

# 3Q19 Results

October 31<sup>st</sup>, 2019

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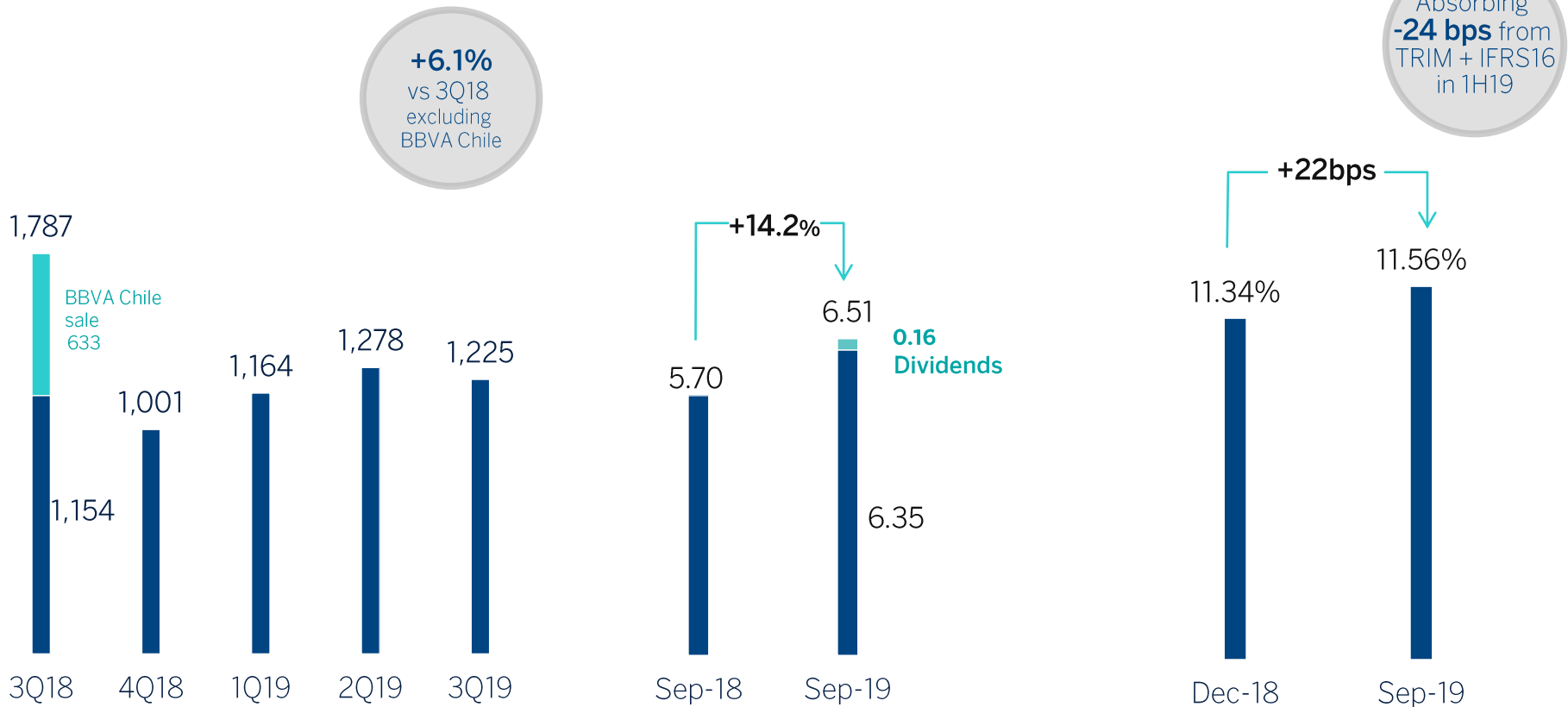
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# Outstanding value creation and strong capital position

## NET ATTRIBUTABLE PROFIT (€M)

## TBV/SHARE + DIVIDENDS (€ PER SHARE)

## CET1 FULLY-LOADED (%)



Note: The hyperinflation impact in Argentina recorded in 3Q18 has been allocated on a monthly basis in the first nine 9 months of 2018 impacting 1Q18, 2Q18 and 3Q18 P&L and balance sheet figures. 3Q18 figures include BBVA Chile recurrent operations (sale closed on July 6<sup>th</sup>).

# 3Q19 Highlights

**01** Robust growth in core revenues

NII (€ constant)  
**+3.2%** vs. 3Q18

FEES (€ constant)  
**+6.4%** vs. 3Q18

**02** Excellent operating income growth and efficiency

OPERATING INCOME  
**9.6%** vs. 3Q18 (€ const.)

COST TO INCOME (YTD)  
**48.7%** -75 bps vs. 12M18 (€ const.)

**03** Sound risk indicators

NPL RATIO  
**3.90%**  
-23 bps vs. Sep18

COVERAGE RATIO  
**75%**  
+257 bps vs. Sep18

CoR (YTD)  
**1.01%**  
+11 bps vs. 9M18

**04** Strong capital position

CET 1 FL  
**11.56%** +4 bps vs. Jun-19

**WITHIN THE  
TARGET RANGE**

**05** Outstanding delivery on shareholder value creation

ROTE (YTD)  
**12.2%**

TBV/SHARE + DIVIDENDS (YoY growth)  
**+14.2%**

**06** Ahead of the curve in digital transformation

DIGITAL SALES (YTD, units)  
**58.9%**

DIGITAL CUSTOMERS  
**55.7%**  
Penetration

MOBILE CUSTOMERS  
**49.7%**  
Penetration

# 3Q19 Profit & Loss

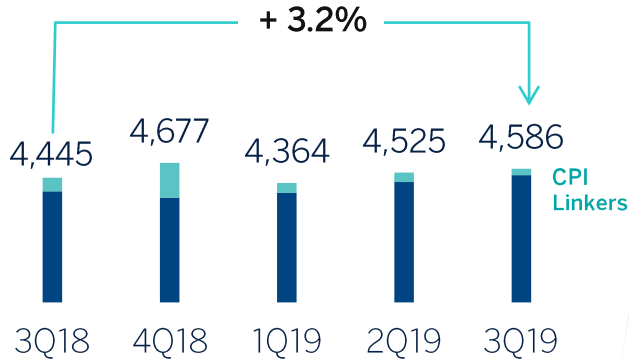
| BBVA Group (€m)                              | 3Q19         | Change<br>3Q19/3Q18 |            |
|--|--------------|---------------------|------------|
|  |              | %                   | % constant |
| <b>Net Interest Income</b>                   | <b>4,488</b> | <b>4.1</b>          | <b>3.2</b> |
| Net Fees and Commissions                     | 1,273        | 8.5                 | 6.4        |
| Net Trading Income                           | 351          | 65.5                | 76.1       |
| Other Income & Expenses                      | 22           | -41.3               | -69.1      |
| <b>Gross Income</b>                          | <b>6,135</b> | <b>6.9</b>          | <b>5.9</b> |
| Operating Expenses                           | -2,946       | 4.2                 | 2.2        |
| <b>Operating Income</b>                      | <b>3,189</b> | <b>9.6</b>          | <b>9.6</b> |
| Impairment on Financial Assets               | -1,187       | 16.0                | 17.6       |
| Provisions and Other Gains and Losses        | -117         | -26.5               | -23.7      |
| <b>Income Before Tax</b>                     | <b>1,886</b> | <b>9.1</b>          | <b>8.0</b> |
| Income Tax                                   | -488         | 16.3                | 12.6       |
| Non-controlling Interest                     | -173         | 12.3                | 9.4        |
| <b>Net Attributable Profit ex-BBVA Chile</b> | <b>1,225</b> | <b>6.1</b>          | <b>6.1</b> |

# 9M19 Profit & Loss

| BBVA Group (€m)                              | 9M19          | Change<br>9M19/9M18 |            |
|--|---------------|---------------------|------------|
|  |               | %                   | % constant |
| <b>Net Interest Income</b>                   | <b>13,475</b> | <b>6.3</b>          | <b>7.1</b> |
| Net Fees and Commissions                     | 3,743         | 3.4                 | 3.8        |
| Net Trading Income                           | 893           | 2.6                 | 3.9        |
| Other Income & Expenses                      | 13            | -90.2               | -89.7      |
| <b>Gross Income</b>                          | <b>18,124</b> | <b>4.8</b>          | <b>5.5</b> |
| Operating Expenses                           | -8,820        | 2.9                 | 3.2        |
| <b>Operating Income</b>                      | <b>9,304</b>  | <b>6.6</b>          | <b>7.9</b> |
| Impairment on Financial Assets               | -2,964        | 14.5                | 16.2       |
| Provisions and Other Gains and Losses        | -402          | 68.9                | 72.7       |
| <b>Income Before Tax</b>                     | <b>5,938</b>  | <b>0.7</b>          | <b>1.7</b> |
| Income Tax                                   | -1,623        | 0.2                 | 0.4        |
| Non-controlling Interest                     | -648          | -0.7                | 12.4       |
| <b>Net Attributable Profit ex-BBVA Chile</b> | <b>3,667</b>  | <b>1.2</b>          | <b>0.5</b> |

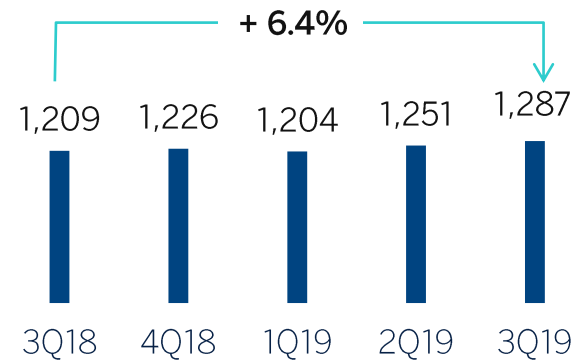
# Robust growth in core revenues

## NET INTEREST INCOME (€M CONSTANT)



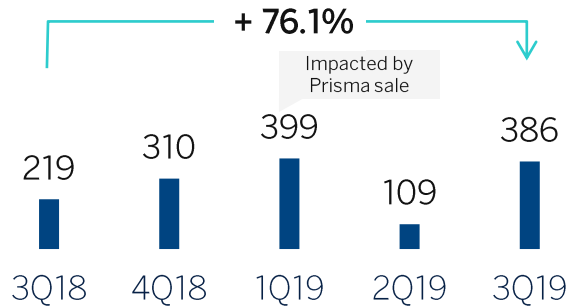
Growth despite challenging macro, low interest rates and lower contribution from CPI Linkers

## NET FEES AND COMMISSIONS (€M CONSTANT)



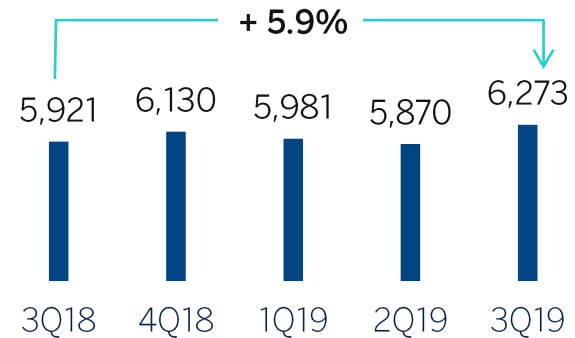
Strong fee generation across the board

## NET TRADING INCOME (€M CONSTANT)



Positively impacted by better Global Markets results

## GROSS INCOME (€M CONSTANT)

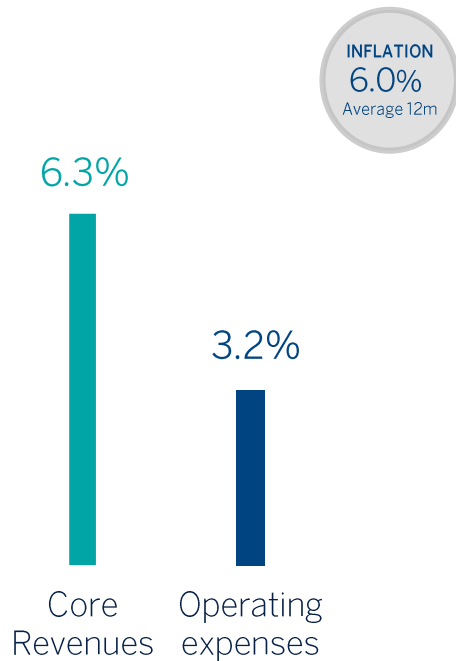


Supported by core revenues and NTI

# Excellent operating income growth and efficiency

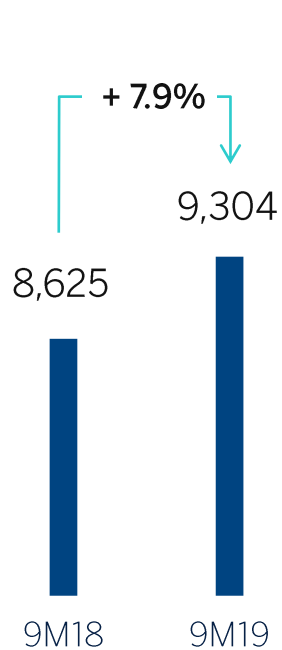
## GROUP OPERATING JAWS

(9M YoY (%); (€ CONSTANT))



