

# Fixed Income Presentation 3Q20

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Creating Opportunities

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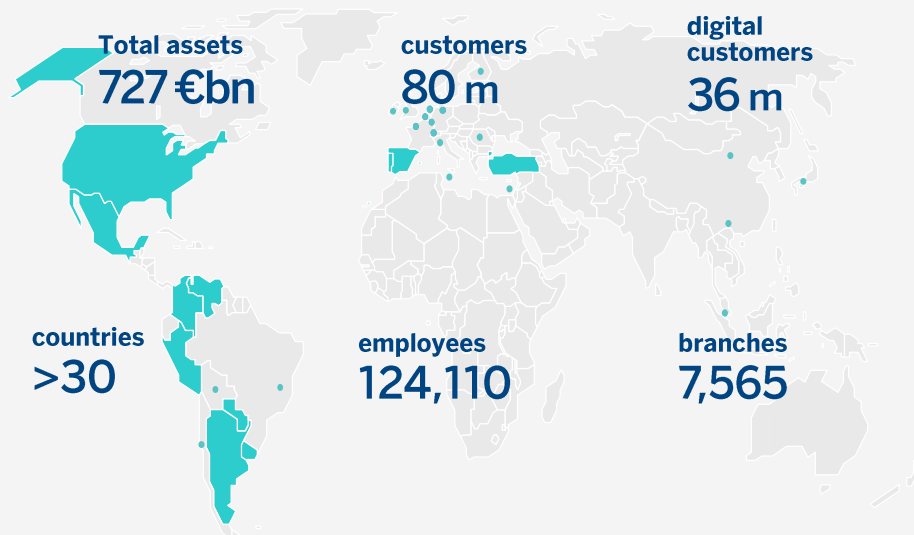
01

# About BBVA

# About BBVA

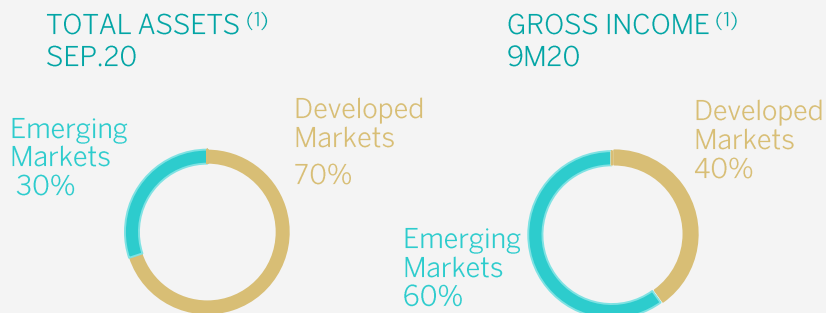
## BBVA'S GLOBAL PRESENCE

SEP.20



## DIVERSIFICATION UNDER A DECENTRALIZED MODEL

SEP.20



(1) Figures exclude the Corporate Center

Well-diversified footprint with **leading franchises**.

**Decentralized model:** self-sufficient subsidiaries in terms of capital and liquidity management. No liquidity transfers.

OUR PURPOSE “ To bring the age of opportunity to everyone ”

## STRATEGIC PRIORITIES



Improving our **client's financial health**



Reaching **more clients**



The best and most **engaged team**



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



Operational **excellence**



**Data and Technology**

02

# BBVA's strengths

# We face 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

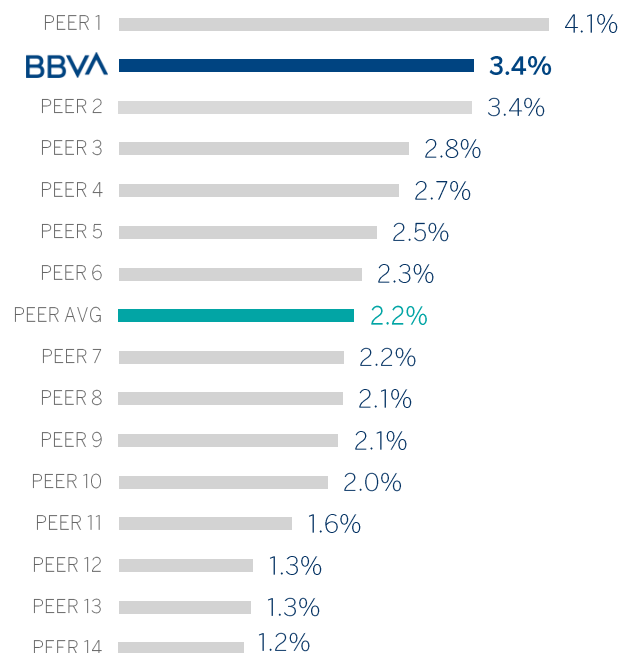
# Resilient Operating Income

# A proven track record of earnings resilience and low volatility...

## STRONG AND LOW VOLATILE OPERATING INCOME...

### / OPERATING INCOME/ RWAS

2008-9M20 annualized (average, %)



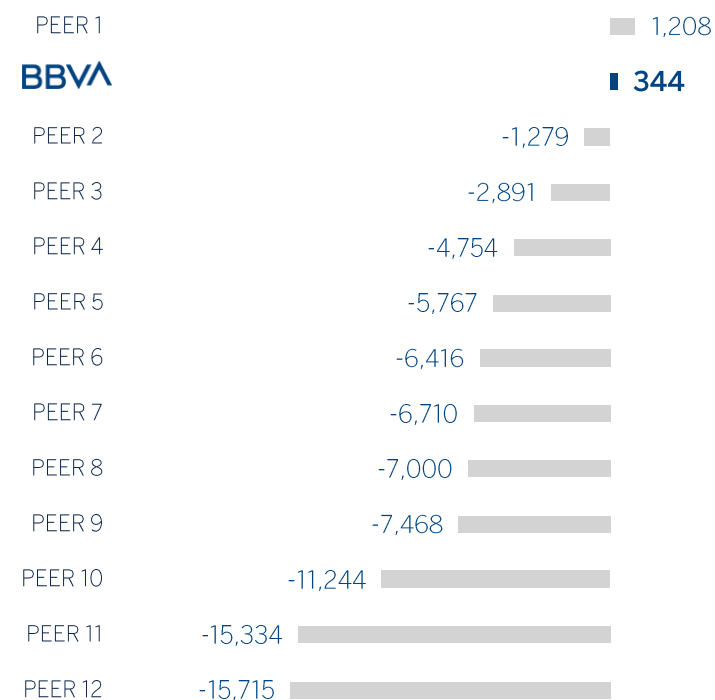
### VOLATILITY - STANDARD DEVIATION

BBVA **±0.4%** European Peers **±0.8%**

## ...EVEN UNDER STRESSED SCENARIOS

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

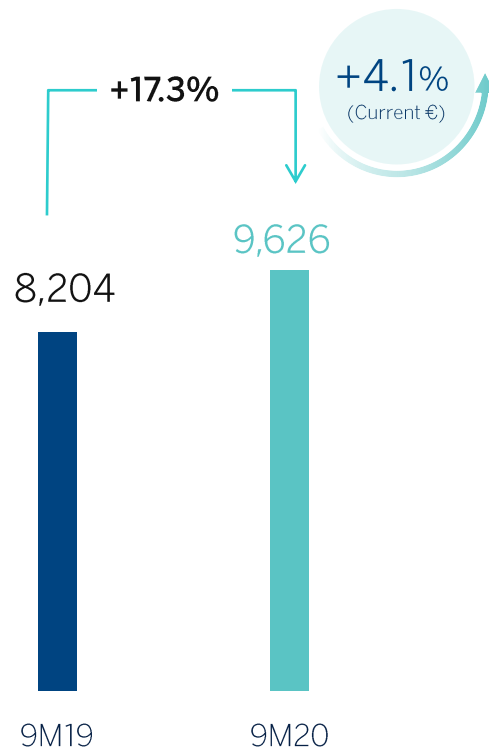
(Cumulative € MN)



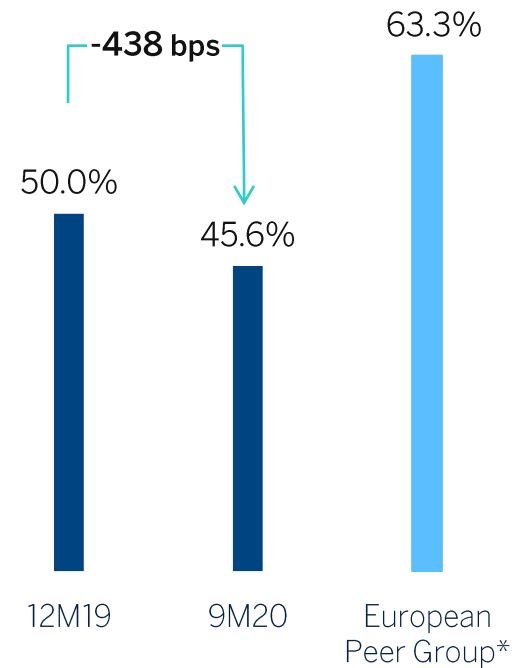
European peers subject to EBA ST: BARC, BNPP, CASA, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UCG.

# ... a trend that has been maintained in 9M20...

## / OPERATING INCOME (%; € Constant)

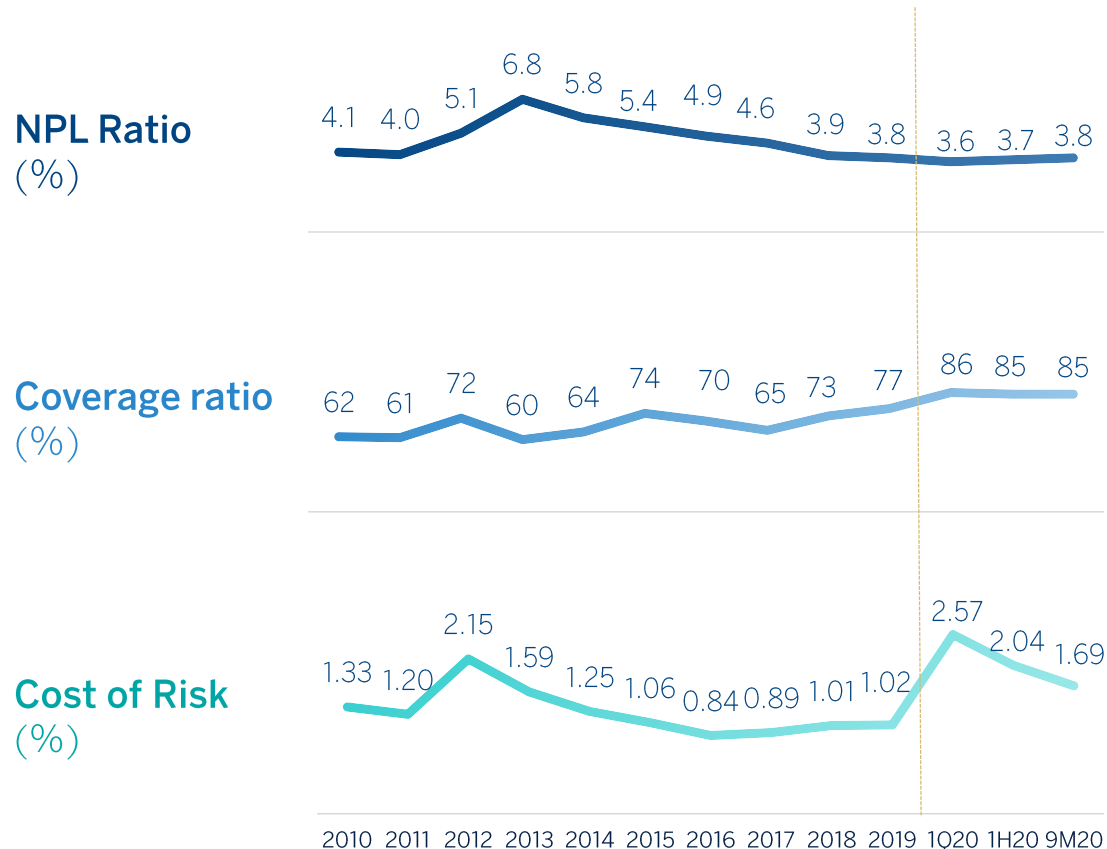


## / EFFICIENCY RATIO (%; € Constant)



\*European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCG

# ...with a continued prudent and proactive risk management



## RISK FRAMEWORK

A Risk Management Model based on prudence and proactivity

## RISK MANAGEMENT GOAL

To preserve the Group's solvency, support its strategy and ensure business development

Note: Data since 2018 under IFRS9 standards and 2017 figures under IAS 39. NPL ratio from 2017 onwards is calculated excluding repos (the rest of the series have not been restated)

We maintain our recently improved 2020 CoR guidance in the range of 150-160 bps

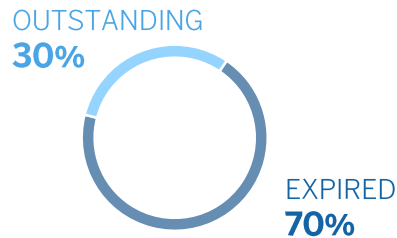
# Deferrals' payment evolution better than expected

## / TOTAL LOAN DEFERRALS GRANTED

(YTD SEP. 30, 2020; %)

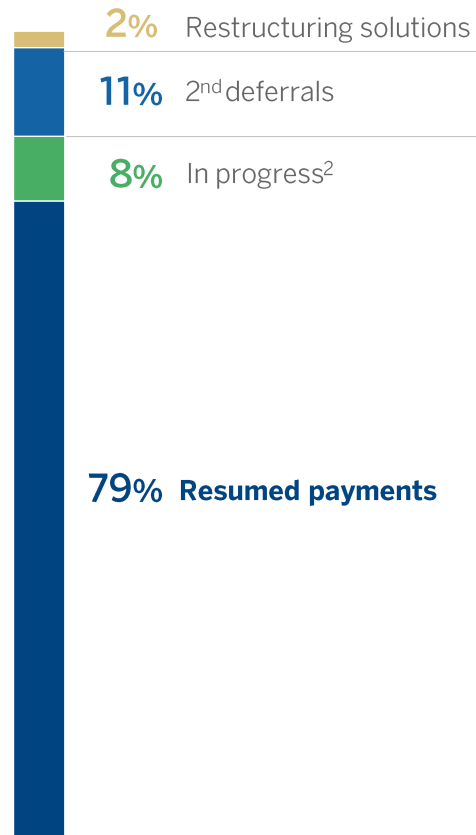


WHOLESALE  
34% | Most remaining wholesale  
deferrals will expire in 4Q20



## / EXPIRED LOAN DEFERRALS PAYMENT BEHAVIOR

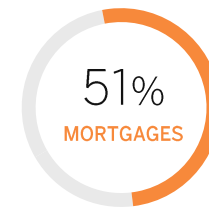
(YTD SEP. 30, 2020; %)



## / 2<sup>ND</sup> DEFERRALS BREAKDOWN

(YTD SEP. 30, 2020; %)

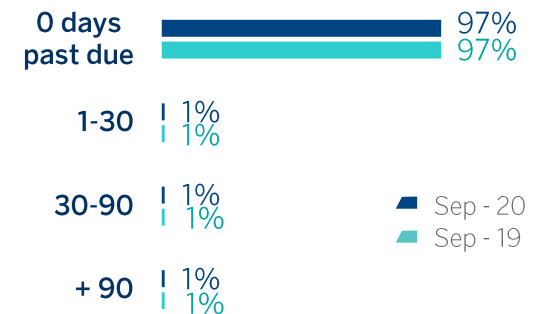
More than half are  
related to mortgages



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

(%)

Delinquency buckets  
show resiliency



Note: data according to management information; includes loans that have been cancelled.

