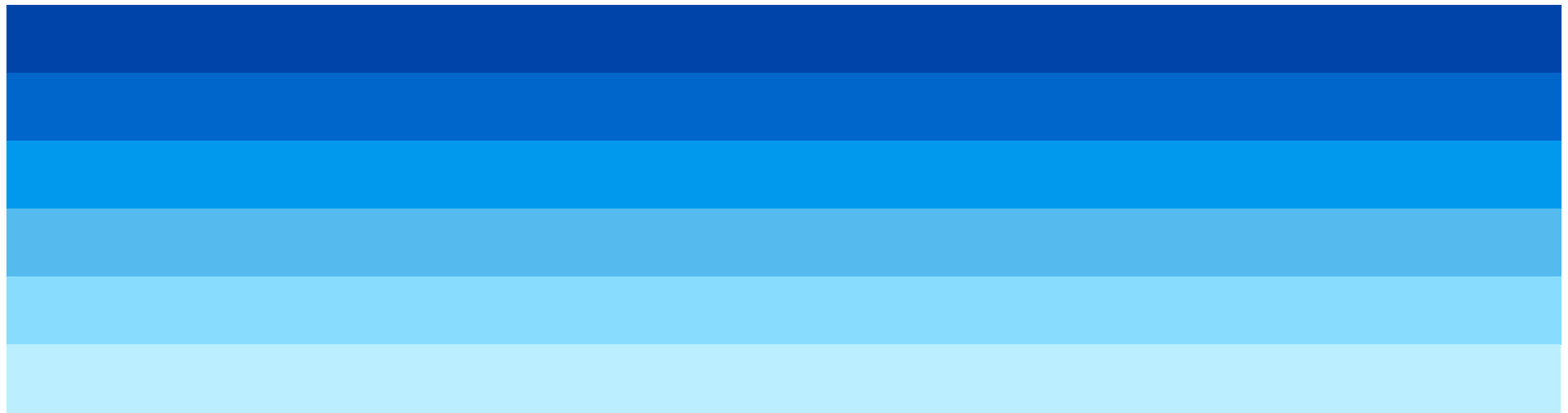




# Second quarter results 2013



Angel Cano, BBVA's President & Chief Operating Officer

Madrid, July 31st 2013

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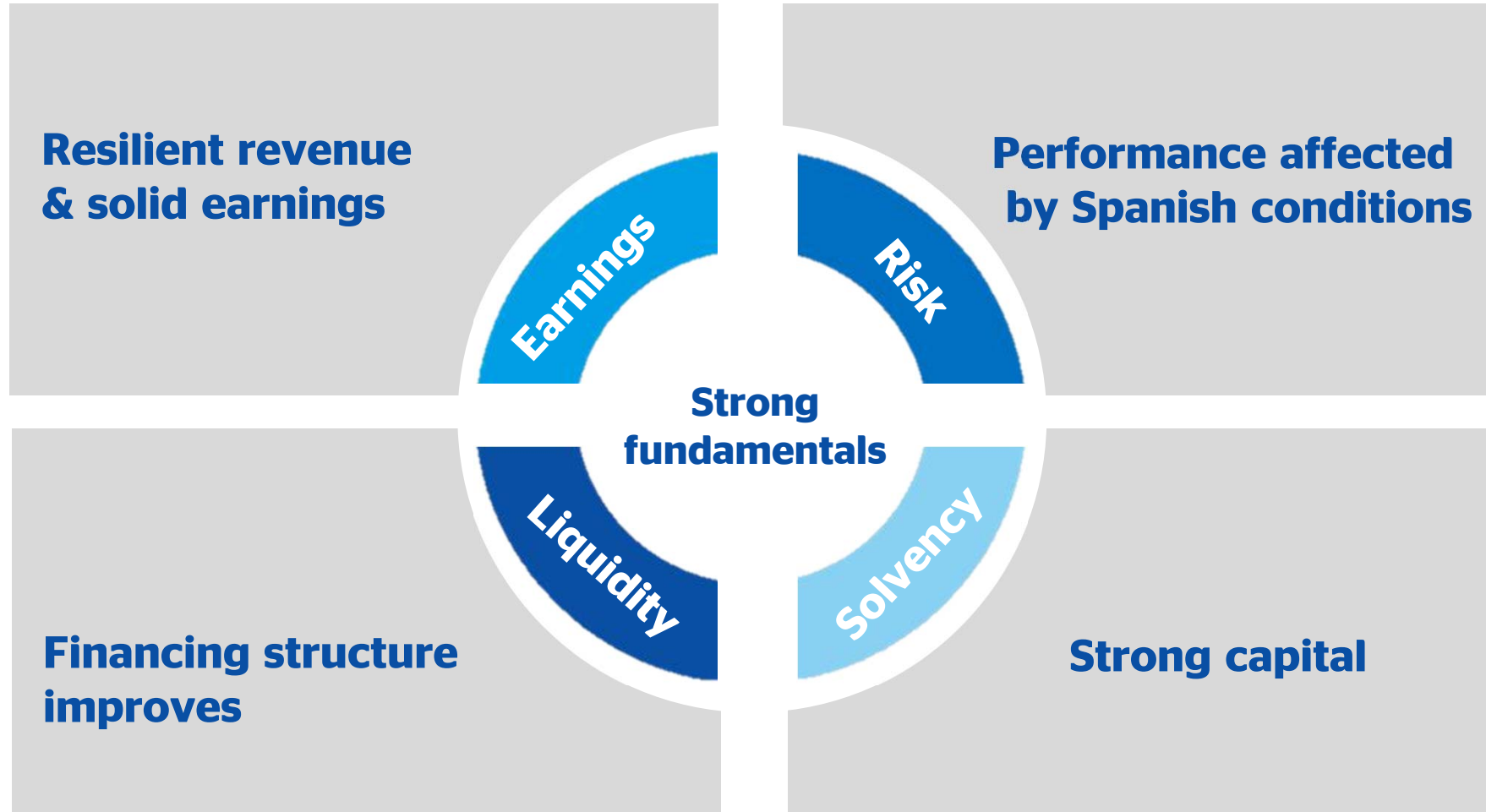
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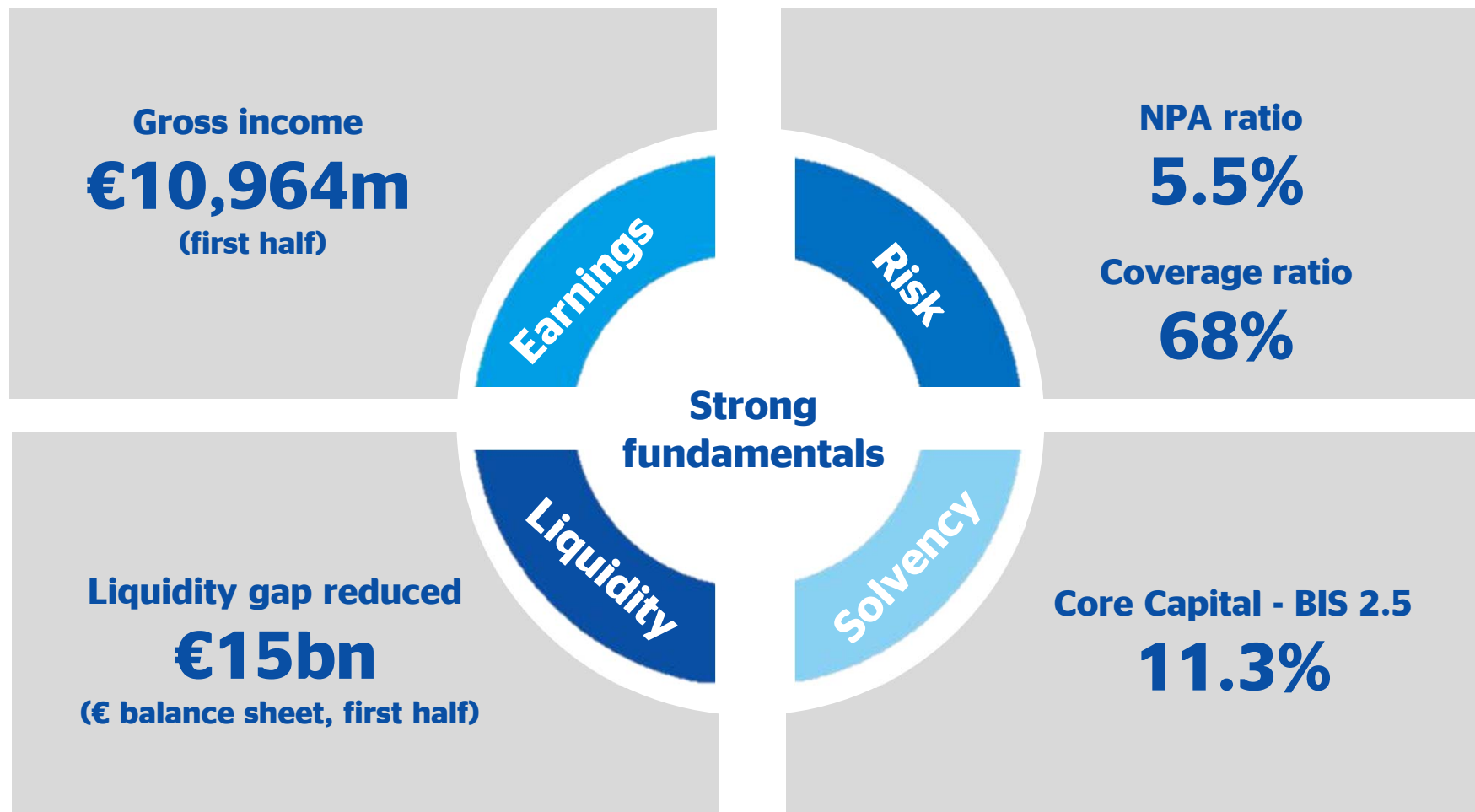
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Highlights

