

**BBVA**

Creating Opportunities

# 2Q21 Results

July 30<sup>th</sup>, 2021

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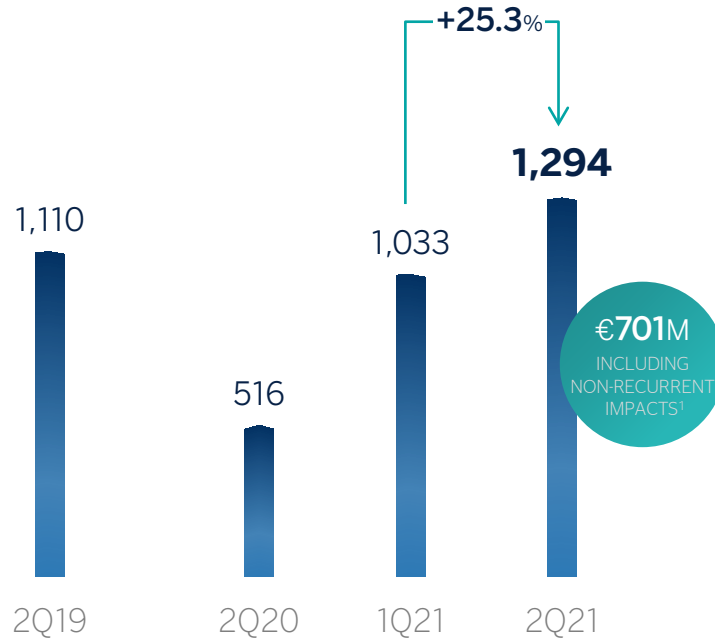
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# Positive results evolution and strong capital position

## / NET ATTRIBUTABLE PROFIT<sup>1</sup> (CURRENT €M)



EPS (€) <sup>1</sup>	0.15	0.06	0.14	0.18

## / CET1 FULLY LOADED (%)



**A new level of capital strength  
providing strategic flexibility**

(1) Net attributable profit and EPS excluding non-recurring impacts (discontinued operations, and net cost related to the restructuring process (2Q21)) for comparison purposes. 2Q21 EPS under IAS 33 (including non-recurring impacts): 0.09€. (2) CET1 Pro-forma calculated considering a buyback of 10% of ordinary shares with a share price of €5.25 as of 22 July 2021. Any decision on a repurchase of ordinary shares would require supervisor and governing bodies authorization. The final percentage of shares subject to the buyback (up to a maximum of 10%) will be determined depending on different factors, including BBVA share price during the buyback period.

# Top messages

1	Strong <b>core revenue</b> evolution	<b>NII + FEE INCOME</b> (constant €)	+9.7% vs.2Q20	<b>NII</b> 4.1% vs.2Q20	<b>FEE INCOME</b> 30.8% vs.2Q20
2	Leading <b>efficiency</b>	<b>EFFICIENCY RATIO</b> (%)	44.8% in 6M21 vs 61.2% European peers average <sup>1</sup>		
3	Double-digit <b>Operating Income</b> growth	<b>OPERATING INCOME</b> (constant €)	+11.0% vs.2Q20		
4	<b>Cost of Risk</b> better than expectations, while maintaining high coverage levels	<b>COST OF RISK</b> (YtD) <sup>2</sup>	1.00% vs 1.17% in 1Q21 and 1.55% in 2020		
5	Strong <b>capital ratio</b> and <b>ample capital buffer</b> even after 10% targeted share buyback	<b>CET1 FL</b> (%)	14.17% Jun-21	<b>CET1 FL PRO-FORMA</b> (%)	12.89% Jun-21 after targeted 10% share buyback <sup>3</sup>
6	Outstanding progress implementing <b>our strategy</b>	<b>New customer acquisition through digital channels</b>	+45% vs.6M20	<b>BBVA's 2025 Sustainability Pledge update: Doubling our target</b>	
				€200bn New Pledge	€8bn Channeled in 2Q21

(1) European Peer Group: BARC, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, NWG, SAN, SG, UBS, UCG. Data as of 1Q 2021. (2) 2020 and 1Q21 figures excludes the US business sold to PNC for comparison purposes.

(3) CET1 Pro-forma calculated considering a buyback of 10% of ordinary shares with a share price of €5.25 as of 22 July 2021. Any decision on a repurchase of ordinary shares would require supervisor and governing bodies authorization. The final percentage of shares subject to the buyback (up to a maximum of 10%) will be determined depending on different factors, including BBVA share price during the buyback period.

