

2015 Second Quarter Results

Madrid, July 31st 2015

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Garanti Bank Closing

Opportunity

- ✓ Best franchise in Turkey
- ✓ Leadership in technology
- ✓ Market with huge potential
- ✓ Majority of BBVA Board Members
- ✓ Increase value generation after 4 years of active cooperation

Impacts for BBVA

- ✓ Additional contribution to BBVA Group profit of around € 240⁽¹⁾ Mn in 2016
- ✓ -50 bps estimated capital impact (CET 1 Fully loaded), as expected
- ✓ € -1.8bn P&L impact (no cash outflow) due to changes in the consolidation method

(1) According to Bloomberg consensus

Priorities in a Changing Environment

1

New standard in customer experience

2

Drive digital sales

3

New business models

4

Optimize capital allocation

5

Unrivalled efficiency

6

A first class workforce

Increasingly Digital Customer Base

Digital Customers⁽¹⁾

BBVA Group - Million

Mobile Customers⁽¹⁾

BBVA Group - Million

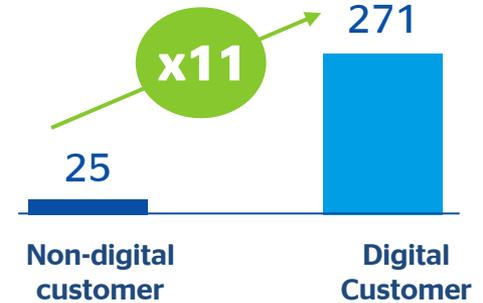
Annual Transactions

BBVA Spain - Average Transactions per Customer

New Customer Behaviors



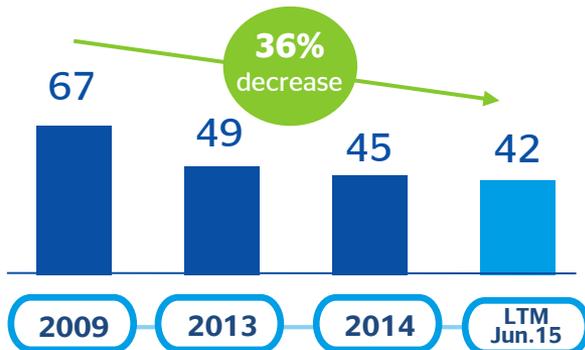
More Engaged



Branch Activity

BBVA Spain - Millions of transactions

New Distribution Model



Growth of Digital Sales

Digital Consumer Loans

BBVA Spain - % of New Loans⁽²⁾



(1) Figures include Turkey
(2) In number of loans

Progress in the Development of New Competencies

	Milestones	Examples
Customer Solutions	<ul style="list-style-type: none"> ✓ Incorporating new design and user experience capabilities 	<p>SpringStudio <i>Spring Studio already working almost exclusively on BBVA projects</i></p> <p> MADIVA Leveraging data from Big Data startup Madiva</p>
Engineering	<ul style="list-style-type: none"> ✓ Leveraging IT Platform to develop Open Platform and Big Data capabilities 	<p> DWOLLA BBVA Compass launch of instant funds transfer through Dwolla</p>
Global Marketing & Digital Sales	<ul style="list-style-type: none"> ✓ Exponential growth of digital sales and customer acquisition 	<p> SIMPLE Growth of customer base of 23.6% in Q2 vs. Q1</p>
New Digital Businesses	<ul style="list-style-type: none"> ✓ Fostering in-house innovation and accessing external innovation 	<p> Nimble Simple Payments & Easy Business Launch of virtual POS solution in Spain</p> <p> coinbase</p> <p>PROSPER[®]</p>
Talent & Culture	<ul style="list-style-type: none"> ✓ New ways of working and new organization 	<p><i>Escalating Agile across all geographies</i></p>

Earnings

Solid Net Interest Income Growth

Net interest income **+18.8%**
(2Q15 vs. 2Q14)

Excluding FX effect



✓ Low interest rate environment

✓ Double digit growth

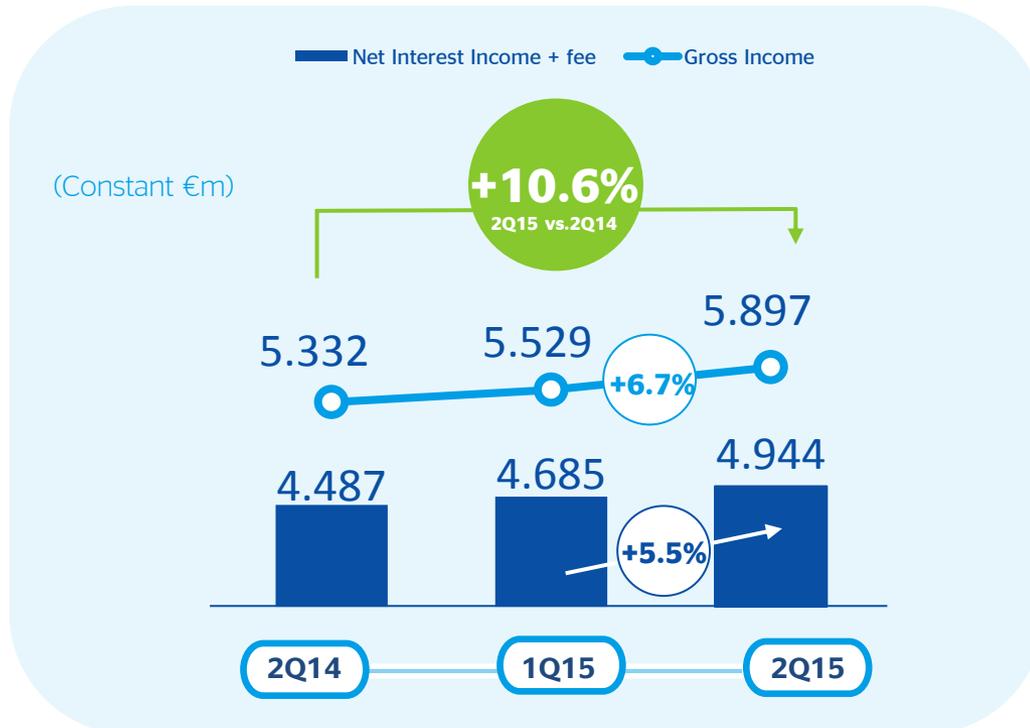
✓ Growth across all franchises

Earnings

Revenue Growth

Gross Income **+16.5%**
(2Q15 vs. 2Q14)

