



First quarter results 2014



Angel Cano, BBVA's President & Chief Operating Officer

Madrid, April 30th 2014

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Highlights

New cycle of earnings growth

Improvement in risk indicators



Adequate financing structure

Active management of capital

Highlights

Net income excluding corporate operations

+19%
(1Q14 vs. 1Q13)

Gross entries to NPAs

-25%

Risk premium

-18 bp
(1Q14 vs. 1Q13)



Strong fundamentals

Lower finance costs

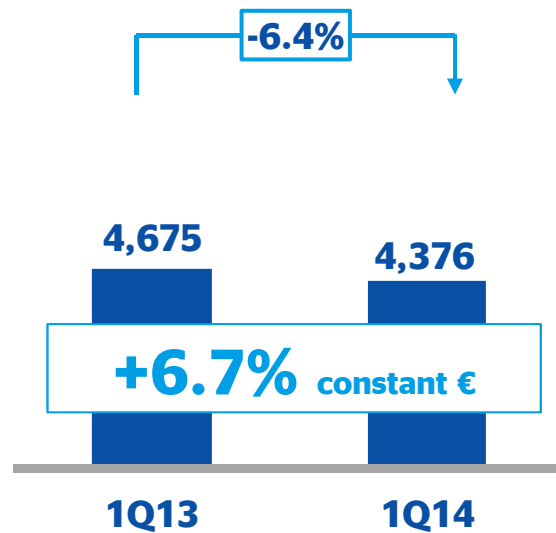
-177 bp
(vs 5-year senior debt issue in 1Q13)

Core capital ratio

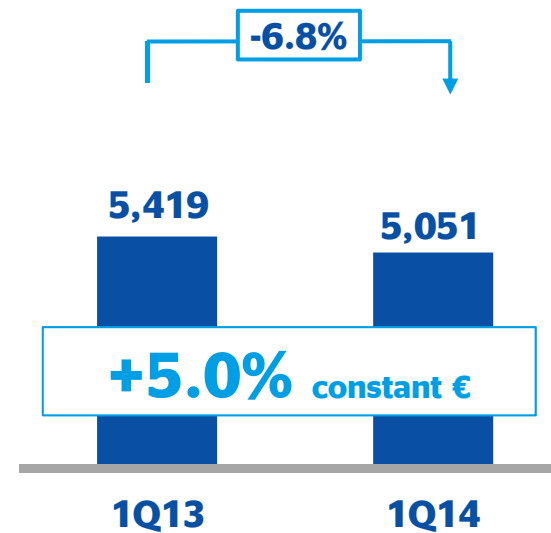
CRD IV 10.8%
(Phased-in)

Earnings: revenue continues to be resilient ...

