

BBVA

BBVA, facing the future with strength



*VI Spanish Banks Convention
Ahorro Corporación Financiera*

Barcelona, september, 2010

Snapshot

Current environment

Outlook for the future

BBVA

BBVA: a diversified group with strong focus on retail banking

Key figures 1H10

USA
Growth Platform:
Leading franchise in
Southern USA

Spain
Growing market
share: 1st/ 2nd

Mexico
Top bank

South America
Leading franchise
1st / 2nd

Asia / China
Advantageous positioning:
Strategic alliance with a
dominant player in Asia

Customers: 47.5 mn

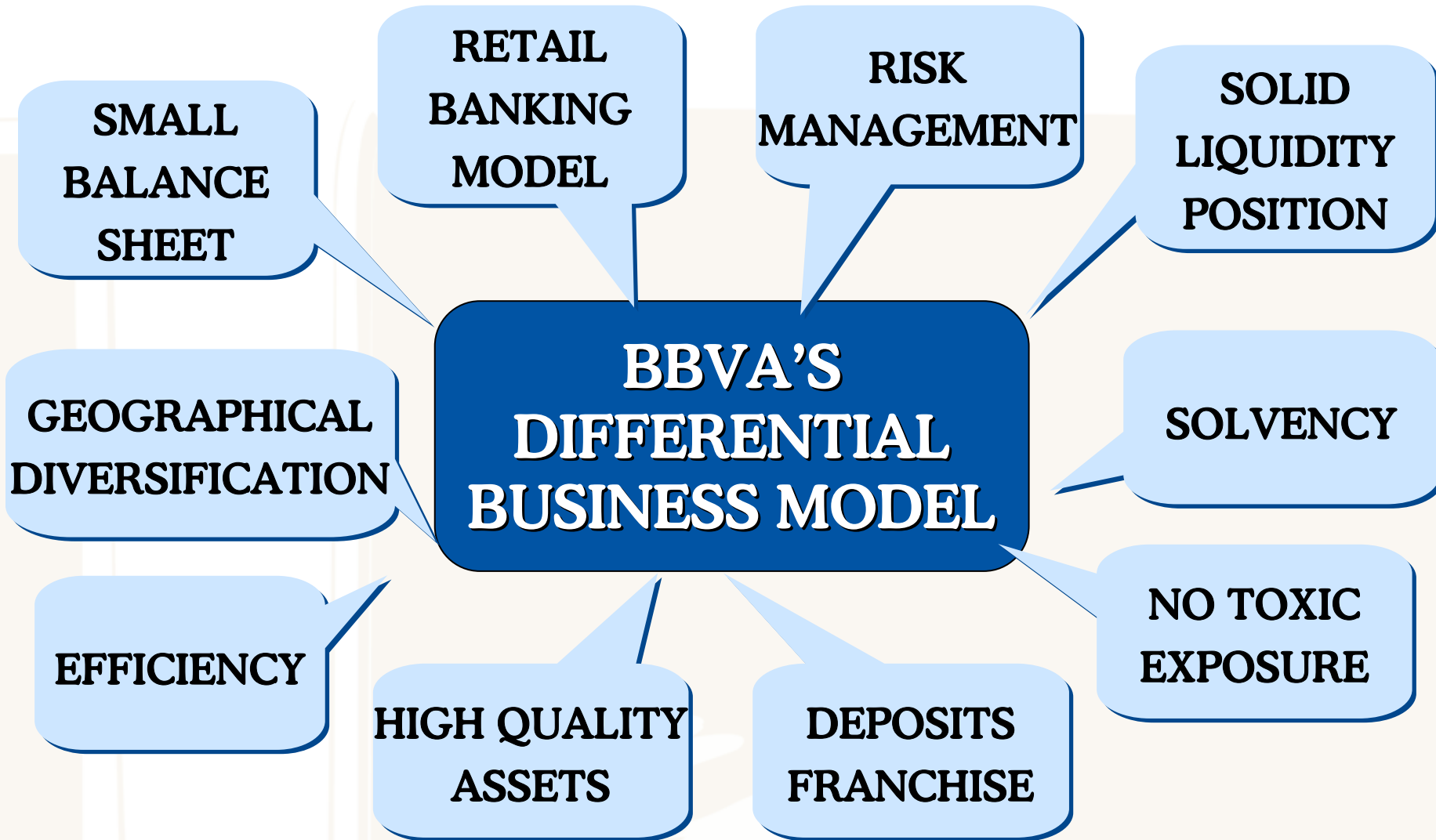
Assets: €569 bn

Net attrib. profit: €2.53 bn

Branches: 7,407
Employees: 104,372

Countries : 31

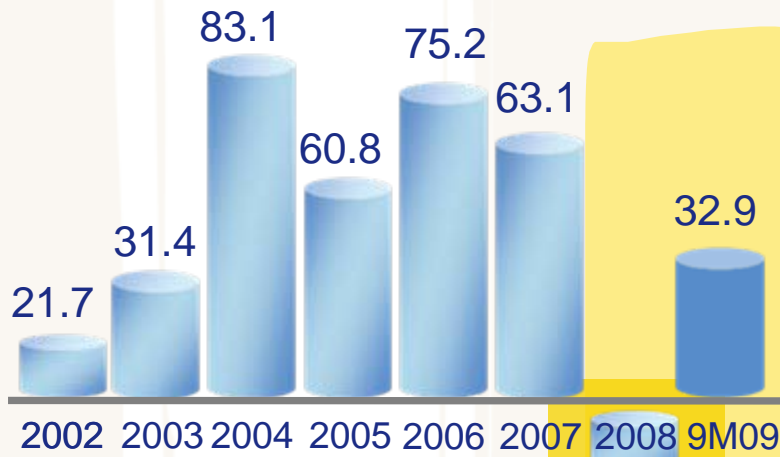
BBVA's advantages: The ten commandments



BBVA is in a strong position

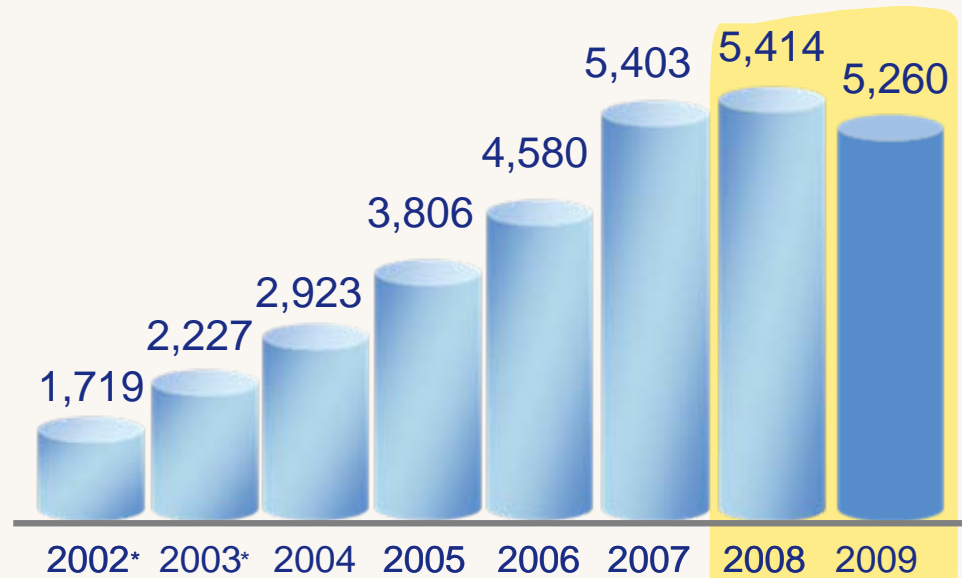
In the crisis ...

Attributable profit
Peer group* excl BBVA
(€bn, excl. One-off items)



* Peer group: BARCL, BBVA, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, RBS, SAN, SG, UBS, LBG, Citi, BOA, JPM, Wells Fargo.

