Fixed Income Presentation
3Q18
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About BBVA
About BBVA

BBVA's global presence

- €669 bn assets
- 75 mn customers
- 26 mn digital customers
- >30 countries
- 126,357 employees
- 7,999 branches

Well diversified & self-sufficient subsidiaries

- Total Assets\(^{(1)}\)
  - Sep.18
  - Developed Markets 67%
  - Emerging Markets 33%

- Gross Income\(^{(1)}\)
  - 9M18
  - Developed Markets 61%
  - Emerging Markets 39%

- Leading franchises in Developed (Spain, USA) and Emerging Markets (Mexico, Turkey and South America).
- Decentralized model: Self-sufficient subsidiaries responsible for their own capital and liquidity management. No liquidity transfers.

\(^{(1)}\) Figures excludes the Corporate Center

Defined strategic path

Our Purpose

“To bring the age of opportunity to everyone”

Six Strategic Priorities

- New standard in customer experience
- Drive digital sales
- New business models
- Optimal capital allocation
- Unrivaled efficiency
- A first class workforce

Committed with climate change and sustainable development

BBVA’s Pledge 2025

Green finance
- Sustainable infrastructure and agribusiness
- Financial inclusion & entrepreneurship

Sustainable Development Goals Bond Framework recently announced
BBVA’s Strengths & Financial Highlights
BBVA’s Strengths

Resilience and Low Earnings Volatility
(€ bn, current, %)

Pre-provision profit / RWAs

Pre-provision profit

Provisions and impairments on non-financial assets


10.5 12.3 11.9 10.6 11.1 10.2 10.4 11.4 11.9 12.8 8.9

-3.0 -7.0 -5.2 -6.1 -9.1 -6.3 -4.8 -4.6 -4.1 -4.0 (2) 2.6

(1) Annualized Pre-provision profit for comparison purposes; (2) Excluding Telefónica one off impairment (€-1.123Mn)

Diversified footprint

Prudent risk profile

Sound capital and liquidity position

Delivering on our transformation strategy

✔️ Profit generation all through the crisis years
9M18 Highlights

Core revenues growth

<table>
<thead>
<tr>
<th>Net interest income and fees (€Bn, constant)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9M17</td>
</tr>
<tr>
<td>9M18</td>
</tr>
</tbody>
</table>

Cost control

<table>
<thead>
<tr>
<th>Core revenues vs. Op. Expenses (€ constant)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core revenues vs. 9M17</td>
</tr>
<tr>
<td>Operating Expenses vs. 9M17</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Efficiency ratio (€ constant)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9M17</td>
</tr>
<tr>
<td>9M18</td>
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</table>

Increasing results

<table>
<thead>
<tr>
<th>Group Net Attributable Profit (€ Mn, constant)</th>
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</thead>
<tbody>
<tr>
<td>9M17</td>
</tr>
<tr>
<td>9M18</td>
</tr>
</tbody>
</table>

Sound asset quality (2)

<table>
<thead>
<tr>
<th>NPL</th>
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<tbody>
<tr>
<td>4.1%</td>
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</table>

<table>
<thead>
<tr>
<th>Cost of Risk (YTD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.90%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Coverage</th>
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<tbody>
<tr>
<td>73%</td>
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</table>

Strong capital & liquidity ratios (2)

<table>
<thead>
<tr>
<th>CET1 FL (BBVA Group)</th>
<th>LCR (BBVA Group)</th>
<th>LEVERAGE RATIO (Fully-loaded)</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.34%</td>
<td>127%</td>
<td>6.6%</td>
</tr>
</tbody>
</table>

Delivering on our transformation (2)

<table>
<thead>
<tr>
<th>Digital sales (4)</th>
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</thead>
<tbody>
<tr>
<td>39%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mobile customers</th>
</tr>
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<tbody>
<tr>
<td>21.7m</td>
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</table>

<table>
<thead>
<tr>
<th>Global Banking App Forrester Ranking 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
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</tbody>
</table>

(1) Including corporates transactions: Sale of BBVA Chile capital gain €633Mn (2) Data as of 9M18; (3) Liquidity Coverage Ratio; (4) % of total sales in Sep.18; # of transactions
Diversified Footprint
Unique footprint with high growth prospects

Breakdown by Business Area

Total Assets
- Sep.18

- Rest of Eurasia: 2.8%
- Corporate Center: 3.6%
- South America: 7.6%
- Turkey: 9.9%
- Mexico: 14.4%
- US: 11.8%
- Spain: 50.0%
- €669 bn

67% Developed Markets

Gross Income
- 9M18

- Rest of Eurasia: 1.8%
- South America: 15.5%
- Turkey: 15.6%
- Mexico: 29.8%
- US: 12.2%
- Spain: 25.1%
- €17.6 bn

39% Developed Markets

Higher Growth Prospects

GDP growth (YoY, %)
- 2018e: 2.4
- 2019e: 2.1

BBVA Footprint
- 1.9

Eurozone + UK
- 1.7

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

Leadership positioning

Market share (in %) and ranking

- SPAIN #3: 13.6%
- USA (Sunbelt) #4: 6.2%
- MEXICO #1: 22.8%
- TURKEY #2: 11.0%
- S.AMERICA (footprint) #1: 12.7%

(1) Includes Banking activity in Spain and Non Core Real Estate.
(2) Excludes Corporate Center.
(3) Percentages exclude the Corporate Center (9M18 Gross Income of €-325Mn).
(4) Loans’ market shares except for USA (Deposits): Spain based on BoS (Aug.18) and ranking (Jul.18) by AEB and CECA. Mexico: data as of Aug 18 (CNBV). S. America: Jun (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: BRSA total performing loans; market share among commercial banks (Sep.18) and ranking (only considers private banks) as of Jun 18.
Business areas in 9M18

**SPAIN Banking Activity**

- **NET ATTRIBUTABLE PROFIT (9M18)**: 1,167€Mn
- **NPL RATIO**\(^{(1)}\) Sep.18: 5.0% vs. 5.8% Sep.17
- **COST OF RISK** Sep.18 (YtD): 0.22% vs. 0.33% Sep.17

**Non Core Real Estate**

- **NET ATTRIBUTABLE PROFIT (9M18)**: -60 €Mn
- **NET EXPOSURE** (€bn): 7.8 Real Estate owned assets, 5 RE developer loans
- **RE developer loans**: Sep-17: 2.8, Jun-18: 4.8, Sep-18: 0.7, -75.6%

**USA constant €**

- **NET ATTRIBUTABLE PROFIT (9M18)**: 541 €Mn
- **NPL RATIO** Sep.18: 1.1% vs. 1.2% Sep.17
- **COST OF RISK** Sep.18 (YtD): 0.33% vs. 0.46% Sep.17

**MAIN MESSAGES**

- **Loans**: Continued growth in most profitable retail segments.
- **Core revenue growth** (+1.3% yoy in 9M18): sound growth in asset management and retail banking fees.
- **Cost**: continue to decrease (-4% yoy in 9M18).
- **Asset quality**: NPLs -€546 Mn qoq, CoR < 30 bps.

