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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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

North America (2)
- USA
- Mexico

Central America (3)
- Cuba
- Puerto Rico
- Panama

South America (10)
- Argentina
- Bolivia
- Brazil
- Chile
- Colombia
- Ecuador
- Paraguay
- Peru
- Uruguay
- Venezuela

Europe (10)
- Spain
- France
- Germany
- Italy
- Portugal
- U.K.
- Belgium
- Russia
- Switzerland
- Turkey

Asia - Pacific (7)
- Australia
- South Korea
- China
- India
- Japan
- Singapore
- Taiwan

48 million Customers
32 Countries
7,361 Branches
16,995 ATMs
106,976 Employees

Figures as of December 31, 2010
A customer-centric global retail bank...

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets (€ bn)</td>
<td>552.7</td>
<td>15th</td>
</tr>
<tr>
<td>Net attributable profit (€ bn)</td>
<td>4.6</td>
<td>5th</td>
</tr>
<tr>
<td>ROE (%)</td>
<td>15.8</td>
<td>2nd</td>
</tr>
<tr>
<td>Cost to income (%)</td>
<td>42.9</td>
<td>1st</td>
</tr>
<tr>
<td>Core Capital (%)</td>
<td>9.6 (*)</td>
<td></td>
</tr>
</tbody>
</table>

(*): 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

<table>
<thead>
<tr>
<th>Region</th>
<th>Loans</th>
<th>Deposits</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>12%</td>
<td>10%</td>
<td>2nd</td>
</tr>
<tr>
<td>Mexico</td>
<td>27%</td>
<td>24%</td>
<td>1st</td>
</tr>
<tr>
<td>South America</td>
<td>10%</td>
<td>10%</td>
<td>2nd</td>
</tr>
<tr>
<td>USA (Sunbelt)</td>
<td>--</td>
<td>7%</td>
<td>4th</td>
</tr>
<tr>
<td>Europe</td>
<td></td>
<td>15% stake (7th)</td>
<td></td>
</tr>
<tr>
<td>Asia (Eurasia)</td>
<td></td>
<td>25% stake (1st)</td>
<td></td>
</tr>
</tbody>
</table>

China (Citic Bank) and Turkey (Garanti Bank) are particularly significant.

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

<table>
<thead>
<tr>
<th>Peer</th>
<th>2007</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peer 1</td>
<td>14,311</td>
<td>10,957</td>
<td>9,843</td>
</tr>
<tr>
<td>Peer 2</td>
<td>9,060</td>
<td>8,943</td>
<td>8,181</td>
</tr>
<tr>
<td>Peer 3</td>
<td>8,519</td>
<td>5,832</td>
<td>7,843</td>
</tr>
<tr>
<td>Peer 4</td>
<td>7,822</td>
<td>5,382</td>
<td>5,732</td>
</tr>
<tr>
<td>Peer 5</td>
<td>7,250</td>
<td>4,973</td>
<td>BBVA</td>
</tr>
<tr>
<td>Peer 6</td>
<td>6,474</td>
<td>4,364</td>
<td>Peer 5</td>
</tr>
<tr>
<td>Peer 7</td>
<td>6,211</td>
<td>3,298</td>
<td>Peer 6</td>
</tr>
<tr>
<td>BBVA</td>
<td>6,126</td>
<td>4,210</td>
<td>Peer 7</td>
</tr>
<tr>
<td>Peer 8</td>
<td>5,961</td>
<td>2,805</td>
<td>Peer 8</td>
</tr>
<tr>
<td>Peer 9</td>
<td>5,152</td>
<td>1,702</td>
<td>Peer 9</td>
</tr>
<tr>
<td>Peer 10</td>
<td>4,044</td>
<td>1,125</td>
<td>Peer 10</td>
</tr>
<tr>
<td>Peer 11</td>
<td>3,837</td>
<td>678</td>
<td>Peer 11</td>
</tr>
<tr>
<td>Peer 12</td>
<td>1,917</td>
<td>Peer 12</td>
<td></td>
</tr>
<tr>
<td>Peer 13</td>
<td>947</td>
<td>Peer 13</td>
<td></td>
</tr>
<tr>
<td>Peer 14</td>
<td>-4,200</td>
<td>Peer 14</td>
<td></td>
</tr>
</tbody>
</table>

Peer Group: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS and UCI.
Outperforming its peers in efficiency and profitability

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

- European Peers Average (1): 63.0
- BBVA: 43.3

2007 - 2010 average ROE (%) BBVA vs. Peer Group\(^{(2)}\)

- European Peers Average (2): 21.9
- BBVA: 6.7

\(^{(1)}\): 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
1. BBVA: Snapshot and performance

2. What makes BBVA unique in the current challenging environment?

3. Outlook for the future
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.

Towards a more resilient financial sector

**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
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.
... with superior growth prospects

Estimated real GDP growth (yoy %)

Spain: 0.9% 2011, 1.3% 2012
USA: 1.6% 2011, 2.3% 2012
China: 9.4% 2011, 9.1% 2012
Turkey: 6.3% 2011, 4.2% 2012
Mexico: 4.1% 2011, 3.8% 2012
Chile: 6.5% 2011, 4.7% 2012
Argentina: 7.5% 2011, 5.7% 2012
Colombia: 5.0% 2011, 5.4% 2012
Peru: 6.3% 2011, 5.5% 2012

Source: BBVA Research
The key: critical mass in sizeable markets
Relying on technology as a key competitive advantage ...

