

# 2020 Results

January 29th, 2021

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### 2020 achievements

Successfully navigated through the crisis with clear priorities €63 billion<sup>1</sup>

DEFERRALS, PAYMENT FLEXIBILITY AND CREDIT FACILITIES PROVIDED THROUGH GOVERNMENT PROGRAMS

Advanced in our strategy addressing accelerating trends +56%

DIGITAL CLIENT ACQUISITION VS. 2019

Delivered excellent results despite a challenging environment +11.7%

OPERATING INCOME GROWTH VS. 2019 IN CONSTANT EUROS

Achieved ample strategic optionality with the BBVA USA sale, unlocking value €8.5 billion

CAPITAL GENERATION

(1) Includes loans granted throughout the year that have been paid off and undrawn commitments in credit facilities.

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



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



Provide an essential service to our communities



Offer financial support to our clients



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

Branch openings based on operational and health protocols



Reorienting our clients to remote and digital channels

### INTERACTIONS

Global App Visits1 (Pre vs. post COVID)

### REMOTE BANKER INTERACTIONS

"My Conversations in Spain" (Dec, 20 vs Dec, 19)





**Deferrals** of loans and repayment flexibility

€38 billion<sup>2</sup>

Providing credit facilities through government programs

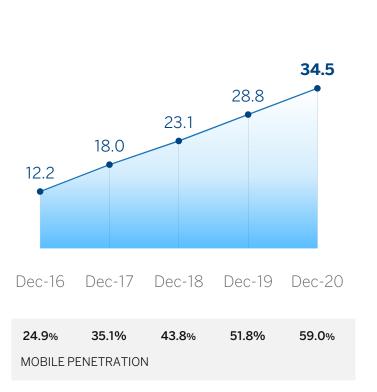
€25 billion<sup>3</sup>

Financial support to individuals and businesses

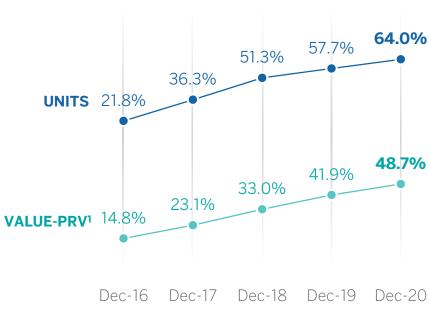
~3 million clients

# Leveraging our digital capabilities to better serve our clients





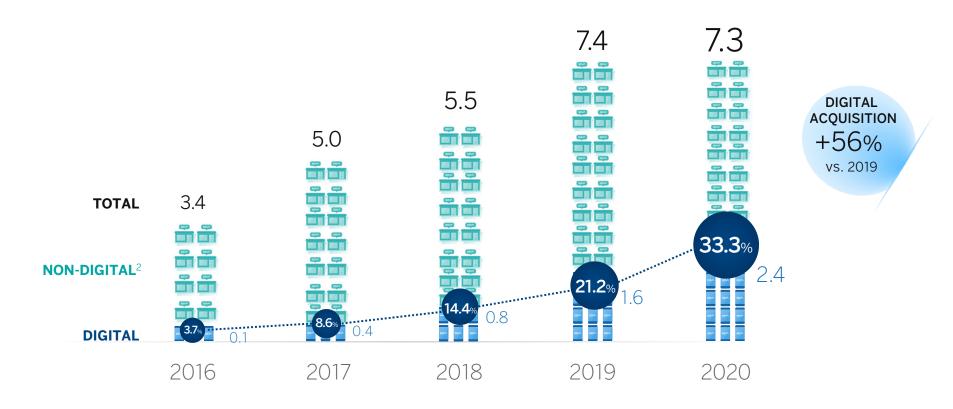
### ✓ **GROUP DIGITAL SALES** YTD, PERCENTAGE



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

**✓** GROSS NEW CUSTOMERS ACQUISITION¹

(MN CUSTOMERS, % CUSTOMERS ACQUIRED THROUGH DIGITAL CHANNELS)



# We continue to successfully deliver on sustainability strategy

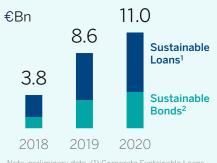
### **Helping our clients** transition towards a more sustainable future

OVERDELIVERING ON BBVA'S 2025 PLEDGE



### PROVIDING SUSTAINABLE FINANCE AND ADVICE

Wholesale clients



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



# Increasing transparency

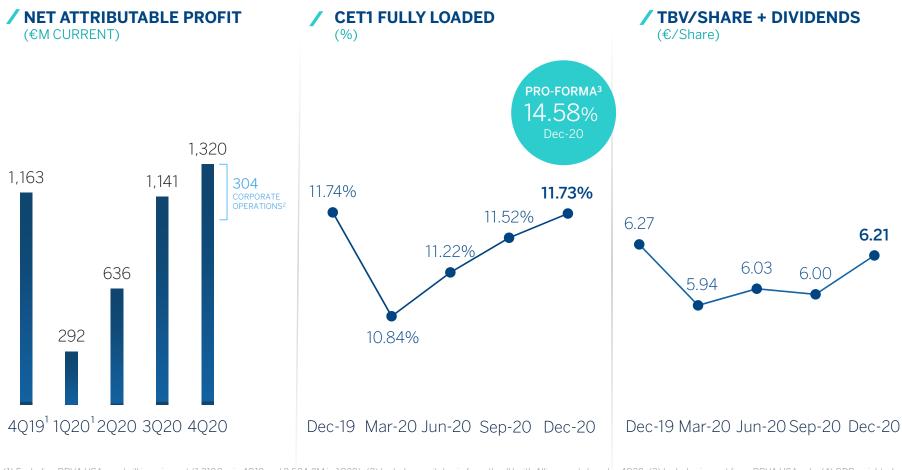


# Leading sustainability indexes





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



<sup>(1)</sup> 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) GDP weighted by gross income.

### 2020 top financial messages

1		
'	Solid <b>core revenue</b> growth	NII + FEE INCOME (€ constant)
2		<b>+2.7</b> % vs.12M19
_	Very strong <b>cost control</b> and <b>efficiency</b>	OPERATING EXPENSES (€ constant)
2		<b>-2.6</b> % vs.12M19
3	Resilient <b>pre-provision profit</b> growth	OPERATING INCOME (€ constant)
		<b>+11.7</b> % vs.12M19
4	Risk indicators impacted by COVID-19	COST OF RISK (YtD)
5	but better than initial expectations	<b>1.51</b> % vs. <b>1.50-1.60%</b> updated guidance vs. <b>1.02%</b> in 12M19
3	Reinforced <b>capital position</b> after BBVA USA sale	PRO-FORMA CET1 FL
6		14.58%
O -	Continue leading <b>profitability metrics</b>	ROTE <sup>1</sup>
7		<b>7.8%</b> vs. 4.5% European peer group average
	Expecting to resume <b>shareholder distribution</b>	2020 DIVIDEND <sup>2</sup>
		€5.9 cents per share

<sup>(1)</sup> Excludes goodwill impairments from BBVA and European peers. Excludes capital gains from corporate operation from BBVA. 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. (2) Includes dividend accrual of 5.9 Euro cents per share (gross) payable in April-21 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.

