



BBVA Creating
Opportunities

BBVA Francés 2Q18

Disclaimer

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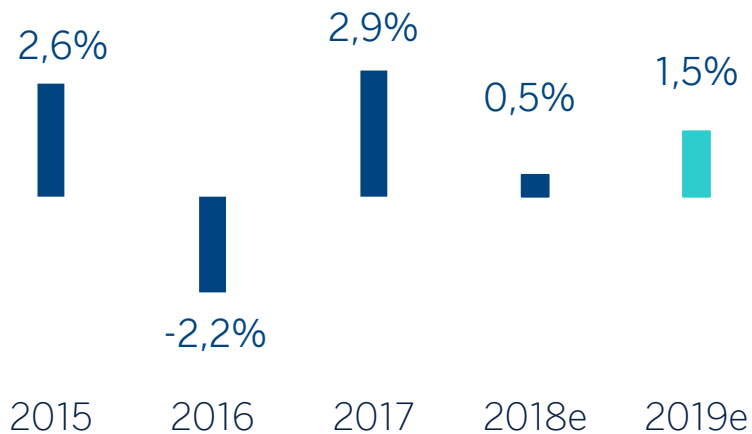
01

**Macroeconomic
environment and
Financial System**

Economic activity contracted in the 2Q18, mainly due to the drought and the fx volatility.

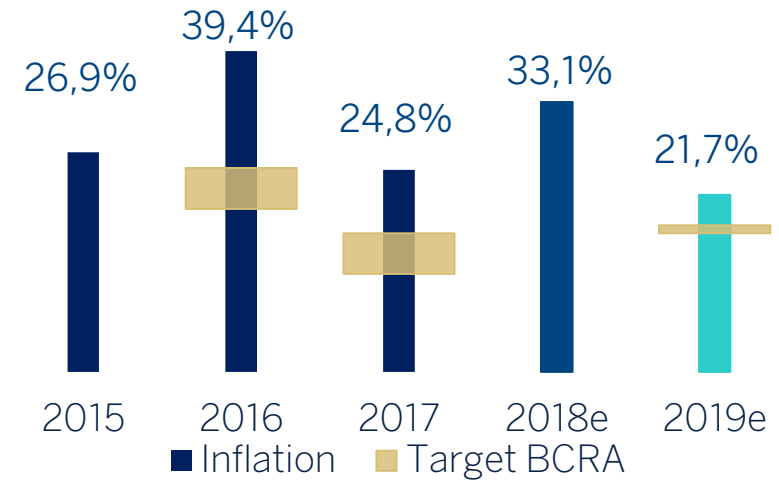
GDP Growth

% yoy (base 2004)



CPI

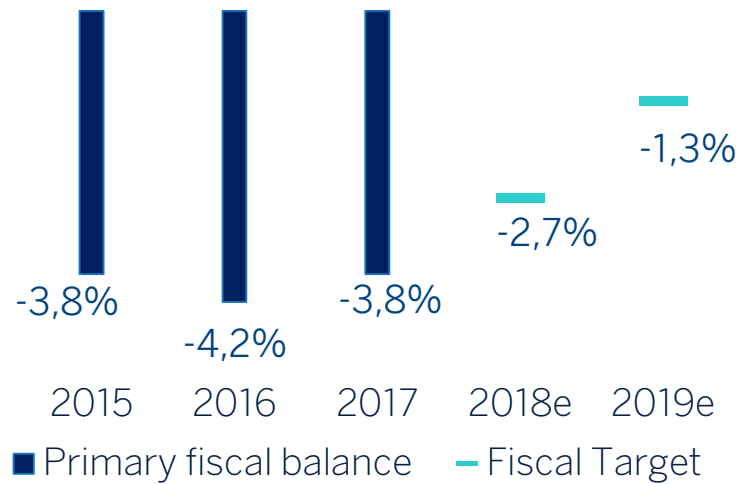
% yoy



Primary deficit targets for 2018 will be easily meet

Primary fiscal balance

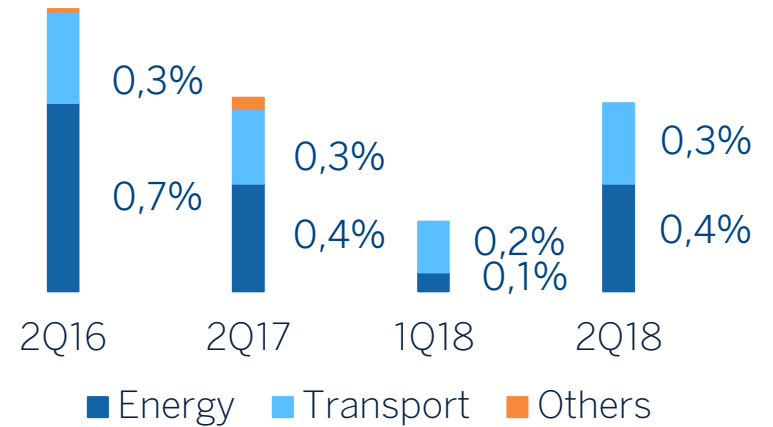
% GDP



Source: Ministry of Economy / 2018- 2019 Targets

Subsidies to economic sectors

% GDP

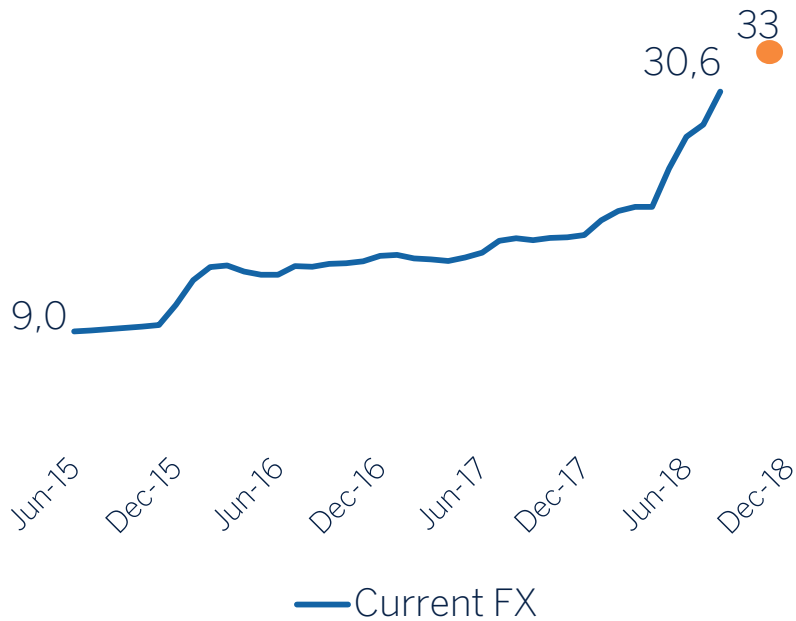


Source: Ministry of Finance

A depreciated currency should help to adjust the external sector deficit

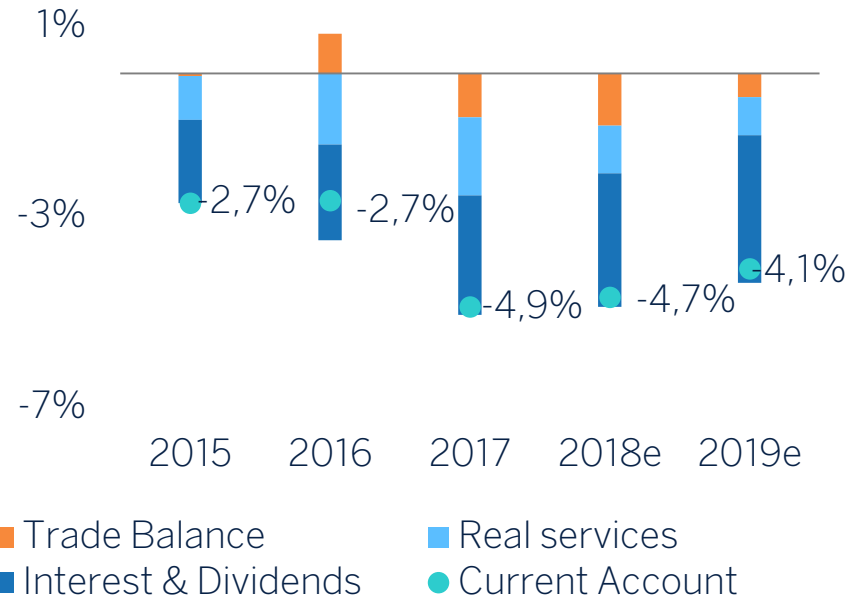
FX rate and REM forecast

AR\$/USD



Current Account

% of GDP – Source: INDEC



Trade Balance deficit begins to show a slight adjustment

Exports and Imports

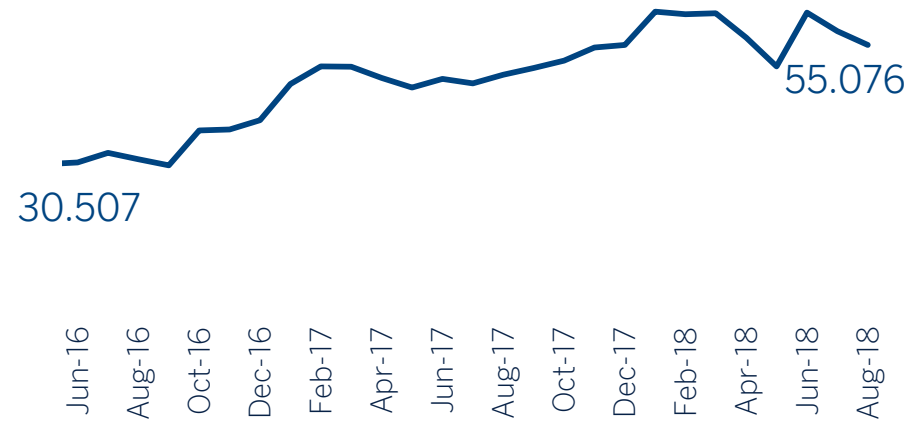
% yoy variation



Source: INDEC

International Reserves

(millions USD)

