

BBVA

Creating Opportunities

Accelerating
profitable growth in
our main markets:
Spain

PEIO BELAUSTEGUIGOITIA,
COUNTRY MANAGER SPAIN



BBVA
Investor
Day

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02 Achievements 2016-21

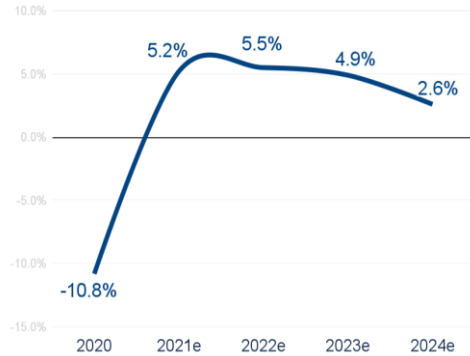
03 Strategy 2022-24

04 Conclusions

Spanish economy in a positive cycle of GDP Growth

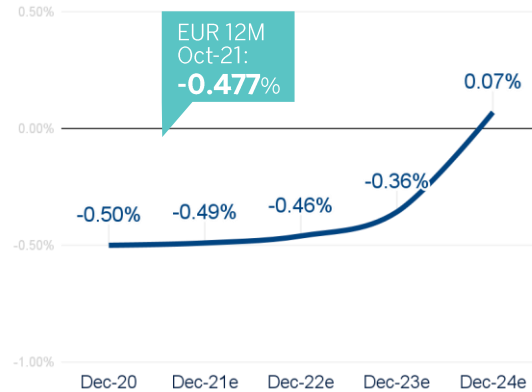
GDP Growth

Spain (YoY, %)



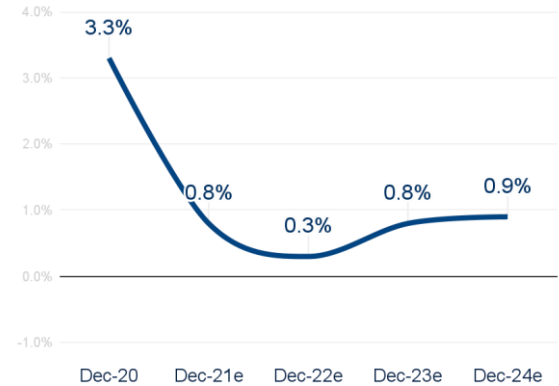
Interest Rates

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

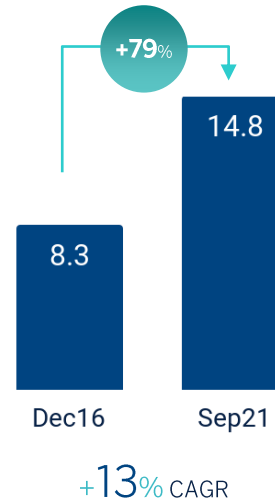
Customer growth

CUSTOMER ACQUISITION

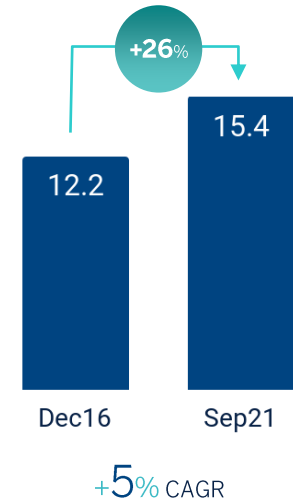
- 
3.5 million new customers
 2016-21e
- 
50% through **digital channels**
 in 2021 (vs. 9% in 2016)
- 
18% market share in **new customer acquisition** in 2021¹

Capital allocation in the most profitable products

CONSUMER LOANS (€Billions, %)



VERY SMALL BUSINESS LOANS (€Billions, %)

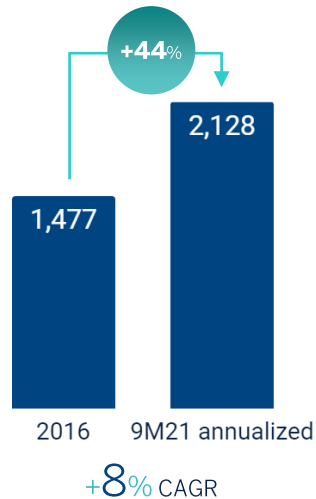


(1) Source Madison 9M21

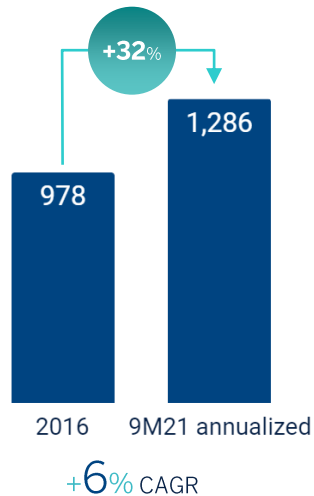
Relevant achievements in last 5 years

Non interest income growth

NET FEES & COMMISSIONS (€Millions, %)

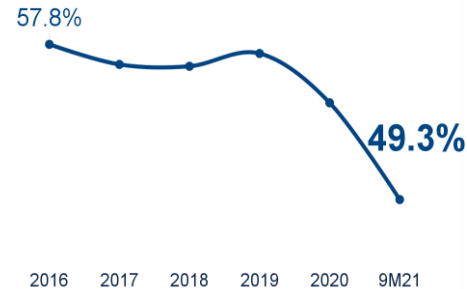


INSURANCE RISK PREMIUMS (€Millions, %)



Leading efficiency ratio

EFFICIENCY RATIO (%)