(1) Data under EBA criteria as of September 30<sup>th</sup>. (2) Settlement or adhesion to a new financing solution or partial payments (partial payments excluding Mexico). (3) Retail portfolio excludes USA, Argentina, Uruguay and Venezuela.



Creating Opportunities

# Business Areas

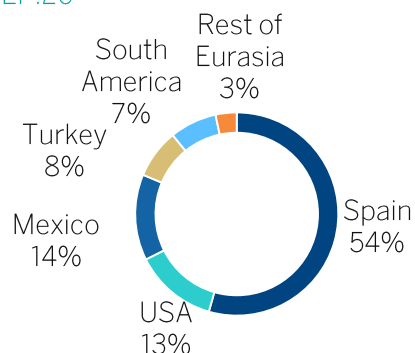


# A well-diversified footprint with leadership positioning

## / BREAKDOWN BY BUSINESS AREA

### TOTAL ASSETS <sup>(1)</sup>

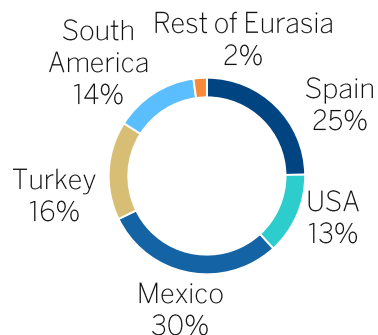
SEP.20



**70%**  
Developed Markets

### GROSS INCOME <sup>(1)</sup>

9M20



**40%**  
Developed Markets

## / LEADERSHIP POSITIONING

MARKET SHARE (%) AND RANKING <sup>(2)</sup>

**SPAIN #3**

**13.3%**

**USA (Sunbelt) #4**

**5.9%**

**TURKEY #2**

**17.7%**

**MEXICO #1**

**23.2%**

**SOUTH AMERICA**

**Colombia #4**

**10.3%**

**Peru #2**

**21.2%**

**Argentina #3**

**8.2%**

(1) Percentages exclude Corporate Center

(2) Loans market shares except for USA (Deposits). **Spain** based on BoS (Aug'20) and ranking (Jun'20) by AEB and CECA; **Mexico** data as of Aug'20 (CNBV); **South America** (June'20 for Argentina Jul'20 for Colombia and Aug'20 for Peru). 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 Sep'20 and ranking as of June'20)



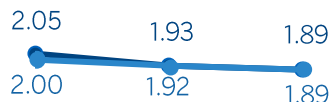
# Spain

| Profit & Loss                     |       | Δ (%)   |         | 9M20   | Δ (%)   |
|-----------------------------------|-------|---------|---------|--------|---------|
| (€m)                              | 3Q20  | vs 2Q20 | vs 3Q19 |        | vs 9M19 |
| Net Interest Income               | 882   | -4.1    | -1.8    | 2,675  | 0.5     |
| Net Fees and Commissions          | 441   | 0.3     | -0.2    | 1,349  | 4.8     |
| Net Trading Income                | 51    | -50.7   | 74.4    | 217    | 78.3    |
| Other Income & Expenses           | 107   | n.s.    | 2.2     | 141    | -20.3   |
| Gross Income                      | 1,482 | 6.3     | 0.5     | 4,382  | 3.2     |
| Operating Expenses                | -748  | -0.4    | -8.0    | -2,277 | -6.7    |
| Operating Income                  | 734   | 14.1    | 10.9    | 2,105  | 16.6    |
| Impairment on Financial Assets    | -192  | -13.6   | 65.8    | -1,075 | n.s.    |
| Provisions & other gains (losses) | -65   | -35.3   | -22.0   | -430   | 58.8    |
| Income Before Tax                 | 476   | 48.8    | 3.1     | 600    | -59.7   |
| Income Tax                        | -124  | 35.9    | -5.7    | -158   | -62.6   |
| Net Attributable Profit           | 352   | 54.2    | 6.5     | 440    | -58.7   |

## KEY RATIOS

### CUSTOMER SPREAD (%)

#### Yield on loans



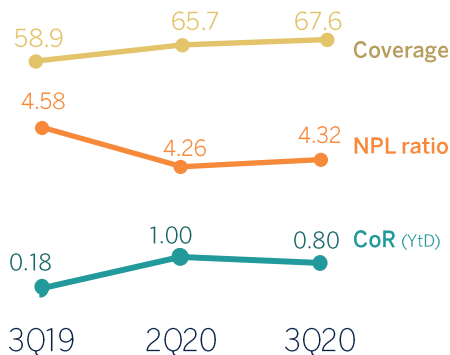
#### Customer spread



#### Cost of deposits

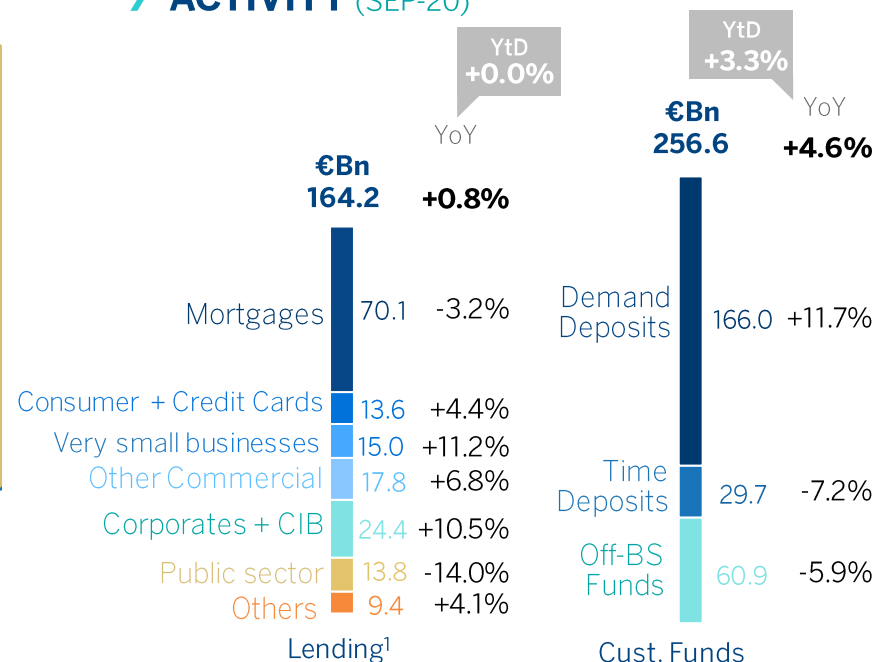


### ASSET QUALITY RATIOS (%)



Note: CoR 3Q19 YTD ex mortgage portfolio sale in 2Q19.

## ACTIVITY (SEP-20)



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

- Loans: +0.8% YoY driven by commercial segments, supported by State guaranteed loans in 2Q, offsetting the deleverage in mortgages and public sector.
- Strong revenue growth (+3.2% YoY in 9M20), driven by fees (+4.8%) and NTI.
- Remarkable decrease in Opex, exceeding expectations.
- Pre-provision profit growing at mid-teens (+16.6% YoY in 9M20).
- Asset quality improvement: CoR improving trend, aligned with guidance. Best in class coverage, up +2pp in 3Q.



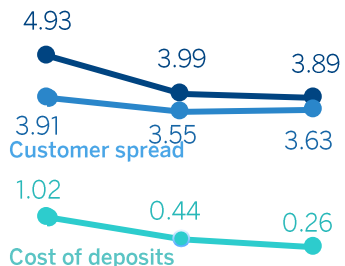
# USA

| <b>Profit &amp; Loss</b><br>(€m constant) |             | <b>Δ Constant (%)</b> |                | <b>Δ Current</b> |                    | <b>Δ Constant</b>  |
|-------------------------------------------|-------------|-----------------------|----------------|------------------|--------------------|--------------------|
|                                           | <b>3Q20</b> | <b>vs 2Q20</b>        | <b>vs 3Q19</b> | <b>9M20</b>      | <b>vs 9M19 (%)</b> | <b>vs 9M19 (%)</b> |
| <b>Net Interest Income</b>                | <b>599</b>  | <b>4.8</b>            | <b>2.2</b>     | <b>1,708</b>     | <b>-5.8</b>        | <b>-5.5</b>        |
| Net Fees and Commissions                  | 174         | 11.4                  | 4.6            | 503              | 2.9                | 3.3                |
| Net Trading Income                        | 31          | -42.6                 | -46.0          | 176              | 27.0               | 28.8               |
| Other Income & Expenses                   | -3          | -55.2                 | n.s.           | -13              | n.s.               | n.s.               |
| <b>Gross Income</b>                       | <b>802</b>  | <b>3.3</b>            | <b>-1.4</b>    | <b>2,374</b>     | <b>-2.8</b>        | <b>-2.4</b>        |
| Operating Expenses                        | -475        | 5.4                   | -2.4           | -1,414           | -2.8               | -2.5               |
| <b>Operating Income</b>                   | <b>327</b>  | <b>0.4</b>            | <b>-0.1</b>    | <b>960</b>       | <b>-2.8</b>        | <b>-2.4</b>        |
| Impairment on Financial Assets            | -247        | 34.7                  | 109.8          | -848             | 108.9              | 109.1              |
| Provisions & other gains (losses)         | 23          | n.s.                  | 128.2          | 5                | -5.1               | 5.7                |
| <b>Income Before Tax</b>                  | <b>103</b>  | <b>-17.3</b>          | <b>-53.0</b>   | <b>117</b>       | <b>-80.0</b>       | <b>-79.9</b>       |
| Income Tax                                | -13         | 1,042.4               | -69.2          | -3               | -97.7              | -97.7              |
| <b>Net Attributable Profit</b>            | <b>90</b>   | <b>-27.1</b>          | <b>-49.2</b>   | <b>115</b>       | <b>-75.9</b>       | <b>-75.8</b>       |

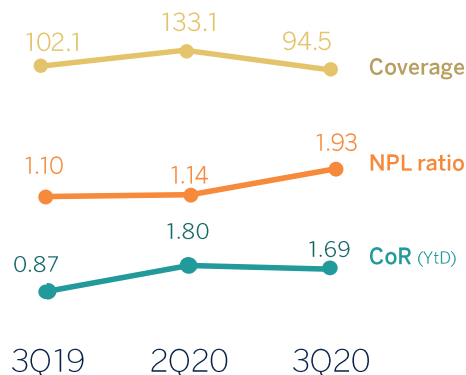
## KEY RATIOS

### CUSTOMER SPREAD (%)

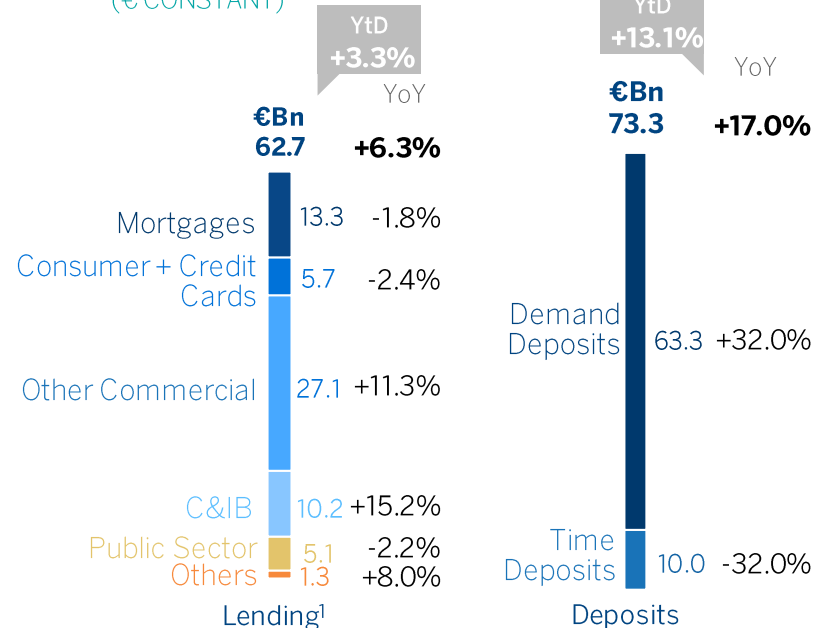
#### Yield on loans



### ASSET QUALITY RATIOS (%)



## ACTIVITY (SEP-20) (€ CONSTANT)



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

- Loans: +6.3% YoY driven by commercial portfolios due to the use of credit lines and State guaranteed loans, slowing down in 3Q.
- Deposit mix and cost improvement. Demand deposits representing >86% of total deposits and + 18 bps QoQ improvement in cost of deposits.
- Core revenue growth: +6.2% QoQ, improving trend.
- Significant cost reduction: -2.4% YoY in 3Q.
- Asset Quality: CoR downward trend continues, in line with guidance. NPL ratio up due to rating downgrades in the commercial portfolio.



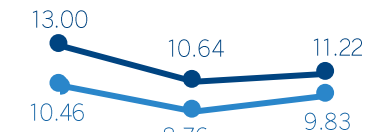
# Mexico

| Profit & Loss<br>(€m constant)    | 3Q20         | Δ Constant (%) |             | 9M20         | Δ Current<br>vs 9M19 (%) | Δ Constant<br>vs 9M19 (%) |
|-----------------------------------|--------------|----------------|-------------|--------------|--------------------------|---------------------------|
|                                   |              | vs 2Q20        | vs 3Q19     |              |                          |                           |
| <b>Net Interest Income</b>        | <b>1,392</b> | <b>11.1</b>    | <b>1.6</b>  | <b>4,036</b> | <b>-12.2</b>             | <b>-0.4</b>               |
| Net Fees and Commissions          | 267          | 15.1           | -8.2        | 766          | -19.5                    | -8.7                      |
| Net Trading Income                | 105          | -32.3          | 12.6        | 330          | 36.9                     | 55.3                      |
| Other Income & Expenses           | 13           | -41.7          | -22.3       | 99           | -18.0                    | -7.0                      |
| <b>Gross Income</b>               | <b>1,777</b> | <b>6.9</b>     | <b>0.4</b>  | <b>5,231</b> | <b>-11.5</b>             | <b>0.4</b>                |
| Operating Expenses                | -574         | 0.1            | -2.3        | -1,742       | -11.0                    | 0.9                       |
| <b>Operating Income</b>           | <b>1,203</b> | <b>10.5</b>    | <b>1.7</b>  | <b>3,489</b> | <b>-11.8</b>             | <b>0.1</b>                |
| Impairment on Financial Assets    | -392         | -40.6          | 6.1         | -1,749       | 41.3                     | 60.3                      |
| Provisions & other gains (losses) | 14           | n.s.           | n.s.        | -48          | 238.4                    | 283.9                     |
| <b>Income Before Tax</b>          | <b>825</b>   | <b>118.9</b>   | <b>2.0</b>  | <b>1,692</b> | <b>-37.4</b>             | <b>-29.0</b>              |
| Income Tax                        | -257         | 242.4          | 21.6        | -487         | -33.9                    | -25.0                     |
| <b>Net Attributable Profit</b>    | <b>567</b>   | <b>88.1</b>    | <b>-4.9</b> | <b>1,204</b> | <b>-38.7</b>             | <b>-30.5</b>              |

