

BBVA: Solvency and Growth

Jaime Sáenz de Tejada, Chief Financial Officer

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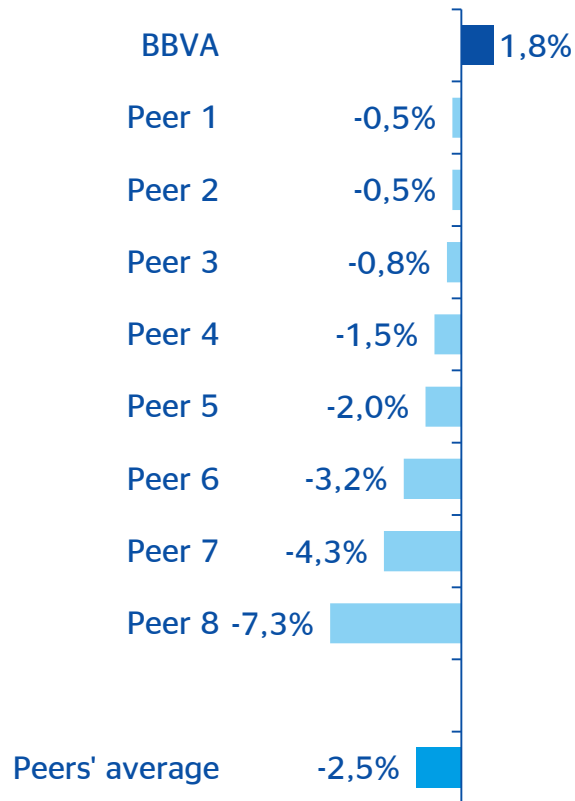
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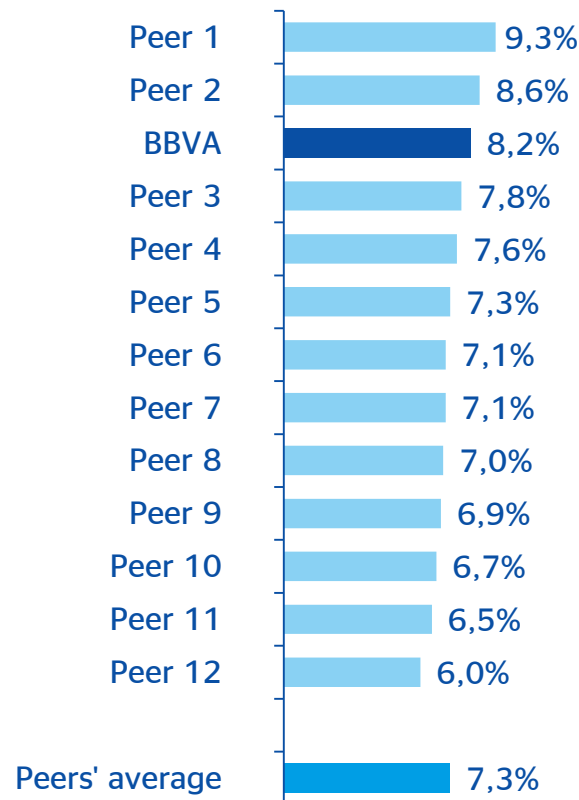
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Strong fundamentals as confirmed by the Comprehensive Assessment

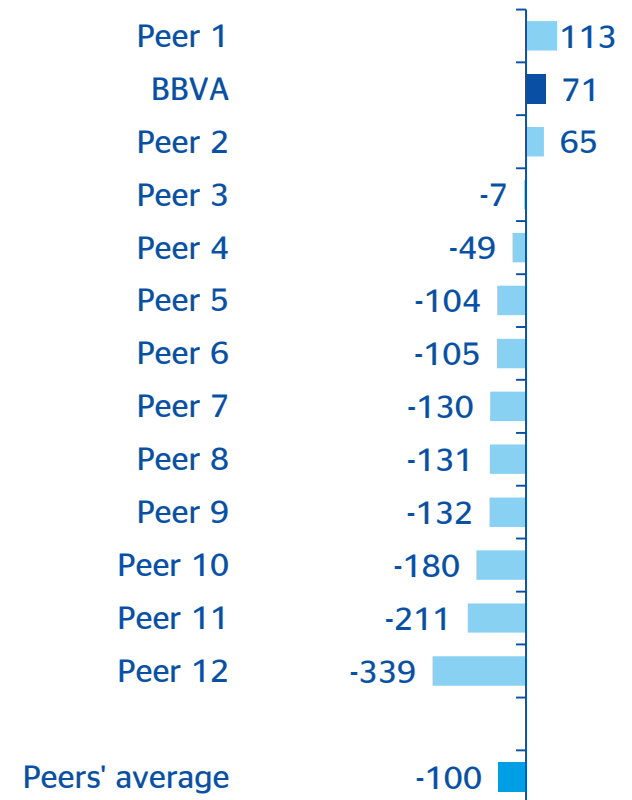
Excess NPA coverage in the analyzed portfolios in the AQR (%)



