

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

•Steps taken:

- 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)

... which are being addressed

3. Financial sector

Restructuring nearly complete but still uneven

- **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 ...

•87% of land

•82% of projects in construction

•61% of finished dwellings

4. Growth

Positive evaluation of reforms but room for more

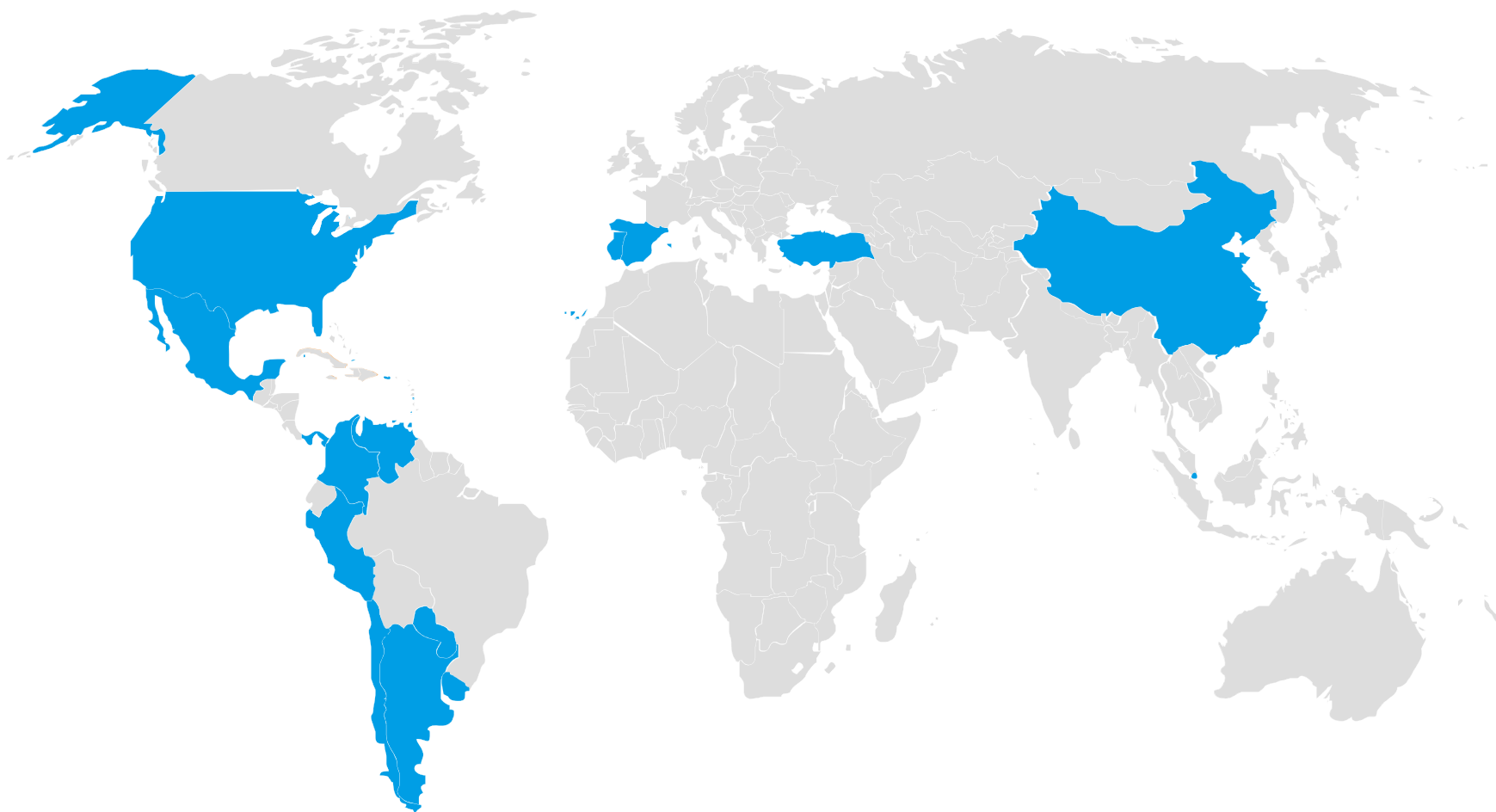
- **Important progress**

- 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

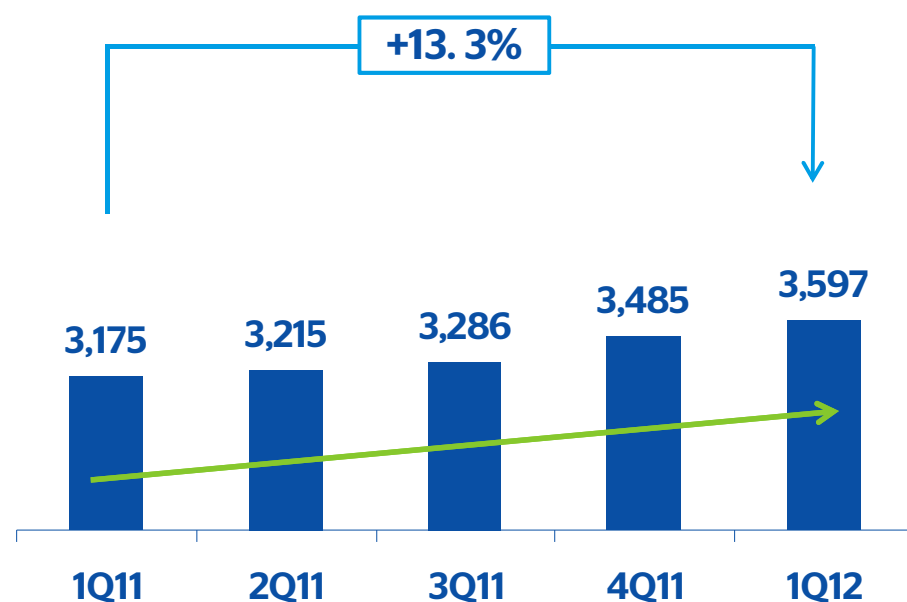
BBVA: a global bank that has demonstrated its ability to adapt



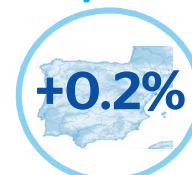
1**Growth of recurring revenues...****... in all regions ...****... outpacing cost increases****2****Net attributable profit tops €1,000m****3****Early compliance with EBA**

Strong net interest income in all regions ...

Net interest income
BBVA Group
(€m)



