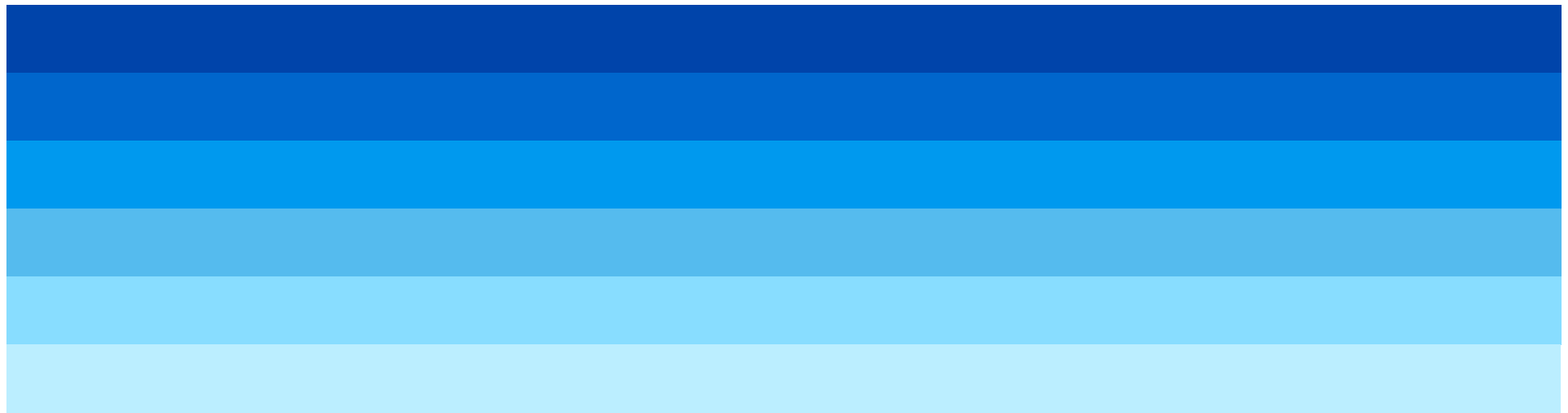




# Third quarter results 2013



Angel Cano, BBVA's President & Chief Operating Officer

Madrid, October 25th 2013

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## Relevant aspects

**Refinanced loans**

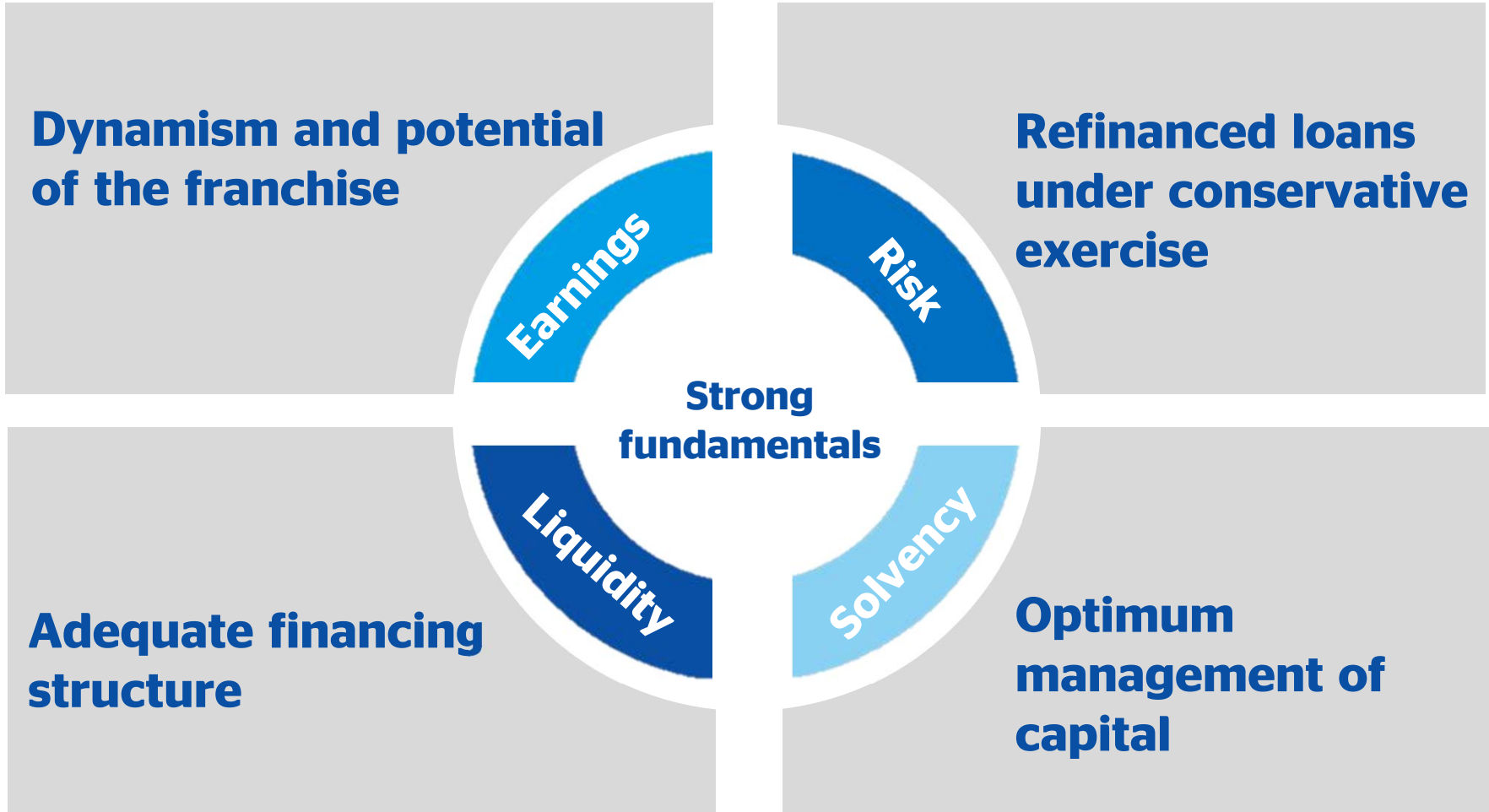
- **Conservative** reclassification of refinanced loans, affecting all portfolios
- Most **demanding** standards of European banks
- **38%** of NPAs in Spain are current

**Operation to strengthen capital**

- **5.1%** of CNCB sold at market prices
- **+71bp** of core capital from entire operation (€2.4bn BIS III fully loaded)

