

2015 Second Quarter Results

Madrid, July 31st 2015

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Garanti Bank Closing

- Best franchise in Turkey
- Leadership in technology
- Market with huge potential
- Majority of BBVA Board Members



Additional contribution to
BBVA Group profit in 2016
around € 240 M*

* According to Bloomberg consensus

Expected capital impact

-50 bps

(CET 1 Fully loaded)

P&L impact *(no cash outflow)*

€ -1,800 M

Priorities in a Changing Environment

1 *New standard in customer experience*



2 *Drive digital sales*



3 *New business models*



4 *Optimize capital allocation*



5 *Unrivaled efficiency*



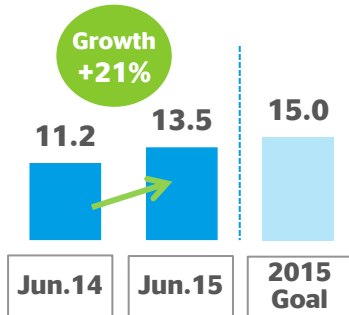
6 *A first class workforce*



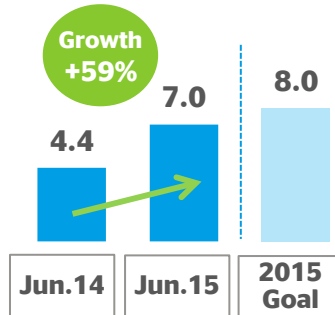
Increasingly Digital Customer Base

Digital Customers⁽¹⁾
BBVA Group - Million

New Customer Behaviors



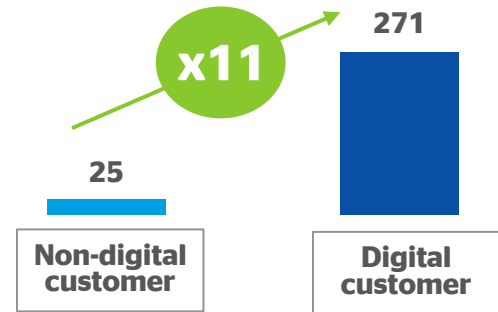
Mobile Customers⁽¹⁾
BBVA Group - Million



Annual Transactions

BBVA Spain - Average Transactions per Customer

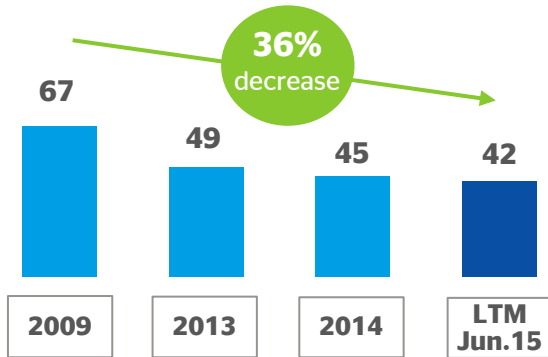
More Engaged



Branch Activity

BBVA Spain - Millions of Transactions

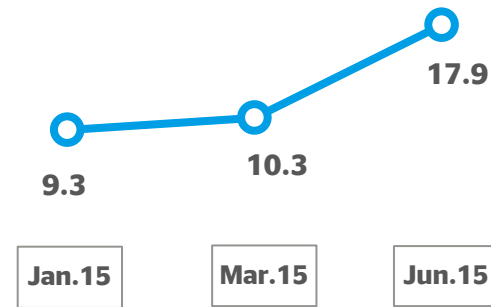
New Distribution Model



Digital Customer Loans






BBVA Spain - % of New Loans⁽²⁾

Growth of Digital Sales



(1) Figures include Turkey
(2) In number of loans

Progress in the development of New Competencies

	Milestones	Examples
Customer Solutions	<ul style="list-style-type: none"> ✓ Incorporating new design and user experience capabilities 	<p>SpringStudio <i>Spring Studio already working almost exclusively on BBVA projects</i></p> <p> MADIVA Leveraging data from Big Data startup Madiva</p>
Engineering	<ul style="list-style-type: none"> ✓ Leveraging IT Platform to develop Open Platform and Big Data capabilities 	<p> DWOLLA BBVA Compass launch of instant funds transfer through Dwolla</p>
Global Marketing & Digital Sales	<ul style="list-style-type: none"> ✓ Exponential growth of digital sales and customer acquisition 	<p> SIMPLE Growth of customer base of 23.6% in Q2 vs. Q1</p>
New Digital Businesses	<ul style="list-style-type: none"> ✓ Fostering in-house innovation and accessing external innovation 	<p> Nimble Simple Payments & Easy Business Launch of virtual POS solution in Spain</p> <p> coinbase</p> <p>PROSPER[®]</p>
Talent & Culture	<ul style="list-style-type: none"> ✓ New ways of working and new organization 	<p><i>Escalating Agile across all geographies</i></p>

2Q Execution & Performance

Strong Activity & P&L Dynamics

Activity growth ⁽¹⁾ (Jun.15 vs. Jun.14)