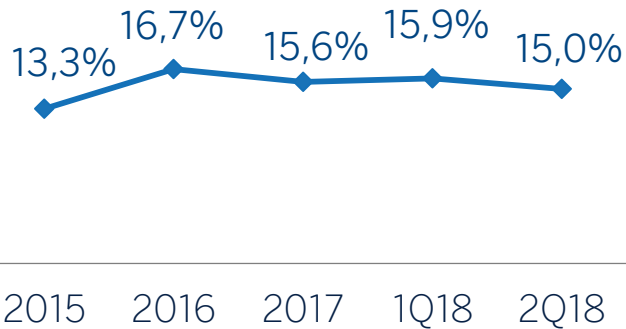


Source: Central Bank

Financial System: Adequate levels of liquidity and solvency and healthy asset quality indicators

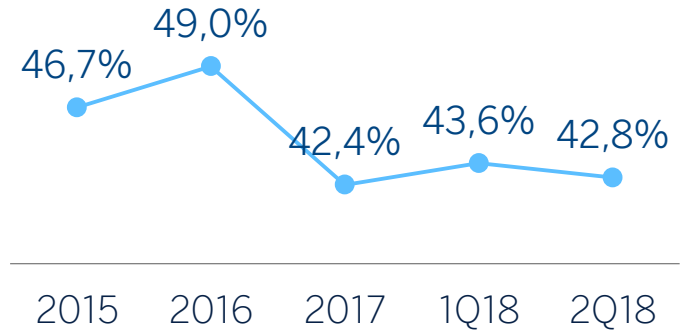
Capital

Capital Integration / RWA according to BCRA regulation

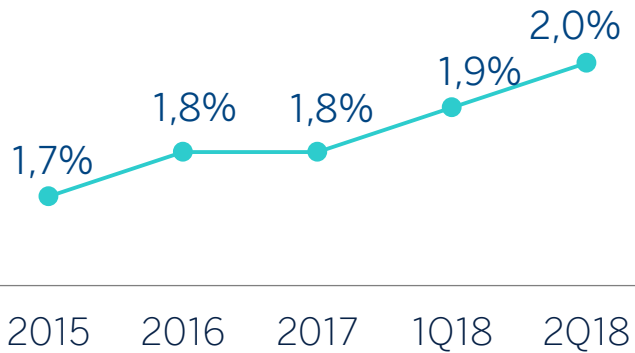


Liquidity

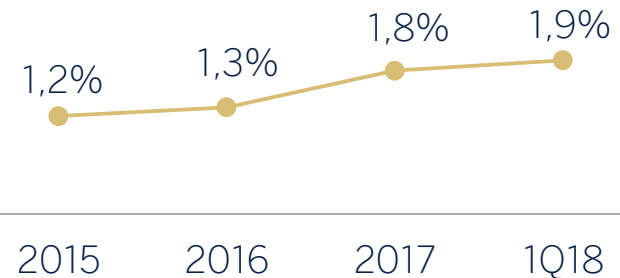
Cash + net repos with BCRA+BCRA bills / Total Deposits



NPL

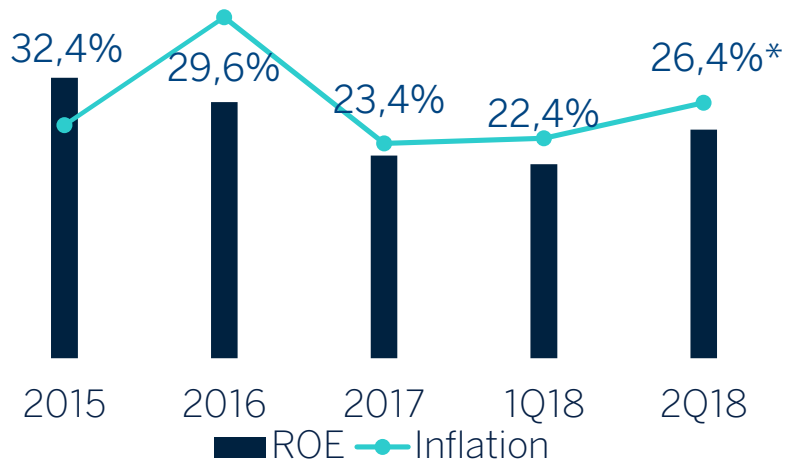


Cost of Risk



Financial System: higher profitability in nominal terms, but still low in real terms

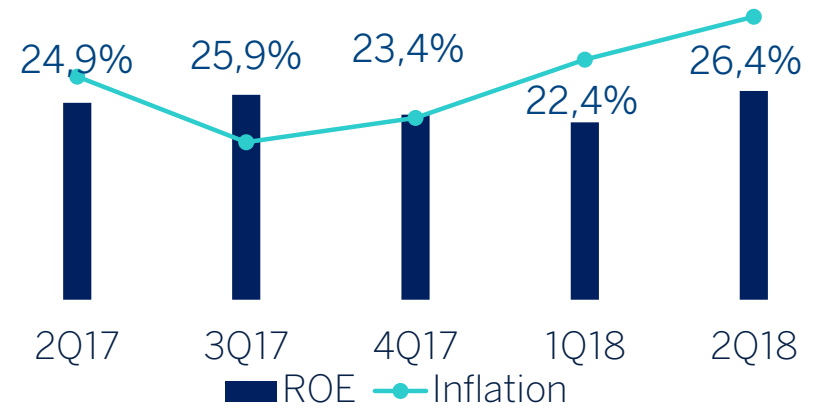
ROE and Inflation Inflation: end of period



ROE: accumulated net income / monthly average equity, annualized
Inflation accumulated

* 2Q18 ROE as of May18

Quarterly figures



ROE: quarterly net income / quarterly average equity, annualized
Quarterly inflation: quarterly average inflation, annualized

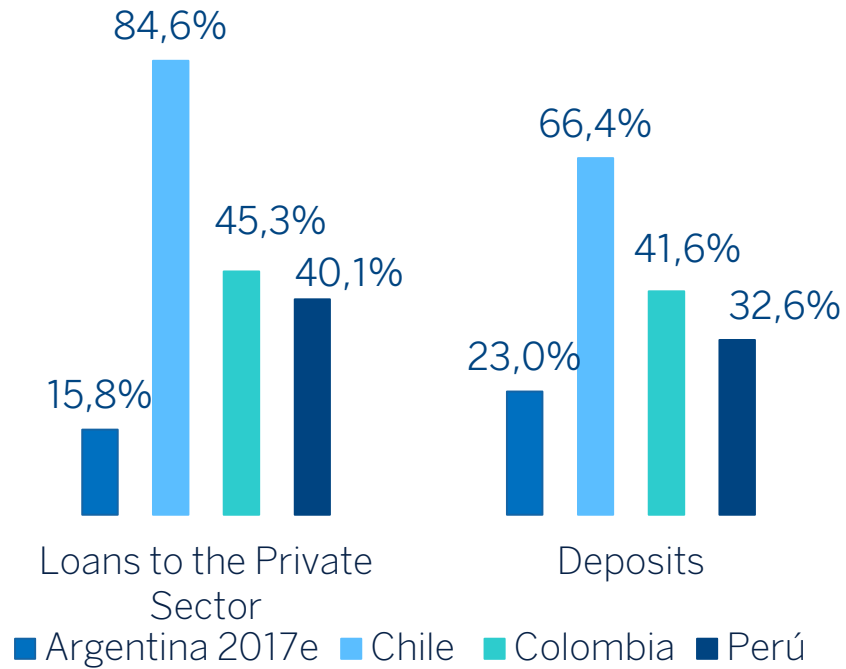
* 2Q18 ROE as of May 18

Source: BCRA and IPC CABA (from Jan-13 to Apr-16) – IPC GBA INDEC (from May -16 to May -17) – IPC Nacional INDEC (from June -17)

A small financial system, but with a good infrastructure to face growth

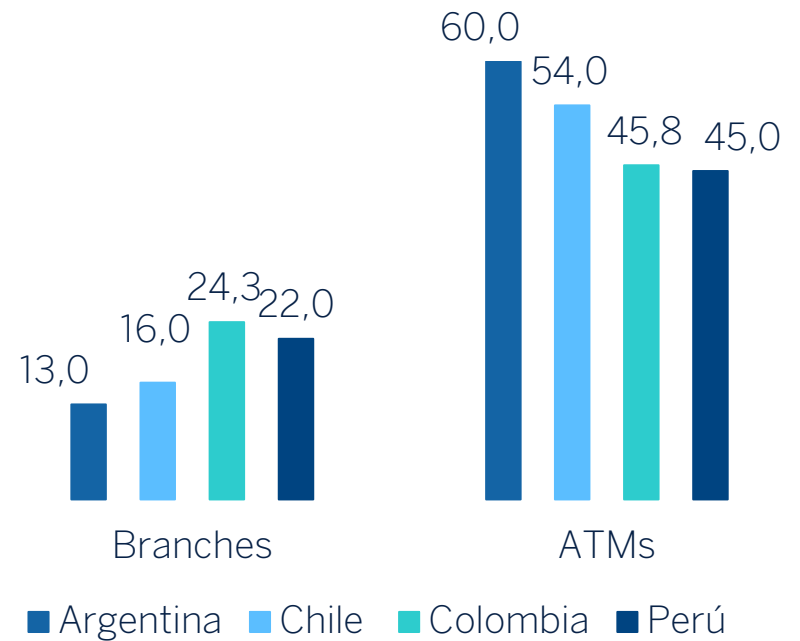
Latam Private Loans and Total Deposits % GDP

