

**BBVA**

Creating Opportunities

# BBVA Argentina

## *2Q20 Corporate Presentation*

*September 2020*



## Safe Harbour Statement

This press release contains certain forward-looking statements that reflect the current views and/or expectations of Banco BBVA Argentina and its management with respect to its performance, business and future events. We use words such as “believe,” “anticipate,” “plan,” “expect,” “intend,” “target,” “estimate,” “project,” “predict,” “forecast,” “guideline,” “seek,” “future,” “should” and other similar expressions to identify forward-looking statements, but they are not the only way we identify such statements. Such statements are subject to a number of risks, uncertainties and assumptions. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in this release. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) changes in general economic, financial, business, political, legal, social or other conditions in Argentina or elsewhere in Latin America or changes in either developed or emerging markets, (ii) changes in regional, national and international business and economic conditions, including inflation, (iii) changes in interest rates and the cost of deposits, which may, among other things, affect margins, (iv) unanticipated increases in financing or other costs or the inability to obtain additional debt or equity financing on attractive terms, which may limit our ability to fund existing operations and to finance new activities, (v) changes in government regulation, including tax and banking regulations, (vi) changes in the policies of Argentine authorities, (vii) adverse legal or regulatory disputes or proceedings, (viii) competition in banking and financial services, (ix) changes in the financial condition, creditworthiness or solvency of the customers, debtors or counterparties of Banco BBVA Argentina, (x) increase in the allowances for loan losses, (xi) technological changes or an inability to implement new technologies, (xii) changes in consumer spending and saving habits, (xiii) the ability to implement our business strategy and (xiv) fluctuations in the exchange rate of the Peso. The matters discussed herein may also be affected by risks and uncertainties described from time to time in Banco BBVA Argentina’s filings with the U.S. Securities and Exchange Commission (SEC) and Comision Nacional de Valores (CNV). Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as the date of this document. Banco BBVA Argentina is under no obligation and expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

## Information

This earnings release has been prepared in accordance with the accounting framework established by the Central Bank of Argentina (“BCRA”), based on International Financial Reporting Standards (“I.F.R.S.”) and the resolutions adopted by the International Accounting Standards Board (“I.A.S.B”) and by the Federación Argentina de Consejos Profesionales de Ciencias Económicas (“F.A.C.P.E.”), with the transitory exceptions: (i) the record of a provision for contingencies referred to uncertain fiscal positions required by the BCRA, (ii) the adjustment in valuation established by the B.C.R.A. applied to the valuation of the remaining investment the Bank keeps of Prisma Medios de Pago S.A. (“Prisma”), and (iii) the temporary exclusion of the application of the IFRS 9 impairment model for non-financial public sector debt instruments.

As of 1Q20, the Bank started to inform its inflation adjusted results pursuant to IAS 29 reporting. To facilitate comparison, figures of comparable quarters of 2019 have been updated according to IAS 29 reporting to reflect the accumulated effect of inflation adjustment for each period up to June 30, 2020.

The information in this press release contains unaudited financial information that consolidates, line item by line item, all of the banking activities of BBVA Argentina, including: BBVA Asset Management Argentina S.A., Consolidar AFJP-undergoing liquidation proceeding, and as of July 1, 2019, PSA Finance Argentina Compañía Financiera S.A. (“PSA”) and Volkswagen Financial Services Compañía Financiera S.A. (“VWFS”).

BBVA Consolidar Seguros S.A. is disclosed on a consolidated basis recorded as Investments in associates (reported under the proportional consolidation method), and the corresponding results are reported as “Income from associates”, same as Rombo Compañía Financiera S.A. (“Rombo”), Play Digital S.A. and Interbanking S.A.

Financial statements of subsidiaries have been elaborated as of the same dates and periods as Banco BBVA Argentina S.A.’s. In the case of consolidated companies PSA and VWFS, financial statements were prepared considering the B.C.R.A. accounting framework for institutions belonging to “Group B”, without considering the model established by the IFRS 9 5.5. “Impairment” section for periods starting as of January 1, 2021.

The information published by the BBVA Group for Argentina is prepared according to IFRS, without considering the temporary exceptions established by BCRA.

# BBVA Argentina 2Q20 Highlights

As of 1Q20, the Bank started to inform its inflation adjusted results pursuant to IAS 29 reporting. To facilitate comparison, figures of comparable quarters of 2019 have been updated according to IAS 29 reporting to reflect the accumulated effect of inflation adjustment for each period up to June 30, 2020.



|          |                         |
|----------|-------------------------|
| Branches | In-company branches     |
| 247      | 15                      |
| ATMs     | Customer service booths |
| 881      | 2                       |
| ATSS     | Employees**             |
| 857      | 6,186                   |

## Total assets

AR\$542.1 bn

## Loans to the private sector

AR\$250.4 bn

## Total Deposits

AR\$367.5 bn

## Net Interest Income

AR\$15.9 bn

## Net Fee Income

AR\$3.1 bn

## Op. Expenses\*

AR\$11.2 bn

## Net Income

AR\$2.6 bn

## ROE

10.9%

## ROA

1.9%

## NPL ratio

1.56%

## Coverage ratio

269.38%

## Efficiency ratio

47.4%



## TOTAL ACTIVE CUSTOMERS

JUNE 2020

### RETAIL

+2.6 m

### SMEs

+49 k

### CIB

+700



## DIGITAL SALES



### Digital Customers<sup>1</sup>

+1.9 m



### Mobile Customers<sup>2</sup>

+1.5 m

PRV<sup>3</sup>

41.9%



<sup>1</sup> Digital Customers: We consider a customer to be an active user of online banking when they have been logged at least once within the last three months using the internet or a cell phone and SMS banking

<sup>2</sup> Mobile Customers: Customers who have been active in online banking at least once in the last three months using a mobile device

<sup>3</sup> Retail PRV: Product Relative Value as a proxy of a better economic representation of units sold

\*Operating expenses: includes administration, personnel benefits, depreciations and other expenses.

\*\*corresponds to total effective employees, net of temporary contract employees

# Macro View

## Main Variables

As of August 26, 2020

**73.86** **ARS/USD rate**  
\$/US\$  
+33.5% YoY

**43.1** **INTERNATIONAL RESERVES**  
US\$ Bn  
-27.5% YoY

**42.4%** **INFLATION**  
Jul'20 YoY  
37.8% REM Consensus  
Dec. 2020

**38.0%** **Monetary Policy Rate**  
-3.698 bp YoY

## POLITICS

- The National Government extended the mandatory lockdown for the metropolitan area and main urban centers. Only some activities are returning in CABA, mainly small shops that had remained closed.

## INFLATION

- July recorded a 1.9% MoM change in inflation (45.6% YoY), below the REM estimate (2.4% MoM), in line with a context of FX controls and frozen tariffs.

## ACTIVITY

- GDP fell 16.6% QoQ w/o seasonal effect in 2Q20, explained by a steep fall in activity in April and moderate recovery in May and June. A rebound is evident in June for industry and construction. Industry increased 13.8% MoM w/o seasonal effect (-6.6% YoY and -14.6% YoY accumulated) showing lower annual falls than in April and May. Construction improved +38.2% in MoM w/o seasonal effect (-14.8% YoY and -37.8% YoY accumulated) after a historical fall. Levels for both sectors remain below those in 2019.

## FISCAL POLICY

- Results in July were better than expected. Revenues increased 19.8% YoY and Expenses increased 72.1% YoY, recording a deficit of AR\$ 155.5 bn in July (accumulating AR\$ 1,045 bn in the first 7 months, 3.7% of GDP).

## SOVEREIGN DEBT

- The Government agreed with major bondholder committees, which accumulate 54% of debt stock in foreign law. The average present value of the offer reached 54.8 cents per dollar (EY:10%). This offer was extended, in the same conditions, for USD local law bonds. The deadline to enter the swap was August 28th, 2020. Restructuring greatly reduces cashflows for maturities between 2020 and 2024, from USD 46.0 bn to USD 6.0 bn.

# Our Response to COVID-19 Crisis



**Protect the health and safety** of our employees, clients and the community



**Continue to provide an essential service** in the current local scenario



**Offer financial support** to our clients and the community

Our Purpose and Values, more relevant than ever



**Customer** comes first



We think **big**



We are **one team**

# We Face this Crisis from a Strong Position

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



Comfortable **liquidity position**



**Digital edge** as a competitive advantage



# Reorienting our clients to remote and digital channels

*In this context, our digital capacities are a competitive advantage*



x25

ISSUED ECHEQS



79%

WIRE TRANSFERS



41%

APP AND  
DESKTOP LOGINS



x5

DIGITAL LOANS



x2.5

INTERACTIONS THROUGH  
VIRTUAL ASSISTANT





# Donations, Human Capital & Sustainability

**AR\$10 million** 

## *Seamos Uno*

Initiative involving religious, social and business institutions working closely with the Argentine government to help 4 million people during the pandemic, with food boxes and hygiene products.

**AR\$10 million** 

## *Argentina nos necesita*

Initiative that aims to strengthen the capacity of the Argentine public and private health service systems in order to better respond to the Covid-19 pandemic, in coordination with the Argentine Ministry of Health.

**AR\$1 million** 

## *Tu donación vale el doble*

Voluntary initiative with the Red Cross, in which more than \$500,000 were collected, reaching more than \$1 million when added to the funds doubled by the Bank.

**More than 90% of employees at central offices are working remotely. All branches remain open and operational, and many are working up to 100% capacity due to high demand in appointments.**



## #StayAtHome

#YoMeQuedoEnCasa

The Bank joined this campaign promoting the use of digital media channels to make clients aware of the benefits of operating in an agile and self-serviced way without moving from their homes



## 1st Sustainable Loan

BBVA Argentina granted the first sustainable loan under the Sustainable Transactional Banking framework, connected to the UN Sustainable Development Goals





# COVID-19 support loans as of 2Q20



**+AR\$22 billion**

Accumulated total granted to SMEs and Health services at 24% rate and Zero rate credits

**+AR\$4.0 billion**

Granted to SMEs for Salary payments

**+AR\$11.0 billion**

Granted to SMEs for Discounted Instruments

**+AR\$5.1 billion**

Granted to SMEs for Working Capital

**+AR\$1.80 billion**

Granted with FoGAR warrants

**AR\$50 million**

Granted to Health Services

**+AR\$6.5 billion**

Granted at 0% rate



**9% of total AR\$ loans**

As of 2Q20 support loans represent 9% of our AR\$ portfolio



**41%**

Discounted Instruments\*



**36%**

Salary & Working Capital\*



**21%**

Loans at 0% Rate\*



**3%**

Consumer Loans to Entrepreneurs and SMEs\*

*\*Over support Loan Portfolio*

# Main Measures taken (including Regulatory Changes) – Update\*

## Retail Segment



Automatic re-financing of unpaid credit card balances due on April 30. Modification in the calculation of credit card minimum payments to make them more accessible.



Penalties on unpaid current account charges, and closure and disabling of accounts, were suspended until September 30. Fines and fees for returned checks were also suspended.



The Bank credited cash withdrawal costs at its own and other banks' ATMs until September 30, and incremented daily withdrawal limits.



Value of mortgage and pledge loan payments were freezed from April 1 to September 30. Unpaid instalments will be paid as of October.



The Bank launched the “Ayuda Covid-19” credit line, aimed at clients with credit cards, personal loans and current accounts with a high probability of default: loans of 60 month maturity, first payment due at 120 days, to enable the sorting out of debt.

## Commercial Segment



Plan Sueldo clients that do not have debit cards can withdraw cash through the Cash Express service.



Granted credit to more than 9,000 SMEs, to be allocated in payroll payments, discounted instruments and working capital, at a 24% nominal annual rate. This also included loans to the Health sector.



The Bank has granted a special credit line for payroll payments for SMEs, which includes a 24% nominal annual rate, backed by the Fondo de Garantías Argentino (FoGAR) warrants.



92% of credits were granted through BBVA Net Cash, the online banking for companies.



Currently, the Bank is working on credit lines for self-employed individuals at a 0% rate, promoted by the National Government.



Credit lines for high reciprocity clients, with a 15 month maturity and first instalment payment in 90 days

01

# Financial System

# Adequate systemic levels of liquidity and solvency

## COVERAGE (%)

Allowances /Irregular non-financial private sector portfolio

## LIQUIDITY (%)

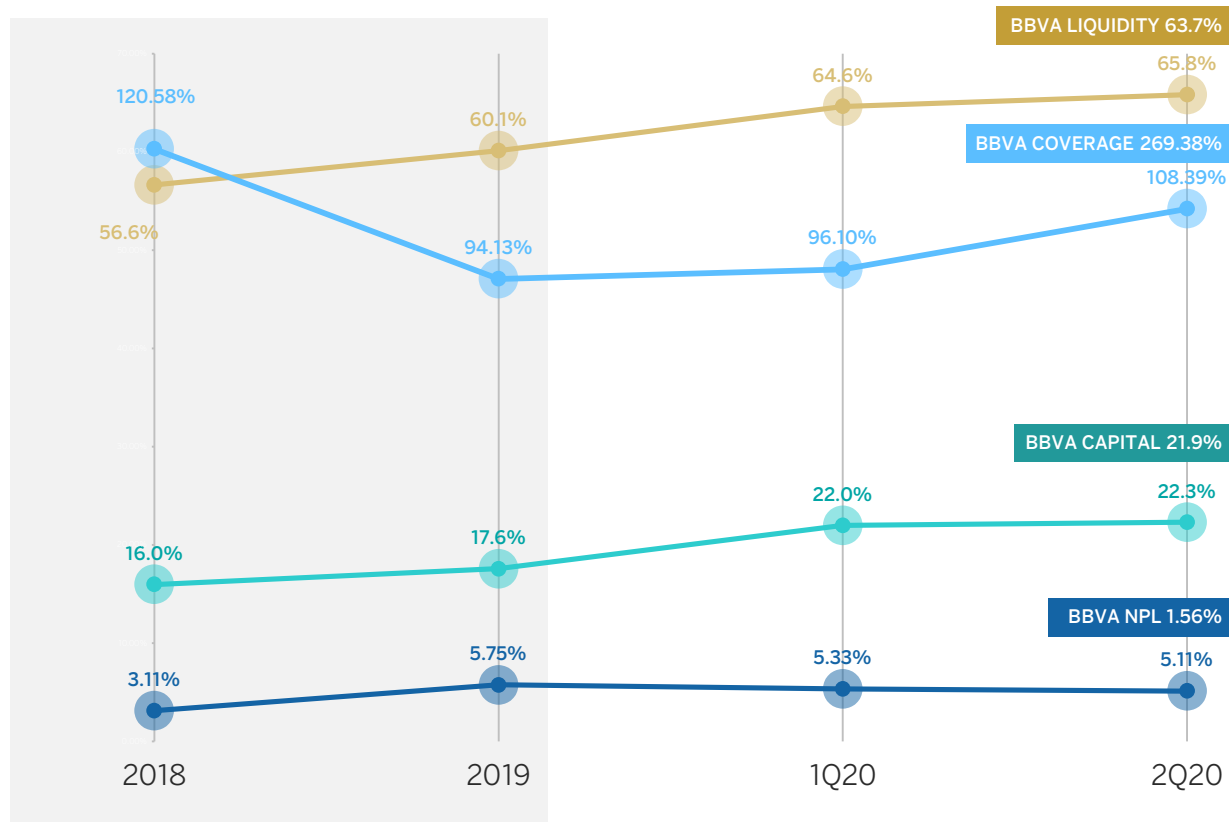
Cash + net repos with BCRA+ BCRA bills/Total Deposits