## KEY RATIOS

### CUSTOMER SPREAD (%)

#### Yield on loans



#### Customer spread



#### Cost of deposits

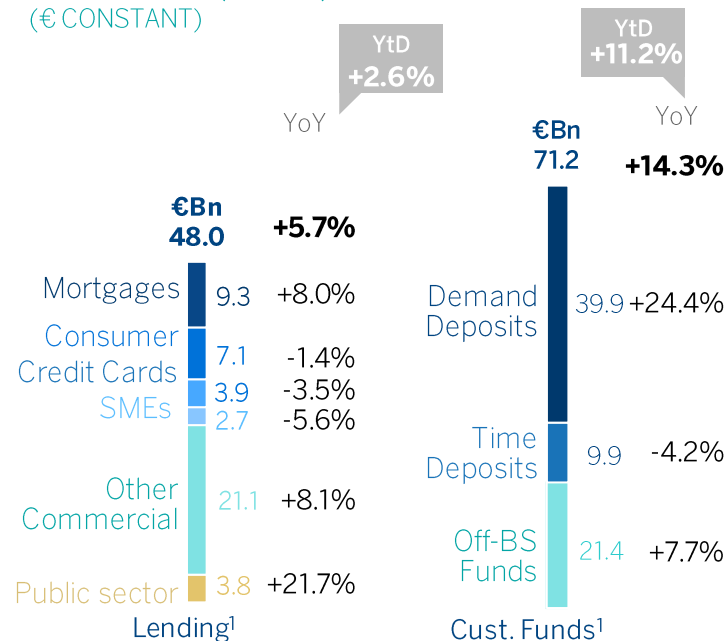
3Q19 2Q20 3Q20

### ASSET QUALITY RATIOS (%)



3Q19 2Q20 3Q20

## ACTIVITY (SEP-20) (€ CONSTANT)



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

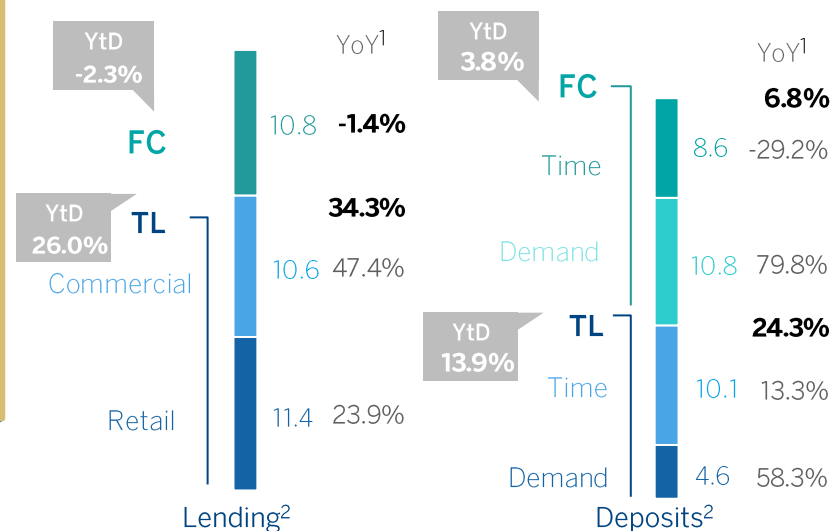
- Loans: +5.7% YoY driven by commercial segments (drawdown of credit lines in 1Q) and mortgages.
- Significant P&L recovery vs. 2Q20 explained by core revenue growth, opex control and lower provisions.
- Customer spread up 107 bps QoQ. Deposit costs decreased -48 bps and loan yield up +58 bps, as deferrals on SMEs and credit cards expired.
- Costs under control: -2.3% YoY in 3Q
- Asset quality improving: CoR improvement after 1H provision frontloading, aligned with updated guidance.



# Turkey

| Profit & Loss<br>(€m constant)    | 3Q20         | Δ Constant (%) |              | 9M20         | Δ Current<br>vs 9M19 (%) | Δ Constant<br>vs 9M19 (%) |
|-----------------------------------|--------------|----------------|--------------|--------------|--------------------------|---------------------------|
|                                   |              | vs 2Q20        | vs 3Q19      |              |                          |                           |
| <b>Net Interest Income</b>        | <b>774</b>   | <b>7.8</b>     | <b>37.9</b>  | <b>2,218</b> | <b>9.3</b>               | <b>31.0</b>               |
| Net Fees and Commissions          | 143          | 39.6           | -8.1         | 391          | -28.5                    | -14.3                     |
| Net Trading Income                | 87           | 44.9           | n.s.         | 206          | n.s.                     | n.s.                      |
| Other Income & Expenses           | 21           | 94.1           | 255.6        | 51           | 38.6                     | 66.1                      |
| <b>Gross Income</b>               | <b>1,024</b> | <b>15.0</b>    | <b>41.7</b>  | <b>2,866</b> | <b>12.5</b>              | <b>34.8</b>               |
| Operating Expenses                | -262         | 3.0            | 8.0          | -792         | -10.7                    | 7.0                       |
| <b>Operating Income</b>           | <b>762</b>   | <b>19.8</b>    | <b>58.8</b>  | <b>2,075</b> | <b>24.9</b>              | <b>49.6</b>               |
| Impairment on Financial Assets    | -97          | -56.6          | -62.0        | -680         | 5.5                      | 26.4                      |
| Provisions & other gains (losses) | -13          | -67.6          | 15.9         | -70          | 103.2                    | 143.5                     |
| <b>Income Before Tax</b>          | <b>651</b>   | <b>75.2</b>    | <b>206.3</b> | <b>1,325</b> | <b>34.9</b>              | <b>61.6</b>               |
| Income Tax                        | -143         | 49.3           | 203.6        | -308         | 46.8                     | 76.0                      |
| Non-controlling Interest          | -257         | 83.5           | 203.5        | -515         | 30.9                     | 56.9                      |
| <b>Net Attributable Profit</b>    | <b>252</b>   | <b>84.8</b>    | <b>210.8</b> | <b>503</b>   | <b>32.4</b>              | <b>58.6</b>               |

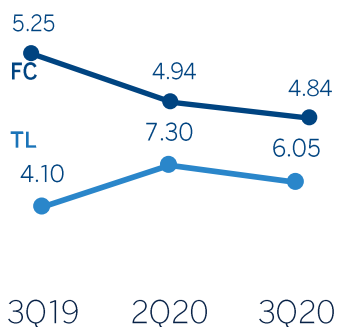
## / ACTIVITY (SEP-20) (€ CONSTANT; BANK ONLY)



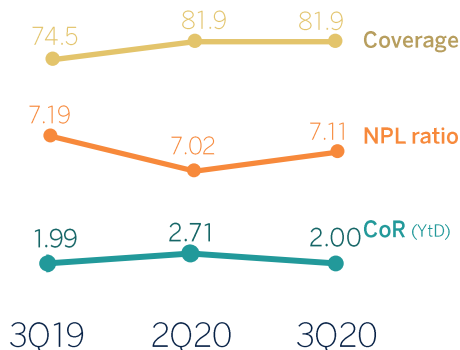
(1) FC evolution excluding FX impact. (2) Performing loans and deposits under management, excluding repos, according to local GAAP.

## / KEY RATIOS

### CUSTOMER SPREAD (%)



### ASSET QUALITY RATIOS (%)



- Loans: significant TL loan growth (+34% YoY), driven by commercial, but decelerating in 3Q.
- Robust operating income growth: +50% YoY in 9M20 supported by NII, NTI, and Opex control.
- NII +31% YoY in 9M20, explained by loan growth and the improvement in TL customer spread.
- Cost growth below average inflation (+11.5%).
- Significant CoR improvement due to the strong provision frontloading in 1H20 and a big ticket recovery in 3Q.



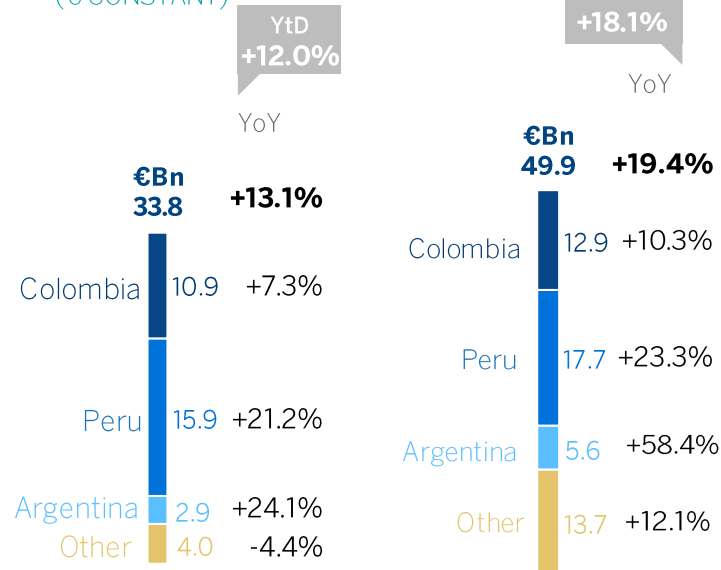
# South America

| Net Attributable Profit<br>(€m constant) |            | Δ Constant <sup>1</sup> (%) |             | 9M20       | Δ Current <sup>1</sup><br>vs 9M19 (%) | Δ Constant <sup>1</sup><br>vs 9M19 (%) |
|------------------------------------------|------------|-----------------------------|-------------|------------|---------------------------------------|----------------------------------------|
| 3Q20                                     |            | vs 2Q20                     | vs 3Q19     |            |                                       |                                        |
| Colombia                                 | 56         | 42.0                        | -7.7        | 103        | -48.1                                 | -40.6                                  |
| Peru                                     | 45         | 1,638.5                     | -15.3       | 76         | -50.1                                 | -48.1                                  |
| Argentina                                | 53         | n.s.                        | n.s.        | 84         | -28.2                                 | n.s.                                   |
| Other <sup>2</sup>                       | 28         | 132.2                       | -4.2        | 63         | -37.4                                 | -26.7                                  |
| <b>South America</b>                     | <b>182</b> | <b>111.8</b>                | <b>-2.1</b> | <b>326</b> | <b>-42.7</b>                          | <b>-30.1</b>                           |

(1) Venezuela in current €.

(2) Other includes BBVA Forum, Venezuela, Paraguay, Uruguay and Bolivia.

## ACTIVITY (SEP-20) (€ CONSTANT)



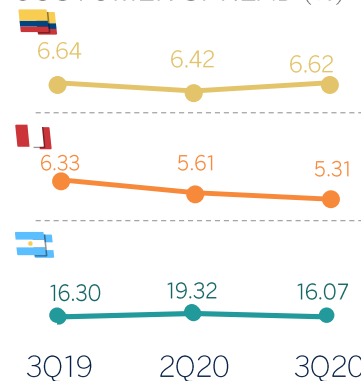
Lending<sup>1</sup>

Cust. Funds

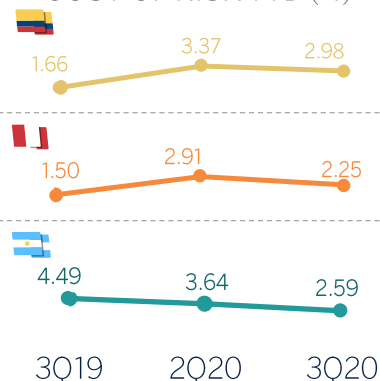
Note: Activity excludes repos. (1) Performing loans under management.

## KEY RATIOS

### CUSTOMER SPREAD (%)



### COST OF RISK YTD (%)



- **Colombia:** Solid core revenue growth, NTI and opex control as main P&L levers in 3Q. CoR improvement QoQ due to the strong provision frontloading in 1Q20 and high recoveries.
- **Peru:** Increased contribution vs. previous quarters explained by a lower CoR, impacted by a positive macro adjustment and revenue growth.
- **Argentina:** increased contribution due to provision releases in the fixed income portfolio in 3Q.

# Expected 2021 trends

According to our current  
macro expectations:

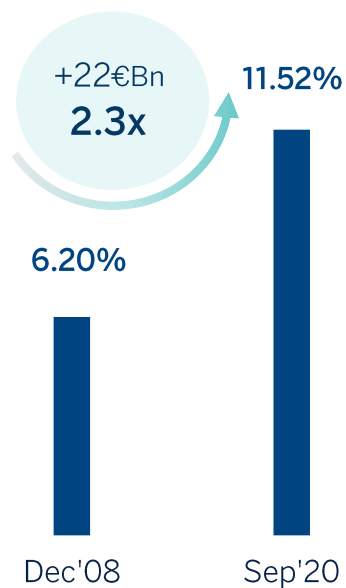
- Core revenue growth in constant euros
- Cost control as a key management priority
- CoR below 2020 level

# Sound capital position

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

## Ability to generate capital

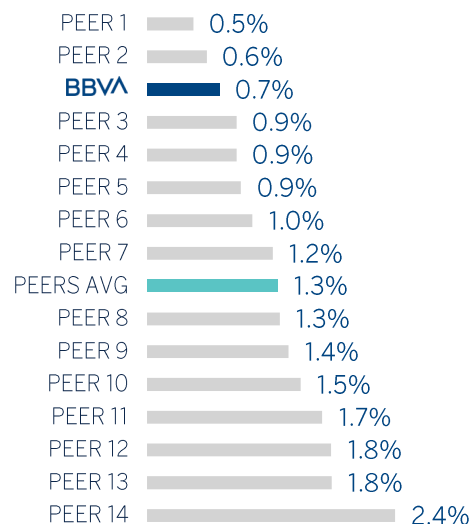
### CET1 FULLY-LOADED (%)



## Lower volatility

### CET1 RATIO VOLATILITY

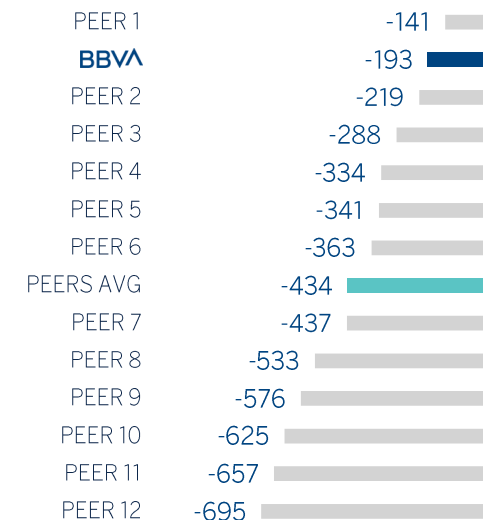
SEP.08 to SEP.20  
(Standard deviation, annual CET1 ratio variation)



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

## Superior resilience under stress

### EBA STRESS TEST 2018: ADVERSE SCENARIO CET1 FL 2020-2017 (Depletion, bps)

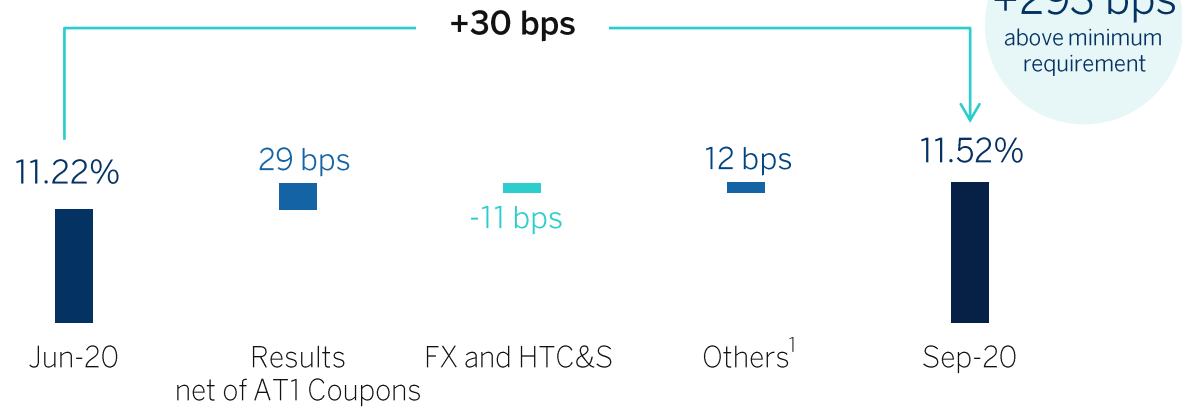


European peers subject to EBA ST: BARC, BNPP, CASA, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UCG.