### 2020 Profit & Loss

			ange 0/2019
BBVA Group (€m)	2020	%	% constan
Net Interest Income	16,801	-7.3	3.0
Net Fees and Commissions	4,616	-8.3	-0.
Net Trading Income	1,692	22.3	37.
Other Income & Expenses	-135	n.s.	n.s
Gross Income	22,974	-6.1	4.
Operating Expenses	-10,755	-9.6	-2.
Operating Income	12,219	-2.7	11.
Impairment on Financial Assets	-5,908	45.1	67.
Provisions and Other Gains and Losses	-1,085	40.6	51.
Income Before Tax	5,225	-32.3	-21.
Income Tax	-1,385	-32.5	-22.
Non-controlling Interest	-756	-9.3	13.
<b>Net Attributable Profit</b> (ex-BBVA USA goodwill impairment and Corporate Operations)	3,084	-36.1	-27.
Corporate Operations	304	n.s.	n.:
BBVA USA goodwill impairment	-2,084	58.1	58
Net Attributable Profit (reported)	1,305	-62.9	-55.

### **4Q20 Profit & Loss**

			ange 0/4Q19
BBVA Group (€m)	<b>4Q20</b>	%	% constant
Net Interest Income	4,038	-14.2	1.4
Net Fees and Commissions	1,173	-9.1	2.2
Net Trading Income	213	-56.6	-46.0
Other Income & Expenses	-157	n.s.	n.s.
Gross Income	5,266	-17.7	-3.2
Operating Expenses	-2,674	-13.3	-2.7
Operating Income	2,593	-21.8	-3.7
Impairment on Financial Assets	-834	-28.7	-11.8
Provisions and Other Gains and Losses	-227	-38.6	-30.3
Income Before Tax	1,532	-13.9	7.4
Income Tax	-407	-5.4	17.8
Non-controlling Interest	-110	-40.7	-1.1
Net Attributable Profit (excluding Corporate Operations)	1,015	-12.7 <sup>1</sup>	<b>4.9</b> <sup>1</sup>
Corporate Operations	304	n.s.	n.s.
Net Attributable Profit (reported)	1,320	n.s.	n.s.

### Solid core revenue growth

### / NET INTEREST INCOME

(€M CONSTANT)



Growth thanks to successful price management

### / NET FEES AND COMMISSIONS

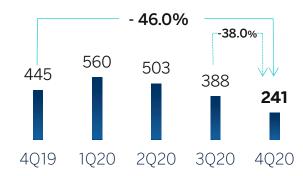
(€M CONSTANT)



QoQ evolution driven by Mexico (CIB and credit cards), Spain and Turkey

### / NET TRADING INCOME

(€M CONSTANT)

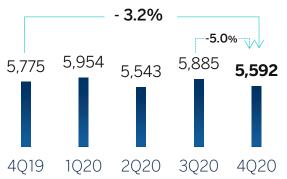


QoQ evolution driven by:

- Negative Global Markets results in Spain
- FX hedges valuation
- Lower FX gains in Turkey
- · One-offs

### **GROSS INCOME**

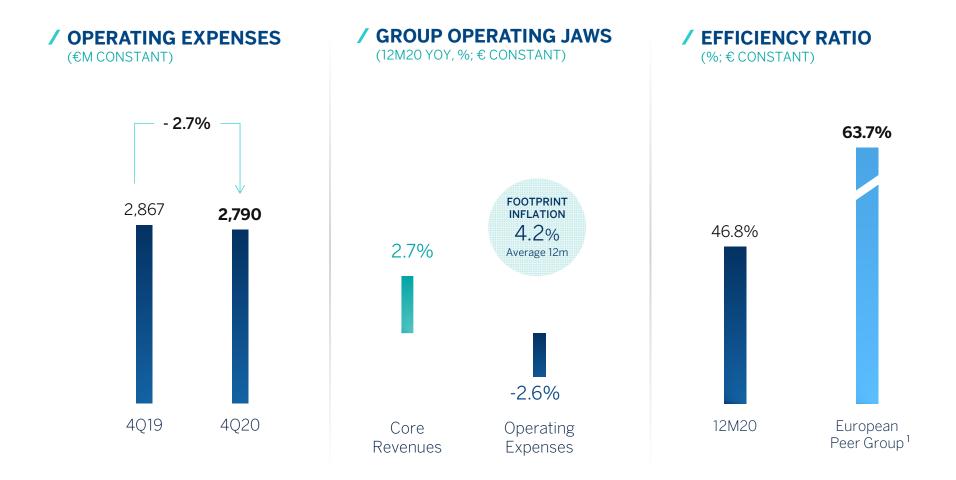
(€M CONSTANT)



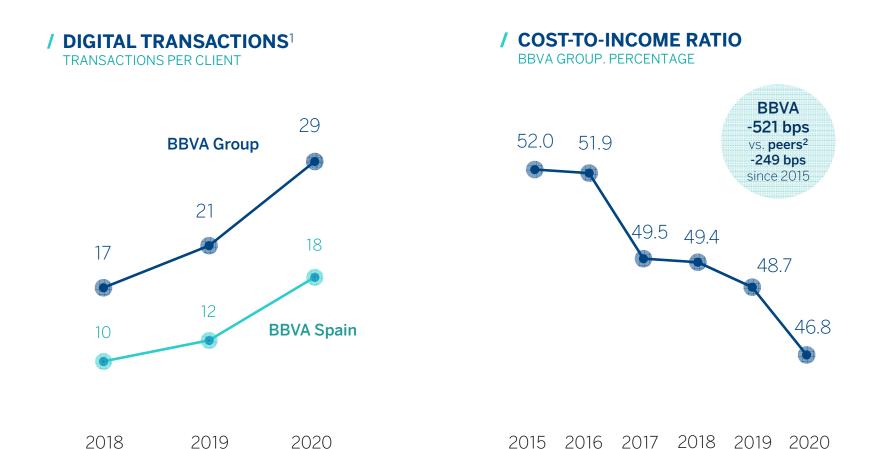
QoQ evolution impacted by:

- NTI performance
- Deposit
   Guarantee Fund
   contribution in 4Q
   in Other Income

### Very strong cost control and efficiency



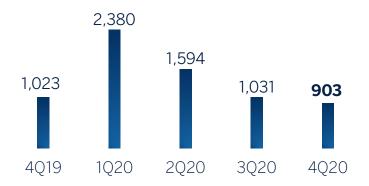
# Acceleration of digital trends reinforces our focus on efficiency



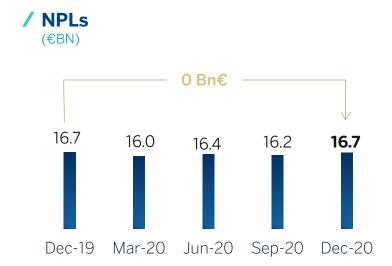
<sup>(1)</sup> Includes monetary and non-monetary transactions excluding sales and information inquires. (2) European peer group: BARC, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCG. European Peer Group figures 9M20. BBVA figures 12M20.

