

BBVA

BBVA strong franchise value and earnings power

Carlos Torres, Head of Strategy and Corporate Development

Cheuvreux, Pan - Euro Forum

May 22nd, 2012

This document is only provided for information purposes and does not constitute, nor must it be interpreted as, an offer to sell or exchange or acquire, or an invitation for offers to buy securities issued by any of the aforementioned companies. Any decision to buy or invest in securities in relation to a specific issue must be made solely and exclusively on the basis of the information set out in the pertinent prospectus filed by the company in relation to such specific issue. Nobody who becomes aware of the information contained in this report must regard it as definitive, because it is subject to changes and modifications.

This document contains or may contain forward looking statements (in the usual meaning and within the meaning of the US Private Securities Litigation Act of 1995) regarding intentions, expectations or projections of BBVA or of its management on the date thereof, that refer to miscellaneous aspects, including projections about the future earnings of the business. The statements contained herein are based on our current projections, although the said earnings may be substantially modified in the future by certain risks, uncertainty and others factors relevant that may cause the results or final decisions to differ from such intentions, projections or estimates. These factors include, without limitation, (1) the market situation, macroeconomic factors, regulatory, political or government guidelines, (2) domestic and international stock market movements, exchange rates and interest rates, (3) competitive pressures, (4) technological changes, (5) alterations in the financial situation, creditworthiness or solvency of our customers, debtors or counterparts. These factors could condition and result in actual events differing from the information and intentions stated, projected or forecast in this document and other past or future documents. BBVA does not undertake to publicly revise the contents of this or any other document, either if the events are not exactly as described herein, or if such events lead to changes in the stated strategies and intentions.

The contents of this statement must be taken into account by any persons or entities that may have to make decisions or prepare or disseminate opinions about securities issued by BBVA and, in particular, by the analysts who handle this document. This document may contain summarised information or information that has not been audited, and its recipients are invited to consult the documentation and public information filed by BBVA with stock market supervisory bodies, in particular, the prospectuses and periodical information filed with the Spanish Securities Exchange Commission (CNMV) and the Annual Report on form 20-F and information on form 6-K that are disclosed to the US Securities and Exchange Commission.

Distribution of this document in other jurisdictions may be prohibited, and recipients into whose possession this document comes shall be solely responsible for informing themselves about, and observing any such restrictions. By accepting this document you agree to be bound by the foregoing Restrictions.

The banking industry is currently immersed in a vicious circle with multiple challenges



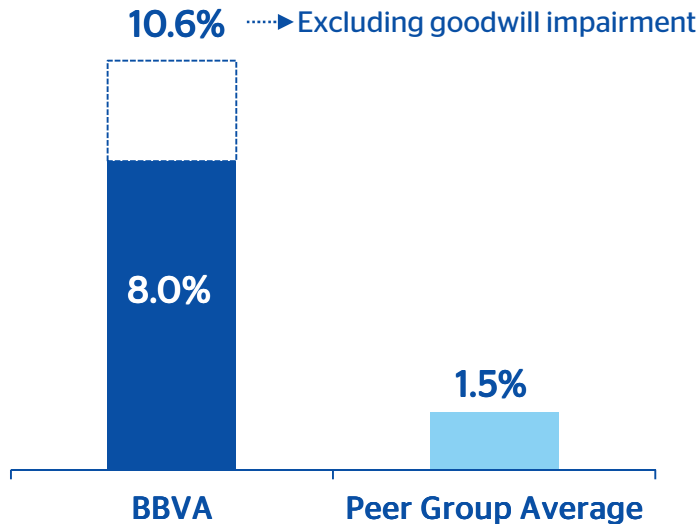
The market should focus on earnings power and franchise value that is what backs a bank's creditworthiness

BBVA

BBVA has proven to be very resilient under extreme circumstances

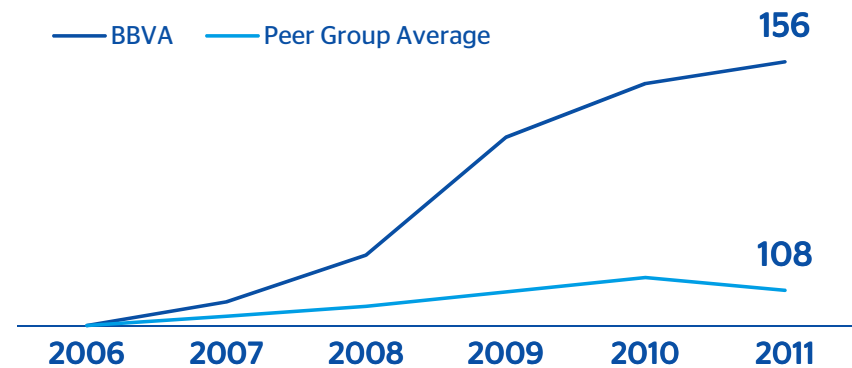
ROE

BBVA vs. Peer Group Average
(%, December 2011)