# Strong capital generation

## / CET1 FULLY-LOADED

QUARTERLY EVOLUTION (% , bps)



## / CET1 PHASED-IN

SEP-20

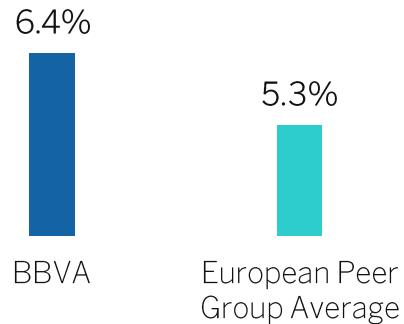
11.99%

+340 bps  
Regulatory distance to MDA

(1) Mainly coming from RWAs evolution in constant euros.

## / HIGH QUALITY CAPITAL- LEVERAGE RATIO FL

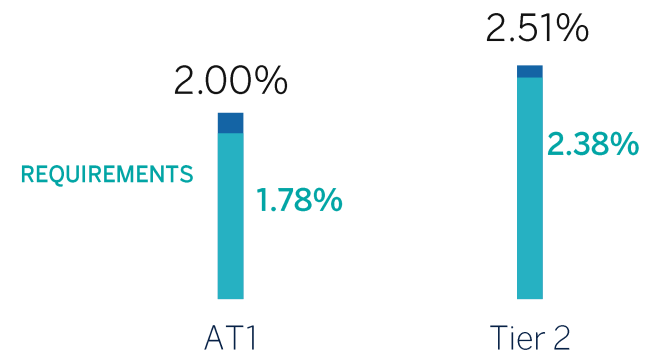
SEP-20



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

## / AT1 AND TIER 2 FL BUCKETS COVERED

SEP-20



CET1 above the target range of 225-275 bps

# CET1 ratio sensitivity to market movements <sup>(1)</sup>

## / TO CURRENCY DEPRECIATION

### BBVA GROUP FX HEDGING POLICY

#### CAPITAL

**POLICY** BBVA hedges c.70% of the excess capital (what is not naturally hedged by the ratio)

**GOAL** Reduce consolidated CET1 ratio volatility as a result of FX movements

#### P&L

**POLICY** BBVA hedges on average between 30%-50% of foreign subsidiaries expected net attributable profit

**GOAL** Reduce Net Attributable Profit volatility as a result of FX movements



### SENSITIVITY TO A 10% DEPRECIATION

(as of Nov 5th, 2020)

**MXN** -4.7 bps

**TRY** -3.1 bps

**USD** +9 bps



### 2020 NET ATTRIBUTABLE PROFIT FX HEDGING

(SEP.20)

**MEXICO:** c.90%

**TURKEY  
COLOMBIA  
PERU**

c.50%

-2 bps

## / TO A 10% DECLINE IN TEF SHARE PRICE

SEPT.20



## / TO +100 BPS MOVEMENT IN THE SPANISH SOVEREIGN BOND

SEPT.20

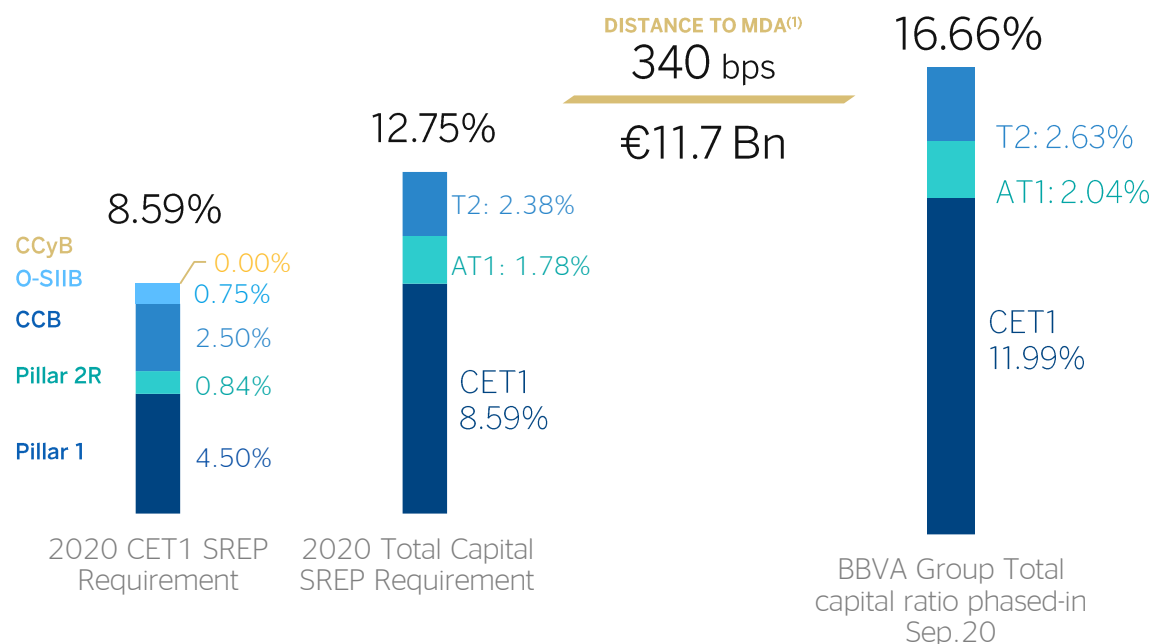


-15 bps

(1) CET1 sensitivity considering the FL capital ratio as of September 30th.

# Capital ratios well above requirements

## / 2020 SREP REQUIREMENT AND DISTANCE TO MDA AT GROUP LEVEL



- Well above 2020 Total Capital and CET1 SREP requirements
- Significant buffer to MDA: 340 bps
- Pro-forma buffer to MDA on a fully loaded basis<sup>(2)</sup>: 293 bps

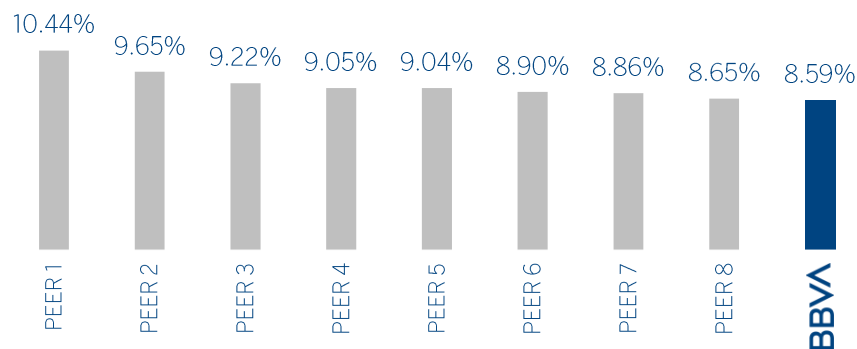
(1) 340 bps of Buffer to MDA = 11.99% Sep.20 CET1 phased-in ratio - 8.59% 2020 CET1 SREP Requirement

(2) Provided for information purposes as the distance to MDA is calculated based on phased-in ratios and these are the legally binding ones

# Lowest SREP requirement among peers

## / CET1 SREP REQUIREMENT

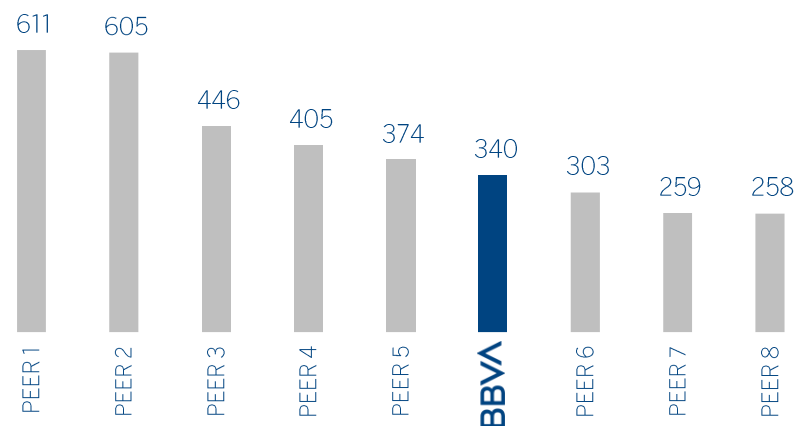
BASED ON 2020 REQUIREMENT POST P2R TIERING



- **BBVA has the lowest SREP requirement** among its European peers

## / DISTANCE TO MDA

SEP.20

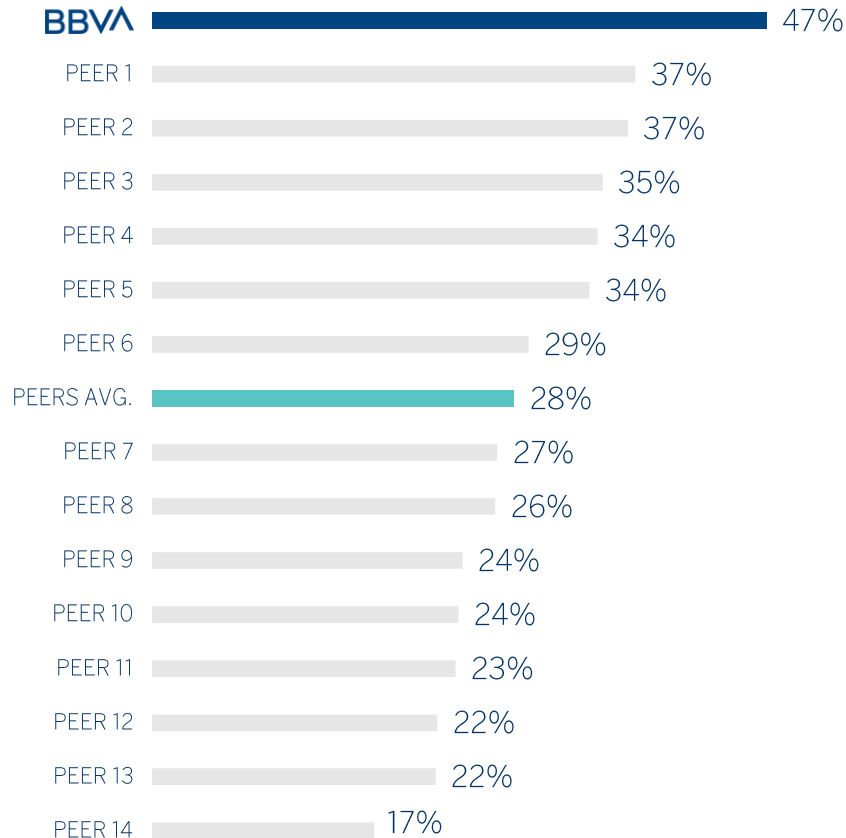


- **Ample buffer** over minimum requirements
- **Efficient capital** structure

# High quality capital

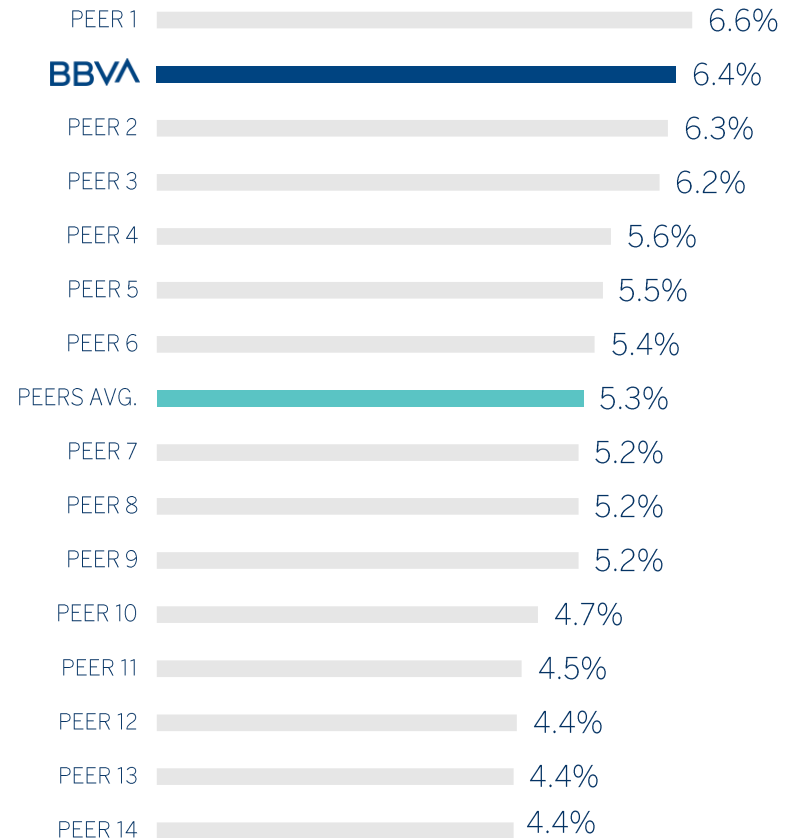
## / RWA / TOTAL ASSETS

SEP.20



## / LEVERAGE RATIO FULLY-LOADED

SEP.20



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

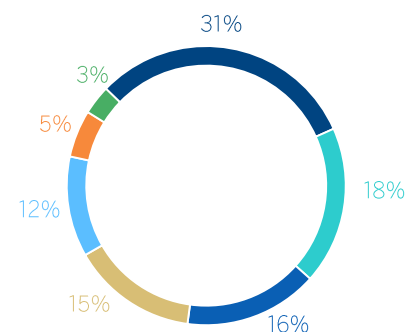
BBVA, leading the rankings in terms of RWAs density and leverage ratio

# BBVA Group RWA Distribution

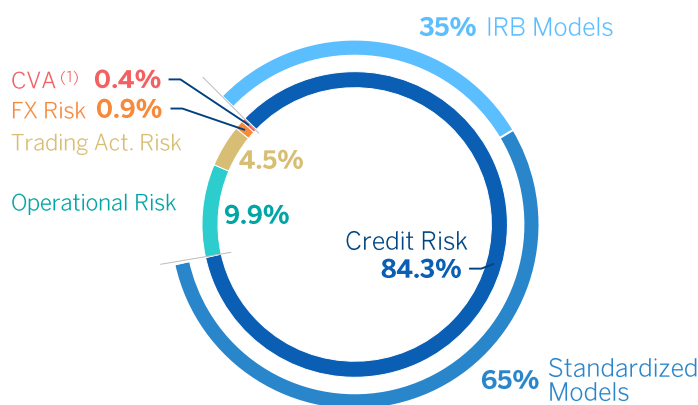
## / TOTAL RWAS FULLY-LOADED

SEP.20

344,220 €Mn



|                  |         |
|------------------|---------|
| Spain            | 107,046 |
| USA              | 63,021  |
| Mexico           | 53,443  |
| Turkey           | 50,131  |
| South America    | 40,087  |
| Rest of Eurasia  | 18,855  |
| Corporate Center | 11,637  |



- Optimizing Capital Allocation is part of BBVA's Strategic Priorities
- Limited usage of internal models in Credit Risk RWAs, mitigating potential impacts from future regulatory requirements

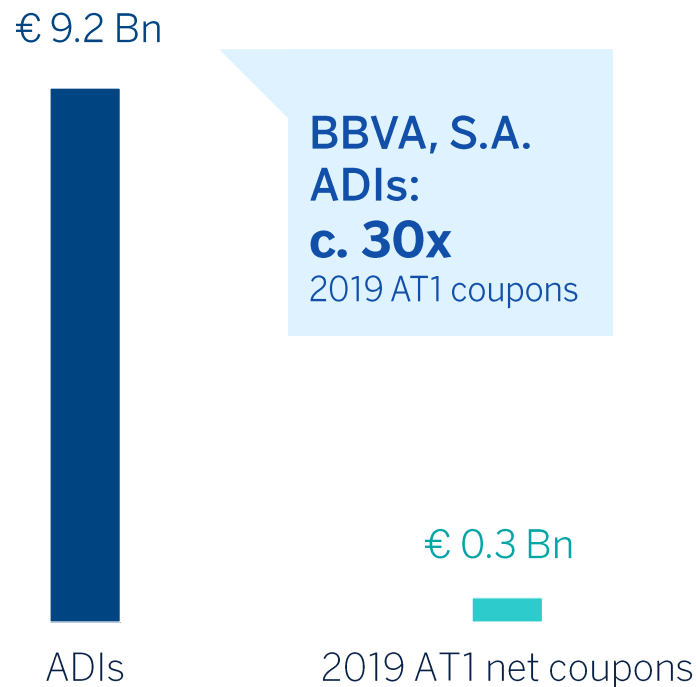
(1) Credit Valuation Adjustment.