# 2Q21 Profit & Loss

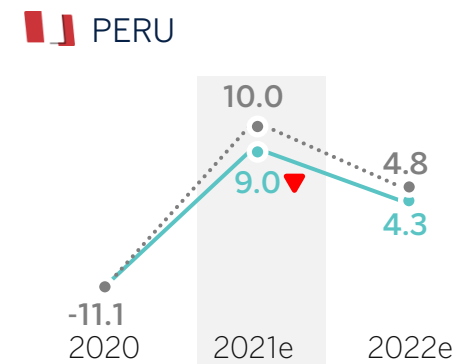
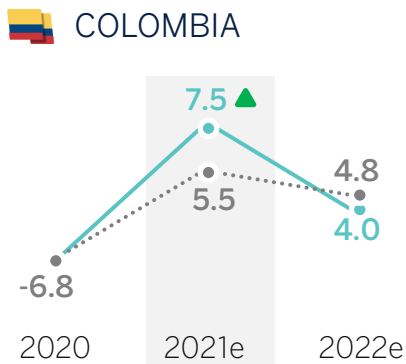
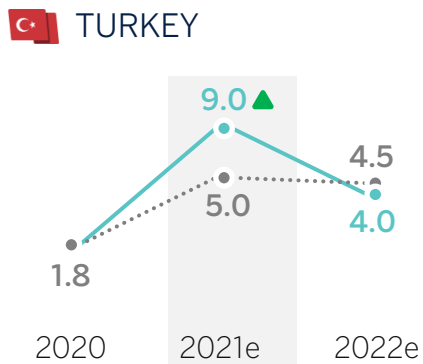
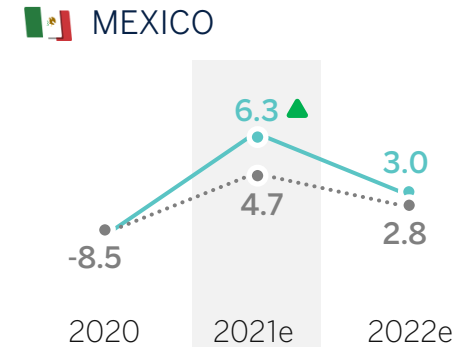
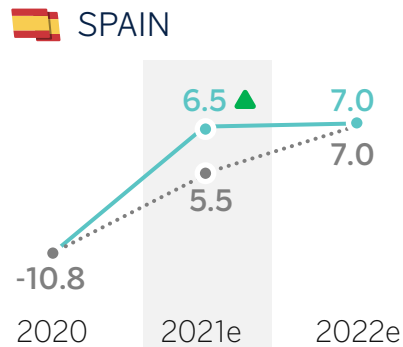
BBVA Group (€m)	2Q21	Change 2Q21/2Q20		Change 2Q21/1Q21	
		% constant	%	% constant	%
<b>Net Interest Income</b>	<b>3,504</b>	<b>4.1</b>	<b>-0.9</b>	<b>3.9</b>	
Net Fees and Commissions	1,182	30.8	26.5	6.3	
Net Trading Income	503	14.3	7.0	-10.4	
Other Income & Expenses	-85	20.1	6.5	n.s.	
<b>Gross Income</b>	<b>5,104</b>	<b>10.0</b>	<b>5.0</b>	<b>1.4</b>	
Operating Expenses	-2,294	8.7	5.1	1.3	
<b>Operating Income</b>	<b>2,810</b>	<b>11.0</b>	<b>4.9</b>	<b>1.4</b>	
Impairment on Financial Assets	-656	-52.3	-53.4	-27.5	
Provisions and Other Gains and Losses	-30	-90.9	-90.7	-83.4	
<b>Income Before Tax</b>	<b>2,124</b>	<b>149.2</b>	<b>123.5</b>	<b>25.1</b>	
Income Tax	-591	138.8	116.8	23.9	
Non-controlling Interest	-239	103.6	47.8	13.9	
<b>Net Attributable Profit (ex non-recurring impacts)</b>	<b>1,294</b>	<b>166.1</b>	<b>150.8</b>	<b>28.0</b>	
Discontinued operation, and net cost related to the restructuring process <sup>1</sup>	-593	n.a.	n.a.	n.a.	
<b>Net Attributable Profit (reported)</b>	<b>701</b>	<b>18.8</b>	<b>10.3</b>	<b>-40.4</b>	

(1) Includes the results from US business sold to PNC (103 €m in 2Q 2021), and the net cost related to the restructuring process (-696 €m in 2Q 2021).

