

Results 2014



Francisco González, BBVA Chairman and CEO

Madrid, February 4th 2015



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- 1. Environment**
- 2. 2014 Results**
- 3. Digital transformation**



2014: recovery

United States

Sustained growth

Emerging

Uneven performance

Eurozone

Confidence rises

Spain

Leading the way in Europe



2015: improvement but some doubts remain

Higher growth

Oil

Central banks

Geopolitical factors



1. Environment
2. **2014 Results**
3. Digital transformation



2014: a good year

Revenue growth

Costs control

Improving risk indicators

Capital strengthened

Attributable profit

€ 2,618 m

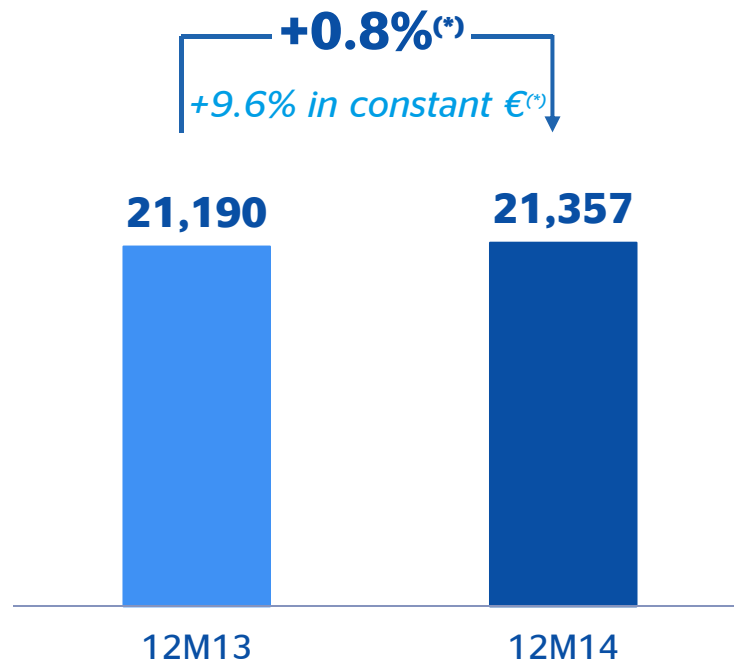
+25.7%^(*)

* In 2014 accounting policies for contributions to the Deposit Guarantee Fund changed. This led to a modification of certain amounts recorded in 2013 and it affected net attributable profit in 2013. For more information please refer to the reconciliation in the quarterly report and the Group's audited financial statements.

