

**BBVA**

Creating Opportunities

# 2Q23 Investment Case



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# About BBVA



## BBVA's GLOBAL PRESENCE

2023



Branches	Employees	Active customers
6,008	119,070	69.6 M



## DIGITAL CAPABILITIES

JUNE 2023

### CUSTOMERS

Mobile customers  
50.1 M

### DIGITAL SALES

Units	PRV <sup>1</sup>
77.2%	61.6%

### OUR PURPOSE

“To bring the age of opportunity to everyone”



## FINANCIAL HIGHLIGHTS

JUNE 2023

Net attributable profit 6M23

CET 1 FL

3,878 M€

12.99%

Total Assets

762,456 M€

Loans and advances to customer - gross

380,949M€

Deposits from customers

402,344M€



## SUSTAINABLE BUSINESS

TARGET

300 BN€

Between 2018 and 2025

Channeled 2018- Jun'23

169 BN€

(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 attractive markets**



STRONG POSITION

	Loan Market Share (%) <sup>1</sup>	Ranking <sup>1</sup>	Pre-Provision Profit Market Share (%) <sup>2</sup>
 Spain	13.4%	#3	19.3%
 Mexico	24.6%	#1	33.0%
 Turkey	19.0%	#2	29.5%
 Colombia	11.2%	#4	7.8%
 Peru	20.5%	#2	22.7%

(1) Latest available market share. Ranking among peer group. Turkey among private banks, bank only.

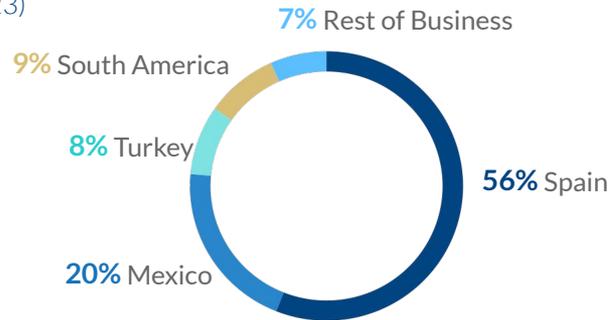
(2) Latest available data: as of March, 2023.

## 2) Well diversified **business model**

### DIVERSIFICATION UNDER A DECENTRALIZED MODEL

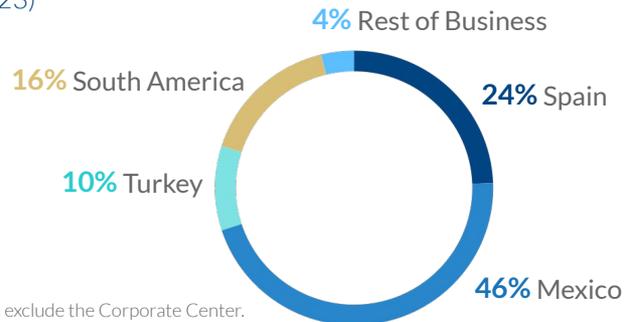
#### TOTAL ASSETS<sup>1</sup>

(JUN-23)



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

(6M23)

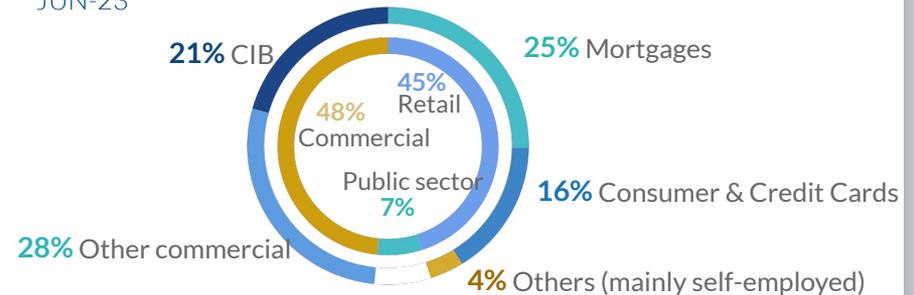


(1) Figures exclude the Corporate Center.

