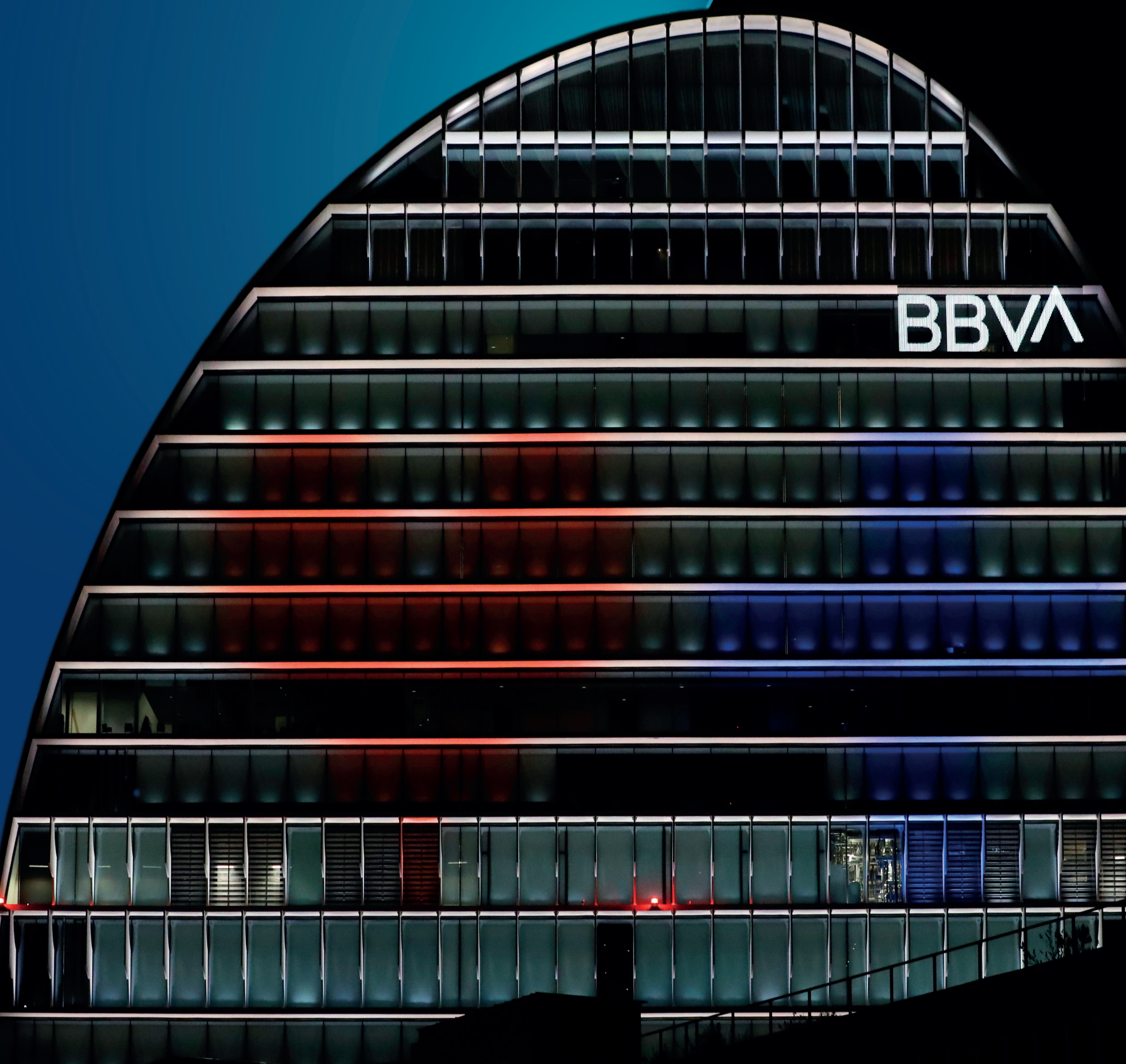
BBVA
Creating Opportunities

BBVA in 2020



"The year 2020 was marked by a global pandemic with severe health and economic consequences. BBVA has stepped up to protect the health and well-being of everyone: employees, customers and society in general.

