



BBVA Creating
Opportunities

3Q18 Results

October 30th, 2018

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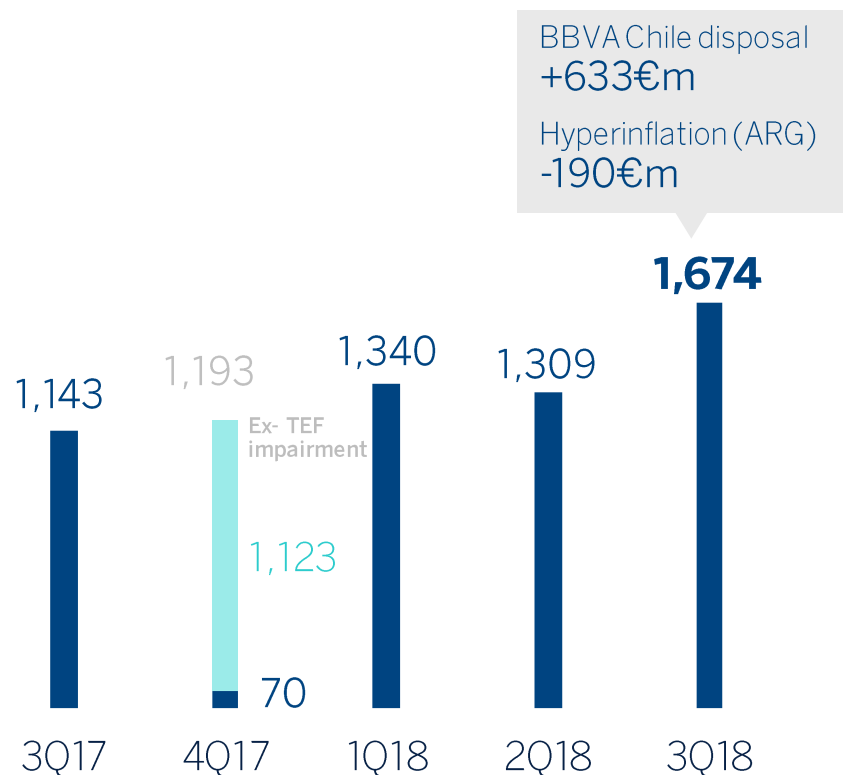
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Strong Results in the Quarter

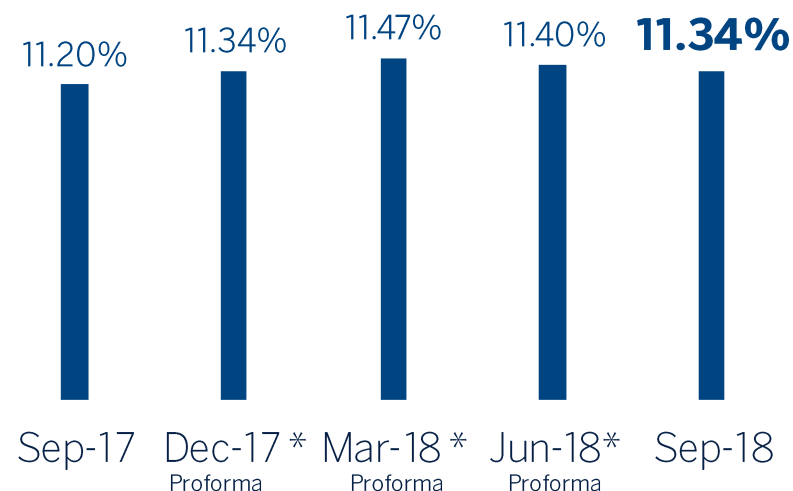
Net Attributable Profit

Quarterly evolution (€m)



CET1 fully-loaded – BBVA Group

Quarterly evolution (%)



(*) Data proforma includes IFRS9 full impact (-31bps) and the impact from corporate transactions (sale of BBVA Chile closed on July 6th and RE Assets to Cerberus closed on Oct.10th) which amounts to +57bps as of Dec17 and Mar18 and +55bps as of Jun18

3Q18 Highlights

01 Strong core revenue growth

NII + Fees (€constant)
+11.9% vs. 3Q17

02 Delivery in efficiency

Efficiency
49.6% **-52 bps** vs. 12M17 (constant)

03 Accelerating our transformation

Digital Sales (units) 39.5% Sep-18 YtD	Mobile customers 21.7m +37% Sep-18 vs. Sep-17
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04 Sound risk indicators

NPL ratio 4.1% -46 bps vs. 3Q17	Coverage ratio 73% +99 bps vs. 3Q17	CoR 0.90% -4 bps vs. 9M17
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05 Solid capital position, above target

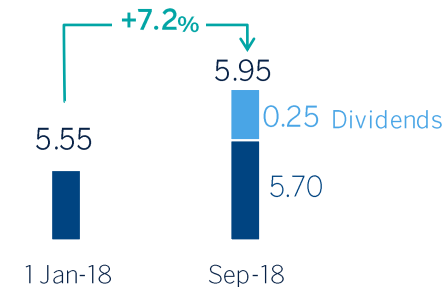
CET 1 FL
11.34% **-6 bps** vs. 2Q18

06 Focus on shareholder value

ROE
12.2% Sep-18

ROTE
14.8% Sep-18

TBV/Share + Shareholders remuneration



3Q18 Profit & Loss

BBVA Group (€m)	3Q18	Change 3Q18/3Q17	
		%	% constant
Net Interest Income	4,256	-3.2	13.3
Net Fees and Commissions	1,161	-7.0	6.8
Net Trading Income	200	-42.4	-27.2
Other Income & Expenses	-94	n.s.	n.s.
Gross Income	5,522	-10.8	4.8
Operating Expenses	-2,779	-9.6	3.3
Operating Income	2,743	-11.9	6.4
Impairment on Financial Assets	-1,018	4.2	16.5
Provisions and Other Gains and Losses	-157	-0.1	13.6
Income Before Tax	1,569	-20.8	0.5
Income Tax	-428	-22.1	-2.4
Non-controlling Interest	-100	-65.2	-28.4
Net Attributable Profit ex-Corp. Ops.	1,040	-9.0	8.3
Corporate Operations Income	633	n.s.	n.s.
Net Attributable Profit	1,674	46.4	70.5