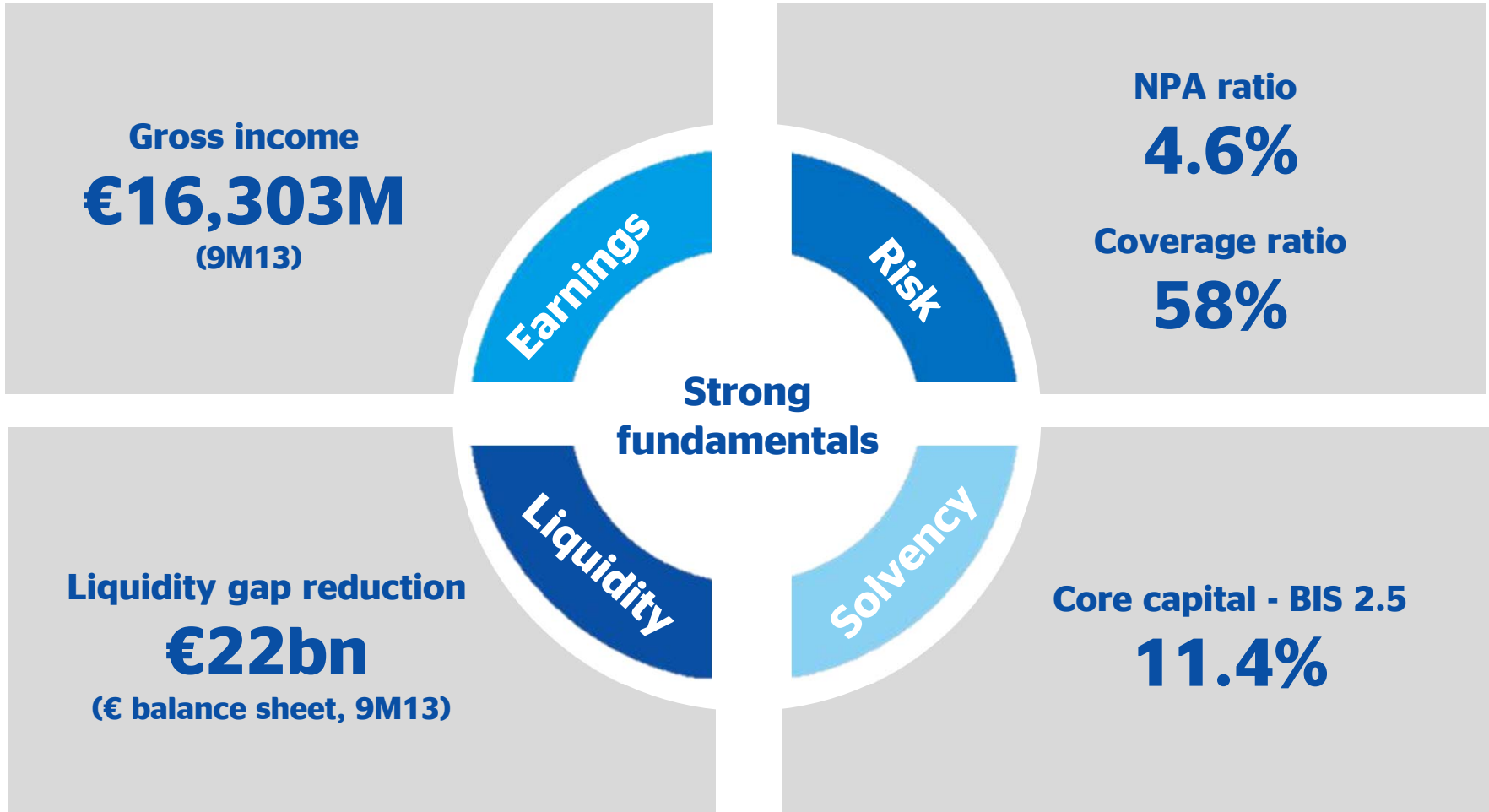


Highlights





Highlights



Note: risk figures exclude real estate activities. Real estate activity in Spain: NPAs 55.3% and coverage 62%.

## Shareholder remuneration policy

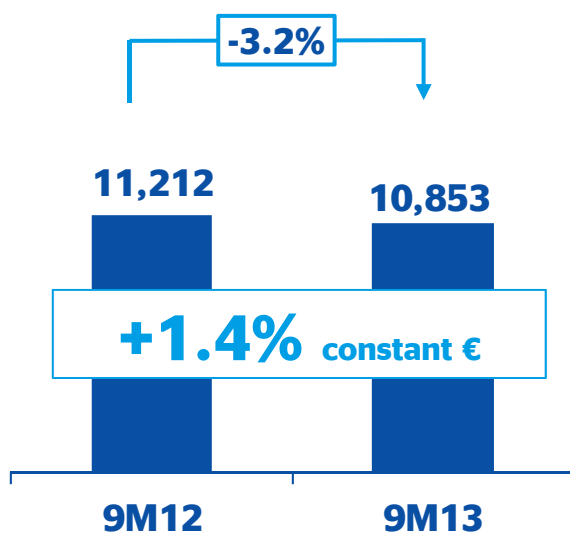
### Proposal

- Scrip option dividend of **€0.17 per share** in April 2014. No dividend payment in January 2014.
- New dividend policy: **35%-40% payout in cash.**
- Scrip option dividend in addition to cash payment during a **transition period.**

