

BBVA

BBVA: Strengths and opportunities
A unique global value proposition

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Goldman Sachs, European Financials Conference
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ECB focus on financial stability has removed Euro break-up risk

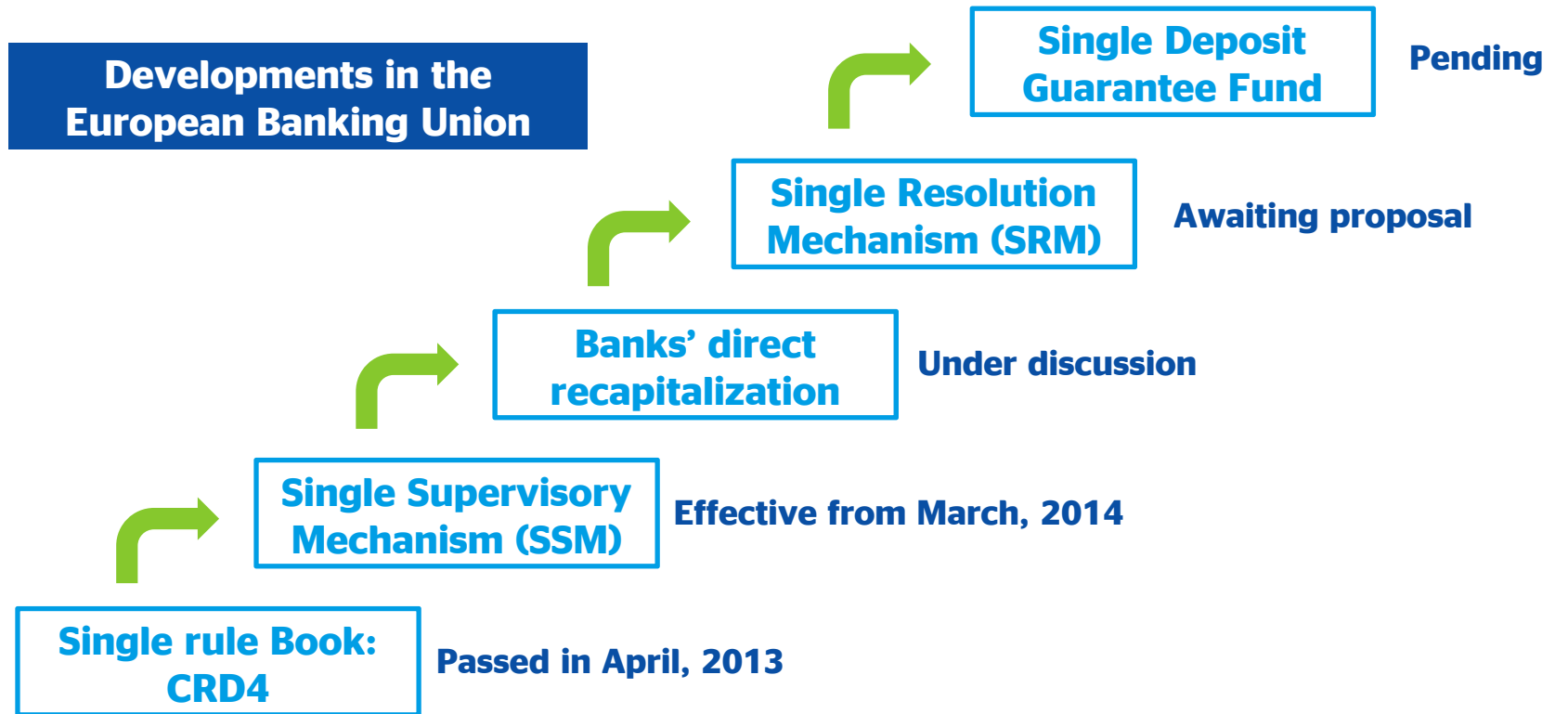
10Y Spread Spain-Germany (bp)



After austerity, focus shifting towards pro-growth initiatives?

Source: Bloomberg. Data as of June 10, 2013.