The pandemic has also accelerated trends on which our strategy is based, such as digitization and our commitment to sustainability.

The other major milestone in BBVA's strategy in 2020 was the sale of our U.S. business. A historic transaction which allows us to advance in our clear commitment to create value for shareholders and puts us at an unparalleled position of strength which will enable us to continue providing our support to overcome this crisis and also in the recovery phase.

Carlos Torres Vila. BBVA Chairman

"Despite this challenging environment, BBVA once again has demonstrated the strength of its business model, and has reported solid financial results in a context of high uncertainty, with operating income growing at double digit and remaining at the forefront of its European peer group in terms of profitability. The net attributable profit of BBVA Group in 2020, excluding one-offs, stood at €3,084 million.

Onur Genç. BBVA Chief Executive Officer

The Group's Organizational Chart

CHIEF EXECUTIVE OFFICER
Onur Genç

CHAIRMAN
Carlos Torres Vila

BUSINESS UNITS

Corporate & Investment Banking
Luisa Gómez Bravo

Country Monitoring(1)
Jorge Sáenz-Azcúnaga

Country Manager Spain
Peio Belausteguigoitia

Country Manager Mexico
Eduardo Osuna

Country Manager USA
Javier Rodríguez Soler

Country Manager Turkey
Recep Bastug

GLOBAL FUNCTIONS

Client Solutions
David Puente

Finance
Jaime Sáenz de Tejada

Global Risk Management
Rafael Salinas

TRANSFORMATION

Engineering & Organization(2)
José Luis Elechiguerra

Talent & Culture
Carlos Casas

Data
Ricardo Martín Manjón

STRATEGY

Senior Advisor to the Chairman
Juan Asúa

Strategy & M&A
Victoria del Castillo

Communications & Responsible Business
Paul G. Tobin

LEGAL AND CONTROL

Legal
María Jesús Arribas

General Secretary
Domingo Armengol

Regulation & Internal Control(3)
Ana Fernández Manrique

Chief Audit Executive(3)
Joaquín Gortari

(1) Reporting channel to CEO for Argentina, Colombia, Peru, Venezuela, Uruguay and Paraguay, as well as monitoring of all countries, including Spain, Mexico, The United States and Turkey.
(2) The exercise of his duties is subject to his registration with the Bank of Spain's Senior Managers' Registry.
(3) Reporting to the Board of Directors.

BBVA in brief

BBVA is a customer-centric global **financial services group** founded in 1857. The Group has a strong leadership position in the Spanish market, is the largest financial institution in Mexico, it has leading franchises in Turkey and South America, a region in which, at the beginning of 2021, the Group completed the sale of its bank in Paraguay. In the United States, BBVA is present in the Sunbelt region, having reached an agreement with The PNC Financial Services Group, Inc at the end of 2020 for the sale of the entire shareholders' equity of the bank BBVA USA, as well as other companies of the BBVA Group in the United States with activities related to this banking business. Once the transaction is closed, BBVA will continue to have a presence in the United States, mainly through the corporate and investment banking business it carries out in the country from the New York branch.

€736 billion in total asset

80.7 million customers

>30 countries

7,432 branches

31,000 ATMs

123,174 employees

Data at the end of December 2020. Those countries in which BBVA has no legal entity or the volume of activity is not significant, are not included.

BBVA has a **differential way of doing banking** based on the purpose to bring the age of opportunity to everyone, always acting in line with its corporate values and with the goal of having a positive impact on the lives of people, businesses and society as a whole.

