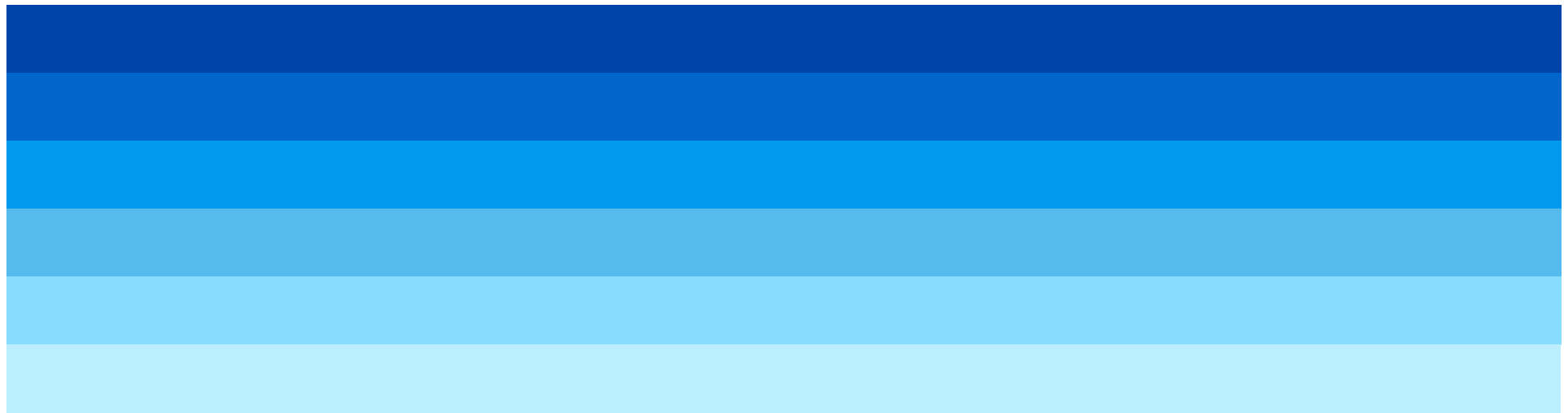




# 2012 Results



Ángel Cano, BBVA's President & Chief Operating Officer

Madrid, February 1st 2013

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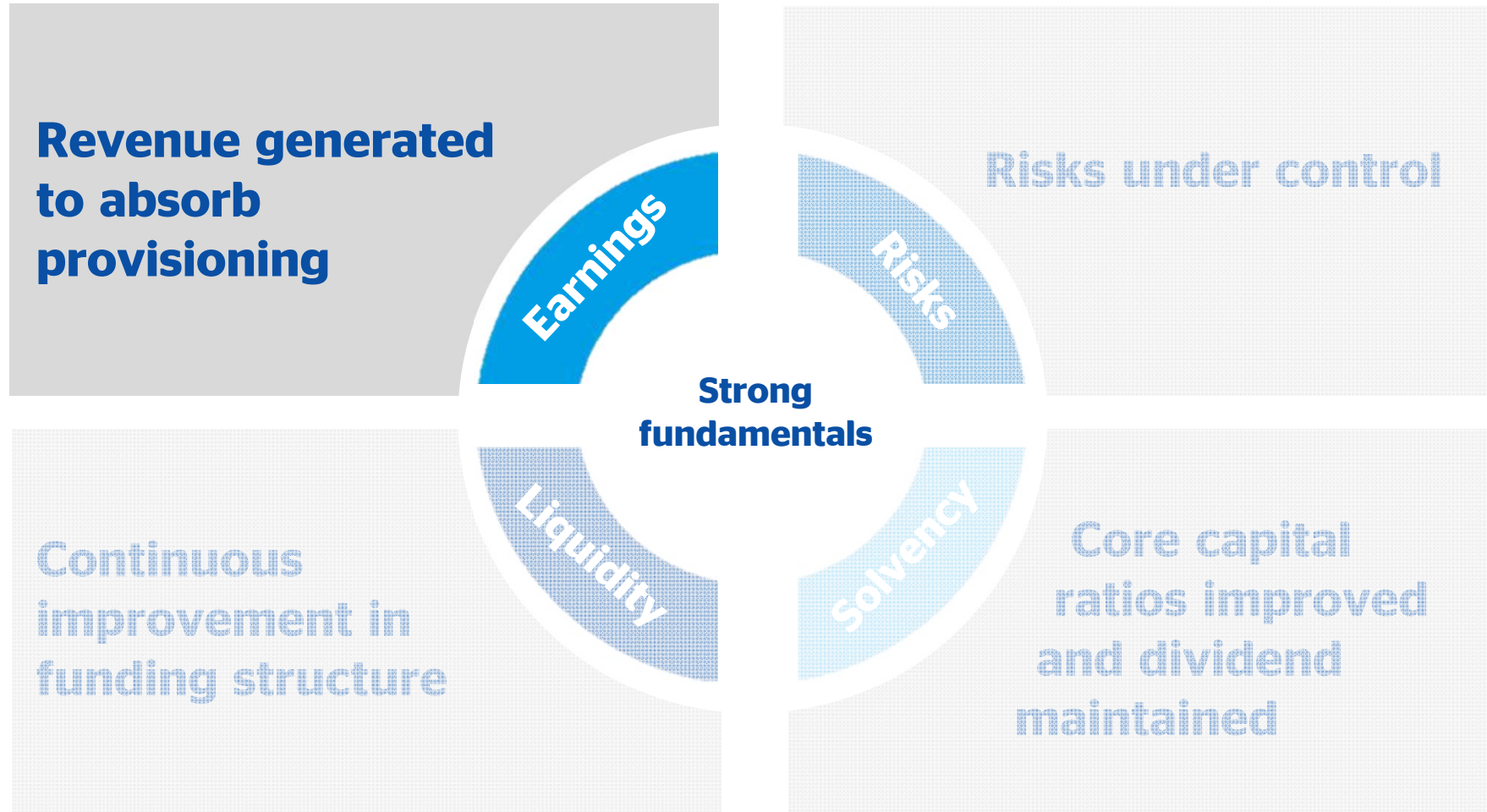
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## 2012 Highlights



## 2012 Highlights

Operating income

**€11.7bn**

(+13.3% YoY)

**Risks under control**

**Earnings**

**Risks**

**Strong fundamentals**

**Liquidity**

**Solvency**

**Continuous improvement in funding structure**

**Core capital ratios improved and dividend maintained**

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Operating income

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(+13.3% YoY)

**Risks under control**

**Earnings**

**Risks**

**Strong  
fundamentals**

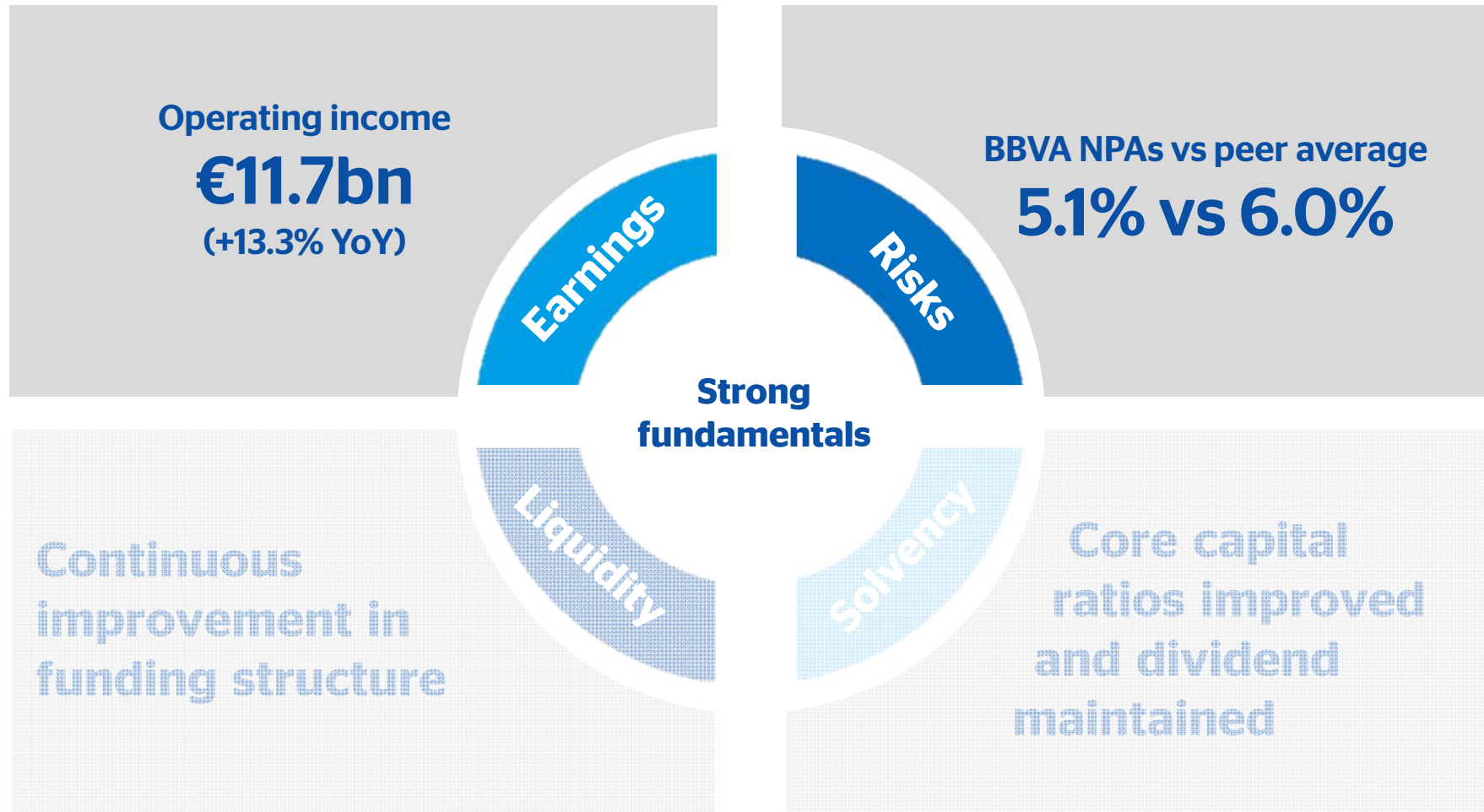
**Liquidity**

**Solvency**

**Continuous  
improvement in  
funding structure**

**Core capital  
ratios improved  
and dividend  
maintained**

## 2012 Highlights



Note: peer group: includes BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCI  
Peer group data last available date

