Fixed Income Presentation 2Q20

BBVA

Creating Opportunities

Disclaimer

BBVA Creating Opportunities

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Creating Opportunities

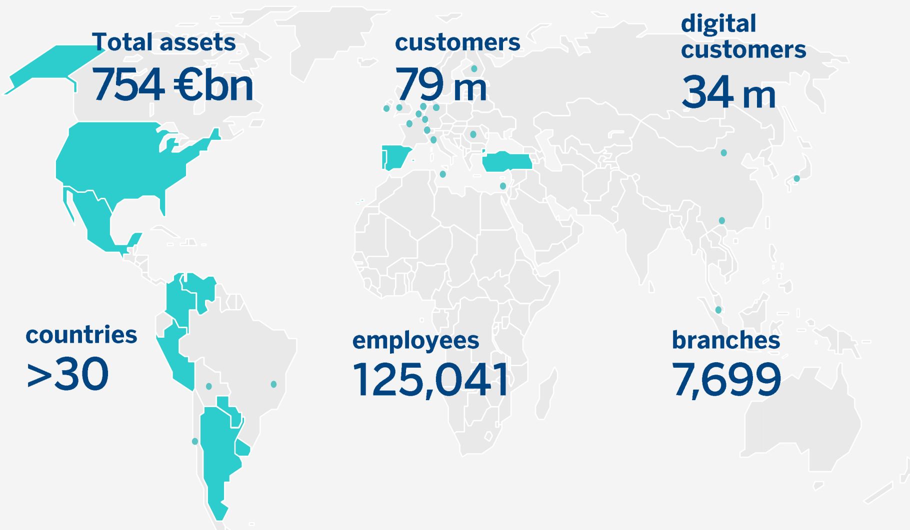
01

About BBVA

About BBVA

BBVA'S GLOBAL PRESENCE

JUN.20

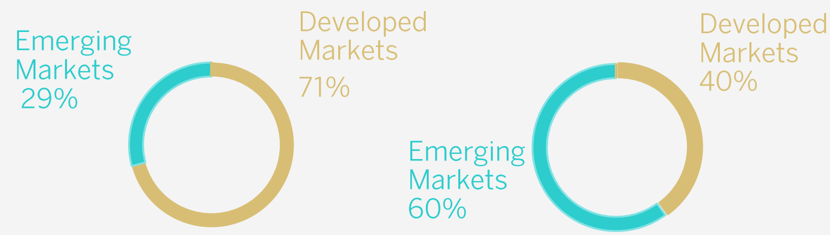


DIVERSIFICATION UNDER A DECENTRALIZED MODEL

JUN.20

TOTAL ASSETS (1)
JUN.20

GROSS INCOME (1)
6M20



(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"

NEW STRATEGIC PRIORITIES

WHAT WE STAND FOR

- Improving our **client's financial health**
- Helping our clients transition towards a **sustainable future**

DRIVERS OF SUPERIOR PERFORMANCE

- Reaching **more clients**
- Operational **excellence**

ACCELERATORS TO DELIVER ON OUR STRATEGY

- The best and most **engaged team**
- **Data** and **Technology**

BBVA

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02

BBVA's strengths

We face current challenges from a position of strength

1

Strong and low volatile Operating Income

2

Sound capital position and proven capacity to **generate capital**

3

Comfortable **liquidity position**

4

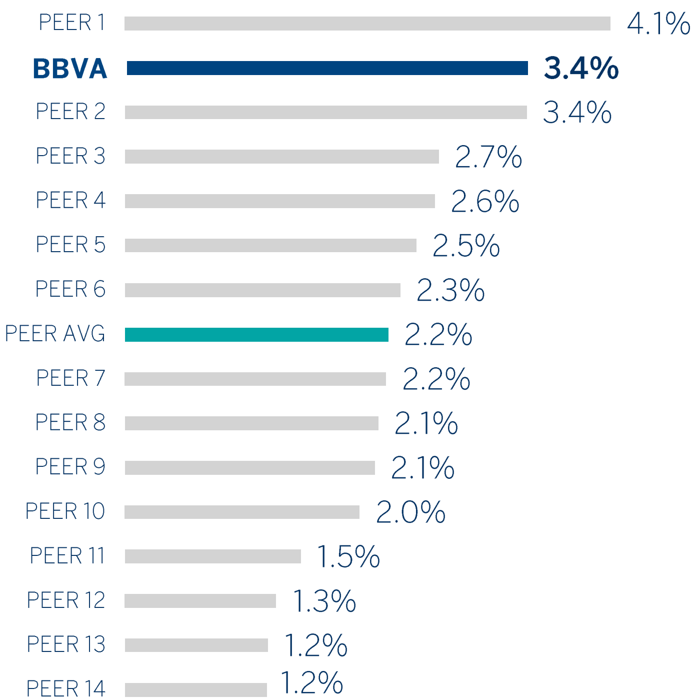
Digital edge as a competitive advantage

Strong and low volatile Operating Income

A proven track record of earnings resilience and low volatility…

STRONG AND LOW VOLATILE OPERATING INCOME…

OPERATING INCOME/ RWAS
(2008-2019 AVERAGE, %)



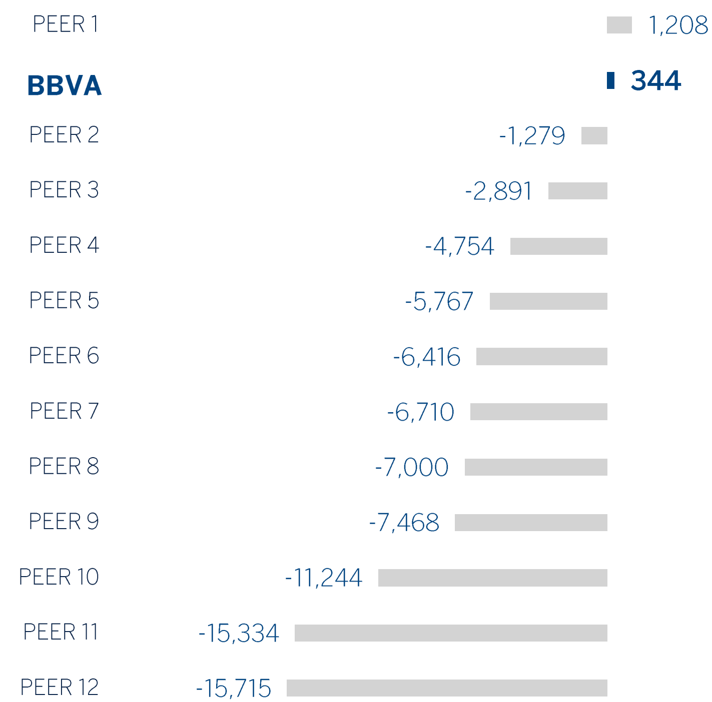
VOLATILITY - STANDARD DEVIATION

BBVA **±0.4%** European Peers **±0.9%**

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

…EVEN UNDER STRESSED SCENARIOS

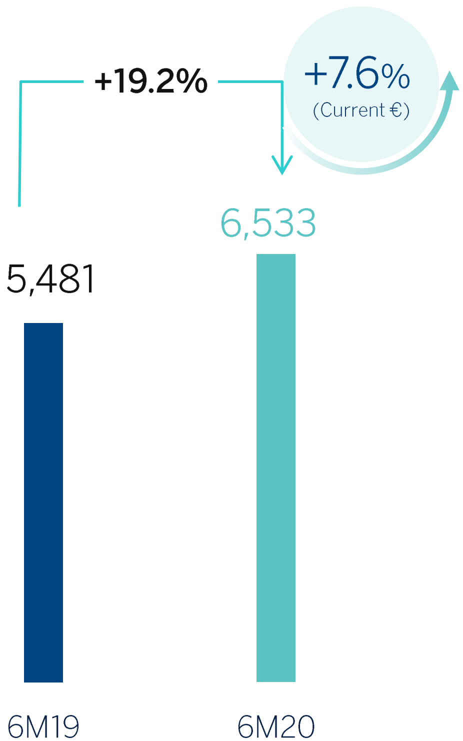
EBA STRESS TEST 2018: ADVERSE SCENARIO NET ATTRIBUTABLE PROFIT 2018-2020
(CUMULATIVE € MN)



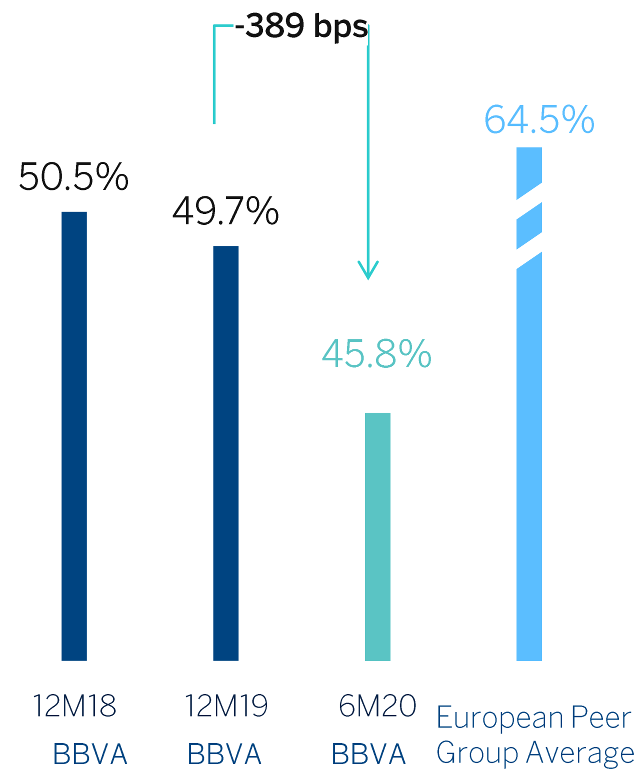
Peers: BARC, BNPP, CASA, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UCG.

… a trend that has been maintained in 1H20…

/ OPERATING INCOME
(%; € CONSTANT)



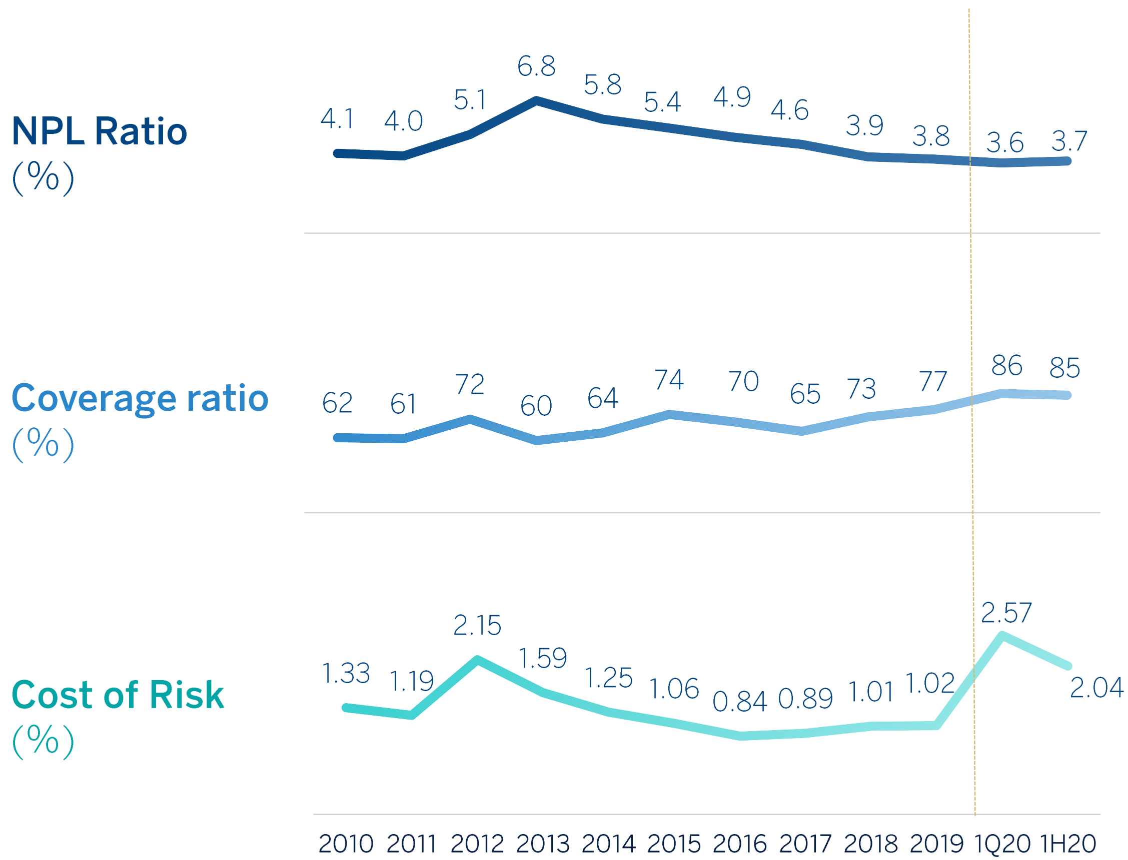
/ EFFICIENCY RATIO
(%; € CONSTANT)



European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCG.
European Peer Group figures as of Mar-20

