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**OUR PURPOSE**

"To bring the age of opportunity to everyone"

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**BBVA’S GLOBAL PRESENCE**

**DECEMBER 2018**

- Countries: >30
- Branches: 7,963
- Employees: 125,627
- Male: 46%
- Female: 54%

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**FINANCIAL HIGHLIGHTS**

**DECEMBER 2018**

- Total assets: 676,689
- Loans and advances to customers - gross: 386,225
- Deposits from customers: 375,970
- Net attributable profit 12M18: 5,324
- NPL ratio: 3.9%
- Coverage ratio: 73%
- CET 1 FL: 11.34%
- TBV per share + Shareholders remuneration: 6.11
- ROE: 10.2%
- ROTE: 12.5%

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**CUSTOMERS & DIGITAL SALES**

**DECEMBER 2018**

- Customers: 74 million
- Digital customers: 27.2 m
- Mobile customers: 23.0 m

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**DIGITAL SALES**

- PRV*: 32.0%
- Units: 40.7%

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**SUSTAINABLE DEVELOPMENT AND DIRECT CONTRIBUTION TO SOCIETY**

**BBVA’s Pledge 2025**

- Allocated to social programs: 103 €m
- €100 billion
- MOBILIZED between 2018 and 2025

*(*) PRV: Product Relative Value as a proxy of a better economic representation of units sold
BBVA Purpose
We are BBVA. We create opportunities

OUR PURPOSE

“To bring the age of opportunity to everyone”

BBVA
Creating Opportunities

SIX STRATEGIC PRIORITIES

- New standard in customer experience
- Digital sales
- New business models
- Optimize capital allocation
- Unrivaled efficiency
- A first class workforce
New value proposition
Based on our customers’ real needs

Helping our customers to make the best financial decisions offering relevant advice

Providing the best solutions that generate trust for our customers, being clear, transparent and based on integrity

Through an easy and convenient experience DIY through digital channels or human interaction

Our aspiration is to strengthen the relationship with the customer
Our Values

Customer **comes first**
- We are empathetic
- We have integrity
- We meet their needs

We think **big**
- We are ambitious
- We break the mold
- We amaze our customers

We are **one team**
- I am committed
- I trust others
- I am BBVA
2018 Results
2018 RESULTS

**Strong results in a challenging environment**

**Net Attributable Profit (€m)**

- **12M17**: 3,519
- **12M18**: 5,324

+51.3%

- Strong core revenue growth
- Efficiency improvement
- Outstanding trend in digital sales and customers
- Sound risk indicators
- Resilient capital position
- Focus on shareholder value
# 2018 Profit & Loss

<table>
<thead>
<tr>
<th>BBVA Group (£m)</th>
<th>12M18</th>
<th>12M17</th>
<th>%</th>
<th>% constant</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Interest Income</strong></td>
<td>17,591</td>
<td>17,758</td>
<td>-0.9</td>
<td>10.8</td>
</tr>
<tr>
<td><strong>Net Fees and Commissions</strong></td>
<td>4,879</td>
<td>4,921</td>
<td>-0.8</td>
<td>8.9</td>
</tr>
<tr>
<td><strong>Net Trading Income</strong></td>
<td>1,223</td>
<td>1,968</td>
<td>-37.8</td>
<td>-33.9</td>
</tr>
<tr>
<td><strong>Other Income &amp; Expenses</strong></td>
<td>54</td>
<td>622</td>
<td>-91.4</td>
<td>-90.2</td>
</tr>
<tr>
<td><strong>Gross Income</strong></td>
<td>23,747</td>
<td>25,270</td>
<td>-6.0</td>
<td>4.3</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td>-11,702</td>
<td>-12,500</td>
<td>-6.4</td>
<td>2.5</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>12,045</td>
<td>12,770</td>
<td>-5.7</td>
<td>6.2</td>
</tr>
<tr>
<td><strong>Impairment on Financial Assets</strong></td>
<td>-3,981</td>
<td>-4,803</td>
<td>-17.1</td>
<td>-12.0</td>
</tr>
<tr>
<td><strong>Provisions and Other Gains and Losses</strong></td>
<td>-483</td>
<td>-1,036</td>
<td>-53.3</td>
<td>-51.8</td>
</tr>
<tr>
<td><strong>Income Before Tax</strong></td>
<td>7,580</td>
<td>6,931</td>
<td>9.4</td>
<td>30.4</td>
</tr>
<tr>
<td><strong>Income Tax</strong></td>
<td>-2,062</td>
<td>-2,169</td>
<td>-4.9</td>
<td>9.2</td>
</tr>
<tr>
<td><strong>Corporate Operations Income</strong></td>
<td>633</td>
<td>0</td>
<td>n.s.</td>
<td>n.s.</td>
</tr>
<tr>
<td><strong>Non-controlling Interest</strong></td>
<td>-827</td>
<td>-1,243</td>
<td>-33.5</td>
<td>-11.7</td>
</tr>
<tr>
<td><strong>Net Attributable Profit</strong></td>
<td>5,324</td>
<td>3,519</td>
<td>51.3</td>
<td>78.2</td>
</tr>
<tr>
<td>BBVA Chile impact (capital gains in 2018 and recurrent operations in 2017 and 2018)</td>
<td>697</td>
<td>127</td>
<td>n.s.</td>
<td>n.s.</td>
</tr>
<tr>
<td>Telefónica impairment and capital gains from CNCB sale</td>
<td>0</td>
<td>-931</td>
<td>n.s.</td>
<td>n.s.</td>
</tr>
<tr>
<td><strong>Net Attributable Profit</strong> (ex-BBVA Chile impact &amp; ex-Telefónica imp. and CNCB sale in 2017)</td>
<td>4,627</td>
<td>4,324</td>
<td>7.0</td>
<td>21.9</td>
</tr>
</tbody>
</table>
Efficiency improvement