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BBVA NPAs vs peer average

**5.1% vs 6.0%**

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Risks

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BBVA NPAs vs peer average

**5.1% vs 6.0%**

Earnings

Risks

**Strong  
fundamentals**

Liquidity

Solvency

Continuous  
improvement in  
funding structure

Core Capital - Basel 2.5

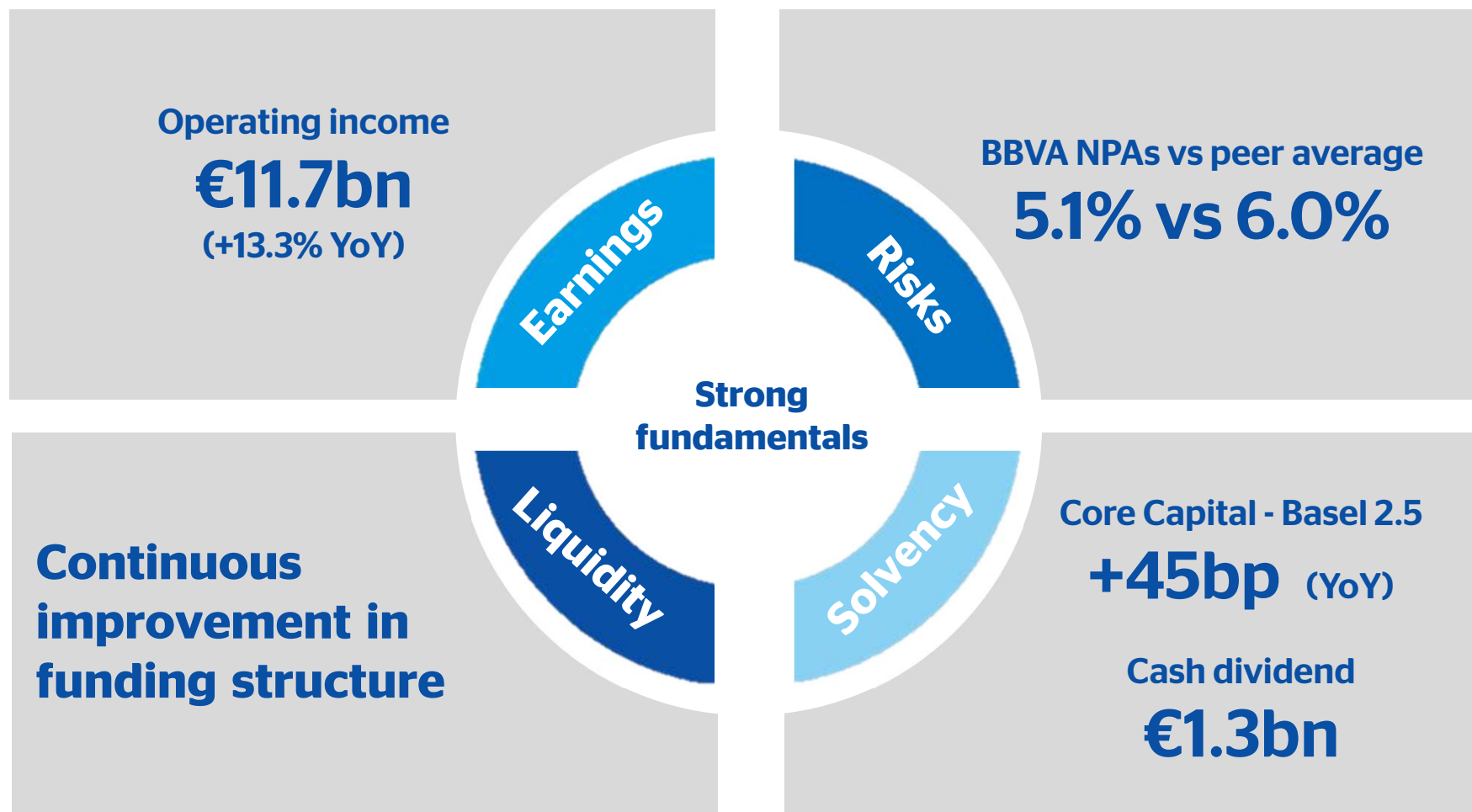
**+45bp** (YoY)