Excluding FX effect



✓ Boosted by recurrent revenue

✓ Telefonica dividend

Earnings

Positive Jaws

Gross income vs costs
YoY (%), constant €m



✓ Jaws widening

✓ Efficiency improvement

Earnings

Robust Operating Income

Operating income **+17.2%**
(2Q15 vs. 2Q14)

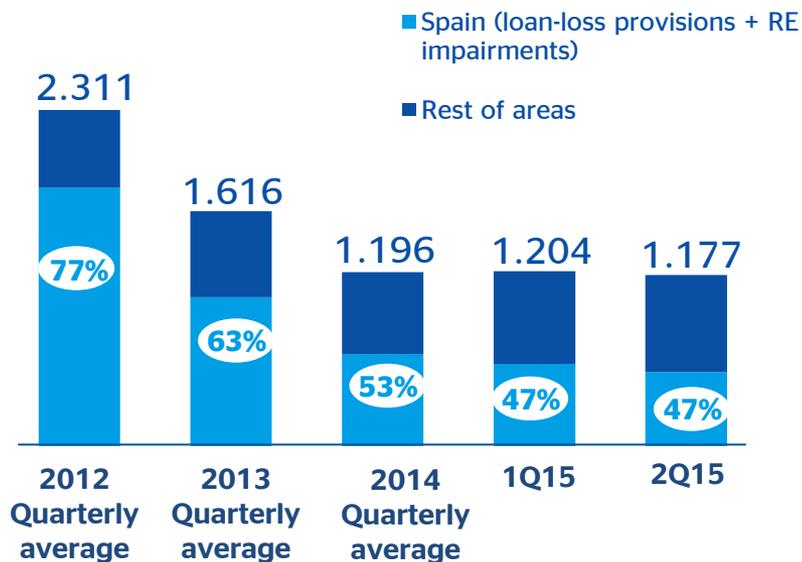
Excluding FX effect



Earnings

Loan-loss Provisions Geographical Mix Change

Loan-loss provisions + real estate impairments (€m)



Cost of risk YTD (%)



Note: Figures exclude Venezuela and include Catalunya Caixa

Earnings

2Q Summary YoY

(€m)

BBVA Group ex Venezuela	2Q15	Growth	
		2Q15/2Q14	
		%	% constant
Net interest Income	3,803	18.8	12.4
Gross Income	5,888	16.5	10.6
Costs	-2,923	15.9	9.5
Operating income	2,965	17.2	11.7
Income Before Tax	1,598	54.1	42.1
NI ex corporate operations	1,185	54.1	42.0
Corporate Operations Income	144	n.s.	n.s.
Net Attributable Profit	1,228	78.8	64.9
Net Attributable Profit (ex corporate operations)	1,084	57.8	45.6
Net Attributable Profit (Total Group with Venezuela)	1,223	73.5	64.1

Earnings

1H15 Summary YoY

(€m)

BBVA Group ex Venezuela	1H15	Growth	
		1H15/1H14	
		%	% constant
Net interest Income	7,427	17.9	10.8
Gross Income	11,426	16.4	9.8
Costs	-5,684	12.7	6.3
Operating income	5,742	20.2	13.6
Income Before Tax	2,992	57.3	42.6
NI ex corporate operations	2,215	57.0	42.2
Corporate Operations Income	727	n.s.	n.s.
Net Attributable Profit	2,749	n.s.	98.3
Net Attributable Profit (ex corporate operations)	2,022	61.2	45.9
Net Attributable Profit (Total Group with Venezuela)	2,759	n.s.	98.3

✓ Recurring income growth

✓ 20% growth of operating income

✓ Corporate operations

Note: The P&L is presented this way to show the performance of recurring business. The reconciliation to the income statement is shown on page 42 of the financial information filed today with the CNMV.

Risks

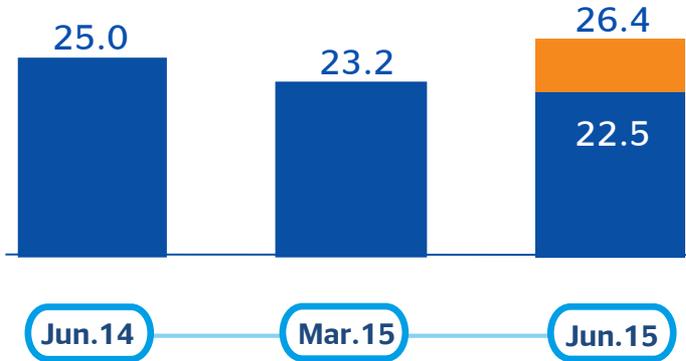
Indicators Continue to Improve

NPLs
€bn

■ with CX

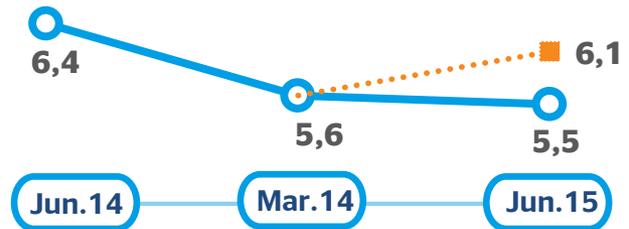
-2.5 bn
ex CX

■ With CX



Excl. Real Estate	16.7	15.8	18.9
			15.5

NPL ratio (%)



Excl. Real Estate	4.5%	3.9%	4.5%
			4.0%

Coverage ratio (%)



