



**BBVA** Creating Opportunities

# 2Q17 Results

July, 27<sup>th</sup> 2017

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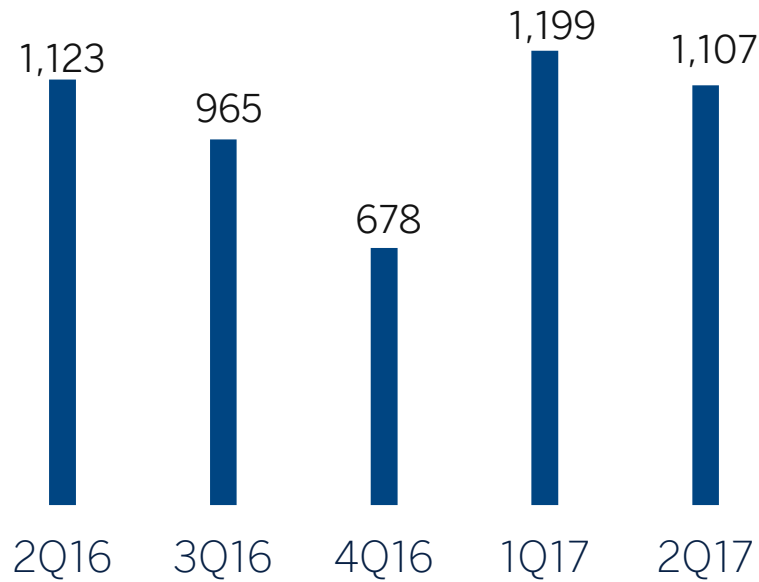
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# Continued Strength in the 2nd Quarter

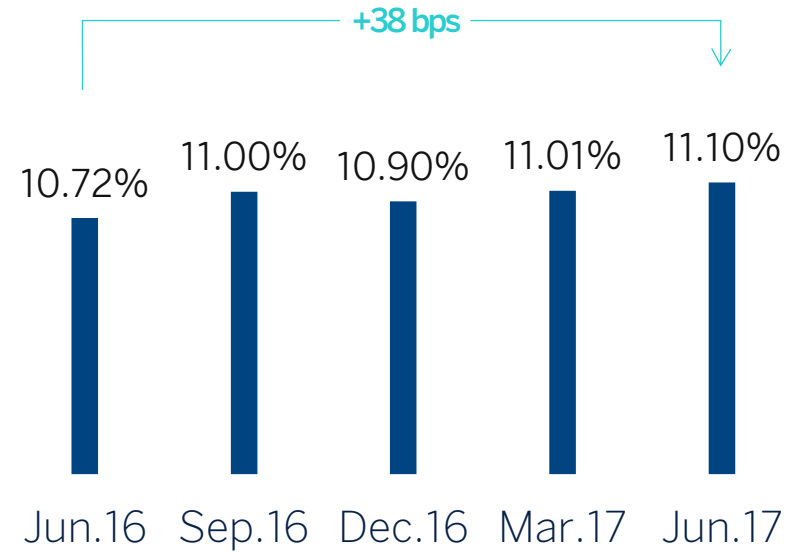
## Net Attributable Profit

Quarterly evolution (€m)



## CET1 fully-loaded – BBVA Group

Quarterly evolution (%)

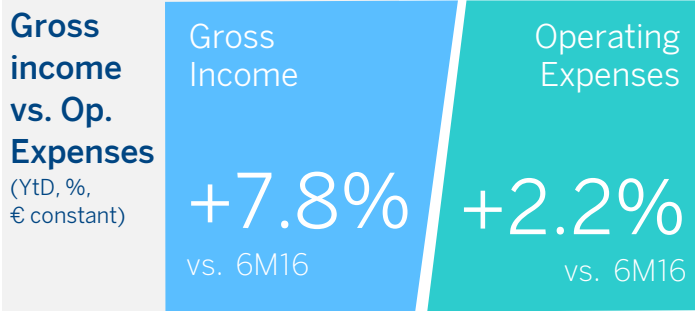


# 2Q17 Highlights

## Core revenues growth



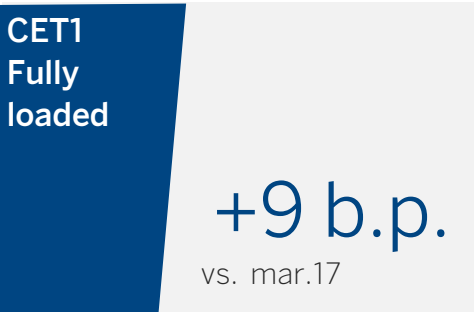
## Cost control



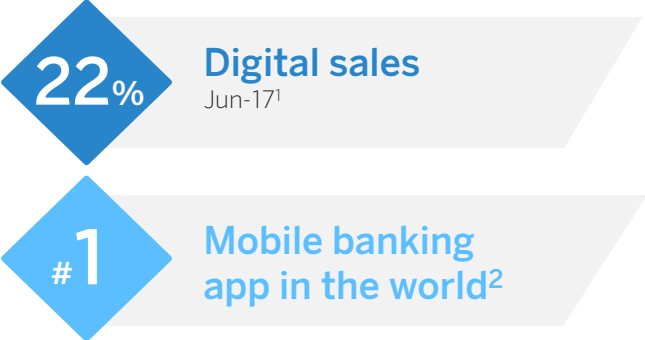
## Sound asset quality



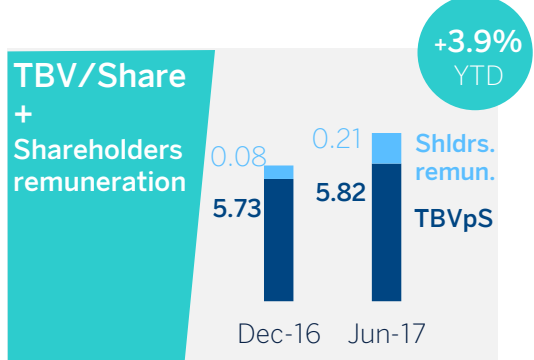
## Strong capital generation



## Delivering on our transformation



## Creating value for the shareholder



(1) % of total sales YtD, # of transactions (2) According to 2017 Forrester Research report, "Global Mobile Banking Benchmark"

## 2Q17 Profit & Loss

BBVA Group (€m)	2Q17	Change 2Q17/2Q16	
		%	% constant
<b>Net Interest Income</b>	<b>4,481</b>	<b>6.4</b>	<b>10.0</b>
Net Fees and Commissions	1,233	3.7	6.7
Net Trading Income	378	-53.9	-51.0
Other Income & Expenses	244	8.6	-2.8
<b>Gross Income</b>	<b>6,336</b>	<b>-1.7</b>	<b>1.3</b>
Operating Expenses	-3,175	0.5	2.7
<b>Operating Income</b>	<b>3,161</b>	<b>-3.8</b>	<b>0.0</b>
Impairment on Financial Assets	-997	-7.5	-4.8
Provisions and Other Gains and Losses	-196	25.0	11.8
<b>Income Before Tax</b>	<b>1,969</b>	<b>-4.1</b>	<b>1.4</b>
Income Tax	-546	-2.0	4.8
<b>Net Income</b>	<b>1,422</b>	<b>-4.9</b>	<b>0.2</b>
Non-controlling Interest	-315	-15.5	-2.6
<b>Net Attributable Profit</b>	<b>1,107</b>	<b>-1.4</b>	<b>1.0</b>

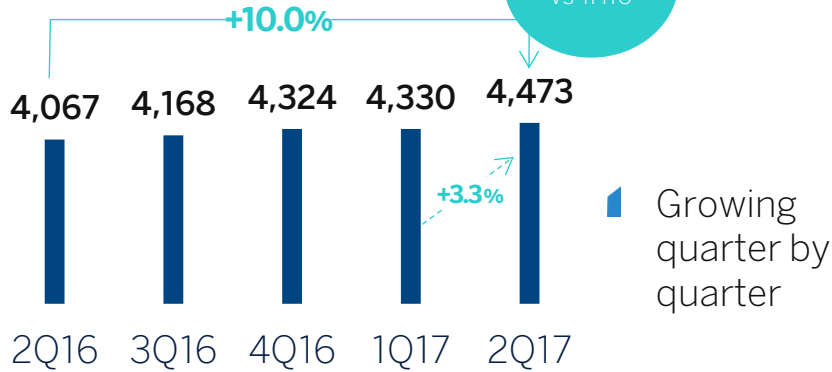
# 1H17 Profit & Loss

BBVA Group (€m)	1H17	Change 1H17/1H16	
		%	% constant
<b>Net Interest Income</b>	<b>8,803</b>	<b>5.2</b>	<b>9.6</b>
Net Fees and Commissions	2,456	4.5	8.0
Net Trading Income	1,069	-9.1	-2.4
Other Income & Expenses	390	13.7	-1.7
<b>Gross Income</b>	<b>12,718</b>	<b>4.0</b>	<b>7.8</b>
Operating Expenses	-6,311	-0.3	2.2
<b>Operating Income</b>	<b>6,407</b>	<b>8.6</b>	<b>13.9</b>
Impairment on Financial Assets	-1,941	-8.0	-4.9
Provisions and Other Gains	-432	8.2	4.0
<b>Income Before Tax</b>	<b>4,033</b>	<b>18.9</b>	<b>27.2</b>
Income Tax	-1,120	21.8	32.9
<b>Net Income</b>	<b>2,914</b>	<b>17.9</b>	<b>25.2</b>
Non-controlling Interest	-607	-5.0	7.7
<b>Net Attributable Profit</b>	<b>2,306</b>	<b>25.9</b>	<b>30.8</b>

# Earnings - Gross Income

## Net Interest Income

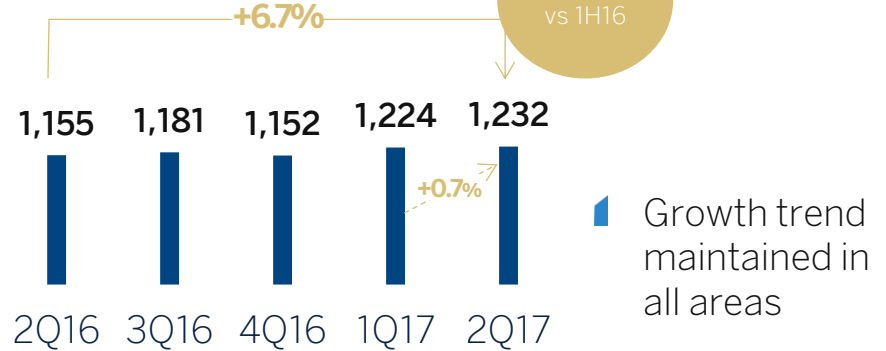
(€m constant)



■ Growing quarter by quarter

## Net Fees and Commissions

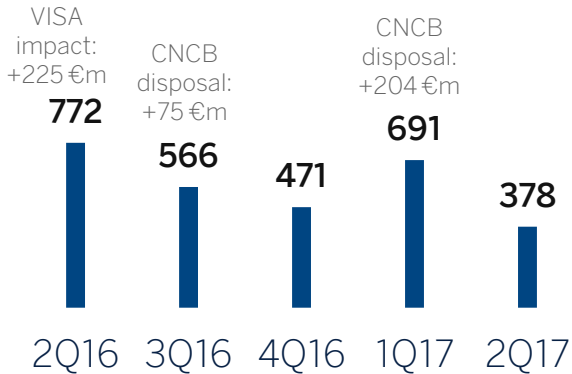
(€m constant)



■ Growth trend maintained in all areas

## Net Trading Income

(€m constant)

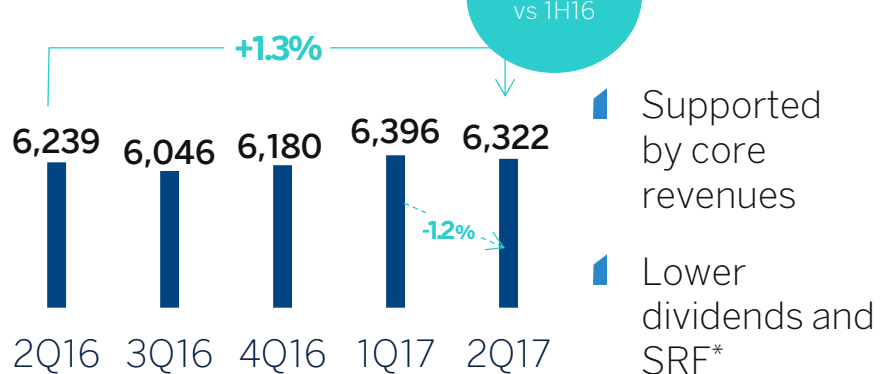


■ No extraordinary capital gains in 2Q17

■ Lower market results and ALCO sales vs 1Q17

## Gross Income

(€m constant)



