



BBVA Creating
Opportunities

1Q17 Results

April, 27th 2017

Carlos Torres Vila
Chief Executive Officer

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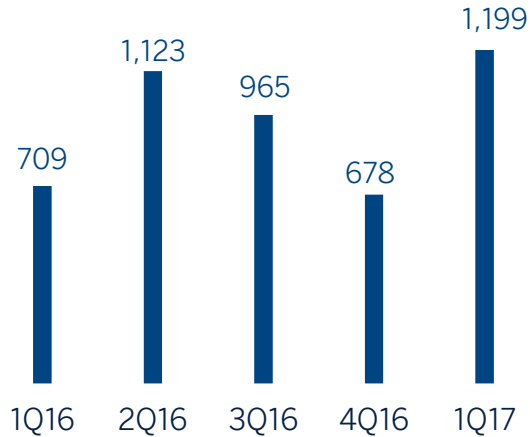
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Excellent Results in the Quarter

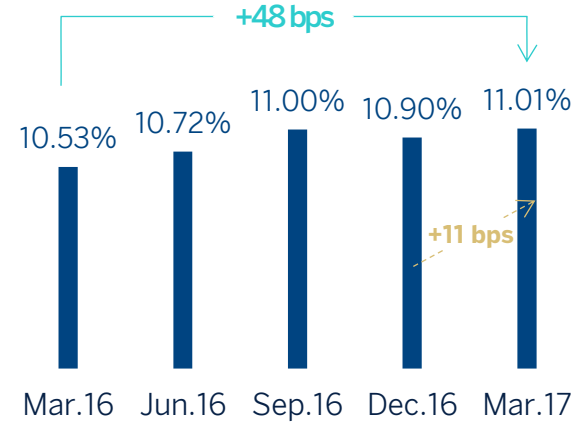
Net Attributable Profit

Quarterly evolution (€m)



CET1 fully-loaded – BBVA Group

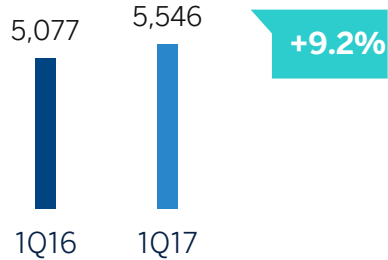
Quarterly evolution (%)



1Q17 Highlights

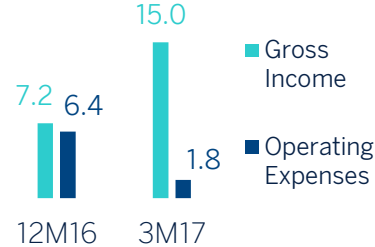
Core revenues growth

Net interest income and fees
 (€m constant)



Cost control

Gross income vs. Op. Expenses
 (YtD, %, €m constant)



Sound asset quality

Cost of risk
 (Quarterly, %, €m)



Strong capital & liquidity ratios

Core Capital CRD IV
 (Fully-loaded)

11.01%

Leverage ratio
 (Fully-loaded)

6.6 %

LCR > 100%

(BBVA Group and all subsidiaries)

Relevant transactions

Additional 9.95% stake in Garanti (*)

- ✓ Net Attributable impact: **11 €m**
- ✓ CET1 FL impact: **-17 b.p.**

CNCB disposal

- ✓ Net Attributable impact: **174 €m**
- ✓ CET1 FL impact: **+4 b.p.**

(*) Included since March, 1st

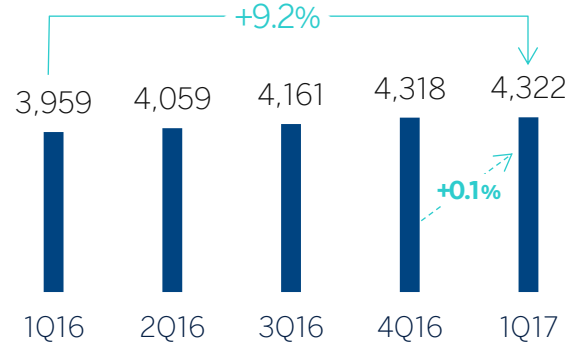
Profit & Loss

BBVA Group (€m)	1Q17	Change 1Q17/1Q16	
		%	% constant
Net Interest Income	4,322	4.1	9.2
Net Fees and Commissions	1,223	5.4	9.4
Net Trading Income	691	93.5	n.s.
Other Income & Expenses	146	23.6	-0.1
Gross Income	6,383	10.3	15.0
Operating Expenses	-3,137	-1.2	1.8
Operating Income	3,246	24.2	31.5
Impairment on Financial Assets	-945	-8.6	-5.1
Provisions and Other Gains and Losses	-236	-2.7	-1.8
Income Before Tax	2,065	54.3	67.6
Income Tax	-573	58.2	77.7
NI ex Corporate Operations	1,492	52.9	64.0
Non-controlling Interest	-293	9.8	21.5
Net Attributable Profit	1,199	69.0	79.2

