

BBVA: Strengths in the new environment

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BBVA

BBVA, ready to take advantage of the new industry environment

Industry themes

1
Global growth

2
Regulation

3
Banking industry transformation

BBVA's strengths

A **well-diversified** footprint with **leading** franchises

Ability to **generate capital organically**

Leading the change



BBVA

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4 Conclusions



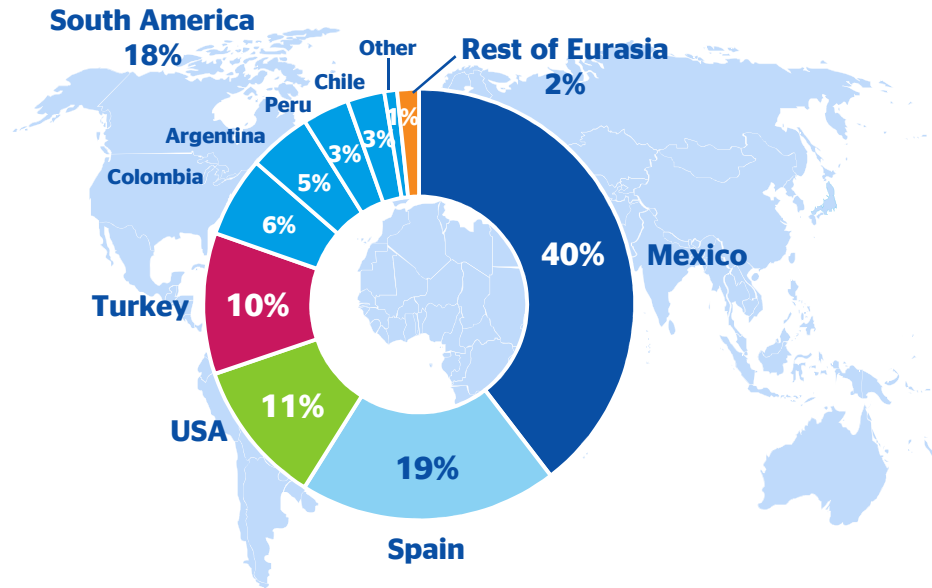
BBVA has a well-diversified footprint supported by dominant and quality franchises ...

BBVA Group's 1H15 net attributable profit

Breakdown by country ⁽¹⁾

Market share and ranking by loans

Detail by country ⁽²⁾



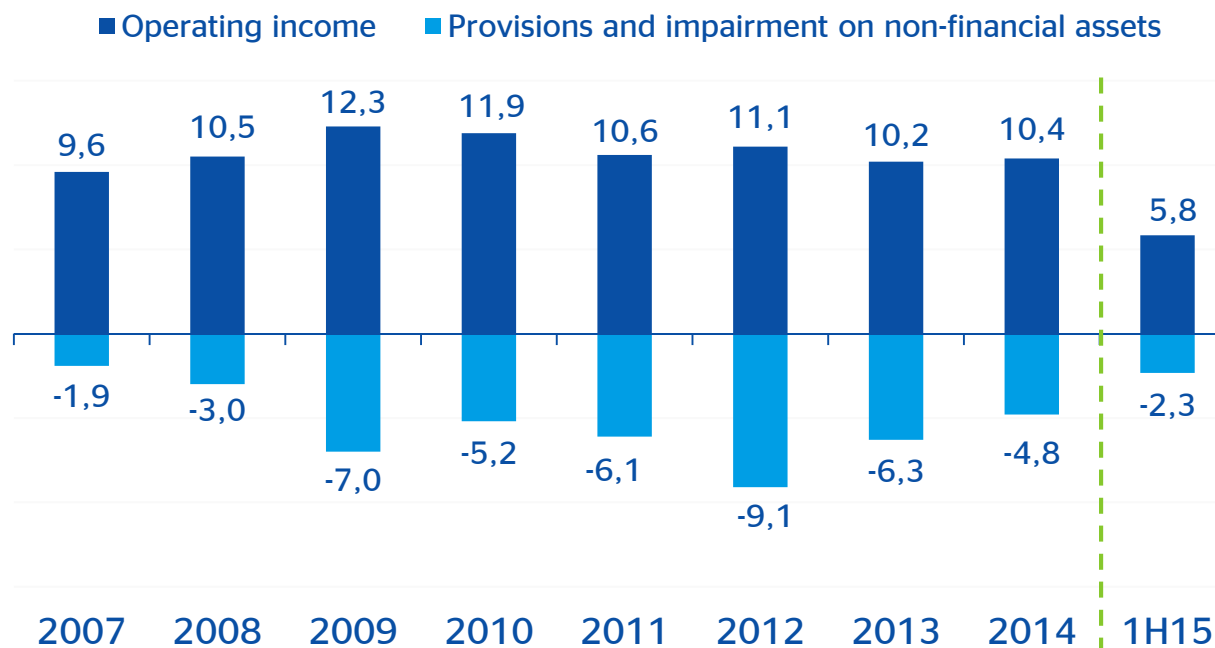
	Market share (%)	Ranking (#)
Mexico	24.1%	1 st
Spain	14.7%	2 nd
Turkey	11.8%	2 nd
South America (ex Brazil)	10.3%	1 st
USA (Sunbelt)	6.2%	4 th

