Leading the Industry Transformation

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We launched our **transformation anchored on two pillars**

**Value Proposition**
Mobile as the centre of gravity

**Relationship Model**
A new way of interacting with our clients

**CONVENIENCE**
Mobile as **remote control** of the bank

**REMOTE MODEL**
Human assistance **beyond face to face interactions**

**TRANSPARENT & SIMPLE OFFER**
Very **simple product catalogue and one click processes**

**DIGITAL SALES**
Digital channels as a sales engine, beyond pure servicing

**ADVICE**
Helping clients control **day-to-day life** and their **financial health**

**CUSTOMER INTERACTION ORCHESTRATION**
Multichannel, automated and data based sales & servicing orchestration
And we have delivered

Differential Value Proposition

Digital Experience Leader
5 years in a row
(“Forrester Digital Experience review”)

Brandpower
Leading position in our main geographies

Source: Brandpower, Kantar

Improved client satisfaction

NET PROMOTER SCORE

#1  🇪🇸  🇲🇽  🇲〖  🇪〖  🇨〖  🇪〖  🇮〖

#2  🇹〖

#3  🇦〖

Leading position in our main geographies,
widening distance vs peers in 7pps in the last 5 years

Note: As of FY 2020
And we have delivered

Unparalleled Client Acquisition...

... and sustained revenue Growth, based on digital

Lowering cost to serve

ANNUAL NEW CUSTOMERS

3.4 MM
2016

5.1 MM
2018

x2.5

8.3 MM
2021e

TOTAL DIGITAL SALES (VALUE)

2016
x3

2018
x2

2021e

E2E DIGITAL SALES

~ x5

MORE EFFICIENT

TOTAL ACTIVE CUSTOMERS PER SALESFORCE

2016
740

2021e
1,110

+50%

Figures BBVA Group ex:USA
A clear focus on our objectives

1. A larger and more profitable bank

2. A distinctive bank for our clients based on a unique value proposition

3. Continue leading efficiency through operational excellence
1. A larger and more profitable bank
   - Growth in Value Segments & Products
   - New Customer Acquisition

2. A distinctive bank for our clients based on a unique value proposition

3. Continue leading efficiency through operational excellence
Value Segments: SMEs

**Impact**

SMEs ACCOUNTS FOR 13% over total BBVA Gross Margin

REVENUES +7% 21e vs 19*

NUMBER OF CLIENTS +17% 21e vs 19

**Drivers**

**DISTRIBUTION MODEL**
- Efficient coverage & high capillarity
- Dedicated manager for c90% of high value SMEs
- Low value SMEs manager role in every BBVA branch
- Promoting remote capabilities

**RISK**
- Solid risk models support proactive & seamless approach to our clients
- 1/3 of BBVA clients have received a proactive offer

**DIGITAL**
- Digital onboarding & core products digitally available
  - Digital Penetration of 75%
  - Digital onboarding and products (23% digitally onboarded clients, one-click digital loans, etc)

*Growth in constant euros*
Value Segments: **Private Banking & Affluent**

**Impact**

- **AM & WM Accounts for**
  - 34% over total BBVA Net Fees

- **Revenues**
  - +16% 21e vs 19*

- **New Clients Growth**
  - x1.7 21e vs 19

*Growth in constant euros

**Drivers**

- **Distribution Model**
  - Specialized investment advisory & hybrid relationship model
  - 28% increase in specialized Relationship Managers
  - Remote Capabilities

- **Solutions**
  - Technology to provide extreme customization at scale and wide range of Global Solutions (i.e. ESG, funds of funds)

- **Digital**
  - Bringing specific solutions to digital channel (BBVA Invest, Investment Funds supermarket, portfolio management, etc)
  - Proactive selling, advice and servicing digitally and data based
Value Segments: **Cross-Border Banking (CIB & Commercial)**

**Impact**

- **CROSS-BORDER ACCOUNTS FOR 25%** over total BBVA Gross Margin (Commercial & CIB)
- **REVENUES +25%** 21e vs 19*
- **NUMBER OF CLIENTS CROSS-BORDER +26%** 21e vs 19

*Growth in constant euros

**Drivers**

- **DISTRIBUTION MODEL**
  - Global and local client needs covered by international specialists

- **SOLUTIONS**
  - Leverage our Global Banking footprint in 24 countries
  - Global Treasury Management Platform with comprehensive multi channel offering
    (eg. Payments & Collections, Supply Chain Finance, Commercial Cards, reporting & agent, Sustainability solutions)

- **DIGITAL**
  - Global Transactional Banking Solutions through BBVA Pivot, with one single contract
Value Products: **Payments**

**Impact**
- Payments accounts for 14% over total BBVA Gross Margin
- Revenues: +10% 21e vs 19*
- Credit cards growth: x4 21e vs 19
- POS growth: x6 21e vs 19