# Risk indicators impacted by COVID-19 but better than initial expectations

### 



# COST OF RISK (%) 2.57% 1.69% 1.51% 1.51% O.97% Quarterly CoR 4Q19 1Q20 2Q20 3Q20 4Q20









(YTD DEC. 31, 2020; %)







### / EXPIRED LOAN DEFERRALS PAYMENT BEHAVIOR

(YTD DEC. 31, 2020; %)





### 2ND DEFERRALS BREAKDOWN

(YTD DEC. 31, 2020; %)

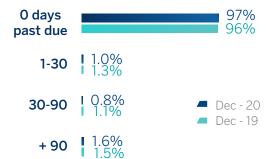
More than half are related to mortgages



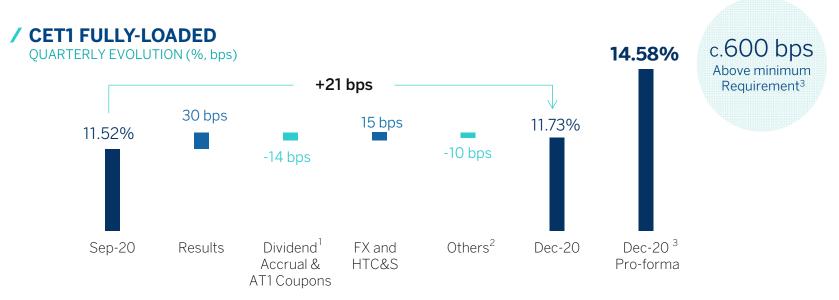
### / TOTAL PORTFOLIO BY DAYS PAST DUE STATUS<sup>3</sup>

(%)

Delinquency buckets show resiliency



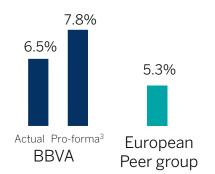
### **Outstanding capital position**



(1) Includes dividend accrual of 5.9 Euro cents per share (gross) payable in April-21 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 the ATI Coupons. (2) Mainly includes: RWAs evolution in constant Euros, frontloading of regulatory impacts (-19 bps), impact from new treatment of Software (+19 bps) and impact from the JV with Allianz (+7 bps).

### HIGH QUALITY CAPITAL- LEVERAGE RATIO FL

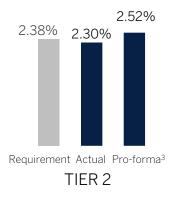
DEC-20 BBVA, SEP-20 EUROPEAN PEERS4



### AT1 AND TIER 2 FL BUCKETS

**DFC-20** 



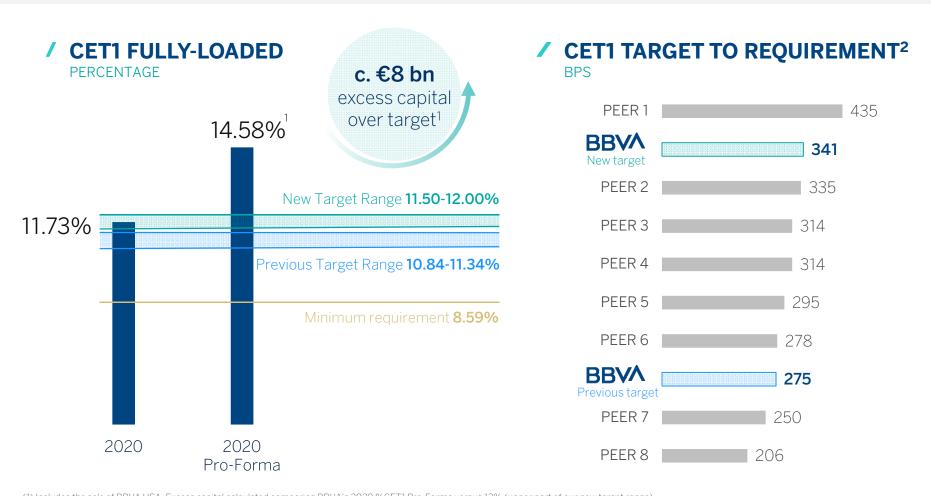


<sup>(3)</sup> Includes impact from BBVA USA sale.

<sup>(4)</sup> European Peer Group: BARC, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCG.

### Capital target increase

### New CET1 FL target: **11.5 - 12.0%**



(1) Includes the sale of BBVA USA. Excess capital calculated comparing BBVA's 2020 %CET1 Pro-Forma versus 12% (upper part of our new target range).
(2) Distance of CET1 published targets (considering the upper part when is provided as a target range) versus 2020 CET1 SREP Requirement. European Peer Group subject to ECB regulation: BNPP, CA, CMZ, DB, ISP, SAN, SG, UCG.

# BBVA USA transaction shows disciplined value-based approach to capital allocation

We will deploy the excess capital:



In our markets through profitable growth and costs' reduction



Through increased distributions to shareholders

# Capital deployment. Profitable organic growth with a disciplined approach

### / PORTFOLIO GROWTH AND PROFITABILITY

RORC 2020 AND PORTFOLIO GROWTH 2017-201

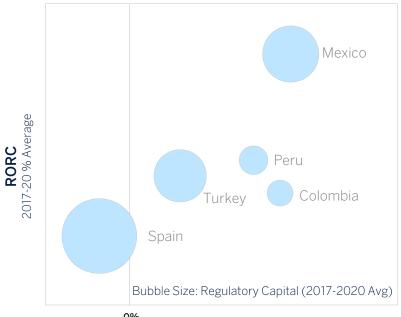
# Credit cards SMEs Commercial (includes COVID-19 government programs) Bubble size: Regulatory Capital 2020

Portfolio growth

Constant € CAGR 2017-20

### / REGULATORY CAPITAL ALLOCATION

RORC 2017-20 AVG. AND REGULATORY CAPITAL GROWTH 2017-201



Regulatory Capital Growth
Constant €. CAGR 2017-20

<sup>(1)</sup> Profitability including Spain, Mexico, Turkey, Colombia, Peru and Argentina; Portfolio growth also includes Rest of Eurasia; Prospective RORC by product- loan only; RORC by segment: client view.
(2) RORC: Return on Regulatory Capital. BBVA's Internal profitability metric that guides asset allocation decisions, and which compares net profit versus the regulatory capital required in each business area or segment.

### Capital deployment. Shareholder distributions

# Follows regulatory guidance

- **■** €5.9 cents per share (maximum allowed by regulatory guidance<sup>1</sup>)
- 100% cash

2020 dividend

Payment in April 2021

Plan to recover our clear, predictable and sustainable policy once regulatory restrictions are lifted

2021 ordinary dividend

**35-40%** payout

(expected in Sep 2021)<sup>2</sup>

- 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<sup>3</sup>

<sup>(1)</sup> Includes dividend accrual of 5.9 Euro cents per share (gross) payable in April-21 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.

<sup>(2)</sup> Subject to shareholders and supervisors approval.

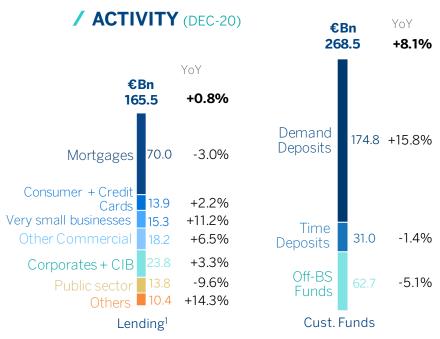
<sup>(3)</sup> Any potential repurchase of shares would, at the earliest, take place after the expected close of the BBVA USA transaction in mid 2021. Any decision on a repurchase of ordinary shares would (i) require certain shareholders resolutions and supervisors approval and the lifting of the ECB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



# Business Areas



Profit & Loss		Δ(%)		Δ(%)
(€m)	4Q20	vs 4Q19	12M20	vs 12M19
Net Interest Income	878	-3.1	3,553	-0.4
Net Fees and Commissions	453	-2.4	1,802	2.9
Net Trading Income	-43	n.s.	174	-27.2
Other Income & Expenses	-116	46.7	25	-74.2
Gross Income	1,172	-16.8	5,554	-1.8
Operating Expenses	-762	-6.1	-3,039	-6.6
Operating Income	410	-31.3	2,515	4.7
Impairment on Financial Assets	-92	0.4	-1,167	n.s.
Provisions & other gains (losses)	-108	-6.5	-538	39.3
Income Before Tax	209	-46.2	809	-56.9
Income Tax	-42	-36.8	-200	-59.1
Net Attributable Profit	166	-48.3	606	-56.3



Note: Activity excludes repos. (1) Performing loans under management.

