

BBVA

A Unique Value Proposition

Goldman Sachs

European Financials Conference

Manuel Gonzalez Cid, BBVA's CFO

Paris, June 8th 2011



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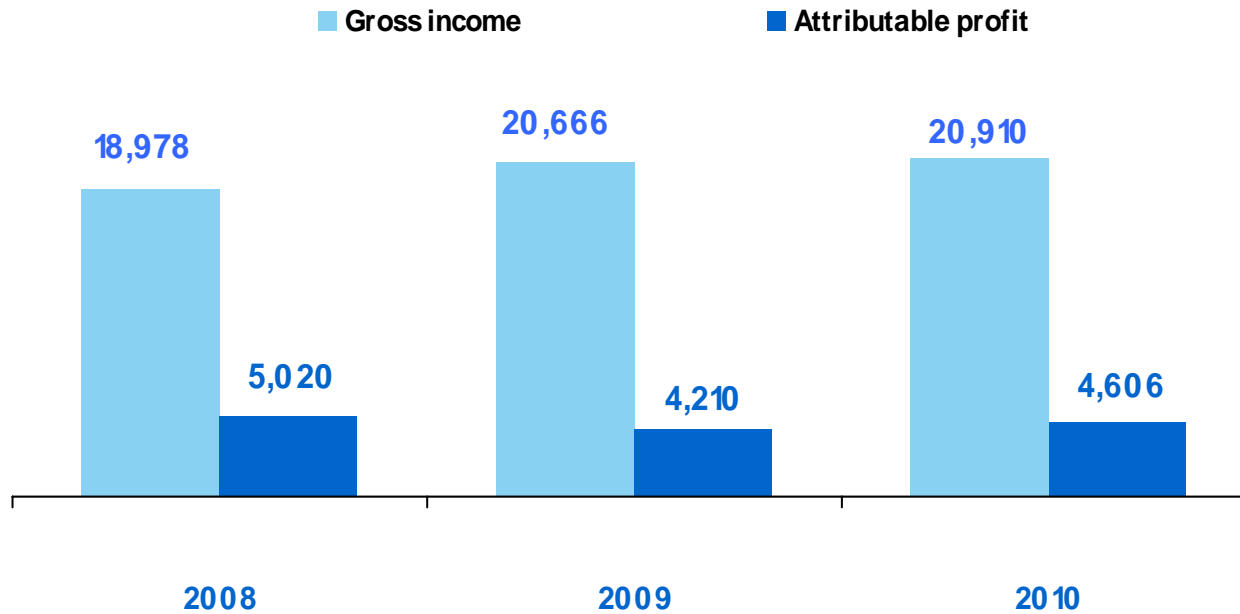
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- 1 High and recurrent profitability**
- 2 Strong balance sheet and capital
- 3 Rising opportunities
- 4 Concluding remarks



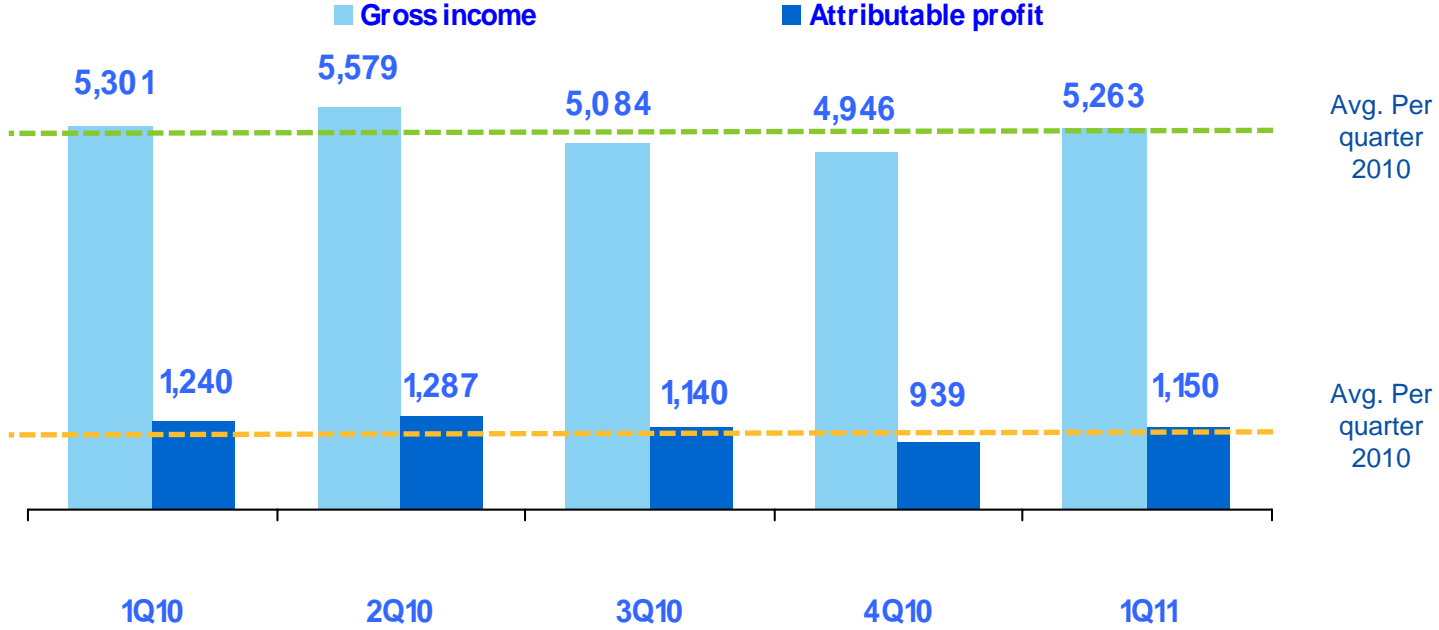
Gross income and attributable profit
BBVA Group
(€m)



Despite significant headwinds, earnings delivery has been a trademark of BBVA during the crisis

Showing resilient results in 1Q11

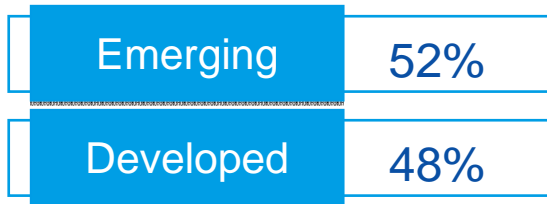
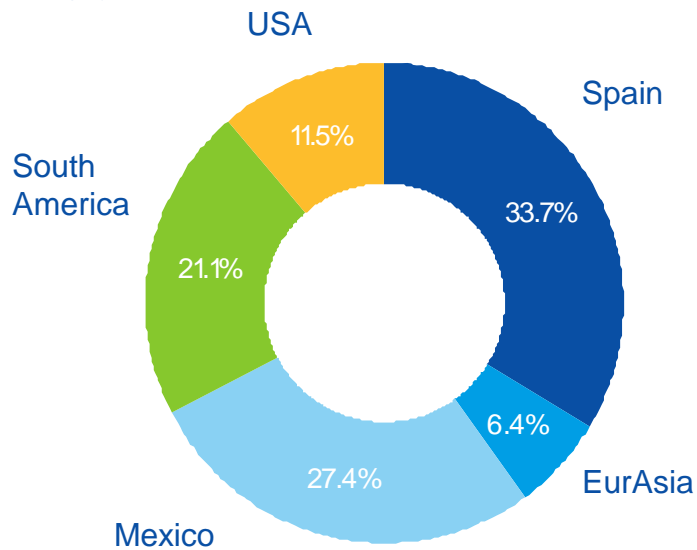
Gross income and attributable profit
BBVA Group
(€m)



