First quarter results 2012

Ángel Cano, BBVA President & Chief Operating Officer

Madrid, April 25th 2012
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Diverse macroeconomic environment ...

Uncertainty in Europe ...

- Greece
- Contagion
- Governance
- Growth

... special focus on Spain ...

- Fiscal consolidation
- Debt level
- Financial sector
- Growth

... good growth at world level

- Asia and Latam: strong growth
- USA: recovery in progress
... four main concerns in Spain ...

1. Fiscal consolidation

Ambitious and determined approach to austerity measures

- National Budget
- Budgetary Stability Act
- Plans for rebalancing regional government budgets and a supplier payments programme
- Margin for other action

2. Debt level

Sustainable

- Public
  - Debt level is below EMU average: 69% vs 88% to GDP
- Private
  - Households: switching to net financing capacity
  - Developers: sharp deleveraging
  - Companies (excl. developers): debt below EMU ave. (50% vs 53% to GDP)
3. Financial sector
Restructuring nearly complete but still uneven

- 87% of land
- 82% of projects in construction
- 61% of finished dwellings

• Installed capacity
  - Savings banks: down from 45 in 2007 to 11 today
  - Branches: 4,700 less since 2007

• Provisioning
  - 15% GDP including RDL 2/12*
  - RDL 2/12: coverage for decline in value of collateral up to …

• Important progress
  - Labour sector reform
  - Export sector ➔ trade deficit: ▼ 64% in 3 years
  - Productivity ➔ +2% on average in the last 3 years (vs +0.2% euro area)

• Moving ahead
  - Spirit of reform
  - Determination

4. Growth
Positive evaluation of reforms but room for more

* Since Jan. 2008
BBVA: a global bank that has demonstrated its ability to adapt
The quarter’s highlights

1. Growth of recurring revenues…
   … in all regions… … outpacing cost increases

2. Net attributable profit tops €1,000m

3. Early compliance with EBA
Strong net interest income in all regions ...

Net interest income
BBVA Group
(€m)

Spain
-3.0%
USA
-3.0%
Mexico
+29.9%
South America
+9.4%
Eurasia
+8.5%

1Q11 2Q11 3Q11 4Q11 1Q12

Stability, despite weak activity
Resilience that absorbs changes in mix and regulatory impacts
Growing faster than lending
Vigorous activity: engine of Group growth
Solid growth

Note: South America, USA and Mexico in constant euros. Turkey: like-for-like basis.
... upward trend in gross income ...

Recurring gross income
BBVA Group
(€m)

Gross income

Note: Recurring gross income excludes NTI & dividends
... and costs growing slower than recurring revenues

Recurring gross income vs costs
BBVA Group
(Year-on-year change, %)

12.6% 9.6%
Recurring Gross income Costs

Year-on-year change (Constant €)

-0.7% -2.1%
Recurring gross income Costs

Developed

24.1% 19.4%
Recurring gross income Costs

Emerging

-Heavy investment in emerging mkts continues, rewards are materialising
-Leadership positions in cost-to-income ratio and improving quarterly

Note: Recurring gross income excludes NTI & dividends
Highly resilient operating income ...

Recurring operating income
BBVA Group
(€m)

<table>
<thead>
<tr>
<th></th>
<th>1Q11</th>
<th>2Q11</th>
<th>3Q11</th>
<th>4Q11</th>
<th>1Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td>NTI+ dividends</td>
<td>775</td>
<td>595</td>
<td>25</td>
<td>646</td>
<td>394</td>
</tr>
<tr>
<td>Operating income</td>
<td>2,904</td>
<td>2,683</td>
<td>2,166</td>
<td>2,863</td>
<td>2,862</td>
</tr>
<tr>
<td>Recurring operating income</td>
<td>2,129</td>
<td>2,088</td>
<td>2,141</td>
<td>2,217</td>
<td>2,468</td>
</tr>
</tbody>
</table>

Note: Recurring operating income excluding NTI & dividends
Loan-loss and real-estate provisioning
BBVA Group
Quarterly average
(€m)

Spain
BBVA Group
(€m)

Remainder of Group
BBVA Group
(€m)

Up €174m in Spain on assets subject to RDL 2/12, while maintaining same level of generic provisioning
Strong net attributable profit supported by diversification