Spain



Stability, despite weak activity

USA



Resilience that absorbs changes in mix and regulatory impacts

Mexico



Growing faster than lending

South America



Vigorous activity: engine of Group growth

Eurasia



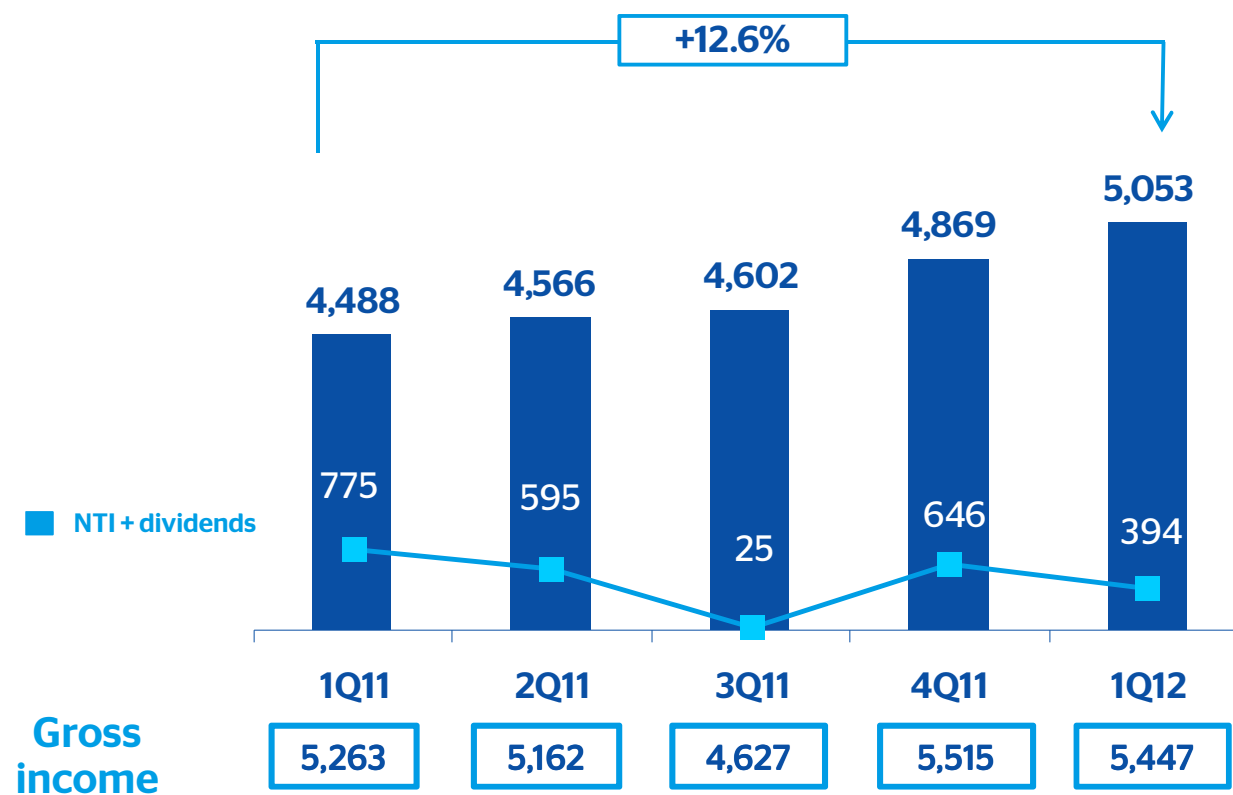
Solid growth

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)



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, %)

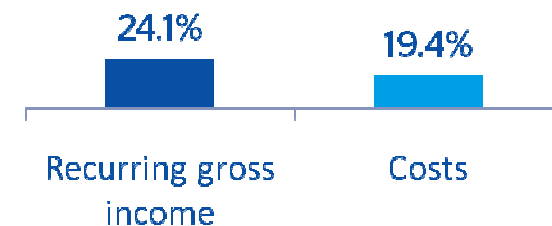


Year-on-year change
(Constant €)

Developed



Emerging

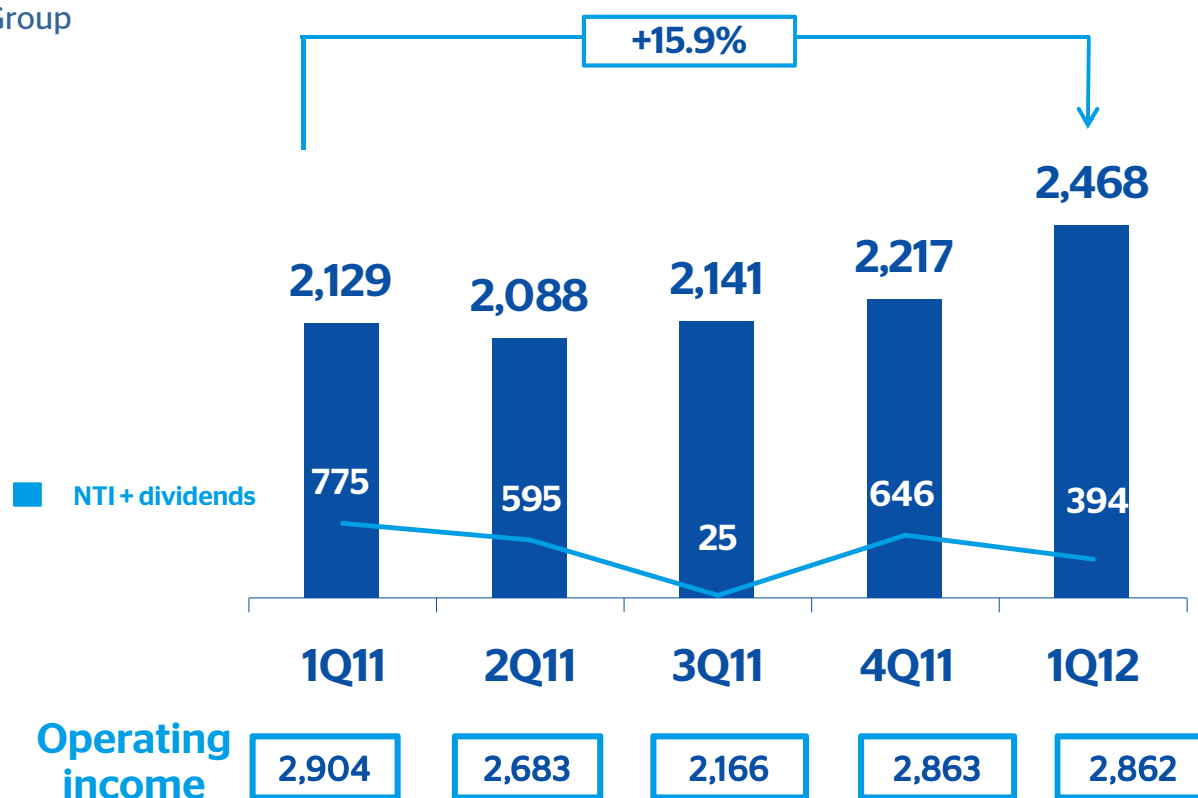


- Heavy investment in emerging mkts continues, rewards are materialising
- Leadership positions in cost-to-income ratio and improving quarterly

Highly resilient operating income ...

Recurring operating income

BBVA Group
(€m)

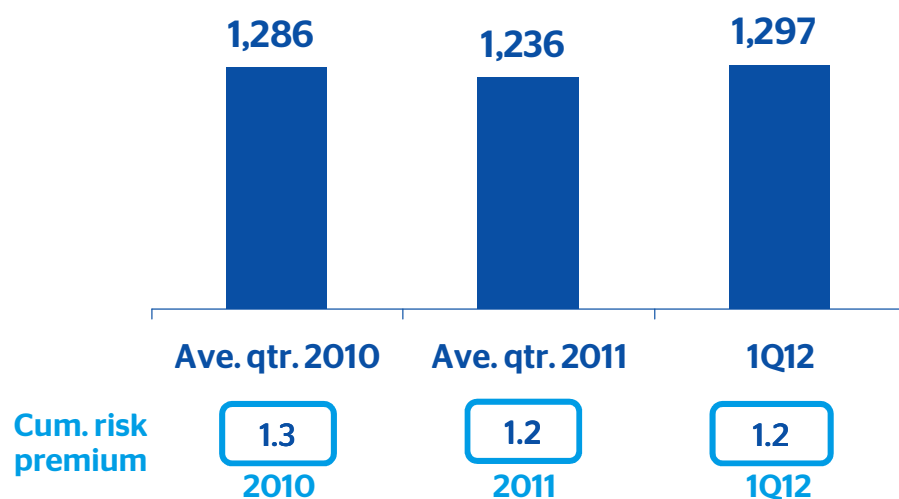


Note: Recurring operating income excluding NTI & dividends

... and stable provisioning

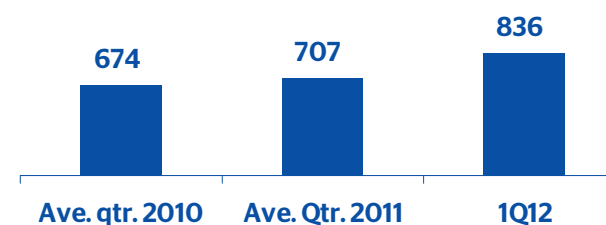
Loan-loss and real-estate provisioning

BBVA Group
Quarterly average
(€m)