- **Net exposure decrease**: -7% qoq mainly due to loan portfolio sales.
- **Cerberus transaction closed** in October 2018.
- **In line to meet year-end guidance**: 2018e Net losses below €100Mn

**Note**: NPL ratio of 3Q18 under IFRS9 standards, 2017 figures under IAS 39 (1) NPL ratio exclude repos; (2) Excluding Corporate Center (€-188Mn 9M18)
Business areas in 9M18

**MEXICO** constant €

<table>
<thead>
<tr>
<th>NET ATTRIBUTABLE PROFIT (9M18)</th>
<th>NPL RATIO Sep.18</th>
<th>COST OF RISK Sep.18 (YtD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,851 €Mn</td>
<td>2.0% vs. 2.3% Sep.17</td>
<td>2.82% vs. 3.31% Sep.17</td>
</tr>
</tbody>
</table>

+22.5% vs. 9M17

**TURKEY** constant €

<table>
<thead>
<tr>
<th>NET ATTRIBUTABLE PROFIT (9M18)</th>
<th>NPL RATIO Sep.18</th>
<th>COST OF RISK Sep.18 (YtD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>488 €Mn</td>
<td>5.2% vs. 2.5% Sep.17</td>
<td>1.72% vs. 0.83% Sep.17</td>
</tr>
</tbody>
</table>

+18.1% vs. 9M17

**SOUTH AMERICA** constant €

<table>
<thead>
<tr>
<th>NET ATTRIBUTABLE PROFIT (9M18)</th>
<th>COST OF RISK Sep.18 (YtD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>181 €Mn +43.1% vs 9M17</td>
<td>1.95% vs. 2.74% Sep.17</td>
</tr>
<tr>
<td>128 €Mn +5.7% vs 9M17</td>
<td>1.40% vs. 1.48% Sep.17</td>
</tr>
<tr>
<td>-2 €Mn -101.1% vs 9M17</td>
<td>1.22% vs. 1.12% Sep.17</td>
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</tbody>
</table>

Main Messages:

- **Loans**: mortgages and consumer loans, the main growth drivers in 3Q.
- **NII growing** above activity.
- **Widening operating jaws** and efficiency improvement.
- **Strong asset quality metrics**.

**Loans**: TL loan growth slowdown given lower economic growth and higher rates. FC loans continue to decrease.

- **NII growth** acceleration due to a higher contribution from CPI linkers.
- **Opex growth** below inflation.
- **Asset quality**: higher CoR explained by IFRS9 macro impact and large tickets in the commercial portfolio.

**Colombia**: loan growth biased towards retail portfolios. Bottom line growth explained by lower provisions.

- **Peru**: NII as the main P&L driver thanks to a more profitable loan mix.
- **Argentina**: loan growth slowdown due to the economic environment. Stable asset quality. Bottom line affected by hyperinflation accounting.
Asset Quality indicators continue to improve

NPL Ratio (%)

- 2008: 2.3
- 2009: 4.3
- 2010: 4.1
- 2011: 4.0
- 2012: 5.1
- 2013: 6.8
- 2014: 5.8
- 2015: 5.4
- 2016: 4.9
- 2017: 4.6
- Sep 18: 4.1

Coverage ratio (%)

- 2008: 92
- 2009: 57
- 2010: 62
- 2011: 61
- 2012: 72
- 2013: 61
- 2014: 74
- 2015: 70
- 2016: 65
- 2017: 73

Cost of Risk YtD (%)

- 2008: 1.15
- 2009: 1.55
- 2010: 1.33
- 2011: 1.19
- 2012: 2.15
- 2013: 1.59
- 2014: 1.25
- 2015: 1.06
- 2016: 0.84
- 2017: 0.89
- Sep 18: 0.90

Risk Framework
A Risk Management Model based on prudence and proactivity

Risk Management Goal
To preserve the Group’s solvency, support its strategy and ensure business development

Note: Data as of Sep 18 under IFRS9 standards and 2017 figures under IAS 39. NPL ratio for 2017 and Sep 18 calculated excluding repos (the rest of the series has not been restated)
A prudent risk profile

NPL ratio (%)

- BBVA Banking Activity in Spain: 5.0
- Peers Average: 5.6
- BBVA Compass: 1.1
- Peers Average: 0.9
- BBVA Bancomer: 1.9
- Peers Average: 2.3
- Garanti: 3.1
- Peers Average: 3.2
- BBVA S. America: 2.5
- Peers Average: 2.6

Cost of Risk (YTD, bps)

- BBVA Banking Activity in Spain: 22
- Peers Average: 37
- BBVA Compass: 47
- Peers Average: 19
- BBVA Bancomer: 295
- Peers Average: 307
- Garanti: 189
- Peers Average: 129
- BBVA S. America: 185
- Peers Average: 276

Figures according to local data to ensure comparability. Figures as of Sep.18 for Spain, as of Aug.18 for Mexico, as of Jun.18 for Turkey, USA and Jul.18 for South America.
(1) NPL ratios calculated excluding repos in Spain. (2) USA figures refer to Compass for comparison purposes.
05
Capital
Sound capital position and a proven ability to generate capital

**FL Capital Ratios**
BBVA Group
Sep.18 (%)

- Tier 2: 2.53%
- AT 1: 1.73%
- CET 1: 11.34%

11.34% CET1 FL above our 11% Target.
1.5% AT1 and 2.0% T2 buckets already filled on a FL and phased-in basis

(1) Sep’18 AT1 bond issuance is not included in the AT1 Ratio

---

**CET1 FL Ratio – BBVA Group**
(%)

- 2008: 6.2%
- 2009: 8.0%
- 2010: 9.6%
- 2011: 10.3%
- 2012: 10.8%
- 2013: 11.6%
- 2014: 9.7%
- 2015: 10.3%
- 2016: 10.9%
- 2017: 11.1%
- Sep. 18: 11.3%

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**CET1 €17.5 Bn**

- x2.2

**€38.9 Bn**

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**CET1 FL TARGET**

11%

---

**11.40%**

- Jun.18 *
- Net Earnings
- Dividend accrual and AT1 Coupons
- RWAs
- Others **

-13 bps
-11 bps
-17 bps

**-6 bps**

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(*) Data proforma Jun.18: includes IFRS9 full impact (-31bps) and +55 bps from corporate transactions, both already closed (sale of BBVA Chile closed on July 6th and RE Assets to Cerberus on Oct 10th).

(**) Others includes mainly market related impacts (FX impact and mark to market of AFS portfolios).
Low earnings volatility and ability to generate capital allow for lower capital needs

<table>
<thead>
<tr>
<th>Pre-provision profit(1) / Net Loans</th>
<th>Pre-provision profit(1) / RWAs</th>
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</thead>
<tbody>
<tr>
<td>1H18 European peers / 9M18 BBVA</td>
<td>1H18 European peers / 9M18 BBVA</td>
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<tbody>
<tr>
<td>3.2%</td>
<td>2.9%</td>
<td>2.7%</td>
<td>2.6%</td>
<td>2.5%</td>
<td>2.4%</td>
<td>2.2%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>1.9%</td>
<td>1.9%</td>
<td>1.8%</td>
<td>1.7%</td>
<td>0.8%</td>
<td>0.6%</td>
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</table>

<table>
<thead>
<tr>
<th>BBVA</th>
<th>Peer 1</th>
<th>Peer 2</th>
<th>Peer 3</th>
<th>Peer 4</th>
<th>Peer 5</th>
<th>Peer 6</th>
<th>Peer 7</th>
<th>Peer 8</th>
<th>Peer 9</th>
<th>Peer 10</th>
<th>Peer 11</th>
<th>Peer 12</th>
<th>Peer 13</th>
<th>Peer 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.5%</td>
<td>4.3%</td>
<td>3.4%</td>
<td>3.4%</td>
<td>3.2%</td>
<td>3.1%</td>
<td>2.8%</td>
<td>2.7%</td>
<td>2.6%</td>
<td>2.6%</td>
<td>2.5%</td>
<td>2.1%</td>
<td>1.9%</td>
<td>1.9%</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

(1) Annualized Pre-provision profit for BBVA. European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCG.

