



Third-quarter results 2012



Ángel Cano, BBVA's President & Chief Operating Officer

Madrid, 31st October 2012

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Progress in restoring confidence

Milestones in the quarter

Firm ECB backing

Banking Union project

Restructuring of Spanish financial system

Challenges until year end

Implementation of plans stemming from restructuring

Roadmap for Banking and Fiscal Union (December Council)

Greek situation

Highlights 3Q12

- Recurring revenues growth
- Robust operating income, vital to sustain provisioning

- Risk indicators reined in
- Spain's performance in line with forecast

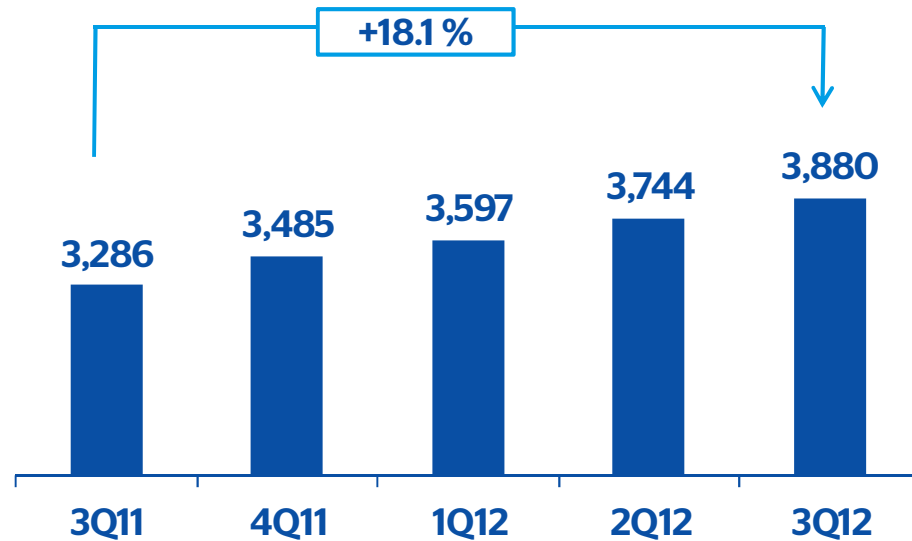
- Active issuance under adverse scenarios
- Strong liquidity position

- Well capitalised, even under most adverse scenarios

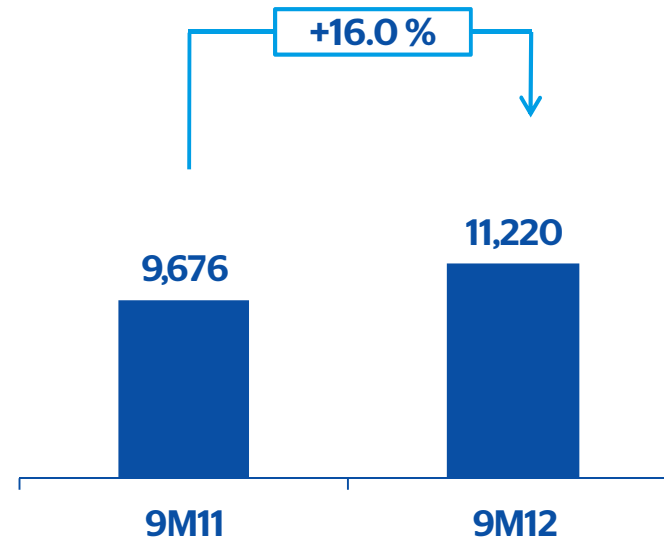


Earnings: sound net interest income ...

Net interest income
Quarter on quarter
€m



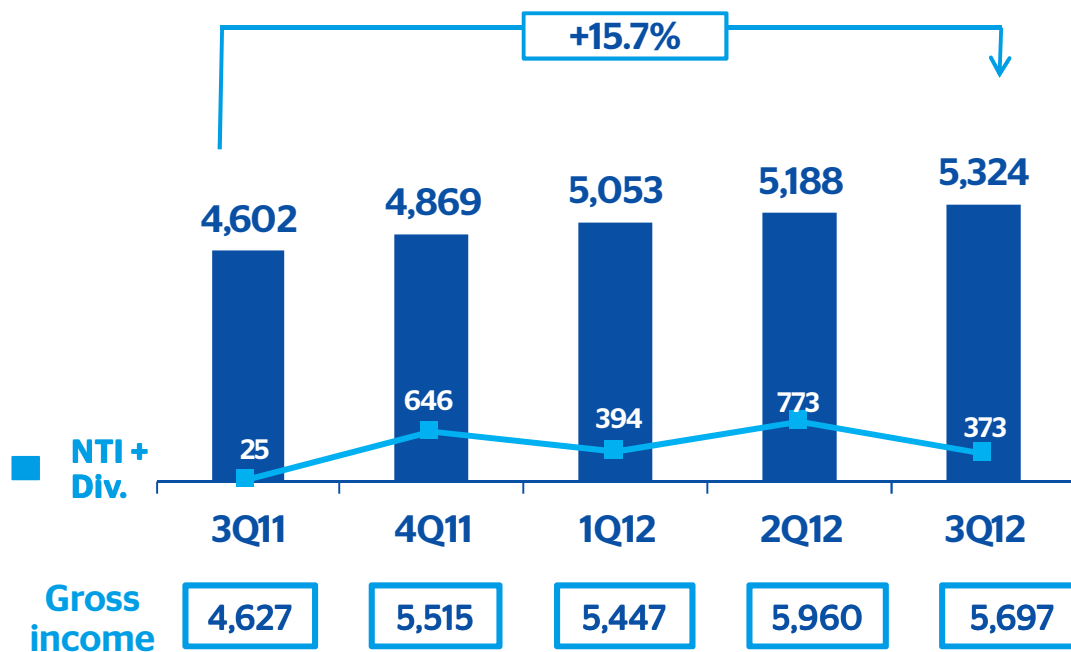
Net interest income
Year to date
€m



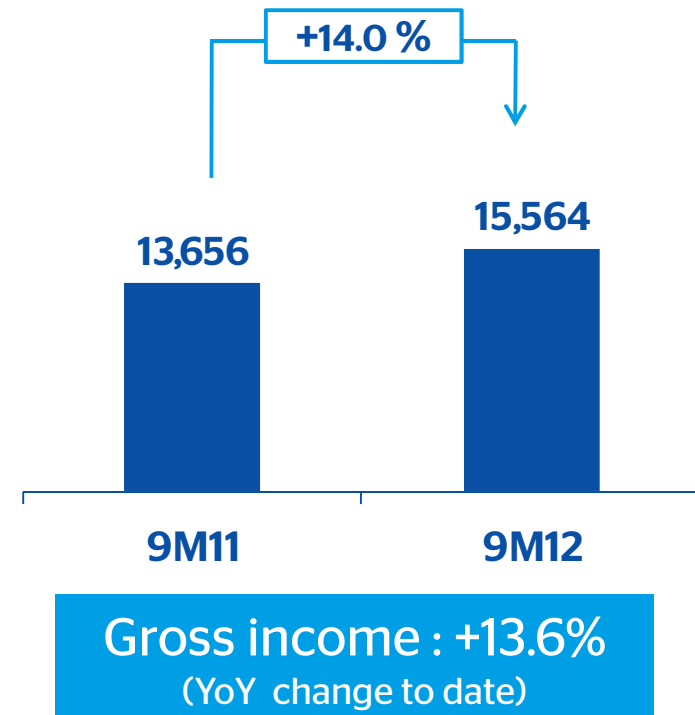
Sound quarterly growth in net interest income
underpinned by strong results in all geographical areas

... and recurring gross income ...

Recurring gross income
Quarter on quarter
€m

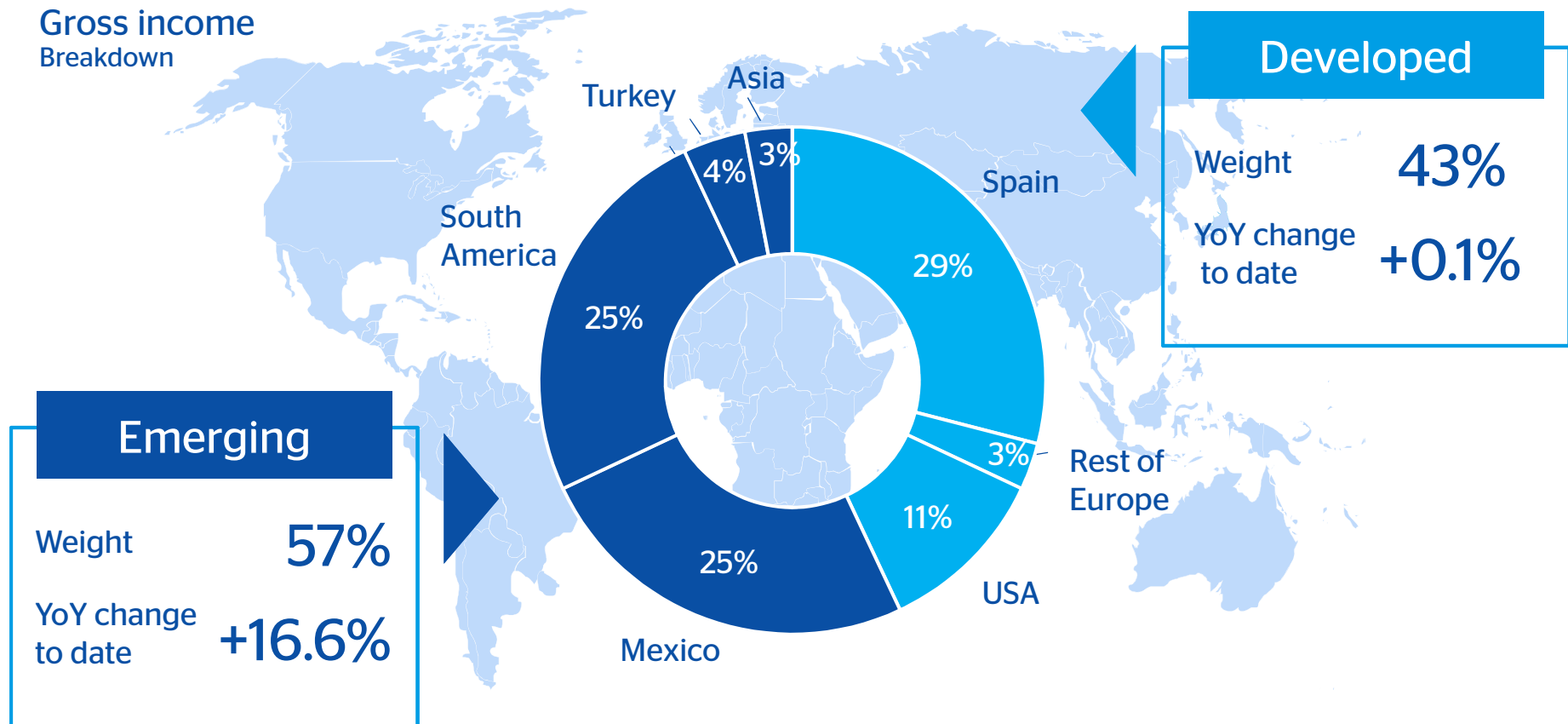


Recurring gross income
Year to date
€m



Fee income: +7.8% (YoY change to date)