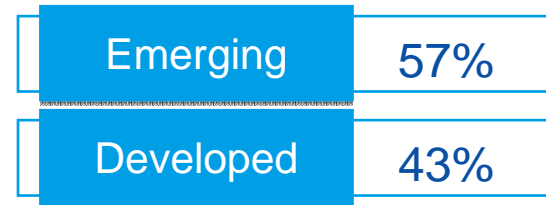
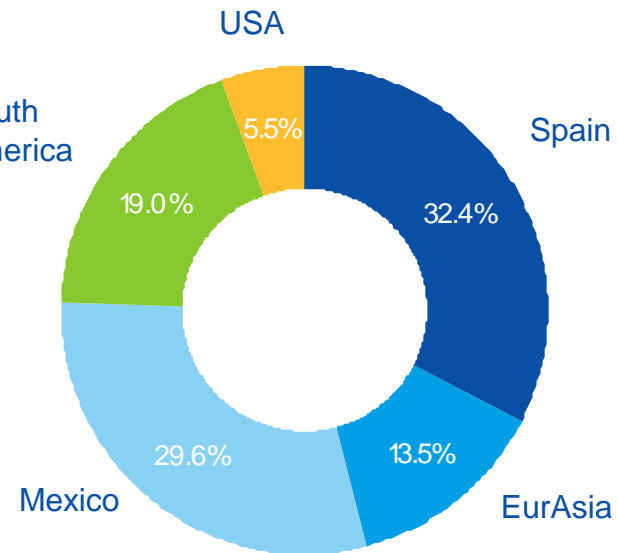
Good performance in emerging economies offsets decline in developed markets

Well diversified by geography

Gross Income by geography*
BBVA Group
(%)



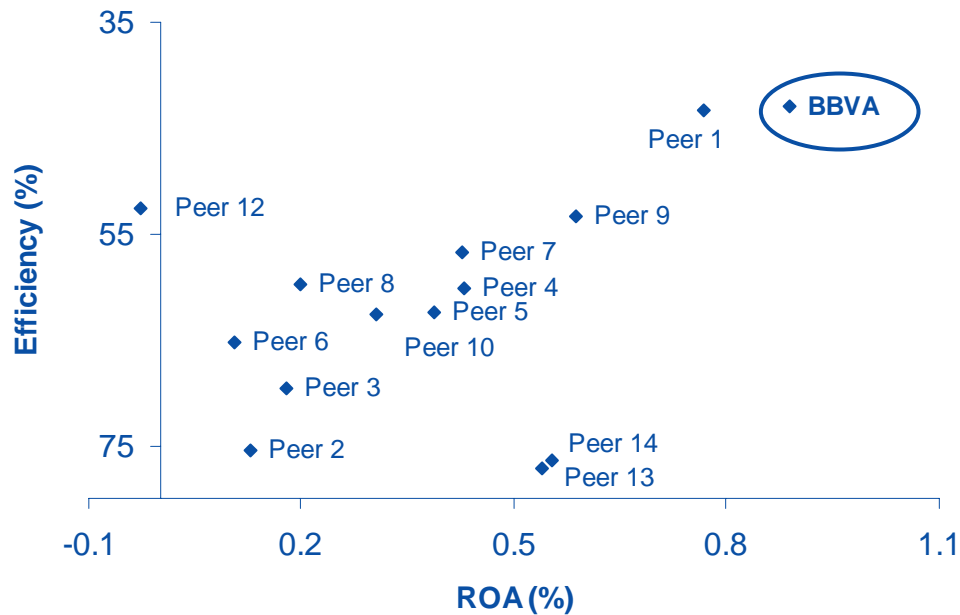
Attributable Profit by geography*
BBVA Group
(%)



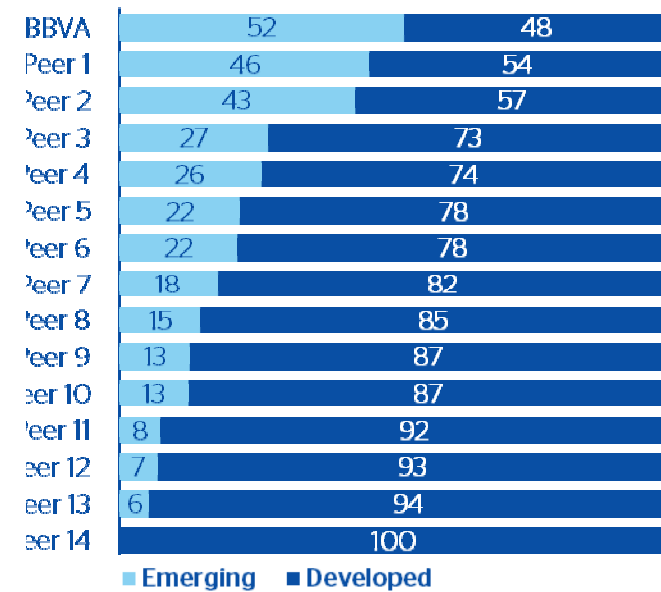
* Data 1Q11 Ex Holding

Highly profitable business, attractive business mix and superior growth prospects

ROA vs Efficiency
BBVA Group vs Peer Group
(12M10, %)



Geographic diversification of revenue*
BBVA Group vs Peer Group
(%)



ROA: 0.9%

ROE: 15.8%

Peer Group: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS & UCI.
* In-house preparation using 1Q11 data for BBVA and available data as of January 2011 for peers.



1 High and recurrent profitability

2 **Strong balance sheet and capital**

3 Rising opportunities

4 Concluding remarks

Strong balance sheet and capital

**Comfortable
funding position**

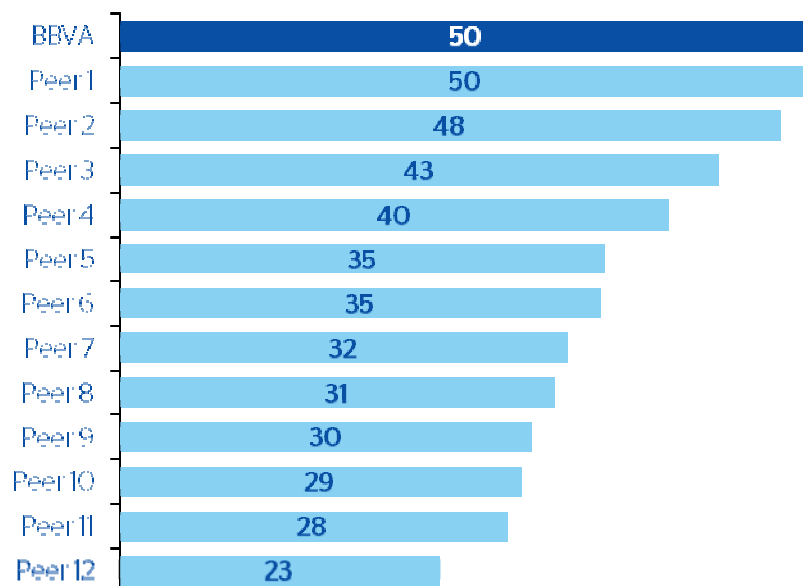
- **Large deposit base**
- **Lowest wholesale funding needs among peers**

**Strong capital
base**

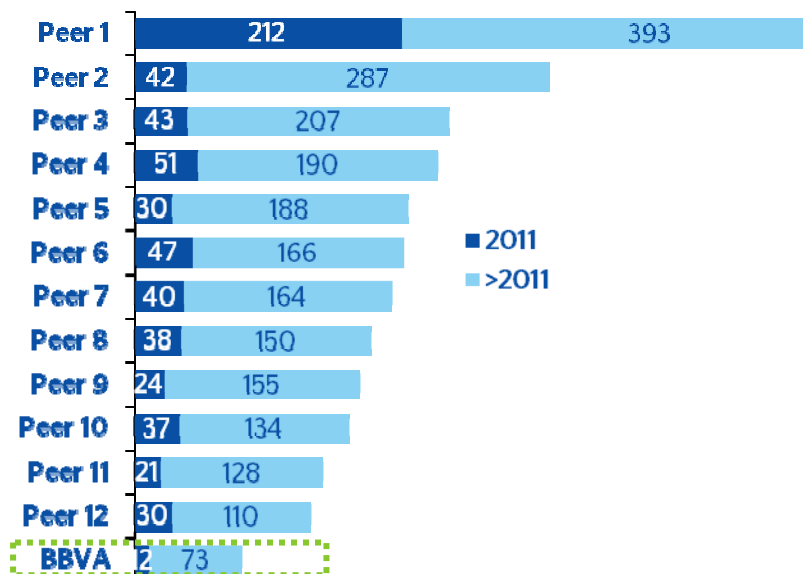
- **Strong organic capital generation**
- **High quality capital**
- **Lowest leverage among peers**

