

Voluntary Takeover Bid to acquire Garanti BBVA's minorities

November 15th, 2021

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Voluntary Cash Takeover Bid to acquire Garanti BBVA minorities

- Voluntary Takeover Bid (VTB) for up to 50.15% of Garanti BBVA shares currently not owned by BBVA
- VTB to begin after regulatory approvals have been obtained, expected to close in Q1 2022
- The offer is subject to no conditionality and BBVA will be satisfied with any resulting level of ownership
- In the event that the 50% ownership threshold is surpassed, BBVA will be able to increase its stake in the future without the need to launch an additional takeover bid

TRANSACTION TERMS AND SUMMARY OF IMPACTS

PRICE PER SHARE (TRY)¹	12.20
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P/ E '22e	3.6x
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P/ TBV Sep 21	0.7x
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BBVA GROUP SHAREHOLDERS' EXPECTED IMPACTS (%)²

EPS '22e ³ accretion	+13.7%
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TBV Sep 21 accretion	+2.3%
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Maximum CET1 FL consumption Sep 21 pro-forma (bps) ⁴	-46 bps
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GARANTI BBVA SHAREHOLDERS' OFFERED PREMIUM (%)

VWAP ⁵ 6M	34%
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VWAP ⁵ 1M	24%
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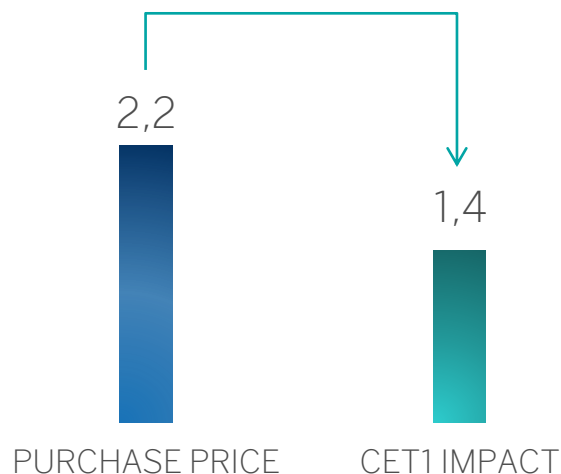
Last Closing (11/12/2021)	15%
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(1) All references to shares shall be deemed made to lots of 100 shares, which is the trading unit at Borsa Istanbul (2) Considering the maximum 50.15% take-up (3) The impact on earnings per share for 2022 was made taking into consideration for Garanti BBVA the Bloomberg consensus estimates of net income amounting to 14,276 million Turkish Lira and for BBVA the company gathered consensus estimates of net income amounting to 4,052 million Euro. The exchange rate applied was 12.91 Turkish Lira per Euro as per the average of FX forward curve for 2022 as of November, 12, 2021 (4) CET1 FL pro-forma Sep 21 post share buyback (5) Volume weighted average price

The transaction creates significant value for BBVA shareholders

VALUE UNLOCKED DUE TO INEFFICIENT TREATMENT OF MINORITIES ON CET1

PURCHASE PRICE VS. CET1 IMPACT (BILLION EUROS; CONSIDERING THE MAXIMUM 50.15% TAKE-UP)



Currently only c.70% of the capital provided by minorities is eligible for computation in CET1

SIGNIFICANT EPS AND TBV/ SHARE ACCRETION

IMPACTS

(CONSIDERING THE MAXIMUM 50.15% TAKE-UP)

- CET1 (Sep 21 pro-forma)¹ **- 46 BPS**
- EPS '22e² **+13.7%**
- TBV (Sep 21) **+2.3%**

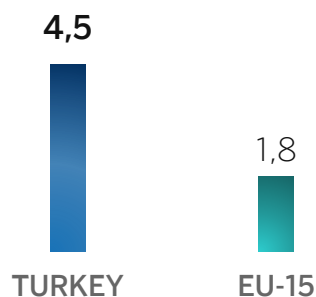
(1) CET1 FL pro-forma Sep 21 after share buyback (2) The impact on earnings per share for 2022 was made taking into consideration for Garanti BBVA the Bloomberg consensus estimates of net income amounting to 14,276 million Turkish Lira and for BBVA the company gathered consensus estimates of net income amounting to 4,052 million Euro. The exchange rate applied was 12.91 Turkish Lira per Euro as per the average of FX forward curve for 2022 as of November, 12, 2021

Turkey: a country with strong fundamentals and long-term potential despite short-term volatility

