

**BBVA**

Creating Opportunities

# BBVA Investment Case Presentation



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# BBVA investment case

# About BBVA



## BBVA's GLOBAL PRESENCE

DECEMBER 2022



Countries	Branches	Employees	Customer
>25	6,040	115,675	89.3 M

### OUR PURPOSE

“To bring the age of opportunity to everyone”



## FINANCIAL HIGHLIGHTS

DECEMBER 2022

Net attributable profit 2022

6,420 M€

CET 1 FL

12.61%

Total assets

713,140 M€

Loans and advances to customers - gross

369,260 M€

Deposits from customers

393,856 M€



## DIGITAL CAPABILITIES

DECEMBER 2022

### CUSTOMERS

<input checked="" type="checkbox"/> Digital customers	<input checked="" type="checkbox"/> Mobile customers
49.0 M	47.4 M

### DIGITAL SALES

Units	PRV <sup>1</sup>
78%	61%



## SUSTAINABLE DEVELOPMENT AND DIRECT CONTRIBUTION TO SOCIETY

Increasing BBVA's initial 2025 target to

300 BN€

Between 2018 and 2025

136 BN€

Channeled since 2018

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

# 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	13.3%	#3	13.2%	+250 bps
	Mexico	24.4%	#1	27.2%	+1200 bps
	Turkey	17.9%	#2	51.0%	+1080 bps
	Colombia	10.9%	#4	20.9%	+930 bps
	Peru	20.2%	#2	19.0%	+110 bps

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

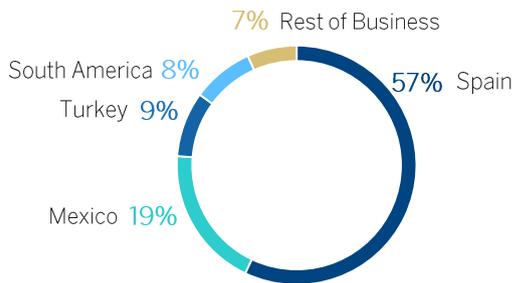
(2) Latest available data according to local criteria.

## 2) Well diversified business model

### DIVERSIFICATION UNDER A DECENTRALIZED MODEL

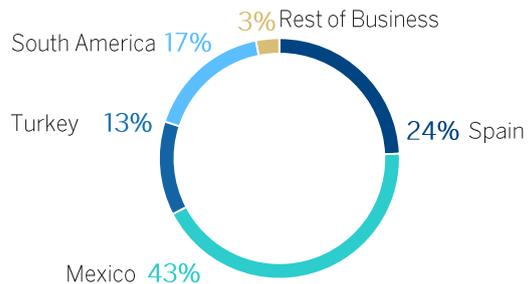
#### TOTAL ASSETS<sup>1</sup>

DEC-22



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

12M22



(1) Figures exclude the Corporate Center.

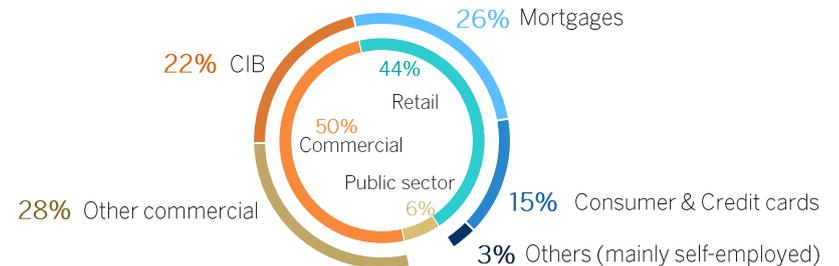
MPE: self-sufficient subsidiaries in terms of capital and liquidity management. No liquidity transfers.

### PROFITABLE BUSINESS MIX

#### LOANS AND ADVANCES TO CUSTOMERS

(PERFORMING LOANS UNDER MANAGEMENT EXCLUDING REPOS)

