

# 2Q19 Results

July 31<sup>st</sup>, 2019

# Disclaimer

This document is only provided for information purposes and does not constitute, nor should it be interpreted as, an offer to sell or exchange or acquire, or an invitation for offers to buy securities issued by any of the aforementioned companies. Any decision to buy or invest in securities in relation to a specific issue must be made solely and exclusively on the basis of the information set out in the pertinent prospectus filed by the company in relation to such specific issue. No one who becomes aware of the information contained in this report should regard it as definitive, because it is subject to changes and modifications.

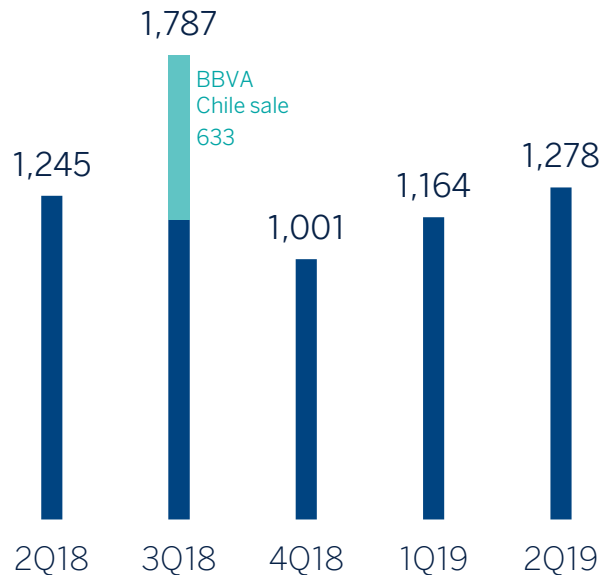
This document contains or may contain forward looking statements (in the usual meaning and within the meaning of the US Private Securities Litigation Reform Act of 1995) regarding intentions, expectations or projections of BBVA or of its management on the date thereof, that refer to or incorporate various assumptions and projections, including projections about the future earnings of the business. The statements contained herein are based on our current projections, but the actual results may be substantially modified in the future by various risks and other factors that may cause the results or final decisions to differ from such intentions, projections or estimates. These factors include, without limitation, (1) the market situation, macroeconomic factors, regulatory, political or government guidelines, (2) domestic and international stock market movements, exchange rates and interest rates, (3) competitive pressures, (4) technological changes, (5) alterations in the financial situation, creditworthiness or solvency of our customers, debtors or counterparts. These factors could cause or result in actual events differing from the information and intentions stated, projected or forecast in this document or in other past or future documents. BBVA does not undertake to publicly revise the contents of this or any other document, either if the events are not as described herein, or if such events lead to changes in the information contained in this document.

This document may contain summarised information or information that has not been audited, and its recipients are invited to consult the documentation and public information filed by BBVA with stock market supervisory bodies, in particular, the prospectuses and periodical information filed with the Spanish Securities Exchange Commission (CNMV) and the Annual Report on Form 20-F and information on Form 6-K that are filed with the US Securities and Exchange Commission.

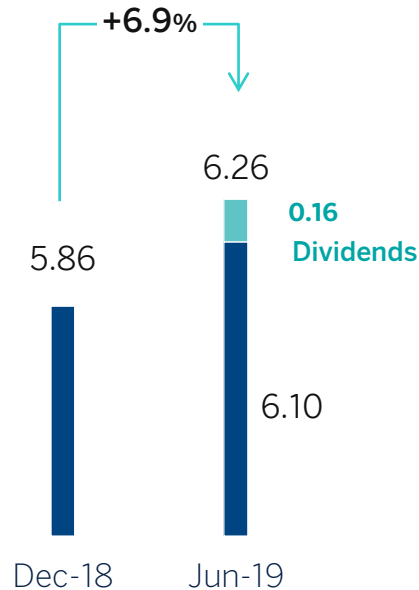
Distribution of this document in other jurisdictions may be prohibited, and recipients into whose possession this document comes shall be solely responsible for informing themselves about, and observing any such restrictions. By accepting this document you agree to be bound by the foregoing restrictions.

# Outstanding value creation and strong capital position

## NET ATTRIBUTABLE PROFIT (€M)

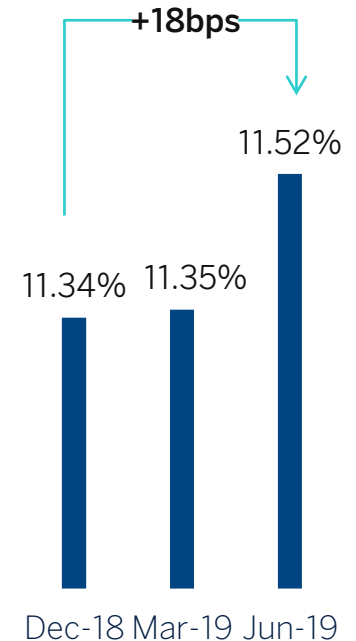


## TBV/SHARE + DIVIDENDS (€/SH.)



+12.6%  
vs Jun18

## CET1 FULLY-LOADED (%)



Absorbing  
-24 bps from  
TRIM + IFRS16

Note: The hyperinflation impact in Argentina recorded in 3Q18 has been allocated on a monthly basis in the first nine 9 months of 2018 impacting 1Q18, 2Q18 and 3Q18 P&L and balance sheet figures.  
2Q18 figures include BBVA Chile recurrent operations (sale closed on July 6<sup>th</sup>).

# 2Q19 Highlights

## 01 Robust core revenue growth

NII + FEES (€ constant)  
**+8.7%** vs. 2Q18

## 02 Further improvement in best-in-class efficiency

COST TO INCOME  
**49.0%** -41 bps vs. 12M18 (€ constant)

## 03 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

## 04 Strong capital position

CET 1 FL  
**11.52%** +17 bps vs. Mar-19

**ALREADY WITHIN  
THE TARGET RANGE**

## 05 Outstanding delivery on shareholder value creation

ROTE  
**12.4%** Jun-19

TBV/SHARE + DIVIDENDS  
**+12.6%** vs. Jun-18 6.26 €/sh.

## 06 Ahead of the curve in digital transformation

DIGITAL SALES (units)  
**58.1%**  
Jun-19

DIGITAL CUSTOMERS  
**29.7 m** +17%  
Jun-19 vs. Jun-18

MOBILE CUSTOMERS  
**26.1 m** +25%  
Jun-19 vs. Jun-18

# 2Q19 Profit & Loss

BBVA Group (€m)	2Q19	Change 2Q19/2Q18	
		%	% constant
<b>Net Interest Income</b>	<b>4,566</b>	<b>9.0</b>	<b>10.4</b>
Net Fees and Commissions	1,256	2.5	3.0
Net Trading Income	116	-56.5	-58.2
Other Income & Expenses	-18	n.s.	n.s.
<b>Gross Income</b>	<b>5,920</b>	<b>4.2</b>	<b>5.1</b>
Operating Expenses	-2,952	3.9	4.1
<b>Operating Income</b>	<b>2,968</b>	<b>4.5</b>	<b>6.1</b>
Impairment on Financial Assets	-753	-2.1	0.0
Provisions and Other Gains and Losses	-120	n.s.	n.s.
<b>Income Before Tax</b>	<b>2,095</b>	<b>2.1</b>	<b>3.4</b>
Income Tax	-577	-3.1	-2.2
Non-controlling Interest	-241	-2.9	13.1
<b>Net Attributable Profit</b>	<b>1,278</b>	<b>5.7</b>	<b>4.4</b>

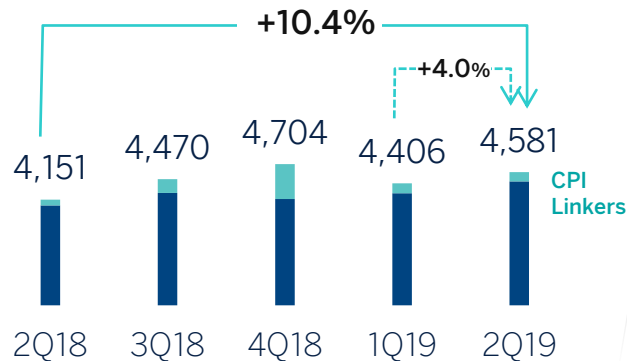
# 1H19 Profit & Loss

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

# Robust core revenue growth

## NET INTEREST INCOME

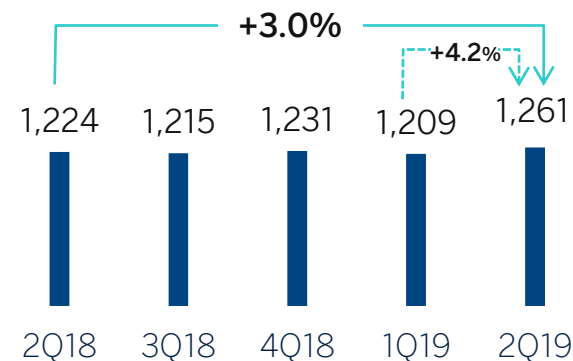
(€M CONSTANT)



Very strong growth in most of geographies

## NET FEES AND COMMISSIONS

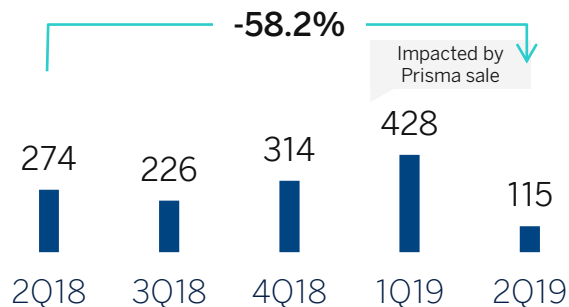
(€M CONSTANT)



Robust fee generation in the quarter

## NET TRADING INCOME

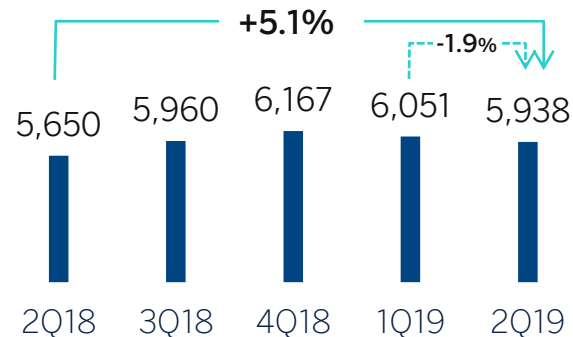
(€M CONSTANT)



2Q19 impacted by muted Global Markets activity and lower portfolio sales

## GROSS INCOME

(€M CONSTANT)

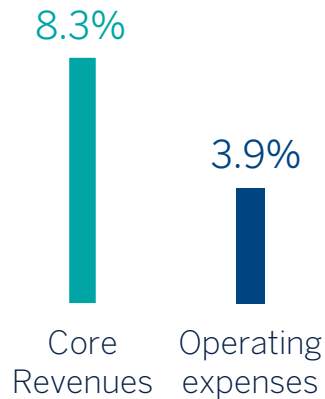


Annual Single Resolution Fund (SRF) contribution in the quarter (144€m)

