BBVA: Strength in the Current Challenging Environment
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1 **BBVA: Snapshot**

2 What are BBVA strengths in the current challenging environment?

3 BBVA CIB: Leveraging on our leadership in core markets to become the LatAm house of choice
BBVA: A Group with global presence

North America (3)
- USA
- Mexico
- Puerto Rico

Central America (2)
- Cuba
- Panama

South America (10)
- Argentina
- Bolivia
- Brazil
- Chile
- Colombia
- Ecuador
- Paraguay
- Peru
- Uruguay
- Venezuela

Europe (10)
- Spain
- France
- Germany
- Italy
- Portugal
- U.K.
- Belgium
- Russia
- Switzerland
- Turkey

Asia - Pacific (7)
- Australia
- South Korea
- China
- India
- Japan
- Singapore
- Taiwan

- 584 Billion Assets
- 50 million Customers
- 32 Countries
- 7,436 Branches
- 18,192 ATMs
- 110,625 Employees

Figures as of September, 2011
A customer-centric global universal bank...

<table>
<thead>
<tr>
<th>Metric</th>
<th>YTD Sep-11</th>
<th>Ranking (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets (€ bn)</td>
<td>584.4</td>
<td>15th</td>
</tr>
<tr>
<td>Net attributable profit (€ bn)</td>
<td>3.1</td>
<td>5th</td>
</tr>
<tr>
<td>ROE (%)</td>
<td>11.2</td>
<td>2nd</td>
</tr>
<tr>
<td>Cost to income (%)</td>
<td>48.9</td>
<td>2nd</td>
</tr>
<tr>
<td>Core Capital (%)</td>
<td>9.1</td>
<td></td>
</tr>
</tbody>
</table>

Figures as of September 2011
(1) Includes the following 15 European entities: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCI and BBVA.
... with leading franchises in all geographies

<table>
<thead>
<tr>
<th>Region</th>
<th>Loans</th>
<th>Deposits</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>12%</td>
<td>10%</td>
<td>2nd</td>
</tr>
<tr>
<td>Mexico</td>
<td>27%</td>
<td>24%</td>
<td>1st</td>
</tr>
<tr>
<td>South America (ex Brazil)</td>
<td>10%</td>
<td>10%</td>
<td>2nd</td>
</tr>
<tr>
<td>USA (Sunbelt)</td>
<td>--</td>
<td>6%</td>
<td>4th</td>
</tr>
<tr>
<td>Eurasia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China (Citic Bank)</td>
<td></td>
<td>15% stake (7th)</td>
<td></td>
</tr>
<tr>
<td>Turkey (Garanti Bank)</td>
<td></td>
<td>25% stake (1st)</td>
<td></td>
</tr>
</tbody>
</table>

Ranking by deposits (except for China, by assets and for Turkey, by deposits): **Spain**: Data as of November 2010; **México**: Data as of December 2010; **South America**: Data as of September 2010, countries considered: Argentina, Chile, Colombia, Panama, Paraguay, Peru, Uruguay and Venezuela; **USA**: Data as of June, 2011, market share and ranking considering only Texas and Alabama; **China and Turkey**: data as of December 31, 2010.
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What are BBVA strengths in the current challenging environment?

2 BBVA CIB: Leveraging on our leadership in core markets to become the LatAm house of choice
A bumpy transition to the new normal of the financial industry

- Lower funding from capital markets
- Regulatory pressures
- Deleveraging

Exacerbated by the economic cycle and the European sovereign crisis
In this environment the banking industry faces significant challenges

Transitioning to the new normal

- Excessive balance sheet size
- Liquidity/funding constrains
- Higher capital requirements
- Pressures on profitability
- Questioning the viability of certain business models
- Regulatory changes
- Lack of economic growth
Small balance sheet with the largest deposit base ...

