



BBVA
Group

FOURTH QUARTER 2018



Creating Opportunities

Disclaimer

This document is only provided for information purposes and does not constitute, nor should it be interpreted as, an offer to sell or exchange or acquire, or an invitation for offers to buy securities issued by any of the aforementioned companies. Any decision to buy or invest in securities in relation to a specific issue must be made solely and exclusively on the basis of the information set out in the pertinent prospectus filed by the company in relation to such specific issue. No one who becomes aware of the information contained in this report should regard it as definitive, because it is subject to changes and modifications.

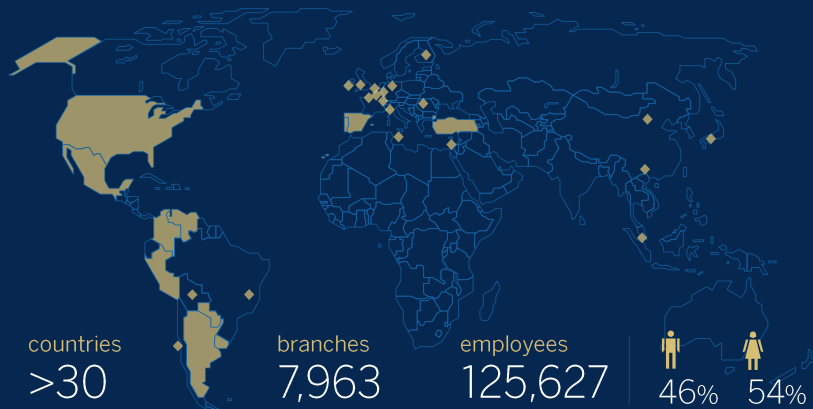
This document contains or may contain forward looking statements (in the usual meaning and within the meaning of the US Private Securities Litigation Reform Act of 1995) regarding intentions, expectations or projections of BBVA or of its management on the date thereof, that refer to or incorporate various assumptions and projections, including projections about the future earnings of the business. The statements contained herein are based on our current projections, but the actual results may be substantially modified in the future by various risks and other factors that may cause the results or final decisions to differ from such intentions, projections or estimates. These factors include, without limitation, (1) the market situation, macroeconomic factors, regulatory, political or government guidelines, (2) domestic and international stock market movements, exchange rates and interest rates, (3) competitive pressures, (4) technological changes, (5) alterations in the financial situation, creditworthiness or solvency of our customers, debtors or counterparts. These factors could cause or result in actual events differing from the information and intentions stated, projected or forecast in this document or in other past or future documents. BBVA does not undertake to publicly revise the contents of this or any other document, either if the events are not as described herein, or if such events lead to changes in the information contained in this document.

This document may contain summarised information or information that has not been audited, and its recipients are invited to consult the documentation and public information filed by BBVA with stock market supervisory bodies, in particular, the prospectuses and periodical information filed with the Spanish Securities Exchange Commission (CNMV) and the Annual Report on Form 20-F and information on Form 6-K that are filed with the US Securities and Exchange Commission.

Distribution of this document in other jurisdictions may be prohibited, and recipients into whose possession this document comes shall be solely responsible for informing themselves about, and observing any such restrictions. By accepting this document you agree to be bound by the foregoing restrictions.


BBVA'S GLOBAL PRESENCE

DECEMBER 2018



FINANCIAL HIGHLIGHTS

DECEMBER 2018

Total assets	Loans and advances to customers - gross	Deposits from customers
676,689	386,225	375,970
 Net attributable profit 12M18 5,324	NPL ratio 3.9%	Coverage ratio 73%
CET 1 FL 11.34%	TBV per share + Shareholders remuneration 6.11	ROE 10.2%
		ROTE 12.5%

