

BBVA: Strength in the Current Challenging Environment

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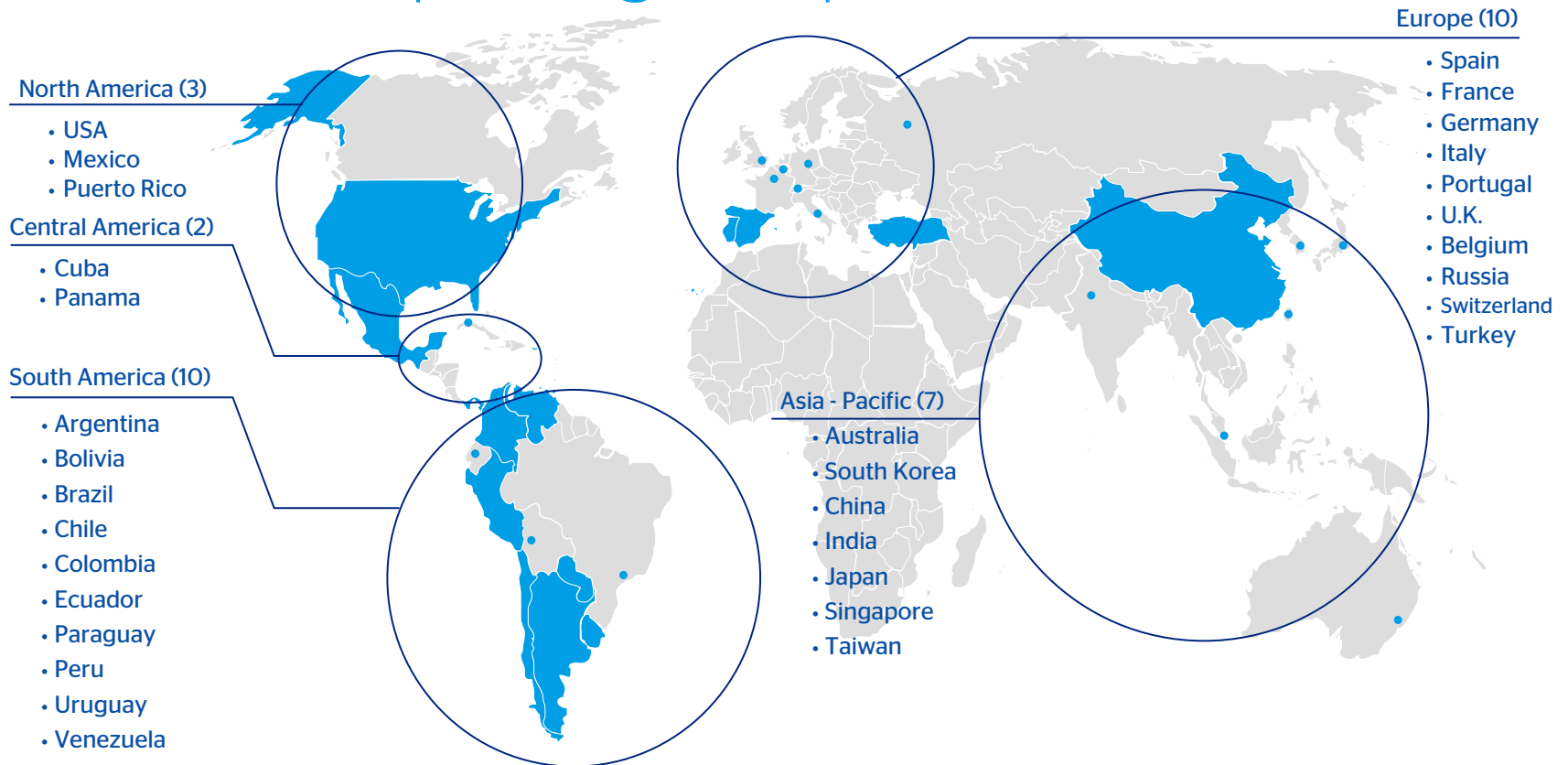
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1 BBVA: Snapshot

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



584
Billion
Assets

50
million
Customers

32
Countries

7,436
Branches

18,192
ATMs

110,625
Employees

A customer-centric global universal bank ...

	YTD Sep-11	Ranking ⁽¹⁾
Total Assets (€ bn)	584.4	15 th
Net attributable profit (€ bn)	3.1	5 th
ROE (%)	11.2	2 nd
Cost to income (%)	48.9	2 nd
Core Capital (%)	9.1	

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

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

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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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

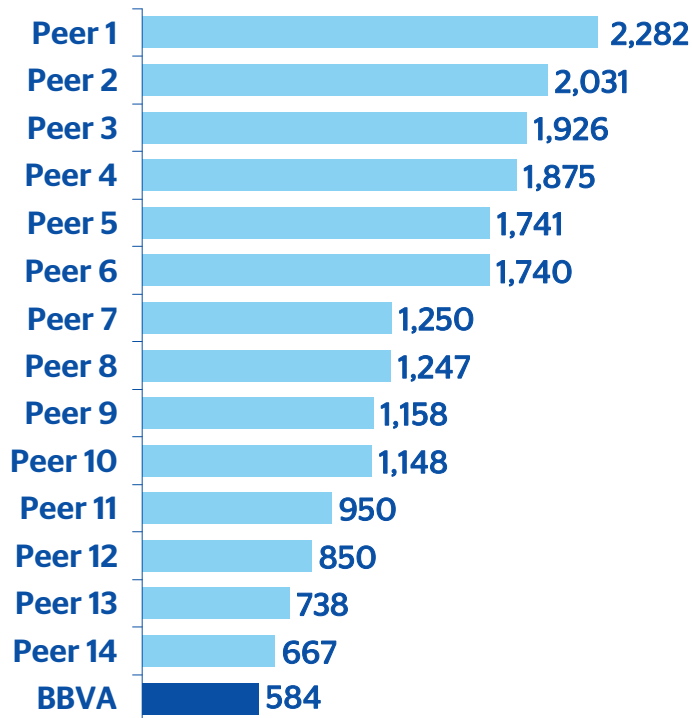
Transitioning to the new normal

- 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 ...

