BBVA Global Finance Limited

Financial Statements for the year ended December 31, 2011 and Independent Auditors' Report

Deloitte.

Deloitte & Touche
One Capital Place
P.O. Box 1787
Grand Cayman KY1-1109
CAYMAN ISLANDS

Tel: +1 345 949 7500
Fax:+1 345 949 8238
cayman@deloitte.com
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of BBVA Global Finance Limited (a wholly owned subsidiary of Banco Bilbao Vizcaya Argentaria, S.A.):

We have audited the accompanying financial statements of BBVA Global Finance Limited (a wholly owned subsidiary of Banco Bilbao Vizcaya Argentaria, S.A., a Spanish banking institution), which comprise the statement of financial position statement of financial position as of December 31, 2011, and the related statements of comprehensive income, changes in shareholder's equity and cash flows for the year then ended (all expressed in United States dollars), and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of BBVA Global Finance Limited as of December 31, 2011, and the results of its operations, changes in its shareholder's equity and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1. Since June 2003, the Company ceased issuing Euro Medium Term Notes and subordinated notes and is not planning to offer new issues due to the revised legal regulatory framework applicable to the Parent Company. The Parent (the sole shareholder) has committed to provide adequate financial resources to the Company to allow it to continue as a going concern until the time of its liquidation.

Deloitte & Touche

April 26, 2012

BBVA Global Finance Limited

Financial Statements for the year ended December 31, 2011

BBVA GLOBAL FINANCE LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2011

(Currency - United States dollars)

	2011	2010(*)
ASSETS:		
Cash and cash equivalents	872,773	734,252
Short term assets due from Parent (Notes 2c, 3 and 4)	12,913,126	89,222,632
Long term assets due from Parent (Notes 2c, 3 and 4)	715,291,163	819,163,513
Fair value of derivative instruments (Notes 5 and 8)	10,060,697	11,314,538
Other accrual accounts	54,624	54,263
Total assets	**739,192,383**	**920,489,198**
LIABILITIES AND SHAREHOLDER'S EQUITY:		
Liabilities-		
Short term bonds and notes (Notes 2c and 6)	12,913,126	89,222,632
Long term bonds and notes (Notes 2c and 6)	711,287,733	814,984,035
Fair value of derivative instruments (Notes 5 and 8)	10,060,697	11,314,538
Other accrual accounts	28,771	22,396
Total liabilities	**734,290,327**	**915,543,601**
Shareholder's equity (Note 7)		
Common stock, $ 100 par value; 1,000 shares authorized and 10 shares issued and outstanding	1,000	1,000
Retained earnings	4,901,056	4,944,597
Total shareholder´s equity	**4,902,056**	**4,945,597**
Total liabilities and shareholder's equity	**739,192,383**	**920,489,198**

(*) Only for comparison purposes

The accompanying notes 1 to 11 form an integral part of these financial statements

BBVA GLOBAL FINANCE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2011

(Currency - United States dollars)

	2011	2010(*)
Interest income from Parent	49,250,767	63,252,839
Net (gains) losses from foreign currency transactions	(668)	1,374
Interest expense to noteholders	(49,100,981)	(63,103,240)
Financial margin	**149,118**	**150,973**
General and administrative expenses	(192,659)	(246,862)
Net (loss)	**(43,541)**	**(95,889)**
Losses per common share	**(4,354)**	**(9,589)**
Average number of common shares outstanding	**10**	**10**

(*) Only for comparison purposes

The accompanying notes 1 to 11 form an integral part of these financial statements

BBVA GLOBAL FINANCE LIMITED

STATEMENT OF CHANGES IN SHAREHOLDER´S EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2011

(Currency - United States dollars)

