BBVA
Creating Opportunities

Fixed Income Presentation

1Q18

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01

About BBVA

About BBVA

BBVA's global presence

Mar.18

€ 685 bn assets

73 mn customers

24 mn digital customers

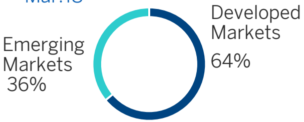
>30 countries

131,745 employees

8,200 branches

Well diversified & self-sufficient subsidiaries

Total Assets[1]
Mar.18



Gross Income[1]
3M18

- **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) Percentage excludes the Corporate Center

Defined strategic path

Our Purpose

"To bring the age of opportunity to everyone"

Six Strategic Priorities

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

Committed with climate change and sustainable development

BBVA´s Pledge 2025

€100 Billion
MOBILIZED
From 2018 to 2025

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

Sustainable Development Goals Bond Framework recently announced

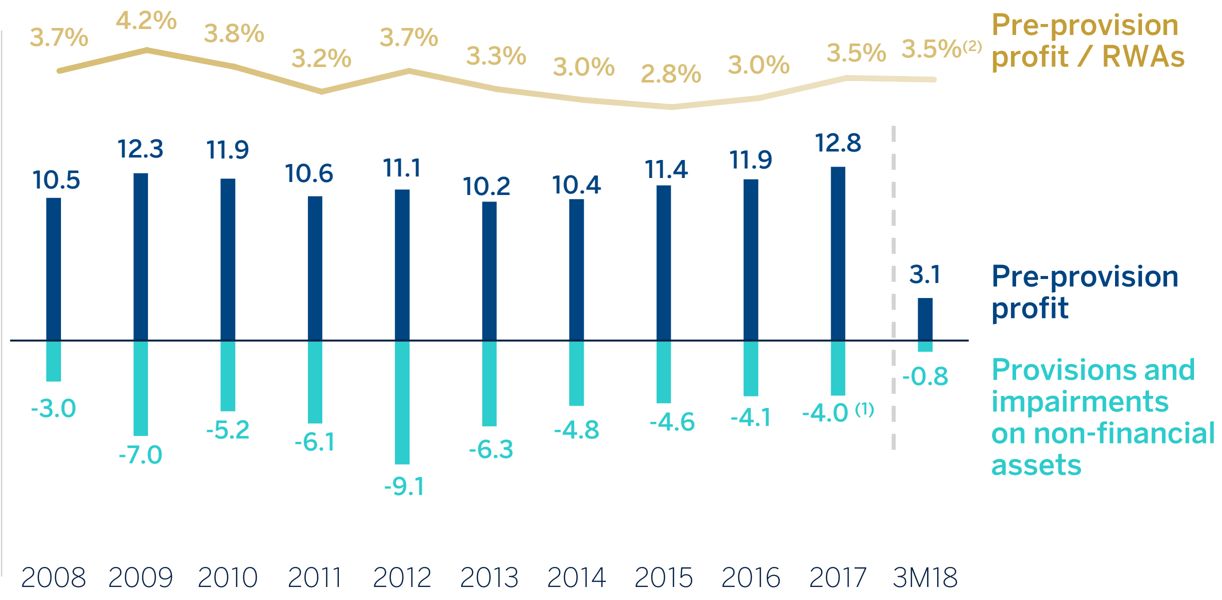
02

BBVA's Strengths & 3M18 Financial Highlights

BBVA's Strengths

Resilience and Low Earnings Volatility

(€ bn, current, %)



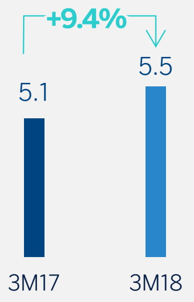
(1) Excluding Telefónica one off impairment (€-1,123m); (2) Annualized Pre-provision profit for comparison purposes

Profit generation all through the crisis years

3M18 Highlights

Core revenues growth

Net interest income and fees
(€ bn, constant)



Cost control

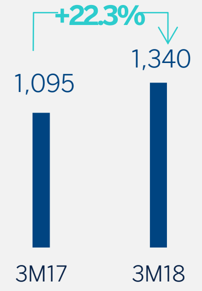
Gross income vs. Op. Expenses
(YtD, %, € constant)

Gross Income
+4.2%
vs. 3M17

Operating Expenses
+3.2%
vs. 3M17

Increasing results

Group Net Attributable Profit
(€ m, constant)



Sound asset quality(1)

NPL	4.4%
Cost of Risk (YtD)	0.85%
Coverage	73%

Strong capital & liquidity ratios

CET1 FL (Proforma(2))	**LCR(3)** (BBVA Group)	**LEVERAGE RATIO** (Fully-loaded)
11.5%	126%	6.4%

Delivering on our transformation

37% **Digital sales**
Mar-18(4)

19.3m **Mobile customers**
Mar-18

(1) Data as of 1Q18 under IFRS9 standards; (2) Data proforma includes +57 bps from corporate transactions (sale of BBVA Chile and RE Assets to Cerberus); (3) Liquidity Coverage Ratio; (4) % of total sales in Mar.18, # of transactions

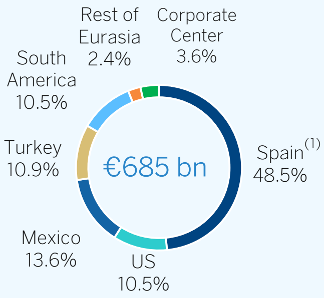
03

Diversified Footprint

Well diversified footprint with high growth prospects

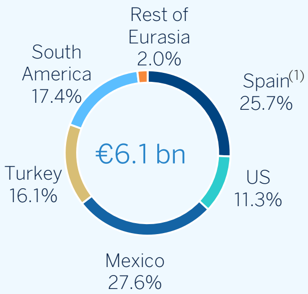
Breakdown by Business Area

Total Assets
Mar.18



64%(2) Developed Markets

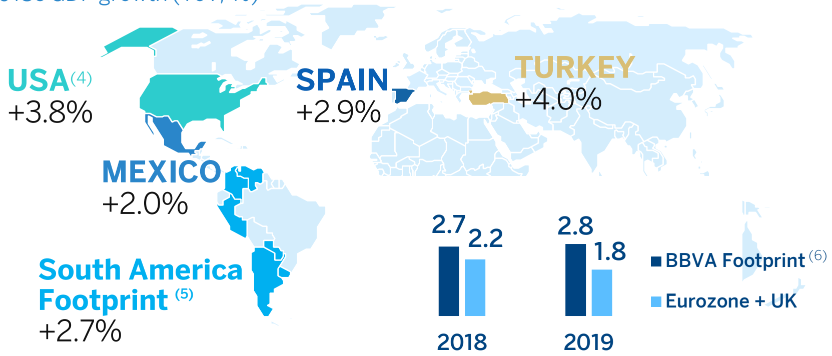
Gross Income(3)
3M18



39% Developed Markets

(1) Includes the areas Banking activity in Spain and Non Core Real Estate; (2) Excludes Corporate Center; (3) Percentages exclude the Corporate Center (3M18 Gross Income of €-106m)

Higher Growth Prospects
2018e GDP growth (YoY, %)



Source: BBVA Research (4) USA Sunbelt GDP growth; (5) South America Footprint excludes Venezuela (6) BBVA's footprint GDP growth: weighted by each country contribution to Group's Gross Income.

Leadership positioning
Market share (in %) and ranking (7)

SPAIN #2	USA (Sunbelt) #4	MEXICO #1
13.7%	6.0%	22.6%

TURKEY #2	S.AMERICA (ex Brazil) #1
11.1%	10.1%

(7) Loans' market shares except for USA (Deposits). **Spain** based on BoS (Feb.18) and ranking by AEB and CECA; **Mexico** data as of Feb.18 (CNBV); **S. America** (Jan.18), ranking considering main peers in each country; **USA**: SNL (Jun.17) considering Texas and Alabama; **Turkey**: BRSA performing loans; market share (among commercial banks) and ranking (only considers private banks) as of Dec.17

Business areas in 3M18

40%

Developed Markets
€650Mn, +55% YoY
3M18 Net attributable profit[(2)]
(constant €)

SPAIN Banking activity

NET ATTRIBUTABLE PROFIT (3M18)

437 €m

+17.3% vs. 3M17

NPL RATIO[(1)] Mar.18

5.4% **vs. 5.5% Dec.17**

COST OF RISK Mar.18 (YtD)

0.17% **vs. 0.32% Dec.17 (YtD)**

MAIN MESSAGES

- Decrease in **activity** YoY (-2.4%) as growth in consumer and SMEs loans is offset by deleverage in mortgages, public sector and some large corporates.
- **Core revenue growth** (NII+ Fees) consolidating its upward trend (+1.1%YoY).
- **Costs** continue to go down (-4.2% YoY) as a result of the ongoing efficiency measures, improving the efficiency ratio to 51.5%.
- **Asset quality**: NPLs down -€456 Mn qoq and CoR better than expected due to provision releases.