Excl. Real Estate	63%	66%	74%
			66%

Capital

Solid Capital Position

Strong & Resilient Regulatory Ratios

CET 1 ratio

12.3%
(Phased-in)

10.4%
(Fully-loaded)

Pro-forma*

CET 1 ratio
10.0%_e
(Fully-loaded)

High Quality Capital

- The highest RWA density ratio of the European peer group (51%)

- *Leverage ratio* (%); Fully-loaded



* Pro-forma of corporate operations announced and pending to be closed at June 2015.
European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCG

Business Areas



Business Areas

1H15 Earnings Breakdown

Net Attributable Profit
(€m)

Business Areas	1H15	Growth	
		1H15/1H14	
		%	% (constant)
Spain	509	n.s.	n.s.
USA	286	45.9%	18.8%
Mexico	1,041	15.7%	8.6%
Turkey	174	12.9%	8.9%
Rest of Eurasia	43	-79.3%	-79.4%
South America ex Venezuela	465	14.4%	8.4%
Corporate Center	230	n.s.	n.s.
Total ex Venezuela	2,749	n.s.	98.3%

Spain Banking Activity

Activity and Results

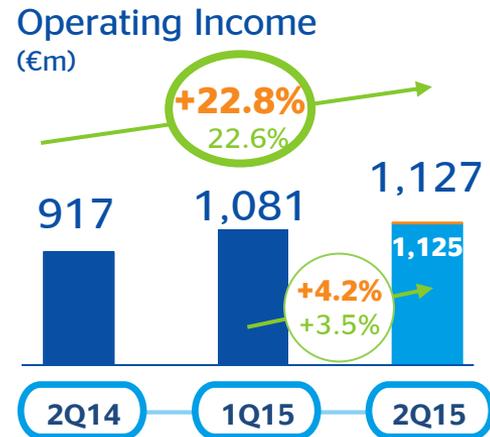
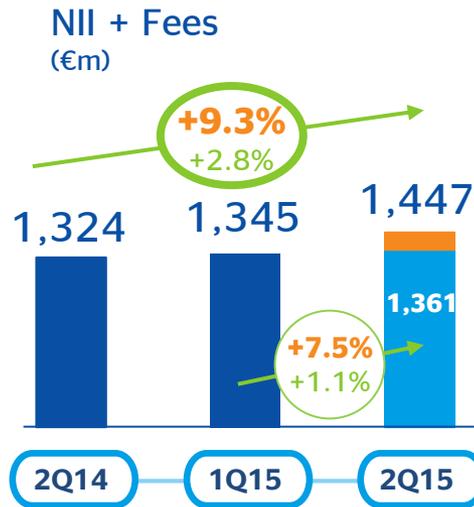
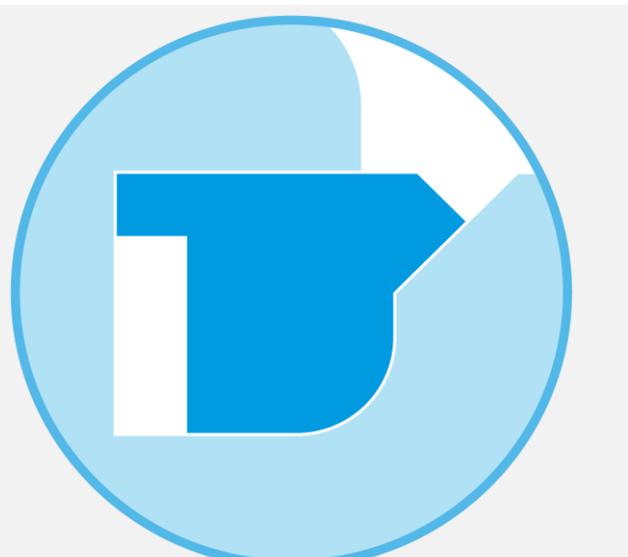
■ with CX

Business Activity (%)

Lending*

Cust. Funds

■ with CX



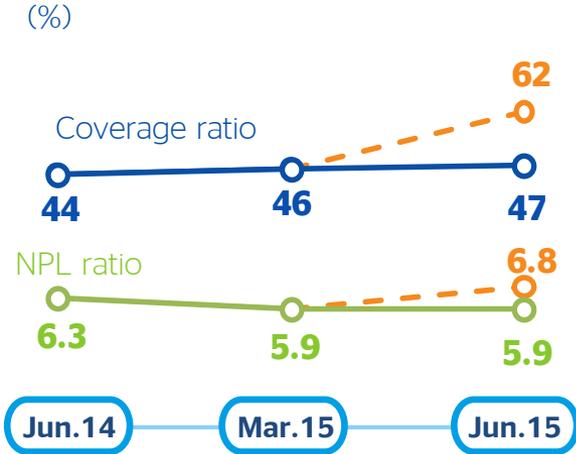
* Gross loans and advances to customers
Note: Activity excludes repos; customer funds includes promissory notes.

Spain Banking Activity Risk



Risk indicators

■ with CX



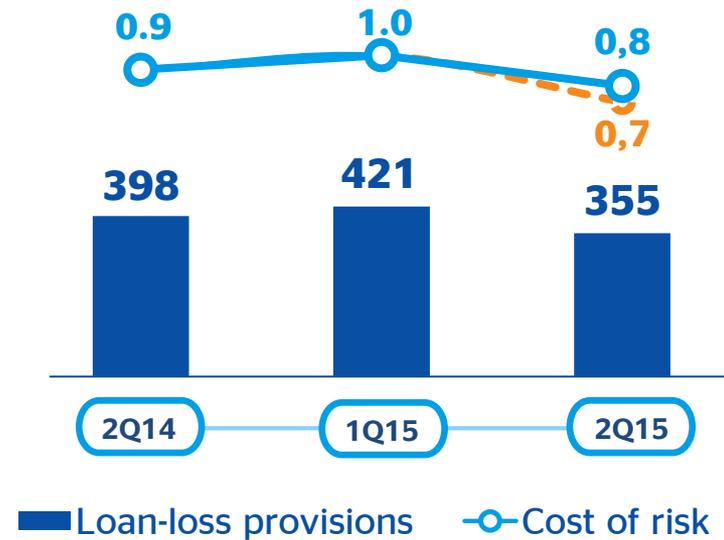
NPLs

(€ bn)



