



BBVA Creating
Opportunities

3Q18 Results

October 30th, 2018

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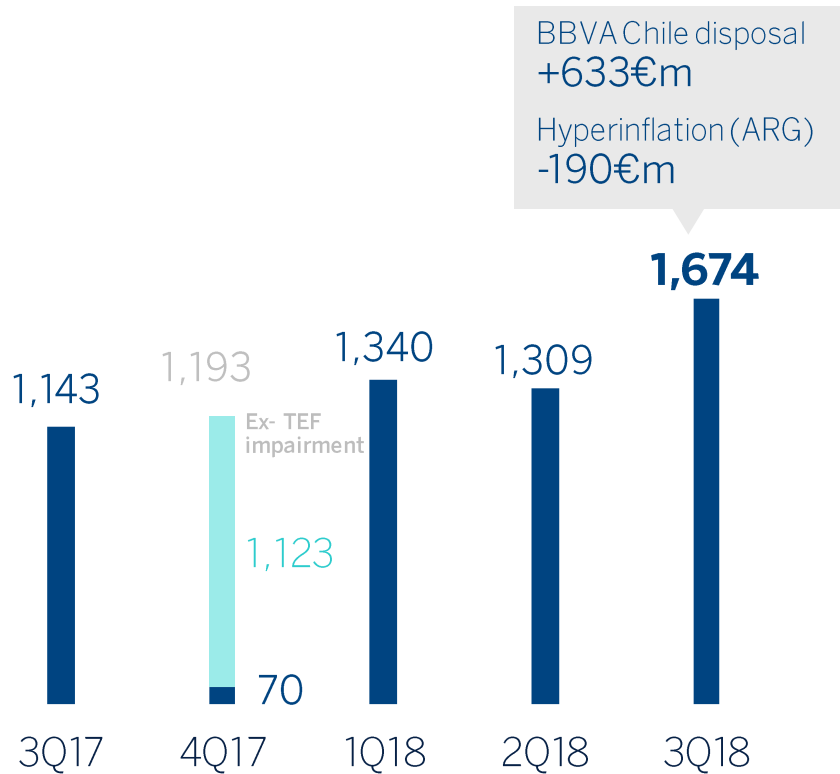
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Strong Results in the Quarter

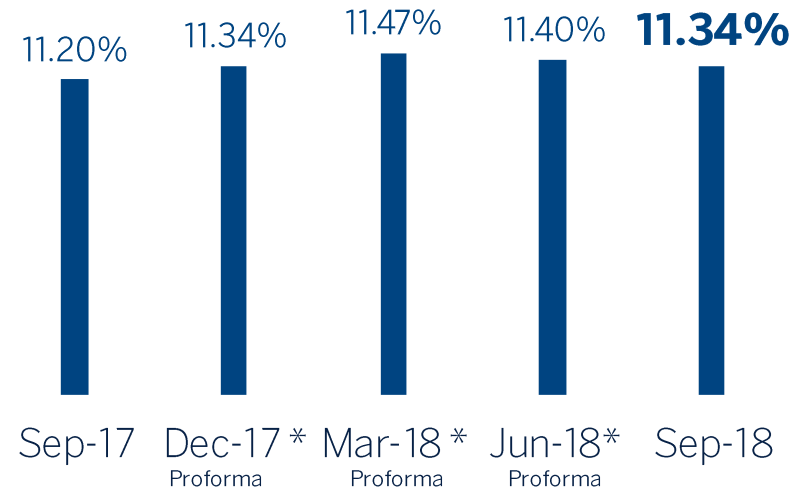
Net Attributable Profit

Quarterly evolution (€m)



CET1 fully-loaded – BBVA Group

Quarterly evolution (%)



(*) Data proforma includes IFRS9 full impact (-31bps) and the impact from corporate transactions (sale of BBVA Chile closed on July 6th and RE Assets to Cerberus closed on Oct.10th) which amounts to +57bps as of Dec17 and Mar18 and +55bps as of Jun18

3Q18 Highlights

01 Strong core revenue growth

NII + Fees (€constant)
+11.9% vs. 3Q17

02 Delivery in efficiency

Efficiency
49.6% **-52 bps** vs. 12M17 (constant)

03 Accelerating our transformation

Digital Sales (units) 39.5% Sep-18 YtD	Mobile customers 21.7m +37% Sep-18 vs. Sep-17
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04 Sound risk indicators

NPL ratio 4.1% -46 bps vs. 3Q17	Coverage ratio 73% +99 bps vs. 3Q17	CoR 0.90% -4 bps vs. 9M17
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05 Solid capital position, above target

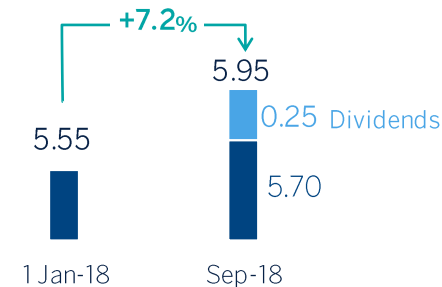
CET 1 FL
11.34% **-6 bps** vs. 2Q18

06 Focus on shareholder value

ROE
12.2% Sep-18

ROTE
14.8% Sep-18

TBV/Share + Shareholders remuneration



3Q18 Profit & Loss

BBVA Group (€m)	3Q18	Change 3Q18/3Q17	
		%	% constant
Net Interest Income	4,256	-3.2	13.3
Net Fees and Commissions	1,161	-7.0	6.8
Net Trading Income	200	-42.4	-27.2
Other Income & Expenses	-94	n.s.	n.s.
Gross Income	5,522	-10.8	4.8
Operating Expenses	-2,779	-9.6	3.3
Operating Income	2,743	-11.9	6.4
Impairment on Financial Assets	-1,018	4.2	16.5
Provisions and Other Gains and Losses	-157	-0.1	13.6
Income Before Tax	1,569	-20.8	0.5
Income Tax	-428	-22.1	-2.4
Non-controlling Interest	-100	-65.2	-28.4
Net Attributable Profit ex-Corp. Ops.	1,040	-9.0	8.3
Corporate Operations Income	633	n.s.	n.s.
Net Attributable Profit	1,674	46.4	70.5

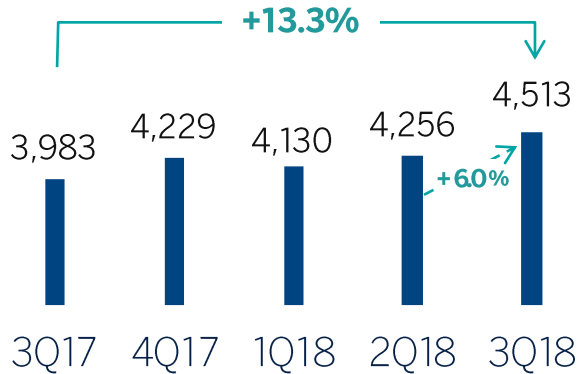
9M18 Profit & Loss

BBVA Group (€m)	9M18	Change 9M18/9M17	
		%	% constant
Net Interest Income	12,899	-2.3	10.2
Net Fees and Commissions	3,653	-1.4	9.4
Net Trading Income	907	-35.9	-31.2
Other Income & Expenses	136	-76.7	-73.7
Gross Income	17,596	-6.9	4.3
Operating Expenses	-8,721	-7.1	2.7
Operating Income	8,875	-6.8	5.8
Impairment on Financial Assets	-2,629	-9.9	-1.2
Provisions and Other Gains and Losses	-234	-60.3	-58.9
Income Before Tax	6,012	0.0	16.6
Income Tax	-1,641	-1.7	12.8
Non-controlling Interest	-682	-23.9	0.4
Net Attributable Profit ex-Corp. Ops.	3,689	7.0	22.0
Corporate Operations Income	633	n.s.	n.s.
Net Attributable Profit	4,323	25.3	43.0

Strong Core Revenue Growth

Net Interest Income

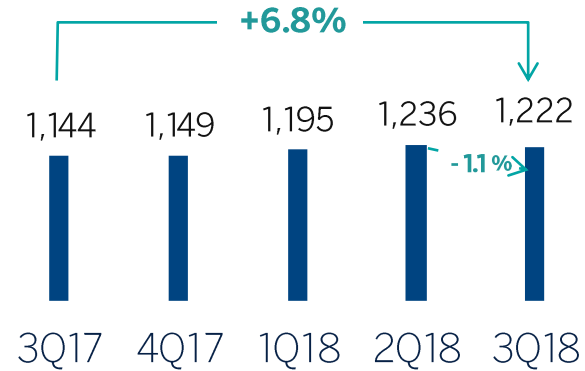
(€m constant)



Excellent quarter

Net Fees and Commissions

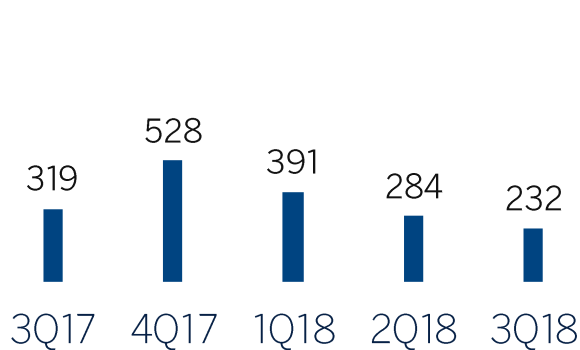
(€m constant)



Good trend impacted by seasonality in the quarter

Net Trading Income

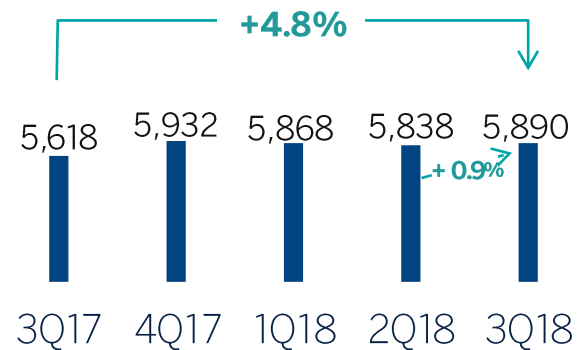
(€m constant)



LowerALCO sales & Global Markets results

Gross Income

(€m constant)

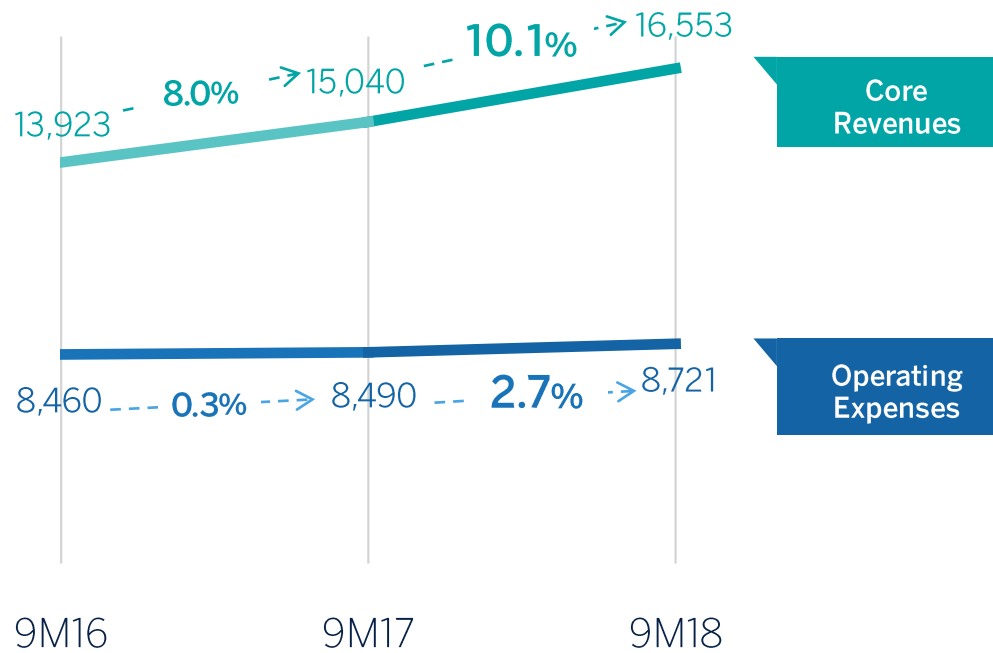


Core revenue growth partially offset by hyperinflation adjustment in Argentina

Delivery in efficiency

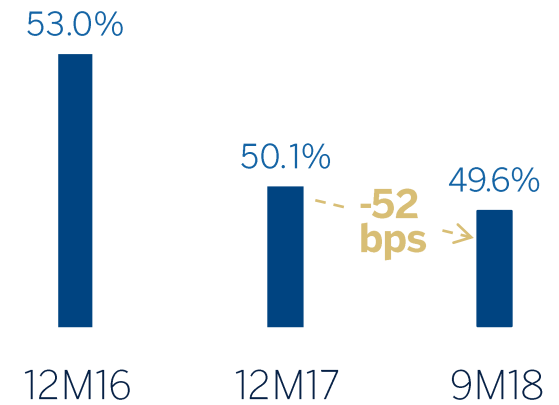
Group Operating Jaws

(YoY(%); (€ constant))



