BBVA

Creating Opportunities

Fixed Income Presentation

3Q18

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Index

01 About BBVA

02 BBVA's Strengths & Financial Highlights

03 Diversified Footprint

04 Asset Quality

05 Capital

06 MREL & Funding Plan

07 Liquidity & Funding

08 Ratings

09 Transformation Strategy

APPENDIX

- BBVA Group 9M18 Profit & Loss
- Risk Indicators by Areas
- Capital Base: BBVA Group & BBVA S.A.
- BBVA, S.A.: 2018 SREP Requirement and distance to MDA
- Debt Issuances – 2017/2018YTD
- Amortized notes – 2017/2018YTD
- BBVA, S.A.: 3Q18 Issuances
- MREL framework

01

About BBVA

About BBVA

BBVA's global presence

Sep.18

€ 669 bn assets

75 mn customers

26 mn digital customers

>30 countries

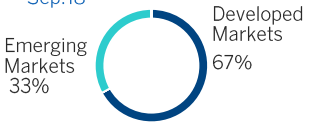
126,357 employees

7,999 branches

Well diversified & self-sufficient subsidiaries

Total Assets(1)

Sep.18



Gross Income(1)

9M18

- **Leading franchises** in **Developed** (Spain, USA) and **Emerging Markets** (Mexico, Turkey and South America).
- **Decentralized model:** Self-sufficient subsidiaries responsible for their own capital and liquidity management. No liquidity transfers.

(1) Figures excludes the Corporate Center

Defined strategic path

Our Purpose

"To bring the age of opportunity to everyone"

Six Strategic Priorities

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

Committed with climate change and sustainable development

BBVA's Pledge 2025

€100 Billion
MOBILIZED
From 2018 to 2025

- Green finance
- Sustainable infrastructure and agribusiness
- Financial inclusion & entrepreneurship

Sustainable Development Goals Bond Framework recently announced

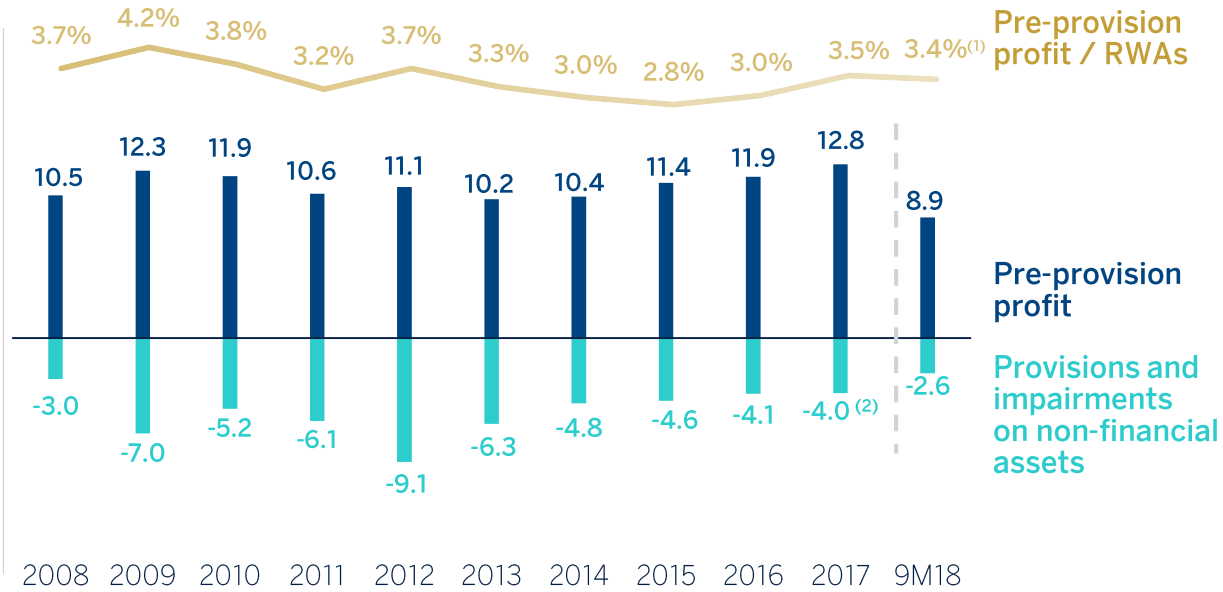
02

BBVA's Strengths & Financial Highlights

BBVA's Strengths

Resilience and Low Earnings Volatility

(€ bn, current, %)



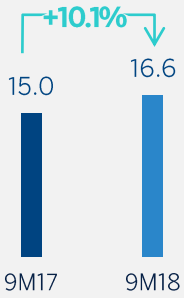
(1) Annualized Pre-provision profit for comparison purposes; (2) Excluding Telefónica one off impairment (€-1,123Mn)

Profit generation all through the crisis years

9M18 Highlights

Core revenues growth

Net interest income and fees
(€ Bn, constant)



Cost control

Core revenues vs. Op. Expenses
(€ constant)

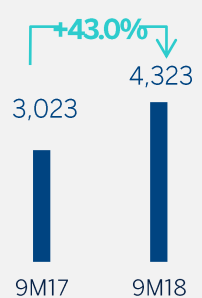
Core revenues **+10.1%** vs. 9M17

Operating Expenses **+2.7%** vs. 9M17

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

Increasing results

Group Net Attributable Profit(1)
(€ Mn, constant)



Sound asset quality(2)

NPL	4.1%
Cost of Risk (YtD)	0.90%
Coverage	73%

Strong capital & liquidity ratios(2)

CET1 FL	LCR(3)	LEVERAGE RATIO
(BBVA Group)	(BBVA Group)	(Fully-loaded)
11.34%	127%	6.6%

Delivering on our transformation(2)

- **39%** Digital sales(4)
- **21.7m** Mobile customers
- **#1** Global Banking App — Forrester Ranking 2018

(1) Including corporates transactions: Sale of BBVA Chile capital gain €633Mn (2) Data as of 9M18; (3) Liquidity Coverage Ratio; (4) % of total sales in Sep.18, # of transactions

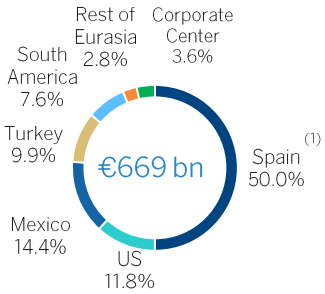
03

Diversified Footprint

Unique footprint with high growth prospects

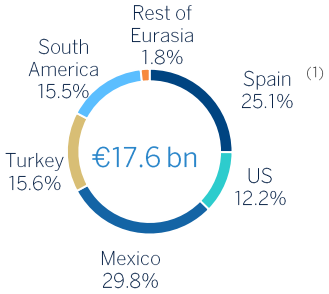
Breakdown by Business Area

Total Assets
Sep.18



67%(2) Developed Markets

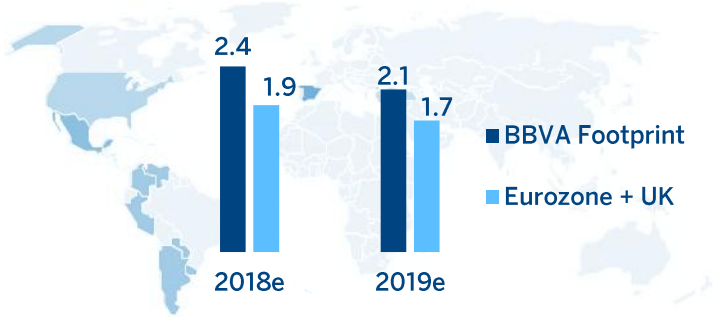
Gross Income(3)
9M18



39% Developed Markets

(1) Includes Banking activity in Spain and Non Core Real Estate; (2) Excludes Corporate Center; (3) Percentages exclude the Corporate Center (9M18 Gross Income of €-325Mn)

Higher Growth Prospects
GDP growth (YoY, %)



Source: BBVA Research. GDP growth: weighted by each country contribution to Group's Gross Income.

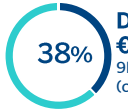
Leadership positioning
Market share (in %) and ranking (4)

SPAIN #3	USA (Sunbelt) #4	MEXICO #1
13.6%	6.2%	22.8%

TURKEY #2	S.AMERICA (footprint) #1
11.0%	12.7%

(4) Loans' market shares except for USA (Deposits). **Spain** based on BoS (Aug.18) and ranking (Jul.18) by AEB and CECA; **Mexico** data as of Aug.18 (CNBV); **S. America** (Jun.18), market share includes Argentina, Peru, Colombia, Venezuela, Uruguay and Paraguay. Ranking considering main peers in each country; **USA**: SNL (Jun.18) considering Texas and Alabama; **Turkey**: BRSA total performing loans; market share among commercial banks (Sep.18) and ranking (only considers private banks) as of Jun.18

Business areas in 9M18



Developed Markets
€1,703Mn, +34.7% YoY
9M18 Net attributable profit(2) (constant €)

SPAIN Banking Activity

NET ATTRIBUTABLE PROFIT (9M18)

1,167€Mn

+10.5% vs. 9M17

NPL RATIO(1) Sep.18

5.0% **vs. 5.8% Sep.17**

COST OF RISK Sep.18 (YtD)

0.22% **vs. 0.33% Sep.17**

MAIN MESSAGES

- **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.
- **Cost** continue to decrease (-4% yoy in 9M18).
- **Asset quality:** NPLs -€546 Mn qoq, CoR < 30 bps.