# Further improvement in best-in-class efficiency

## GROUP OPERATING JAWS

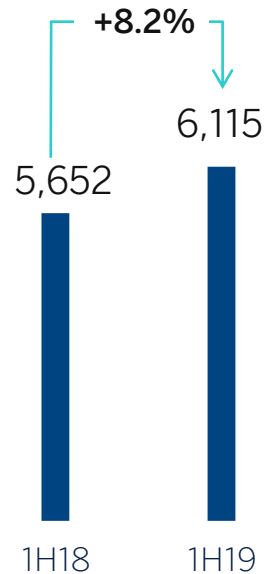
(1H YOY (%); (€ CONSTANT))



INFLATION  
6.3%  
Average 12m

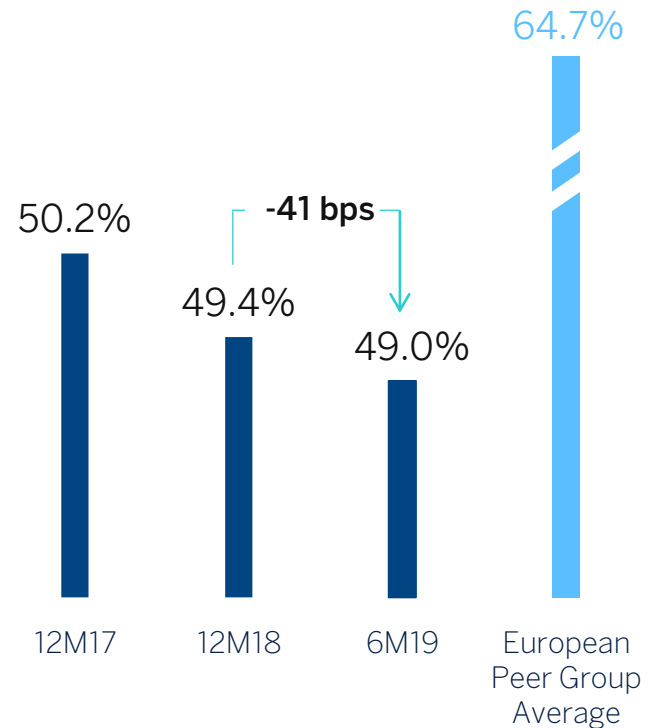
## GROUP OPERATING INCOME

(YOY (%); (€M CONSTANT))



## EFFICIENCY RATIO

(%; (€ CONSTANT))

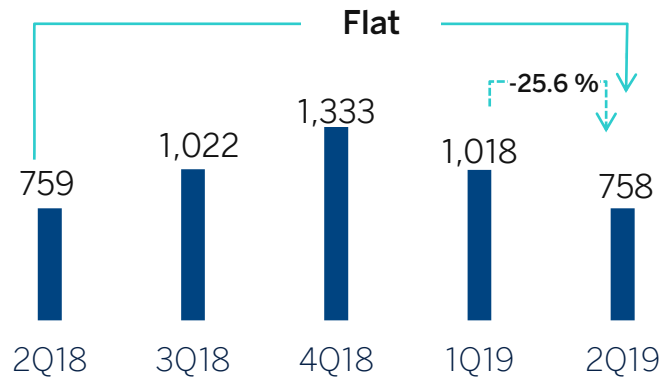


European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCG. European Peer Group figures as of Mar-19. BBVA figures as of Jun-19.

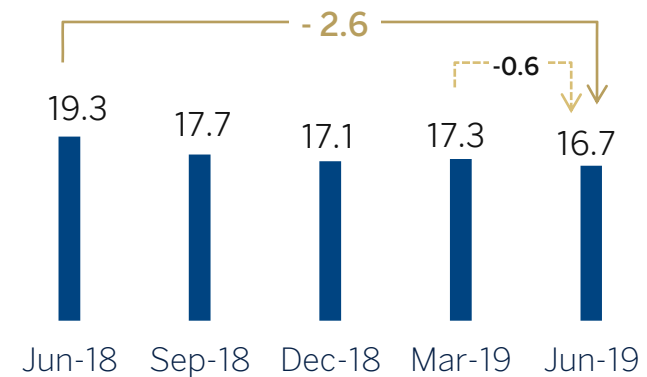


# Sound risk indicators

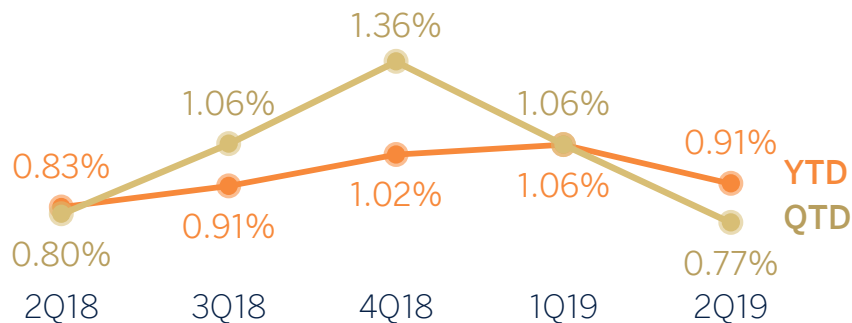
## FINANCIAL ASSETS IMPAIRMENTS (€M CONSTANT)



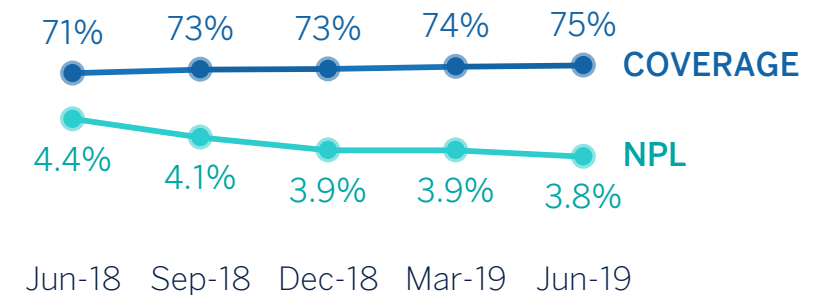
## NPLs (€BN)



## COST OF RISK (%)



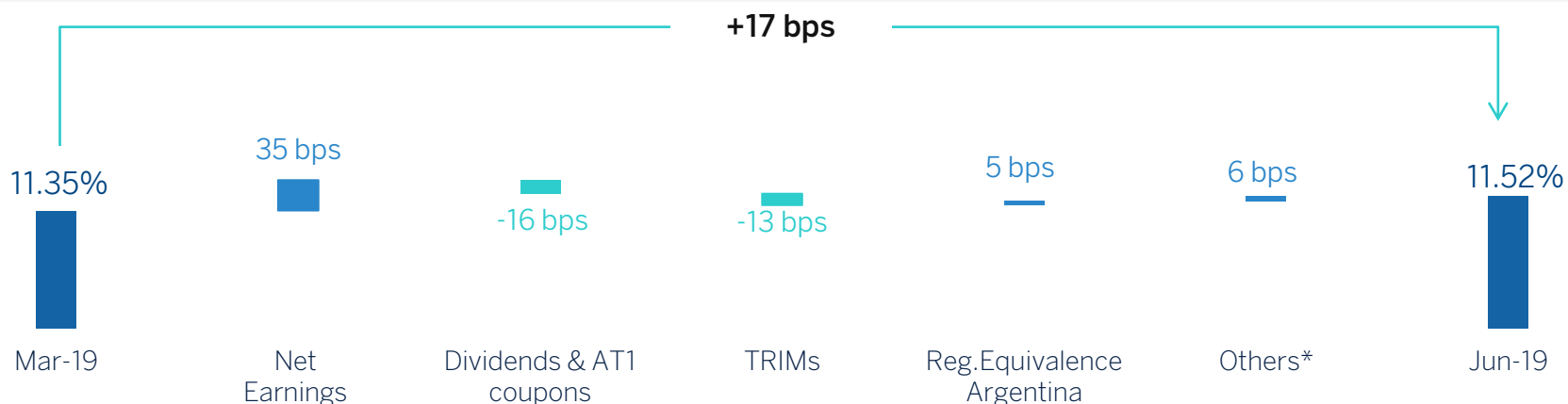
## NPL & COVERAGE RATIOS (%)



Better than expectations

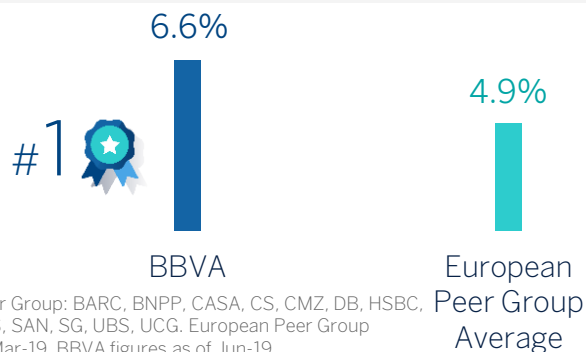
# Strong capital position

## CET1 FULLY-LOADED - BBVA GROUP QUARTERLY EVOLUTION (% ,BPS)



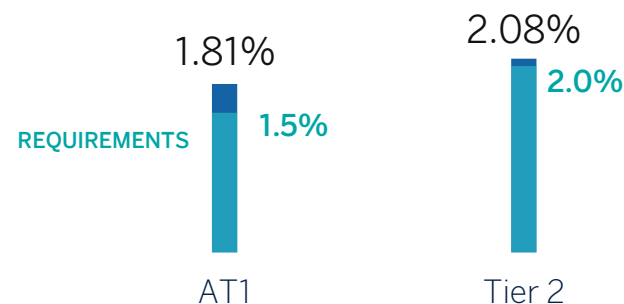
(\*) Others includes RWAs evolution and market related impacts such as FX impact, mark to market of the Held To Collect and Sell portfolios, among others items.

## HIGH QUALITY CAPITAL LEVERAGE RATIO FULLY-LOADED (%)



European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCG. European Peer Group figures as of Mar-19. BBVA figures as of Jun-19.