> 90% of net attributable profit coming from investment grade countries ⁽³⁾, biased to Mexico and Spain

(1) Pro-forma calculation including a 39.9% stake in Garanti. Figures exclude Corporate Centre. (2) Spain: Other domestic sector and public sector data as of June, 2015 (BBVA+CX); Mexico: data as of July, 2015; South America: data as of June, 2015; ranking considering only our main peers in each country; USA: data as of June, 2014, market share and ranking by deposits considering only Texas and Alabama; Turkey: BRSA data for commercial banks as of June, 2015. (3) Investment grade countries: Spain, USA, Mexico, Chile, Colombia, Peru, Uruguay, China, Turkey (except by S&P) and rest of Europe; Non-investment grade countries: Portugal, Argentina, Paraguay and Venezuela.

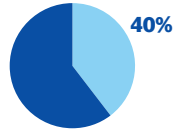
... allowing BBVA to maintain resilient profits ...

BBVA's operating income vs. provisions and impairment on non-financial assets
(€Bn)



... even under stressed scenarios

BBVA

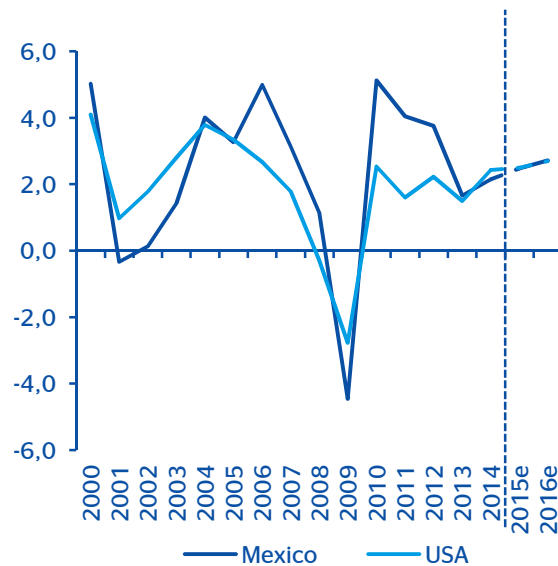


1H15 Net Attributable Profit

BBVA Bancomer: solid growth in the current environment

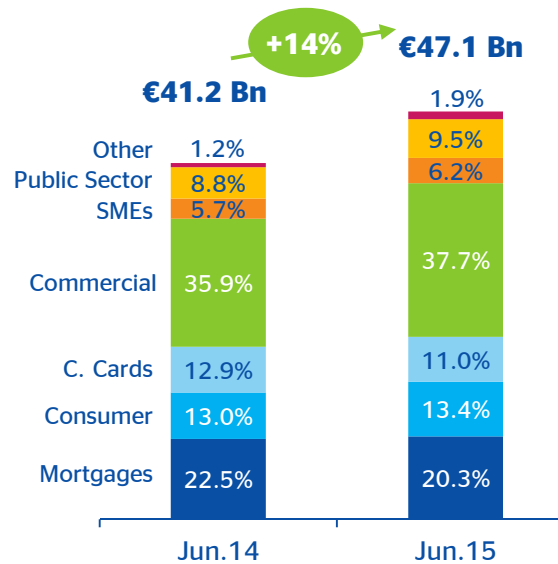
High correlation with the US economy

Annual GDP growth ⁽¹⁾
Mexico vs. USA (%)



Activity dynamism and portfolio mix change

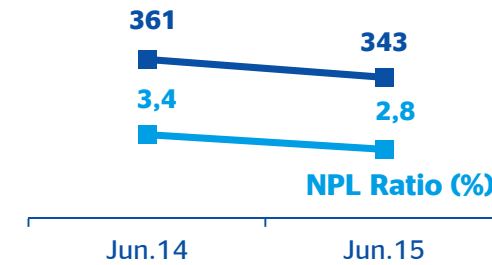
Total performing loans
Evolution and mix



