GR&BB: a lever of growth for BBVA

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BBVA: international expansion during the last decade...

Main acquisitions 2002-2012

- **Mexico**: minorities of BBVA Bancomer
- **USA**: Compass Bank
- **USA**: Guaranty Bank
- **China**: 15% of Citic
- **Turkey**: 25% of Garanti Bank
- **Other Latam**: Uruguay, Colombia, Chile

... biased to high growth markets

Estimated real GDP growth (2012e & 2013e average yoy growth, in %)

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>8.5</td>
</tr>
<tr>
<td>South America</td>
<td>5.0</td>
</tr>
<tr>
<td>Turkey</td>
<td>4.2</td>
</tr>
<tr>
<td>Mexico</td>
<td>3.4</td>
</tr>
<tr>
<td>USA</td>
<td>2.3</td>
</tr>
</tbody>
</table>

Source: BBVA Research. Figures as of May 8, 2012. South America includes Chile, Peru and Colombia (weights based on GDP as of December 2011)
With significant opportunities for retail banking

**Low banking penetration**

Domestic credit to private sector (% of GDP, 2011)

- Turkey: 45%
- Chile: 85%
- Colombia: 37%
- Peru: 34%
- Mexico: 24%
- Venezuela: 39%
- Argentina: 18%
- Spain: 165%
- USA: 112%

Source: BBVA Research

**Under developed markets**

Card use as % of PCE*

- Turkey: 28%
- Chile: 10%
- Colombia: 8%
- Peru: 4%
- Mexico: 7%
- Venezuela: 14%
- Argentina: 3%
- Spain: 15%
- USA: 38%

Source: Data monitor Visa 2010

**Favourable demographics**

Population growth projections (2010-2025)

- Turkey: 15% (+11.1 M)
- Chile: 11% (+1.9 M)
- Colombia: 18% (+8.2 M)
- Peru: 17% (+4.8 M)
- Mexico: 15% (+17.3 M)
- Venezuela: 21% (+6.2 M)
- Argentina: 12% (+4.8 M)
- Spain: 7% (+3.2 M)
- USA: 12% (+37.9 M)

Source: World Bank

* PCE: Personal consumption expenditure
Creating an international retail bank with leading franchises

Over 80% of BBVA revenues are retail and business banking (> € 15 bn.)

Ranking by deposits (except for China, by assets and Spain and Turkey, by loans); Spain: Data as of December 2011, ("Otras Sectores Residentes"); Mexico: Data as of December 2011; South America: Data as of June 2011, 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: Data as of December 2011. Turkey: Data as of December 2011.
Leading to a highly diversified portfolio

Net attributable profit by region (1)
BBVA Group
(%, 1Q2012)

- USA: 16%
- Mexico: 26%
- South America: 30%
- Spain: 21%
- Eurasia: 8%

Geographic diversification of revenue (2)
BBVA Group vs. Peer Group
(%, 2011)

- BBVA: 45%
- Peer 1: 49%
- Peer 2: 53%
- Peer 3: 76%
- Peer 4: 76%
- Peer 5: 77%
- Peer 6: 81%
- Peer 7: 86%
- Peer 8: 86%
- Peer 9: 87%
- Peer 10: 88%
- Peer 11: 89%
- Peer 12: 93%
- Peer 13: 96%
- Peer 14: 100%

Emerging Developed

... that ensures sustainable growth

(1) Excluding Corporate Activities. (2) In-house elaboration using available data as of December 2011. Peer Group: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS & UCI.
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GR&BB unit was created to boost growth

Focusing on:

1. Evolution of our customer centric business model
2. Management of global lines of business
   - Insurance and Pensions
   - Consumer Finance
   - Private Banking
   - Asset Management
   - Payment Systems
   - High growth potential, opportunity for improving market position
   - Specialization and synergies in client/product, business model, risk, HHRR, technology, processes
3. Consistent vision + sharing best practices + common tools, methodologies and processes with local execution

Taking advantage of economies of scale at Group level and increasing our franchise value
Despite the challenging environment we continue to strengthen our customer centric business model.

**Customer Centric**
- Customer Knowledge
- Relevant Offer
- Experiences

**From**
- Selling products

**To**
- Customer experience
- Segmented approach
- Relevant Value Proposition
- Seamless multichannel distribution
- Easy and simple processes

BBVA continues to innovate and invest in technology as enablers of our strategy.
Each segment is a different business...