### / KEY RATIOS

### CUSTOMER SPREAD (%)

# Yield on loans 2.02 1.89 1.83 1.99 1.89 1.82 Customer spread Cost of deposits

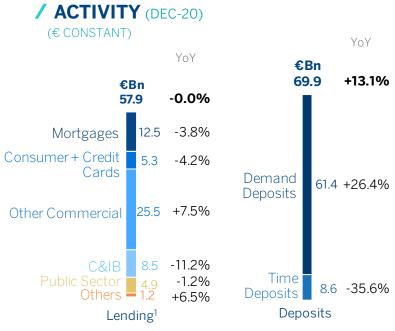


### ASSET QUALITY RATIOS (%)

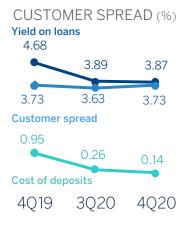


- Loans: +0.8% YoY, driven by commercial segments, supported by State guaranteed loans, offsetting the decrease in mortgages and public sector.
- Core revenue growth (c. 1% YTD), driven by fees.
- Excellent cost performance (-6.6% YTD), improving the efficiency ratio.
- Pre-provision profit growth (+4.7% YTD), despite the challenging environment.
- Asset quality improvement along the year: CoR improving trend, aligned with guidance. Best in class coverage.

Profit & Loss (€m constant)	4020	vs 4019 (%)	12M20	Δ Current vs 12M19 (%)	Δ Constant vs 12M19 (%)
Net Interest Income	603	6.8	2,284	-4.6	-2.6
Net Fees and Commissions	170	12.9	665	3.2	5.5
Net Trading Income	47	43.4	220	27.4	31.8
Other Income & Expenses	-4	n.s.	-17	n.s.	n.s.
Gross Income	817	7.8	3,152	-2.2	0.0
Operating Expenses	-479	-3.8	-1,870	-4.9	-2.8
Operating Income	338	30.1	1,281	1.9	4.4
Impairment on Financial Assets	58	n.s.	-776	41.0	44.3
Provisions & other gains (losses)	-9	34.4	-4	70.8	72.5
Income Before Tax	387	235.7	502	-28.8	-27.1
Income Tax	-70	1,115.3	-73	-36.8	-35.4
Net Attributable Profit	317	189.2	429	-27.2	-25.5



Note: Activity excludes repos. (1) Performing loans under management.

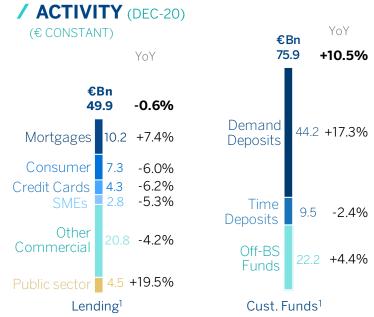




- Loans: Flat YoY, as lower activity in retail and CIB is offset by growth in commercial portfolios, driven by State guaranteed loans and the use of credit lines.
- Customer spread upward trend continues (+10 bps QoQ), thanks to a more profitable deposit mix and an excellent price management.
- Core revenue growth: +8% YoY in 4Q20.
- Positive jaws and significant cost reduction: -2.8% YTD.
- Asset Quality better than expected: CoR better than guidance (118 bps vs. 135 bps expected) due to provisions releases.

### Mexico

Profit & Loss				ΔCurrent	ΔConstant
(€m constant)	4Q20	vs 4Q19 (%)	12M20	vs 12M19 (%)	vs 12M19 (%)
Net Interest Income	1,377	-1.6	5,415	-12.8	-0.7
Net Fees and Commissions	299	-0.7	1,065	-17.9	-6.6
Net Trading Income	93	55.3	423	36.4	55.3
Other Income & Expenses	15	-81.1	114	-46.2	-38.8
Gross Income	1,784	-3.1	7,017	-12.6	-0.5
Operating Expenses	-597	0.0	-2,340	-11.5	0.7
Operating Income	1,187	-4.6	4,677	-13.1	-1.1
Impairment on Financial Assets	-423	5.7	-2,172	28.0	45.6
Provisions & other gains (losses)	15	-7.7	-33	n.s.	n.s.
Income Before Tax	780	-9.4	2,472	-33.0	-23.8
Income Tax	-225	1.6	-713	-28.1	-18.2
Net Attributable Profit	554	-13.2	1,759	-34.8	-25.8



(1) Performing loans and Cust. Funds under management, excluding repos, according to local GAAP

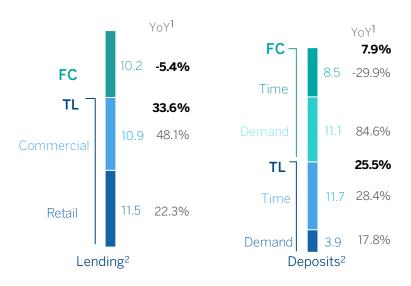


- Loans: Flat YoY. Growth in mortgages and public sector offsetting deleverage of commercial portfolios, and consumer & credit cards, impacted by Covid. Market share gains (+68bps in 2020).
- Deposit mix and cost improvement. Demand deposits representing >82% of total deposits and deposit cost improving +27 bps QoQ.
- Costs under control: +0.7% YTD, significantly below inflation (+3.4%).
- Asset quality in line with expectations: NPL ratio increase mainly explained by retail portfolios and according to expectations. CoR aligned with guidance (low 400's).

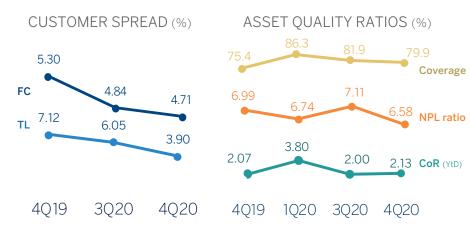
### **Turkey**

Profit & Loss				∆ Current	∆ Constant
(€m constant)	4Q20	vs 4Q19 (%)	12M20	vs 12M19 (%)	vs 12M19 (%)
Net Interest Income	689	10.3	2,783	-1.1	25.2
Net Fees and Commissions	141	4.1	510	-28.8	-9.9
Net Trading Income	33	-44.6	227	n.s.	n.s.
Other Income & Expenses	5	-48.8	53	7.3	35.8
Gross Income	868	4.6	3,573	-0.5	26.0
Operating Expenses	-282	7.8	-1,029	-15.3	7.3
Operating Income	586	3.1	2,544	7.1	35.6
Impairment on Financial Assets	-254	21.8	-895	-1.2	25.0
Provisions & other gains (losses)	-61	-17.9	-127	-1.0	25.3
Income Before Tax	272	-5.0	1,522	13.5	43.7
Income Tax	-89	9.9	-380	21.7	54.1
Non-controlling Interest	-93	-10.3	-579	10.6	40.0
Net Attributable Profit	89	-11.5	563	11.4	41.0

### / ACTIVITY (DEC-20) (€ CONSTANT; BANK ONLY)



(1) FC evolution excluding FX impact. (2) Performing loans and deposits under management, excluding repos, according to local GAAP.