Tangible Book Value Per Share

(Base 100: 2006)



BBVA has remained profitable during the crisis and has sought to minimize dilution while maintaining dividends

Beyond current challenges, relevant medium and long term trends are shaping the future of the industry

Banking industry trends

1. Regulation to avoid past excesses
 - Capital and liquidity requirements
 - Increasing consumer protection regulation
2. Evolving customer behaviour
(more demanding, better informed, less loyal, ...)
3. Changes in the competitive environment
(consolidation, new entrants, ...)



BBVA

In this context, BBVA is ...

A

Strengthening its franchise value
focusing on key capabilities

B

Delivering positive operating trends
and strong fundamentals



BBVA

A

Strengthening its franchise value focusing on key capabilities

1

Attractive diversification

2

Highly profitable and efficient
business model

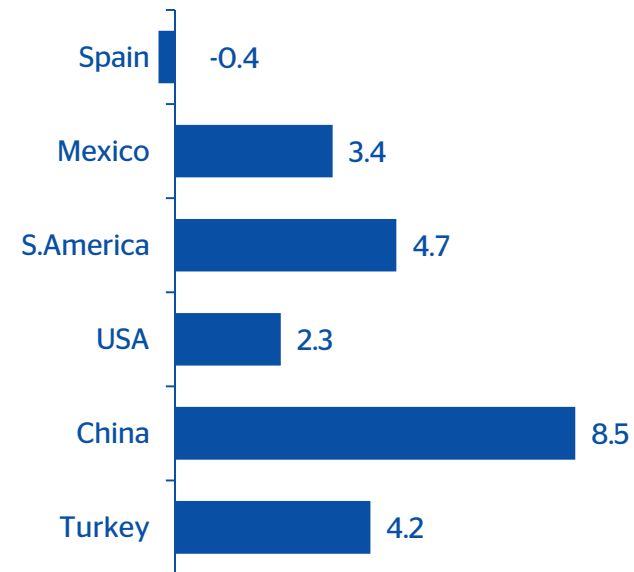
3

Innovative approach to a changing
industry

Leading franchises in core markets, biased to high growth geographies

	Loans	Deposits	Ranking
Spain	11%	10%	2 nd
Mexico	25%	23%	1 st
South America	10%	10%	2 nd
USA (Texas & Alabama)	--	6%	4 th
Eurasia			
China (Citic Bank)	15 % stake (7 th)		
Turkey (Garanti Bank)	25 % stake (2 nd)		

Estimated real GDP growth
(2012e & 2013e average yoy growth, %)

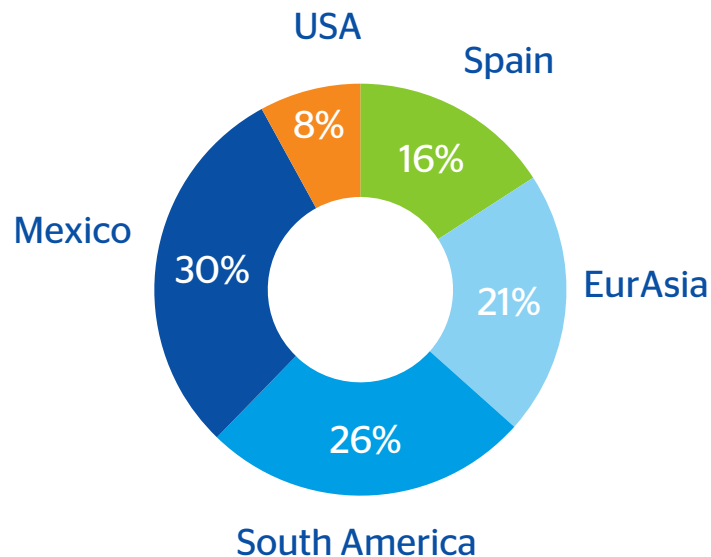


Source: BBVA Research. Figures as of May 8, 2012
S.America: includes Argentina, Chile, Colombia, Peru & Venezuela (weights based on GDP as of December 2011)

