

Fixed Income Presentation 2Q19

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Creating Opportunities

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Diversified Footprint

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Strong Liquidity & Funding Structure

Leading Transformation Strategy

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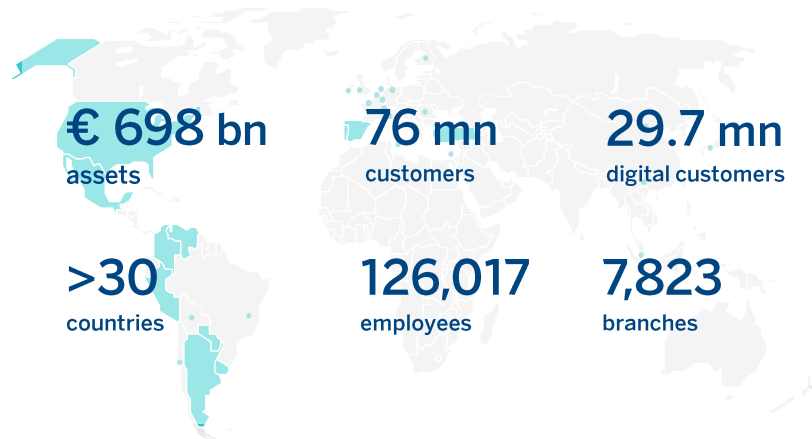
Annex

01

About BBVA & Financial Highlights

About BBVA

BBVA'S GLOBAL PRESENCE JUN.19



DEFINED STRATEGIC PATH

Our Purpose

"To bring the age of opportunity to everyone"

Strategic Priorities



New standard in customer experience



Optimal capital allocation



Drive digital sales



Unrivalled efficiency



New business models



A first class workforce

DIVERSIFICATION UNDER A DECENTRALIZED MODEL

Total Assets ⁽¹⁾ Jun.19



Gross Income ⁽¹⁾ 1H 19



- **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 exclude the Corporate Center

COMMITTED WITH SUSTAINABLE DEVELOPMENT



2025 Pledge
€100 bn (2018-2025)
In the first 1.5 years
€22 bn

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

Sustainable Development Goals Bond Framework

Financial Highlights – BBVA Group 2Q19



Robust core revenue growth

NII + FEES (€ constant)

+8.7% vs. 2Q18



Further improvement in best-in-class efficiency

COST / INCOME

49.0% -41 bps vs. 12M18 (€ constant)



Sound risk indicators

NPL RATIO

3.84%

-57 bps vs. 2Q18

COVERAGE RATIO

75%

+330 bps vs. 2Q18

CoR

0.91%

+9 bps vs. 1H18



Strong capital position

CET 1 FL

11.52%

+17 bps vs. Mar-19

**REACHING THE
TARGET EARLIER
THAN EXPECTED**



Outstanding profitability metrics

ROTE

12.4% Jun-19

ROE

10.2% Jun-19



Ahead of the curve in digital transformation

DIGITAL SALES (units)

58%

Jun-19

DIGITAL CUSTOMERS

29.7 m +17%

Jun-19 vs. Jun-18

MOBILE CUSTOMERS

26.1 m +25%

Jun-19 vs. Jun-18

Note: For a better understanding of the financial performance of BBVA Group: 1) BBVA Chile recurrent operations have been excluded in 1Q18 and 2Q18 (sale closed on July 6th), and 2) The hyperinflation impact in Argentina recorded in 3Q18 has been allocated on a monthly basis in the first 9 months of 2018.

02

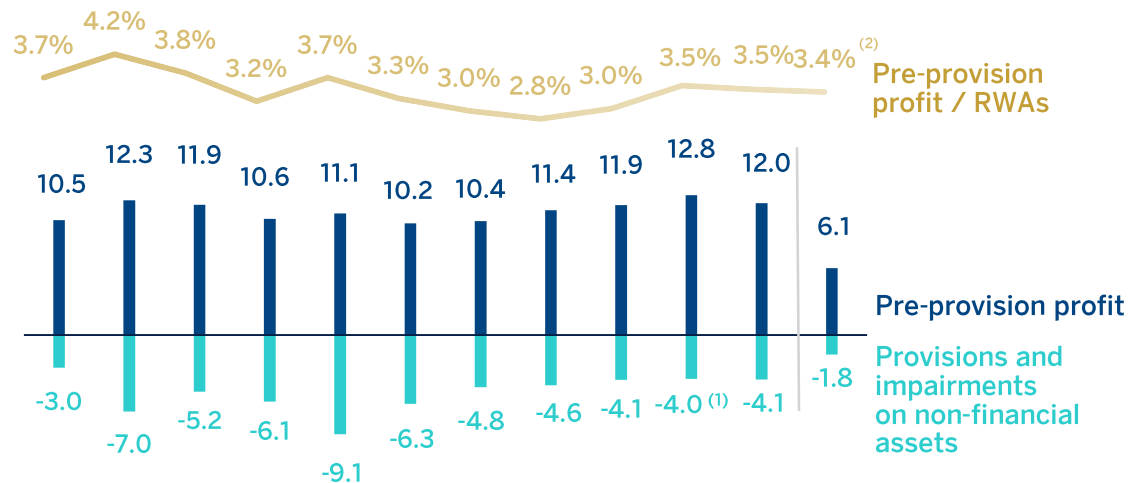
BBVA's Strengths

BBVA's Strengths leading to superior earnings and profitability

- Diversified footprint
- Sound asset quality
- Solid capital position
- Strong liquidity & funding structure
- Leading transformation strategy

RESILIENCE AND LOW EARNINGS VOLATILITY

(€ BN, CURRENT, %)

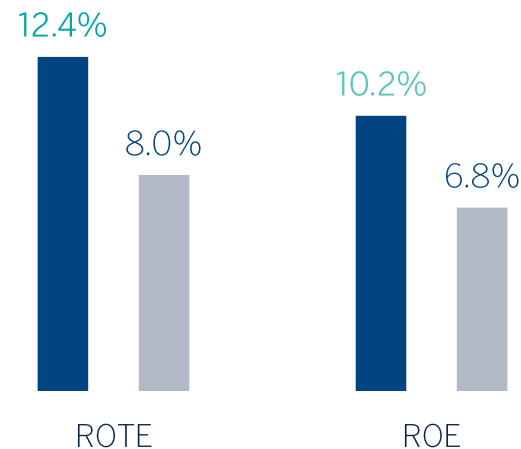


2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 1H19

(1) Excluding Telefonica one off impairment (€-1,123Mn); (2) Annualized pre-provision profit for comparison purposes

HIGH PROFITABILITY METRICS

BBVA JUN.19 / EUROPEAN PEERS MAR.19



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



Creating Opportunities

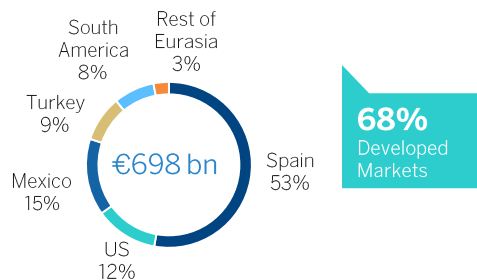
Diversified Footprint

Unique footprint with leadership positioning

BREAKDOWN BY BUSINESS AREA

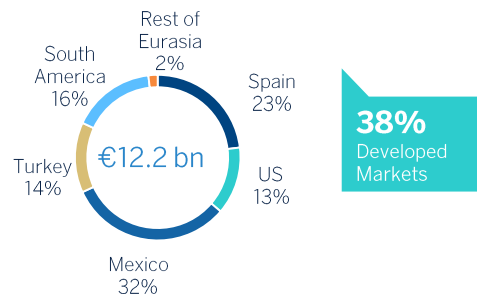
TOTAL ASSETS ⁽¹⁾

JUN.19



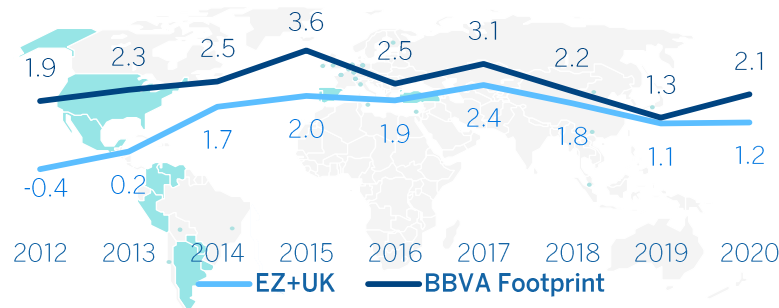
GROSS INCOME ⁽¹⁾

1H19



GROWTH PROSPECTS

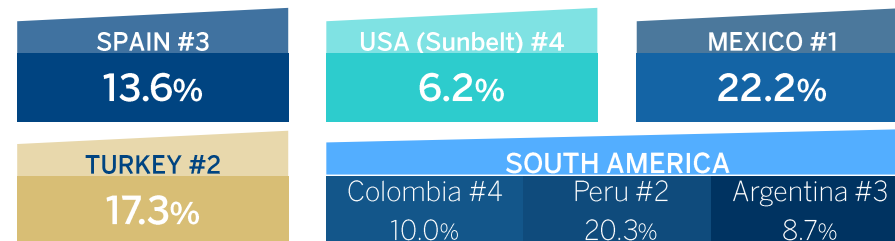
GDP GROWTH (YOY, %)



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

LEADERSHIP POSITIONING

MARKET SHARE (IN %) AND RANKING ⁽³⁾



(3) Loans' market shares except for USA (Deposits). **Spain** based on BoS (May.19) and ranking (Mar.19) by AEB and CECA; **Mexico** data as of May.19 (CNBV); **South America** (Apr.19 for Colombia, Argentina and May 19 for Peru.). Ranking considering main peers in each country; **USA**: SNL (Jun.18) considering Texas and Alabama; **Turkey**: BRSA total performing loans among private banks (market share as of Jun'19 and ranking as of March'19)

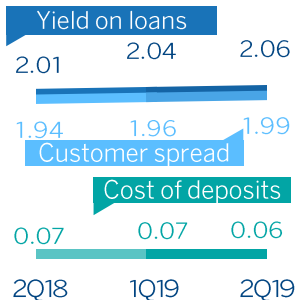
(1) Percentages exclude Corporate Center