## CAPITAL (%)

Capital/RWA according to BCRA regulation

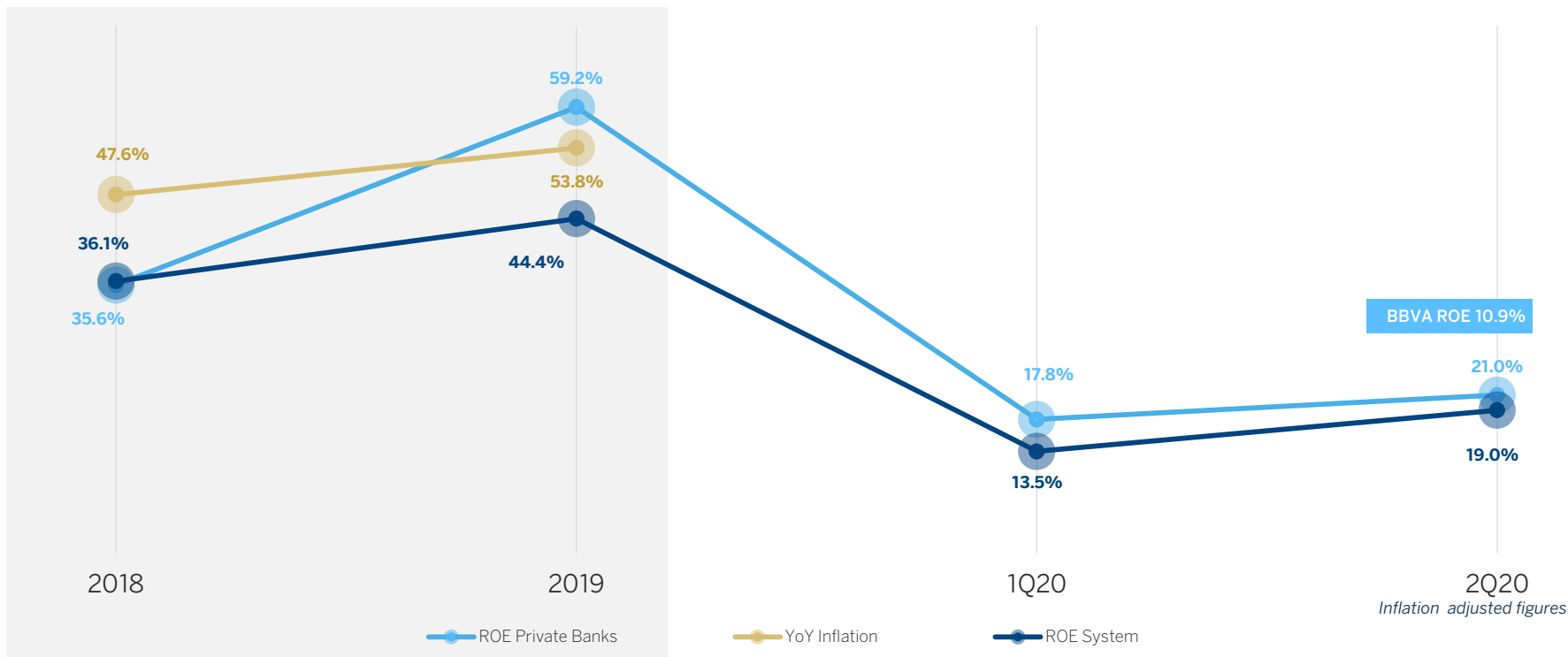
## NPL (%)

Irregular non-financial private sector portfolio/Financing to the non-financial private sector



# Positive real profitability for private banks

## ROE (ACCUMULATED ANNUALIZED) AND INFLATION

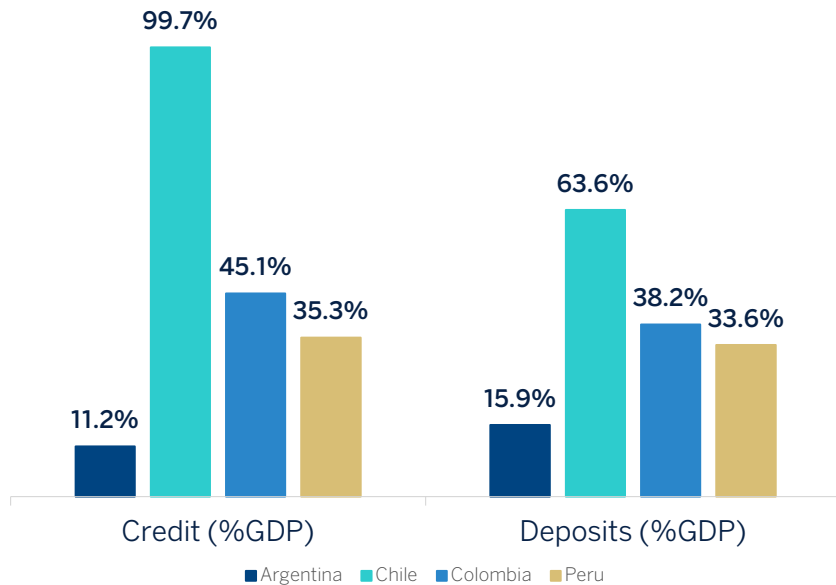


Source: BCRA and IPC CABA (from Jan-13 to Apr-16) – IPC GBA INDEC (from May -16 to May -17) – IPC Nacional INDEC (from June -17)

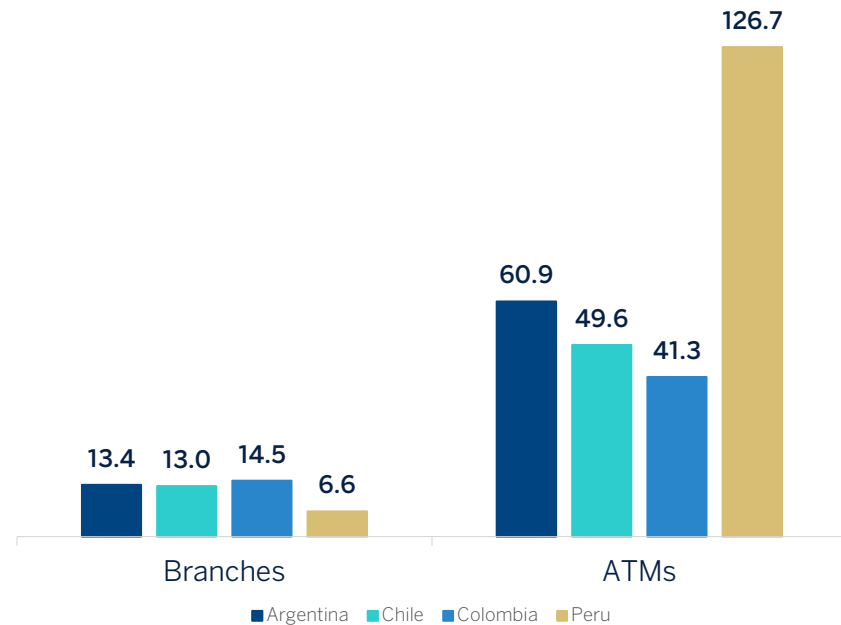
ROE: "Informe sobre Bancos" BCRA as of March, 2020. Values as of January 2020 are not comparable to previous periods due to inflation adjustments.

# A small financial system with good infrastructure, ready for potential growth

## LATAM PRIVATE LOANS AND TOTAL DEPOSITS (% of GDP)

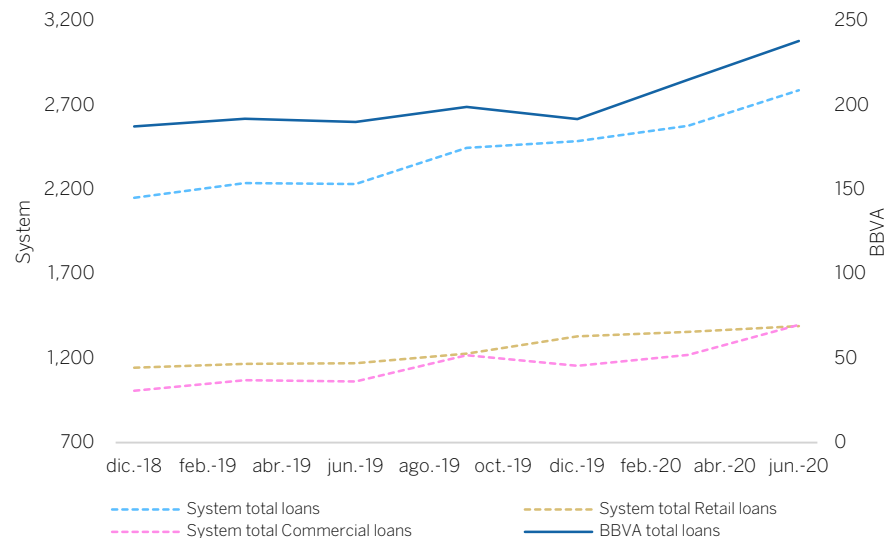


## BRANCHES AND ATMs/100,000 ADULT POPULATION (Branches and ATMs / 100,000 adult population)



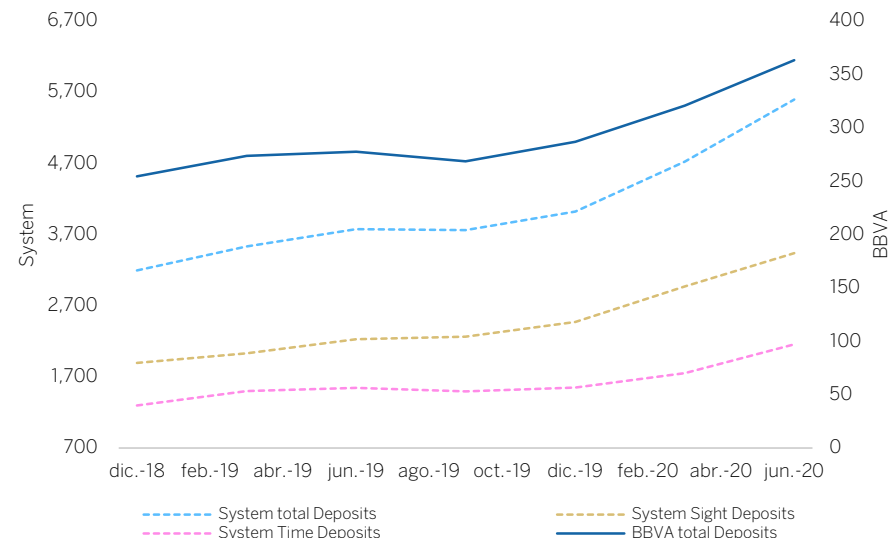
# Financial System Private Nominal Growth Rates

## RETAIL & COMMERCIAL LOANS GROWTH (AR\$ billions)



| Var YoY%                      | 2018 | 2019 | YTD |
|-------------------------------|------|------|-----|
| System total loans            | 33%  | 16%  | 12% |
| System total Retail loans     | 30%  | 16%  | 5%  |
| System total Commercial loans | 36%  | 15%  | 21% |
| BBVA total loans              | 39%  | 2%   | 24% |

## SIGHT & TIME DEPOSITS GROWTH (AR\$ billions)



| Var YoY %             | 2018 | 2019 | YTD |
|-----------------------|------|------|-----|
| System total Deposits | 62%  | 26%  | 39% |
| System Sight Deposits | 52%  | 30%  | 39% |
| System Time Deposits  | 79%  | 19%  | 39% |
| BBVA total deposits   | 67%  | 13%  | 27% |





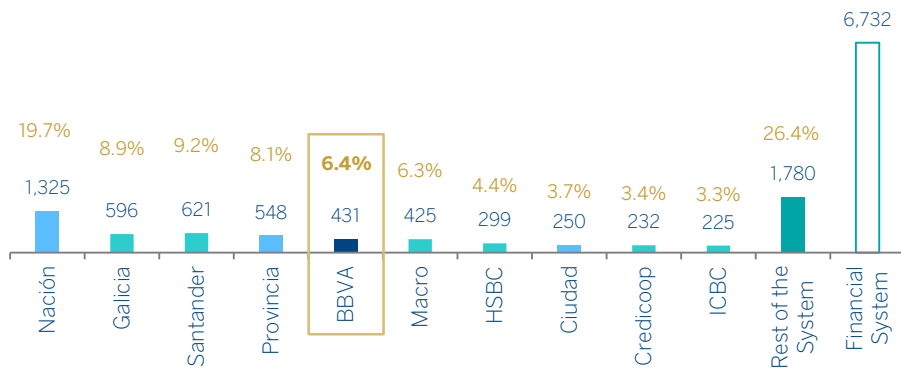
Creating Opportunities

02

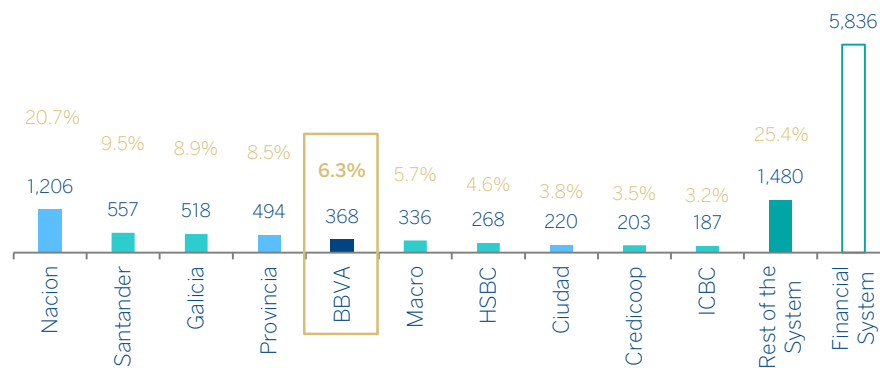
BBVA Argentina

# A leading bank...

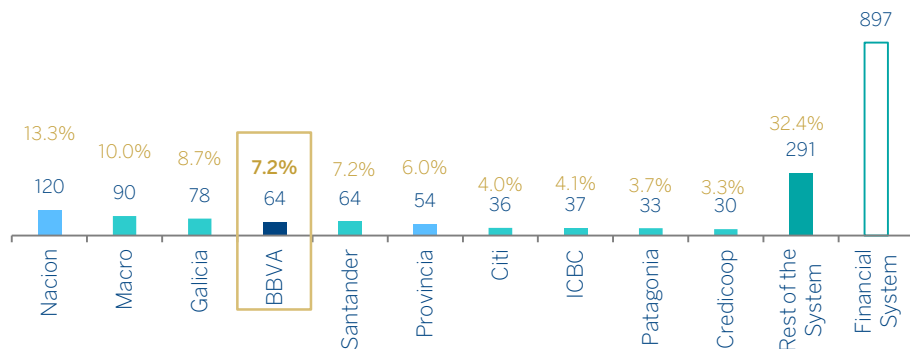
## Assets (AR\$ bn - % Market Share)



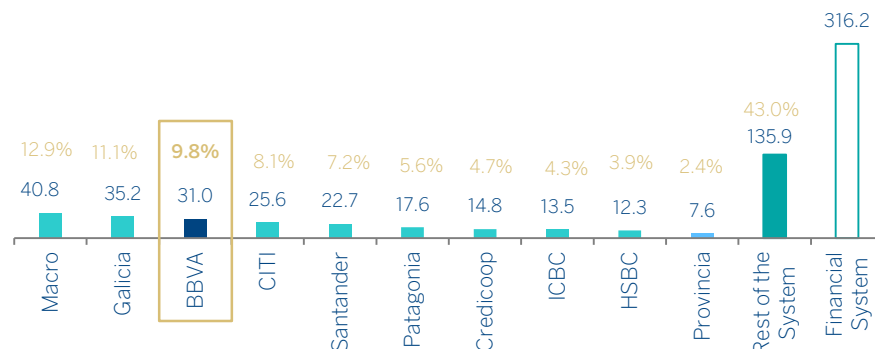
## Liabilities (AR\$ bn - % Market Share)



