



BBVA

2Q16 Results July, 29th 2016

Carlos Torres Vila, Chief Executive Officer

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Organizational changes

Simpler organization to gain efficiency and accelerate our transformation

- ✓ Business units closer to CEO
- ✓ Customer Solutions encompassing the areas that shape and deploy our value proposition to customers, both globally and locally

Organizational chart

Group Executive Chairman
Francisco González

CEO
Carlos Torres Vila

Execution & Performance

- Corporate & Investment Banking
Juan Asúa
- Country Monitoring¹
Jorge Sáenz-Azcúnaga
- Country Manager Spain
Cristina de Parias
- Country Manager Mexico
Eduardo Osuna
- Country Manager USA
Manolo Sánchez
- Country Manager Turkey
Fuat Erbil

New Core Competencies

- Customer Solutions²
Derek White
- Talent & Culture
Ricardo Forcano
- Engineering
Ricardo Moreno

Risk & Finance

- Finance
Jaime Sáenz de Tejada
- Global Risk Management
Rafael Salinas

Strategy & Control

- Global Economics Regulation & Public Affairs
José Manuel González-Páramo
- Legal & Compliance
Eduardo Arbizu
- Strategy & M&A
Javier Rodríguez Soler
- Global Accounting & Supervisory Relations
Ricardo Gómez Barredo
- Communications
Paul G. Tobin
- General Secretary
Domingo Armengol
- Internal Audit
Jose Luis de los Santos

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

² Integrates Global Marketing & Digital Sales; Business Development in Spain, Mexico, Turkey, USA and South America; Distribution model; Insurance and Prevision; Asset Management & Global Wealth; Consumer Finance and New Digital Businesses.

2Q16 Highlights

Solid quarterly results, earnings growth on track

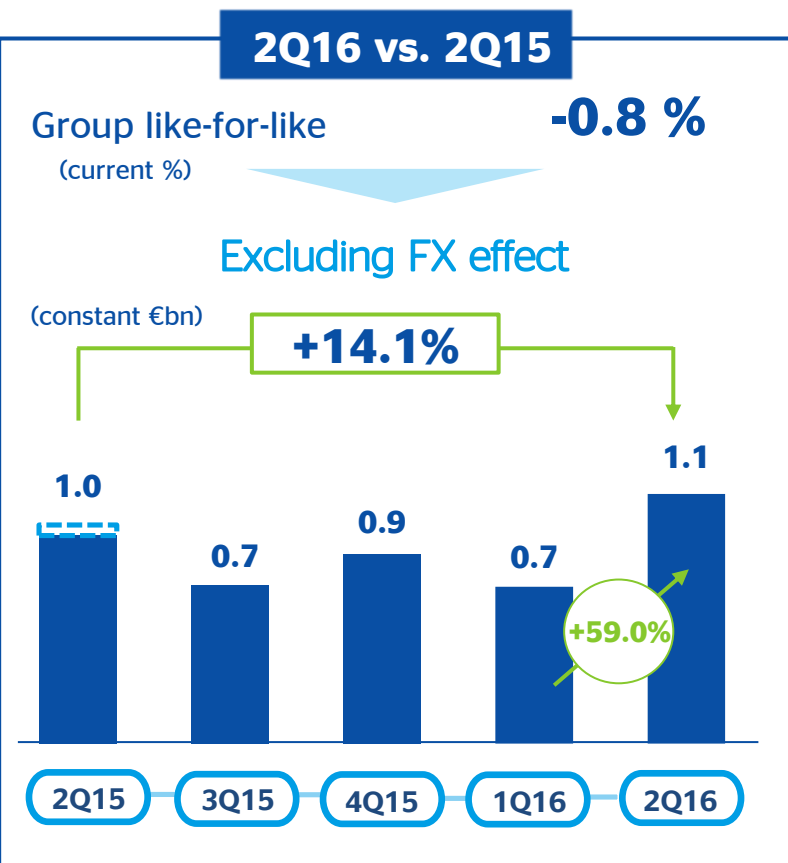
- ✓ Positive trend in recurring revenues **+5.4%** vs 2Q15,
constant €
- ✓ Gross income growth, driven by NTI and dividends **+7.1%** vs 2Q15,
constant €
- ✓ Improvement in risk indicators **NPL ratio -18 bps** vs
1Q16
- ✓ Solid capital ratios **10.71%; +17 bps**
CET1 FL vs 1Q16
- ✓ Specific items in the quarter:
 - ✓ VISA Europe deal **+128 €m** (net attrib. impact)
 - ✓ Single Resolution Fund contribution **-85 €m** (net attrib. impact)

1,123 €m (2Q16)
Attributable Profit

+14.1% (2Q16 vs 2Q15 ex. Corp. Ops., constant)

Earnings growth on track

Net Attributable Profit ex Corporate Operations



Garanti like-for-like basis

2Q16 vs. 2Q15 breakdown (€m constant; %)

| | | | |
|--|---------------|-----|--------|
| | Spain (*) | 289 | +4.2% |
| | United States | 129 | -10.1% |
| | Turkey (**) | 192 | +48.8% |
| | Mexico | 486 | +11.2% |
| | South America | 206 | +3.2% |

(*) Spain includes banking and real-estate activity.

(**) Garanti like-for-like basis

Note: Garanti like-for-like basis considers the additional stake in Garanti accounted by the full consolidation method from 01/01/15 vs. 07/01/15 deal closing

2Q16 Summary

| BBVA Group (€m) | 2Q16 | Change | | Total Group with Garanti like-for-like basis | | |
|--|--------------|-------------|-------------|--|--------------|---|
| | | 2Q16/2Q15 | | Change | | |
| | | % | % constant | % | % constant | |
| Net Interest Income | 4,213 | 9.2 | 24.6 | -6.4 | 6.4 ✓ | Solid performance |
| Net Fees and Commissions | 1,189 | 4.3 | 14.9 | -7.5 | 2.0 | |
| Net Trading Income | 819 | 26.0 | 36.7 | 30.2 | 41.2 | Higher NTI including VISA Europe capital gains |
| Other Income & Expenses | 225 | -18.1 | -28.3 | -21.8 | -31.0 | SRF contribution |
| Gross Income | 6,445 | 8.8 | 21.2 | -3.8 | 7.1 | |
| Operating Expenses | -3,159 | 7.4 | 17.9 | -3.5 | 6.1 | Cost control efforts |
| Operating Income | 3,287 | 10.3 | 24.7 | -4.2 | 8.1 | |
| Impairment on Financial Assets | -1,077 | -1.1 | 10.2 | -10.4 | -0.2 | |
| Provisions and Other Gains | -157 | -45.4 | -43.8 | -44.8 | -43.3 | Lower RE impairments & restructuring costs in Spain |
| Income Before Tax | 2,053 | 28.0 | 48.9 | 5.6 | 21.9 | |
| Income Tax | -557 | 29.9 | 56.9 | 11.6 | 33.4 | |
| NI ex Corporate Operations | 1,496 | 27.3 | 46.0 | 3.6 | 18.0 | |
| Corporate Operations Income | 0 | n.s. | n.s. | n.s. | n.s. | |
| Non-controlling Interests | -373 | n.s. | n.s. | 19.7 | 31.8 | |
| Net Attributable Profit | 1,123 | -8.2 | 4.0 | -12.0 | -0.5 | |
| Net Attributable Profit (ex corporate operations) | 1,123 | 4.1 | 20.0 | -0.8 | 14.1 | |

1H16 Summary

| BBVA Group (€m) | 1H16 | Change | | Total Group with Garanti like-for-like basis | |
|---|---------------|-------------|-------------|--|------------|
| | | 1H16/1H15 | | Change | |
| | | % | % constant | % | % constant |
| Net Interest Income | 8,365 | 11.2 | 26.1 | -4.9 | 7.9 |
| Net Fees and Commissions | 2,350 | 6.0 | 16.2 | -6.4 | 3.1 |
| Net Trading Income | 1,176 | -17.5 | -9.6 | -13.5 | -5.4 |
| Other Income & Expenses | 343 | -12.5 | -13.5 | -18.2 | -18.4 |
| Gross Income | 12,233 | 5.9 | 18.2 | -6.5 | 4.6 |
| Operating Expenses | -6,332 | 10.8 | 21.1 | -0.7 | 9.1 |
| Operating Income | 5,901 | 1.1 | 15.2 | -12.1 | 0.2 |
| Impairment on Financial Assets | -2,110 | -4.4 | 5.3 | -12.8 | -3.7 |
| Provisions and Other Gains | -400 | -31.4 | -27.0 | -31.2 | -26.9 |
| Income Before Tax | 3,391 | 11.3 | 31.9 | -8.6 | 7.6 |
| Income Tax | -920 | 12.8 | 36.8 | -3.1 | 16.4 |
| NI ex Corporate Operations | 2,471 | 10.8 | 30.2 | -10.4 | 4.6 |
| Corporate Operations Income | 0 | n.s. | n.s. | n.s. | n.s. |
| Non-controlling Interests | -639 | n.s. | n.s. | 2.8 | 18.9 |
| Net Attributable Profit | 1,832 | -33.6 | -25.5 | -36.0 | -28.2 |
| Net Attributable Profit (ex corporate operations) | 1,832 | -9.8 | 5.8 | -14.3 | 0.4 |