Spain

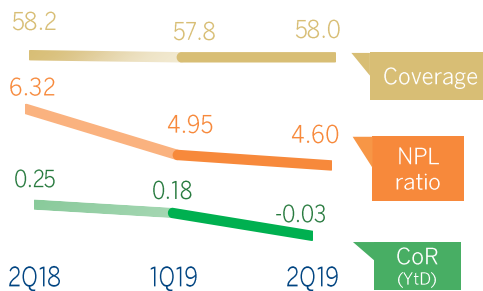
Profit & Loss (€m)	2Q19	Δ (%) vs 2Q18	1H19	Δ (%) vs 1H18
Net Interest Income	927	0.1	1,808	-2.4
Net Fees and Commissions	432	-1.5	846	-0.6
Net Trading Income	-16	n.s.	92	-67.4
Other Income & Expenses	-22	-51.6	72	91.7
Gross Income	1,321	-8.0	2,818	-6.8
Operating Expenses	-814	-3.5	-1,628	-3.5
Operating Income	507	-14.4	1,190	-10.9
Impairment on Financial Assets	102	n.s.	25	n.s.
Provisions & other gains (losses)	-65	160.2	-188	181.9
Income Before Tax	545	13.7	1,027	-2.8
Income Tax	-155	13.8	-292	-5.5
Net Attributable Profit	389	13.7	734	-1.7

Key Ratios

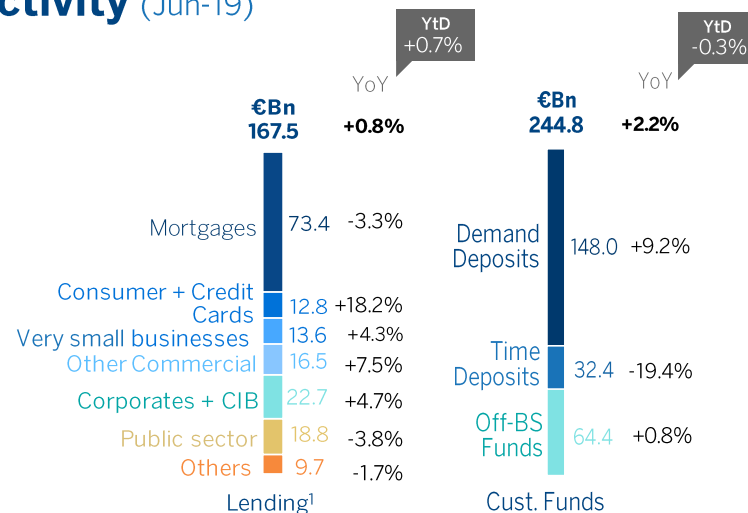
Customer Spread (%)



Asset Quality ratios (%)



Activity (Jun-19)



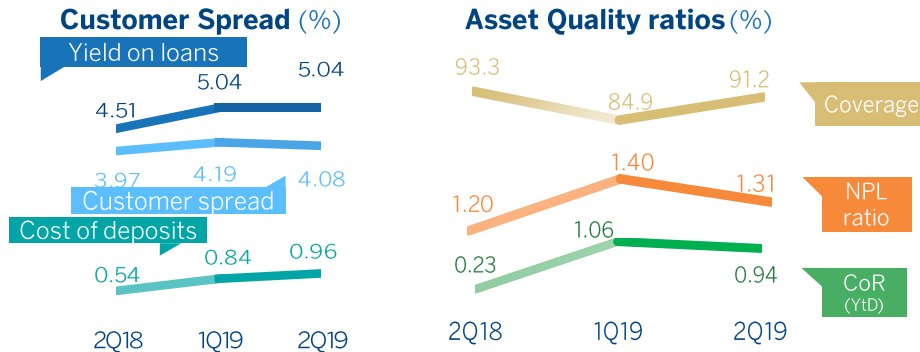
Note: Activity excludes repos. (1) Performing loans under management.

- **Loans:** continued growth in most profitable retail segments and commercial portfolios
- **Customer spread** continued improvement due to higher loan yields
- **NII: significant recovery QoQ (+5%)** thanks to good commercial activity, higher contribution from ALCO and lower excess liquidity
- **Costs** continue to go down
- **Asset quality positively impacted by mortgage portfolio sales.** Excluding this, CoR < 20 bps

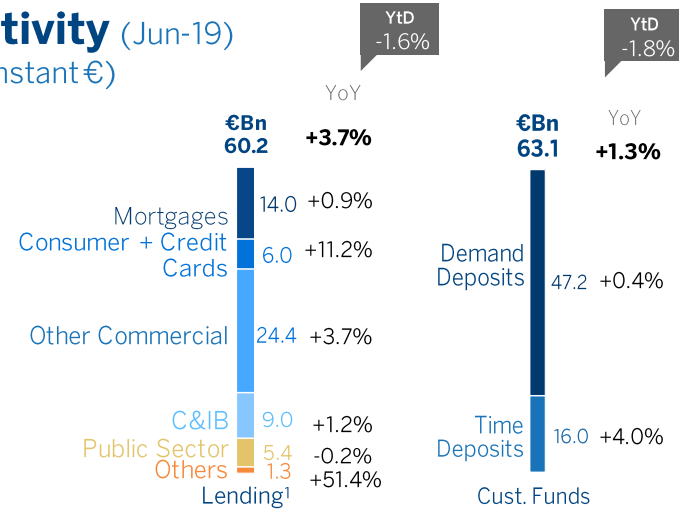
USA

Profit & Loss (€m constant)	2Q19	Δ Constant vs 2Q18 (%)	1H19	Δ Constant vs 1H18 (%)	Δ Current vs 1H18 (%)
Net Interest Income	599	2.0	1,217	5.2	12.6
Net Fees and Commissions	168	3.7	320	-1.0	5.8
Net Trading Income	38	50.8	79	52.5	61.8
Other Income & Expenses	1	-17.8	-1	n.s.	n.s.
Gross Income	807	3.9	1,615	5.1	12.4
Operating Expenses	-484	0.3	-959	0.4	7.5
Operating Income	323	9.9	655	12.7	20.5
Impairment on Financial Assets	-124	174.1	-286	325.6	355.8
Provisions & other gains (losses)	4	4.4	-6	n.s.	n.s.
Income Before Tax	203	-19.6	363	-31.0	-26.3
Income Tax	-34	-37.0	-67	-42.3	-38.4
Net Attributable Profit	169	-14.9	297	-27.8	-22.9

Key Ratios



Activity (Jun-19) (constant €)



Note: Activity excludes repos. (1) Performing loans under management.

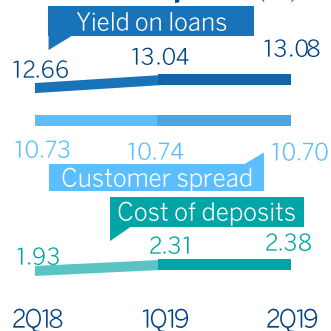
- **Loan growth rate decelerating to ca.4% YoY**, explained by consumer and commercial loans, but with consumer still growing at double digit.
- **NII** growth at mid single-digit YoY in 1H19, supported by loan growth and higher customer spread.
- **Positive jaws**, with flat operating expenses
- **Asset quality indicators improving QoQ**. 2Q19 CoR 82 bps vs. 106 bps in 1Q19

Mexico

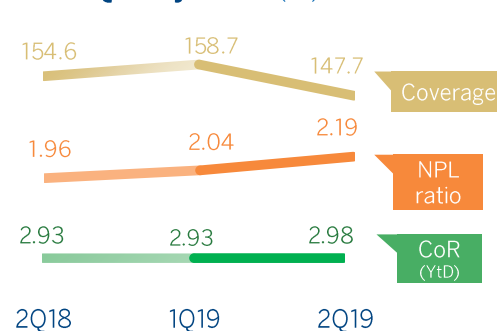
Profit & Loss (€m constant)	2Q19	ΔConstant vs 2Q18 (%)	1H19	Δ Constant vs 1H18 (%)	Δ Current vs 1H18 (%)
Net Interest Income	1,532	7.8	3,042	7.8	14.9
Net Fees and Commissions	319	-3.0	621	-1.0	5.5
Net Trading Income	72	-11.4	135	-11.8	-6.0
Other Income & Expenses	62	48.2	102	14.0	21.6
Gross Income	1,985	5.9	3,901	5.6	12.6
Operating Expenses	-651	4.5	-1,290	4.7	11.6
Operating Income	1,333	6.6	2,611	6.1	13.1
Impairment on Financial Assets	-420	18.8	-818	8.4	15.5
Provisions & other gains (losses)	-13	n.s.	-10	n.s.	n.s.
Income Before Tax	900	-3.4	1,783	1.1	7.8
Income Tax	-245	-4.6	-496	2.5	9.2
Net Attributable Profit	655	-3.0	1,287	0.6	7.2

Key Ratios

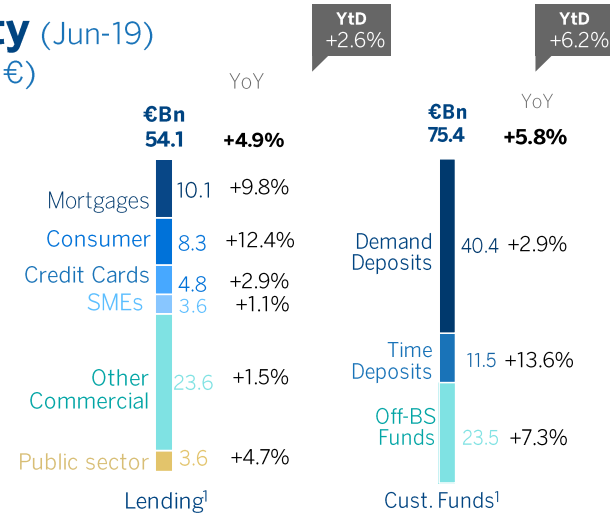
Customer Spread (%)



Asset Quality ratios (%)



Activity (Jun-19) (constant €)



(1) Performing loans and Cust. Funds under management, excluding repos, according to local Gaap.