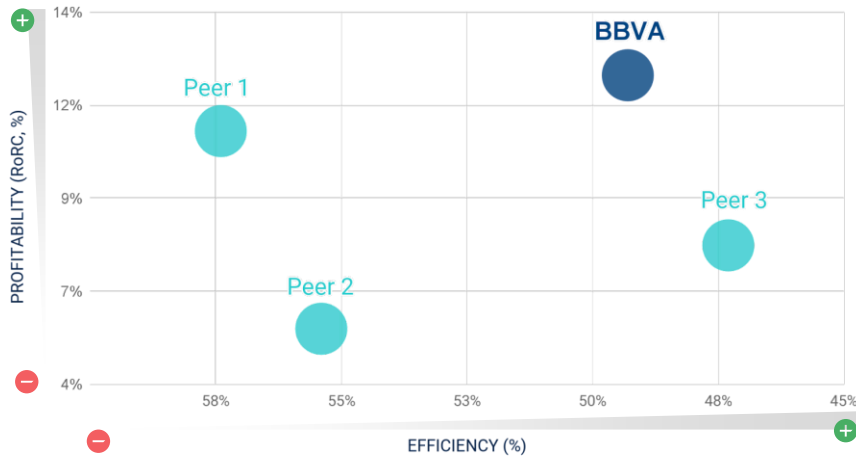


2016-2021e

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

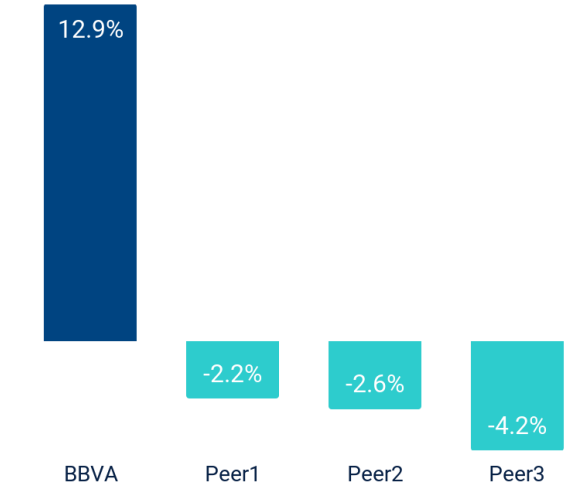
As a result, **BBVA Spain** enjoys a differential position

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



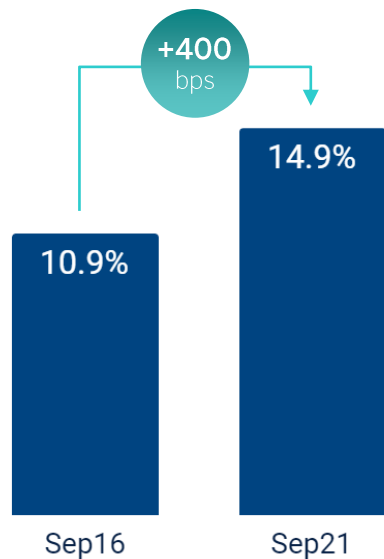
**Growing in
new lending
above our
natural
market share**

(>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

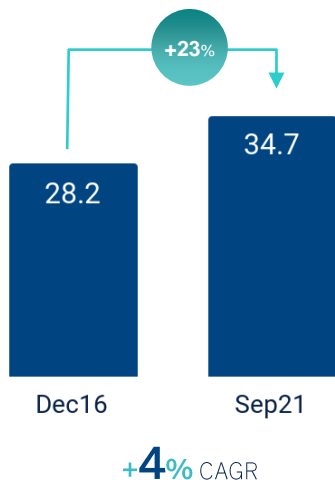
+30% (+9% CAGR)



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

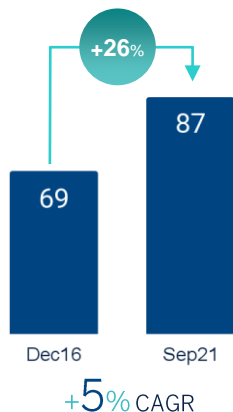


Leading the payments transformation

Asset Management and Insurance as high value verticals

Asset Management

OFF BALANCE SHEET*
(€BILLIONS, %)

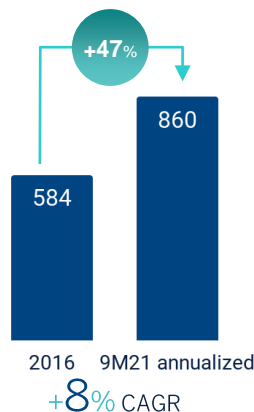


- Mobilizing excess liquidity
- Personalized proposals based on individual client's profile
- New products: Sustainable product offering, "Megatendencia" Funds, and more

(*) 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%

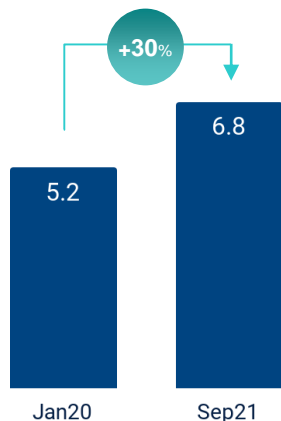
active customer base have an investment product or an insurance (vs. 35% Sep21)



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)

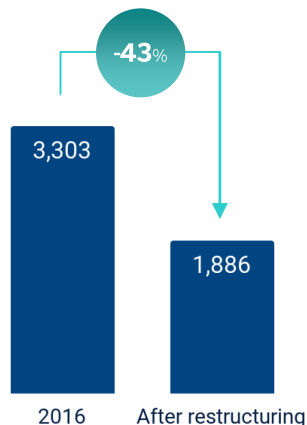


From Advising to Selling

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