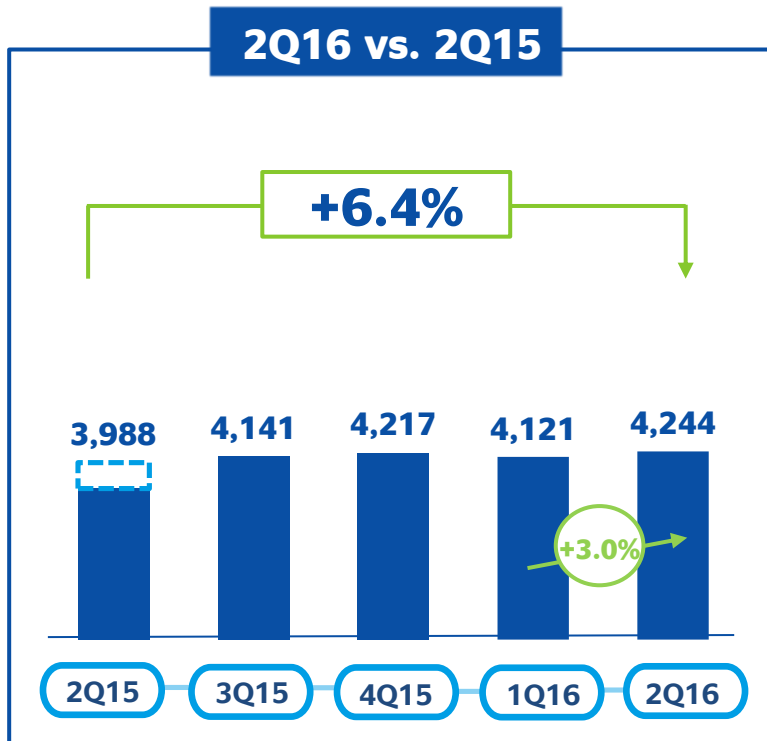
Negative
FX impact

Earnings

Core Revenues

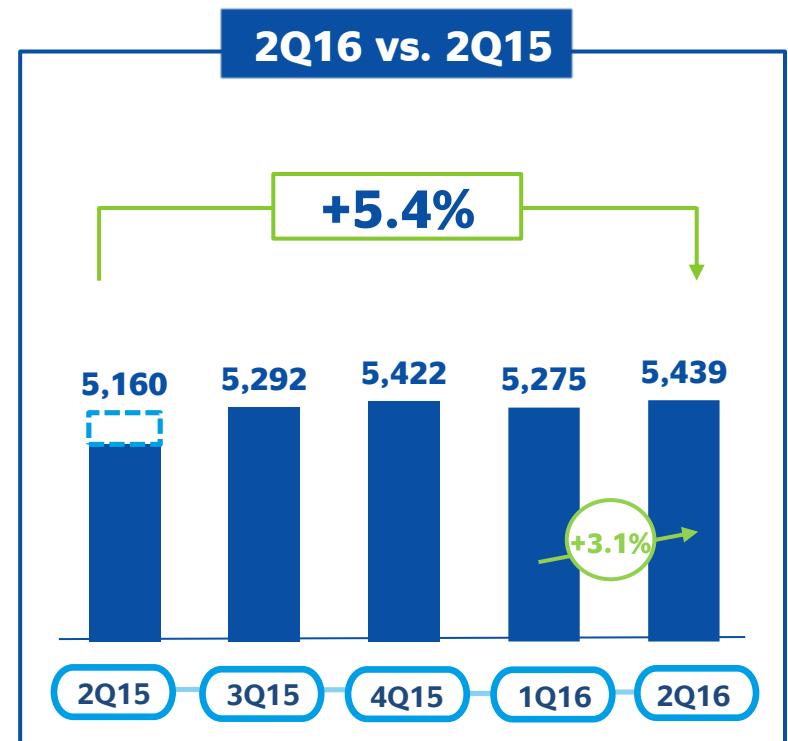
€m constant

Net Interest Income



Garanti like-for-like basis

NII+ Net Fees and Commissions

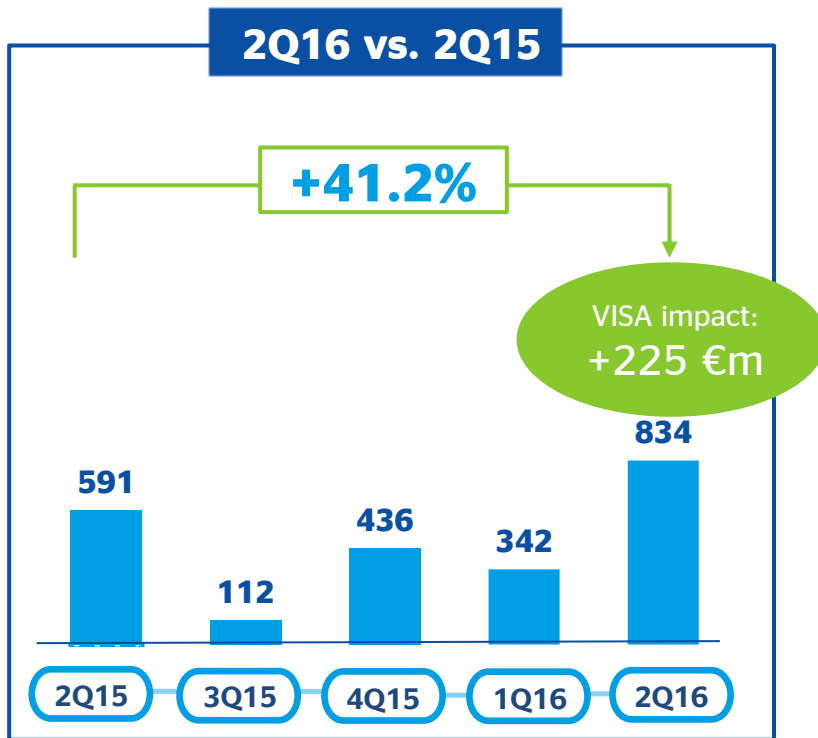


Earnings

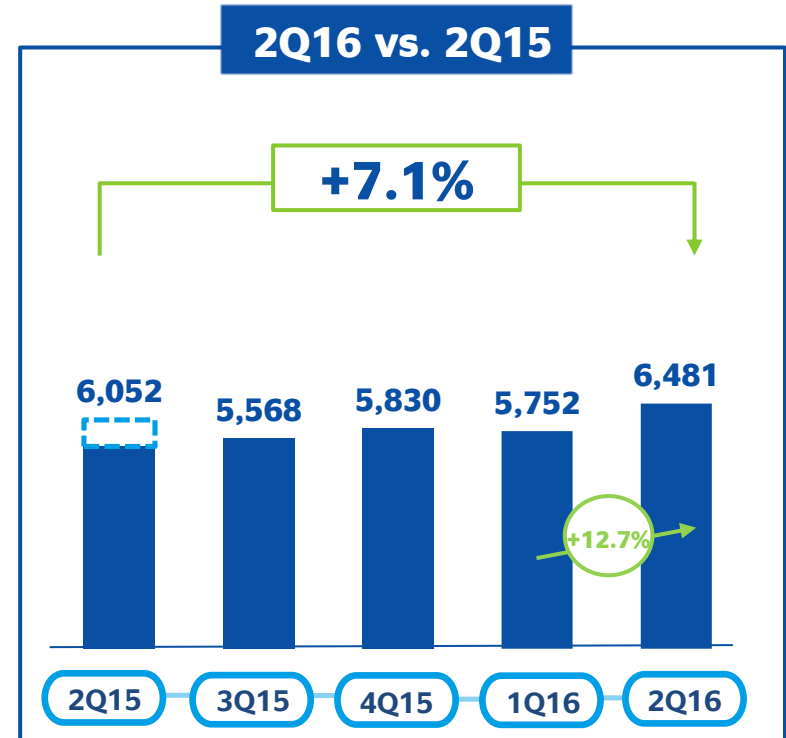
Gross Income

€m constant

Net Trading Income



Gross Income

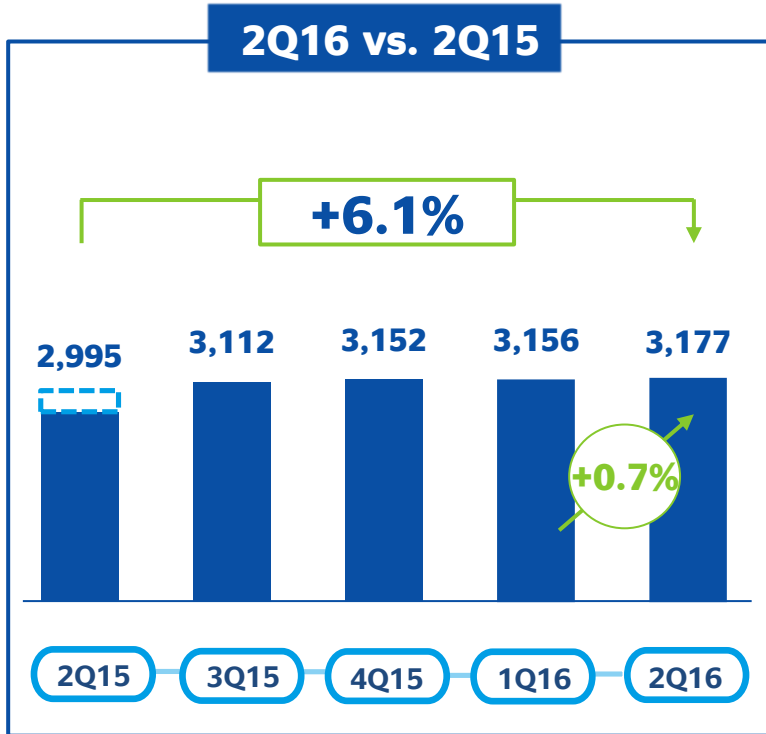


Garanti like-for-like basis

Earnings

Operating Expenses

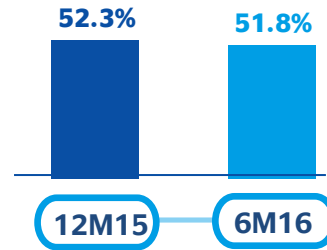
€m constant



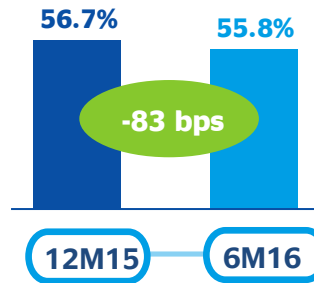
Garanti like-for-like basis

Cost to income (like-for-like basis) YoY (%)

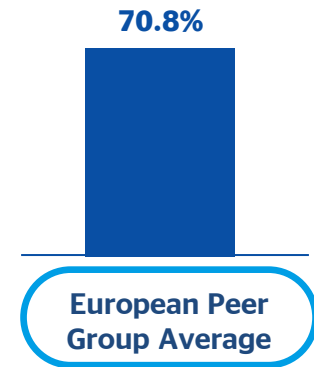
BBVA Group
(Garanti like-for-like basis)



Underlying efficiency
ex NTI & CX



Efficiency
vs. peer group 3M16(%)



Ongoing cost control efforts & efficiency improvement

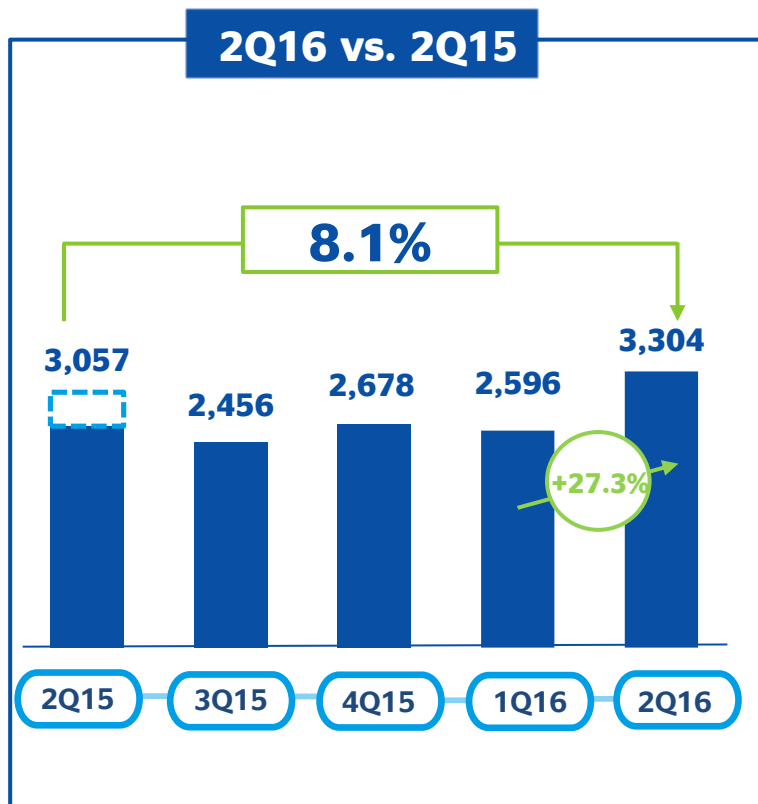
European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCG

Note: Garanti like-for-like basis considers the additional stake in Garanti accounted by the full consolidation method from 01/01/15 vs. 07/01/15 deal closing

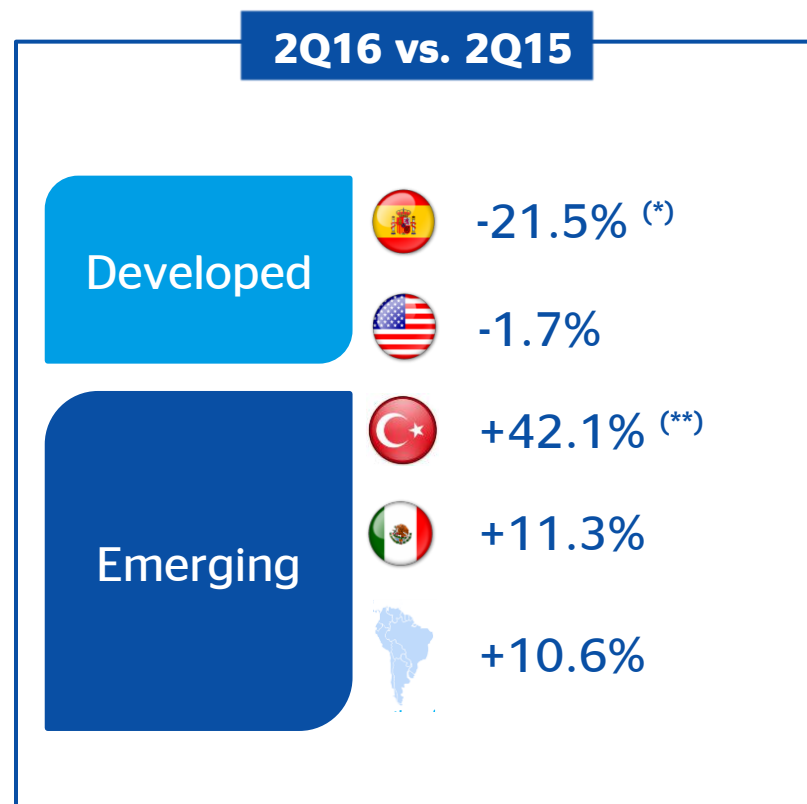
Earnings

Operating Income

€m constant



Garanti like-for-like basis



(*) Spain includes banking and Real Estate activity.