In less than 4 years, BBVA is able to generate Pre-Provision Profit equivalent to its 11% CET1 FL target.

BBVA’s business model provides significant room to absorb losses.
High quality capital

**RWAs/ Total Assets**
Jun.18 European peers / Sep.18 BBVA, %

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>BBVA</td>
<td>51</td>
</tr>
<tr>
<td>Peer 1</td>
<td>44</td>
</tr>
<tr>
<td>Peer 2</td>
<td>41</td>
</tr>
<tr>
<td>Peer 3</td>
<td>36</td>
</tr>
<tr>
<td>Peer 4</td>
<td>36</td>
</tr>
<tr>
<td>Peer 5</td>
<td>35</td>
</tr>
<tr>
<td>Peer 6</td>
<td>33</td>
</tr>
<tr>
<td>Peers Av.</td>
<td>31</td>
</tr>
<tr>
<td>Peer 7</td>
<td>29</td>
</tr>
<tr>
<td>Peer 8</td>
<td>28</td>
</tr>
<tr>
<td>Peer 9</td>
<td>28</td>
</tr>
<tr>
<td>Peer 10</td>
<td>27</td>
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<td>Peer 11</td>
<td>27</td>
</tr>
<tr>
<td>Peer 12</td>
<td>25</td>
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<tr>
<td>Peer 13</td>
<td>25</td>
</tr>
<tr>
<td>Peer 14</td>
<td>19</td>
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</table>

**Fully-Loaded Leverage Ratio**
Jun.18 European peers / Sep.18 BBVA, %

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<tbody>
<tr>
<td>BBVA</td>
<td>6.6</td>
</tr>
<tr>
<td>Peer 1</td>
<td>6.2</td>
</tr>
<tr>
<td>Peer 2</td>
<td>5.9</td>
</tr>
<tr>
<td>Peer 3</td>
<td>5.3</td>
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<tr>
<td>Peer 4</td>
<td>5.2</td>
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<td>5.0</td>
</tr>
<tr>
<td>Peer 8</td>
<td>5.0</td>
</tr>
<tr>
<td>Peers Av.</td>
<td>4.9</td>
</tr>
<tr>
<td>Peer 9</td>
<td>4.6</td>
</tr>
<tr>
<td>Peer 10</td>
<td>4.5</td>
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<td>Peer 11</td>
<td>4.1</td>
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<td>Peer 12</td>
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<tr>
<td>Peer 13</td>
<td>4.0</td>
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<tr>
<td>Peer 14</td>
<td>4.0</td>
</tr>
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</table>

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

BBVA maintains the highest RWAs density and Leverage ratio of its European Peer Group.
EBA Stress Test 2018 confirms BBVA’s resilience

Net Attributable Profit 2018-2020
under the adverse scenario (cumulative € Mn)

<table>
<thead>
<tr>
<th>Peer</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peer 1</td>
<td>1,208</td>
</tr>
<tr>
<td>BBVA</td>
<td>344</td>
</tr>
<tr>
<td>Peer 2</td>
<td>-1,279</td>
</tr>
<tr>
<td>Peer 3</td>
<td>-2,891</td>
</tr>
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<td>Peer 4</td>
<td>-4,754</td>
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<td>Peer 5</td>
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<td>-6,710</td>
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<td>Peer 9</td>
<td>-7,468</td>
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<tr>
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<td>-11,244</td>
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<tr>
<td>Peer 11</td>
<td>-15,334</td>
</tr>
<tr>
<td>Peer 12</td>
<td>-15,715</td>
</tr>
</tbody>
</table>

CET1 FL Depletion 2020 vs 2017 restated
under the adverse scenario (bps)

<table>
<thead>
<tr>
<th>Peer</th>
<th>Depletion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peer 1</td>
<td>-141</td>
</tr>
<tr>
<td>BBVA</td>
<td>-193</td>
</tr>
<tr>
<td>Peer 2</td>
<td>-219</td>
</tr>
<tr>
<td>Peer 3</td>
<td>-288</td>
</tr>
<tr>
<td>Peer 4</td>
<td>-334</td>
</tr>
<tr>
<td>Peer 5</td>
<td>-341</td>
</tr>
<tr>
<td>Peer 6</td>
<td>-363</td>
</tr>
<tr>
<td>Peers Av.</td>
<td>-434</td>
</tr>
<tr>
<td>Peer 7</td>
<td>-437</td>
</tr>
<tr>
<td>Peer 8</td>
<td>-533</td>
</tr>
<tr>
<td>Peer 9</td>
<td>-576</td>
</tr>
<tr>
<td>Peer 10</td>
<td>-625</td>
</tr>
<tr>
<td>Peer 11</td>
<td>-657</td>
</tr>
<tr>
<td>Peer 12</td>
<td>-695</td>
</tr>
</tbody>
</table>

European Peer Group: BARC, BNPP, CASA, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UCG.

BBVA is one of the few banks to generate a positive cumulative profit and to register the second lowest depletion among its European peers under the adverse scenario.
Risk-Weighted Assets distribution

**TOTAL RWAs Fully Loaded** Sep.18 (€Mn)

343,271 €Mn

- **Credit Risk**: 86.3%
- **Operational Risk**: 9.8%
- **IRB Models**: 32%
- **Standardized Models**: 68%
- **FX Risk**: 0.4%
- **CVA**: 0.4%
- **Trading Act. Risk**: 3.2%

Spain (1): 109,496
USA: 62,728
Mexico: 54,391
Turkey: 52,822
South America: 41,544
Rest of Eurasia: 13,889
Corporate Center: 8,402

---

(1) Includes Banking Activity in Spain and Non Core RE. (2) Credit Valuation Adjustment.

Note: Distribution of RWAs by type of risk and Model based on 2Q18 Pilar III report.

