



BBVA: Strength in the current challenging environment

BBVA USA: Transformation to a customer centric bank ready for growth

Manolo Sanchez, BBVA US Country Manager and BBVA Compass President and CEO
UBS Global Financial Services Conference 2012. May 9th, 2012



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Contents

1. BBVA Group: Well positioned to face industry challenges
2. BBVA in the US
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In the current environment, the banking industry faces significant challenges

Banking industry challenges

Questioning the viability of certain business models

Lack of growth

Pressures on profitability

Liquidity/funding constraint

Higher capital requirements

BBVA is well positioned to face these challenges

1. Attractive Business Model

2. Sustainable Growth

3. Recurring Profitability

4. Comfortable Funding Position

5. High Quality Capital

1 Attractive Business Model

BBVA business model main features

Customer centric

Profitable and
efficient
operations

Low volatility
of earnings

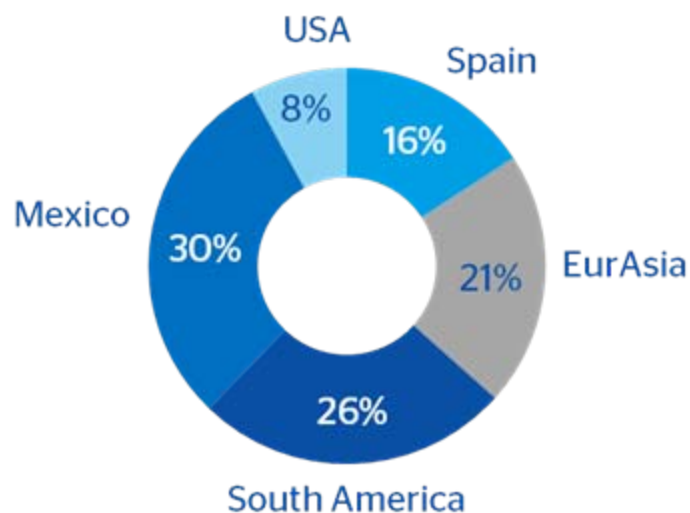
Technology as
a competitive
advantage

2 Sustainable Growth

Diversified business mix driving growth

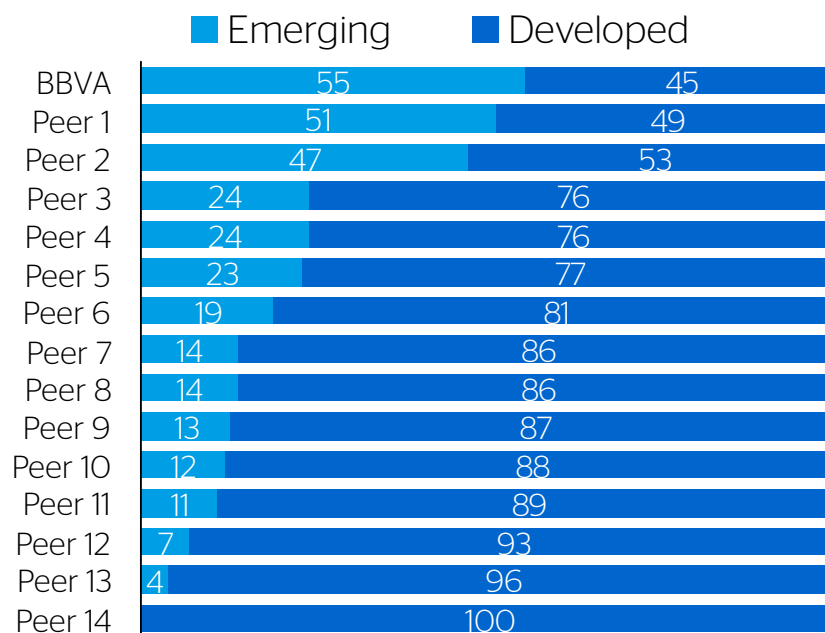
Net attributable profit by region ¹

BBVA Group. Percentage 1Q2012



Geographic diversification: revenues ²

Percentage 2011



With leading franchises in its core markets

(1): Excluding corporate activities.

(2) In-house elaboration using available data as of March 2012. European peer Group:

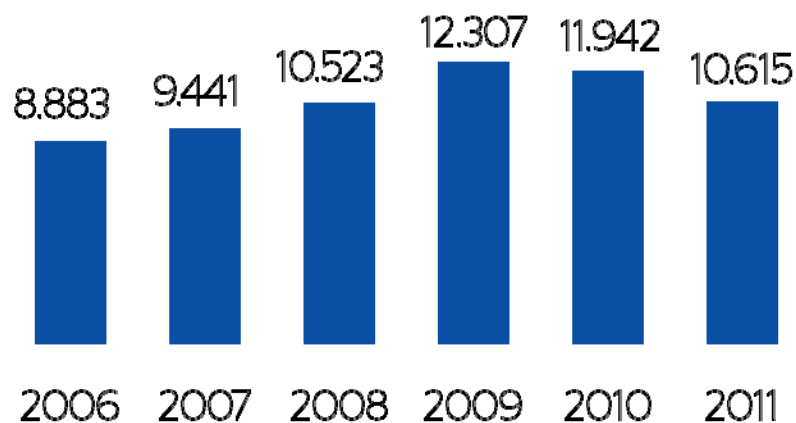
3 Recurring Profitability

Solid and recurrent earnings during the crisis...

BBVA Group

Operating Income. Million Euros

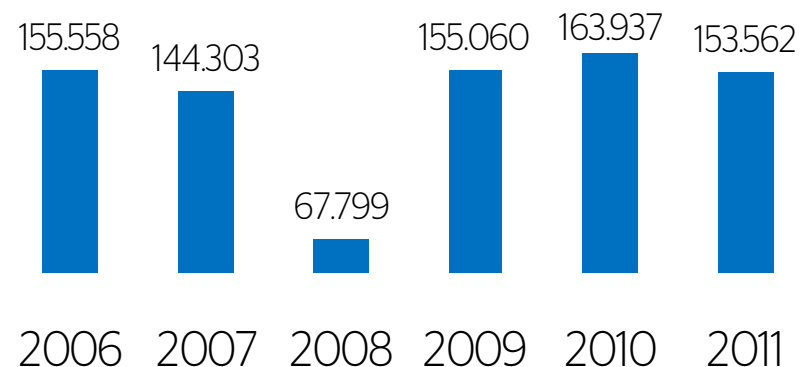
CAGR₀₆₋₁₁ +4%



European Peers Aggregate¹

Operating Income. Million Euros

CAGR₀₆₋₁₁ 0%



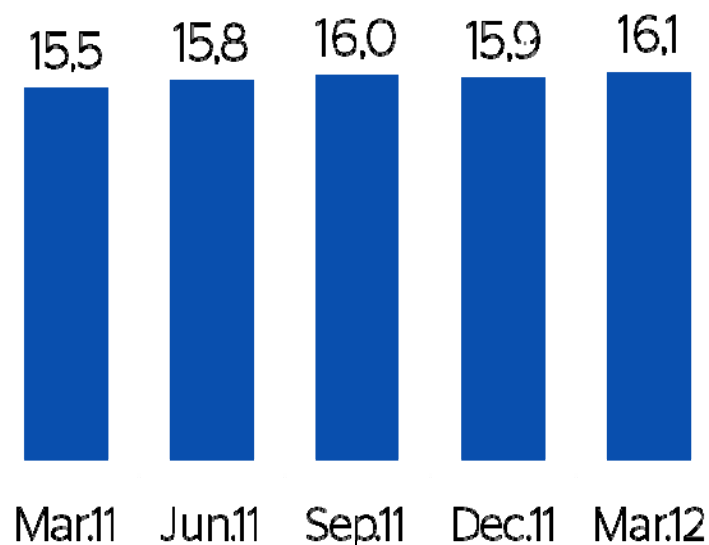
Thanks to the good performance in emerging economies that offsets decline in developed markets