## Equity (AR\$ bn - % Market Share)



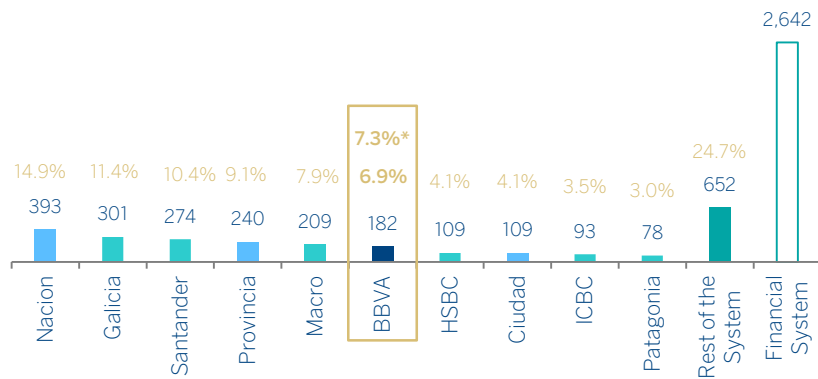
## Earnings (AR\$ bn - % Market Share)



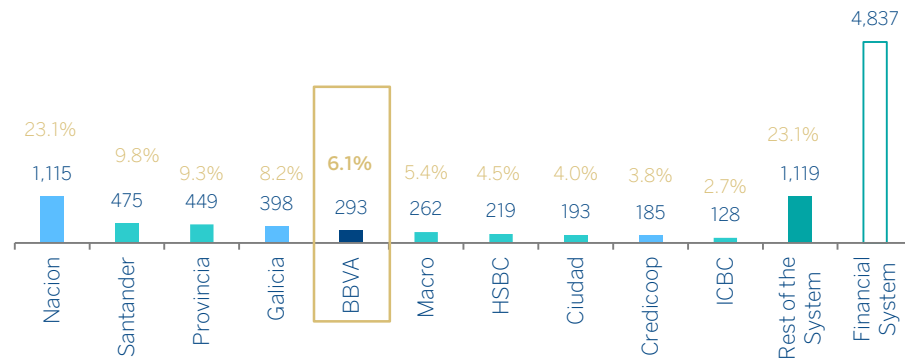
Public Banks Private Banks

# ...in a fragmented financial system...

Total Private Loans (AR\$ bn - % Market Share)



Total Private Deposits (AR\$ bn - % Market Share)



\*Includes PSA + Volkswagen+Rombo.

Source: "Informe de entidades financieras", BCRA, as of December 2019. Last information available.

Public Banks Private Banks

# ...with a diversified business model

## MULTICHANNEL STRUCTURE

### Physical Structure

- ✓ Branches
- ✓ ATM/ATS
- ✓ Call center
- ✓ Customer service booth
  - ✓ POS\*
- ✓ In-Company banks

### Digital Channels

- ✓ Web
- ✓ Mobile

### Exclusive Partnerships

JVs

ALLIANCES



\*POS: Includes points of sale in supermarkets and shopping centers

03

# 2Q20 Financial Results

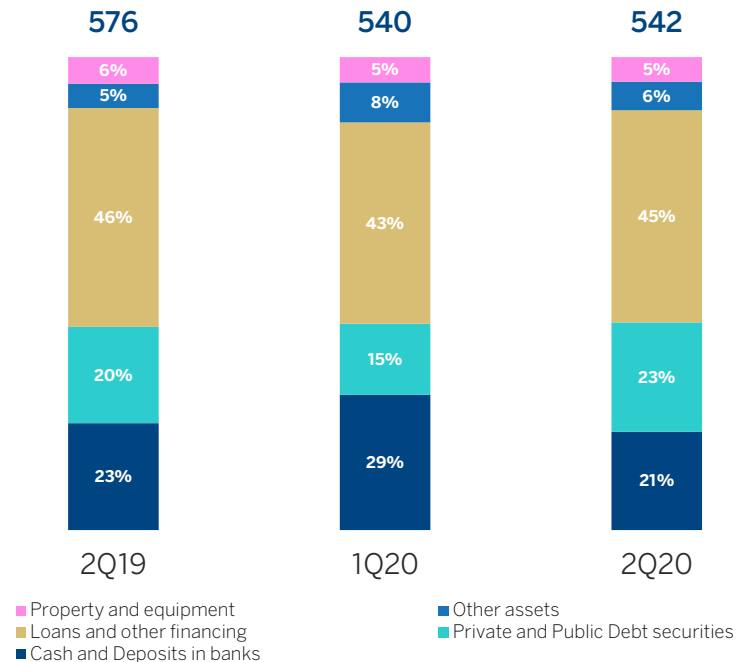
## 2Q20 Highlights – In Real Terms

|    |                            |                        |                           |
|----|----------------------------|------------------------|---------------------------|
| 01 | Net Income                 | AR\$ 2.6 bn            | -70.1% YoY                |
| 02 | Net Interest Income        | AR\$ 15.9 bn           | -17.1% YoY                |
| 03 | Net Fee Income             | AR\$ 3.1 bn            | -9.2% YoY                 |
| 04 | Operating expenses         | AR\$ 11.2 bn           | 37.4% YoY                 |
| 05 | Risk indicators            | NPL ratio<br>1.56%     | Coverage ratio<br>269.38% |
| 06 | Strong capital position    | Capital Ratio<br>21.9% | TIER I<br>21.2%           |
| 07 | Focus on shareholder value | ROE<br>10.9%           | ROA<br>1.9%               |

# Solid Balance Sheet Structure

## ASSETS

(AR\$ billions, INFLATION ADJUSTED)



## LOANS /DEPOSITS

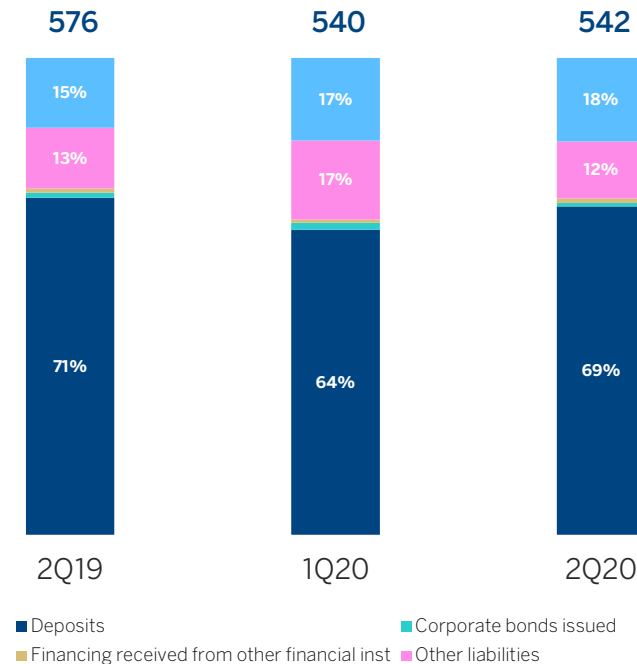
65%

67%

65%

## LIABILITIES & EQUITY

(AR\$ billions, INFLATION ADJUSTED)

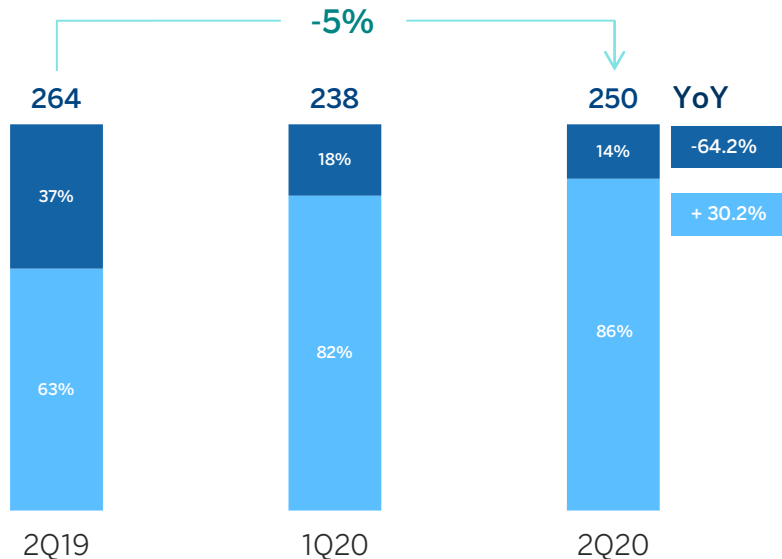




# Loans – increasing demand in AR\$ to support SMEs

## TOTAL PRIVATE LOAN PORTFOLIO

(AR\$ billions, INFLATION ADJUSTED)



■ ARS ■ USD

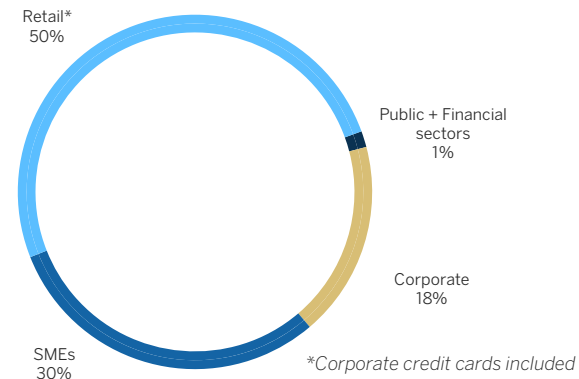
### PRIVATE SECTOR LOANS MARKET SHARE %\*

|                | 2Q19  | 1Q20  | 2Q20  |
|----------------|-------|-------|-------|
| Bank           | 7.64% | 7.50% | 7.50% |
| Consolidated** | 8.51% | 8.35% | 8.54% |

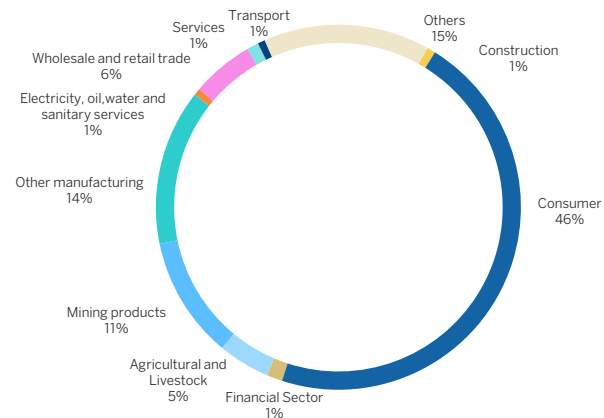
\*Based on daily information from BCRA. Capital balance as of last day of each quarter.

\*\*Consolidates PSA, VWFS and Rombo

## NET PRIVATE LOANS STRUCTURE

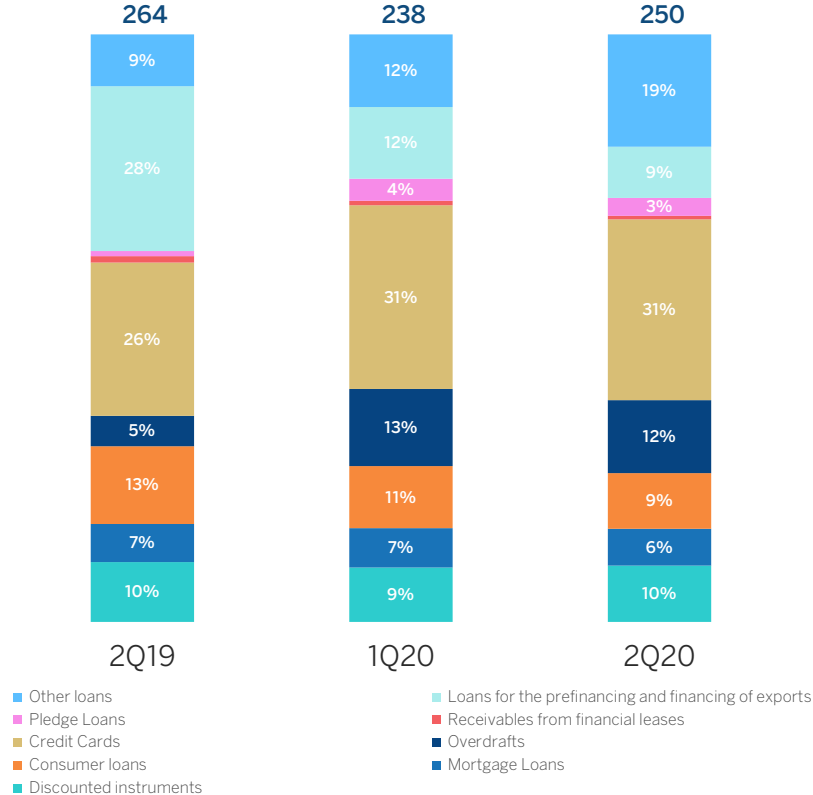


## NET TOTAL LOANS BY ECONOMIC ACTIVITY



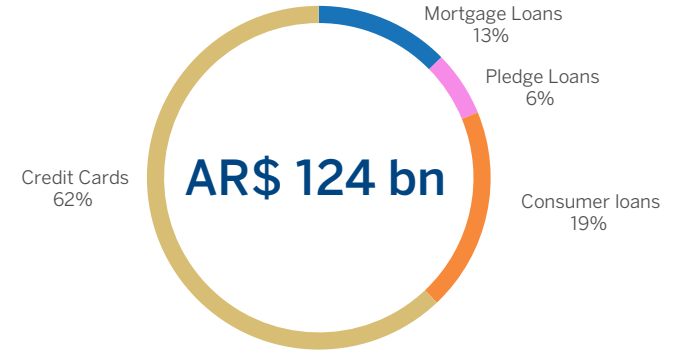
# Loans by Segment – changing\* mix structure towards commercial loans

BBVA ARGENTINA (% over total private loans AR\$ billions, inflation adjusted)



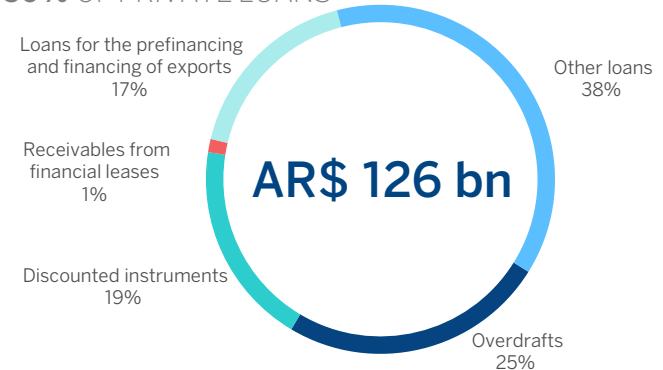
RETAIL (%)

50% OF PRIVATE LOANS



COMMERCIAL (%)

