

First quarter results 2011

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

May 5th 2011

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Different economies

Emerging

**Engines of global
growth**

Developed

Slow recovery
**Differences between
regions**



1 Group Highlights

2 Geographical areas

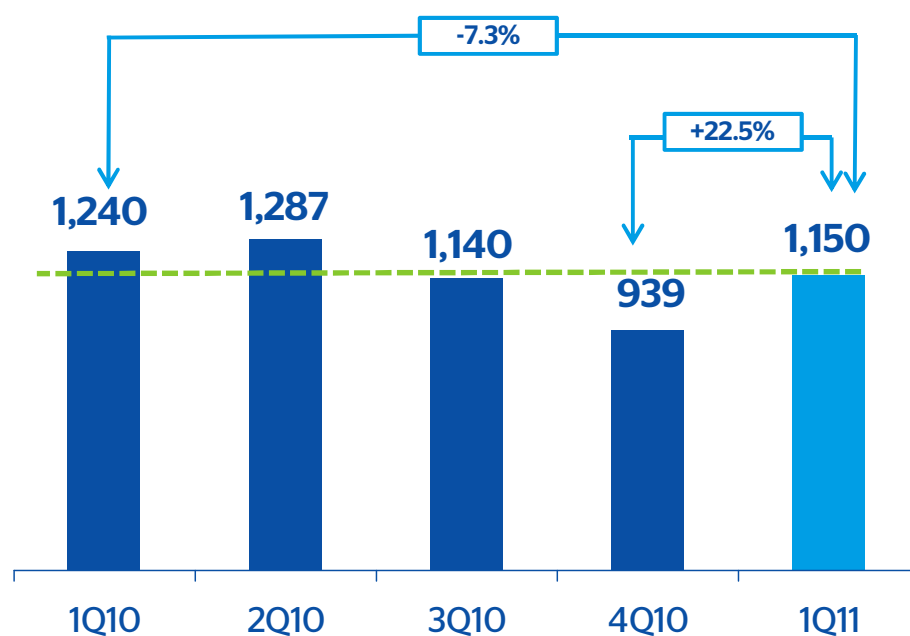
1Q11 highlights

1**1Q11 earnings are higher than 3Q10 and 4Q10****2****Fifth consecutive quarter of improvement in risk indicators****3****Core capital ratio of 8.9% after incorporating Garanti****4****Record gross income in Mexico and South America****5****Franchises strengthened in developed economies**

Strong earnings

Net attributable profit

BBVA Group
(€m)



Highlights

Good performance of revenues

Growth plans in expanding franchises

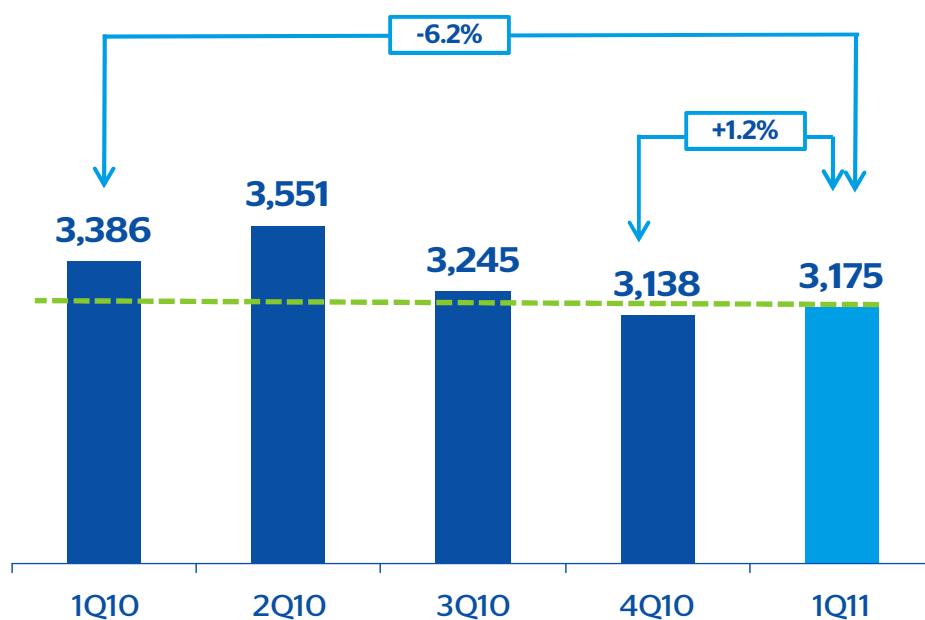
Performance of emerging economies

Risk premium improves

Resilience of net interest income ...

Net interest income

BBVA Group
(€m)



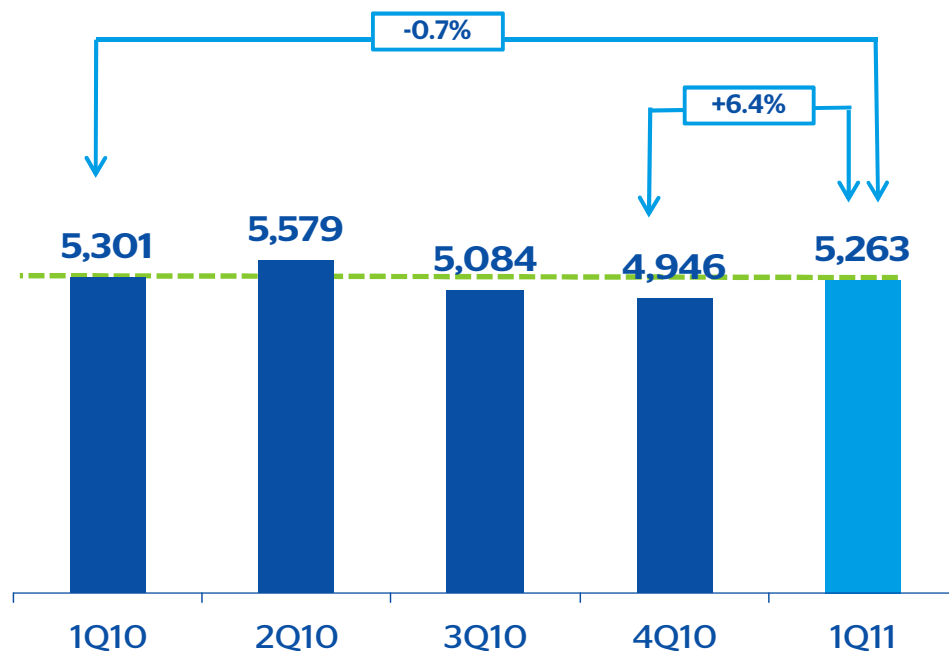
Resilience

- Buoyant activity in **emerging** economies
- Slower decline in **developed** economies

Good performance by emerging economies offsets decline in developed markets

... and good performance of other revenue sources

Gross income
BBVA Group
(€m)



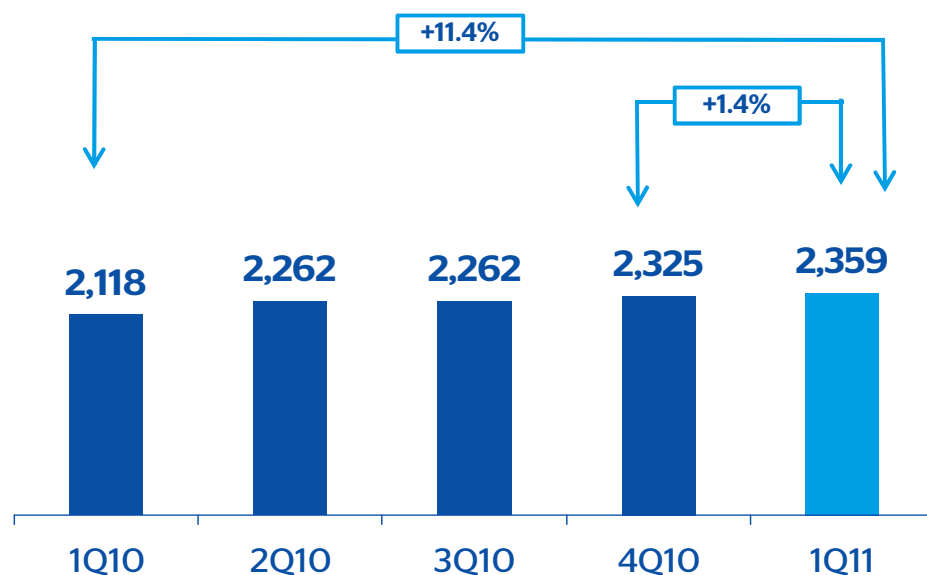
High NTI in quarter

- Markets activity
- Portfolio sales in the Americas

Additional generic allocation of
€175M

Costs are in line with our growth plans ...