Cash dividend

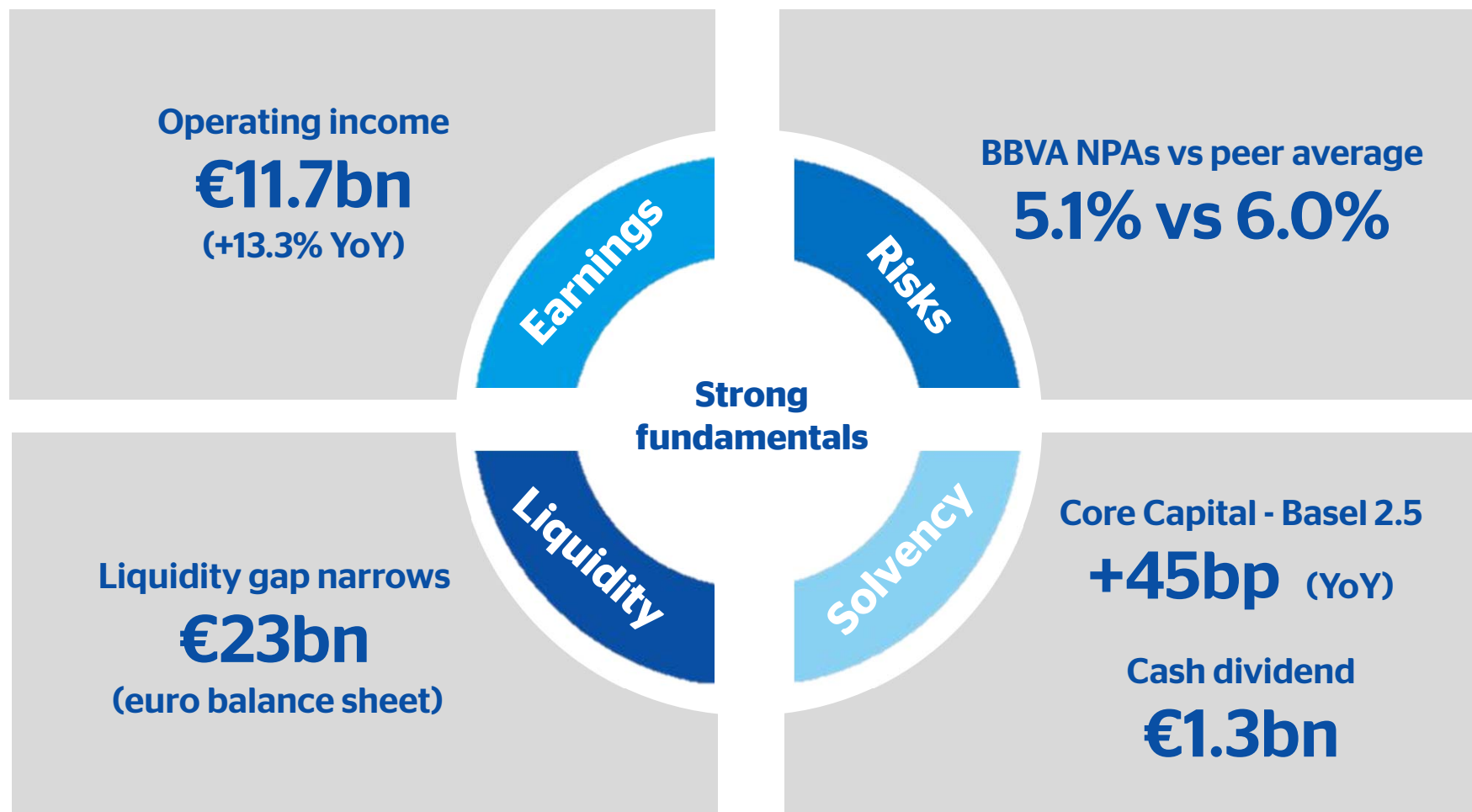
**€1.3bn**



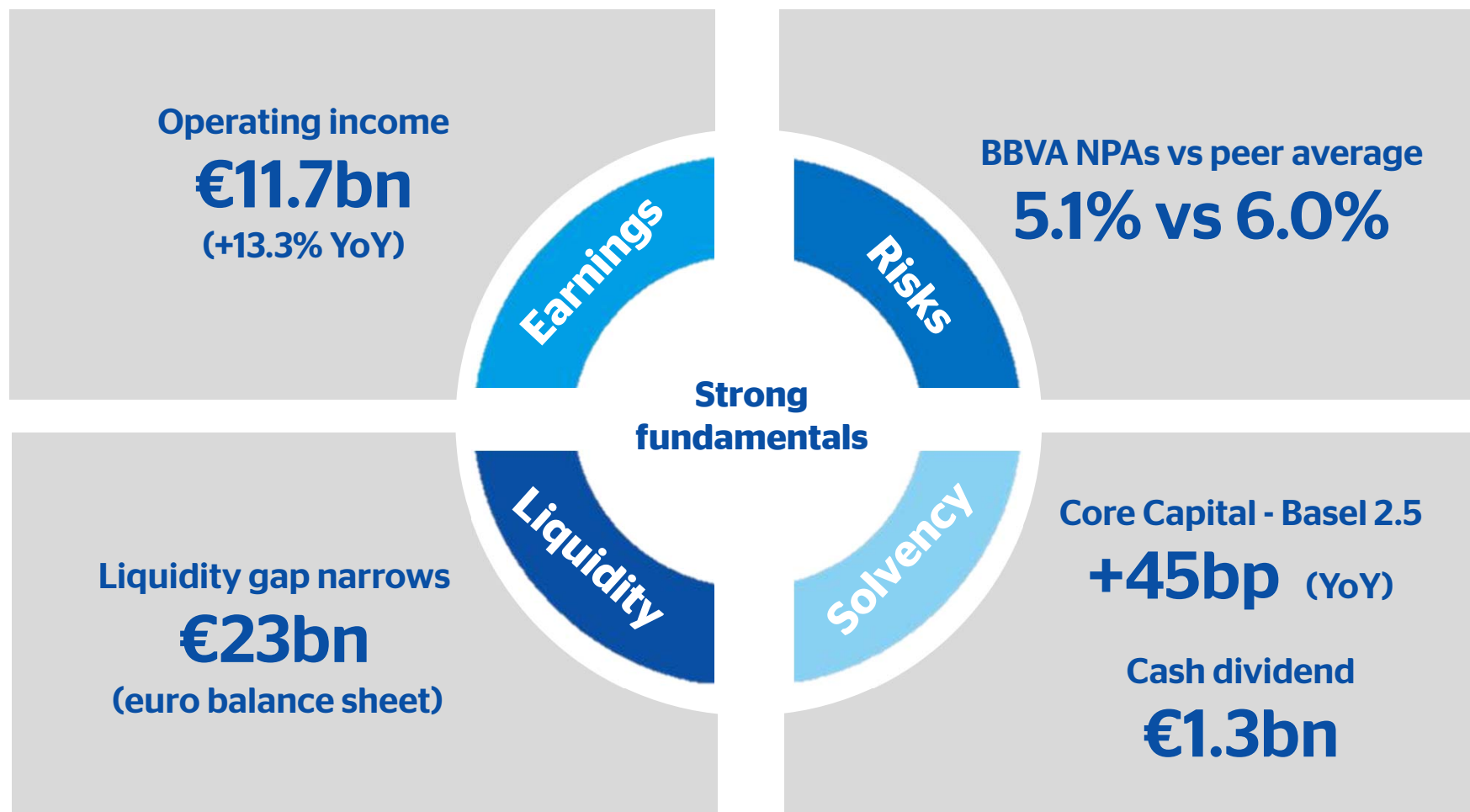
## 2012 Highlights



## 2012 Highlights



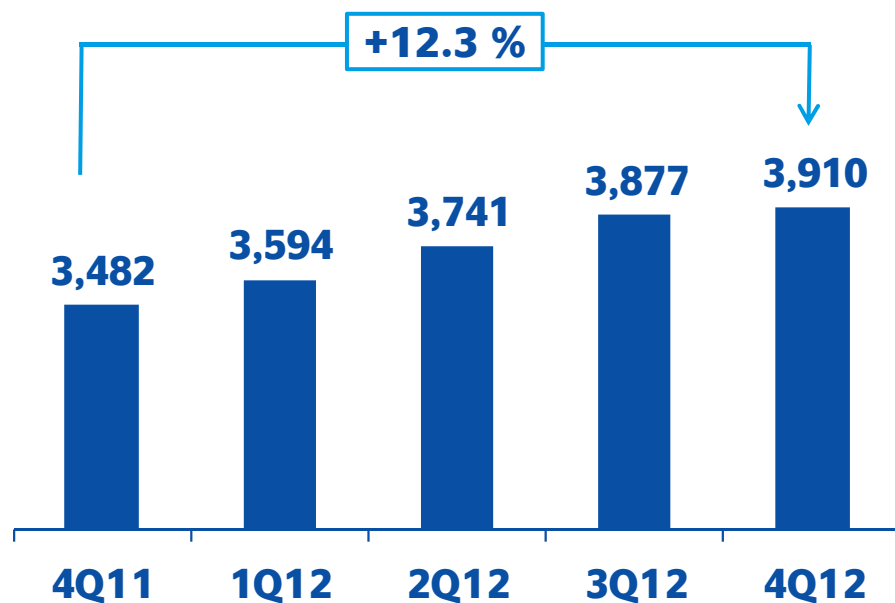
## 2012 Highlights



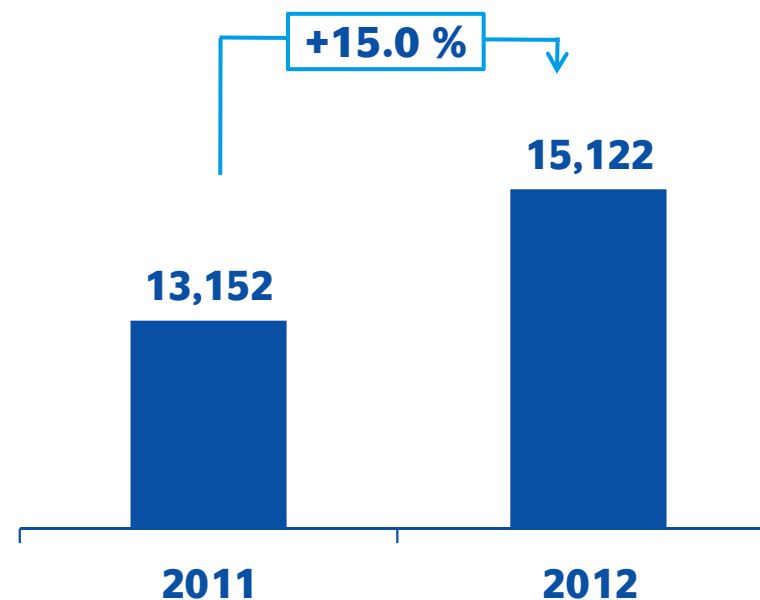
Implementing our strategy

**Earnings:** highly positive trend of net interest income during the year . . .

Net interest income  
Quarter by quarter  
€m



Net interest income  
€m

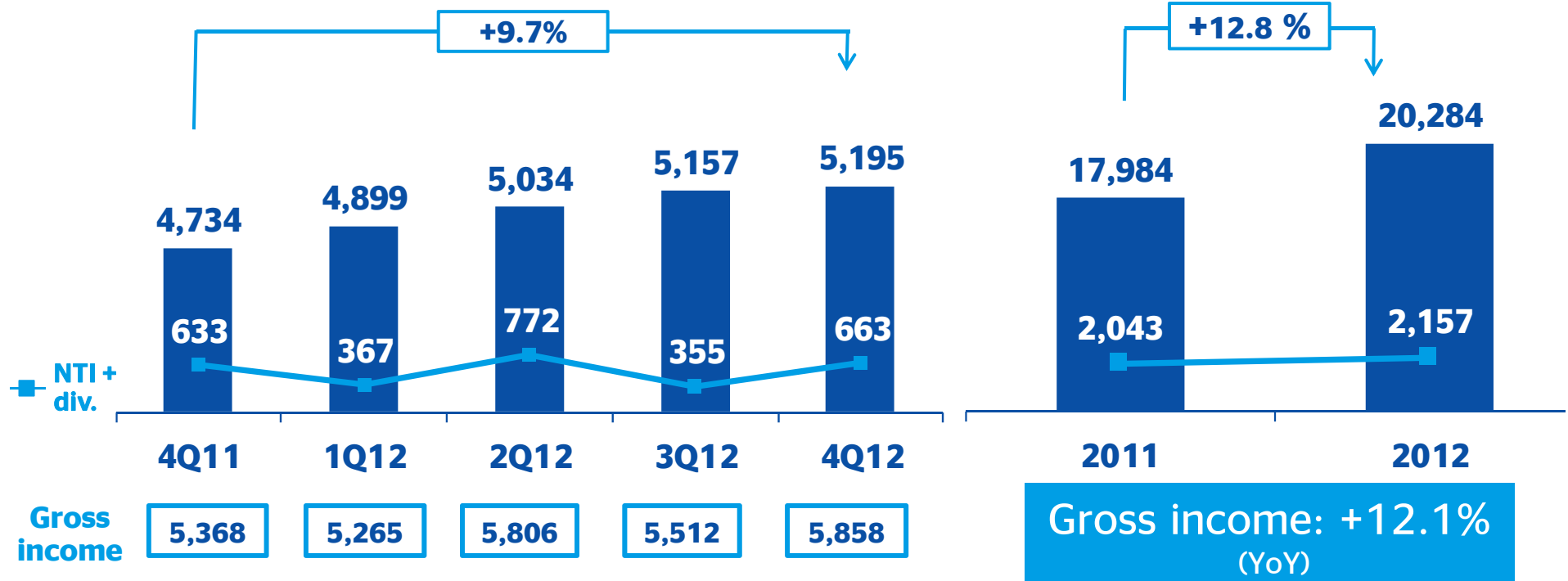


Balanced growth in all regions

... reflected in gross income ...

Recurring gross income  
Quarter by quarter  
€m

Recurring gross income  
€m

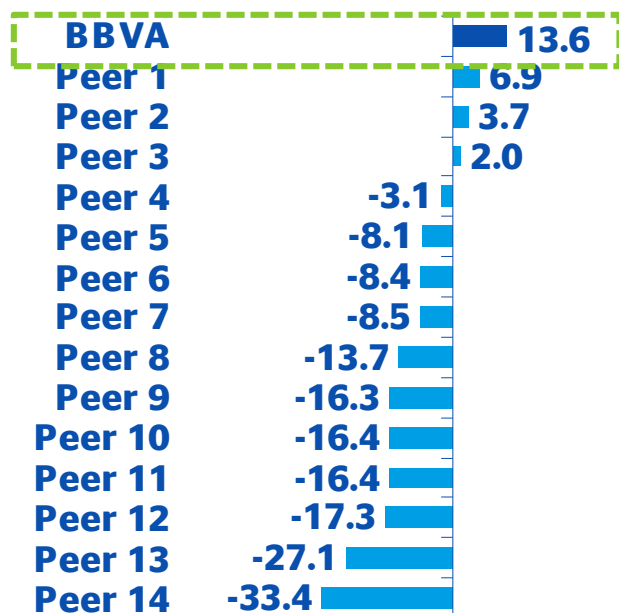


**Net fee income: +8.0% YoY**

... and sets us apart ...