Figures as of November 2017



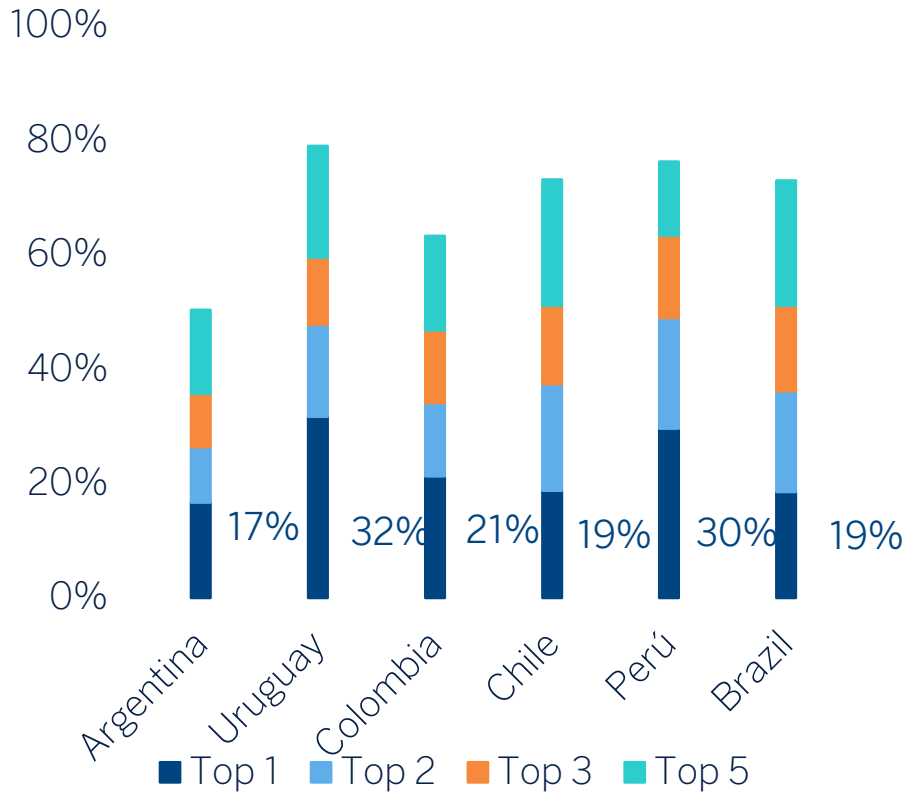
Branches and ATMs / 100,000 adult population

Figures as of December 2016



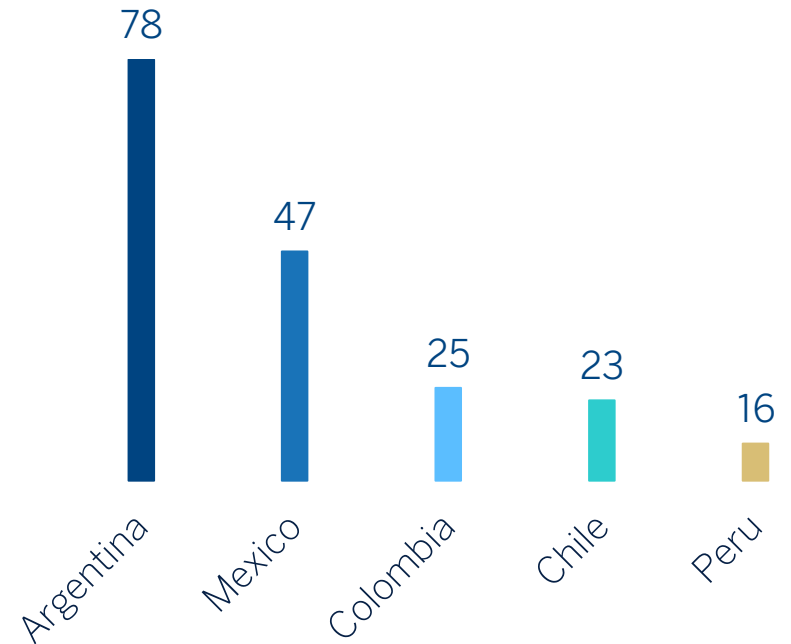
Argentina has the less concentrated financial system in the region

Total loans market share in Latam



Number of financial entities per country

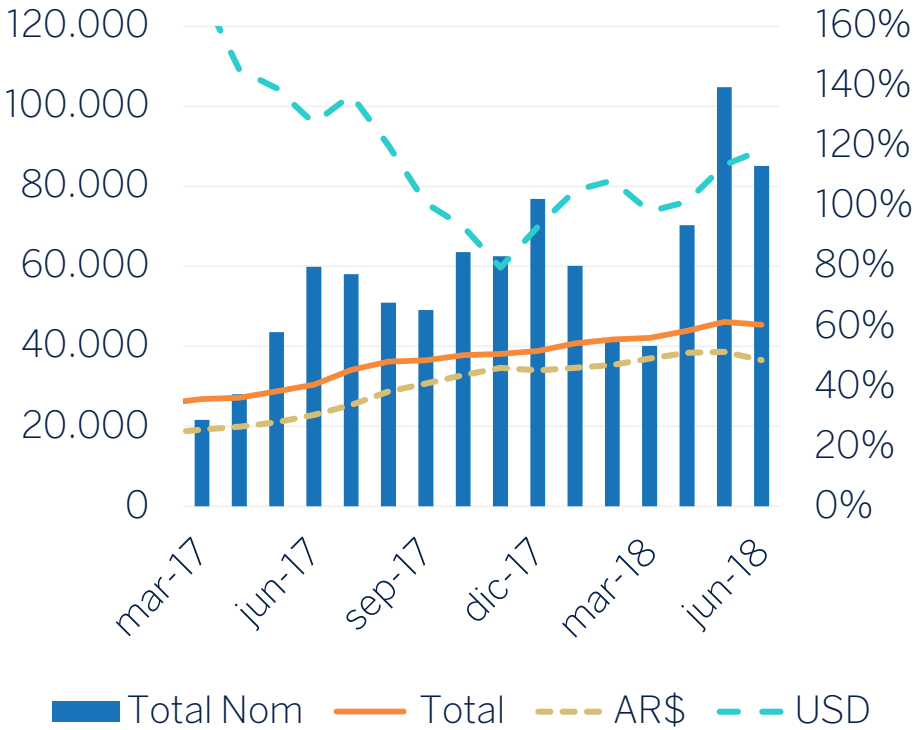
As of 2016



Private loans trend

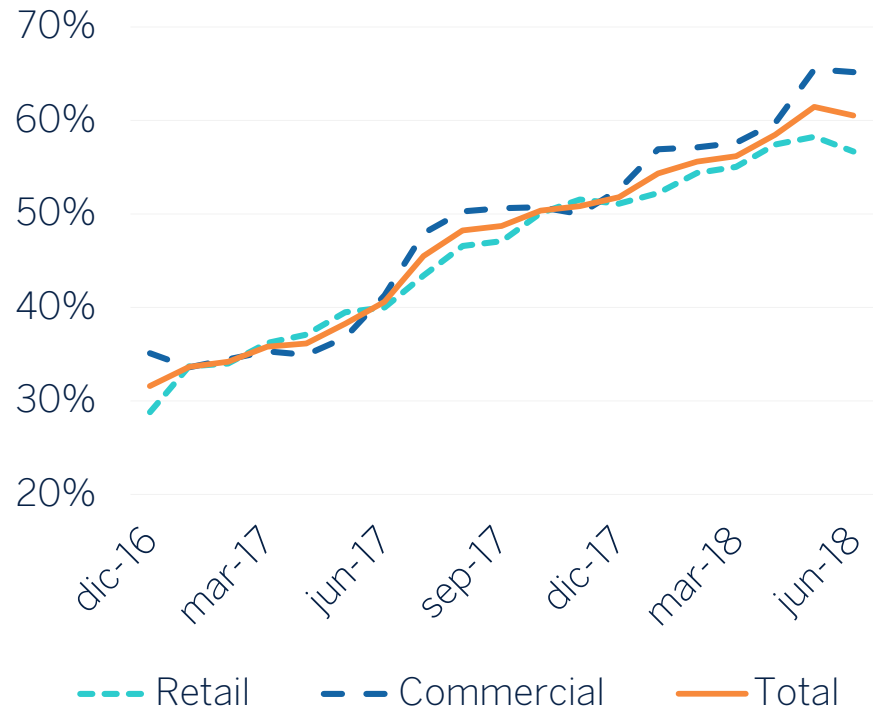
Total Private Loans growth

(var yoy % - millions AR\$)



Retail and Commercial Loans

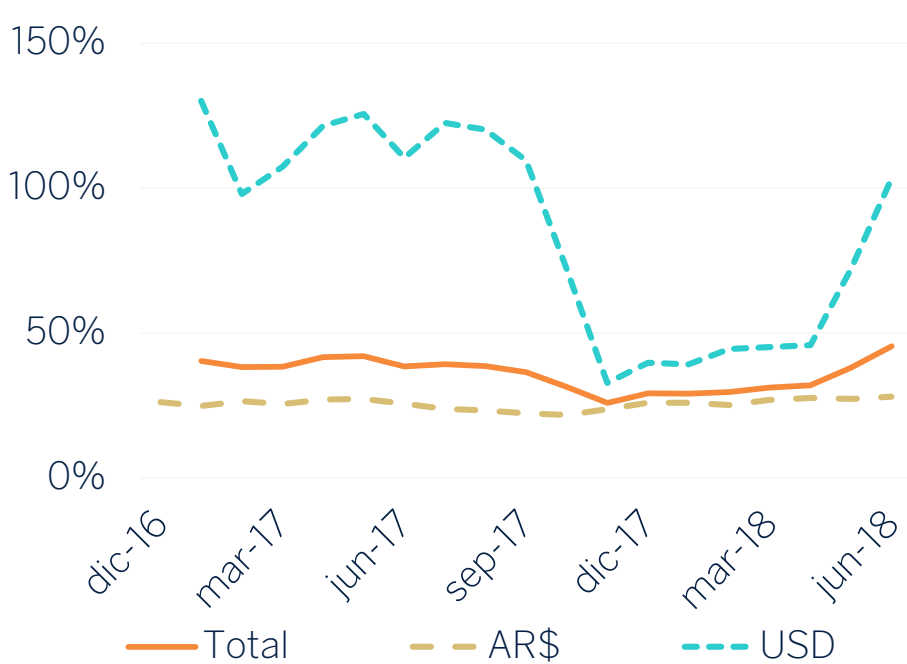
AR\$ + USD (var yoy %)



