



# BBVA 3Q16 Results

October, 27<sup>th</sup> 2016

**Carlos Torres Vila**  
Chief Executive Officer

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# 3Q16 Highlights

**Positive trend  
in core revenues  
continues**

**+5.6%**  
vs 3Q15, constant €

**One-offs in the  
quarter**

**-94 Mn€**  
Additional provisions  
for further efficiencies  
**75 Mn€**  
CNCB disposal

**Sound risk  
profile**

NPL  
ratio: **5.1%**  
Cost of risk:  
**0.9%**

**Strong capital  
generation**

**11.00%;**  
**+29 bps**  
CET1 FL vs 2Q16

**Attributable Profit**

**965 €m** (3Q16)

**+23.1%**  
(3Q16 vs. 3Q15 ex. Corp. Ops., €)

**+37.4%**  
(3Q16 vs. 3Q15 ex. Corp. Ops., € constant)

Strong quarterly results, earnings resilience

Additional restructuring charges to gain efficiency offset by higher NTI

# 3Q16 Summary

BBVA Group (€m)	3Q16	Change 3Q16/3Q15		
		%	% constant	
<b>Net Interest Income</b>	<b>4,310</b>	<b>-4.0</b>	<b>5.5</b>	✓ <b>Solid performance</b>
Net Fees and Commissions	1,207	-1.5	6.1	
Net Trading Income	577	n.s.	n.s.	✓ <b>CNCB capital gains (75 Mn€)</b>
Other Income & Expenses	104	-21.4	-43.0	
<b>Gross Income</b>	<b>6,198</b>	<b>3.6</b>	<b>12.7</b>	
Operating Expenses	-3,216	-2.7	4.3	✓ <b>Cost control efforts</b>
<b>Operating Income</b>	<b>2,982</b>	<b>11.5</b>	<b>23.3</b>	
Impairment on Financial Assets	-1,004	-6.6	0.7	✓ <b>Stable in low levels</b>
Provisions and Other Gains	-262	-15.4	-13.5	✓ <b>Lower RE impairments &amp; restructuring costs in Spain</b>
<b>Income Before Tax</b>	<b>1,716</b>	<b>33.1</b>	<b>52.8</b>	
Income Tax	-465	58.4	n.s.	
<b>NI ex Corporate Operations</b>	<b>1,251</b>	<b>25.6</b>	<b>39.8</b>	
Corporate Operations Income	0	n.s.	n.s.	
Non-controlling Interest	-286	35.0	48.5	
<b>Net Attributable Profit</b>	<b>965</b>	<b>n.s.</b>	<b>n.s.</b>	
<b>Net Attributable Profit</b> (ex corporate operations)	<b>965</b>	<b>23.1</b>	<b>37.4</b>	

# Earnings Well-Diversified Footprint

Net Attributable Profit ex Corporate Operations  
 3Q16 vs. 3Q15 breakdown; (€m constant; %)

**BBVA**


BBVA Group	975	+37.4%
Spain*	211	+50.1%
United States	120	+2.3%
Turkey	141	+91.5%
Mexico	486	+13.0%
South America	179	-7.4%
Rest of Eurasia	26	+11.8%
Corporate Centre ex Corp Op.	-186	-30.3%

(\*) Spain includes banking and Real Estate activities.

# 9M16 Summary

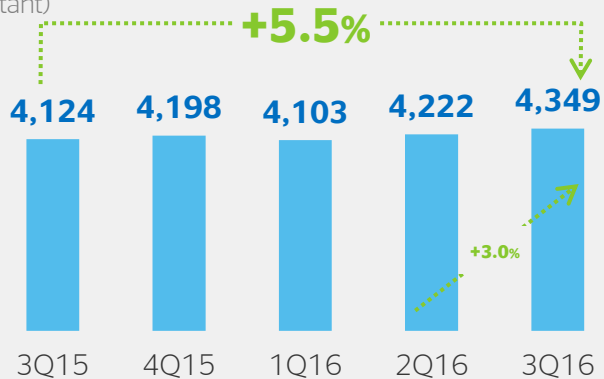
**TOTAL GROUP WITH  
LIKE-FOR-LIKE BASIS**

BBVA Group (€m)	9M16	Change 9M16/9M15		Change 9M16/9M15		
		%	% constant	%	% constant	
<b>Net Interest Income</b>	<b>12,674</b>	<b>5.5</b>	<b>18.1</b>	<b>-4.6</b>	<b>7.0</b>	✓ <b>Solid performance</b>
Net Fees and Commissions	3,557	3.3	12.5	-4.8	4.0	
Net Trading Income	1,753	12.5	24.3	17.4	29.5	
Other Income & Expenses	446	-14.8	-20.3	-18.9	-23.5	✓ <b>SRF contribution (122 Mn€ in 2Q16)</b>
<b>Gross Income</b>	<b>18,431</b>	<b>5.1</b>	<b>16.2</b>	<b>-3.3</b>	<b>7.1</b>	
Operating Expenses	-9,549	5.8	14.8	-1.4	7.4	✓ <b>Ongoing cost control efforts</b>
<b>Operating Income</b>	<b>8,882</b>	<b>4.4</b>	<b>17.7</b>	<b>-5.3</b>	<b>6.9</b>	
Impairment on Financial Assets	-3,114	-5.1	3.7	-10.9	-2.4	✓ <b>Reduction in Spain</b>
Provisions and Other Gains	-661	-25.8	-21.8	-25.7	-21.7	✓ <b>Lower RE impairments</b>
<b>Income Before Tax</b>	<b>5,107</b>	<b>17.8</b>	<b>38.2</b>	<b>2.2</b>	<b>19.5</b>	
Income Tax	-1,385	24.9	53.4	11.4	35.8	
<b>NI ex Corporate Operations</b>	<b>3,722</b>	<b>15.4</b>	<b>33.2</b>	<b>-0.9</b>	<b>14.4</b>	
Corporate Operations Income	0	n.s.	n.s.	n.s.	n.s.	
Non-controlling Interest	-925	n.s.	n.s.	11.0	26.8	
<b>Net Attributable Profit</b>	<b>2,797</b>	<b>64.3</b>	<b>n.s.</b>	<b>54.7</b>	<b>98.1</b>	
<b>Net Attributable Profit (ex corporate operations)</b>	<b>2,797</b>	<b>-0.6</b>	<b>15.0</b>	<b>-4.2</b>	<b>10.8</b>	✓ <b>Negative FX impact</b>

# EARNINGS Gross Income

## Net Interest Income

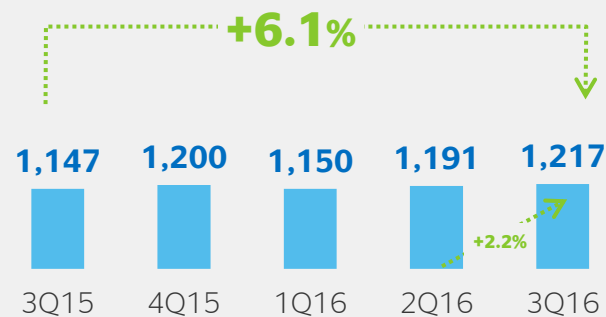
(€m constant)



**Growth trend maintained**

## Fees

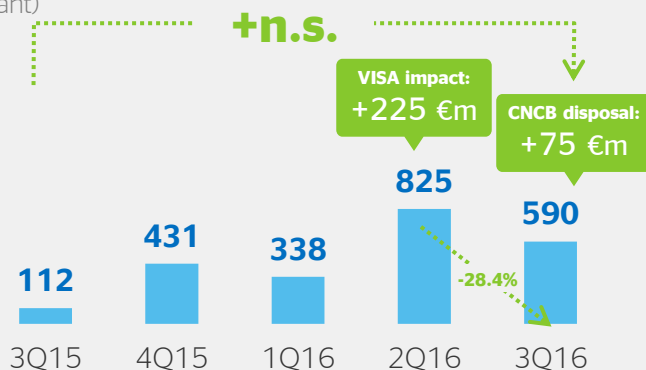
(€m constant)



**Supported by emerging markets**

## Net Trading Income

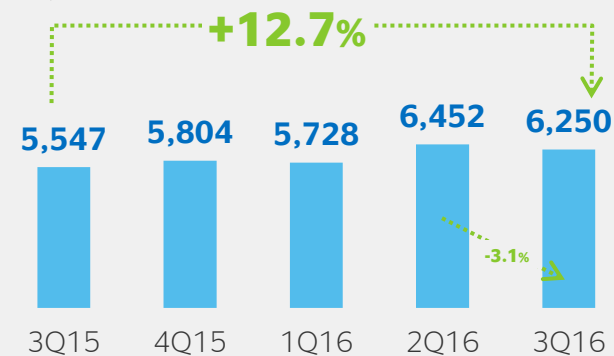
(€m constant)



**Strong NTI in the quarter**

## Gross Income

(€m constant)

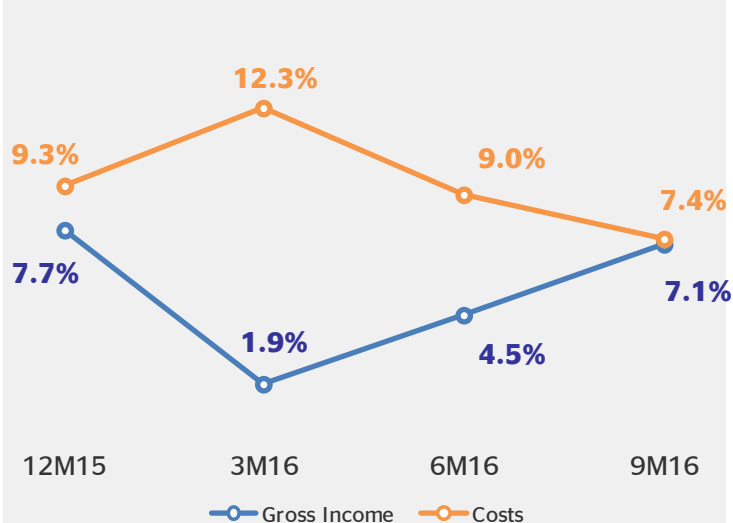


**Supported by core revenues**

# EARNINGS Operating Expenses

## Group Operating Jaws

YTD (%); (€m constant)



## Illustrative Measures

### SPAIN:

- ✓ CX merger and 436 branches closed
- ✓ 100 additional branches will be closed
- ✓ Estimated -2,000 exits in the year
- ✓ Teller staffing optimization
- ✓ Reengineering at Recoveries and SMEs back office

### CORPORATE CENTRE:

- ✓ IT efficiency: partnerships and strategic collaborations with Cisco, Red Hat, Amazon Web Services
- ✓ Optimizing corporate building resources