Costs
BBVA Group
(€m)



Technology

Investment: +15.9%

Depreciation: +11.2%

Distribution capability in emerging markets

Staff

Branches

ATMs

+3,710

+67

+1,181

Yr-on-yr

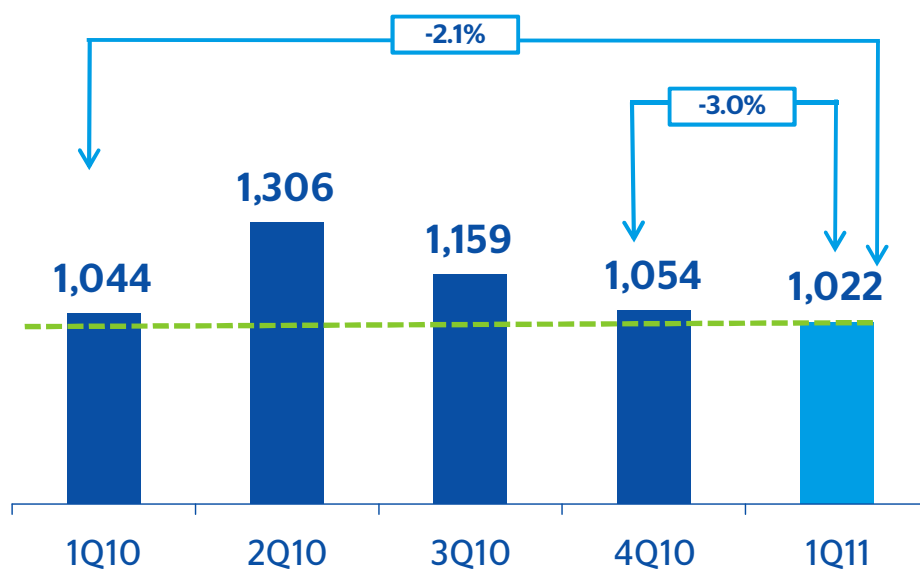
Qtr-on-qtr

Yr-on-yr

... and improvement in risk premium

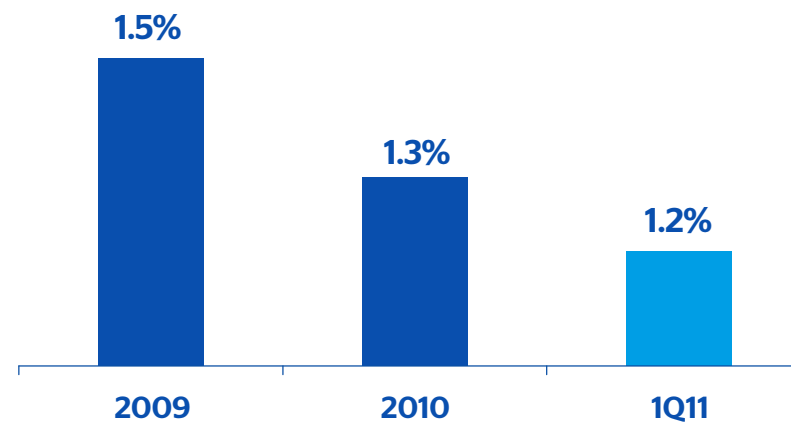
Loan-loss provisions

BBVA Group
(€m)



Cumulative risk premium

BBVA Group
(%)



In summary, very resilient earnings ...

Income statement

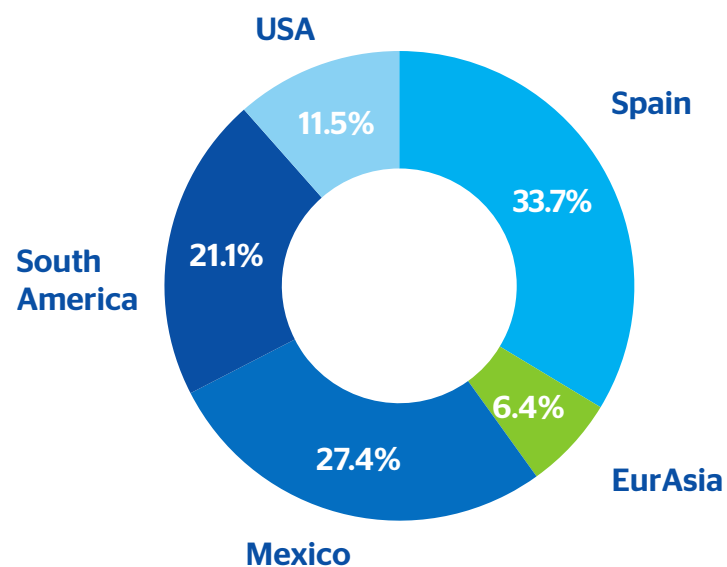
BBVA Group
(€m)

BBVA Group	Accum. 1Q11	Growth		
		1Q11 / 1Q10		1Q11 / 4Q10
		Abs.	%	%
Net Interest Income	3,175	- 211	-6.2%	1.2%
Gross Income	5,263	- 38	-0.7%	6.4%
Operating Income	2,904	- 279	-8.8%	10.8%
Income Before Tax	1,659	- 203	-10.9%	42.9%
Net Attributable Profit	1,150	- 90	-7.3%	22.5%

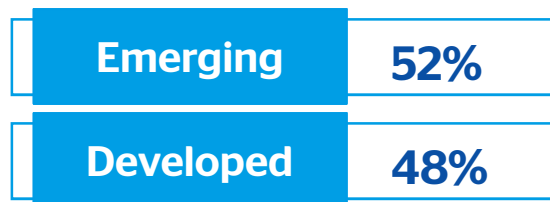
ROA
0.95%
ROE
12.8%

... well balanced by geographies

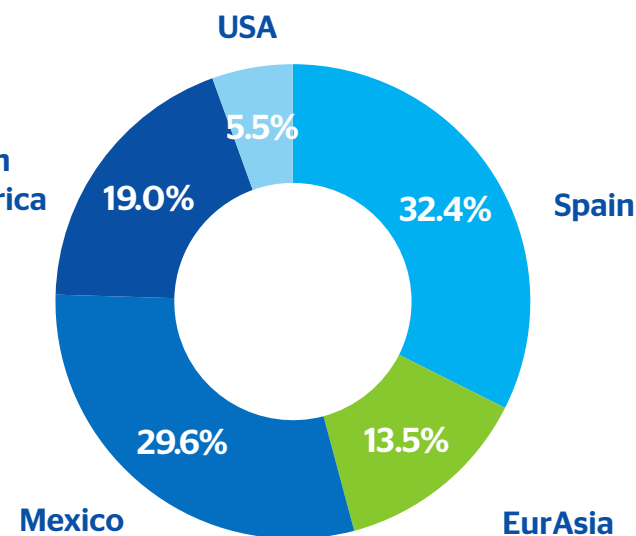
Gross income by geographies*
BBVA Group
(%)



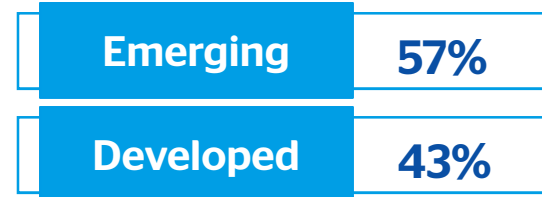
Break down *



Net attributable profit by geographies*
BBVA Group
(%)