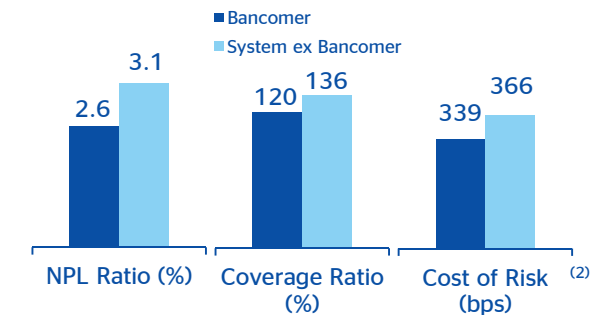
Sound risk indicators

Asset quality indicators
Consolidated data

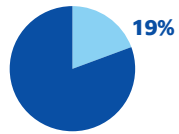
Cost of Risk (bps) ⁽²⁾



Asset quality indicators
Local criteria data (Jul.15)



(1) Source: BBVA Research. (2) Cumulative data for the first half of the year.

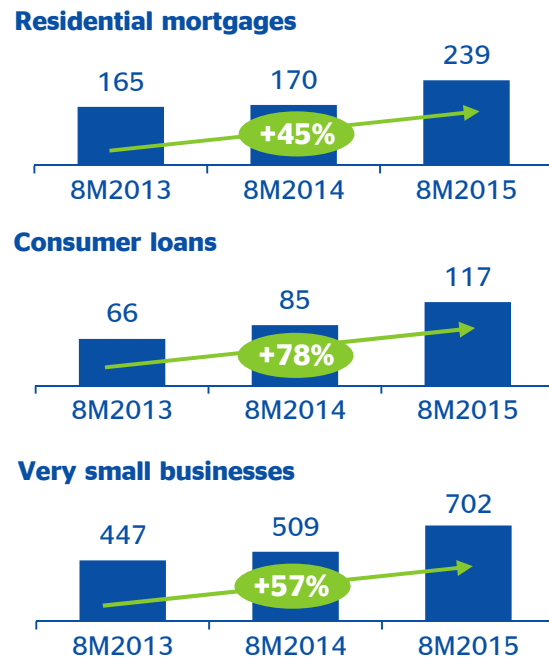


1H15 Net Attributable Profit

Spain: growing the bottom-line

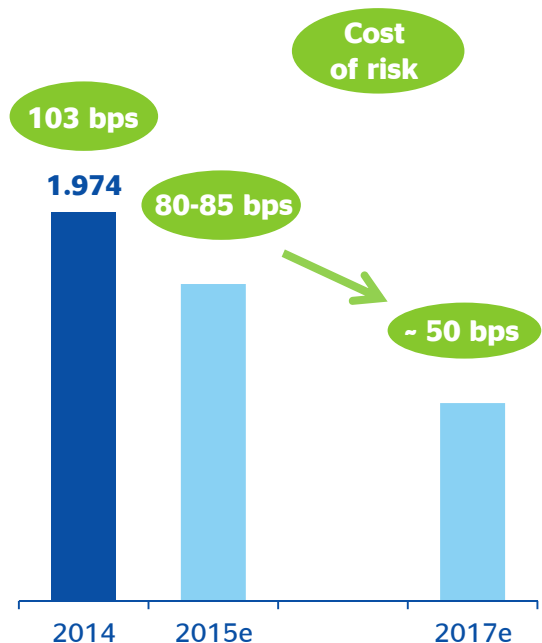
Already growing the stock in commercial loans and strong retail loans origination

New loan production (ex-CX)
Monthly average (€Mn)



Cost of risk normalization as the main P&L driver

Loan-loss provisions (ex-CX)
Banking activity + RE (€Mn)

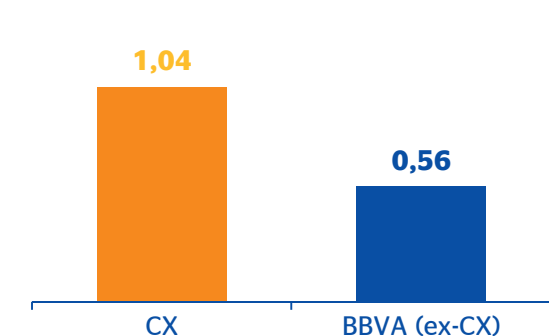


CX integration: €300 Mn bottom-line contribution to be achieved before 2018

Recurring cost synergies
Annual, pre-tax amount

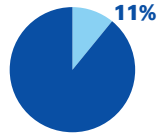
~ €200 Mn

Revenue synergies
2Q Total customer deposit cost ⁽¹⁾ (%)



(1) CX (Catalunya Banc) total customer deposit cost includes data since integration (April 24th).