### US:

- ✓ CIB business review: streamlining organizational structure

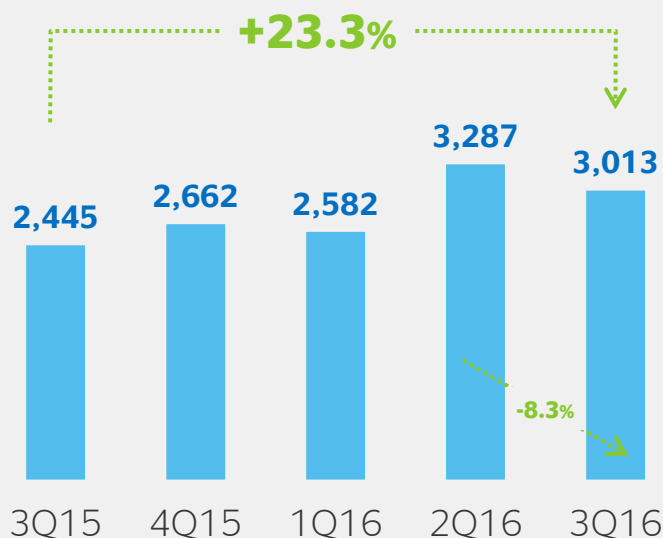
- ✓ Ongoing cost control efforts
- ✓ Efficiency improvement
- ✓ CX merger successfully completed in September
- ✓ Additional efforts €94 Mn offset at the bottom-line with NTI gains in the quarter



# EARNINGS Operating Income






## 3Q16 vs. 3Q15

(€m constant)



## 3Q16 vs. 3Q15

(€m constant)

	Spain*	<b>-6.2%</b>
	United States	<b>+14.5%</b>
	Turkey	<b>+81.1%</b>
	Mexico	<b>+12.4%</b>
	South America	<b>+3.2%</b>

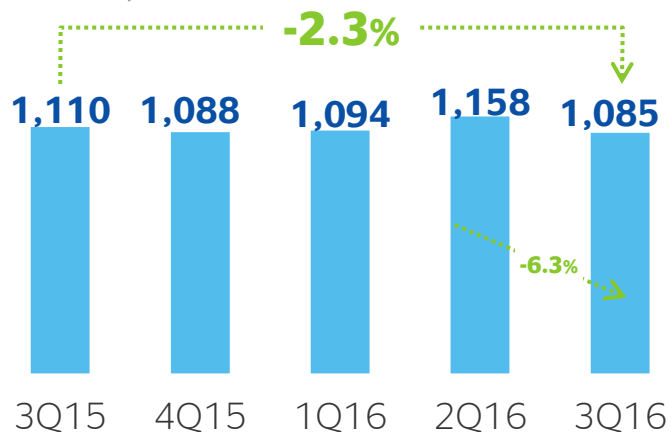
Growth in all areas except Spain

(\*) Spain includes banking and Real Estate activities.

# RISK Sound Asset Quality

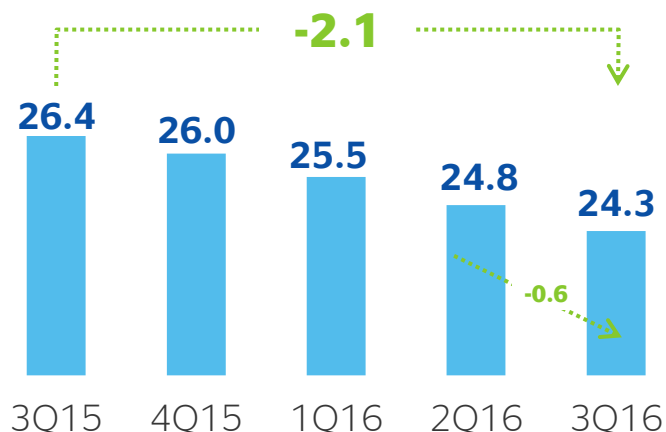
## Financial Assets & RE Impairments

(€m constant)



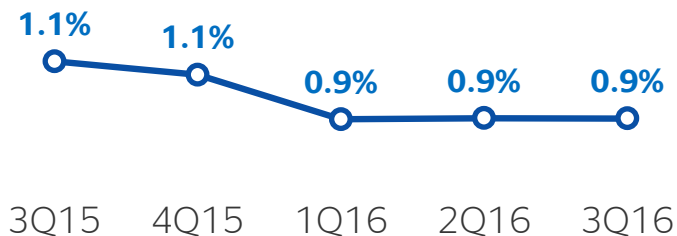
## NPLs

(€bn)



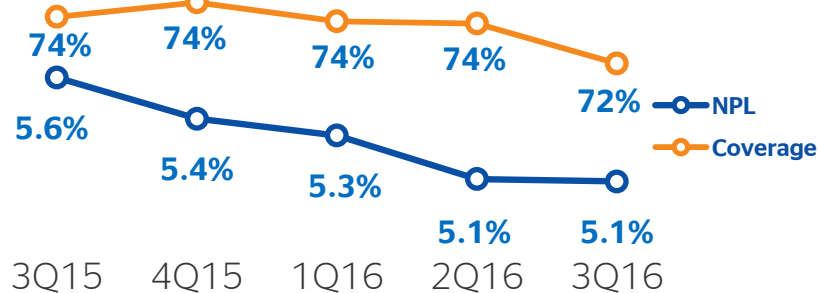
## Cost of risk

YTD (%)



## NPL & Coverage ratio

(%)

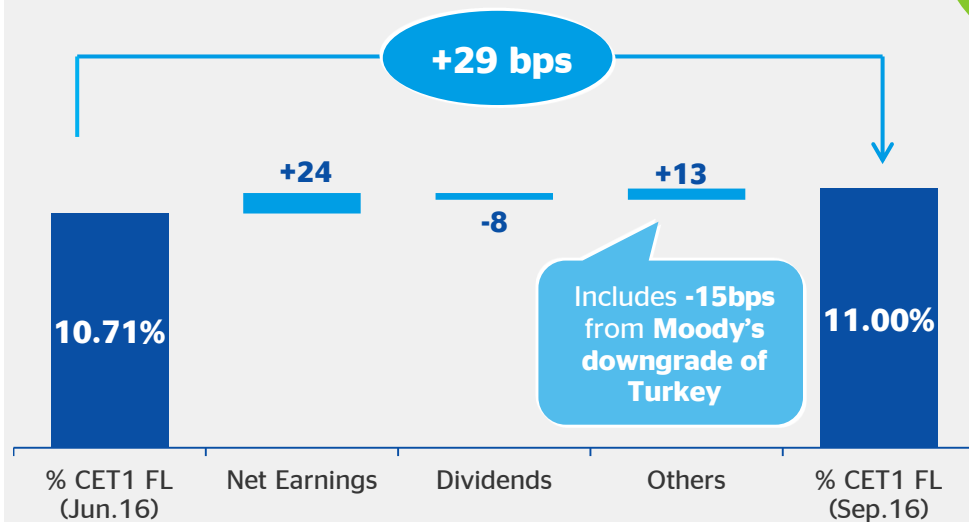


Stronger than expected evolution of risk indicators

# CAPITAL Strong Capital Ratios

## CET1 fully-loaded BBVA Group

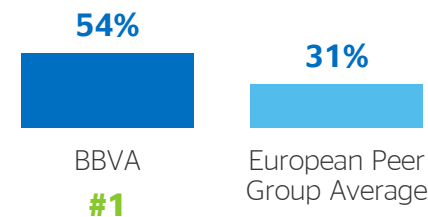
(%,bps)



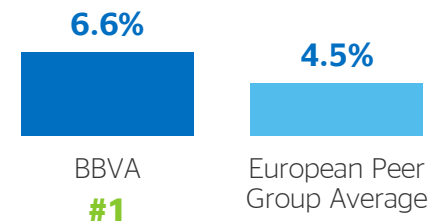
CET1 phased-in:  
**12.26%**

## High quality capital

### RWAs/ Total Assets



### Leverage ratio



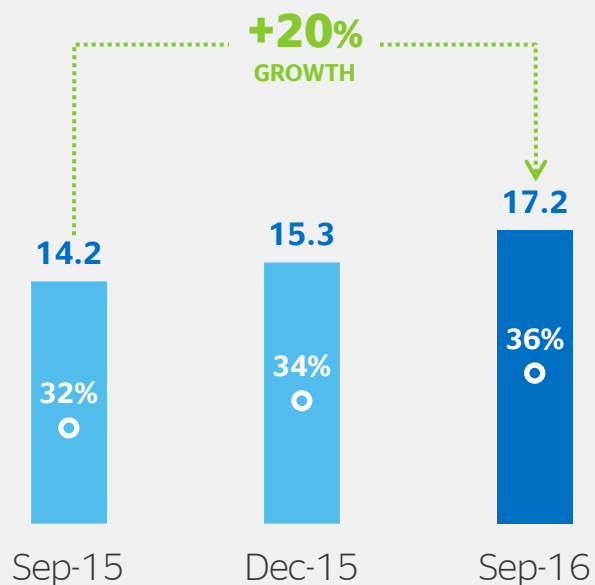
CET1 FL 11% target achieved before 2017  
AT1 and T2 buckets already covered

European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCG. European Peer Group figures as of June.  
\*Others includes among others negative impact of downgrade in Turkey, market related impacts (FX and AFS portfolio) and capital allocation measures.

# Growing our Digital Customer Base

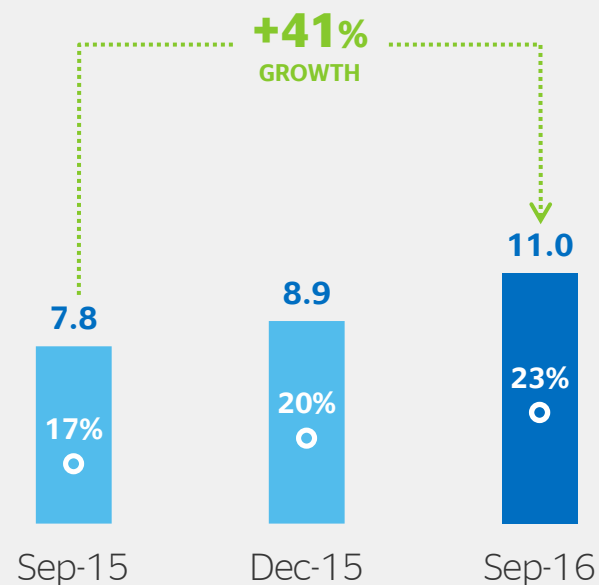
## Digital Customers\* BBVA Group

(Million, % penetration)



## Mobile Customers\* BBVA Group

(Million, % penetration)



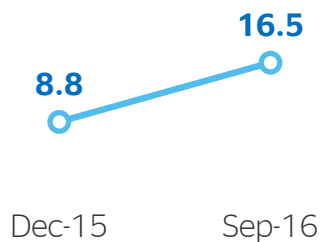
(\*) Spain, Turkey, Argentina, Chile, Colombia, Venezuela, Paraguay and Uruguay data as of August 2016. Peru data as of July 2016.