Group Operating Jaws
(YoY (%); (€ constant))

<table>
<thead>
<tr>
<th></th>
<th>Core Revenues</th>
<th>Operating Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>12M16</td>
<td>18,714 - 8.8%</td>
<td>11,320 - 0.9%</td>
</tr>
<tr>
<td>12M17</td>
<td>20,362 - 10.4%</td>
<td>11,418 - 2.5%</td>
</tr>
<tr>
<td>12M18</td>
<td>22,470</td>
<td>11,702</td>
</tr>
</tbody>
</table>

Efficiency Ratio
(€ constant)

- 12M16: 53.1%
- 12M17: 50.2%
- 12M18: 49.3%

\[-89\text{bps}\]
Outstanding trend in digital sales across the board

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

Figures have been restated due to the inclusion of additional products.
Group and South America figures exclude Venezuela and Chile.
(* Product Relative Value as a proxy of a better economic representation of units sold)
50% digital customers goal exceed in 2018

Digital Customers
(Mn, % penetration)

- Dec-16: 18.1, 37%
- Dec-17: 22.6, 44%
- Dec-18: 27.2, 51%

Mobile Customers
(Mn, % penetration)

- Dec-16: 12.2, 25%
- Dec-17: 17.8, 34%
- Dec-18: 23.0, 43%

2019 Goal: 50% mobile customers
Strong client satisfaction across all countries

BBVA NPS RANK (Dec-18)

<table>
<thead>
<tr>
<th>Country</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>#1</td>
</tr>
<tr>
<td>Mexico</td>
<td>#1</td>
</tr>
<tr>
<td>Turkey</td>
<td>#1</td>
</tr>
<tr>
<td>Peru</td>
<td>#1</td>
</tr>
<tr>
<td>Uruguay</td>
<td>#1</td>
</tr>
<tr>
<td>Paraguay</td>
<td>#1</td>
</tr>
<tr>
<td>Colombia</td>
<td>#2</td>
</tr>
</tbody>
</table>

Digital reduces attrition
(Attrition ratio %, Digital vs. Non-digital clients, 2018)

-47%
New business models
Leveraging the FinTech ecosystem to develop our value proposition
Business Areas
Unique footprint with high growth prospects

Breakdown by Business Area

**TOTAL ASSETS** (Dec.18)

- Rest of Eurasia: 2.7%
- Corporate Center: 3.3%
- S. America: 7.7%
- Turkey: 9.8%
- Mexico: 14.3%
- US: 12.1%
- Spain: 50.2%

€677 bn

**GROSS INCOME** (2018)

- Rest of Eurasia: 1.7%
- S. America: 15.3%
- Turkey: 16.1%
- Mexico: 29.7%
- US: 12.4%
- Spain: 24.7%

€23.7 bn

(1) Includes Banking activity in Spain and Non Core Real Estate; (2) Excludes Corporate Center; (3) Percentages exclude the Corporate Center (2018 Gross Income of €432Mn)

Higher Growth Prospects

**GDP growth (YoY, %)**

- 2018e: 2.4%
- 2019e: 1.9%
- 2020e: 2.2%

Source: BBVA Research. GDP growth: weighted by each country contribution to Group’s Gross Income (excluding BBVA Chile)

Leadership positioning

**Market share (in %) and ranking**

- **SPAIN #3**: 13.5%
- **USA (Sunbelt) #4**: 6.2%
- **MEXICO #1**: 22.6%
- **TURKEY #2**: 10.6%
- **S.AMERICA (footprint) #1**: 12.9%

