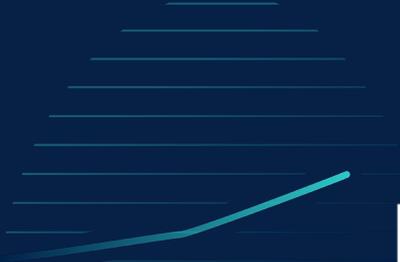


**BBVA**

Creating Opportunities

**BBVA: accelerating  
profitable growth**

CARLOS TORRES VILA, CHAIRMAN  
ONUR GENÇ, CEO



BBVA  
**Investor**  
Day

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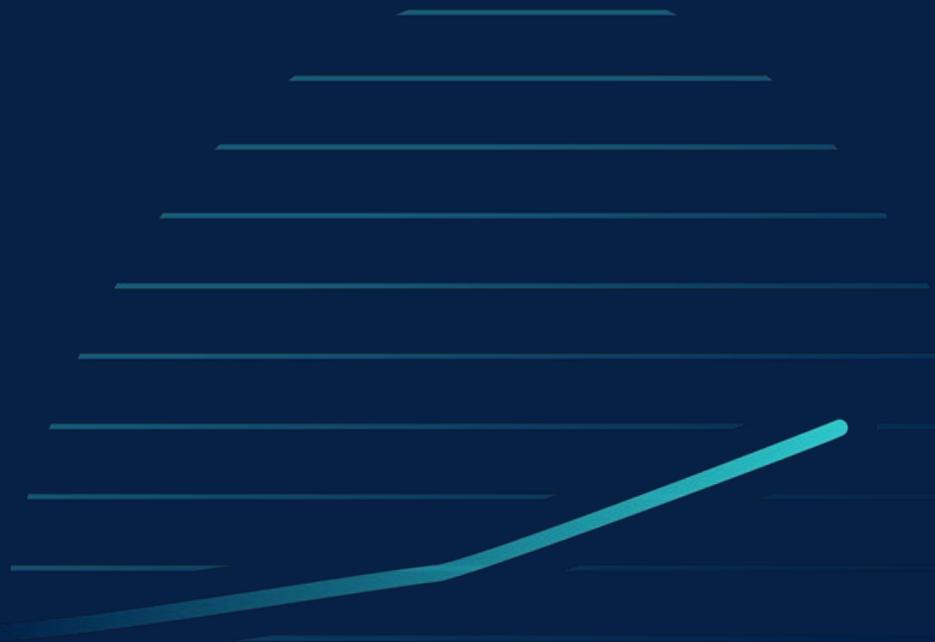
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BBVA

Creating Opportunities

01

Economic recovery in an  
age of opportunity



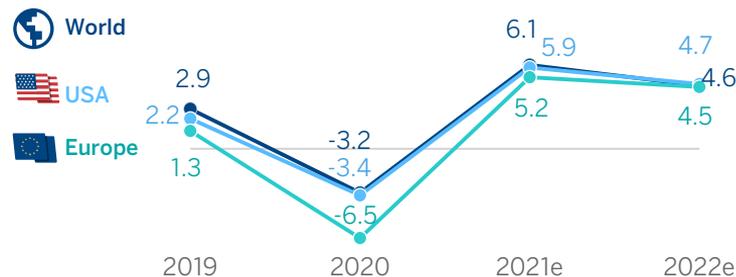
# The economic recovery continues despite short term pressures

## CONSUMPTION INDEX<sup>1</sup> (7D CUMULATIVE VS. SAME PERIOD IN 2019)

### Footprint<sup>2</sup>

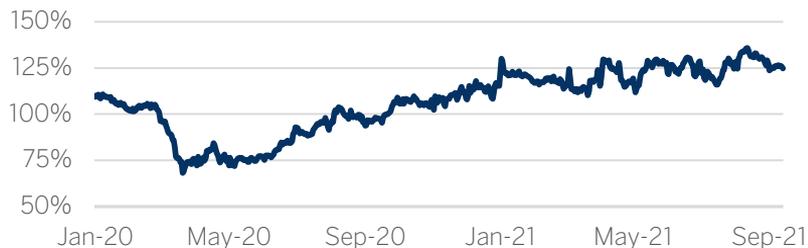


## GDP GROWTH (%)

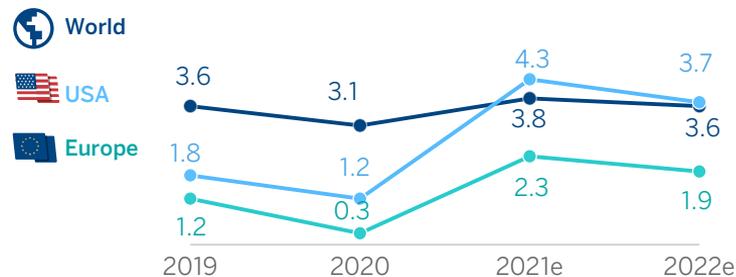


## PRIVATE INVESTMENT INDEX<sup>3</sup> (28D CUMULATIVE VS. SAME PERIOD IN 2019)

### Footprint<sup>4</sup>



## INFLATION<sup>5</sup> (%)



Source: BBVA Research. (1) Considers spending at BBVA Point of Sale (POS) by BBVA and non-BBVA customers and spending by BBVA customers at non-BBVA POS. (2) Average data for BBVA's footprint: Spain, Mexico, Turkey, Peru, Colombia and Argentina. (3) Proxied by total inflows received by firms classified by NACE codes from the current account transfers on daily basis. (4) Average data for footprint: Spain, Mexico, Turkey, Peru and Colombia. (5) Average annual inflation.

# Covid has accelerated **pre-existing trends**

## DIGITAL ADOPTION BY INDUSTRY IN EUROPE AND US

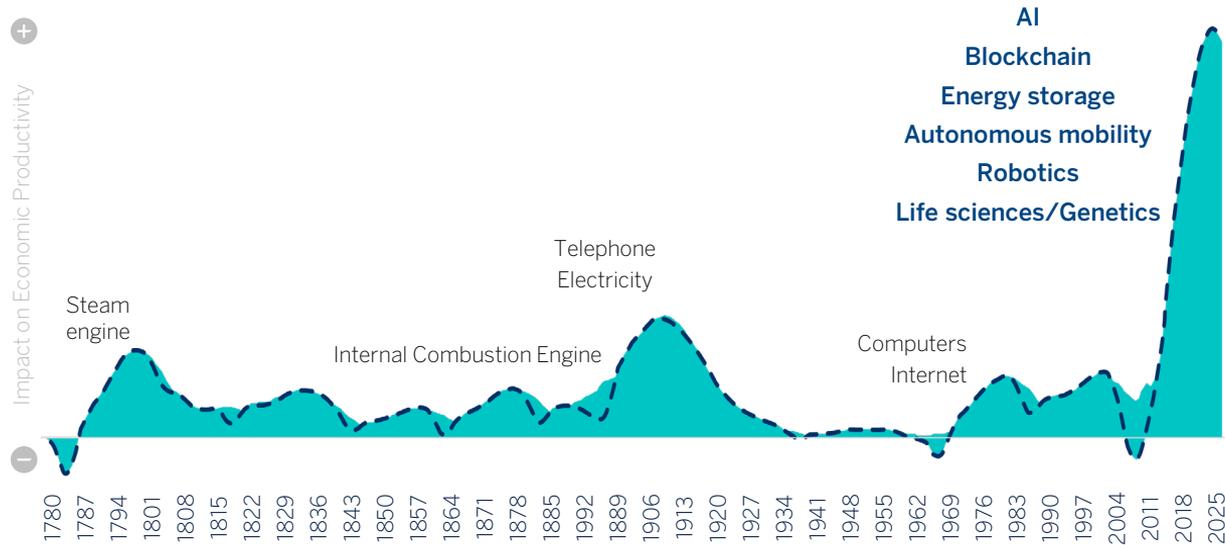
PERCENTAGE OF USERS WHO USED DIGITAL OR REMOTE CHANNELS (6 MONTHS PRIOR TO APRIL 2021 VS. 6 MONTHS PRIOR TO APRIL 2020)



Source: McKinsey Global Digital Sentiment Insights survey.

# We are living disruptive times, an **age of opportunity**

## ESTIMATED IMPACT OF TECHNOLOGY AND INNOVATION ON ECONOMIC PRODUCTIVITY



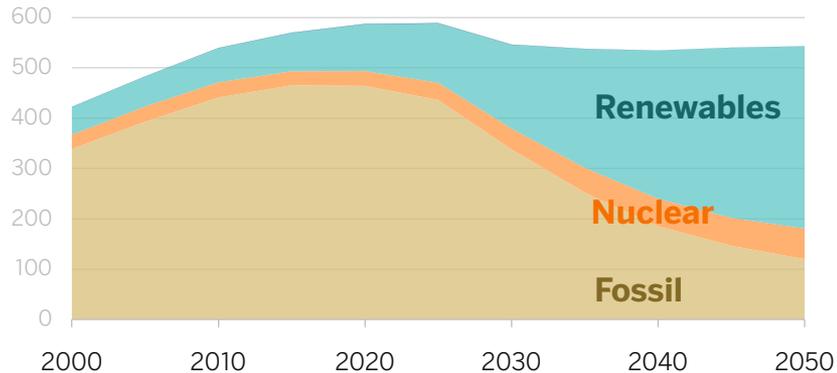
- Disruptive innovation driven by **digitalization and decarbonization**
- **Deep impact in all sectors** of the economy
- Technological disruptions have **traditionally boosted economic growth and productivity**

# Decarbonization is king among these trends

Renewables will displace fossil fuels

Large investment needs over the next 30 years to reach Net Zero

NET ZERO 2050 ENERGY MIX  
(EXAJOULES<sup>1</sup>)



GLOBAL INVESTMENT NEEDS IN ORDER TO REACH NET ZERO CO2 EMISSIONS FROM ENERGY BY 2050  
(2021-2050)

\$150 TRILLION

~5% WORLD GDP  
(every year for 30 years)

Source: Based on data from International Energy Agency (2021) Net Zero by 2050: Net Zero by 2050 Scenario - Data product - IEA; as modified by BBVA Research.  
(1) Exajoule (EJ) equals 10<sup>18</sup> Joules. (2) Excluding China, IEA, Financing Clean Energy Transitions in Emerging and Developing Economies, 2021.

Source: Lenaerts, Tagliapietra and Wolff (2021).

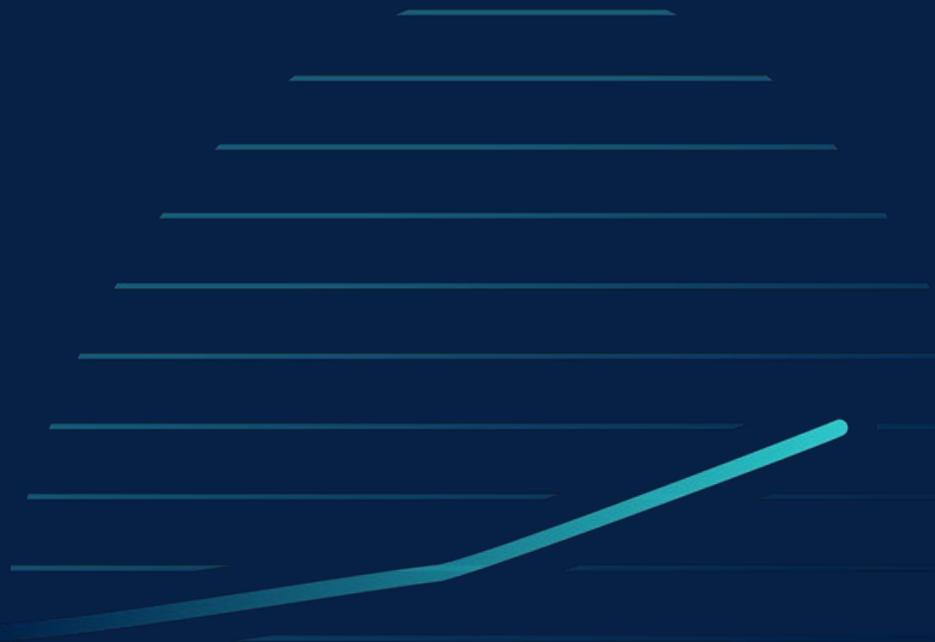
Emerging markets should be among those leading the race, relative to GDP, with over \$1 trillion investment annually<sup>2</sup>, seven times current levels

BBVA

Creating Opportunities

02

BBVA is uniquely  
positioned in this age of  
opportunity



# 1 Leading franchises in very attractive markets

| BBVA  |          | STRONG POSITION               |                      | LEADING PROFITABILITY                   |
|---|----------|-------------------------------|----------------------|---|
| Sep-21  |          | Market share <sup>1</sup> (%) | Ranking <sup>1</sup> | ROE (%) vs. industry <sup>2</sup> (bps) |
|  | Spain    | 13.1%                         | #3                   | 12.3% (+350 bps)                        |
|  | Mexico   | 23.8%                         | #1                   | 22.2% (+1,070 bps)                      |
|  | Turkey   | 18.2%                         | #2                   | 19.1% (+840 bps)                        |
|  | Colombia | 10.5%                         | #4                   | 16.4% (+530 bps)                        |
|  | Peru     | 21.3%                         | #2                   | 12.6% (+270 bps)                        |

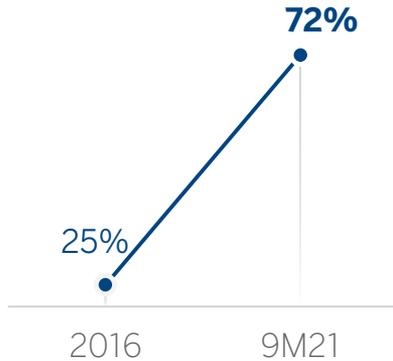
(1) Latest available market shares, Ranking among peer group. Turkey among private banks.

(2) ROE under local criteria as of 9M21, except Colombia 8M21. Excludes Corporate Center expenses.

## 2 Trend-setters in Digital and Sustainability

### LEVERAGING OUR DIGITAL EDGE

#### DIGITAL SALES (%, UNITS)

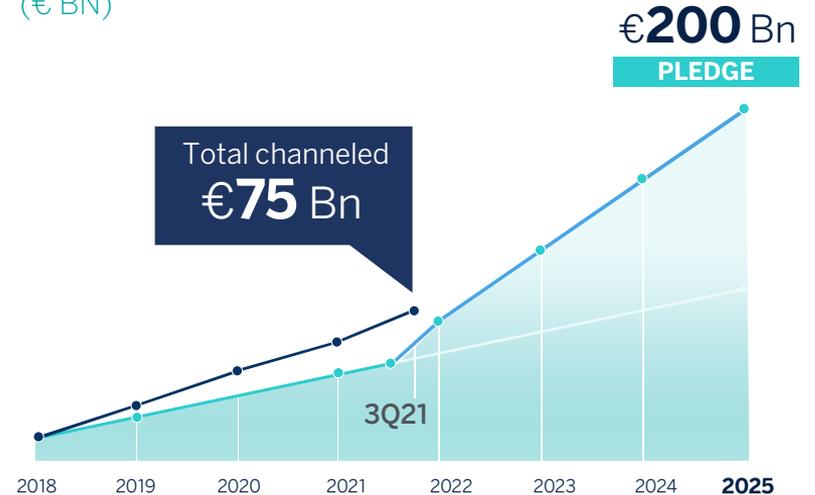


#### DIGITAL ACQUISITION (%; VAR 9M19-9M21)



### PIONEERING SUSTAINABILITY

#### WE HAVE DOUBLED OUR 2025 PLEDGE (€ BN)



(1) According to 'The Forrester Digital Experience Review™: European Mobile Banking Apps, Q3 2021'. (2) According to Dow Jones Sustainability Index.

Digital experience leader  
five years in a row<sup>1</sup>

Most sustainable European bank<sup>2</sup>

# 3 Differential **culture and mindset**

| VALUE DRIVEN ORGANIZATION | AGILE | MOST ENGAGED |
|---------------------------|-------|--------------|
|---------------------------|-------|--------------|



**Customer**  
comes first



We think  
**big**



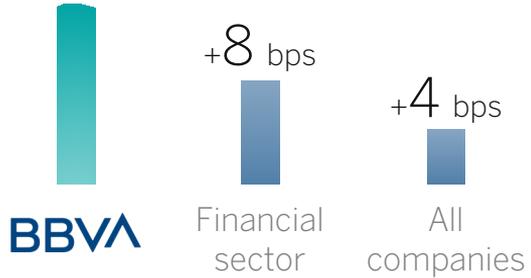
We are  
**one team**

- Started in 2014 in Digital area in Spain, extended in 2018 across areas and countries
- Over 30,000 employees working under Agile



**GALLUP SURVEY 2020 VS 2019**  
(BPS YOY IMPROVEMENT)

+14 bps



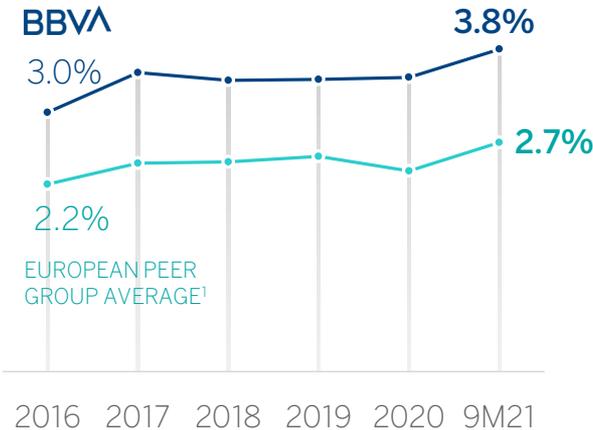
“ To bring the age of **opportunity** to everyone ”

# 4 Proven track record of **solid financial returns**

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

## OUTPERFORMING OUR PEERS ON PROFITABILITY

**PRE-PROVISION PROFIT / RWAS**  
(2016-9M21 ANNUALIZED, %)



**EFFICIENCY RATIO**  
(%; 2016-9M21)



**ROTE**  
(%; 2016-9M21 AVERAGE)



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

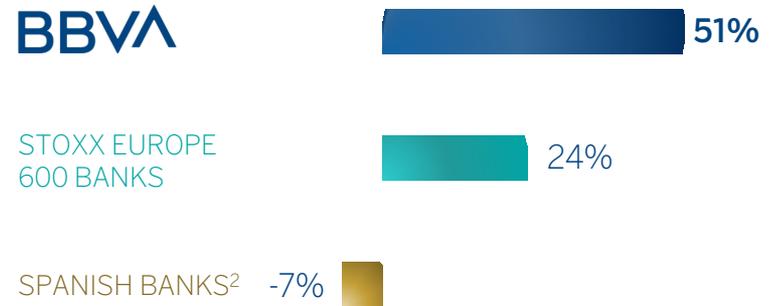
# 5 Disciplined capital allocation

## CAPITAL ALLOCATION TOWARDS MARKETS WITH SCALE AND PROFITABLE FRANCHISES



## VALUE TO SHAREHOLDERS

**TOTAL SHAREHOLDER RETURN**  
(% VAR.; 2019-2021YTD<sup>1</sup>)



(1) Period from January 1, 2019, to November 12, 2021. (2) BKIA, BKT, CABK, LBK, SAB, SAN, UNI.