# Driving Digital Sales Across All Franchises

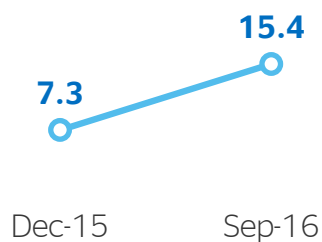
## Digital Sales

(% of total sales YtD, # of transactions)

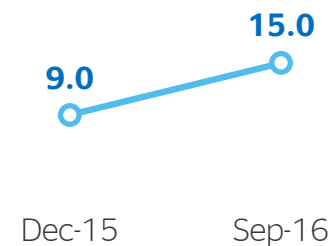
### Spain



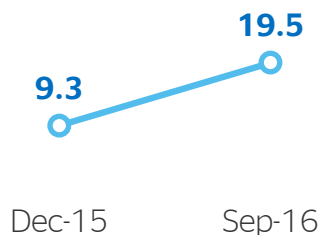
### Mexico



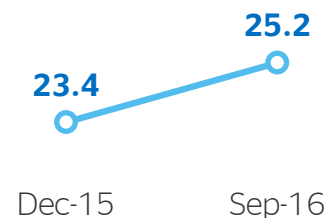
### South America\*



### USA



### Turkey



(\*) Uruguay's September data not updated (August figures considered)

Note: Figures have been restated

# Customer Experience Improvement

## Customer Experience

### RELATIONSHIP MODEL

- ✓ Remote Managers (Mexico)
- ✓ Mobile Appointment (Turkey)
- ✓ Step: Tablet-Based Relationship Platform (Turkey)
- ✓ Online Feedback - Opinador (Argentina)
- ✓ Experiencia Única Launch (Peru)

### PRODUCTS & FUNCIONALITIES

- ✓ Mobile to Mobile Transfer (Spain)
- ✓ Digital Insurance Cross Sell (Mexico)
- ✓ Signature Express Loan (USA)
- ✓ SME Simple Credit Renovations (Mexico)
- ✓ BBVA Valora (Spain)
- ✓ Personal Financial and Expense Manager (Spain and Mexico)
- ✓ External Account Aggregation (USA)
- ✓ Pricing Model - Cotiza (Peru)
- ✓ Mobile Notification Online Banking (Turkey)

# Business Areas



# SPAIN BANKING ACTIVITY Highlights

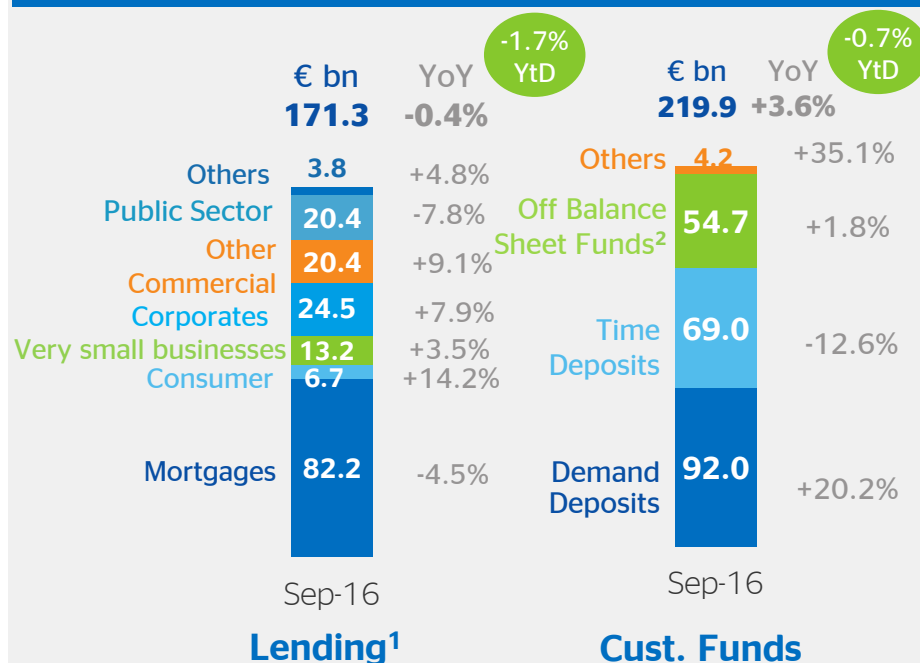


## P&L

Spain Banking Activity (€m)	3Q16	Change	Change	9M16	Change
		3Q16/3Q15	3Q16/2Q16		9M16/9M15
		%	%		%
<b>Net Interest Income</b>	<b>969</b>	<b>-5.0</b>	<b>-1.9</b>	<b>2,911</b>	<b>-2.9</b>
Net Fees and Commissions	370	-9.5	-2.2	1,141	-6.4
Net Trading Income	223	60.1	-29.0	613	-24.6
Other Income & Expenses	115	6.5	n.s.	304	-13.7
<b>Gross Income</b>	<b>1,677</b>	<b>0.0</b>	<b>-3.2</b>	<b>4,970</b>	<b>-7.7</b>
Operating Expenses	-910	-1.1	1.4	-2,710	6.6
<b>Operating Income</b>	<b>767</b>	<b>1.4</b>	<b>-8.2</b>	<b>2,260</b>	<b>-20.5</b>
Impairment on Financial Assets (net)	-212	-30.0	-15.5	-721	-33.2
Provisions (net) and other gains (losses)	-125	30.2	n.s.	-212	-42.3
<b>Income Before Tax</b>	<b>430</b>	<b>20.4</b>	<b>-22.5</b>	<b>1,327</b>	<b>-5.1</b>
Income Tax	-113	12.8	-33.2	-390	-4.6
<b>Net Attributable Profit</b>	<b>317</b>	<b>23.8</b>	<b>-17.6</b>	<b>936</b>	<b>-5.2</b>

- NII impacted by lower activity and lower ALCO contribution
- Negative trend in fees and commissions
- Continuous cost control. Additional restructuring charge in 3Q16 to improve efficiency (53 €m)
- Significant decrease in loan-loss provisions

## Activity



- Growth in commercial not offsetting deleveraging in mortgages and public sector
- Focus on profitable growth

(1) Performing loans under management. (2) Includes mutual funds, pension funds and other off balance sheet funds.

Note: Activity excludes repos



# SPAIN BANKING ACTIVITY Key Ratios

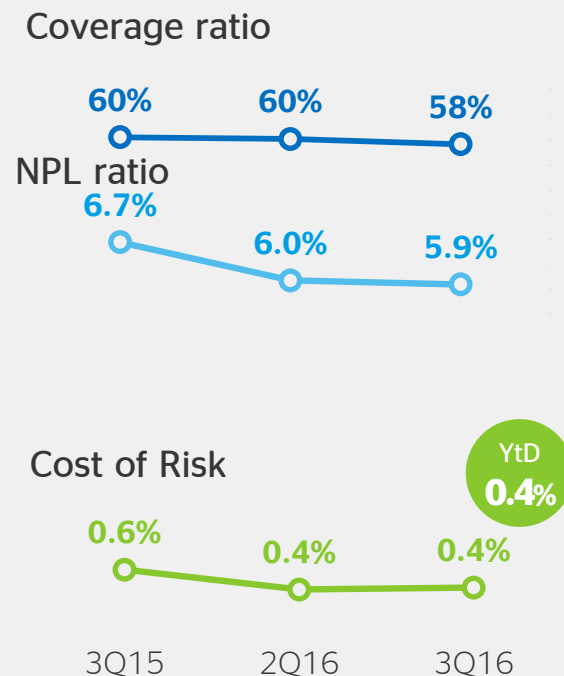


## Customer Spread



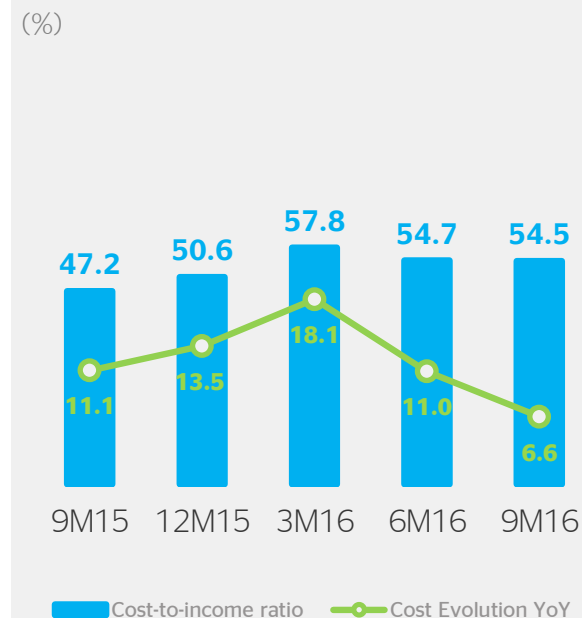
- Active price management in a low interest rate environment
- Lending yield: Small Euribor repricing pending
- Cost of deposits: Still room for improvement

## Risk Indicators



- YtD cost of risk evolution better than guidance
- NPLs flows progressively improving (-15% vs 3Q15 and -4% vs 2Q16)

## Efficiency



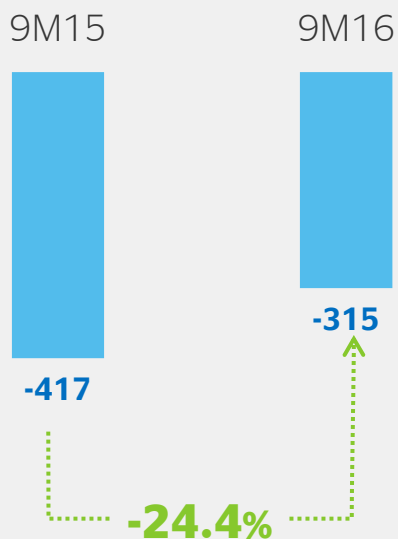
- Evolution affected by CX
- € 200 Mn cost synergies from CX, achievable in 2017 (i.e. 6% of current cost base)
- Ongoing efficiency initiatives