Efficiency Ratio

(€ constant)

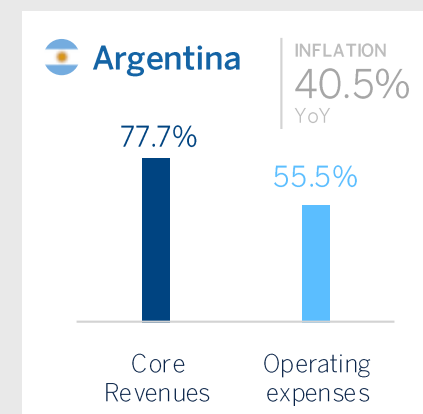
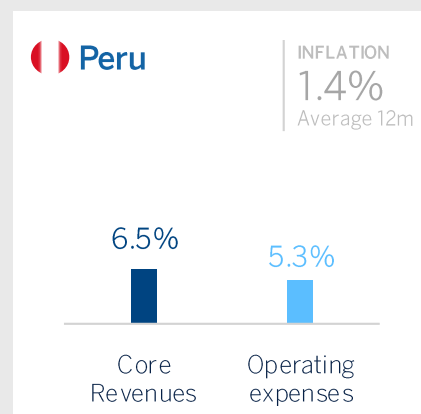
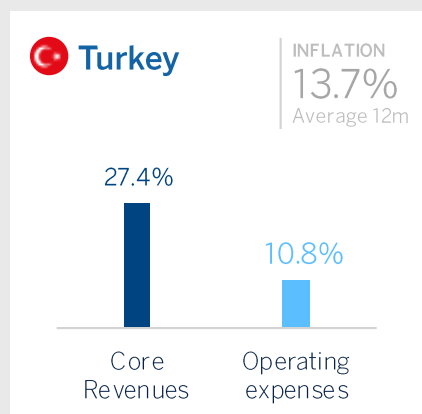
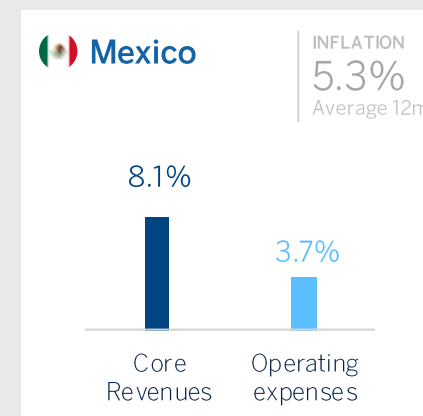
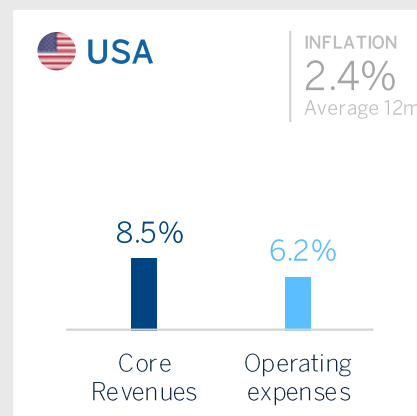
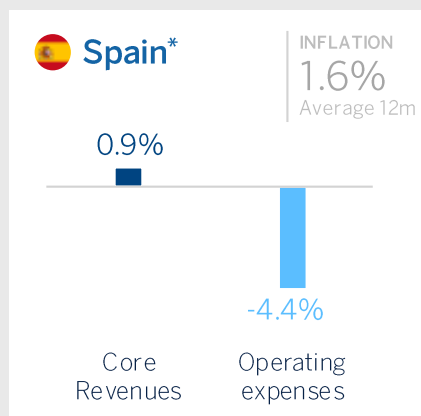


Widening operating jaws and efficiency improvement

Positive jaws in all geographies

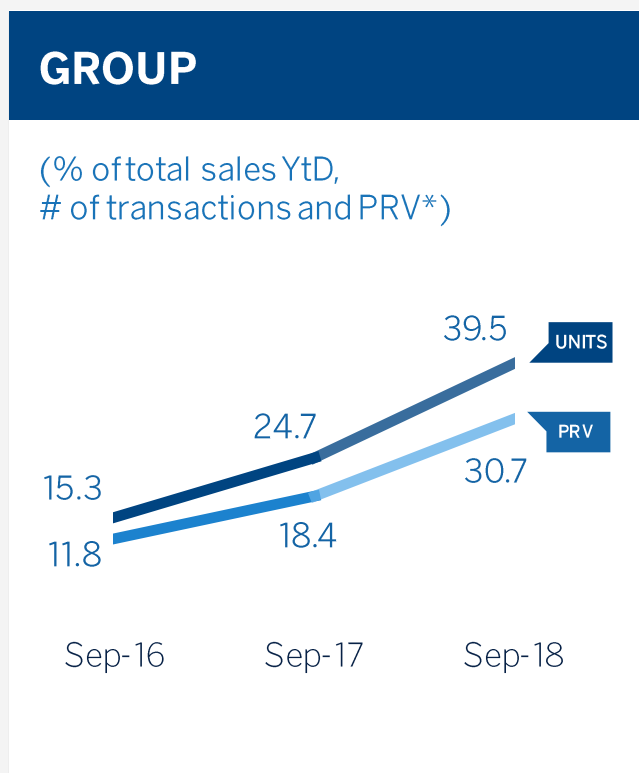
Operating Jaws Breakdown

(YoY (%); (€ constant))



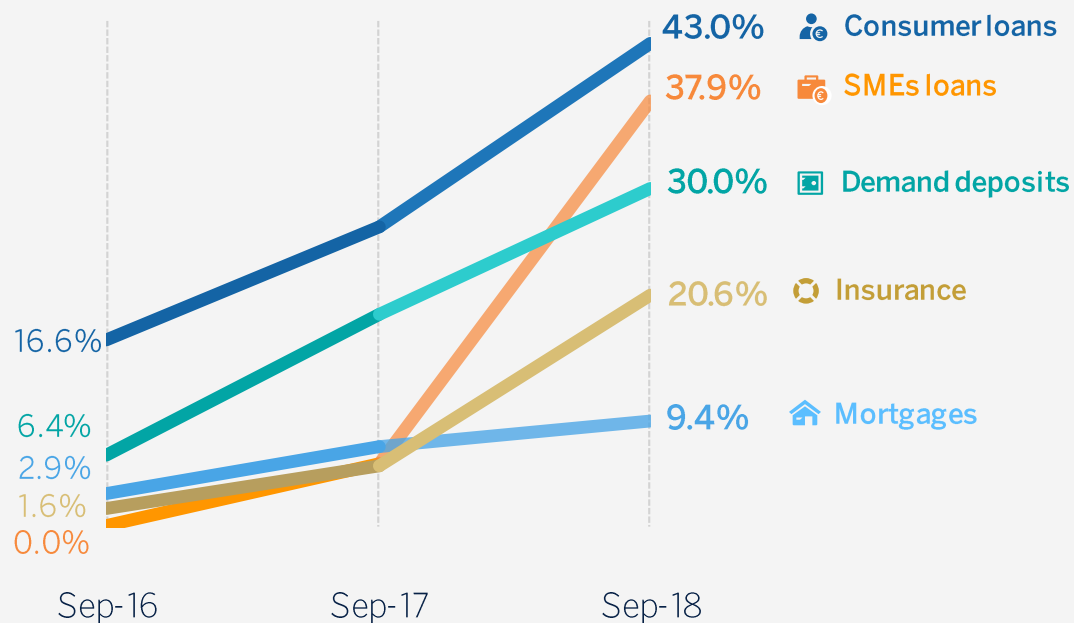
(*) Spain includes banking and non-core real-estate activities

Outstanding trend in digital sales across the board



Digital sales by product

(% of total sales YtD, PRV*)

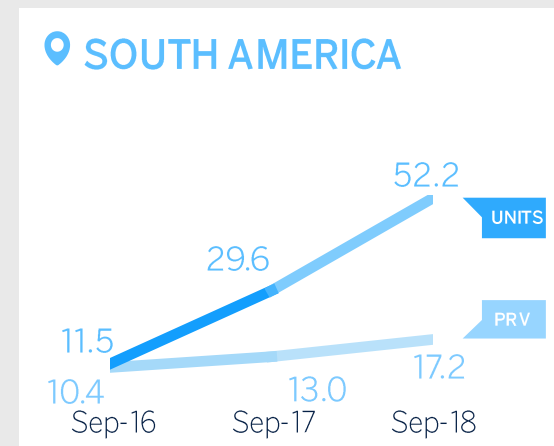
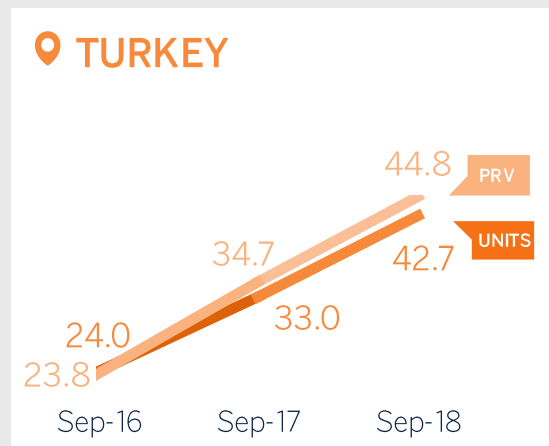
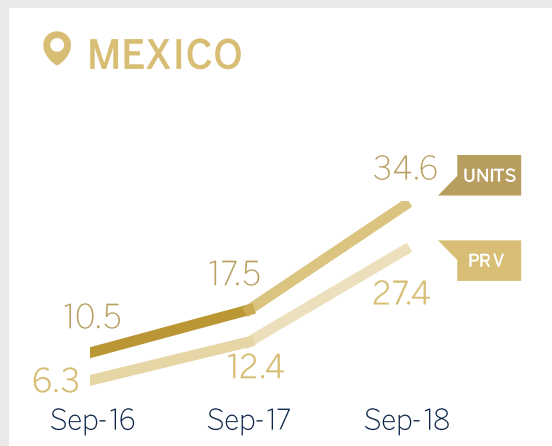
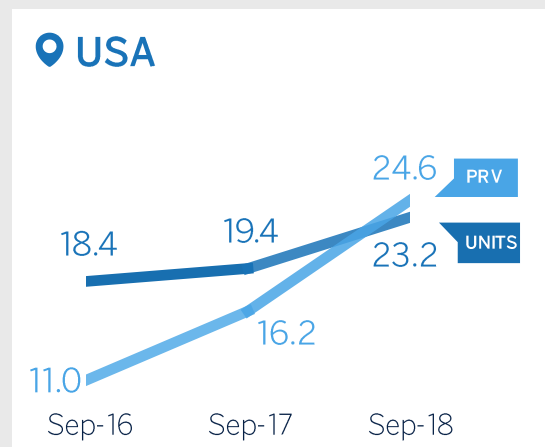
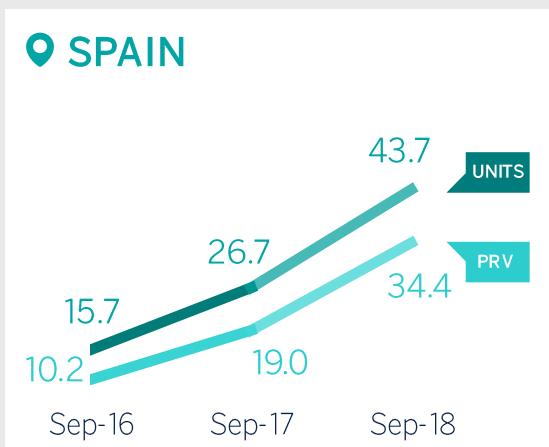