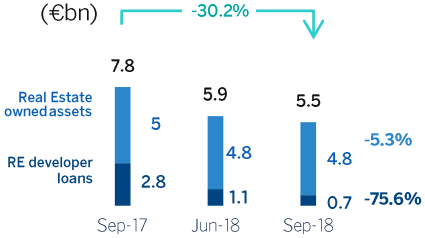
Non Core Real Estate

NET ATTRIBUTABLE PROFIT (9M18)

-60 €Mn

-78% vs 9M17

NET EXPOSURE (€bn)



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

USA constant €

NET ATTRIBUTABLE PROFIT (9M18)

541 €Mn

+43.2% vs. 9M17

NPL RATIO Sep.18

1.1% **vs. 1.2% Sep.17**

COST OF RISK Sep.18 (YtD)

0.33% **vs. 0.46% Sep.17**

- **Loans:** Improving trend across the board. Continued focus on consumer loans : +24% yoy.
- **NII growth** at double digits, main P&L driver.
- Cost growth due to higher commercial activity. **Positive jaws maintained.**
- **Asset quality:** provision normalization after releases in 1H18.

Note: NPL ratio of 3Q18 under IFRS9 standards, 2017 figures under IAS 39 (1) NPL ratio exclude repos ; (2) Excluding Corporate Center (€-188Mn 9M18)

Business areas in 9M18

Emerging Markets
€2,807Mn, +16.3% YoY
9M18 Net attributable profit(1) (constant €)

MEXICO constant €

NET ATTRIBUTABLE PROFIT (9M18)

1,851 €Mn

+22.5% vs. 9M17

NPL RATIO Sep.18

2.0% **vs. 2.3% Sep.17**

COST OF RISK Sep.18 (YtD)

2.82% **vs. 3.31% Sep.17**

TURKEY constant €

NET ATTRIBUTABLE PROFIT (9M18)

488 €Mn

+18.1% vs. 9M17

NPL RATIO Sep.18

5.2% **vs. 2.5% Sep.17**

COST OF RISK Sep.18 (YtD)

1.72% **vs. 0.83% Sep.17**

SOUTH AMERICA constant €

NET ATTRIBUTABLE PROFIT (9M18)	COST OF RISK Sep.18 (YtD)
181 €Mn **+43.1%** vs 9M17	1.95% **vs. 2.74% Sep.17**
128 €Mn **+5.7%** vs 9M17	1.40% **vs. 1.48% Sep.17**
-2 €Mn **-101.1%** vs 9M17	1.22% **vs. 1.12% Sep.17**

MAIN MESSAGES

- **Loans:** mortgages and consumer loans, the main growth drivers in 3Q.
- **NII growing** above activity.
- **Widening operating jaws** and efficiency improvement.
- **Strong asset quality metrics.**

- **Loans:** TL loan growth slowdown given lower economic growth and higher rates. FC loans continue to decrease.
- **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.

- **Colombia:** loan growth biased towards retail portfolios. Bottom line growth explained by lower provisions.
- **Peru:** NII as the main P&L driver thanks to a more profitable loan mix.
- **Argentina**: loan growth slowdown due to the economic environment. Stable asset quality. Bottom line affected by hyperinflation accounting.

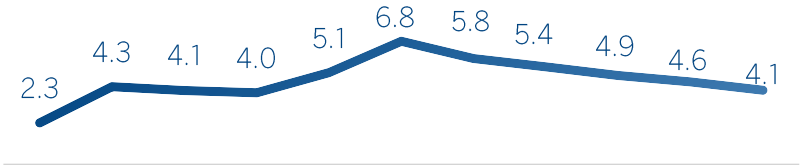
Note: NPL ratio of 9M18 under IFRS9 standards, 2017 figures under IAS 39 ; (1) Excluding Corporate Center (€-188Mn 9M18)

04

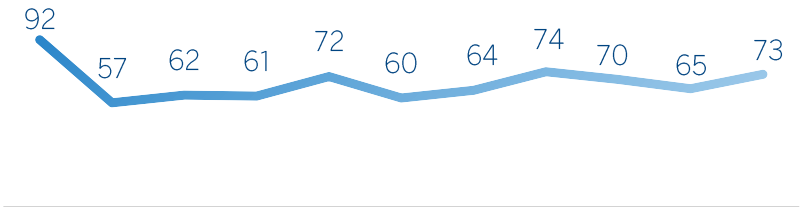
Asset Quality

Asset Quality indicators continue to improve

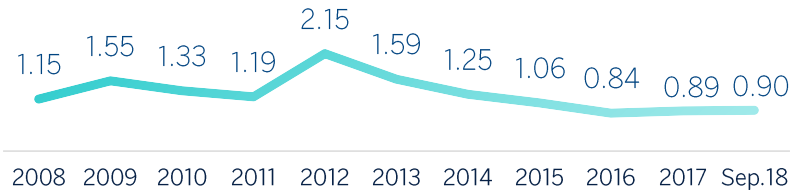
NPL Ratio (%)



Coverage ratio (%)



Cost of Risk YtD (%)



Risk Framework

A Risk Management Model based on prudence and proactivity

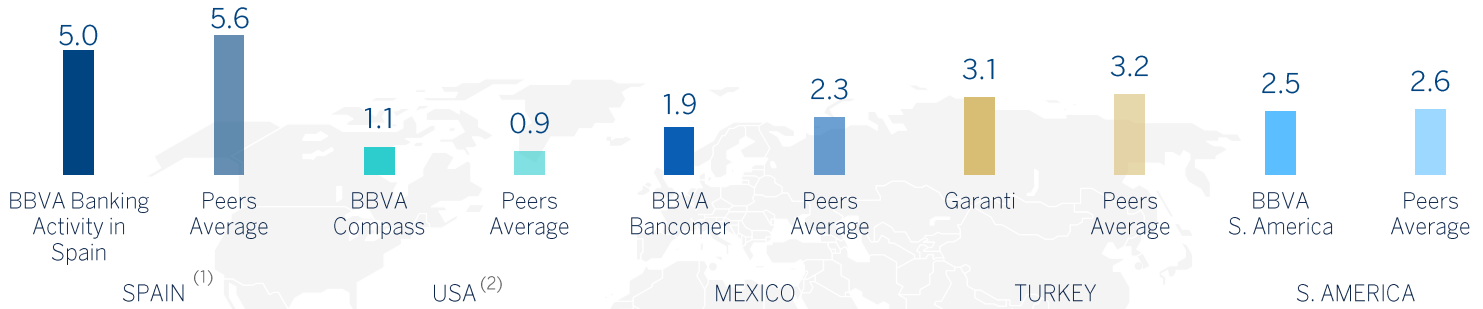
Risk Management Goal

To preserve the Group's solvency, support its strategy and ensure business development

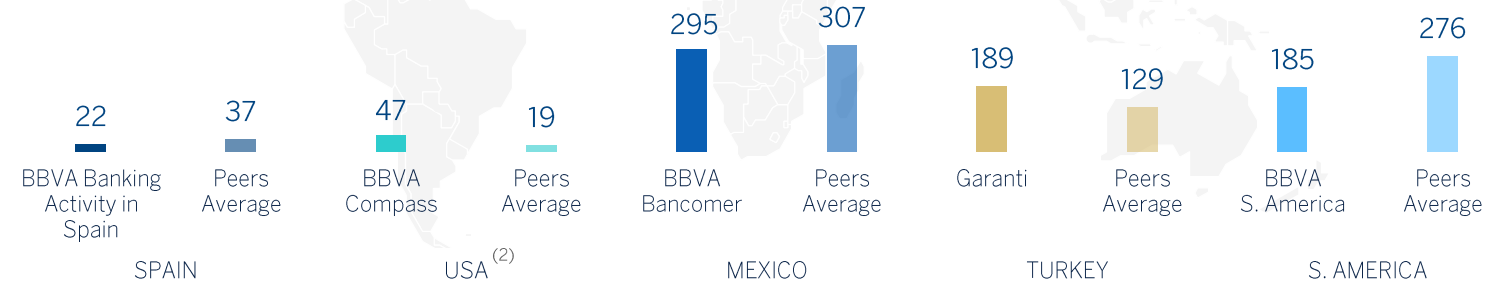
Note: Data as of Sep.18 under IFRS9 standards and 2017 figures under IAS 39. NPL ratio for 2017 and Sep.18 calculated excluding repos (the rest of the series has not been restated)

A prudent risk profile

NPL ratio (%)



Cost of Risk (YTD, bps)



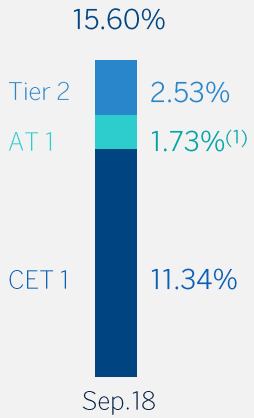
Figures according to local data to ensure comparability. Figures as of Sep.18 for Spain, as of Aug.18 for Mexico, as of Jun.18 for Turkey, USA and Jul.18 for South America.
(1) NPL ratios calculated excluding repos in Spain. (2) USA figures refer to Compass for comparison purposes

05

Capital

Sound capital position and a proven ability to generate capital

FL Capital Ratios BBVA Group Sep.18 (%)