BBVA's net attributable profit
(€m, excl. One-off items)

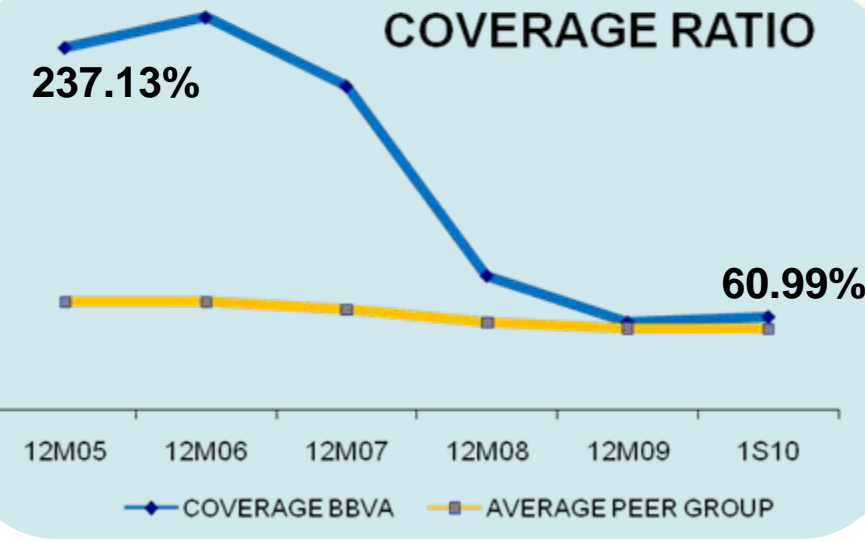
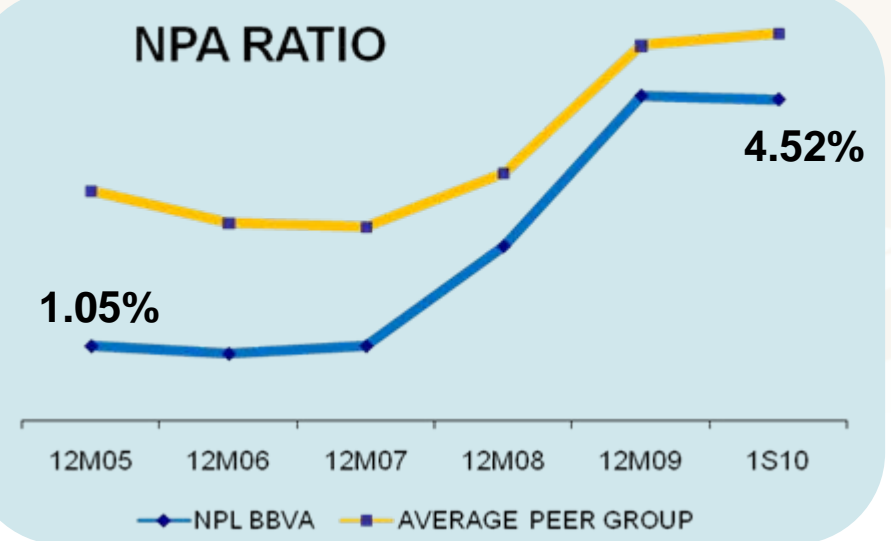
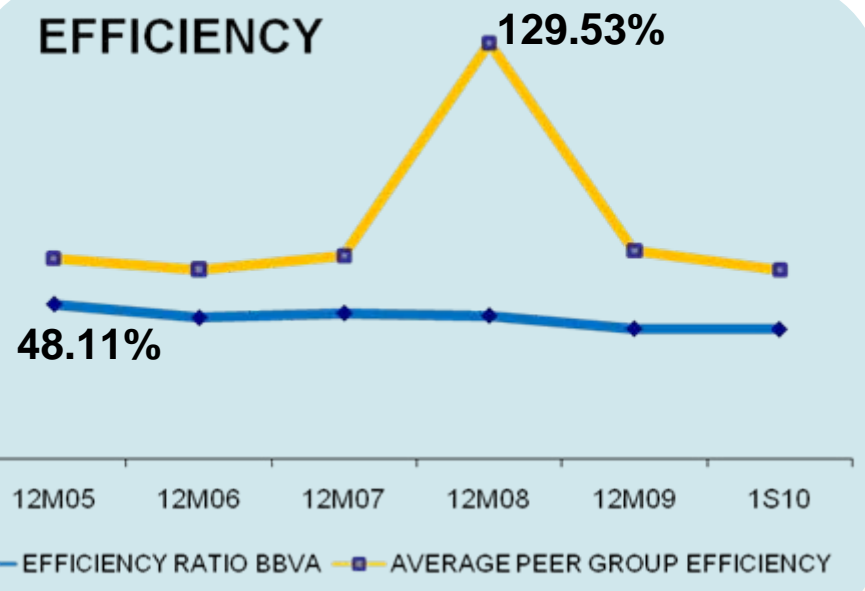
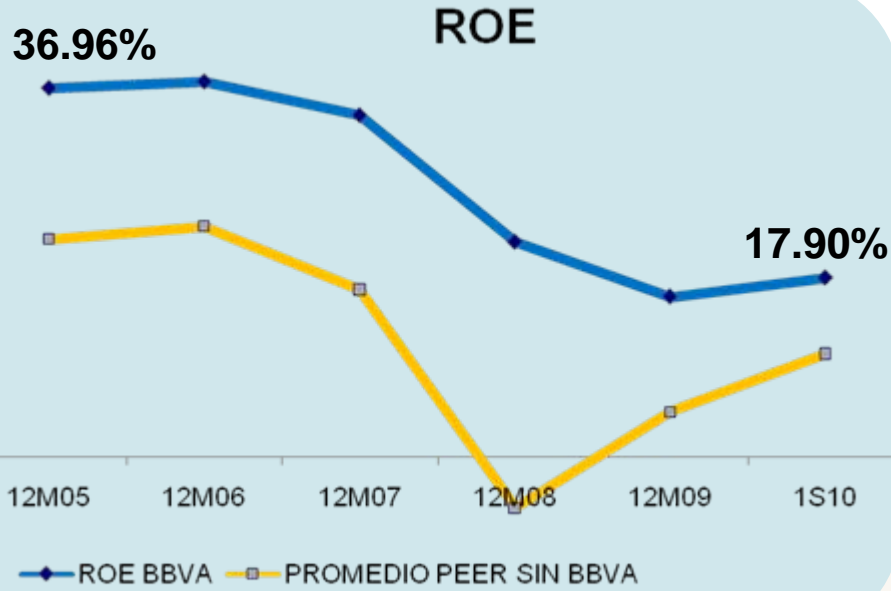


* 2002 - 2003 Pre-IFRS

Collapse of industry

Sustained growth

Strong position in ...



We ended 2009 as a “better bank”

Better capitalised

Core capital 8%
(+ 180 pb)

More efficient

40.4% (-4,1 pp)

A stronger balance
sheet

- Provisioning effort
- Ample coverage
- Latent capital gains

More diversified
and with stronger
franchises

- South America: another “Bancomer”
- Establishing USA a s growth platform
- Reinforcing our Asian presence



More profitable

T.S.R.
R.O.E.

Snapshot

Current environment

Outlook for the future

During a year in which the finance sector was characterised by...

Liquidity problems

Capital Markets closed

Rating downgrades of Gov and financial entities

Decline in revenues

Stocks markets drop

Lower margins in retail banking

CDS at a maximum level

Impairment of asset quality

At some point, there will be a return to normal, but normal does not mean things will be the same again