Strong income growth and continued discipline in cost management during 1H20

... with a continued prudent and proactive management of risks



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

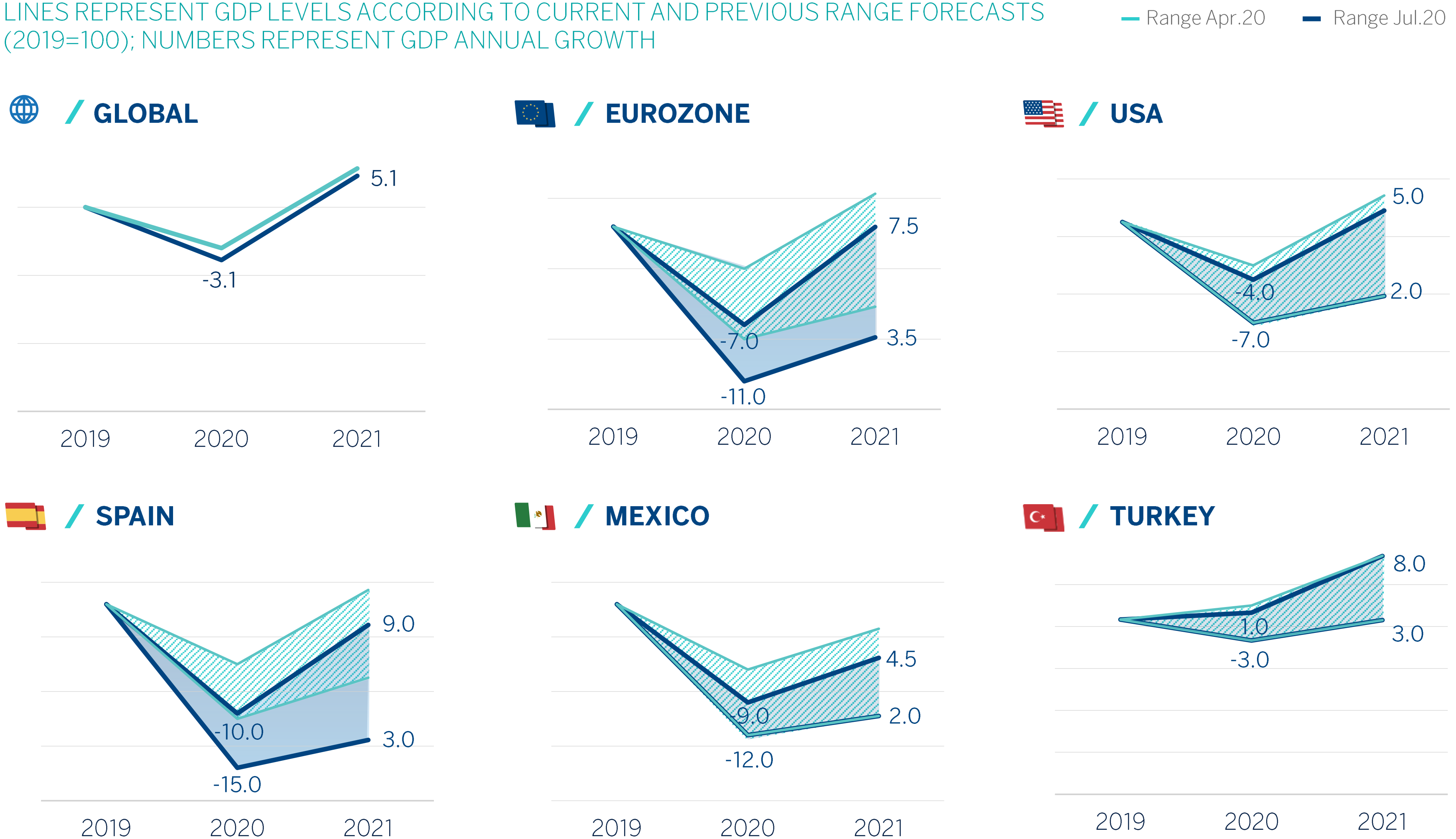
Note: Data since 2018 under IFRS9 standards and 2017 figures under IAS 39. NPL ratio from 2017 onwards is calculated excluding repos (the rest of the series have not been restated)

After 1Q20 provisioning frontloading, the CoR improves in 2Q20 towards our expectations

Extraordinary provisioning based on revised growth estimates

Macro scenarios by region

LINES REPRESENT GDP LEVELS ACCORDING TO CURRENT AND PREVIOUS RANGE FORECASTS (2019=100); NUMBERS REPRESENT GDP ANNUAL GROWTH



Source: BBVA Research.

Impairments breakdown by business area

IMPAIRMENTS BREAKDOWN
(€M CONSTANT, 2Q20)

	RECURRENT Impairments	COVID-19 Impairments*	TOTAL Impairments
Spain	159	64	223
USA	120	68	188
Mexico	356	323	679
Turkey	160	78	238
Argentina	43	-12	31
Colombia	101	-10	91
Peru	78	62	140
Rest	72	3	75
TOTAL	**1,089**	**576**	**1,665**

COST OF RISK BREAKDOWN
(%, CURRENT ANNUALIZED, 1H20)

	RECURRENT Impairments	TOTAL Impairments	2019
Spain	0.35%	1.00%	0.18%(**)
USA	0.78%	1.80%	0.88%
Mexico	2.88%	4.95%	3.01%
Turkey	1.83%	2.71%	2.07%
Argentina	3.66%	3.64%	4.22%
Colombia	2.72%	3.37%	1.67%
Peru	1.72%	2.91%	1.45%
Rest	n.a.	n.a.	n.a.
TOTAL	**1.13%**	**2.04%**	**1.02%**

(*) IFRS9 updated macro adjustment plus specific provisions for most affected portfolios.
(**) Excludes 2Q19 mortgage portfolio sales.

2Q20 Cost of risk significantly below 1Q20 levels

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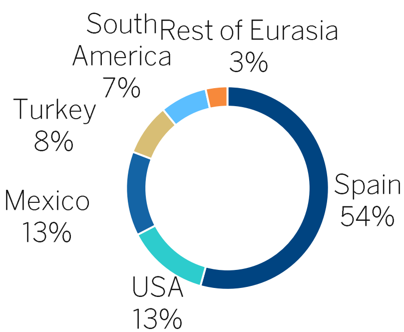
Business Areas

A well-diversified footprint with leadership positioning

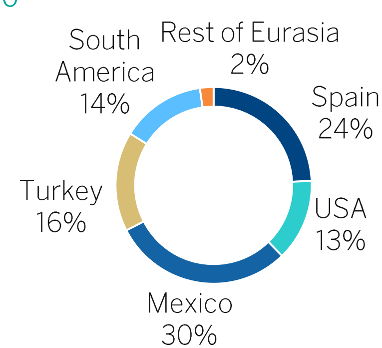
BREAKDOWN BY BUSINESS AREA

TOTAL ASSETS (1)
JUN.20



71% Developed Markets

GROSS INCOME (1)
6M20



40% Developed Markets

(1) Percentages exclude Corporate Center

LEADERSHIP POSITIONING
MARKET SHARE (%) AND RANKING (2)

SPAIN #3
13.4%

USA (Sunbelt) #4
6.1%

TURKEY #2
18.2%

MEXICO #1
23.1%

SOUTH AMERICA

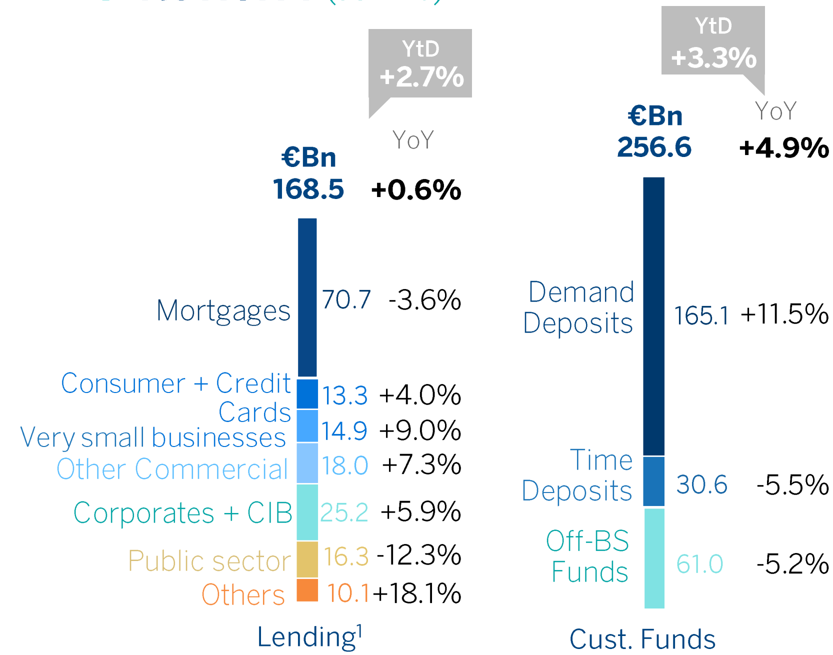
Colombia #4	Peru #2	Argentina #3
10.2%	19.7%	8.2%

(2) Loans market shares except for USA (Deposits). **Spain** based on BoS (May'20) and ranking (Mar'20) by AEB and CECA; **Mexico** data as of May'20 (CNBV); **South America** (Mar'20 for Argentina and May'20 for Colombia and Peru). Ranking considering main peers in each country; **USA**: SNL (Jun'19) considering Texas and Alabama; **Turkey**: BRSA total performing loans among private banks (market share as of June'20 and ranking as of Mar'20)

Spain

Profit & Loss (€m)	2Q20	Δ (%) vs 2Q19	1H20	Δ (%) vs 1H19
Net Interest Income	**920**	**1.8**	**1,793**	**1.7**
Net Fees and Commissions	439	1.6	908	7.4
Net Trading Income	104	n.s.	165	79.6
Other Income & Expenses	-70	n.s.	34	-53.0
Gross Income	**1,394**	**7.4**	**2,900**	**4.6**
Operating Expenses	-751	-7.8	-1,529	-6.1
Operating Income	**643**	**32.9**	**1,371**	**19.8**
Impairment on Financial Assets	-223	n.s.	-883	n.s.
Provisions & other gains (losses)	-100	55.0	-365	94.6
Income Before Tax	**320**	**-41.2**	**124**	**-88.0**
Income Tax	-91	-41.1	-34	-88.3
Net Attributable Profit	**228**	**-41.3**	**88**	**-88.1**

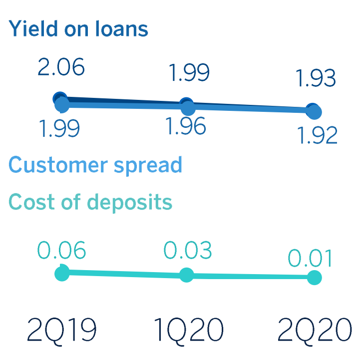
ACTIVITY (JUN-20)



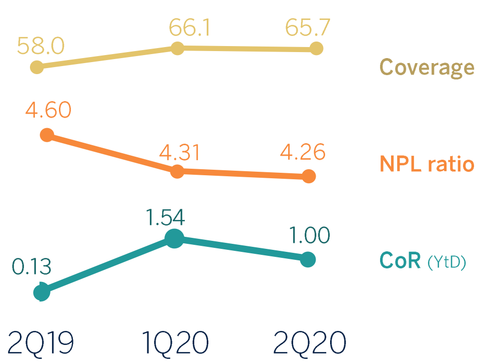
Note: Activity excludes repos. (1) Performing loans under management.

KEY RATIOS

CUSTOMER SPREAD (%)



ASSET QUALITY RATIOS (%)



Note: CoR 2Q19 ex mortgage portfolio sale.

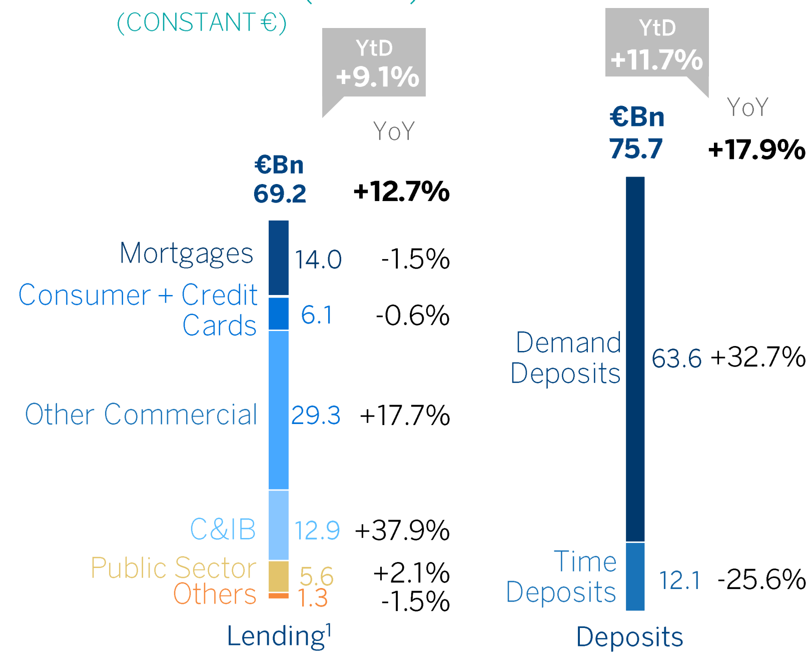
- Loans: +2.7% YTD, driven by Commercial segments and very small businesses, supported by State guaranteed programs in 2Q.
- Strong revenue growth (+4.6% YoY), driven by core revenues (+3.6%) and NTI.
- Outstanding cost performance, exceeding expectations.
- Pre-provision Profit +19.8% vs. 1H19.
- Asset quality improvement: significant CoR decrease QoQ, after the strong provision frontloading in 1Q20.

