



**BBVA: a position of strength
to address today's challenges
and seize future opportunities**

BofA 25th Annual Financials
CEO Conference

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BBVA faces current challenges from a position of strength

1

Resilient
Operating Income

2

Sound capital position
and proven capacity
to generate capital

3

Comfortable
liquidity position

4

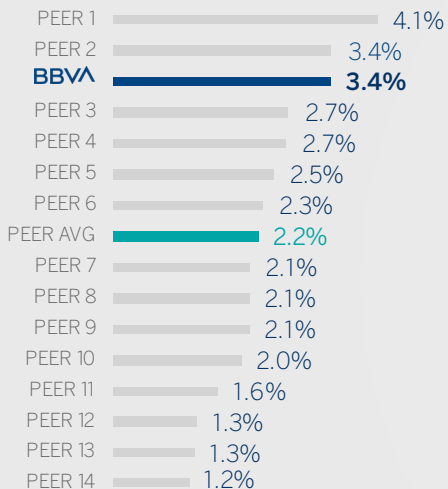
Digital edge as a
competitive advantage

A proven track record of earnings resilience and low volatility

Strong operating income, with low volatility...

OPERATING INCOME/ RWAS

(2008-1H2020 annualized, average, %)



VOLATILITY – STANDARD DEVIATION

±0.4%
BBVA

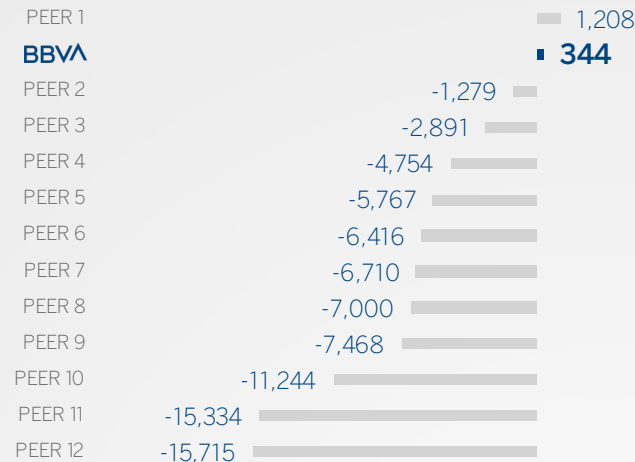
±0.8%
EUROPEAN PEERS AVG

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

... even under stressed scenarios

2018 EBA STRESS TEST: ADVERSE SCENARIO NET ATTRIBUTABLE PROFIT 2018-2020

(Cumulative €M)

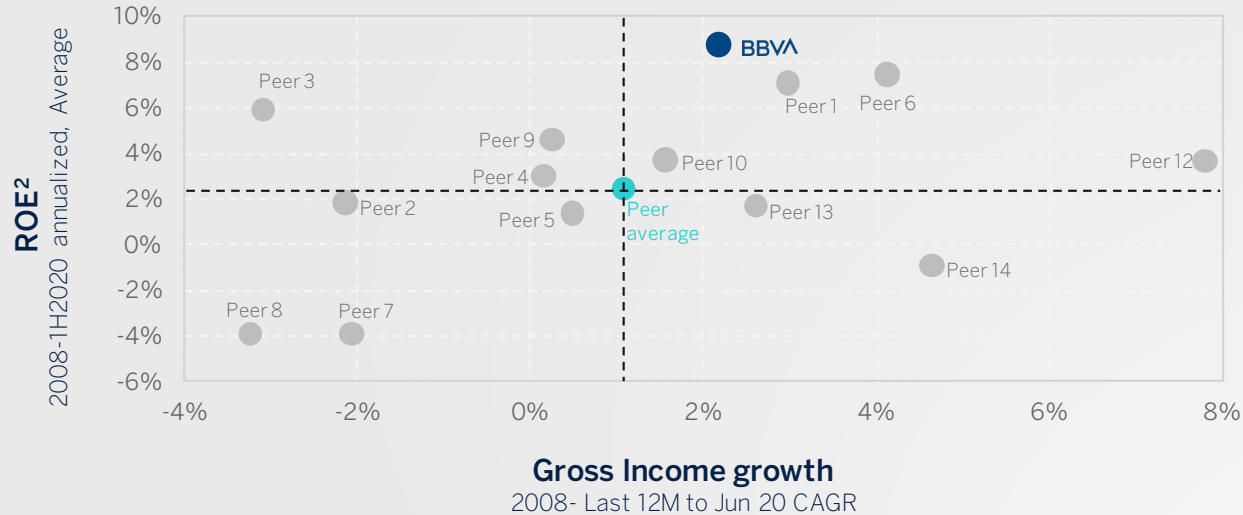


European peers subject to EBA ST: BARC, BNPP, CASA, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UCG.