**Clear commitment to shareholder value creation**

# 6 Excess capital for **shareholders distributions and growth**

## A CLEAR FOCUS ON VALUE CREATION

### FULLY-LOADED CET 1 (%)



(1) CET1 as of September 2021 excluding restructuring costs in Spain. (2) Considering the maximum amount of €3.5 Bn of the share buyback program. (3) Assuming 100% acceptance on voluntary takeover bid on Garanti BBVA shares currently not owned by BBVA (50.15%).

# Shareholders distributions increase

## NEW DISTRIBUTION POLICY<sup>1</sup>

Payout

**40-50%**

## SHARE BUYBACK<sup>2</sup>

> €**3.5**Bn Program

> €**1.5**Bn 1st Tranche

To be executed in the following  
3-4 months

(1) Includes the possibility of combining cash distributions with share buybacks. (2) The execution of the €3.5 Bn share buyback program scheme (including its first tranche) is considered an extraordinary shareholder distribution and is therefore not included in the scope of the new distribution policy. We will start shortly after the Investor Day with the execution of the first €1.5 Bn tranche which will not be subject to any maximum share price. We estimate the execution will take 3 to 4 months.

# BBVA is uniquely positioned in this age of opportunity

## KEY STRENGTHS

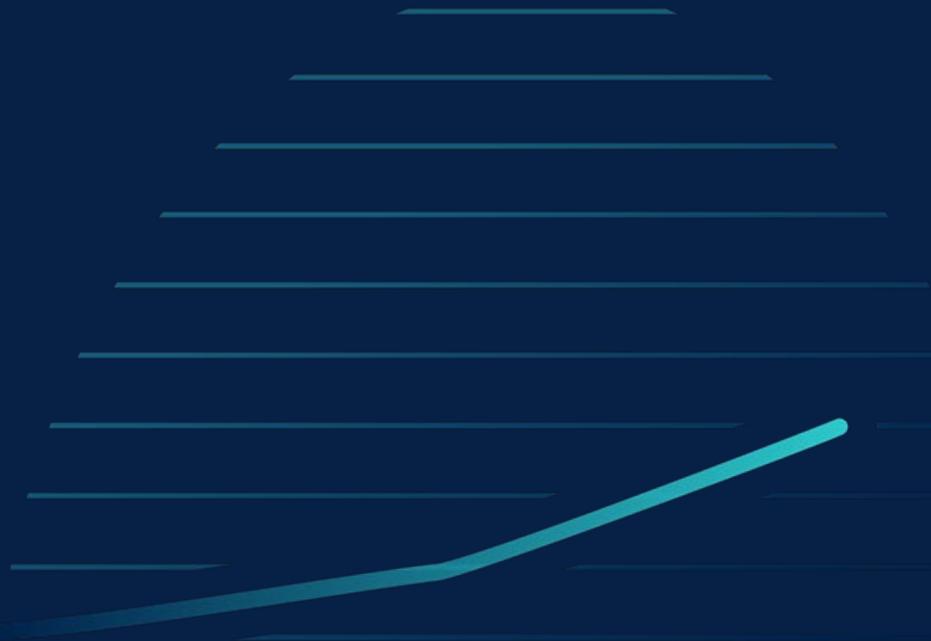
- 1 **Leading franchises** in very attractive markets
- 2 Trend setters in **Digital and Sustainability**
- 3 Differential **culture and mindset**
- 4 Proven track record of **solid financial returns**
- 5 Disciplined **capital allocation**
- 6 Excess capital for **shareholder's distributions and growth**

BBVA

Creating Opportunities

03

Our ambitious  
long-term goals



# Accelerating profitable growth and value creation for shareholders

## COST TO INCOME

### HISTORICAL TREND

(2016-9M21 BBVA, 9M21 PEER AVG, %)



### 2024 GOAL

(%)

**42%**

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

# Accelerating profitable growth and value creation for shareholders

## ROTE

### HISTORICAL TREND

(2016-9M21 BBVA, 9M21 PEER AVG, %)



### 2024 GOAL

(%)

14%

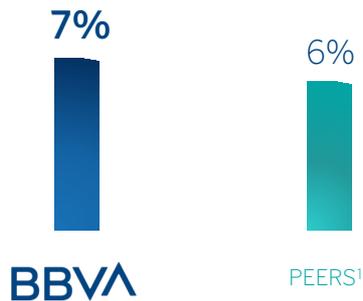
(1) European Peer Group: BARC, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, NWG, SAN, SG, UBS, UCG.

# Accelerating profitable growth and value creation for shareholders

## TANGIBLE BOOK VALUE PER SHARE + DIVIDENDS

### HISTORICAL TREND

(2018-9M21, % CAGR)



### 2024 GOAL

(% CAGR)

9%

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

# Accelerating profitable growth and value creation for shareholders

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

**CUMULATIVE NEW TARGET CUSTOMERS**  
(2018-9M21, MN CUSTOMERS)

**+7.5**Mn

**2024 GOAL**  
(MN CUSTOMER GROWTH)

**+10**Mn

(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.

# Accelerating profitable growth and value creation for shareholders

## SUSTAINABLE FINANCE

CUMULATIVE FINANCING  
(2018-9M21, €Bn)

€75 Bn

2025 GOAL  
(€ Bn)

€200 Bn

# Our ambitious long-term goals

COST-TO-INCOME

**42%**

2024

ROTE

**14%**

2024

TBV/SHARE + DIVIDENDS

**9%**

2021-2024 CAGR

NEW TARGET CUSTOMERS<sup>1</sup>

**+10**Mn

2021-2024

SUSTAINABLE FINANCE

**€200** Bn

2018-2025

(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.

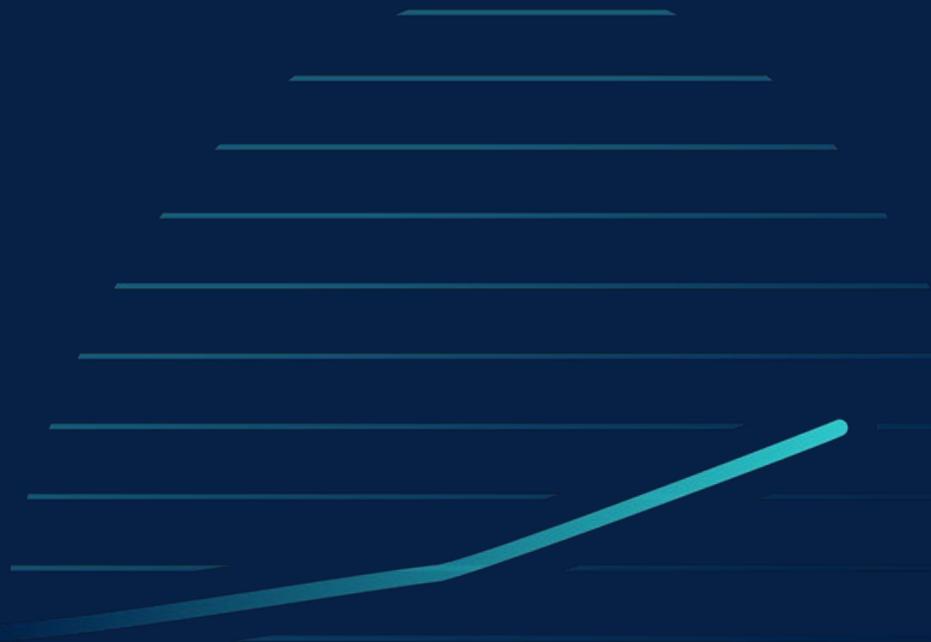
We remain committed to our 11.5-12% CET1 target range



Creating Opportunities

04

Taking profitable growth  
to a new level



# Executing on our strategic priorities to capture the opportunities of the new era and achieve our goals

## Differentiation



Improving our **clients'**  
**financial health**



Helping our clients  
transition towards a  
**sustainable future**

## Superior performance



Reaching  
more **clients**



Driving **operational  
excellence**

## Accelerators



The **best** and **most  
engaged team**



**Data** and  
**Technology**

# 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

# A clear focus on our objectives



1

## A larger and more profitable bank

- New customer acquisition
- Higher growth in attractive value pockets
- Invest in disruption

2

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

3

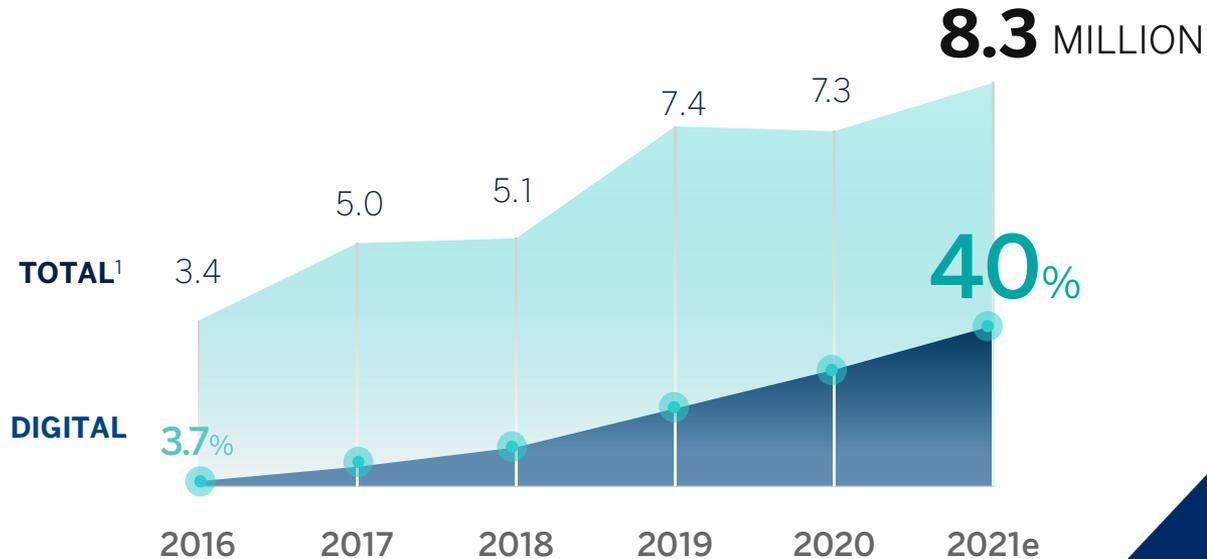
Continue leading efficiency  
through operational excellence

# New customer acquisition in the open market

Conviction: Scale is a competitive advantage in our traditional banking business

## NEW CUSTOMER ACQUISITION

(MILLIONS; % ACQUISITION THROUGH DIGITAL CHANNELS)



(1) Gross customer acquisition through own channels for retail segment

# Prioritization of high value business verticals

Conviction: Banking is the combination of distinct businesses with different return-growth profiles



## A. PAYMENTS

### ISSUING

- E2E digital experience

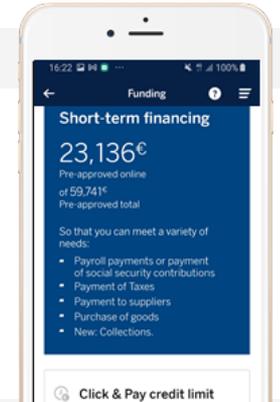
### ACQUIRING

- One-stop-shop for merchants



## B. SMEs

- Coverage leveraging on our capillarity
- Digital onboarding and solutions



## C. ASSET MANAGEMENT

- Global value proposition for Private Banking clients
- Capture the opportunities of the affluent segment

## D. INSURANCE

- Digital products and contextualized sales
- Distribution of leading third party products



# Corporate & Investment Banking: great upside potential

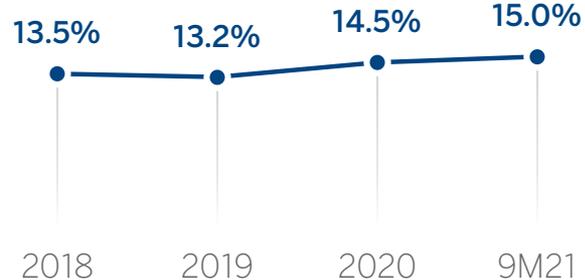
## CIB GROSS INCOME CONTRIBUTION

(% OVER BBVA GROUP VS PEER AVERAGE)

EUROPEAN PEER AVERAGE<sup>1</sup>



BBVA



**16%**  
9M21 RORC

## STRATEGY ANCHORED IN THREE MAIN LEVERS

- GLOBALITY AND EMERGING MARKETS PREVALENCE  
**+7%**  
Cross-Border Revenues  
(YoY growth 9M21)
- ADVISORY CAPABILITIES WITH DEEP INDUSTRY KNOWLEDGE  
**+24%**  
Advisory Revenues  
(YoY growth 9M21)
- SUSTAINABILITY FOCUS  
**+74%**  
Funds channeled in sustainable finance  
(YoY growth 9M21)

(1) European Peer Group: BARC, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, NWG, SAN, SG, UBS, UCG. Peers' last data point as of 6M21.

# Investing in disruption and financing innovators

Conviction: All businesses, including ours, are gradually being disrupted by technologically focused players

## SELECTIVE DIGITAL BANK INVESTMENTS

BUILT BASED ON EXISTING INFRASTRUCTURE

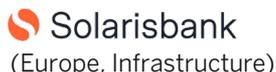
 **BBVA Italy**



## INVESTMENTS



**Atom bank**  
(UK)



**Solarisbank**  
(Europe, Infrastructure)

## FINTECH INVESTMENTS



**Fintech venture capital fund with 6 unicorns**



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

## FINANCE THE CLIENTS OF THE FUTURE

Capturing growth opportunities from massive change across industries: **innovation banking**

- Digitalization
- Decarbonization
- Artificial Intelligence
- Blockchain
- Quantum Computing
- Machine Learning

# 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

- Next level of financial advice
- Transition to a sustainable world

3

Continue leading efficiency  
through operational excellence

# Uniquely positioned to capture value from the entire digital journey, from servicing to advice



Servicing



Sales

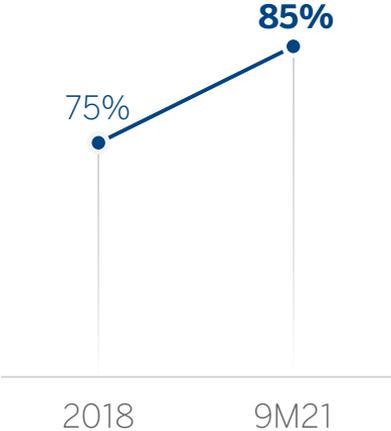


Customer acquisition



Advice

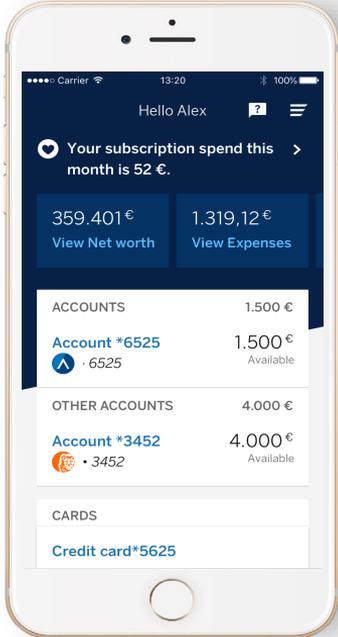
**DIGITAL TRANSACTIONS<sup>1</sup>**  
(% OVER TOTAL)



**DIGITAL SALES<sup>2</sup>**  
(%, UNITS AND VALUE<sup>3</sup>)



**DIGITAL ACQUISITION**  
(% THROUGH DIGITAL CHANNELS)



(1) Includes monetary and non-monetary transactions related to servicing. It excludes product sales and information inquiries. Includes ATMs transactions. (2) Excludes units sold in USA, Venezuela, Chile and Paraguay. (3) Product Relative Value as a proxy of lifetime economic representation of units sold.