# SPAIN REAL ESTATE ACTIVITY Highlights



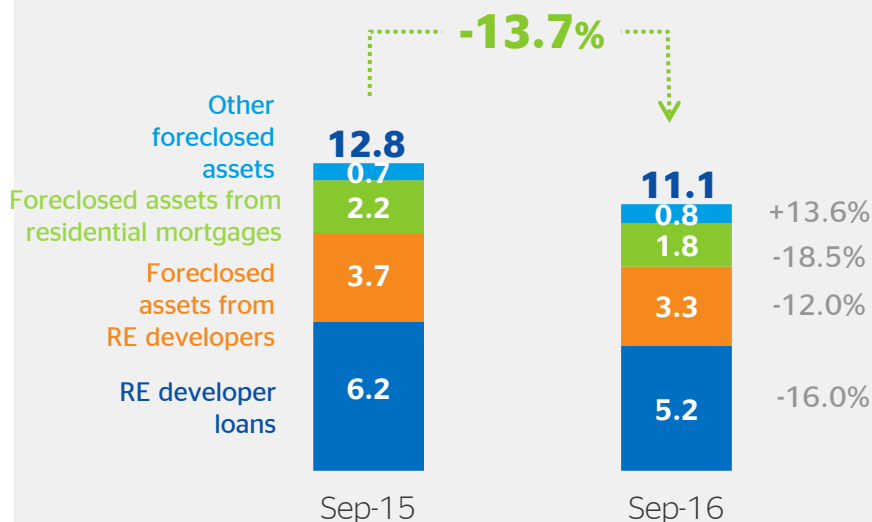
## Net attributable profit

(€m)



## Net exposure

(€bn)



- Positive market trends (prices<sup>1</sup> +2.0% and demand<sup>2</sup> YtD +13.2%)
- Lower P&L negative impact

- Ongoing exposure reduction

Note: Net exposure according to Bank of Spain's "RE" transparency scope" (Circular 5-2011). This perimeter does not include the effect of portfolio transfer from RE to Spain Banking Activity

(1) Data of Notary Public Register Jun.16 vs Jun.15

(2) Data of Notary Public Register Aug 8M16 vs 8M15.

# TOTAL SPAIN Results



Total Spain (€m)	3Q16	Change	Change	9M16	Change
		3Q16/3Q15	3Q16/2Q16		9M16/9M15
		%	%		%
<b>Net Interest Income</b>	<b>971</b>	<b>-8.5</b>	<b>-3.2</b>	<b>2,955</b>	<b>-2.5</b>
Net Fees and Commissions	373	-9.2	-1.8	1,146	-6.2
Net Trading Income	222	57.7	-29.3	612	-25.0
Other Income & Expenses	72	-20.1	n.s.	228	-18.5
<b>Gross Income</b>	<b>1,637</b>	<b>-3.8</b>	<b>-5.5</b>	<b>4,941</b>	<b>-7.6</b>
Operating Expenses	-935	-1.9	0.3	-2,802	6.3
<b>Operating Income</b>	<b>702</b>	<b>-6.2</b>	<b>-12.2</b>	<b>2,140</b>	<b>-21.1</b>
Impairment on Financial Assets (net)	-253	-31.0	-12.5	-846	-32.7
Provisions (net) and other gains (losses)	-174	-10.3	80.6	-410	-38.1
<b>Income Before Tax</b>	<b>275</b>	<b>45.8</b>	<b>-33.6</b>	<b>884</b>	<b>11.4</b>
Income Tax	-64	38.7	-48.2	-261	19.0
<b>Net Attributable Profit</b>	<b>211</b>	<b>50.1</b>	<b>-27.2</b>	<b>621</b>	<b>8.8</b>

# USA Highlights



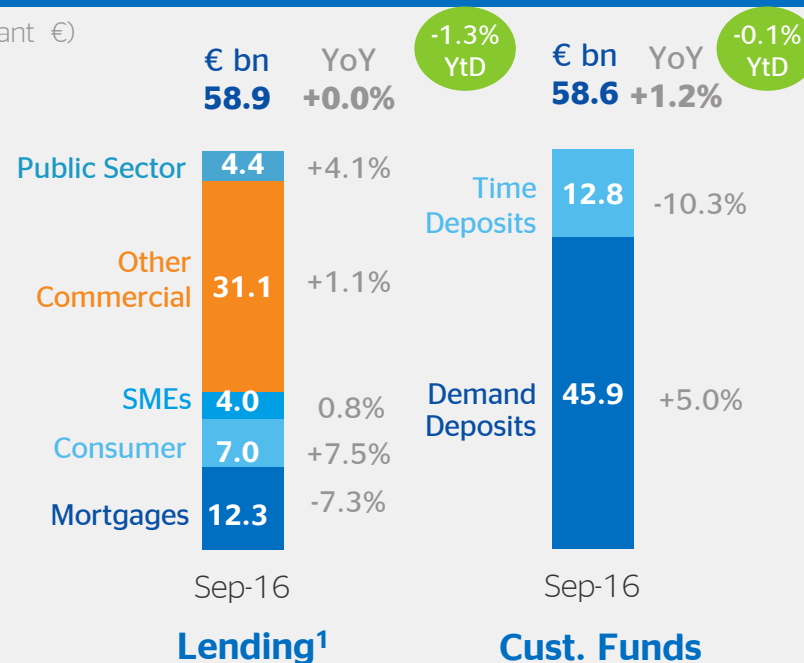
## P&L

USA (constant €m)	3Q16	Change	Change	9M16	Change
		3Q16/3Q15	3Q16/2Q16		9M16/9M15
		%	%		%
<b>Net Interest Income</b>	<b>483</b>	<b>5.5</b>	<b>3.5</b>	<b>1,421</b>	<b>6.1</b>
Net Fees and Commissions	171	12.0	6.6	477	1.8
Net Trading Income	23	-34.3	-51.2	117	-18.1
Other Income & Expenses	-1	-77.0	-69.4	-9	n.s.
<b>Gross Income</b>	<b>676</b>	<b>5.7</b>	<b>0.9</b>	<b>2,005</b>	<b>2.3</b>
Operating Expenses	-460	2.0	1.6	-1,365	2.5
<b>Operating Income</b>	<b>216</b>	<b>14.5</b>	<b>-0.5</b>	<b>640</b>	<b>1.8</b>
Impairment on Financial Assets (net)	-52	n.s.	-5.3	-201	n.s.
Provisions (net) and other gains (losses)	-5	0.0	n.s.	-41	n.s.
<b>Income Before Tax</b>	<b>159</b>	<b>0.0</b>	<b>-4.0</b>	<b>398</b>	<b>-26.2</b>
Income Tax	-39	-6.4	8.0	-101	-31.3
<b>Net Attributable Profit</b>	<b>120</b>	<b>2.3</b>	<b>-7.4</b>	<b>298</b>	<b>-24.3</b>

- NII growth due to improvement in customer spread
- Fee revenue increase in the quarter due to CIB
- Loan-loss provisions positive evolution

## Activity

(constant €)



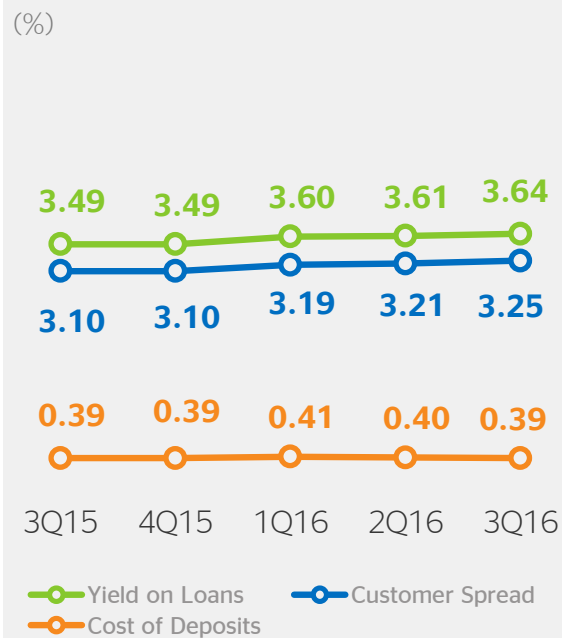
- Focus on profitability
- Deposit mix improving

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

# USA Key Ratios



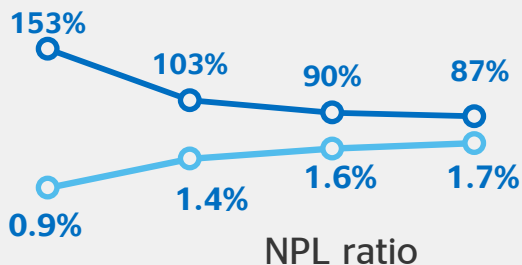
## Customer Spread\*



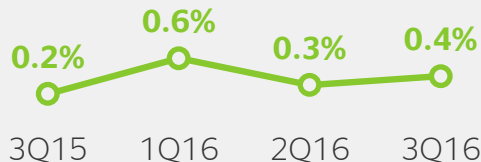
- Positive evolution on the back of interest rate hike
- Yield reflecting focus on profitability

## Risk Indicators

### Coverage ratio



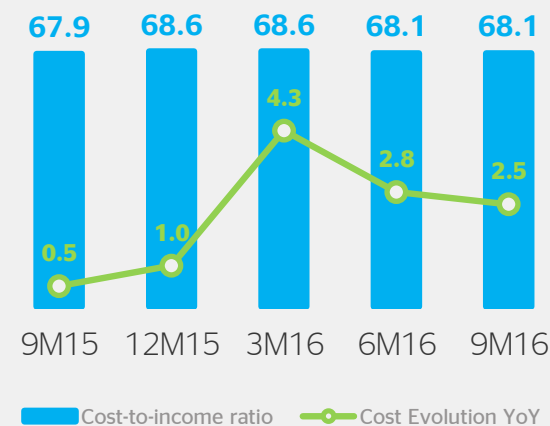
### Cost of Risk



- YtD cost of risk evolution better than 2016 guidance (55 bps)

## Efficiency

(constant €, %)



