2013 Results

Angel Cano, BBVA´s President & Chief Operating Officer

Madrid, January 31st 2014
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Highlights

Recurring revenue in a complex environment

Adequate financing structure

Spotlight on Spain

Management and strength of capital

Strong fundamentals

Earnings

Risk

Liquidity

Solvency
Highlights

Gross income
€21,397m
(12M13)

Spotlight on Spain

Adequate financing structure

Strong fundamentals

Risk

Solvency

Management and strength of capital
Highlights

Gross income
€21,397m (12M13)

Strong fundamentals
Adequate financing structure

Spotlight on Spain
Management and strength of capital

Earnings
Risk
Liquidity
Solvency
Highlights

Gross income
€21,397m
(12M13)

NPA ratio
4.6%

Coverage ratio
59%

Adequate financing structure

Management and strength of capital

Strong fundamentals

Note: risk figures exclude real estate activities. NPA ratio of real estate activity in Spain: 55.5% and coverage 61%.
2013 Results / January 31st, 2014

**Highlights**

- **Gross income**
  - €21,397m
  - (12M13)

- **Risk**
  - NPA ratio
    - 4.6%
  - Coverage ratio
    - 59%

- **Strong fundamentals**

- **Adequate financing structure**

- **Liquidity**

- **Solvency**

- **Management and strength of capital**

Note: risk figures exclude real estate activities. NPA ratio of real estate activity in Spain: 55.5% and coverage 61%.
Highlights

Gross income
€21,397m
(12M13)

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Liquidity gap reduced
€33bn
(€ balance sheet, 12M13)

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2013 Results /January 31st 2014

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Management and strength of capital

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2013 Results / January 31st 2014

Highlights

- **Gross income**: €21,397m (12M13)
- **Liquidity gap reduced**: €33bn (€ balance sheet, 12M13)
- **NPA ratio**: 4.6%
- **Coverage ratio**: 59%
- **Core capital ratio**: BIS 2.5 11.6%, BIS III 9.8% (fully loaded)

Note: risk figures exclude real estate activities. NPA ratio of real estate activity in Spain: 55.5% and coverage 61%.
Notable aspects of a complex year

External factors
- Low interest rate environment and deleveraging
- Mortgage floor ruling
- Deposit Guarantee Fund
- Hyper-inflation and devaluation in Venezuela
- Reclassification of refinanced assets

Internal management
- Portfolio management: corporate operations
- CNCB operation
- Dividend policy change
- AT1 Issued

- Sale of AFPs
- Sale of Panama
- Sale of Life Insur. portfolios
Earnings: strength and recurrence of revenue despite environment ...

Net interest income + fee income
€m

-2.2%
19,476 19,044
12M12 12M13
+3.5% constant €

Gross income
€m

-2.3%
21,892 21,397
12M12 12M13
+2.6% constant €

Recurring revenue is growing
... strongly supported by diversification ...

Breakdown of gross income
12M13 %

- Turkey 26%
- Asia 27%
- Rest of Europe 10%
- USA 29%
- South America 4%
- Emerging 60%
- Developed 40%

YoY change:
- Turkey -7.0%
- Rest of Europe +16.1%
- USA -3%
- South America -4%
- Spain +10%
- Asia +29%

Driven by emerging markets

Note: excludes Holding. YoY variation in constant €
... and cost management adapted to each region ...

Costs 12M13 vs 12M12

Developed
- Costs: +1.6%
- FX effect: +1.1%
- Perimeter: -2.6%
- Total: +0.1%
- Inflation: +0.6%

Emerging
- Costs: +5.3%
- FX effect: +9.2%
- Total: +14.5%
- Inflation: +12.8%

- Costs contained
- Perimeter effect
- Investment for the future
- Exposure to inflationary economies

Note: excludes Holding
... resulting in solid earnings and leadership in terms of profitability.

