

BBVA

Creating Opportunities

BBVA

Growing Profitability Engine

BofA Financials CEO Conference

September 2022



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Creating Opportunities

01

Excellent
track record of
delivering value to
our shareholders

02

Superior performance
based on our core
strengths as a source of
sustainable competitive
advantages

03

Positive prospects ahead
not fully reflected in
market assumptions



Creating Opportunities

Excellent track record of
delivering value to our
shareholders

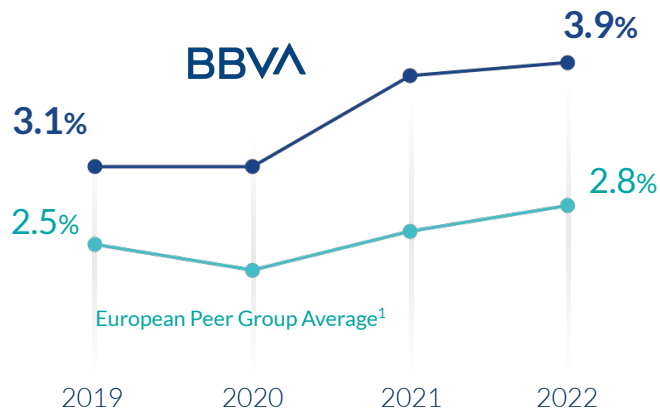
01

Industry leading profitability along the years

**STRONG PRE-PROVISION PROFIT
WITH LOW VOLATILITY**

PRE-PROVISION PROFIT / RWA

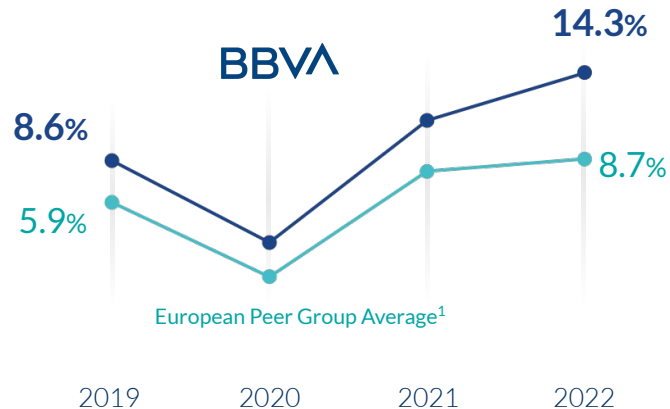
2019-6M22 PPP ANNUALIZED²



**GENERATING OUTSTANDING
PROFITABILITY ALONG THE YEARS**

ROTE

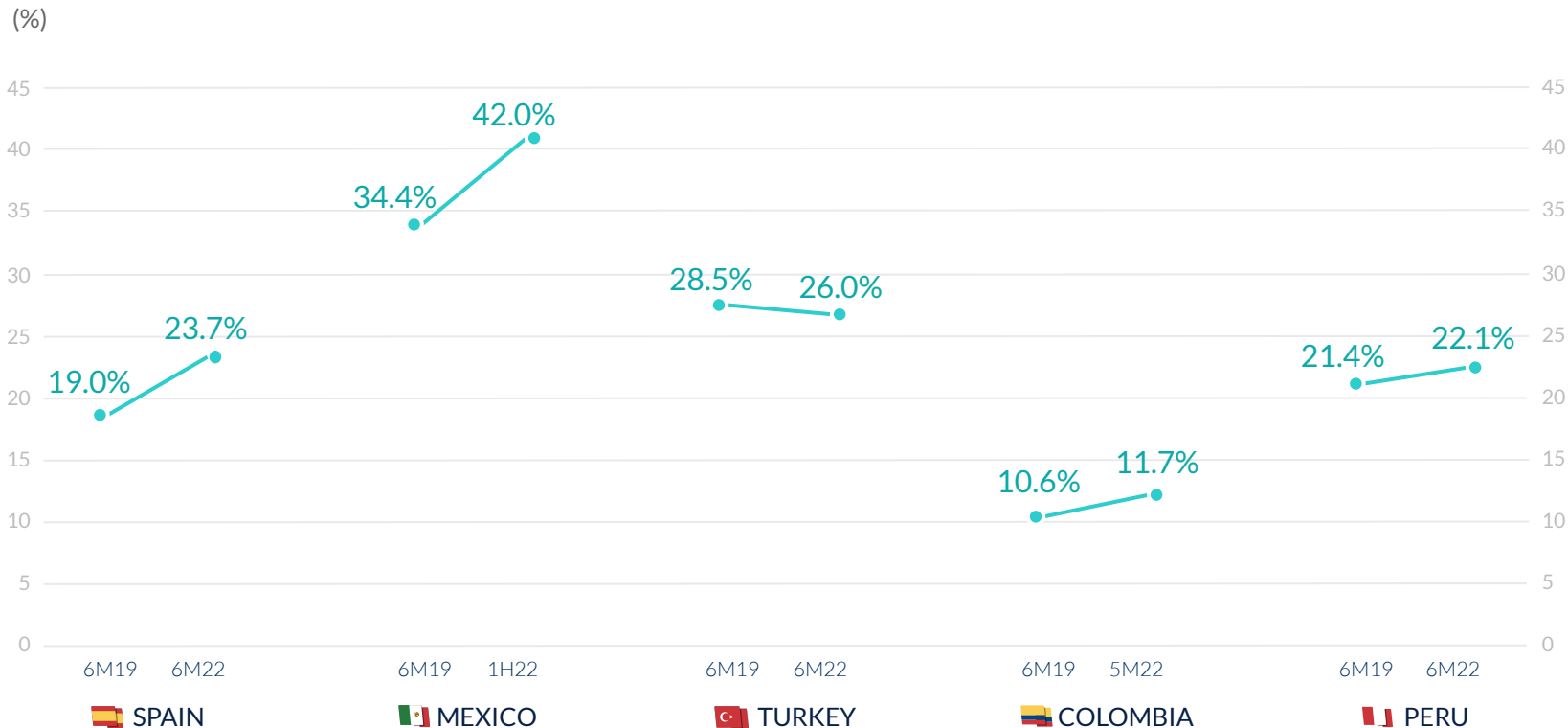
2019-6M22 NAP ANNUALIZED^{2,3}



(1) European Peer group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, NWG, SAN, SG, UBS and UCG. (2) Simple double of 1H22 results. (3) Excludes the US business sold to PNC for comparison purposes