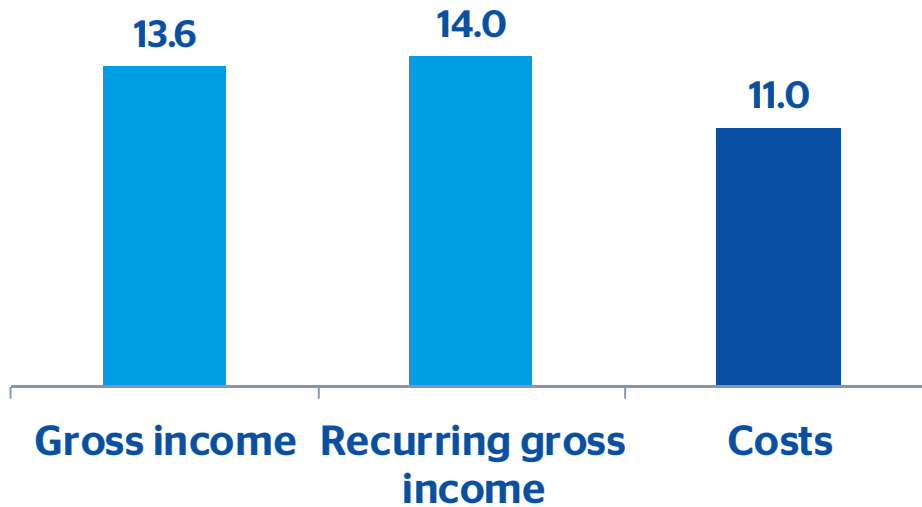
... underpinned by balanced diversification between emerging and developed markets



Note: does not include Corporate Activities; YoY change to date in constant €

Curtailing costs, which are growing below income

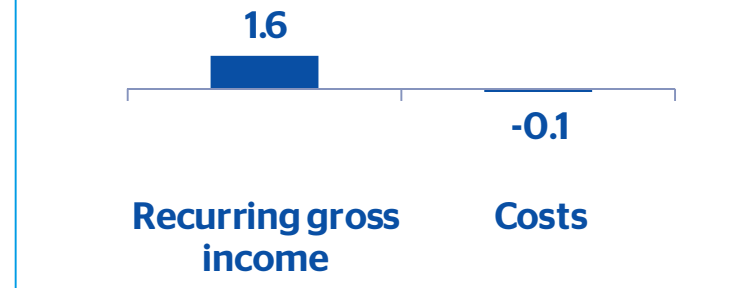
Gross income vs costs
Year on year change to date .%



**Still one of the most efficient banks
(C/I ratio 47.4%)**

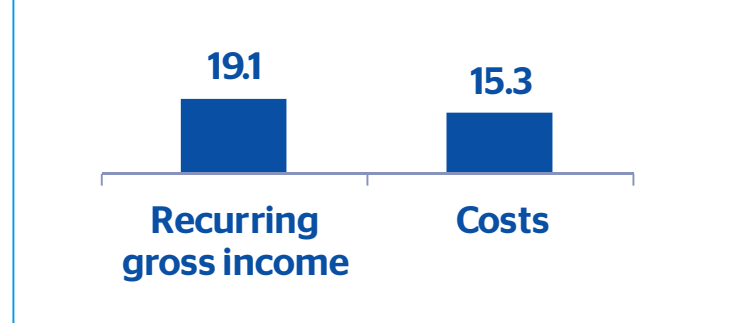
Developed

Year on year change to date
€ (constant).%



Emerging

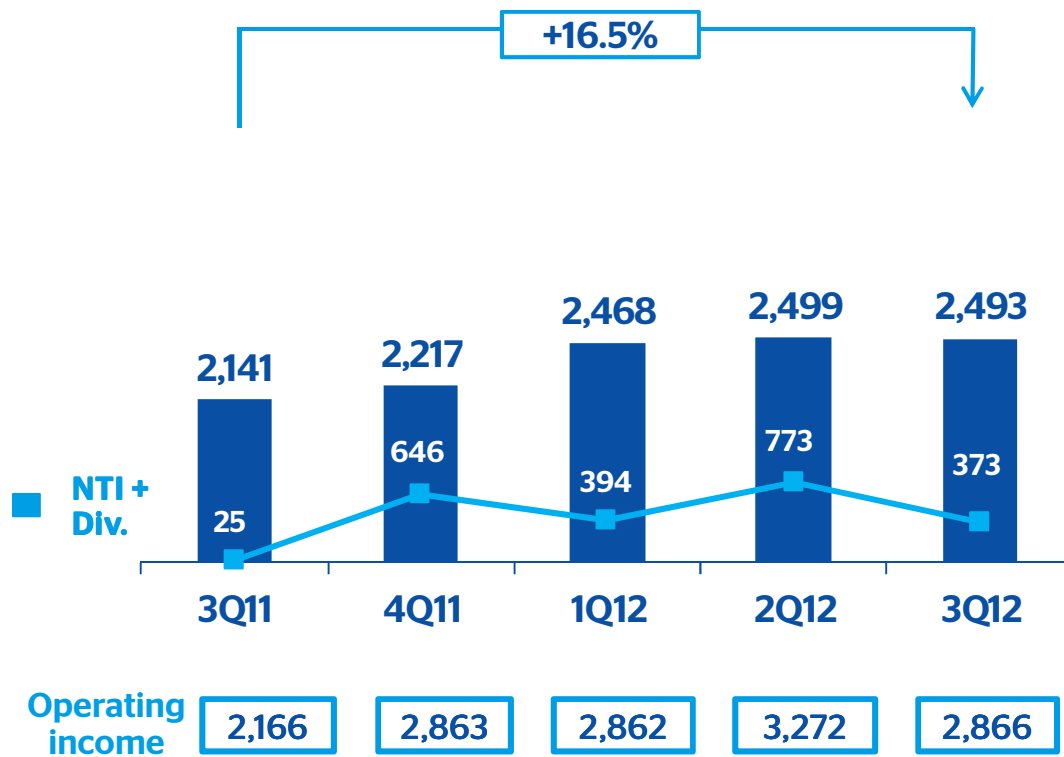
Year on year change to date
€ (constant).%



High recurring operating income ...