CET1 fully-loaded 2016 Adverse scenario (%)



Earnings generation Cumulative figure 2014-2016 Adverse scenario (bps)



Strong and resilient regulatory ratios

(Data as of Sept 2014)

Core Capital CRD IV

(Phased-in)

11.7%

(+12 bps vs 2Q14)

(Fully-loaded)

10.1%

(+5 bps vs 2Q14)

Leverage Ratio

(Fully-loaded)

5.7%

Improving operating trends

Core revenues at record levels ⁽¹⁾

14 Bn € in 9M14
(+11.4% vs 9M13)

Improving operating jaws

Gross Income: +6.6% vs 9M13
Operating Expenses: +4.1% vs 9M13

Regionally adapted cost strategy

Cost Control (Developed) -3.5% vs 9M13
Investment (Emerging) +14.1% vs 9M13

Reduction in loan-loss and RE provisions

1.2 Bn € quarterly average 2014
vs 2.4 Bn € en 2012

Strong improvement of recurring profit⁽²⁾

2.3 Bn € in 9M14
(2x 9M13)

Leadership position in an attractive footprint

SPAIN

- **Core revenues increasing** with **cost of deposits** as the **main driver**
- **Cost of risk normalizing**

USA

- **High lending growth⁽¹⁾ (+13%, Sept14 vs +10%, Sept13)**

EURASIA

- **Sustainable activity growth** and **sound asset quality**

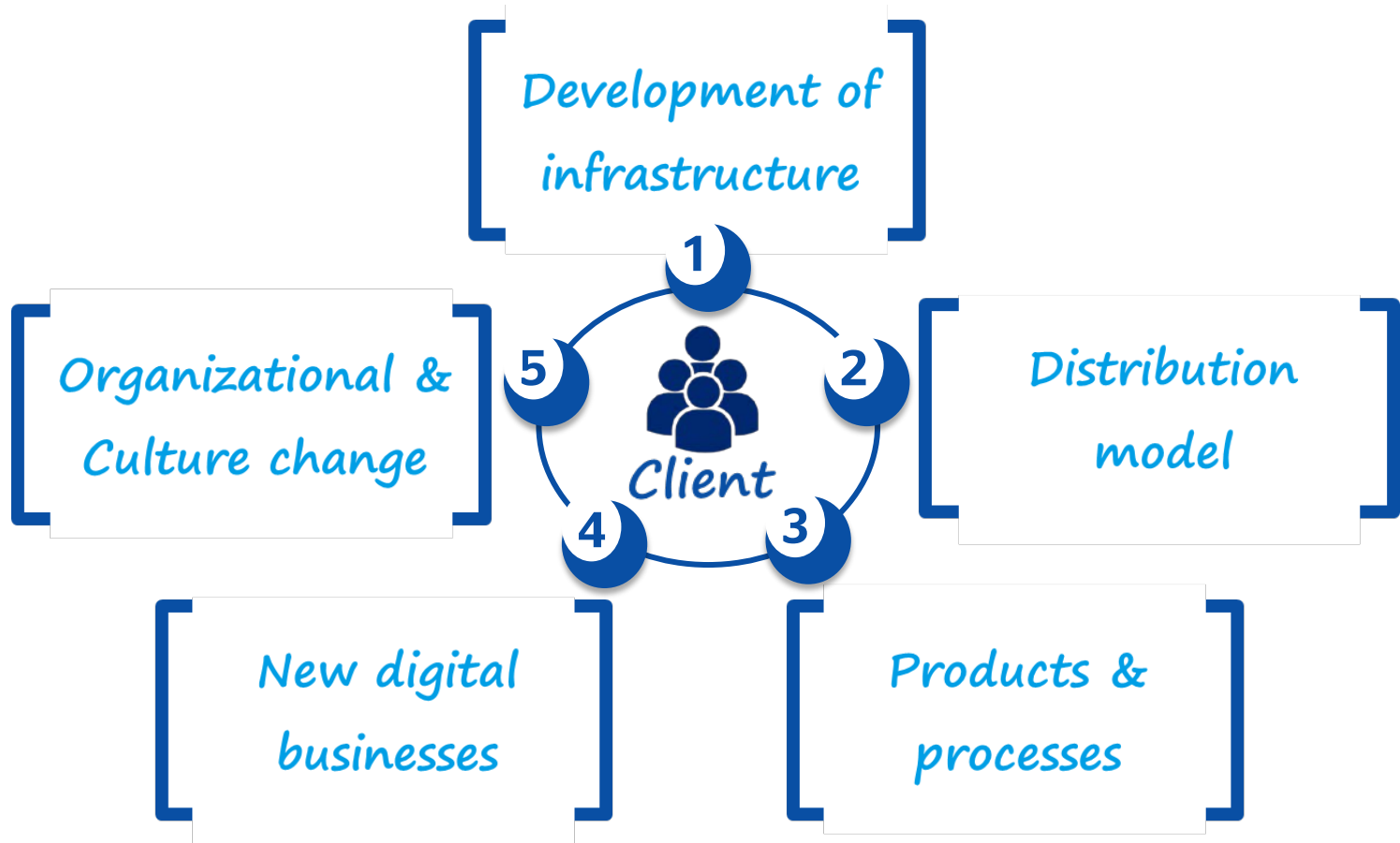
MEXICO

- **Double digit growth** in **all P&L lines**
- **Better asset quality** than **peers**

SOUTH AMERICA

- **High business growth** and **stable risk indicators**
- **Strong ongoing performance of the Andean Region**

Digital transformation: holistic approach



Reducing the cost base in Spain by 5% in 2014
Additional annual cost savings of €160-180Mn in 2015

Conclusions

Solid fundamentals well recognized by the EBA and the ECB

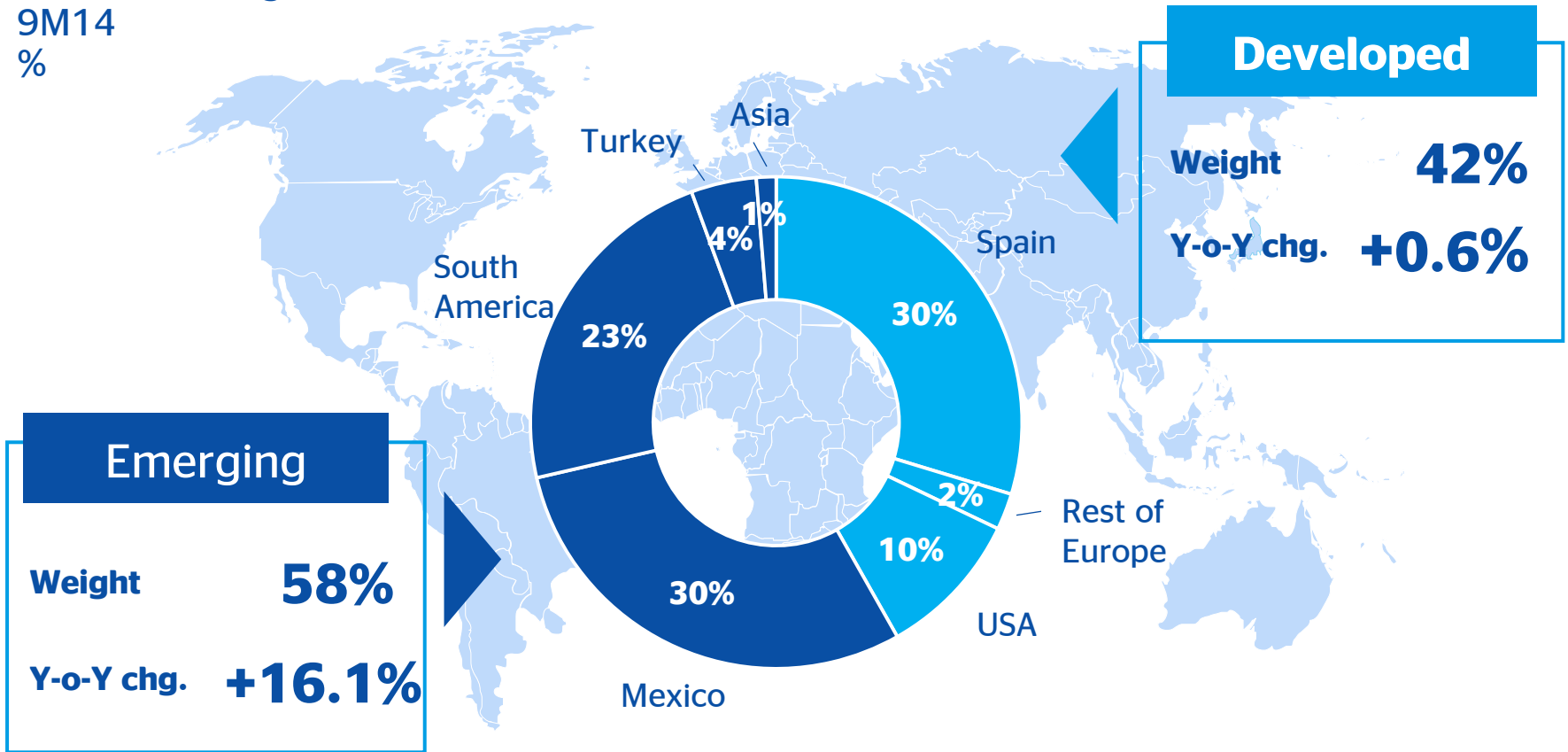
Generating recurring income, with a **high growth potential** due to an attractive geographical footprint