	2011	2010(*)
Number of authorized shares-		
Balance at the beginning and at the end of the year	10	10
Number of issued shares-		
Balance at the beginning and at the end of the year	10	10
Par value per share at end of year-	$ 100	$ 100
Capital stock		
Balance at the beginning and at the end of the year	$ 1,000	$ 1,000
Retained earnings-		
Balance at the beginning of the year	4,944,597	5,040,486
Net (loss) for the year	(43,541)	(95,889)
Balance at the end of the year	4,901,056	4,944,597
Shareholders equity, end of the year	**4,901,056**	**4,944,597**

(*) Only for comparison purposes

The accompanying notes 1 to 11 form an integral part of these financial statements

BBVA GLOBAL FINANCE LIMITED

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2011

(Currency - United States dollars)

	2011	2010(*)
Cash flow from operating activities:		
Net (loss)	(43,541)	(95,889)
Adjustments to reconcile net income to net cash provided by (used in) operating activities -		
Amortization of differences between initial amount and maturity amount on assets due from Parent and bonds and notes		
Increase in interest payable	177,400	177,400
(Increase) / decrease in accrued interest receivable from Parent	45,294,274	2,012,603
Decrease in interest payable to noteholders	(45,295,626)	(2,012,727)
(Increase) in other accrual accounts	(361)	-
Increase / (decrease) in other liabilities	7,082	(64,689)
Net cash provided by operating activities	**139,228**	**16,698**
Cash flow from investing activities:		
Increase / (decrease) in loan from Parent	123,639,345	(172,333,878)
Net cash (provided by) used in investing activities	**123,639,345**	**(172,333,878)**
Cash flow from financing activities:		
(Increase) / decrease in bonds and notes	(123,639,345)	172,333,878
Net cash used in (provided by) financing activities	**(123,639,345)**	**172,333,878**
Net increase in cash and cash equivalents	**139,228**	**16,698**
Effect of currency translations	(707)	(2,322)
Cash and cash equivalents at beginning of the year	734,252	719,876
Cash and cash equivalents at the end of the year	**872,773**	**734,252**

(*) Only for comparison purposes

The accompanying notes 1 to 11 form an integral part of these financial statements

1. Group affiliation, principal activity and tax regulation

Bilbao International Limited, which was incorporated on June 23, 1983, in the Cayman Islands, changed its name to BBV International Finance Limited on August 21, 1990 and to BBVA Global Finance Limited (the "Company") on April 17, 2001 and is a wholly owned subsidiary of Banco Bilbao Vizcaya Argentaria, S.A., (the "Bank" or the "Parent") a Spanish banking institution headquartered in Bilbao, Spain.

The Company's principal activity is to act as a financing entity for the Bank. The objectives for which the Company is established are to issue debt obligations and to lend the proceeds received to its Parent, and to borrow funds from its Parent and to lend the proceeds to any subsidiary of its Parent, and any other activities incidental to the borrowing and lending of such funds.

The Company uses the United States ("U.S.") dollar ("USD") as its functional currency.

The Company is economically dependent on the Parent (Note 4) and its continuing existence is based solely on the ability of the Parent to fulfill its obligations to the Company for the interest and maturity of the deposits and guarantee of the redemption value of the notes.

Since June 2003, the Company ceased issuing Euro Medium Term Notes and subordinated notes due to the revised legal regulatory framework applicable to the Parent.

The Company is listed on the London Stock Exchange.

2. Significant accounting policies

Accounting principles

The financial statements of the Company are prepared in accordance with International Financial Reporting Standards ("IFRS") with significant policies applied below.

a) Recognition of revenues and expenses

For accounting purposes, revenues and expenses are recorded on the accrual basis of accounting as they are earned or incurred. Revenues include interest earned by assets due from Parent and expenses include interest incurred by bonds, notes and deposits.

b) Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

c) Euro Medium Term Notes and assets due from Parent

Euro Medium Term Notes and assets due from Parent recorded as loans and receivables are recognized at amortized cost, which represents the received amount, plus or minus the cumulative amortization using the effective interest rate of any difference between that initial amount and the maturity amount.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument, considering all contractual terms of the financial instruments, transaction costs, and all other premiums or discounts.