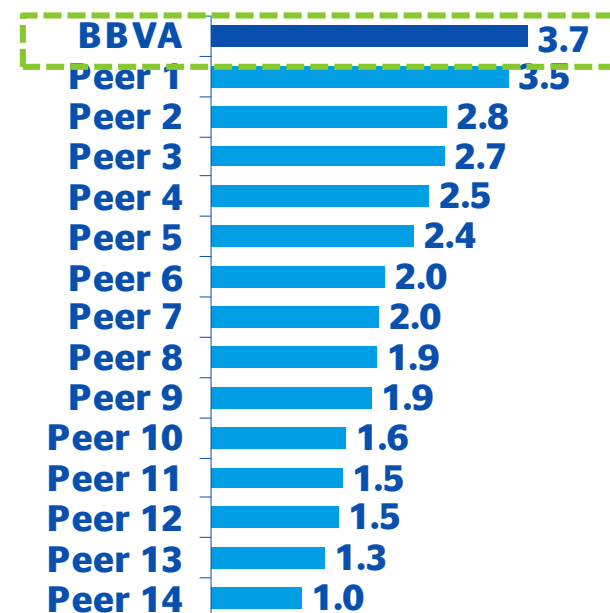
## Growth

Gross income  
BBVA vs peer group; 9M12  
(YoY, %)



## Profitability

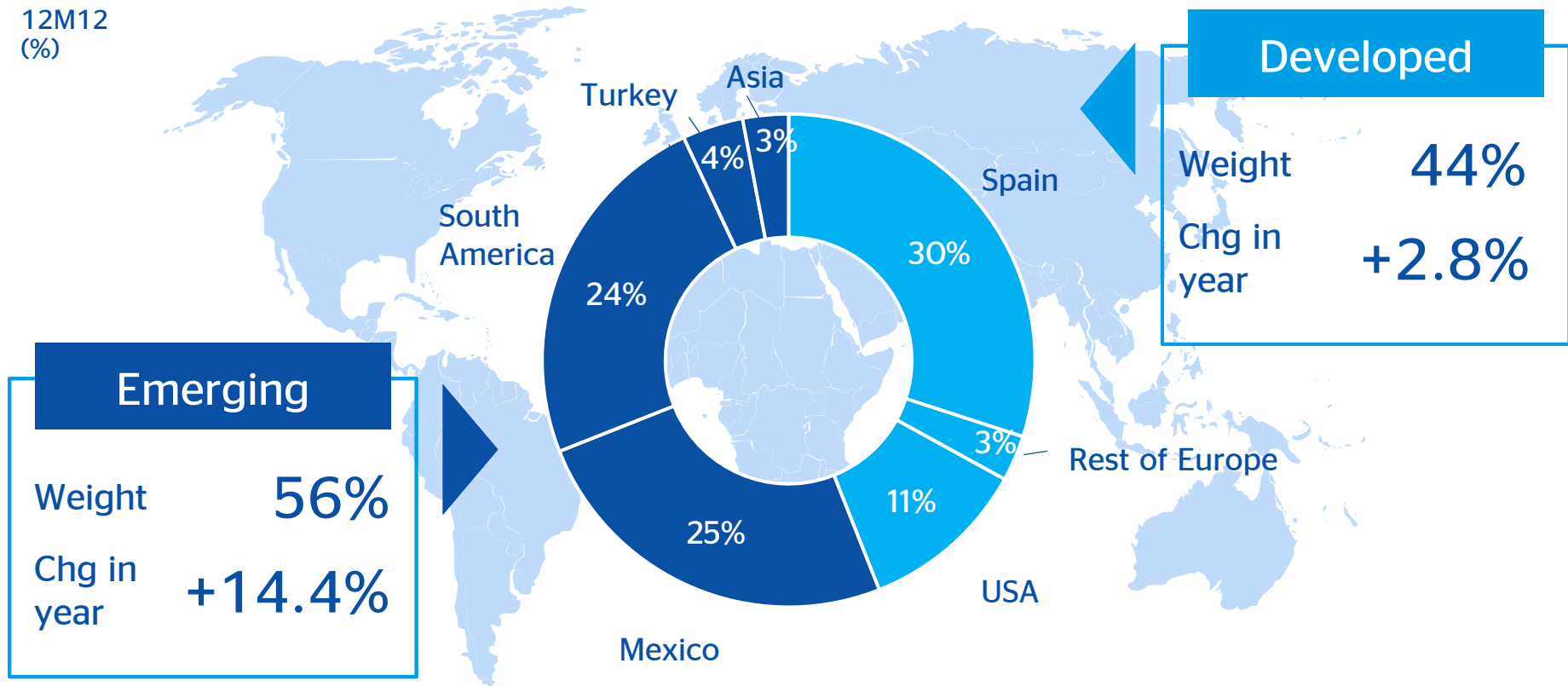
Gross income / ATAs  
BBVA vs peer group; 9M12  
(%)



Superior profitable growth

... thanks to adequate diversification across emerging and developed markets ...

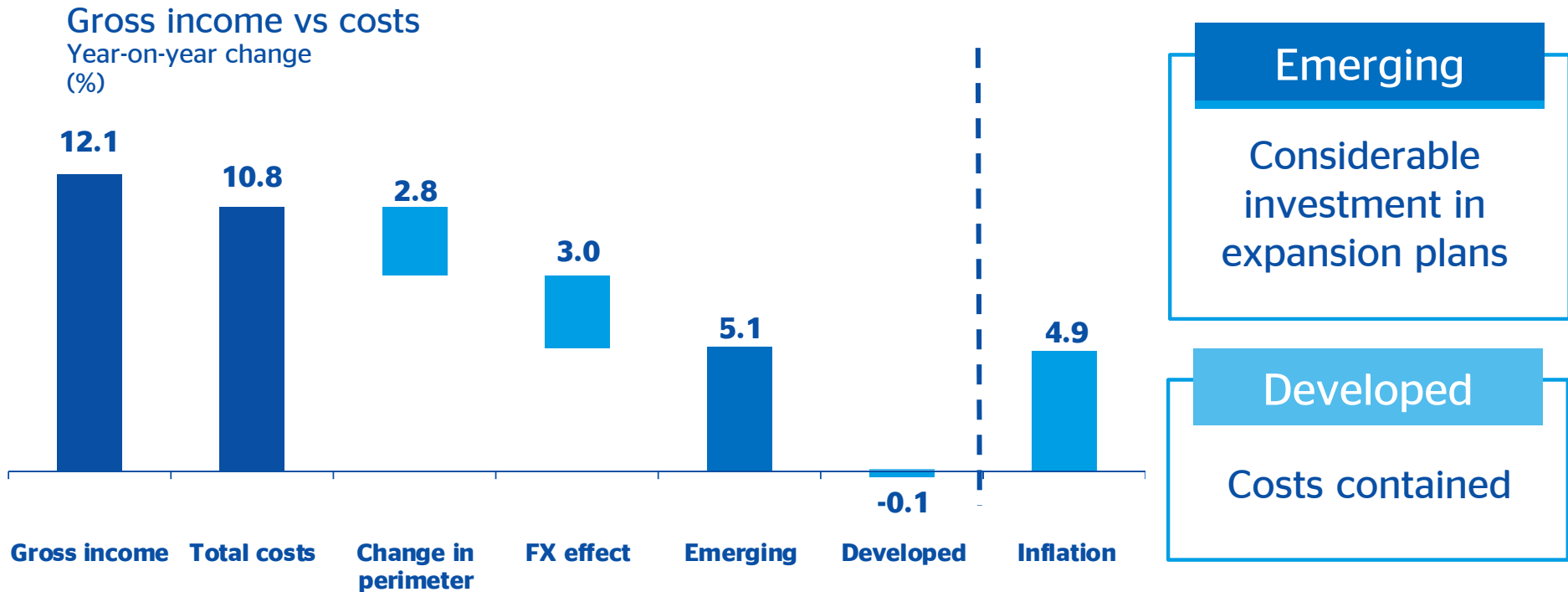
Gross income breakdown  
12M12  
(%)



**Presence in under-banked countries with high growth potential**

Note: excludes corporate activities. YoY variation in constant €

... combined with suitable cost management tailored for the needs of each region ...

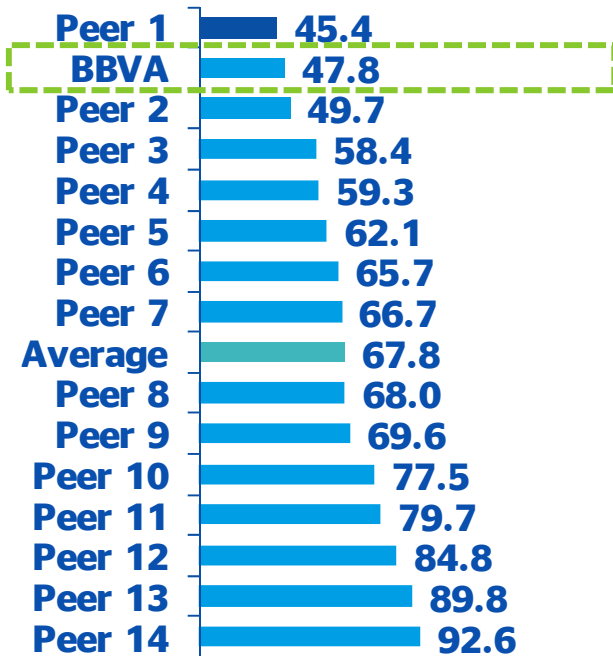


**Costs are growing slower than gross income**

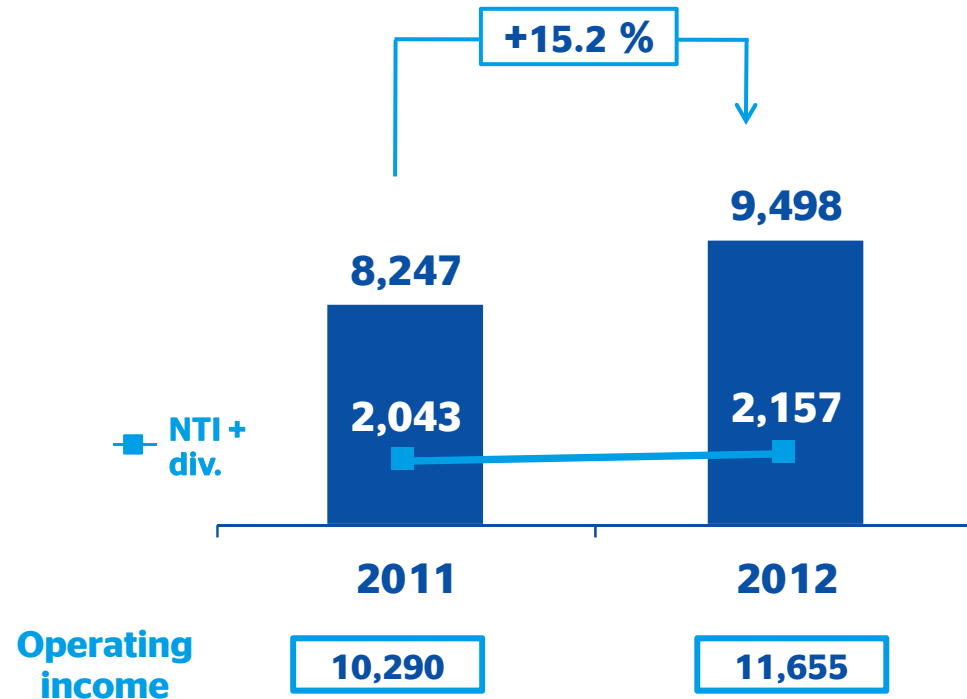


... means we remain one of the top banks in efficiency with high recurring operating income ...