---

Optimizing Capital Allocation is one of BBVA’s Strategic Priorities

Limited usage of internal models in Credit Risk RWAs

Potential lower impact from future regulatory requirements
Capital ratios well above requirements

2018 SREP Requirement and distance to MDA(1) at Group level
Sep.18

Well above 2018 Total Capital and CET1 SREP requirements.
Significant buffer to MDA: 312 bps
Pro-forma buffer to MDA on a fully loaded basis (7): 209 bps

(1) Maximum Distributable Amount; (2) The Capital Conservation Buffer (CCB) stands, in fully loaded terms, at 2.5% CET1; (3) The Other Systemic Important Institution buffer (O-SII) stands, in fully loaded terms, at 0.75% CET1; (4) 2018 SREP Requirement as announced on the Relevant Event dated 13 Dec. 2017; (5) 312 bps of Buffer to MDA = 11.56% Sep’18 CET1 phased-in ratio – 8.438% 2018 CET1 SREP Requirement; (6) Sep’18 AT1 bond issuance is not included in the AT1 Ratio (7) provided for information purposes as the distance to MDA is calculated based on phased-in ratios and these are the legally binding ones.
BBVA has the lowest SREP requirement among peers

CET1 SREP Requirement - FL
(based on 2018 requirement)

- BBVA has the **lowest SREP requirement** among its European peers
- BBVA 2018 SREP requirement remains **unchanged vs. 2017** one

Distance to MDA vs Fully Loaded SREP requirement
Jun.18 European peers / Sep.18 BBVA

- **Tight buffer** over minimum requirements
- **Efficient capital structure**

European Peer Group: BNPP, CA, CMZ, DB, ISP, SAN, SG, UCG (entities subject to ECB regulation)
High level of Available Distributable Items (ADIs)

BBVA, S.A. (Parent Company)
Dec.17, € Bn

- € 8.8 Bn
  BBVA, S.A.
  ADIs: c. 30x
  2017 AT1 coupons

- € 0.30 Bn
  ADIs 2017 AT1 net coupons

Note: ADIs calculated at a parent company level (BBVA, S.A.) as: Net Income + Voluntary Reserves − 2017 Dividend - AT1 coupons. BBVA does not include within the ADIs figure the Share Premium (amounting to +€24 Bn as of December 31st, 2017).
**FX Hedging policy**

**Capital**

**POLICY**  
BBVA hedges c.70% of the excess capital (what is not naturally hedged by the ratio)

**GOAL**  
Reduce Consolidated CET1 ratio volatility as a result of FX movements

---

**P&L**

**POLICY**  
BBVA hedges on average between 30%-50% of foreign subsidiaries expected net attributable profit

**GOAL**  
Reduce Net Attributable Profit volatility as a result of FX movements

---

**CET1 FL Ratio Sensitivity to a 10% Depreciation of EM Currencies (Sep.18)**

<table>
<thead>
<tr>
<th>APPROX</th>
<th>For each currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>-2 bps (MXN and TRY)</td>
<td></td>
</tr>
<tr>
<td>-1 bps (Rest of EM currencies)</td>
<td></td>
</tr>
</tbody>
</table>

---

**2018 Net Attributable Profit FX Hedging (Sep.18):**

- **c. 70%** At a Group level
- **c. 85%** For EM Currencies (of which Mexico c.100% and Turkey c.50%)

P&L hedging costs booked in the Corporate Center’s NTI

---

BBVA maintains a prudent FX hedging policy to ensure low volatility on the CET1 ratio and limited FX impact on the P&L account.
ALCO & Equity HTC&S\(^{(1)}\) Portfolio

**ALCO Portfolio breakdown by region**
(Sep.18, € Bn)

- € 55.4 Bn
- 2.6 South America
- 5.6 Mexico
- 7.3 Turkey
- 11.4 USA
- 28.5 Eurozone\(^{(5)}\)

**o.w. HTC\(^{(3)}\) Portfolio breakdown**
(Sep.18, € Bn)

- € 17.4 Bn
- Spain 17.2
- Italy 7.6\(^{(2)}\)
- Others 3.7

**Equity HTC&S\(^{(1)}\) portfolio – Main stake**

- 5.13\(^{(4)}\)

---

\(^{(1)}\) HTC&S: Held to Collect and Sell; \(^{(2)}\) Of which €3.5bn mature before year end €0.3bn in forward sales in 2019; \(^{(3)}\) HTC: Held to Collect; \(^{(4)}\) BBVA’s own position (does not include clients’ induced positions); \(^{(5)}\) Figures excludes SAREB bonds (€ 4.8bn as of Sep.18)

---

Diversified portfolio across BBVA’s footprint

HTC\(^{(3)}\) portfolio contributes to maintain the overall impact of market volatility at sound levels
06

MREL & Funding Plan
MREL requirement

15.08% Total requirement of liabilities and own funds of European resolution Group (1)

28.04% Total Requirement of European Resolution Group in terms of RWA (2)

These requirements will be binding on 1st January 2020

BBVA considers that it currently complies with MREL requirement, communicated by Bank of Spain

Funding Plan ensures the fulfillment of MREL requirement in 2020

(1) BBVA resolution group consists on Banco Bilbao Vizcaya Argentaria S.A. and its subsidiaries that belong to the same European resolution group. As of December 2016, the amount of Total Liabilities and own funds of the European Resolution Group was €385,647 Mn
(2) As of December 2016, the RWAs of the European resolution Group stood at €207,362 Mn
BBVA’s 2018 Funding plan

- BBVA has already filled its AT1 and T2 layers
- BBVA expects to maintain the 1.5% AT1 and 2% T2 regulatory buckets
  - €1 bn AT1 PNC5 5.875% issue in Sep’18(1)
- Hybrid capital issuance will be limited to maturities and call options
  - 2013 AT1 USD 1.5 Bn (9% coupon) amortized in May’18

- BBVA’s funding plans will be focused on rolling over non-capital wholesale funding maturities into MREL eligible instruments
- According to the funding plan, €2.5-3.5 Bn SNP issuances are expected during 2018 (2)
  - BBVA successfully issued a €1.5 Bn SNP 5y FRN in March and a inaugural Green Bond SNP €1 Bn 7y in May

(1) Sep’18 AT1 bond issuance is not included in the AT1 Ratio
(2) Subject to market conditions

This plan would position BBVA’s capital structure in a very solid stance, currently aligned with the MREL requirement

Maturity profile

- Wholesale debt maturity profile offers flexibility to refinance current instruments into new SNP, if required:

2018-20 BBVA, S.A. senior & covered bonds maturity profile
(BBVA, S.A.; Dec. 17; €Bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Senior Debt</th>
<th>Covered Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>3.8</td>
<td>1.0</td>
</tr>
<tr>
<td>2019</td>
<td>2.8</td>
<td>1.7</td>
</tr>
<tr>
<td>2020</td>
<td>1.0</td>
<td>2.3</td>
</tr>
</tbody>
</table>

SNP noteholders have significant buffer

- Significant capital buffer of €43.5 Bn of subordinated capital (CET1, AT1 and T2)
07

Liquidity & Funding
Liquidity & Funding

Self-sufficient subsidiaries from a liquidity point of view, with robust supervision and control by parent company

Retail profile of BBVA Group balance sheet with limited dependence on wholesale funding

Parent and subsidiaries proven ability to access the wholesale funding markets (medium & long term) on a regular basis

Ample high quality collateral available, compliant with regulatory liquidity requirements at a Group and Subsidiary level
Principles of BBVA Group’s self-sufficient business model: Multiple Point of Entry

**Subsidiaries**
- Self-sufficient balance-sheet management
- Own capital and liquidity management
- Market access with its own credit, name and rating
- Responsible for doing business locally

**Corporate Center**
- Guidelines for capital and liquidity / ALCO supervision
- Common risk culture

**Advantages**
- Medium term orientation / consistent with retail banking
- Improves risk assessment: imposes market discipline and proper incentives to reach sustainable credit growth
- Absence of cross-funding or cross-subsidies
- Helps development of local capital markets
- Curtails the risk of contagion: natural firewalls / limited contagion
- Safeguards financial stability / proven resilience during the crisis
- Liquidity and capital buffers in different balance sheets

