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BBVA’S GLOBAL PRESENCE

JUNE 2018

countries

branches

employees

employees

>30

8,141

131,784

46%

54%

FINANCIAL HIGHLIGHTS

JUNE 2018

Total assets

Loans and advances to customers - gross

Deposits from customers

689,632

390,661

367,312

Net attributable profit

NPL ratio

Coverage ratio

CET 1 FL (Proforma**)

TBV per share + Shareholders remuneration

ROE

ROTE

11.40%

5.78

11.7%

14.3%

CUSTOMERS & DIGITAL SALES

JUNE 2018

CUSTOMERS

75 million

Digital customers

25.1 m

Mobile customers

20.7 m

DIGITAL SALES

PRV*

29.1%

Units

38.6%

SUSTAINABLE DEVELOPMENT AND DIRECT CONTRIBUTION TO SOCIETY

BBVA’s Pledge 2025

Allocated to social programs

103 €m

(*) PRV: Product Relative Value as a proxy of a better economic representation of units sold

(**) Proforma includes the updated impact of Corporate Transactions (+55 bps)
BBVA Purpose
We are BBVA. We create opportunities

OUR PURPOSE

“To bring the age of opportunity to everyone”

BBVA
Creating Opportunities

SIX STRATEGIC PRIORITIES

- New standard in customer experience
- Digital sales
- New business models
- Optimize capital allocation
- Unrivaled efficiency
- A first class workforce
New value proposition

Based on our customers’ real needs

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

Providing the best solutions that generate trust for our customers, being clear, transparent and based on integrity

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

Our aspiration is to strengthen the relationship with the customer
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
Quarterly Update
Solid Results in the Quarter

Net Attributable Profit

<table>
<thead>
<tr>
<th>QUARTERLY EVOLUTION (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2Q17: 1,107</td>
</tr>
<tr>
<td>3Q17: 1,143</td>
</tr>
<tr>
<td>4Q17: 1,193</td>
</tr>
<tr>
<td>1Q18: 1,340</td>
</tr>
<tr>
<td>2Q18: 1,309</td>
</tr>
</tbody>
</table>

- Strong core revenue growth
- Efficiency improvement
- Positive trend in digital sales and customers
- Sound risk indicators
- Strong capital position
- Focus on shareholder value
## 1H18 Profit & Loss

<table>
<thead>
<tr>
<th>BBVA Group (€m)</th>
<th>1H18</th>
<th>Change 1H18/1H17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>%</td>
</tr>
<tr>
<td>Net Interest Income</td>
<td>8,643</td>
<td>-1.8</td>
</tr>
<tr>
<td>Net Fees and Commissions</td>
<td>2,492</td>
<td>1.5</td>
</tr>
<tr>
<td>Net Trading Income</td>
<td>708</td>
<td>-33.8</td>
</tr>
<tr>
<td>Other Income &amp; Expenses</td>
<td>231</td>
<td>-40.8</td>
</tr>
<tr>
<td><strong>Gross Income</strong></td>
<td>12,074</td>
<td>-5.1</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>-5,942</td>
<td>-5.8</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>6,131</td>
<td>-4.3</td>
</tr>
<tr>
<td>Impairment on Financial Assets</td>
<td>-1,611</td>
<td>-17.0</td>
</tr>
<tr>
<td>Provisions and Other Gains and Losses</td>
<td>-77</td>
<td>-82.2</td>
</tr>
<tr>
<td><strong>Income Before Tax</strong></td>
<td>4,443</td>
<td>10.2</td>
</tr>
<tr>
<td>Income Tax</td>
<td>-1,213</td>
<td>8.3</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>3,230</td>
<td>10.9</td>
</tr>
<tr>
<td>Non-controlling Interest</td>
<td>-581</td>
<td>-4.3</td>
</tr>
<tr>
<td><strong>Net Attributable Profit</strong></td>
<td>2,649</td>
<td>14.9</td>
</tr>
</tbody>
</table>
Efficiency Improvement