M A C R O

Fiscal Measures

Structural Reforms

Preventive regulation

Communication

**DIFFERENTIATION
AMONG ENTITIES**

1

Capacity for generating recurrent results

2

Good asset quality

3

Solvency and balance-sheet strength

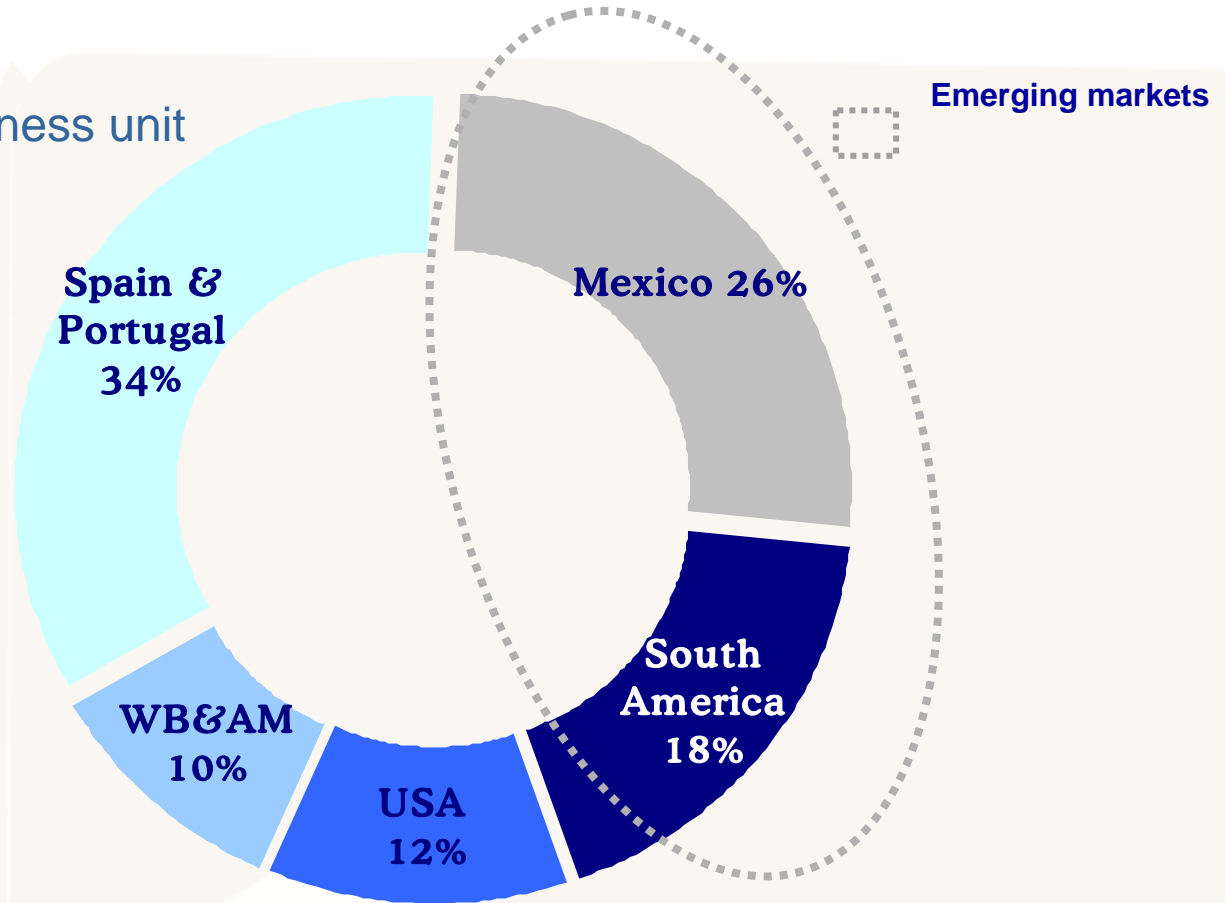
1 Capacity for generating Recurrent results

BBVA

BBVA, a very well diversified Group

Gross income*

BBVA Group by business unit
(1Q10, %)



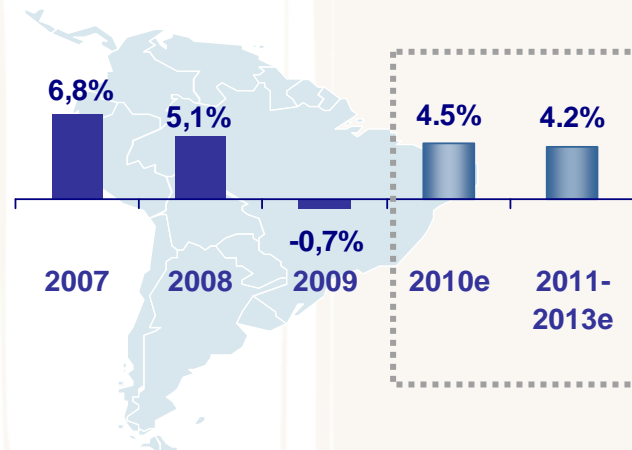
Roughly, 45% of revenues come from high growth emerging economies

* Not including corporate activities

Excellent outlook for emerging economies ...

South America*

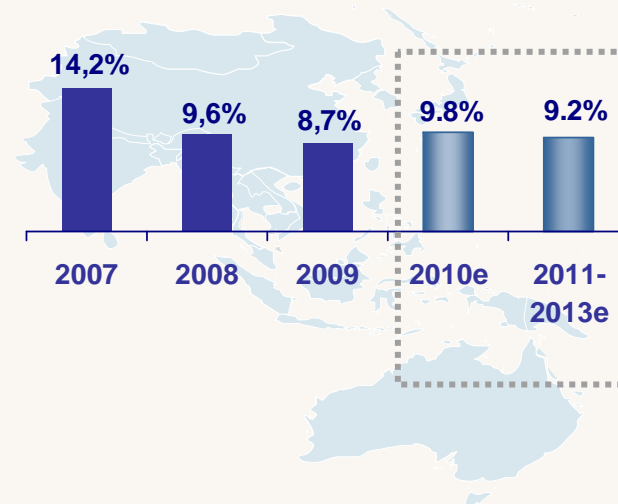
GDP growth (%)



South America, will remain as an important lever for the group

Asia

GDP growth (%)

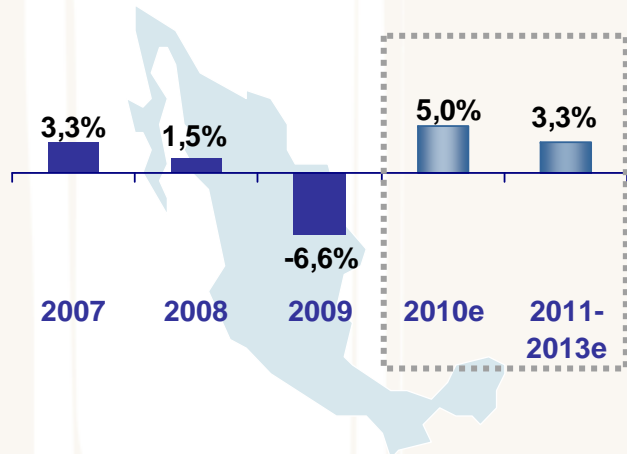


Asia, and China in particular, will keep a high potential growth

Excellent outlook for Mexico and USA

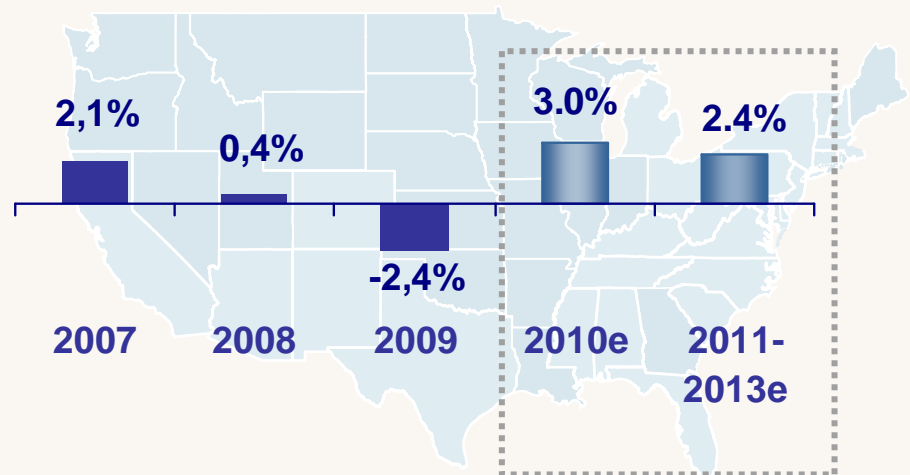
Mexico

GDP growth (%)