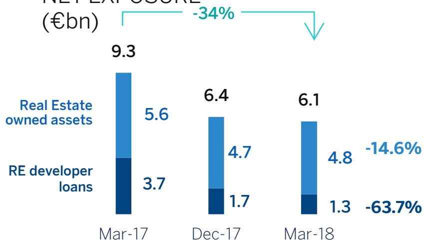
Non Core Real Estate

NET ATTRIBUTABLE PROFIT (3M18)

-27 €m

-106 €m in 3M17

NET EXPOSURE (€bn)



- **Cerberus deal** (closing expected in 3Q18) will reduce almost entirely the exposure to Real Estate Owned Assets.
- **Significant reduction in net losses** in 1Q18, in line with expectations

USA constant €

NET ATTRIBUTABLE PROFIT (3M18)

195 €m

+74.1% vs. 3M17

NPL RATIO Mar.18

1.2% **vs. 1.2% Dec.17**

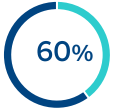
COST OF RISK Mar.18 (YtD)

0.16% **vs. 0.43% Dec.17 (YtD)**

- **NII growth** at mid teens
- Focus on growing the **consumer book** (+13.5% yoy)
- Positive jaws and **efficiency improvement**
- **CoR** much better than expected thanks to provision releases and a positive IFRS9 macro adjustment
- Upward trend in **profitability**

Note: NPL ratio of 1Q18 under IFRS9 standards, 2017 figures under IAS 39 (1) NPL ratio exclude repos ; (2) Excluding Corporate Center (€-295m)

Business areas in 3M18



Emerging Markets
€986Mn, +24% YoY
3M18 Net attributable profit[(1)]
(constant €)

MEXICO constant €

NET ATTRIBUTABLE PROFIT (3M18)

571 €m

+12.5% vs. 3M17

NPL RATIO Mar.18

2.1% **vs. 2.3% Dec.17**

COST OF RISK Mar.18 (YtD)

3.18% **vs. 3.24% Dec.17 (YtD)**

MAIN MESSAGES

- **Loans** +4.8% yoy, with sound growth of retail portfolios and slowdown in the commercial book.
- Sustained growth in all P&L lines, with **NII** growing at high single digit
- Continued positive **operating jaws** and best in class **efficiency**
- Risk indicators continue to improve; better than expected **CoR** evolution
- **Double digit P&L** bottom line growth

TURKEY constant €

NET ATTRIBUTABLE PROFIT (3M18)

201 €m

+49.7% vs. 3M17

NPL RATIO Mar.18

3.7% **vs. 3.9% Dec.17**

COST OF RISK Mar.18 (YtD)

1.17% **vs. 0.82% Dec.17 (YtD)**

- **TL loan portfolio** growing at double digit, despite a limited use of CGF
- Sound **core revenue** growth
- Focus on **cost control**: opex growth < inflation
- **CoR** increase explained by commercial portfolio and negative IFRS 9 macro adjustment

SOUTH AMERICA constant €

NET ATTRIBUTABLE PROFIT (3M18)

210 €m

33.4% vs. 3M17

NPL RATIO Mar.18

3.6% **vs. 3.4% Dec.17**

COST OF RISK Mar.18 (YtD)

1.37% **vs. 1.32% Dec.17 (YtD)**

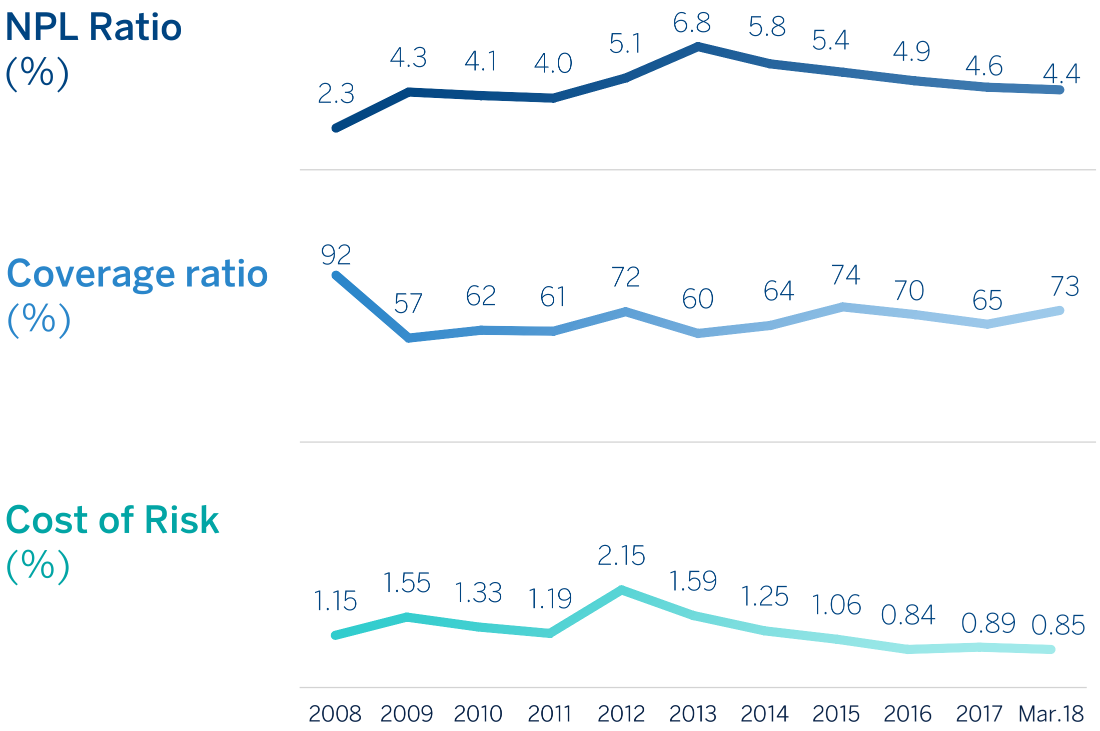
- Double digit **loan growth** supported mainly by Argentina and Colombia
- Sound growth in **all P&L lines**
- Excellent **cost control** in the region with positive **operating jaws**
- **CoR** better than expectations

Note: NPL ratio of 1Q18 under IFRS9 standards, 2017 figures under IAS 39 ; (1) Excluding Corporate Center (€-295m)

04

Asset Quality

Asset Quality: continued improvement after the crisis



Risk Framework

A Risk Management Model based on prudence and proactivity

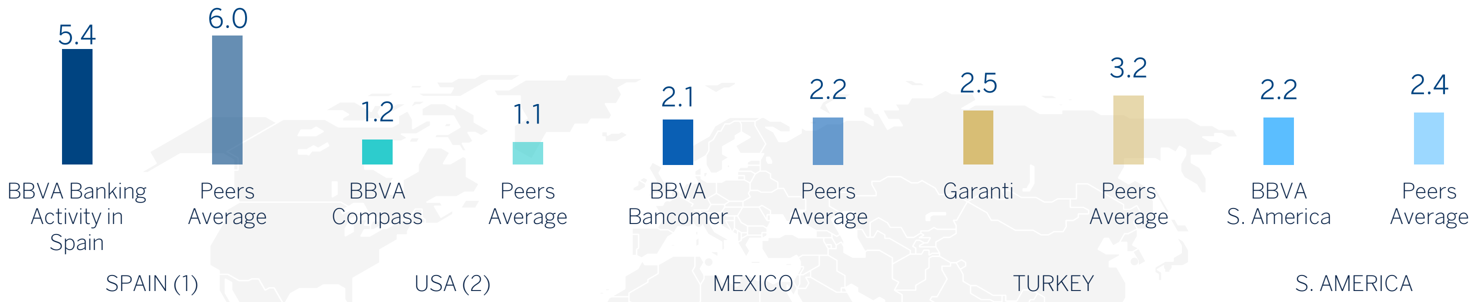
Risk Management Goal

To preserve the Group's solvency, support its strategy and ensure business development