Towards a stronger European Monetary Union



Spain has made significant progress in correcting its imbalances

Private Sector deleverage

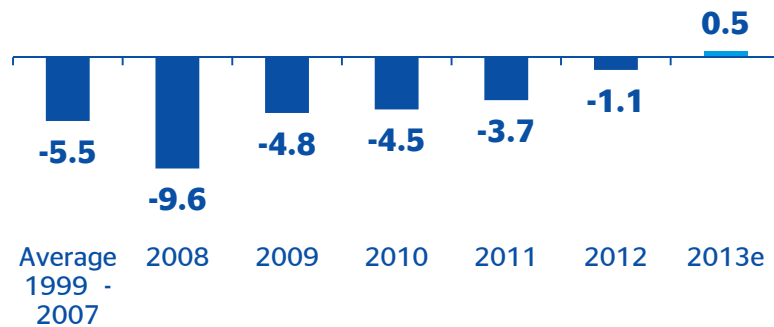
**% Households debt over GDP:
reduction from peak to March 2013**



Source: Haver Analytics based on Bank of Spain and ECB

External imbalance adjustment

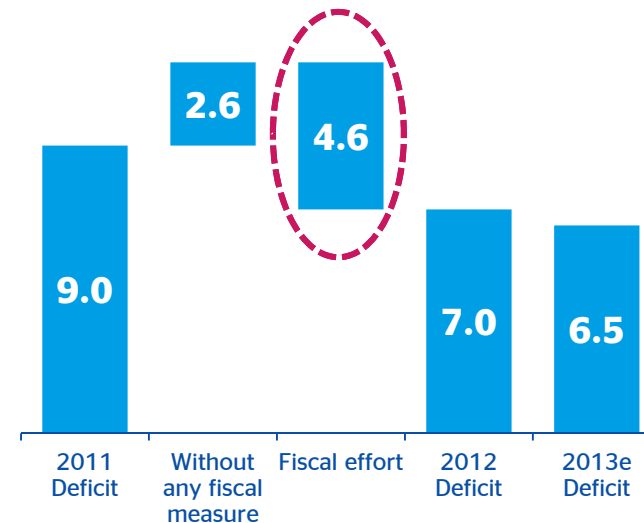
**Current Account Deficit
(% of GDP)**



Source: BBVA Research

Strong Fiscal adjustment