Large deposit base with low wholesale funding needs

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



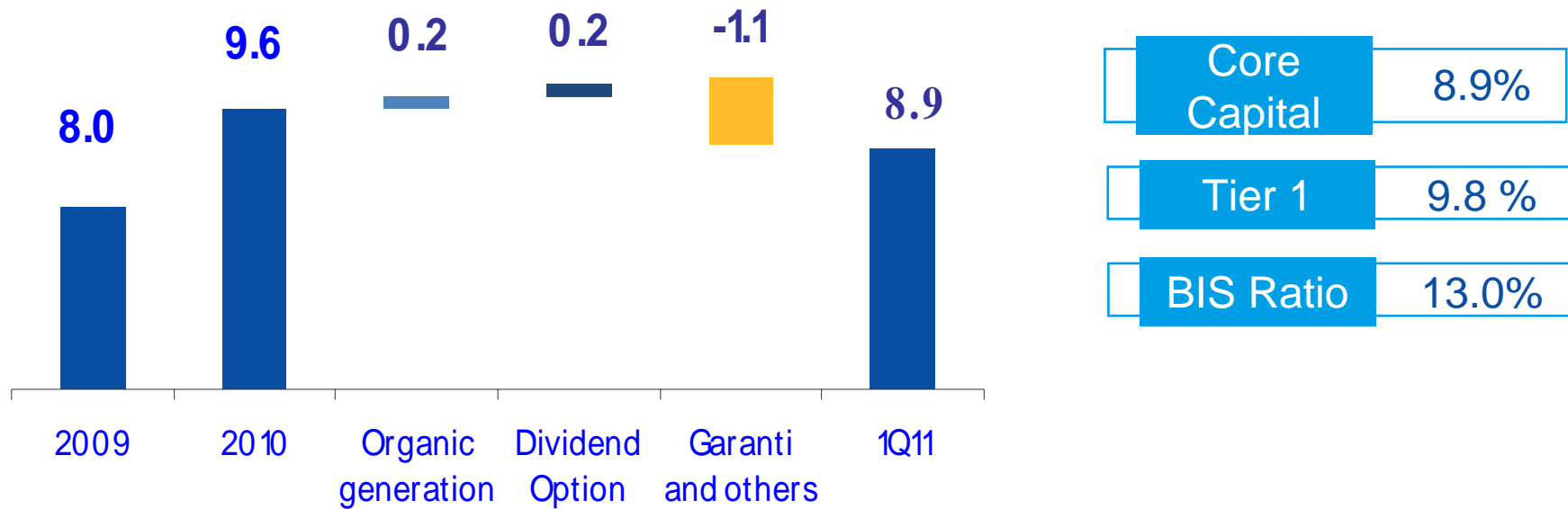
Maturities of wholesale funding
BBVA Group vs. Peers*
(€bn)



*Peers: BARCL, BNPP, CASA, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, & UCI. Source: Bloomberg 21-Feb-2011,

Sound and consistent capital management policy with strong organic generation

Core capital
BBVA Group
(%)

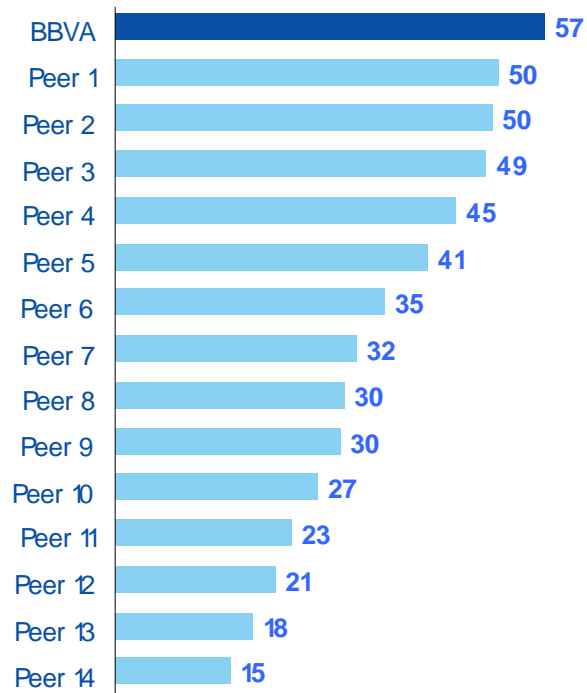


Moody's confirms Aa2 rating

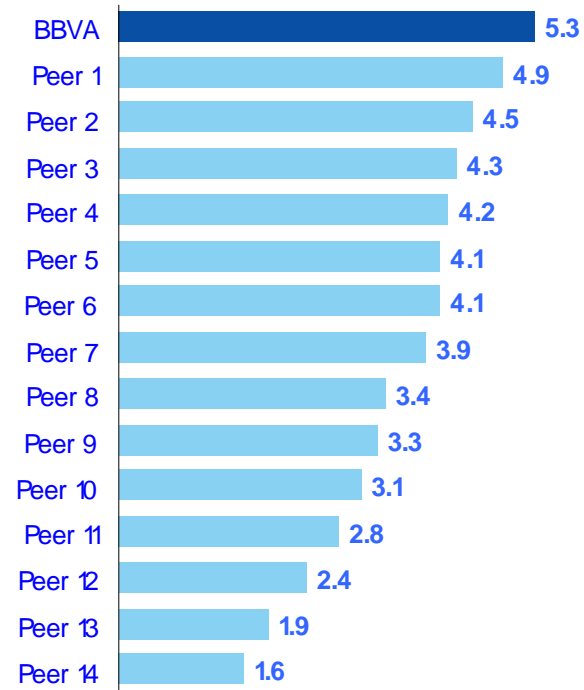


High quality capital with the lowest leverage

RWAs / Total Assets
(%, 2010)



Tangible equity / Tangible Assets
(%, 2010)





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Mature markets

Improving asset quality

Market share gains

Pricing getting better

Growing markets

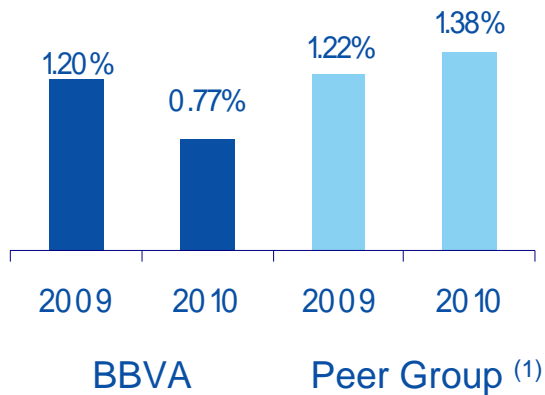
Excellent asset quality

Accelerating business

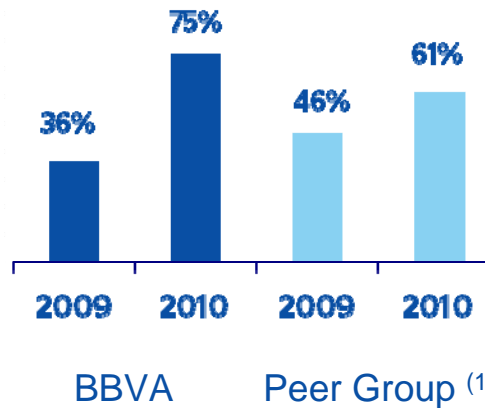
Favourable mix trends

Spain: Better asset quality due to anticipation

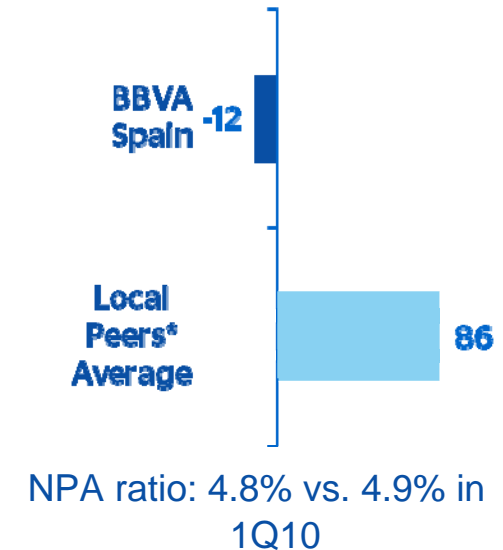
Gross additions to NPA over total gross loans



Recoveries over gross additions to NPA



NPA ratio (1Q11 YoY change in b.p.)

