

Group BBVA

2Q19

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To bring the age of opportunity to everyone

BBVA'S GLOBAL PRESENCE

JUNE 2019



FINANCIAL HIGHLIGHTS

JUNE 2019

697,626 €m

to customers - gross

389,306 €m

Deposits

375,104 €m



Net attributable profit 2Q19

1,278 €m

NPL ratio

3.8% 75%

CET 1 FL

TBV per share

11.52%

6.36€

10.2%

12.4%

CUSTOMERS & DIGITAL SALES

JUNE 2019



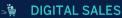
76.0 m



29.7 m



26.1 m



PRV* 43.8%

58.1%

SUSTAINABLE DEVELOPMENT AND DIRECT **CONTRIBUTION TO SOCIETY**

BBVA's Pledge 2025



MOBILIZED between 2018 and 2025

Allocated to social programs

104.5 €m

BBVA Open Talent











BBVA Purpose

We are BBVA. We create opportunities

OUR PURPOSE

To bring the age of opportunity to everyone



SIX STRATEGIC PRIORITIES

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

New value proposition

Based on our customers' real needs



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



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

Providing the best



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

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



2Q19 Results

Strong results in a challenging environment

NET ATTRIBUTABLE PROFIT (€m)



Note: The hyperinflation impact in Argentina recorded in 3Q18 has been allocated on a monthly basis in the first nine 9 months of 2018 impacting 1Q18, 1H18 and 3Q18 P&L and balance sheet figures. 2Q18 figures include BBVA Chile recurrent operations (sale closed on July 6th).

- Robust core revenue growth
- Further improvement in best-inclass efficiency
- Sound risk indicators
- Strong capital position
- Outstanding delivery on shareholder value creation
- Ahead of the curve in digital transformation

1H19 Profit & Loss

		Change 1H19/1H18	
BBVA Group(€m)	1H19	%	% constant
Net Interest Income	8,987	7.4	9.9
Net Fees and Commissions	2,470	1.0	2.8
Net Trading Income	542	-17.7	-16.6
Other Income & Expenses	-10	n.s.	n.s.
Gross Income	11,989	3.7	6.0
Operating Expenses	-5,874	2.3	3.9
Operating Income	6,115	5.2	8.2
Impairment on Financial Assets	-1,777	13.4	15.7
Provisions and Other Gains and Losses	-286	n.s.	n.s.
Income Before Tax	4,052	-2.8	0.3
Income Tax	-1,136	-5.4	-3.0
Non-controlling Interest	-475	-4.7	17.2
Net Attributable Profit	2,442	-1.2	-0.8

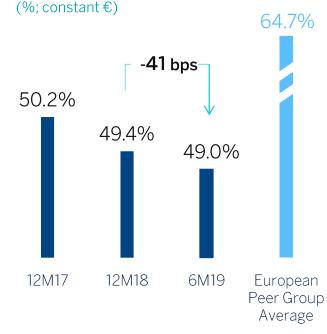
Further improvement in best-in-class efficiency

GROUP OPERATING JAWS

(1HYoY (%); (constant €))

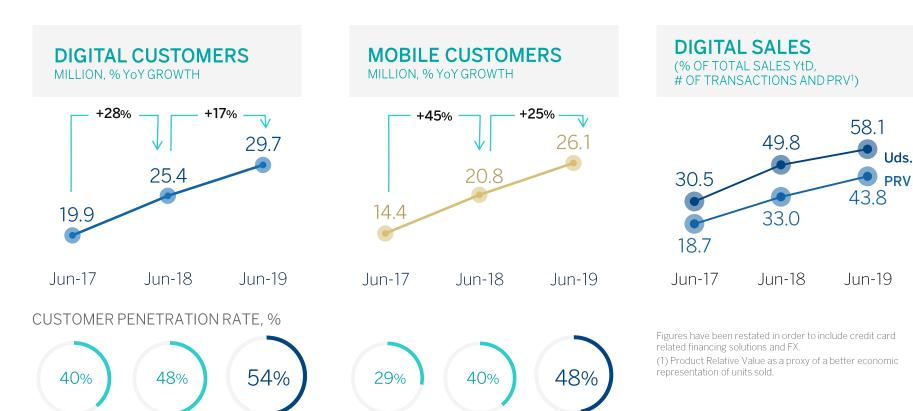


EFFICIENCY RATIO



European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCG. European Peer Group figures as of Mar-19. BBVA figures as of Jun-19.