Leading to a distinctive growth and profitability profile








REVENUE GROWTH VS. ROE

BBVA vs European peer group¹. Percentage



(1) European peer group: CS, CBK, HSBC, ISP, DBK, SAN, UCG, BARC, BNP, LBG, SG, CASA (2) BBVA's as reported. Peers ROE: Attributed Profit / Average shareholders equity (including valuation adjustments).

BBVA is present in high growth markets with leading franchises

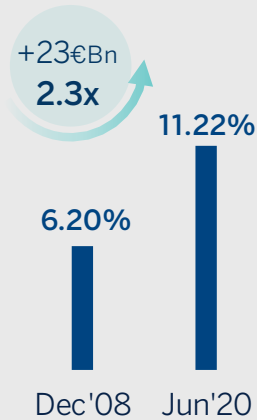
JUN-20		Total assets (€M)	STRONG POSITIONING Lending Market share ¹ (%)	Ranking
	SPAIN	419.5	13.4%	#3
	MEXICO	103.7	23.1%	#1
	USA	101.1	4.4% (Texas)	#4 (Texas)
	TURKEY	63.5	18.4% (Private banks)	#2 (Private banks)
	ARGENTINA	7.0	12.1% (Private banks)	#4 (Private banks)
	COLOMBIA	18.5	10.2%	#4
	PERU	24.6	20.6%	#2

(1) Loans' market shares except for USA (Deposits): Spain lending market share according BoS as of Jun.20 and ranking by AEB and CECA as of Mar.20; USA: by FDIC as of Jun.20 considering only Texas; Turkey: BRSA total performing loans among private banks as of Jun.20; Mexico data according to the system (CNBV) as of Jun.20; Argentina data based on private banks, lending market share as of Jun.20 and ranking as of Feb 20; Colombia and Peru data according to the system as of Jun.20.

A proven ability to generate capital, with lower volatility and superior resilience...

Ability to generate capital

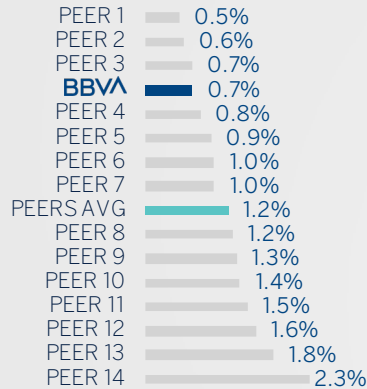
CET1 FULLY-LOADED (%)



Lower volatility

CET1 RATIO VOLATILITY

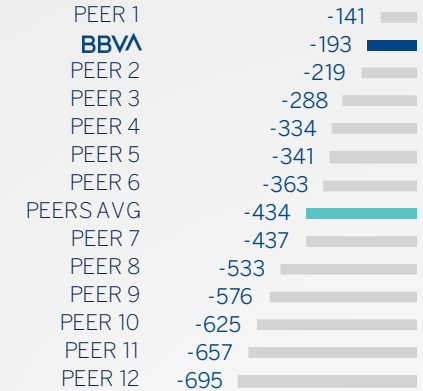
Jun-08 to Jun-20
(standard deviation, annual CET1 ratio variation)



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

Superior resilience under stress

2018 EBA STRESS TEST: ADVERSE SCENARIO Var. **CET1 FL 2020 VS. 2017**
(Depletion, bps)

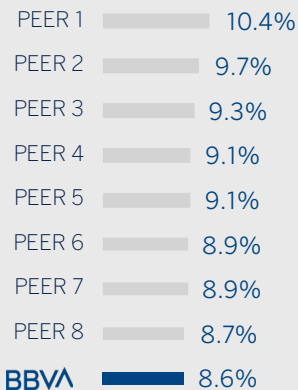


European peers subject to EBA ST: BARC, BNPP, CASA, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UCG.