Expenditures in technology
BBVA Group$^{(1)}$
(€mn)

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,243</td>
<td>1,495</td>
<td>1,529</td>
<td>1,730</td>
</tr>
</tbody>
</table>

Change the bank vs Run-the-Bank
Capex vs. total costs$^{(2)}$
(%)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capex vs. total costs (%)</td>
<td>45%</td>
<td>27%</td>
</tr>
</tbody>
</table>

... 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**

- **Peer 1**
  - 2006: 5,229
  - 2010: 4,698
- **Peer 2**
  - 2006: 4,302
  - 2010: 3,024
- **Peer 3**
  - 2006: 3,024
  - 2010: 2,295
- **Peer 4**
  - 2006: 4,302
  - 2010: 3,024

**Number of branches (September, 2010)**

- **Peer 1**: 5,229
- **Peer 2**: 4,698
- **Peer 3**: 4,302
- **BBVA**: 3,024
- **Peer 4**: 2,295

**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
A business model successfully applied in other markets

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

*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)

| Peer 1  | 1,998 |
| Peer 2  | 1,906 |
| Peer 3  | 1,836 |
| Peer 4  | 1,738 |
| Peer 5  | 1,696 |
| Peer 6  | 1,594 |
| Peer 7  | 1,218 |
| Peer 8  | 1,157 |
| Peer 9  | 1,132 |
| Peer 10 | 1,054 |
| Peer 11 | 929  |
| Peer 12 | 826  |
| Peer 13 | 754  |
| Peer 14 | 659  |
| BBVA   | 553  |

Customer deposits / Total Assets
BBVA Group vs. Peer Group
(2010, %)

| BBVA | 50 |
| Peer 1 | 50 |
| Peer 2 | 48 |
| Peer 3 | 43 |
| Peer 4 | 40 |
| Peer 5 | 35 |
| Peer 6 | 35 |
| Peer 7 | 32 |
| Peer 8 | 31 |
| Peer 9 | 30 |
| Peer 10 | 29 |
| Peer 11 | 28 |
| Peer 12 | 28 |
| Peer 13 | 25 |
| Peer 14 | 23 |

In funding and liquidity:
- Size matters: the smaller the better
- Deposit base matters: the larger the better

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

... and low wholesale funding dependence

- 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

<table>
<thead>
<tr>
<th>Peer 1</th>
<th>Peer 2</th>
<th>Peer 3</th>
<th>Peer 4</th>
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<th>Peer 14</th>
<th>BBVA</th>
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<tr>
<td>41</td>
<td>56</td>
<td>55</td>
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<td>35</td>
<td>13</td>
<td>36</td>
<td>22</td>
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<td>256</td>
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<td>348</td>
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<td>225</td>
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<td>179</td>
<td>172</td>
<td>166</td>
<td>154</td>
<td>141</td>
<td>131</td>
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</tr>
</tbody>
</table>

Source: Bloomberg 20 - Jul - 2011

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

(1) 9% Post Garanti Consolidation
... even under stressed scenarios

EBA Core Tier I  
Adverse scenario 2012  
(%) 

BBVA: 9.2 
Peers: 8.9, 8.5, 8.5, 8.4, 7.9, 7.7, 7.3, 6.7, 6.6, 6.5, 6.4, 6.3

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

Peers: BARCL, BNPP, CASA, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG and UCI
Rating agencies recognize BBVA’s strengths

Ratings: BBVA vs. European Peer Group
September 2011

The sole Financial Institution with a rating improvement during the crisis
Stable risk indicators during six consecutive quarters

NPA & coverage ratios
BBVA Group (%)

Coverage ratio

June 2010: 61
September 2010: 62
December 2010: 62
March 2011: 61
June 2011: 61

NPA ratio

June 2010: 4.2
September 2010: 4.1
December 2010: 4.1
March 2011: 4.1
June 2011: 4.0

Cumulative risk premium
BBVA Group (%)

Improvement in risk premium
### Superior asset quality vs. peers

#### NII adjusted by cost of risk\(^1\) (2010, %)

<table>
<thead>
<tr>
<th>Peer</th>
<th>NPA BBVA</th>
<th>Average Peer Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peer 1</td>
<td>1.05%</td>
<td>0.80%</td>
</tr>
<tr>
<td>BBVA</td>
<td>1.00%</td>
<td>0.73%</td>
</tr>
<tr>
<td>Peer 2</td>
<td>0.90%</td>
<td>0.67%</td>
</tr>
<tr>
<td>Peer 3</td>
<td>0.82%</td>
<td>0.62%</td>
</tr>
<tr>
<td>Peer 4</td>
<td>0.73%</td>
<td>0.54%</td>
</tr>
<tr>
<td>Peer 5</td>
<td>0.71%</td>
<td>0.44%</td>
</tr>
<tr>
<td>Peer 6</td>
<td>0.73%</td>
<td>0.44%</td>
</tr>
<tr>
<td>Peer 7</td>
<td>0.67%</td>
<td>0.30%</td>
</tr>
<tr>
<td>Peer 8</td>
<td>0.67%</td>
<td>0.20%</td>
</tr>
<tr>
<td>Peer 9</td>
<td>0.67%</td>
<td></td>
</tr>
<tr>
<td>Peer 10</td>
<td>0.67%</td>
<td></td>
</tr>
<tr>
<td>Peer 11</td>
<td>0.67%</td>
<td></td>
</tr>
<tr>
<td>Peer 12</td>
<td>0.67%</td>
<td></td>
</tr>
<tr>
<td>Peer 13</td>
<td>0.67%</td>
<td></td>
</tr>
<tr>
<td>Peer 14</td>
<td>0.67%</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\): (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
1  BBVA: Snapshot and performance

2  What makes BBVA unique in the current challenging environment?

3  **Outlook for the future**
Opportunities in Mature Markets …

**SPAIN**
- Margin normalization
- Market share gains
- Industry consolidation

**USA**
- Asset quality improvement
- Efficiency gains
- Market share gains

Improving profitability
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
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London, September 20th 2011