

2011 Results

Ángel Cano, BBVA's President & COO

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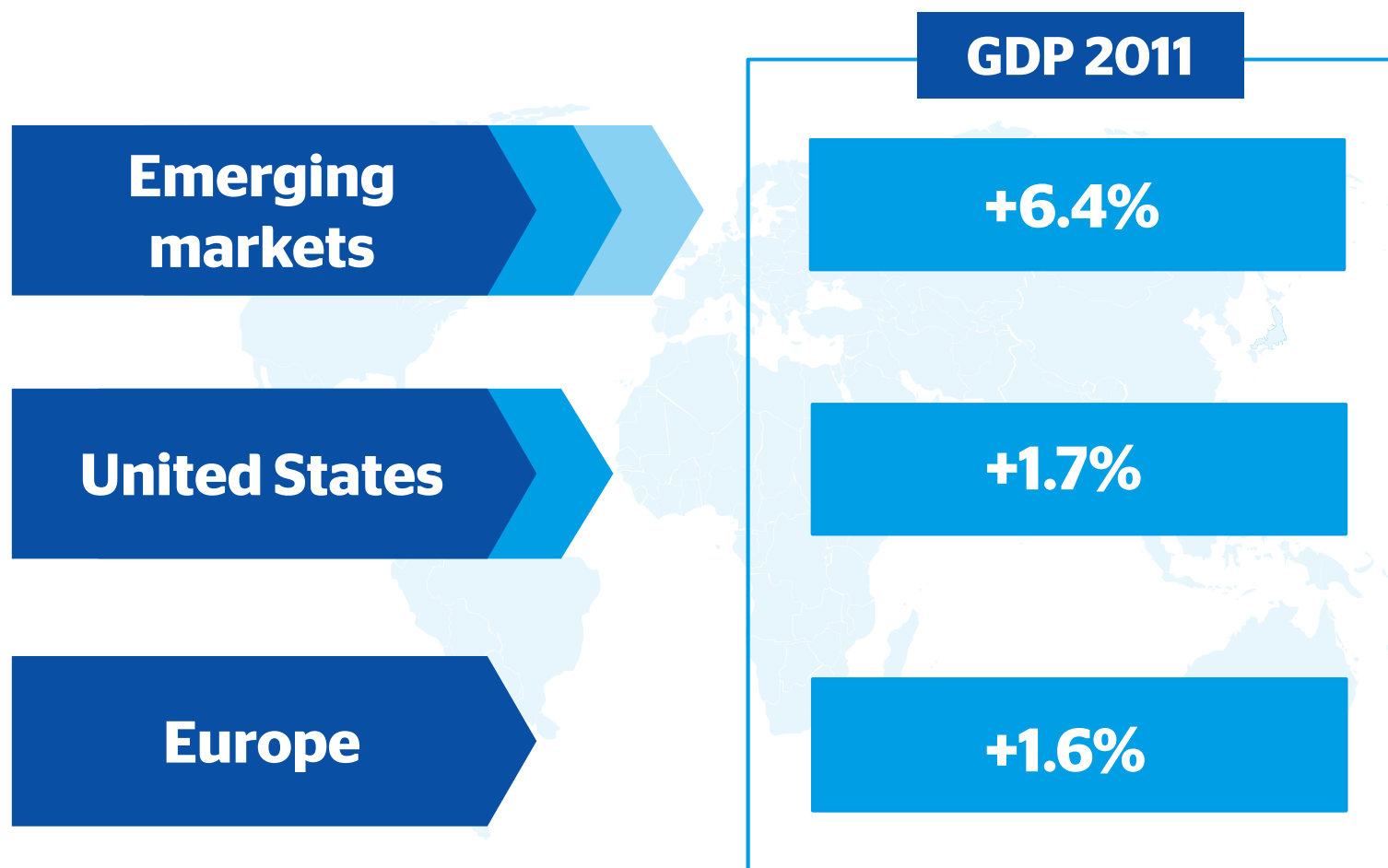
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1 Highlights

2 Business areas

2011: diverse macroeconomic scenario ...



(1) Asia (except for Japan), Turkey, Argentina, Chile, Colombia, Peru, Venezuela and Mexico

(2) EMU

... in which Europe was the main focus of attention ...

Weaknesses

Incomplete fiscal consolidation

Sovereign debt crisis

Financial gridlock

Need of new mechanisms

Greek crisis

Improvements

- **Changes of government**
- **Fiscal agreement and budget adjustments**
- **European Central Bank**
- **Greek debt negotiations**

... affecting European banks

Four sources of concern

1**Capital****2****Liquidity****3****Risk****4****Earnings**

Profound revision of business models

BBVA: structurally resilient and able to adapt to new scenarios

1**Capital**

Compliance with EBA recommendations without selling strategic assets

2**Liquidity**

Market access despite adverse conditions and a solid position in readiness for 2012

