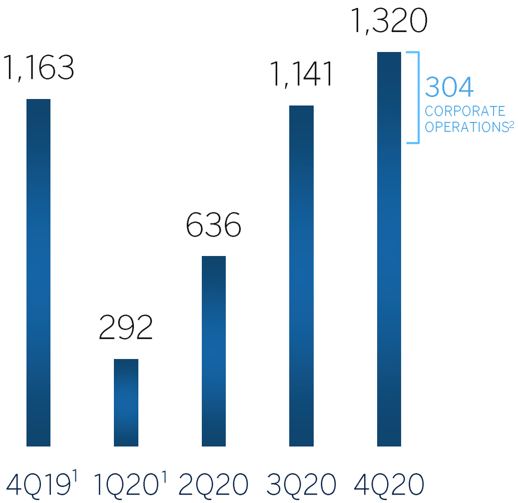
# 12M20 Results

Creating Opportunities

12M20 RESULTS

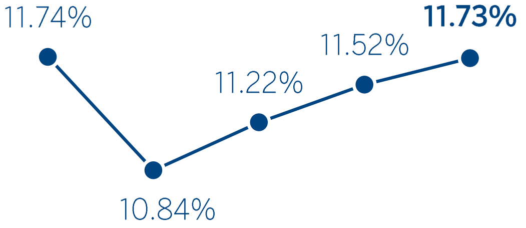
# Solid quarterly profit evolution, improving capital position and tangible book value per share recovery

## NET ATTRIBUTABLE PROFIT
(€M CURRENT)

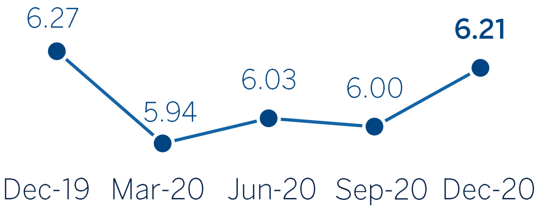



## CET1 FULLY LOADED
(%)

PRO-FORMA[3]
14.58%
Dec-20




## TBV/SHARE + DIVIDENDS
(€/SHARE)




- Solid **core revenue** growth
- Very strong **cost control** and **best-in-class efficiency**
- **Risk indicators** impacted by COVID-19 but better than initial expectations
- Reinforced **capital position** after BBVA USA sale
- Expecting to resume **shareholder distribution[4]**

(1) Excluding BBVA USA goodwill impairment (1,318€m in 4Q19 and 2,084 €M in 1Q20). (2) Includes capital gain from the JV with Allianz and closed in 4Q20. (3) Includes impact from BBVA USA sale. (4) Subject to shareholders and supervisors approval.