# Sustainability: a significant business growth opportunity

## SUSTAINABILITY AS A GROWTH LEVER



## PIONEERING SUSTAINABLE PRODUCTS

### WHOLESALE AND RETAIL



## A CLEAR COMMITMENT IN PORTFOLIO ALIGNMENT TOWARDS NET ZERO 2050

2030 decarbonization goals set in CO2 selected intensive industries  
**Advise our clients in the transition**

Power



Auto



Steel



Cement



Coal



# 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

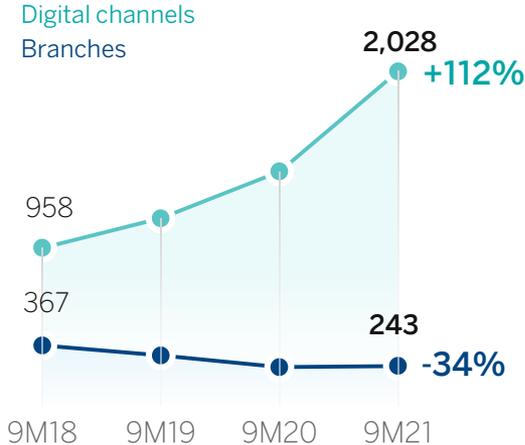
**Continue leading efficiency**  
through operational excellence

- Transformation of the relationship model
- Disciplined capital management

# Relationship model transformation to **support growth** with a **significantly lower cost-to-serve and sell**

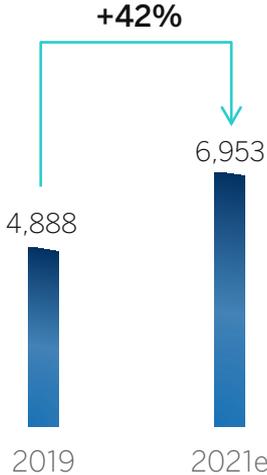
## RE-CHANNELLING

**MILLION TRANSACTIONS<sup>1</sup>**  
(TRANSACTION; 9M18-9M21 % CHANGE)

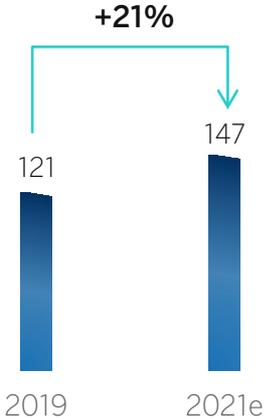


## IMPROVED PRODUCTIVITY

**CUSTOMERS PER BRANCH**  
(NUMBER OF CUSTOMERS)



**SALES VALUE<sup>2</sup> PER NETWORK FTE**  
(THOUSAND €)



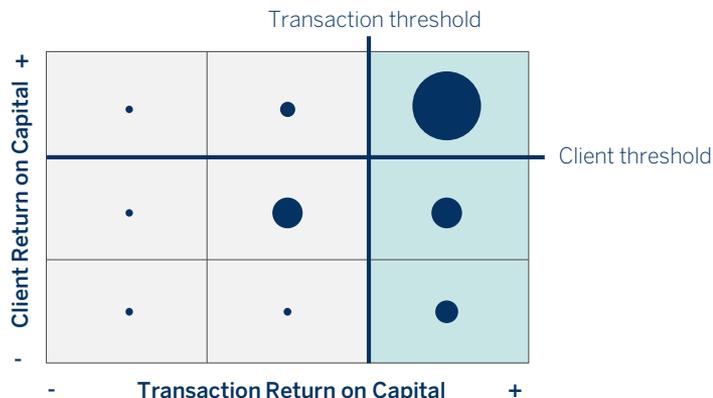
(1) Includes monetary and non-monetary transactions related to servicing. It excludes product sales and information inquiries (2) Total sales. Product Relative Value as a proxy of lifetime economic representation of units sold

## MECHANISMS TO IMPROVE PRICING AND OPTIMIZE CAPITAL ALLOCATION

### ➤ NEW PRODUCTION MAPPED BASED ON CLIENT AND TRANSACTION PROFITABILITY THRESHOLDS

**NEW PRODUCTION MATRIX, SPAIN - COMMERCIAL BANKING**  
(2Q 2021; % REGULATORY CAPITAL ALLOCATED)

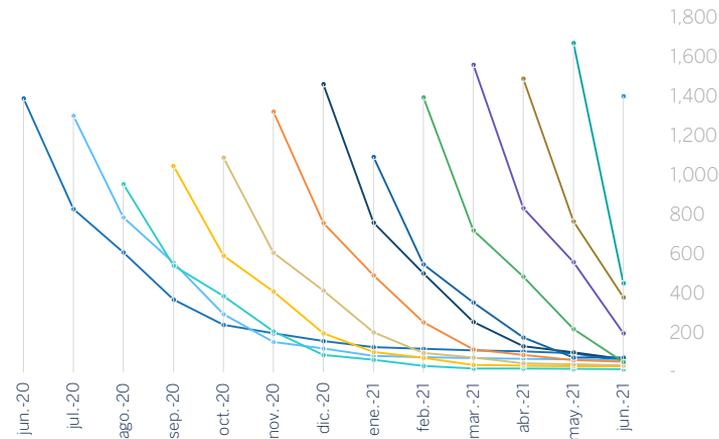
Exception pool
  Above transaction threshold
  % Regulatory capital allocated<sup>1</sup>



(1) Regulatory capital allocated to transactions in each matrix section

### ➤ MANAGEMENT OF EXCEPTION POOL CLIENTS TO IMPROVE PROFITABILITY, MAINLY THROUGH CROSS-SELL

**VINTAGE ANALYSIS, SPAIN - COMMERCIAL BANKING**  
(2Q 2021; # OF CLIENTS WITH AT LEAST ONE TRANSACTION IN EXCEPTION POOL)



# Evolving the organization to capture the opportunities of the new era

## GROWING KEY CAPABILITIES

2021 #FTES

2017-2021,  
% CHANGE

Data scientists and specialists

1,783

12x

Sustainability<sup>1</sup>

134

7x

Design

238

2x

Software Developers

5,378

+ 40%

Cybersecurity

574

+ 28%

## AGILE DEPLOYED ACROSS THE ORGANIZATION IMPACTING TIME-TO-MARKET AND PRODUCTIVITY

-50%

Time-to-market<sup>2</sup>  
(2016-2021)



~3x

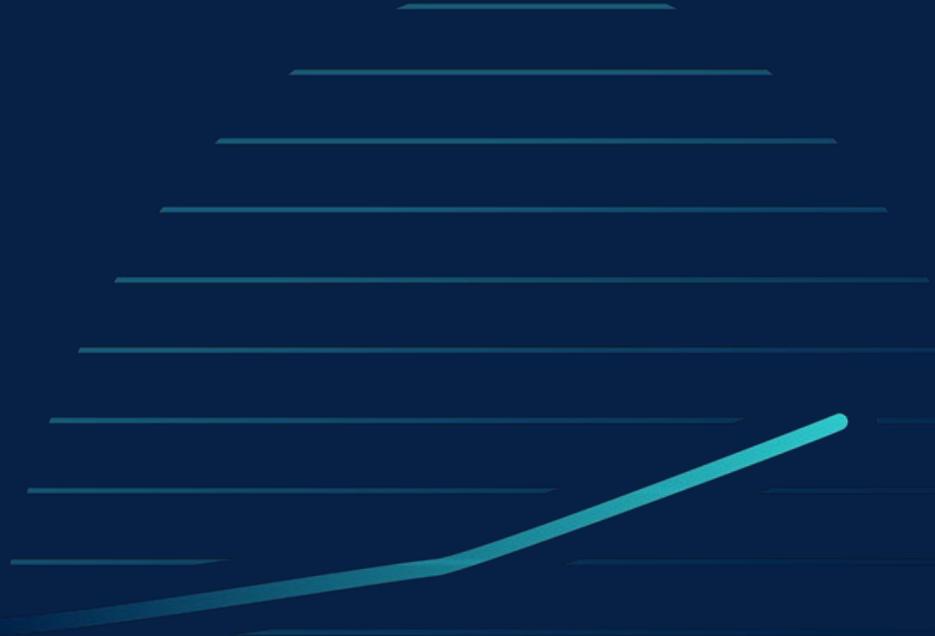
Productivity<sup>3</sup>  
(2016-2021)



(1) Sustainability data available since 2019. (2) Time-to-market measured by number of days since a scrum starts developing a feature to implementation. (3) Increase in feature releases in BBVA mobile app vs. traditional methodology.

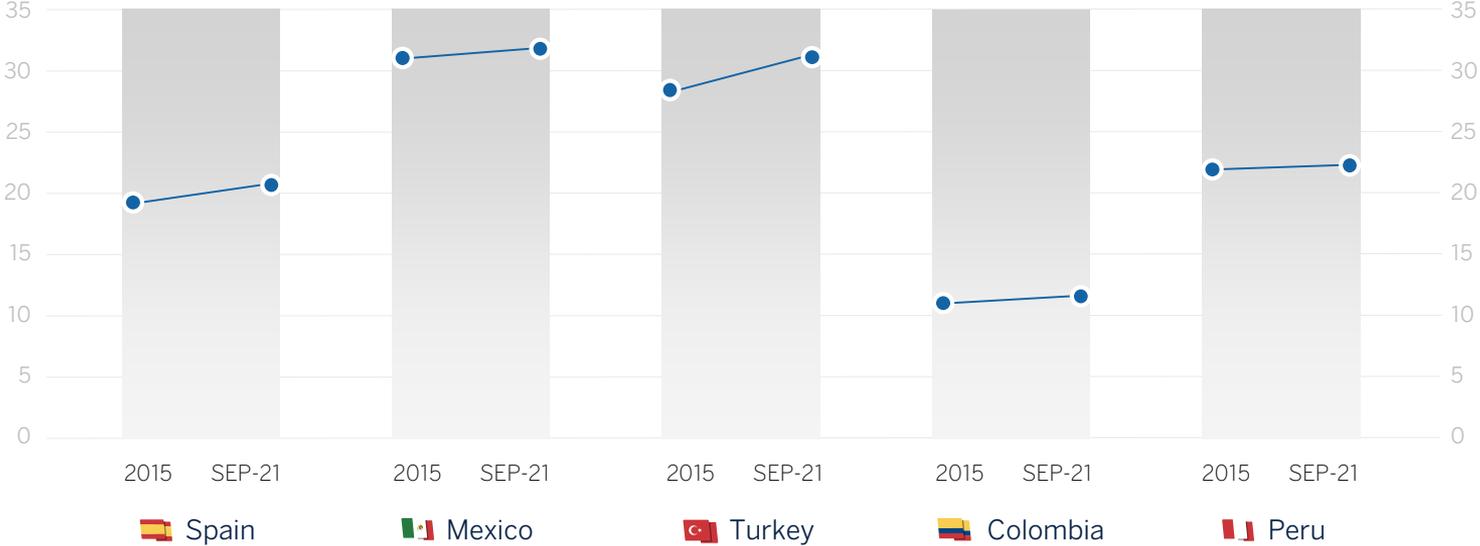
05

Countries' strategies  
designed to accelerate  
profitable growth



# Market position already strong and further improving

## CORE REVENUES MARKET SHARE<sup>1</sup> (%)

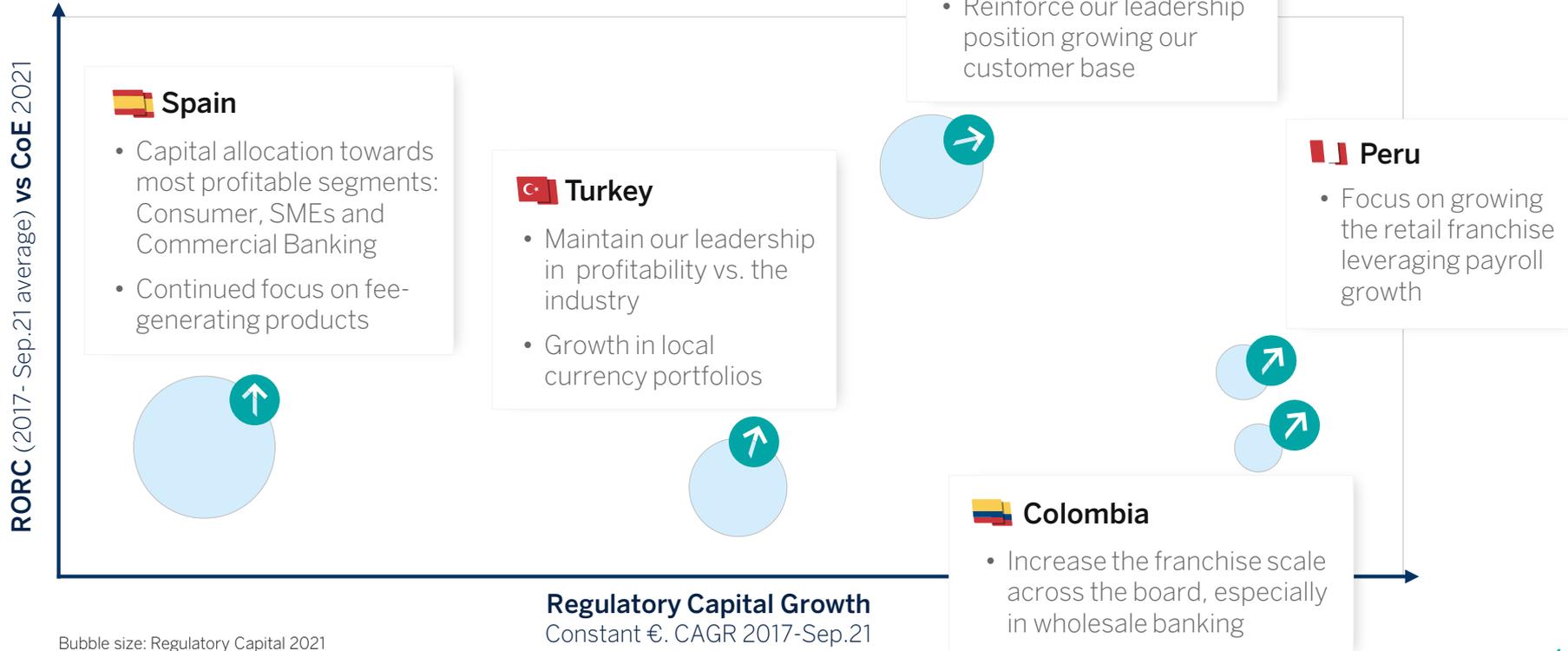


(1) Local peer groups for Spain (SAN, CABK, SAB, BKT), Mexico (BMX, BNT, SAN, HSBC, SCO), Turkey (AKB, ISB, YPK), Colombia (BANCOL, AVAL, DAVIV) and Peru (BCP, SCO, IBK).

# Profitable organic growth with a disciplined capital approach

## REGULATORY CAPITAL ALLOCATION

(%)



# Countries' strategies and goals fully aligned

## REVENUE GROWTH (%, CAGR, € CONSTANT)

## COST TO INCOME (%, AVERAGE)

## COST OF RISK (BPS, AVERAGE)

|  | 2015-9M2021<br>annualized | 2021-24 CAGR Goal                  | 2015-9M2021 | 2024 Goal | 2015-9M2021 | Avg. 2022-24 Goal |
|--|---------------------------|------------------------------------|-------------|-----------|-------------|-------------------|
|  Spain         | -1.9                      | Slight growth                      | 54.3        | 45        | 36          | < 35              |
|  Mexico        | +6.2                      | Close to double digit <sup>1</sup> | 34.2        | Low 30's  | 319         | < 300             |
|  Turkey        | +17.7                     | High teens <sup>1</sup>            | 34.2        | Low 30's  | 170         | < 150             |
|  South America | +7.0                      | Mid teens <sup>1</sup>             | 43.8        | Low 40's  | 166         | < 200             |

 Corporate Center

Expenses continue to decline

# Accelerating **profitable growth and value creation** for our shareholders

**COST-TO-INCOME**

**42%**

2024

**ROTE**

**14%**

2024

**TBV/SHARE + DIVIDENDS**

**9%**

2021-2024 CAGR

**NEW TARGET CUSTOMERS<sup>1</sup>**

**+10**Mn

2021-2024

**SUSTAINABLE FINANCE**

**€200** Bn

2018-2025

We remain committed to our 11.5-12% CET1 target range

(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.