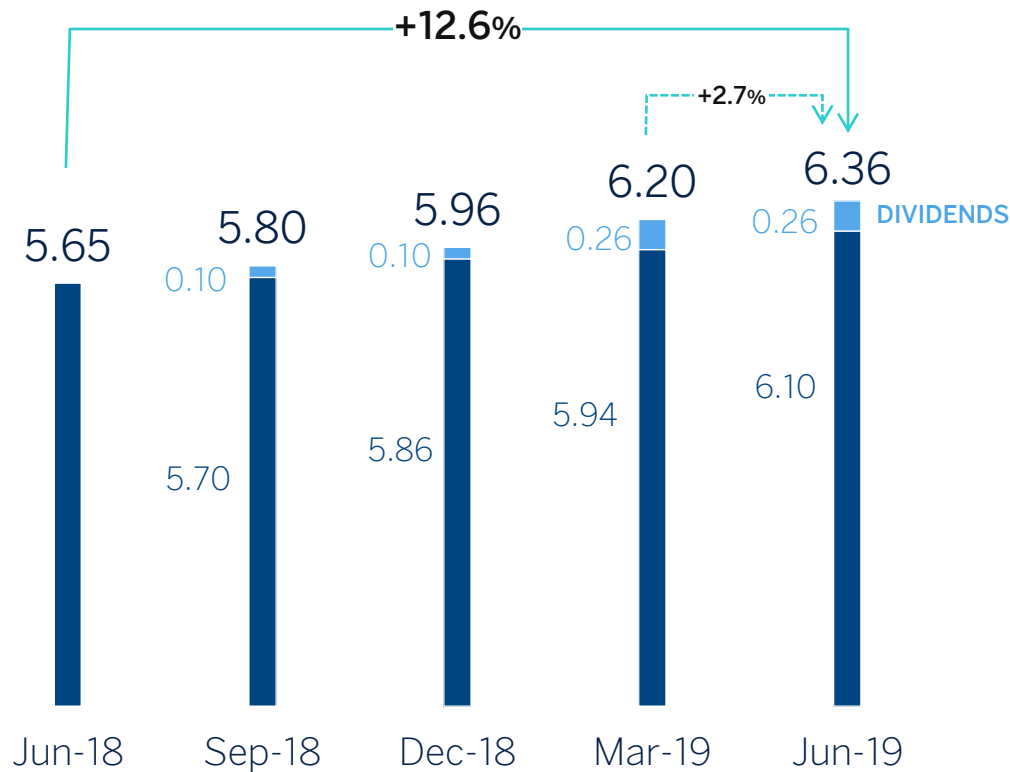
## AT1 AND TIER 2 BUCKETS ALREADY COVERED JUN-19, FULLY-LOADED (%)



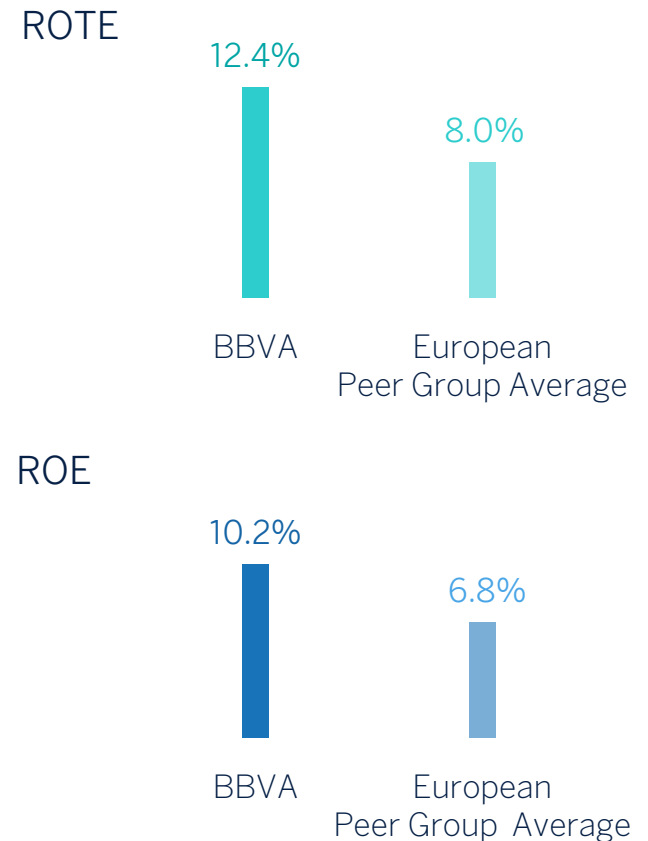
**CET1 FL already within the target range earlier than expected**

# Outstanding delivery on shareholder value creation

## TBV PER SHARE & DIVIDENDS (€ PER SHARE)



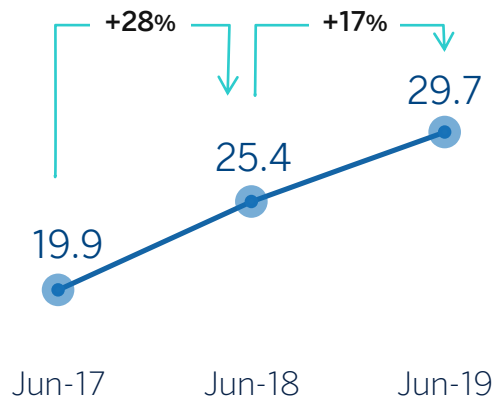
## LEADING PROFITABILITY METRICS (%)



# Growing in digital and mobile customers, leading to an outstanding trend in digital sales

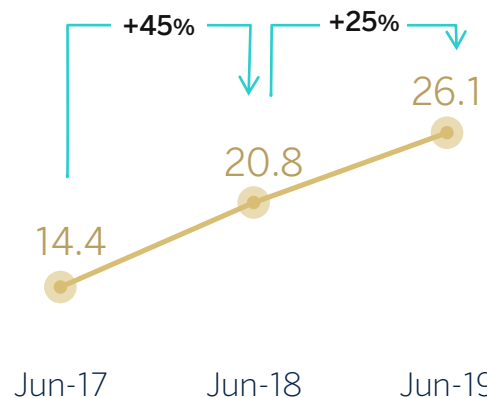
## DIGITAL CUSTOMERS

MILLION, % YOY GROWTH



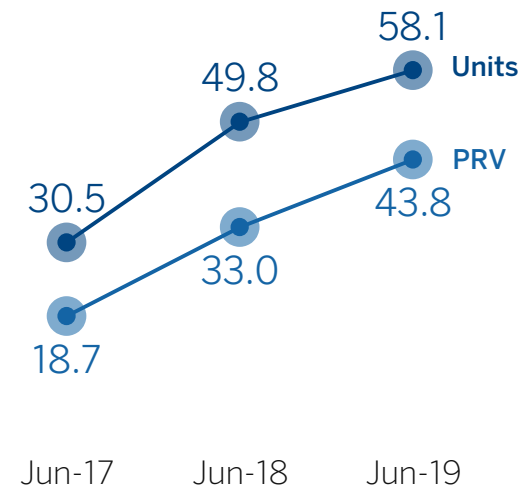
## MOBILE CUSTOMERS

MILLION, % YOY GROWTH

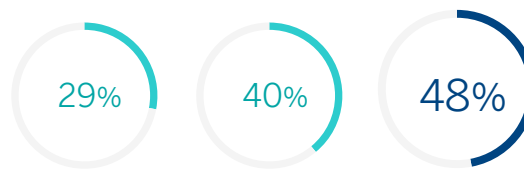
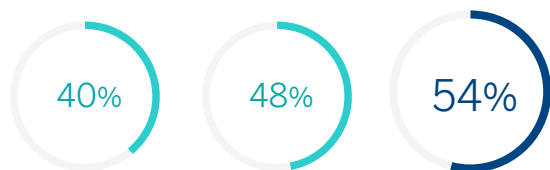


## DIGITAL SALES

(% OF TOTAL SALES YTD, # OF TRANSACTIONS AND PRV<sup>(1)</sup>)



CUSTOMER PENETRATION RATE, %

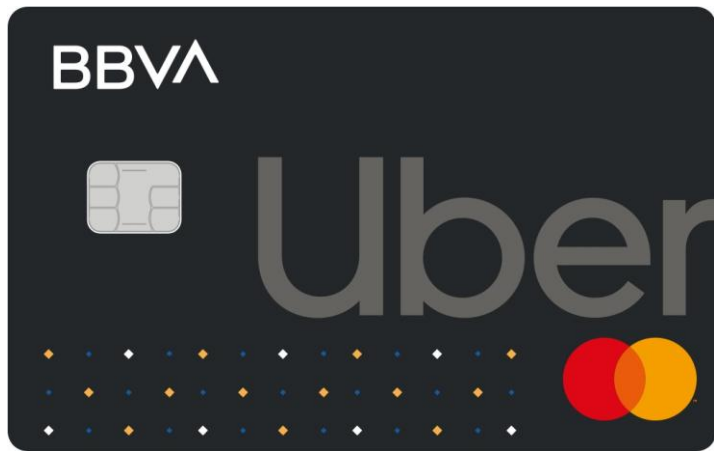


Note: figures have been restated in order to include credit card related financing solutions and FX.  
(1) Product Relative Value as a proxy of a better economic representation of units sold.

# Digital transformation: a competitive advantage for BBVA

## CUSTOMER GROWTH

OPEN BANKING: PARTNERSHIP WITH UBER



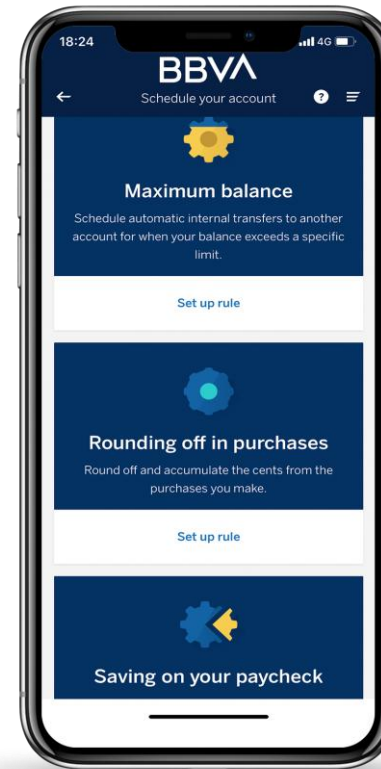
Uber's first financial product **outside USA**

First BBVA product created through our **Open Banking capabilities** in a partnership with a Bigtech company

Co-branded **account and debit card** for 500k Uber drivers in Mexico

## CUSTOMER ENGAGEMENT AND ADVICE

SELF-DRIVEN ACCOUNT



Self-configuration of rules help clients manage their finances

- Paycheck savings
- Minimum and maximum balance
- Rounding off in purchases
- Budget savings
- End of month savings

# The impact of transformation: Spain

Two years change (Jun'17 vs Jun'19)

BBVA Spain has grown its customer base. It has also increased client satisfaction and retention by using a more efficient relationship model, which has lowered operating expenses