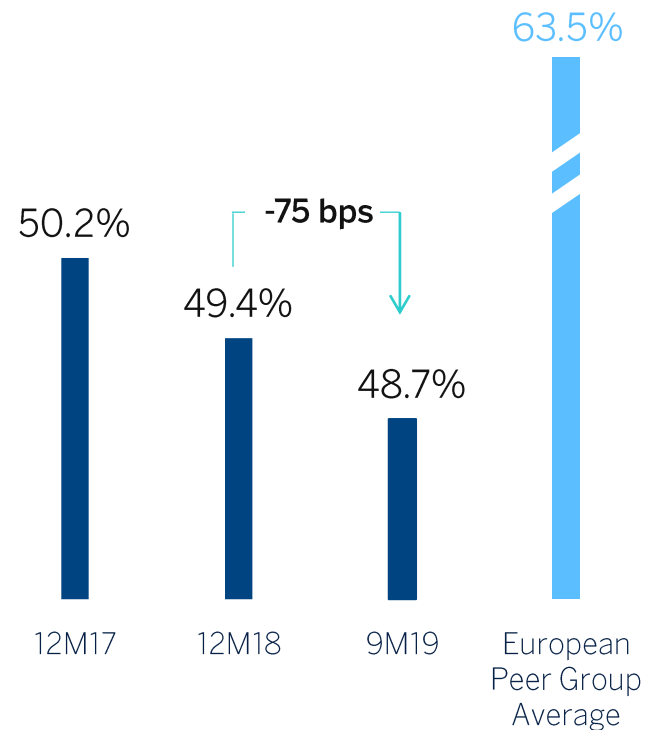
## GROUP OPERATING INCOME

(YoY (%); (€M CONSTANT))



## EFFICIENCY RATIO

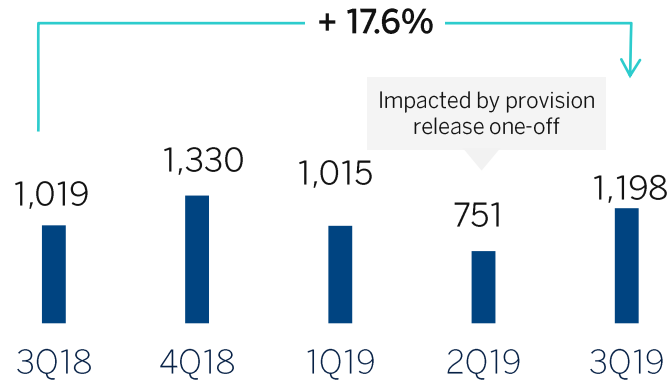
(%; € CONSTANT)



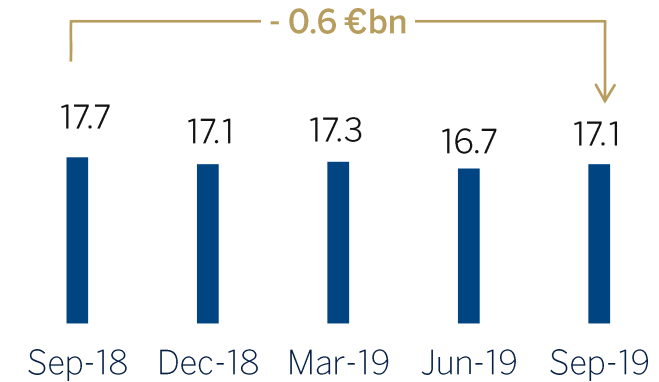


# Sound risk indicators

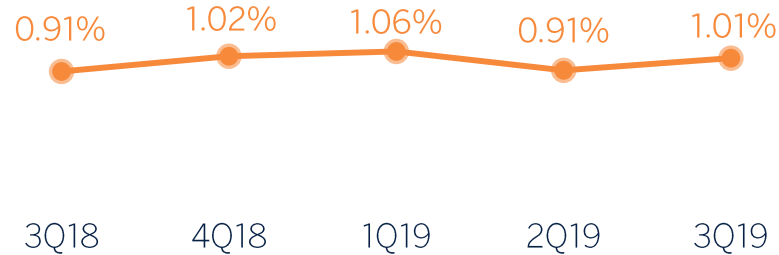
## FINANCIAL ASSETS IMPAIRMENTS (€M CONSTANT)



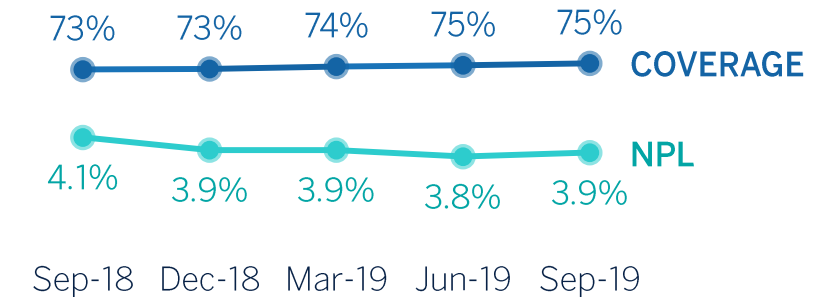
## NPLs (€BN)



## COST OF RISK (YTD (%))



## NPL & COVERAGE RATIOS (%)



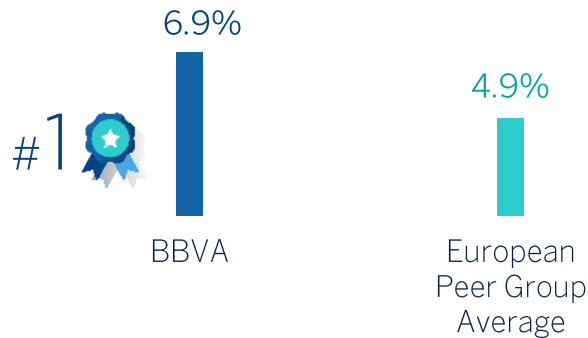
# Strong capital position

## CET1 FULLY-LOADED - BBVA GROUP QUARTERLY EVOLUTION (% , BPS)

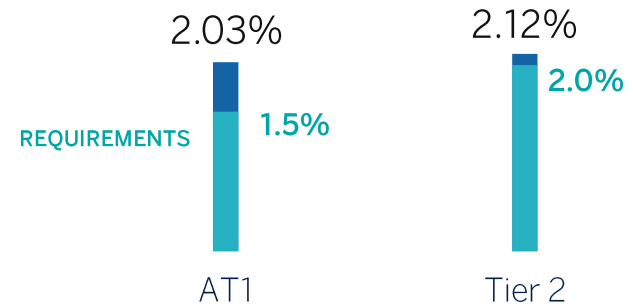


(1) Others includes market related impacts such as FX impact, mark to market of the Held To Collect and Sell portfolios, among other items.

## HIGH QUALITY CAPITAL LEVERAGE RATIO FULLY-LOADED (%)



## AT1 AND TIER 2 BUCKETS ALREADY COVERED SEP-19, FULLY-LOADED (%)

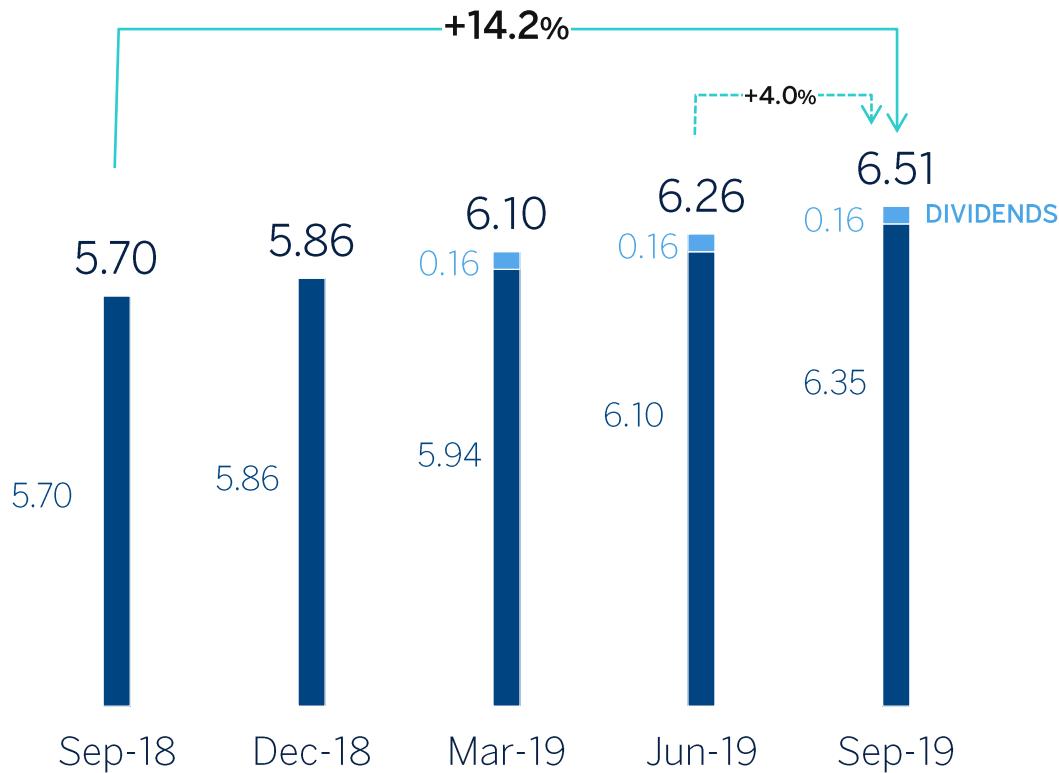


European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCG. European Peer Group figures as of Jun-19. BBVA figures as of Sep-19.

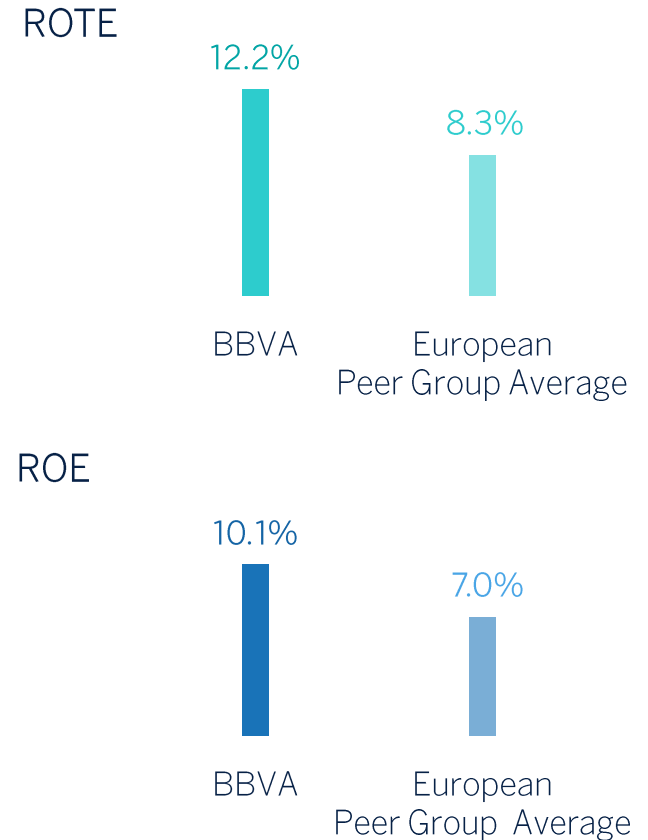
**CET1 FL within the target range**

# Outstanding delivery on shareholder value creation

## TBV PER SHARE & DIVIDENDS (€ PER SHARE)



## LEADING PROFITABILITY METRICS (%)

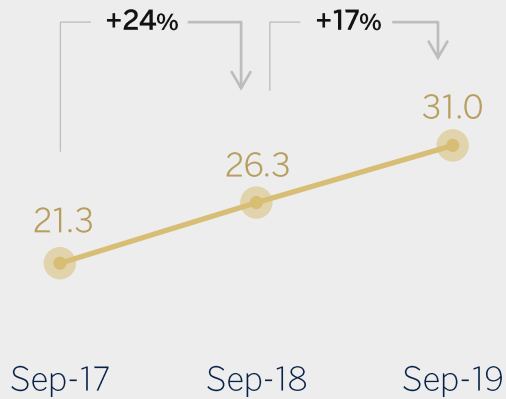


2018 figures include BBVA Chile recurrent operations (sale closed on July 6th).  
European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCG. European Peer Group figures as of Jun-19. BBVA figures as of Sep-19.

