Delivering on our Strategy

London, March 21st 2017

Carlos Torres Vila
Chief Executive Officer
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01 Execution of our Transformation Journey

02 BBVA’s Strengths

03 Final Remarks
Clear Strategic Path

Industry Dynamics

Profitability of financial industry under pressure

New disruptive entrants transforming each vertical

Transformative technologies and use of data open up unimaginable opportunities

Our Purpose

To bring the age of opportunity to everyone

Redefined value proposition

Around positively impacting financial behavior of clients and customers

Six Strategic Priorities

New standard in customer experience

Drive digital sales

New business models

Optimal capital allocation

Unrivaled efficiency

A first class workforce

Creating Opportunities

(1) Artificial Intelligence
Transformation Focused on the Customer

Above the Glass
- Revenue streams
  - Customer Experience
  - Digital Sales
  - Advisory

Below the Glass
- Efficiencies
  - Distribution Model
  - Operations
  - Technology and Platforms
  - Agile Organization
Focus on Amazing Customer Experience Resulting in More Engagement and Satisfaction

<table>
<thead>
<tr>
<th>Customer Interaction (Average customer(^1))</th>
<th>Channel NPS at BBVA (Spain Dec-16)</th>
<th>BBVA Leading in NPS (Dec-16)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 times per year</td>
<td>Branch</td>
<td>#1</td>
</tr>
<tr>
<td></td>
<td>32%</td>
<td>Spanish</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Turkish</td>
</tr>
<tr>
<td>40 times per year</td>
<td>Web</td>
<td>#1</td>
</tr>
<tr>
<td></td>
<td>43%</td>
<td>Argentine</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Israeli</td>
</tr>
<tr>
<td>150 times per year</td>
<td>Mobile</td>
<td>#1</td>
</tr>
<tr>
<td></td>
<td>63%</td>
<td>Ecuador</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Uruguay</td>
</tr>
</tbody>
</table>

(1) Branch: proxy Spain / Web: digital active customers / Mobile: mobile active customers

- Attractive and intuitive design
- Transparent & clear offer
- Revolution of the small things
Digital Customers and Sales Grow Exponentially as we Broaden our Digital Offer

**Digital Sales**
(% of total sales YtD, # of transactions)

<table>
<thead>
<tr>
<th>Location</th>
<th>Dec. 15</th>
<th>Dec. 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>西班牙</td>
<td>8.4</td>
<td>17.1</td>
</tr>
<tr>
<td>墨西哥</td>
<td>6.2</td>
<td>11.9</td>
</tr>
<tr>
<td>南美洲</td>
<td>9.0</td>
<td>15.2</td>
</tr>
<tr>
<td>土耳其</td>
<td>23.4</td>
<td>26.1</td>
</tr>
<tr>
<td>美国</td>
<td>9.3</td>
<td>19.9</td>
</tr>
</tbody>
</table>

**Digital Customers**
BBVA Group (Million, % penetration)

<table>
<thead>
<tr>
<th>Location</th>
<th>Dec. 15</th>
<th>Dec. 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>西班牙</td>
<td>15.4</td>
<td>18.4</td>
</tr>
<tr>
<td>墨西哥</td>
<td>15.4</td>
<td>18.4</td>
</tr>
<tr>
<td>南美洲</td>
<td>15.4</td>
<td>18.4</td>
</tr>
<tr>
<td>土耳其</td>
<td>15.4</td>
<td>18.4</td>
</tr>
<tr>
<td>美国</td>
<td>15.4</td>
<td>18.4</td>
</tr>
</tbody>
</table>

**Mobile Customers**
BBVA Group (Million, % penetration)

<table>
<thead>
<tr>
<th>Location</th>
<th>Dec. 15</th>
<th>Dec. 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>西班牙</td>
<td>9.0</td>
<td>12.4</td>
</tr>
<tr>
<td>墨西哥</td>
<td>9.0</td>
<td>12.4</td>
</tr>
<tr>
<td>南美洲</td>
<td>9.0</td>
<td>12.4</td>
</tr>
<tr>
<td>土耳其</td>
<td>9.0</td>
<td>12.4</td>
</tr>
<tr>
<td>美国</td>
<td>9.0</td>
<td>12.4</td>
</tr>
</tbody>
</table>