50% OF PRIVATE LOANS

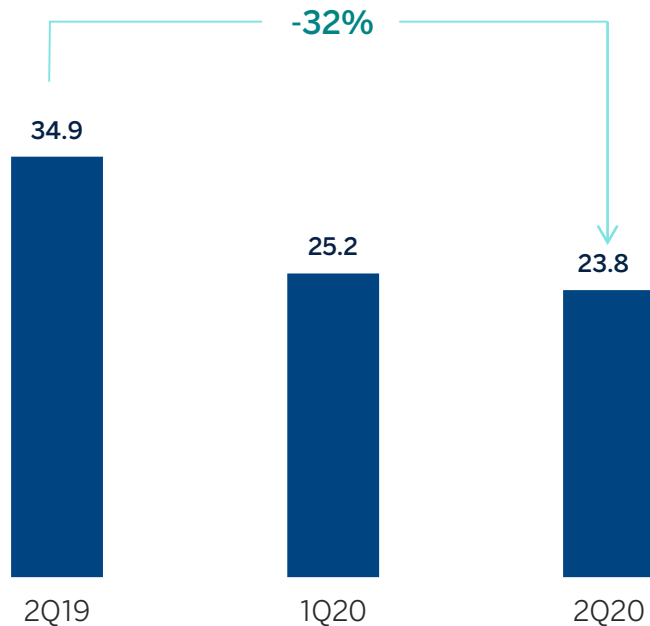


\* Other loans includes: PIV

# Retail Loan Portfolio – credit cards driven by Zero rate credit lines

## CONSUMER LOANS

(AR\$ billions, INFLATION ADJUSTED)



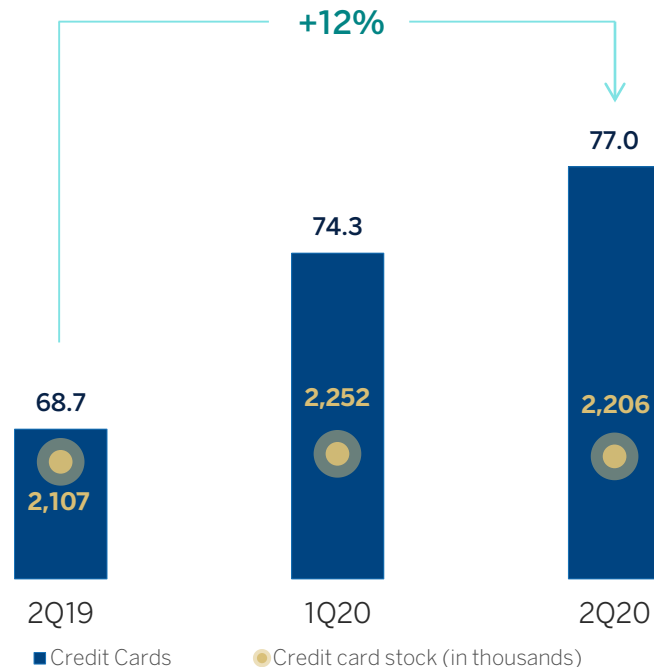
### CONSUMER LOANS MARKET SHARE\*

|              | 2Q19  | 1Q20  | 2Q20  |
|--------------|-------|-------|-------|
| Market Share | 5.22% | 4.82% | 4.95% |

\*Based on daily information from BCRA. Capital balance as of last day of every quarter.

## CREDIT CARDS

(AR\$ billions, INFLATION ADJUSTED)



### CREDIT CARD MARKET SHARE %\*

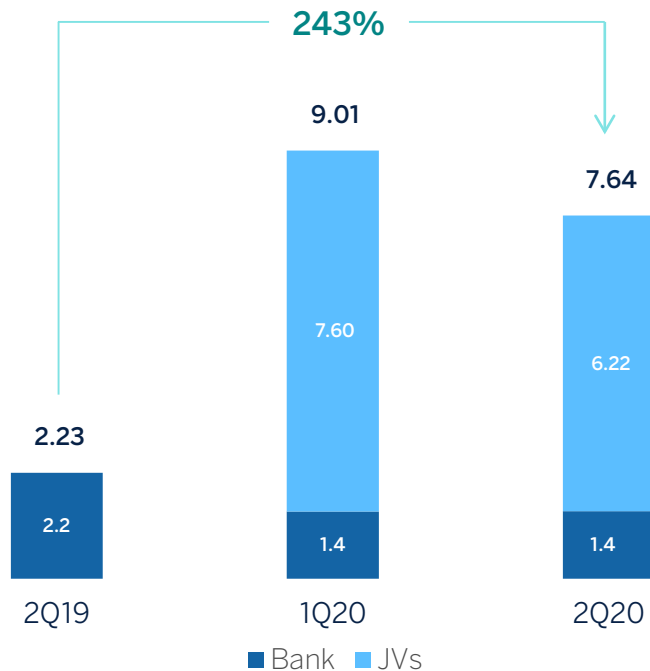
|             | 2Q19   | 1Q20   | 2Q20   |
|-------------|--------|--------|--------|
| Financing   | 11.45% | 11.56% | 11.67% |
| Consumption | 15.15% | 14.44% | 14.20% |

\*Credit cards: Consumption market share. Based on information provided by Visa and Mastercard administrators. Spending is considered as of the end of the last month of the quarter.

# Retail Loan Portfolio

## PLEDGE LOANS (CONSOLIDATED)

(AR\$ billions, INFLATION ADJUSTED)



### PLEDGE LOANS MARKET SHARE\*\*

15.14%

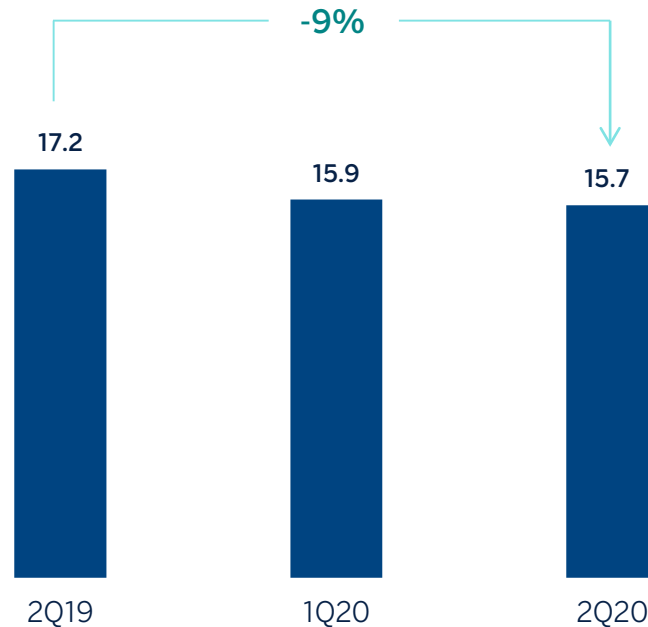
15.00%

13.44%

\*\*Consolidated market share. Based on daily information from BCRA. Capital balance as of last day of every quarter.

## MORTGAGE LOANS

(AR\$ billions, INFLATION ADJUSTED)



### MORTGAGE LOANS MARKET SHARE\*

3.35%

3.09%

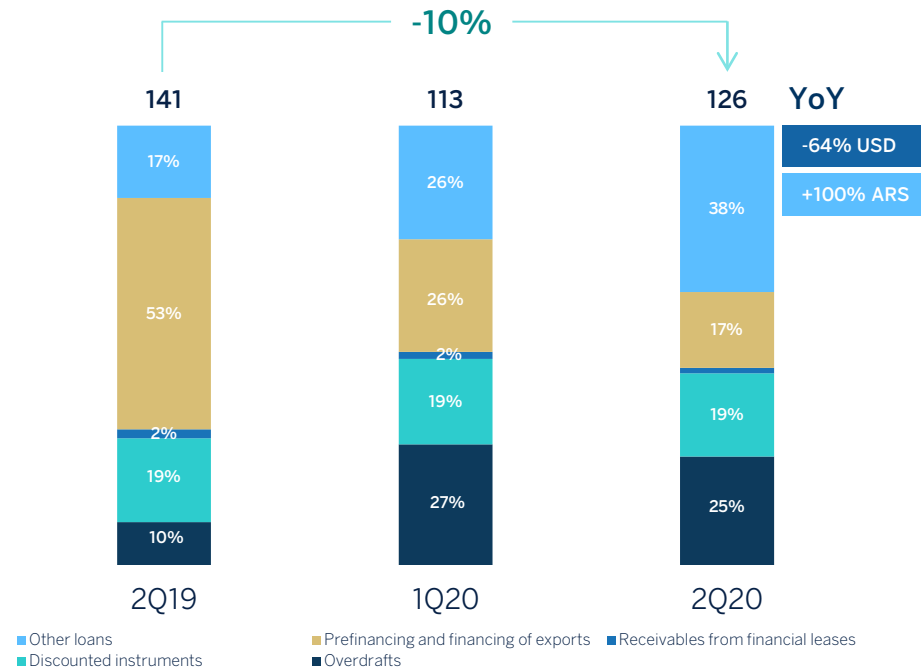
3.02%

\*Based on daily information from BCRA. Capital balance as of last day of every quarter.

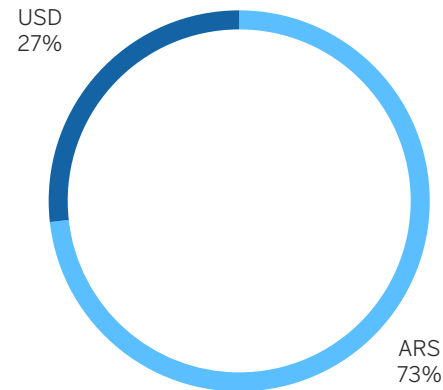
# Commercial Loan Portfolio - boosted by SMEs 24% loans

## COMMERCIAL LOANS

(AR\$ billions, INFLATION ADJUSTED)



## COMMERCIAL LOANS BY CURRENCY (%)



### COMMERCIAL LOANS MKT SHARE%\*

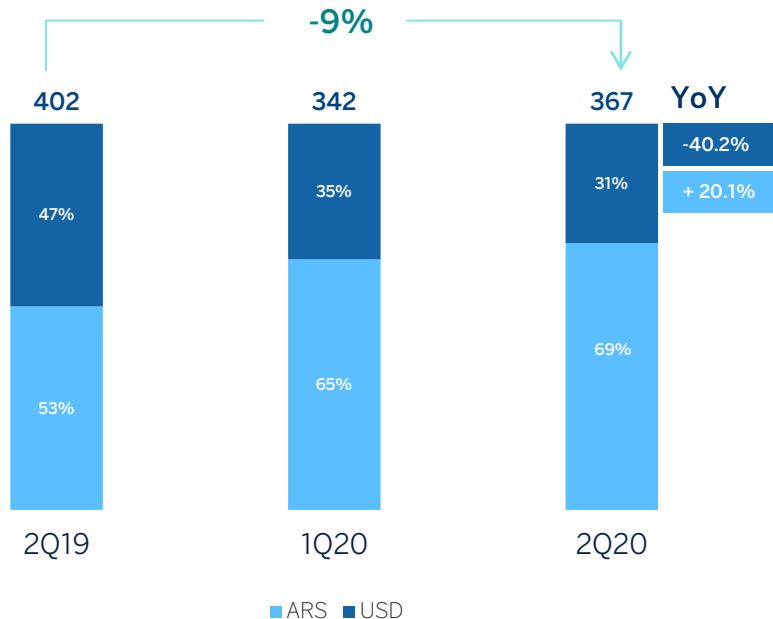
|              | 2Q19   | 1Q20  | 2Q20  |
|--------------|--------|-------|-------|
| Loans in \$  | 7.64%  | 8.97% | 9.28% |
| Loans in USD | 10.14% | 7.58% | 7.34% |

\*Based on daily information from BCRA. Capital values as of last day of every quarter.

\*\*Other financing: 59% in pesos - 41% in foreign currency

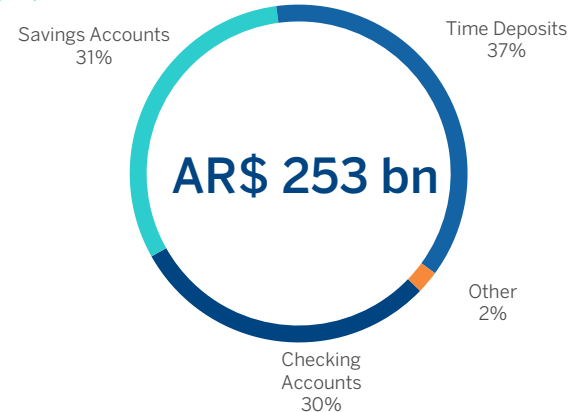
# Deposits - AR\$ deposits growing above inflation in real terms

## TOTAL PRIVATE DEPOSITS (AR\$ billions, INFLATION ADJUSTED)



## PRIVATE DEPOSITS STRUCTURE

### IN AR\$ (%)



### IN USD (%)



## PRIVATE DEPOSITS MARKET SHARE\*

7.35%

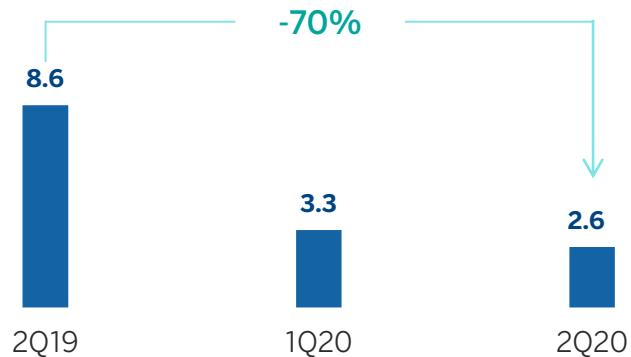
6.80%

6.50%

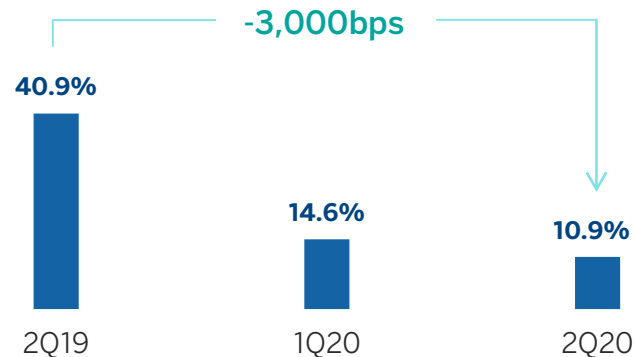
\*Based on daily information from BCRA. Capital balance as of last day of every quarter.