Lending +13.6%
Cust.Funds +18.3%



Operating Income (€ million) Net Attr. Profit

+17.2%

(2Q15 vs. 2Q14)

€1.2 Bn

(2Q15)

Improvement in Risk Indicators

NPL ratio

6.1%

Coverage ratio

72%



Solid Capital Ratios

CET 1 ratio

10.4%

Fully-loaded



Strategic Corporate Operations

+€144M

Net attr. Profit

Catalunya Caixa Closing (April 2015)

Sale of 0.8% of CNCB



Note: All figures exclude Venezuela and include Catalunya Caixa

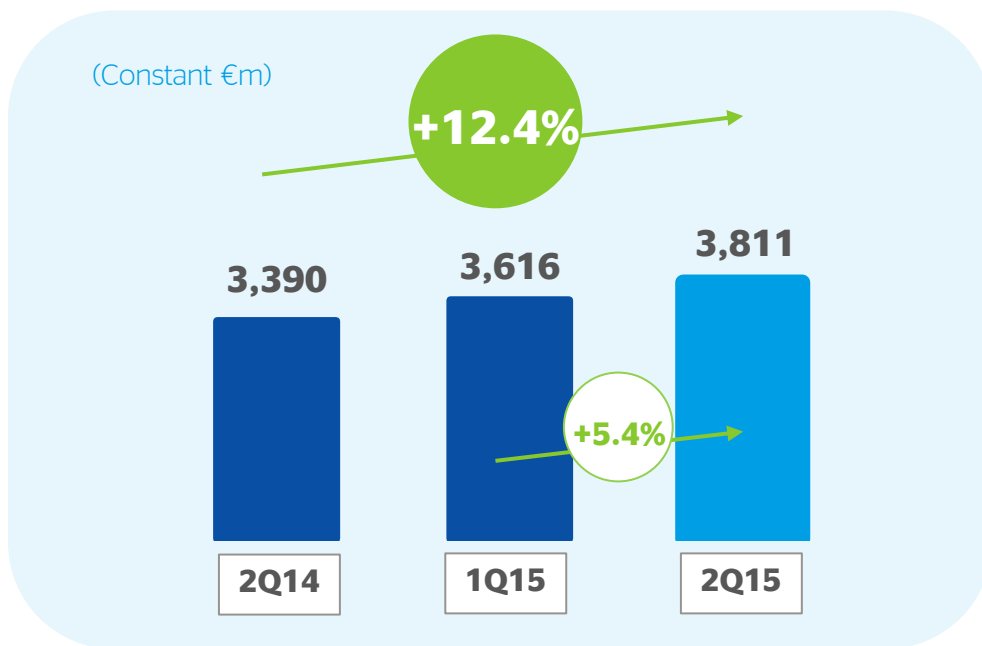
(1) Activity excludes repos; Gross loans and advances to customers; customer funds include promissory notes.

Earnings

Solid Net Interest Income

Net interest income **+18.8%**
(2Q15 vs. 2Q14)