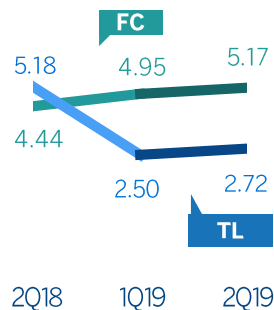
- **NII** as the main P&L driver
- **Loan growth supported by retail** (+8% YoY), gaining share in consumer (+130 bps YoY).
- **Positive Jaws:** Core revenues (+6.2%) above Opex growth (+3.7% excl. increased contribution to BBVA Foundation)
- Strong **asset quality metrics**. CoR at 298 bps, in line with expectations

Turkey

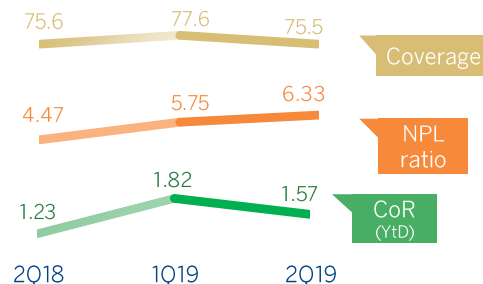
Profit & Loss (€m constant)	2Q19	Δ Constant vs 2Q18 (%)	1H19	Δ Constant vs 1H18 (%)	Δ Current vs 1H18 (%)
Net Interest Income	686	10.3	1,353	15.0	-10.4
Net Fees and Commissions	174	23.1	360	24.5	-2.9
Net Trading Income	-55	381.3	-65	n.s.	n.s.
Other Income & Expenses	24	78.5	30	-2.6	-24.1
Gross Income	828	8.3	1,677	11.9	-12.8
Operating Expenses	-293	9.8	-594	12.2	-12.5
Operating Income	535	7.5	1,084	11.7	-13.0
Impairment on Financial Assets	-143	6.2	-337	37.1	6.8
Provisions & other gains (losses)	-20	n.s.	-21	n.s.	n.s.
Income Before Tax	372	0.9	726	-3.5	-24.7
Income Tax	-76	-4.4	-153	-6.6	-27.2
Non-controlling Interest	-150	2.4	-291	-2.4	-23.9
Net Attributable Profit	146	2.4	282	-2.8	-24.2

Key Ratios

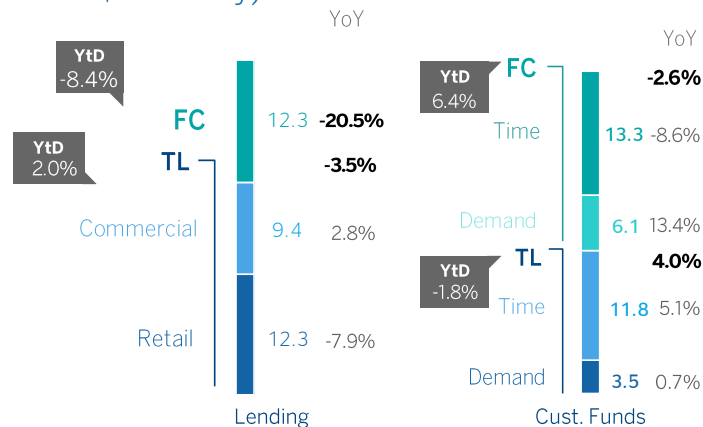
Customer Spread (%)



Asset Quality ratios (%)



Activity (Jun-19) (constant €; Bank only)



(1) FC evolution excluding FX impact. (2) Performing loans and Cust. Funds under management, excluding repos, according to local Gaap.

- **Resilience in a more challenging environment vs. 1H18**
- **Loans:** TL loans (-3.5% YoY) impacted by slowdown in commercial and negative growth in retail. FC loans continue decreasing
- **Customer spread:** Continued recovery on TL and FC spreads QoQ thanks to successful price management
- **Strong fee growth**
- **Asset quality:** CoR at 157 bps, so far better than expectations (<300 bps)

South America

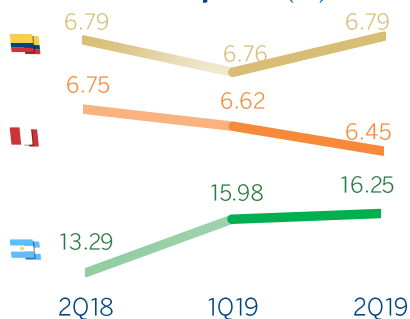
Net Attributable Profit (€m constant)	2Q19	Δ Constant ¹ vs 2Q18 (%)	1H19	Δ Constant ¹ vs 1H18 (%)	Δ Current vs 1H18 (%)
Colombia	73	33.2	130	13.1	8.2
Peru	55	10.7	98	12.6	17.9
Argentina	50	n.s.	110	n.s.	n.s.
Other ²	34	-2.5	66	5.5	1.1
South America	211	60.6	404	72.4	51.8

(1) Venezuela in current €m

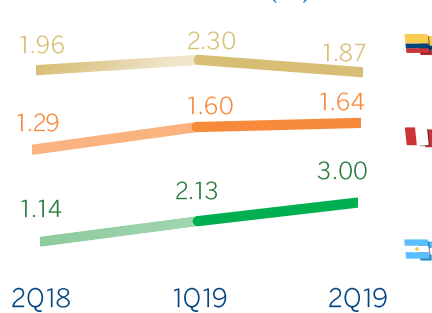
(2) Other includes BBVA Forum, Venezuela, Paraguay, Uruguay and Bolivia
South America comparison at constant perimeter (excl. BBVA Chile)

Key Ratios

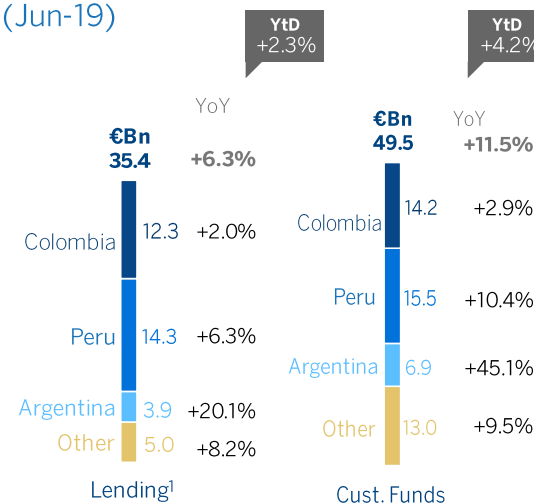
Customer Spread (%)



Cost of Risk YtD (%)



Activity (Jun-19) (constant €)



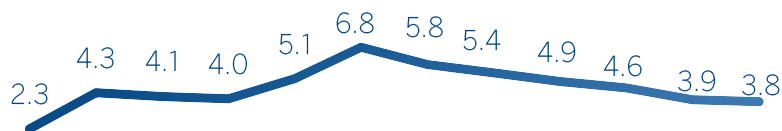
Note: Activity excludes repos. (1) Performing loans under management. (2) Excluding BBVA Chile.

- **Colombia.** Double digit bottom line growth driven by revenues (+5%) and flat expenses and provisions
- **Peru.** NII growing at double digits and positive jaws
- **Argentina.** Bottom line improvement driven by **higher contribution from the securities portfolio** and the sale of Prisma stake in 1Q19

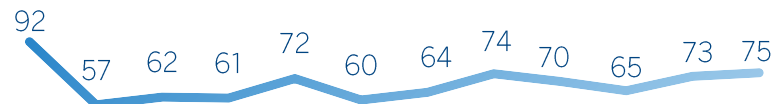
Sound Asset Quality

Sound Risk Indicators

NPL Ratio (%)



Coverage ratio (%)



Cost of Risk YtD (%)



2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2Q19

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



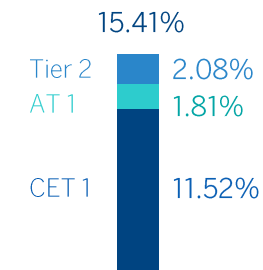
Creating Opportunities

Solid Capital Position

BBVA Group: Solid capital position and ability to generate capital

FL CAPITAL RATIOS

Jun.19 (%)



CET1 FL

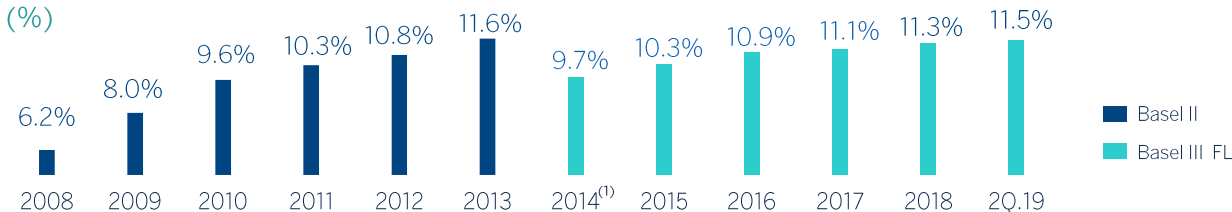
QUARTERLY EVOLUTION (% , bps)



* Others includes RWAs evolution and market related impacts such as FX impact, mark to market of the Held To Collect and Sell portfolios, among others items.

CET1 FL RATIO

(%)



CET1 €17.5 Bn

x 2.4

→ €41.5 Bn

CET1 FL TARGET

11.5% - 12.0%

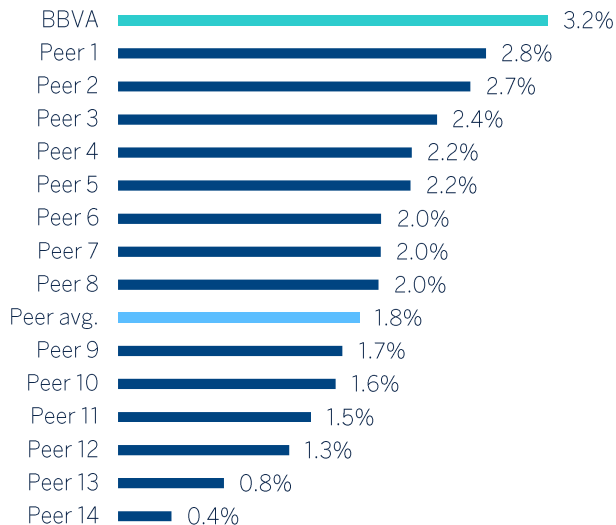
Reaching the target
earlier than expected

(1) Pro-forma ratio including corporate operations announced and pending to be closed (acquisition of Catalunya Banc, acquisition of an additional 14.89% stake in Garanti, sale of 29.86% of CIFH and sale of a 4.9% stake in CNCB); reported ratio stood at 10.4%.