# 2Q20 Profitability Indicators – efficiency ratio remains stable

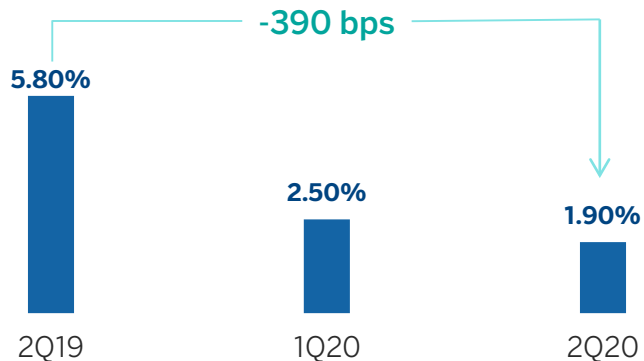
**NET INCOME** (AR\$ billions, INFLATION ADJUSTED)



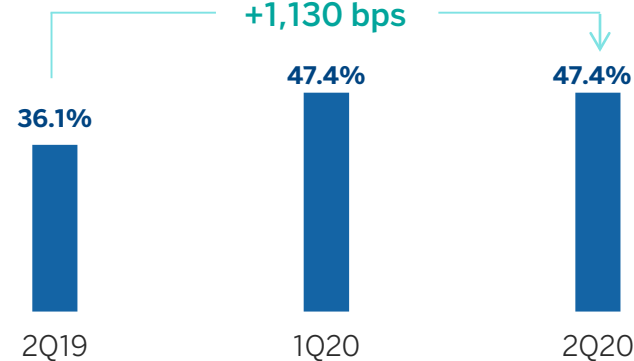
**ROE** (% , INFLATION ADJUSTED)



**ROA** (% , INFLATION ADJUSTED)



**EFFICIENCY** (% , INFLATION ADJUSTED)

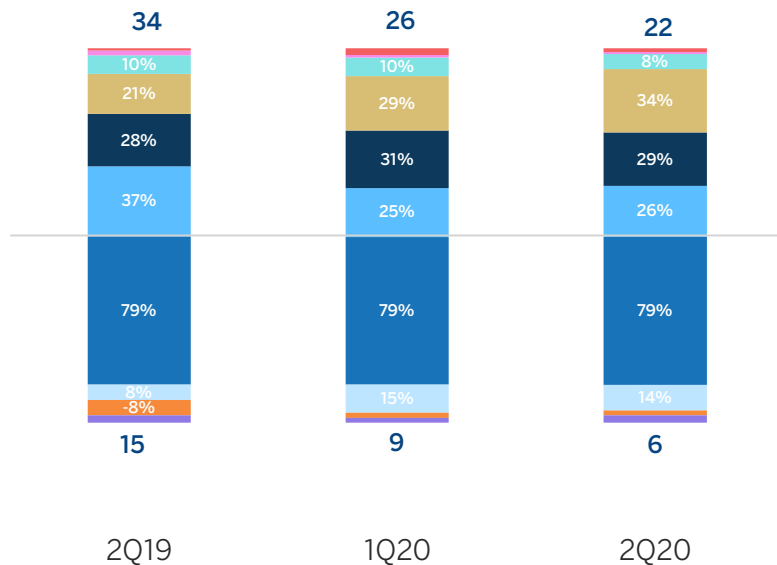




# Net Interest Income

## NET INTEREST INCOME

(AR\$ billions, INFLATION ADJUSTED)



### Interest Income

- Financial Sector
- CER/UVA clause adjustment income
- Commercial
- Retail
- From Private and Public Securities
- Other interest income

### Interest Expense

- Time deposits
- CER/UVA clause adjustment expense
- Checking accounts
- Other

### *NII based on:*

- Decline in rates of interest-earning assets (COVID-19 support)
- Fall in Monetary Policy rate offset by a higher position in LELIQ
- Decreasing trend in time deposit and interest-bearing checking account rates.

## NET INTEREST INCOME (IN AR\$ BILLIONS)

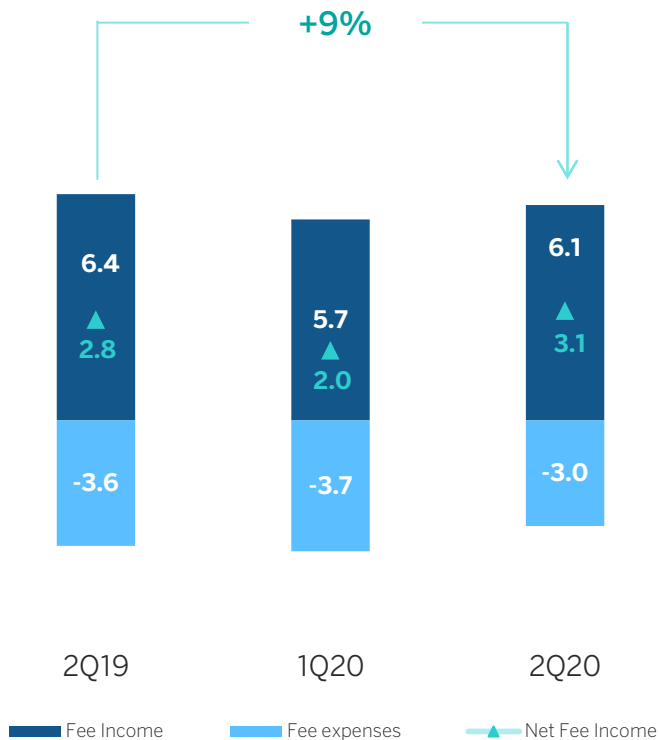


Savings accounts represent less than 1% of expenses

# Net Fee Income & Operating Expenses - Effective fee income strategy

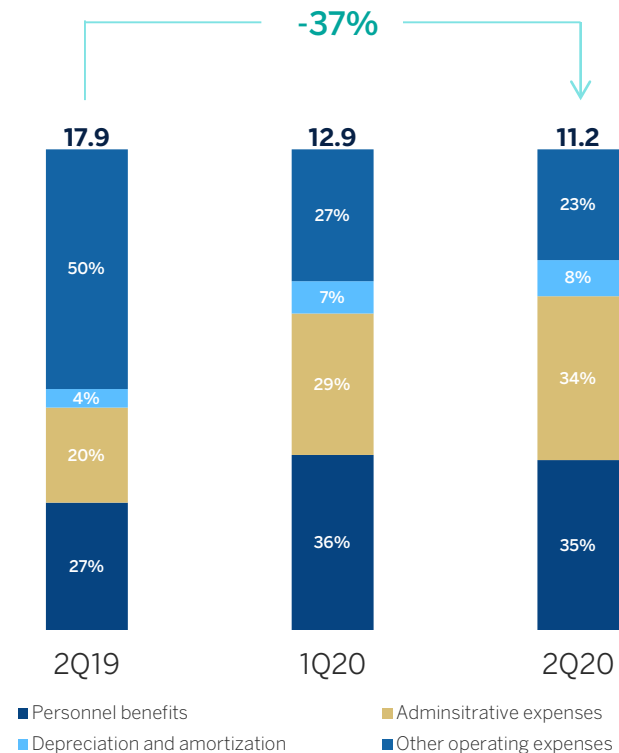
## NET FEE INCOME

(AR\$ billions, INFLATION ADJUSTED)



## OPERATING EXPENSES

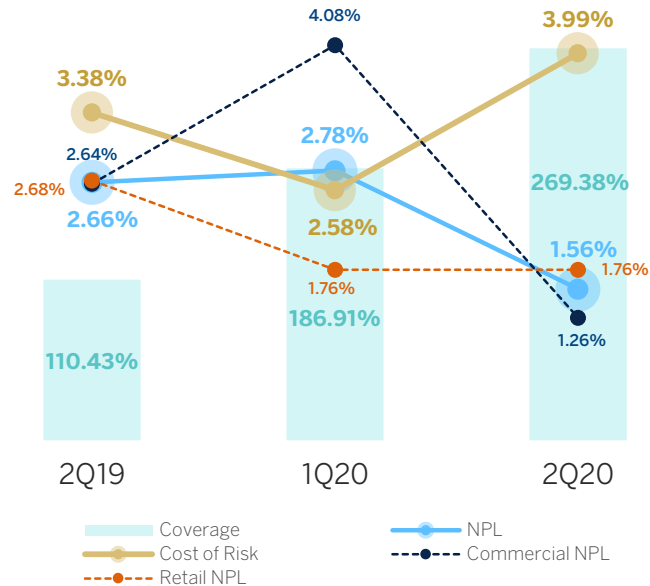
(AR\$ billions, INFLATION ADJUSTED)



# Sound Risk Indicators – Molca\* write-off

## NPL & COVERAGE

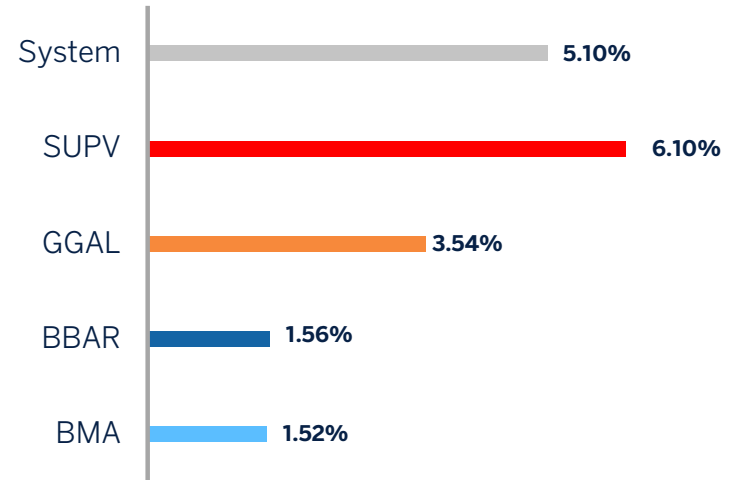
(%, consolidated, INFLATION ADJUSTED)



Cost of Risk: Current period loan loss allowances / Total average loans. Total average loans calculated as the average between loans at prior period end, and total loans in the current period.

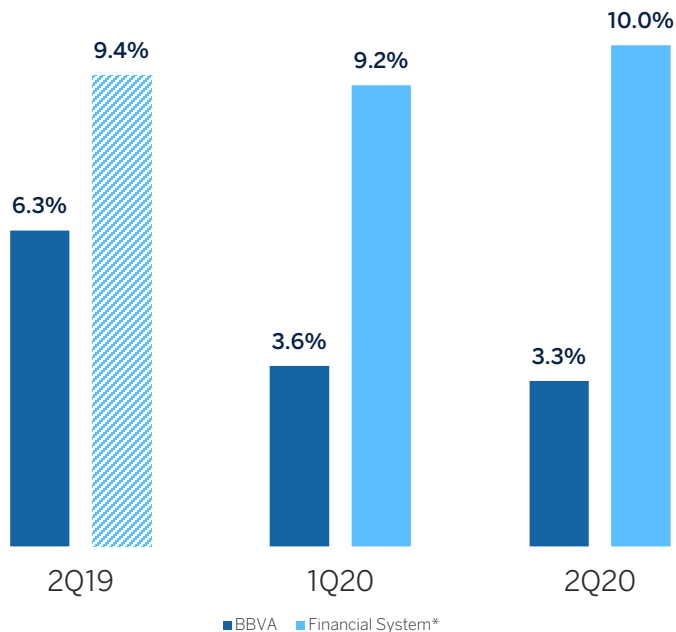
## NPL PEER GROUP & FINANCIAL SYSTEM

(%, INFLATION ADJUSTED)

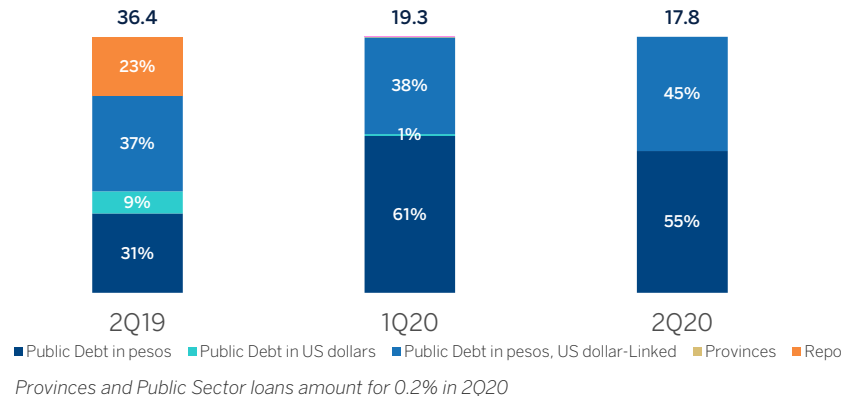


# Limited Public Sector Exposure

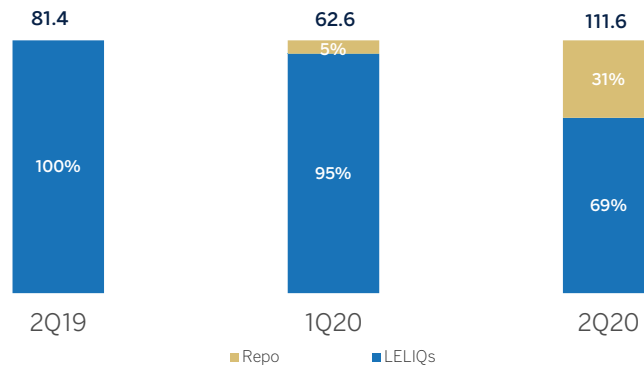
## % PUBLIC SECTOR EXPOSURE (EXCL. BCRA) /TOTAL ASSETS (INFLATION ADJUSTED)



## BBVA PUBLIC SECTOR EXPOSURE (AR\$ billions, INFLATION ADJUSTED)



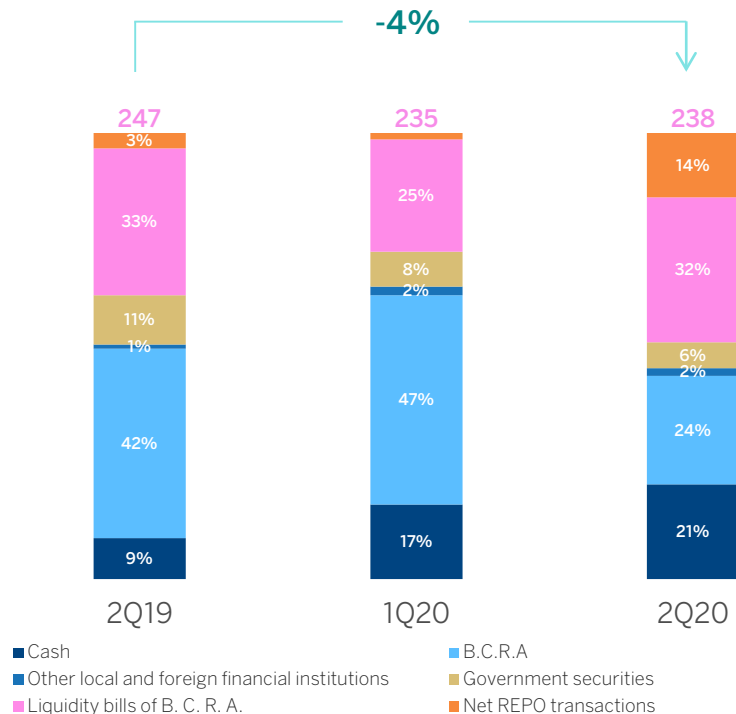
## BBVA BCRA EXPOSURE (AR\$ billions, INFLATION ADJUSTED)



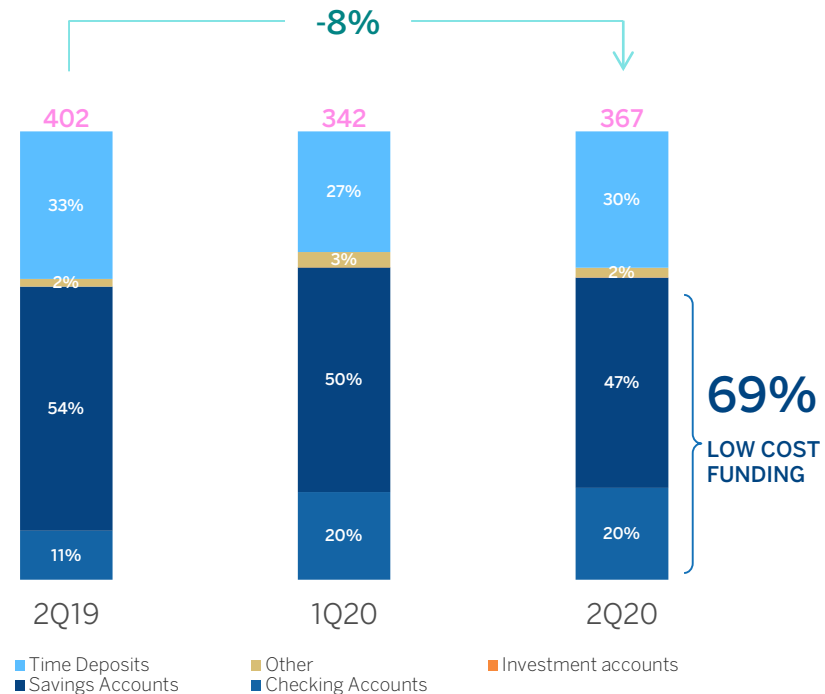
\*Source: "Informe sobre bancos", BCRA, as of June 2020. As of January 2020, System figures are inflation adjusted and not comparable to prior periods.

