



BBVA Creating
Opportunities

1Q18 Results

April 27th, 2018

Disclaimer

This document is only provided for information purposes and does not constitute, nor should it be interpreted as, an offer to sell or exchange or acquire, or an invitation for offers to buy securities issued by any of the aforementioned companies. Any decision to buy or invest in securities in relation to a specific issue must be made solely and exclusively on the basis of the information set out in the pertinent prospectus filed by the company in relation to such specific issue. No one who becomes aware of the information contained in this report should regard it as definitive, because it is subject to changes and modifications.

This document contains or may contain forward looking statements (in the usual meaning and within the meaning of the US Private Securities Litigation Reform Act of 1995) regarding intentions, expectations or projections of BBVA or of its management on the date thereof, that refer to or incorporate various assumptions and projections, including projections about the future earnings of the business. The statements contained herein are based on our current projections, but the actual results may be substantially modified in the future by various risks and other factors that may cause the results or final decisions to differ from such intentions, projections or estimates. These factors include, without limitation, (1) the market situation, macroeconomic factors, regulatory, political or government guidelines, (2) domestic and international stock market movements, exchange rates and interest rates, (3) competitive pressures, (4) technological changes, (5) alterations in the financial situation, creditworthiness or solvency of our customers, debtors or counterparts. These factors could cause or result in actual events differing from the information and intentions stated, projected or forecast in this document or in other past or future documents. BBVA does not undertake to publicly revise the contents of this or any other document, either if the events are not as described herein, or if such events lead to changes in the information contained in this document.

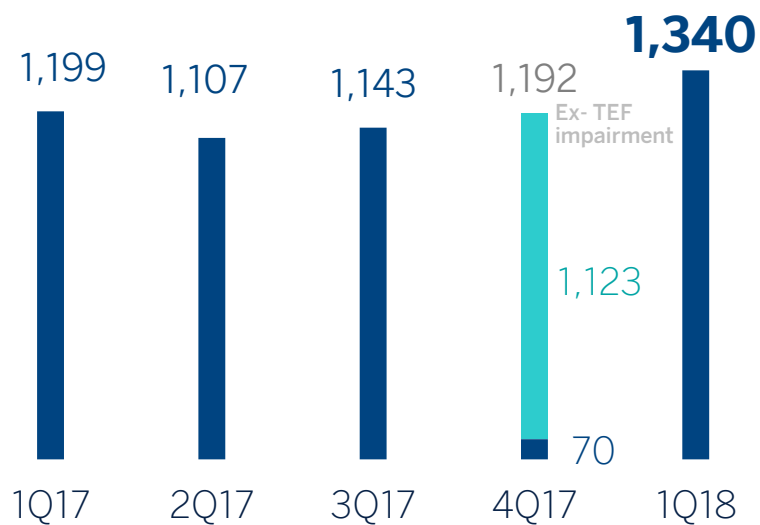
This document may contain summarised information or information that has not been audited, and its recipients are invited to consult the documentation and public information filed by BBVA with stock market supervisory bodies, in particular, the prospectuses and periodical information filed with the Spanish Securities Exchange Commission (CNMV) and the Annual Report on Form 20-F and information on Form 6-K that are filed with the US Securities and Exchange Commission.

Distribution of this document in other jurisdictions may be prohibited, and recipients into whose possession this document comes shall be solely responsible for informing themselves about, and observing any such restrictions. By accepting this document you agree to be bound by the foregoing restrictions.

Strong Results in the Quarter

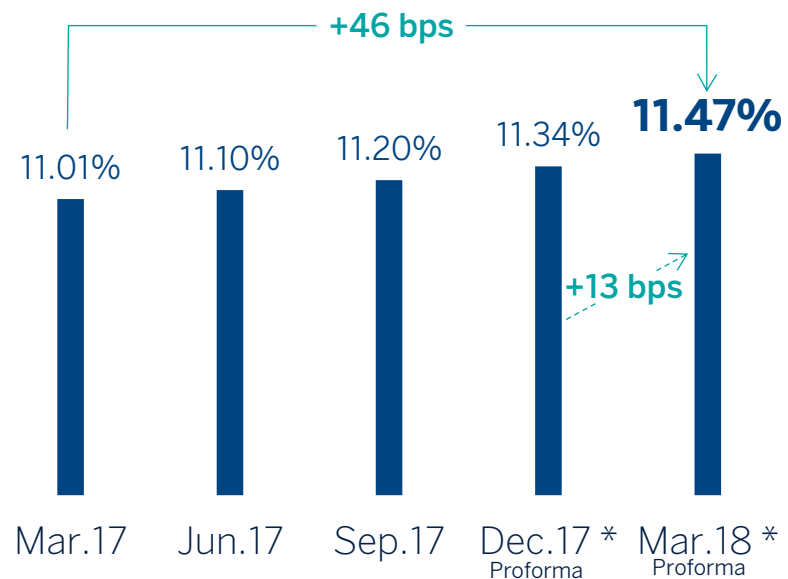
Net Attributable Profit

Quarterly evolution (€m)