Low earnings volatility and ability to generate capital allow for lower capital needs

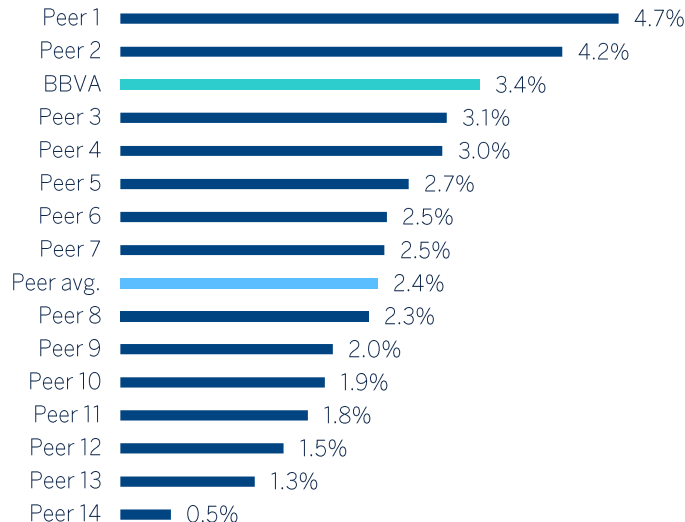
PRE-PROVISION PROFIT⁽¹⁾ / NET LOANS

EUROPEAN PEERS 1Q19 / BBVA 1H19



PRE-PROVISION PROFIT⁽¹⁾ / RWAS

EUROPEAN PEERS 1Q19 / BBVA 1H19



In less than 4 years, BBVA is able to generate Pre-Provision Profit equivalent to its 11.5%-12.0% CET1 FL target

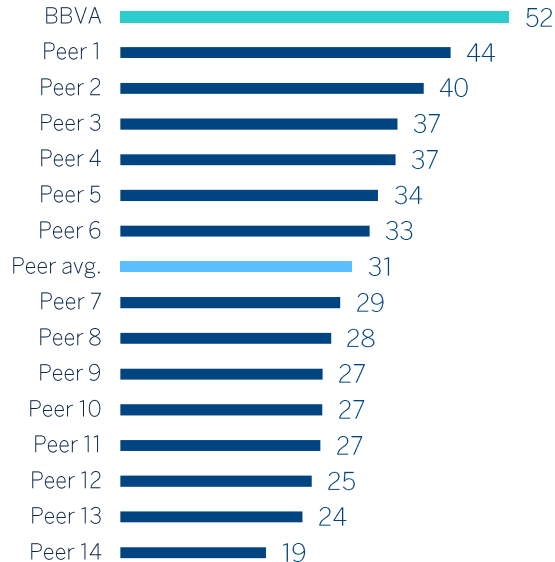
(1) Annualized Pre-provision profit. European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCG.

BBVA's business model provides significant room to absorb losses

High quality capital

RWAS/ TOTAL ASSETS

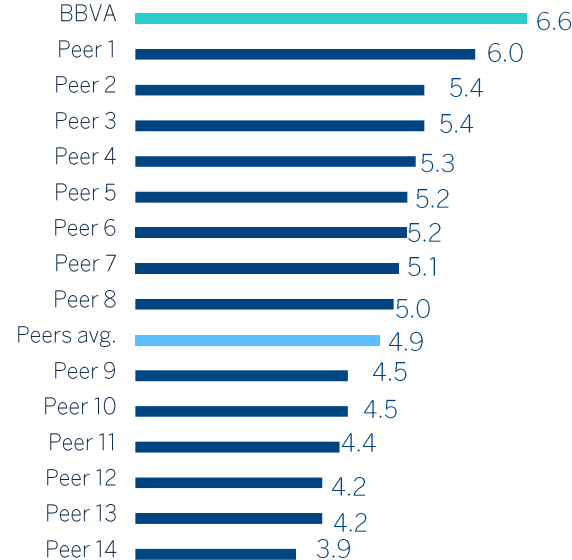
EUROPEAN PEERS MAR.19 / BBVA JUN.19, %



#1

FULLY-LOADED LEVERAGE RATIO

EUROPEAN PEERS MAR.19 / BBVA JUN.19, %



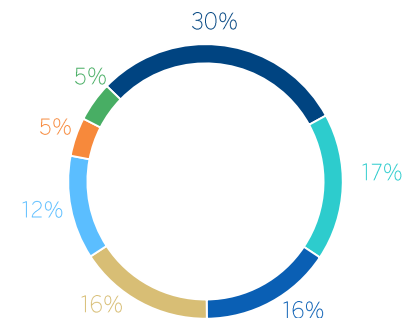
#1

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

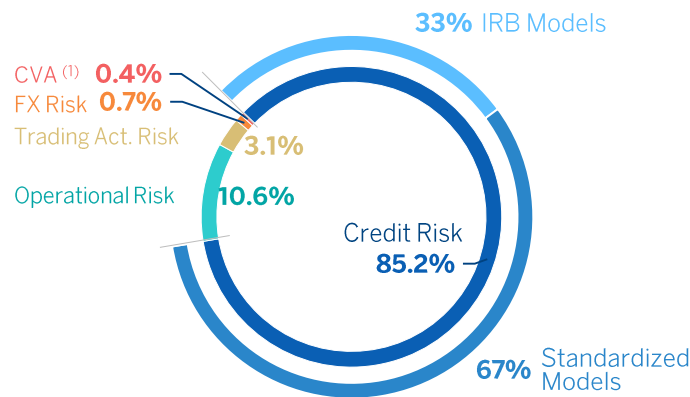
BBVA maintains the highest RWAs density and Leverage ratio of its European Peer Group

Risk-Weighted Asset Distribution

TOTAL RWAS FULLY- LOADED JUN.19
360,563 €Mn



Spain	107,486
USA	62,383
Mexico	55,919
Turkey	57,551
South America	43,995
Rest of Eurasia	16,405
Corporate Center	16,825



- Optimizing Capital Allocation is one of BBVA's Strategic Priorities
- Limited usage of internal models in Credit Risk RWAs, mitigating potential impacts from future regulatory requirements

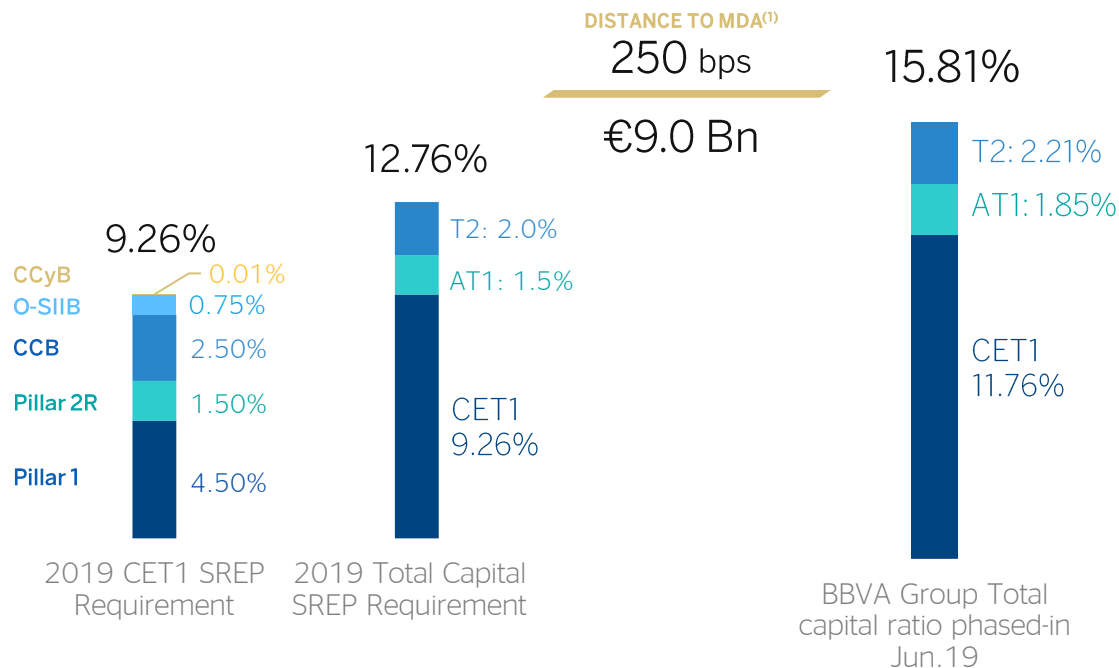
(1) Credit Valuation Adjustment.

Note: Distribution of RWAs by type of risk and Model based on 1Q19 Pillar III report.

Capital ratios well above requirements

2019 SREP REQUIREMENT AND DISTANCE TO MDA AT GROUP LEVEL

JUN.19

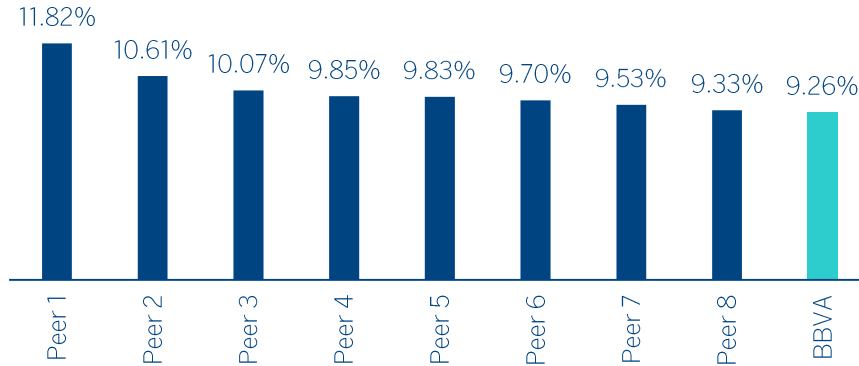


- Well above 2019 Total Capital and CET1 SREP requirements
- Significant buffer to MDA: 250 bps
- Pro-forma buffer to MDA on a fully loaded basis⁽²⁾: 226 bps