USA

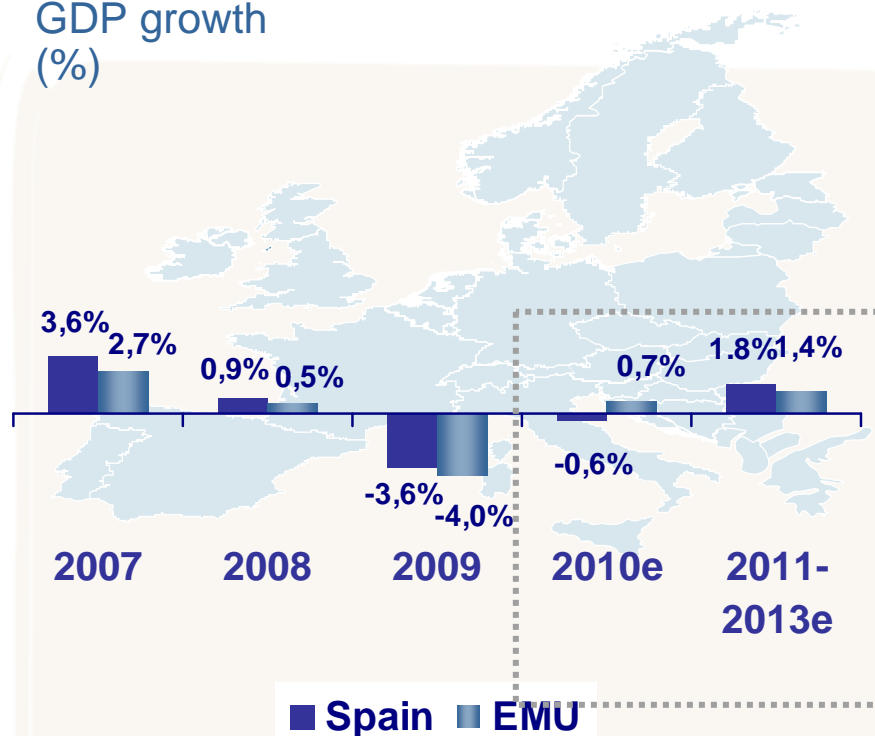
GDP growth (%)



GDP growth will turn into higher results for BBVA Bancomer very soon

Leading the recovery, with higher growth in Texas

Spain and EMU

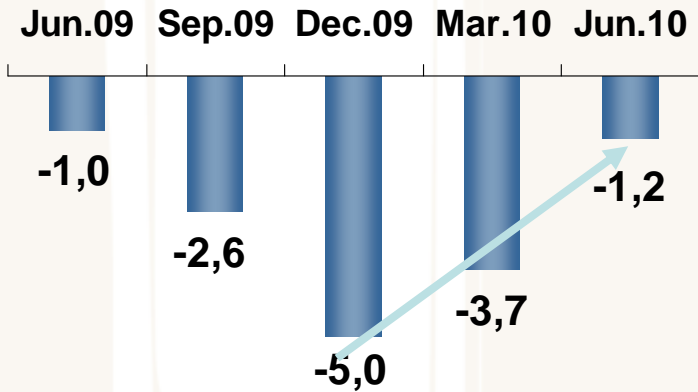
GDP growth
(%)

Reestructuring Spanish Market

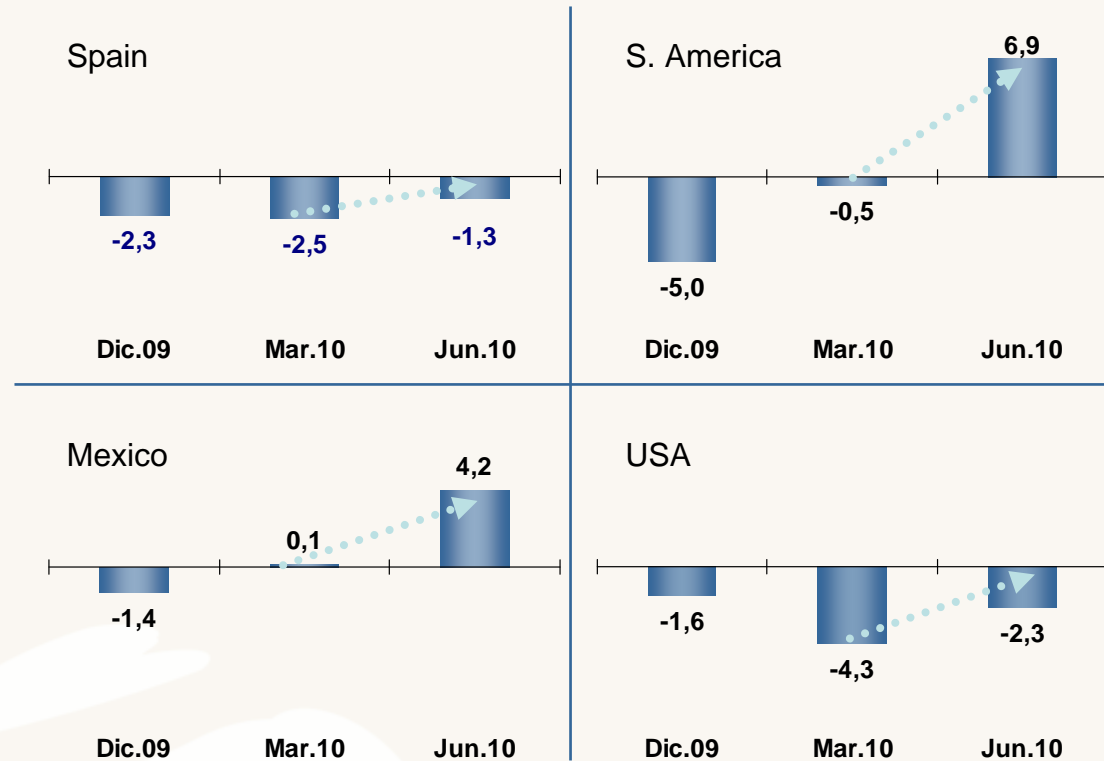
Plan UNO

Lending recovers ...

Lending BBVA Group
y-o-y change
Average balances
(%)



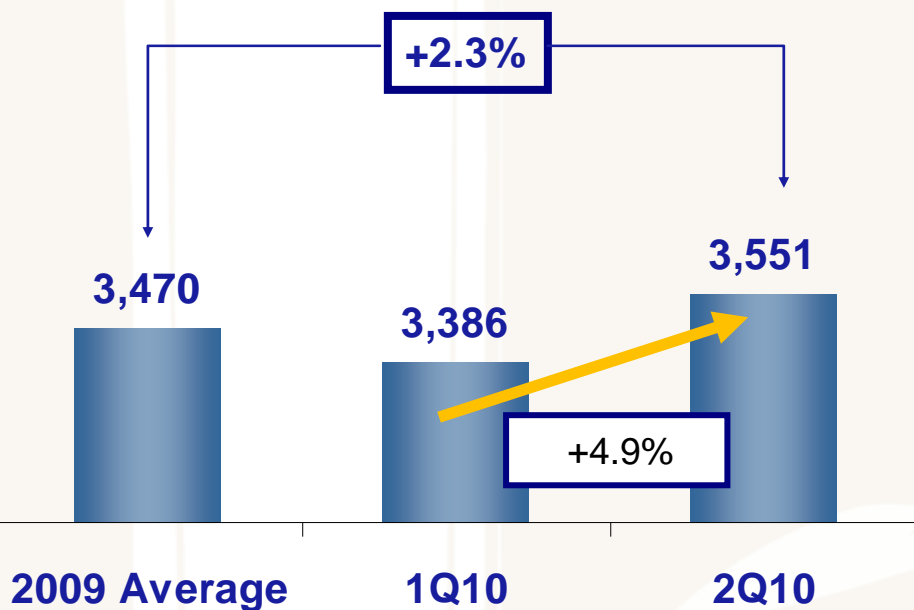
Lending Spain, Mexico, South America and USA
y-o-y change
Average balances
(%)



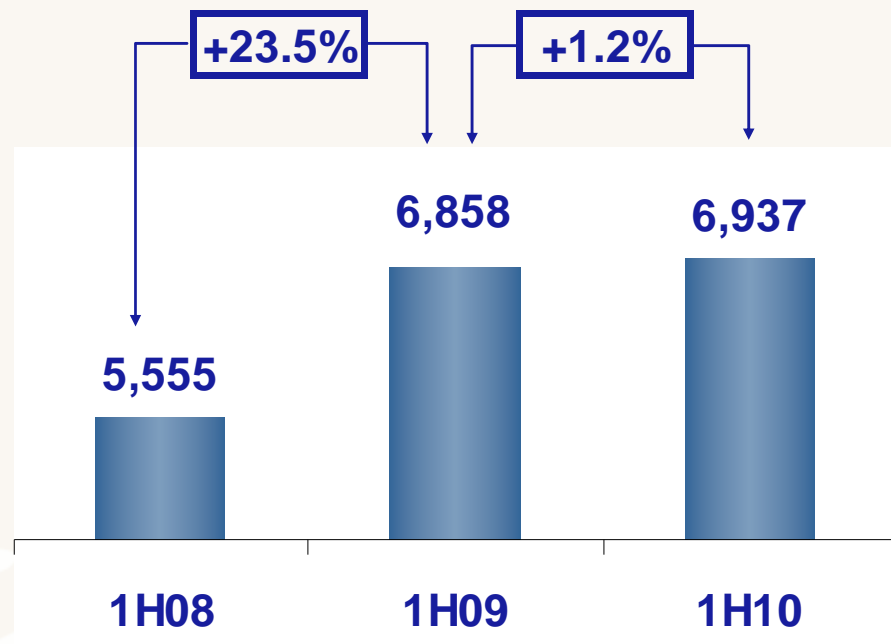
Lending is moving closer to overall annual growth

Strongly recurrent net interest income ...