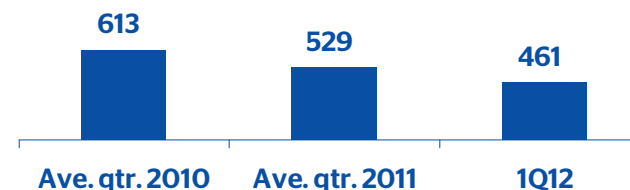
Spain

BBVA Group
(€m)



Remainder of Group

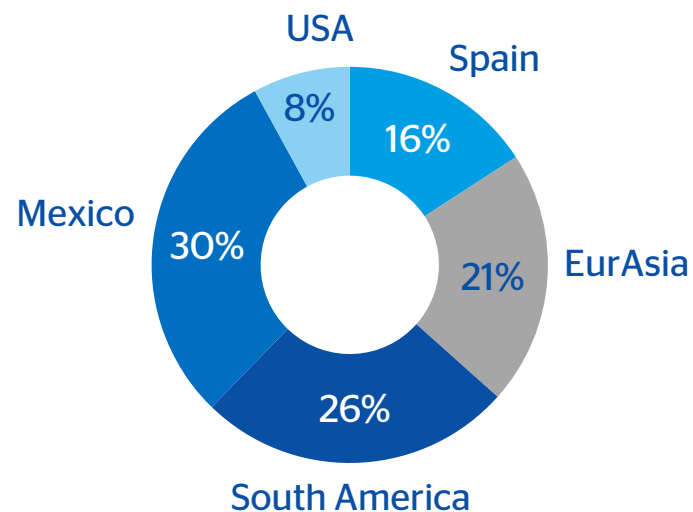
BBVA Group
(€m)



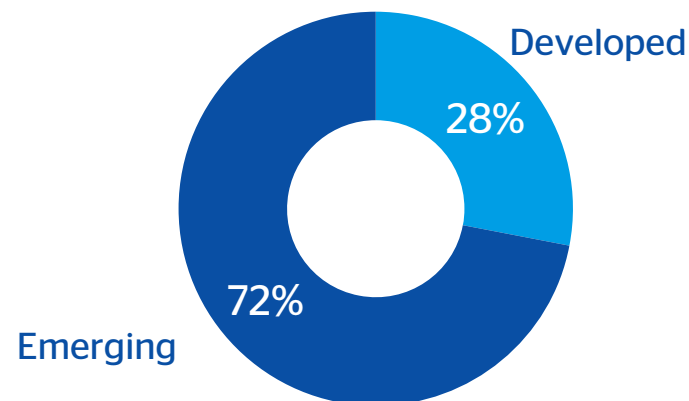
Up €174m in Spain on assets subject to RDL 2/12, while maintaining same level of generic provisioning

Strong net attributable profit supported by diversification

Net attributable profit by region
BBVA Group
(%)



Net attributable profit by economies
BBVA Group
(%)



Net attributable profit for 1Q12 tops €1,000m

Summary: a good quarter

(€m)

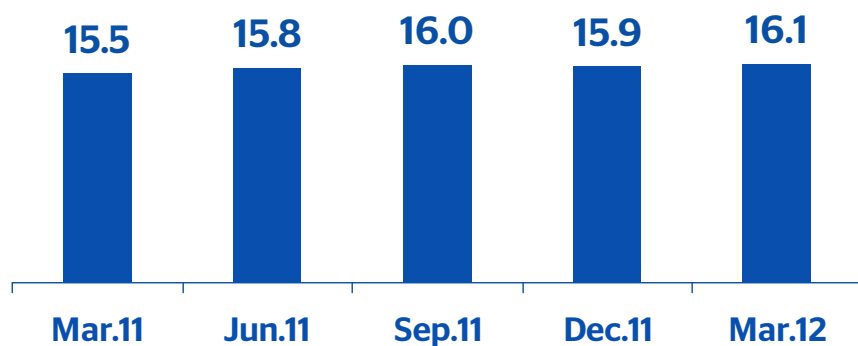
BBVA Group	Accum.	Growth	
		1Q12 / 1Q11	
	1Q12	Abs.	%
Net interest Income	3,597	+ 422	13.3
Gross Income	5,447	+ 183	3.5
Operating Income	2,862	- 42	-1.5
Income Before tax	1,423	- 236	-14.2
Net Attributable Profit	1,005	- 145	-12.6

NTI returns to normal while maintaining the level of provisions

Risk indicators are stable ...

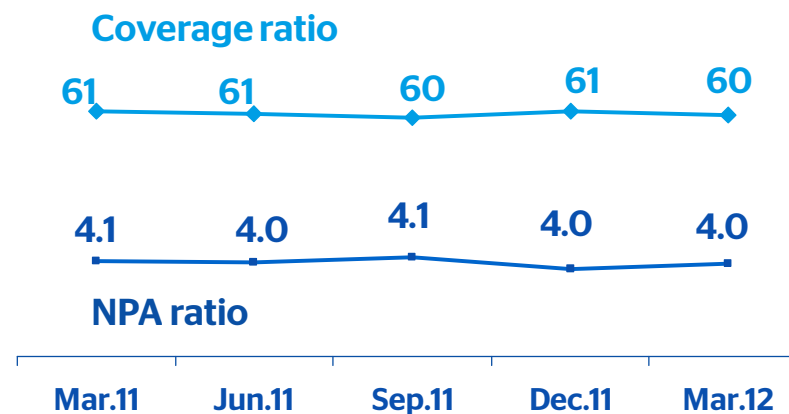
NPAs – net balance

BBVA Group
(€bn)



NPA & coverage ratios

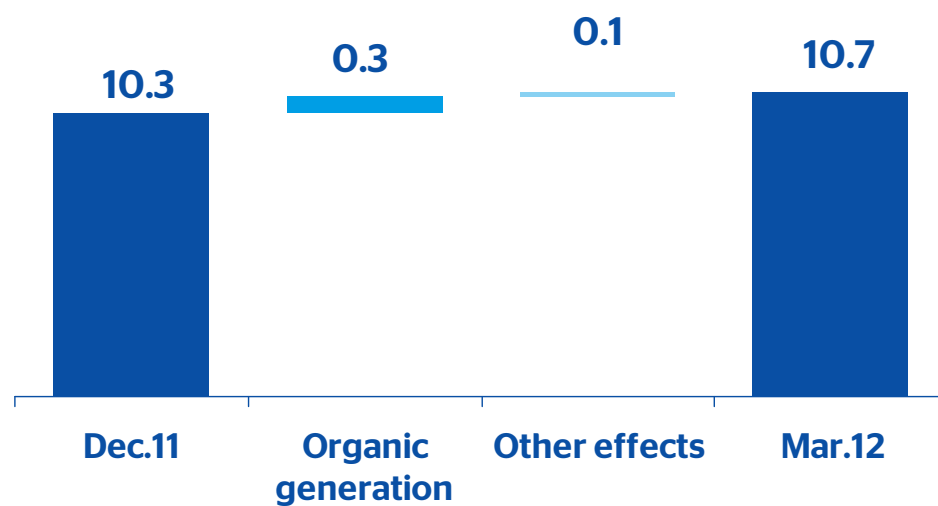
BBVA Group
(%)



Marked ability to generate capital organically

Core capital ratio (Basel 2.5)

BBVA Group
(%)



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

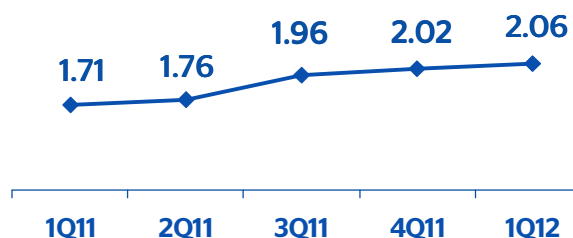
Powerful liquidity buffers on other balance sheets

1 Highlights

2 Business areas

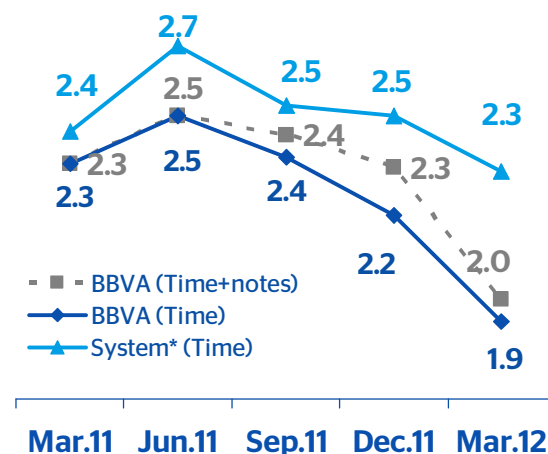
Spain: focus on price management ...