... result in the lowest capital requirement among peers

Lowest CET1 Requirement among peers

CET1 REQUIREMENT

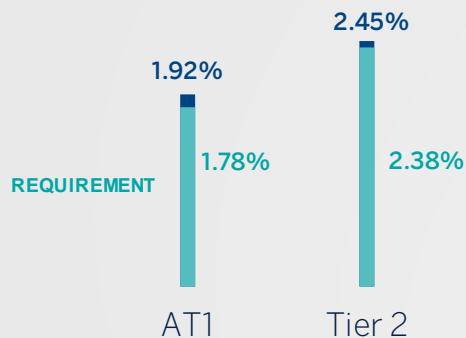


Note: Based on 2020 SREP requirement post P2R tiering.
European Peer Group subject to ECB supervision: BNPP, CA, CMZ, DB, ISP, SAN, SG, UCG

Capital stack fully endowed

AT1 & TIER 2 FULLY-LOADED

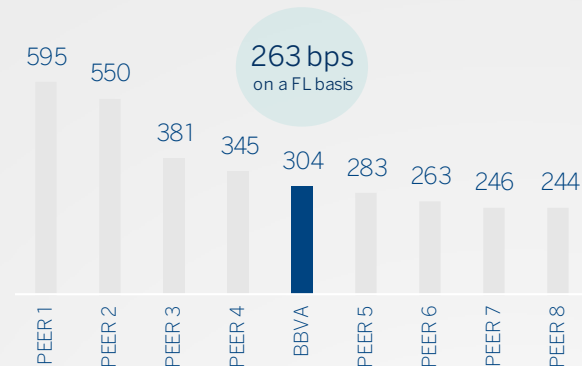
Jun-20



Note: Including the € 1Bn AT1 and GBP 300Mn Tier2 issued in July 2020.

Suitable distance to requirements

DISTANCE TO MDA (Phased-in, Jun-20, bps)



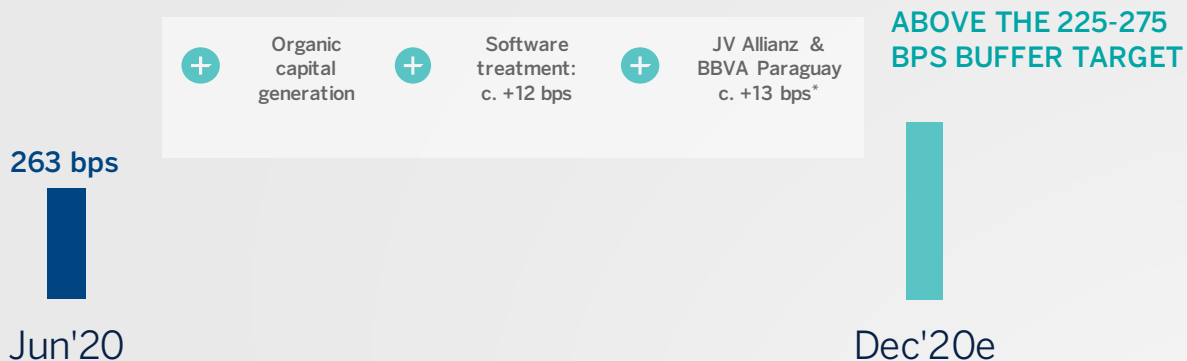
European Peer Group subject to ECB supervision: BNPP, CA, CMZ, DB, ISP, SAN, SG, UCG

An efficient total capital structure, with a comfortable distance to requirements

CET1 expected to be above our capital target by year-end

BUFFER VS. CET1 REQUIREMENT. FULLY LOADED

(bps)



(*) Expected impacts: BBVA Paraguay sale (+6 bps) and JV with Allianz (+7 bps). Pending regulatory approval

To resume shareholders remuneration once COVID-19 uncertainties dissipate and supervisory recommendation is eliminated.

Dividend and buybacks will be both considered

Comfortable liquidity position in all geographies

BBVA GROUP LIQUIDITY AND FUNDING METRICS

Jun.20

159%
LCR Group

191% considering
excess liquidity in
subsidiaries

124%
NSFR Group

Sound liquidity metrics in all geographies

Jun-20

	Eurozone ¹	USA	Mexico	Turkey	South America
LCR	198%	144% ²	169%	142%	>100%
NSFR	118%	120%	132%	144%	>100%

(1) Perimeter: Spain+Rest of Eurasia

(2) Compass LCR calculated according to local regulation (FedModified LCR).

