

BBVA

Third quarter results 2011

Ángel Cano, BBVA's President & COO

October 26th 2011

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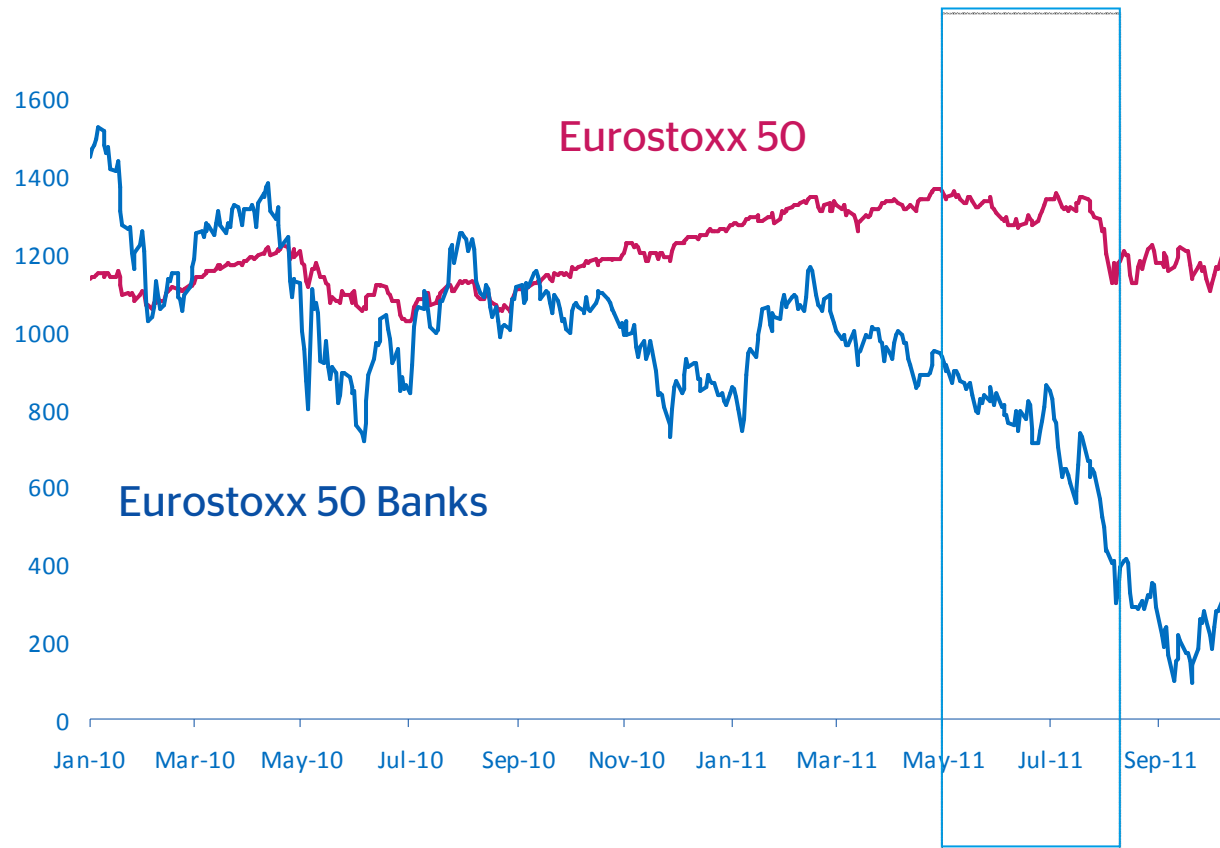
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A quarter in which volatility and uncertainty have further increased

Eurostoxx 50 vs Eurostoxx 50 Banks



In the present environment attention centres on three aspects ...

1**Capital adequacy****2****Funding****3****Ability to generate earnings**

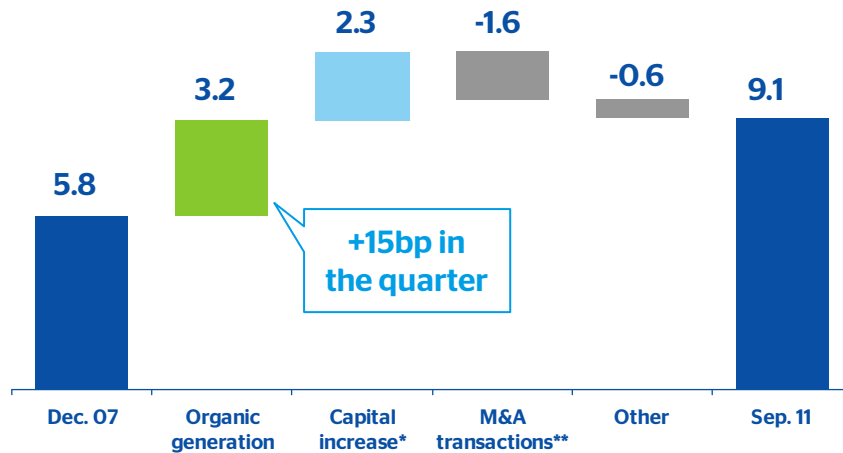
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Capital adequacy

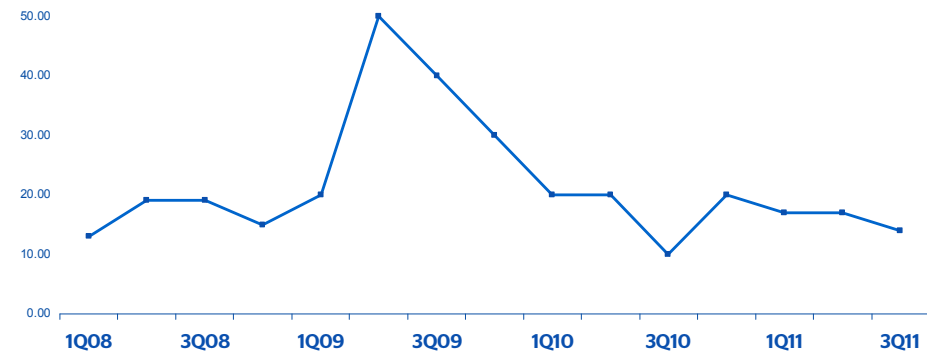
Capital	A) Substantial ability to generate capital organically B) Lower leverage than our peers C) A track record of prudent and anticipatory management
Risks	Stability despite deteriorating context of sector's asset quality

A) Substantial ability to generate capital organically

Core capital
BBVA Group
(%)



Quarterly organic generation of core capital
BBVA Group
(Basis points)



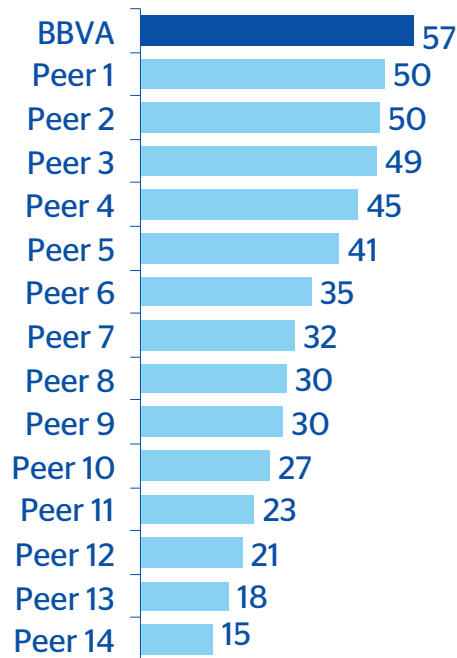
- Organic generation with simultaneous increase in RWAs (+€53bn during the crisis)
- Highly resilient operating income that could absorb sharp increases in provisions

*Includes conversion of convertible bonds

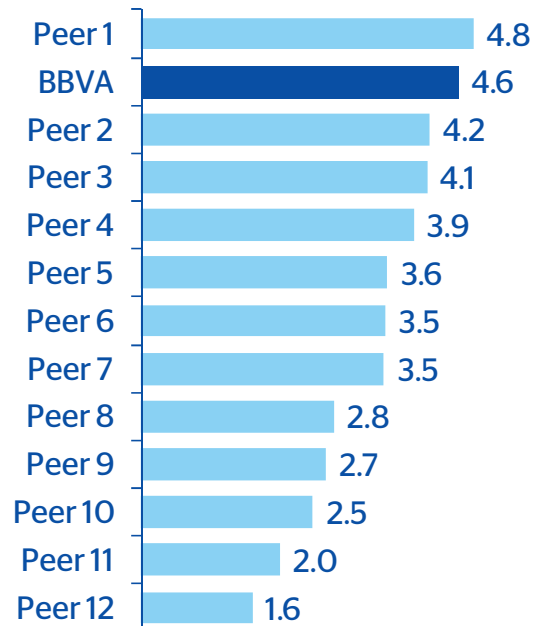
** Acquisition of Fórum, Garanti y Credit Uruguay