Break down *



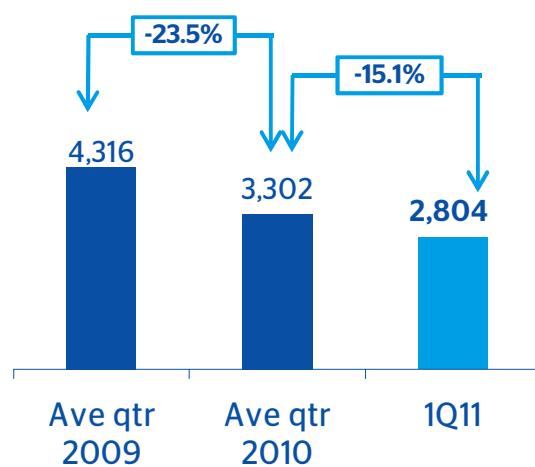
* Excludes Corporates Activities

1Q11 highlights

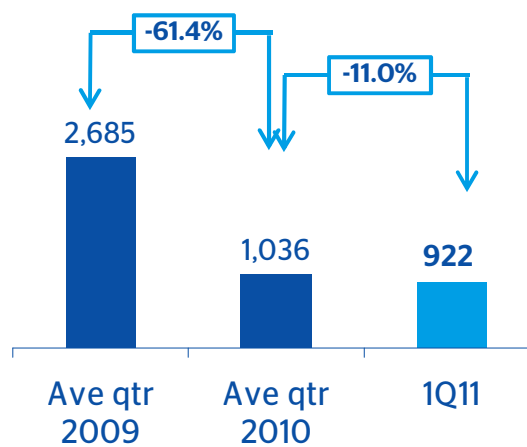
1**1Q11 earnings are higher than 3Q10 and 4Q10****2****Fifth consecutive quarter of improvement in risk indicators****3****Core capital ratio of 8.9% after incorporating Garanti****4****Record gross income in Mexico and South America****5****Franchises strengthened in developed economies**

Decreases in NPA balances ...

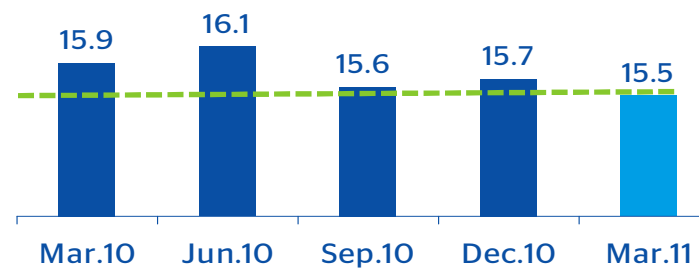
Gross additions to NPA
BBVA Group
(€m)



Net additions to NPA
BBVA Group
(€m)

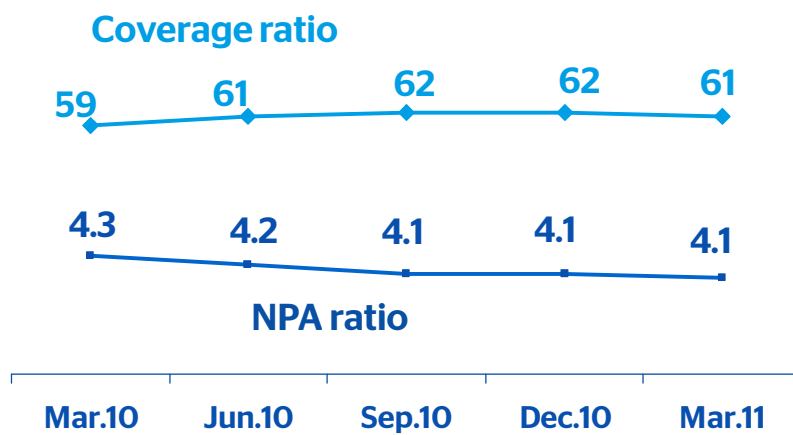


Balance of NPA
BBVA Group
(€bn)

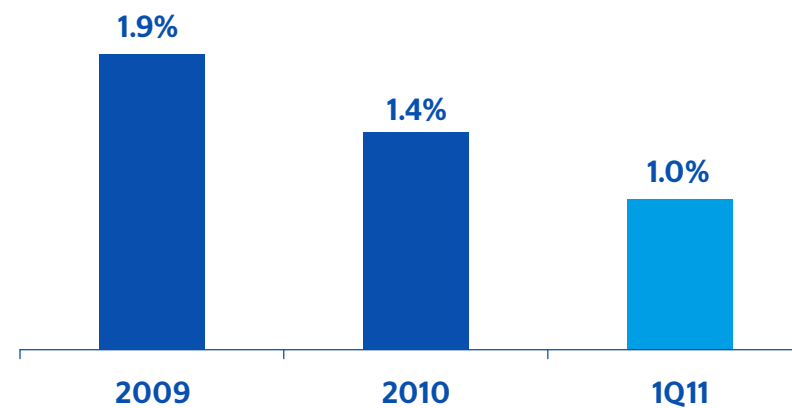


... and improvement in risk indicators

NPA & coverage ratios
BBVA Group
(%)



Specific risk premium accum.
BBVA Group
(%)

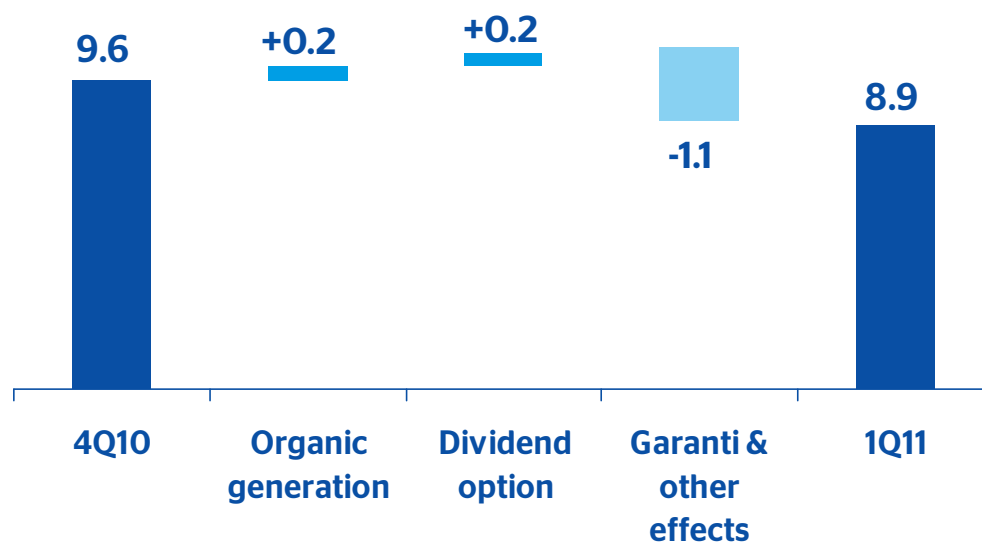


1Q11 highlights

1**1Q11 earnings are higher than 3Q10 and 4Q10****2****Fifth consecutive quarter of improvement in risk indicators****3****Core capital ratio of 8.9% after incorporating Garanti****4****Record gross income in Mexico and South America****5****Franchises strengthened in developed economies**

Capital base strengthened

Core capital ratio
BBVA Group
(%)



Core Capital	8.9%
Tier 1	9.8 %
BIS Ratio	13.0%

Moody's confirm Aa2 rating

Solid financial and liquidity positions

Customer funds euro: +11.7% year-on-year

70% of euro maturities in 2011 are already covered

\$2 billion issue in Mexico

Additional €62 billion available in collateral at euro level

1Q11 highlights

1**1Q11 earnings are higher than 3Q10 and 4Q10****2****Fifth consecutive quarter of improvement in risk indicators****3****Core capital ratio of 8.9% after incorporating Garanti****4****Record gross income in Mexico and South America****5****Franchises strengthened in developed economies**

Emerging markets: strong growth

Vigorous business ...