Net interest income
BBVA Group
Quarter-by-quarter
(€m)



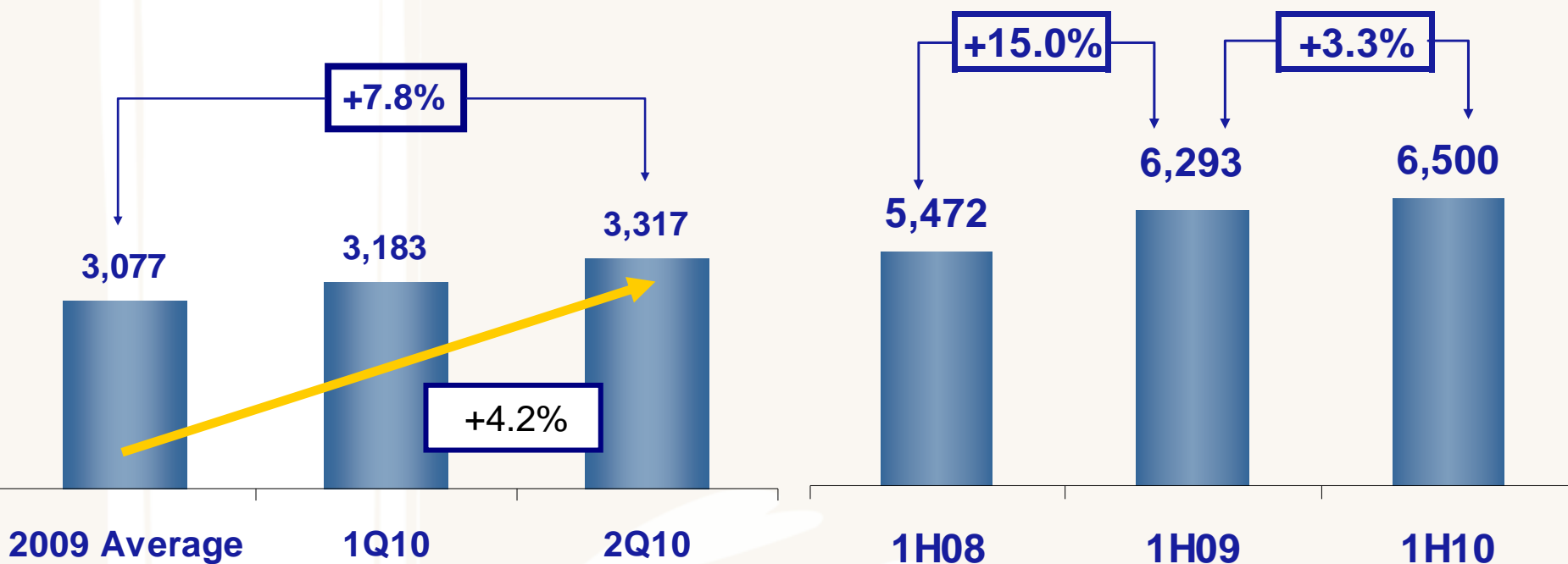
Net interest income
BBVA Group
Half year
(€m)



Strong operating income

Operating income
BBVA Group
Quarter-by-quarter
(€m)

Operating income
BBVA Group
First half
(€m)

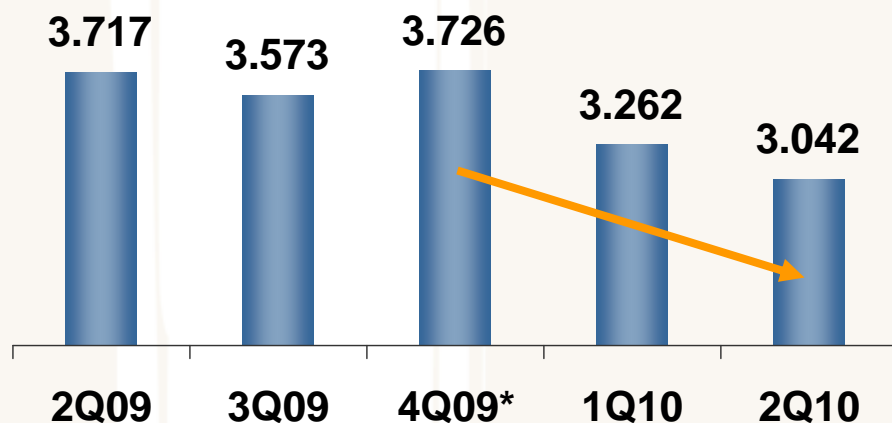


2 Asset Quality

BBVA

Decline in gross additions to NPA status

Gross additions to NPA
BBVA Group
Quarter-by-quarter
(€m)



Net additions to NPA:

-56%

Monthly average, 2010 vs 2009*

Recoveries:

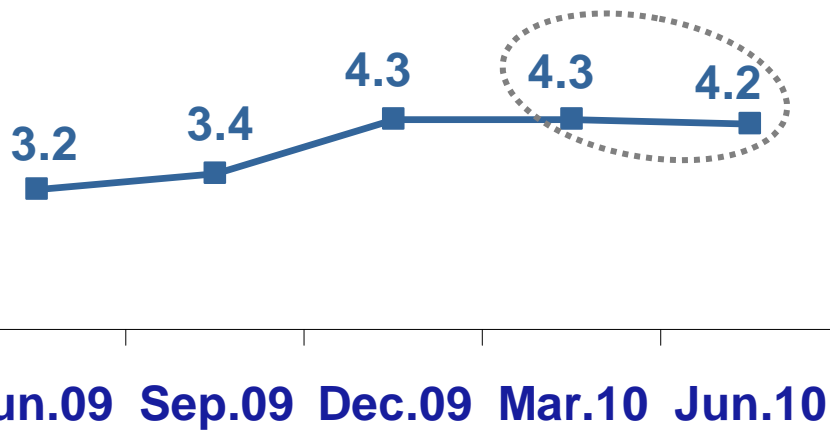
+37%

Monthly average, 2010 vs 2009

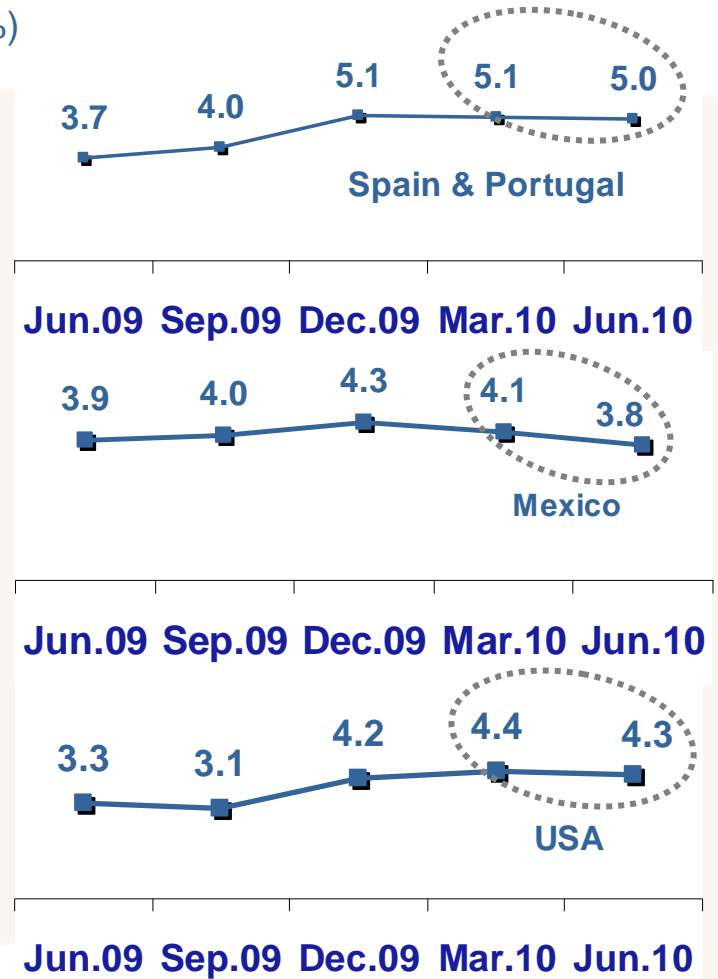
* Excl. anticipation

The NPA ratio improves

NPA ratio
BBVA Group
(%)



