

Delivering on our Strategy

Madrid, June 9th, 2017

Carlos Torres Vila
Chief Executive Officer



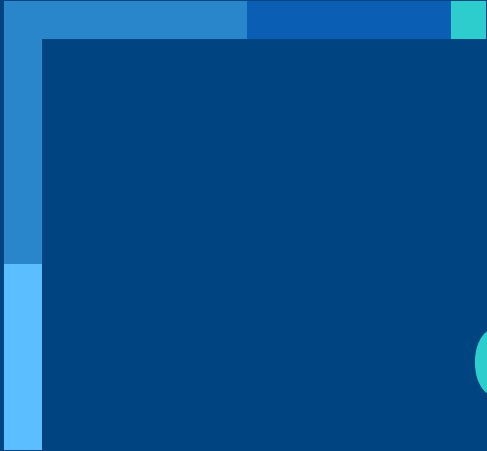
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01 BBVA's Strengths

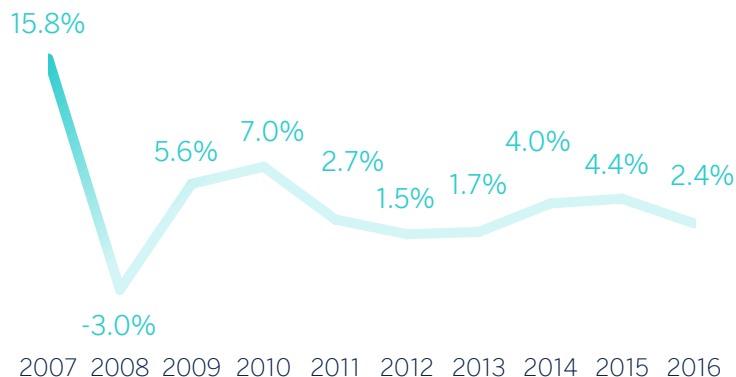
02 Winning Strategy

03 Successful Execution

Challenging environment for the financial industry in the last years

Pressure on profitability

(Banks* ROE)



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

Emerging technologies and new specialized players



- ✓ **Low interest rates**
- ✓ **Activity deceleration**
- ✓ **Regulatory pressure**

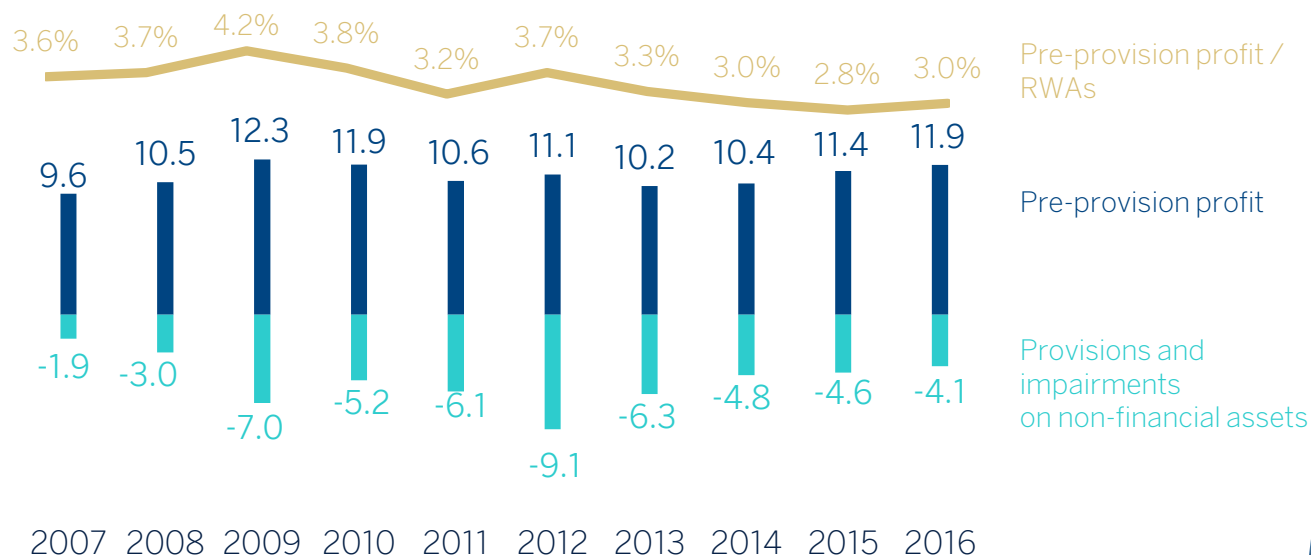
- ✓ **Transforming each vertical**
- ✓ **Superior customer experience**
- ✓ **Lower cost of operations**