3**Risk**

Highly stable indicators thanks to prudent strategy and anticipation

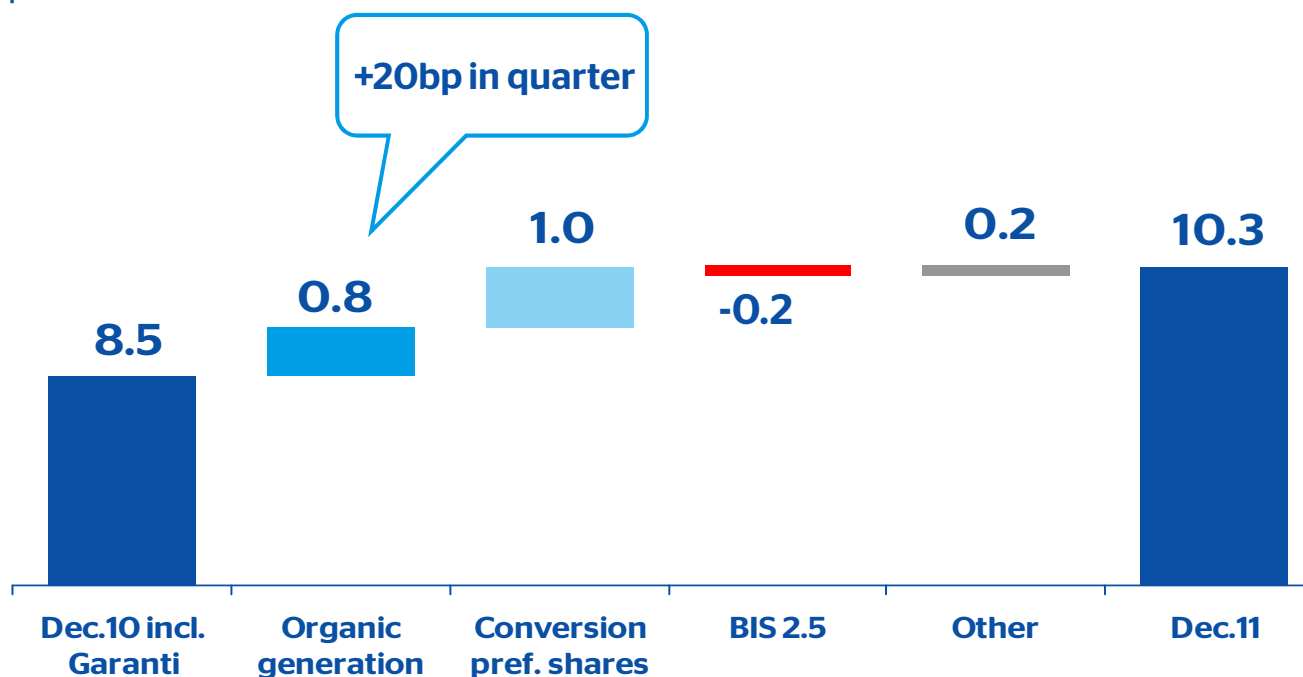
4**Earnings**

Resilience with recovery of upward trend in revenue and investing for the future

The result of a forward-looking business model

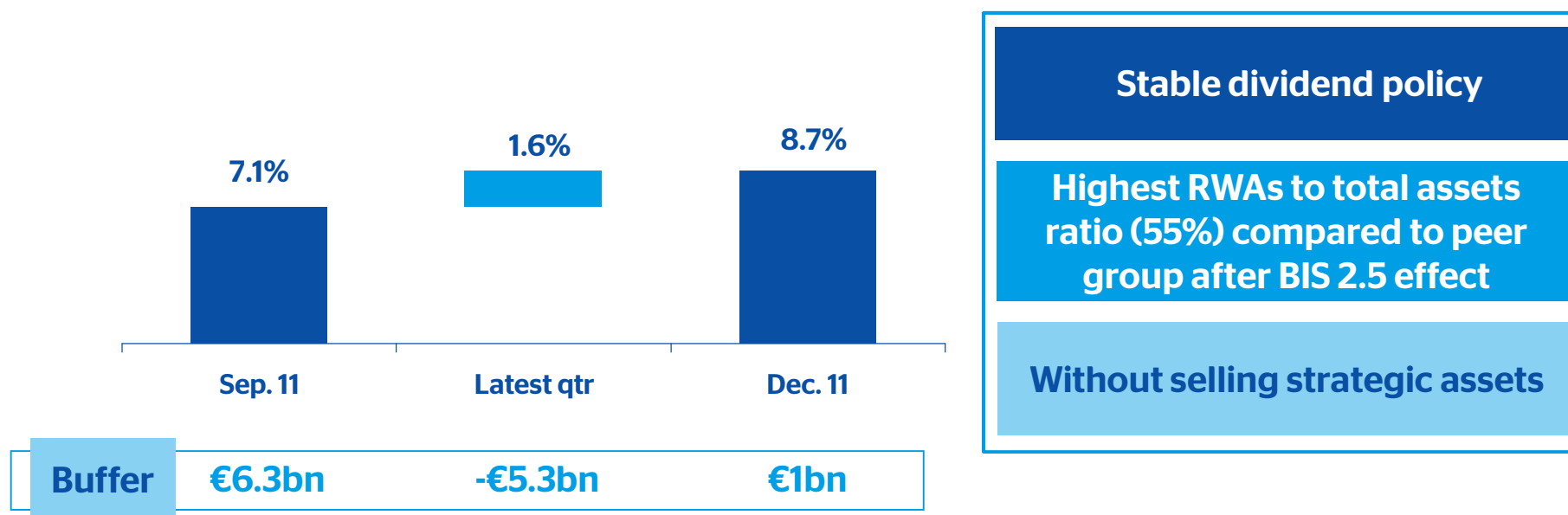
Substantial capacity to generate capital ...

Core capital ratio
BBVA Group
(%)



... that will allow us to meet the EBA recommendations

EBA proforma core capital ratio
BBVA Group
(%)



0.3% EBA gap, which we will easily close before compliance deadline

Solid liquidity of euro balance sheet

1 Lower funding needs

Liquidity gap  -€24bn since May.10
-€4bn in quarter

2 Strategic use of ECB finance lines

€11bn

3 Access to markets despite adverse conditions

4 Lowest redemptions in 2012 amongst peer group

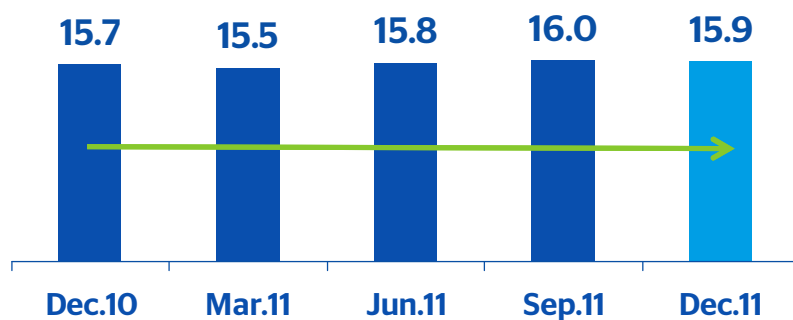
€11bn

5 Enough additional collateral to absorb any liquidity shocks

Risk: very stable indicators

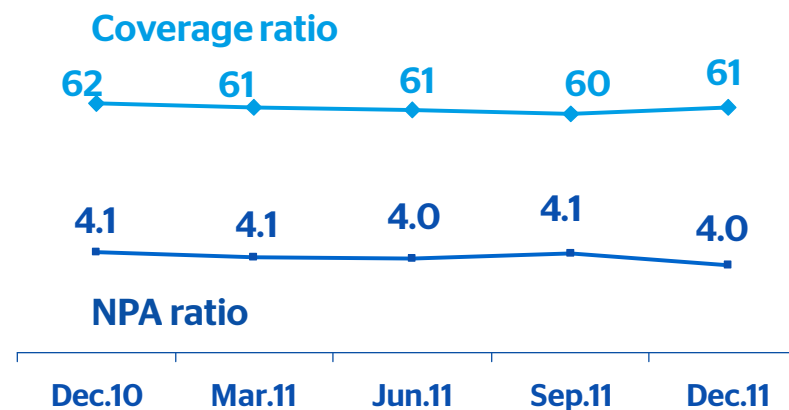
NPAs – net balance

BBVA Group
(€bn)



NPA & coverage ratios

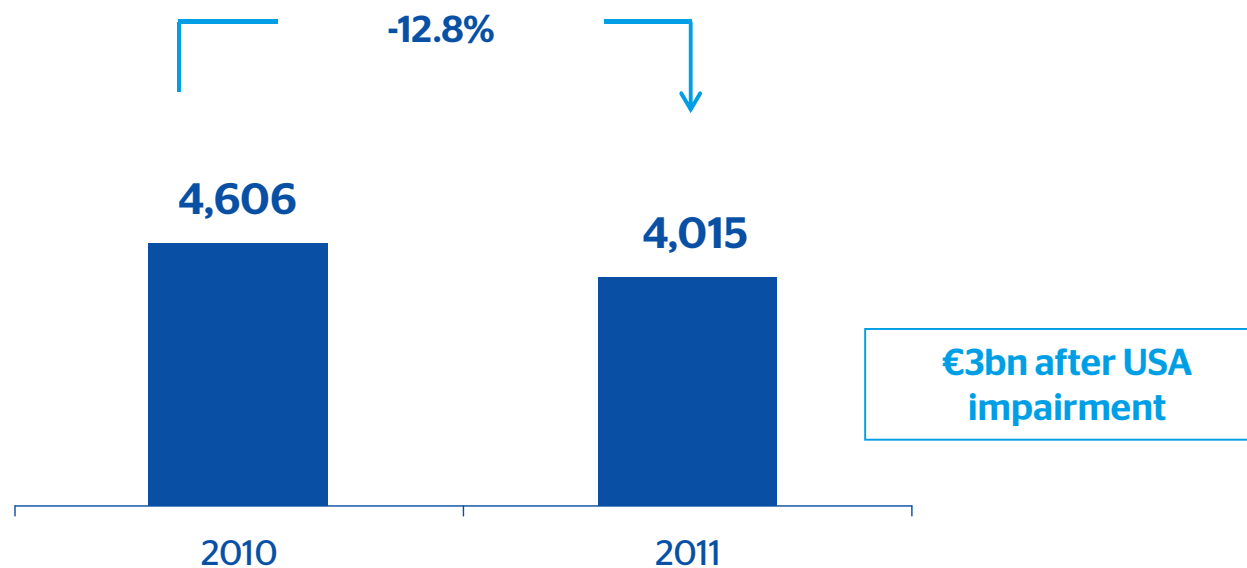
BBVA Group
(%)



For the 8th quarter running

Resilient earnings despite highly complex environment ...

Net attributable profit
BBVA Group
(€m)

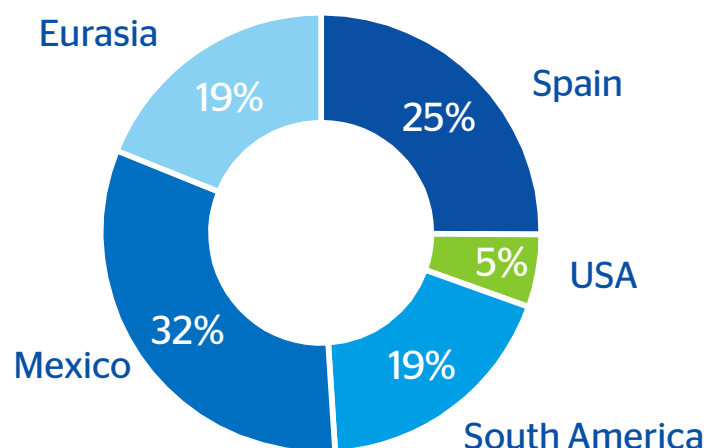


We maintain our ability to generate earnings despite the depth and duration of the crisis

... supported by a suitably diversified portfolio,
differentiated management strategies ...