CET1 fully-loaded – BBVA Group

Quarterly evolution (%)



(*) Data proforma includes IFRS9 full impact (-31bps) and +57 bps from corporate transactions (sale of BBVA Chile and RE Assets to Cerberus)

1Q18 Highlights

01 Strong core revenue growth

NII + Fees (€ constant)
+9.4% vs. 1Q17

02 Efficiency improvement

Efficiency
48.9% **-106 bps** vs. 12M17 (constant)

03 Outstanding trend in digital sales and customers

Digital Sales
37%
Mar-18⁽¹⁾

Mobile customers
19.3m +43%
Mar-18 vs. Mar-17

04 Sound risk indicators

NPL ratio
4.4%
-50 bps vs. 1Q17

Coverage ratio
73%
+214 bps vs. 1Q17

CoR
0.85%
-6 bps vs. 1Q17

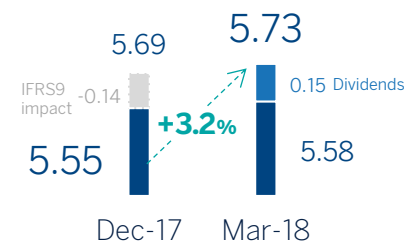
05 Strong capital position

CET 1 FL (Proforma)
11.47% **+13 bps** vs. 4Q17

06 Focus on shareholder value

ROE ⁽²⁾
11.9% Mar-18
ROTE ⁽²⁾
14.6% Mar-18

TBV/Share + Shareholders remuneration



(1) % of total sales YTD, # of transactions
(2) Includes Other Comprehensive Income

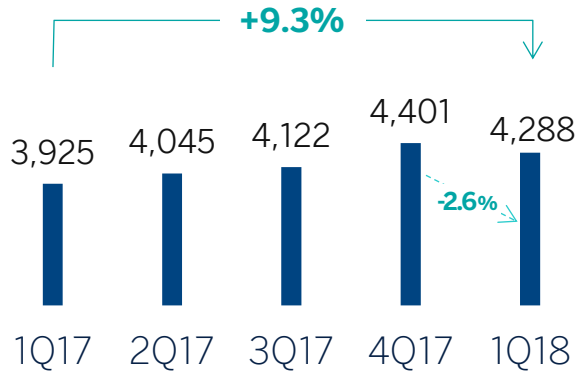
1Q18 Profit & Loss

BBVA Group (€m)	1Q18	Change 1Q18/1Q17	
		%	% constant
Net Interest Income	4,288	-0.8	9.3
Net Fees and Commissions	1,236	1.1	9.8
Net Trading Income	410	-40.6	-38.5
Other Income & Expenses	162	11.2	19.1
Gross Income	6,096	-4.5	4.2
Operating Expenses	-2,979	-5.0	3.2
Operating Income	3,117	-4.0	5.1
Impairment on Financial Assets	-823	-12.9	-5.2
Provisions and Other Gains and Losses	-58	-75.5	-75.4
Income Before Tax	2,237	8.3	20.1
Income Tax	-611	6.5	17.3
Net Income	1,626	9.0	21.1
Non-controlling Interest	-286	-2.2	15.8
Net Attributable Profit	1,340	11.8	22.3

Strong Core Revenue Growth

Net Interest Income

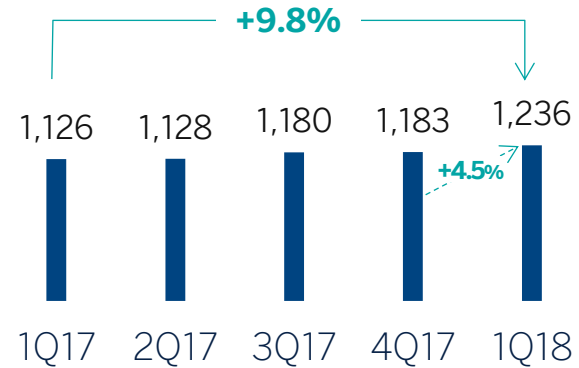
(€m constant)



4Q17 impacted by higher income from CPI linkers in Turkey

Net Fees and Commissions

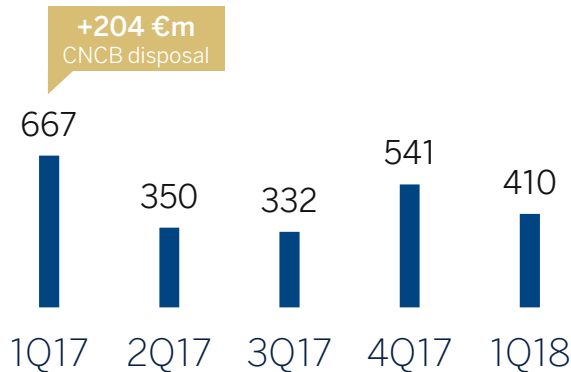
(€m constant)