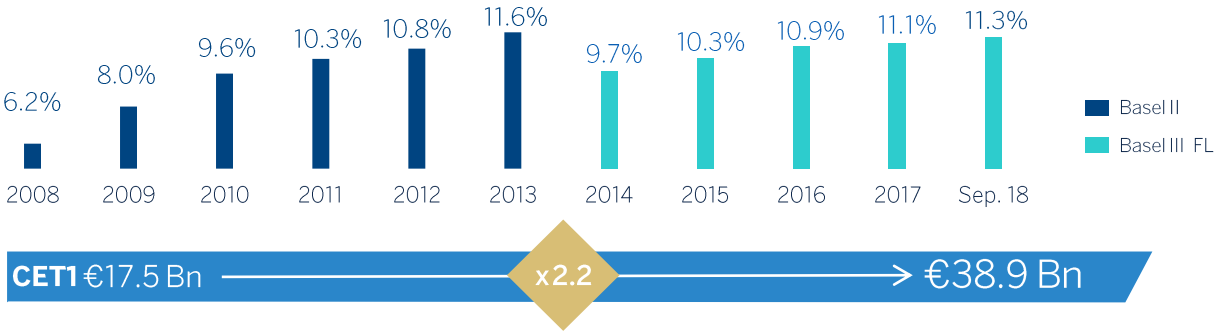


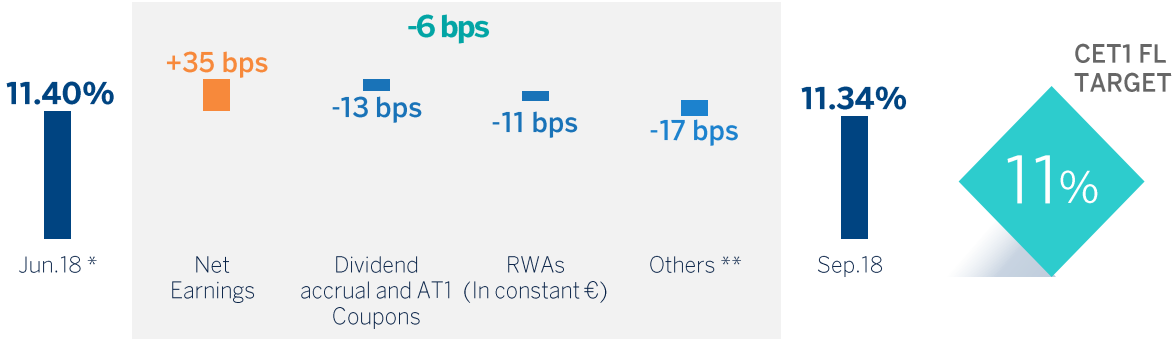
- 11.34% CET1 FL above our 11% Target.
- 1.5% AT1 and 2.0% T2 buckets already filled on a FL and phased-in basis

(1) Sep'18 AT1 bond issuance is not included in the AT1 Ratio

CET1 FL Ratio – BBVA Group

(%)



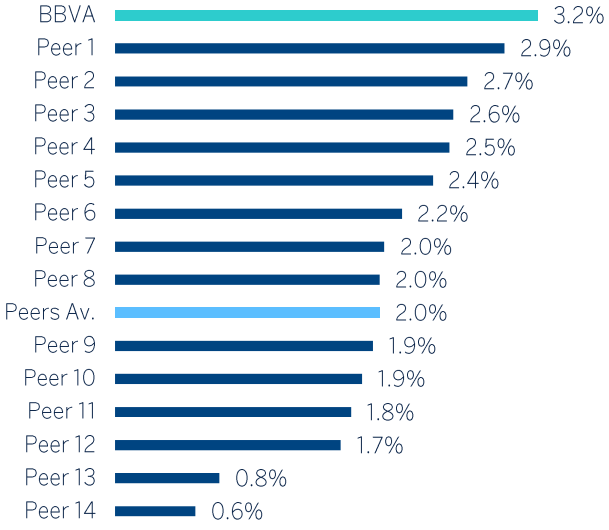


(*) Data proforma Jun.18 includes IFRS9 full impact (-31bps) and +55 bps from corporate transactions, both already closed (sale of BBVA Chile closed on July 6th, and RE Assets to Cerberus on Oct 10th).
(**) Others includes mainly market related impacts (FX impact and mark to market of AFS portfolios).

Low earnings volatility and ability to generate capital allow for lower capital needs

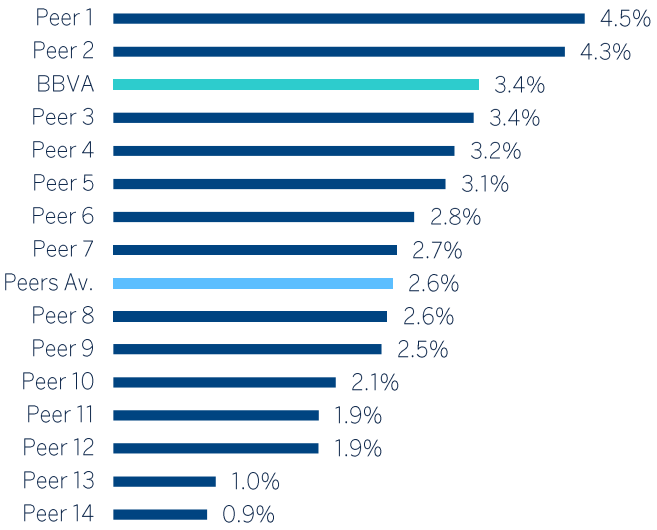
Pre-provision profit(1) / Net Loans

1H18 European peers / 9M18 BBVA



Pre-provision profit(1) / RWAs

1H18 European peers / 9M18 BBVA



In less than 4 years, BBVA is able to generate Pre-Provision Profit equivalent to its 11% CET1 FL target

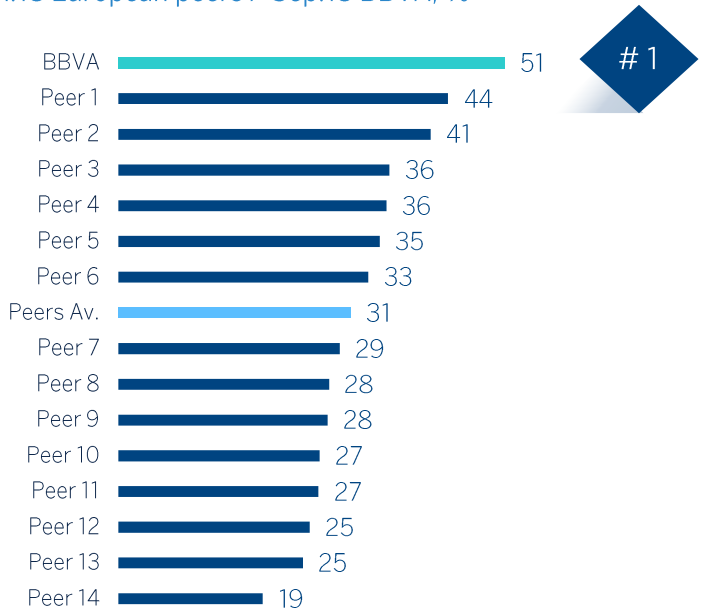
(1) Annualized Pre-provision profit for BBVA. European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCG.

BBVA's business model provides significant room to absorb losses

High quality capital

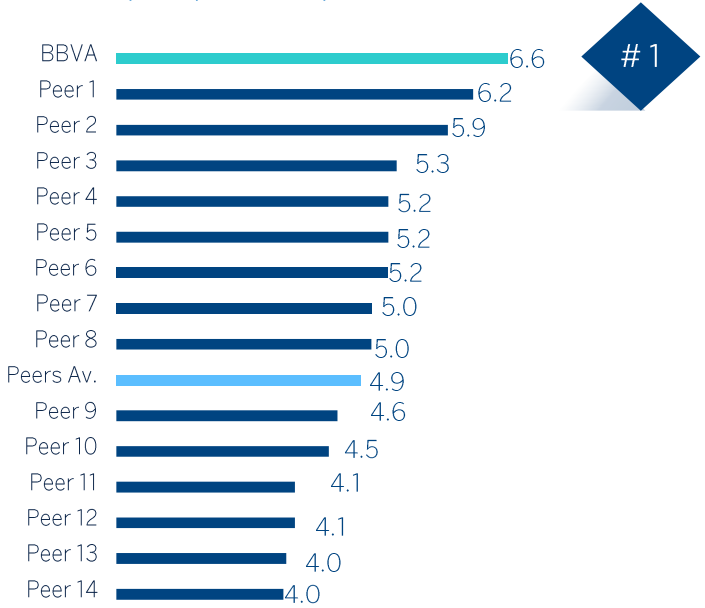
RWAs/ Total Assets

Jun.18 European peers / Sep.18 BBVA, %



Fully-Loaded Leverage Ratio

Jun.18 European peers / Sep.18 BBVA, %

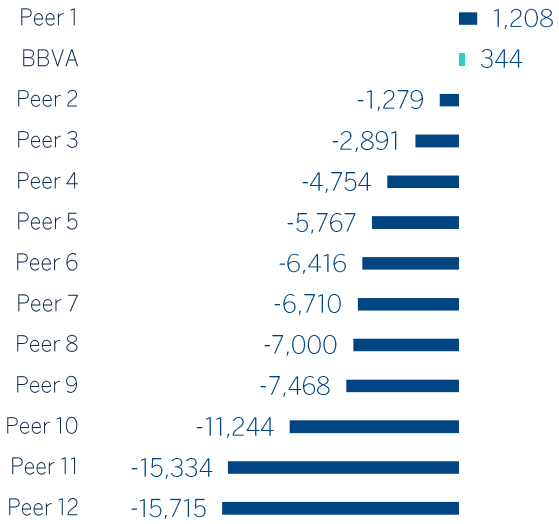


European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCG.