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1H15 Net Attributable Profit

USA: increasing its contribution to the Group

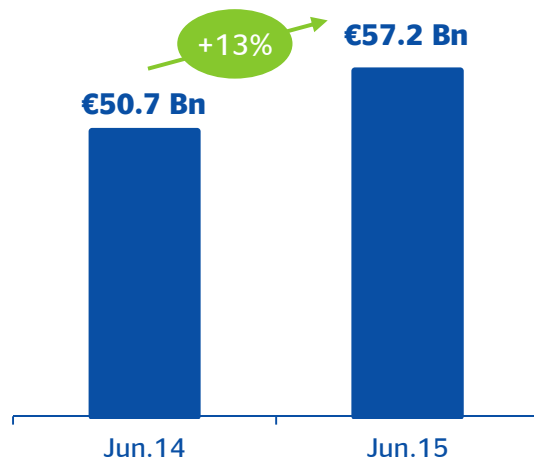
Activity dynamism

Sound risk indicators

Bottom-line growth

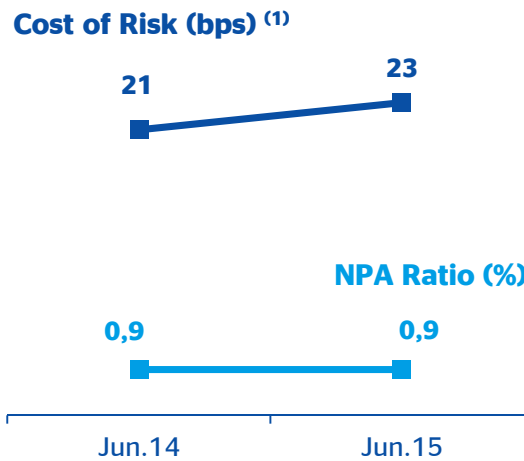
Evolution of gross loans

(Constant €)



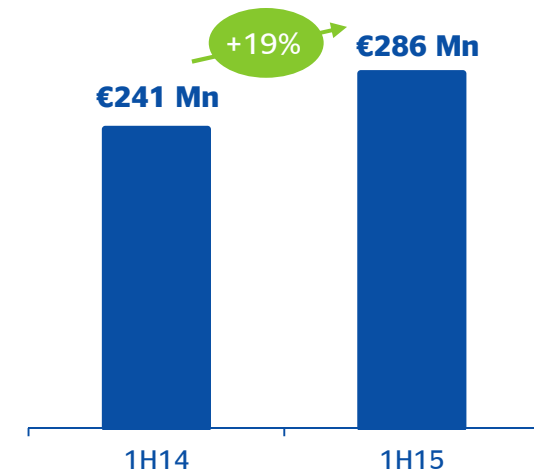
Asset quality indicators

Consolidated data



Net attributable profit

(Constant €)



Well-positioned for the future interest rate environment

(1) Cumulative data for the first half of the year.

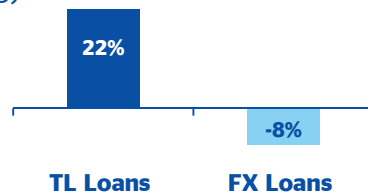
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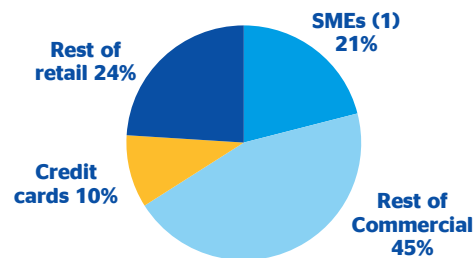
Garanti: the best positioned bank in Turkey to cope with short-term volatility

Selective lending strategy

YoY Loan growth (Jun.15)

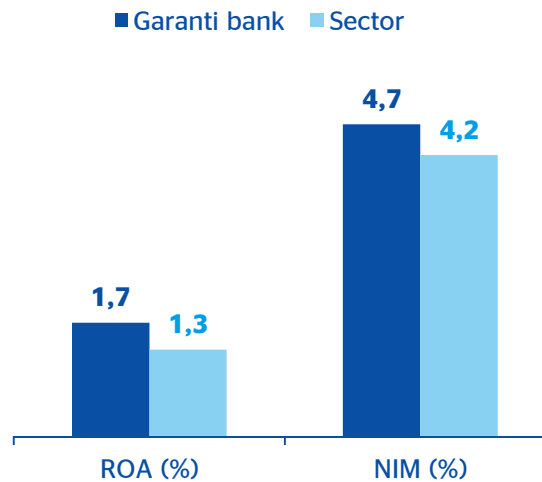


Performing cash loans breakdown (Jun.15)