Growing in digital and mobile customers, leading to an outstanding trend in digital sales



Digital sales: outstanding trend across the board

(% of total sales YtD, # of transactions and PRV1)



Figures have been restated in order to include credit card related financing solutions and FX. Group and South America figures exclude Venezuela and Chile.

⁽¹⁾ Product Relative Value as a proxy of a better economic representation of units sold.

⁽²⁾ Excludes ClearSpend Debit cards.

Digital transformation: a competitive advantage for BBVA

CUSTOMER GROWTH



OPEN BANKING: PARTNERSHIP WITH UBER

SELF-DRIVEN ACCOUNT

CUSTOMER ENGAGEMENT AND ADVICE

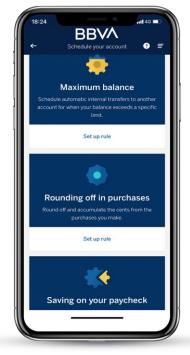




Uber's first financial product outside USA

First BBVA product created through our Open Banking capabilities in a partnership with a Bigtech company

Co-branded account and debit card for 500k Uber drivers in Mexico



Self-configuration of rules help clients manage their finances

- Paycheck savings
- Minimum and maximum balance
- Rounding off in purchases
- Budget savings
- End of month savings

The impact of transformation: Spain

Two years change (Jun'17 vs Jun'19)

BBVA Spain has grown its customer base. It has also increased client satisfaction and retention by using a more efficient relationship model, which has lowered operating expenses



GROWTH

Acquiring more engaged and profitable clients

+33%

Digitally acquired clients

+11%

Net fees & commissions(1)



ENGAGEMENT

Resulting in higher client satisfaction and retention

Leading since 2017 NPS (2)

-18%

Attrition rate

App European Leader in Mobile Banking 2017 | 2018 | 2019 (3)



EFFICIENCY

Lowering cost to sell and serve our clients

-8%

Operating Expenses

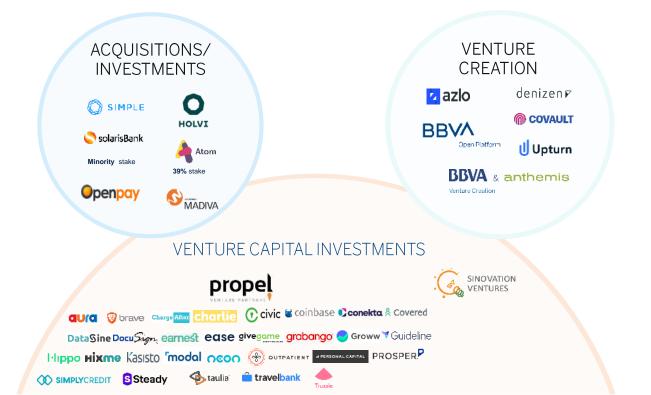
-14%

Branches

Remote serviced clients

New business models

Leveraging the FinTech ecosystem to develop our value proposition





2Q19 Results

Business Areas

Unique footprint with high growth prospects

BREAKDOWN BY BUSINESS AREA



GROSS INCOME¹ 1H19



(1) Percentages exclude Corporate Center

HIGHER GROWTH PROSPECTS

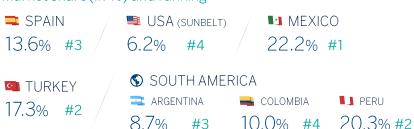
GDP growth (YoY, %)



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

LEADERSHIP POSITIONING

Market share (in %) and ranking²



(2) Loans' market shares except for USA (Deposits). **Spain** based on BoS (May.19) and ranking (Mar.19) by AEB and CECA; **Mexico** data as of May.19 (CNBV); **South America** (Apr.19 for Colombia, Argentina and May 19 for Peru,). Ranking considering main peers in each country; **USA**: SNL (Jun.18) considering Texas and Alabama; **Turkey**: BRSA total performing loans among private banks (market share as of Jun'19 and ranking as of March'19)

Business Areas



NET ATTRIBUTABLE PROFIT (1H19)