In this environment BBVA's strengths have provided resilience and low earnings volatility

5

2007 – 2016 Earnings resilience

(€ bn, %)



Diversified footprint

Prudent risk profile

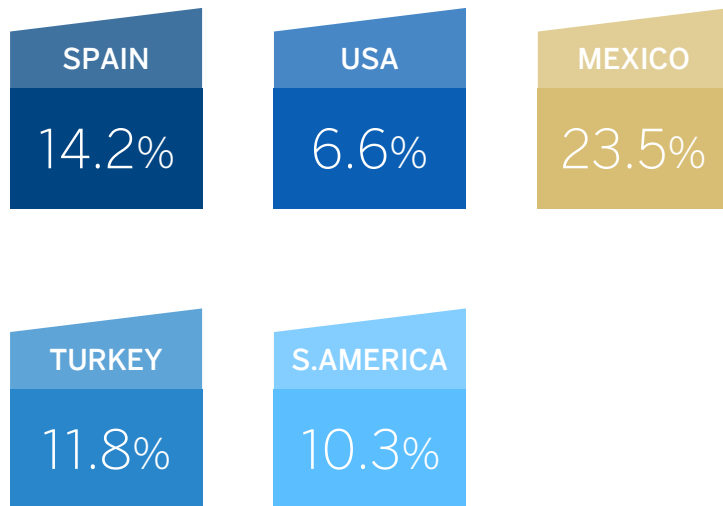
Solid capital position

✓ Profit generation all through the crisis years

High quality franchises in core markets

Leadership Positioning in Core Markets

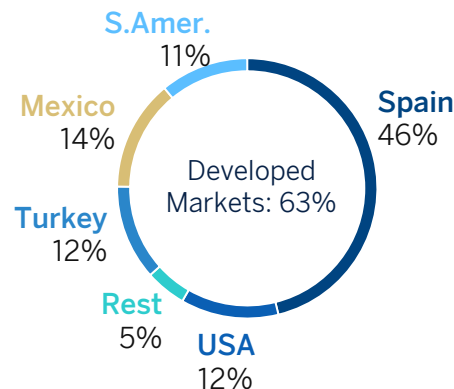
Market share (in %)⁽¹⁾



Diversified footprint (2)

Total Assets

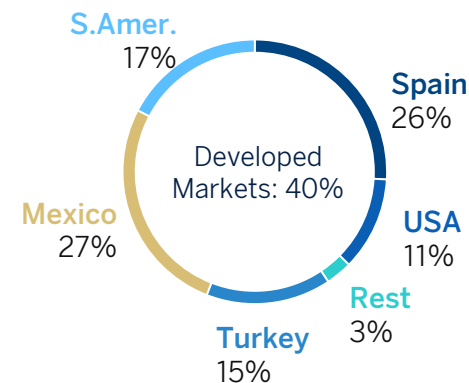
(Mar 17. €bn, %)



719 €bn

Gross Income

(3M17. €m, %)