PURPOSE

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

VALUES

Customer comes first
- We are empathetic
- We have integrity
- We meet their needs

We think big
- We are ambitious
- We break the mold
- We amaze our customers

We are one team
- I am committed
- I trust others
- I am BBVA

The pandemic has reinforced our strategic priorities

IMPROVING OUR **CLIENTS' FINANCIAL HEALTH**

HELPING OUR CLIENTS TRANSITION TOWARDS A **SUSTAINABLE FUTURE**

REACHING **MORE CLIENTS**

DRIVING **OPERATIONAL EXCELLENCE**

THE **BEST** AND **MOST ENGAGED TEAM**

DATA AND **TECHNOLOGY**

We support the community to protect the health and well-being of all

DONATED BY

BBVA

+€35M

Customers and **employees**

+€11M

To face the **pandemic**

81%

Invested in the purchase of medical equipment and medical supplies

11%

Aimed at the elderly, vulnerable families, the homeless and other disadvantaged groups

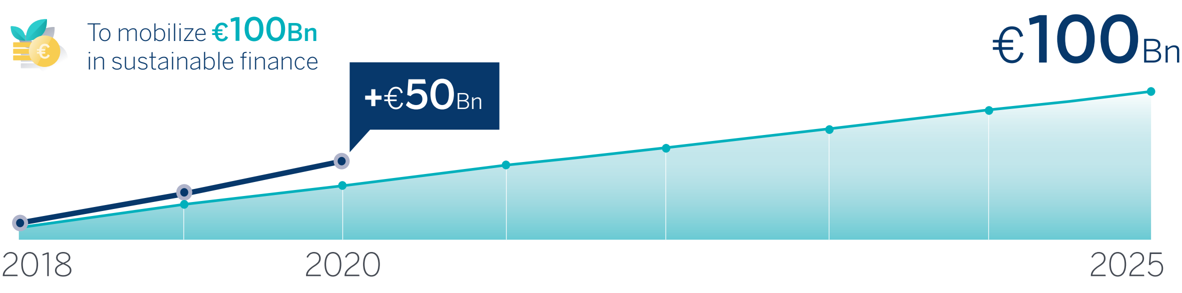
8%

Invested in research programs targeted to mitigate the effects of the COVID-19

Promoting a more sustainable and inclusive society

2025 PLEDGE

To mobilize **€100Bn** in sustainable finance



65% Use of renewable energies

€142M Investment in social programs

€8,325M Tax paid and collected

Differential digital capabilities

REINFORCEMENT OF DIGITAL AND REMOTE CHANNELS

BBVA Global App Visits

Since the beginning of the COVID-19 pandemic until December 2020

+43%

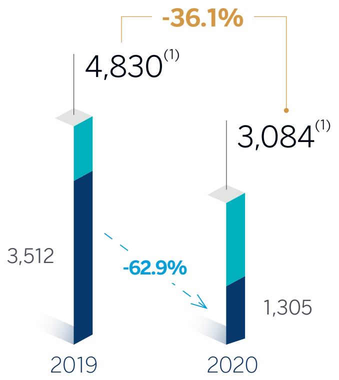
Remote banking interactions through **"My Conversations"** in Spain

+45%
2019-2020

Outstanding results in a challenging environment

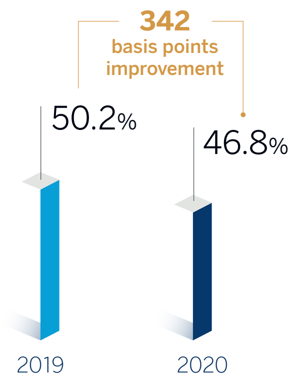
Solid operating income growth (up 11.7% at constant exchange rates) and a very strong cost control

NET ATTRIBUTABLE PROFIT
(€ MILL.)



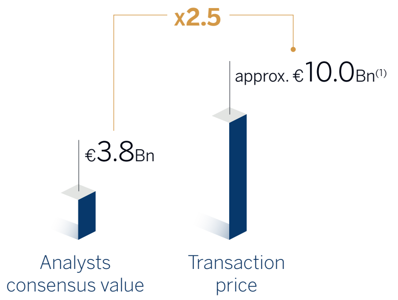
(1) Excluding the goodwill impairment in the United States, registered in 2019 and 2020 and the net capital gain from the bancassurance operation with Allianz in 2020.