Net interest income + fee income
€m



Gross income
€m

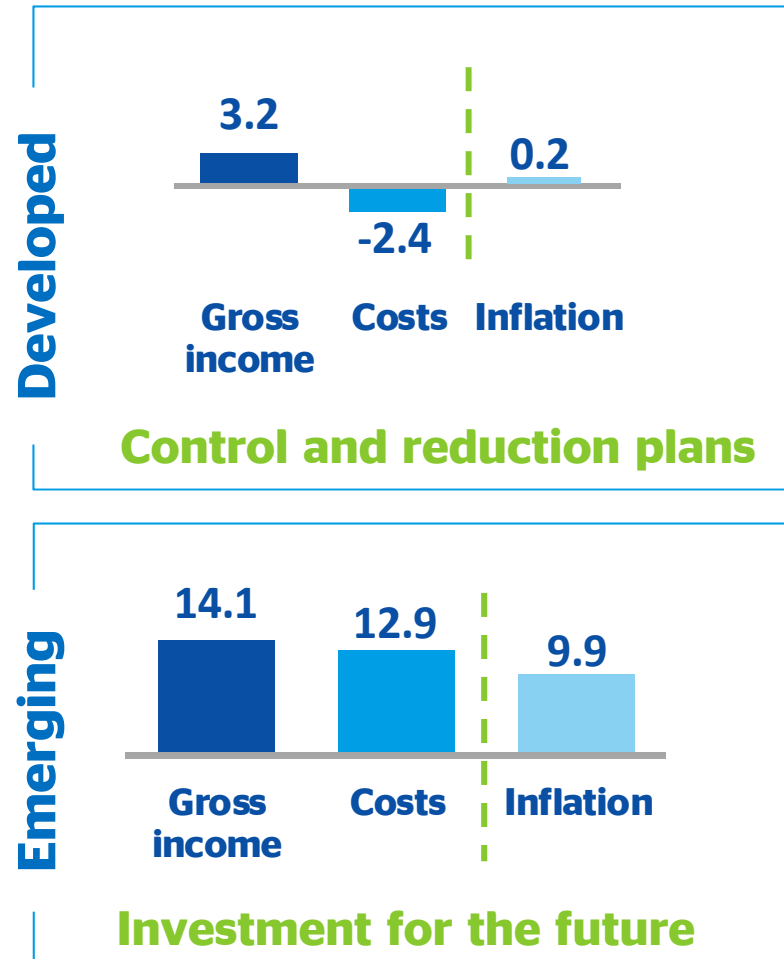
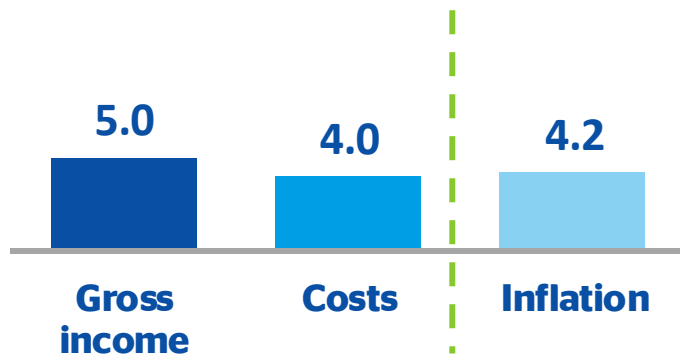


45% developed and 55% emerging

* excludes Holding

... rising faster than costs thanks to superior management ...

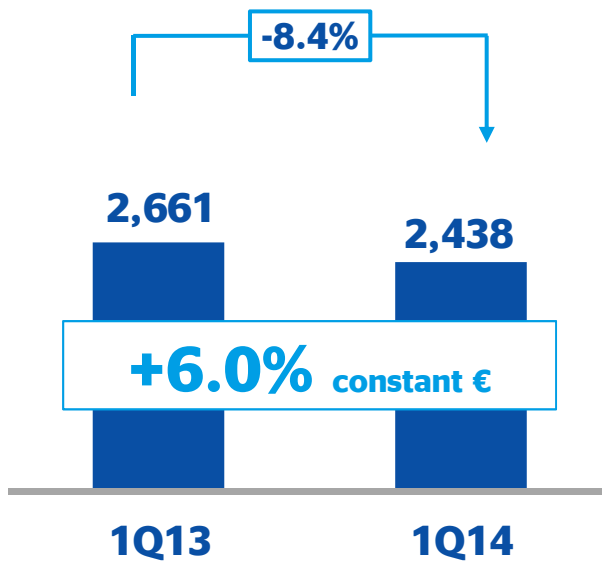
Gross income vs. costs
YoY change, constant €
(%)



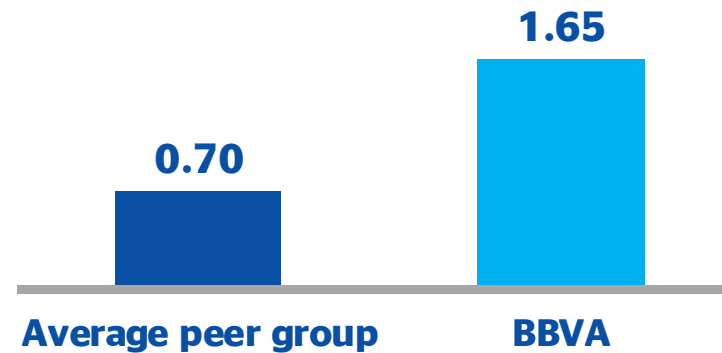
Note: excludes Holding

... and this is reflected by operating income ...