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

3 Recurring Profitability ... and resilient asset quality

NPA – Net Balance

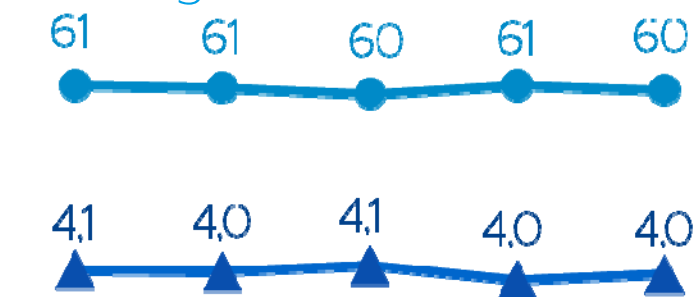
BBVA Group. Billion Euros



NPA and Coverage Ratios

BBVA Group. Percentage

Coverage ratio



NPA ratio

Mar.11 Jun.11 Sep.11 Dec.11 Mar.12

With a better asset quality than the local peer average in each geography

4 Comfortable Liquidity Position Improving the liquidity position of the Euro Balance Sheet...

Lower Funding Needs

Euro funding Gap
continues to improve

Strategic use of ECB LTRO

< 5% total assets

Lowest redemptions in 2012 amongst peer group

€11bn

Proven access to wholesale markets

Enough additional collateral to absorb any liquidity shocks

Funding costs continue to improve

4 Comfortable Liquidity Position ... and in all other franchises thanks to BBVA's decentralized liquidity management

Independent ratings and liquidity management

Market discipline and proper incentives

Firewalls between subsidiaries and the parent company

Supervision and control by parent company

Proven resilience during the crisis

BBVA Compass
Loan to Deposits DEC 2012

93%

Mexico
Loan to Deposits DEC 2011

100%

South America
Loan to Deposits DEC 2011

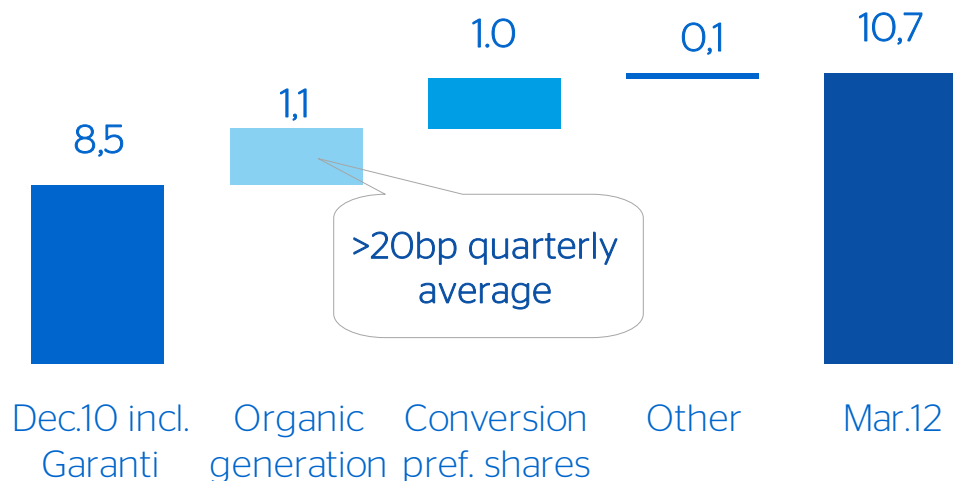
94%

5 High Quality Capital

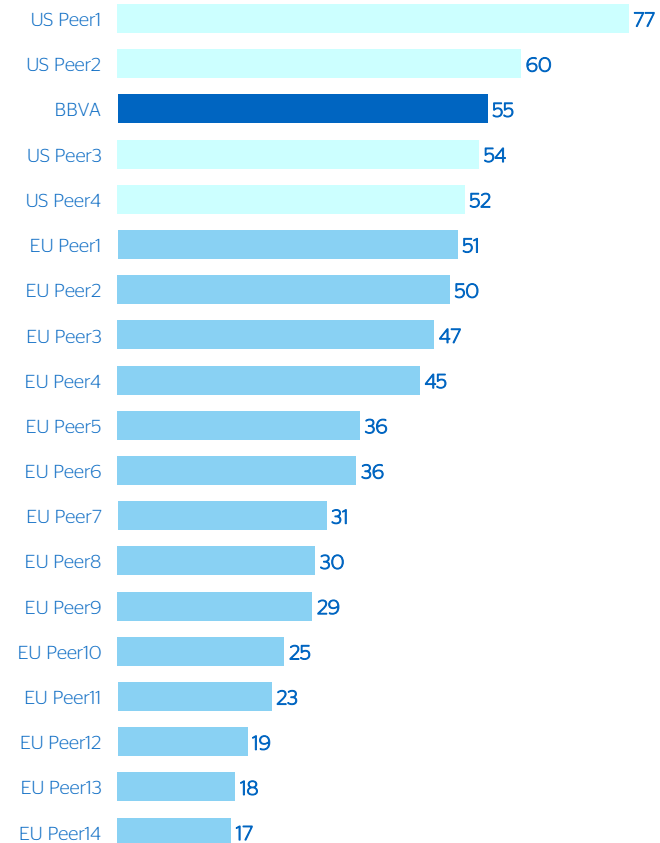
Substantial capacity to generate capital organically and low leveraged

Early compliance with EBA 9% requirement as of March 2012, maintaining dividend policy and without selling assets

Core capital ratio (Basel 2.5)
BBVA Group. Percentage



RWAs / Total Assets
BBVA Group vs. Peer Group¹ (12M11, %)



(1) Peer Group: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCI, JPM,BOA,CITI,WFC.