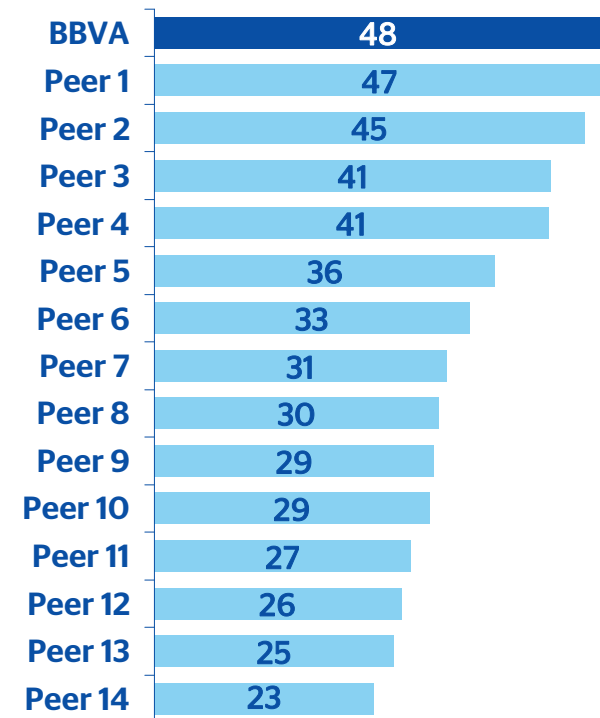
Total Assets

BBVA Group vs. Peer Group
(9M2011, € bn)



Customer deposits / Total Assets

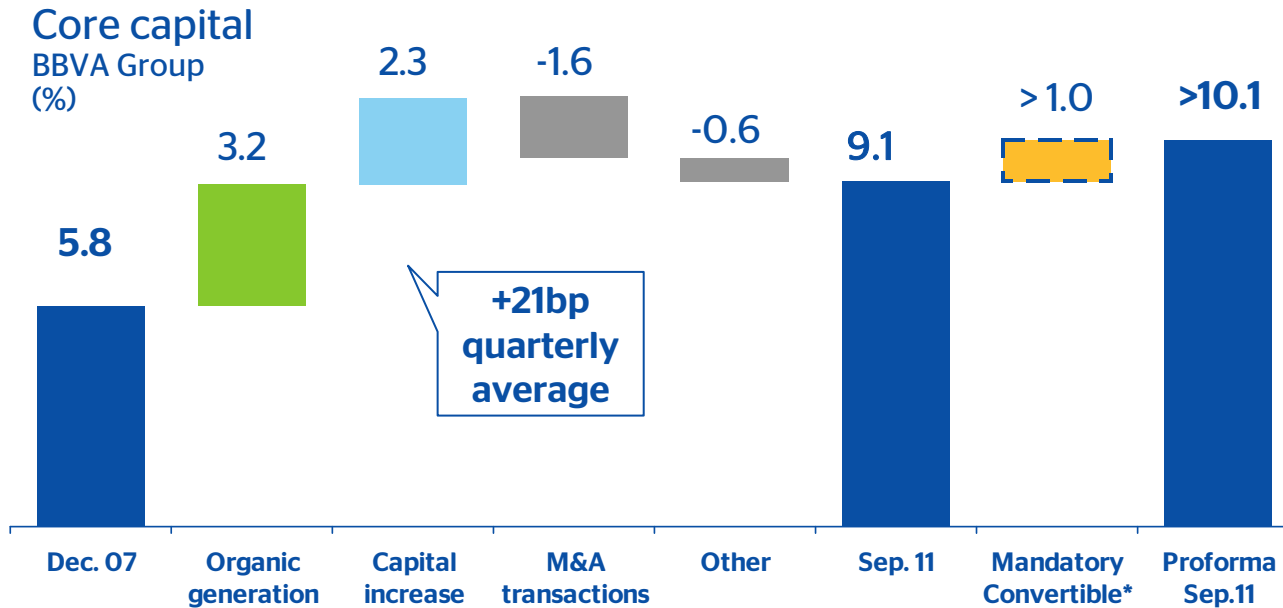
BBVA Group vs. Peer Group
(9M2011, %)



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 ...



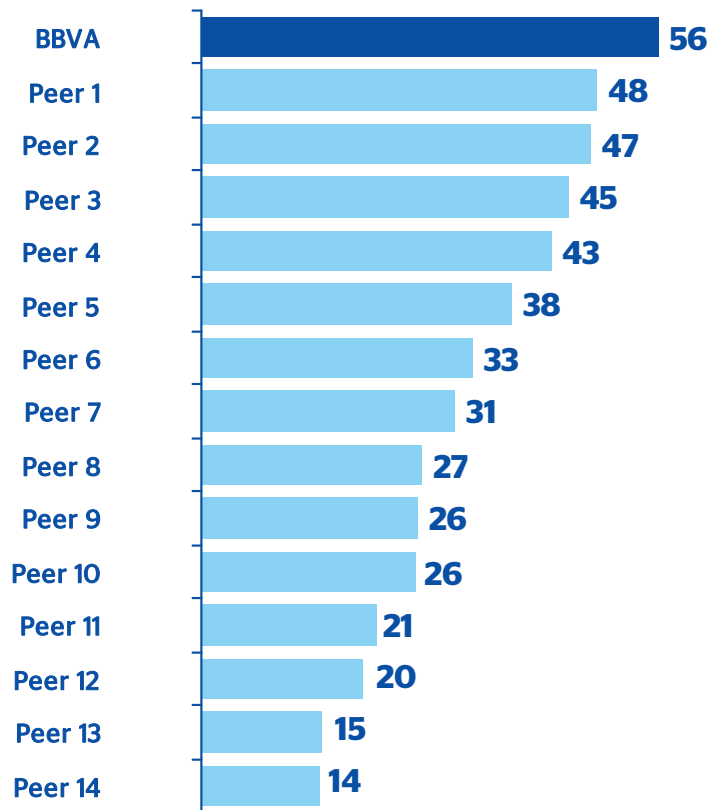
BBVA plans to comfortably achieve the “temporal and extraordinary” capital requirements established by the European Banking Authority by June 2012. Maintaining its dividend policy: €0.42 DPS remains the floor

* BBVA is offering to exchange € 3.5 Bn of retail preferred shares into a mandatory convertible bond.