## GROWTH

Acquiring more engaged and profitable clients

**+33%**

Digitally acquired clients

**+11%**

Net fees & commissions <sup>(1)</sup>



## ENGAGEMENT

Resulting in higher client satisfaction and retention

Leading since 2017

NPS <sup>(2)</sup>

**-18%**

Attrition rate

App European Leader  
in Mobile Banking

2017 | 2018 | 2019 <sup>(3)</sup>



## EFFICIENCY

Lowering cost to sell and serve our clients

**-8%**

Operating Expenses

**-14%**

Branches

**+79%**

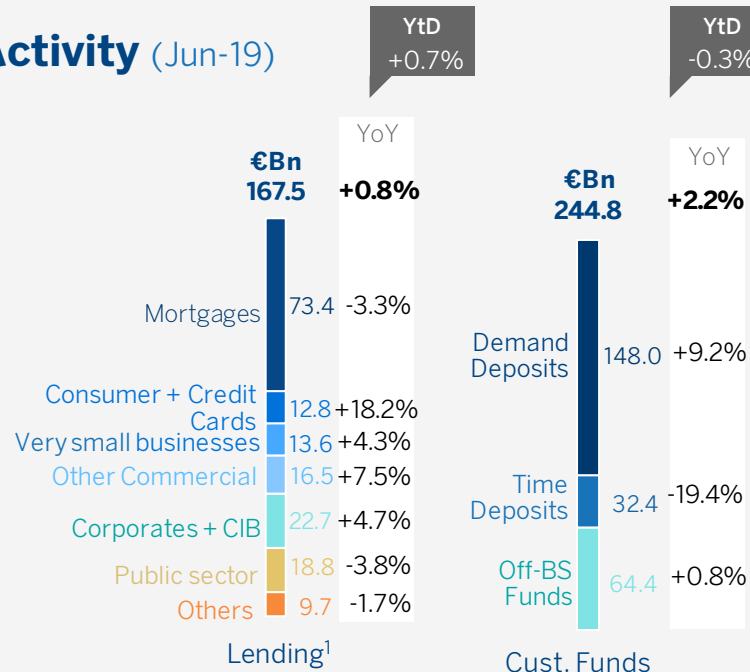
Remote serviced clients

# Business Areas

# Spain

<b>Profit &amp; Loss</b>				
(€m)	2Q19	Δ (%) vs 2Q18	1H19	Δ (%) vs 1H18
<b>Net Interest Income</b>	<b>927</b>	<b>0.1</b>	<b>1,808</b>	<b>-2.4</b>
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
<b>Gross Income</b>	<b>1,321</b>	<b>-8.0</b>	<b>2,818</b>	<b>-6.8</b>
Operating Expenses	-814	-3.5	-1,628	-3.5
<b>Operating Income</b>	<b>507</b>	<b>-14.4</b>	<b>1,190</b>	<b>-10.9</b>
Impairment on Financial Assets	102	n.s.	25	n.s.
Provisions & other gains (losses)	-65	160.2	-188	181.9
<b>Income Before Tax</b>	<b>545</b>	<b>13.7</b>	<b>1,027</b>	<b>-2.8</b>
Income Tax	-155	13.8	-292	-5.5
<b>Net Attributable Profit</b>	<b>389</b>	<b>13.7</b>	<b>734</b>	<b>-1.7</b>

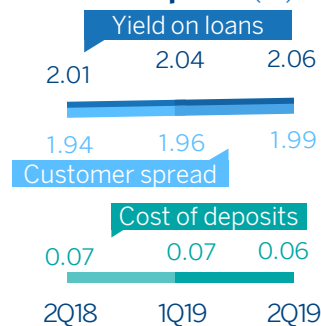
## Activity (Jun-19)



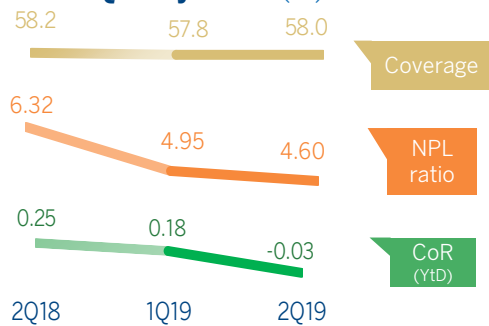
Note: Activity excludes repos. (1) Performing loans under management.

## Key Ratios

### Customer Spread (%)



### Asset Quality ratios (%)



- **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 cost of excess liquidity
- **Costs** continue to go down
- **Asset quality positively impacted by mortgage portfolio sales.** Excluding this, CoR < 20 bps

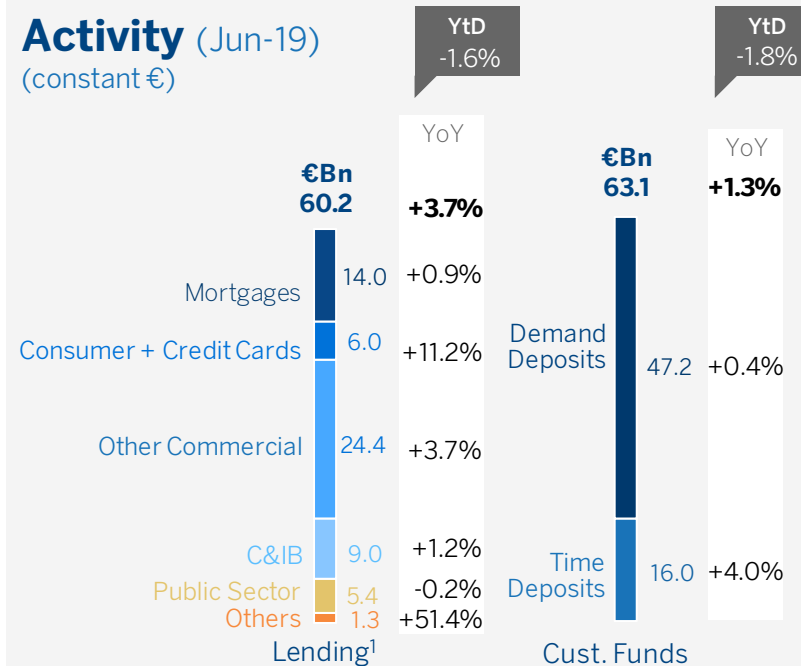


# USA

## Profit & Loss

(€m constant)	2Q19	Δ Constant vs 2Q18 (%)	1H19	Δ Constant vs 1H18 (%)	Δ Current vs 1H18 (%)
<b>Net Interest Income</b>	<b>599</b>	<b>2.0</b>	<b>1,217</b>	<b>5.2</b>	<b>12.6</b>
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.
<b>Gross Income</b>	<b>807</b>	<b>3.9</b>	<b>1,615</b>	<b>5.1</b>	<b>12.4</b>
Operating Expenses	-484	0.3	-959	0.4	7.5
<b>Operating Income</b>	<b>323</b>	<b>9.9</b>	<b>655</b>	<b>12.7</b>	<b>20.5</b>
Impairment on Financial Assets	-124	174.1	-286	325.6	355.8
Provisions & other gains (losses)	4	4.4	-6	n.s.	n.s.
<b>Income Before Tax</b>	<b>203</b>	<b>-19.6</b>	<b>363</b>	<b>-31.0</b>	<b>-26.3</b>
Income Tax	-34	-37.0	-67	-42.3	-38.4
<b>Net Attributable Profit</b>	<b>169</b>	<b>-14.9</b>	<b>297</b>	<b>-27.8</b>	<b>-22.9</b>

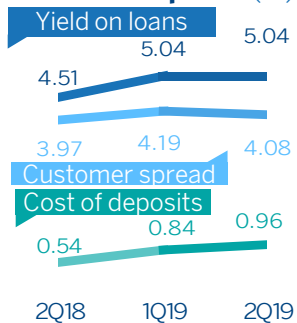
## Activity (Jun-19) (constant €)



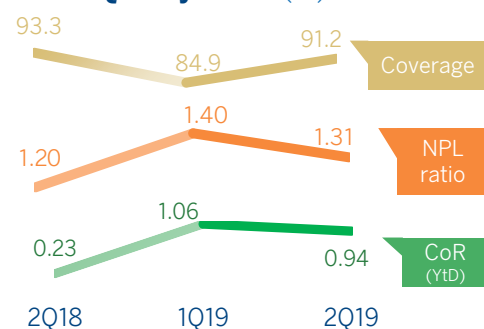
Note: Activity excludes repos. (1) Performing loans under management.

## Key Ratios

### Customer Spread (%)



### Asset Quality ratios (%)



- **Loan growth rate decelerating to c. 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**. 82 bps in 2Q19 CoR vs. 106 bps in 1Q19

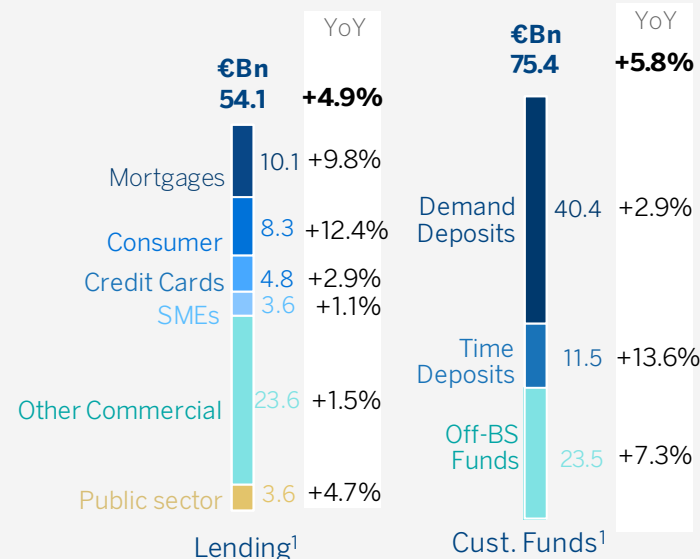
# Mexico

## Profit & Loss

(€m constant)	2Q19	Δ Constant vs 2Q18 (%)	1H19	Δ Constant vs 1H18 (%)	Δ Current vs 1H18 (%)
<b>Net Interest Income</b>	<b>1,532</b>	<b>7.8</b>	<b>3,042</b>	<b>7.8</b>	<b>14.9</b>
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
<b>Gross Income</b>	<b>1,985</b>	<b>5.9</b>	<b>3,901</b>	<b>5.6</b>	<b>12.6</b>
Operating Expenses	-651	4.5	-1,290	4.7	11.6
<b>Operating Income</b>	<b>1,333</b>	<b>6.6</b>	<b>2,611</b>	<b>6.1</b>	<b>13.1</b>
Impairment on Financial Assets	-420	18.8	-818	8.4	15.5
Provisions & other gains (losses)	-13	n.s.	-10	n.s.	n.s.
<b>Income Before Tax</b>	<b>900</b>	<b>-3.4</b>	<b>1,783</b>	<b>1.1</b>	<b>7.8</b>
Income Tax	-245	-4.6	-496	2.5	9.2
<b>Net Attributable Profit</b>	<b>655</b>	<b>-3.0</b>	<b>1,287</b>	<b>0.6</b>	<b>7.2</b>

## Activity (Jun-19)

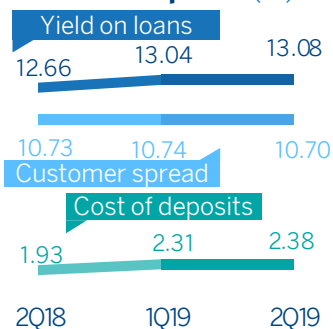
(constant €)

YtD  
+2.6%YtD  
+6.2%

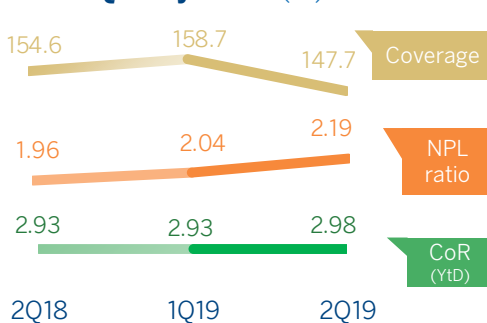
(1) Performing loans and Cust. Funds under management, excluding repos, according to local GAAP.