**Cost / Income**  
BBVA vs peer group; 9M12  
(%)



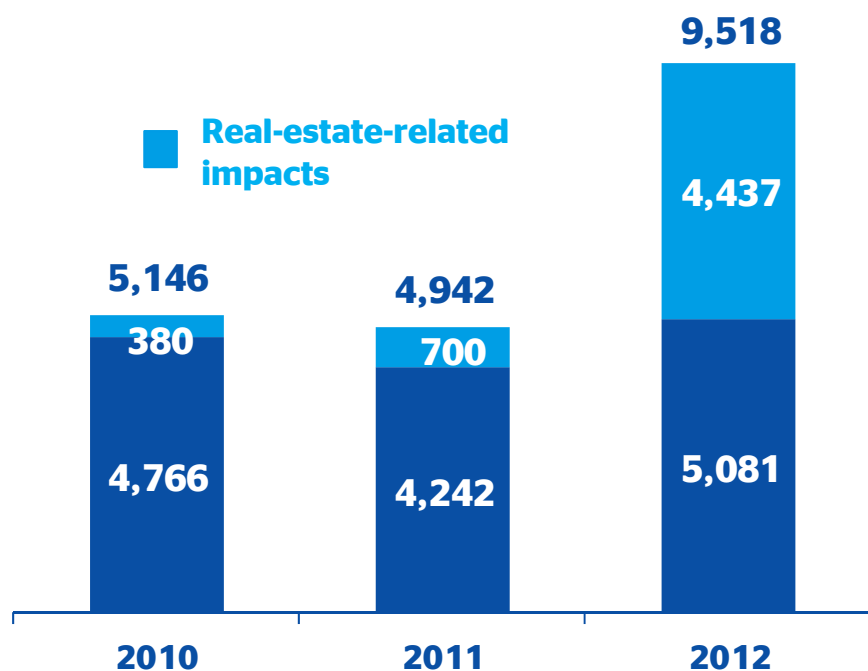
**Recurring operating income**  
Quarter by quarter  
€m



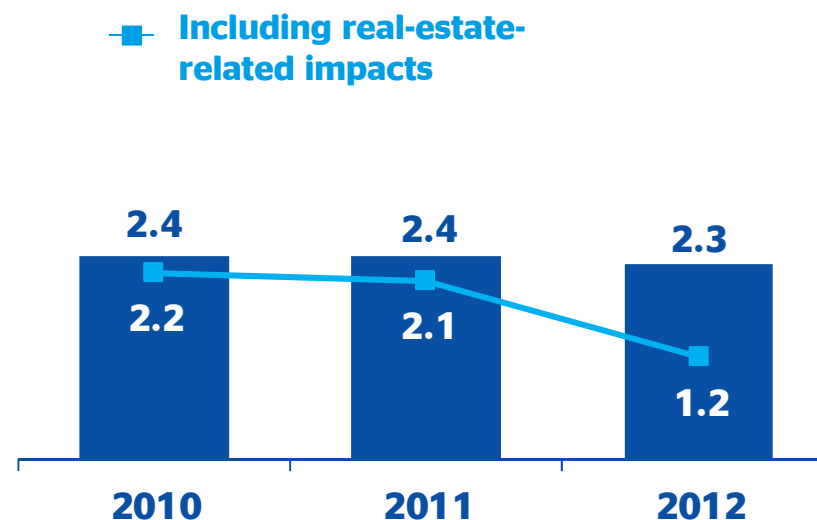
Note: Peer Group: includes BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS, UCI

... that can support the year's provisioning effort without difficulty

Loan-loss and real-estate provisioning  
€m



Operating income / loan-loss and real-estate provisioning  
(times)



Provisioning for impairment of the real-estate portfolio meets regulatory requirements

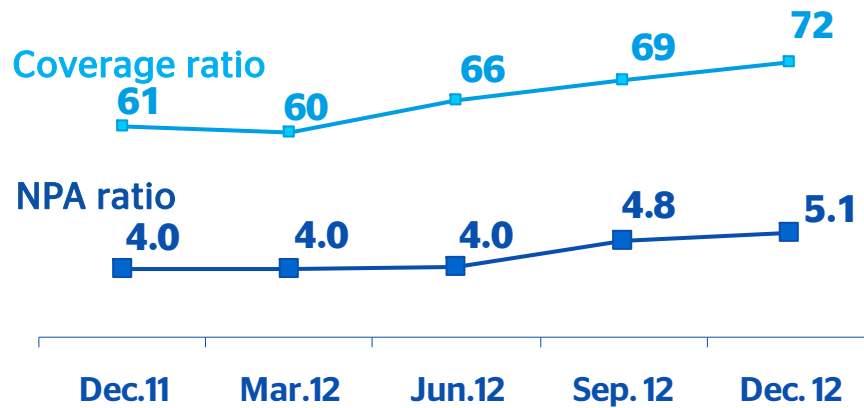
## In summary: a solid income statement

€m

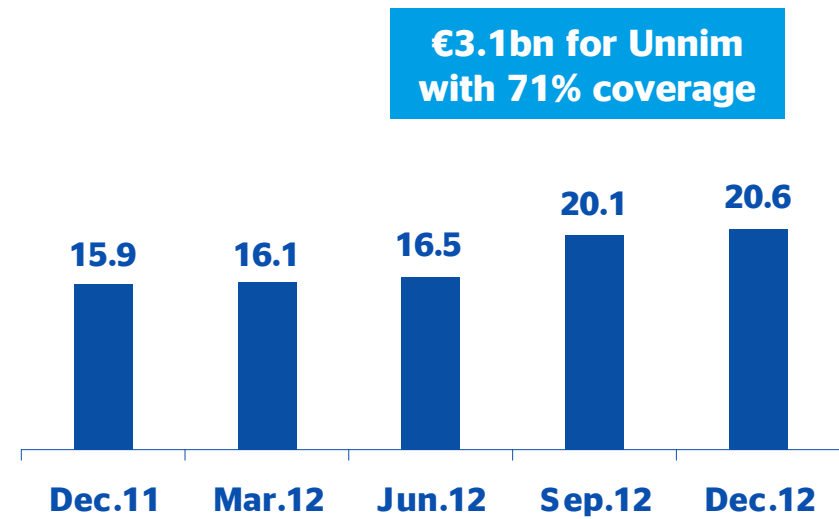
BBVA Group	Accum.	Change	
		12M12 / 12M11	
	12M12	Abs.	%
Net interest income	15,122	+ 1,970	15.0
Gross income	22,441	+ 2,414	12.1
Operating income	11,655	+ 1,365	13.3
Provisions related to real estate	-4,437	- 3,737	n.a.
Rest of provisions	-5,559	+ 585	-9.5
Income before tax	1,659	- 1,787	-51.9
Net attributable profit	1,676	- 1,328	-44.2

# Risk: risk management

NPA & coverage ratios (%)



NPAs  
€bn



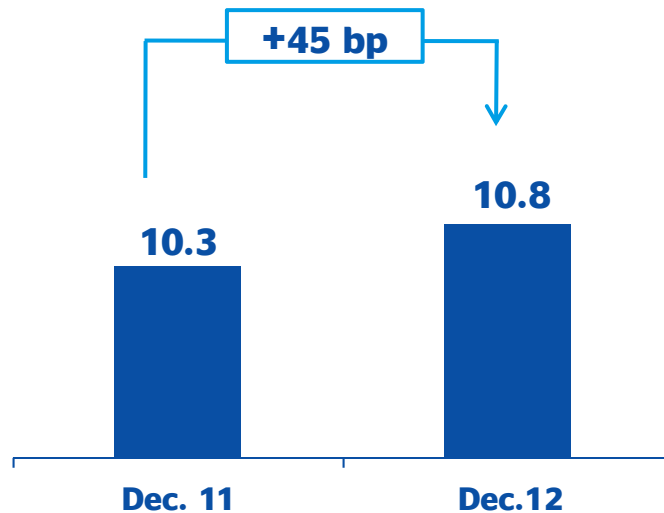
Cost of Risk (YTD)



In line with expectations

# Capital: solid position and the ability to generate more

Core capital ratio (Basel 2.5)  
(%)



Generation of capital

Compliance with capital requirements

Without selling strategic assets

Absorption of real-estate-related losses and Unnim's incorporation in Spain

All without reducing dividends

## **Liquidity:** excellent balance sheet management in a complex environment

**1** Active in issues in 2012: €14bn

**2** Liquidity gap narrows: €23bn euro balance sheet for year

**3** 2013 issues: €3bn



LTRO reduced by 2/3 of first auction

Amounting to solid fundamentals . . .

## Strong earnings

<b>Recurring gross income</b>	<b>+12.8%</b> YoY
<b>Recurring operating income</b>	<b>+15.2%</b> YoY
<b>Provisioning</b>	<b>≈ €10bn</b>
<b>Diversified revenues</b>	<b>56%</b> Emerging econ.

