Turning around

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1 BBVA’s strengths in a dual world

2 Key management priorities

3 Outstanding profitability through the cycle

4 Conclusions
Emerging and developed markets: two different growth profiles

Real GDP growth (% YoY)

- Emerging markets: solid growth maintained
- Modest growth rates in the US and in Europe

<table>
<thead>
<tr>
<th>Year</th>
<th>Emerging</th>
<th>Developed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>2.2</td>
<td>-0.5</td>
</tr>
<tr>
<td>2013</td>
<td>1.8</td>
<td>-0.6</td>
</tr>
</tbody>
</table>

Source: BBVA Research estimates.
(1) Mexico, South America, China and Turkey weighted average real GDP growth, based on their contribution to BBVA Group’s operating income.
(2) Spain, USA and rest of Europe weighted average real GDP growth, based on their contribution to BBVA Group’s operating income.
BBVA’s strengths

1. Diversification
2. Top line growth
3. Superior asset quality
4. Balance sheet strength
BBVA, a global franchise in a dual world

2012 BBVA Group gross income
Breakdown by geographic area (1)

Well balanced between emerging and developed markets

(1) Excluding Corporate Activities.
(2) YoY change in constant €.
High and recurring gross income

**BBVA Group recurring gross income**

Quarter by quarter

<table>
<thead>
<tr>
<th></th>
<th>4Q11</th>
<th>1Q12</th>
<th>2Q12</th>
<th>3Q12</th>
<th>4Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross income</td>
<td>5,368</td>
<td>5,265</td>
<td>5,806</td>
<td>5,512</td>
<td>5,858</td>
</tr>
<tr>
<td>NTI + div.</td>
<td>633</td>
<td>367</td>
<td>772</td>
<td>355</td>
<td>663</td>
</tr>
</tbody>
</table>

**BBVA Group recurring gross income**

(€ Mn)

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Income:</td>
<td>17,984</td>
<td>20,284</td>
</tr>
<tr>
<td>NTI + Div.</td>
<td>2,043</td>
<td>2,157</td>
</tr>
</tbody>
</table>

- **Gross Income:** +12.1% (y-o-y)
- **+12.8%**

(1) Recurring gross income excludes net trading income and dividends.
BBVA stands out from its European peers in terms of top line growth...

BBVA Group gross income
2012/2011 change (%)

European Peer Group: BARCL, BNPP, CASA, CMZ, CS, DB, ISP, HSBC, LBG, RBS, SAN, SG, UCI and UBS.
... and remains one of the top banks in efficiency with high recurring operating income

The best buffer to absorb unexpected losses

Cost / Income
BBVA Group vs. European peer group, 2012 (%)

<table>
<thead>
<tr>
<th></th>
<th>Peer 1</th>
<th>BBVA</th>
<th>Peer 2</th>
<th>Peer 3</th>
<th>Peer 4</th>
<th>Peer 5</th>
<th>Peer 6</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>46.1</td>
<td>48.1</td>
<td>50.5</td>
<td>50.6</td>
<td>60.9</td>
<td>62.6</td>
<td>67.1</td>
<td>68.1</td>
</tr>
<tr>
<td>NTI + Div.</td>
<td>8,247</td>
<td>9,498</td>
<td>2,043</td>
<td>2,157</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

BBVA Group recurring operating income (1) (€ Mn)

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>10,290</td>
<td>11,655</td>
</tr>
</tbody>
</table>

(1) Recurring operating income excludes net trading income and dividends.
European Peer Group: BARCL, BNPP, CASA, CMZ, CS, DB, ISP, HSBC, LBG, RBS, SAN, SG, UCI and UBS.
Group risk indicators contained

NPA & coverage ratios
BBVA Group (%)

Coverage ratio
- Dec.11: 61
- Mar.12: 60
- Jun.12: 66
- Sep.12: 69
- Dec.12: 72

NPA ratio
- Dec.11: 4.0
- Mar.12: 4.0
- Jun.12: 4.0
- Sep.12: 4.8
- Dec.12: 5.1

Cost of Risk (Annualized)
- 1.2%
- 1.2%
- 1.8%
- 1.9%
- 2.2%

NPA
BBVA Group (€ Bn)

- Dec.11: 15.9
- Mar.12: 16.1
- Jun.12: 16.5
- Sep.12: 20.1
- Dec.12: 20.6

BBVA’s geographical diversification entails a more stable asset quality profile, balancing different credit cycles

€3 Bn for Unnim with 72.5% coverage
Significant provisioning effort in 2012

Loan-loss and real-estate provisioning
BBVA Group
(€ Mn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Real-estate-related impacts</th>
<th>Ordinary income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>5,146</td>
<td>380</td>
</tr>
<tr>
<td>2011</td>
<td>4,942</td>
<td>700</td>
</tr>
<tr>
<td>2012</td>
<td>9,518</td>
<td>4,437</td>
</tr>
</tbody>
</table>