# Leading digital transformation

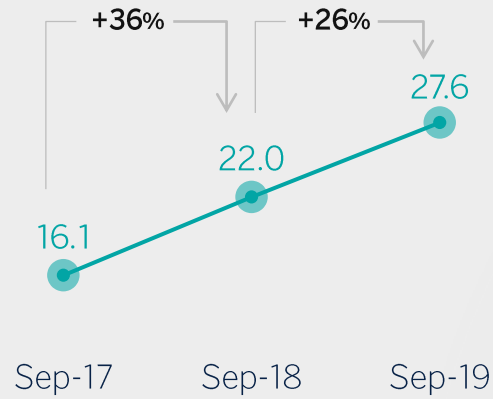
## DIGITAL CUSTOMERS

MILLION, % GROWTH



## MOBILE CUSTOMERS

MILLION, % GROWTH



## BEST MOBILE APP

FORRESTER RESEARCH



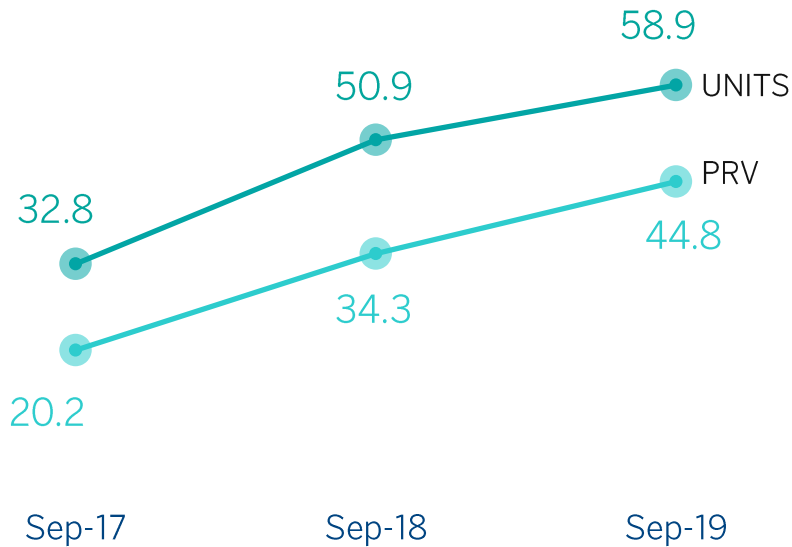
CUSTOMER PENETRATION RATE, %



# Transformation boosting digital sales and client acquisition

## DIGITAL SALES

(% OF TOTAL SALES YTD, # OF TRANSACTIONS AND PRV<sup>(1)</sup>)



## E2E DIGITAL ONBOARDING FOR SMEs



First bank in Spain providing full digital onboarding for SMEs targeting more than **650K potential new clients**

Figures have been restated in order to include credit card related financing solutions and FX. Group figures exclude Venezuela and Chile.

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

# The impact of transformation: Mexico

(Sep-17 vs Sep-19)

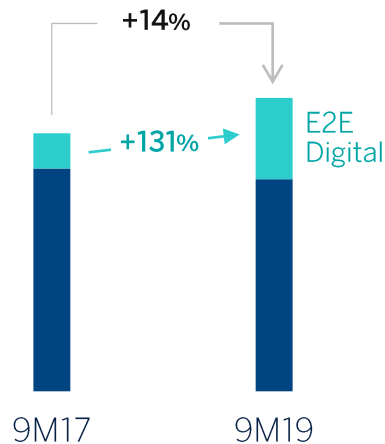


## GROWTH

Acquiring more clients and increasing sales

**+2.1Mn** ACTIVE INCREMENTAL CLIENTS

## YTD SALES GROWTH (9M17/9M19 PRV)

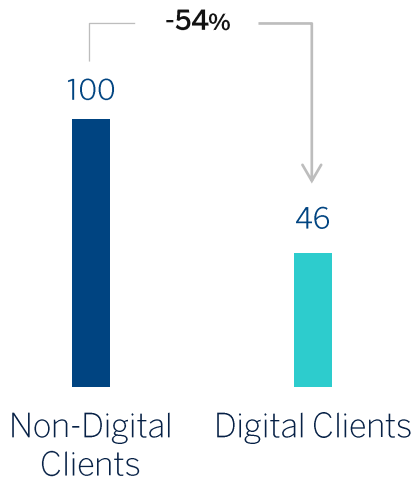


## ENGAGEMENT

Resulting in higher client satisfaction and retention

**NPS #1**  **BBVA**

## ATTRITION RATE (INDEX)

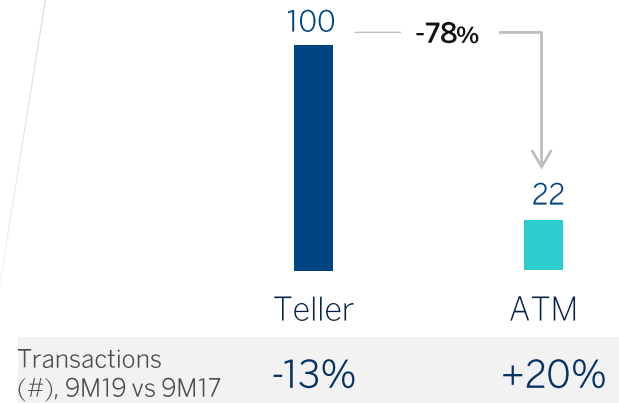


## EFFICIENCY

Lowering cost to sell and serve our clients

**+1%** NETWORK FTEs

## MIGRATION TO MORE EFFICIENT CHANNELS (COST PER TRANSACTION, INDEX)

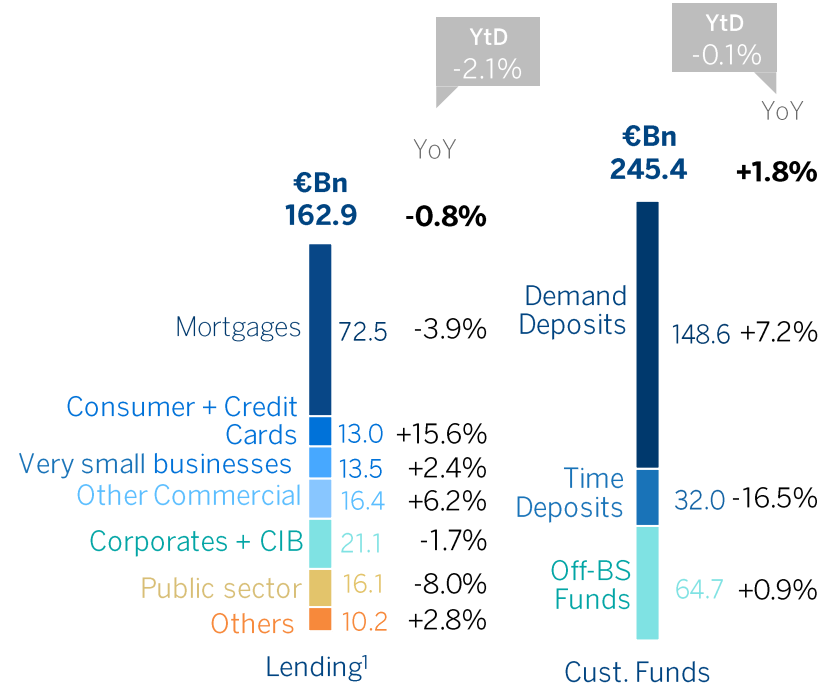


# Business Areas

# Spain

| Profit & Loss<br>(€m)             | Δ (%)        |             | Δ (%)        |             |
|-----------------------------------|--------------|-------------|--------------|-------------|
|                                   | 3Q19         | vs 3Q18     | 9M19         | vs 9M18     |
| <b>Net Interest Income</b>        | <b>913</b>   | <b>-1.1</b> | <b>2,721</b> | <b>-1.9</b> |
| Net Fees and Commissions          | 442          | 5.2         | 1,287        | 1.3         |
| Net Trading Income                | 30           | -28.2       | 121          | -62.5       |
| Other Income & Expenses           | 105          | 21.1        | 177          | 42.5        |
| <b>Gross Income</b>               | <b>1,489</b> | <b>1.3</b>  | <b>4,307</b> | <b>-4.2</b> |
| Operating Expenses                | -813         | -2.1        | -2,441       | -3.0        |
| <b>Operating Income</b>           | <b>676</b>   | <b>5.7</b>  | <b>1,866</b> | <b>-5.6</b> |
| Impairment on Financial Assets    | -131         | 77.1        | -106         | -63.0       |
| Provisions & other gains (losses) | -83          | -41.3       | -271         | 30.0        |
| <b>Income Before Tax</b>          | <b>462</b>   | <b>8.9</b>  | <b>1,489</b> | <b>0.6</b>  |
| Income Tax                        | -131         | 67.4        | -423         | 9.3         |
| <b>Net Attributable Profit</b>    | <b>330</b>   | <b>-4.3</b> | <b>1,064</b> | <b>-2.5</b> |

## ACTIVITY (SEP-19)

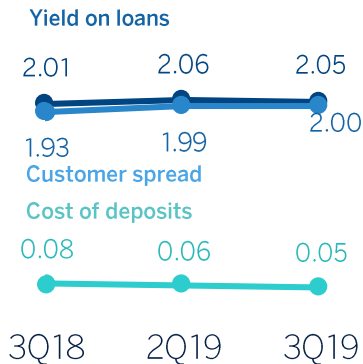


Note: Activity excludes repos. (1) Performing loans under management.

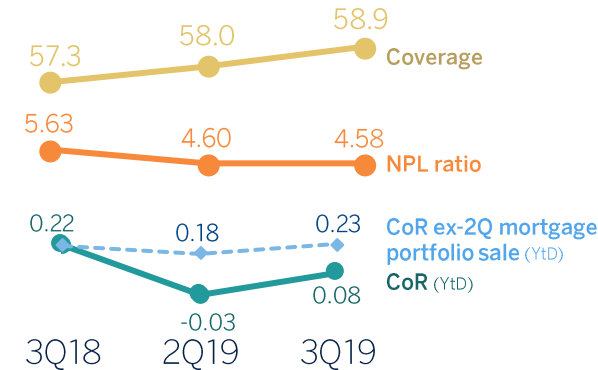
- Loans: growth in most profitable retail segments offset by mortgages and public sector deleverage.
- NII in line with expectations: positive performance of commercial activity more than offset by lower ALCO contribution and IFRS16 impact.
- Fees: strong growth in 3Q, mainly thanks to Corporate and Investment Banking (CIB).
- Costs continue to go down.
- Asset quality: 3Q CoR increase due to extraordinary write-offs in Real Estate. Stable underlying trends.