Private deposits trend

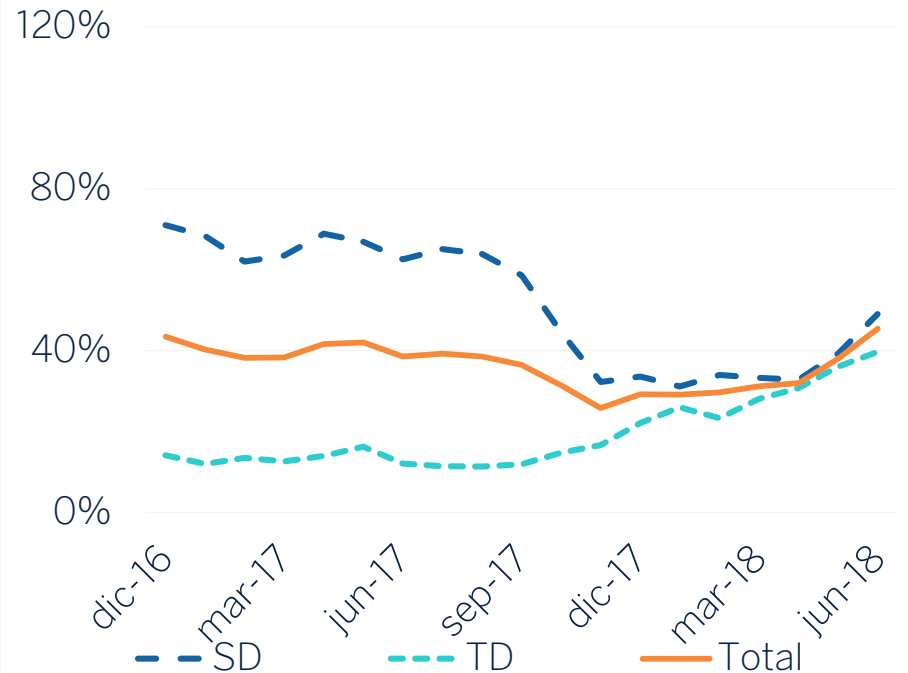
Total Private Deposits growth

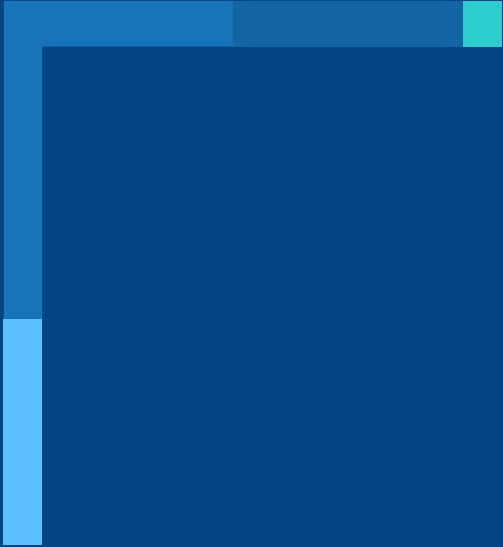
(var yoy %)



Sight Deposits and Time Deposits

AR\$ + USD (var yoy %)

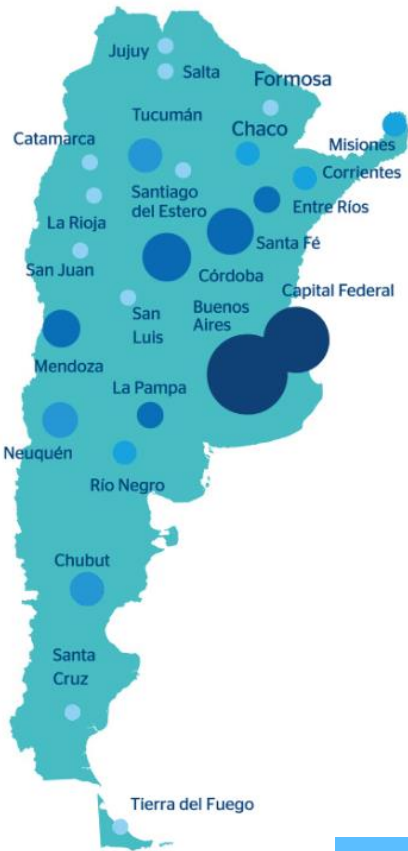




02

BBVA Francés

A universal bank with a countrywide presence

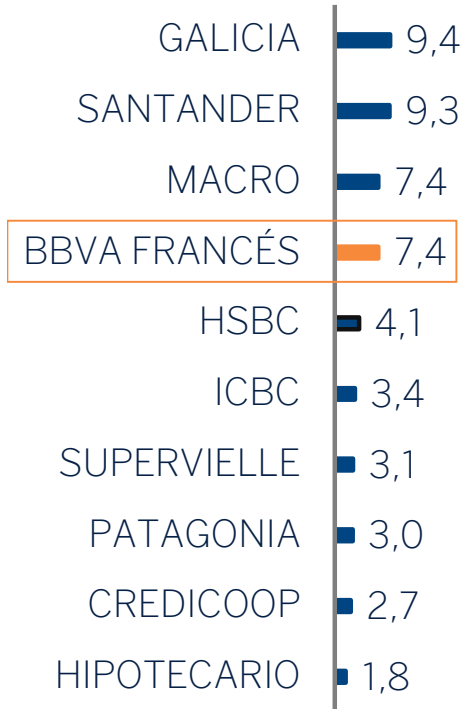


Clients

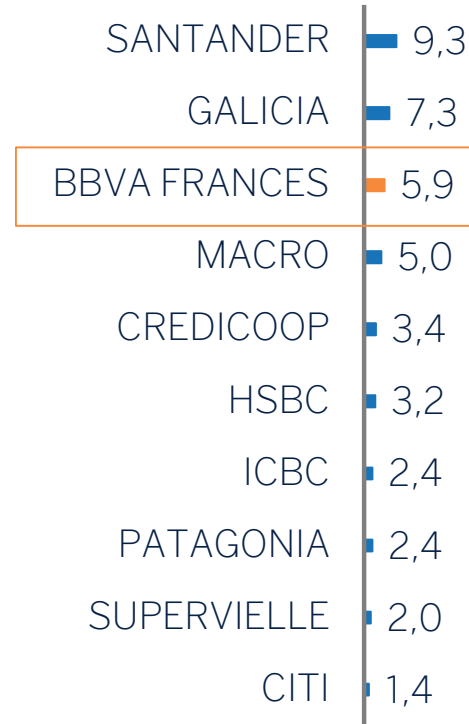


One of the leader private banks

Total loans



Total deposits



Figures as of Mar- 18

Private Loans *
8.2%

Mutual Funds
6.2%

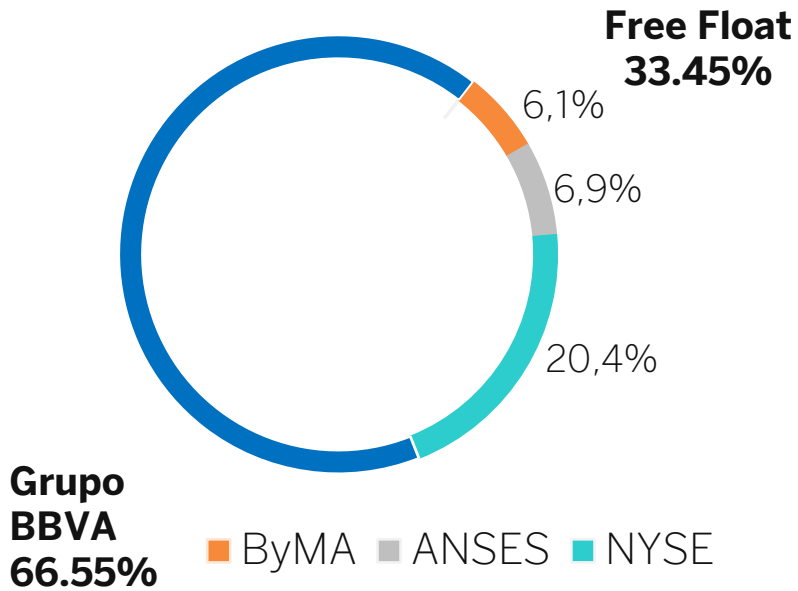
Private Deposits *
7.8%

Branches
5.5%

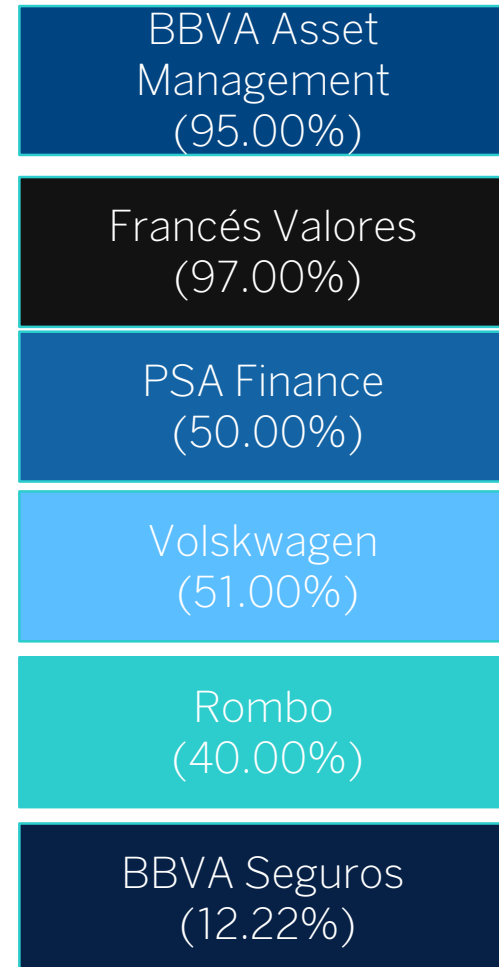
Market share as of Jun18. Includes loans of JVs consolidated within the financial statements, PSA Finance and Rombo