# Economic growth strengthening in 2021, with upward revision of expected growth in most of the countries

## REAL GDP GROWTH (YOY GROWTH; %)

... PREVIOUS — UPDATED

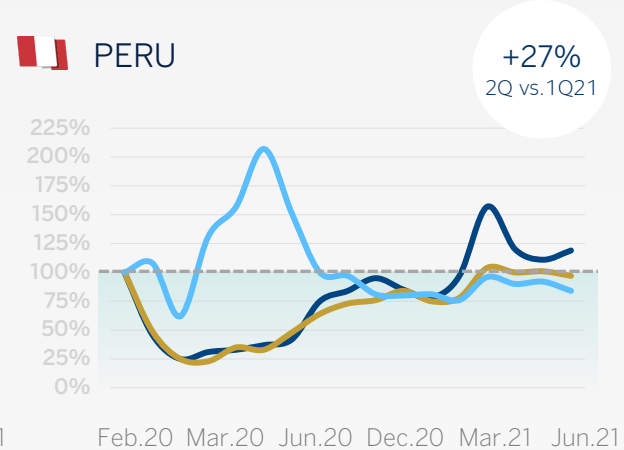
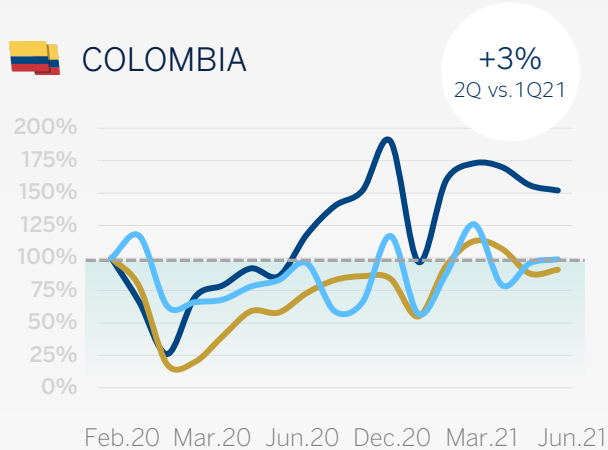
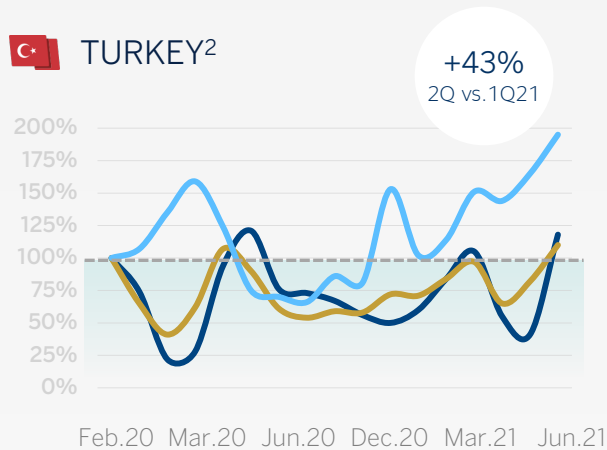
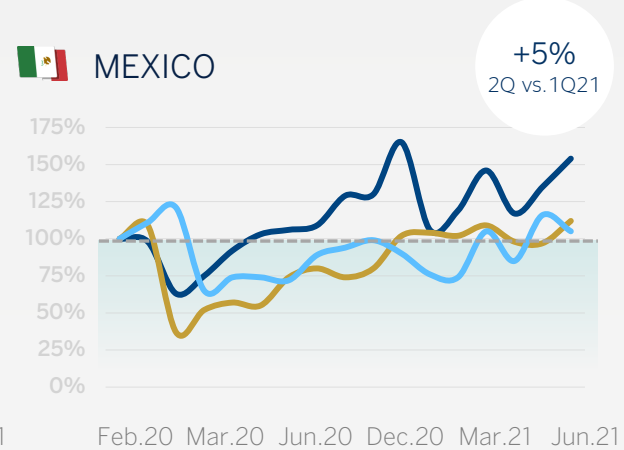
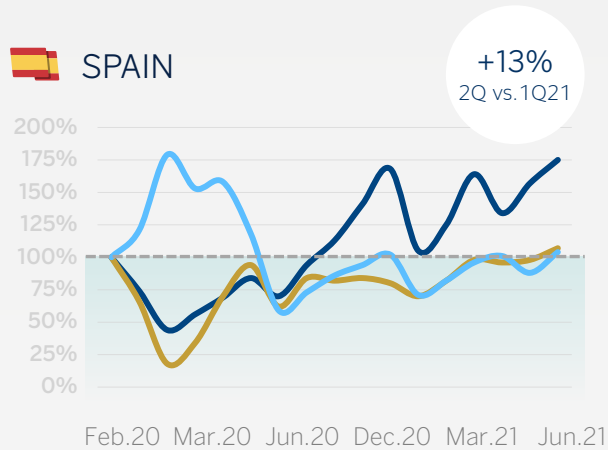
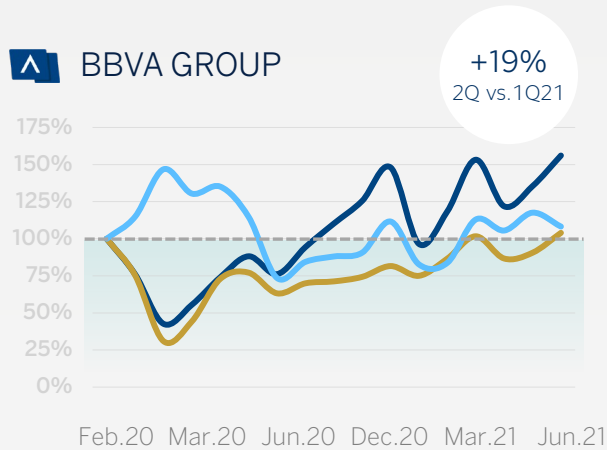


# Retail new loan production volumes above pre-pandemic levels and commercial production picking up

## BBVA NEW LOAN PRODUCTION (BASE 100 = FEB.2020)

— MORTGAGES — CONSUMER LOANS — COMMERCIAL<sup>1</sup>

Total loan production growth  
2Q21 vs.1Q21



(1) Excluding loans to public sector and Corporate Investment Banking. (2) Turkish lira loans.