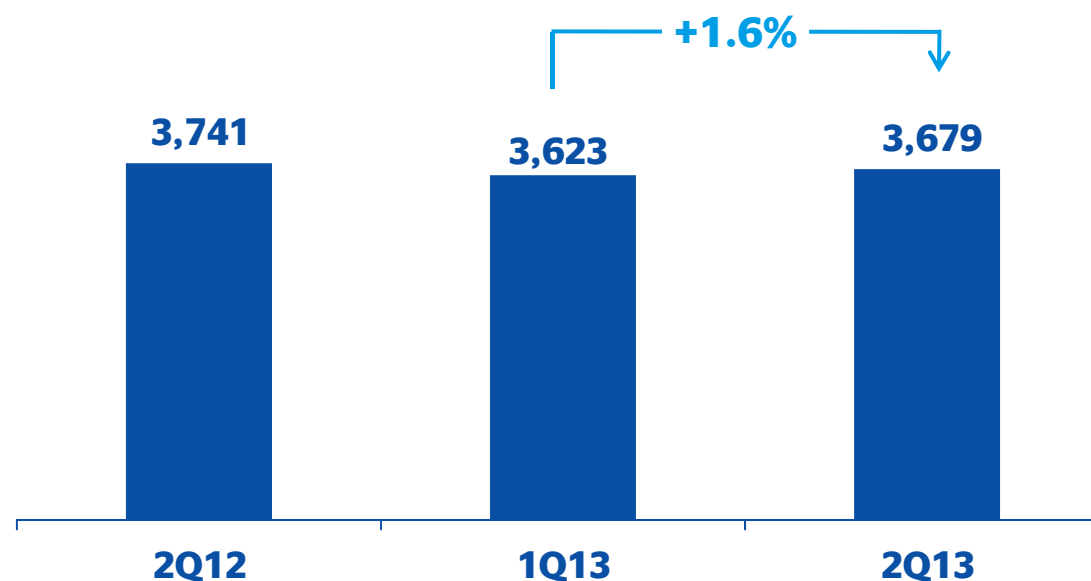


Highlights



# Earnings: revenue strength despite environment ...

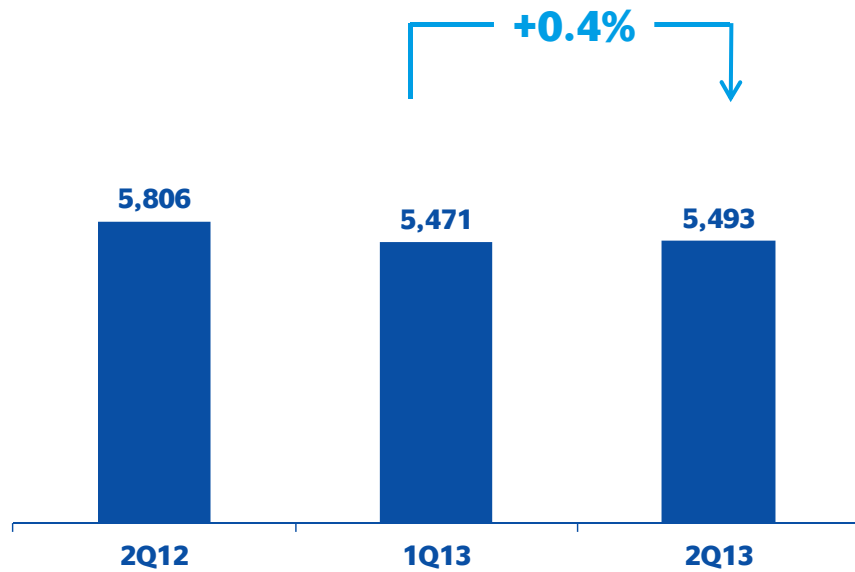
Net interest income  
 Quarter on quarter  
 €m



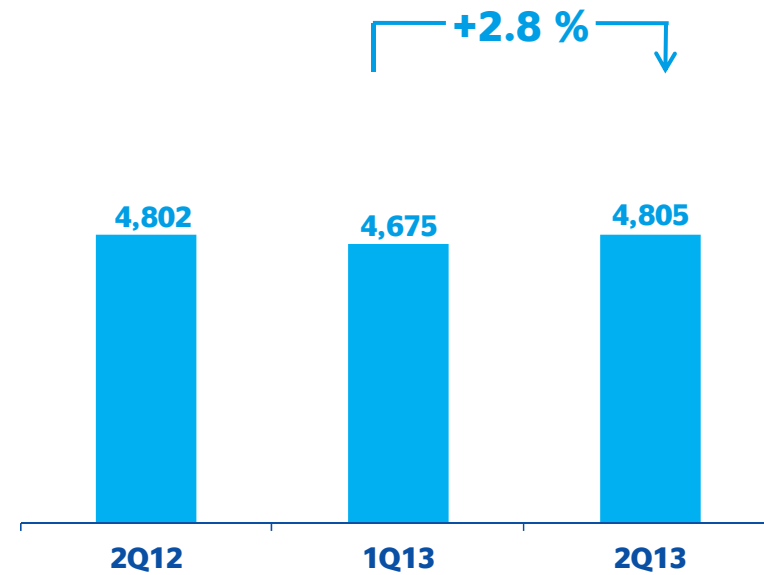
Low interest rate environment in developed economies

