

A Unique Value Proposition

Sanford C. Bernstein

Pan European Strategic Decisions

Tomás Blasco, Head of Investor Relations

London, September 20th 2011

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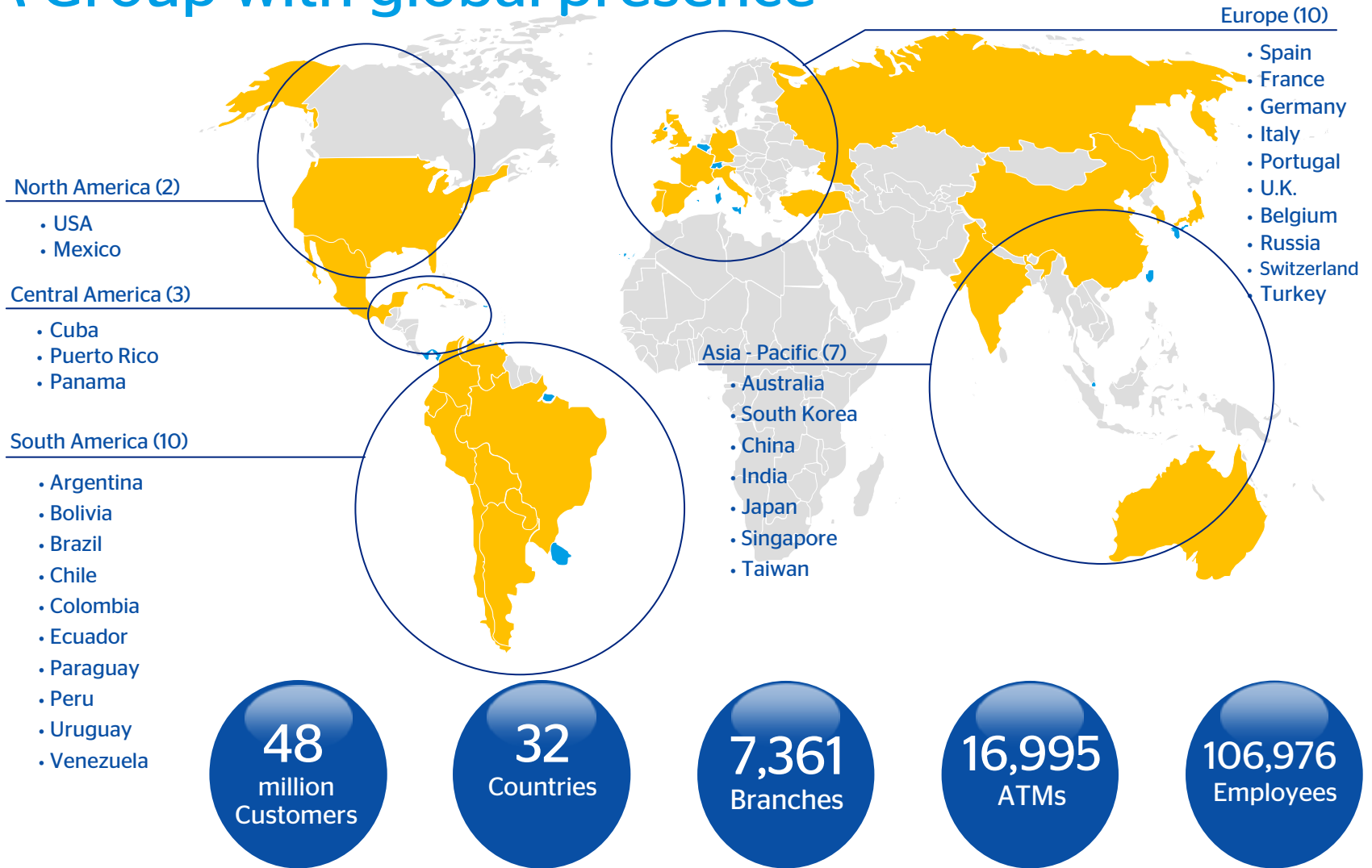
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1 BBVA: Snapshot and performance

2 What makes BBVA unique in the current challenging environment?

3 Outlook for the future

A Group with global presence



A customer-centric global retail bank ...

| | | Ranking ⁽¹⁾ |
|--------------------------------|--------------------|------------------------|
| Total Assets (€ bn) | 552.7 | 15 th |
| Net attributable profit (€ bn) | 4.6 | 5 th |
| ROE (%) | 15.8 | 2 nd |
| Cost to income (%) | 42.9 | 1 st |
| Core Capital (%) | 9.6 ^(*) | |

(*): Post Garanti Consolidation: (9%)

Figures as of December 2010

(1) Includes the following 15 European entities: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCI and BBVA.

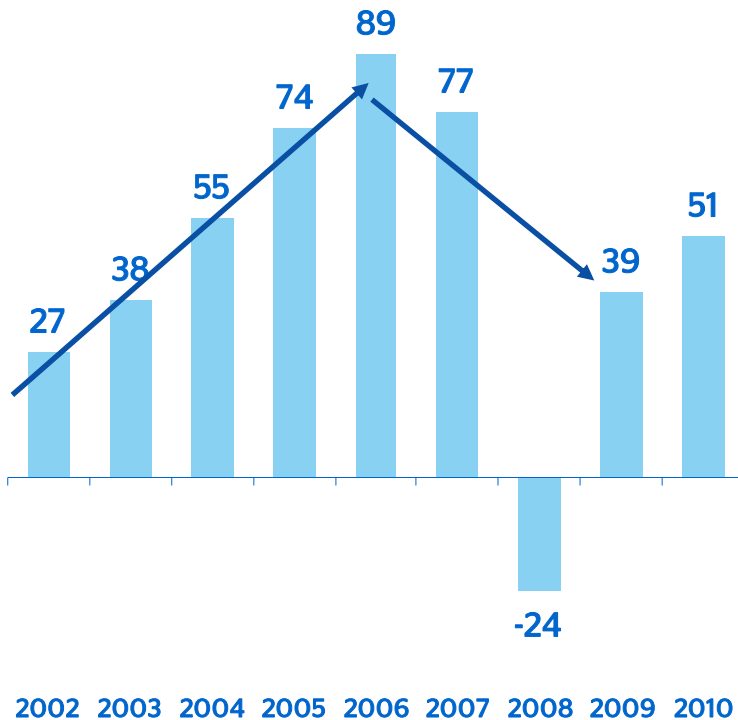
... with leading franchises in all geographies