Self-sufficient subsidiaries in terms of liquidity and funding

1 Resilient
Operating Income

2 Sound capital position and proven
capacity to generate capital

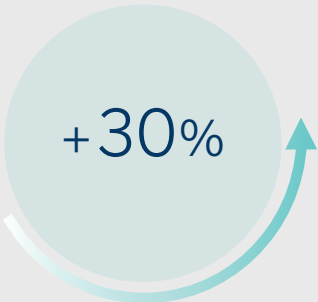
3 Comfortable
liquidity position

4 Digital edge
as a competitive advantage

Our digital capabilities are a competitive advantage as proven in the COVID-19 context

GLOBAL APPS VISITS*

Current vs. Before COVID-19



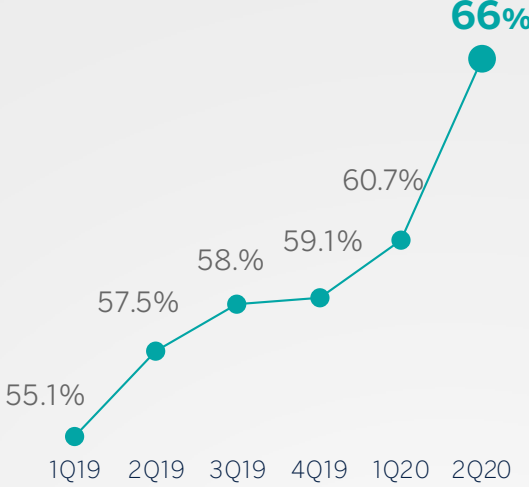
REMOTE BANKER INTERACTIONS

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



DIGITAL SALES

% OF TOTAL UNITS SALES



(*) Data excludes Venezuela, Paraguay and Uruguay.

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

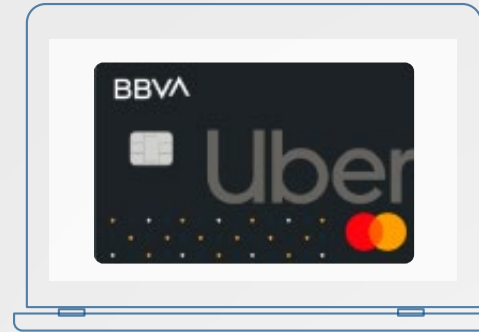
BBVA preferred bank to partner by Big Techs



Partnership with Google to offer consumers a digital bank account through Google Pay

"Google is excited to work with BBVA USA in enabling a digital experience that is equitable for all and meets the evolving needs of a new generation of customers."

Felix Lin, vice president of Payments Ecosystems at Google



First BBVA product through Open Banking in partnership with a Big Tech.

- ✓ Uber's first financial product outside USA
- ✓ Co-branded account and debit card for 500K Uber drivers in Mexico

Business update

Spain

NII and expenses, main profitability levers

Best in class coverage and very effective COVID-19 Government support program

USA

Performing better than expectations

Excellent cost of deposits and expenses management

Mexico

Improving core revenue trends in 2H20

Payment performance of expired deferrals much better than expected

Turkey

Proven earnings resilience in challenging times

The highest pre-provision profit generation capacity and best-in-class NPL coverage

South America

Focus on spread management and cost control

Profitability leadership



Spain: NII and expenses as main profitability levers and best-in-class NPL coverage

NII: better performance than peers due to an excellent price management

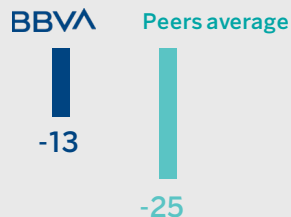
NET INTEREST INCOME

(1H20, YoY evolution)



YIELDS ON LOANS

(2Q20, YoY evolution, bps)