■ Supported by core revenues

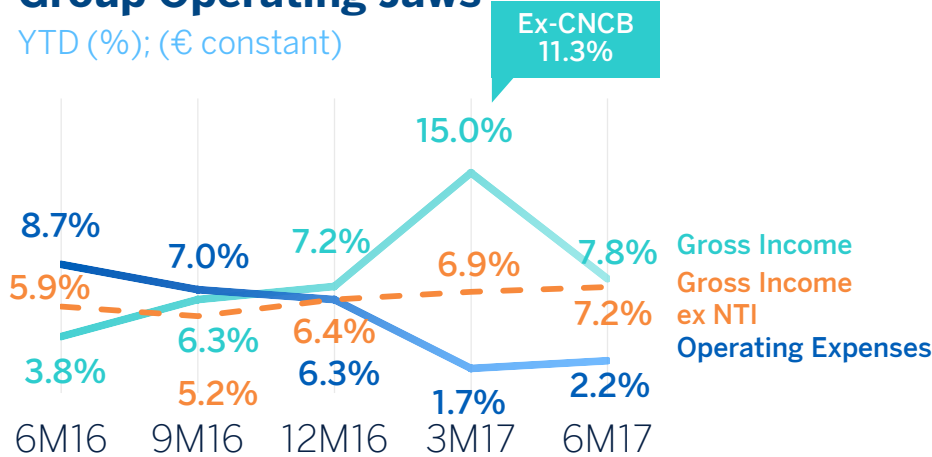
■ Lower dividends and SRF\* contribution

(\*) Single Resolution Fund

# Operating Expenses

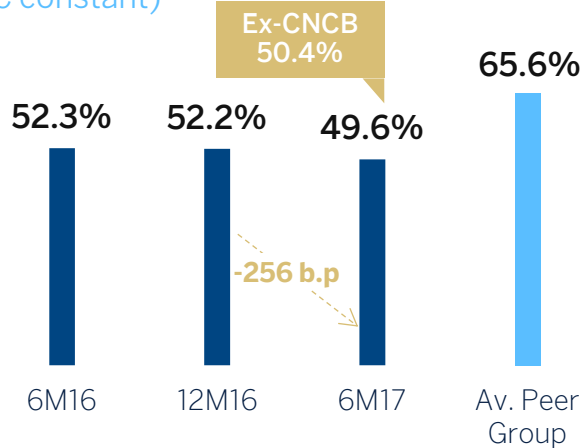
## Group Operating Jaws

YTD (%); (€ constant)



## Efficiency Ratio

(€ constant)



## 1H17 vs. 1H16

(€ constant)

Region	Change (%)	Inflation (%)
<b>Developed</b>		
SPAIN*	-4.8%	1.5%
USA	+1.4%	1.9%
<b>Emerging</b>		
MEXICO	+4.3%	6.3%
TURKEY	+11.4%	10.9%
SOUTH AMERICA	+11.4%	10.2%

(\* Spain includes banking and non core real-estate activities)

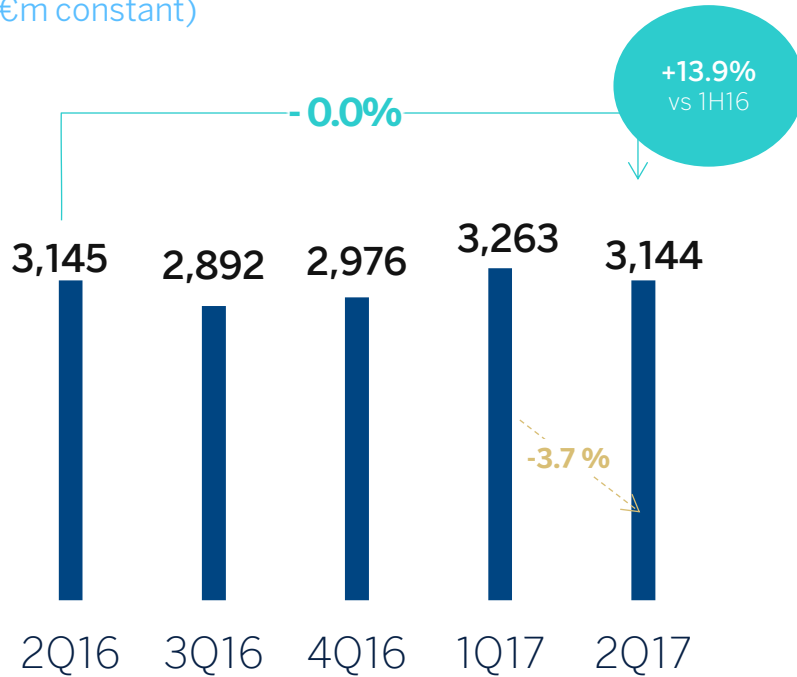
European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCI. Figures as of March 2017.



# Earnings - Operating Income

## Quarterly Evolution

(€m constant)



## 1H17 vs. 1H16

(€ constant)

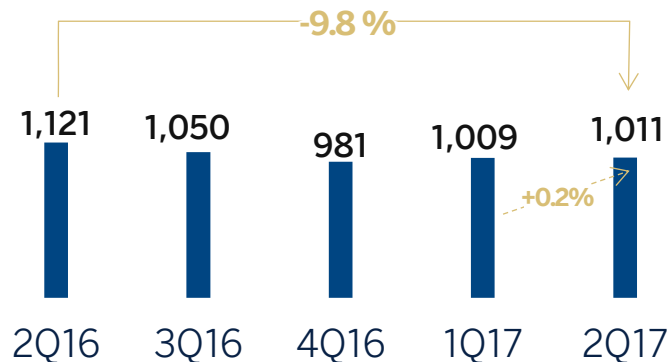
SPAIN BANKING ACTIVITY	-0.1%
USA	+19.9%
MEXICO	+14.0%
TURKEY	+12.6%
SOUTH AMERICA	+9.4%

Good underlying trend maintained in all areas

# Risk Indicators

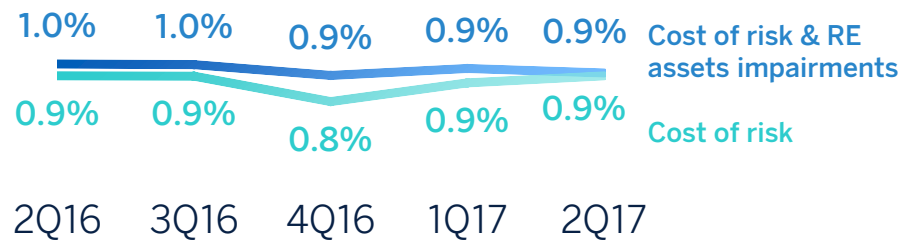
## Total Impairments (Financial Assets and RE)

(€m constant)



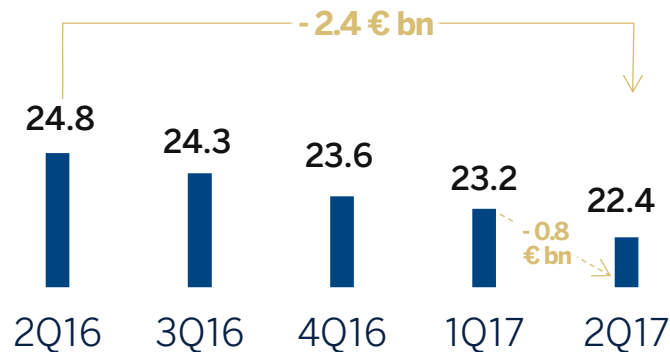
## Cost of risk

YTD (%)



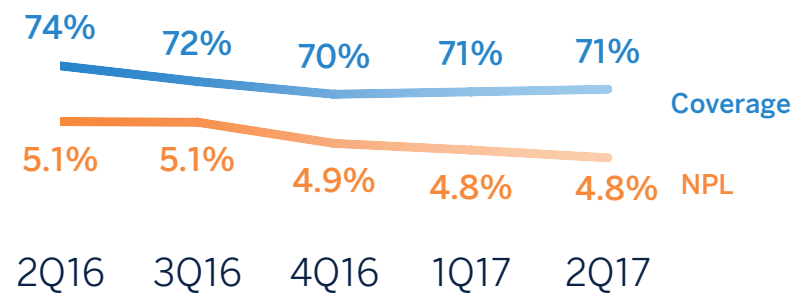
## NPLs

(€bn)



## NPL & Coverage ratios

(%)

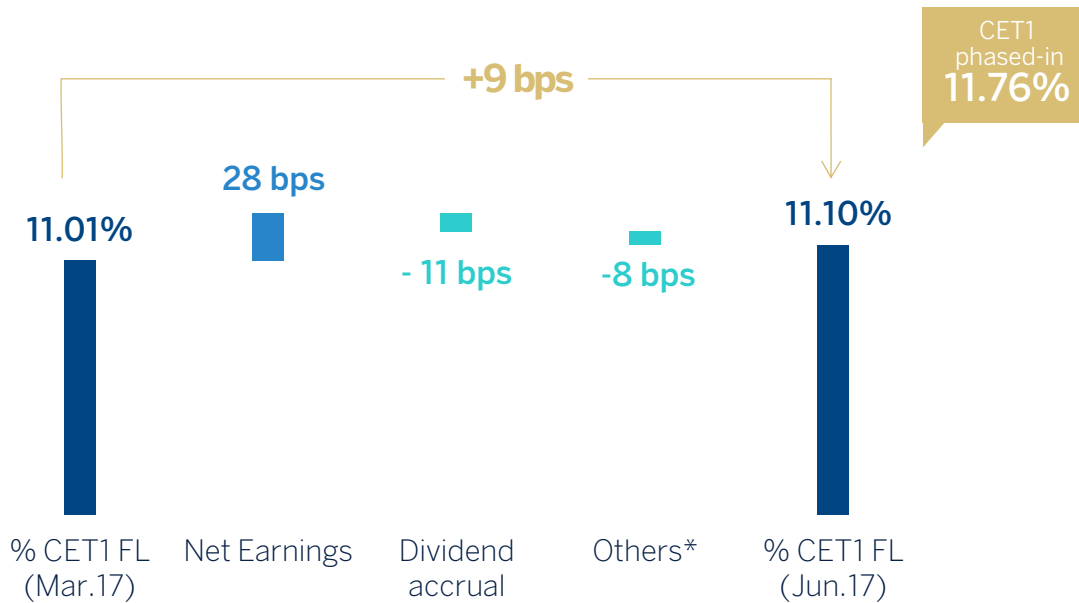


**Continuous reduction of NPLs**

# Capital Ratios

## CET1 fully-loaded – BBVA Group

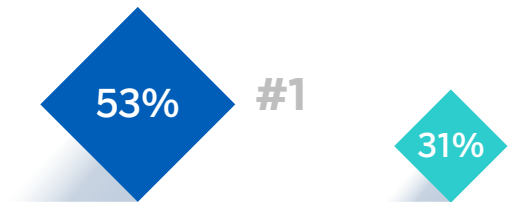
QoQ Evolution (% , bps)



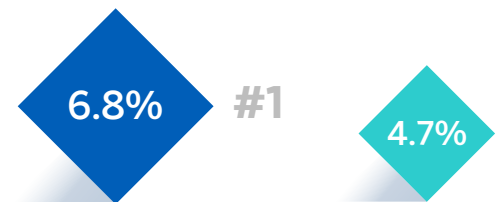
## High quality capital

(%)

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 March 2017. BBVA figures as of June 2017

(\*) Includes, among others, the mark to market of the AFS portfolio

**AT1 issuance in 2Q17 at the lowest cost achieved by a Spanish institution**



# Delivering on our Transformation

# Customer Experience Improvements in 2Q17

## Products & Functionalities

### > *EstarSeguros* (Spain)

### > **BBVA Plan**- Financial Goals (Mexico)

- BBVA Smart Business (Spain)
- New PFM Dashboard (Spain)
- Digital Credit Card (USA)
- One click investment funds & term deposits (Mexico)
- Reject unrecognized purchases from the app (Mexico)
- Garanti Pay (Turkey)