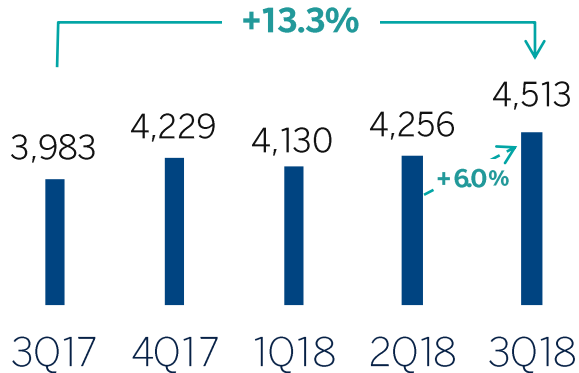
9M18 Profit & Loss

BBVA Group (€m)	9M18	Change 9M18/9M17	
		%	% constant
Net Interest Income	12,899	-2.3	10.2
Net Fees and Commissions	3,653	-1.4	9.4
Net Trading Income	907	-35.9	-31.2
Other Income & Expenses	136	-76.7	-73.7
Gross Income	17,596	-6.9	4.3
Operating Expenses	-8,721	-7.1	2.7
Operating Income	8,875	-6.8	5.8
Impairment on Financial Assets	-2,629	-9.9	-1.2
Provisions and Other Gains and Losses	-234	-60.3	-58.9
Income Before Tax	6,012	0.0	16.6
Income Tax	-1,641	-1.7	12.8
Non-controlling Interest	-682	-23.9	0.4
Net Attributable Profit ex-Corp. Ops.	3,689	7.0	22.0
Corporate Operations Income	633	n.s.	n.s.
Net Attributable Profit	4,323	25.3	43.0

Strong Core Revenue Growth

Net Interest Income

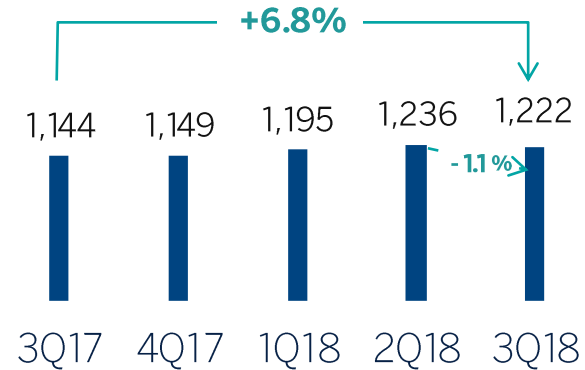
(€m constant)



Excellent quarter

Net Fees and Commissions

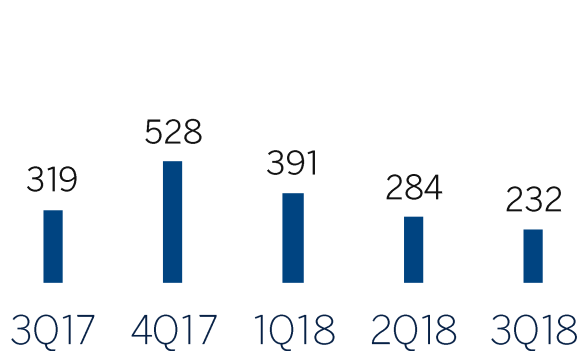
(€m constant)



Good trend impacted by seasonality in the quarter

Net Trading Income

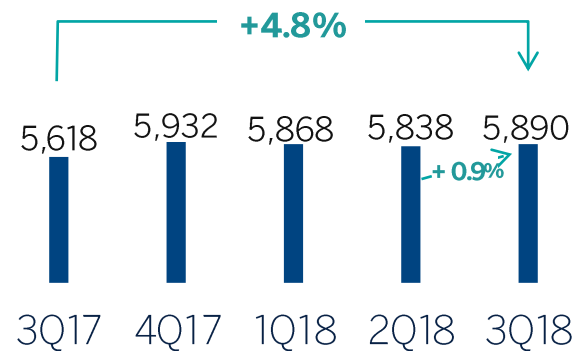
(€m constant)



Lower ALCO sales & Global Markets results

Gross Income

(€m constant)

