BBVA
Creating Opportunities

# BBVA Group

## 2019 Results

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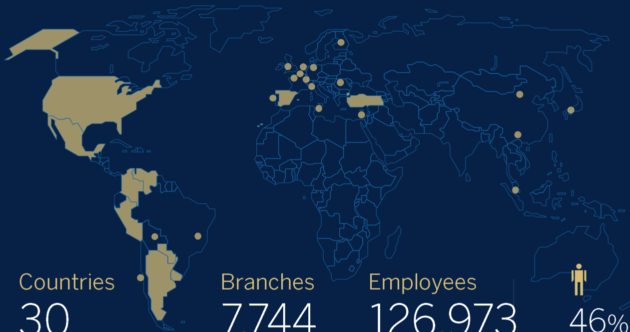
## OUR PURPOSE

# *"To bring the age of opportunity to everyone"*

## BBVA'S GLOBAL PRESENCE

DECEMBER 2019



| Countries | Branches | Employees | | |
|---|---|---|---|---|
| 30 | 7,744 | 126,973 | 46% | 54% |

## FINANCIAL HIGHLIGHTS

DECEMBER 2019

| Total assets | Loans and advances to customers - gross | Deposits from customers |
|---|---|---|
| 698,690 €m | 394,763 €m | 384,219 €m |

| Net attributable profit 4Q19 | NPL ratio | Coverage ratio |
|---|---|---|
| -155 €m | 3.8% | 77% |

| CET 1 FL | TBV per share + Shareholders remuneration | ROE | ROTE |
|---|---|---|---|
| 11.74% | 6.53 € | 9.9% | 11.9% |

## CUSTOMERS & 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

BBVA

Fundación BBVA

Open Mind

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

# BBVA Purpose

BBVA PURPOSE

# BBVA Strategy Defined in 2015: Boost Its Transformation

## OUR PURPOSE

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

## STRATEGIC PRIORITIES

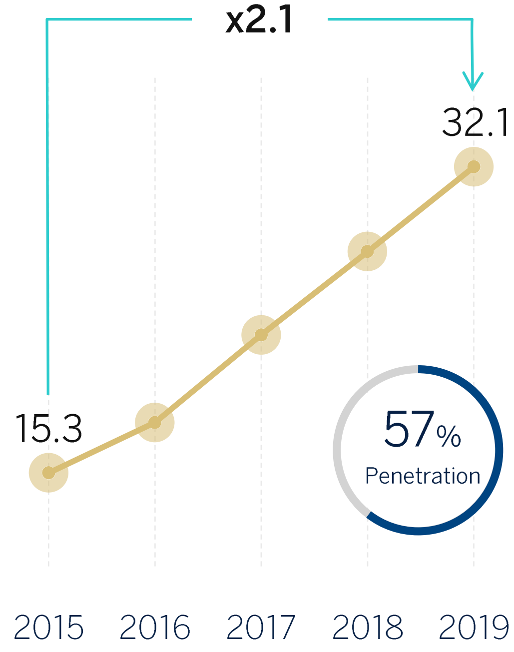
- New standard in customer experience
- Digital sales
- New business models
- Optimize capital allocation
- Unrivaled efficiency
- A first class workforce

## OUR VALUES

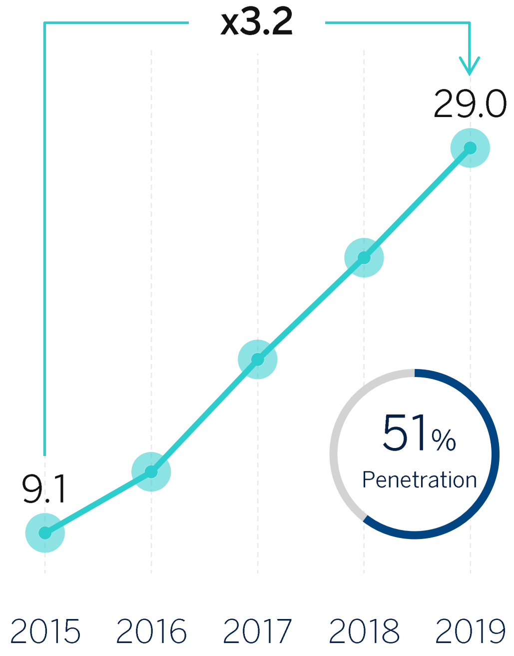
- **Customer** comes first
- We think **big**
- We are **one team**