Loan-loss provisions and cost of risk

(€m, %)



Spain Banking Activity Income Statement



(€m)

Banking activity in Spain	1H15	Growth			
		1H15/1H14			
		Abs.	%	Abs. ex CX	% ex CX
Net interest Income	1,982	+ 113	6.1	+ 58	3.1
Gross Income	3,711	+ 327	9.7	+ 241	7.1
Costs	-1,503	- 84	5.9	+ 5	-0.3
Operating income	2,208	+ 243	12.4	+ 246	12.5
Income Before Tax	1,152	+ 285	32.8	+ 285	32.8
Net Attributable Profit	809	+ 201	33.1	+ 201	33.0

✓ *New loan production growth*

✓ *Diversifying revenue sources*

✓ *Catalunya Caixa integration*

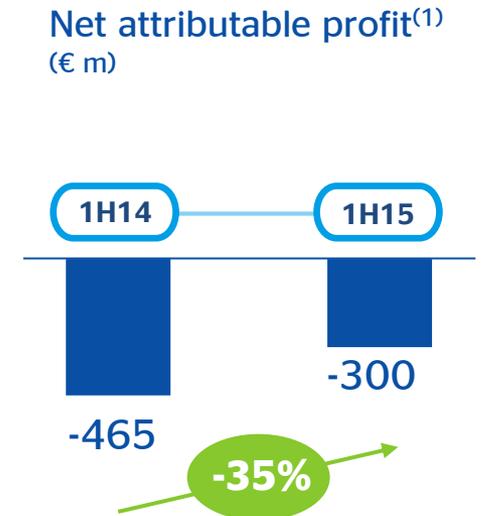
Spain

Real Estate Activity

Positive Trends



■ with CX



Note: Net exposure according to Bank of Spain's "RE transparency scope" (Circular 5-2011)

(1) Figures include Catalunya Caixa

Total Spain

Income Statement



(€m)

Total Spain	1H15	Growth	
		1H15/1H14	
		Abs.	%
Net interest Income	1,968	+ 121	6.6
Gross Income	3,655	+ 389	11.9
Costs	-1,572	- 78	5.2
Operating income	2,083	+ 311	17.6
Income Before Tax	715	+ 508	n.s.
Net Attributable Profit	509	+ 366	n.s.

USA

Activity and Results

Business Activity

(constant €, %)

Lending*

Cust. Funds

+12.9%

+9.0%

(Jun.15/Jun.14)

(Jun.15/Jun.14)



* Gross loans and advances to customers

Note: Activity excludes repos; customer funds includes promissory notes

NII + Fees (constant €m)



Gross Income (constant €m)



Operating Income (constant €m)

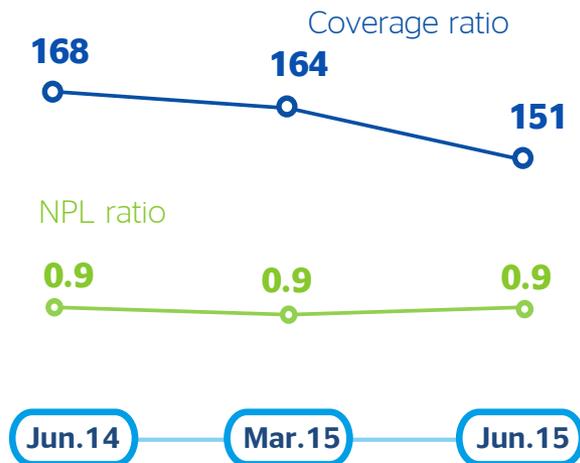


USA
Risk



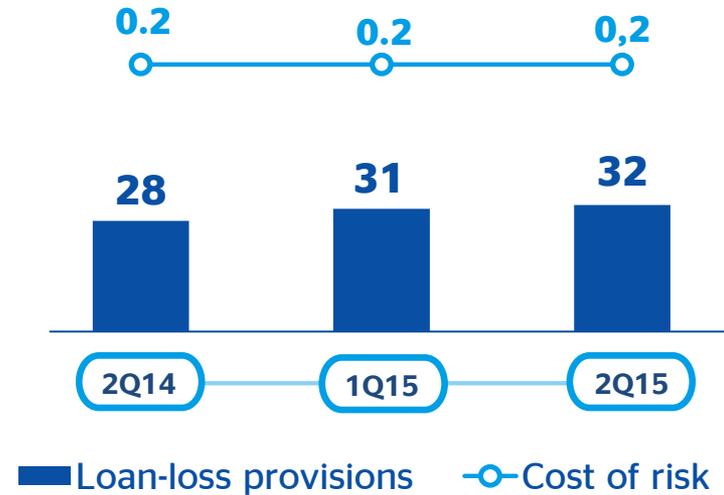
Risk indicators

(%)



Loan-loss provisions and cost of risk

(constant €m, %)



USA Income Statement



(Constant €m)

USA	1H15	Growth	
		1H15 / 1H14	
		Abs.	%
Net interest Income	881	+ 31	3.6
Gross Income	1,332	+ 59	4.6
Costs	-883	- 7	0.8
Operating income	449	+ 52	13.0
Income Before Tax	390	+ 63	19.4
Net Attributable Profit	286	+ 45	18.8

✓ Activity dynamism

✓ Positive P&L dynamics

✓ Digital banking opportunity

Mexico

Activity and Results

Business Activity

(constant €, %)

