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Contents

1 Strong operating performance

2 Capital and liquidity management in a changing regulatory environment

3 Conclusions
BBVA has a well diversified revenue base

Breakdown of gross income 12M13 %

- Developed
  - Weight: 40%
  - YoY change: -7.0%

- Emerging
  - Weight: 60%
  - YoY change: +16.1%

BBVA has a unique exposure to recovering developed markets and resilient and high potential emerging markets

Note: excludes Holding. YoY variation in constant €
This diversification allows us to have recurring revenues, even during the crisis.

Net interest income + fees
€m

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>17,183</td>
<td>19,476</td>
<td>19,044</td>
</tr>
</tbody>
</table>

-2.2%  
+3.5% constant €

Gross income (1)
€m

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>19,528</td>
<td>21,892</td>
<td>21,397</td>
</tr>
</tbody>
</table>

-2.3%  
+2.6% constant €

Top line growth accelerating in 4Q13

(1) 2011 and 2012 data adjusted according to 2013 P&L reclassification of corporate transactions
A cost management approach adapted to each region

### Efficiency Ratio 9M13
BBVA Group vs. Peer Group (1)

<table>
<thead>
<tr>
<th>Region</th>
<th>Peer 1</th>
<th>Peer 2</th>
<th>BBVA</th>
<th>Peer 3</th>
<th>Peer 4</th>
<th>Peer 5</th>
<th>Peer 6</th>
<th>Peer 7</th>
<th>Peer 8</th>
<th>Peer 9</th>
<th>Peer 10</th>
<th>Peer 11</th>
<th>Peer 12</th>
<th>Peer 13</th>
<th>Peer 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current €</td>
<td>46</td>
<td>48</td>
<td>51</td>
<td>51</td>
<td>61</td>
<td>63</td>
<td>68</td>
<td>71</td>
<td>71</td>
<td>72</td>
<td>75</td>
<td>77</td>
<td>87</td>
<td>90</td>
<td>94</td>
</tr>
<tr>
<td>Costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>YoY change 2013 vs. 2012 (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Costs
2013 vs. 2012

<table>
<thead>
<tr>
<th>Region</th>
<th>Costs</th>
<th>FX effect</th>
<th>Total</th>
<th>Inflation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emerging</td>
<td>5.3</td>
<td>9.2</td>
<td>14.5</td>
<td>12.8</td>
</tr>
<tr>
<td>Developed</td>
<td>1.6</td>
<td>1.1</td>
<td>-2.6</td>
<td>0.1</td>
</tr>
</tbody>
</table>

### Efficiency as a competitive advantage

Note: Excludes Corporate Center; (1): European Peer Group: BARCL, BNPP, CASA, CMZ, CS, DB, ISP, HSBC, LBG, RBS, SAN, SG, UCI and UBS
High and recurring operating income: the best buffer to absorb losses

BBVA operating income \(^{(1)}\) vs. provisions and impairment of non-financial assets (€ Bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>BBVA operating income</th>
<th>Provisions and impairment of non-financial assets (€bn)</th>
<th>Operating profit / RWA in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>9.6</td>
<td>-1.9</td>
<td>3.6%</td>
</tr>
<tr>
<td>2008</td>
<td>10.5</td>
<td>-3.0</td>
<td>3.7%</td>
</tr>
<tr>
<td>2009</td>
<td>12.3</td>
<td>-7.0</td>
<td>4.2%</td>
</tr>
<tr>
<td>2010</td>
<td>11.9</td>
<td>-5.2</td>
<td>3.8%</td>
</tr>
<tr>
<td>2011</td>
<td>10.6</td>
<td>-6.1</td>
<td>3.2%</td>
</tr>
<tr>
<td>2012</td>
<td>12.2</td>
<td>-9.1</td>
<td>3.7%</td>
</tr>
<tr>
<td>2013</td>
<td>10.6</td>
<td>-6.3</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

Facing a new earnings growth cycle as provisions progressively normalize from 2012’s peak

Operating income/ATAs BBVA vs. European peer group\(^{(2)}\) 9M13 (%)

- Peers average: 0.8
- BBVA: 1.7

\(^{(1)}\) 2012 adjusted by income from discontinued operations. 2013 also adjusted by the income from the equity method and dividends coming from Citic.