Net attributable profit by region
BBVA Group (%)

- USA: 16%
- Spain: 8%
- Mexico: 30%
- EurAsia: 26%
- South America: 21%

Net attributable profit by economies
BBVA Group (%)

- Developed: 28%
- Emerging: 72%

Note: breakdown excludes Corporate Activities

Net attributable profit for 1Q12 tops €1,000m
Summary: a good quarter

<table>
<thead>
<tr>
<th>BBVA Group</th>
<th>1Q12</th>
<th>Growth 1Q12 / 1Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Accum.</td>
<td>Abs.</td>
</tr>
<tr>
<td>Net interest Income</td>
<td>3,597</td>
<td>+422</td>
</tr>
<tr>
<td>Gross Income</td>
<td>5,447</td>
<td>+183</td>
</tr>
<tr>
<td>Operating Income</td>
<td>2,862</td>
<td>-42</td>
</tr>
<tr>
<td>Income Before tax</td>
<td>1,423</td>
<td>-236</td>
</tr>
<tr>
<td>Net Attributable Profit</td>
<td>1,005</td>
<td>-145</td>
</tr>
</tbody>
</table>

NTI returns to normal while maintaining the level of provisions
Risk indicators are stable...

NPAs - net balance
BBVA Group
(€bn)

---|---|---|---|---
15.5 | 15.8 | 16.0 | 15.9 | 16.1

NPA & coverage ratios
BBVA Group
(%)

Coverage ratio
---|---|---|---|---
61 | 61 | 60 | 61 | 60

NPA ratio
---|---|---|---|---
4.1 | 4.0 | 4.1 | 4.0 | 4.0
Marked ability to generate capital organically

Core capital ratio (Basel 2.5)
BBVA Group (%)

10.7 0.1 0.3

Stable dividend policy
With two cash dividends
Without selling strategic assets

Early compliance with EBA: 9%
Proactive management of euro balance sheet liquidity

Solid liquidity position ...

• LTRO I + II: mainly designed to improve liquidity structures
• Debt redemptions in 2012-2013 already covered
• Ample available collateral

... that continues to be managed proactively

• Reduction in credit gap: - €4bn
• Senior debt issues: €2bn

Powerful liquidity buffers on other balance sheets
1 Highlights

2 Business areas
Spain: focus on price management ...

Customer spread excluding markets (%)

- 1Q11: 1.71
- 2Q11: 1.76
- 3Q11: 1.96
- 4Q11: 2.02
- 1Q12: 2.06

Time deposits new production cost BBVA vs Deposit Entities** (%)

- BBVA (Time+notes)
- BBVA (Time)
- System* (Time)

- Mar.11: 2.3
- Jun.11: 2.5
- Sep.11: 2.4
- Dec.11: 2.3
- Mar.12: 1.9

Supported by business with customers ...

... mainly due to lower cost of stable customer funds

... compatible with ODS market gains in lending (+35bp) and deposits (+119bp)

* Figures at Feb 2012. Source: BoS. **Deposit entities: banks, savings banks and credit co-operatives.
Spain: ... that led to a slight improvement in net interest income

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

1Q10 1,310
2Q10 1,257
3Q10 1,183
4Q10 1,148
1Q11 1,110
2Q11 1,101
3Q11 1,094
4Q11 1,086
1Q12 1,113

+0.2%

Plus good performance by fee income during the quarter (+4.1% year-on-year)
### Spain: strict cost control and resilient operating income

#### Costs
Quarter-by-quarter (€m)

<table>
<thead>
<tr>
<th></th>
<th>1Q10</th>
<th>1Q11</th>
<th>1Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>703</td>
<td>699</td>
<td>688</td>
</tr>
</tbody>
</table>

-1.6%

#### Recurring operating income
Quarter-by-quarter (€m)

<table>
<thead>
<tr>
<th></th>
<th>1Q10</th>
<th>1Q11</th>
<th>1Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,143</td>
<td>876</td>
<td>892</td>
</tr>
</tbody>
</table>

+1.9%

Note: Recurring operating income excludes NTI
Spain: limited rise in NPAs

NPAs - net balance
(€bn)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NPAs</td>
<td>11.0</td>
<td>11.2</td>
<td>11.3</td>
<td>11.2</td>
<td>11.3</td>
</tr>
</tbody>
</table>