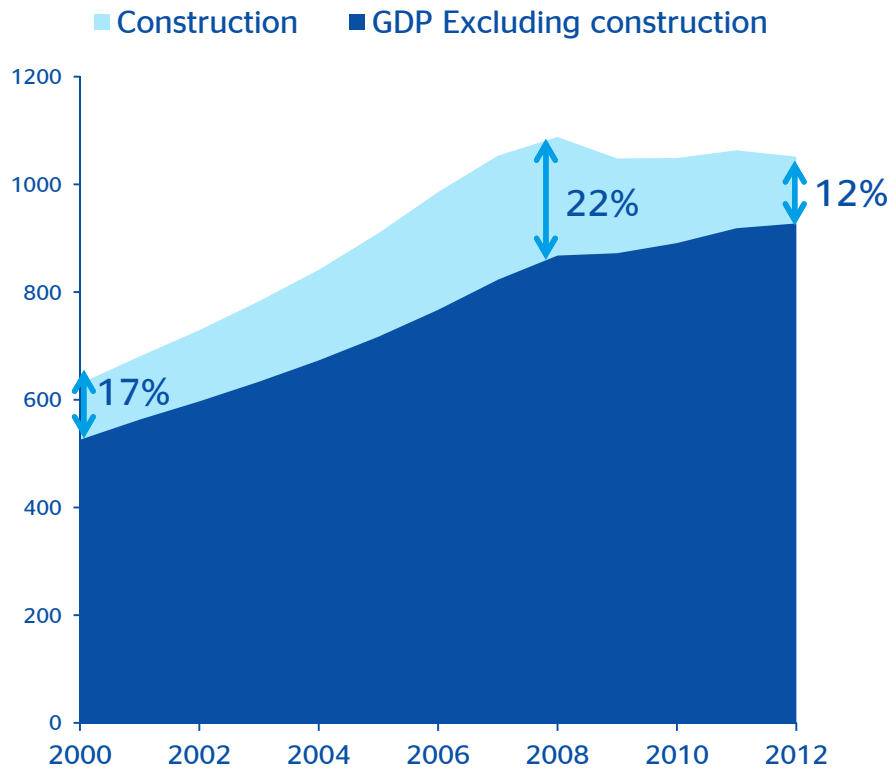
**Public Deficit*
(% of GDP)**



Source: BBVA Research
* Ex Financial sector reform

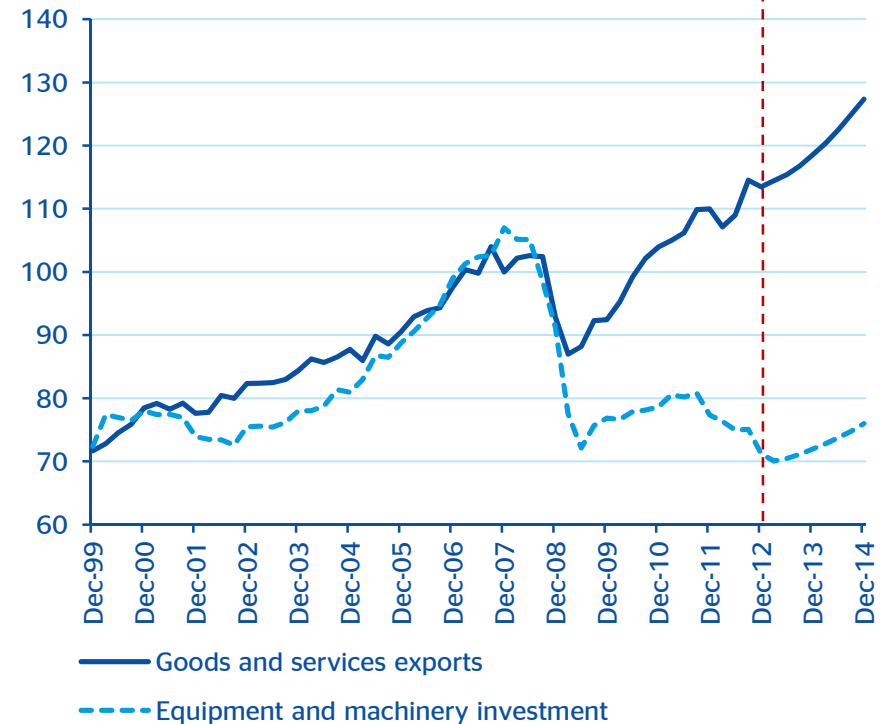
After the adjustment of the construction sector, Spain will start to grow in 2014 driven by exports and investment in equipment

Spain: GDP and Construction contribution to GDP
€Bn and %



Source: BBVA Research

Spain: exports and investment in equipment and machinery
(2008=100)