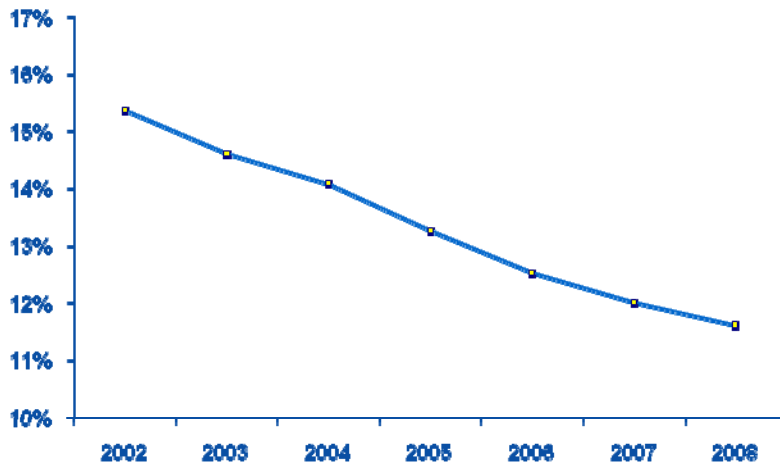


Gross additions continue to decline while recoveries are up

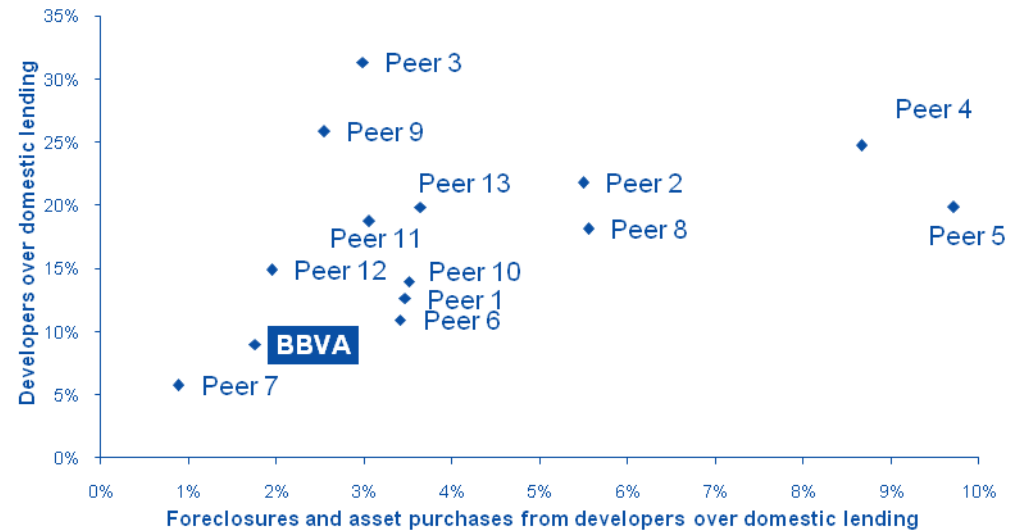
(1) Santander network, Popular, Caixa, Caja Madrid, Sabadell, Banesto, Bankinter and Pastor

Spain: In asset quality, BBVA has a differential performance

Domestic lending market share



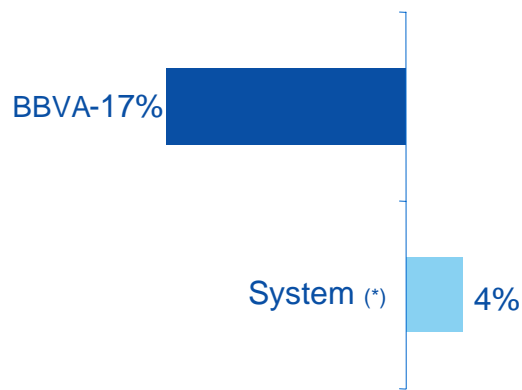
Very limited exposure to developers



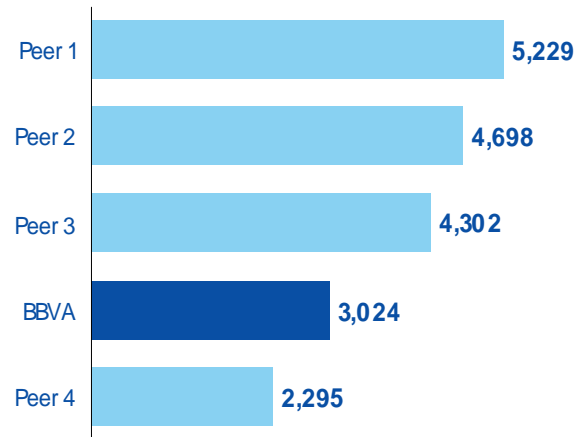
Lower risk appetite during the credit boom years, particularly in RE developers.

Spain: highly productive network with no pending restructuring needs

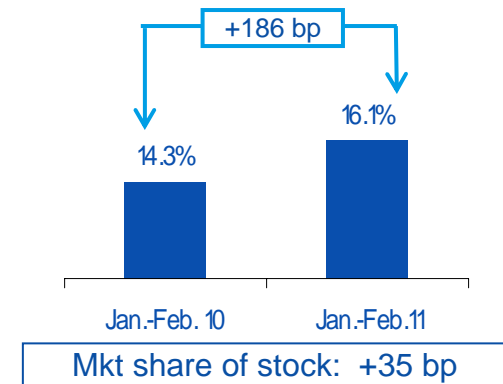
Branch evolution
2006-Sep 2010



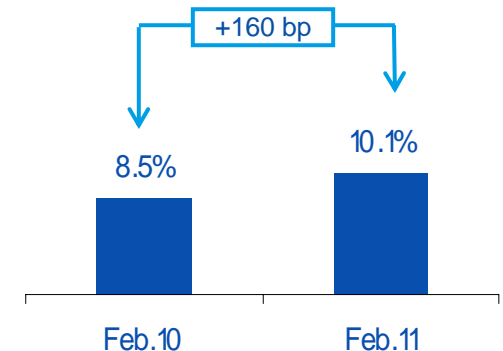
Number of branches



Mkt share of new residential mortgages (%)



Mkt share private sector deposits (%)

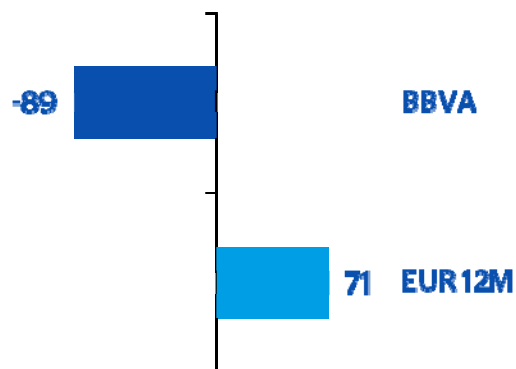


Best positioned to take advantage of the restructuring of financial sector

(*) Excluding BBVA
Source: Bank of Spain. Branch data as of September 2010
Peers: Caixa, Santander (including Banesto), Bankia and Popular

Spain: 2011 will continue to be challenging for NII, although front book dynamics are improving

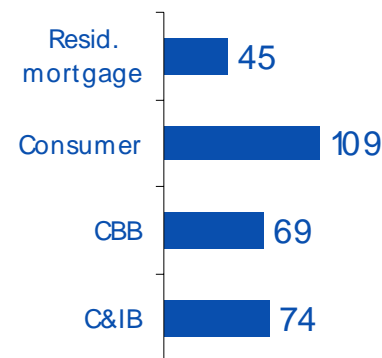
Time deposit pricing improving
(Current levels vs. 2010 max. in b.p.)