Lending*

Mexico

+14.0%

South America

+28.6%

Customer funds*

+8.6%

+15.9%

* Average balances

... is boosting earnings to record levels

Gross income

Mexico

€1,437M
(+4.3%)

S. Amer.

€1,106M
(+16.4%)

Asia

€147M
(+96.8%)

Turkey

€24M
n.a.

Net attributable profit

€436M
(+17.3%)

€280M
(+17.5%)

€116M
(+123%)

€12M
n.a.

Record gross income in Mexico, South America and Asia

1Q11 highlights

1**1Q11 earnings are higher than 3Q10 and 4Q10****2****Fifth consecutive quarter of improvement in risk indicators****3****Core capital ratio of 8.9% after incorporating Garanti****4****Record gross income in Mexico and South America****5****Franchises strengthened in developed economies**

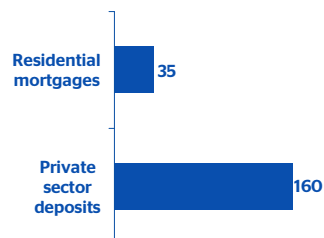
Developed markets: franchises strengthened

Spain

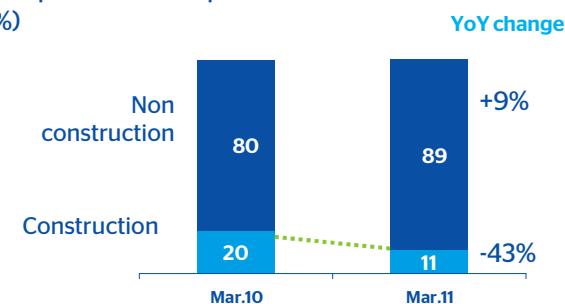
USA

Focused growth

Market share gains
Feb.11 vs Feb.10
(bp)



Compass BG - loan portfolio
(%)



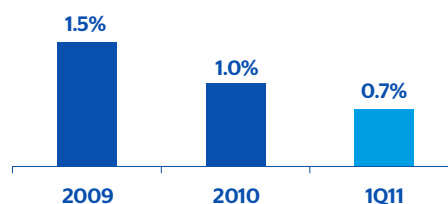
Spread management

- Slower decline in net interest income
- Customer spreads during quarter: +14 bp

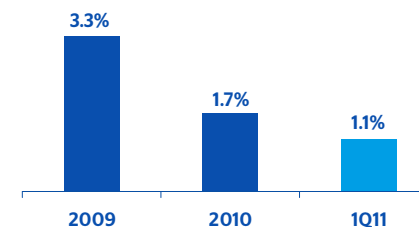
- Customer spreads: +17 bp yr-on-yr

The risk profile improves

Specific risk premium accum.



Risk premium accum.



In summary ...

1. Strong earnings

Net attributable profit: €1.15 billion
1Q11 net interest income is higher than 4Q10

2. Risk indicators improve

NPA ratio: - 3 bp
Risk premium accum: -13 bp
Net additions to NPA: -11 %

3. Strong balance sheet

70% of euro maturities in 2011 already covered
Euro customer funds: +11.7% yr-on-yr

4. Strong growth in emerging economies

Record gross income in Mexico, South America and in Asia

5. Outperforming the sector average in developed economies

Market share gains in Spain and firmer fundamentals in USA



BBVA

1Q11 Results / May 5th 2011

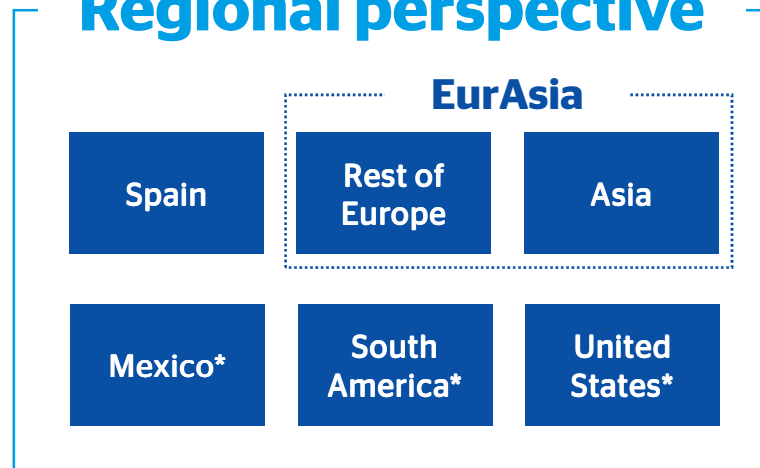
Contents

1 Group Highlights

2 Geographical areas

Changes in the reporting structure

Regional perspective



Reasons

- More consistent with business
- More comparable
- Incorporation of new regions (Garanti)
- Global reporting of WB&AM

* Areas not affected by the change in reporting structure

Geographical areas: highlights

Spain

Slower rate of decline in net interest income, market share gains and superior risk indicators

EurAsia

Growing contributions from strategic investments in China and Turkey, and from wholesale business in Europe

Mexico

Strong business activity results in record revenues and risk stabilises

South America

Dynamic activity, main margins at record levels and the best risk indices in the Group

United States

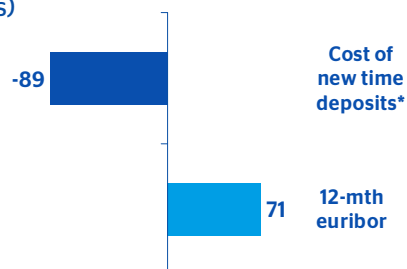
Positive signs of business activity with a better mix and a jump in attributable profit

WB&AM

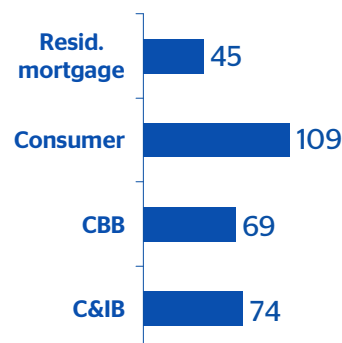
Revenues are recurrent and more diversified, reflecting a stronger customer franchise

Spain: positive dynamics lead to slower decline in net interest income

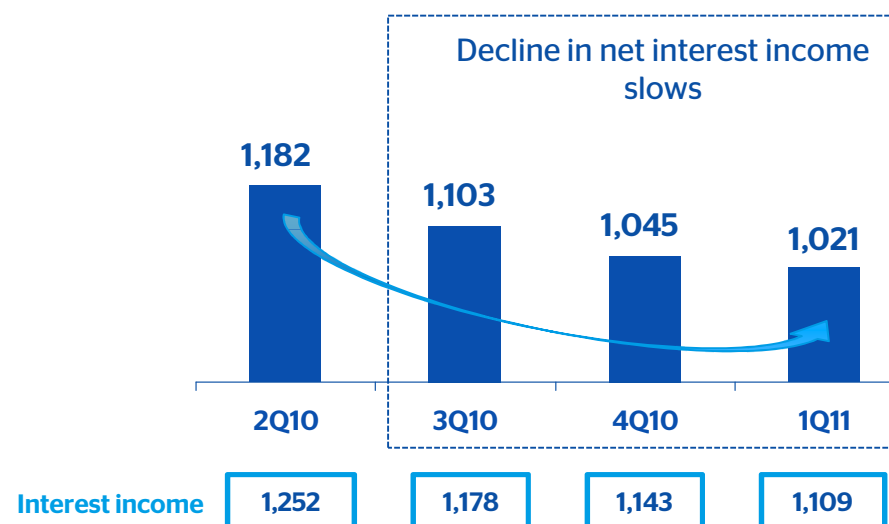
Cost of gathering time deposits vs 12-mth euribor
Variation Mar.11 vs 2010 maximum
(Basis points)