## Key Ratios

### Customer Spread (%)



### Asset Quality ratios (%)



- **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

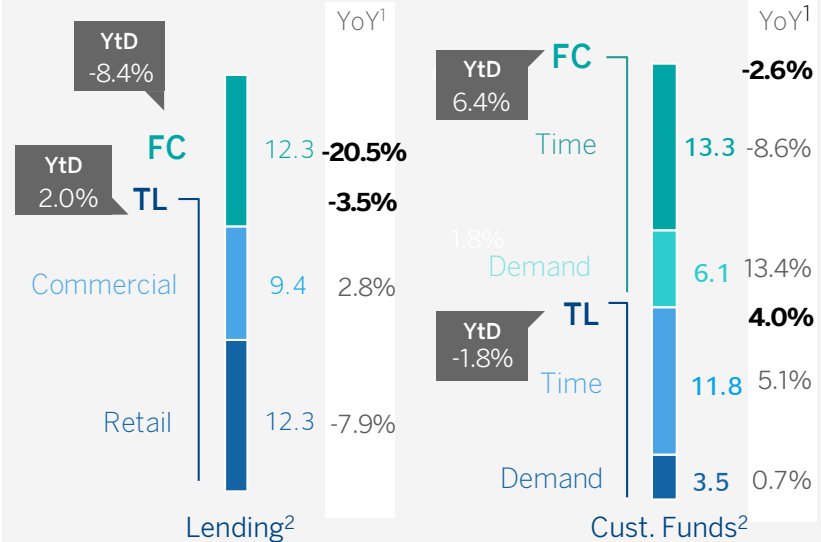
# Turkey

## Profit & Loss

(€m constant)	2Q19	Δ Constant vs 2Q18 (%)	1H19	Δ Constant vs 1H18 (%)	Δ Current vs 1H18 (%)
<b>Net Interest Income</b>	<b>686</b>	<b>10.3</b>	<b>1,353</b>	<b>15.0</b>	<b>-10.4</b>
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
<b>Gross Income</b>	<b>828</b>	<b>8.3</b>	<b>1,677</b>	<b>11.9</b>	<b>-12.8</b>
Operating Expenses	-293	9.8	-594	12.2	-12.5
<b>Operating Income</b>	<b>535</b>	<b>7.5</b>	<b>1,084</b>	<b>11.7</b>	<b>-13.0</b>
Impairment on Financial Assets	-143	6.2	-337	37.1	6.8
Provisions & other gains (losses)	-20	n.s.	-21	n.s.	n.s.
<b>Income Before Tax</b>	<b>372</b>	<b>0.9</b>	<b>726</b>	<b>-3.5</b>	<b>-24.7</b>
Income Tax	-76	-4.4	-153	-6.6	-27.2
Non-controlling Interest	-150	2.4	-291	-2.4	-23.9
<b>Net Attributable Profit</b>	<b>146</b>	<b>2.4</b>	<b>282</b>	<b>-2.8</b>	<b>-24.2</b>

## Activity (Jun-19)

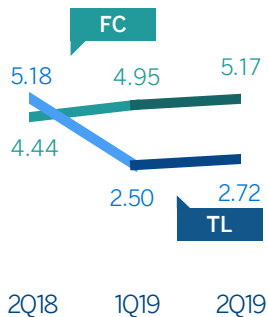
(constant €; Bank only)



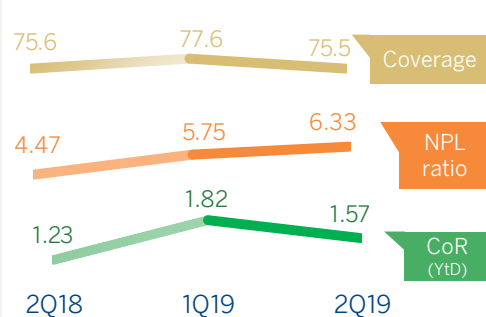
(1) FC evolution excluding FX impact. (2) Performing loans and Cust. Funds under management, excluding repos, according to local GAAP.

## Key Ratios

### Customer Spread (%)



### Asset Quality ratios (%)



- **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 <sup>1</sup> vs 2Q18 (%)	1H19	Δ Constant <sup>1</sup> 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 <sup>2</sup>	34	-2.5	66	5.5	1.1
<b>South America</b>	<b>211</b>	<b>60.6</b>	<b>404</b>	<b>72.4</b>	<b>51.8</b>

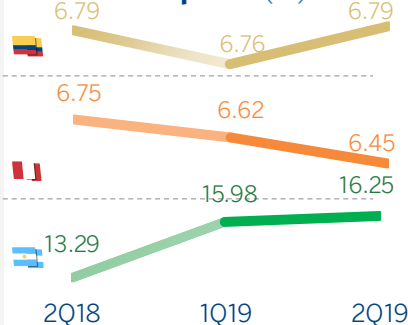
(1) Venezuela in current €m

(2) Other includes BBVA Forum, Venezuela, Paraguay, Uruguay and Bolivia

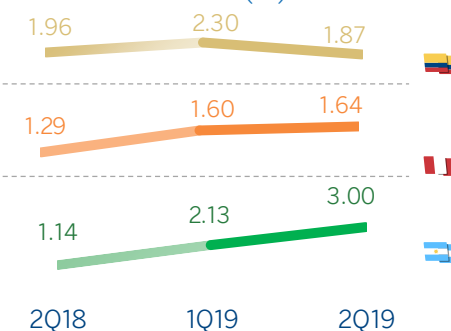
South America comparison at constant perimeter (excl. BBVA Chile)

## Key Ratios

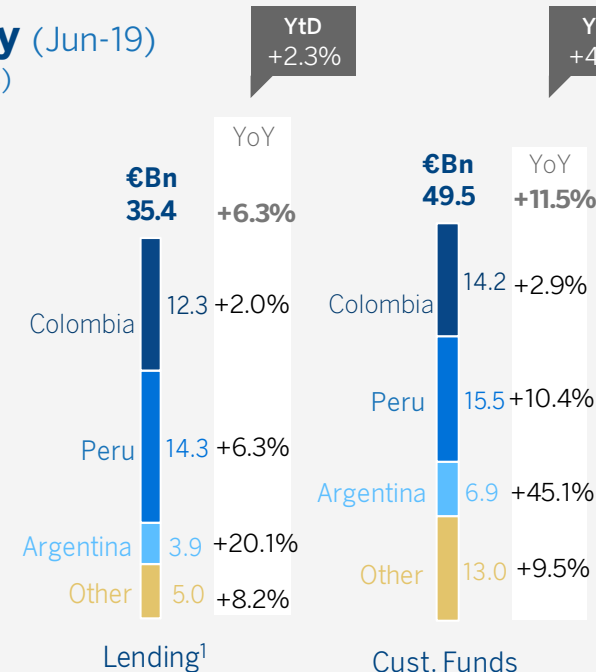
### Customer Spread (%)



### Cost of Risk YTD (%)



## Activity (Jun-19) (constant €)



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

- **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

# Final Remarks

# Excellent 2Q Results

## driven by our unique and diversified footprint and business model

- **Robust core revenues** with double-digit growth in Net Interest Income
- **Best-in-class efficiency** with continuous improvement in our operating jaws
- **Sound risk indicators** with very positive evolution in the year
- **Strong capital position** with CET1 FL already within the target range, earlier than expected
- **Outstanding delivery on shareholder value creation** with double-digit profitability, leading our European peer group
- **Ahead of the curve in digital transformation**, positively impacting growth, customer engagement and efficiency



## Annex

- |   |   |
|---|---|
| 01 Customer spread by country                   | 06 ALCO Portfolio, NII Sensitivity and LCRs & NSFRs |
| 02 Gross Income breakdown                       | 07 <b>Garanti</b> : wholesale funding               |
| 03 Net Attributable Profit evolution            | 08 Capital and APRs by business area                |
| 04 P&L Accounts by business unit                | 09 Book Value of the main subsidiaries              |
| 05 <b>Argentina</b> : hyperinflation adjustment | 10 Digital sales breakdown                          |

01

# Customer spread by country



# Customer spreads: Quarterly evolution

## AVERAGE

	2Q18	3Q18	4Q18	1Q19	2Q19
Spain	1.94%	1.93%	1.95%	1.96%	1.99%
Yield on Loans	2.01%	2.01%	2.03%	2.04%	2.06%
Cost of Deposits	-0.07%	-0.08%	-0.08%	-0.07%	-0.06%
USA	3.97%	3.99%	4.09%	4.19%	4.08%
Yield on Loans	4.51%	4.65%	4.83%	5.04%	5.04%
Cost of Deposits	-0.54%	-0.66%	-0.74%	-0.84%	-0.96%
Mexico MXN	11.89%	11.80%	11.76%	11.81%	11.81%
Yield on Loans	14.20%	14.29%	14.38%	14.50%	14.56%
Cost of Deposits	-2.30%	-2.49%	-2.62%	-2.69%	-2.75%
Mexico FC <sup>1</sup>	4.06%	4.10%	4.27%	4.42%	4.31%
Yield on Loans	4.20%	4.26%	4.46%	4.66%	4.61%
Cost of Deposits	-0.14%	-0.15%	-0.19%	-0.24%	-0.31%

	2Q18	3Q18	4Q18	1Q19	2Q19
Turkey TL	5.18%	4.02%	1.12%	2.50%	2.72%
Yield on Loans	15.14%	17.19%	18.98%	19.02%	19.09%
Cost of Deposits	-9.96%	-13.17%	-17.86%	-16.52%	-16.37%
Turkey FC <sup>1</sup>	4.44%	4.47%	4.35%	4.95%	5.17%
Yield on Loans	6.79%	7.09%	7.48%	7.47%	7.30%
Cost of Deposits	-2.35%	-2.62%	-3.13%	-2.52%	-2.13%
Argentina	13.29%	14.15%	14.72%	15.98%	16.25%
Yield on Loans	20.72%	24.00%	29.09%	28.50%	29.27%
Cost of Deposits	-7.43%	-9.85%	-14.37%	-12.53%	-13.02%
Colombia	6.79%	6.78%	6.91%	6.76%	6.79%
Yield on Loans	11.22%	10.99%	11.07%	10.90%	10.88%
Cost of Deposits	-4.43%	-4.21%	-4.16%	-4.13%	-4.09%
Peru	6.75%	6.70%	6.69%	6.62%	6.45%
Yield on Loans	7.84%	7.84%	7.89%	7.89%	7.85%
Cost of Deposits	-1.09%	-1.14%	-1.20%	-1.27%	-1.40%

(1) Foreign currency

Note: USA ex NY Business Activity.