Equity Ownership

Ownership structure

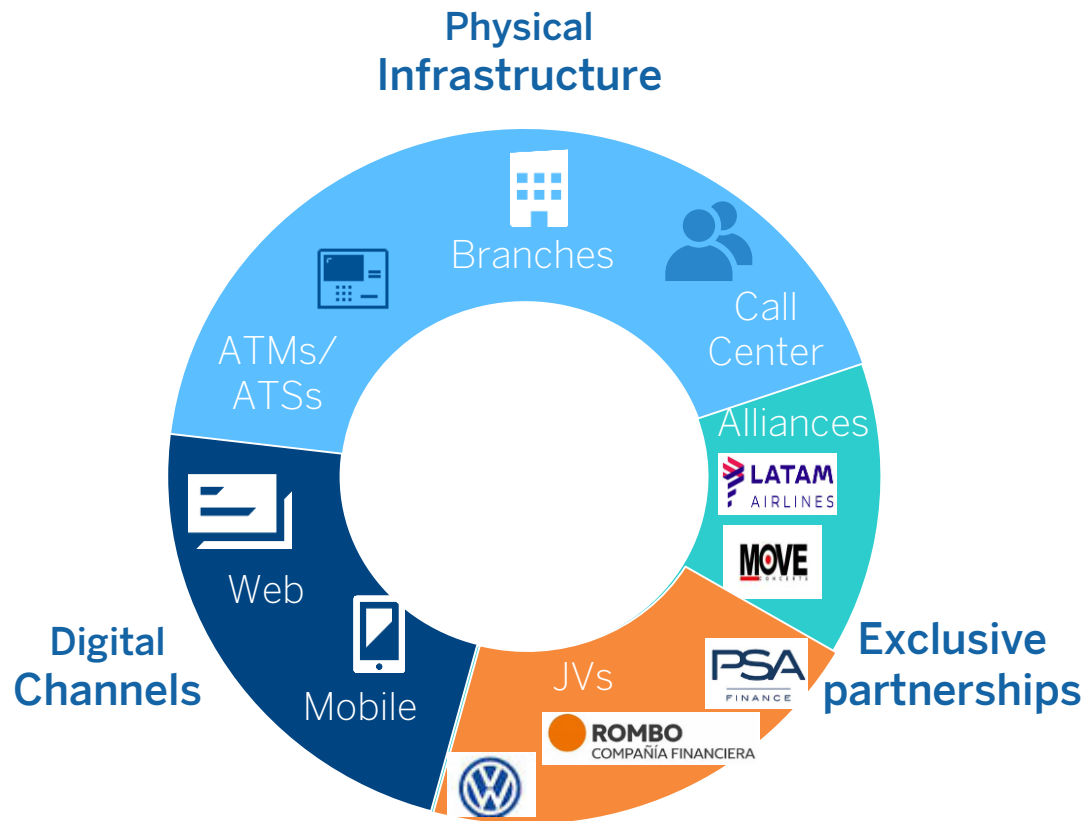


Subsidiaries and equity participations



With a diversified business model

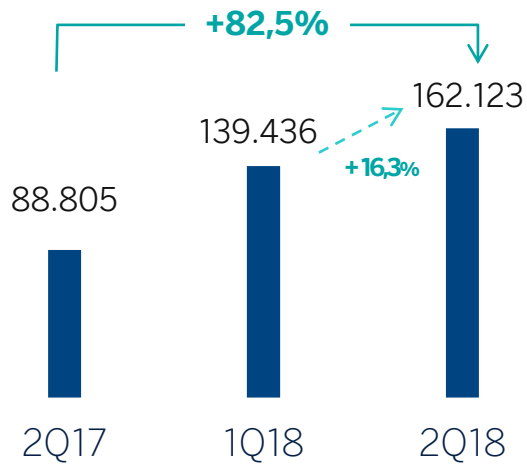
Multichannel structure and exclusive partnerships



Loans

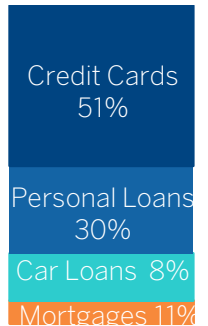
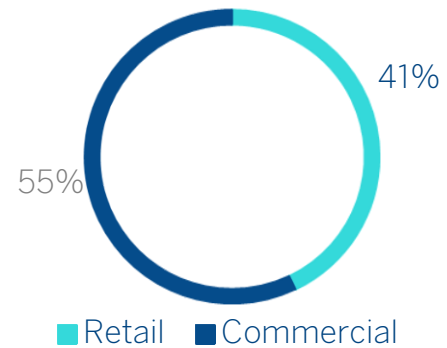
Private loans

(millions AR\$)



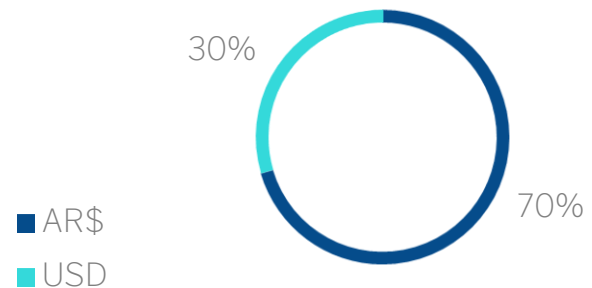
Private loans structure *

* Private loans includes loans of BBVA Francés + VW



Market share	2Q17	1Q18	2Q18
Market share	7.6	8.3	8.2

Private loans by currency



Leverage

7x

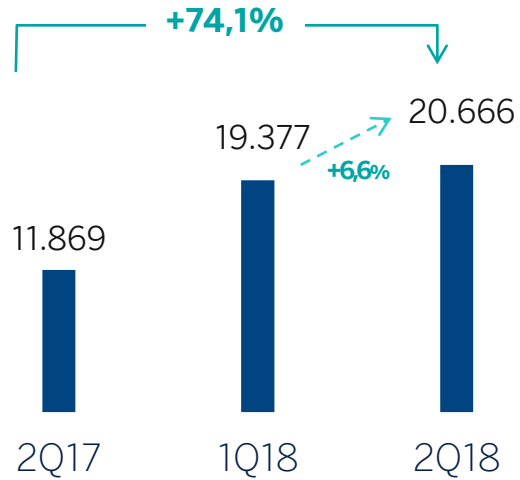
Loans to Deposits

84.1%

Retail banking

Personal loans

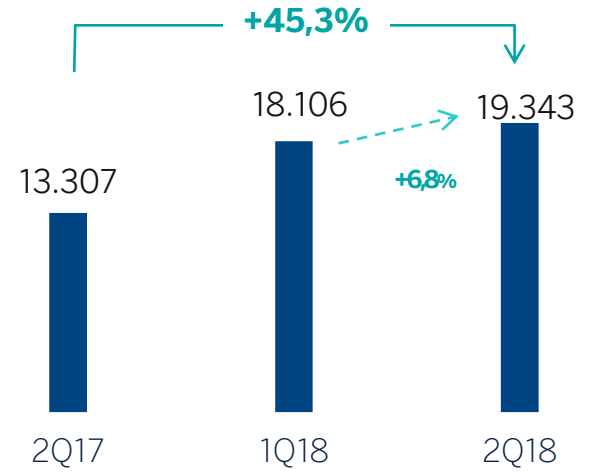
(millions AR\$)



Market share	2Q17	1Q18	2Q18
	4.2	4.9	4.9

Car loans

(millions AR\$)

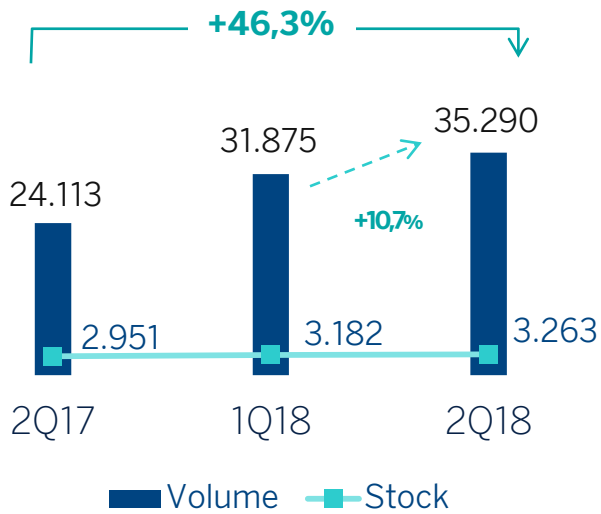


Market share	2Q17	1Q18	2Q18
	18.4	17.8	17.5

Retail banking

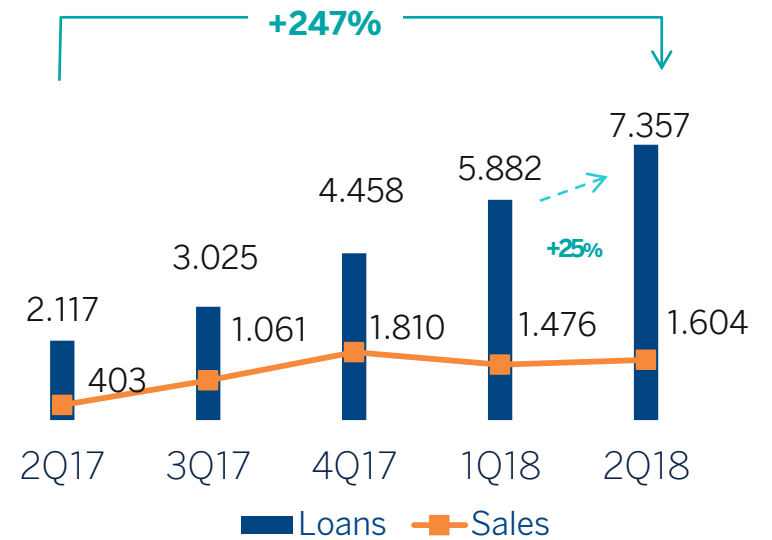
Credit Cards

(millions AR\$)