High quality capital with low leverage

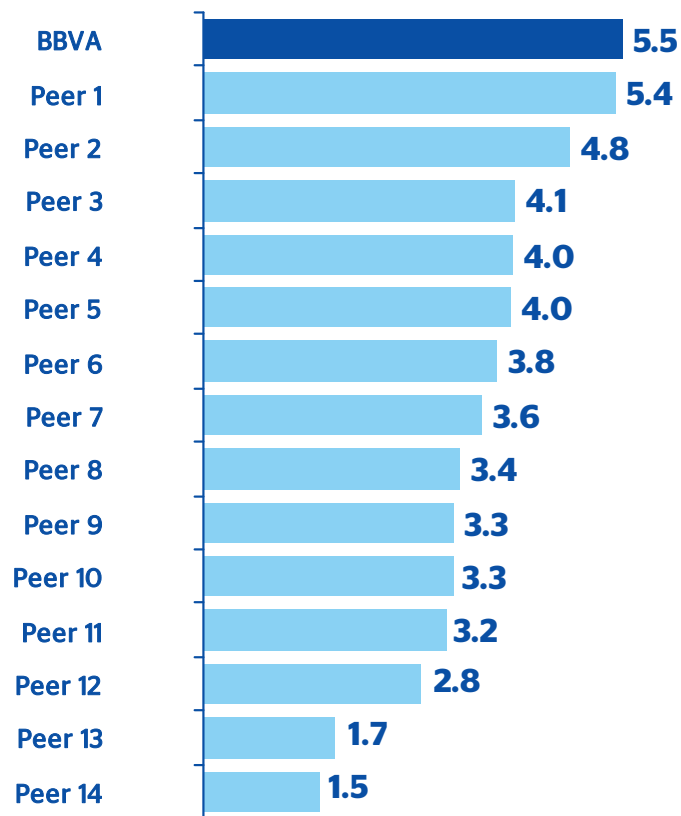
RWAs / Total Assets

BBVA Group vs. Peer Group
(9M11, %)



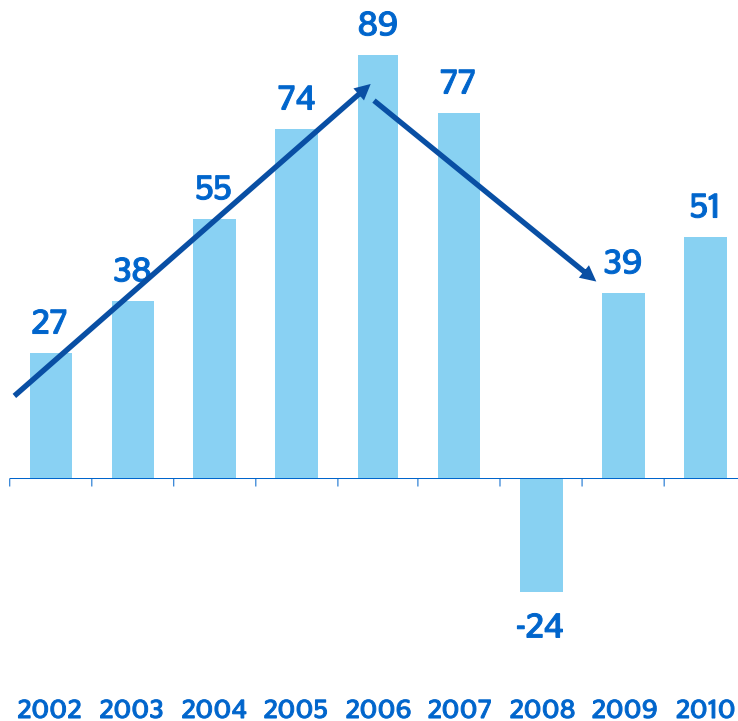
Tangible equity / Tangible Assets

BBVA Group vs. Peer Group
(9M11, %)

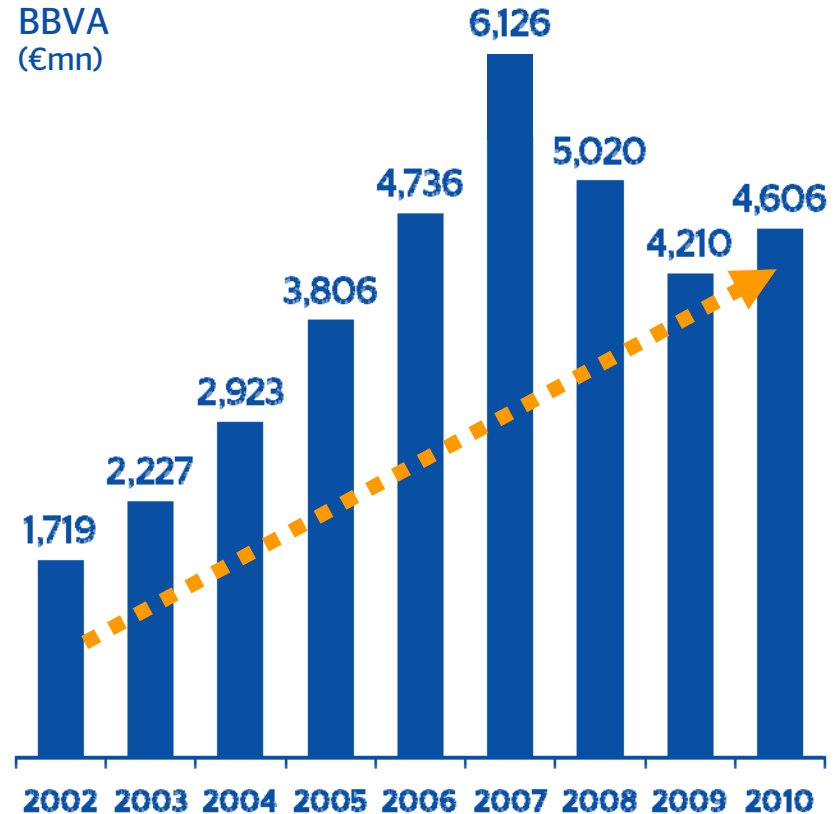


Solid and recurrent results during the crisis

Net attributable profit
European peers aggregate*
(€bn)



Net attributable profit
BBVA
(€mn)