Excluding FX effect



✓ Low interest rate environment

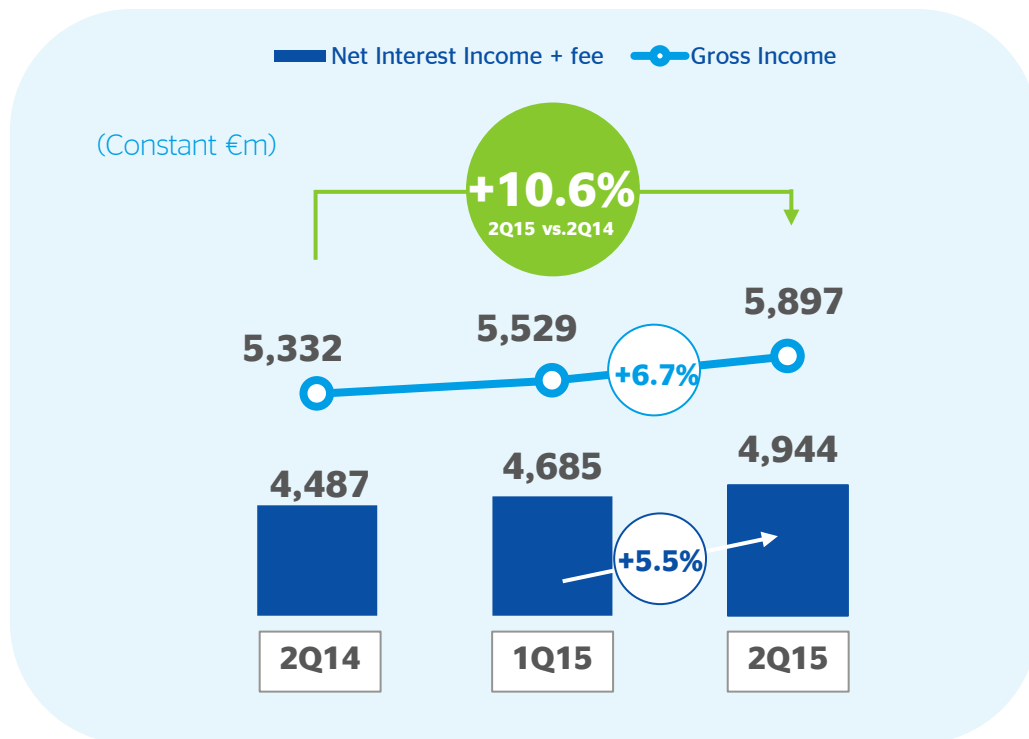
✓ Double digit growth

✓ Growth across all franchises

Earnings Revenue Growth

Gross Income **+16.5%**
(2Q15 vs. 2Q14)

Excluding FX effect



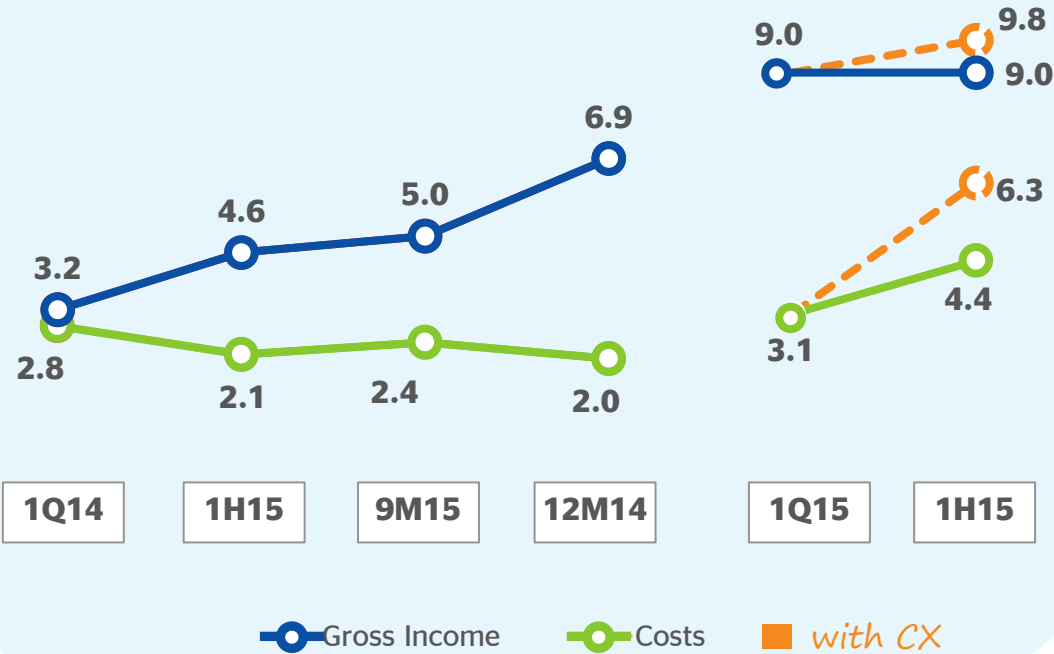
✓ Boosted by recurrent revenue

✓ Telefonica dividend

Earnings

Positive Jaws

Gross income vs costs
YoY (%), constant €m



✓ Jaws widening

✓ Efficiency improvement

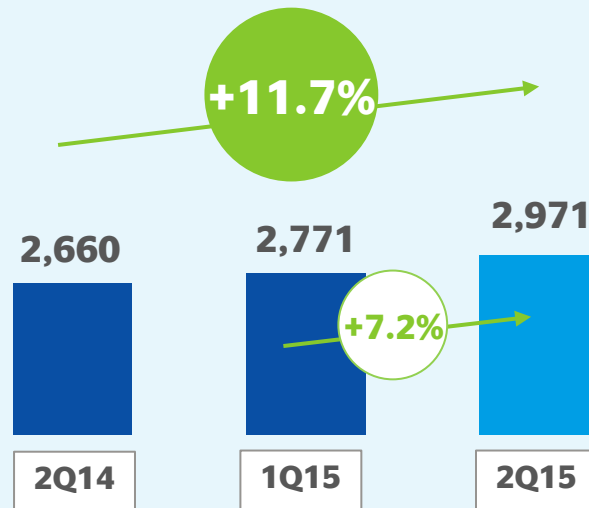
Earnings

Robust Operating Income

Operating income **+17.2%**
(2Q15 vs. 2Q14)