Leading the **digital transformation** process: a **clear competitive advantage**

Annex

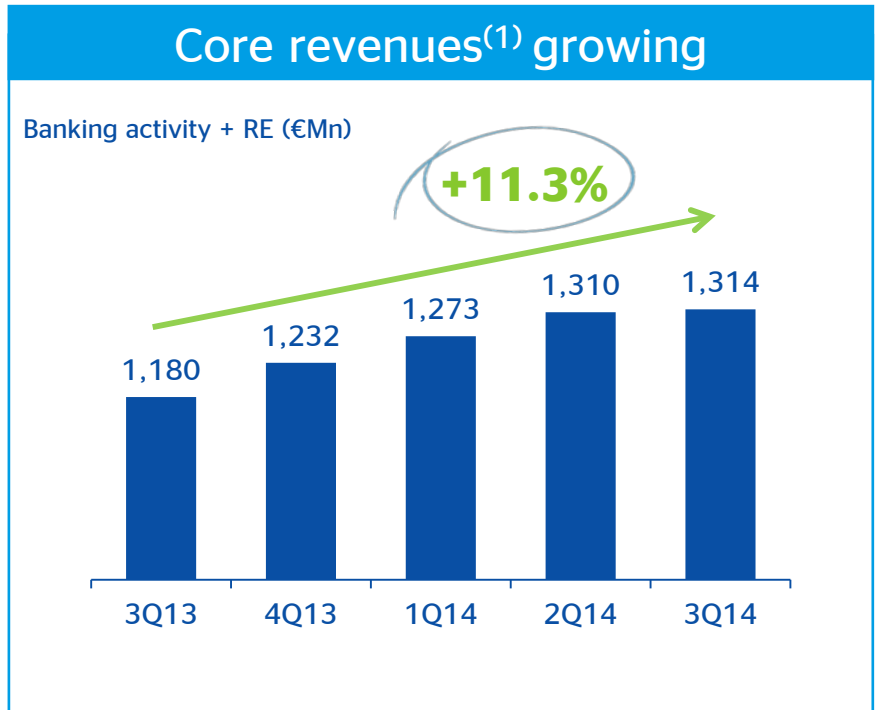
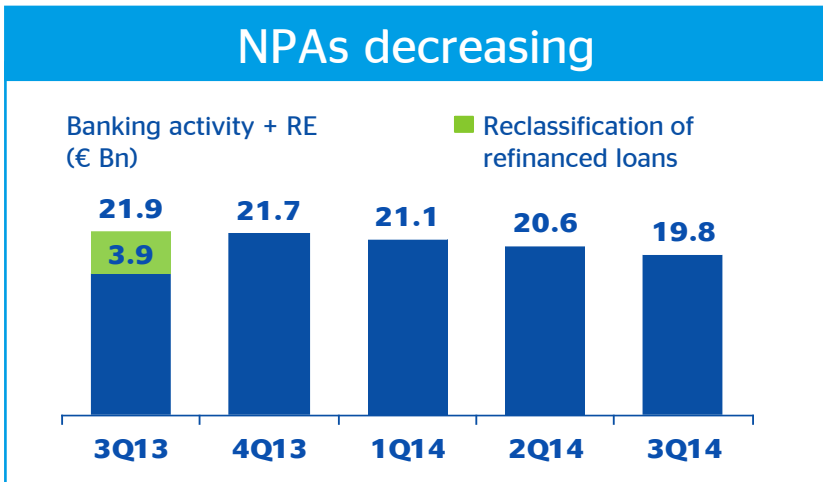
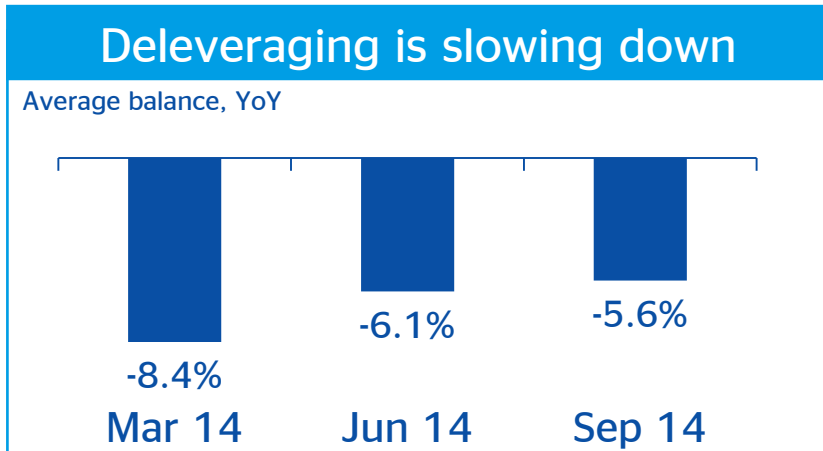
An attractive geographical position