... reflected by gross income

Gross income  
Quarter on quarter  
€m



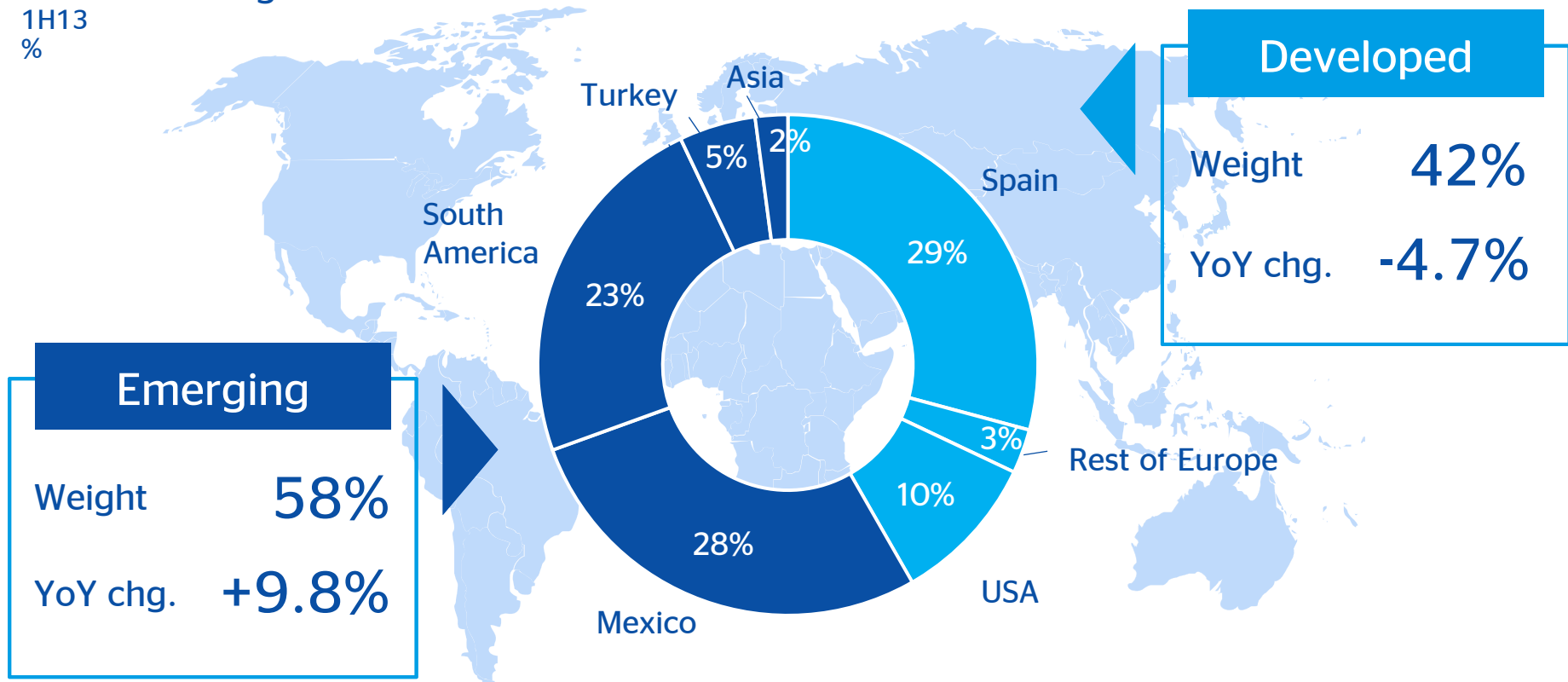
Net interest income + fee income  
Quarter on quarter  
€m



Recurring revenue is growing

... thanks to a diversified model

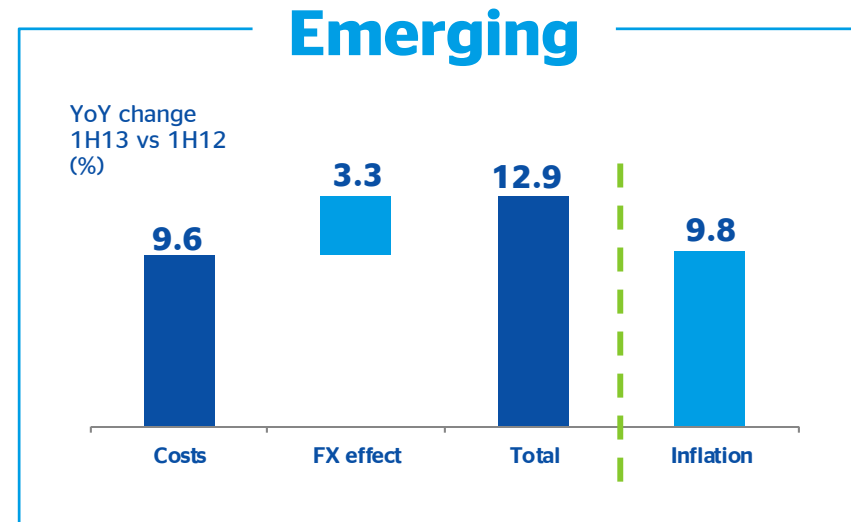
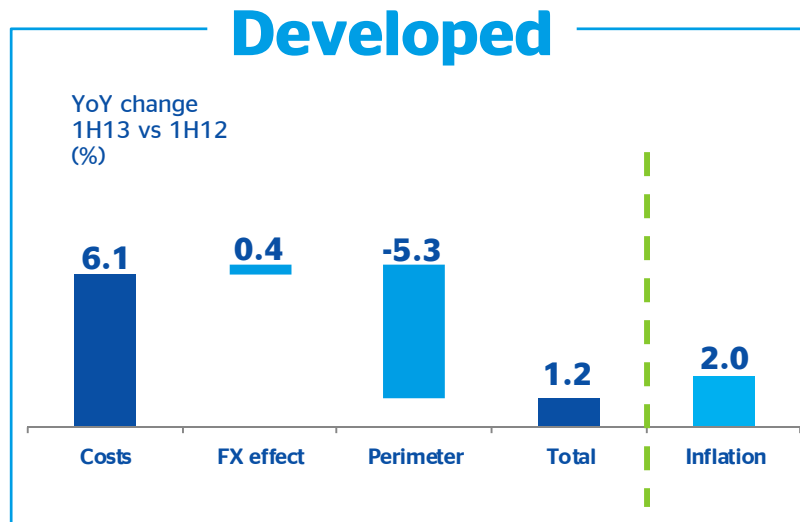
Breakdown of gross income  
1H13  
%



**Emerging markets are driving growth**

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

# Cost management adapted to each region ...



- Costs contained
- Investment in infrastructure

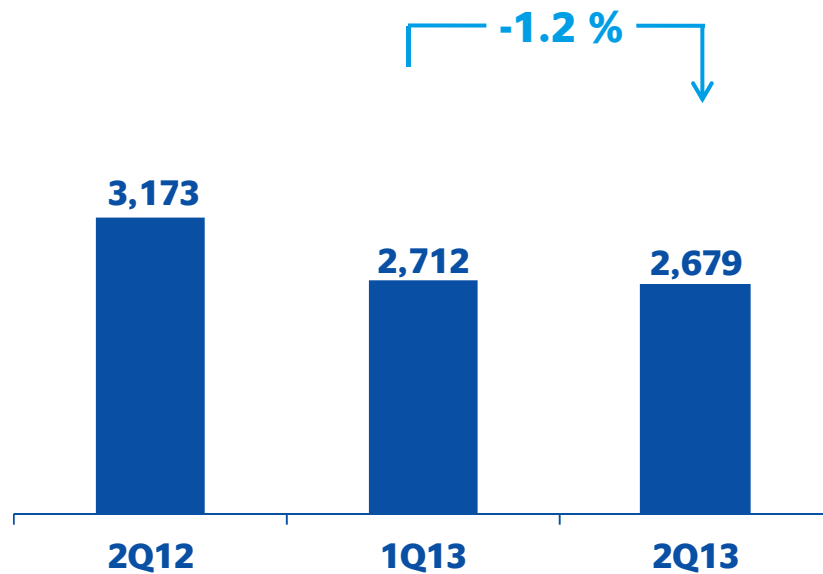
- Vibrant economies
- Investment in growth

Note: excludes Holding.