Excluding FX effect

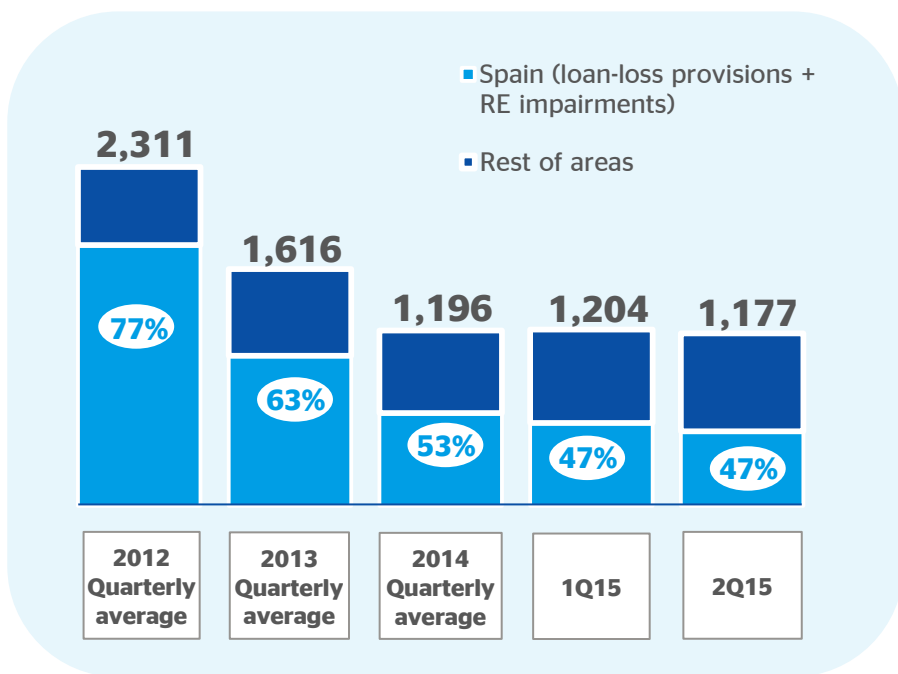
(Constant €m)



Earnings

Loan-loss Provisions Geographical Mix Change

Loan-loss provisions + real estate impairments (€m)



Cost of risk YTD (%)



Note: Figures exclude Venezuela and include Catalunya Caixa

Earnings

2Q Summary YoY

(€m)

BBVA Group ex Venezuela	2Q15	Growth	
		2Q15/2Q14	
		%	% constant
Net interest Income	3,803	18.8	12.4
Gross Income	5,888	16.5	10.6
Costs	-2,923	15.9	9.5
Operating income	2,965	17.2	11.7
Income Before Tax	1,598	54.1	42.1
NI ex corporate operations	1,185	54.1	42.0
Corporate Operations Income	144	n.s.	n.s.
Net Attributable Profit	1,228	78.8	64.9
Net Attributable Profit (ex corporate operations)	1,084	57.8	45.6
Net Attributable Profit (Total Group with Venezuela)	1,223	73.5	64.1



Earnings

1H Summary YoY

(€m)

BBVA Group ex Venezuela	1H15	Growth	
		1H15/1H14	
		%	% constant
Net interest Income	7,427	17.9	10.8
Gross Income	11,426	16.4	9.8
Costs	-5,684	12.7	6.3
Operating income	5,742	20.2	13.6
Income Before Tax	2,992	57.3	42.6
NI ex corporate operations	2,215	57.0	42.2
Corporate Operations Income	727	n.s.	n.s.
Net Attributable Profit	2,749	n.s.	98.3
Net Attributable Profit (ex corporate operations)	2,022	61.2	45.9
Net Attributable Profit (Total Group with Venezuela)	2,759	n.s.	98.3