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

## DIGITAL CUSTOMERS
MILLION




## MOBILE CUSTOMERS
MILLION

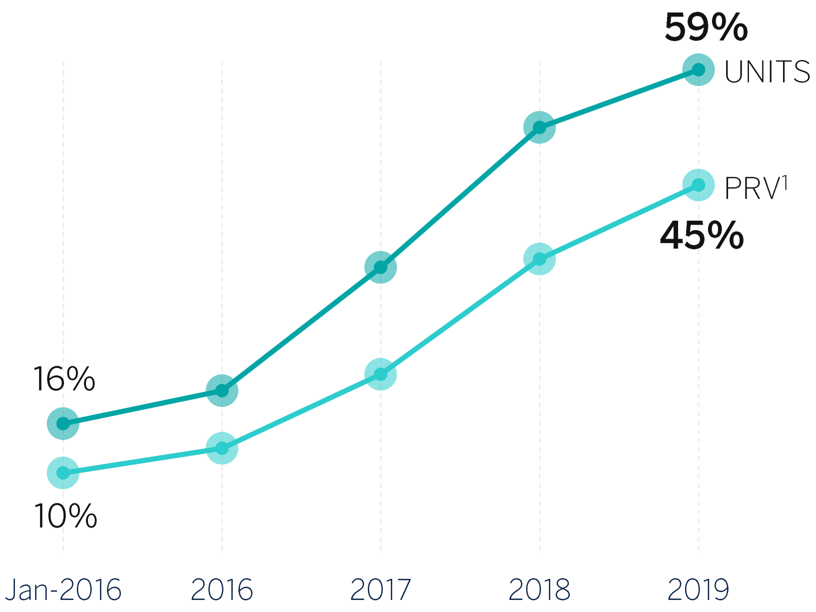



## BEST MOBILE APP
FORRESTER RESEARCH

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

## DIGITAL SALES

(% OF TOTAL SALES YTD; # OF TRANSACTIONS AND PRV[1])




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

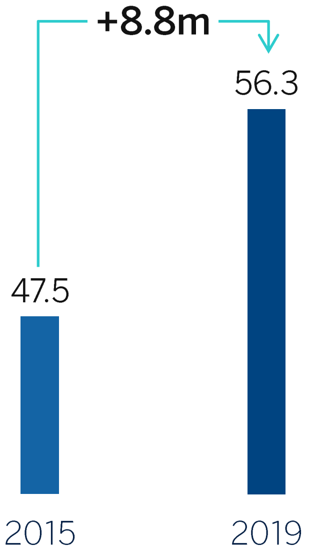

650k
potential new clients

## *OPEN BANKING* - CUSTOMER GROWTH PARTNERSHIP WITH UBER

500k
Uber drivers in Mexico

# Digitization Positively Impacting Growth and Customer Satisfaction

## MORE **customers**




BBVA Group's active customers (in millions).

## MORE **satisfied**

### NET PROMOTER SCORE[1]

RANKING, DECEMBER 2019

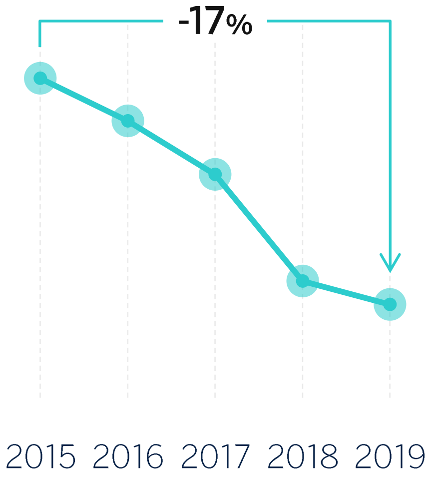

(1) Retail & Commercial NPS with YTD data.