No liquidity transfers between the parent and subsidiaries or among subsidiaries
Financial soundness based on the funding of lending activity

**BBVA Group Liquidity balance sheet (1)**
(Sep.18)

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>63%</td>
<td>62%</td>
</tr>
<tr>
<td>8%</td>
<td>4%</td>
</tr>
<tr>
<td>29%</td>
<td>11%</td>
</tr>
<tr>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>9%</td>
<td>9%</td>
</tr>
</tbody>
</table>

- Net Loans to Customers
- Fixed Assets & Others
- Financial Assets
- Deposits
- ECB
- Funding M&L/T
- Equity & Others
- Funding S/T

**BBVA Group Liquidity metrics**
(Sep.18)

<table>
<thead>
<tr>
<th></th>
<th>Euroz. (2)</th>
<th>USA</th>
<th>Mexico</th>
<th>Turkey (5)</th>
<th>S. Amer</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTD</td>
<td>103%</td>
<td>96%</td>
<td>103%</td>
<td>103%</td>
<td>96%</td>
</tr>
<tr>
<td>LCR</td>
<td>152%</td>
<td>145% (4)</td>
<td>134%</td>
<td>119%</td>
<td>well &gt;100%</td>
</tr>
</tbody>
</table>

(1) Management liquidity balance sheet (net of interbank balances and derivatives)

LCR ratios clearly above regulatory requirements (>100% in 2018), both at a Group level and in all banking subsidiaries.

- (2) Perimeter: Spain+Portugal+Rest of Eurasia
- (3) Calculated under IFRS9
- (4) Compass LCR calculated according to local regulation (Fed Modified LCR)
- (5) Calculated at bank-only local level

Comfortable liquidity position
Broaden geographical diversification of access to market

Medium & long-term wholesale funding maturities (Sept.18; € bn)

**EURO**
- € 41.3bn

- Senior Debt
- Preferred Shares / AT1
- Covered Bonds
- Subordinated
- Others

- 2018: 1.2
- 2019: 4.9
- 2020: 4.9
- 2021: 6.1
- >2021: 24.2

**USA**
- € 3.0 bn

- Senior Non Preferred

- 2018: 0.5
- 2019: 0.2
- 2020: 1.0
- >2021: 1.3

**MEXICO**
- € 6.9 bn

- 2018: 0.2
- 2019: 1.5
- 2020: 1.3
- >2021: 3.9

**TURKEY**
- € 6.8 bn

- 2018: 0.1
- 2019: 1.6
- 2020: 0.4
- 2021: 0.8
- >2021: 3.9

*Not including USD 2.7 bn from Syndicated loans and USD 2.5 bn, mainly bilateral loans and other ST funding.

**S. AMERICA**
- € 3.1 bn

- 2018: 0.0
- 2019: 0.4
- 2020: 0.3
- 2021: 0.4
- >2021: 2.0

*In Chile, only Forum. BBVA closed the sale of its stake in BBVA Chile in July 6th. Included: Argentina, Colombia, Peru, Uruguay, Paraguay.

Outstanding amounts as of Sept. 18.
FX as of Sept. 18: EUR = 1.16 USD; EUR = 22.78 MXN; EUR = 6.96 TRY

Ability to access funding markets in all our main subsidiaries using a diversified set of debt instruments.
Turkey – Liquidity & Funding Sources

- **LTD ratio 103%,** 9 p.p. improvement QoQ and 12 p.p. YTD, mainly driven by a reduction in Local Currency LTD, as Foreign Currency LTD remained flattish at 71%. Stable deposit base: Deposits from Retail and SMEs represent c.75% of Total TRY deposits and c.60% of FC deposits.

- **Liquidity Coverage Ratio (EBA): 119%** vs. 100% required for 2018

- **Foreign Currency loans -5% QoQ and -12% YTD**

- **Limited External wholesale funding needs:** USD13.1 Bn

**FC Liquidity Buffers**

- Short Term Swaps
- Unencumbered FC securities
- FC Reserves under ROM
- Money Market Placements

**External Wholesale Funding Maturities (2)** (USD Bn)

<table>
<thead>
<tr>
<th>Year/Stage</th>
<th>Covered Bond</th>
<th>Securitization</th>
<th>Subdebt</th>
<th>Senior</th>
<th>Syndicated Loans</th>
<th>Other (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4Q18</td>
<td>1.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>4.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>0.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>1.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt;=2022</td>
<td>4.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**USD 13.1 Bn including syndicated loans**

Ample liquidity buffers and limited wholesale funding maturities, USD 1.8 Bn in 4Q18, including syndicated loans.

Note: All figures are Bank-only, as of Sep 18. (1) ROM: Reserve Option Mechanism

(2) Includes TRY covered bonds and excludes on balance sheet IRS transactions
(3) Other includes mainly bilateral loans, secured finance and other ST funding.
08

Ratings
# BBVA Group Ratings by Agency

## Latest Rating Actions (9M18)

**Long Term Issuer / Senior Unsecured Ratings**

### Moody’s

- **A3 rating affirmed**
  - (Aug. 29th, 2018)

### S&P

- **A- rating affirmed**
  - (Aug. 20th, 2018)

### DBRS

- **+1 notch upgrade to A(High)**
  - (Apr. 12th, 2018)

### Fitch

- **A- rating affirmed**
  - (July. 17th, 2018)

---

### BBVA Ratings\(^{(1)}\)

<table>
<thead>
<tr>
<th>Outlook</th>
<th>Moody’s</th>
<th>S&amp;P</th>
<th>Fitch</th>
<th>DBRS</th>
<th>Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuer/Senior</td>
<td>Stable</td>
<td>Negative</td>
<td>Stable</td>
<td>Stable</td>
<td>Stable</td>
</tr>
<tr>
<td>Investment grade</td>
<td>Aaa</td>
<td>AAA</td>
<td>AAA</td>
<td>AAA CB</td>
<td>AAA CB</td>
</tr>
<tr>
<td></td>
<td>Aa1</td>
<td>AA+</td>
<td>AA+</td>
<td>AA+</td>
<td>AA+</td>
</tr>
<tr>
<td></td>
<td>Aa2</td>
<td>AA</td>
<td>AA</td>
<td>AA</td>
<td>AA</td>
</tr>
<tr>
<td></td>
<td>Aa3</td>
<td>AA-</td>
<td>AA-</td>
<td>AA-</td>
<td>AA-</td>
</tr>
<tr>
<td></td>
<td>A1</td>
<td>A+</td>
<td>A+</td>
<td>A+</td>
<td>A+</td>
</tr>
<tr>
<td></td>
<td>A2</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td></td>
<td>A3 Senior</td>
<td>A- Senior</td>
<td>A- Senior</td>
<td>A- Senior</td>
<td>A- Senior</td>
</tr>
<tr>
<td></td>
<td>Baa1</td>
<td>BBB+SNP</td>
<td>BBB+SNP</td>
<td>BBB+SNP</td>
<td>BBB+SNP</td>
</tr>
<tr>
<td></td>
<td>Baa2 SNP</td>
<td>BBB</td>
<td>BBB</td>
<td>BBB</td>
<td>BBB</td>
</tr>
<tr>
<td></td>
<td>Baa3 T2</td>
<td>BBB-</td>
<td>BBB-</td>
<td>BBB-</td>
<td>BBB-</td>
</tr>
<tr>
<td></td>
<td>Ba1</td>
<td>BB+</td>
<td>BB+</td>
<td>BB+</td>
<td>BB+</td>
</tr>
<tr>
<td></td>
<td>Ba2 AT1</td>
<td>BB</td>
<td>BB</td>
<td>BB</td>
<td>BB</td>
</tr>
<tr>
<td></td>
<td>Ba3</td>
<td>B+</td>
<td>B+</td>
<td>B+</td>
<td>B+</td>
</tr>
<tr>
<td></td>
<td>B1</td>
<td>B</td>
<td>B</td>
<td>B</td>
<td>B</td>
</tr>
<tr>
<td></td>
<td>B2</td>
<td>B</td>
<td>B</td>
<td>B</td>
<td>B</td>
</tr>
<tr>
<td></td>
<td>B3</td>
<td>(...)</td>
<td>(...)</td>
<td>(...)</td>
<td>(...)</td>
</tr>
</tbody>
</table>