Customer spread excluding markets (%)



Supported by business with customers ...

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

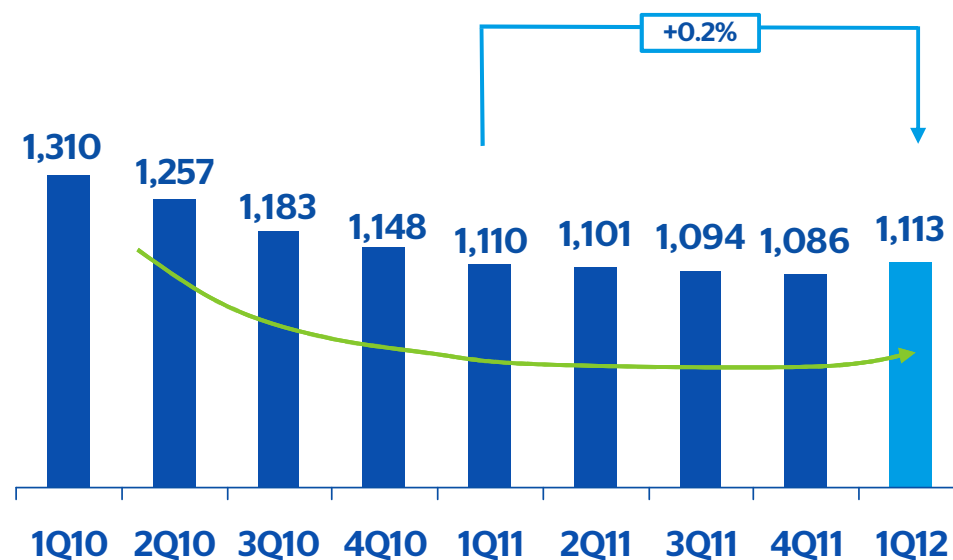


... mainly due to lower cost of stable customer funds

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

Spain: ... that led to a slight improvement in net interest income

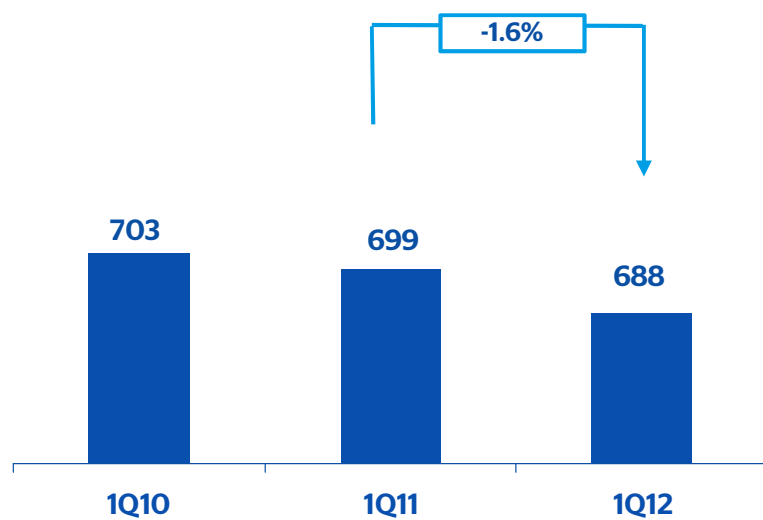
Net interest income
Quarter-by-quarter
(€m)



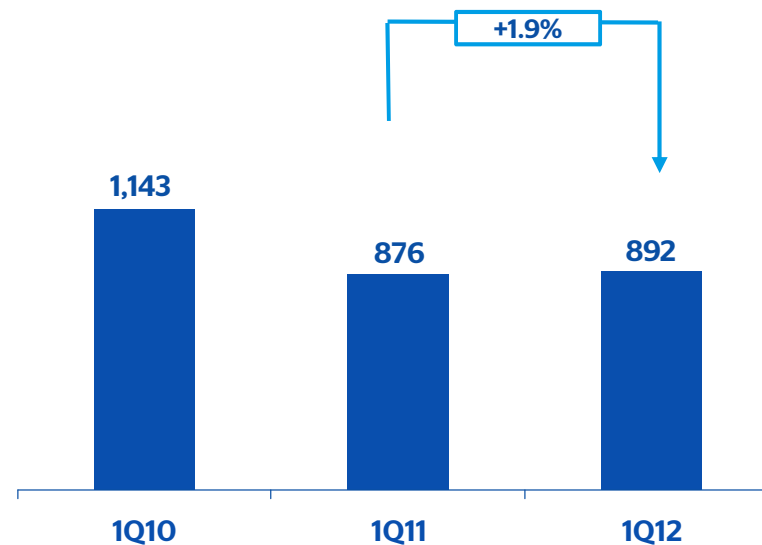
Plus good performance by fee income during the quarter
(+4.1% year-on-year)

Spain: strict cost control and resilient operating income

Costs
Quarter-by-quarter
(€m)

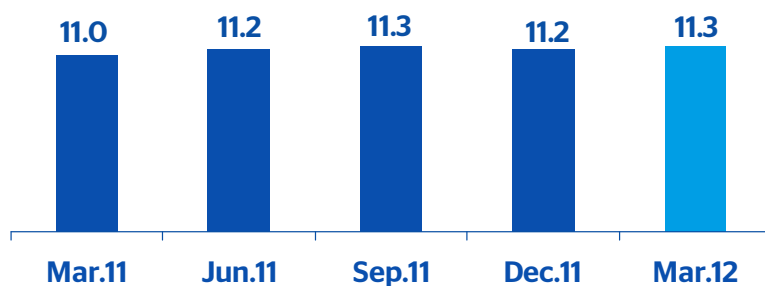


Recurring operating income
Quarter-by-quarter
(€m)

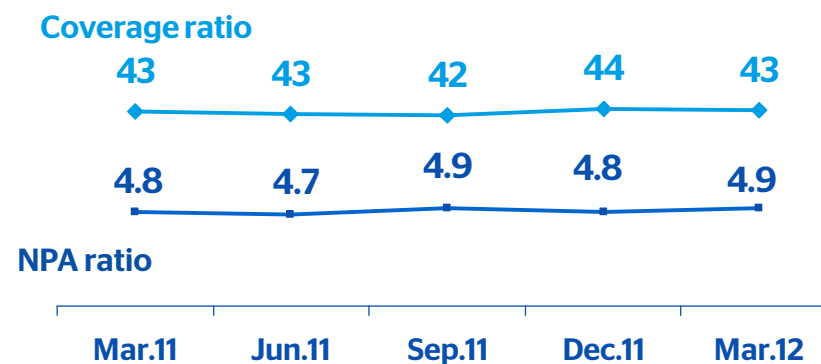


Spain: limited rise in NPAs

NPAs - net balance
(€bn)



NPA & coverage ratios
(%)



Spain: income statement

(€m)

Spain	Accum. 1Q12	Growth 1Q12 / 1Q11	
		Abs.	%
Net interest Income	1,113	+ 2	0.2
Gross Income	1,633	- 130	-7.4
Operating Income	946	- 119	-11.2
Income Before tax	324	- 350	-51.9
Net Attributable Profit	229	- 250	-52.2

Special provisioning effort in the quarter

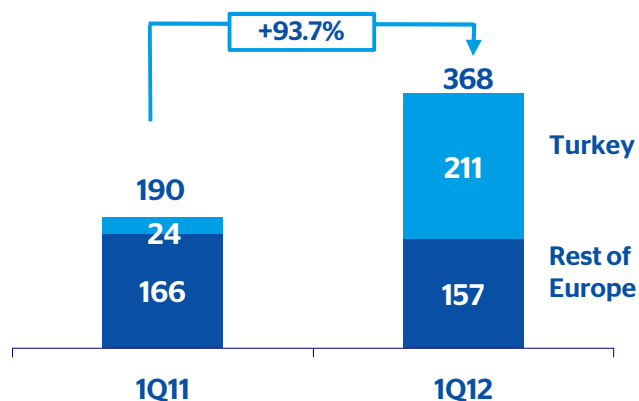
EurAsia: high potential ...