Figures have been restated due to the inclusion of additional products

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

Positive performance in digital sales in all markets

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

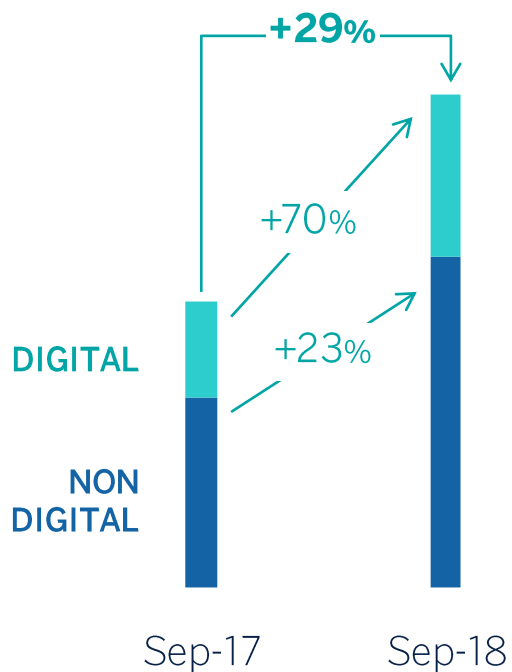


Figures have been restated due to the inclusion of additional products
(*) Product Relative Value as a proxy of a better economic representation of units sold

Digital sales unlock additional revenues and clients growth

Global FX Revenue

(€, YtD)



Users of BBVA FX digital platforms

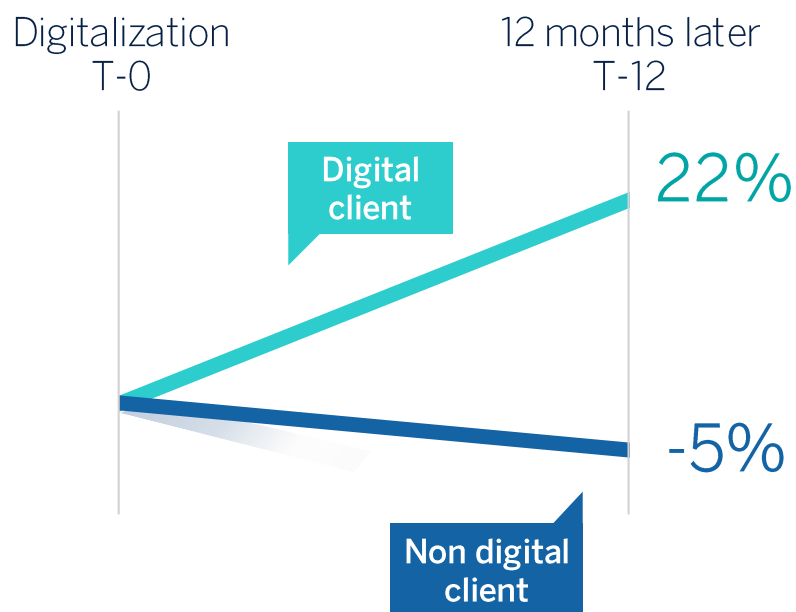
(Sep-18 vs Sep-17)



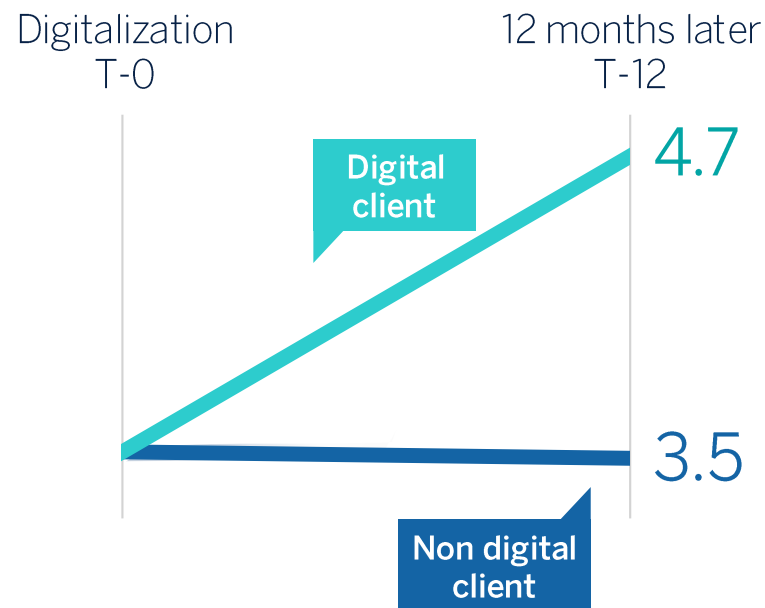
Digitalization also drives engagement

Evolution after client digitalization (Example Spain)

Revenue per client



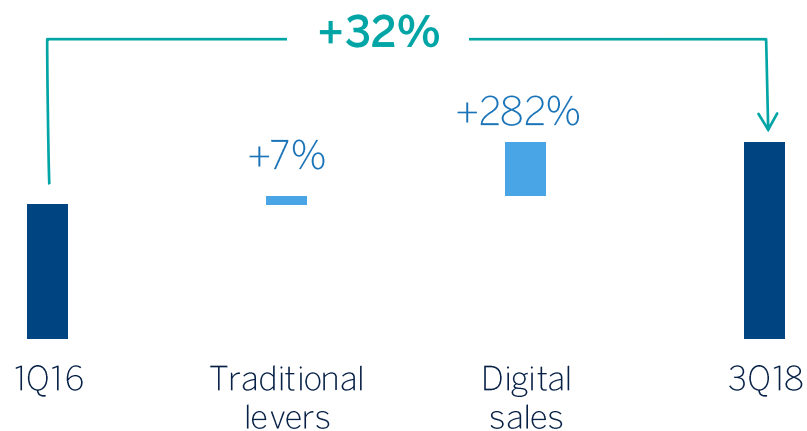
Number of products



Transformation enables higher sales with less commercial efforts

Example Mexico

Growth in PRV* sales

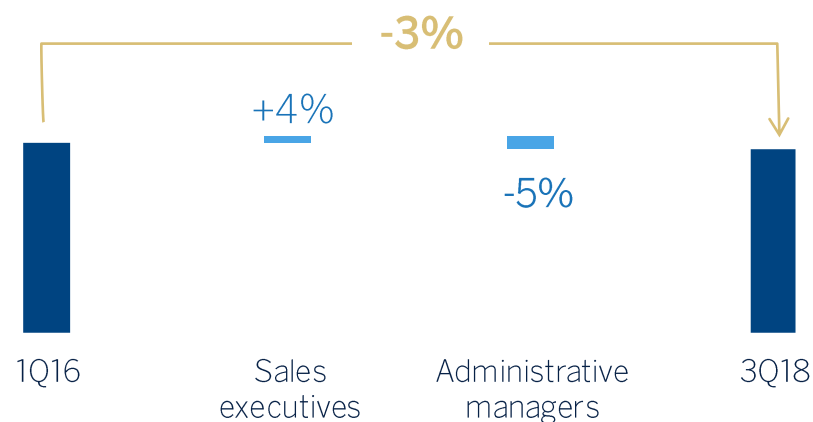


ABOVE THE GLASS



BELOW THE GLASS

Efficiency (FTEs evolution)

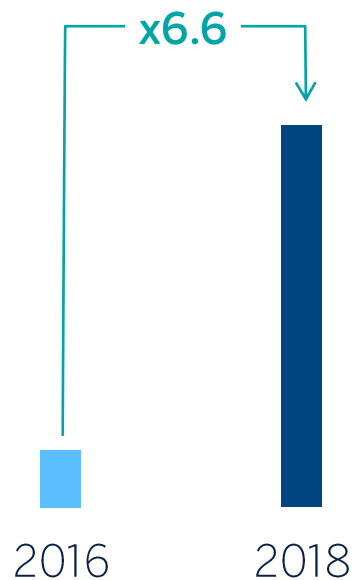


(*) Product Relative Value as a proxy of a better economic representation of units sold

New creation model also leads to efficiency gains

Speed

 Features per developer/month



Reusability

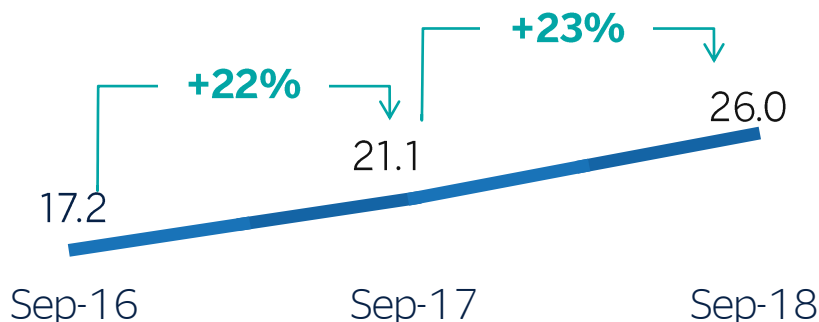
FX DIY program execution (front-to-back)



Growth in digital and mobile customers

Digital Customers

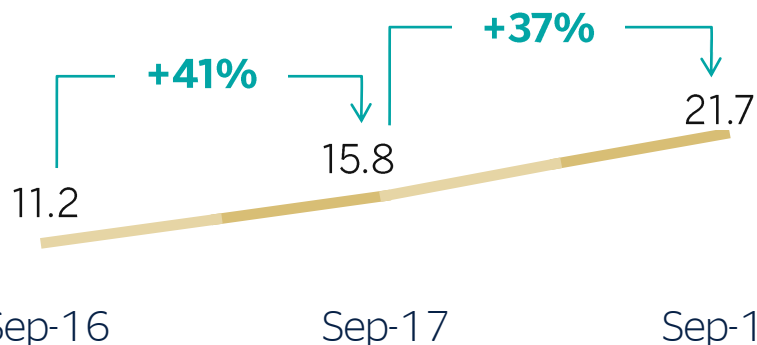
(Mn, % penetration)



PENETRATION	Sep-16	Sep-17	Sep-18
	35%	42%	49%

Mobile Customers

(Mn, % penetration)



PENETRATION	Sep-16	Sep-17	Sep-18
	23%	31%	41%



**Leading
in our footprint**

BBVA ranked 1st
in mobile banking
penetration in the US market

Source: comScore

Peers: Bank of America, BB&T, Capital One, Chase, Citibank, HSBC, Key Bank, PNC Bank, Sun Trust, US Bank, USAA, Wells Fargo, Credit Union

Best in class in Mobile Banking App

The Forrester Banking Wave

Global Banking App Ranking 2018

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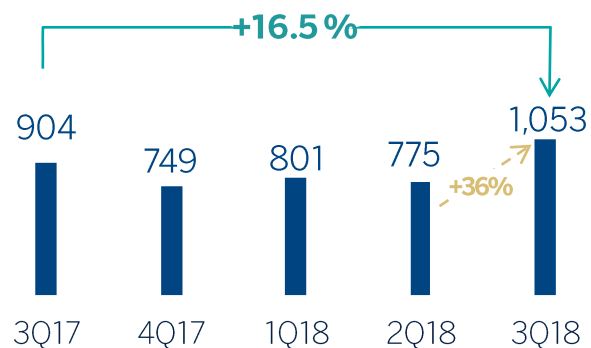


- # 1 **BBVA** Spain App
 - # 2 **BBVA** Turkey App
 - # 3 ...
 - # 4 ...
 - # 5 ...
 - # ...
- Other banks

Sound risk indicators¹

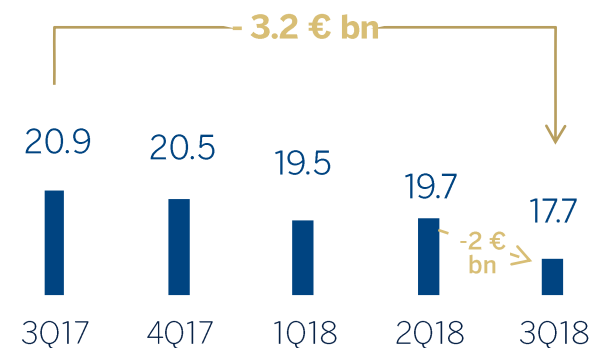
Financial Asset Impairments²

(€m constant)



