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Strengths & Opportunities

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Ahorro Corporación – ESADE 8th Annual Banking Conference
October 3rd, 2012

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Contents

Recent progress in the architecture of Eurozone

New ECB focus on financial stability

Sept. 6th announcements

- Unlimited purchases of sovereign debt
- No seniority over other debt holders
- Focus on shorter part of the curve

Towards a banking union

Main Pillars

- Capital and liquidity single rule book
- European Supervisor
- A common resolution framework and deposit guarantee scheme

- Anchoring risk premium expectations
- Tail risk diminishing

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Spain is addressing the fiscal consolidation and the final stage of the financial sector restructuring

Fiscal consolidation

Public debt is sustainable and deficit is being corrected

- Measures already announced > 6% of GDP
- Mechanism to control Regions' accounts by Central Government

Financial sector reform

Stage 1 — Consolidation

Saving banks reduction
↓
From 45 to 11

Stage 2 — RE clean-up

74% system coverage of problematic assets (45% of total exposure)

Final Stage — Recapitalization & Restructuring

- Oliver Wyman bottom-up stress test:
  - Banking sector needs <€60 Bn in the adverse scenario, widely below €100 Bn available from EMU
  - BBVA, no capital needs even under the worst case scenario
- Clear framework for entities' restructuring and resolution
- Creation of a 'Bad Bank'

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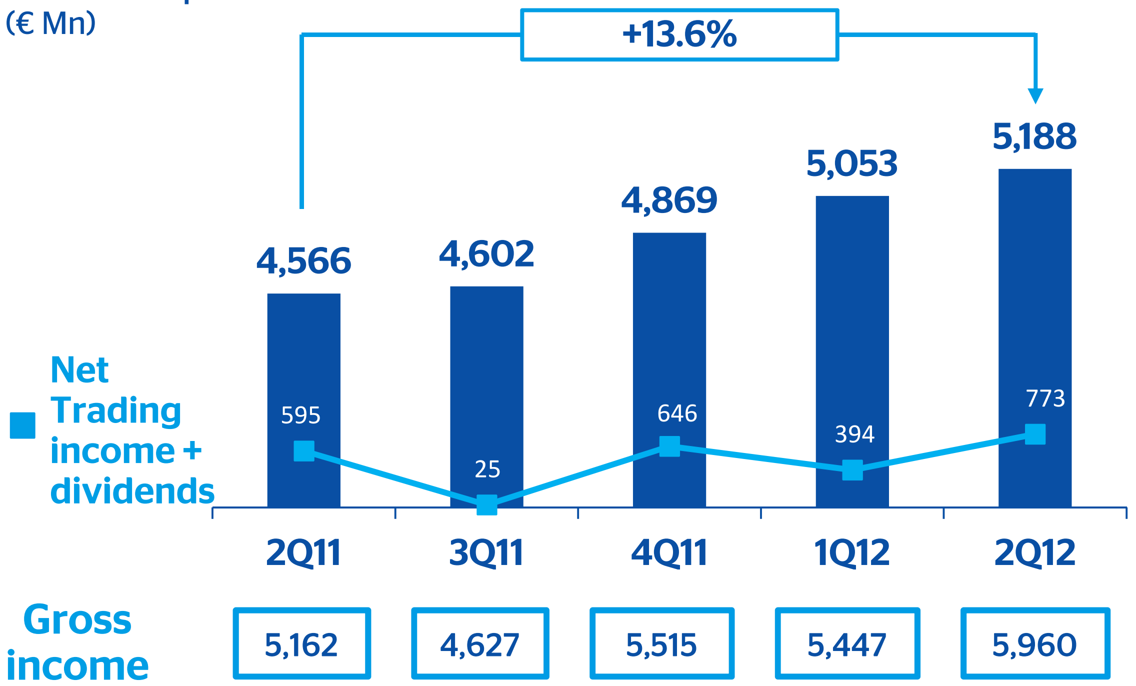
BBVA: key positives

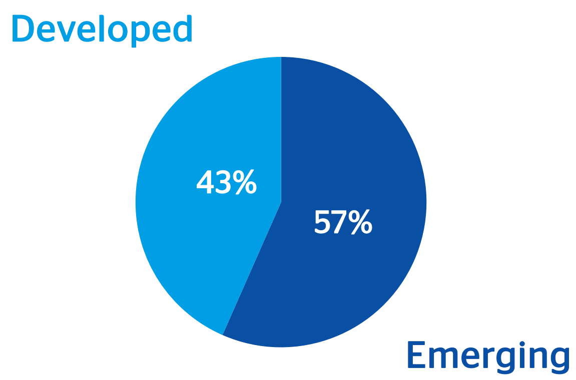
1. Top line growth
2. RE clean-up
3. Significant reinforcement of Euro Balance Sheet
4. Capital strength

Strong recurring gross income, leveraged by diversification ...

Recurring gross income (1)
BBVA Group
(€ Mn)



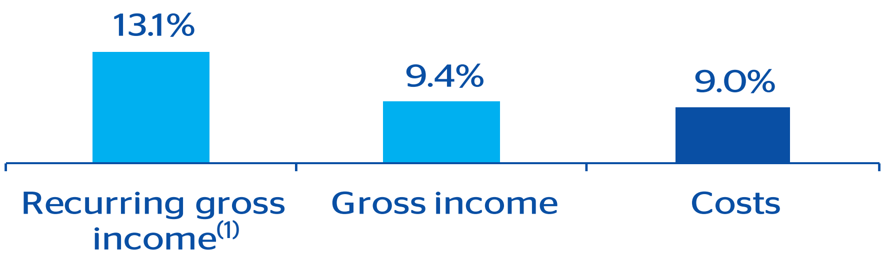
Recurring gross income (1)
BBVA Group
(1H12 breakdown by market type) (2)



(1) Recurring gross income includes gross income net of net trading income and dividends.
(2) Excluding Corporate Activities.

… and growing faster than costs

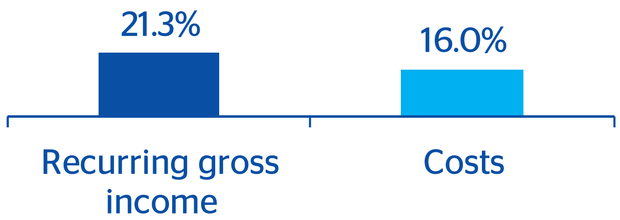
Gross income vs costs
BBVA Group
(Y-o-y change)



- Efficiency improves – and leadership positions maintained vs. peer group
- Capitalizing on the investment plans of earlier quarters