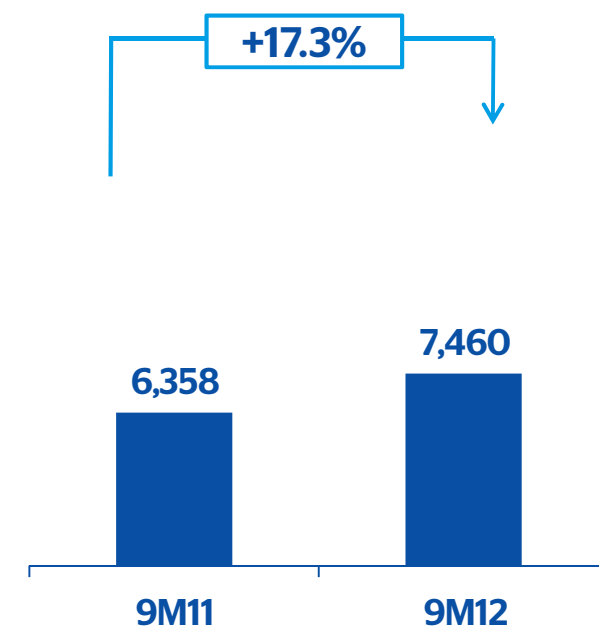
Recurring operating income

Quarter on quarter
€m



Recurring operating income

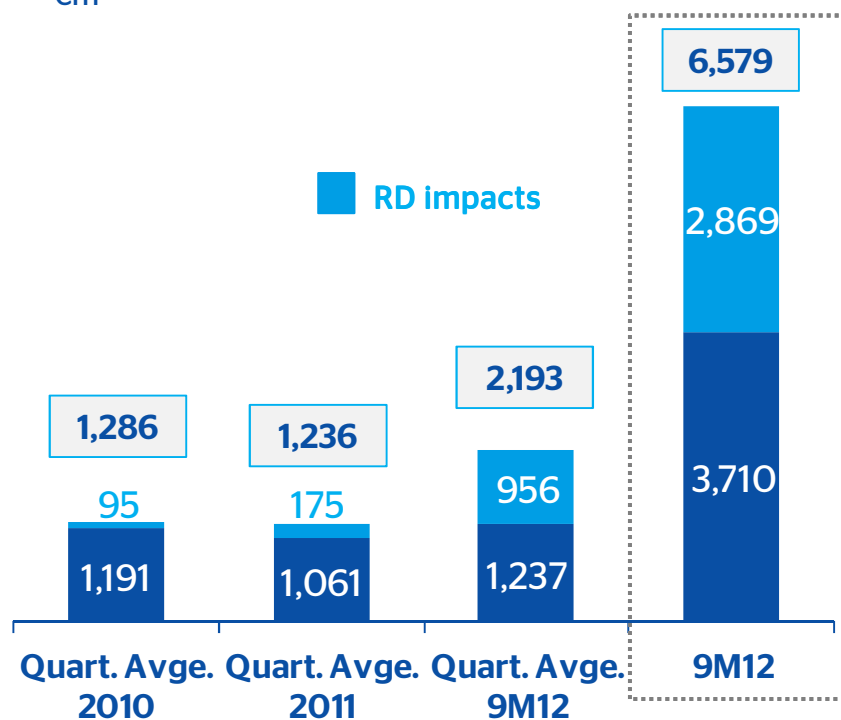
Year to date
€m



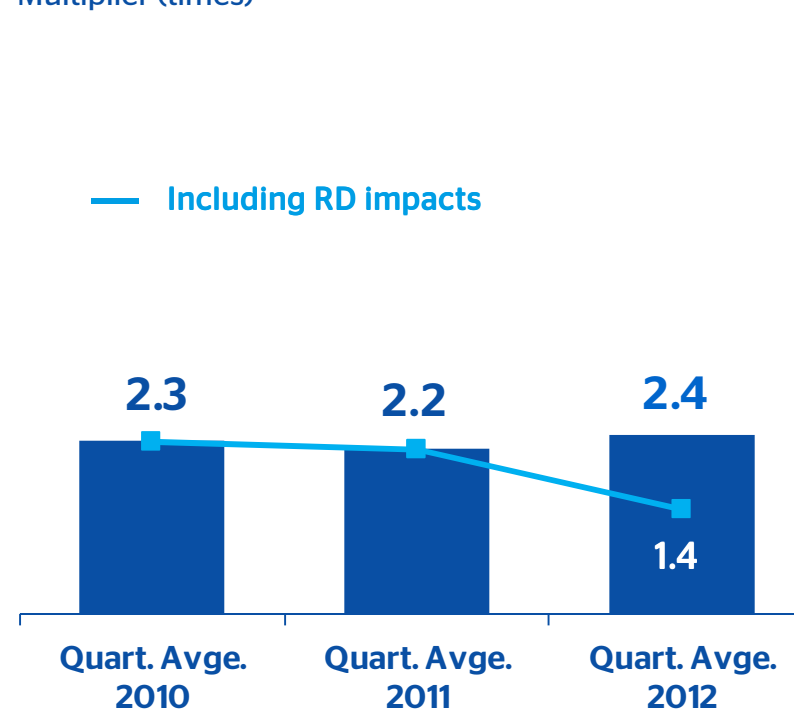
Operating income: +16.1%
(YoY change to date)

... vital to sustain the provisioning effort

Loan-loss + Real-estate provisions
€m



Operating income / loan-loss + RE provisions
Multiplier (times)



2/3 of the Royal Decree perimeter provisions already covered,
with €1,568m pending for Q4

All in all, a sound income statement

€m

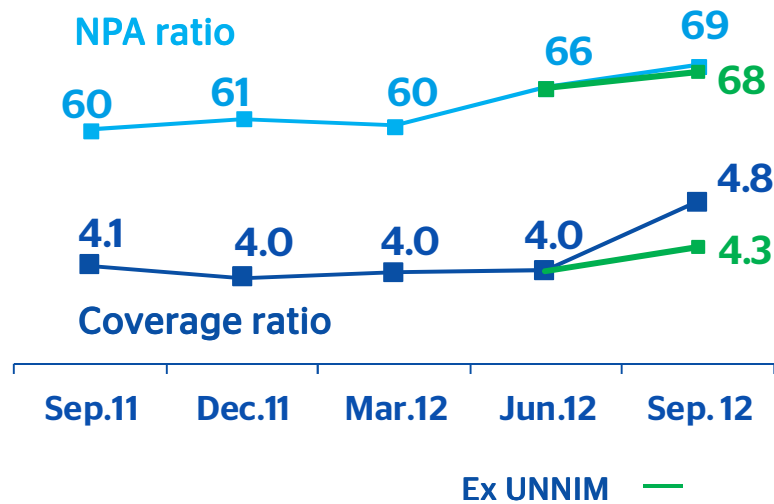
| BBVA Group | Accum. | Growth | |
|-------------------------|--------|-------------|-------|
| | | 9M12 / 9M11 | |
| | 9M12 | Abs. | % |
| Net interest income | 11,220 | +1,544 | 16.0 |
| Gross income | 17,103 | +2,052 | 13.6 |
| Operating income | 9,000 | +1,247 | 16.1 |
| Provisions RDL related | -2,869 | -2,390 | n.a. |
| Rest of provisions | -3,958 | -829 | 26.5 |
| Income before tax | 2,173 | -1,972 | -47.6 |
| Net attributable profit | 1,656 | -1,487 | -47.3 |

Adjusted attributable profit
€3,345m (-3.8%)

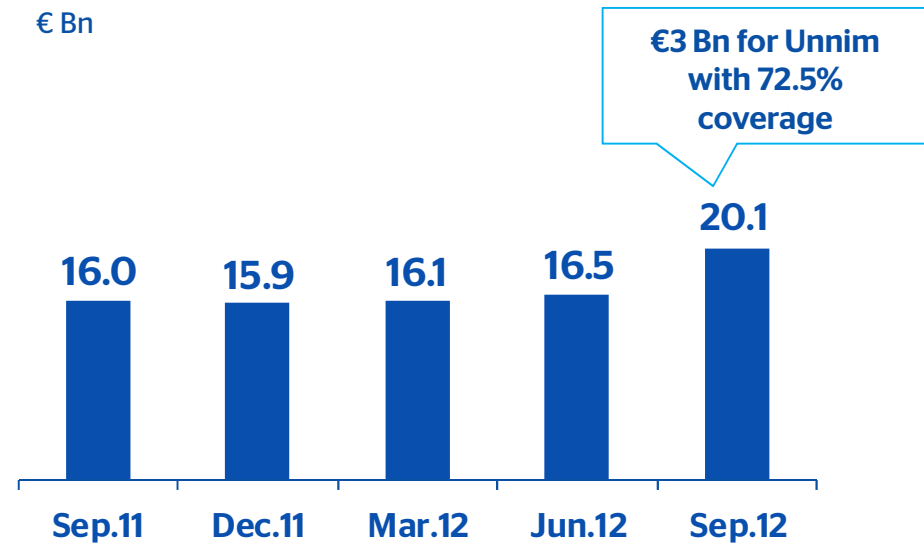
Note: Adjusted attributable profit excludes Royal Decree perimeter provisions and positive impact of Unnim badwill (€320m)

Risks: indicators reined in

NPA & coverage ratios %



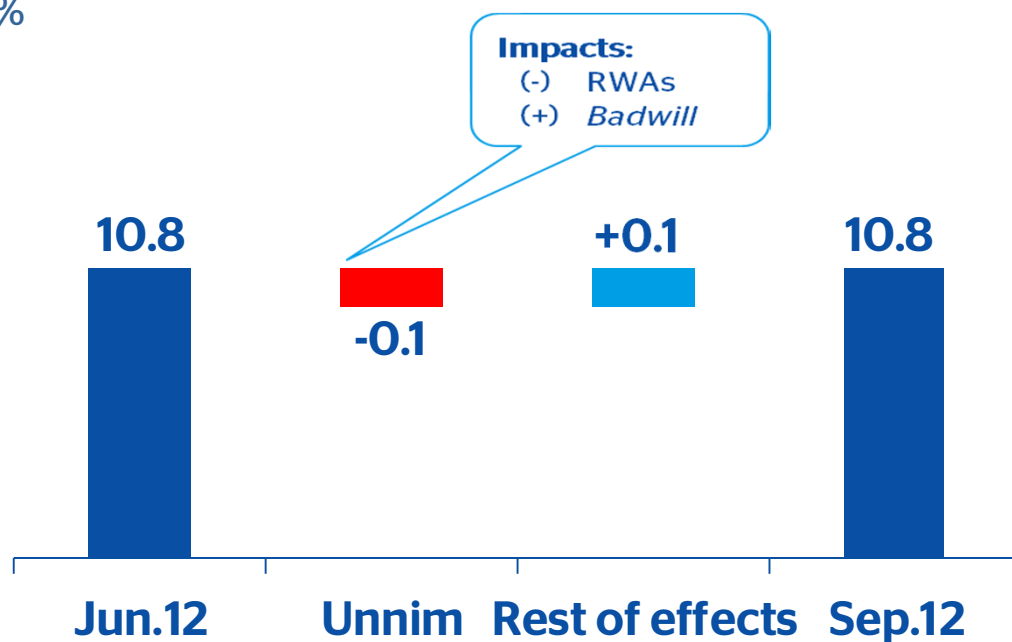
NPA
€ Bn



Performance in Spain in line with forecast

Capital: sound position and capital-generation capacity

Core capital ratio (Basel 2.5)
%



And also...

EBA > 9% Sep. 2012

Fully loaded Basel 3
> 9% Dec. 2013

Over €11 bn excess capital under adverse scenario
in latest stress test

Liquidity: active market issuance and improved liquidity position

Euro balance sheet

€2.5 bn senior debt

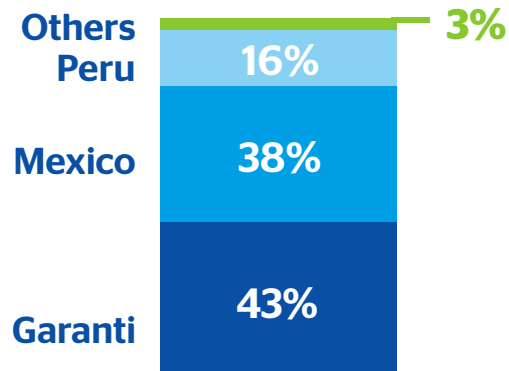
September-2012

\$2.0 bn senior debt

American market. Oct-2012

Non-euro

≈ €2.7 bn



Total wholesale issues : €6.7 bn

**And sharp reduction in commercial gap on € balance sheet:
€9.6 bn this quarter**

In short, sound fundamentals ...