(1) 250 bps of Buffer to MDA = 11.76% Jun.19 CET1 phased-in ratio - 9.26% 2019 CET1 SREP Requirement; (2) Provided for information purposes as the distance to MDA is calculated based on phased-in ratios and these are the legally binding ones

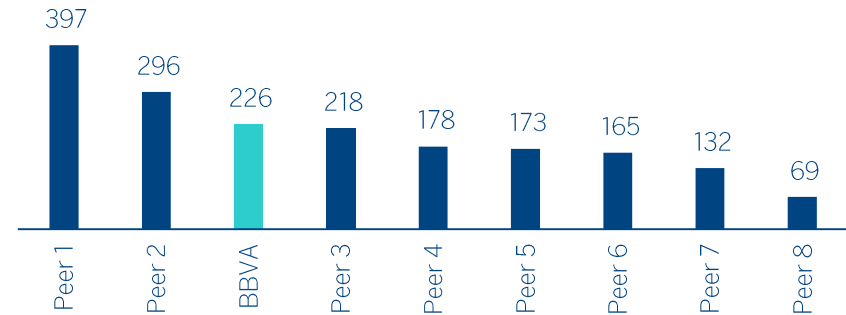
Lowest SREP requirement among peers

CET1 SREP REQUIREMENT - FL (BASED ON 2019 REQUIREMENT)



- **BBVA has the lowest SREP requirement** among its European peers
- **BBVA 2019 SREP requirement has remained unchanged** since 2017

DISTANCE TO MDA VS FULLY-LOADED SREP REQUIREMENT EUROPEAN PEERS MAR.19 / BBVA JUN.19

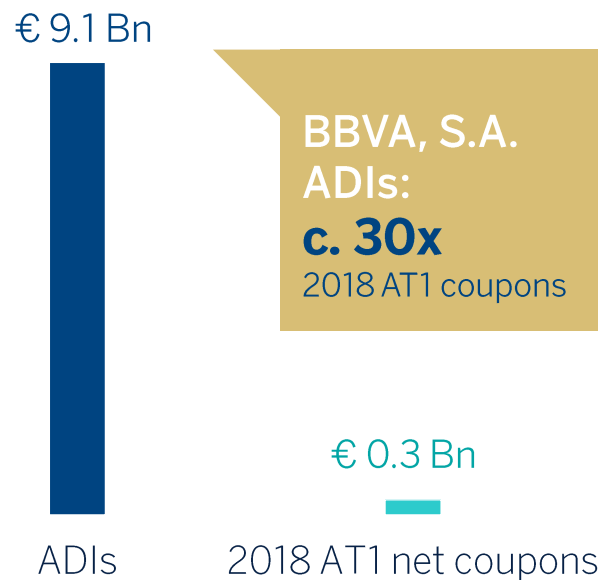


- **Ample buffer** over minimum requirements
- **Efficient capital** structure

High level of Available Distributable Items (ADIs)

BBVA, S.A. (PARENT COMPANY)

DEC.18, € Bn



- Significant payment capacity from distributable items despite conservative calculation (Share Premium not included)
- Supported by sustainable profitability

Note: ADIs calculated at a parent company level (BBVA, S.A.) as: Net Income + Voluntary Reserves - 2018 Dividend - AT1 coupons. BBVA does not include within the ADIs figure the Share Premium (amounting to +€24 Bn as of December 31st, 2018).

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

CET1 FL Ratio Sensitivity to a 10% depreciation of EM currencies (Jun.19)

APROX

-3 bps	MXN
-2 bps	TRY
0 bps	Rest of South American currencies

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

2019 Net Attributable Profit FX Hedging (Jun.19)

c. 50% At a Group level
Mexico c.75%; Turkey c.75%

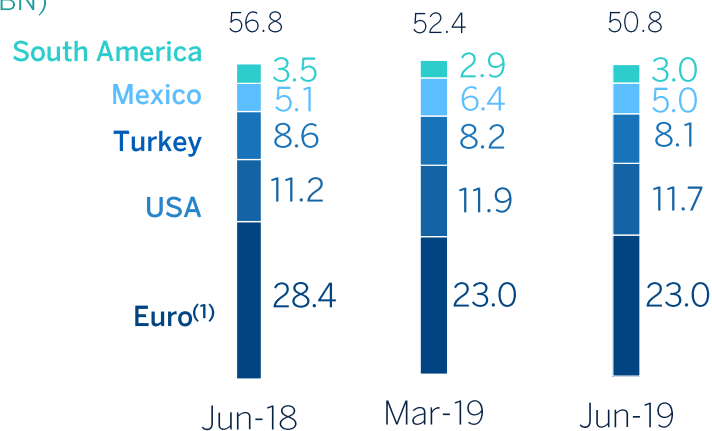
P&L hedging costs booked in the Corporate Center's NTI

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 Portfolio

ALCO PORTFOLIO BREAKDOWN BY REGION

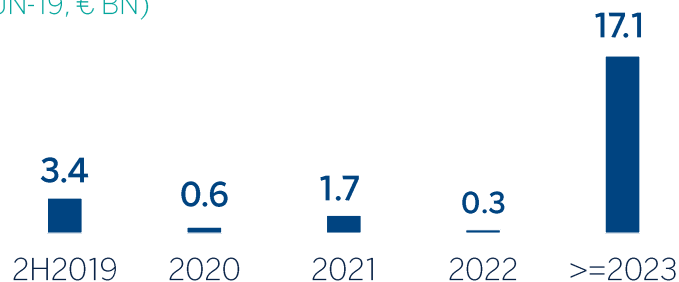
(€ BN)



June 2019	Amort Cost (HTC) (€ bn)	Fair Value (HTC&S) (€ bn)	Fair Value duration
South America	0.1	2.9	1.5 years
Mexico	0.8	4.2	1.6 years
Turkey	4.2	3.9	3.4 years
USA	3.8	7.9	2.4 years
Euro	12.6	10.4	3.1 years
Spain	9.4	6.0	
Italy	3.0	1.6	
Rest	0.3	2.8	

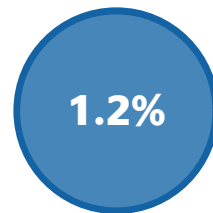
EURO ALCO PORTFOLIO MATURITY PROFILE

(JUN-19, € BN)



EURO ALCO YIELD

(JUN-19)



EQUITY HTC&S PORTFOLIO – MAIN STAKE



(1) Figures excludes SAREB senior bonds (€4.8bn as of Jun-18 and €4.6bn as of Mar-19 and Jun-19) and High Quality Liquid Assets portfolios (€2.4bn as of Jun-18, €8.7bn as of Mar-19 and €11.2bn as of Jun-19)

(2) BBVA's own position (does not include clients' induced positions)

Strong Liquidity & Funding Structure

BBVA guidelines for managing 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

B 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

Decentralized model

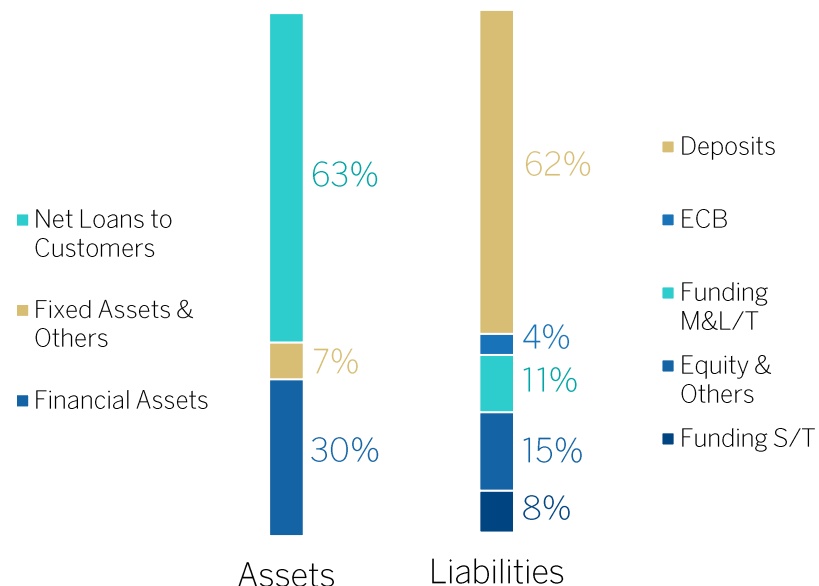
😊 Advantages

- 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
- It 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⁾ (JUN.19)



BBVA GROUP LIQUIDITY & FUNDING METRICS (JUN.19)

	Euroz ⁽²⁾	USA	Mexico	Turkey	S. Amer
LTD	102%	95%	103%	98% ⁽⁴⁾	97%
LCR	155%	144% ⁽³⁾	147%	187%	well >100%
NSFR	116%	111%	131%	151%	well >100%

LCR Group

132%

163%
considering
excess liquidity
in subsidiaries

HQLAs (Jun.19, € M) ⁽⁵⁾

Level 1	100,739
Level 2	3,116
Level 2A	1,231
Level 2B	1,885

NSFR Group
121%

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

(2) Perimeter: Spain+Rest of Eurasia (3) Compass LCR calculated according to local regulation (Fed Modified LCR) (4) Calculated at bank-only local level (5) 12 month average of total HQLAs of the Group

Comfortable
liquidity & funding position

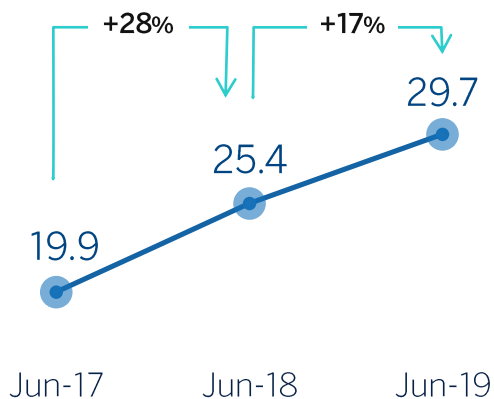
Liquidity & Funding ratios above regulatory requirements
both for the Group and subsidiaries (> 100% in 2Q19)

Leading Transformation Strategy

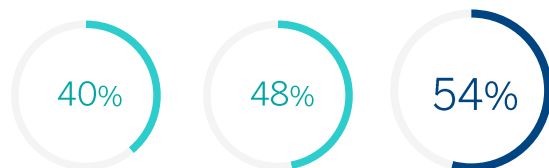
Growth in digital and mobile customers leading to outstanding trend in digital sales