Earnings – Gross Income

Net Interest Income

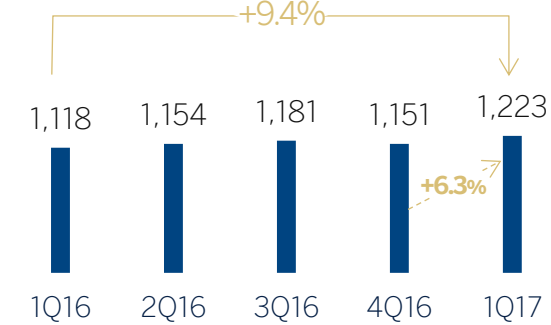
(€m constant)



■ Significant growth rate

Net Fees and Commissions

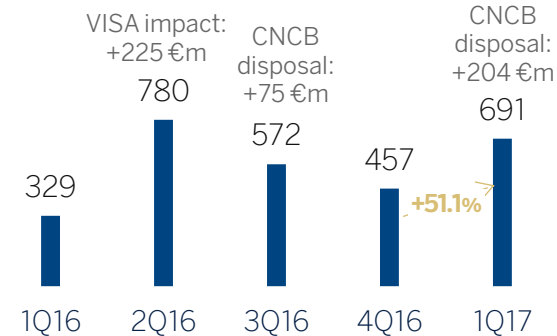
(€m constant)



■ Good trend in all areas

Net Trading Income

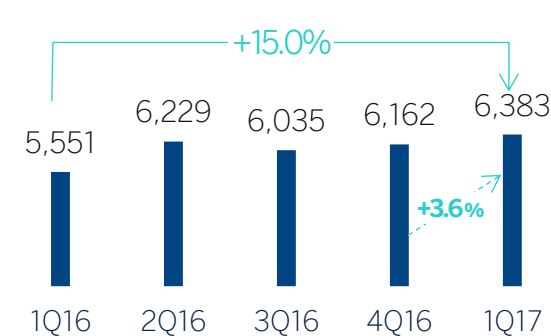
(€m constant)



■ Strong CIB (*) results and CNCB disposal

Gross Income

(€m constant)



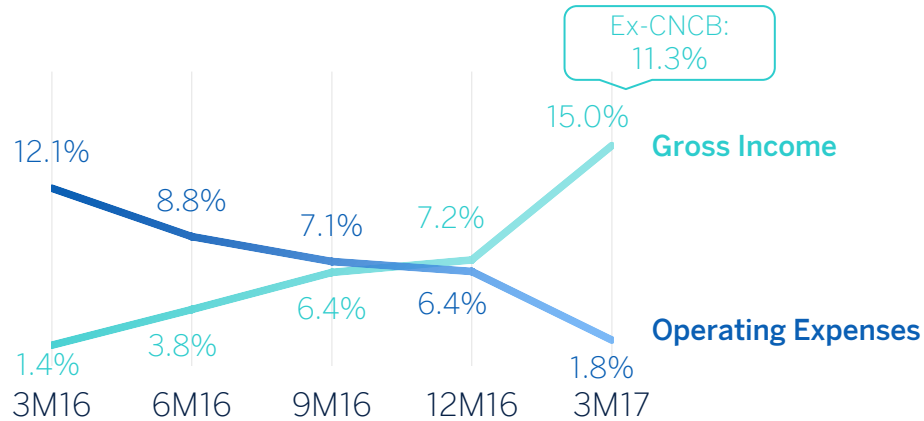
■ Supported by core revenues and NTI

(*) Corporate and Investment Banking.

