Group BBVA

3Q19
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OUR PURPOSE

To bring the age of opportunity to everyone

BBVA’S GLOBAL PRESENCE
SEPTEMBER 2019

countries  >30
branches  7,798
employees  126,332
46%  54%

CUSTOMERS & DIGITAL SALES
SEPTEMBER 2019

CUSTOMERS
77.3 m

Digital customers  31.0 m
Mobile customers  27.6 m

DIGITAL SALES

PRV*  44.8%

Units  58.9%

FINANCIAL HIGHLIGHTS
SEPTEMBER 2019

Total assets  709,017 €m
Loans and advances to customers - gross  391,273 €m
Deposits from customers  379,333 €m

Net attributable profit 3Q19  1,225 €m
NPL ratio  3.9%
Coverage ratio  75%

CET 1 FL  11.56%

TBV per share + Shareholders remuneration  6.51 €
ROE  10.1%
ROTE  12.2%

SUSTAINABLE DEVELOPMENT AND DIRECT CONTRIBUTION TO SOCIETY

Allocated to social programs  104.5 €m
BBVA’s Pledge 2025

€100 billion

MOBILIZED between 2018 and 2025

(*) PRV: Product Relative Value as a proxy of a better economic representation of units sold
BBVA Purpose
Our Purpose

"To bring the age of opportunity to everyone"

Creating opportunities for all our Stakeholders

- Promoting a more sustainable and inclusive Society
- Helping our Clients to achieve their life and business goals
- Engaging Employees in a more inclusive and agile organization
- Creating value for our Shareholders
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
BBVA PURPOSE

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
3Q19 Results
3Q19 RESULTS

Strong results in a challenging environment

NET ATTRIBUTABLE PROFIT (€m)

+6.1% vs 3Q18 excluding BBVA Chile

- Robust growth in core revenues
- Excellent operating income growth and efficiency
- Sound risk indicators
- Strong capital position
- Outstanding delivery on shareholder value creation
- Ahead of the curve in digital transformation

Note: The hyperinflation impact in Argentina recorded in 3Q18 has been allocated on a monthly basis in the first 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 6th).
# 3Q19 RESULTS

## 9M19 Profit & Loss

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

**GROUP OPERATING JAWS**
(9M YoY (%); (CONSTANT €))

- Core Revenues: 6.3%
- Operating expenses: 3.2%
- INFLATION: 6.0%
  Average 12m

**GROUP OPERATING INCOME**
(YoY (%); (€M CONSTANT))

- 9M18: 8.625
- 9M19: 9.304
- +7.9%

**EFFICIENCY RATIO**
(%; € CONSTANT)

- 12M17: 50.2%
- 12M18: 49.4%
- 9M19: 48.7%
- -75 bps

**European Peer Group Average:** 63.5%

3Q19 RESULTS

Leading digital transformation

DIGITAL CUSTOMERS
MILLION, % GROWTH

21.3  26.3  31.0
+24%  +17%
Sep-17  Sep-18  Sep-19

MOBILE CUSTOMERS
MILLION, % GROWTH

16.1  22.0  27.6
+36%  +26%
Sep-17  Sep-18  Sep-19

BEST MOBILE APP
FORRESTER RESEARCH

CUSTOMER PENETRATION RATE, %

42.3%  49.8%  55.7%  32.1%  41.6%  49.7%
3Q19 RESULTS

Transformation boosting digital sales and client acquisition

**DIGITAL SALES**
(% OF TOTAL SALES YTD, # OF TRANSACTIONS AND PRV\(^1\))

- **20.2** (Sep-17, PRV)
- **34.3** (Sep-18, PRV)
- **50.9** (Sep-19, UNITS)
- **58.9** (Sep-19, UNITS)

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**E2E DIGITAL ONBOARDING FOR SMEs**

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

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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.
3Q19 RESULTS

The impact of transformation: Mexico 🇲🇽
(Sep-17 vs Sep-19)

GROWTH
Acquiring more clients and increasing sales

+2.1 m
ACTIVE INCREMENTAL
CLIENTS

YTD SALES GROWTH
(9M17/9M19 PRV)