Source: BBVA Research based on INE data



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BBVA's strengths

1 Diversification

2 High and recurrent gross income

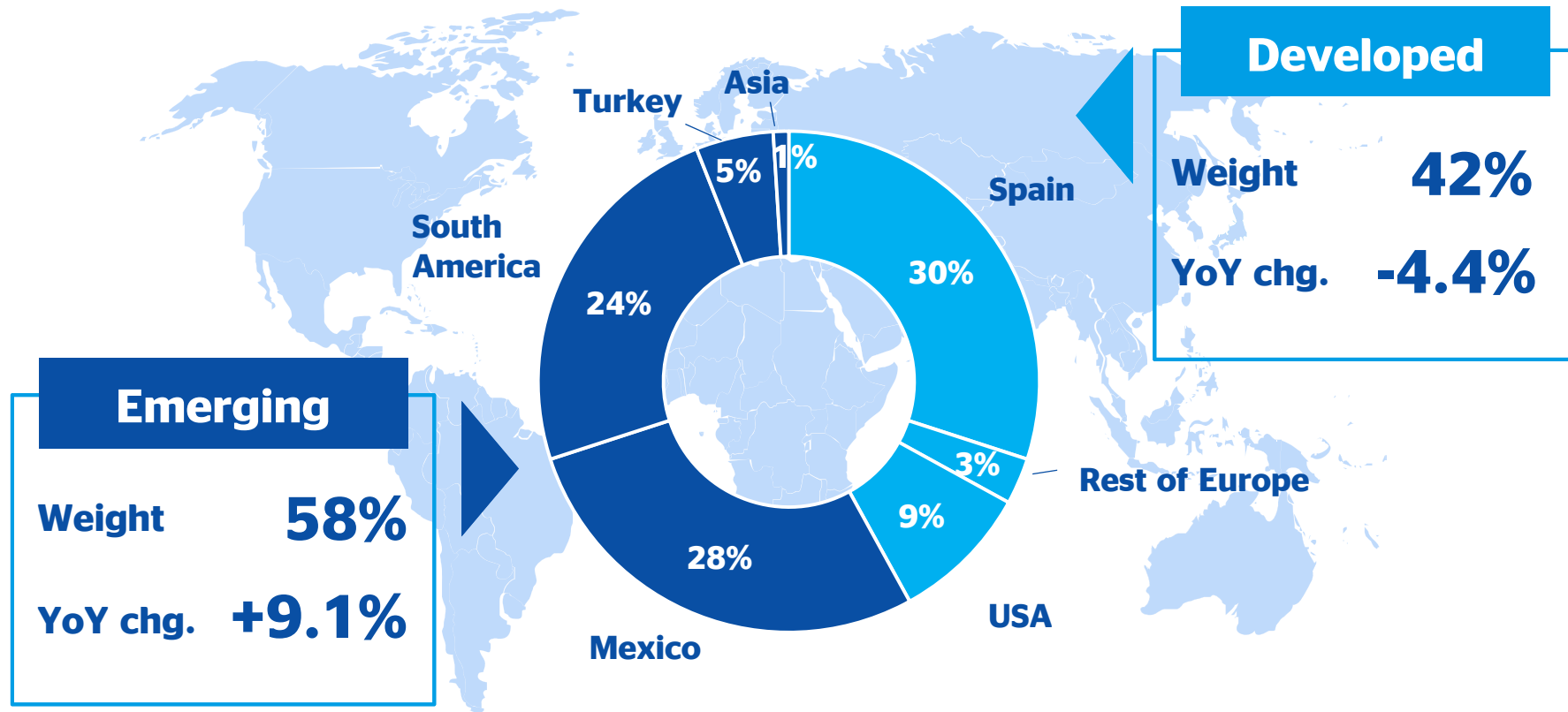
3 Superior asset quality

4 Resilient earnings

5 Balance sheet strength (Capital & Liquidity)

BBVA's international expansion has been biased to high growth markets

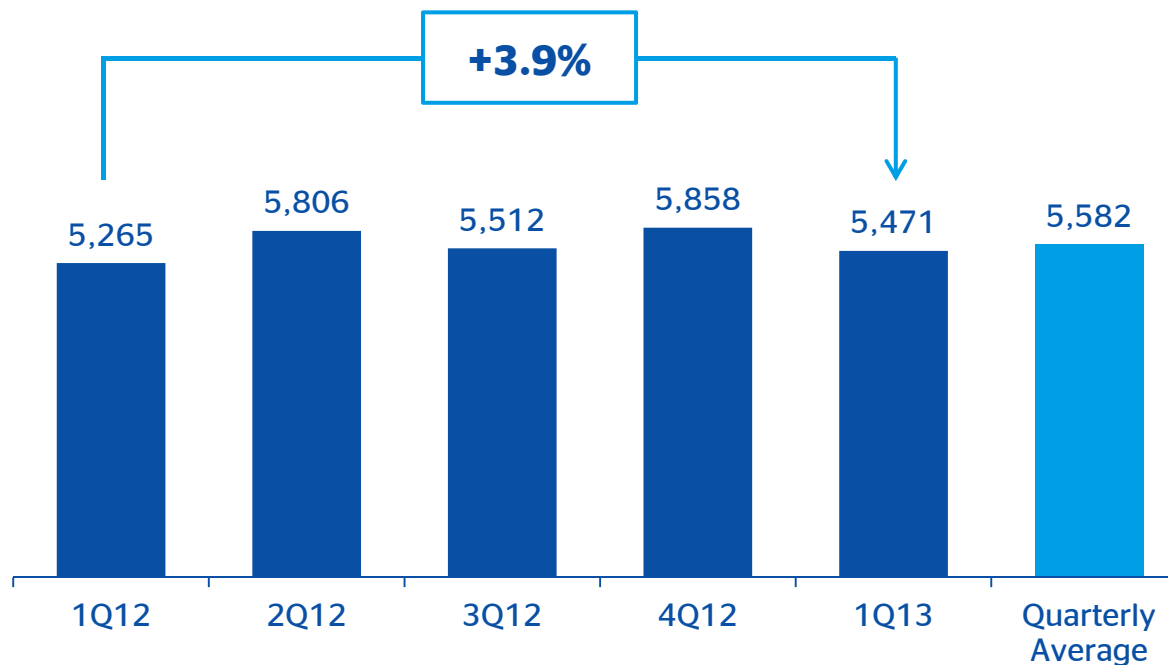
Breakdown of gross income