Operating income
€m



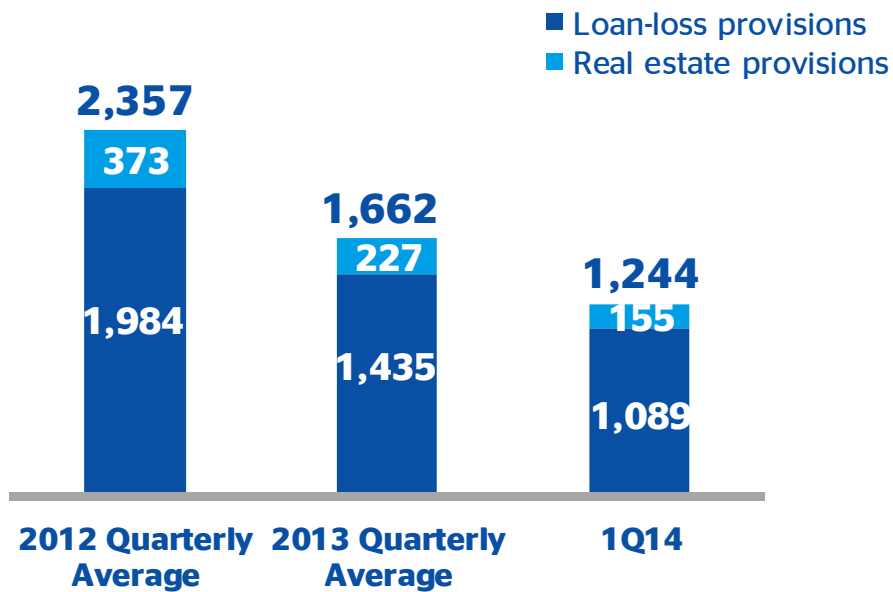
Operating income/ATAs
BBVA vs peer group; 12M13
(%)



Maintaining leadership in terms of profitability

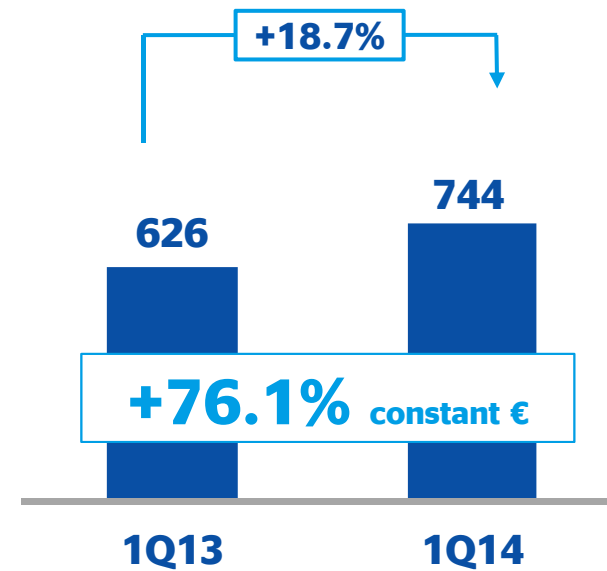
... and aided by lower provisions, this results in strong earnings growth