### Note:
- CB = Covered Bonds
- SNP = Senior Non Preferred

\(^{(1)}\) A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. \(^{(2)}\) On Aug 20th, 2018, S&P also changed the outlook from Stable to Negative.

---

Moody’s, S&P and DBRS have upgraded BBVA in 9M18

All Rating Agencies assign BBVA a rating on the single A space
09

Transformation Strategy
Digital Customers – BBVA Group

**Digital Customers**
(Mn, % penetration)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep-16</td>
<td>17.2</td>
<td>+22%</td>
</tr>
<tr>
<td>Sep-17</td>
<td>21.1</td>
<td>+23%</td>
</tr>
<tr>
<td>Sep-18</td>
<td>26.0</td>
<td></td>
</tr>
</tbody>
</table>

**Penetration**

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep-16</td>
<td>35%</td>
</tr>
<tr>
<td>Sep-17</td>
<td>42%</td>
</tr>
<tr>
<td>Sep-18</td>
<td>49%</td>
</tr>
</tbody>
</table>

**Mobile Customers**
(Mn, % penetration)

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep-16</td>
<td>11.2</td>
<td>+41%</td>
</tr>
<tr>
<td>Sep-17</td>
<td>15.8</td>
<td>+37%</td>
</tr>
<tr>
<td>Sep-18</td>
<td>21.7</td>
<td></td>
</tr>
</tbody>
</table>

**Penetration**

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep-16</td>
<td>23%</td>
</tr>
<tr>
<td>Sep-17</td>
<td>31%</td>
</tr>
<tr>
<td>Sep-18</td>
<td>41%</td>
</tr>
</tbody>
</table>

#1 Banking App in the world in 2017 & 2018

Goal: 50% tipping point of digital customers in 2018 and mobile customers in 2019
Digital Sales
(% of total sales YtD, # of transactions and PRV*)

- **SPAIN**
  - Units: 10.2 → 15.7 → 26.7 → 43.7
  - PRV: 19.0 → 34.4
  - Sep-16 → Sep-17 → Sep-18

- **USA**
  - PRV: 11.0 → 18.7 → 24.6
  - Units: 16.2 → 19.4 → 23.2
  - Sep-16 → Sep-17 → Sep-18

- **MEXICO**
  - PRV: 6.3 → 10.5 → 17.5
  - Units: 12.4 → 27.4 → 34.6
  - Sep-16 → Sep-17 → Sep-18

- **TURKEY**
  - PRV: 23.8 → 34.7 → 44.8
  - Units: 33.0 → 42.7
  - Sep-16 → Sep-17 → Sep-18

- **SOUTH AMERICA**
  - PRV: 10.4 → 29.6 → 52.2
  - Units: 13.0 → 17.2
  - Sep-16 → Sep-17 → Sep-18

Figures have been restated due to the inclusion of additional products. (*) Product Relative Value as a proxy of a better economic representation of units sold.

**Strong growth across markets**
APPENDIX

- BBVA Group 9M18 Profit & Loss
- Risk Indicators by Areas
- Capital Base: BBVA Group & BBVA S.A.
- BBVA, S.A.: 2018 SREP Requirement and distance to MDA
- Debt Issuances – 2017/2018YTD
- Amortized notes – 2017/2018YTD
- BBVA, S.A.: 3Q18 Issuances
- MREL framework
# BBVA Group 9M18 Profit & Loss

<table>
<thead>
<tr>
<th>BBVA Group (€m)</th>
<th>9M18</th>
<th>Change 9M18/9M17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Interest Income</td>
<td>12,899</td>
<td>-2.3</td>
</tr>
<tr>
<td>Net Fees and Commissions</td>
<td>3,653</td>
<td>-1.4</td>
</tr>
<tr>
<td>Net Trading Income</td>
<td>907</td>
<td>-35.9</td>
</tr>
<tr>
<td>Other Income &amp; Expenses</td>
<td>136</td>
<td>-76.7</td>
</tr>
<tr>
<td><strong>Gross Income</strong></td>
<td>17,596</td>
<td>-6.9</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>-8,721</td>
<td>-7.1</td>
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<tr>
<td><strong>Operating Income</strong></td>
<td>8,875</td>
<td>-6.8</td>
</tr>
<tr>
<td>Impairment on Financial Assets</td>
<td>-2,629</td>
<td>-9.9</td>
</tr>
<tr>
<td>Provisions and Other Gains and Losses</td>
<td>-234</td>
<td>-60.3</td>
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<tr>
<td><strong>Income Before Tax</strong></td>
<td>6,012</td>
<td>0.0</td>
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<tr>
<td>Income Tax</td>
<td>-1,641</td>
<td>-1.7</td>
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<tr>
<td>Non-controlling Interest</td>
<td>-682</td>
<td>-23.9</td>
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<tr>
<td><strong>Net Attributable Profit ex-Corp. Ops.</strong></td>
<td>3,689</td>
<td>7.0</td>
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<td>Corporate Operations Income</td>
<td>633</td>
<td>n.s.</td>
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<tr>
<td><strong>Net Attributable Profit</strong></td>
<td>4,323</td>
<td>25.3</td>
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</table>

## Net Attributable Profit breakdown (% 9M18)

- **Spain**: 10.8%
- **USA**: 24.5%
- **Mexico**: 12.0%
- **Turkey**: 10.4%
- **South America**: 41.0%
- **Rest of Eurasia**: 1.3%

Note: Spain includes Banking activity in Spain and Non Core Real Estate. Figures exclude Corporate Center.
# Risk Indicators by Areas