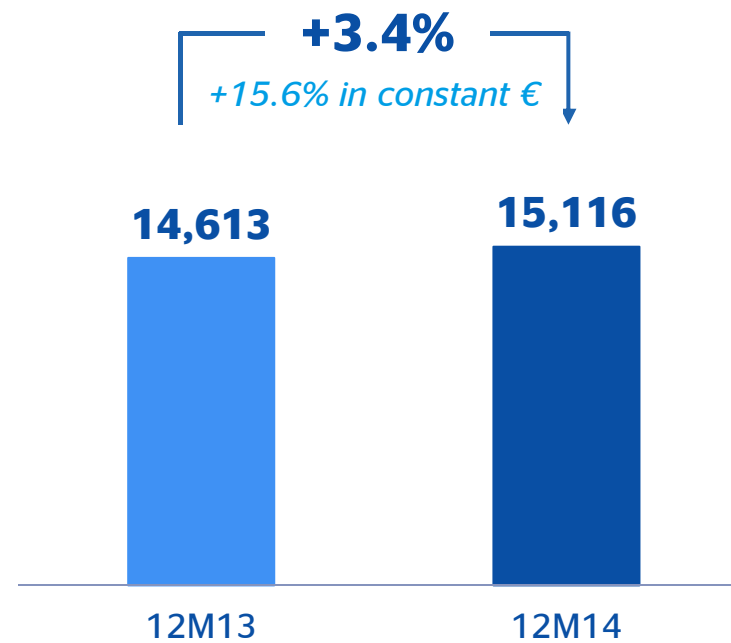


Revenue growth

Gross income
€m



Net interest income
€m

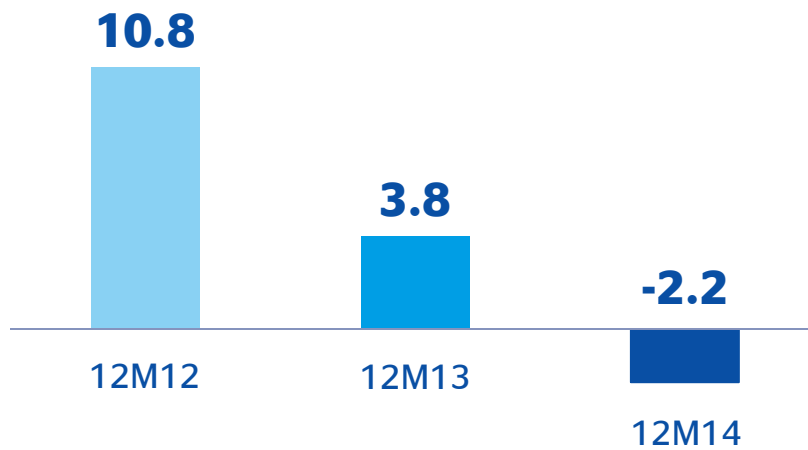


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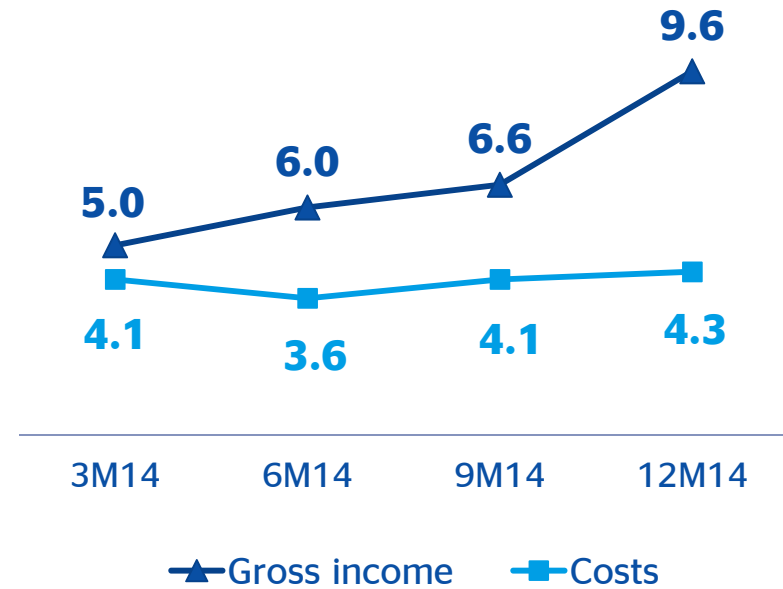


Costs control

Total costs
Growth (%)
Current €



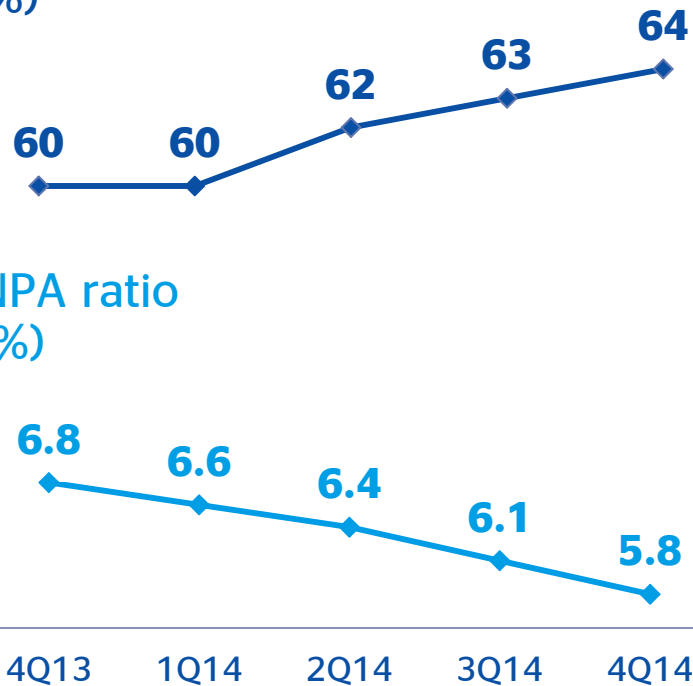
Gross income vs costs
Growth (%)
Constant €