EFFICIENCY RATIO
(AT CONSTANT EXCHANGE RATES)



Focus on shareholder value creation

SALE OF BBVA USA: LARGE SIZE TRANSACTION AT A VERY ATTRACTIVE PRICE



BBVA USA sale will generate **€8.5**Bn in **capital**(2)

EXTRAORDINARY DISTRIBUTIONS

Targeting a buyback of around **10%** of the ordinary shares, after the closing of BBVA USA transaction(3)

2020 DIVIDEND(4)

5.9 € cents/ share (gross) in cash

INTENTION TO RECOVER THE DIVIDEND POLICY(5): CLEAR, SUSTAINABLE AND PREDICTABLE

- 35-40% pay-out
- 100% in cash
- Payments in October 2021 and in April 2022

(1) Exchange rate €/USD 1.20
(2) CET1 fully-loaded generation based on post-deal figures.
(3) Any potential repurchase of shares would, at the earliest, take place after the expected close of the BBVA USA transaction in mid 2021 and the ECB recommendation on distribution to shareholders has been lifted. Any decision on a repurchase of ordinary shares would (i) require certain shareholders resolutions and supervisors approval and the lifting on the ECB recommendation on distributions to shareholders, and (ii) take into consideration share prices, among other factors.
(4) Maximum allowed according to the ECB recommendation, subject to shareholders approval. If approved, it would be paid in April 2021.
(5) Once the restrictions are lifted (expected in September 2021) and subject to the approval of shareholders and supervisors.

BBVA Group main data

Consolidated Figures	31-12-20	Δ %	31-12-19	31-12-18
Balance sheet (millions of euros)				
Total assets	736,176	5.5	697,737	675,675
Loans and advances to customers (gross)	378,139	(4.5)	396,012	386,225
Deposits from customers	409,122	6.1	385,686	375,970
Total customer funds	512,068	3.8	493,488	474,085
Total equity	50,020	(8.9)	54,925	52,874
Income statement (millions of euros)				
Net interest income	16,801	(7.3)	18,124	17,511
Gross income	22,974	(6.1)	24,463	23,667
Operating income	12,219	(2.7)	12,561	11,965
Net attributable profit or (loss) (1)	3,084	(36.1)	4,830	4,703
The BBVA share and share performance ratios				
Number of shares (million)	6,668	-	6,668	6,668
Share price (euros)	4.04	(19.0)	4.98	4.64
Earning per share (euros) (1) (2)	0.41	(38.9)	0.66	0.64
Book value per share (euros)	6.70	(8.5)	7.32	7.12
Tangible book value per share (euros)	6.05	(3.6)	6.27	5.86
Market capitalization (millions of euros)	26,905	(19.0)	33,226	30,909
Yield (dividend/price; %) (3)	4.0		5.2	5.4
Significant ratios (%)				
ROE (net attributable profit or (loss)/average shareholders' funds +/- average accumulated other comprehensive income) (1)	6.9		9.9	10.2
ROTE (net attributable profit or (loss)/average shareholders' funds excluding average intangible assets +/- average accumulated other comprehensive income) (1)	7.8		11.9	12.5
ROA (Profit or (loss) for the year/average total assets) (1)	0.53		0.82	0.81
RORWA (Profit or (loss) for the year/average risk-weighted assets - RWA) (1)	1.07		1.57	1.56
Efficiency ratio	46.8		48.7	49.4
Cost of risk	1.51		1.02	0.99
NPL ratio	4.0		3.8	3.9
NPL coverage ratio	81		77	73
Capital adequacy ratios (%)				
CET1 fully-loaded	11.73		11.74	11.34
CET1 phased-in (4)	12.15		11.98	11.58
Total ratio phased-in (4)	16.46		15.92	15.71
Other information				
Number of clients (million)	80.7	3.6	77.9	74.6
Number of shareholders	879,226	0.6	874,148	902,708
Number of employees	123,174	(3.0)	126,973	125,627
Number of branches	7,432	(4.0)	7,744	7,963
Number of ATMs	31,000	(5.1)	32,658	32,502

General note: as a result of the interpretation issued by the International Financial Reporting Standards Interpretations Committee (IFRIC) regarding the collecting of interests of written-off financial assets for the purpose of IFRS 9, those collections are presented as reduction of the credit allowances and not as a higher interest income, recognition method applied until December 2019. Therefore, and in order to make the information comparable, the information of the 2019 and 2018 income statements has been restated.