**Management incentives fully aligned with long-term goals**

# Takeaways

## BBVA is uniquely positioned to accelerate profitable growth

- **Leading franchises** in very attractive markets
- Trend-setters in **digital and sustainability**
- Differential **culture and mindset**
- Proven track record of **solid financial results**
- Disciplined **capital allocation**
- Excess capital for **shareholders' distributions and growth**

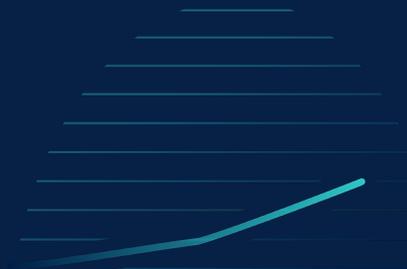
## We are executing on our strategic plan with clear objectives

- **A larger and more profitable bank**
- **A distinctive bank for our clients** based on a unique value proposition
- **Continue leading efficiency** through operational excellence

## We have set ambitious long-term goals to accelerate profitable growth and value for our shareholders

**BBVA**

Creating Opportunities



BBVA

**Investor**

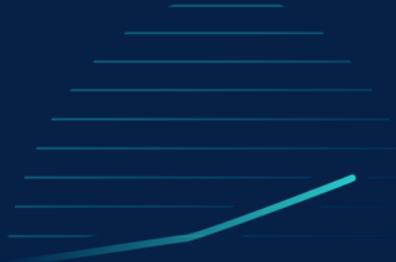
Day

**BBVA**

Creating Opportunities

# Leading the Industry Transformation

DAVID PUENTE,  
HEAD OF CLIENT SOLUTIONS



BBVA  
**Investor**  
Day

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



## Value Proposition

Mobile as the centre of gravity

### CONVENIENCE

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

### TRANSPARENT & SIMPLE OFFER

Very **simple product catalogue** and **one click processes**

### ADVICE

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



## Relationship Model

A new way of interacting with our clients

### REMOTE MODEL

Human assistance **beyond face to face interactions**

### DIGITAL SALES

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

### 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”)



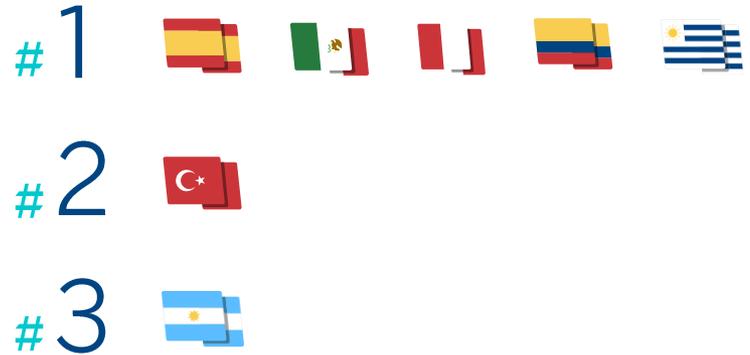
**Brandpower**

Leading position in our main geographies

Source Brandpower: Kantar

## Improved client satisfaction

NET PROMOTER SCORE



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...**

ANNUAL NEW CUSTOMERS

3.4 MM  
2016

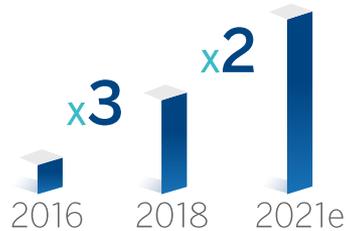
5.1 MM  
2018

8.3 MM  
2021e

**x2.5**

... and sustained **revenue Growth**, based on digital

TOTAL DIGITAL SALES (VALUE)



PRV: Product Relative Value

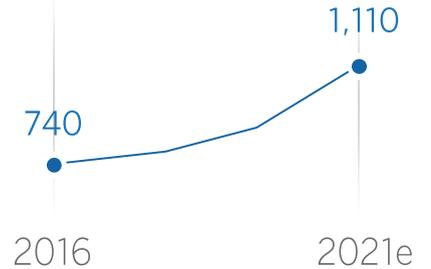
E2E DIGITAL SALES

**~x5**

MORE EFFICIENT

Lowering **cost to serve**

TOTAL ACTIVE CUSTOMERS PER SALESFORCE



**+50%**

# 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 c**90%** 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)

# 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

## 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

## 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

**Openpay**  
by BBVA

# 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)

# New Customer Acquisition



Own  
Channels

## Impact

NEW CLIENTS ACQUIRED  
(in Mn)

+17% <sup>21e vs 19</sup> > 8.3 <sup>21e</sup>

OF WHICH DIGITAL

x2 <sup>21e vs 19</sup> > 3.3 <sup>21e</sup>



Third  
Parties

NEW CLIENTS ACQUIRED

+37% <sup>21e vs 19</sup>

NEW PARTNERSHIPS

x5 <sup>21e vs 19</sup>

## 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 Invest

- Put money to work
- Optimize investments

## Help to Save

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

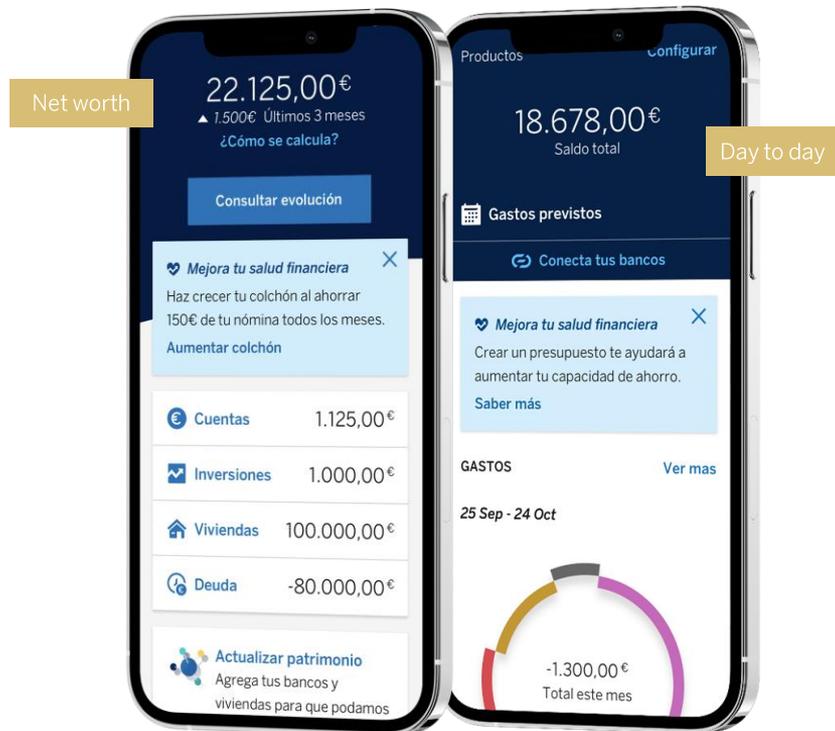
## Financial Planning

- 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\***



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

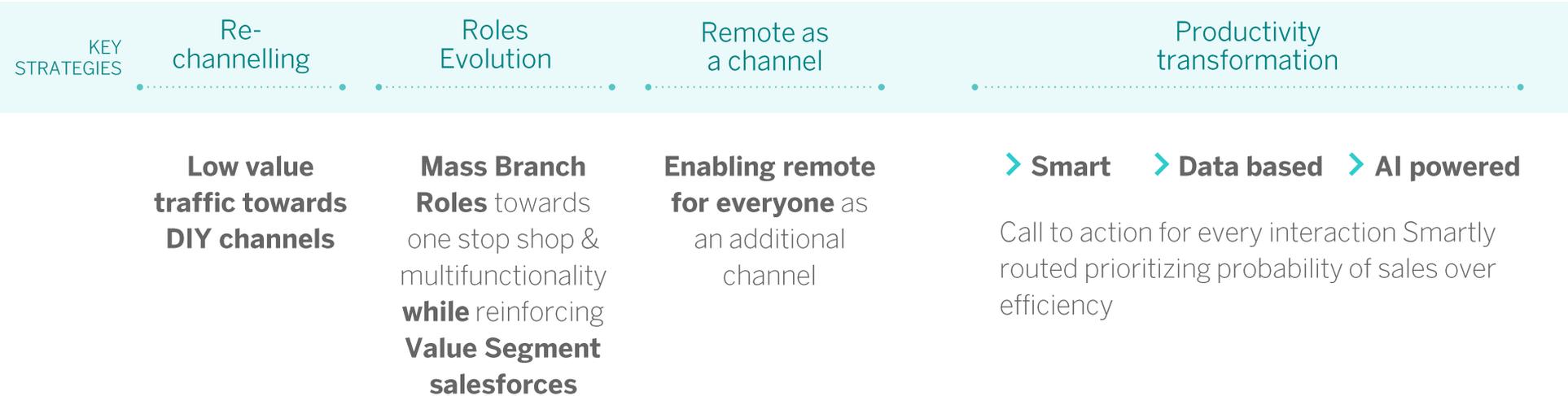
# Deepening our **Relationship Model** transformation...



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

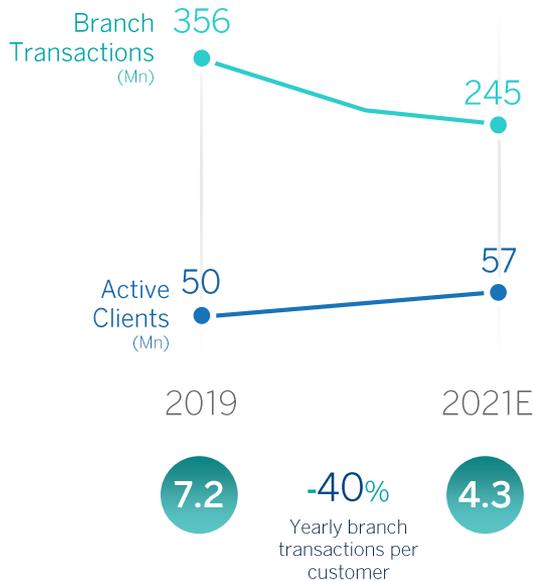


**... taking advantage of every interaction to “talk” with the customer**



... is further **accelerating efficiency**

## Re-channeling



**Remote** as  
a channel

x3

Clients with  
Remote Service  
2019-2021e



Remote Model vs  
In Branch

+19%

NPS  
September 21

+15%

Personalised  
client coverage

**Branch Roles** evolution &  
**Productivity** Transformation

+24% to 1,110 in 2021e

Active Customers per  
Salesforce  
2019-2021e

+21% to 147,000€ in 2021e

Sales Value per  
Salesforce  
2019-2021e

# Leveraging Globality to deliver global products & platforms

## Global Retail Mobile App (GLOMO)

Reutilization by design



Code reutilization



**Top 1** (in 12 apps out of 14)

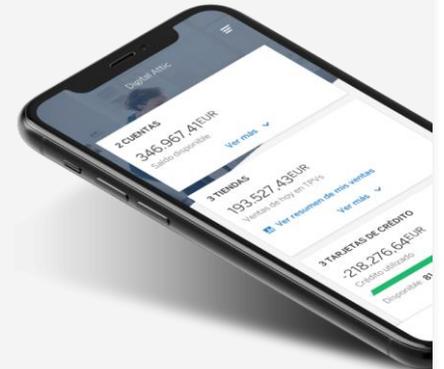
Average rating 4.5 (out of 5)

## Global Enterprise Mobile App (GEMA)

Multi-segment global co-creation



Design & Software reusability



**Top 1** (in 6 apps out of 6)

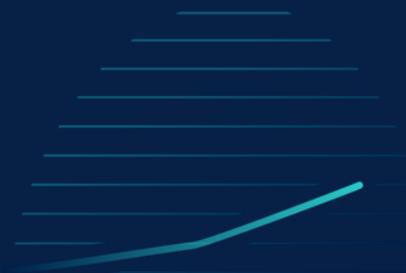
Average rating 4.7 (out of 5)

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

**BBVA**

Creating Opportunities

A stylized graphic consisting of several horizontal lines of varying lengths that form a triangular shape pointing upwards. A single, thicker line starts from the left side of the base and curves upwards to the right, ending near the top of the triangle, resembling a line graph or a rising trend.

BBVA  
**Investor**  
Day

**BBVA**

Creating Opportunities

# Sustainability as a business opportunity

JAVIER RODRÍGUEZ SOLER,  
HEAD OF SUSTAINABILITY



BBVA  
**Investor**  
Day

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# Sustainability, the biggest transformation in human history

At the top of the agenda... ... requiring big investments... ... in all geographies

## 196 countries

with new or updated NDCs  
(Nationally Determined Contributions)

**40% of the world's financial  
assets** pledged to meet the goals  
of the Paris Agreement

Global Temperature  
increase target  
+1.5°C by 2050

**Worldwide** annual  
investment to limit  
global warming until 2030

**\$7Tr<sup>(1)</sup>**

## European Union

Extensive policy responses  
geared to sustainability for  
2021-2024

NGEU  
**€750Bn<sup>(2)</sup>**

## LatAm & Turkey

Emerging countries will  
invest more, relative to GDP,  
in low-emissions assets  
during a net-zero transition

**€1Tr/year<sup>(3)</sup>**  
in emerging economies  
(ex-China)

(1) "Financing climate futures: rethinking infrastructure", OECD Publishing (2) Next Generation EU Plan to build a digital, sustainable and inclusive future

(3) excluding China, "The big emerging question", Blackrock Investment Institute

**A great business opportunity in BBVA's footprint**

# Banks play a key role in the transition to a more sustainable world

## The future of banking is financing the Future



**Mobilize capital** as channeling agent for public funds while encouraging private investment



Develop **sustainable financial solutions** both in climate change and inclusive growth

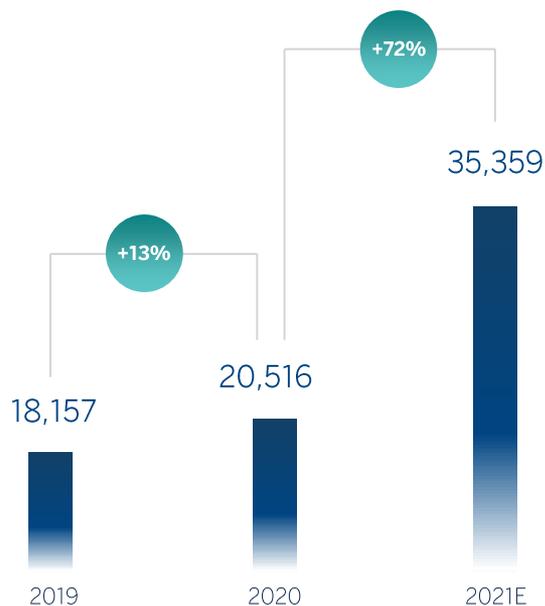


**Manage impacts** (direct and indirect emissions) of banks' activities

**In this new environment, BBVA has been a first mover taking advantage of this relevant business opportunity**

# BBVA has generated **significant traction** in **sustainable finance origination**

## SUSTAINABLE FINANCE (EUR Mn)



(1) Includes lending, project finance, bonds, refinancings but excludes asset management business

(2) Based on incremental market shares and new business pools (eg. NGEU funds)

# Designing and **launching new sustainable solutions** to market...

## New sustainable solutions...



Energy-efficient linked mortgages



Hybrid and electric vehicles loans



Carbon footprint calculator for retail and corporates



Energy efficiency advisory for enterprise clients

BBVA offers a sustainable alternative for most of its main products

## ... leveraging BBVA's digital capabilities



Pioneer in adding sustainability advice in the app

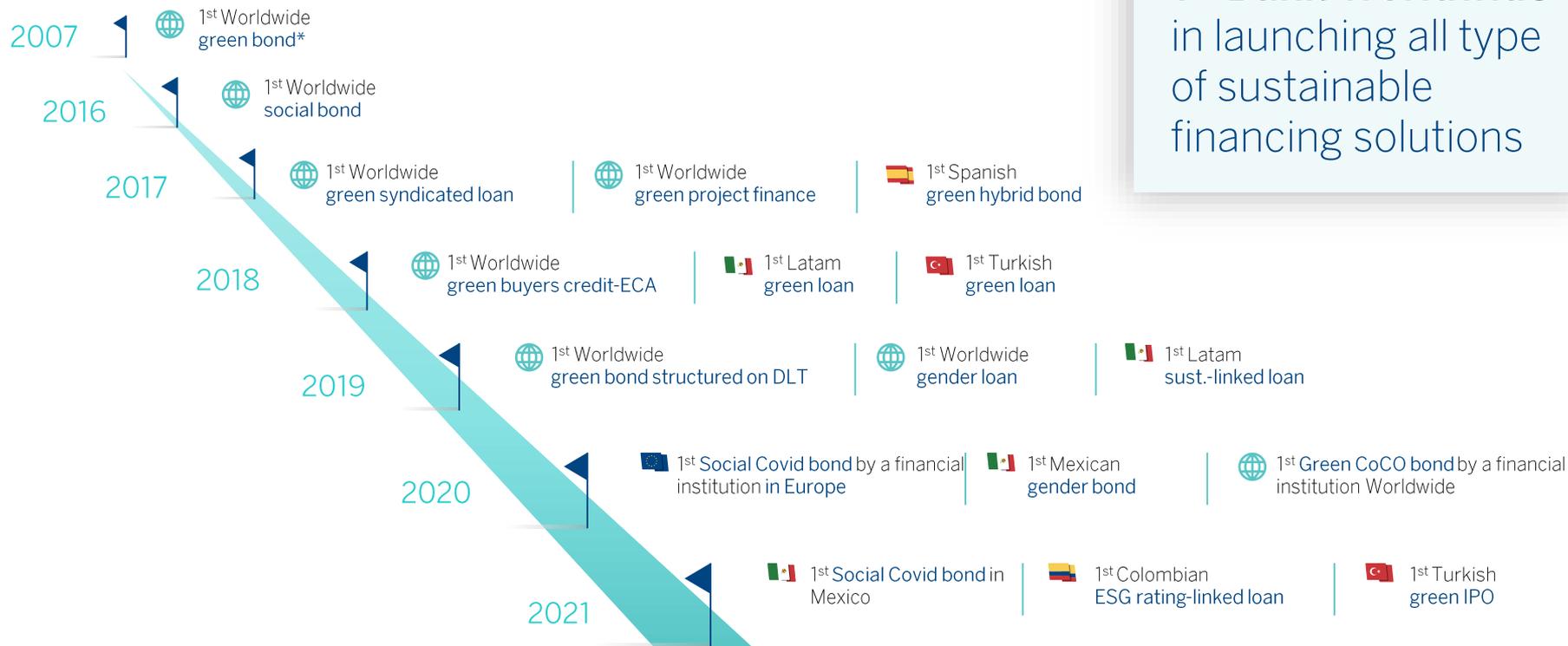


World's 1<sup>st</sup> bank to use data analytics to calculate companies' carbon footprint