# Liquid Assets – higher LELIQ position

## TOTAL LIQUID ASSETS (%, INFLATION ADJUSTED)



## PRIVATE DEPOSIT BASE (%, INFLATION ADJUSTED)



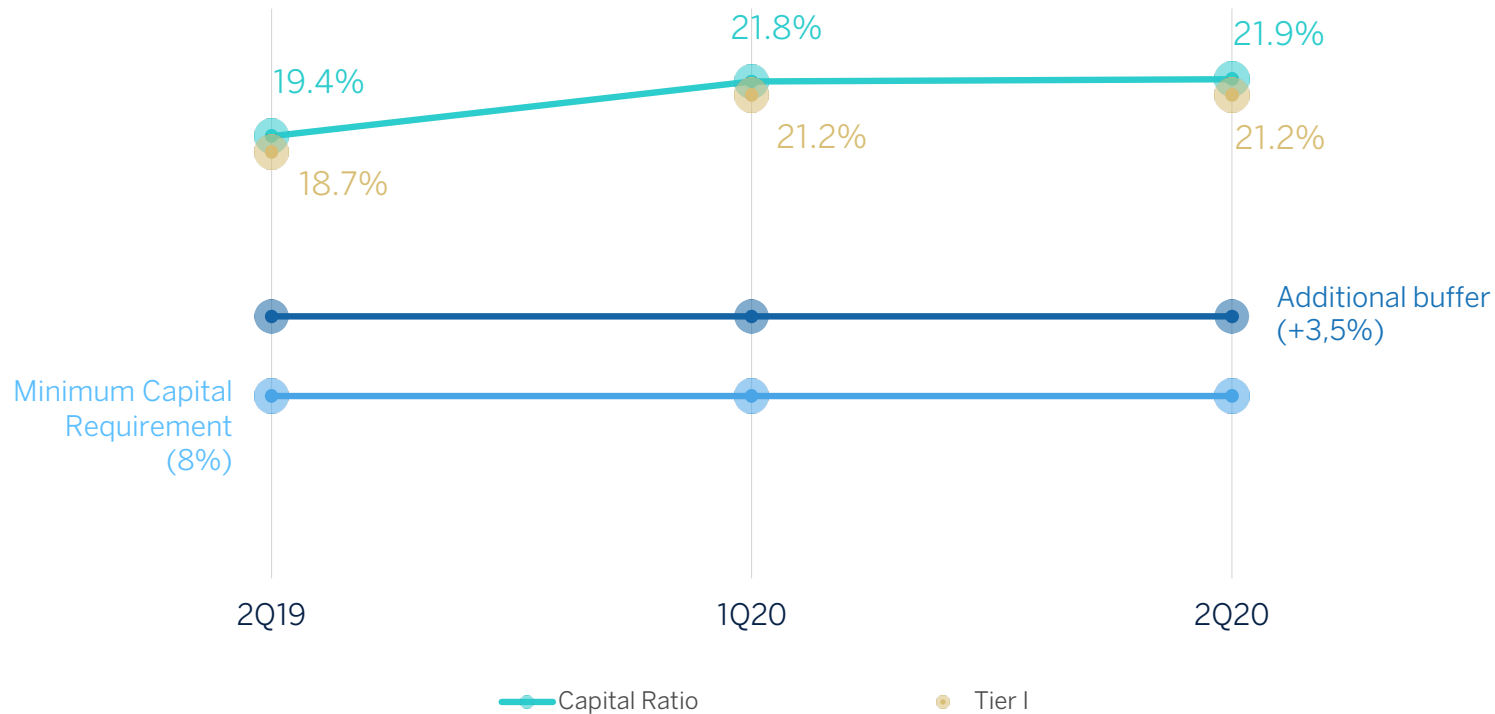
## TOTAL LIQUID ASSETS/TOTAL DEPOSITS

61%

68%

64%

# Strong Capital Position – In Real Terms



# 04

## BBVA Purpose



# BBVA Defined a New Strategy in 2015: To Boost its Transformation

## OUR PURPOSE

“To bring  
the age of opportunity  
to everyone

## OUR VALUES



**Customer** comes first



We think **big**



We are **one team**

## STRATEGIC PRIORITIES



Better client experience



Digital sales



New business models



Optimization of capital allocation



Leading efficiency



The best team

# BBVA Argentina Digital Client Strategy Approach

*Client acquisition as a key corporate strategic asset for growth*



Since 2017\*, active clients increased 13%  
More than 290,000 clients



Healthy NPL ratio  
With an approach in open market



Successfully acquiring clients  
Without increasing the number of branches



Payroll acquisition  
New clients, increasing payroll market share



Ahead of curve in digital transformation  
Driving client acquisition and digital sales



Loyalty NPS  **BBVA**  
Consistently leading in customer satisfaction indicator



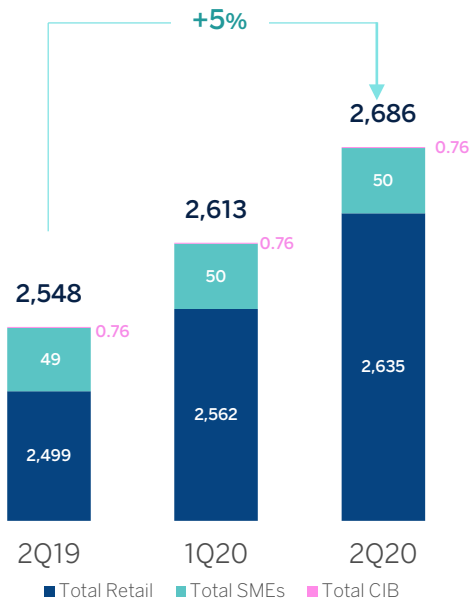
# BBVA Argentina Active Clients

Since 2Q19, active clients increased 5%, more than 137,000



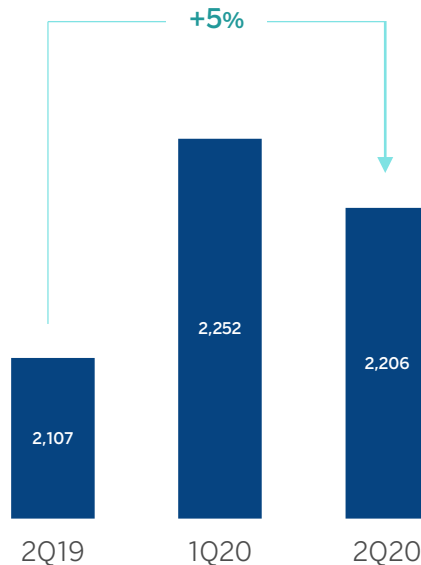
MORE **active customers**

In thousands

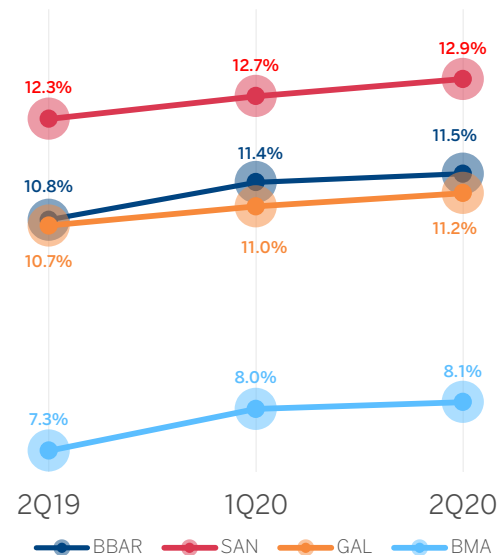


MORE **active credit cards**

In thousands



INCREASING **credit card share**



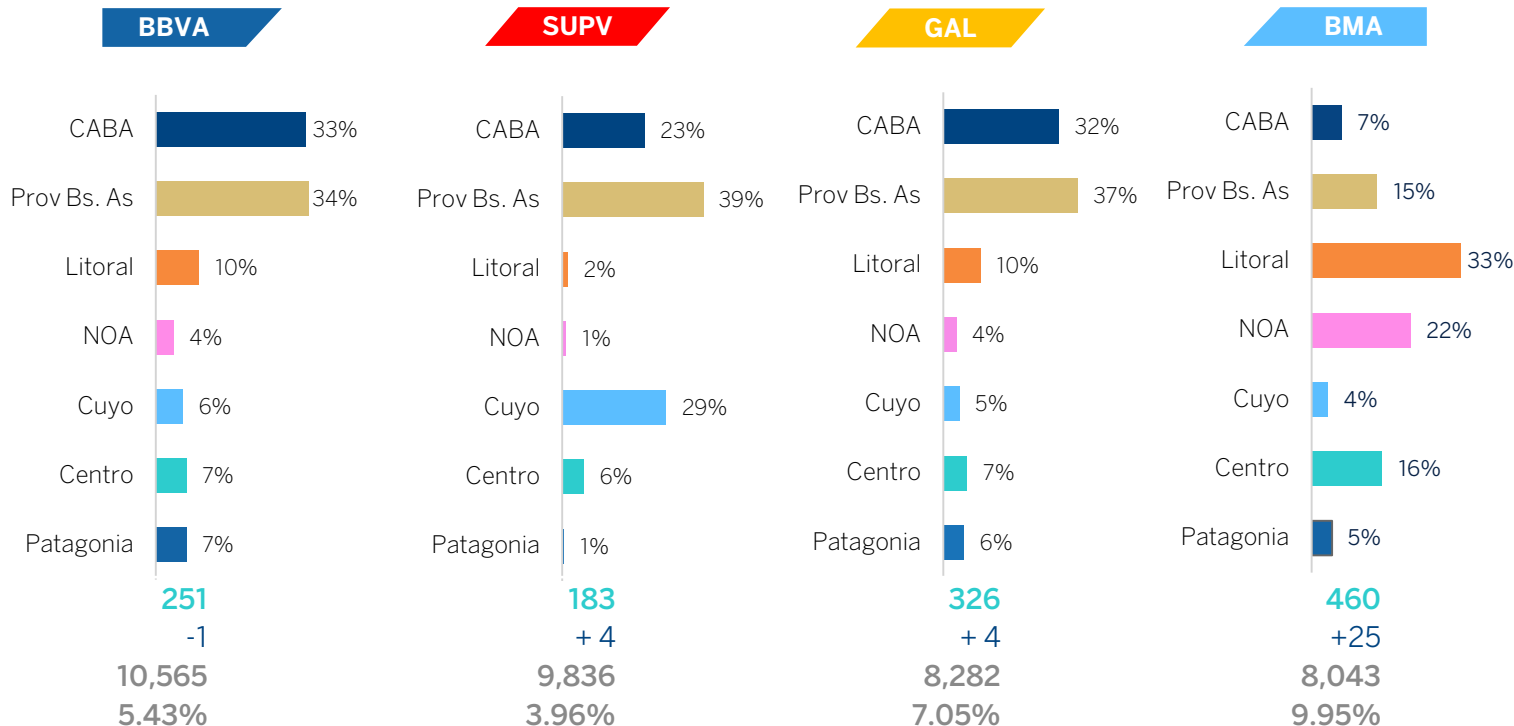
Active clients: holders of at least one active product. An active product is in most cases a product with at least "one movement" in the last 3 months, or a minimum balance. CIB does not include Mutual Fund clients

Source: active credit cards and credit card market share based on Visa and Mastercard information. Active cards: number of cards that record movements by period end (purchases or extractions).



# Geographic Structure as of December 2019

*Successfully acquiring clients without increasing the number of branches*  
*Clients per branch increased 12% from 2017 to 2019*



\*Annual variation in number of branches

Source: "Informe de entidades financieras", BCRA, as of December 2019. **Last quarterly information available.**

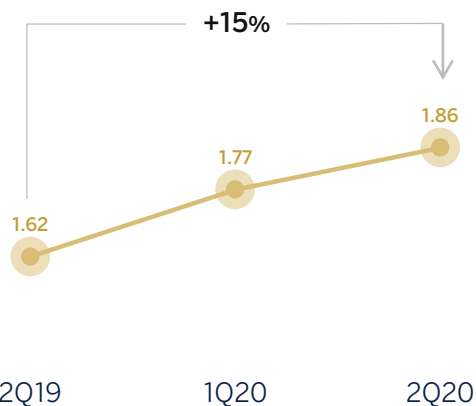
Clients: from 2019 20-F for SUPV and GAL, 2019 Annual Report for BMA.

# Ahead of Curve in Digital Transformation Based on Global Strategy

*Digital client acquisition strategy based on a variable-cost selling model, exclusive and attractive offers, and key partners*

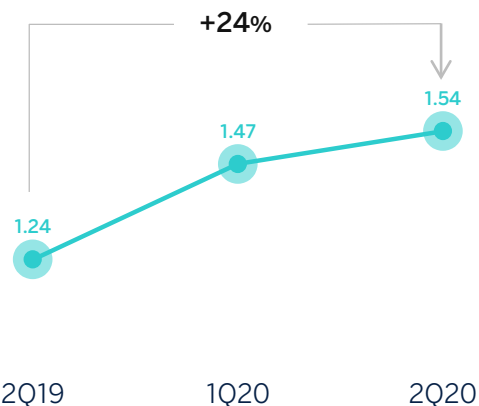
## DIGITAL ACTIVE CLIENTS

MILLION, % GROWTH



## MOBILE ACTIVE CLIENTS

MILLION, % GROWTH



## CUSTOMER PENETRATION RATE, %



*Digital customers: number of retail clients that have logged in any of the bank's digital platforms at least once during each of the last 3 months.*

*Mobile customers: number of retail clients that have logged in the bank's mobile app at least once during each of the last 3 months. It is a sub-group of digital customers.*

## Latest Digital Actions



### Payments

We have implemented NFC technology, after a successful pilot trial through employees in February.

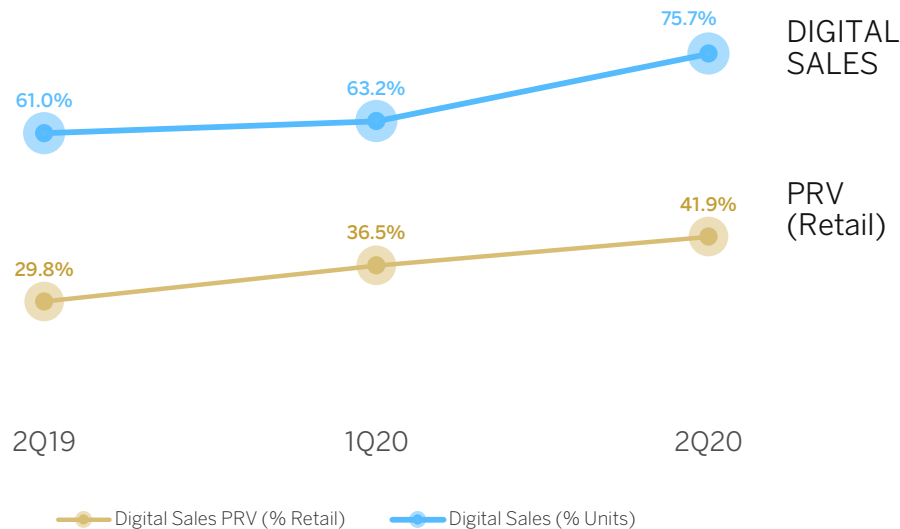
### Modo – Payment Solutions

Soon to be launched new payment solution app, together with other Argentine banks, enabling wire transfers and cashless payments through mobile phones, and making all member banks' promotions available at purchase.