B) Lower leverage than our peers

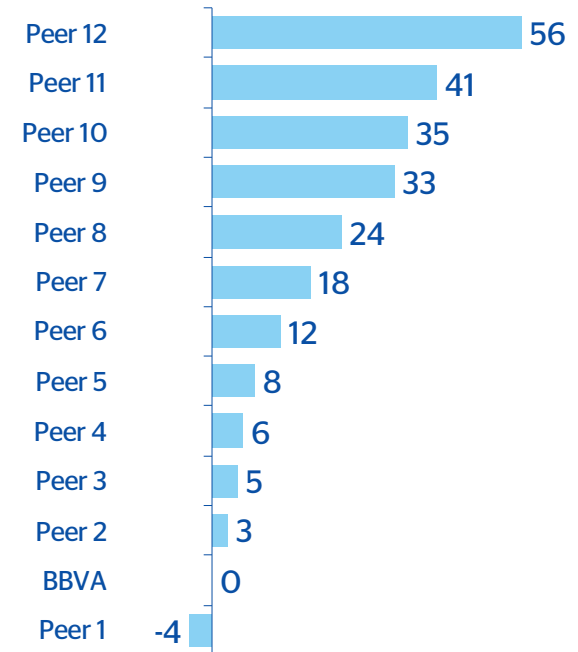
RWAs / Total assets
BBVA Group vs Peer Group
(Dec.10, %)



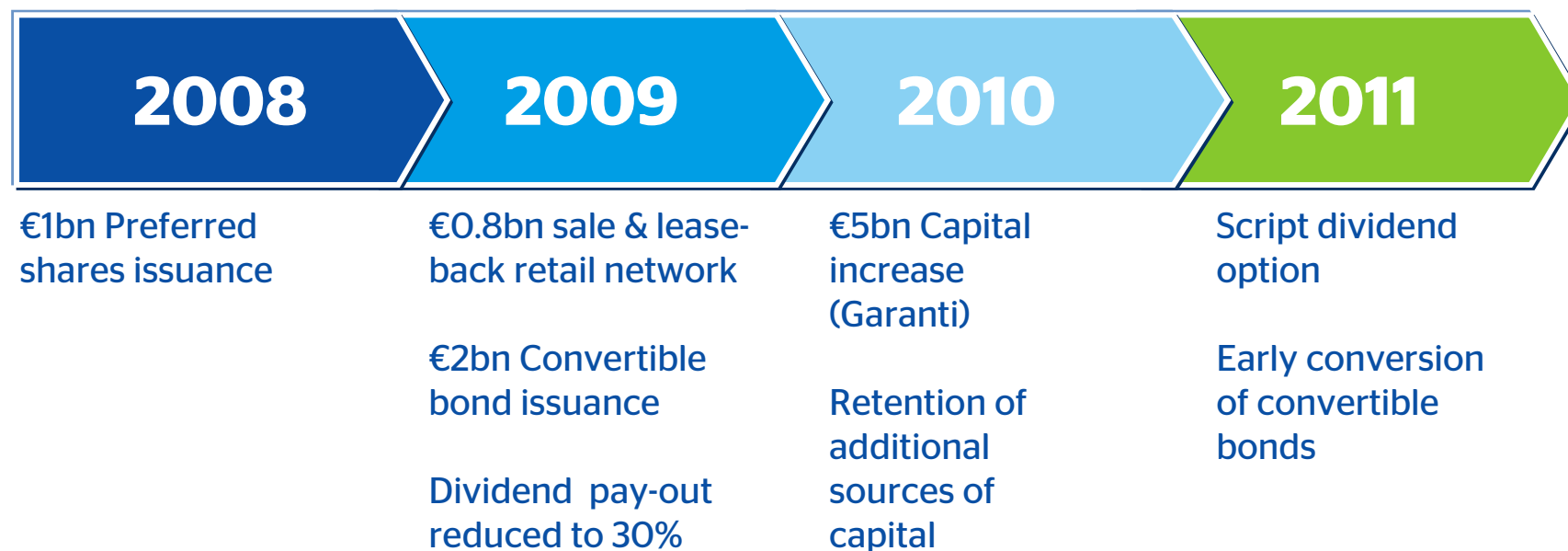
EBA capital* / total tangible assets
BBVA Group vs Peer Group
(Dec.10, %)



Capital needed to match BBVA's ratio
BBVA Group vs Peer Group
(Dec.10, €bn)

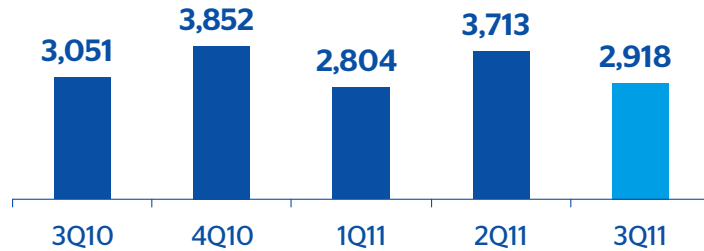


C) A track record of prudent and anticipatory management

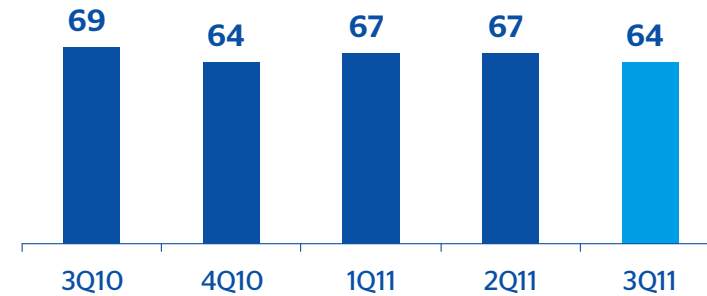


Risk: stable NPAs despite deteriorating context of sector's asset quality ...

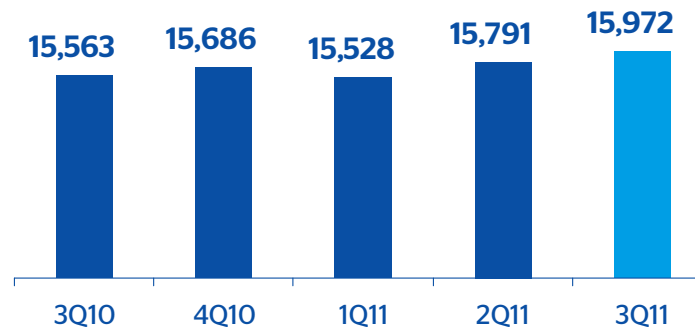
Gross additions to NPA status
BBVA Group
(€m)



Recoveries / additions
BBVA Group
(%)

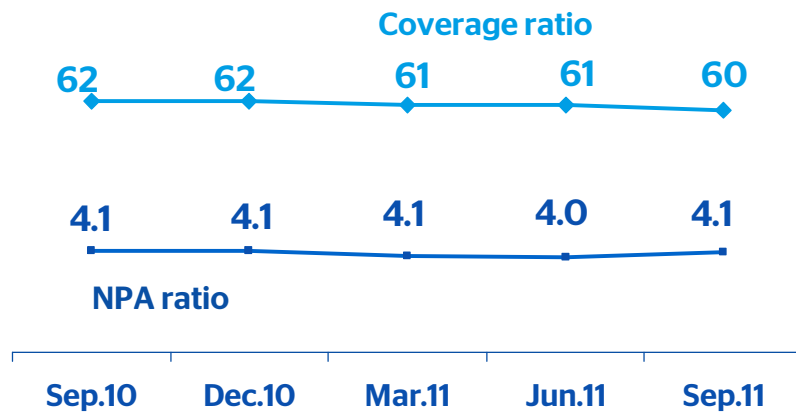


Balance of NPAs
BBVA Group
(€m)