## KEY RATIOS

### CUSTOMER SPREAD (%)



### ASSET QUALITY RATIOS (%)



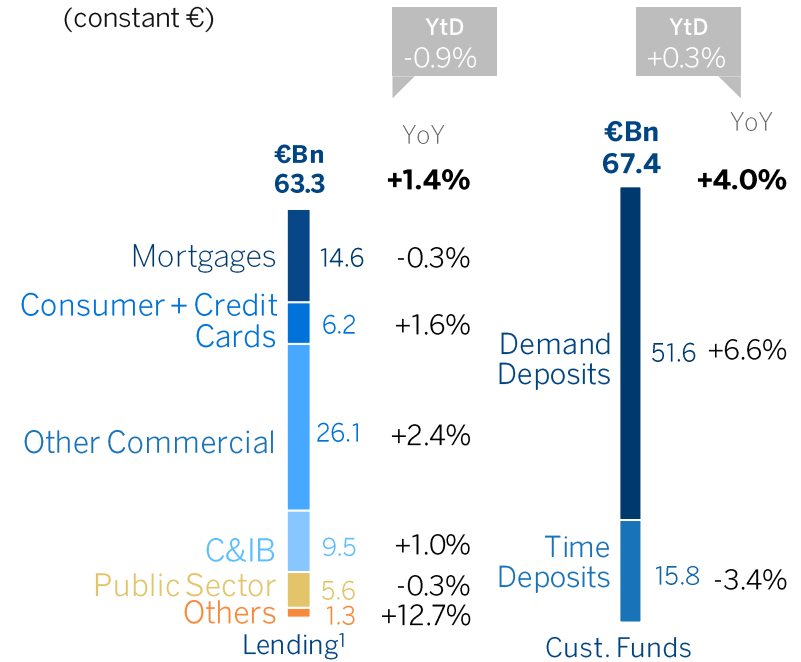




| Profit & Loss<br>(€m constant)    | 3Q19       |                       | 9M19         |                       | 9M18         |
|-----------------------------------|------------|-----------------------|--------------|-----------------------|--------------|
|                                   | Value      | ΔConstant vs 3Q18 (%) | Value        | ΔConstant vs 9M18 (%) | Value        |
| <b>Net Interest Income</b>        | <b>588</b> | <b>-2.8</b>           | <b>1,813</b> | <b>2.4</b>            | <b>8.9</b>   |
| Net Fees and Commissions          | 167        | 10.2                  | 489          | 2.5                   | 9.0          |
| Net Trading Income                | 58         | 176.3                 | 139          | 88.0                  | 99.8         |
| Other Income & Expenses           | 3          | n.s.                  | 2            | n.s.                  | n.s.         |
| <b>Gross Income</b>               | <b>816</b> | <b>5.6</b>            | <b>2,442</b> | <b>5.3</b>            | <b>11.9</b>  |
| Operating Expenses                | -488       | -1.7                  | -1,454       | -0.3                  | 6.0          |
| <b>Operating Income</b>           | <b>328</b> | <b>18.9</b>           | <b>989</b>   | <b>14.7</b>           | <b>21.9</b>  |
| Impairment on Financial Assets    | -118       | 49.7                  | -406         | 177.1                 | 194.6        |
| Provisions & other gains (losses) | 10         | 487.8                 | 5            | -66.4                 | -64.3        |
| <b>Income Before Tax</b>          | <b>221</b> | <b>10.9</b>           | <b>588</b>   | <b>-19.5</b>          | <b>-14.4</b> |
| Income Tax                        | -43        | 12.6                  | -110         | -28.7                 | -24.2        |
| <b>Net Attributable Profit</b>    | <b>178</b> | <b>10.5</b>           | <b>478</b>   | <b>-17.0</b>          | <b>-11.8</b> |

## ACTIVITY (SEP-19)

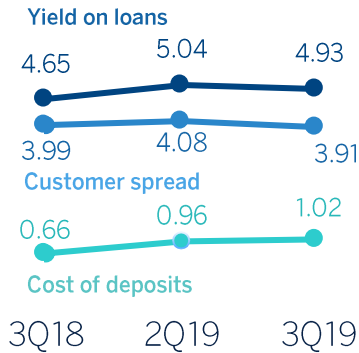
(constant €)



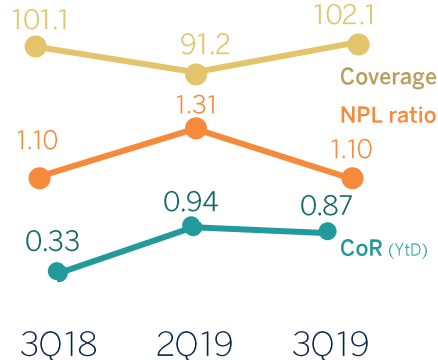
Note: Activity excludes repos. (1) Performing loans under management.

## KEY RATIOS

### CUSTOMER SPREAD (%)



### ASSET QUALITY RATIOS (%)



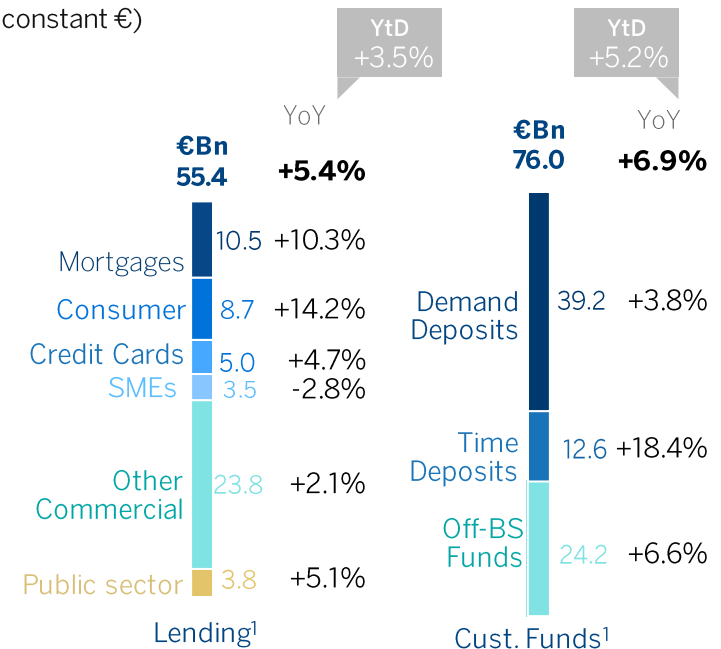
- **Loan growth** deceleration to 1.4% YoY, explained partially by the slowdown in consumer loans.
- **Deposits** +4% YoY and mix improvement.
- **NII**: QoQ decrease due to lower rates and still high deposit Betas.
- **Positive jaws** with flat operating expenses.
- **Asset quality**: CoR trending down in 3Q, already within the 80-90 bps 2019 guidance.

# Mexico

| <b>Profit &amp; Loss</b><br>(€m constant) | 3Q19         | ΔConstant<br>vs 3Q18 (%) | 9M19         | ΔConstant<br>vs 9M18 (%) | Δ Current<br>vs 9M18 (%) |
|---|--------------|--------------------------|--------------|--------------------------|--------------------------|
| <b>Net Interest Income</b>                | <b>1,554</b> | <b>4.0</b>               | <b>4,599</b> | <b>6.5</b>               | <b>11.9</b>              |
| Net Fees and Commissions                  | 330          | 3.8                      | 952          | 0.6                      | 5.7                      |
| Net Trading Income                        | 106          | 91.1                     | 241          | 15.4                     | 21.3                     |
| Other Income & Expenses                   | 19           | -61.2                    | 121          | -12.5                    | -8.0                     |
| <b>Gross Income</b>                       | <b>2,008</b> | <b>4.8</b>               | <b>5,912</b> | <b>5.3</b>               | <b>10.7</b>              |
| Operating Expenses                        | -667         | 5.1                      | -1,958       | 4.8                      | 10.2                     |
| <b>Operating Income</b>                   | <b>1,341</b> | <b>4.7</b>               | <b>3,954</b> | <b>5.6</b>               | <b>11.0</b>              |
| Impairment on Financial Assets            | -420         | 18.6                     | -1,238       | 11.6                     | 17.3                     |
| Provisions & other gains (losses)         | -5           | -80.4                    | -14          | n.s.                     | n.s.                     |
| <b>Income Before Tax</b>                  | <b>917</b>   | <b>1.5</b>               | <b>2,702</b> | <b>1.2</b>               | <b>6.4</b>               |
| Income Tax                                | -240         | -4.9                     | -737         | 0.0                      | 5.1                      |
| <b>Net Attributable Profit</b>            | <b>677</b>   | <b>3.9</b>               | <b>1,965</b> | <b>1.7</b>               | <b>6.9</b>               |

## ACTIVITY (SEP-19)

(constant €)

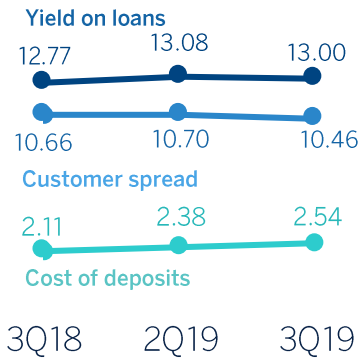


(1) Performing loans and Cust. Funds under management, excluding repos, according to local GAAP.

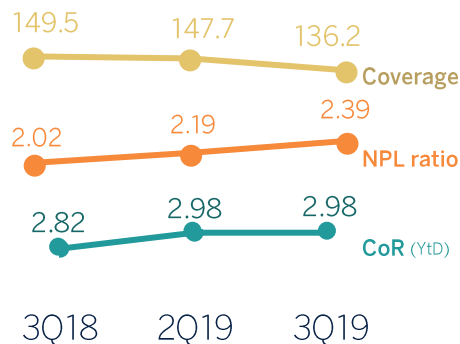
- **NII** as the main P&L driver, supported by activity growth and higher contribution from securities.
- **Loan growth** supported by retail, gaining share in mortgages (+19 bps YoY) and consumer loans (+173 bps YoY).
- **Positive Jaws:** Core revenues +5.4% YoY and Opex growth +4.2% YoY, excl. increased contribution to BBVA Foundation.
- **CoR** stable at 298bps, in line with expectations.

## KEY RATIOS

### CUSTOMER SPREAD (%)



### ASSET QUALITY RATIOS (%)

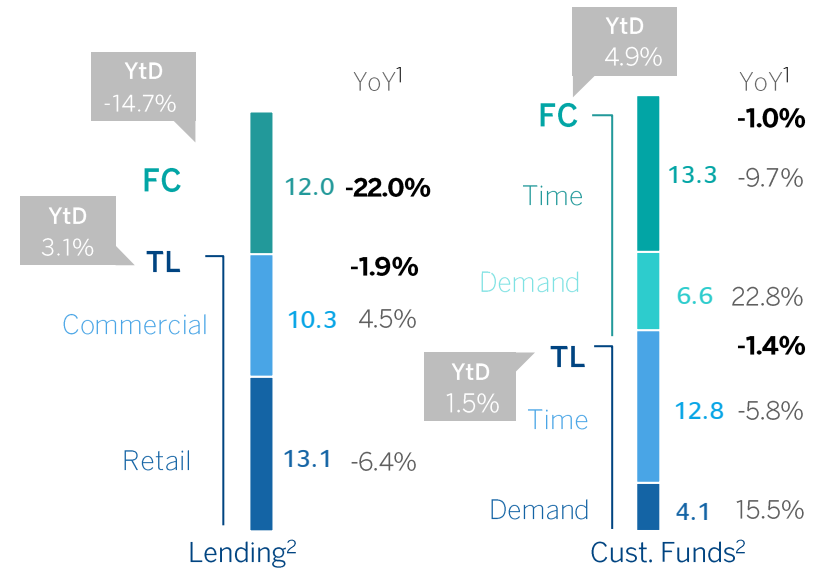


# Turkey

| Profit & Loss<br>(€m constant)    | 3Q19       | ΔConstant<br>vs 3Q18 (%) | 9M19         | ΔConstant<br>vs 9M18 (%) | Δ Current<br>vs 9M18 (%) |
|-----------------------------------|------------|--------------------------|--------------|--------------------------|--------------------------|
| <b>Net Interest Income</b>        | <b>672</b> | <b>-8.4</b>              | <b>2,029</b> | <b>6.0</b>               | <b>-7.9</b>              |
| Net Fees and Commissions          | 186        | 18.2                     | 547          | 22.3                     | 6.2                      |
| Net Trading Income                | 0          | -99.0                    | -65          | n.s.                     | n.s.                     |
| Other Income & Expenses           | 7          | -48.2                    | 37           | -16.6                    | -27.6                    |
| <b>Gross Income</b>               | <b>866</b> | <b>-6.8</b>              | <b>2,548</b> | <b>4.7</b>               | <b>-9.0</b>              |
| Operating Expenses                | -291       | 9.6                      | -886         | 11.3                     | -3.3                     |
| <b>Operating Income</b>           | <b>575</b> | <b>-13.3</b>             | <b>1,661</b> | <b>1.5</b>               | <b>-11.8</b>             |
| Impairment on Financial Assets    | -307       | -0.2                     | -645         | 16.4                     | 1.1                      |
| Provisions & other gains (losses) | -13        | 11.3                     | -34          | n.s.                     | n.s.                     |
| <b>Income Before Tax</b>          | <b>255</b> | <b>-25.9</b>             | <b>982</b>   | <b>-10.5</b>             | <b>-22.3</b>             |
| Income Tax                        | -56        | -26.8                    | -209         | -13.0                    | -24.5                    |
| Non-controlling Interest          | -101       | -25.4                    | -393         | -9.6                     | -21.5                    |
| <b>Net Attributable Profit</b>    | <b>97</b>  | <b>-25.9</b>             | <b>380</b>   | <b>-10.0</b>             | <b>-21.8</b>             |

## ACTIVITY (SEP-19)

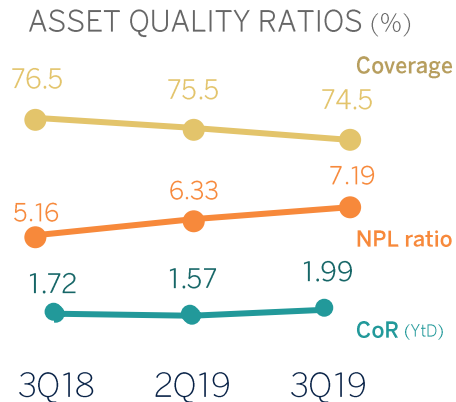
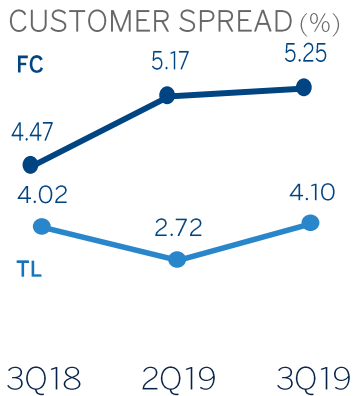
(constant €; Bank only)



(1) FC evolution excluding FX impact. (2) Performing loans and Cust. Funds under management, excluding repos, according to local GAAP.