Operating Expenses

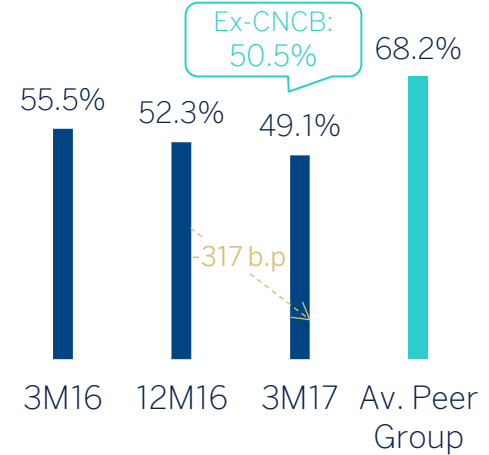
Group Operating Jaws

YTD (%), (€m constant)



Efficiency Ratio

(€m constant)

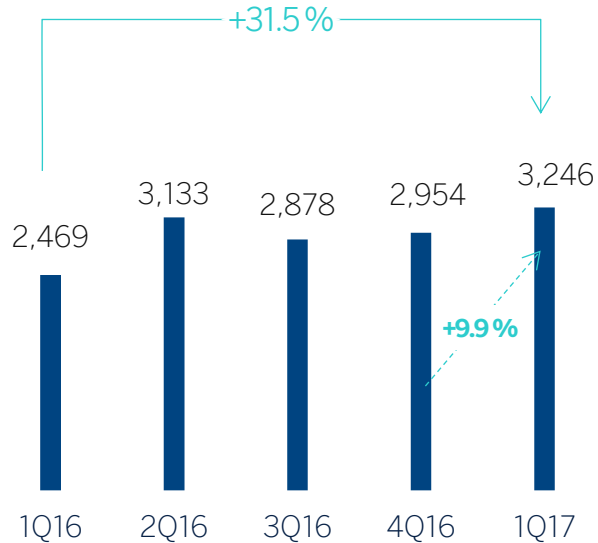


European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCI. European Peer Group figures as of December 2016. BBVA figures as of March 2017.

Efficiency, a key strategic priority

Earnings - Operating Income

1Q17 vs. 1Q16
(€m constant)



1Q17 vs. 1Q16
(€m constant)

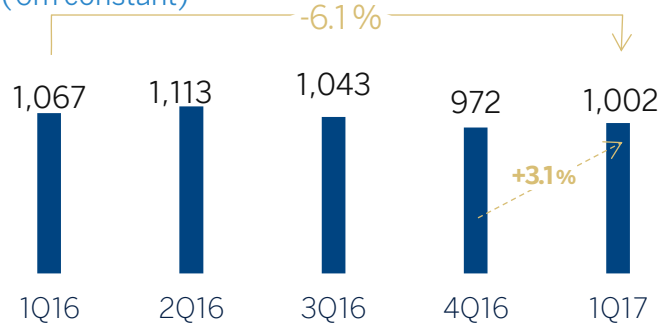
📍 SPAIN BANKING ACTIVITY	+22.6%
📍 USA	+20.8%
📍 MEXICO	+16.9%
📍 TURKEY	+28.7%
📍 SOUTH AMERICA	+3.5%

Growth in all areas

Risk Indicators

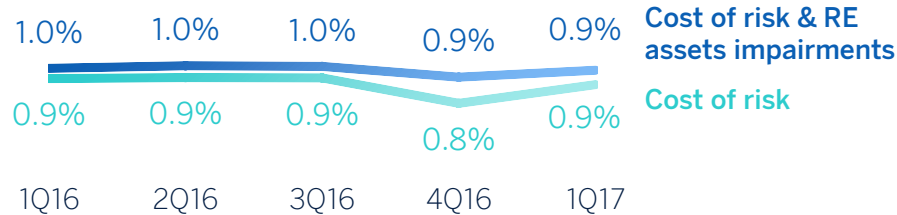
Total Impairments (Financial Assets and RE)

(€m constant)



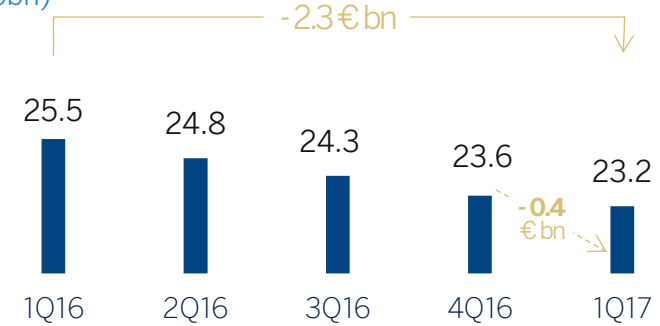
Cost of Risk

YTD (%)