Delivering in profit market share growth

PRE-PROVISION PROFIT MARKET SHARE¹

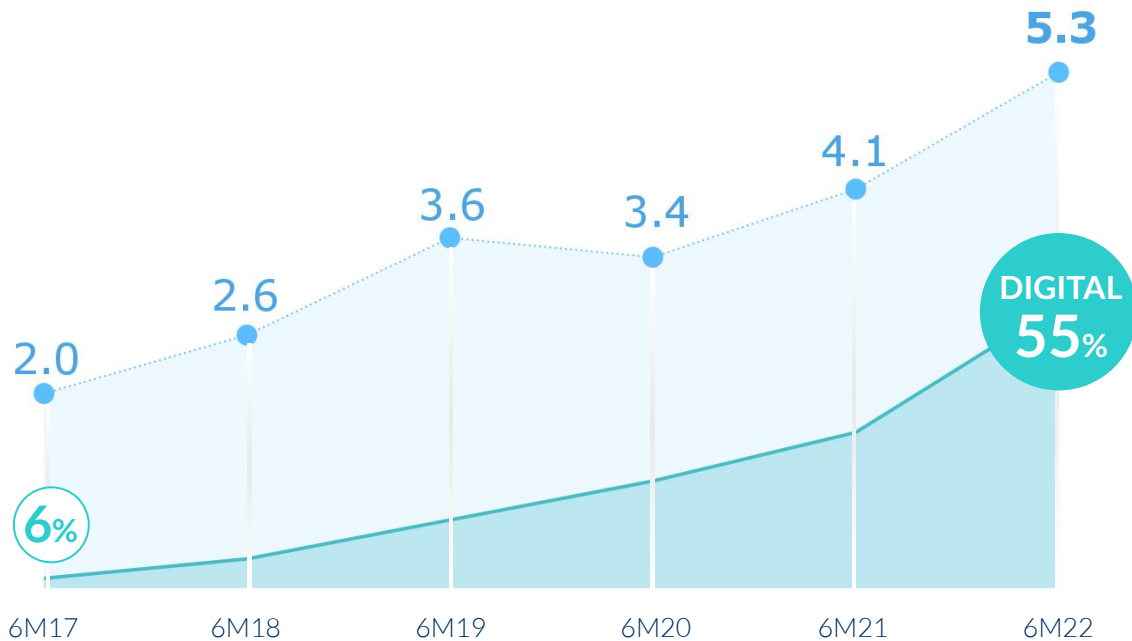


(1) Pre-provision profit among the peer group in each country. Turkey market share among private banks peer group.

Beyond industry-leading profitability, an impressive growth in customer franchise leveraging digital capabilities

NEW CUSTOMER ACQUISITION¹

(BBVA GROUP, MILLION; % ACQUISITION THROUGH DIGITAL CHANNELS)



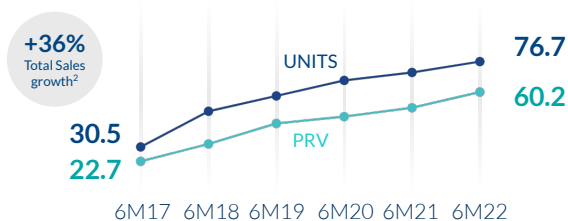
(1) Gross customer acquisition through own channels for retail segment. Excludes the US business sold to PNC for comparison purposes.

Leveraging digital capabilities also to grow sales

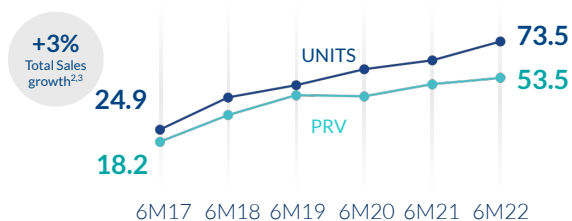
SALES THROUGH DIGITAL CHANNELS

(% GROWTH OF TOTAL SALES YTD, % OF DIGITAL TRANSACTIONS AND PRV¹ OVER TOTAL SALES YTD)