- Management focus on cost control

(\*)It refers to USA ex NY business activity

# TURKEY Highlights



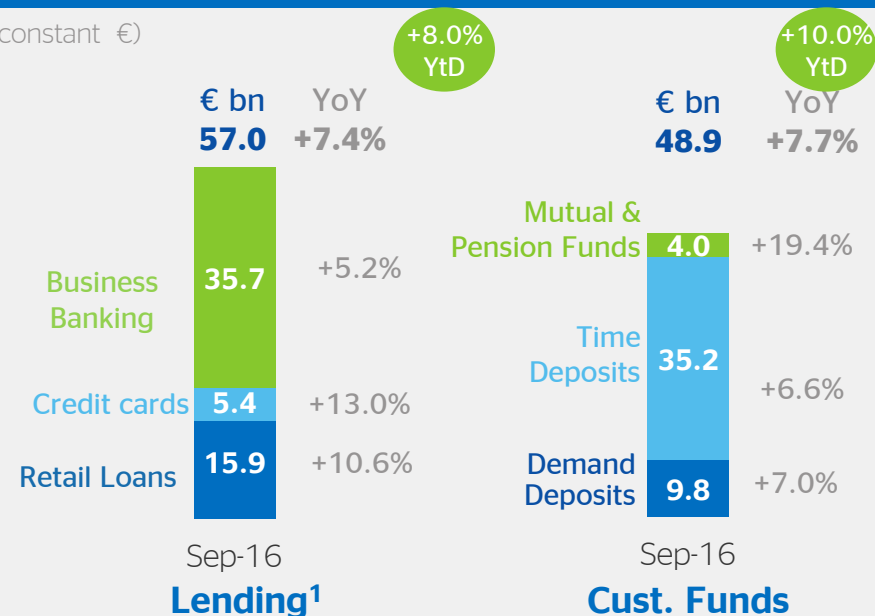
## P&L

Turkey (constant €m)	3Q16	Change	Change	9M16	Change
		3Q16/3Q15	3Q16/2Q16		9M16/9M15
		%	%		%
<b>Net Interest Income</b>	<b>918</b>	<b>11.2</b>	<b>10.8</b>	<b>2,516</b>	<b>8.9</b>
Net Fees and Commissions	187	19.5	-11.1	578	15.6
Net Trading Income	-3	-98.6	n.s.	124	n.s.
Other Income & Expenses	10	-21.7	-45.4	38	-14.0
<b>Gross Income</b>	<b>1,113</b>	<b>39.6</b>	<b>-5.3</b>	<b>3,255</b>	<b>26.2</b>
Operating Expenses	-446	4.0	8.8	-1,274	6.5
<b>Operating Income</b>	<b>667</b>	<b>81.1</b>	<b>-12.8</b>	<b>1,981</b>	<b>43.2</b>
Impairment on Financial Assets (net)	-168	19.5	-6.1	-468	20.3
Provisions (net) and other gains (losses)	-40	n.s.	n.s.	-38	n.s.
<b>Income Before Tax</b>	<b>459</b>	<b>n.s.</b>	<b>-23.0</b>	<b>1,475</b>	<b>48.2</b>
Income Tax	-102	n.s.	-10.7	-304	56.0
Non-controlling Interest	-216	90.1	-25.8	-708	46.8
<b>Net Attributable Profit</b>	<b>141</b>	<b>91.5</b>	<b>-26.0</b>	<b>464</b>	<b>45.7</b>

- NII growth due to price management and activity
- Solid revenue growth
- Management focus on cost control

## Activity

(constant €)



- Growth decelerating
- Focus on profitable retail segments

(1) Performing loans under management.

Note: Activity excludes repos.

Note: Turkey is like-for-like basis, which considers the additional stake in Garanti accounted by the full consolidation method from 01/01/15 vs 01/07/15 deal closing.

# TURKEY Key Ratios



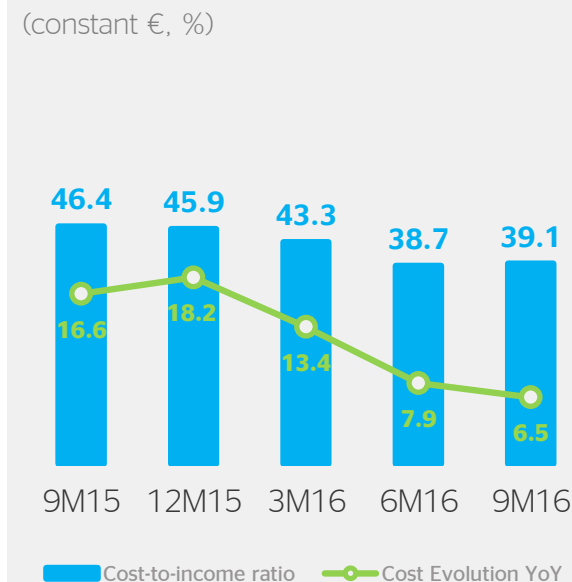
## Customer Spread



## Risk Indicators



## Efficiency



- Excellent price management
- Lower interest rates support customer spread evolution

- Sound asset quality indicators
- Cost of risk trend as expected

- Cost growth below inflation (7.3%)
- Positive trend in cost evolution, despite including Brandname amortization since July 2015 in third quarter

# MEXICO Highlights

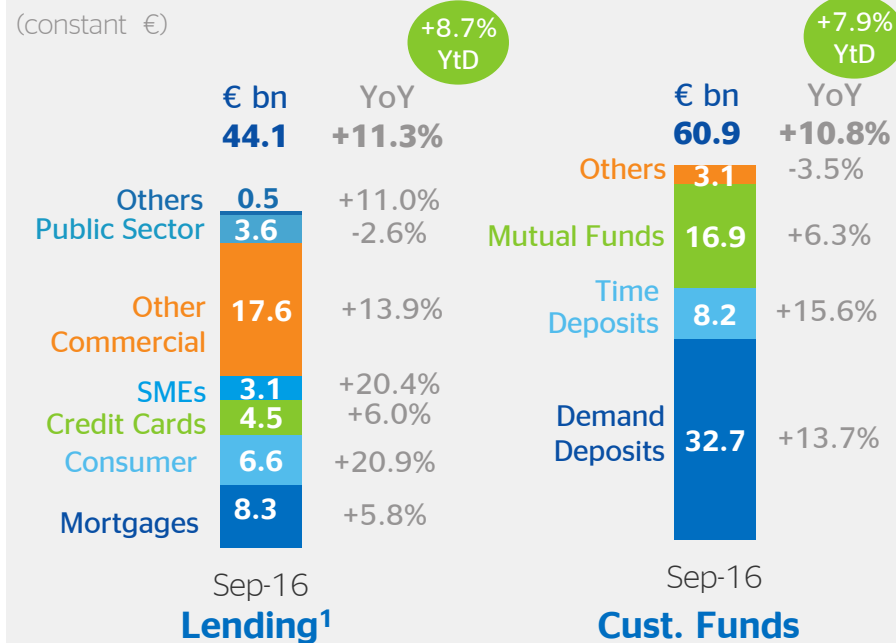


## P&L

Mexico (constant €m)	3Q16	Change		9M16	Change	
		3Q16/3Q15	3Q16/2Q16		9M16/9M15	%
		%	%		%	
<b>Net Interest Income</b>	<b>1,305</b>	<b>11.9</b>	<b>2.9</b>	<b>3,829</b>	<b>11.8</b>	
Net Fees and Commissions	301	14.6	6.3	849	11.4	
Net Trading Income	45	-13.4	-16.1	141	-1.3	
Other Income & Expenses	33	-35.1	-36.8	132	-11.4	
<b>Gross Income</b>	<b>1,684</b>	<b>10.0</b>	<b>1.6</b>	<b>4,952</b>	<b>10.6</b>	
Operating Expenses	-612	5.9	2.3	-1,795	7.9	
<b>Operating Income</b>	<b>1,071</b>	<b>12.4</b>	<b>1.3</b>	<b>3,157</b>	<b>12.2</b>	
Impairment on Financial Assets (net)	-420	14.4	3.8	-1,198	11.8	
Provisions (net) and other gains (losses)	8	n.s.	n.s.	-16	-49.8	
<b>Income Before Tax</b>	<b>659</b>	<b>16.3</b>	<b>1.7</b>	<b>1,943</b>	<b>13.5</b>	
Income Tax	-174	26.6	3.1	-501	20.1	
<b>Net Attributable Profit</b>	<b>486</b>	<b>13.0</b>	<b>1.3</b>	<b>1,441</b>	<b>11.4</b>	

- Top-line double digit growth translated into net profit
- Good year in fees supported by credit cards and cash management
- Maintaining our commitment to deliver positive jaws in the year

## Activity



- Double digit growth despite certain activity slowdown
- Focus on profitable growth in an increasingly competitive environment
- Growth driven by consumer and SMEs
- Excellent deposit mix

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



# MEXICO Key Ratios



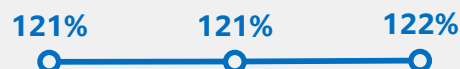
## Customer Spread



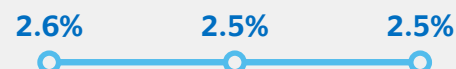
- Interest rate hikes not completely translated into yield on loans due to competitive dynamics

## Risk Indicators

### Coverage ratio



### NPL ratio



### Cost of Risk

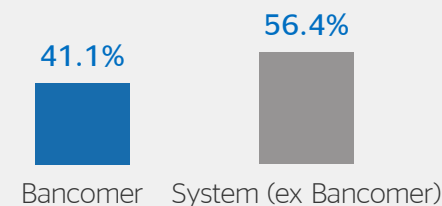


- Cost of risk increase linked to the evolution of consumer and SMEs
- Cost of risk evolution in line with 2016 guidance

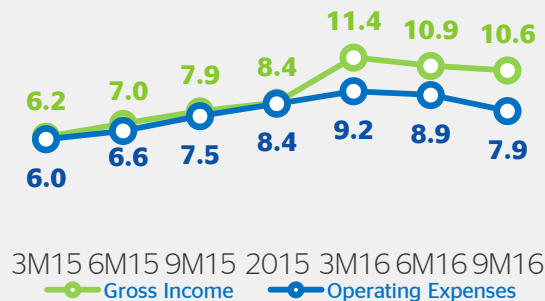
## Efficiency

(constant €, %)

### Cost to income ratio<sup>(1)</sup>



### Operating Jaws



- Bancomer excellent efficiency vs peers
- Jaws turning positive from flat in 2015

(1) Figures as of August, 2016 according to local data (Source: CNBV)