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

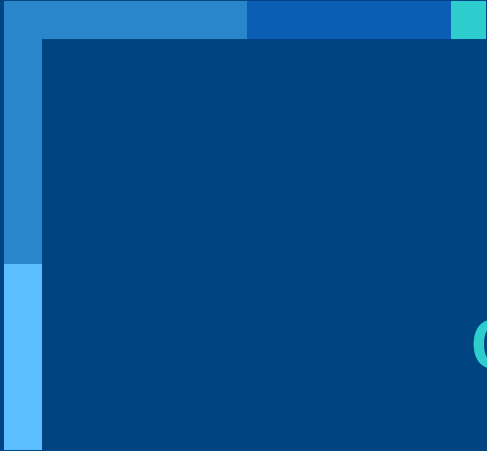
- Resilience** and **improved macro outlook**; FX recovery
- High single digit growth** expected in loans and net income (in constant euros)

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

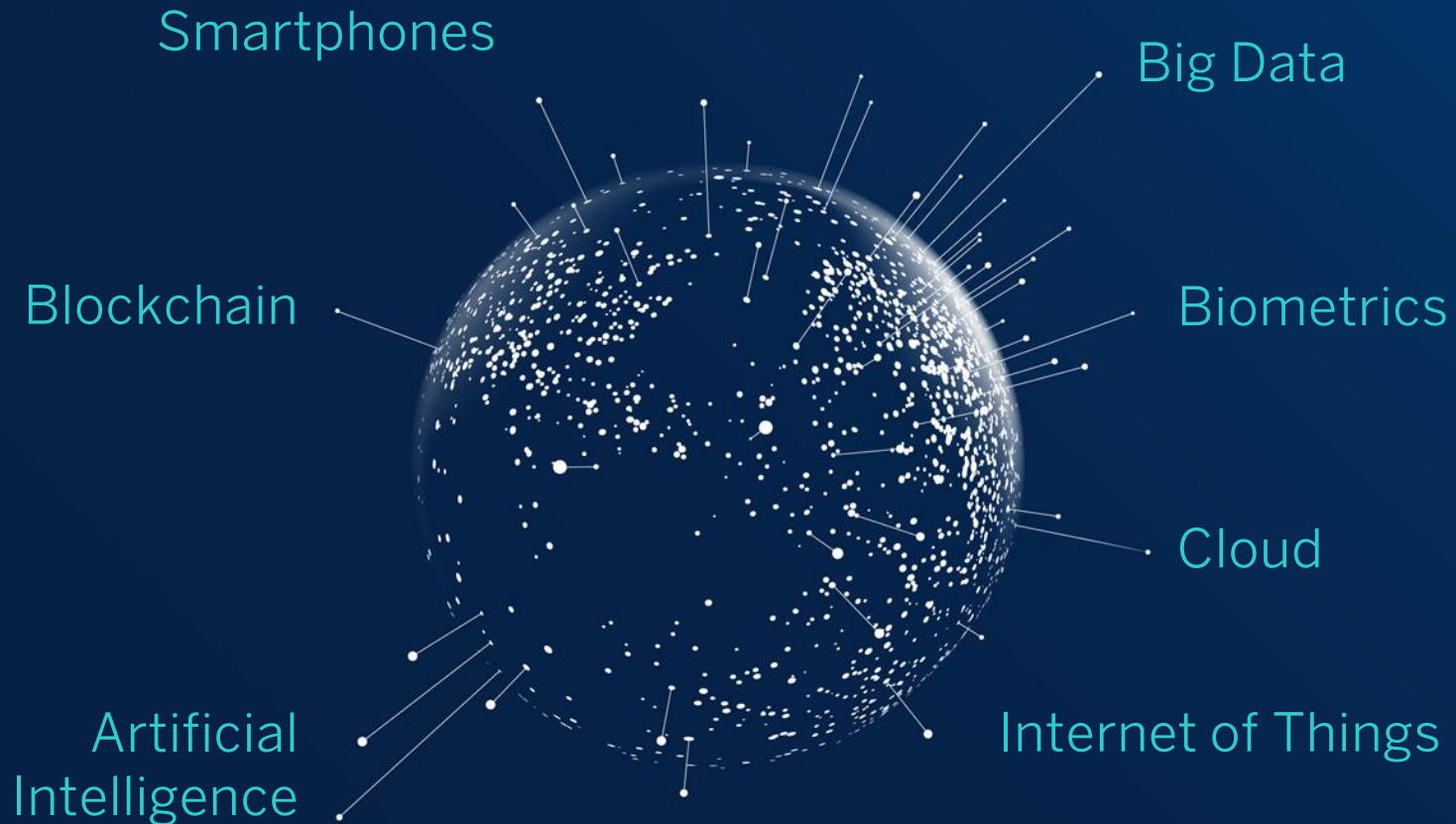


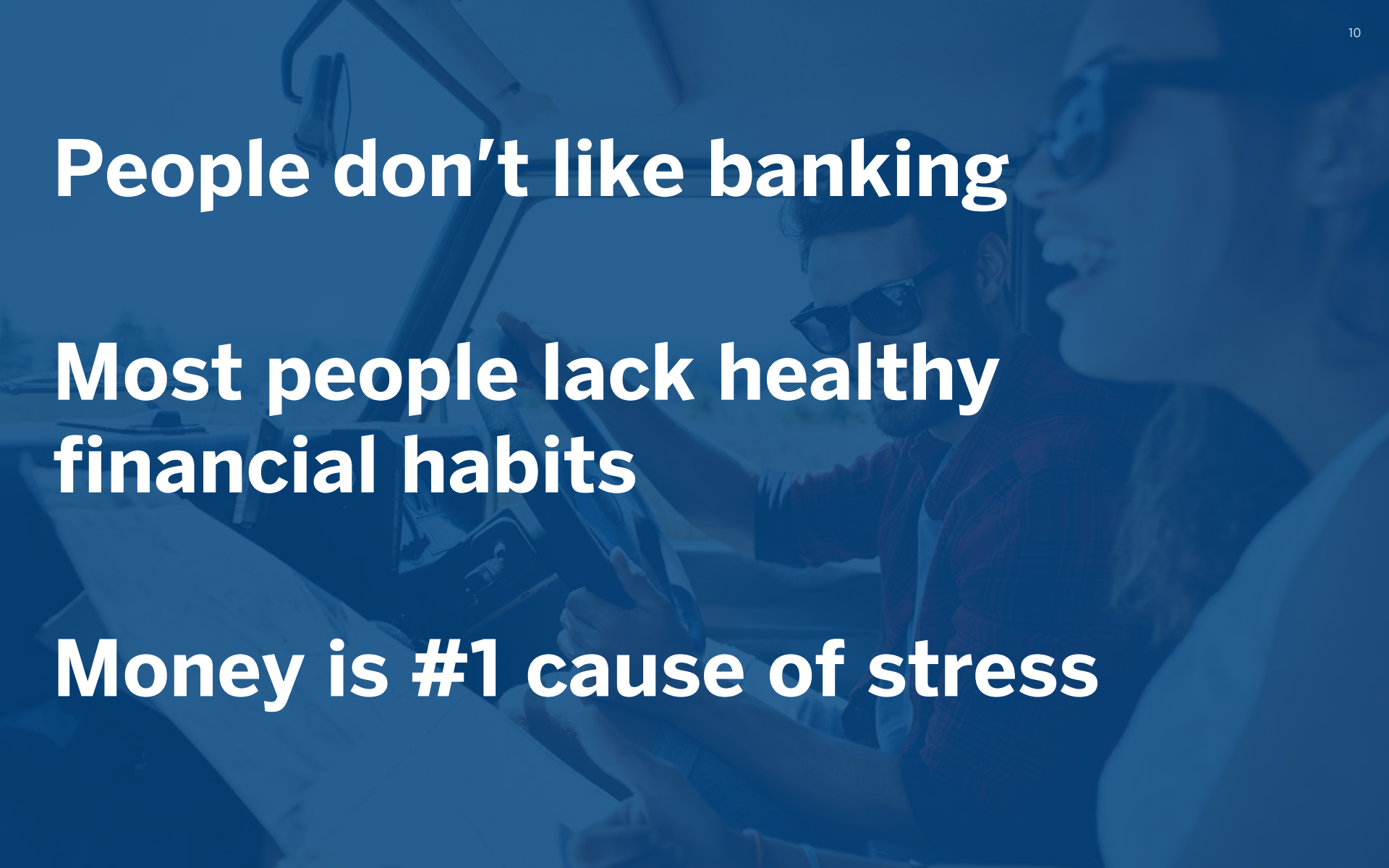