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BBVA: Growth in the United States

2004

2005

2006

2007

2009

BBVA Legacy

Landing

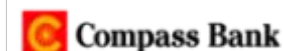
Texas

Leadership in the Sunbelt

BBVA New York
1987

BBVA Puerto Rico
1968

Bancomer Transfer
Services
1994



Strategic
Rationale

Geographical
diversification in
developed economies

With a higher historical and
projected profitability than
Europe

With business synergy
potential with other
franchises of the Group

BBVA in the US at a glance

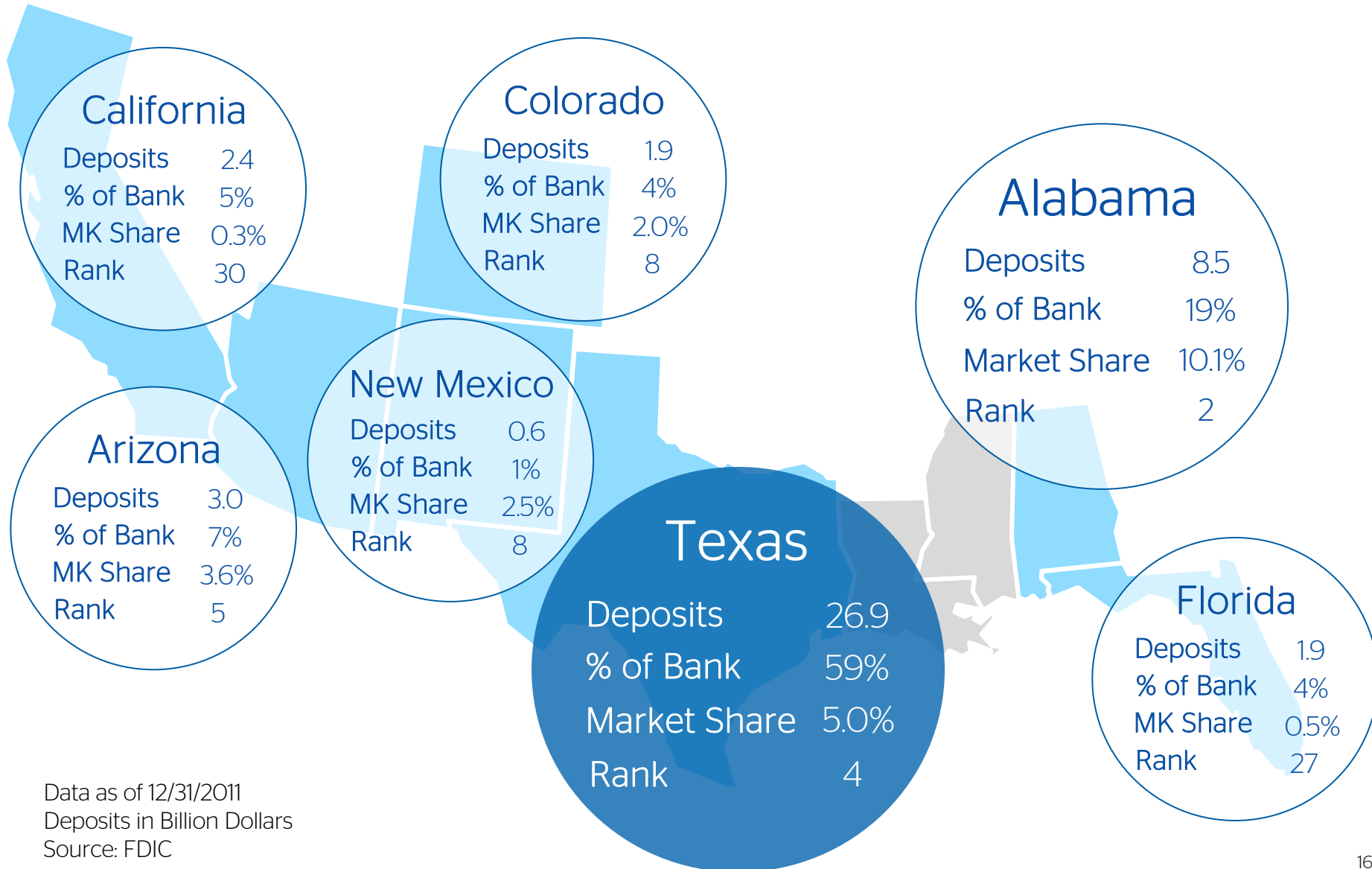
Loans	54 Billion	2,500,000 clients
Deposits	48 Billion	13,143 employees
Revenues	3,216 Million	745 branches
Op profit	1,114 Million	8 states and Puerto Rico

BBVA**BBVA** Compass**BBVA** Compass**BBVA** Compass**BBVA** Compass**BBVA** Compass**BBVA** Compass**BBVA** Compass**BBVA** BancomerBBVA Compass¹**~80%**

(1) Loans 79% / Operating profit 77%

BBVA

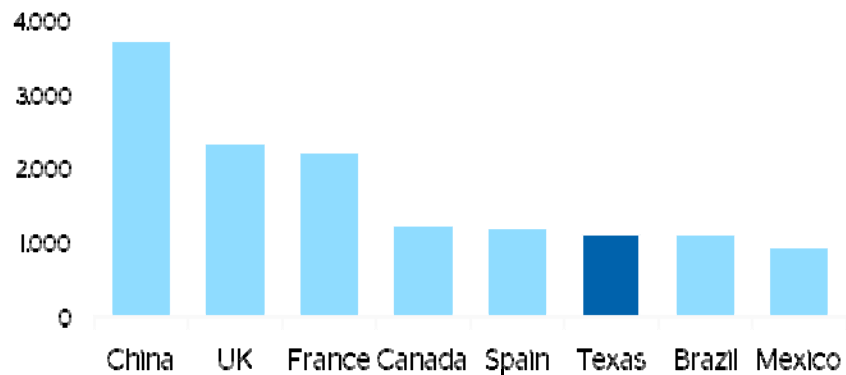
BBVA Compass: A leading franchise in the Sunbelt with a strong presence in Texas