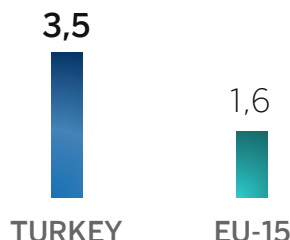
HIGH POTENTIAL ECONOMIC GROWTH

GDP GROWTH (PERCENTAGE)

2015-2021 CAGR

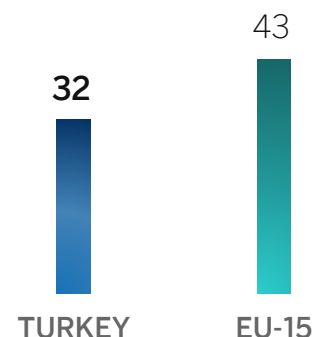


Potential GDP growth



OUTSTANDING DEMOGRAPHICS

MEDIAN AGE (2020)



MANUFACTURING HUB FOR EUROPE

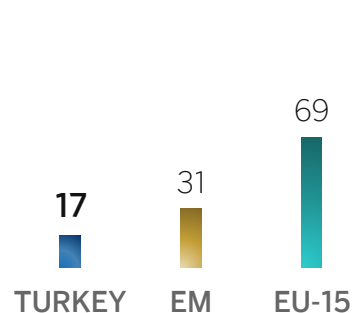
EXPORTS BY DESTINATION (PERCENTAGE, 2020)



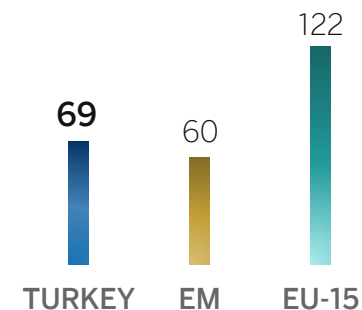
of Turkish exports
had Europe as
destination in 2020

BANKING SECTOR WITH GREAT UPSIDE POTENTIAL

HOUSEHOLD DEBT TO GDP (PERCENTAGE, 2021 Q2)



CORPORATE DEBT TO GDP (PERCENTAGE, 2021 Q2)



Garanti BBVA: the best bank in Turkey

LEADING MARKET SHARES

LOANS AND DEPOSITS MARKET SHARES, PRIVATE BANKS (SEPTEMBER 2021)

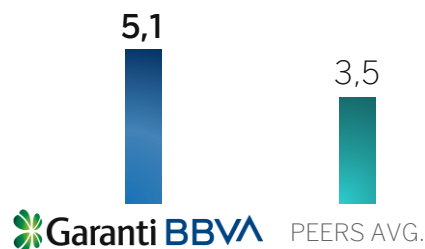
- TL LOANS **20%** (#1)
- TL DEPOSITS **19%** (#1)

PAYMENTS MARKET SHARES, PRIVATE BANKS (VOLUMES; 9M 2021)

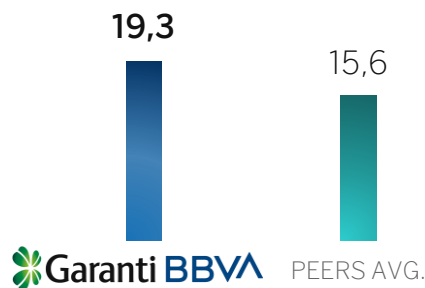
- ISSUING **24%** (#1)
- ACQUIRING **24%** (#2)
- E-COMMERCE **22%** (#1)

THE MOST PROFITABLE BANK

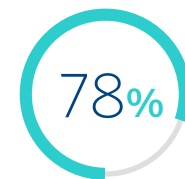
PRE-PROVISION PROFIT / AVG. INTEREST EARNING ASSETS (PERCENTAGE, 9M 2021)



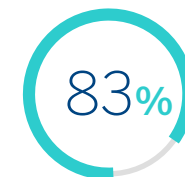
ROE (PERCENTAGE, 9M 2021)



DIGITAL EDGE AND THE BEST CUSTOMER EXPERIENCE



Mobile customers' penetration
(SEP 2021)



Digital Sales
(9M 2021 in units)

NET PROMOTER SCORE AND BRAND POWER (RANKING, JUNE 2021)

NPS RETAIL (#2)

NPS SMEs (#1)

BRAND POWER (#1)