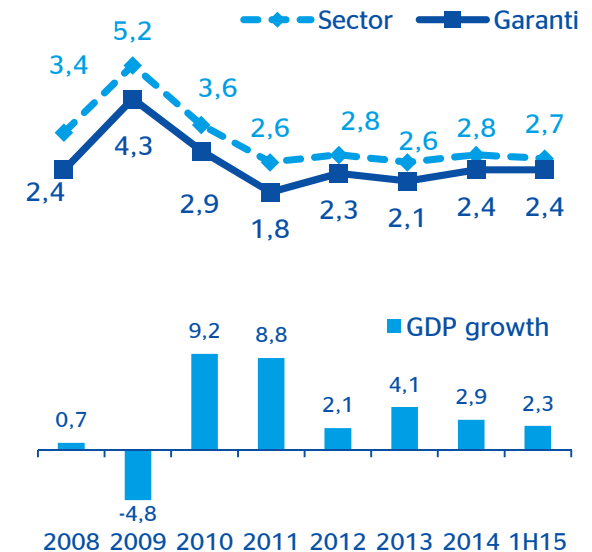
High and sustainable profitability

ROA and NIM (2) (1H15)



Asset quality: resilient to volatility

NPL ratio vs real GDP growth (%)



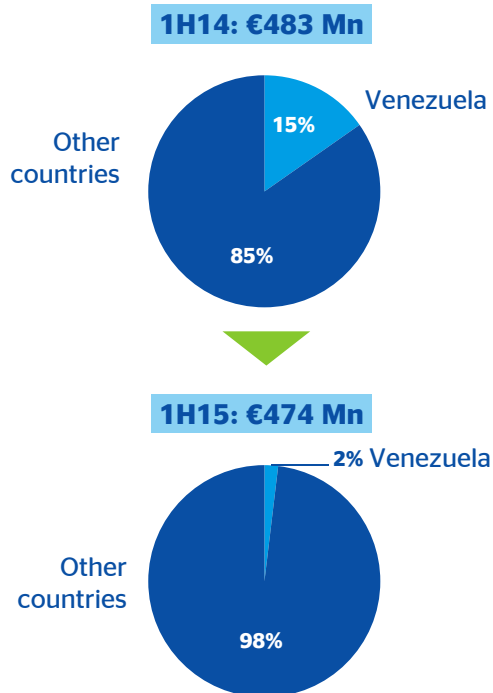
BBVA, working to enhance long-term performance



S.America: footprint biased to higher growth countries

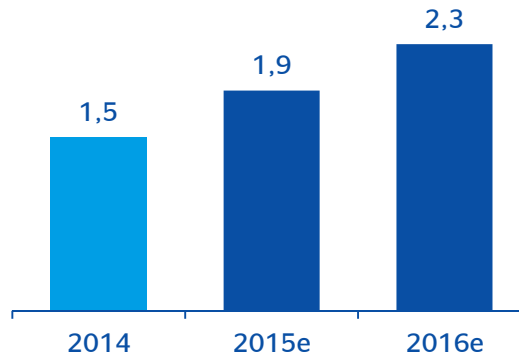
Increasing contribution from lower risk / volatile countries

BBVA S.America net attribut. profit
Breakdown by country (%)



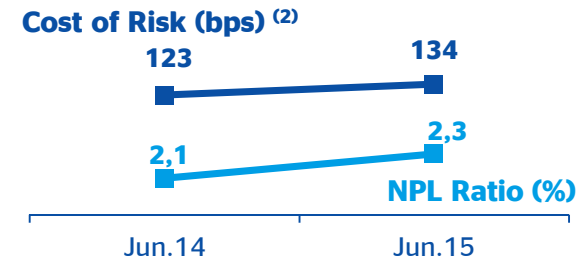
Despite risks, GDP will continue to show stable growth in our footprint

Annual GDP growth ⁽¹⁾
BBVA South America ex Venezuela (%)

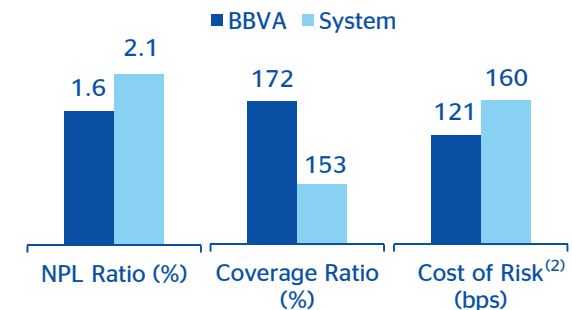


Sound asset quality and better indicators than the system

Asset quality indicators
Consolidated data



Asset quality indicators
Local criteria data (Mar. 15)



BBVA S.America business activity
Jun.15 vs. Jun. 14 (Constant €)

Gross Lending +12.2%

Note: Data refer to South America ex Venezuela unless stated otherwise. (1) Source: BBVA Research. (2) Cumulative data for the first half of the year.