12M20 RESULTS

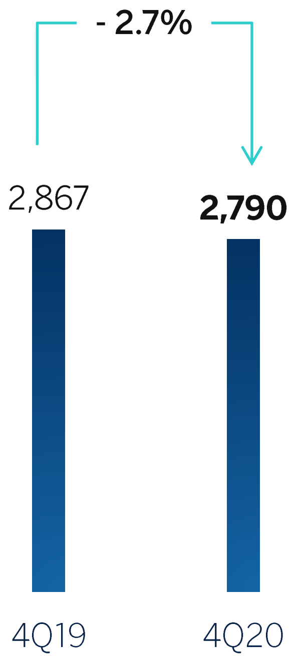
# 12M20 Profit & Loss

| BBVA Group (€m) | 2020 | Change 2020/2019 % | Change 2020/2019 % constant |
|---|---|---|---|
| **Net Interest Income** | **16,801** | **-7.3** | **3.6** |
| Net Fees and Commissions | 4,616 | -8.3 | -0.4 |
| Net Trading Income | 1,692 | 22.3 | 37.6 |
| Other Income & Expenses | -135 | n.s. | n.s. |
| **Gross Income** | **22,974** | **-6.1** | **4.5** |
| Operating Expenses | -10,755 | -9.6 | -2.6 |
| **Operating Income** | **12,219** | **-2.7** | **11.7** |
| Impairment on Financial Assets | -5,908 | 45.1 | 67.3 |
| Provisions and Other Gains and Losses | -1,085 | 40.6 | 51.4 |
| **Income Before Tax** | **5,225** | **-32.3** | **-21.9** |
| Income Tax | -1,385 | -32.5 | -22.4 |
| Non-controlling Interest | -756 | -9.3 | 13.0 |
| **Net Attributable Profit** (ex-BBVA USA goodwill impairment and Corporate Operations) | **3,084** | **-36.1** | **-27.2** |
| Corporate Operations | 304 | n.s. | n.s. |
| BBVA USA goodwill impairment | -2,084 | 58.1 | 58.1 |
| **Net Attributable Profit** (reported) | **1,305** | **-62.9** | **-55.3** |

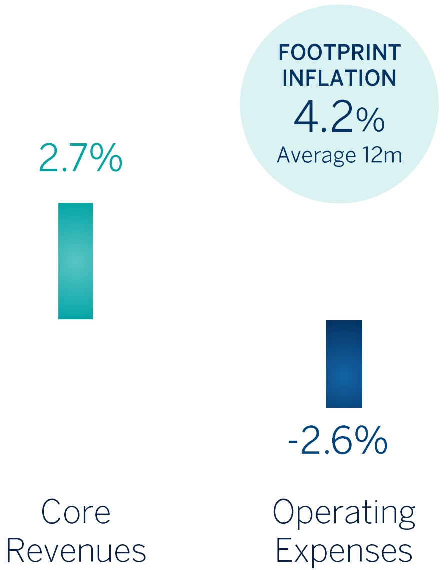
12M20 RESULTS

# Very strong cost control and best-in-class efficiency

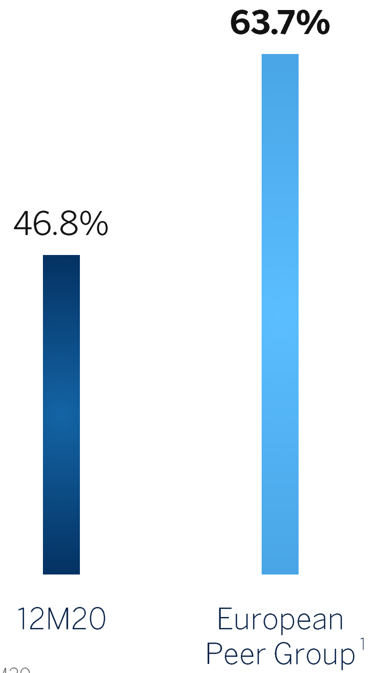
## OPERATING EXPENSES
(€M CONSTANT)




## GROUP OPERATING JAWS
(12M20 YoY, %; € CONSTANT)




## EFFICIENCY RATIO
(%; € CONSTANT)

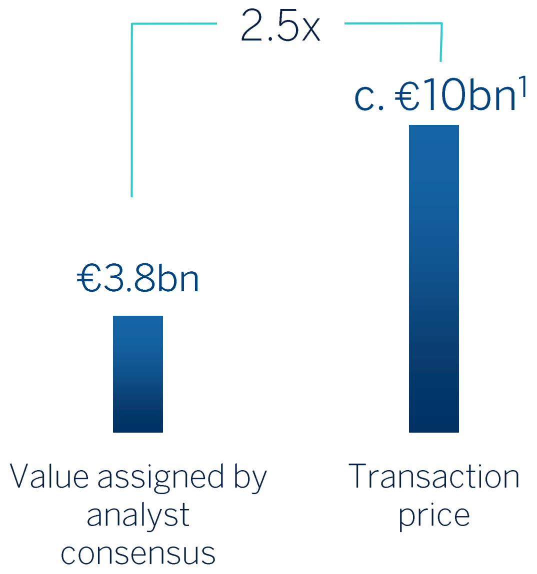



(1) European Peer Group: BARC, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCG. European Peer Group figures 9M20. BBVA figures 12M20.