USA

Profit & Loss (€m constant)	**2Q20**	Δ Constant vs 2Q19 (%)	**1H20**	Δ Constant vs 1H19 (%)	Δ Current vs 1H19 (%)
Net Interest Income	**584**	**-4.9**	**1,133**	**-9.2**	**-6.9**
Net Fees and Commissions	160	-7.2	336	2.6	5.2
Net Trading Income	56	41.5	148	83.1	87.3
Other Income & Expenses	-6	n.s.	-10	n.s.	n.s.
Gross Income	**793**	**-4.1**	**1,607**	**-2.9**	**-0.5**
Operating Expenses	-460	-7.3	-959	-2.5	0.0
Operating Income	**333**	**0.8**	**648**	**-3.5**	**-1.1**
Impairment on Financial Assets	-188	47.9	-614	109.2	114.5
Provisions & other gains (losses)	-18	n.s.	-19	222.0	232.0
Income Before Tax	**128**	**-38.7**	**15**	**-95.9**	**-95.8**
Income Tax	-1	-96.5	11	n.s.	n.s.
Net Attributable Profit	**126**	**-27.0**	**26**	**-91.6**	**-91.4**

ACTIVITY (JUN-20)

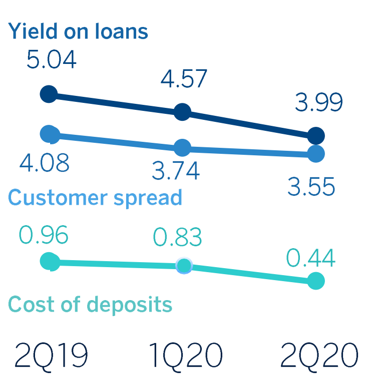
(CONSTANT €)



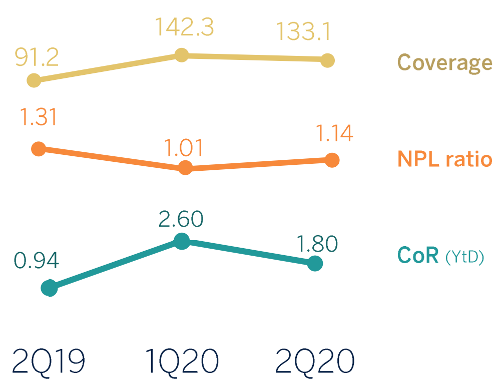
Note: Activity excludes repos. (1) Performing loans under management.

KEY RATIOS

CUSTOMER SPREAD (%)



ASSET QUALITY RATIOS (%)

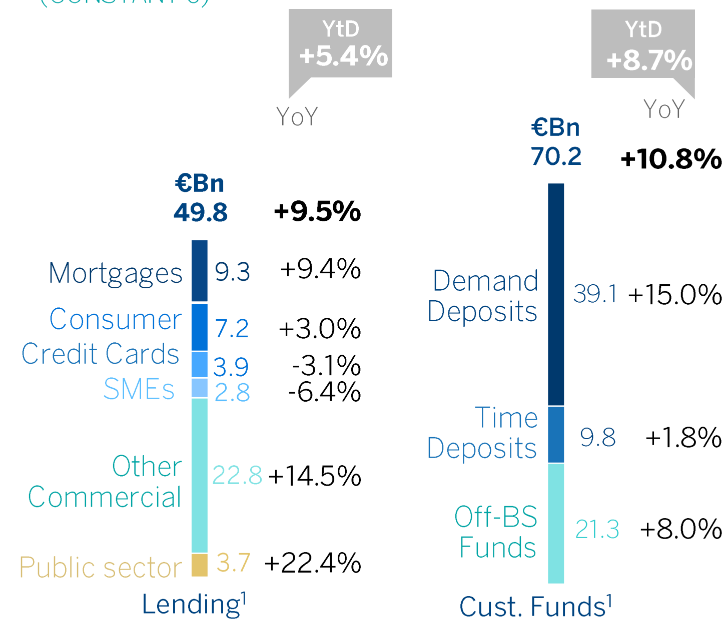


- Loans: solid growth driven by the commercial portfolio, supported by State Guaranteed Loans in 2Q (Paycheck Protection Program).
- Deposit mix and cost improvement: demand deposits representing 84% of total deposits, +39 bps QoQ improvement in cost of deposits.
- Significant cost reduction: -2.5% vs. 1H19.
- Resilient operating income in 2Q (+0.8% YoY), despite declining rates.
- Asset Quality: CoR significant decrease QoQ as a consequence of the 1Q provision frontloading.

Mexico

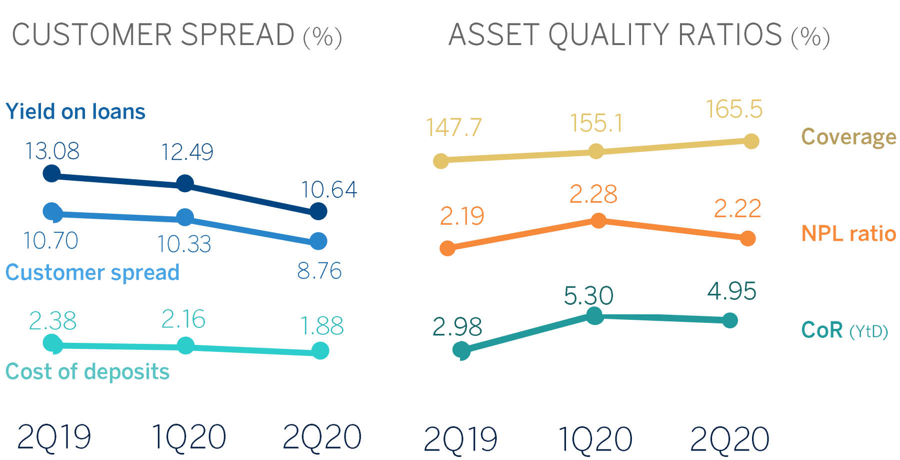
Profit & Loss (€m constant)	2Q20	Δ Constant vs 2Q19 (%)	1H20	Δ Constant vs 1H19 (%)	Δ Current vs 1H19 (%)
Net Interest Income	**1,287**	**-7.3**	**2,717**	**-1.5**	**-10.7**
Net Fees and Commissions	239	-17.4	513	-9.0	-17.5
Net Trading Income	159	142.2	231	88.5	71.0
Other Income & Expenses	23	-59.3	88	-4.1	-13.1
Gross Income	**1,708**	**-5.1**	**3,550**	**0.4**	**-9.0**
Operating Expenses	-589	-0.2	-1,200	2.6	-6.9
Operating Income	**1,118**	**-7.5**	**2,349**	**-0.8**	**-10.0**
Impairment on Financial Assets	-679	78.2	-1,394	88.0	70.5
Provisions & other gains (losses)	-52	334.1	-64	638.9	570.0
Income Before Tax	**387**	**-52.6**	**891**	**-44.9**	**-50.0**
Income Tax	-77	-65.2	-237	-47.5	-52.4
Net Attributable Profit	**310**	**-47.8**	**654**	**-43.9**	**-49.1**

ACTIVITY (JUN-20) (CONSTANT €)



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

KEY RATIOS

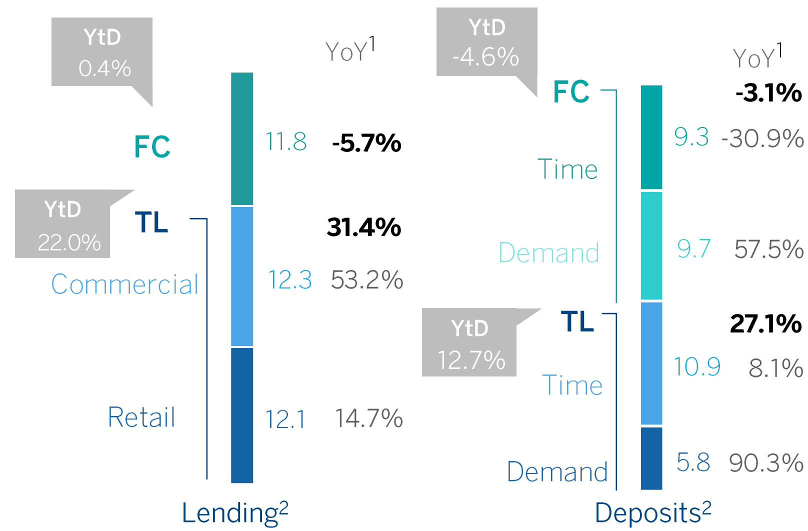


- Loans: +9.5% YoY (+6% ex. FX) driven by commercial segments (drawdown of credit lines in 1Q) and mortgages
- Flat Operating Income, supported by NTI (sound Global Market results) and Opex growth below inflation (+3.1%).
- NII impacted by rate cuts (Banxico -325 bps YoY), loan growth biased to commercial segments and deferrals in credit cards and SMEs.
- Asset quality indicators improving, despite 2Q20 affected by additional COVID-19 provisions.

Turkey

Profit & Loss (€m constant)	2Q20	Δ Constant vs 2Q19 (%)	1H20	Δ Constant vs 1H19 (%)	Δ Current vs 1H19 (%)
Net Interest Income	**762**	**25.1**	**1,534**	**27.6**	**13.4**
Net Fees and Commissions	109	-29.7	264	-17.5	-26.7
Net Trading Income	64	n.s.	127	n.s.	n.s.
Other Income & Expenses	11	-46.8	32	21.6	8.0
Gross Income	**945**	**28.4**	**1,957**	**31.3**	**16.7**
Operating Expenses	-270	3.8	-562	6.6	-5.3
Operating Income	**675**	**42.0**	**1,394**	**44.8**	**28.7**
Impairment on Financial Assets	-238	87.3	-618	106.5	83.6
Provisions & other gains (losses)	-42	134.7	-61	222.4	186.5
Income Before Tax	**395**	**19.5**	**715**	**10.9**	**-1.4**
Income Tax	-101	49.3	-175	29.1	14.7
Non-controlling Interest	-149	11.7	-274	5.9	-5.9
Net Attributable Profit	**145**	**12.0**	**266**	**6.3**	**-5.5**

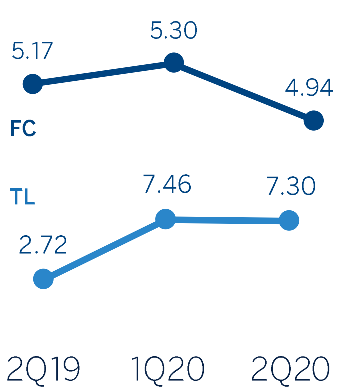
ACTIVITY (JUN-20)
(CONSTANT €; BANK ONLY)



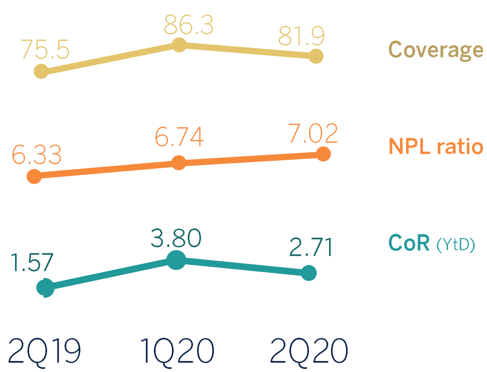
(1) FC evolution excluding FX impact. (2) Performing loans and deposits under management, excluding repos, according to local GAAP.

KEY RATIOS

CUSTOMER SPREAD (%)



ASSET QUALITY RATIOS (%)



- Loans: significant acceleration of TL loans (+31% YoY), levered on commercial segments supported by the CGF[3].
- Strong operating income growth (+45% YoY) supported by higher NII and NTI and Opex control.
- NII up +28% vs. 1H19, explained by loan growth and the improvement in TL customer spread due to the decrease in the cost deposits.
- Costs growing below average inflation (+11.9%).
- Asset quality: CoR significant improvement QoQ due to the strong provisions frontloading in 1Q20.

(3) Government supported Credit Guarantee Fund.

South America

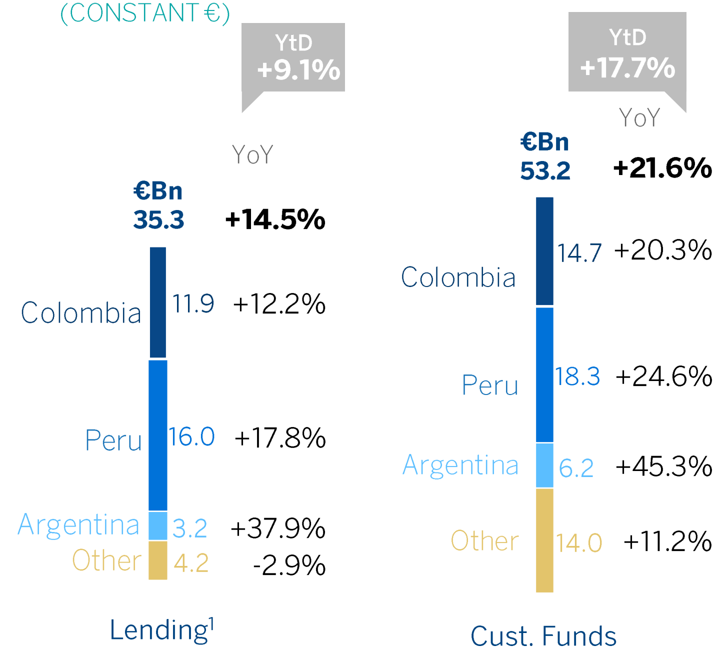
Net Attributable Profit (€m constant)	2Q20	Δ Constant[1] vs 2Q19 (%)	1H20	Δ Constant[1] 1H20	Δ Current vs 1H19 (%)
Colombia	40	-37.3	48	-58.2	-63.0
Peru	3	-95.1	32	-66.7	-66.8
Argentina	39	n.s.	43	n.s.	-61.2
Other[2]	13	-57.7	36	-37.6	-45.9
South America	**95**	**-41.5**	**159**	**-47.3**	**-60.6**

(1) Venezuela in current €m.