- Loans: significant TL loan growth (+34% YoY), driven by commercial, but decelerating vs. 1H20.
- Robust operating income growth: +35.6% YTD supported by NII, NTI and Opex control.
- Customer spread QoQ evolution explained by the increase in deposit costs due to interest rate hikes.
- Cost growth (+7.3%) significantly below average inflation (+12.3%).
- Sound asset quality. CoR in line with expectations and best in class coverage.



### **South America**

Net Attributable Pr	Δ Current <sup>1</sup> Δ Constan				
(€m constant)	4Q20	vs 4Q19 (%)	12M20	vs 12M19 (%)	vs 12M19 (%)
Colombia	64	3.8	165	-38.0	-28.9
Peru	35	-21.7	110	-45.6	-41.8
Argentina	27	n.s.	89	-33.0	n.s.
Other <sup>2</sup>	20	10.6	82	-31.7	-20.2
South America	147	8.8	446	-38.2	-22.6

<sup>(1)</sup> Venezuela in current €m

### **ACTIVITY** (DEC-20) (€ CONSTANT) YoY YoY €Bn +22.5% 50.6 €Bn +12.6% 33.7 Colombia 13.7 +11.3% 11.7 +4.0% Colombia Peru 18.0 +30.7% Peru 15.1 +20.1% 5.6 +71.3% Argentina 2.8 +47.3% 13.3 +11.4% Other 4.1 -2.8% Lending<sup>1</sup> Cust. Funds

Note: Activity excludes repos. (1) Performing loans under management.



- Colombia: Increased contribution vs. previous quarters thanks to high single digit NII growth, Opex control and lower impairments (positive model calibration model effect).
- Peru: 20% loan growth driven by State Guaranteed loans. YTD CoR improving trend from 1Q20, despite rating downgrades in the SMEs portfolio in 4Q.
- Argentina: 4Q20 impacted by the revaluation of Prisma stake and higher impairments for fixed income portfolios and a negative model calibration effect.

<sup>(2)</sup> Other includes BBVA Forum, Venezuela, Paraguay, Uruguay and Bolivia.



# Final remarks and 2021 outlook



### 2020 in review

Successfully navigated through the crisis with clear priorities: first and foremost, the safety and health of our employees, clients and society, and support our clients

Advanced in our strategy addressing accelerating trends

Delivered excellent results despite a challenging environment

Strong Operating Income growth (+11.7%) driven by core revenue and very strong cost control

Risk indicators better than initial expectations

Outstanding capital position

Achieved ample strategic optionality with the BBVA USA sale, unlocking value



### Macroeconomic outlook

### **GDP GROWTH ESTIMATES** (% Yo Y)



### 2021 Outlook

Core revenues to continue growing with improving mix, price management and fee income as key levers

- Costs to grow below inflation
- 2021 CoR below 2020 levels, although uncertainties remain
- Sizeable distributions to our shareholders in 2021





### Annex

- 01 Net Attributable Profit evolution
- 02 Gross Income breakdown
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## 01

# Net Attributable Profit evolution

### **Net Attributable Profit evolution**

### / €MN



### Note:

<sup>(1)</sup> Excluding BBVA USA goodwill impairment (1,318  $\!\!\!$  m in 4Q19 and 2,084  $\!\!\!$  M in 1Q20).

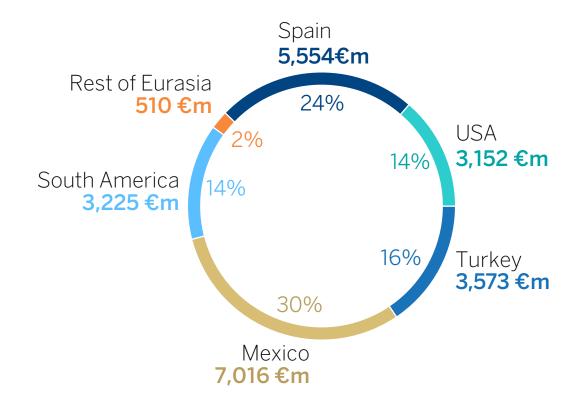
<sup>(2)</sup> Excludes capital gains from the JV Allianz agreement.



# 02 Gross Income breakdown

### **Gross Income breakdown**

### / 12M20



Note: Figures exclude Corporate Center.



# P&L Accounts by business unit

Rest of Eurasia Corporate Center Colombia Peru

#### **Rest of Eurasia – Profit & Loss**

Profit & Loss		Δ(%)		Δ(%)
(€m)	4Q20	vs 4Q19	12M20	vs 12M19
Net Interest Income	56	23.8	214	22.4
Net Fees and Commissions	33	0.2	150	8.2
Net Trading Income	32	-14.5	137	4.4
Other Income & Expenses	2	201.1	9	-4.8
Gross Income	122	5.6	510	12.3
Operating Expenses	-82	0.8	-285	-2.7
Operating Income	41	16.8	225	39.8
Impairment on Financial Assets	10	n.s.	-38	n.s.
Provisions & other gains (losses)	6	n.s.	-2	n.s.
Income Before Tax	57	68.8	184	13.3
Income Tax	-16	80.2	-48	33.3
Net Attributable Profit	40	64.6	137	7.6

## **Corporate Center – Profit & Loss**

Profit & Loss		Δ(%)		Δ(%)
(€m)	4Q20	vs 4Q20	12M20	vs 12M19
Net Interest Income	-47	14.7	-149	-36.0
Net Fees and Commissions	-9	-15.9	-59	-18.6
Net Trading Income	-71	n.s.	104	n.s.
Other Income & Expenses	45	104.2	47	n.s.
Gross Income	-83	168.8	-57	-83.1
Operating Expenses	-209	-11.9	-819	-14.3
Operating Income	-292	8.8	-876	-32.3
Impairment on Financial Assets	4	n.s.	4	n.s.
Provisions & other gains (losses)	-57	-42.7	-289	77.1
Income Before Tax	-345	-6.3	-1,160	-20.4
Income Tax	104	88.5	305	18.1
Non-controlling interest	0	-97.6	0	-61.3
Net Attributable Profit (ex BBVA USA goodwill impairment	-241	-21.7	-856	-28.6
& Corporate Operations)	2-71	21.7	050	20.0
Corporate Operations	304	n.s.	304	n.s.
BBVA USA Goodwill impairment	0	n.s.	-2,084	58.1
Net Attributable Profit (reported)	64	-103.9	-2,635	4.7

#### Colombia - Profit & Loss

Profit & Loss		Δ (%)		Δ(%)
(€m constant)	4Q20	vs 4Q19	12M20	vs 12M19
Net Interest Income	201	8.9	781	8.1
Net Fees and Commissions	20	9.2	70	-7.8
Net Trading Income	17	5.9	74	23.5
Other Income & Expenses	-2	n.s.	-12	n.s.
Gross Income	235	5.6	913	4.6
Operating Expenses	-85	2.5	-321	1.6
Operating Income	150	7.4	591	6.2
Impairment on Financial Assets	-52	-0.6	-327	72.8
Provisions & other gains (losses)	0	-93.2	-17	12.1
Income Before Tax	98	20.0	247	-29.8
Income Tax	-32	78.5	-76	-31.3
Non-controlling interest	-3	2.3	-6	-35.5
Net Attributable Profit	64	3.8	165	-28.9