NPA & coverage ratios
(%)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage ratio</td>
<td>43</td>
<td>43</td>
<td>42</td>
<td>44</td>
<td>43</td>
</tr>
<tr>
<td>NPA ratio</td>
<td>4.8</td>
<td>4.7</td>
<td>4.9</td>
<td>4.8</td>
<td>4.9</td>
</tr>
</tbody>
</table>
## Spain: income statement

(€m)

<table>
<thead>
<tr>
<th>Spain</th>
<th>Accum.</th>
<th>Growth 1Q12 / 1Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1Q12</td>
<td>Abs.</td>
</tr>
<tr>
<td>Net interest Income</td>
<td>1,113</td>
<td>+ 2</td>
</tr>
<tr>
<td>Gross Income</td>
<td>1,633</td>
<td>- 130</td>
</tr>
<tr>
<td>Operating Income</td>
<td>946</td>
<td>- 119</td>
</tr>
<tr>
<td>Income Before tax</td>
<td>324</td>
<td>- 350</td>
</tr>
<tr>
<td>Net Attributable Profit</td>
<td>229</td>
<td>- 250</td>
</tr>
</tbody>
</table>

Special provisioning effort in the quarter
EurAsia: high potential...

**Profit rank**
- **Turkey - Garanti**: 1st Turkish bank
- **Asia - CITIC**: 7th Chinese bank

**Gross income 2011**
- **Turkey - Garanti**: €3,806m
- **Asia - CITIC**: €9,477m

**Net attrib. profit 2011**
- **Turkey - Garanti**: €1,430m
- **Asia - CITIC**: €3,789m

... plus a wholesale banking franchise that is firmly based on customers (resilient in Europe and great potential in Asia)
**EurAsia**: vigorous business and growing earnings

### Gross income - Rest of Europe (€m)

- **1Q11**: 190
  - Turkey: 24
  - Rest of Europe: 166
- **1Q12**: 368
  - Turkey: 211
  - Rest of Europe: 157

### Gross income - Asia (€m)

- **1Q11**: 148
  - Organic: 24
  - CNCB: 124
- **1Q12**: 166
  - Organic: 5
  - CNCB: 161

### Breakdown of gross income - EurAsia (CAGR %)

- Asia: 39.5%
- Rest of Europe: 31.1%
- Turkey: 29.4%

**CAGR**

- Turkey: +93.7%
- Rest of Europe: -6%
- Organic: -77%
- CNCB: +30%
## EurAsia: income statement

(€m)

<table>
<thead>
<tr>
<th>EurAsia</th>
<th>Accum.</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1Q12</td>
<td>1Q12 / 1Q11</td>
</tr>
<tr>
<td></td>
<td>Abs.</td>
<td>%</td>
</tr>
<tr>
<td>Net interest Income</td>
<td>182</td>
<td>+ 79</td>
</tr>
<tr>
<td>Gross Income</td>
<td>534</td>
<td>+197</td>
</tr>
<tr>
<td>Operating Income</td>
<td>362</td>
<td>+116</td>
</tr>
<tr>
<td>Income Before tax</td>
<td>330</td>
<td>+108</td>
</tr>
<tr>
<td>Net Attributable Profit</td>
<td>299</td>
<td>+102</td>
</tr>
</tbody>
</table>
**Mexico:** buoyant lending with improvement in the liabilities mix and a direct impact on pricing

- **Lending:** +6.6%
- **Cust. funds:** +10.4%
- **Customer spread**

**Local Business**

- +13.4%

- **Lending is growing**...
- **...at the same time as we reduce the cost of retail liabilities**...
- **...with a positive impact on customer spreads**

Local Business: mortgages, cards, SMEs and consumer loans
Mexico: new record for quarterly revenue

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

Recurring gross income
Quarter-by-quarter
(Constant €m)

Growing faster than lending

Gross income: +4.9%

Note: Recurring gross income excludes NTI
Mexico: growing share of peer group total

Market share of operating income
BBVA Bancomer vs Peer Group total*
(%)

