Unnim Acquisition

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Unnim is a franchise concentrated in Catalonia, its traditional market

<table>
<thead>
<tr>
<th>Unnim Main Data - Dec 11</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>€ 29 Bn</td>
</tr>
<tr>
<td>Gross Loans</td>
<td>€ 17.5 Bn</td>
</tr>
<tr>
<td>Deposits</td>
<td>€ 19 Bn</td>
</tr>
<tr>
<td>Branches</td>
<td>561</td>
</tr>
<tr>
<td>Customers</td>
<td>1 Mn</td>
</tr>
<tr>
<td>Employees</td>
<td>3,076</td>
</tr>
</tbody>
</table>

Concentrated in Catalonia with 92% of its total branches (518)

- Barcelona concentrates 79% of total branches
- Unnim’s branch market share: 8% in Catalonia; 2% in Spain
- 70% of branches > 10 years old

Unnim did not grow outside its traditional area of influence during the credit boom years
A retail bank with 1 million customers

**Customer structure**

Dec. 2011

- **Exclusive:** customers only working through Unnim
- **Main:** Unnim is the main financial services provider
- **Secondary:** Unnim is not the customer’s main provider

- Exclusive: 63%
- Main: 17%
- Secondary: 20%

**Loyal customer base:** 63% working exclusively with Unnim

**Gross Loans Dec. 2011**

- Retail Mortgages: 60%
- Developers: 18%
- SMEs: 19%
- Consumer: 3%

**Business Mix:** > 80% of business concentrated in Retail banking

€17.5 Bn Gross Loans Dec. 2011
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A value enhancing acquisition coherent with BBVA’s strategy

**Mature Markets**
- Reinforce our competitive position and market share
- Capture synergies
- Create value with the implementation of BBVA’s business model

**Emerging Markets**
- Capture long term growth
- Leverage on BBVA’s experience in the development of markets and products

Unnim’s acquisition
Unnim’s core market is export-oriented and the most industrialized region within Catalonia

Source: BBVA Research
BBVA reinforces its position in Catalonia

This transaction supports BBVA’s organic growth strategy
BBVA’s share gains since 2009: +197 bp in deposits and +40 bp in loans

* Deposits + loans + mutual and pension funds share
Cost synergies represent 40% of Unnim’s cost base, fully phased in by 2014.

Conservative criteria for revenue synergies.

€200 Mn expected net restructuring costs to be mainly booked in 2013.

Low execution risk thanks to BBVA’s know-how and Unnim’s loyal customer base (limited deposit attrition despite FROB intervention).
Adding value through the implementation of BBVA’s business model

BBVA has a highly productive network

Branches Mkt. Share  Business Volume Mkt. Share

Unnim (*)  BBVA

8.3%  5.6%  7.3%  12.0%

(*) Only considering Catalonia

Efficiency

Unnim  Peer 1  Peer 2  Peer 3  Peer 4  Peer 5  BBVA

94%  60%  52%  52%  51%  46%  44%

Loans and deposits per branch (€Mn)

BBVA  Peer 1  Peer 2  Peer 3  Peer 4  Peer 5  Unnim

108  105  98  85  75  60  48

Scale and IT are key value enhancers

Peers: Santander España + Banesto, Bankia, CaixaBank, Banco Popular and Banco Sabadell. Data of BBVA Spain . Data as of Dec-11
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### Transaction terms

- **Price:** 1 Euro
- **€ 1.3 Bn equity**
- An Asset Protection Scheme that covers 80% of the Real Estate exposure
- No liquidity measures from FROB required by BBVA

### Other risks not covered by the APS

- Credit risk not covered by the APS
- Other adjustments to equity

\[ \sim €1\text{ Bn} \]

- Liquidity Risk: manageable wholesale funding maturities
  (€2.3 Bn in 2012 and 2013 combined)
Asset protection scheme to cover 80% of total RE losses

- Very limited RE risk
- Expected loss not covered by the APS, adequately adjusted in the offer
- No impact from new RE provisions regulation (RD 02/2012)

Total RE EAD*: € 6.4 Bn

- 20% covered by BBVA
- 80% covered by APS

More than 90% of RE exposure originated within its traditional market

* EAD: Exposure at Default according to Unnim’s consolidated figures.
Balance sheet and regulatory capital impacts

**Balance Sheet**
- Unnim represents 5% of BBVA Group’s Assets
- Unnim adds €10 Bn RWAs, 3% of BBVA Group’s RWAs

**Capital**
- Fresh capital not required
- Limited regulatory capital impact to be mitigated with non dilutive liability management measures
P&L and Profitability impacts

- Estimated Net Income 2014e > €100 Mn
- NPV of synergies €800M
- Normalized ROA ~ 1%
- ROIC 2014e > 20%
- 2% EPS* accretive in 2 years

* According to Bloomberg market consensus estimates for BBVA Group 2014.
Expected timetable

- **1H 2012**
  - Announcement / signing of the transaction
  - Regulatory approvals
  - Creation of a Steering Committee from signing to closing

- **2H 2012**
  - Expected closing of the transaction

- **2H 2012 / 1H 2013**
  - Integration process
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Merits of the transaction

Strategic fit

Limited execution risk

Attractive financial impacts
Conclusions

A restructuring story with high synergy potential, accretive in a short period of time with attractive returns.

BBVA doubles its market share in Catalonia, a rich and dynamic region, with a moderate impact in the context of BBVA.

Limited and contained risks: credit, liquidity and execution.

Marginal impact on regulatory capital to be offset with non dilutive measures.
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