

**BBVA**

Creating Opportunities

# BBVA Investment Case Presentation

3Q22



# Disclaimer

This document is only provided for information purposes and does not constitute, nor should it be interpreted as, an offer to sell or exchange or acquire, or an invitation for offers to buy securities issued by any of the aforementioned companies. Any decision to buy or invest in securities in relation to a specific issue must be made solely and exclusively on the basis of the information set out in the pertinent prospectus filed by the company in relation to such specific issue. No one who becomes aware of the information contained in this report should regard it as definitive, because it is subject to changes and modifications.

This document contains or may contain forward looking statements (in the usual meaning and within the meaning of the US Private Securities Litigation Reform Act of 1995) regarding intentions, expectations or projections of BBVA or of its management on the date thereof, that refer to or incorporate various assumptions and projections, including projections about the future earnings of the business. The statements contained herein are based on our current projections, but the actual results may be substantially modified in the future by various risks and other factors that may cause the results or final decisions to differ from such intentions, projections or estimates. These factors include, without limitation, (1) the market situation, macroeconomic factors, regulatory, political or government guidelines, (2) domestic and international stock market movements, exchange rates and interest rates, (3) competitive pressures, (4) technological changes, (5) alterations in the financial situation, creditworthiness or solvency of our customers, debtors or counterparts. These factors could cause or result in actual events differing from the information and intentions stated, projected or forecast in this document or in other past or future documents. BBVA does not undertake to publicly revise the contents of this or any other document, either if the events are not as described herein, or if such events lead to changes in the information contained in this document.

This document may contain summarised information or information that has not been audited, and its recipients are invited to consult the documentation and public information filed by BBVA with stock market supervisory bodies, in particular, the prospectuses and periodical information filed with the Spanish Securities Exchange Commission (CNMV) and the Annual Report on Form 20-F and information on Form 6-K that are filed with the US Securities and Exchange Commission.

Distribution of this document in other jurisdictions may be prohibited, and recipients into whose possession this document comes shall be solely responsible for informing themselves about, and observing any such restrictions. By accepting this document you agree to be bound by the foregoing restrictions.

01

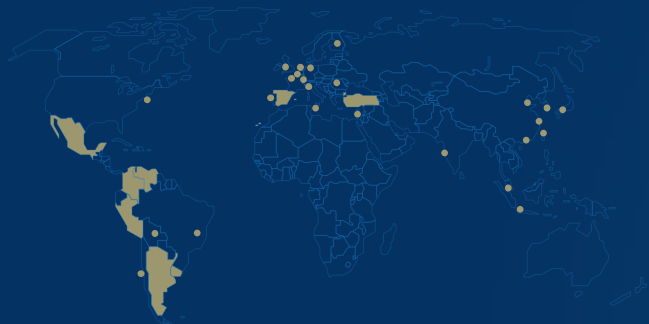
# BBVA investment case

# About BBVA



## BBVA's GLOBAL PRESENCE

SEPTEMBER 2022



Countries	Branches	Employees	Customer
>25	6,050	114,311	87.4 M

### OUR PURPOSE

“To bring the age of opportunity to everyone”



## FINANCIAL HIGHLIGHTS

SEPTEMBER 2022

Net attributable profit September 2022	CET 1 FL
4,842 M€	12.45%
Total assets	
738,680 M€	
Loans and advances to customers - gross	Deposits from customers
373,765 M€	389,705 M€



## DIGITAL CAPABILITIES

SEPTEMBER 2022

### CUSTOMERS

<input checked="" type="checkbox"/> Digital customers	<input checked="" type="checkbox"/> Mobile customers
47.8 M	45.9 M

### DIGITAL SALES

Units	PRV <sup>1</sup>
77%	61%

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



## SUSTAINABLE DEVELOPMENT AND DIRECT CONTRIBUTION TO SOCIETY

Increasing BBVA's initial 2025 Goal to

300 BN€

Between 2018 and 2025

124 BN€

Channeled until September 2022

# About BBVA

## OUR PURPOSE

“To bring the age of opportunity to everyone”

## STRATEGIC PRIORITIES



Improving our clients' financial health



Helping our clients transition towards a sustainable future



Reaching more clients



Driving operational excellence



The best and most engaged team



Data and Technology

## OUR VALUES



Customer Comes first



We think **big**



We are **one team**

# 1) Leading franchises in very attractive markets






**BBVA**

STRONG POSITION

LEADING PROFITABILITY

**Market share<sup>1</sup> (%)**      **Ranking<sup>1</sup>**

**ROE (%)**      vs. industry<sup>2</sup> (bps)

	Spain	13.4%	#3	14.1%	+480 bps
	Mexico	24.4%	#1	26.4%	+1130 bps
	Turkey	17.5%	#2	49.0%	+1080 bps
	Colombia	10.9%	#4	21.0%	+620 bps
	Peru	20.5%	#2	21.1% <sup>3</sup>	+230 bps

(1) Latest available loan market shares. Ranking among peer group. Turkey among private banks.