734 €m

-1.7% vs 1H18

NPI RATIO

COVERAGE RATIO

4.6% vs. 6.3% 2018

vs. 58% 2018

58%

- Loans: continued growth in most profitable segments
- Improvement on customer spread
- NII: significant recovery QoQ thanks to good commercial activity
- Costs: continue to go down
- Asset quality positively impacted by mortgage portfolio sales



NET ATTRIBUTABLE PROFIT (1H19)

297 €m

-27.8% vs 1H18

COVERAGE RATIO

NPI RATIO

1.3% 91%

vs. 1.2% 2018

vs. 93% 2018

- Loan growth rate decelerating: explained by consumer and commercial loans
- NII: growth at mid single-digit supported by a higher customer spread
- Positive jaws, with flat operating expenses
- Asset quality indicators improving in the quarter

Mexico constant €

NET ATTRIBUTABLE PROFIT (1H19)

1,287 €m +0.6% vs. 1H18

NPI RATIO

COVERAGE RATIO

2 2%

148%

vs. 2.0% 2018

vs. 155% 2018

- NII as the main P&L driver
- Loan growth supported by retail, gaining share in consumer
- Positive Jaws: core revenues above Opex growth
- Strong asset quality metrics

Business Areas



NET ATTRIBUTABLE PROFIT (1H19)

282 €m -2.8% vs. 1H18

NPL RATIO COVERAGE RATIO

6.3% 76% vs. 4.5% 2Q18 vs. 76% 2Q18

- Resilience in a more challenging environment vs. 1H18
- Customer spread: Continued recovery on TL and FC spreads QoQ thanks to successful price management
- Strong fee growth
- Asset quality: better than expectations

South America constant €

NET ATTRIBUTABLE PROFIT¹ (1H19)

404 €m +72.4% vs. 1H18

COST OF RISK (YtD)

- 1.87% vs. 1.96% 2018
- 1.64% vs. 1.29% 2018
- 3.00% vs. 1.14% 2018
- Colombia. Double digit bottom line growth driven by revenues and flat expenses and provisions
- Peru. NII growing at double digits and positive jaws
- Argentina. Bottom line improvement driven by higher contribution from the securities portfolio and the sale of Prisma stake in 1Q19

CIB – 1H19 Results

BUSINESS ACTIVITY (constant €, % YtD)

LENDING

58 €bn -14%

CUSTOMER FUNDS

35 €bn

-13 1%

CLIENT'S REVENUE

(constant €, % YoY)

1,365 €m



Wholesale banking recurrent business¹

% of revenues given by our relations with clients

RESULTS

(constant €, % YoY)

GROSS INCOME

1,451 €m

-1.8%

OPERATING INCOME

926 €m

-37%

NET ATTRIBUTABLE PROFIT

490 €m

-17.9%

- Complex macro environment derived from increasing geopolitical tensions
- Slight increase of Customer income due to transactional activity
- Net attributable profit affected by the evolution of provisions. Revenues recurrence supported by product and geographies diversification and focus on the management of discretionary expenses



Annex

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)
• 2	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)



Organizational chart



Chief Executive Officer Onur Genc



GROUP EXECUTIVE CHAIRMAN
Carlos Torres Vila

BUSINESS UNITS



Corporate & Investment Banking Luisa Gómez Bravo

Country Monitoring¹

Jorge Sáenz-Azcúnaga



Client Solutions

David Puente

GLOBAL FUNCTIONS



Finance Jaime Sáenz de Tejada





Global Risk Management Rafael Salinas



Country Manager México Eduardo Osuna



Country Manager Estados Unidos Javier Rodríguez Soler



Country Manager Turquía Recep Bastug

TRANSFORMATION



Engineering & Organization Ricardo Forcano



Talent & Culture Carlos Casas



Ricardo Martín

STRATEGY



Global Economics & Public Affairs José Manuel González-Páramo



Senior Advisor to the Chairman Juan Asúa



Strategy & M&A Victoria del Castillo



Communications & Responsible Business Paul G. Tobin

LEGAL AND CONTROL



Legal María Jesús Arribas



General Secretary

Domingo Armengol



Regulation
& Internal Control²
Ana Fernández Manrique



Internal Audit²
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