CUSTOMERS & DIGITAL SALES

DECEMBER 2018

CUSTOMERS

74 million

Digital customers
27.2 m

Mobile customers
23.0 m

DIGITAL SALES

PRV*
32.0%

Units
40.7%

SUSTAINABLE DEVELOPMENT AND DIRECT CONTRIBUTION TO SOCIETY

BBVA's Pledge 2025



€100 billion

MOBILIZED between 2018 and 2025

Allocated to social programs

103 €m

BBVA Open Talent 2017

Fundación BBVA MicroFinanzas

Fundación BBVA

BBVA Momentum

Open Mind

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



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



Unrivalled 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

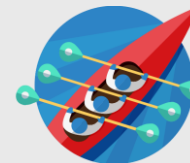


We think **big**

 We are ambitious

 We break the mold

 We amaze our customers



We are **one team**

 I am committed

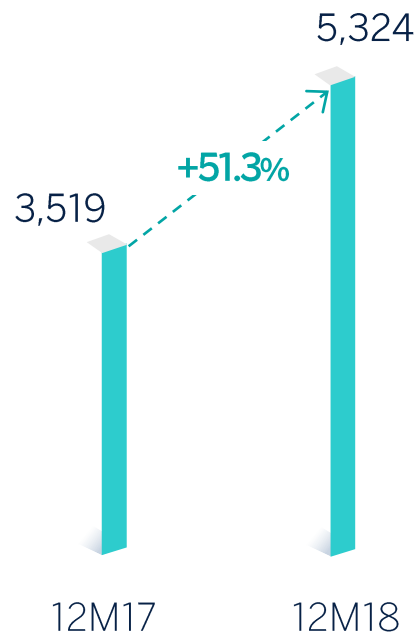
 I trust others

 I am BBVA

Quarterly Update

Strong results in a challenging environment

Net Attributable Profit (€m)



- Strong core revenue growth
- Efficiency improvement
- Outstanding trend in digital sales and customers
- Sound risk indicators
- Resilient capital position
- Focus on shareholder value

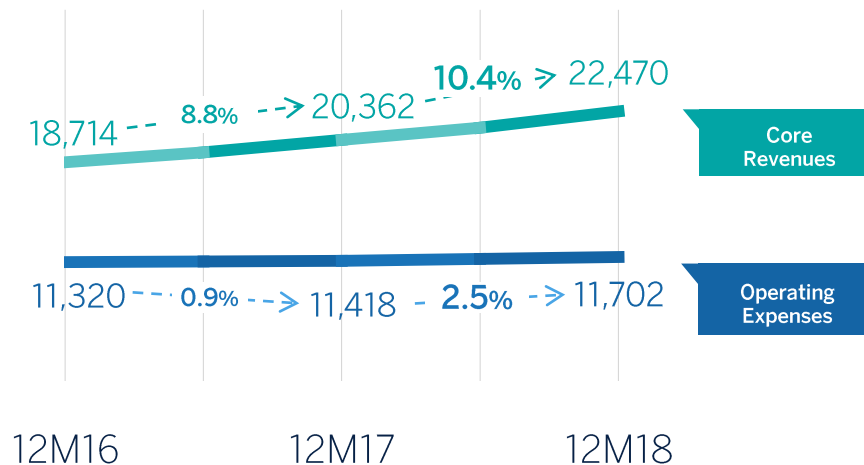
2018 Profit & Loss

BBVA Group (€m)	12M18	12M17	Change 12M18/12M17	
			%	% constant
Net Interest Income	17,591	17,758	-0.9	10.8
Net Fees and Commissions	4,879	4,921	-0.8	8.9
Net Trading Income	1,223	1,968	-37.8	-33.9
Other Income & Expenses	54	622	-91.4	-90.2
Gross Income	23,747	25,270	-6.0	4.3
Operating Expenses	-11,702	-12,500	-6.4	2.5
Operating Income	12,045	12,770	-5.7	6.2
Impairment on Financial Assets	-3,981	-4,803	-17.1	-12.0
Provisions and Other Gains and Losses	-483	-1,036	-53.3	-51.8
Income Before Tax	7,580	6,931	9.4	30.4
Income Tax	-2,062	-2,169	-4.9	9.2
Corporate Operations Income	633	0	n.s.	n.s.
Non-controlling Interest	-827	-1,243	-33.5	-11.7
Net Attributable Profit	5,324	3,519	51.3	78.2
BBVA Chile impact (capital gains in 2018 and recurrent operations in 2017 and 2018)	697	127	n.s.	n.s.
Telefónica impairment and capital gains from CNCB sale	0	-931	n.s.	n.s.
Net Attributable Profit (ex-BBVA Chile impact & ex-Telefónica imp. and CNCB sale in 2017)	4,627	4,324	7.0	21.9