Spreads on new business origination
Variation Mar.11 vs 2010 minimum
(basis points)



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

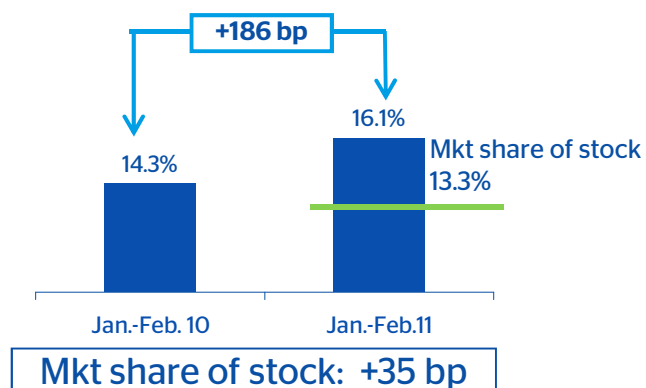


Customer spread: +14bp in the quarter

From less to more in the second half of 2011

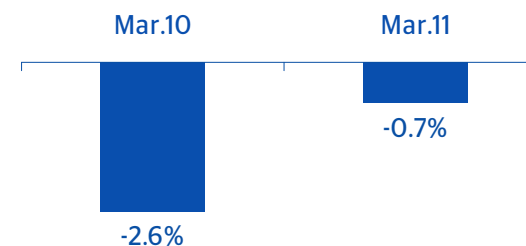
Spain: market share gains in key items continue

Mkt share of new residential mortgages (%)

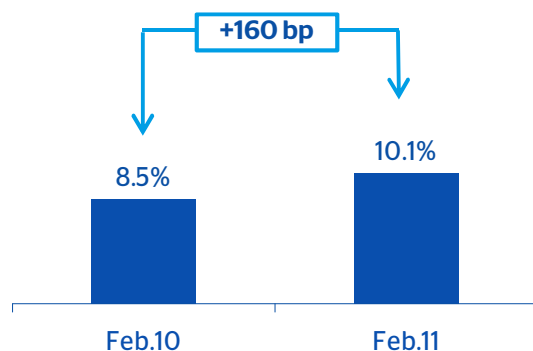


Lending

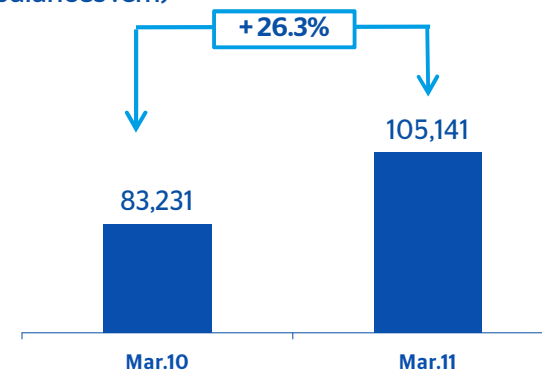
Average balances .Year-on-year variation (%)



Mkt share private sector deposits (%)

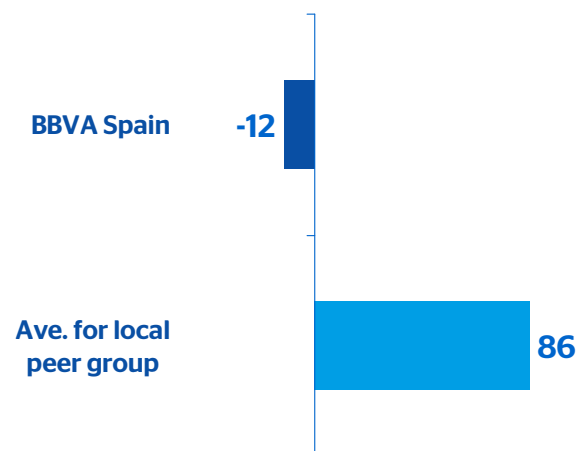


Customer funds on balance sheet
(Average balances .€m)

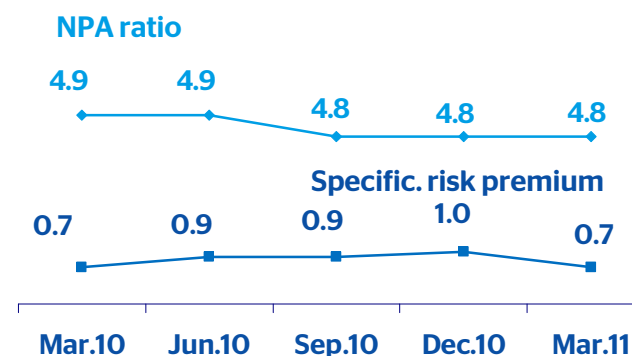


Spain: outperforming in risk indicators for another quarter

NPA ratio
BBVA Spain vs local peer group ⁽¹⁾
Mar.11 vs Mar.10
(basis points)



NPA ratio and specific risk premium accum.
(%)



Plus €175M allocation to generic provisions

⁽¹⁾ Local peer group: BANKIA, BTO, BKT, CAIXA, B. CM, POP, SAB and SAN. Latest available data used where there is no figure for Mar.11.

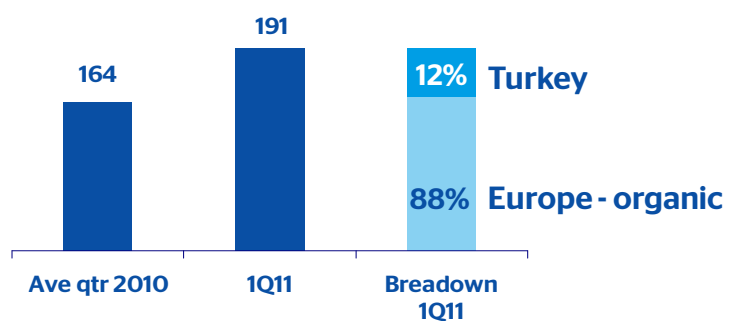
Spain: income statement

(€m)

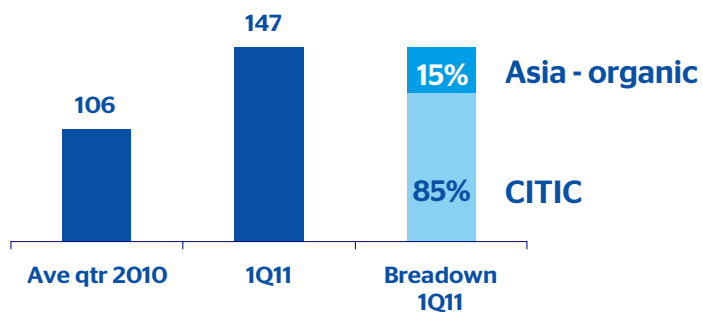
Spain	Accum.	Growth		
		1Q11 / 1Q10		1Q11 / 4Q10
	1Q11	Abs.	%	%
Net Interest Income	1,109	-195	-14.9%	-3.0%
Gross Income	1,767	-162	-8.4%	10.9%
Operating Income	1,062	-176	-14.2%	24.8%
Income Before Tax	672	-336	-33.3%	32.4%
Net Attributable Profit	477	-238	-33.3%	27.3%

EurAsia: buoyant business in both areas

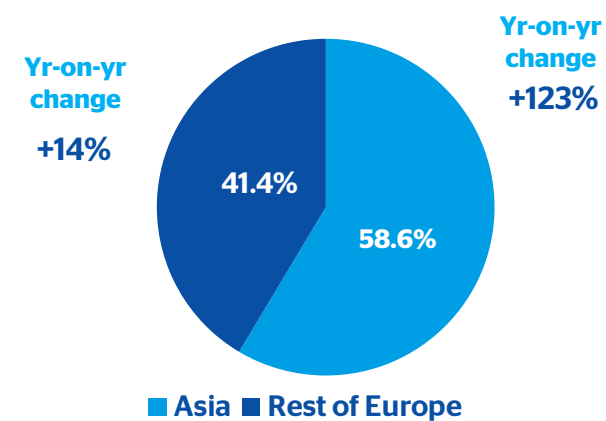
Rest of Europe - gross income
(€m)