Loan-loss + real estate provisions
€m



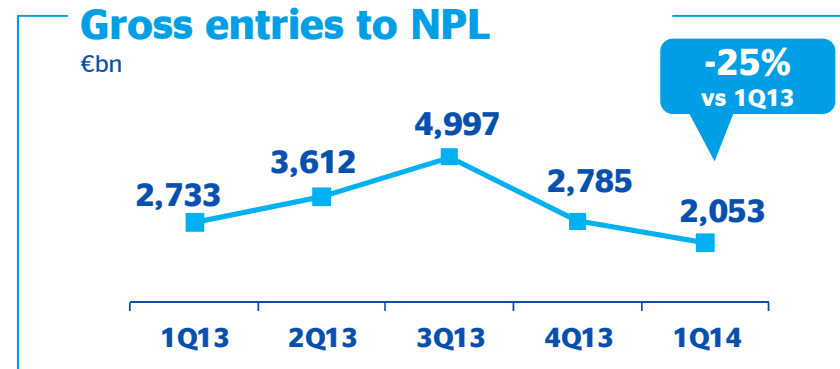
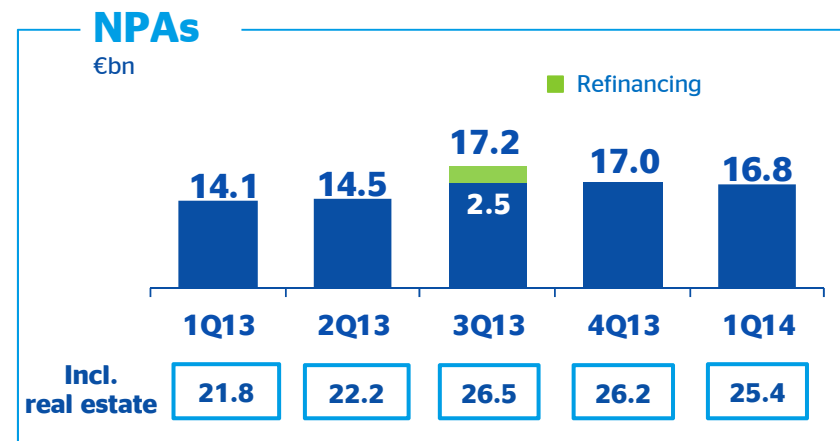
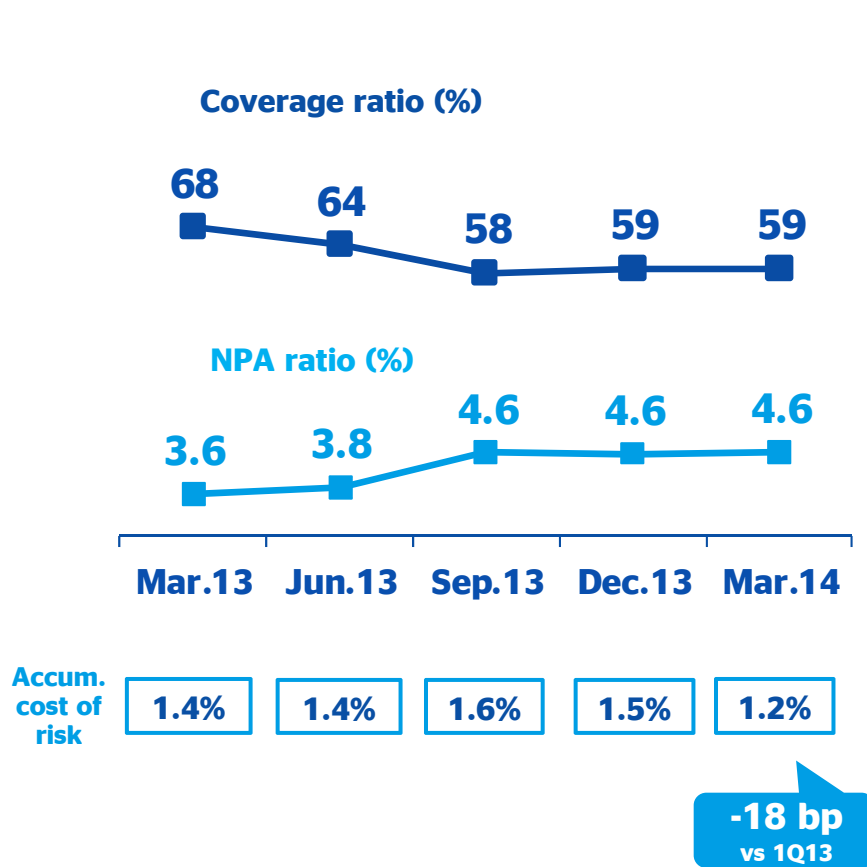
- Lower provisions
- Moving towards normal levels

Net income ex corporate operations
€m



- Consolidating growth

Risk: indicators are improving



Note: risk figures exclude real estate activities. NPA ratio for real estate activity in Spain: 54.2%, 63% coverage, NPAs €8.7bn and the risk premium is 2.0%

Capital: excellent management

Strong capital position

Core Capital CRD IV		Leverage Ratio
10.8%	9.9%	5.8%
(Phased-in)	(Fully-loaded)	(Fully-loaded)