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

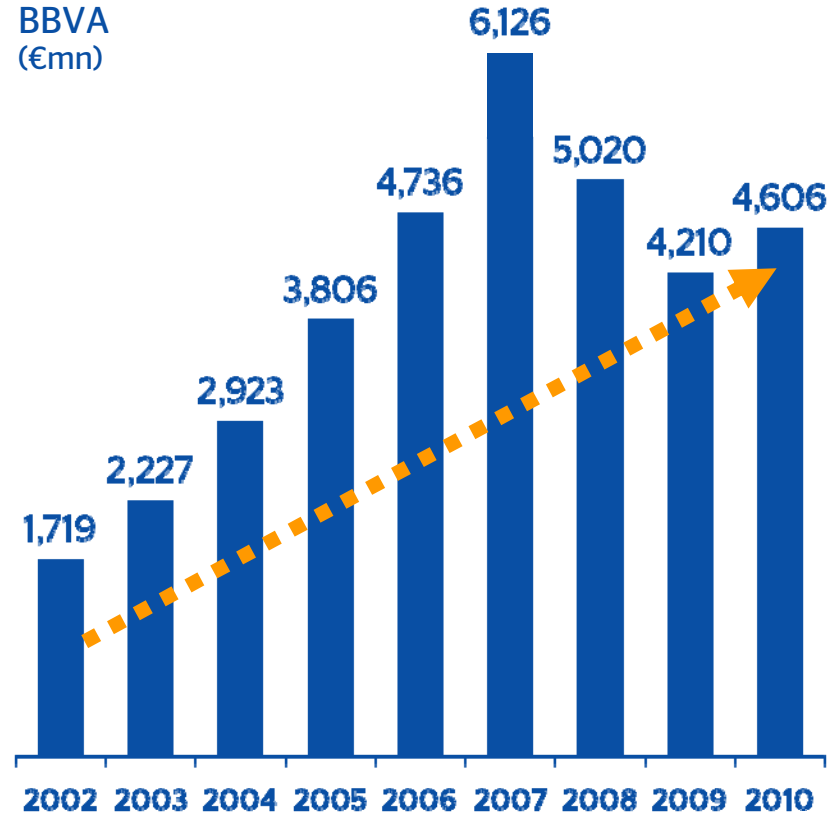
Ranking by deposits (except for China, by assets and for Turkey, by deposits); **Spain**: Data as of November 2010; **México**: Data as of December 2010; **South America**: Data as of September 2010, countries considered: Argentina, Chile, Colombia, Panama, Paraguay, Peru, Uruguay and Venezuela; **USA**: Data as of June, 2010, market share and ranking considering only Texas and Alabama; **China and Turkey**: data as of December 31, 2010.

Solid and recurrent results ...

Net attributable profit
European peers aggregate*
(€bn)



Net attributable profit
BBVA
(€mn)

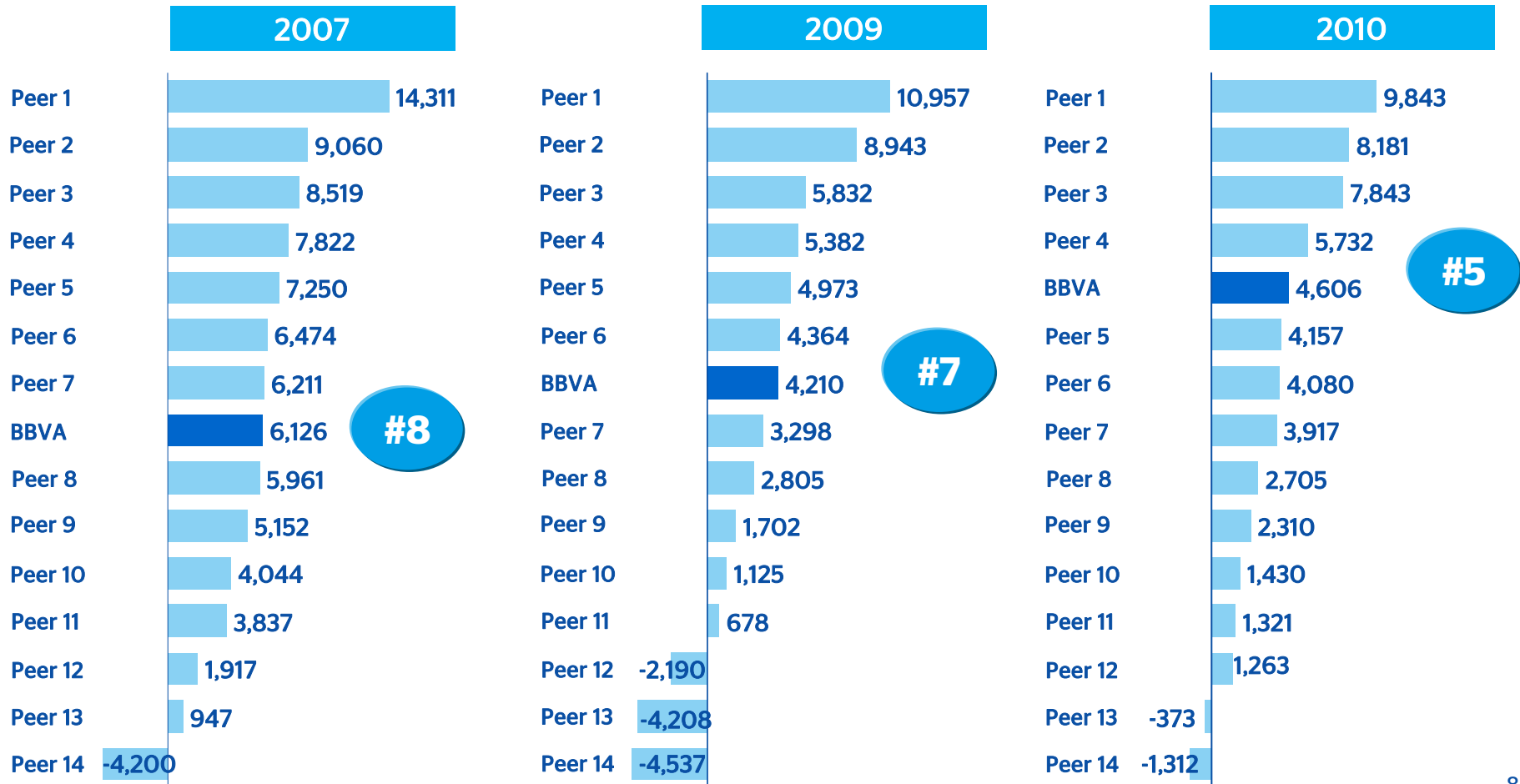


1H2011 net attributable profit of €2.4bn

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

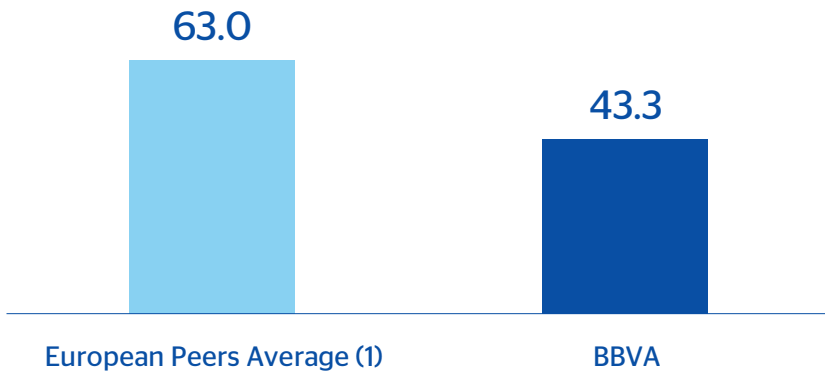
... with a better relative performance during the crisis