## Sustainable and successful transition leveraging BBVA's digital edge

# ...and pioneering in sustainable activity

**1<sup>st</sup> Bank Worldwide**  
in launching all type  
of sustainable  
financing solutions



\*BBVA acted as co-lead manager

# Net Zero 2050: Implementing portfolio alignment and excelling in managing emissions

## Portfolio alignment strategy well underway 2030 decarbonization goals set in CO2 selected intensive industries

| Sector <sup>(1)</sup> | Metric                       | BBVA Baseline (2020)                                     | Benchmark vs scenario baseline | Absolute effort by 2030 |
|-----------------------|------------------------------|--|--------------------------------|-------------------------|
| Power                 | Kg CO <sub>2</sub> e/Mwh     | 249  |                                | (52%)                   |
| Auto                  | g CO <sub>2</sub> e/km       | 220  |                                | (46%)                   |
| Steel                 | Kg CO <sub>2</sub> e/Tsteel  | 665  |                                | (23%)                   |
| Cement                | Kg CO <sub>2</sub> e/Tcement | 695  |                                | (17%)                   |
| Coal                  | Portfolio trend (€Mn)        | Phase out plan: 2030 developed markets and 2040 globally |                                |                         |

**Very solid starting point and strong commitment to help our clients in their transition**

Starting point: Well below scenario baseline Below scenario baseline Aligned with scenario baseline

Ambitious targets to reduce BBVA's environmental footprint

100% renewable energy by 2030  
in line with SBTi & RE 100 Initiative

Carbon neutral since 2020  
in Scope 1 and 2 and travel emissions, leveraging carbon offsetting

(1) Power, Auto, Steel and Cement benchmark scenario according to IEA NET Zero 2050

# Growth as the cornerstone of **our sustainability strategy**



## Growth

Doubling our target of channeling sustainable financing **under a transversal action plan with pre defined areas of focus**



## Enablers

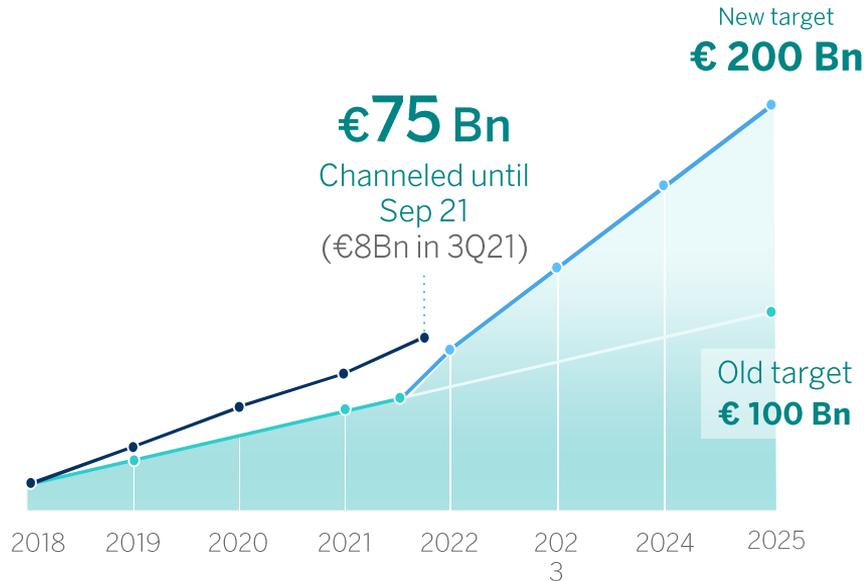
Superior risk management capabilities **integrating transition risk into banking processes** while enabling portfolio alignment

### Creation of a Sustainability area, at the highest level of the organization, to drive growth:

- Supporting the integration of sustainability across all area's day-to day activities
- Leveraging on BBVA's edge in its digital transformation

# Bringing sustainability financing to the next level

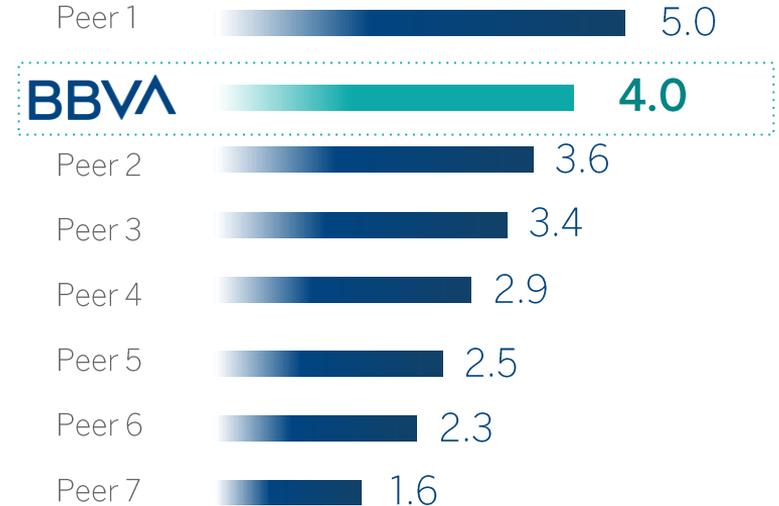
## 2X our target of channeling sustainable financing



Sustainability as growth lever:  
~20% of the sustainable business originated is incremental (€40Bn by 2025)

## 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

# Prioritizing 12 transition themes for business execution

## Themes have been prioritized looking for a balance between

**Size:** topics concentrating short term value

**Growth:** emerging technologies with room for exceptional long term expansion

**Right to win:** potential alignment with BBVA portfolio and/or footprint

BBVA is building the capabilities to capture incremental opportunities early on **taking advantage of its geographical footprint and innovation capabilities**

| SECTORS  | TRANSITION THEMES  |
|--|--|
|  Power            | Hydrogen production and use<br>Renewables (utility-scale)  |
|  Transport        | Electric vehicles<br>Infrastructure for electric vehicles  |
|  Industry and O&G | O&G product transformation<br>Electrification (and hydrogen) for industrial heating                        |
|  Buildings        | Distributed solar generation<br>Energy efficiency, electrification and insulation                          |
|  Agriculture      | Agricultural innovation/ adaptation (for resiliency and higher yield)<br>Decarbonization of on-farm energy |
|  Circularity      | Circular product and upcycle design  |
|  Carbon Markets  | Carbon offset marketplaces/ exchanges  |

# Leveraging differential **sustainable opportunities** in **emerging markets**

Emerging countries will invest more, relative to GDP, in low-emissions assets

BBVA will lead the transition in **emerging markets** leveraging on its know-how of sustainability transition in developed economies

## INVESTMENTS IN LOW EMISSIONS TECHNOLOGY (as % of GDP under NGFS net-zero 2050 scenario 2020-2050)



Source: Mckinsey

# Creating **specialized sectoral knowledge**



Monitoring our clients' **strategies** and reflecting them in the appropriate scoring tools



Running and updating **sectoral deep dives** on different transition scenarios



Analyzing and **quantifying the impact of scenarios** in the **financial and risk metrics** of our clients/portfolios

**Creation of tools to strategically steer business origination**

# Development of a **transition risk indicator as a scoring tool** to support clients' transition and align our portfolio

Reflects clients' **awareness** and **preparedness** to decarbonization

Incorporates **all dimensions** of carbon transition risk

Enables **differentiation** among clients and **specialized advisory**

**ADVANCED**

Business model inherently benefits from the transition

**STRONG**

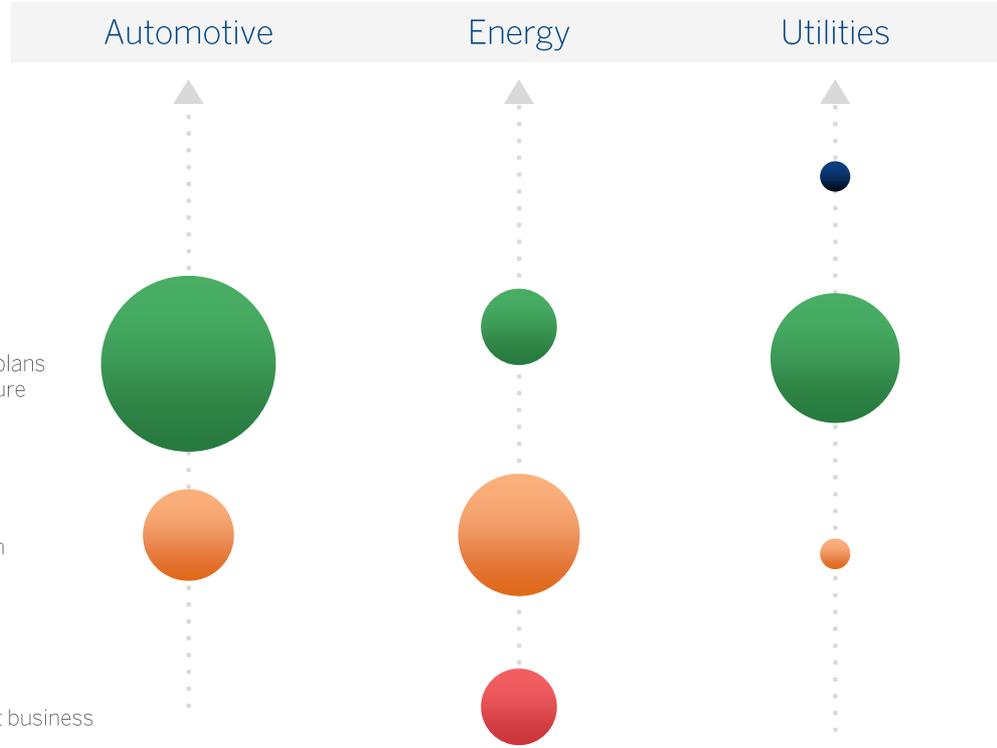
Clients with strategies and plans that mitigate carbon exposure

**MODERATE**

Material exposure to carbon transition risks

**POOR**

Fundamentally inconsistent business models with the transition



● Size reflects number of companies with the same transition score

# BBVA's sustainable edge



## Outstanding track record channeling sustainable finance

Throughout 2021 BBVA will have channeled €35Bn in sustainable origination (+72% vs 2020)

€75Bn

Sustainable origination already channeled



## Ambitious growth strategy

In June '21, BBVA doubled its commitment to channel sustainable finance by 2025

€200Bn

Sustainable finance commitment by 2025



## Ahead of the market

Leading the market with innovative solutions, which allows to capture incremental business

~€40Bn

Incremental sustainability business by 2025



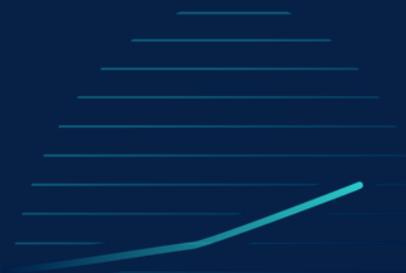
## Engaging with our clients' transition

**Specialized sectoral knowledge** and development of **transition tools** to engage with clients towards better transition outcomes

**Rewarded internationally for its sustainability focus: once again Europe's most sustainable bank and second worldwide, according to the Dow Jones Sustainability Index 2021**

**BBVA**

Creating Opportunities



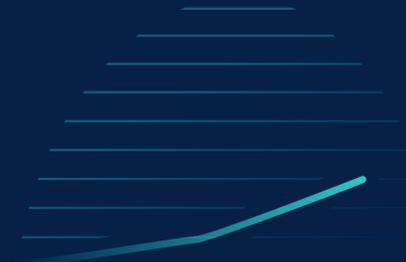
BBVA  
**Investor**  
Day

**BBVA**

Creating Opportunities

Accelerating  
profitable growth in  
our main markets:  
Spain

PEIO BELAUSTEGUIGOITIA,  
COUNTRY MANAGER SPAIN



BBVA  
**Investor**  
Day

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# Index

01 Competitive environment

02 Achievements 2016-21

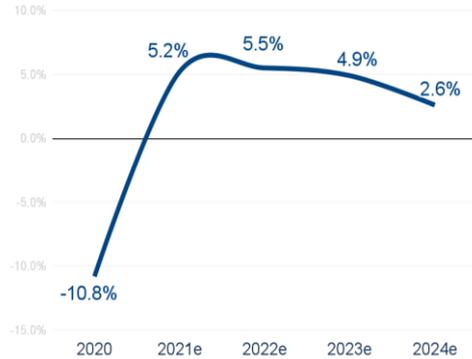
03 Strategy 2022-24

04 Conclusions

# Spanish economy in a positive cycle of GDP Growth

## GDP Growth

Spain (YoY, %)



## Interest Rates

Euribor 12M (monthly average, %)



## System Loans

(total loans in Spain, YoY growth, %)



Source: BBVA Research

**In a low interest rate environment, we can glimpse better prospects for the banking industry, as deleveraging comes to an end**

# Relevant achievements in last 5 years

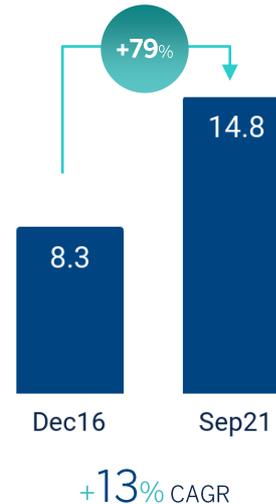
## Customer growth

### CUSTOMER ACQUISITION

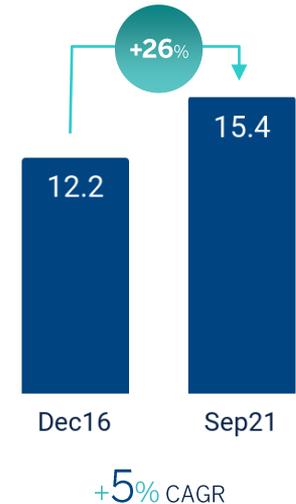
-  **3.5 million** new customers 2016-21e
-  **50%** through **digital channels** in 2021 (vs. 9% in 2016)
-  **18%** market share in **new customer acquisition** in 2021<sup>1</sup>

## Capital allocation in the most profitable products

### CONSUMER LOANS (€Billions, %)



### VERY SMALL BUSINESS LOANS (€Billions, %)

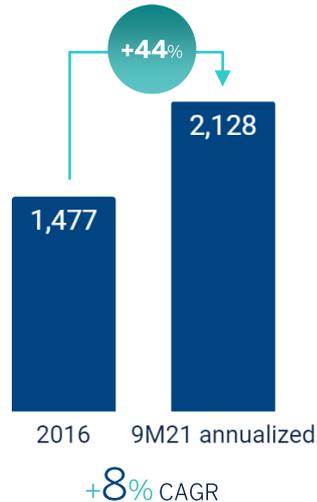


(1) Source Madison 9M21

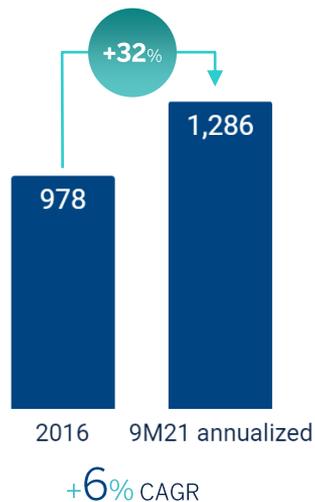
# Relevant achievements in last 5 years

## Non interest income growth

NET FEES & COMMISSIONS (€Millions, %)

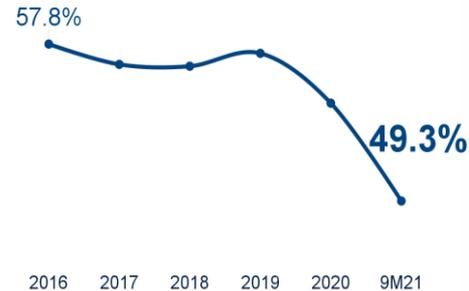


INSURANCE RISK PREMIUMS (€Millions, %)



## Leading efficiency ratio

EFFICIENCY RATIO (%)

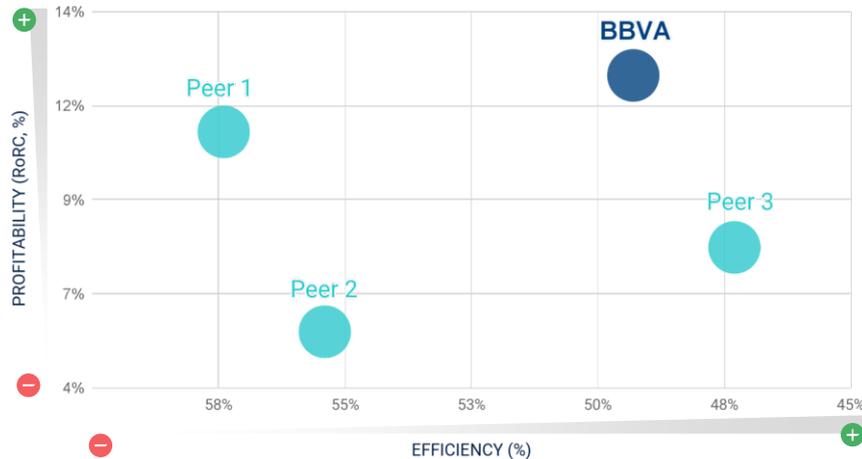


2016-2021e

- >65% | digital sales % of total sales 9M21 (Units)
- 43% | branches in 5 years
- 20% | cost base in 5 years