Texas: a strong economy, outperforming the US average

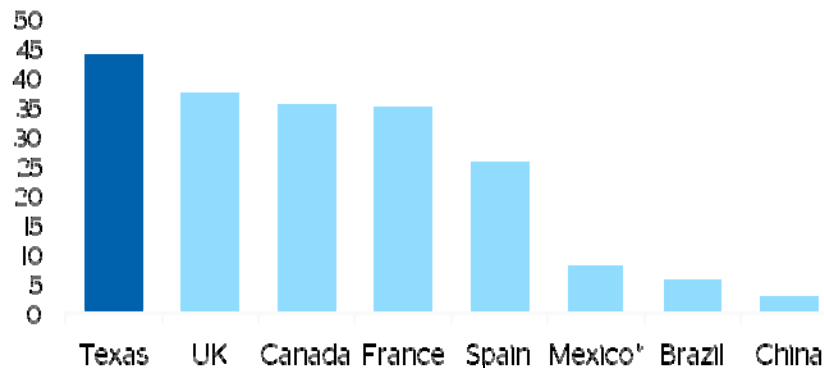
Real Gross Domestic Product in 2010

Billions of chained 2005 USD



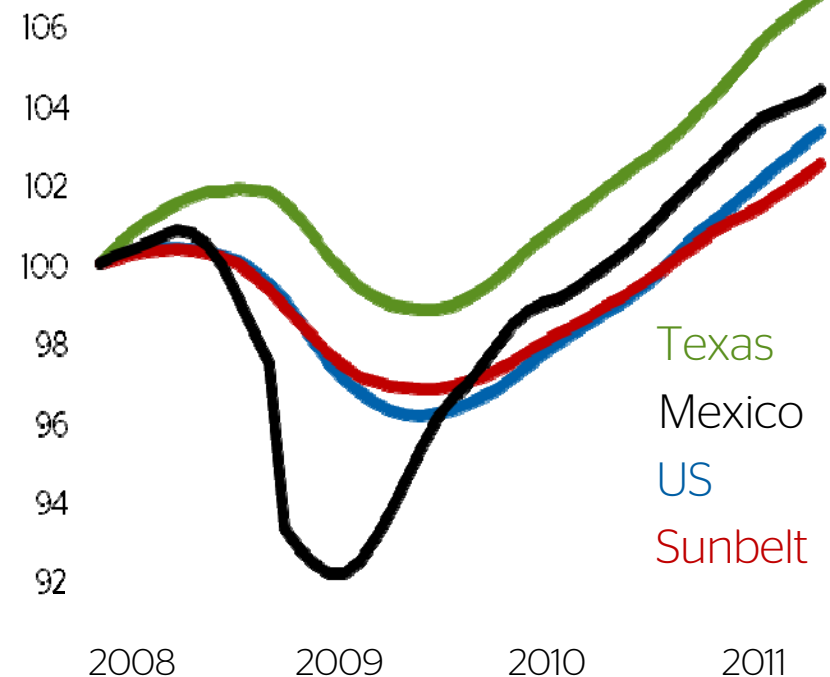
Real personal Income per Capita in 2010

Chained 2005 USD



BBVA Research Monthly Activity Index

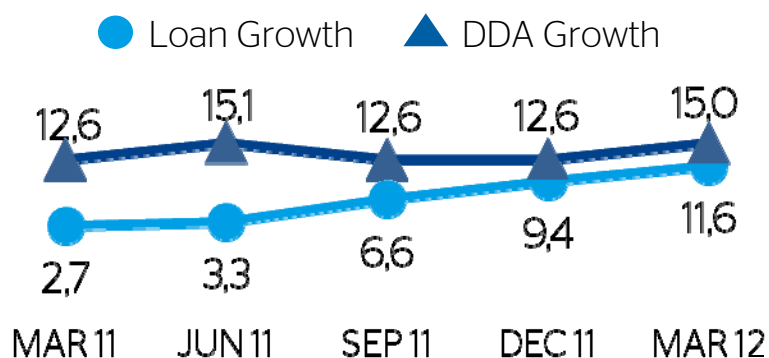
Cumulative Change Jan. 2008=100



Sound fundamentals and improving earnings

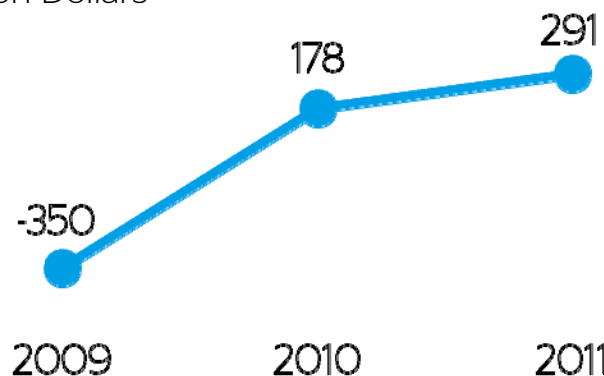
Total Loans and DDA Growth¹

% Growth vs. same month last year



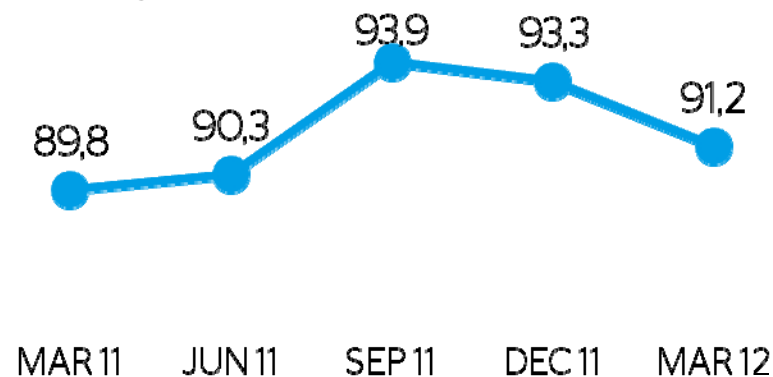
Net Income²

Million Dollars



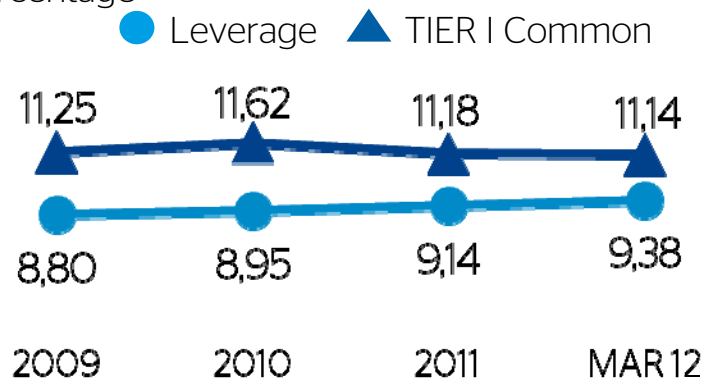
Loans to Deposits³

Percentage



Capital Ratios⁴

Percentage

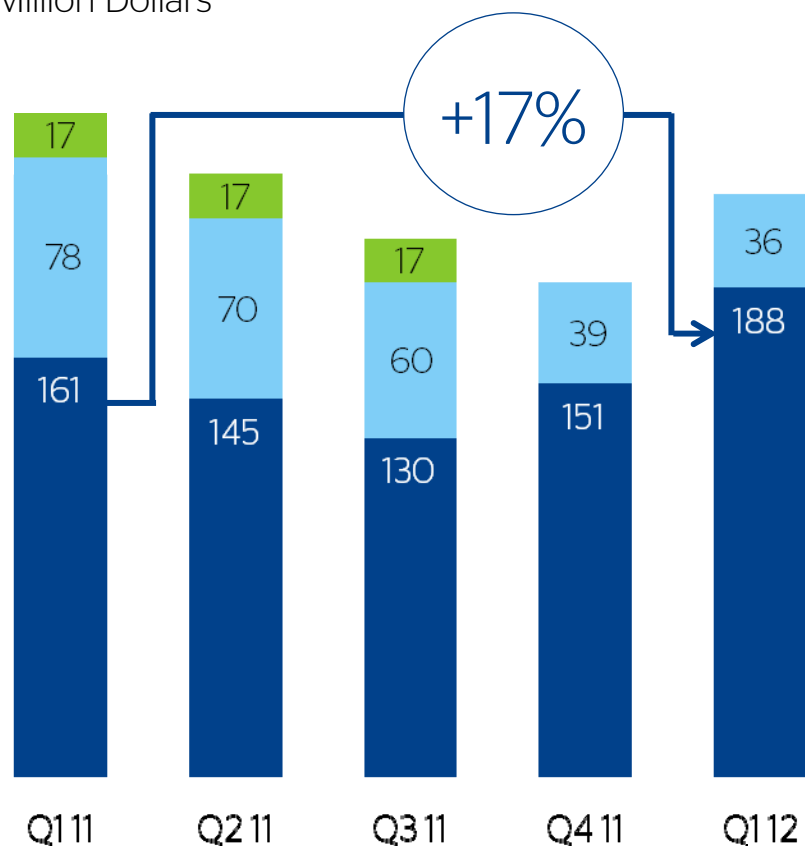


(1) BBVA Compass. Loan Growth excludes Guaranty Bank's LSA portfolio. (2) BBVA Compass Net Income excluding Goodwill Impairment. (3) BBVA Compass Loan to Deposits Ratio. (4) Compass Bancshares Capital Ratios