## NPL ratio (1)

<table>
<thead>
<tr>
<th></th>
<th>Dec.17</th>
<th>Jun.18</th>
<th>Sep.18</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBVA Group</td>
<td>4.6</td>
<td>4.4</td>
<td>4.1</td>
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<tr>
<td>Banking activity in Spain (2)</td>
<td>5.5</td>
<td>5.2</td>
<td>5.0</td>
</tr>
<tr>
<td>The United States</td>
<td>1.2</td>
<td>1.2</td>
<td>1.1</td>
</tr>
<tr>
<td>Mexico</td>
<td>2.3</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Turkey</td>
<td>3.9</td>
<td>4.5</td>
<td>5.2</td>
</tr>
<tr>
<td>Argentina</td>
<td>0.8</td>
<td>0.9</td>
<td>1.1</td>
</tr>
<tr>
<td>Peru</td>
<td>3.8</td>
<td>4.1</td>
<td>4.1</td>
</tr>
<tr>
<td>Colombia</td>
<td>5.3</td>
<td>5.7</td>
<td>5.8</td>
</tr>
<tr>
<td>Rest of Eurasia</td>
<td>2.4</td>
<td>1.7</td>
<td>1.6</td>
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</tbody>
</table>

## NPL coverage ratio (1)

<table>
<thead>
<tr>
<th></th>
<th>Dec.17</th>
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<th>Sep.18</th>
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<tbody>
<tr>
<td>BBVA Group</td>
<td>65</td>
<td>71</td>
<td>73</td>
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<tr>
<td>Banking activity in Spain (2)</td>
<td>50</td>
<td>57</td>
<td>56</td>
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<tr>
<td>The United States</td>
<td>104</td>
<td>93</td>
<td>101</td>
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<tr>
<td>Mexico</td>
<td>123</td>
<td>155</td>
<td>150</td>
</tr>
<tr>
<td>Turkey</td>
<td>85</td>
<td>76</td>
<td>77</td>
</tr>
<tr>
<td>Argentina</td>
<td>198</td>
<td>182</td>
<td>175</td>
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<tr>
<td>Peru</td>
<td>100</td>
<td>99</td>
<td>99</td>
</tr>
<tr>
<td>Colombia</td>
<td>88</td>
<td>97</td>
<td>102</td>
</tr>
<tr>
<td>Rest of Eurasia</td>
<td>74</td>
<td>93</td>
<td>101</td>
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</table>

## Cost of Risk Ytd (1)

<table>
<thead>
<tr>
<th></th>
<th>Dec.17</th>
<th>Jun.18</th>
<th>Sep.18</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBVA Group</td>
<td>0.89</td>
<td>0.82</td>
<td>0.90</td>
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<tr>
<td>Banking activity in Spain (2)</td>
<td>0.32</td>
<td>0.21</td>
<td>0.22</td>
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<tr>
<td>The United States</td>
<td>0.43</td>
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<td>0.33</td>
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<tr>
<td>Mexico</td>
<td>3.24</td>
<td>2.93</td>
<td>2.82</td>
</tr>
<tr>
<td>Turkey</td>
<td>0.82</td>
<td>1.23</td>
<td>1.72</td>
</tr>
<tr>
<td>Argentina</td>
<td>0.6</td>
<td>1.3</td>
<td>1.2</td>
</tr>
<tr>
<td>Peru</td>
<td>1.1</td>
<td>1.3</td>
<td>1.4</td>
</tr>
<tr>
<td>Colombia</td>
<td>2.6</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Rest of Eurasia</td>
<td>-0.16</td>
<td>-0.15</td>
<td>0.13</td>
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</tbody>
</table>

---

(1) Data as of 2018 under IFRS9 standards, 2017 figures under IAS39. (2) NPL ratio exclude repos
Capital Base: BBVA Group & BBVA, S.A.

**Phased-in capital ratios**
Sep.18 (%)

- **Tier 2**
  - BBVA Group: 15.92%
  - BBVA, S.A.: 22.25%
- **Additional Tier 1**
  - BBVA Group: 2.58%
  - BBVA, S.A.: 2.77%
- **CET1**
  - BBVA Group: 11.56%
  - BBVA, S.A.: 17.29%

**Fully-loaded capital ratios**
Sep.18 (%)

- **Tier 2**
  - BBVA Group: 15.60%
  - BBVA, S.A.: 21.86%
- **Additional Tier 1**
  - BBVA Group: 2.53%
  - BBVA, S.A.: 2.69%
- **CET1**
  - BBVA Group: 11.34%
  - BBVA, S.A.: 16.91%

**CET1**
- BBVA Group: €39,662 m
- BBVA, S.A.: €34,374 m

**AT1**
- BBVA Group: €6,103 m
- BBVA, S.A.: €5,507 m

**T2**
- BBVA Group: €8,847 m
- BBVA, S.A.: €4,345 m

**Total Capital Base**
- BBVA Group: €54,612 m
- BBVA, S.A.: €44,227 m

**RWA**
- BBVA Group: €343,051 m
- BBVA, S.A.: €198,805 m
Capital ratios well above requirements

2018 SREP Requirement and distance to MDA\(^{(1)}\) at a Parent Company level (BBVA, S.A.)

Sep.18

- **2018 CET1 SREP Requirement**: 7.875%
- **2018 Total Capital SREP Requirement**: 11.375 %\(^{(3)}\)
- **BBVA, S.A. Total capital ratio phased-in Sep.18**: 17.29%

**DISTANCE TO MDA\(^{(4)}\)**: 942 bps

**22.25%**

- **T2: 2.19%**
- **AT1: 2.77%**

**Well above 2018 Total Capital and CET1 SREP requirements**

**Significant buffer to MDA: 942 bps**

---

\(^{(1)}\) Maximum Distributable Amount; \(^{(2)}\) The Capital Conservation Buffer (CCB) stands, in fully loaded terms, at 2.5% CET1; \(^{(3)}\) 2018 SREP Requirement as announced on the Relevant Event dated 13 Dec 2017; \(^{(4)}\) 942 bps of Buffer to MDA = 17.29% Sep-18 CET1 phased-in ratio – 7.875% 2018 CET1 SREP Requirement.
## Debt Issuances – 2017 - 2018 YTD