Robust earnings

**Recurring gross
income**

+14.0%
YoY

**Recurring
operating income**

+17.3%
YoY

Provisions

2/3 RDs

**Diversified
revenues**

57%
Emerging

Sound structure

Capital

BIS 2.5

EBA ratio

BIS III (e) 2013

10.8%

>9%

>9%

Liquidity

Total issuance: €6.7 bn

Commercial gap € bal. sheet: - €9.6 bn

Risks

NPA ratio

Coverage ratio

4.8%

69%

Business areas

Proactive management, tailored to local conditions

Developed

- Enhanced balance-sheet structure
- Strict cost control
- Improvement in competitive positioning
- IT platform

Optimisation and
differentiation

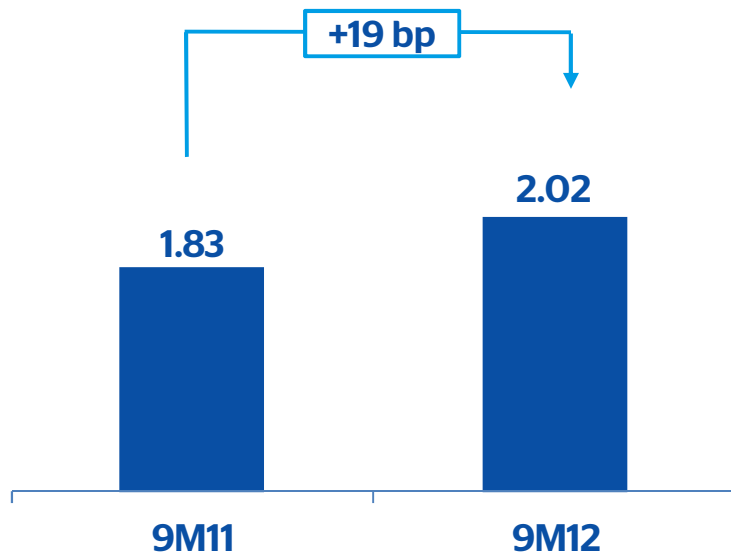
Emerging

- Growing customer base
- Buoyant business volumes
- Rising earnings
- Risks reined in
- Infrastructure investment

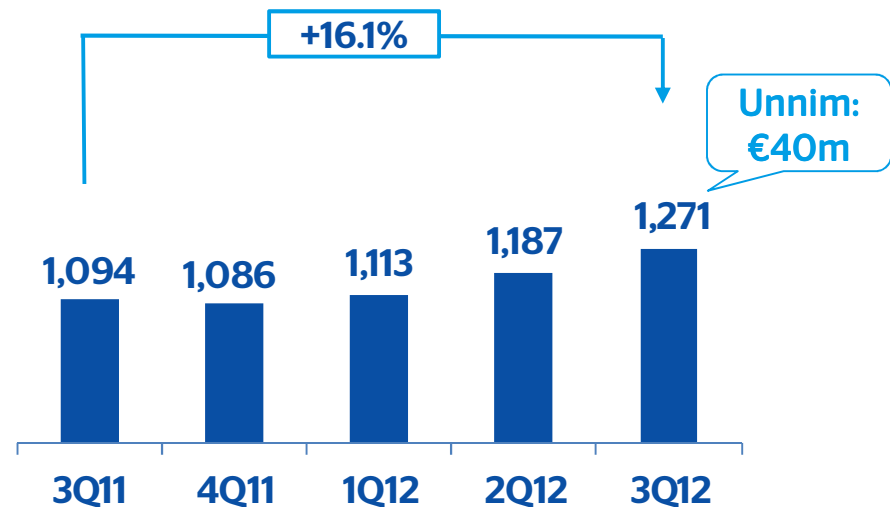
Growing now, with more
upside ahead

Spain: price management and resilient net interest income

Customer spread (ex Markets)
%



Net interest income
€m

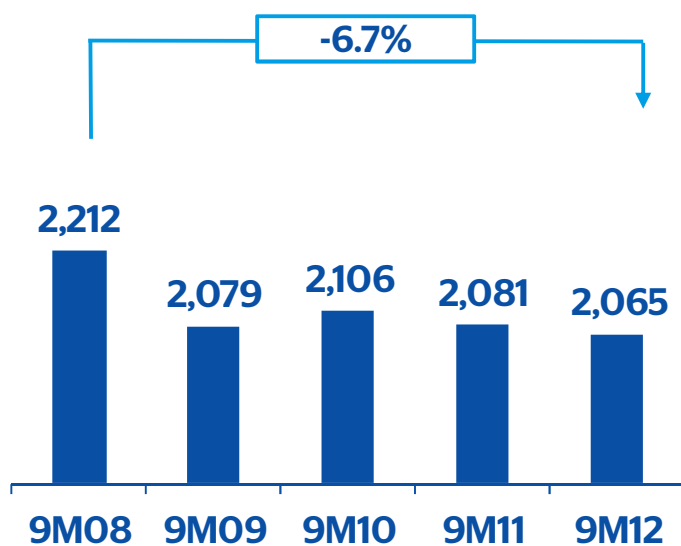


Gain in share of lending (+111 bp) and deposits (+195 bp)

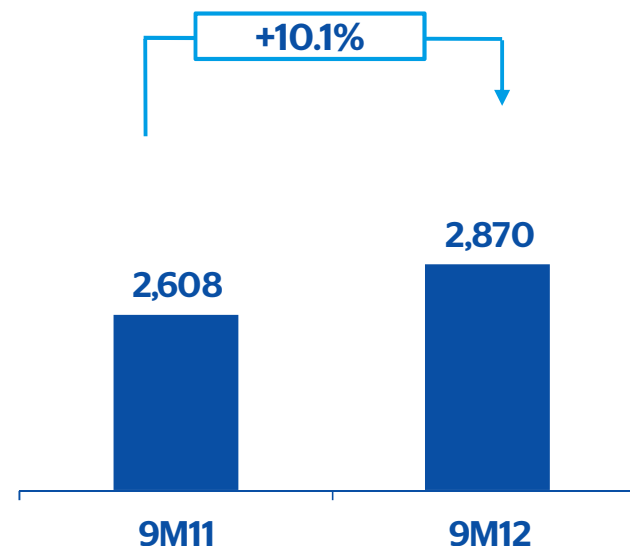
Note: private-sector business share: households and non-financial companies. Deposits include commercial paper.

Spain: strict cost control ...

Costs
€m



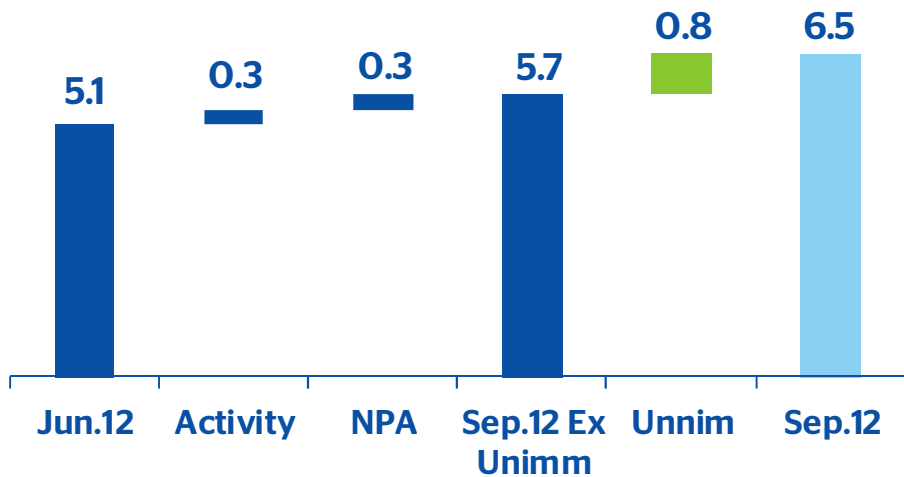
Recurring operating income
€m



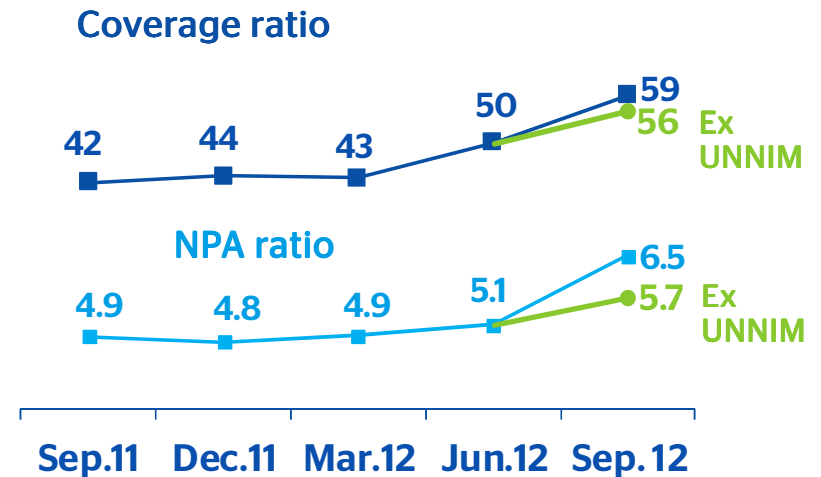
... and stronger operating income

Spain: risk indicators perform in line with forecast, incorporating Unnim

NPA ratio Breakdown %



NPA & coverage ratios %



NPA ratio 403 bp below industry average

Spain: SME lending growing gradually

Sep. 12
(Change since Dec. 11)

Exposure

NPA

Coverage

Developer

€ 16,219 m
(+8.8%)

42.2%
(+14.1 p.p.)

47%
(+17 p.p.)

SMEs

€ 24,085 m
(-7.6%)

8.2%
(+2.5 p.p.)

41%
(-3 p.p.)