Covered Bonds
Spread difference
(latest issue vs. max. in b.p.)



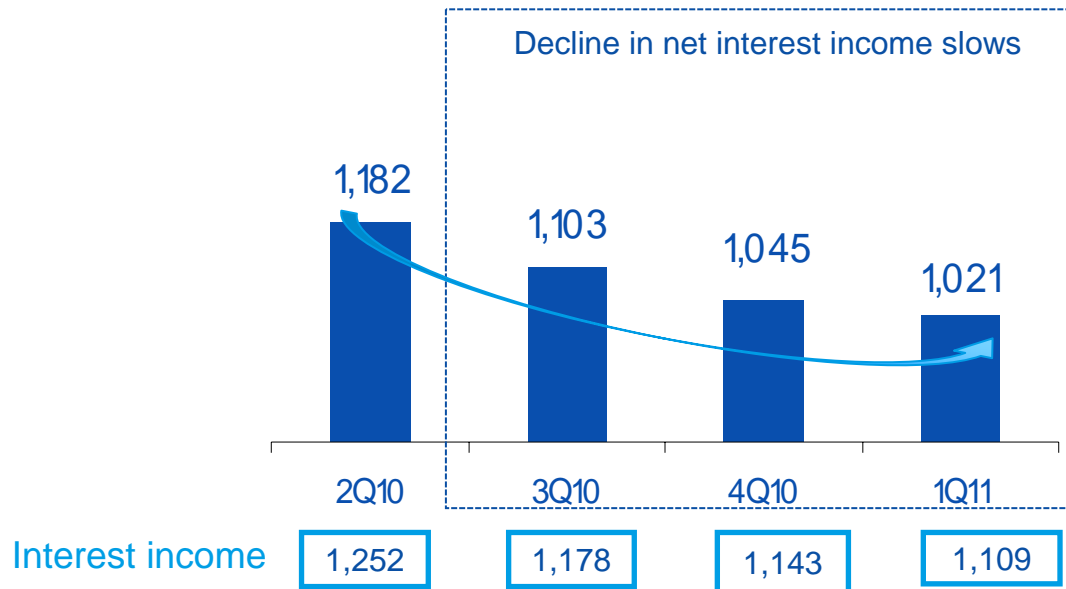
Front book spreads improving
(Current levels vs. 2010 min. in b.p.)



Price normalization represents a significant opportunity

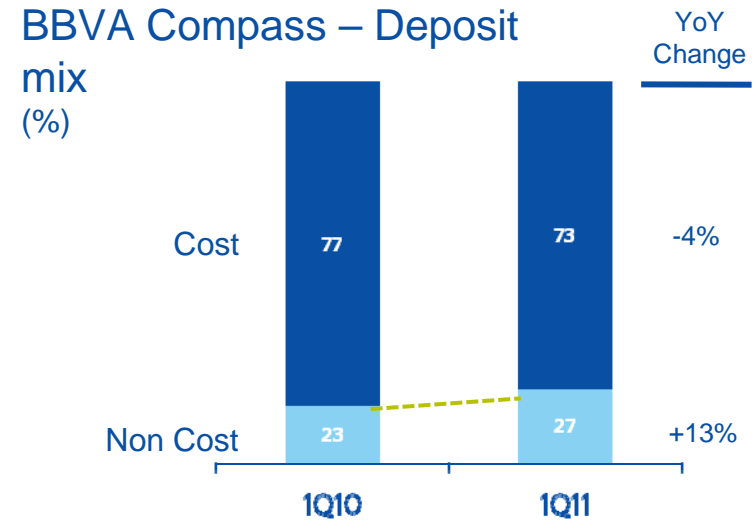
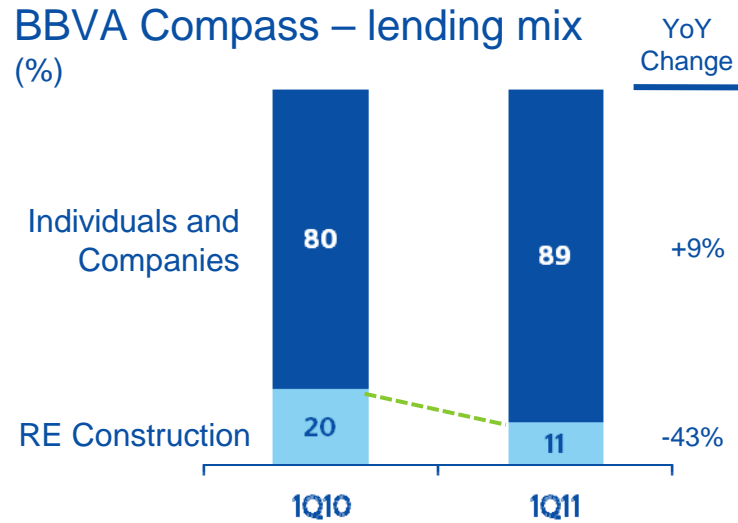
Spain: Slower decline in NII in 1Q11

Net interest income excluding Markets
 Quarter-by-quarter
 (€m)

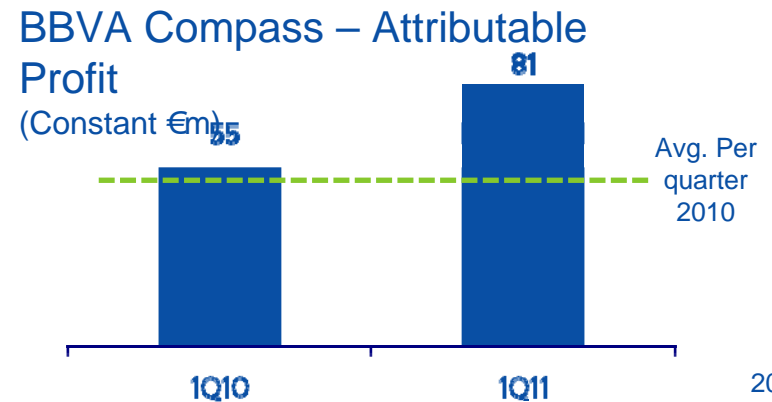
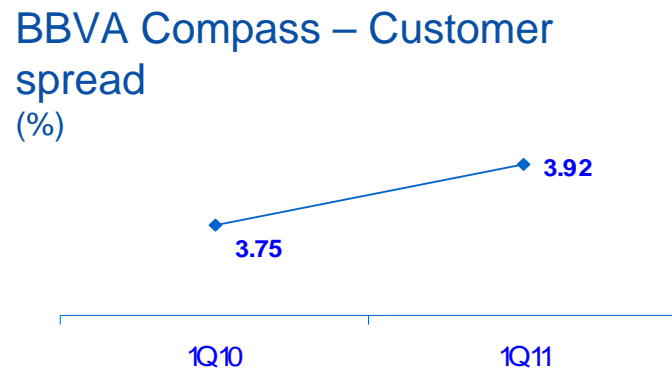


Customer spread:
 +14bp in the quarter

United States: improvement of mix ...