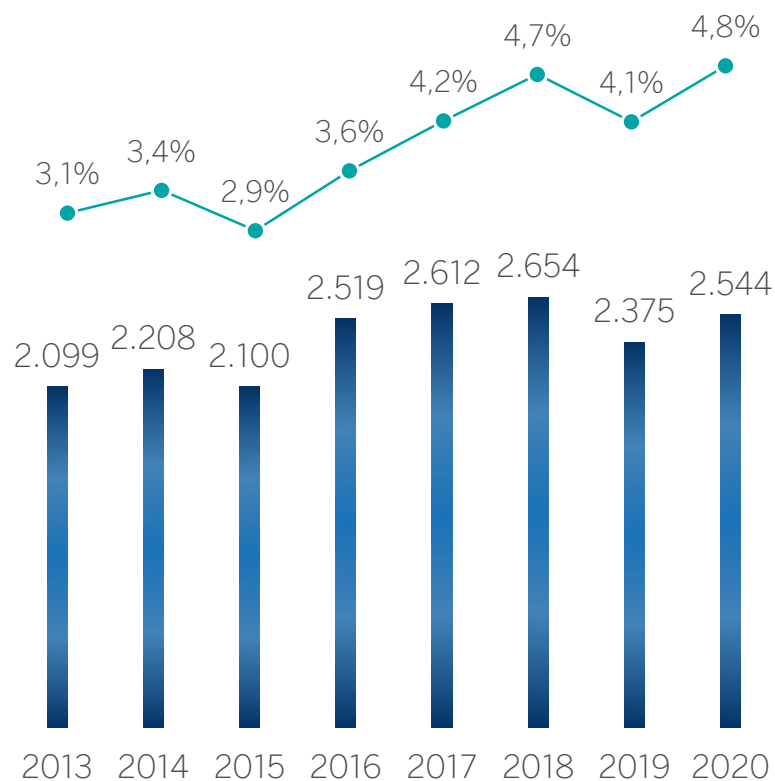
The first and only bank in Turkey to join Net Zero Banking Alliance

Business model resilience even in a complex environment

HIGH PRE-PROVISION PROFIT GENERATION CAPACITY

PRE-PROVISION PROFIT

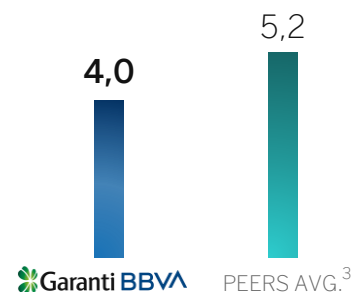
(MILLION, CURRENT EUROS AND AS A % OVER RWAs)



SOUND RISK AND CAPITAL MANAGEMENT

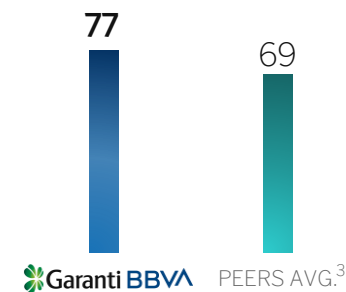
NPL RATIO¹

(PERCENTAGE, 9M 2021)



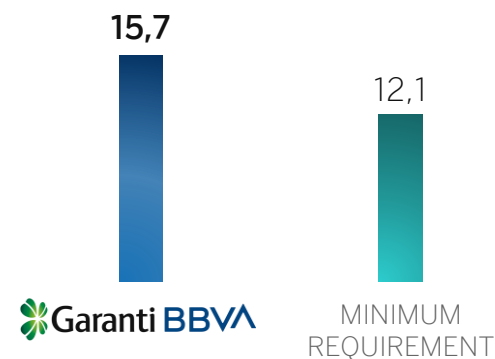
COVERAGE RATIO^{1,2}

(PERCENTAGE, SEP 2021)