Ranking by deposits (except for China, by assets and Spain and Turkey, by loans); **Spain**: Data as of December 2011, ("Otros Sectores Residentes"); **México**: Data as of December 2011; **South America**: Data as of June 2011, countries considered: Argentina, Chile, Colombia, Panama, Paraguay, Peru, Uruguay and Venezuela; **USA**: Data as of June, 2011, market share and ranking considering only Texas and Alabama; **China**: Data as of December 2011. **Turkey**: Data as of December 2011.

Highly diversified portfolio and expertise in products with high growth potential

Net attributable profit by region ⁽¹⁾
BBVA Group 1Q2012
(%)



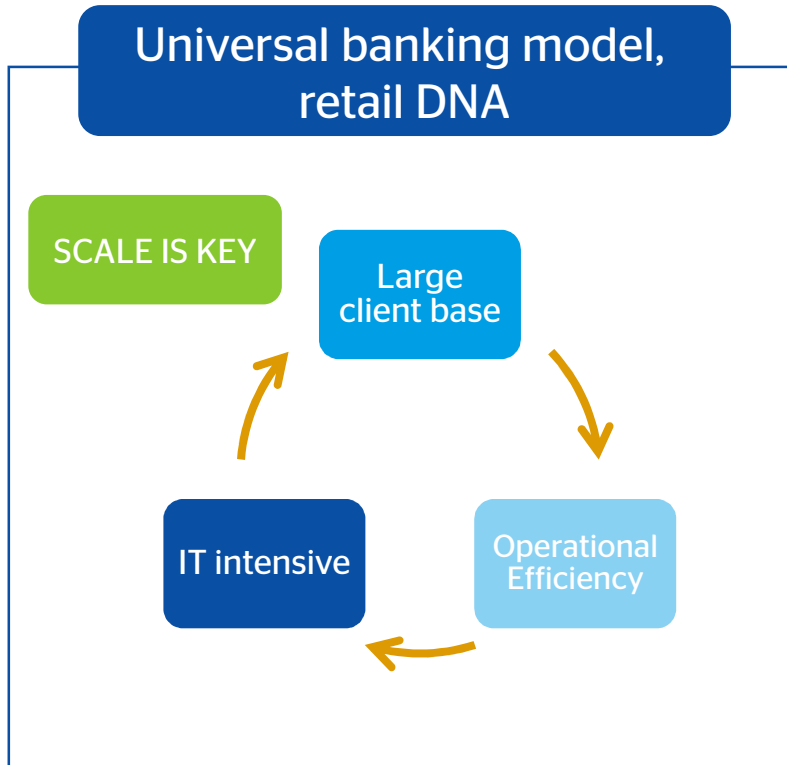
- 72% emerging markets
- 28% developed markets

High growth businesses and products

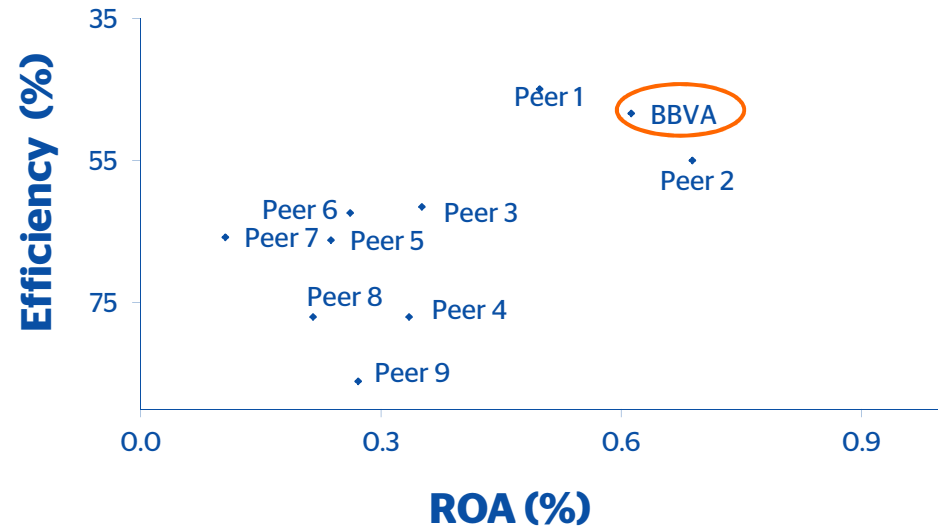
- **Banking penetration:**
transactional, mass market retail, mortgages, SMEs, ...
- **Economic development:**
trade finance, infrastructure finance, ...