✓ Recurring income growth

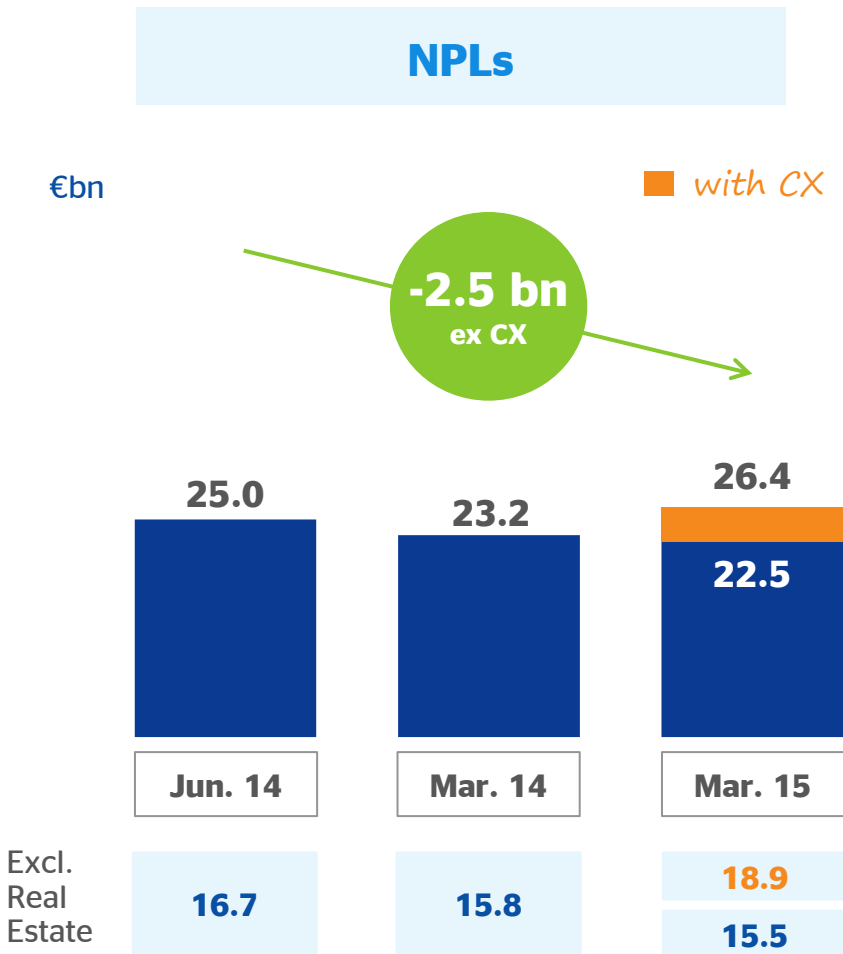
✓ 20% growth of operating income

✓ Corporate operations

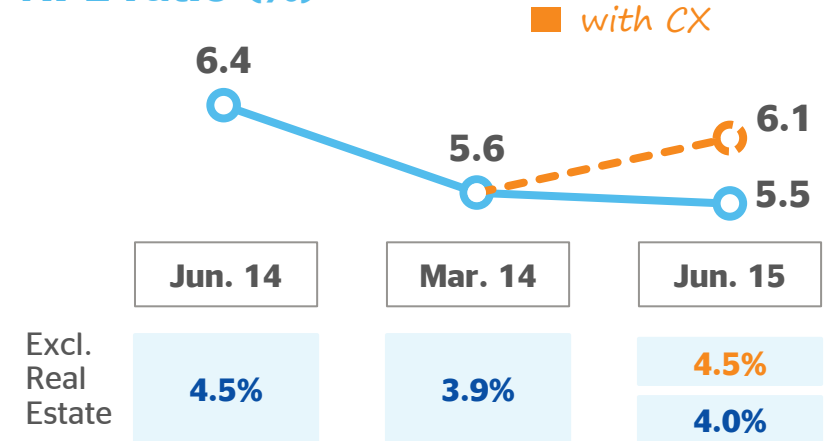
Note: The P&L is presented this way to show the performance of recurring business. The reconciliation to the income statement is shown on pages 42 of the financial information filed today with the CNMV.

Risks

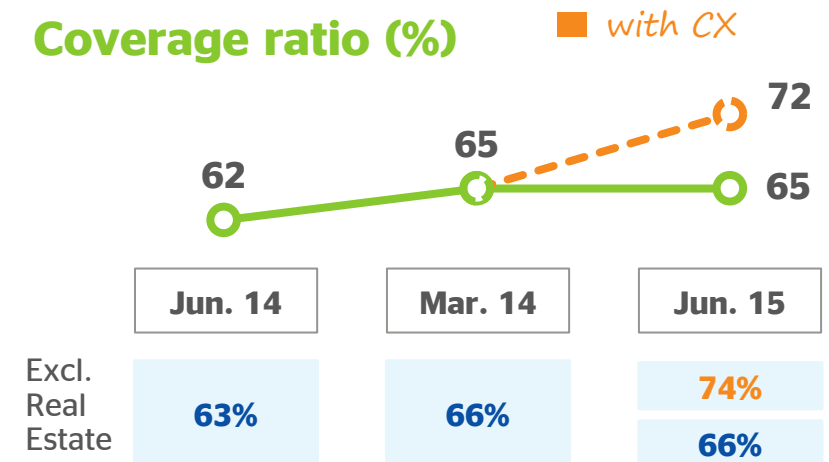
Indicators Continue to Improve



NPL ratio (%)



Coverage ratio (%)



Capital

Solid Capital Position

Strong & Resilient Regulatory Ratios

CET 1 ratio

12.3% (Phased-in) 10.4% (Fully-loaded)

Pro-forma*

CET 1 ratio

10.0%_e (Fully-loaded)

High Quality Capital

- The highest RWA density ratio of the European peer group (51%)

• Leverage ratio

▶ 5.9% (Fully-loaded)



* Pro-forma of corporate operations announced and pending to be closed

European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCG

Business Areas



Business Areas

Net Attributable Profit (€m)

Business Areas	1H15	Growth	
		1H15/1H14	
		%	% (constant)
Spain	509	n.s.	n.s.
USA	286	45.9%	18.8%
Mexico	1,041	15.7%	8.6%
Turkey	174	12.9%	8.9%
Rest of Eurasia	43	-79.3%	-79.4%
South America ex Venezuela	465	14.4%	8.4%
Corporate Center	230	n.s.	n.s.
Total ex Venezuela	2,749	n.s.	98.3%