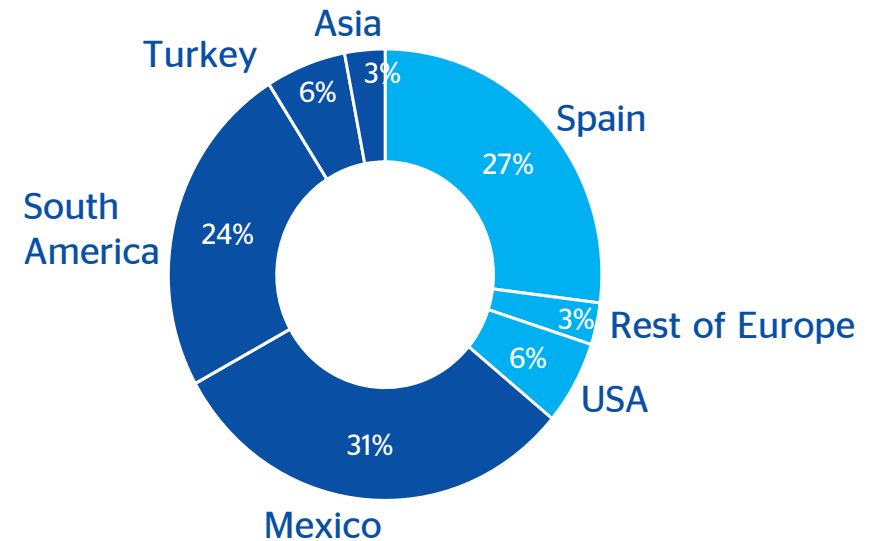


# ... and operating income remains strong in the quarter

Operating income  
Quarter on quarter  
€m



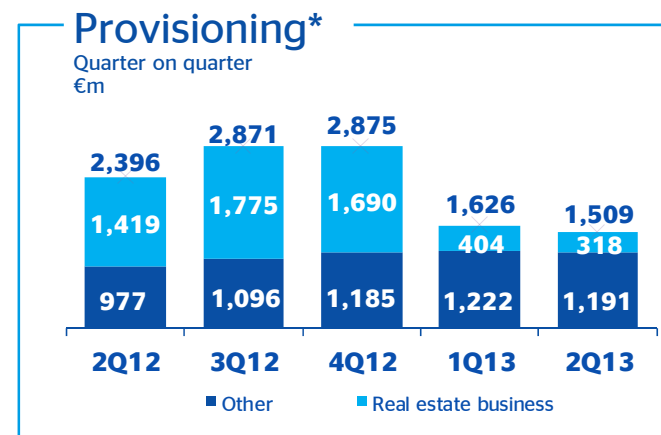
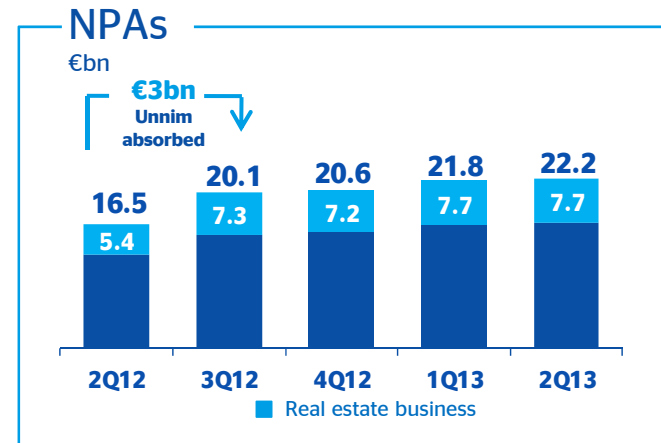
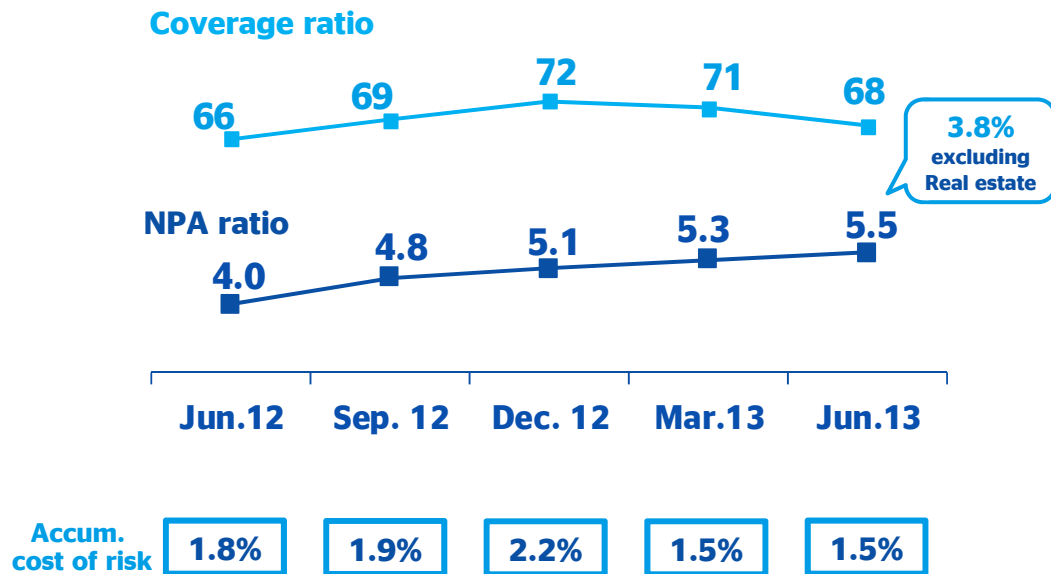
Breakdown of operating income  
1H13



Superior positioning

## Risk: performance affected by Spanish conditions ...

NPA and coverage ratios %



\* Includes loan loss and property impairment

... in summary: good results affected by one-offs

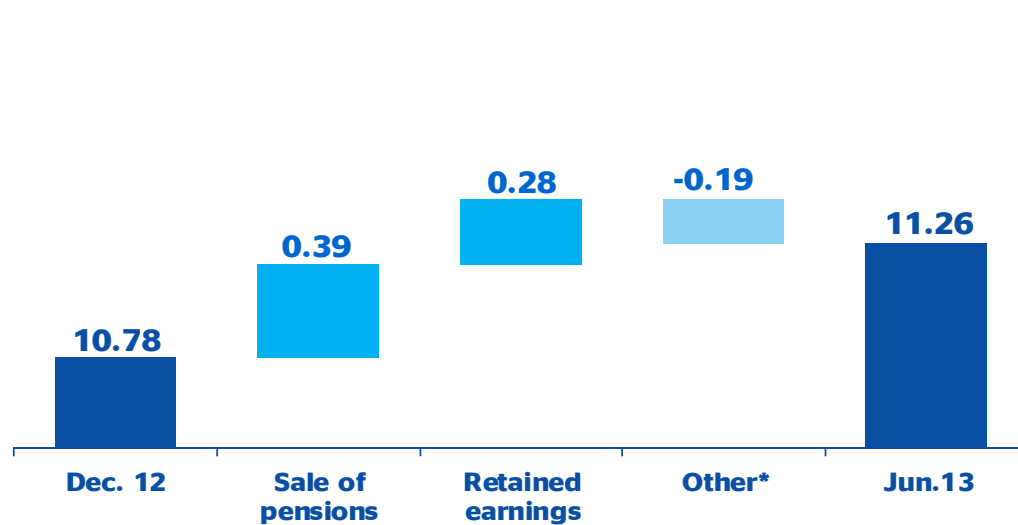
€m

BBVA Group	Accum.	Growth	
		1H13/1H12	
	1H13	Abs.	%
Net Interest Income	7,302	- 33	-0.5
Gross Income	10,964	- 107	-1.0
Operating Income	5,392	- 519	-8.8
Income Before Tax	2,553	+ 672	35.7
Net Attributable Profit	2,882	+ 1,371	90.8

Solid growth of recurring revenue

# Capital: solid capital position

Core capital ratio (BIS 2.5)  
%



**And ...**

BIS III fully loaded (Dec. 13e)	<b>9%</b>
Ratio leverage (Jun. 13)	
BIS III fully loaded	<b>4.8%</b>
Equity / Tot. assets	<b>7.8%</b>

**Compliance with regulatory requirements**

\* Other: mainly the AT1 issue, RWAs and FX effects

So once again ...