Net attributable profit (€mn)
BBVA vs. Peer Group

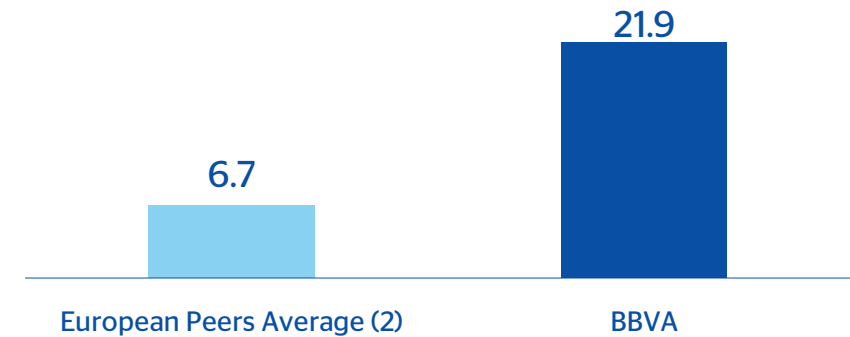


Outperforming its peers in efficiency and profitability

2007 - 2010 average Cost to Income ratio (%)
BBVA vs. Peer Group⁽¹⁾



2007 - 2010 average ROE (%)
BBVA vs. Peer Group⁽²⁾



(1): European peers average: BARCL, BNPP, CASA, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, and UCI. (excludes CS and UBS)

(2): European peers average: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS and UCI.

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In an environment dominated by interlinked crises ...

US sub-prime crisis

Real Estate adjustment

European Sovereign Crisis

- Weak structural growth in developed countries
- Weak demand for credit
- Deterioration of European capital markets
- Deterioration of sovereign spreads
- Liquidity constraints
- (...)

Challenging times

... the financial sector faces multiple uncertainties and challenges ahead



FINANCIAL SECTOR AFTER THE CRISIS

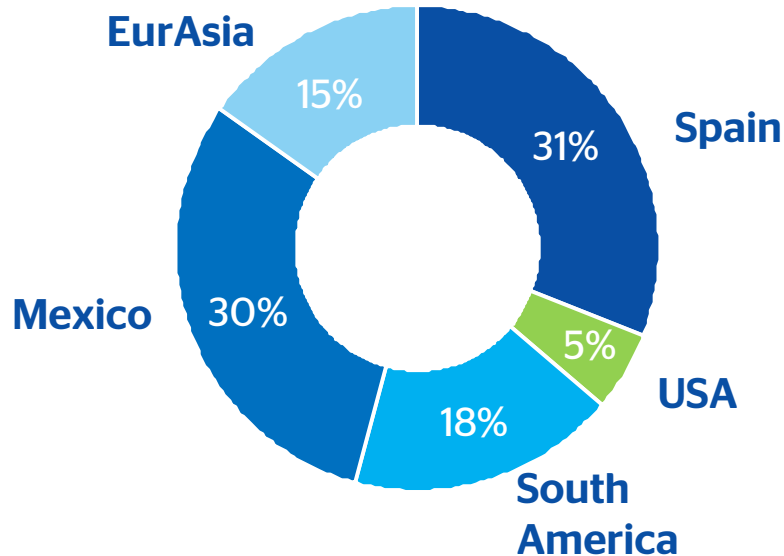
- Active and prudent management of liquidity
- Reinforcement of risk management
 - Reduction in the number of entities
- Strong differentiation across institutions
- Higher capital levels

Towards a more resilient financial sector

Leading franchises in attractive markets ...