Efficiency improvement

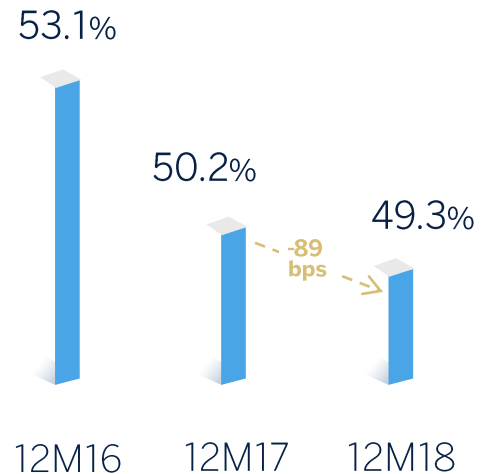
Group Operating Jaws

(YoY (%); (€ constant))



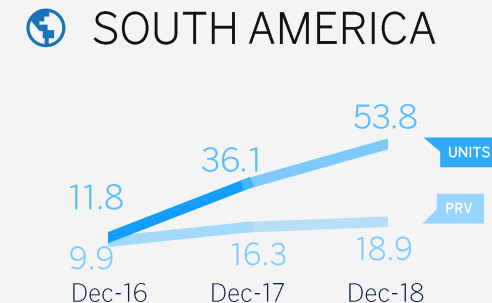
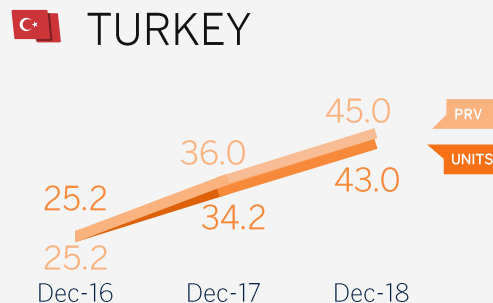
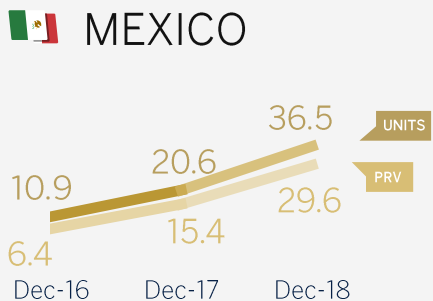
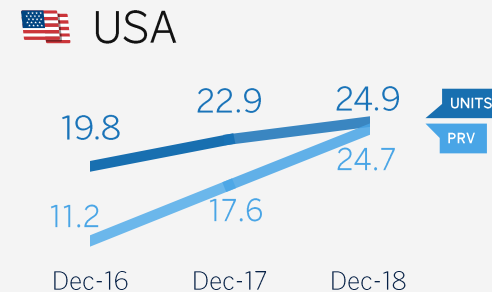
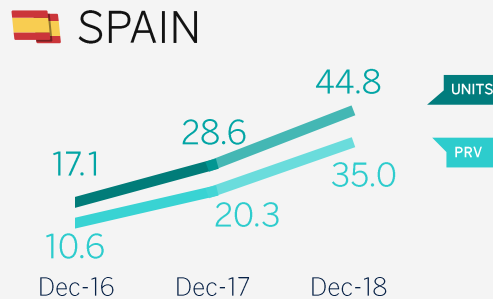
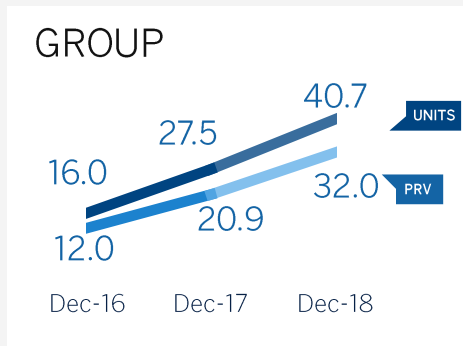
Efficiency Ratio