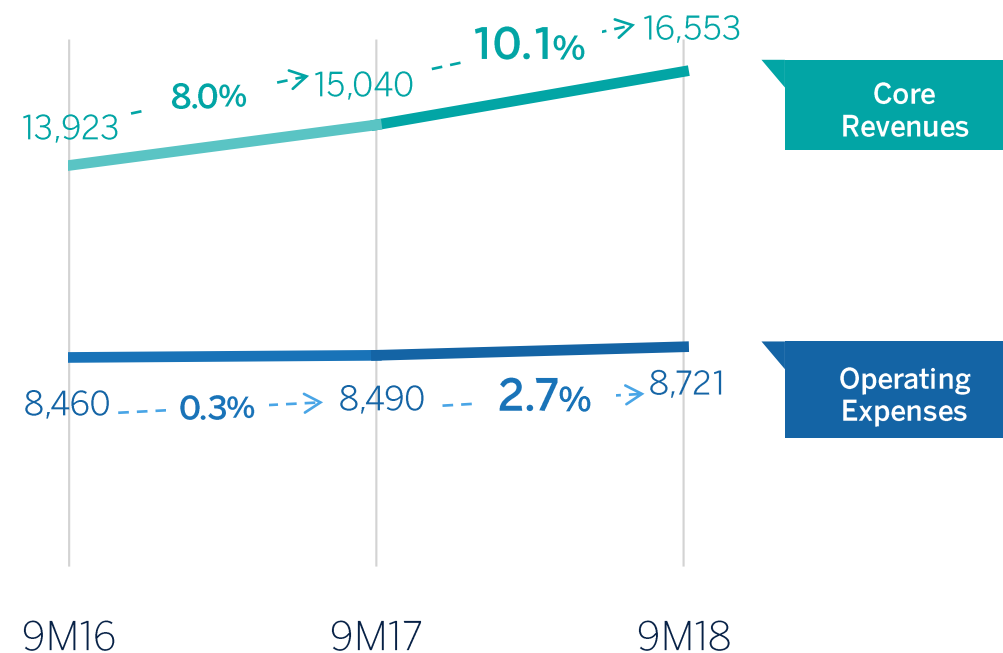


Core revenue growth partially offset by hyperinflation adjustment in Argentina

Delivery in efficiency

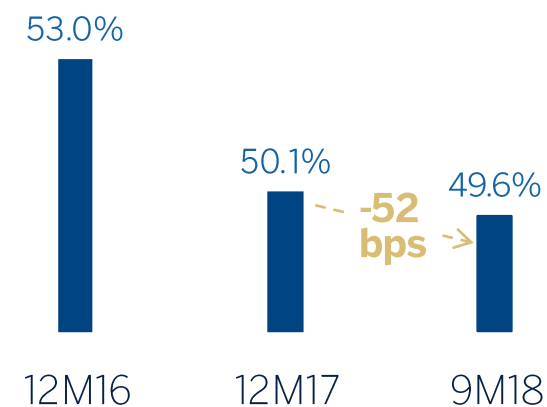
Group Operating Jaws

(YoY(%); (€ constant))



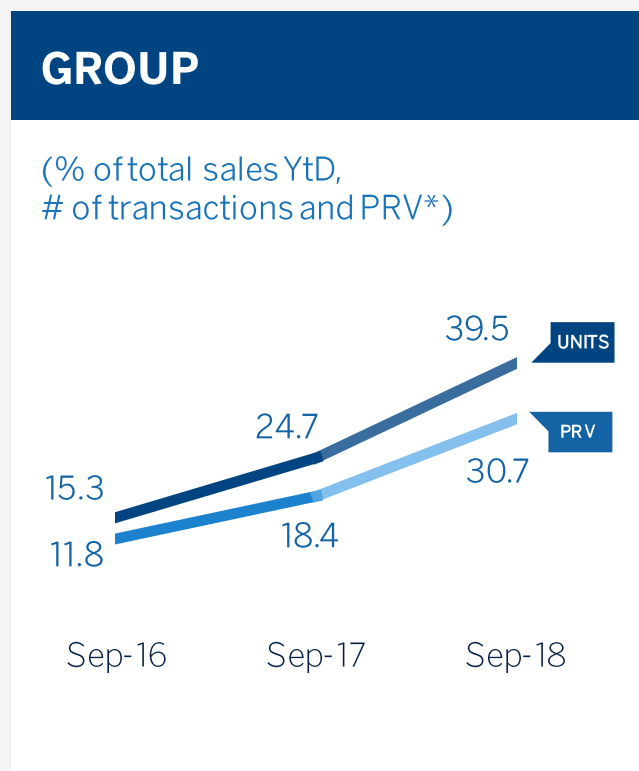
Efficiency Ratio

(€ constant)



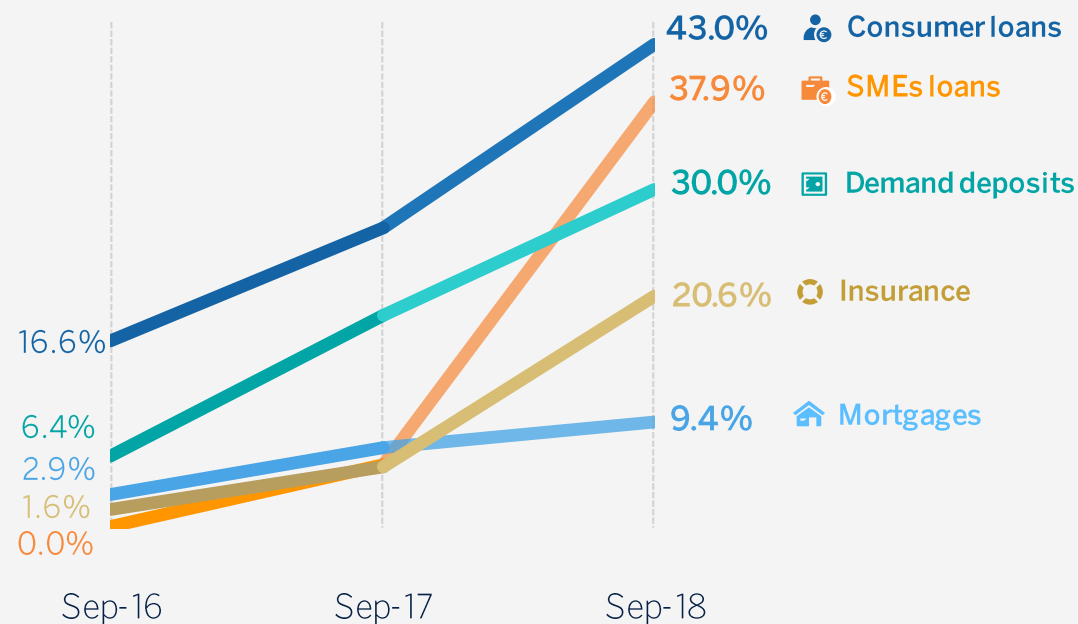
Widening operating jaws and efficiency improvement

Outstanding trend in digital sales across the board



Digital sales by product

(% of total sales YtD, PRV*)