# Customer spreads: YTD evolution

## YTD AVERAGE

	1H18	1H19
<b>Spain</b>	1.94%	1.98%
Yield on Loans	2.01%	2.05%
Cost of Deposits	-0.07%	-0.07%
<b>USA</b>	3.92%	4.13%
Yield on Loans	4.41%	5.04%
Cost of Deposits	-0.49%	-0.90%
<b>Mexico MXN</b>	11.97%	11.81%
Yield on Loans	14.20%	14.53%
Cost of Deposits	-2.22%	-2.72%
<b>Mexico FC<sup>1</sup></b>	4.00%	4.36%
Yield on Loans	4.11%	4.64%
Cost of Deposits	-0.11%	-0.27%

	1H18	1H19
<b>Turkey TL</b>	5.06%	2.61%
Yield on Loans	14.86%	19.05%
Cost of Deposits	-9.80%	-16.44%
<b>Turkey FC<sup>1</sup></b>	4.31%	5.07%
Yield on Loans	6.63%	7.38%
Cost of Deposits	-2.32%	-2.31%
<b>Argentina</b>	13.01%	16.11%
Yield on Loans	20.04%	28.89%
Cost of Deposits	-7.03%	-12.79%
<b>Colombia</b>	6.75%	6.77%
Yield on Loans	11.26%	10.89%
Cost of Deposits	-4.51%	-4.11%
<b>Peru</b>	6.77%	6.53%
Yield on Loans	7.90%	7.87%
Cost of Deposits	-1.13%	-1.34%

(1) Foreign currency

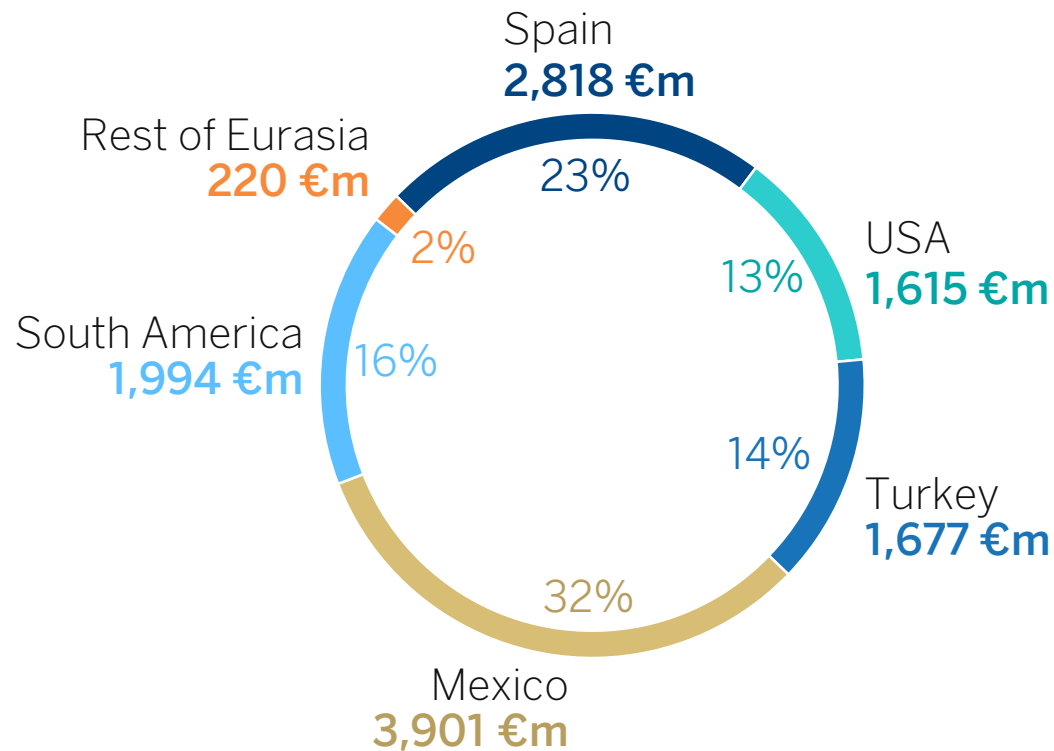
Note: USA ex NY Business Activity.

02

# Gross Income breakdown

# Gross Income breakdown

1H19  
(CONSTANT €)

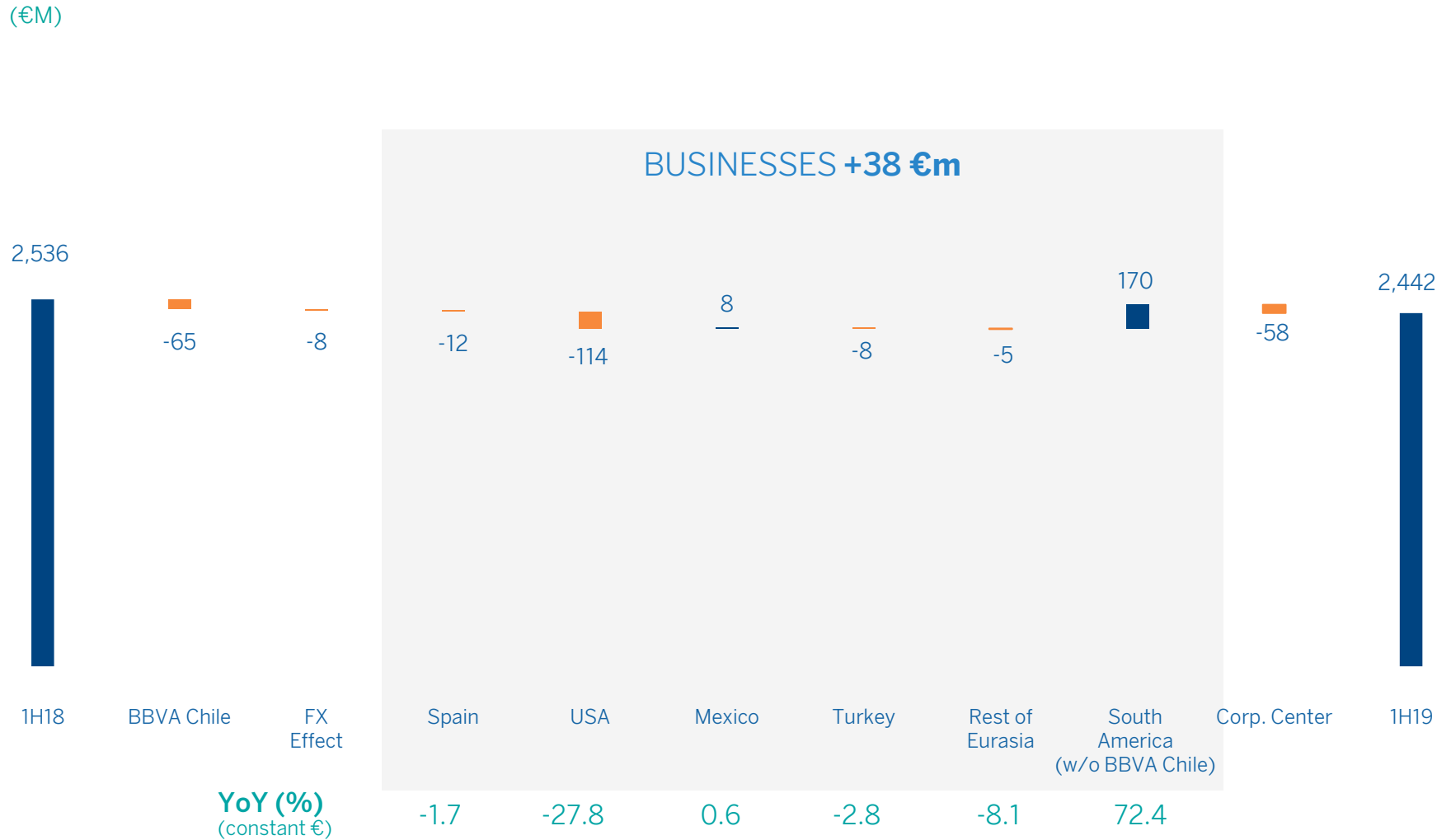


Note: Figures exclude Corporate Center.

03

# Net Attributable Profit evolution

# Group – Net Attributable Profit



04

# P&L accounts by business unit

Rest of Eurasia  
Corporate Center  
Colombia  
Peru

# Rest of Eurasia - Profit & Loss

<b>Profit &amp; Loss</b> (€m)	<b>2Q19</b>	<b>Δ (%)</b> vs 2Q18	<b>1H19</b>	<b>Δ (%)</b> vs 1H18
<b>Net Interest Income</b>	<b>45</b>	<b>13.2</b>	<b>84</b>	<b>2.2</b>
Net Fees and Commissions	33	-17.7	69	-12.7
Net Trading Income	34	201.7	60	10.2
Other Income & Expenses	4	n.s.	6	n.s.
<b>Gross Income</b>	<b>116</b>	<b>28.0</b>	<b>220</b>	<b>1.4</b>
Operating Expenses	-72	5.3	-142	1.3
<b>Operating Income</b>	<b>44</b>	<b>97.3</b>	<b>78</b>	<b>1.5</b>
Impairment on Financial Assets	0	-85.9	-11	n.s.
Provisions & other gains (losses)	2	-31.9	1	-41.4
<b>Income Before Tax</b>	<b>46</b>	<b>106.2</b>	<b>69</b>	<b>-26.1</b>
Income Tax	-7	-38.3	-13	-59.3
<b>Net Attributable Profit</b>	<b>39</b>	<b>237.5</b>	<b>55</b>	<b>-8.0</b>



# Corporate Center- Profit & Loss

<b>Profit &amp; Loss</b> (€m)	<b>2Q19</b>	<b>Δ (%)</b> vs 2Q18	<b>1H19</b>	<b>Δ (%)</b> vs 1H18
<b>Net Interest Income</b>	<b>-61</b>	<b>-12.8</b>	<b>-132</b>	<b>-4.1</b>
Net Fees and Commissions	-29	16.3	-44	36.6
Net Trading Income	-67	96.2	-74	27.8
Other Income & Expenses	28	-35.0	13	-65.7
<b>Gross Income</b>	<b>-129</b>	<b>49.3</b>	<b>-236</b>	<b>25.4</b>
Operating Expenses	-243	10.0	-482	11.3
<b>Operating Income</b>	<b>-372</b>	<b>21.1</b>	<b>-718</b>	<b>15.6</b>
Impairment on Financial Assets	0	1,233.2	0	355.2
Provisions & other gains (losses)	-21	36.3	-44	-43.3
<b>Income Before Tax</b>	<b>-392</b>	<b>21.7</b>	<b>-762</b>	<b>9.1</b>
Income Tax	72	29.5	156	3.9
<b>Net Attributable Profit</b>	<b>-330</b>	<b>19.5</b>	<b>-616</b>	<b>10.4</b>