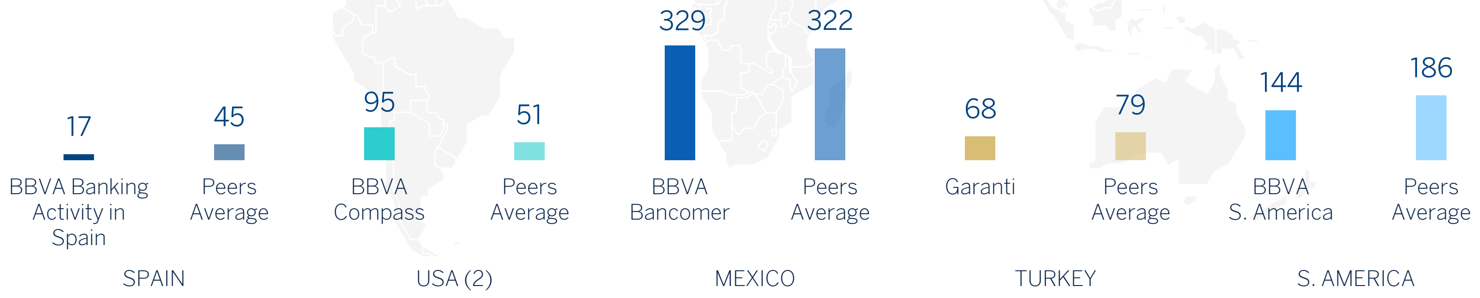
Note: Data as of 1Q18 under IFRS9 standards and 2017 figures under IAS 39. NPL ratio for 2017 and Mar.18 calculated excluding repos (the rest of the series has not been restated)

A prudent risk profile

NPL ratio (%)



Cost of Risk (bps)



Figures according to local data to ensure comparability. Figures as of Mar.18 for Spain, as of Feb.18 for Mexico, as of Dec.17 for Turkey, USA and South America.
(1) NPL ratios calculated excluding repos in Spain.
(2) USA figures refer to Compass for comparison purposes

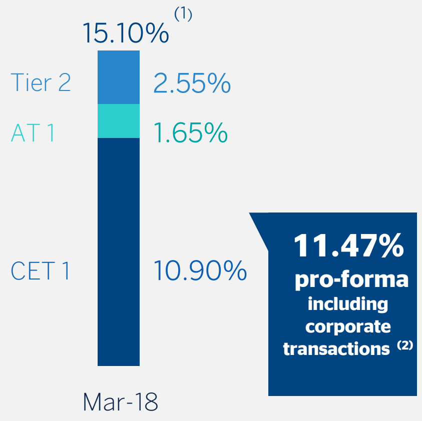
05

Capital

Sound capital position and a proven ability to generate capital

FL Capital Ratios BBVA Group

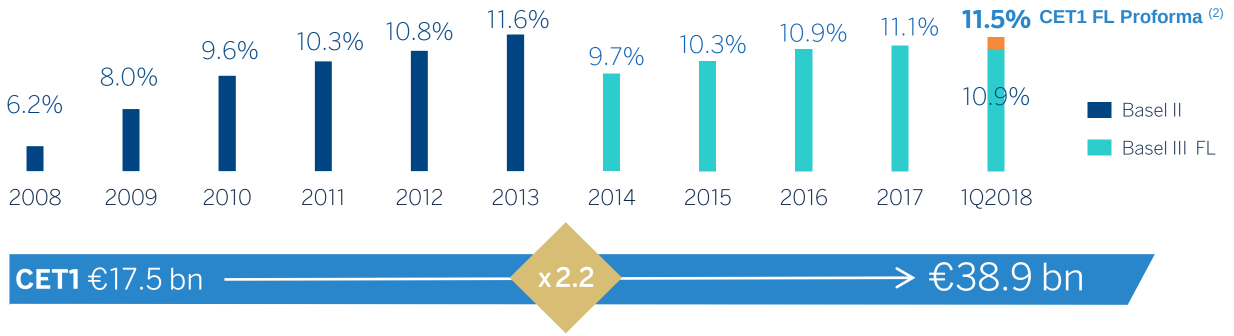
Mar.18 (%)

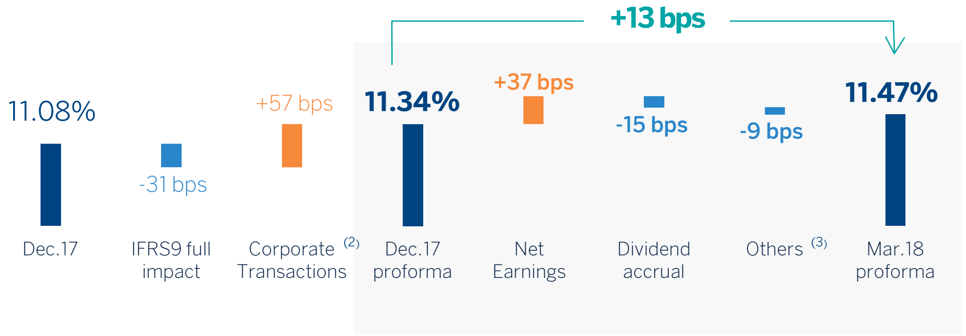


- 11.47% CET1 FL pro-forma above our 11% Target.
- 1.5% AT1 and 2% T2 buckets already covered on a FL and phased-in basis

CET1 FL Ratio – BBVA Group

(%)



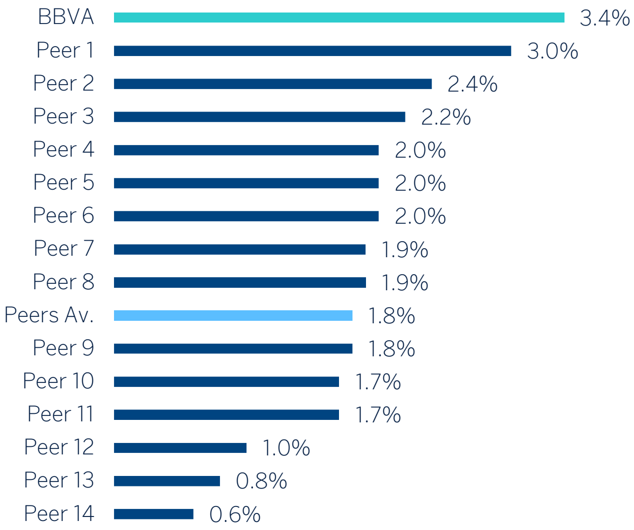


(1) T2 bucket includes part of the T2 issued by Garanti and part of the T2 issued by Bancomer, both pending approval by ECB for the purpose of computability in the Group's ratio; (2) Including Corporate Transactions pending to be closed: sale of BBVA Chile and RE Assets to Cerberus; (3) Others includes RWAs, mark to market of the AFS portfolio, FX impact, AT1 coupons, among others.

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

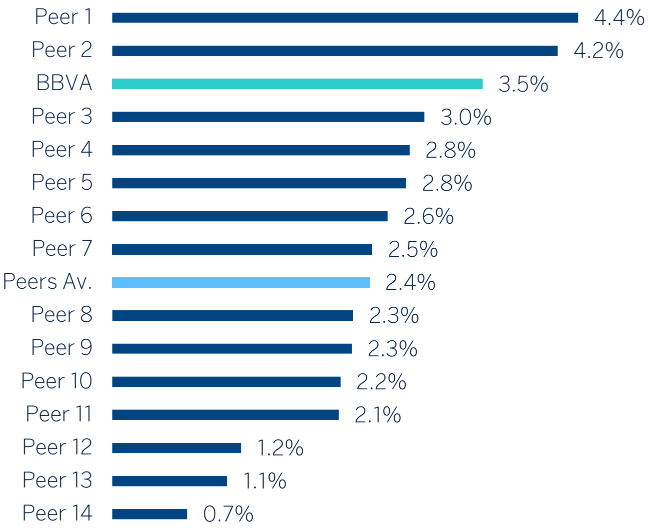
Pre-provision profit(1) / Net Loans

12M17 European peers / 3M18 BBVA



Pre-provision profit(1) / RWAs

12M17 European peers / 3M18 BBVA



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

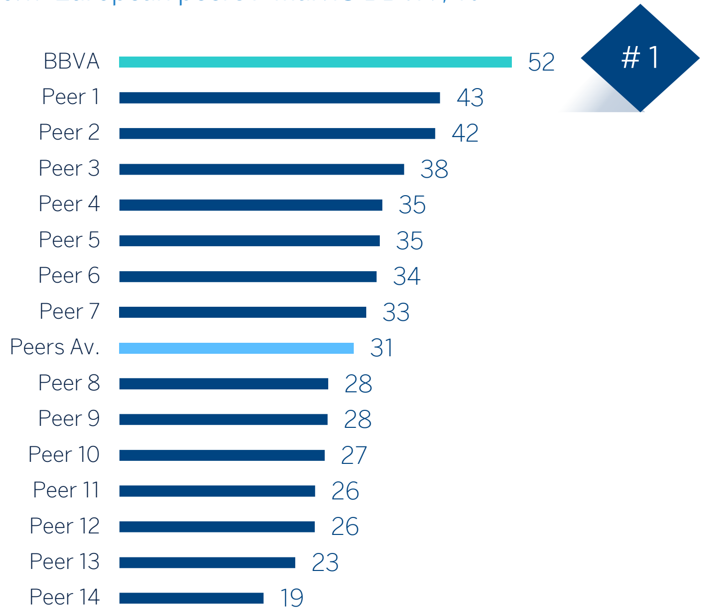
(1) Annualized Pre-provision profit for BBVA; (2) European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCG.