Recurring core business despite headwinds

Operating Profit¹

Million Dollars



■ Guaranty Bank contribution ■ Durbin

Core Margin²

+7%

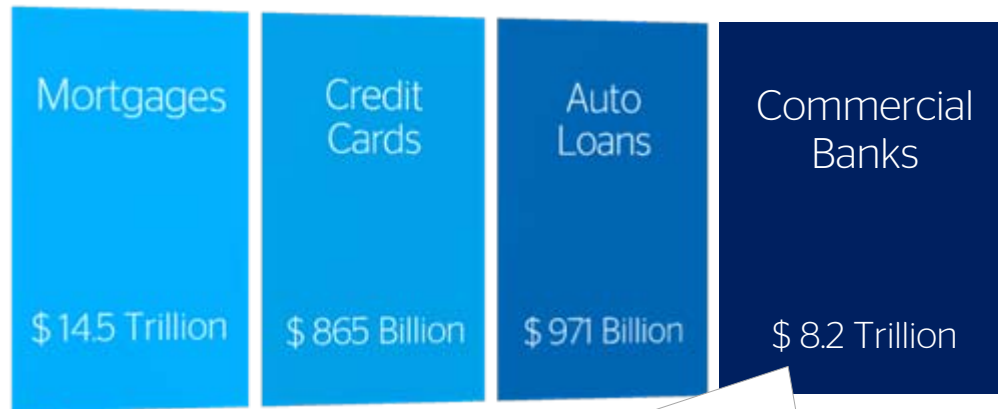
Fee Income excluding Durbin impact³

+7%

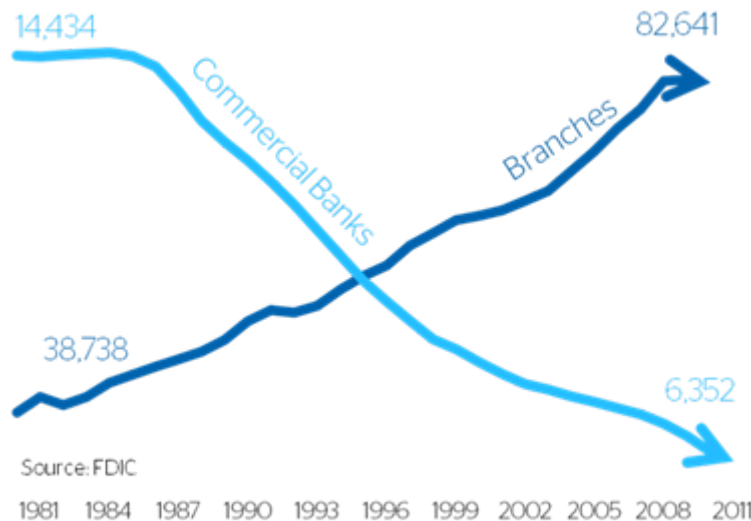
(1) BBVA Compass Operating Profit (2) Net Interest Margin Q1 2012 vs. Q1 2011 BBVA Compass excluding Guaranty Bank contribution and adjustments (3) Fee Income Q1 2012 vs. Q1 2011 BBVA Compass excluding impact of Durbin Amendment measures.