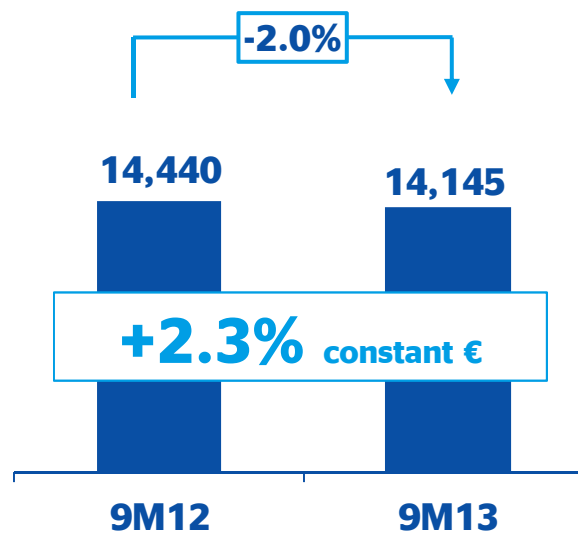
Moving towards a normal dividend policy

**Earnings:** recurring revenue despite complex environment ...

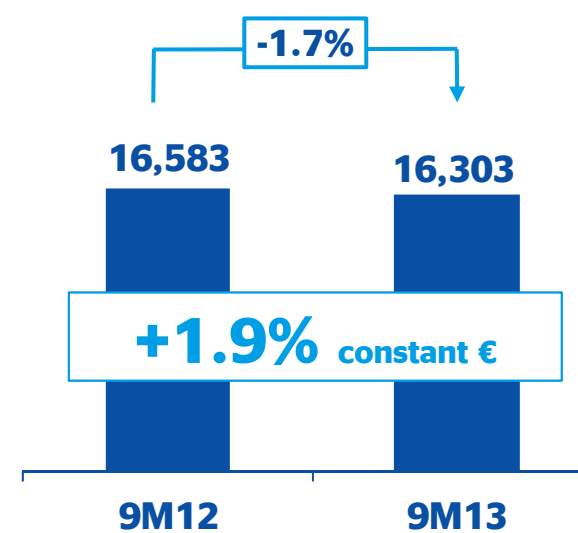
Net interest income  
€m



Net interest income + fees  
€m



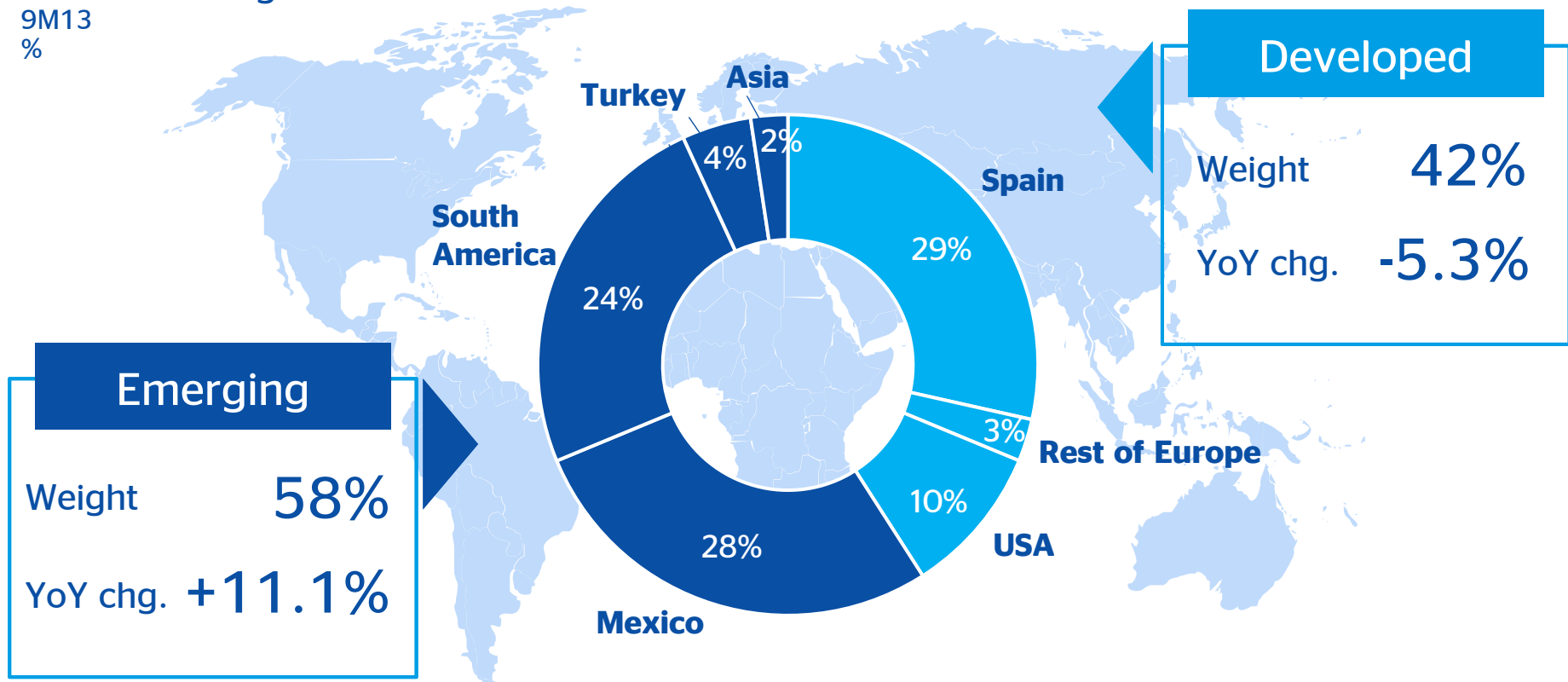
Gross income  
€m



Affected by exchange rates

... thanks to a model based on diversification

Breakdown of gross income  
9M13  
%

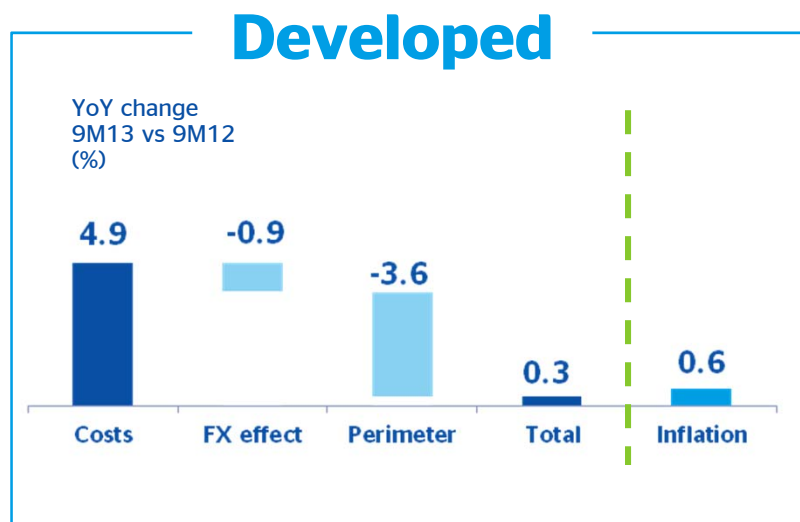
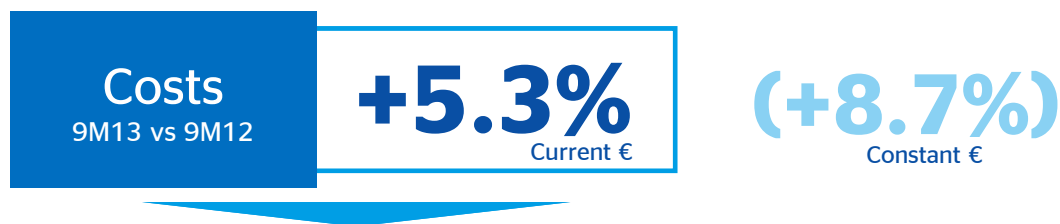


**Driven by emerging markets**

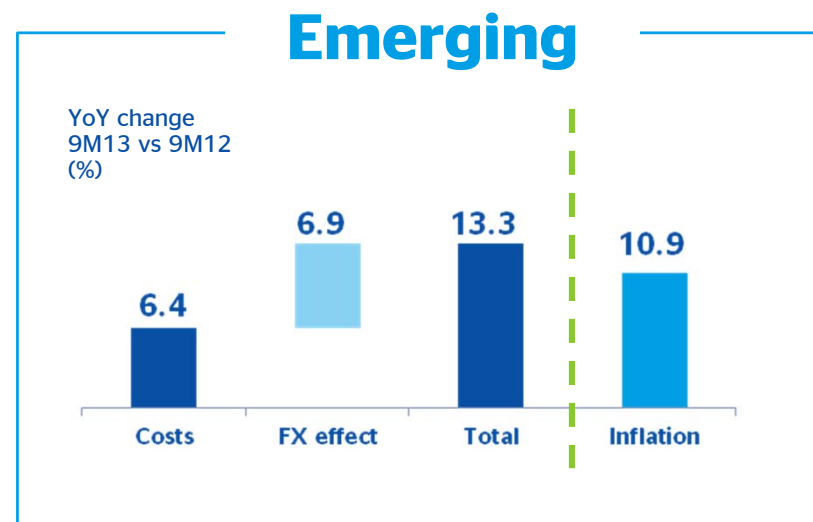
Note: excludes Holding. Year-on-year variation in constant €