BBVA's business model provides significant room to absorb losses

High quality capital

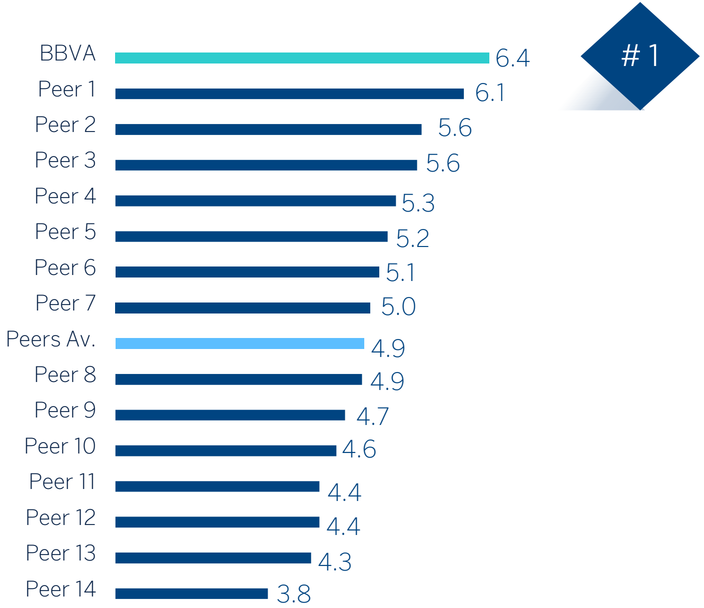
RWAs/ Total Assets

Dec.17 European peers / Mar.18 BBVA , %



Fully-Loaded Leverage Ratio

Dec.17 European peers / Mar.18 BBVA , %



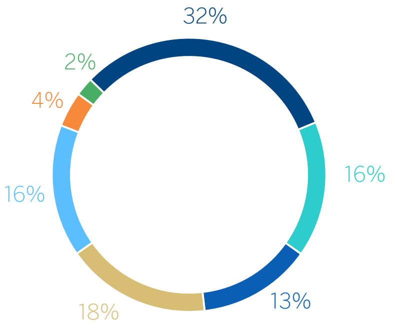
European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCG.

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

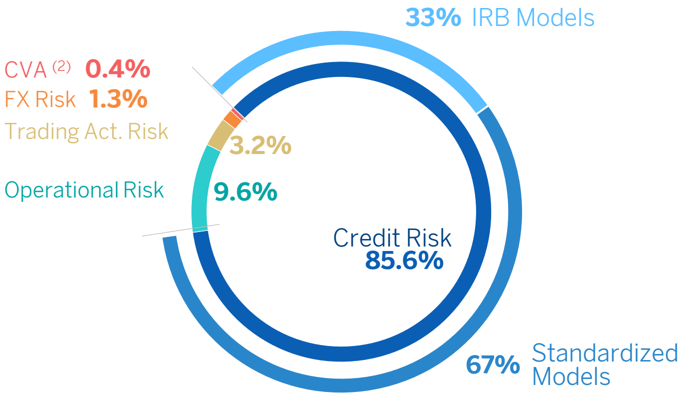
Risk-Weighted Assets distribution

TOTAL RWAs Fully Loaded Mar.18 (€m)

356,847 €m



Spain [1]	112,501
USA	57,262
Mexico	47,769
Turkey	60,936
South America	55,718
Rest of Eurasia	14,907
Corporate Center	7,753



Optimizing Capital Allocation is one of BBVA's Strategic Priorities

~ 80% of the RWAs located in Investment Grade countries

Limited usage of internal models in Credit Risk RWAs

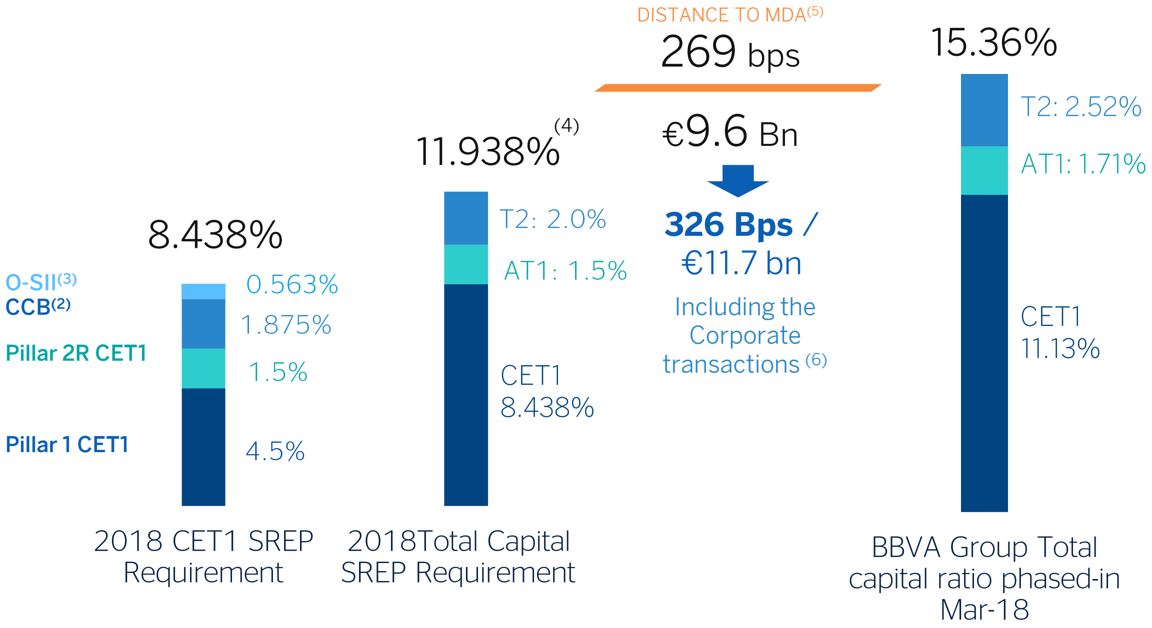
Potential lower impact from future regulatory requirements

(1) Includes the areas Banking Activity in Spain an Non Core RE; (2) Credit Valuation Adjustment.
Note: Distribution of RWAs by type of risk and Model based on 4Q17 Pilar III report.

Capital ratios well above requirements

2018 SREP Requirement and distance to MDA[1] at Group level

Mar.18



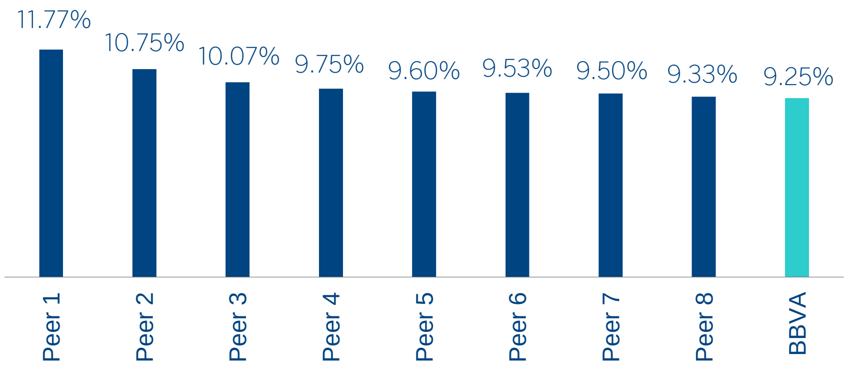
Well above 2018 Total Capital and CET1 SREP requirements: Significant buffer to MDA: 269 bps/**326 bps** including Corp. Transactions (6)