<table>
<thead>
<tr>
<th>Year</th>
<th>BBVA Bancomer</th>
<th>Peer Group total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>34.5</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>35.3</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>37.6</td>
<td></td>
</tr>
</tbody>
</table>

Reaping the benefits of the investment in growth plans

* Peer group: Banamex, Banorte + IXE, HSBC, Santander, Scotiabank.
Mexico: stable risk premium

Cumulative risk premium (%)
- Mar.10: 4.3
- Mar.11: 3.6
- Mar.12: 3.5

NPA ratio (%)
- Mar.11: 3.4
- Jun.11: 3.6
- Sep.11: 3.7
- Dec.11: 3.7
- Mar.12: 3.8

Coverage ratio
- Mar.11: 136
- Jun.11: 134
- Sep.11: 128
- Dec.11: 120
- Mar.12: 116
### Mexico: income statement

(Constant €m)

<table>
<thead>
<tr>
<th>Mexico</th>
<th>Accum.</th>
<th>Growth 1Q12 / 1Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1Q12</td>
<td>Abs.</td>
</tr>
<tr>
<td>Net interest Income</td>
<td>1,013</td>
<td>+ 87</td>
</tr>
<tr>
<td>Gross Income</td>
<td>1,450</td>
<td>+ 68</td>
</tr>
<tr>
<td>Operating Income</td>
<td>897</td>
<td>+ 20</td>
</tr>
<tr>
<td>Income Before tax</td>
<td>568</td>
<td>+ 2</td>
</tr>
<tr>
<td>Net Attributable Profit</td>
<td>430</td>
<td>+ 15</td>
</tr>
</tbody>
</table>

- Recurring gross income growing at the same pace that costs
- Net Attributable Profit ex NTI growing at 13.7%
South America: vigorous business...

**Lending**  
Mar.12  
(Yr/yr change in average balances)  
+23.6%

**Balance sheet funds**  
Mar.12  
(Yr/yr change in average balances)  
+25.4%

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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>1Q11</th>
<th>2Q11</th>
<th>3Q11</th>
<th>4Q11</th>
<th>1Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>729</td>
<td>801</td>
<td>876</td>
<td>953</td>
<td>947</td>
</tr>
</tbody>
</table>

+29.9%
South America: ... which carries over to revenue

Gross income (Constant €m)

Operating income (Constant €m)
South America: improvement in efficiency and the best risk indicators in the Group

**Efficiency (%)**

- 1Q11: 42.3
- 1Q12: 40.5

**NPA & coverage ratios (%)**

- Coverage ratio:
  - Mar.11: 134
  - Jun.11: 138
  - Sep.11: 140
  - Dec.11: 146
  - Mar.12: 141

- NPA ratio:
  - Mar.11: 2.5
  - Jun.11: 2.4
  - Sep.11: 2.3
  - Dec.11: 2.2
  - Mar.12: 2.3

**Cum. risk premium**

- 1Q11: 1.6
- 1Q12: 1.3

Cost increases (+13%) in line with inflation (+12%)
## South America: income statement

( Constant €m )

<table>
<thead>
<tr>
<th>South America</th>
<th>Accum.</th>
<th>Growth 1Q12 / 1Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1Q12</td>
<td>Abs.</td>
</tr>
<tr>
<td>Net interest Income</td>
<td>947</td>
<td>+ 218</td>
</tr>
<tr>
<td>Gross Income</td>
<td>1,366</td>
<td>+ 210</td>
</tr>
<tr>
<td>Operating Income</td>
<td>813</td>
<td>+ 146</td>
</tr>
<tr>
<td>Income Before tax</td>
<td>690</td>
<td>+ 165</td>
</tr>
<tr>
<td>Net Attributable Profit</td>
<td>370</td>
<td>+ 79</td>
</tr>
</tbody>
</table>
**United States**: selective growth of lending and improvement in the liabilities mix

**Lending**
Year-on-year change (% average balances)

- Mar.11: -4.2%
- Jun.11: -3.9%
- Sep.11: -2.8%
- Dec.11: -0.3%
- Mar.12: 2.0%

**Balance sheet funding mix**
(Base 100)

- Current + savings: Mar.11 = 75, Mar.12 = 80
- Time: Mar.11 = 25, Mar.12 = 20

**CAGR**
- +8.8%
- -15.6%

**BBVA Compass**
- +6.7%
- +2.7%
United States: resilient revenues and cost control...

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

- 1Q11: 369
- 2011 ave.: 382
- 1Q12: 391

+5.9%

Costs
Year-on-year change
(Constant €m)