# Cost management adapted to each region



- Costs contained
- Perimeter effect

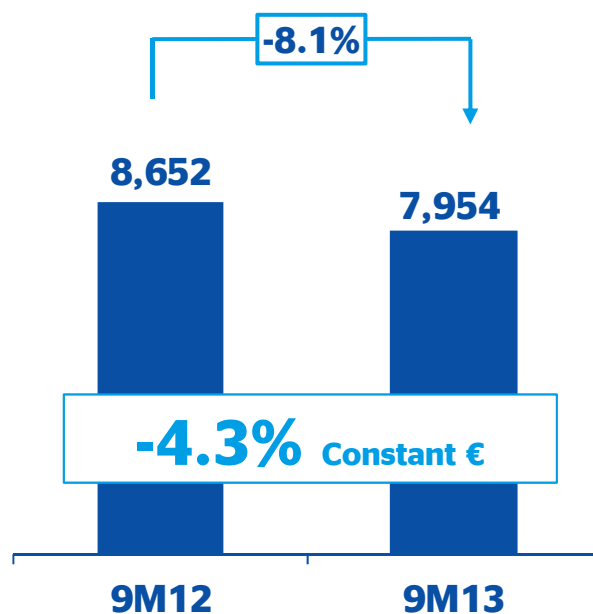


- High inflation economies
- Investment for the future

Note: excludes Holding

# Another quarter of resilience and sustained earnings

Operating income  
€m



## Comparison affected by ...

Adjustment in Asia 1Q13

Telefonica's dividend

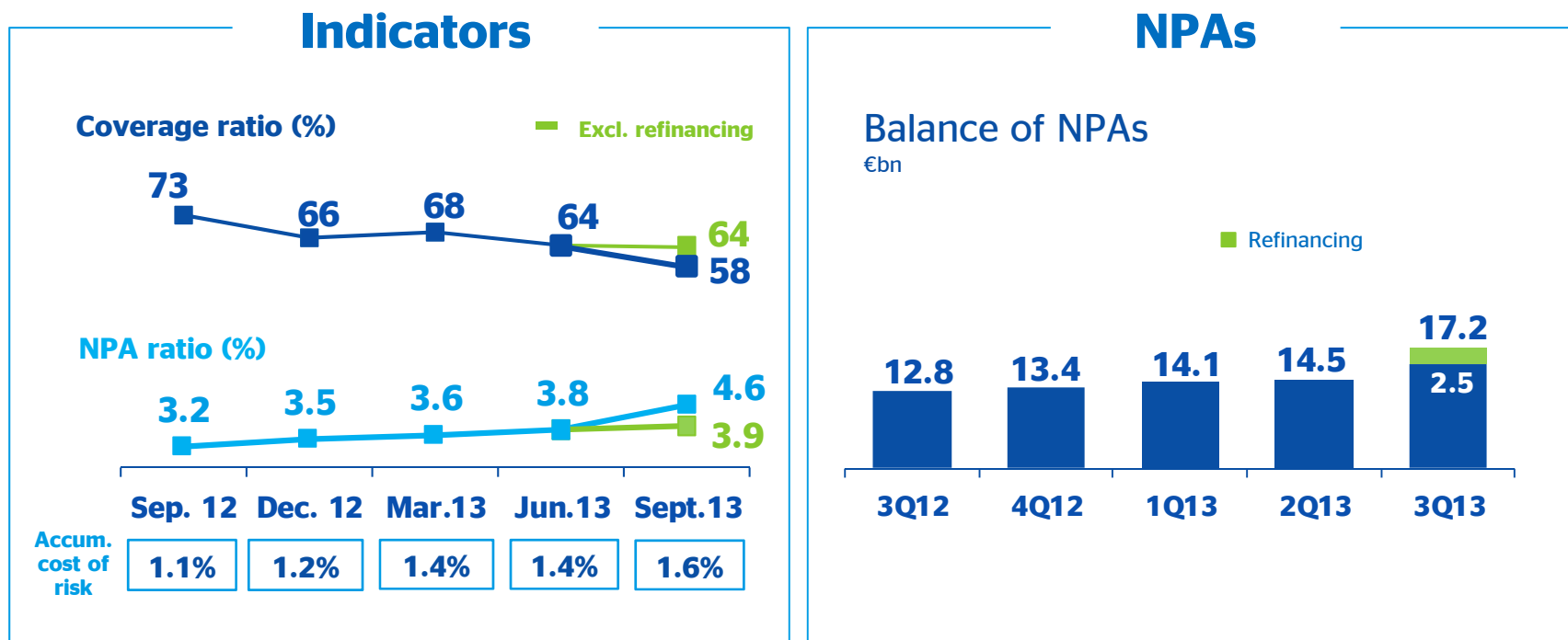
Perimeter effect

Hyper-inflation

Exchange rates

Maintaining efficiency leadership

# Risk: affected by reclassification of refinanced loans



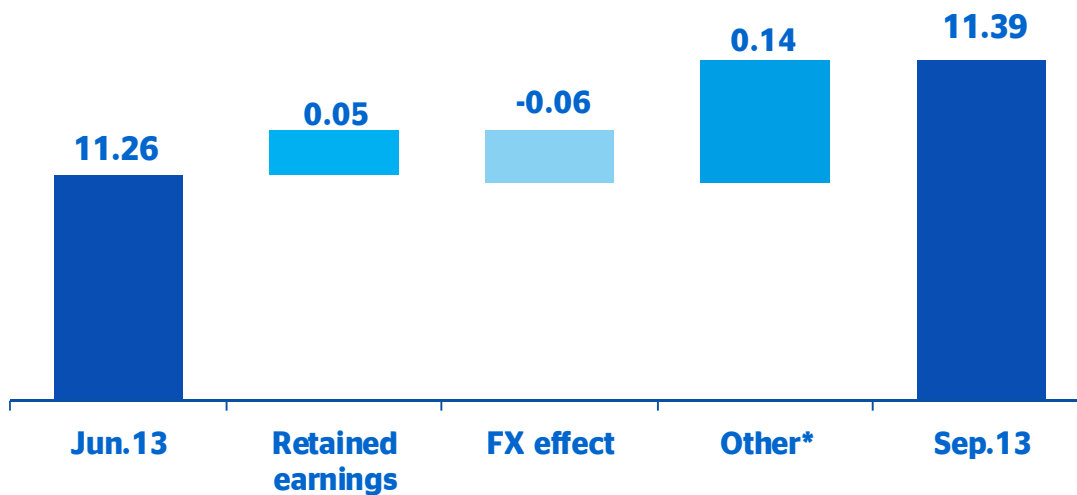
**38% of all NPAs are current**

**Level of provisioning maintained during the year**

Note: risk figures exclude real estate business. Real estate business in Spain: NPA 55.3%, coverage 62%, NPAs €9.4bn (€7.9bn ex-refis) and cost of risk 3.8%.

# Capital: strong and sound

Core capital ratio (BIS 2.5)  
%



And ...

**BIS III fully loaded (Sept.13)**

Ratio core: **8.4%**

Ratio *leverage*: **4.8%**

Comfortable capital position

\* Other: mainly the treasury stock, capital losses on AFS securities and RWAs.

In summary: solid results in a complex environment

€m

BBVA Group	Accum.	Growth		% constant
		9M13/9M12		
	9M13	Abs.	%	
Net Interest Income	10,853	- 359	-3.2	1.4
Gross Income	16,303	- 280	-1.7	1.9
Operating Income	7,954	- 698	-8.1	-4.3
Income Before Tax	2,926	+ 1,099	60.1	85.8
Net Attributable Profit	3,077	+ 1,421	85.8	n.s.

Affected by one-offs

Once again ...

**Solid results**

(9M13)

**Strong revenue**

€16bn

**Diversified  
revenue**

 58%  
Emerging

**Net attributable  
profit**

€3.1bn

**Strong structure**

(9M13)