# Colombia - Profit & Loss

<b>Profit &amp; Loss</b> (constant €m)	<b>2Q19</b>	<b>Δ (%)</b> vs 2Q18	<b>1H19</b>	<b>Δ (%)</b> vs 1H18
<b>Net Interest Income</b>	<b>209</b>	<b>5.1</b>	<b>418</b>	<b>3.8</b>
Net Fees and Commissions	24	2.0	46	-0.9
Net Trading Income	18	29.2	38	37.3
Other Income & Expenses	2	-55.8	10	-3.3
<b>Gross Income</b>	<b>252</b>	<b>5.2</b>	<b>512</b>	<b>5.2</b>
Operating Expenses	-88	0.4	-181	0.5
<b>Operating Income</b>	<b>164</b>	<b>8.0</b>	<b>331</b>	<b>7.9</b>
Impairment on Financial Assets	-47	-27.4	-119	0.3
Provisions & other gains (losses)	-6	-34.2	-8	-38.3
<b>Income Before Tax</b>	<b>110</b>	<b>43.2</b>	<b>204</b>	<b>16.2</b>
Income Tax	-35	70.1	-69	22.8
Non-controlling interest	-3	41.9	-5	15.4
<b>Net Attributable Profit</b>	<b>73</b>	<b>33.2</b>	<b>130</b>	<b>13.1</b>

# Peru - Profit & Loss

<b>Profit &amp; Loss</b> (constant €m)	<b>2Q19</b>	<b>Δ (%)</b> vs 2Q18	<b>1H19</b>	<b>Δ (%)</b> vs 1H18
<b>Net Interest Income</b>	<b>228</b>	<b>12.5</b>	<b>448</b>	<b>13.7</b>
Net Fees and Commissions	59	2.2	114	3.9
Net Trading Income	43	16.4	83	11.4
Other Income & Expenses	-5	-12.3	-11	31.2
<b>Gross Income</b>	<b>326</b>	<b>11.4</b>	<b>633</b>	<b>11.3</b>
Operating Expenses	-111	6.6	-224	7.3
<b>Operating Income</b>	<b>215</b>	<b>14.1</b>	<b>409</b>	<b>13.6</b>
Impairment on Financial Assets	-62	83.2	-119	34.4
Provisions & other gains (losses)	12	n.s	8	n.s
<b>Income Before Tax</b>	<b>164</b>	<b>8.2</b>	<b>298</b>	<b>10.8</b>
Income Tax	-47	7.5	-86	9.9
Non-controlling interest	-63	6.7	-114	9.9
<b>Net Attributable Profit</b>	<b>55</b>	<b>10.7</b>	<b>98</b>	<b>12.6</b>

05

# Argentina: hyperinflation adjustment

# Argentina hyperinflation adjustment

<b>Profit &amp; Loss</b> (€m)	<b>1H19</b> (reported)	<b>Hyperinflation adjustment</b>	<b>1H19</b> Ex. Hyperinflation
<b>Net Interest Income</b>	<b>526</b>	<b>35</b>	<b>492</b>
Net Fees and Commissions	86	5	81
Net Trading Income	178	17	161
Other Income & Expenses	-215	-179	-35
<b>Gross Income</b>	<b>575</b>	<b>-123</b>	<b>699</b>
Operating Expenses	-240	-25	-215
<b>Operating Income</b>	<b>335</b>	<b>-148</b>	<b>484</b>
Impairment on Financial Assets (net)	-65	-4	-61
Provisions (net) and other gains (losses)	-16	-1	-15
<b>Income Before Tax</b>	<b>254</b>	<b>-153</b>	<b>407</b>
Income Tax	-95	15	-110
Non Controlling Interest	-49	44	-93
<b>Net Attributable Profit</b>	<b>110</b>	<b>-94</b>	<b>204</b>

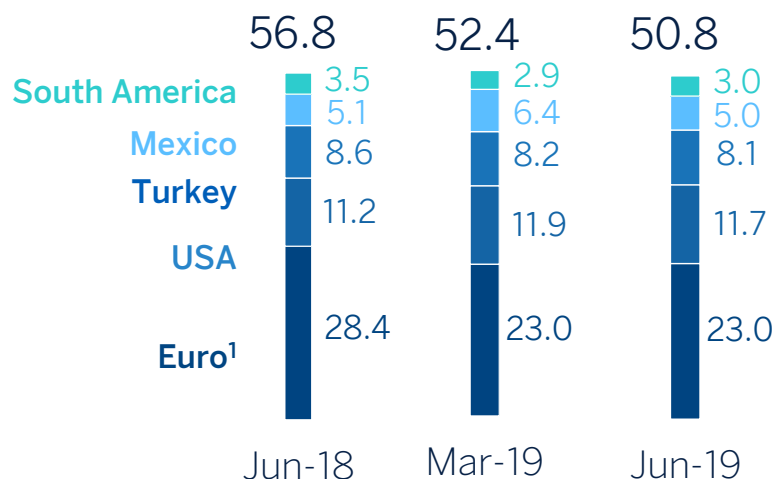
06

ALCO portfolio,  
NII Sensitivity,  
LCRs & NSFRs

# ALCO portfolio

## ALCO Portfolio breakdown by region

(€ BN)

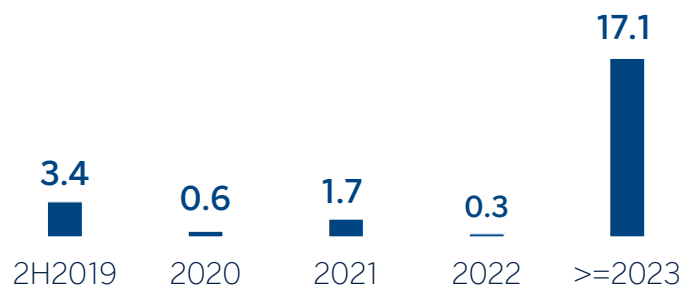


June 2019	Amort Cost (HTC)	Fair Value (HTC&S)	Fair Value duration
	(€ bn)	(€ bn)	
South America	0.1	2.9	1.5 years
Mexico	0.8	4.2	1.6 years
Turkey	4.2	3.9	3.4 years
USA	3.8	7.9	2.4 years
Euro	12.6	10.4	3.1 years
Spain	9.4	6.0	
Italy	3.0	1.6	
Rest	0.3	2.8	

(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).

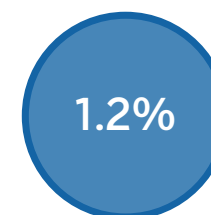
## EURO ALCO Portfolio Maturity Profile

(€ BN)



## EURO ALCO Yield

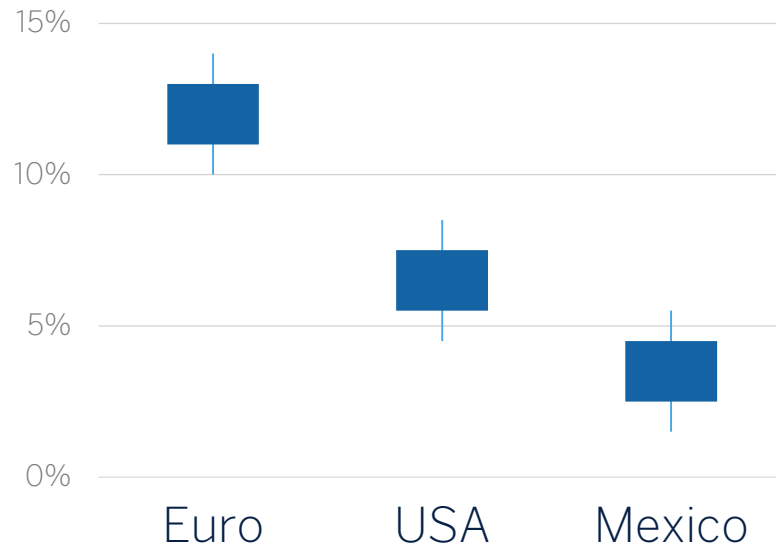
(JUN-19, %)



# NII sensitivity to interest rate movements

## Estimated impact on NII in the next 12 months to parallel interest rate movements (%)

### NII sensitivity to +100bps



### NII sensitivity to -100bps



Note: NII sensitivities calculated using our dynamic internal model with balance sheets as of May 2019. Euro NII sensitivity to upward rates includes management levers regarding deposit cost and movements from demand deposits to time deposits. Euro NII sensitivity to downward rates according to the EBA's "parallel-down" shock scenario.



# Liquidity and Funding Ratios

## BBVA Group and Subsidiaries LCRs & NSFRs

Both significantly above the 100% requirements at a Group level and in all banking subsidiaries

Jun-19

	BBVA Group	Euro	USA	Mexico	Turkey	S. Amer.
<b>LCR</b>	132% (163% <sup>1</sup> )	155%	144% <sup>2</sup>	147%	187%	well >100%
<b>NSFR</b>	121%	116%	111%	131%	151%	well >100%

(1) LCR of 132% does not consider the excess liquidity of the subsidiaries outside the Eurozone. If these liquid assets are considered the ratio would reach 163%

(2) BBVA USA LCR calculated according to local regulation (Fed Modified LCR).

07

# Garanti wholesale funding

# Turkey – Liquidity & Funding Sources

## ■ Solid liquidity position:

- Improved Total 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 ≥100% required in 2019

## ■ Limited external wholesale funding needs: USD 11.7 Bn

### FC Liquidity Buffers

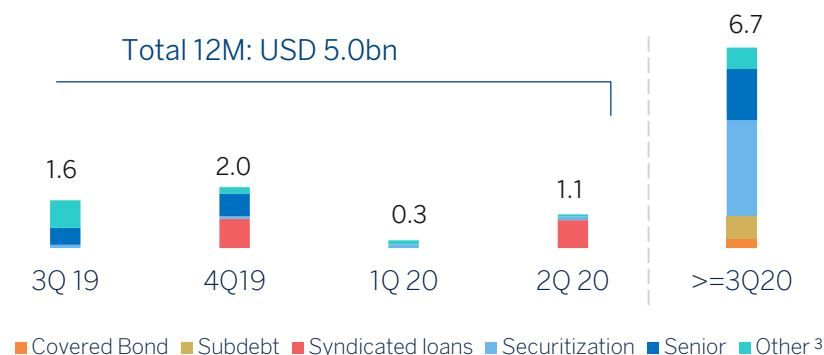
- ✓ Short Term Swaps
- ✓ Unencumbered FC securities
- ✓ FC Reserves under ROM<sup>1</sup>
- ✓ Money Market Placements

**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<sup>2</sup> (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**