Developed mkts

Emerging mkts

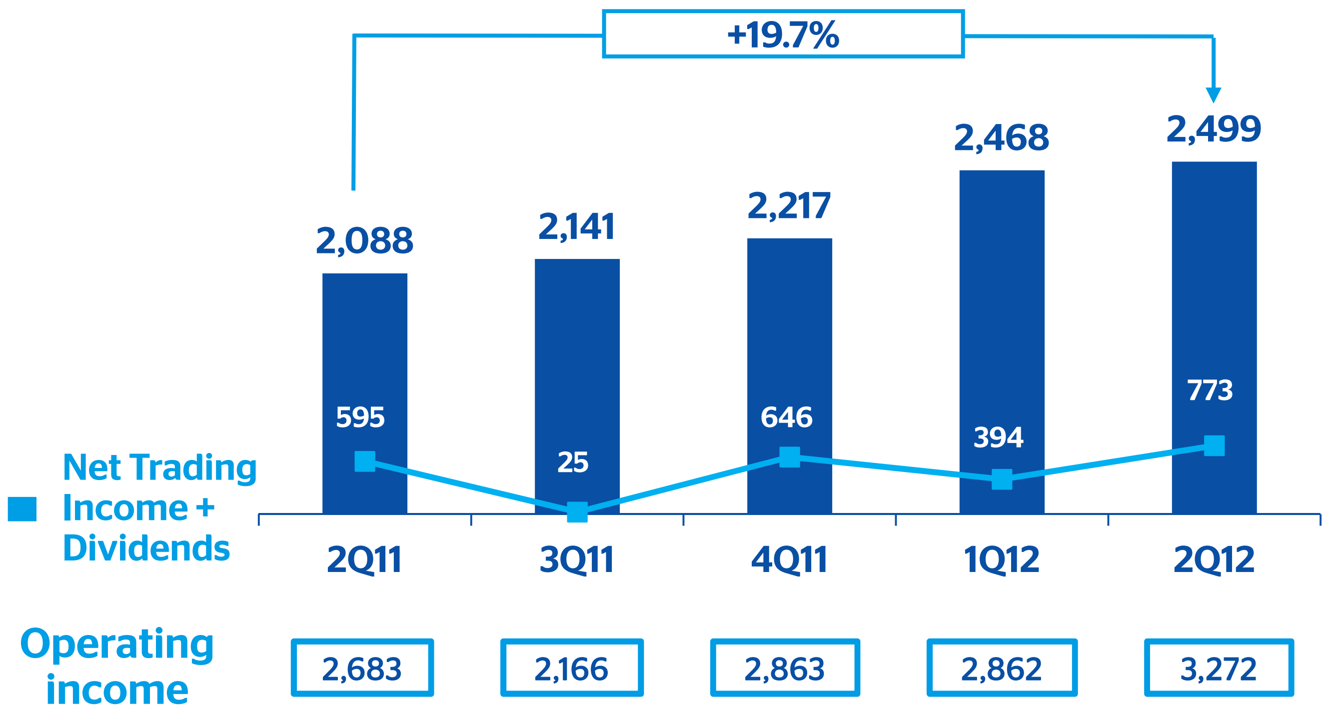


(1) Recurring gross income includes gross income net of net trading income and dividends.

Solid operating income, remaining at high levels …

Recurring operating income [1]

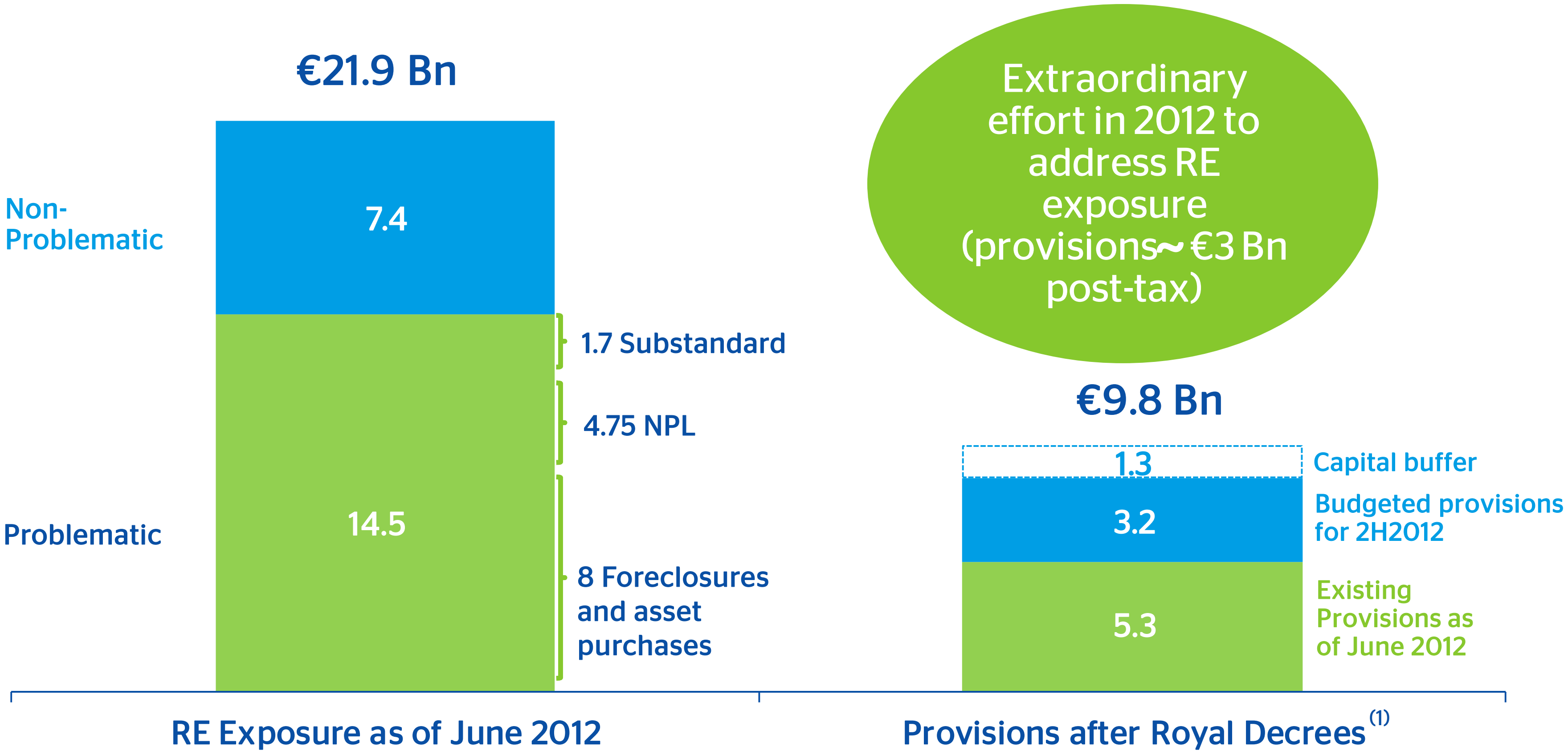
BBVA Group
(€ Mn)



… the best buffer to absorb unexpected losses

(1) Recurring operating income excludes net trading income and dividends.

Complete Spanish Real Estate clean-up in 2012 ...



By the end of 2012, coverage will reach 68% of RE problematic assets (45% of total exposure) (2)

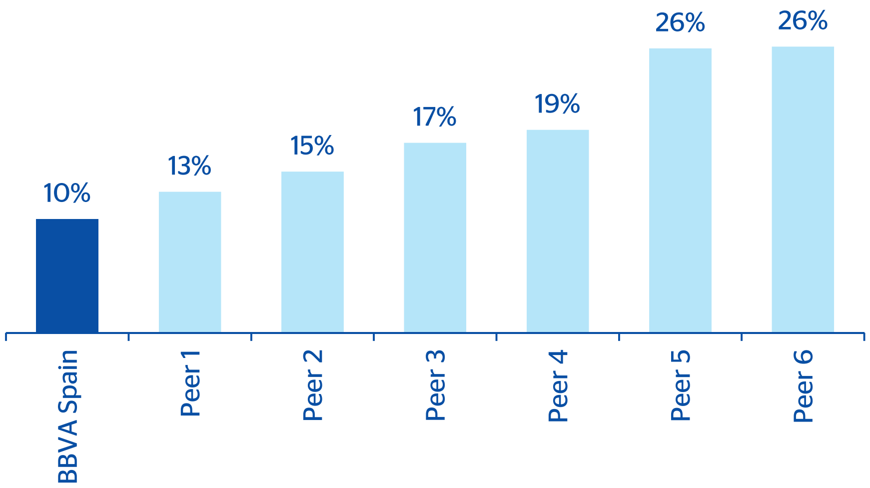
(1) Includes both RD 02/2012 and RD 18/2012.
(2) Coverage ratios include the capital buffer required by RD 02/2012 (€1.3 Bn).