Breakdown of net attributable profit*

BBVA Group
(€m)



- **Mexico & South America: growth**
- **Spain: resilience and opportunity**
- **USA: transformation**
- **Eurasia: growing contribution**

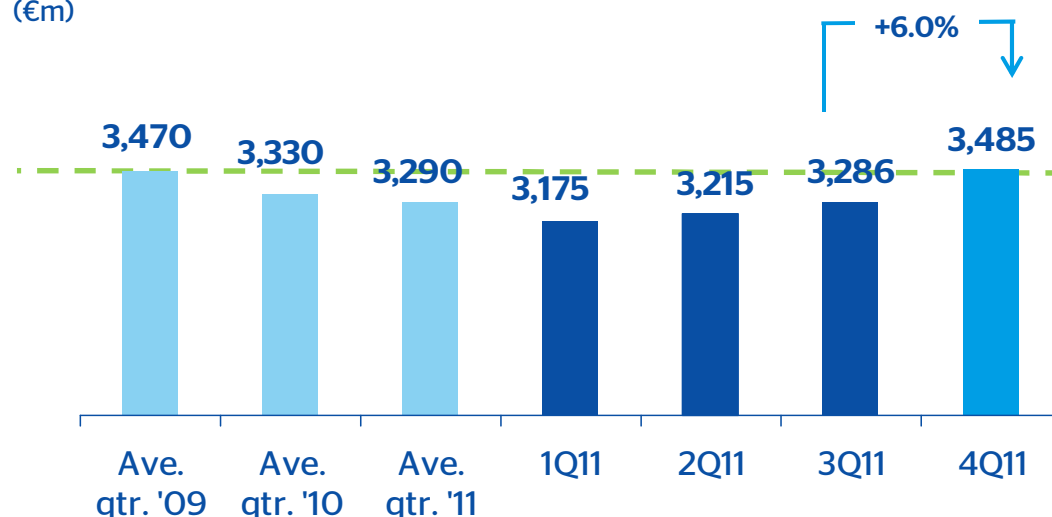
* Excluding corporate activities and USA impairment

... and by resilient net interest income that is now on an upward trend ...

Net interest
income

€13,160m (-1.2%)
(+1.0% in constant €)

Net interest income
BBVA Group
Quarterly average and quarter-on-quarter
(€m)



Highlights

Buoyant activity in emerging economies

Price management in developed economies

Quarterly improvement throughout the year

... demonstrating the power of our
recurrent revenues

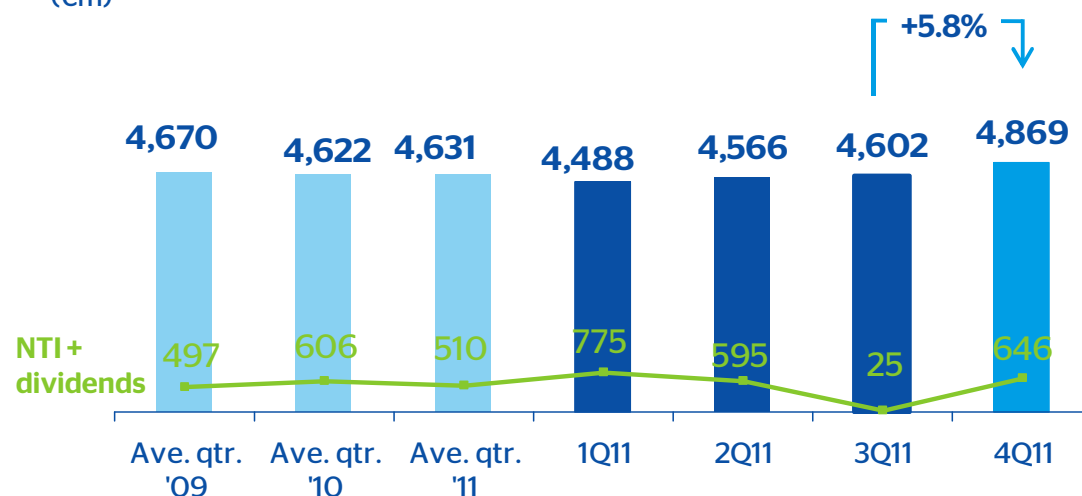
Gross income
€20,566m (-1.6%)
 (+0.3% in constant €)

Gross income excluding NTI + dividends

BBVA Group

Quarterly average and quarter-on-quarter

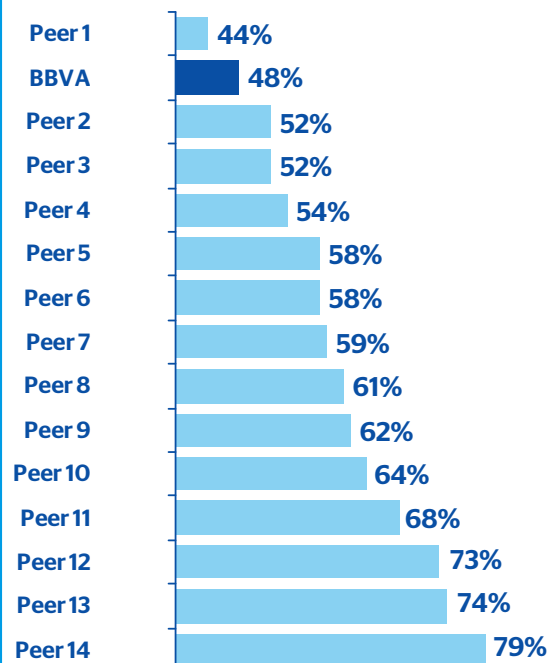
(€m)


**Maintaining the volume of
recurrent revenues ...**
**... and recovery of NTI and
dividend income**

Costs: action to strengthen our future position

Costs
€9,951m (+11.0%)

Ahead in efficiency



Opportunities

- **Growth in emerging economies**
- **Globalisation of retail business**
- **Technological transformation**

Perimeter

+4.2%

Technology

+1.6%

Growth

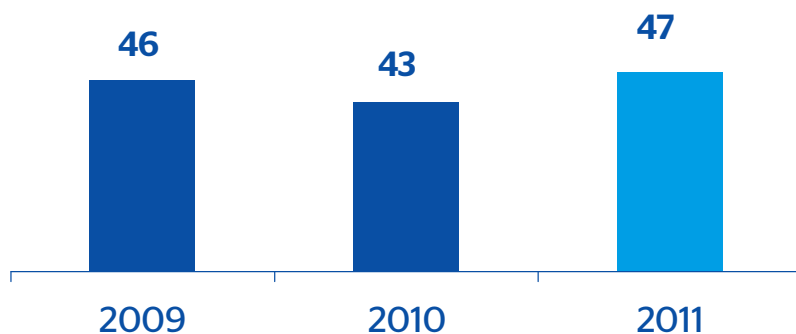
+1.3%

Recurrent business

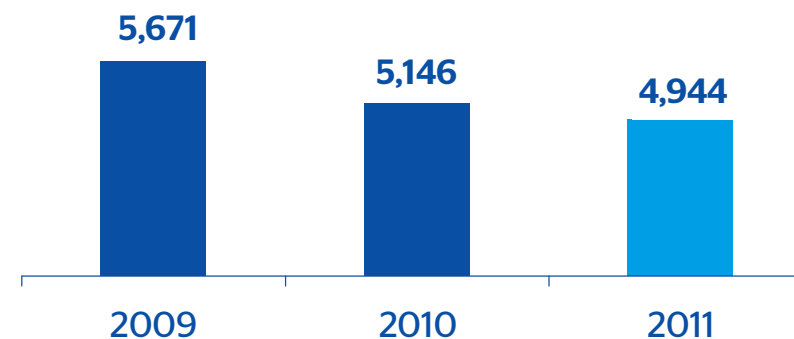
+3.9%
+11.0%

Stable loan-loss and real estate provisioning

Loan-loss and real estate provisioning /
operating income
BBVA Group
(%)



Loan-loss and real estate provisioning
BBVA Group
(€m)



- Stable generic levels during the year
- Coverage reinforced with NTI in quarter (+€200m generic provisions in Spain)

Summary: resilience in difficult times

(€m)

BBVA Group	Accum	Growth 12M11 / 12M10	
	12M11	Abs.	%
Net Interest Income	13,160	-160	-1.2%
Gross Income	20,566	-344	-1.6%
Operating Income	10,615	-1,327	-11.1%
Net Attributable Profit <i>excluding impairment</i>	4,015	-591	-12.8%
Net <i>impairment</i>	-1,011		
Attributable Profit	3,004		

Excluding one-offs

ROE: 10.6%
RORWA: 1.4%
ROA: 0.8%
EPS: €0.85

Shareholder remuneration policy

Proposed shareholder remuneration

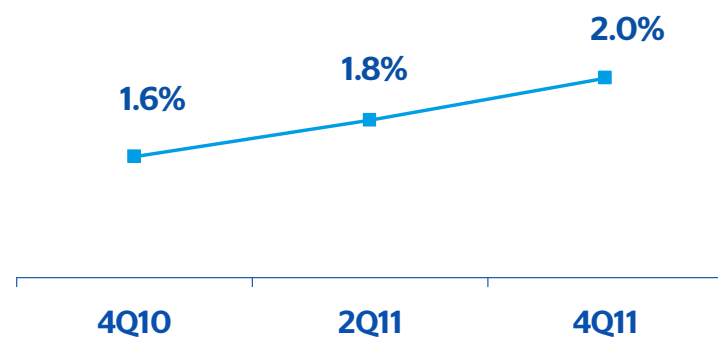
- **Total dividend: €0.42 per share**
- **Maintaining the current payout policy**