DEC-22



#### DEPOSITS FROM CUSTOMERS

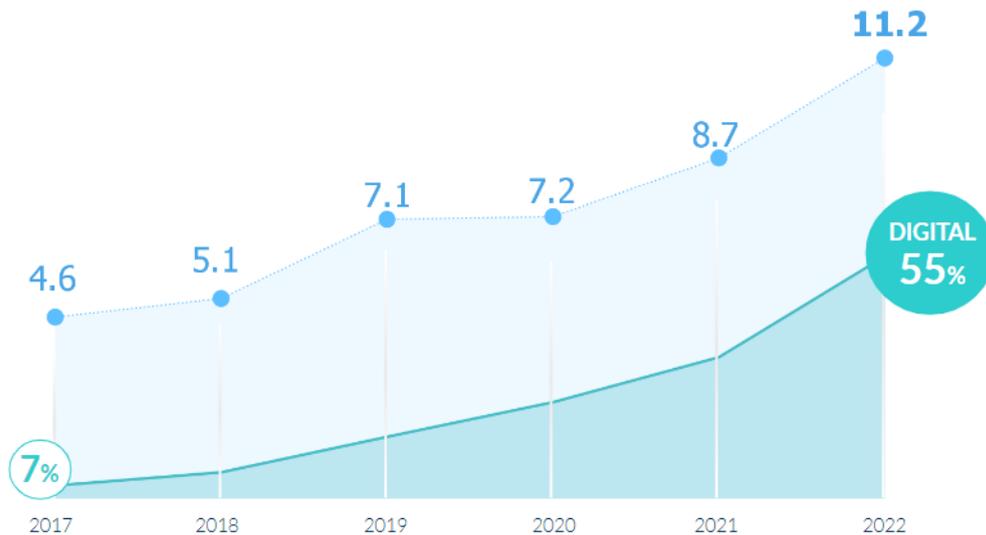
DEC-22



# 3) Capturing value from digitalization

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

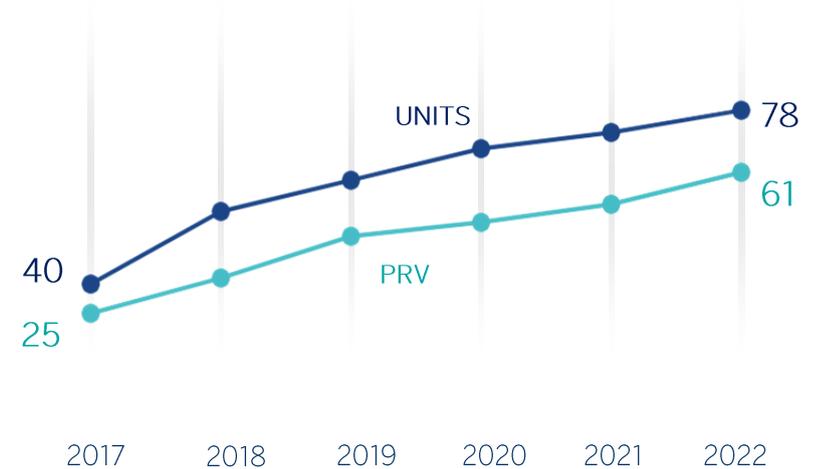
(BBVA GROUP, MILLION; % ACQUISITION THROUGH DIGITAL CHANNELS)



Setting a record with more than 11 million new customers

## GROUP: SALES THROUGH DIGITAL CHANNELS

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



Higher client satisfaction: NPS<sup>2</sup> leadership position in all countries

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

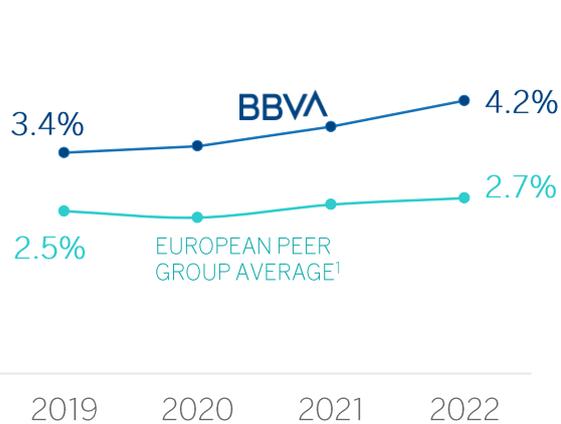
Note: Group excludes USA, Venezuela, Chile, Paraguay. (1) Product Relative Value as a proxy of lifetime economic representation of units sold. (2) Net Promoter Score among large banks in their respective countries