... without making use of extraordinary measures

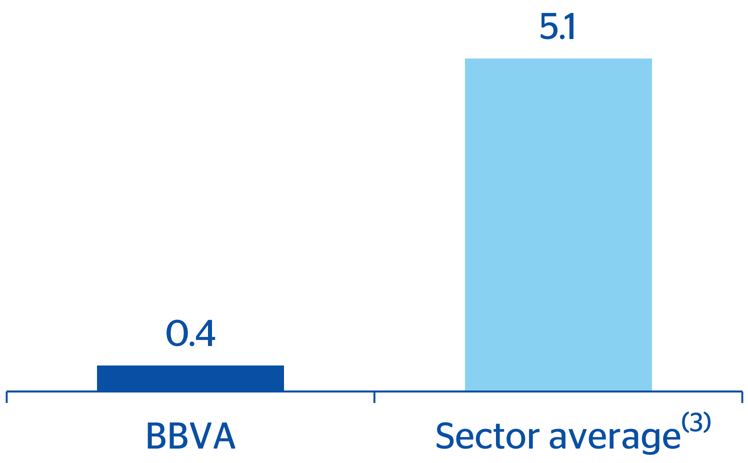
Low relative RE exposure [1]

Foreclosed+Developers over domestic lending

Data as of June 2012



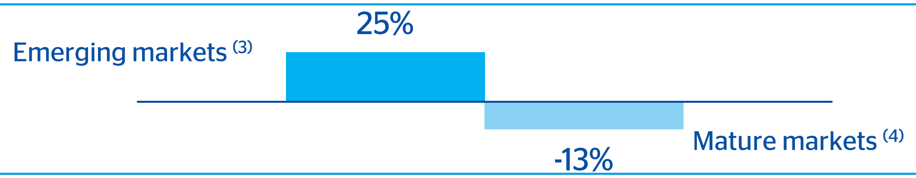
Number of years needed to absorb Royal Decrees provisions [2]



Other financial institutions needed to receive public aid, merge or sell strategic assets

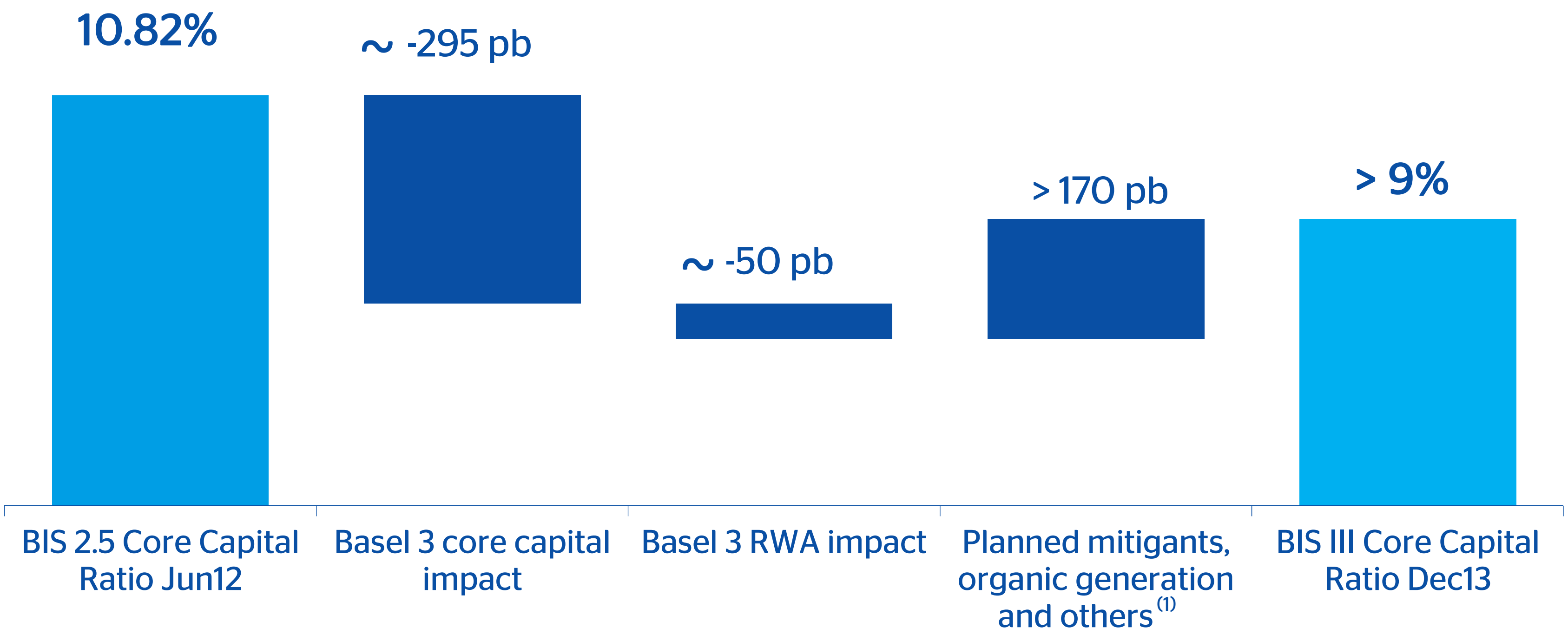
(1) Peer Group considered: Banesto, BFA (Bankia), Caixabank, Popular+Pastor, Sabadell and Santander Spain.
(2) Considering RD 02/2012 and RD 18/2012 and total operating profit 2011.
(3) Sector includes: Banco de Valencia, Bankinter, BFA, BMN, Caixa+Banca Cívica, Cajamar, CatalunyaCaixa, Ibercaja+Caja3, Kutxabank, Liberbank, NovaCaixaGalicia, Sabadell+CAM, Santander and Unicaja+Caja España+Caja Duero.

Significant reinforcement of Euro Balance sheet

1 Strong capital generation	**€7.1 Bn of core capital generated since June 2011**
2 Significant increase in provisions	**~ €7 Bn of provisioning effort in 2012 regarding exposure to Spain**
3 Enhancement of liquidity position of Spanish retail & commercial business	**Improvement of the Spanish retail and commercial business liquidity gap: €8.4 Bn YTD (1)**
4 CIB selective deleverage (2)	
5 Sovereign exposure under control	**Stability in BBVA's exposure to Spanish sovereign bonds**

(1) As of August, 2012.
(2) CIB excluding Markets Division – Gross loans evolution June 2010 – June 2012.
(3) Emerging markets include Asia, Mexico and South America.
(4) Mature markets include Spain, rest of Europe and USA.

Fully-loaded Basel 3 impact pro-forma



- Compliance with EBA requirements as of June 2012
- Limited pending dilution from convertible bond (2/3 already converted)
- Maintaining the dividend policy, including cash and scrip dividends

(1) Others include the impact from Unnim acquisition –before the conversion of retail hybrid instruments-.

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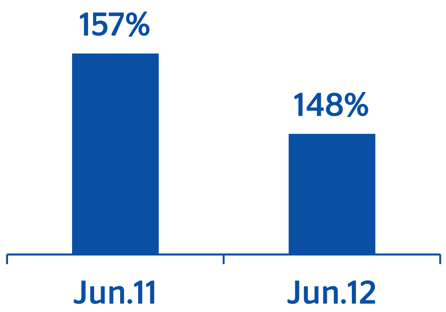
BBVA's challenges and opportunities

1. **Balance sheet management**
2. **Spain:** best positioned to benefit from sector restructuring
3. **Eurasia:** growing revenues
4. **USA:** improving profitability
5. **South America:** outstanding performance
6. **Mexico:** leadership in an increasingly attractive market

Sound liquidity position in Euro Balance Sheet

1 LTD ratio improvement

BBVA Euro Balance Sheet
LTD ratio evolution [(1)]



LTD ratio around 120% in 2 years time, driven by the normal deleverage of the economy

Loans completely funded considering both deposits + wholesale funding (50% of which are covered bonds)