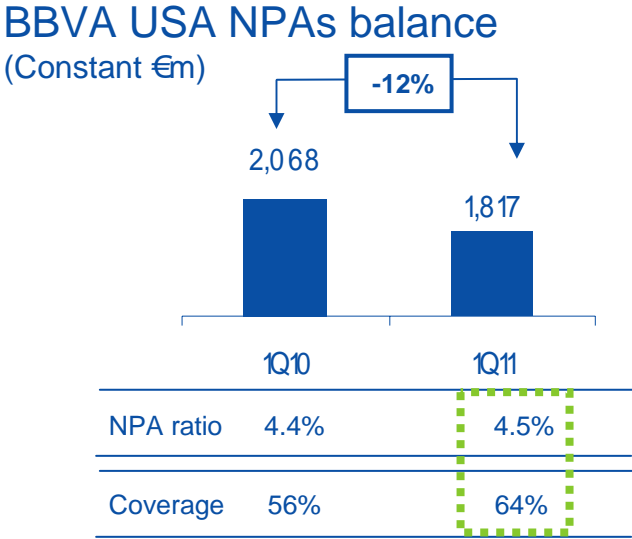
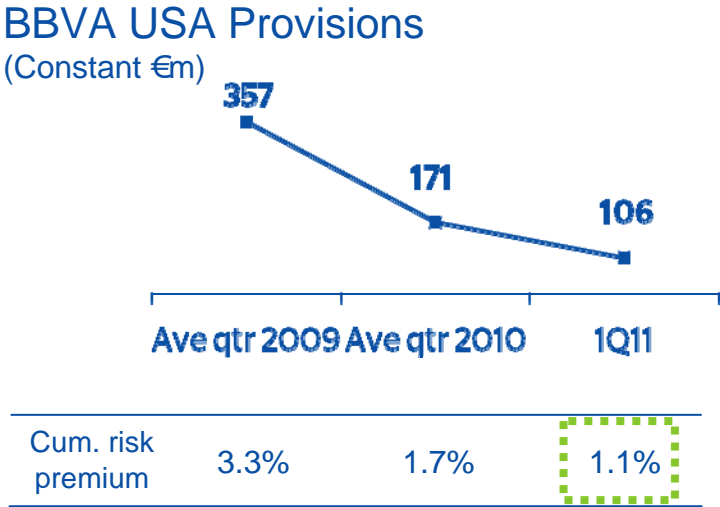


... and increase in the customer spread leading to strong rebound in bottom line



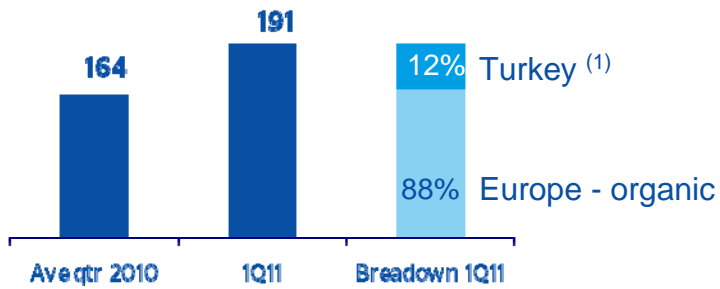
* Excluding Guaranty Loss Sharing Agreement

United States: risk indicators continue to improve

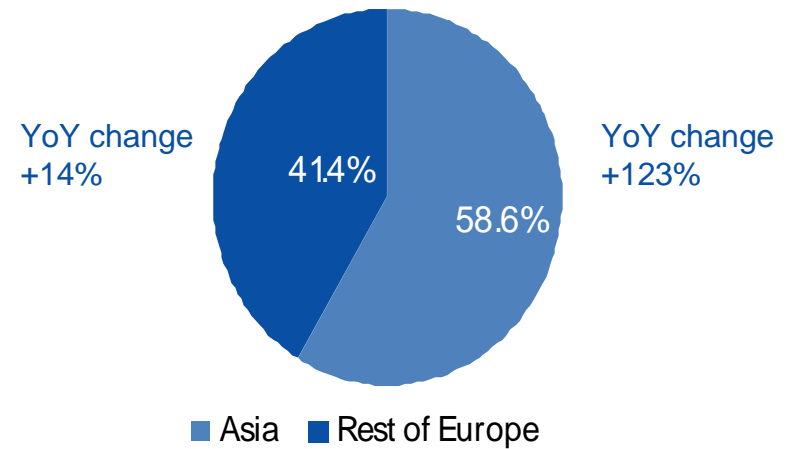


EurAsia: buoyant business in both areas

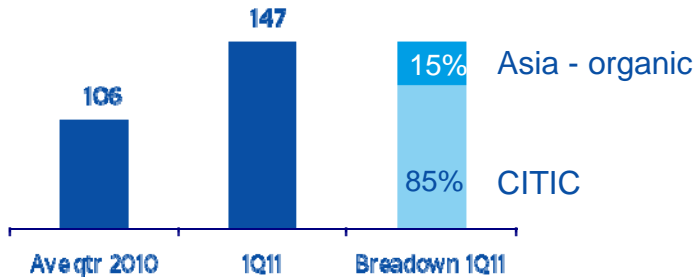
Rest of Europe - Gross Income (€m)



EurAsia - breakdown of net attrib. profit (%)



Asia - Gross Income (€m)

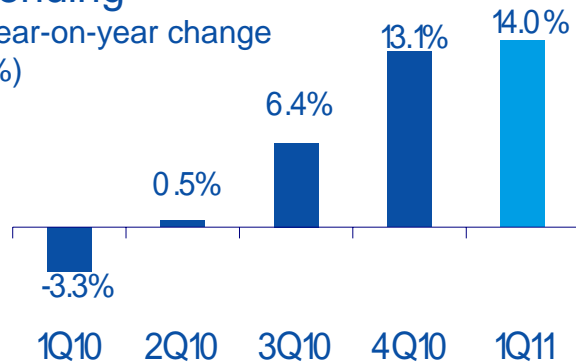


(1) Only €24m from Garanti in 1Q11

Mexico: recovery of business traction and improvement in mix...

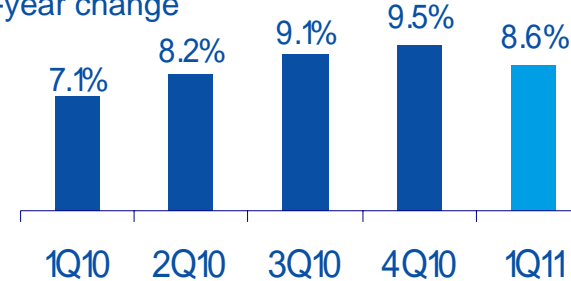
Lending

Year-on-year change (%)



Customer Funds

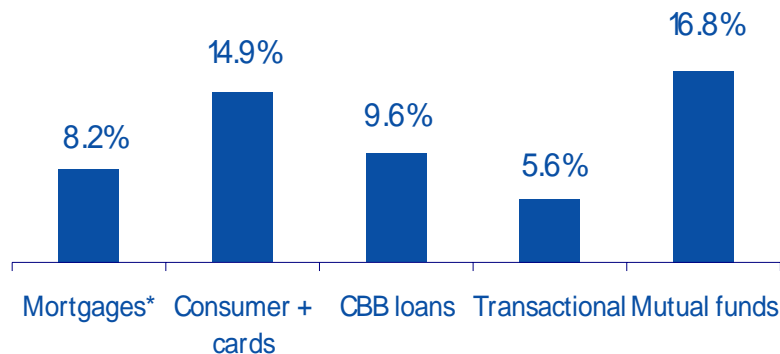
Year-on-year change (%)



...consumer lending starting to improve in 2H10, thanks to internal demand recovery after sharp drop in 2009.