\(^{(2)}\) European peer group includes: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, 5G, UBS and UCI.
Risk: Spain as the driver of improving credit quality

BBVA Group

- Coverage ratio (%)
  - 66 (Dec. 12)
  - 68 (Mar. 13)
  - 64 (Jun. 13)
  - 58 (Sept. 13)
  - 59 (Dec. 13)

- NPA ratio (%)
  - 3.4 (Dec. 12)
  - 3.6 (Mar. 13)
  - 3.8 (Jun. 13)
  - 4.6 (Sept. 13)
  - 4.6 (Dec. 13)

Cum. risk premium:
- 1.2%
- 1.4%
- 1.4%
- 1.6%
- 1.5%

BBVA Spain

- Banking business
  - NPAs €bn:
    - 4Q12: 8.6
    - 1Q13: 9.3
    - 2Q13: 9.8
    - 3Q13: 12.5
    - 4Q13: 12.5
  - Coverage ratio (%):
    - 4Q12: 48
    - 1Q13: 50
    - 2Q13: 45
    - 3Q13: 41
    - 4Q13: 41

- Real Estate
  - NPAs RE €bn:
    - 4Q12: 7.2
    - 1Q13: 7.7
    - 2Q13: 7.7
    - 3Q13: 9.4
    - 4Q13: 9.3
  - Coverage ratio RE (%):
    - 4Q12: 82
    - 1Q13: 76
    - 2Q13: 75
    - 3Q13: 62
    - 4Q13: 61

In Spain we have seen the worst. NPAs will progressively come down during 2014 and provisions will continue to normalize.

(1) Risk figures exclude real estate activities.
2013: the beginning of a new earnings growth cycle

Net attributable profit €m

- 2011: 3,004
- 2012: 1,676
- 2013: 2,228

+55% constant €

33%
1 Strong operating performance

2 Capital and liquidity management in a changing regulatory environment

3 Conclusions
EU progress towards a real Banking Union

**Single Supervisory Mechanism (SSM)**
- Effective from Nov-2014

**Bank Recovery and Resolution Directive (BRRD)**
- Effective from Jan-2015, except for bail-in (in 2016)

**Single Resolution Mechanism (SRM)**
- Likely to be effective in 2016

**Common Deposit Guarantee Scheme**
- Pending

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**Comprehensive Assessment:**
A decisive step for the Banking Union

**Risk Assessment (RAS)**
- Assessment of key risk factors (liquidity, funding and leverage)

**Balance Sheet Assessment (BSA)**
- Assessment of asset valuations, classification of non-performing exposures
- Main input of the Stress Test

**Stress test (Led by EBA)**
- Loss absorption capacity
- Joint exercise: EBA and ECB

In progress

Joint publication by November 2014

BBVA has a comfortable capital buffer to face the upcoming stress tests
Regulatory challenges: from core capital to leverage and loss absorption capacity

- Short-term ratio: LCR
- Long-term ratio: NSFR
- BIS 3 leverage ratio
- MREL\(^{(1)}\)/LAC\(^{(2)}\)
- MDA

BBVA comfortably accomplishes LCR and NFSR ratios

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(1) Minimum Requirements for Own Funds and Eligible Liabilities
(2) Loss Absorption Capacity
Liquidity: Solid position of the Euro balance sheet

Reduced financing requirements
- Liquidity gap reduced €33bn
  (€ balance sheet, 12M13)
- LTD ratio 124%
  (99% with covered bonds)

Change in funding mix
- Higher proportion of cust. funds +€8.3bn
- Reduction of LTRO -€20bn

Issuance activity
- Issues with longer maturities and lower cost
- Pioneers in AT1 issue under BIS III

Improved balance sheet structure
Sound liquidity position in all other franchises thanks to BBVA’s decentralized management model.

- Independent ratings and liquidity management
- Market discipline and proper incentives
- Firewalls between subsidiaries and the parent company
- Supervision and control by parent company
- Proven resilience during the crisis

**USA**

- Loan to deposits (Dec-13) 93%

**Mexico**

- Loan to deposits (Dec-13) 98%

**South America**

- Loan to deposits (Dec-13) 85%
Bailinable capital and the European Recovery and Resolution Directive proposal


2. The Directive proposal is an important milestone to break the sovereign-banking link (8% bail-in + 5% resolution fund).

3. BBVA has one of the highest percentages of capital and loss absorption instruments over total liabilities.

(Equity + Subordinated liabilities) / (Total Liabilities - Derivatives) (1), (2)

<table>
<thead>
<tr>
<th>BBVA</th>
<th>Peer 1</th>
<th>Peer 2</th>
<th>Peer 3</th>
<th>Peer 4</th>
<th>Peer 5</th>
<th>Peer 6</th>
<th>Peer 7</th>
<th>Peer 8</th>
<th>Peer 9</th>
<th>Peer 10</th>
<th>Peer 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.4%</td>
<td>9.3%</td>
<td>9.0%</td>
<td>8.8%</td>
<td>8.3%</td>
<td>7.4%</td>
<td>7.1%</td>
<td>6.5%</td>
<td>6.4%</td>
<td>5.6%</td>
<td>5.2%</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

The RRD is an important milestone to break the sovereign-banking link.