### Solid results (first half)

**Strong revenue** €11bn

**Diversified revenue** 58%  
Emerging

**Net attributable profit** €2.9bn

### Strong structure (first half)

#### Capital

**BIS 2.5** 11.3%      **BIS III fully loaded** 9% (Dec.13e)

#### Liquidity

**Total issues** +€6bn      ▽ **liquidity gap** €15bn

#### Risk

**NPA ratio** 5.5%      **Coverage ratio** 68%

3.8% excl. real estate business



# Business Areas

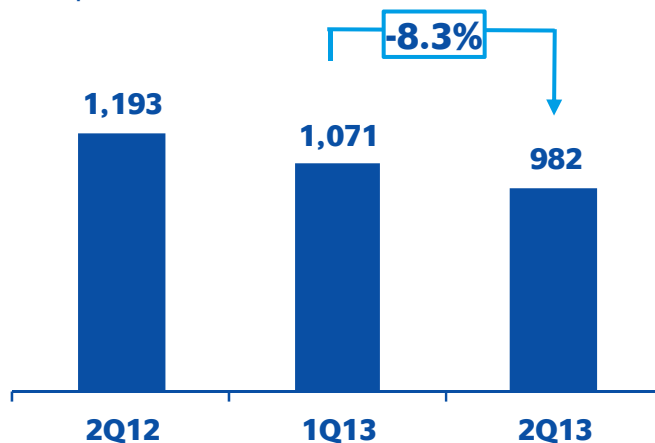
# Banking activity in Spain: improvements not yet reflected in business activity

Business activity in Spain  
YoY change in average balances



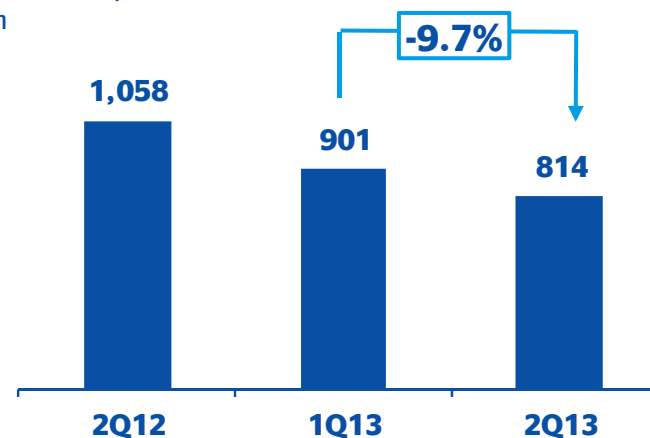
Net interest income

Quarter on quarter  
€m



Operating income

Quarter on quarter  
€m



**Market share up 190bp thanks to greater discrimination**

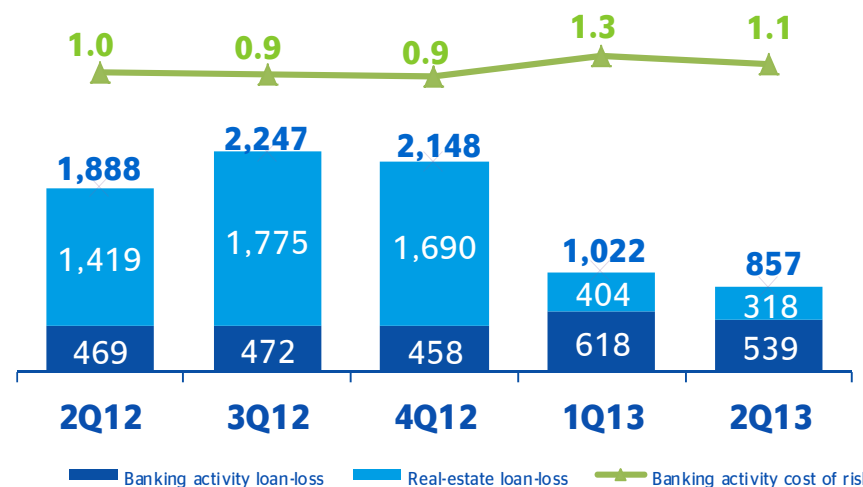
Note: market share includes ODS loans (retail activity). YoY change.

# Spain: anticipated commercial impairment is maintained

**NPA and coverage ratios (%)**



**Loan-loss provisions\* and risk premium**  
Quarter on quarter (€m, %)



\* Includes loan-loss and property impairment



## Banking activity in Spain: income statement

€m

Banking activity	Accum.	Growth	
		1H13/1H12	
	1H13	Abs.	%
Net Interest Income	2,053	- 314	-13.3
Gross Income	3,249	- 210	-6.1
Operating Income	1,715	- 358	-17.3
Income Before Tax	1,066	- 56	-5.0
Net Attributable Profit	742	- 40	-5.2