1 Highlights

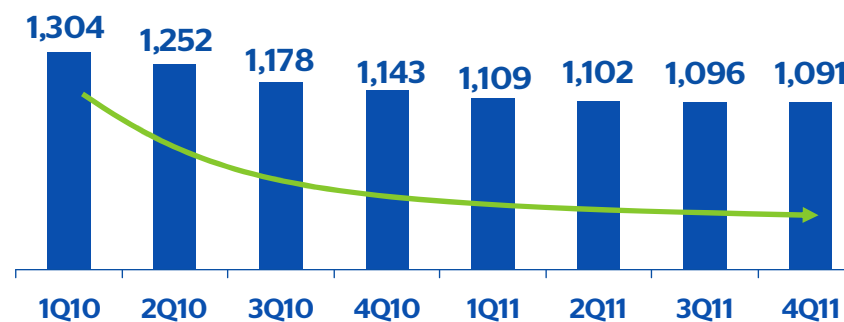
2 Business areas

Spain: net interest income stabilises

Customer spread*
Quarter-by-quarter
(%)



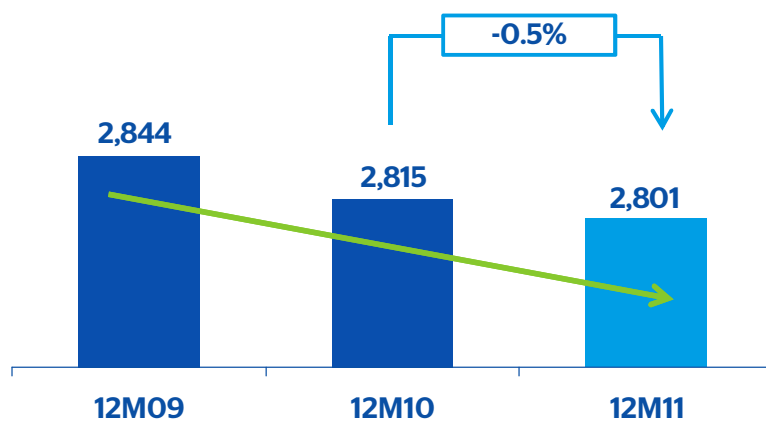
Net interest income
Quarter-by-quarter
(€m)



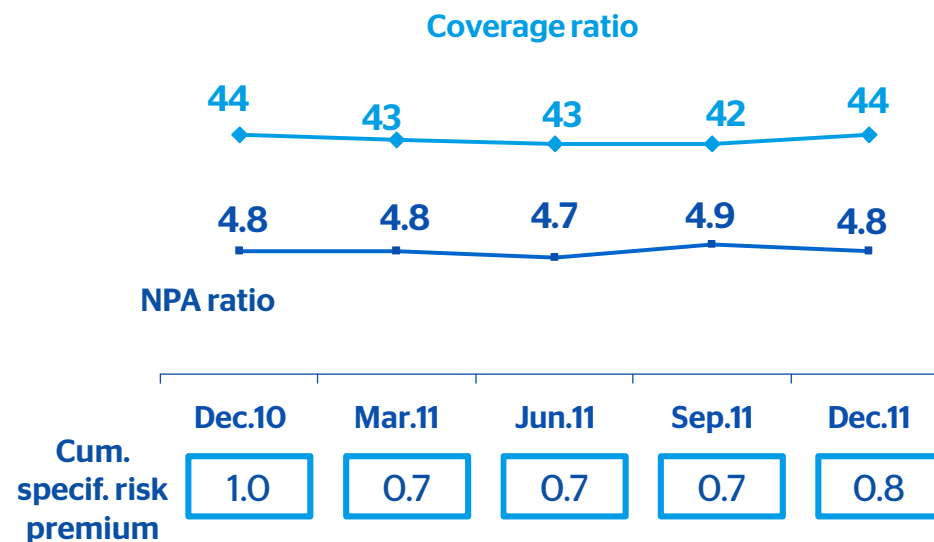
* Excluding markets

Spain: costs and risk contained

Costs
(€m)



NPA & coverage ratios
(%)



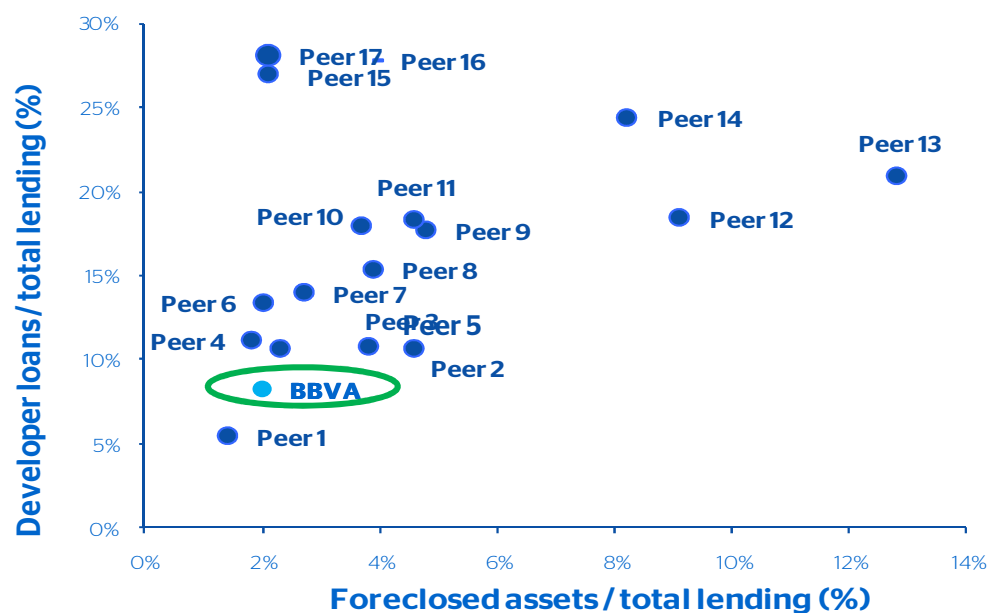
Costs contained since start of crisis

- Risk indicators stable for eight consecutive quarters
- Generic provisions unchanged in year

Spain: better starting point to meet new regulatory requirements related to developers

Exposure to real estate assets with difficulties

BBVA Group vs financial sector
(figures at June 2011)



Operating income
€3,556m

Loan provisioning buffer
€1,865m

Operating income / provisioning
2.1

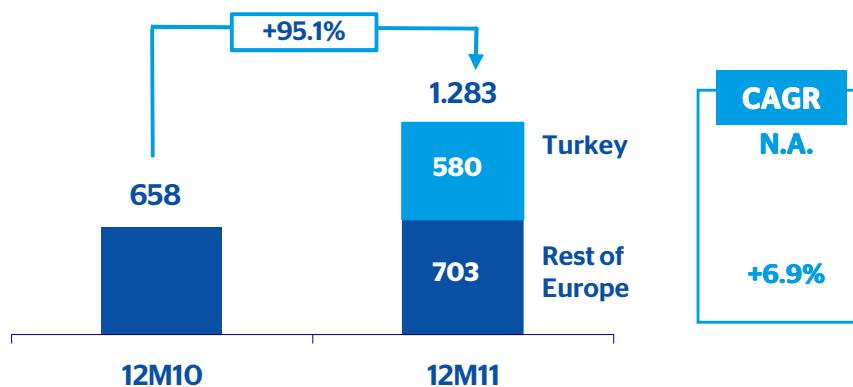
Spain: income statement

(€m)

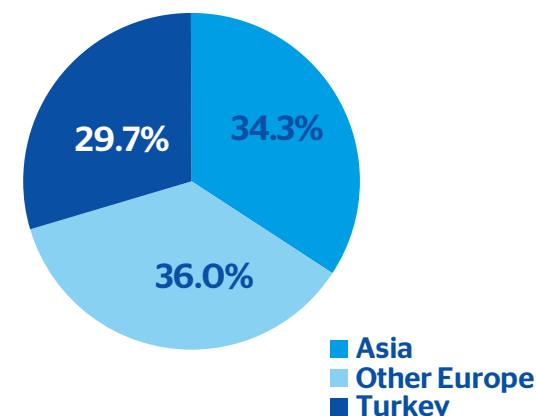
Spain	Accum.	Growth 12M11 / 12M10	
	12M11	Abs.	%
Net Interest Income	4,399	- 478	-9.8%
Gross Income	6,357	- 698	-9.9%
Operating Income	3,556	- 684	-16.1%
Income Before Tax	1,914	-1,246	-39.4%
Net Attributable Profit	1,363	- 892	-39.5%