(1) Data as of June, 2013, except for BBVA as of December, 2013. Consolidated figures.
(2) European Peer Group: BARCL, BNPP, CASA, CMZ, DB, ISP, HSBC, LBG, SAN, SG and UCI.
BBVA stands out for the quality of its capital and its low leverage

**RWAs / Total Assets (%)**

BBVA Group vs. European Peer Group (1)  
Sep. 2013

- **BBVA**: 54
- **Peer 1**: 46
- **Peer 2**: 44
- **Peer 3**: 43
- **Peer 4**: 42
- **Peer 5**: 36
- **Peer 6**: 33
- **Peer 7**: 32
- **Peer 8**: 31
- **Peer 9**: 30
- **Peer 10**: 26
- **Peer 11**: 25
- **Peer 12**: 21
- **Peer 13**: 18
- **Peer 14**: 16

*Peer group average: 32%*

**CRD IV fully loaded Leverage ratio (2)**

BBVA Group vs. Peer Group (1)  
Dec. 2013 (3)

- **BBVA**: 5.6
- **Peer 1**: Not disclosed
- **Peer 2**: Not disclosed
- **Peer 3**: Not disclosed
- **Peer 4**: 4.9
- **Peer 5**: 4.4
- **Peer 6**: 3.6
- **Peer 7**: 4.1
- **Peer 8**: 3.3
- **Peer 9**: 3.1
- **Peer 10**: 3.7
- **Peer 11**: 3.5
- **Peer 12**: 3.1
- **Peer 13**: Not disclosed
- **Peer 14**: 3.1

*Peer group average: 3.7%*

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(1) European Peer Group: BARCL, BNPP, CASA, CMZ, CS, DB, ISP, HSBC, LBG, RBS, SAN, SG, UCI and UBS

(2) SAN does not specifies if the Leverage ratio is fully loaded or phased in. UBS leverage ratio reported under Swiss regulation

(3) Except for RBS (Data as of September 2013)
Core capital: strong capital generation

**BIS II Core capital ratio and S&P Rating**
BBVA Group

Since 2007, BBVA has more than doubled its BIS II Core Capital base

105bps average capital generation per year in 2007-2013

**BIS III Core Capital ratios (%)**
BBVA Group. Jan-14 Estimated

Transitional B3 %CET1 level expected to be >10% through the phase-in period

Expected BIS III phase-in impact through transition period: 25 bps/year
Capital management philosophy

Capital structure **required** under BIS III fully-loaded
BBVA Group’s **current** capital structure (as of Jan-14 est.)

- Grandfathering period (10 years)
- Sustainable rate of execution
- MDA\(^{(2)}\) Restrictions from 2016
- CBR\(^{(1)}\) phased in from 2016

### Capital Structure under BIS III fully-loaded

<table>
<thead>
<tr>
<th>Tier</th>
<th>Required</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>CET1</td>
<td>4.5%</td>
<td>4.5%</td>
</tr>
<tr>
<td>AT1</td>
<td>1.5%</td>
<td>0.8%</td>
</tr>
<tr>
<td>T2</td>
<td>2.0%</td>
<td>0.8%</td>
</tr>
<tr>
<td>CBR(^{(1)})</td>
<td>3.5%</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

Available internal buffer: 12.7%

- BUFFER TO MDA\(^{(2)}\) LIMIT: €4.1 Bn
- Core Capital Inefficiency of 1.6%

- Plan to fulfill the AT1 and T2 buckets to maximize the efficiency of the capital structure
- Converging towards a total capital ratio of 14%

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\(^{(1)}\) BBVA Group CBR is currently expected to consist of 2.5% Capital Conservation Buffer (CCB) and 1.0% G-SIB Buffer; (2) MDA: Maximum Distributable Amount
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3 Conclusions
Conclusions

1. Attractive business mix geared to high growth EM and recovering DM
2. Disciplined cost management with targeted investment in IT and EM
3. Recovering profitability driven by the normalization of the credit cycle in Spain
4. Increasing clarity on the European regulatory front
5. Europe on a clear path towards a Banking Union
6. Capital and Liquidity management strategy catered towards the new regulatory environment and leveraging on the Group’s structural strength

BBVA provides unique credit fundamentals