- 1Q11: 392
- 1Q12: 383

-2.3%

Absorbing regulatory impacts
United States: risk continues to improve

Loan-loss provisions (Constant €m)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>1Q11</th>
<th>1Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td>104</td>
<td>35</td>
</tr>
</tbody>
</table>

NPA & coverage ratios (%)

<table>
<thead>
<tr>
<th>Coverage ratio</th>
<th>NPA ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>64</td>
<td>4.3</td>
</tr>
<tr>
<td>67</td>
<td>4.0</td>
</tr>
<tr>
<td>69</td>
<td>3.8</td>
</tr>
<tr>
<td>73</td>
<td>3.5</td>
</tr>
<tr>
<td>75</td>
<td>3.2</td>
</tr>
</tbody>
</table>

Cum. risk premium

- 1Q11: 1.0
- 1Q12: 0.3
**United States: income statement**

(Constant €m)

<table>
<thead>
<tr>
<th>United States of America</th>
<th>Accum.</th>
<th>Growth 1Q12 / 1Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1Q12</td>
<td>Abs.</td>
</tr>
<tr>
<td>Net interest Income</td>
<td>420</td>
<td>-13</td>
</tr>
<tr>
<td>Gross Income</td>
<td>599</td>
<td>-45</td>
</tr>
<tr>
<td>Operating Income</td>
<td>216</td>
<td>-36</td>
</tr>
<tr>
<td>Income Before tax</td>
<td>168</td>
<td>+29</td>
</tr>
<tr>
<td>Net Attributable Profit</td>
<td>115</td>
<td>+15</td>
</tr>
</tbody>
</table>

Absorbing NTI return to normal and regulatory impacts, with strong earnings from local business
C&IB: diversification of revenues ...

Gross income by region
(1Q12, %)

- Spain: 37%
- USA: 10%
- Mexico: 21%
- Eurasia: 13%
- South America: 19%

Gross income by business type
(1Q12, %)

- Global lending: 25%
- Corporate finance: 22%
- Credit: 32%
- FX: 11%
- Equities: 6%
- Rates: 2%

Model is more balanced by geographic region ...

... and diversified by business type
C&IB: ... supported by an efficient client-centric model with high added value and low risk

Source of gross income (%)

- Other revenues: 9%
- Customer revenues: 91%

C&IB (Year-on-year change, %. Constant €)

- Lending: 11.1%
- NII: 12.6%
- Fee income: 17.9%

Efficiency

BBVA 1T12 vs peer group 2011 average (%)

- BBVA: 30%
- Peer Group: 70%

- +40 pts

Average cost of risk

BBVA vs peer group average\(^1\)
(Average 1Q09 - 4Q11, bp)

- BBVA: 8 bp
- Peer Group: 27 bp

\(^1\) Synthetic index: BoA, BARC, Citi, CS, ISP, JPM, LLOYDS, RBS, SAN, UCI, WF
### Corporate & Investment Banking Accum. Growth 1Q12 / 1Q11

<table>
<thead>
<tr>
<th></th>
<th>Accum.</th>
<th>Growth 1Q12 / 1Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1Q12</td>
<td>Abs.</td>
</tr>
<tr>
<td>Gross Income</td>
<td>717</td>
<td>-33</td>
</tr>
<tr>
<td>Operating Income</td>
<td>502</td>
<td>-40</td>
</tr>
<tr>
<td>Income Before tax</td>
<td>438</td>
<td>-75</td>
</tr>
<tr>
<td>Net Attributable Profit</td>
<td>279</td>
<td>-64</td>
</tr>
</tbody>
</table>
Quarter highlights

1. Growth of recurring revenues...
   ... in all regions... ... outpacing cost increases

2. Net attributable profit tops €1,000m

3. Early compliance with EBA
1Q12 Results / April 25th 2012

Ángel Cano, BBVA President & Chief Operating Officer

Madrid, April 25th 2012