Good trend maintained, remarkable Spain and Turkey

Net Trading Income

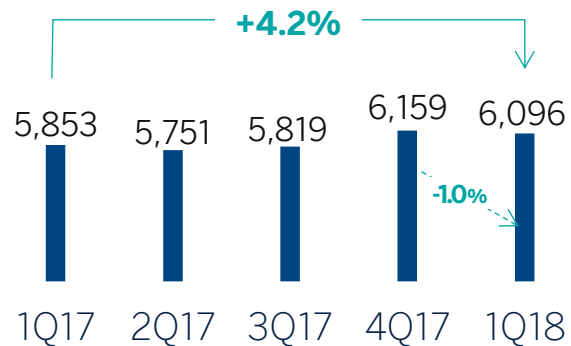
(€m constant)



CNCB disposal in 1Q17 and higher results from FX hedges in 4Q17

Gross Income

(€m constant)

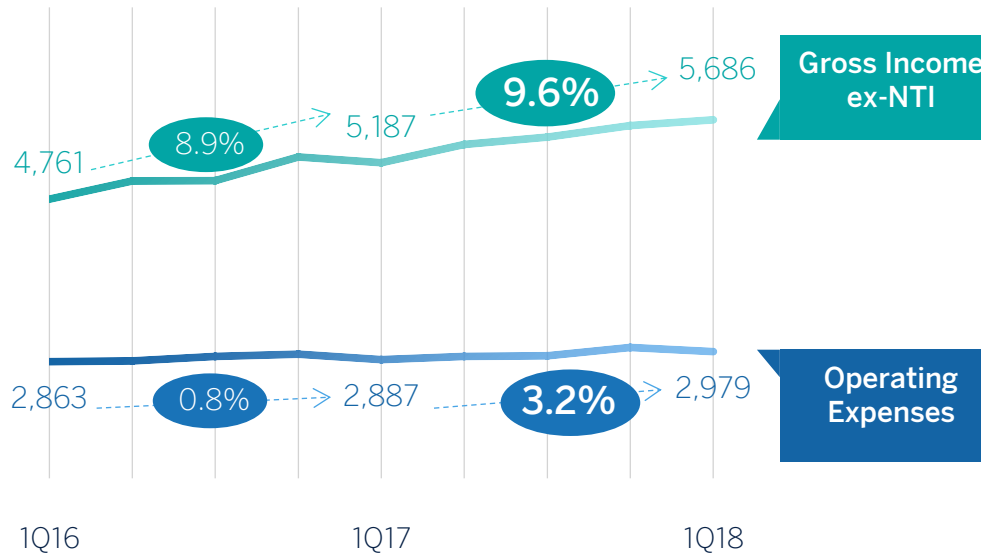


Supported by core revenues

Efficiency Improvement

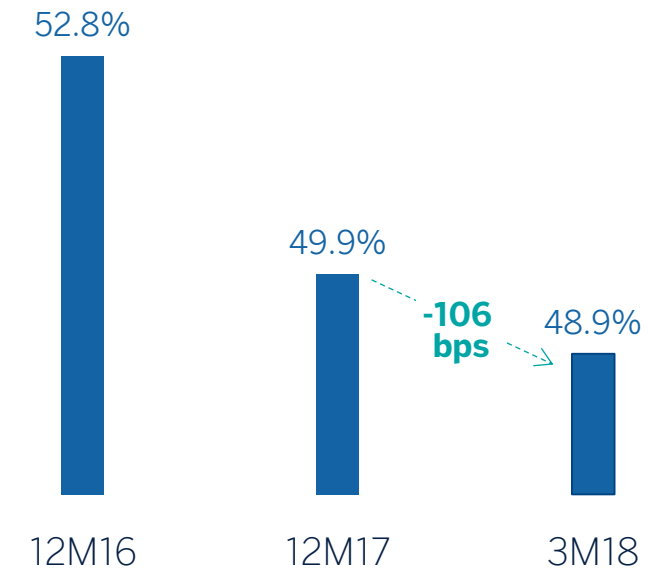
Group Operating Jaws

(YtD (%); (€ constant))