- **Earnings resilience:** 9M19 operating income +1.5% YoY.
- **Improvement in customer spread** both in TL (+138 bps QoQ) and FC.
- **NII:** 3Q19 impacted by lower contribution from CPI-Linkers (-113 €m vs. 3Q18).
- **Strong fee income growth.**
- **Costs growing significantly below inflation** (18.3%).
- **CoR better than expected:** YTD CoR at 199 bps. vs. 2019 CoR guidance of c.250 bps. 3Q increase due to provisioning of large tickets.

## KEY RATIOS



# South America

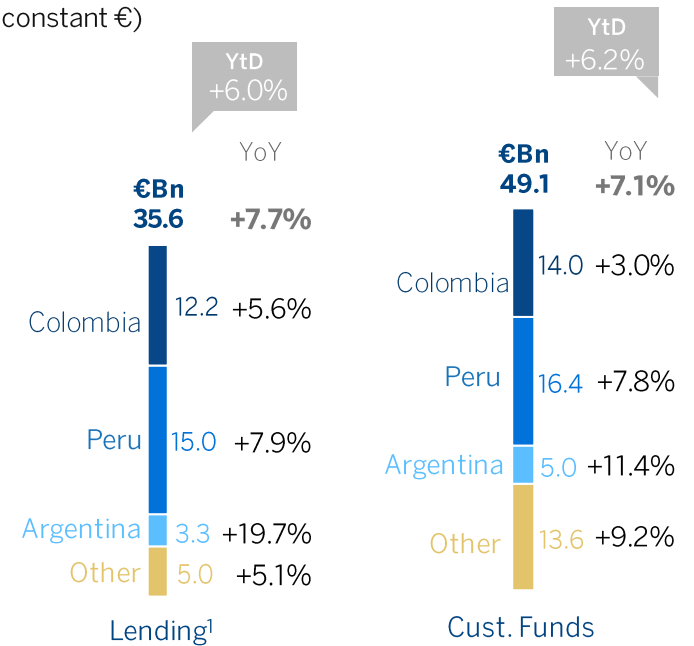
| Net Attributable Profit<br>(€m constant) | 3Q19       | Δ Constant <sup>1</sup><br>vs 3Q18 (%) | 9M19       | Δ Constant <sup>1</sup><br>vs 9M18 (%) | Δ Current<br>vs 9M18 (%) |
|--|------------|--|------------|--|--------------------------|
| Colombia                                 | 69         | 29.9                                   | 198        | 18.4                                   | 12.2                     |
| Peru                                     | 55         | 28.5                                   | 153        | 17.8                                   | 22.8                     |
| Argentina                                | 52         | 850.6                                  | 117        | n.s.                                   | n.s.                     |
| Other <sup>2</sup>                       | 34         | 20.4                                   | 100        | 10.0                                   | 5.3                      |
| <b>South America</b>                     | <b>211</b> | <b>61.8</b>                            | <b>569</b> | <b>62.0</b>                            | <b>45.0</b>              |

(1) Venezuela in current €m

(2) Other includes BBVA Forum, Venezuela, Paraguay, Uruguay and Bolivia  
South America comparison at constant perimeter (excl. BBVA Chile)

## ACTIVITY (SEP-19)

(constant €)

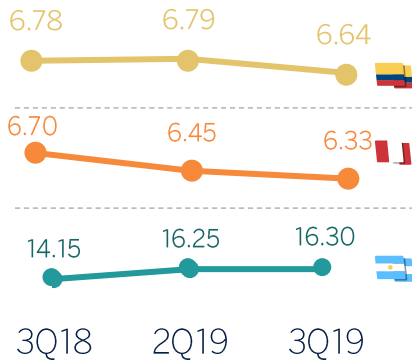


Note: Activity excludes repos. (1) Performing loans under management

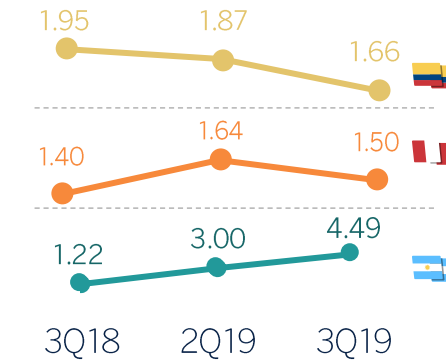
- **Colombia: Bottom line growth at high-teens**, supported by activity, positive jaws and lower impairments.
- **Peru: double-digit growth in NII and positive jaws** drive bottom line growth at high-teens.
- **Argentina: positive contribution** thanks to NII growth (due to securities portfolios) and the sale of Prisma stake in 1Q19.

## KEY RATIOS

### CUSTOMER SPREAD (%)



### COST OF RISK YTD (%)



# Final Remarks

# Excellent 3Q Results

## driven by our unique and diversified footprint and business model

- Operating income growing at nearly double-digit, with continuous improvement in efficiency
- Risk indicators in line with expectations
- Strong capital position with CET1 FL within the target range
- Outstanding delivery on shareholder value creation with double-digit profitability, at the forefront of our European peer group
- Ahead of the curve in digital transformation, positively impacting growth, customer engagement and efficiency



# Annex

- 01 Customer spread by country
- 02 Gross Income breakdown
- 03 Net Attributable Profit evolution
- 04 P&L Accounts by business unit
- 05 ALCO Portfolio, NII Sensitivity and LCRs & NSFRs
- 06 **Garanti**: wholesale funding
- 07 Capital and RWAs by business area
- 08 Book Value of the main subsidiaries
- 09 Digital sales breakdown

01

# Customer spread by country



# Customer spreads: Quarterly evolution

|                              | 3Q18   | 4Q18   | 1Q19   | 2Q19   | 3Q19   |
|------------------------------|--------|--------|--------|--------|--------|
| <b>Spain</b>                 | 1.93%  | 1.95%  | 1.96%  | 1.99%  | 2.00%  |
| Yield on Loans               | 2.01%  | 2.03%  | 2.04%  | 2.06%  | 2.05%  |
| Cost of Deposits             | -0.08% | -0.08% | -0.07% | -0.06% | -0.05% |
| <b>USA</b>                   | 3.99%  | 4.09%  | 4.19%  | 4.08%  | 3.91%  |
| Yield on Loans               | 4.65%  | 4.83%  | 5.04%  | 5.04%  | 4.93%  |
| Cost of Deposits             | -0.66% | -0.74% | -0.84% | -0.96% | -1.02% |
| <b>Mexico MXN</b>            | 11.80% | 11.76% | 11.81% | 11.81% | 11.59% |
| Yield on Loans               | 14.29% | 14.38% | 14.50% | 14.56% | 14.50% |
| Cost of Deposits             | -2.49% | -2.62% | -2.69% | -2.75% | -2.91% |
| <b>Mexico FC<sup>1</sup></b> | 4.10%  | 4.27%  | 4.42%  | 4.31%  | 4.08%  |
| Yield on Loans               | 4.26%  | 4.46%  | 4.66%  | 4.61%  | 4.44%  |
| Cost of Deposits             | -0.15% | -0.19% | -0.24% | -0.31% | -0.36% |

|                              | 3Q18    | 4Q18    | 1Q19    | 2Q19    | 3Q19    |
|------------------------------|---------|---------|---------|---------|---------|
| <b>Turkey TL</b>             | 4.02%   | 1.12%   | 2.50%   | 2.72%   | 4.10%   |
| Yield on Loans               | 17.19%  | 18.98%  | 19.02%  | 19.09%  | 18.56%  |
| Cost of Deposits             | -13.17% | -17.86% | -16.52% | -16.37% | -14.46% |
| <b>Turkey FC<sup>1</sup></b> | 4.47%   | 4.35%   | 4.95%   | 5.17%   | 5.25%   |
| Yield on Loans               | 7.09%   | 7.48%   | 7.47%   | 7.30%   | 7.04%   |
| Cost of Deposits             | -2.62%  | -3.13%  | -2.52%  | -2.13%  | -1.79%  |
| <b>Argentina</b>             | 14.15%  | 14.72%  | 15.98%  | 16.25%  | 16.30%  |
| Yield on Loans               | 24.00%  | 29.09%  | 28.50%  | 29.27%  | 29.36%  |
| Cost of Deposits             | -9.85%  | -14.37% | -12.53% | -13.02% | -13.06% |
| <b>Colombia</b>              | 6.78%   | 6.91%   | 6.76%   | 6.79%   | 6.64%   |
| Yield on Loans               | 10.99%  | 11.07%  | 10.90%  | 10.88%  | 10.82%  |
| Cost of Deposits             | -4.21%  | -4.16%  | -4.13%  | -4.09%  | -4.18%  |
| <b>Peru</b>                  | 6.70%   | 6.69%   | 6.62%   | 6.45%   | 6.33%   |
| Yield on Loans               | 7.84%   | 7.89%   | 7.89%   | 7.85%   | 7.78%   |
| Cost of Deposits             | -1.14%  | -1.20%  | -1.27%  | -1.40%  | -1.45%  |

(1) Foreign currency.

Note: USA ex NY Business Activity.

# Customer spreads: YTD evolution

|                              | 9M18   | 9M19   |
|------------------------------|--------|--------|
| <b>Spain</b>                 | 1.94%  | 1.99%  |
| Yield on Loans               | 2.01%  | 2.05%  |
| Cost of Deposits             | -0.07% | -0.06% |
| <b>USA</b>                   | 3.94%  | 4.06%  |
| Yield on Loans               | 4.49%  | 5.00%  |
| Cost of Deposits             | -0.55% | -0.94% |
| <b>Mexico MXN</b>            | 11.91% | 11.73% |
| Yield on Loans               | 14.23% | 14.52% |
| Cost of Deposits             | -2.32% | -2.79% |
| <b>Mexico FC<sup>1</sup></b> | 4.03%  | 4.27%  |
| Yield on Loans               | 4.16%  | 4.57%  |
| Cost of Deposits             | -0.13% | -0.30% |

|                              | 9M18    | 9M19    |
|------------------------------|---------|---------|
| <b>Turkey TL</b>             | 4.66%   | 3.12%   |
| Yield on Loans               | 15.67%  | 18.89%  |
| Cost of Deposits             | -11.01% | -15.77% |
| <b>Turkey FC<sup>1</sup></b> | 4.37%   | 5.14%   |
| Yield on Loans               | 6.81%   | 7.27%   |
| Cost of Deposits             | -2.44%  | -2.13%  |
| <b>Argentina</b>             | 13.36%  | 16.17%  |
| Yield on Loans               | 21.50%  | 29.06%  |
| Cost of Deposits             | -8.14%  | -12.88% |
| <b>Colombia</b>              | 6.77%   | 6.73%   |
| Yield on Loans               | 11.18%  | 10.86%  |
| Cost of Deposits             | -4.41%  | -4.14%  |
| <b>Peru</b>                  | 6.75%   | 6.46%   |
| Yield on Loans               | 7.88%   | 7.84%   |
| Cost of Deposits             | -1.13%  | -1.38%  |

(1) Foreign currency.