Operating income

€m

-3.0% constant €

11,106

10,196

12M12

12M13

Operating income/ATAs

BBVA vs peer group : 9M13

(%)

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

Ability to absorb loan-loss provisioning
Risk: Spain is still in the spotlight

Indicators

Coverage ratio (%)

NPA ratio (%)

Cum. risk premium

NPAs

NPAs €bn

Refinancing

Improved trend in new NPAs entries: moving towards normal conditions

Note: risk figures exclude real estate activities. NPA ratio for real estate activity in Spain: 55.5%, 61% coverage, NPAs €9.3bn and risk premium 3.2%
**Capital: strength and capital generation**

Core capital ratio (BIS 2.5) (%)

<table>
<thead>
<tr>
<th></th>
<th>Dec.12</th>
<th>Net earnings</th>
<th>AT1 Issue</th>
<th>Corporate operations</th>
<th>RWAs</th>
<th>Other</th>
<th>Dec.13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10.77</td>
<td>0.60</td>
<td>0.23</td>
<td>0.19</td>
<td>-0.24</td>
<td>0.04</td>
<td>11.59</td>
</tr>
</tbody>
</table>

And ...

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

- Core ratio: **9.8%**
- Leverage ratio: **5.6%**

**Comfortable capital position**

*Note: “Corporate operations” include CNBC and those in Latin America. “Other” mainly consists of capital losses on AFS equities, minorities and currency effects.*
Liquidity: solid position on euro balance sheet

Reduced financing requirements

Liquidity gap reduced €33bn
(€ balance sheet, 12M13)

Change in funding mix

• Higher proportion of cust. funds +€8.3bn
• Reduction of LTRO -€20bn

Issuance activity

• Issues with longer tenors and lower cost
• Pioneers in AT1 issue under BIS III

Improved balance sheet structure
Summary: resilience in a difficult year

<table>
<thead>
<tr>
<th></th>
<th>BBVA Group</th>
<th>12M13</th>
<th>12M13/12M12</th>
<th>% constant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Interest Income</td>
<td>14,613</td>
<td>-509</td>
<td>-3.4</td>
<td>2.7</td>
</tr>
<tr>
<td>Gross Income</td>
<td>21,397</td>
<td>-495</td>
<td>-2.3</td>
<td>2.6</td>
</tr>
<tr>
<td>Operating Income</td>
<td>10,196</td>
<td>-910</td>
<td>-8.2</td>
<td>-3.0</td>
</tr>
<tr>
<td>Income Before Tax</td>
<td>2,750</td>
<td>+2,002</td>
<td>n.s.</td>
<td>n.s.</td>
</tr>
<tr>
<td>Corporate Operations Income</td>
<td>823</td>
<td>-480</td>
<td>-36.8</td>
<td>-36.2</td>
</tr>
<tr>
<td>Net Attributable Profit</td>
<td>2,228</td>
<td>+552</td>
<td>32.9</td>
<td>55.1</td>
</tr>
</tbody>
</table>

Note: Earnings are presented this way to show the development of recurring business. The reconciliation with the official earnings statement is shown on page 47 of the financial information filed today with the CNMV.
Once again ...

**Solid earnings (12M13)**
- Strong revenues
  - €21bn
- Diversified revenues
  - 60% Emerging
- Net attributable profit
  - €2.2bn

**Strong structure (12M13)**

### Solvency
- BIS 2.5
  - 11.6%
- BIS III fully loaded
  - 9.8%
- Leverage ratio
  - 5.6%

### Liquidity
- Liquidity gap
  - €33bn

### Risk
- NPA ratio
  - 4.6%
- Coverage ratio
  - 59%

Note: risk figures exclude real estate activities. NPA ratio of real estate activity in Spain: 55.5% and coverage 61%.
Business Areas
Developed
Emerging
Banking activity in Spain: management in a complex environment