Note: Distribution of RWAs by type of risk and Model based on 2Q20 Pillar III report.

# High level of Available Distributable Items (ADIs)

## / BBVA, S.A.- PARENT COMPANY

DEC.19, €BN



- Significant payment capacity from distributable items despite conservative calculation (Share Premium not included)
- Supported by sustainable profitability

Note: ADIs calculated at a parent company level (BBVA, S.A.) as: Net Income + Voluntary Reserves - 2019 Dividend - AT1 coupons. BBVA does not include within the ADIs figure the Share Premium (amounting to additional €24 Bn as of December 31<sup>st</sup>, 2019).

# Comfortable liquidity position

# Liquidity ratios well above 100% minimum requirements

## / BBVA GROUP LIQUIDITY AND FUNDING METRICS SEP.20

|      | Eurozone <sup>(2)</sup> | USA                 | Mexico | Turkey             | South America |
|------|-------------------------|---------------------|--------|--------------------|---------------|
| LTD  | 95%                     | 85%                 | 94%    | 96% <sup>(4)</sup> | 93%           |
| LCR  | 198%                    | 144% <sup>(3)</sup> | 191%   | 164%               | >100%         |
| NSFR | 120%                    | 124%                | 136%   | 144%               | >100%         |

LCR Group

**159%**

**196%** considering excess liquidity in subsidiaries

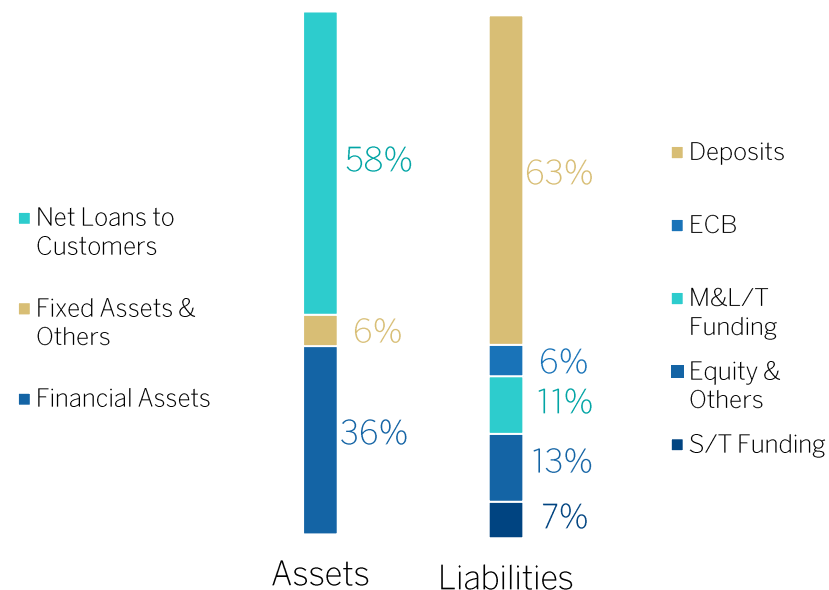
**HQLAs** (Sep.20, € Mn) <sup>(5)</sup>

|          |         |
|----------|---------|
| Level 1  | 124,670 |
| Level 2  | 3,165   |
| Level 2A | 943     |
| Level 2B | 2,222   |

NSFR Group

**127%**

## / BBVA GROUP LIQUIDITY BALANCE SHEET <sup>(1)</sup> SEP.20



(2) Perimeter: Spain+Rest of Eurasia. Liquidity Management Buffer: €99.5bn.

(3) Compass LCR calculated according to local regulation (Fed Modified LCR)

(4) Calculated at bank-only local level

(5) 12 month average of total HQLAs of the Group

(1) Management liquidity balance sheet (net of interbank balances and derivatives)

High liquidity standards promoting both short-term and long-term resilience

# BBVA guidelines for managing Liquidity & Funding

- Self-sufficient subsidiaries from a liquidity point of view, with robust supervision and control by parent company
- Retail profile of BBVA Group balance sheet with limited dependence on wholesale funding
- Parent and subsidiaries proven ability to access the wholesale funding markets (medium & long term) on a regular basis
- Ample high quality collateral available, compliant with regulatory liquidity requirements at a Group and subsidiary level

# Principles of BBVA Group's self-sufficient business model: Multiple Point of Entry



## Subsidiaries

- Self-sufficient balance-sheet management
- Own capital and liquidity management
- Market access with its own credit, name and rating
- Responsible for doing business locally



## Corporate Center

- Guidelines for capital and liquidity / ALCO supervision
- Common risk culture



## Advantages

- Liquidity and capital buffers in different balance sheets
- Improves risk assessment: imposes market discipline and proper incentives to reach sustainable credit growth
- It curtails the risk of contagion with proven resilience during downturns
- Absence of cross-funding or cross-subsidies
- Helps development of local capital markets
- Medium term orientation / consistent with retail banking
- Safeguards financial stability / proven resilience during the crisis

No liquidity transfers between the parent and subsidiaries or among subsidiaries

# Funding plan

# 2021 Funding Plan

**BBVA, S.A.**  
(€ bn)

**2020**  
Executed

**2021 Strategy** <sup>(1)</sup>  
(subject to market conditions)



BBVA, S.A. redeemable instruments in 2019/20 were called **at first reset date**

|        |     |                                                                                                                                                                                        |
|--------|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AT1    | 1.0 | Maintain both AT1 and T2 buckets fulfilled                                                                                                                                             |
| Tier 2 | 1.3 | T2 already endowed. Potential buffer on top of the requirement                                                                                                                         |
| SNP    | 1.4 | €2.5-3.5 bn of combination between SP-SNP, subject to market conditions and final supervisory expectations on MREL                                                                     |
| SP     | 2.8 | The Sep'17 €1.5bn SNP will start to lose eligibility; could be refinanced in the same format<br>Foreseeably we will execute the rest in SP format given our ample subordination buffer |
| CBs    | --  | No issuance expected                                                                                                                                                                   |

Subsidiaries: **Mexico & Turkey** 2021 Issuances subject to market conditions

## / MREL

- MREL Requirement: 15.16% TLOF / 28.50% RWA, by 1st Jan.21 (EU Resolution Group <sup>(2)</sup>)
- Minimum Subordination Requirement:
  - 9.18% TLOF / 17.25% RWA (8.01% and 15.05% post-allowance)
  - > 90% of MREL eligible with subordination > or = to SNP
- **Decision implementing the new framework is expected for early 2021**

We already  
**comply with MREL**  
requirement under the  
New Banking Package

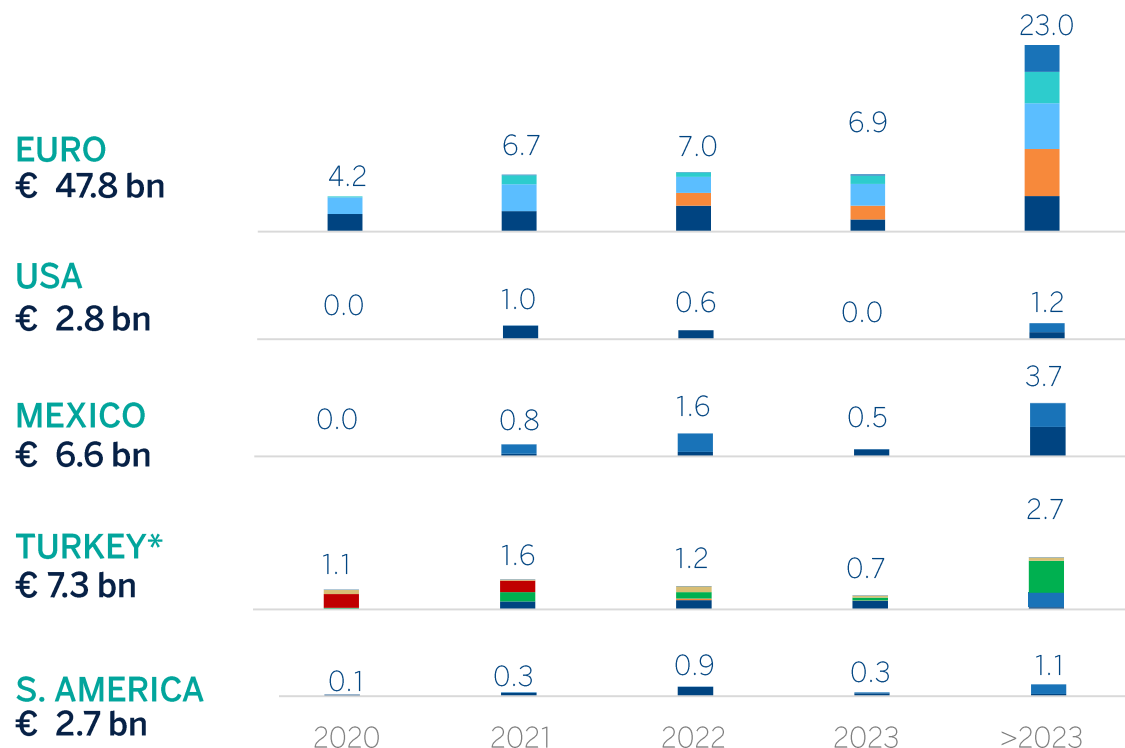
(1)Supervisory, Macro prudential and Resolution authorities' decisions on own funds, buffers and MREL requirements could trigger the amendment of the current funding plan

(2) BBVA Resolution Group consists on BBVA, S.A. and its subsidiaries that belong to the same European resolution group

# Broaden geographical diversification of access to market

## MEDIUM & LONG-TERM WHOLESALE FUNDING MATURITIES

SEP.20, €BN



Ability to access funding markets in all our main subsidiaries using a diversified set of debt instruments

■ Covered Bonds ■ Senior Debt ■ Senior Non Preferred ■ Subordinated ■ Preferred Shares / AT1 ■ Others ■ Securitization (Turkey) ■ Syndicated loans (Turkey)

\*Other in Turkey includes mainly bilateral loans, secured finance and other ST funding

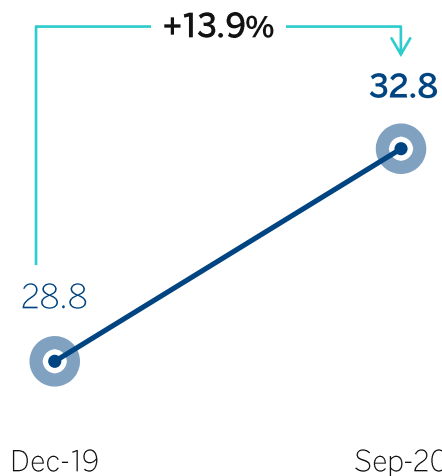
Outstanding amounts as of Sept.20: FX as of Sept.20: EUR = 1.17 USD; EUR = 26.18 MXN; EUR = 9.10 TRY

# Digital edge as a competitive advantage

# Leveraging digital capabilities to better serve our clients in this context

## / MOBILE CUSTOMERS

MILLION CUSTOMERS, %



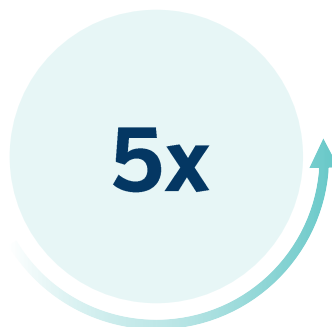
51.8%

57.2%

MOBILE PENETRATION

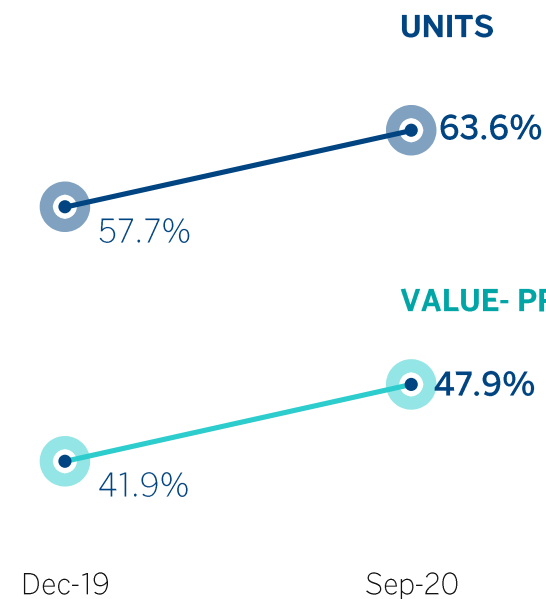
## / APP INTERACTIONS

QUARTERLY SERVICING TRANSACTIONS<sup>1</sup>  
(3Q20 VS 3Q19)



## / GROUP DIGITAL SALES

YTD, %



(1) Servicing transaction: any financial or non-financial transaction that does not involve new products purchasing (i.e. transfers, simulations, information requests, payments, etc). Considers servicing transactions through the app in Spain, Mexico, Turkey, Colombia, Peru and Argentina.

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

# Leading digital capabilities

## / BANKING APP MARKET SHARE (%)



**BBVA** 22.2%

PEER 1 21.4%

PEER 2 14.7%

PEER 3 14.4%

PEER 4 12.5%

PEER 5 10.9%

PEER 6 6.6%

PEER 7 6.3%



BBVA ranked  
#1 in DIY<sup>1</sup>  
**90%**  
vs. 68% peers  
average

Source: Smartme Analytics. Banks analyzed: BANKIA, BBVA, CAIXABANK, IMAGINBANK, ING, OPENBANK, SABADELL and SANTANDER. Market share calculated as the percentage of banking app users that used each of the banking apps. Market share data as of 3Q20. DIY results as of June 2020 Smartme Analytics' Individuals Functionalities report.

(1) DIY: Do-It-Yourself.

## / E-COMMERCE MARKET SHARE (%)



**BBVA** 38.7%

PEER 1 23.9%

PEER 2 13.1%

PEER 3 5.4%

PEER 4 4.6%

PEER 5 3.4%

Other 10.9%

Source: BBVA acquiring business including Openpay and Adquiria/Flap. E-commerce approved transactions using credit & debit cards. Banks analyzed: BANORTE, BANCOPPEL, BBVA, CITIBANAMEX, HSBC, SANTANDER and others. Data as of 9M20.