Pro-forma buffer to MDA on a fully loaded basis (6), (7): **222 bps**

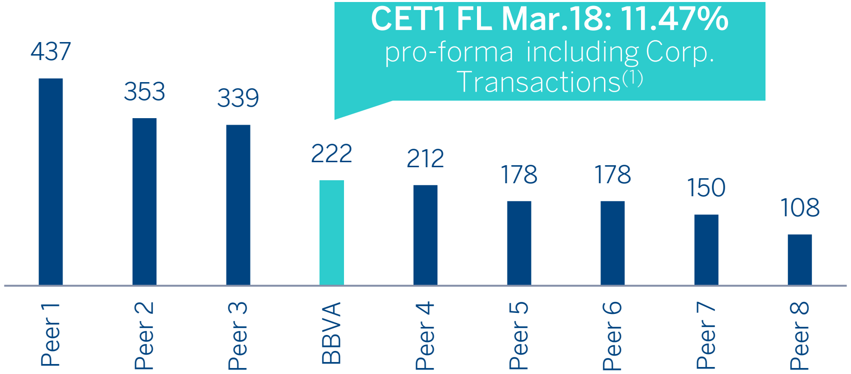
(1) Maximum Distributable Amount; (2) The Capital Conservation Buffer (CCB) stands, in fully loaded terms, at 2.5% CET1; (3) The Other Systemic Important Institution buffer (O-SII) stands, in fully loaded terms, at 0.75% CET1; (4) 2018 SREP Requirement as announced on the Relevant Event dated 13 Dec.2017; (5) 269bps of Buffer to MDA = 11.13% Mar-18 CET1 phased-in ratio – 8.438% 2018 CET1 SREP Requirement; (6) Includes +57bps from Corporate transactions (Sale of BBVA Chile and RE Assets to Cerberus) pending to be closed; (7) provided for information purposes as the distance to MDA is calculated based on phased-in ratios and these are the legally binding ones

BBVA has the lowest SREP requirement among peers

CET1 SREP Requirement - FL
(based on 2018 requirement)



Distance to MDA vs Fully Loaded SREP requirement
Dec.17 European peers / Mar.18 BBVA



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

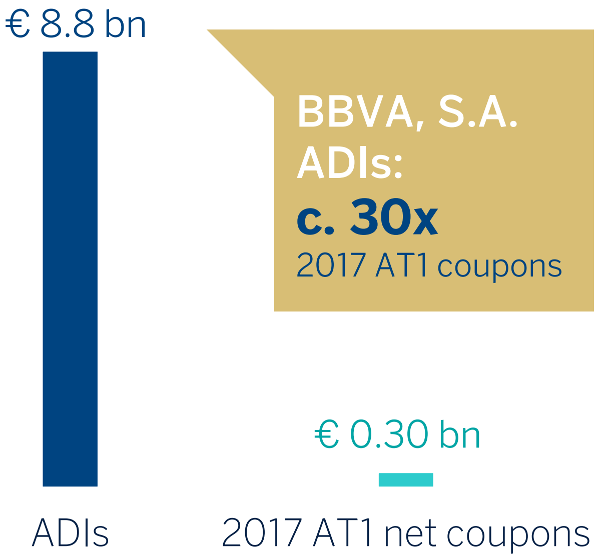
- **Ample buffer** over the minimum requirements
- **Efficient capital structure**

European Peer Group: BNPP, CA, CMZ, DB, ISP, SAN, SG, UCG (entities subject to ECB regulation); (1) +57bps from the sale of BBVA Chile and RE Assets to Cerberus, pending to be closed.

High level of Available Distributable Items (ADIs)

BBVA, S.A. (Parent Company)

Dec.17, € 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 – 2017 Dividend - AT1 coupons. BBVA does not include within the ADIs figure the Share Premium (amounting to +€24 bn as of December 31st, 2017).

FX Hedging policy

Capital

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

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

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

APROX
-2 b.p.

For each currency

(MXN, TRY, and rest of EM 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

2018 Net Attributable Profit FX Hedging (Mar.18):

c. 50% At a Group level

c. 57% For EM Currencies
(of which Mexico c.70% and Turkey c.50%)

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

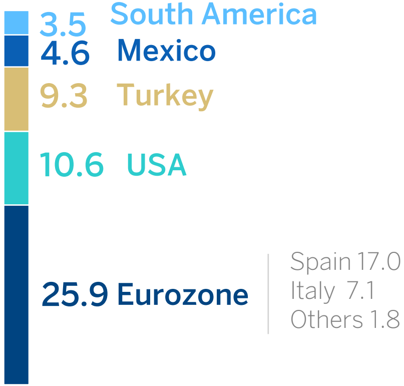
BBVA maintains a prudent FX hedging policy to ensure low volatility on the CET1 ratio and limited FX impact on the P&L account

ALCO and Equity HTC&S(1) Portfolio

ALCO Portfolio breakdown by region

(Mar.18, € bn)

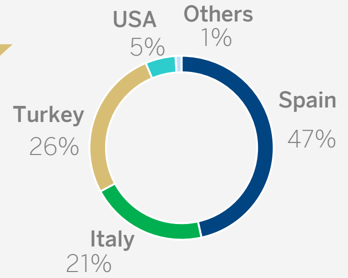
€ 53.9 bn



o.w. HTC(2) Portfolio breakdown

(Mar.18, € bn)

€ 17.0 bn



Equity HTC&S(1) portfolio – Main stakes

Telefónica 5.13%(3)

Diversified portfolio across BBVA's footprint

HTC(2) portfolio contributes to maintain the overall impact of market volatility at sound levels

(1) HTC&S: Held to Collect and Sell; (2) HTC: Held to Collect; (3) BBVA's own position (does not include clients' induced positions)

06

MREL

MREL framework: uncertainty remains but closer to the final outcome

Key themes to manage...
(still under discussion)

Hypothesis for BBVA

SRB Policy for MPE institutions
- Treatment of intragroup investments for MREL calculation
- Subsidiaries are self-sufficient both in terms of capital and funding

Eligibility of instruments
- 2.5% RWA of senior unsecured probably eligible for MREL initially
- SRB has yet not published its policy on eligible instruments
- Subordination requirement

Calendar / Transition period
- Potential transition period up to 4 years

... but some themes clearer

Calibration
- BBVA is an O-SII entity: subject to MREL (not TLAC)
- Calibration following SRB policy 2017

Perimeter for quantification of MREL
- BBVA follows a MPE resolution strategy
- MREL perimeter: BBVA Euro subconsolidated level

BBVA's 2018 Funding plan

Capital

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

MREL Eligible Debt

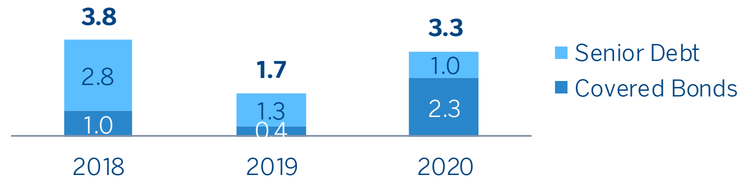
- BBVA's funding plans will be focused on rolling over non-capital wholesale funding maturities into MREL eligible instruments
- According to the funding plan, € 2.5-3.5 bn SNP issuances are expected during 2018 (1)
  - € 1.5 bn SNP 5y FRN successfully issued in Mar.18

(1) Subject to market conditions

Maturity profile

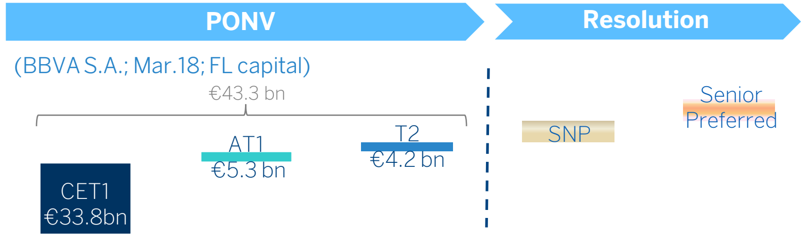
- Wholesale debt maturity profile offers flexibility to refinance current instruments into new SNP, if required:

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



SNP noteholders have significant buffer

- Significant capital buffer of € 43 bn of subordinated capital (CET1, AT1 and T2)



This plan would position BBVA's capital structure in a very solid stance to meet any further MREL needs (if required by the final calibration), over the rest of the transition period

BBVA Eur 1.5 bn 5-year FRN Senior Non-Preferred

Rationale

- Following up with BBVA's **issuance plan of € 2.5-3.5 bn of SNP** for 2018, **in anticipation of upcoming MREL requirements**, that have yet to be communicated by the resolution authorities
- This issuance is the **first public transaction** in 2018 for BBVA SA, the second one in SNP format (1)

Key Features

- Settlement Date: **9th March, 2018**
- Amount: **€ 1.5 bn**
- Maturity: **5 years**
- Coupon: **3mE +60 bps** (FRN-Floating Rate Notes)
- Re-offer Spread at **3mE+52 bps**, after a strong book of c3.2 bn (pre-rec), that allowed c15bps tightening from IPT (2) 3mE+high 60s bps. This means no issue concession
- Great book granularity and quality. **Real Money represented 86%** (Fund Managers 77%, Insurance and Pension Funds 9%). In terms of **geographical distribution,** demand was mainly led by **Germany/Austria (35%)**, followed by **Spain (24%)** and France **(14%)**