# SOUTH AMERICA Highlights

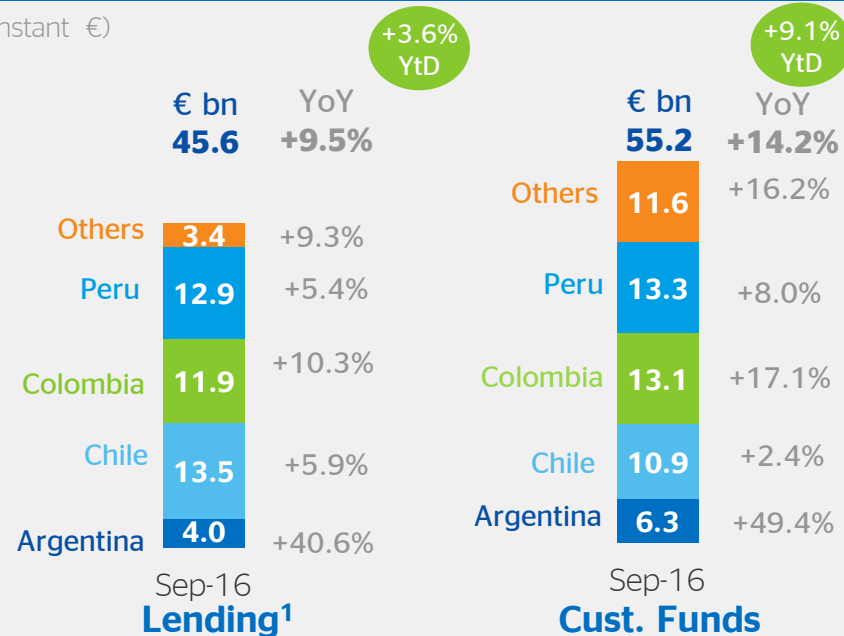


## P&L

South America (constant €m)	3Q16	Change	Change	9M16	Change
		3Q16/3Q15	3Q16/2Q16		9M16/9M15
		%	%		%
<b>Net Interest Income</b>	<b>740</b>	<b>10.9</b>	<b>1.7</b>	<b>2,182</b>	<b>12.8</b>
Net Fees and Commissions	172	15.3	8.1	471	10.5
Net Trading Income	137	47.7	-16.9	444	54.8
Other Income & Expenses	-34	n.s.	-8.1	-81	n.s.
<b>Gross Income</b>	<b>1,015</b>	<b>10.4</b>	<b>0.1</b>	<b>3,016</b>	<b>12.7</b>
Operating Expenses	-489	19.4	6.0	-1,410	18.7
<b>Operating Income</b>	<b>526</b>	<b>3.2</b>	<b>-4.9</b>	<b>1,606</b>	<b>7.9</b>
Impairment on Financial Assets (net)	-137	9.0	20.3	-383	0.6
Provisions (net) and other gains (losses)	5	n.s.	n.s.	-27	9.6
<b>Income Before Tax</b>	<b>394</b>	<b>5.9</b>	<b>-7.3</b>	<b>1,196</b>	<b>10.5</b>
Income Tax	-144	32.0	0.7	-408	36.5
Non-controlling Interest	-71	1.8	-4.1	-212	-3.7
<b>Net Attributable Profit</b>	<b>179</b>	<b>-7.4</b>	<b>-13.9</b>	<b>576</b>	<b>2.2</b>

## Activity

(constant €)



- Tax impact due to non-deductible hyperinflation adjustment

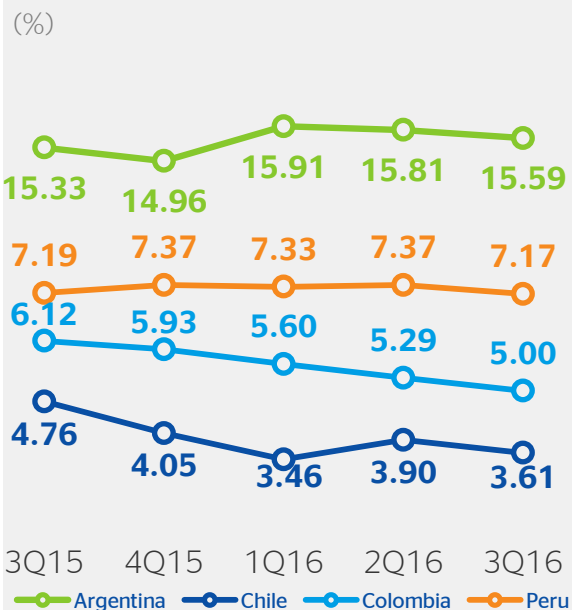
- Activity decelerating towards more sustainable levels

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

# SOUTH AMERICA Key Ratios



## Customer Spread



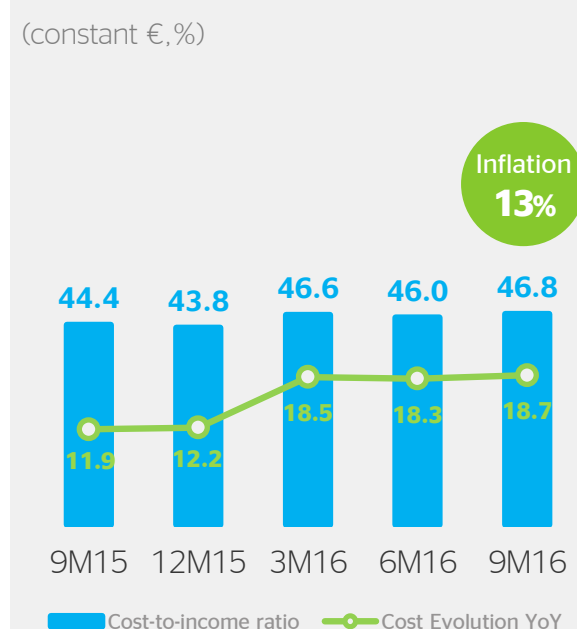
- Deterioration of spreads, especially in Colombia and Chile

## Risk Indicators



- Slight worsening of NPL ratio affected by moderate growth of macro environment, in line with expectations.
- CoR evolution YtD better than initially expected

## Efficiency



- Exposure to hyperinflationary economies
- General expenses negatively impacted by FX in y-o-y terms (appreciation of the USD vs. local currencies)

# Takeaways & Delivery on our 6 strategic priorities

- ✓ Solid core revenue growth
- ✓ Cost control efforts supported by additional restructuring charges to gain efficiencies offset by higher NTI
- ✓ Sound risk indicators
- ✓ Earnings resilience provided by a well-diversified footprint
- ✓ CET1 FL 11% target achieved in advance