**Capital**

BIS 2,5	BIS III fully loaded	Ratio <i>leverage</i>
11.4%	8.4%	4.8%

**Liquidity**

▽ liquidity gap

€22bn

**Risk**

NPA ratio	Coverage ratio
4.6%	58%



# Business Areas

# Developed

# Emerging



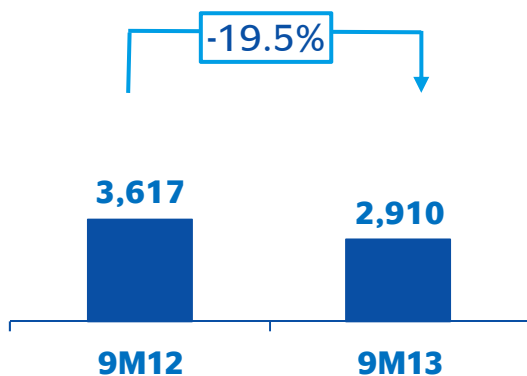


# Banking activity in Spain: trend maintained with improvement in funding costs

Business activity in Spain  
YoY chg in average balances

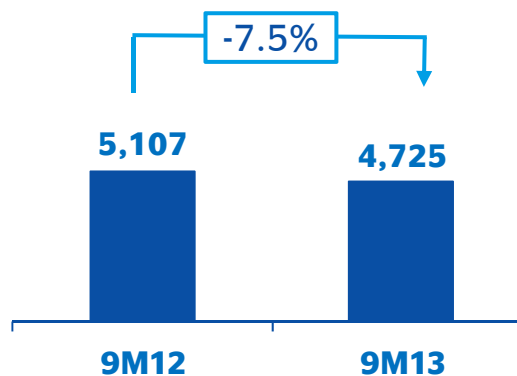


Net interest income  
€m



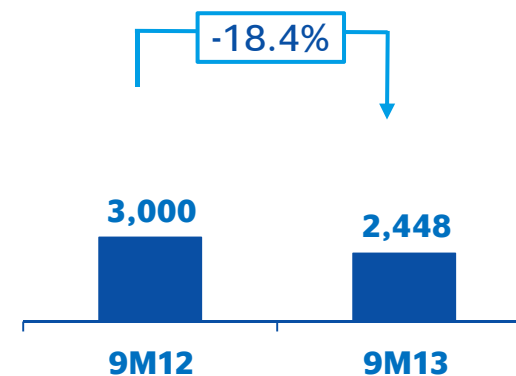
70bp increase in market share of loans

Gross income  
€m



105bp increase in market share of deposits

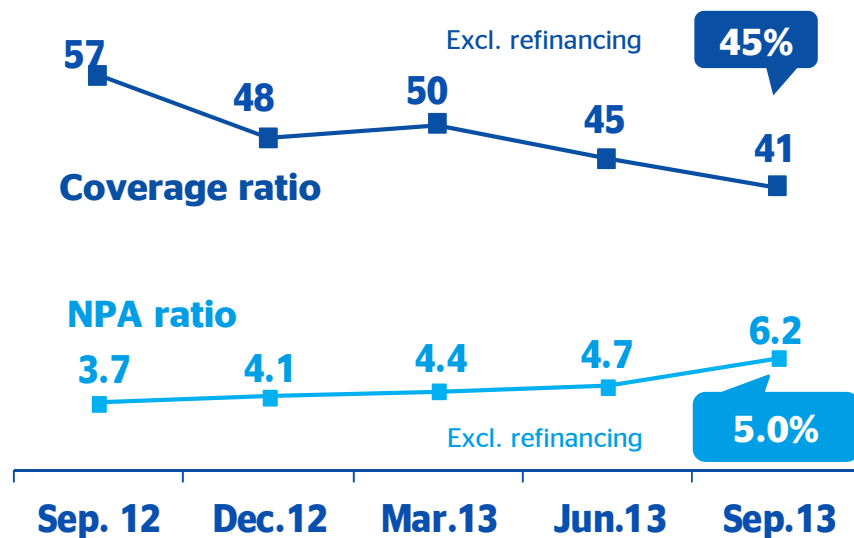
Operating income  
€m



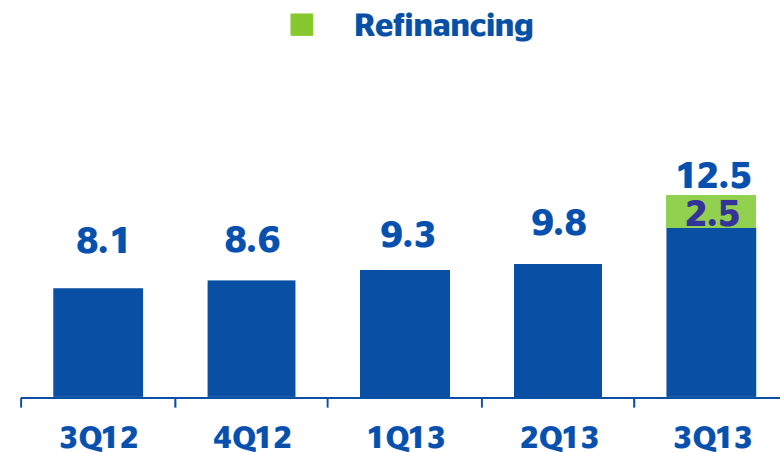
Note: market share includes ODS loans (retail activity). YoY change.

# Banking activity in Spain: risk indicators affected by refinanced loans

**NPA and coverage ratios (%)**



**NPAs - net balance (€bn)**



**41% of NPAs are current**

## Banking activity in Spain: income statement

€m

Banking activity	Accum.	Growth	
		9M13/9M12	
	9M13	Abs.	%
Net Interest Income	2,910	- 707	-19.5
Gross Income	4,725	- 382	-7.5
Operating Income	2,448	- 552	-18.4
Income Before Tax	719	- 747	-51.0
Net Attributable Profit	477	- 556	-53.8

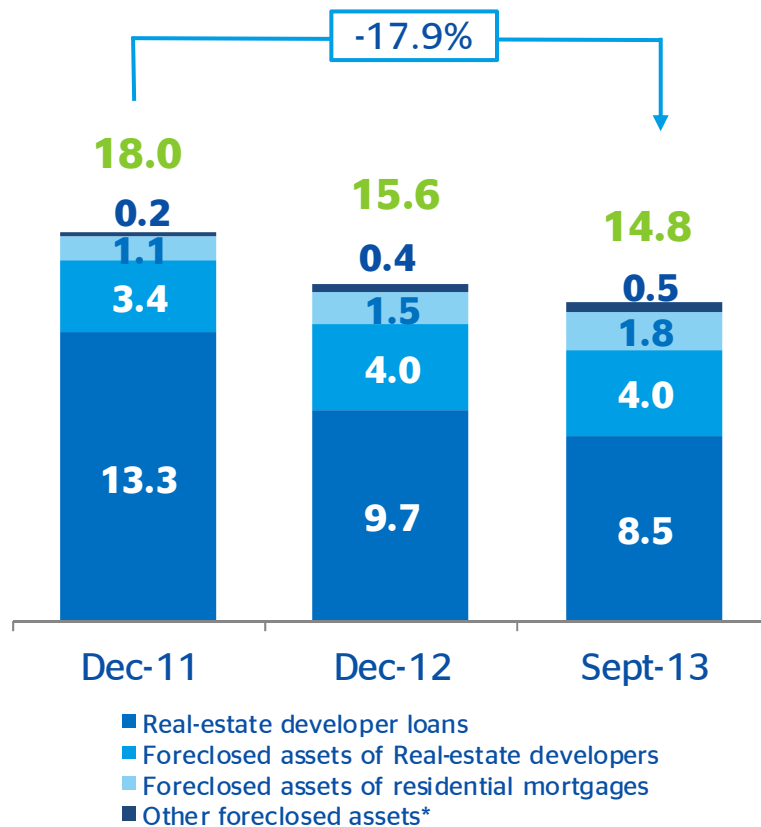
### 3Q13 highlights

Impact of refinancing

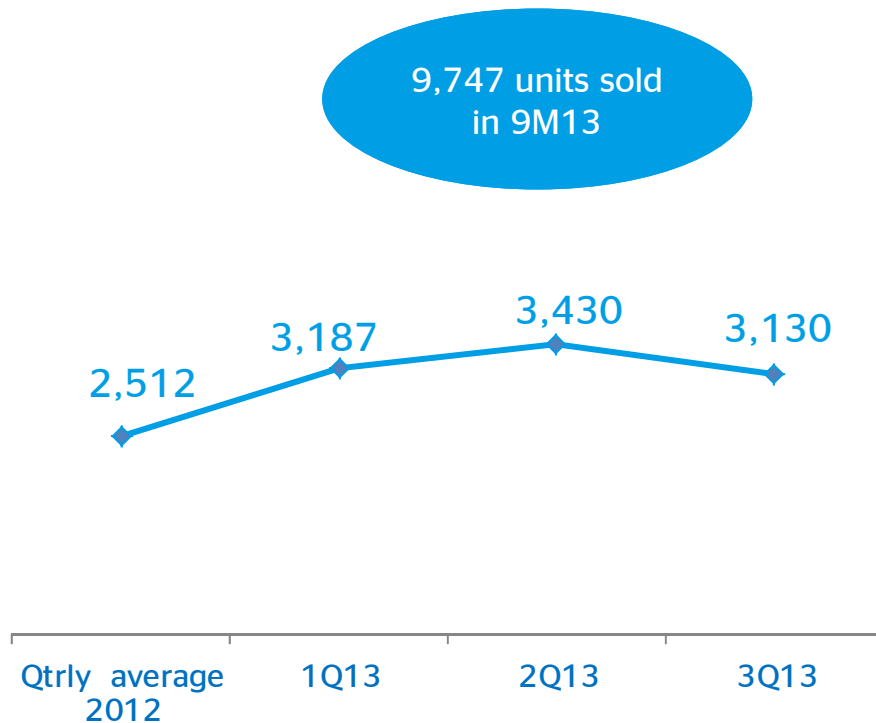
Market share increases due to customer acquisition

# Real estate business in Spain: exposure

Net exposure to real estate business  
€bn



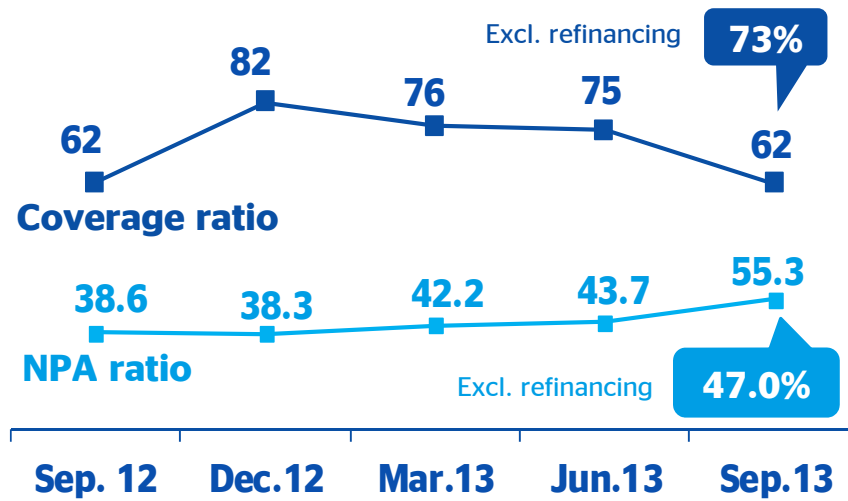
Sales  
units



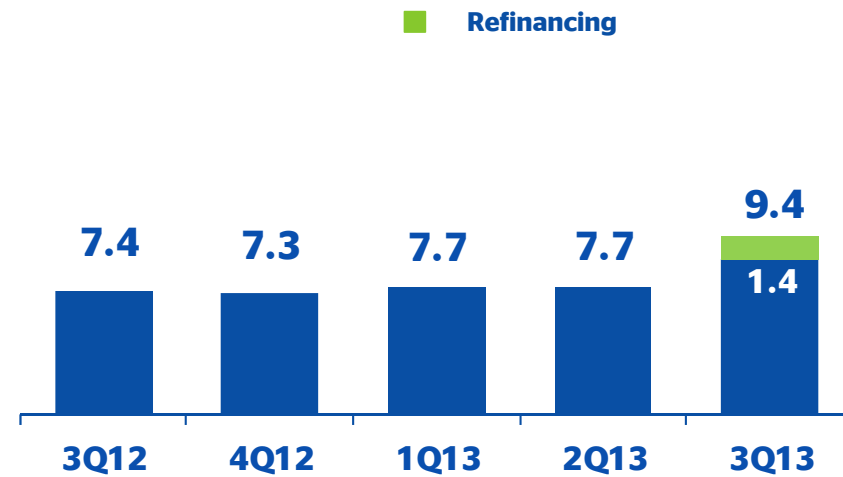
Note: transparency on like-for-like basis. The figures include Unnim but exclude the investment in Metrovacesa.  
\* Other foreclosed assets includes foreclosed assets that do not stem from financing family home buying