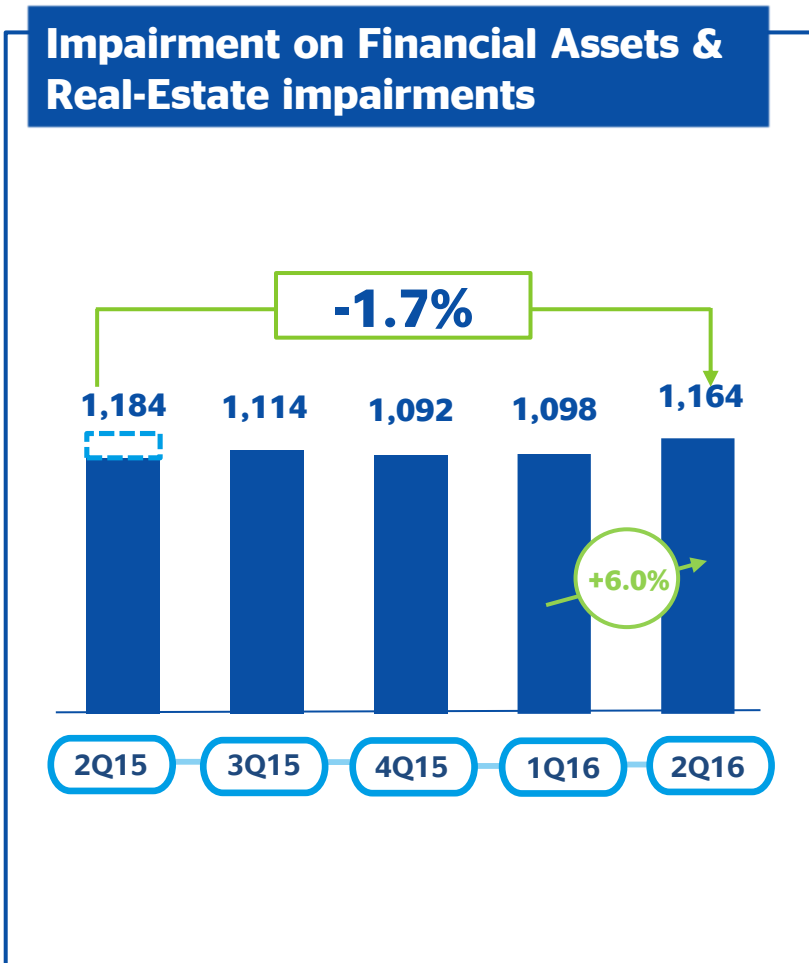
(**) Garanti like-for-like basis

Note: Garanti like-for-like basis considers the additional stake in Garanti accounted by the full consolidation method from 01/01/15 vs. 07/01/15 deal closing

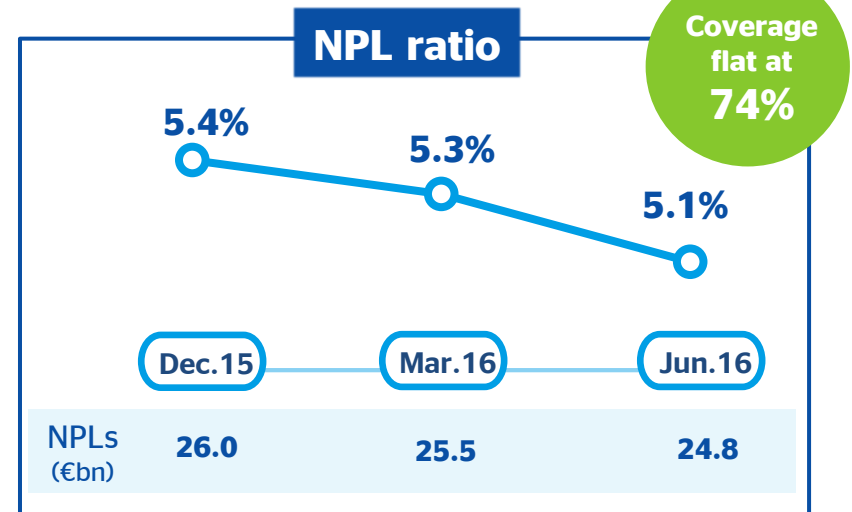
Risk

Indicators Continue to Improve

€m constant



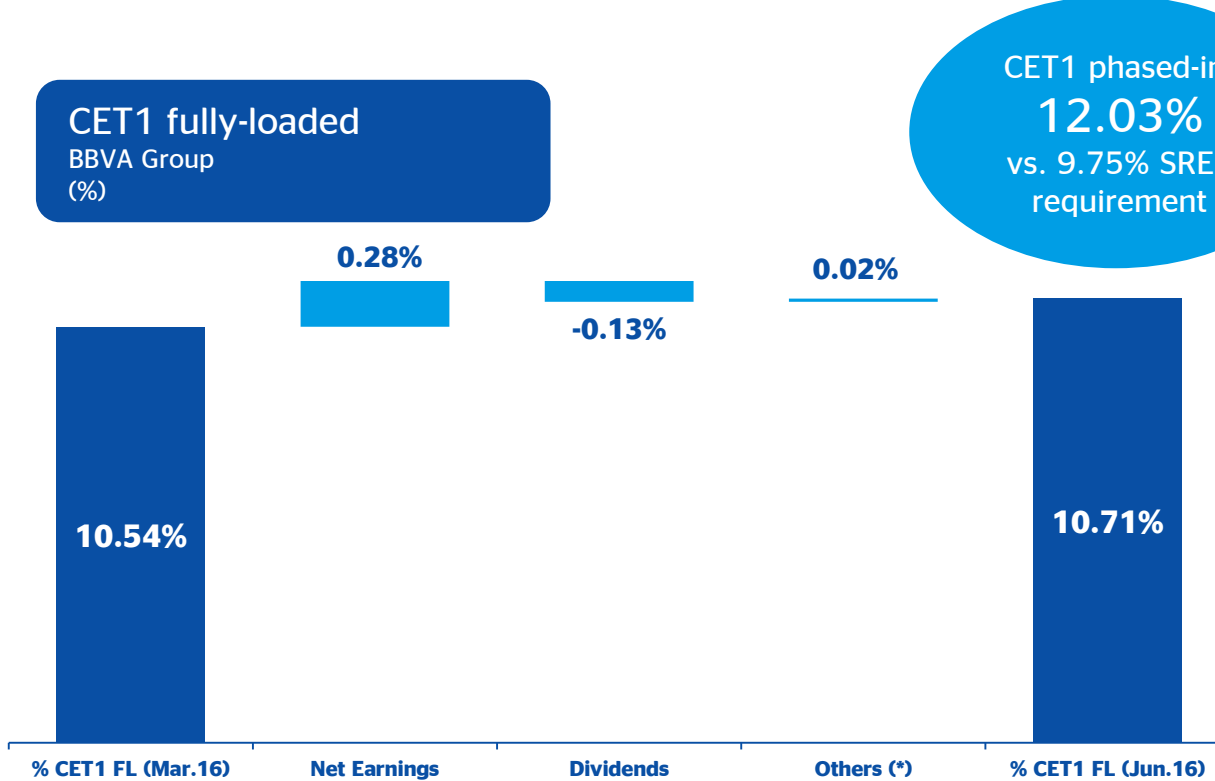
Garanti like-for-like basis



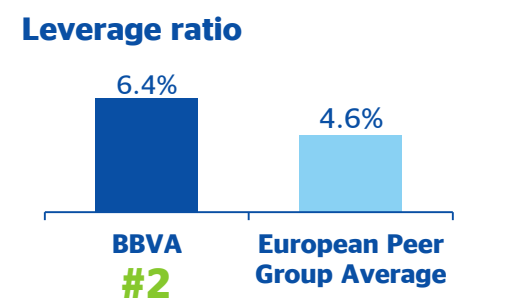
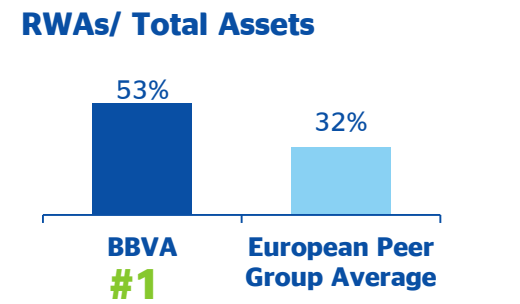
Note: Garanti like-for-like basis considers the additional stake in Garanti accounted by the full consolidation method from 01/01/15 vs. 07/01/15 deal closing

Capital

Strong Capital Ratios



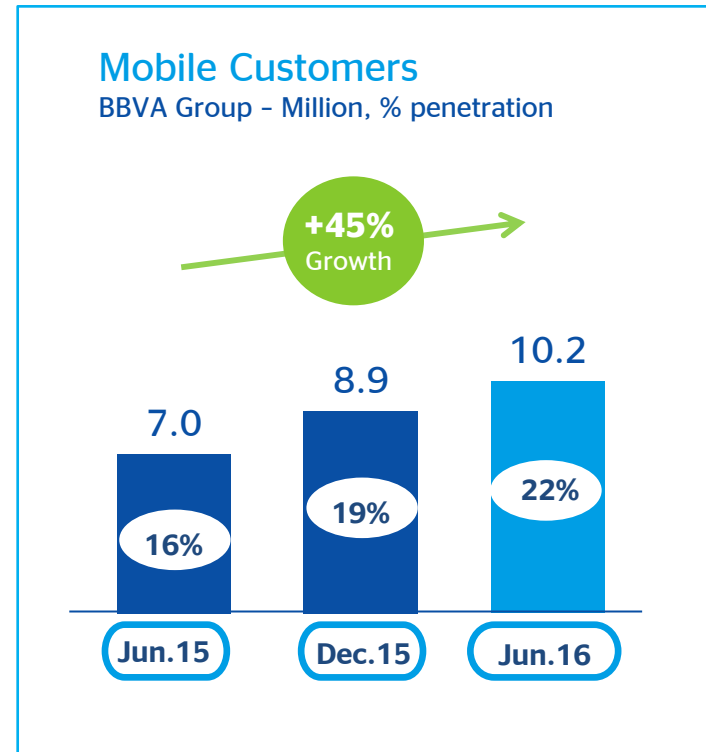
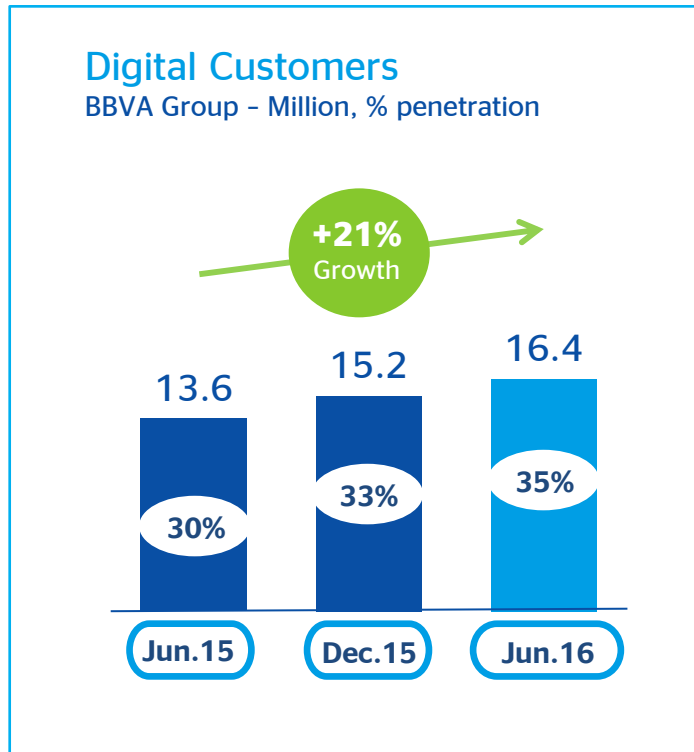
High quality capital



