Delivering on our Strategy

Madrid, June 9th, 2017

Carlos Torres Vila
Chief Executive Officer
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01  BBVA’s Strengths
02  Winning Strategy
03  Successful Execution
Challenging environment for the financial industry in the last years

Pressure on profitability (Banks* ROE)

Emerging technologies and new specialized players

- 15.8%
- 15.8%
- 5.6%
- 7.0%
- 2.7%
- 1.5%
- 1.7%
- 4.0%
- 4.4%
- 2.4%


(*) Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCI, Citi, BOFA, JPM, WF

- Low interest rates
- Activity deceleration
- Regulatory pressure

- Transforming each vertical
- Superior customer experience
- Lower cost of operations
In this environment BBVA's strengths have provided resilience and low earnings volatility.

Profit generation all through the crisis years:

2007 – 2016 Earnings resilience

Pre-provision profit / RWAs

Pre-provision profit

Provisions and impairments on non-financial assets

Diversified footprint

Prudent risk profile

Solid capital position
High quality franchises in core markets

Leadership Positioning in Core Markets
Market share (in %) (1)

<table>
<thead>
<tr>
<th>Country</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>14.2%</td>
</tr>
<tr>
<td>USA</td>
<td>6.6%</td>
</tr>
<tr>
<td>Mexico</td>
<td>23.5%</td>
</tr>
<tr>
<td>Turkey</td>
<td>11.8%</td>
</tr>
<tr>
<td>S.Amer.</td>
<td>10.3%</td>
</tr>
</tbody>
</table>

Diversified footprint (2)

Total Assets
(Mar 17. €bn, %)

<table>
<thead>
<tr>
<th>Region</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>17%</td>
</tr>
<tr>
<td>S.Amer.</td>
<td>11%</td>
</tr>
<tr>
<td>Mexico</td>
<td>12%</td>
</tr>
<tr>
<td>Turkey</td>
<td>12%</td>
</tr>
<tr>
<td>Rest</td>
<td>5%</td>
</tr>
</tbody>
</table>

Developed Markets: 63%

Gross Income
(3M17. €m, %)

<table>
<thead>
<tr>
<th>Region</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>26%</td>
</tr>
<tr>
<td>S.Amer.</td>
<td>15%</td>
</tr>
<tr>
<td>Mexico</td>
<td>27%</td>
</tr>
<tr>
<td>Turkey</td>
<td>15%</td>
</tr>
<tr>
<td>Rest</td>
<td>3%</td>
</tr>
</tbody>
</table>

Developed Markets: 40%

719 €bn

6,383 €m

(1) Source: Spain market data based on Bank of Spain other domestic sector and public sector loans (Mar.17); Mexico data as of Feb.17 (CNBV); South America data as of Jan.17; USA: SNL data as of Jun.16 market share by deposits considering only Texas and Alabama; Turkey: BRSA performing loans data for commercial banks as of Mar.17

(2) Spain includes Banking activity in Spain and Non Core Real Estate Areas. Rest includes Rest of Eurasia area and Corporate Center
High quality franchises in core markets: Developed and emerging

Spain - Banking Activity
- Focus on transforming our relationship model
- Lower costs, higher fees and NTI as the main P&L drivers in the short term; higher volumes and interest rates in the medium term

Spain - Non Core Real Estate
- Accelerating divestments and maximizing value, leveraging on the Real Estate market recovery
- Active in wholesale transactions

US
- Focus on profitable growth, specially on the consumer business.
- P&L top line benefiting from increasing interest rates and excellent price management combined with efficiency improvements

Mexico
- Resilience and improved macro outlook; FX recovery
- High single digit growth expected in loans and net income (in constant euros)

Turkey
- Excellent results and asset quality holding up well, although some deterioration is expected going forward
- 49.85% stake in Garanti reinforces the Group’s growth prospects, despite the complex environment

South America
- A well diversified country mix (mainly Chile, Colombia, Peru, Argentina)
- Sustainable growth despite lower macro prospects and certain asset quality deterioration
01  BBVA’s Strengths

02  Winning Strategy

03  Successful Execution
New exponential technologies are enabling things that were unimaginable.
People don’t like banking
Most people lack healthy financial habits
Money is #1 cause of stress
There is a job to be done

From infrastructure providers around money to having a positive impact on people’s lives and businesses

BBVA

To bring the age of opportunity to everyone
Customer's data is the cornerstone to create opportunities.
2nd wave of innovation: **Self-driven banking**

Cruise Control Experience

&

1-to-1 Advice
01  BBVA’s Strengths

02  Winning Strategy

03  Successful Execution
Successful deployment of our strategy

New standard in customer experience
Helping customers and clients with their financial lives
Customer Experience

**2Q 2016**
- My chat (Spain)
- Payroll loans (Mexico)
- Commerce 360° (Spain)
- New onboarding (USA)
- Smart auto-insurance (Turkey)
- BBVA Valora (Spain)
- Remote managers (Arg., Turkey and Peru)
- Payments-promotions experience (Colombia)
- PFM (Spain)

**3Q 2016**
- Remote Managers (Mexico)
- Experiencia Única (Peru)
- SME Simple Credit Renovations (Mexico)
- Mobile Appointment (Turkey)
- Bizum (Spain)
- Account Aggregation (USA)
- PFM (Mexico)
- STEP (Turkey)
- Signature Express Loan (USA)
- Online Feedback - Opinator (Arg.)
- Mobile Notification (Turkey)
- Commerce 360° (Spain)