03

# Ratings

# BBVA S.A. Ratings <sup>(1)</sup>

## BBVA LONG TERM SENIOR UNSECURED RATINGS

|                |                                                    |                 |
|----------------|----------------------------------------------------|-----------------|
| <b>Moody's</b> | Stable outlook<br>(Jun. 19 <sup>th</sup> , 2019)   | <b>A3</b>       |
| <b>S&amp;P</b> | Negative outlook<br>(Apr. 29 <sup>th</sup> , 2020) | <b>A-</b>       |
| <b>Fitch</b>   | Stable outlook<br>(Jun. 22 <sup>nd</sup> , 2020)   | <b>A-</b>       |
| <b>DBRS</b>    | Stable outlook<br>(Apr. 1 <sup>st</sup> , 2020)    | <b>A (High)</b> |

## BBVA RATINGS BY TYPE OF INSTRUMENT

|                            | Moody's          | S&P              | Fitch            | DBRS                |
|----------------------------|------------------|------------------|------------------|---------------------|
| Investment<br>grade        | Aaa              | AAA              | AAA              | <b>AAA CB</b>       |
|                            | <b>Aa1 CB</b>    | <b>AA+ CB</b>    | AA+              | AA (H)              |
|                            | Aa2              | AA               | AA               | AA                  |
|                            | Aa3              | AA-              | AA-              | AA (L)              |
|                            | A1               | A+               | A+               | <b>A (H) Senior</b> |
|                            | A2               | A                | A                | A                   |
|                            | <b>A3 Senior</b> | <b>A- Senior</b> | <b>A- Senior</b> | <b>A (L) T2</b>     |
|                            | Baa1             | <b>BBB+ SNP</b>  | <b>BBB+ SNP</b>  | BBB (H)             |
|                            | <b>Baa2 SNP</b>  | <b>BBB T2</b>    | BBB              | BBB                 |
|                            | <b>Baa3 T2</b>   | BBB-             | <b>BBB- T2</b>   | BBB (L)             |
| Non<br>Investment<br>Grade | Ba1              | BB+              | BB+              | BB (H)              |
|                            | <b>Ba2 AT1</b>   | BB               | <b>BB AT1</b>    | BB                  |
|                            | Ba3              | BB-              | BB-              | BB (L)              |
|                            | B1               | B+               | B+               | B (H)               |
|                            | B2               | B                | B                | B                   |
|                            | B3               | B-               | B-               | B (L)               |
|                            | (...)            | (...)            | (...)            | (...)               |

Note: CB = Covered Bonds, SNP = Senior Non Preferred.

(1) A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Ratings as of November 11<sup>th</sup>, 2020

# Annex

- BBVA Group 9M20 Profit & Loss
- ALCO portfolio
- Sovereign Exposure by geography
- Outstanding loan commitments to non-financial corporations
- Retail New Loan Production by geography
- Stages breakdown by business area
- EAD to most vulnerable sectors
- Loan deferrals breakdown
- Outstanding loan deferrals
- Government backed loans
- Book Value of the main subsidiaries
- Main Subsidiaries Ratings
- BBVA Group CET1 FL - YTD evolution
- Capital Base: BBVA Group & BBVA, S.A.
- BBVA, S.A. SREP Requirement and Distance to MDA
- Debt Issuances 2018 – 2020YTD
- Called notes – 2018 – 2020YTD
- Turkey – Liquidity & funding sources
- Sustainable Finance: Pledge 2025

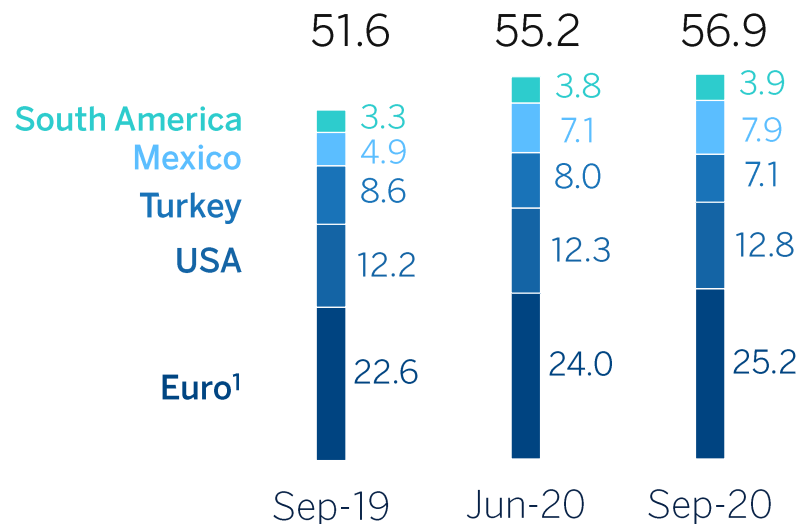
# 9M20 Profit & Loss

| BBVA Group (€m)                                       | 9M20          | Change<br>9M20/9M19 |               |
|-------------------------------------------------------|---------------|---------------------|---------------|
|                                                       |               | %                   | % constant    |
| <b>Net Interest Income</b>                            | <b>12,763</b> | <b>-4.9</b>         | <b>4.7</b>    |
| Net Fees and Commissions                              | 3,444         | -8.0                | -1.3          |
| Net Trading Income                                    | 1,479         | 65.5                | 83.7          |
| Other Income & Expenses                               | 22            | 76.6                | n.s.          |
| <b>Gross Income</b>                                   | <b>17,708</b> | <b>-2.0</b>         | <b>7.4</b>    |
| Operating Expenses                                    | -8,082        | -8.4                | -2.4          |
| <b>Operating Income</b>                               | <b>9,626</b>  | <b>4.1</b>          | <b>17.3</b>   |
| Impairment on Financial Assets                        | -5,074        | 74.8                | 97.7          |
| Provisions and Other Gains and Losses                 | -858          | 113.4               | 122.6         |
| <b>Income Before Tax</b>                              | <b>3,693</b>  | <b>-37.8</b>        | <b>-29.7</b>  |
| Income Tax                                            | -979          | -39.7               | -32.0         |
| Non-controlling Interest                              | -646          | -0.3                | 18.0          |
| <b>Net Attributable Profit</b> (ex-BBVA USA Goodwill) | <b>2,069</b>  | <b>-43.6</b>        | <b>-36.6</b>  |
| BBVA USA Goodwill impairment                          | -2,084        | n.s.                | n.s.          |
| <b>Net Attributable Profit</b> (reported)             | <b>-15</b>    | <b>-100.4</b>       | <b>-100.5</b> |

# ALCO portfolio

## / ALCO PORTFOLIO BREAKDOWN BY REGION

(€ BN)

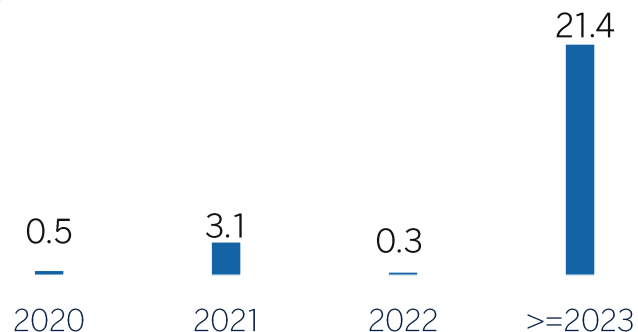


| September 2020 | Amort Cost<br>(HTC) | Fair Value<br>(HTC&S) |            |
|----------------|---------------------|-----------------------|------------|
|                | (€BN)               | (€BN)                 | (duration) |
| South America  | 0.1                 | 3.8                   | 1.0 years  |
| Mexico         | 2.3                 | 5.7                   | 2.3 years  |
| Turkey         | 3.8                 | 3.3                   | 3.6 years  |
| USA            | 7.7                 | 5.0                   | 1.6 years  |
| Euro           | 15.1                | 10.1                  | 3.3 years  |
| Spain          | 11.3                | 3.8                   |            |
| Italy          | 3.7                 | 2.2                   |            |
| Rest           | 0.1                 | 4.2                   |            |

(1) Figures excludes SAREB senior bonds (€4.6bn as of Sep-19, and €4.5bn for Jun-20 and Sep-20) and High Quality Liquid Assets portfolios (€11.7bn as of Sep-19, €19.6bn as of Jun-20 and €20.2bn as of Sep-20).

## / EURO ALCO PORTFOLIO MATURITY PROFILE

(€ BN)



## / EURO ALCO YIELD

(SEP-20, %)



## / HQLA PORTFOLIO

(SEP-20, €)

20.2<sub>bn</sub>

# Sovereign Exposure by geography <sup>(1)</sup>

Sep.20, € bn

|                   | Sovereign                                  |                                          |                       |                                                                             |                 |             |
|-------------------|--------------------------------------------|------------------------------------------|-----------------------|-----------------------------------------------------------------------------|-----------------|-------------|
|                   | Amortized Cost<br>debt securities<br>(HTC) | Fair Value<br>debt securities<br>(HTC&S) | Trading<br>securities | Non-trading<br>financial assets<br>mandatorily at fair<br>value through P&L | Short Positions | Loans       |
| <b>Spain</b>      | 13.4                                       | 21.2                                     | 5.1                   | 0.0                                                                         | -4.5            | 12.3        |
| <b>Italy</b>      | 3.8                                        | 2.9                                      | 2.6                   | 0.0                                                                         | -1.1            | 0.1         |
| <b>Portugal</b>   | 0.0                                        | 0.0                                      | 0.4                   | 0.0                                                                         | -0.5            | 0.0         |
| <b>Mexico</b>     | 3.1                                        | 6.8                                      | 10.4                  | 0.0                                                                         | -1.9            | 6.0         |
| <b>USA</b>        | 7.8                                        | 6.6                                      | 0.2                   | 0.0                                                                         | 0.0             | 5.1         |
| <b>Turkey</b>     | 3.6                                        | 3.3                                      | 0.1                   | 0.2                                                                         | 0.0             | 0.2         |
| <b>All Others</b> | 0.4                                        | 4.5                                      | 1.2                   | 0.0                                                                         | -1.6            | 2.0         |
| <b>TOTAL</b>      | <b>32.1</b>                                | <b>45.4</b>                              | <b>20.1</b>           | <b>0.2</b>                                                                  | <b>-9.6</b>     | <b>25.7</b> |

(1) Risk balances according to EBA criteria. Therefore, sovereign risk of the Group's insurance companies is not included.

# Outstanding loan commitments to non-financial corporations

## / BREAKDOWN BY BUSINESS AREA

(SEP-20)

|                    | € bn        |
|--------------------|-------------|
| USA <sup>1</sup>   | 26.1        |
| Spain              | 19.6        |
| Eurasia            | 16.6        |
| Turkey             | 2.3         |
| Mexico             | 2.3         |
| South America      | 1.7         |
| <b>Total Group</b> | <b>68.5</b> |

(1) USA includes € 15.4 billion of loan commitments in the NY branch.

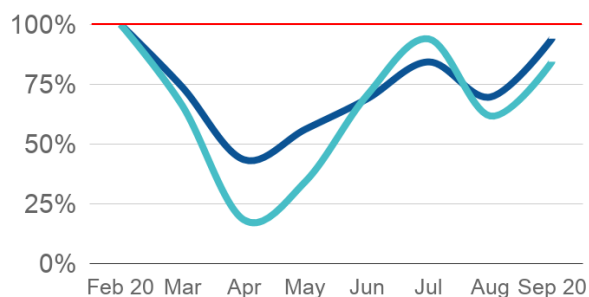
# Signs of recovery in retail segments

## / BBVA RETAIL NEW LOAN PRODUCTION

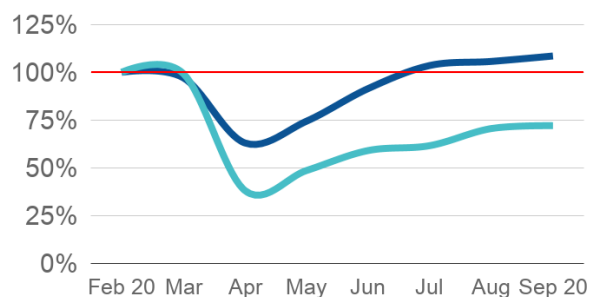
(FEB-20 = 100)

● MORTGAGES ● CONSUMER

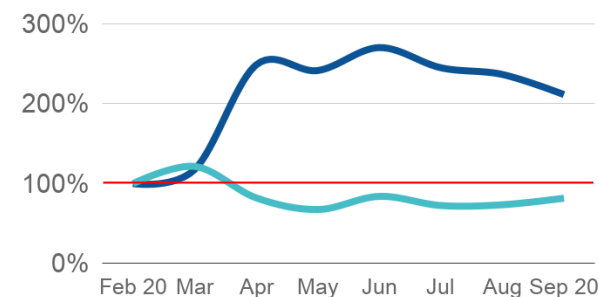
### SPAIN



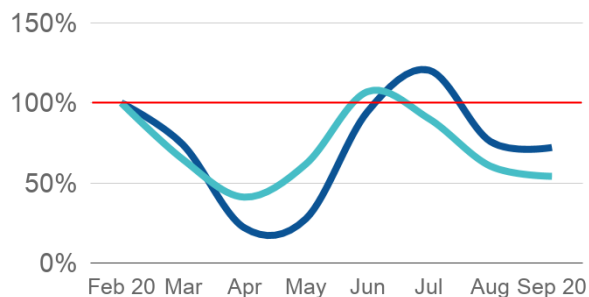
### MEXICO



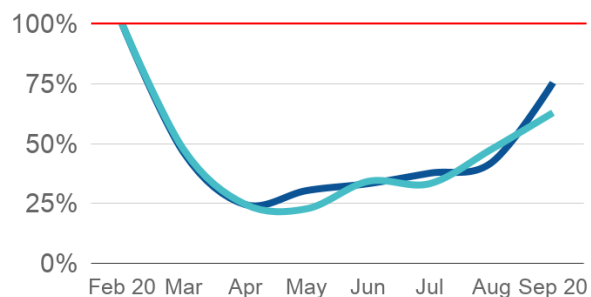
### USA



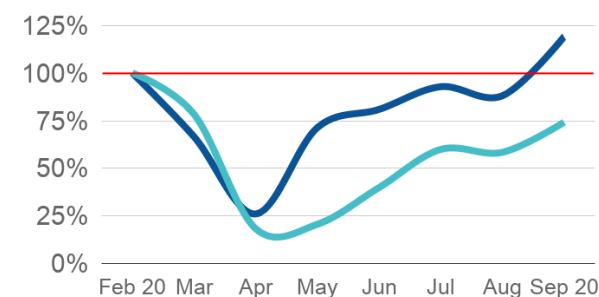
### TURKEY



### PERU



### COLOMBIA



# Stages breakdown by business area

## / CREDIT RISK BREAKDOWN BY BUSINESS AREA

(SEP-20, €M)

| BBVA GROUP | Gross Exposure | Accumulated impairments |
|------------|----------------|-------------------------|
| Stage 1    | 366,943        | 2,778                   |
| Stage 2    | 39,685         | 2,794                   |
| Stage 3    | 16,241         | 8,287                   |

|  SPAIN | Gross Exposure | Accumulated impairments |
|-----------------------------------------------------------------------------------------|----------------|-------------------------|
| Stage 1                                                                                 | 171,184        | 880                     |
| Stage 2                                                                                 | 14,308         | 730                     |
| Stage 3                                                                                 | 8,380          | 4,054                   |

|  USA | Gross Exposure | Accumulated impairments |
|-----------------------------------------------------------------------------------------|----------------|-------------------------|
| Stage 1                                                                                 | 53,685         | 413                     |
| Stage 2                                                                                 | 10,405         | 502                     |
| Stage 3                                                                                 | 1,264          | 280                     |

|  MEXICO | Gross Exposure | Accumulated impairments |
|------------------------------------------------------------------------------------------|----------------|-------------------------|
| Stage 1                                                                                  | 47,211         | 820                     |
| Stage 2                                                                                  | 3,747          | 502                     |
| Stage 3                                                                                  | 1,196          | 712                     |

|  TURKEY | Gross Exposure | Accumulated impairments |
|------------------------------------------------------------------------------------------|----------------|-------------------------|
| Stage 1                                                                                  | 39,542         | 229                     |
| Stage 2                                                                                  | 4,567          | 558                     |
| Stage 3                                                                                  | 3,378          | 1,980                   |

|  SOUTH AMERICA | Gross Exposure | Accumulated impairments |
|---------------------------------------------------------------------------------------------------|----------------|-------------------------|
| Stage 1                                                                                           | 33,413         | 393                     |
| Stage 2                                                                                           | 5,013          | 444                     |
| Stage 3                                                                                           | 1,746          | 1,082                   |

|  COLOMBIA | Gross Exposure | Accumulated impairments |
|----------------------------------------------------------------------------------------------|----------------|-------------------------|
| Stage 1                                                                                      | 10,000         | 140                     |
| Stage 2                                                                                      | 1,434          | 182                     |
| Stage 3                                                                                      | 610            | 396                     |

|  PERU | Gross Exposure | Accumulated impairments |
|------------------------------------------------------------------------------------------|----------------|-------------------------|
| Stage 1                                                                                  | 16,924         | 168                     |
| Stage 2                                                                                  | 2,844          | 201                     |
| Stage 3                                                                                  | 899            | 549                     |

|  ARGENTINA | Gross Exposure | Accumulated impairments |
|-------------------------------------------------------------------------------------------------|----------------|-------------------------|
| Stage 1                                                                                         | 2,551          | 47                      |
| Stage 2                                                                                         | 363            | 40                      |
| Stage 3                                                                                         | 58             | 37                      |

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

## / BREAKDOWN BY SECTORS

(SEP-20)

|                                                 | bn €         |
|-------------------------------------------------|--------------|
| Leisure <sup>1</sup>                            | 11.25        |
| Developer Real Estate                           | 6.22         |
| Retailers non food                              | 5.46         |
| Upstream & Oilfield services <sup>2, 3</sup>    | 4.18         |
| Air & Marine transportation                     | 2.35         |
| <b>Total EAD to the most vulnerable sectors</b> | <b>29.46</b> |
| <i>as a % of total EAD</i>                      | <i>6.81%</i> |

(1) Includes Hotels, Restaurants, Travel Agencies and Gaming, among others

(2) Of which, €2.4 bn in USA and €0.1 bn in Mexico.