08

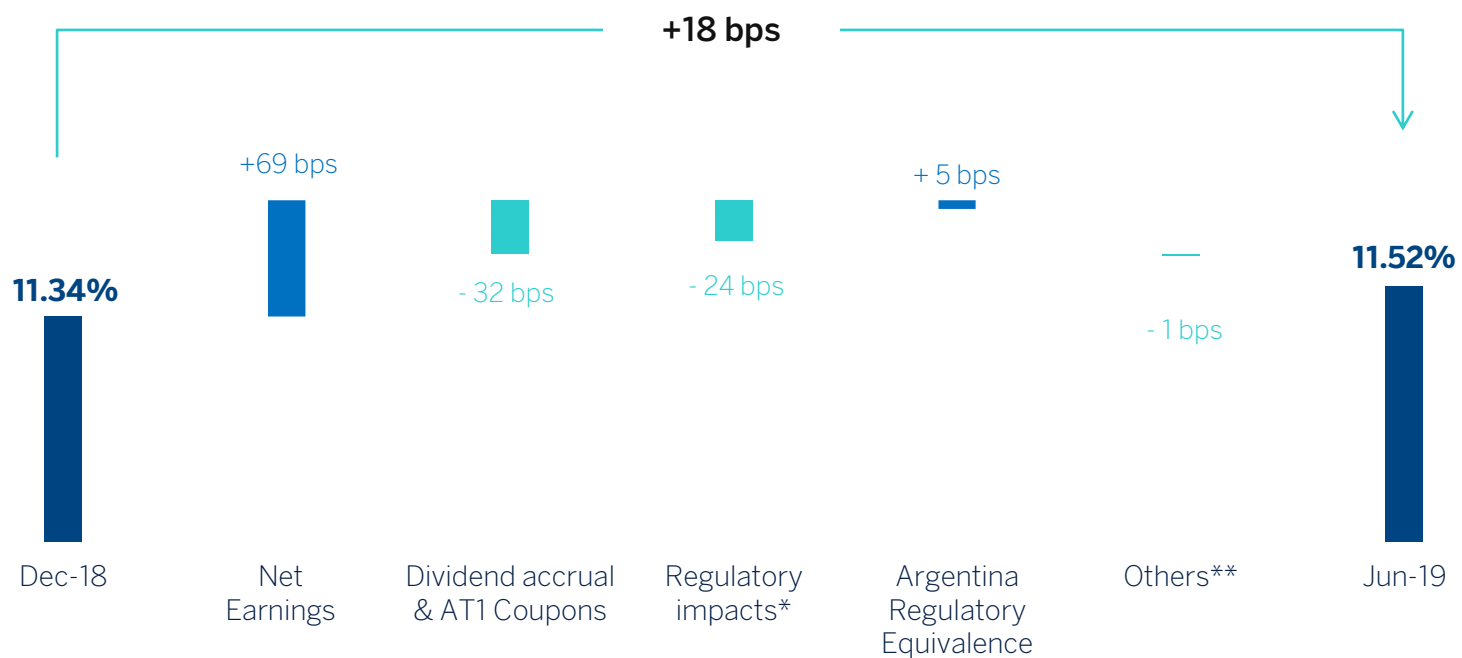
# Capital and RWAs

Capital YTD

RWAs by Business Area

# Capital YtD Evolution

## CET1 FULLY-LOADED – BBVA GROUP YTD EVOLUTION (% , BPS)



(\*) Regulatory impacts includes IFRS-16 Impact (-11 bps) & TRIMs (-13 bps)

(\*\*) Others includes mainly market related impacts (FX impact and mark to market of HTC&S portfolios) and RWAs evolution, among others

# Risk-Weighted Assets by business area

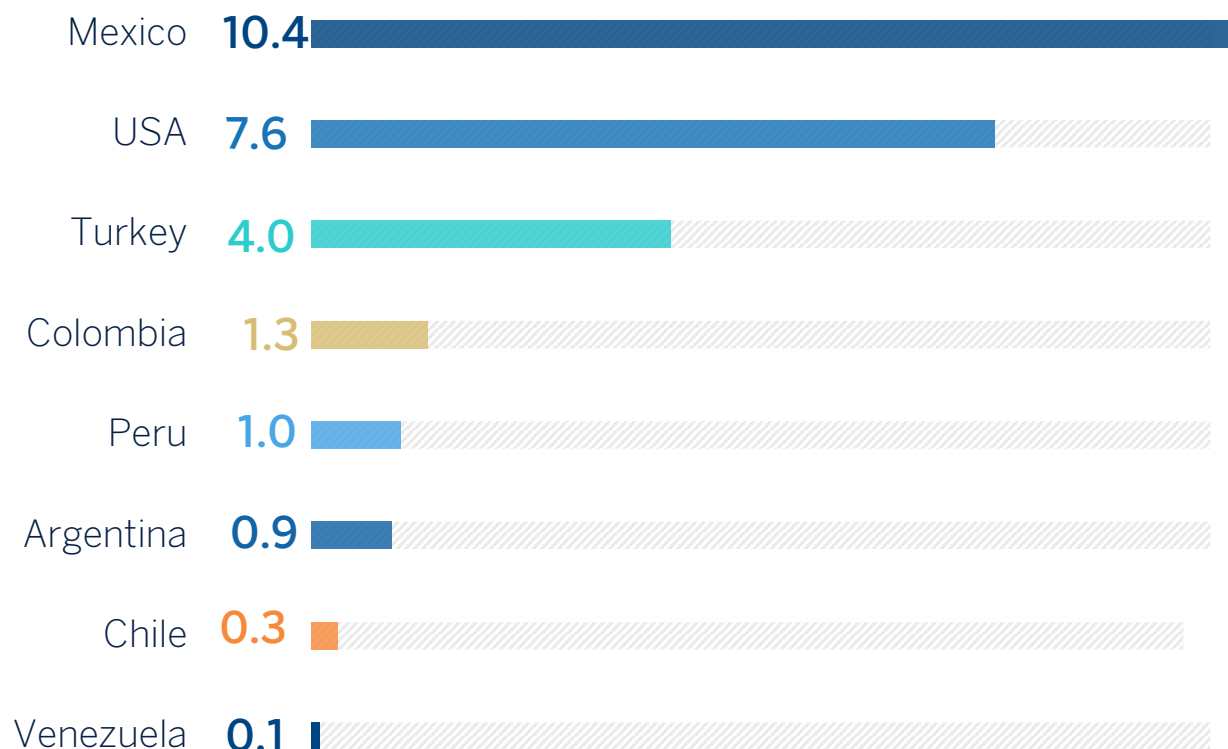
Breakdown by business area and main countries (€m)	Fully-Loaded RWAs		
	jun-19	mar-19	jun-18
Spain	107,486	107,581	108,070
USA	62,383	65,217	61,454
Turkey	57,551	58,526	58,770
Mexico	55,919	54,831	50,648
South America	43,995	44,970	55,155
Argentina	6,435	7,963	7,914
Chile	2,268	2,361	14,819
Colombia	13,778	13,671	12,983
Peru	17,715	17,135	15,368
Others	3,799	3,840	4,071
Rest of Eurasia	16,405	16,070	14,696
Corporate Center	16,825	13,978	8,314
<b>BBVA Group</b>	<b>360,563</b>	<b>361,173</b>	<b>357,107</b>

09

# Book Value of the main subsidiaries

# Book Value of the main subsidiaries<sup>1,2</sup>

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.



10

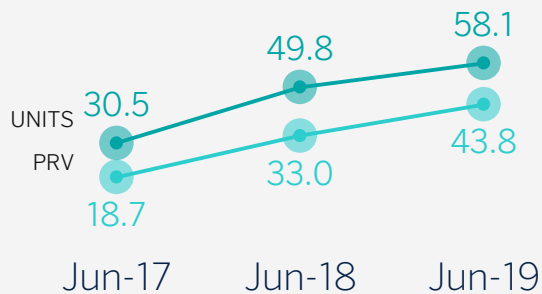
# Digital sales breakdown

# Digital sales: outstanding trend across the board

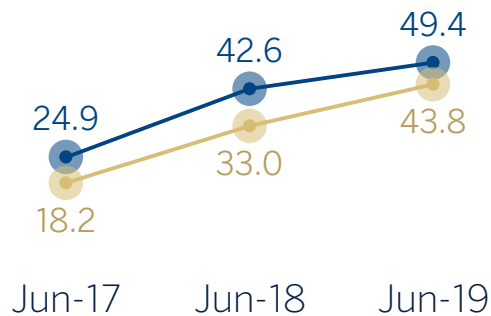
(% of total sales YtD, # of transactions and PRV<sup>1</sup>)

● UNITS ● PRV

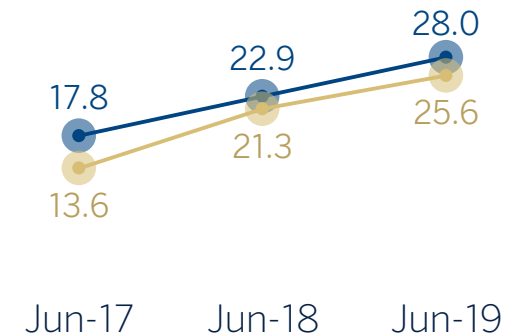
## GROUP



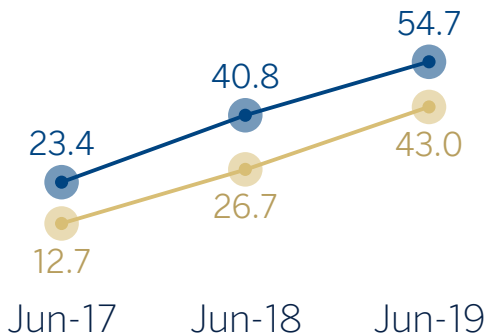
## SPAIN



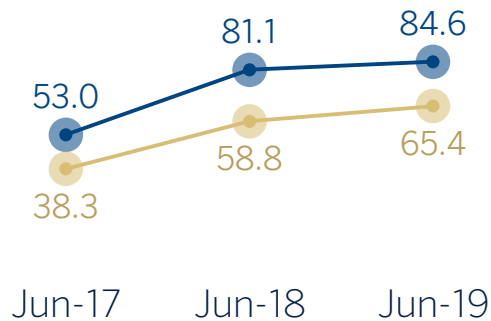
## USA<sup>2</sup>



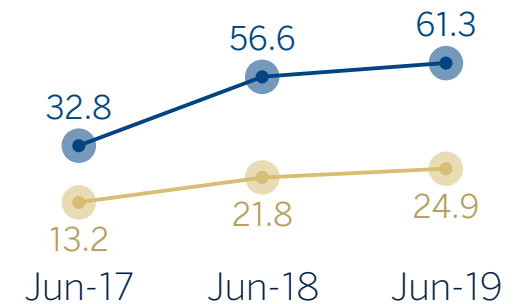
## MEXICO



## TURKEY



## SOUTH AMERICA



Figures have been restated in order to include credit card related financing solutions and FX.

Group and South America figures exclude Venezuela and Chile.

(1) Product Relative Value as a proxy of a better economic representation of units sold.

(2) Excludes ClearSpend Debit cards.

BBVA