(€ constant)



Outstanding trend in digital sales across the board

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

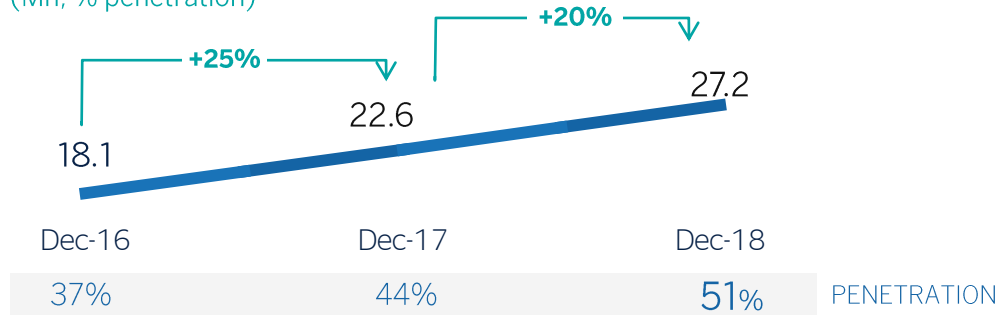


Figures have been restated due to the inclusion of additional products.
 Group and South America figures exclude Venezuela and Chile.
 (*) Product Relative Value as a proxy of a better economic representation of units sold

50% digital customers goal exceed in 2018

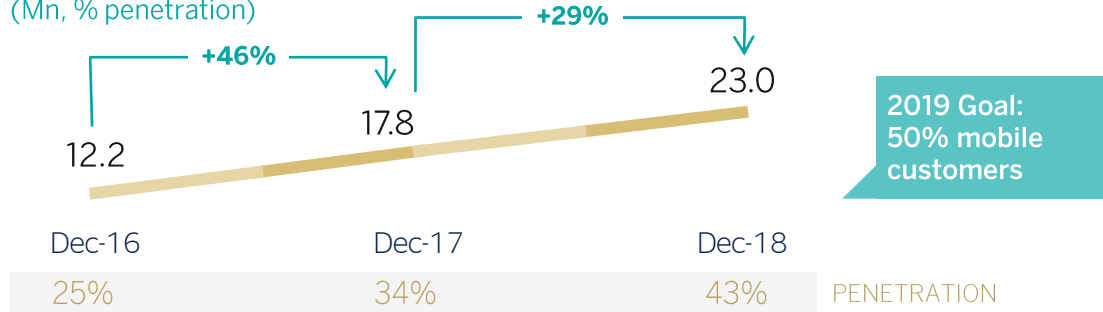
Digital Customers

(Mn, % penetration)

















Mobile Customers

(Mn, % penetration)



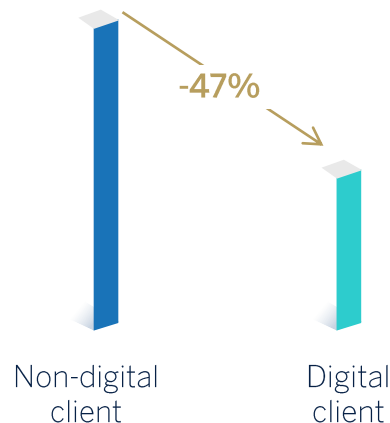
Strong client satisfaction across all countries

BBVA NPS RANK (Dec-18)

	Spain		#1
	Mexico		#1
	Turkey		#1
	Peru		#1
	Uruguay		#1
	Paraguay		#1
	Colombia		#2