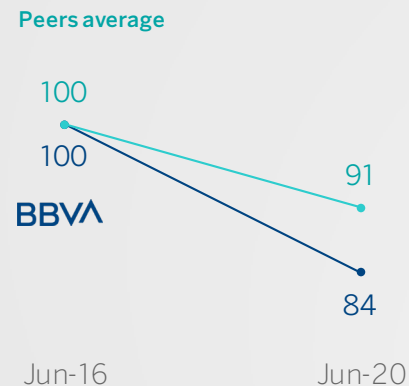


2020 guidance: NII to increase slightly

Outstanding track record in expenses

EXPENSES

(Last 12M, 100 Index Evolution)



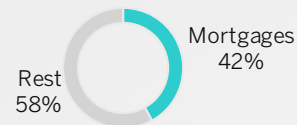
2020 guidance: Expenses to decrease >5%

Best-in-class NPL coverage and a less risky portfolio

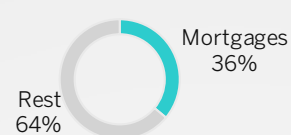
PORTFOLIO BREAKDOWN

(Jun-20)

BBVA



Peers average



BEST-IN-CLASS NPL COVERAGE RATIO

(Jun-20)

66% +11.71pp above Spanish Peers average

2020 guidance: CoR significantly below 1H20 levels

USA: Operating performance better than expected

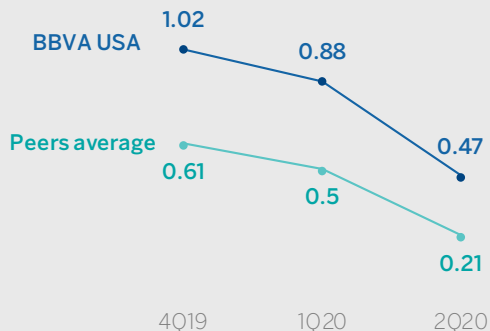
NII: excellent cost of deposits management

Effort in expenses and back to positive jaws

CoR decreased significantly

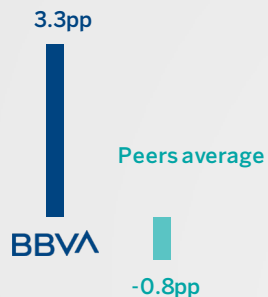
COST OF CUSTOMER DEPOSITS

(%)



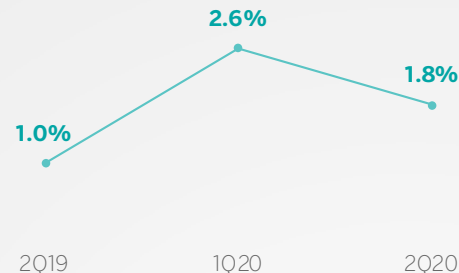
OPERATING JAWS

(Revenues YoY var. -Expenses YoY var., local data, 2Q20)



COST OF RISK

(YTD)



2020 guidance: NII low single digit decrease

2020 guidance: Expenses decrease in line with 1H20 (-2.5% YoY)

2020 guidance: CoR significantly below 1H20 level

Local unconsolidated figures.

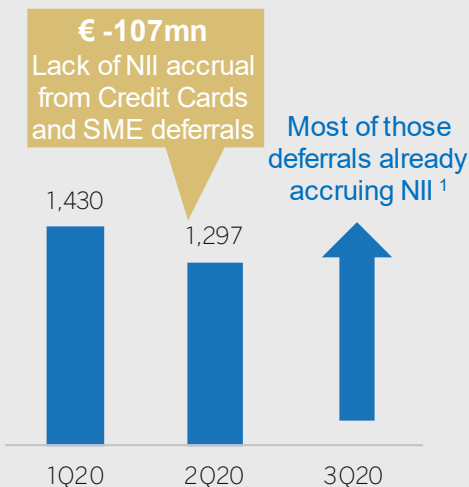
Source Federal Reserve. Peers: Citizens, Comerica, Fifth Third, Huntington, Key, M&T, PNC, Regions, Truist, USB, Zions. Truist resulting from BB&T and Truist integration in 4Q19, both in peer group before merger.