(1): Excluding Corporate Activities

Highly profitable and efficient business model



ROA vs. Efficiency
BBVA Group vs. Peer Group
(December 2011,%)



The key: critical mass in sizeable markets

Innovative approach to a changing industry

Key areas of change:

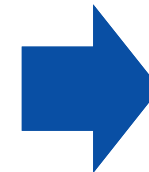
1

Payment systems and VAS



2

Digital channels / customer experience



Mobile Apps



Personal Remote Advisers

3

Financial services for the unbanked



4

Big data / customer analytics



Research Projects
(e.g: MIT)

Anticipating future changes in consumers' behavior

Delivering positive operating trends and strong fundamentals

1

Strong dynamism of core revenues in all geographies

2

Investments in the franchise progressively stabilizing

3

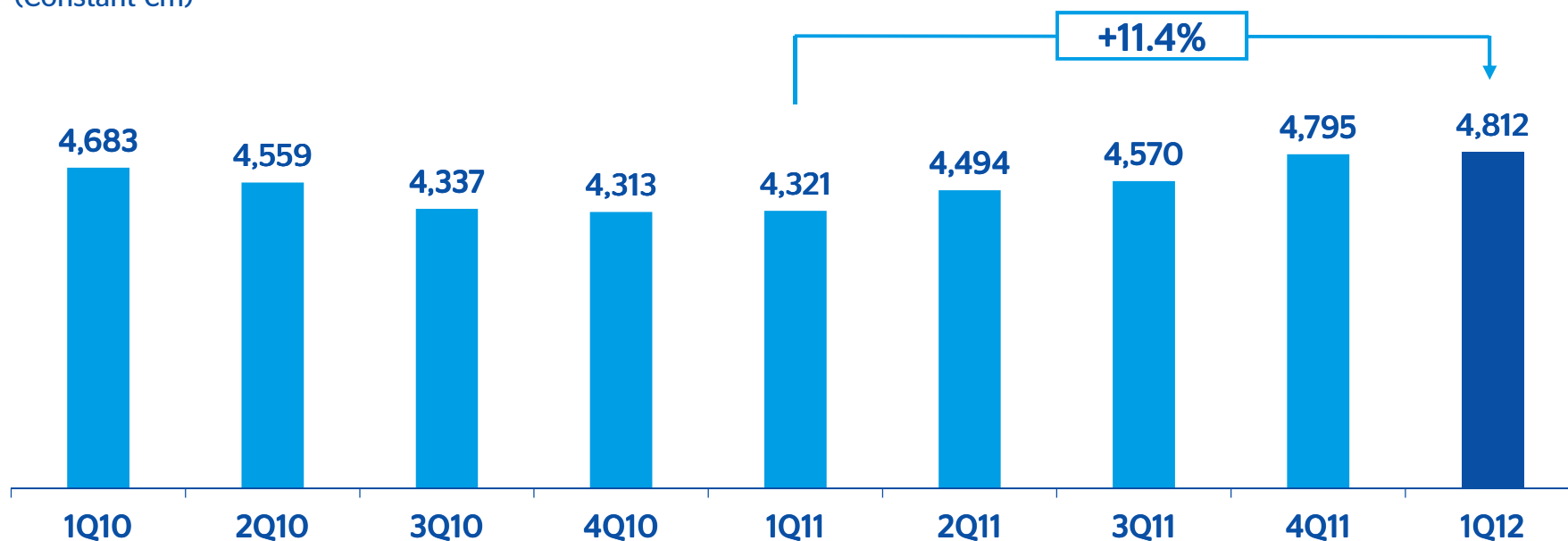
Asset quality resilience and absorption of new regulation in Spain

4

Strong capital generation and solid liquidity position

Group: Recurrent core revenues starting to grow

Core revenues⁽¹⁾
BBVA Group
(Constant €m)