Mortgages

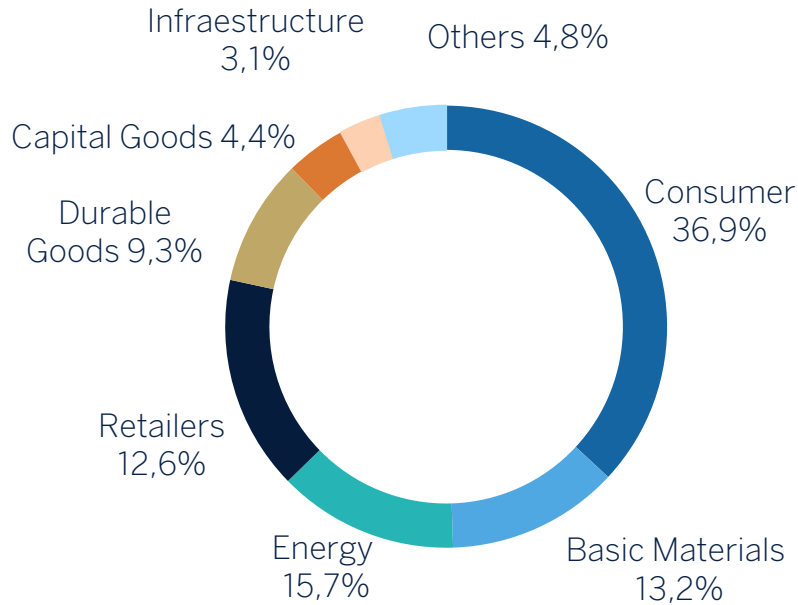
(millions AR\$)



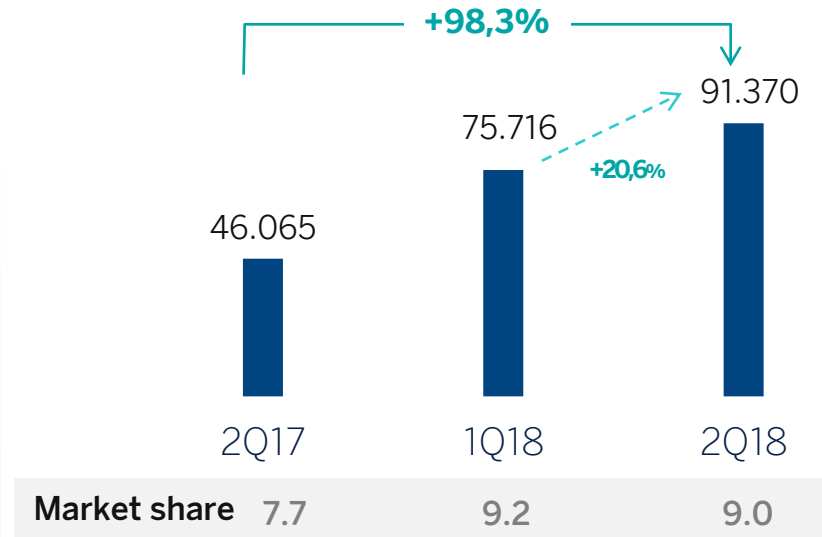
Market share consumption	12.3	13.0	13.2
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Commercial banking

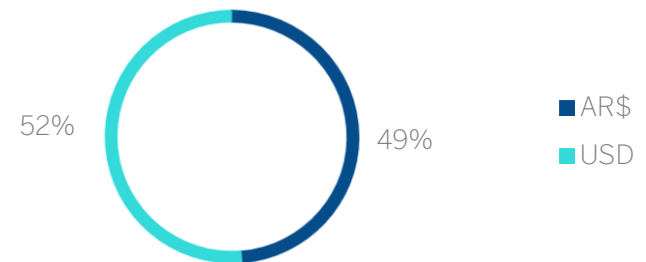
Distribution by industry



Commercial Loans (millions AR\$)



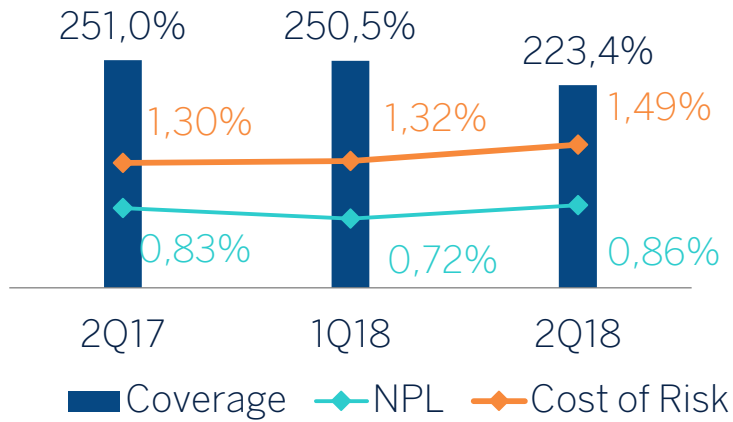
Commercial Loans by currency



Sound risk indicators

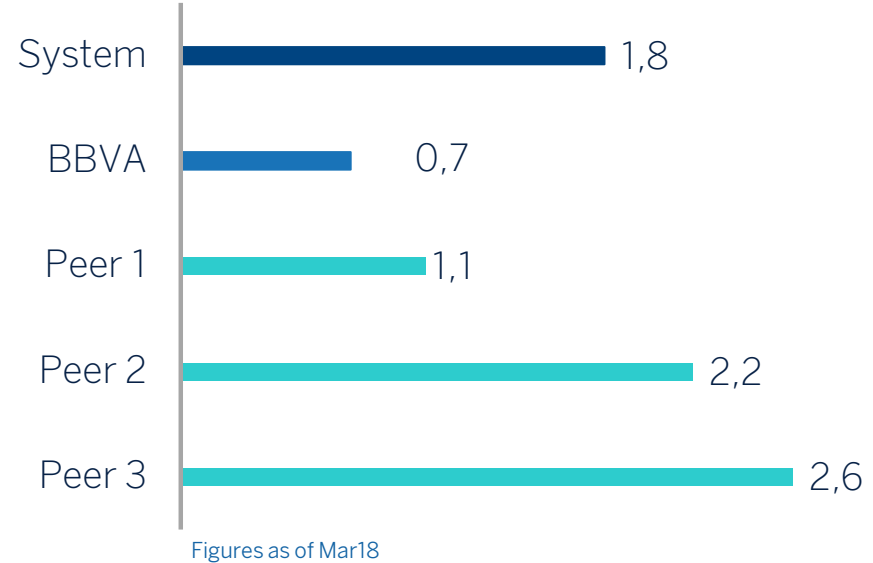
NPL, Coverage and Cost of risk

(%)



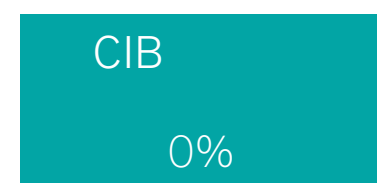
NPL peer group and Financial System

(%)



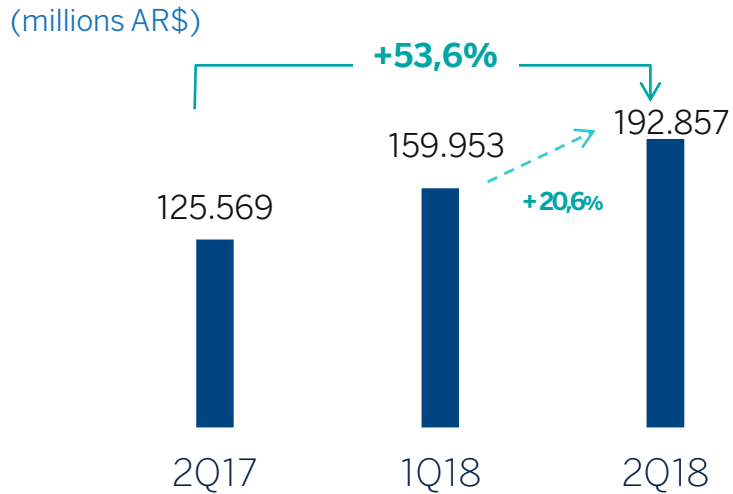
NPL by segment

(%)