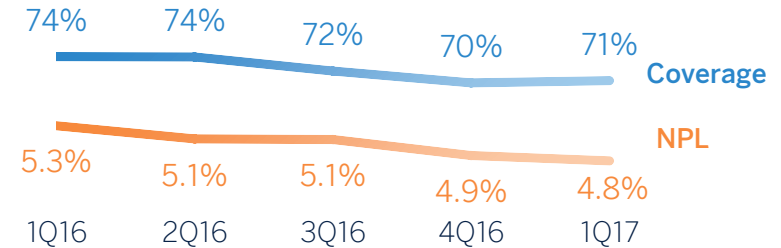
NPLs

(€bn)



NPL & Coverage ratios

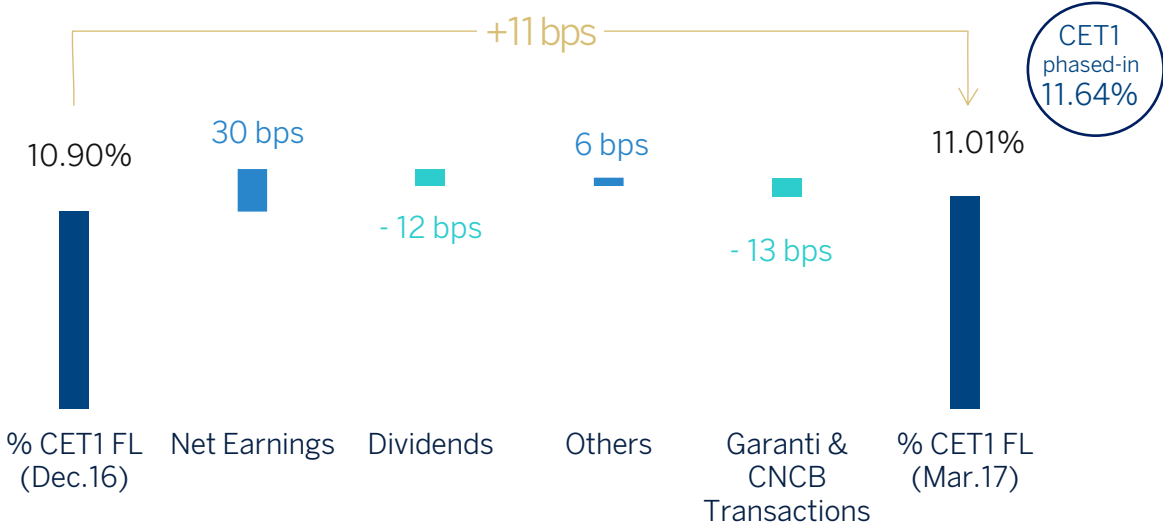
(%)



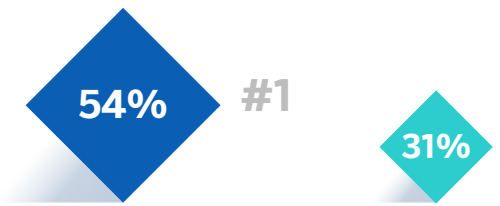
Sound asset quality

Capital Ratios

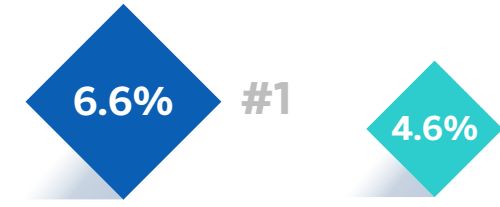
CET1 fully-loaded – BBVA Group
 QoQ Evolution (% , bps)



RWAs/ Total Assets



Leverage ratio fully-loaded



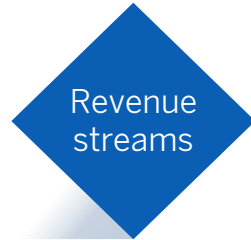
◆ **BBVA** ◆ European Peer Group Average

European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCI. European Peer Group figures as of December 2016. BBVA figures as of March 2017. Others mainly includes positive market related impacts (FX and mark to market of AFS portfolio).