Peer Group: Spain: Santander, CaixaBank, Bankia, Sabadell // Mexico: Banamex, Santander, Banorte, HSBC // Argentina: Banco Galicia, HSBC, Santander Rio 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

%



# New Strategic Priorities

## What we stand for

Improving our **client's financial health**

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

## Drivers of superior Performance

Reaching **more clients**

Operational **excellence**

## Accelerators to Deliver on our Strategy

The **best** and most **engaged team**

**Data** and **Technology**

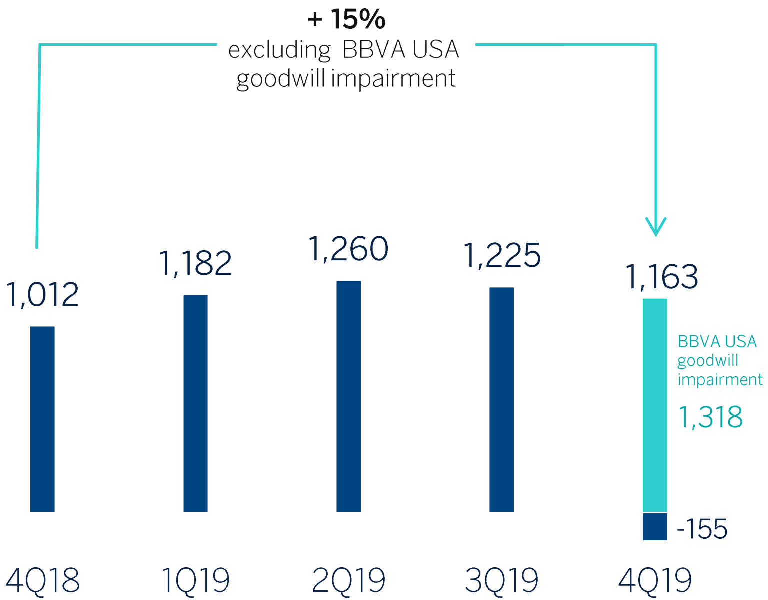
# 2019 Results

Creating Opportunities

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 & Loss

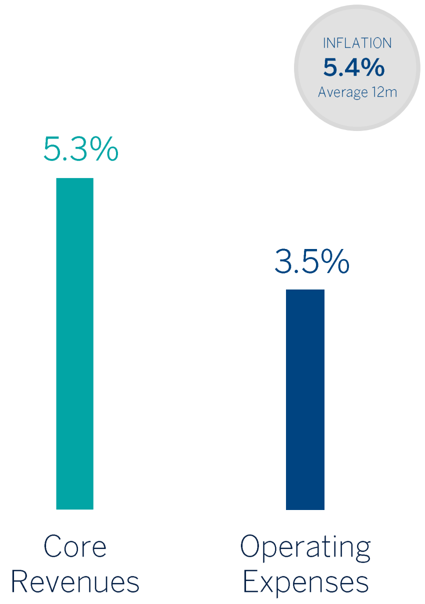
| BBVA Group (€m) | 2019 | Change (*) 2019/2018 % | Change (*) 2019/2018 % constant |
|---|---|---|---|
| **Net Interest Income** | **18,202** | **4.8** | **5.6** |
| Net Fees and Commissions | 5,033 | 3.9 | 4.2 |
| Net Trading Income | 1,383 | 16.6 | 18.9 |
| Other Income & Expenses | -77 | n.a. | n.a.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