### > **Open Market Digital Loans** (USA)

- Garanti Mobile Keyboard (Turkey)
- Referrals payroll (Argentina)
- Mobile Payroll Advance (Colombia)
- *Dinero móvil* (Colombia)
- Digital Mortgage (Argentina & Peru)
- Mobile App Commercial (Venezuela)
- BBVA Cloud (Chile)

## Relationship Model

### > **MIA**- Mobile Interactive Assistant (Turkey)

- Express customer digitization in branches (Spain)
- Live Chat (Mexico)
- Digital enrollment from branches (Argentina)



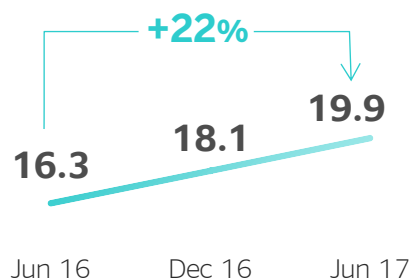
#1

Mobile banking  
app in the  
world\*

# Digital Customers BBVA Group

## Digital Customers

(Mn, %penetration)

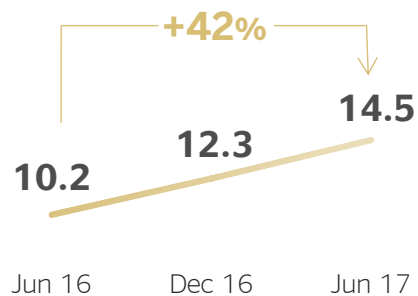


### PENETRATION

33%      36%      39%

## Mobile Customers

(Mn, %penetration)



### PENETRATION

20%      24%      28%



**50% tipping point in digital customers achieved**

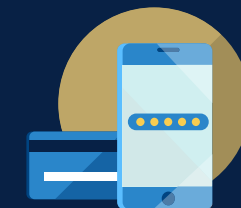
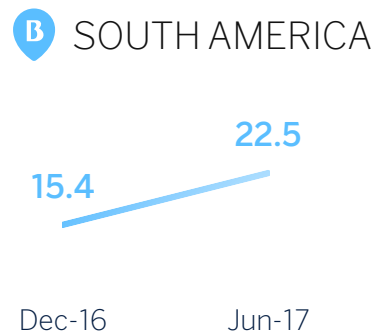
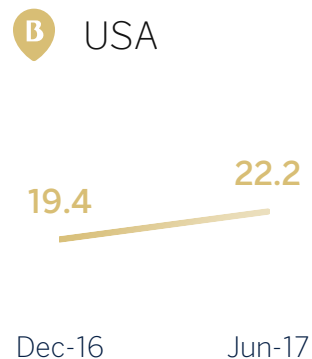
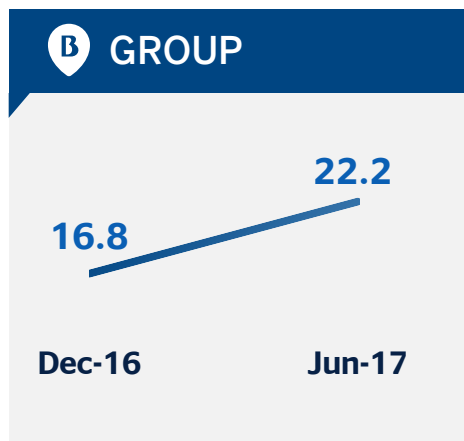
TURKEY

VENEZUELA

CHILE

# Digital Sales

(% of total sales YtD, # of transactions)



**Exponential  
growth in all  
franchises**



# Business Areas



## Spain Banking Activity – Profit & Loss

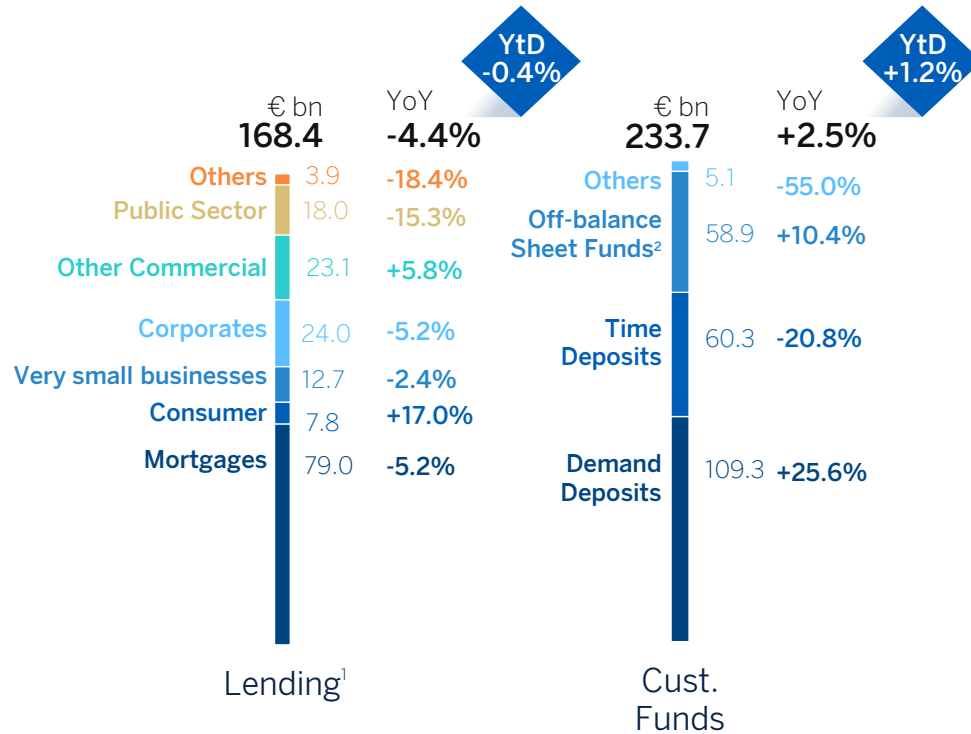
Spain Banking Activity (€m)	2Q17	Change (%)		1H17	Change (%) 1H17 vs 1H16
		2Q17 vs 2Q16	2Q17 vs 1Q17		
<b>Net Interest Income</b>	<b>929</b>	<b>-5.4</b>	<b>-0.6</b>	<b>1,865</b>	<b>-3.9</b>
Net Fees and Commissions	401	7.6	4.8	783	3.0
Net Trading Income	94	-70.1	-58.3	318	-18.5
Other Income & Expenses	101	89.8	-25.0	235	23.3
<i>of which: Insurance</i>	119	20.7	11.0	227	8.5
<b>Gross Income</b>	<b>1,525</b>	<b>-11.4</b>	<b>-9.1</b>	<b>3,201</b>	<b>-2.5</b>
Operating Expenses	-854	-4.9	-0.2	-1,709	-4.4
<b>Operating Income</b>	<b>671</b>	<b>-18.6</b>	<b>-18.3</b>	<b>1,492</b>	<b>-0.1</b>
Impairment on Financial Assets (net)	-137	-45.3	-17.1	-302	-40.6
Provisions (net) and other gains (losses)	-119	294.9	-7.2	-247	185.5
<b>Income Before Tax</b>	<b>415</b>	<b>-23.6</b>	<b>-21.3</b>	<b>943</b>	<b>5.0</b>
Income Tax	-119	-27.6	-21.3	-271	-1.7
<b>Net Attributable Profit</b>	<b>295</b>	<b>-21.8</b>	<b>-21.4</b>	<b>670</b>	<b>8.0</b>

- NII excluding CIB remains stable in 1H. Lower contribution from CIB due to Global Markets and securities portfolios sales
- Good trend in fees and insurance
- NTI impacted by capital gains from VISA disposal in 2Q16 (138 €m)
- SRF contribution -98 €m in 2Q17

Cost and impairments reductions as the main P&L drivers

# Spain Banking Activity – Activity & Spreads

## Activity (jun-17)



## Customer Spread

(%)

### Yield on loans



### Customer Spreads

### Cost of Deposits



(1) Performing loans under management. (2) Includes mutual funds, pension funds and other off balance sheet funds.  
Note: Activity excludes repos

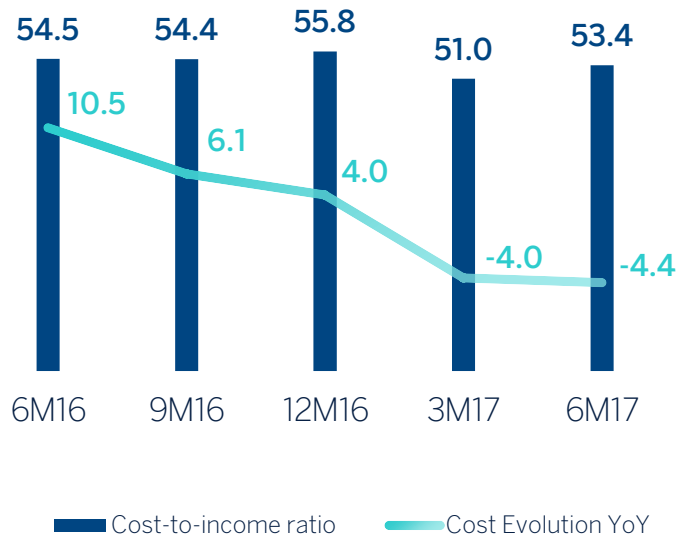
- Slight loan growth QoQ (+0.7%) thanks to SMEs and Consumer, offsetting deleverage in mortgages
- A more profitable funding mix
- Customer spread remains flat thanks to our focus on price management
- Positive sensitivity to interest rates hikes: NII<sup>3</sup> +15% for every +100 bps increase (parallel movement)

(3) Estimated impact on the NII in the first 12 months

# Spain Banking Activity - Key Ratios

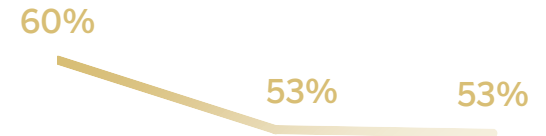
## Efficiency

(%, €)



## Risk Indicators

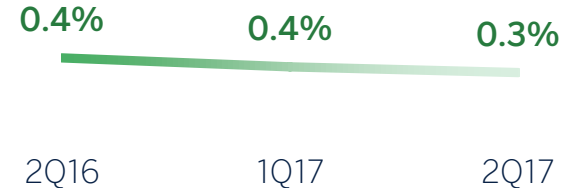
### Coverage ratio



### NPL ratio



### Cost of Risk (YtD)

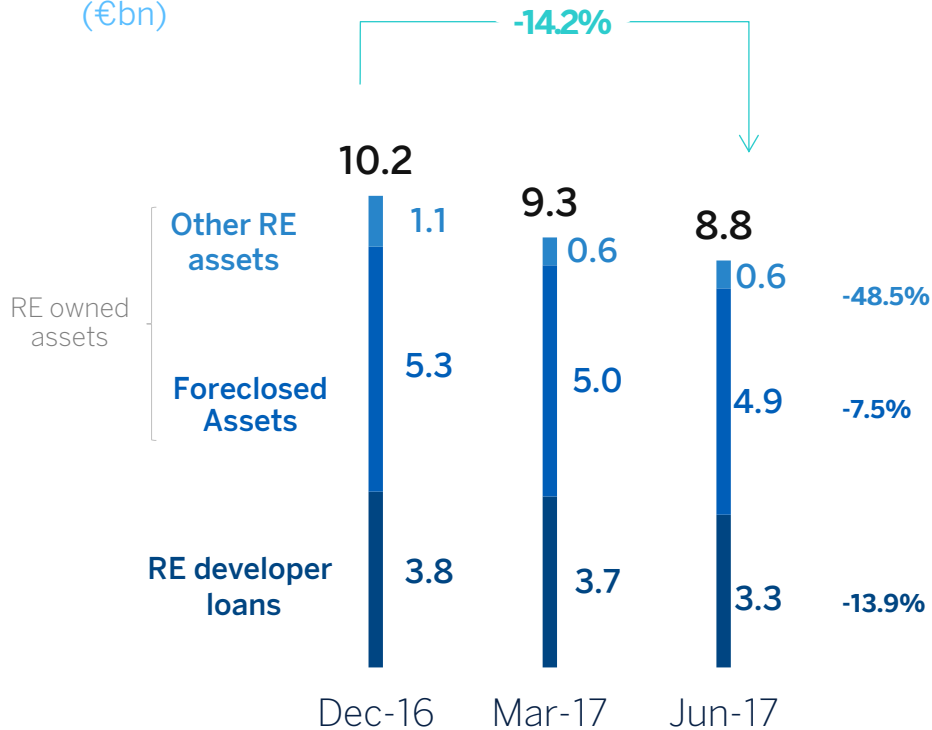


- Cost reduction due to CX synergies and ongoing efficiency measures
- Sound asset quality indicators, with NPLs decreasing by 8% YoY