1

New standard in customer experience

2

Drive digital sales

3

New business models

4

Optimize capital allocation

5

Unrivalled efficiency

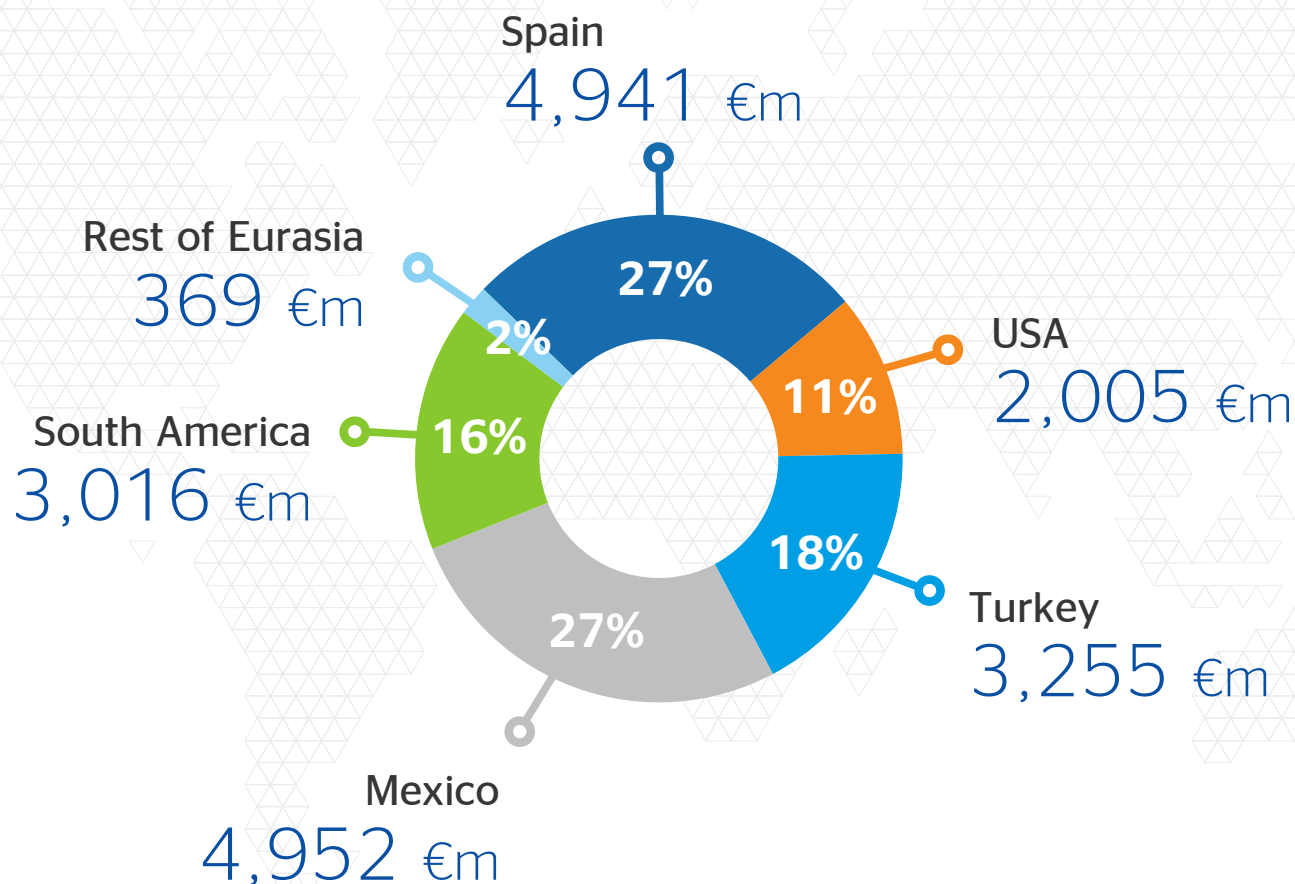
6

A first class workforce

# Annex

# GROSS INCOME Breakdown

Gross Income 9M16

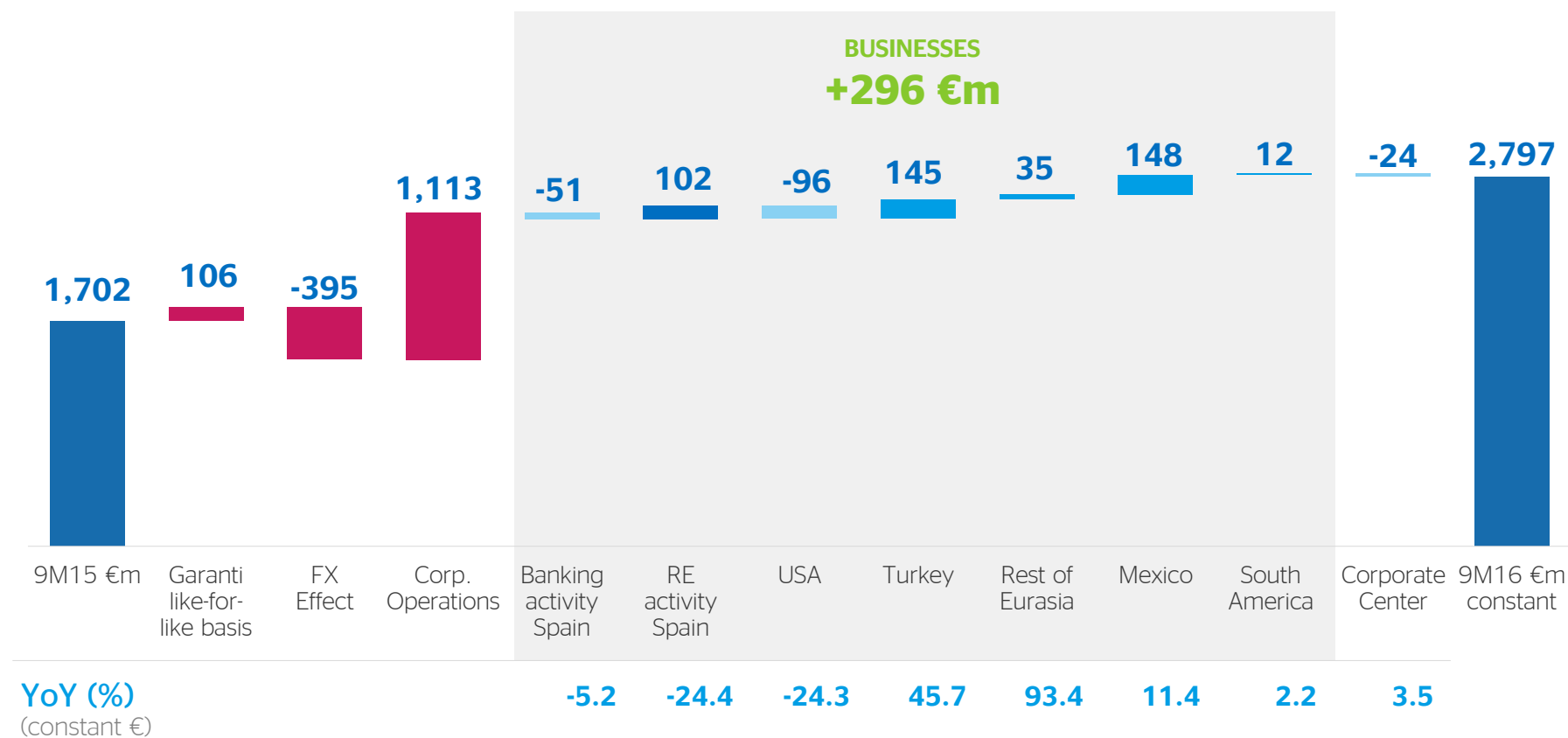


Note: Figures exclude Corporate Center

# GROUP Earnings

## Net attributable profit

(€m)



Note: Turkey on a like-for-like basis, which considers the additional stake in Garanti accounted by the full consolidation method from 01/01/15 vs 01/07/15 deal closing.

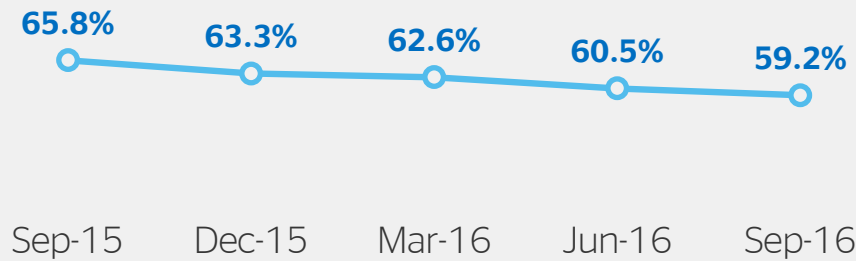
# REAL ESTATE ACTIVITY IN SPAIN Results

Spain Real Estate Activity (€m)	3Q16	Change 3Q16/3Q15	Change 3Q16/2Q16	9M16	Change 9M16/9M15
		%	%		%
<b>Net Interest Income</b>	<b>2</b>	<b>-95.2</b>	<b>-87.1</b>	<b>44</b>	<b>45.2</b>
Net Fees and Commissions	3	n.s.	n.s.	5	n.s.
Net Trading Income	-1	n.s.	n.s.	-1	n.s.
Other Income & Expenses	-43	n.s.	n.s.	-76	4.8
<b>Gross Income</b>	<b>-40</b>	<b>n.s.</b>	<b>n.s.</b>	<b>-29</b>	<b>-22.7</b>
Operating Expenses	-25	-25.3	-29.3	-91	-2.8
<b>Operating Income</b>	<b>-65</b>	<b>n.s.</b>	<b>79.8</b>	<b>-120</b>	<b>-8.5</b>
Impairment on Financial Assets (net)	-41	-35.4	7.1	-125	-29.9
Provisions (net) and other gains (losses)	-50	-49.6	-26.0	-198	-32.9
<b>Income Before Tax</b>	<b>-155</b>	<b>-8.1</b>	<b>9.9</b>	<b>-443</b>	<b>-26.7</b>
Income Tax	49	-9.4	7.8	128	-32.0
<b>Net Attributable Profit</b>	<b>-106</b>	<b>-8.2</b>	<b>11.2</b>	<b>-315</b>	<b>-24.4</b>

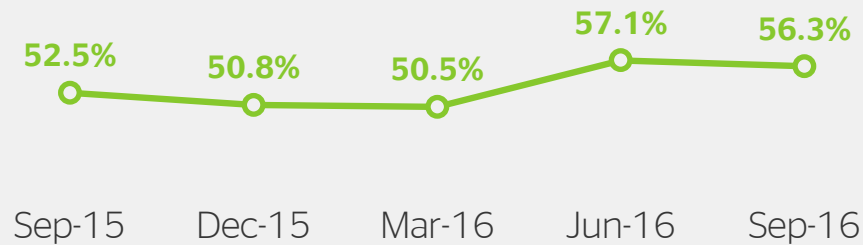


## REAL ESTATE ACTIVITY IN SPAIN Risk

### Coverage ratio



### NPL ratio



# REST OF EURASIA Results

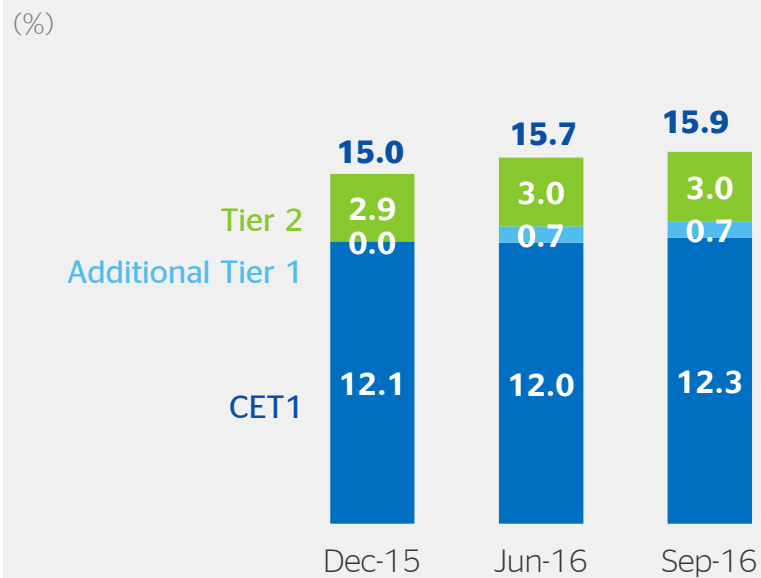
Rest of Eurasia (€m)	3Q16	Change	Change	9M16	Change
		3Q16/3Q15	3Q16/2Q16		9M16/9M15
		%	%		%
<b>Net Interest Income</b>	<b>37</b>	<b>-17.9</b>	<b>-14.1</b>	<b>123</b>	<b>-5.5</b>
Net Fees and Commissions	42	28.9	-13.9	134	8.9
Net Trading Income	10	-39.9	-73.5	70	-33.6
Other Income & Expenses	-1	n.s.	n.s.	42	n.s.
<b>Gross Income</b>	<b>88</b>	<b>-6.4</b>	<b>-48.0</b>	<b>369</b>	<b>2.7</b>
Operating Expenses	-80	5.5	-6.2	-250	-0.7
<b>Operating Income</b>	<b>8</b>	<b>-56.5</b>	<b>-90.6</b>	<b>119</b>	<b>10.7</b>
Impairment on Financial Assets (net)	16	-26.7	n.s.	7	n.s.
Provisions (net) and other gains (losses)	10	n.s.	n.s.	12	n.s.
<b>Income Before Tax</b>	<b>34</b>	<b>-1.4</b>	<b>-55.5</b>	<b>138</b>	<b>36.7</b>
Income Tax	-8	-27.3	-54.4	-37	5.9
<b>Net Attributable Profit</b>	<b>26</b>	<b>11.8</b>	<b>-55.9</b>	<b>101</b>	<b>53.0</b>

# CORPORATE CENTRE Results

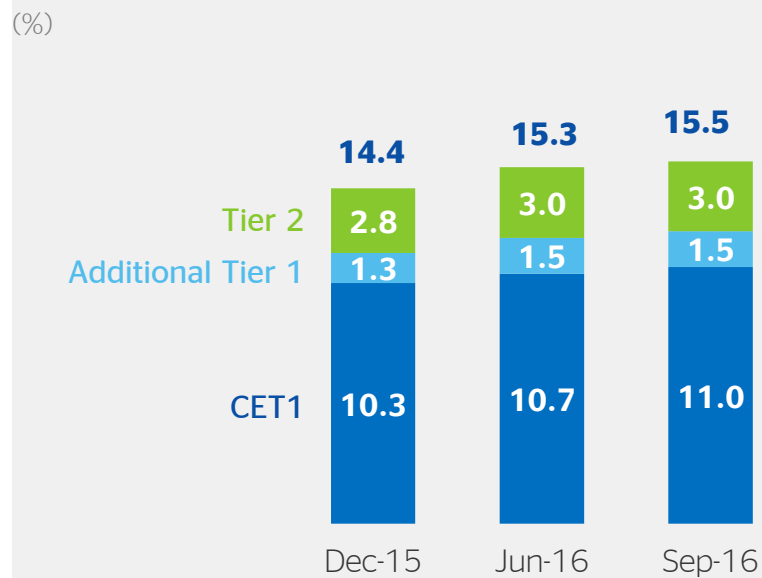
Corporate Centre (€m)	3Q16	Change	Change	9M16	Change
		3Q16/3Q15	3Q16/2Q16		9M16/9M15
		%	%		%
<b>Net Interest Income</b>	<b>-105</b>	<b>5.3</b>	<b>-8.5</b>	<b>-352</b>	<b>8.5</b>
Net Fees and Commissions	-30	70.5	-42.0	-98	20.0
Net Trading Income	157	n.s.	70.1	245	84.4
Other Income & Expenses	14	17.5	-87.1	96	5.2
<b>Gross Income</b>	<b>36</b>	<b>n.s.</b>	<b>1.8</b>	<b>-108</b>	<b>-40.3</b>
Operating Expenses	-213	1.3	-4.9	-652	1.3
<b>Operating Income</b>	<b>-177</b>	<b>-48.2</b>	<b>-6.2</b>	<b>-760</b>	<b>-7.8</b>
Impairment on Financial Assets (net)	0	-94.8	-99.1	-26	n.s.
Provisions (net) and other gains (losses)	-63	0.7	2.9	-142	14.0
<b>Income Before Tax</b>	<b>-241</b>	<b>-41.2</b>	<b>-12.9</b>	<b>-927</b>	<b>-2.1</b>
Income Tax	54	-63.8	24.3	226	-22.3
<b>Net Attributable Profit</b>	<b>-186</b>	<b>-91.2</b>	<b>-20.9</b>	<b>-704</b>	<b>-60.7</b>