Note: Spain includes Real Estate activities

Banking Activity in Spain

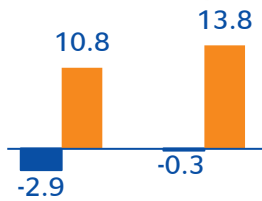
Business Activity

(€m)

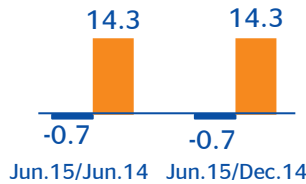
■ with CX



Lending*



Customer funds



Jun.15/Jun.14 Jun.15/Dec.14

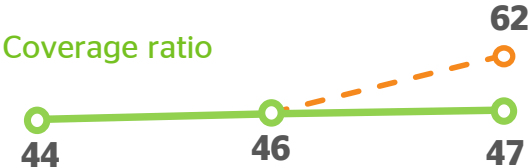
Risk

(%)

■ with CX



Coverage ratio



NPL ratio



Jun.14

Mar.15

Jun.15

1H15 Results

(€m, YoY)

■ with CX



NII + fees

2,792 +7.3% +4.0% ex CX

Gross income

3,711 +9.7% +7.1% ex CX

Operating income

2,208 +12.4% +12.5% ex CX

Net attributable profit

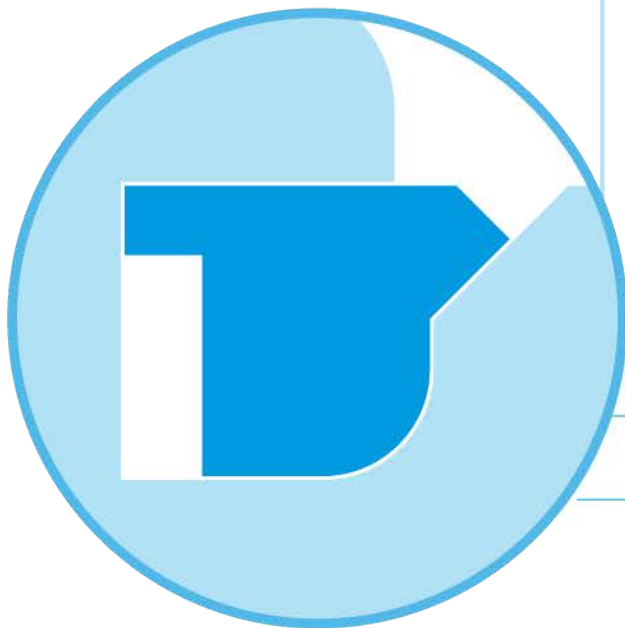
809 +33.1% +33.0% ex CX

BBVA + CX

New loan production growth

Diversifying revenue sources

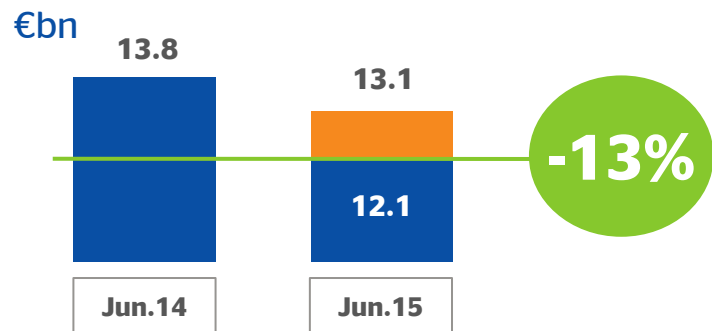
Catalunya Caixa integration



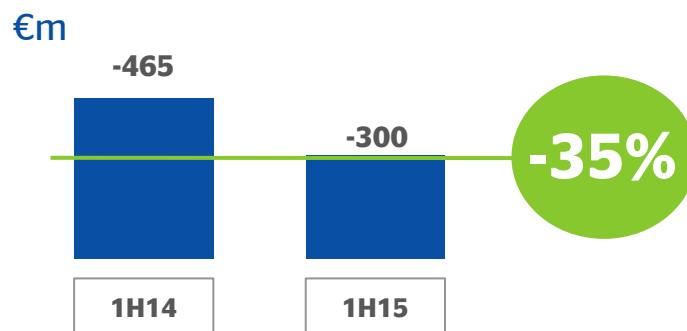
* Gross loans and advances to customers. Activity excludes repos; customer funds includes promissory notes.