(2) Latest available data according to local criteria.

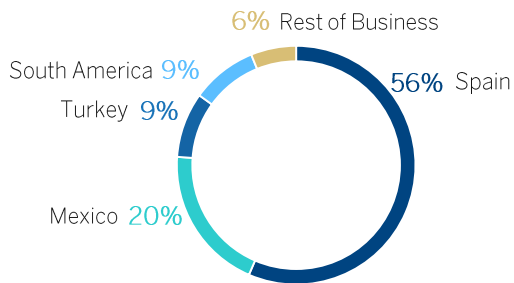
(3) As of 8M.

## 2) Well diversified business model

### DIVERSIFICATION UNDER A DECENTRALIZED MODEL

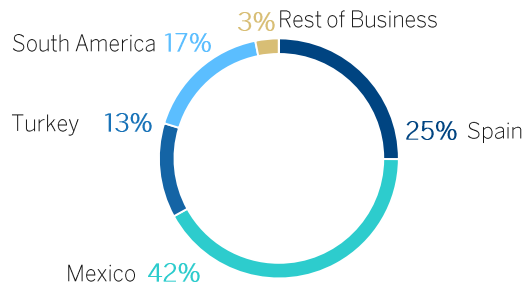
#### TOTAL ASSETS<sup>1</sup>

SEP-22



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

9M22



(1) Figures exclude the Corporate Center.

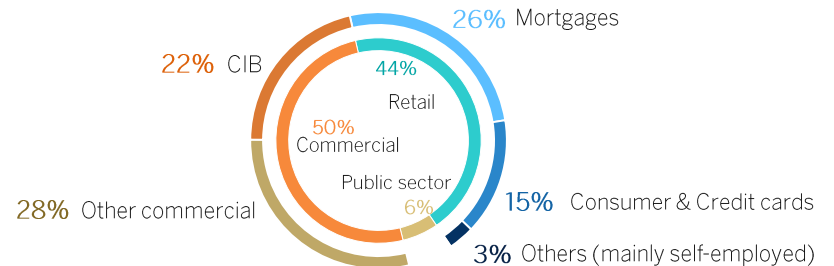
MPE: self-sufficient subsidiaries in terms of capital and liquidity management. No liquidity transfers.

### PROFITABLE BUSINESS MIX

#### LOANS AND ADVANCES TO CUSTOMERS

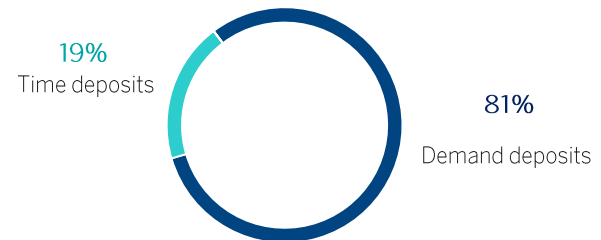
(PERFORMING LOANS UNDER MANAGEMENT EXCLUDING REPOS)