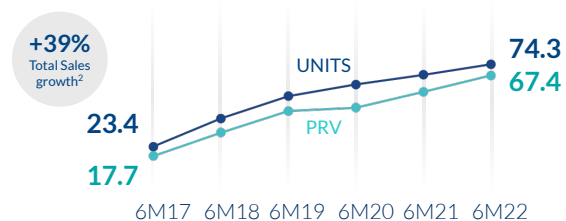
GROUP



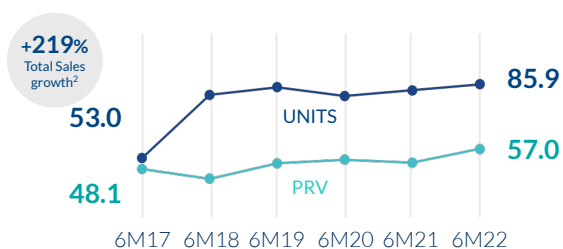
SPAIN



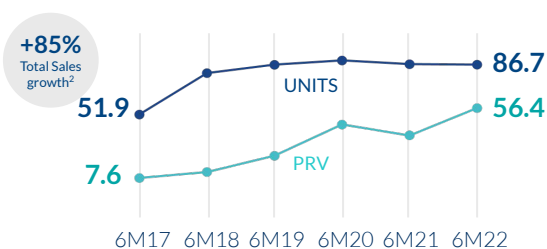
MEXICO



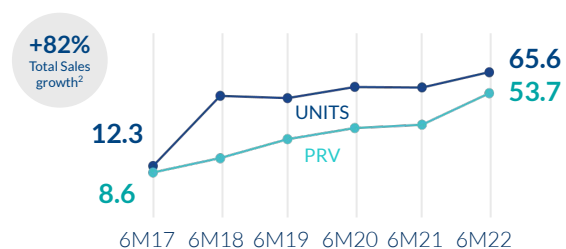
TURKEY



COLOMBIA



PERU



Note: Group excludes USA, Venezuela, Chile, Paraguay. (1) Product Relative Value as a proxy of lifetime economic representation of units sold. (2) Total sales growth (Digital + non-digital PRV) 6M17-6M22.

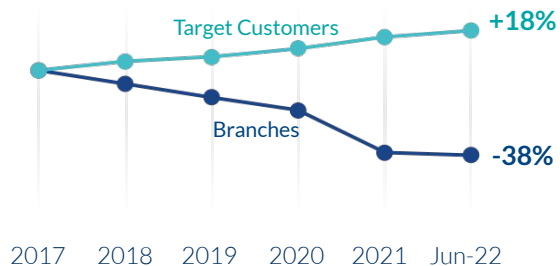
(3) Spain excludes insurance products PRV due to change in perimeter.

With a lean and efficient structure

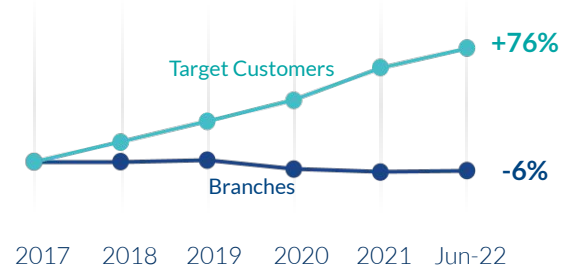
TARGET CUSTOMERS¹ AND BRANCHES EVOLUTION

(2017=100; % VAR. VS 2017)

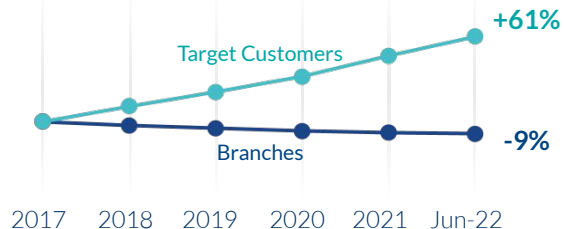
SPAIN



MEXICO



TURKEY



SOUTH AMERICA



(1) Target customers refers to those customers in which the bank wants to grow and retain, as they are considered valuable due to their assets, liabilities and/or transactionality with BBVA.

Outstanding revenues and earnings growth

SUPERIOR REVENUE GROWTH

LEADING TO A SIGNIFICANT PROFITABILITY INCREASE

GROSS MARGIN GROWTH

(6M19-6M22 CAGR)

+3.2%



BBVA

+1.9%



European
Peer Group
Average²

EARNINGS PER SHARE

(2019-6M22 NAP ANNUALIZED¹)

+93%



BBVA

+74%



European
Peer Group
Average²

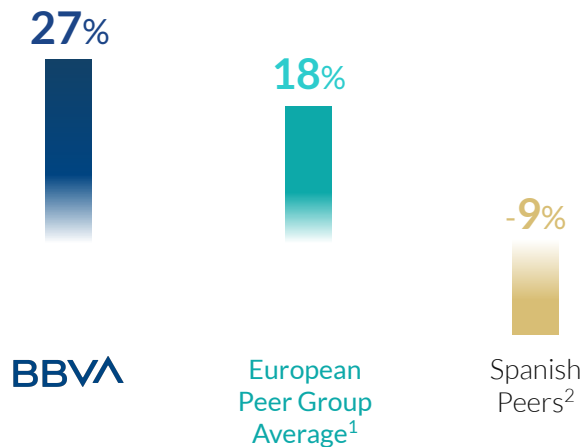
(1) Simple double of 1H22 results. Reported EPS. (2) European Peer group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, NWG, SAN, SG, UBS and UCG.

Differential value creation to our shareholders

SUPERIOR SHAREHOLDER RETURN

TOTAL SHAREHOLDER RETURN

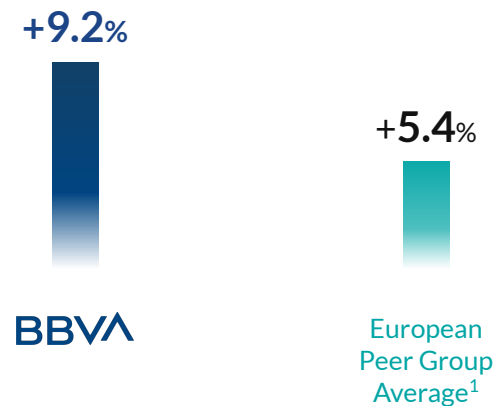
(%, VAR 2019-2022 Sep 16th)



OUTPACING OUR PEERS IN VALUE CREATION

TANGIBLE BOOK VALUE PER SHARE + DIVIDENDS

(2019-6M22 CAGR)



(1) European Peer group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, NWG, SAN, SG, UBS and UCG. (2) Spanish Peer Group: BKT, CABK, SAB, SAN, UNI.