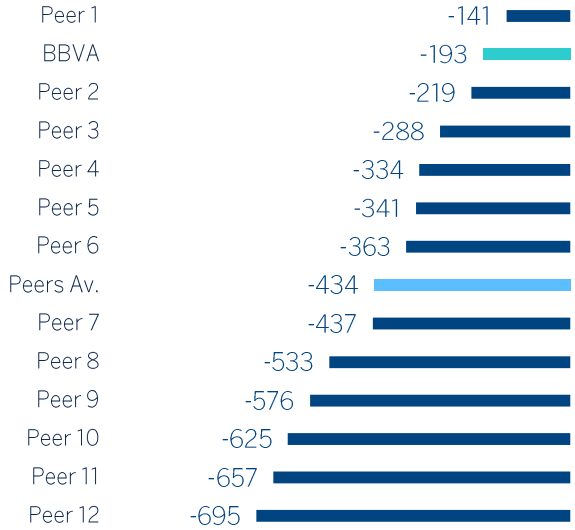
BBVA maintains the highest RWAs density and Leverage ratio of its European Peer Group

EBA Stress Test 2018 confirms BBVA's resilience

Net Attributable Profit 2018-2020
under the adverse scenario (cumulative € Mn)



CET1 FL Depletion 2020 vs 2017 restated
under the adverse scenario (bps)



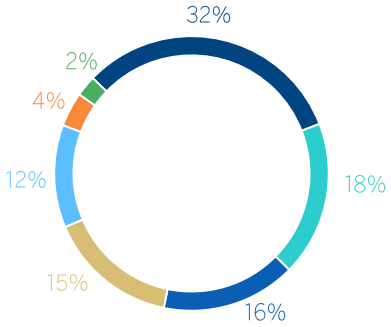
European Peer Group: BARC, BNPP, CASA, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UCG.

BBVA is one of the few banks to generate a positive cumulative profit and to register the second lowest depletion among its European peers under the adverse scenario

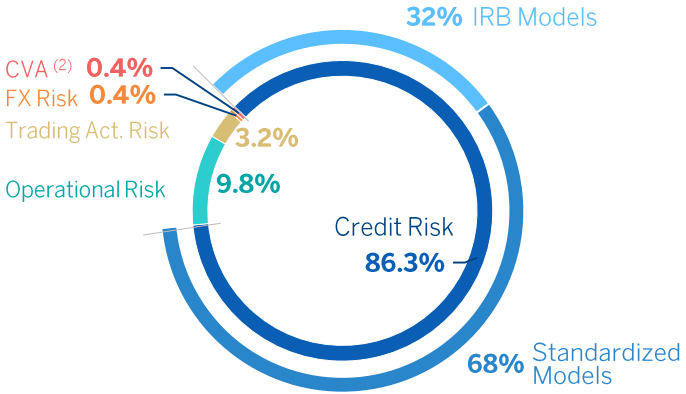
Risk-Weighted Assets distribution

TOTAL RWAs Fully Loaded Sep.18 (€Mn)

343,271 €Mn



Spain (1)	109,496
USA	62,728
Mexico	54,391
Turkey	52,822
South America	41,544
Rest of Eurasia	13,889
Corporate Center	8,402



Optimizing Capital Allocation is one of BBVA's Strategic Priorities

Limited usage of internal models in Credit Risk RWAs

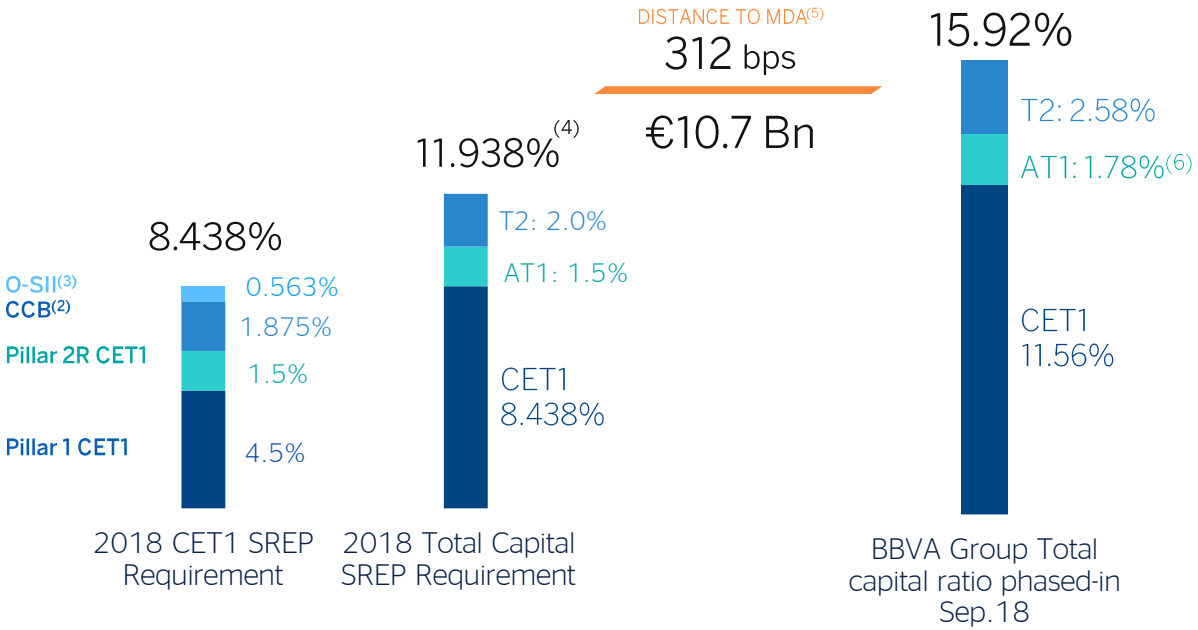
Potential lower impact from future regulatory requirements

(1) Includes Banking Activity in Spain and Non Core RE; (2) Credit Valuation Adjustment.
Note: Distribution of RWAs by type of risk and Model based on 2Q18 Pilar III report.

Capital ratios well above requirements

2018 SREP Requirement and distance to MDA(1) at Group level

Sep.18



Well above 2018 Total Capital and CET1 SREP requirements.

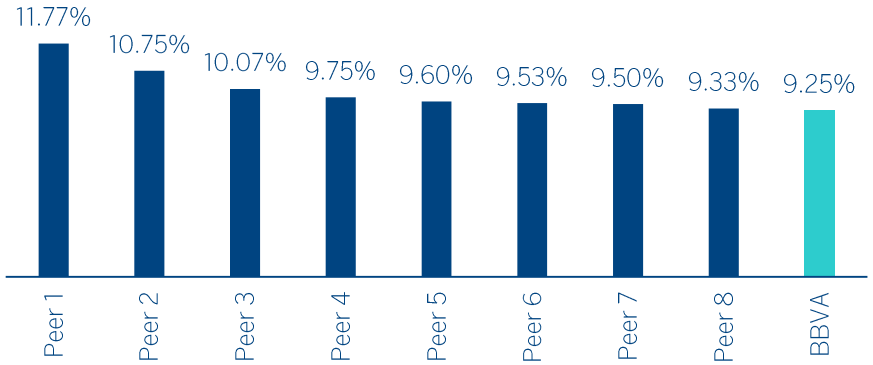
Significant buffer to MDA: **312 bps**

Pro-forma buffer to MDA on a fully loaded basis (7): **209 bps**

(1) Maximum Distributable Amount; (2) The Capital Conservation Buffer (CCB) stands, in fully loaded terms, at 2.5% CET1; (3) The Other Systemic Important Institution buffer (O-SII) stands, in fully loaded terms, at 0.75% CET1; (4) 2018 SREP Requirement as announced on the Relevant Event dated 13 Dec.2017; (5) 312 bps of Buffer to MDA = 11.56% Sep-18 CET1 phased-in ratio – 8.438% 2018 CET1 SREP Requirement; (6) Sep'18 AT1 bond issuance is not included in the AT1 Ratio (7) provided for information purposes as the distance to MDA is calculated based on phased-in ratios and these are the legally binding ones

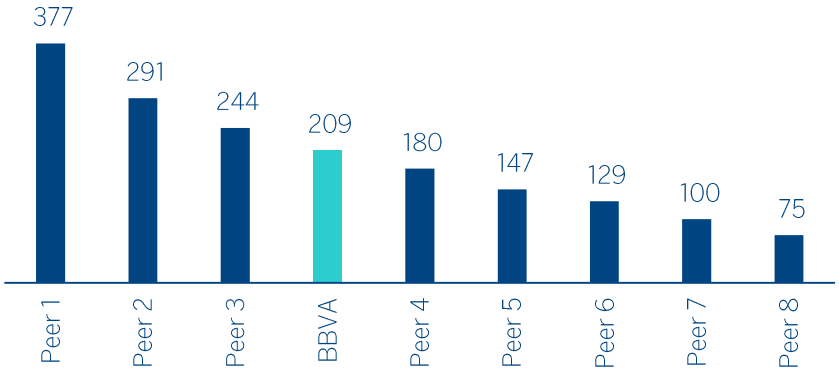
BBVA has the lowest SREP requirement among peers

CET1 SREP Requirement - FL
(based on 2018 requirement)



- **BBV**A has the **lowest SREP requirement** among its European peers
- BBVA 2018 SREP requirement remains **unchanged vs. 2017** one

Distance to MDA vs Fully Loaded SREP requirement
Jun.18 European peers / Sep.18 BBVA