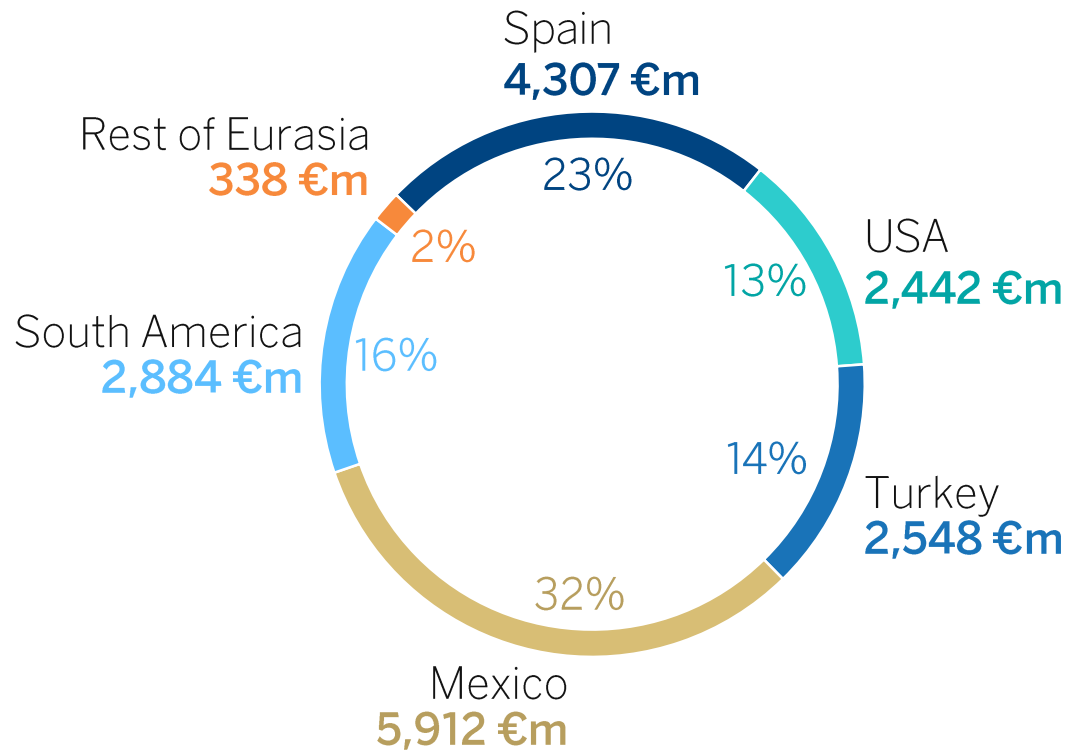
Note: USA ex NY Business Activity.

02

# Gross Income breakdown

# Gross Income breakdown

9M19  
(CONSTANT €)



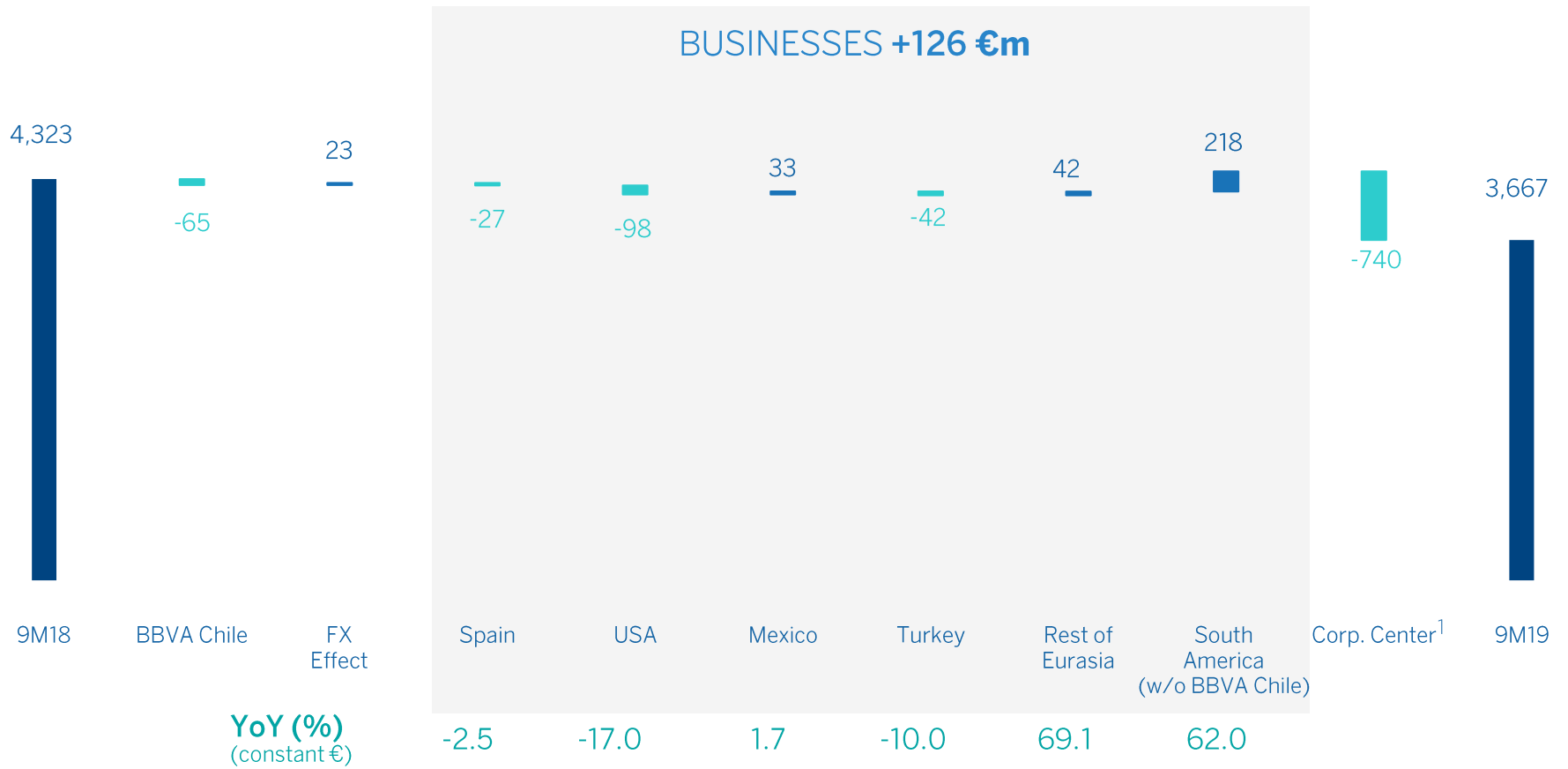
Note: Figures exclude Corporate Center.

03

# Net Attributable Profit evolution

# Group – Net Attributable Profit

(€M)



(1) Including capital gains from BBVA Chile sale in 2018.

04

# P&L accounts by business unit

Rest of Eurasia

Corporate Center

Colombia

Peru

Argentina

# Rest of Eurasia – Profit & Loss

| <b>Profit &amp; Loss</b>          |             | $\Delta$ (%)   |             | $\Delta$ (%) |
|-----------------------------------|-------------|----------------|-------------|--------------|
| (€m)                              | <b>3Q19</b> | vs 3Q18        | <b>9M19</b> | vs 9M18      |
| <b>Net Interest Income</b>        | <b>46</b>   | <b>5.9</b>     | <b>130</b>  | <b>3.6</b>   |
| Net Fees and Commissions          | 36          | 4.1            | 105         | -7.6         |
| Net Trading Income                | 33          | 48.9           | 94          | 21.4         |
| Other Income & Expenses           | 3           | 301.7          | 9           | 1,006.9      |
| <b>Gross Income</b>               | <b>119</b>  | <b>17.2</b>    | <b>338</b>  | <b>6.4</b>   |
| Operating Expenses                | -71         | -4.3           | -212        | -0.6         |
| <b>Operating Income</b>           | <b>48</b>   | <b>76.0</b>    | <b>126</b>  | <b>21.1</b>  |
| Impairment on Financial Assets    | 4           | n.s.           | -7          | -26.2        |
| Provisions & other gains (losses) | 9           | 712.5          | 10          | 193.3        |
| <b>Income Before Tax</b>          | <b>60</b>   | <b>988.7</b>   | <b>129</b>  | <b>31.2</b>  |
| Income Tax                        | -13         | 162.0          | -27         | -29.9        |
| <b>Net Attributable Profit</b>    | <b>47</b>   | <b>8,640.9</b> | <b>103</b>  | <b>69.4</b>  |



# Corporate Center- Profit & Loss

| <b>Profit &amp; Loss</b>          |             | $\Delta$ (%) |               | $\Delta$ (%) |
|-----------------------------------|-------------|--------------|---------------|--------------|
| (€m)                              | <b>3Q19</b> | vs3Q18       | <b>9M19</b>   | vs 9M18      |
| <b>Net Interest Income</b>        | <b>-61</b>  | <b>-11.1</b> | <b>-193</b>   | <b>-6.5</b>  |
| Net Fees and Commissions          | -17         | -2.0         | -61           | 22.9         |
| Net Trading Income                | 20          | n.s.         | -53           | -44.1        |
| Other Income & Expenses           | -14         | 482.9        | 0             | n.s.         |
| <b>Gross Income</b>               | <b>-72</b>  | <b>-43.2</b> | <b>-308</b>   | <b>-2.2</b>  |
| Operating Expenses                | -236        | 3.6          | -718          | 8.7          |
| <b>Operating Income</b>           | <b>-308</b> | <b>-13.1</b> | <b>-1,025</b> | <b>5.2</b>   |
| Impairment on Financial Assets    | 1           | 469.1        | 0             | 642.3        |
| Provisions & other gains (losses) | -20         | n.s.         | -64           | 18.3         |
| <b>Income Before Tax</b>          | <b>-327</b> | <b>-1.1</b>  | <b>-1,089</b> | <b>5.8</b>   |
| Income Tax                        | 47          | -48.6        | 203           | -15.9        |
| <b>Net Attributable Profit</b>    | <b>-275</b> | <b>n.s.</b>  | <b>-891</b>   | <b>489.4</b> |

# Colombia - Profit & Loss

| <b>Profit &amp; Loss</b>          |             | $\Delta$ (%) |             | $\Delta$ (%) |
|-----------------------------------|-------------|--------------|-------------|--------------|
| (€m constant)                     | <b>3Q19</b> | vs 3Q18      | <b>9M19</b> | vs9M18       |
| <b>Net Interest Income</b>        | <b>210</b>  | <b>6.9</b>   | <b>623</b>  | <b>4.9</b>   |
| Net Fees and Commissions          | 22          | 5.0          | 67          | 0.9          |
| Net Trading Income                | 13          | -15.9        | 51          | 18.3         |
| Other Income & Expenses           | 3           | 25.7         | 12          | 1.4          |
| <b>Gross Income</b>               | <b>247</b>  | <b>5.4</b>   | <b>753</b>  | <b>5.2</b>   |
| Operating Expenses                | -91         | 4.1          | -270        | 1.7          |
| <b>Operating Income</b>           | <b>156</b>  | <b>6.2</b>   | <b>483</b>  | <b>7.3</b>   |
| Impairment on Financial Assets    | -41         | -32.1        | -159        | -10.7        |
| Provisions & other gains (losses) | -3          | n.s.         | -11         | -1.1         |
| <b>Income Before Tax</b>          | <b>111</b>  | <b>27.4</b>  | <b>313</b>  | <b>20.0</b>  |
| Income Tax                        | -39         | 23.5         | -107        | 23.1         |
| Non-controlling interest          | -3          | 23.3         | -8          | 18.0         |
| <b>Net Attributable Profit</b>    | <b>69</b>   | <b>29.9</b>  | <b>198</b>  | <b>18.4</b>  |