Efficiency Ratio

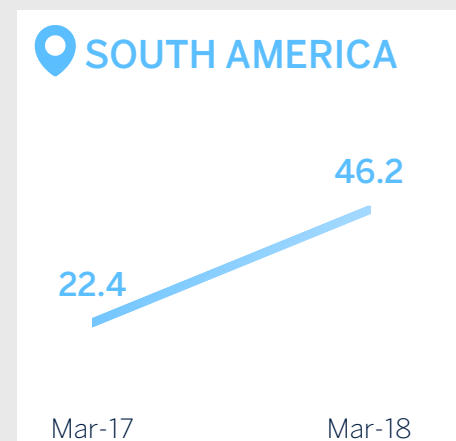
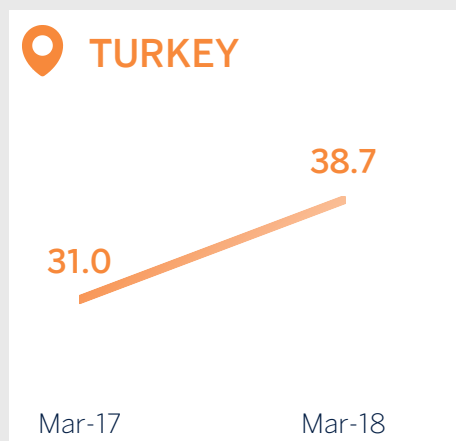
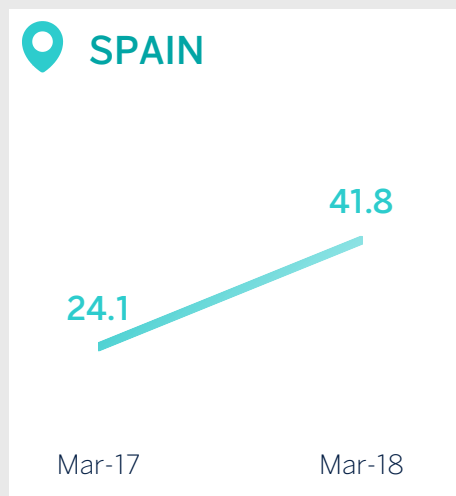
(€ constant)



Positive jaws & significant efficiency improvement

Outstanding trend of digital sales in all markets

(% of total sales YtD, # of transactions)



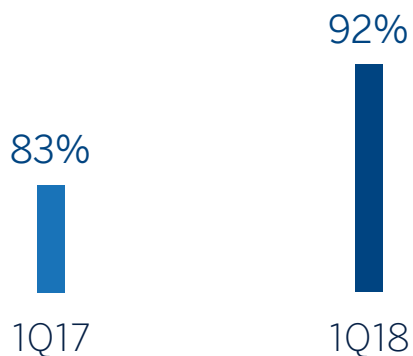
Figures have been restated due to change in the inclusion of some products

(*) Excludes ClearSpend Debit cards

Strong growth across markets

Digital sales driven by DIY and customer experience

DIY availability



Enhanced usability

Digital Pension Plan Turkey

Digital sales contribution from Jan to Mar
x10

FROM	TO
Paper based process	Digital process (web&mobile)
1 Document, 32 pages	2 document links
12 Signatures	2 digital approvals
Approximately 30 minutes	Approximately 1 minute

New functionalities

Positive impact on people's lives and businesses

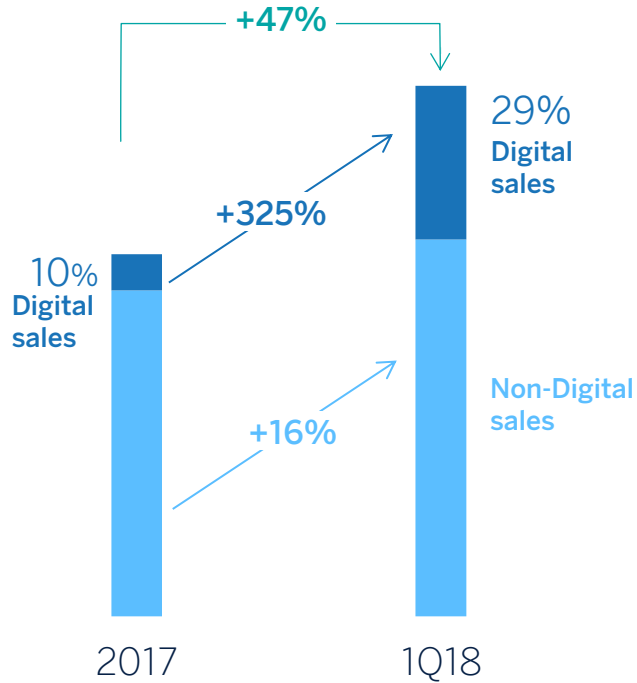
<p>Baby Planner</p> 	<p>BBVA Valora Mexico Colombia</p> 	<p>BBVA Invest</p> 	<p>Economy</p> 	<p>DLT Corporate Loan Origination</p> 
---	--	---	--	---