SEP-22



#### DEPOSITS FROM CUSTOMERS

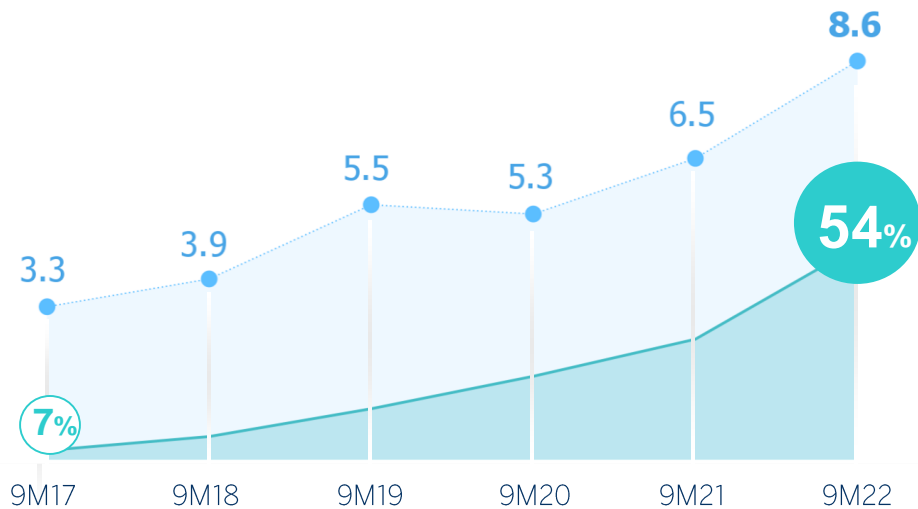
SEP-22



# 3) Capturing value from digitalization

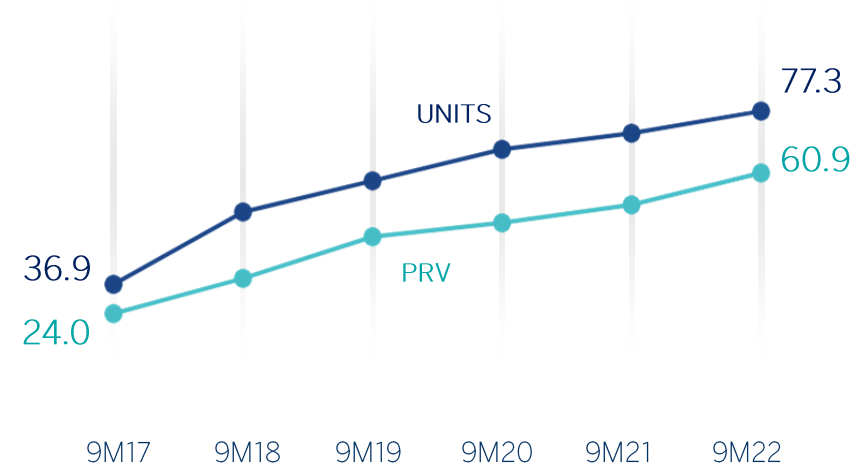
## NEW CUSTOMER ACQUISITION<sup>1</sup>

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



## GROUP: SALES THROUGH DIGITAL CHANNELS

(BBVA GROUP, % GROWTH OF TOTAL SALES YTD, % OF DIGITAL TRANSACTIONS AND PRV<sup>1</sup> OVER TOTAL SALES YTD)



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

Note: Group excludes USA, Venezuela, Chile, Paraguay. (1) Product Relative Value as a proxy of lifetime economic representation of units sold.