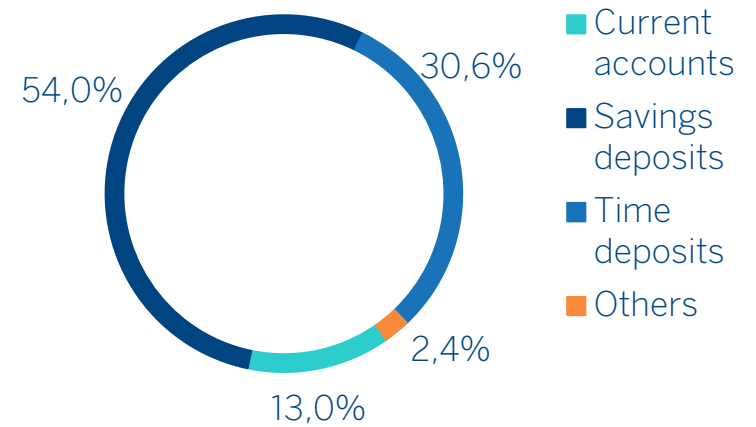


Deposits

Total Deposits

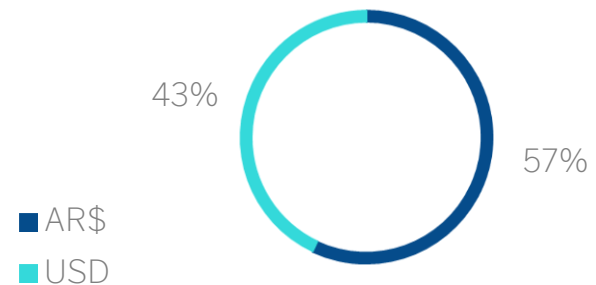


Deposits Structure



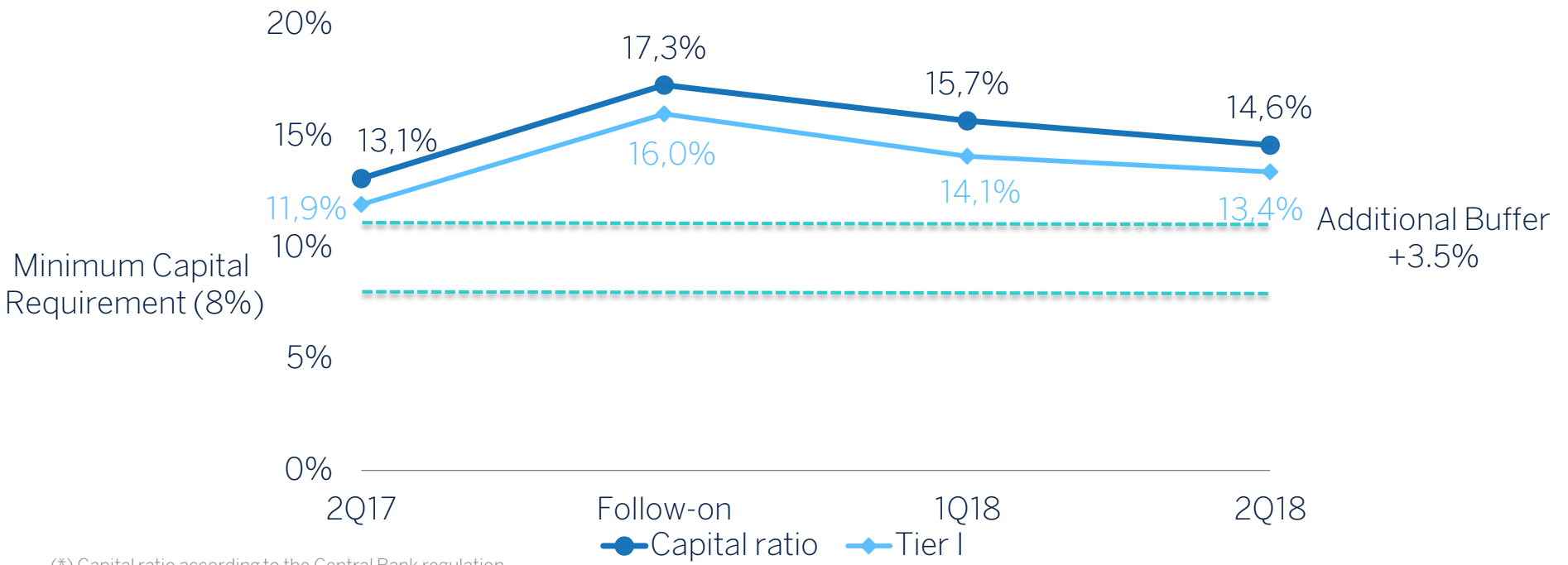
Market share	2Q17	1Q18	2Q18
	7.5	7.8	7.9

Deposits by currency



Strong capital position

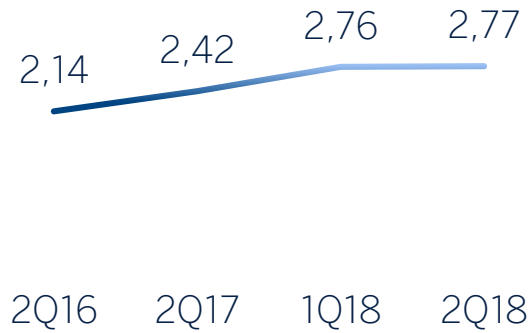
Capital Ratio



Clients evolution

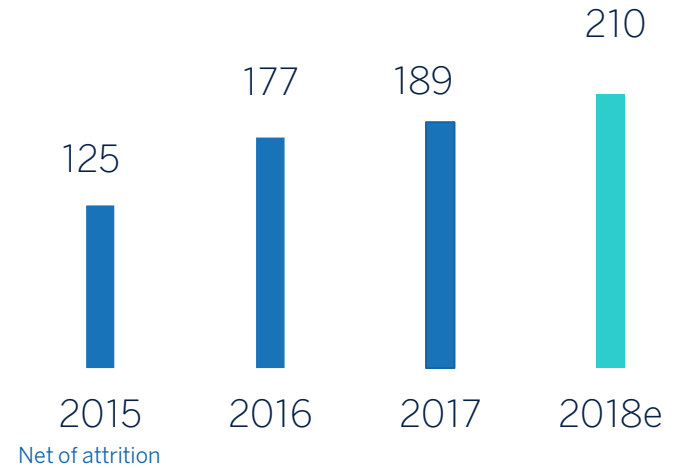
Total retail clients

(millions)

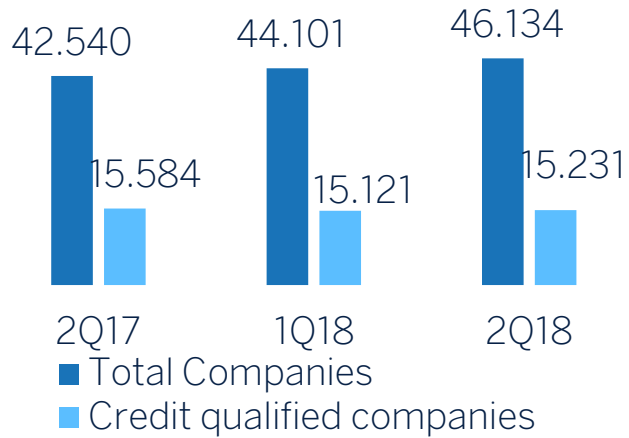


New retail clients

(thousands)

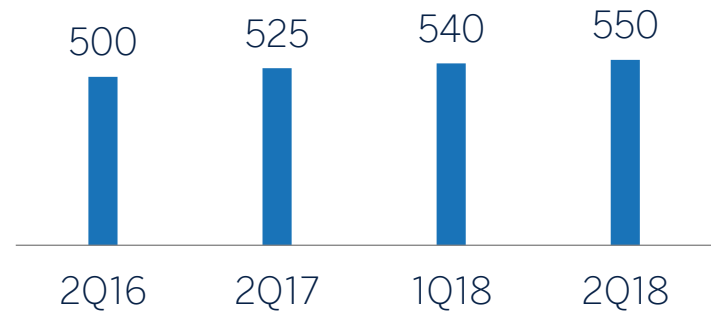


SMEs by segment



Payroll accounts

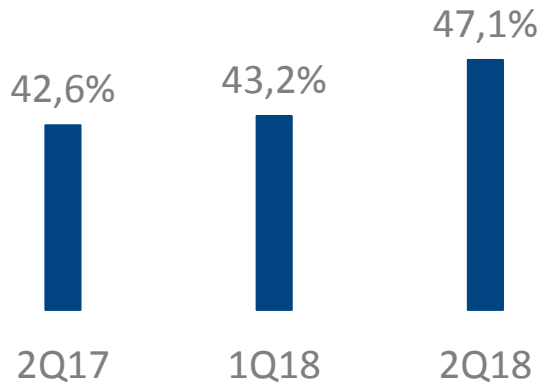
(thousands)



Digital performance

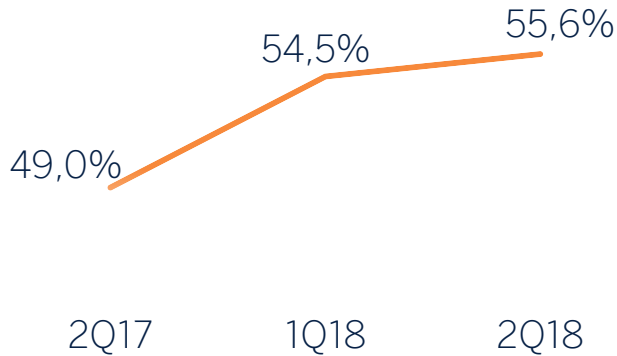
% Digital Sales

(digital sales/total sales)

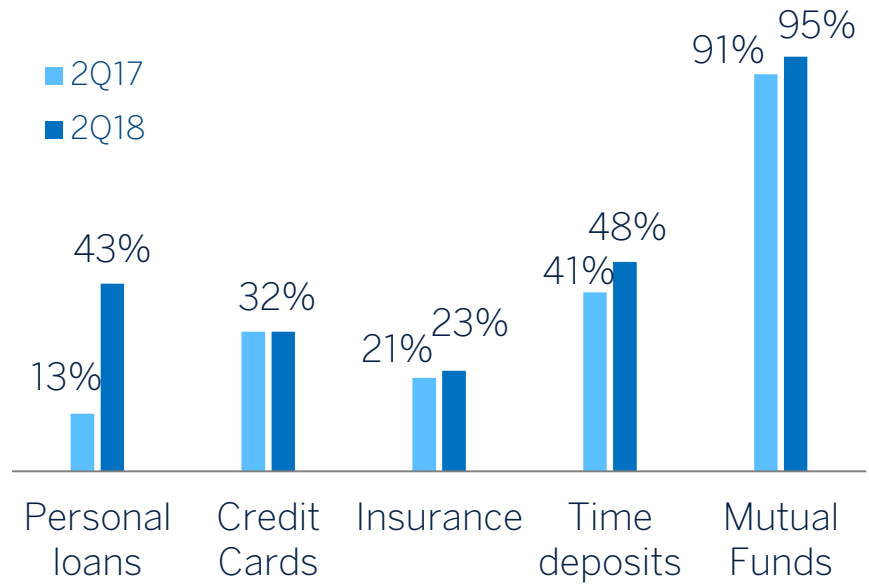


% Digital clients

(digital clients/retail target clients)