Lending*

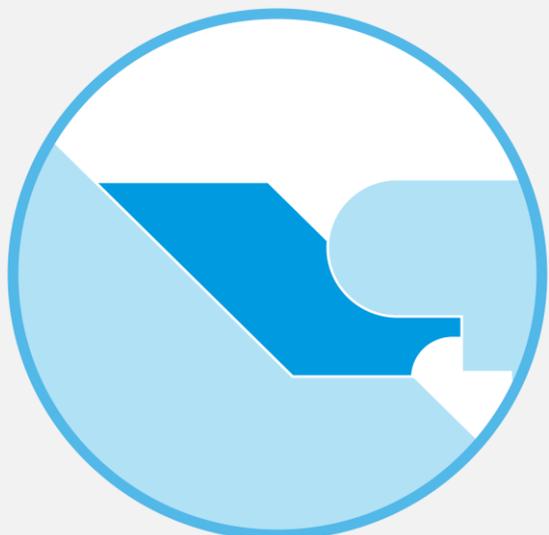
Cust. Funds

+13.0%

+9.7%

(Jun.15/Jun.14)

(Jun.15/Jun.14)



* Gross loans and advances to customers

Note: Activity excludes repos; customer funds includes promissory notes

NII + Fees

(constant €m)



Gross Income

(constant €m)



Operating Income

(constant €m)

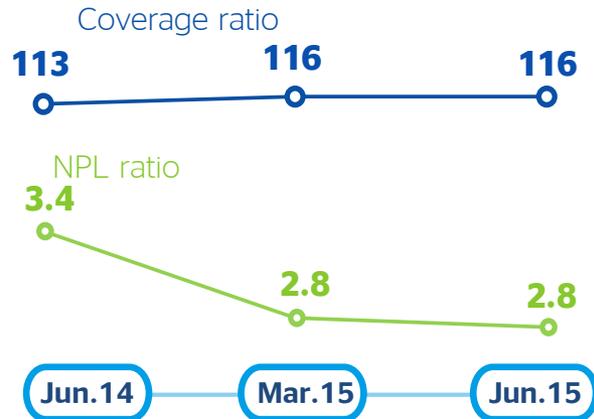


Mexico Risk



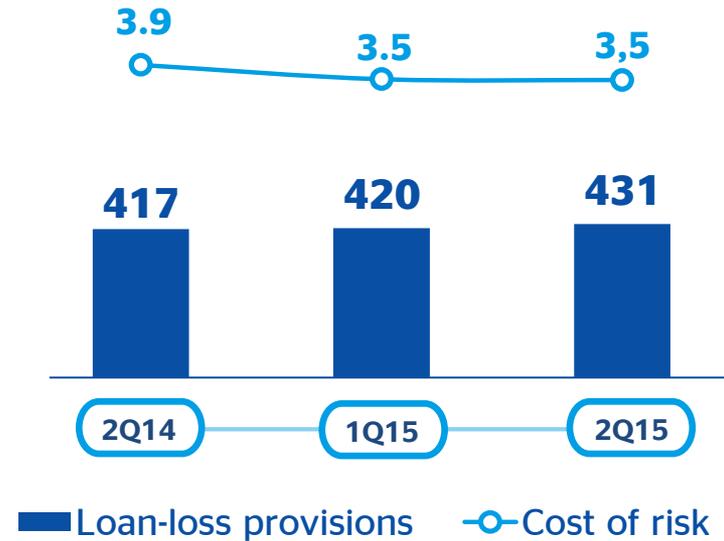
Risk indicators

(%)



Loan-loss provisions and cost of risk

(constant €m, %)



Mexico

Income Statement



(Constant €m)

Mexico	1H15	Growth	
		1H15 / 1H14	
		Abs.	%
Net interest Income	2,734	+ 228	9.1
Gross Income	3,558	+ 221	6.6
Costs	-1,309	- 80	6.5
Operating income	2,248	+ 141	6.7
Income Before Tax	1,380	+ 116	9.2
Net Attributable Profit	1,041	+ 83	8.6

✓ Double-digit business activity

✓ Portfolio mix change

✓ Sound and improving risk indicators

South America ex Venezuela

Activity and Results

Business Activity

(constant €, %)

Lending*

Cust. Funds

+12.2%

(Jun.15/Jun.14)

+14.5%

(Jun.15/Jun.14)



*Gross loans and advances to customers
Note: activity excluding repos; customer funds includes promissory notes

NII + Fees (constant €m)



Gross Income (constant €m)



Operating Income (constant €m)



South America ex Venezuela Risk



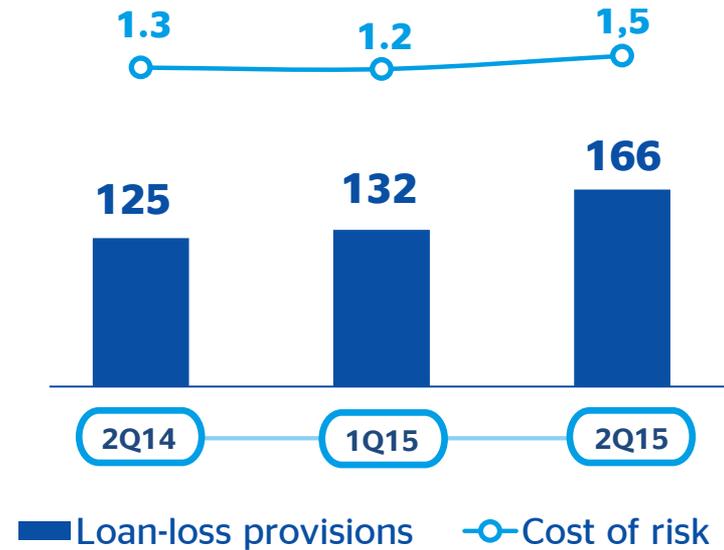
Risk indicators

(%)



Loan-loss provisions and cost of risk

(Constant €m, %)



South America ex Venezuela

Income Statement



(Constant €m)

South America ex Venezuela	1H15	Growth	
		1H15 / 1H14	
		Abs.	%
Net interest Income	1,558	+ 158	11.3
Gross Income	2,169	+ 236	12.2
Costs	-981	- 114	13.2
Operating income	1,189	+ 122	11.4
Income Before Tax	874	+ 75	9.4
Net Attributable Profit	465	+ 36	8.4