NPA ratio
(%)

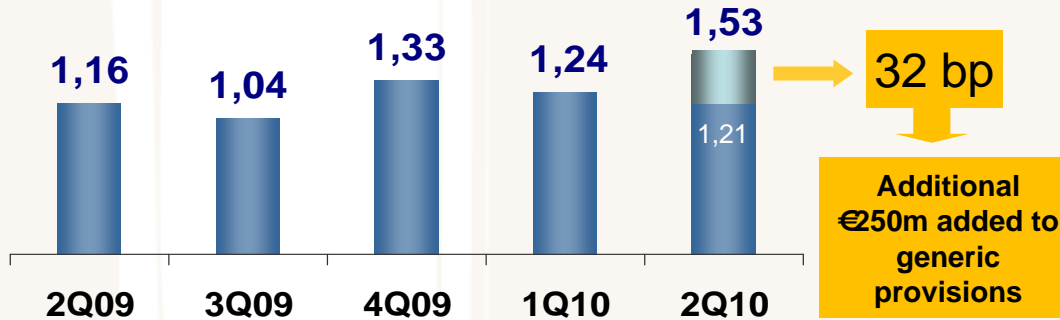


... specially in markets that suffered most during the crisis

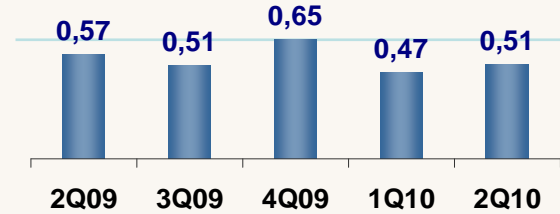
Cost of risk stabilises

Cost of risk excl. one-offs
Stand alone quarter
(%)

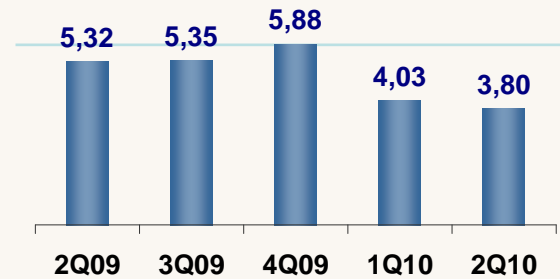
Cost of risk excl. one-offs
BBVA Group
Stand alone quarter
(%)



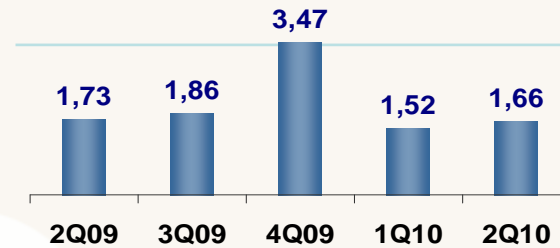
Spain & Portugal



Mexico



USA

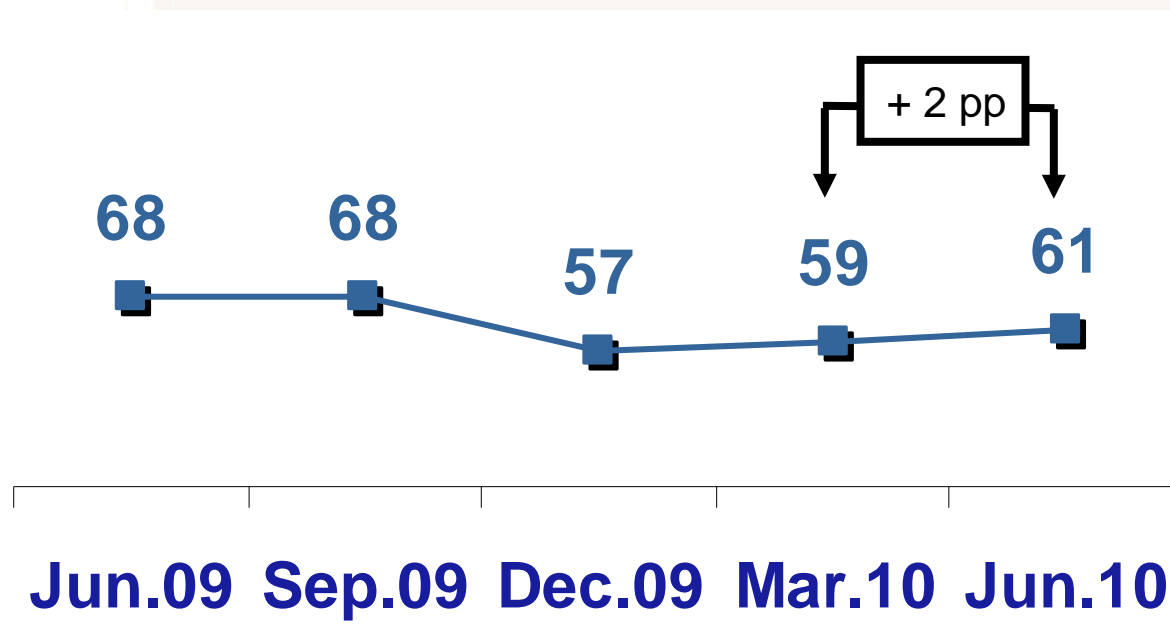


The cost of risk is improving in franchises where it rose most in recent quarters

* Excl. one-off items

Stronger provisions

Coverage ratio
BBVA Group
(%)



Ample coverage by provisions and collateral

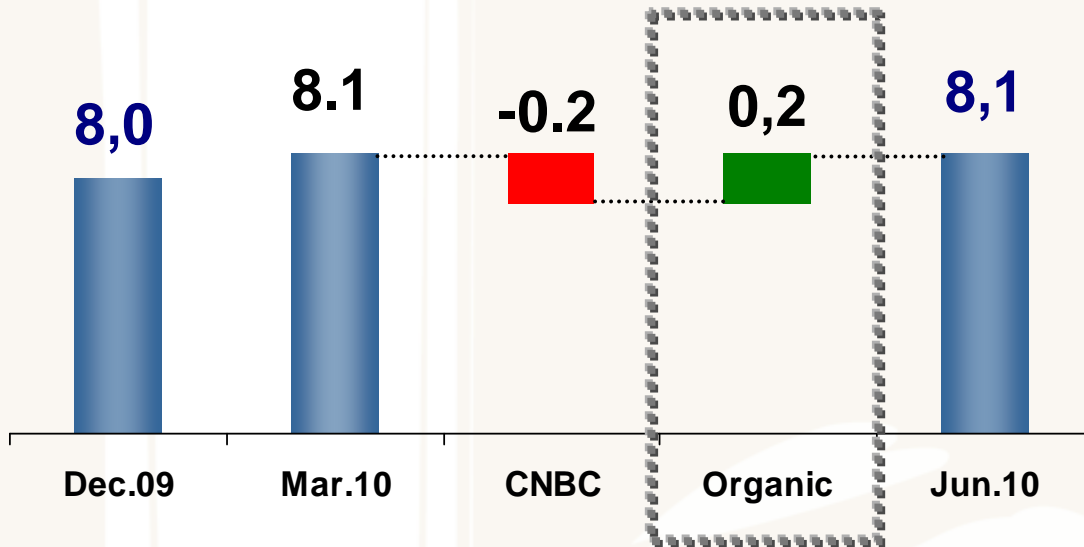
3 Solvency and balance-strength

BBVA

... which results in a solid core capital ratio ...