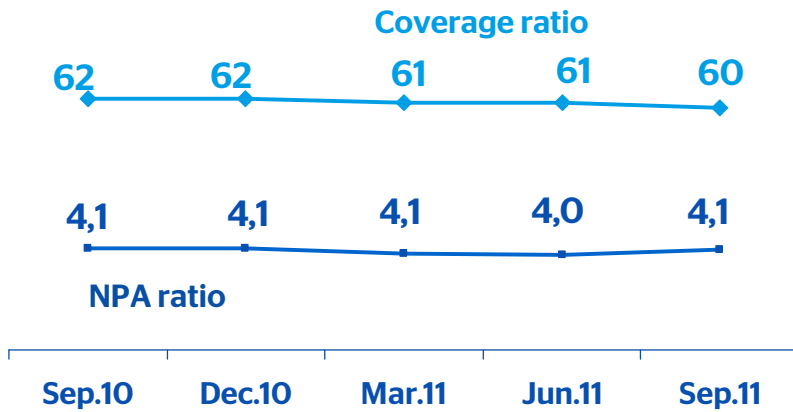


9M2011 net attributable profit of €3.1bn

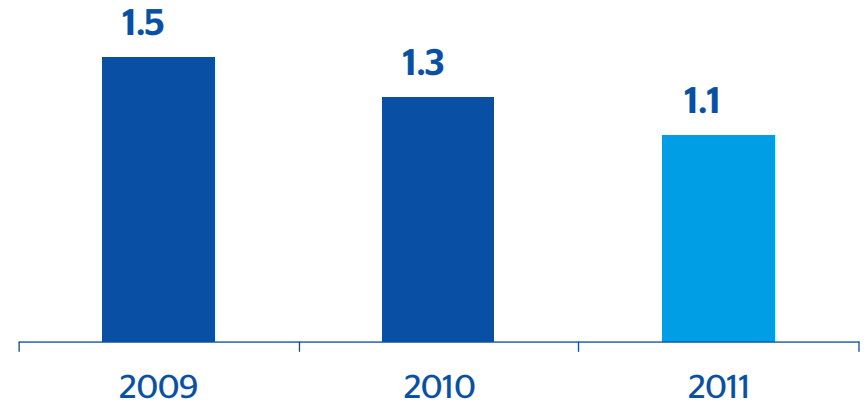
* European peers aggregate: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS and UCI.

Strong asset quality

NPA & coverage ratios
BBVA Group
(%)

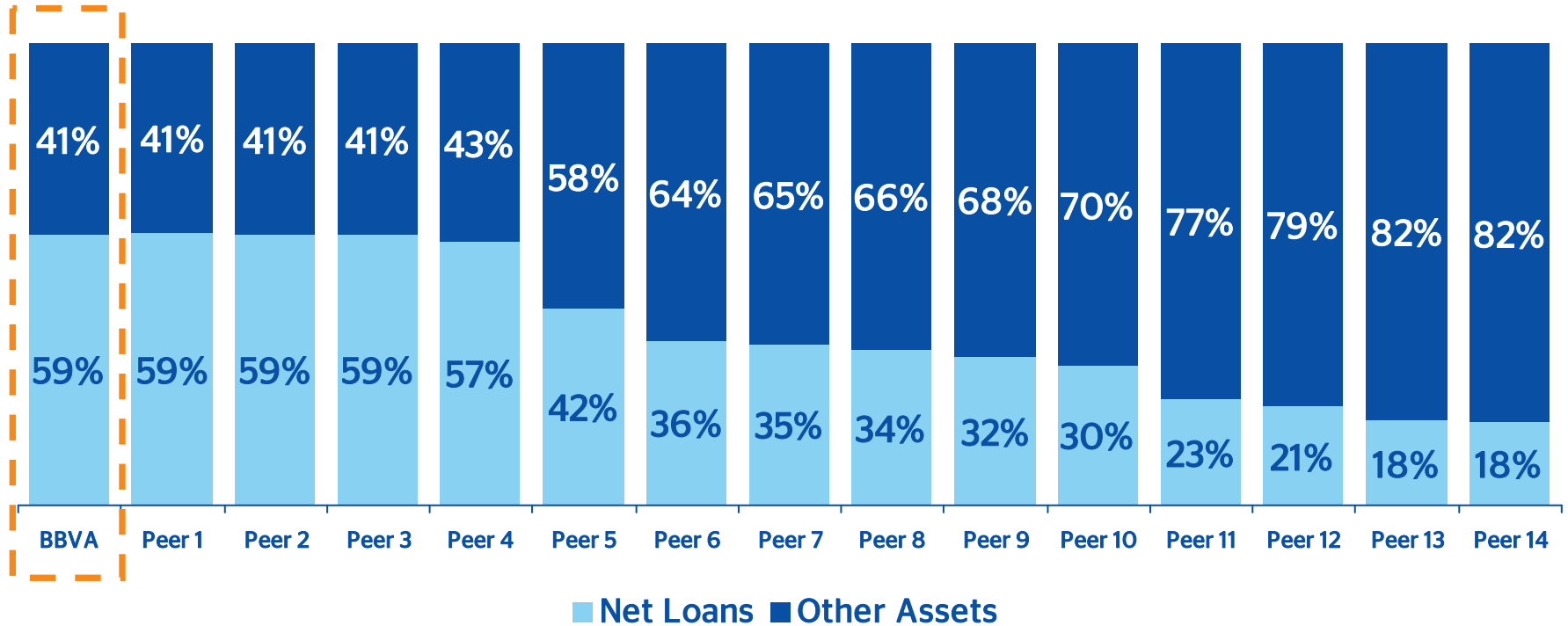


Cumulative risk premium
BBVA Group
(%)



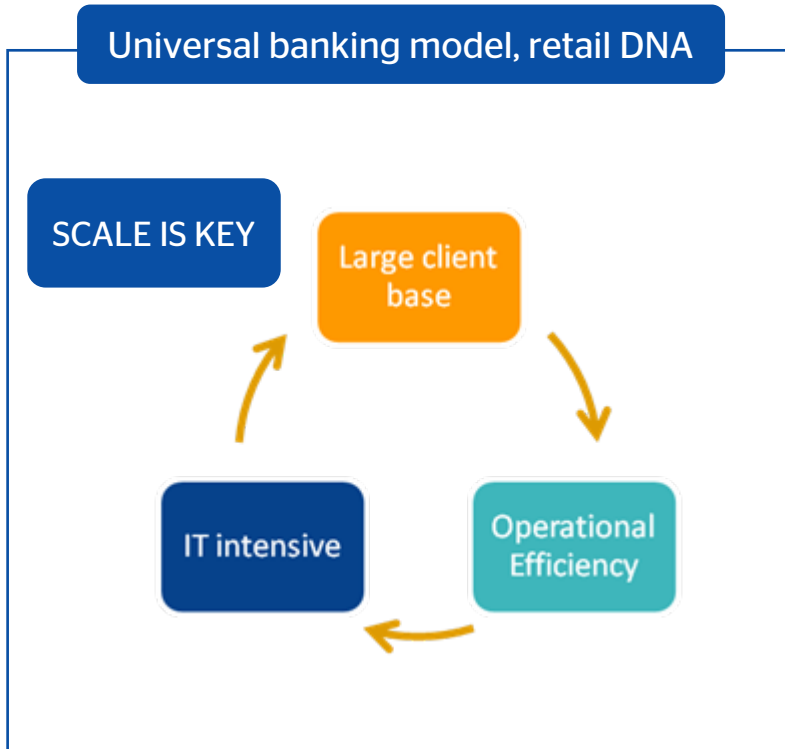
An attractive customer – centric, business model