✓ Activity dynamism translated into the P&L

✓ Transforming distribution network

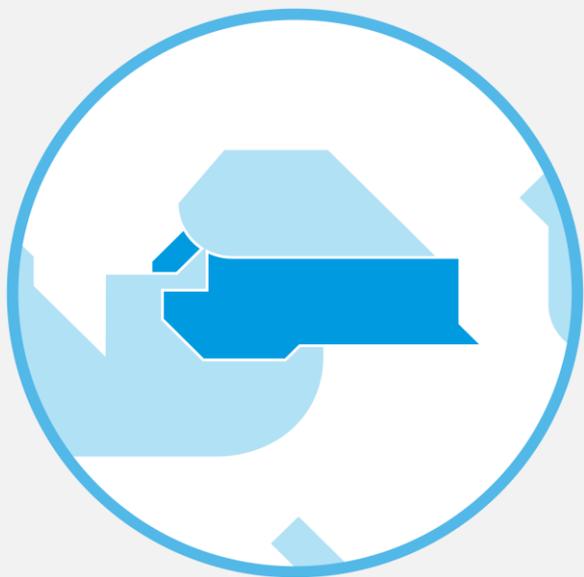
Turkey

Income Statement

✓ Market huge potential

✓ Activity dynamism

✓ Excellent spreads management



1H15 Results

(Constant €m)