Issuing notes, sometimes, involves incurring costs and commissions in relation to the offering. These fees and costs are considered as transaction costs in calculating the effective interest rate.

d) *Foreign currency transactions*

Assets and liabilities in foreign currencies have been translated to U.S. dollars at the year-end exchange rate. Revenues and expenses in foreign currencies have been translated to U.S. dollars at the average exchange rates in each year.

e) *Derivative financial instruments*

The Company enters into various derivative financial instruments to hedge the risk exposure of the note issue arrangements.

The derivatives held by the Company are classified as held for trading financial instruments. Hybrid financial instruments simultaneously include a non-derivative host contract and a financial derivative known as an embedded derivative, that cannot be transformed separately and some of the cash flows of hybrid contract vary in a way similar to a stand-alone derivative.

Embedded derivatives, which are initially recognized by the value of the "options premiums" from the deposits/issues, will be recorded at their fair value (notes 5 and 8). The changes in the mentioned fair value will be recorded in the accompanying income statement.

On certain occasions, the Company arranges interest rate swaps to cover possible losses which might arise from fluctuations in the indices to which the note and bond issues are referenced with respect to the interest rate earned on its deposits at the Bank.

On certain occasions, the Company arranges notes referenced to stock indices. These notes contain embedded options. The premiums of these options are accounted for at fair value at the issue date. The host contract is accounted for based on generally accepted accounting principles applicable to instruments of that type that do not contain embedded options.

The risk of these notes is being hedged with deposits. These deposits have the same characteristics of the notes hedged so the embedded options and host contract of these deposits are accounted for the same way as those that are being hedged.

f) *Cash and cash equivalents*

Cash and cash equivalents represent all highly liquid instruments with a maturity of three months or less when acquired or generated.

g) *Income taxes*

No income taxes are levied on corporations by the Cayman Islands government and, therefore, no income tax provision is reflected in the accompanying financial statements.

h) *Statement of Comprehensive Income*

The Company has elected to present a single statement of comprehensive income. The Company does not have separate components of other comprehensive income; therefore, comprehensive income is equal to the profit/(loss) reported for all periods presented.

3. Risk Exposure

The use of financial instruments may involve the assumption or transfer of one or more types of risk. The risks associated with financial instruments are:

- Credit risk: this is the risk that one of the parties to the financial instrument agreement will fail to honour its contractual obligations due to the insolvency or incapacity of the individuals or legal entities involved and will cause the other party to incur a financial loss.

- Market risk: These arise as a consequence of holding financial instruments whose value may be affected by changes in market conditions. The following is a summary of each of the components:

  i) Interest rate risk: arises as a result of changes in market interest rates.

ii) Currency risk: arises as a result of changes in the exchange rate between currencies.

- Counterparty risk: since the counter party of the deposits is Banco Bilbao Vizcaya Argentaria, S.A. the Company considers that its exposure to counter party is not relevant.

- Liquidity risk: the Company obtains the liquidity required to meet interest payments, redemption of issues and the needs of its business activities from subordinated deposits on the issues arranged with Banco Bilbao Vizcaya Argentaria, S.A.or the credit facility maintained by its sole shareholder.

The Company (integrated to BBVA Group) has developed a global risk management system based on three components: a corporate risk management structure, with segregated functions and responsibilities; a set of tools, circuits and procedures that make up the different risk management systems; and an internal control system.

CORPORATE MANAGEMENT STRUCTURE

The Board of Directors is the body responsible for setting risk policies. The Board hence establishes the general principles defining the target risk profile for the BBVA Group. Likewise, it approves the infrastructure required for risk management, the delegation framework and the limits system that enables the business to develop and maintain this risk profile in the day-to-day decision making.