### PROFITABLE BUSINESS MIX

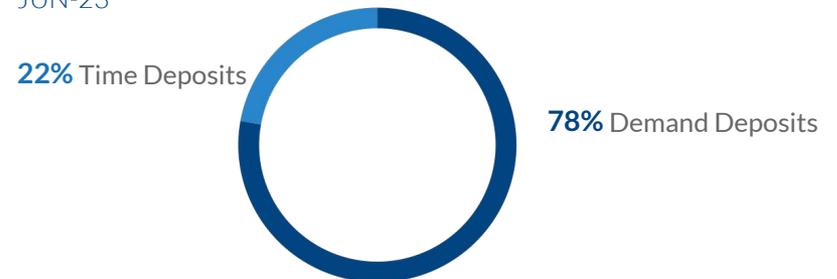
#### LOANS AND ADVANCES TO CUSTOMERS

(PERFORMING LOANS UNDER MANAGEMENT EX-REPOS)  
JUN-23



#### DEPOSITS FROM CUSTOMERS

(CUSTOMER DEPOSITS UNDER MANAGEMENT EX-REPOS)  
JUN-23



**MPE:** Self-sufficient subsidiaries in terms of liquidity and funding management. No liquidity transfers.

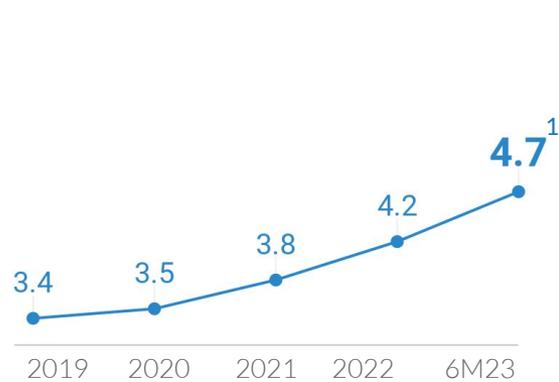
Stable, diversified and transactional deposit base

# 4) Proving track record of solid financial returns

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

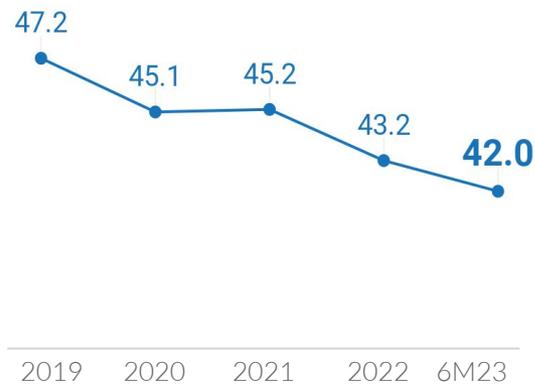
### PRE-PROVISION PROFIT/RWA

2019-6M23, %



### EFFICIENCY RATIO

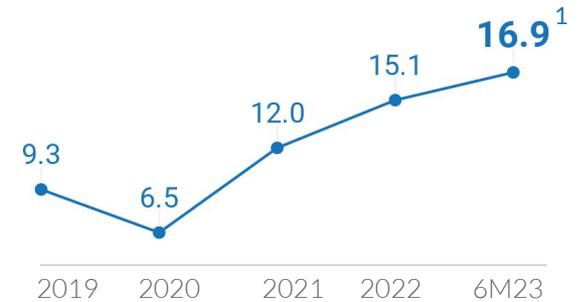
2019-6M23, %



## OUTSTANDING PROFITABILITY

### ROTE

2019-6M23, %



(1) Annualized figure.

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

# 3) Capturing value from digitalization

## NEW CUSTOMERS<sup>1</sup>

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



Excellent customer acquisition driven by digital

## SALES THROUGH DIGITAL CHANNELS

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



Strong focus on customer experience

(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.

# 5) Solid fundamentals

## SOUND ASSET QUALITY METRICS

**NPL Ratio**  
(%)



**Coverage Ratio**



**Cost of Risk**  
YtD(%)

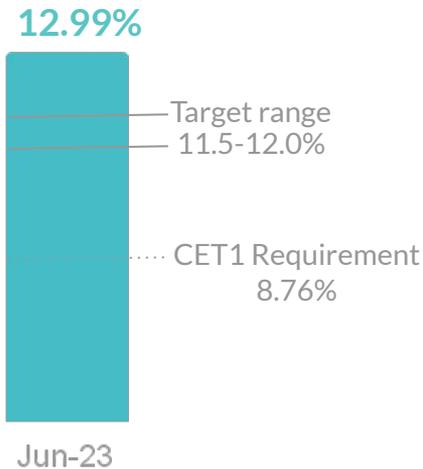


2019 2020 2021 2022 Jun-23

Prudent and proactive risk management

## STRONG CAPITAL

**CET 1 FULLY-LOADED**  
(%)



## COMFORTABLE LIQUIDITY

**NSFR Group**  
**132%**

**LCR Group**  
**189%<sup>1</sup>**

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

(1) Using a more restrictive criterion on this ratio (limiting the LCRs of all of BBVA, S.A.'s subsidiaries to 100%), the resulting consolidated ratio is 148%.