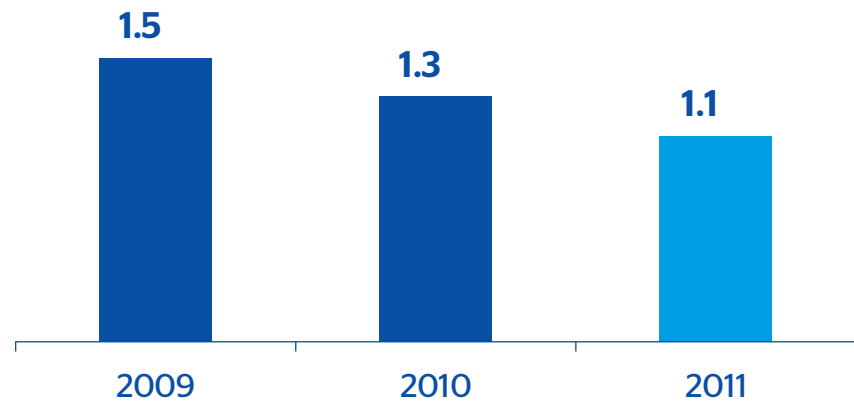


... whilst our main risk indicators are also stable

NPA & coverage ratios
BBVA Group
(%)



Cumulative risk premium
BBVA Group
(%)

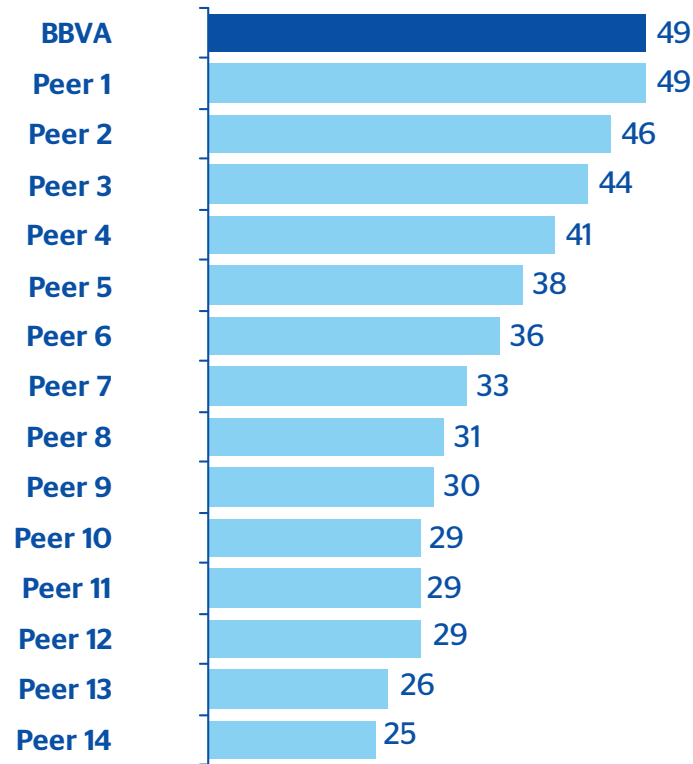


2**Funding****Solid position to face 2012:**

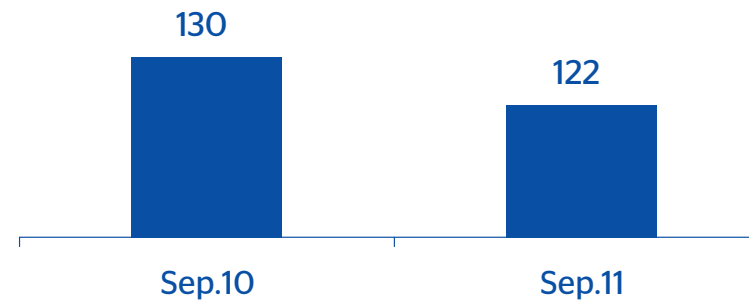
- **The highest ratio of deposits / assets in the peer group with reduced liquidity gap**
- **Low wholesale redemptions compared to peer group**

Solid Group funding position ...

Customer deposits / total assets
BBVA Group vs Peer Group
 (1H11, %)



Lending /deposits
BBVA Group
 (%)



... and performance and outlook for the euro balance sheet are good

Positive trends in 2011

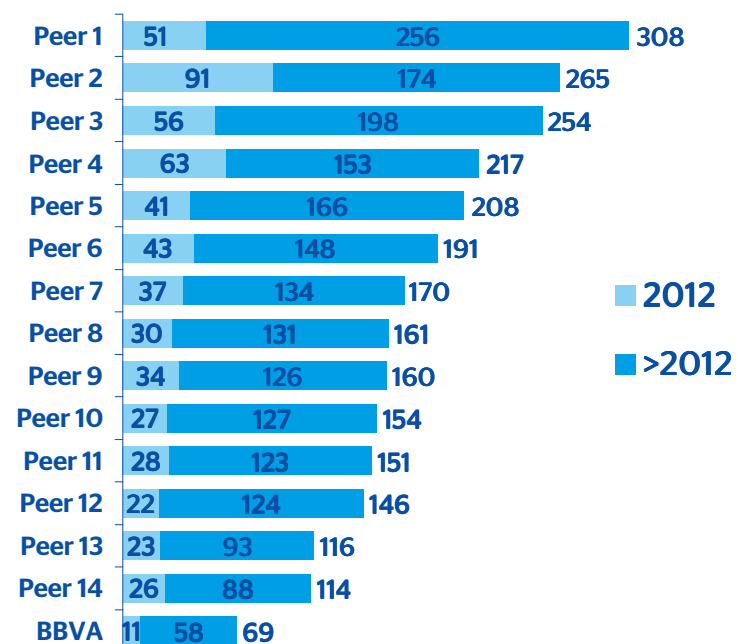
2011 funding needs already covered

Reduction in liquidity gap:
-€20bn (Sep.11 vs May.10)

Customer funds on balance sheet improve
+€37bn (Sep.11 vs May.10)

Good outlook for 2012

Wholesale redemptions
BBVA Group vs Peer Group
(€bn)



Peer Group: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCI. BBVA data from in-house sources.

Source: Bloomberg July 20th prior to change in calculation method.

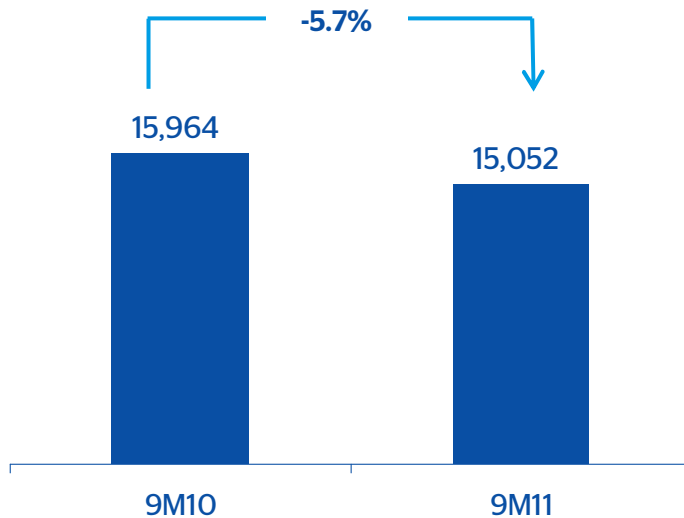
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Ability to generate earnings

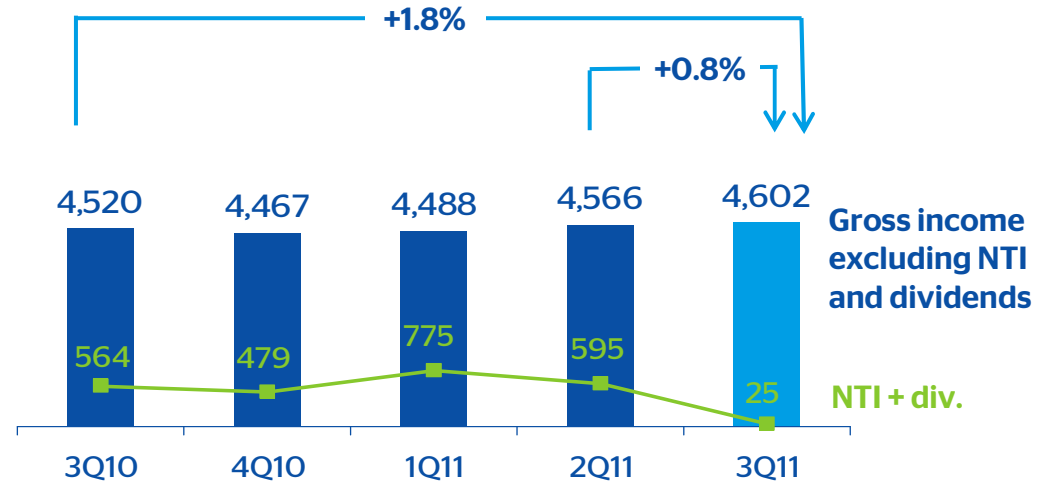
- **Resilience and quality of net interest income**
- **Net trading income affected by market volatility**
- **Loan loss provisioning in line with recent quarters and stability in risk indicators**