01 BBVA's Strengths

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New exponential technologies are enabling things that were unimaginable



A man and a woman are in an office setting. The man, wearing sunglasses and a plaid shirt, is pointing at a tablet held by the woman. The woman is also wearing sunglasses and is looking at the tablet. They are both smiling. The background is slightly blurred, showing office equipment like a monitor and some papers.

People don't like banking

Most people lack healthy financial habits

Money is #1 cause of stress

There is a job to be done

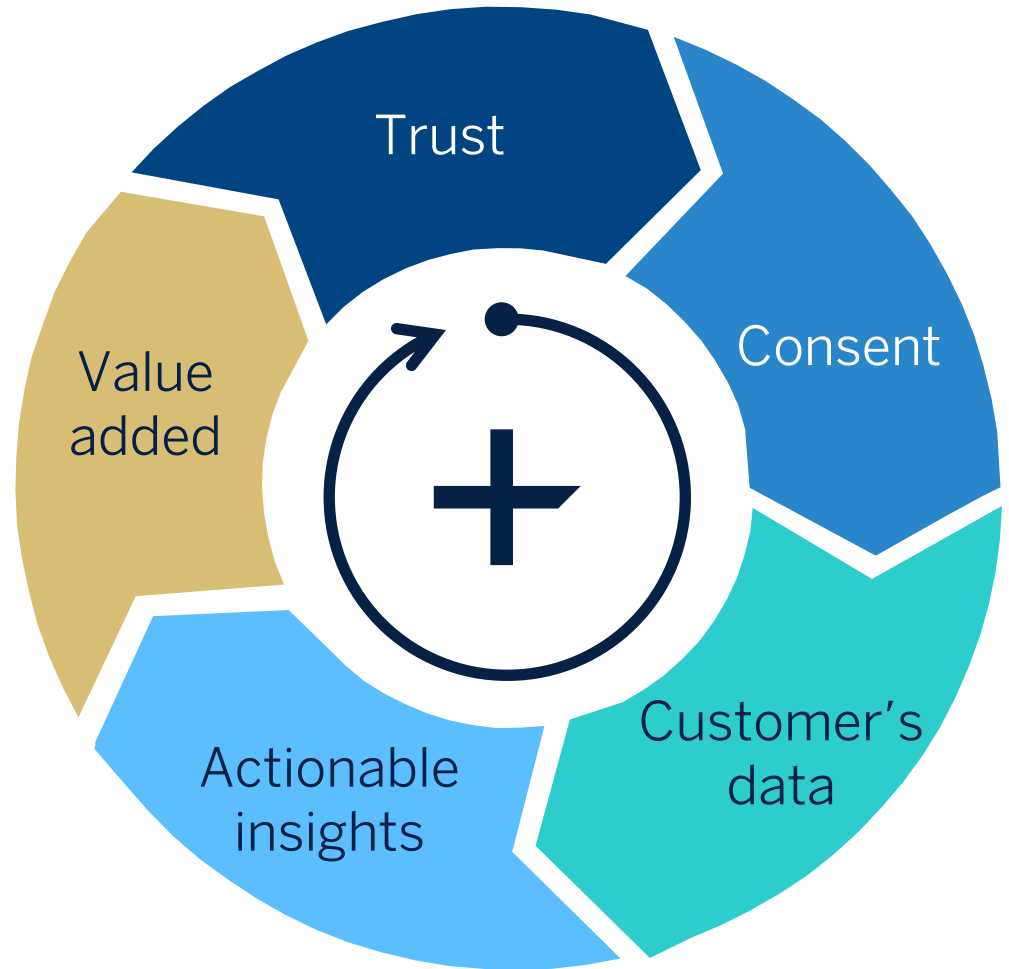
From infrastructure
providers around
money to having a
positive impact on
people's lives and
businesses