Superior performance based on
our core strengths as a source of
sustainable competitive
advantages

02

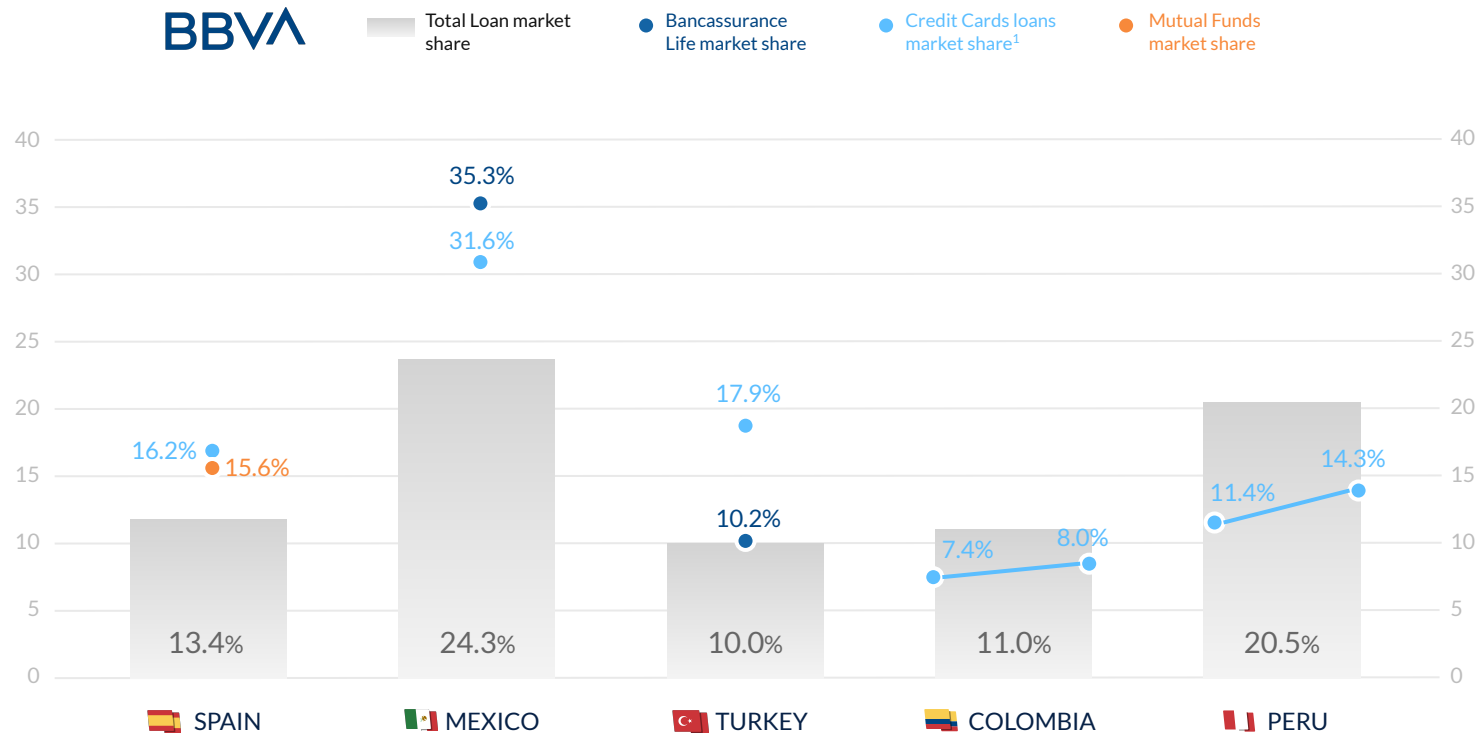
Our transformation has enabled us to have **leading franchises** in high growth markets

BBVA		STRONG POSITIONING		LEADING PROFITABILITY
		Market share ¹ (%)	Ranking ¹	ROE (%) vs. industry ² (bps)
	SPAIN	13.4%	#3	14.1% (+476 bps)
	MEXICO	24.3%	#1	23.1% (+746 bps)
	TURKEY	17.7%	#2	44.3% (-246 bps)
	COLOMBIA	11.0%	#4	22.7% (+770 bps)
	PERU	20.5%	#2	18.8% (+59 bps)

(1) Latest available total loans market shares, Ranking among peer group. Turkey among private banks.

(2) ROE under local criteria as of 6M22, except Colombia 5M22.

Achieving higher or growing market share in **key businesses**



Latest available market shares. (1) Spain and Peru refers to consumer + credit card loans. Colombia evolution from Jun-19 to May-22. Peru evolution from Jun-19 to Jun-22

Superior digital capabilities and leveraging globality to deliver efficiency and share best practices

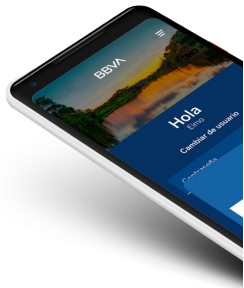
THERE IS BENEFIT TO GLOBALITY AS TECHNOLOGY COSTS, ESPECIALLY SOFTWARE DEVELOPMENT AND MAINTENANCE, CONTINUE INCREASING

GLOBAL RETAIL MOBILE APP

(GLOMO) - Reutilization by design



Design & Software
reusability

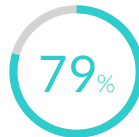


Top 1

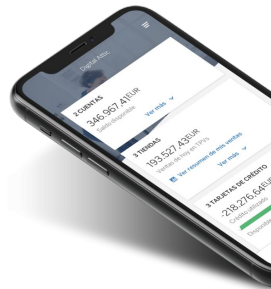
in 12 apps out of 14 in App market

GLOBAL ENTERPRISE MOBILE APP

(GEMA) - Multi-segment global co-creation



Design & Software
reusability



Top 1

in 6 apps out of 6 in App market

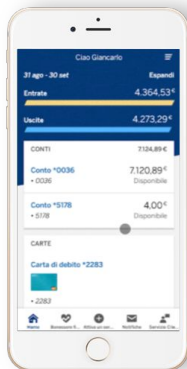
Investing in innovation as an enabler for new capabilities