## Solid structure

<b>Capital</b>	
<b>Basel 2.5</b> <b>10.8%</b>	<b>EBA ratio</b> <b>&gt;9%</b>
<b>Liquidity</b>	
<b>Total issues: €14bn</b> <b>€ liquidity gap narrows: €23bn</b>	
<b>Risk</b>	
<b>NPA ratio</b> <b>5.1%</b>	<b>Coverage ratio</b> <b>72%</b>

**Dividend policy maintained**

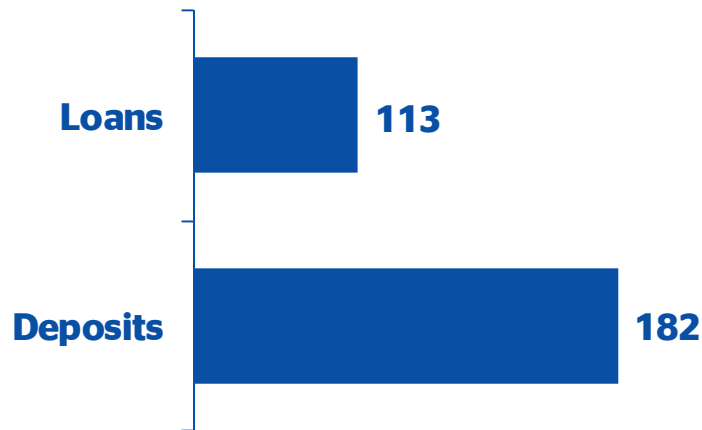


# Business areas



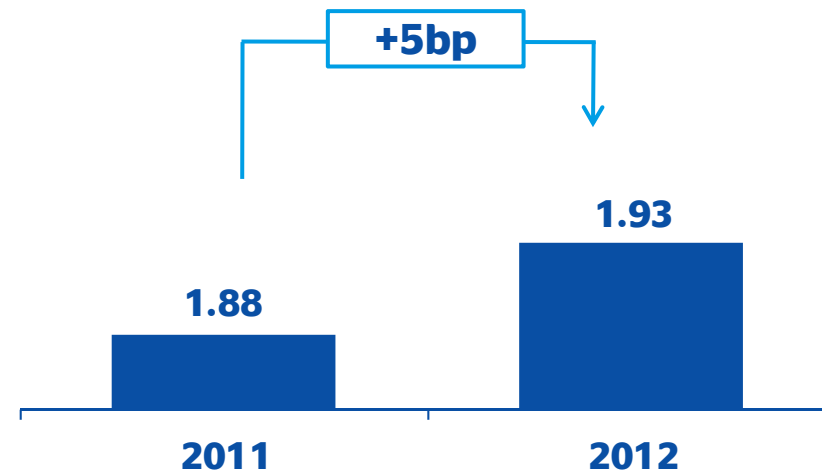
# Spain: the strong franchise helps us outperform

Market share - lending and deposits  
Nov.12 - Nov.11 change  
(bp)



Gains in market share . . .

Customer spread  
(%)

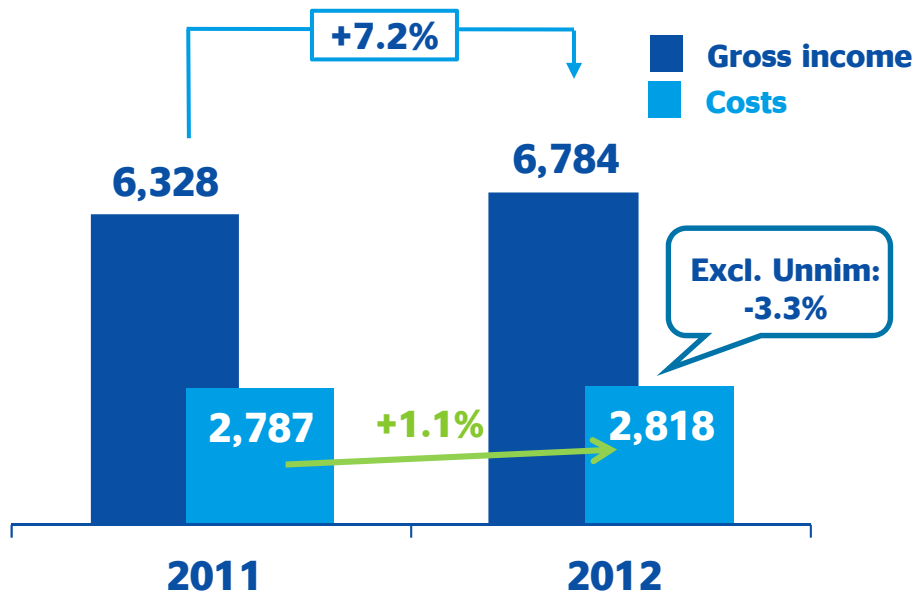


. . . with wider customer spreads

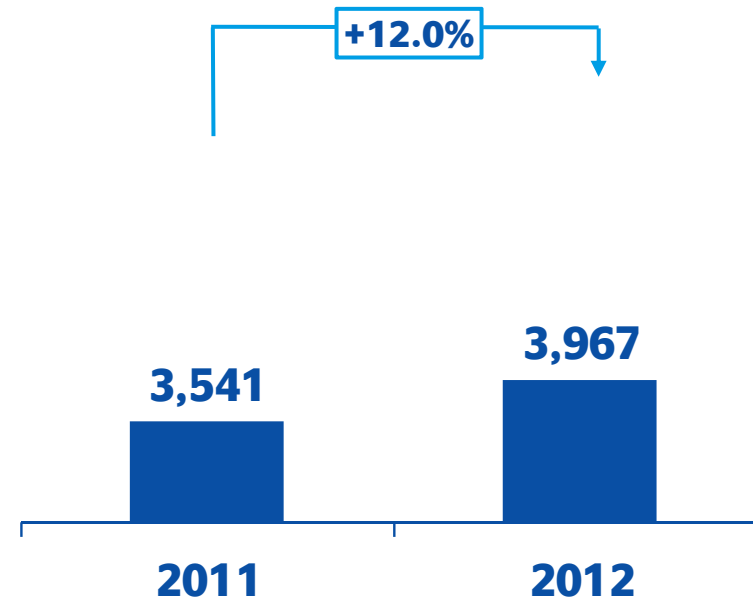
Note: OSR market share of retail activity: households and non-financial companies  
Deposits market share includes commercial paper

**Spain:** containment of costs, which grew slower than revenue

Gross income vs costs  
€m



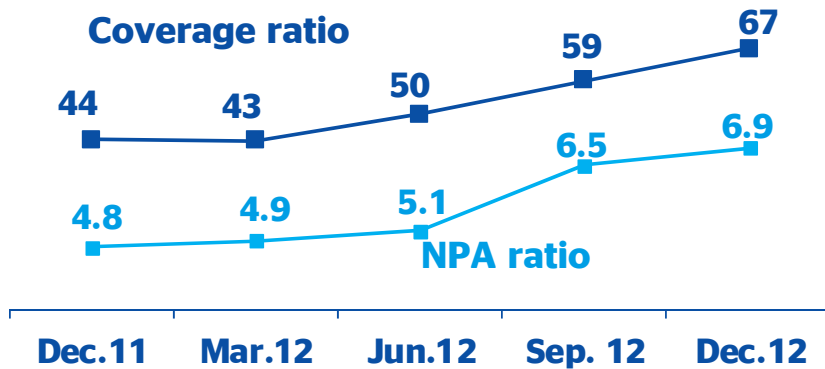
Operating income  
€m



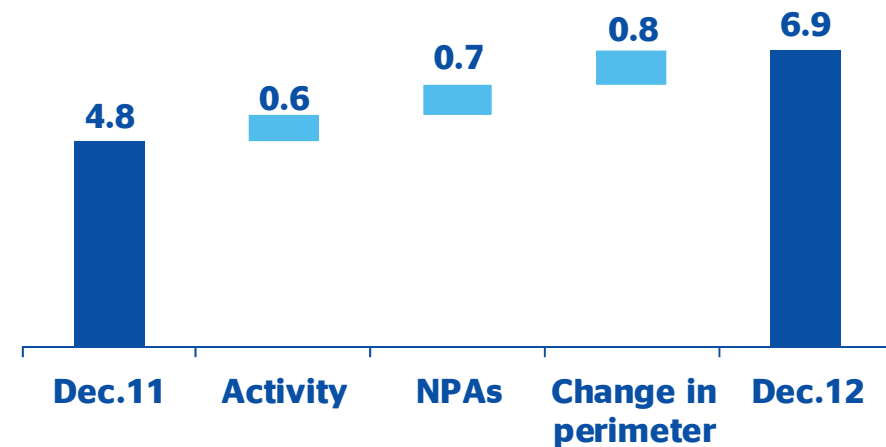
... strengthening operating income and improvement in efficiency (-3 pp)

# Spain: NPAs are developing in line with expectations

NPA & coverage ratios (%)



NPA ratio Breakdown (%)



... although better than the system average (difference of -403bp)

Note: market share vs OSR system as of november 2012

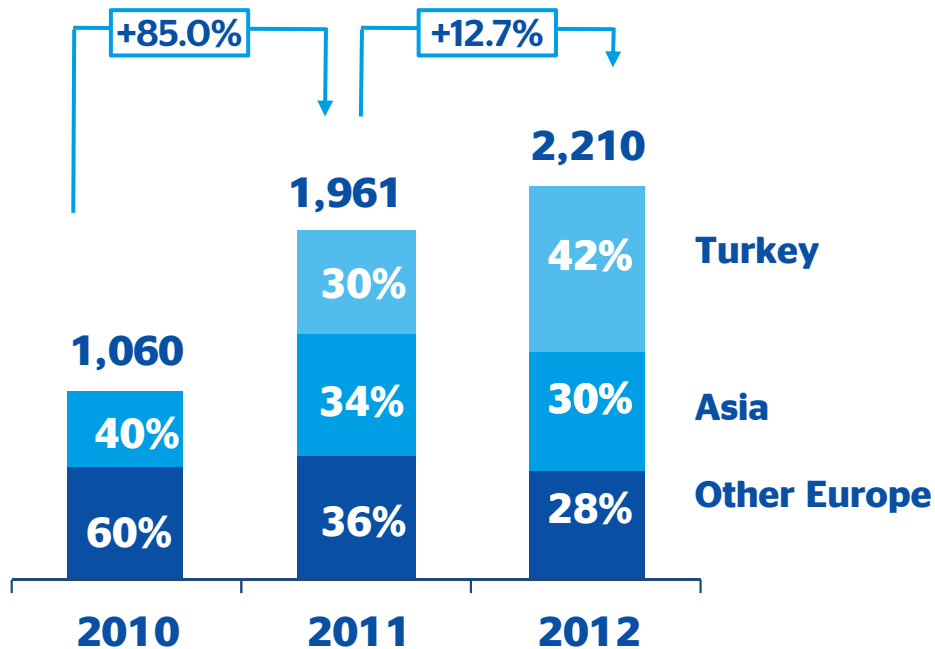
## Spain: income statement

€m

Spain	Accum.	Change	
		12M12 / 12M11	
	12M12	Abs.	%
Net interest income	4,836	+ 445	10.1
Gross income	6,784	+ 457	7.2
Operating income	3,967	+ 426	12.0
Income before tax ex provisions related to real estate	1,699	- 382	-18.4
Net attributable profit ex provisions related to real estate	1,211	- 269	-18.2
Net attributable profit	-1,267	- 2,619	n.s.