Breakdown of gross income
9M14
%



(1) Ex. Corporate activities.
(2) Constant €

Spain: improvement of core revenues, with the cost of deposits being the main lever



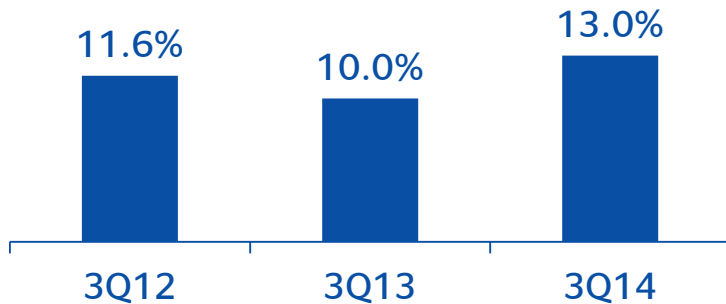
- Deposit cost reduction
- Cost cutting efforts
- Cost of risk normalizing

(1) NII + net fees and commissions.

USA BBVA: focused on gaining scale

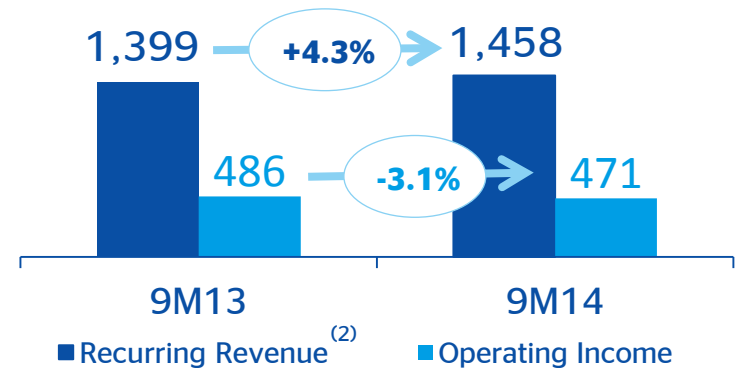
Maintaining high lending growth⁽¹⁾

Constant €, average balance, YoY



Core revenues growing

Constant € Mn



Excellent risk indicators

Coverage ratio (%)



NPL ratio (%)