(1) During 2017 BBVA issued its inaugural SNP € 1.5 bn 0.75% Fixed 5Y and € 290 Mn through private deals (2) IPT= Initial Pricing Talk

BBVA successfully issued a Eur 1.5 bn 5Y FRN Senior Non-Preferred, paying the lowest coupon for a Spanish issuer in this instrument

07

Liquidity & Funding

Liquidity & Funding

- Self-sufficient subsidiaries from a liquidity point of view, with robust supervision and control by parent company
- Retail profile of BBVA Group balance sheet with limited dependence on wholesale funding
- Parent and subsidiaries proven ability to access the wholesale funding markets (medium & long term) on a regular basis
- Ample high quality collateral available, compliant with regulatory liquidity requirements at a Group and Subsidiary level

Principles of BBVA Group's self-sufficient business model

Subsidiaries

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

Corporate Center

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

Advantages

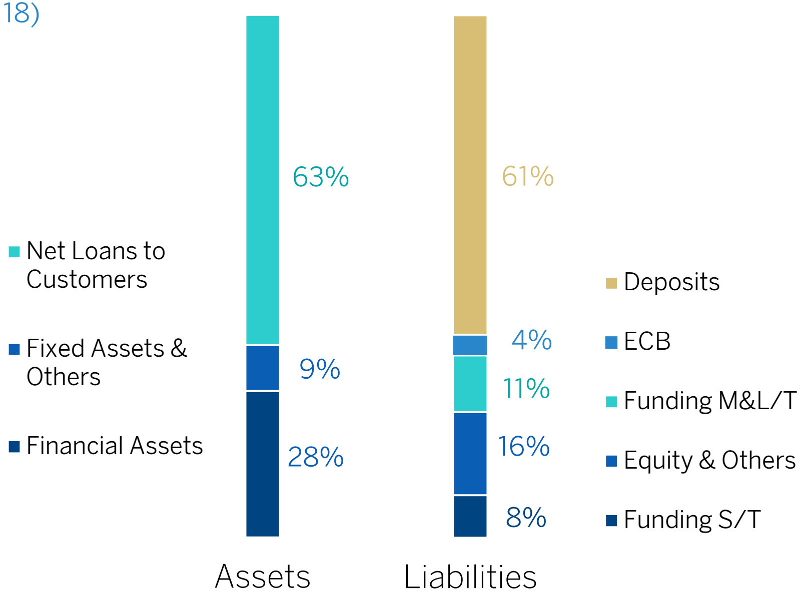
- Market discipline and proper incentives / sustainable credit growth
- Medium term orientation / consistent with retail banking
- Natural firewalls / limited contagion
- Safeguards financial stability / proven resilience during the crisis
- Helps development of local capital markets
- Buffers in different 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]

(Mar.18)



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

BBVA Group Liquidity metrics

(Mar.18)

	Euroz.(2)	USA	Mexico	Turkey	S. Amer.
LTD (3)	106%	90%	99%	115%	107%
LCR	150%	141% (4)	148%	136%	well >100%

LCR BBVA Group
126%

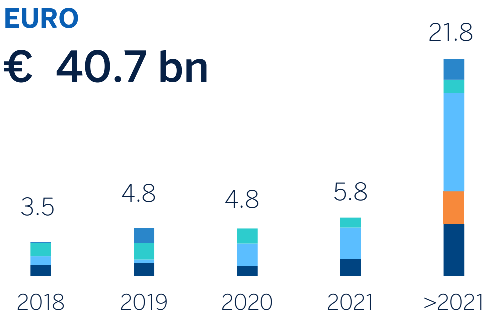
(2) Perimeter: Spain+Portugal+Rest of Eurasia
(3) Calculated under IFRS9
(4) Compass LCR calculated according to local regulation (Fed Modified LCR)

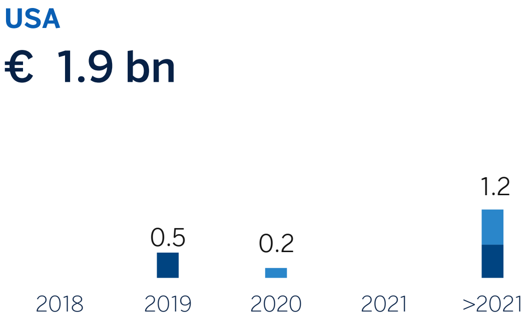
Comfortable liquidity position

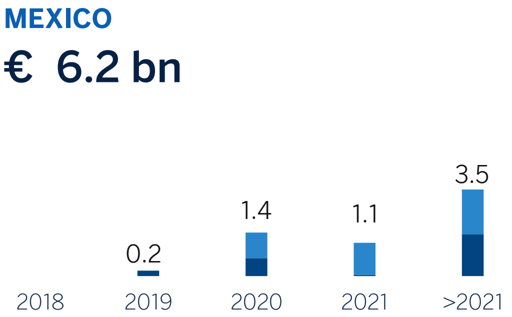
LCR ratios clearly above regulatory requirements (> 100% in 2018), both at a Group level and in all banking subsidiaries

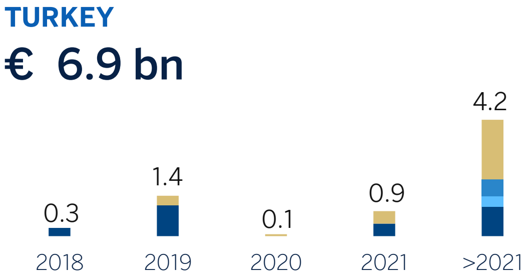
Broaden geographical diversification of access to market

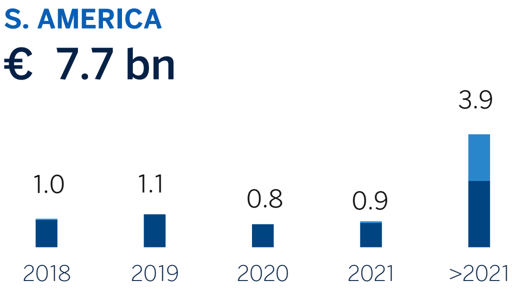
Medium & long-term wholesale funding maturities (Mar.18; € bn)











Senior Debt | Senior Non Preferred | Covered Bonds
Preferred Shares / AT1 | Subordinated | Others

Outstanding amounts as of Mar.18
FX as of Mar.18: EUR = 1.23 USD; EUR = 22,52 MXN; EUR= 4.9 TRY

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

08

Ratings

BBVA Group Ratings by Agency

Latest Rating Actions (1Q18)

Long Term Issuer / Senior Unsecured Ratings

S&P

+1 notch upgrade to A-
(Apr. 6th, 2018)

A-

DBRS

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

A(High)

Moody's

Outlook to Positive
(Apr. 17th, 2018)

Baa1

BBVA Ratings[1]

	Moody's	S&P	Fitch	DBRS	Scope
Outlook Issuer/Senior	**Positive**	**Stable**	**Stable**	**Stable**	**Stable**
Investment grade	Aaa	AAA	AAA	**AAA CB**	**AAA CB**
	Aa1 CB	AA+	AA+	AA (H)	AA+
	Aa2	AA	AA	AA	AA
	Aa3	**AA- CB**	AA-	AA (L)	AA-
	A1	A+	A+	**A (H) Senior**	**A+ Senior**
	A2	A	A	A	**A SNP**
	A3	**A- Senior**	**A- Senior / SNP**	**A (L) T2**	A-
	Baa1 Senior	**BBB+ SNP**	**BBB+ T2**	BBB (H)	BBB+
	Baa2	**BBB T2**	BBB	BBB	BBB
	Baa3 T2 / SNP	BBB-	BBB-	BBB (L)	BBB-
Non Investment Grade	Ba1	BB+	BB+	BB (H)	**BB+ AT1**
	Ba2 AT1	BB	**BB AT1**	BB	BB
	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.