Real Estate Activity in Spain

Net Exposure*



Net Attributable Profit⁽¹⁾



■ With CX

Positive Trends

Market

Good market outlook

Stability in prices

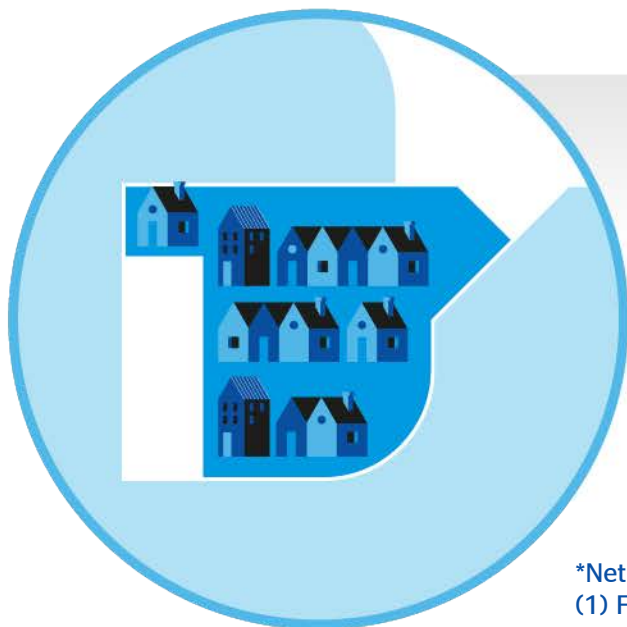
Increase in residential mortgages

BBVA

Exposure reduction

Increasing capital gains

Lower negative P&L impact



*Net exposure according to Bank of Spain's "RE transparency scope" (Circular 5-2011)

(1) Figures include Catalunya Caixa

Total Spain

Income Statement

(€m)

Total Spain	1H15	Growth	
		1H15/1H14	
		Abs.	%
Net interest Income	1,968	+ 121	6.6
Gross Income	3,655	+ 389	11.9
Costs	-1,572	- 78	5.2
Operating income	2,083	+ 311	17.6
Income Before Tax	715	+ 508	n.s.
Net Attributable Profit	509	+ 366	n.s.

USA

Business Activity

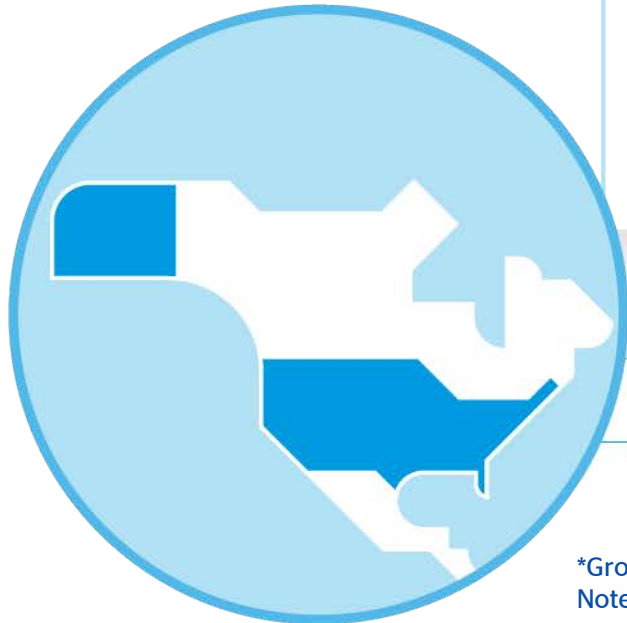
(constant €, Jun.15/Jun.14)

Lending*

+12.9%

Customer funds

+9.0%



Risks

(%)

Coverage ratio



NPL ratio



Jun.14

Mar.15

Jun.15



1H15 Results

(constant €m, YoY)

NII + fees

1,199 +1.6%

Gross income

1,332 +4.6%

Operating income

449 +13.0%

Net attributable profit

286 +18.8%



Highlights

Activity dynamism

Positive P&L dynamics

Opportunity to develop digital banking capabilities

*Gross loans and advances to customers

Note: activity excluding repos, customer funds excludes promissory notes

Mexico

Business Activity

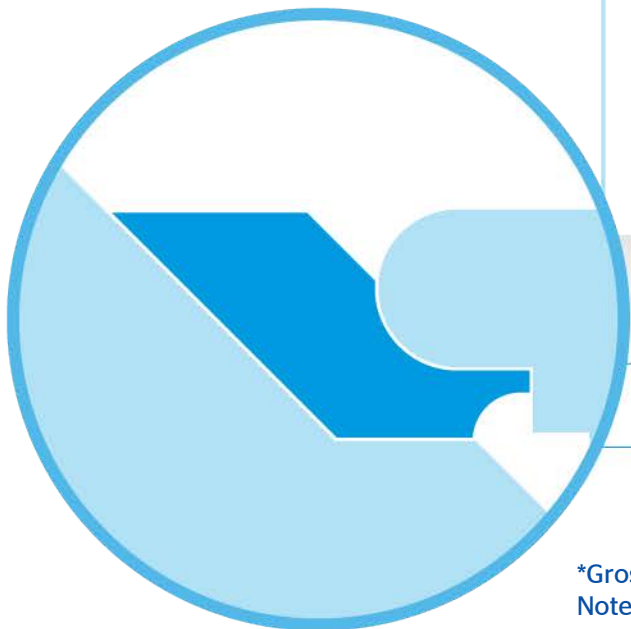
(constant €, Jun.15/Jun.14)

Lending*

+13.0%

Customer funds

+9.7%



Risks

(%)