<table>
<thead>
<tr>
<th>Segment</th>
<th># Clients (1)</th>
<th>Rev. / Cust. (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Express</td>
<td>32.9M</td>
<td>9.0 0.2x</td>
</tr>
<tr>
<td>Mass</td>
<td>23.6</td>
<td>1.0x</td>
</tr>
<tr>
<td>Affluent</td>
<td>0.3</td>
<td>9.2x</td>
</tr>
<tr>
<td>HNWI</td>
<td>0.01</td>
<td>68.6x</td>
</tr>
<tr>
<td>SME</td>
<td>1.3</td>
<td>9.9x</td>
</tr>
<tr>
<td>Commercial</td>
<td>0.2</td>
<td>77.8x</td>
</tr>
</tbody>
</table>

With its own distribution strategy, positioning and management

(1) PSA clients not included. December 2011. (2) Revenue per customer in each segment, in comparison to Mass segment.
With an specific and seamless multichannel strategy by segment

Alignment of channels with special focus on the digital world
BBVA has an industrialized retail business model...

...making all processes simple, friendly and efficient

- Boost commercial productivity and operational efficiency
- Provide positive experiences to our customers in the moments of truth

Relationship managers execute on a predesigned workflow
We aim to satisfy client needs providing unique customer experiences

A different value proposition

With subsegments based on life cycle stage or consumption habits

GR&BB ensures a consistent positioning with a global marketing strategy
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BBVA has proven to be very resilient under extreme circumstances

ROE
BBVA vs. European Peer Group Average
(%, December 2011)

- BBVA: 10.6% (Excluding goodwill impairment)
- Peers Average: 8.0%

Tangible Book Value Per Share
(Base 100: 2006)

BBVA has remained profitable during the crisis and has sought to minimize dilution while maintaining dividends

Peer Group: BARCL, BNP, CASA, CMZ, CS, DB, HSBC, ISP, LLOYDS, RBS, SAN, SG, UBS and UCI.
Comfortable liquidity and capital position

1. Decentralized liquidity management

2. Euro balance sheet, the only one with wholesale funding needs
   - Debt redemptions in 2012/2013 already covered
   - Lower funding needs, due to client gap reduction

3. Enough additional collateral to absorb any liquidity shocks

4. Strong organic capital generation

5. Early compliance with EBA
Risk indicators remaining stable at a group level in 2012

NPAs (*) net balance
BBVA Group
(€bn)

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<tr>
<td>15.5</td>
<td>15.8</td>
<td>16.0</td>
<td>15.9</td>
<td>16.1</td>
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NPA & coverage ratios
BBVA Group
(%)  

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<tbody>
<tr>
<td>61</td>
<td>61</td>
<td>60</td>
<td>61</td>
<td>60</td>
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</table>

Coverage ratio

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</thead>
<tbody>
<tr>
<td>4.1</td>
<td>4.0</td>
<td>4.1</td>
<td>4.0</td>
<td>4.0</td>
</tr>
</tbody>
</table>

NPA ratio

(*) Non Performing Assets
In Spain provisions should peak in 2012 due to new RE provisioning requirements.

- Real Estate Exposure (Spain): €21.9 Bn
- Problematic Assets: €13.2 Bn
- Provisions after RDs: €8.1 Bn

- 60% already classified as problematic
- 71% coverage of problematic (43% of total exposure)

2012 P&L net impact of new provisions: €2.8 Bn

Figures as of December, 2011. (1) Includes both RD 02/2012 and RD 18/2012; coverage ratios include the capital buffer required by RD 02/2012 (€1.2 Bn for BBVA).
Strong dynamism of core revenues in all geographies

Core revenues(1)
BBVA Group (Constant €m)

Core revenues trends
- Spain: Price normalization
- Eurasia: Activity dynamism
- Mexico: Growth biased to more profitable segments
- South America: High growth
- USA: Increasing customer spread

NII to increase in all geographies and stabilize in Spain
Fee Income to return to positive growth in all geographies

(1) Core revenues include: Net interest income and fee income.
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Conclusions

| BBVA is a leading international retail bank with highly diversified earnings |
| The creation of Global Retail & Business Banking, an additional lever of growth |
| Despite challenging environment, BBVA continues to strengthen its winner business model |
| Maintaining a solid capital and liquidity position and strong operating trends |
| BBVA remains profitable while absorbing the worst year in Spain |
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