Note: DIY availability: % of units sold that can be purchased digitally

Digital sales boost total sales and improve efficiency

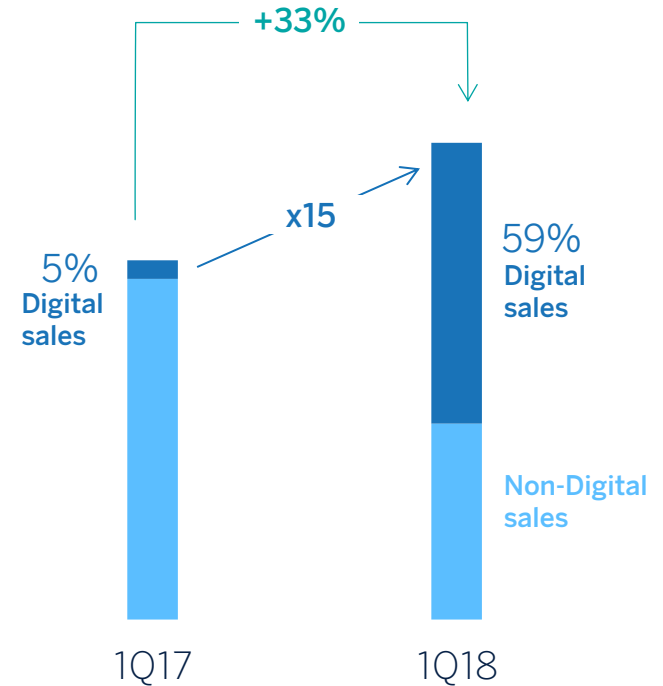
Total sales increase

 **Express Personal Loan New Production USA**
(Monthly average production, units, % of total units)



Migration to more efficient channels

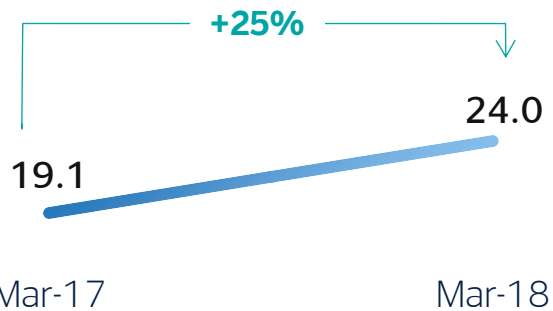
 **Click&Pay Lines of Credit Small Business Spain**
(YtD units, % of total units)



Growth in digital and mobile customers

Digital Customers

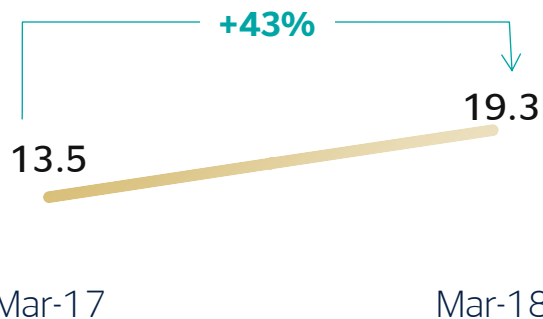
(Mn, % penetration)



	Mar-17	Mar-18
PENETRATION	38%	45%

Mobile Customers

(Mn, % penetration)