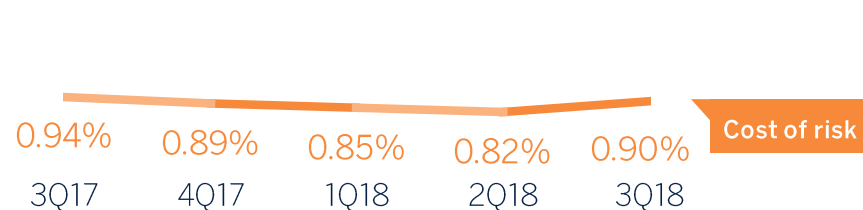
NPLs

(€bn)



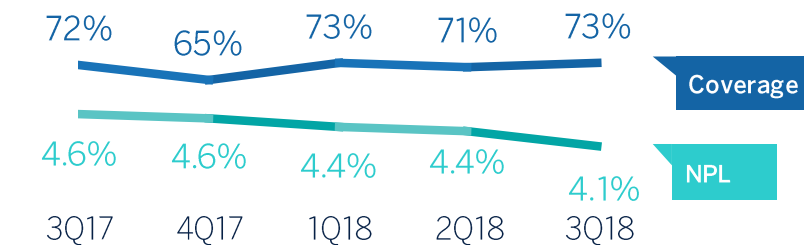
Cost of risk

YtD (%)



NPL & Coverage ratios

(%)



(1) Data as of 9M18 under IFRS9 standards, 2017 figures under IAS 39

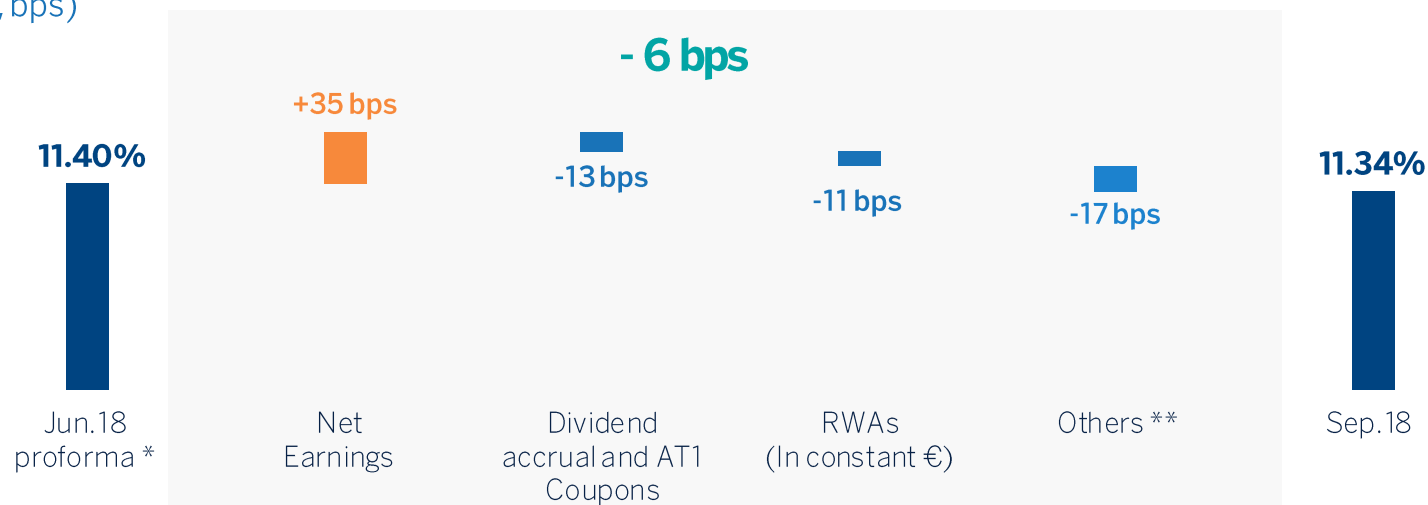
(2) Ex- Telefónica impairment in 4Q17

Positive trend in NPLs reduction

Solid capital position

CET1 fully-loaded - BBVA Group

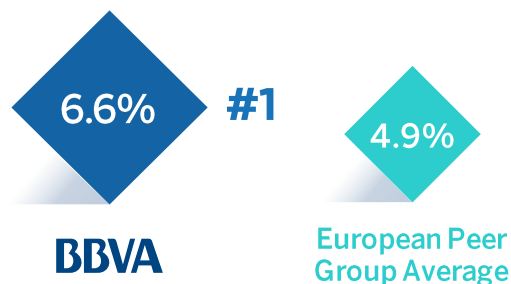
Evolution (% , bps)



(*) Data proforma Jun.18 includes IFRS9 full impact (-31bps) and +55 bps from corporate transactions, both already closed (sale of BBVA Chile closed on July 6th, and RE Assets to Cerberus on Oct 10th).
 (**) Others includes mainly market related impacts (FX impact and mark to market of AFS portfolios).

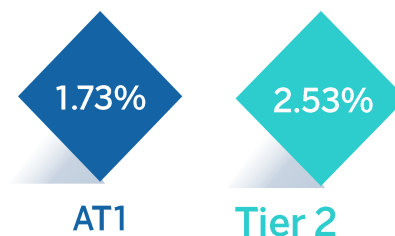
High quality capital

Leverage ratio fully-loaded (%)

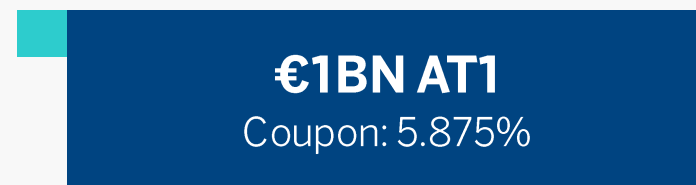


AT1 and Tier 2 buckets already covered

Sep-18, Fully loaded (%)



Successful Issue of AT1 Securities

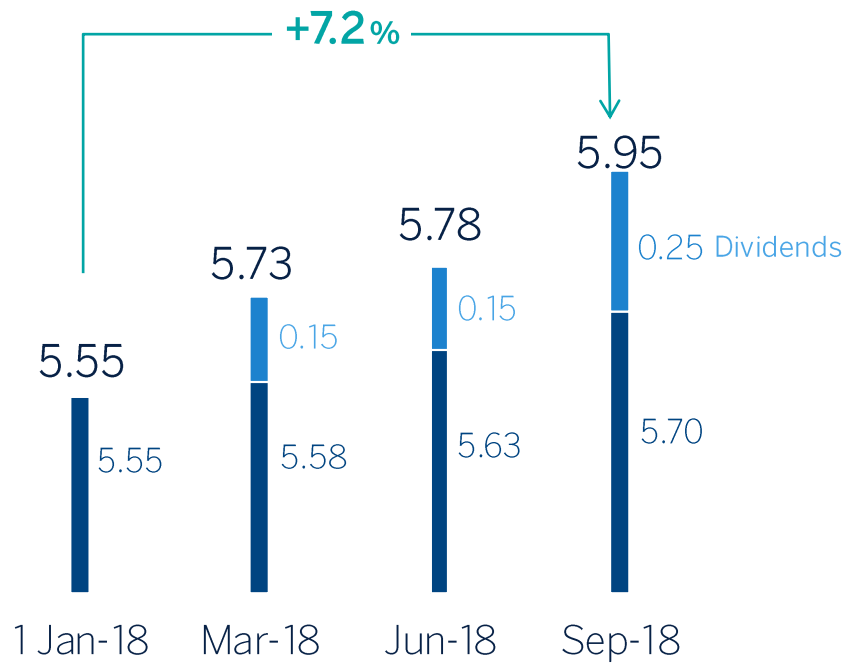


Not included in Sep-18 Ratios
(Issued on 18th Sep-18)

Focus on shareholder value

TBV per Share & Shareholder Remuneration

(€ per Share)



ROE and ROTE¹



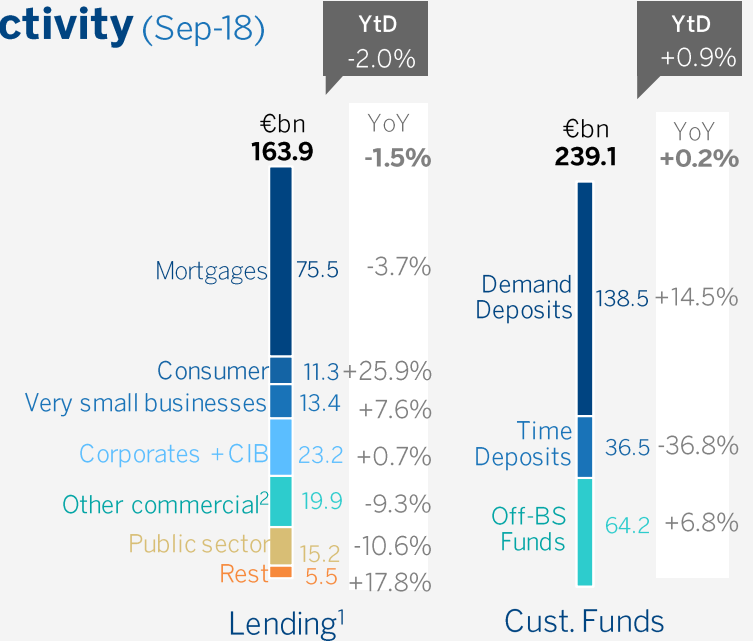
(1) Ex- corporate operations

Business Areas

Spain Banking Activity

Profit & Loss (€m)	3Q18	Δ (%) vs 3Q17	9M18	Δ (%) vs 9M17
Net Interest Income	912	-1.6	2,749	-1.5
Net Fees and Commissions	418	6.9	1,268	8.0
Net Trading Income	36	-51.9	318	-19.2
Other Income & Expenses	100	-28.8	182	-51.5
Gross Income	1,466	-4.4	4,516	-4.6
Operating Expenses	-811	-3.6	-2,455	-4.0
Operating Income	656	-5.4	2,061	-5.3
Impairment on Financial Assets	-106	-15.8	-281	-34.5
Provisions & other gains (losses)	-86	97.5	-207	-28.7
Income Before Tax	463	-11.5	1,574	7.9
Income Tax	-89	-32.9	-404	0.9
Net Attributable Profit	374	-4.2	1,167	10.5

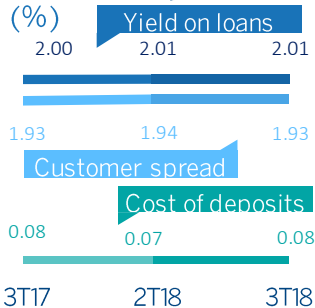
Activity (Sep-18)



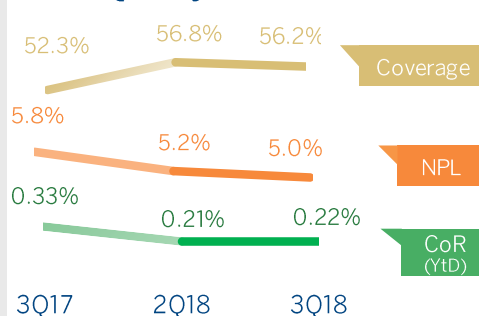
(1) Performing loans under management. (2) In 2Q18, €1.5Bn have been reclassified to Corporates+CIB
Note: Activity excludes repos

Key Ratios

Customer Spread



Asset Quality ratios¹

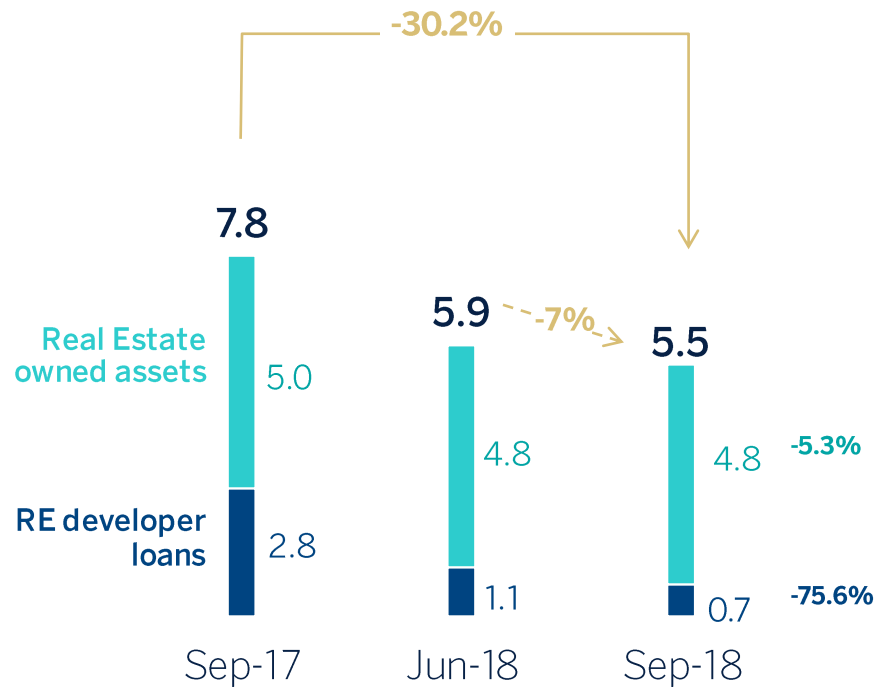


- Loans: continued growth in most profitable retail segments.
- Core revenue growth (+1.3% yoy in 9M18): sound growth in asset management and retail banking fees.
- Costs continue to go down.
- Asset quality: NPLs -€546 Mn qoq, CoR < 30 bps.