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

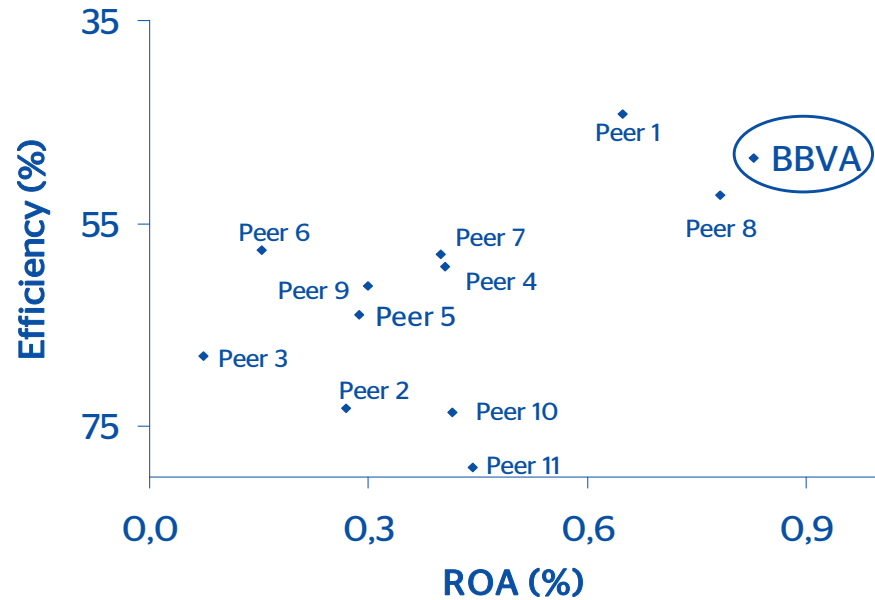


A client-driven business that ensures low volatility of earnings

Highly profitable and efficient operations



ROA vs. Efficiency
BBVA Group vs. Peer Group
(3T2011,%)



ROA: 0.8%

ROE: 11.3%

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

BBVA is ready for the regulatory challenge

Universal business model with strong retail franchises

Decentralized management of liquidity and capital

Conservative risk culture

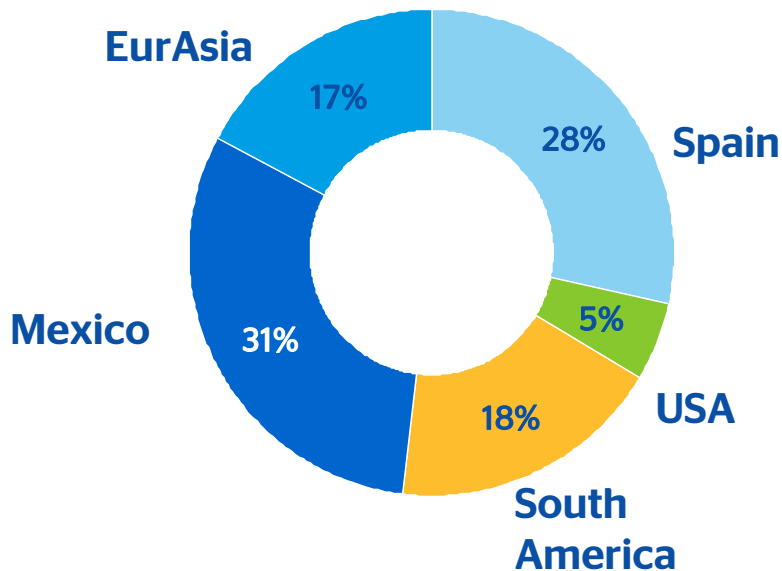
Proven track record in capital and liquidity management



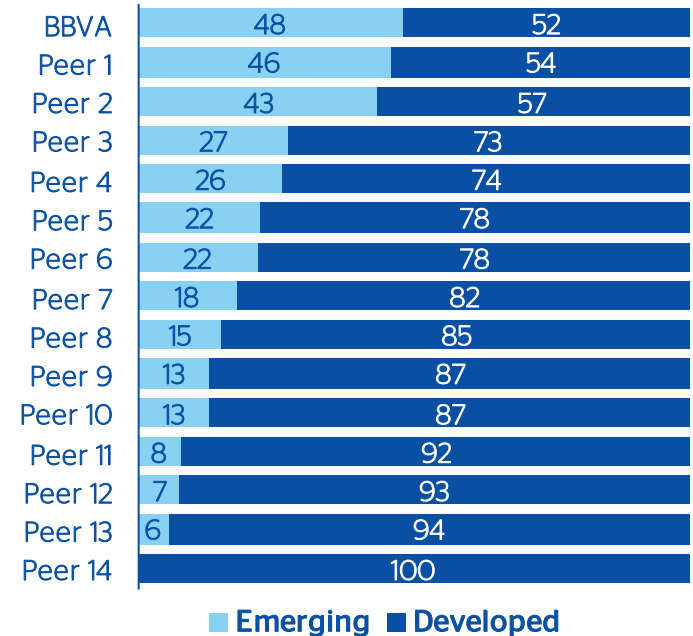
Estimated modest impact from upcoming Regulation