- 3 € 7.3 Bn in Spain
  - Boosting Spain’s coverage to 67%
  - Meeting RE extraordinary provisioning requirements with ordinary income (56% coverage of problematic exposure)
  - Improving coverage of non-RE portfolios from 47% in 2011 to 55% in 2012

Transitioning in 2013 to a more normalized cost of risk

Note: Coverage of problematic real estate exposure includes generic provisions from RD 18/2012.
Sound liquidity position of the Euro Balance Sheet

Domestic LTD ratio\(^{(1)}\) improvement

<table>
<thead>
<tr>
<th>Year</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec.11</td>
<td>148%</td>
</tr>
<tr>
<td>Dec.12</td>
<td>135%</td>
</tr>
</tbody>
</table>

Commercial gap reduction of €23 Bn in 2012

Generating liquidity at a quarterly average of €2.5 - 3 Bn since 2010

In this context of lower funding needs BBVA has:

- Issued €14Bn of wholesale funds in 2012 and €4.2 Bn in 2013 YTD.
- Ample collateral available: 2.5x liquidity buffer\(^{(2)}\).

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\(^{(1)}\) Domestic loans include public sector and exclude securitizations, repos and guarantees; and domestic deposits include public sector and promissory notes and exclude repos.

\(^{(2)}\) Liquidity buffer: defined as the number of times that next 3 months' unsecured funding maturities are covered by available collateral. Figures as of March, 2013.
Strong capital generation capacity

Core capital ratio (Basel II)

- 5.3% (2007)
- 6.2% (2008)
- 8.0% (2009)
- 9.6% (2010)
- 10.3% (2011)
- 10.8% (2012)

Additional gains:
- +550 bps
- +45 bps

- Absorption of RE provisioning and Unnim’s acquisition in Spain
- Without selling core assets
- Plus €2 Bn of realized net gains from the sale of non-core assets to be booked in 2013

Maintaining our dividend policy: €1.3 Bn paid in cash in 2012
### High quality capital with low leverage

#### RWAs / Total Assets

<table>
<thead>
<tr>
<th>BBVA Group vs. Peer Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012 (%)</td>
</tr>
<tr>
<td>BBVA</td>
</tr>
<tr>
<td>52</td>
</tr>
</tbody>
</table>

#### Tangible equity / Tangible Assets

<table>
<thead>
<tr>
<th>BBVA Group vs. Peer Group (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012 (%)</td>
</tr>
<tr>
<td>BBVA</td>
</tr>
<tr>
<td>5.5</td>
</tr>
</tbody>
</table>

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

(1) Data as of December 2012, except CMZ and DB as of September, 2012.
Capital adequacy should not only be measured by the regulatory ratio

Key features to assess capital adequacy

1. Resilient pre-provision profit able to absorb credit losses and impairments through the cycle

2. High quality capital with low leverage and high density (high RWAs / Total assets)

3. Strong track record of organic capital generation capacity

4. Ability to generate capital non-organically, without selling core assets

5. Maintenance of stable and predictable dividend policy, with a high cash component, even during the crisis

6. Capacity to avoid highly dilutive capital increases
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Spain: The best franchise to take advantage of market opportunities

1. Efficient NETWORK
   - Operating income per branch (€ Mn)
     - BBVA: 1.2
     - System aggregate: 0.8

2. Growing CUSTOMER base
   - BBVA's domestic retail deposits market share evolution (%)
     - Jan.12: 9.1
     - Mar.12: 11.01
     - Jul.12: 9.1

3. PRICE management
   - Time deposits stock. Cost evolution (%)
     - Jan.12: 2.76
     - Jul.12: 2.55

Improving profitability

(1) System operating income, data as of September 2012, annualized. BBVA data as of December 2012.
(2) Domestic retail deposits include deposits from households and non-financial companies and promissory notes distributed through the retail network.
**Mexico: The strongest franchise in a leading market**

**1. BBVA Bancomer, leader of the Mexican financial system**
- 24.0% loans market share (1)
- Increasing our client base from 9 to 20 Mn clients (38% share) in 10 years
- Mexico contributed with €1.8 Bn to Group’s profits in 2012
- 21.5% ROE and 1.9% ROA (2)

**2. High growth opportunities**
- Under penetrated financial system (23% loans to GDP)
- Favourable population dynamics: (3)
  - 120 Mn people in 2020e (Δ22 Mn since 2010)
  - >50% population 20-60 years old
- Segmented distribution to serve a highly heterogeneous client base

**3. Investing for the future, while maintaining highly efficient operations**

**Efficiency ratio (4) (%)**

<table>
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<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency ratio</td>
<td>36.4</td>
<td>38.1</td>
<td>37.9</td>
<td>37.8</td>
<td>37.7</td>
</tr>
</tbody>
</table>

**ATMs (5)**

- +23

**POS (5)**

- +9,176

**Employees (5)**

- +3,294

(1) Source: CNBV. Data as of December, 2012.
(2) Source: Bancomer public reporting figures (local accounting standards).
(3) Source: INEGI projections, based on CONAPO data base.
(4) Consolidated figures.
(5) YoY change (Dec.12 vs. Dec.11).