#### Peru – Profit & Loss

Profit & Loss		Δ (%)		Δ (%)
(€m constant)	4Q20	vs 4Q19	12M20	vs 12M19
Net Interest Income	203	0.6	808	-3.9
Net Fees and Commissions	62	15.2	218	0.5
Net Trading Income	46	-7.2	159	-5.6
Other Income & Expenses	-10	111.1	-31	49.9
Gross Income	301	0.1	1,153	-4.2
Operating Expenses	-114	2.1	-435	1.1
Operating Income	187	-1.1	718	-7.2
Impairment on Financial Assets	-81	65.9	-350	70.2
Provisions & other gains (losses)	2	n.s.	-42	n.s.
Income Before Tax	108	-17.1	326	-42.6
Income Tax	-32	-2.9	-91	-43.2
Non-controlling interest	-41	-22.3	-126	-43.0
Net Attributable Profit	35	-21.7	110	-41.8



# Customer spread by country

#### **Customer spreads: quarterly evolution**

#### / AVERAGE

	4Q19	1Q20	2Q20	3Q20	4Q20
Spain	1.99%	1.96%	1.92%	1.89%	1.82%
Yield on Loans	2.02%	1.99%	1.93%	1.89%	1.83%
Cost of Deposits	-0.04%	-0.03%	-0.01%	-0.01%	-0.01%
USA	3.73%	3.74%	3.55%	3.63%	3.73%
Yield on Loans	4.68%	4.57%	3.99%	3.89%	3.87%
Cost of Deposits	-0.95%	-0.83%	-0.44%	-0.26%	-0.14%
Mexico MXN	11.69%	11.39%	9.89%	11.17%	11.08%
Yield on Loans	14.32%	13.86%	12.10%	12.82%	12.42%
Cost of Deposits	-2.63%	-2.47%	-2.21%	-1.65%	-1.34%
Mexico FC <sup>1</sup>	3.84%	3.80%	3.34%	2.98%	2.85%
Yield on Loans	4.14%	4.03%	3.48%	3.04%	2.90%
Cost of Deposits	-0.30%	-0.23%	-0.14%	-0.06%	-0.05%

	4Q19	1Q20	2Q20	3Q20	4Q20
Turkey TL	7.12%	7.46%	7.30%	6.05%	3.90%
Yield on Loans	16.46%	14.58%	13.22%	12.17%	12.88%
Cost of Deposits	-9.34%	-7.12%	-5.93%	-6.12%	-8.98%
Turkey FC <sup>1</sup>	5.30%	5.30%	4.94%	4.84%	4.71%
Yield on Loans	6.71%	6.22%	5.37%	5.04%	5.07%
Cost of Deposits	-1.41%	-0.92%	-0.43%	-0.20%	-0.36%
Argentina	24.41%	22.80%	19.32%	16.07%	14.42%
Yield on Loans	36.54%	31.99%	25.73%	24.79%	25.21%
Cost of Deposits	-12.13%	-9.20%	-6.41%	-8.71%	-10.79%
Colombia	6.54%	6.36%	6.42%	6.62%	6.66%
Yield on Loans	10.63%	10.42%	10.14%	9.78%	9.43%
Cost of Deposits	-4.09%	-4.06%	-3.73%	-3.15%	-2.77%
Peru	6.06%	6.20%	5.61%	5.31%	5.09%
Yield on Loans	7.43%	7.37%	6.57%	5.88%	5.51%
Cost of Deposits	-1.37%	-1.16%	-0.96%	-0.57%	-0.43%

# **Customer spreads: YTD evolution**

#### / YTD AVERAGE

	12M19	12M20
Spain	1.99%	1.90%
Yield on Loans	2.04%	1.91%
Cost of Deposits	-0.05%	-0.01%
USA	3.98%	3.68%
Yield on Loans	4.92%	4.08%
Cost of Deposits	-0.95%	-0.40%
Mexico MXN	11.72%	10.89%
Yield on Loans	14.47%	12.79%
Cost of Deposits	-2.75%	-1.90%
Mexico FC <sup>1</sup>	4.16%	3.24%
Yield on Loans	4.46%	3.35%
Cost of Deposits	-0.30%	-0.11%

	12M19	12M20
Turkey TL	4.17%	6.09%
Yield on Loans	18.26%	13.14%
Cost of Deposits	-14.09%	-7.06%
Turkey FC <sup>1</sup>	5.19%	4.93%
Yield on Loans	7.13%	5.38%
Cost of Deposits	-1.95%	-0.45%
Argentina	18.27%	17.78%
Yield on Loans	30.97%	26.65%
Cost of Deposits	-12.70%	-8.87%
Colombia	6.68%	6.51%
Yield on Loans	10.80%	9.94%
Cost of Deposits	-4.12%	-3.42%
Peru	6.36%	5.52%
Yield on Loans	7.73%	6.28%
Cost of Deposits	-1.38%	-0.75%



Outstanding loan commitments to non-financial corporations

# Outstanding loan commitments to non-financial corporations

#### / BREAKDOWN BY BUSINESS AREAS

(DEC-20)

	€ bn
USA	26.1
Spain	20.1
Eurasia	17.6
Turkey	2.4
Mexico	3.2
South America	1.6
Total Group	71.0

<sup>(1)</sup> USA includes € 15.1 billion of loan commitments in the NY branch.



Stages breakdown by business areas

## Stages breakdown by business area

#### / CREDIT RISK BREAKDOWN BY BUSINESS AREA

(DEC-20, € MN)

BBVA GROUP	Gross Exposure	Accumulated impairments
Stage 1	361,329	2,368
Stage 2	43,423	2,835
Stage 3	16,681	8,390

SPAIN	Gross	Accumulated
SPAIN	Exposure	impairments
Stage 1	170,678	744
Stage 2	16,131	790
Stage 3	8,340	4,035

USA	Gross Exposure	Accumulated impairments
 Stage 1	50,594	282
Stage 2	9,260	467
Stage 3	1,258	307

*	MEXICO		Accumulated impairments
	Stage 1	48,668	687
	Stage 2	4,105	443
	Stage 3	1,818	1,090

TURKEY		Accumulated impairments		
Stage 1	38,693	283		
Stage 2	6,537	599		
Stage 3	3,183	1,661		

<b>P</b>	SOUTH AMERICA		Accumulated impairments		
	Stage 1	32,938	338		
	Stage 2	5,785	492		
	Stage 3	1,780	1,129		

COLOMBIA	Gross Exposure	Accumulated impairments		
Stage 1	10,511	107		
Stage 2	1,887	239		
Stage 3	677	422		

PERU		Accumulated impairments	
Stage 1	15,839	147	
Stage 2	3,208	188	
Stage 3	904	575	

<b>ARGENTINA</b>	Gross	Accumulated
ARGENTINA	Exposure	impairments
Stage 1	2,538	53
Stage 2	332	38
Stage 3	52	35



EAD to most vulnerable sectors in the current environment

# Exposure at default to most vulnerable sectors in the current environment

#### / BREAKDOWN BY SECTORS

(DEC-20)

	bn€
Leisure <sup>1</sup>	9.28
Commercial Real Estate	7.00
Developer Real Estate	5.80
Retailers non food	4.98
Upstream & Oilfield services <sup>2, 3</sup>	2.41
Air transportation	0.97
Total EAD to the most vulnerable sectors	30.45
as a % of total EAD	8.43%

Note: data exclude BBVA USA and rest of the Group's companies in the United States included in the sale agreement signed with PNC.