YoY

NII + fees

523

+23.6%

Gross Income

510

+11.5%

Operating Income

289

+9.1%

Net Attributable Profit

174

+8.9%

Takeaways

Strong activity growth and income boosted by recurrent revenue

Excellent performance of pre-provision profit

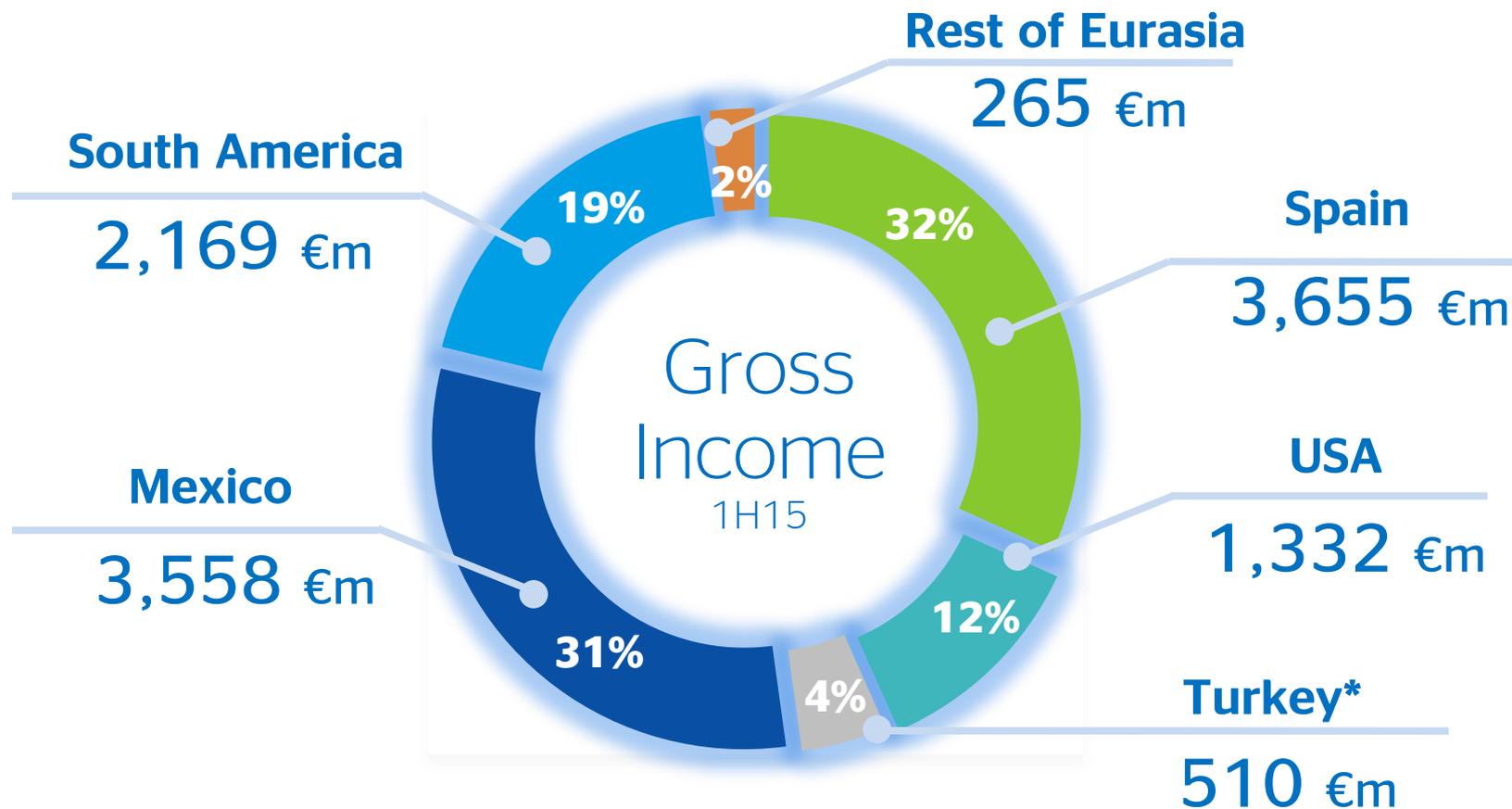
Earnings growth cycle confirmed

Corporate deals on track

Working on our strategic priorities

Annex

Gross Income Breakdown

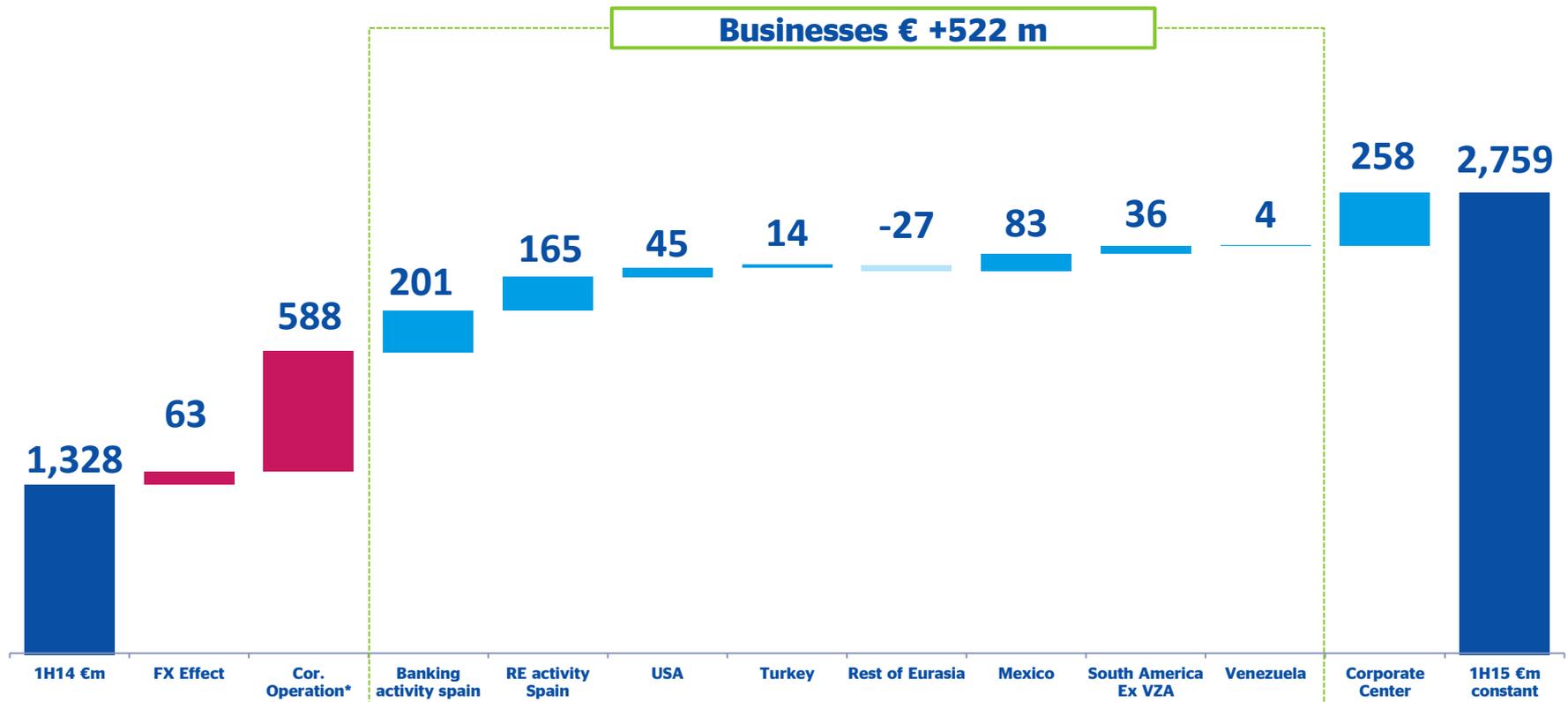


Note: Figures excluding Corporates activities, Venezuela and including Catalunya Caixa.

* In a theoretical exercise of fully consolidation of Garanti Bank, the pro-forma weight of Turkey's gross income would be 16%.

Group Earnings

Net attributable profit
€m



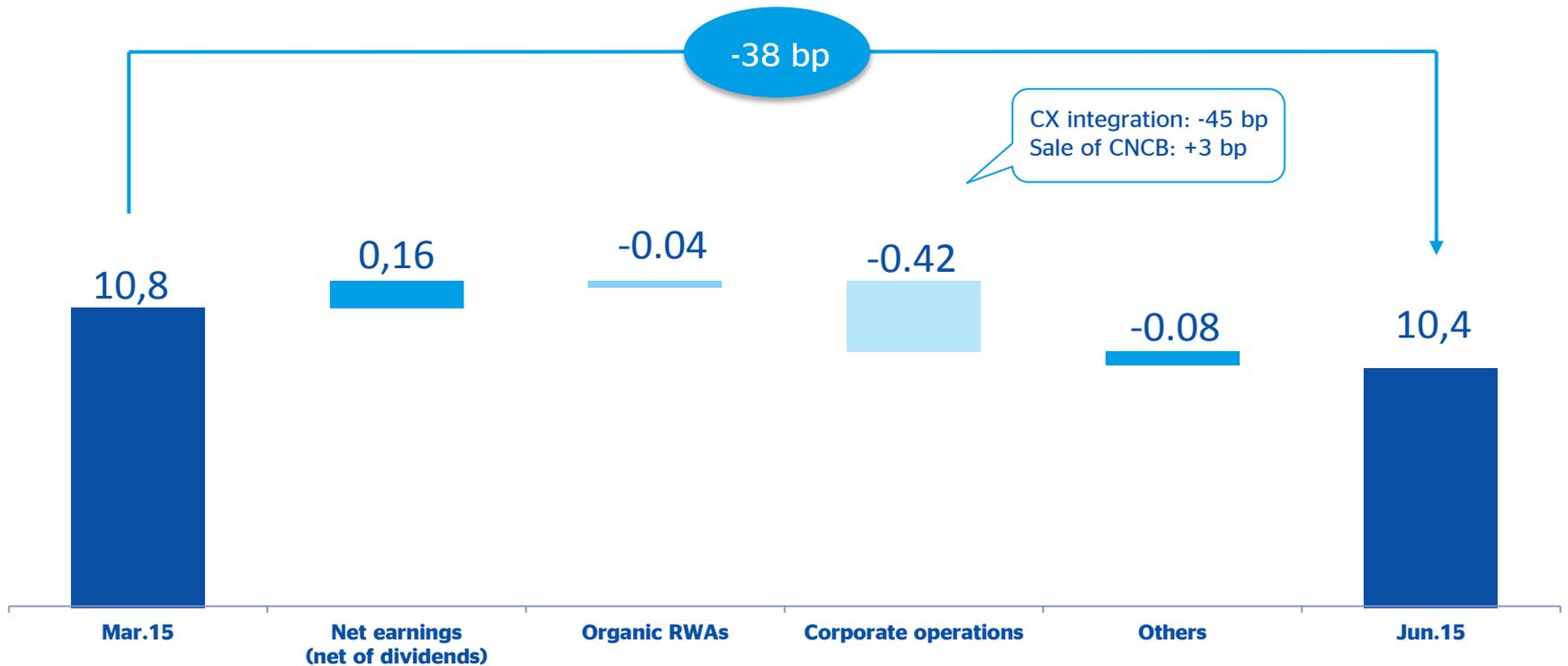
YoY (%)