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

ACTIVITY (JUN-20)

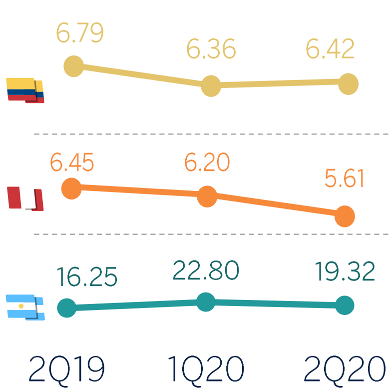
(CONSTANT €)



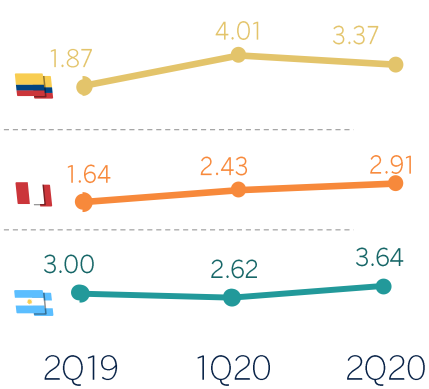
Note: Activity excludes repos. (1) Performing loans under management.

KEY RATIOS

CUSTOMER SPREAD (%)



COST OF RISK YTD (%)



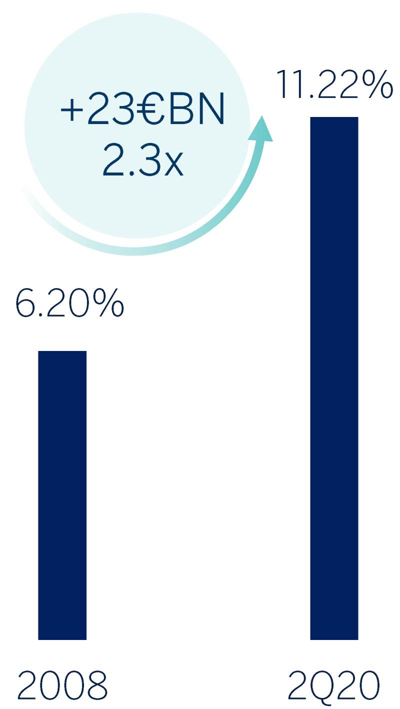
- Colombia: High single digit growth in NII YoY, supported by activity. CoR improvement QoQ due to the strong provision frontloading in 1Q20.
- Peru: Net Attributable profit impacted by the CoR increase, as GDP estimates deteriorate further.
- Argentina: Positive Net Attributable Profit, improving QoQ due to lower hyperinflation adjustment and provision releases on the securities portfolio.

Sound capital position

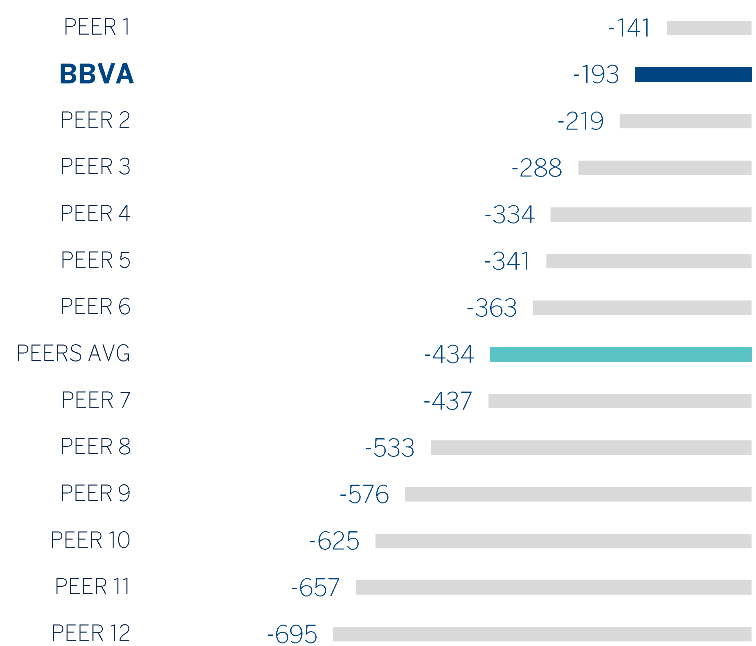
Creating Opportunities

A proven track record in capital generation and superior resilience under stress

BBVA GROUP CET1 FULLY LOADED (%)



EBA STRESS TEST 2018: ADVERSE SCENARIO CET1 FL DEPLETION 2020 VS 2017 (BPS)

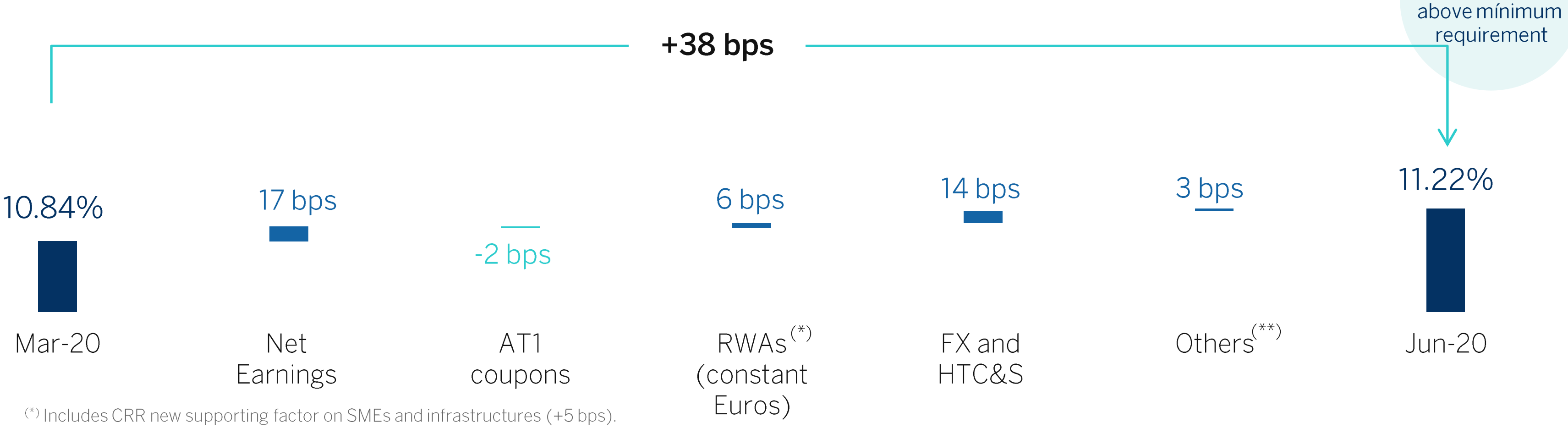


European Peer BARC, BNPP, CASA, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UCG.

Strong evolution in capital ratios

CET1 FULLY-LOADED

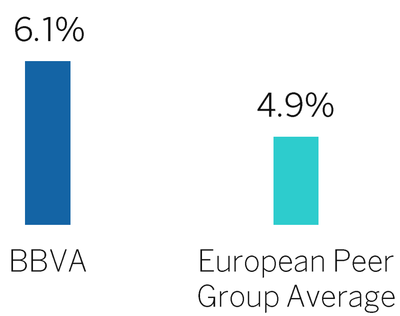
QUARTERLY EVOLUTION (%, bps)



(*) Includes CRR new supporting factor on SMEs and infrastructures (+5 bps).
(**) Includes prudent valuation adjustment (+3 bps), among others.

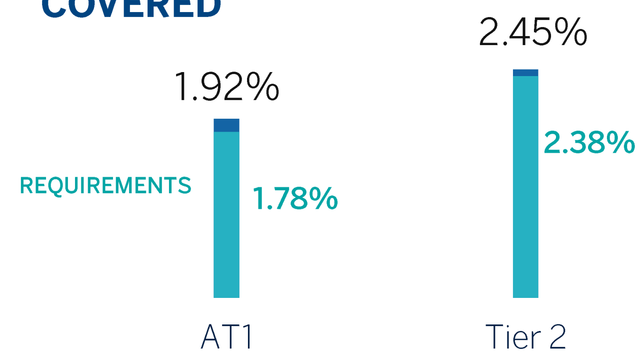
HIGH QUALITY CAPITAL- LEVERAGE RATIO FL

JUN-20 BBVA, MAR-20 EUROPEAN PEERS



European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCG. European Peer Group figures as of Mar-20. BBVA figures as of Jun-20.

AT1(*) AND TIER 2(**) BUCKETS ALREADY COVERED



(*) AT1 includes the €1.0 Bn AT1 instrument issued in Jul.20.
(**) Tier 2 includes the GBP300 Mn Tier 2 instrument issued in Jul.20.

CET 1 FL already at the high end of the management buffer target range (225-275 bps), and comfortable regulatory distance to MDA at 304 bps***

(***) Distance to MDA based on phased-in ratios, considering AT1 and T2 July issuances.

CET1 ratio sensitivity to market movements (1)

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

→ **SENSITIVITY TO A 10% DEPRECIATION** (JUN.20)

MXN	-3 bps
TRY	-3 bps
USD	+9 bps

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

→ **2020 NET ATTRIBUTABLE PROFIT FX HEDGING** (JUN.20)

MEXICO:	c.90%
TURKEY COLOMBIA PERU	c.50%

TO A 10% DECLINE IN TEF SHARE PRICE
JUN.20

→ **-2.6** bps

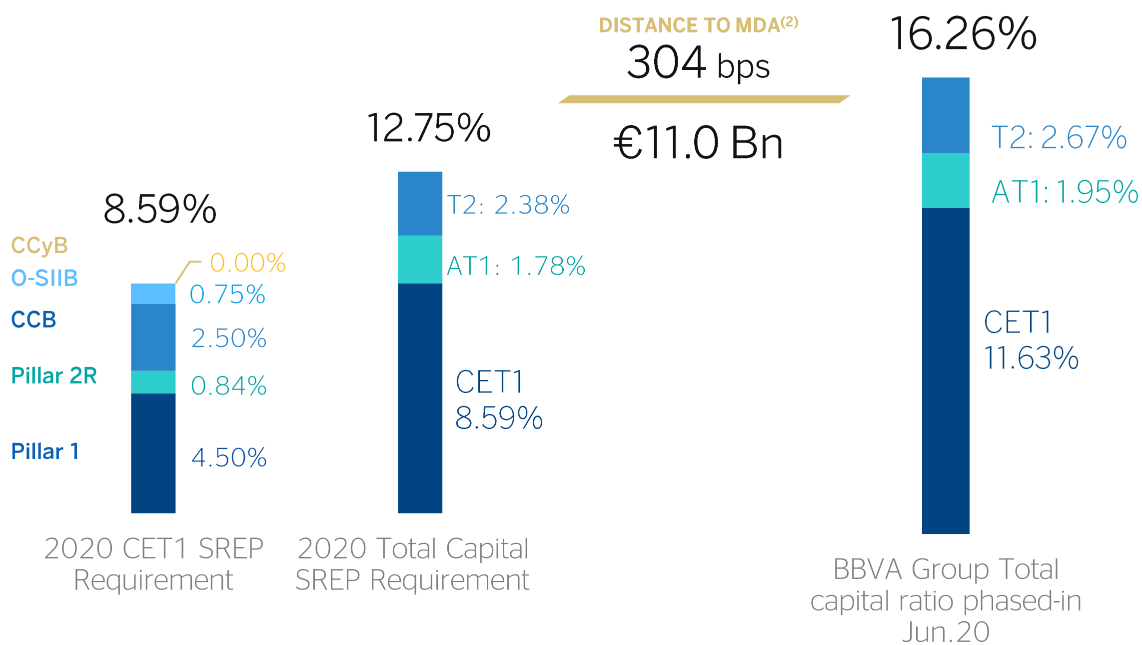
TO +100 BPS MOVEMENT IN THE SPANISH SOVEREIGN BOND
JUN.20