# 6) Strong ESG Credentials

## SUSTAINABLE BUSINESS

### Sustainable Business

Sustainable Business **300 €bn** 2018-2025 target

2018-JUN'23:

**169 €bn** channeled

### Sustainable Bonds issued- BBVA Group

**7.0 €bn<sup>1</sup>** Green **2 €bn** Social

Founding members  
Net Zero Banking Alliance

### Defined Portfolio Alignment Strategy

Clients progress towards decarbonization and transition plan disclosed in 4th TCFD Report

(1) Includes the MXP 8,689 M issue of BBVA Mexico in Feb'23.

## SOCIAL

### Community Commitment

**550 €mn** investment 2021-2025

2021-2022:

**237 €mn** investment **62 mn** beneficiaries

### BBVA has a positive impact on society

Loan growth<sup>2</sup> **+8.4 %**  
(YOY, CONSTANT €)

**70,000** Families Bought their home<sup>3</sup> **263,000** SMEs and Self-employed boosted their business<sup>3</sup> **70,000** Larger corporates invested in growth<sup>4</sup>

### Diversity and Inclusion

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

Inclusive growth financing: **7.4 €Bn** Mobilized in 6M23

(2) Performing loans under management excluding repos. (3) New loans in 6M23. (4) Corporates with BBVA lending as of June 2023.

## GOVERNANCE

### Directors

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

% Independent Directors<sup>5</sup> **67%** Goal: **50%** at least

### Remuneration



- Sustainable business KPI (STI)
- Portfolio decarbonization (LTI)<sup>6</sup>
- % of Women in managerial positions (LTI)<sup>6</sup>

### Strong Sustainability Governance

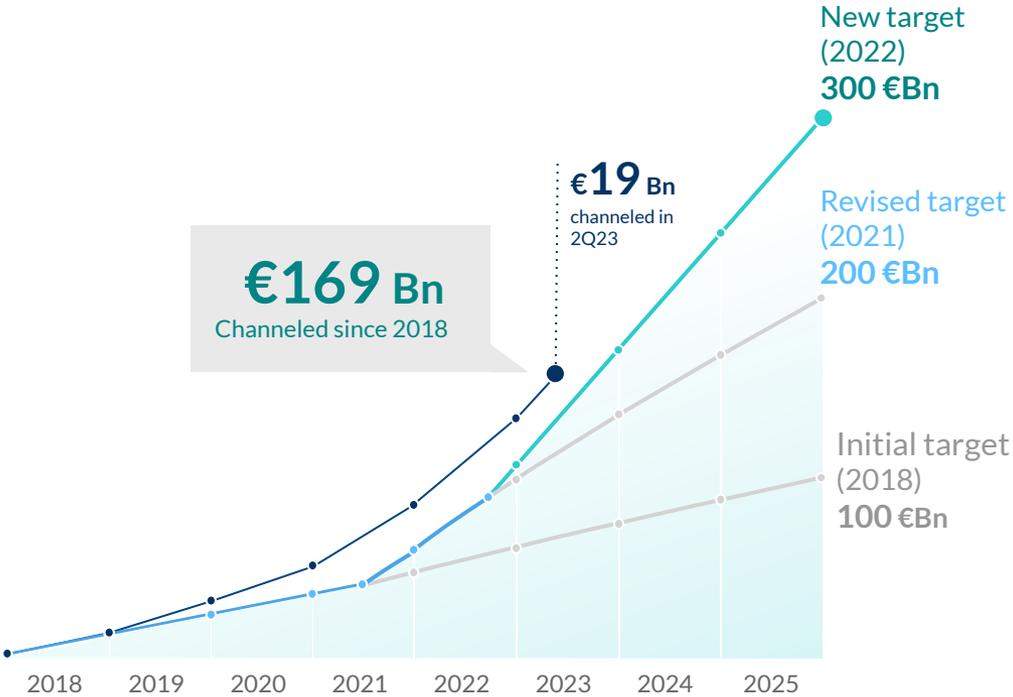
(5) One member of the board has changed his condition from independent to external.