Coverage ratio



NPL ratio



Jun.14

Mar.15

Jun.15



1H15 Results

(constant €m, YoY)

NII + fees

3,339 +7.6%

Gross income

3,558 +6.6%

Operating income

2,248 +6.7%

Net attributable profit

1,041 +8.6%



Highlights

Double-digit business activity

Portfolio mix change

Sound and improving risk indicators

*Gross loans and advances to customers

Note: activity excluding repos, customer funds excludes promissory notes

South America ex Venezuela

Business Activity

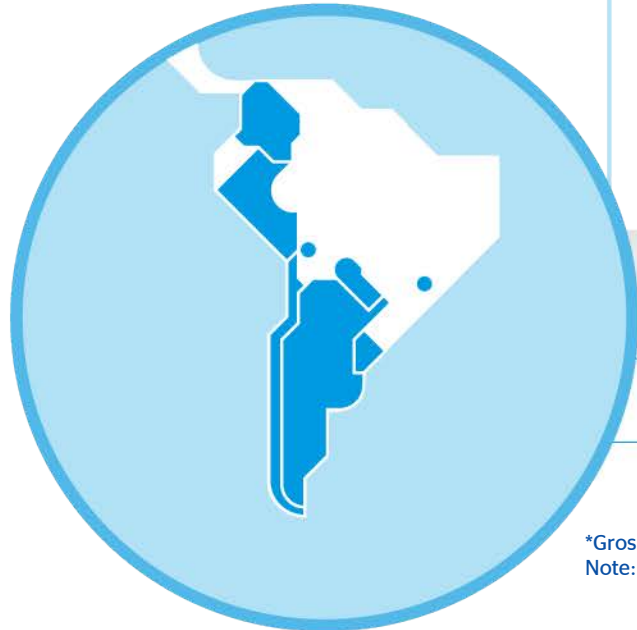
(constant €, Jun.15/Jun.14)

Lending*

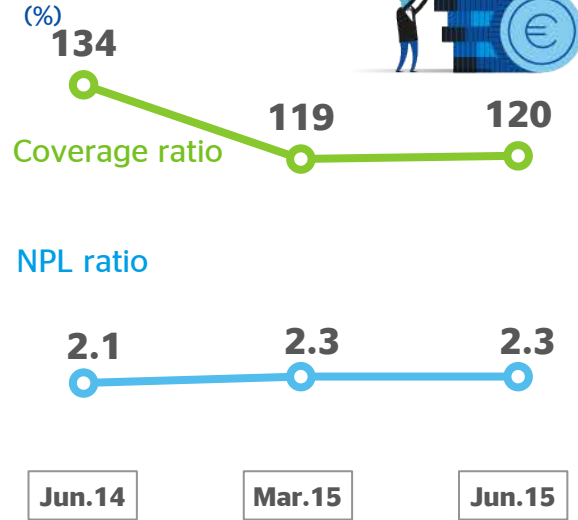
+12.2%

Customer funds

+14.5%



Risks



1H15 Results

(constant €m, YoY)

NII + fees
1,904 +11.3%

Gross income
2,169 +12.2%

Operating income
1,189 +11.4%

Net attributable profit
465 +8.4%



Highlights

Activity dynamism translated to P&L

Transforming distribution network

*Gross loans and advances to customers
Note: activity excluding repos, customer funds excludes promissory notes

Turkey

1H15 Results (constant €m, YoY)

NII + fees
523 +23.6%

Gross income
510 +11.5%

Operating income
289 +9.1%

Net attributable profit
174 +8.9%

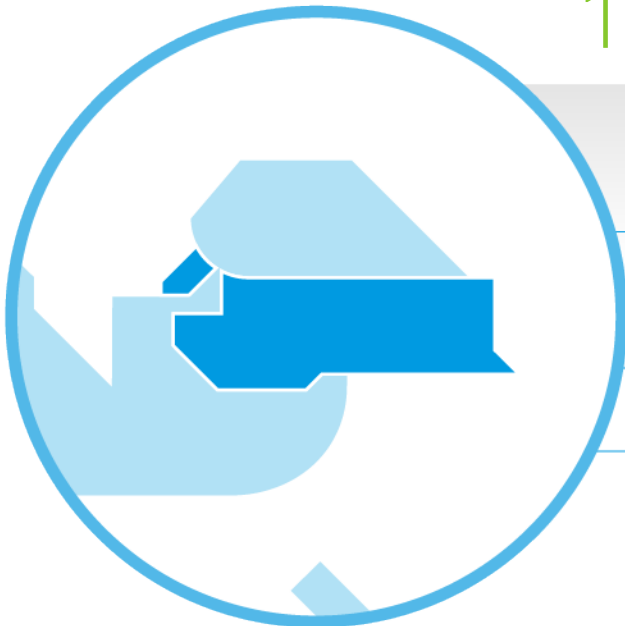


Highlights

Market huge potential

Activity dynamism

Successful customer spread management



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