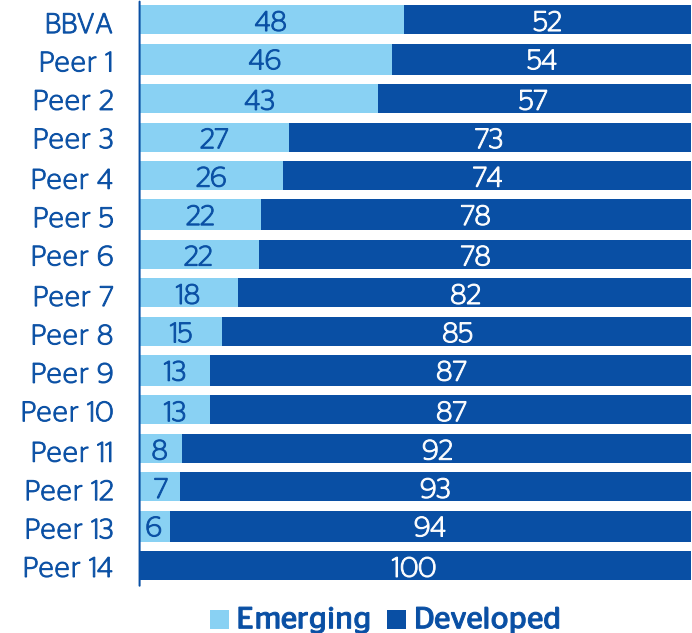
Net attributable profit by region ⁽¹⁾

BBVA Group
(%) 2Q 2011



Geographic diversification of revenue ⁽²⁾

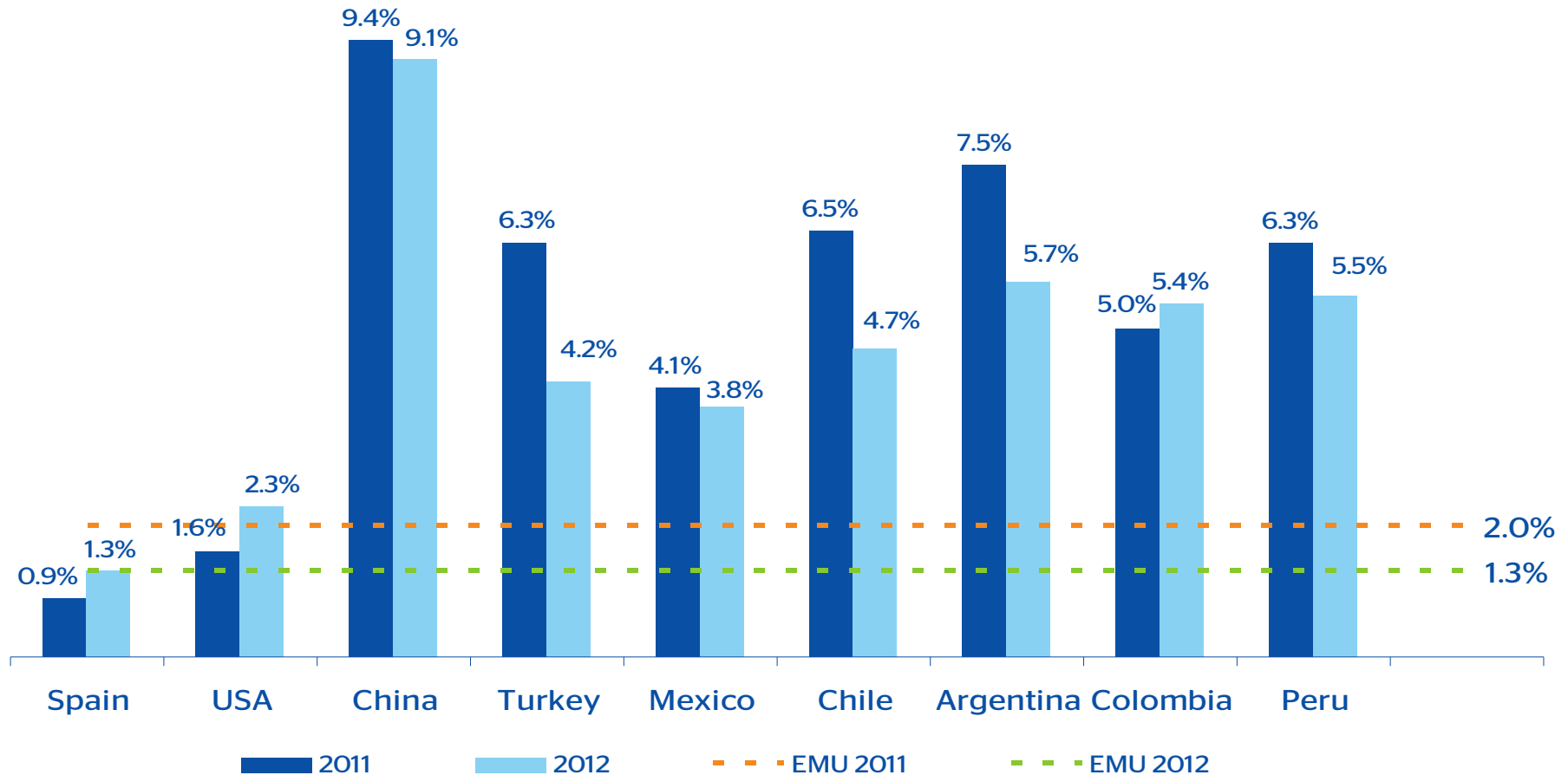
BBVA Group vs Peer Group
(%) 2010



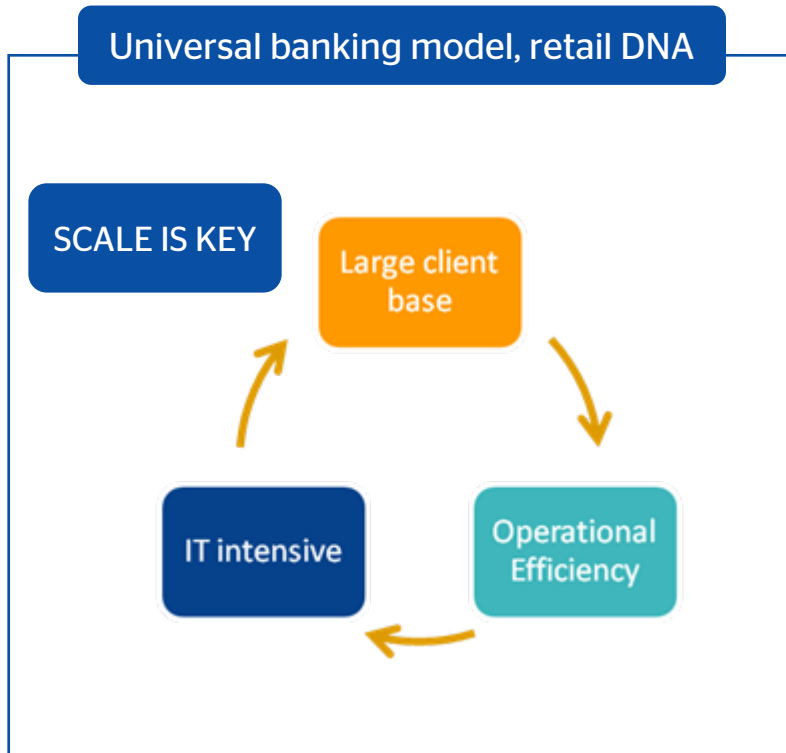
With **Garanti**, emerging market revenue contribution > 50%

(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.

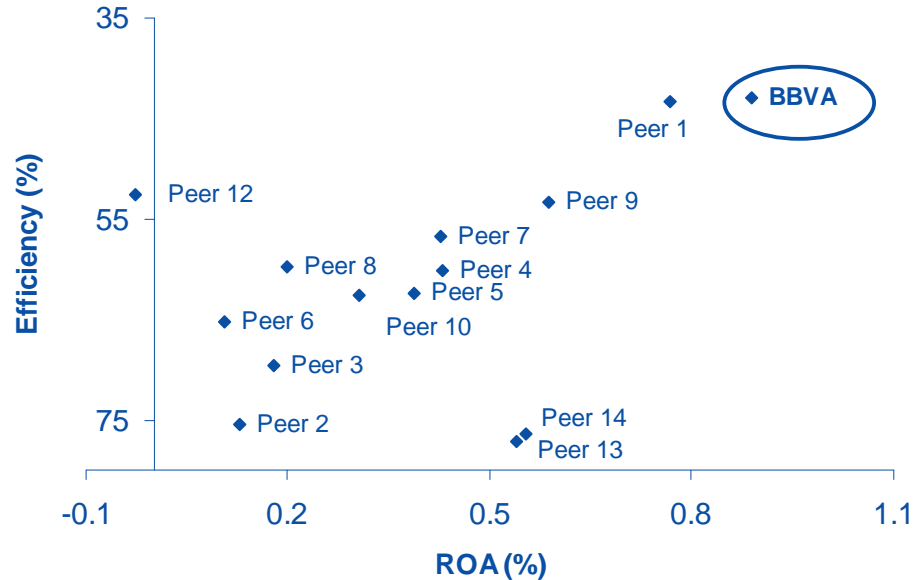
Estimated real GDP growth (yoy %)



A highly profitable retail bank ...



ROA vs Efficiency
BBVA Group vs Peer Group
(2010, %)