Diversified business mix that ensures sustainable growth

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



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

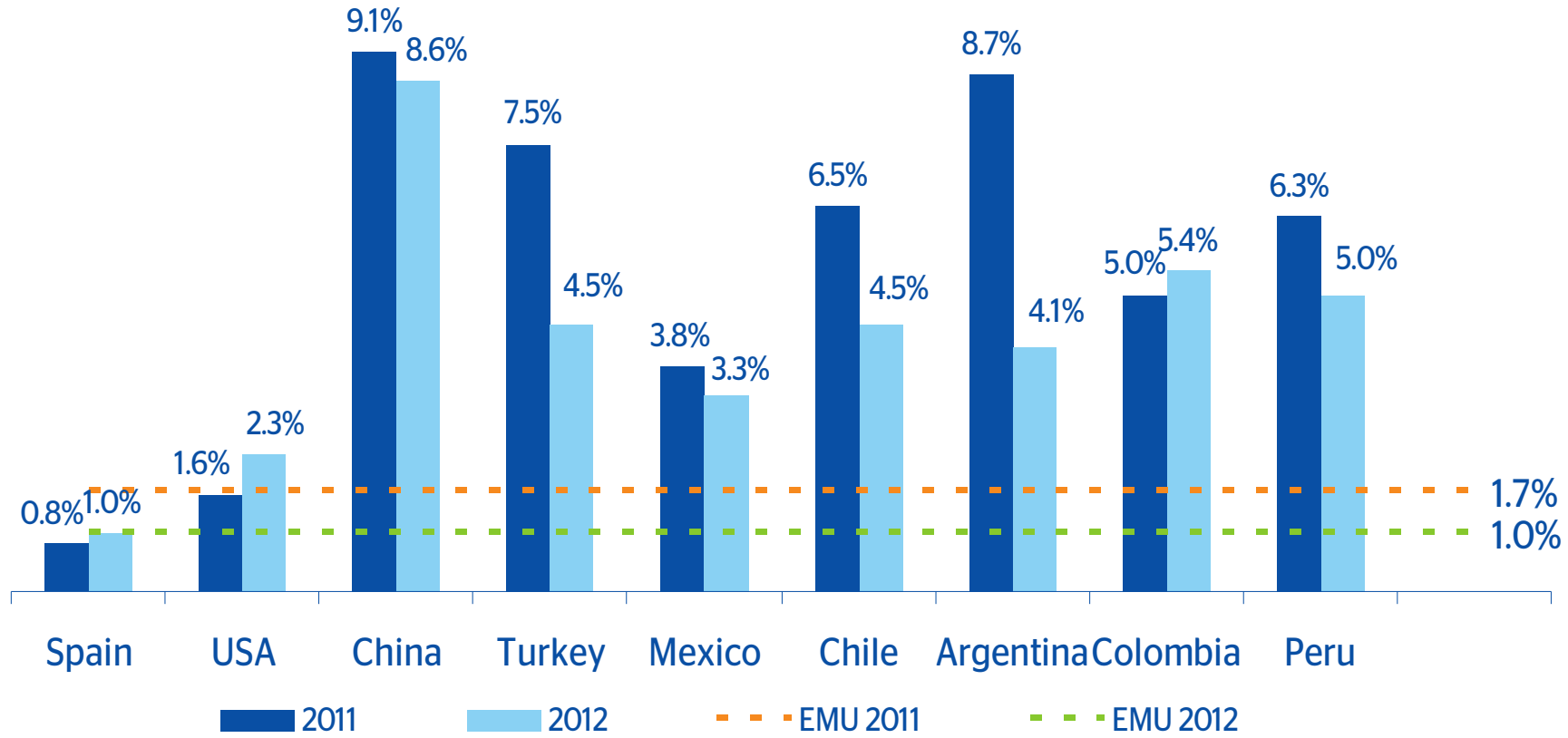


With **Garanti**, emerging market revenue contribution > 50%

(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 %)



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

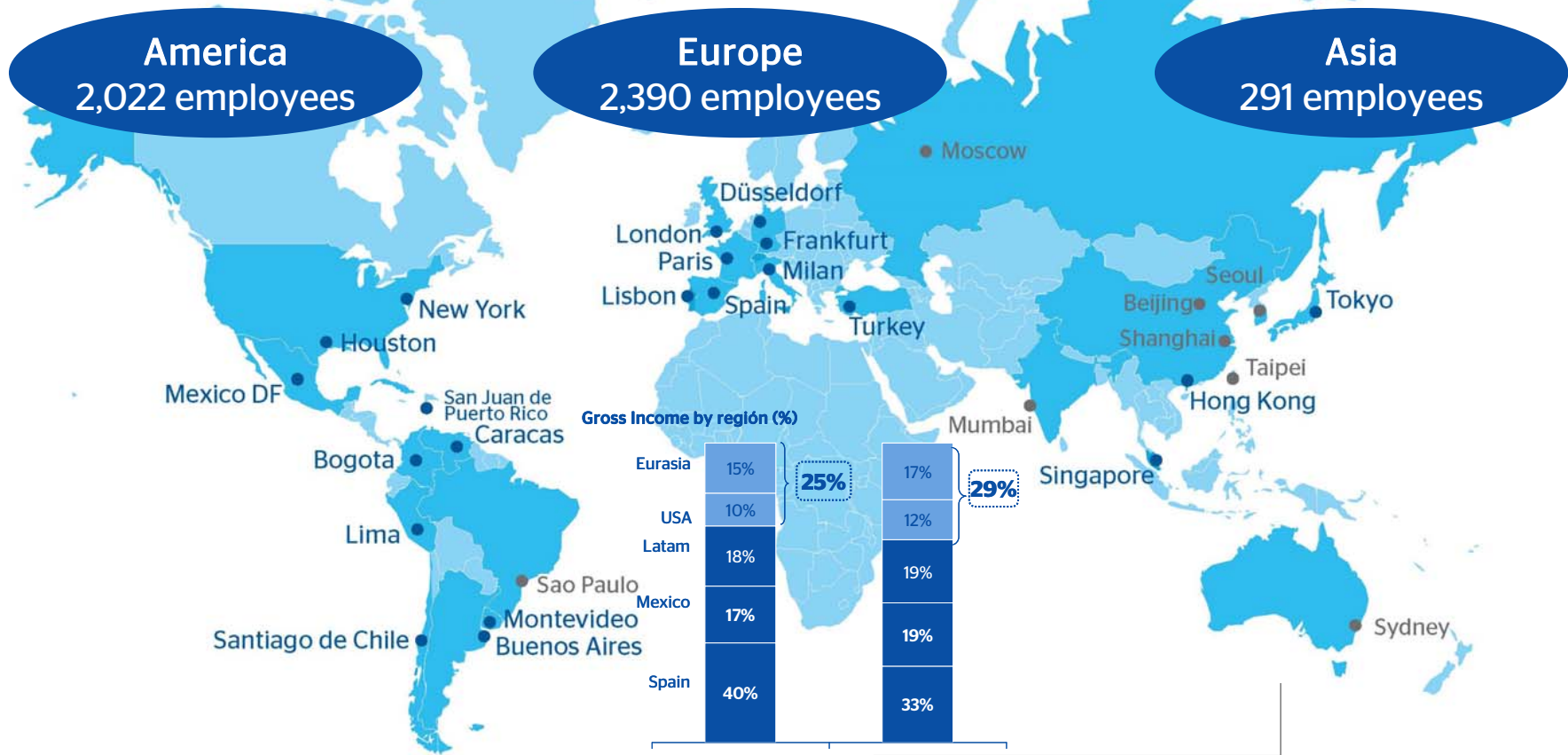
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BBVA CIB: A global unit with more than 4,500 employees and presence in 24 countries ...