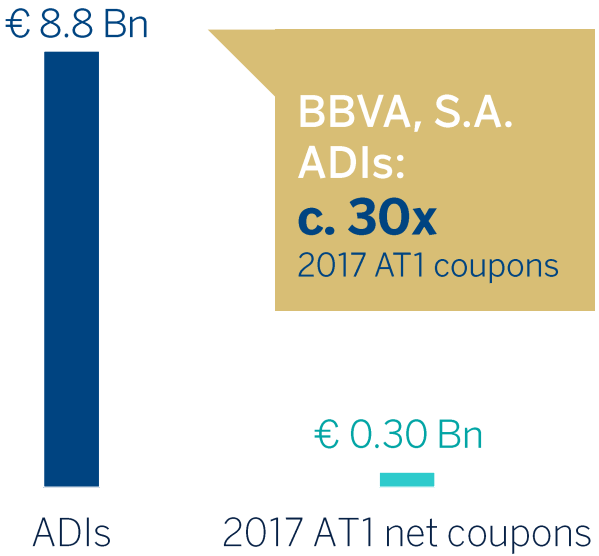
- **Ample buffer** over minimum requirements
- **Efficient capital structure**

European Peer Group: BNPP, CA, CMZ, DB, ISP, SAN, SG, UCG (entities subject to ECB regulation)

High level of Available Distributable Items (ADIs)

BBVA, S.A. (Parent Company)

Dec.17, € Bn



Significant payment capacity from distributable items despite conservative calculation

(Share Premium not included)

Supported by sustainable profitability

Note: ADIs calculated at a parent company level (BBVA, S.A.) as: Net Income + Voluntary Reserves – 2017 Dividend - AT1 coupons. BBVA does not include within the ADIs figure the Share Premium (amounting to +€24 Bn as of December 31st, 2017).

FX Hedging policy

Capital

POLICY BBVA hedges c.70% of the excess capital (what is not naturally hedged by the ratio)

GOAL Reduce Consolidated CET1 ratio volatility as a result of FX movements

CET1 FL Ratio Sensitivity to a 10% Depreciation of EM Currencies (Sep.18)

APROX
-2 bps (MXN and TRY)
-1 bps (Rest of EM currencies)

For each currency

P&L

POLICY BBVA hedges on average between 30%-50% of foreign subsidiaries expected net attributable profit

GOAL Reduce Net Attributable Profit volatility as a result of FX movements

2018 Net Attributable Profit FX Hedging (Sep.18):

c. 70% At a Group level

c. 85% For EM Currencies (of which Mexico c.100% and Turkey c.50%)

P&L hedging costs booked in the Corporate Center's NTI

BBVA maintains a prudent FX hedging policy to ensure low volatility on the CET1 ratio and limited FX impact on the P&L account

ALCO & Equity HTC&S(1) Portfolio

ALCO Portfolio breakdown by region

(Sep.18, € Bn)

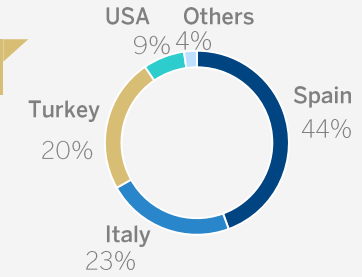
€ 55.4 Bn

- 2.6 South America
- 5.6 Mexico
- 7.3 Turkey
- 11.4 USA
- 28.5 Eurozone (5)
  - Spain 17.2
  - Italy 7.6 (2)
  - Others 3.7

o.w. HTC(3) Portfolio breakdown

(Sep.18, € Bn)

€ 17.4 Bn



Equity HTC&S(1) portfolio – Main stake

Telefónica

5.13%(4)

Diversified portfolio across BBVA's footprint

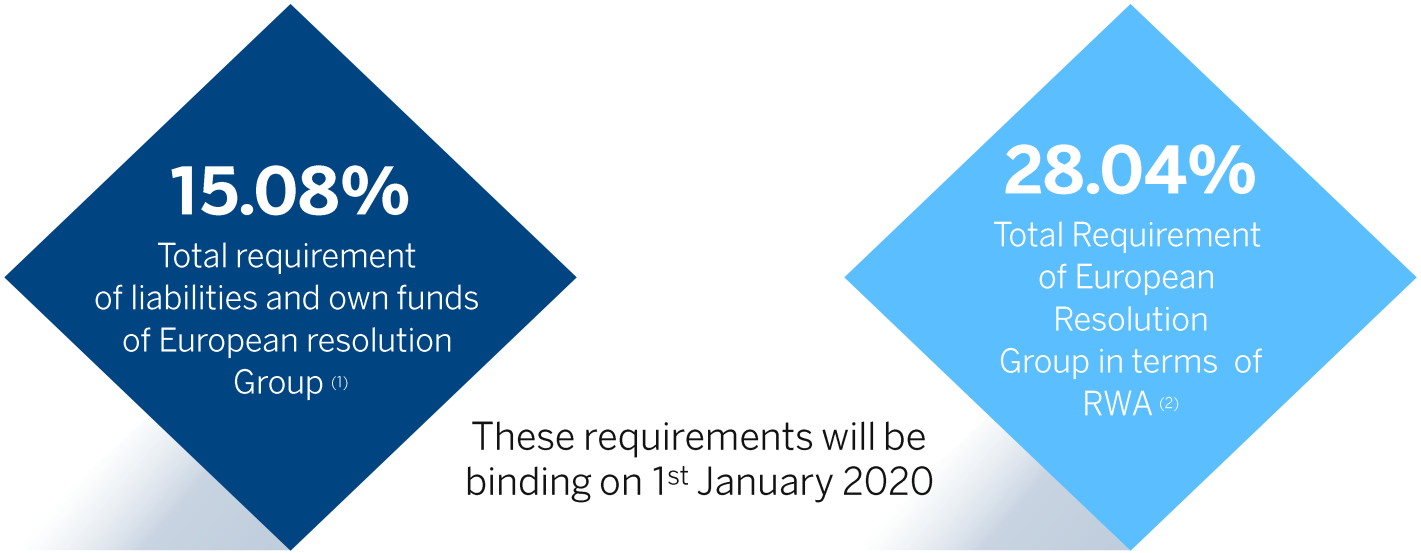
HTC(3) portfolio contributes to maintain the overall impact of market volatility at sound levels

(1): HTC&S: Held to Collect and Sell; (2) Of which €3.5bn mature before year end €0.3Bn in forward sales in 2019; (3): HTC: Held to Collect; (4) BBVA's own position (does not include clients' induced positions) (5) Figures excludes SAREB bonds (€ 4.8 bn as of Sep.18)

06

MREL & Funding Plan

MREL requirement



✓ **BBVA considers that it currently complies with MREL requirement,** communicated by Bank of Spain

✓ **Funding Plan ensures the fulfillment of MREL** requirement in 2020

(1) BBVA resolution group consists on Banco Bilbao Vizcaya Argentaria S.A. and its subsidiaries that belong to the same European resolution group. As of December 2016, the amount of Total Liabilities and own finds of the European Resolution Group was € 385,647 Mn
(2) As of December 2016, the RWAs of the European resolution Group stood at € 207,362 Mn

BBVA's 2018 Funding plan

Capital

- BBVA has already filled its AT1 and T2 layers
- BBVA expects to maintain the 1.5% AT1 and 2% T2 regulatory buckets
  - € 1 bn AT1 PNC5 5.875% issuance in Sep'18(1)
- Hybrid capital issuance will be limited to maturities and call options
  - 2013 AT1 USD 1.5 Bn (9% coupon) amortized in May'18

MREL Eligible Debt

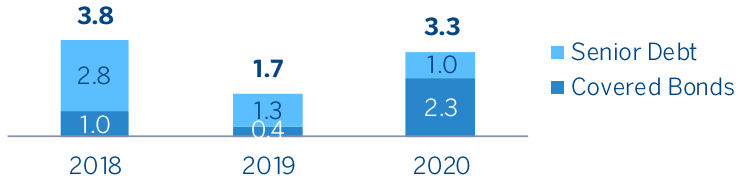
- BBVA's funding plans will be focused on rolling over non-capital wholesale funding maturities into MREL eligible instruments
- According to the funding plan, € 2.5-3.5 Bn SNP issuances are expected during 2018 (2)
  - BBVA successfully issued a € 1.5 Bn SNP 5y FRN in March and a inaugural Green Bond SNP € 1 Bn 7y in May

(1) Sep'18 AT1 bond issuance is not included in the AT1 Ratio
(2)Subject to market conditions

Maturity profile

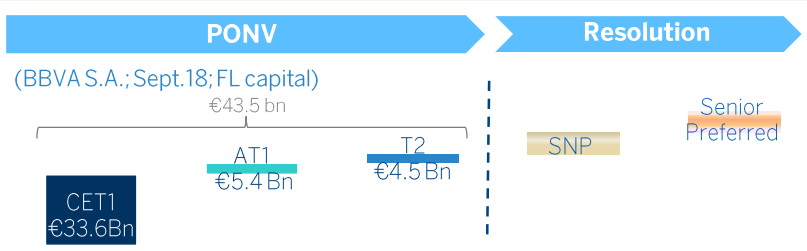
- Wholesale debt maturity profile offers flexibility to refinance current instruments into new SNP, if required:

2018-20 BBVA, S.A. senior & covered bonds maturity profile
(BBVA, S.A.; Dec. 17; € Bn)



SNP noteholders have significant buffer

- Significant capital buffer of € 43.5 Bn of subordinated capital (CET1, AT1 and T2)



