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Index

01  About BBVA

02  Vision and aspiration

03  BBVA transformation journey

04  Results’ highlights
BBVA’s global presence

- **€ 702 billion in total assets**
- **71 million customers**
- **>30 countries**
- **8,421 branches**
- **31,194 ATMs**
- **132,321 employees**

Note: As of June 2017.
More than 150 years of history

BBVA is the result of the merger of two major Spanish banking institutions

1988

- Banco de Bilbao
- Banco de Vizcaya

1998

- Corporación Bancaria de España
- Caja Postal
- Bco. Exterior
- Bco. Hipotecario

1999

- Banco Bilbao Vizcaya
- Argentaria
More than 150 years of history

BBVA had significant growth since 1995

**1995**
- Banco Continental (Peru)
- Probuma (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)
- OPA sobre Bancomer

**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

**2009**
- Guaranty Bank (USA)

**2010**
- New extension CITIC agreement
- Turkiye 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 Turkiye 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’s 1.8% (China)
- Acquisition of an additional stake in Turkiye Garanti Bankası of 9.95% (Turkey)
### Main figures 1H17

#### Earnings (€m)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross income</td>
<td>12,718</td>
</tr>
<tr>
<td>Operating income</td>
<td>6,407</td>
</tr>
<tr>
<td>Net attributable profit</td>
<td>2,306</td>
</tr>
</tbody>
</table>

#### Balance sheet (€m)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>702,429</td>
</tr>
<tr>
<td>Total equity</td>
<td>54,727</td>
</tr>
<tr>
<td>Loans and advances to customers - gross</td>
<td>424,405</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>394,626</td>
</tr>
</tbody>
</table>

#### Efficiency/ Profitability

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ROE</td>
<td>8.6%</td>
</tr>
<tr>
<td>ROA</td>
<td>0.82%</td>
</tr>
<tr>
<td>Efficiency ratio</td>
<td>49.6%</td>
</tr>
</tbody>
</table>

#### Risk management

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NPL ratio</td>
<td>4.8%</td>
</tr>
<tr>
<td>NPL coverage ratio</td>
<td>71%</td>
</tr>
</tbody>
</table>

#### Solvency – CET1 Ratio

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Phased-in</td>
<td>11.76%</td>
</tr>
<tr>
<td>Fully-loaded</td>
<td>11.10%</td>
</tr>
</tbody>
</table>

For more information click here
BBVA share

Listed on the main international stock markets

BBVA’s capital ownership is well diversified
Shareholder breakdown

Weighting (30-06-2017)

- 8.9% IBEX 35
- 2.1% Euro Stoxx 50
- 9.1% Euro Stoxx Banks
- 4.5% Stoxx Europe 600 Banks

Figures as of 30th June 2017

- Number of shares issued: 6,668m
- Book value per share: 7.18€
- Closing price: 7.27€
- Market capitalization: 48,442€m

#shareholders 910,330
Organizational chart

CEO
Carlos Torres Vila

GROUP EXECUTIVE CHAIRMAN
Francisco González

EXECUTION & PERFORMANCE
- Corporate & Investment Banking: Juan Asúa
- Country Monitoring:
  - Argentina: Jorge Sáenz-Azcúnaga
  - Spain: Cristina de Parias
  - Mexico: Eduardo Osuna
  - USA: Onur Genç
  - Turkey: Fuat Erbil

NEW CORE COMPETENCIES
- Customer Solutions:
  - Argentina: Derek White
- Talent & Culture:
  - Spain: Ricardo Forcano
  - Mexico: Ricardo Moreno
- Data:
  - USA: David Puente

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
- Accounting & Supervisors: Ricardo Gómez Barredo
- Communications: Paul G. Tobin
- General Secretary: Domingo Armengol
- Internal Audit: José 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 Products & Digital Sales; Design & Marketing; Data & Open Innovation; Business Development in Spain, Mexico, Turkey, USA and South America; Distribution model; Asset Management & Global Wealth and New Digital Businesses.
**Our team**

We are creating a culture, environment and ways of working where the customer is at the center of everything we do

**The best team**

Our team is the cornerstone of our transformation, helping BBVA deliver the best customer experience anywhere

**A first class workforce**

Our most valuable asset is a first class workforce, inspired by our Purpose and working as one team

We defined our purpose as an organization in 2016.

We are implementing a new way of working and collaborating in 2017.

---

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We are implementing a new way of working and collaborating in 2017.