1Q13
%



Note: Excluding Corporate Activities. Year-on-year variation in constant €.

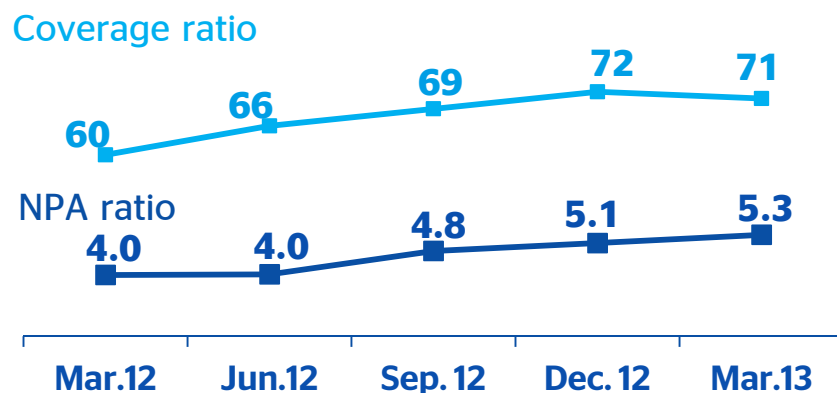
High and recurrent gross income

BBVA Group gross income
 Quarter by quarter
 (€ Mn)



A stable asset quality profile, balancing different credit cycles

NPA & coverage ratios
BBVA Group
(%)



Cost of Risk
(Annualized)

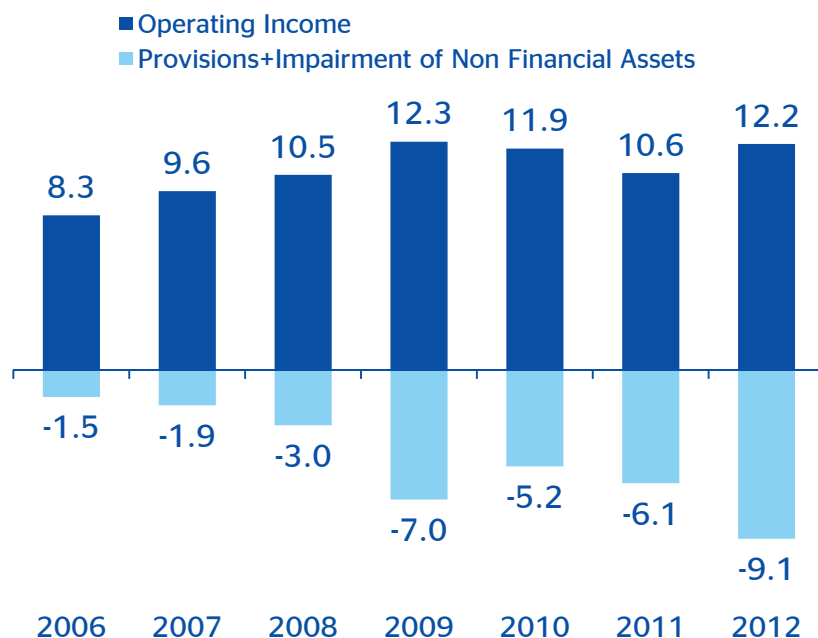


NPA & coverage ratios by business unit
March 2013
(%)