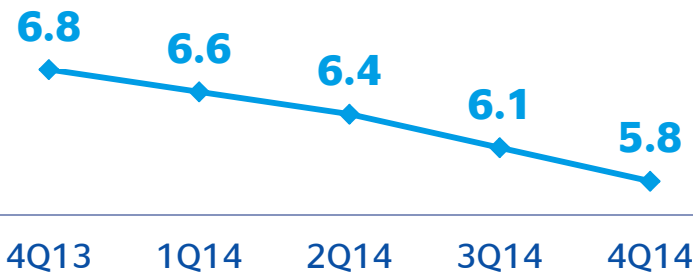


Improvement in risk indicators

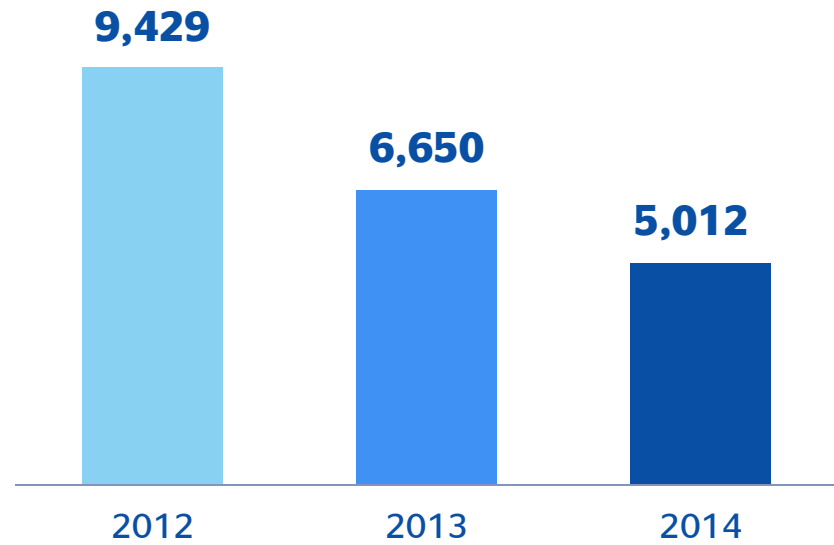
Coverage ratio (%)



NPA ratio (%)



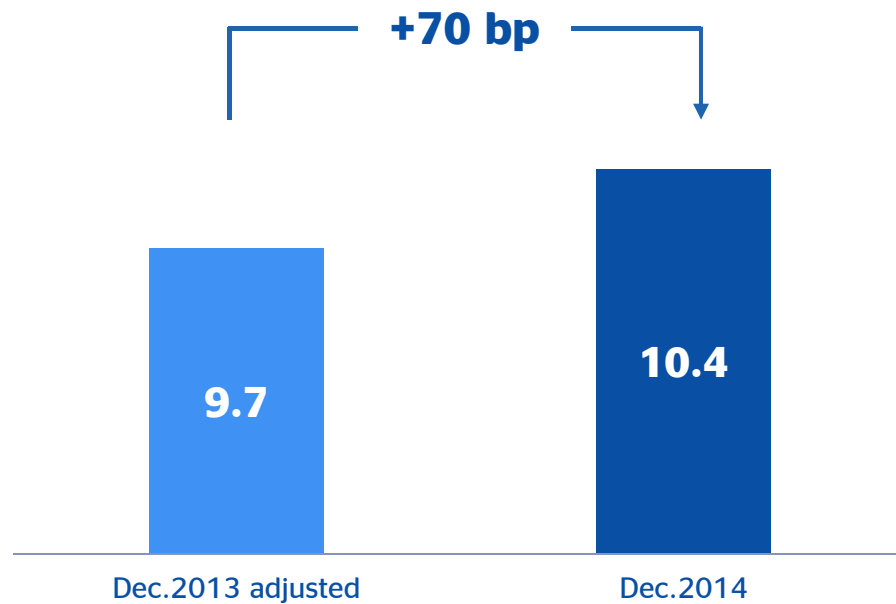
Loan-loss provisions and real estate provisions
€m