# Improving NII backed by activity recovery and price management

## LOAN GROWTH

YTD %, PERFORMING LOANS UNDER MANAGEMENT (CONSTANT €)<sup>1</sup>

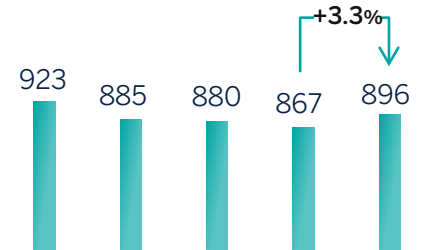
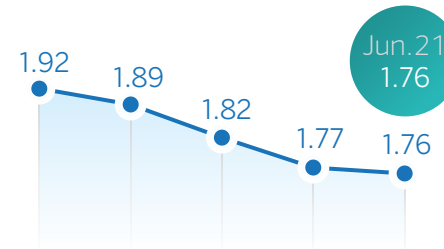
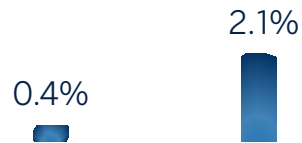
## CUSTOMER SPREAD

%

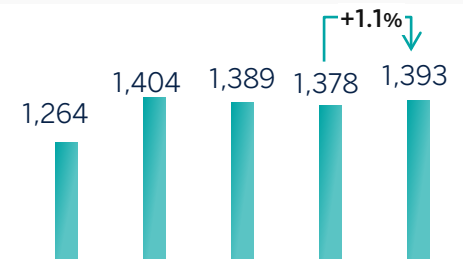
## NET INTEREST INCOME

CONSTANT €, MILLION EUROS

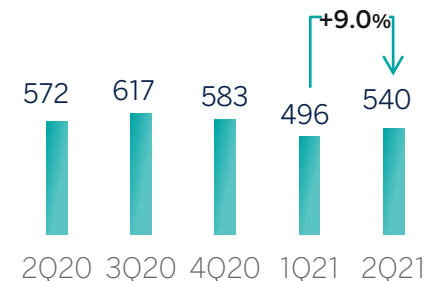
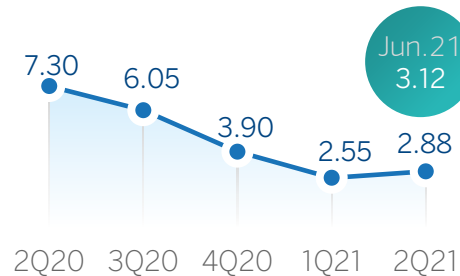
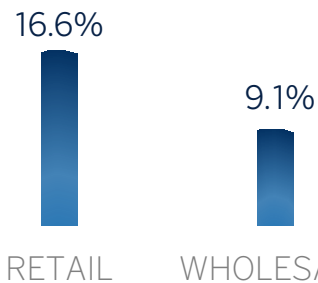
 SPAIN



 MEXICO<sup>2</sup>



 TURKEY<sup>3</sup>



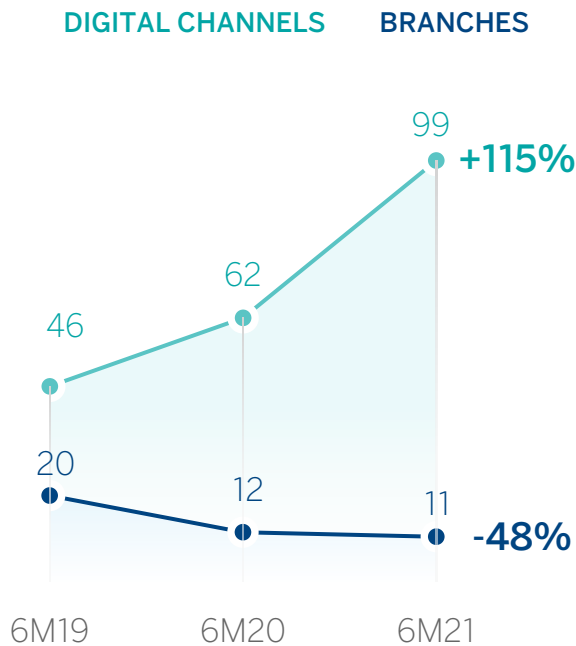
(1) Mexico and Turkey, according to local GAAP. (2) Loans and customer spreads in Mexican Pesos and USD. (3) Loans and customer spreads in Turkish liras only.