<table>
<thead>
<tr>
<th>Total Assets</th>
<th>BBVA Group vs. Peer Group</th>
<th>(9M2011, € bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peer 1</td>
<td>2,282</td>
<td></td>
</tr>
<tr>
<td>Peer 2</td>
<td>2,031</td>
<td></td>
</tr>
<tr>
<td>Peer 3</td>
<td>1,926</td>
<td></td>
</tr>
<tr>
<td>Peer 4</td>
<td>1,875</td>
<td></td>
</tr>
<tr>
<td>Peer 5</td>
<td>1,741</td>
<td></td>
</tr>
<tr>
<td>Peer 6</td>
<td>1,740</td>
<td></td>
</tr>
<tr>
<td>Peer 7</td>
<td>1,250</td>
<td></td>
</tr>
<tr>
<td>Peer 8</td>
<td>1,247</td>
<td></td>
</tr>
<tr>
<td>Peer 9</td>
<td>1,158</td>
<td></td>
</tr>
<tr>
<td>Peer 10</td>
<td>1,148</td>
<td></td>
</tr>
<tr>
<td>Peer 11</td>
<td>950</td>
<td></td>
</tr>
<tr>
<td>Peer 12</td>
<td>850</td>
<td></td>
</tr>
<tr>
<td>Peer 13</td>
<td>738</td>
<td></td>
</tr>
<tr>
<td>Peer 14</td>
<td>667</td>
<td></td>
</tr>
<tr>
<td>BBVA</td>
<td>584</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Customer deposits / Total Assets</th>
<th>BBVA Group vs. Peer Group</th>
<th>(9M2011, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBVA</td>
<td>48</td>
<td></td>
</tr>
<tr>
<td>Peer 1</td>
<td>47</td>
<td></td>
</tr>
<tr>
<td>Peer 2</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>Peer 3</td>
<td>41</td>
<td></td>
</tr>
<tr>
<td>Peer 4</td>
<td>41</td>
<td></td>
</tr>
<tr>
<td>Peer 5</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td>Peer 6</td>
<td>33</td>
<td></td>
</tr>
<tr>
<td>Peer 7</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>Peer 8</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Peer 9</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>Peer 10</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>Peer 11</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>Peer 12</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>Peer 13</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Peer 14</td>
<td>23</td>
<td></td>
</tr>
</tbody>
</table>

Peer Group: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, and UCI.
Low wholesale funding dependence

- Highest deposits / assets ratio in the peer group
- Low wholesale redemptions compared to peer group
- Euro funding gap improving:
  - -€20bn (since summer 2010)
  - Customer funds improvement +€37bn (Sep.11 vs May.10)
  - No need to refinance 2012 maturities if market conditions remain tough
- Available collateral €40bn
High quality capital and consistent organic capital generation ...

BBVA plans to comfortably achieve the “temporal and extraordinary” capital requirements established by the European Banking Authority by June 2012. Maintaining its dividend policy: €0.42 DPS remains the floor

* BBVA is offering to exchange €3.5 Bn of retail preferred shares into a mandatory convertible bond.
High quality capital with low leverage

RWAs / Total Assets
BBVA Group vs. Peer Group
(9M11, %)

Tangible equity / Tangible Assets
BBVA Group vs. Peer Group
(9M11, %)

Peer Group: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS & UCI.
Solid and recurrent results during the crisis

Net attributable profit
European peers aggregate* (€bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>27</td>
<td>38</td>
<td>55</td>
<td>74</td>
<td>89</td>
<td>77</td>
<td>39</td>
<td>51</td>
<td>-24</td>
</tr>
</tbody>
</table>

Net attributable profit
BBVA (€mn)

<table>
<thead>
<tr>
<th>Year</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1,719</td>
<td>2,227</td>
<td>2,923</td>
<td>3,806</td>
<td>4,736</td>
<td>6,126</td>
<td>5,020</td>
<td>4,210</td>
<td>4,606</td>
</tr>
</tbody>
</table>

9M2011 net attributable profit of €3.1bn

* European peers aggregate: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS and UCI.
Strong asset quality

**NPA & coverage ratios**
BBVA Group
(%)

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage ratio</td>
<td>1.5</td>
<td>1.3</td>
<td>1.1</td>
</tr>
<tr>
<td>NPA ratio</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Cumulative risk premium**
BBVA Group
(%)

<table>
<thead>
<tr>
<th>Year</th>
<th>NPA Ratio</th>
<th>Coverage Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep.10</td>
<td>4.1</td>
<td>62</td>
</tr>
<tr>
<td>Dec.10</td>
<td>4.1</td>
<td>62</td>
</tr>
<tr>
<td>Mar.11</td>
<td>4.1</td>
<td>61</td>
</tr>
<tr>
<td>Jun.11</td>
<td>4.0</td>
<td>61</td>
</tr>
<tr>
<td>Sep.11</td>
<td>4.1</td>
<td>60</td>
</tr>
</tbody>
</table>
Questioning the Viability of Certain Business Models

An attractive customer-centric, business model

Net Loans to Assets
BBVA Group vs. Peer Group
(9M11, %)

A client-driven business that ensures low volatility of earnings

Peer Group: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, and UCI.
Highly profitable and efficient operations

The key: critical mass in sizeable markets
Relying on technology as a key sustainable competitive advantage

Peer Group: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, SAN, SG & UBS. Excludes banks with negative ROA (UCI, LBG & RBS).
BBVA is ready for the regulatory challenge

- Universal business model with strong retail franchises
- Decentralized management of liquidity and capital
- Conservative risk culture
- Proven track record in capital and liquidity management

Estimated modest impact from upcoming Regulation
Diversified business mix that ensures sustainable growth

Net attributable profit by region (1)
BBVA Group (%): 9M 2011

Spain: 28%
Mexico: 31%
EurAsia: 17%
USA: 18%
South America: 5%

Geographic diversification of revenue (2)
BBVA Group vs. Peer Group (%): 2010

With Garanti, emerging market revenue contribution > 50%

(1): Ex holding; (2) In-house preparation using available data as of January, 2011.
Peer Group: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS and UCI.
Biased to high growth markets

Estimated real GDP growth (yoy %)

Source: BBVA Research
What are BBVA strengths in the current challenging environment?