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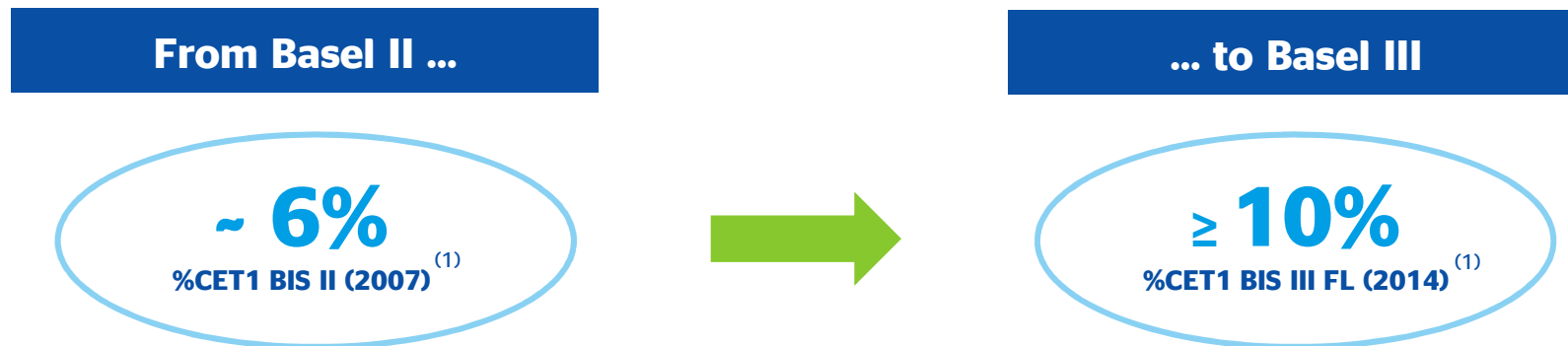
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Regulatory environment: despite considerable increase in capital levels in recent years ...

- ✓ Since 2007, banks have increased their capital ratios in a significant manner



- ✓ The focus is now on harmonization (CET1, RWAs), resolution and taxpayer protection

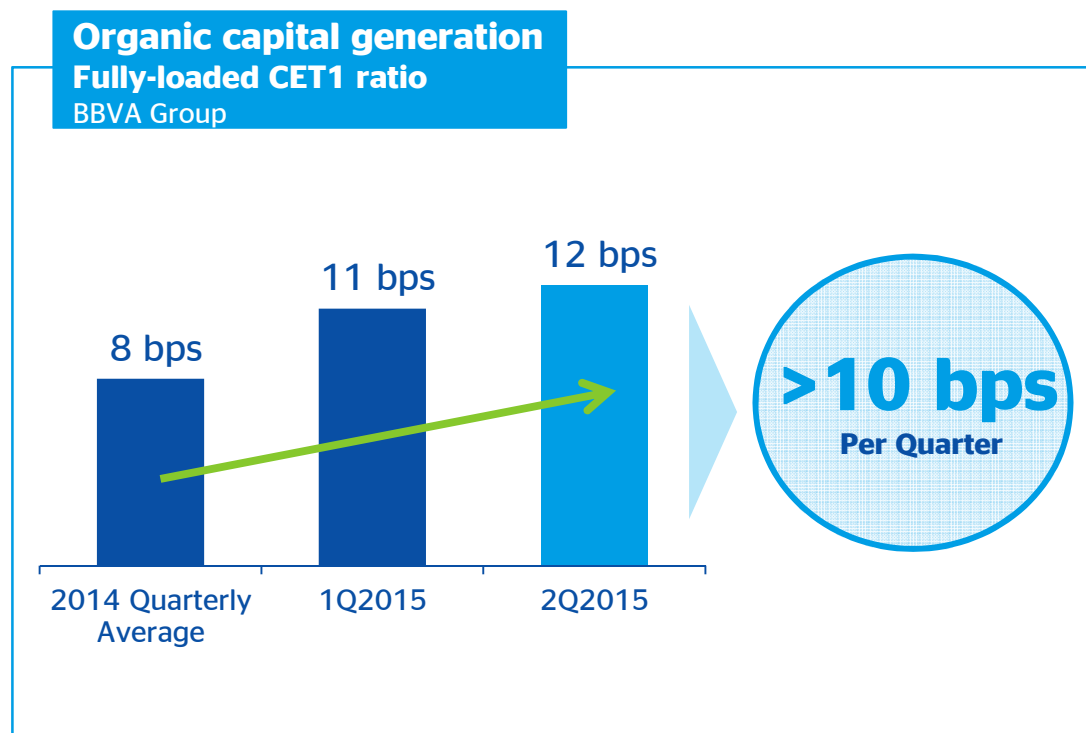
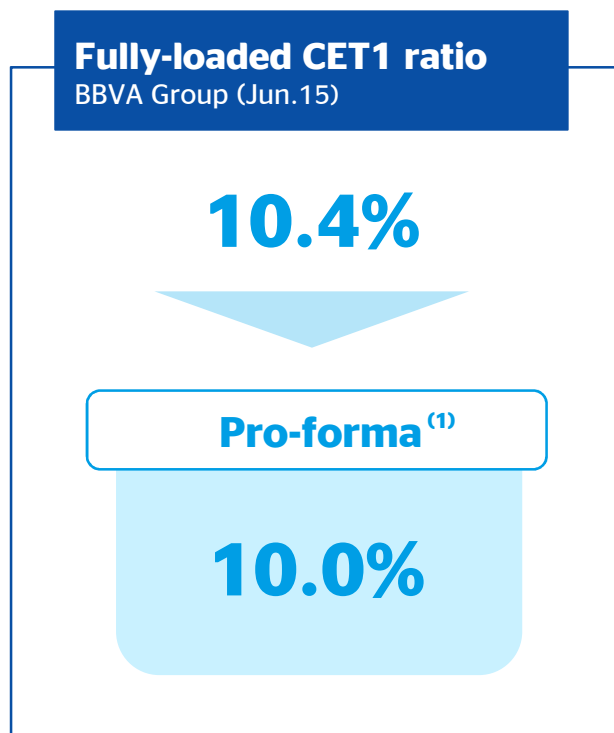