# Real estate business in Spain: risk indicators

NPA and coverage ratios (%)



NPAs - net balance (€bn)



34% of NPAs are current

## Real estate business in Spain: income statement

€m

Real-estate	Accum.	Growth	
		9M13/9M12	
	9M13	Abs.	%
Net Interest Income	28	+ 51	n.s.
Gross Income	-12	+ 66	-84.5
Operating Income	-123	+ 41	-25.1
Income Before Tax	-1,310	+ 2,560	-66.2
Net Attributable Profit	-845	+ 1,870	-68.9

### 3Q13 highlights

Improved outlook for sector

Good sales figures despite seasonal influence

Reduced exposure

# USA: business growth in a low-interest rate environment

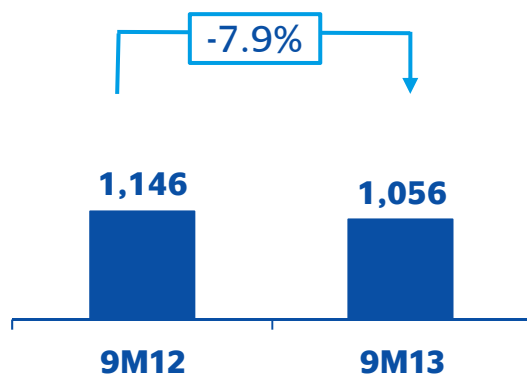
## Compass business activity

YoY change, average balances , constant euros



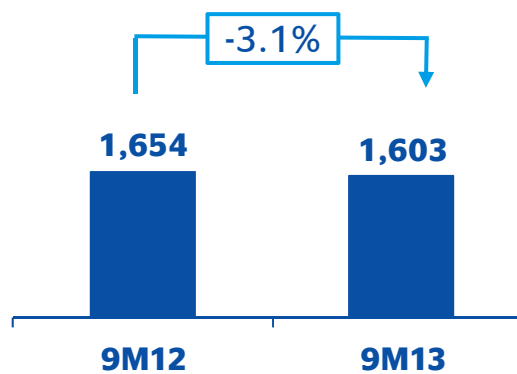
### Net interest income

Constant €m



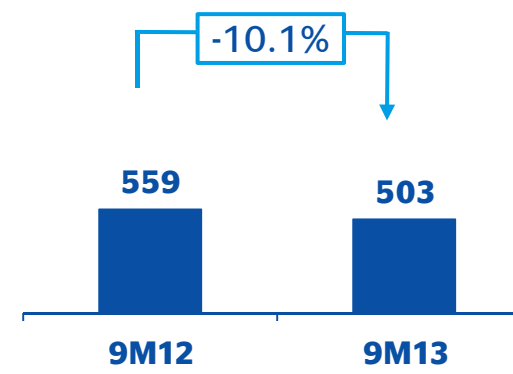
### Gross income

Constant €m



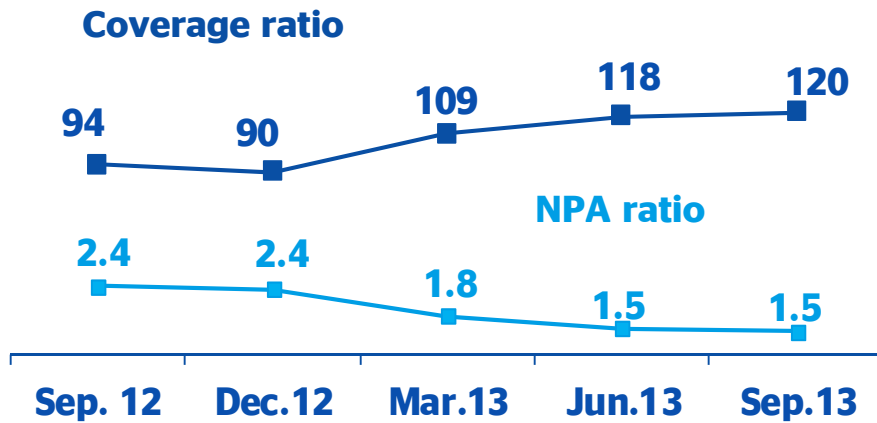
### Operating income

Constant €m

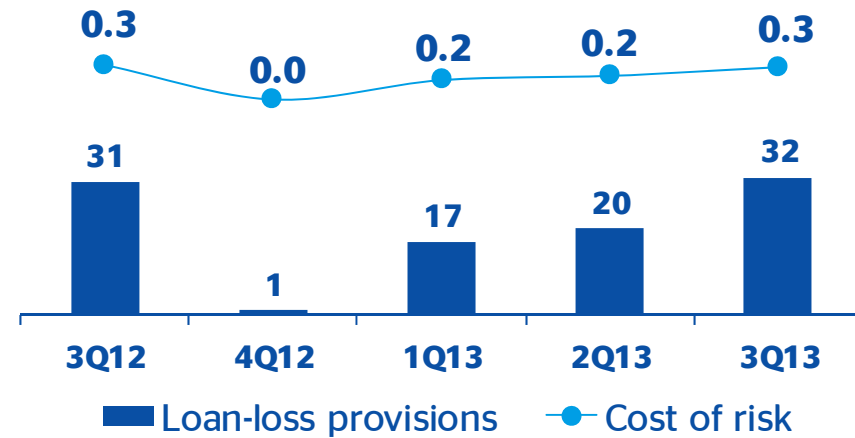


# USA: excellent risk indicators

NPA and coverage ratios  
%



Loan-loss provisions and cost of risk  
Quarter on quarter  
(Constant €m, %)





# USA: income statement

Constant €m

USA	Accum.	Growth	
		9M13/9M12	
	9M13	Abs.	%
Net Interest Income	1,056	- 91	-7.9
Gross Income	1,603	- 51	-3.1
Operating Income	503	- 56	-10.1
Income Before Tax	435	- 13	-2.8
Net Attributable Profit	314	+ 6	1.8

## 3Q13 highlights

Good business activity

Sensitive to interest rates

Costs and risk under control

# Developed

# Emerging



## EurAsia: income statement

Constant €m

EurAsia	Accum.	Growth	
		9M13/9M12	
	9M13	Abs.	%
Net Interest Income	702	+ 124	21.4
Gross Income	1,589	+ 7	0.5
Operating Income	1,039	+ 10	1.0
Income Before Tax	768	- 107	-12.3
Net Attributable Profit	647	- 154	-19.2

### Turkey

Country's potential

Buoyant business

Revenue strength

## EurAsia: capital management operation in China



Operation

**5.1%** of CNCB sold at market price to CITIC GROUP

Impact

**+71bp** of core capital from this operation overall  
(€2.4bn BIS III fully loaded)  
€2.3bn loss due to change in accounting criteria