On track to achieve CET1 FL 11% target in 2017

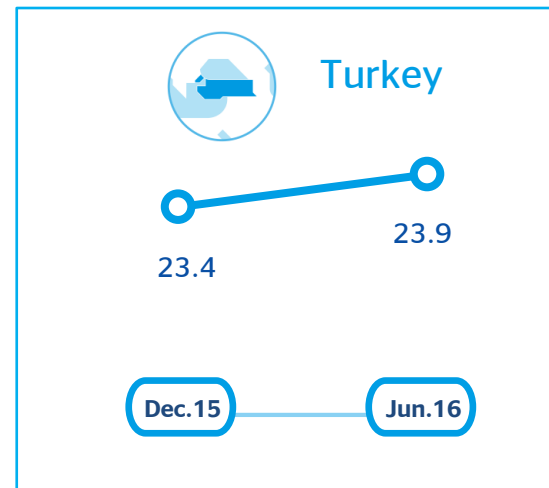
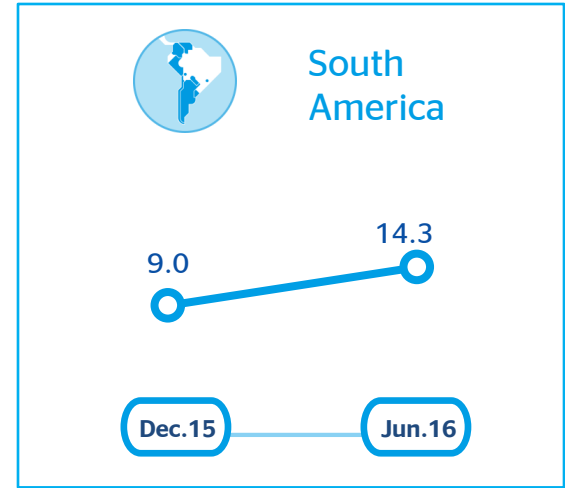
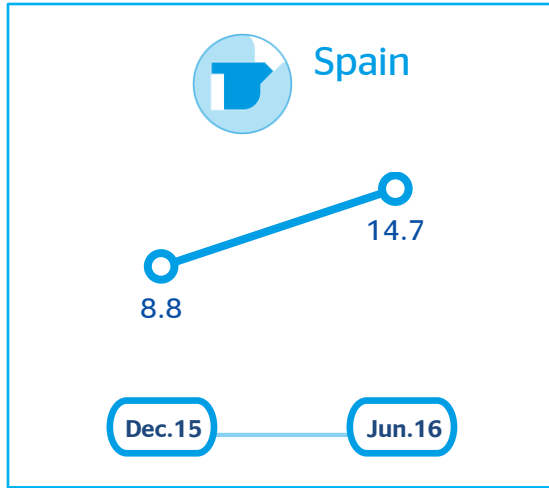
European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCG. European Peer Group figures at 1Q16. (*)"Others" includes, among others, negative market related impacts (FX and AFS portfolio) compensated with capital allocation measures.

Growing our Digital Customer Base



Driving Digital Sales Across all Franchises

Digital Sales - % of total sales YtD, # of transactions



Customer experience improvement

Customer Experience

Relationship model

- My chat (Spain)
- New onboarding communication program (USA)
- Expansion of remote manager model (Argentina, Turkey and Peru)



Products

- Payroll loans (Mexico)
- Smart auto-insurance (Turkey)
- Commerce 360° (Spain)
- Enhanced payments-promotions experience (Colombia)

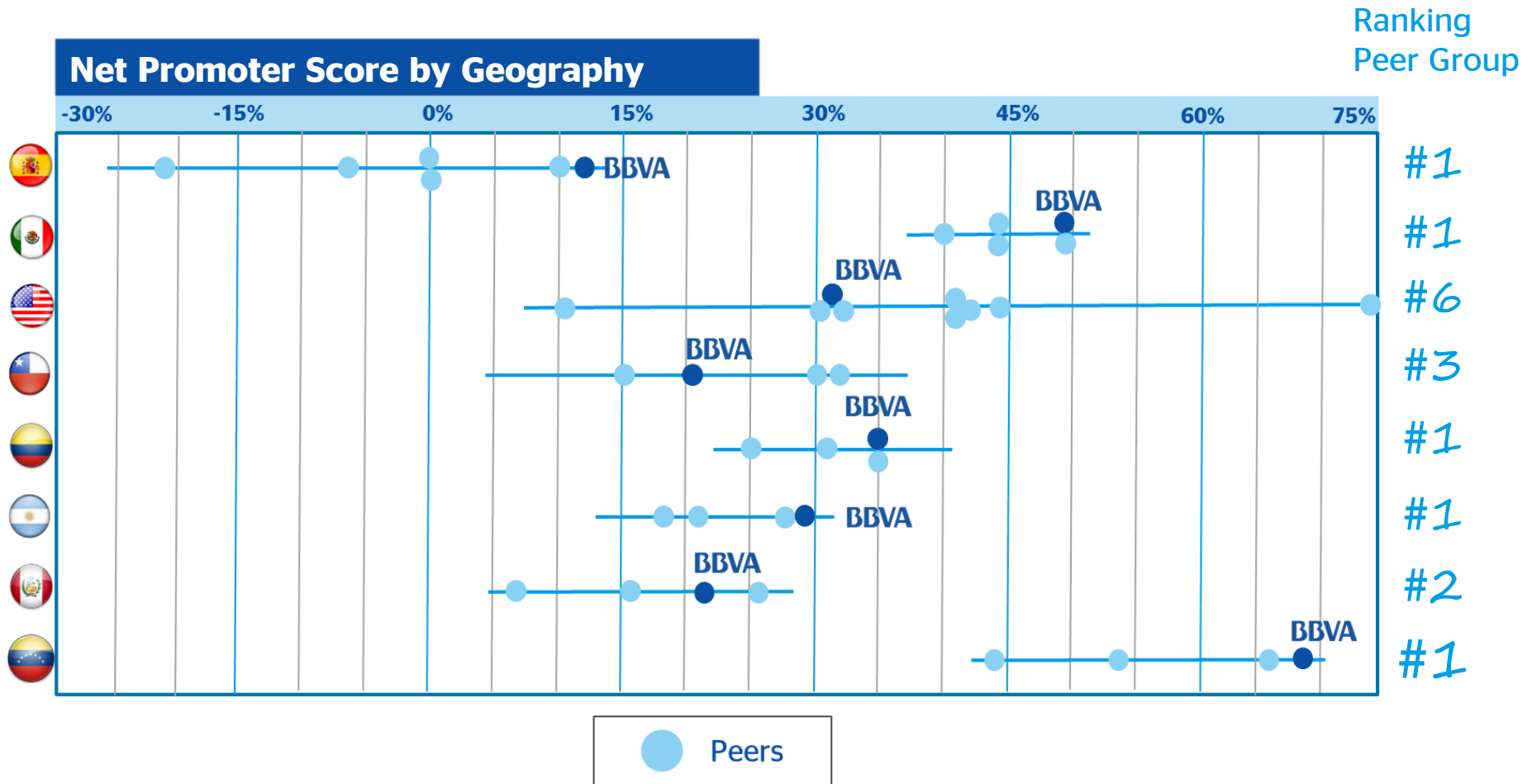


Functionalities

- Find your home (Spain)
- Personal Financial and Expense Manager (Spain)



Focused on Our Customers



Peer Group: Spain: Santander, CaixaBank, Bankia, Sabadell, Popular/ USA: Bank of America, Bank of the West, Comerica, Frost, Chase, Regions, US Bank, Wells Fargo // Mexico: Banamex, Santander, Banorte, HSBC // Peru: BCP, Interbank, Scotiabank // Argentina: Banco Galicia, HSBC, Santander Rio // Colombia: Bancolombia, Davivienda, Banco de Bogotá // Chile: BCI, Banco de Chile, Santander // Venezuela: Banesco, Mercantil, Banco de Venezuela

USA and Peru: data as of December 2015.

Business Areas



Spain Banking Activity Results



(€m)

| Banking activity in Spain | 2Q16 | Change | Change | 1H16 | Change |
|---|--------------|--------------|-------------|--------------|---------------|
| | | 2Q16/2Q15 | 2Q16/1Q16 | | 1H16/1H15 |
| | | % | % | | % |
| Net Interest Income | 988 | -2.6 | 3.4 | 1,943 | -1.9 |
| Net fees and commissions | 379 | -12.4 | -3.4 | 771 | -4.8 |
| Net trading income | 313 | -7.0 | n.s. | 390 | -42.1 |
| Other operating income and expenses | 53 | -61.5 | -60.7 | 189 | -22.6 |
| Gross Income | 1,733 | -9.8 | 11.1 | 3,293 | -11.2 |
| Operating expenses | -898 | 4.7 | -0.5 | -1,800 | 11.0 |
| Operating Income | 835 | -21.5 | 27.0 | 1,493 | -28.5 |
| Impairment on financial assets (net) | -251 | -29.3 | -3.0 | -509 | -34.4 |
| Provisions (net) and other gains (losses) | -29 | -72.6 | -49.1 | -87 | -67.9 |
| Income Before Tax | 555 | -7.9 | 62.5 | 897 | -13.8 |
| Income Tax | -170 | -4.4 | 58.9 | -276 | -10.2 |
| Non-controlling interests | -1 | 11.2 | 50.2 | -2 | 3.2 |
| Net Attributable Profit | 385 | - 9.4 | 64.2 | 619 | - 15.3 |

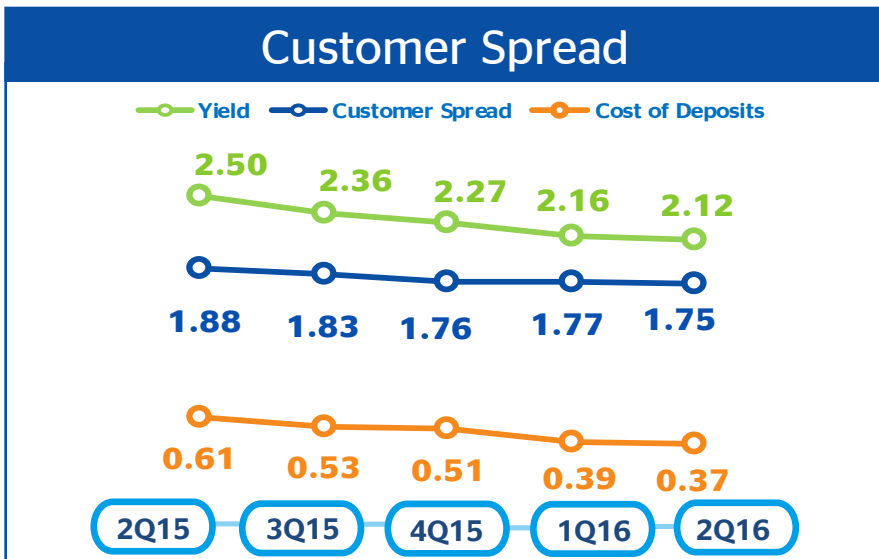
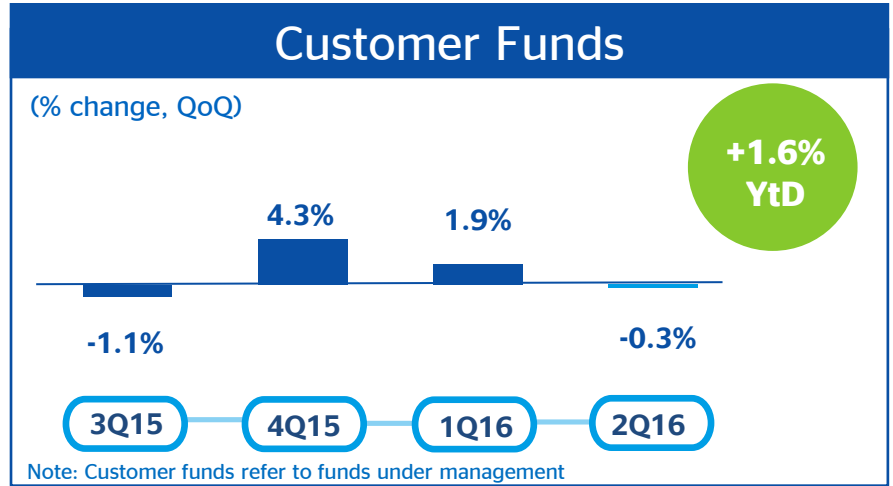
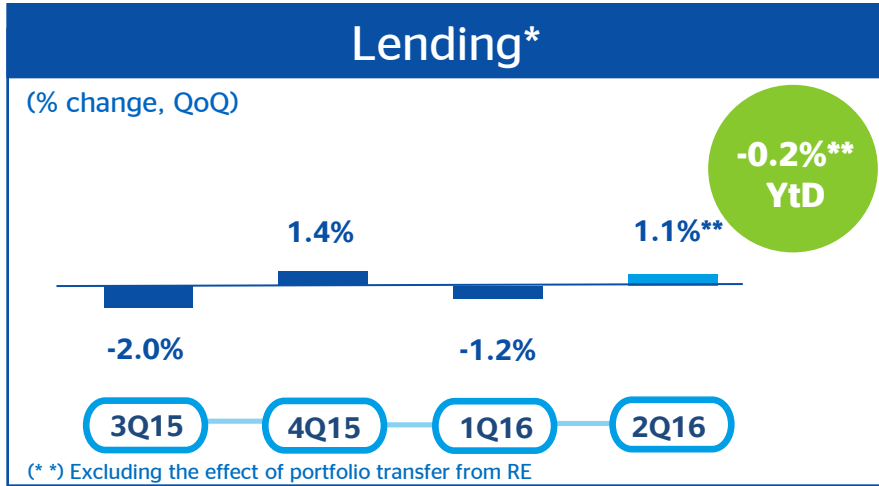
NII pressure