Positive performance of recurrent revenue

Gross income
BBVA Group
(€m)



Gross income excluding dividends and NTI
BBVA Group
(€m)



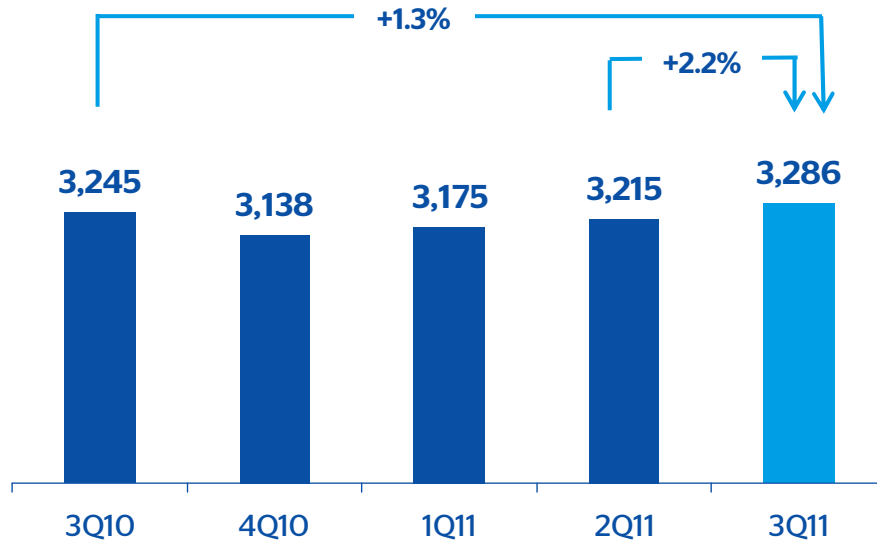
Highlights

Resilience and quality of net interest income

Net trading income affected by market volatility

Resilience and quality of net interest income

Net interest income
BBVA Group
(€m)



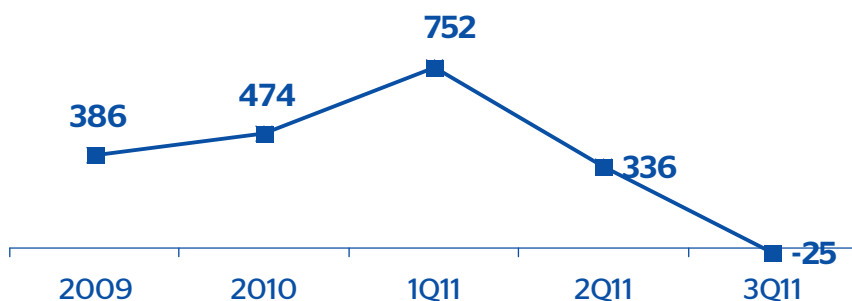
YoY change: 9M11/9M10

Emerging mkts
+17.0%

Developed mkts
-11.3%

Net trading income affected by market volatility

Net trading income (NTI)
 BBVA Group
 Quarterly average and quarter-on-quarter
 (€m)



Highlights

Business focused on customers in a context of declining activity

Significant falls in asset prices → impact on mark to market portfolios

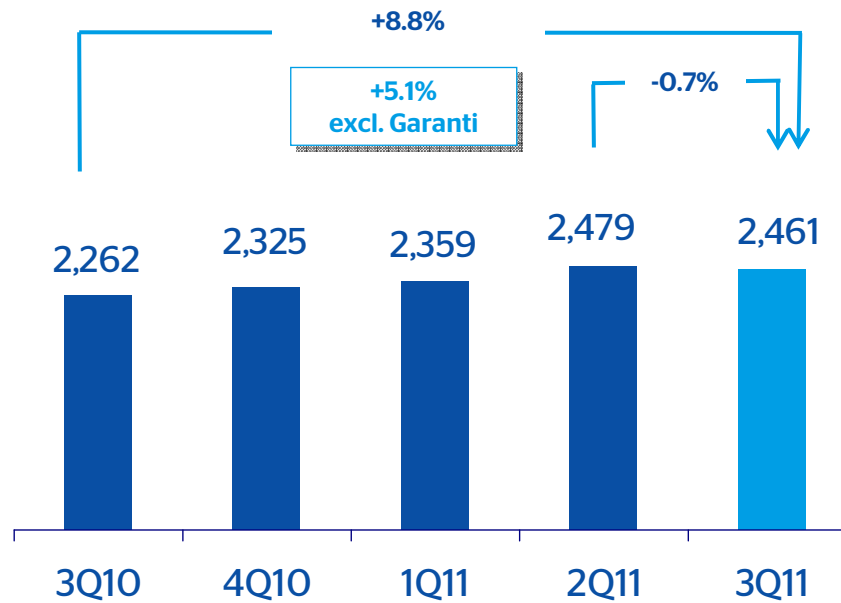
No extraordinary contributions

Absence of NTI in a context of weakening markets

Negative impact mainly affects euro balance sheet and is less marked in Mexico and South America

Costs in line with previous quarters

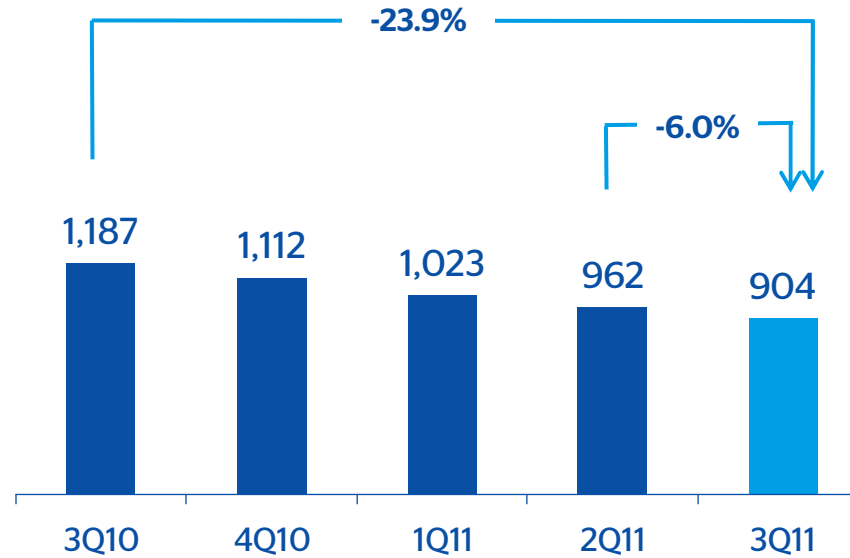
Costs
BBVA Group
(€m)



Contained in developed economies and matching the growth cycle in emerging ones

Provisioning in line with recent quarters

Impairment losses
BBVA Group
(€m)



Decline is the result of lower provisioning in the USA and unchanged in Spain

Resilience and solid fundamentals in difficult times

(€m)

BBVA Group	Accum.	Growth 9M11 / 9M10	
	9M11	Abs.	%
Net Interest Income	9,676	- 506	-5.0%
Gross Income	15,052	- 912	-5.7%
Operating Income	7,753	-1,569	-16.8%
Income Before Tax	4,145	-1,115	-21.2%
Net Attributable Profit	3,143	- 525	-14.3%

ROE: 11.3%
RORWA: 1.5%
ROA: 0.8%

Geographic areas: highlights

Spain

Improved spreads, stable net interest income and risk contained one more quarter

EurAsia

Dynamism in Asia and Turkey and resilience in WB&AM Europe in line with previous quarters

Mexico

Dynamism in business and earnings, especially in the retail segment. The risk premium is stable.

South America

Strong growth of business and revenue, supported by diversification, with the Group's best risk indicators.