(4) Loans’ market shares except for USA (Deposits). Spain based on BoS (Nov.18) and ranking (Oct.18) by AEB and CECA; Mexico data as of Nov.18 (CNBV); S. America (Nov.18), market share includes Argentina, Peru, Colombia, Venezuela, Uruguay and Paraguay. Ranking considering main peers in each country: USA: SNL (Jun.18) considering Texas and Alabama; Turkey: BRSA total performing loans equivalent to 17.5% among private banks (Dec.18) and ranking (only considers private banks) as of Sep.18
## Business Areas

### Spain
**Banking Activity**

<table>
<thead>
<tr>
<th>NET ATTRIBUTABLE PROFIT (12M18)</th>
<th>+10.8% vs. 12M17</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,522 €m</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NPL RATIO</th>
<th>COVERAGE RATIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.6% vs. 5.5% 4Q17</td>
<td>57% vs. 50% 4Q17</td>
</tr>
</tbody>
</table>

- Core revenue growth
- Significant cost reduction
- Asset quality improvement
- Loans: growth in high profitable segments

### Non core real estate

<table>
<thead>
<tr>
<th>NET ATTRIBUTABLE PROFIT (12M18)</th>
<th>-84.2% vs. 12M17</th>
</tr>
</thead>
<tbody>
<tr>
<td>-78 €m</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET EXPOSURE</th>
<th>-61.1% vs. Dec.17</th>
</tr>
</thead>
<tbody>
<tr>
<td>-61.1%</td>
<td></td>
</tr>
</tbody>
</table>

- Net exposure decrease due to Cerberus transaction and loan portfolio sales
- Significant reduction in Net losses

### USA
**€ constants**

<table>
<thead>
<tr>
<th>NET ATTRIBUTABLE PROFIT (12M18)</th>
<th>+56.9% vs. 12M17</th>
</tr>
</thead>
<tbody>
<tr>
<td>735 €m</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NPL RATIO</th>
<th>COVERAGE RATIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.3% vs. 1.2% 4Q17</td>
<td>85% vs. 104% 4Q17</td>
</tr>
</tbody>
</table>

- Double-digit NII growth
- Costs: positive jaws and efficiency improvement
- Loan growth acceleration
- Good asset quality
- Achieving double-digit profitability

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Note: NPL and Coverage ratio of 2018 under IFRS9 standards, 2017 figures under IAS 39.
**Business Areas**

### Mexico  € constants
- **NET ATTRIBUTABLE PROFIT** (12M18): 2,384 €m  
  - +16.1% vs. 12M17
- **NPL RATIO**: 2.1%  
  - vs. 2.3% 4Q17
- **COVERAGE RATIO**: 154%  
  - vs. 123% 4Q17

- **High single digit growth in Loans and NII**
- **Impressive trend in costs and efficiency**
- **Strong asset quality metrics**
- **Outstanding profitability**: bottom line growth at double digits

### Turkey  € constants
- **NET ATTRIBUTABLE PROFIT** (12M18): 569 €m  
  - -4.5% vs. 12M17
- **NPL RATIO**: 5.3%  
  - vs. 3.9% 4Q17
- **COVERAGE RATIO**: 81%  
  - vs. 85% 4Q17

- **NII growth boosted by higher CPI linkers contribution**
- **Expenses** growth below inflation
- **Loans**: TL loan growth significant slowdown explained by macro and higher rates. FC loans continue to decrease
- **Asset quality** impacted by macro deterioration

### South America  € constants
- **NET ATTRIBUTABLE PROFIT**¹ (12M18): 591 €m  
  - -16.5% vs. 12M17
- **NPL RATIO**:
  - Colombia: 6.0% vs. 5.3% 4Q17  
  - Peru: 4.0% vs. 3.8% 4Q17  
  - Argentina: 2.0% vs. 0.8% 4Q17
- **COVERAGE RATIO**:
  - Colombia: double digit growth supported by core revenues and lower impairments
  - Peru: NII as the main P&L driver, thanks to a more profitable loan mix
  - Argentina: loan growth slowdown due to the economic environment

---

Note: NPL and Coverage ratio of 2018 under IFRS9 standards, 2017 figures under IAS 39.
### CIB – 12M18 Results

#### Business activity
(constant €, % YtD)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Revenue (€bn)</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>LENDING</td>
<td>59</td>
<td>+8.3%</td>
</tr>
<tr>
<td>CUSTOMER FUNDS</td>
<td>41</td>
<td>-7.0%</td>
</tr>
</tbody>
</table>