Group Operating Jaws
(YTD (%); (€ constant))

- Core Revenues*
  - 1H16: 9,368
  - 1H17: 10,140
  - 1H18: 11,135
  - Growth: 9.8%

- Operating Expenses
  - 1H16: 5,707
  - 1H17: 5,776
  - 1H18: 5,942
  - Growth: 2.9%

Efficiency Ratio
(€ constant)

- 12M16: 52.9%
- 12M17: 50.0%
- 6M18: 49.2%

- Improvement in operating expenses: -82 bps

(*) Core Revenues: Net Interest Income + Net Fees and Commissions
Outstanding trend of digital sales in all markets

(% of total sales YtD, # of transactions and PRV*)

Figures have been restated due to the inclusion of some products. (*) PRV: Product Relative Value as a proxy of a better economic representation of units sold
Global solutions allow for a faster time to market and productivity improvements

Global delivery of solutions

- **GLOBAL MOBILE APP**
  - 75% Code reutilization
  - -50% Time-to-Market
  - -30% FTEs
  - -40% Development cost

New solutions for colleagues:

**DIGITAL WORKPLACE**

- Leads*: +29%

*Leads: originated on a digital channel but closed on any other channel. Spain and Mexico
Growth in digital and mobile customers

Digital Customers (Mn, % penetration)

Jun-16: 16.5 (33%)
Jun-17: 19.9 (39%)
Jun-18: 25.1 (46%)

Mobile Customers (Mn, % penetration)

Jun-16: 10.3 (21%)
Jun-17: 14.5 (28%)
Jun-18: 20.7 (38%)

50% tipping point of digital customers in 2018 and mobile customers in 2019
Leading customer satisfaction (NPS)

BBVA NPS (Jun-18)

#1

SPAIN
MEXICO
TURKEY
PERU
PARAGUAY
URUGUAY

#2

COLOMBIA
VENEZUELA

Best Mobile Banking App

New business models

Leveraging the FinTech ecosystem to develop our value proposition

ACQUISITIONS/INVESTMENTS
- SIMPLE
- solarisBank
- Minority stake
- Openpay
- Majority stake
- HOLVI
- Atom
- 39% stake
- MADIVA

INTERNAL VENTURES
- azlo
- denizen
- COVAULT
- muno
- tuyyo
- Upturn

VENTURE CAPITAL INVESTMENTS
- DocuSign
- coinbase
- brave
- Outpatient
- INSIGHT
- Earnest
- travelbank
- civic
- L Hippo
- PROSPER
- MIXME
Business Areas
Well diversified footprint with high growth prospects

Breakdown by Business Area

TOTAL ASSETS (Jun.18)

- €690 bn
- 64% Developed Markets

GROSS INCOME3 (1H18)

- €12.1 bn
- 38% Developed Markets

Higher Growth Prospects

2018e GDP growth (YoY, %)

- USA: +3.7%
- Mexico: +2.6%
- Spain: +2.9%
- Turkey: +3.8%

Leadership positioning

Market share (in %) and ranking7

- SPAIN #3: 13.7%
- USA (Sunbelt) #4: 6.0%
- MEXICO #1: 22.9%
- TURKEY #2: 11.0%
- S.AMERICA (ex Brazil) #1: 10.3%

Source: BBVA Research (4) USA Sunbelt GDP growth; (5) South America Footprint excludes Venezuela (6) BBVA’s footprint GDP growth: weighted by each country contribution to Group’s Gross Income

(7) Loans’ market shares except for USA (Deposits). Spain based on BoS (May.18) and ranking (Mar.18) by AEB and CECA; Mexico data as of May.18 (CNBV); S. America (May.18), ranking considering main peers in each country; USA: SNL (Jun.17) considering Texas and Alabama; Turkey: BRSA performing loans; market share among commercial banks (Jun.18) and ranking (only considers private banks) as of Mar.18.