# Capital base

Evolution of phased-in capital ratios



Evolution of fully-loaded capital ratios



# Risk-Weighted Assets by Business Area

Breakdown by business area and main countries

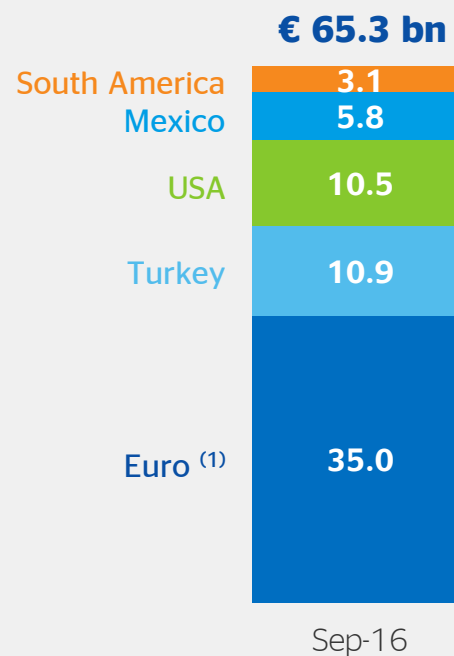
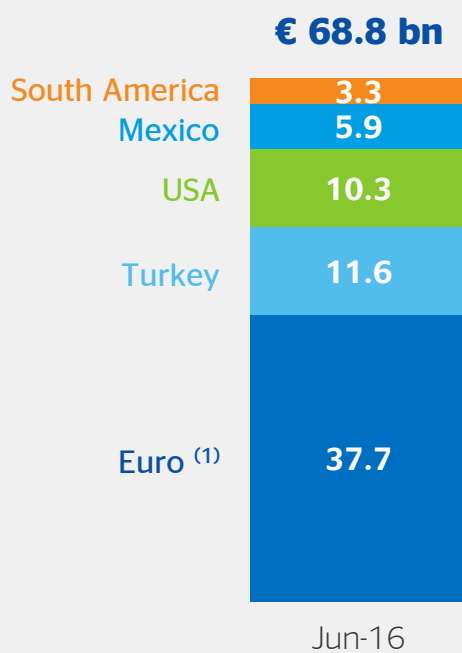
(€ m)

	Phased-in RWA		
	Dec-15	Jun-16	Sep-16
Banking activity in Spain	121,889	116,234	110,476
Real-estate activity in Spain	14,606	11,947	11,795
The United States	60,092	61,505	60,294
Turkey	73,207	77,025	80,834
Mexico	50,330	49,669	47,815
South America	56,564	53,752	53,211
Argentina	9,115	7,648	7,361
Chile	13,915	13,945	13,614
Colombia	11,020	11,465	11,880
Peru	17,484	16,365	15,930
Venezuela	1,788	1,086	1,173
Rest of South America	3,242	3,243	3,254
Rest of Eurasia	15,355	15,278	15,178
Corporate Center	9,241	9,675	10,296
<b>BBVA Group</b>	<b>401,285</b>	<b>395,085</b>	<b>389,899</b>

# ALCO Portfolio

## ALCO Portfolio breakdown by region

(€ bn)



(1) Figure excludes SAREB bonds (€5.5bn as of Jun-16 and Sep-16)

# Customer Spreads

(Average, €)

Customer Spreads		3Q15	4Q15	1Q16	2Q16	3Q16	Customer Spreads		3Q15	4Q15	1Q16	2Q16	3Q16
Spain	Yield on Loans	2.36%	2.27%	2.16%	2.12%	2.12%	Chile	Yield on Loans	7.94%	7.10%	6.64%	7.19%	6.60%
	Cost of Deposits	-0.53%	-0.51%	-0.39%	-0.37%	-0.30%		Cost of Deposits	-3.18%	-3.06%	-3.18%	-3.28%	-2.98%
	Customer Spreads	1.83%	1.76%	1.77%	1.75%	1.83%		Customer Spreads	4.76%	4.05%	3.46%	3.90%	3.61%
USA	Yield on Loans	3.49%	3.49%	3.60%	3.61%	3.64%	Colombia	Yield on Loans	9.79%	9.98%	10.50%	10.96%	11.16%
	Cost of Deposits	-0.39%	-0.39%	-0.41%	-0.40%	-0.39%		Cost of Deposits	-3.67%	-4.05%	-4.90%	-5.67%	-6.15%
	Customer Spreads	3.10%	3.10%	3.19%	3.21%	3.25%		Customer Spreads	6.12%	5.93%	5.60%	5.29%	5.00%
Mexico	Yield on Loans	11.59%	11.71%	11.78%	11.66%	11.79%	Peru	Yield on Loans	8.16%	8.32%	8.42%	8.48%	8.50%
	Cost of Deposits	-1.09%	-1.00%	-0.98%	-1.02%	-1.13%		Cost of Deposits	-0.97%	-0.95%	-1.09%	-1.11%	-1.33%
	Customer Spreads	10.50%	10.71%	10.79%	10.64%	10.66%		Customer Spreads	7.19%	7.37%	7.33%	7.37%	7.17%
South America	Yield on Loans	9.79%	9.74%	10.02%	10.52%	10.35%	Venezuela	Yield on Loans	23.06%	25.10%	26.53%	28.16%	27.42%
	Cost of Deposits	-3.02%	-3.19%	-3.63%	-4.08%	-4.02%		Cost of Deposits	-3.02%	-3.69%	-3.33%	-2.71%	-2.85%
	Customer Spreads	6.76%	6.76%	6.39%	6.44%	6.33%		Customer Spreads	20.04%	21.41%	23.20%	25.46%	24.57%
Argentina	Yield on Loans	24.03%	24.21%	25.49%	26.54%	24.54%	Turkey	Yield on Loans	9.23%	9.21%	9.56%	9.90%	10.02%
	Cost of Deposits	-8.70%	-9.25%	-9.58%	-10.73%	-8.96%		Cost of Deposits	-4.30%	-4.48%	-4.91%	-4.64%	-4.43%
	Customer Spreads	15.33%	14.96%	15.91%	15.81%	15.59%		Customer Spreads	4.93%	4.73%	4.66%	5.26%	5.59%

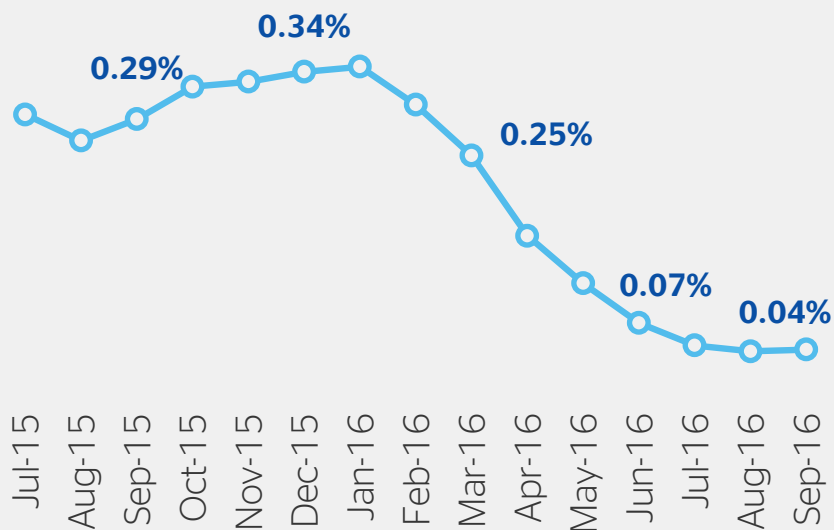
Note 1: USA ex NY Business Activity

Note 2: Customer spreads, difference between yield on loans and cost of deposits from customers

# SPAIN BANKING ACTIVITY Cost of Time Deposits

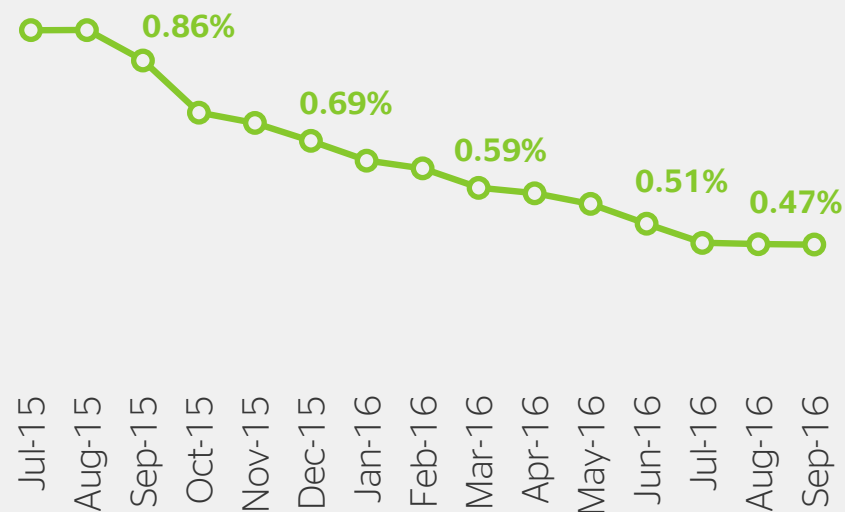
Cost of new time deposits (Front book)

Monthly average (%)



Cost of stock of time deposits (Back book)

Monthly average (%)







# BBVA 3Q16 Results

October, 27<sup>th</sup> 2016

**Carlos Torres Vila**  
Chief Executive Officer