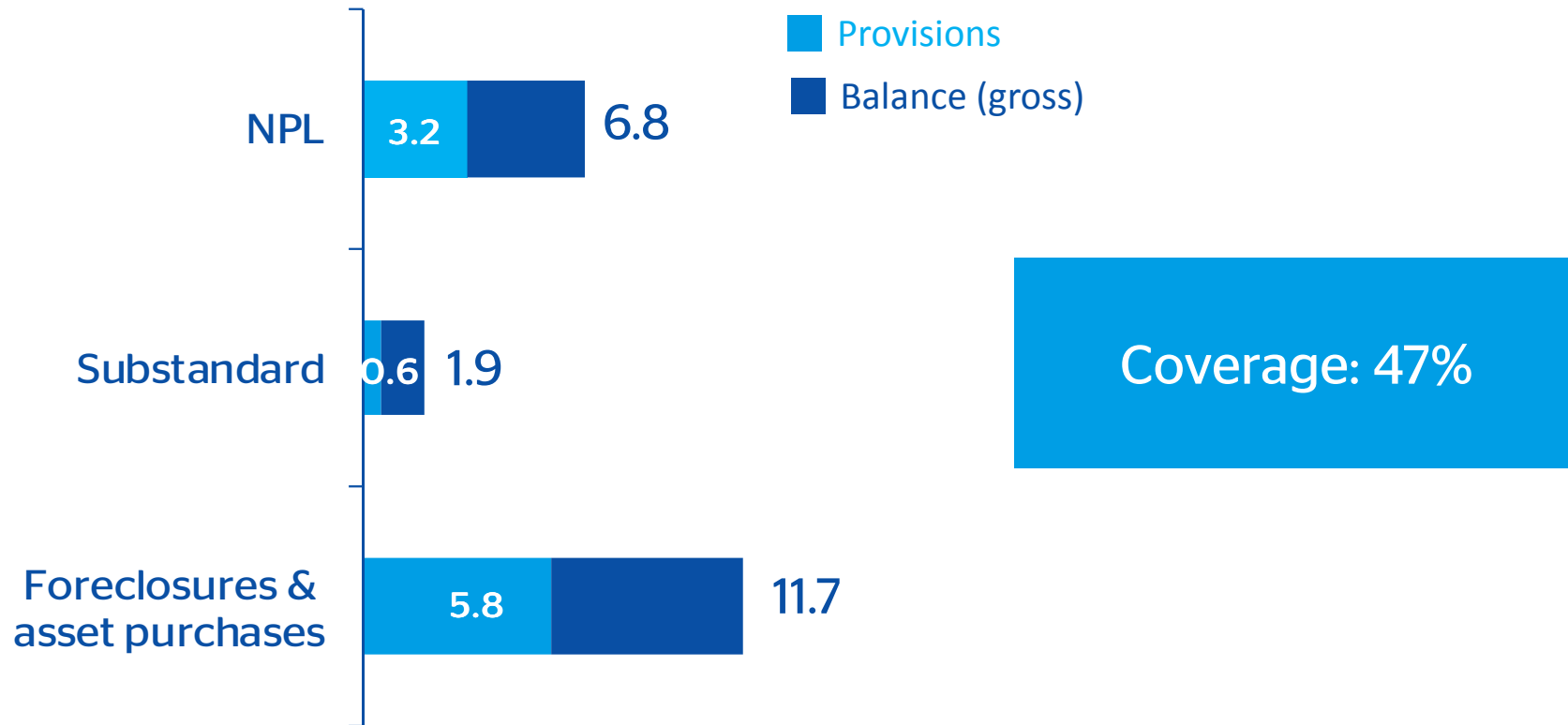
NPA ratio on other portfolios remains stable

Note: includes UNNIM

Unnim contributes €2,652m to developers loanbook and €346m to SMEs, plus 390 bp and 10 bp additional NPAs, respectively

Spain: breakdown of problematic real estate assets

Breakdown problematic real estate assets Spain
€ Bn



Note: includes Unnim (€1.6 Bn NPL, €0.2 Bn Substandard, € 3.3 Bn Foreclosures & asset purchases. Coverage: 51%)

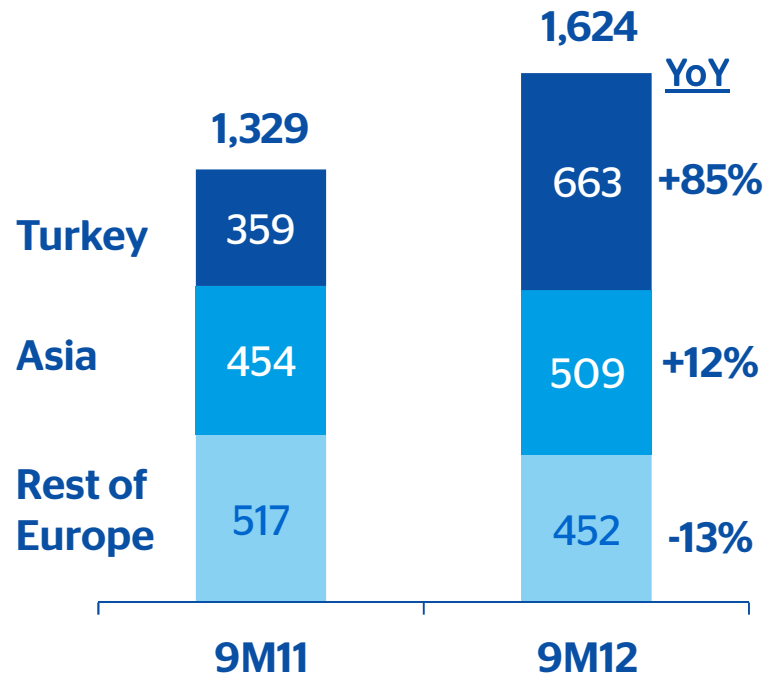
Spain: income statement

€m

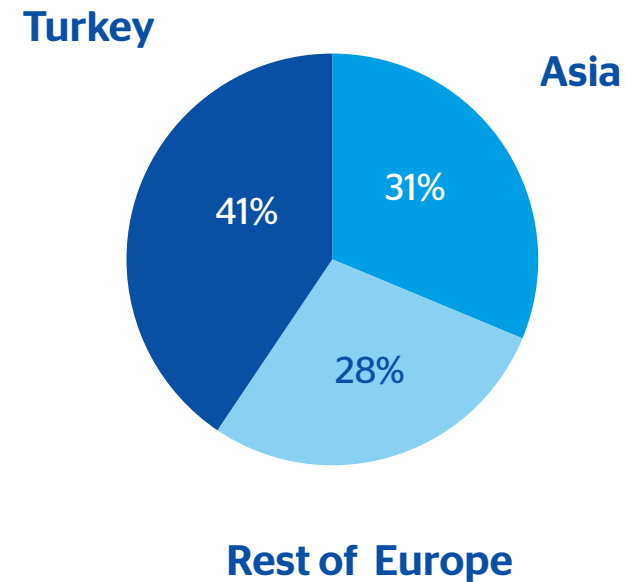
| Spain | Accum. | Growth | |
|--|--------|-------------|-------|
| | | 9M12 / 9M11 | |
| | 9M12 | Abs. | % |
| Net interest income | 3,571 | + 265 | 8.0 |
| Gross income | 5,038 | + 158 | 3.2 |
| Operating income | 2,972 | + 173 | 6.2 |
| Income before tax ex provisions RDL related | 1,190 | - 568 | -32.3 |
| Net attributable profit ex provisions RDL related | 848 | - 401 | -32.1 |
| Net attributable profit includ. provisions RDL related | -532 | -1,681 | n.s. |

EurAsia: increasing contribution to Group earnings

EurAsia gross income
€m



Breakdown Eurasia gross income
%



EurAsia: income statement

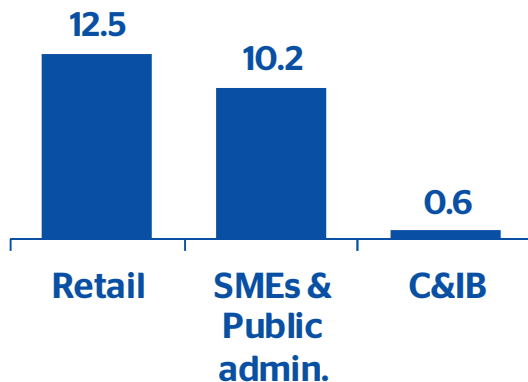
€m

| EurAsia | Accum. | Growth | |
|-------------------------|--------|-------------|------|
| | | 9M12 / 9M11 | |
| | 9M12 | Abs. | % |
| Net interest income | 603 | + 83 | 16.0 |
| Gross income | 1,624 | + 295 | 22.2 |
| Operating income | 1,048 | + 155 | 17.3 |
| Income before tax | 890 | + 46 | 5.5 |
| Net attributable profit | 813 | + 93 | 13.0 |

Mexico: a best-in-class franchise with well-balanced growth

Buoyant loanbook fuelled by retail lending ...