Strategy

**China** continues to be an **attractive market** for BBVA

# Mexico: top franchise with solid results

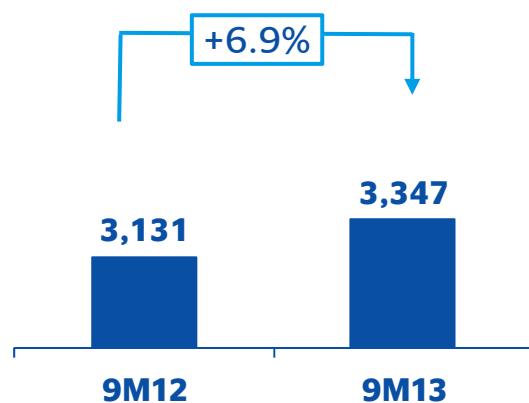
## Business activity

YoY change, in average balances , in constant euros



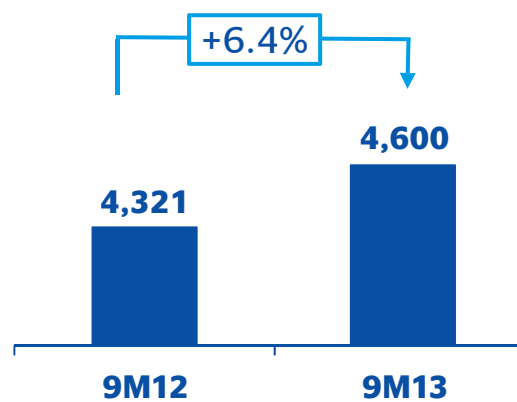
## Net interest income

Constant €m



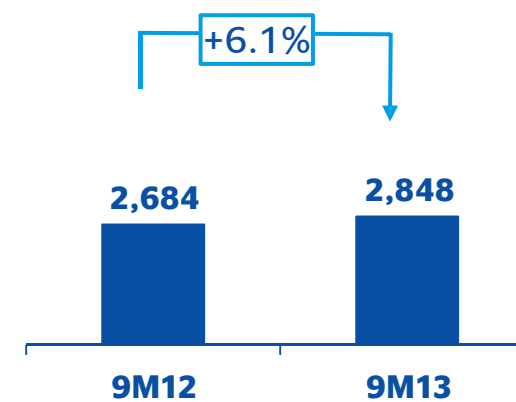
## Gross income

Constant €m



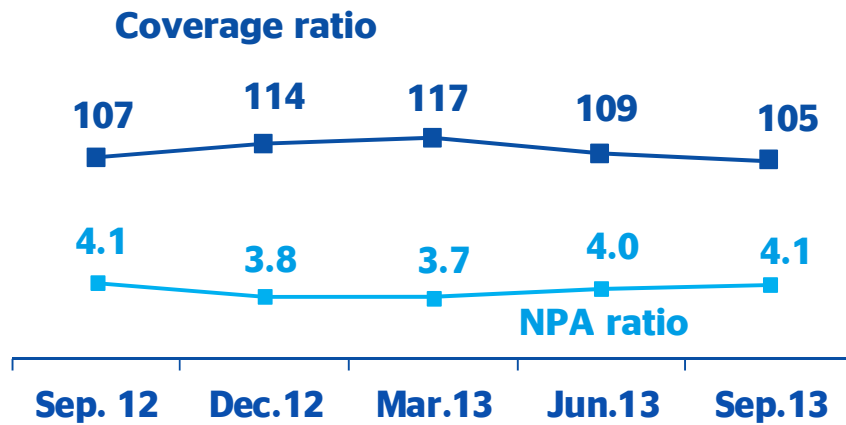
## Operating income

Constant €m

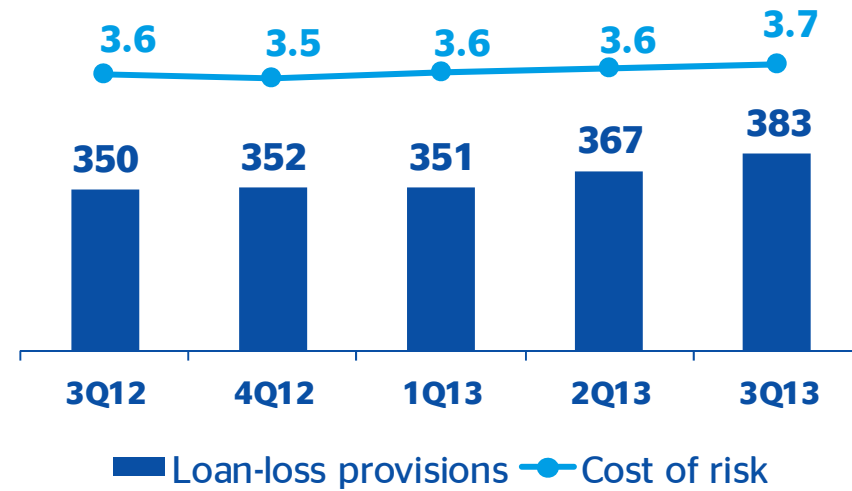


# Mexico: risk indicators remain stable

NPA and coverage ratios  
%



Loan-loss provisions and cost of risk  
Quarter on quarter  
(Constant €m, %)



# Mexico: income statement

Constant €m

Mexico	Accum.	Growth	
		9M13/9M12	
	9M13	Abs.	%
Net Interest Income	3,347	+ 216	6.9
Gross Income	4,600	+ 279	6.4
Operating Income	2,848	+ 164	6.1
Income Before Tax	1,700	+ 39	2.3
Net Attributable Profit	1,292	+ 46	3.7