(3) From a total of €13.0 bn EAD to the Oil & Gas sector.

# Prudent deferrals' classification and proactive provisioning

| (January-September 20)  | TOTAL DEFERRALS GRANTED |                  | o/w expired | Expired deferrals by stages<br>as a % of total loans |              |              |
|-------------------------|-------------------------|------------------|-------------|------------------------------------------------------|--------------|--------------|
|                         | €BN                     | % of total loans |             | Stage 1                                              | Stage 2      | Stage 3      |
| <b>Total Group</b>      | <b>35.6</b>             | <b>8.90%</b>     | <b>62%</b>  | <b>4.00%</b>                                         | <b>1.30%</b> | <b>0.20%</b> |
| <b>By segment</b>       |                         |                  |             |                                                      |              |              |
| Mortgages               | 12.4                    | 12.0%            | 62%         | 5.9%                                                 | 1.3%         | 0.3%         |
| Consumer & credit cards | 9.4                     | 14.3%            | 76%         | 7.8%                                                 | 2.6%         | 0.3%         |
| SMEs & corporates       | 13.9                    | 6.0%             | 52%         | 2.0%                                                 | 1.0%         | 0.1%         |
| <b>By country</b>       |                         |                  |             |                                                      |              |              |
| Spain                   | 5.7                     | 2.7%             | 21%         | 0.4%                                                 | 0.1%         | 0.0%         |
| México                  | 12.0                    | 23.7%            | 71%         | 13.3%                                                | 2.9%         | 0.5%         |
| Turkey                  | 4.2                     | 10.5%            | 49%         | 3.6%                                                 | 1.6%         | 0.0%         |
| USA                     | 5.9                     | 11.4%            | 85%         | 5.7%                                                 | 3.6%         | 0.4%         |
| Peru                    | 4.0                     | 20.4%            | 91%         | 14.1%                                                | 3.9%         | 0.7%         |
| Colombia                | 3.4                     | 29.3%            | 34%         | 7.1%                                                 | 2.2%         | 0.5%         |
| Argentina               | 0.4                     | 14.2%            | 74%         | 7.0%                                                 | 3.5%         | 0.1%         |

Data according to EBA criteria, that excludes loans that have been cancelled.

## ✓ COVERAGE ABOVE PEERS

NPL COVERAGE RATIO (BBVA AS OF SEP-20, PEERS AVERAGE<sup>1</sup> AS OF JUN-20)

**GROUP** 85% vs 63% European Peers Avg

**SPAIN** 68% vs 54% Spanish Peers Avg

**TURKEY** 82% vs 63% Turkish Private Peers Avg

(1) European peer group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS. Spanish peer group: CABK ex-BPI, SAB ex-TSB, BKIA, SAN Spain. Turkish peer Group: AKBNK, ISCTR, YKBNK.

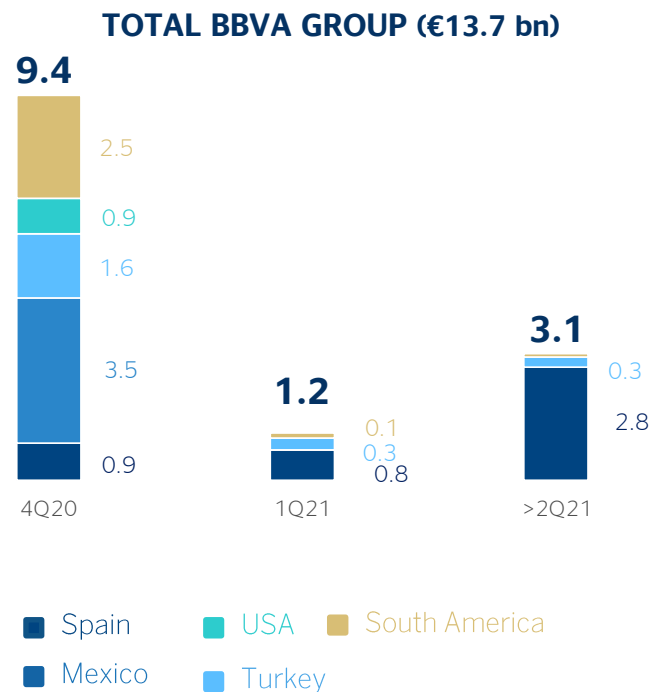
# Outstanding loan deferrals

## / OUTSTANDING DEFERRALS (SEP-20)

|                                                                                               | €Bn         | % of loans  |
|-----------------------------------------------------------------------------------------------|-------------|-------------|
| <b>Total Group</b>                                                                            | <b>13.7</b> | <b>3.4%</b> |
|  Spain       | 4.4         | 2.1%        |
|  Mexico      | 3.5         | 7.0%        |
|  USA         | 0.9         | 1.7%        |
|  Turkey      | 2.1         | 5.3%        |
|  Peru        | 0.3         | 1.8%        |
|  Colombia  | 2.3         | 19.5%       |
|  Argentina | 0.1         | 3.6%        |

Note: data breakdown under EBA criteria.

## / MATURITY PROFILE OUTSTANDING AMOUNT (SEP-20, € BN)



# Government backed loans

(Sep.20, data in € bn)

|                          | GROUP       |             | SPAIN       |             | MEXICO     |             | USA        |             | TURKEY     |             | ARGENTINA  |             | COLOMBIA   |             | PERU       |              |
|--------------------------|-------------|-------------|-------------|-------------|------------|-------------|------------|-------------|------------|-------------|------------|-------------|------------|-------------|------------|--------------|
|                          | Loans       | Weight      | Loans       | Weight      | Loans      | Weight      | Loans      | Weight      | Loans      | Weight      | Loans      | Weight      | Loans      | Weight      | Loans      | Weight       |
| Households               | 1.2         | 0.7%        | 0.8         | 0.8%        | 0.0        | 0.0%        | 0.0        | 0.0%        | 0.0        | 0.0%        | 0.1        | 6.0%        | 0.0        | 0.2%        | 0.3        | 4.6%         |
| Corporates & SMEs        | 16.6        | 9.5%        | 9.8         | 12.0%       | 0.0        | 0.0%        | 2.6        | 8.9%        | 0.8        | 3.5%        | 0.0        | 1.5%        | 0.1        | 4.7%        | 3.1        | 29.6%        |
| Other                    | 0.1         | 0.1%        | 0.0         | 0.0%        | 0.0        | 0.0%        | 0.1        | 2.9%        | 0.0        | 0.0%        | 0.0        | 0.0%        | 0.0        | 0.1%        | 0.0        | 0.0%         |
| <b>Total Outstanding</b> | <b>17.8</b> | <b>4.5%</b> | <b>10.7</b> | <b>5.1%</b> | <b>0.0</b> | <b>0.0%</b> | <b>2.7</b> | <b>5.2%</b> | <b>0.8</b> | <b>1.9%</b> | <b>0.1</b> | <b>3.5%</b> | <b>0.2</b> | <b>1.4%</b> | <b>3.4</b> | <b>17.3%</b> |

Note: data breakdown under EBA criteria as of September 30th.

(1) Excludes undrawn commitments.

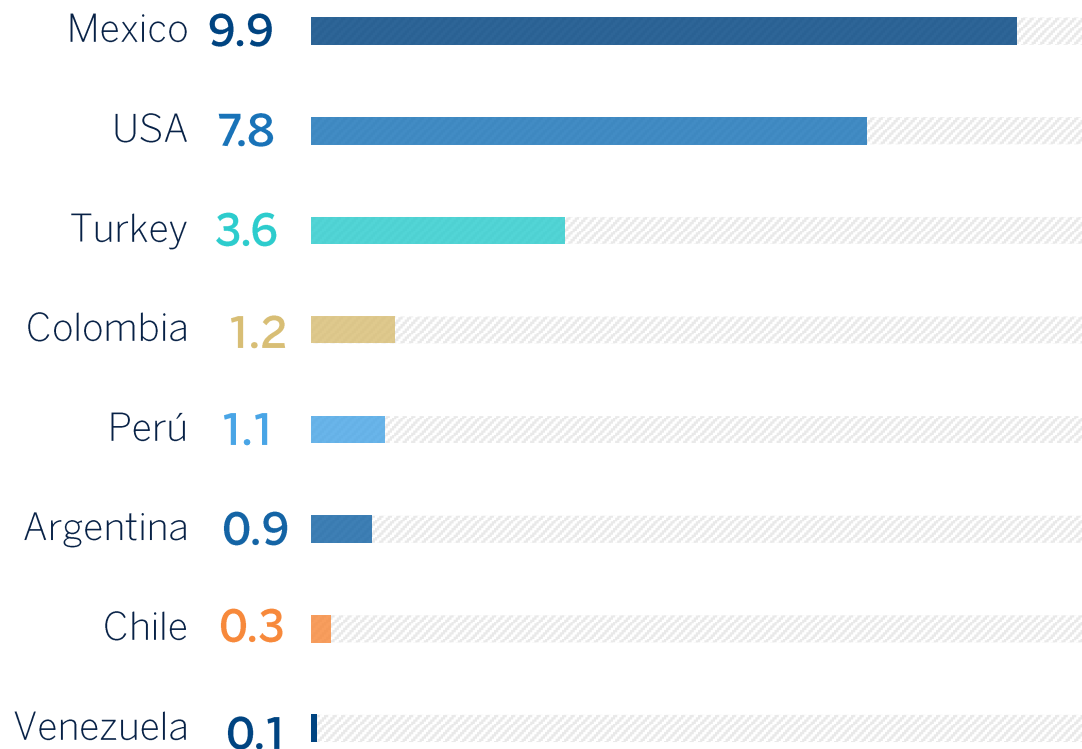
(2) Includes mainly Spain, Eurasia and the NY branch. If we also consider undrawn credit lines, BBVA Spain has granted a total of 16.1 billion € ICO loans as of September 30th (of which 10.7 billion € is the outstanding drawn amount).

(3) Compass bank.

(4) Garanti bank-only.

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

€ BN, SEP-20



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

(2) Turkey includes the Garanti Group.

# Main Subsidiaries Ratings <sup>(1)</sup>

## LONG TERM SENIOR UNSECURED RATINGS

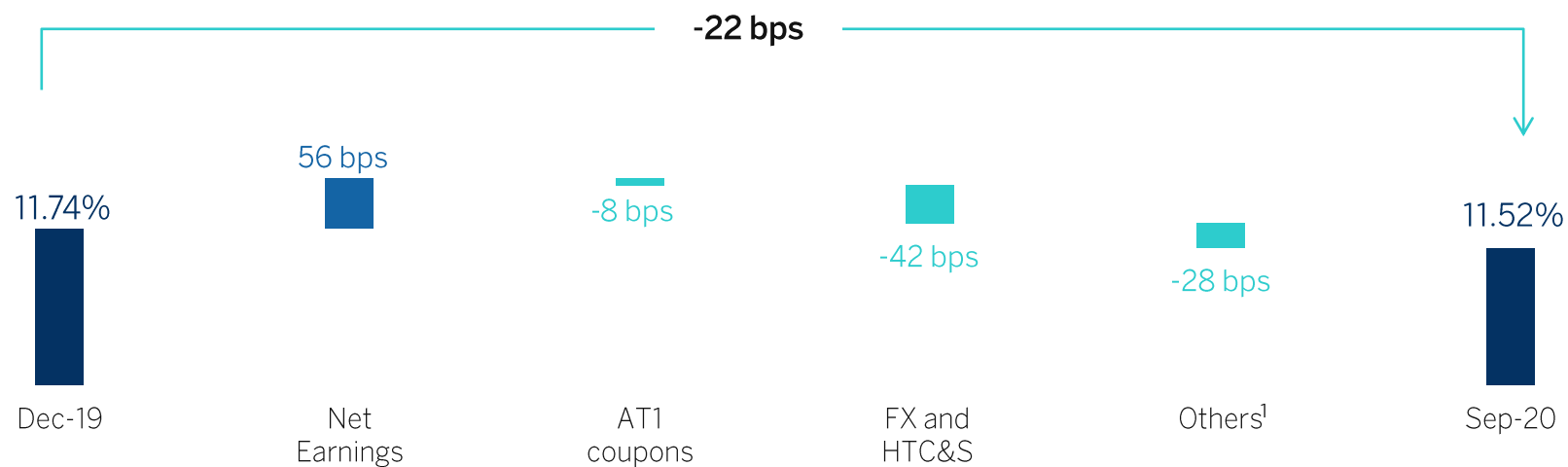
|                             | BBVA Mexico                                                                                             | BBVA USA                                                                                                | Garanti BBVA                                                                                            | BBVA Argentina                                                                                          | BBVA Colombia                                                                                           | BBVA Peru                                                                                               |
|-----------------------------|---------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| <b>Investment grade</b>     | AAA/Aaa<br>AA+/Aa1<br>AA/Aa2<br>AA-/Aa3<br>A+/A1<br>A/A2<br>A-/A3<br>BBB+/Baa1<br>BBB/Baa2<br>BBB-/Baa3 | AAA/Aaa<br>AA+/Aa1<br>AA/Aa2<br>AA-/Aa3<br>A+/A1<br>A/A2<br>A-/A3<br>BBB+/Baa1<br>BBB/Baa2<br>BBB-/Baa3 | AAA/Aaa<br>AA+/Aa1<br>AA/Aa2<br>AA-/Aa3<br>A+/A1<br>A/A2<br>A-/A3<br>BBB+/Baa1<br>BBB/Baa2<br>BBB-/Baa3 | AAA/Aaa<br>AA+/Aa1<br>AA/Aa2<br>AA-/Aa3<br>A+/A1<br>A/A2<br>A-/A3<br>BBB+/Baa1<br>BBB/Baa2<br>BBB-/Baa3 | AAA/Aaa<br>AA+/Aa1<br>AA/Aa2<br>AA-/Aa3<br>A+/A1<br>A/A2<br>A-/A3<br>BBB+/Baa1<br>BBB/Baa2<br>BBB-/Baa3 | AAA/Aaa<br>AA+/Aa1<br>AA/Aa2<br>AA-/Aa3<br>A+/A1<br>A/A2<br>A-/A3<br>BBB+/Baa1<br>BBB/Baa2<br>BBB-/Baa3 |
|                             | MOODY'S<br>S&P<br>FITCH                                                                                 | S&P<br>MOODY'S<br>FITCH                                                                                 |                                                                                                         |                                                                                                         | FITCH                                                                                                   | S&P<br>FITCH                                                                                            |
| <b>Non Investment Grade</b> | BB+/Ba1<br>BB/Ba2<br>BB-/Ba3<br>B+/B1<br>B/B2<br>B-/B3<br>CCC<br>CC<br>(...)                            | BB+/Ba1<br>BB/Ba2<br>BB-/Ba3<br>B+/B1<br>B/B2<br>B-/B3<br>CCC<br>CC<br>(...)                            | BB+/Ba1<br>BB/Ba2<br>BB-/Ba3<br>B+/B1<br>B/B2<br>B-/B3<br>CCC<br>CC<br>(...)                            | BB+/Ba1<br>BB/Ba2<br>BB-/Ba3<br>B+/B1<br>B/B2<br>B-/B3<br>CCC<br>CC<br>(...)                            | BB+/Ba1<br>BB/Ba2<br>BB-/Ba3<br>B+/B1<br>B/B2<br>B-/B3<br>CCC<br>CC<br>(...)                            | BB+/Ba1<br>BB/Ba2<br>BB-/Ba3<br>B+/B1<br>B/B2<br>B-/B3<br>CCC<br>CC<br>(...)                            |
|                             |                                                                                                         |                                                                                                         | FITCH<br>MOODY'S                                                                                        | FITCH                                                                                                   |                                                                                                         |                                                                                                         |

(1) A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Ratings as of November 11<sup>th</sup>, 2020.