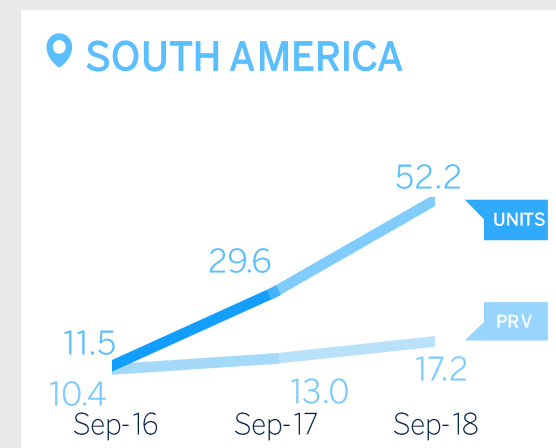
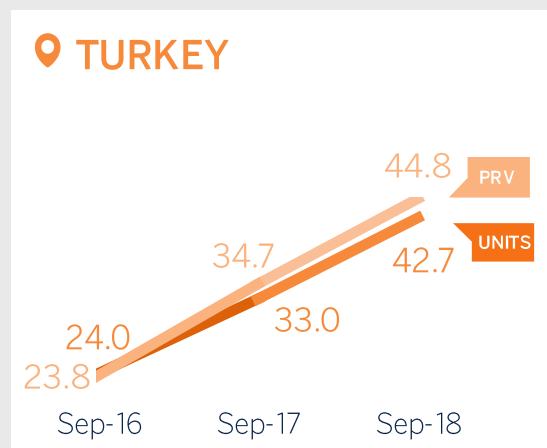
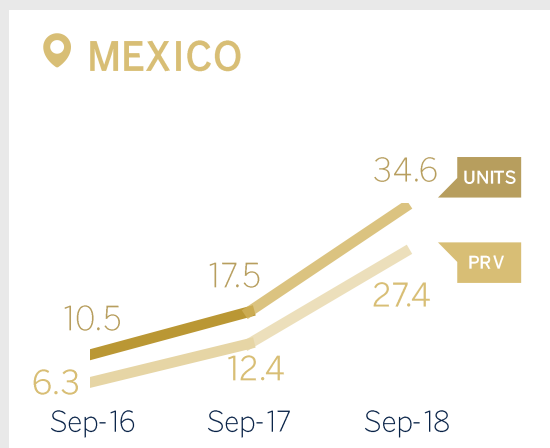
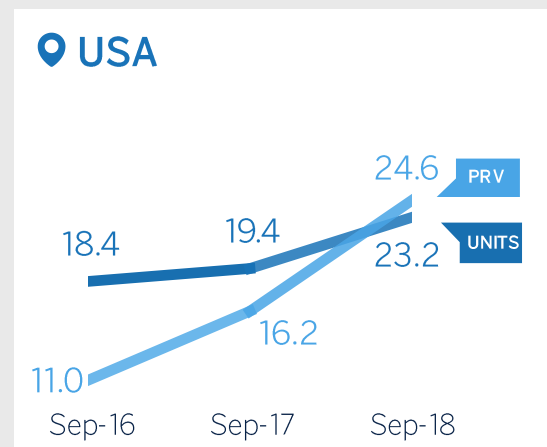
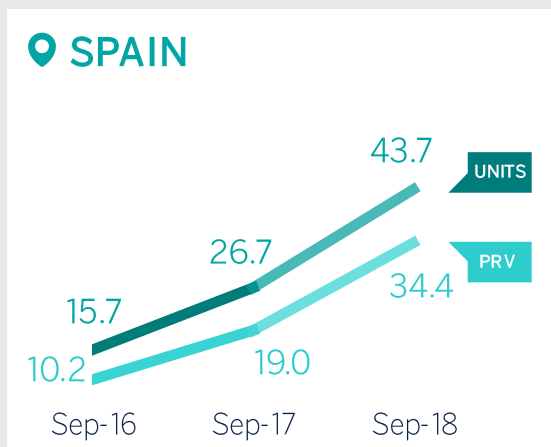


Figures have been restated due to the inclusion of additional products

(*) Product Relative Value as a proxy of a better economic representation of units sold

Positive performance in digital sales in all markets

(% of total sales YtD, # of transactions and PRV*)

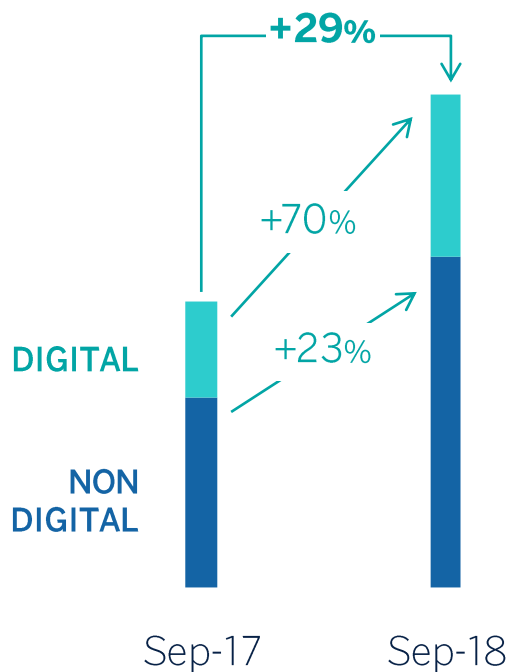


Figures have been restated due to the inclusion of additional products
(*) Product Relative Value as a proxy of a better economic representation of units sold

Digital sales unlock additional revenues and clients growth

Global FX Revenue

(€, YtD)



Users of BBVA FX digital platforms

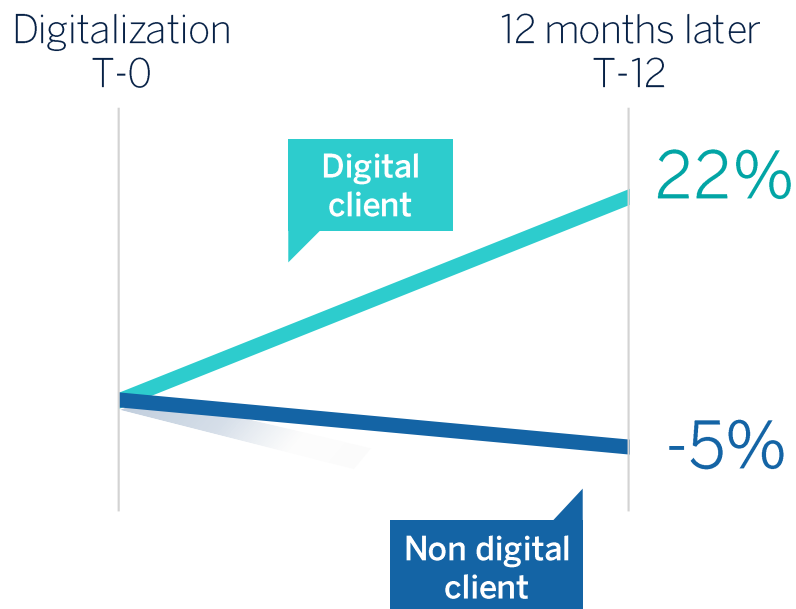
(Sep-18 vs Sep-17)