# Non Core Real Estate - Highlights

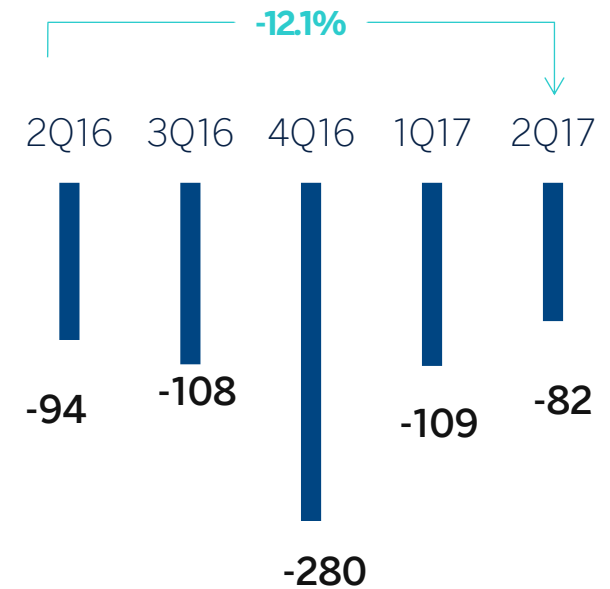
## Net exposure

(€bn)



## Net attributable profit

(€m)



- Good market trends
- Delivering on our strategy: reducing exposure using all available sources
- Positive impacts of wholesale transactions in 2Q17 P&L

## USA – Profit & Loss

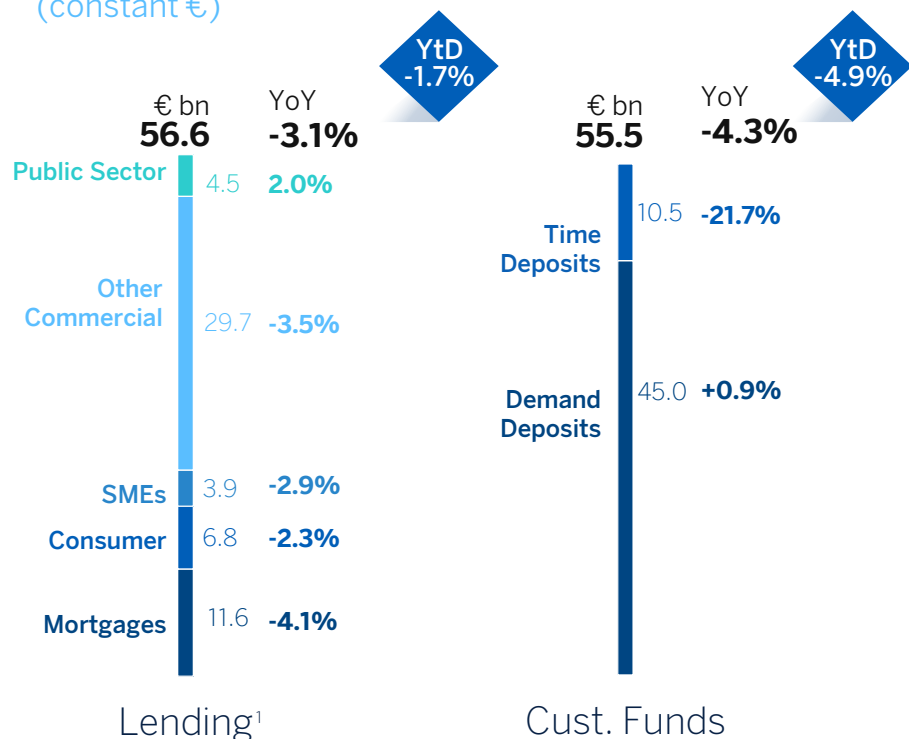
USA (constant €m)	2Q17	Change (%)		1H17	Change (%)
		2Q17 vs 2Q16	2Q17 vs 1Q17		1H17 vs 1H16
<b>Net Interest Income</b>	<b>572</b>	<b>19.1</b>	<b>8.7</b>	<b>1,098</b>	<b>13.6</b>
Net Fees and Commissions	167	0.6	-3.1	338	7.6
Net Trading Income	23	-52.3	-27.6	55	-42.1
Other Income & Expenses	-12	139.9	1.2	-24	191.6
<b>Gross Income</b>	<b>750</b>	<b>8.8</b>	<b>4.4</b>	<b>1,468</b>	<b>7.3</b>
Operating Expenses	-484	3.8	4.8	-945	1.4
<b>Operating Income</b>	<b>266</b>	<b>19.1</b>	<b>3.6</b>	<b>523</b>	<b>19.9</b>
Impairment on Financial Assets (net)	-40	-30.0	-45.9	-113	-26.2
Provisions (net) and other gains (losses)	-1	n.s.	-77.0	-5	-86.8
<b>Income Before Tax</b>	<b>226</b>	<b>32.4</b>	<b>25.6</b>	<b>405</b>	<b>64.4</b>
Income Tax	-60	61.2	24.4	-108	70.3
<b>Net Attributable Profit</b>	<b>166</b>	<b>24.3</b>	<b>26.0</b>	<b>297</b>	<b>62.4</b>

- Strong growth in core revenues, leveraging NII
- Positive jaws
- Significant reduction of impairments and provisions
- DFAST & CCAR results prove the strength of our capital and risk processes

Positive earnings momentum

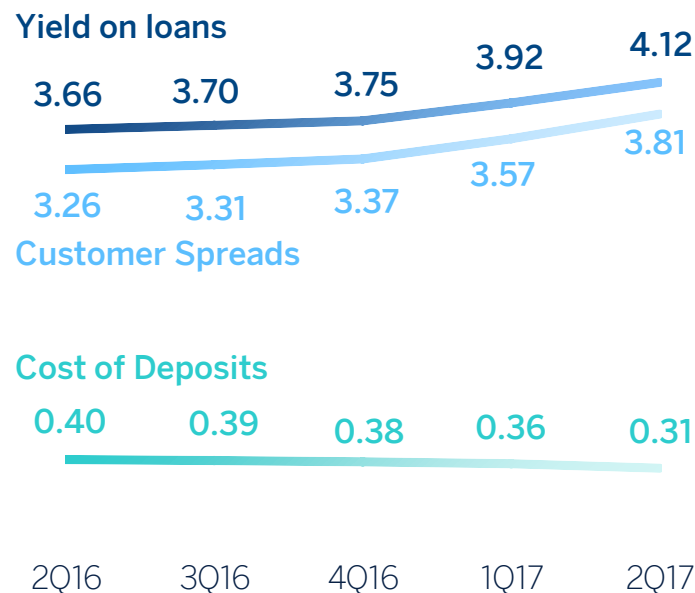
# USA – Activity & Spreads

## Activity (jun-17) (constant €)



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

## Customer Spread (%)



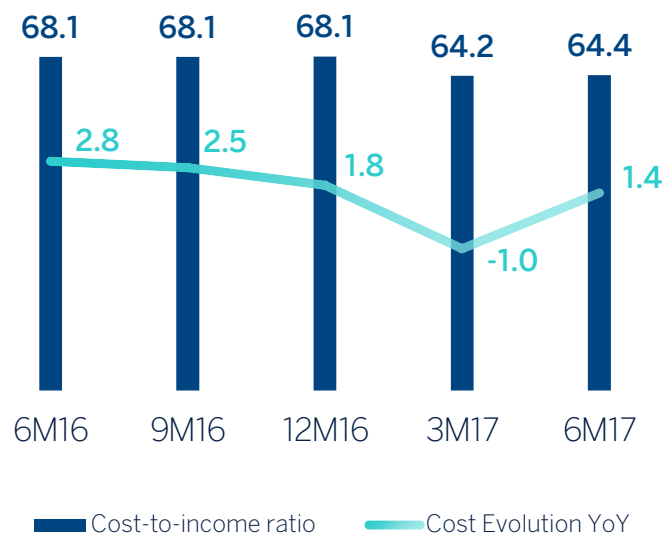
- Profitable growth strategy, focusing on growing consumer loans (+1.2% qoq)
- Improved funding mix
- Customer spread benefitting from higher rates and excellent price management (cost of deposit continues to decrease)
- Positive sensitivity to higher interest rates: NII +7% for every +100 bps<sup>2</sup>

(2) Estimated impact on the NII in the first 12 months

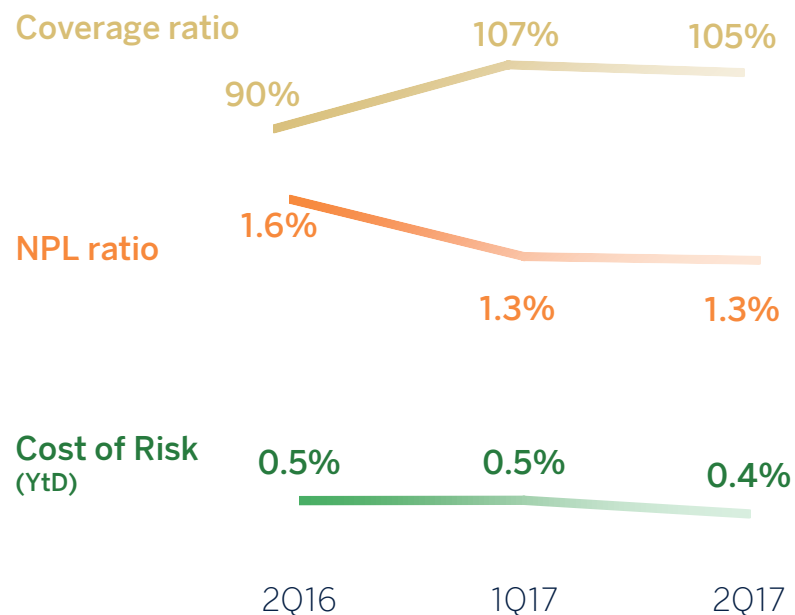
# USA - Key Ratios

## Efficiency

(%, constant €)



## Risk Indicators



- Contained costs. Room for improvement in efficiency
- Strong improvement in asset quality indicators vs. 2Q16. CoR evolution better than expected

## Mexico – Profit & Loss

Mexico (constant €m)	2Q17	Change (%)		1H17	Change (%)
		2Q17 vs 2Q16	2Q17 vs 1Q17		1H17 vs 1H16
<b>Net Interest Income</b>	<b>1,353</b>	<b>9.9</b>	<b>2.3</b>	<b>2,676</b>	<b>9.2</b>
Net Fees and Commissions	306	11.4	6.1	595	11.7
Net Trading Income	42	-19.4	-43.6	117	25.3
Other Income & Expenses	49	-2.2	-29.9	120	24.3
<b>Gross Income</b>	<b>1,751</b>	<b>8.8</b>	<b>-0.4</b>	<b>3,507</b>	<b>10.5</b>
Operating Expenses	-608	4.5	2.9	-1,198	4.3
<b>Operating Income</b>	<b>1,143</b>	<b>11.3</b>	<b>-2.0</b>	<b>2,309</b>	<b>14.0</b>
Impairment on Financial Assets (net)	-418	6.4	1.0	-831	10.0
Provisions (net) and other gains (losses)	-4	-11.8	8.5	-8	-63.9
<b>Income Before Tax</b>	<b>721</b>	<b>14.5</b>	<b>-3.8</b>	<b>1,469</b>	<b>17.9</b>
Income Tax	-191	17.0	-3.2	-389	22.5
<b>Net Attributable Profit</b>	<b>529</b>	<b>13.7</b>	<b>-4.0</b>	<b>1,080</b>	<b>16.4</b>