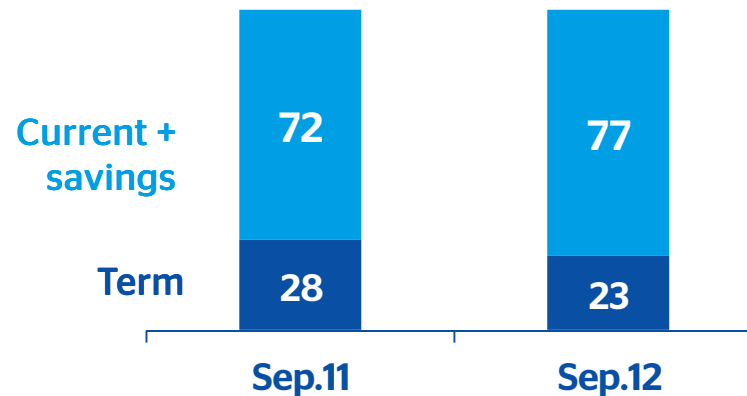
Lending YoY change. Average balances



Lending: +11.0%

... with better deposit mix and strong growth in current accounts

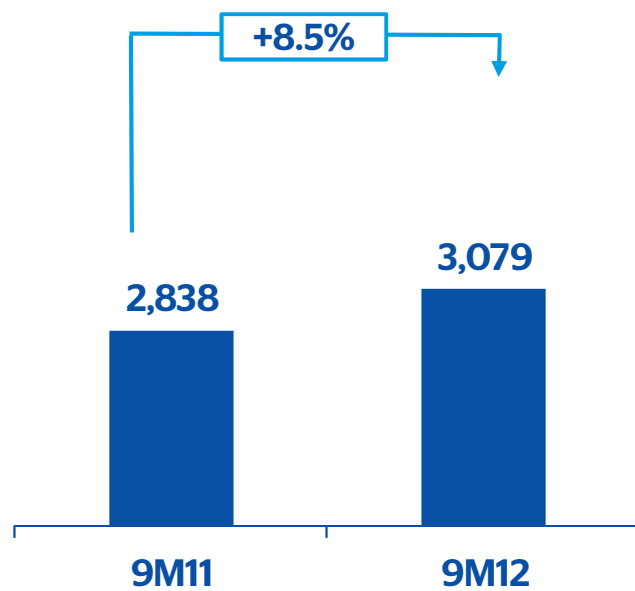
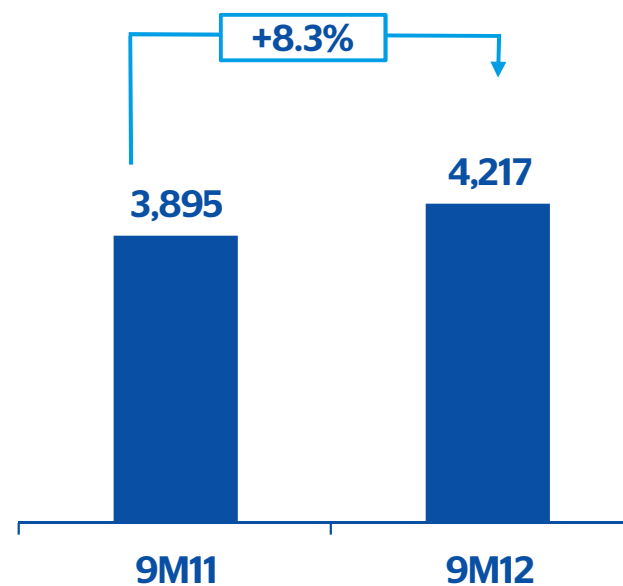
Balance-sheet retail funding mix %



Customer funds: +7.5%

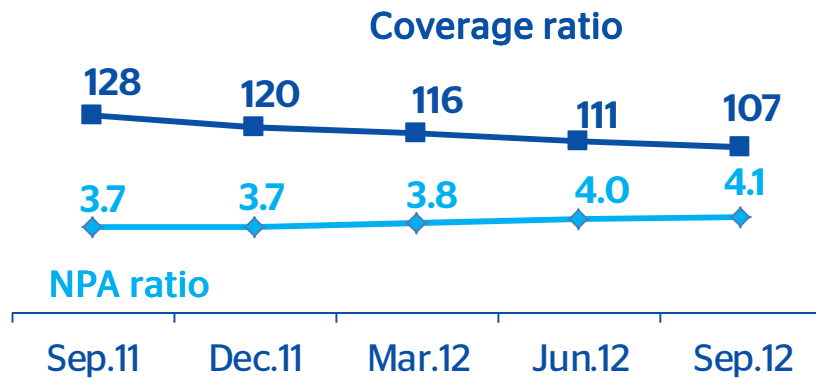
And improvement in customer spread: + 19 bp (YoY)

Note: "Retail" includes SMEs

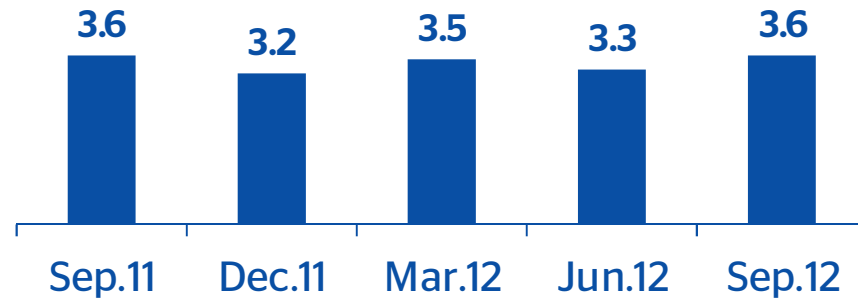
Mexico: high revenuesNet interest income
€m (constant)**Fee income: +3.7%**Recurring gross income
€m (constant)**Gross income: +5.9%**

Mexico: contained risk indicators

NPA & coverage ratios
%



Cost of risk
Quarter on quarter
%



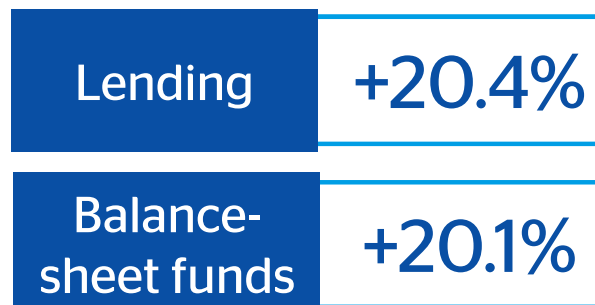
Mexico: income statement

€m (constant)

| Mexico | Accum. | Growth | |
|-------------------------|--------|-------------|-----|
| | | 9M12 / 9M11 | |
| | 9M12 | Abs. | % |
| Net interest income | 3,079 | + 242 | 8.5 |
| Gross income | 4,418 | + 248 | 5.9 |
| Operating income | 2,750 | + 97 | 3.7 |
| Income before tax | 1,741 | + 52 | 3.1 |
| Net attributable profit | 1,300 | + 49 | 4.0 |

South America: buoyant business volumes reflected in revenues

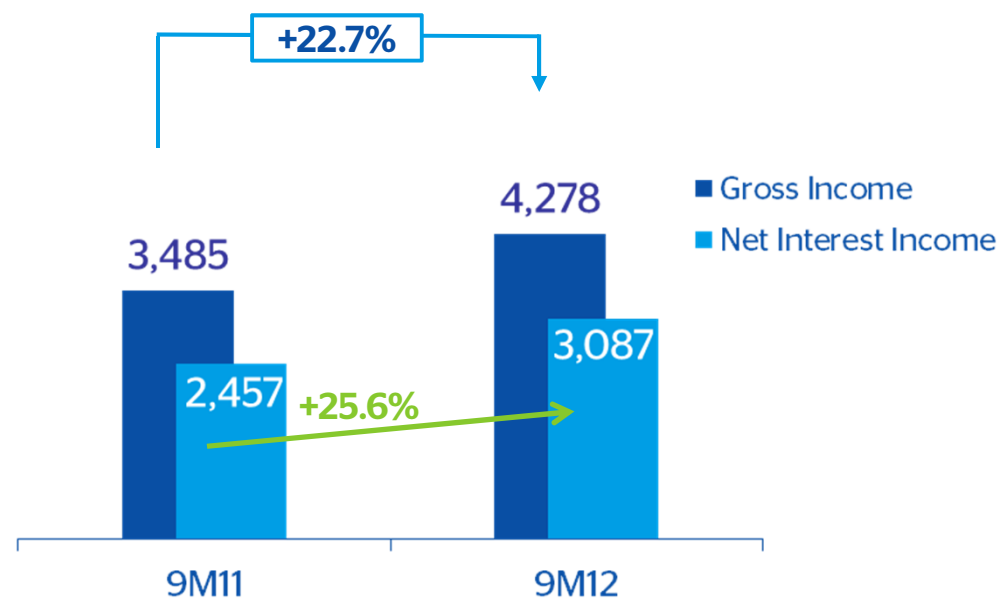
Business volumes
YoY change, average balances



Business share
YoY change. August-2012 data

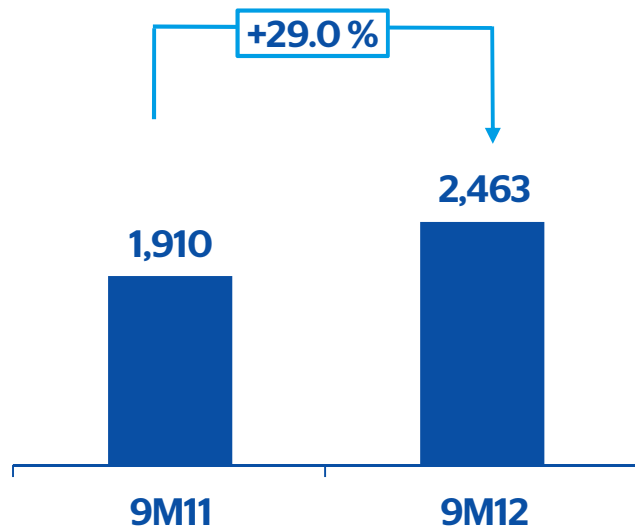


Gross income and net interest income
€m (constant)

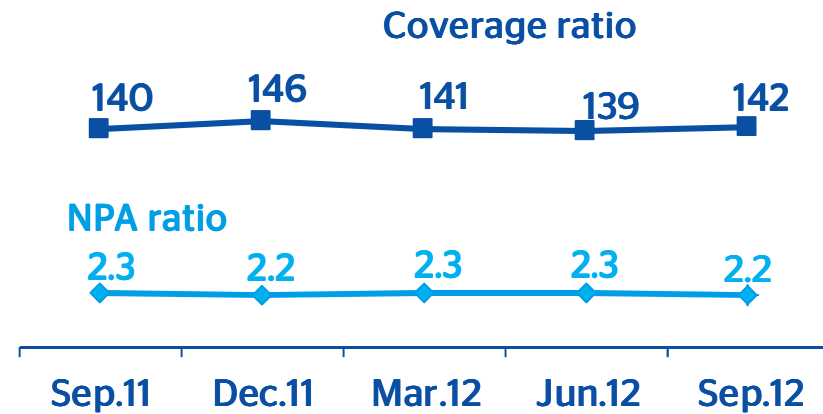


South America: enhanced efficiency and excellent risk indicators

Operating income
€m (constant)