Core capital
BIS II rules
(%)

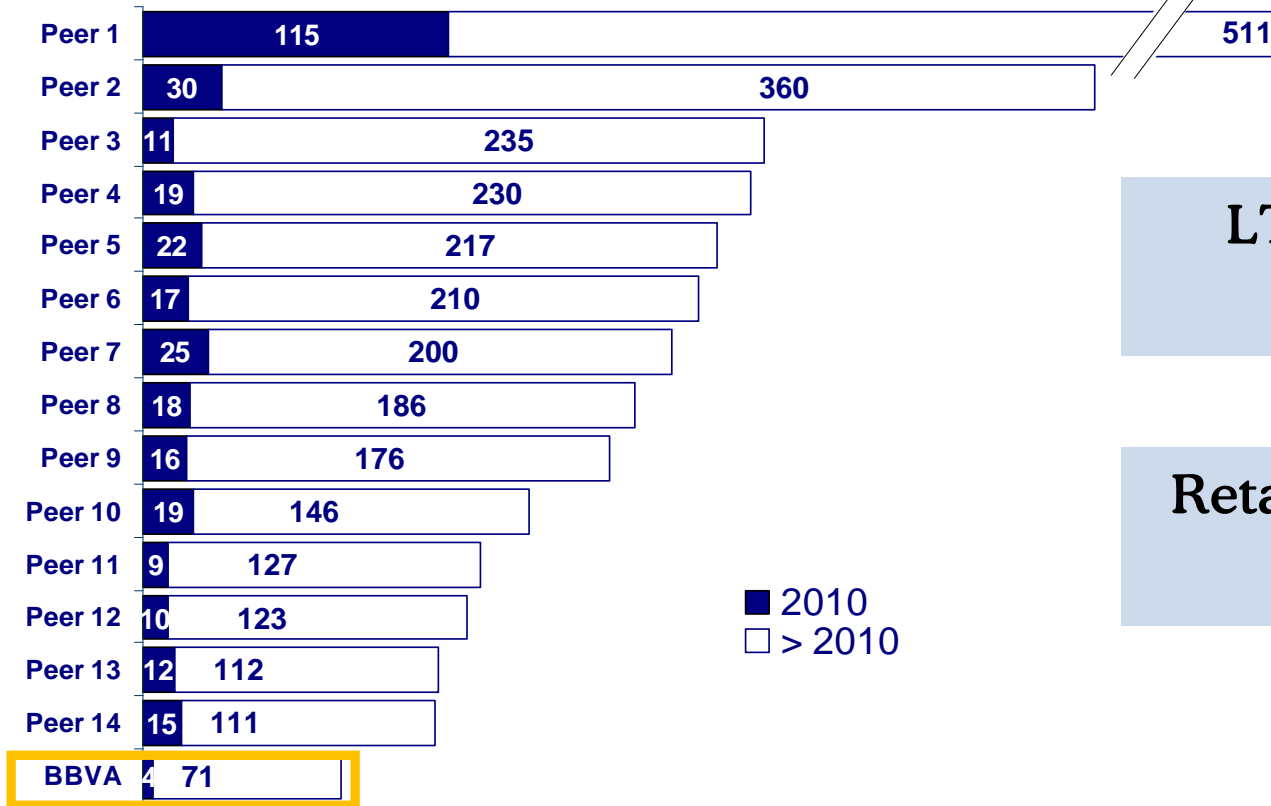
Tier I and BIS ratio
BIS II rules
(%)



Tier I	9.2%
BIS Ratio	12.7%

Solid liquidity and finance positions

BBVA Group's wholesale maturities
(€bn)



LT issues in 2Q10*
€7,599m

Retail deposits in 2Q10
€19,371m

Source: Bloomberg 22/07/10

Average annual maturities in the next 3 years: approx. €10,000m

* Includes July

** Peer Group: BARCL, BBVA, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS & UCI.

Demanding stress test, particularly for Spain

Transparency

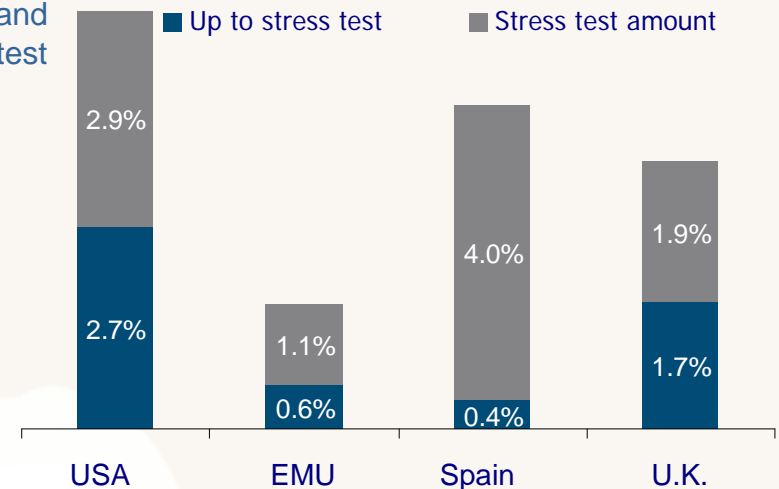
- 100% of banks and savings banks in the Spanish financial system (vs. 65% average in Europe)

Rigour and harshness

- More severe macro and micro scenarios for Spain in terms of GDP, construction sector, falling operating profit and provisions

Impact of stress test more demanding for Spain

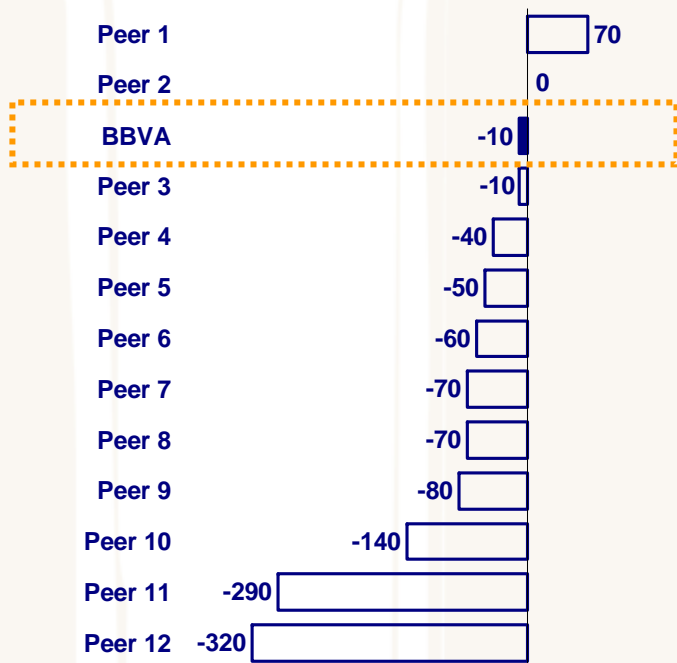
Losses prior to stress test and estimated losses in stress test (% over assets)



Source: Bloomberg, National Sources and BBVA Research

CEBS stress test: BBVA, one of the most resilient entities in Europe

Impact of stress test over TIER I
(In basis points)



Maximum resilience of capital ratio despite the tough hypothesis taken for Spain

Ability to generate operational results

Adequate solvency and payment of cash dividends in stress scenarios, in the absence of capital increases

AA rating by Standard & Poor's confirmed

Analysts agree that BBVA is among the least impacted regarding BIS III

DTA Treatment



Low DTAS from tax loss carry forward

Minorities



Small: To be compensated by proportional RWA reduction?