# Transformation Driving Digital Sales and Client Acquisition

## DIGITAL SALES

(% OF TOTAL SALES YTD, % OF TRANSACTIONS AND PRV)



**Digital client acquisition strategy**  
based on a variable-cost selling model, exclusive and attractive offers, and key partners

*Digital sales: % of sales done through digital channels and ATM over total sales.*

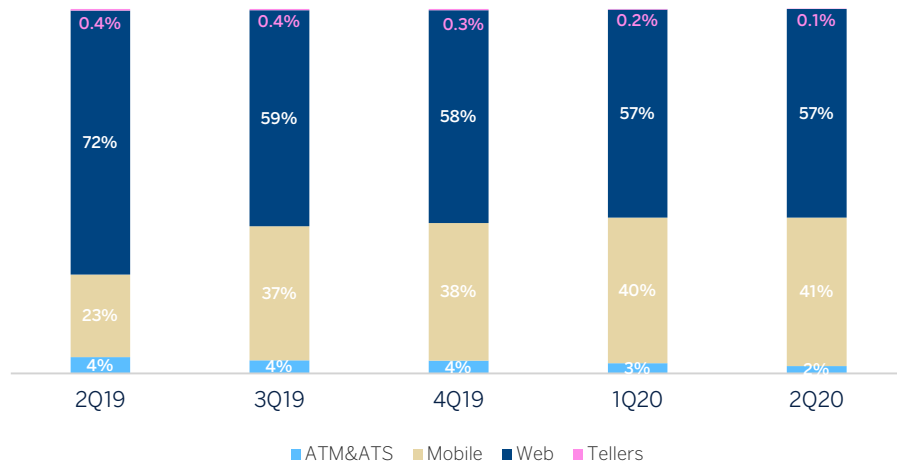
*PRV: Product Relative value for the Retail Segment, used as a proxy for economic value. Transactions (units) are weighted by a simplified NPV calculated for each product category in order to weight their contribution to the digital sales.*

*Figures have been restated in order to include credit card related financing solutions and FX.*

# Continuous improvement on efficiency

*Accelerated adoption of digital over traditional channels, and a migration from web to mobile*

## TRANSACTIONS BY CHANNEL



## REMOTE CHANNELS

% TRANSACTION GROWTH QoQ as of 2Q20



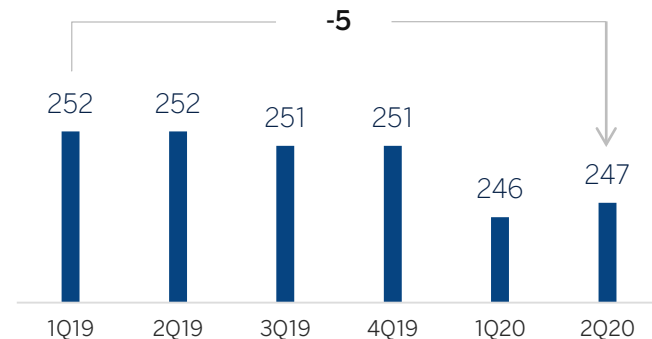
Mobile



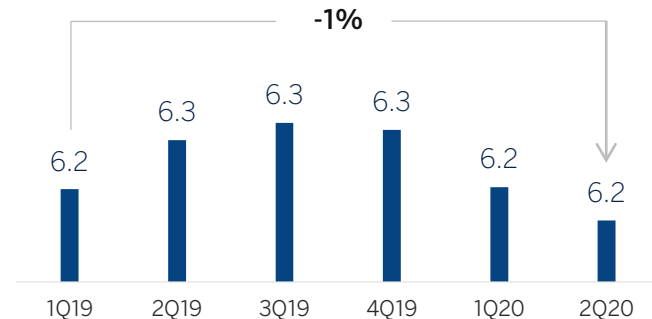
Web

**Digital channels** are a key pillar for the Bank's efficiency strategy

## Branch reduction ongoing since 2019 (# of branches)



## Employees\* (in thousands)



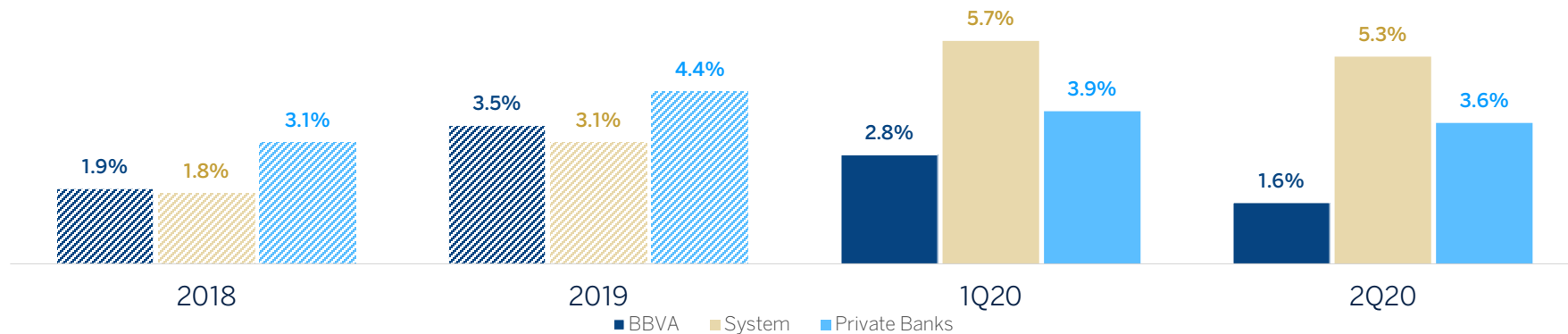
June 2020

\*corresponds to total effective employees, net of temporary contract employees. Consolidated.

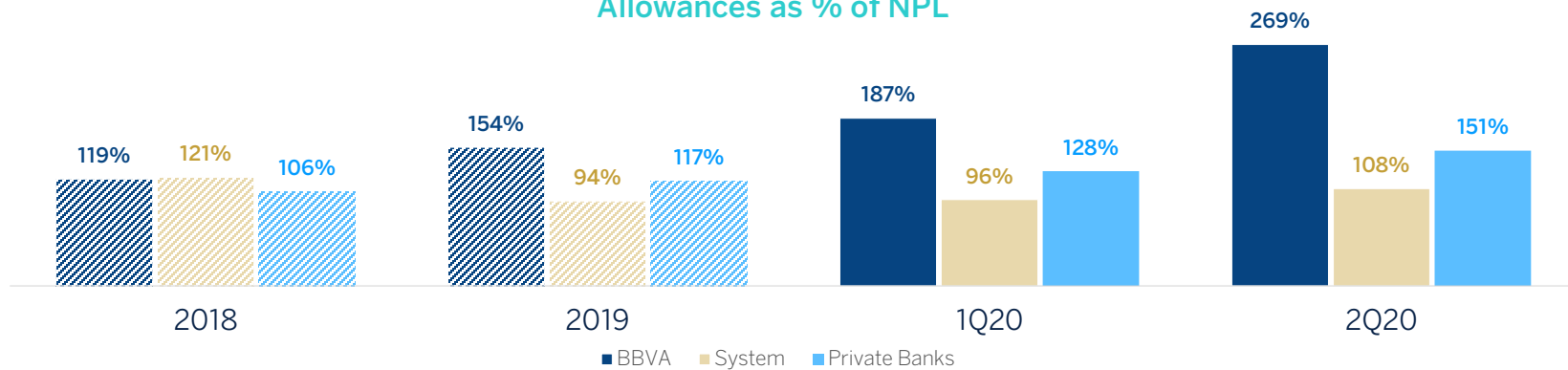


# Asset Quality – Molca\* write-off

## NPL as % of Private Lending



## Allowances as % of NPL







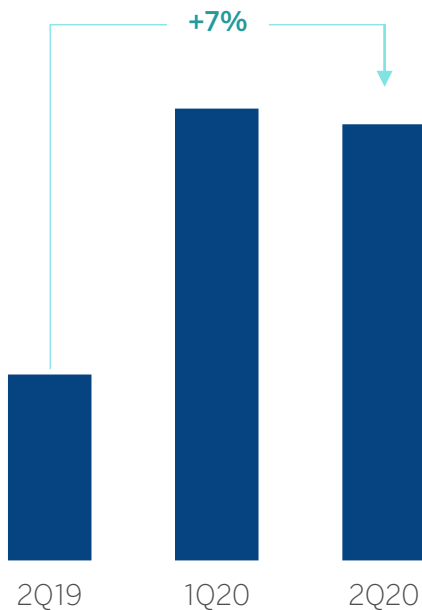
# Payroll Acquisition

*New clients, increasing payroll market share, sight deposits and cross-sell opportunities*

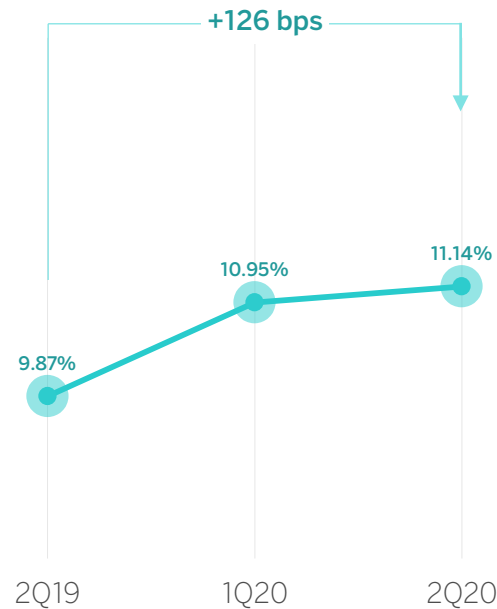


MORE payroll customers

*In thousands*



INCREASING payroll share



# 05

## Appendix

# Responsible Banking and Sustainability 2019



*"In 2019, BBVA Argentina joined the UN Principles of Responsible Banking and signed the Sustainable Finance Protocol. Both initiatives seek to foster a sustainable banking system, fair and accountable towards the community, and are meant to help fulfill the Sustainable Development Goals (SDGs) and the Paris Agreement on Climate Change."*

**María Isabel Goiri Lartitegui** Chairman BBVA



**\$12.2 million**

**INVESTED IN ENVIRONMENTAL  
MANAGEMENT**



**+\$25 million**

**INVESTED IN  
SOCIAL PROGRAMS**



**100%**

**OF OUR SELF-SERVICE TERMINALS  
SUPPORT ENVELOPE-FREE TRANSACTIONS**

**BBVA ARGENTINA WAS THE FIRST PRIVATE BANK TO LAUNCH A NEW LINE OF PERSONAL LOANS CALLED "ECO-LOANS" FOR THE PURCHASE OF SUSTAINABLE GOODS THAT CONTRIBUTE TO CARE FOR THE ENVIRONMENT AND SUPPORT SDG 7.**

## The Best Team



**6,223**

**employees**



**47% Women**

**53% Men**

**0**

**Discrimination cases  
detected**

### >BBVA Volunteers

**Global Volunteering Week at BBVA**

**+730 employees**

**325 activities to contribute to the SDG**

**Solidarity Project Contest**

**\$650,000 in prizes 21 dreams 4,800 direct beneficiaries**

### HIGHLIGHTS OF THE GLOBAL ECO- EFFICIENCY PLAN 2019



**40%**

**decline in YoY paper  
consumption per capita**



**36.6%**

**decline in year-on-year water  
consumption per capita**



**11.9%**

**reduction of CO2 emissions  
per capita**



**87.7%**

**of customers with product bundles  
are enrolled in e-statements**



**82.5%**

**of VISA customers are  
enrolled in e-statements**



**92.9%**

**of MasterCard customers are  
enrolled in e-statements**

**> The Bank  
strived to achieve  
the goal of  
eliminating plastic  
from its buildings**

# Latest sustainable initiatives



## Certification of green credit line

The Bank certified a green credit line of \$290 million to the Unión Transitoria de Empresas, to be allocated in the sanitation treatment project at Cuenca del Río La Matanza – Riachuelo.



## Eco-efficiency plan

The Bank has signed a 5 year contract with Central Puerto for the purchase of renewable energy of wind-power origin. As of August 1, 2020, the Reconquista 199 building will be supplying an average of 80% of its energy requirements through a non-polluting source.

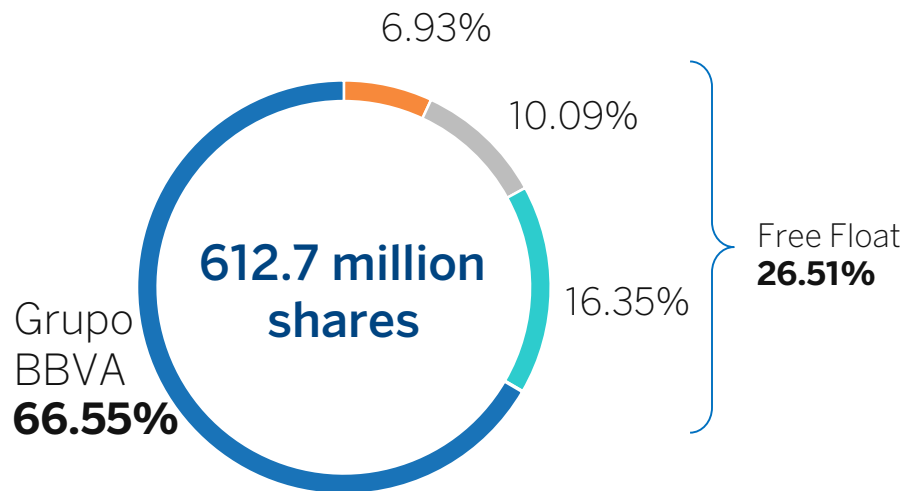


## Credit lines *Línea Verde*

Green credit lines for SMEs are available for social purposes and sustainable investments, at a 35% rate with a 4 year duration.



# Equity Ownership



■ ANSES\*\* ■ ByMA\* ■ NYSE

\*Includes 0.07% in LATIBEX

\*\*Administración Nacional de la Seguridad Social or National Social Security Agency. Replacement of the pension and retirement fund system: in 2008 all resources formerly managed by the private pension and retirement system, including meaningful holdings in public companies were transferred to the Sustainability Guarantee Fund (Fondo de Garantía de Sustentabilidad)

## SUBSIDIARIES AND EQUITY PARTICIPATIONS

|                                                                |              |
|----------------------------------------------------------------|--------------|
| BBVA Asset Management Argentina<br>100%                        | Subsidiaries |
| BBVA Francés Valores <sup>1</sup><br>96.99%                    |              |
| PSA Finance*<br>50%                                            |              |
| Volkswagen Financial Services <sup>2</sup><br>51%              |              |
| Consolidar AFJP (undergoing liquidation proceedings)<br>53.89% |              |
| Rombo Compañía Financiera<br>40%                               | JVs          |
| BBVA Seguros<br>12.22%                                         | Associates   |
| Interbanking<br>11.11%                                         |              |
| Play Digital S.A.<br>33.33%                                    |              |

<sup>1</sup> As of October 1st, 2019, the merger between BBVA Argentina S.A. and BBVA Francés Valores S.A. was put into effect (merger by absorption process)

As of October 9th, 50.441 shares have been issued related to the merger by absorption with BBVA Francés Valores S.A., totaling 612,710,079 shares. As of the release of these consolidated financial statements, the increase in capital and the merger by absorption are pending registry approval by the I.G.J.

<sup>2</sup> As of July 1st 2019 the Bank reports the activity of PSA and VWFS on a consolidated basis with BBVA Argentina, the same as it has been done with BBVA Asset Management Argentina S.A.