2 2012/13 debt redemptions already covered

3 Ample collateral available: 1.9x liquidity buffer [(2)]

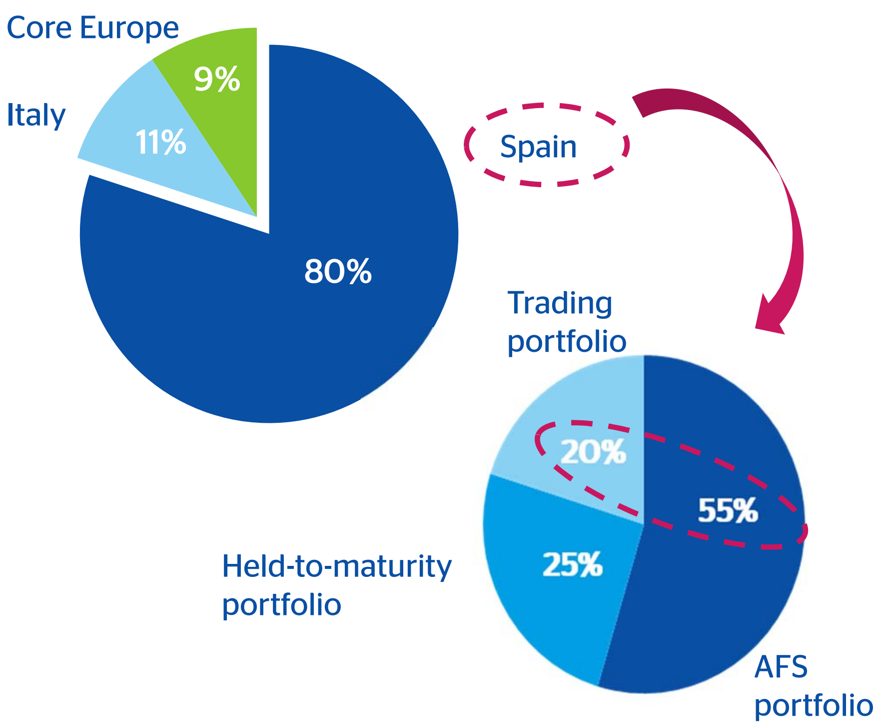
4 Proven market access

No liquidity transfer from subsidiaries, as they are financially independent

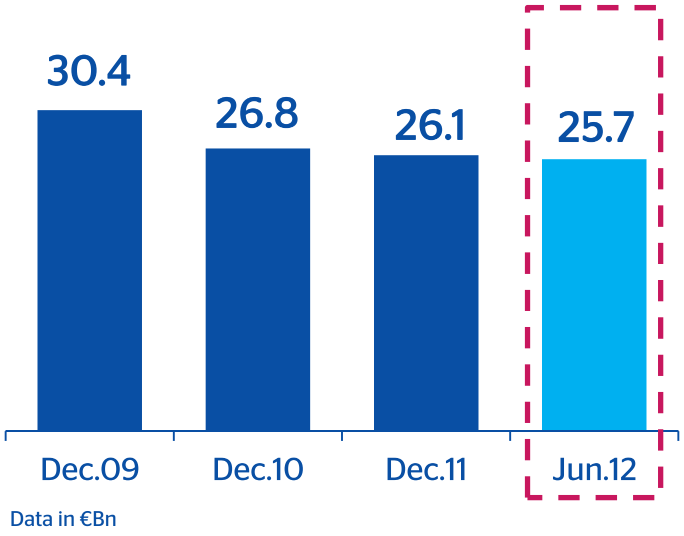
[(1)] Domestic loans including public sector and excluding securitizations, repos and guarantees; and domestic deposits including public sector and promissory notes and excluding repos.
[(2)] Liquidity buffer: defined as the number of times that next 3 months' unsecured funding maturities are covered by available collateral.

Exposure to European sovereign bonds

75% of BBVA exposure to Spanish sovereign bonds[1] already at market value (June 2012)



Stability in BBVA's exposure to Spanish sovereign bonds[1]



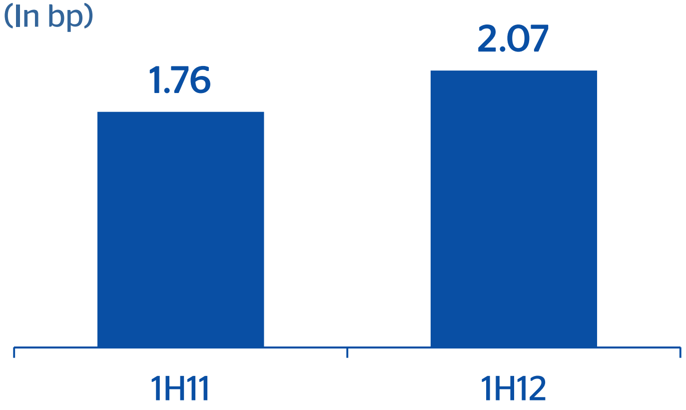
Progress in Spain and increasing support from EU partners lower tail risk of Spanish sovereign debt

(1) EBA criteria, excluding the Group's insurance companies' exposure to sovereign bonds.

Positive trend of customer spread ...

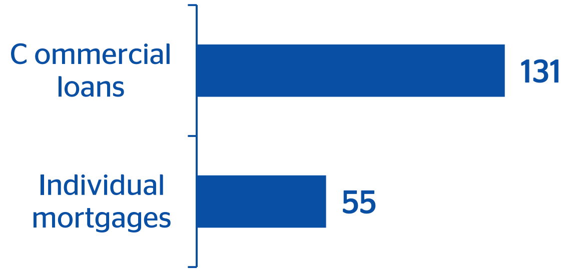
Customer spread (excluding markets)

(In bp)

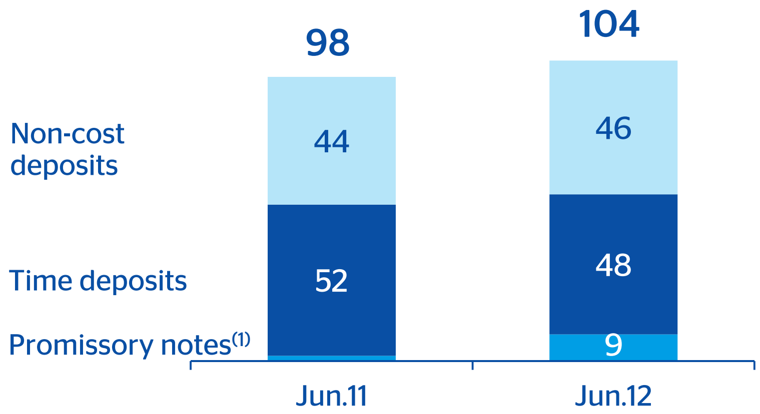


New production spread change

(Jun-12 vs Jun-11 in bp)



On-balance sheet private sector customer funds (€Bn)



- Customer funds increase
- Price below sector average

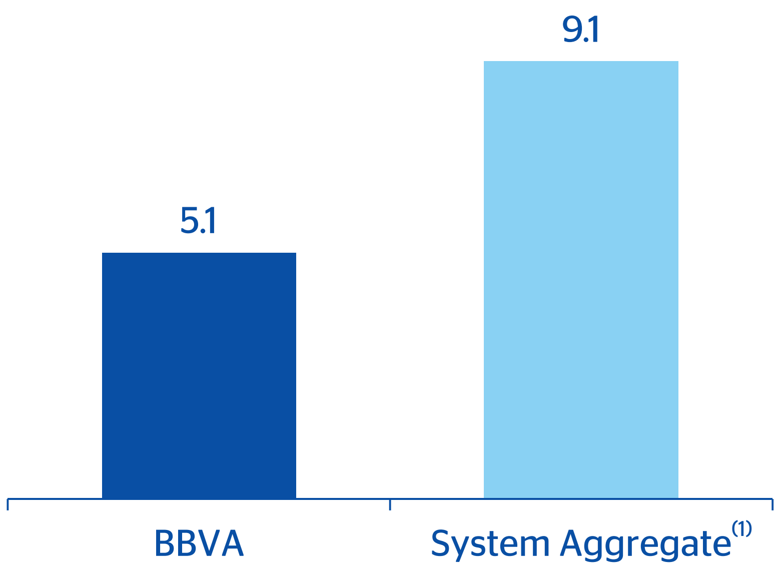
... that will continue to be the main driver of NII, favoured by the activation of mortgage floors

(1) Total promissory notes, including the ones sold by the retail network and those sold to corporations.