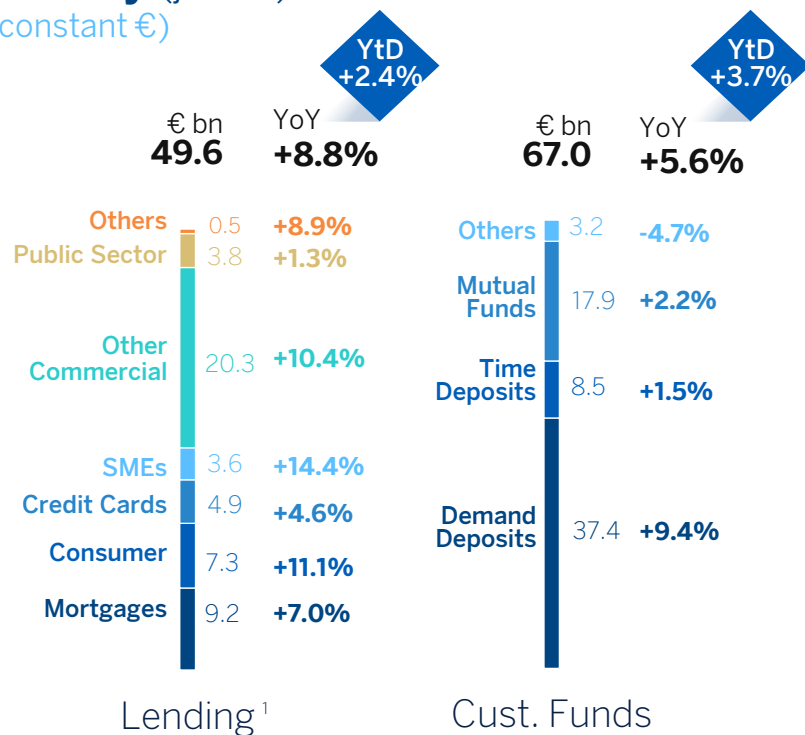
- Excellent top line growth thanks to core revenues (NII and fees)
- Lower NTI after a very good performance in 1Q17
- Positive operating jaws maintained
- Impairments growing in line with activity
- Bottom-line growth above year-end expectations

Sustained growth in all P&L lines



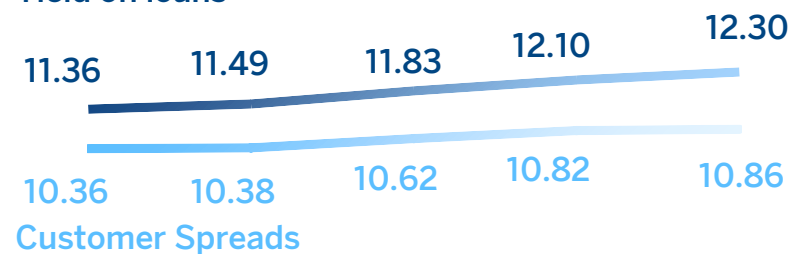
# Mexico – Activity & Spreads

## Activity (jun-17) (constant €)



## Customer Spread (%)

### Yield on loans



### Cost of Deposits



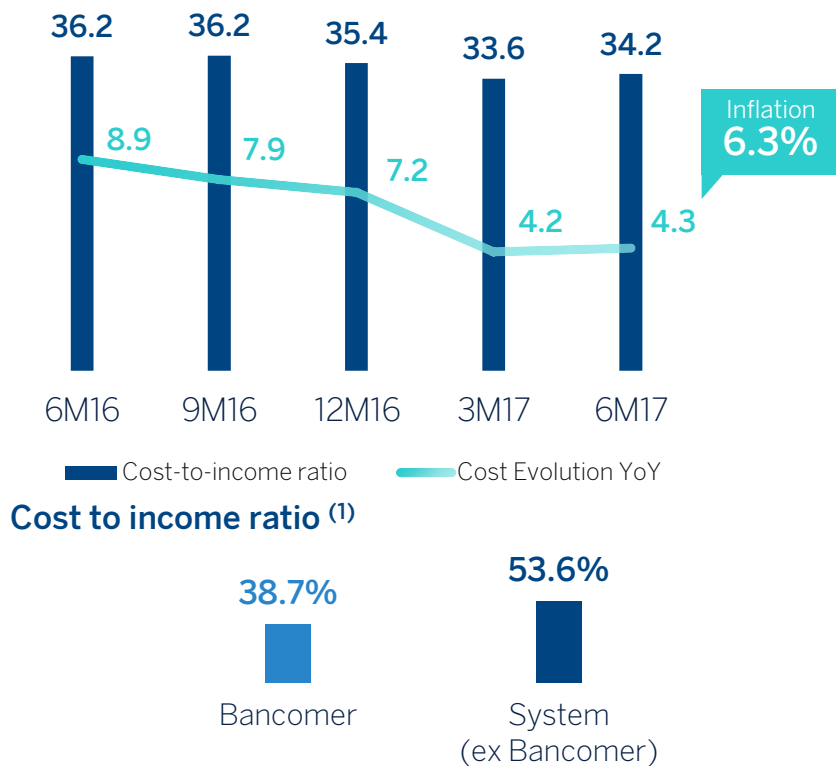
(1) Performing loans under management  
Note: Activity excludes repos

- Loan growth in line with expectations. Focus on profitable growth
- Profitable deposit mix
- Increasing spread, on the back of rising interest rates

# Mexico - Key Ratios

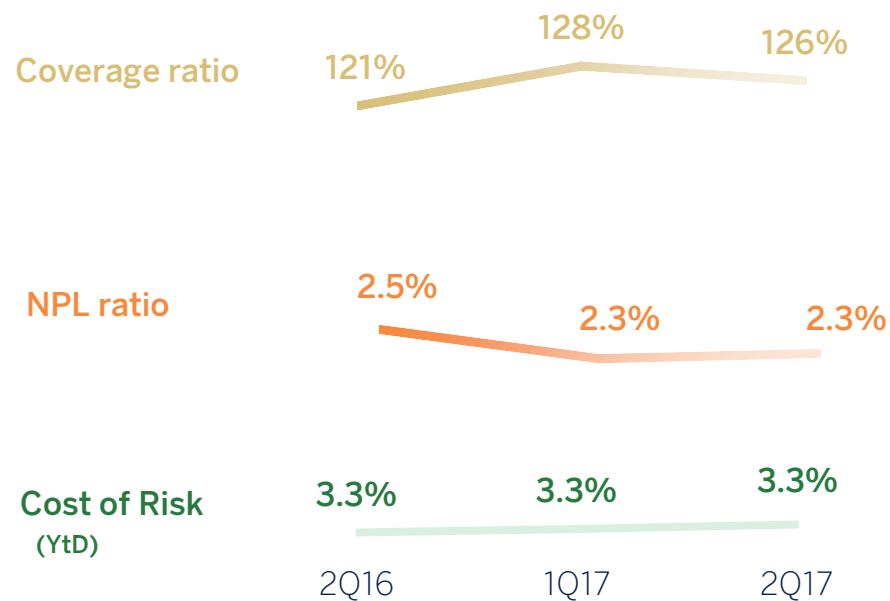
## Efficiency

(%, constant €)



(1) System figures as of May 2017 according to local data (Source: CNBV)

## Risk Indicators



- Best in class efficiency
- Positive operating jaws maintained with costs growing below inflation
- Stability of risk indicators
- Better than expected cost of risk

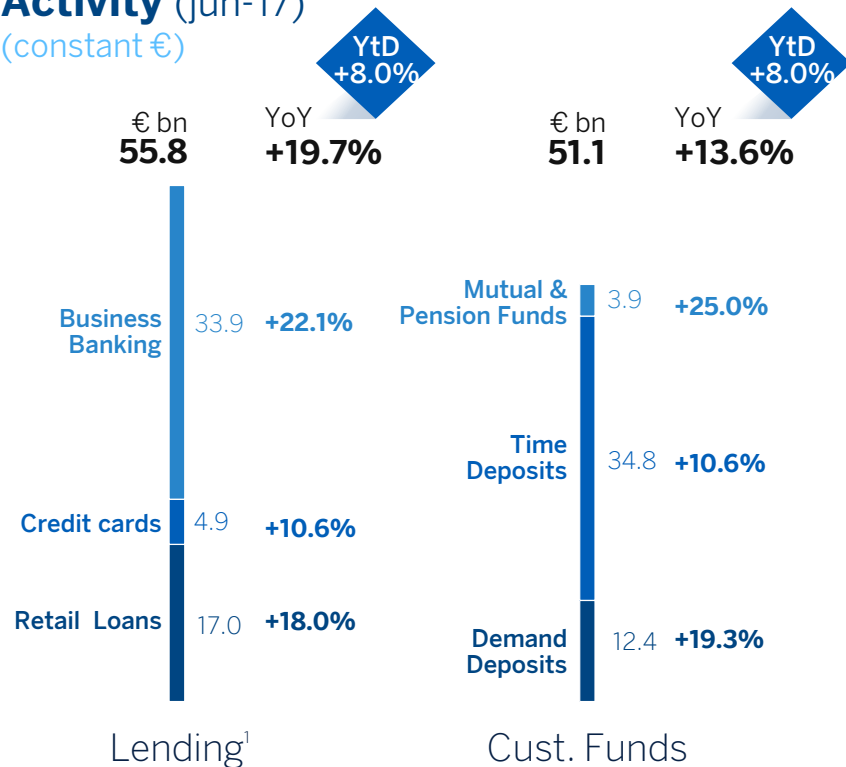
## Turkey – Profit & Loss

Turkey (constant €m)	2Q17	Change (%)		1H17	Change (%)	
		2Q17 vs 2Q16	2Q17 vs 1Q17		1H17 vs 1H16	
<b>Net Interest Income</b>	<b>800</b>	<b>16.0</b>	<b>-1.5</b>	<b>1,611</b>	<b>21.3</b>	
Net Fees and Commissions	181	3.0	5.6	352	8.4	
Net Trading Income	24	-75.2	n.s.	9	-91.6	
Other Income & Expenses	18	17.2	101.5	26	12.3	
<b>Gross Income</b>	<b>1,022</b>	<b>4.6</b>	<b>4.7</b>	<b>1,998</b>	<b>12.1</b>	
Operating Expenses	-379	11.3	-2.4	-768	11.4	
<b>Operating Income</b>	<b>643</b>	<b>1.0</b>	<b>9.3</b>	<b>1,230</b>	<b>12.6</b>	
Impairment on Financial Assets (net)	-118	-20.9	-2.3	-239	-4.2	
Provisions (net) and other gains (losses)	2	-76.7	-87.7	18	n.s.	
<b>Income Before Tax</b>	<b>527</b>	<b>6.3</b>	<b>9.0</b>	<b>1,010</b>	<b>19.5</b>	
Income Tax	-94	-0.8	-11.1	-201	19.7	
Non-controlling Interest	-218	-9.7	0.5	-436	6.4	
<b>Net Attributable Profit</b>	<b>214</b>	<b>34.9</b>	<b>34.0</b>	<b>374</b>	<b>39.3</b>	
<b>Net Attributable Profit change</b> (ex 9,95% additional stake in Garanti)		7.1	14.3		18.8	

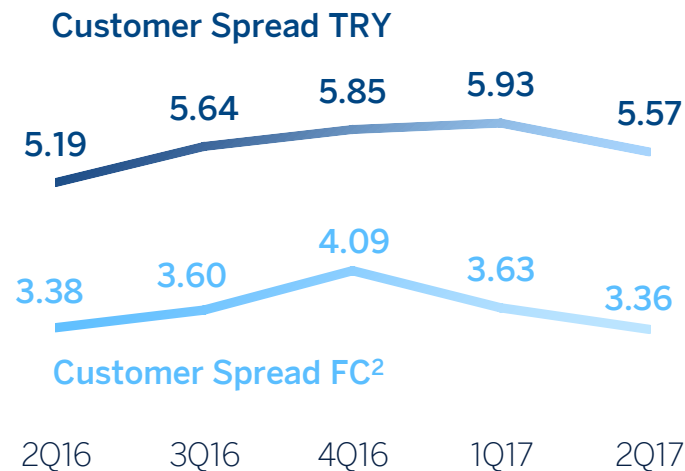
- Strong core revenue growth, thanks to higher lending activity
- NTI impacted by VISA disposal in 2Q16 (86 €m)
- Outstanding bottom-line growth