# Strategic restructuring process in Spain and Corporate Center

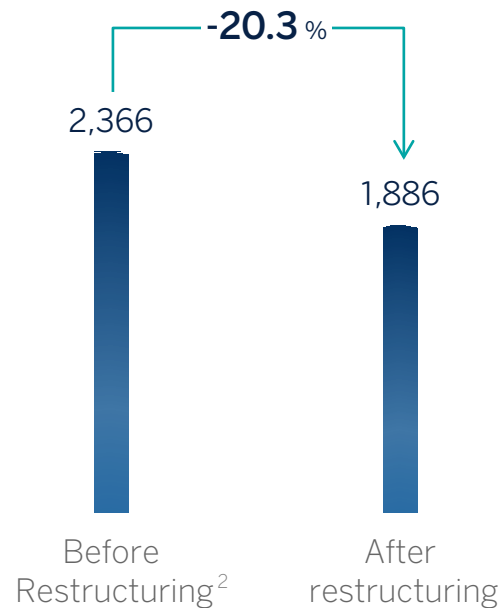
## / CUSTOMER TRANSACTIONS

(MILLION TRANSACTIONS<sup>1</sup> IN SPAIN;  
6M19-6M21 CHANGE, %)



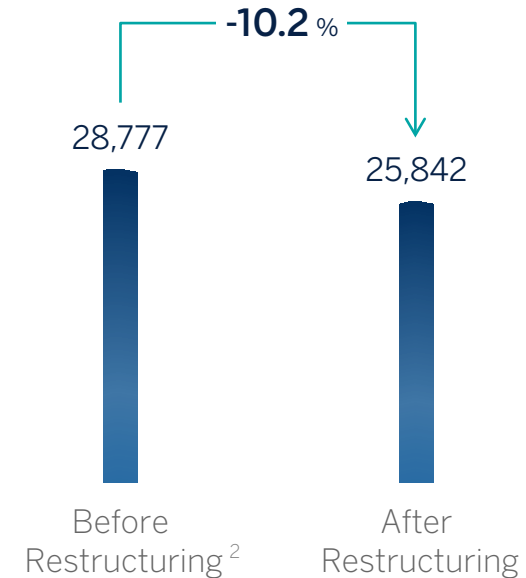
## / BRANCHES

(# BRANCHES IN SPAIN, % EVOLUTION)



## / FTEs

(# FTES IN SPAIN AND CORPORATE CENTER, % EVOLUTION)

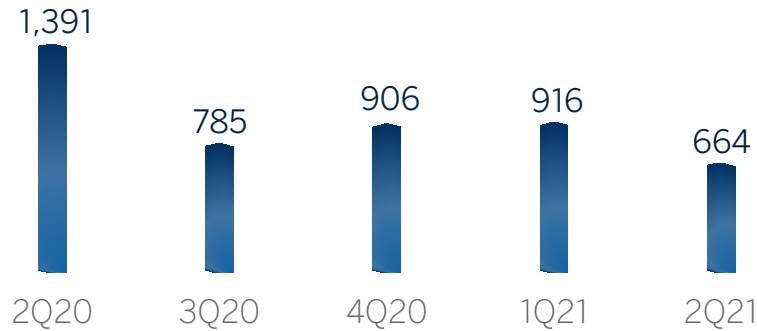


(1) Includes monetary and non-monetary transactions related to servicing. It excludes sales of financial products and information inquiries. (2) Data as of Mar.2021. (3) Cost after taxes. (4) Estimated savings before taxes. For 2021, estimated savings will be approximately 65 €M before taxes.

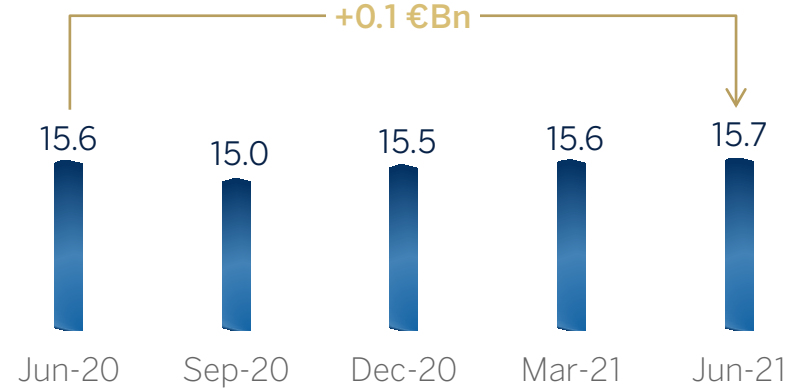
Net cost of the restructuring process: €696M<sup>3</sup>  
Savings generation: €250M annually from 2022<sup>4</sup>

# Solid risk indicators

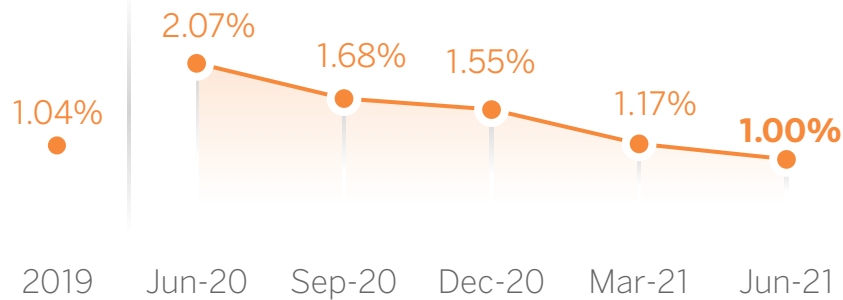
## FINANCIAL ASSETS IMPAIRMENTS (€M CONSTANT)