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

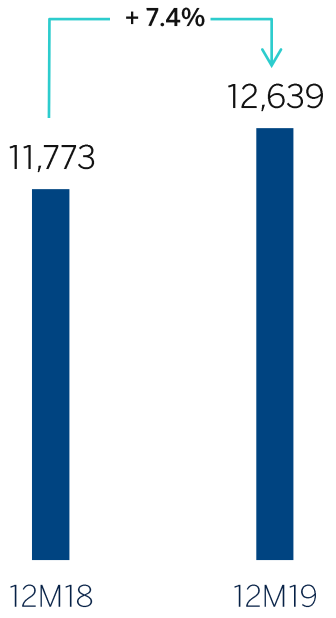
2019 RESULTS

# Further improvement in best-in-class efficiency

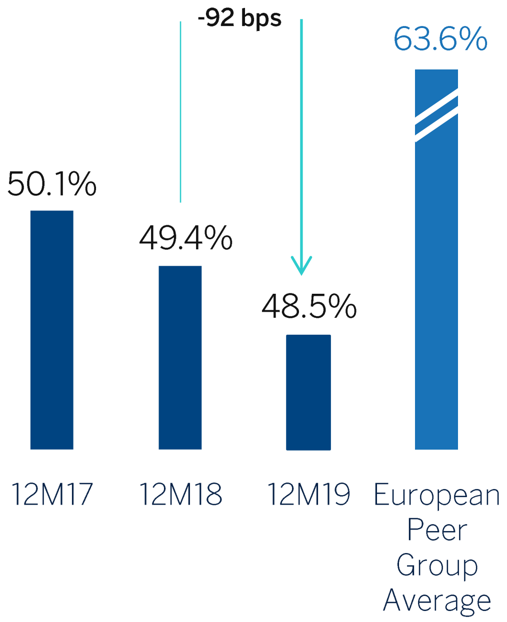
## GROUP OPERATING JAWS
(12M YoY (%); € CONSTANT)




## GROUP OPERATING INCOME
(YoY (%); €M CONSTANT)




## EFFICIENCY RATIO
(%; € CONSTANT)

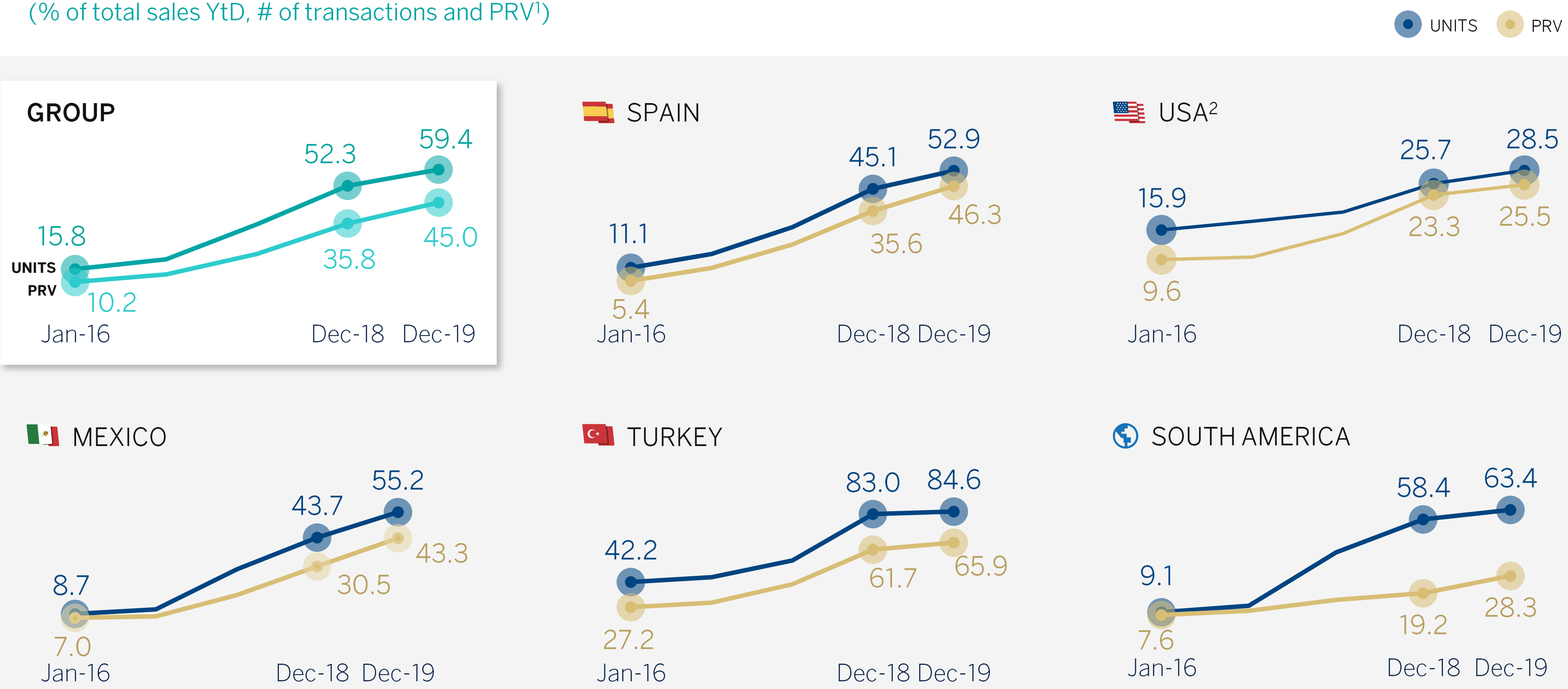



European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCG. European Peer Group figures as of Sep-19. BBVA figures as of Dec-19.