Lower than expected market-related fees

Focus on cost control

Maintaining positive trend in loan-loss provisions and impairments

Spain Banking Activity Activity & Spreads



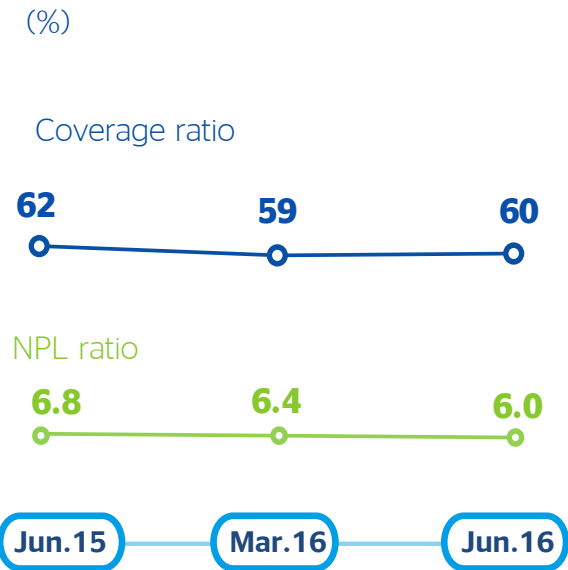
- ### Highlights
- **Flat activity levels;** no clear visibility about the future trend
 - New loan production grows mainly in **mortgages and consumer loans**
 - Stable customer spread; expected further **decrease in cost of deposits**

(*) Gross loans and advances to customers. Note: Activity excludes repos

Spain Banking Activity Risk

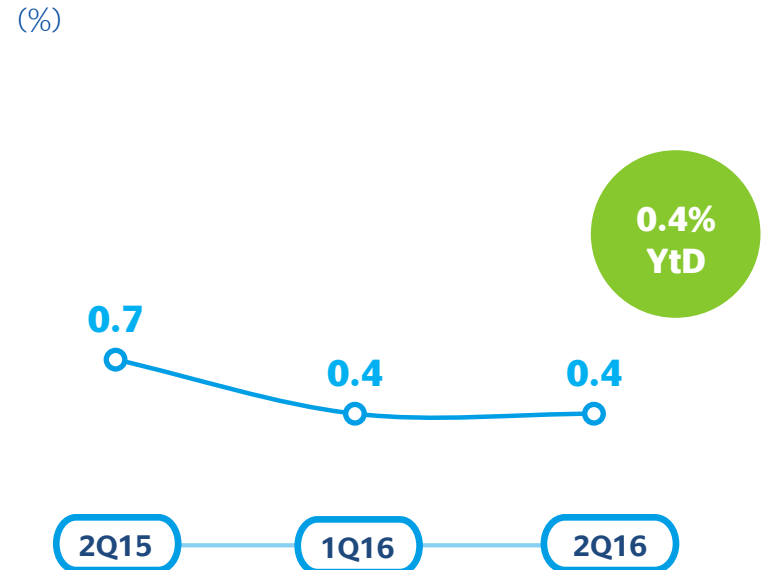


Risk indicators



| | | | |
|------------|------|------|------|
| NPLs (€bn) | 14.5 | 13.2 | 12.5 |
|------------|------|------|------|

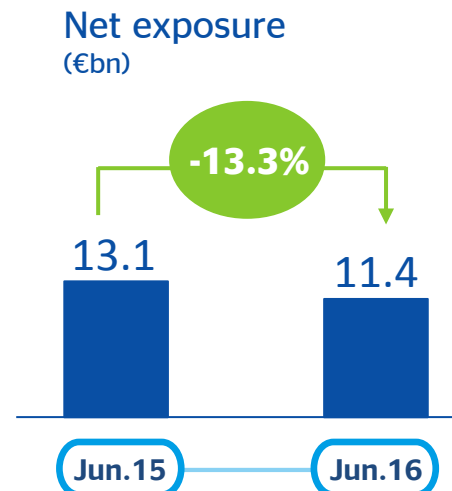
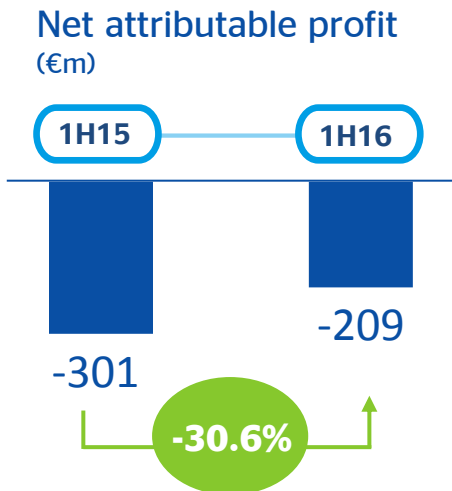
Cost of risk



Maintaining positive trend in risk indicators

Spain

Real Estate Activity



- ✓ Positive market trends
- ✓ Lower P&L negative impact
- ✓ Ongoing exposure reduction



Total Spain Results



(€m)

| Total Spain | 2Q16 | Change 2Q16/2Q15 | Change 2Q16/1Q16 | 1H16 | Change 1H16/1H15 |
|---|--------------|---------------------|---------------------|--------------|---------------------|
| | | % | % | | % |
| Net Interest Income | 1,003 | -0.8 | 2.2 | 1,984 | 0.8 |
| Net fees and commissions | 380 | -12.1 | -3.3 | 773 | -4.7 |
| Net trading income | 313 | -7.3 | n.s. | 390 | -42.2 |
| Other operating income and expenses | 36 | -72.0 | -70.4 | 156 | -17.7 |
| Gross Income | 1,732 | -9.3 | 10.2 | 3,304 | -9.4 |
| Operating expenses | -933 | 4.8 | -0.1 | -1,866 | 11.0 |
| Operating Income | 800 | -21.5 | 25.3 | 1,438 | -26.8 |
| Impairment on financial assets (net) | -289 | -30.1 | -5.4 | -594 | -33.4 |
| Provisions (net) and other gains (losses) | -96 | -55.9 | -30.6 | -235 | -49.7 |
| Income Before Tax | 415 | 7.1 | n.s. | 609 | 0.7 |
| Income Tax | -124 | 13.8 | 71.7 | -197 | 13.8 |
| Non-controlling interests | -1 | n.s. | 45.0 | -2 | 14.6 |
| Net Attributable Profit | 289 | 4.2 | n.s. | 410 | - 4.6 |

USA Results



(Constant €m)

| USA | 2Q16 | Change 2Q16/2Q15 | Change 2Q16/1Q16 | 1H16 | Change 1H16/1H15 |
|---|------------|---------------------|---------------------|--------------|---------------------|
| | | % | % | | % |
| Net Interest Income | 466 | 5.0 | -1.2 | 938 | 6.4 |
| Net fees and commissions | 161 | 1.3 | 10.9 | 306 | -3.2 |
| Net trading income | 48 | -15.1 | 3.8 | 93 | -12.8 |
| Other operating income and expenses | -5 | n.s. | 59.1 | -8 | n.s. |
| Gross Income | 670 | 0.3 | 1.6 | 1,330 | 0.7 |
| Operating expenses | -453 | 1.3 | 0.1 | -906 | 2.8 |
| Operating Income | 217 | -1.7 | 4.7 | 424 | -3.6 |
| Impairment on financial assets (net) | -55 | 68.5 | -41.3 | -149 | n.s. |
| Provisions (net) and other gains (losses) | 3 | -41.8 | n.s. | -36 | n.s. |
| Income Before Tax | 165 | -14.7 | n.s. | 240 | -37.1 |
| Income Tax | -36 | -27.8 | 39.9 | -62 | -41.1 |
| Non-controlling interests | 0 | -49.1 | 2.5 | 0 | -33.3 |
| Net Attributable Profit | 129 | - 10.1 | n.s. | 178 | - 35.5 |

Maintaining revenue trend; positive fees performance in the quarter

Cost under control

Lower Oil&Gas provisions than 1Q

CCAR tests passed

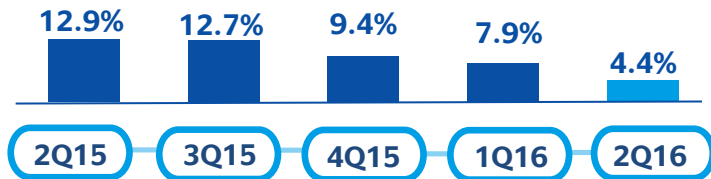
USA

Activity & Spreads



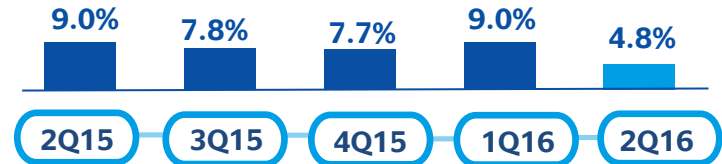
Lending*

YoY
(constant €, %)



Customer Funds

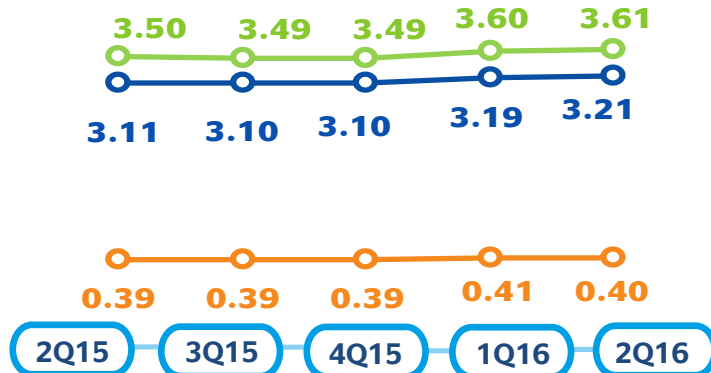
YoY
(constant €, %)



Note: Customer funds refer to funds under management

Customer Spread**

Yield Customer Spread Cost of Deposits



Highlights

- Growth in more **profitable segments**
- Yield reflecting **focus on profitability** and control of cost of deposits