33.0	-35.4	18.8	8.9	-38.6	8.6	8.4	87.3	n.s.
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* Includes impact of lower dividends received from CNCB.

Capital

CET 1 Fully-loaded Evolution 2Q15



Note: Net earnings (net of dividends) and organic RWAs exclude FX impact (Included in "Others").

BBVA Group

Income Statement

(€m)

BBVA Group	1H15	Growth			
		1H15/1H14			
		Abs.	%	Abs. constant	% constant
Net interest Income	7,521	+ 483	6.9	+ 771	11.4
Gross Income	11,554	+ 1,186	11.4	+ 1,113	10.7
Costs	-5,718	- 442	8.4	- 354	6.6
Operating income	5,836	+ 743	14.6	+ 759	14.9
Income Before Tax	3,046	+ 937	44.4	+ 934	44.2
NI ex corporate operations	2,231	+ 687	44.5	+ 665	42.5
Corporate Operations Income	727	+ 727	n.s.	+ 727	n.s.
Net Attributable Profit	2,759	+ 1,430	n.s.	+ 1,367	98.3

Real Estate Activity in Spain

Risk



Real Estate Activity in Spain

Income Statement

(€m)

Real Estate Activity in Spain	1H15	Growth	
		1H15/1H14	
		Abs.	%
Net interest income	-14	+ 8	-35.1
Gross income	-56	+ 62	-52.6
Costs	-69	+ 6	-8.2
Operating income	-125	+ 68	-35.3
Loan-loss provisions	-115	+ 11	-8.7
Provisions (net) and other gains (losses)	-206	+ 134	-39.5
Other	-1	- 1	n.s.
Income Before Tax	-437	+ 224	-33.9
Net Attributable Profit	-300	+ 165	- 35.4

Rest of Eurasia

Income Statement

(€m)

Rest of Eurasia	1H15	Growth	
		1H15 / 1H14	
		Abs.	%
Net interest Income	85	- 10	-10.3
Gross Income	265	- 198	-42.7
Costs	-176	- 11	6.8
Operating income	89	- 209	-70.1
Income Before Tax	66	- 186	-73.7
Net Attributable Profit	43	- 165	-79.3

Venezuela

Income Statement

(€m)

Venezuela	1H15	Growth			
		1H15/1H14			
		Abs.	%	Abs. constant	% constant
Net interest Income	94	- 646	-87.3	+ 45	91.3
Gross Income	127	- 420	-76.7	+ 91	n.s.
Costs	-33	+ 199	-85.6	- 18	n.s.
Operating income	94	- 221	-70.1	+ 73	n.s.
Income Before Tax	54	- 153	-74.1	+ 40	n.s.
Net Attributable Profit	9	- 65	- 87.6	+ 4	87.3

Corporate Center

Income Statement

(€m)

Corporate Center	1H15	Growth	
		1H15/1H14	
		Abs.	%
Net interest Income	-225	+ 100	-30.7
Gross Income	-63	+ 272	-81.3
Costs	-542	- 25	4.9
Operating income	-605	+ 247	-29.0
Income Before Tax	-652	+ 304	-31.8
Corporate Operations Income	727	+ 727	n.s.
Net Attributable Profit	230	+ 985	n.s.

Group

Activity Growth

Jun-15 vs. Jun-14
(constant €, %)

	Gross loans *	Customer Funds *
Spain	+10.8%	+14.3%
USA	+12.9%	+9.0%
Turkey	+21.0%	+26.8%
Mexico	+13.0%	+9.7%
South America**	+12.2%	+14.5%

(*) Activity ex repos. Includes Catalunya Caixa. Customer Funds include promissory notes. (**) Figures exclude Venezuela

Customer Spreads

Average, €

Customer Spreads	2Q14	3Q14	4Q14	1Q15	2Q15	1H14	1H15
Spain	1.83%	1.92%	1.94%	1.93%	1.88%	1.80%	1.91%
USA	3.26%	3.13%	3.18%	3.13%	3.11%	3.29%	3.12%
Mexico	11.22%	11.05%	11.23%	10.94%	10.89%	11.29%	10.92%
Argentina	15.37%	16.37%	17.34%	16.70%	15.99%	15.03%	16.33%
Chile	4.57%	3.43%	4.80%	2.84%	4.56%	4.24%	3.71%
Colombia	6.82%	6.42%	6.31%	6.49%	6.33%	6.98%	6.41%
Peru	7.38%	7.16%	7.36%	7.23%	7.23%	7.46%	7.23%
Venezuela	17.33%	16.99%	17.94%	17.71%	16.65%	17.27%	17.18%
Turkey	3.60%	4.49%	4.67%	4.56%	4.68%	3.52%	4.62%

2T15: 1.96%
ex CX

Note 1: USA ex NY Business Activity

Note 2: Customer spreads, difference between lending yield and cost of deposits from customers