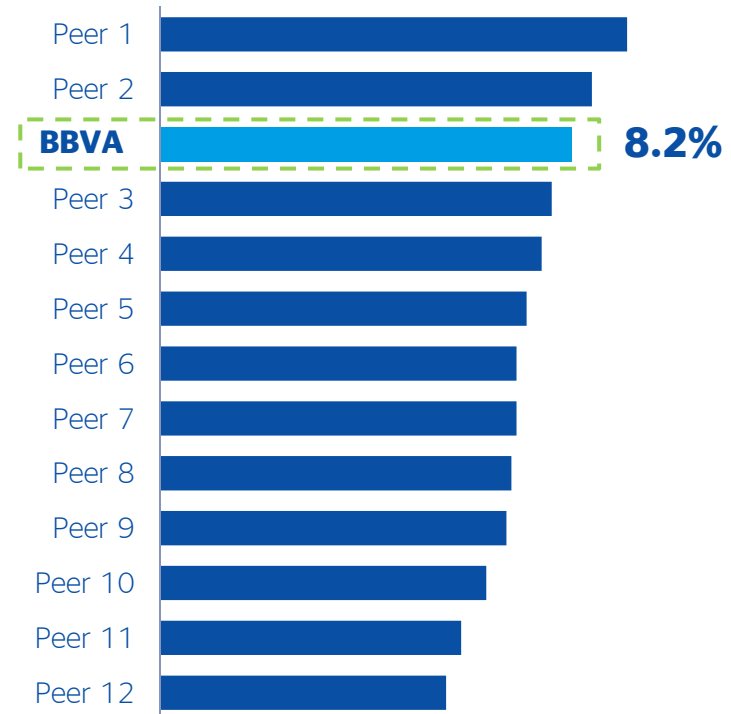
Stronger capital

Capital base CRD IV fully-loaded (%)



Note: Dec 2013 adjusted for FGD accounting effect

CET 1 fully-loaded, 2016, adverse scenario (%)



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



Preparing the future

Portfolio management

- Acquisition of Catalunya Banc
- Increased stake in Garanti
- Reduced stake in CITIC

Strategy

- BBVA's digital transformation



- 1. Environment**
- 2. 2014 Results**
- 3. Digital transformation**



Becoming the best digital bank through two goals

The best customer experience

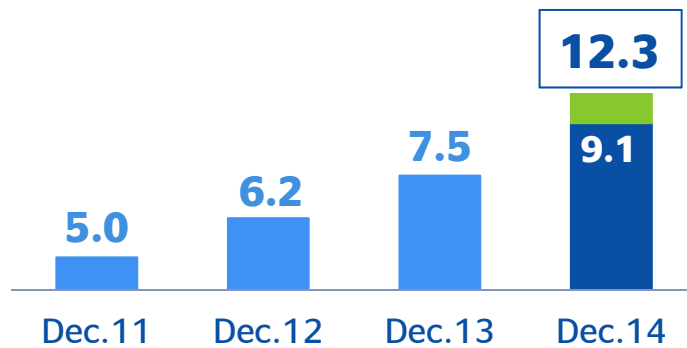
- **Customized**
- **With added value**
- **Ultra-convenient**