Digital reduces attrition

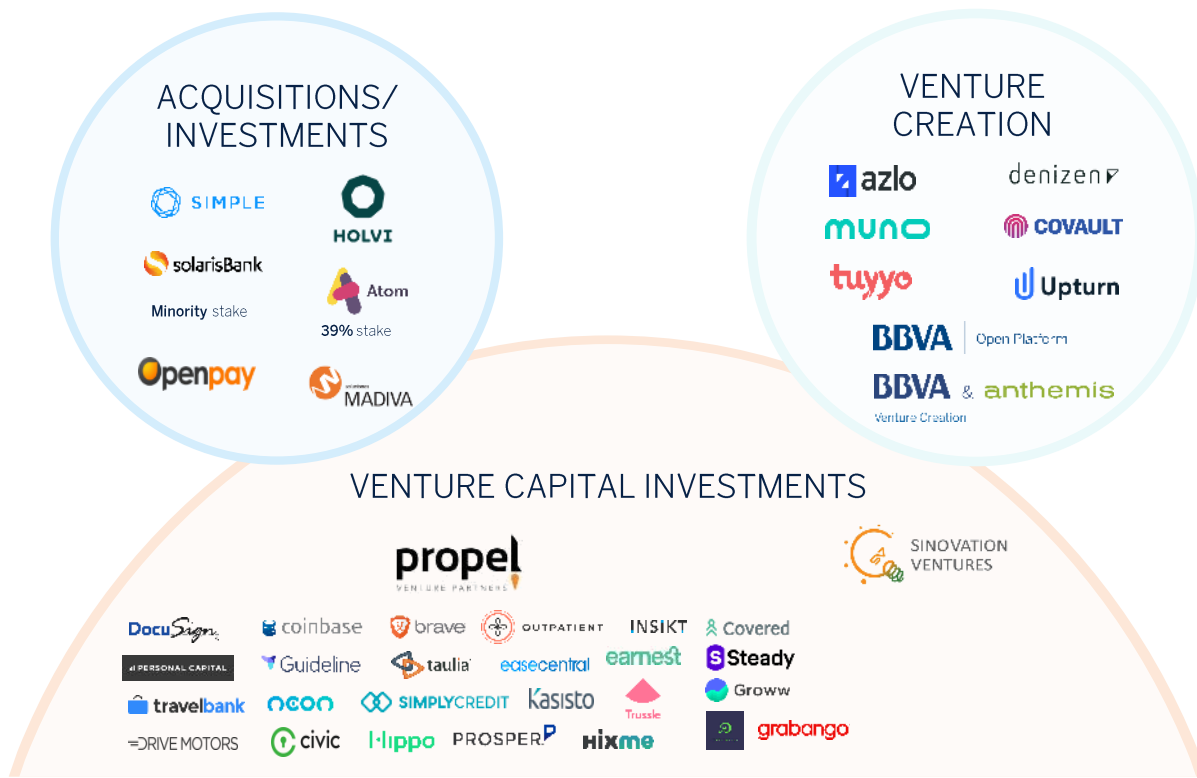
(Attrition ratio %, Digital vs. Non-digital clients, 2018)



Peer Group: Spain: Santander, CaixaBank, Bankia, Sabadell // Mexico: Banamex, Santander, Banorte, HSBC // Turkey: Akbank, Isbank, YKB, Deniz, Finans // Peru: Interbank, BCP, Scotiabank // Uruguay: ITAU, Santander, Scotiabank // Paraguay: Continental, Itau, Regional // Colombia: Davivienda, Bancolombia, Banco de Bogotá.

New business models

Leveraging the FinTech ecosystem to develop our value proposition

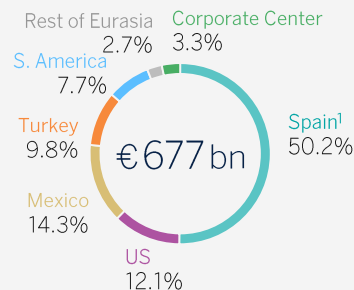


Business Areas

Unique footprint with high growth prospects

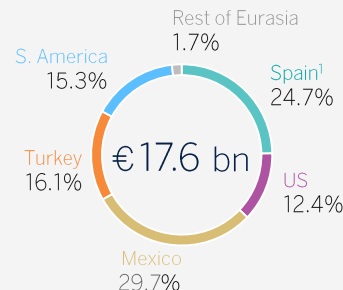
Breakdown by Business Area

TOTAL ASSETS (Dec.18)