... still unclear impact of the implementation of new proposals

(1) %CET1 average, including BBVA and its European Peer Group (BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS and UCG).

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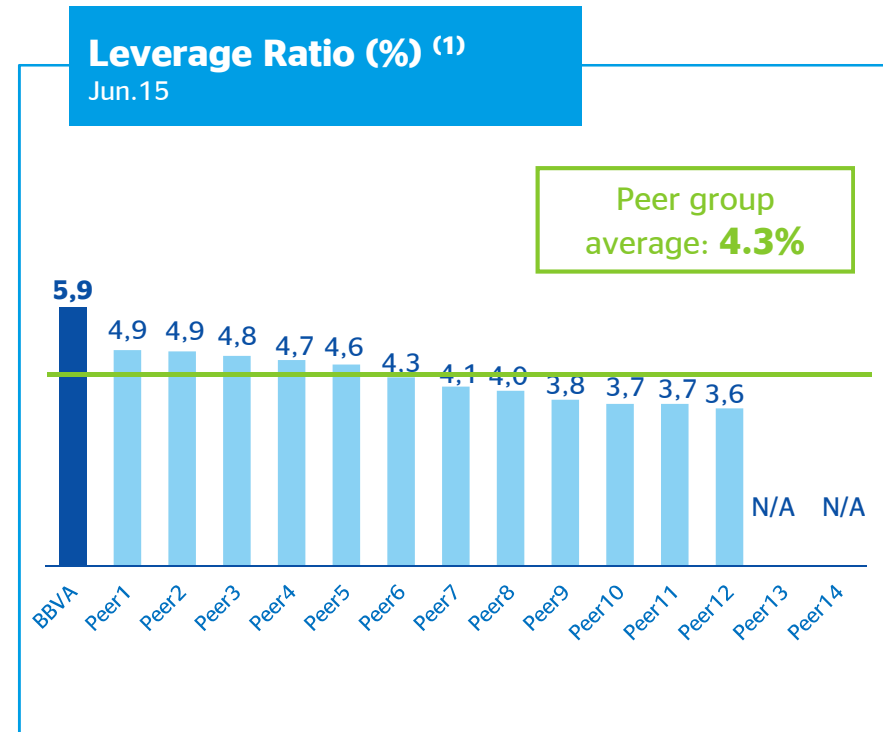
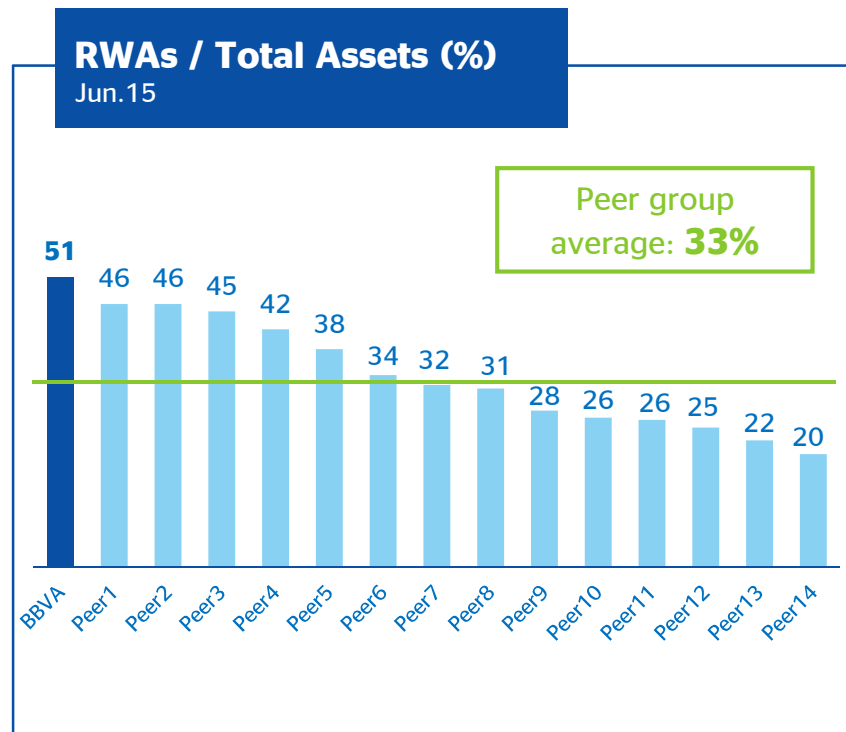
BBVA has a proven ability to generate capital organically