- (1) Includes Hotels, Restaurants, Travel Agencies and Gaming, among others
- (2) Of which, €0.5bn in USA and €0.1bn in Mexico.
- (3) From a total of €11.8bn EAD to the Oil & Gas sector.



Outstanding loan deferrals & loans backed by State guarantees

# Prudent deferrals' classification and proactive provisioning

(Jan to Dec '20)	TOTAL DEFERRALS GRANTED		o/w expired	Expired deferrals by stages as a % of total loans			
	€BN % of total loans		%	Stage 1	Stage 2	Stage 3	
Total Group	33.8	8.5%	80%	4.62%	1.68%	0.47%	
By segment							
Mortgages	12.4	12.1%	70%	6.3%	1.7%	0.5%	
Consumer & credit cards	9.2	7.4%	89%	4.0%	1.9%	0.7%	
SMEs & corporates	12.2	7.1%	83%	4.1%	1.5%	0.3%	
By country							
Mexico	11.8	22.1%	100%	17.1%	3.3%	1.7%	
Spain Spain	5.8	2.8%	29%	0.5%	0.2%	0.1%	
<b>USA</b>	5.4	11.0%	95%	5.8%	3.9%	0.7%	
Turkey	3.5	8.7%	64%	3.1%	2.3%	0.2%	
Peru	3.2	17.2%	85%	10.2%	3.6%	0.9%	
<b>a</b> Colombia	3.6	28.7%	90%	16.9%	7.5%	1.5%	
Argentina	0.5	14.2%	32%	3.6%	0.9%	0.0%	

Data according to EBA criteria, excluding loans that have been paid off.

#### COVERAGE ABOVE PEERS

NPL COVERAGE RATIO (BBVA AS OF DEC-20, PEERS1 AVERAGE AS OF SEP-20)



## **Outstanding loan deferrals**

#### / OUTSTANDING DEFERRALS

(DEC-20)

	€bn	% of loans
Total Group	6.8	1.70%
<b>Spain</b>	4.1	2.0%
Mexico	0.0	0.0%
<b>USA</b>	0.3	0.5%
Turkey	1.3	3.1%
Peru	0.5	2.5%
Colombia	0.4	2.8%
Argentina	0.3	9.6%

Note: data breakdown under EBA criteria.

#### **Government backed loans**

(data in €bn)

	GRO	DUP	SP	AIN <sup>(2)</sup>	ME	KICO	U	<b>SA</b> (3)	TUF	RKEY <sup>(4)</sup>	ARGE	NTINA	COLC	MBIA	PE	ERU
	Loans	Weight	Loans	Weight	Loans	Weight	Loans	Weight	Loans	Weight	Loans	Weight	Loans	Weight	Loans	Weight
Households	1.2	0.7%	1.0	1.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.1	5.1%	0.0	0.3%	0.2	3.1%
Corporates & SMEs	17.3	10.1%	10.8	13.5%	0.0	0.0%	2.5	9.0%	0.6	2.6%	0.0	2.1%	0.2	5.6%	3.2	31.6%
Other	0.1	0.1%	0.0	0.0%	0.0	0.0%	0.1	2.8%	0.0	0.0%	0.0	0.0%	0.0	0.1%	0.0	0.0%
Total Outstanding	<b>18.6</b> <sup>(1)</sup>	4.7%	11.8	5.7%	0.0	0.0%	2.6	5.2%	0.6	1.4%	0.1	3.1%	0.2	1.6%	3.4	18.0%

Note: data breakdown under EBA criteria as of December 31st.

<sup>(1)</sup> Excludes undrawn commitments.

<sup>(2)</sup> Includes mainly Spain, Eurasia and the NY branch. If we also consider undrawn credit lines, BBVA Spain has granted a total of 18.1 billion  $\in$  ICO loans as of December 31st (of which 11.8 billion  $\in$  is the outstanding drawn amount).

<sup>(3)</sup> Compass bank.

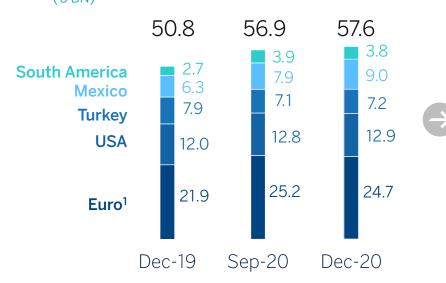
<sup>(4)</sup> Garanti bank-only.



ALCO Portfolio,
NII Sensitivity
and LCRs & NSFRs

#### **ALCO** portfolio

#### / ALCO PORTFOLIO BREAKDOWN BY REGION (€ BN)



	Amort Cost (HTC)	Fair Value (HTC&S)		
December 2020	(€BN)	(€BN)	(duration)	
South America	0.1	3.7	1.2 years	
Mexico	2.4	6.6	2.7 years	
Turkey	3.8	3.4	3.4 years	
USA	8.3	4.6	1.5 years	
Euro	15.0	9.7	3.0 years	
Spain	11.2	3.5		
Italy	3.7	2.2		
Rest	0.1	4.0		

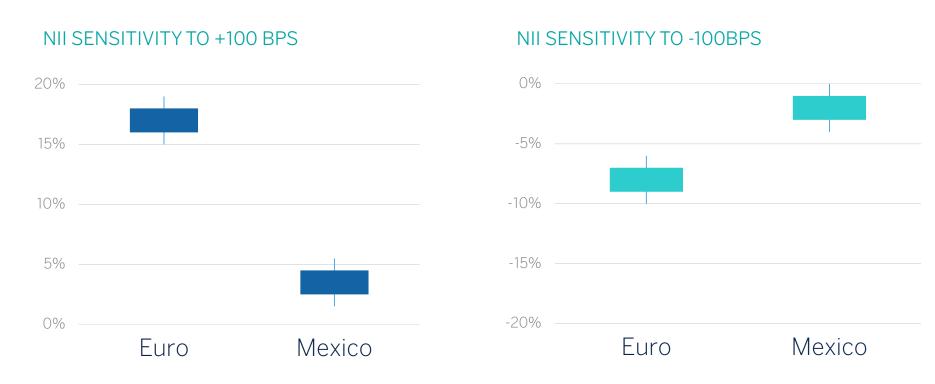
#### / EURO ALCO PORTFOLIO MATURITY PROFILE **EURO ALCO YIELD** / HQLA<sup>2</sup> PORTFOLIO (DEC-20, €) (€ BN) (DEC-20, %) 20.4 22.1<sub>bn</sub> 3.2 0.3 8.0 (2) Note: HQLA - High Quality Liquid Assets 2021 2022 2023 >=2024

<sup>(1)</sup> Figures excludes SAREB senior bonds (€4.5bn as of Dec-19, Sep-20 and Dec-20) and High Quality Liquid Assets portfolios (€11.1bn as of Dec-19, €20.2bn as of Sep-20 and €22.1bn as of Dec-20).

#### NII sensitivity to interest rates movements

# / ESTIMATED IMPACT ON NII IN THE NEXT 12 MONTHS TO PARALLEL INTEREST RATE MOVEMENTS

(%)



Note: NII sensitivities calculated as moving averages of the last 12 months' balance sheets as of Nov'20, using our dynamic internal model. Euro NII sensitivity to upward rates includes management levers regarding deposit cost and movements from demand deposits to time deposits. Euro NII sensitivity to downward rates according to the EBA's "parallel-down" shock scenario. Mexico NII sensitivity to downward rates also includes pricing management levers (MXN sensitivity -1.3%; USD sensitivity -0.5%).