Non Core Real Estate

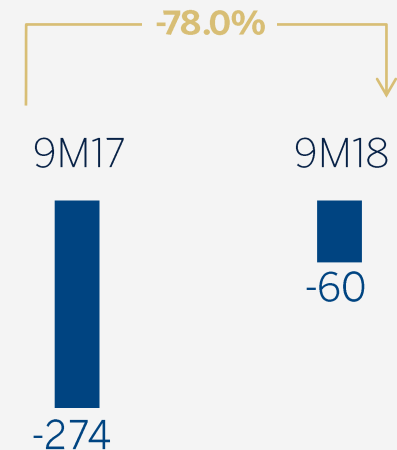
Net exposure

(€bn)



Net attributable profit

(€m)

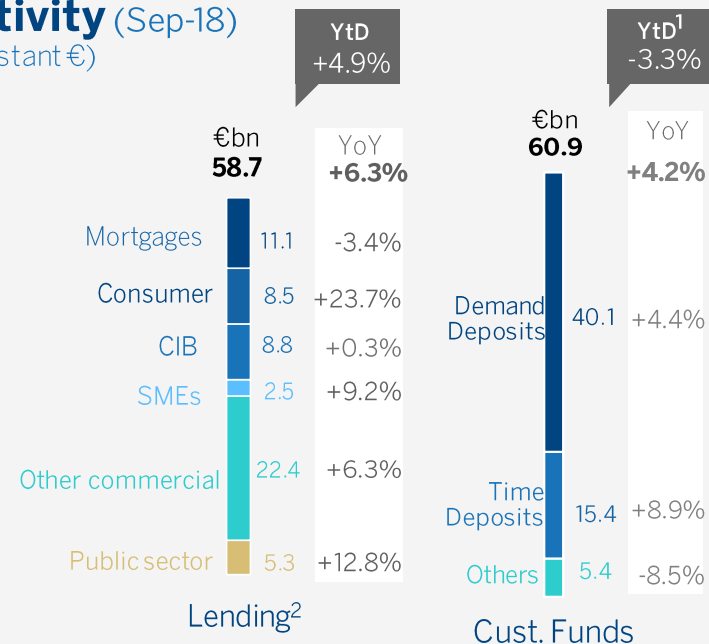


- ▲ **In line to meet year-end guidance:** 2018e Net losses below €100 Mn
- ▲ **Net exposure decrease:** -7% qoq mainly due to loan portfolio sales
- ▲ **Cerberus transaction closed** in October 2018

USA

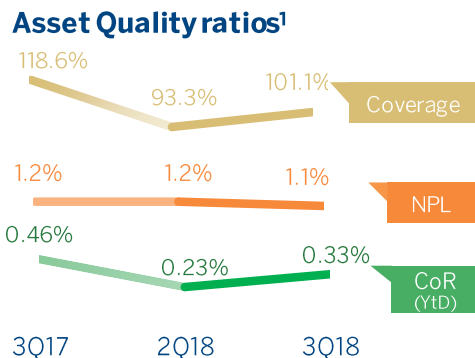
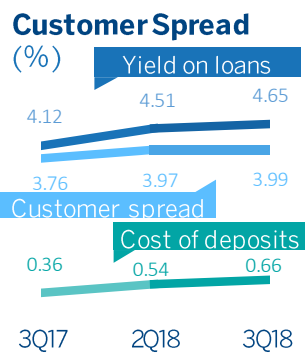
Profit & Loss (constant €m)	3Q18	Δ (%) vs 3Q17	9M18	Δ (%) vs 9M17
Net Interest Income	569	12.1	1,665	12.0
Net Fees and Commissions	143	-8.3	448	-2.9
Net Trading Income	20	-13.4	69	-6.5
Other Income & Expenses	-5	n.s.	0	-99.0
Gross Income	727	6.0	2,182	9.1
Operating Expenses	-470	7.4	-1,373	6.2
Operating Income	257	3.4	810	14.3
Impairment on Financial Assets	-74	-8.5	-138	-25.1
Provisions & other gains (losses)	2	-113.8	14	-181.7
Income Before Tax	185	18.7	686	35.0
Income Tax	-35	-3.7	-145	11.1
Net Attributable Profit	149	25.7	541	43.2

Activity (Sep-18) (constant €)



(1) In 3Q18, 1.4bn€ reclassified outside customer funds. Excluding this reclass., YTD -1.1%.
(2) Performing loans under management. Note: Activity excludes repos

Key Ratios



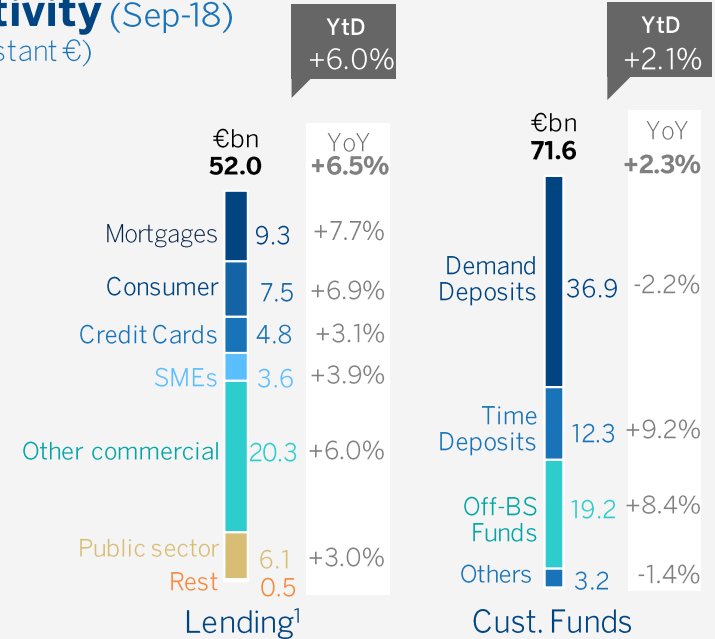
- **Loans:** improving trend across the board. Continued focus on consumer loans: +24% yoy.
- **NII** growth at double digits, main P&L driver.
- **Costs** growth due to higher commercial activity. Positive jaws maintained.
- **Asset quality:** provision normalization after releases in 1H18. Significant increase in coverage ratio.
- **Strengthening our retail franchise**, boosting profitability.

(1) Data as of 2018 under IFRS9 standards, 2017 figures under IAS 39.

Mexico

Profit & Loss (constant €m)	3Q18	Δ (%) vs 3Q17	9M18	Δ (%) vs 9M17
Net Interest Income	1,421	9.2	4,110	8.3
Net Fees and Commissions	302	5.4	900	7.3
Net Trading Income	53	-10.3	199	19.3
Other Income & Expenses	46	54.2	131	-7.0
Gross Income	1,823	8.7	5,340	8.0
Operating Expenses	-598	2.4	-1,759	3.7
Operating Income	1,225	12.1	3,581	10.3
Impairment on Financial Assets	-337	-16.5	-1,055	-9.9
Provisions & other gains (losses)	-22	n.s.	32	n.s.
Income Before Tax	866	25.6	2,558	23.8
Income Tax	-242	27.3	-707	27.4
Net Attributable Profit	624	24.9	1,851	22.5

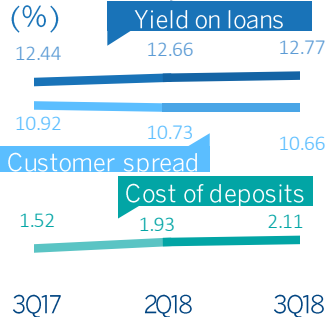
Activity (Sep-18) (constant €)



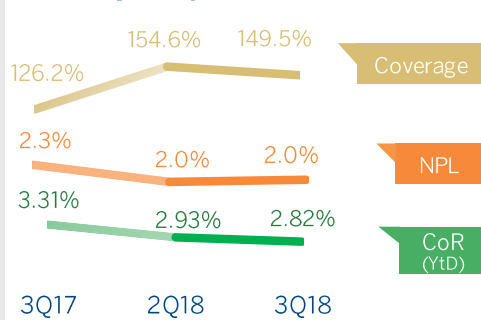
(1) Performing loans under management. Note: Activity excludes repos.

Key Ratios

Customer Spread (%)



Asset Quality ratios¹



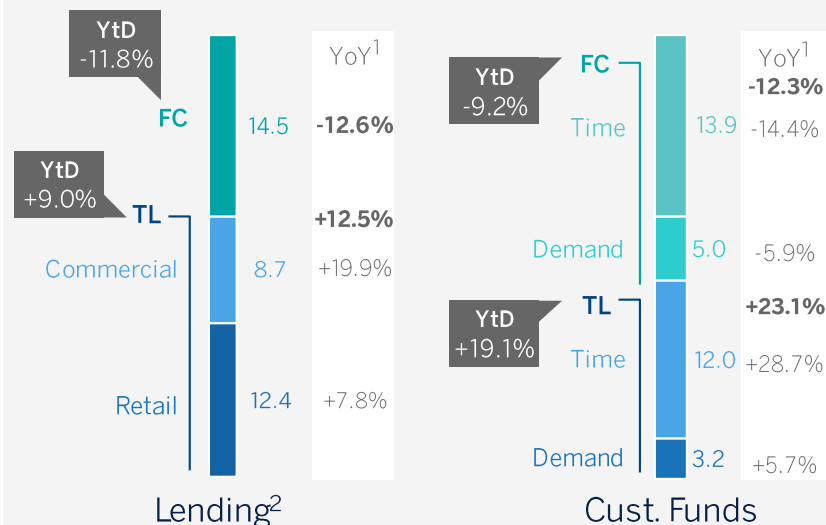
- **NII** growing at high single digit, in line with expectations.
- **Loans:** mortgages and consumer loans, the main growth drivers in 3Q.
- Widening **operating jaws** and improving efficiency
- **Asset quality:** strong asset quality metrics. CoR better than expected
- **Bottom line** growth > 20%, above expectations.

(1) Data as of 2018 under IFRS9 standards, 2017 figures under IAS 39.

Turkey

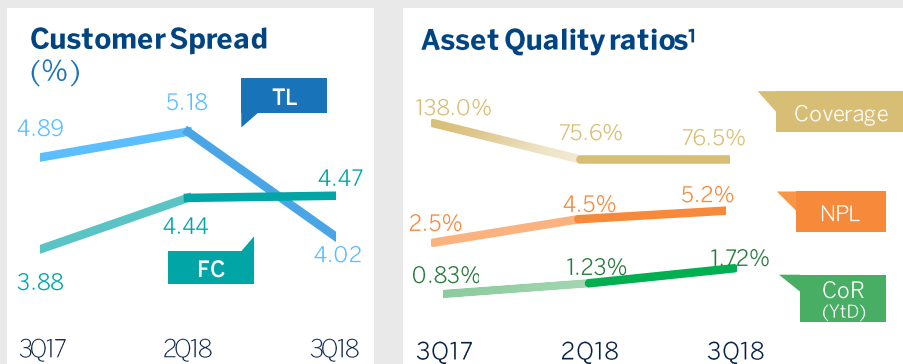
Profit & Loss (constant €m)	3Q18	Δ (%) vs 3Q17	9M18	Δ (%) vs 9M17
Net Interest Income	845	42.9	2,204	26.4
Net Fees and Commissions	181	30.6	515	32.0
Net Trading Income	28	197.5	31	99.8
Other Income & Expenses	16	-12.1	51	39.0
Gross Income	1,069	41.2	2,801	28.1
Operating Expenses	-304	10.3	-914	10.8
Operating Income	765	58.9	1,887	38.6
Impairment on Financial Assets	-354	n.s.	-638	149.5
Provisions & other gains (losses)	-14	-36.0	17	n.s.
Income Before Tax	397	6.0	1,267	15.4
Income Tax	-89	10.0	-278	24.1
Non-controlling interest	-157	5.3	-501	8.8
Net Attributable Profit	152	4.4	488	18.1

Activity Bankonly (Sep-18) (constant €)



(1) FC evolution excluding FX impact. (2) Performing loans under management.
Note: Activity excludes repos

Key Ratios



(1) Data as of 2018 under IFRS9 standards, 2017 figures under IAS 39.