# Peru - Profit & Loss

| <b>Profit &amp; Loss</b>          |             | $\Delta$ (%) |             | $\Delta$ (%) |
|-----------------------------------|-------------|--------------|-------------|--------------|
| (€m constant)                     | <b>3Q19</b> | vs 3Q18      | <b>9M19</b> | vs 9M18      |
| <b>Net Interest Income</b>        | <b>232</b>  | <b>7.6</b>   | <b>681</b>  | <b>11.6</b>  |
| Net Fees and Commissions          | 60          | 9.8          | 174         | 5.8          |
| Net Trading Income                | 44          | 39.4         | 127         | 19.8         |
| Other Income & Expenses           | -6          | 46.9         | -17         | 36.1         |
| <b>Gross Income</b>               | <b>330</b>  | <b>10.8</b>  | <b>965</b>  | <b>11.1</b>  |
| Operating Expenses                | -116        | 9.5          | -341        | 8.0          |
| <b>Operating Income</b>           | <b>214</b>  | <b>11.6</b>  | <b>624</b>  | <b>12.9</b>  |
| Impairment on Financial Assets    | -48         | -16.1        | -168        | 14.7         |
| Provisions & other gains (losses) | 4           | n.s.         | 11          | n.s.         |
| <b>Income Before Tax</b>          | <b>170</b>  | <b>27.4</b>  | <b>468</b>  | <b>16.3</b>  |
| Income Tax                        | -49         | 26.6         | -135        | 15.4         |
| Non-controlling interest          | -65         | 27.3         | -180        | 15.6         |
| <b>Net Attributable Profit</b>    | <b>55</b>   | <b>28.5</b>  | <b>153</b>  | <b>17.8</b>  |

# Argentina - Profit & Loss

| <b>Profit &amp; Loss</b><br>(€m)          | <b>9M19</b><br>(reported) | Hyperinflation<br>adjustment | <b>9M19</b><br>Ex. Hyperinflation |
|---|---------------------------|------------------------------|-----------------------------------|
| <b>Net Interest Income</b>                | <b>742</b>                | <b>88</b>                    | <b>654</b>                        |
| Net Fees and Commissions                  | 103                       | 12                           | 91                                |
| Net Trading Income                        | 214                       | 33                           | 181                               |
| Other Income & Expenses                   | -301                      | -248                         | -53                               |
| <b>Gross Income</b>                       | <b>758</b>                | <b>-115</b>                  | <b>873</b>                        |
| Operating Expenses                        | -337                      | -54                          | -283                              |
| <b>Operating Income</b>                   | <b>421</b>                | <b>-169</b>                  | <b>590</b>                        |
| Impairment on Financial Assets (net)      | -168                      | -10                          | -158                              |
| Provisions (net) and other gains (losses) | -30                       | -2                           | -28                               |
| <b>Income Before Tax</b>                  | <b>223</b>                | <b>-181</b>                  | <b>404</b>                        |
| Income Tax                                | -48                       | 75                           | -122                              |
| Non Controlling Interest                  | -58                       | 34                           | -92                               |
| <b>Net Attributable Profit</b>            | <b>117</b>                | <b>-72</b>                   | <b>190</b>                        |

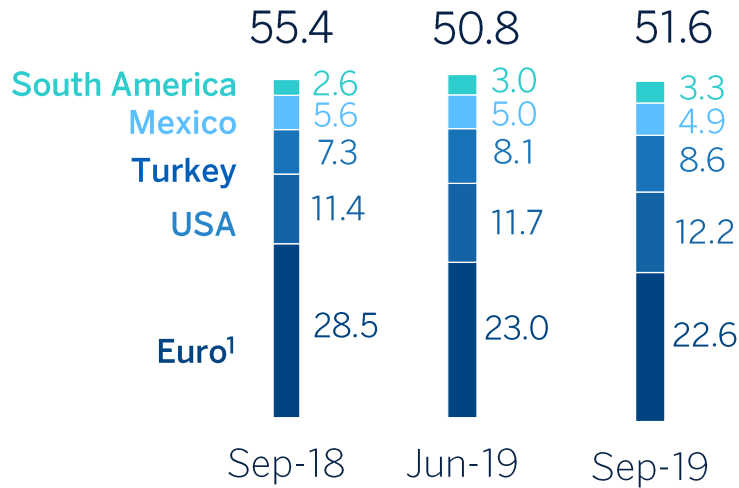
05

ALCO portfolio,  
NII Sensitivity,  
LCRs & NSFRs

# ALCO portfolio

## ALCO PORTFOLIO BREAKDOWN BY REGION

(€ BN)

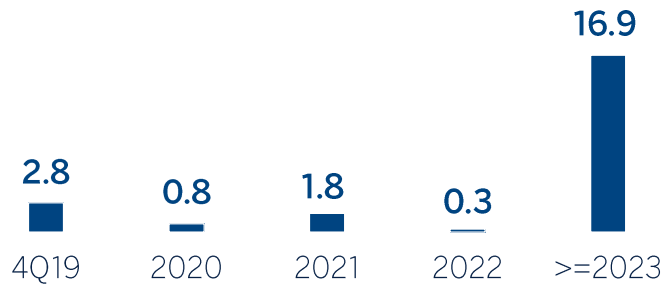


| September 2019 | Amort Cost (HTC) | Fair Value (HTC&S) | Fair Value duration |
|----------------|------------------|--------------------|---------------------|
|                | (€ Bn)           | (€ Bn)             |                     |
| South America  | 0.1              | 3.2                | 1.6 years           |
| Mexico         | 0.8              | 4.1                | 1.4 years           |
| Turkey         | 4.5              | 4.0                | 3.6 years           |
| USA            | 5.2              | 7.0                | 2.1 years           |
| Euro           | 12.7             | 9.9                | 3.2 years           |
| Spain          | 9.5              | 5.4                |                     |
| Italy          | 3.0              | 1.6                |                     |
| Rest           | 0.2              | 2.9                |                     |

(1) Figures excludes SAREB senior bonds (€4.8bn as of Sep-18 and €4.6bn as of Jun-19 and Sep-19) and High Quality Liquid Assets portfolios (€1.7bn as of Sep-18, €11.2bn as of Jun-19 and €11.7bn as of Sep-19).

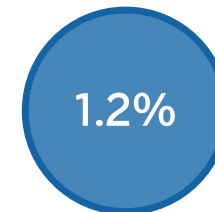
## EURO ALCO PORTFOLIO MATURITY PROFILE

(€ BN)



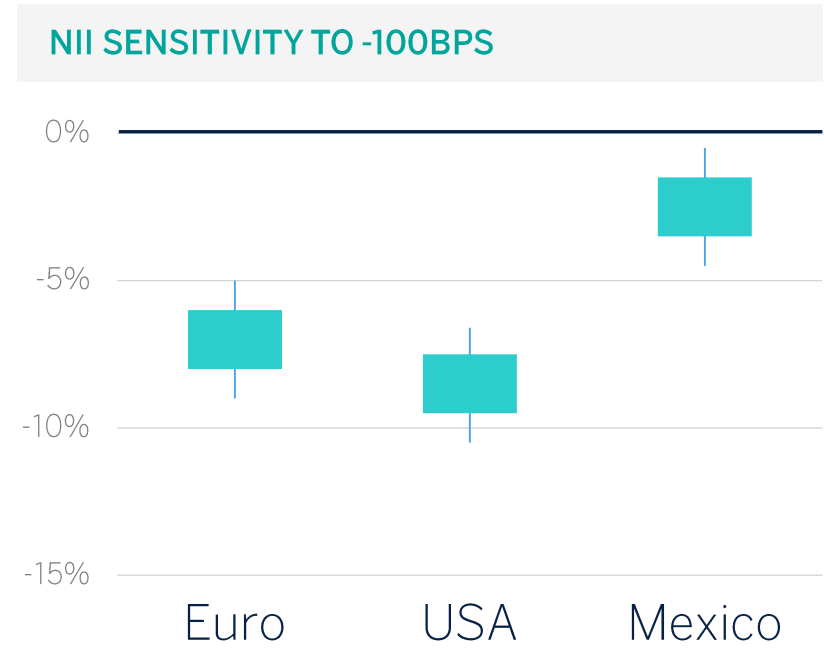
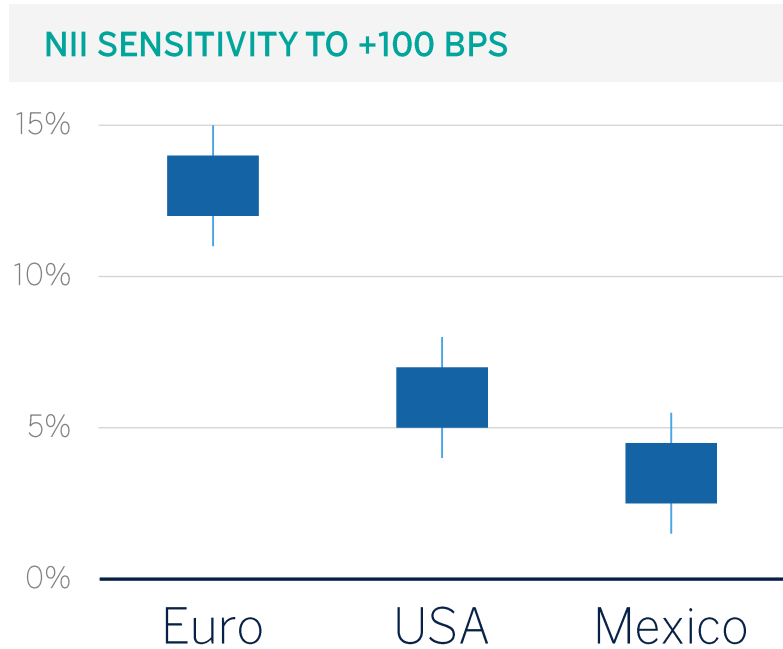
## EURO ALCO YIELD

(SEP-19, %)



# NII sensitivity to interest rates movements

ESTIMATED IMPACT ON NII IN THE NEXT 12 MONTHS TO PARALLEL INTEREST RATE MOVEMENTS (%)



Note: NII sensitivities calculated using our dynamic internal model with balance sheets as of Aug-19 (Sep-19 for USA). Euro NII sensitivity to upward rates includes management levers regarding deposit cost and movements from demand deposits to time deposits. Euro NII sensitivity to downward rates according to the EBA’s “parallel-down” shock scenario. Mexico NII sensitivity to downward rates also includes pricing management levers (MXN sensitivity -1.6%; USD sensitivity -0.8%).

# Liquidity and funding ratios

## BBVA GROUP AND SUBSIDIARIES LCR & NSFR

BOTH SIGNIFICANTLY ABOVE THE 100% REQUIREMENTS AT A GROUP LEVEL AND IN ALL BANKING SUBSIDIARIES

### SEP-19

|      | BBVA Group                | Euro | USA               | Mexico | Turkey | S. Amer.   |
|------|---------------------------|------|-------------------|--------|--------|------------|
| LCR  | 127% (152% <sup>1</sup> ) | 144% | 144% <sup>2</sup> | 135%   | 174%   | well >100% |
| NSFR | 122%                      | 115% | 114%              | 129%   | 150%   | well >100% |

(1) LCR of 127% does not consider the excess liquidity of the subsidiaries outside the Eurozone. If these liquid assets are considered the ratio would reach 152%

(2) BBVA USA LCR calculated according to local regulation (Fed Modified LCR).