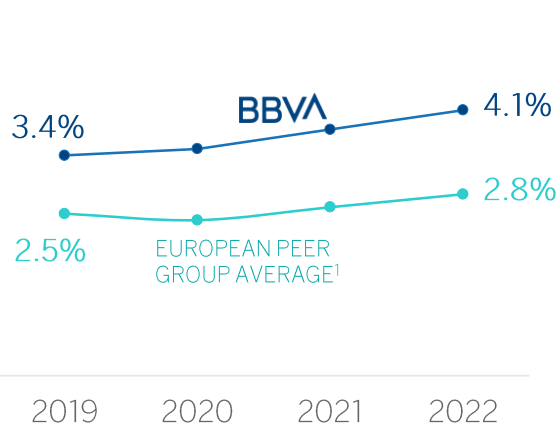


# 4) Leading to a proving track record of solid financial returns

## STRONG PRE-PROVISION PROFIT AND BEST-IN-CLASS EFFICIENCY

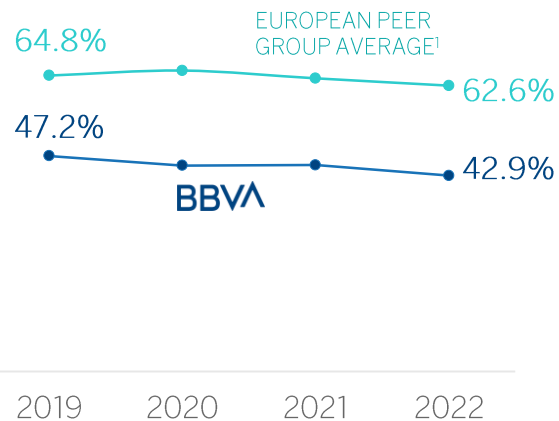
### PRE-PROVISION PROFIT / RWA

BBVA 2016-9M22 ANNUALIZED  
PEERS 2016-6M22



### EFFICIENCY RATIO

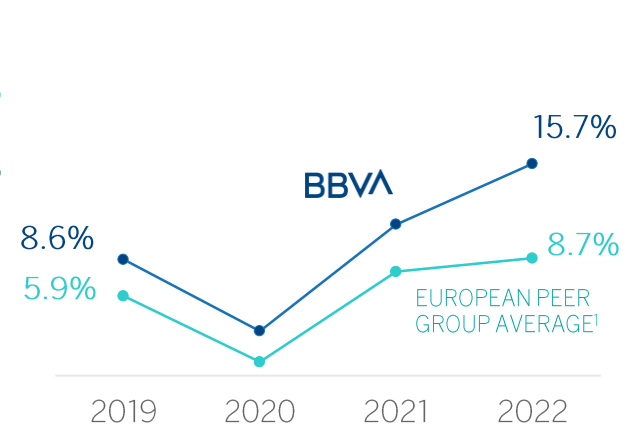
BBVA 2016-9M22, %  
PEERS 2016-6M22, %



## OUTPERFORMING OUR PEERS ON PROFITABILITY

### ROTE

BBVA 2016-9M22, %  
PEERS 2016-6M22, %



(1) European Peer Group: BARC, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, NWG, SAN, SG, UBS, UCG

Note: Profitability metrics excluding discontinued operations and non-recurring results.

# 5) Solid fundamentals

## SOUND ASSET QUALITY METRICS

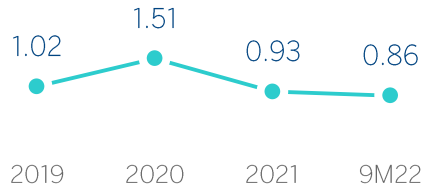
### NPL Ratio (%)



### Coverage ratio (%)



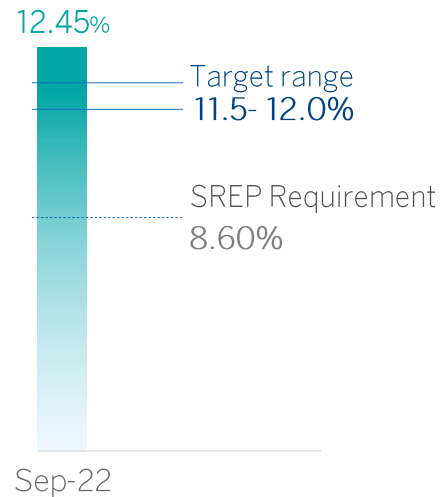
### Cost of Risk (%)



Prudent and proactive risk management

## STRONG CAPITAL

### CET1 FULLY-LOADED (%)



## COMFORTABLE LIQUIDITY

NSFR Group  
**134%**

LCR Group  
**166%**

# 6) Strong ESG Credentials



## SUSTAINABLE BUSINESS

### Sustainable Business

Increased target to **300 €bn** 2018-2025

2018-3Q22:

**124 €bn** channeled

### BBVA S.A -Sustainable Bond Issuances

**4.6€bn** Green **2€bn** Social

Founding members  
Net Zero Alliance

Defined Portfolio Alignment  
Strategy



## SOCIAL

### Community Commitment

**550 €mn** investment 2021-2025

as of  
Dec'21

**106 €mn**  
investment

**44 mn**  
beneficiaries

### BBVA Microfinance Foundation



**2<sup>o</sup>** largest  
philanthropic  
initiative globally



**1<sup>st</sup>**  
in LatAm



**1<sup>st</sup>** private organization contributing in the  
development assistance for gender equality

### Diversity & Inclusion



2024 Target: **35%** Women in  
management positions

### Equal gender pay

pay gap by homogeneous professional categories is **0.6%** as of Dec'21 **1.1%** in 2020