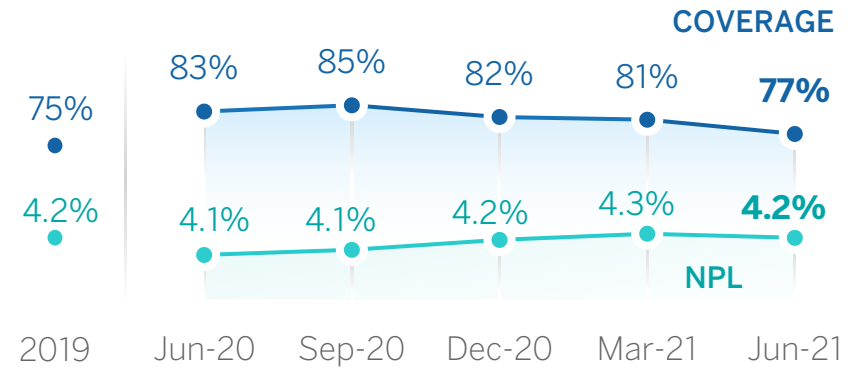
## NPLs (€Bn)



## COST OF RISK (%, YTD)



## NPL & COVERAGE RATIOS (%)

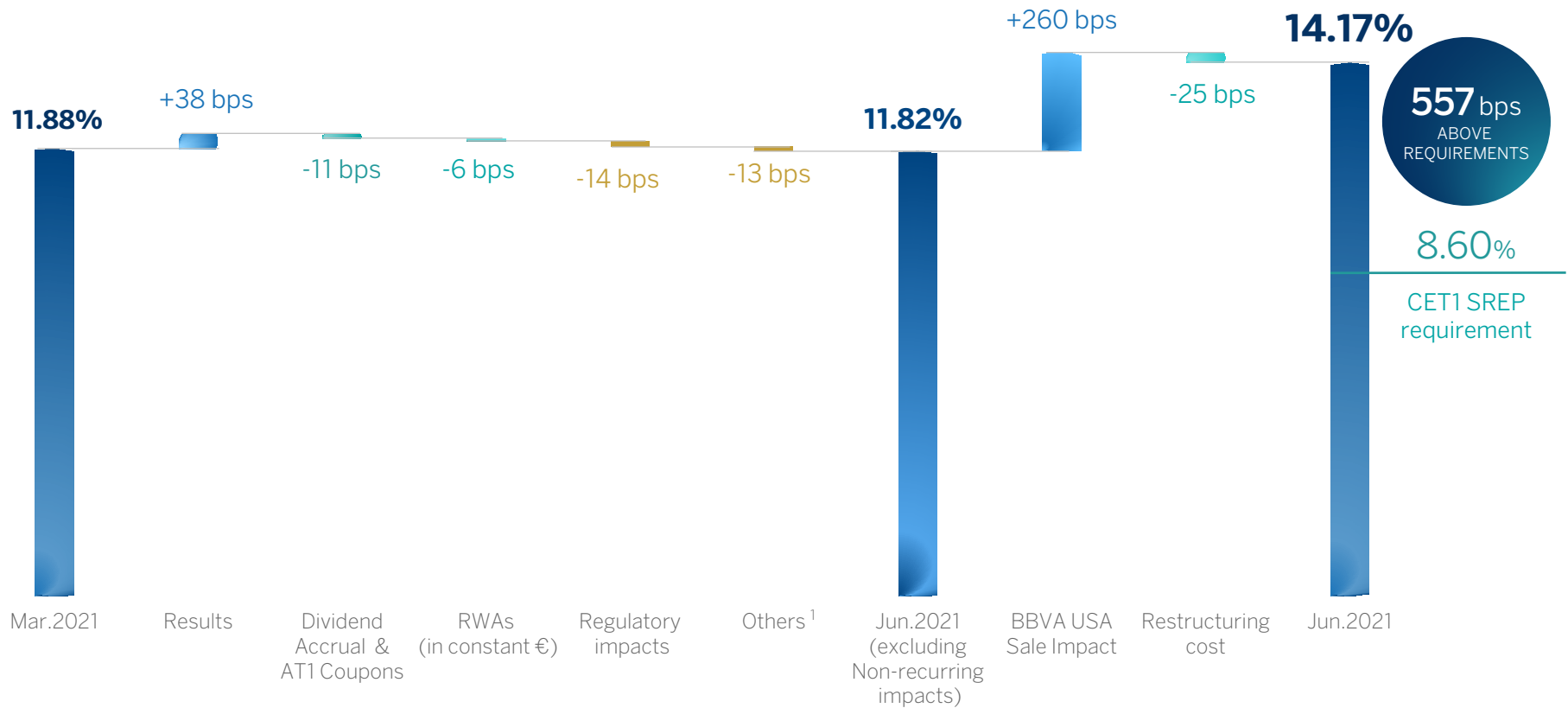


NOTE: Excludes the US business sold to PNC.