(1) Excluding the net capital gain from the bancassurance transaction in 2020 and BBVA Chile in 2018 and the goodwill impairments in the United States registered in 2020 and 2019.

(2) Adjusted by additional Tier 1 instrument remuneration.

(3) Calculated by dividing shareholder remuneration over the last twelve months by the closing price of the period.

(4) Phased-in ratios include the temporary treatment on the impact of IFRS 9, calculated in accordance with Article 473 bis amendments of the Capital Requirements Regulation (CRR), introduced by the Regulation (EU) 2020/873.

Financial performance in 2020

Robust operating income **growth**

OPERATING INCOME

+11.7%

vs. 2019

(At constant exchange rates)

Further improvement in best-in-class efficiency

EFFICIENCY RATIO

46.8%

342 basis points improvement vs. 2019

(At constant exchange rates)

Risk indicators impacted by COVID-19

NPL RATIO

4.0% **+17** basis points vs. 2019

NPL COVERAGE RATIO

81% **+488** basis points vs. 2019

COST OF RISK

1.51% **+49** basis points vs. 2019

Strong capital **position**

CET1 fully-loaded(1)

14.58%

Leading profitability metrics

ROTE(2)

7.8%

ROE(2)

6.9%

(1) Pro-forma: including the positive impact from the sale of BBVA USA.
(2) Excluding the goodwill impairment in the United States and the net capital gain from the bancassurance operation with Allianz.

Consolidated income statement (Millions of euros)	2020	Δ%	Δ% at constant exchange rates	2019
Net interest income	**16,801**	**(7.3)**	**3.6**	**18,124**
Net fees and commissions	4,616	(8.3)	(0.4)	5,033
Net trading income	1,692	22.3	37.6	1,383
Other operating income and expenses	(135)	76.2	46.3	(77)
Gross income	**22,974**	**(6.1)**	**4.5**	**24,463**
Operating expenses	(10,755)	(9.6)	(2.6)	(11,902)
Operating income	**12,219**	**(2.7)**	**11.7**	**12,561**
Impairment on financial assets	(5,908)	45.1	67.3	(4,073)
Provisions or reversal of provisions and other gains / (losses)	(1,085)	40.6	51.4	(772)
Profit/(loss) before tax	**5,225**	**(32.3)**	**(21.9)**	**7,716**
Income tax	(1,385)	(32.5)	(22.4)	(2,053)
Profit/(loss) after tax	**3,840**	**(32.2)**	**(21.7)**	**5,663**
Goodwill impairment in the United States and corporate operations (1)	(1,780)	35.0	35.0	(1,318)
Profit/(loss) for the year	**2,060**	**(52.6)**	**(42.6)**	**4,345**
Non-controlling interests	(756)	(9.3)	13.0	(833)
Net attributable profit/(loss)	**1,305**	**(62.9)**	**(55.3)**	**3,512**
Net attributable profit/(loss) excluding the goodwill impairment in the United States and corporate operations (1)	**3,084**	**(36.1)**	**(27.2)**	**4,830**

General note: as a result of the interpretation issued by the International Financial Reporting Standards Interpretations Committee (IFRIC) regarding the collecting of interests of written-off financial assets for the purpose of IFRS 9, those collections are presented as reduction of the credit allowances and not as a higher interest income, recognition method applied until December 2019. Therefore, and in order to make the information comparable, the information of the 2019 income statements has been restated.