### 2Q13 highlights

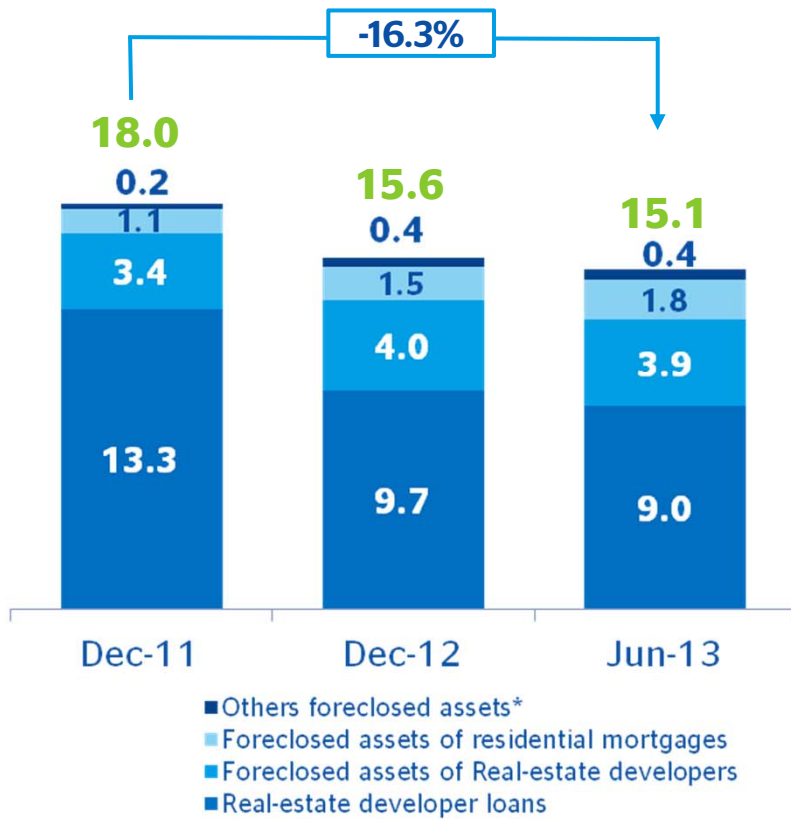
Unnim absorbed

Impact of “floor” ruling

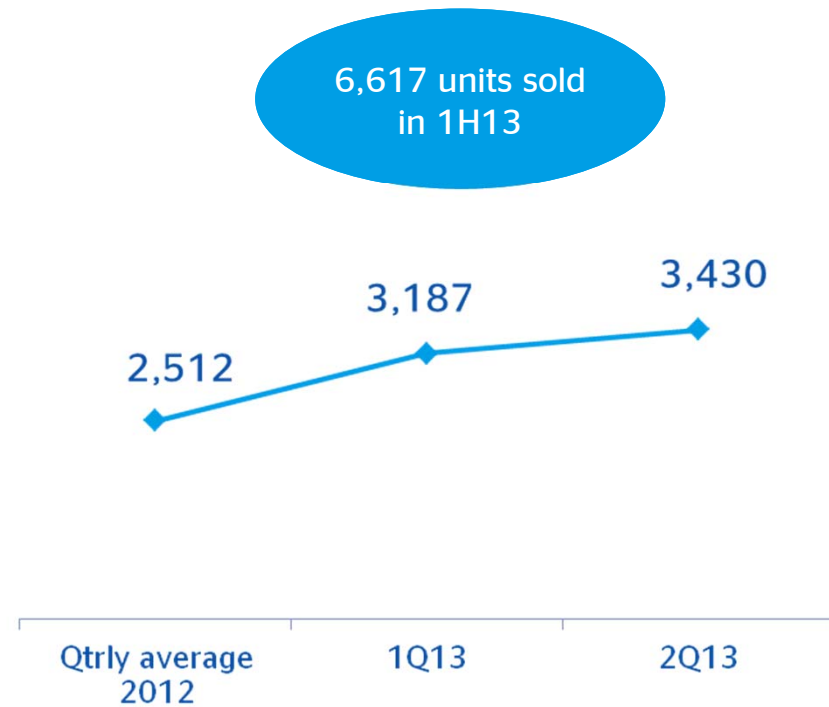
Market share gains

# Real estate business: exposure

Net exposure to real estate business  
€bn



Sales figures  
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: income statement

€m

Real-estate	Accum.	Growth	
		1H13/1H12	
	1H13	Abs.	%
Net Interest Income	42	+ 44	n.s.
Gross Income	2	+ 54	n.s.
Operating Income	-72	+ 34	-32.0
Income Before Tax	-847	+ 1,160	-57.8
Net Attributable Profit	-629	+ 798	-55.9

### 2Q13 highlights

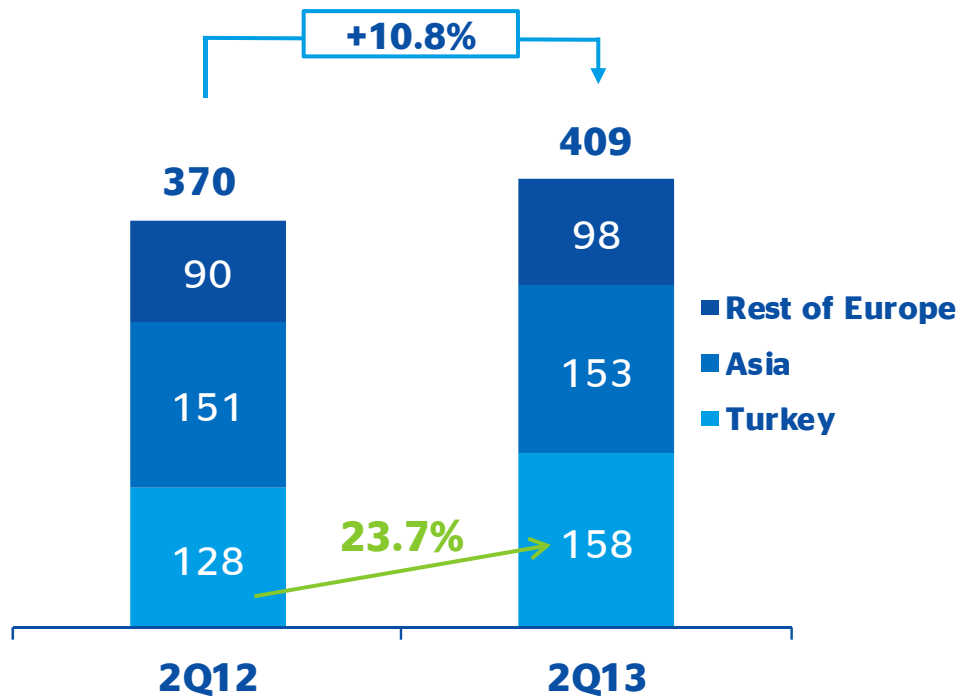
Strong level of sales

Reduced exposure  
to developers

Retail foreclosures in line with  
non-performing mortgages

## EurAsia: a dynamic area

Operating income  
Quarter on quarter  
€m



**Garanti**

Leading franchise  
Engine of growth  
Buoyant business

## EurAsia: income statement

€m

EurAsia	Accum.	Growth	
		1H13/1H12	
	1H13	Abs.	%
Net Interest Income	490	+ 104	26.9
Gross Income	1,104	+ 8	0.7
Operating Income	744	+ 13	1.8
Income Before Tax	518	- 117	-18.4
Net Attributable Profit	429	- 149	-25.8