	Turkey - Garanti	Asia - CITIC
Profit rank	1st Turkish bank	7th Chinese bank
Gross income 2011	€3,806m	€9,477m
Net attrib. profit 2011	€1,430m	€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)

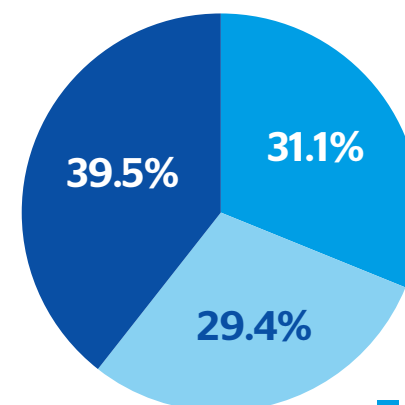


CAGR

N.A.

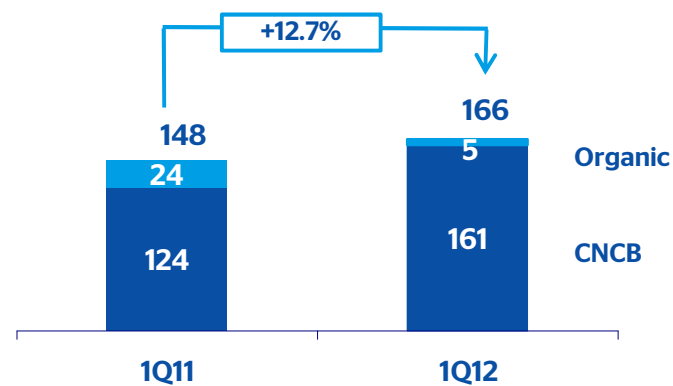
-6%

Breakdown of gross income - EurAsia
(%)



■ Asia
■ Rest of Europe
■ Turkey

Gross income - Asia
(€m)



CAGR

-77%

+30%

EurAsia: income statement

(€m)

EurAsia	Accum.	Growth	
		1Q12 / 1Q11	
	1Q12	Abs.	%
Net interest Income	182	+ 79	76.3
Gross Income	534	+ 197	58.3
Operating Income	362	+ 116	47.5
Income Before tax	330	+ 108	48.7
Net Attributable Profit	299	+ 102	51.7

Mexico: buoyant lending with improvement in the liabilities mix and a direct impact on pricing

Lending: +6.6%

Yr/yr change - average balances

Cust. funds: +10.4%

Balance sheet customer funds mix
(Base 100, %)

Customer spread

Customer spread
(%)

**Local
Business**

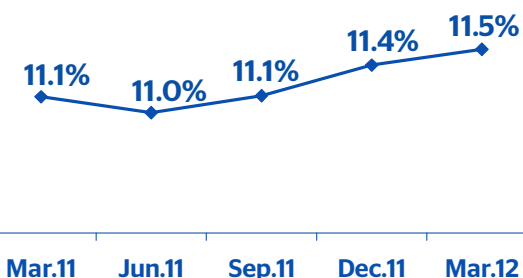
+13.4%

Current +
savings

Time

1Q11

1Q12



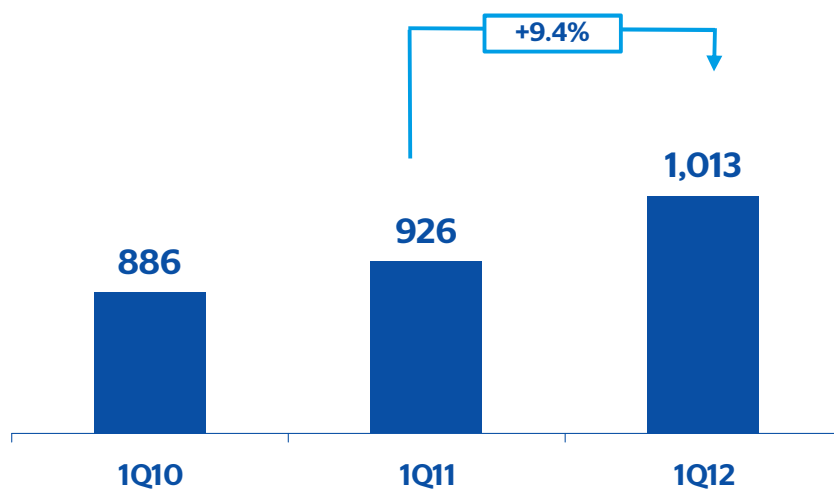
Lending is growing ...

... at the same time as
we reduce the cost of
retail liabilities ...

... with a positive impact
on customer spreads

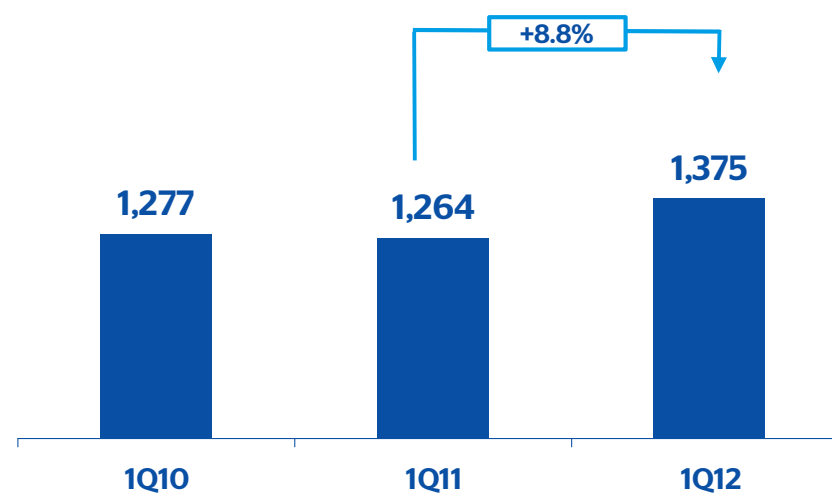
Mexico: new record for quarterly revenue

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



Growing faster
than lending

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



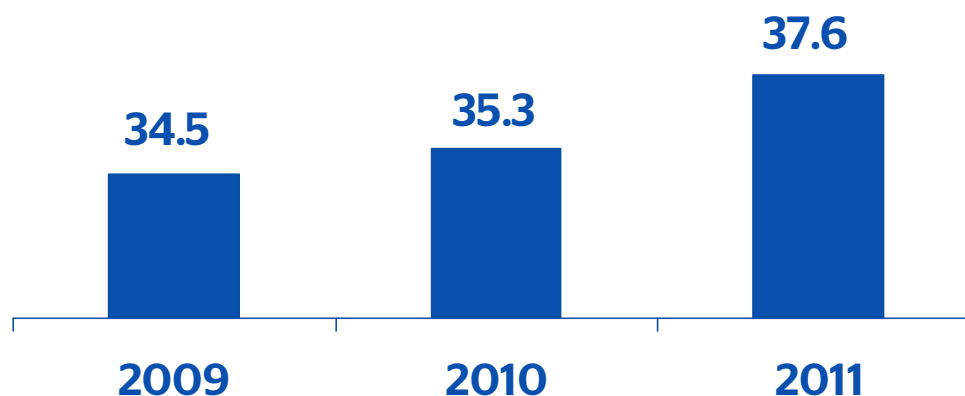
Gross income: +4.9%

Mexico: growing share of peer group total

Market share of operating income

BBVA Bancomer vs Peer Group total*

(%)