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

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

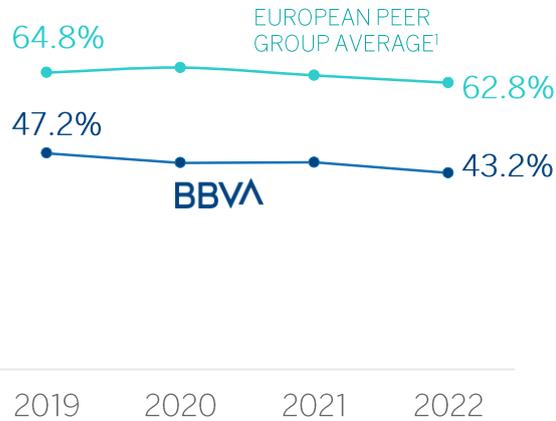
### PRE-PROVISION PROFIT / RWA

BBVA 2016-2022  
PEERS 2016-9M22 ANNUALIZED



### EFFICIENCY RATIO

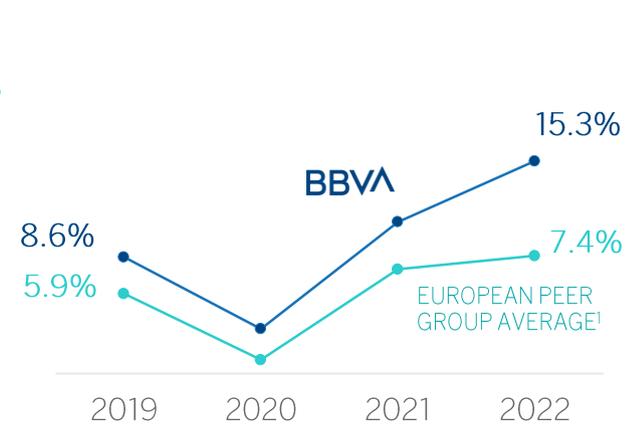
BBVA 2016-2022, %  
PEERS 2016-9M22, %



## OUTPERFORMING OUR PEERS ON PROFITABILITY

### ROTE

BBVA 2016-2022, %  
PEERS 2016-9M22, %



(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 (%)



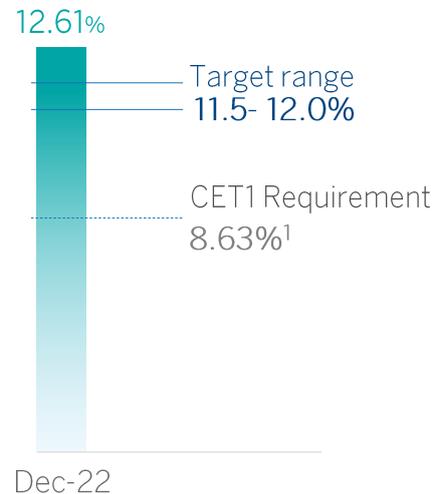
### Cost of Risk (%)



Prudent and proactive risk management

## STRONG CAPITAL

### CET1 FULLY-LOADED (%)



## COMFORTABLE LIQUIDITY

NSFR Group  
**135%**

LCR Group  
**159%**

NOTE: 2021 Excludes the US business sold to PNC for comparison purposes.

(1) Includes the update of the CCyB calculated on the basis of exposures as of Dec'22

# 6) Strong ESG Credentials

## SUSTAINABLE BUSINESS

### Sustainable Business

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

2018-2022:

**136 €bn** channeled

### Sustainable Bonds issued - BBVA Group



Founding members  
Net Zero Banking Alliance

Defined Portfolio Alignment  
Strategy

## SOCIAL

### Community Commitment

**550 €mn** investment 2021-2025

2021-2022: **237 €mn** investment  
**62 mn** beneficiaries

### BBVA Microfinance Foundation

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

 **1<sup>st</sup>** foundation in contribution to development in LatAm

### Diversity & Inclusion

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

## GOVERNANCE

### Directors

% Female Directors **40%** Goal: **40%** at least

% Independent Directors **67%<sup>1</sup>** Goal: **50%** at least

### Remuneration<sup>2</sup>

-  Sustainable business KPI (STI)
- Portfolio decarbonization (LTI)
- Women in managerial positions (LTI)

### Strong Sustainability Governance

<sup>1</sup>This percentage will increase to 73% if the appointment of the new independent director, Sonia Dulá, is approved in the 2023 AGM.  
<sup>2</sup> According to the remuneration policy to be approved in the 2023 AGM.