NPA & coverage ratios
%



Cost/income ratio improves 3 pp

Ytd cost of risk



South America: income statement

€m (constant)

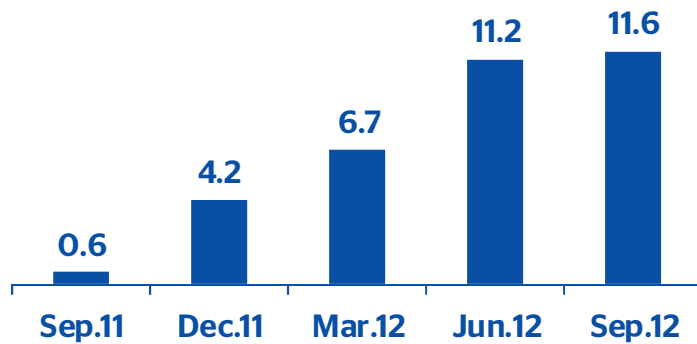
| South America | Accum. | Growth | |
|-------------------------|--------|-------------|------|
| | | 9M12 / 9M11 | |
| | 9M12 | Abs. | % |
| Net interest income | 3,087 | + 630 | 25.6 |
| Gross income | 4,278 | + 793 | 22.7 |
| Operating income | 2,463 | + 553 | 29.0 |
| Income before tax | 1,926 | + 417 | 27.7 |
| Net attributable profit | 1,014 | + 197 | 24.1 |

United States: traction in lending and deposit mix improvement

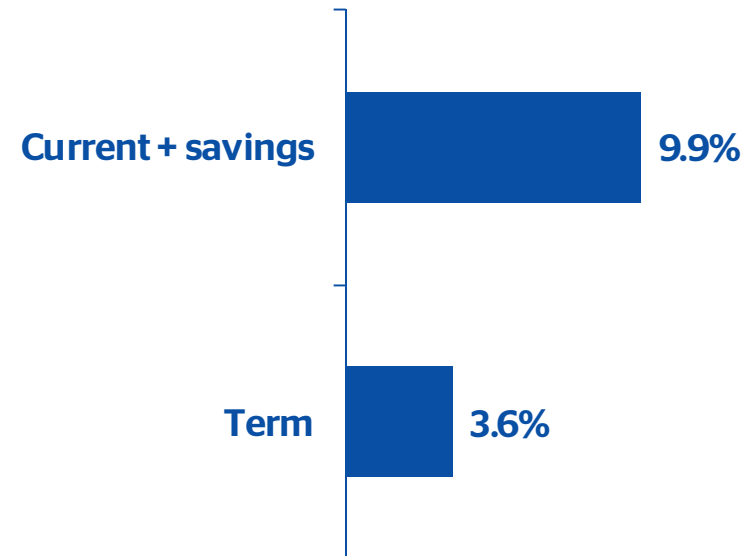
Year on year change to date



Lending
YoY change, average balances
%

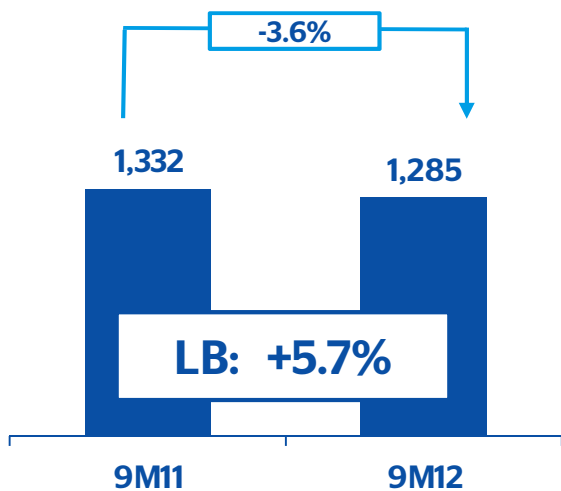


Customer funds
YoY change, average balances

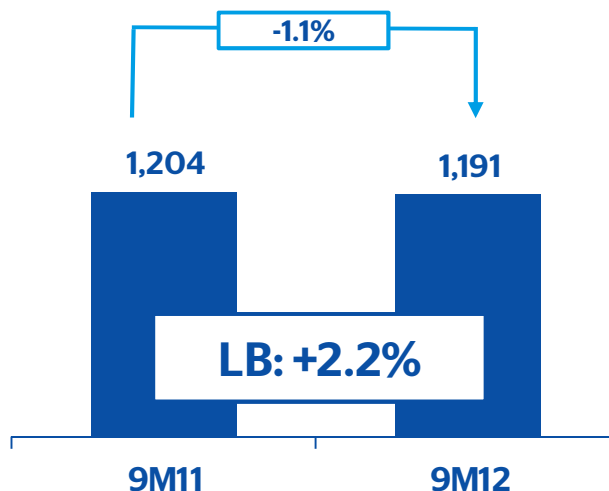


United States: earnings underpinned by local business

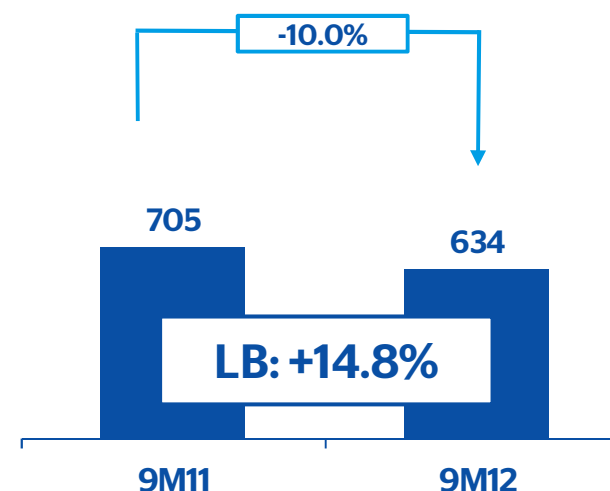
Net interest income
€m (constant)



Costs
€m (constant)

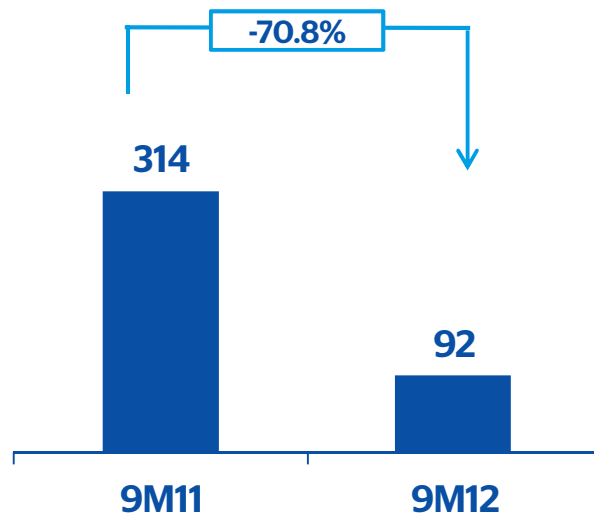


Operating income
€m (constant)



United States: asset quality continues to improve

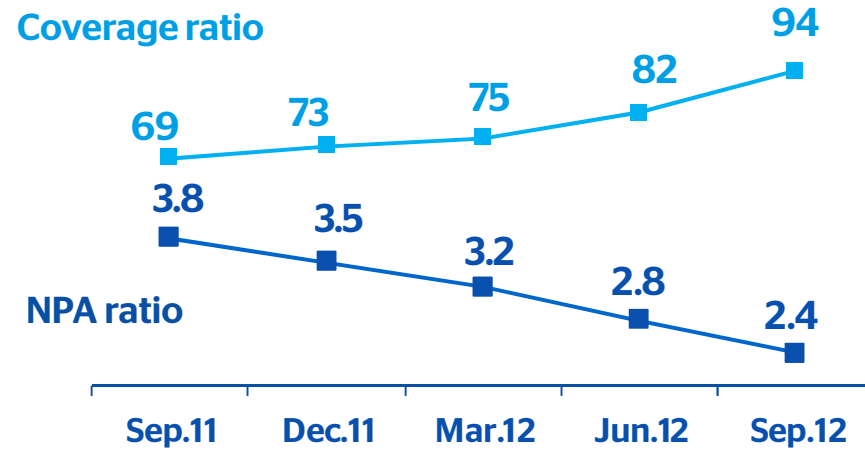
Loan-loss provisions
€m (constant)



Ytd cost of risk

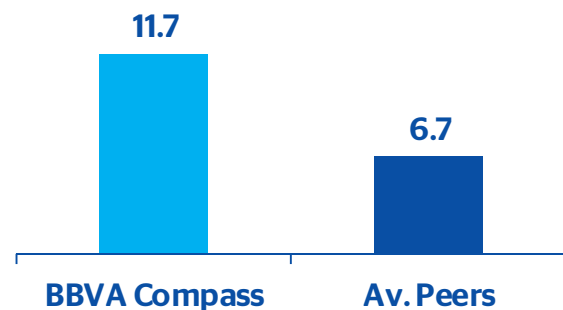


NPA & coverage ratios
%

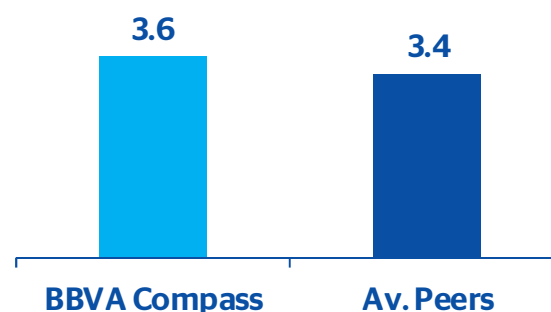


United States: franchise starting to outperform its peers

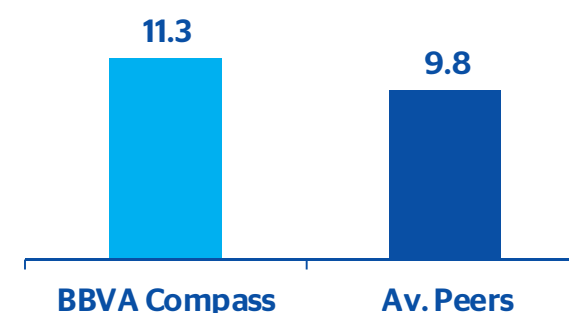
Total lending growth
Year-on-year change, %