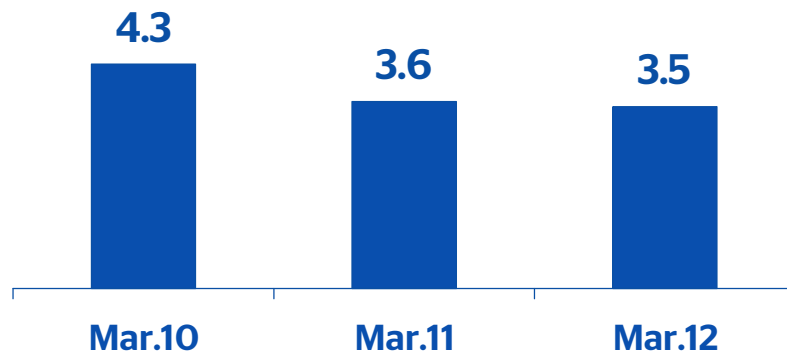


Reaping the benefits of the investment in growth plans

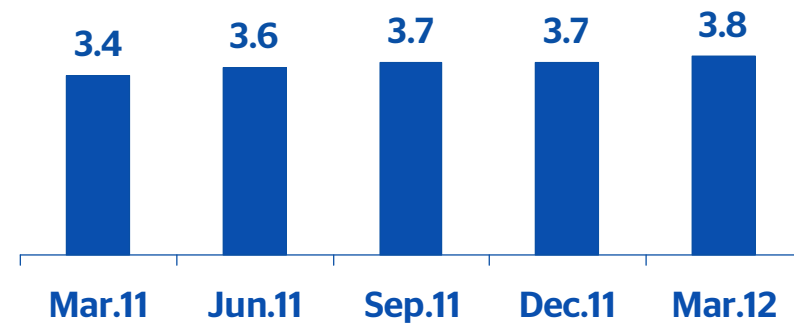
* Peer group: Banamex, Banorte + IXE, HSBC, Santander, Scotiabank.

Mexico: stable risk premium

Cumulative risk premium
(%)



NPA ratio
(%)



Coverage ratio



Mexico: income statement

(Constant €m)

Mexico	Accum.	Growth	
		1Q12 / 1Q11	
	1Q12	Abs.	%
Net interest Income	1,013	+ 87	9.4
Gross Income	1,450	+ 68	4.9
Operating Income	897	+ 20	2.3
Income Before tax	568	+ 2	0.4
Net Attributable Profit	430	+ 15	3.6

- Recurring gross income growing at the same pace that costs
- Net Attributable Profit ex NTI growing at 13.7%

South America: vigorous business ...

Lending

+23.6%

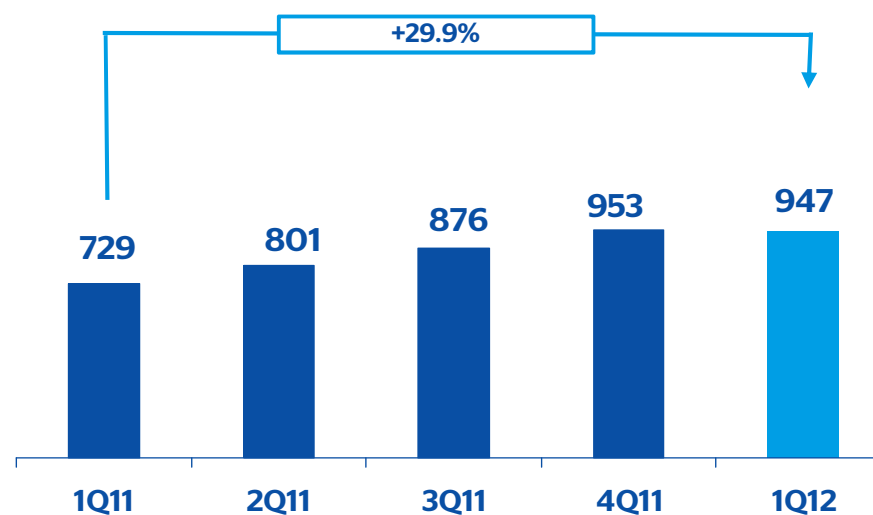
Mar.12
(Yr/yr change in average balances)

**Balance
sheet funds**

+25.4%

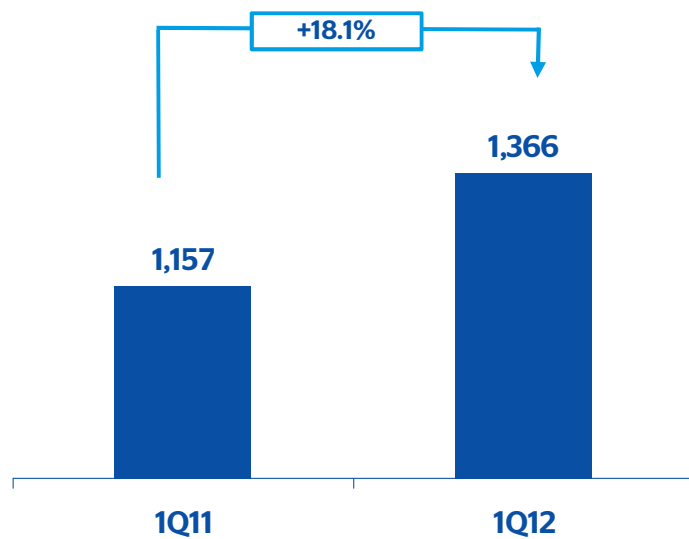
Mar.12
(Yr/yr change in average balances)

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

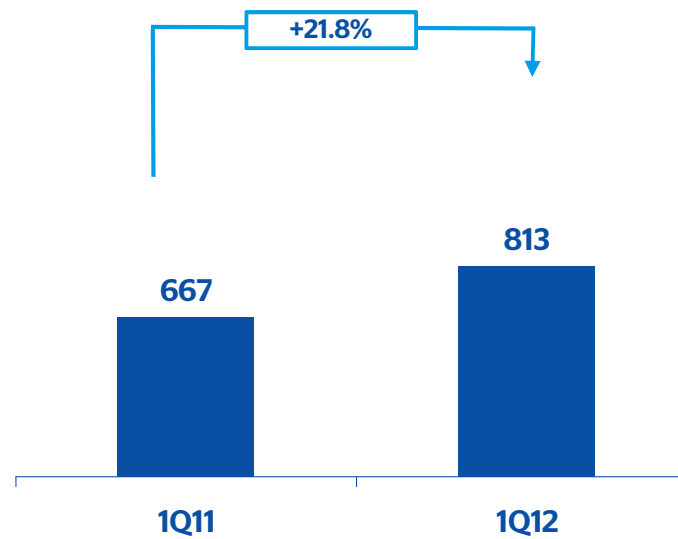


South America: ... which carries over to revenue

Gross income
(Constant €m)

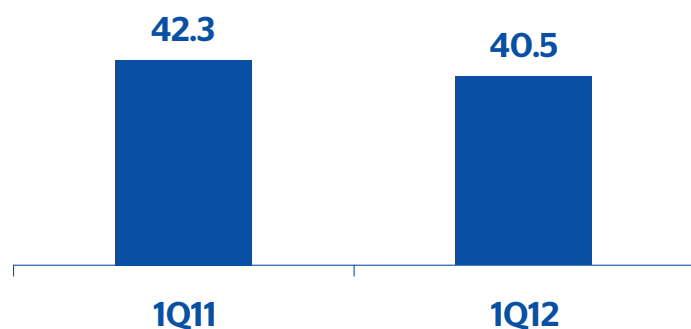


Operating income
(Constant €m)