At a reduced cost

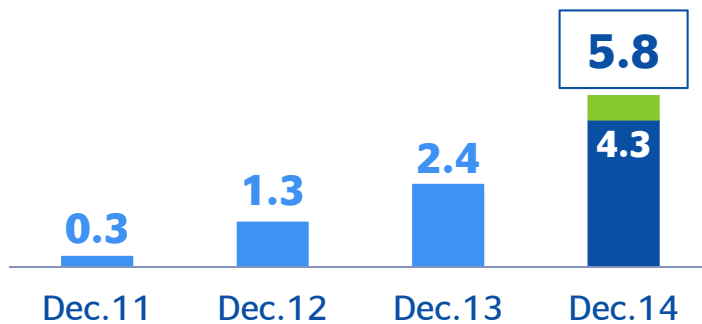
- **New capabilities**
- **Transform physical network**
- **Optimize processes**

Profound internal change

Active digital customers* (m)



Active customers by mobile channel* (m)



New internal management model and new culture

New channels and relationship models

New digital products

* Note: in 2014 this includes Garanti.

Incorporation of external innovation

Investments & acquisitions in 2014

Investments
by BBVA
Ventures



Digital M&A



SIMPLE



Resultados 2014



Angel Cano, BBVA 's President & Chief Operating Officer

Madrid, February 4th 2015

A world map composed of small blue squares, centered behind the main text.

Business Areas



Developed





Banking activity in Spain

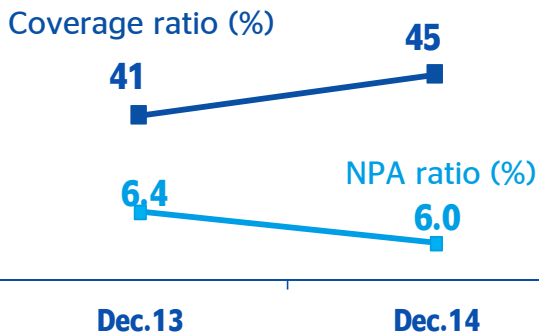
Business Activity

YoY chg in average balance

Lending - 3.0%

Customer funds +2.8%

Risks



Results 12M14

€m, YoY change

NII + fees 5,284 +1.4%

Gross income 6,622 +12.3%

Operating income 3,777 +31.0%

Net attributable profit 1,028 n.s.

Customer spread improvement

Lower cost of risk

▽6% cost due to transformation plans

Note 1: NPAs includes non-performing assets originating from lending to customers and contingent liabilities.

Note 2: Note: following the adoption of IFRIC 21, in 2014 there was a change in accounting policy with respect to contributions made to the Deposit Guarantee Fund that has been carried out on the 2013 accounts. In the explanations contained in this presentation the 2013 figures reflect this change.



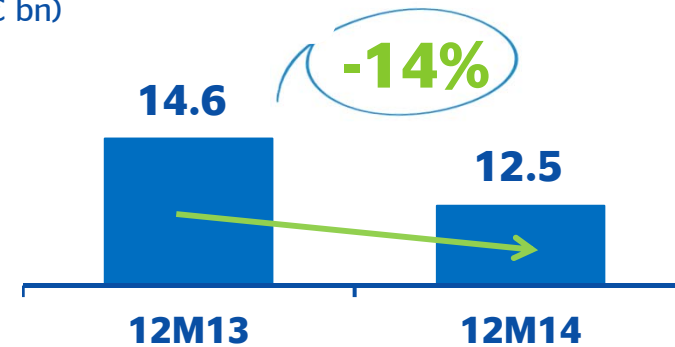
Real estate activity in Spain

Positive market trends

- Prices hit bottom
- Sales continue growing
- The housing stock decreases

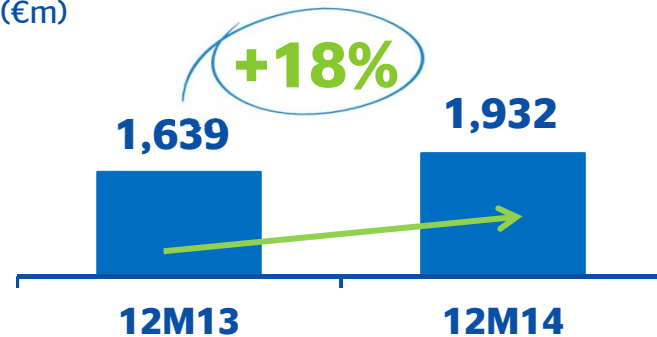
Net exposure*

(€ bn)