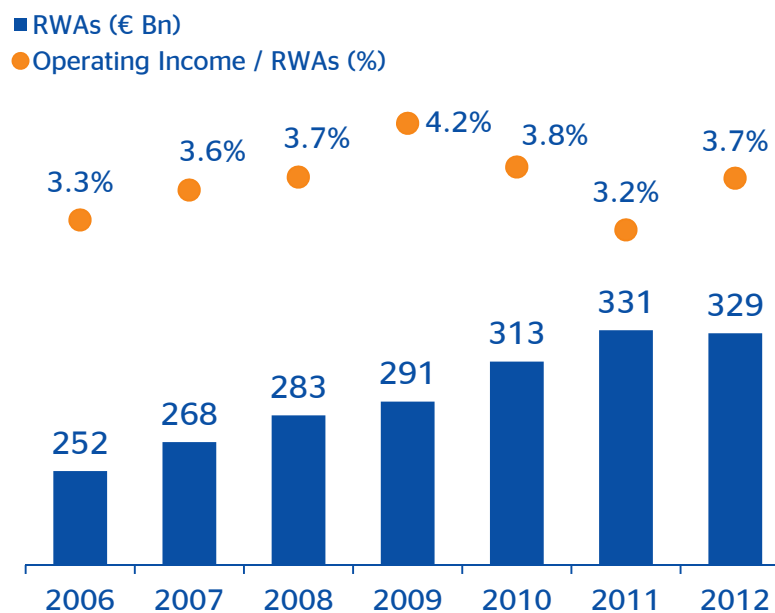
	NPA ratio	Coverage ratio
Spain (banking activity)	4.3%	50%
Spain (loans to developers)	48%	76%
Eurasia	3.0%	87%
Mexico	3.7%	117%
S.America	2.2%	143%
USA	1.8%	109%

BBVA's earnings generation capacity has improved through the crisis

BBVA Operating Income vs. provisions and impairment of non-financial assets
(€ Bn)



BBVA RWAs and Operating Income/RWAs
(€ Bn, %)