- Loans: TL loan growth slowdown given lower economic growth and higher rates. FC loans continue to decrease.
- Deposits: movement from USD to TL deposits due to higher interest rates.
- Customer spread: significant increase in TL funding costs
- NII growth acceleration due to a higher contribution from CPI linkers
- Opex growth below inflation
- Asset quality: higher CoR explained by IFRS9 macro impact and large tickets in the commercial portfolio.

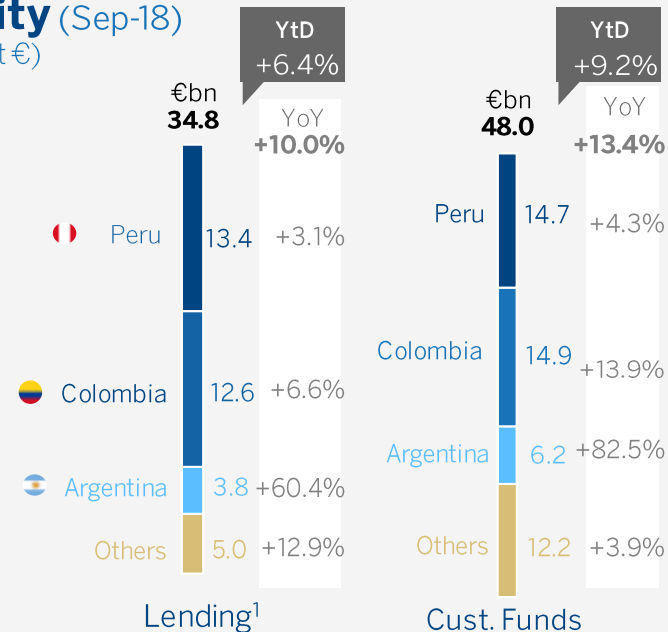
South America

Net attributable profit (constant €m)	9M18	Δ (%) vs 9M17 ⁽¹⁾
Colombia	181	43.1
Peru	128	5.7
Argentina	-2	-101.1
BBVA Chile	65	-26.2
Other ²	95	0.4
Net attributable profit S.America	467	-21.2

(1) Argentina and Venezuela in current€.

(2) Other includes BBVA Forum, Paraguay, Uruguay, Venezuela and Bolivia

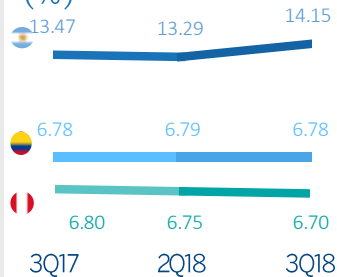
Activity (Sep-18) (constant €)



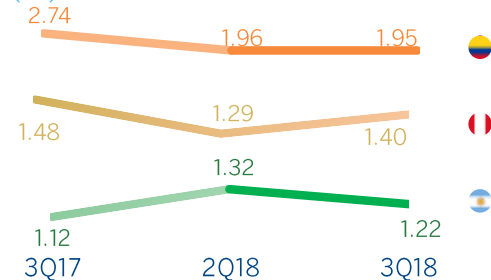
(1) Excluding BBVA Chile. (2) Performing loans under management. Note: Activity excludes repos.

Key Ratios

Customer Spread (%)



Cost of Risk YtD (%)



(1) Data as of 2018 under IFRS9 standards, 2017 figures under IAS 39.

- **Colombia:** loan growth biased towards retail portfolios. Bottom line growth (+43% yoy) explained by lower provisions (9M17 impacted by a large ticket).
- **Peru:** NII as the main P&L driver, thanks to a more profitable loan mix (retail portfolios+14%) and lower funding costs.
- **Argentina:** loan growth slowdown due to the economic environment. Customer spread improvement due to higher rates. Stable asset quality.

Final Remarks

01

Solid set of results, supported by core revenues

02

Digital leading to growth and efficiency gains

03

Sound and resilient capital position

04

Growing tangible book value despite difficult market environment

**Focus on
shareholder value**

Annex

- 01 Customer Spread by Country
- 02 Gross Income Breakdown
- 03 Net Attributable Profit Evolution
- 04 P&L Accounts by Business Unit
- 05 Hyperinflation adjustment in Argentina P&L Account
- 06 ALCO Portfolio and Liquidity Coverage Ratios (LCRs)
- 07 Garanti: wholesale funding
- 08 Capital and RWA
- 09 Book Value of the Main Subsidiaries



01

Customer Spread by Country

Customer Spreads: Quarterly Evolution

Average

	3Q17	4Q17	1Q18	2Q18	3Q18
Spain	1.93%	1.93%	1.94%	1.94%	1.93%
Yield on Loans	2.00%	2.00%	2.01%	2.01%	2.01%
Cost of Deposits	-0.08%	-0.07%	-0.07%	-0.07%	-0.08%
USA	3.76%	3.75%	3.86%	3.97%	3.99%
Yield on Loans	4.12%	4.16%	4.31%	4.51%	4.65%
Cost of Deposits	-0.36%	-0.41%	-0.45%	-0.54%	-0.66%
Mexico MXN	11.81%	12.05%	12.06%	11.89%	11.80%
Yield on Loans	13.68%	14.02%	14.20%	14.20%	14.29%
Cost of Deposits	-1.87%	-1.98%	-2.14%	-2.30%	-2.49%
Mexico FC¹	3.47%	3.68%	3.93%	4.06%	4.10%
Yield on Loans	3.53%	3.76%	4.02%	4.20%	4.26%
Cost of Deposits	-0.07%	-0.08%	-0.09%	-0.14%	-0.15%

	3Q17	4Q17	1Q18	2Q18	3Q18
Turkey TL	4.89%	4.90%	4.94%	5.18%	4.02%
Yield on Loans	13.75%	14.06%	14.55%	15.14%	17.19%
Cost of Deposits	-8.86%	-9.16%	-9.62%	-9.96%	-13.17%
Turkey FC¹	3.88%	4.04%	4.16%	4.44%	4.47%
Yield on Loans	5.95%	6.14%	6.45%	6.79%	7.09%
Cost of Deposits	-2.07%	-2.10%	-2.29%	-2.35%	-2.62%
Argentina	13.47%	13.11%	12.70%	13.29%	14.15%
Yield on Loans	18.63%	18.77%	19.29%	20.72%	24.00%
Cost of Deposits	-5.16%	-5.65%	-6.59%	-7.43%	-9.85%
Colombia	6.78%	6.60%	6.72%	6.79%	6.78%
Yield on Loans	11.62%	11.37%	11.31%	11.22%	10.99%
Cost of Deposits	-4.84%	-4.77%	-4.60%	-4.43%	-4.21%
Peru	6.80%	6.57%	6.75%	6.75%	6.70%
Yield on Loans	8.17%	7.90%	7.92%	7.84%	7.84%
Cost of Deposits	-1.37%	-1.33%	-1.17%	-1.09%	-1.14%

(1) Foreign currency

Note: USA ex NY BusinessActivity

Customer Spreads: YTD Evolution

YTD Average

	9M17	9M18
Spain	1.93%	1.94%
Yield on Loans	2.02%	2.01%
Cost of Deposits	-0.09%	-0.07%
USA	3.65%	3.94%
Yield on Loans	4.00%	4.49%
Cost of Deposits	-0.35%	-0.55%
Mexico MXN	12.11%	11.91%
Yield on Loans	13.84%	14.23%
Cost of Deposits	-1.72%	-2.32%
Mexico FC ¹	3.51%	4.03%
Yield on Loans	3.55%	4.16%
Cost of Deposits	-0.04%	-0.13%

	9M17	9M18
Turkey TL	5.20%	4.66%
Yield on Loans	13.48%	15.67%
Cost of Deposits	-8.28%	-11.01%
Turkey FC ¹	3.78%	4.37%
Yield on Loans	5.78%	6.81%
Cost of Deposits	-2.00%	-2.44%
Argentina	14.56%	13.36%
Yield on Loans	19.84%	21.50%
Cost of Deposits	-5.28%	-8.14%
Colombia	6.54%	6.77%
Yield on Loans	11.88%	11.18%
Cost of Deposits	-5.34%	-4.41%
Peru	6.87%	6.75%
Yield on Loans	8.24%	7.88%
Cost of Deposits	-1.37%	-1.13%