*Growth in constant euros

**Drivers**

**ISSUING**
- Differential Value Proposition around “Digital First”
  - Top security: No PAN, Dynamic CVV
  - Loyalty
  - E2E Digital Funnels
  - Integrated PFM
  - Sustainable

**ACQUIRING**
- One Stop Shop for Merchants
  - Core payments innovative solutions: e-commerce, in-store (mobile POS), QRs
  - Value Added Services (business intelligence, POS linked financing, BNPL)
  - Digital onboarding
Value Products: **Insurance**

**Impact**
- **INSURANCE ACCOUNTS FOR** 6% over total BBVA Gross Margin
- **REVENUES** +11% 21e vs 19*
- **NEW POLICIES** x1.3 21e vs 19

**Drivers**

**DISTRIBUTION MODEL**
- Omnichannel approach for insurance products: Branches, Digital and Remote
- SMEs opportunity for further growth

**SOLUTIONS**
- Best in class partnerships
  - Non Life
  - Health
  - Life
  - New products: Auto pay per KM, modular Home, digital Health, unemployment, sustainability, contextual Travel

**DIGITAL**
- Digital products & data-based models (pricing, churn, customized offers)

*Growth in constant euros
New Customer Acquisition

Impact

**NEW CLIENTS ACQUIRED (in Mn)**

$+17\% \quad 21vsv19 \quad > \quad 8.3$

**OF WHICH DIGITAL**

$x2 \quad 21vsv19 \quad > \quad 3.3$

**NEW CLIENTS ACQUIRED**

$+37\% \quad 21vsv19$

**NEW PARTNERSHIPS**

$x5 \quad 21vsv19$

Drivers

- **E2E digital sales** of all key entry products for non customers
- Automated fraud & risk prevention
- New Acquisition Strategies: Fallback products & User Space
- Early engagement of customers

Embedded financial services through Partnerships

- Open Banking Platform: 3rd party channel integration where and when the client operates
1. A larger and more profitable bank

2. A distinctive bank for our clients based on a unique value proposition
   - Enriched Advice
   - Helping transition in Sustainability

3. Continue leading efficiency through operational excellence
Centered around **improving our clients’ financial health**

**Day-to-day Control**
- Help control my day to day income and expenses
- Awareness of future expenses

**Help to Save**
- Help optimizing monthly expenses
- Create a safety net and automate periodic contributions

**Help to Invest**
- Put money to work
- Optimize investments

**Financial Planning**
- Holistic advice and planning
- Achieving specific life goals

Data based - Personalized, Proactive and Actionable
Sizable impact on customer engagement and business generation

10 Mn
Customers interacting with Financial Health Experience

-38% Attrition*
(users of FH vs non users)

+39% NPS*
(users of FH vs non users)

25% New mortgages sold used BBVA Valora*

17% New funds sold used BBVA Invest*

*Data in Spain as of September 2021
1. A larger and more profitable bank

2. A distinctive bank for our clients based on a unique value proposition

3. Continue leading efficiency through operational excellence
   - Deeper Digital & Remote
   - Leveraging Globality
Deepening our **Relationship Model** transformation...

Optimizing Relationship Model to support customer growth with a significantly lower cost to serve & sell

... taking advantage of every interaction to “talk” with the customer

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<td>Low value traffic towards DIY channels</td>
<td>Mass Branch Roles towards one stop shop &amp; multifunctionality while reinforcing Value Segment salesforces</td>
<td>Enabling remote for everyone as an additional channel</td>
<td>Smart &gt; Data based &gt; AI powered</td>
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Call to action for every interaction Smartly routed prioritizing probability of sales over efficiency
... is further **accelerating efficiency**

### Re-channeling

- **Branch Transactions (Mn)**
  - 2019: 356
  - 2021E: 245

- **Active Clients (Mn)**
  - 2019: 50
  - 2021E: 57

**Yearly branch transactions per customer**
- 2019: 7.2
- 2021E: 4.3

**-40%**

### Remote as a channel

- **Clients with Remote Service 2019-2021e**: x3

### Branch Roles evolution & Productivity Transformation

- **Active Customers per Salesforce 2019-2021e**: +24% to 1,110 in 2021e

- **Sales Value per Salesforce 2019-2021e**: +21% to 147,000€ in 2021e

**Remote Model vs In Branch**
- **NPS September 21**: +19%
- **Personalised client coverage**: +15%
Leveraging **Globality** to deliver global products & platforms

**Global Retail Mobile App (GLOMO)**
Reutilization by design

- **75%** Code reutilization

**Top 1** (in 12 apps out of 14)
Average rating 4.5 (out of 5)

**Global Enterprise Mobile App (GEMA)**
Multi-segment global co-creation

- **80%** Design & Software reusability

**Top 1** (in 6 apps out of 6)
Average rating 4.7 (out of 5)
IN SUMMARY, we will continue delivering on our transformation to amplify the impact:

› Differential Value Proposition

› Sustained Profitable Growth

› Lower Cost to Sell and Serve our clients