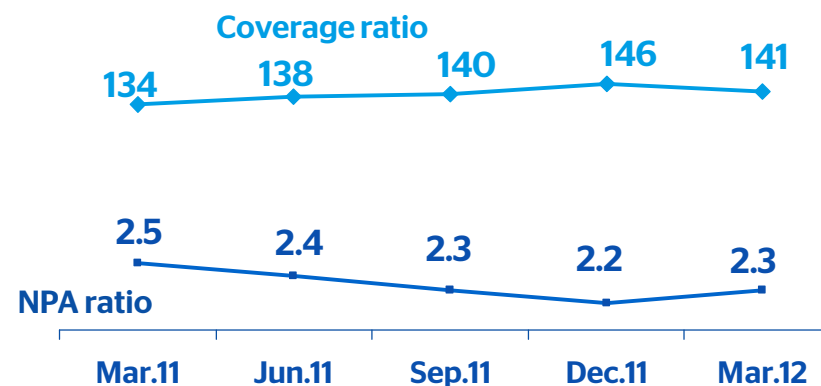
South America: improvement in efficiency and the best risk indicators in the Group

Efficiency
(%)



Cost increases (+13%) in line with inflation (+12%)

NPA & coverage ratios
(%)



Cum. risk
premium

1.6

1.3

1.3

1.3

1.0

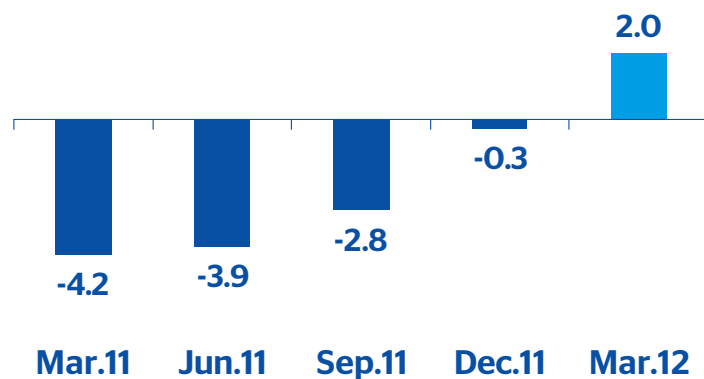
South America: income statement

(Constant €m)

South America	Accum.	Growth	
		1Q12 / 1Q11	
	1Q12	Abs.	%
Net interest Income	947	+ 218	29.9
Gross Income	1,366	+ 210	18.1
Operating Income	813	+ 146	21.8
Income Before tax	690	+ 165	31.3
Net Attributable Profit	370	+ 79	27.1

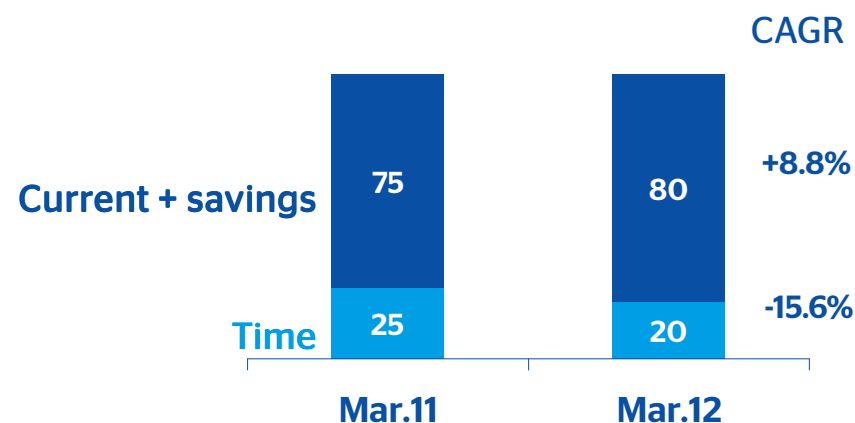
United States: selective growth of lending and improvement in the liabilities mix

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



BBVA Compass: +6.7%

Balance sheet funding mix
(Base 100)

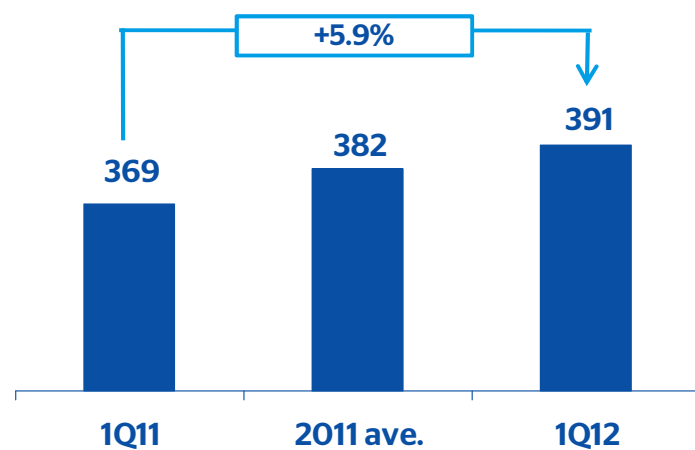


BBVA Compass: +2.7%

United States: resilient revenues and cost control ...

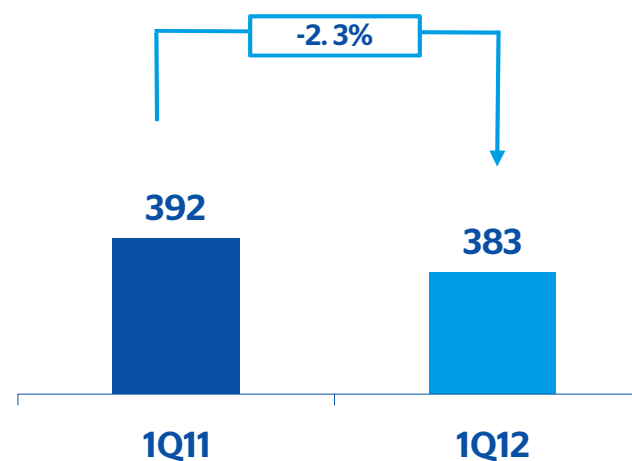
Net interest income - local business

Quarter-by-quarter
(Constant €m)



Costs

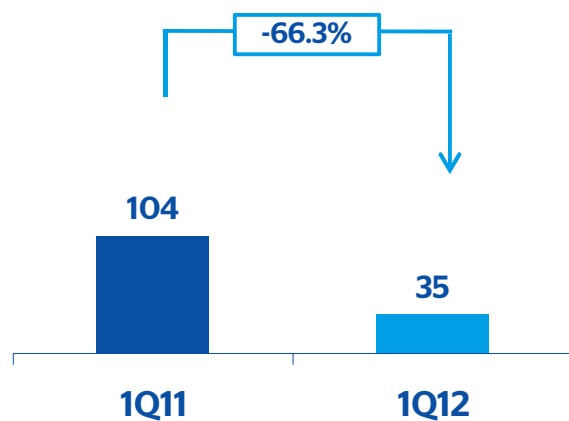
Year-on-year change
(Constant €m)



Absorbing regulatory impacts

United States: risk continues to improve

Loan-loss provisions
(Constant €m)