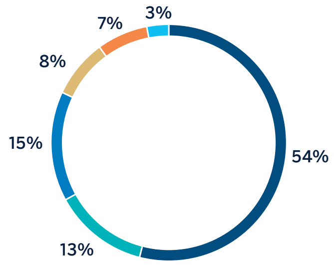
(1) Include the net capital gain from the sale to Allianz the half plus one share of the company created to jointly develop the non-life insurance business in Spain, excluding the health insurance line.

Business areas

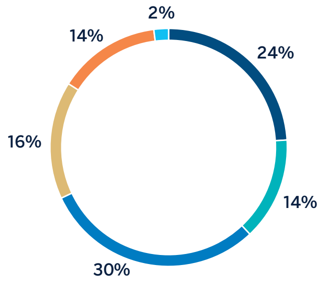
GEOGRAPHIC DIVERSIFICATION

- Spain
- The United States
- Mexico
- Turkey
- South America
- Rest of Eurasia

Total assets breakdown by geographical area



Gross income breakdown by geographical area



General note: excluding the Corporate Center.

NPL coverage ratio (%) NPL ratio (%) Cost of risk (%)

SPAIN

ACTIVITY(1)

Year on year changes.
Balances as of 31-12-2020

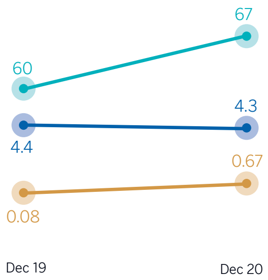
Performing loans and advances to customers under management

+0.8%

Customers funds under management

+8.1%

RISKS



- Activity growth driven by corporate and investment banking operations and government support programs.
- Risk indicators contained.

Results. 2020. Millions of euros.
Year on year changes.

Net interest income	3,553	-0.4%
Gross income	5,554	-1.8%
Operating income	2,515	+4.7%
Net attributable profit	606	-56.3%

- Improved efficiency ratio, driven by controlled operating expenses.
- Net attributable profit affected by the level of impairment on financial assets.

THE UNITED STATES

ACTIVITY(1)

Year on year changes at constant exchange rate.
Balances as of 31-12-2020

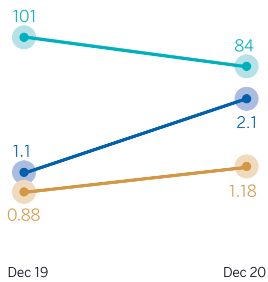
Performing loans and advances to customers under management

-0.0%

Customers funds under management

+13.1%

RISKS



- Agreement with PNC for the sale of BBVA USA and other companies of BBVA Group with activities related to this banking business in the country.
- Flat lending activity and strong increase in customer deposits in the year.

Results. 2020. Millions of euros.
Year on year changes at constant exchange rate.

Net interest income	2,284	-2.6%
Gross income	3,152	-0.0%
Operating income	1,281	+4.4%
Net attributable profit	429	-25.5%

- Positive evolution of fees and commissions and net trading income.
- Net attributable profit impacted by the Fed rate reduction and the significant increase in the impairment on financial assets line.

MEXICO

ACTIVITY(1)

Year on year changes at constant exchange rate.
Balances as of 31-12-2020

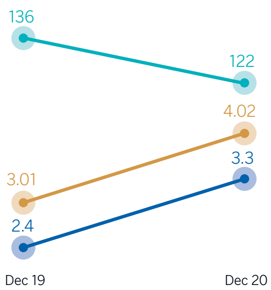
Performing loans and advances to customers under management

-1.0%

Customers funds under management

+10.0%

RISKS



- Slight deceleration of activity, impacted by the macroeconomic environment.
- Solid liquidity position.

Results. 2020. Millions of euros.
Year on year changes at constant exchange rate.

Net interest income	5,415	-0.7%
Gross income	7,017	-0.5%
Operating income	4,677	-1.1%
Net attributable profit	1,759	-25.8%

- Controlled expenses and strength of the gross income.
- Net attributable profit affected by the significant increase in the impairment on financial assets line.