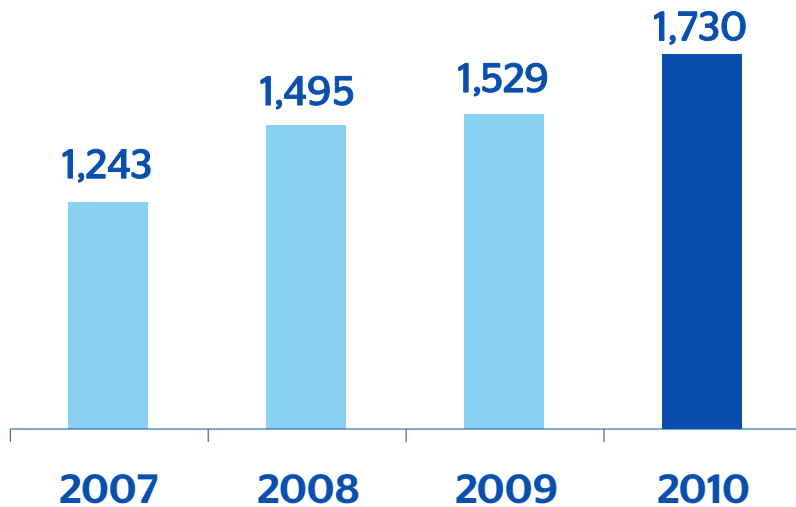
ROA: 0.9%

ROE: 15.8%

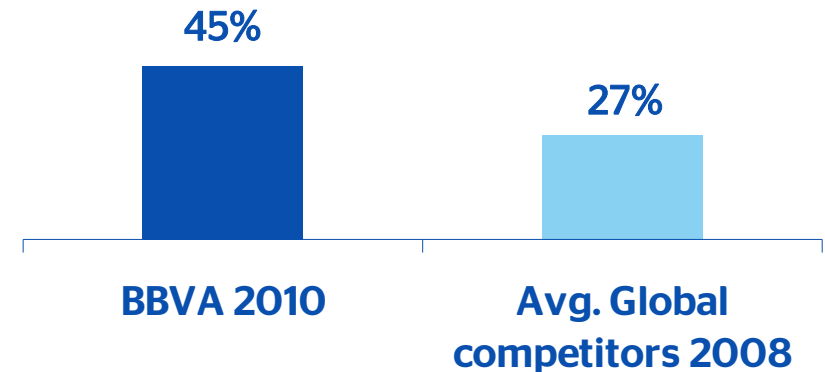
The key: critical mass in sizeable markets

Relying on technology as a key competitive advantage ...

Expenditures in technology
BBVA Group⁽¹⁾
(€mn)



Change the bank vs Run-the-Bank
Capex vs. total costs⁽²⁾
(%)

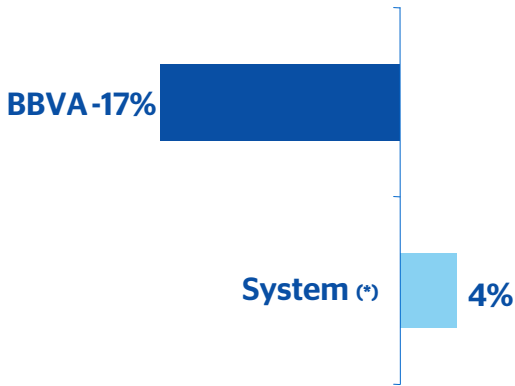


... to continue being the most efficient operator providing the best quality service

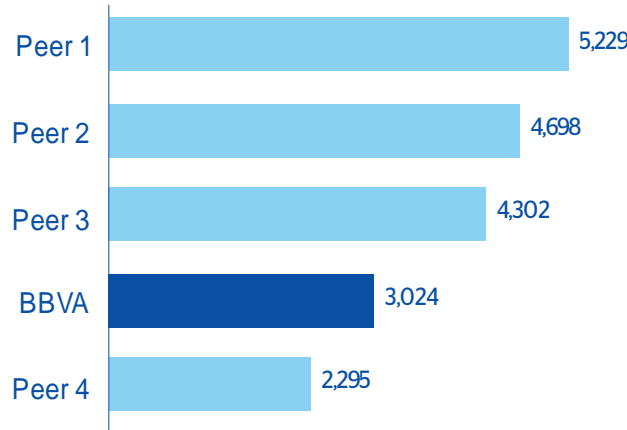
(1): Includes investment + incurred expense excluding depreciation; (2). Source: BCG and in-house.

Spain, the best example

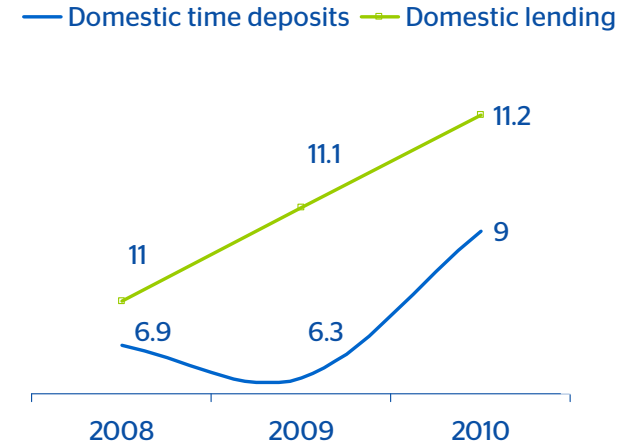
Branch evolution
2006- 2010



Number of branches
(September, 2010)



BBVA Spain: Market share
evolution in lending and deposits
(%)



BBVA has a lean and highly productive network, with no pending restructuring needs

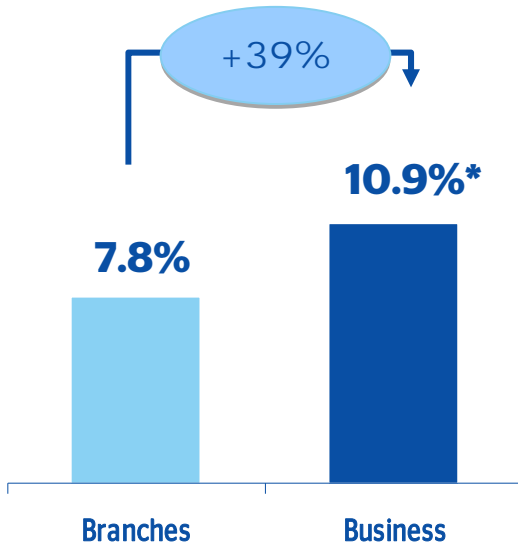
(*) Excluding BBVA
Source: Bank of Spain. Branch data as of September 2010

EFFICIENCY

A business model successfully applied in other markets

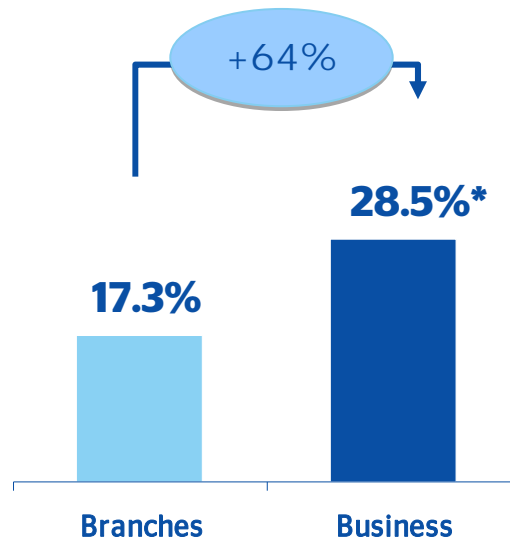
SPAIN

Market share
(%, June 10)



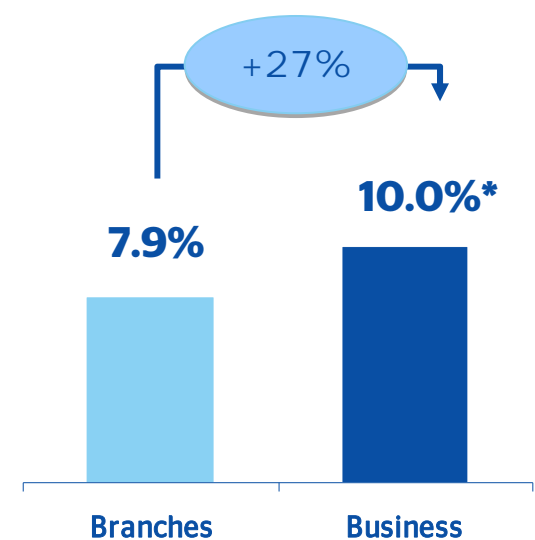
MEXICO

Market share
(%, June 10)