(1) DIY: Do-It-Yourself
Data-Driven Advisory at the Core of a Customized and Enriched Value Proposition

- Trust
- Consent
- Value Added
- Client’s Data
- Actionable Insights

“Digitizing” trust
Access to Data through consent
Artificial Intelligence to derive insights
Value added decision-making
Physical Network and Bankers Play a Key Role in the Transformation

Towards More Efficient Channels

Remote Managers
(Dec.16. BBVA Group)

>1,100
Remote managers

Customers in portfolio: remote vs. branch managers
(Dec.16. BBVA Spain)

+26%

High-value customers migrated to remote model
(Dec.16. BBVA Spain)

20%

Cost to Income Ratio

Branch  45-55%

DIY  25-30%

(1) CIR comparing one-click loan sale process digital E2E vs. branch human front and back. Dec.16
Transformation of Operations for Higher Productivity, Quality and Speed

Areas of Productivity Improvement

- Front-Office Customer’s Transactions
- Front-Office Operations
- Back-Office Operations

Levers for Efficiency

- Migration to DIY
- Centralization
- Elimination
- Automation, robotics
- Reengineering
- Automation
- End-to-end vision
- Straight through processing
- Centralized operations
- Migration to digital channels
Cost Reduction Through the Use of Cloud Technology

Storage and Processing

Real Time Transactions per Day
(managed by platform)

| 2015 | 581M Today | 1.3Bn 2020e |

Lower unit cost to absorb exponential growth in transactions

Software Development

Platform as a Service

Global software development model

Strategic Partners for the Cloud

Global infrastructure and software platforms

Specific skilled talent onboarded

Global “communities of practice” of Developers, Engineers and Designers
BBVA is Well-Positioned to Unlock the Opportunity

**BBVA's Customer Base**

<table>
<thead>
<tr>
<th>Digital Customers</th>
<th>Individuals using internet in footprint</th>
</tr>
</thead>
<tbody>
<tr>
<td>28M Customers Opportunity</td>
<td>38%</td>
</tr>
<tr>
<td>68%</td>
<td></td>
</tr>
</tbody>
</table>

**Non-Customers**

# Banking Population > 15 years

- World: 3.2Bn
- BBVA Footprint: 401Mn
- BBVA: 70Mn customers

(2) Source: BBVA Research, Worldbank 2014 data (UN)
BBVA’s Strengths
BBVA’s Strengths

Resilience and Low Earnings Volatility
(€ Bn, %)

Pre-provision profit / RWAs

Pre-provision profit

Provisions and impairments on non-financial assets

-1.9 -3.0 -7.0 -5.2 -6.1 -9.1 -6.3 -4.8 -3.5 -4.1

-3.6% 3.7% 4.2% 3.8% 3.2% 3.7% 3.3% 3.0% 2.8% 3.0%

Diversified footprint
Prudent risk profile
Sound capital position

Profits through the crisis years
Superior earnings power
Diversified Footprint Provides Earnings Resilience

Breakdown by Business Area

Total Assets (Dec.16)
- South America: 11%
- Spain: 49%
- Mexico: 13%
- Turkey: 12%
- Rest of Eurasia: 3%
- US: 12%

Gross Income (2016)
- South America: 17%
- Spain: 26%
- Mexico: 27%
- US: 11%
- Turkey: 17%
- Rest of Eurasia: 2%

Developed Markets
- Positive macro outlook
- Well positioned to benefit from rising interest rates

Emerging Markets
- Leading position in main markets
- Resilient franchises despite challenging environments

(1) Excluding Corporate Center.
Spain: Banking Activity

Increasing Bottom-Line Contribution

Robust Macro Perspectives¹ (% YoY GDP growth)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017E</th>
<th>2018E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>3.2</td>
<td>2.7</td>
<td>2.7</td>
</tr>
<tr>
<td>EMU</td>
<td>1.7</td>
<td>1.6</td>
<td>1.6</td>
</tr>
</tbody>
</table>