EurAsia: buoyant activity in all regions

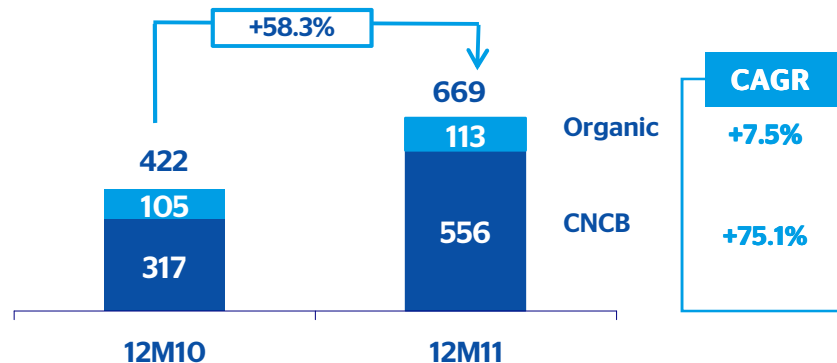
Gross income - rest of Europe
(€m)



Breakdown of gross income - Eurasia
(%)



Gross income - Asia
(€m)



Strong growth in Asia and Turkey, and CIB is resilient in Europe – all in line with previous quarters

EurAsia: income statement

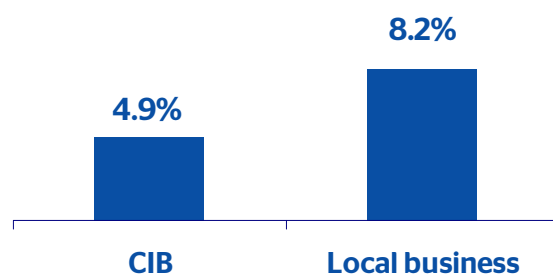
(€m)

EurAsia	Accum.	Growth 12M11 / 12M10	
	12M11	Abs.	%
Net Interest Income	801	+ 456	n.s.
Gross Income	1,952	+ 872	80.7%
Operating Income	1,307	+ 522	66.5%
Income Before Tax	1,170	+ 495	73.3%
Net Attributable Profit	1,027	+ 439	74.8%

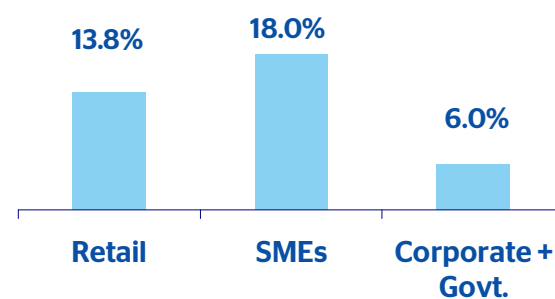
Mexico: local business is driving activity

Lending

Year-on-year change
(% average balances)

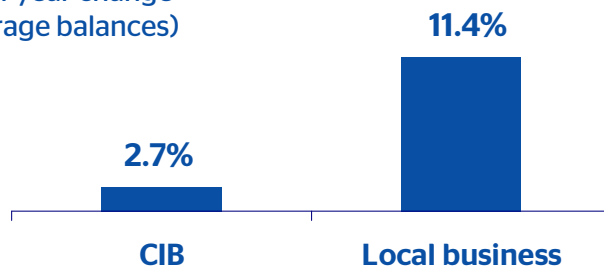


Local business

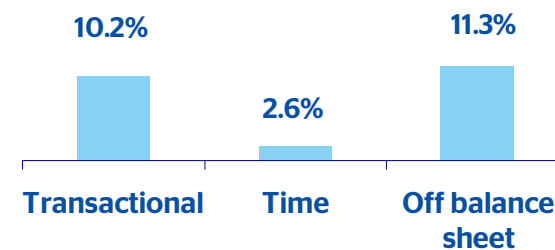


Customer funds

Year-on-year change
(% average balances)



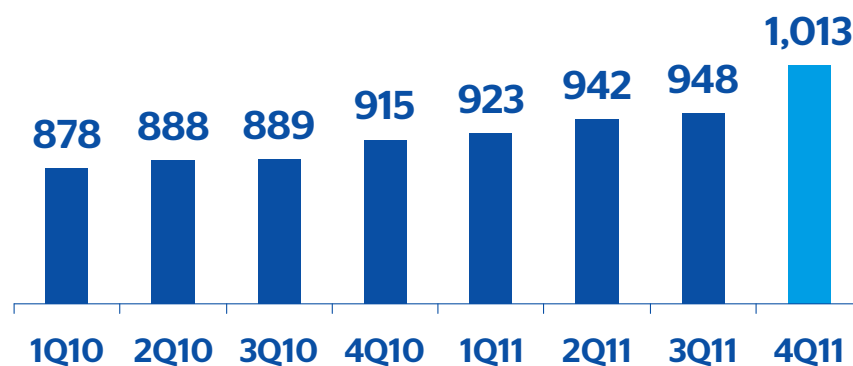
Local business



2.1 million new customers in the last year*

Mexico: upward trend in net interest income

Net interest income
Quarter-by-quarter
(Constant €m)



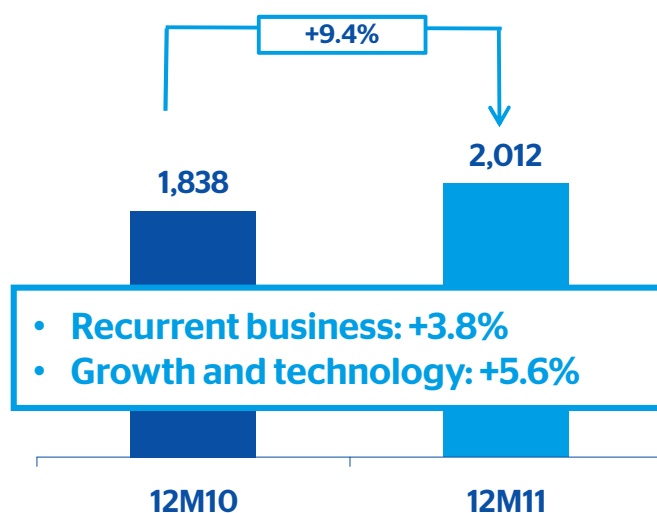
Net interest income
(Cum. yr/yr change)

Local	+14.5%
CIB	+0.2%
Total	+7.2%

Quarterly and annual record for net interest income and gross income

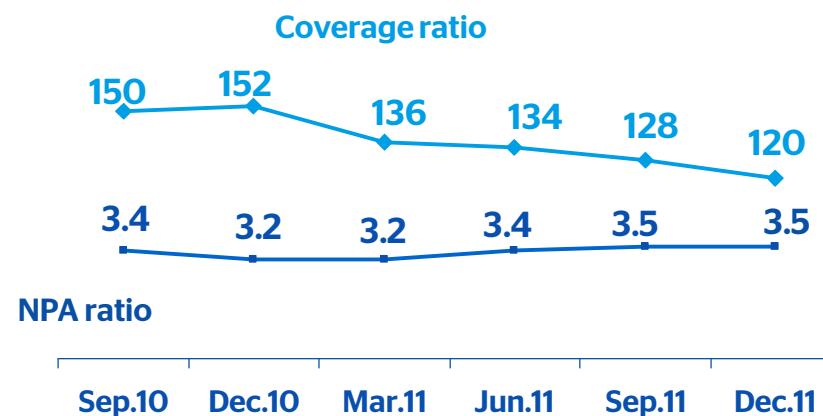
Mexico: costs in line with our growth plans and stable risk premium

Costs
(Constant €m)



- Network segmentation
- ATMs: +950
- POS: +20,308
- Headcount: +1,868

NPA & coverage ratios
(%)



Cum. risk premium

3.9%	3.6%	3.4%	3.4%	3.4%	3.3%
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Mexico: income statement

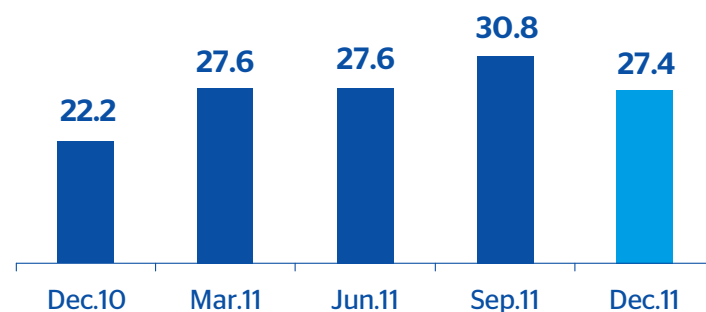
(Constant €m)

Mexico	Accum.	Growth 12M11 / 12M10	
	12M11	Abs.	%
Net Interest Income	3,827	+ 256	7.2%
Gross Income	5,550	+ 231	4.3%
Operating Income	3,539	+ 57	1.6%
Income Before Tax	2,299	+ 92	4.2%
Net Attributable Profit	1,741	+ 89	5.4%

South America: strong growth ...