→ **-13** bps

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

Capital ratios well above requirements

/ 2020 SREP REQUIREMENT AND DISTANCE TO MDA[1] AT GROUP LEVEL

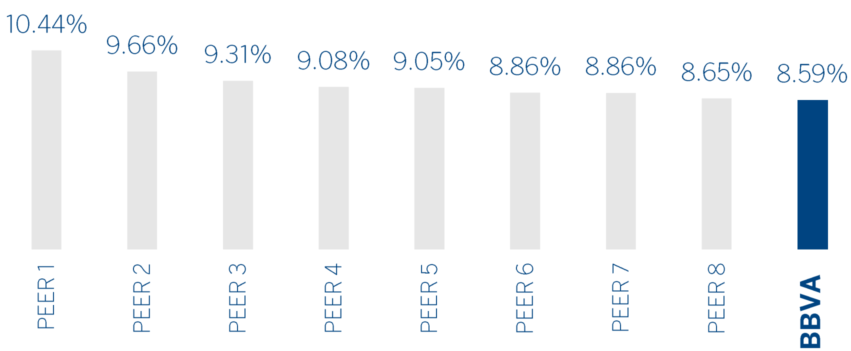


- Well above 2020 Total Capital and CET1 SREP requirements
- Significant buffer to MDA: 304 bps
- Pro-forma buffer to MDA on a fully loaded basis[3]: 263 bps

(1) Pro-forma considering AT1 and T2 July issuances.
(2) 304 bps of Buffer to MDA = 11.63% Jun.20 CET1 phased-in ratio - 8.59% 2020 CET1 SREP Requirement
(3) Provided for information purposes as the distance to MDA is calculated based on phased-in ratios and these are the legally binding ones

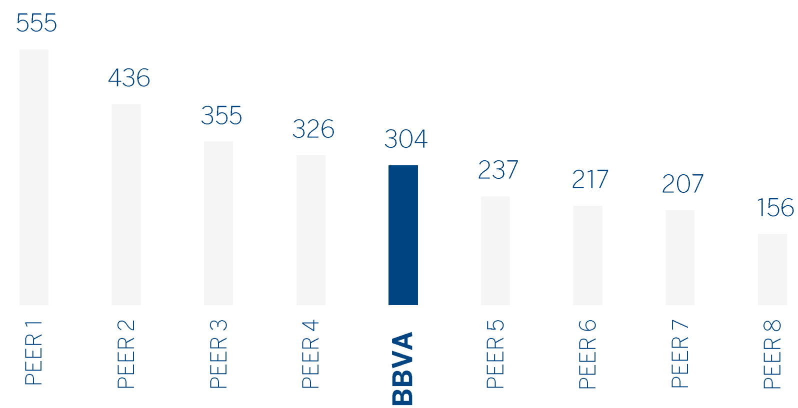
Lowest SREP requirement among peers

/ CET1 SREP REQUIREMENT
BASED ON 2020 REQUIREMENT POST P2R TIERING



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

/ DISTANCE TO MDA
JUN.20 (BPS)

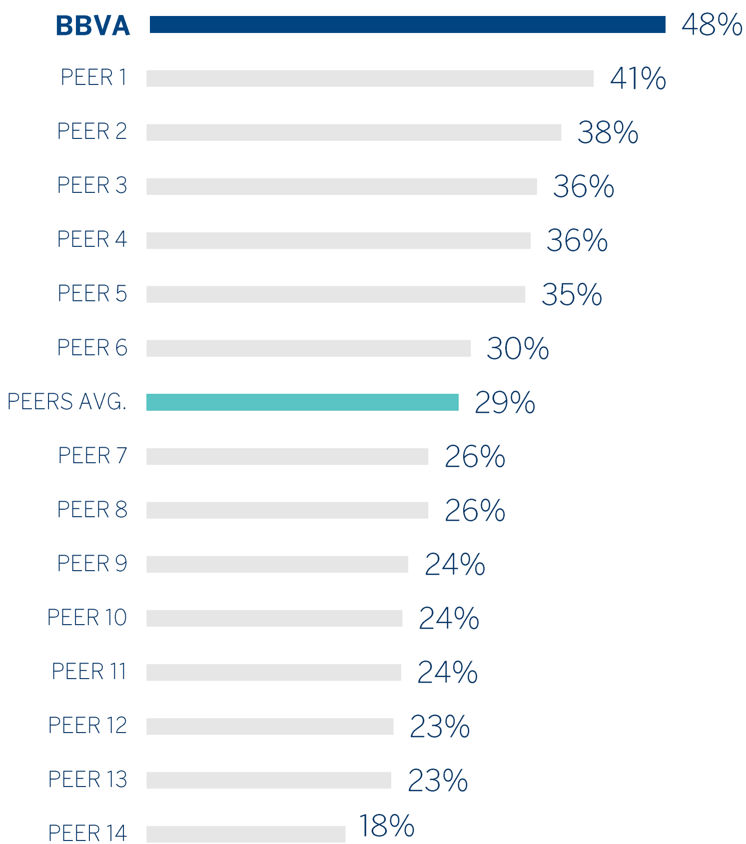


- **Ample buffer** over minimum requirements
- **Efficient capital** structure

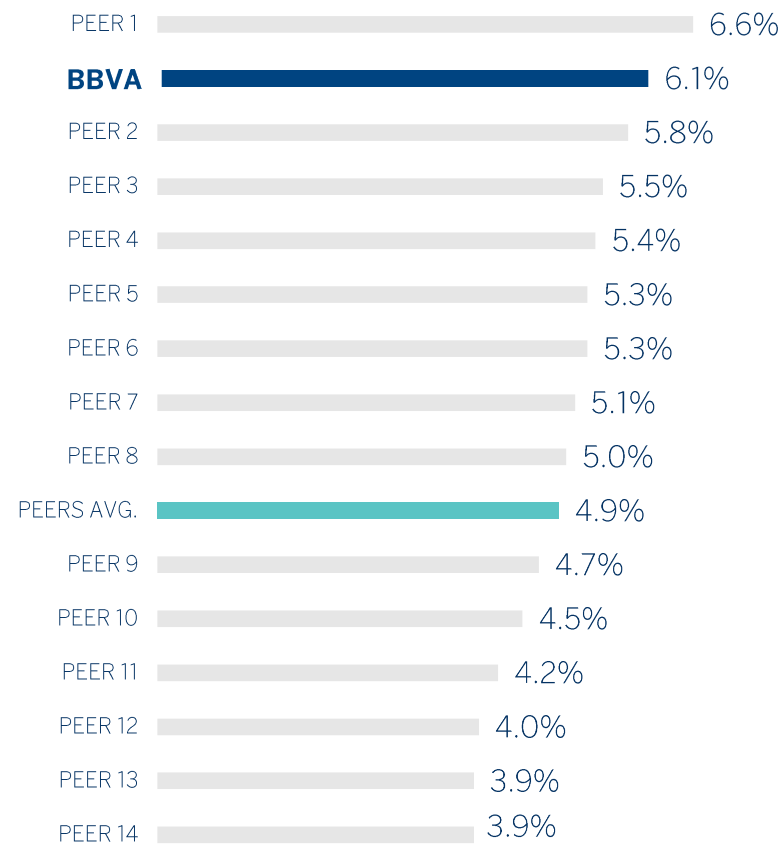
European Peer Group subject to ECB regulation: BNPP, CA, CMZ, DB, ISP, SAN, SG, UCG

High quality capital

/ RWA / TOTAL ASSETS
BBVA JUN.20 / EUROPEAN PEERS MAR.20



/ LEVERAGE RATIO FULLY-LOADED
BBVA JUN.20 / EUROPEAN PEERS MAR.20



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

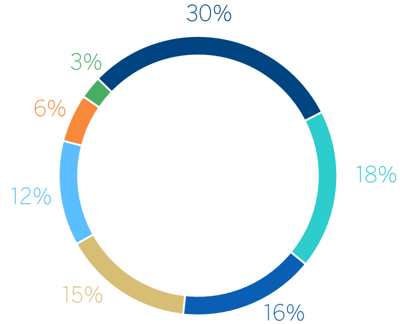
BBVA, leading the rankings in terms of RWAs density and leverage ratio

BBVA Group RWA Distribution

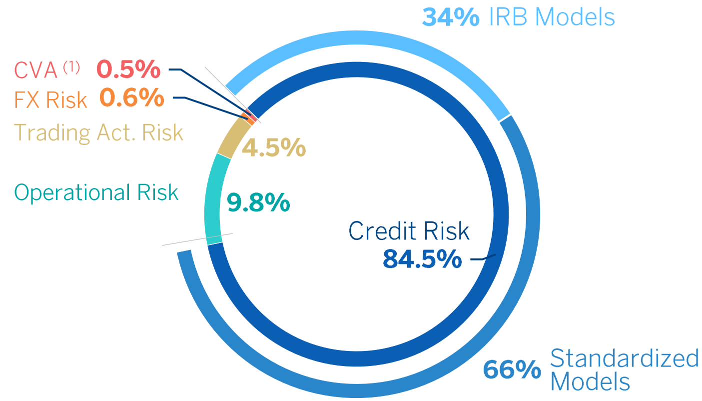
TOTAL RWAS FULLY-LOADED

JUN.20

362,388 €Mn



Spain	109,625
USA	66,889
Turkey	57,190
Mexico	54,947
South America	44,015
Rest of Eurasia	20,247
Corporate Center	9,475

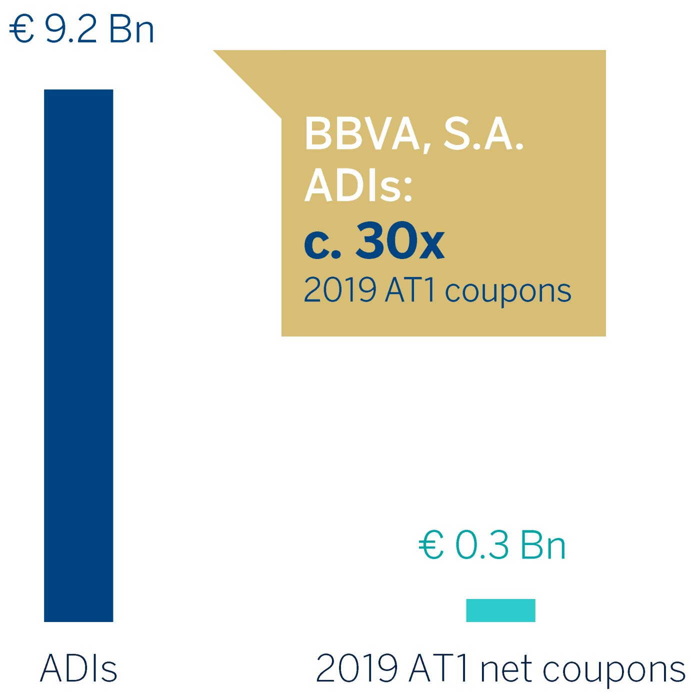


- Optimizing Capital Allocation is part of BBVA's Strategic Priorities
- Limited usage of internal models in Credit Risk RWAs, mitigating potential impacts from future regulatory requirements

(1) Credit Valuation Adjustment.
Note: Distribution of RWAs by type of risk and Model based on 1Q20 Pilar 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 31st, 2019).

Comfortable liquidity position

Liquidity ratios well above 100% minimum requirements

BBVA GROUP LIQUIDITY AND FUNDING METRICS
JUN.20

	Eurozone (2)	USA	Mexico	Turkey	South America
LTD	97%	91%	98%	102% (4)	90%
LCR	198%	144% (3)	169%	142%	>100%
NSFR	118%	120%	132%	144%	>100%

LCR Group
159%

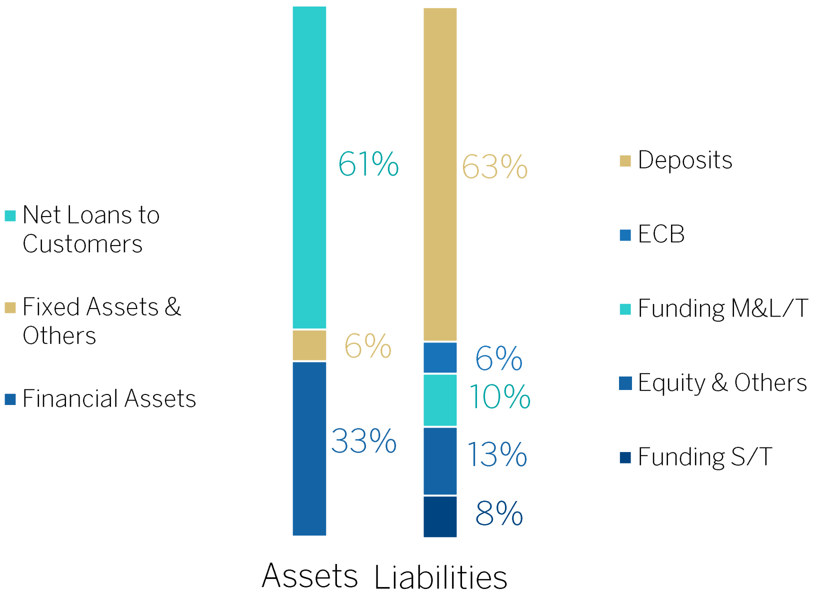
191% considering excess liquidity in subsidiaries

HQLAs (Jun.20, € Mn) (5)

Level 1	115,552
Level 2	3,396
Level 2A	1,025
Level 2B	2,371

NSFR Group
124%

BBVA GROUP LIQUIDITY BALANCE SHEET(1)
JUN.20



(2) Perimeter: Spain+Rest of Eurasia. Liquidity Management Buffer: €90bn.
(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