- Corporate & Investment Banking
- Representation Offices



... 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

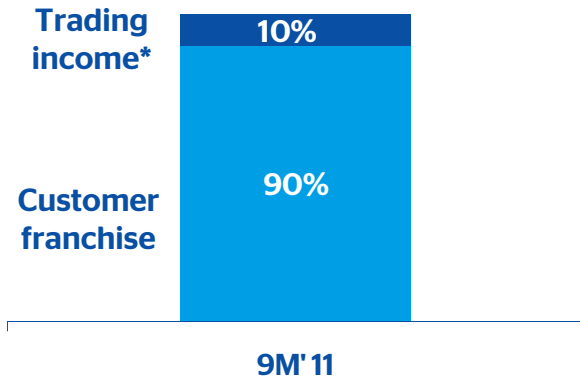
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Efficient and profitable business model

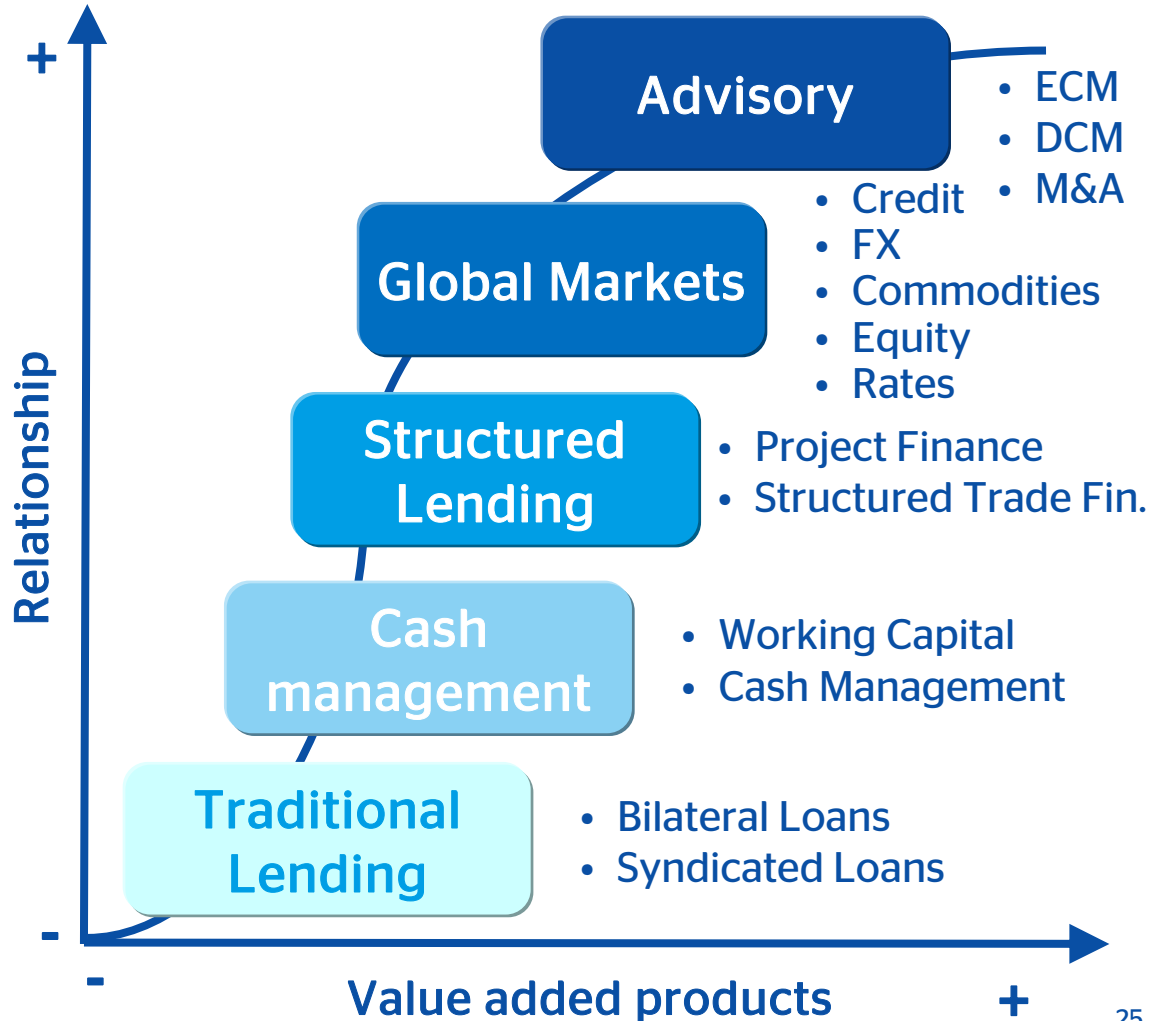
1

Client centric: leveraging on deep long term relationships to capture value added products

Source of revenue (%)