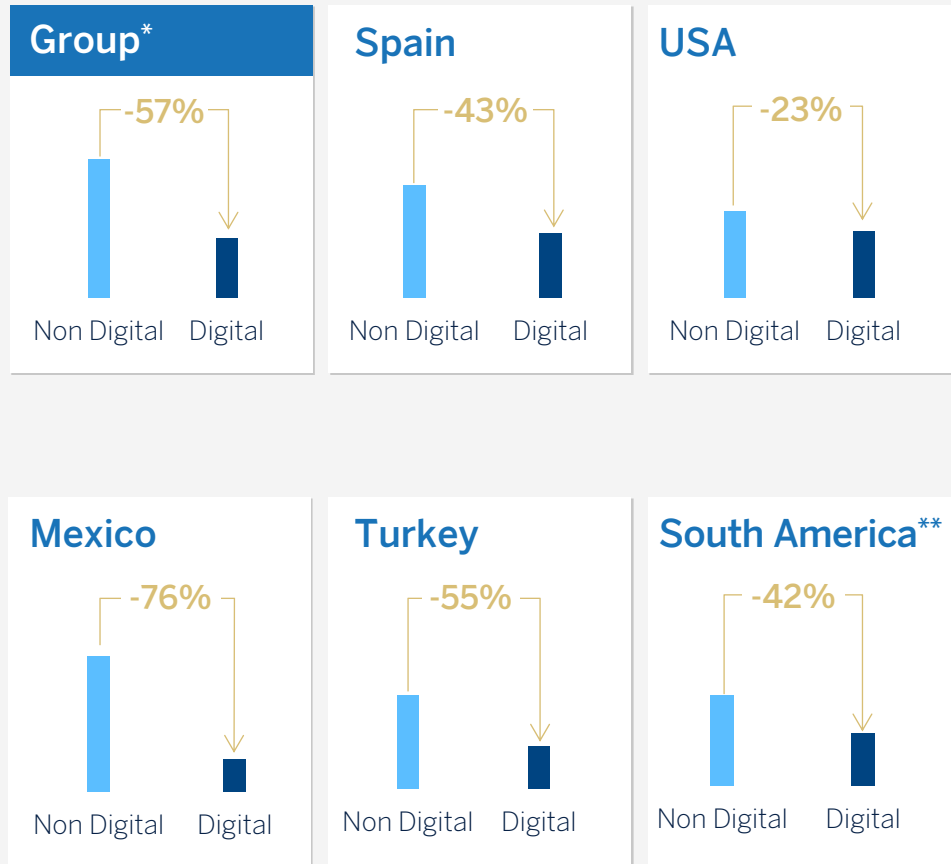
	Mar-17	Mar-18
PENETRATION	26%	36%



Goal: 50% tipping point of digital customers in 2018 and mobile customers in 2019

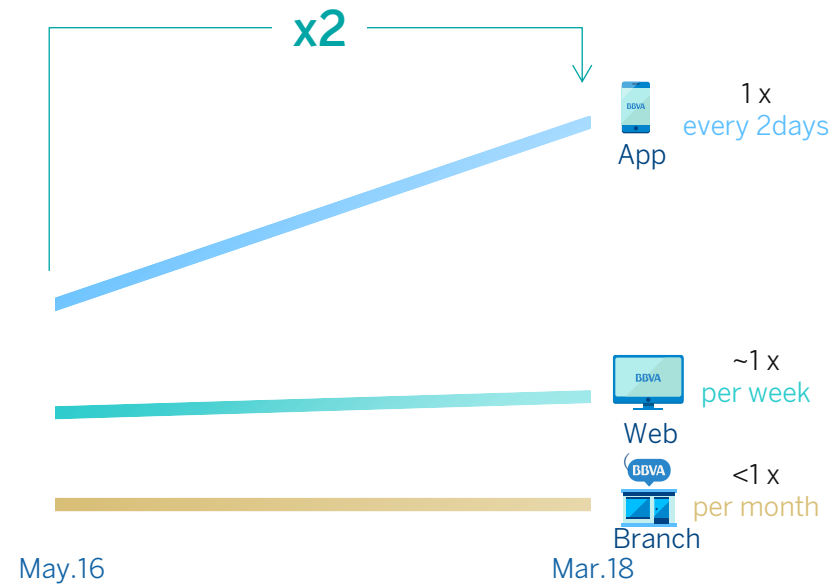
Digital customers are more loyal and engaged

Attrition rate (Last 12M)



Significant mobile interactions increase Spain

(# Customers monthly interactions)



(*) Group: Spain, USA, Mexico, Turkey, Argentina, Colombia and Peru

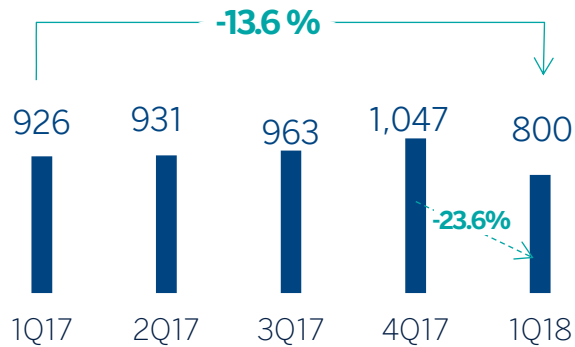
(**) South America: data of attrition in Argentina, Colombia and Peru

Note: Attrition rate calculated based on change in customers from Mar17 to Mar18, excluding new customers during this period

Sound risk indicators¹

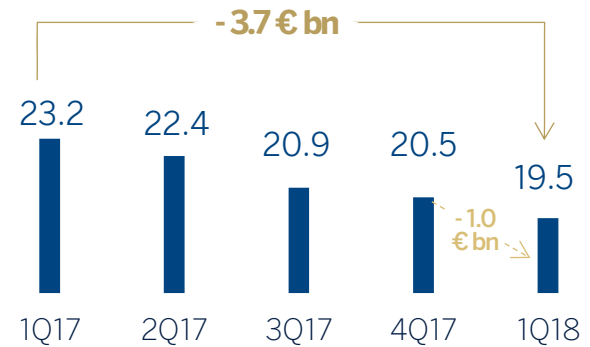
Total Impairments² (Financial Assets and RE)

(€m constant)