Asia - gross income
(€m)



EurAsia - breakdown of net attrib. profit
(%)



EurAsia: income statement

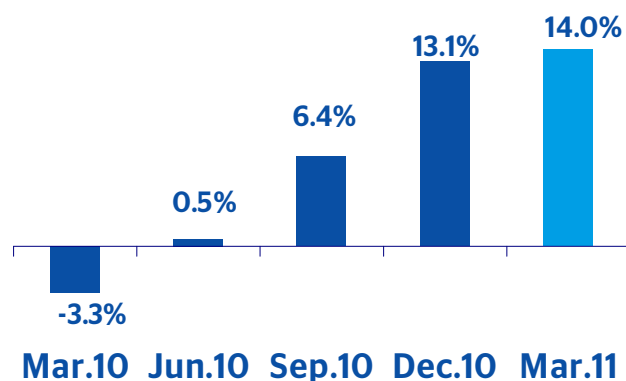
(€m)

EurAsia	Accum.	Growth		
		1Q11 / 1Q10		1Q11 / 4Q10
	1Q11	Abs.	%	%
Net Interest Income	104	+ 23	28.6%	6.5%
Gross Income	337	+ 108	47.0%	0.1%
Operating Income	249	+ 90	56.4%	-3.0%
Income Before Tax	226	+ 77	51.3%	25.3%
Net Attributable Profit	198	+ 74	60.0%	17.0%

Mexico: surge in business

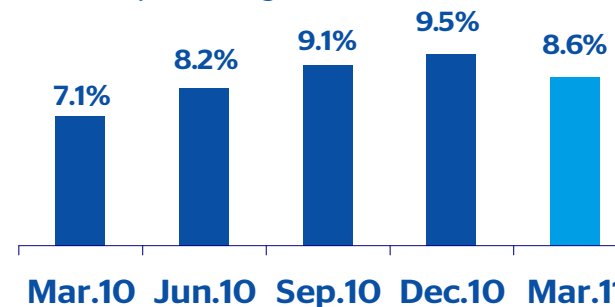
Lending

Average balances .
(Year-on-year change.%)



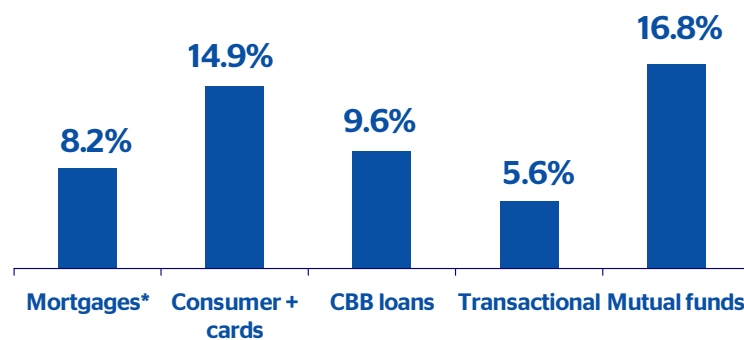
Customer funds

Average balances .
(Year-on-year change.%)



New business by product/segment

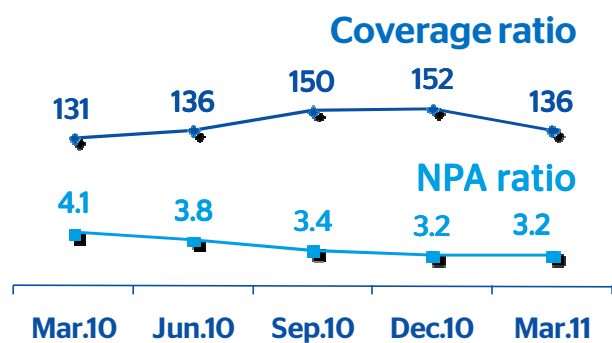
(Year-on-year change.%)



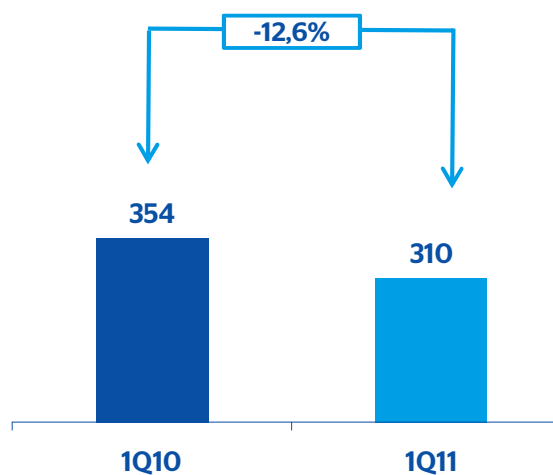
Market share gains in main items

Mexico: improvement in risk premium

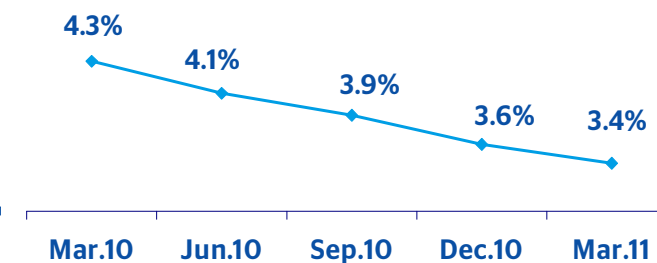
NPA & coverage ratios
(%)



Provisions
(Constant €m)



Cumulative risk premium
(%)

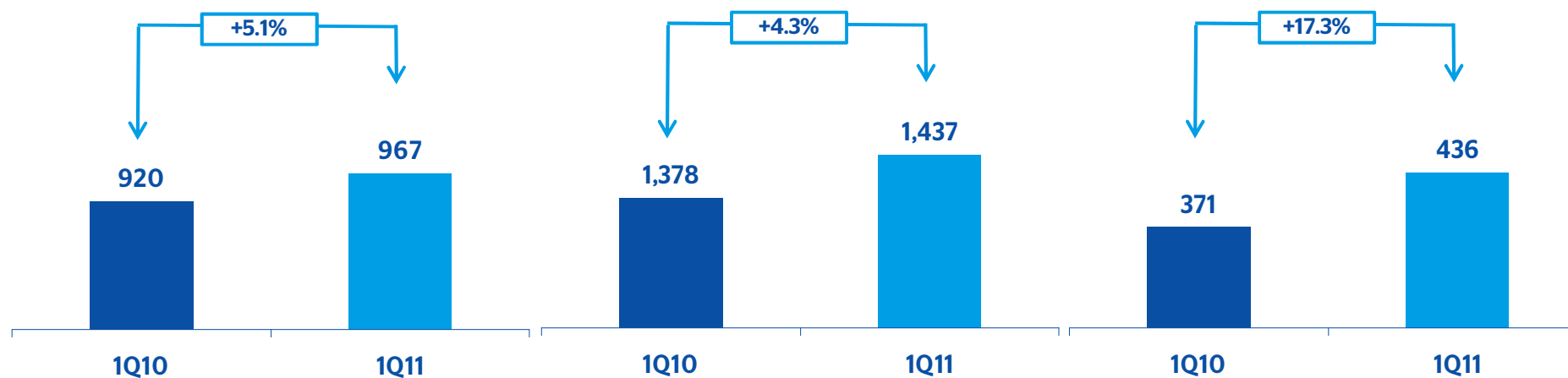


Mexico: in summary, strong results

Net interest income
(Constant €m)

Gross income
(Constant €m)

Net attributable profit
(Constant €m)