Opportunity for the universal banking model

Financial Services Value Chain



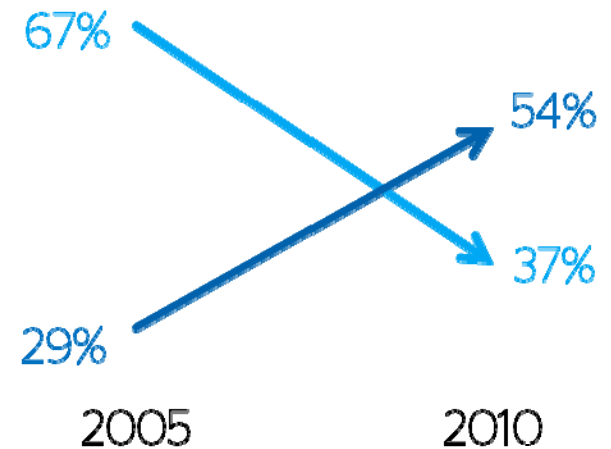
A booming consolidation



Mortgage Origination

By type of lender. Percentage

- Commercial Banks, Savings and Credit Unions
- Mortgage Specialists



Source: Financial Services Roundtable and SNL

Disruption of financial services value chain with a reduced number of players

BBVA Compass transformation on track

From

To

1. Business Mix

Concentrated
RE Construction

Diversified
C&I and Mortgages

2. Business Model

Product-Centric

Delivering the Right
Solutions to Customers

3. IT Platform

Informational Silos
No Real Time
Manual Processes

Full Customer View
Real Time
Process Automation

4. Risk Management

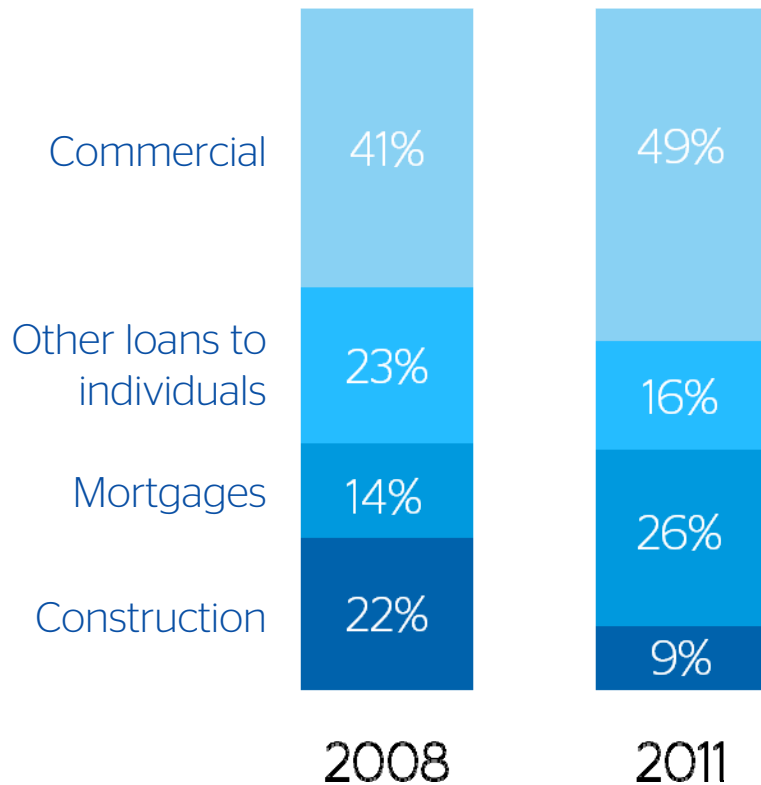
Admission and
Monitoring

Pro-activity and
Anticipation

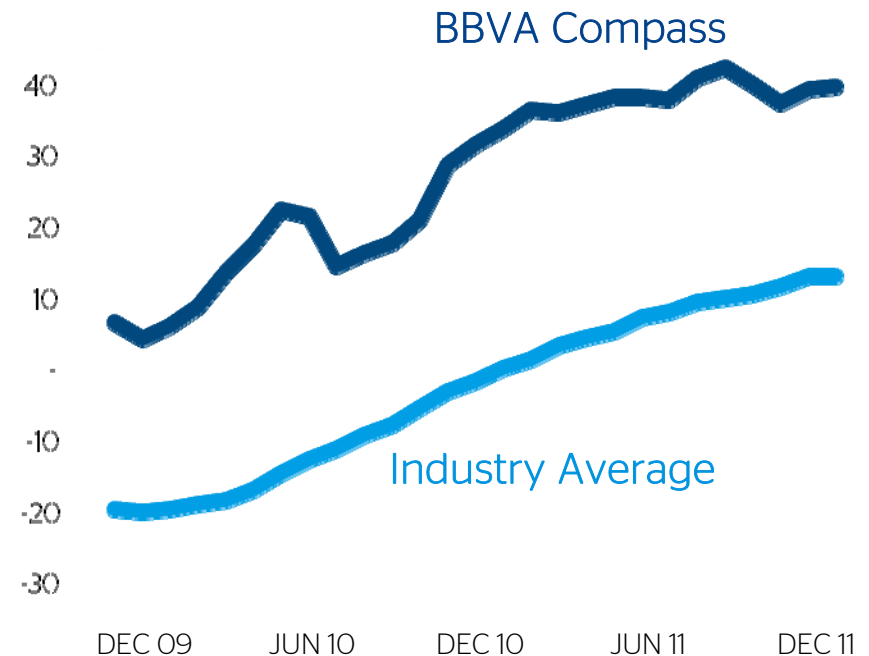
1 Business Mix

A Diversified Portfolio

Lending Mix
Percentage



Commercial and Industrial Growth
C&I year over Year Growth Percentage



1 Business Mix

Diversification through industry specialization

Healthcare

Million Dollars	2011	Δ 2010
Loans	3,263	+25%
Deposits	1,655	+24%



Government and Institutions

Million Dollars	2011	Δ 2010
Loans	1,698	+54%
Deposits	4,126	+27%

Non Profit Organizations

Million Dollars	2011	Δ 2010
Non profits	4,803	2.8x
Supporters	10,580	+21%

Dealer Financial Services

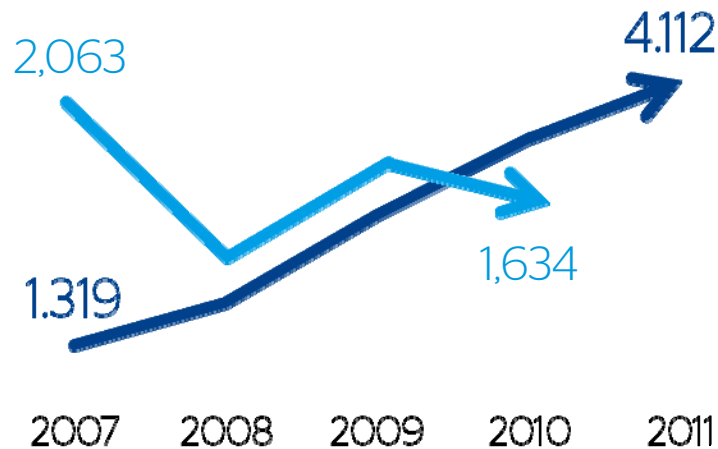
Million Dollars	2011	Δ 2010
Loans	147	+186%
Floor Plan Facilities	31	+72%

1 Business Mix

Mortgage as the Anchor Product

Mortgage production strongly outpaced industry

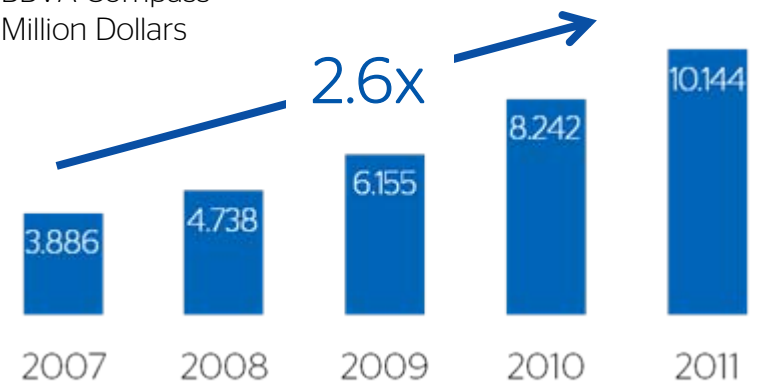
BBVA Compass: **3x** Industry: **-21%**



Source: SNL and Internal Reports
BBVA Compass in Million Dollars. Industry in Billion Dollars