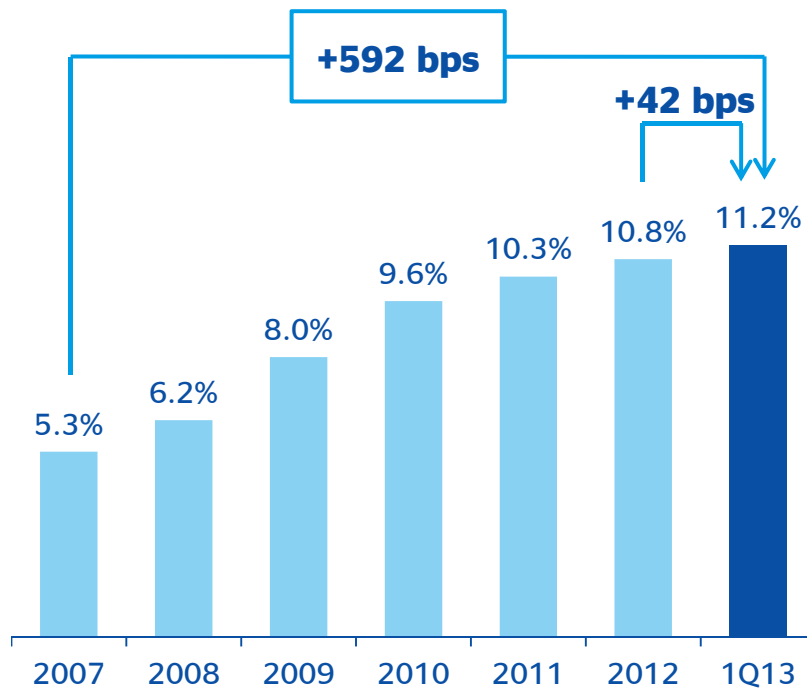


Significant profit upside as the credit cycle improves

Note: Operating income includes income from discontinued operations

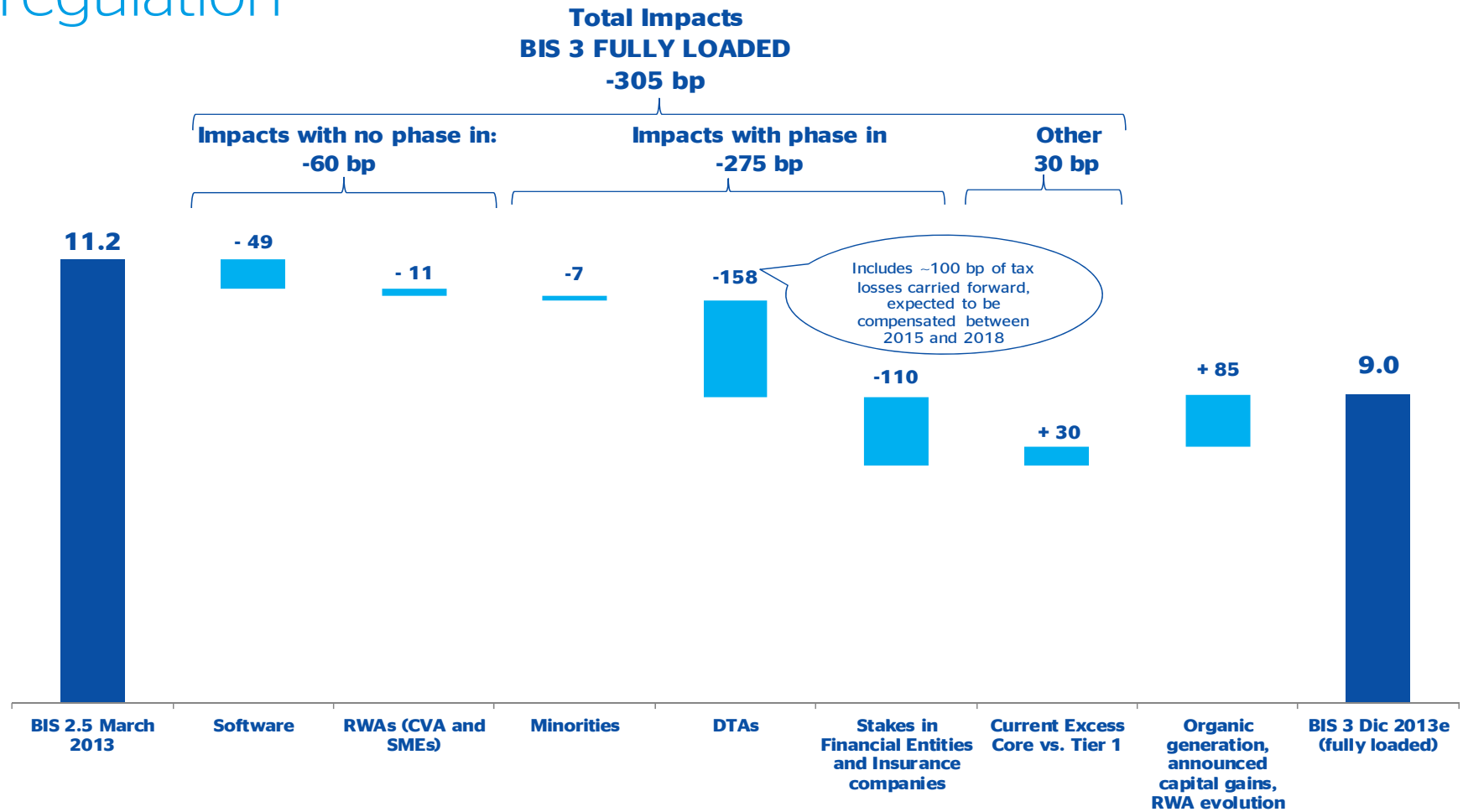
Strong capital generation capacity

Core capital ratio (BIS 2)



- Without selling core assets
- Absorption of RE provisioning
- Maintaining our dividend policy: €1.3 Bn paid in cash in 2012
- 1st European Issuer of BIS 3 Additional Tier I capital