---

**BBVA GROUP:** 132,321 employees

**USA:** 10,656

**MEXICO:** 36,794

**SPAIN:** 30,687

**TURKEY:** 21,682

**SOUTH AMERICA:** 29,859

**REST OF EURASIA:** 2,643

---

**Note 1:** Figures as of 30th of June 2017.

**Note 2:** Criteria for number of employees is based on location.
Presence in social media

BBVA’s commitment is to be where the people are, to listen and understand their needs and dreams. This is the reason that makes BBVA a cutting-edge entity in social media.

Number of BBVA’s social media profiles by country (as of June 2017)

- **USA 9**
- **Spain 38**
- **Turkey 31**
- **Portugal 2**
- **Mexico 14**
- **Colombia 7**
- **Peru 10**
- **Chile 8**
- **Venezuela 6**
- **Paraguay 4**
- **Argentina 7**

**USA:** 9
- Facebook: 27,251,312 followers
- Twitter: 4,679,640 followers
- YouTube: 150,667 subscribers
- Google+: 280,641 followers
- LinkedIn: 591,761 followers
- Instagram: 349,179 followers

**Spain:** 38
- Facebook: 27,251,312 followers
- Twitter: 4,679,640 followers
- YouTube: 150,667 subscribers
- Google+: 280,641 followers
- LinkedIn: 591,761 followers
- Instagram: 349,179 followers

**Turkey:** 31
- Facebook: 27,251,312 followers
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**Portugal:** 2
- Facebook: 27,251,312 followers
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**Mexico:** 14
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**Note:** As of June 2017.
Social commitment

Financial Literacy

Valores de futuro

Social Entrepreneurship

Momentum

Knowledge

Fronteras del Conocimiento Award

For more information click here
## BBVA Social Impact in 2016

### Wealth Generation
- **4,240** suppliers who invoiced **7,751 €m**
- **9,440 €m** of accrued taxes collected by BBVA’s activity
- **24,692 €m** economic value generated in 2015, representing 0.5% of GDP in the economies where it operates

### Growth and Welfare Contribution
- **70 MILLION** customers in 35 countries, 12.4 digital customers
- **1.8 MILLION** microentrepreneurs supported by Fundación Microfinanzas BBVA with 1,009€m in 2016
- **2.5 MILLION** SMEs and self-employees financed by BBVA

### Sustainable Development Contribution
- **40%** of employees work in certified buildings
- **91 €m** directed to finance social infrastructure projects
- **5,350 €m** of placement in 8 green and social bond issues

### Investment in social programs
- **93.3 €m**
Awards and recognitions

Once more, BBVA’s differentiated management has been recognized
02. Vision and aspiration

Vision of the financial industry
Our aspiration
Reshape of the financial industry

Regulatory pressure and the impact in profitability

New players are entering the value chain

Transforming technologies and use of data

Vision of the financial industry

Our aspiration

Banks ROE Evolution¹ (%)


-3.0% 5.6% 7.0% 2.7% 1.5% 1.7% 4.0% 2.4%

(1) Source: BBVA; Banks in peer group: Santander, Deutsche, Commerzbank, BNP Paribas, SocGen, CASA, Intesa, Unicredit, HSBC, Barclays, Royal Bank of Scotland, Lloyds, UBS y Credit Suisse, Citigroup, Bank of America, JP Morgan y Wells Fargo.

(2) Juniper Research Future Proofing Digital Banking.
Shifting customers and needs

- **Shifting customers and needs**
  Banking anytime, anywhere

- **Used to digital experiences**
  Expect proactive and personalized help in their finance management

- **Interaction with multiple devices and applications**
  Seeking the best experiences for each of their banking needs
Our aspiration

Through an easy and convenient experience: DIY through digital channels or human interaction

Helping our customers to make the best financial decisions offering relevant advice

Providing the best solutions that generate trust: clear, simple, transparent and fair conditions

Redefining our Value Proposition based on customer experience and trust
03. BBVA’s Transformation Journey
Defined strategic path

Our Purpose

“To bring the age of opportunity to everyone”

BBVA
Creating Opportunities

Six Strategic Priorities

- New standard in customer experience
- Drive digital sales
- New business models
- Optimize capital allocation
- Unrivaled efficiency
- A first class workforce

We are BBVA. We create opportunities
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
Progress in our Transformation

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)