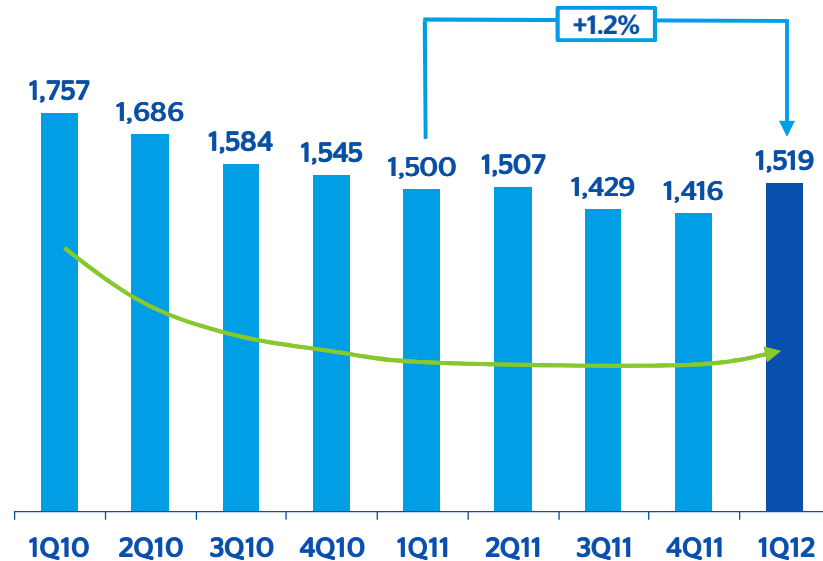


NII to increase in all geographies and stabilize in Spain
Fee Income to return to positive growth in all geographies

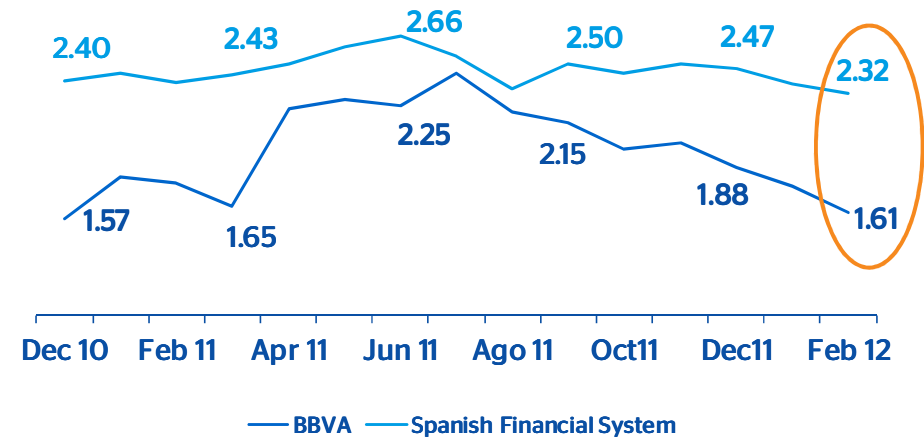
(1) Core revenues include: Net interest income and fee income.

Spain: Net interest income stabilization due to the reduction of the cost of deposits

Core Revenues⁽¹⁾
(Constant €m)



Cost of deposits (Households and Corporates)
New production interest rates (%)



Source: Bank of Spain and internal data (system latest's available data: February 2012)