Better asset quality than system aggregate …

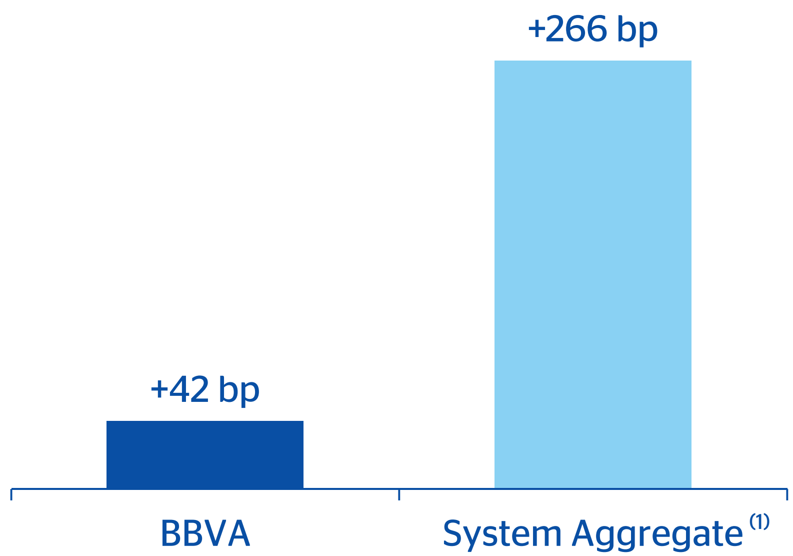
NPA Ratio

BBVA Spain vs. Domestic Sector System Aggregate
(June 2012, %)



NPA Ratio evolution

BBVA Spain vs. Domestic Sector System Aggregate
(June 12 vs. June 11 change)



… thanks to BBVA prudent risk management and anticipation strategy

(1) Source: Bank of Spain. Including other domestic sector and public sector.

Slight uptick in NPA ratio in Spain, explained by developers and SMEs

Jun. 12 Change Jun.12 vs. Dec.11	Exposure (€ Mn)	NPA ratio	YTD NPA Flows (€ Mn)
Developers	13,874 (-7%)	34.2% (+613 bp)	+561 (+13%)
SMEs	24,781 (-5%)	6.9% (+123 bp)	+233 (+16%)
Retail (1)	95,814 (-3%)	3.8% (-10 bp)	-211 (-5%)
Other (2)	95,216 (+2%)	1.8% (+10 bp)	+48 (+3%)

RE developers well covered after extraordinary provisioning effort in 2012

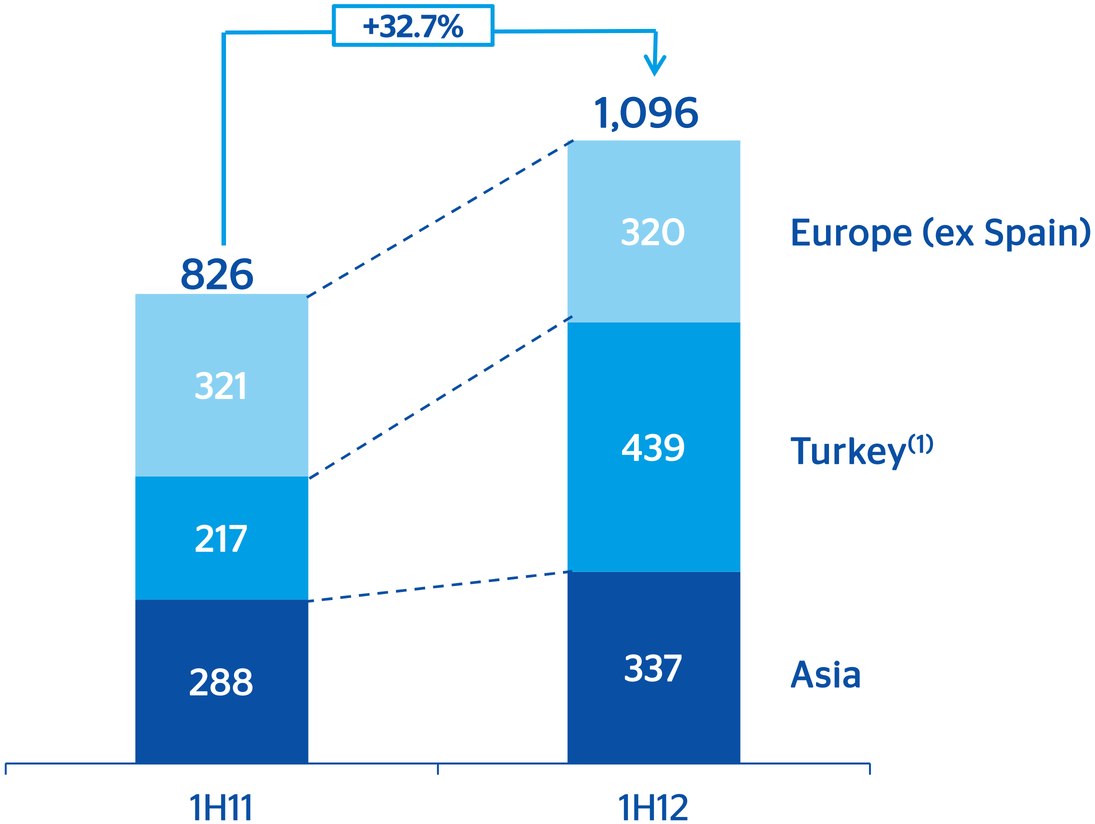
Manageable deterioration in mid-sized enterprises

NPLs in the rest of segments remain stable

(1) Retail includes residential mortgages, very small businesses managed through the retail network and consumer loans.
(2) Other includes loans to Corporates and Public Sector and CIB.

Eurasia: growing revenues and already a significant contributor to the Group

Gross income
(€ Mn)

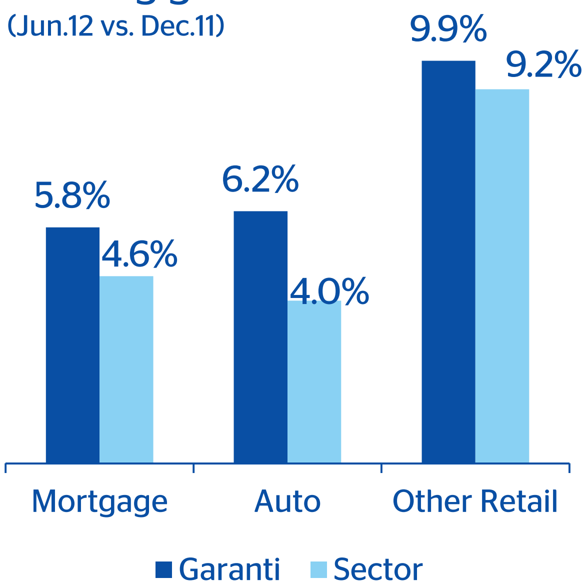


- 10% of BBVA Group's gross income as of June 2012 (2)
- € 576 Mn net attributable profit in 1H2012

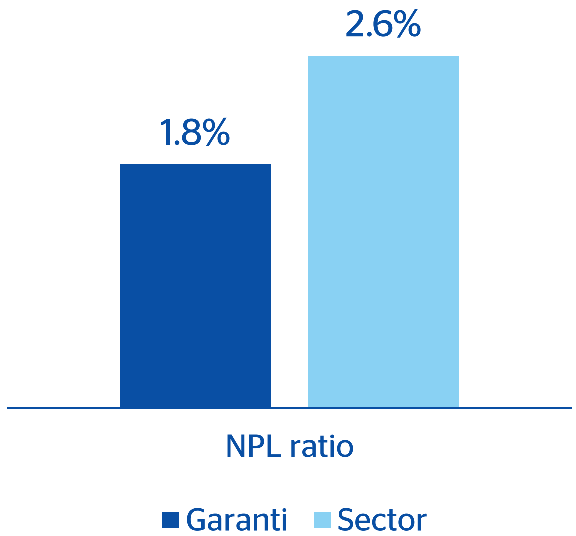
(1) Garanti: proportional consolidation from March 22nd, 2011.
(2) Excluding Corporate Activities.