# EurAsia: an area of growth and positive contribution

Eurasia's contribution to Group's gross income



## Highlights

- Growing contribution
- Buoyant retail business
- Deleveraging of wholesale business

**Turkey as the growth driver of the area**

## EurAsia: income statement

€m

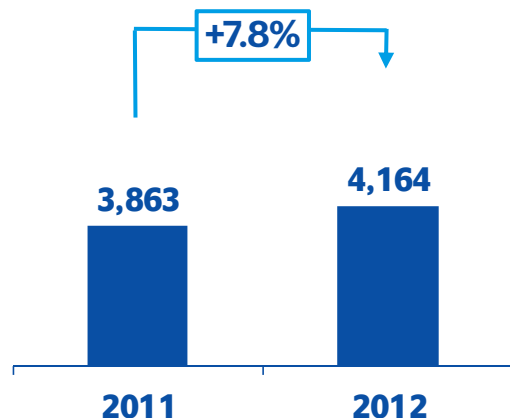
EurAsia	Accum.	Change	
		12M12 / 12M11	
	12M12	Abs.	%
Net interest income	847	+ 44	5.5
Gross income	2,210	+ 249	12.7
Operating income	1,432	+ 119	9.0
Income before tax	1,054	- 122	-10.4
Net attributable profit	950	- 81	-7.8

# Mexico: leading franchise with solid indicators

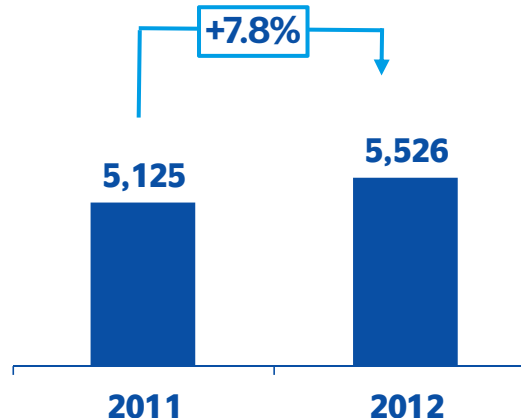
Business activity  
YoY, average balances



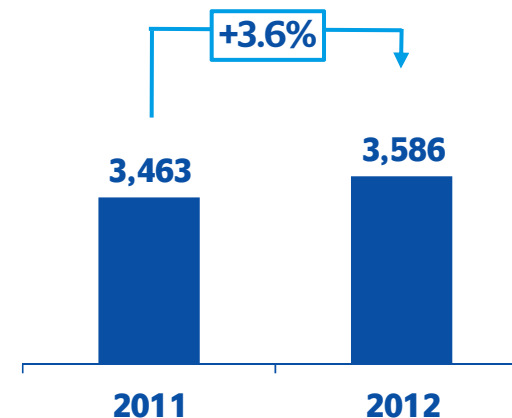
Net interest income  
Constant €m



Recurring gross income  
Constant €m



Operating income  
Constant €m

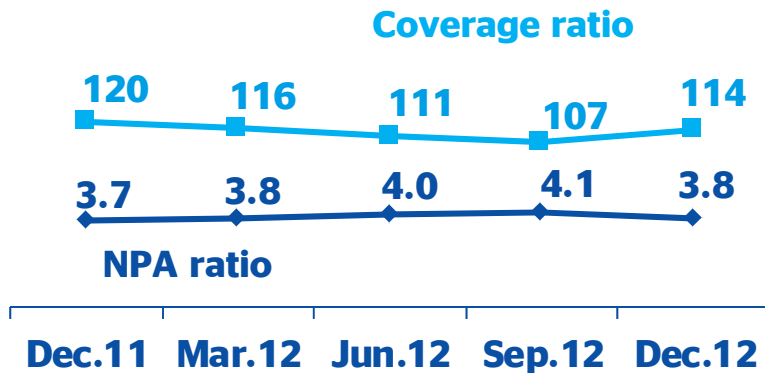


Net fee income: +4.0%

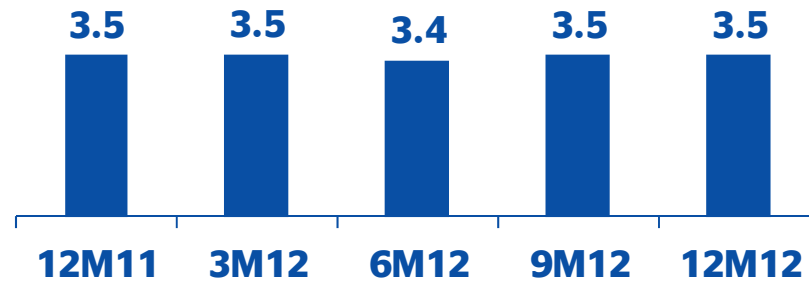
Gross income: +5.8%

# Mexico: risk indicators are stable

NPA & coverage ratios (%)



Cost of risk, YTD (%)





## Mexico: income statement

Constant €m

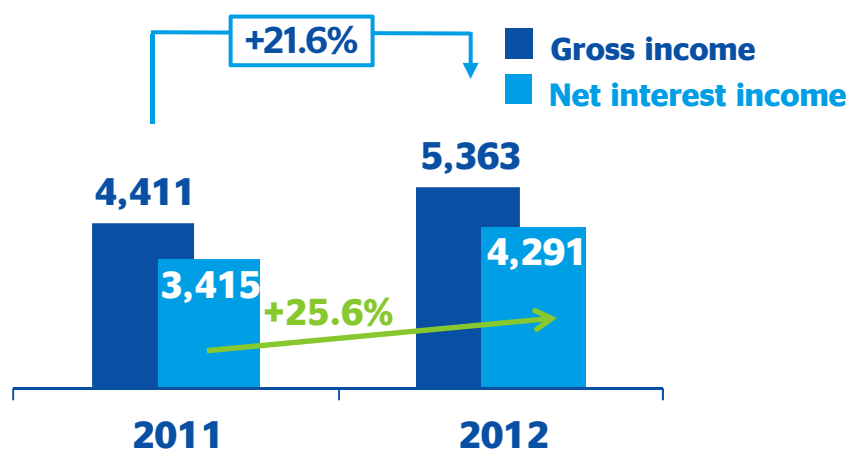
Mexico	Accum.	Change	
		12M12 / 12M11	
	12M12	Abs.	%
Net interest income	4,164	+ 302	7.8
Gross income	5,758	+ 315	5.8
Operating income	3,586	+ 124	3.6
Income before tax	2,225	+ 30	1.4
Net attributable profit	1,821	+ 71	4.0

# South America: buoyant business that is reflected by income

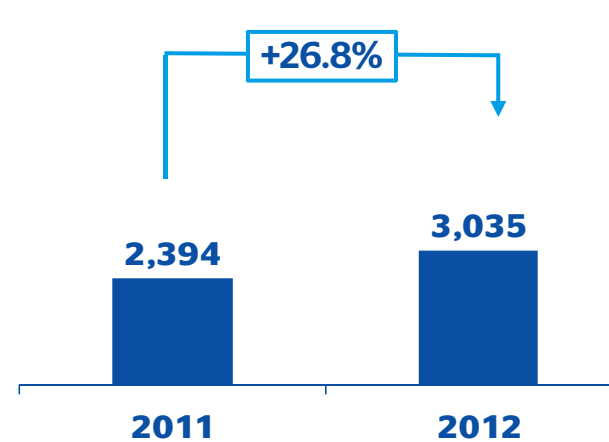
Business activity  
YoY, average balances



NII and gross income  
Constant €m

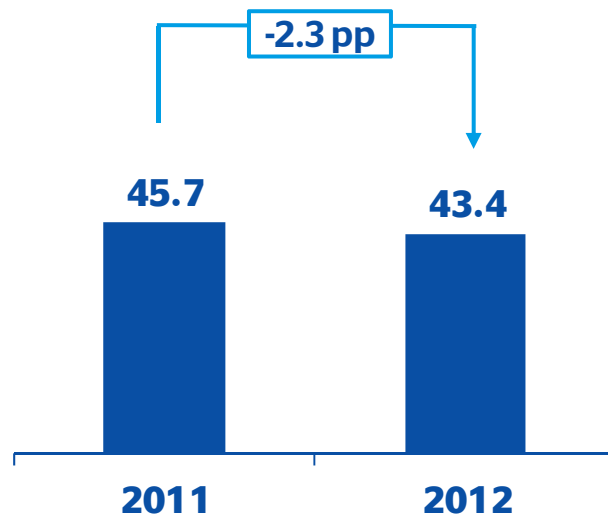


Operating income  
Constant €m

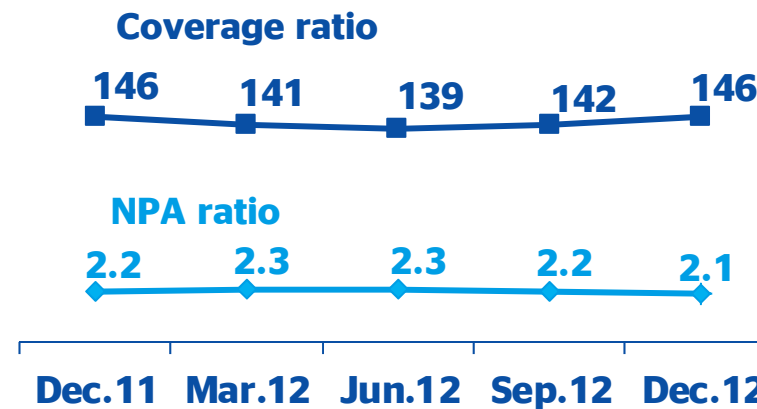


# South America: improvement in efficiency and stable risk indicators

Cost / income  
Constant €m; (%)