12M20 RESULTS

# BBVA USA sale: a historic deal that unlocks value

## LARGE SIZE TRANSACTION AT VERY ATTRACTIVE PRICE




## MAIN RATIOS

**19.7x**
PER 2019

**1.34x**
P/TBV
Sep 2020


(1) Based on a EUR/ USD exchange rate of 1.20.

12M20 RESULTS

# Shareholder distributions

## 2020 dividend

**Follows regulatory guidance**

- **€5.9 cents per share** (maximum allowed by regulatory guidance[1])
- 100% cash
- Payment in 2021

## 2021 ordinary dividend

**Plan to recover our clear, predictable and sustainable policy once regulatory restrictions are lifted** (expected in Sep 2021)[2]

- **35-40% payout**
- 100% cash
- Payments in October 2021 and April 2022

## Extraordinary distributions

**The excess capital allows for additional distributions to shareholders, through buybacks and extraordinary dividends**

**Targeting a buyback of around 10%** of ordinary shares, after the closing of BBVA USA transaction[3]

(1) Includes dividend accrual of 5.9 Euro cents per share (gross) to pay in 2021, subject to shareholders and supervisors approval. Calculated as the 15% payout over 2020 results, excluding goodwill impairments, the capital gain from the JV with Allianz and AT1 Coupons.

(2) Subject to shareholders and supervisors approval.

(3) Any potential repurchase of shares would, at the earliest, take place after the expected close of the BBVA USA transaction in mid 2021. Any decision on a repurchase of ordinary shares would (i) require certain shareholders resolutions and supervisors approval and the lifting of the ECB recommendation on distributions to shareholders, and (ii) take into consideration share prices, among other factors.

12M20 Results

# Business Areas

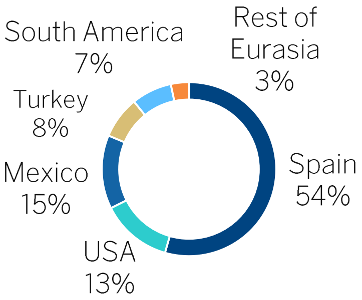
**12M20 RESULTS** - BUSINESS AREAS

# A well-diversified footprint with leadership positioning

## BREAKDOWN BY BUSINESS AREA

### TOTAL ASSETS[1]

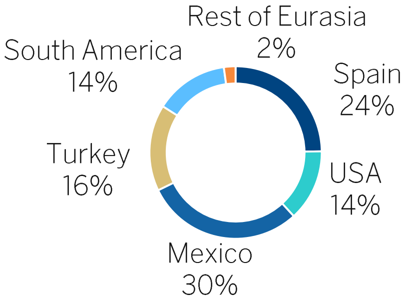
DEC.20




**69%** Developed Markets

### GROSS INCOME[1]

12M20




**40%** Developed Markets

(1) Percentages exclude Corporate Center.

## LEADERSHIP POSITIONING

MARKET SHARE (IN %) AND RANKING[2]

**SPAIN #3**
13.3%

**USA (Sunbelt) #4**
6.1%

**TURKEY #2**
17.6%

**MEXICO #1**
23.6%

**SOUTH AMERICA**

Colombia #4
**10.2%**

Peru #2
**21.5%**

Argentina #3
**8.0%**

(2) Loans market shares except for USA (Deposits). Spain based on BoS (Nov'20) and ranking (Sep'20) by AEB and CECA; Mexico data as of Nov'20 (CNBV); South America (June'20 for Argentina Sept'20 for Colombia, Oct'20 and Peru Nov'20). 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 Dec'20 and ranking as of Sept'20).