# Turkey – Activity & Spreads

## Activity (jun-17) (constant €)



## Customer Spread (%)



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

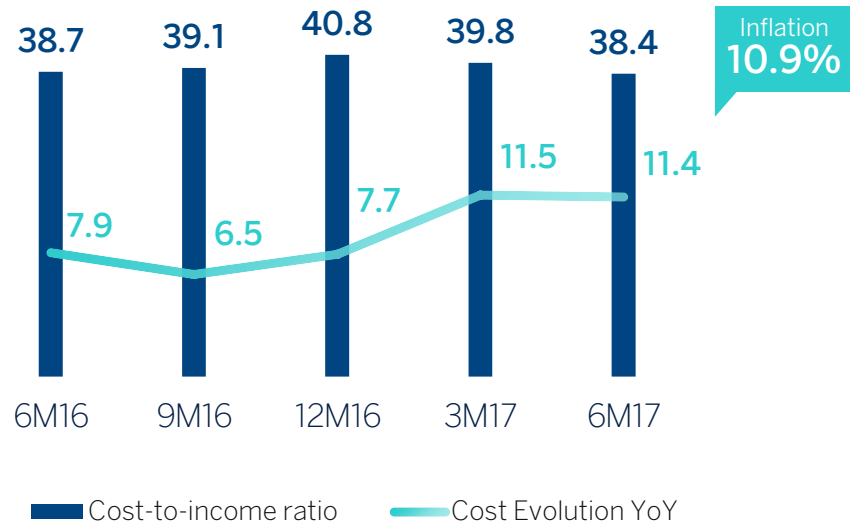
(2) Foreign Currency

- High activity growth in TRY supported by the Credit Guarantee Fund
- Improving funding mix
- Pressure on customer spreads due to higher interest rates

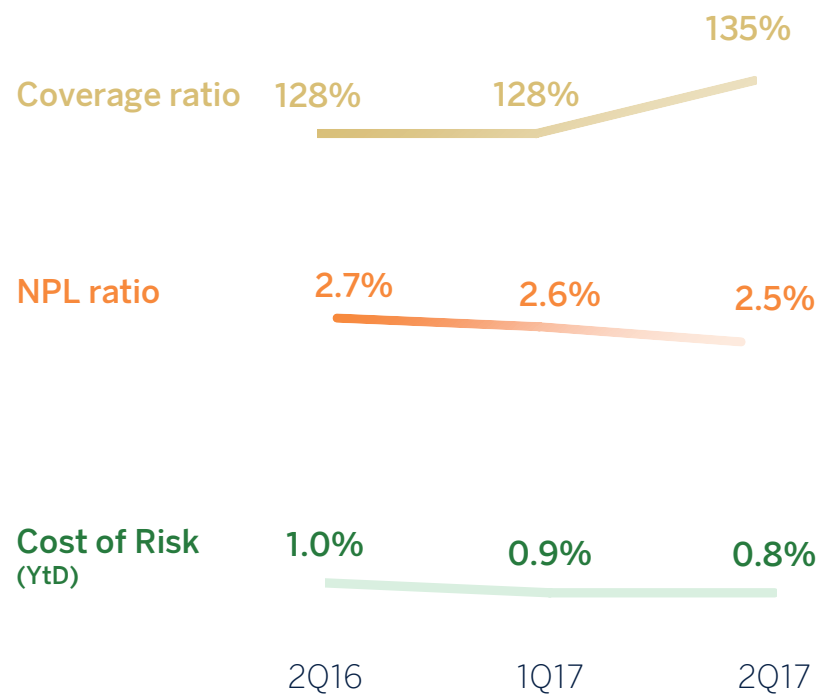
# Turkey - Key Ratios

## Efficiency

(%, constant €)



## Risk Indicators



- Cost growth in line with inflation improving efficiency.
- CoR evolution better than expected

## South America – Profit & Loss

South America (constant €m)	2Q17	Change (%)		1H17	Change (%)
		2Q17 vs 2Q16	2Q17 vs 1Q17		1H17 vs 1H16
<b>Net Interest Income</b>	<b>829</b>	<b>12.8</b>	<b>5.1</b>	<b>1,617</b>	<b>10.3</b>
Net Fees and Commissions	179	10.9	3.6	352	15.3
Net Trading Income	134	1.5	18.3	247	-6.0
Other Income & Expenses	28	n.s.	253.1	36	393.9
<b>Gross Income</b>	<b>1,169</b>	<b>13.8</b>	<b>8.0</b>	<b>2,252</b>	<b>10.3</b>
Operating Expenses	-522	12.4	0.7	-1,041	11.4
<b>Operating Income</b>	<b>647</b>	<b>14.9</b>	<b>14.8</b>	<b>1,211</b>	<b>9.4</b>
Impairment on Financial Assets (net)	-193	65.9	6.0	-375	46.6
Provisions (net) and other gains (losses)	-29	5.3	65.5	-46	3.7
<b>Income Before Tax</b>	<b>425</b>	<b>1.3</b>	<b>16.7</b>	<b>790</b>	<b>-2.1</b>
Income Tax	-122	-1.8	13.9	-229	-4.5
Non-controlling Interest	-81	<b>4.4</b>	<b>9.3</b>	-156	<b>4.3</b>
<b>Net Attributable Profit</b>	<b>222</b>	<b>2.1</b>	<b>21.5</b>	<b>404</b>	<b>-3.0</b>

- ▀ Good growth in core revenues (NII and Fees)
- ▀ Cost growing with inflation
- ▀ Higher impairments, in line with expectations, due to the macro environment
- ▀ Improving trends vs previous quarter, mainly explained by Argentina

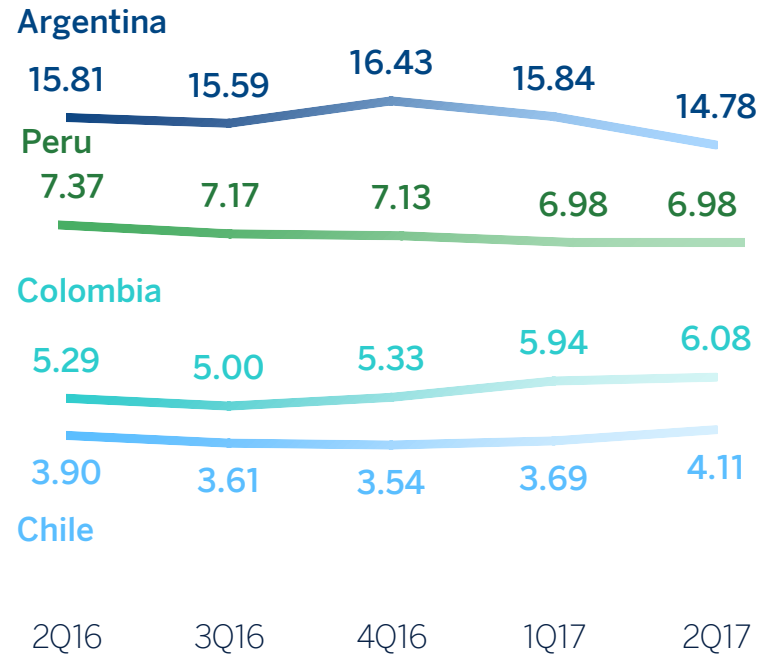
Price and OpEx management offsetting lower loan growth rate

# South America – Activity & Spreads

## Activity (jun-17) (constant €)



## Customer Spread (%)



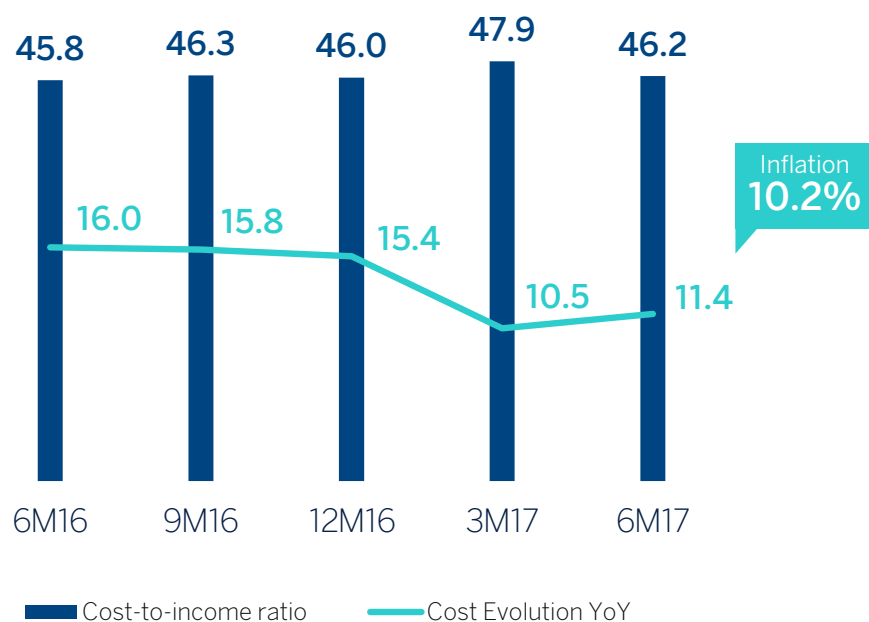
(1) Performing loans under management  
Note: Activity excludes repos

- Moderate loan growth, as macro recovers at a slower pace than previously expected
- Widening customer spread mainly due to decrease in the cost of deposits

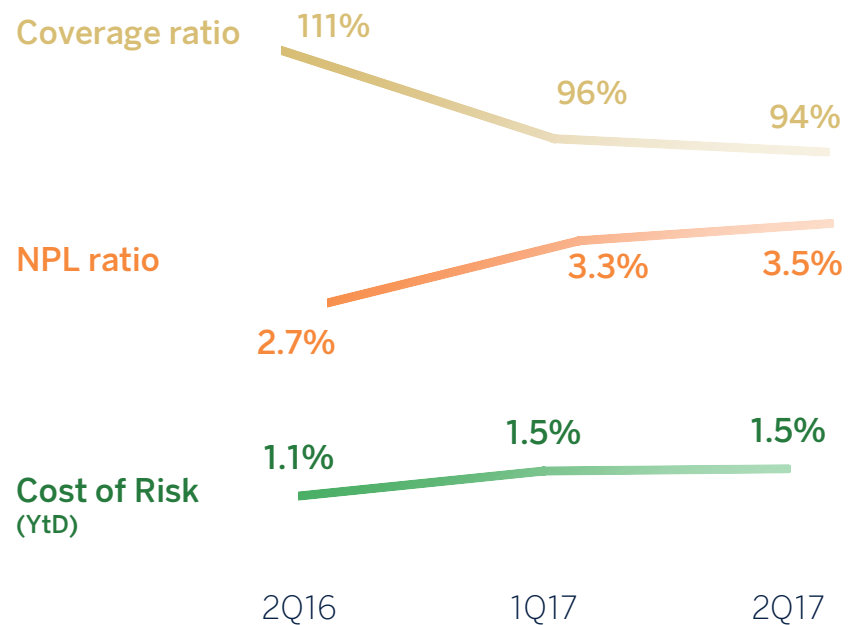
# South America – Key Ratios

## Efficiency

(%, constant €)



## Risk Indicators



- Positive jaws excluding Argentina
- Deterioration in NPLs mainly in Colombia and Peru due to macro environment, as expected
- Cost of risk to remain around current levels



# 2Q17 Key Takeaways

## 1. Excellent 1H results, solid trends strengthened

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

## 2. Delivering on our transformation: Best mobile app in the world

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## 3. Creating value for the shareholder