SOUTH AMERICA

Market share
(%, June 10)



Efficient networks are a key factor given their weight in the cost structure

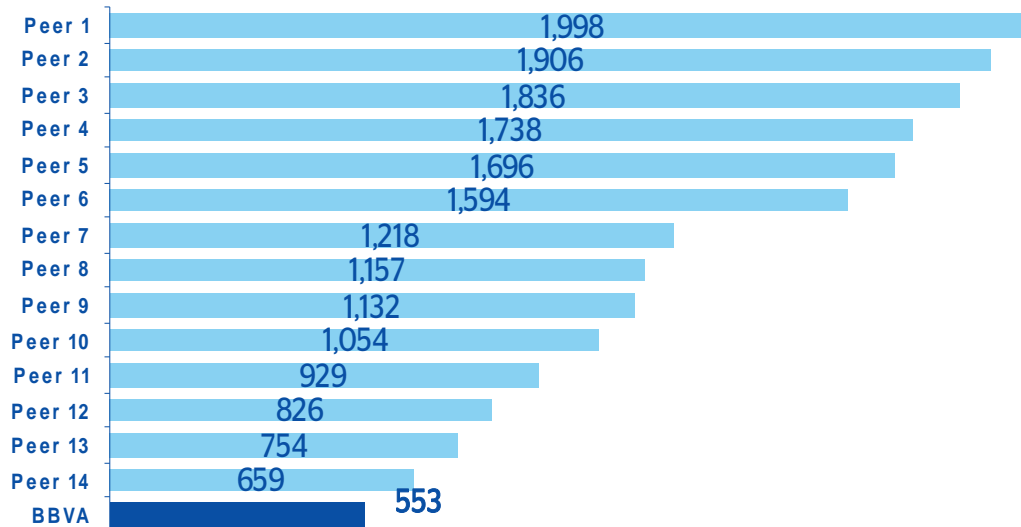
*Lending + customer funds

LIQUIDITY

Manageable balance sheet with the largest deposit base ...

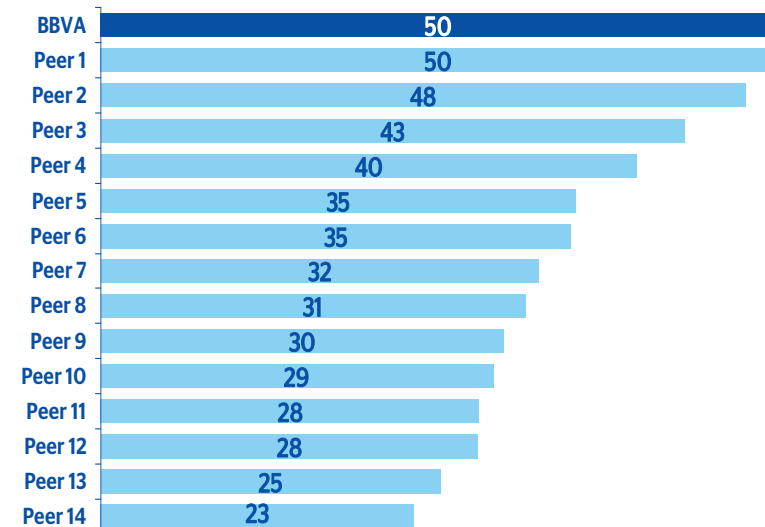
Total Assets

BBVA Group vs. Peer Group
(2010, € bn)



Customer deposits / Total Assets

BBVA Group vs. Peer Group
(2010, %)

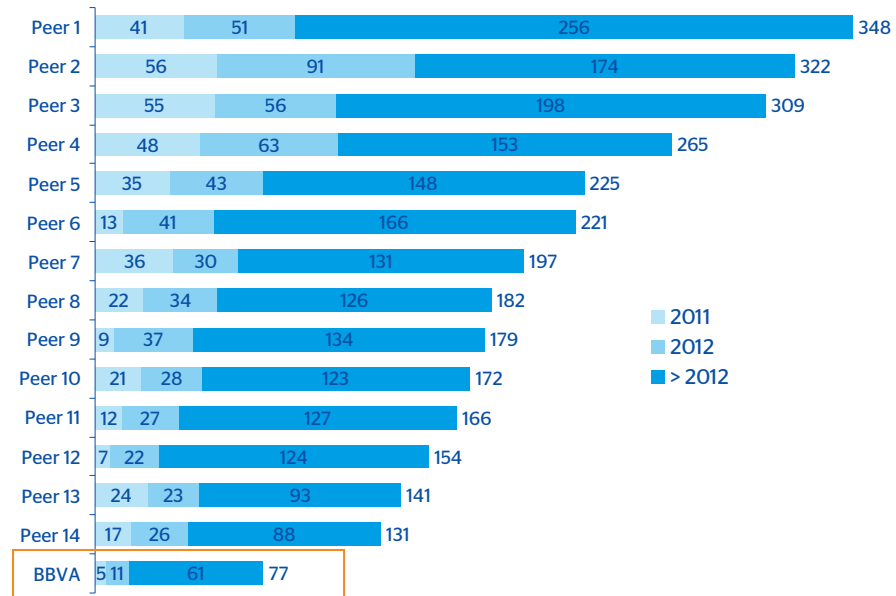


In funding and liquidity:

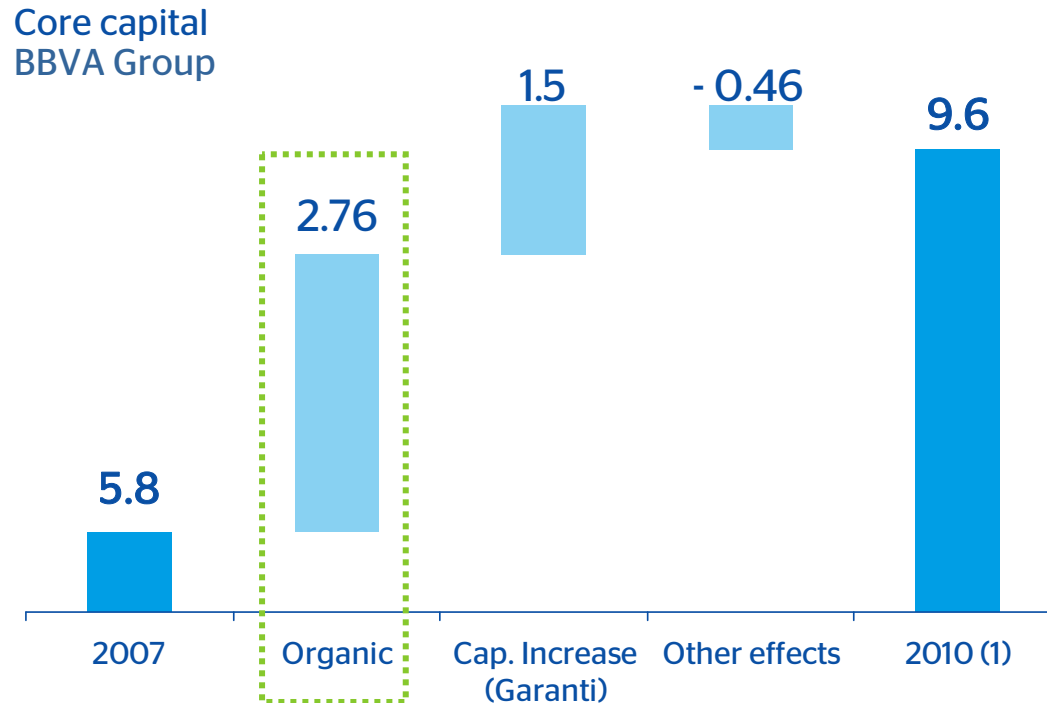
- Size matters: the smaller the better
- Deposit base matters: the larger the better