## GOVERNANCE

### Directors

% Female Directors **40%**

% Independent Directors **67%**

Goal: **50%** at least

### Remuneration



KPI linked to Sustainability for Executive Directors and for all BBVA employees

### Strong Sustainability Governance

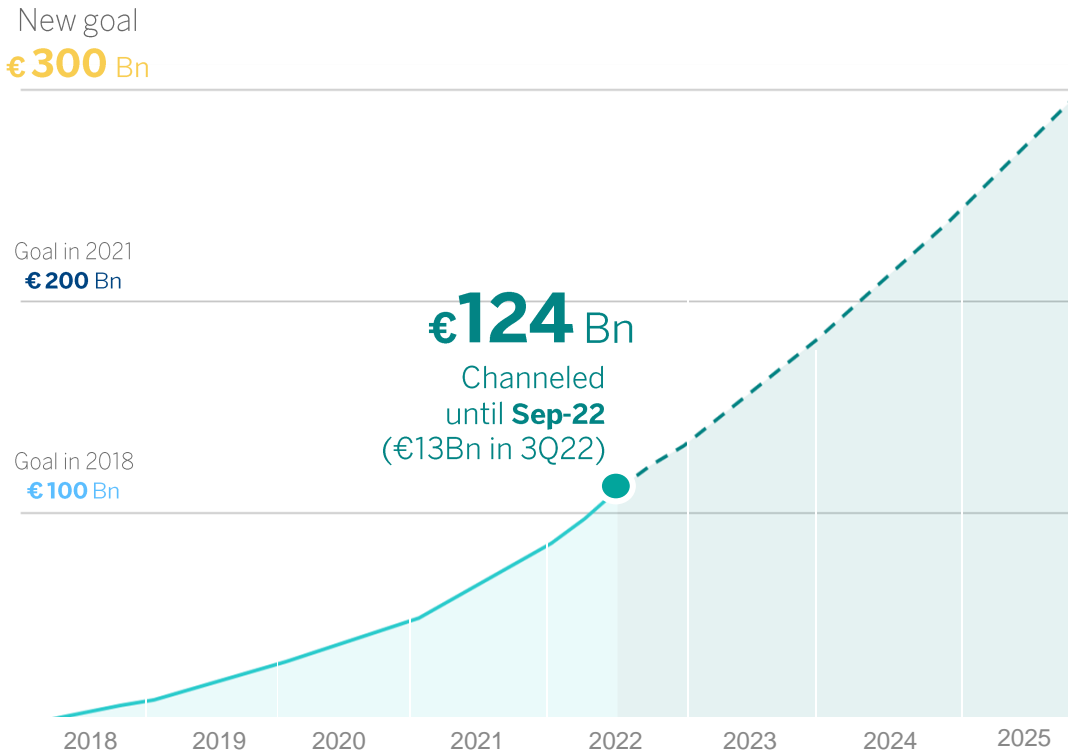


Global Head of Sustainability: direct report to the CEO and to the Chair for strategic sustainability matters



# We increase our Sustainable Business goal to €300Bn

## SUSTAINABLE BUSINESS (€ Bn)



## COMMITMENT IN PORTFOLIO ALIGNMENT

2030 decarbonization goals set in selected CO<sub>2</sub> intensive industries

### REDUCTION IN 2030

Power	-52% kg CO <sub>2</sub> e/MWh
Auto	-46% g CO <sub>2</sub> /km
Steel	-23% kg CO <sub>2</sub> /tn
Cement	-17% kg CO <sub>2</sub> /tn
Coal	Phase out <sup>1</sup>
Oil & Gas	-30% Mn tCO <sub>2</sub> e <sup>2</sup>

**GOAL: NET ZERO 2050**

(1) 2030 for developed countries and in 2040 for emerging countries (2) For upstream related financing

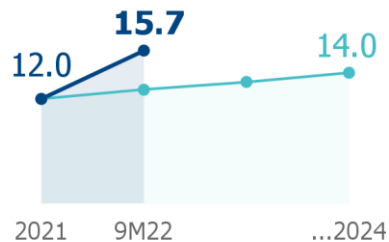
Advancing in our commitment in portfolio alignment by setting a new target for the Oil & Gas sector

# 7) We are on the right path to achieve our ambitious long-term goals

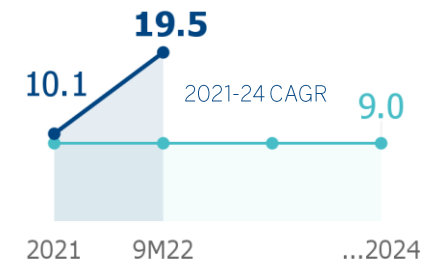
**COST-TO-INCOME**  
(%)



**ROTE**  
(%, ANNUALIZED)



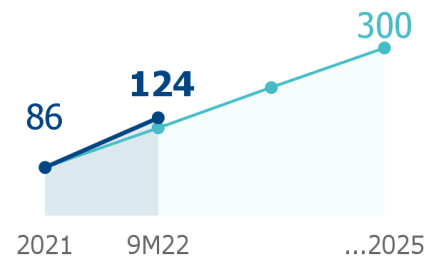
**TBV/ SHARE + DIVIDENDS**  
(YOY %)



**NEW TARGET CUSTOMERS<sup>1</sup>**  
(MILLION CUMULATIVE)



**SUSTAINABLE BUSINESS**  
(€ 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.

BBVA