A photograph of a smiling couple riding a bicycle together. The man is wearing a straw hat, sunglasses, and a plaid shirt. The woman is wearing a white tank top and red shorts. They are both looking towards the camera. The background is slightly blurred, showing what appears to be a street or park setting. The image is partially covered by a dark blue overlay on the left side where the text is located.

BBVA

To bring the age of opportunity to everyone

**Customer's
data is the
cornerstone
to create
opportunities**

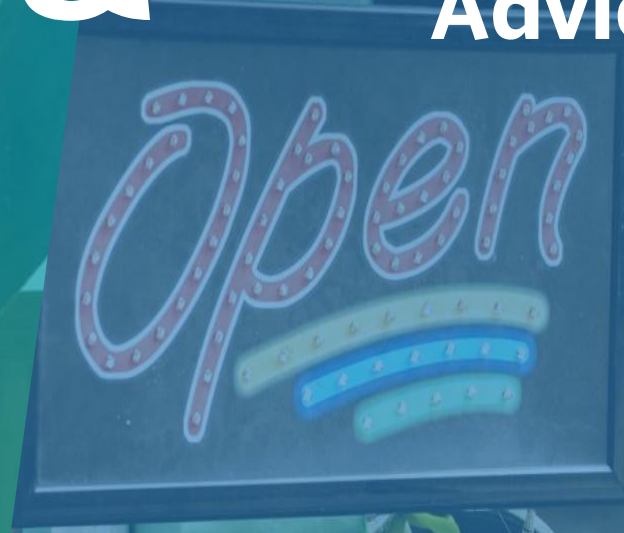


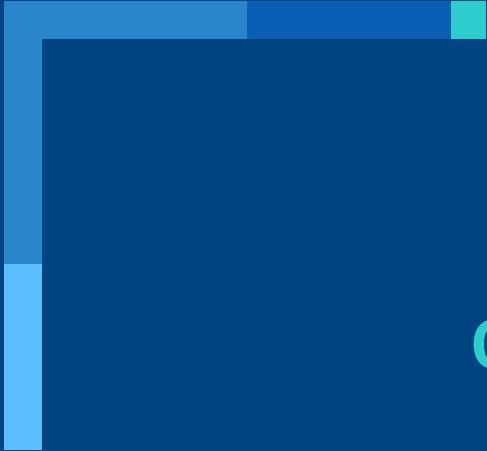
2nd wave of innovation: **Self-driven banking**

**Cruise Control
Experience**

&

**1-to-1
Advice**





01 BBVA's Strengths

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03 Successful Execution

Successful deployment of our strategy

1



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)

Cotiza (Peru)

Mobile Appointment
(Turkey)

Bizum (Spain)

Account Aggregation
(USA)

PFM (Mexico)

STEP (Turkey)

Signature Express
Loan (USA)

Online Feedback -
Opinator (Arg.)