- 2011 funding needs covered
- Euro funding gap improving
 - €19 bn year-on-year
 - €2 bn in the last quarter
- Not dependent on ECB
- Exposure to US short term: €1.7 bn
- Available collateral €60bn

Maturities of wholesale funding
BBVA Group vs. Peer Group
(€bn)

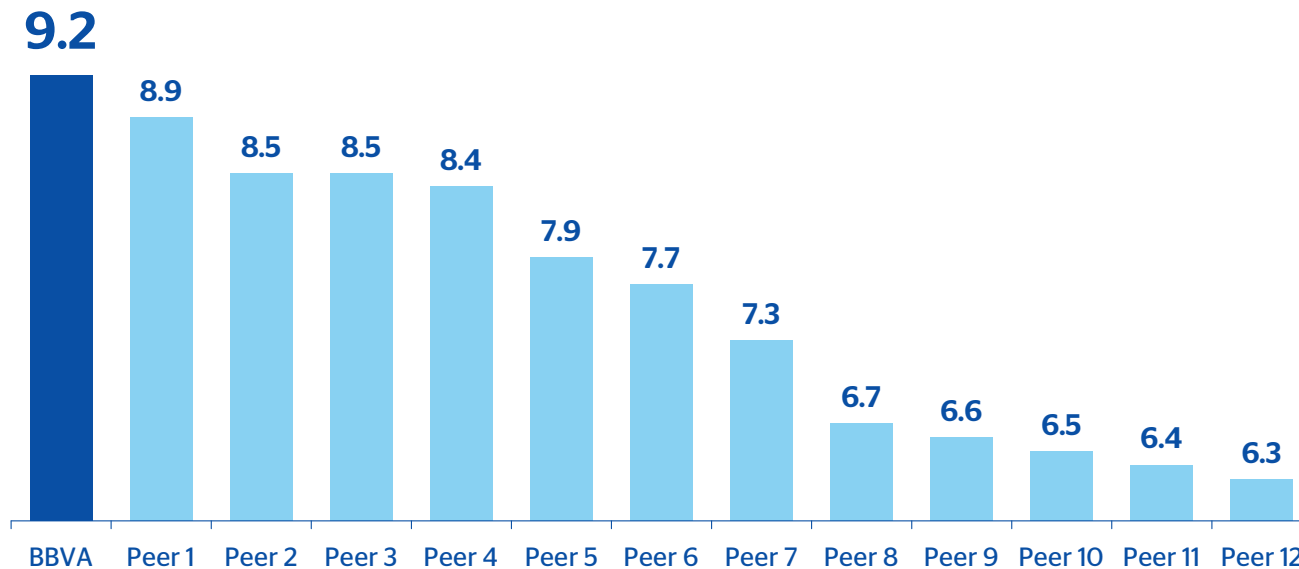


Consistent organic capital generation ...



- Organic capital generation of 15 – 20 bps per quarter
- Capital increase for growth not to repair the balance sheet
- Stable dividend policy: €0.42 per share remains the floor

EBA Core Tier I
Adverse scenario 2012
(%)



**€2 billion generated by converting bonds in July not included
(+0.6 pp EBA Core Tier 1)**

Rating agencies recognize BBVA's strengths

Ratings: BBVA vs.
European Peer Group
September 2011

| MOODY'S | | | | | | | | | |
|---------|-----|-------------|------|----|-----|----|------|------|------|
| Aaa | Aa1 | Aa2 | Aa3 | A1 | A2 | A3 | Baa1 | Baa2 | Baa3 |
| | CS | BBVA | BARC | | CMZ | | | | |
| | | BNPP | DB | | | | | | |
| | | CASA | ISP | | | | | | |
| | | HSBC | LBG | | | | | | |
| | | SAN | RBS | | | | | | |
| | | | SG | | | | | | |
| | | | UBS | | | | | | |
| | | | UCI | | | | | | |

| STANDARD & POOR'S | | | | | | | | | |
|-------------------|-----|-------------|------|------|-----|----|------|-----|------|
| AAA | AA+ | AA | AA- | A+ | A | A- | BBB+ | BBB | BBB- |
| | | BBVA | BARC | CASA | CMZ | | | | |
| | | BNPP | | CS | UCI | | | | |
| | | HSBC | | DB | | | | | |
| | | SAN | | LBG | | | | | |
| | | | | RBS | | | | | |
| | | | | SG | | | | | |
| | | | | UBS | | | | | |
| | | | | ISP | | | | | |

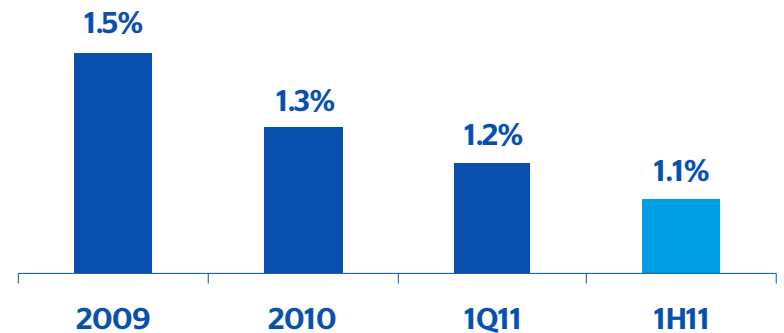
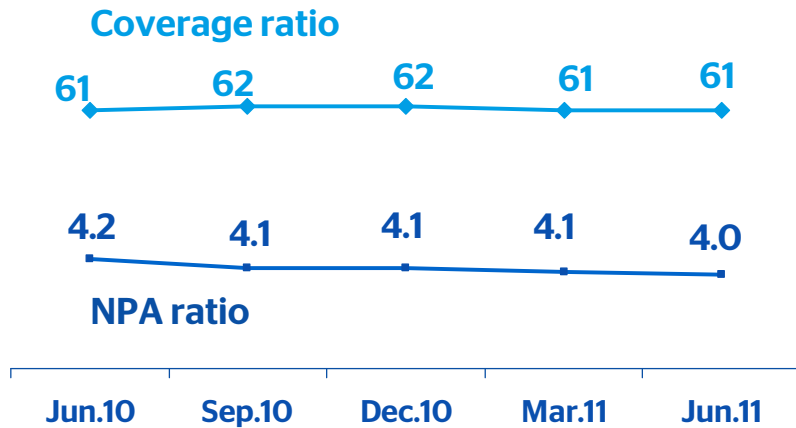
| FITCH | | | | | | | | | |
|-------|-----|------|-------------|-----|-----|----|------|-----|------|
| AAA | AA+ | AA | AA- | A+ | A | A- | BBB+ | BBB | BBB- |
| | | HSBC | BBVA | CMZ | UCI | | | | |
| | | SAN | BARC | SG | | | | | |
| | | | BNPP | UBS | | | | | |
| | | | CASA | | | | | | |
| | | | CS | | | | | | |
| | | | DB | | | | | | |
| | | | ISP | | | | | | |
| | | | LBG | | | | | | |
| | | | RBS | | | | | | |