# Capital YTD Evolution

## / CET1 FULLY-LOADED – BBVA GROUP

YTD EVOLUTION (% , BPS)

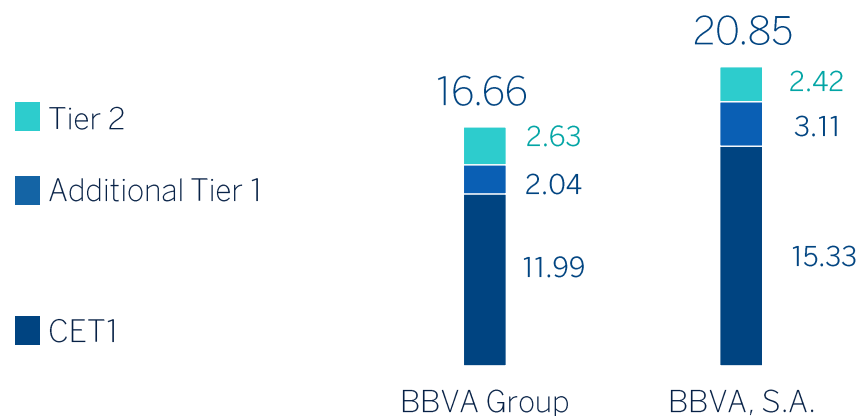


(1) Includes mainly RWAs evolution in constant euros.

# Capital Base: BBVA Group & BBVA, S.A.

## PHASED-IN CAPITAL RATIOS

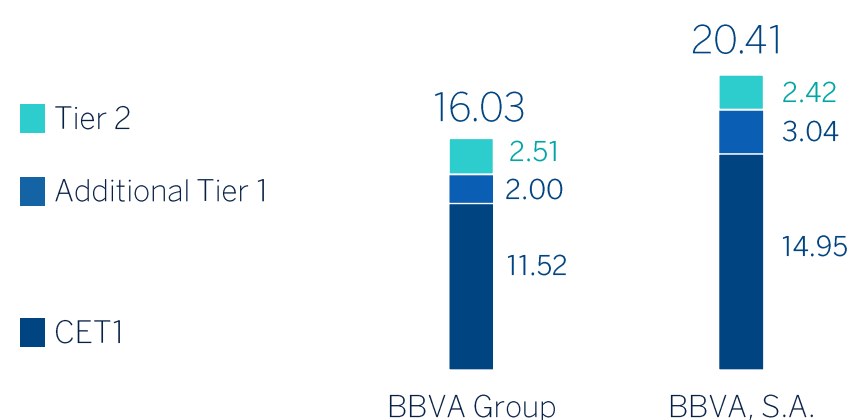
SEP.20 (%)



|                           |                    |                    |
|---------------------------|--------------------|--------------------|
| CET1                      | € 41,231 m         | € 31,201 m         |
| AT1                       | € 7,017 m          | € 6,326 m          |
| T2                        | € 9,057 m          | € 4,925 m          |
| <b>Total Capital Base</b> | <b>€ 57,305 m</b>  | <b>€ 42,452 m</b>  |
| <b>RWA</b>                | <b>€ 343,929 m</b> | <b>€ 203,588 m</b> |

## FULLY-LOADED CAPITAL RATIOS

SEP.20 (%)

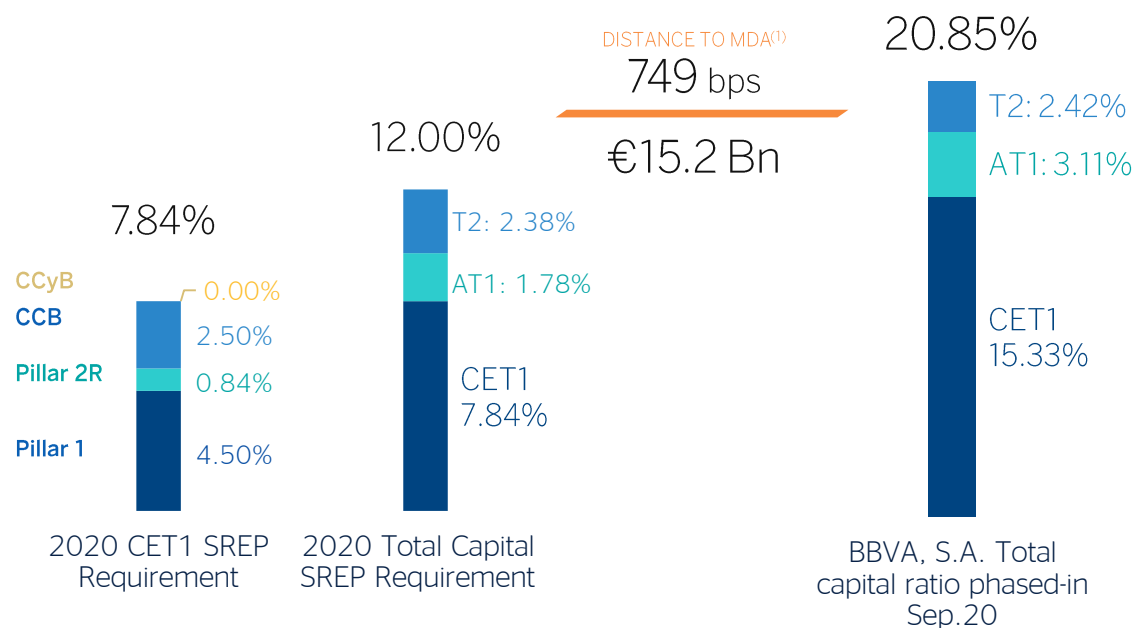


|                           |                    |                    |
|---------------------------|--------------------|--------------------|
| CET1                      | € 39,651 m         | € 30,510 m         |
| AT1                       | € 6,899 m          | € 6,208 m          |
| T2                        | € 8,628 m          | € 4,934 m          |
| <b>Total Capital Base</b> | <b>€ 55,178 m</b>  | <b>€ 41,652 m</b>  |
| <b>RWA</b>                | <b>€ 344,220 m</b> | <b>€ 204,107 m</b> |

# BBVA, S.A. SREP Requirement and Distance to MDA

## 2020 SREP REQUIREMENT AND DISTANCE TO MDA FOR BBVA, S.A.

SEP. 2020



- Well above 2020 Total Capital and CET1 SREP requirements
- Significant buffer to MDA: 749 bps

(1) 749 bps of Buffer to MDA = 15.33% Sep.20 CET1 phased-in ratio - 7.84% 2020 CET1 SREP Requirement

# Debt Issuances 2018 – 2020YTD

|             | Product      | Issue Date | Call Date | Maturity           | Nominal currency       | Coupon                       |                                                                                     |
|-------------|--------------|------------|-----------|--------------------|------------------------|------------------------------|-------------------------------------------------------------------------------------|
| BBVA, S.A.  | SP           | Sep-20     | -         | Sept-23<br>Sept-25 | \$ 1,200 M<br>\$ 800 M | 0.875%<br>1.125%             |                                                                                     |
|             | Tier 2       | Jul-20     | Jul-26    | Jul-31             | GBP 300 M              | 3.104%                       |                                                                                     |
|             | AT1          | Jul-20     | Jan-26    | Perp               | € 1,000 M              | 6.000%                       |  |
|             | SP           | May-20     | -         | Jun-25             | € 1,000 M              | 0.75%                        |  |
|             | SNP          | Feb-20     | -         | Aug-26             | CHF 160 M              | 0.125%                       |                                                                                     |
|             | Tier 2       | Jan-20     | Jan-25    | Jan-30             | € 1,000 M              | 1.000%                       |                                                                                     |
|             | SNP          | Jan-20     | -         | Jan-27             | € 1,250 M              | 0.500%                       |                                                                                     |
|             | SP           | Nov-19     | -         | Nov-26             | € 1,000 M              | 0.375%                       |                                                                                     |
|             | SNP          | Oct-19     | -         | Oct-24             | € 1,000 M              | 0.375%                       |                                                                                     |
|             | AT1          | Aug-19     | Mar-25    | Perp               | \$ 1,000 M             | 6.500%                       |                                                                                     |
|             | SNP          | Jun-19     | -         | Jun-26             | € 1,000 M              | 1.000%                       |  |
|             | AT1          | Mar-19     | Mar-24    | Perp               | € 1,000 M              | 6.000%                       |                                                                                     |
|             | SNP          | Feb-19     | -         | Feb-24             | € 1,000 M              | 1.125%                       |                                                                                     |
|             | Tier 2       | Feb-19     | Feb-24    | Feb-29             | € 750 M                | 2.575%                       |                                                                                     |
|             | AT1          | Sep-18     | Sep-23    | Perp               | € 1,000 M              | 5.875%                       |                                                                                     |
|             | Tier 2       | May-18     | -         | May-33             | \$ 300 M               | 5.25%                        |                                                                                     |
|             | SNP          | May-18     | -         | May-25             | € 1,000 M              | 1.375%                       |  |
|             | SNP          | Mar-18     | -         | Mar-23             | € 1,500 M              | 3ME+ 0.60%                   |                                                                                     |
| BBVA USA    | Senior Unsec | Aug-19     | Jul-24    | Aug-24             | \$ 600 M               | 2.500%                       |                                                                                     |
|             | Senior Unsec | Jun-18     | May-21    | Jun-21             | \$ 1.150 M             | Fixed 3.5%<br>FRN 3ML+73 bps |                                                                                     |
| BBVA Mexico | Senior Unsec | Sep-20     | -         | Sep-25             | \$ 500 M               | 1.875%                       |                                                                                     |
|             | Tier 2       | Sep-19     | Sep-29    | Sep-34             | \$ 750 M               | 5.875%                       |                                                                                     |
|             | Tier 2       | Jan-18     | Jan-28    | Jan-33             | \$ 1,000 M             | 5.125%                       |                                                                                     |

# Called notes – 2018 – 2020YTD

BBVA follows  
an economic  
call policy

|                              | Product | Issue Date | Redemption | Outstanding<br>currency (M) | Coupon      |
|------------------------------|---------|------------|------------|-----------------------------|-------------|
| BBVA, S.A.                   | AT1     | Feb-15     | Feb-20     | € 1,500                     | 6.75%       |
| Caixa d'Estalvis de Sabadell | Tier 2  | Jun-09     | May-19     | € 4.88                      | 3ME + 5.25% |
| BBVA, S.A.                   | Tier 2  | Apr-14     | Apr-19     | € 1,500                     | 3.50%       |
|                              | AT1     | Feb-14     | Feb-19     | € 1,500                     | 7.00%       |
|                              | AT1     | May-13     | May-18     | \$ 1,500                    | 9.00%       |
|                              | Tier 2  | Feb-07     | Feb-18     | € 257                       | 3ME+0.80%   |
| BBVA Subordinated Capital    | Tier 2  | Oct-05     | Jan-18     | € 99                        | 3ME+0.80%   |

# Turkey – Liquidity & funding sources

## ■ Solid liquidity position:

- Total LTD ratio is at 96%, decreasing by 6.1 pp in 3Q20, due to significant growth in FC deposit (+8.7%).
- Foreign currency loans decreased by USD 0.3 bn to c. USD 12.6 bn in 3Q20.
- Liquidity ratios above requirements: Liquidity Coverage Ratio (EBA) of 164% vs  $\geq 100\%$  required in 3Q20.

## ■ Limited external wholesale funding needs: USD 8.5 bn.

### FC liquidity buffers

- ✓ Short Term Swaps
- ✓ Unencumbered FC securities
- ✓ FC Reserves under ROM<sup>1</sup>
- ✓ Money Market Placements

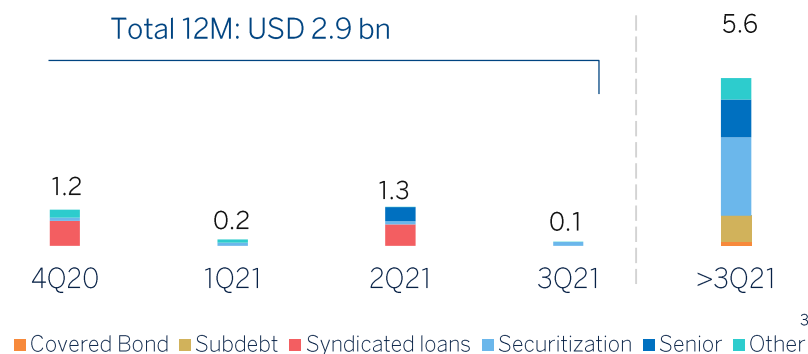
**c. USD 11.3 bn** liquidity buffer

Note-1: All figures are Bank-only, as of Sep 2020.

Note-2: Total Liquidity Buffer (FC and TRY) is at c. USD 9.1 bn.

(1) ROM: Reserve Option Mechanism.

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



**USD 8.5 bn** total maturities

(2) Includes TRY covered bonds and excludes on balance sheet IRS transactions.

(3) Other includes mainly bilateral loans, secured finance and other ST funding.

**Ample liquidity buffers and limited wholesale funding maturities in the next 12 months**

# We began our strategic approach to sustainability with the Pledge 2025



## To finance

We will help to create the **scale of capital mobilization** to halt global climate change & attain the UN Sustainable Development Goals

**€100 Billion TO BE MOBILIZED (2018-2025)**

- Green finance
- Sustainable infrastructure and agribusiness
- Financial inclusion & entrepreneurship



## To manage

We will manage our environmental & social risks to **minimize potential negative direct & indirect impacts**

**70% RENEWABLE ENERGY vs 2015**  
**68% CO<sub>2</sub> EMISSIONS REDUCTION vs 2015**

- Activity progressively aligned with the Paris Agreement
- Internal carbon price in budgeting and planning
- Sector norms in mining, energy, agribusiness & infrastructure
- Transparency in carbon-related exposure



## To engage

We will engage with all our stakeholders **to collectively promote the contribution** of financial industry to sustainable development

### ACTIVE COLLABORATION

- TCFD recommendations implementation
- Financial education
- Promotion of Responsible Banking standards within the industry

**€40bn have been mobilized to Jun.20**

**BBVA**