Record revenues and sharp increase of bottom line

Mexico: income statement

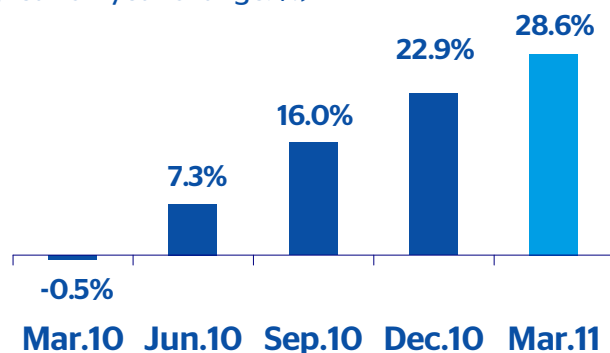
(Constant €m)

Mexico	Accum. 1Q11	Growth		
		1Q11 / 1Q10		1Q11 / 4Q10
		Abs.	%	%
Net Interest Income	967	+ 47	5.1%	0.8%
Gross Income	1,437	+ 59	4.3%	2.9%
Operating Income	916	+ 17	1.8%	2.1%
Income Before Tax	595	+ 75	14.5%	3.2%
Net Attributable Profit	436	+ 64	17.3%	-5.5%

South America: buoyant business

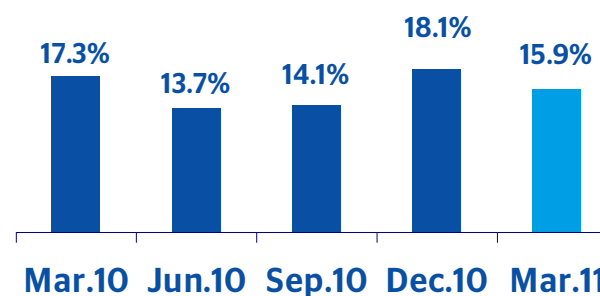
Lending

Average balances .
(Year-on-year change. %)



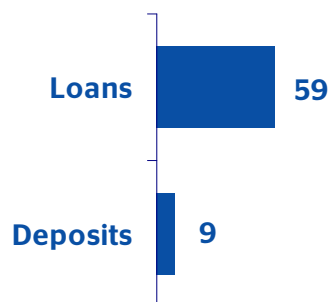
Customer funds

Average balances .
(Year-on-year change. %)



Market Share

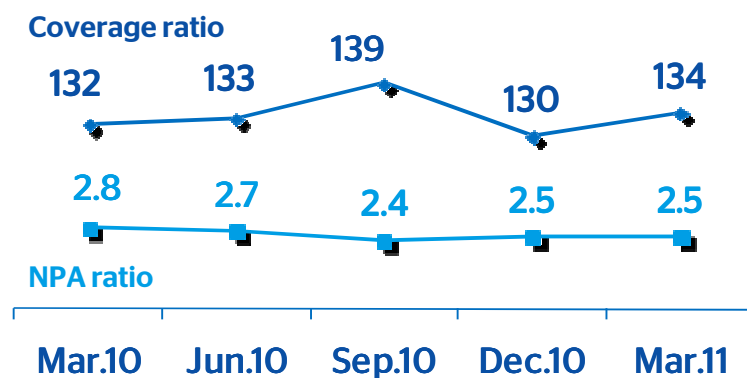
Change: Feb.11 vs Dec.10
(basis points)



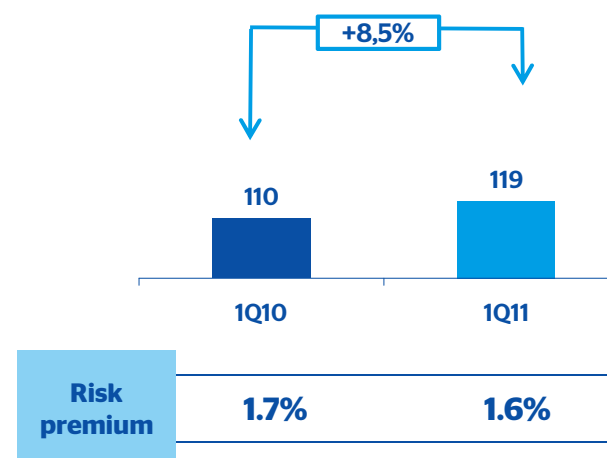
Market share gains in main items

South America: best risk indicators in the BBVA Group

NPA & coverage ratios
(%)



Loan-loss provisions
(Constant €m)

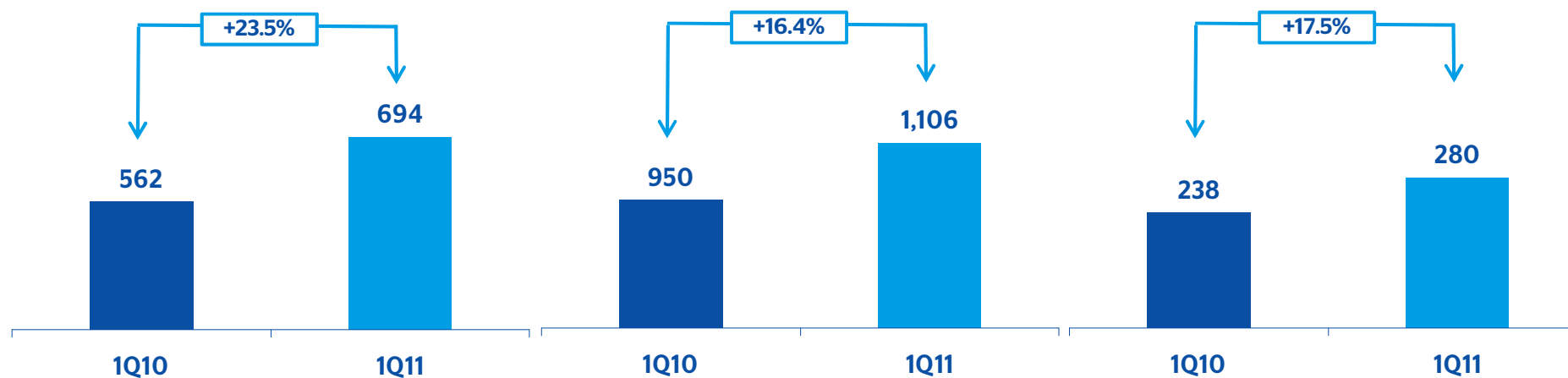


South America: in summary, excellent results

Net interest income
(Constant €m)

Gross income
(Constant €m)

Net attributable profit
(Constant €m)



Record level of main lines

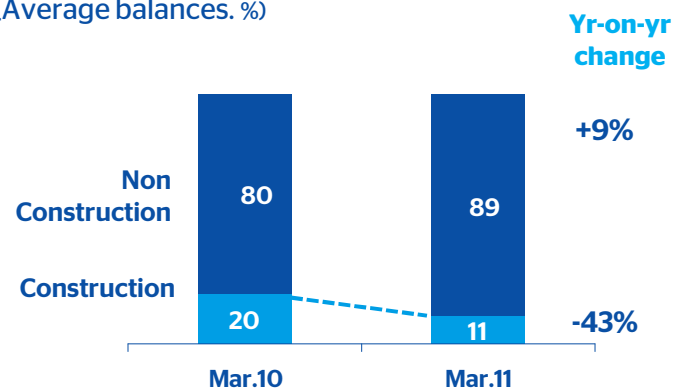
South America: income statement

(Constant €m)

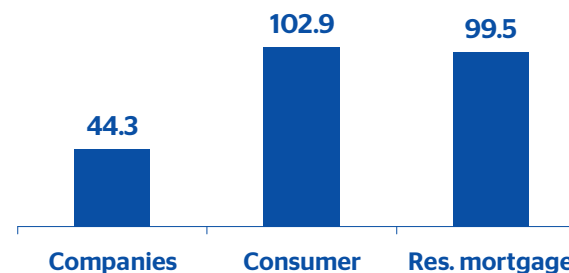
South America	Accum. 1Q11	Growth		
		1Q11 / 1Q10		1Q11 / 4Q10
		Abs.	%	%
Net Interest Income	694	+ 132	23.5%	7.5%
Gross Income	1,106	+ 156	16.4%	13.7%
Operating Income	639	+ 62	10.7%	22.0%
Income Before Tax	503	+ 49	10.9%	29.7%
Net Attributable Profit	280	+ 42	17.5%	48.0%

United States: optimising the portfolio mix in terms of lending ...