# Continued increase in our sustainable business, exceeding our initial expectations

## COMMITMENT IN PORTFOLIO ALIGNMENT

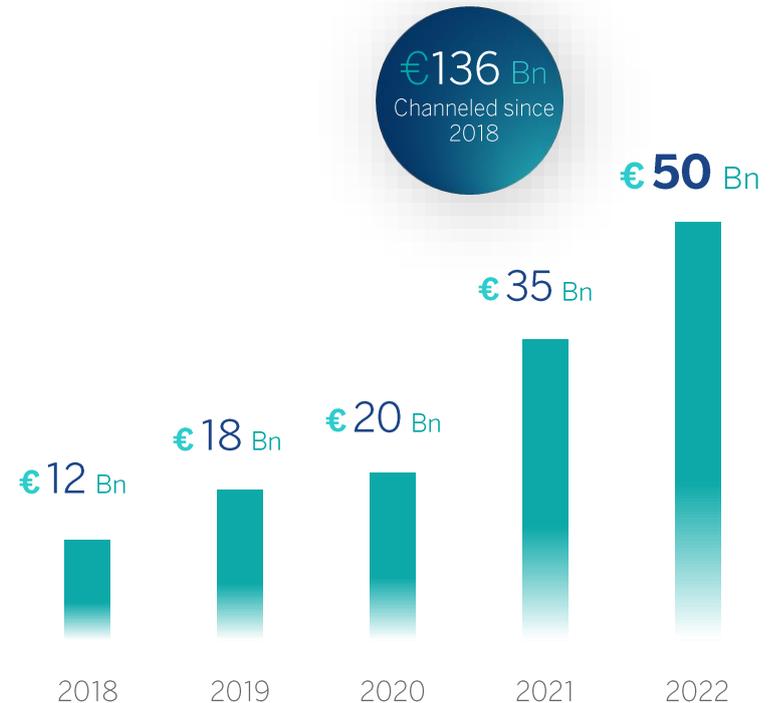
2030 decarbonization goals set in selected CO<sub>2</sub> intensive industries

### 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

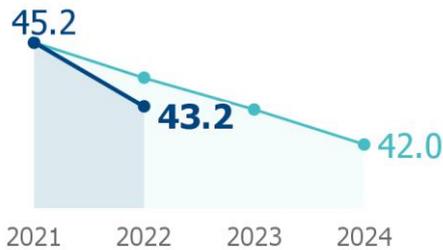
## SUSTAINABLE BUSINESS ANNUAL GROWTH (CLIMATE CHANGE AND INCLUSIVE GROWTH)



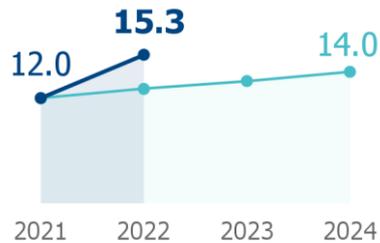
(1) 2030 for developed countries and in 2040 for emerging countries (2) For upstream related financing

# 7) On-track to achieve our ambitious long-term goals

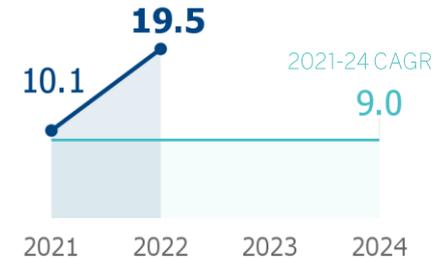
**COST-TO-INCOME**  
(%)



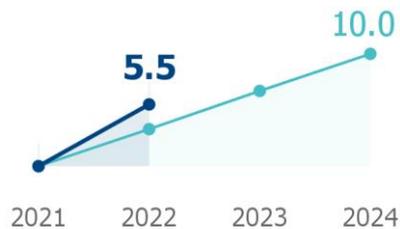
**ROTE<sup>1</sup>**  
(%, ANNUALIZED)



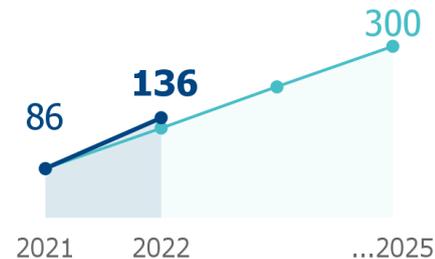
**TBV/ SHARE + DIVIDENDS**  
(YOY %)



**NEW TARGET CUSTOMERS<sup>2</sup>**  
(MILLION CUMULATIVE)



**SUSTAINABLE BUSINESS**  
(€ BILLION; CUMULATIVE SINCE 2018)



(1) Excluding discontinued operations and non-recurring results (2) 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