Mexico: Improving Core Revenue trends in 2H20

NII negative one-off in 2Q

NET INTEREST INCOME

(€M, constant)

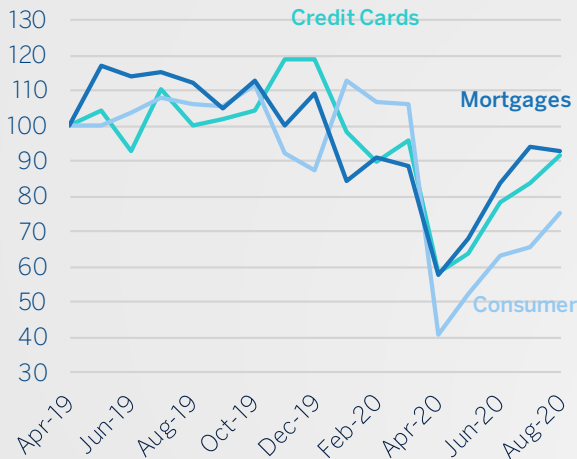


(1) as of Sep 14th, 84% of Credit Cards and 87% of SME deferrals already expired

2020 guidance in constant Euros

Retail loan growth recovery, improving loan mix

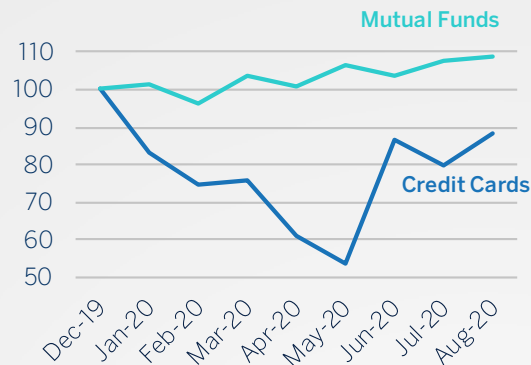
MONTHLY RETAIL NEW LOAN PRODUCTION (Apr-19, 100 Index)



Fee generation recovery

BBVA MEXICO MONTHLY FEES (Dec-19, 100 Index)

(Dec-19, 100 Index)



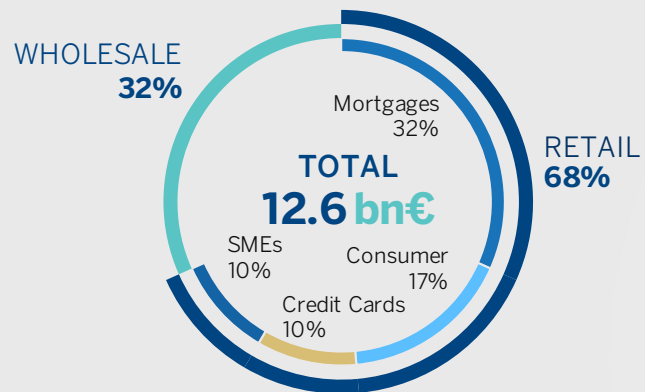
Mutual Funds and Credit Card fees account for c. 60% of total fees

2020 guidance: NII flat / slight decrease

Mexico: almost 2/3rds of deferred loans have already expired

DEFERRALS BREAKDOWN BY SEGMENT

12.6 bn€, c. 25% of total loan book



- **Deferred mortgages:** average LTV of 44% ¹
- **Consumer** deferred portfolio: 67% have their payrolls with BBVA Mexico
- Deferred **SMEs:** 68% have a state guarantee covering on avg. 52% of the loan

(1) Current LTV taking into account the latest appraisal value and outstanding loan balances, equivalent to a LTV of 73% at origination.

NOTE: Data based on management information, as of Sep 14th

DEFERRALS EXPIRATION CALENDAR

As of Sep 14th

92%



of **retail** deferrals has already expired

87%



of **wholesale** deferrals will expire in 4Q20

Mexico: Payment performance better than expected

PAYMENT PERFORMANCE OF RETAIL EXPIRED DEFERRALS

Retail payment ratio already at c.90%, much better than initial expectations

Data as of Sep 14th, 2020

	Expired Deferrals	From these expired deferrals, % that resumed payment obligations ¹
MORTGAGES	95%	90%
CONSUMER	94%	88%
CREDIT CARDS	84%	83%
SMEs	87%	90%
TOTAL RETAIL	92%	89%

(1) From total payment obligations c.90% continue paying the full installment

EARLY AND PROACTIVE COLLECTION MANAGEMENT, A KEY DIFFERENTIAL TOOL



4 months grace period not extended
specific solutions offered to clients in need



All clients categorized by collection management intensity needed



Clients contacted twice before payment date



Collection contact centers' capacity increased from 50% to 75% now and to > 95% by Sept-end