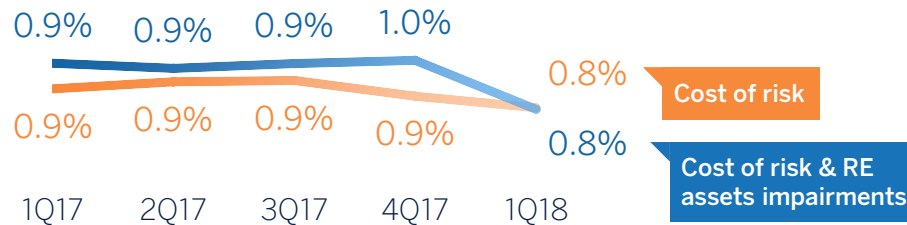
NPLs

(€bn)



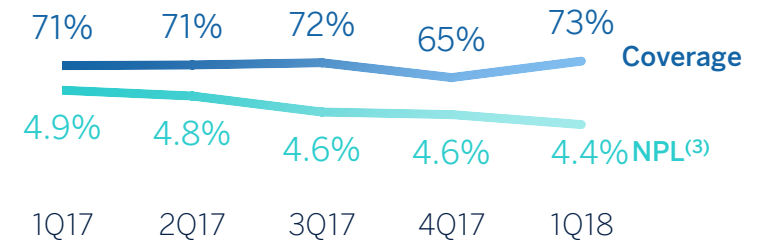
Cost of risk

YtD (%)



NPL & Coverage ratios

(%)



(1) Data as of 1Q18 under IFRS9 standards, 2017 figures under IAS 39

(2) Ex- Telefónica impairment in 4Q17

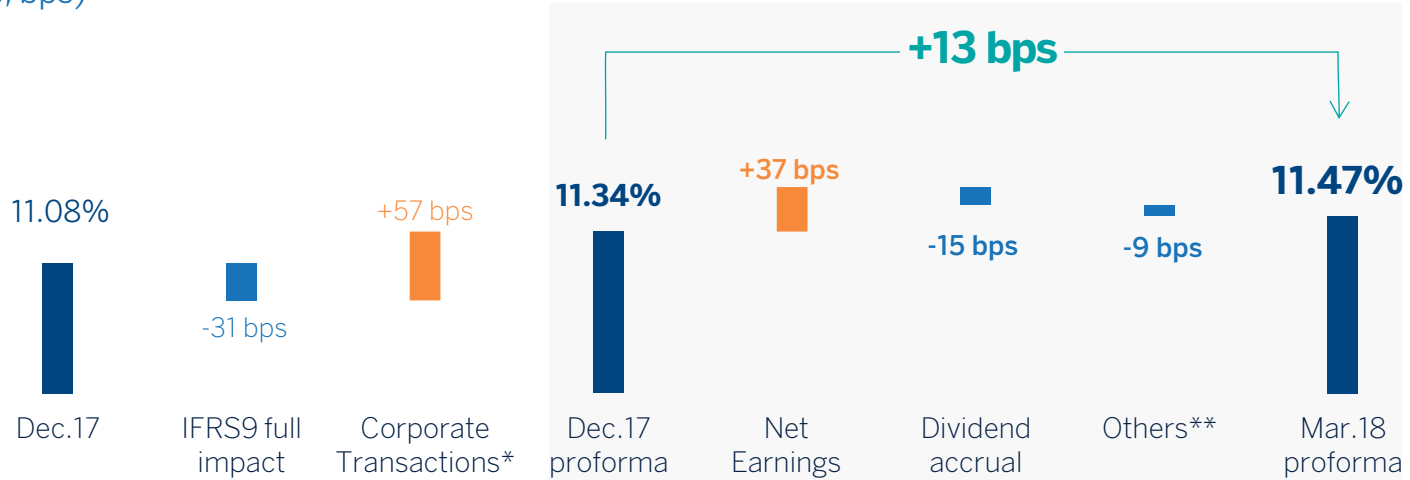
(3) NPL ratio exclude repos in Spain

Asset quality improvement

Strong capital position

CET1 fully-loaded - BBVA Group

Evolution (% , bps)



(*) Sale of BBVA Chile and RE Assets to Cerberus.

(**) Others includes RWAs, mark to market of the AFS portfolio, FX impact, AT1 coupons, among others.