United States

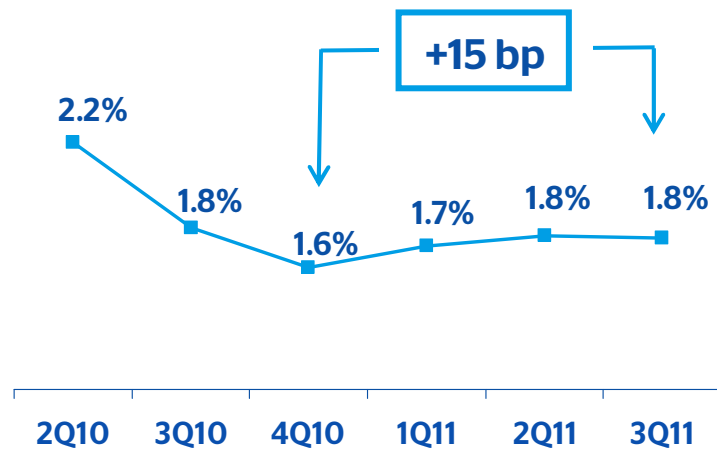
Selective growth of business, good performance of retail net interest income and provisioning is declining

Wholesale banking

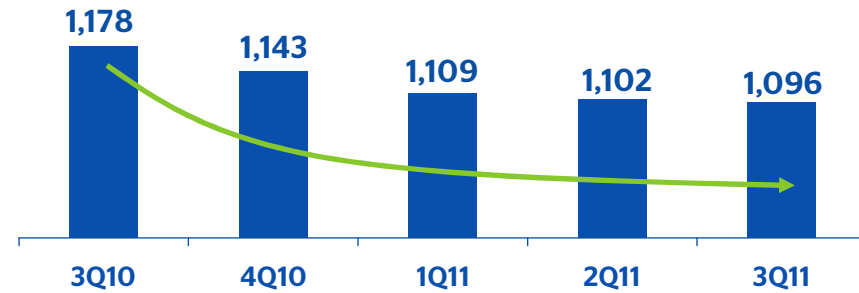
Diversification and resilience of revenue from customers in an especially complicated quarter in the markets

Spain: stabilisation of net interest income

Customer spread*
Quarter-on-quarter
(%)



Net interest income
Quarter-on-quarter
(€m)

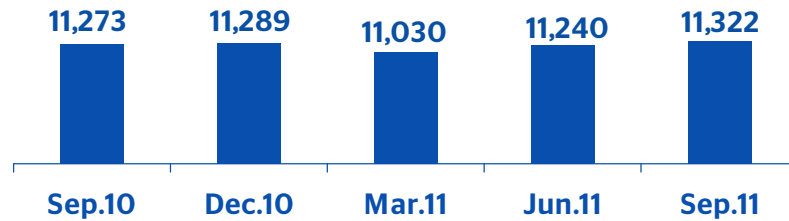


With market share gains in lending and deposits

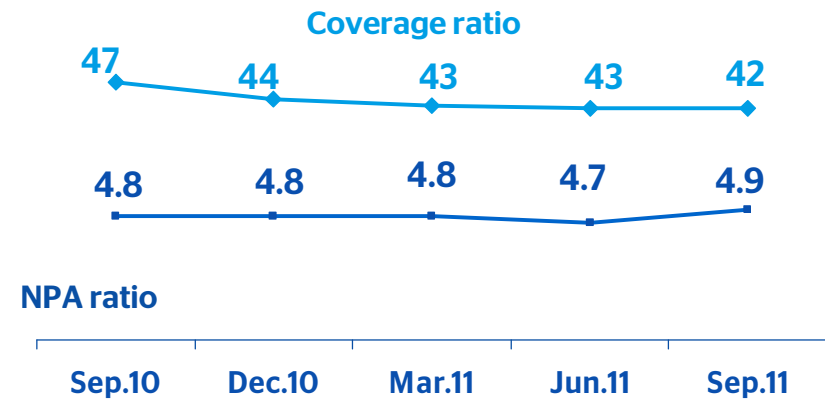
* Excl. markets

Spain: risk indicators under control

Balance of NPAs
BBVA Spain
(€m)



NPA & coverage ratios
(%)



Cum. Spec.
risk premium



Risks stable while system keeps deteriorating

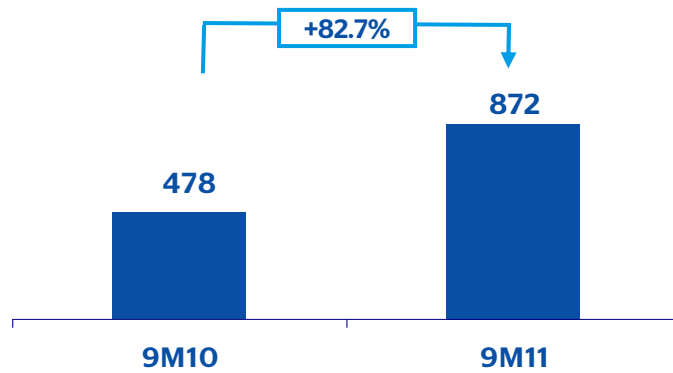
Spain: income statement

(€m)

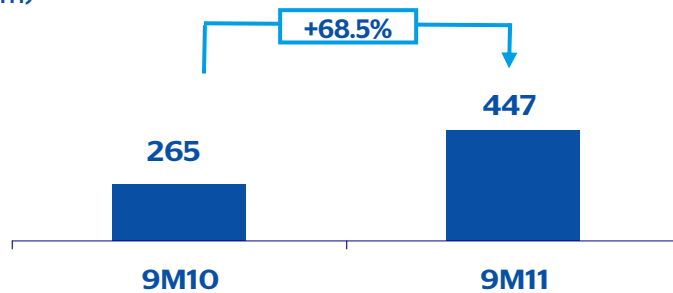
Spain	Accum.	Growth 9M11 / 9M10	
	9M11	Abs.	%
Net Interest Income	3,308	- 426	-11.4%
Gross Income	4,900	- 561	-10.3%
Operating Income	2,806	- 583	-17.2%
Income Before Tax	1,633	- 1,019	-38.4%
Net Attributable Profit	1,162	- 719	-38.2%

EurAsia: growing contribution to the group

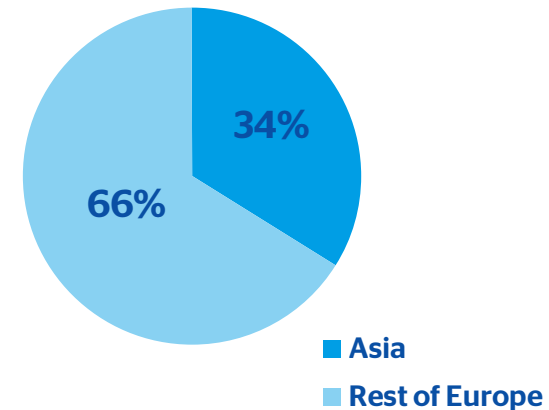
Gross income - Rest of Europe (€m)



Gross income - Asia (€m)



Breakdown of gross income - EurAsia (%)



Dynamism in Asia and Turkey and resilience in wholesale banking in Europe, in line with previous quarters

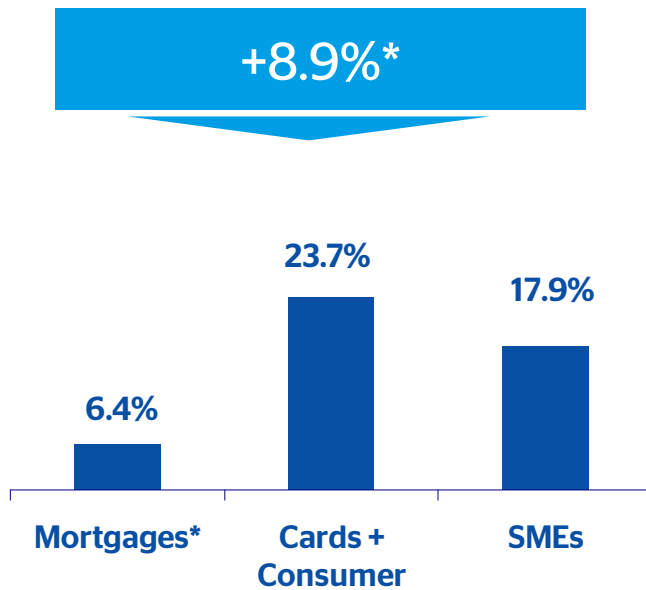
EurAsia: income statement

(€m)