DIGITAL CUSTOMERS

MILLION, % YOY GROWTH

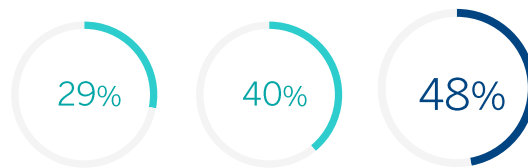
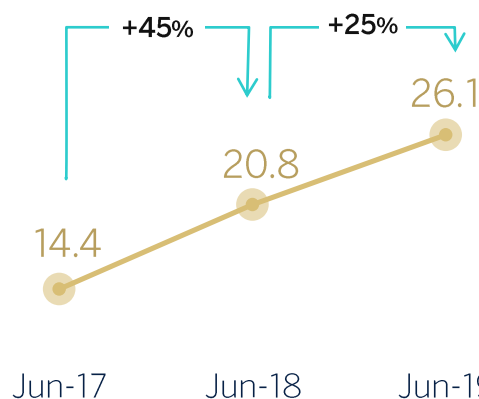


PENETRATION RATE, %



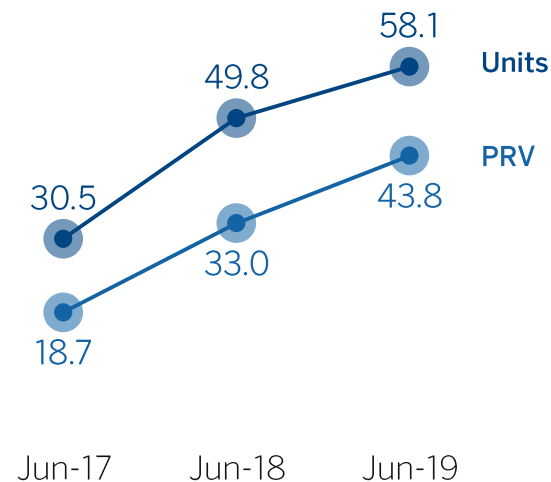
MOBILE CUSTOMERS

MILLION, % YOY GROWTH



DIGITAL SALES

(% OF TOTAL SALES YTD, # OF TRANSACTIONS AND PRV⁽¹⁾)



Note: figures have been restated in order to include credit card related financing solutions and FX. (1) Product Relative Value as a proxy of a better economic representation of units sold.

03

Funding Plan

Funding Plan: to keep AT1/T2 layers endowed and preserve MREL compliance

BBVA, S.A.

		2019 Funding Plan	
€ bn	2019 YTD Issued	(subject to market conditions)	
AT1	1.0	Strategy focus on maintaining both buckets fulfilled	• €1bn PNC5 issued in 1H • Potential transaction in 2H
Tier 2	0.75		• €0.75bn 10NC5 issued in 1H • Non foreseeable issuances from BBVA SA in 2H
SNP	2.0	2.5 - 3.5	• €2bn issued in 1H: €1bn 5yr / €1bn Green B. 7yr • Potential transaction in 2H
SP / CBs	-	Subject to Euro BS evolution and TLTRO III strategy	

BBVA SA 1H19 redeemable instruments have been called at first reset date

SUBSIDIARIES

- BBVA Mexico: potential issuance of Tier 2 in 2H
- BBVA USA & Garanti BBVA: possible transactions in 2H

MREL

- ✓ Binding 1st Jan.20: 15.08% TLOF / 28.04% RWA requirement (European Resolution Group perimeter ⁽¹⁾)
- ✓ Strategy focused on rolling-over non-capital wholesale funding maturities into MREL eligible instruments
- ✓ Subordination requirement not a constraint:
 - ✓ More than 90% MREL eligible instruments are subordinated
 - ✓ Limited amount of corporate deposits accounted as MREL eligible liabilities
- ✓ BBVA considers it complies with MREL

(1) BBVA resolution group consists on BBVA, 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 (TLOF) of the European Resolution Group was € 385,647 Mn. As of December 2016, the RWAs of the European resolution Group stood at € 207,362 Mn.

Broaden geographical diversification of access to market

MEDIUM & LONG-TERM WHOLESALE FUNDING MATURITIES

(JUN.19; € BN)

EURO

€ 40.2 bn

USA

€ 3.1 bn

MEXICO

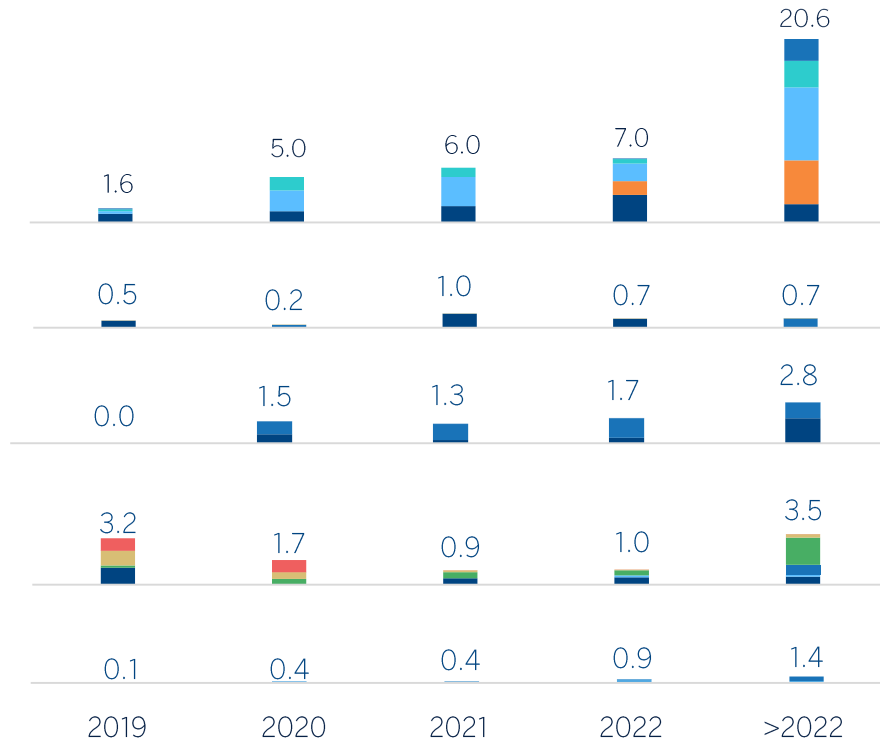
€ 7.2 bn

TURKEY*

€ 10.3 bn

S. AMERICA

€ 3.2 bn



Ability to access funding markets in all our main subsidiaries using a diversified set of debt instruments

■ Covered Bonds ■ Senior Debt ■ Senior Non Preferred ■ Subordinated ■ Preferred Shares / AT1 ■ Others ■ Securitization (Turkey) ■ Syndicated loans (Turkey)

*Other in Turkey includes mainly bilateral loans, secured finance and other ST funding Outstanding amounts as of Jun.19: FX as of Jun.19: EUR = 1.14 USD; EUR = 21.82 MXN; EUR = 6.56 TRY

04

Ratings

BBVA, S.A. Ratings⁽¹⁾

BBVA LONG TERM SENIOR UNSECURED RATINGS

Moody's	Stable outlook (Jun. 19 th , 2019)	A3
S&P	Negative outlook (Aug. 20 th , 2018)	A-
Fitch	Negative outlook (Jul. 4 th , 2019)	A
DBRS	Stable outlook (Mar. 29 th , 2019)	A (High)
Scope	Stable outlook (May. 21 st , 2019)	A+

BBVA RATINGS BY TYPE OF INSTRUMENT

	Moody's	S&P	Fitch	DBRS	Scope
Investment grade	Aaa	AAA	AAA	AAA CB	AAA CB
	Aa1 CB	AA+	AA+	AA (H)	AA+
	Aa2	AA CB	AA	AA	AA
	Aa3	AA-	AA-	AA (L)	AA-
	A1	A+	A+	A (H) Senior	A+ Senior
	A2	A	A Senior	A	A SNP
	A3 Senior	A- Senior	A- SNP	A (L) T2	A-
	Baa1	BBB+ SNP	BBB+ T2	BBB (H)	BBB+
	Baa2 SNP	BBB T2	BBB	BBB	BBB
	Baa3 T2	BBB-	BBB-	BBB (L)	BBB-
	Ba1	BB+	BB+	BB (H)	BB+ AT1
	Ba2 AT1	BB	BB AT1	BB	BB
Non Investment Grade	Ba3	BB-	BB-	BB (L)	BB-
	B1	B+	B+	B (H)	B+
	B2	B	B	B	B
	B3	B-	B-	B (L)	B-
	(...)	(...)	(...)	(...)	(...)

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. Ratings as of August 1st, 2019.

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



Creating Opportunities

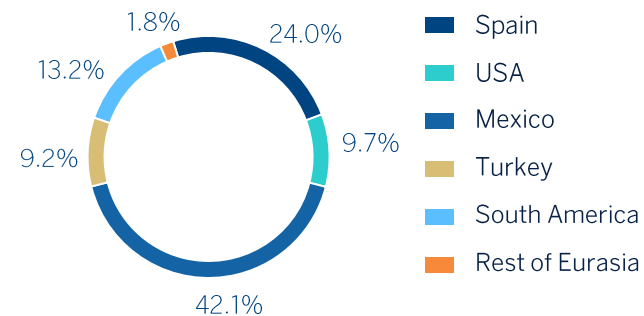
Annex

- BBVA Group 2Q19 Profit & Loss
- Risk Indicators by business áreas
- Book Value of the main subsidiaries
- Capital Base: BBVA Group & BBVA, S.A.
- BBVA, S.A.: 2019 SREP Requirement and distance to MDA
- Called notes – 2017/2019YTD
- Debt Issuances – 2018/2019YTD
- 1H19 Issuances
- Turkey – Liquidity & Funding Sources
- Main Subsidiaries Ratings
- Sovereign Exposure by geography

BBVA Group 2019 Profit & Loss

BBVA Group (€m)	1H19	Change 1H19/1H18	
		%	% constant
Net Interest Income	8,987	7.4	9.9
Net Fees and Commissions	2,470	1.0	2.8
Net Trading Income	542	-17.7	-16.6
Other Income & Expenses	-10	n.s.	n.s.
Gross Income	11,989	3.7	6.0
Operating Expenses	-5,874	2.3	3.9
Operating Income	6,115	5.2	8.2
Impairment on Financial Assets	-1,777	13.4	15.7
Provisions and Other Gains and Losses	-286	n.s.	n.s.
Income Before Tax	4,052	-2.8	0.3
Income Tax	-1,136	-5.4	-3.0
Non-controlling Interest	-475	-4.7	17.2
Net Attributable Profit	2,442	-1.2	-0.8

Net Attributable Profit breakdown (%, 1H19)



Note: For a better understanding of the financial performance of BBVA Group: 1) BBVA Chile recurrent operations have been excluded in 1Q18 and 2Q18 (sale closed on July 6th).
2) The hyperinflation impact in Argentina recorded in 3Q18 has been allocated on a monthly basis in the first 9 months of 2018.