#### Liquidity and funding ratios

#### / BBVA GROUP AND SUBSIDIARIES LCR & NSFR

(DEC-2020)

	BBVA GROUP	Euro	USA	Mexico	Turkey	S. America
LCR	149% (185%¹)	173%	144% <sup>2</sup>	196%	183%	All countries >100%
NSFR	127%	121%	126%	138%	154%	All countries >100%

<sup>(1)</sup> LCR of 149% does not consider the excess liquidity of the subsidiaries outside the Eurozone. If these liquid assets are considered the ratio would reach 185%

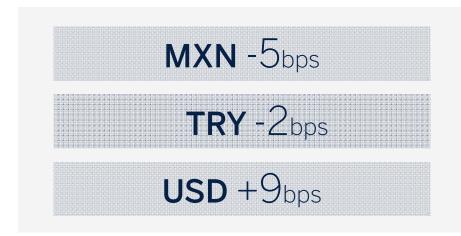
<sup>(2)</sup> BBVA USA LCR calculated according to local regulation (Fed Modified LCR).



# 10 CET1 sensitivity to market impacts

## **CET1** Sensitivity to Market impacts<sup>1</sup>

## **TO A 10% CURRENCY DEPRECIATION** (DEC-20)



#### / TO A 10% DECLINE IN TELEFONICA SHARE PRICE (DEC-20)

-2bps

TO +100 BPS MOVEMENT IN THE SPANISH SOVEREIGN BOND (DEC-20)

-16bps



11 CET1 YTD & RWAs by business area

#### **Capital YTD Evolution**

#### / CET1 FULLY-LOADED - BBVA GROUP

YTD EVOLUTION (%, BPS)



<sup>(\*)</sup> Includes mainly: RWAs evolution in constant euros, frontloading of regulatory impacts (-25 bps), impact from new treatment of software (+19 bps) and impact from the JV with Allianz (+7 bps).

## Risk-Weighted Assets by business areas

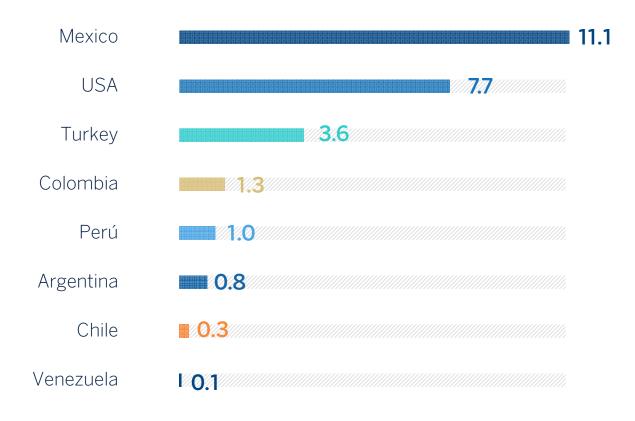
	Fully-Loaded RWAs		
Breakdown by business area (€m)	Dec-20	Sep-20	Dec-19
Spain	104,388	106,859	104,911
USA	60,365	63,021	65,170
Turkey	53,021	50,131	56,642
Mexico	60,797	53,443	59,299
South America	39,804	40,087	45,413
Argentina Chile Colombia Peru	5,685 1,575 13,095 15,845	5,987 2,141 12,080 16,439	6,093 1,859 14,172 19,293
Others  Dark of Francis	3,604	3,440	3,995
Rest of Eurasia  Corporate Center	18,249 16,055	18,855 11,819	17,989 15,520
BBVA Group	352,679	344,215	364,942



# Book Value of the main subsidiaries

#### Book Value of the main subsidiaries<sup>1,2</sup>

#### € BN, DEC-20



<sup>(1)</sup> Includes the initial investment + BBVA's undistributed results + FX impact + other valuation adjustments. The Goodwill associate to each subsidiary has been deducted from its Book Value.

<sup>(2)</sup> Turkey includes the Garanti Group.

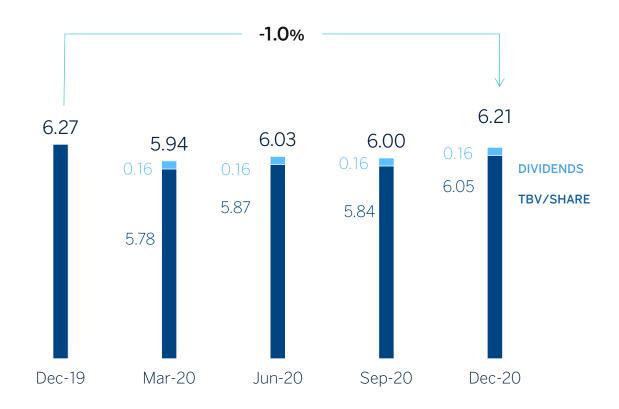


# TBV per share and dividends evolution

# Shareholders' return: TBV per share and dividends

#### / TBV PER SHARE & DIVIDENDS

(€ PER SHARE)





14
Garanti BBVA:
wholesale funding

#### **Turkey – Liquidity & funding sources**

#### Solid liquidity position:

- Total LTD ratio is at 93.5%, decreasing by -2.2 p.p in 4Q20 driven by a decrease both in TRY and FC LtD
- Foreign currency loans decreased by USD 0.4 Bn to c. USD 12.6 Bn in 4Q20
- Liquidity ratios above requirements: Liquidity Coverage Ratio (EBA) of 183% vs ≥100% required in 4Q20
- **Limited external wholesale funding:** USD 8.0 Bn

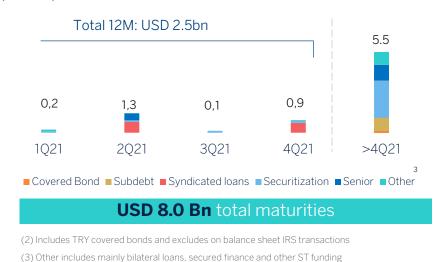
#### FC liquidity buffers

- Short Term Swaps
- Unencumbered FC securities
- FC Reserves under ROM¹
- Money Market Placements

#### c. USD 12.5 Bn FC liquidity buffer

Note-1: All figures are Bank-only, as of Dec 2020 Note-2: Total Liquidity Buffer (FC and TRY) is at c. USD 11.2 Bn (1) ROM: Reserve Option Mechanism

## External wholesale funding maturities<sup>2</sup> (USD Bn)



Ample liquidity buffers and limited wholesale funding maturities in 2021



# Argentina: hyperinflation adjustment

<b>Profit &amp; Loss</b>	12M20	Hyperinflation	12M20
(€m)	(reported)	adjustment	Ex. Hyperinflation
Net Interest Income	779	109	670
Net Fees and Commissions	121	14	107
Net Trading Income	142	11	131
Other Income & Expenses	-302	-243	-59
Gross Income	740	-110	849
Operating Expenses	-396	-75	-321
Operating Income	343	-185	528
Impairment on Financial Assets (net)	-105	-10	-95
Provisions (net) and other gains (losses)	-30	-2	-28
Income Before Tax	209	-197	405
Income Tax	-82	40	-122
Non Controlling Interest	-38	53	-91
Net Attributable Profit	89	-104	193



# 16Digital salesbreakdown

#### Outstanding trend in digital sales

(% OF TOTAL SALES YTD, # OF TRANSACTIONS AND PRV1)



BBVA