The BBVA Group's risk management system is managed by an independent risk area (the "Risk Area"), which combines a view by risk types with a global view. The Risk Area assures that the risk tools, metrics, historical databases and information systems are in line and uniform. It likewise sets the procedures, circuits and general management criteria.

TOOLS, CIRCUITS AND PROCEDURES

The BBVA Group has implemented an integrated risk management system designed to cater for the needs arising in relation to the various types of risk; this prompted it to equip the management processes for each risk with measurement tools for risk acceptance, assessment and monitoring and to define the appropriate circuits and procedures, which are reflected in manuals that also include management criteria.

Credit risk

The breakdown of the credit risk by financial instruments and geographical area is as follows:

	U.S. Dollars	
	2011	2010
Deposits at Parent (Spain)	728,204,289	908,386,145
	728,204,289	**908,386,145**

As of 31 December 2011 and 2010 there were no impaired assets.

Structural interest rate risk

The aim of statement of financial position interest rate risk management is to maintain the Company's exposure to market interest rate fluctuations at levels within its risk strategy and profile. For such compliance, (Assets - liabilities Committee) (the "ALCO") actively manages the statement of financial position interest rate risk through transactions intended to optimize the level of risk assumed in relation to the expected results, thus enabling the Company to comply with the tolerable risk limits.

The ALCO bases its activities on the interest rate risk measurements performed by the risk area. Acting as an independent unit, the risk area periodically quantifies the impact of interest rate fluctuations on the BBVA Group's net interest income and economic value.

The impact of interest rate fluctuations on the Company's net interest income is minimal since the interest rate fluctuations of the liabilities are offset with the interest rate fluctuations of the assets.

Structural currency risk

Structural currency risk derives mainly from exposure to exchange rate fluctuations arising in relation to the investments and from the issues financed in currencies other than the investment currency.

The impact of exchange rate fluctuations on the Company's net interest is minimal since the exchange rate fluctuations of the liabilities are offset with the exchange rate fluctuations of the assets.

Capital risk

The BBVA Group's capital management is performed at both regulatory and economic level.

Regulatory capital management is based on the analysis of the capital base and the capital ratios (core capital, Tier 1, etc.) using Basel ("BIS") and Bank of Spain criteria.

The aim is to achieve a capital structure that is as efficient as possible in terms of both cost and compliance with the requirements of regulators, ratings agencies and investors. Active capital management includes securitizations, sales of assets, and preferred and subordinated issues of equity and hybrid instruments.

BBVA Group obtained the approval of its internal model of capital estimation ("IRB") in 2008 for certain portfolios.

From an economic standpoint, capital management seeks to optimize value creation at the BBVA Group and at its different business units.

4. Assets due from Parent

The detail of the balances of this caption in the accompanying statement of financial position is as follows:

	U. S. Dollars		Interest Rate as of	
	2011	2010	December 31, 2011	December 31, 2010
Assets due from Parent:				
1993 Euro Medium Term Note Programme (*)	44,573,967	138,172,790	0% - 7.01%	0% - 7.01%
Subordinated Notes Programme (*)	683,630,322	770,213,355	0% - 7.25%	0% - 7.25%
	728,204,289	**908,386,145**		

(*) These assets mature on the same date as the related notes from which the proceeds were on the deposits (see Note 6).

All the deposits were arranged in U.S. dollars except the following:

	12/31/2011	12/31/2010
1993 Euro Medium Term Note Programme Issues	EUR 18,604,762 JPY 1,000,000,000	EUR 54,160,296 JPY 1,000,000,000
Subordinated Note Programme Issues	EUR 274,000,000 JPY 10,000,000,000	EUR 334,000,000 JPY 10,000,000,000

On March 23, 2010, the Board of Directors approved the deposits with the Parent linked to the following relevant issues belonging to BBVA Capital Funding Limited and BCL International Finance Limited (both entities are wholly own subsidiaries of Banco Bilbao Vizcaya Argentaria, S.A.), which were substituted by the Company as issuer of the relevant issues and as principal obligor under the Agency Agreement effective March 23, 2010. The relevant notes are detailed in the following tables:

BBVA Capital Funding Limited:

Issue	Redemption Amount
Issue 221 due 2011(*)	EUR 60,000,000
Issue 27 due 2015	EUR 73,000,000
Issue 28 due 2016	JPY 10,000,000,000
Issue 222 due 2016	EUR 40,000,000
Issue 225 due 2016	EUR 50,000,000
Issue 228 due 2016	EUR 55,000,000
Issue 234 due 2016	EUR 56,000,000

(*) This issue expired on October, 10, 2011.

BCL International Finance Limited:

Issue	Redemption Amount
Issue 81 due 2010 (*)	EUR 7,500,000
Issue 120 due 2010 (**)	EUR 9,000,000
Issue 51 due 2015	EUR 1,500,000
Issue 105 due 2011(***)	EUR 6,000,000
Issue 24 due 2039	EUR 6,331,158

(*) This issue expired on November, 15, 2010.
(**) This issue expired on December, 21, 2010.
(***) This issue expired on June, 22, 2011.

5. Fair value of derivative instruments

The detail of "fair value of derivative instruments" on the accompanying statement of financial position as of December 31, 2011 and 2010 is as follows:

	U.S. Dollars			
	12/31/2011		12/31/2010	
	Assets	Liabilities	Assets	Liabilities
Options embedded in deposits and issues(*)	10,060,697	10,060,697	11,314,538	11,314,538
	10,060,697	**10,060,697**	**11,314,538**	**11,314,538**

(*)The fair value of interest rate options is not included here.

The embedded options pricing variance of the deposits represents a profit of $ 992,102 at December 31, 2011. Likewise, the embedded options pricing variance of the issues represent a loss of $ 992,102 at December 31, 2011. Therefore, the net balance is zero.

6. Notes

On February 25, 1993 BBV International Finance Ltd, "BBVI" entered into an ECU 500,000,000 Euro Medium Term Note Programme (BBV Programme) guaranteed by Banco Bilbao Vizcaya Argentaria, S.A. The nominal amount of the BBV Programme was increased to ECU 1,000,000,000 on July 10, 1995, to ECU 2,000,000,000 on April 20, 1998 and to EUR 5,000,000,000 on April 20, 1999.

Effective January 2000, BBVI merged with Argentaria. Under the merger, Argentaria was wound up without liquidation and all of its assets and liabilities were transferred to Banco Bilbao Vizcaya, S.A. ("BBV"), Following the merger, BBV changed its name to Banco Bilbao Vizcaya Argentaria, S,A, ("BBVA").

In 2000, and in order to reorganize the finance subsidiaries in the Banco Bilbao Vizcaya Argentaria Group, Argentaria Global Finance Ltd, (subsidiary of BBVA) was substituted by the Company as issuer of all senior notes issued and outstanding under the Argentaria Programme and as principal obligor under the relevant Deed of Covenant and Agency Agreement relating to such notes, and BBVA Global Finance Limited has been substituted by BBVA Capital Funding Limited as issuer of all subordinated notes issued and outstanding under the Argentaria Programme and as principal obligor under the relevant Deed of Covenant and Agency Agreement relating to such Notes. Notes issued on and after April 27, 2000 and the Substituted Notes are guaranteed by BBVA.

On March 23, 2010, the Board of Directors approved that for the above mentioned relevant issues belonging to BBVA Capital Funding Limited and BCL International Finance Limited (both entities are wholly own subsidiaries of Banco Bilbao Vizcaya Argentaria, S.A.), to be substituted by the Company as issuer of the relevant issues and as principal obligor under the Agency Agreement effective March 23, 2010.