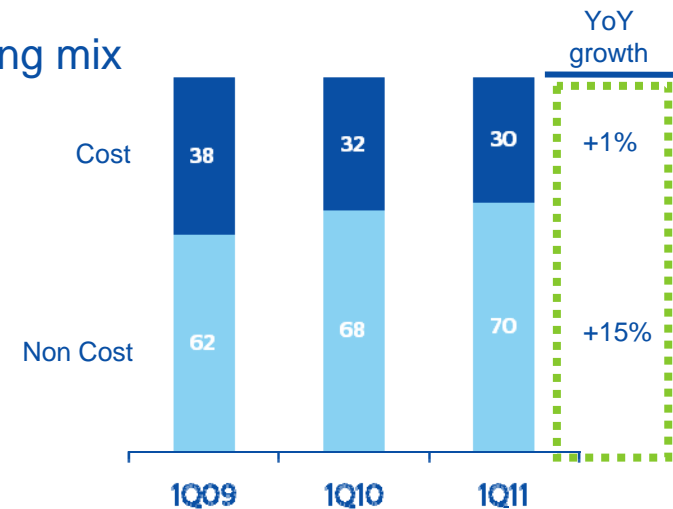
New business by product/segment

(Year-on-year change.%)



Funding mix

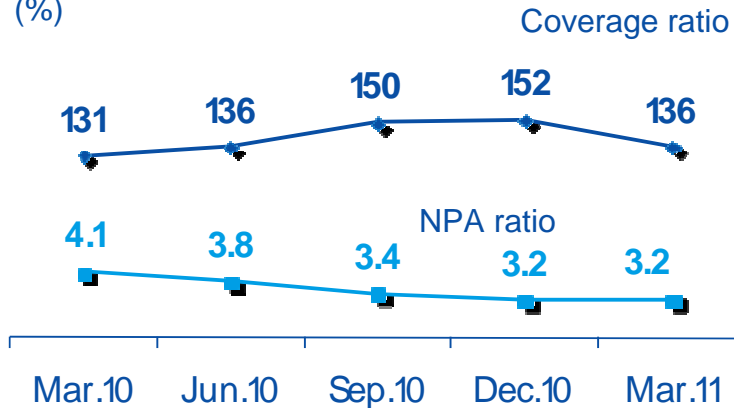
(%)



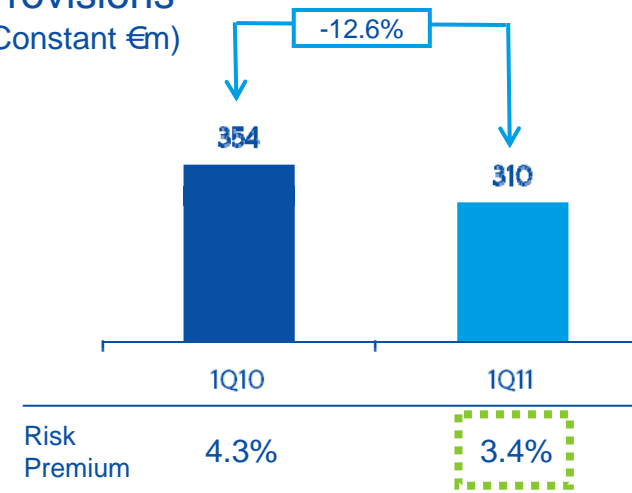
* Excluding old residential

Mexico: sharp drop in the cost of risk . . .

NPA & coverage ratios (%)

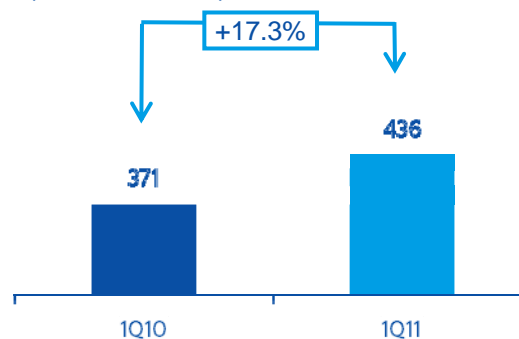


Provisions (Constant €m)



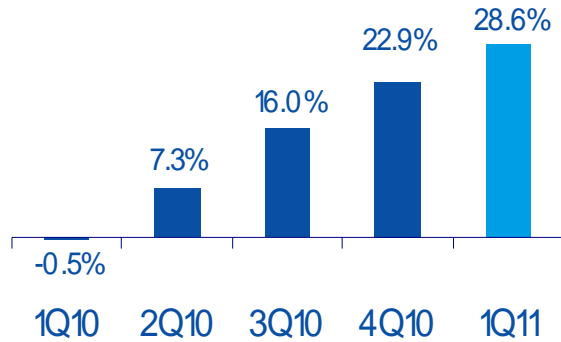
. . . altogether leading to an acceleration of earnings growth

Attributable profit (Constant €m)

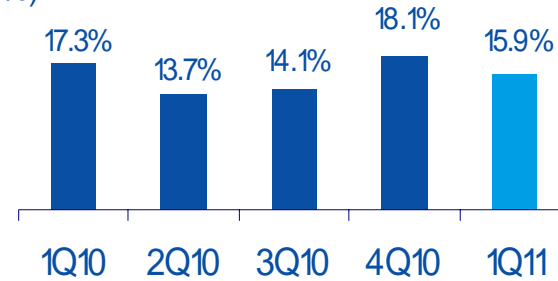


South America: high level of business . . .

Lending
Year-on-year change (%)

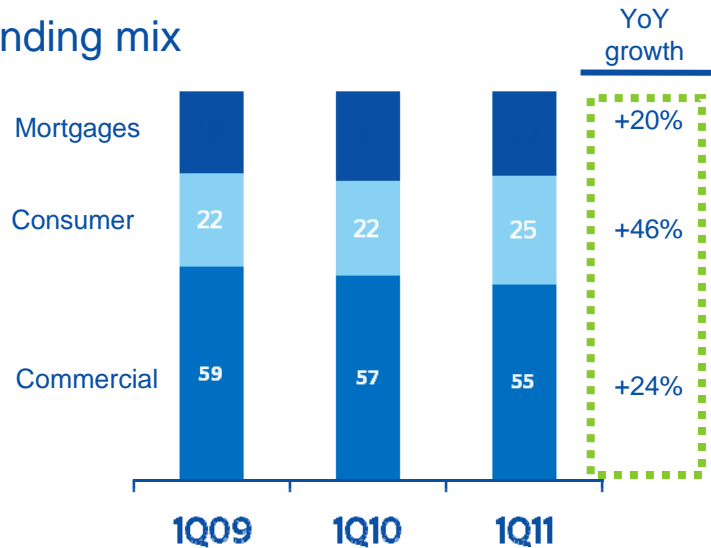


Customer funds
Year-on-year change (%)

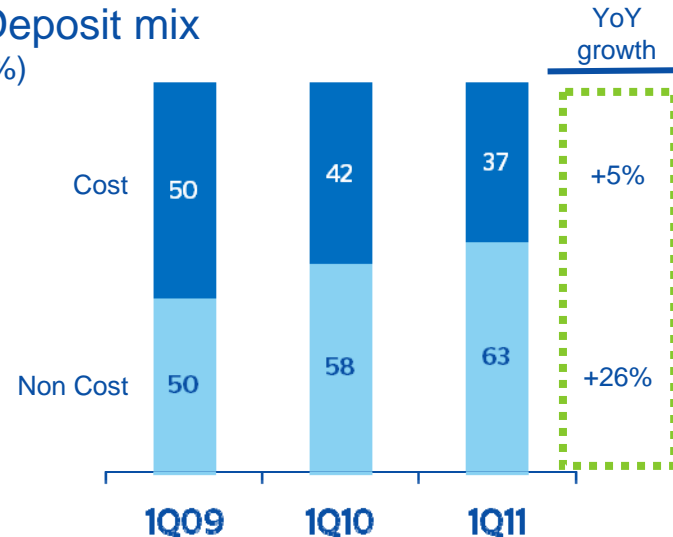


. . . with an improvement in the mix

Lending mix (%)

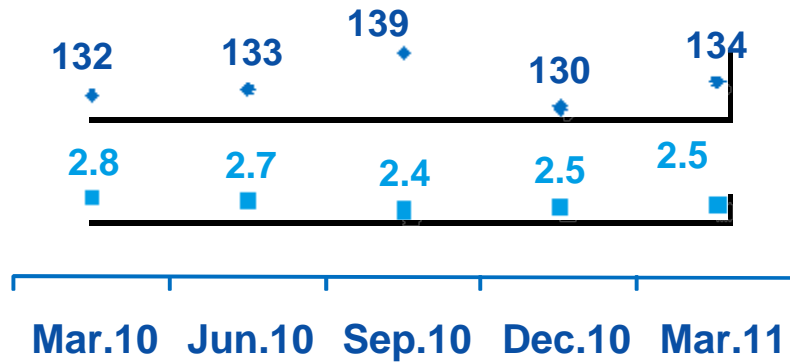


Deposit mix (%)