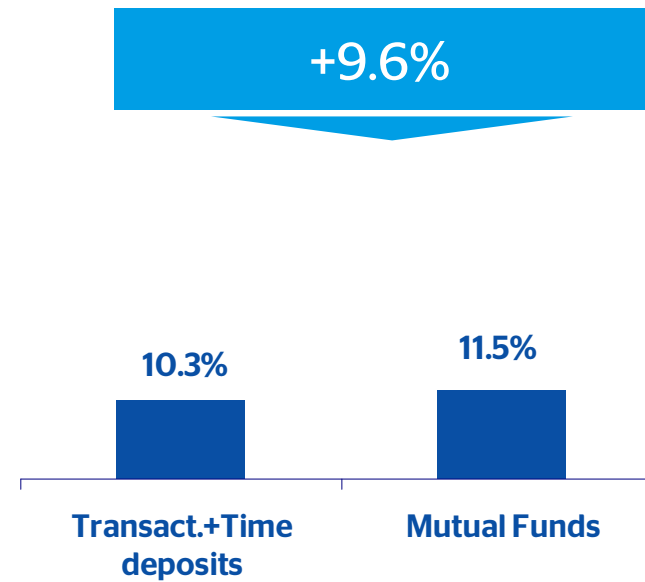
EurAsia	Accum.	Growth 9M11 / 9M10	
	9M11	Abs.	%
Net Interest Income	516	+ 269	n.s.
Gross Income	1,319	+ 576	77.6%
Operating Income	887	+ 359	67.9%
Income Before Tax	837	+ 342	69.1%
Net Attributable Profit	705	+ 287	68.6%

Mexico: growth in all main items

Lending
YoY growth
(Average balances, %)



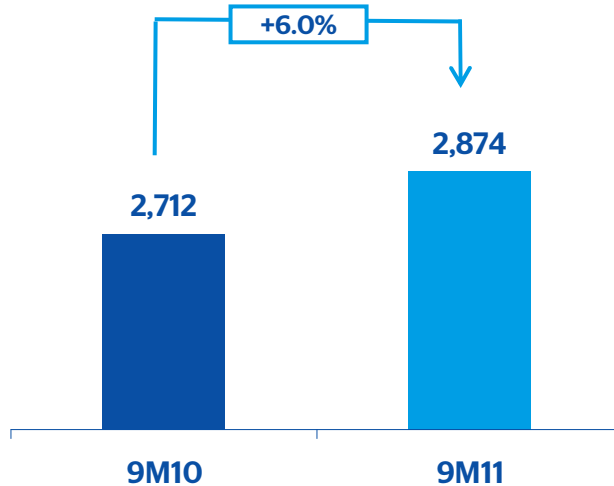
Customer funds
YoY growth
(Average balances, %)



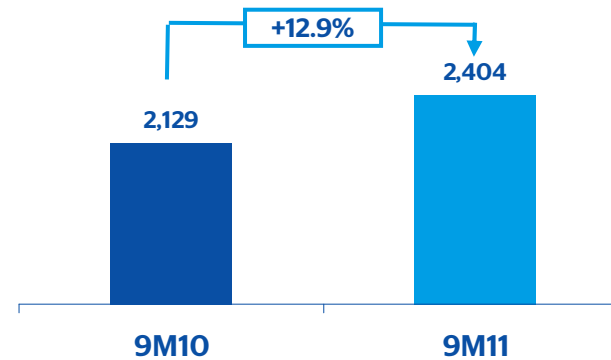
* Excluding old residential portfolio

Mexico: income growing at good pace

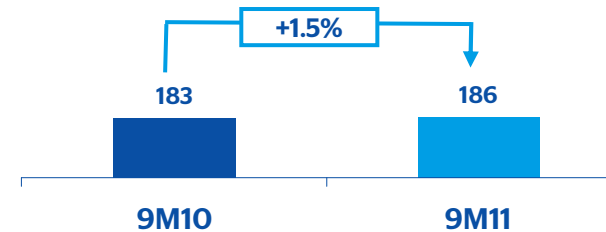
Net interest income
(Constant €m)



Retail net interest income
(Constant €m)



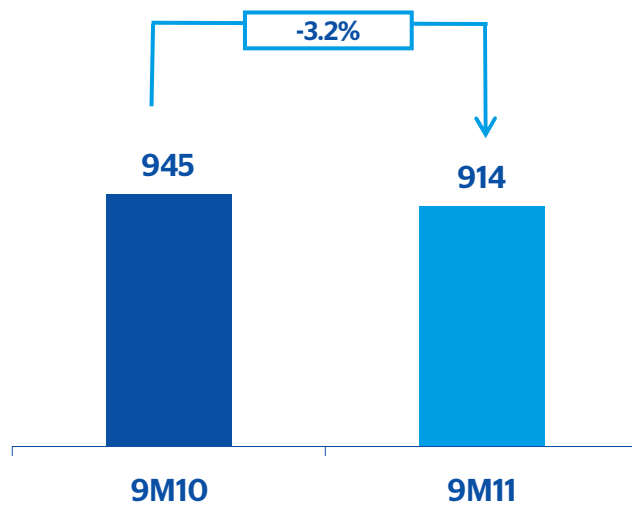
Wholesale Bkg. net interest income
(Constant €m)



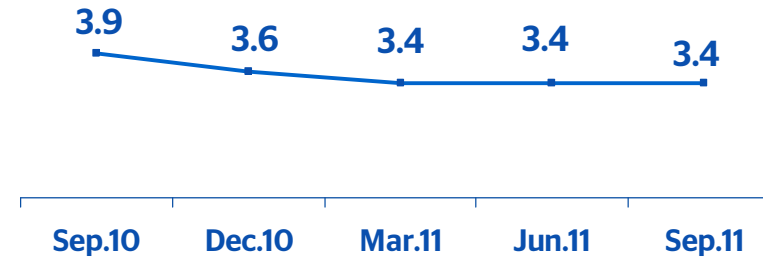
The highest ratio of net interest income to ATAs in its peer group

Mexico: improvement in provisioning

Loan-loss provisions
(Constant €m)



Cumulative risk premium
(%)



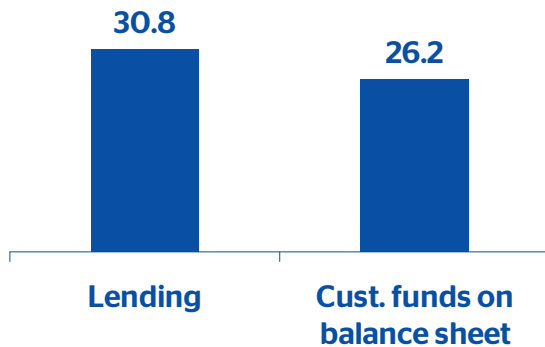
Mexico: income statement

(Constant €m)

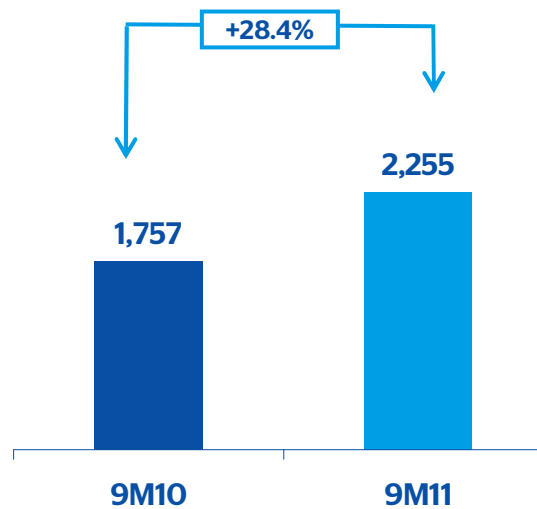
Mexico	Accum.	Growth 9M11 / 9M10	
	9M11	Abs.	%
Net Interest Income	2,874	+162	6.0%
Gross Income	4,208	+136	3.3%
Operating Income	2,686	+4	0.1%
Income Before Tax	1,722	+28	1.7%
Net Attributable Profit	1,275	+37	2.9%

South America: revenues are growing faster

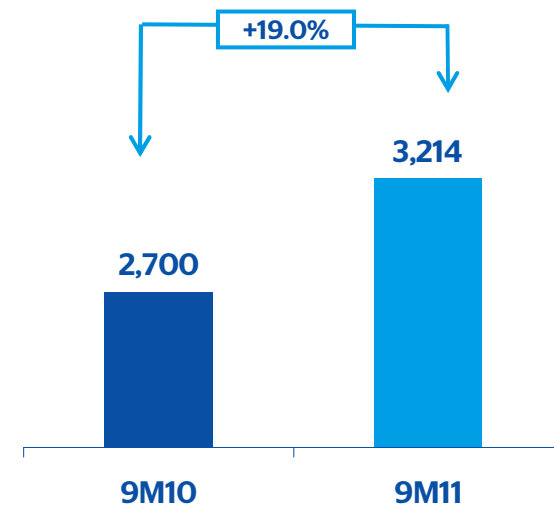
Lending and customer funds
Change: Sep.11 / Sep.10
(Average balances, %)