SELECTIVE DIGITAL BANK INVESTMENTS

BUILT BASED ON EXISTING INFRASTRUCTURE



>100k clients since launch in late 2021



INVESTMENTS



Atom bank
(UK)

Operating breakeven achieved



Solarisbank
(Europe, Infrastructure)

Expanding from Germany to Spain, France and Italy



(Brazil)

+15 million registered accounts

VENTURE CAPITAL VEHICLES



Fintech venture capital fund with 6 unicorns



SINOVAION VENTURES

Leading Chinese technology venture capital with 400+ portfolio companies, with focus on AI



Investments in Sustainability

These investments support the development of new capabilities in the Group

We have been incorporating learnings we acquired from these type of investments:



MADIVA

Madiva in Spain

Valora home appraisal functionality



Openpay in Mexico

Payments in Latam

Leading the curve in sustainability

2X OUR TARGET OF SUSTAINABLE FINANCING

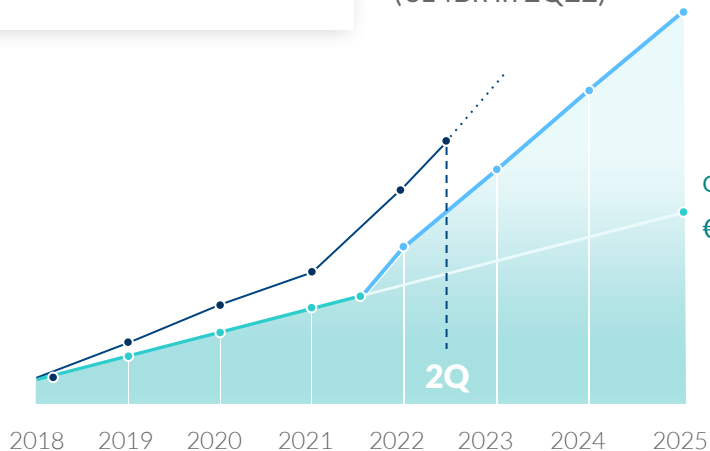
SUSTAINABILITY AS GROWTH LEVER

~20% of the sustainable business originated is incremental

€112 Bn
Channeled since 2018
(€14Bn in 2Q22)

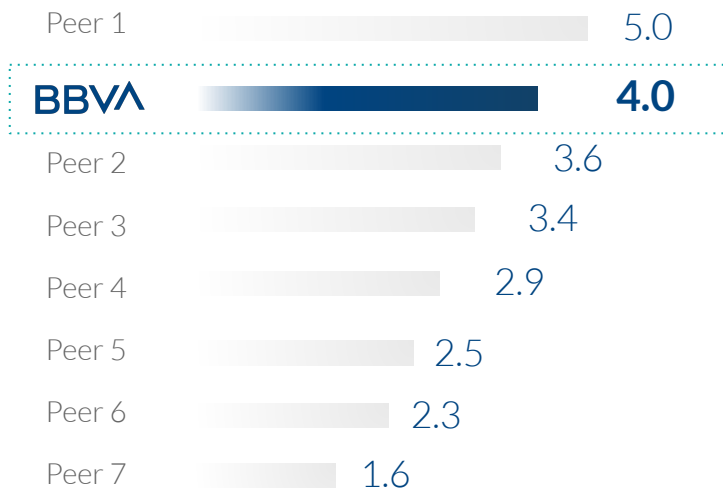
New target
€200 Bn

Old target
€100 Bn



LEADING BANK IN SUSTAINABLE FINANCE COMMITMENT

ANNUALISED TARGET AS SHARE OF TOTAL ASSETS (%)



Peers: Credit Suisse, Deutsche Bank, HSBC, NatWest, Santander, Société Générale and Standard Chartered. Data as of 4Q21.

Positive prospects ahead not fully reflected in market assumptions

03

NII
SENSITIVITY

ASSET
QUALITY

CAPITAL

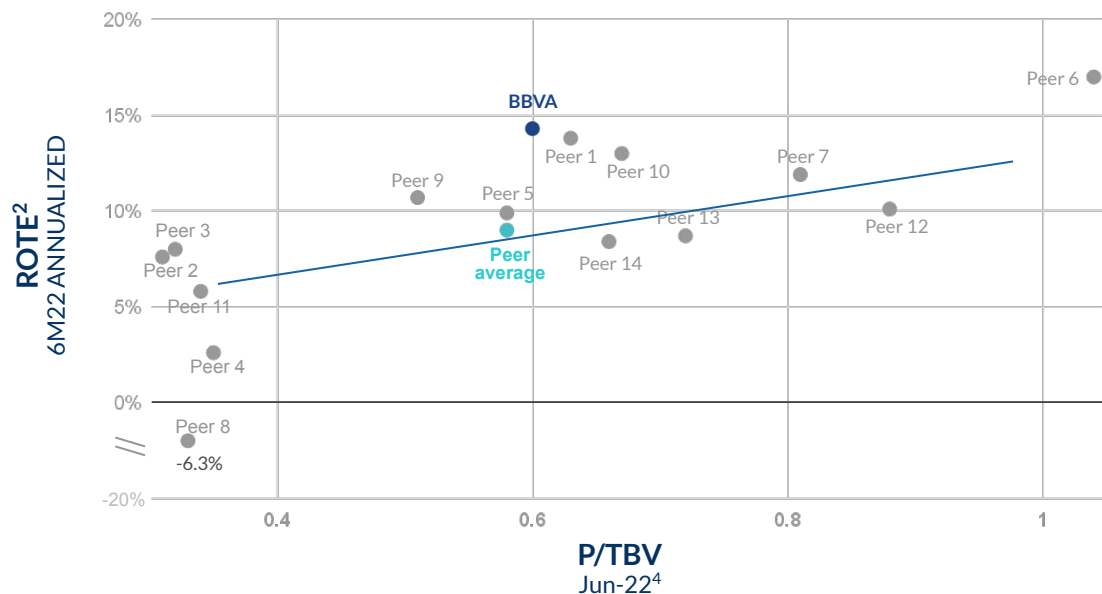
FINTECHS

VALUE
CREATION

Superior profitability and growth profile not reflected in share price performance