Net Int Income/ATAs (NIM)
Ytd %



Tier-1 Common Capital Ratio
%



United States: income statement

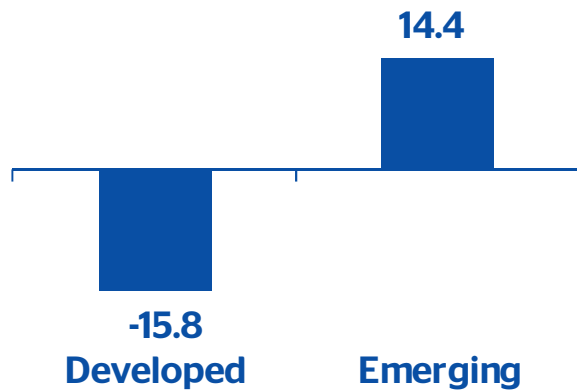
€m (constant)

| U.S.A. | Accum. | Growth | |
|-------------------------|--------|-------------|-------|
| | | 9M12 / 9M11 | |
| | 9M12 | Abs. | % |
| Net interest income | 1,285 | - 48 | -3.6 |
| Gross income | 1,826 | - 84 | -4.4 |
| Operating income | 634 | - 71 | -10.0 |
| Income before tax | 496 | + 128 | 34.8 |
| Net attributable profit | 341 | + 77 | 29.3 |

BBVA Compass attributable profit growing 63% year on year

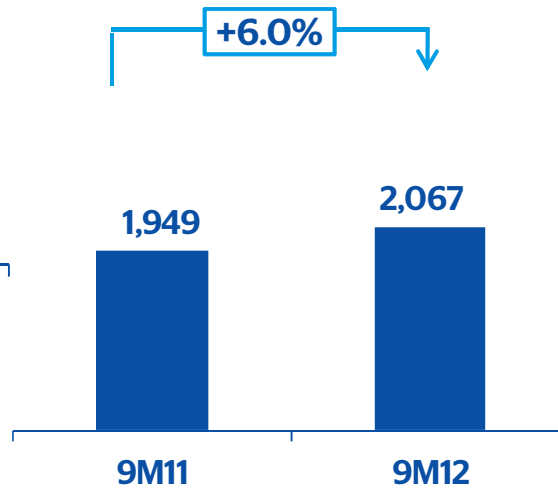
CIB: wholesale business proving resilience in adverse environment

Lending
YoY change to date
%



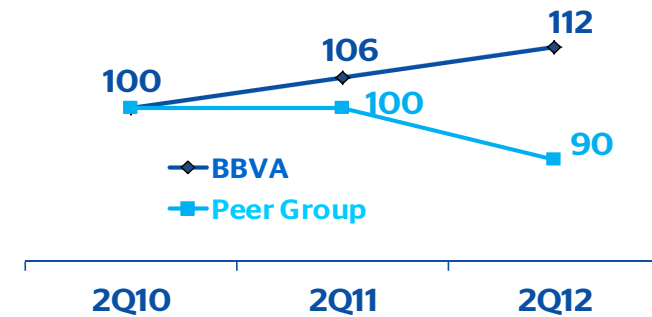
Adapted to cycle

Gross income
€m (constant)



Fee income: +6.6%

Gross income
Base 100: 2Q10



Superior resilience

CIB: income statement

€m (constant)

| Corporate & Investment Banking | Accum. | Growth | |
|--------------------------------|--------|-------------|------|
| | | 9M12 / 9M11 | |
| | 9M12 | Abs. | % |
| Gross income | 2,067 | + 118 | 6.0 |
| Operating income | 1,408 | + 97 | 7.4 |
| Income before tax | 1,288 | + 46 | 3.7 |
| Net attributable profit | 819 | - 3 | -0.4 |

3Q12: strong fundamentals

1

Recurring revenues growth in all geographical areas and robust operating income

2

2/3 of the Royal Decrees perimeter provisions already covered

3

Risks reined in and performing in line with forecast

4

Well capitalised in all ratios and absorbing Unnim

5

Active issuance and sound liquidity position



Third-quarter results 2012



Ángel Cano, BBVA's President & Chief Operating Officer

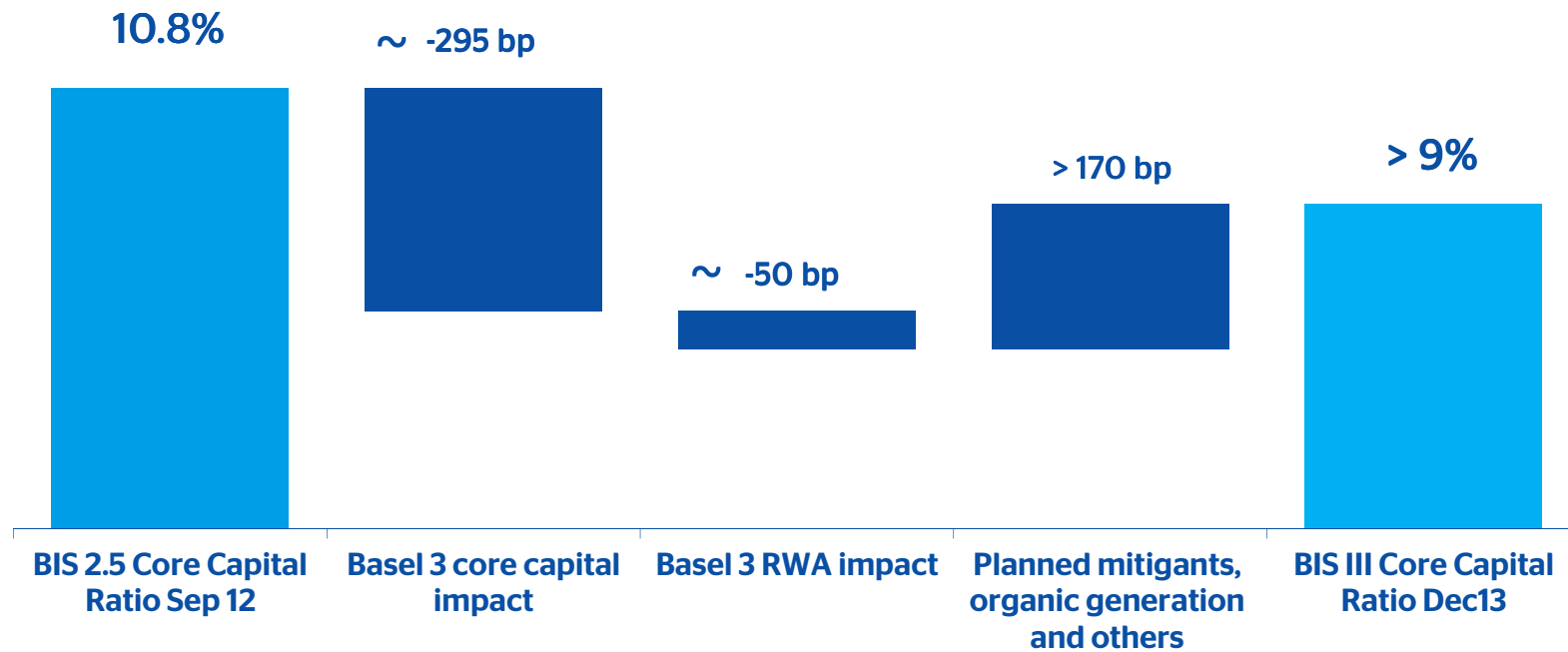
Madrid, 31st October 2012

Annexes



Annex 1: Fully-loaded Basel 3 impact pro-forma

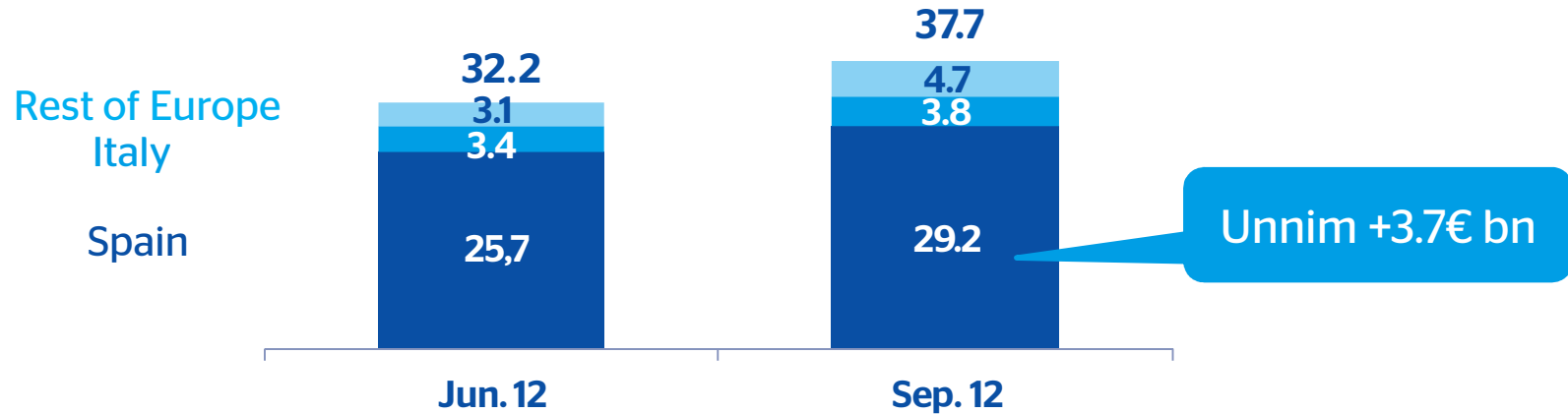
Core capital ratio (Basel 3 impact)
%



Note: estimated impacts as of sept.12

Annex 2: exposure to European sovereign debt

Sovereign debt
€ Bn



Annex 3: debt redemptions in euro balance sheet

Mid & long term debt redemptions
Euro balance sheet
€ Bn