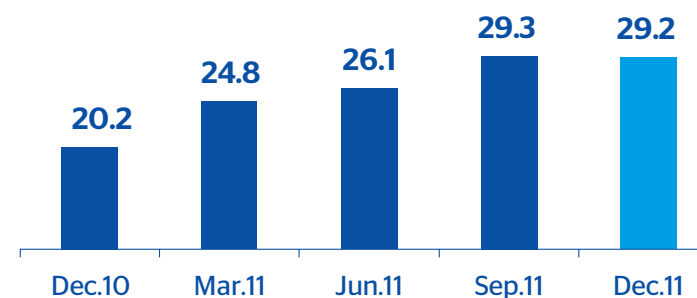
Lending

Year-on-year change
(% average balances)



Cust. funds on balance sheet

Year-on-year change
(% average balances)



Mkt share lending

10.6%
(+10bp yr/yr*)

Mkt share deposits

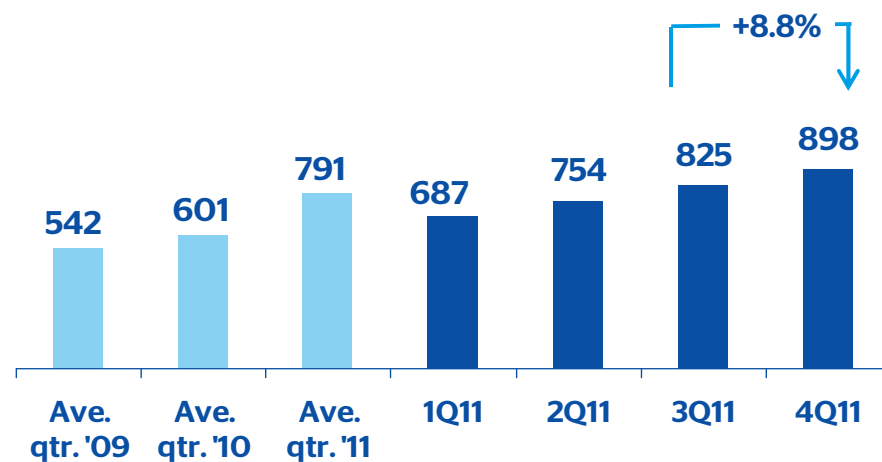
10.4%
(+4bp yr/yr*)

1 million new customers in the last year*

South America: ... leading to higher revenue

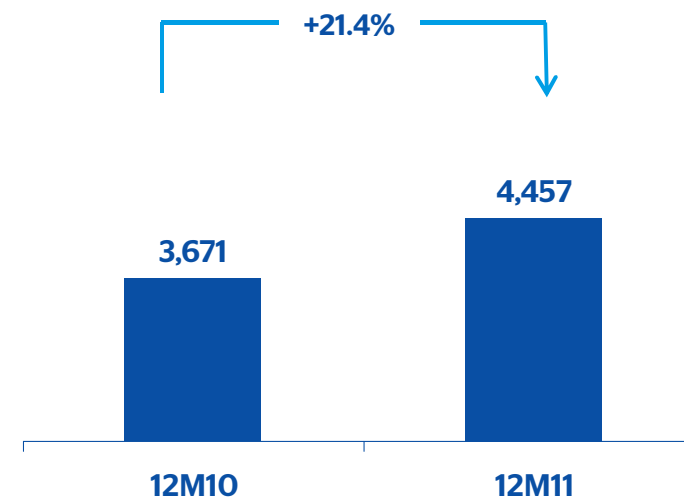
Net interest income

Quarterly average and quarter-on-quarter
(Constant €m)



Gross income

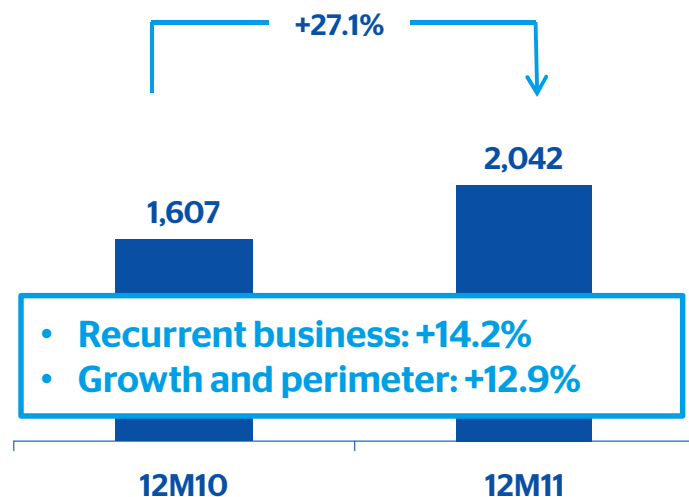
(Constant €m)



New quarterly and annual records for net interest income & gross income

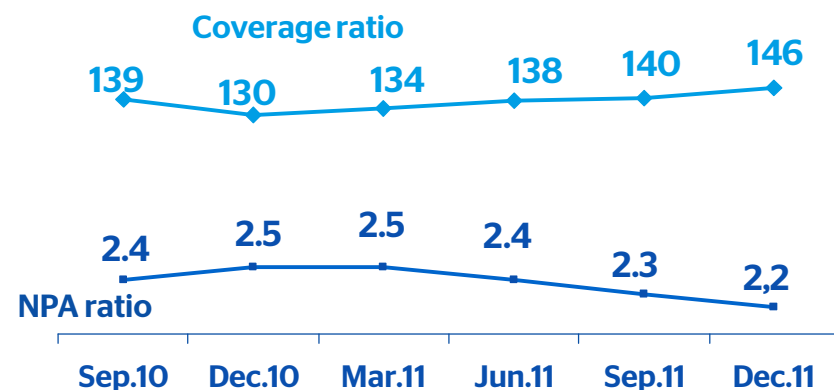
South America: ambitious growth plans for region and best risk indicators in the Group

Costs
(Constant €m)



- Headcount: +1,116
- ATMs: +603
- Branches: +111

NPA & coverage ratios
(%)



Cum. risk
premium

1.5%	1.5%	1.6%	1.3%	1.3%	1.3%
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South America: income statement

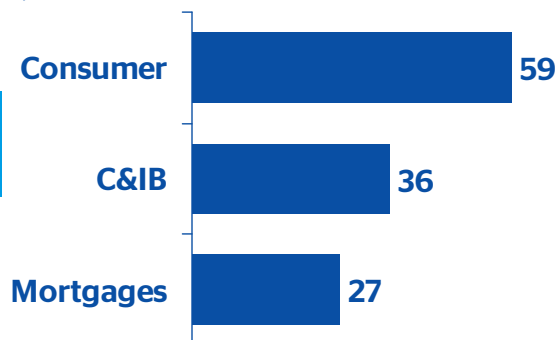
(Constant €m)

South America	Accum.	Growth 12M11 / 12M10	
	12M11	Abs.	%
Net Interest Income	3,164	+ 760	31.6%
Gross Income	4,457	+ 786	21.4%
Operating Income	2,415	+ 351	17.0%
Income Before Tax	1,877	+ 259	16.0%
Net Attributable Profit	1,007	+ 141	16.2%

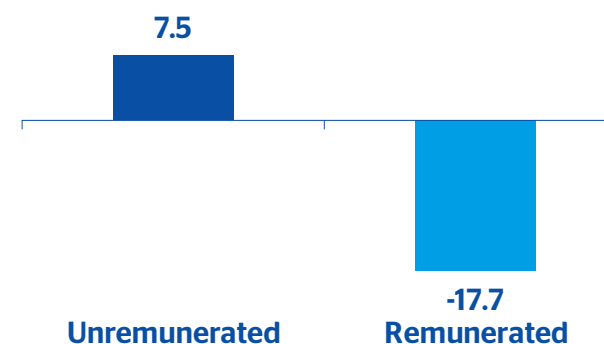
United States: selective growth of business and good price management ...