NPL coverage ratio (%) | NPL ratio (%) | Cost of risk (%)

TURKEY

ACTIVITY(1)

Year on year changes at constant exchange rate. Balances as of 31-12-2020

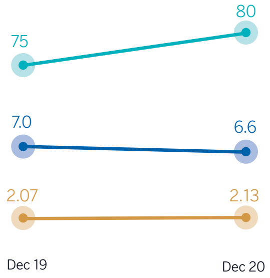
Performing loans and advances to customers under management

+25.9%

Customers funds under management

+28.9%

RISKS



Results. 2020. Millions of euros.
Year on year changes at constant exchange rate.

Net interest income	2,783	+25.2%
Gross income	3,573	+26.0%
Operating income	2,544	+35.6%
Net attributable profit	563	+41.0%

- Significant credit growth driven by Turkish lira loans. Strong growth in foreign currency demand deposits.
- Reduction in the NPL ratio year-to date.
- Outstanding performance of the net interest income and fees and commissions and efficiency ratio improvement.
- Double digit growth in the main income statement margins.

SOUTH AMERICA

ACTIVITY(1)

Year on year changes at constant exchange rates. Balances as of 31-12-2020

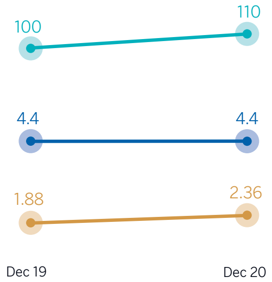
Performing loans and advances to customers under management

+12.6%

Customers funds under management

+22.5%

RISKS



Results. 2020. Millions of euros.
Year on year exchange at constant exchange rates.

Net interest income	2,701	+0.9%
Gross income	3,225	+1.7%
Operating income	1,853	+0.8%
Net attributable profit	446	-22.6%

- **Argentina**: good performance of the net interest income and fees and commissions.
- **Peru**: net interest income impacted by the drop in official rates and customer support measures.
- **Colombia**: strong operating income due to higher income generation from net interest income and net trading income. Controlled expenses growing under the inflation.

REST OF EURASIA

ACTIVITY(1)

Year on year changes. Balances as of 31-12-2020

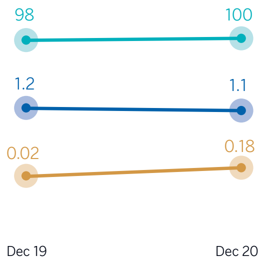
Performing loans and advances to customers under management

-3.8%

Customers funds under management

-1.2%

RISKS



Results. 2020. Millions of euros.
Year on year changes.

Net interest income	214	+22.4%
Gross income	510	+12.3%
Operating income	225	+39.8%
Net attributable profit	137	+7.6%

- Activity affected by the loans amortizations made during the second half of the year.
- Contained risk indicators.
- Increased net interest income, fees & commissions and net trading income.
- Reduction of operating expenses.

OTHER INFORMATION: CORPORATE & INVESTMENT BANKING

ACTIVITY(1)

Year on year changes at constant exchange rates. Balances as of 31-12-2020

Performing loans and advances to customers under management

+1.6%

Customers funds under management

+31.5%

CLIENT´S REVENUE

€ Mill. Year on year exchange at constant exchange rates.

2,950

+14%

Wholesale banking recurrent business(2)

94% of revenues given by our relations with clients

Results. 2020. Millions of euros.
Year on year exchange at constant exchange rates.

Gross income	3,135	+15.1%
Operating income	2,143	+25.1%
Net attributable profit	877	-3.8%

- Good performance of customer activity, which is reflected in net interest income and fees and commissions.
- Good evolution of net trading income.
- Leadership position in green and sustainable loans.
- Net attributable profit affected by the significant increase in the impairment on financial assets line.

(1) Performing loans under management excluding repos. Total customer funds under management are made up of the sum of customer deposits under management excluding repos plus mutual funds, pension funds and other off balance-sheet funds.
(2) Client´s revenue / Gross income.

BBVA
Creating Opportunities

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