Sep.13

Jun.14

Sep.14

New loan production offices

Sound asset quality

Simple acquisition

(1) USA. Ex NY Office activity

(2) NII+ Net fees and commissions

Eurasia: a source of earnings growth

Turkey

- ✓ Geopolitical risk remains
- ✓ Disciplined lending growth
- ✓ Excellent NIM management
- ✓ Sound asset quality

Resilient P&L

Constant € Mn,

YoY

NII + commissions

939

+5.5%

Gross Income

1,289

3.9%

Operating Income

749

+1.5%

Net attributable
profit

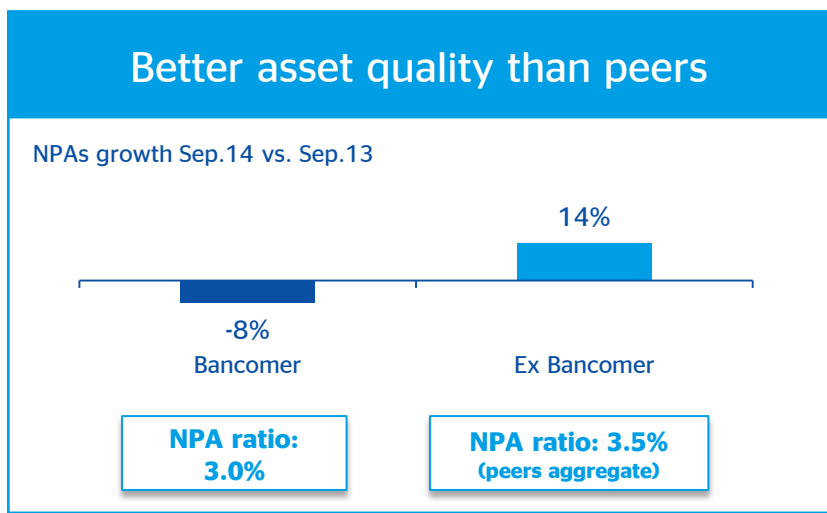
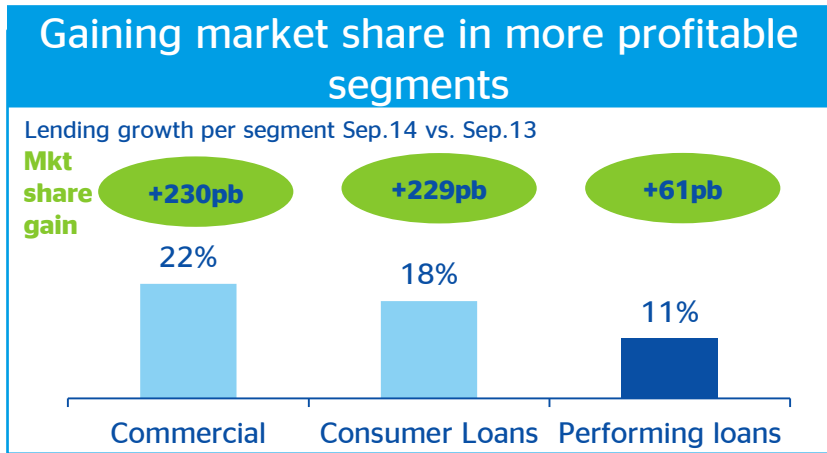
471

+24.5%

Lower loan loss provision

Lower deleveraging in wholesale business

Mexico: Lending growth, maintaining sound asset quality



Double digit growth in all P&L lines

Constant € Mn, YoY

NII + commissions	4,449	+12.0%
Gross Income	4,781	+10.7%
Operating Income	3,009	+12.4%
Net attributable profit	1,349	+11.5%

Excellent price management

Transformation of the distribution model

Risk premium stable at around 350 bps

South America: A well diversified footprint

High business growth

Constant € Mn, YoY

Lending **+24.5%**

(+16.4% ex Venezuela)

Customer funds **+24.2%**

(+15.9% ex Venezuela)

Stable risk Indicators

Coverage ratio (%)

137 138 137

NPL ratio (%)

2.2 2.1 2.1

Sep.13

Jun.14

Sep.14

Strong P&L performance in local currency

Constant € Mn,

YoY

Ex Venezuela

NII + commissions

3,894

+34.8%

+19.6%

Gross Income

3,716

+24.3%

+18.8%

Operating Income

2,086

+23.7%

+21.2%

Net attributable profit

755

+14.5%

+19.6%

Net attributable profit -13% at current Euros

Ongoing strong performance of the Andean Region

BBVA: Solvency and Growth

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