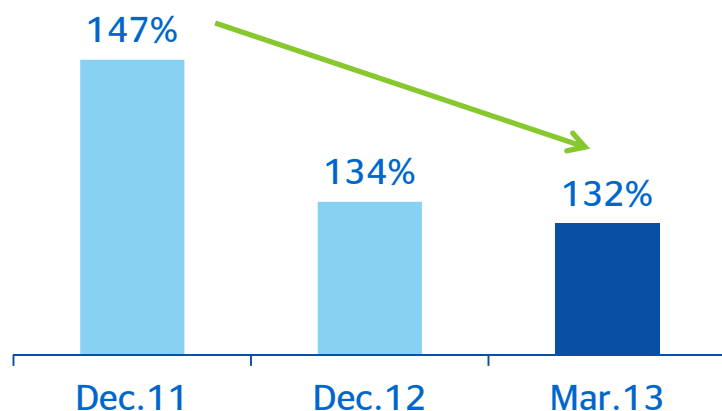
Comfortable capital position under new BIS 3 regulation



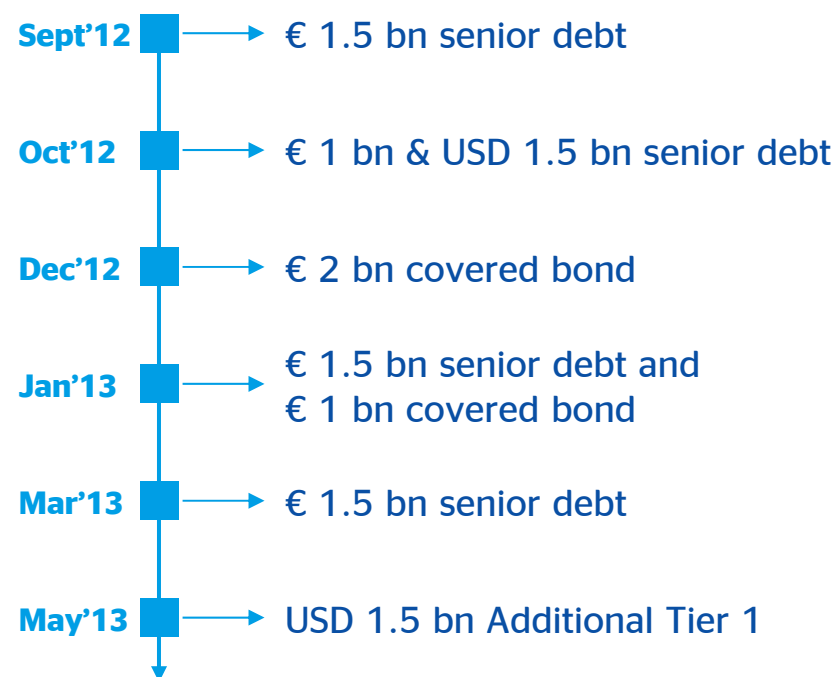
Reported BIS 3 Core ratio expected to be > 10% through the phase in period

Sound liquidity position of the Euro Balance Sheet

Domestic LTD ratio⁽¹⁾ improvement



BBVA has issued **Eur 10 bn** in the public capital markets since last summer:



- Commercial gap reduction: €23 Bn in 2012 and €9 Bn in 1Q13
- Ample collateral available: 2.7x liquidity buffer⁽²⁾

(1) The ratio excludes securitizations and repos and includes promissory notes placed in the retail network.

(2) Liquidity buffer: defined as the number of times that next 3 months' unsecured funding maturities are covered by available collateral. Figures as of June 7, 2013.



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BBVA's opportunities: Significant medium term upside in all geographical areas

Spain

Market share gains with margin normalization
Provisions normalization

Mexico

High and stable business growth
Acceleration of profit growth

South
America

Growth to stabilize at a high and sustainable level
Balanced diversification within the region

USA

Market share gains in Texas / Sunbelt
Margin normalization

Turkey

High business growth
Higher contribution to BBVA



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Environment

1 Creation of **financial stability**

2 Momentum in **reform and budget discipline**

3 Path towards **European Banking Union**

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4 Sustainable **business model**

5 Presence in **attractive markets**

6 Founded on **strong capital and liquidity**, with high operating income

BBVA offers a unique global value proposition, positioned to take advantage of structural and cyclical growth opportunities

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A unique global value proposition

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