**4Q 2016**
- Digital onboarding (Spain)
- Salesforce Integration (USA)
- PFM (USA)
- Digital Auto Credit and Mortgages (Mexico)
- “Cuenta Metas” (Spain)
- New Private Web (Col. and Turkey)
- GarantiOne – Digital Gifting (Turkey)
- “Quiero Contratar” (Spain)
- New Front Desk (Peru and USA)
- Digital Auto Credit and Mortgages (Mexico)
- Call me back (Mexico)
- Easy Payment and Transfers (USA)
- One-Click (Chile and Peru)
- BBVA Trader (Spain)
- Wallet (Colombia)
<table>
<thead>
<tr>
<th>Customer Experience</th>
<th>#1 NPS</th>
<th>#1 European Mobile App(*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>In 7/11 geographies + All channels (Spain)</td>
<td>Fast Track in Branches (Spain)</td>
<td>Home Center (Spain)</td>
</tr>
<tr>
<td>Fast Track in Branches (Spain)</td>
<td>Home Center (Spain)</td>
<td>BBVA Check-Up (Mexico)</td>
</tr>
<tr>
<td>Garanti Facebook Messenger BOT (Turkey)</td>
<td>“Mis recibos” App (Spain)</td>
<td>SMEs Digital Certificate (USA)</td>
</tr>
<tr>
<td>Login via Eye Scanning (Turkey)</td>
<td>Login via Eye Scanning (Turkey)</td>
<td>One Click Credit Card (Arg.)</td>
</tr>
<tr>
<td>Front Banking Tool (Peru)</td>
<td>Theft Insurance in ATM (Peru)</td>
<td>“Adelanto de Nómina” App (Col.)</td>
</tr>
<tr>
<td>BBVA Cashup (Spain)</td>
<td>Provinet Empresas Móvil (Venez.)</td>
<td></td>
</tr>
</tbody>
</table>
Successful deployment of our strategy

1. New standard in customer experience
   Helping customers and clients with their financial lives

2. Digital sales
   Digital and mobile customer base and digital sales growth
Digital Sales

Digital Sales YTD (%)

- Dec 15: 9.9%
- Dec 16: 16.8%
- Mar 17: 21.1%

+20% vs. Mar 16

Digital Customers (Mar 17)

- 19.3m

Mobile Customers (Mar 17)

- 13.5m

+41% vs. Mar 16
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3. New business models
   New revenue streams
Leveraging the innovation ecosystem

- **Scout**
  - Open Talent
  - Money 20/20

- **Build**
  - PayKey
  - synapbox
  - Amazon web services

- **Partner**
  - Black Mountain

- **Acquire**
  - Simple
  - Openpay
  - Atom

- **Invest**
  - Taulia
  - DocuSign
  - Earnest
  - Brave

**Transform**

Enhance the value proposition to our customers

**&**

**Disrupt**

New business models to non customers
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4. Optimal capital allocation
   Growth with adequate profitability above cost of capital
Optimal capital allocation

Solid Capital Ratios

**CET1 fully-loaded**

Evolution (%, bps)

- **Mar 16**: 10.53%
- **Mar 17**: 11.01%
  
  +48 b.p.

CET1 phased-in 11.64%

CET1 FL Target: 11%

High Quality Capital

**RWAs/ Total Assets**

Mar 17

- #1: 54%
- European Peer Group Average: 31%

**Leverage Ratio**

Mar 17

- #1: 6.6%
- European Peer Group Average (1): 4.7%

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   Productivity model transformation leveraging technology
Unrivaled efficiency

Group Operating Jaws: income vs. expenses growth
YTD (%); (constant €)

<table>
<thead>
<tr>
<th>Period</th>
<th>Gross Income</th>
<th>Operating Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>3M16</td>
<td>12.1%</td>
<td>3.8%</td>
</tr>
<tr>
<td>6M16</td>
<td>8.8%</td>
<td>6.4%</td>
</tr>
<tr>
<td>9M16</td>
<td>8.5%</td>
<td>5.1%</td>
</tr>
<tr>
<td>12M16</td>
<td>7.2%</td>
<td>6.4%</td>
</tr>
<tr>
<td>3M17</td>
<td>9.0%</td>
<td>1.8%</td>
</tr>
</tbody>
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Cost to Income Ratio
YTD (%); (constant €)

<table>
<thead>
<tr>
<th>Period</th>
<th>Cost to Income Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>12M16</td>
<td>52.3% (Ex NTI)</td>
</tr>
<tr>
<td>3M17</td>
<td>49.1% (Ex NTI)</td>
</tr>
<tr>
<td>3M17</td>
<td>65.6% Average Peer Group</td>
</tr>
</tbody>
</table>

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

(*) Not available info for: BNPP, SG, CASA, LBG.
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   Productivity model transformation leveraging technology

6. A first class workforce
   Develop, motivate and retain
A first class workforce

Complementing existing talent pool with new competences

- Data scientists
- Designers
- Engineers

Enabling talent to flourish

- New ways of working
- Agile Organization
- Values and Behaviors
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Takeaways

1. **Earnings power** leveraging on BBVA’s high quality franchises in core markets

2. There is a job to be done in banking: *To bring the age of opportunity to everyone*

3. Progress on our transformation journey: *Six strategic priorities*
Creating Opportunities
Delivering on our Strategy

Madrid, June 9th, 2017

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