Garanti: BBVA's strategic commitment with the best franchise in Turkey

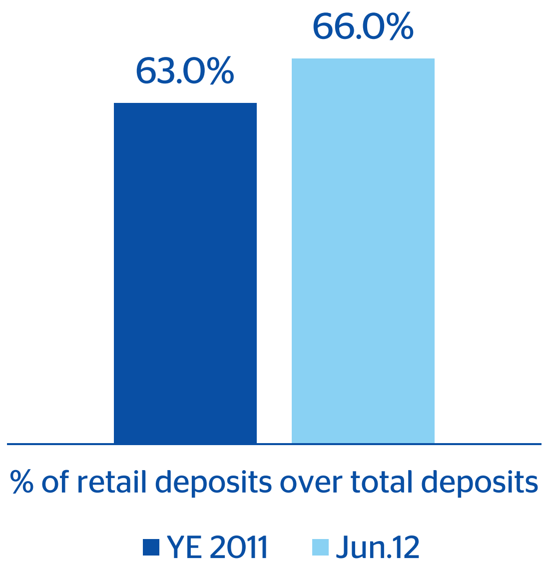
Lending growth
(Jun.12 vs. Dec.11)



Asset quality
(June 2012)



Deposit mix



Selective lending growth focused on most profitable segments

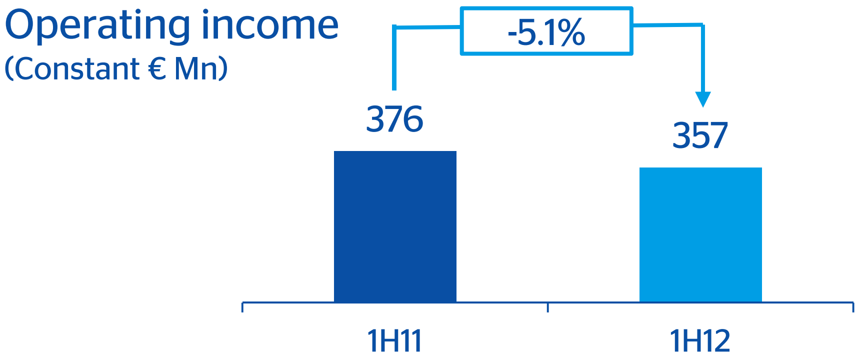
Keeping good asset quality

Improving funding mix focusing on lower cost deposits

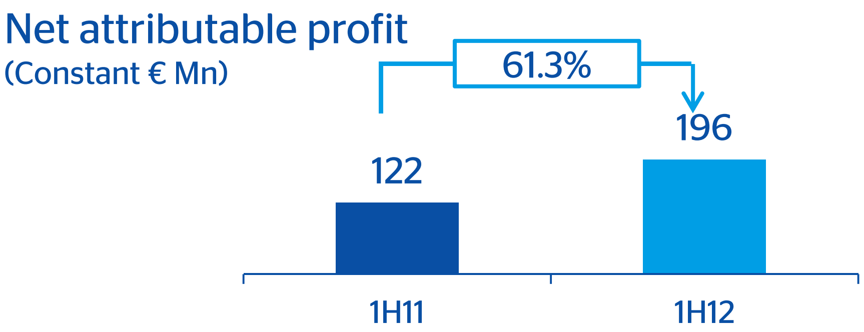
A differentiated business model leading to outstanding profitability: ROE 19%

Source: Garanti 1H2012 BRSA Financials (bank-only figures) and sector BRSA weekly data for commercial banks only.

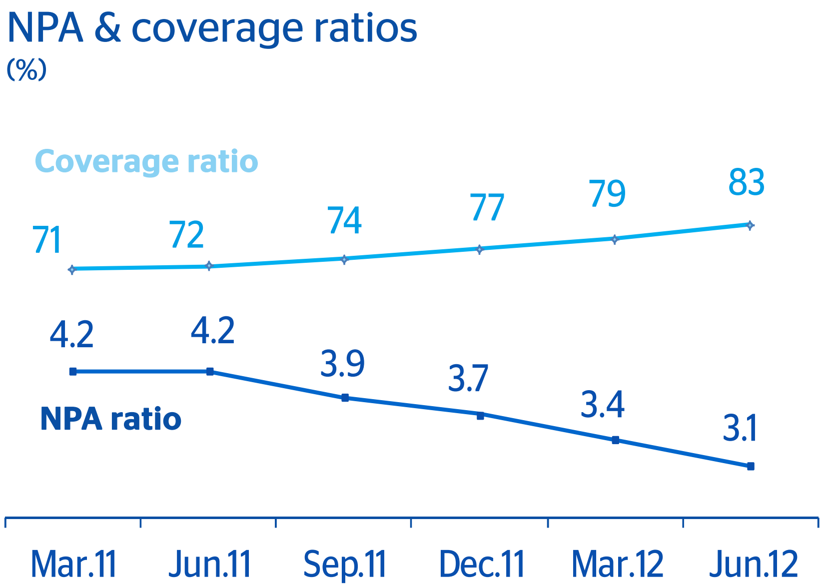
BBVA Compass: improving underlying operating income despite the challenging environment



Excluding one-offs[(1)]: +18.4%



BBVA Compass: 80% of BBVA USA



Exiting the provisioning cycle and increasing the contribution to the unit

(1) Excluding regulatory impact and Guaranty loan portfolio attrition.

South America: High growth, with strict risk control …

Business activity
(Y-o-y growth of average balances)

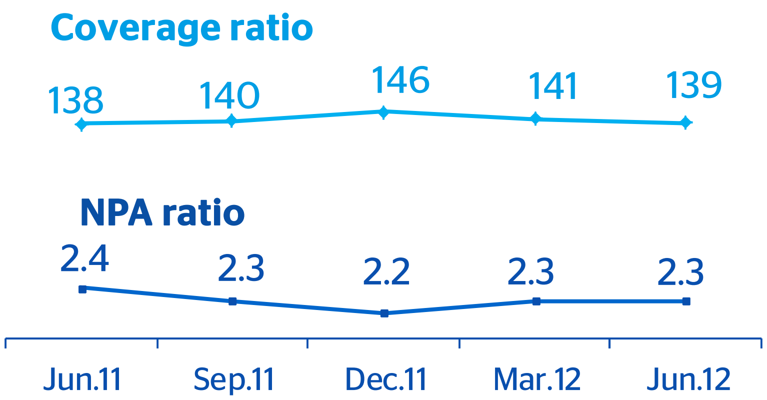
Lending	+23.7%
Balance sheet funds	+23.7%

1 million clients added last year

Market share
(Y-o-y change [(1)])

		Current market share
Loans to individuals	+28 bp	11.8%
Total deposits	+33 bp	10.4%

NPA & coverage ratios
(%)

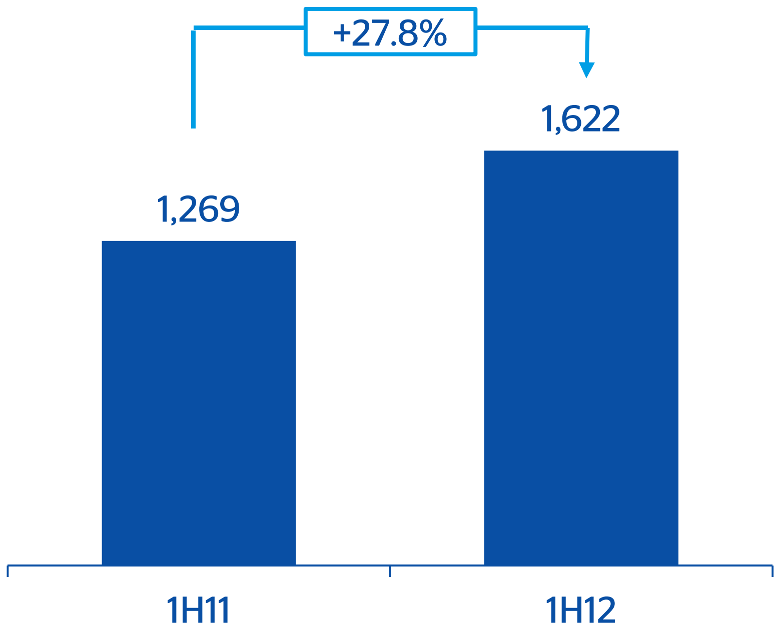


BBVA aims to maintain better risk indicators than the local peer average in each market it operates