Mobile Notification
Online Banking
(Turkey)

4Q
2016

Digital onboarding
(Spain)

Provinet Chat
(Venezuela)

"Cuenta Metas"
(Spain)

PFM (USA)

Salesforce Integration
(USA)

GarantiOne – Digital
Gifting (Turkey)

"Quiero Contratar"
(Spain)

New Private Web
(Col. and Turkey)

Digital Auto Credit
and Mortgages (Mexico)

Call me back
(Mexico)

Wallet
(Colombia)

New Front Desk
(Peru and USA)

Easy Payment and
Transfers (USA)

One-Click
(Chile and Peru)

BBVA Trader
(Spain)

1Q
2017

Login via Eye
Scanning
(Turkey)

Front Banking
Tool (Peru)

Login via Eye
Scanning (Turkey)

One Click
Credit Card
(Arg.)

"Adelanto de
Nómina" App
(Col.)

Garanti Facebook
Messenger BOT
(Turkey)

"Mis recibos"
App (Spain)

Theft Insurance
in ATM (Peru)

BBVA Cashup
(Spain)

SMEs Digital Certificate
(USA)

Provinet Empresas
Móvil (Venez.)

**Fast
Track in
Branches**
(Spain)

**Home
Center**
(Spain)

**BBVA
Check-
Up**
(Mexico)

**MIA –
Mobile
Interactive
Assistant**
(Turkey)

#1
NPS

In 7/11
geographies +

All channels
(Spain)



BRANCH



WEB



MOBILE

#1

European
Mobile
App(*)

Customer Experience

(*) According to 2017 Forrester Research report, "European Mobile Banking Benchmark" (EMBB)

Successful deployment of our strategy

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New standard in customer experience

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2



Digital sales

Digital and mobile customer base and digital sales growth

Digital Sales

Digital Sales
YTD (%)



Digital Customers
(Mar 17)

19.3m

+20%
vs. Mar 16

Mobile Customers
(Mar 17)

13.5m

+41%
vs. Mar 16

Successful deployment of our strategy

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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

3



New business models

New revenue streams

Leveraging the innovation ecosystem



Transform

Enhance the value proposition to our customers

&

Disrupt

New business models to non customers

Successful deployment of our strategy

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Digital and mobile customer base and digital sales growth

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New business models

New revenue streams

4



Optimal capital allocation

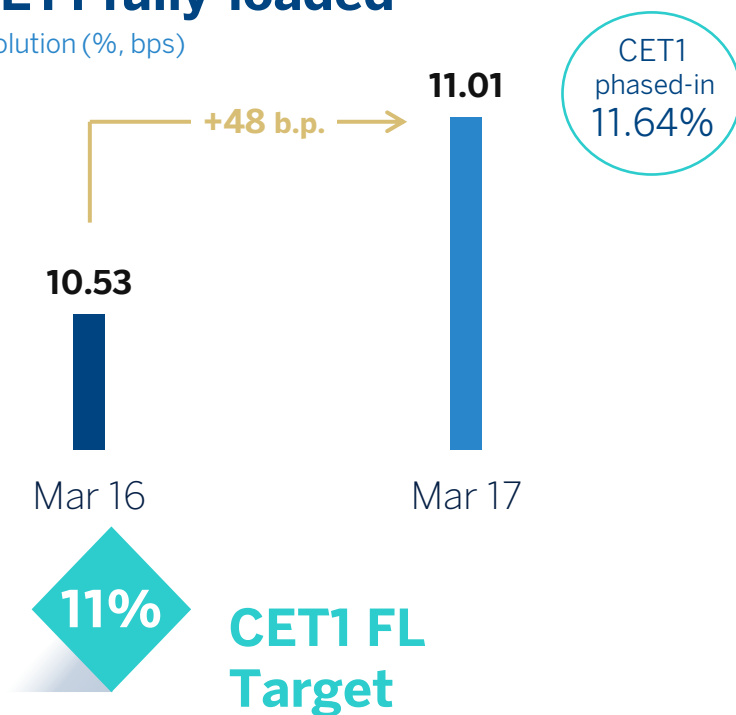
Growth with adequate profitability above cost of capital