Note: Figures exclude Corporate Center

Risk Indicators by business areas

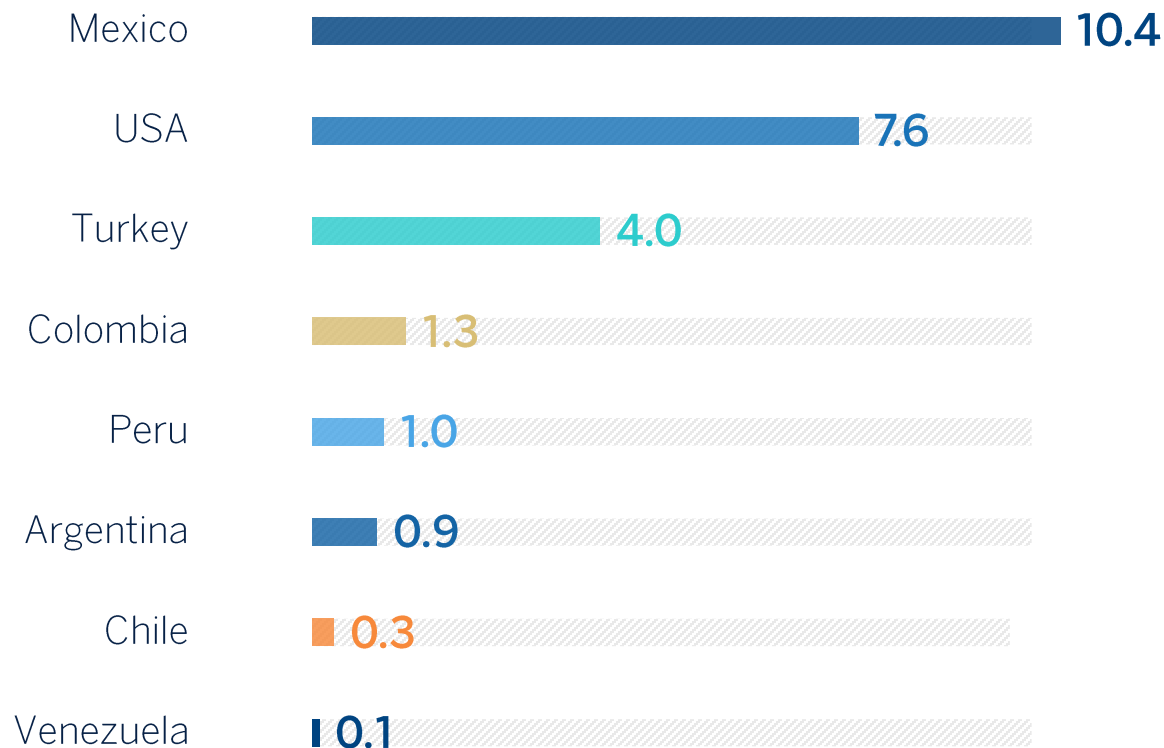
NPL ratio			
(%)	Dec-18	Mar. 19	Jun. 19
BBVA Group	3,9	3,9	3,8
Spain	5,1	4,9	4,6
The United States	1,3	1,4	1,3
Mexico	2,1	2,0	2,2
Turkey	5,3	5,7	6,3
Argentina	2,0	2,2	2,8
Peru	4,0	4,0	4,1
Colombia	6,0	5,8	5,6
Rest of Eurasia	1,7	1,6	1,4

Cost of Risk (YTD)			
(%)	Dec-18	Mar. 19	Jun. 19
BBVA Group	1,01	1,06	0,91
Spain	0,21	0,18	-0,03
The United States	0,39	1,06	0,94
Mexico	3,07	2,93	2,98
Turkey	2,44	1,82	1,57
Argentina	1,60	2,13	3,00
Peru	0,98	1,60	1,64
Colombia	2,16	2,30	1,87
Rest of Eurasia	-0,11	0,24	0,12

NPL coverage ratio			
(%)	Dec-18	Mar. 19	Jun. 19
BBVA Group	73,1	74,1	74,6
Spain	56,7	57,8	58,0
The United States	85	85	91
Mexico	154	159	148
Turkey	81,0	77,6	75,5
Argentina	111	110	104
Peru	93	95	95
Colombia	100	98	97
Rest of Eurasia	83	84	98

Book Value of the main subsidiaries ^{1,2}

JUN 19 (€ BN)



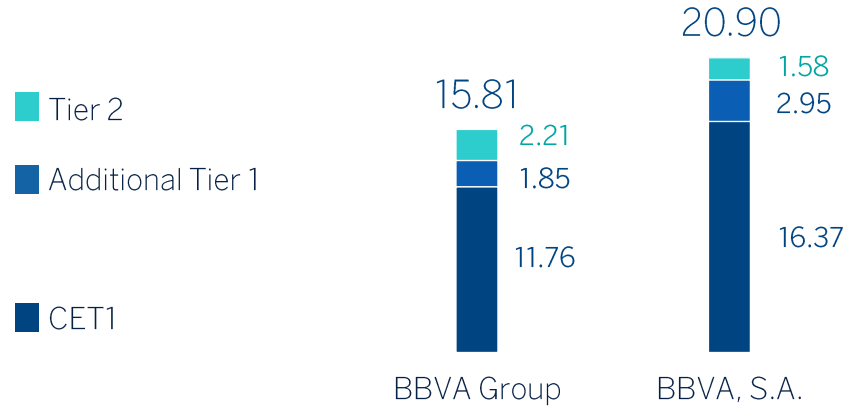
(1) Includes the initial investment + undistributed results + FX impact + other valuation adjustments. The Goodwill associate to each subsidiary has been deducted from its Book Value.

(2) Turkey includes Garanti subsidiaries.

Capital Base: BBVA Group & BBVA, S.A.

PHASED-IN CAPITAL RATIOS

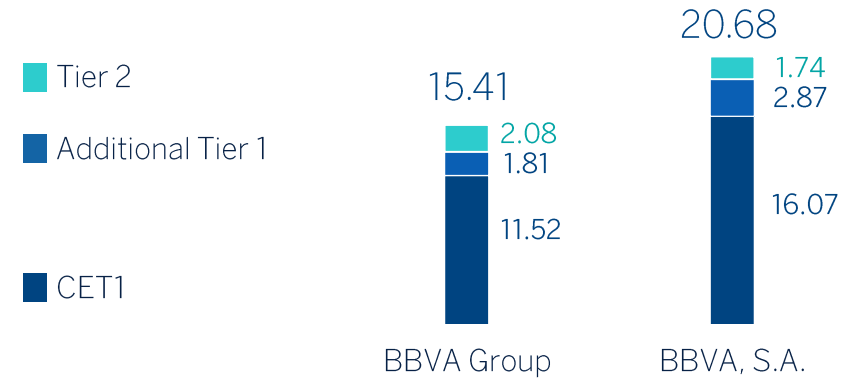
JUN.19 (%)



CET1	€ 42,328 m	€ 33,416 m
AT1	€ 6,669 m	€ 6,020 m
T2	€ 7,944 m	€ 3,235 m
Total Capital Base	€ 56,941 m	€ 42,671 m
RWA	€ 360,069 m	€ 204,152 m

FULLY-LOADED CAPITAL RATIOS

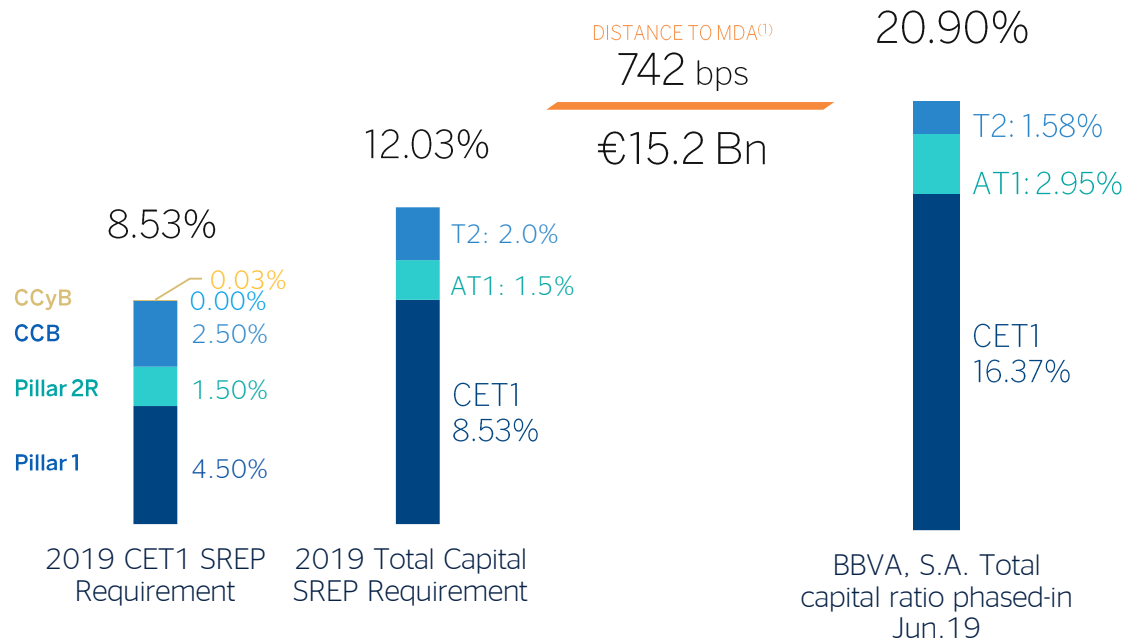
JUN.19 (%)