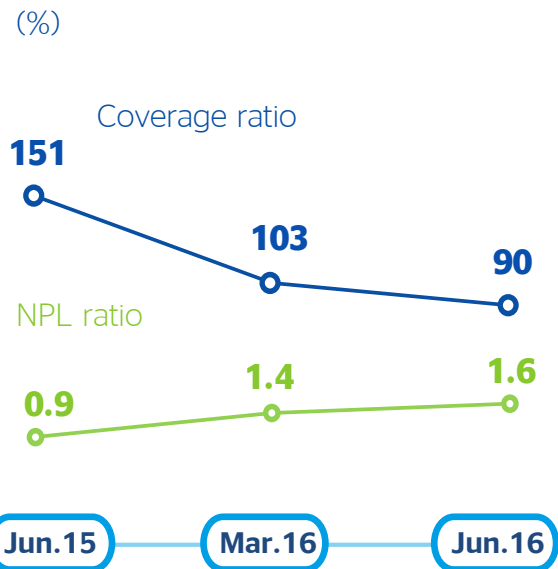
(*) Gross loans and advances to customers. Note: Activity excludes repos

(**)It refers to USA ex NY business activity

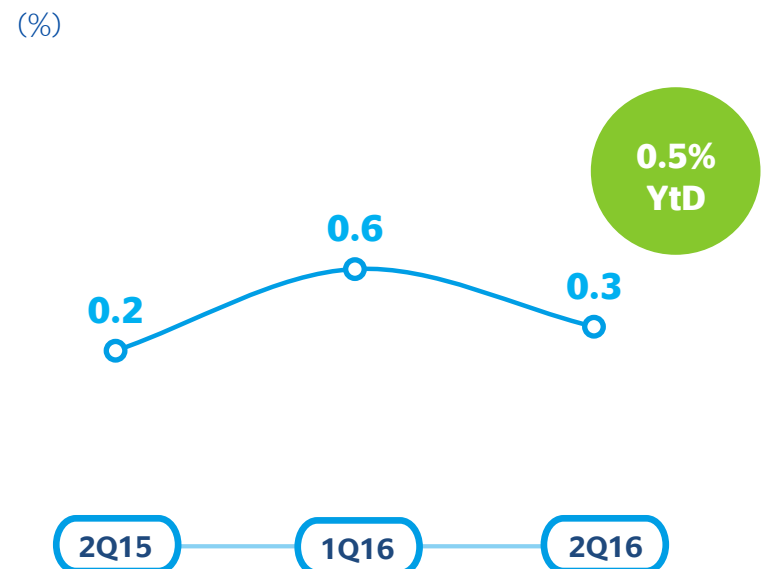
USA
Risk



Risk indicators



Cost of risk



NPL increase with no impact on CoR

Turkey Results



(Constant €m)

| Turkey | 2Q16 | Change 2Q16/2Q15 | Change 2Q16/1Q16 | 1H16 | Change 1H16/1H15 |
|---|--------------|---------------------|---------------------|--------------|---------------------|
| | | % | % | | % |
| Net Interest Income | 833 | 7.2 | 7.9 | 1,606 | 7.5 |
| Net fees and commissions | 212 | 20.7 | 17.5 | 392 | 13.8 |
| Net trading income | 118 | n.s. | n.s. | 128 | n.s. |
| Other operating income and expenses | 18 | 16.3 | 78.2 | 28 | -11.0 |
| Gross Income | 1,181 | 25.4 | 21.4 | 2,154 | 20.1 |
| Operating expenses | -412 | 2.8 | -2.2 | -833 | 7.9 |
| Operating Income | 769 | 42.1 | 39.3 | 1,321 | 29.4 |
| Impairment on financial assets (net) | -180 | 31.7 | 49.1 | -301 | 20.7 |
| Provisions (net) and other gains (losses) | 10 | n.s. | n.s. | 1 | -27.2 |
| Income Before Tax | 599 | 46.9 | 41.8 | 1,022 | 32.1 |
| Income Tax | -115 | 35.6 | 31.4 | -203 | 29.2 |
| Non-controlling interests | -292 | 50.5 | 44.3 | -495 | 33.5 |
| Net Attributable Profit | 192 | 48.8 | 44.8 | 324 | 31.8 |

Solid revenue
growth
(>20%)

NTI includes
Visa Europe
deal

Excellent cost
management

Outstanding
bottom-line
growth

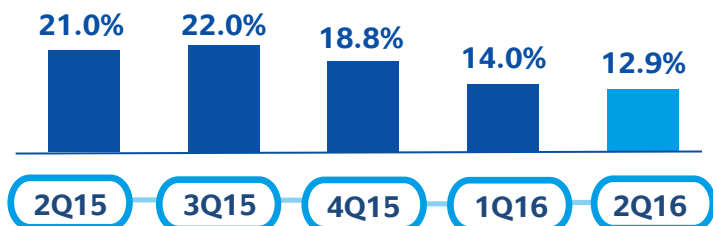
Turkey

Activity & Spreads



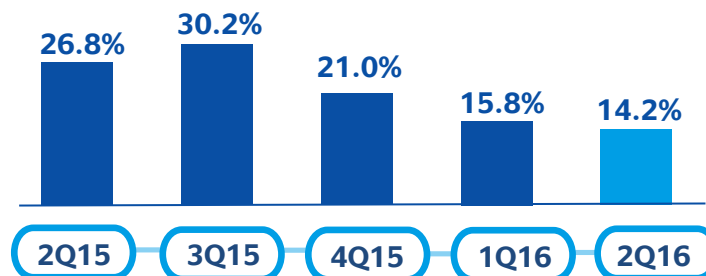
Lending*

YoY
(constant €, %)



Customer Funds

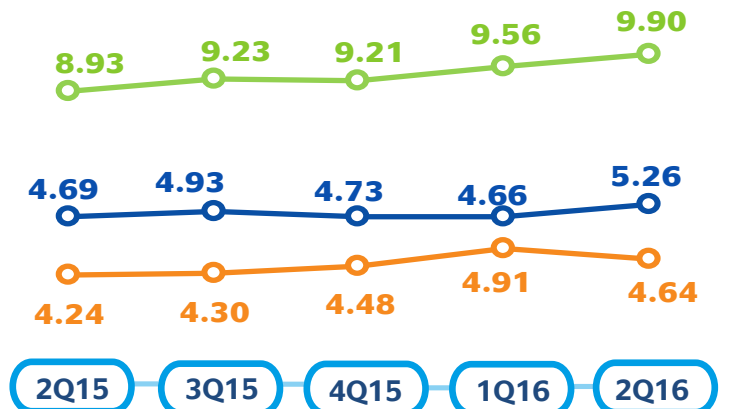
YoY
(constant €, %)



Note: Customer funds refer to funds under management

Customer Spread

Yield Cost of Deposits Customer Spread



Highlights

- Sound activity growth towards **more sustainable levels**
- **Remarkable price management**

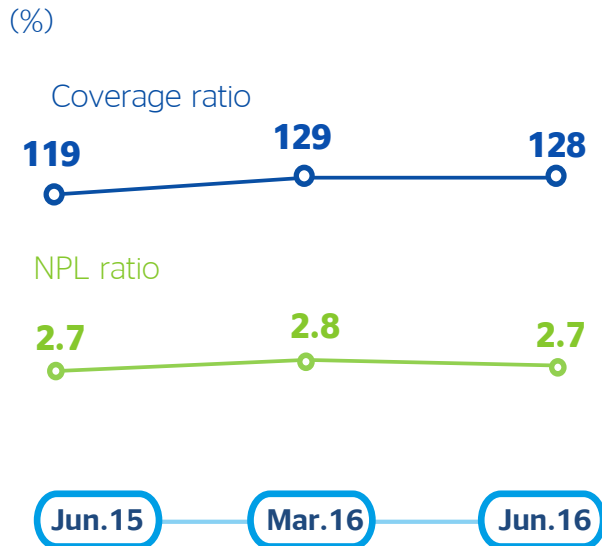
(*) Gross loans and advances to customers. Note: Activity excludes repos

Note: Turkey is like-for-like basis, which considers the additional stake in Garanti accounted by the full consolidation method from 01/01/15 vs 01/07/15 deal closing.

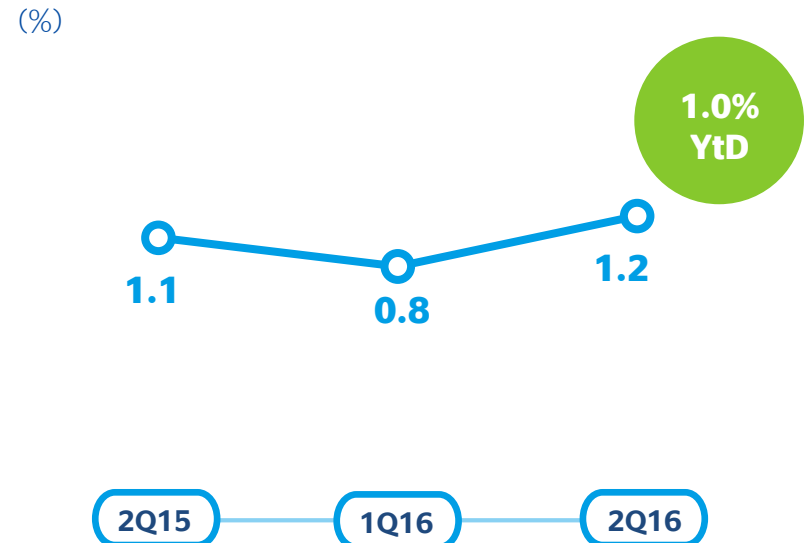
Turkey Risk



Risk indicators



Cost of risk



- Cost of risk increase due to single name and regulatory requirements in subsidiaries.
 - Cost of risk evolution in line with our year-end expectations.

Mexico Results



(Constant €m)

| Mexico | 2Q16 | Change | Change | 1H16 | Change |
|---|--------------|-------------|------------|--------------|-------------|
| | | 2Q16/2Q15 | 2Q16/1Q16 | | 1H16/1H15 |
| | | % | % | | % |
| Net Interest Income | 1,284 | 9.8 | 0.9 | 2,556 | 11.8 |
| Net fees and commissions | 287 | 10.2 | 6.6 | 556 | 9.7 |
| Net trading income | 54 | 12.5 | 27.7 | 97 | 5.6 |
| Other operating income and expenses | 52 | 24.4 | 9.0 | 101 | 0.8 |
| Gross Income | 1,678 | 10.4 | 2.8 | 3,309 | 10.9 |
| Operating expenses | -606 | 8.7 | 2.5 | -1,198 | 8.9 |
| Operating Income | 1,071 | 11.3 | 2.9 | 2,112 | 12.0 |
| Impairment on financial assets (net) | -410 | 13.5 | 8.3 | -788 | 10.5 |
| Provisions (net) and other gains (losses) | -5 | -76.9 | -72.9 | -24 | 76.7 |
| Income Before Tax | 656 | 13.4 | 2.1 | 1,300 | 12.2 |
| Income Tax | -171 | 20.2 | 6.3 | -331 | 16.9 |
| Non-controlling interests | 0 | 9.9 | -53.1 | 0 | 72.1 |
| Net Attributable Profit | 486 | 11.2 | 0.7 | 968 | 10.6 |

Outstanding gross
income
performance

Positive jaws

Bottom line
double-digit
growth

Significant FX
negative impact

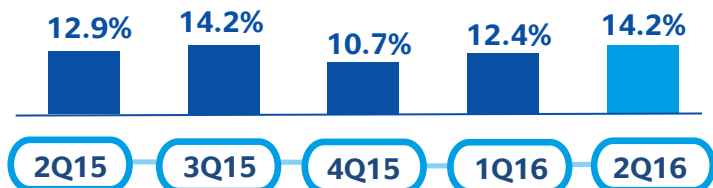
Mexico

Activity & Spreads



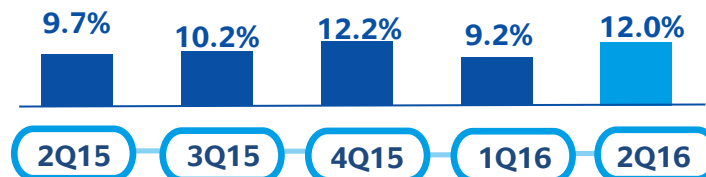
Lending*

% change, YoY
(constant €)