Core Revenues
Net Interest Income + Net Fees & Commissions + Insurance Results² (€ mn)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5,484</td>
<td>5,558</td>
<td>5,958</td>
<td>5,783</td>
</tr>
</tbody>
</table>

CX Cost Synergies Started to Materialize in 4Q
(Evolution of operating expenses, %)

<table>
<thead>
<tr>
<th></th>
<th>2017E Mid-single digit reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q16 vs 2Q16</td>
<td>1.4%</td>
</tr>
<tr>
<td>4Q16 vs 3Q16</td>
<td>-2.4%</td>
</tr>
</tbody>
</table>

Improvement in Risk Indicators
(Cumulative CoR, bps)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>135</td>
<td>95</td>
<td>71</td>
<td>42³</td>
</tr>
</tbody>
</table>

(1) Source: BBVA Research. (2) Insurance Results includes the premiums received and the estimated provisions resulting from technical reserves. (3) Excluding relocation of loan loss provisions to RE impairments

Cost reduction as a key P&L driver in 2017
Spain: Real Estate

Accelerated Divestments in a Healthier Environment

Improved Market Dynamics (YoY growth)

- Housing prices\(^1\)
  - +2% 2016
  - +3% 2017e

Decreasing Net Exposure to RE\(^2\) (€ Bn)

<table>
<thead>
<tr>
<th></th>
<th>Dec-11</th>
<th>Dec-15</th>
<th>Dec-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreclosed assets</td>
<td>18.0</td>
<td>4.7</td>
<td></td>
</tr>
<tr>
<td>RE developer loans</td>
<td>13.3</td>
<td>6.5</td>
<td>10.3</td>
</tr>
</tbody>
</table>

-43%   -17%

(1) Source: BBVA Research. (2) Transparency scope according to Bank of Spain Circular 5/2011.

Growth of wholesale transactions (“Buffalo”, “Boston”, Testa Residencial)
Enhancing Profitability

Improving Macro Outlook (% YoY GDP growth)\(^1\)

- 2014: 3.9%
- 2015: 3.7%
- 2016E: 0.5%
- 2017E: 2.5%
- 2018E: 3.4%

BBVA Compass footprint in USA

Customer Spread (%)

- 4Q15: 3.10%
- 1Q16: 3.19%
- 2Q16: 3.21%
- 3Q16: 3.25%
- 4Q16: 3.30%

Focus on profitable segments
- Well positioned to benefit from rising rates
- 12-month NII sensitivity to +100bps interest rate: +6%

Cumulative CoR (bps)

- 4Q15: 25 bps
- 1Q16: 63 bps
- 2Q16: 49 bps
- 3Q16: 44 bps
- 4Q16: 37 bps

Impact of Oil & Gas Portfolio
- Change in loan mix (increasing weight of retail loans) should translate into a slight increase in CoR in 2017

2017E: c.50bps

(1) Source: BBVA Research. Weighted GDP growth considering BBVA Compass’ loans in every State. (2) Including unfunded commitments

Retail loan growth, increased branch network productivity
Leadership and Resilience

Recovery Expected in 2018, after a Challenging 2017¹ (% YoY GDP growth)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.6</td>
<td>2.3</td>
<td>2.6</td>
<td>2.1</td>
<td>1.0</td>
<td>1.8</td>
</tr>
</tbody>
</table>

- Slowdown in internal demand and investment partially offset by the external sector

Solid Loan Growth² (% YoY, in constant €)

<table>
<thead>
<tr>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.4</td>
<td>14.5</td>
<td>11.2</td>
<td>12.5</td>
</tr>
</tbody>
</table>

- Bancomer

Resilient Asset Quality (NPL ratio, %)

<table>
<thead>
<tr>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.6</td>
<td>2.9</td>
<td>2.6</td>
<td>2.3</td>
</tr>
</tbody>
</table>

- Best-in-Class Profitability³
  - NIM
    - BBVA Bancomer: 5.7%
    - System ex Bancomer: 4.9%
  - Efficiency
    - System ex Bancomer: 56%
    - BBVA Bancomer: 43%