As of December 31, 2011 and 2010, and under the above-mentioned programme, the Company had the following outstanding issues:

Issue	Date of issue	Amount issued		U.S Dollars Outstanding at 12/31/11	Outstanding at 12/31/10
24 th issue due 2039(*)	1999	EUR	6,331,158	8,925,487	8,612,641
51 st issue due 2015	2000	EUR	1,500,000	1,941,006	2,004,418
92 nd issue due 2012	1997	JPY	1,000,000,000	12,913,126	12,298,383
105 th issue due 2011(*)	2001	EUR	6,000,000	-	8,017,200
134 th issue due 2013(*)	1998	EUR	10,329,138	13,990,890	14,546,829
161 st issue due 2039 (*) (**)	1999	EUR	30,000,000	-	85,891,211
				37,770,509	**131,370,682**

(*) These notes were issued with embedded derivatives (see Note 9).
(**) Pursuant to section 15 of the EMTN programme made on September 29, 1999 "Issuer´s Optional Redemption" of the Pricing Supplement, the Company applied the early redemption right of the Notes, which took effects on September 29, 2011. The Company made a final payment of EUR 67,604,349.60, USD 92,043,321.98 (nominal EUR 30,000,000, (USD 40,845,000) and interest EUR 37,604,349.60 (USD 51,198,321.98)).

As of December 31, 2011 and 2010, the outstanding notes of the Company under the EMTN programme bore interest at an average of 3.72% and 5.07%, respectively.

As of December 31, 2011 and 2010, and outside of the programme, the Company has the following guaranteed subordinated issues:

Issue	Date of Issuance	Redemption Amount	Interest Rate	Amortised cost U.S. dollars Outstanding at 12/31/2011	12/31/2010
3 rd issue due 2025	1995	USD 200,000,000	Fixed 7.00%	198,693,415	198,516,015
27 th issue due 2015	1999	EUR 73,000,000	Fixed 6.35%	95,716,579	98,849,265
28 th issue due 2015 (*)	1995	JPY 10,000,000,000	Fixed EUR 3,966,921 annual Fixed AUD 8,102,633 annual (**)	130,619,075	124,471,987
221 st issue due 2011	2001	EUR 60,000,000	Fixed 5.729%	-	81,205,433
222 nd issue due 2016	2001	EUR 40,000,000	Fixed 6.078%	52,463,806	54,178,925
225 th issue due 2016	2001	EUR 50,000,000	Floating rate based on 3-Month Euribor plus 0.6%	64,991,667	67,039,433
228 th issue due 2016	2001	EUR 55,000,000	Floating rate based on 3-Month Euribor plus 0.7%	71,436,254	73,704,730
234 th issue due 2016	2001	EUR 56,000,000	Floating rate based on 3-Month Euribor plus 0.7%	72,509,555	74,870,197
				686,430,351	**772,835,985**

(*) These notes were issued with embedded derivatives (see Note 9).
(**) The issue shall bear interest in AUD or EUR, in fixed amounts, at the option of the Company.

The Company has not issued any senior debt securities under the preference share registration statement filed in 2003 with the United States Securities and Exchange Commission.

7. Shareholder's equity

Issued Share Capital

The issued share capital is $ 1,000 divided into 10 shares of a nominal or par value of $ 100 each.

8. Fair value of financial instruments

As of December 31, 2011 and 2010 the floating interest rate deposits at the Parent (Note 4) are related to the Company's bond and note issues, the return on which is based on fixed or floating interest rates as appropriate (Note 6).

Financial instruments fair value are measured using one of the following methods:

- Directly by reference to the quoted price of the financial instrument, which is observable and accessible from independent sources in active markets (Level 1). At December 31, 2011 and 2010, there were no financial instruments classified as Level 1 in the fair value hierarchy.
- Through valuation techniques the variables of which are obtained from observable market data (Level 2).
- Through valuation techniques that include variables not obtained from observable market data (Level 3). At December 31, 2011 and 2010, there were no financial instruments classified as Level 3 in the fair value hierarchy.