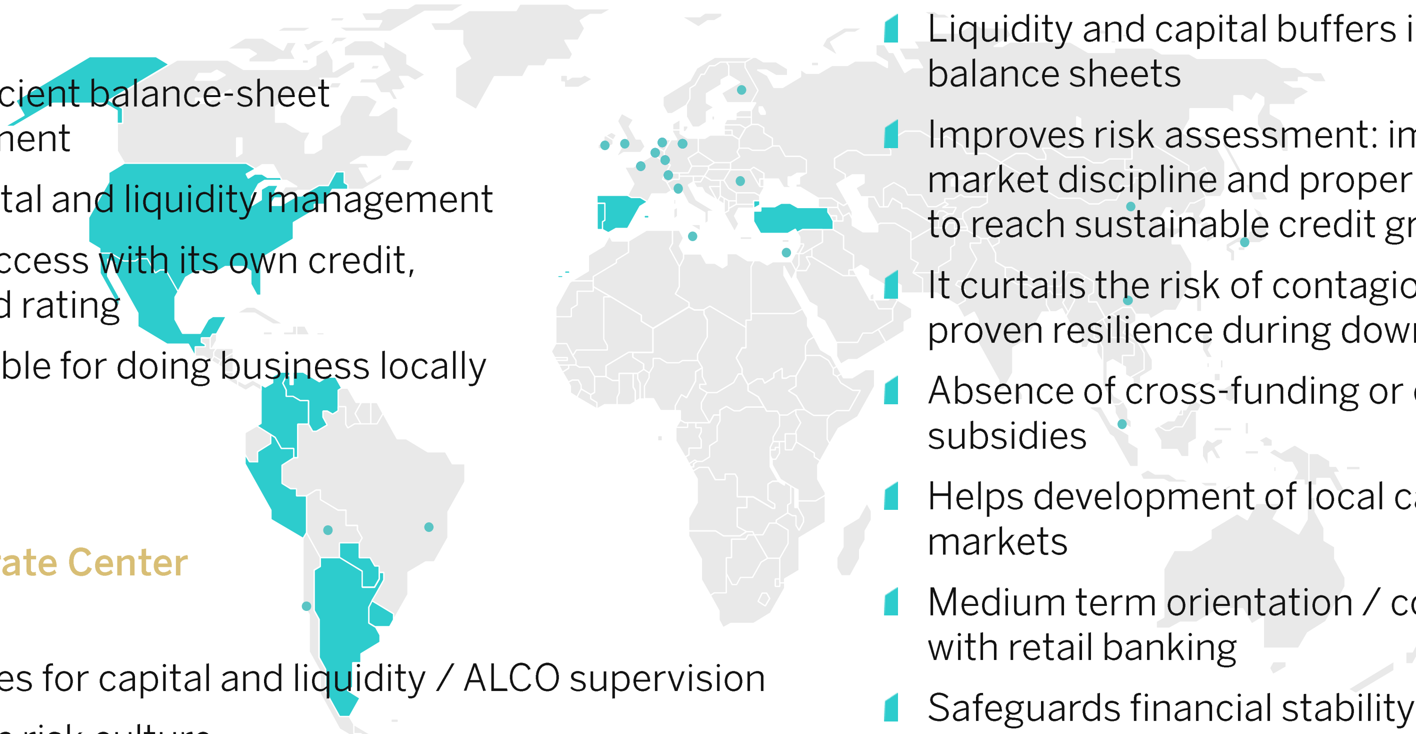
(1) Management liquidity balance sheet (net of interbank balances and derivatives)

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

Creating Opportunities

2020 Funding Plan: keep optimizing our total capital and funding structure

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

BBVA, S.A.

(€ bn)	Issued 2020 YTD	2020[1] (subject to market conditions)
AT1	1.0	Maintain both buckets fulfilled, considering P2R tiering
Tier 2	1.3	
SNP	1.4	2.5 - 3.5
SP	1.0	Could combine SP/SNP for MREL, given ample subordination buffer
CBs	--	No issuance expected
SUBSIDIARIES: MEXICO & TURKEY		2020 Issuances subject to market conditions

Prior to the potential Apr'21 € 1 Bn **AT1** call option, we might tap the market in order to completely pre-finance the instrument

T2 already endowed profiting from P2R flexibility, potential buffer on top of the requirement

MREL

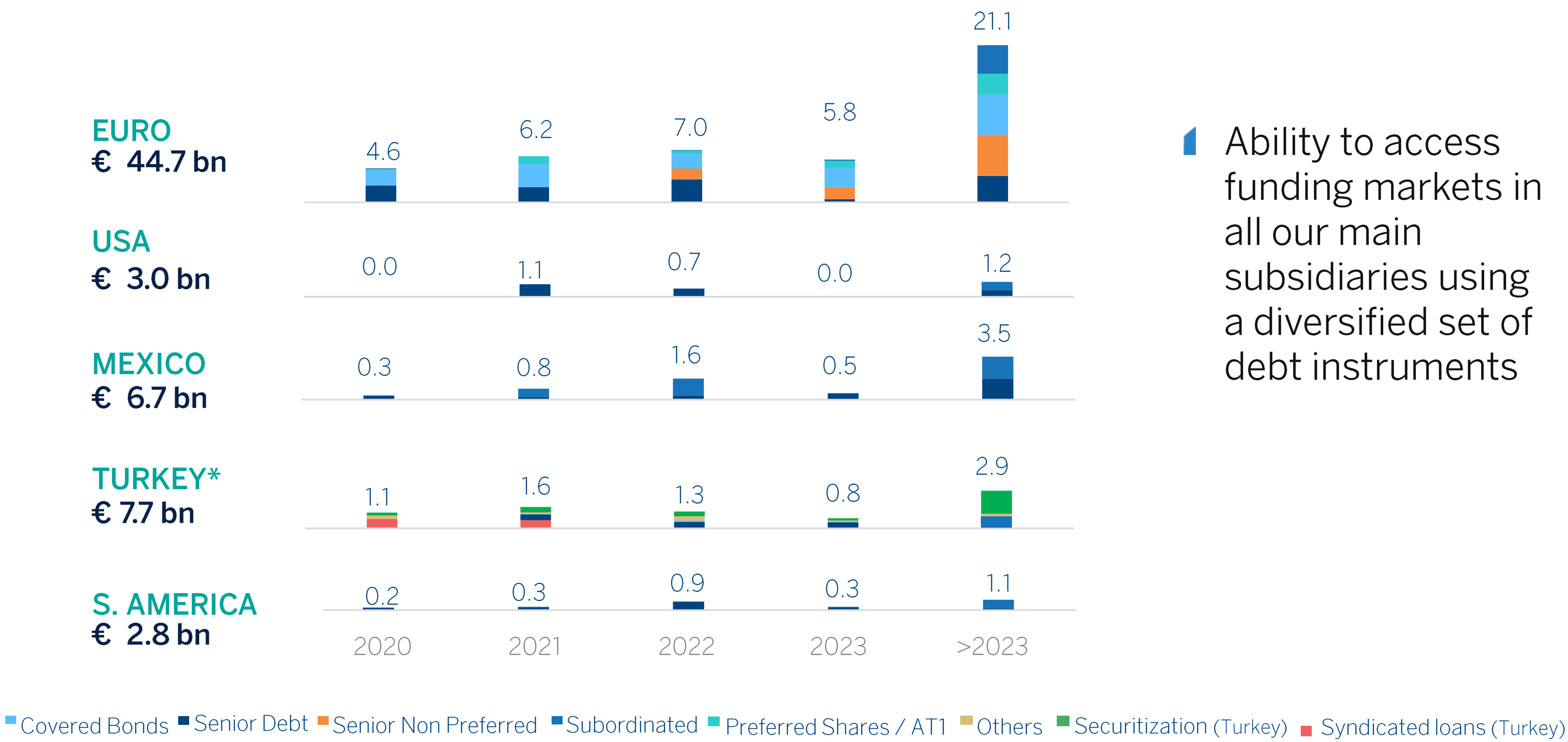
- MREL Requirement: 15.16% TLOF / 28.50% RWA, by 1st Jan.21 (EU Resolution Group [2])
- Minimum Subordination Requirement:
  - 9.18% TLOF / 17.25% RWA (8.01% and 15.05% post-allowance)
  - > 90% of MREL eligible with subordination > or = to SNP
- SRB published its MREL's policy in May 2020. Decision implementing the new framework expected in early 2021

(1)Supervisory, Macro prudential an 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. As of Dec- 17, the amount of Total Liabilities and own funds (TLOF) of the European Resolution Group was € 371,910 Mn, while the RWAs of the European resolution Group stood at € 197,819 Mn.

Broaden geographical diversification of access to market

MEDIUM & LONG-TERM WHOLESALE FUNDING MATURITIES

JUN.20, €BN



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

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

Outstanding amounts as of Jun.20: FX as of Jun.20: EUR = 1.12 USD; EUR = 25.95 MXN; EUR= 7.68 TRY

Digital edge as a competitive advantage

Our digital capabilities have proven to be a competitive advantage in the current context

INTERACTIONS

Global apps visits
pre vs. post COVID-19

+20%

Remote banker interactions
"My conversations in Spain"
Jun.20 vs. Feb.20

+68%

GROUP DIGITAL SALES
2Q20

66%
UNITS

50%
VALUE- PRV*

DIGITAL CUSTOMERS PENETRATION
(6M20)

60%

MOBILE CUSTOMERS PENETRATION
(6M20)

56%

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

03 Ratings

Creating Opportunities

BBVA S.A. Ratings [1]

BBVA LONG TERM SENIOR UNSECURED RATINGS

Moody's	Stable outlook (Jun. 19th, 2019)	A3
S&P	Negative outlook (Apr. 29th, 2020)	A-
Fitch	Stable outlook (Jun. 22nd, 2020)	A-
DBRS	Stable outlook (Apr. 1st, 2020)	A (High)

BBVA RATINGS BY TYPE OF INSTRUMENT

	Moody's	S&P	Fitch	DBRS
Investment grade	Aaa	AAA	AAA	**AAA CB**
	Aa1 CB	**AA+ CB**	AA+	AA (H)
	Aa2	AA	AA	AA
	Aa3	AA-	AA-	AA (L)
	A1	A+	A+	**A (H) Senior**
	A2	A	A	A
	A3 Senior	**A- Senior**	**A- Senior**	**A (L) T2**
	Baa1	**BBB+ SNP**	**BBB+ SNP**	BBB (H)
	Baa2 SNP	**BBB T2**	BBB	BBB
	Baa3 T2	BBB-	**BBB- T2**	BBB (L)
Non Investment Grade	Ba1	BB+	BB+	BB (H)
	Ba2 AT1	BB	**BB AT1**	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 August 4th, 2020

BBVA
Creating Opportunities

Annex

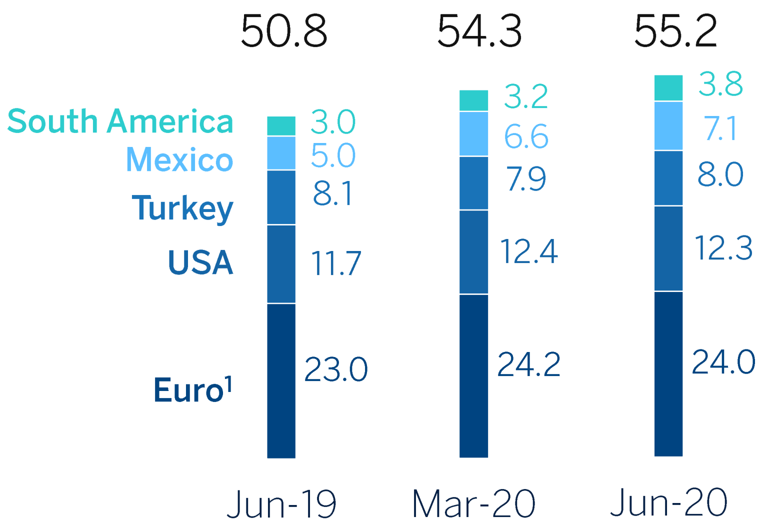
- BBVA Group 1H20 Profit & Loss
- ALCO portfolio
- Sovereign Exposure by geography
- Outstanding loan commitments to non-financial corporations
- New retail production breakdown
- Stages breakdown by business area
- EAD to most vulnerable sectors
- Loan deferrals breakdown
- Outstanding loan deferrals
- 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
- Sustainable Finance: Pledge 2025

1H20 Profit & Loss

BBVA Group (€m)	1H20	Change 1H20/1H19 %	Change 1H20/1H19 % constant
Net Interest Income	**8,653**	**-3.2**	**4.5**
Net Fees and Commissions	2,301	-6.8	-1.7
Net Trading Income	1,107	104.1	135.1
Other Income & Expenses	-16	n.s.	n.s.
Gross Income	**12,045**	**0.8**	**8.8**
Operating Expenses	-5,512	-6.2	-1.5
Operating Income	**6,533**	**7.6**	**19.2**
Impairment on Financial Assets	-4,146	139.5	162.0
Provisions and Other Gains and Losses	-671	134.9	143.6
Income Before Tax	**1,716**	**-57.7**	**-52.6**
Income Tax	-455	-60.0	-55.5
Non-controlling Interest	-333	-29.7	-17.8
Net Attributable Profit (ex-BBVA USA Goodwill)	**928**	**-62.0**	**-57.8**
BBVA USA Goodwill impairment	-2,084	n.s.	n.s.
Net Attributable Profit (reported)	**-1,157**	**n.s.**	**n.s.**

ALCO portfolio

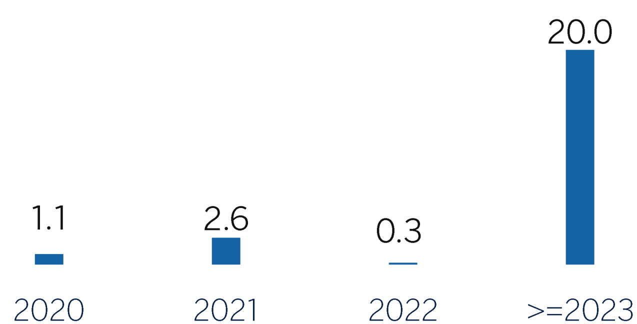
ALCO PORTFOLIO BREAKDOWN BY REGION
(€ BN)



June 2020	Amort Cost (HTC) (€BN)	Fair Value (HTC&S) (€BN)	Fair Value (HTC&S) (duration)
South America	0.1	3.7	1.0 years
Mexico	2.3	4.8	1.9 years
Turkey	4.2	3.8	3.7 years
USA	7.3	5.0	1.9 years
Euro	15.2	8.8	3.2 years
Spain	11.4	3.8	
Italy	3.7	1.1	
Rest	0.1	3.9	

(1) Figures excludes SAREB senior bonds (€4.6bn as of Jun-19, and €4.5bn for Mar-20 and Jun-20) and High Quality Liquid Assets portfolios (€11.2bn as of Jun-19, €12.6bn as of Mar-20 and €19.6bn as of Jun-20) .