In line with our 11% CET1 FL target

Transformation Focused on our Customers

Above the Glass



- Customer Experience
- Digital Sales
- Advisory
- Relationship Model



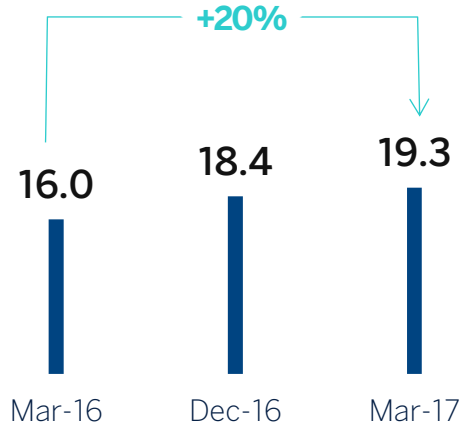
Below the Glass



- Operations
- Technology and Platforms
- Agile Organization

Digital Customers

Digital Customers – BBVA Group
(Million, % penetration)



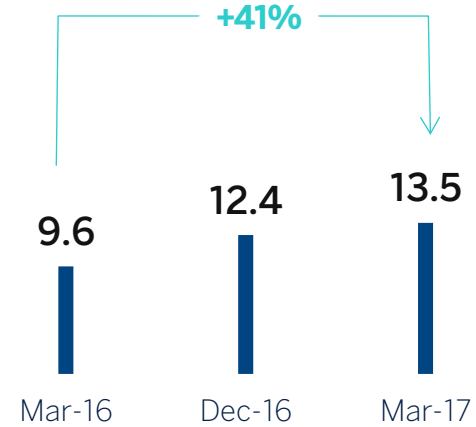
Penetration

34%

38%

39%

Mobile Customers – BBVA Group
(Million, % penetration)



Penetration

20%

25%

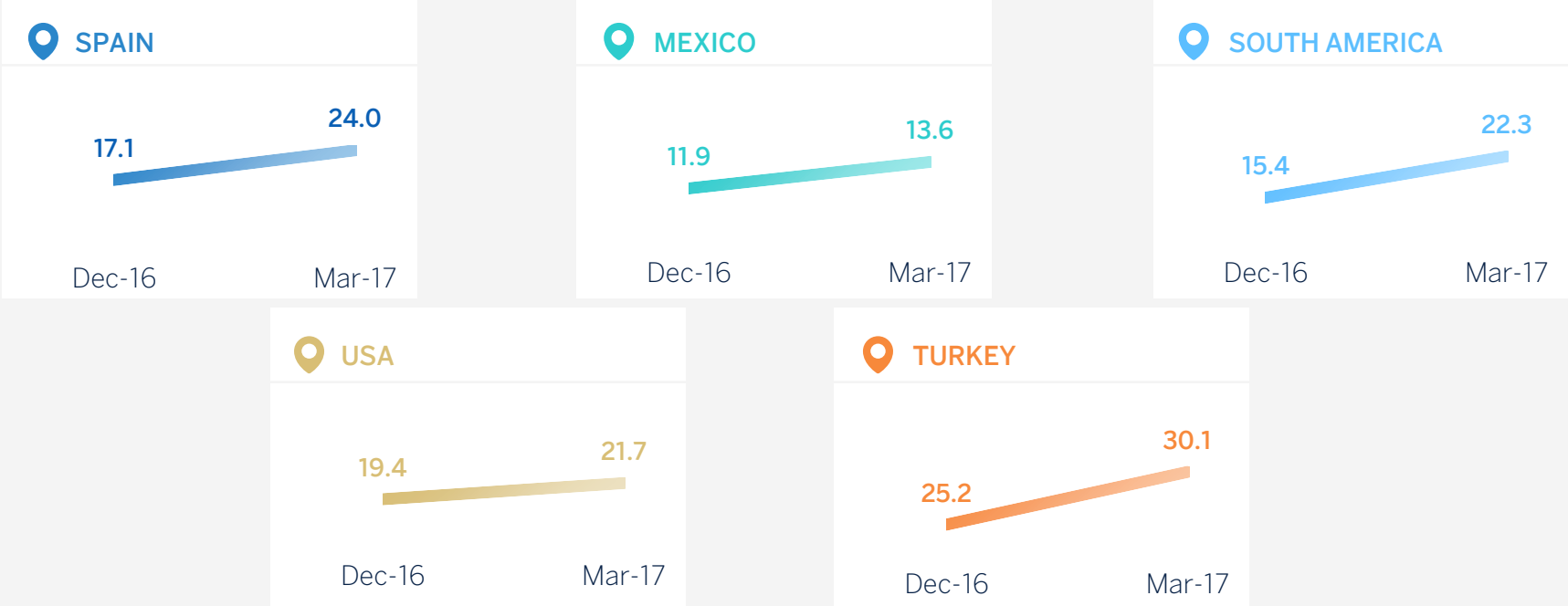
28%

Paraguay and Uruguay as of December 2016.