67%²
Developed Markets

GROSS INCOME³ (2018)

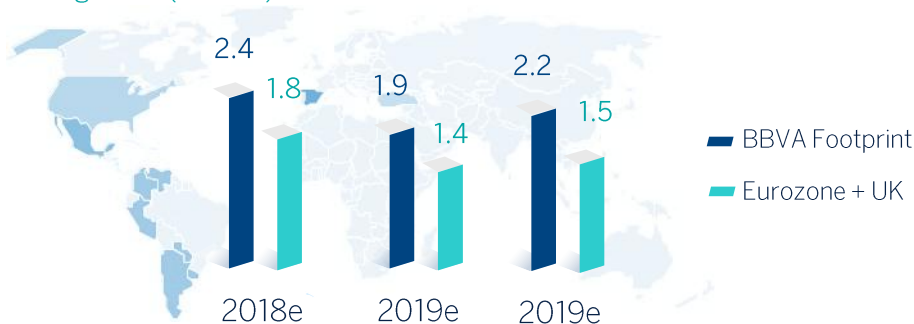


39%
Developed Markets

(1) Includes Banking activity in Spain and Non Core Real Estate; (2) Excludes Corporate Center; (3) Percentages exclude the Corporate Center (2018 Gross Income of €-432Mn)

Higher Growth Prospects

GDP growth (YoY, %)



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

Leadership positioning

Market share (in %) and ranking⁴

Region	Ranking	Market Share (%)
SPAIN	#3	13.5%
USA (Sunbelt)	#4	6.2%
MEXICO	#1	22.6%
TURKEY	#2	10.6%
S.AMERICA (footprint)	#1	12.9%

(4) Loans' market shares except for USA (Deposits). Spain based on BoS (Nov.18) and ranking (Oct.18) by AEB and CECA; Mexico data as of Nov.18 (CNBV); S. America (Nov.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: BRS total performing loans equivalent to 17.5% among private banks (Dec.18) and ranking (only considers private banks) as of Sep.18

Business Areas

Spain BANKING ACTIVITY

NET ATTRIBUTABLE PROFIT (12M18)

1,522 €m +10.8% vs. 12M17

NPL RATIO

4.6%
vs. 5.5% 4Q17

COVERAGE RATIO

57%
vs. 50% 4Q17

- Core revenue growth
- Significant cost reduction
- Asset quality improvement
- Loans: growth in high profitable segments

Non core real estate

NET ATTRIBUTABLE PROFIT (12M18)

-78 €m -84.2% vs. 12M17

NET EXPOSURE

-61.1%
vs. Dec.17

- Net exposure decrease due to Cerberus transaction and loan portfolio sales
- Significant reduction in Net losses

USA € constants

NET ATTRIBUTABLE PROFIT (12M18)

735 €m +56.9% vs. 12M17

NPL RATIO

1.3%
vs. 1.2% 4Q17

COVERAGE RATIO

85%
vs. 104% 4Q17

- Double-digit NII growth
- Costs: positive jaws and efficiency improvement
- Loan growth acceleration
- Good asset quality
- Achieving double-digit profitability

Business Areas

Mexico € constants

NET ATTRIBUTABLE PROFIT (12M18)

2,384 €m +16.1% vs. 12M17

NPL RATIO

2.1%
vs. 2.3% 4Q17

COVERAGE RATIO

154%
vs. 123% 4Q17

- High single digit growth in Loans and NII
- Impressive trend in costs and efficiency
- Strong asset quality metrics
- Outstanding profitability: bottom line growth at double digits

Turkey € constants

NET ATTRIBUTABLE PROFIT (12M18)

569 €m -4.5% vs. 12M17

NPL RATIO

5.3%
vs. 3.9% 4Q17

COVERAGE RATIO

81%
vs. 85% 4Q17



- NII growth boosted by higher CPI linkers contribution
- Expenses growth below inflation
- Loans: TL loan growth significant slowdown explained by macro and higher rates. FC loans continue to decrease
- Asset quality impacted by macro deterioration