This plan would position BBVA's capital structure in a very solid stance, currently aligned with the MREL requirement

07

Liquidity & Funding

Liquidity & Funding

Self-sufficient subsidiaries from a liquidity point of view, with robust supervision and control by parent company

Retail profile of BBVA Group balance sheet with limited dependence on wholesale funding

Parent and subsidiaries proven ability to access the wholesale funding markets (medium & long term) on a regular basis

Ample high quality collateral available, compliant with regulatory liquidity requirements at a Group and Subsidiary level

Principles of BBVA Group's self-sufficient business model: Multiple Point of Entry

Subsidiaries

- Self-sufficient balance-sheet management
- Own capital and liquidity management
- Market access with its own credit, name and rating
- Responsible for doing business locally

Corporate Center

- Guidelines for capital and liquidity / ALCO supervision
- Common risk culture

Advantages

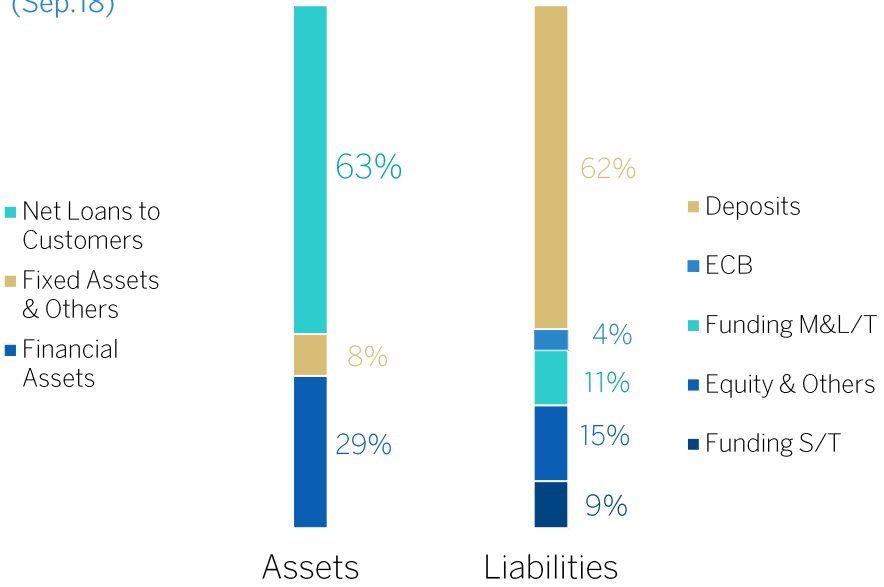
- Medium term orientation / consistent with retail banking
- Improves risk assessment: imposes market discipline and proper incentives to reach sustainable credit growth
- Absence of cross-funding or cross-subsidies
- Helps development of local capital markets
- It curtails the risk of contagion: natural firewalls / limited contagion
- Safeguards financial stability / proven resilience during the crisis
- Liquidity and capital buffers in different balance sheets

No liquidity transfers between the parent and subsidiaries or among subsidiaries

Financial soundness based on the funding of lending activity

BBVA Group Liquidity balance sheet (1)

(Sep.18)



(1) Management liquidity balance sheet (net of interbank balances and derivatives)

BBVA Group Liquidity metrics

(Sep.18)

	Euroz.(2)	USA	Mexico	Turkey	S. Amer
LTD(3)	103%	96%	103%	103% (5)	96%
LCR	152%	145% (4)	134%	119%	well >100%

LCR Group 127%

(2) Perimeter: Spain+Portugal+Rest of Eurasia
(3) Calculated under IFRS9
(4) Compass LCR calculated according to local regulation (Fed Modified LCR)
(5) Calculated at bank-only local level

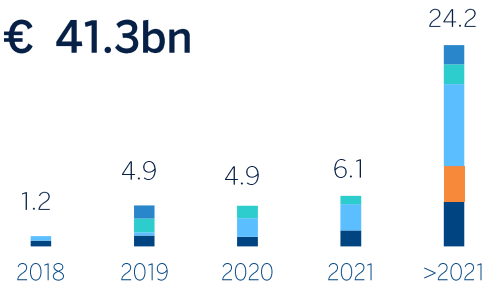
Comfortable liquidity position

LCR ratios clearly above regulatory requirements (> 100% in 2018), both at a Group level and in all banking subsidiaries

Broaden geographical diversification of access to market

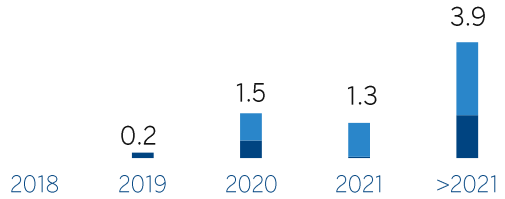
Medium & long-term wholesale funding maturities (Sept.18; € bn)

EURO
€ 41.3bn



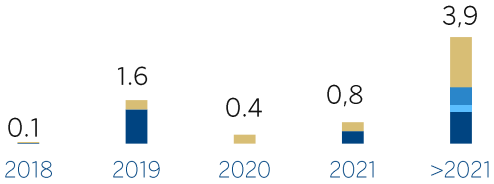
USA
€ 3.0 bn

MEXICO
€ 6.9 bn

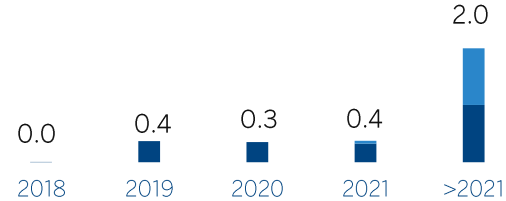


■ Senior Debt ■ Senior Non Preferred
■ Preferred Shares / AT1 ■ Subordinated
■ Covered Bonds ■ Others

TURKEY*
€ 6.8 bn



S. AMERICA**
€ 3.1 bn



Outstanding amounts as of Sept.18
FX as of Sept.18: EUR = 1.16 USD; EUR = 22,78 MXN; EUR= 6.96 TRY

*Not including USD 2,7 bn from Syndicated loans and USD 2.5 bn, mainly bilateral loans and other ST funding

**In Chile, only Forum, BBVA closed the sale of its stake in BBVA Chile in July 6th. Included: Argentina, Colombia, Peru, Uruguay, Paraguay

Ability to access funding markets in all our main subsidiaries using a diversified set of debt instruments

Turkey – Liquidity & Funding Sources

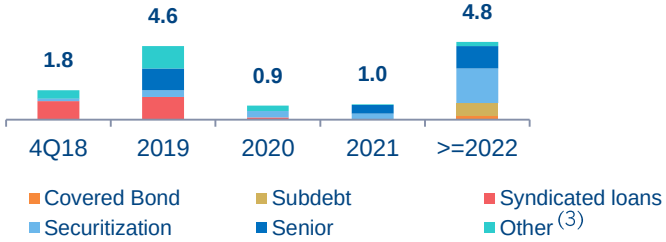
- **LTD ratio 103%,** 9 p.p. improvement QoQ and 12 p.p. YTD, mainly driven by a reduction in **Local Currency LTD**, as **Foreign Currency LTD** remained flattish at **71%**. Stable deposit base: Deposits from Retail and SMEs represent c.75% of Total TRY deposits and c.60% of FC deposits
- **Liquidity 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

External Wholesale Funding Maturities (2) (USD Bn)



USD 13.1 Bn including syndicated loans

Note: All figures are Bank-only, as of Sep.18. (1) ROM: Reserve Option Mechanism

(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

Ratings

BBVA Group Ratings by Agency

Latest Rating Actions (9M18)

Long Term Issuer / Senior Unsecured Ratings

Moody's

A3 rating affirmed
(Aug. 29th, 2018)

A3

S&P

A- rating affirmed
(Aug. 20th, 2018)(2)

A-

DBRS

+1 notch upgrade to A(High)
(Apr. 12th, 2018)

A(High)

Fitch

A- rating affirmed
(July. 17th, 2018)

A-

BBVA Ratings(1)

	Moody's	S&P	Fitch	DBRS	Scope
Outlook Issuer/Senior	Stable	Negative	Stable	Stable	Stable
Investment grade	Aaa	AAA	AAA	AAA CB	AAA CB
	Aa1 CB	AA+	AA+	AA (H)	AA+
	Aa2	AA	AA	AA	AA
	Aa3	AA- CB	AA-	AA (L)	AA-
	A1	A+	A+	A (H) Senior	A+ Senior
	A2	A	A	A	A SNP
	A3 Senior	A- Senior	A- Senior/SNP	A (L) T2	A-
	Baa1	BBB+ SNP	BBB+ T2	BBB (H)	BBB+
	Baa2 SNP	BBB T2	BBB	BBB	BBB
	Baa3 T2	BBB-	BBB-	BBB (L)	BBB-
Non Investment Grade	Ba1	BB+	BB+	BB (H)	BB+ AT1
	Ba2 AT1	BB	BB AT1	BB	BB
	Ba3	BB-	BB-	BB (L)	BB-
	B1	B+	B+	B (H)	B+
	B2	B	B	B	B
	B3	B-	B-	B (L)	B-
	(...)	(...)	(...)	(...)	(...)

Note: CB = Covered Bonds, SNP = Senior Non Preferred

(1) A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. (2) On Aug.20th, 2018, S&P also changed the outlook from Stable to Negative.