2019 RESULTS

# Outstanding trend in digital sales across the board

(% of total sales YtD, # of transactions and PRV[1])




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

ACQUISITIONS/ INVESTMENTS

SIMPLE

HOLVI

solarisBank

Minority stake

Atom

39% stake

Openpay

MADIVA

VENTURE CREATION

| INTERNAL | EXTERNAL |
|---|---|
| azlo | BBVA & anthemis Venture Creation |
| BBVA Open Platform | StepLadder |
| Upturn | Cledara |
| COVAULT | |

VENTURE CAPITAL INVESTMENTS

propel VENTURE PARTNERS

SINOVATION VENTURES

aura brave ChargeAfter charlie civic coinbase conekta Covered

DataSine DocuSign earnest ease givegame grabango Groww Guideline

Hippo Hixme Kasisto modal ocoo OUTPATIENT PERSONAL CAPITAL PROSPER

SIMPLYCREDIT Steady taulia travelbank Trussle

4Q19 Results

# Business Areas

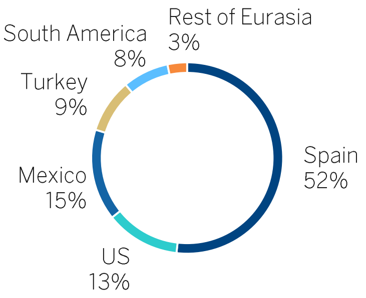
4Q19 RESULTS - BUSINESS AREAS

# Unique footprint with leadership positioning

## BREAKDOWN BY BUSINESS AREA

### TOTAL ASSETS[1]

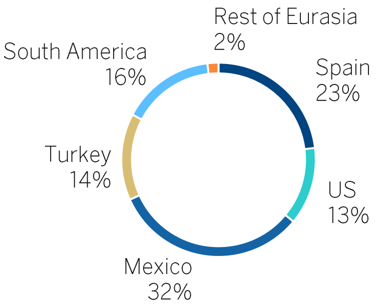
Dec.19




**68%** Developed Markets

### GROSS INCOME[1]

12M19




**38%** Developed Markets

(1) Percentages exclude Corporate Center.

## 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[2]

| | | |
|---|---|---|
| SPAIN | USA (SUNBELT) | MEXICO |
| 13.5% #3 | 6.1% #4 | 22.8% #1 |

| | SOUTH AMERICA | | |
|---|---|---|---|
| TURKEY | ARGENTINA | COLOMBIA | PERU |
| 17.4% #2 | 8.1% #3 | 10.3% #4 | 20.4% #2 |

(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).

4Q19 RESULTS - BUSINESS AREAS

# Business Areas

## Spain

**NET ATTRIBUTABLE PROFIT (12M19)**

1,386 €m -1.0% vs. 12M18

| NPL RATIO | COVERAGE RATIO |
|---|---|
| 4.4% | 60% |
| vs. 5.1% 4Q18 | 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 | COVERAGE RATIO |
|---|---|
| 1.1% | 101% |
| vs. 1.3% 4Q18 | 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 | COVERAGE RATIO |
|---|---|
| 2.4% | 136% |
| vs. 2.1% 4Q18 | 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.

4Q19 RESULTS - BUSINESS AREAS

# 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%

95%

Wholesale banking recurrent business[1]

% 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

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)

ANNEX

# Organizational chart

Chief Executive Officer
**Onur Genç**

### BUSINESS UNITS

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

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**

### STRATEGY

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 AND CONTROL

Legal
**María Jesús Arribas**

General Secretary
**Domingo Armengol**

Regulation & Internal Control[2]
**Ana Fernández Manrique**

Internal Audit[2]
**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.

BBVA