Activity

Cum. production
Year-on-year change
(%)

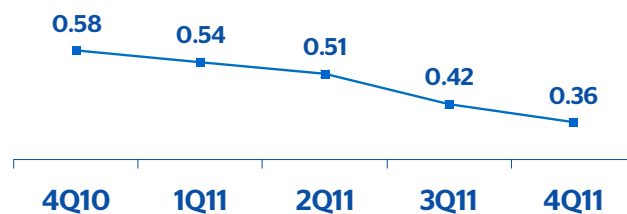


Customer funds on retail balance sheet
Year-on-year change
(% average balances)

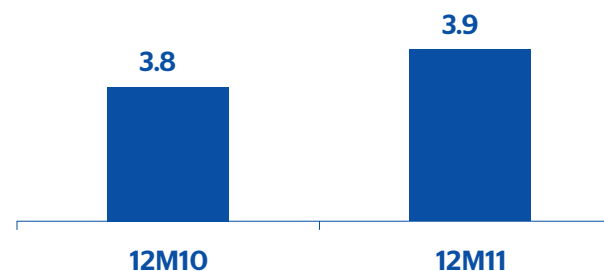


Prices

Cost of deposits
(%)



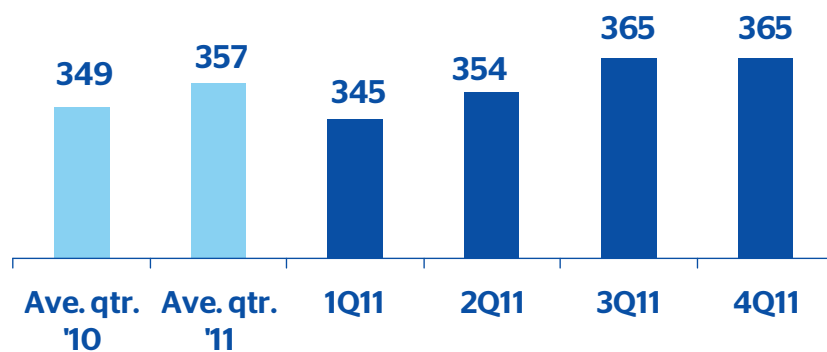
Customer spread
(%)



United States: ... with a positive impact on revenue

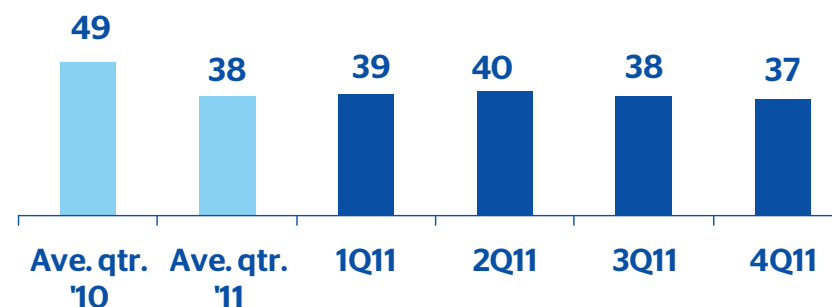
Net interest income - local business

Quarterly average and quarter-on-quarter
(Constant €m)



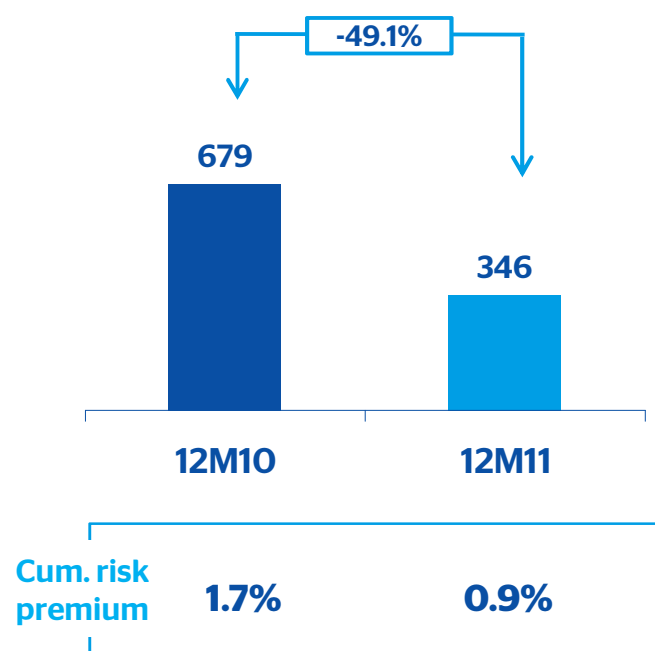
Net interest income - CIB

Quarterly average and quarter-on-quarter
(Constant €m)

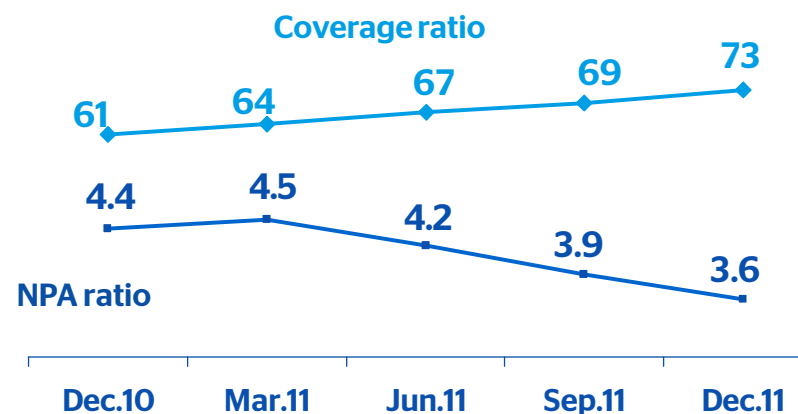


United States: risk levels continue to improve

Loan-loss provisions
(Constant €m)



NPA & coverage ratios
(%)



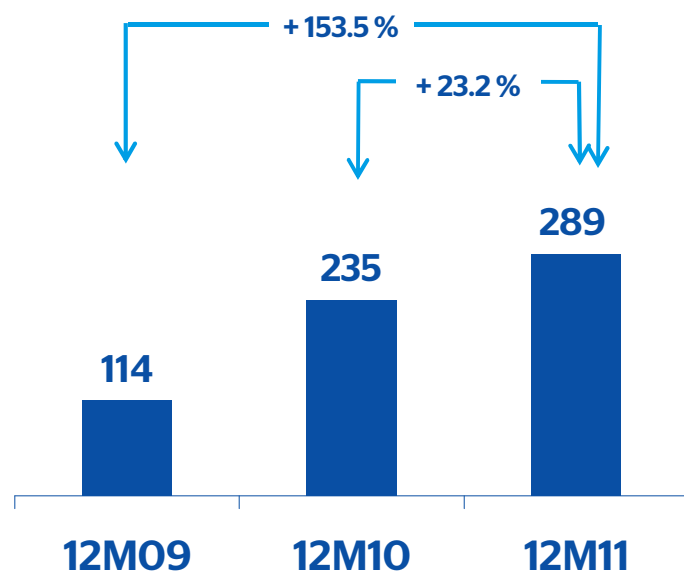
Cumulative

Gross additions to NPA: -41%

Recoveries / additions: 93%

United States: in summary, earnings reflect the transformation of the business model

Net attributable profit
(Constant €m)



Highlights

Change of model

Technological platform

**Evolution of the balance
sheet mix**

Price management

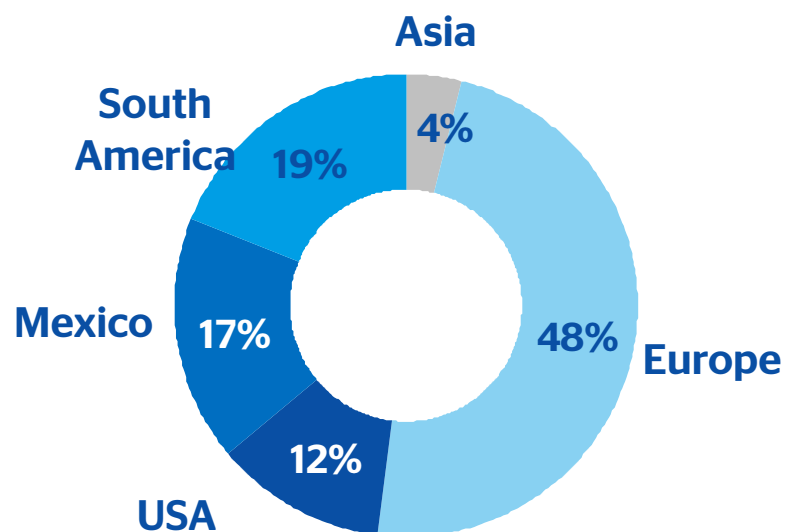
United States: income statement

(Constant €m)