Mortgage Portfolio Growth

BBVA Compass
Million Dollars

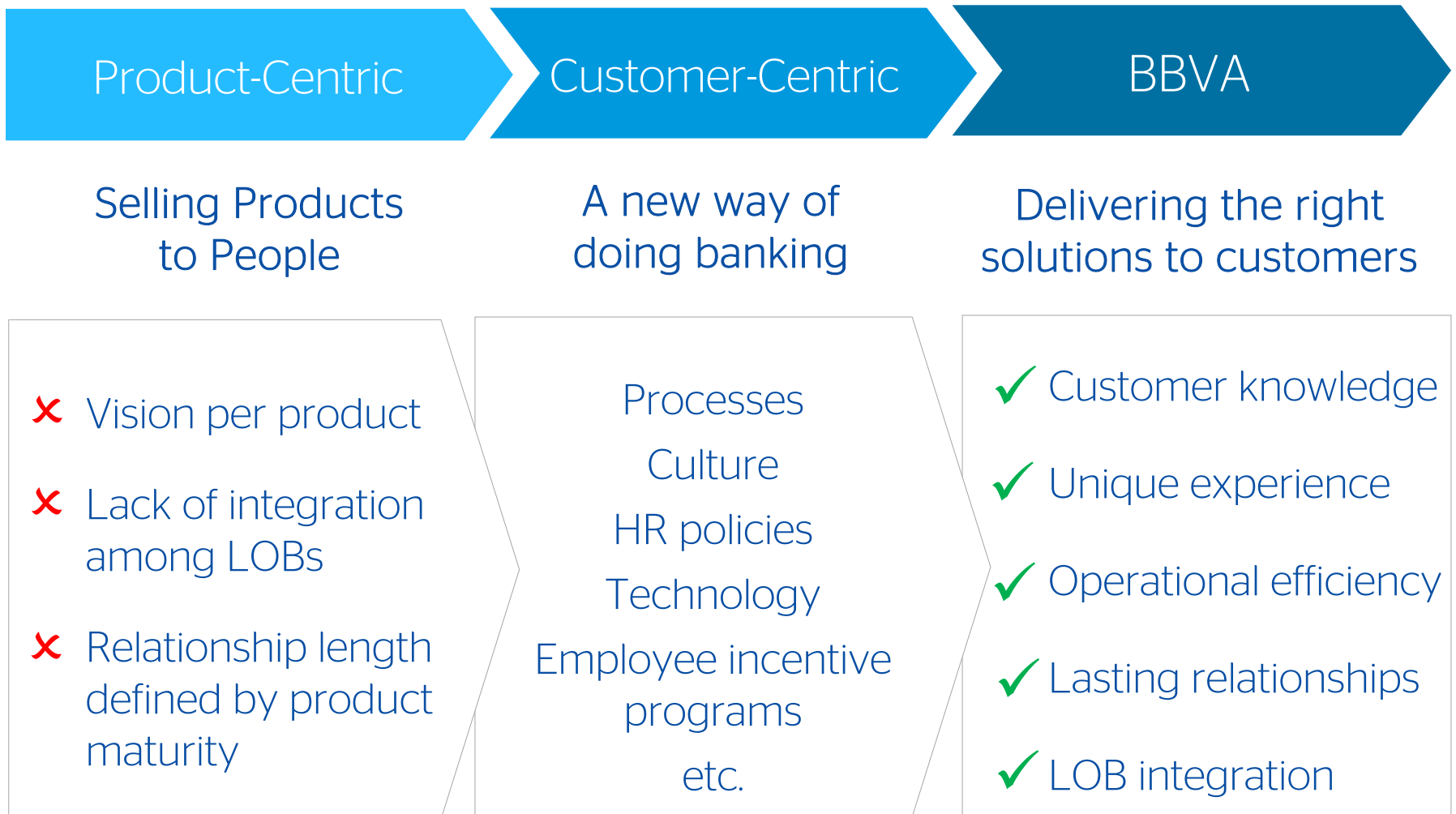


Innovative
and
Traditional
channels

- Retail Network (MortgageBot)
- MBO Channel
- Online
- Construction/ Perm Channel
- International Channel

2 Business Model

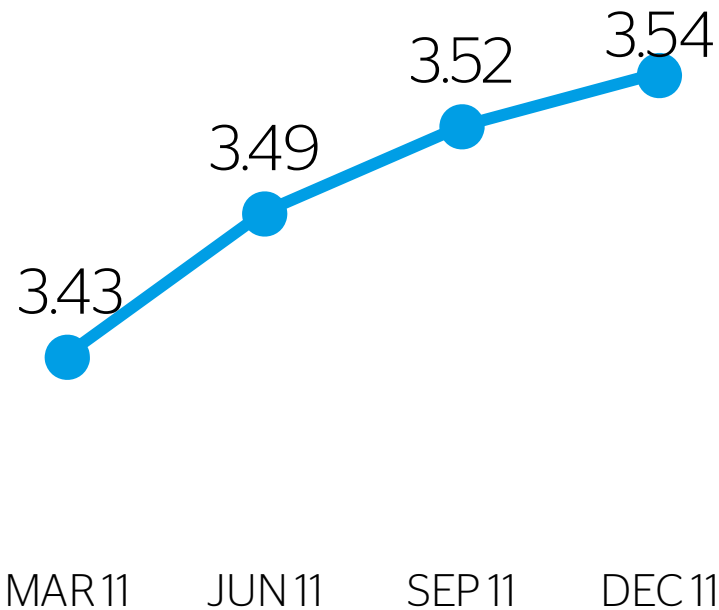
A Business Model transformation ...



2 Business Model ... that is already delivering results

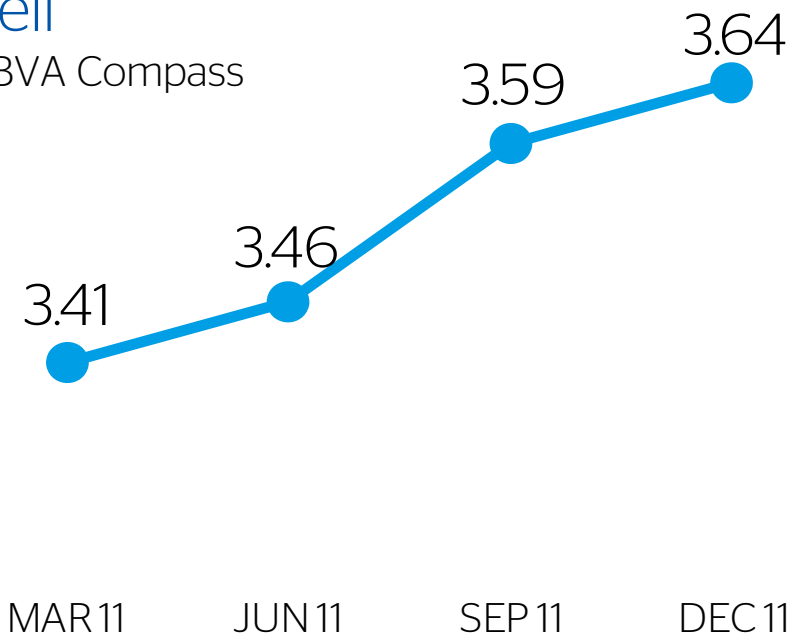
Household Cross- Sell

BBVA Compass



Business Cross-Sell

BBVA Compass



Household Cross-Sell: Existing household cross-sell with the theoretical maximum of 18 products and services .

Business Cross-Sell: Total Bank Business Cross sell with the theoretical maximum of 11 products and services

2 Business Model Strategic Partnerships



- 2011: most watched season in NBA's history
- Partnership with 9 NBA and WNBA teams
- Key sponsor of All-Stars Games
- Successful season for our footprint teams.
Dallas Mavericks NBA Champion 2011



1.7 Million
household
viewers



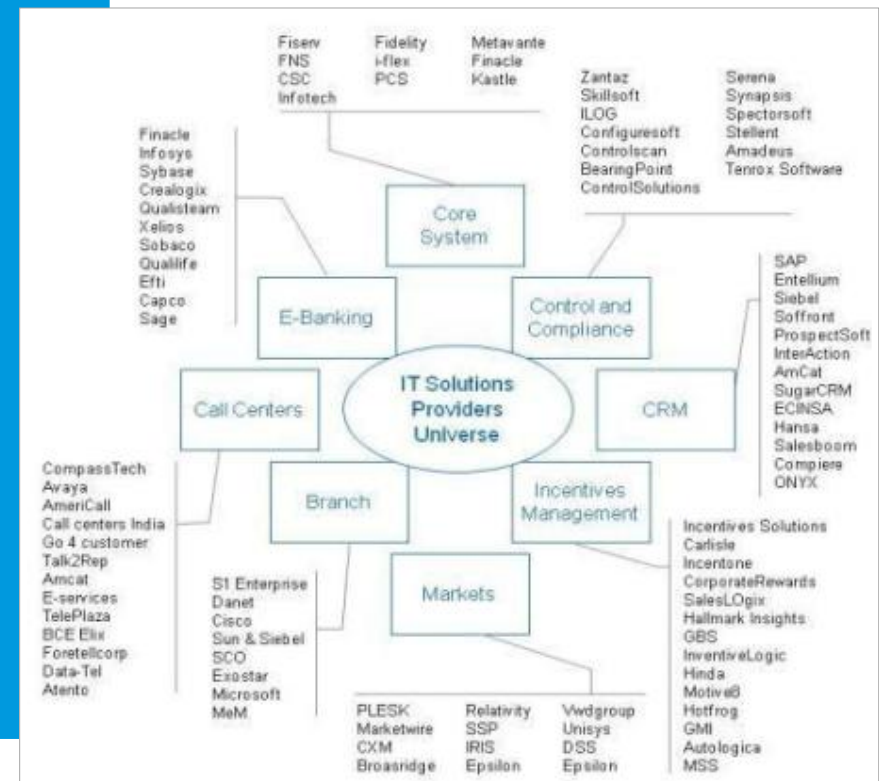
Brand Awareness¹ up to 64% in 2012 from 48% in 2009

3 IT Platform

Opportunity to gain a competitive advantage ...