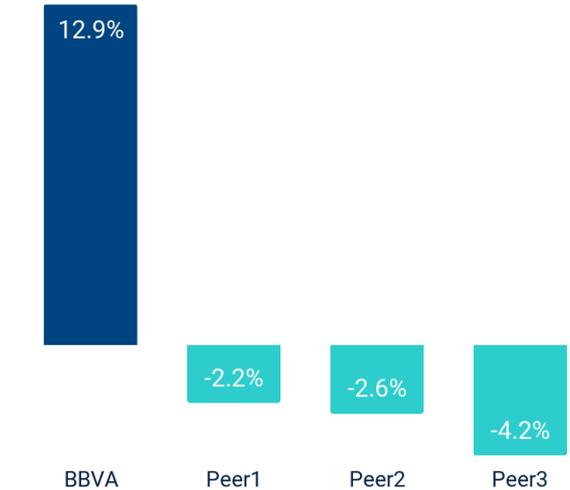
# As a result, **BBVA Spain** enjoys a differential position

## Efficiency and Profitability (9M21, %)



RoRC: Net profit / Avg. APRs \* 11.5%  
Peers: CaixaBank, Sabadell Spain & Santander Spain

## Retail banking Net Promoter Score\* (9M21, %)



\*Source: Madison

**Leading the industry profitability and achieving superior client satisfaction**

Looking forward, with 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

# New customer acquisition both in own channels and through third parties agreements

## Own channels

### LEVERAGING ON OUR DIGITAL CAPABILITIES

-  Best in class onboarding process
-  Excellence Bank change Service

### A PLATFORM FOCUSED ON ENGAGEMENT

-  >70% Engaged clients in six months

## Third parties agreement

### MAIN LINES OF ACTION

- > Tech players agreements
- > Buy-now-pay-later value proposition
- > Financing through partnerships



niw.es

ASPIRATION

2021-24

+3.6 MILLION



x2

New customer acquisition yearly average 2016-21

# Translating sustainability into a **tangible growth opportunity**

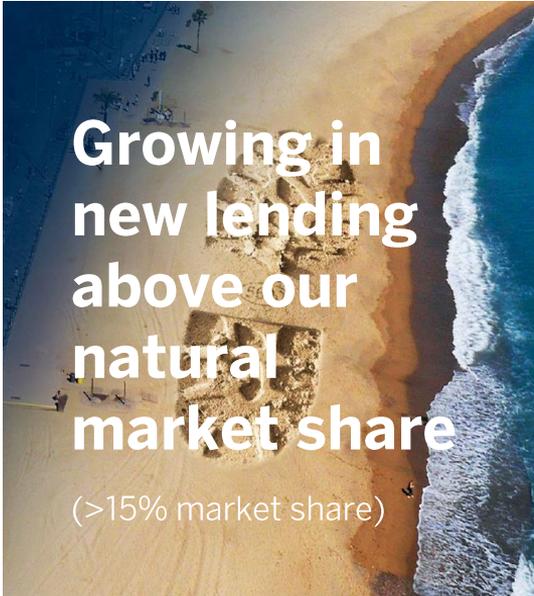
## Our aim is to target different business

### RETAIL

- Standardized solutions: self-consumption, energy efficiency, and more
- Tailor-made financing solutions

### WHOLESALE

- Tailor-made solutions around power
- Large scale renewable projects
- Support our client's transition with advice and financing
- Industry coverage & new clients



**Growing in  
new lending  
above our  
natural  
market share**

(>15% market share)

**And all this supported by a dedicated and committed team covering all the business lines and fully integrated into existing origination and risk processes**

# Loan growth in the most profitable segments: Consumer

## Consumer loans market share (%)



## Main lines of action

- Strong risk models support pre approved loans to our customers
- Best in class digital capabilities
- Data capabilities & business intelligence to maximize cross-sell
- 🌱 Standardized turnkey solutions together with key partners, both own channels and third parties

ASPIRATION

2021-24

+30% (+9% CAGR)



loan growth

# Very Small Business & Mid-Size Companies

## Commercial\* Loans (€Billions, %)



## Very Small Business

- > Growing in pre approved loans
- > Proactive offering
- > **Intelligence** Customer Relationship Management
- 🌱 Standardized **green solutions** together with key partners

## Mid-Size Companies, focus on

- 🌱 **Sustainability**
  - Financing solutions for each asset
  - Project finance
  - Coverage for companies throughout energy value chain
- 🌐 **International** solutions
- 🇪🇺 **Transactional engagement**

ASPIRATION

2021-24

+20% (+6% CAGR)

🇪🇺 loan growth

(\*) Very Small Business + Mid-Size companies

Pricing policies aligned with return on capital to ensure profitability

# Strengthen diversification, prioritizing high value verticals: Payments

Sep-20 launched Aqua credit card



x3  
Issued credit card  
9M21 vs. 9M20

Total control of payments  
experience Security reinforced

- Issuing  
Strengthen Aqua value proposition
- Acquiring
  - Modeled and reinforced offer
  - Value added services
  - Specialized e-commerce salesforce
- Taking advantage of new rails opportunities

ASPIRATION  
2021-24

Growing above  
our natural  
market share

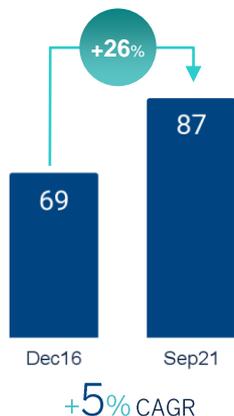


Leading the payments transformation

# Asset Management and Insurance as high value verticals

## Asset Management

OFF BALANCE SHEET\*  
(€BILLIONS, %)



- > Mobilizing excess liquidity
- > Personalized proposals based on individual client's profile
- > New products: Sustainable product offering, "Megatendencia" Funds, and more

(\*) Mutual Funds + Pension Funds + Managed portfolios

## Insurance

NON LIFE INSURANCE  
PREMIUMS (€MILLIONS, %)



- > Product specialization
- > Data capabilities to maximize sales
- > Improvement in digital experience

ASPIRATION  
2024

>50%

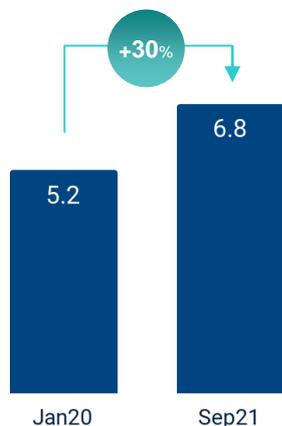
active customer base have an investment product or an insurance (vs. 35% Sep21)



Asset management and insurance key products to increase cross sell

# Build differentiation based on advice, allowing us to increase sales

## Monthly client interactions with advisory tools (Millions)



## Customers user advice tools vs. non user (Sep21)

ATTRITION RATE -38%

NPS +39%

DIGITAL SALES in the last 6 months X2

## Main advisory tools (Sep21)

**INVEST**  
17% Mutual Funds contracted using BBVA INVEST

**VALORA**  
25% Mortgages granted using BBVA VALORA

## ASPIRATION 2024

>80%

digital o/ total sales (units) (vs. >65% 9M21)

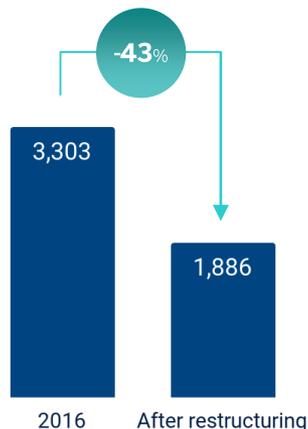


# From Advising to Selling

# BBVA leading the transformation of the relationship model with a **focus on remote assistance**

## Branch network (#)

## A scalable, convenient and productive model



*"HAVE THE BANK IN YOUR POCKET"*

## REMOTE MODEL VS. IN BRANCH (Sep21)

CUSTOMERS PER SALESFORCE +15%

NPS +19pp

## ASPIRATION

# 2021-24

**6 MILLION**  
Customers using remote service (x1.7 vs 2021e)

**50%**  
Remote salesforce o / total salesforce (vs. 30% in 2021e)

(\*) BBVA is an overall digital experience leader five year in a row according to "The Forrester Digital Experience Review"



## Digital experience leader five years in a row\*

# Takeaways & Guidance



Continue focusing on **profitable growth**, based on three-pillars:

- Increase the customer base
- Improving our lending mix
- Revenue diversification



Maintaining an **efficient allocation** of our **capital** keeping up strict price and risk management policies



Driving operational excellence, with a convenient, scalable and productive **relationship model**



Working on digitalization evolution driving **productivity, efficiency and flexibility**



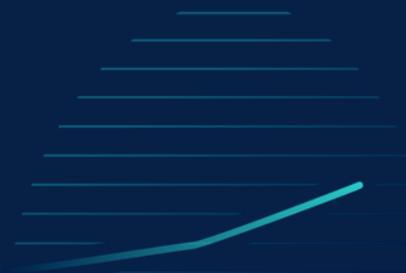
**Revenues**  
2021 / 2024  
**Slight growth**

**Efficiency**  
goals for 2024  
**To reach 45%**

**CoR**  
2022 / 2024  
**< 35 bps** on average

**BBVA**

Creating Opportunities



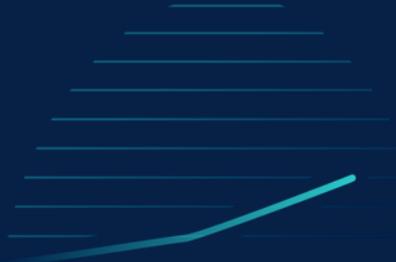
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Day

**BBVA**

Creating Opportunities

# Accelerating profitable growth in our main markets: Mexico

EDUARDO OSUNA,  
COUNTRY MANAGER MEXICO



BBVA  
**Investor**  
Day

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# Index

01 Macroeconomic environment

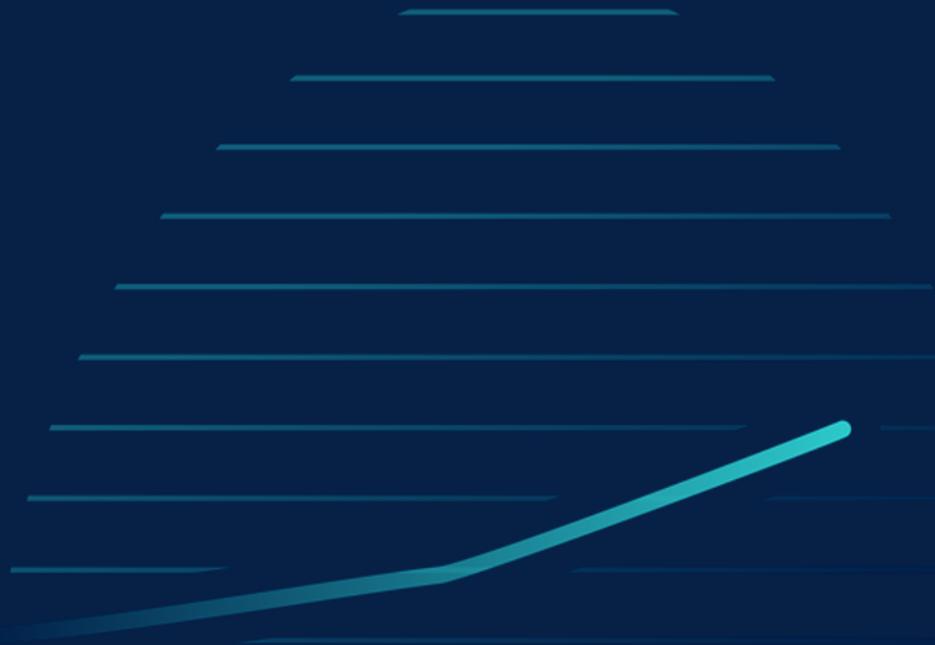
02 BBVA Mexico: Leading growth

03 Final remarks (ambitions)



01

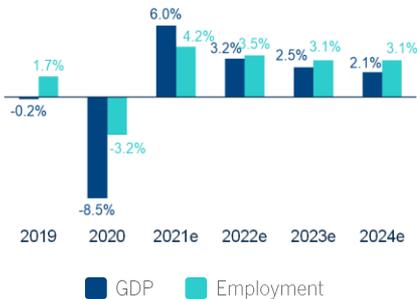
# Macroeconomic Environment



# Favorable Perspectives **for Mexico**

## Solid Economic Recovery

**GDP & EMPLOYMENT**  
(YoY %)



**INVESTMENT**  
(YoY %)



**INFLATION & MONETARY POLICY**  
(%, EOP)



**USA-MEXICO CONNECTION**  
(FIGURES AS OF 2020)

Remittances  
**USD 40.6 bn** | 11% YoY

MX Imports from USA | USA Imports from MX  
**USD 212 bn** | **USD 325 bn**

MX Exports to USA = **81%**

## With social, geographic & political balances



Democratic elections



BANCO DE MÉXICO

Solid institutions (counterweights)



Multiple Trade Agreements



Privileged geographic location

# Opportunity to continue boosting banking penetration

## POPULATION HIGHLIGHTS



2010-2020 growth

13.0%

1.4%

Mean population age

29

42

Adults w/ bank account

47%

95%

Cash usage < 20€

95%

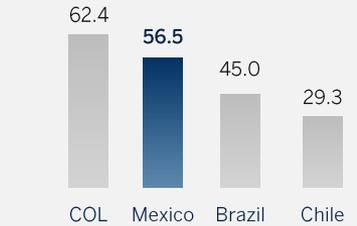
<78%

## LOANS TO PRIVATE SECTOR %



Source: World Bank, 2020.

## INFORMAL EMPLOYMENT 2019, %

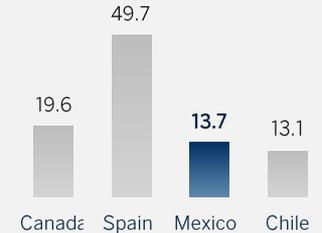


Source: BBVA Research / ILOSTAT

## ATMs / 10k HABITANTS 2019 figures



## BRANCHES / 100k HABITANTS 2019 figures



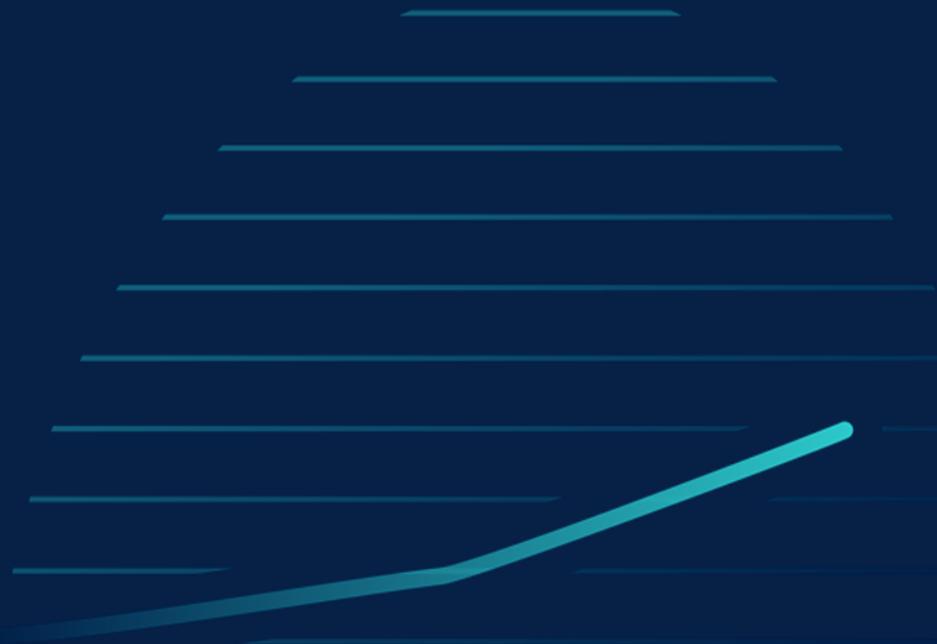
**BBVA**

Creating Opportunities

02

BBVA Mexico

Leading growth



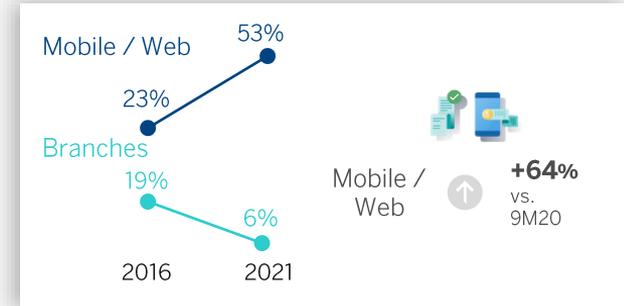
# BBVA Mexico | BBVA MX COMPETITIVE STRENGTHS

## FOOTPRINT Sep. 21

|   |  |
|---|--|
| <b>Clients</b><br>24.6 M  | <b>ATM's</b><br>13,139 <b>#1</b><br>Main Peer <b>9,557</b>   |
| <b>Employees</b><br>39.4 k <b>#2</b><br>Main Peer <b>43,966</b> | <b>Branches</b><br>1,721 <b>#2</b><br>Main Peer <b>1,952</b> |

## TRANSACTIONS

Financial transactions usage. Figures as of Sep.21 in %



## DIGITAL CAPABILITIES 9M21

|  |  |
|--|--|
| <b>Digital Clients</b><br>14.6 M<br><b>+29%</b><br>YoY | <b>Digital Sales Units</b><br>69%<br>vs <b>63%</b><br>9M20 |
|--|--|

## LEADERSHIP

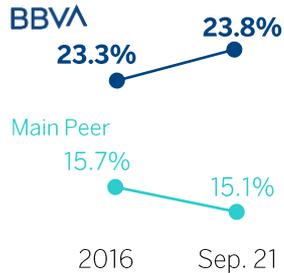
Sep.21 (market share)

| Performing Loans | Customer Deposits | NPS            | Brand Power  |
|------------------|-------------------|----------------|--------------|
| 23.8%            | 23.2%             | 64 pts.        | 29.1%        |
| Next Peer        | Next Peer         | Next Peer      | Next Peer    |
| <b>15.1%</b>     | <b>14.6%</b>      | <b>35 pts.</b> | <b>18.7%</b> |

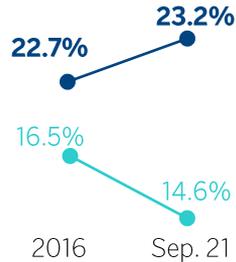
# Solid and sound growth with a profitable mix

## Leading Market Shares

### PERFORMING LOANS



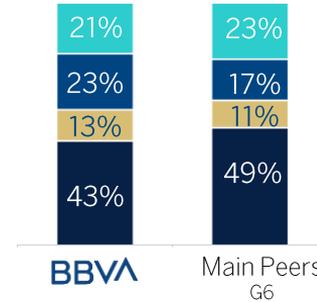
### DEPOSITS



## Profitable Business Mix

### LOAN MIX (Sep. 21, %)

- Mortgages
- Consumer
- Government
- Enterprises



Loans and deposits growing above GDP  
2.2x avg.