# Mexico: growth is maintained

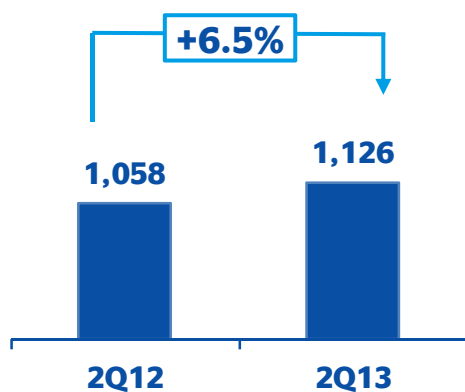
## Business activity

YoY change, in average balances, in constant euros



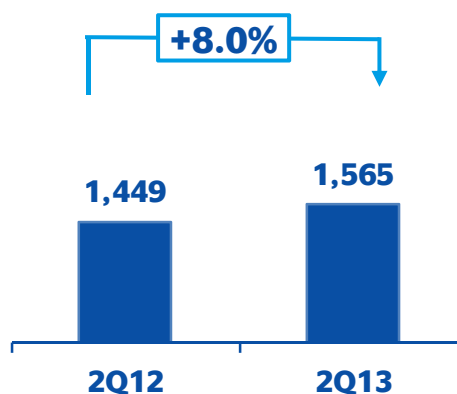
## Net interest income

Quarter on quarter  
Constant €m



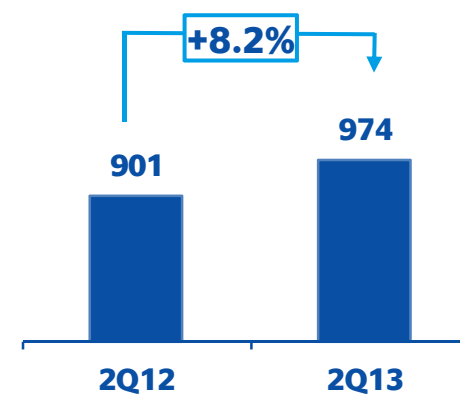
## Gross income

Quarter on quarter  
Constant €m



## Operating income

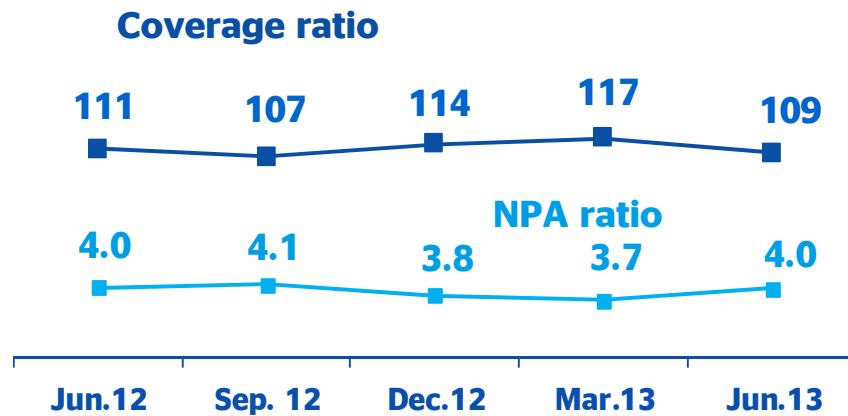
Quarter on quarter  
Constant €m



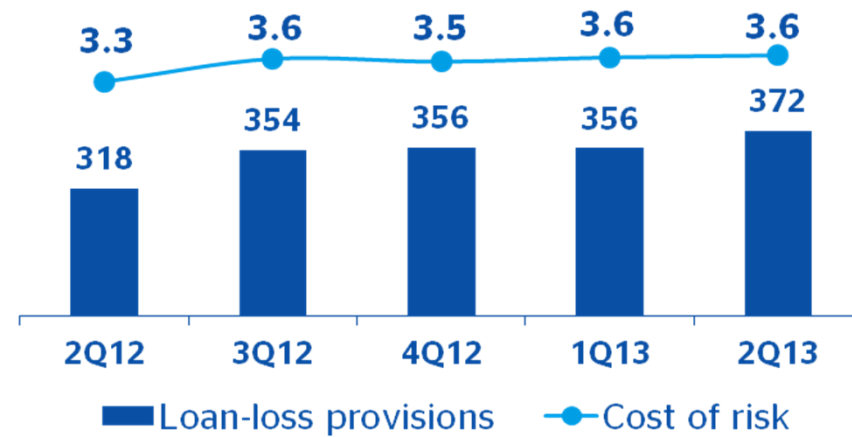
**Solid operating income growing faster than 7% in 1H13**

# 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	
		1H13/1H12	
	1H13	Abs.	%
Net Interest Income	2,228	+ 123	5.8
Gross Income	3,100	+ 205	7.1
Operating Income	1,923	+ 127	7.1
Income Before Tax	1,164	+ 37	3.3
Net Attributable Profit	876	+ 19	2.3

## 2Q13 highlights

Improvement in deposit mix

Defence of leadership

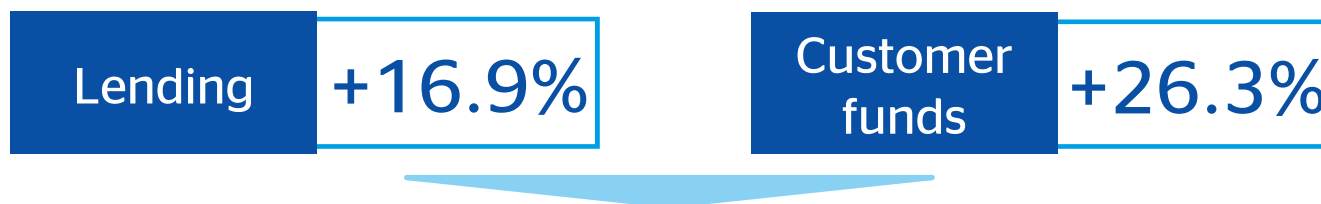
Self-financing transformation



# South America: growth backed by business dynamism

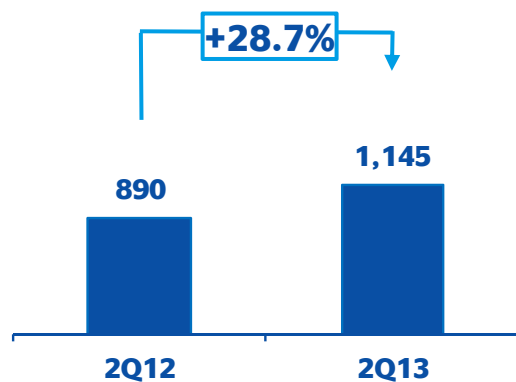
## Business activity

YoY change, in average balances, in constant euros



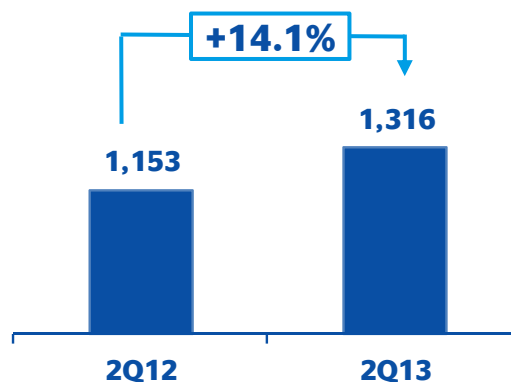
## Net interest income

Quarter on quarter  
Constant €m



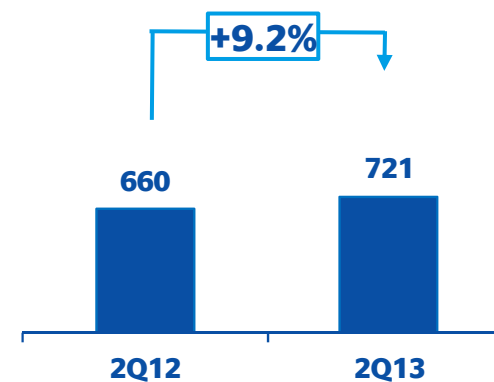
## Gross income

Quarter on quarter  
Constant €m



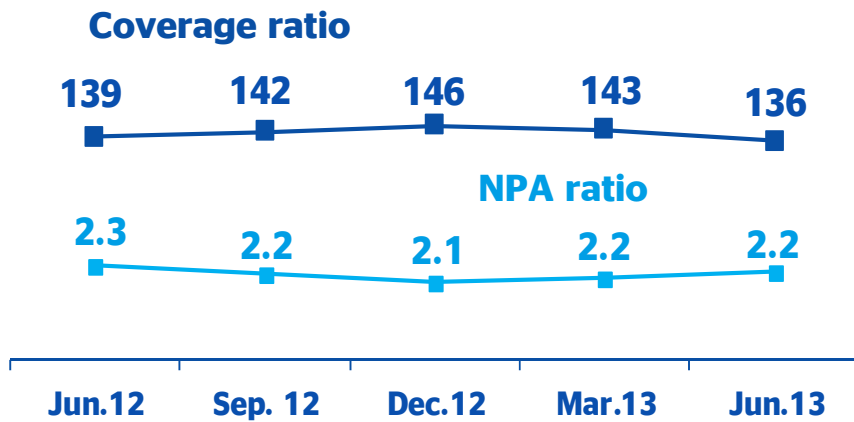
## Operating income

Quarter on quarter  
Constant €m

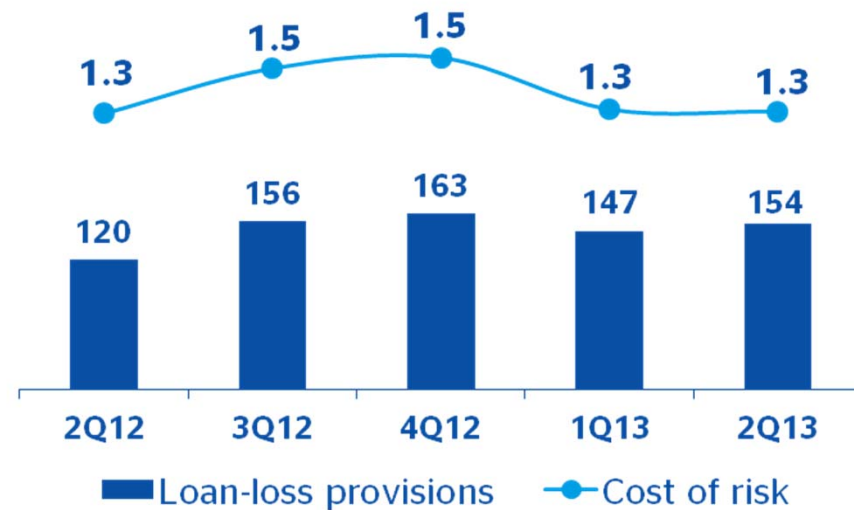


# South America: risk indicators remain sound

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	
		1H13/1H12	
	1H13	Abs.	%
Net Interest Income	2,147	+ 416	24.0
Gross Income	2,611	+ 348	15.4
Operating Income	1,464	+ 150	11.4
Income Before Tax	1,097	+ 47	4.5
Net Attributable Profit	561	- 6	-1.1