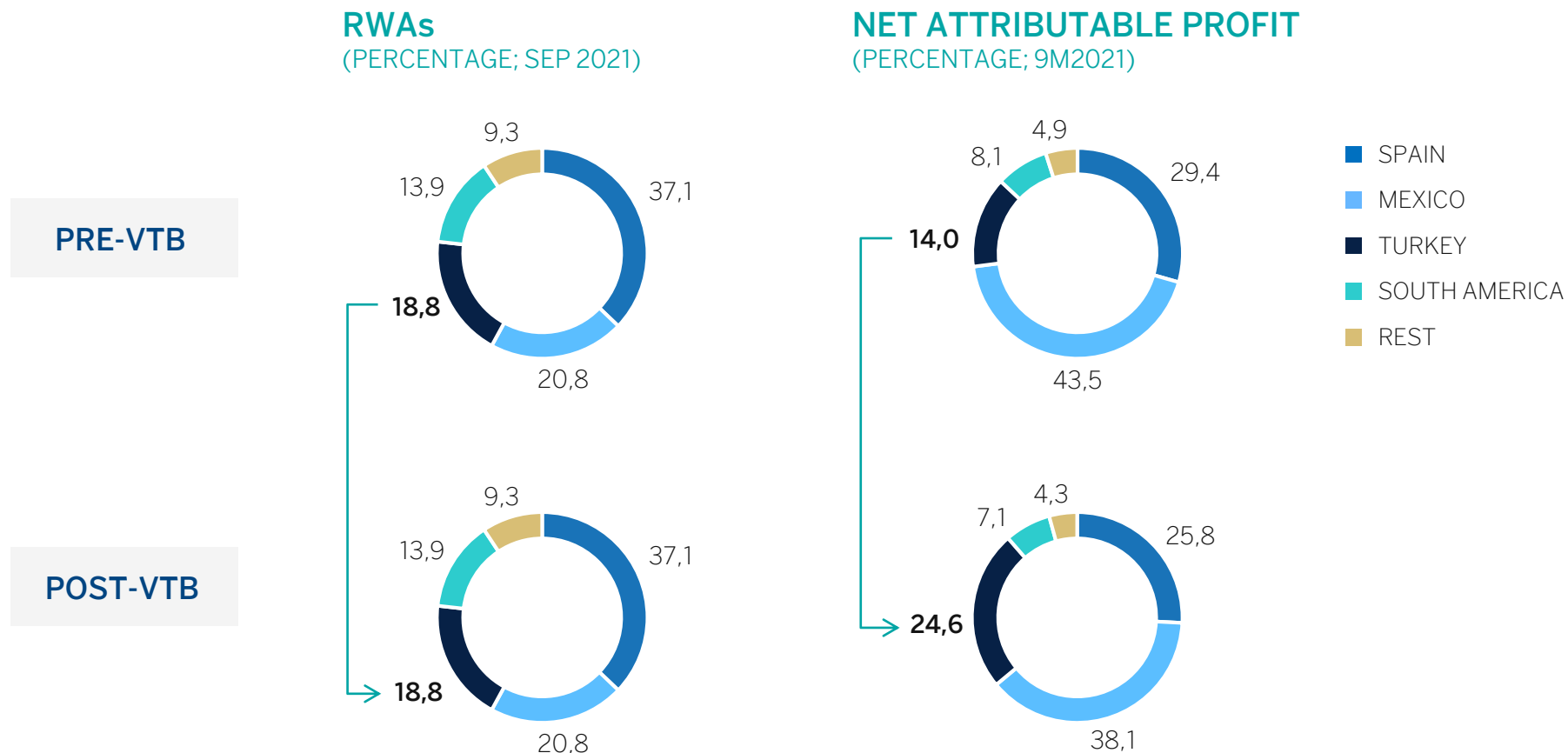
CAPITAL ADEQUACY RATIO¹

(PERCENTAGE, 9M 2021)



(1) Bank only BRSA local figures. (2) coverage ratio adjusted by write-downs (3) Peer group : Akbank, Isbank, YKB. Source: BRSA

Turkey's NAP contribution to BBVA increases from 14% to up to 25% with no impact on consolidated RWAs



BBVA's multiple point of entry model limits downside risks

Attractive price for minority shareholders

GARANTI BBVA PRICE EVOLUTION¹ (TURKISH LIRAS PER SHARE)

Premium

VWAP² 6M **34%**

VWAP² 1M **24%**

Last Closing (11/12/21) **15%**



Takeaways

- **The transaction creates significant value for our shareholders, eliminates capital inefficiencies and it is aligned with BBVA's strategy to grow in core markets**
- **Turkey is a country with strong fundamentals and long-term potential**, despite short-term volatility
- **Garanti BBVA is the best bank in the country**, outperforming its peers in all key financial and risk metrics, with leading digital capabilities
- **Garanti BBVA has been part of the BBVA Group for the past 11 years. Throughout this period, we have observed the resilience of Garanti BBVA's business model and financials** even in a complex environment
- **Garanti BBVA** is already fully integrated into our risk management framework
- BBVA's offer provides an **opportunity for current shareholders to sell at a very attractive premium**

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