Continuous growth

Digital Sales

(% of total sales YtD, # of transactions)



Figures have been restated due to changes in the inclusion of some products

Improvement across our franchises

Customer Experience Improvements in the Quarter



Relationship Model

- Fast Track in Branches (Spain)
- New Public Web (USA)
- Garanti Bank Facebook Messenger BOT (Turkey)
- Alo Garanti Free Speech (Turkey)
- Front Banking Tool (Peru)

Products & Functionalities

- BBVA Cashup (Spain)
- “Mis recibos” App (Spain)
- Signature Express (USA)
- SMEs Digital Acceptance Certificate (USA)
- New Mobile Banking Dashboard (Turkey)
- Login via Eye Scanning (Turkey)
- Financial Health Check Up (Mexico)
- One Click Credit Card (Argentina)
- On/Off Bottom for Debit Cards (Chile)
- Deposits on Line (CDT) (Colombia)
- “Adelanto de Nómina” App (Colombia)
- “Provinet Empresas Móvil” (Venezuela)
- Theft Insurance Through ATM (Peru)



01

Business areas

Business areas

SPAIN Banking activity

NET ATTRIBUTABLE PROFIT

375 € m

+54.2% vs. 1Q16

NPL RATIO

5.8% vs. 6.4% 1Q16

COVERAGE RATIO

53% vs. 59% 1Q16

- NII negatively impacted by CIB business
- Good trend of fees and NTI due to CIB
- Cost reduction and lower impairments
- Restructuring costs to gain efficiencies
- Risks: good underlying trends

NON CORE REAL ESTATE

NET ATTRIBUTABLE PROFIT

-109 € m

-3.8% vs. 1Q16

NET EXPOSURE

-9.0%

vs. Dec.16

- Continued focus on accelerating sales, leveraging RE market recovery
- Significant reduction in exposure through wholesale transactions
- Decrease loan-loss provisions + RE impairments
- Negative impact from wholesale transactions

USA constant €

NET ATTRIBUTABLE PROFIT

134 € m

163.1% vs. 1Q16

NPL RATIO

1.3% vs. 1.4% 1Q16

COVERAGE RATIO

107% vs. 103% 1Q16

- Strong start to the year
- Growing revenues supported by recurrent income
- Decreasing costs and impairments
- Risks: evolution in line with expectations

Business areas

MEXICO constant €

NET ATTRIBUTABLE PROFIT

536 € m

+19.2% vs. 1Q16

NPL RATIO

2.3% vs. 2.6% 1Q16

COVERAGE RATIO

128% vs. 119% 1Q16

- Improved macro perspective, recovery of FX
- 1Q net profit growing at 19%, above year-end expectations
- Asset quality resilience

TURKEY constant €

NET ATTRIBUTABLE PROFIT

160 € m

+45.7% vs. 1Q16

NPL RATIO

2.6% vs. 2.8% 1Q16

COVERAGE RATIO

128% vs. 129% 1Q16

- Outstanding evolution
- Strong NII growth
- Cost evolution in line with inflation

SOUTH AMERICA constant €

NET ATTRIBUTABLE PROFIT

185 € m

-8.7% vs. 1Q16

NPL RATIO

3.3% vs. 2.6% 1Q16

COVERAGE RATIO

96% vs. 118% 1Q16

- Drop in bottom line due to higher impairments
- Positive recurring income
- Growing costs, below inflation
- Deterioration in NPLs and coverage due to macro environment, as expected

1Q17 Key Takeaways

1. Strong start to the year

- ▮ Growth in core revenues
- ▮ Costs control
- ▮ Low cost of risk
- ▮ Strong capital generation

2. Progressing in our transformation

3. Improved macro outlook



02

Annex

Total Spain – Profit & Loss

Total Spain (€m)	1Q17	Change 1Q17/1Q16 %	Change 1Q17/4Q16 %
Net Interest Income	945	-4.1	-4.5
Net Fees and Commissions	384	-1.2	8.8
Net Trading Income	224	n.s.	30.1
Other Income & Expenses	102	-16.8	n.s.
Gross Income	1,655	5.3	10.9
Operating Expenses	-886	-4.0	-3.7
Operating Income	770	18.5	34.2
Impairment on Financial Assets (net)	-169	-44.5	n.s.
Provisions (net) and other gains (losses)	-214	55.7	-75.5
Income Before Tax	386	86.6	n.s.
Income Tax	-119	55.9	n.s.
Net Attributable Profit	266	n.s.	n.s.

The BBVA logo is displayed in a bold, white, sans-serif font. To its right, the tagline "Creating Opportunities" is written in a smaller, white, sans-serif font, stacked in two lines.

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