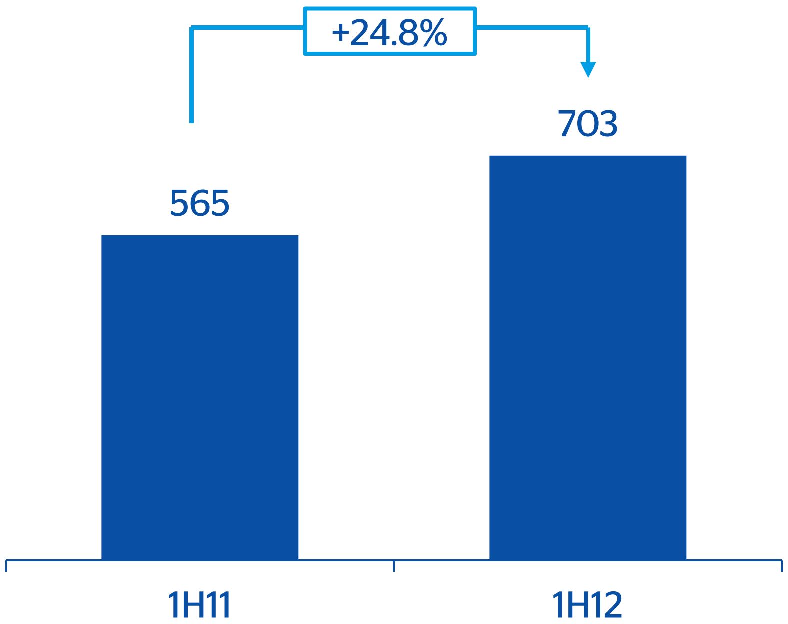
(1) Y-o-y change: May 2012 vs May 2011. Market share as of May 2012.Countries considered: Argentina, Chile, Colombia, Peru and Venezuela.

... that translates into high earnings growth

Operating income
(Constant € Mn)



Net attributable profit
(Constant € Mn)

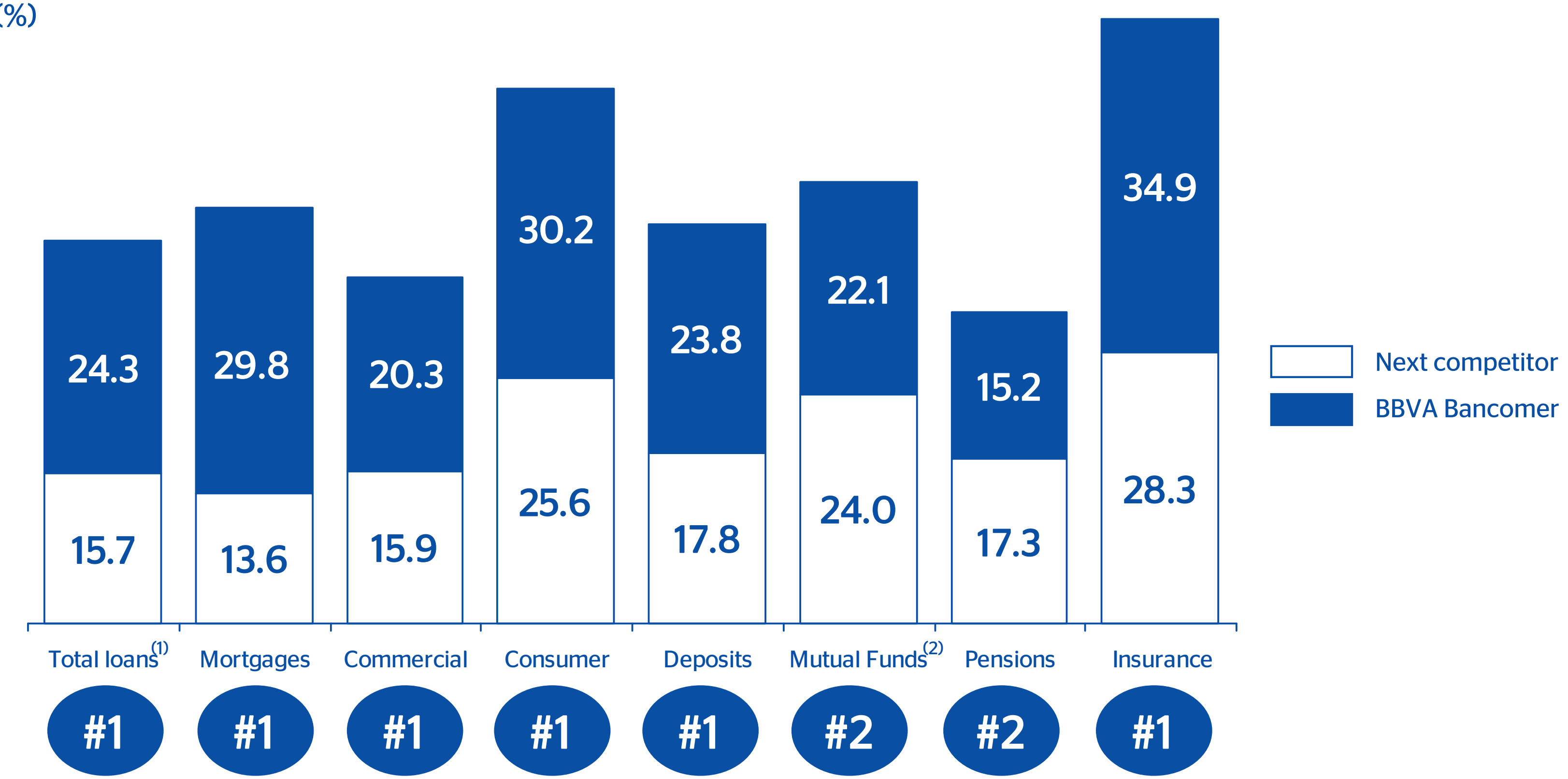


A very profitable and critical mass franchise

Bancomer: leader of an increasingly attractive market ...

Market shares

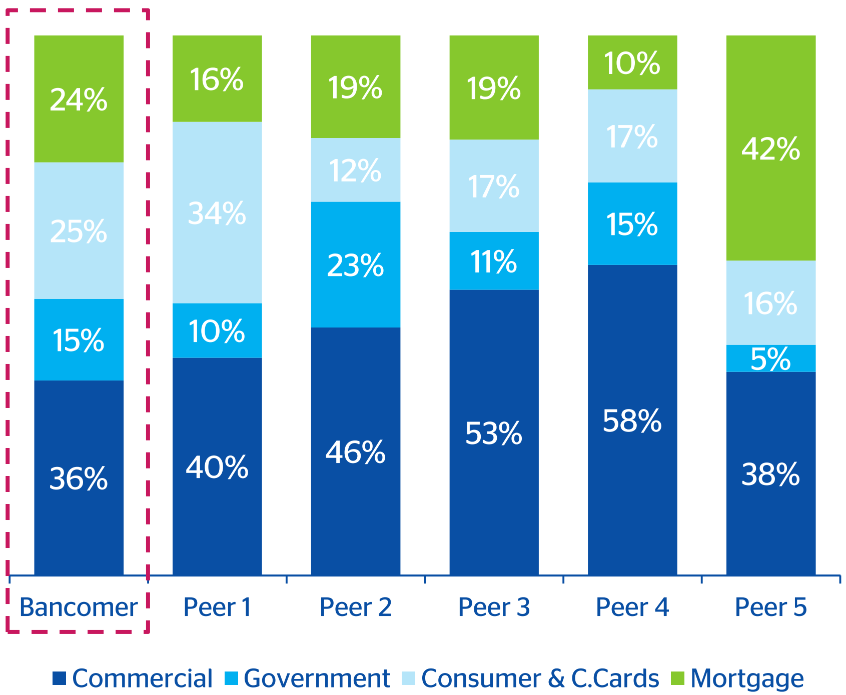
Bancomer vs. next competitor in each segment
(%)