EURO ALCO PORTFOLIO MATURITY PROFILE
(€ BN)



EURO ALCO YIELD
(JUN-20, %)

1.1%

HQLA PORTFOLIO
(JUN-20, €)

19.6bn

Sovereign Exposure by geography (1)

JUN.20, € bn

	Sovereign					
	Amortized Cost debt securities (HTC)	Fair Value debt securities (HTC&S)	Trading securities	Non-trading financial assets mandatorily at fair value through P&L	Short Positions	Loans
Spain	13.4	20.4	7.5	0.0	-5.2	13.4
Italy	3.8	1.8	3.7	0.0	-1.5	0.1
Portugal	0.0	0.0	0.4	0.0	-0.7	0.2
Mexico	3.1	6.0	9.8	0.0	-2.2	5.9
USA	7.5	6.7	0.2	0.0	0.0	5.6
Turkey	4.0	3.8	0.2	0.1	0.0	0.2
All Others	0.4	4.6	1.3	0.0	-1.5	2.4
TOTAL	**32.2**	**43.3**	**23.1**	**0.1**	**-11.2**	**27.8**

(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 AREAS
(JUN-20)

	€ bn
USA[1]	25.9
Spain	19.9
Eurasia	16.6
Turkey	2.4
South America	2.2
Mexico	2.1
Total Group	69.2

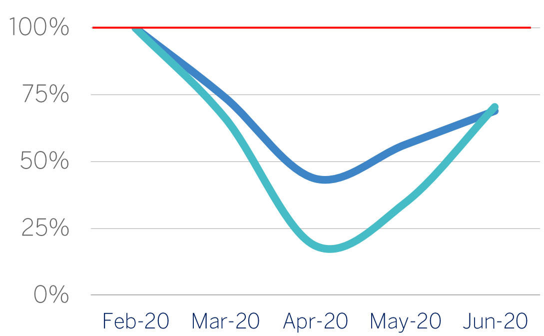
(1) USA includes € 15.4 billion of loan commitments in the NY branch.

New retail production breakdown

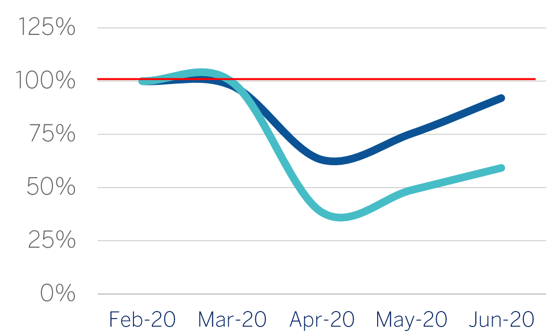
(BASE 100; FEB-2020)

MORTGAGES CONSUMER

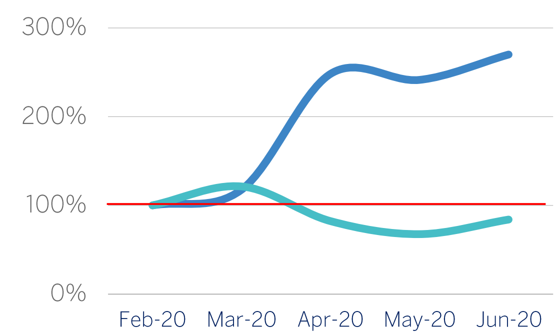
SPAIN



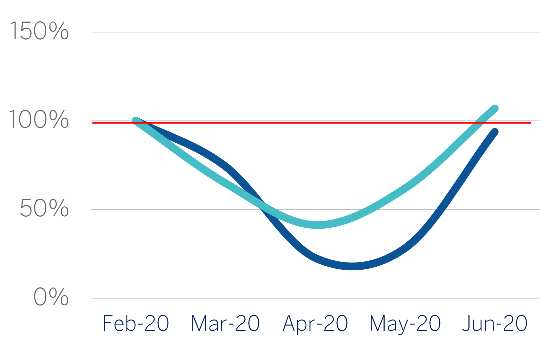
MEXICO



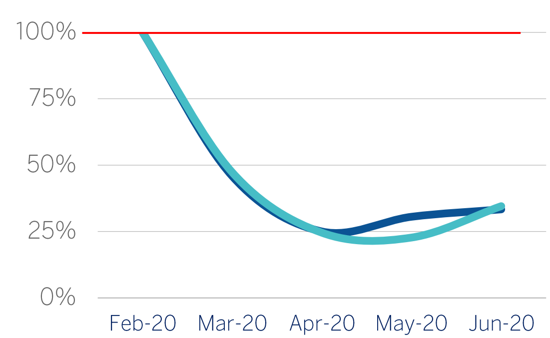
USA



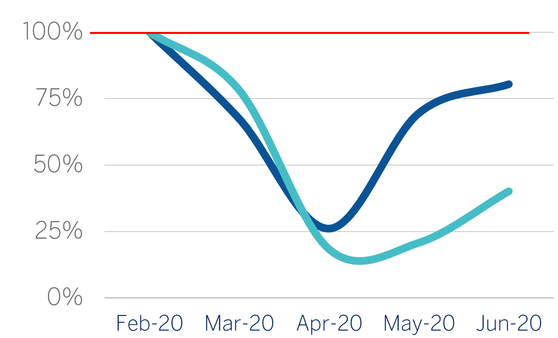
TURKEY



PERU



COLOMBIA



Stages breakdown by business area

CREDIT RISK BREAKDOWN BY BUSINESS AREA
(JUN-20, €M)

BBVA GROUP	Gross Exposure	Accumulated impairments
Stage 1	391,486	2,591
Stage 2	38,752	2,857
Stage 3	16,385	8,549

SPAIN	Gross Exposure	Accumulated impairments
Stage 1	176,955	801
Stage 2	13,992	724
Stage 3	8,504	4,057

USA	Gross Exposure	Accumulated impairments
Stage 1	62,538	338
Stage 2	8,705	511
Stage 3	822	244

MEXICO	Gross Exposure	Accumulated impairments
Stage 1	47,618	762
Stage 2	4,959	461
Stage 3	1,194	752

TURKEY	Gross Exposure	Accumulated impairments
Stage 1	44,057	243
Stage 2	5,061	657
Stage 3	3,708	2,138

SOUTH AMERICA	Gross Exposure	Accumulated impairments
Stage 1	35,368	408
Stage 2	4,651	452
Stage 3	1,888	1,176

COLOMBIA	Gross Exposure	Accumulated impairments
Stage 1	11,148	126
Stage 2	1,120	183
Stage 3	688	446

PERU	Gross Exposure	Accumulated impairments
Stage 1	17,338	195
Stage 2	2,736	203
Stage 3	914	558

ARGENTINA	Gross Exposure	Accumulated impairments
Stage 1	2,793	50
Stage 2	396	44
Stage 3	67	44

Exposure at default to most vulnerable sectors in the current environment

BREAKDOWN BY SECTORS
(JUN-20)

	bn €
Leisure[1]	11.61
Developer Real Estate	6.38
Retailers non food	5.78
Upstream & Oilfield services[2, 3]	4.96
Air & Marine transportation	2.45
Total EAD to the most vulnerable sectors	31.19
as a % of total EAD	*6.92%*

(1) Includes Hotels, Restaurants, Travel Agencies and Gaming, among others.
(2) Of which, €2.8bn in USA and €0.2bn in Mexico.
(3) From a total of €13.8bn EAD to the Oil & Gas sector.

Loan deferrals breakdown

(data in € billion)

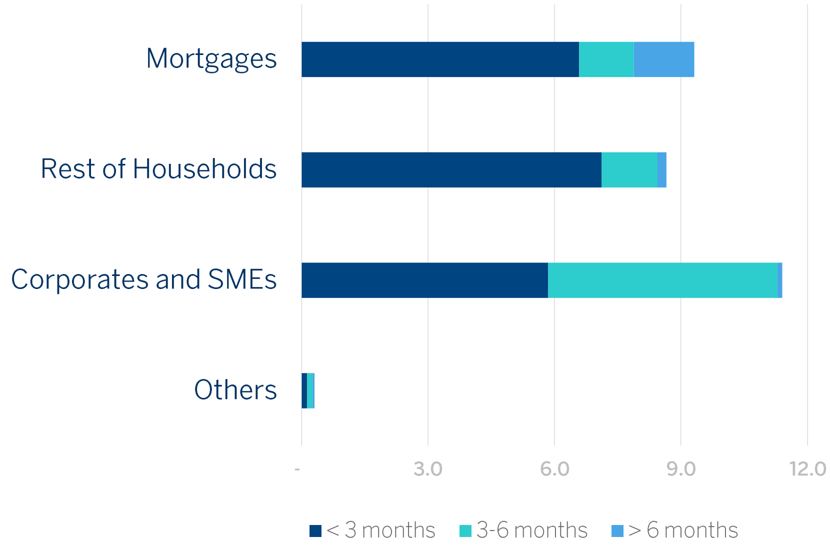
	GROUP		BBVA SA (1)		MEXICO		USA (2)		TURKEY (3)		ARGENTINA		COLOMBIA		PERU	
	Loans	% weight	Loans	% weight	Loans	% weight	Loans	% weight	Loans	% weight	Loans	% weight	Loans	% weight	Loans	% weight
Mortgages	9.3	8.9%	1.8	2.3%	3.5	38.4%	1.5	13.8%	0.4	16.2%	0.0	37.1%	1.1	43.2%	1.0	31.4%
Rest of Households	8.7	12.5%	0.7	2.9%	3.1	23.5%	0.6	5.8%	1.4	14.9%	0.4	27.9%	1.4	27.2%	1.0	35.4%
Corporates and SMEs	11.4	6.1%	0.2	0.2%	4.8	22.6%	1.8	5.6%	2.4	9.4%	0.0	1.9%	0.7	20.4%	1.5	14.3%
Other	0.3	0.5%	0.0	0.0%	0.0	0.0%	0.0	0.7%	0.0	0.0%	0.0	0.0%	0.3	19.7%	0.0	0.0%
TOTAL Outstanding	**29.7**	**7.1%**	**2.6**	**1.2%**	**11.4**	**21.8%**	**3.9**	**6.9%**	**4.3**	**9.6%**	**0.5**	**12.5%**	**3.5**	**27.8%**	**3.5**	**18.8%**
Expired	6.6	1.6%	1.4	0.6%	1.1	2.1%	2.4	4.5%	0.3	0.6%	0.0	0.0%	0.1	0.4%	1.5	7.9%
TOTAL Loan Deferrals granted	**36.3**	**8.6%**	**4.0**	**1.8%**	**12.5**	**23.9%**	**6.3**	**12.0%**	**4.6**	**10.2%**	**0.5**	**12.5%**	**3.6**	**28.2%**	**4.9**	**26.6%**

Note: data breakdown under EBA criteria as of June 30th.
(1) Includes mainly Spain, Eurasia and the NY branch. (2) Compass bank. (3) Garanti bank-only

Outstanding loan deferrals

MATURITY PROFILE OF OUTSTANDING LOAN DEFERRALS: BREAKDOWN BY PRODUCT

Outstanding amount (€ bn)



Total BBVA Group

< 3 months: **€19.7 bn**

3-6 months: **€8.2 bn**

> 6 months: **€1.8 bn**

Note: Residual maturity as of June 30th, 2020
Note: data breakdown under EBA criteria as of June 30th.