Net interest income
(Constant €m)



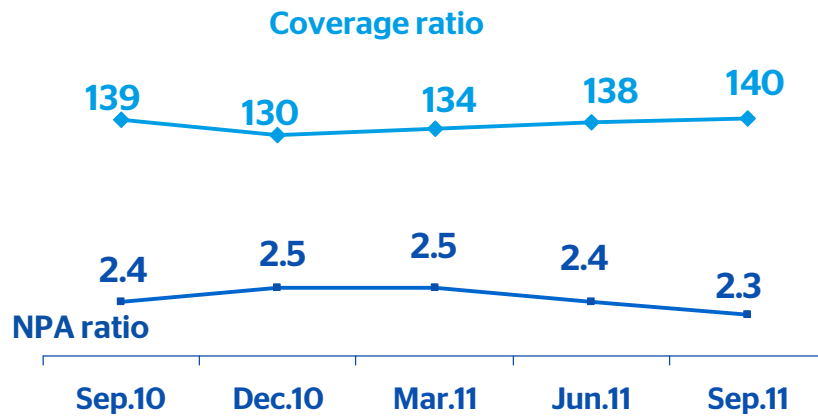
Gross income
(Constant €m)



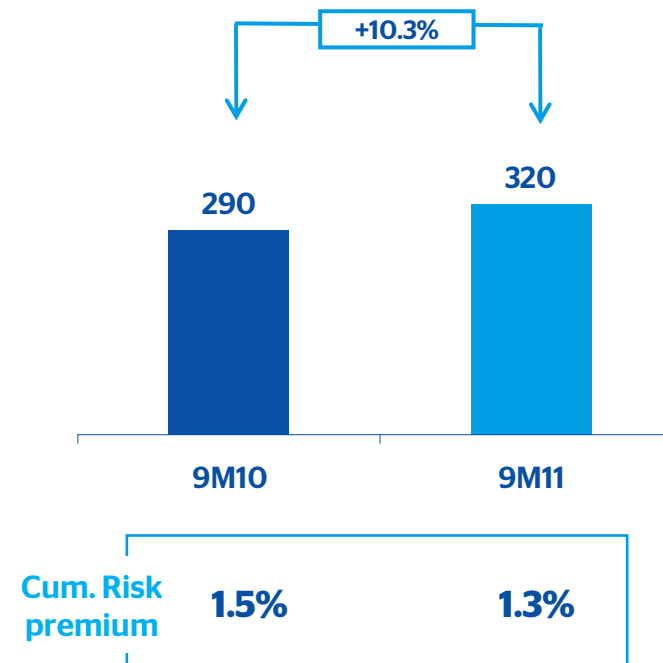
Record net interest income in quarter

South America: best risk indicators in the BBVA Group

NPA & coverage ratios (%)



Loan-loss provisions (Constant €m)

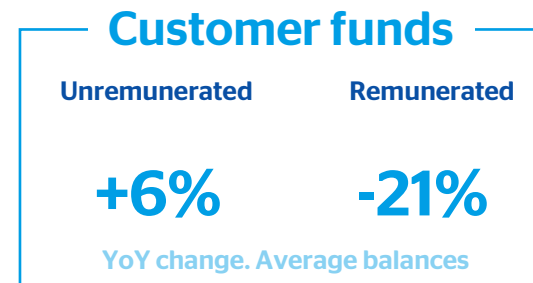
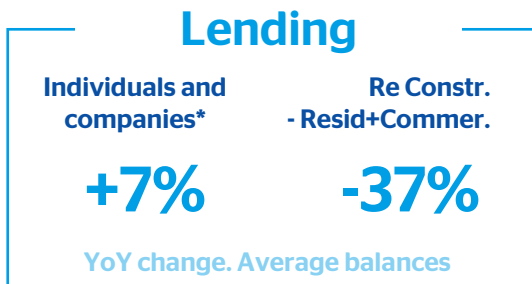


South America: income statement

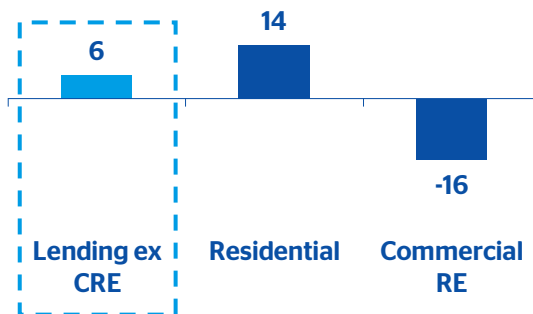
(Constant €m)

South America	Accum.	Growth 9M11 / 9M10	
	9M11	Abs.	%
Net Interest Income	2,255	+ 498	28.4%
Gross Income	3,214	+ 514	19.0%
Operating Income	1,751	+ 211	13.7%
Income Before Tax	1,385	+ 155	12.6%
Net Attributable Profit	754	+ 76	11.2%

United States: selective growth of business

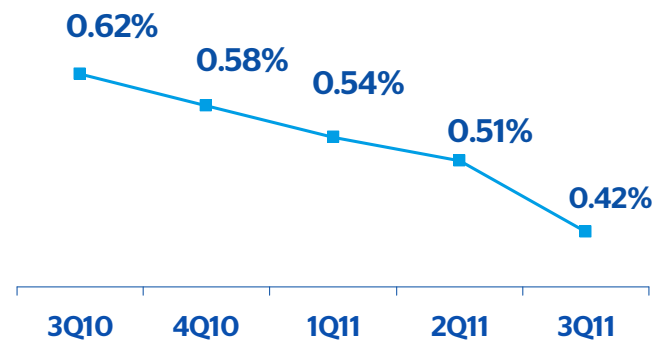


Mkt share of lending
YoY change
(Basis points)



Market share gains in lending

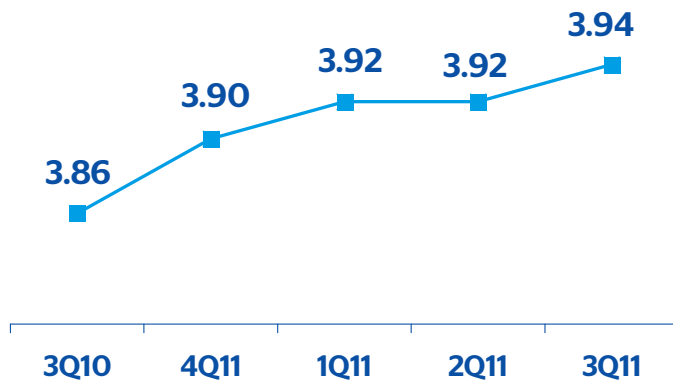
Cost of customer deposits (%)



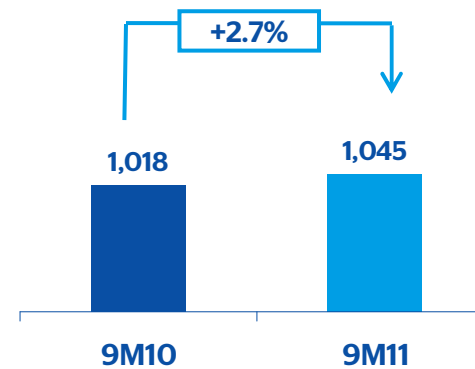
Lower cost of deposits

United States: improvement in customer spread

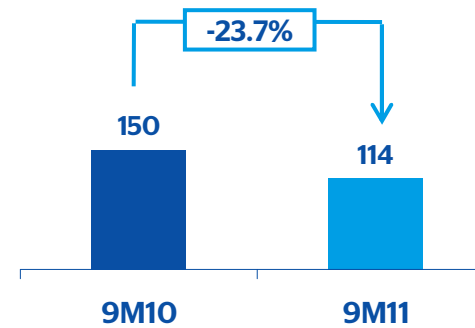
Customer spread*
(%)



Retail net interest income
(Constant €m)