Customer Funds

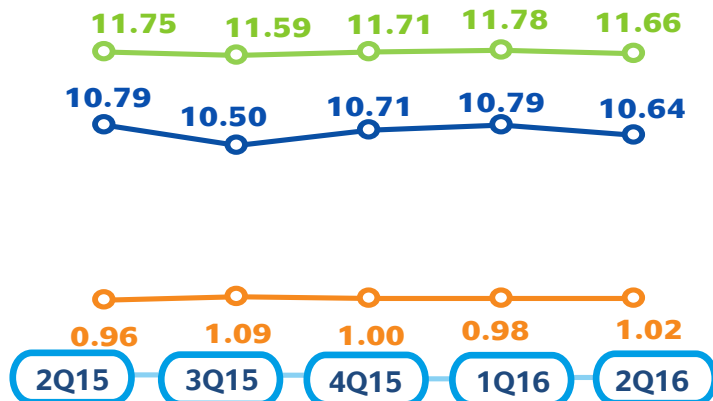
% change, YoY
(constant €)



Note: Customer funds refer to funds under management

Customer Spread

Yield Cost of Deposits Customer Spread



Highlights

- **Convergence of growth** between retail & commercial segments
- **Upward trend of demand deposits**
- **Interest rates hikes** not translated into the asset yield due to competition dynamics

(*) Gross loans and advances to customers. Note: Activity excludes repos

Mexico Risk



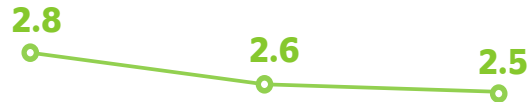
Risk indicators

(%)

Coverage ratio



NPL ratio



Cost of risk

(%)

**3.3%
YtD**



Cost of risk increase in line with our expectations

South America Results



(Constant €m)

| South America | 2Q16 | Change 2Q16/2Q15 | Change 2Q16/1Q16 | 1H16 | Change 1H16/1H15 |
|---|--------------|---------------------|---------------------|--------------|---------------------|
| | | % | % | | % |
| Net Interest Income | 728 | 12.8 | 2.2 | 1,441 | 14.3 |
| Net fees and commissions | 159 | 11.6 | 13.3 | 299 | 8.2 |
| Net trading income | 173 | 81.0 | 18.5 | 319 | 62.9 |
| Other operating income and expenses | -45 | n.s. | n.s. | -59 | n.s. |
| Gross Income | 1,015 | 14.2 | 3.1 | 1,999 | 14.2 |
| Operating expenses | -462 | 18.8 | 0.8 | -921 | 18.8 |
| Operating Income | 552 | 10.6 | 5.2 | 1,078 | 10.6 |
| Impairment on financial assets (net) | -114 | -18.9 | -13.3 | -245 | -3.2 |
| Provisions (net) and other gains (losses) | -11 | n.s. | -36.5 | -29 | n.s. |
| Income Before Tax | 427 | 17.0 | 13.6 | 804 | 13.6 |
| Income Tax | -147 | 62.9 | 19.2 | -271 | 42.2 |
| Non-controlling interests | -74 | -1.5 | 13.2 | -139 | -6.8 |
| Net Attributable Profit | 206 | 3.2 | 9.9 | 394 | 7.1 |

Good revenue
growth

Cost of risk better
than our
expectations

Significant FX
impact

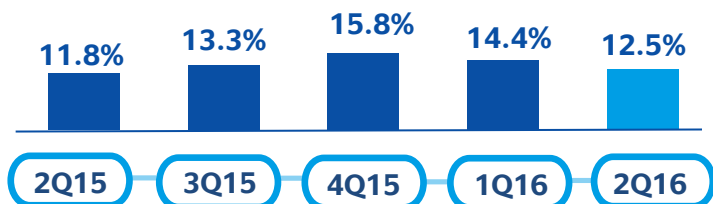
South America

Activity & Spreads



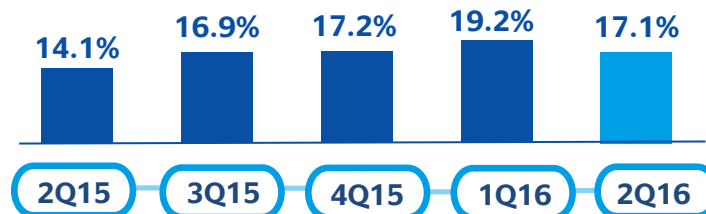
Lending*

% change, YoY
(constant €)



Customer Funds

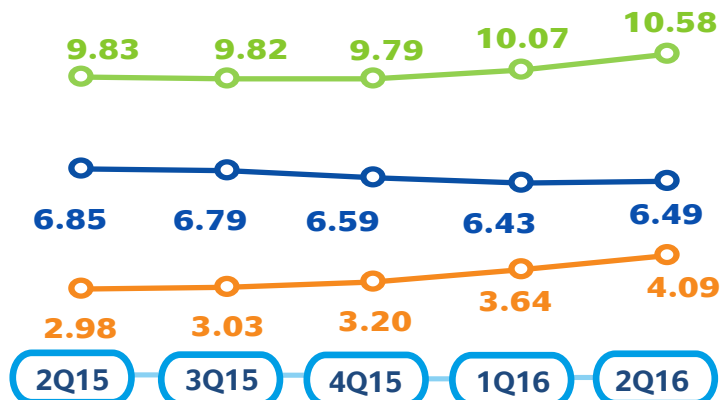
% change, YoY
(constant €)



Note: Customer funds refer to funds under management

Customer Spread

Yield Cost of Deposits Customer Spread



Highlights

- Maintaining **high activity levels**
- **Loan yield repricing** supporting customer spreads

(*) Gross loans and advances to customers. Note: Activity excludes repos

South America Risk



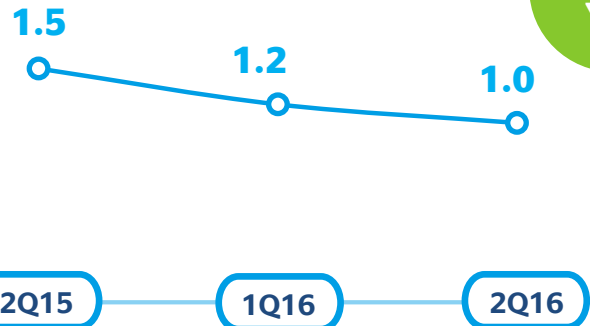
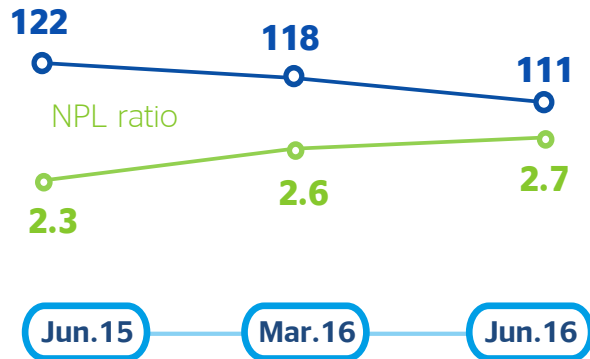
Risk indicators

Cost of risk

(%)

(%)