### 2Q13 highlights

Buoyant growth maintained

Investment in infrastructure

Portfolios optimized

# USA: business continues to grow

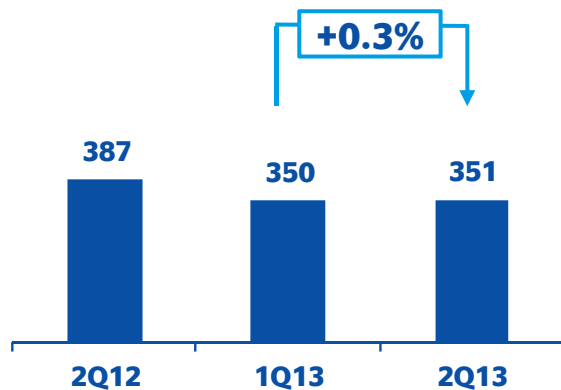
## Compass business activity

YoY change, in average balances, in constant euros



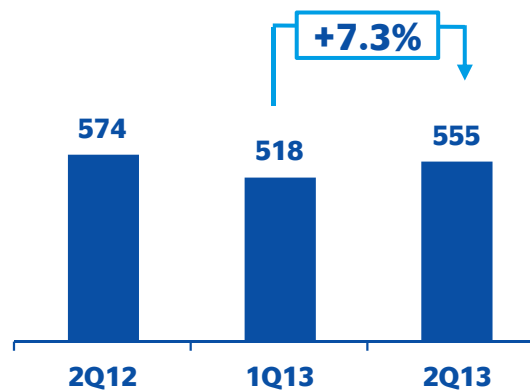
### Net interest income

Quarter on quarter  
Constant €m



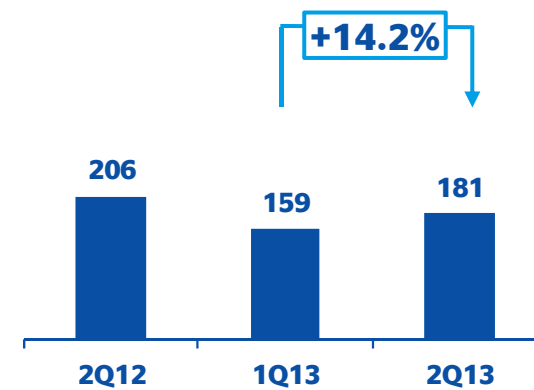
### Gross income

Quarter on quarter  
Constant €m



### Operating income

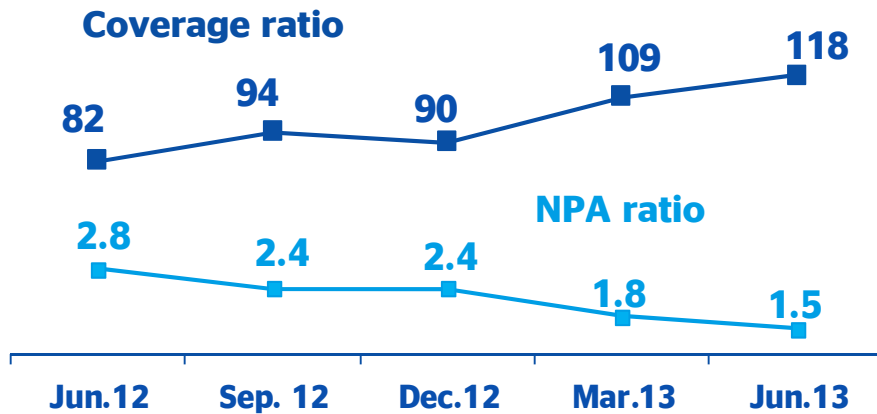
Quarter on quarter  
Constant €m



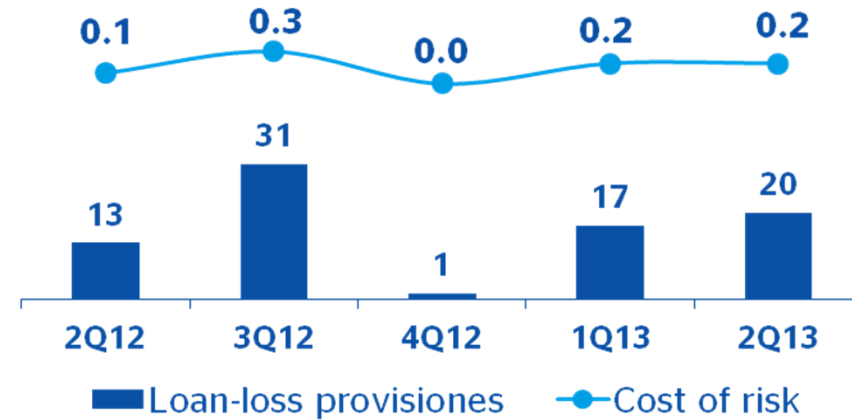
**Interest rates and fee income impact revenues**

# USA: high quality of 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	
		1H13/1H12	
	1H13	Abs.	%
Net Interest Income	702	- 74	-9.5
Gross Income	1,073	- 62	-5.5
Operating Income	340	- 64	-15.8
Income Before Tax	301	- 35	-10.4
Net Attributable Profit	213	- 17	-7.3

## 2Q13 highlights

Good business activity

Sensitive to interest rates

Risk and cost management

# Summary: BBVA maintains solid fundamentals in the first half

## Solid results

**Strong revenue**

**€11bn**

**Diversified revenue**

**58%**  
Emerging

**Net attributable profit**

**€2.9bn**

## Strong structure

### Capital

**BIS 2.5**

**11.3%**

**BIS III fully loaded**

**9%** (Dec.13e)

### Liquidity

**Total issues**

**+€6bn**

**▽Liquidity gap**

**€15bn**

### Risk

**NPA ratio**

**5.5%**

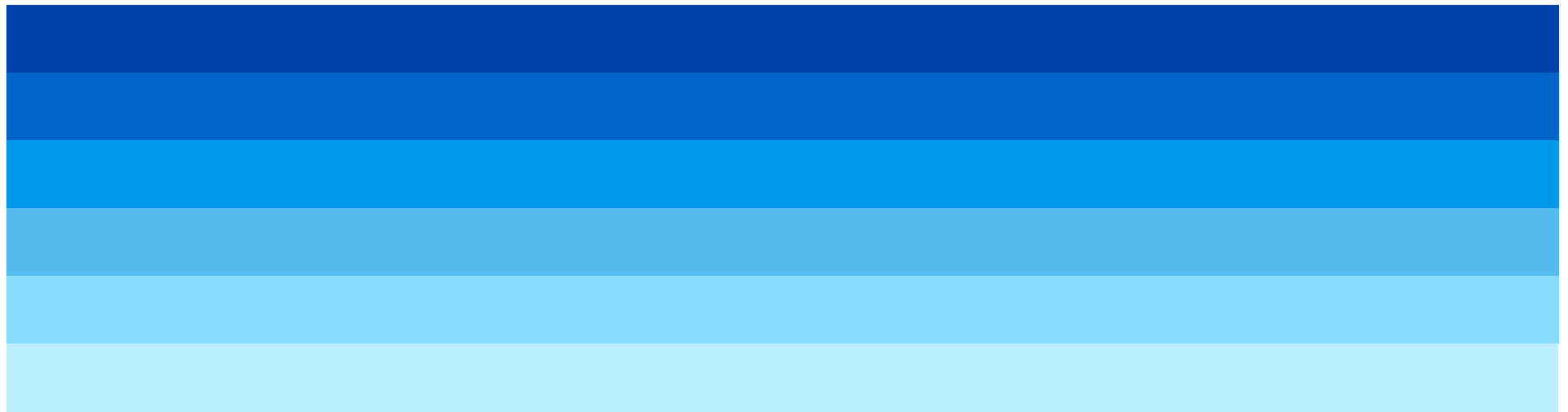
**Coverage ratio**

**68%**

3.8% excl. Real estate business



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Madrid, July 31st 2013