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Product</th>
<th>Issue Date</th>
<th>Call Date</th>
<th>Maturity</th>
<th>Nominal currency</th>
<th>Coupon</th>
<th>Isin</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBVA SA</td>
<td>AT1</td>
<td>Sep-18</td>
<td>Sep-23</td>
<td>Perp</td>
<td>€ 1,000 M</td>
<td>5.875%</td>
<td>ES0813211002</td>
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<tr>
<td>BBVA SA</td>
<td>Tier 2</td>
<td>May-18</td>
<td>-</td>
<td>May-33</td>
<td>$ 300 M</td>
<td>5.25%</td>
<td>XS1824263260</td>
</tr>
<tr>
<td>BBVA SA</td>
<td>SNP</td>
<td>May-18</td>
<td>-</td>
<td>May-25</td>
<td>€ 1,000 M</td>
<td>1.375%</td>
<td>XS1820037270</td>
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<tr>
<td>BBVA SA</td>
<td>SNP</td>
<td>Mar-18</td>
<td>-</td>
<td>Mar-23</td>
<td>€ 1,500 M</td>
<td>3ME+ 0.60%</td>
<td>XS1788584321</td>
</tr>
<tr>
<td>BBVA SA</td>
<td>SNP</td>
<td>Nov-17</td>
<td>-</td>
<td>Nov-23</td>
<td>€ 150 M</td>
<td>3ME+0.67%</td>
<td>XS1724512097</td>
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<tr>
<td>BBVA SA</td>
<td>AT1</td>
<td>Nov-17</td>
<td>Nov-27</td>
<td>Perp</td>
<td>$ 1,000 M</td>
<td>6.125%</td>
<td>US05946KAF84</td>
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<tr>
<td>BBVA SA</td>
<td>SNP</td>
<td>Nov-17</td>
<td>-</td>
<td>May-28</td>
<td>€ 140 M</td>
<td>1.72%</td>
<td>XS1712061032</td>
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<tr>
<td>BBVA SA</td>
<td>SNP</td>
<td>Sep-17</td>
<td>-</td>
<td>Sep-22</td>
<td>€ 1,500 M</td>
<td>0.75%</td>
<td>XS1678372472</td>
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<tr>
<td>BBVA SA</td>
<td>AT1</td>
<td>May-17</td>
<td>May-22</td>
<td>Perp</td>
<td>€ 500 M</td>
<td>5.875%</td>
<td>XS1619422865</td>
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<tr>
<td>BBVA SA</td>
<td>Tier 2</td>
<td>May-17</td>
<td>-</td>
<td>May-27</td>
<td>CHF 20 M</td>
<td>1.60%</td>
<td>XS1615673701</td>
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<td>BBVA SA</td>
<td>Tier 2</td>
<td>May-17</td>
<td>-</td>
<td>May-27</td>
<td>€ 150 M</td>
<td>2.541%</td>
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<tr>
<td>BBVA SA</td>
<td>Senior Unsec</td>
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<td>-</td>
<td>Apr-22</td>
<td>€ 1,500 M</td>
<td>3ME+0.60%</td>
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<tr>
<td>BBVA SA</td>
<td>Tier 2</td>
<td>Mar-17</td>
<td>Mar-27</td>
<td>Mar-32</td>
<td>$ 120 M</td>
<td>5.700%</td>
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<tr>
<td>BBVA SA</td>
<td>Tier 2</td>
<td>Mar-17</td>
<td>-</td>
<td>Mar-27</td>
<td>€ 53.4 M</td>
<td>fixed 3% (2 yr) - floating CMS10y + 1.30% (8 yr)</td>
<td>XS1579039006</td>
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<td>BBVA SA</td>
<td>Tier 2</td>
<td>Feb-17</td>
<td>-</td>
<td>Feb-32</td>
<td>€ 165 M</td>
<td>4.000%</td>
<td>XS1569874503</td>
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<tr>
<td>BBVA SA</td>
<td>Tier 2</td>
<td>Feb-17</td>
<td>-</td>
<td>Feb-27</td>
<td>€ 1,000 M</td>
<td>3.50%</td>
<td>XS1562614831</td>
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<tr>
<td>BBVA SA</td>
<td>Senior Unsec</td>
<td>Jan-17</td>
<td>-</td>
<td>Jan-22</td>
<td>€ 1,000 M</td>
<td>0.625%</td>
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<tr>
<th>Issuer</th>
<th>Product</th>
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<th>Maturity</th>
<th>Nominal currency</th>
<th>Coupon</th>
<th>Isin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garanti</td>
<td>Tier 2</td>
<td>May-17</td>
<td>May-22</td>
<td>May-27</td>
<td>$ 750 M</td>
<td>6.125%</td>
<td>XS1617531063</td>
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<tr>
<td>Garanti</td>
<td>Senior Unsec</td>
<td>Mar-17</td>
<td>-</td>
<td>Mar-23</td>
<td>$ 500 M</td>
<td>5.875%</td>
<td>XS1576037284</td>
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</table>

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Product</th>
<th>Issue Date</th>
<th>Call Date</th>
<th>Maturity</th>
<th>Nominal currency</th>
<th>Coupon</th>
<th>Isin</th>
</tr>
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<tbody>
<tr>
<td>Compass</td>
<td>Senior Unsec</td>
<td>Jun-17</td>
<td>May-21</td>
<td>Jun-21</td>
<td>$ 1.150 M</td>
<td>Fixed 3.5%</td>
<td>FRN 3ML+73 bps</td>
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<tr>
<td>Compass</td>
<td>Senior Unsec</td>
<td>Jun-17</td>
<td>May-22</td>
<td>Jun-22</td>
<td>$ 750 M</td>
<td>2.675%</td>
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<tr>
<td>Bancomer</td>
<td>Tier 2</td>
<td>Jan-18</td>
<td>Jan-28</td>
<td>Jan-33</td>
<td>$ 1,000 M</td>
<td>5.125%</td>
<td>US055333UAF57</td>
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### Amortized notes – 2017 - 2018YTD

<table>
<thead>
<tr>
<th>Product</th>
<th>Issue Date</th>
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<th>Outstanding currency (M)</th>
<th>Outstanding € (M)</th>
<th>Coupon</th>
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</thead>
<tbody>
<tr>
<td>AT1</td>
<td>May-13</td>
<td>May-18</td>
<td>$ 1,500 M</td>
<td>1248</td>
<td>9.00%</td>
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<tr>
<td>Tier 2</td>
<td>Feb-07</td>
<td>Feb-18</td>
<td>€ 257</td>
<td>257</td>
<td>3ME+0.80%</td>
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<tr>
<td>Tier 2</td>
<td>Oct-05</td>
<td>Jan-18</td>
<td>€ 99</td>
<td>99</td>
<td>3ME+0.80%</td>
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<tr>
<td>Preferred</td>
<td>Apr-07</td>
<td>Apr-17</td>
<td>$ 600</td>
<td>499</td>
<td>5.919%</td>
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<tr>
<td>Preferred</td>
<td>Sep-06</td>
<td>Mar-17</td>
<td>€ 164</td>
<td>164</td>
<td>3ME+1.95%</td>
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<td>Preferred</td>
<td>Sep-05</td>
<td>Mar-17</td>
<td>€ 86</td>
<td>86</td>
<td>3ME+1.65%</td>
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<td>Tier 2</td>
<td>May-07</td>
<td>May-17</td>
<td>$ 500</td>
<td>416</td>
<td>6%</td>
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<tr>
<td>Tier 2</td>
<td>May-07</td>
<td>May-17</td>
<td>PEN 40</td>
<td>11</td>
<td>5.85%</td>
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<tr>
<td>Tier 2</td>
<td>Jun-03/04</td>
<td>Sept/Oct-17</td>
<td>$ 100</td>
<td>83</td>
<td>3ML+2.81%(2)</td>
</tr>
</tbody>
</table>

1. Includes a total of 4 trust preferred securities issued in 2003 and 2004; 2. Average coupon of the 4 issuances

BBVA follows an economic call policy.
3Q18 Issuances: BBVA AT1 Eur 1 bn PNC5 5.875%

Highlights
- Gives BBVA flexibility to refinance the potential next call options of AT1
- This is the lowest coupon ever paid for a BBVA AT1
- This issuance was the third public transaction in 2018 for BBVA SA

Key Features
- Settlement Date: 24-09-2018
- Amount: € 1 bn
- Maturity: perpetual. Call option in 5th year
- Coupon: 5.875% (Fixed Rate Notes)
- Reset: MS + 566 bps
- Spanish investors represented 12% (initial gross demand of € 400 M)

BBVA’s first issuance under CNMV regulation, which allowed for Spanish institutional investors to participate in the offer, widening BBVA’s investor base.