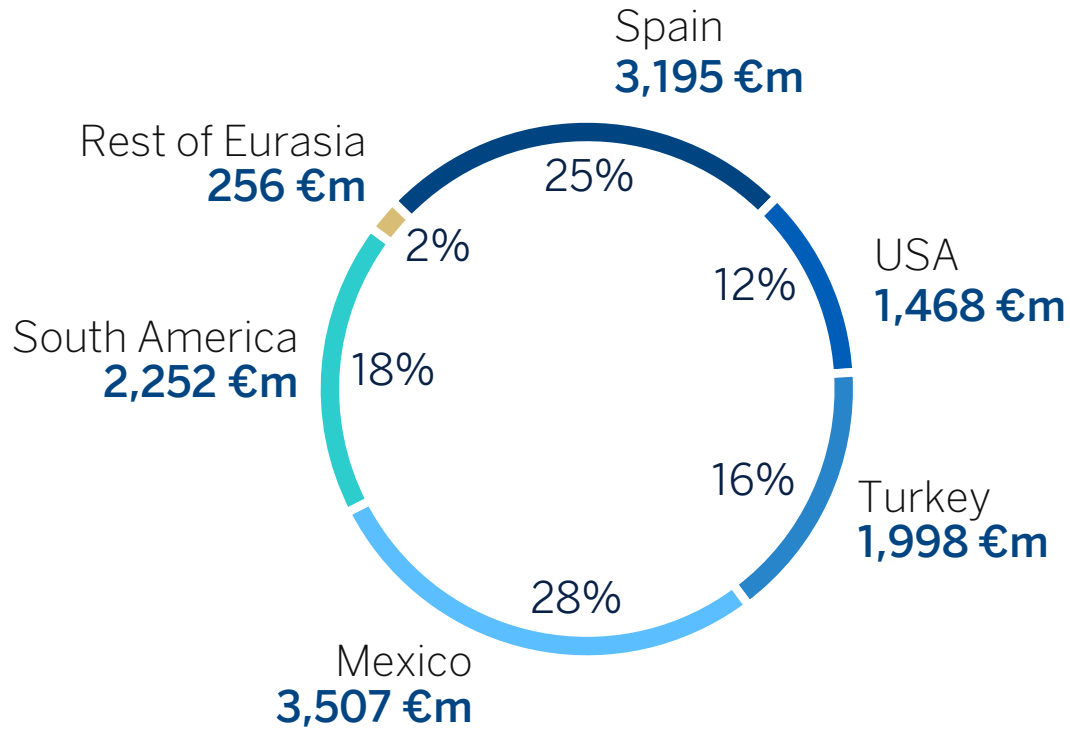
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# Annex

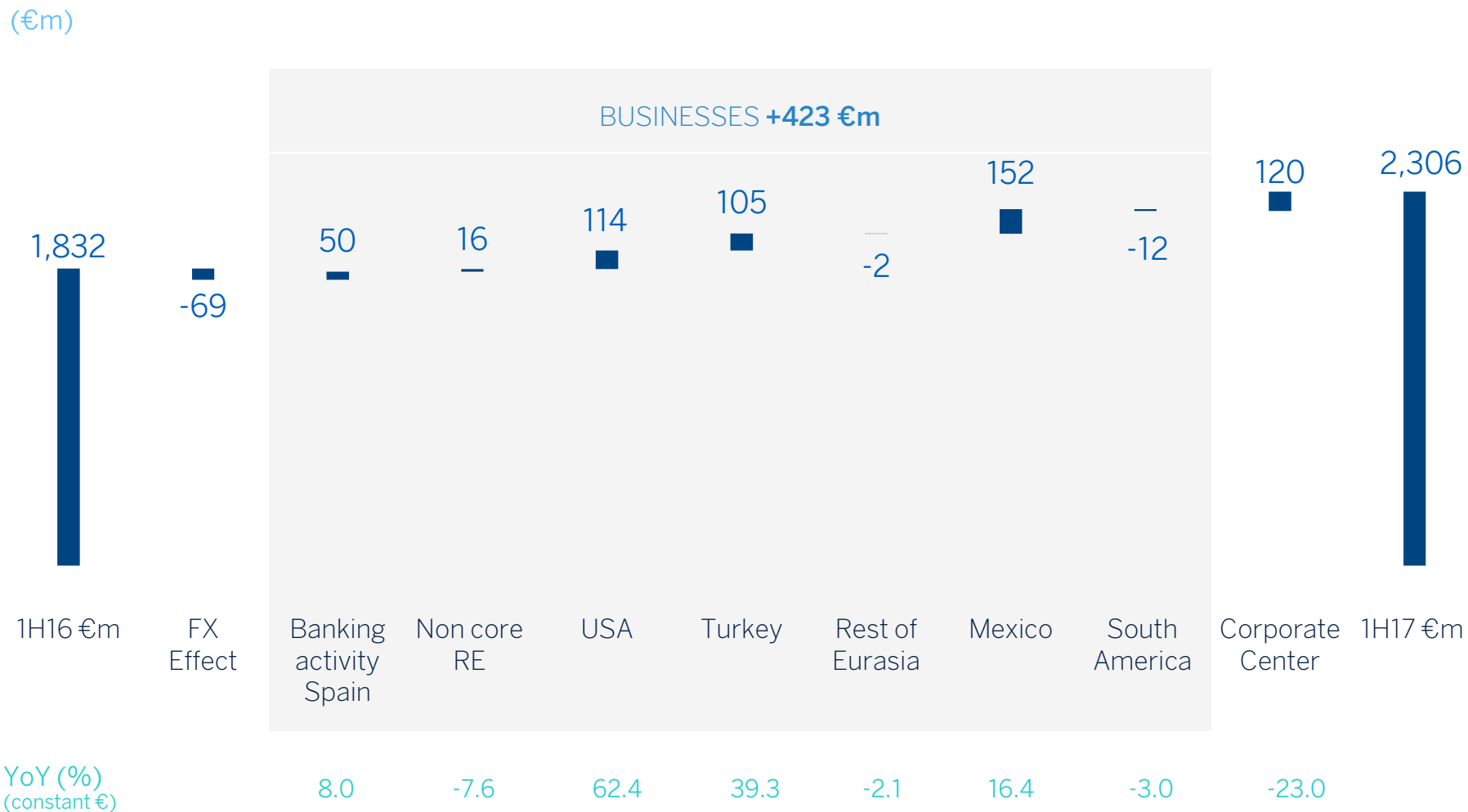
# Gross Income - Breakdown

6M17



Note: Spain includes the areas Banking activity in Spain and Non Core Real Estate. Figures exclude Corporate Center

# Group – Net Attributable Profit



# Total Spain – Profit & Loss

Total Spain (€m)	2Q17	Change (%)		1H17	Change (%) 1H17 vs 1H16
		2Q17 vs 2Q16	2Q17 vs 1Q17		
<b>Net Interest Income</b>	<b>951</b>	<b>-4.7</b>	<b>0.7</b>	<b>1,896</b>	<b>-4.4</b>
Net Fees and Commissions	401	7.3	4.4	785	3.0
Net Trading Income	94	-70.1	-58.3	318	-18.4
Other Income & Expenses	94	163.4	-8.2	196	23.7
<b>Gross Income</b>	<b>1,539</b>	<b>-10.5</b>	<b>-7.0</b>	<b>3,195</b>	<b>-3.0</b>
Operating Expenses	-881	-5.5	-0.5	-1,767	-4.8
<b>Operating Income</b>	<b>658</b>	<b>-16.5</b>	<b>-14.5</b>	<b>1,428</b>	<b>-0.7</b>
Impairment on Financial Assets (net)	-222	-23.0	31.3	-392	-34.0
Provisions (net) and other gains (losses)	-121	27.3	-43.4	-335	44.1
<b>Income Before Tax</b>	<b>315</b>	<b>-22.1</b>	<b>-18.5</b>	<b>701</b>	<b>14.7</b>
Income Tax	-103	-14.1	-13.7	-222	13.2
<b>Net Attributable Profit</b>	<b>213</b>	<b>-25.0</b>	<b>-20.1</b>	<b>479</b>	<b>15.8</b>

## Non Core Real Estate - Profit & Loss

Non Core Real Estate (€m)	2Q17	Change (%)		1H17	Change (%)
		2Q17 vs 2Q16	2Q17 vs 1Q17		1H17 vs 1H16
<b>Net Interest Income</b>	<b>22</b>	<b>40.3</b>	<b>129.1</b>	<b>31</b>	<b>-24.7</b>
Net Fees and Commissions	0	-70.0	-79.5	2	-1.1
Net Trading Income	0	n.s.	n.s.	0	n.s.
Other Income & Expenses	-7	-58.9	-77.6	-40	21.1
<b>Gross Income</b>	<b>15</b>	<b>n.s.</b>	<b>n.s.</b>	<b>-6</b>	<b>n.s.</b>
Operating Expenses	-27	-21.7	-8.9	-57	-13.8
<b>Operating Income</b>	<b>-12</b>	<b>-65.3</b>	<b>-75.7</b>	<b>-64</b>	<b>13.9</b>
Impairment on Financial Assets (net)	-85	124.3	n.s.	-89	5.3
Provisions (net) and other gains (losses)	-2	-96.2	-97.2	-88	-39.5
<b>Income Before Tax</b>	<b>-100</b>	<b>-28.0</b>	<b>-29.1</b>	<b>-241</b>	<b>-15.8</b>
Income Tax	17	-63.3	-49.1	49	-38.2
<b>Net Attributable Profit</b>	<b>-82</b>	<b>-12.1</b>	<b>-24.5</b>	<b>-191</b>	<b>-7.6</b>

## Rest of Eurasia - Profit & Loss

Rest of Eurasia (€m)	2Q17	Change (%)		1H17	Change (%) 1H17 vs 1H16
		2Q17 vs 2Q16	2Q17 vs 1Q17		
<b>Net Interest Income</b>	<b>49</b>	<b>11.0</b>	<b>8.4</b>	<b>95</b>	<b>10.7</b>
Net Fees and Commissions	41	-14.4	2.3	82	-9.5
Net Trading Income	31	-10.6	-35.0	80	33.9
Other Income & Expenses	-1	n.s.	n.s.	0	n.s.
<b>Gross Income</b>	<b>121</b>	<b>-28.2</b>	<b>-10.2</b>	<b>256</b>	<b>-7.9</b>
Operating Expenses	-74	-11.3	-6.4	-154	-8.6
<b>Operating Income</b>	<b>47</b>	<b>-45.0</b>	<b>-15.5</b>	<b>102</b>	<b>-6.9</b>
Impairment on Financial Assets (net)	2	n.s.	-75.8	9	n.s.
Provisions (net) and other gains (losses)	-2	n.s.	-55.5	-7	n.s.
<b>Income Before Tax</b>	<b>46</b>	<b>-40.1</b>	<b>-20.0</b>	<b>104</b>	<b>1.7</b>
Income Tax	-13	-31.9	-30.4	-31	12.1
<b>Net Attributable Profit</b>	<b>34</b>	<b>-42.7</b>	<b>-15.1</b>	<b>73</b>	<b>-2.1</b>

# Corporate Centre - Profit & Loss

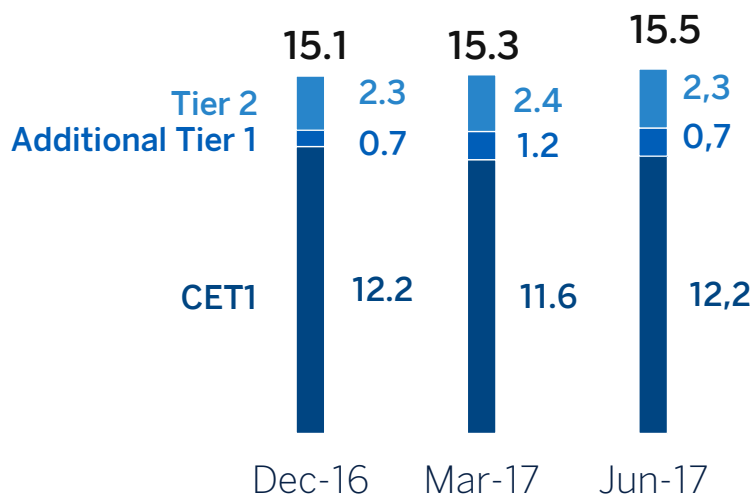
Corporate Center (€m)	2Q17	Change (%)		1H17	Change (%)
		2Q17 vs 2Q16	2Q17 vs 1Q17		1H17 vs 1H16
<b>Net Interest Income</b>	<b>-80</b>	<b>-27.4</b>	<b>-26.8</b>	<b>-190</b>	<b>-22.3</b>
Net Fees and Commissions	-43	-4.1	771.0	-47	-14.1
Net Trading Income	30	-67.5	-85.8	244	172.0
Other Income & Expenses	62	-42.3	n.s.	36	-53.3
<b>Gross Income</b>	<b>-30</b>	<b>n.s.</b>	<b>n.s.</b>	<b>42</b>	<b>n.s.</b>
Operating Expenses	-230	2.4	10.2	-439	-2.1
<b>Operating Income</b>	<b>-260</b>	<b>45.8</b>	<b>90.1</b>	<b>-397</b>	<b>-31.7</b>
Impairment on Financial Assets (net)	-1	-94.8	n.s.	-1	-97.5
Provisions (net) and other gains (losses)	-41	-35.3	406.8	-49	-40.0
<b>Income Before Tax</b>	<b>-302</b>	<b>13.1</b>	<b>109.6</b>	<b>-447</b>	<b>-35.2</b>
Income Tax	39	-0.5	81.2	61	-64.4
<b>Net Attributable Profit</b>	<b>-279</b>	<b>21.0</b>	<b>129.4</b>	<b>-401</b>	<b>-23.0</b>