**Priority**
Upgrading our franchise to take advantage of growth opportunities
South America: Leadership positions in a high growth region

Net attributable profit (Constant € Mn)

2011: 1,089
2012: 1,347

+23.6%

NPA & coverage ratios (%)

Coverage ratio

Dec.11: 146
Mar.12: 141
Jun.12: 139
Sep.12: 142
Dec.12: 146

NPA ratio

Dec.11: 2.2
Mar.12: 2.3
Jun.12: 2.3
Sep.12: 2.2
Dec.12: 2.1

Cost of risk (Annualized)

Dec.11: 1.3
Mar.12: 1.0
Jun.12: 1.1
Sep.12: 1.3
Dec.12: 1.3

Ensure sustainability of growth
Eurasia: Another source of emerging market growth

Eurasia’s contribution to Group’s gross income (€ Mn)

- 2011: 1,961
- 2012: 2,210

+12.7%

Europe (ex Spain)
- 36% 2011
- 28% 2012

Asia
- 34% 2011
- 30% 2012

Note: Garanti proportional consolidation from March 22nd, 2011.
(1) Garanti’s data source: Garanti BRSA Financials (bank-only figures) and sector BRSA weekly data for commercial banks only.

BBVA’s strategic commitment with the best franchise in Turkey

- Above sector growth in most profitable segments
- Better asset quality than local peers
- The best customer franchise and IT systems in Turkey

Already contributing € 950 Mn to the Group’s net attributable profit in 2012

Leading to outstanding profitability: ROE 16%

Continue building-up our franchise in Eurasia
USA: Attractive franchise with high growth potential

1 Well-positioned

- € 54 Bn and 706 Branches in the Sunbelt
- 58% of BBVA Compass’ deposits located in Texas

2 Transformation on track

- Implementing BBVA’s industrialized customer-centric business model
- Fully operative core IT platform in 2013. “Real-time” deposit system completed.
- High growth of commercial and retail loans
- RE Construction reduced from 22% in 2008 to less than 4% (1)

3 Improving contribution to the Group

Net Attributable profit
BBVA USA (Constant € Mn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>340</td>
</tr>
<tr>
<td>2012</td>
<td>475</td>
</tr>
</tbody>
</table>

Maximize returns on investment

(1) Percentage of RE Construction over total loans.
Relying on **technology** as a key sustainable competitive advantage in financial services

- **Customer centric approach**
  - Customized product offering
  - Multichannel distribution
- **Commercial productivity increase**
  - Customized management model
  - Easier access to banking services
- **Lower risk level and mitigation**
  - Risk Intelligent system
- **Operational efficiency enhancement**
  - Efficiency in processes
  - Robust infrastructure

- Greater revenues per employee/customer
- Higher cross sale ratio
- Greater customer satisfaction/loyalty
- Barriers of entry
- Faster processes with less bureaucracy
- Higher risk adjusted returns

**Higher profitability and better efficiency and asset quality than the peer average in each market**
Spanish franchise is already profiting from technology investment

1.6 Mn active internet clients as of December, 2012 (+68% since 2009)

Note: Data excluding Unnim.
Principle-based profitability: How we conduct our business also matters

- Normative compliance
- Behavioral standards
- Responsible commercial practices
- Corporate governance

BBVA has avoided any relevant issue in terms of operational risk, reputational problems or bad “commercial practices”

Key to maintain a loyal and high value customer franchise
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BBVA’s earnings generation capacity has improved through the crisis, without increasing minorities.

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

Significant profit upside as the credit cycle improves

Pre-provision profit much higher than pre-crisis levels

Provisions progressively normalizing from 2012

Note: Including income from discontinued operations.
Even in the worst year of the crisis for BBVA, it has maintained an outstanding profitability.

Being the smallest institution of the peer Group by asset size, BBVA has reported the fourth highest net attributable profit.

European Peer Group: BARCL, BNPP, CASA, CMZ, CS, DB, ISP, HSBC, LBG, RBS, SAN, SG, UCI and UBS.
BBVA has maintained its commitment with shareholder return

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

<table>
<thead>
<tr>
<th>EPS</th>
<th>DPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.42</td>
<td>0.66</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>EPS</th>
<th>DPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.80</td>
<td>0.42</td>
</tr>
</tbody>
</table>

46%  
Avg. Cash Payout

39%  
Avg. Cash Payout

A sustainable cash DPS with upside as EPS grows
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BBVA’s structural strengths have become even more apparent during the crisis

1. Attractive diversification with higher growth profile
2. Focus on improving growth potential and profitability
3. Balance sheet strength
4. Leader in efficiency and profitability through the crisis
5. Strong track record of organic capital generation
6. Capacity to generate capital inorganically
7. Sustainable and attractive dividend policy

Ready to enter a new EPS growth cycle
Turning around

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