At a Group level, most of the outstanding loan deferrals expire before year end (2/3 in 3Q)

Government backed loans

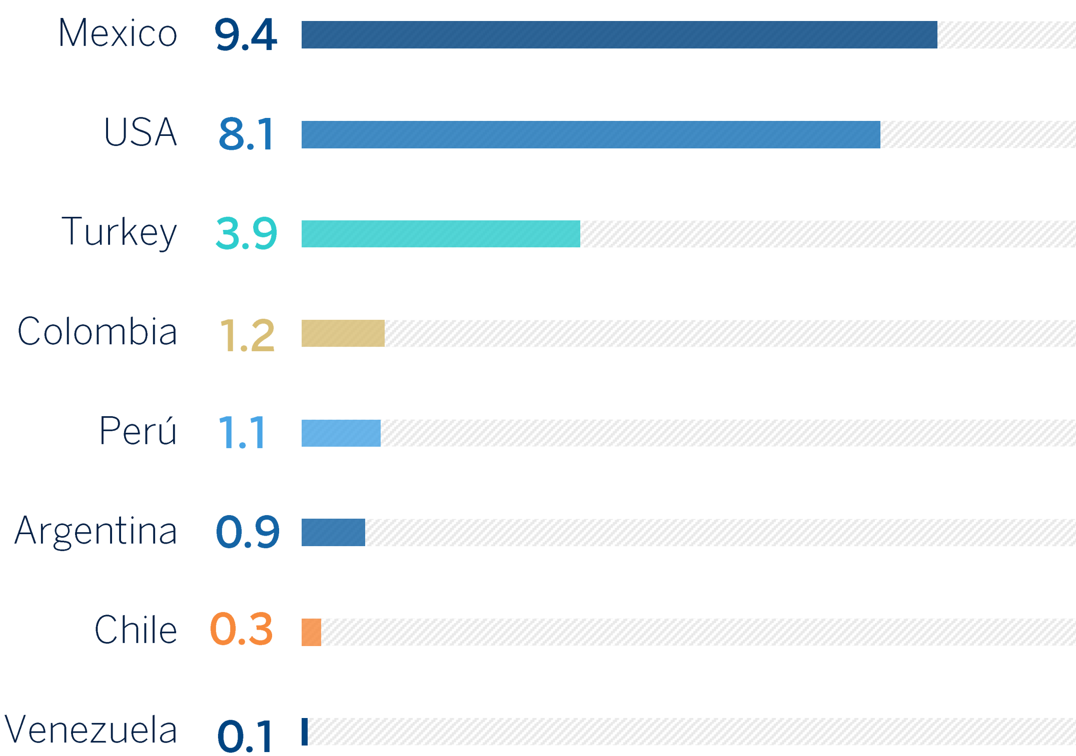
(data in € billion)

	GROUP		BBVA SA [2]		MEXICO		USA [3]		TURKEY [4]		ARGENTINA		COLOMBIA		PERU	
	Loans	% weight	Loans	% weight	Loans	% weight	Loans	% weight	Loans	% weight	Loans	% weight	Loans	% weight	Loans	% weight
Households	0.9	0.5%	0.6	0.6%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.1	5.6%	0.0	0.1%	0.2	2.8%
Corporates and SMEs	12.8	6.9%	7.6	8.7%	0.0	0.0%	2.8	8.7%	0.9	3.3%	0.0	1.5%	0.1	3.0%	1.5	14.7%
Other	0.1	0.1%	0.0	0.0%	0.0	0.0%	0.1	2.3%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
TOTAL	**13.8 [1]**	**3.3%**	**8.2**	**3.7%**	**0.0**	**0.0%**	**2.8**	**5.0%**	**0.9**	**1.9%**	**0.1**	**3.0%**	**0.1**	**0.9%**	**1.7**	**9.2%**

Note: data breakdown under EBA criteria as of June 30th.
(1) Excludes undrawn commitments. Including undrawn commitments €20bn.
(2) Includes mainly Spain, Eurasia and the NY branch. If we also consider undrawn credit lines, BBVA Spain has granted a total of 12.6 billion € ICO loans as of June 30th (of which 8.2 billion € is the outstanding drawn amount). As of July 23th, it has increased from 12.6bn€ to 14.3bn€
(3) Compass bank.
(4) Garanti bank-only.

Book Value of the main subsidiaries[1,2]

€ BN, JUN-20



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

Main Subsidiaries Ratings (1)

LONG TERM SENIOR UNSECURED RATINGS

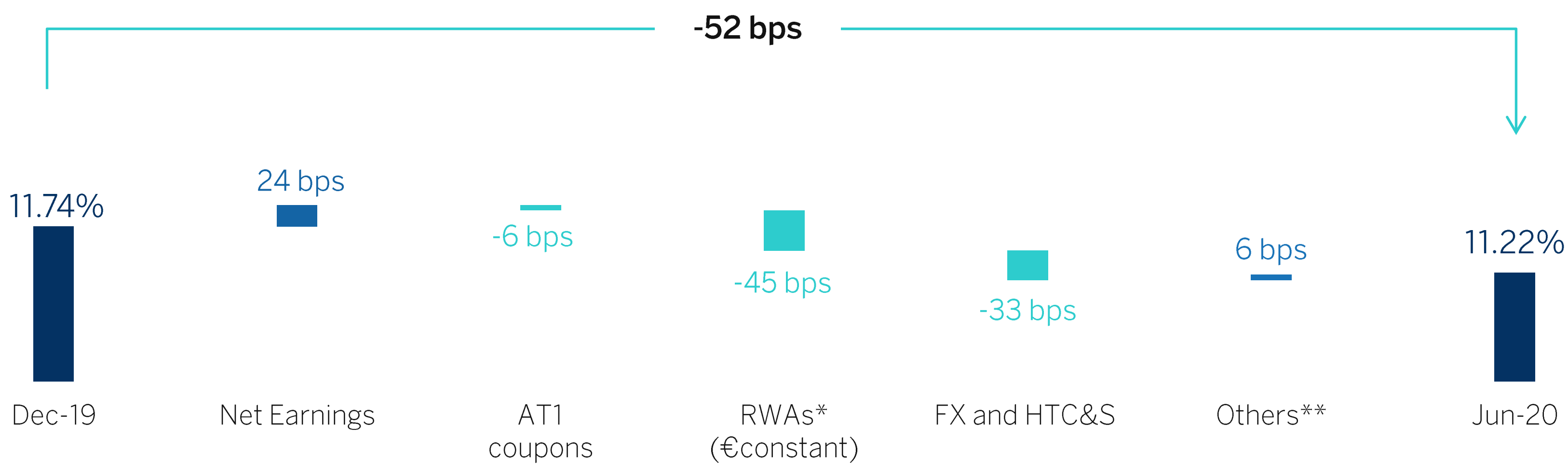
	Rating scale	BBVA Mexico	BBVA USA	Garanti BBVA	BBVA Argentina	BBVA Colombia	BBVA Peru
Investment grade	AAA/Aaa						
	AA+/Aa1						
	AA/Aa2						
	AA-/Aa3						
	A+/A1						
	A/A2						
	A-/A3						
	BBB+/Baa1	MOODY'S	S&P				S&P FITCH
	BBB/Baa2	S&P FITCH	MOODY'S FITCH			FITCH	
	BBB-/Baa3						
Non Investment Grade	BB+/Ba1						
	BB/Ba2						
	BB-/Ba3						
	B+/B1			FITCH			
	B/B2			MOODY'S			
	B-/B3						
	CCC						
	CC				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 August 4th, 2020.

Capital YTD Evolution

CET1 FULLY-LOADED – BBVA GROUP

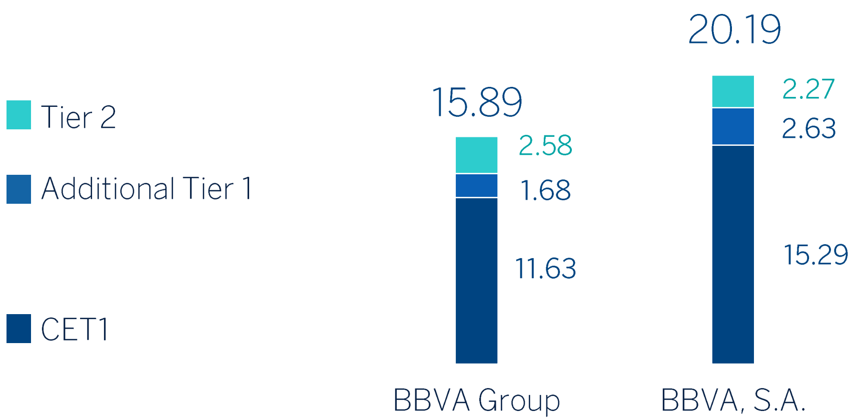
YTD EVOLUTION (%, BPS)



(*) Includes CRR new supporting factor on SMEs and infrastructures.
(**) Includes, among others, minority interests.

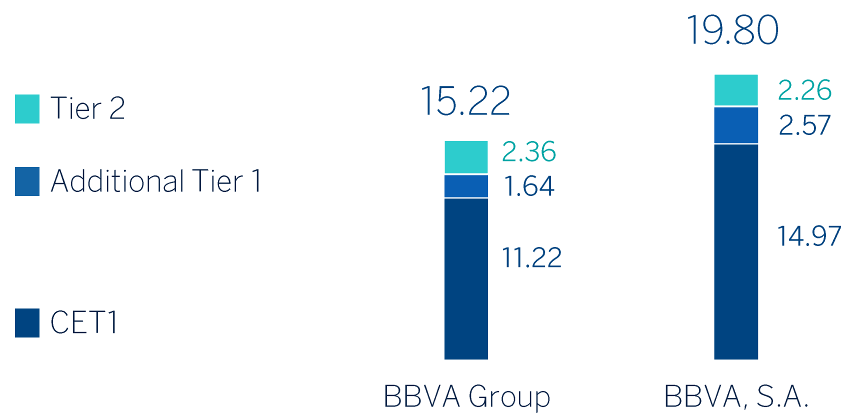
Capital Base: BBVA Group & BBVA, S.A.

PHASED-IN CAPITAL RATIOS
JUN.20 (%)



	BBVA Group	BBVA, S.A.
CET1	€ 42,118 m	€ 31,412 m
AT1	€ 6,067 m	€ 5,399 m
T2	€ 9,345 m	€ 4,657 m
Total Capital Base	**€ 57,531 m**	**€ 41,468 m**
RWA	**€ 362,050 m**	**€ 205,394 m**

FULLY-LOADED CAPITAL RATIOS
JUN.20 (%)



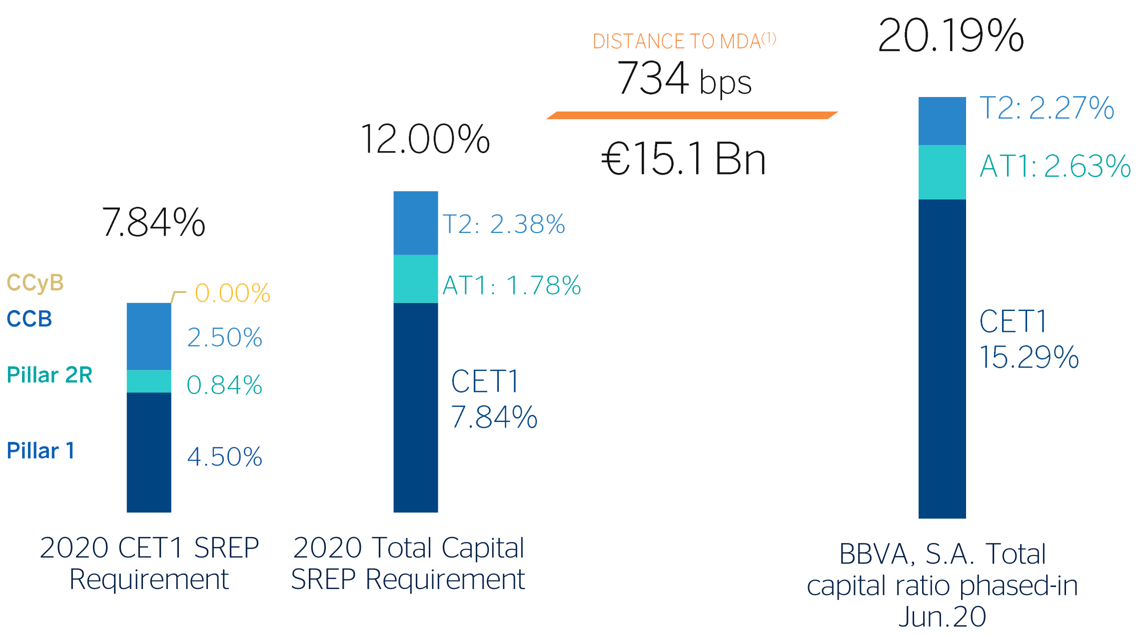
	BBVA Group	BBVA, S.A.
CET1	€ 40,646 m	€30,811 m
AT1	€ 5,954 m	€ 5,286 m
T2	€ 8,553 m	€ 4,645 m
Total Capital Base	**€ 55,153 m**	**€ 40,742 m**
RWA	**€362,388 m**	**€ 205,809 m**

Note: Preliminary Data

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

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

JUN. 2020



- Well above 2020 Total Capital and CET1 SREP requirements
- Significant buffer to MDA: 734 bps

(1) 734 bps of Buffer to MDA = 15.29% Jun.20 CET1 phased-in ratio - 7.84% 2020 CET1 SREP Requirement

Debt Issuances 2018 – 2020YTD

BBVA, S.A.

Product	Issue Date	Call Date	Maturity	Nominal currency	Coupon
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

Product	Issue Date	Call Date	Maturity	Nominal currency	Coupon
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% FRN 3ML+73 bps

BBVA Mexico

Product	Issue Date	Call Date	Maturity	Nominal currency	Coupon
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 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%

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_2 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

€30bn have been mobilized to Dec.19

BBVA