Moody's, S&P and DBRS have upgraded BBVA in 9M18

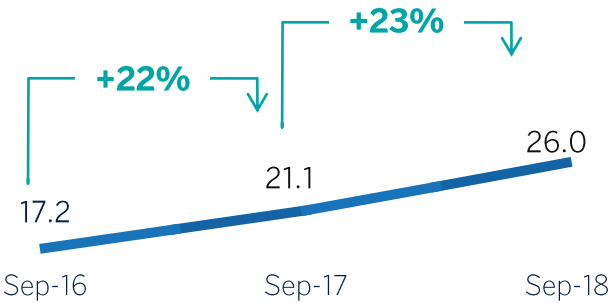
All Rating Agencies assign BBVA a rating on the single A space

09

Transformation Strategy

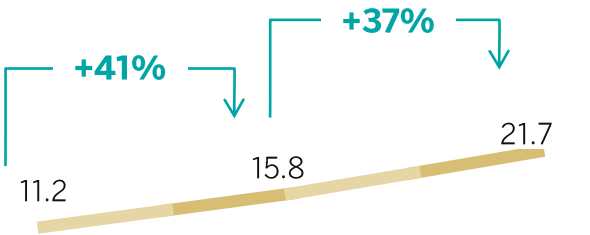
Digital Customers – BBVA Group

Digital Customers
(Mn, % penetration)



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

Mobile Customers
(Mn, % penetration)



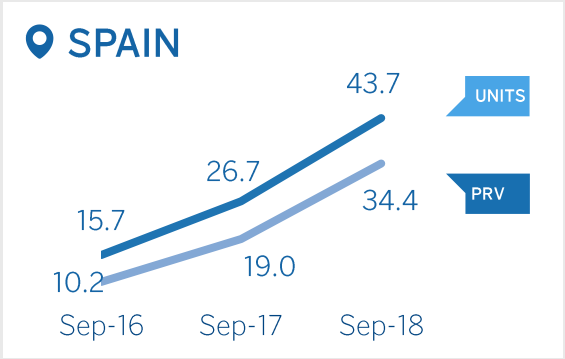
	Sep-16	Sep-17	Sep-18
PENETRATION	23%	31%	41%

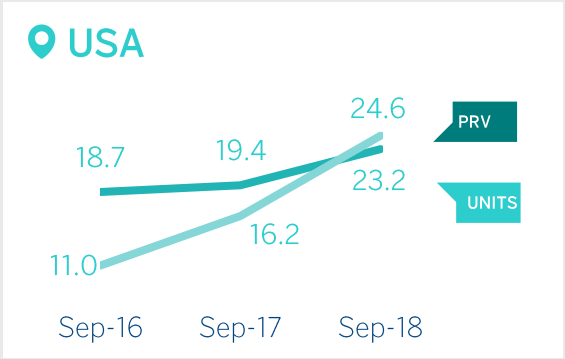
#1 Banking App in the world in 2017 & 2018

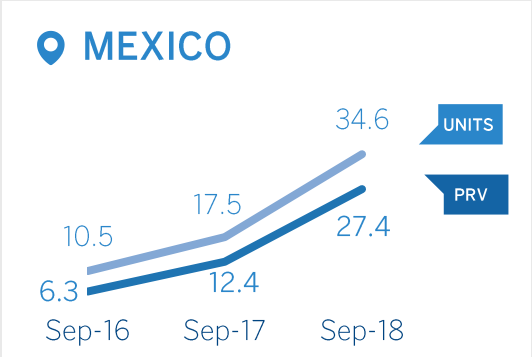
Goal: 50% tipping point of digital customers in 2018 and mobile customers in 2019

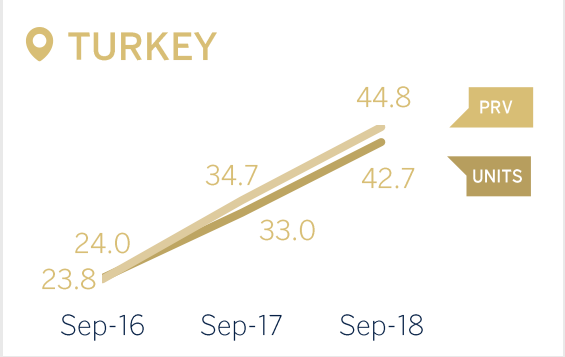
Digital Sales

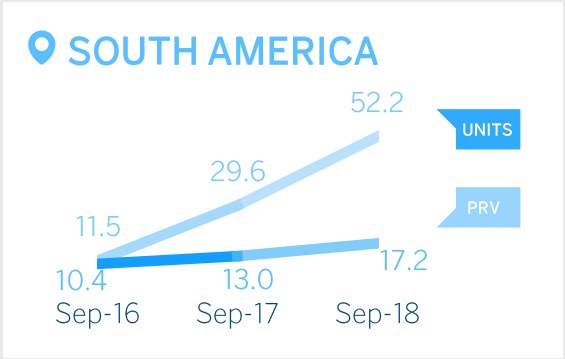
(% of total sales YtD, # of transactions and PRV*)











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

Strong growth across markets

APPENDIX

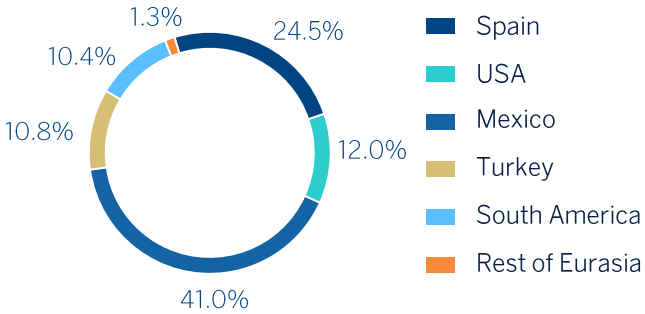
- BBVA Group 9M18 Profit & Loss
- Risk Indicators by Areas
- Capital Base: BBVA Group & BBVA S.A.
- BBVA, S.A.: 2018 SREP Requirement and distance to MDA
- Debt Issuances – 2017/2018YTD
- Amortized notes – 2017/2018YTD
- BBVA, S.A.: 3Q18 Issuances
- MREL framework

BBVA Group 9M18 Profit & Loss

BBVA Group (€m)	9M18	Change 9M18/9M17 %	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**

Net Attributable Profit breakdown

(%, 9M18)



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

Risk Indicators by Areas

NPL ratio (1)

(%)

	Dec.17	Jun.18	Sep.18
BBVA Group	**4.6**	**4.4**	**4.1**
Banking activity in Spain (2)	5.5	5.2	5.0
The United States	1.2	1.2	1.1
Mexico	2.3	2.0	2.0
Turkey	3.9	4.5	5.2
Argentina	0.8	0.9	1.1
Peru	3.8	4.1	4.1
Colombia	5.3	5.7	5.8
Rest of Eurasia	2.4	1.7	1.6

NPL coverage ratio (1)

(%)

	Dec.17	Jun.18	Sep.18
BBVA Group	**65**	**71**	**73**
Banking activity in Spain	50	57	56
The United States	104	93	101
Mexico	123	155	150
Turkey	85	76	77
Argentina	198	182	175
Peru	100	99	99
Colombia	88	97	102
Rest of Eurasia	74	93	101

Cost of Risk YtD (1)

(%)

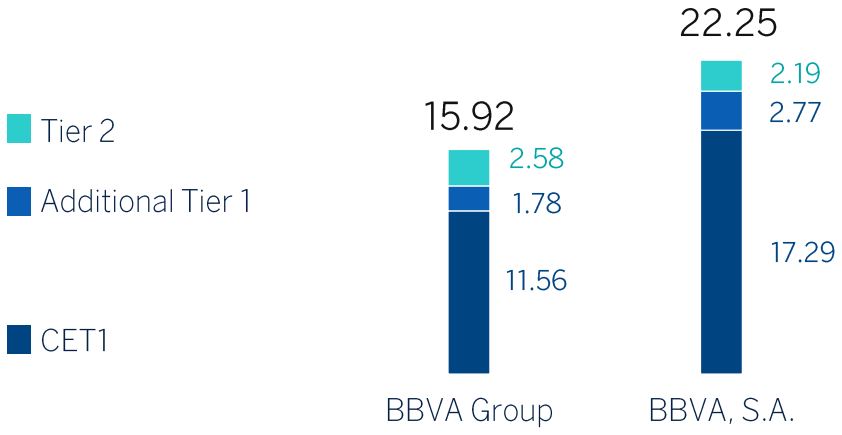
	Dec.17	Jun.18	Sep.18
BBVA Group	**0.89**	**0.82**	**0.90**
Banking activity in Spain	0.32	0.21	0.22
The United States	0.43	0.23	0.33
Mexico	3.24	2.93	2.82
Turkey	0.82	1.23	1.72
Argentina	0.6	1.3	1.2
Peru	1.1	1.3	1.4
Colombia	2.6	2.0	2.0
Rest of Eurasia	-0.16	-0.15	0.13

(1) Data as of 2018 under IFRS9 standards, 2017 figures under IAS 39. (2) NPL ratio exclude repos

Capital Base: BBVA Group & BBVA, S.A.