Relationship Model

- MIA- Mobile Interactive Assistant (Turkey)
- Express customer digitization in branches (Spain)
- Live Chat (Mexico)
- Digital enrollment from branches (Argentina)

About BBVA

Vision and aspiration

BBVA transformation journey

Results' highlights
Digital Sales

(Million)

**BBVA Group**

Digital Customers

- **16.3** (Jun. 16) to **19.9** (Jun. 17), **+22%**

Mobile Customers

- **10.2** (Jun. 16) to **14.5** (Jun. 17), **+42%**

**Digital Sales**

(% of total sales YtD, # of transactions)

- **SPAIN**
  - Dec. 16: **17.1**, Dec. 17: **24.7**
  - Jun. 16: **11.9**, Jun. 17: **16.0**

- **MEXICO**
  - Dec. 16: **11.9**, Dec. 17: **16.0**

- **USA**
  - Dec. 16: **15.4**, Dec. 17: **22.5**
  - Jun. 16: **25.2**, Jun. 17: **31.0**

- **S. AMERICA**
  - Dec. 16: **11.9**, Dec. 17: **16.0**

- **TURKEY**
  - Dec. 16: **15.4**, Dec. 17: **22.5**
  - Jun. 16: **25.2**, Jun. 17: **31.0**

50% tipping point in digital customers achieved

Note: Figures have been restated due to changes in the inclusion of some products. Paraguay and Uruguay as of December 2016.
New business models

**Acquisitions**

About BBVA

**Vision and aspiration**

03 BBVA transformation journey

**Results’ highlights**

Open Platform

Enable new developments combining BBVA’s APIs, client’s technology and other building blocks

Investments (venture capital*)

Leveraging the Fintech ecosystem to develop our value proposition

(*) DriveMotors, Civi, Hippo, Guideline, Brave and Hixme are investments made by Propel Venture Partners US Fund I, LP, fintech venture capital fund managed independently by Propel Venture Partners LLC, where BBVA Compass Bancshares Inc. is a Limited Partner.
Leveraging technology

In 2007 we began our transformation process

We have been working on our platforms

And now we are adapting to the new paradigms of development

Front-Office / Channels

- Branch
- Mobile
- Web
- Social network

Middleware / Services

- ATMs
- Call center
- BBVA Wallet

Back-office or Core Banking System

Placing technology at the customer’s service
Cultural change

- Zero tolerance against low quality

- New ways of working:
  Agile, collaborative tools

- New headquarters

- Collaborative culture, entrepreneurship
  (‘trial - error’)

- Leaner structures
At BBVA, we are accelerating our transformation process to become the best bank for our customers.
04. Results’ highlights
### Highlights

**NET ATTRIBUTABLE PROFIT**

<table>
<thead>
<tr>
<th>1H17</th>
<th>+25.9% vs 1H16</th>
<th>+30.8% constant €</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,306 €m</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

**GROSS INCOME**

<table>
<thead>
<tr>
<th>1H17</th>
<th>+4.0% vs 1H16</th>
<th>+7.8% constant €</th>
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</thead>
<tbody>
<tr>
<td>12,718 €m</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**OPERATING INCOME**

<table>
<thead>
<tr>
<th>1H17</th>
<th>+8.6% vs 1H16</th>
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</tr>
</thead>
<tbody>
<tr>
<td>6,407 €m</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**RISKS 1H17**

- Risk indicators improvement
- NPL RATIO: 4.8%
- COVERAGE RATIO: 71%

**SOUND ASSET QUALITY**

- Cost of risk improvement
- COST OF RISK YTD: 0.9%
- FINANCIAL ASSETS + RE IMPAIRMENTS 2Q17: 1,011 €m

**CAPITAL**

- Solid capital ratios
- LEVERAGE RATIO: 6.8%
- CET 1 RATIO: 11.76%
- FULLY-LOADED CET 1 RATIO: 11.10%

**GROSS INCOME**

<table>
<thead>
<tr>
<th>1H17</th>
<th>+4.0% vs 1H16</th>
<th>+7.8% constant €</th>
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**OPERATING INCOME**

<table>
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</thead>
<tbody>
<tr>
<td>6,407 €m</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Profit & Loss

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

## SPAIN  Banking activity

<table>
<thead>
<tr>
<th>NET ATTRIBUTABLE PROFIT</th>
<th>NPL RATIO</th>
<th>COVERAGE RATIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>670 €m</td>
<td>5.7%</td>
<td>53%</td>
</tr>
</tbody>
</table>