Business activity in Spain
YoY chg in average balances

- Lending: -9.3%
- Customer funds: +13.0%

Net interest income
€m
-19.3%
4,748 3,830
12M12 12M13

Gross income
€m
-8.5%
6,665 6,095
12M12 12M13

Operating income
€m
-18.4%
3,778 3,081
12M12 12M13

Increases in market share of lending and customer funds in 2013

2013 Results / January 31st 2014
Banking activity in Spain: risk reflects impact of reclassifying refinanced loans

NPA and coverage ratios (%)

- **Coverage ratio**
  - Dec. 12: 48
  - Mar. 13: 50
  - Jun. 13: 45
  - Sep. 13: 41
  - Dec. 13: 41

- **NPA ratio**
  - Dec. 12: 4.1
  - Mar. 13: 4.4
  - Jun. 13: 4.7
  - Sep. 13: 6.2
  - Dec. 13: 6.4

NPAs €bn

- 4Q12: 8.6
- 1Q13: 9.3
- 2Q13: 9.8
- 3Q13: 12.5 (highlighted)
- 4Q13: 12.5

Improved trend of NPAs entries: moving towards normal conditions
## Banking activity in Spain: income statement

<table>
<thead>
<tr>
<th></th>
<th>12M13</th>
<th>Accum.</th>
<th>Growth 12M13/12M12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Interest Income</strong></td>
<td>3,830</td>
<td>-918</td>
<td>-19.3</td>
</tr>
<tr>
<td><strong>Gross Income</strong></td>
<td>6,095</td>
<td>-569</td>
<td>-8.5</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>3,081</td>
<td>-697</td>
<td>-18.4</td>
</tr>
<tr>
<td><strong>Income Before Tax</strong></td>
<td>222</td>
<td>-1,430</td>
<td>-86.5</td>
</tr>
<tr>
<td><strong>Corporate Operations Income</strong></td>
<td>440</td>
<td>+440</td>
<td>n.s.</td>
</tr>
<tr>
<td><strong>Net Attributable Profit</strong></td>
<td>583</td>
<td>-579</td>
<td>-49.8</td>
</tr>
</tbody>
</table>

**Improved outlook**
Real estate business in Spain: exposure reduction

Net exposure to real estate business (€bn)

-19.1%

Dec-11: 18.0
Dec-12: 15.6
Dec-13: 14.6

- Other foreclosed assets*
- Foreclosed assets of residential mortgages
- Foreclosed assets of real-estate developers
- Real-estate developer loans

Sales figures (Units)

+43.2%

2012: 10,046
2013: 14,390

And... 6,993 units sold correspond to third parties.

Note: transparency perimeter 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 is contained

NPA and coverage ratios (%)

- NPA ratio
- Coverage ratio

---|---|---|---|---
82 | 76 | 75 | 62 | 61

38.3 | 42.2 | 43.7 | 55.3 | 55.5

NPAs €bn

- 4Q12 | 1Q13 | 2Q13 | 3Q13 | 4Q13
---|---|---|---|---
7.2 | 7.7 | 7.7 | 9.4 | 9.3

- Refinancing
Real estate business in Spain: income statement

<table>
<thead>
<tr>
<th>Real estate business in Spain</th>
<th>Accum.</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12M13</td>
<td>12M13/12M12</td>
</tr>
<tr>
<td>Net Interest Income</td>
<td>-3</td>
<td>+ 17</td>
</tr>
<tr>
<td>Gross Income</td>
<td>-38</td>
<td>+ 46</td>
</tr>
<tr>
<td>Operating Income</td>
<td>-190</td>
<td>+ 20</td>
</tr>
<tr>
<td>Income Before Tax</td>
<td>-1,840</td>
<td>+ 3,865</td>
</tr>
<tr>
<td>Net Attributable Profit</td>
<td>-1,254</td>
<td>+ 2,790</td>
</tr>
</tbody>
</table>
BBVA