Capital plans were approved in USA

Issuance activity

- **Additional Tier 1 issue**
- **Tier II issue**

Summary: good earnings and on the road to a new growth cycle

€m

BBVA Group	Accum.	Growth		% constant
		1Q14/1Q13		
	1Q14	Abs.	%	
Net interest Income	3,391	- 232	-6.4	7.8
Gross Income	5,051	- 368	-6.8	5.0
Operating income	2,438	- 223	-8.4	6.0
Income Before Tax	1,017	186	22.3	79.4
IAT ex corporate operations	744	117	18.7	76.1
Corporate Operations Income	0	- 1,315	n.s.	n.s.
Net Attributable Profit	624	- 1,110	-64.0	-60.5

FX impact

▽ Provisions: driving short-term growth

Recurring earnings

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



BBVA



Developed

Emerging



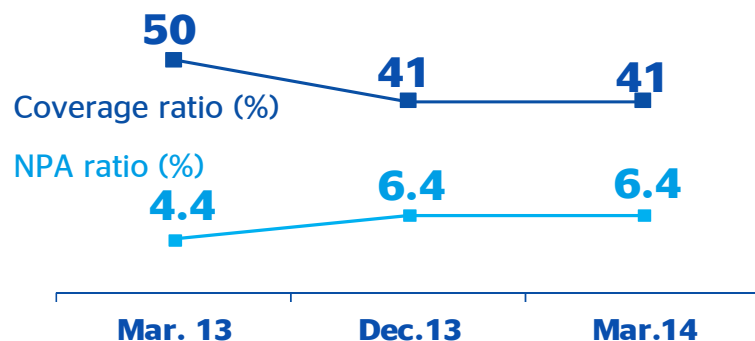
Banking activity in Spain

Business activity

YoY chg in average balances

Lending **-8.4%**
 Customer funds **+12.8%**

Risk



1Q14 results

M€

NII + fees **1,281** **-9.5%**

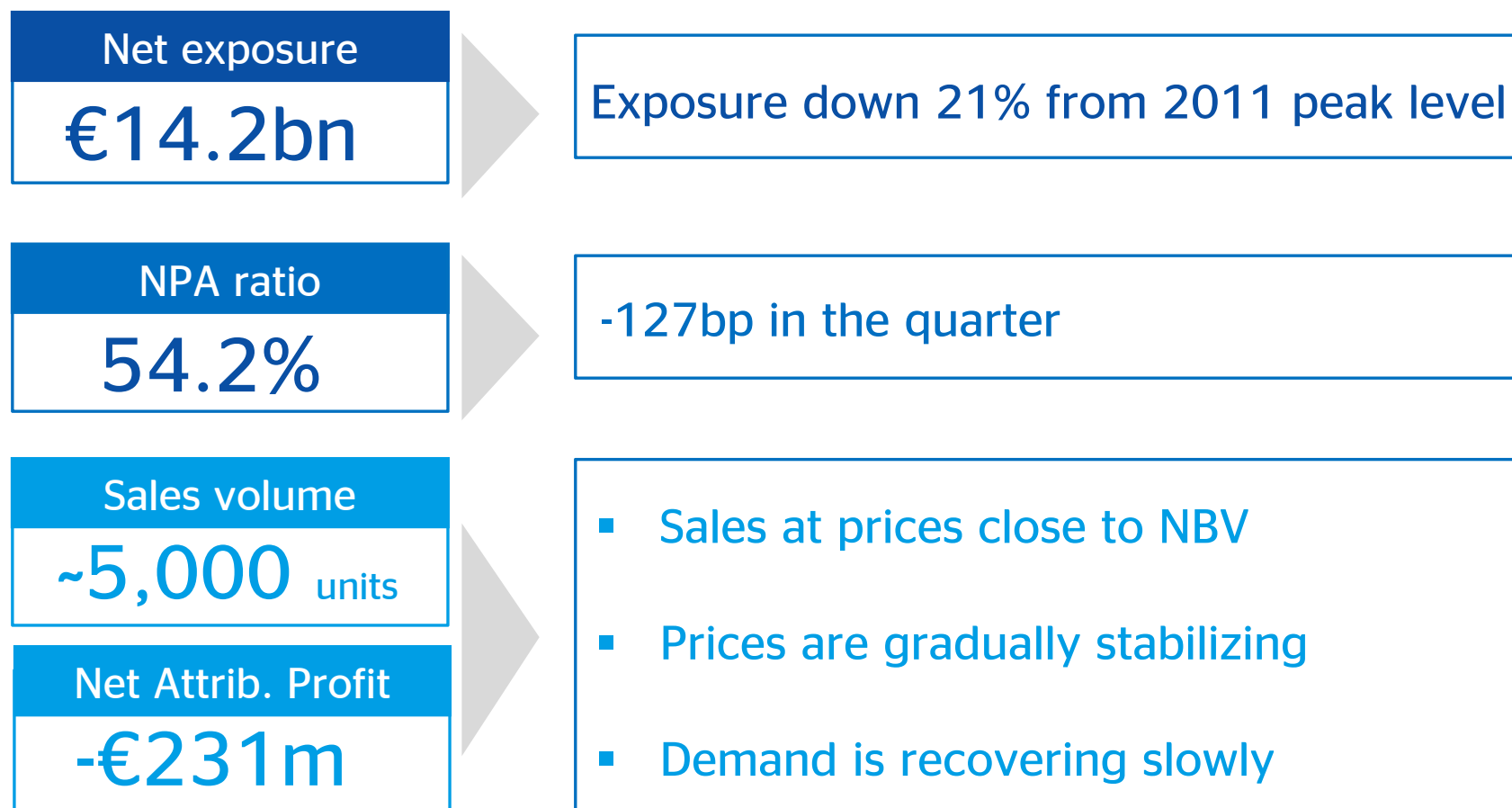
Gross Income **1,756** **+5.5%**

Operating income **1,050** **+17.0%**

Net attributable profit **386** **-33.3%**

Start of recovery and gradual return to normal conditions

Real estate business in Spain



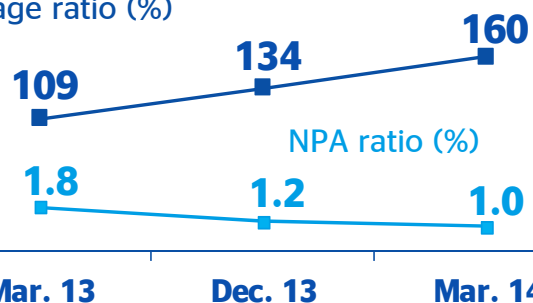
Compass business activity

Average balance, YoY, in constant €

Lending +14.7%
Customer funds +4.4%

Riesgos

Coverage ratio (%)



1Q14 results

Constant €m

NII + fees	478	+5.9%
Gross income	517	+6.8%
Operating income	116	+10.4%
Net attributable profit	105	+16.1%

Surge in new business is reflected by margins

Developed

Emerging



Garanti
Big Challenges

- Lending is growing more slowly