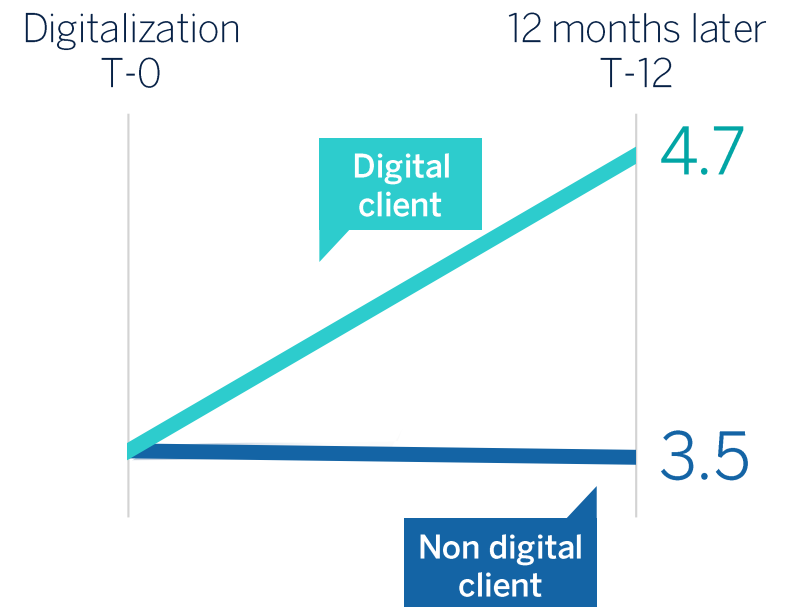
Digitalization also drives engagement

Evolution after client digitalization (Example Spain)

Revenue per client



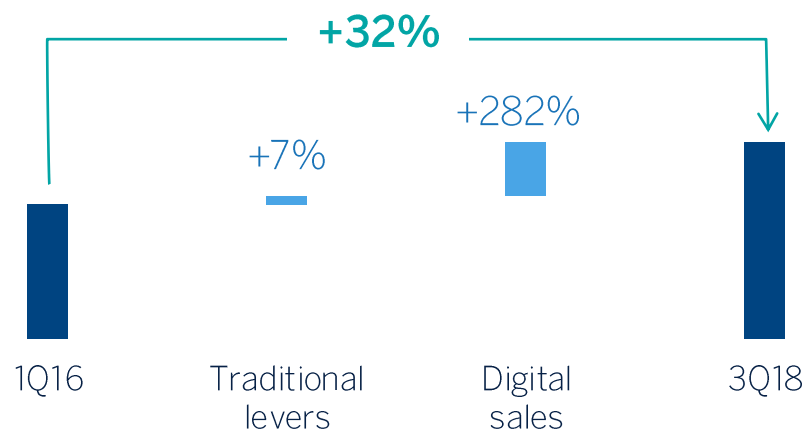
Number of products



Transformation enables higher sales with less commercial efforts

Example Mexico

Growth in PRV* sales

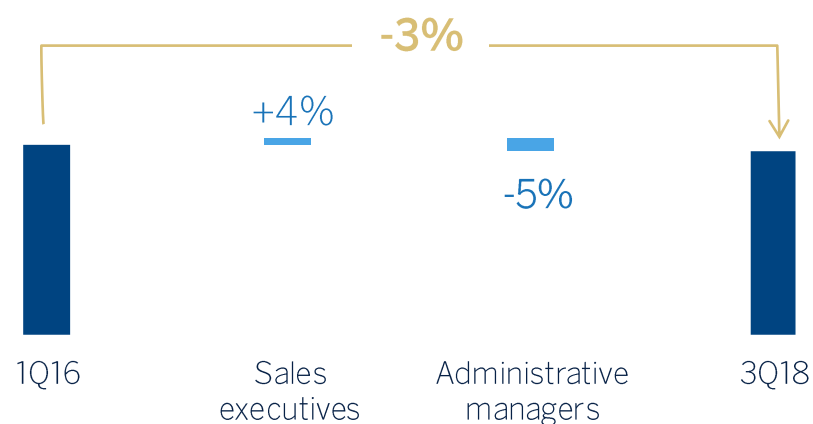


ABOVE THE GLASS



BELOW THE GLASS

Efficiency (FTEs evolution)

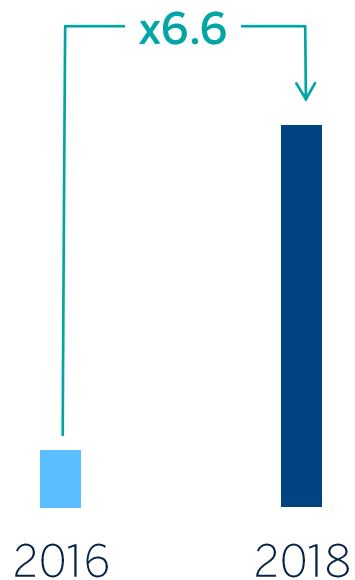


(*) Product Relative Value as a proxy of a better economic representation of units sold