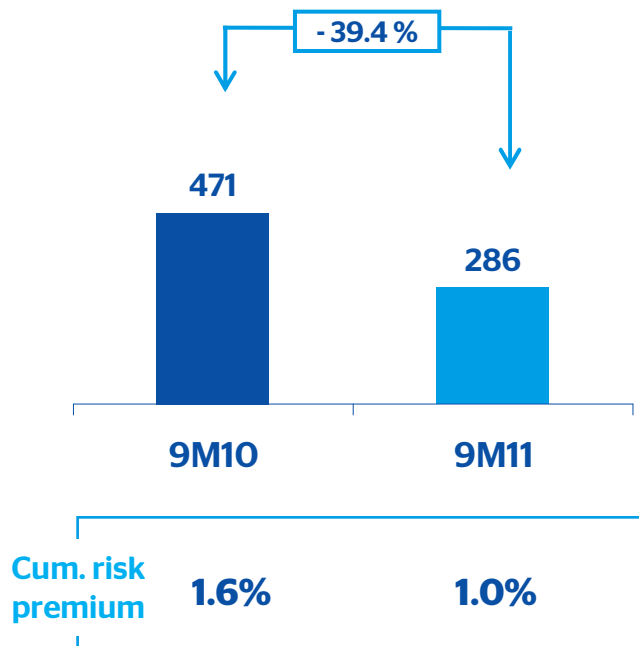
Wholesale Bkg. net interest income
(Constant €m)



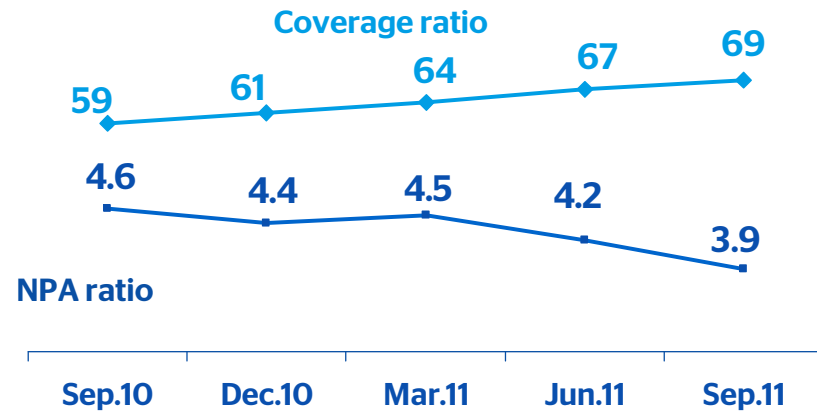
* Compass BG

United States: risk levels continue to improve

Loan-loss provisions
(Constant €m)



NPA & coverage ratios
(%)



In the quarter

Gross additions: -40%

Recoveries / additions: 93%

United States: income statement

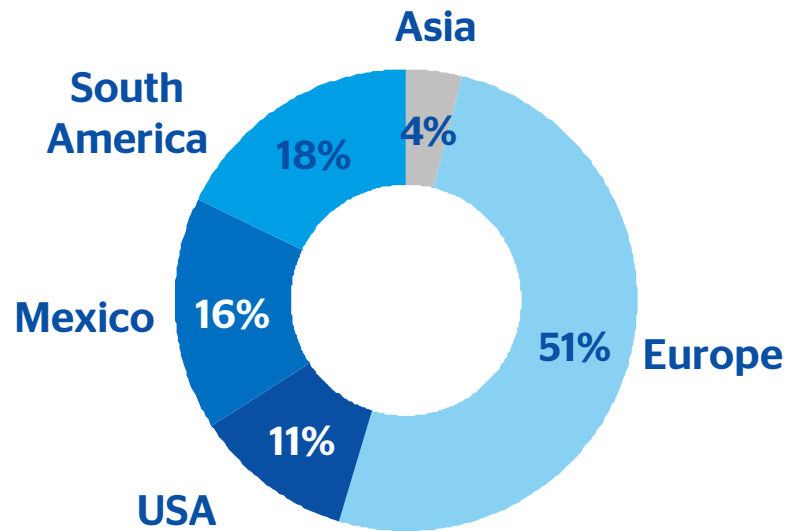
(Constant €m)

USA	Accum.	Growth 9M11 / 9M10	
	9M11	Abs.	%
Net Interest Income	1,182	-118	-9.1%
Gross Income	1,711	-136	-7.3%
Operating Income	613	-168	-21.5%
Income Before Tax	305	+9	3.2%
Net Attributable Profit	218	+3	1.5%

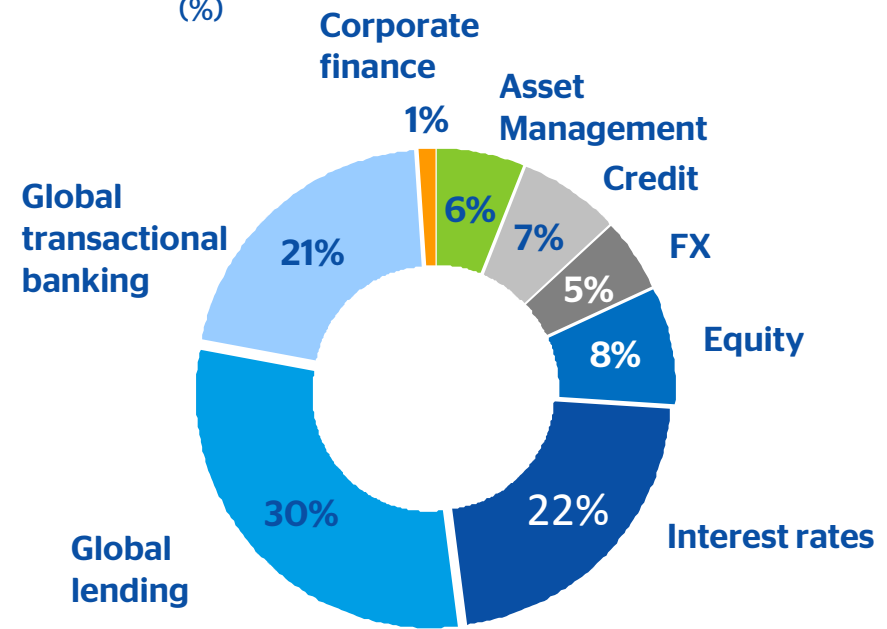
Attributable net profit excluding New York: +39.4%

Wholesale banking: recurrence and diversification of revenue

Gross income by geographic area
9M11
(%)



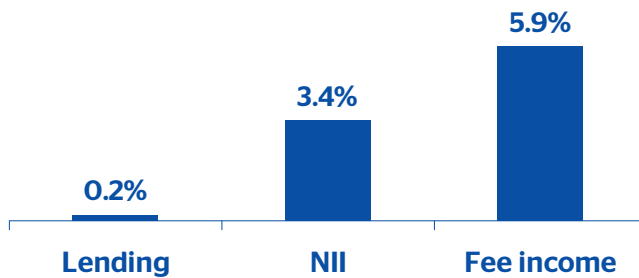
Gross income by products
9M11
(%)



Wholesale banking: C&IB and GM

Corporate & Investment Banking

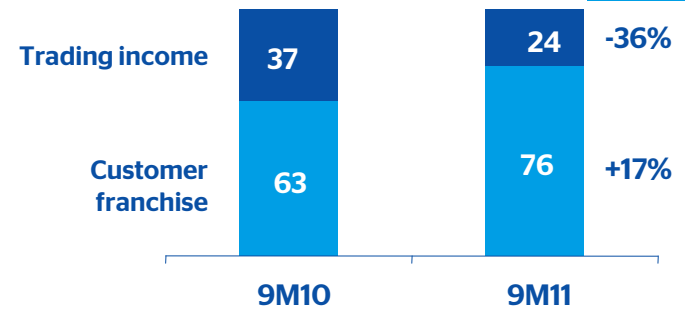
Lending, net interest income and fee income
(Year-on-year change, %)



Dynamic revenue

Global Markets

Source of income (%)



GM, gross income, Sep.11/Sep.10: -5.3%

Strengthening the customer franchise

Wholesale banking: income statement

(Constant €m)

Wholesale Banking	Accum.	Growth 9M11 / 9M10	
	9M11	Abs.	%
Gross Income	2,077	- 44	-2.1%
Operating Income	1,372	- 139	-9.2%
Income Before Tax	1,304	- 155	-10.6%
Net Attributable Profit	862	- 116	-11.8%

3Q11 highlights

Capital adequacy

A) Capital:

- Substantial ability to generate capital organically
- Much lower leverage than our competitors
- A track record of prudent and anticipatory management of capital

B) Risks:

- Stability in a scenario of further deterioration of asset quality

Funding

- Solid foundations to face 2012

Ability to generate earnings

- Resilience and quality of net interest income
- Net trading income affected by market volatility
- Provisioning and risk indicators under control

BBVA

Third quarter results 2011

Ángel Cano, BBVA's President & COO

October 26th 2011