+8.0% vs. 1H16  5.7% vs. 6.0% 2Q16  53% vs. 60% 2Q16

## NON CORE REAL ESTATE

<table>
<thead>
<tr>
<th>NET ATTRIBUTABLE PROFIT</th>
<th>NET EXPOSURE</th>
<th>COVERAGE RATIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>-191 €m</td>
<td>-14.2%</td>
<td></td>
</tr>
</tbody>
</table>

-7.6% vs. 1H16  -14.2% vs. Dec.16

## USA  constant €

<table>
<thead>
<tr>
<th>NET ATTRIBUTABLE PROFIT</th>
<th>NPL RATIO</th>
<th>COVERAGE RATIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>297 €m</td>
<td>1.3%</td>
<td>105%</td>
</tr>
</tbody>
</table>

+62.4% vs. 1H16  1.3% vs. 1.6% 2Q16  105% vs. 90% 2Q16

### Highlights
- NII excluding CIB remains stable in 1H. Lower contribution from CIB due to Global Markets and securities portfolio sales
- Good trend in fees and insurance
- Cost and impairments reductions as the main P&L drivers
- Sound asset quality indicators, with NPLs decreasing by 8% YoY
- Good market trends
- Delivering on our strategy: reducing exposure using all available sources
- Positive impacts of wholesale transactions in 2Q17 P&L
- Positive earnings momentum
- Strong growth in core revenues, leveraging NII
- Significant reduction of impairments and provisions
- Strong improvement in asset quality indicators vs. 2Q16
- DFAST&CCAR results prove strength of capital and risk processes
## Business areas

### MEXICO constant €

<table>
<thead>
<tr>
<th>NET ATTRIBUTABLE PROFIT</th>
<th>NPL RATIO</th>
<th>COVERAGE RATIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,080 €m</td>
<td>2.3% vs. 2.5% Q216</td>
<td>126% vs. 121% Q216</td>
</tr>
<tr>
<td>+16.4% vs. H16</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### TURKEY constant €

<table>
<thead>
<tr>
<th>NET ATTRIBUTABLE PROFIT</th>
<th>NPL RATIO</th>
<th>COVERAGE RATIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>374 €m</td>
<td>2.5% vs. 2.7% Q216</td>
<td>135% vs. 128% Q216</td>
</tr>
<tr>
<td>+39.3% vs. H16</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### SOUTH AMERICA constant €

<table>
<thead>
<tr>
<th>NET ATTRIBUTABLE PROFIT</th>
<th>NPL RATIO</th>
<th>COVERAGE RATIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>404 €m</td>
<td>3.5% vs. 2.7% Q216</td>
<td>94% vs. 111% Q216</td>
</tr>
<tr>
<td>-3.0% vs. H16</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Highlights

- Sustained growth in all P&L lines
- Excellent top line growth thanks to core revenues
- Positive operating jaws maintained, best in class efficiency
- Stability of risk indicators
- Strong core revenue growth, thanks to higher lending activity
- Cost growth in line with inflation improving efficiency
- Outstanding bottom-line growth
- Good growth in core revenues (NII and Fees)
- Cost growing with inflation, positive jaws excluding Argentina
- Deterioration in NPLs mainly in Colombia and Peru due to macro environment
## CIB – 1H17 results

### Business activity

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>LENDING (Gross)</td>
<td>53 €bn</td>
<td>-2.4%</td>
</tr>
<tr>
<td>CUSTOMER FUNDS</td>
<td>39 €bn</td>
<td>+1.5%</td>
</tr>
</tbody>
</table>

### Client’s revenue

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,283 €m</td>
<td>+5.0%</td>
<td></td>
</tr>
</tbody>
</table>

### Results

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>GROSS MARGIN</td>
<td>1,461 €m</td>
<td>+13.1%</td>
</tr>
<tr>
<td>NET MARGIN</td>
<td>959 €m</td>
<td>+22.3%</td>
</tr>
<tr>
<td>NET ATTRIBUTABLE PROFIT</td>
<td>589 €m</td>
<td>+80.7%</td>
</tr>
</tbody>
</table>

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- Customer funds recovery and decrease in lending in Spain and USA
- High recurrence of our client’s revenues
- GM outstanding performance causes a solid increase in results, especially in Spain and Mexico

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1. Client’s revenue / Gross margin.

Note: All data includes Venezuela