USA: fast pace of new business in low-interest rate environment

Compass business activity
Average balance, YoY, in constant €

- Lending +12.8%
- Customer funds +4.0%

Net interest income
Constant €m

-6.2%

Gross income
Constant €m

-3.1%

Operating income
Constant €m

-12.1%

USA: fast pace of new business in low-interest rate environment

-6.2% -3.1% -12.1%
USA: excellent risk indicators

NPA and coverage ratios

Coverage ratio

NPA ratio

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


Dec.13 134 120 118 109 90

NPA ratio


Coverage ratio

Dec.13 134 120 118 109 90


1 17 19 31 13

Loan-loss provisions

4Q12 1Q13 2Q13 3Q13 4Q13

Cost of risk

4Q12 1Q13 2Q13 3Q13 4Q13

USA: excellent risk indicators
## USA: income statement

### Constant €m

<table>
<thead>
<tr>
<th></th>
<th>Accum.</th>
<th>Growth 12M13/12M12</th>
<th>Abs.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>USA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12M13</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Interest Income</td>
<td>1,407</td>
<td>- 93</td>
<td>-6.2</td>
<td></td>
</tr>
<tr>
<td>Gross Income</td>
<td>2,101</td>
<td>- 68</td>
<td>-3.1</td>
<td></td>
</tr>
<tr>
<td>Operating Income</td>
<td>627</td>
<td>- 86</td>
<td>-12.1</td>
<td></td>
</tr>
<tr>
<td>Income Before Tax</td>
<td>534</td>
<td>- 65</td>
<td>-10.8</td>
<td></td>
</tr>
<tr>
<td>Net Attributable Profit</td>
<td>390</td>
<td>- 38</td>
<td>-8.8</td>
<td></td>
</tr>
</tbody>
</table>
Developed

Emerging
EurAsia: area of future growth

**Turkey**
- Good performance by Garanti despite uncertainty
- Market with high potential

**China**
- Sale of 5.1%: efficient capital allocation
- Commitment to China remains
### EurAsia: Income Statement

**Constant €m**

<table>
<thead>
<tr>
<th></th>
<th>Accum.</th>
<th>Growth 12M13/12M12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12M13</td>
<td>Abs.</td>
</tr>
<tr>
<td><strong>Net Interest Income</strong></td>
<td>911</td>
<td>+117</td>
</tr>
<tr>
<td><strong>Gross Income</strong></td>
<td>1,721</td>
<td>+136</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>987</td>
<td>+147</td>
</tr>
<tr>
<td><strong>Income Before Tax</strong></td>
<td>593</td>
<td>+119</td>
</tr>
<tr>
<td><strong>Net Attributable Profit</strong></td>
<td>454</td>
<td>+78</td>
</tr>
</tbody>
</table>

**Note:** in accordance with IFRS, Garanti is accounted by the equity method for the purpose of uniform presentation based on the proportional consolidation method.

**Solid contribution despite environment**
Mexico: income reflects buoyant activity

Business activity
Average balance, YoY, in constant €

- Lending: +10.1%
- Customer funds: +11.0%

Net interest income
Constant €m

- 12M12: 4,164
- 12M13: 4,484

Gross income
Constant €m

- 12M12: 5,756
- 12M13: 6,201

Operating income
Constant €m

- 12M12: 3,578
- 12M13: 3,865
Mexico: risk indicators are stable

NPA and coverage ratios

Coverage ratio

114    | 117    | 109    | 105    | 110
3.8    | 3.7    | 4.0    | 4.1    | 3.6

NPA ratio

Loan-loss provisions and risk premium
Quarter by quarter
(€m constant, %)