New creation model also leads to efficiency gains

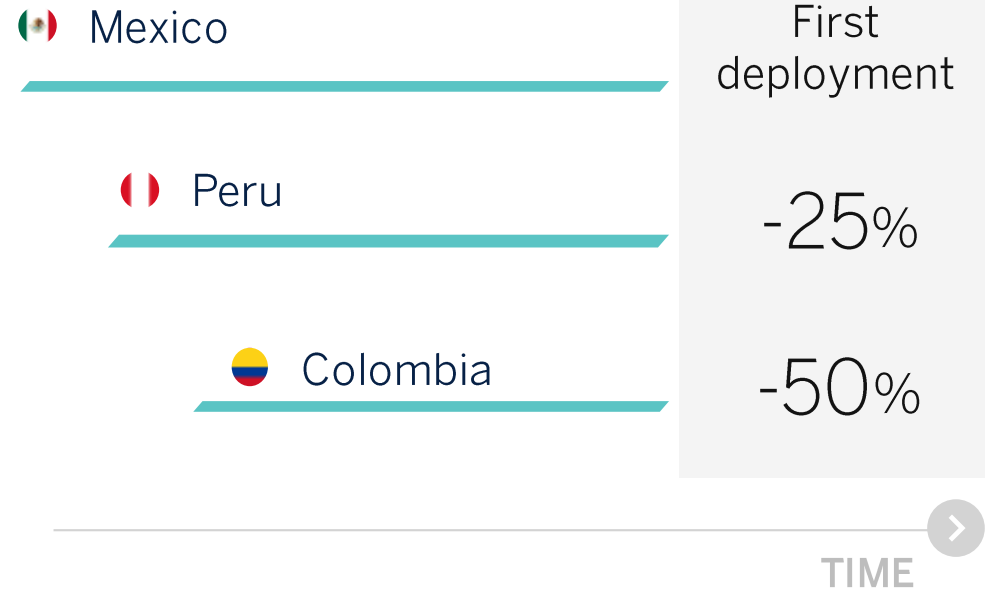
Speed

 Features per developer/month



Reusability

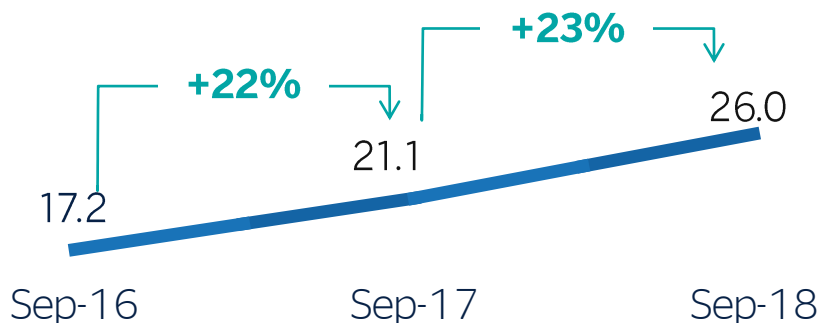
FX DIY program execution (front-to-back)



Growth in digital and mobile customers

Digital Customers

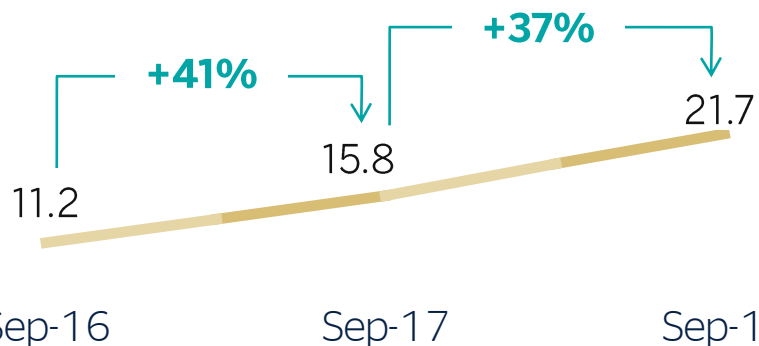
(Mn, % penetration)



PENETRATION	Sep-16	Sep-17	Sep-18
	35%	42%	49%

Mobile Customers

(Mn, % penetration)



PENETRATION	Sep-16	Sep-17	Sep-18
	23%	31%	41%



**Leading
in our footprint**

BBVA ranked 1st
in mobile banking
penetration in the US market

Source: comScore

Peers: Bank of America, BB&T, Capital One, Chase, Citibank, HSBC, Key Bank, PNC Bank, Sun Trust, US Bank, USAA, Wells Fargo, Credit Union

Best in class in Mobile Banking App

The Forrester Banking Wave

Global Banking App Ranking 2018

FORRESTER®

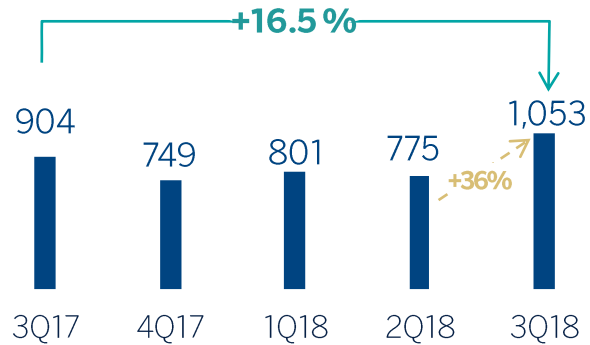


- # 1 **BBVA** Spain App
 - # 2 **BBVA** Turkey App
 - # 3 ...
 - # 4 ...
 - # 5 ...
 - # ...
- Other banks

Sound risk indicators¹

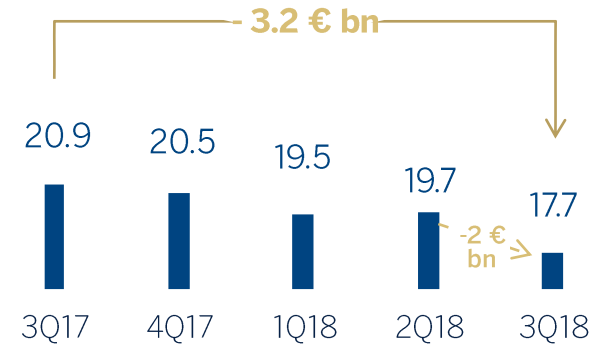
Financial Asset Impairments²

(€m constant)