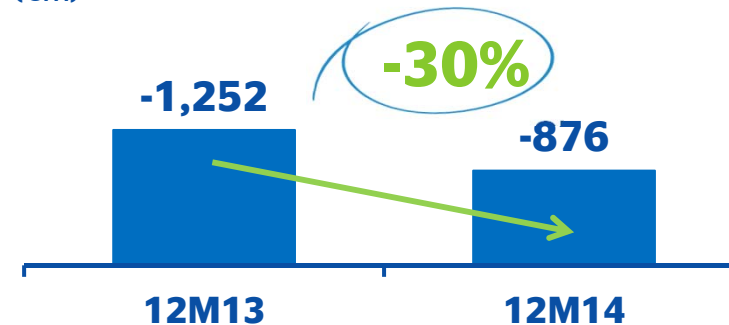
Sales

(€m)



Net attributable profit

(€m)



*Net exposure according to Bank of Spain's "RE transparency scope" (Circular 5-2011)

Note: Sales includes the sales of units owned by developers



USA

Business Activity

Average balance, YoY, in constant €

Lending* **+12.2%**

Customer funds* **+12.2%**

Risks

Coverage ratio (%)

134

167

1.2

0.9

NPA ratio (%)

Dec. 13

Dec. 14

Results 12M14

Constant €m, YoY change

NII + fees

1,996

+4.3%

Gross income

2,137

+4.0%

Operating income

640

+3.0%

Net attributable profit

428

+8.9%

Good macroeconomic outlook

Strong activity focusing on new credit operations

Progress in the digital transformation

NPA: includes non-performing assets originating from lending to customers and contingent liabilities

*USA ex NY Business Activity



Emerging





Turkey

- ✓ Increase of BBVA's exposure: additional 14.89% reaching 39.9% total stake.
- ✓ Successfully managed NIM and leader in fee generation.
- ✓ Impairment losses on financial assets were down.
- ✓ Strong capitalization supporting long-term sustainable growth.

Results 12M14

Constant €m, YoY change

NII + fees

925

+18.6%

Gross income

944

+16.6%

Operating income

550

+20.9%

Net attributable profit

310

+35.3%

Active portfolio management

Lower loan loss provisions

Lower deleveraging in wholesale business



Mexico

Business Activity

Average balance, YoY, in constant €

Lending **+11.7%**
Customer funds **+8.4%**

Risks

Coverage ratio (%)

110 **114**

NPA ratio (%)

3.6 **2.9**

Dec.13

Dec.14

Results 12M14

Constant €m, YoY change

NII + fees **6,076** **+11.7%**

Gross income **6,522** **+9,6%**

Operating income **4,115** **+10.8%**

Net attributable profit **1,915** **+10.7%**

Business activity dynamism translated to all lines

Jaws widen

Leader and bank of reference in Mexico

NPA: Includes non-performing assets originating from lending to customers and contingent liabilities.



South America

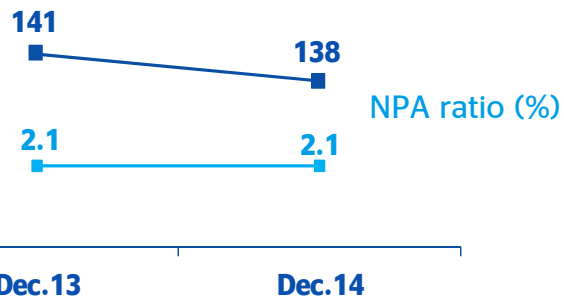
Business Activity

Average balance, YoY, in constant €

Lending **+22.5%**
Customer funds **+24.4%**

Risks

Coverage ratio (%)



Results 12M14

Constant €m , YoY change

NII + fees **5,600** **+36.3%**

Gross income **5,191** **+22.5%**

Operating income **2,875** **+18.6%**

Net attributable profit **1,001** **+6.3%**

Activity dynamism

Dealing uncertainties in Venezuela

Andean Region: executing strategic plan

NPA: Includes non-performing assets originating from lending to customers and contingent liabilities.

2014 Results