(6) Remuneration targets applicable to senior management and executive directors of the board.

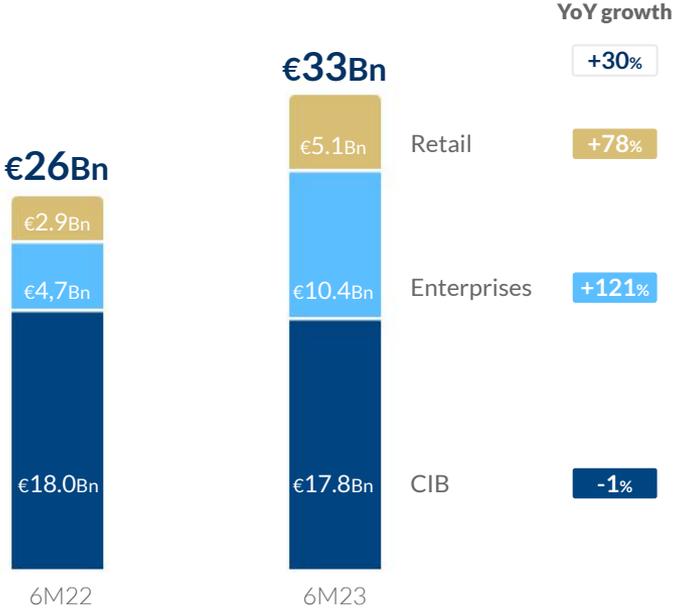
# Advancing in our clear commitment to **sustainability**

## SUSTAINABLE BUSINESS

(€ Bn)



## BY CLIENT

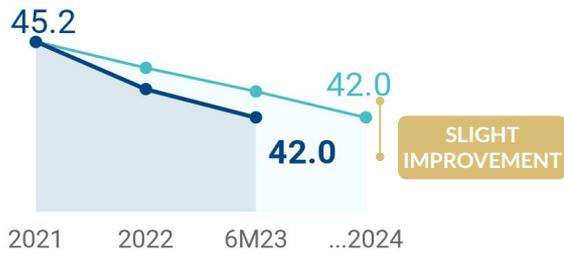


Note: Sustainable business channeling is considered to be the mobilization of financial flows, cumulatively, towards activities or clients considered sustainable, based on internal criteria, market criteria and best practices.

# We expect strong performance in **our ambitious long-term goals**

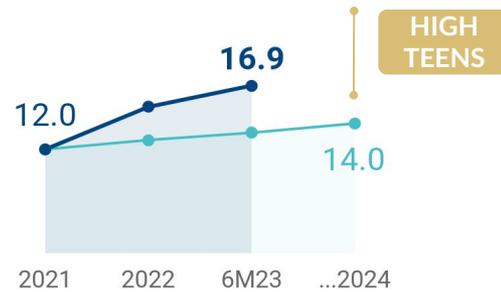
## COST-TO-INCOME

(%)



## ROTE<sup>1</sup>

(%, ANNUALIZED)



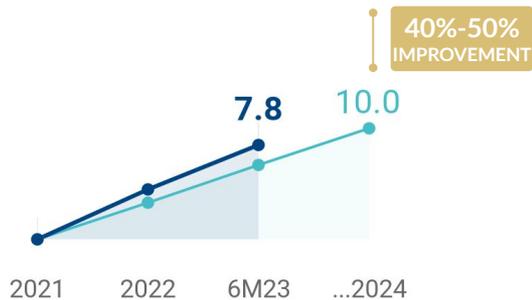
## TBV/SHARE + DIVIDENDS

(%)



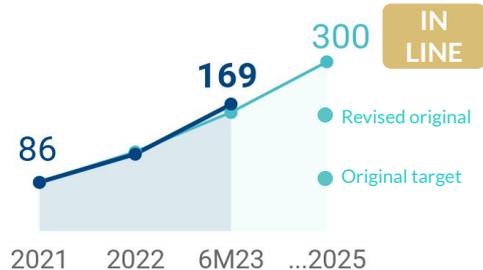
## NEW TARGET CUSTOMERS<sup>2</sup>

(MILLION CUMULATIVE)



## SUSTAINABLE BUSINESS

(€ BILLION, CUMULATIVE SINCE 2018)



ORIGINAL GOAL

ACTUAL

EXPECTED PERFORMANCE OF INDICATORS

BBVA