As of December 31, 2011 and 2010, the financial instruments presented at fair value as required by IFRS 7 "Financial Instruments: Disclosures" as follows:

	U.S. Dollars 12/31/11		U.S. Dollars 12/31/10	
	Carrying Amount	Fair Value (Level 2)*	Carrying Amount	Fair Value (Level 2)*
Assets due from Parent	728,204,289	898,086,998	908,386,145	1,039,923,897
Bonds and notes	724,200,859	899,666,040	904,206,667	1,040,385,998
Derivative instruments (assets)	10,060,697	10,060,697	11,314,538	11,314,538
Derivative instruments (liabilities)	10,060,697	10,060,697	11,314,538	11,314,538

* Level 2: Measurement using valuation techniques the inputs for which are drawn from market observable data.

No transfers among 3 levels had occurred during 2011 and 2010.

The following assumptions were used by the Company in estimating the fair value of financial instruments for which it is practicable to estimate such value:

1. The face value of the floating interest rate deposits and floating interest rate notes represents fair value as required by the IFRS 7.

2. Some of the fixed interest rate deposits at the Parent and other group companies are linked to fixed interest rate notes and have the same interest rate, maturity date and amount. Therefore, the face value of such deposits and notes represent their fair value as required by IFRS 7.

3. Demand deposits at the Parent and short term debts:

   For these short-term instruments, the carrying amount is a reasonable estimate of fair value.

4. Deposits:

   a. For the deposits maturing within three months, the carrying amount is a reasonable estimate of fair value.

   b. For the deposits maturing in over three months, the fair value represents the present value of estimated future cash flows discounted at the average year-end market rates.

5. Derivative instruments:

   For options traded in OTC ("Over the counter") markets, the fair value is estimated based on theoretical year-end closing prices. These year-end closing prices are calculated estimating the amounts the Company would receive or pay based upon the yield curve prevailing at year-end or prices.

9. Embedded Options

Some of the contracts of the Company contain embedded options which are separated from the host contracts and accounted as a derivative instrument pursuant to International Accounting Standard 39 "Financial Instruments: Recognition and Measurement". Each option is being hedged with another option with the same critical terms, so there is no mismatching.

At December 31, 2011 and 2010, the Company had options for equities and index equities, which notional amounts were as follows:

At December 31, 2011	2012	2013	After 2013	Total
Amount of contract				
Sell contracts	13,372,993	42,831,706	134,995,109	191,199,809
Buy contracts	13,372,993	42,831,706	134,995,109	191,199,809

At December 31, 2010	2011	2012	After 2012	Total
Amount of contract				
Sell contracts	21,559,836	13,542,637	169,663,765	204,766,238
Buy contracts	21,559,836	13,542,637	169,663,765	204,766,238

The premiums of these options have been accounted by netting the respective deposits and issues.

10. Subsequent events

Between December 31, 2011 and the date authorizing the issuance of the accompanying financial statements, no significant events have taken place that affect the Company´s financial position or performance.

11. Approval of the financial statements

The Board of Directors approved the 2011 financial statements as of April, 26, 2012.
The 2011 financial statements of the Company have not yet been approved by the shareholder at the respective Annual General Meeting. However, the Company´s Board of Directors considers that the aforementioned financial statements will be approved without any changes.

DECLARATION OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL REPORT

The members of the BBVA Global Finance Ltd Board of Directors hereby declare that, insofar as they know, the annual financial statements for 2011, approved by written resolutions dated 27 April 2012, drawn up under the applicable accounting standards, offer a faithful image of the net assets, financial situation and results of BBVA Global Finance Ltd, and that the management reports include a faithful analysis of the business earnings and the positions of BBVA Global Finance Ltd, along with the description of the main risks and uncertainties facing them.

Madrid, 27 April 2012

SIGNED BY ALL MEMBERS OF THE BOARD