## Sound asset quality

### NPL RATIO (Sep. 21)

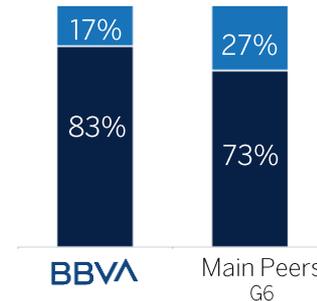
BBVA  
1.9%  
-11 bp YoY

### MAIN PEERS (G6)

2.4%  
+45 bp YoY

### DEPOSITS MIX (Sep. 21, %)

- Time
- Demand



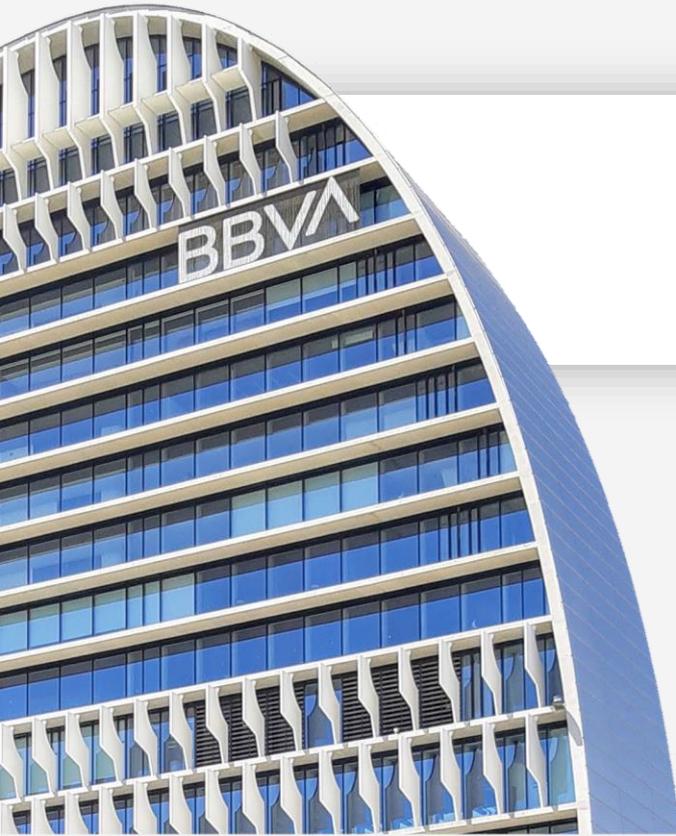
Loan mix towards more **profitable segments**

A more efficient deposits mix with **higher weight in low cost funds**

# We constantly transformed ourselves to lead the banking industry in Mexico



- 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

- We are people's bank
- We are enterprises & government's bank

2

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

3

Continue leading efficiency, through operational excellence

# We're the people's bank, outperforming in every product line

## Consolidating our leadership position

(Market Shares as of Sep.21)

**1st** Credit Card (%)  
30.9  
Next peer **23.8**

**1st** Payroll Loans (%)  
38.1  
Next peer **20.3**

**1st** Auto Loans (%)  
32.2  
Next peer **19.5**

**1st** Mortgages (%)  
25.7  
Next peer **19.2**

**2nd** Personal Loans (%)  
21.7  
Next peer **25.9**

**1st** Bancassurance (%)  
29.7  
Next peer **18.5**

Source: CNBV Public information (local data)

## Our strategy for sustainable growth

### BOOST NEW CUSTOMER ACQUISITION | GROWING IN PROFITABLE SEGMENTS

New clients  
**2.7M**  
New accounts  
9M21

**62.4%**  
Digital  
9M21

Affluent & Private Banking  
**2.6x**  
New clients  
Sep. 21 vs. Sep. 16

**2x**  
EBT growth  
Dec.21e vs. Dec-16

### OUTPERFORMING IN PRODUCTS THAT MATTER TO CLIENTS AND BOOST CROSS SELL

Payroll Market Share (Ago. 21)  
Contracts (#) **27.4%**  
+79 bp YoY

Disbursed (amount) **43.4%**  
+57 bp YoY

DC & CC Usage  
**43%**  
Market Share  
Total CC & DC txns

**2.8x**  
ecommerce  
growth YoY

### POSITIVE PERFORMANCE IN THE INSURANCE BUSINESS

NAP Market Share (Jun. 21)  
**2nd** **12.7%**  
of total Insurance Industry

**+18%** YoY  
Policies  
(premiums ex savings)  
Auto, Life & Home

**+8,100**  
Policies in 2 months



# We're also the enterprise and government bank

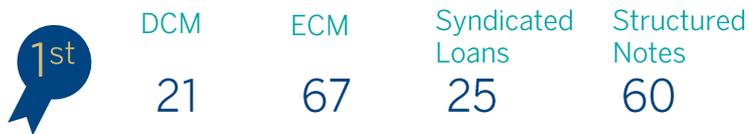
## Consolidating our leadership position

(Market Shares as of Sep.21)



## Well positioned in corporate segments

(Market Shares (% Share of Wallet as of Ago.21))



## Our strategy for sustainable growth

### INCREASE SMALL AND MEDIUM ENTERPRISE BANK PENETRATION (Sep.21)



### NEW PROFITABLE CLIENTS IN COMMERCIAL (Sep. 21)



### BOOSTING BUSINESS COMMERCE (Sep. 21)





1

A larger and more profitable bank

2

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

- Leading growth with innovation
- Financial inclusion and Sustainability

3

Continue leading efficiency,  
through operational excellence

# Leading growth with innovation and services beyond branches

## App BBVA

The reference in ELECTRONIC PAYMENTS AND FINANCING

14.1M  
Mobile clients  
Sep.21



- ✓ Financial Health
- ✓ Buy now & pay later
- ✓ Digital Services
- ✓ In-app rewards

## Card Experience

AQUA & INFINITE BIOMETRIC



Aqua



Infinite

Maximum Security

First biometric contactless credit card

6.3M clients with digital card  
(Sep.21, e-commerce, CC+DC)

## App BBVA Enterprises

DIY approach and better service for SMEs and Companies

290k  
Mobile clients  
Sep.21



- ✓ DIY Servicing
- ✓ POS Advance
- ✓ Biometric Auth.
- ✓ FX sales/transf.
- ✓ Balance mngmt.

### Best experience for our customers

(Digital customers vs non-digital customers Sep.21)

2x  
CROSS-SELL



2.2x  
HIGHER NPS



2.9x  
LESS ATTRITION

# Promoting financial inclusion and sustainability

## Increase financial inclusion

### > Boost CoDi



5.7M

ENROLLED BBVA ACCOUNTS  
61% MARKET SHARE as of Sep. 21

3.2M

TXNS  
38% MARKET SHARE as of Sep. 21

### > Specific product solutions



48,200  
NEW CARDS 9M21

**Link Card**  
DEBIT CARD <18 YEARS



40,100  
NEW CARDS 9M21

**Credit Card Crea**  
(clients w/o credit history)  
1ST CREDIT CARD (18-30 YEARS)

## Mobilize sustainable financing

- > Use of **recycled plastic** in the new Aqua Cards
- > **Granting of credit** with special conditions to individuals and companies

€104M  
RETAIL 9M21

€1,875M  
WHOLESALE LOANS & BOND  
UNDERWRITER 9M21

- > **First Private Bank** to issue a Green Bond in the mkt

**Mkt Share Green Bond underwriter**  
(Sep. 21, %)

- > **Issuance for clients of Social Bonds**

€316M  
9M 2021

28.0  
Next peer **21.2**





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

# Continue leading efficiency through operational excellence

## More transactions through more efficient channels

### MORE TRANSACTIONS

**+1,700 M**  
TXNs 9M21

**+87%**  
9M21 vs. 9M16

### EFFICIENT CHANNELS

% OF TOTAL FINANCIAL  
TRANSACTIONS



### OPTIMIZING INFRASTRUCTURE

**-8%** LESS BRANCHES  
vs DEC-16

146 openings

242 closings

## Improving servicing with data & Tech

### CLAIM REDUCTION 9M21

**77%**  
Solved 1st contact

**>**

**38%**  
Through App

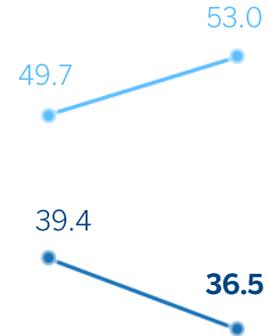
### TRANSACTIONS EVOLUTION 9M21

**50%**  
Of TXNs at ATMs are servicing  
(non cash withdraw)

### PRODUCTIVITY INCREASE Dec.21e vs. Dec.19

**+23%**  
Relationship Managers productivity

## Evolution of our Efficiency Ratio



2016

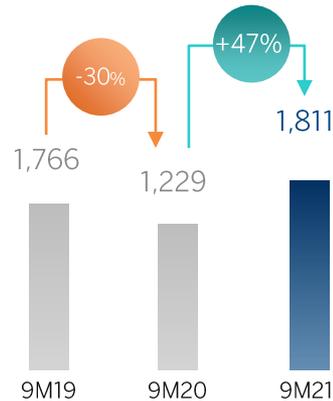
9M21

■ BBVA    ■ Main Peers G6

# Consolidating our profitable growth

## Surpassing pre-pandemic levels

### NET ATTRIBUTABLE PROFIT (MILLION CONSTANT EUROS)



## Outstanding profitability

### NAP MARKET SHARE (%)

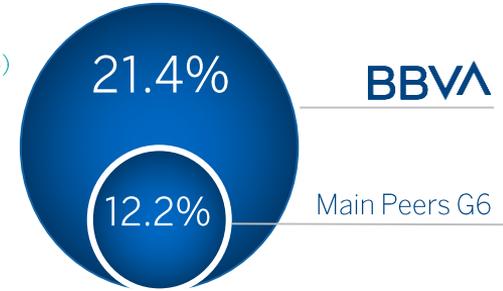


### LOAN MARKET SHARE (%)

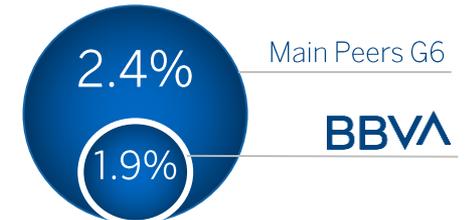


## Outperforming peers

### ROE (9M 21, %)



### NPL (9M 21, %)



Source: CNBV information (local information). Note G6 includes Banorte, Santander, Citibanamex, Scotiabank, HSBC and Inbursa (Financial Group Reports)

Our results reflect our market leadership

# Final Remarks

**1 STRATEGY**  
**A clear strategic path** around our purpose and priorities to continue growing in profitable segments.

**2 EXECUTION**  
**Constant transformation journey**, leveraged on data and technology to support our customers in their life and business, while continue providing the best service.

**3 EARNINGS POWER**  
**Uniquely positioned** to take advantage of the market opportunities despite changing and challenging macroeconomic conditions, and continue to focus on having “the best in class efficiency” model.



Diversified footprint



Leading growth



Prudent risk profile

## OUR AMBITIOUS GOALS



### Revenues

CAGR 21-24 close to double digit



### Efficiency

low 30's in 2024

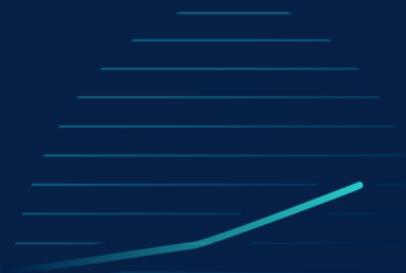


### Cost of Risk

< 300bps on average 2022-24

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Creating Opportunities

A stylized line graph graphic consisting of several horizontal lines of varying lengths that form a triangular shape, with a single line rising from the bottom left towards the top right.

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**Investor**  
Day

**BBVA**

Creating Opportunities

Accelerating  
profitable growth in  
our main markets:  
Turkey

RECEP BAŞTUĞ,  
COUNTRY MANAGER TURKEY



BBVA  
**Investor**  
Day

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# Index

- 01 Market Dynamics
- 02 Competitive Overview
- 03 Strategy Going Forward

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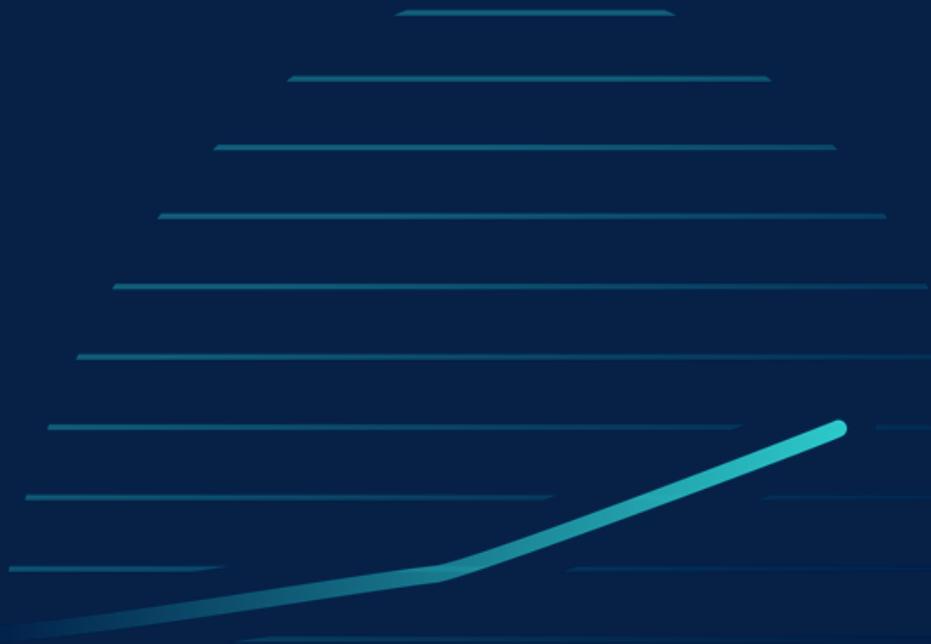
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Creating Opportunities

01

# Market Dynamics



# Turkey: A Country with Strong Fundamentals and Long-Term Potential Despite Short-term Volatility

## GDP GROWTH



## INFLATION



## TURKEY'S LONG-RUN POTENTIAL & KEY ANCHORS

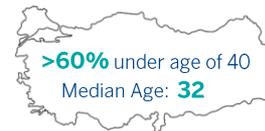
Still **high potential growth** in long-run



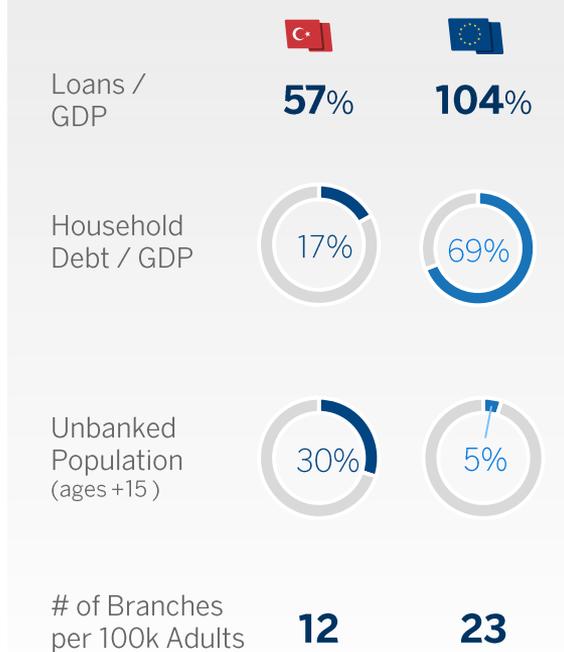
**Strategic geopolitical location**  
A **manufacturing hub** for Europe