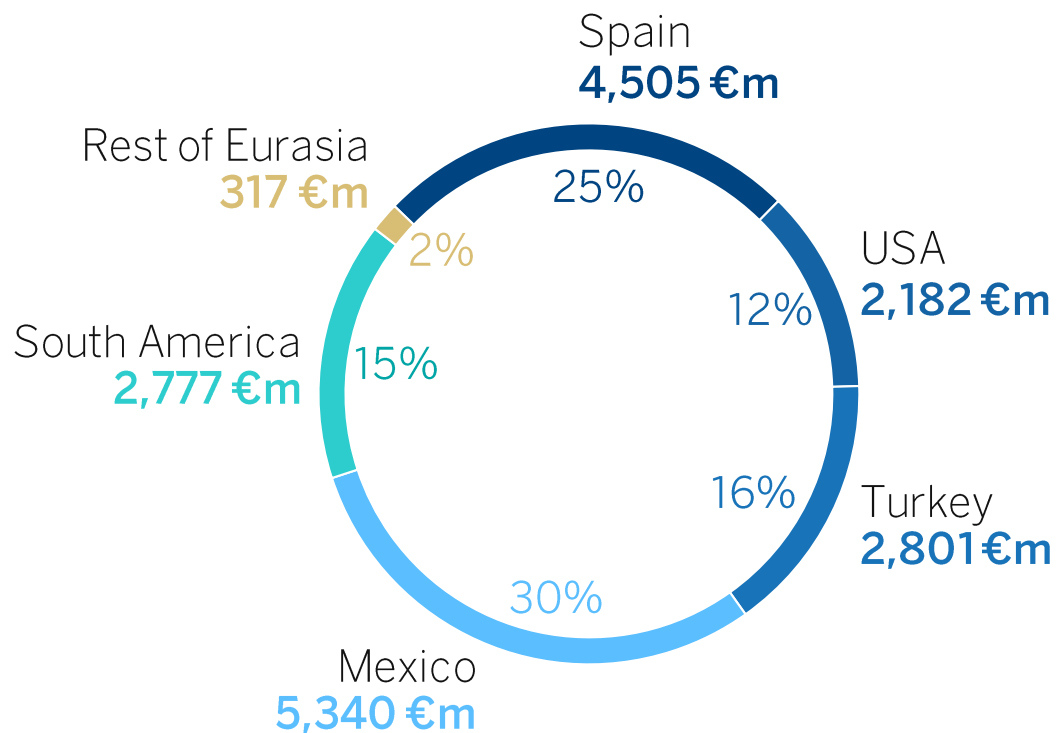


02

Gross Income Breakdown

Gross Income - Breakdown

9M18



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

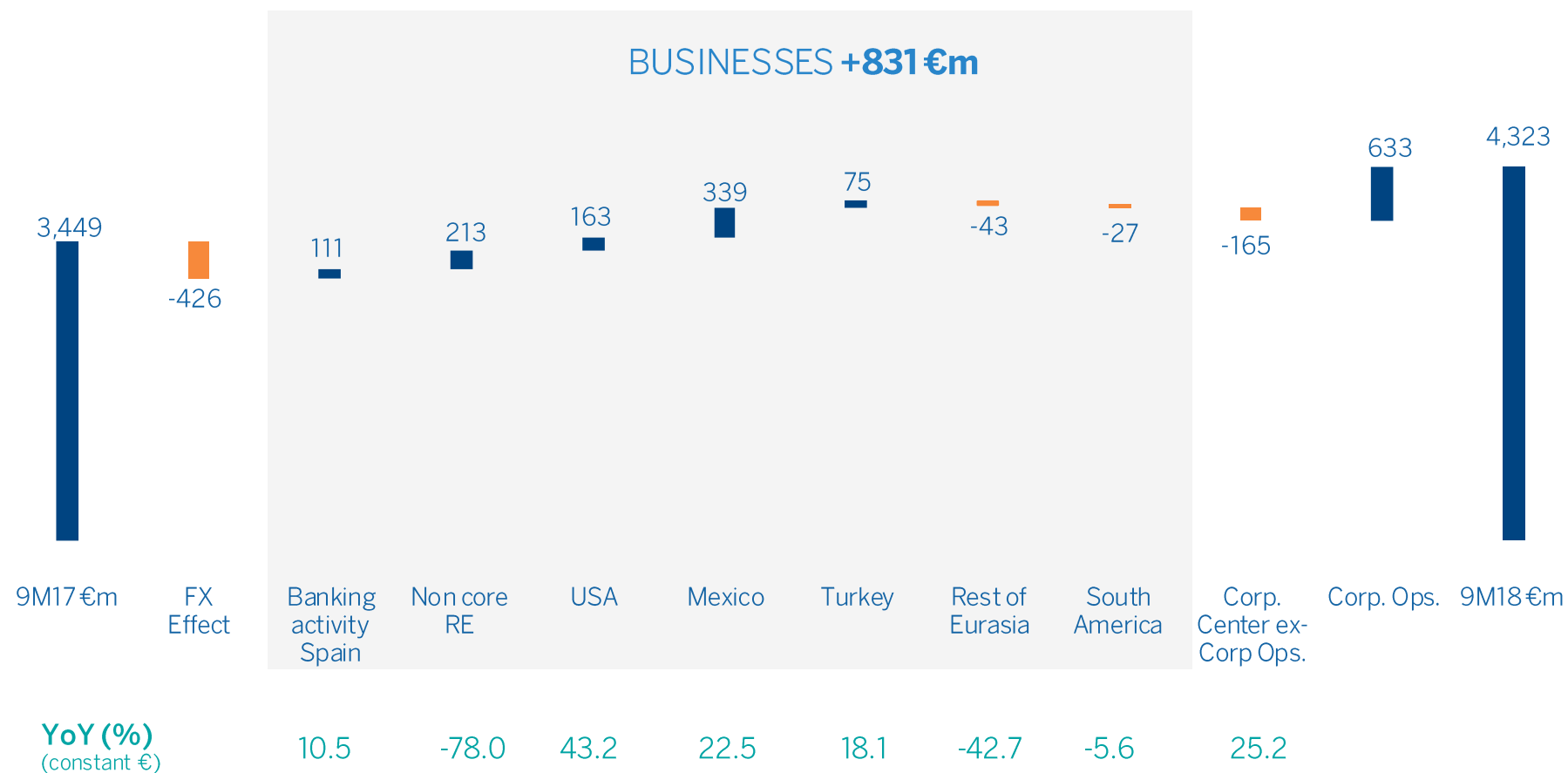


03

Net Attributable Profit Evolution

Group – Net Attributable Profit

(€m)



04

P&L Accounts by Business Unit

Total Spain: Banking Activity + Non Core Real Estate

Non Core Real Estate

Rest of Eurasia

Corporate Center

Colombia

Peru

Total Spain – Profit & Loss

Total Spain (€m)	Change (%)		Change (%)	
	3Q18	vs 3Q17	9M18	vs 9M17
Net Interest Income	924	-2.1	2,780	-2.1
Net Fees and Commissions	420	7.3	1,271	8.0
Net Trading Income	41	-45.7	324	-17.8
Other Income & Expenses	88	-20.1	131	-57.3
Gross Income	1,474	-3.2	4,505	-4.5
Operating Expenses	-829	-4.2	-2,513	-4.4
Operating Income	645	-1.8	1,992	-4.5
Impairment on Financial Assets (net)	-73	-54.9	-287	-48.3
Provisions (net) and other gains (losses)	-142	64.0	-207	-51.0
Income Before Tax	430	5.5	1,498	35.0
Income Tax	-79	-23.8	-389	19.4
Net Attributable Profit	349	15.5	1,107	41.5

Non Core Real Estate - Profit & Loss

Non Core Real Estate (€m)	Change (%)		Change (%)	
	3Q18	vs 3Q17	9M18	vs 9M17
Net Interest Income	12	-28.4	32	-34.4
Net Fees and Commissions	2	170.1	3	-0.3
Net Trading Income	5	n.s.	6	n.s.
Other Income & Expenses	-11	-61.3	-51	-26.1
Gross Income	7	n.s.	-11	-38.5
Operating Expenses	-19	-24.2	-58	-21.4
Operating Income	-11	-69.3	-69	-24.8
Impairment on Financial Assets (net)	33	n.s.	-6	-95.2
Provisions (net) and other gains (losses)	-55	29.6	0	n.s.
Income Before Tax	-34	-70.9	-75	-78.5
Income Tax	9	-66.7	15	-80.1
Net Attributable Profit	-24	-72.1	-60	-78.0

Rest of Eurasia - Profit & Loss

Rest of Eurasia (€m)	Change (%)		Change (%)	
	3Q18	vs 3Q17	9M18	vs 9M17
Net Interest Income	43	-12.2	124	-13.3
Net Fees and Commissions	35	-17.9	114	-8.3
Net Trading Income	22	18.7	77	-21.5
Other Income & Expenses	1	-26.0	1	-3.5
Gross Income	101	-9.2	317	-13.8
Operating Expenses	-75	2.4	-217	-4.6
Operating Income	26	-32.0	99	-28.8
Impairment on Financial Assets (net)	-23	n.s.	-9	n.s.
Provisions (net) and other gains (losses)	1	n.s.	3	n.s.
Income Before Tax	4	-90.1	94	-33.4
Income Tax	-4	-51.7	-37	-9.8
Net Attributable Profit	-1	n.s.	57	-42.9

Corporate Center - Profit & Loss

Corporate Center (€m)	Change (%)		Change (%)	
	3Q18	vs 3Q17	9M18	vs 9M17
Net Interest Income	-70	-17.1	-210	-23.4
Net Fees and Commissions	-18	-4.5	-50	-24.1
Net Trading Income	-38	n.s.	-96	n.s.
Other Income & Expenses	-4	56.1	31	-10.3
Gross Income	-129	132.5	-325	n.s.
Operating Expenses	-237	7.6	-696	5.3
Operating Income	-366	32.8	-1,022	51.5
Impairment on Financial Assets (net)	0	n.s.	0	n.s.
Provisions (net) and other gains (losses)	23	n.s.	-55	-3.9
Income Before Tax	-343	20.2	-1,077	47.0
Income Tax	95	n.s.	253	175.7
Corporate Operations Income	633	n.s.	633	n.s.
Non - controlling interests	13	n.s.	3	-122.5
Net Attributable Profit	399	n.s.	-188	-71.4

Colombia- Profit & Loss

Colombia (constant €m)	Change (%)		Change (%)	
	3Q18	vs 3Q17	9M18	vs 9M17
Net Interest Income	207	7.1	627	9.6
Net Fees and Commissions	22	-4.0	70	7.2
Net Trading Income	16	-7.9	45	-30.2
Other Income & Expenses	2	-60.5	13	12.0
Gross Income	247	3.4	756	5.8
Operating Expenses	-91	3.4	-275	5.4
Operating Income	156	3.4	481	6.1
Impairment on Financial Assets (net)	-64	-20.5	-188	-23.2
Provisions (net) and other gains (losses)	2	n.s.	-11	1.5
Income Before Tax	94	40.3	281	42.7
Income Tax	-34	110.4	-94	40.3
Net Attributable Profit	58	17.2	181	43.1

Peru- Profit & Loss

Peru (constant €m)	Change (%)		Change (%)	
	3Q18	vs 3Q17	9M18	vs 9M17
Net Interest Income	207	12.8	586	8.1
Net Fees and Commissions	52	-5.1	158	0.9
Net Trading Income	30	-16.9	102	-6.1
Other Income & Expenses	-4	43.3	-12	-7.6
Gross Income	285	4.9	834	5.0
Operating Expenses	-100	7.0	-298	5.3
Operating Income	185	3.8	536	4.9
Impairment on Financial Assets (net)	-55	7.9	-140	0.5
Provisions (net) and other gains (losses)	-1	n.s.	-4	-66.5
Income Before Tax	129	0.8	391	9.0
Income Tax	-38	8.9	-114	17.6
Non - controlling interests	-49	-1.7	-149	6.0
Net Attributable Profit	43	-2.7	128	5.7



05

Hyperinflation adjustment in Argentina P&L Account

Argentina Hyperinflation adjustment in P&L

Profit & Loss	9M18	Hyperinflation	9M18
(constant €m)	(reported)	adjustment	Ex. Hyperinflation
Net Interest Income	407	-143	549
Net Fees and Commissions	93	-34	127
Net Trading Income	92	-33	125
Other Income & Expenses	-154	-196	42
Gross Income	438	-406	844
Operating Expenses	-307	94	-401
Operating Income	131	-312	443
Impairment on Financial Assets (net)	-48	17	-65
Provisions (net) and other gains (losses)	-19	2	-21
Income Before Tax	65	-293	357
Income Tax	-67	14	-81
Non-controlling interest	0	89	-89
Net Attributable Profit	-2	-190	188

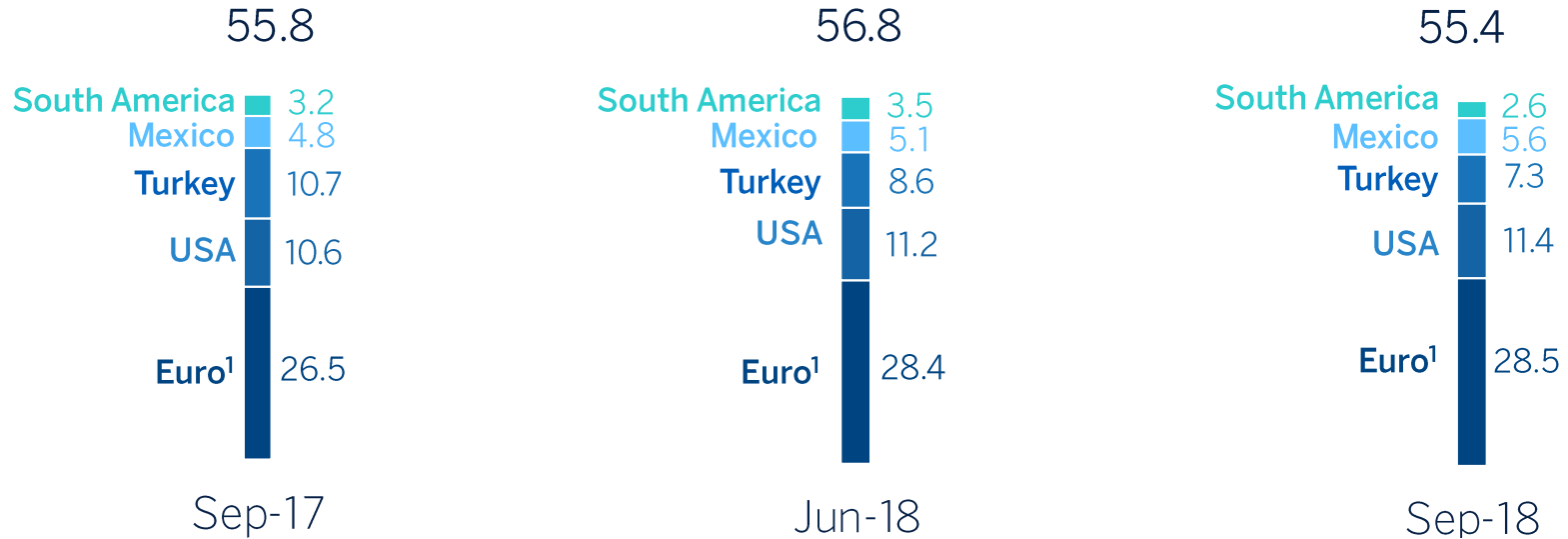


06

**ALCO Portfolio and Liquidity
Coverage Ratios (LCRs)**

ALCO Portfolio & Liquidity Coverage Ratios (LCRs)

ALCO Portfolio breakdown by region (€ bn)



(1) Figures excludes SAREB bonds (€5.2bn as of Sep-17; €4.8bn as of Jun-18 and Sep-18).