Current FX hedging: c. 60% of 2017 expected net income

High-single digit growth expected in loans and net income in 2017 (in constant €)

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¹ Source: BBVA Research
² Net loans growth at BBVA consolidated level
³ Data as of Dec 16 and based on local criteria. Source: CNBV
Turkey

Resilient in a Volatile Environment

Resilient Economy\(^1\) (% YoY GDP growth)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016E</th>
<th>2017E</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP growth</td>
<td>8.5</td>
<td>5.2</td>
<td>6.1</td>
<td>2.3</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Macro prudential and fiscal measures are loan growth supportive

Robust Loan Growth\(^2\) (% YoY, in constant €)

<table>
<thead>
<tr>
<th>Year</th>
<th>Garanti</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>30</td>
</tr>
<tr>
<td>2014</td>
<td>13</td>
</tr>
<tr>
<td>2015</td>
<td>19</td>
</tr>
<tr>
<td>2016</td>
<td>17</td>
</tr>
</tbody>
</table>

Prudent Risk Management (NPL ratio, %)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPL ratio</td>
<td>2.7</td>
<td>2.8</td>
<td>2.8</td>
<td>2.7</td>
</tr>
</tbody>
</table>

2017E c.110bps

Increased contribution from higher stake (49.85%)

Current FX hedging: c. 60% of 2017 expected net attributable profit

Loans decelerating, but expected to grow at double digit in 2017

---

(1) Source: BBVA Research. (2) Net performing loans at BBVA consolidated Level. (3) Including unfunded commitments.
Sound and Sustainable Growth

Turning Point in 2017 (% YoY GDP growth)¹

- 2013: 4.4
- 2014: 1.4
- 2015: 2.7
- 2016: 1.0
- 2017E: 2.5
- 2018E: 3.0

BBVA’s footprint in S. America

- 2017: Strong recovery in Argentina
- 2018: Andean countries to accelerate

A Well-Diversified Footprint (2016 Net attributable profit)

- BBVA Chile: 19%
- Banco Continental (Peru): 22%
- BBVA Colombia: 29%
- BBVA Francés (Argentina): 27%
- Other: 3%

Better Asset Quality than Peers³

- NPL ratio (BBVA South America vs. System): 1.9% vs. 2.2%
- Coverage ratio: 168 vs. 158
- Cumulative CoR (bps): 122 vs. 177

¹ Source: BBVA Research. Weighting based on the countries’ contribution to BBVA’s Gross Income in 2016. Countries included: Argentina, Chile, Colombia, Paraguay, Peru, Uruguay and Venezuela.

² Other includes Paraguay, Uruguay, Venezuela and Bolivia.

³ Data as of Dec 16 based on local criteria. Source: Local Superintendencies.

Macro recovery to support loan growth in 2017 and limited asset quality deterioration (2017E CoR c.140 bps)
Current CET1 FL Ratio Sensitivity to a 10% Depreciation of EM Currencies

Turkey
Lower than BBVA European Peer Group Average

-2bp

Leverage Ratio3

Rest of EM

-2bps

CET1 FL target

11%

Effective CET1 FX hedging policy in place

High quality capital

Solid capital ratios and proven ability to generate capital

CET1 Fully-Loaded Ratio - BBVA Group

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>(%)</td>
<td>9.7%</td>
<td>9.7%</td>
<td>10.3%</td>
<td>10.9%</td>
</tr>
</tbody>
</table>

Pro-forma including sale of 17% stake in CNCB and acquisition of additional 9.5% of Garant

RBS SAN SG UBS

(1) Proforma includes sale of Garant and Bank BACR.
(2) Proforma includes 100% of Citibank and proceeds from non-core assets.
(3) As of December 2016.

CET1 FL ratio improved to 11% in December 2016, in line with target.
Final Remarks
Final Remarks

1 Strategy: A clear strategic path around our purpose and six strategic priorities

2 Execution: Progressing on our transformation journey leveraging data and technology to support our clients and customers in their life and business

3 Earnings Power: Well positioned in this environment to take advantage of the market opportunities
   - Diversified footprint
   - Prudent risk profile
   - Sound capital position