+14%

+131%
E2E
Digital

9M17
9M19

ENGAGEMENT
Resulting in higher client satisfaction and retention

NPS
#1 BBVA

ATTRITION RATE
(INDEX)

-54%

100
46
Non-Digital Clients
Digital Clients

EFFICIENCY
Lowering cost to sell and serve our clients

+1%
NETWORK FTEs

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

100
-78%

22

Transactions
(#), 9M19 vs 9M17

Teller

-13%

ATM

+20%
Outstanding trend in digital sales across the board
(% of total sales YtD, # of transactions and PRV)

GROUP

SPAIN

USA

MEXICO

TURKEY

SOUTH AMERICA

 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 ClearSpendDebit cards.
3Q19 RESULTS

New business models

Leveraging the FinTech ecosystem to develop our value proposition

ACQUISITIONS/INVESTMENTS

- SIMPLE
- solaris&bank
- minority stake
- Openpay
- HOLVI
- Atom
- 39% stake
- MADIWA

VENTURE CREATION

INTERNAL
- azlo
- BBVA
- OpenPlatform
- Upturn
- COVAULT

EXTERNAL
- BBVA & anthemis
- Cledara
- StepLadder

VENTURE CAPITAL INVESTMENTS

- Propel
- SIMONER/VENTURES
- aura
- brave
- Charlie
- Civic
- coinbase
- konekt
- Covered
- DataSine
- DocuSign
- earnest
- ease
- giveme
grabango
- grow
- Guideline
- Hippo
- Mixme
- Kasisto
- modal
- neon
- Outpatients
- PRODEOL CAPITAL
- prosper
- SimplyCREDIT
- Steady
- Taulia
- travelbank
- Uncle
3Q19 Results

Business Areas
Unique footprint with high growth prospects

BREAKDOWN BY BUSINESS AREA

TOTAL ASSETS (1)
SEP.19

€709 bn

68% Developed Markets

Spain 52%

US 12%

Mexico 15%

South America 8%

Turkey 9%

Rest of Eurasia 3%

GROSS INCOME (1)
9M19

€18.1 bn

38% Developed Markets

Spain 23%

US 13%

Mexico 32%

Turkey 14%

South America 16%

Rest of Eurasia 2%

GROWTH PROSPECTS

GDP growth (YoY, %)

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

2019e

1.0

1.1

2020e

1.6

0.8

LEADERSHIP POSITIONING

Market share (in %) and ranking2

Spain
13.5% #3

USA (Sunbelt)
6.1% #4

Mexico
22.5% #1

Turkey
17.3% #2

South America
Argentina
8.5% #3

Colombia
10.0% #4

Peru
20.2% #2

(1) Percentages exclude Corporate Center

(2) Loans’ market shares except for USA (Deposits) Spain based on BoS (Aug’19) and ranking (Jun’19) by AEB and CECA Mexico: data as of Aug’19 (CNBV). South America: Jun’19 for Argentina and Jul’19 for Colombia and Peru.
Ranking considering main peers in each country: USA SNL (Jun’19) considering Texas and Alabama. Turkey: BRSA total performing loans among private banks (market share as of Sep’19 and ranking as of Jun’19).
3Q19 RESULTS - BUSINESS AREAS

**Business Areas**

**Spain**

- **NET ATTRIBUTABLE PROFIT (9M19)**: €1,064 m, -2.5% vs. 9M18
  - NPL RATIO: 4.6% vs. 5.6% 3Q18
  - COVERAGE RATIO: 59% vs. 57% 3Q18

- Loans: Growth in most profitable retail segments offset by mortgages and public sector deleverage.
- NII: Positive performance of commercial activity.
- Fees: Strong growth in 3Q.
- Costs continue to go down.

**USA**

- **NET ATTRIBUTABLE PROFIT (9M19)**: €478 m, -17.0% vs. 9M18
  - NPL RATIO: 1.1% vs. 1.1% 3Q18
  - COVERAGE RATIO: 102% vs. 101% 3Q18

- Loan growth deceleration explained partially by the slowdown in consumer loans.
- 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.