12M20 RESULTS - BUSINESS AREAS

# Business Areas

€M 12M20. Change in % vs. 12M19

## Spain

/ OPERATING INCOME

€2,515 M

/ NET ATTRIBUTABLE PROFIT

€606 M

| | 12M20 | vs. 12M19 |
|---|---|---|
| Net Interest Income | 3,553 | -0,4% |
| Net Fees and Commissions | 1,802 | +2.9% |
| Operating Expenses | -3,039 | -6.6% |
| Operating Income | 2,515 | +4.7% |
| Impairment on Financial Assets | -1,167 | n.s. |
| **Net Attributable Profit** | **606** | **-56.3%** |

- Core Revenue growth driven by fees
- Excellent expenses management, improving the efficiency ratio
- Growth in lending driven by commercial segments, supported by State guaranteed loans
- Front-loaded COVID provisions set aside in 1H20 and best in class coverage

## USA Constant €

/ OPERATING INCOME

€1,281 M

/ NET ATTRIBUTABLE PROFIT

€429 M

| | 12M20 | vs. 12M19 |
|---|---|---|
| Net Interest Income | 2,284 | -2.6% |
| Net Fees and Commissions | 665 | +5.5% |
| Operating Expenses | -1,870 | -2.8% |
| Operating Income | 1,281 | +4.4% |
| Impairment on Financial Assets | -776 | +44.3 |
| **Net Attributable Profit** | **429** | **-25.5%** |

- Positive jaws and cost reduction, resulting in a significant operating income growth
- Flat lending evolution; lower activity in retail and Corporate & Investment Banking has been offset by commercial portfolios, driven by State guaranteed loans
- Asset quality better than expected

12M20 RESULTS - BUSINESS AREAS

# Business Areas

€M 12M20. Change in % vs. 12M19

## Mexico Constant €

/ OPERATING INCOME
€4,677 M

/ NET ATTRIBUTABLE PROFIT
€1,759 M

| | 12M20 | vs. 12M19 |
|---|---|---|
| Net Interest Income | 5,415 | -0.7% |
| Net Fees and Commissions | 1,065 | -6.6% |
| Operating Expenses | -2,340 | +0.7% |
| Operating Income | 4,677 | -1.1% |
| Impairment on Financial Assets | -2,172 | +45.6% |
| **Net Attributable Profit** | **1,759** | **-25.8%** |

- Costs under control, significantly growing below inflation
- Flat lending evolution; Growth in mortgages and public sector offsetting deleverage of commercial portfolios, and consumer & credit cards
- Asset quality in line with expectations

## Turkey Constant €

/ OPERATING INCOME
€2,544 M

/ NET ATTRIBUTABLE PROFIT
€563 M

| | 12M20 | vs. 12M19 |
|---|---|---|
| Net Interest Income | 2,783 | +25.2% |
| Net Fees and Commissions | 510 | -9.9% |
| Operating Expenses | -1,029 | +7.3% |
| Operating Income | 2,544 | +35.6% |
| Impairment on Financial Assets | -895 | +25.0% |
| **Net Attributable Profit** | **563** | **+41.0%** |

- Robust operating income growth, driven by NII, NTI and expenses control
- Cost growth significantly below inflation
- Significant Turkish Lira loan growth, driven by commercial portfolio
- Asset quality in line with expectations

12M20 RESULTS - BUSINESS AREAS

# Business Areas

€M 12M20. Change in % vs. 12M19

## South America Constant €[1]

**OPERATING INCOME**

€1,853 M

**NET ATTRIBUTABLE PROFIT**

446 M€

| RESULTADO ATRIBUIDO | 12M20 | vs. 12M19 |
|---|---|---|
| Colombia | 165 | -28.9% |
| Peru | 110 | -41.8% |
| Argentina | 89 | n.s. |

- Colombia: operating income growth (6,2%) thanks to NII growth due to good spread management, and control of expenses growing below inflation.
- Peru: significant growth in activity supported by government programs. Improvement in the cost of risk since 1Q20.
- Argentina: continues to show a positive contribution although affected by hyperinflation

(1) Venezuela in current €.