CET1	€ 41,519 m	€ 32,872 m
AT1	€ 6,528 m	€ 5,879 m
T2	€ 7,514 m	€ 3,554 m
Total Capital Base	€ 55,561 m	€ 42,304 m
RWA	€ 360,563 m	€ 204,529 m

BBVA, S.A. SREP Requirement and Distance to MDA

2019 SREP REQUIREMENT AND DISTANCE TO MDA AT A PARENT COMPANY LEVEL (BBVA, S.A.)
JUN. 2019



- Well above 2019 Total Capital and CET1 SREP requirements
- Significant buffer to MDA: 742 bps

(1) 742 bps of Buffer to MDA = 16.37% Jun.19 CET1 phased-in ratio - 0.42% Tier 2 shortfall - 8.53% 2019 CET1 SREP Requirement

Called notes – 2017 - 2019YTD

	Product	Issue Date	Redemption	Outstanding currency (M)	Coupon	ISIN
Caixa d'Estalvis de Sabadell	Tier 2	Jun-09	May-19	€ 4.88	3ME + 5.25%	ES0214973077
BBVA, S.A.	Tier 2	Apr-14	Apr-19	€ 1,500	3.50%	XS1055241373
	AT1	Feb-14	Feb-19	€ 1,500	7.00%	XS1033661866
	AT1	May-13	May-18	\$ 1,500	9.00%	XS0926832907
	Tier 2	Feb-07	Feb-18	€ 257	3ME+0.80%	ES0213211107
BBVA Subordinated Capital	Tier 2	Oct-05	Jan-18	€ 99	3ME+0.80%	XS0230662628
BBVA International Preferred, S.A. Unipersonal	Preferred	Apr-07	Apr-17	\$ 600	5.919%	US05530RAB42
	Preferred	Sep-06	Mar-17	€ 164	3ME+1.95%	XS0266971745
	Preferred	Sep-05	Mar-17	€ 86	3ME+1.65%	xs0229864060
BBVA Mexico	Tier 2	May-07	May-17	\$ 500	6%	
BBVA Peru	Tier 2	May-07	May-17	PEN 40	5.85% (2)	
BBVA USA ⁽¹⁾	Tier 2	Jun-03/04	Sept/Oct-17	\$ 100	3ML+2.81%	

Average

BBVA follows
an economic
call policy

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

Debt Issuances – 2018 - 2019YTD

BBVA, S.A.

Product	Issue Date	Call Date	Maturity	Nominal currency	Coupon	ISIN
SNP	Jun-19	-	Jun-26	€ 1,000 M	1.000%	XS2013745703
AT1	Mar-19	Mar-24	Perp	€ 1,000 M	6.000%	ES0813211010
SNP	Feb-19	-	Feb-24	€ 1,000 M	1.125%	XS1956973967
Tier 2	Feb-19	Feb-24	Feb-29	€ 750 M	2.575%	XS1954087695
AT1	Sep-18	Sep-23	Perp	€ 1,000 M	5.875%	ES0813211002
Tier 2	May-18	-	May-33	\$ 300 M	5.25%	XS1824263260
SNP	May-18	-	May-25	€ 1,000 M	1.375%	XS1820037270
SNP	Mar-18	-	Mar-23	€ 1,500 M	3ME+ 0.60%	XS1788584321

BBVA USA

Product	Issue Date	Call Date	Maturity	Nominal currency	Coupon	ISIN
Senior Unsec	Jun-18	May-21	Jun-21	\$ 1.150 M	Fixed 3.5% FRN 3ML+73 bps	US20453KAC99 US20453KAD72

BBVA Mexico

Product	Issue Date	Call Date	Maturity	Nominal currency	Coupon	ISIN
Tier 2	Jan-18	Jan-28	Jan-33	\$ 1,000 M	5.125%	US05533UAF57

1H19 Issuances

BBVA

Green SNP EUR 1 bn 1%

- Second Green SNP, after the first one issued in May-18, framed within the Sustainable Development Goals Bond Framework
- No new issue premium

BBVA

AT1 EUR 1 bn PNC5 6%

- This is the first AT1 transaction of the year of 2 scheduled for the year
- New issue premium close to zero
- The lowest concession for a Spanish AT1 in Euros since 2016YE

BBVA

Tier 2 10NC5 EUR750M 2.575%

- The first BBVA T2 under Spanish Law issued through our GMTN program
- No new issue premium
- The lowest spread paid by BBVA for a public T2 transaction since 2007

BBVA

SNP EUR 1 bn 1.125%

- The first BBVA SNP under Spanish Law issued through our GMTN program
- No new issue premium

Key Features

- Settlement Date: 21-06-2019
- Amount: € 1 bn
- Maturity: 7 years
- Coupon: 1% (FXD)
- Re-offer spread : MS+103 bps

- Settlement Date: 29-03-2019
- Amount: € 1 bn
- Maturity: perp. Call option in 5thy
- Coupon: 6.00% (FXD)
- Reset: MS+603.9 bps

- Settlement Date: 22-02-2019
- Amount: € 750 M
- Maturity: 10 y. Call option in 5thy
- Coupon: 2.575% (FXD)
- Re-offer spread : MS+ 245 bps

- Settlement Date: 28-02-2019
- Amount: € 1 bn
- Maturity: 5 years
- Coupon: 1.125% (FXD)
- Re-offer spread : MS+107 bps

Turkey – Liquidity & Funding Sources

■ Solid liquidity position:

- Improved **LTD ratio to 98%**, decreasing by 1.5 p.p. in 2Q19, driven by **TRY Currency LTD improvement** by c.6 p.p. to 142.5%
- **Foreign currency loans decreased slightly** (-2%) to c. USD 14 Bn in 2Q19
- **Liquidity ratios above requirements**: Liquidity Coverage Ratio (EBA) of 187% vs $\geq 100\%$ required in 2019

■ Limited external wholesale funding needs: USD 11.7 Bn

FC Liquidity Buffers

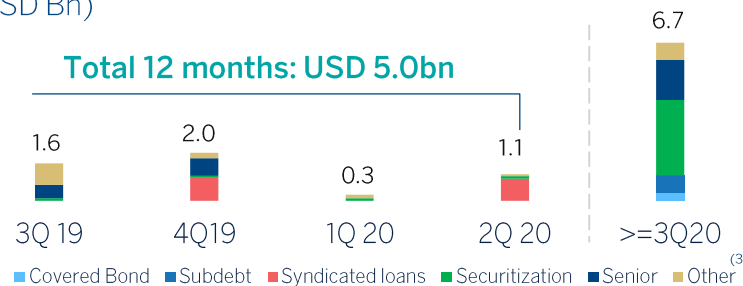
- ✓ Short Term Swaps
- ✓ Unencumbered FC securities
- ✓ FC Reserves under ROM⁽¹⁾
- ✓ Money Market Placements

c. USD 11.4 Bn liquidity buffer

Note: All figures are Bank-only, as of June 2019

(1) ROM: Reserve Option Mechanism

External Wholesale Funding Maturities⁽²⁾ (USD Bn)



USD 11.7 Bn total maturities

(2) Includes TRY covered bonds and excludes on balance sheet IRS transactions

(3) Other includes mainly bilateral loans, secured finance and other ST funding

Ample liquidity buffers and limited wholesale funding maturities in 2019

Main Subsidiaries Ratings ⁽¹⁾

LONG TERM SENIOR UNSECURED RATINGS

	BBVA Mexico	BBVA USA	Garanti BBVA	BBVA Argentina	BBVA Colombia	BBVA Peru
Investment grade	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa
	AA+/Aa1	AA+/Aa1	AA+/Aa1	AA+/Aa1	AA+/Aa1	AA+/Aa1
	AA/Aa2	AA/Aa2	AA/Aa2	AA/Aa2	AA/Aa2	AA/Aa2
	AA-/Aa3	AA-/Aa3	AA-/Aa3	AA-/Aa3	AA-/Aa3	AA-/Aa3
	A+/A1	A+/A1	A+/A1	A+/A1	A+/A1	A+/A1
	A/A2	A/A2	A/A2	A/A2	A/A2	A/A2
	A-/A3	A-/A3	A-/A3	A-/A3	A-/A3	A-/A3
	BBB+/Baa1	BBB+/Baa1	BBB+/Baa1	BBB+/Baa1	BBB+/Baa1	BBB+/Baa1
	BBB/Baa2	BBB/Baa2	BBB/Baa2	BBB/Baa2	BBB/Baa2	BBB/Baa2
	BBB-/Baa3	BBB-/Baa3	BBB-/Baa3	BBB-/Baa3	BBB-/Baa3	BBB-/Baa3
Non Investment Grade	BB+/Ba1	BB+/Ba1	BB+/Ba1	BB+/Ba1	BB+/Ba1	BB+/Ba1
	BB/Ba2	BB/Ba2	BB/Ba2	BB/Ba2	BB/Ba2	BB/Ba2
	BB-/Ba3	BB-/Ba3	BB-/Ba3	BB-/Ba3	BB-/Ba3	BB-/Ba3
	B+/B1	B+/B1	B+/B1	B+/B1	B+/B1	B+/B1
	B/B2	B/B2	B/B2	B/B2	B/B2	B/B2
	B-/B3	B-/B3	B-/B3	B-/B3	B-/B3	B-/B3
	(...)	(...)	(...)	(...)	(...)	(...)
	(...)	(...)	(...)	(...)	(...)	(...)

(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. Ratings as of July 31st, 2019.

Sovereign Exposure by geography ⁽¹⁾

€ bn as of June 2019

	Sovereign			
	Amortized Cost debt securities (HTC)	Fair Value debt securities (HTC&S)	Loans	Trading securities
Spain	13.0	15.7	16.1	8.5
Italy	3.1	1.8	0.0	4.7
Portugal	-	-	0.2	0.6
Mexico	1.5	4.9	6.0	12.2
USA	3.9	8.2	5.4	0.1
Turkey	4.1	3.6	0.1	0.1
All Others	0.1	3.7	2.3	2.0
TOTAL	25.6	37.9	30.1	28.2

(1) Risk balances according to EBA criteria. Therefore, sovereign risk of the Group's insurance companies is not included.

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