Coverage ratio



Cost of risk impacted by positive one-offs in the quarter

Takeaways

Solid revenue trends

Maintaining cost control efforts

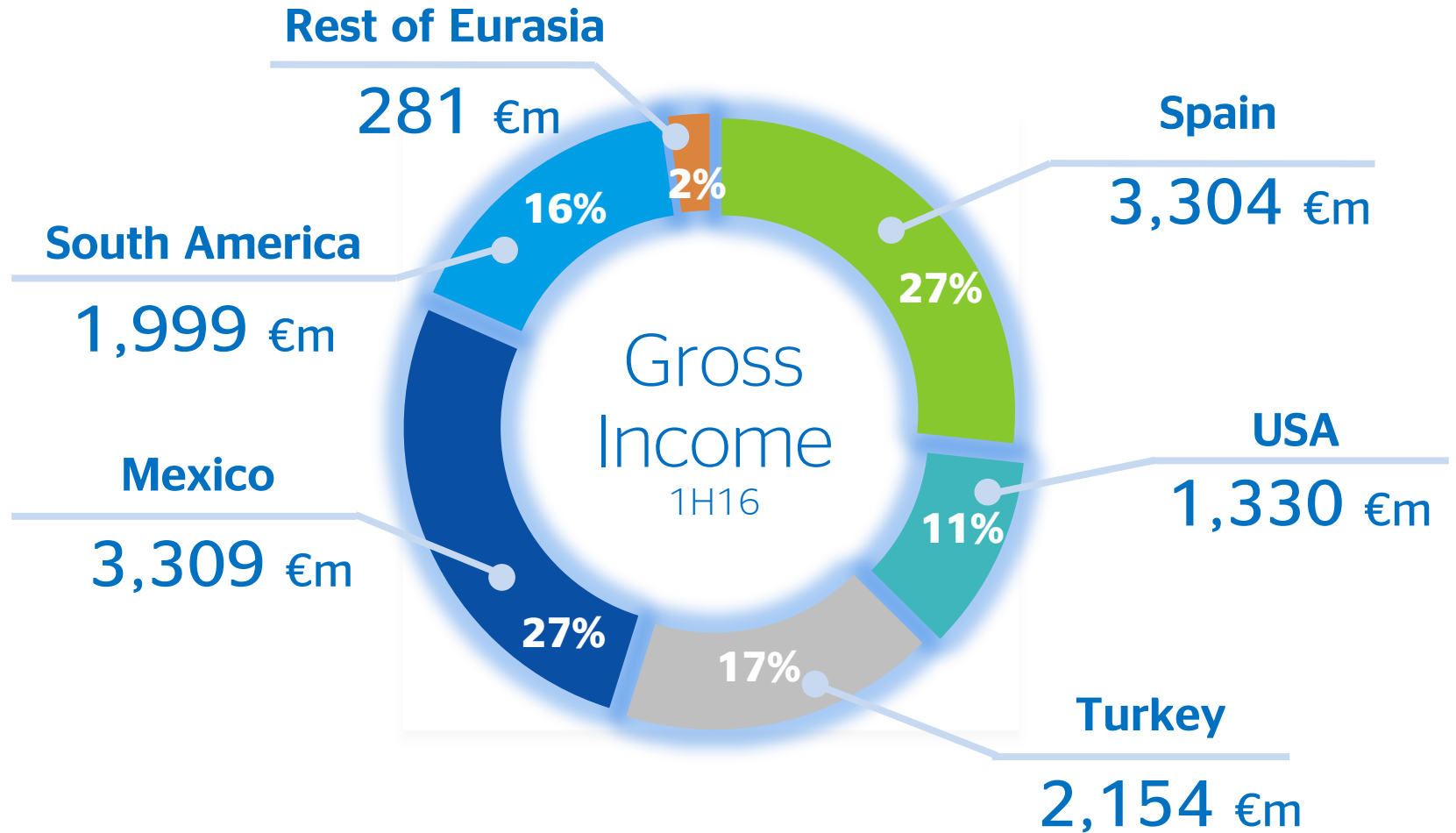
Strong risk indicators

Earnings growth as expected

Capital on track to achieve CET1 FL 11% target in 2017

Annex

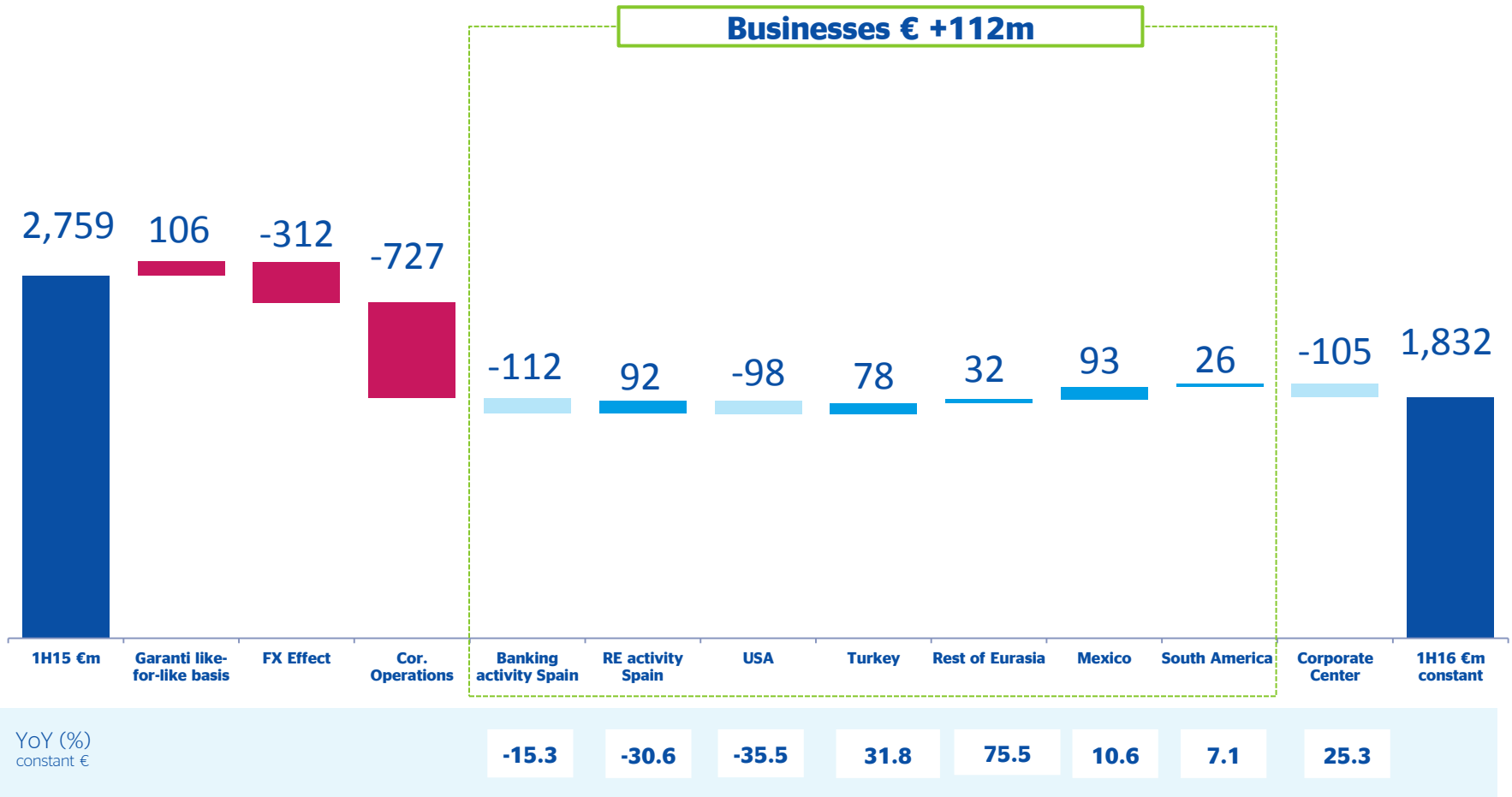
Gross Income Breakdown



Note: Figures exclude Corporate Center

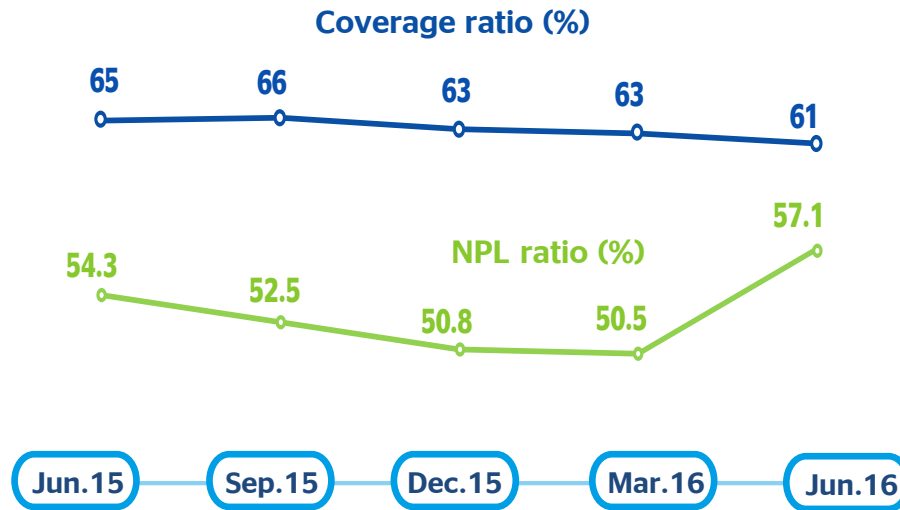
Group Earnings

Net attributable profit
€m



Note: Turkey is like-for-like basis, which considers the additional stake in Garanti accounted by the full consolidation method from 01/01/15 vs 01/07/15 deal closing.

Real Estate Activity in Spain Risk



June 2016 NPL ratio affected by performing portfolio transfer to Spain Banking Activity

Real Estate Activity in Spain Results

(€m)

| Real Estate activity in Spain | 2Q16 | Change 2Q16/2Q15 | Change 2Q16/1Q16 | 1H16 | Change 1H16/1H15 |
|---|-------------|---------------------|---------------------|-------------|---------------------|
| | | % | % | | % |
| Net Interest Income | 16 | n.s. | -40.1 | 42 | n.s. |
| Net fees and commissions | 1 | n.s. | 27.8 | 2 | 85.5 |
| Net trading income | 0 | n.s. | -24.9 | 0 | n.s. |
| Other operating income and expenses | -18 | 62.4 | 16.4 | -33 | -39.8 |
| Gross Income | -1 | -92.7 | n.s. | 11 | n.s. |
| Operating expenses | -35 | 6.5 | 10.4 | -67 | 9.4 |
| Operating Income | -36 | -21.8 | 80.0 | -56 | -55.1 |
| Impairment on financial assets (net) | -38 | -35.0 | -18.6 | -85 | -26.8 |
| Provisions (net) and other gains (losses) | -67 | -39.9 | -17.4 | -148 | -24.5 |
| Income Before Tax | -141 | -34.7 | -4.6 | -289 | -33.9 |
| Income Tax | 45 | -33.5 | 31.8 | 80 | -41.0 |
| Non-controlling interests | 0 | -88.8 | n.s. | 0 | -58.1 |
| Net Attributable Profit | -95 | - 35.0 | - 15.7 | -209 | - 30.6 |

Rest of Eurasia Results

(€m)

| Rest of Eurasia | 2Q16 | Change 2Q16/2Q15 | Change 2Q16/1Q16 | 1H16 | Change 1H16/1H15 |
|---|------------|---------------------|---------------------|------------|---------------------|
| | | % | % | | % |
| Net Interest Income | 43 | 2.4 | 0.1 | 86 | 1.1 |
| Net fees and commissions | 49 | 9.4 | 14.8 | 92 | 1.6 |
| Net trading income | 36 | n.s. | 48.2 | 60 | -32.5 |
| Other operating income and expenses | 41 | n.s. | n.s. | 42 | n.s. |
| Gross Income | 169 | 62.1 | 51.6 | 281 | 5.9 |
| Operating expenses | -85 | -0.6 | 1.1 | -170 | -3.4 |
| Operating Income | 84 | n.s. | n.s. | 111 | 24.4 |
| Impairment on financial assets (net) | -10 | 85.6 | n.s. | -9 | -68.9 |
| Provisions (net) and other gains (losses) | 3 | n.s. | n.s. | 2 | -67.5 |
| Income Before Tax | 76 | n.s. | n.s. | 104 | 56.5 |
| Income Tax | -19 | n.s. | 91.7 | -28 | 22.7 |
| Non-controlling interests | 0 | n.s. | n.s. | 0 | n.s. |
| Net Attributable Profit | 58 | n.s. | n.s. | 75 | 74.6 |

Corporate Center Results

(€m)

| Corporate Center | 2Q16 | Change | Change | 1H16 | Change |
|---|-------------|-------------|---------------|-------------|-------------|
| | | 2Q16/2Q15 | 2Q16/1Q16 | | 1H16/1H15 |
| | | % | % | | % |
| Net Interest Income | -115 | 13.7 | -13.3 | -247 | 10.0 |
| Net fees and commissions | -51 | 24.6 | n.s. | -68 | 6.1 |
| Net trading income | 92 | 46.4 | n.s. | 88 | -44.7 |
| Other operating income and expenses | 110 | 2.6 | n.s. | 82 | 3.4 |
| Gross Income | 36 | 29.1 | n.s. | -144 | n.s. |
| Operating expenses | -224 | -3.2 | 4.7 | -438 | 1.4 |
| Operating Income | -189 | -7.5 | -52.1 | -583 | 20.9 |
| Impairment on financial assets (net) | -26 | n.s. | n.s. | -26 | n.s. |
| Provisions (net) and other gains (losses) | -62 | 15.5 | n.s. | -78 | 27.7 |
| Income Before Tax | -276 | 8.8 | -32.6 | -686 | 27.6 |
| Income Tax | 44 | -20.2 | -65.8 | 172 | 22.0 |
| Non-controlling interests | -3 | -75.1 | n.s. | -3 | -81.7 |
| Net Attributable Profit | -235 | n.s. | - 16.6 | -518 | n.s. |

Customer Spreads

Average, €

| Customer Spreads | | 2Q15 | 3Q15 | 4Q15 | 1Q16 | 2Q16 | Customer Spreads | | 2Q15 | 3Q15 | 4Q15 | 1Q16 | 2Q16 |
|------------------|------------------|--------|--------|--------|--------|---------|------------------|------------------|--------|--------|--------|--------|--------|
| Spain | Yield on loans | 2.50% | 2.36% | 2.27% | 2.16% | 2.12% | Colombia | Yield on loans | 10.03% | 9.79% | 9.98% | 10.50% | 10.96% |
| | Cost of Deposits | -0.61% | -0.53% | -0.51% | -0.39% | -0.37% | | Cost of Deposits | -3.67% | -3.67% | -4.05% | -4.90% | -5.67% |
| | Customer Spreads | 1.88% | 1.83% | 1.76% | 1.77% | 1.75% | | Customer Spreads | 6.36% | 6.12% | 5.93% | 5.60% | 5.29% |
| USA | Yield on loans | 3.50% | 3.49% | 3.49% | 3.60% | 3.61% | Peru | Yield on loans | 8.25% | 8.16% | 8.32% | 8.42% | 8.48% |
| | Cost of Deposits | -0.39% | -0.39% | -0.39% | -0.41% | -0.40% | | Cost of Deposits | -0.93% | -0.97% | -0.95% | -1.09% | -1.11% |
| | Customer Spreads | 3.11% | 3.10% | 3.10% | 3.19% | 3.21% | | Customer Spreads | 7.33% | 7.19% | 7.37% | 7.33% | 7.37% |
| Mexico | Yield on loans | 11.75% | 11.59% | 11.71% | 11.78% | 11.66% | Venezuela | Yield on loans | 22.55% | 23.06% | 25.10% | 26.53% | 28.16% |
| | Cost of Deposits | -0.96% | -1.09% | -1.00% | -0.98% | -1.02% | | Cost of Deposits | -2.66% | -3.02% | -3.69% | -3.33% | -2.71% |
| | Customer Spreads | 10.79% | 10.50% | 10.71% | 10.79% | 10.64% | | Customer Spreads | 19.90% | 20.04% | 21.41% | 23.20% | 25.46% |
| Argentina | Yield on loans | 24.49% | 24.03% | 24.21% | 25.49% | 26.54% | Turkey | Yield on loans | 8.93% | 9.23% | 9.21% | 9.56% | 9.90% |
| | Cost of Deposits | -8.46% | -8.70% | -9.25% | -9.58% | -10.73% | | Cost of Deposits | -4.24% | -4.30% | -4.48% | -4.91% | -4.64% |
| | Customer Spreads | 16.03% | 15.33% | 14.96% | 15.91% | 15.81% | | Customer Spreads | 4.69% | 4.93% | 4.73% | 4.66% | 5.26% |
| Chile | Yield on loans | 7.86% | 7.94% | 7.10% | 6.64% | 7.19% | | | | | | | |
| | Cost of Deposits | -3.20% | -3.18% | -3.06% | -3.18% | -3.28% | | | | | | | |
| | Customer Spreads | 4.66% | 4.76% | 4.05% | 3.46% | 3.90% | | | | | | | |

Note 1: USA ex NY Business Activity

Note 2: Customer spreads, difference between lending yield and cost of deposits from customers



BBVA

2Q16 Results July, 29th 2016

Carlos Torres Vila, Chief Executive Officer