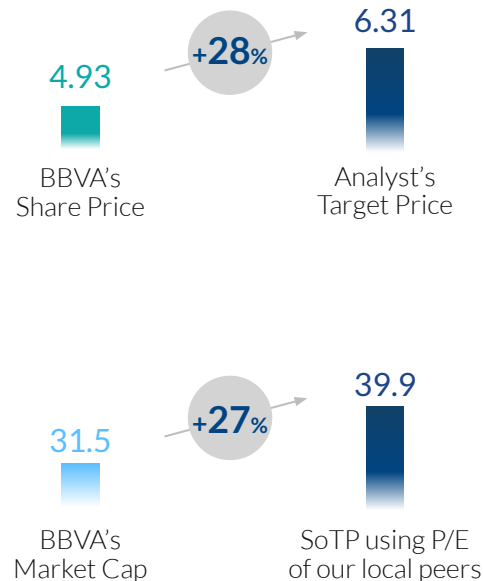
P/TBV VS ROTE

(BBVA VS EUROPEAN PEER GROUP¹)



BBVA's VALUATION³

(€/share, € Bn)

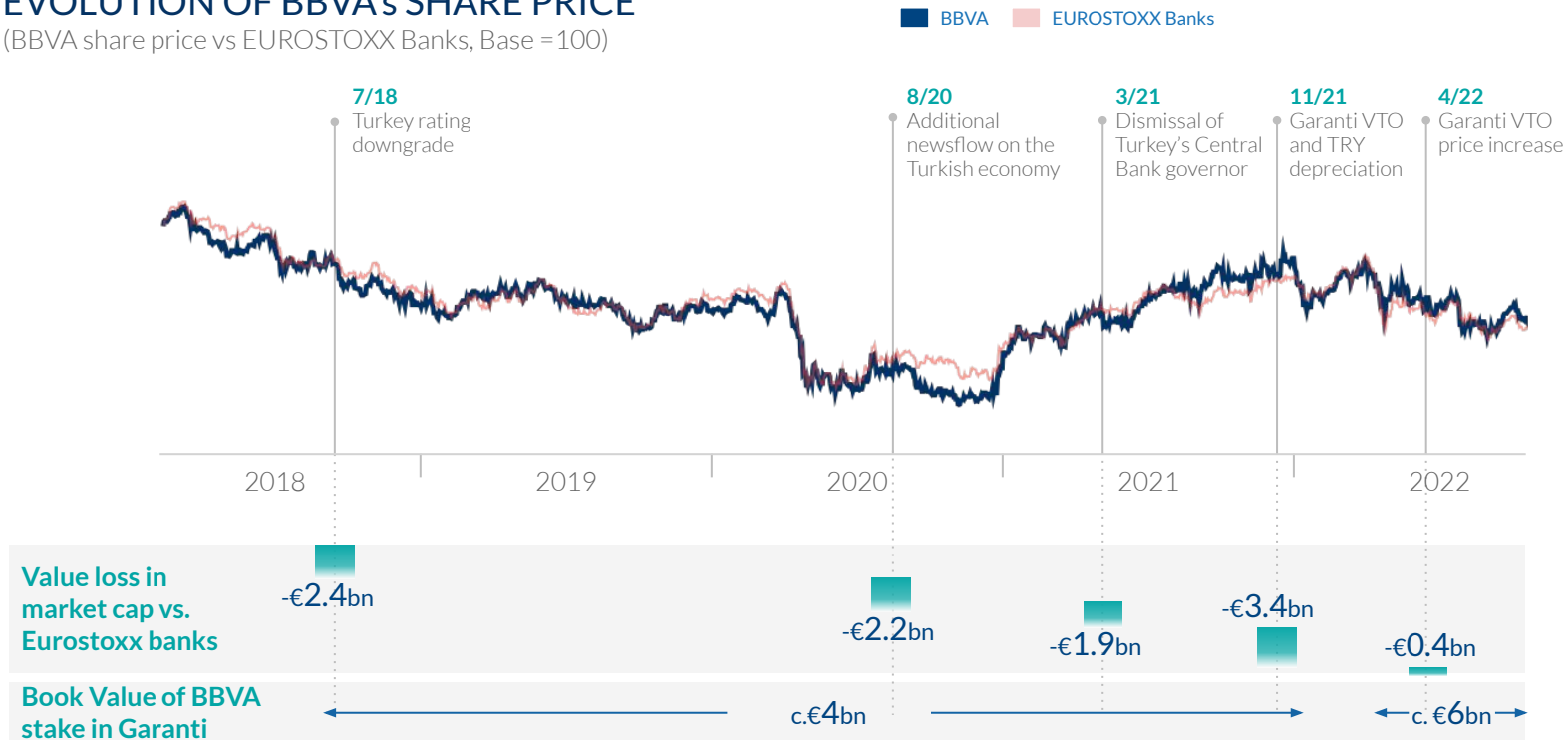


(1) European Peer group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, NWG, SAN, SG, UBS and UCG. (2) BBVA's as reported. Peers ratios calculated with the balance sheet inputs as follows: ROTE = Group Attributed Profit / Average shareholders tangible equity for ROE (including valuation adjustments). (3) Market information from Bloomberg as of Sep 16th. SoTP calculated as follows: Latest company gathered consensus for 2024 multiplied by the P/E multiples of our domestic peers (Spain, Rest of Business and Corporate Center: CABK; Mexico: Banorte; Turkey: Garanti; in South America as there's no similar peer we are using the one used by BBVA's analysts in their SoTP). (4) Price and TBV as of June 30th 2022

BBVA's market cap continuously and **excessively** affected by events in Turkey

EVOLUTION OF BBVA'S SHARE PRICE

(BBVA share price vs EUROSTOXX Banks, Base = 100)



Dec'17 base = 100. Impacts estimated by comparison versus Eurostoxx Banks performance, the index with which BBVA has the highest correlation (0.9) since Dec'16.