The sole Financial Institution with a rating improvement during the crisis

Stable risk indicators during six consecutive quarters

NPA & coverage ratios
BBVA Group
(%)

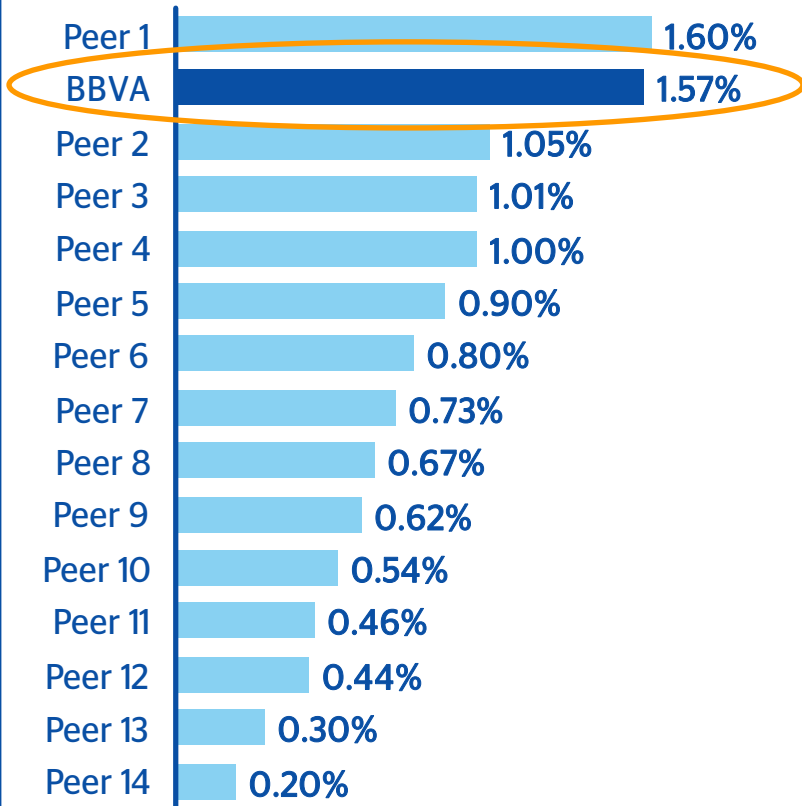
Cumulative risk premium
BBVA Group
(%)



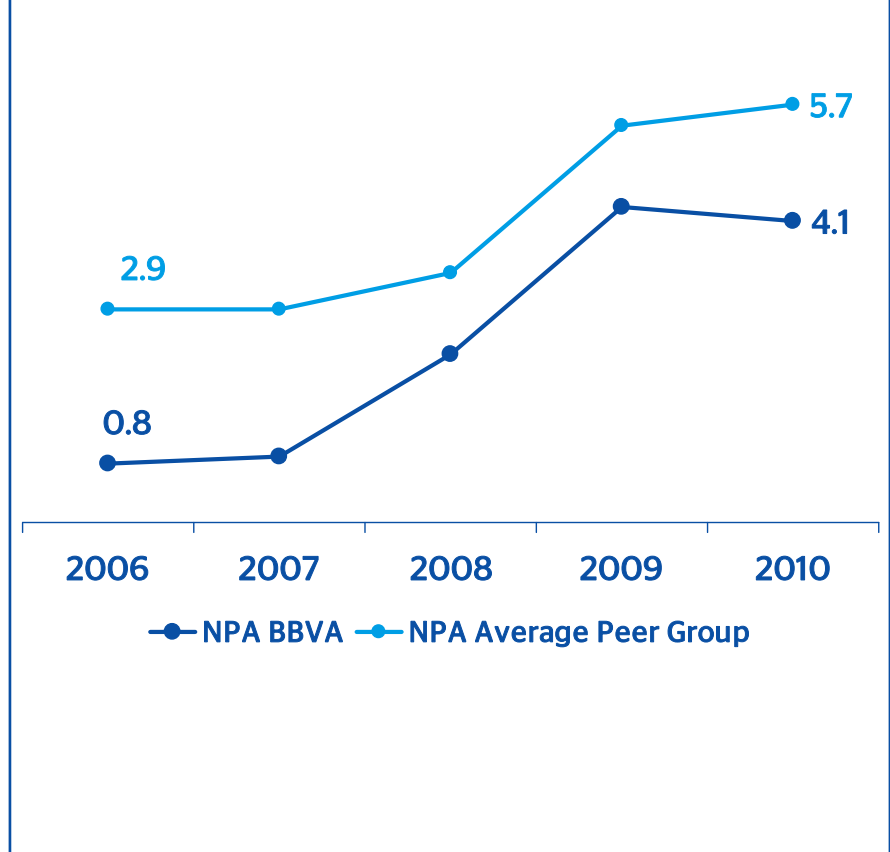
Improvement in risk premium

Superior asset quality vs. peers

**NII adjusted by cost of risk¹
(2010, %)**



**NPA: BBVA and Peer Group
(%)**



1: (Net Interest Income - Provisions) / Average Total Assets

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

BBVA is ready for the regulatory challenge

**Simpler, Retail focused
business model**

**Decentralized management of
liquidity and capital**

Conservative risk culture

**Proven track record in capital
and liquidity management**



**Estimated
modest impact
from upcoming
Regulation**

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Opportunities in Mature Markets ...

SPAIN

- Margin normalization
- Market share gains
- Industry consolidation

USA

- Asset quality improvement
- Efficiency gains
- Market share gains

Improving profitability

... and in Emerging Markets

Mexico & South America

- High and sustainable credit demand
- Increase in banking penetration
- Business mix improvement

Eurasia

- Asia: increase presence in the region and JVs in China with local partner (CITIC)
- Turkey, a new market for BBVA (Garanti)

Superior growth prospects

Conclusions

Business Mix

Leading franchises in attractive markets
(GROWTH)

Business Model

Customer centric, efficient distribution
and IT intensive
(PROFITABILITY)

Management Style

Prudence and anticipation
(CAPITAL, LIQUIDITY AND RISK)

A unique value proposition

A Unique Value Proposition

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