Disciplined capital management as a key priority

(1) Estimated pro-forma of corporate operations announced and pending to be closed as of June, 2015 (acquisition of Garanti and sale of CIFH).

BBVA stands out for the quality of its capital



Well prepared for the harmonization process

(1) Under CRDIV Fully-Loaded. CASA and ISP do not disclose it. European Peer Group: BARC, BNPP, CASA, CS, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS and UCG.



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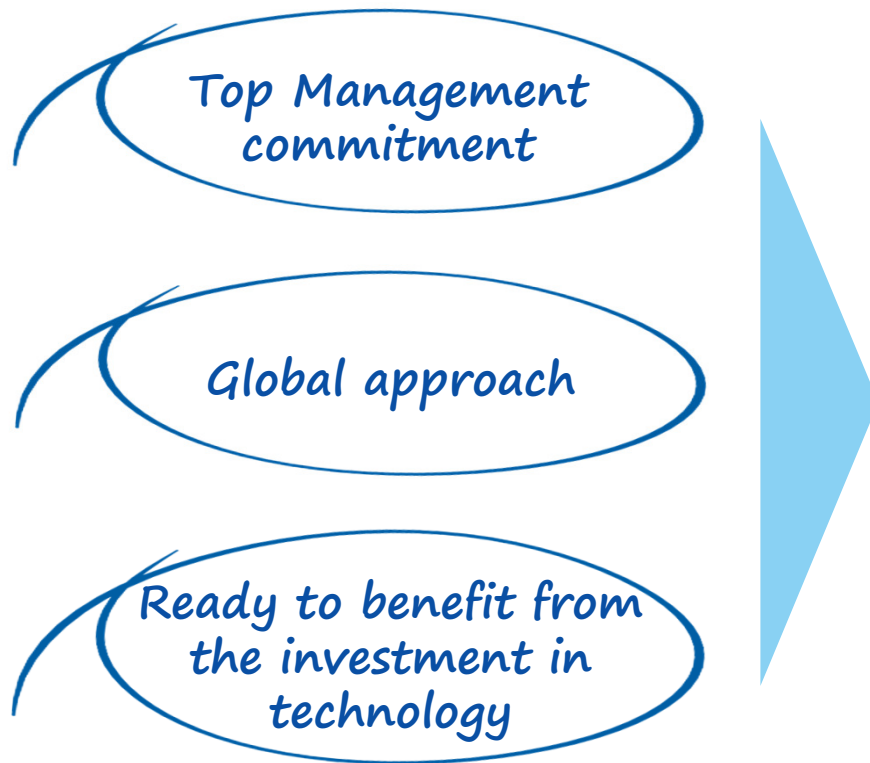
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BBVA is ahead of its peers in the industry transformation process



Strategic Priorities:



Customer at the center of all strategic decisions



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BBVA has built a sustainable competitive advantage, not easily replicable

- ✓ **Resilient growth thanks to a well-diversified footprint with leading franchises**
- ✓ **High quality capital and sustainable organic generation**
- ✓ **Leading the industry transformation, placing customers at the center of our strategy**

BBVA: Strengths in the new environment

Jaime Sáenz de Tejada, Chief Financial Officer