Core businesses geared towards **better results** going forward

NII SENSITIVITY TO INTEREST RATES



+15-20%

EURO BALANCE SHEET¹



+3.9%

MEXICO¹

CUSTOMER SPREADS (%)



2022 GUIDANCE²

Loans growth:

① from slight growth to **low-single digit**

NII growth:

① from “flat to slight growth” to **at around mid-single digit**

① from mid single digit to **double digit**

① from high single digit to **around 20%**



Represents an improvement in 2022 guidance

(1) Estimated impact on NII in the next 12 months to +100 bps parallel interest rate movements. (2) Comparison of 2022 guidance disclosed in 4Q21 results presentation vs 2022 guidance disclosed in 2Q22 results presentation.

NII SENSITIVITY

ASSET QUALITY

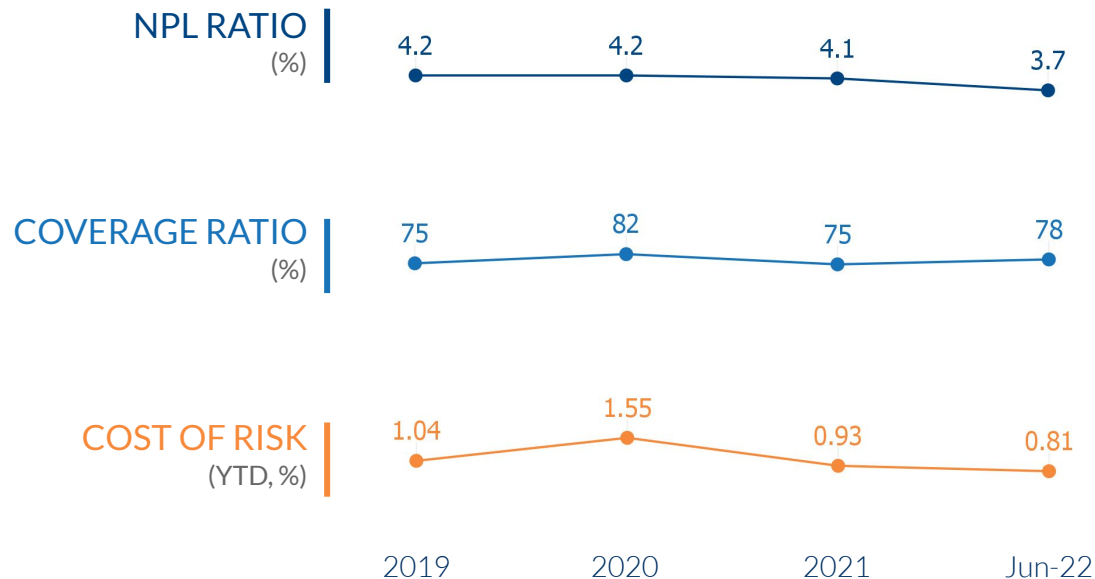
CAPITAL

FINTECHS

VALUE CREATION

Prudent and proactive risk management

PRUDENT AND PROACTIVE RISK MANAGEMENT IS THE FIRST LINE OF DEFENSE



Excludes the US business sold to PNC for comparison purposes

SOLID LIQUIDITY POSITION

LTD < 100%

across all geographies

PRE PROVISION PROFIT AS A
BUFFER (as of June 22)

3.6%

o/ average loans

NII
SENSITIVITY

ASSET
QUALITY

CAPITAL

FINTECHS

VALUE
CREATION

CoR expected below 100 bps at Group level in 2022, in line with 2021

Well prepared to face a change in the economic cycle

SPAIN

RETAIL BANKING

- 85%** of consumer loans origination given to “payroll” clients
- 75%** of floating rate mortgages originated before 2012 (77% of stock at floating rate)

VERY SMALL BUSINESSES

- Enterprises deleveraging since 2008
- 41%** of loan volumes with state guarantees
- Average guarantee **75%**

MEXICO

CONSUMER

- 70%** of consumer loans origination given to “payroll” clients
- 1.5x** times higher average payroll at BBVA vs system’s

VERY SMALL BUSINESSES

- 60%** of loan volumes with guarantee from development banks¹
- Average guarantee: **50%**

TURKEY

FC LOANS

- 53%** Deleverage strategy since 2015
- 70%** of **Project Finance** loans have **FC revenues** (no FX risk)
- 83%** of the exposure to the **most FX sensitive clients** in **Stage 2 / 3**

TL LOANS

- Mainly **fixed rate** and **short term** to manage transactionality.
- Asset quality metrics favoured by **salary and income growth**.