12M20 RESULTS - BUSINESS AREAS

# CIB – 12M20 Results

## / BUSINESS ACTIVITY
(CONSTANT €, % YTD)

LENDING
61 €bn +1.6%

CUSTOMER FUNDS
48 €bn +31.5%

## / CLIENT´S REVENUE
(CONSTANT €, % YoY)

2,950 €m +14%


Wholesale banking recurrent business[1]

% of revenues given by our relations with clients

## / RESULTS
(CONSTANT €, % YoY)

GROSS INCOME
3,135 €m +15.1%

OPERATING INCOME
2,143 €m +25.1%

NET ATTRIBUTABLE PROFIT
877 €m -3.8%

- The recovery in the third quarter of the year has been halted in October by the second wave of the pandemic, arising new uncertainties in the fourth quarter regarding global macroeconomic outlook
- The good performance in Transactional Business as well as Global Markets, benefited by new fiscal and monetary policies and the increase in financial volatility, have pushed the activity performance and Client's Revenues
- Attributable Profit affected by a high level of provisions, mainly in USA and Turkey, despite double digit growth in revenues and cost control

(1) Client's revenue / Gross income

# Annex

Creating Opportunities

ANNEX

# BBVA had significant growth since 1995

## More than 160 years of history

- **1995** Banco Continental (Peru)
  Probursa (México)
- **1996** Banco Ganadero (Colombia)
  Bancos Cremi and Oriente (Mexico)
  Banco Francés (Argentina)
- **1997** Banco Provincial (Venezuela)
  B.C. Argentino (Argentina)
- **1998** Poncebank (Puerto Rico)
  Banco Excel (Brazil)
  Banco BHIF (Chile)
- **1999** Provida (Chile)
  Consolidar (Argentina)
- **2000** Bancomer (Mexico)
- **2004** Valley Bank (USA)
  Laredo (USA)
  Public takeover offer for Bancomer (Mexico)
- **2005** Granahorrar (Colombia)
  Hipotecaria Nacional (Mexico)
- **2006** Texas Regional Bancshares (USA)
  Forum Servicios Financieros (Chile)
  State National Bancshares (USA)
  CITIC (China)
- **2007** Compass (USA)
- **2008** Extended CITIC agreement (China)
- **2009** Guaranty Bank (USA)
- **2010** New extension CITIC agreement (China)
  Turkiye Garanti Bankasi (Turkey)
- **2011** Extension of Forum SF agreement (Chile)
  Credit Uruguay (Uruguay)
- **2012** Sale of Puerto Rico
  Unnim Banc (Spain)
- **2013** Sale of Panama
  Sale of pension business in Latam
  Sale of CNCB's 5.1% (China)
- **2014** Simple (USA)
- **2015** Sale of CIFH's stake to CNCB (China)
  Sale of CNCB's 4.9% (China)
  Catalunya Banc (Spain)
  Acquisition of an additional stake in Turkiye Garanti Bankasi (Turkey)
  Acquisition of a 29.5% stake in Atom (UK)
- **2016** Holvi (Finland)
  Sale of CNCB´s 1.12% (China)
  Sale of GarantiBank Moscow AO (Moscow)
  OpenPay (Mexico)
- **2017** Sale of CNCB (China)
  Acquisition of an additional stake in Turkiye Garanti Bankasi of 9.95% (Turkey)
  Agreement with Cerberus to transfer the Real Estate Business (Spain)
- **2018** Sale of the stake in BBVA Chile to The Bank of Nova Scotia (Chile)
- **2020** Bancassurance partnership with Allianz (Spain)
  Agreement to sale (USA)
- **2021** Sale of Paraguay

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[1]
**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[2]
**José Luis Elechiguerra**


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[3]
**Ana Fernández Manrique**


Chief Audit Executive[3]
**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) The exercise of his duties is subject to his registration with the Bank of Spain's Senior Managers' Registry.
(3) Reporting to the Board of Directors through its corresponding committees.

BBVA