BBVA Group and Subsidiaries LCR

Significantly above the 100% requirement

Sep-18	BBVA Group	Euroz. ¹	USA ²	Mexico	Turkey	S. Amer.
LCR	127%	152%	145%	134%	119%	well >100%

(1) Perimeter: Spain + Portugal + Rest of Eurasia

(2) Compass LCR calculated according to local regulation (Fed Modified LCR)



07

Garanti: wholesale funding

Turkey – Liquidity & Funding Sources

- **LTD ratio 103%**, 9 p.p. improvement QoQ and 12 p.p. YTD, mainly driven by a reduction in **Local Currency LTD**, as **Foreign Currency LTD** remained flattish at **71%**. Stable deposit base: Deposits from Retail and SMEs represent c.75% of Total TRY deposits and c.60% of FC deposits
- **Liquidity Coverage Ratio** (EBA): **119%** vs. 100% required for 2018
- **Foreign Currency loans -5% QoQ** and **-12% YTD**
- **Limited External wholesale funding** needs: USD 13.1 Bn

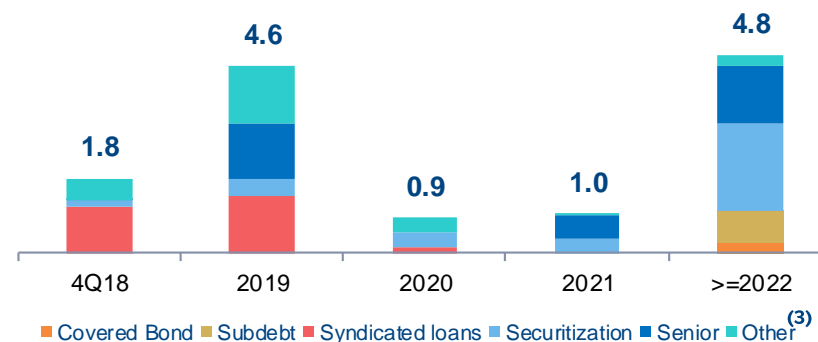
FC Liquidity Buffers

- ✓ Short Term Swaps
- ✓ Unencumbered FC securities
- ✓ FC Reserves under ROM⁽¹⁾
- ✓ Money Market Placements

c.USD 10 Bn liquidity buffer

Note: All figures are Bank-only, as of September 2018
(1) ROM: Reserve Option Mechanism

External Wholesale Funding Maturities⁽²⁾ (USD Bn)



USD 13.1 Bn including syndicated loans

(2) Includes TRY covered bonds and excludes on balance sheet IRS transactions
(3) Other includes mainly bilateral loans, secured finance and other ST funding

Ample liquidity buffers and limited wholesale funding maturities, USD 1.8 Bn in 4Q18, including syndicated loans



08

Capital and RWA

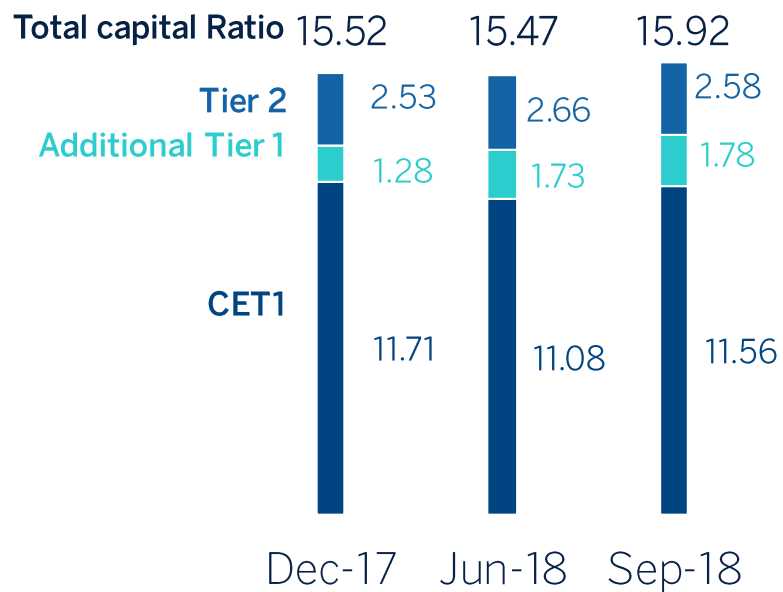
Capital Base

Capital YTD

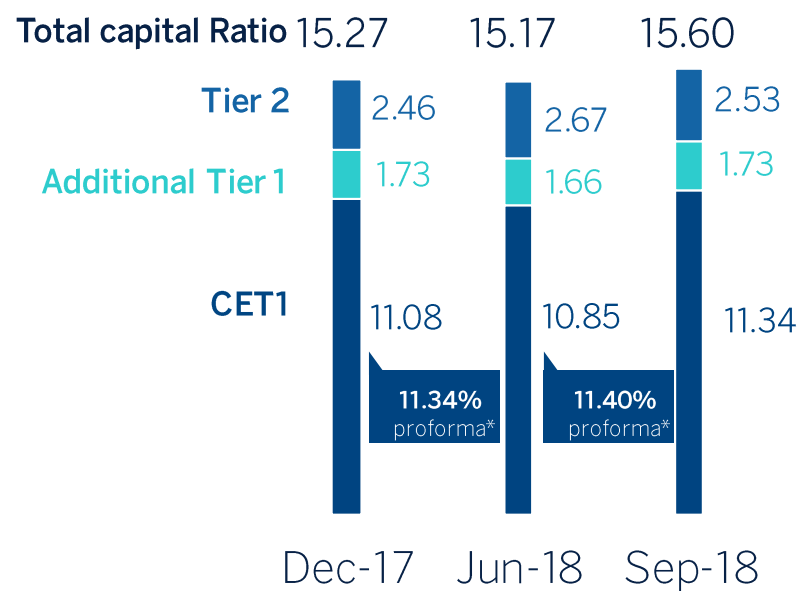
Risk-Weighted Assets by Business Area

Capital Base

Evolution of phased-in capital ratios (%)



Evolution of fully-loaded capital ratios (%)

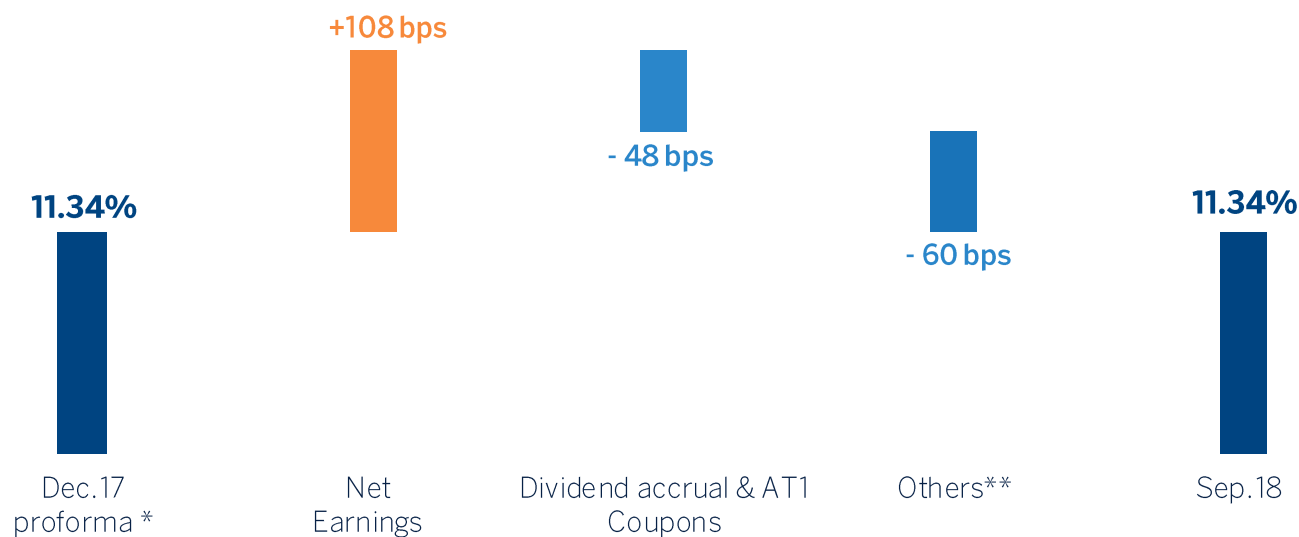


(*) Data proforma includes IFRS9 full impact (-31bps) and the impact from corporate transactions (sale of BBVA Chile closed on July 6th and RE Assets to Cerberus closed on Oct.10th) which amounts to +57bps as of Dec17 +55bps as of Jun18

Capital YtD Evolution

CET1 fully-loaded – BBVA Group

YtD Evolution (% , bps)



(*) Data proforma Jun.18 includes IFRS9 full impact (-31bps) and +55 bps from corporate transactions, both already closed (sale of BBVA Chile closed on July 6th, and RE Assets to Cerberus on Oct 10th).

(**) Others includes mainly market related impacts (FX impact and mark to market of AFS portfolios), and RWAs evolution, among other

Risk-Weighted Assets by Business Area

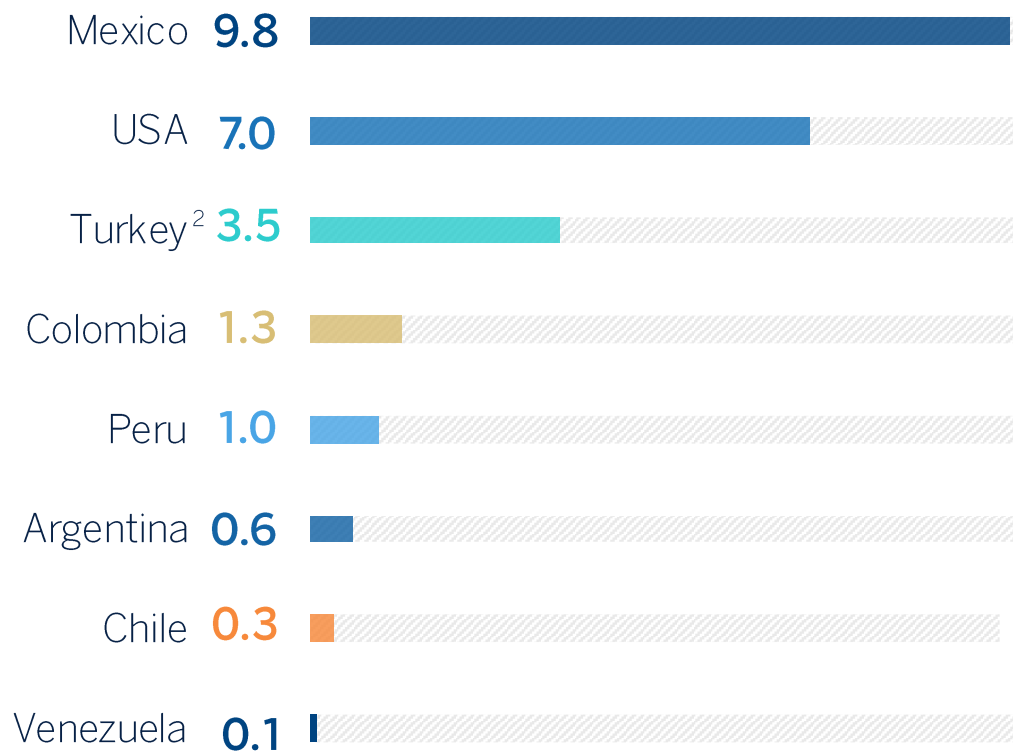
Breakdown by business area and main countries (€m)	Fully-Loaded RWA		
	Dec-17	Jun-18	Sep-18
Banking activity in Spain	108,141	101,633	102,020
Non core Real Estate Activity	9,692	7,547	7,475
United States	58,688	61,473	62,728
Mexico	44,941	50,630	54,391
Turkey	62,768	58,770	52,822
South America	55,975	55,151	41,544
Argentina	9,364	7,914	7,021
Chile	14,431	14,861	2,119
Colombia	12,299	12,983	13,240
Peru	14,879	15,360	15,222
Rest of South America	5,002	4,033	3,943
Rest of Eurasia	15,150	15,002	13,889
Corporate Center	6,332	6,999	8,402
BBVA Group	361,686	357,205	343,271



09

**Book Value of the Main
Subsidiaries**

Book Value of the Main Subsidiaries¹



(1) Includes the initial investment + BBVA's undistributed results + FX impact + other valuation adjustments. The Goodwill associate to each subsidiary has been deducted from its Book Value.

(2) Turkey includes the Garanti Group.



BBVA Creating
Opportunities

3Q18 Results

October 30th, 2018