3 Rating Agencies have taken positive rating actions on BBVA in 1Q18

4 out of 5 Rating Agencies assign BBVA a rating on the single A space

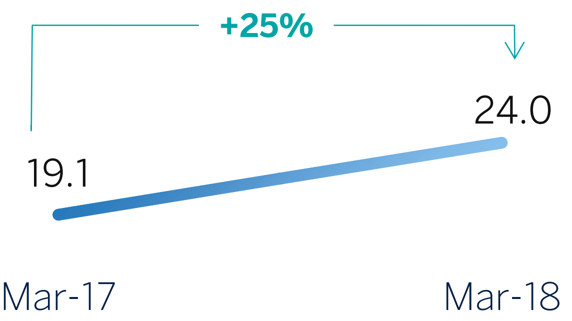
09

Transformation Strategy

Digital Customers – BBVA Group

Digital Customers

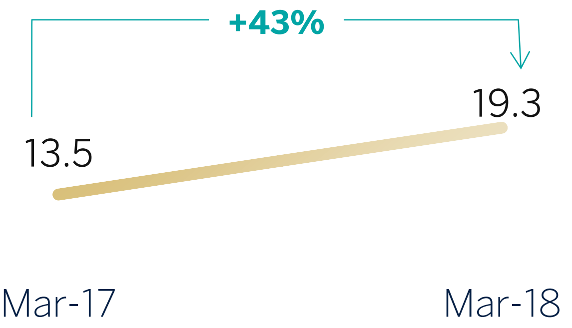
(Mn, % penetration)



	Mar-17	Mar-18
PENETRATION	38%	45%

Mobile Customers

(Mn, % penetration)



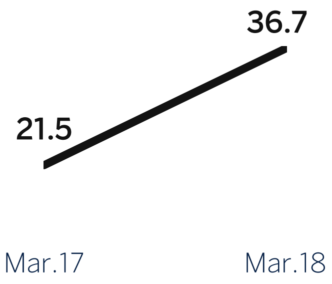
	Mar-17	Mar-18
PENETRATION	26%	36%

Goal: 50% tipping point of digital customers in 2018 and mobile customers in 2019

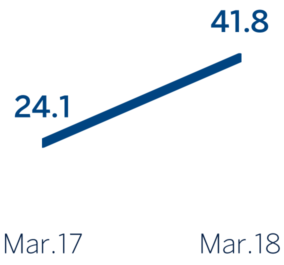
Digital Sales

(% of total sales YtD, # of transactions)

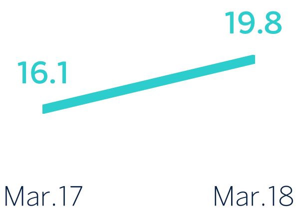
GROUP



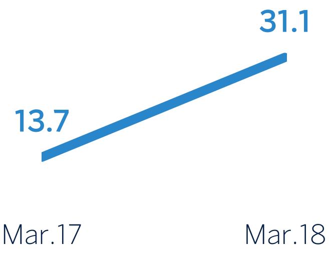
SPAIN



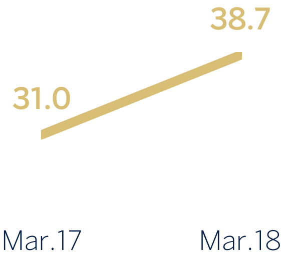
USA[1]



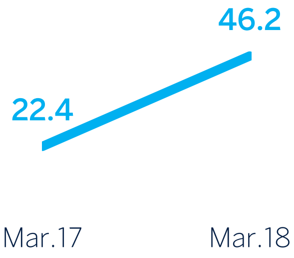
MEXICO

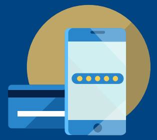


TURKEY



SOUTH AMERICA





Strong growth across markets

Note: Figures have been restated due to change in the inclusion of some products (1) Excludes Clear Spend Debit cards

APPENDIX

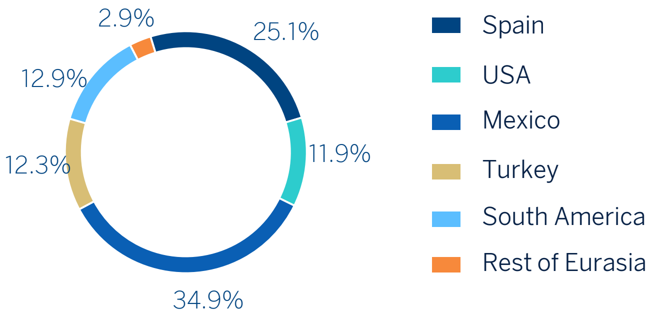
- BBVA Group 3M18 Profit & Loss
- Risk Indicators by Areas
- Capital Base: BBVA Group & BBVA S.A.
- BBVA, S.A.: 2018 SREP Requirement and distance to MDA
- Debt Issuances – 2017/2018YTD
- Amortized notes – 2017/2018YTD
- MREL framework: creation of SNP layer in Spain

BBVA Group 3M18 Profit & Loss

BBVA Group (€m)	1Q18	Change 1Q18/1Q17 %	Change 1Q18/1Q17 % constant
Net Interest Income	**4,288**	**-0.8**	**9.3**
Net Fees and Commissions	1,236	1.1	9.8
Net Trading Income	410	-40.6	-38.5
Other Income & Expenses	162	11.2	19.1
Gross Income	**6,096**	**-4.5**	**4.2**
Operating Expenses	-2,979	-5.0	3.2
Operating Income	**3,117**	**-4.0**	**5.1**
Impairment on Financial Assets	-823	-12.9	-5.2
Provisions and Other Gains and Losses	-58	-75.5	-75.4
Income Before Tax	**2,237**	**8.3**	**20.1**
Income Tax	-611	6.5	17.3
Net Income	**1,626**	**9.0**	**21.1**
Non-controlling Interest	-286	-2.2	15.8
Net Attributable Profit	**1,340**	**11.8**	**22.3**

Net Attributable Profit breakdown

(3M18)



Note: Spain includes Banking activity in Spain and Non Core Real Estate. Figures exclude Corporate Center

Risk Indicators by Areas

NPL ratio[1]

(%)

	Mar.17	Dec.17	Mar.18
BBVA Group	**4.91**	**4.55**	**4.41**
Banking activity in Spain[2]	6.00	5.52	5.36
The United States	1.34	1.22	1.17
Mexico	2.27	2.31	2.13
Turkey	2.63	3.89	3.73
South America	3.30	3.40	3.61
Rest of Eurasia	2.84	2.40	2.07

NPL coverage ratio[1]

(%)

	Mar.17	Dec.17	Mar.18
BBVA Group	**71**	**65**	**73**
Banking activity in Spain	53	50	57
The United States	106	104	98
Mexico	129	123	153
Turkey	128	85	86
South America	96	89	93
Rest of Eurasia	75	74	88

Cost of Risk[1]

(%)

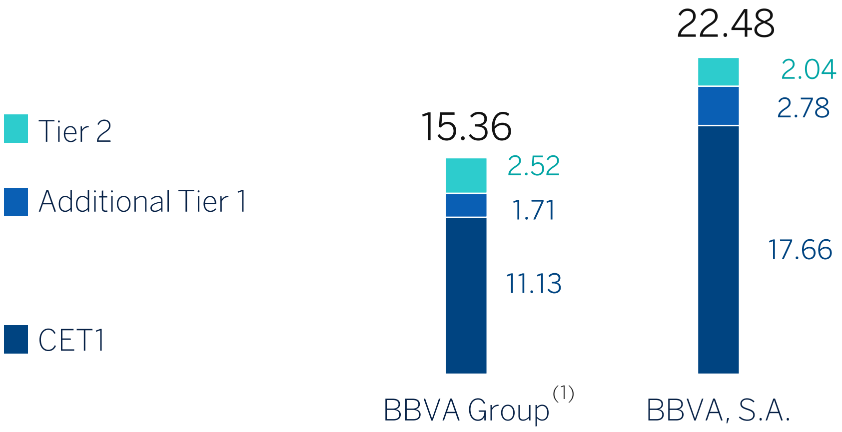
	Mar.17	Dec.17	Mar.18
BBVA Group	**0.91**	**0.89**	**0.85**
Banking activity in Spain	0.38	0.32	0.17
The United States	0.49	0.43	0.16
Mexico	3.27	3.24	3.18
Turkey	0.85	0.82	1.17
South America	1.49	1.32	1.37
Rest of Eurasia	-0.19	-0.16	-0.36

(1) Data as of 1Q18 under IFRS9 standards, 2017 figures under IAS 39) (2) NPL ratio exclude repos

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

Phased-in capital ratios

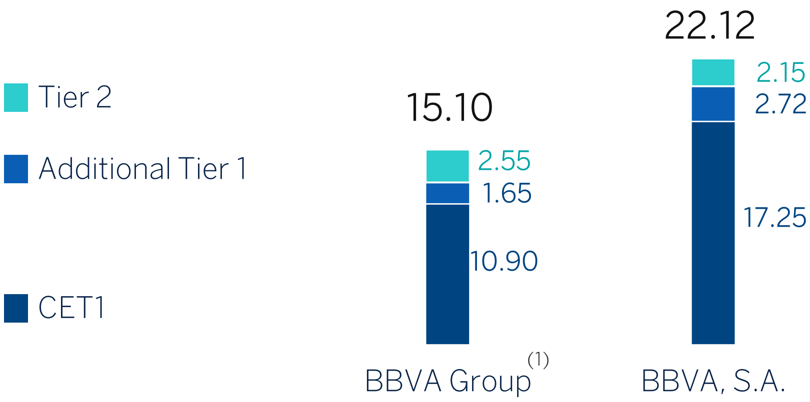
Mar.18 (%)