Pension liability deficit



Pension obligations fully funded

Leverage ratio



Among the least leveraged of Europe

Quality of Capital



High quality – low weight of hybrids

Capital gains/loss treatment



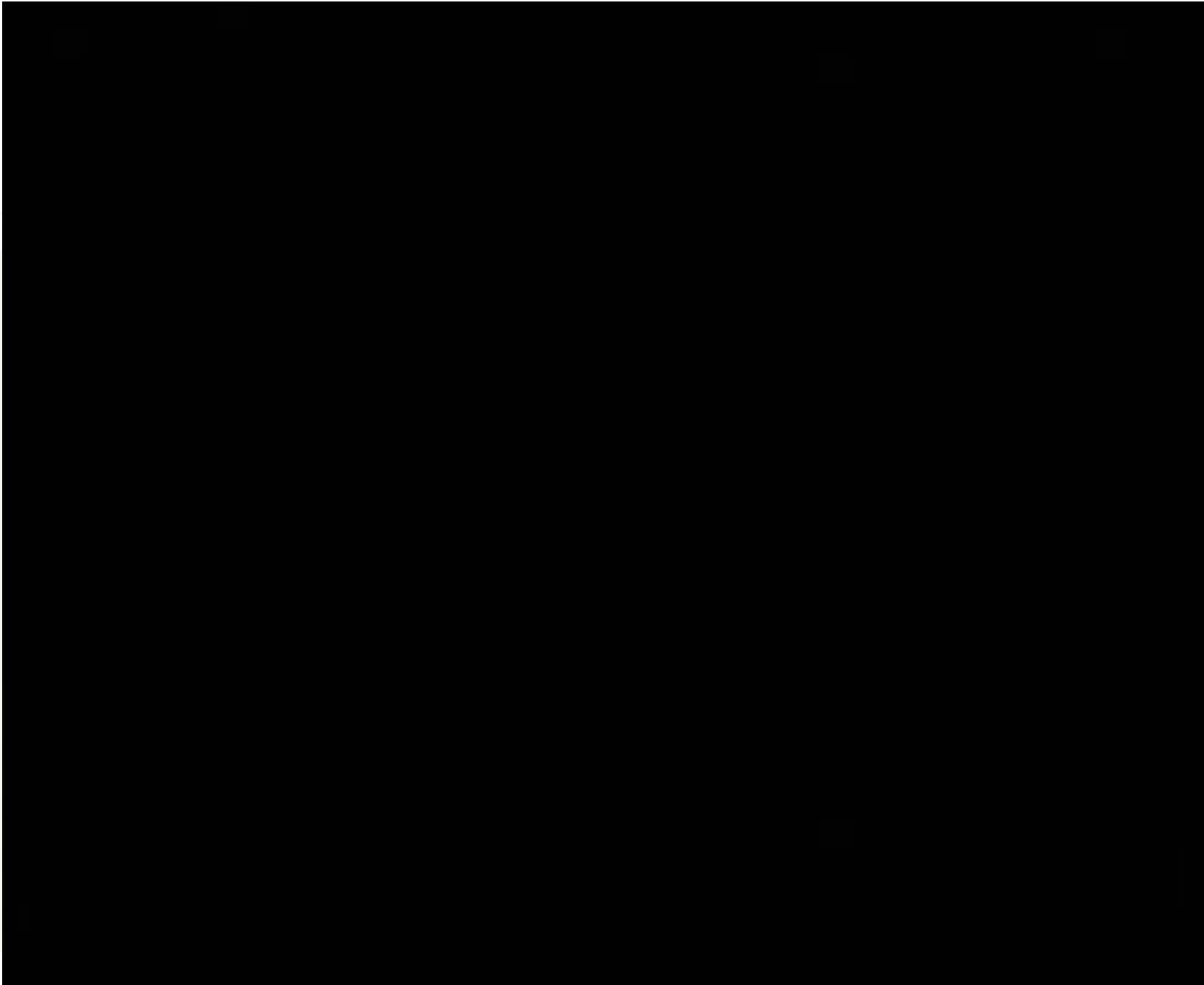
More favourable than current treatment by Bank of Spain

Still, the new regulation is under review

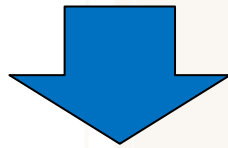
Snapshot

Current environment

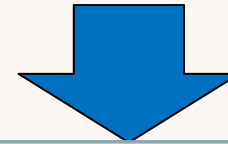
Outlook for the future



VALUE CREATION FOR SHAREHOLDERS

**Dividends**

Short term

Results**Stock Price**

Long term

**NPV of future
“growth”**

NPV OF FUTURE GROWTH



DIFFERENTIATION PLAN



**Customer
centric**



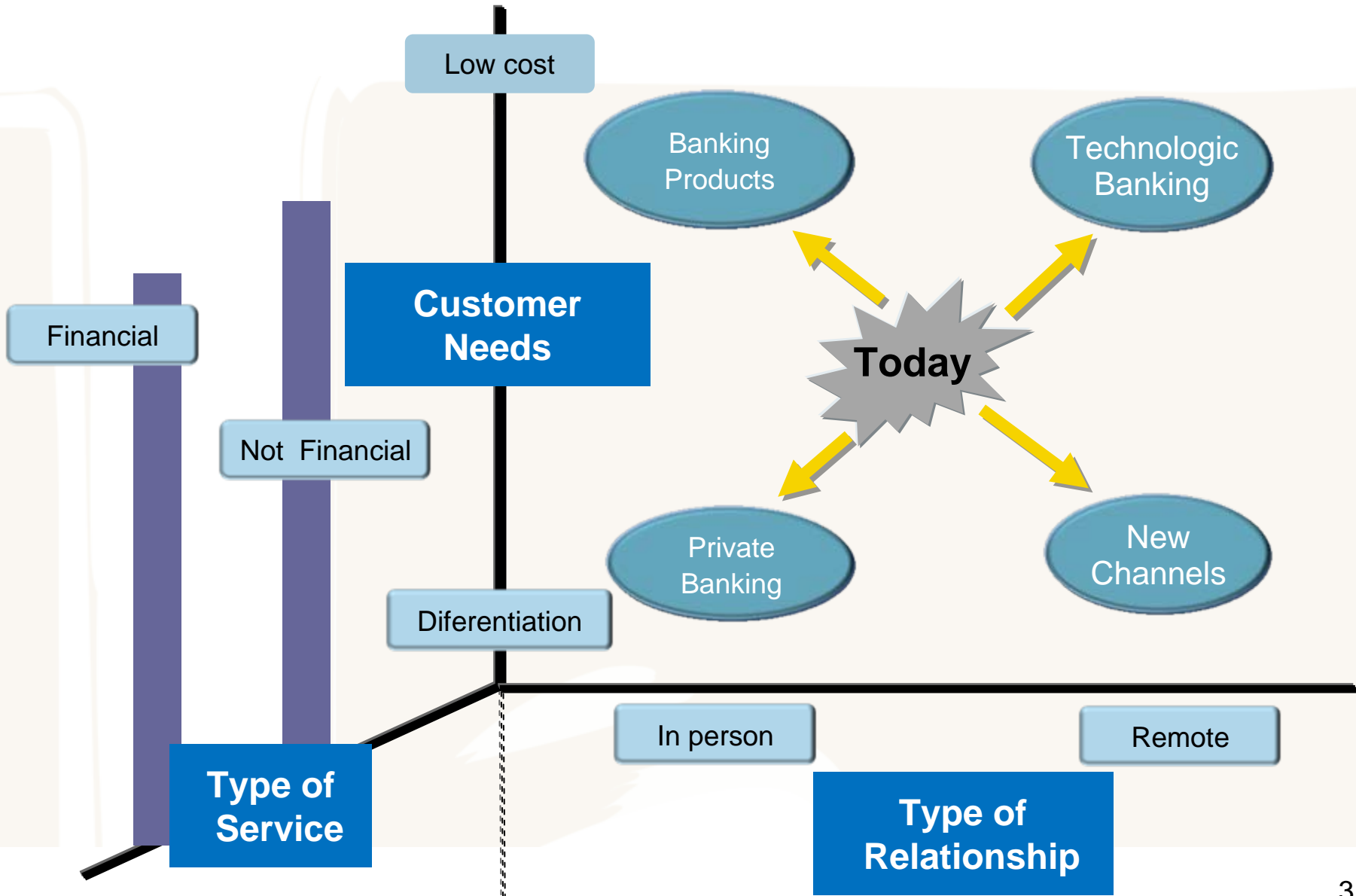
**Distribution
Channels**



**“Lean”
Processes**

We use the technology as fixed element

Future Banking Model: Conclusions



**BBVA is in the vanguard, anticipating
the future and leading the change...
with the ambition of being the best
global bank in the world**