347    | 346    | 361    | 377    | 355
3.5    | 3.6    | 3.6    | 3.7    | 3.4

Loan-loss provisions
Cost of risk
### Mexico: income statement

<table>
<thead>
<tr>
<th>Constant €m</th>
<th>Accum.</th>
<th>Growth 12M13/12M12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mexico</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12M13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Interest Income</td>
<td>4,484</td>
<td>+ 320</td>
</tr>
<tr>
<td>Gross Income</td>
<td>6,201</td>
<td>+ 465</td>
</tr>
<tr>
<td>Operating Income</td>
<td>3,865</td>
<td>+ 288</td>
</tr>
<tr>
<td>Income Before Tax</td>
<td>2,362</td>
<td>+ 140</td>
</tr>
<tr>
<td>Net Attributable Profit</td>
<td>1,805</td>
<td>+ 121</td>
</tr>
</tbody>
</table>

**The leading franchise**
South America: buoyant business and strong income

Business activity
Average balance, YoY, in constant €

Lending +21.2%
Customer funds +26.7%

Net interest income
Constant €m

+33.6%

Gross income
Constant €m

+25.3%

Operating income
Constant €m

+27.0%

<table>
<thead>
<tr>
<th></th>
<th>12M12</th>
<th>12M13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross</td>
<td>4,492</td>
<td>5,630</td>
</tr>
<tr>
<td>Operating</td>
<td>2,556</td>
<td>3,244</td>
</tr>
</tbody>
</table>
South America: good risk indicators

NPA and coverage ratios

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NPA ratio</td>
<td>146</td>
<td>143</td>
<td>136</td>
<td>137</td>
<td>141</td>
</tr>
<tr>
<td></td>
<td>2.1</td>
<td>2.2</td>
<td>2.2</td>
<td>2.2</td>
<td>2.1</td>
</tr>
</tbody>
</table>

Loan-loss provisions and risk premium
Quarter by quarter
(€m constant, %)

<table>
<thead>
<tr>
<th>Loan-loss provisions</th>
<th>4Q12</th>
<th>1Q13</th>
<th>2Q13</th>
<th>3Q13</th>
<th>4Q13</th>
</tr>
</thead>
<tbody>
<tr>
<td>4Q12</td>
<td>156</td>
<td>140</td>
<td>147</td>
<td>185</td>
<td>227</td>
</tr>
<tr>
<td>1Q13</td>
<td>1.5</td>
<td>1.3</td>
<td>1.3</td>
<td>1.6</td>
<td>1.8</td>
</tr>
<tr>
<td>2Q13</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3Q13</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4Q13</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Cost of risk
## South America: income statement

### Constant €m

<table>
<thead>
<tr>
<th>South America</th>
<th>Accum.</th>
<th>Growth 12M13/12M12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12M13</td>
<td>Abs.</td>
</tr>
<tr>
<td>Net Interest Income</td>
<td>4,703</td>
<td>+ 1,182</td>
</tr>
<tr>
<td>Gross Income</td>
<td>5,630</td>
<td>+ 1,138</td>
</tr>
<tr>
<td>Operating Income</td>
<td>3,244</td>
<td>+ 689</td>
</tr>
<tr>
<td>Income Before Tax</td>
<td>2,387</td>
<td>+ 474</td>
</tr>
<tr>
<td>Net Attributable Profit</td>
<td>1,249</td>
<td>+ 230</td>
</tr>
</tbody>
</table>

Note: pension business is included under the holding.
### In summary:

| Developed          | Spain | • Market share gains in a context of low interest rate and deleveraging  
|                   |       | • Risk premium returning to normal level  
|                   | USA   | • Growing business in a low-interest rate environment  
|                   |       | • Exceptional asset quality and cost control  
| Emerging          | EurAsia | • China: sale of 5.1% stake  
|                   |       | • Turkey: a bank well-managed in a complex environment  
|                   | Mexico | • Strength and leadership  
|                   |       | • Transformation of the distribution model  
|                   | South America | • Sustained profitability and diversification within the region  
|                   |       | • Investment plan to harness future potential  

2013 Results

Angel Cano, BBVA President & Chief Operating Officer

Madrid, January 31st 2014