Reasons to invest in BBVA

Manuel González Cid, CFO
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The new ECB focus on financial stability has removed Euro break-up risk

10Y Spread Spain-Germany (bp)

“The ECB will do whatever it takes to preserve the €”

Risk premium reduced by >50% (-346 bps)

LTRO

Stronger EU / Banking Union

Crisis in Cyprus

After austerity, are we ready for some stimulus in Europe?

Source: Bloomberg. Data as of May 29, 2013.
Attention regarding European banks should shift from regulatory capital and liquidity to...

**Single EU Banking Supervisor asset quality review**

Spain has already conducted its asset quality review

External review conducted in 2012

Weak institutions recapitalized with €40 Bn from EU

**BBVA: outstanding results**

<table>
<thead>
<tr>
<th>Base Scenario</th>
<th>Stress Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provisions stock &gt; Expected losses (1)</td>
<td>Provisioning needs &lt; 1 year pre-provision profit</td>
</tr>
</tbody>
</table>

**Leverage ratio**

BBVA: Lowest leverage among its peer group

Tangible Equity / Tangible Assets 1T13 (%)

- BBVA: 5.8
- Peer Group Median: 3.9

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(1) Total Group’s provisioning stock (as of March 2013) higher in €1.5Bn than OW bottom up stress test expected losses
(2) Peer Group: BARCL, BNP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS and UCI.
In this context BBVA becomes increasingly attractive

<table>
<thead>
<tr>
<th>BBVA</th>
<th></th>
</tr>
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<tbody>
<tr>
<td>International <strong>Retail Bank</strong></td>
<td>✓</td>
</tr>
<tr>
<td>Relevant exposure to <strong>Attractive Emerging Markets</strong></td>
<td>✓</td>
</tr>
<tr>
<td><strong>Leading Franchises</strong> in each market</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Customer Centric</strong> business model</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Profitable and Efficient</strong> operations</td>
<td>✓</td>
</tr>
<tr>
<td>Sound <strong>Governance</strong> and prudent <strong>Risk Culture</strong></td>
<td>✓</td>
</tr>
</tbody>
</table>

**Sustainable Growth** with **High and Recurrent Profitability**
Significant medium term upside in all geographical areas

<table>
<thead>
<tr>
<th>Region</th>
<th>Key Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>Market share gains with margin normalization</td>
</tr>
<tr>
<td></td>
<td>Provisions normalization</td>
</tr>
<tr>
<td>Mexico</td>
<td>High and stable business growth</td>
</tr>
<tr>
<td></td>
<td>Acceleration of profit growth</td>
</tr>
<tr>
<td>South America</td>
<td>Growth to stabilize at a high and sustainable level</td>
</tr>
<tr>
<td></td>
<td>Balanced diversification within the region</td>
</tr>
<tr>
<td>USA</td>
<td>Market share gains in Texas / Sunbelt</td>
</tr>
<tr>
<td></td>
<td>Margin normalization</td>
</tr>
<tr>
<td>Turkey</td>
<td>High business growth</td>
</tr>
<tr>
<td></td>
<td>Higher contribution to BBVA</td>
</tr>
</tbody>
</table>

After a strong investment effort, cost growth should moderate in the near future and remain at or below inflation.
BBVA comes out of the crisis in a stronger position

**Improved earnings generation capacity**

BBVA operating income vs. provisions and impairment of non-financial assets
(€ Bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Income</th>
<th>Provisions+Impairment of Non Financial Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>8.3</td>
<td>-1.5</td>
</tr>
<tr>
<td>2007</td>
<td>9.6</td>
<td>-1.9</td>
</tr>
<tr>
<td>2008</td>
<td>10.5</td>
<td>-3.0</td>
</tr>
<tr>
<td>2009</td>
<td>12.3</td>
<td>-7.0</td>
</tr>
<tr>
<td>2010</td>
<td>11.9</td>
<td>-5.2</td>
</tr>
<tr>
<td>2011</td>
<td>10.6</td>
<td>-6.1</td>
</tr>
<tr>
<td>2012</td>
<td>12.2</td>
<td>-9.1</td>
</tr>
</tbody>
</table>

Source: legal annual report. Note: Including income from discontinued operations.

**Stronger balance sheet**

- € 7.3 Bn of loan loss and RE provisions in Spain in 2012
- € 32 Bn liquidity gap improvement since 2011
- Core capital 2.3x since 2007
- 1st European Issuer of BIS III Additional Tier I capital
Comfortable capital position under new BIS III regulation

Total Impacts
BIS 3 FULLY LOADED
-305 bp

Impacts with no phase in:
-60 bp

Impacts with phase in:
-275 bp

Other
30 bp

-60 bp
-275 bp
30 bp

11.2
- 49
- 11
- 7
-158
-110
+ 30
+ 85
9.0

BIS 2.5 March 2013
Software
RWAs (CVA and SMEs)
Minorities
DTAs
Stakes in Financial Entities and Insurance companies
Current Excess Core vs. Tier 1
Organic generation, announced capital gains, RWA evolution
BIS 3 Dic 2013e (fully loaded)

Includes ~100 bp of tax losses carried forward, expected to be compensated between 2015 and 2018.

Reported BIS3 Core ratio expected to be > 10% through the phase in period
A sustainable cash DPS with upside as EPS grows

Pre-crisis
2006-2008 Average
(€/Share)

- EPS: 1.42
- DPS: 0.66

Avg. Cash Payout: 46%

During the crisis
2009-2012 Average
(€/Share)

- EPS: 0.80
- DPS: 0.42

Avg. Cash Payout: 39%

Tangible Book Value per share
(Base 100 = 2006)

- BBVA: 100 100 100 100 105 105 105 105 115 115 115 115 140 152 156 151
- Peer Group (average): 100 105 115 140 152 156 97

(1) Peer Group: BARCL, BNP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS and UCI.
2013: a clear turning point for BBVA

- A stronger monetary union with room for stimulus
- An international retail bank with attractive EM exposure
- Significant upside in all geographies
- Low leverage and strong balance sheet
- Comfortable BIS III capital position
- Sustainable and attractive cash dividend

Ready to enter a new EPS growth cycle
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Deutsche Bank, Global Financial Services Investors Conference
New York, June 4th, 2013