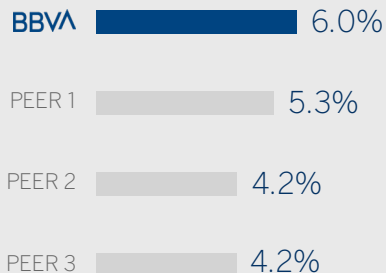
Improving 2020 CoR Guidance to clearly below the 495bps reported in 1H20 (from flat or slightly below 1H20 levels previously)

Turkey: proven earnings resilience in challenging times

The highest pre-provision profit generation capacity

PRE-PROVISION PROFIT/ AVG. INTEREST EARNING ASSETS

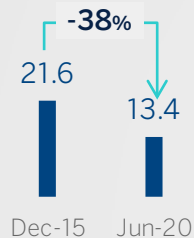
(1H20)



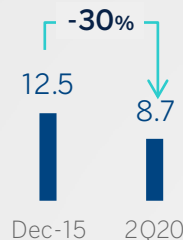
Proactive reduction of loans and wholesale funding in FC

FC BALANCE SHEET

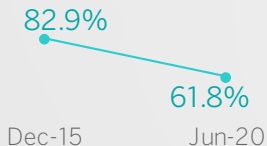
FC Loan portfolio
(in Bn USD)



FC wholesale funding
(in Bn USD)



LTD ratio (FC)



Comfortable FC liquidity buffer Jun-20

\$9.3Bn

Best-in-class coverage ratio

COVERAGE RATIO

(Jun-20, Coverage ratio including free provisions)

84%
+15.6pp above Peers average

2020 guidance: CoR significantly below 1H20 levels

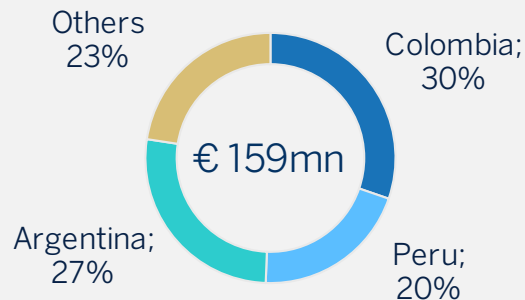


South America: Profitability leadership

BREAKDOWN BY COUNTRY

Net Attributable profit (1H 2020)

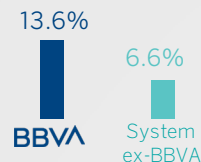
12.6% contribution to BBVA Group's Net Attributable Profit in 1H20



Note: Contribution to Group's Net Attributable Profit excludes the Corporate Center

COLOMBIA: 3.8% of BBVA Group's 1H20 Net Attributable Profit

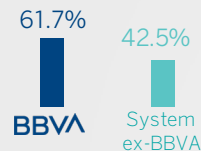
ROE (1H20 annualized)



- Excellent **cost of deposits management**: Increasing weight of demand deposits by 285bps YTD
- **Focus on cost management**: Cost to Income at 42.7% (1H20), 95bps better than local peers average

ARGENTINA: 3.4% of BBVA Group's 1H20 Net Attributable Profit

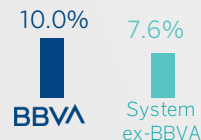
ROE (as of 2019)



- Positive News on Argentina's debt restructuring
- **P&L Drivers**: Cost management & provision releases in the securities portfolios

PERU: 2.6% of BBVA Group's 1H20 Net Attributable Profit

ROE (1H20 annualized)



- Economy severely impacted in 2020 (GDP -15%), recovering in 2021 (+8.0%)
- **Focus on cost control and asset quality management**

Source: Latest available data from country's Supervisors.

Forward-
looking, BBVA
has solid
fundamentals
to successfully
navigate this
challenging
environment



Improving core revenue in 2H20 vs. 1H20⁽¹⁾, thanks to the recovery in retail new loan production and focus on price management



Excellent **Cost control** continues during 2H20, with confidence to beat expectations



Improving Group's 2020 COR guidance to 150-160bps (vs. 150-180bps previously) due to better than expected performance of loan deferrals in Mexico.



CET1 expected to end the year above the 225-275 management buffer target. BBVA remains committed to shareholder remuneration

⁽¹⁾ In constant Euros

BBVA