- Pressure on margins
- Cost of funding increases and customer spread declines

and opportunities

- Improved macro outlook (mid term)
- Future potential
- Best franchise in the country

1Q14 EurAsia results

Constant €m

NII + fees	281	-3.2%
Gross income	365	-7.1%
Operating income	187	-21.4%
Net attributable profit	105	+3.1%

**Solid contribution
despite environment**

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

Note: the equity-accounted earnings from CNCB (excluding dividends), the effect of the mark-to-market valuation of BBVA's stake in CNCB following the new agreement concluded with the CITIC Group, which implied the sale of 5.1% of CNCB, is included in Holding .

Business activity

Average balance, YoY, in constant €

Lending +10.4%
Customer funds +12.2%

Risk

Coverage ratio (%)

117 **110** **114**

NPA ratio (%)

3.7 **3.6** **3.4**

Mar. 13

Dec. 13

Mar. 14

1Q14 results

Constant €m

NII + fees

1,434
+14.5%

Gross income

1,536
+10.1%

Operating income

968
+12.2%

Net attributable profit

453
+14.7%
The leading franchise

South America

Business activity

Average balance, YoY, in constant €

Lending	+25.1%
Customer funds	+25.3%

Risk

Coverage ratio (%)

143 **141** **136**

NPA ratio (%)

2.2 **2.1** **2.2**

Mar. 13

Dec. 13

Mar. 14

1Q14 results

Constant €m

NII + fees

1,107

+31.9%

Gross income

1,160

+25.2%

Operating income

666

+27.1%

Net attributable profit

244

+16.0%

Diversifying within the region

And ...

Simple

New organization:
Digital banking



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