	BBVA Group	BBVA, S.A.
CET1	€ 39,877 m	€ 34,527 m
AT1	€ 6,128 m	€ 5,430 m
T2	€ 9,032 m	€ 3,994 m
Total Capital Base	**€ 55,038 m**	**€ 43,951 m**
RWA	**€ 358,386 m**	**€ 195,512 m**

Fully-loaded capital ratios

Mar.18 (%)



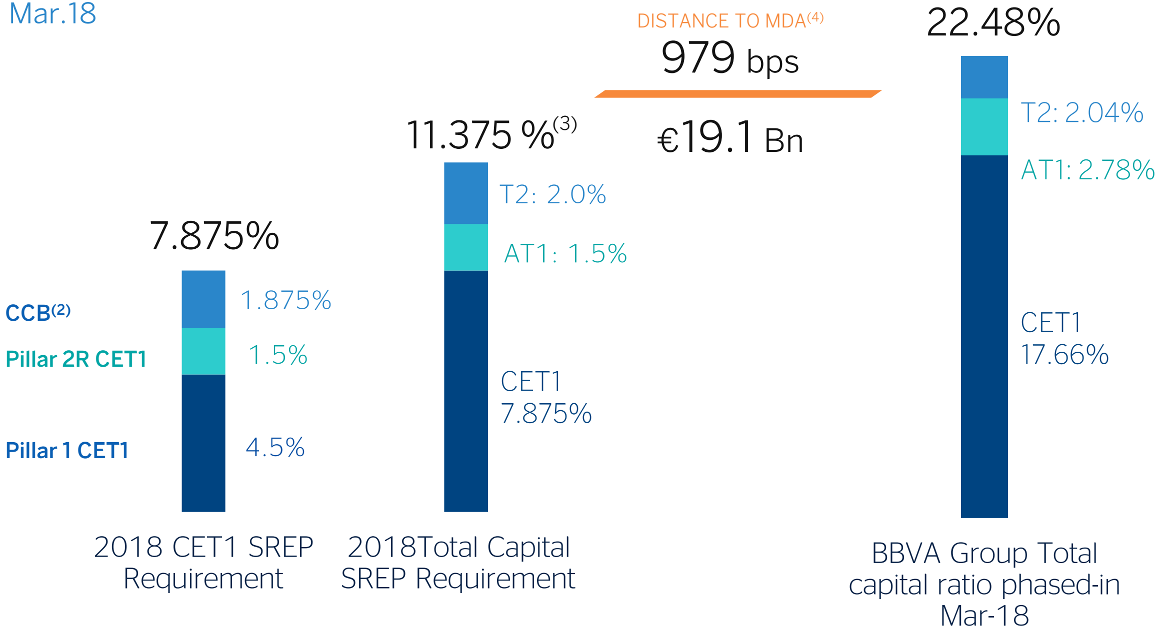
	BBVA Group	BBVA, S.A.
CET1	€ 38,899 m	€33,769 m
AT1	€ 5,895 m	€ 5,321 m
T2	€ 9,091 m	€ 4,216 m
Total Capital Base	**€ 53,885 m**	**€ 43,305 m**
RWA	**€356,847 m**	**€ 195,741 m**

(1) T2 bucket includes part of the T2 issued by Garanti, and by Bancomer, pending approval by ECB for the purpose of computability in the Group's ratio.

Capital ratios well above requirements

2018 SREP Requirement and distance to MDA[1] at a Parent Company level (BBVA, S.A.)

Mar.18



Well above 2018 Total Capital and CET1 SREP requirements

Significant buffer to MDA: **979 bps**

(1) Maximum Distributable Amount; (2) The Capital Conservation Buffer (CCB) stands, in fully loaded terms, at 2.5% CET1; (3) 2018 SREP Requirement as announced on the Relevant Event dated 13 Dec 2017; (4) 979 bps of Buffer to MDA = 17.66% Mar-18 CET1 phased-in ratio – 7.875% 2018 CET1 SREP Requirement.

Debt Issuances – 2017 - 2018YTD

BBVA, S.A.

Product	Issue Date	Call Date	Maturity	Nominal currency	Coupon	Isin
SNP	Mar-18	-	Mar-23	€ 1,500 M	3ME+ 0.60%	XS1788584321
SNP	Nov-17	-	Nov-23	€ 150 M	3ME+0.67%	XS1724512097
AT1	Nov-17	Nov-27	Perp	$ 1,000 M	6.13%	US05946KAF84
SNP	Nov-17	-	May-28	€ 140 M	1.72%	XS1712061032
SNP	Sep-17	-	Sep-22	€ 1,500 M	0.75%	XS1678372472
AT1	May-17	May-22	Perp	€ 500 M	5.875%	XS1619422865
Tier 2	May-17	-	May-27	CHF 20 M	1.60%	XS1615673701
Tier 2	May-17	-	May-27	€ 150 M	2.541%	XS1615674261
Senior Unsec	Apr-17	-	Apr-22	€ 1,500 M	3ME+0,60%	XS1594368539
Tier 2	Mar-17	Mar-27	Mar-32	$ 120 M	5.700%	XS1587857498
Tier 2	Mar-17	-	Mar-27	€ 53.4 M	fixed 3% (2 yr) - floating CMS10y + 1.30% (8 yr)	XS1579039006
Tier 2	Feb-17	-	Feb-32	€ 165 M	4.000%	XS1569874503
Tier 2	Feb-17	-	Feb-27	€ 1,000 M	3.50%	XS1562614831
Senior Unsec	Jan-17	-	Jan-22	€ 1,000 M	0.625%	XS1548914800

BBVA Turkey

Product	Issue Date	Call Date	Maturity	Nominal currency	Coupon	Isin
Tier 2	May-17	May-22	May-27	$ 750 M	6.125%	XS1617531063
Senior Unsec	Mar-17	-	Mar-23	$ 500 M	5.875%	XS1576037284

BBVA USA

Product	Issue Date	Call Date	Maturity	Nominal currency	Coupon	Isin
Senior Unsec	Jun-17	May-22	Jun-22	$ 750 M	2.875%	XS1617531063

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

Amortized notes – 2017 - 2018YTD

	Product	Issue Date	Redemption	Outstanding currency (M)	Outstanding € (M)	Coupon
BBVA, S.A.	AT1	May-13	May-18	$ 1,500 M	1248	9.00%
	Tier 2	Feb-07	Feb-18	€ 257	257	3ME+0.80%
BBVA Subordinated Capital	Tier 2	Oct-05	Jan-18	€ 99	99	3ME+0.80%
BBVA International Preferred, S.A. Unipersonal	Preferred	Apr-07	Apr-17	$ 600	499	5.919%
	Preferred	Sep-06	Mar-17	€ 164	164	3ME+1.95%
	Preferred	Sep-05	Mar-17	€ 86	86	3ME+1.65%
BBVA Mexico	Tier 2	May-07	May-17	$ 500	416	6%
BBVA Peru	Tier 2	May-07	May-17	PEN 40	11	5.85%
BBVA USA(1)	Tier 2	Jun-03/04	Sept/Oct-17	$ 100	83	3ML+2.81%(2)

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

BBVA follows an economic call policy

MREL framework: creation of SNP layer in Spain

Insolvency Hierarchy

Previous Insolvency Law	Approved New Spanish Insolvency Law
Exempted deposits / Deposit Guarantee Schemes	Exempted deposits / Deposit Guarantee Schemes
Preferred deposits (SMEs and natural persons)	Preferred deposits (SMEs and natural persons)
Senior unsecured liabilities / Other Ordinary claims	Senior unsecured liabilities / Other Ordinary claims
	Senior Non Preferred debt
Other sub debt	Other sub debt
Tier 2	Tier 2
AT1	AT1
Equity	Equity

- Spanish legal framework creating the Senior Non Preferred layer (RDL 11/17) was approved in June
- Clear identification and prioritization of debt securities available to absorb losses:
  - In case of insolvency, ordinary claims will be classified into preferred and non-preferred ordinary claims, the latter having a lower ranking than the former
  - Non-preferred ordinary claims will rank ahead of subordinated claims
- An ordinary claim will only be considered as non-preferred if it meets the following conditions:
  - It has been issued or created with an effective tenor ≥ 1 year,
  - It is not a derivative and has no embedded derivative, and
  - The terms include a clause establishing that it has a lower ranking vis-à-vis the remaining ordinary claims
- The creation of this new layer, expressly acknowledges the possibility for Spanish entities to issue senior debt instruments that meet MREL's subordination requirement (similar to the French statutory approach)

Creating Opportunities

Fixed Income Presentation

1Q18