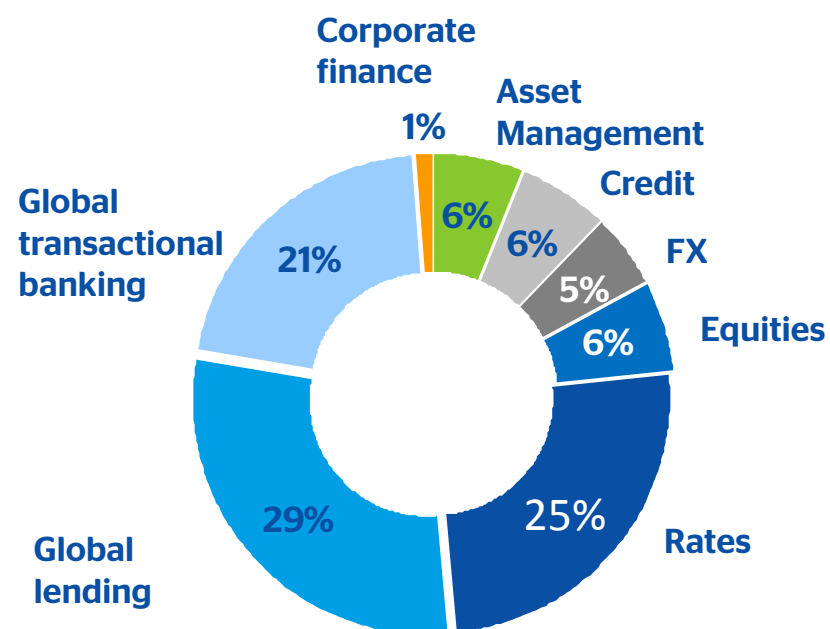
USA	Accum.	Growth 12M11 / 12M10	
	12M11	Abs.	%
Net Interest Income	1,590	- 128	-7.4%
Gross Income	2,277	- 170	-7.0%
Operating Income	786	- 210	-21.1%
Income Before Tax	383	+ 81	27.0%
Net Attributable Profit	289	+ 54	23.2%

WB&AM: revenue diversification

Gross income by geographic region
(Figures at 12M11, %)

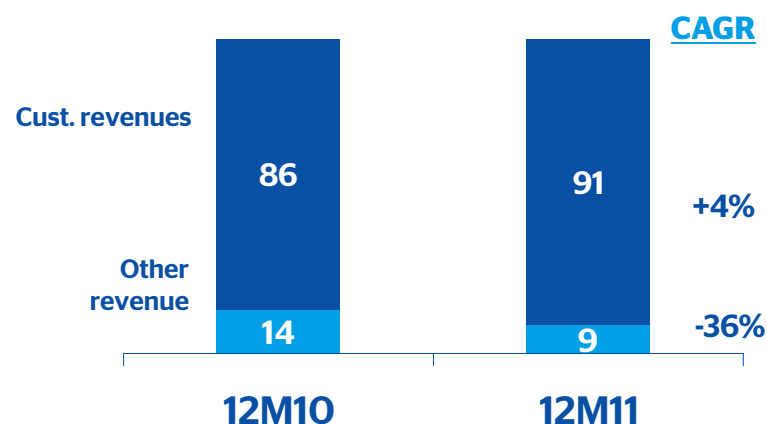


Gross income by product
(Figures at 12M11, %)



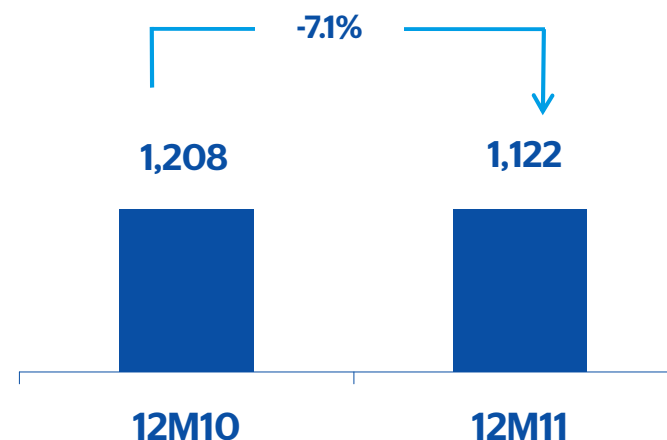
WB&AM: stronger revenue from customers and resilience despite adverse conditions

Breakdown and evolution of gross income (%)



Stronger customer franchise

Net attributable profit (Constant €m)



Resilience despite conditions

WB&AM: income statement

(Constant €m)

WB &AM	Accum.	Growth 12M11 / 12M10	
	12M11	Abs.	%
Gross Income	2,724	- 72	-2.6%
Operating Income	1,776	- 207	-10.4%
Income Before Tax	1,673	- 110	-6.2%
Net Attributable Profit	1,122	- 86	-7.1%

BBVA: structurally resilient and able to adapt to new scenarios ...

1 Capital

Compliance with EBA recommendations without selling strategic assets

2 Liquidity

Market access despite adverse conditions and a solid position in readiness for 2012

3 Risk

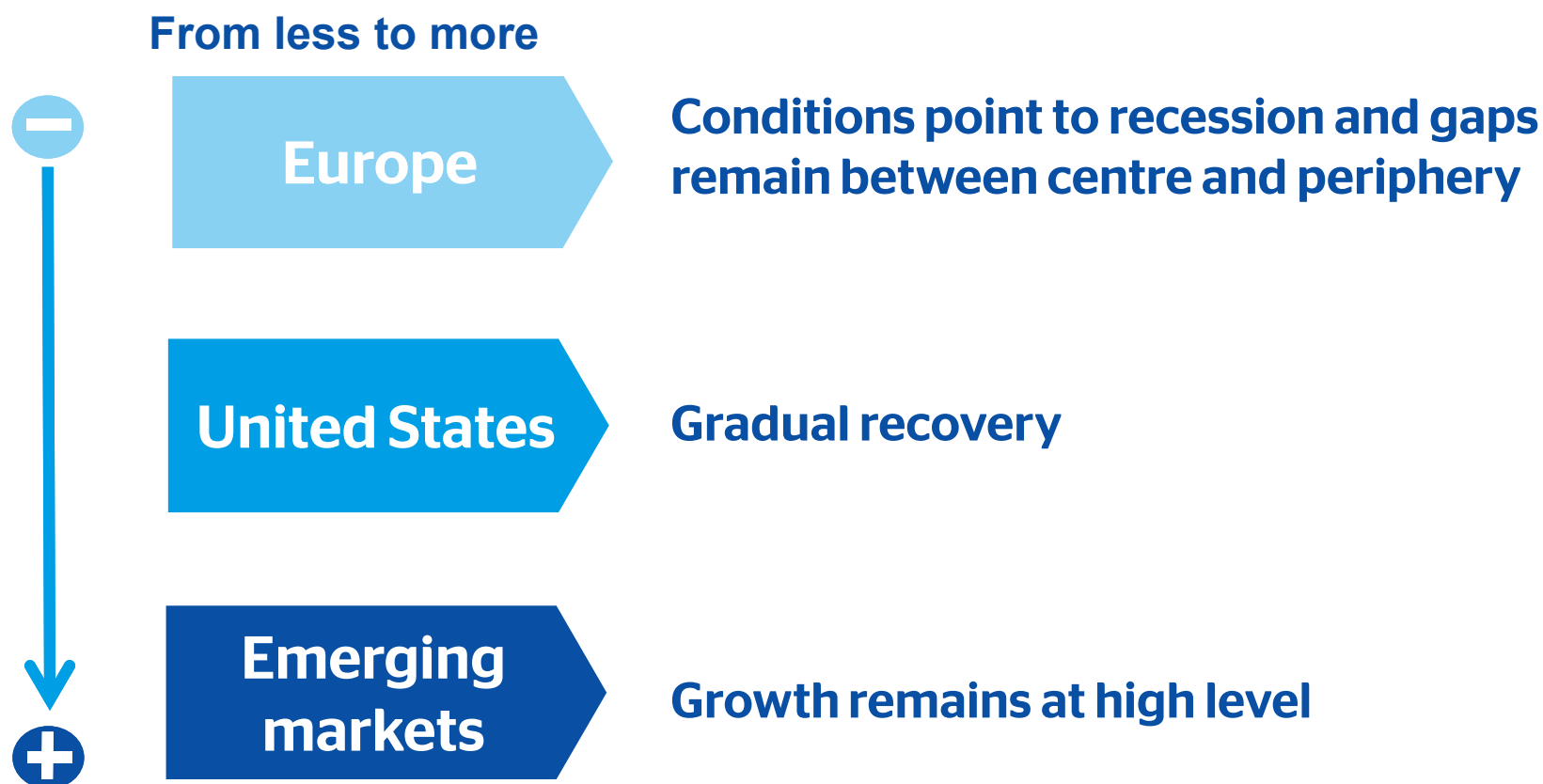
Highly stable indicators thanks to prudent strategy and anticipation

4 Earnings

Resilience with recovery of upward trend in revenue and investing for the future

The result of a forward-looking business model

2012: wide economic differences persist



World-wide slowdown and outlook conditioned by European debt crisis

2012: BBVA Group**1****Capital****> 9% (EBA recommendation)****2****Liquidity****Stress-free****3****Risk****Stable indicators****Spain: organic capacity to absorb potential regulatory impacts****4****Earnings****Earnings growing in all geographic regions**



2011 Results

A n g e l C a n o , B B V A ' s P r e s i d e n t & C O O

February 2nd 2012