**Mexico**

- **NET ATTRIBUTABLE PROFIT (9M19)**: €1,965 m, +1.7% vs. 9M18
  - NPL RATIO: 2.4% vs. 2.0% 3Q18
  - COVERAGE RATIO: 136% vs. 149% 3Q18

- NII as the main P&L driver
- Loan growth supported by retail, gaining share in mortgages and consumer loans.
- Positive Jaws: Core revenues and Opex growth.
- CoR stable, in line with expectations.
Business Areas

**Turkey**

- **Net Attributable Profit (9M19)**: 380 €m, -10.0% vs. 9M18
- **NPL Ratio**: 7.2% vs. 5.2% 3Q18
- **Coverage Ratio**: 75% vs. 76% 3Q18

- **Earnings resilience**: 9M19 operating income +1.5% YoY.
- **Improvement in customer spread**: both in TL and FC.
- **NII**: Impacted by lower contribution from CPI-Linkers.
- **Strong fee income growth.**
- **Costs growing significantly below inflation.**
- **CoR better than expected.**

**South America**

- **Net Attributable Profit (9M19)**: 569 €m, +62.0% vs. 9M18
- **Cost of Risk (YTD)**:
  - **Colombia**: 1.66% vs. 1.95% 3Q18
  - **Peru**: 1.50% vs. 1.40% 3Q18
  - **Argentina**: 4.49% vs. 1.22% 3Q18

- **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.
### 3Q19 RESULTS - BUSINESS AREAS

#### CIB – 9M19 Results

<table>
<thead>
<tr>
<th>Business Activity (constant €, % YdD)</th>
<th>Client’s Revenue (constant €, % YoY)</th>
<th>Results (constant €, % YoY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>LENDING</td>
<td>2,085 €m  +3%</td>
<td>GROSS INCOME</td>
</tr>
<tr>
<td>62 €bn</td>
<td>2,203 €m  -0.1%</td>
<td>OPERATING INCOME</td>
</tr>
<tr>
<td>CUSTOMER FUNDS</td>
<td>95%</td>
<td>1,413 €m  -1.2%</td>
</tr>
<tr>
<td>38 €bn</td>
<td>734 €m  -13.5%</td>
<td>NET ATTRIBUTABLE PROFIT</td>
</tr>
<tr>
<td></td>
<td></td>
<td>734 €m</td>
</tr>
</tbody>
</table>

- Concerns over global economic growth and uncertainty in markets environment
- Solid NII performance mainly driven by transactional business contributed to fulfilling budget
- Net attributable profit benefited by cost control management and level of provisions far from budgeted

(1) Client’s revenue / Gross income
ANNEX

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)
       Turkıye Garanti Bankası (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 Turkıye Garanti Bankası (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 Turkıye Garanti Bankası 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)
ANNEX

Organizational chart

**Chief Executive Officer**

Onur Genç

**GROUP EXECUTIVE CHAIRMAN**

Carlos Torres Vila

**BUSINESS UNITS**

- Corporate & Investment Banking
  - Luisa Gómez Bravo

- Country Monitoring
  - Jorge Sáenz-Azcúnaga

- Country Manager España
  - Cristina de Parlas

- Country Manager México
  - Eduardo Osuna

- Country Manager Estados Unidos
  - Javier Rodríguez Soler

- Country Manager Turquía
  - Recep Bastug

**GLOBAL FUNCTIONS**

- Client Solutions
  - David Puente

- Finance
  - Jaime Sáenz de Tejada

- Global Risk Management
  - Rafael Salinas

**TRANSFORMATION**

- Engineering & Organization
  - Ricardo Forcano

- Talent & Culture
  - Carlos Casas

- Data
  - Ricardo Martín

**STRATEGY**

- Global Economics & Public Affairs
  - José Manuel González-Páramo

- Senior Advisor to the Chairman
  - Juan Asúa

- Strategy & M&A
  - Victoria del Castillo

- Communications & Responsible Business
  - Paul G. Tobin

**LEGAL AND CONTROL**

- Legal
  - María Jesús Arribas

- General Secretary
  - Domingo Armengol

- Regulation & Internal Control
  - Ana Fernández Manrique

- Internal Audit
  - 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.