CoR evolution better than expected

# Strong capital position

## / CET1 FULLY-LOADED (QUARTERLY EVOLUTION %, BPS)



(1) Includes, among others, minority interests (-7 bps from the transitional reduction of the local capital requirement in Peru) and market related impacts.

# Shareholder distributions increase and dividend policy recovery

Share buyback program expected to start in 4Q after supervisory approvals



TARGETED BUYBACK<sup>1</sup>

10% shares



2021 DIVIDEND POLICY<sup>2</sup>

35-40% payout



100%  
CASH

/ CET1 FULLY-LOADED  
(%)

14.17%



Jun.2021

12.89%



Jun. 2021 Pro-Forma after  
10% targeted buyback<sup>3</sup>

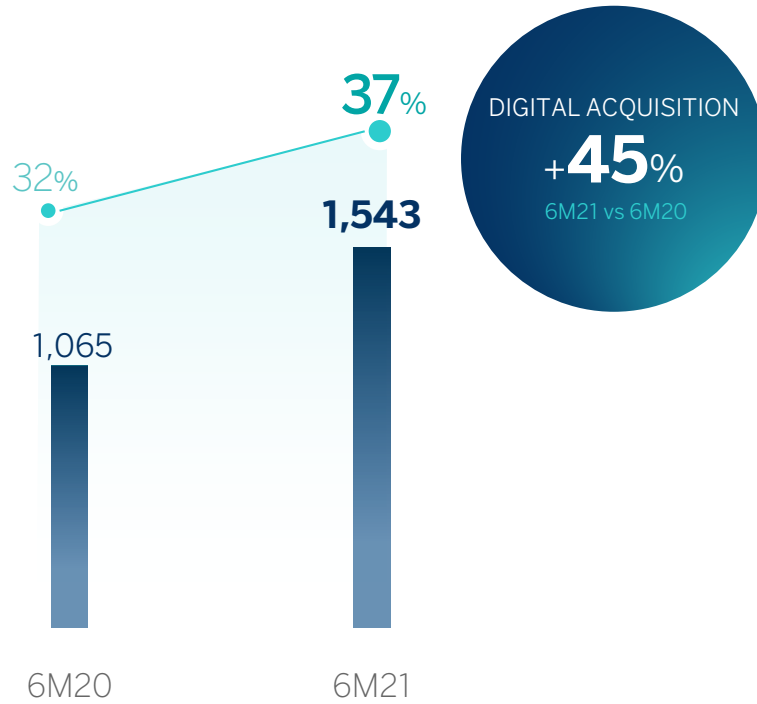
**Strong capital generation capacity**  
**Limited regulatory impact expected for the rest of the year**

(1) Any decision on a repurchase of ordinary shares would require supervisor and governing bodies authorization. The final percentage of shares subject to the buyback (up to a maximum of 10%) will be determined depending on different factors, including BBVA share price during the buyback period. (2) Dividend policy recovery once regulatory restrictions are lifted on Sep.30th 2021. (3) CET1 Pro-forma calculated considering a buyback of 10% of ordinary shares with a share price of €5.25 as of 22 July 2021.

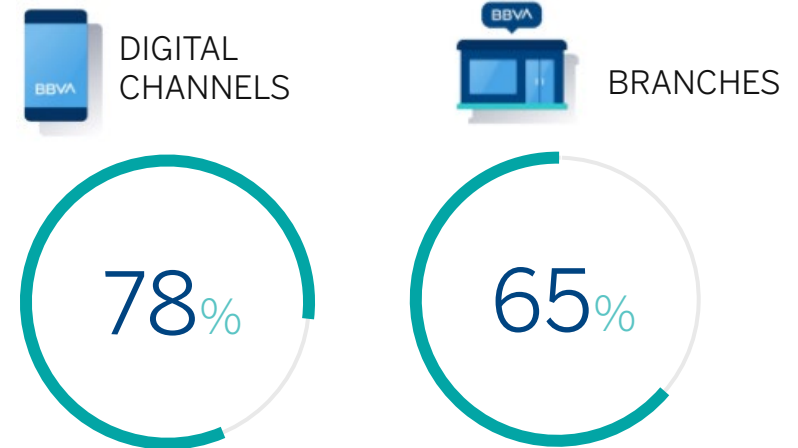
# Customer growth and engagement through digital channels

All-time record in digital customer acquisition

## / NEW CUSTOMERS DIGITAL ACQUISITION<sup>1</sup> (CUSTOMERS ACQUIRED THROUGH DIGITAL CHANNELS, THOUSANDS AND % OF TOTAL ACQUISITIONS)