(1) Includes the areas Banking activity in Spain and Non Core Real Estate; (2) Excludes Corporate Center; (3) Percentages exclude the Corporate Center (1H18 Gross Income of €-196Mn)
# Business Areas

## Spain  
**BANKING ACTIVITY**

<table>
<thead>
<tr>
<th>NET ATTRIBUTABLE PROFIT (1H18)</th>
<th>793 € m</th>
<th>+19.2% vs. 1H17</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPL RATIO(^1)</td>
<td>5.2%</td>
<td>vs. 5.9% 2Q17</td>
</tr>
<tr>
<td>COVERAGE RATIO</td>
<td>57%</td>
<td>vs. 53% 2Q17</td>
</tr>
</tbody>
</table>

- Loans, improving trend (+1.6% qoq)
- Core revenue growth (+1.5% yoy in 1H18): sound growth in asset management and retail banking fees
- Costs continue to decrease
- CoR better than expectations

---

## Non core real estate

<table>
<thead>
<tr>
<th>NET ATTRIBUTABLE PROFIT (1H18)</th>
<th>-36 € m</th>
<th>-80.8% vs. 1H17</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET EXPOSURE</td>
<td>-33.2%</td>
<td>vs. Jun.17</td>
</tr>
</tbody>
</table>

- 2018e net losses below €100 Mn
- Cerberus deal to reduce almost entirely our exposure to REOs\(^2\). Expected to be closed in 3Q18

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## USA  
**€ constants**

<table>
<thead>
<tr>
<th>NET ATTRIBUTABLE PROFIT (1H18)</th>
<th>387 € m</th>
<th>+51.2% vs. 1H17</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPL RATIO</td>
<td>1.2%</td>
<td>vs. 1.3% 2Q17</td>
</tr>
<tr>
<td>COVERAGE RATIO</td>
<td>93%</td>
<td>vs. 104% 2Q17</td>
</tr>
</tbody>
</table>

- Lending growth accelerating. Focus on consumer loans: +18% yoy
- NII as the main P&L driver, growing at double digit
- Positive jaws and efficiency improvement
- CoR much better than expected

---

Note: NPL and Coverage ratio of 1Q18 under IFRS9 standards, 2017 figures under IAS 39  
(1) NPL ratio exclude repos  (2) REOs: Real Estate owned assets
## Business Areas

### Mexico € constants

<table>
<thead>
<tr>
<th>NET ATTRIBUTABLE PROFIT (1H18)</th>
<th>NPL RATIO</th>
<th>COVERAGE RATIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,208 € m</td>
<td>2.0%</td>
<td>155%</td>
</tr>
<tr>
<td>+21.2% vs. 1H17</td>
<td>vs. 2.3% 2Q17</td>
<td>vs. 126% 2Q17</td>
</tr>
</tbody>
</table>

**Loan growth** accelerates yoy to +8.6%

**NII growth** at high single digit

**Positive operating jaws** and efficiency improvement

**CoR** significantly better than expected

### Turkey € constants

<table>
<thead>
<tr>
<th>NET ATTRIBUTABLE PROFIT (1H18)</th>
<th>NPL RATIO</th>
<th>COVERAGE RATIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>373 € m</td>
<td>4.5%</td>
<td>76%</td>
</tr>
<tr>
<td>+25.6% vs. 1H17</td>
<td>vs. 2.5% 2Q17</td>
<td>vs. 135% 2Q17</td>
</tr>
</tbody>
</table>

**Loans**: TL loan portfolio growing at double digits (+15.5% yoy) and FC loan -8.4% yoy

**Solid Core revenue growth**: +21% yoy in 1H18

**Opex** growing below inflation

**Asset quality** impacted by IFRS9 negative macro adjustment

### South America € constants

<table>
<thead>
<tr>
<th>NET ATTRIBUTABLE PROFIT (1H18)</th>
<th>NPL RATIO</th>
<th>COVERAGE RATIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>452 € m</td>
<td>3.7%</td>
<td>91%</td>
</tr>
<tr>
<td>+30.6% vs. 1H17</td>
<td>vs. 3.5% 2Q17</td>
<td>vs. 94% 2Q17</td>
</tr>
</tbody>
</table>