#### Client’s revenue
(constant €, % YoY)

<table>
<thead>
<tr>
<th>Total</th>
<th>€m</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GROSS INCOME</td>
<td>2,941</td>
<td>+2.9%</td>
</tr>
<tr>
<td>OPERATING INCOME</td>
<td>1,935</td>
<td>+4.8%</td>
</tr>
<tr>
<td>NET ATTRIBUTABLE PROFIT</td>
<td>1,016</td>
<td>-2.1%</td>
</tr>
</tbody>
</table>

#### Results
(constant €, % YoY)

- Recovery in lending volume specially in Mexico, Argentina and Turkey
- Customer income increase due to commercial activity
- Good performance in Gross Margin, due to excellent results in Turkey and Argentina. Net Attributable profit affected by provisions in Turkey in the last quarter

---

(1) Client’s revenue / Gross income
BBVA had significant growth since 1995
More than 160 years of history

- **1995**: Banco Continental (Peru)
  Probursa (México)
- **1996**: Banco Ganadero (Colombia)
  Bancos Cremi and Oriente (Mexico)
  Banco Francés (Argentina)
- **1997**: Banco Provincial (Venezuela)
  B.C. Argentino (Argentina)
- **1998**: Poncebank (Puerto Rico)
  Banco Excel (Brazil)
  Banco BHIF (Chile)
- **1999**: Provida (Chile)
  Consolidar (Argentina)
- **2000**: Bancomer (Mexico)
- **2004**: Valley Bank (USA)
  Laredo (USA)
  Public takeover offer for Bancomer (Mexico)
- **2005**: Granahorrar (Colombia)
  Hipotecaria Nacional (Mexico)
- **2006**: Texas Regional Bancshares (USA)
  Forum Servicios Financieros (Chile)
  State National Bancshares (USA)
  CITIC (China)
- **2007**: Compass (USA)
- **2008**: Extended CITIC agreement (China)
- **2009**: Guaranty Bank (USA)
- **2010**: New extension CITIC agreement (China)
  Turkiye Garanti Bankasi (Turkey)
- **2011**: Extension of Forum SF agreement (Chile)
  Credit Uruguay (Uruguay)
- **2012**: Sale of (Puerto Rico)
  Unnim Banc (Spain)
- **2013**: Sale of (Panama)
  Sale of pension business in (Latam)
  Sale of CNCB’s 5.1% (China)
- **2014**: Simple (USA)
- **2015**: Sale of CIFH’s stake to CNCB (China)
  Sale of CNCB’s 4.9% (China)
  Catalunya Banc (Spain)
  Acquisition of an additional stake in Turkiye Garanti Bankasi (Turkey)
  Acquisition of a 29.5% stake in Atom (UK)
- **2016**: Holvi (Finland)
  Sale of CNCB’s 1.12% (China)
  Sale of GarantiBank Moscow AO (Moscow)
  OpenPay (Mexico)
- **2017**: Sale of CNCB (China)
  Acquisition of an additional stake in Turkiye Garanti Bankasi of 9.95% (Turkey)
  Agreement with Cerberus to transfer the Real Estate Business (Spain)
- **2018**: Sale of the stake in BBVA Chile to The Bank of Nova Scotia (Chile)
Organizational chart

Chief Executive Officer
Onur Genç

GROUP EXECUTIVE CHAIRMAN
Carlos Torres Vila

BUSINESS UNITS

- Corporate & Investment Banking
  Luisa Gómez Bravo

- Country Monitoring (1)
  Jorge Sáenz-Azcúnaga

- Country Manager España
  Cristina de Parias

- Country Manager México
  Eduardo Osuna

- Country Manager Estados Unidos
  Javier Rodríguez Soler

- Country Manager Turquía
  Fuat Erbil

GLOBAL FUNCTIONS

- Client Solutions
  Derek White

- Finance & Accounting
  Jaime Sáenz de Tejada

- Global Risk Management
  Rafael Salinas

TRANSFORMATION

- Engineering & Organization
  Ricardo Forcano

- Talent & Culture
  Carlos Casas

- Data
  David Puente

STRATEGY

- Global Economics & Public Affairs
  José Manuel González-Páramo

- Senior Advisor to the Chairman
  Juan Asúa

- Strategy & M&A
  Victoria del Castillo

- Communications
  Paul G. Tobin

LEGAL AND CONTROL

- Legal
  María Jesús Arribas

- General Secretary
  Domingo Armengol

- Supervisors, Regulation & Compliance (2)
  Eduardo Arbizu

- Internal Audit (2)
  Joaquín Gortari

(1) Reporting channel to CEO for Argentina, Colombia, Peru, Venezuela, Uruguay and Paraguay, as well as monitoring of all countries, including Spain, Mexico, USA and Turkey.

(2) Reporting to the Board of Directors through its corresponding committees.
BBVA Group
2018 Results

Creating Opportunities