Higher client driven revenue base = lower earnings volatility



*: Trading revenues are mostly client - driven

2

Leadership position in core markets and niche player in other markets

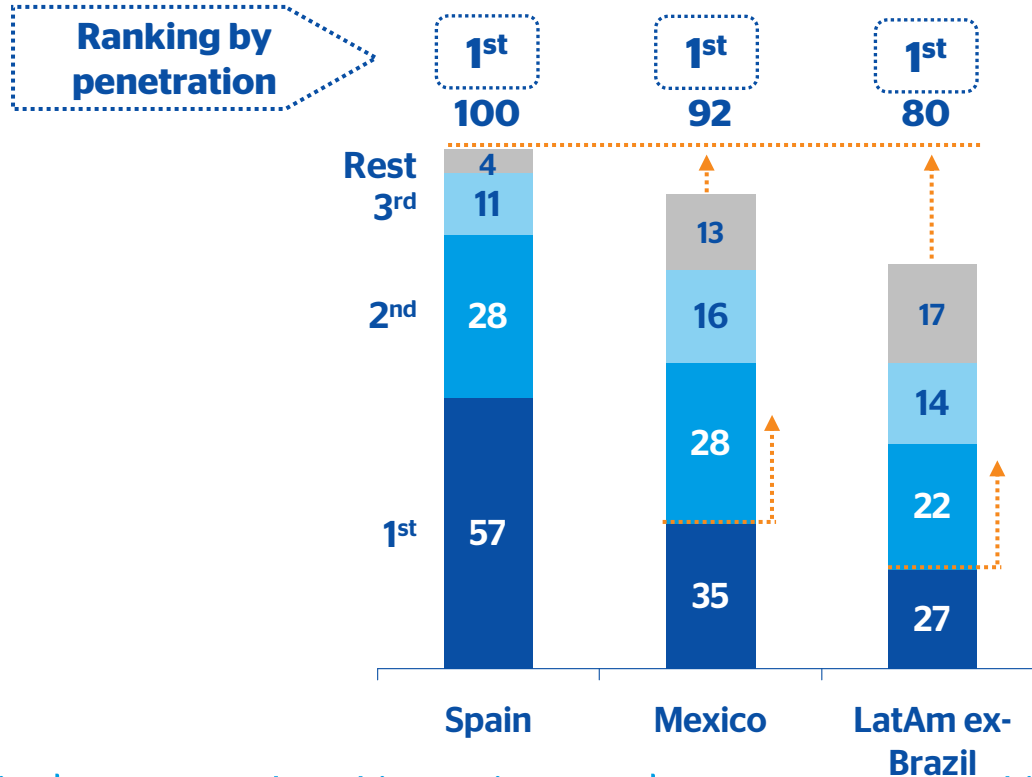
	GEOGRAPHIES	APPROACH	POSITION
Core Markets	Spain México Latin America	“Relationship driven”	Leadership
Other Markets	USA Asia Europe *	“Product driven”	Niche player

*: excluding Spain

2

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

Total Penetration¹ (%)



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

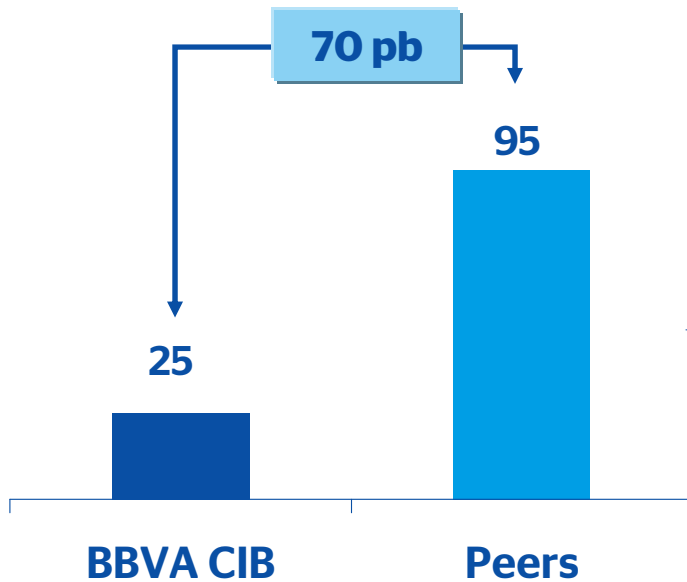
¹: Percentage of relationships with customers within the sample
 Source: Inmark, 2009



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

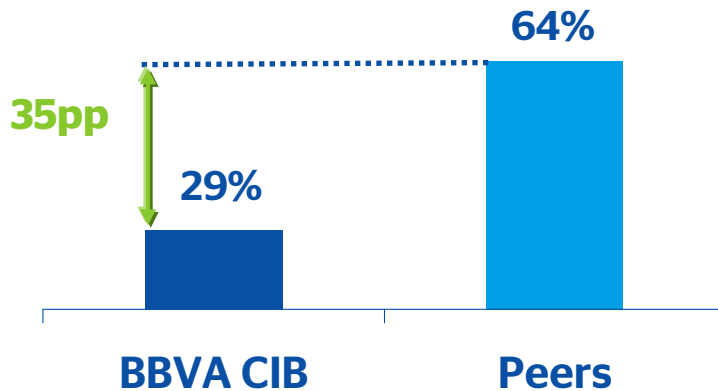
(1): Average of the following banks: BOA, BAR, BNPP, CITI, COMM, CASA, CS, DB, HSBC, ISP, JPM, LLOY, RBS, SAN, SG, UBS, UCI, WF

(2) Synthetic index created out of public information for the following peers: BNP, Citi, CMZ, CS, GS, ISP, JPM, MS, NOM, SAN, SG, UCI

4 As well as one of the most efficient and profitable

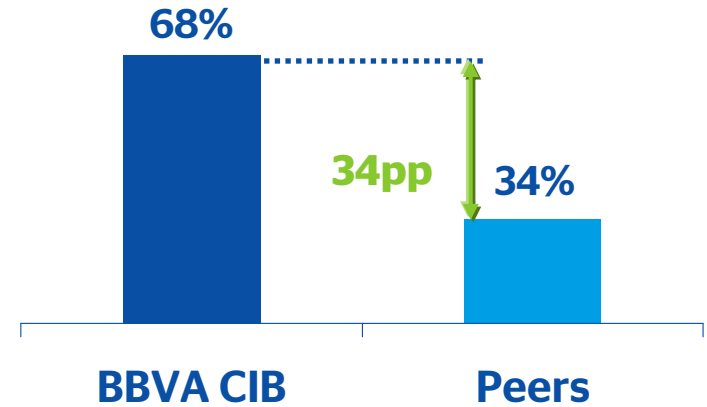
Efficiency ratio

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

Share of wallet and penetration

Take advantage of our very strong presence in LatAm

LatAm regional player

Export our business model to other geographies

International niche bank

... 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