## 3Q13 highlights

Country's potential

Buoyant business  
and strong revenue

Distribution model  
improvement

# South America: buoyant business and strong revenue

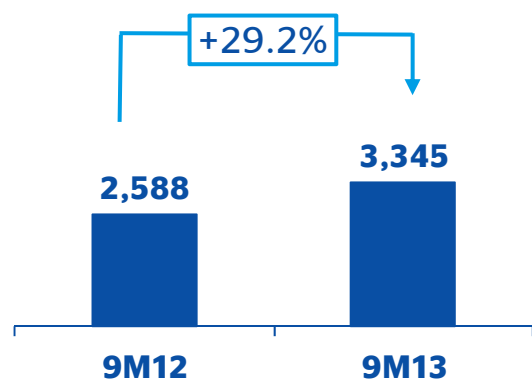
## Business activity

YoY change, in average balances , in constant euros



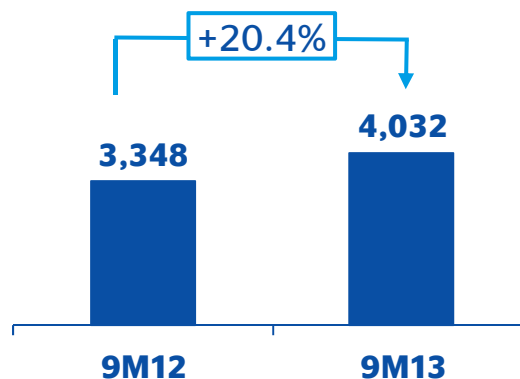
## Net interest income

Constant €m



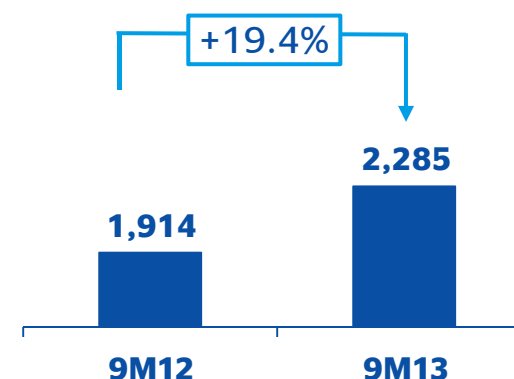
## Gross income

Constant €m



## Operating income

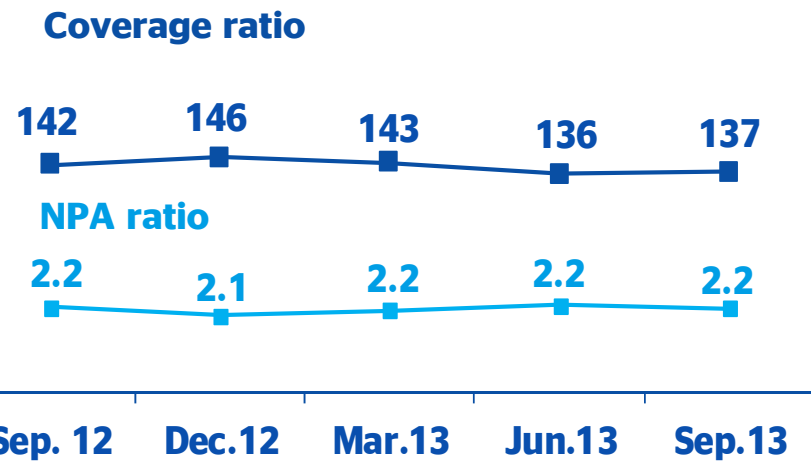
Constant €m



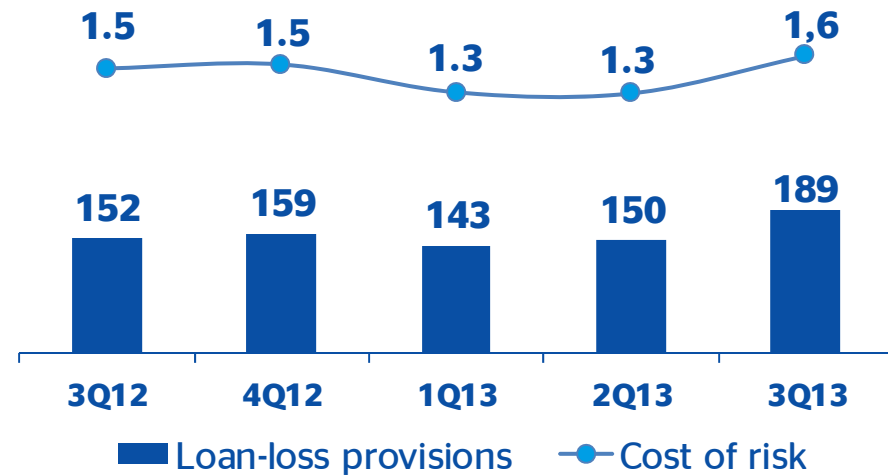


# South America: good risk indicators

NPA and coverage ratios  
%



Loan-loss provisions and cost of risk  
Quarter on quarter  
(Constant €m, %)



## South America: income statement

Constant €m

South America	Accum.	Growth	
		9M13/9M12	
	9M13	Abs.	%
Net Interest Income	3,345	+ 757	29.2
Gross Income	4,032	+ 684	20.4
Operating Income	2,285	+ 371	19.4
Income Before Tax	1,711	+ 241	16.4
Net Attributable Profit	885	+ 101	12.8

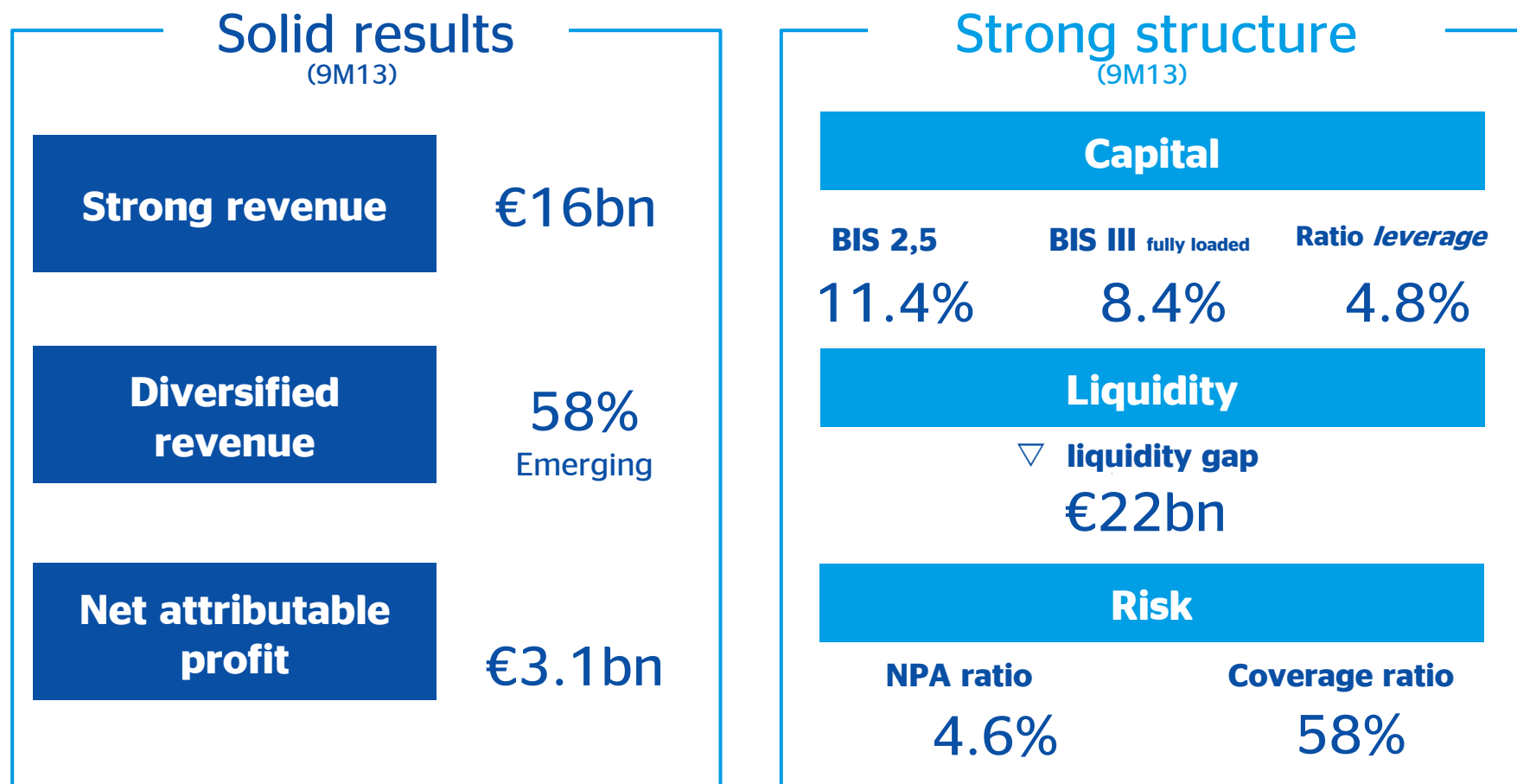
### 3Q13 highlights

Buoyant business maintained

Revenue strength

Strong commitment  
to region

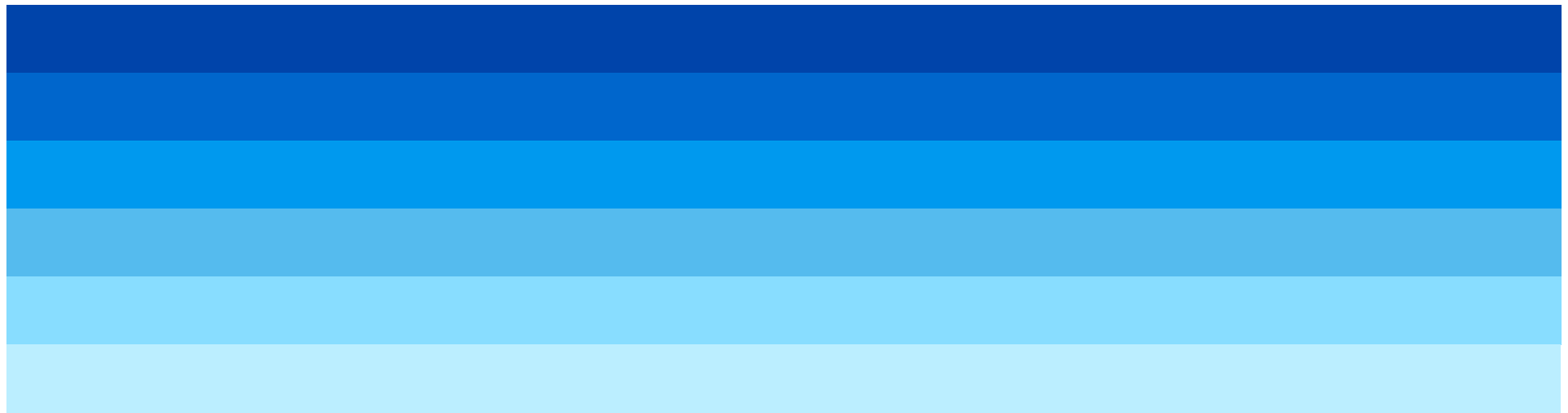
In summary: BBVA maintains solid fundamentals during the year



Note: risk figures exclude real estate business. Real estate business in Spain: NPA ratio 55.3% and coverage 62%.



# Third quarter results 2013



Angel Cano, BBVA's President & Chief Operating Officer

Madrid, October 25th 2013