**Favorable demographics**  
Young, growing and digital savvy population



## WELL REGULATED & STILL UNDERPENETRATED BANKING SECTOR

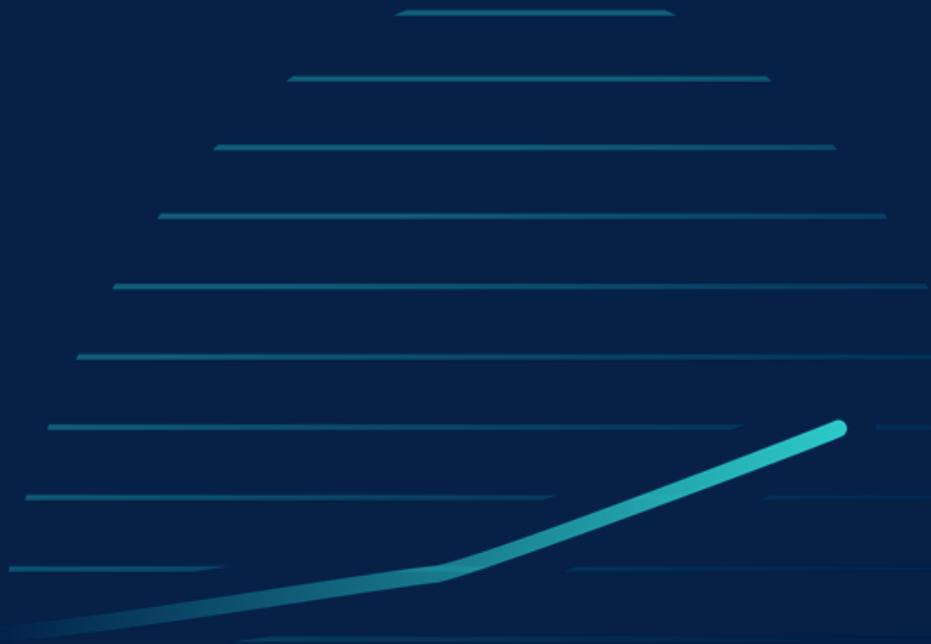


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Creating Opportunities

02

# Competitive Overview



# Outstanding Performance Among Peers

## Leadership in TL Lending & Sustainable Funding Base

### LEADERSHIP IN RETAIL LENDING MARKET SHARE GAIN ACROSS THE BOARD

|                       |     | Y-t-D bps   |           |
|-----------------------|-----|-------------|-----------|
| Mortgage              | 29% | <b>+98</b>  | <b>#1</b> |
| General Purpose       | 19% | <b>+36</b>  | <b>#1</b> |
| Retail Issuing Volume | 24% | <b>+113</b> | <b>#1</b> |
| Auto                  | 36% | <b>+85</b>  | <b>#1</b> |
| TL Business           | 19% | <b>+118</b> | <b>#2</b> |

### REMARKABLE TL LOAN GROWTH CAGR (16-21)

**18%**      Private      **14%**



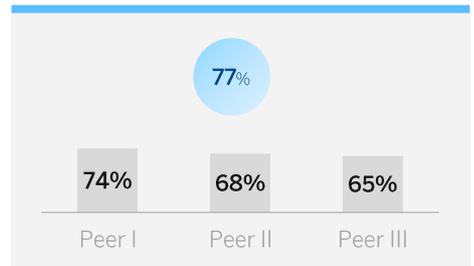
### LOWEST NPL RATIO<sup>1</sup>

**4.0%** | **5.2%**  
      **Peers avg.**

### HIGHEST DEMAND DEPOSIT (TL Bn)



### HIGHEST NPL COVERAGE



Note: Market shares among private banks (1) 9M21

Note : Adjusted with write-downs in 2020 and 9M 2021

# Outstanding Performance Among Peers

Unrivaled Leadership in All Financial Indicators



Net Interest  
Income  
Market Share

HIGHEST  
NIM

**4.3%**

>1% gap  
with the next peer

HIGHEST F&C INCOME  
(TL BN)

**6.1**

TL 0.8 Bn gap  
with the next peer



F&C Income  
Market Share



Net Income  
Market Share

HIGHEST NET INCOME  
(TL BN)

**9.1**

TL 11 bn  
incl Free Provisions

**50% gap**  
with the next peer

HIGHEST  
ROE

**19.3%**

21.5 %  
incl Free Provisions

>3% gap  
with the next peer



# Main Competitive Advantages Leading to Outstanding Results



# Competitive Advantages

## 1) Highest Network Productivity & Efficiency

### HIGH GROWTH BRINGING PRODUCTIVITY & EFFICIENCY GAINS



Note: Banking Revenues = NII – Swap Cost + Net Fees & Commissions

OPEX excluding currency impact is used in the calculation of efficiency ratios. Income defined as NII inc. Swaps + Net F&C + Dividend Income + Subsidiary Income + Net Trading Income (excludes swaps & currency hedge) + Other income (net of prov. Reversals)

# Competitive Advantages

## 2A) Leadership in Payment System Business

### HIGHEST CARD CUSTOMER & MERCHANT BASE AMONG PRIVATE

# OF CARD CUSTOMERS  
(SEP.21, MN)



# OF MERCHANTS  
(JUN.21, TH)



### HIGHEST EVER MARKET SHARES IN BOTH ISSUING & ACQUIRING

#1

RETAIL ISSUING VOLUME MS%  
(9M 21)

24%  
+41BPS

#2

ACQUIRING VOLUME MS%  
(9M 21)

24%  
+52BPS

E-COMMERCE VOLUME MS%  
(9M 21)

20%  
+1.6%

#2\*

### HIGHEST COMMISSION CONTRIBUTION

NET PAYMENTS SYSTEM COMMISSIONS & SHARE IN TOTAL F&C (9M 21, TL Bn)

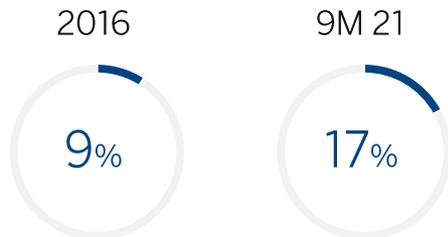


Note: Market shares, among private banks and market share changes are Y-t-D  
\* Sep'21

# Competitive Advantages

## 2B) Integrated Financial Services with High Value Verticals

### SUBSIDIARIES' CONTRIBUTION TO NET INCOME<sup>(1)</sup>



### PENSION

#1

**Highest** number of **participants in Pension System** with >16% market share

### INSURANCE

#1

**Highest non-life premium production** through bank channel (among private)

### BROKERAGE

#1

**Highest retail brokerage commission income**  
 # 1 in IPOs as Consortium Leader

### MUTUAL FUNDS

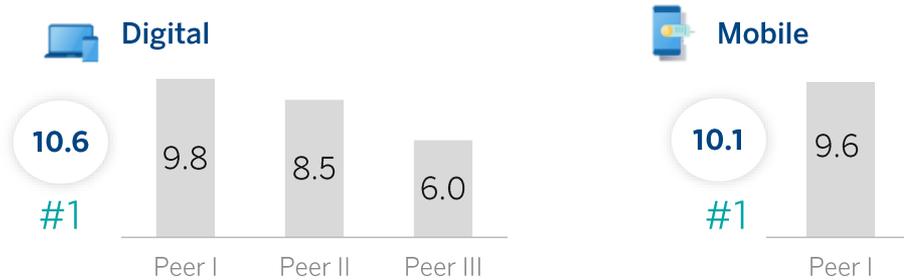
**Highest growth among peers Y-t-D 130% with +50 new funds**

(1) Consolidated figures

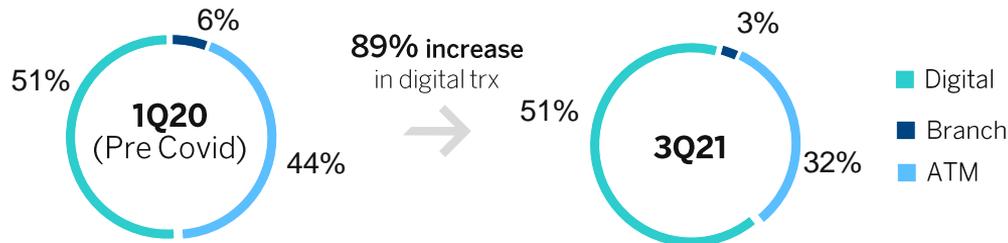
# Competitive Advantages

## 3) Best-in Class Technology / Digital Experience

### NUMBER OF ACTIVE CUSTOMERS<sup>1</sup> (MN)



### CUSTOMER TRANSACTIONS<sup>2</sup>



### EXCEEDED 10 MN MOBILE CUSTOMERS! WITH +2.0 MN NEW CUSTOMERS SINCE MAR.20

**+60%** Increase in the number of monthly logins since the beginning of 2020

**19%** Market share in mobile financial transactions

**>80%** Share of digital in total sales (per unit)

(1) Active: login in last 3 months

(2) Based on Top Transactions (i.e. Bill payment, Money transfer and FX transactions) that make up 90% of total transactions

# Competitive Advantages

## 4) Top Brand Power & Excellent Customer Experience

### BEST-IN CLASS CUSTOMER EXPERIENCE



SMEs  
NPS

#1



Individuals  
NPS

#2

### HIGHEST BRAND POWER AND MOST VALUABLE BANK



Brand Power  
Among Private Peers

#1



Most Valuable Bank  
By Market Capitalization

#1

Note:

**Net Promoter Score** research is conducted by independent research agency Ipsos for Garanti BBVA. According to the research results, Garanti BBVA has the 2nd highest Net Promoter Score among retail customers representing its own profile and leader among SME customers, in both cases compared to its competition, which includes Is ,bank, Akbank, Yapı Kredi Bank, and QNB Finansbank. Research was conducted throughout 2021. Main bank customers, who have communicated with the banks over the last 3 months, were surveyed using online panel and telephone techniques by quota sampling.

**Brand Power** research is conducted by independent research agency Kantar for Garanti BBVA. According to the research results, Garanti BBVA has the highest Brand Power score among competition which are Ziraat Bankası, İş Bankası, Yapı Kredi Bankası, TEB, QNB Finansbank, Vakıfbank, ING, Denizbank and Akbankası in Q3. Research was conducted throughout 2021. Our target audience is main bank customers. We were conducting surveys via online panel by quota sampling.

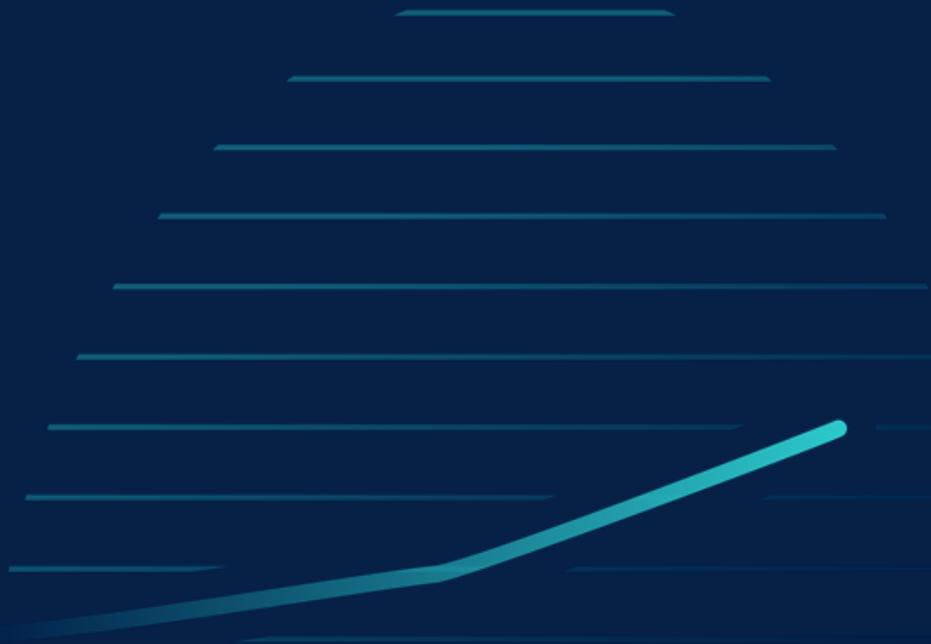
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Creating Opportunities

03

Strategy

Going Forward



# 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

# Boost Customer Growth on Profitable Segments

1) A larger and more profitable bank fostering profitable growth

## STRATEGIC FOCUS



Credit Card  
Customers



Payroll  
& Pension



General Purpose  
Loans & Overdraft  
Customers



Micro  
Segment

**20 Mn**  
total customer  
base

**+1.5 Mn**  
new customer  
acquisition  
annually

**Lower  
Attrition**

**x2**  
in profitability vs.  
w/o card

**>50%** of  
new customer acquisition  
from payroll

**47%** of  
GPL granted to  
payroll customers

Consolidated leadership in card and payroll customers

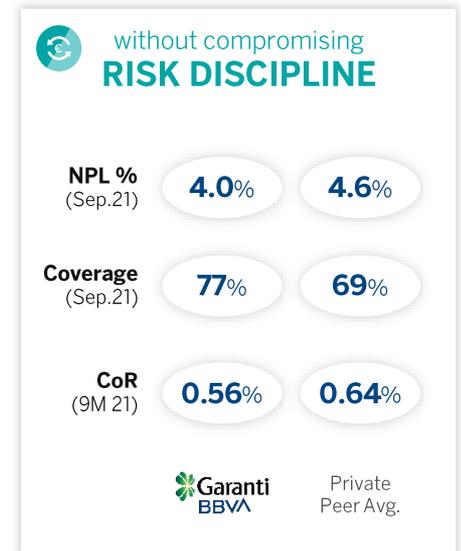
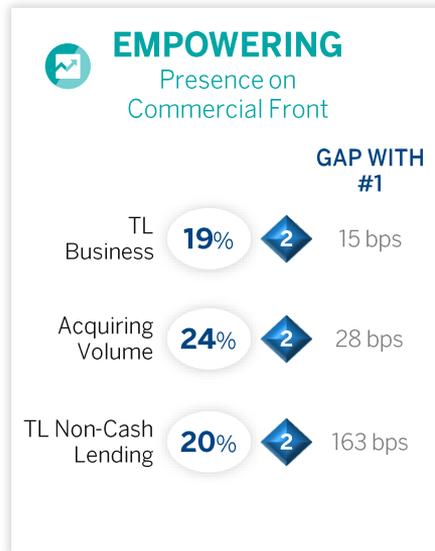
## KEY LEVERS

- > Increase % of E2E digital onboarding
- > Leveraging on our strength in business banking
- > Loyalty focused actions

Tapping "Unbanked" Potential

# Sustain Leadership in Profitable Products / Segments

1) A larger and more profitable bank fostering profitable growth



### KEY LEVERS

- > AI Based Risk Models
- > Leveraging Digital Capabilities E2E commercial lending
- > Boost Cross-Sell

# Unique Value Proposition

2) A distinctive bank with a unique value proposition

## Sustainability

### MANY FIRSTS IN THE MARKET AND IN THE WORLD

#### KEY PROGRESS

- > First & only bank in Turkey to join **Net Zero Banking Alliance**
- > **Carbon Neutral Bank** as of 2020
- > First bank in Turkey with **coal phase-out plan**

**100%** renewable energy financing in new Project Finance loans since 2014

Market Leader  
**24.7%** share in wind farm financing

#### STRATEGIC FOCUS / KEY LEVERS

- > New / Innovative Solutions
- > Diversify sustainable finance portfolio
- > Advisory Role
- > Women Entrepreneurship Support

#### TURKEY

**#5** in Europe in renewable energy installed capacity

**#2** in new capacity additions (2016-20)

## Financial Health / Advice

- > New tools and features on Mobile
- > New advertising platform focused on Financial Health



### BONUS CHECK-UP

Reasons for decline & tips for improvement

- > More **personalized, proactive, impactful** guidance
- > Focus both on savings and lending solutions

## Capture Growth Opportunities

# Operational Excellence

3) Continue leading efficiency, through operational excellence

## STRATEGIC FOCUS

-  Constantly Improving **Business Model with Efficiency Focus**
-  Optimizing **Relationship Model**
-  Ongoing Digital Migration - Position Mobile as **"Center of Experience"**
-  Leveraging **Digital as Primary Growth Area** for Sales

## KEY LEVERS

-  Remote Roles / Central Customer Service Representative
-  Process Focus / Robotic Process Automation
-  Further Re-Channeling & Digital Sales Boost
-  Digitalization of Enterprises / SMEs

### Cost / Income

34.1%  -2.7%  
in last 2 yrs

### # of Branches



**>80%**  
Share of Digital Sales  
(in units)

# Key Takeaways

## Unrivaled leadership

-  Turkey's best bank with a distinctive value proposition and leaderships in key areas
-  Proven track record of solid financial results
-  Sustainable Profit Generation and robust growth
-  Pioneer in Digital Capabilities

## Looking ahead

-  Sustain by far Leadership in profitability:
  - > Focus on customer growth
  - > Sustain leadership in key products – without compromising risk and price disciplines
-  Operational excellence – leverage digital capabilities
-  Unique Value Propositions– financial health and sustainability

OUR AMBITIOUS GOALS  
(consolidated)

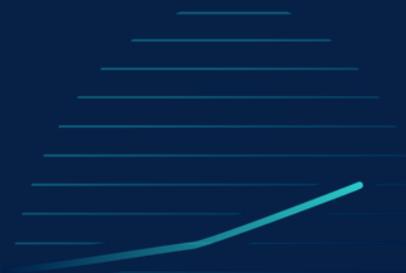
**REVENUE** (2022-2024)  
CAGR: High-teens

**COST / INCOME** (2024)  
Low **30's**

**CoR** (Avg., 2022-2024)  
**<150 bps**

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Creating Opportunities

The graphic consists of a series of horizontal lines of varying lengths that form a triangular shape pointing upwards. A single, thicker line starts from the left side of the base and curves upwards and to the right, ending near the top right of the triangular shape.

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