**High and recurrent profitability**
- Highly profitable and efficient operations
- With a strong asset quality

**Strong Balance Sheet and Capital**
- Track record in capital and liquidity management
- Comfortable funding position - small balance sheet
- High quality capital and consistent organic capital generation

**Diversified universal bank**
- Customer centric
- Leading franchises in each market
- Geographically diversified business mix
1 BBVA: Snapshot

2 What are BBVA strengths in the current challenging environment?

**BBVA CIB**: Leveraging on our leadership in core markets to become the LatAm house of choice
BBVA CIB: A global unit with more than 4,500 employees and presence in 24 countries …

... with leadership position in **core markets** (Spain, Mexico, LatAm) and selective presence in **other markets** (USA, Asia, Europe*).

*: excluding Spain
Employee data as of 31 October 2011
A CIB model based on 4 solid pillars

1. Client centric
2. Leadership position in core markets and niche player in other markets
3. Low risk and low volatility business model
4. Efficient and profitable business model
Client centric: leveraging on deep long term relationships to capture value added products

Source of revenue (%)

<table>
<thead>
<tr>
<th>Trading income*</th>
<th>10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer franchise</td>
<td>90%</td>
</tr>
<tr>
<td>9M'11</td>
<td></td>
</tr>
</tbody>
</table>

Higher client driven revenue base = lower earnings volatility

*: Trading revenues are mostly client-driven
Leadership position in core markets and niche player in other markets

**Core Markets**
- GEOGRAPHIES: Spain, México, Latin America
- APPROACH: “Relationship driven”
- POSITION: Leadership

**Other Markets**
- GEOGRAPHIES: USA, Asia, Europe *
- APPROACH: “Product driven”
- POSITION: Niche player

*: excluding Spain
Core markets: corporate clients 1st supplier in Spain, México and Latam ex - Brazil

Total Penetration\(^1\) (%)

<table>
<thead>
<tr>
<th>Position</th>
<th>Spain</th>
<th>Mexico</th>
<th>LatAm ex-Brazil</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>57</td>
<td>35</td>
<td>28</td>
</tr>
<tr>
<td>2nd</td>
<td>28</td>
<td>16</td>
<td>13</td>
</tr>
<tr>
<td>3rd</td>
<td>11</td>
<td>22</td>
<td>17</td>
</tr>
<tr>
<td>Rest</td>
<td>4</td>
<td>13</td>
<td>14</td>
</tr>
</tbody>
</table>

High penetration is a clear competitive advantage. We are focused in improving our position as 1st provider to capture a larger share of wallet.

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\(^1\) Percentage of relationships with customers within the sample
Source: Inmark, 2009
Low risk and low volatility business model that has proven to be one of the most resilient of the industry

**Risk Premium**

**BBVA CIB vs. Peers (1)**
(bp, Average Q109 – Q311)

**BBVA CIB vs. Peers (2) – Operating Income**
(constant €)
(Index 100=Q1’07)

No write downs during the crisis vs. -25 Bn € on average for peers

---

(1): Average of the following banks: BOA, BAR, BNPP, CITI, COMM, CASA, CS, DB, HSBC, ISP, JPM, LLOY, RBS, SAN, SG, UBS, UCI, WF
(2) Synthetic index created out of public information for the following peers: BNP, Citi, CMZ, CS, GS, ISP, JPM, MS, NOM, SAN, SG, UCI
As well as one of the most efficient and profitable

Efficiency ratio
BBVA CIB vs. Peers (1)
(%, 9M'11)

PBT / Gross Income
BBVA CIB vs. Peers (1)
(%, 9M'11)

(1): Average of the following banks: BOA, BAR, BNP, CITI, COMM, CA, CS, DB, GS, HSBC, ISP, JPM, LLOY, MS, NOM, RBS, SAN, SG, UBS, UCI, WF
BBVA C&IB has 3 strategic priorities for both core and other markets

- Enhance our position in core markets
- Take advantage of our very strong presence in LatAm
- Export our business model to other geographies

... aligned with our vision

To be the LatAm House of choice ...

... and use it as the key to enter into new clients and markets
Conclusions

✓ **Client centric** business model with a *low risk and a low volatility* profile

✓ **Leadership position in core markets** (Spain, Mexico and South America) *and an attractive niche position in other markets* (USA, Asia, Europe)

✓ An attractive business where BBVA has *unique growth opportunities* leveraging on our leadership in core markets to *become the “LatAm House of choice”*
BBVA: Strength in the Current Challenging Environment

José Barreiro, Head of BBVA Corporate & Investment Banking
The Premium Review – Société Générale, November 30th, 2011