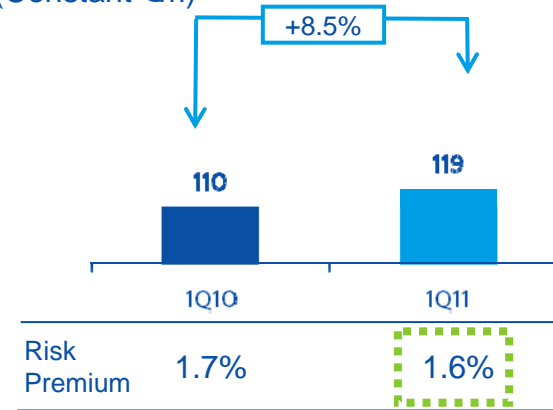


South America: ... with the best risk indicators in the Group

NPA & coverage ratios (%)

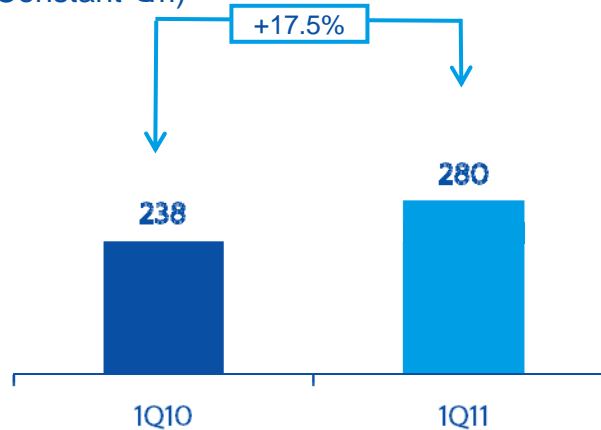


Provisions (Constant €m)



... altogether leading to buoyant earnings

Attributable profit (Constant €m)

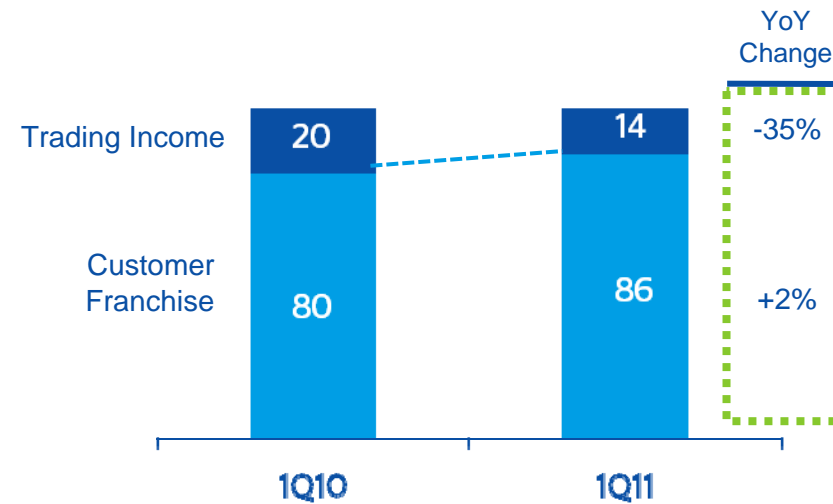


WB&AM: a customer franchise with a resilient business model

BBVA WB&AM vs. Peers ⁽¹⁾ – Operating Income
(€m constant)
(Index 100=Q1'07)

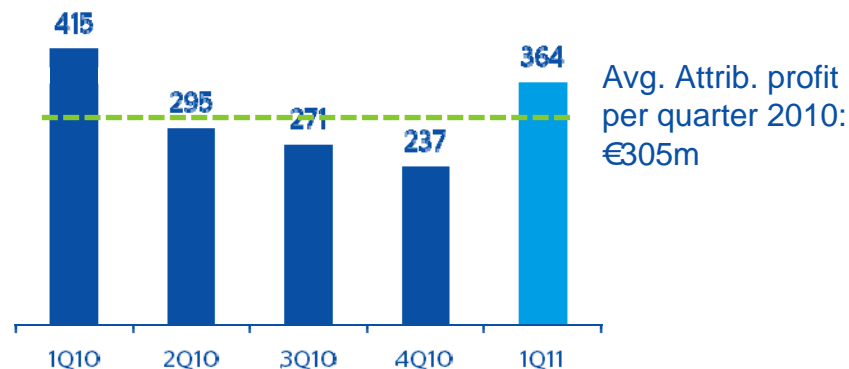


Split and evolution of revenues (%)



... leading to a growing contribution to Group's profits

Attributable profit
(Constant €m)



(1) Synthetic index created out of public information of the following peers: BNP, Citi, CMZ, CS, GS, ISP, JPM, MS, NOM, SAN, SG, UCI

Business Areas: key aspects

Spain

Slower rate of decline in net interest income, market share gains and superior risk indicators

United States

Positive signs of business activity with a better mix and a jump in attributable profit

EurAsia

Growing contributions from strategic investments in China and Turkey, and from wholesale business in Europe

Mexico

Strong business activity results in record revenues and risk stabilises

South America

Dynamic activity, main margins at record levels and the best risk indicators in the Group

WB&AM

Recurrent and more diversified revenues, reflecting a stronger customer franchise



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Conclusions

**High and
recurrent
profitability**

Highly profitable business model
Attractive business mix with superior growth prospects

**Strong balance
sheet and
capital**

Comfortable funding position
Strong and high quality capital

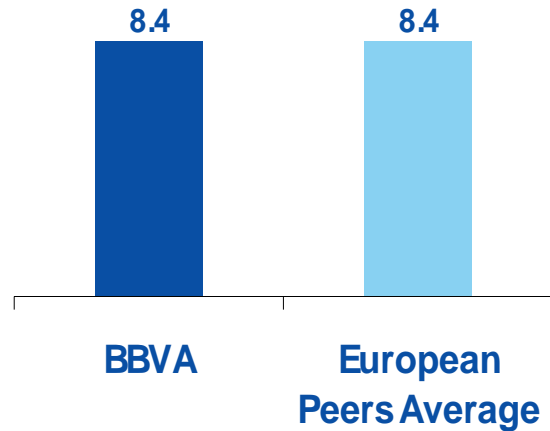
**Rising
opportunities**

In mature markets
In high growth markets

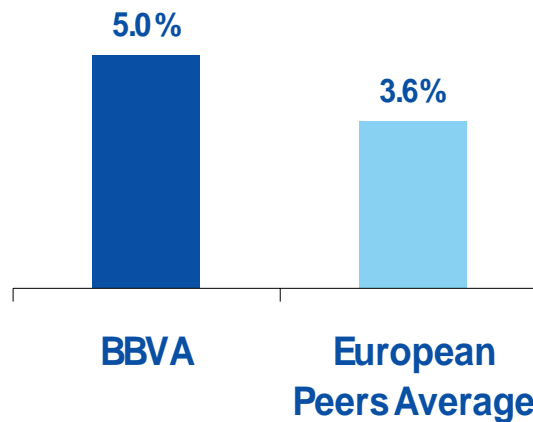


BBVA: a unique value proposition

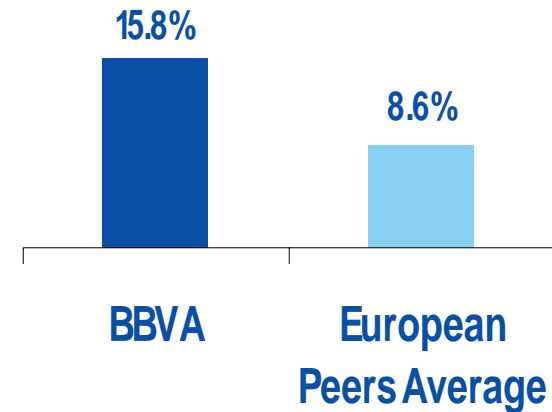
PE 2011
BBVA vs Peer Group
(Consensus estimates)



Dividend yield 2011
BBVA vs Peer Group
(Consensus estimates)



ROE 2010
BBVA vs Peer Group



Stable dividend policy: € 0.42 per share remains floor

BBVA

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Goldman Sachs

European Financials Conference

Manuel Gonzalez Cid, BBVA's CFO

Paris, June 8th 2011