South America € constants

NET ATTRIBUTABLE PROFIT¹ (12M18)

591 €m -16.5% vs. 12M17

NPL RATIO

 6.0% vs. 5.3% 4Q17
 4.0% vs. 3.8% 4Q17
 2.0% vs. 0.8% 4Q17

- Colombia: double digit growth supported by core revenues and lower impairments
- Peru: NII as the main P&L driver, thanks to a more profitable loan mix
- Argentina: loan growth slowdown due to the economic environment

CIB – 12M18 Results

Business activity

(constant €, % YtD)

LENDING

59 €bn +8.3%

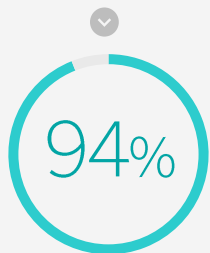
CUSTOMER FUNDS

41 €bn -7.0%

Client's revenue

(constant €, % YoY)

2,753 €m +5%



Wholesale banking
recurrent business¹
% of revenues given by
our relations with clients

Results

(constant €, % YoY)

GROSS INCOME

2,941 €m +2.9%

OPERATING INCOME

1,935 €m +4.8%

NET ATTRIBUTABLE PROFIT

1,016 €m -2.1%

- Recovery in lending volume specially in Mexico, Argentina and Turkey
- Customer income increase due to commercial activity
- Good performance in Gross Margin, due to excellent results in Turkey and Argentina. Net Attributable profit affected by provisions in Turkey in the last quarter

(1) Client's revenue / Gross income

Annex

The image shows a multi-level office environment. On the left, a mezzanine level is enclosed by a glass railing, providing a view of the lower floor. The lower floor is a large, open-plan office with rows of desks, computers, and office partitions. The ceiling is high with recessed lighting. The overall atmosphere is professional and modern.

BBVA had significant growth since 1995

More than 160 years of history

- **1995** Banco Continental (Peru)
Probursa (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)
Public takeover offer for Bancomer (Mexico)
- **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 (China)
- **2009** Guaranty Bank (USA)
- **2010** New extension CITIC agreement (China)
Turkiye Garanti Bankasi (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 Bankasi (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 (China)
Acquisition of an additional stake in Turkiye Garanti Bankasi of 9.95% (Turkey)
Agreement with Cerberus to transfer the Real Estate Business (Spain)
- **2018** Sale of the stake in BBVA Chile to The Bank of Nova Scotia (Chile)

Organizational chart



Chief Executive Officer
Onur Genç



GROUP EXECUTIVE CHAIRMAN
Carlos Torres Vila

BUSINESS UNITS



Corporate & Investment Banking
Luisa Gómez Bravo



Country Monitoring ⁽¹⁾
Jorge Sáenz-Azcúnaga



Country Manager España
Cristina de Parias



Country Manager México
Eduardo Osuna



Country Manager Estados Unidos
Javier Rodríguez Soler



Country Manager Turquía
Fuat Erbil

GLOBAL FUNCTIONS



Client Solutions
Derek White



Finance & Accounting
Jaime Sáenz de Tejada



Global Risk Management
Rafael Salinas

TRANSFORMATION



Engineering & Organization
Ricardo Forcano



Talent & Culture
Carlos Casas



Data
David Puente

STRATEGY



Global Economics & Public Affairs
José Manuel González-Páramo



Senior Advisor to the Chairman
Juan Asúa



Strategy & M&A
Victoria del Castillo



Communications
Paul G. Tobin

LEGAL AND CONTROL



Legal
María Jesús Arribas



General Secretary
Domingo Armengol



Supervisors, Regulation & Compliance ⁽²⁾
Eduardo Arbizu



Internal Audit ⁽²⁾
Joaquín Gortari

(1) Reporting channel to CEO for Argentina, Colombia, Peru, Venezuela, Uruguay and Paraguay, as well as monitoring of all countries, including Spain, Mexico, USA and Turkey

(2) Reporting to the Board of Directors through its corresponding committees



BBVA
Group

FOURTH QUARTER 2018



Creating Opportunities