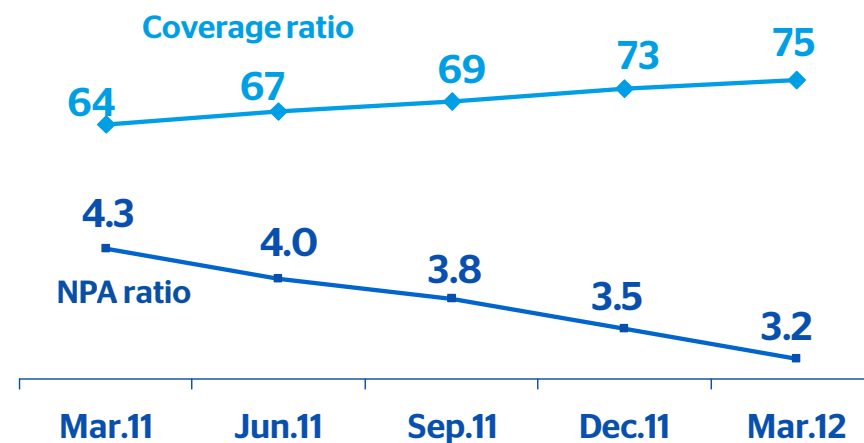


Cum. risk
premium

1.0

0.3

NPA & coverage ratios
(%)



United States: income statement

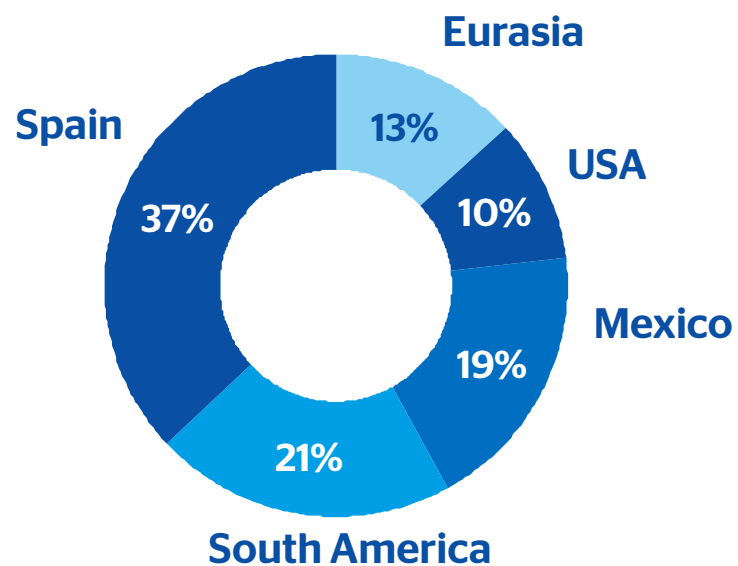
(Constant €m)

United States of America	Accum.	Growth	
		1Q12 / 1Q11	
	1Q12	Abs.	%
Net interest Income	420	- 13	-3.0
Gross Income	599	- 45	-7.1
Operating Income	216	- 36	-14.5
Income Before tax	168	+ 29	20.7
Net Attributable Profit	115	+ 15	15.6

Absorbing NTI return to normal and regulatory impacts,
with strong earnings from local business

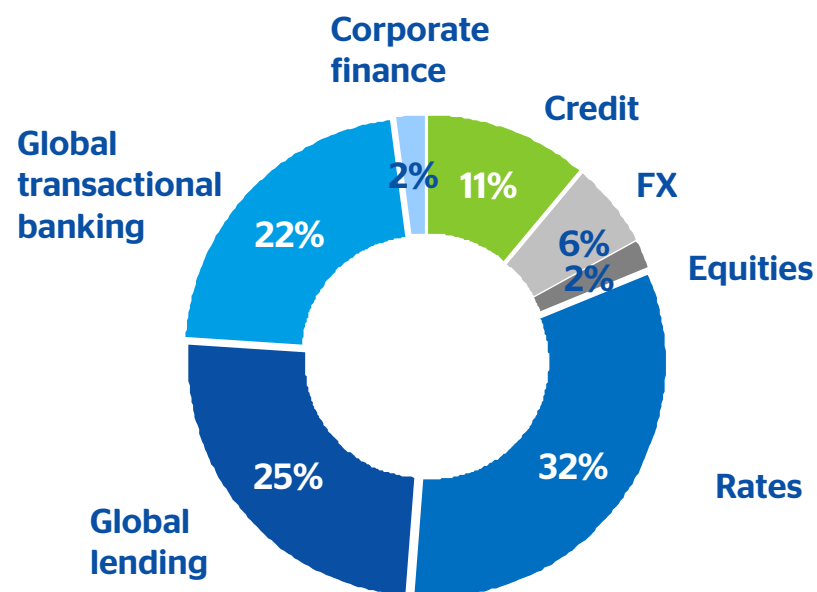
C&I: diversification of revenues ...

Gross income by region
(1Q12, %)



Model is more balanced by
geographic region ...

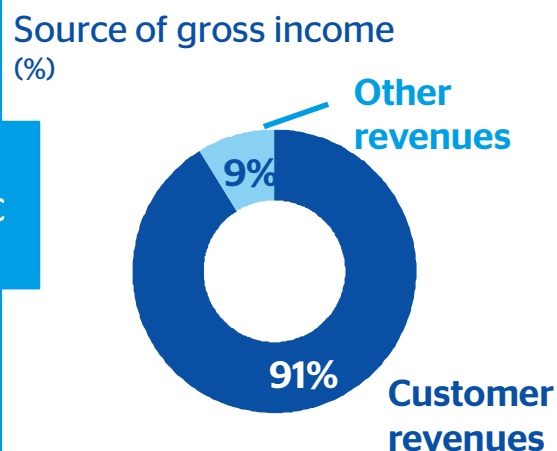
Gross income by business type
(1Q12, %)



... and diversified by business
type

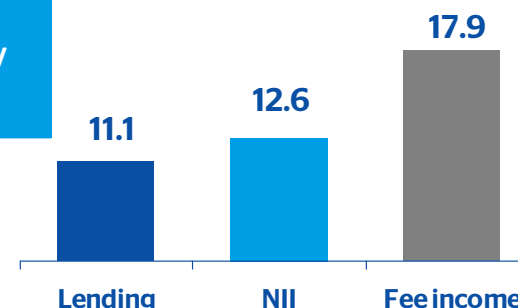
C&IB: ... supported by an efficient client-centric model with high added value and low risk

Client-centric



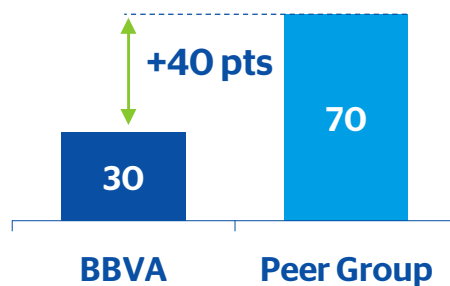
High quality

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



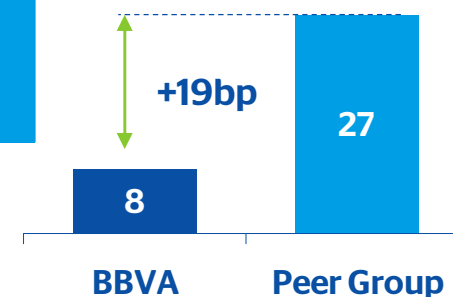
Efficiency

Efficiency
BBVA 1T12 vs peer group 2011 average (%)



Low risk

Average cost of risk
BBVA vs peer group average¹
(Average 1Q09 - 4Q11, bp)



¹ Synthetic index: BoA, BARC, Citi, CS, ISP, JPM, LLOYDS, RBS, SAN, UCI, WF

C&IB: income statement

(Constant €m)

Corporate & Investment Banking	Accum.	Growth	
		1Q12 / 1Q11	
	1Q12	Abs.	%
Gross Income	717	- 33	-4.4
Operating Income	502	- 40	-7.5
Income Before tax	438	- 75	-14.7
Net Attributable Profit	279	- 64	-18.7

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**



F i r s t q u a r t e r r e s u l t s 2 0 1 2



Ángel Cano, BBVA President & Chief Operating Officer

Madrid, April 25th 2012