Phased-in capital ratios

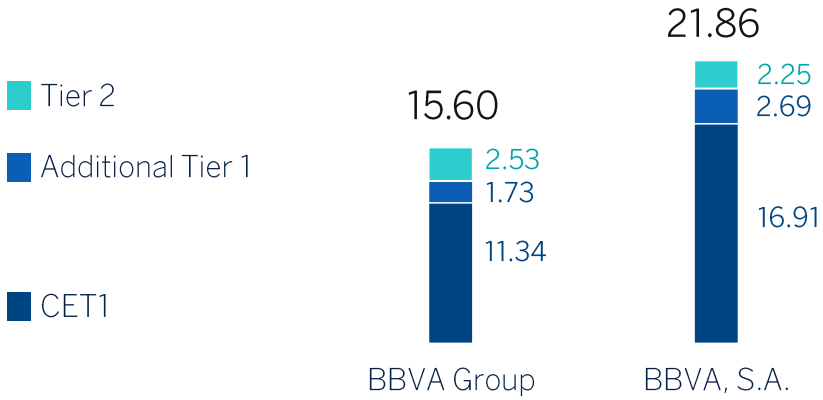
Sep.18 (%)



	BBVA Group	BBVA, S.A.
CET1	€ 39,662 m	€ 34,374 m
AT1	€ 6,103 m	€ 5,507 m
T2	€ 8,847 m	€ 4,345 m
Total Capital Base	**€ 54,612 m**	**€ 44,227 m**
RWA	**€ 343,051 m**	**€ 198,805 m**

Fully-loaded capital ratios

Sep.18 (%)

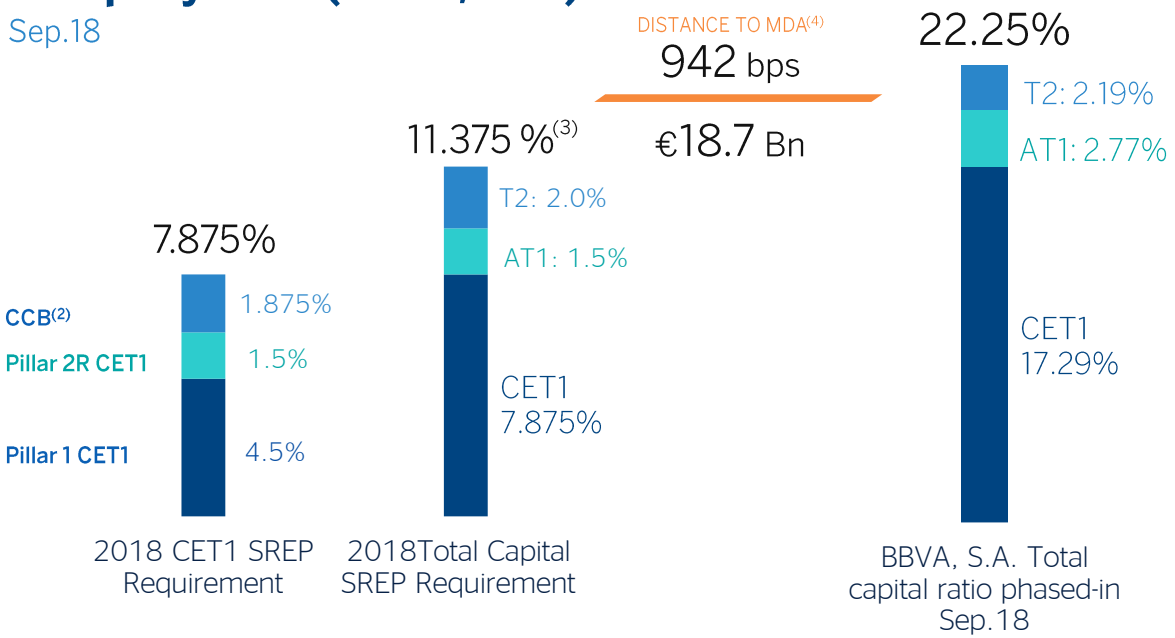


	BBVA Group	BBVA, S.A.
CET1	€ 38,925 m	€33,652 m
AT1	€ 5,944 m	€ 5,364 m
T2	€ 8,670 m	€ 4,488 m
Total Capital Base	**€ 53,538 m**	**€ 43,504 m**
RWA	**€343,271 m**	**€ 199,033 m**

Capital ratios well above requirements

2018 SREP Requirement and distance to MDA(1) at a Parent Company level (BBVA, S.A.)

Sep.18



Well above 2018 Total Capital and CET1 SREP requirements

Significant buffer to MDA: **942 bps**

(1) Maximum Distributable Amount; (2) The Capital Conservation Buffer (CCB) stands, in fully loaded terms, at 2.5% CET1; (3) 2018 SREP Requirement as announced on the Relevant Event dated 13 Dec 2017; (4) 942 bps of Buffer to MDA = 17.29% Sep-18 CET1 phased-in ratio – 7.875% 2018 CET1 SREP Requirement.

Debt Issuances – 2017 - 2018YTD

BBVA, S.A.

Issuer	Product	Issue Date	Call Date	Maturity	Nominal currency	Coupon	Isin
BBVA SA	AT1	Sep-18	Sep-23	Perp	€ 1,000 M	5.875%	ES0813211002
BBVA SA	Tier 2	May-18	-	May-33	$ 300 M	5.25%	XS1824263260
BBVA SA	SNP	May-18	-	May-25	€ 1,000 M	1.375%	XS1820037270
BBVA SA	SNP	Mar-18	-	Mar-23	€ 1,500 M	3ME+ 0.60%	XS1788584321
BBVA SA	SNP	Nov-17	-	Nov-23	€ 150 M	3ME+0.67%	XS1724512097
BBVA SA	AT1	Nov-17	Nov-27	Perp	$ 1,000 M	6.125%	US05946KAF84
BBVA SA	SNP	Nov-17	-	May-28	€ 140 M	1.72%	XS1712061032
BBVA SA	SNP	Sep-17	-	Sep-22	€ 1,500 M	0.75%	XS1678372472
BBVA SA	AT1	May-17	May-22	Perp	€ 500 M	5.875%	XS1619422865
BBVA SA	Tier 2	May-17	-	May-27	CHF 20 M	1.60%	XS1615673701
BBVA SA	Tier 2	May-17	-	May-27	€ 150 M	2.541%	XS1615674261
BBVA SA	Senior Unsec	Apr-17	-	Apr-22	€ 1,500 M	3ME+0,60%	XS1594368539
BBVA SA	Tier 2	Mar-17	Mar-27	Mar-32	$ 120 M	5.700%	XS1587857498
BBVA SA	Tier 2	Mar-17	-	Mar-27	€ 53.4 M	fixed 3% (2 yr) - floating CMS10y + 1.30% (8 yr)	XS1579039006
BBVA SA	Tier 2	Feb-17	-	Feb-32	€ 165 M	4.000%	XS1569874503
BBVA SA	Tier 2	Feb-17	-	Feb-27	€ 1,000 M	3.50%	XS1562614831
BBVA SA	Senior Unsec	Jan-17	-	Jan-22	€ 1,000 M	0.625%	XS1548914800

BBVA Turkey

Issuer	Product	Issue Date	Call Date	Maturity	Nominal currency	Coupon	Isin
Garanti	Tier 2	May-17	May-22	May-27	$ 750 M	6.125%	XS1617531063
Garanti	Senior Unsec	Mar-17	-	Mar-23	$ 500 M	5.875%	XS1576037284

BBVA USA

Issuer	Product	Issue Date	Call Date	Maturity	Nominal currency	Coupon	Isin
Compass	Senior Unsec	Jun-18	May-21	Jun-21	$ 1.150 M	Fiexd 3.5% FRN 3ML+73 bps	US20453KAC99 US20453KAD72
Compass	Senior Unsec	Jun-17	May-22	Jun-22	$ 750 M	2.875%	XS1617531063

BBVA Mexico

Issuer	Product	Issue Date	Call Date	Maturity	Nominal currency	Coupon	Isin
Bancomer	Tier 2	Jan-18	Jan-28	Jan-33	$ 1,000 M	5.125%	US05533UAF57

Amortized notes – 2017 - 2018YTD

	Product	Issue Date	Redemption	Outstanding currency (M)	Outstanding € (M)	Coupon
BBVA, S.A.	AT1	May-13	May-18	$ 1,500 M	1248	9.00%
	Tier 2	Feb-07	Feb-18	€ 257	257	3ME+0.80%
BBVA Subordinated Capital	Tier 2	Oct-05	Jan-18	€ 99	99	3ME+0.80%
BBVA International Preferred, S.A. Unipersonal	Preferred	Apr-07	Apr-17	$ 600	499	5.919%
	Preferred	Sep-06	Mar-17	€ 164	164	3ME+1.95%
	Preferred	Sep-05	Mar-17	€ 86	86	3ME+1.65%
BBVA Mexico	Tier 2	May-07	May-17	$ 500	416	6%
BBVA Peru	Tier 2	May-07	May-17	PEN 40	11	5.85%
BBVA USA(1)	Tier 2	Jun-03/04	Sept/Oct-17	$ 100	83	3ML+2.81%(2)

(1) Includes a total of 4 trust preferred securities issued in 2003 and 2004; (2) Average coupon of the 4 issuances

BBVA follows an economic call policy

3Q18 Issuances: BBVA AT1 Eur 1 bn PNC5 5.875%

Highlights

- Gives BBVA **flexibility to refinance** the potential next call options of AT1
- This is the **lowest coupon** ever paid for a BBVA AT1
- This issuance was the **third public transaction** in 2018 for BBVA SA

Key Features

- Settlement Date: 24-09-2018
- Amount: € 1 bn
- Maturity: perpetual. Call option in 5th year
- Coupon: 5.875% (Fixed Rate Notes)
- Reset: MS + 566 bps
- Spanish investors represented 12% (initial gross demand of € 400 M)

BBVA's first issuance under CNMV regulation, which allowed for Spanish institutional investors to participate in the offer, widening BBVA´s investor base

BBVA

Creating Opportunities

Fixed Income Presentation

3Q18