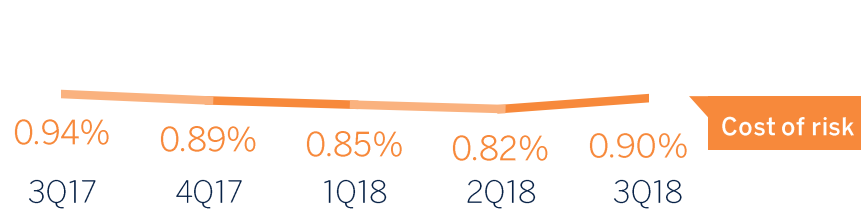
NPLs

(€bn)



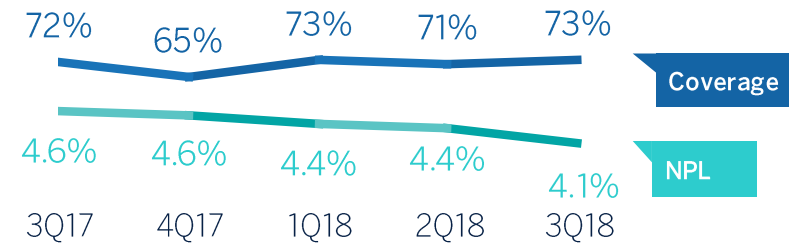
Cost of risk

YtD (%)



NPL & Coverage ratios

(%)



(1) Data as of 9M18 under IFRS9 standards, 2017 figures under IAS 39

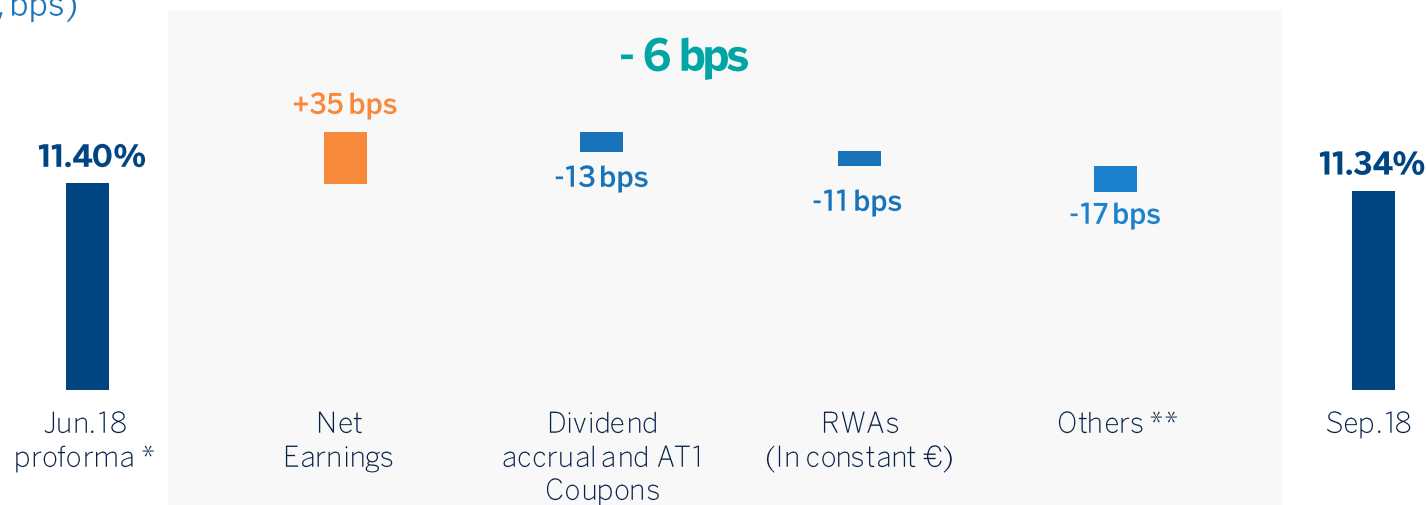
(2) Ex- Telefónica impairment in 4Q17

Positive trend in NPLs reduction

Solid capital position

CET1 fully-loaded - BBVA Group

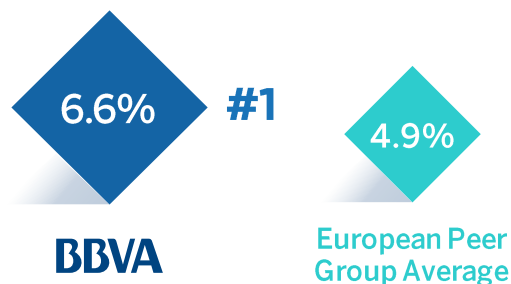
Evolution (% , bps)



(*) Data proforma Jun.18 includes IFRS9 full impact (-31bps) and +55 bps from corporate transactions, both already closed (sale of BBVA Chile closed on July 6th, and RE Assets to Cerberus on Oct 10th).
(**) Others includes mainly market related impacts (FX impact and mark to market of AFS portfolios).

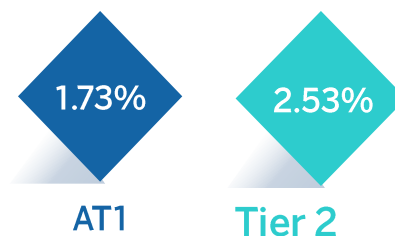
High quality capital

Leverage ratio fully-loaded (%)



AT1 and Tier 2 buckets already covered

Sep-18, Fully loaded (%)