% Digital Sales by Product



2Q18 Highlights

01 Net Income	AR\$ 2,124	+112,9% vs. 2Q17
02 Net Financial Income	AR\$ 6,018	+82% vs. 2Q17
03 Net Income from services	AR\$ 756	+22,3% vs. 2Q17
04 Administrative Expenses	AR\$ 3,576	+22,9% vs. 2Q17
05 Sound risk indicators	NPL ratio 0.86%	Coverage ratio 223,4%
06 Strong capital position	Capital Ratio 14.6%	TIER I 13.4%
07 Focus on shareholder value	ROE 26,4%	ROA 3,5%

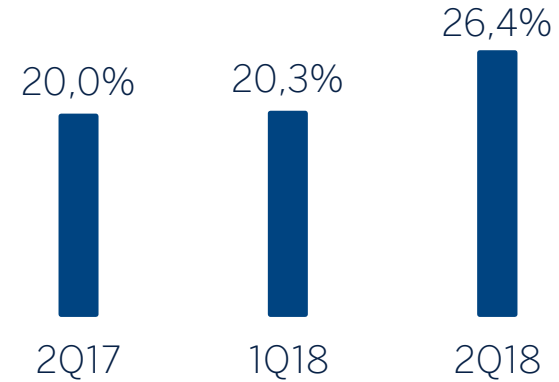
Net income and main indicators

Net Income

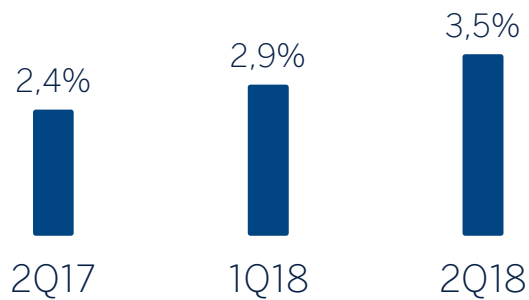
millions AR\$



ROE

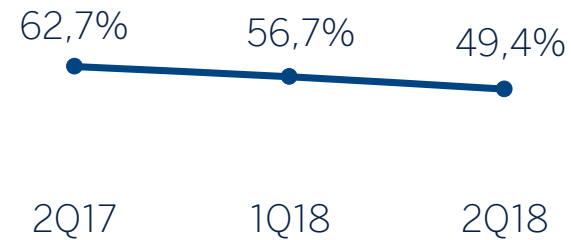


ROA



Efficiency

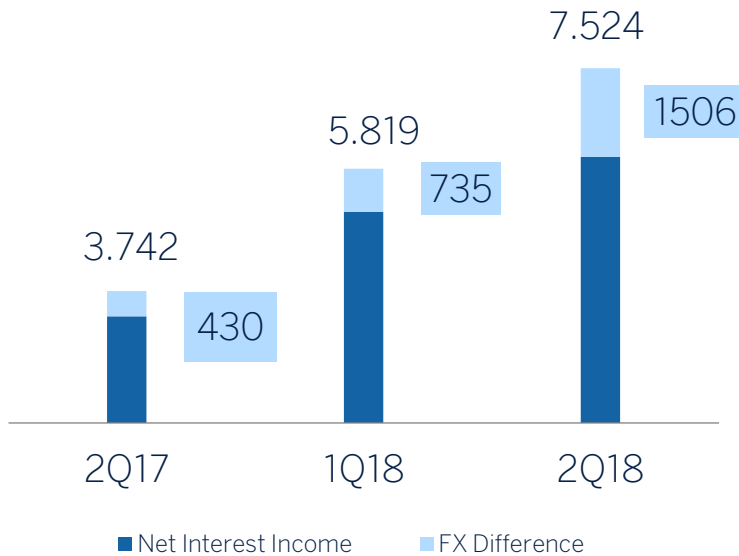
Administrative expenses / (Net Financial Income + Net Income from Services)



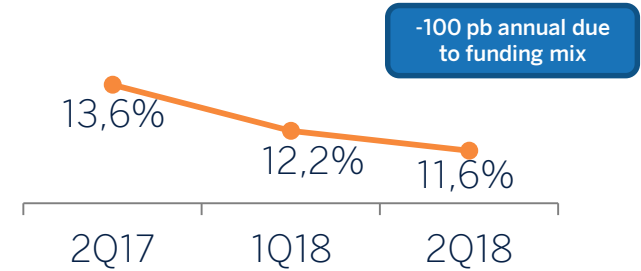
Net Interest Margin and NIM

Figures in millions AR\$

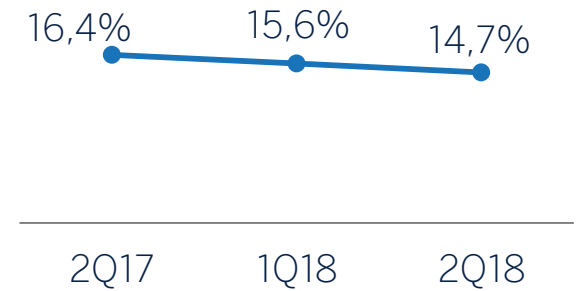
Net Financial Income



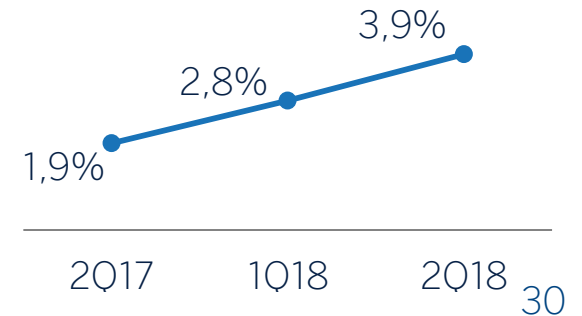
Total NIM (AR\$+USD)



Total NIM AR\$



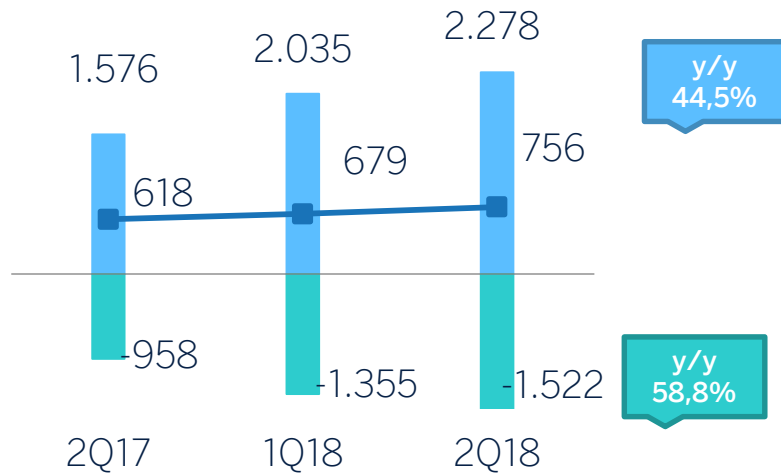
Total NIM USD



Fees and Expenses

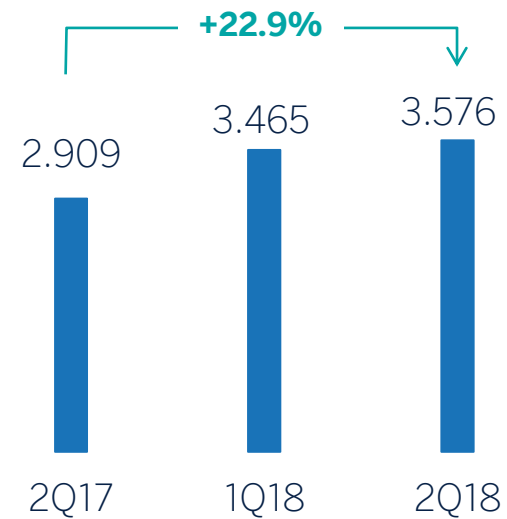
Figures in millions AR\$

Net Income from services



■ Fee Income
 ■ Fee Expenses
 ■ Net fee Income

Administrative expenses





Annex

BBVA Francés P&L Breakdown

Figures in millions \$	2Q-17	1Q-18	2Q-18	Δ Q/Q	Δ Y/Y
Net interest income	3.312	5.084	6.018	18,4%	82%
Net fee income	618	680	756	11,2%	22%
Net income of financial instruments	716	332	-628	n/a	n/a
Foreign Exchange difference	432	695	2.009	189,1%	365%
Other operating income	662	1.743	760	-56,4%	15%
Provision for loan losses	-418	-526	-804	52,9%	92%
Net Operating income	5.322	8.008	8.111	1,3%	52%
Gastos de admin. y beneficios al personal	-2.909	-3.465	-3.577	3,2%	23%
Depreciation and amortization	-180	-199	-208	4,5%	16%
Other operating expenses	-885	-2.154	-1.428	-33,7%	61%
Operating income	1.348	2.189	2.898	32,4%	115%
Income From associates	175	40	121	202,5%	-31%
Income tax	-517	-663	-866	30,6%	68%
Net income including non-controlling shareholders	1.006	1.566	2.153	37,5%	114%
Net income attributable to non-controlling shareholders	8	21	30	42,9%	275%
Net Income	998	1.545	2.123	37,4%	113%



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