NII
SENSITIVITY

ASSET
QUALITY

CAPITAL

FINTECHS

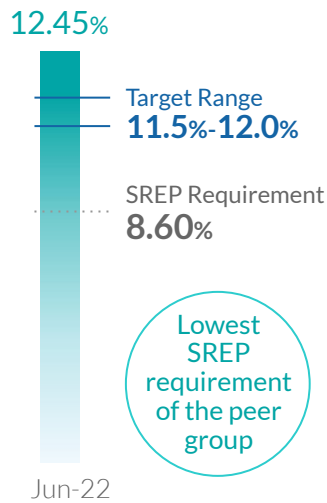
VALUE
CREATION

(1) NAFIN and Bancomext

High quality and resilient capital to face future challenges

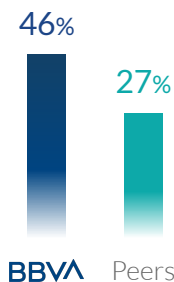
STRONG CAPITAL POSITION

CET1 FULLY LOADED (%)

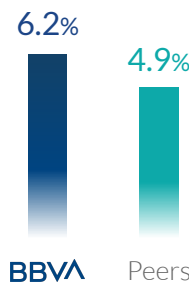


HIGH RWAS DENSITY WITH A LIMITED USE OF INTERNAL MODELS¹

RWA / TOTAL ASSETS JUN-22



LEVERAGE RATIO FL JUN-22



Well-positioned to face future regulatory developments

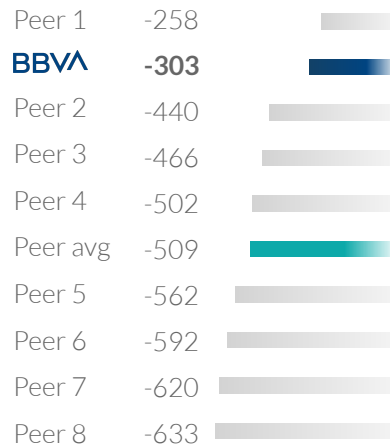
European Peer group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, NWG, SAN, SG, UBS and UCG.

(1) Credit RWA breakdown: 52% standardized model, 48% IRB.

CAPITAL RESILIENCE UNDER STRESS SCENARIOS

ADVERSE SCENARIO

CET1 FL 2020-2023 (DEPLETION, BPS.)



European peers subject to last EBA ST: BNPP, CASA, CMZ, DB, ISP, SAN, SG, UCG.

NII
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FINTECHS

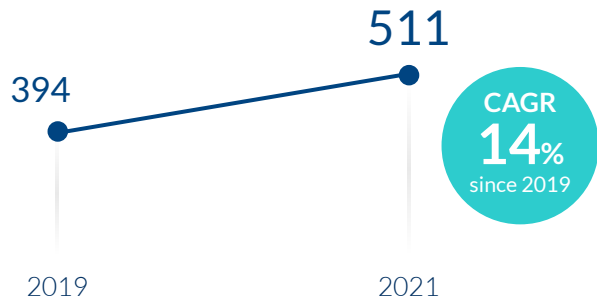
VALUE
CREATION

Well prepared to compete against new entrants and fintechs

Fintech growth story: The Mexican Case 🇲🇽

STRONG FINTECH GROWTH FIGURES

NEW STARTUPS FINTECH PER YEAR

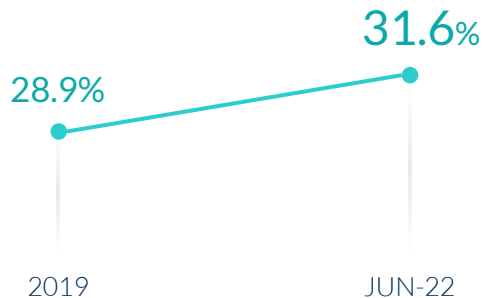


In different segments such as credit cards, loans, acquiring, insurance, crowdfunding & NEOBANKS



BBVA MAINTAINS UNDISPUTABLE LEADERSHIP

BBVA CREDIT CARD LOANS MARKET SHARE (🇲🇽 MEXICO, %)



NII
SENSITIVITY

ASSET
QUALITY

CAPITAL

FINTECHS

VALUE
CREATION

On track to achieve our ambitious long-term goals

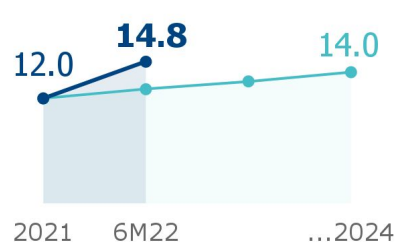
COST-TO-INCOME

(%)



ROTE

(%, ANNUALIZED)



TBV/SHARE + DIVIDENDS

(YOY %)



NEW TARGET CUSTOMERS¹

(MILLION CUMULATIVE)



SUSTAINABLE FINANCE

(€ BILLION, CUMULATIVE SINCE 2018)



(1) Target customers refers to those customers in which the bank wants to grow and retain, as they are considered valuable due to their assets, liabilities and/or transactionality with BBVA.

NII
SENSITIVITY

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FINTECHS

VALUE
CREATION

Positive prospects in shareholder value creation

DIVIDEND YIELD

(%, Last 12M dividend and Share Price as of 2022 Sep 16th)

6.3%



BBVA

5.4%



European
Peers¹

4.2%



Spanish
Peers²



IMPLICIT DIVIDEND YIELD RANGE ACCORDING TO OUR PAY-OUT POLICY³

40%
Payout

Div.
yield
~7.6%

50%
Payout

Div.
yield
~9.5%

NII
SENSITIVITY

ASSET
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CAPITAL

FINTECHS

VALUE
CREATION

(1) European Peer group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, NWG, SAN, SG, UBS and UCG. (2) Spanish Peer Group BKT, CABK, SAB, SAN, UNI. (3) According to company latest gather analysts earnings consensus (2022 NAP €5,659Mn). Number of shares 6,030 million, excluding SBB. Share price as of September 16th, 2022.



Creating Opportunities

Takeaways

BBVA
delivered
**differential
success**

1

Strong
**competitive
advantages**

2

**Positive
prospects**
ahead

3

BBVA

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BofA Financials CEO Conference

September 2022