Successful Issue of AT1 Securities

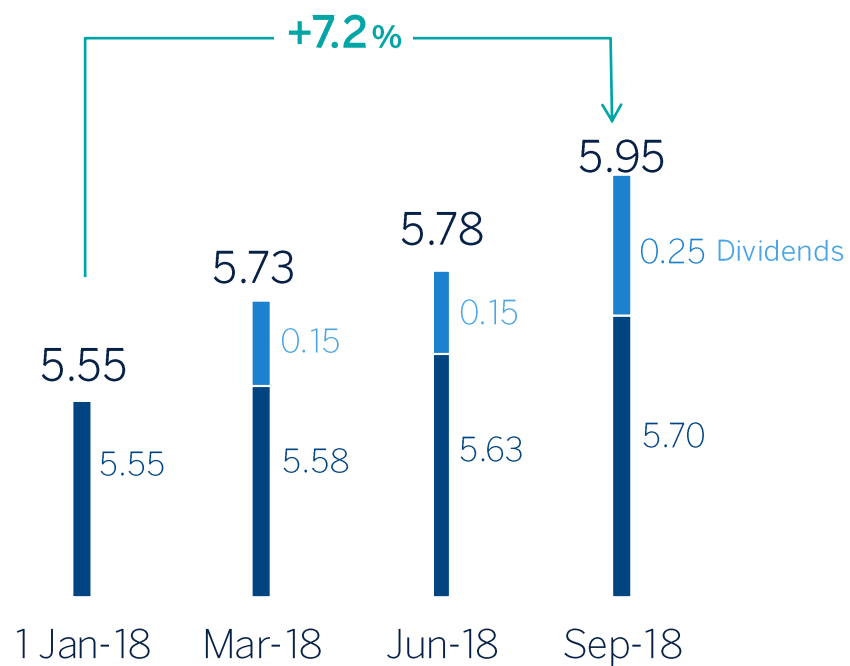
€1BN AT1
Coupon: 5.875%

Not included in Sep-18 Ratios
(Issued on 18th Sep-18)

Focus on shareholder value

TBV per Share & Shareholder Remuneration

(€ per Share)



ROE and ROTE¹



(1) Ex- corporate operations

Business Areas

Business Areas

SPAIN Banking activity

NET ATTRIBUTABLE PROFIT (9M18)

1,167 € m

+10.5% vs. 9M17

NPL RATIO⁽¹⁾

5.0% vs. 5.8% 3Q17

COVERAGE RATIO

56% vs. 52% 3Q17

- **Loans:** Continued growth in most profitable retail segments.
- **Core revenue growth** (+1.3% yoy in 9M18): sound growth in asset management and retail banking fees.
- **Costs** continue to go down.
- **Asset quality:** NPLs -€546 Mn qoq, CoR < 30 bps..

NON CORE REAL ESTATE

NET ATTRIBUTABLE PROFIT (9M18)

-60 € m

-78.0% vs. 9M17

NET EXPOSURE

-30.2%

vs. Sep.17

- **Net exposure decrease:** -7% qoq mainly due to loan portfolio sales.
- **Cerberus transaction closed** in October 2018.

USA € constants

NET ATTRIBUTABLE PROFIT (9M18)

541 € m

+43.2% vs. 9M17

NPL RATIO

1.1% vs. 1.2% 3Q17

COVERAGE RATIO

101% vs. 119% 3Q17

- **Loans:** Improving trend across the board. Continued focus on consumer loans : +24% yoy.
- **NII growth** at double digits, main P&L driver.
- Costs growth due to higher commercial activity. **Positive jaws** maintained.
- **Asset quality:** provision normalization after releases in 1H18.

Business Areas

MEXICO € constants

NET ATTRIBUTABLE PROFIT (9M18)

1,851 € m

+22.5% vs. 9M17

NPL RATIO

2.0% vs. 2.3% 3Q17

COVERAGE RATIO

149% vs. 126% 3Q17

- ▲ **Loans:** mortgages and consumer loans, the main growth drivers in 3Q.
- ▲ **NII growing** above activity.
- ▲ **Widening operating jaws** and efficiency improvement.
- ▲ **Strong asset quality metrics.**

TURKEY € constants

NET ATTRIBUTABLE PROFIT (9M18)

488 € m

+18.1% vs. 9M17

NPL RATIO

5.2% vs. 2.5% 3Q17

COVERAGE RATIO

76% vs. 138% 3Q17

- ▲ **Loans:** TL loan growth slowdown given lower economic growth and higher rates. FC loans continue to decrease.
- ▲ **NII growth** acceleration due to a higher contribution from CPI linkers.
- ▲ **Opex** growth **below inflation.**
- ▲ **Asset quality:** higher CoR explained by IFRS9 macro impact and large tickets in the commercial portfolio.


SOUTH AMERICA € constants

NET ATTRIBUTABLE PROFIT⁽¹⁾ (9M18)

467 € m

-21.2% vs. 9M17

NPL RATIO

 5.8% vs. 5.4% 3Q17

 4.1% vs. 3.9% 3Q17

 1.1% vs. 0.78% 3Q17

- ▲ **Colombia:** loan growth biased towards retail portfolios. Bottom line growth explained by lower provisions.
- ▲ **Peru:** NII as the main P&L driver thanks to a more profitable loan mix.
- ▲ **Argentina:** loan growth slowdown due to the economic environment. Stable asset quality.

Final Remarks

01

Solid set of results, supported by core revenues

02

Digital leading to growth and efficiency gains

03

Sound and resilient capital position

04

Growing tangible book value despite difficult market environment

**Focus on
shareholder value**

Creating Opportunities



Annex

Total Spain – Profit & Loss

Total Spain (€m)	Change (%)		Change (%)	
	3Q18	3Q18 vs 3Q17	9M2018	9M18 vs 9M17
Net Interest Income	924	-2.1	2,780	-2.1
Net Fees and Commissions	420	7.3	1,271	8.0
Net Trading Income	41	-45.7	324	-17.8
Other Income & Expenses	88	-20.1	131	-57.3
Gross Income	1,474	-3.2	4,505	-4.5
Operating Expenses	-829	-4.2	-2,513	-4.4
Operating Income	645	-1.8	1,992	-4.5
Impairment on Financial Assets (net)	-73	-54.9	-287	-48.3
Provisions (net) and other gains (losses)	-142	64.0	-207	-51.0
Income Before Tax	430	5.5	1,498	35.0
Income Tax	-79	-23.8	-389	19.4
Net Attributable Profit	349	15.5	1,107	41.5



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