Modest IT investments in the US Banking industry

- ✗ Non customer-centric architecture
- ✗ No real time systems
- ✗ High dependency on external vendors
- ✗ Highly commoditized solutions
- ✗ Siloed vision per product
- ✗ Fragmented technology map
- ✗ Limited innovation
- ✗ Antiquated technology



... through differentiated technology

3 IT Platform

Maximizing our investment in Technology

Operations

- Efficiency through industrialized back offices
- Reduction in operational sites
- Reduce fraud loss

Channels and Accounts

- Single source of data
- Consolidate multiple origination systems
- Transactions captured and updated real time

Products and Origination

- Centralized and flexible product/fee definition
- Reduced time to market
- Product bundling
- Differentiation by segment, region, channel

Customers Interactions

- Improved customer service
- Cross-selling
- Single customer data shared across LOBs

3 IT Platform Pioneering alternative channels



PCWorld Business Center

Choose a Tech-Savvy Bank

Find out how several of the biggest banks stack up in their online and mobile tools to help your small business manage money.

BY CHRISTOPHER NULL

MOST SMALL-BUSINESS OWNERS find themselves frequently visiting their banks' websites, which have become robust enough to render most trips to the teller window obsolete. But how do the assorted online and mobile services of the country's top business banks measure up?

We polled eight large and midsize banks about their small-business offerings. We're highlighting five of the banks here; for complete details, including discussions of Citibank, SunTrust, and TD Bank (none of which offer mobile support), see the online version of this article at find.pcworld.com/72541.

Bank of America

Bank of America's vast array of banking products is attractive, provided that you're willing to pay à la carte for options.

Basic accounts feature bill payment and money transfers, but the Online Business Suite (\$16 per month) gives you options to add more users, integrate with QuickBooks, and manage multiple business accounts via a single sign-on. You can toss in

online invoicing (\$10 per month), payroll (\$20 per month), remote deposit (\$40 per month) via a check scanner you hook to your computer, and more. You can even manage sick and vacation time and overtime inside the online payroll app. BoFA also has the largest number of mobile options, supporting Android, BlackBerry, iOS, and—alone in this roundup—Windows Phone.

BBVA Compass Bank

BBVA Compass is the smallest bank in this group (though it's part of a much larger financial-services empire). Despite that, it competes well, thanks to a strong set of mobile offerings—for Android, BlackBerry, and iOS—and affordable fees.

The bank waives the \$12-per-month fee on its most popular account, Business Build-to-Order Checking, if you maintain a nominal balance. The account comes with two "Premium Features," such as more transaction items or cash processing, a free wire transfer each month, or ATM fee rebates. Additional selections from this platter cost \$10 per feature per month.

Capital One

Capital One's small-business services are relatively limited. In fact, it doesn't offer traditional business checking at all, only a business money market account. It also doesn't support adding more users, making it less desirable if you

BANK FEATURES	Bank of America	BBVA Compass	Capital One	CHASE	WELLS FARGO
Maximum users	90	Unlimited	Account owners only	90	Unlimited
Variable security per user?	Yes	Yes	No	Yes	Sort of
Account alert options	Text message, email	Email	Text message, email, voice call	Text message, email, voice call	Text message, email
Export data options	QuickBooks, text file	QuickBooks, text file	Money, QuickBooks, Quicken, text file	QuickBooks, Quicken	QuickBooks, text file
Availability of online statements	18 months	18 months	18 months	7 years	7 years
Mobile OS support	Android, BlackBerry, iOS, Windows Phone	Android, BlackBerry, iOS	Android, iOS	Android, BlackBerry, iOS	Android, BlackBerry, iOS, Palm

CHART NOTES: *Any number of account owners can designate up to 25 read-only accounts; no other permissions levels are available. †Export available for an additional fee.

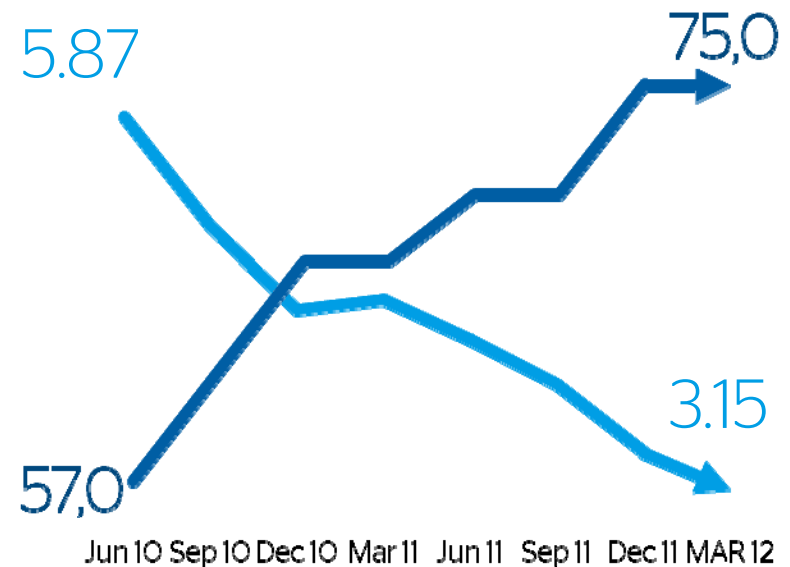
4 Risk Management

Asset Quality continues to improve

- Reduced CRE concentration
- Reinforced infrastructure and processes
- Enterprise Risk Management Program
- Forward-looking capital planning

NPLs
declining,
coverage
improving

— NPL Ratio
— Coverage



BBVA Compass NPL Ratio and Coverage Ratio Percentage.
NPL Ratio excludes Guaranty Bank's LSA Portfolio



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Improving results despite a challenging environment

- Slower economy recovery than anticipated
- Regulatory challenges
- Low rates environment

+63%

2011 Net Income change vs. 2010¹

(1) BBVA Compass Net Income growth excluding Goodwill Impairment



BBVA Compass

Transformation and sound fundamentals

- Improving Business Mix
- Customer- Centric Model adopted
- Technology upgrade on track
- Enhanced asset Quality
- Reinforced risk management
- Sound liquidity and capital condition



BBVA: Strength in the current challenging environment

BBVA USA: Transformation to a customer centric bank ready for growth

Manolo Sanchez, BBVA US Country Manager and BBVA Compass President and CEO
UBS Global Financial Services Conference 2012. May 9th, 2012