# BBVA Argentina Outstanding Corporate Bond Debt as of 2Q20

| Series          | Issue Date | Nominal Amount<br>(thousands AR\$) | Maturity   | Coupon                                   | Coupon<br>Frequency | Rating<br>(Fix SCR) |
|-----------------|------------|------------------------------------|------------|------------------------------------------|---------------------|---------------------|
| <b>Class 24</b> | 12/27/2017 | 546,500                            | 12/27/2020 | Floating +4.25% (Badlar - Private Banks) | Quarterly           | AAA (Arg)           |
| <b>Class 25</b> | 11/8/2018  | 784,334                            | 11/08/2020 | Floating + 9.50% (UVA)                   | Quarterly           | AAA(arg)            |
| <b>Class 27</b> | 2/28/2019  | 1,090,000                          | 08/28/2020 | Floating +6.25% (Badlar - Private Banks) | Quarterly           | AAA(arg)            |

BADLAR- Private Banks rate : interest rate for fixed term deposits over 1 million pesos with a maturity of 30-to-35 days.

UVA rate: unit measure that is daily adjusted to the CER index, according to the consumer price index.

JVs corporate bonds not included.

# Dividends

| Year | Net Income<br>(millions AR\$) | Dividends<br>(millions AR\$) | Total shares<br>(millions) | Dividends per<br>share (AR\$) | Dividends per<br>ADS (AR\$) | Payout Ratio | Payment date     |
|------|-------------------------------|------------------------------|----------------------------|-------------------------------|-----------------------------|--------------|------------------|
| 2019 | 31,352                        | 2,500                        | 612.7                      | 4.08                          | 12.24                       | 8%           | To be confirmed* |
| 2018 | 9,705                         | 2,407                        | 612.7                      | 3.93                          | 11.79                       | 25%          | 05/16/2019       |
| 2017 | 3,878                         | 970                          | 612.7                      | 1.58                          | 4.75                        | 25%          | 05/09/2018       |
| 2016 | 3,644                         | 911                          | 612.7                      | 1.49                          | 4.46                        | 25%          | 08/10/2017       |
| 2015 | 3,785                         | 900                          | 536.9                      | 1.68                          | 5.03                        | 24%          | 07/24/2016       |
| 2014 | 3,204                         | 400                          | 536.9                      | 0.75                          | 2.24                        | 12%          | 03/18/2016       |
| 2013 | 2,024                         | 29                           | 536.9                      | 0.05                          | 0.16                        | 1%           | 07/08/2014       |
| 2012 | 1,264                         | -                            | 536.9                      | -                             | -                           | -            | -                |

\*The distribution is subject to BCRA prior authorization, which has not been granted yet. According to Communication "A" 6939 and 7035, the distribution of financial institutions' results is suspended until December 31, 2020.

# BBVA Argentina P&L Breakdown

| Income Statement<br>In millions AR\$ - Inflation adjusted                       | BBVA ARG Consolidated |               |               | Chg(%)         |                | Proforma <sup>(1)</sup><br>2Q20 |
|---------------------------------------------------------------------------------|-----------------------|---------------|---------------|----------------|----------------|---------------------------------|
|                                                                                 | 2Q20                  | 1Q20          | 2Q19          | QoQ            | YoY            |                                 |
| Interest income                                                                 | 22,342                | 25,935        | 33,805        | (13.9%)        | (33.9%)        | 21,129                          |
| Interest expense                                                                | (6,465)               | (8,611)       | (14,648)      | 24.9%          | 55.9%          | (5,952)                         |
| <b>Net interest income</b>                                                      | <b>15,876</b>         | <b>17,325</b> | <b>19,157</b> | <b>(8.4%)</b>  | <b>(17.1%)</b> | 15,177                          |
| Fee income                                                                      | 6,104                 | 5,691         | 6,408         | 7.3%           | (4.7%)         | 6,103                           |
| Fee expenses                                                                    | (2,996)               | (3,715)       | (3,560)       | 19.3%          | 15.8%          | (2,972)                         |
| <b>Net fee income</b>                                                           | <b>3,109</b>          | <b>1,977</b>  | <b>2,848</b>  | <b>57.3%</b>   | <b>9.2%</b>    | 3,131                           |
| Net income from financial instruments at fair value                             | 1,016                 | 1,300         | 3,100         | (21.8%)        | (67.2%)        | 1,262                           |
| Net loss from write-down of assets at amortized cost and fair value through OCI | (2,067)               | (134)         | (54)          | n.m            | n.m            | (2,067)                         |
| Foreign exchange and gold gains                                                 | 1,494                 | 1,304         | 1,914         | 14.6%          | (21.9%)        | 1,503                           |
| Other operating income                                                          | 1,142                 | 1,095         | 6,450         | 4.3%           | (82.3%)        | 1,168                           |
| Loan loss allowances                                                            | (2,646)               | (1,711)       | (2,594)       | (54.7%)        | (2.0%)         | (2,612)                         |
| <b>Net operating income</b>                                                     | <b>17,925</b>         | <b>21,156</b> | <b>30,820</b> | <b>(15.3%)</b> | <b>(41.8%)</b> | 17,561                          |
| Personnel benefits                                                              | (3,966)               | (4,678)       | (4,756)       | 15.2%          | 16.6%          | (3,890)                         |
| Administrative expenses                                                         | (3,831)               | (3,783)       | (3,548)       | (1.3%)         | (8.0%)         | (3,768)                         |
| Depreciation and amortization                                                   | (843)                 | (867)         | (696)         | 2.8%           | (21.0%)        | (837)                           |
| Other operating expenses                                                        | (2,585)               | (3,525)       | (8,944)       | 26.6%          | 71.1%          | (2,718)                         |
| <b>Operating income</b>                                                         | <b>6,700</b>          | <b>8,303</b>  | <b>12,876</b> | <b>(19.3%)</b> | <b>(48.0%)</b> | 6,349                           |
| Income from associates and joint ventures                                       | 188                   | 29            | 278           | n.m            | (32.5%)        | 258                             |
| Income from net monetary position                                               | (2,285)               | (2,765)       | (2,118)       | 17.4%          | (7.8%)         | (2,126)                         |
| <b>Income before income tax</b>                                                 | <b>4,603</b>          | <b>5,567</b>  | <b>11,036</b> | <b>(17.3%)</b> | <b>(58.3%)</b> | 4,480                           |
| Income tax                                                                      | (2,046)               | (2,293)       | (2,478)       | 10.8%          | 17.4%          | (1,945)                         |
| <b>Income for the period</b>                                                    | <b>2,557</b>          | <b>3,274</b>  | <b>8,558</b>  | <b>(21.9%)</b> | <b>(70.1%)</b> | 2,535                           |
| Income for the period attributable to:                                          |                       |               |               |                |                |                                 |
| Owners of the parent                                                            | 2,510                 | 3,244         | 8,563         | (22.7%)        | (70.7%)        | 2,510                           |
| Non-controlling interests                                                       | 47                    | 30            | (4)           | 58.4%          | n.m            | 26                              |
| Other comprehensive income                                                      | 1,927                 | 1,216         | (4,654)       | 58.4%          | 141.4%         | 1,926                           |

(1) Excludes consolidation with PSA and VWFS.



# BBVA Argentina Balance Sheet

| Balance Sheet<br>In millions AR\$ - Inflation adjusted   | BBVA ARG Consolidated |                |                | Chg (%)     |               | Proforma <sup>(1)</sup><br>2Q20 |
|----------------------------------------------------------|-----------------------|----------------|----------------|-------------|---------------|---------------------------------|
|                                                          | 2Q20                  | 1Q20           | 2Q19           | QoQ         | YoY           |                                 |
| <b>Assets</b>                                            |                       |                |                |             |               |                                 |
| Cash and deposits in banks                               | 112,525               | 154,393        | 129,846        | (27.1%)     | (13.3%)       | 112,163                         |
| <i>Cash</i>                                              | 50,468                | 39,332         | 22,636         | 28.3%       | 123.0%        | 50,468                          |
| <i>Financial institutions and correspondents</i>         | 62,057                | 115,061        | 107,210        | (46.1%)     | (42.1%)       | 61,695                          |
| <i>B.C.R.A</i>                                           | 57,915                | 110,432        | 104,904        | (47.6%)     | (44.8%)       | 57,571                          |
| <i>Other local and foreign financial institutions</i>    | 4,142                 | 4,628          | 2,306          | (10.5%)     | 79.6%         | 4,124                           |
| Debt securities at fair value through profit or loss     | 9,756                 | 9,546          | 9,409          | 2.2%        | 3.7%          | 9,756                           |
| Derivatives                                              | 1,057                 | 2,271          | 2,624          | (53.5%)     | (59.7%)       | 1,057                           |
| Repo transactions                                        | 34,267                | 3,374          | 8,458          | n.m         | 305.2%        | 34,267                          |
| Other financial assets                                   | 6,377                 | 19,592         | 10,530         | (67.4%)     | (39.4%)       | 6,241                           |
| Loans and other financing                                | 243,226               | 230,229        | 266,503        | 5.6%        | (8.7%)        | 232,565                         |
| <i>Non-financial public sector</i>                       | 0                     | 1              | 0              | (73.7%)     | (66.3%)       | 0                               |
| <i>B.C.R.A</i>                                           | -                     | 12             | 0              | (100.0%)    | (100.0%)      | -                               |
| <i>Other financial institutions</i>                      | 3,504                 | 5,296          | 10,855         | (33.8%)     | (67.7%)       | 6,677                           |
| <i>Non-financial private sector and residents abroad</i> | 239,722               | 224,920        | 255,648        | 6.6%        | (6.2%)        | 225,887                         |
| Other debt securities                                    | 81,502                | 68,237         | 99,595         | 19.4%       | (18.2%)       | 81,502                          |
| Financial assets pledged as collateral                   | 10,749                | 7,182          | 9,068          | 49.7%       | 18.5%         | 10,748                          |
| Current income tax assets                                | 9                     | 0              | 1              | n.m         | n.m           | 9                               |
| Investments in equity instruments                        | 1,805                 | 1,909          | 2,733          | (5.5%)      | (34.0%)       | 1,805                           |
| Investments in subsidiaries and associates               | 1,229                 | 1,187          | 3,065          | 3.5%        | (59.9%)       | 3,123                           |
| Property and equipment                                   | 28,270                | 28,801         | 32,081         | (1.8%)      | (11.9%)       | 28,228                          |
| Intangible assets                                        | 1,068                 | 969            | 1,002          | 10.2%       | 6.5%          | 1,067                           |
| Deferred income tax assets                               | 5,281                 | 7,815          | (2,225)        | (32.4%)     | 337.3%        | 4,885                           |
| Other non-financial assets                               | 4,772                 | 4,515          | 2,939          | 5.7%        | 62.3%         | 4,660                           |
| Non-current assets held for sale                         | 189                   | 189            | 189            | -           | (0.0%)        | 189                             |
| <b>Total Assets</b>                                      | <b>542,080</b>        | <b>540,207</b> | <b>575,818</b> | <b>0.3%</b> | <b>(5.9%)</b> | <b>532,264</b>                  |

(1) Excludes consolidation with PSA and VWFS.

# BBVA Argentina Balance Sheet

| Balance Sheet<br>In millions AR\$ - Inflation adjusted                | BBVA ARG Consolidated |                |                | Chg (%)     |               | Proforma <sup>(1)</sup><br>2Q20 |
|-----------------------------------------------------------------------|-----------------------|----------------|----------------|-------------|---------------|---------------------------------|
|                                                                       | 2Q20                  | 1Q20           | 2Q19           | QoQ         | YoY           |                                 |
| <b>Liabilities</b>                                                    |                       |                |                |             |               |                                 |
| Deposits                                                              | 373.260               | 345.586        | 407.150        | 8,0%        | (8,3%)        | 372.431                         |
| <i>Non-financial public sector</i>                                    | 5.463                 | 3.660          | 5.190          | 49,3%       | 5,3%          | 5.463                           |
| <i>Financial sector</i>                                               | 300                   | 302            | 423            | (0,9%)      | (29,2%)       | 385                             |
| <i>Non-financial private sector and residents abroad</i>              | 367.497               | 341.624        | 401.538        | 7,6%        | (8,5%)        | 366.583                         |
| Liabilities at fair value through profit or loss                      | -                     | -              | 1.651          | N/A         | (100,0%)      | -                               |
| Derivatives                                                           | 230                   | 349            | 3.267          | (34,3%)     | (93,0%)       | 230                             |
| Other financial liabilities                                           | 28.261                | 45.132         | 32.931         | (37,4%)     | (14,2%)       | 27.841                          |
| Financing received from the B.C.R.A. and other financial institutions | 5.099                 | 3.822          | 4.699          | 33,4%       | 8,5%          | 308                             |
| Corporate bonds issued                                                | 4.203                 | 7.902          | 6.180          | (46,8%)     | (32,0%)       | 2.948                           |
| Current income tax liabilities                                        | 3.238                 | 12.200         | 6.580          | (73,5%)     | (50,8%)       | 3.161                           |
| Provisions                                                            | 11.000                | 11.880         | 10.625         | (7,4%)      | 3,5%          | 10.946                          |
| Deferred income tax liabilities                                       | 4                     | -              | 67             | N/A         | (93,4%)       | 4                               |
| Other non-financial liabilities                                       | 21.836                | 19.790         | 18.496         | 10,3%       | 18,1%         | 21.291                          |
| <b>Total Liabilities</b>                                              | <b>447.131</b>        | <b>446.661</b> | <b>491.647</b> | <b>0,1%</b> | <b>(9,1%)</b> | <b>439.161</b>                  |
| <b>Equity</b>                                                         |                       |                |                |             |               |                                 |
| Share Capital                                                         | 613                   | 613            | 613            | -           | 0,0%          | 613                             |
| Non-capitalized contributions                                         | 22.017                | 22.017         | 22.006         | (0,0%)      | 0,1%          | 22.017                          |
| Capital adjustments                                                   | 15.452                | 15.452         | 15.452         | (0,0%)      | 0,0%          | 15.452                          |
| Reserves                                                              | 82.448                | 49.781         | 49.800         | 65,6%       | 65,6%         | 82.448                          |
| Retained earnings                                                     | (26.973)              | 11.022         | (15.266)       | (344,7%)    | (76,7%)       | (26.973)                        |
| Other accumulated comprehensive income                                | (6.233)               | (10.734)       | 119            | 41,9%       | n.m           | (7.008)                         |
| Income for the period                                                 | 5.754                 | 3.244          | 13.694         | 77,3%       | (58,0%)       | 5.754                           |
| <i>Equity attributable to owners of the Parent</i>                    | 93.077                | 91.727         | 84.123         | 1,5%        | 10,6%         | 93.077                          |
| <i>Equity attributable to non-controlling interests</i>               | 1.872                 | 1.819          | 48             | 2,9%        | n.m           | 26                              |
| <b>Total Equity</b>                                                   | <b>94.949</b>         | <b>93.546</b>  | <b>84.172</b>  | <b>1,5%</b> | <b>12,8%</b>  | <b>93.103</b>                   |
| <b>Total Liabilities and Equity</b>                                   | <b>542.080</b>        | <b>540.207</b> | <b>575.818</b> | <b>0,3%</b> | <b>(5,9%)</b> | <b>532.264</b>                  |

(1) Excludes consolidation with PSA and VWFS.



## **Investor Relations Contact**

*[investorelations-arg@bbva.com](mailto:investorelations-arg@bbva.com)*

*[www.ir.bbva.com.ar](http://www.ir.bbva.com.ar)*