High quality capital

Leverage ratio fully-loaded (%)



AT1 and Tier 2 buckets already covered

Mar-18, Fully loaded (%)





Business Areas

Business Areas

SPAIN Banking activity

NET ATTRIBUTABLE PROFIT (1Q18)

437 € m

+17.3% vs. 1Q17

NPL RATIO¹

5.4% vs. 6.0% 1Q17

COVERAGE RATIO

57% vs. 53% 1Q17

- **Activity:** Loan growth in high profitable segments and a successful price management
- **Core revenue growth (+1.1% yoy)**
- **Costs** continue to go down and efficiency improves
- **Asset quality improvement:** CoR better than expected due to provision releases

NON CORE REAL ESTATE

NET ATTRIBUTABLE PROFIT (1Q18)

-27 € m

-75.0% vs. 1Q17

NET EXPOSURE

-34.1%

vs. Mar.17

- Cerberus JV to reduce almost entirely our exposure to REOs. Transaction expected to be closed in 3Q18
- Significant reduction in net losses in 1Q18

USA constant €

NET ATTRIBUTABLE PROFIT (1Q18)

195 € m

+74.1% vs. 1Q17

NPL RATIO

1.2% vs. 1.3% 1Q17

COVERAGE RATIO

98% vs. 106% 1Q17

- **NII growth** at mid teens
- **Positive jaws** and efficiency improvement
- **CoR much better than expected** thanks to provision releases and a positive IFRS9 macro adjustment
- Upward trend in **profitability**

Business Areas

MEXICO constant €

NET ATTRIBUTABLE PROFIT (1Q18)

571 € m

+12.5% vs. 1Q17

NPL RATIO

2.1% vs. 2.3% 1Q17

COVERAGE RATIO

153% vs. 129% 1Q17

TURKEY constant €

NET ATTRIBUTABLE PROFIT (1Q18)

201 € m

+49.7% vs. 1Q17

NPL RATIO

3.7% vs. 2.6% 1Q17

COVERAGE RATIO

86% vs. 128% 1Q17

SOUTH AMERICA constant €

NET ATTRIBUTABLE PROFIT (1Q18)

210 € m

+33.4% vs. 1Q17

NPL RATIO

3.6% vs. 3.3% 1Q17

COVERAGE RATIO

93% vs. 96% 1Q17

- **NII growth** at high single digit yoy, in line with expectations
- **Positive jaws** maintained and efficiency improvement
- **Asset quality indicators** continue to improve: coverage increase explained by IFRS9 and CoR better than expected
- Double digit **bottom line growth**

- **TL loan portfolio** growing at double digit and excellent price management
- Sound **core revenue** growth
- Focus on **cost control**: opex growth < inflation
- **CoR** increase explained by commercial portfolio and negative IFRS 9 adjustment

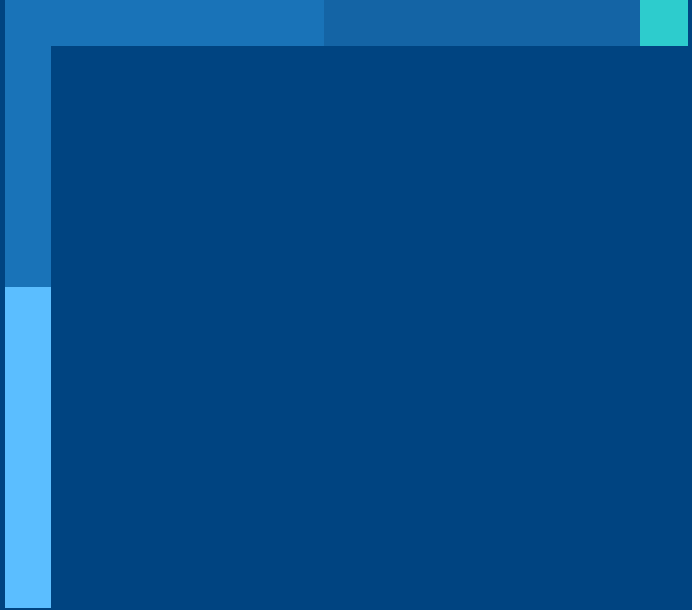
- Sound **growth in all P&L lines**
- **Loan growth** accelerating to double digits, supported mainly by Argentina and also Colombia
- **Positive operating jaws**
- **CoR** better than expectations

Final Remarks

- 01 High quality set of results, supported by core revenues
- 02 Impact of digital on revenue growth and efficiency improvement
- 03 Double digit returns in developed markets, both Spain and USA
- 04 Sustained growth in emerging markets

Focus on shareholders value

Creating Opportunities



Annex

Total Spain – Profit & Loss

Total Spain (€m)	1Q18	Change (%)	
		1Q18 vs 1Q17	1Q18 vs 4Q17
Net Interest Income	927	-1.8	-4.4
Net Fees and Commissions	412	7.4	6.6
Net Trading Income	167	-25.7	3.6
Other Income & Expenses	86	-15.6	n.s.
Gross Income	1,593	-3.8	10.0
Operating Expenses	-843	-4.7	-1.9
Operating Income	750	-2.7	27.3
Impairment on Financial Assets (net)	-125	-26.0	-17.0
Provisions (net) and other gains (losses)	-40	-81.3	-88.5
Income Before Tax	584	51.2	564.4
Income Tax	-173	45.4	n.s.
Net Attributable Profit	410	54.2	302.7



BBVA Creating
Opportunities

1Q18 Results

April 27th, 2018