# Capital Base

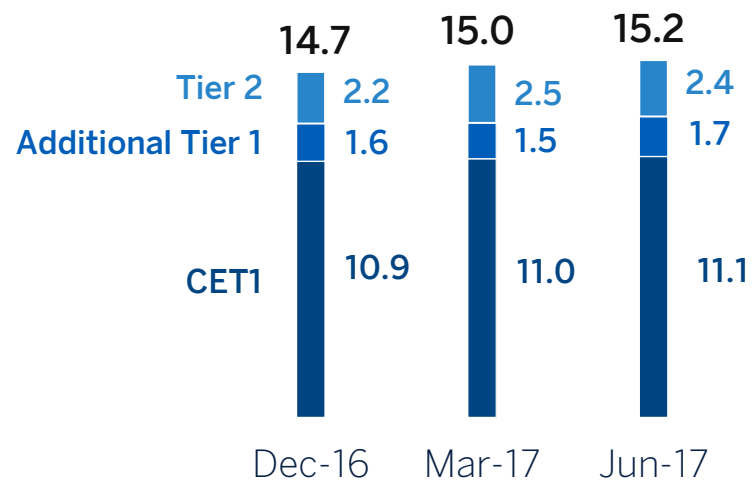
## Evolution of phased-in capital ratios

(%)



## Evolution of fully-loaded capital ratios

(%)

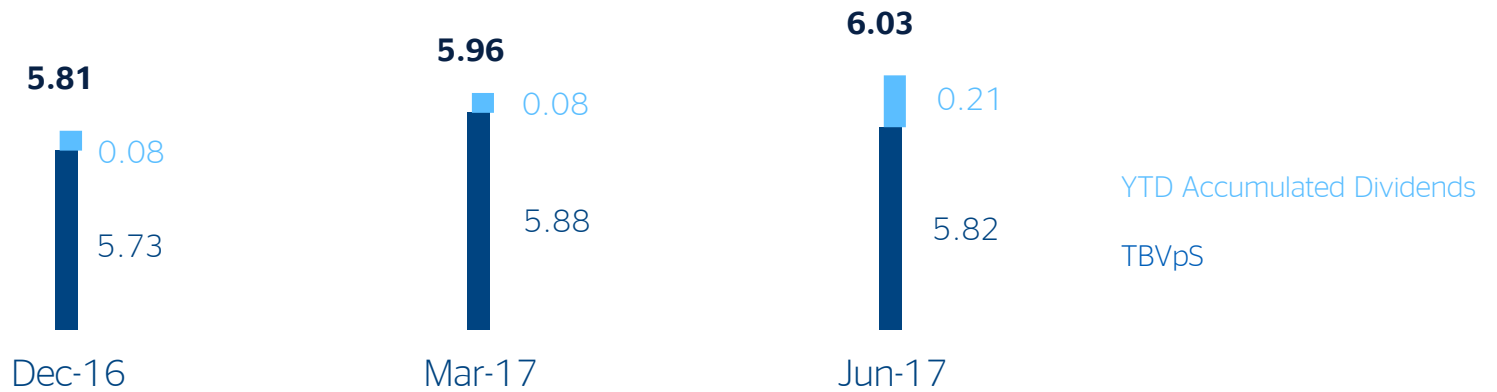


# Risk-Weighted Assets by Business Area

Breakdown by business area and main countries (€m)	Phased-in RWA		
	Dec-16	Mar-17	Jun-17
Banking activity in Spain	113,194	110,862	107,754
Non core Real Estate Activity	10,870	10,776	10,298
United States	65,492	64,847	60,653
Turkey	70,337	70,408	67,270
Mexico	47,863	50,244	48,547
South America	57,443	58,086	53,755
Argentina	8,717	9,250	8,785
Chile	14,300	14,476	13,417
Colombia	12,185	13,296	11,805
Peru	17,400	16,753	15,536
Venezuela	1,360	924	978
Rest of South America	3,480	3,387	3,235
Rest of Eurasia	15,637	14,413	14,144
Corporate Center	8,115	10,038	10,654
<b>BBVA Group</b>	<b>388,951</b>	<b>389,674</b>	<b>373,075</b>

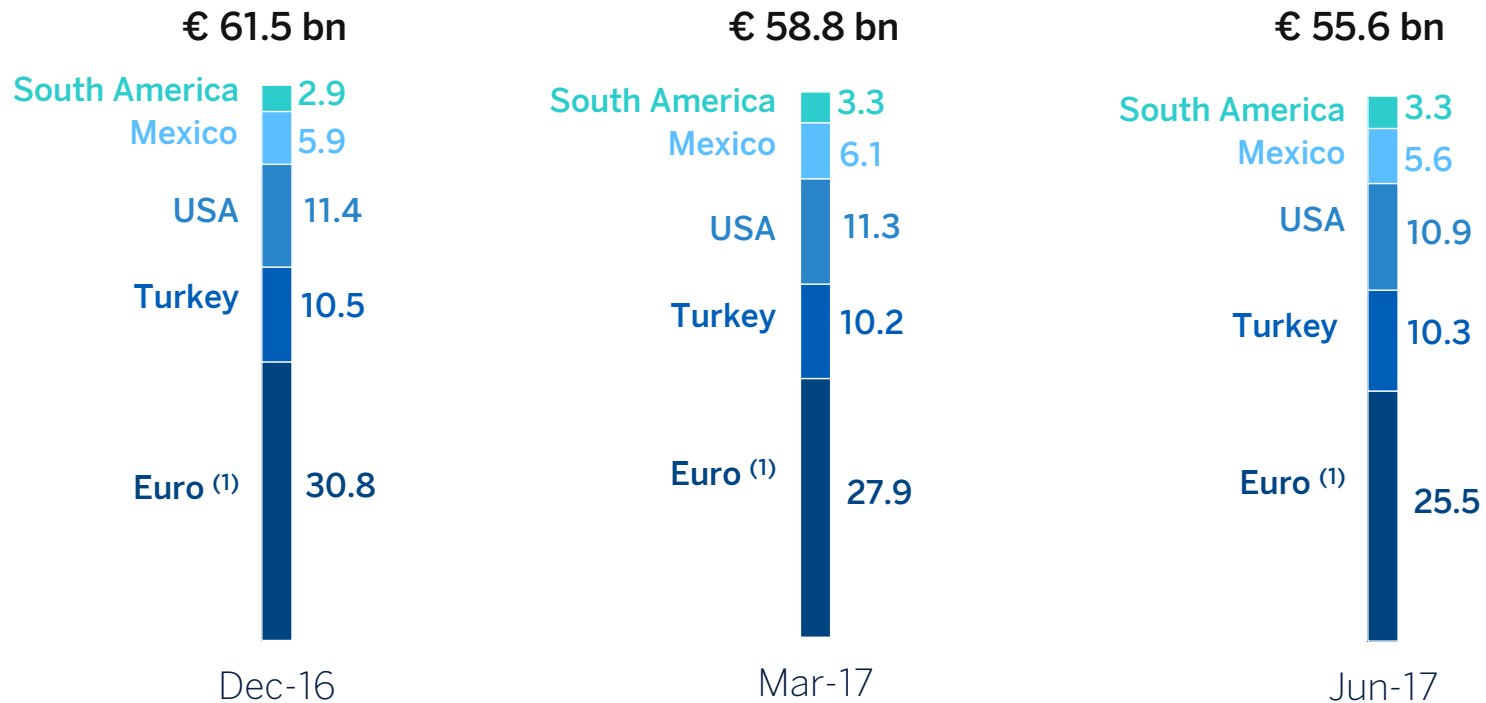
# Shareholder's Return: TBV per Share and Dividends

TBV per Share & Remuneration Shareholder  
(€ per Share)



# ALCO Portfolio

## ALCO Portfolio breakdown by region (€ bn)



(1) Figures excludes SAREB bonds (€5.2bn for dec-16, mar-17 and jun-17)

# Customer Spreads

## Average (€)

	2Q16	3Q16	4Q16	1Q17	2Q17
<b>Spain</b>	<b>1.76%</b>	<b>1.84%</b>	<b>1.82%</b>	<b>1.83%</b>	<b>1.83%</b>
Yield on Loans	2.12%	2.13%	2.10%	2.03%	2.01%
Cost of Deposits	-0.36%	-0.29%	-0.28%	-0.20%	-0.19%
<b>USA</b>	<b>3.26%</b>	<b>3.31%</b>	<b>3.37%</b>	<b>3.57%</b>	<b>3.81%</b>
Yield on Loans	3.66%	3.70%	3.75%	3.92%	4.12%
Cost of Deposits	-0.40%	-0.39%	-0.38%	-0.36%	-0.31%
<b>Mexico</b>	<b>10.36%</b>	<b>10.38%</b>	<b>10.62%</b>	<b>10.82%</b>	<b>10.86%</b>
Yield on Loans	11.36%	11.49%	11.83%	12.10%	12.30%
Cost of Deposits	-1.00%	-1.11%	-1.21%	-1.28%	-1.45%
<b>South America</b>	<b>6.28%</b>	<b>6.13%</b>	<b>6.33%</b>	<b>6.53%</b>	<b>6.64%</b>
Yield on Loans	10.29%	10.10%	9.95%	10.04%	10.01%
Cost of Deposits	-4.00%	-3.97%	-3.62%	-3.51%	-3.37%
<b>Argentina</b>	<b>15.81%</b>	<b>15.59%</b>	<b>16.43%</b>	<b>15.84%</b>	<b>14.78%</b>
Yield on Loans	26.54%	24.54%	22.71%	21.29%	20.03%
Cost of Deposits	-10.73%	-8.96%	-6.28%	-5.46%	-5.24%

	2Q16	3Q16	4Q16	1Q17	2Q17
<b>Chile</b>	<b>3.90%</b>	<b>3.61%</b>	<b>3.54%</b>	<b>3.69%</b>	<b>4.11%</b>
Yield on Loans	7.19%	6.60%	6.37%	6.36%	6.66%
Cost of Deposits	-3.28%	-2.98%	-2.83%	-2.66%	-2.55%
<b>Colombia</b>	<b>5.29%</b>	<b>5.00%</b>	<b>5.33%</b>	<b>5.94%</b>	<b>6.08%</b>
Yield on Loans	10.96%	11.16%	11.29%	11.76%	11.51%
Cost of Deposits	-5.67%	-6.15%	-5.96%	-5.82%	-5.43%
<b>Peru</b>	<b>7.37%</b>	<b>7.17%</b>	<b>7.13%</b>	<b>6.98%</b>	<b>6.98%</b>
Yield on Loans	8.48%	8.50%	8.43%	8.34%	8.44%
Cost of Deposits	-1.11%	-1.33%	-1.30%	-1.36%	-1.46%
<b>Venezuela</b>	<b>25.46%</b>	<b>24.57%</b>	<b>27.13%</b>	<b>28.72%</b>	<b>30.90%</b>
Yield on Loans	28.16%	27.42%	29.19%	30.28%	32.27%
Cost of Deposits	-2.71%	-2.85%	-2.06%	-1.55%	-1.38%
<b>Turkey TRY</b>	<b>5.19%</b>	<b>5.64%</b>	<b>5.85%</b>	<b>5.93%</b>	<b>5.57%</b>
Yield on Loans	13.19%	13.13%	13.21%	13.39%	13.63%
Cost of Deposits	-8.01%	-7.49%	-7.36%	-7.46%	-8.06%
<b>Turkey FC<sup>1</sup></b>	<b>3.38%</b>	<b>3.60%</b>	<b>4.09%</b>	<b>3.63%</b>	<b>3.36%</b>
Yield on Loans	4.87%	5.05%	5.77%	5.21%	4.95%
Cost of Deposits	-1.49%	-1.45%	-1.68%	-1.59%	-1.59%

(1) Foreign currency

Note 1: USA ex NY Business Activity

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



**BBVA** Creating Opportunities

# 2Q17 Results

July, 27<sup>th</sup> 2017