**Lending growth** at double digits, with retail segments as main driver

**Core revenues** growing at mid-teens

**Positive jaws** and improving efficiency

**CoR** better than expected

---

Note: NPL and Coverage ratio of 1Q18 under IFRS9 standards, 2017 figures under IAS 39
CIB – 1H18 Results

**Business activity**
(constant €, % YtD)

<table>
<thead>
<tr>
<th>LENDING</th>
<th>59 €bn</th>
<th>+6.6%</th>
</tr>
</thead>
<tbody>
<tr>
<td>CUSTOMER FUNDS</td>
<td>39 €bn</td>
<td>-12.0%</td>
</tr>
</tbody>
</table>

**Client’s revenue**
(constant €, % YoY)

<table>
<thead>
<tr>
<th>GROSS INCOME</th>
<th>1,520 €m</th>
<th>-2.1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATING INCOME</td>
<td>1,007 €m</td>
<td>-3.3%</td>
</tr>
<tr>
<td>NET ATTRIBUTABLE PROFIT</td>
<td>597 €m</td>
<td>-2.0%</td>
</tr>
</tbody>
</table>

Recovery in lending volume specially in Mexico and Argentina

Maintenance of customer income levels thanks to the good performance of the commercial activity

Good performance in net interest margin, flat evolution in costs and lower provisions partially offset by lower revenues in GM set off lower results than previous year

(1) Client’s revenue / Gross income
BBVA had significant growth since 1995
More than 160 years of history

1995
- Banco Continental (Peru)
- Probursa (México)
- Banco Ganadero (Colombia)
- Bancos Cremi and Oriente (Mexico)
- Banco Francés (Argentina)

1996
- Banco Provincial (Venezuela)
- B.C. Argentino (Argentina)
- Poncebank (Puerto Rico)
- Banco Excel (Brazil)
- Banco BHIF (Chile)

1997
- Provida (Chile)
- Consolidar (Argentina)

1998
- Bancomer (Mexico)
- Valley Bank (USA)
- Laredo (USA)
- Public takeover offer for Bancomer (Mexico)

1999
- Granahorrar (Colombia)
- Hipotecaria Nacional (Mexico)
- Texas Regional Bancshares (USA)
- Forum Servicios Financieros (Chile)
- State National Bancshares (USA)
- CITIC (China)
- Compass (USA)
- Extended CITIC agreement (China)
- Guaranty Bank (USA)
- New extension CITIC agreement (China)
- Turkiye Garanti Bankasi (Turkey)
- Extension of Forum SF agreement (Chile)
- Credit Uruguay (Uruguay)
- Sale of (Puerto Rico)
- Unnim Banc (Spain)
- Sale of (Panama)
- Sale of pension business in (Latam)
- Sale of CNCB’s 5.1% (China)

1996
- 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)
- Holvi (Finland)
- Sale of CNCB’s 1.12% (China)
- Sale of GarantiBank Moscow AO (Moscow)
- OpenPay (Mexico)

1997
- Sale of CNCB (China)
- Acquisition of an additional stake in Turkiye Garanti Bankası of 9.95% (Turkey)
- Agreement for the sale of the stake in BBVA Chile to The Bank of Nova Scotia (Chile)
- Agreement with Cerberus to transfer the Real Estate Business (Spain)
Organizational chart

CEO
Carlos Torres Vila

GROUP EXECUTIVE CHAIRMAN
Francisco González

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

NEW CORE COMPETENCIES
- Customer Solutions
  - Derek White
- Talent & Culture
  - Ricardo Forcano
- Engineering
  - Ricardo Moreno
- Data
  - 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.