06

# Garanti wholesale funding

# Turkey – Liquidity & funding sources

## ■ Solid liquidity position:

- Improved Total LTD ratio to 96%, decreasing by 2.2 p.p. in 3Q19, driven by improvement both in TRY LTD and Foreign Currency LTD.
- Foreign currency loans decreased (-7%) to c. USD 13.1 Bn in 3Q19
- Liquidity ratios above requirements: Liquidity Coverage Ratio (EBA) of 174% vs ≥100% required in 2019

## ■ Limited external wholesale funding needs: USD 9.8 Bn

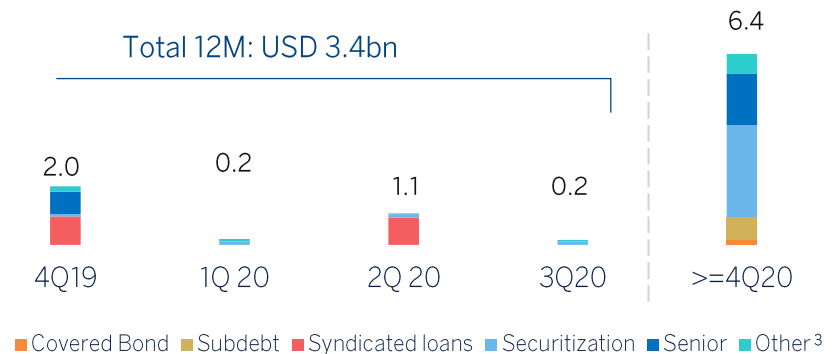
### FC liquidity buffers

- ✓ Short Term Swaps
- ✓ Unencumbered FC securities
- ✓ FC Reserves under ROM<sup>1</sup>
- ✓ Money Market Placements

**c. USD 10.6 Bn** liquidity buffer

Note-1: All figures are Bank-only, as of September 2019  
 Note-2: Total Liquidity (FC and TRY) Buffer is at c. USD 12.1 Bn  
 (1) ROM: Reserve Option Mechanism

### External wholesale funding maturities<sup>2</sup> (USD Bn)



**USD 9.8 Bn** total maturities

(2) Includes TRY covered bonds and excludes on balance sheet IRS transactions  
 (3) Other includes mainly bilateral loans, secured finance and other ST funding

**Ample liquidity buffers and limited wholesale funding maturities in 2019**

07

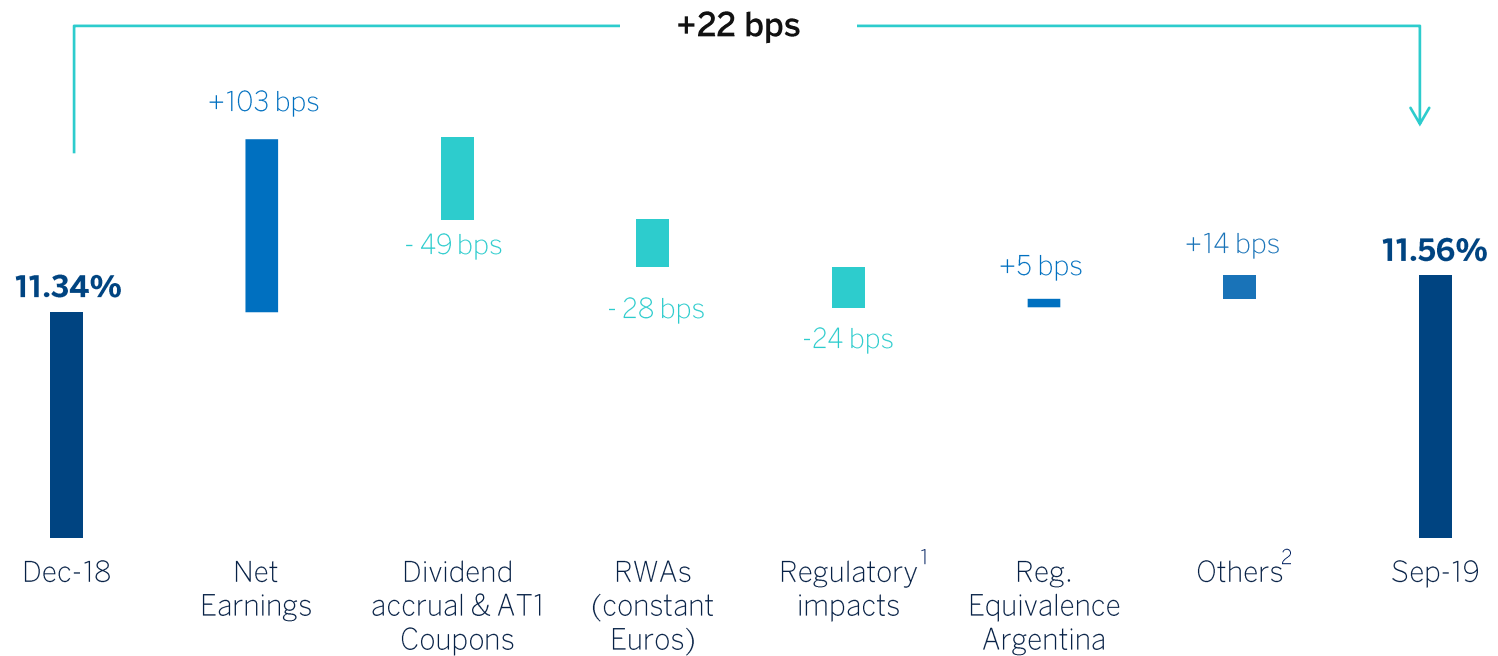
# Capital and RWAs

Capital YTD

RWAs by business area

# Capital YTD evolution

## CET1 FULLY-LOADED – BBVA GROUP YTD EVOLUTION (% , BPS)



(1) Regulatory impacts includes IFRS-16 Impact (-11 bps) & TRIM (-13 bps)

(2) Others includes mainly market related impacts (FX impact and mark to market of HTC&S portfolios), among others

# Risk-Weighted Assets by business area

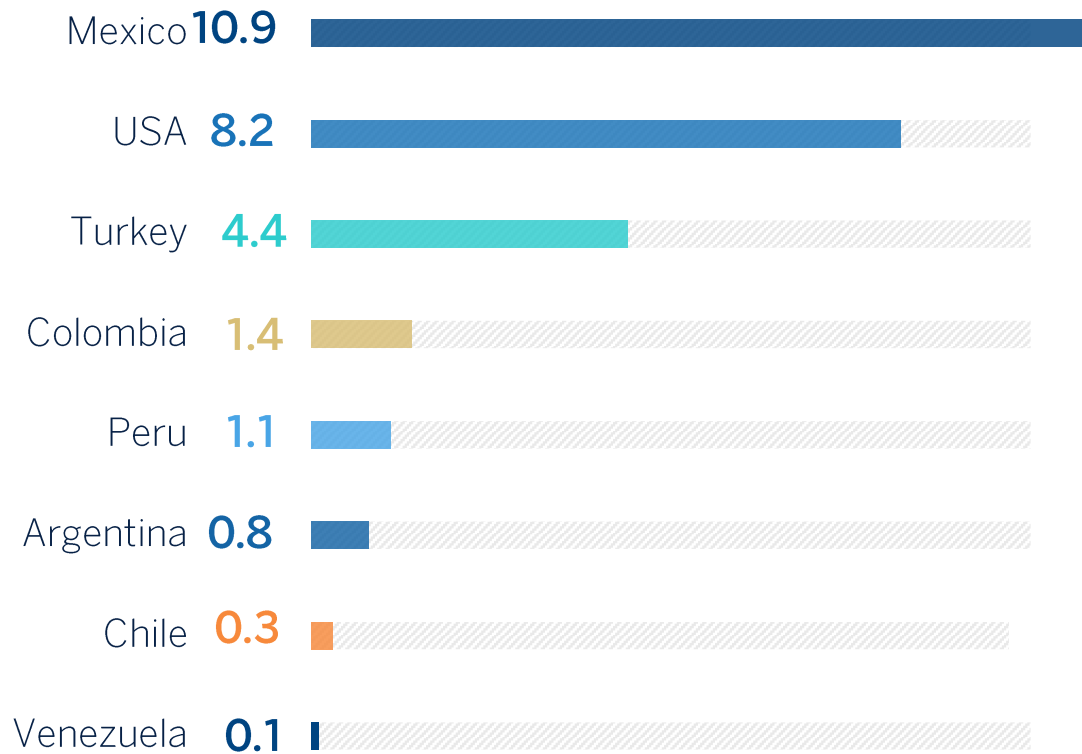
| Breakdown by business area and main countries (€m) | Fully-Loaded RWAs |                |                |
|--|-------------------|----------------|----------------|
|  | Sep-19            | Jun-19         | Sep-18         |
| Spain  | 105,866           | 107,285        | 107,990        |
| USA  | 65,902            | 62,383         | 62,721         |
| Turkey   | 58,521            | 57,551         | 52,822         |
| Mexico   | 57,454            | 55,919         | 54,498         |
| South America                                      | 45,284            | 43,995         | 41,578         |
| Argentina  | 6,070             | 6,435          | 7,021          |
| Chile  | 2,248             | 2,268          | 2,119          |
| Colombia   | 14,051            | 13,778         | 13,248         |
| Peru   | 19,130            | 17,715         | 15,247         |
| Others   | 3,784             | 3,799          | 3,943          |
| Rest of Eurasia                                    | 17,612            | 16,405         | 13,647         |
| Corporate Center                                   | 17,992            | 17,026         | 10,016         |
| <b>BBVA Group</b>                                  | <b>368,630</b>    | <b>360,563</b> | <b>343,271</b> |

08

# Book Value of the main subsidiaries

# Book Value of the main subsidiaries<sup>1,2</sup>

€ BN, SEP 19



(1) Includes the initial investment + BBVA's undistributed results + FX impact + other valuation adjustments. The Goodwill associate to each subsidiary has been deducted from its Book Value.  
 (2) Turkey includes the Garanti Group.

09

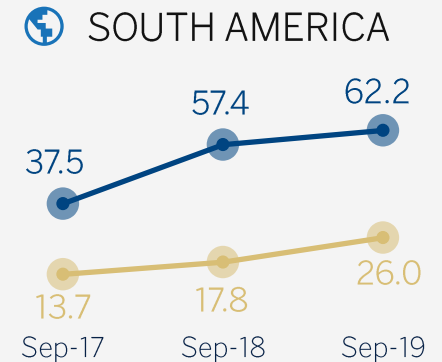
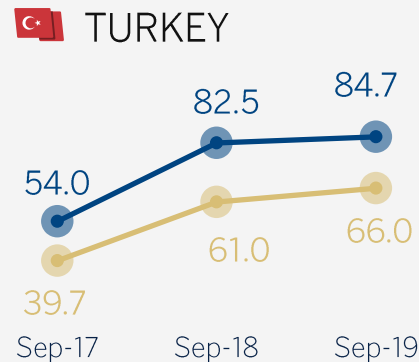
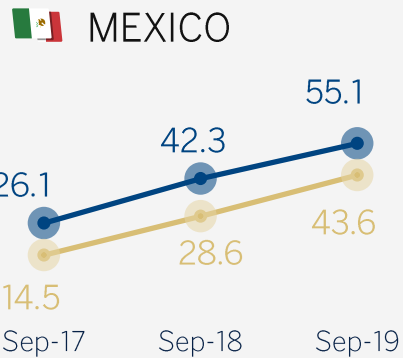
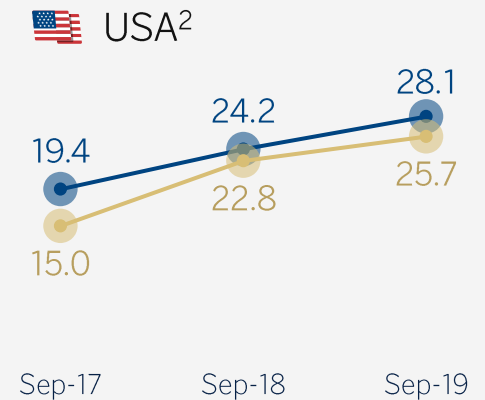
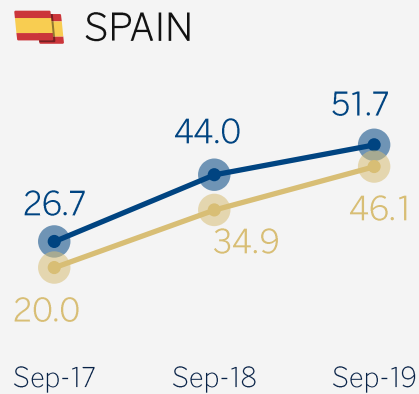
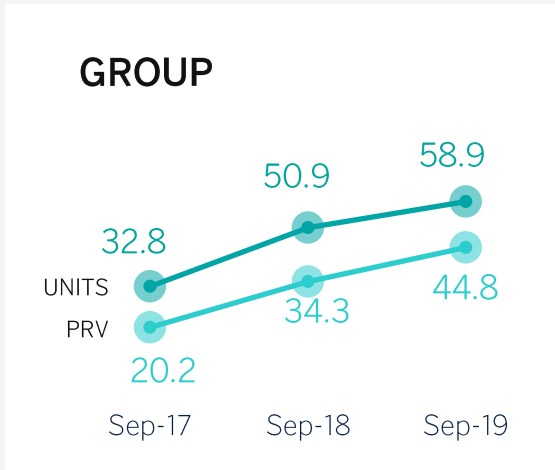
# Digital sales breakdown



# Outstanding trend in digital sales across the board

(% of total sales YtD, # of transactions and PRV<sup>1</sup>)

● UNITS ● PRV



Figures have been restated in order to include credit card related financing solutions and FX.

Group and South America figures exclude Venezuela and Chile.

(1) Product Relative Value as a proxy of a better economic representation of units sold. (2) Excludes ClearSpend Debit cards.

BBVA