Loan portfolio *
(Average balances. %)

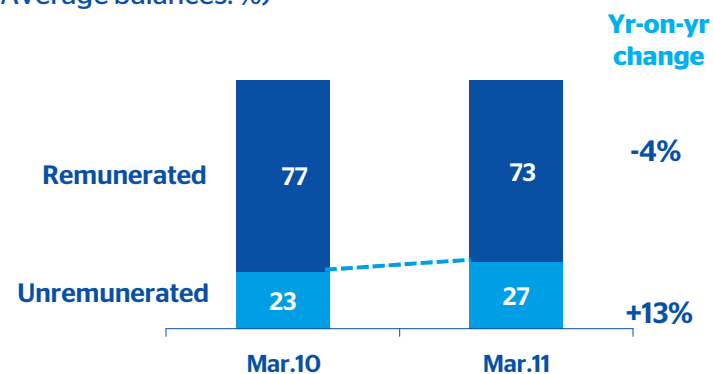


New business origination *
Change: 1Q11 vs 1Q10
(%)

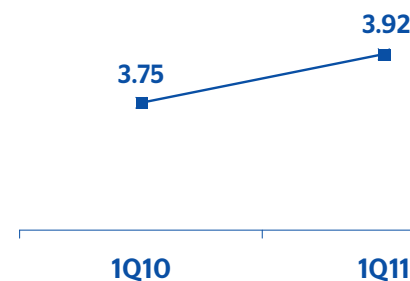


... and customer funds, with better spreads

Customer funds *
(Average balances. %)

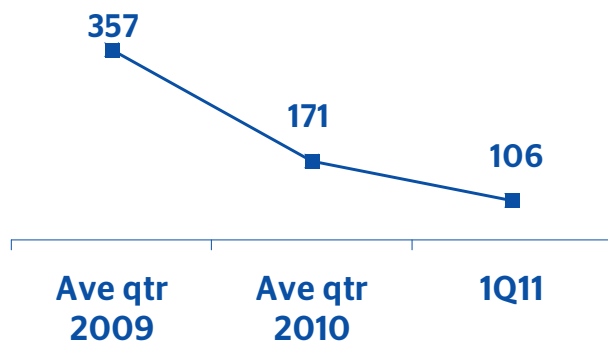


Customer spread *
(%)



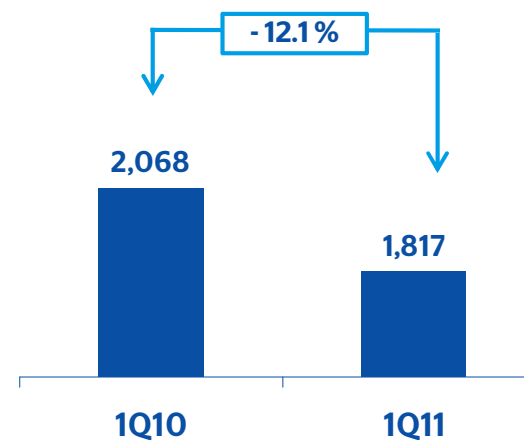
United States: decrease in risk premium

Provisions
(Constant €m)



	2009	2010	1Q11
Cum. risk premium	3.3%	1.7%	1.1%

NPA - balance
(€m)



NPA ratio	4.4%	4.5%
Coverage	56%	64%

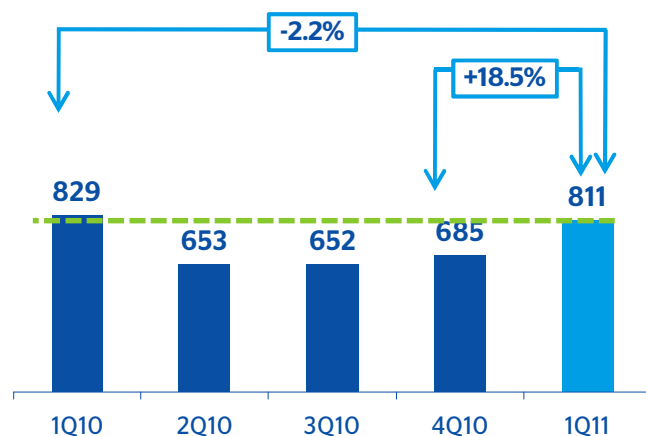
United States: income statement

(Constant €m)

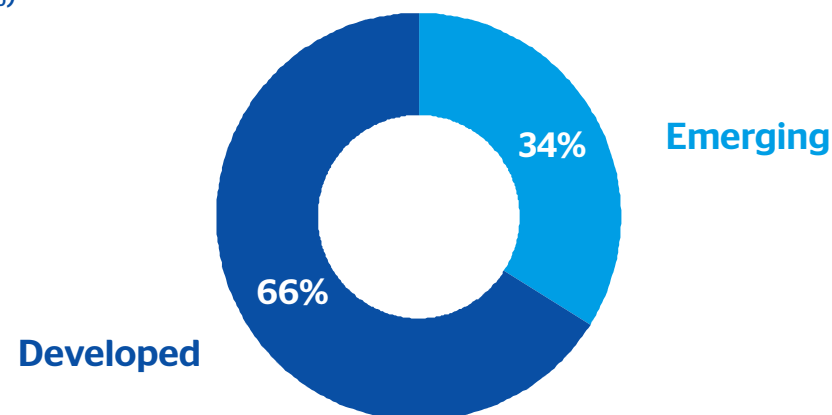
USA	Accum. 1Q11	Growth		
		1Q11 / 1T10		1Q11 / 4Q10
		Abs.	%	%
Net Interest Income	402	- 38	-8.6%	-0.7%
Gross Income	604	- 12	-1.9%	4.1%
Operating Income	229	- 26	-10.3%	12.8%
Income Before Tax	114	+ 33	40.8%	n.a.
Net Attributable Profit	81	+ 26	47.5%	n.a.

Wholesale Banking: recurrence and diversification of revenues

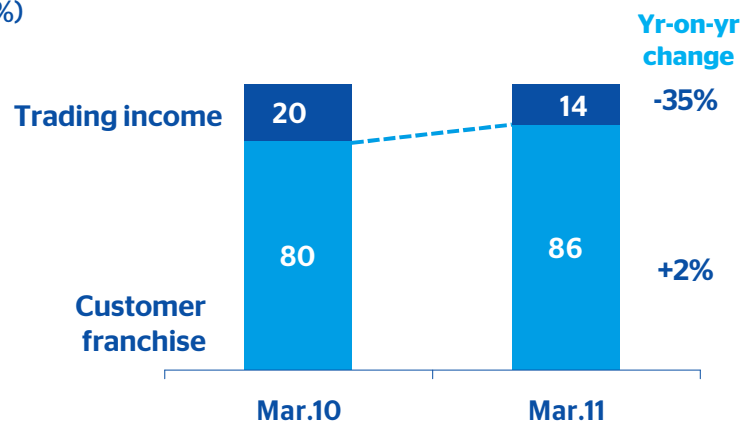
Gross income
(Constant €m)



Gross income by type of economy
(%)



Source of revenue
(%)



Stronger customer franchise

Wholesale Banking: income statement

(Constant €m)

Wholesale Banking	Accum.	Growth		
		1Q11 / 1Q10		1Q11 / 4Q10
	1Q11	Abs.	%	%
Net Interest Income	365	- 43	-10.6%	-15.5%
Gross Income	811	- 18	-2.2%	18.5%
Operating Income	580	- 53	-8.3%	20.5%
Income Before Tax	552	- 70	-11.3%	64.2%
Net Attributable Profit	364	- 51	-12.2%	53.9%

Outlook for coming quarters

Emerging

Strong growth and record earnings

Developed

Euro zone: net interest income in slow decline until 2Q11/3Q11

Euro zone plus USA: consolidation of the improvement in risk premium



First quarter results 2011

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

May 5th 2011