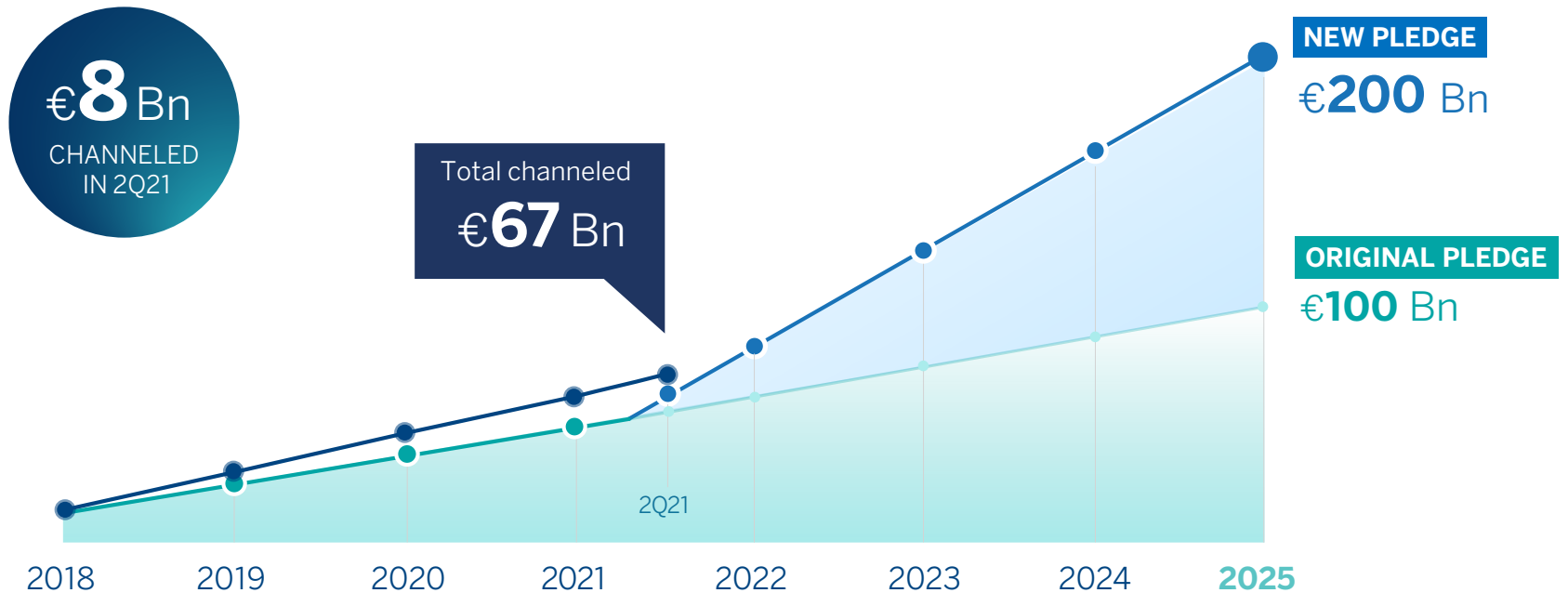
## / % OF NEW CUSTOMERS CONVERTED TO VALUE CUSTOMERS<sup>2</sup> 🇪🇸 (IN MONTH 6, BY ACQUISITION CHANNEL)



NOTE: Excludes the US business sold to PNC. (1) Gross customer acquisition through own channels for retail segment (individuals). (2) Refers to those customers that the bank wants to grow and retain, as they are considered valuable due to the assets, liabilities and/or transactionality with BBVA.

# We have doubled our target of channeling sustainable financing to €200 billion

## / SUSTAINABLE FINANCING (€Bn)



**Our new pledge positions BBVA among the top banks in sustainable finance commitments**

Member of  
**Dow Jones  
Sustainability Indices**

Powered by the S&P Global CSA

 **#1** EUROPEAN BANK

 **#2** BANK IN THE WORLD

# Business areas show a positive revenues performance coupled with lower impairments

## SPAIN

Strong operating income growth in 1H21 supported by core revenues and expenses decreasing trend

Lending growth in the year in both, retail and wholesale portfolios

**Operating income**

1,557 +13.2%

**Net attributable profit**

745 +592.3%

## MEXICO

Very positive core revenues evolution and lower impairments in 1H21

Lending growth in the year in all segments and products

2,337 +1.3%

1,127 +75.0%

## TURKEY

Solid gross income growth supported by fee income and net trading income

Strong Turkish Liras loan growth

1,073 +2.4%

384 +92.1%

## SOUTH AMERICA

Colombia and Peru: solid core revenues

Argentina: positive results despite hyperinflation

797 +3.5%

218 87.9%

# 2Q2021 in review

- 
- A photograph of the BBVA building facade, featuring a curved, modern architectural design with a grid of white, rectangular panels. The BBVA logo is visible on the building's facade.
- **Positive results** evolution driven by **strong core revenues and solid underlying risk performance**
  - **Customer acquisition boost** leveraging digital capabilities
  - **We have doubled our target of channeling sustainable financing to €200 billion**
  - **A new level of capital strength** providing ample strategic optionality
  - **Share buyback program expected to start in 4Q after supervisory approvals<sup>1</sup>**

(1) Any decision on a repurchase of ordinary shares would require supervisor and governing bodies authorization. The final percentage of shares subject to the buyback (up to a maximum of 10%) will be determined depending on different factors, including BBVA share price during the buyback period.



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