NPA & coverage ratios  
(%)



Sustainable growth

## South America: income statement

Constant €m

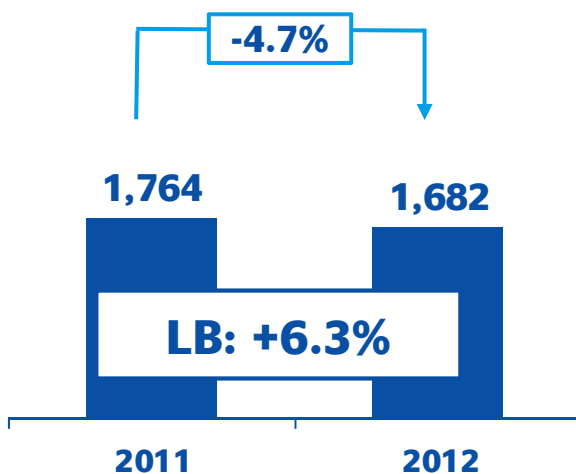
South America	Accum.	Change	
		12M12 / 12M11	
	12M12	Abs.	%
Net interest income	4,291	+ 876	25.6
Gross income	5,363	+ 952	21.6
Operating income	3,035	+ 641	26.8
Income before tax	2,240	+ 429	23.7
Net attributable profit	1,347	+ 257	23.6

# United States: selective growth of lending and improvement in mix

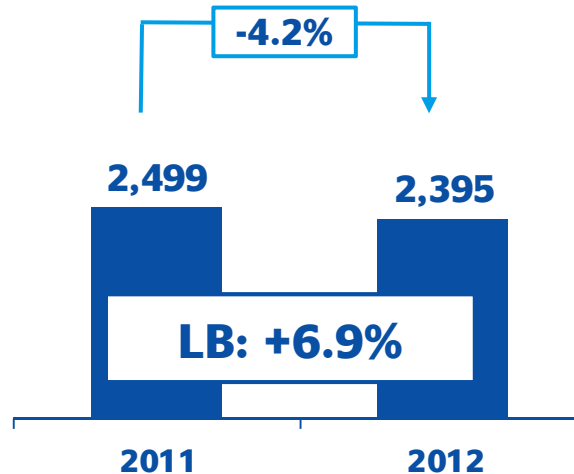
Compass business activity  
YoY, average balances



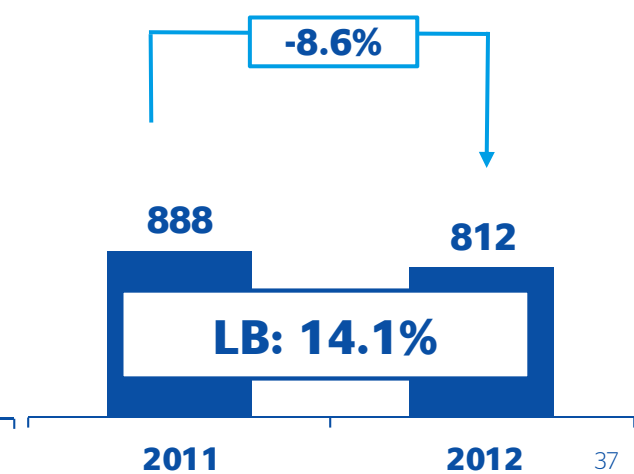
Net interest income  
Constant €m



Gross income  
Constant €m

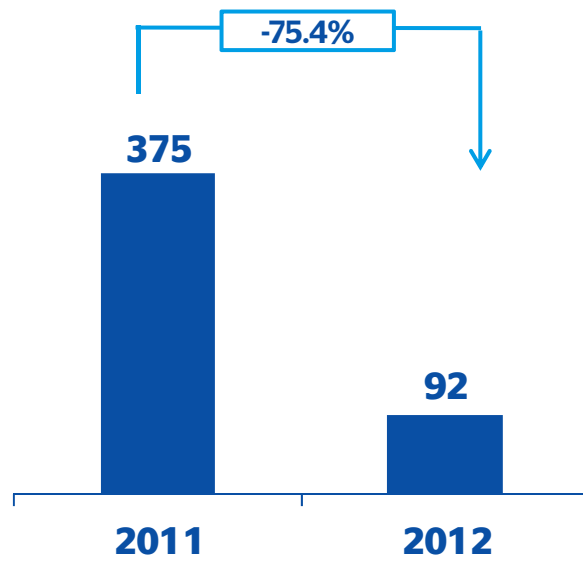


Operating income  
Constant €m



# United States: good asset quality

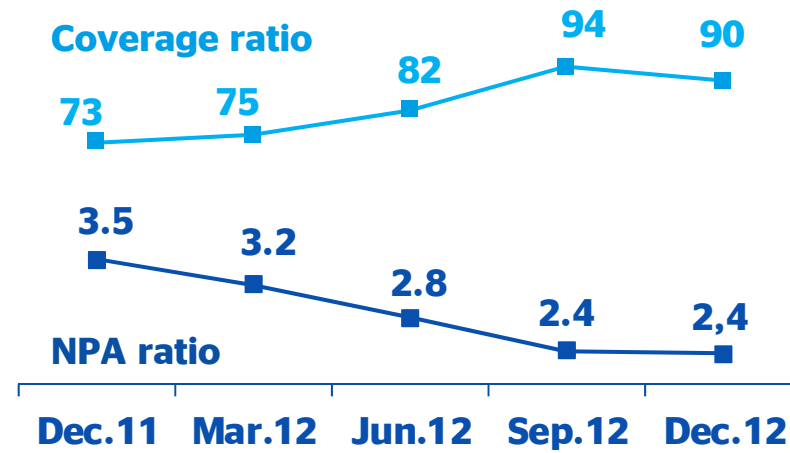
Loan-loss provisions  
Constant €m



Cost of Risk  
(YTD)

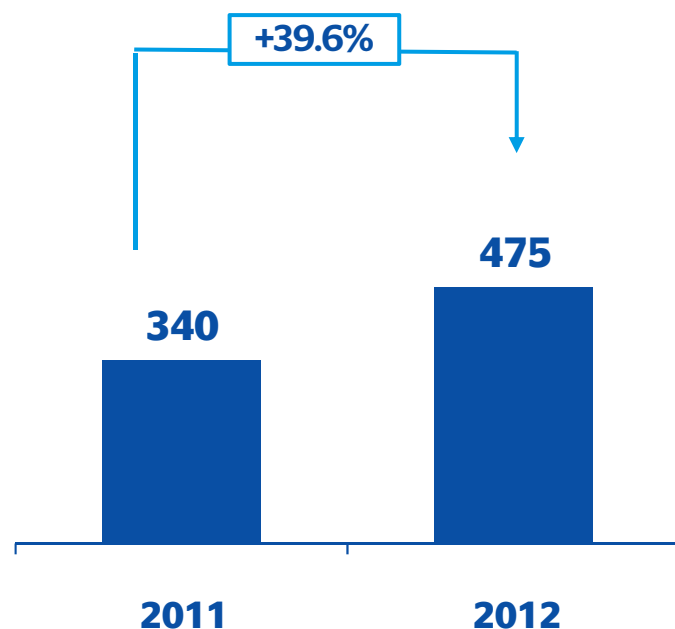


NPA & coverage ratios  
(%)



# United States: a business transformation reflected by earnings

Net attributable profit  
Constant €m



## Highlights

Selective growth of portfolio

Stable income in low-interest rate environment

Cost discipline

Technology projects to improve business

Solid liquidity position

## United States: income statement

Constant €m

U.S.A.	Accum.	Change	
		12M12 / 12M11	
	12M12	Abs.	%
Net interest income	1,682	- 82	-4.7
Gross income	2,395	- 104	-4.2
Operating income	812	- 76	-8.6
Income before tax	667	+ 1,779	n.s.
Net attributable profit	475	+ 1,229	n.s.



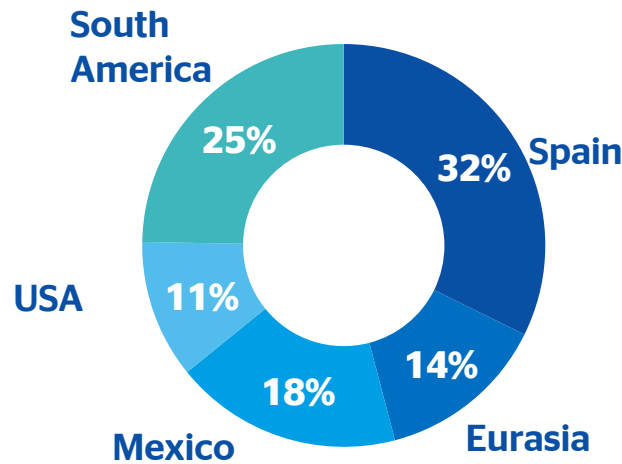
# CIB: diversified business and a solid customer franchise

Lending  
YoY (%)



Selective deleveraging

Gross income by region  
12M12 (%)



Balanced diversification

Gross income breakdown  
(%)



Solid customer franchise

## CIB: income statement

Constant €m

Corporate & Investment Banking	Accum.	Change	
		12M12 / 12M11	
	12M12	Abs.	%
Gross income	2,767	+ 234	9.2
Operating income	1,878	+ 203	12.1
Income before tax	1,655	+ 85	5.4
Net attributable profit	1,049	- 1	-0.1

## Outlook / priorities 2013

### Emerging

- Maintain dynamism
- Investment to capitalize on growth

### Developed

- Decrease in cost of risk
- Main focus on profitability

### Strategy

- Close sale of Latin-American pension business
- Take advantage of opportunities to strengthen core business

**Focus on profitability: new phase of EPS growth**



# 2012 Results



Ángel Cano, BBVA's President & Chief Operating Officer

Madrid, February 1st 2013