Optimal capital allocation

Solid Capital Ratios

CET1 fully-loaded

Evolution (% , bps)



High Quality Capital

RWAs/ Total Assets

Mar 17



Leverage Ratio

Mar 17



◆ BBVA ◆ European Peer Group Average⁽¹⁾

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

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Optimal capital allocation

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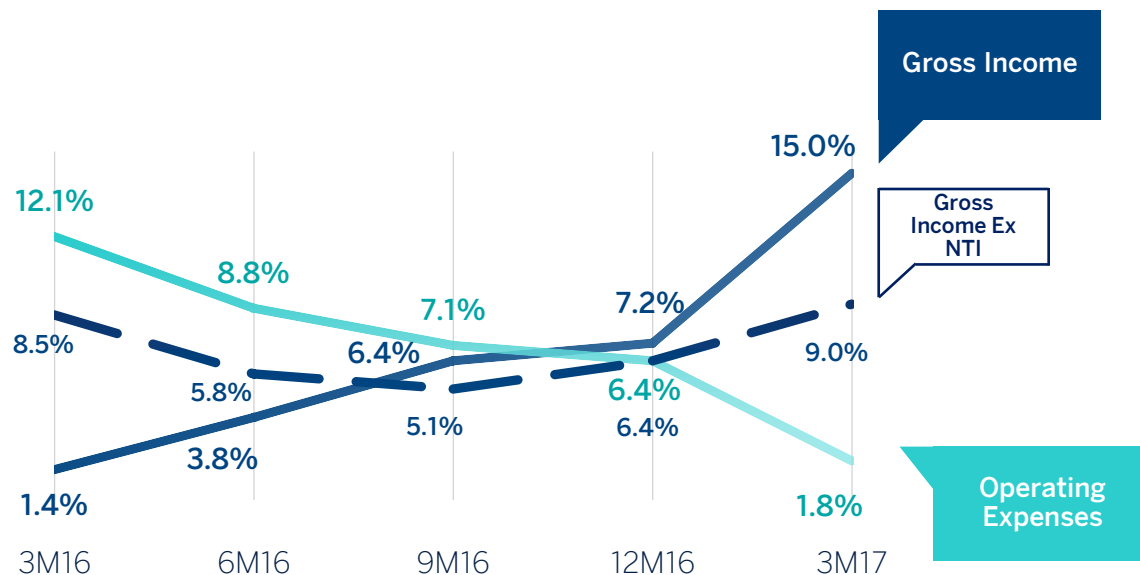
Unrivaled efficiency

Productivity model transformation leveraging technology

Unrivalled efficiency

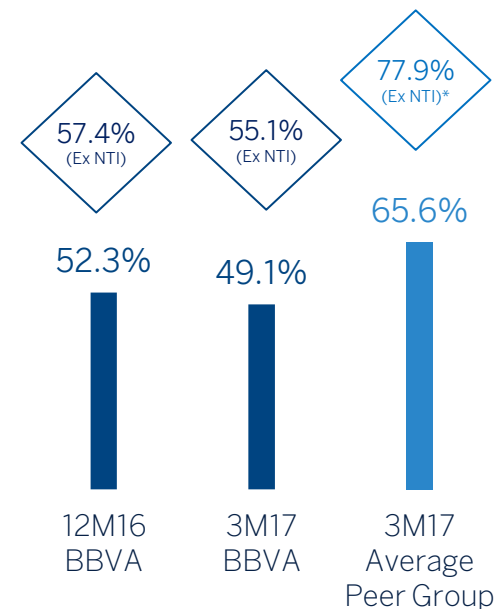
Group Operating Jaws: income vs. expenses growth

YTD (%); (constant €)



Cost to Income Ratio

YTD (%); (constant €)



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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Unrivaled efficiency

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



Successful deployment of our strategy

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A first class workforce

Develop, motivate and retain

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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Chief Executive Officer