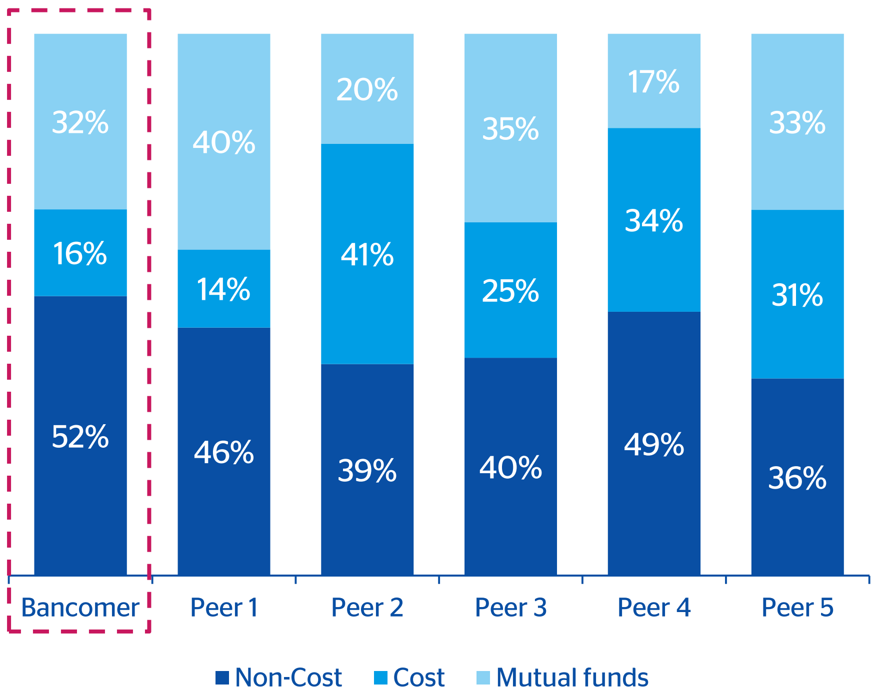
Note: Data as of June 2012, except for Insurance, as of March 2012. Source: CNBV, SHF (local accounting standards). Pensions: measured by assets under management. Insurance: measured by number of insurance premiums. Figures excluding subsidiaries.
(1) Including Sofoles.
(2) Excluding duplicated funds.

… and strategically positioned in the most profitable segments

Lending mix
Bancomer vs peer group
(%, June 2012)



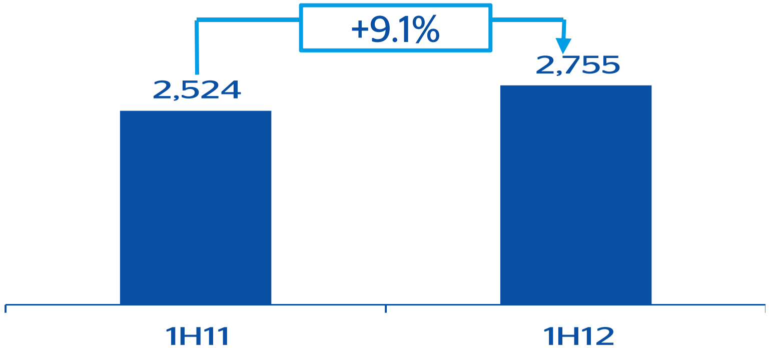
Deposit mix
Bancomer vs peer group
(%, June 2012)



Local accounting standards.
Peer group: Banamex, Banorte+IXE, HSBC, Santander and Scotiabank.

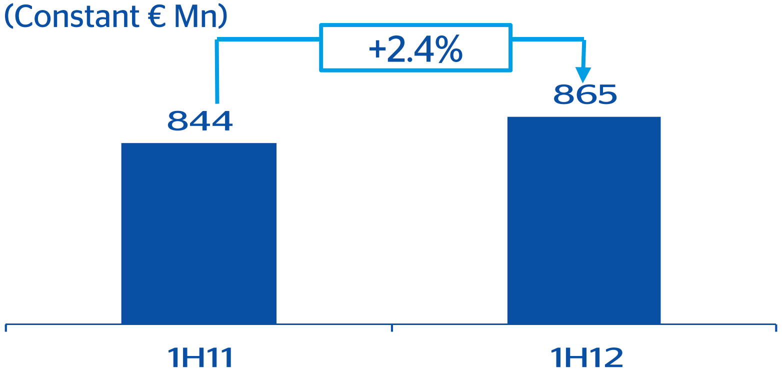
Sustained leadership, also in profitability

Recurring gross income
BBVA Mexico
(Constant € Mn)



Gross income: +4.3%

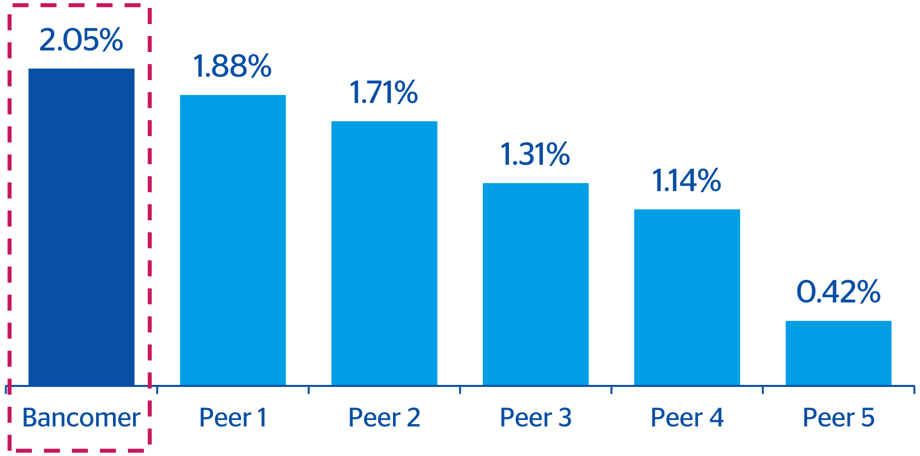
Net attributable profit
BBVA Mexico
(Constant € Mn)



Excluding trading income: +15.3%

(1) Recurring gross income includes gross income net of net trading income.

5Y Average ROA
Bancomer vs peer group[(1)]
(%)



(1) Local accounting standards
Peer group: Banamex, Banorte+IXE, HSBC, Santander and Scotiabank.

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Conclusions

1 The **Eurozone is progressing towards a genuine and stronger EMU**.

2 **Spain is addressing its problems** and new ECB focus on financial stability will be key to anchor risk premium expectations.

3 BBVA continues to deliver **top line growth,** while **reinforcing the Euro balance sheet.**

4 **In Spain**:

- **Customer spread** still the main driver of NII;
- **Better asset quality than system average** and extraordinary provisioning effort in 2012 to address RE exposure.

5 **Solid performance of the rest of franchises**:

- **Eurasia**: growing relevance within BBVA thanks to Garanti;
- **BBVA Compass** is completing its turnaround, increasing its contribution to the Group;
- **South America:** high growth and significant scale;
- **Mexico**: the leading bank in an increasingly attractive market.

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Managing Director for Legal, Audit and Compliance Services

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