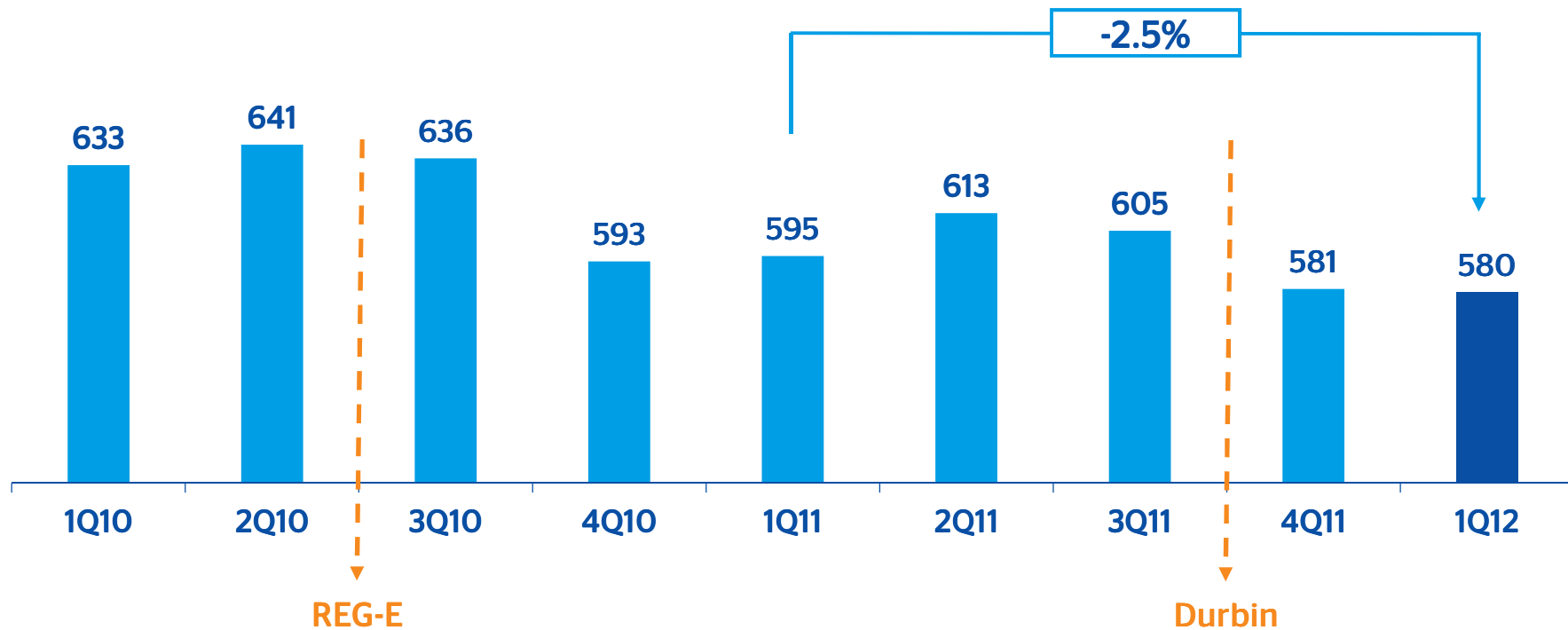


Price normalization will be the main driver of net interest income
Stabilization of fee income

(1) Core revenues include: Net interest income and fee income.

USA: Core revenues affected by the run-off from Guaranty portfolios and the new regulatory landscape

Core Revenues⁽¹⁾
(Constant €m)

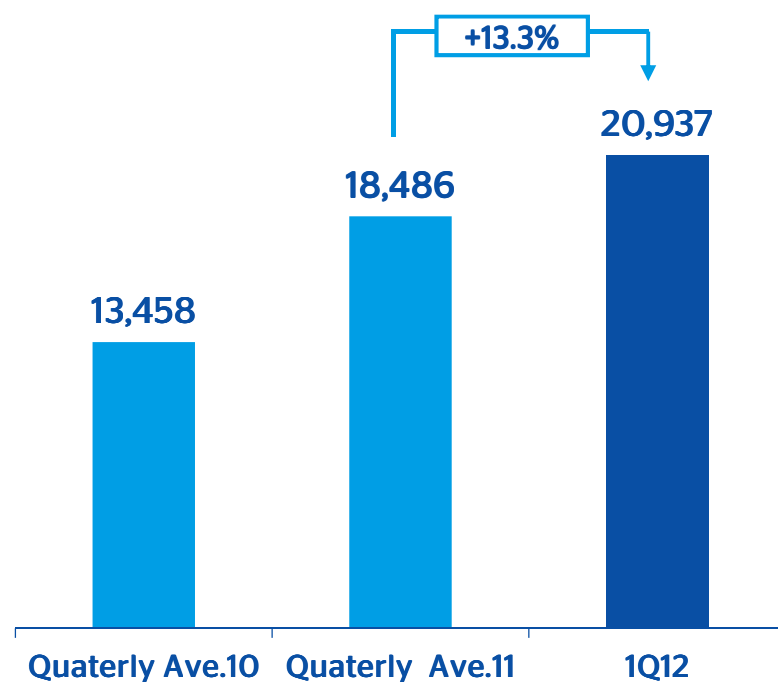


Profitability will improve reflecting the transformation of the business mix / model and the economic recovery

(1) Core revenues include: Net interest income and fee income.

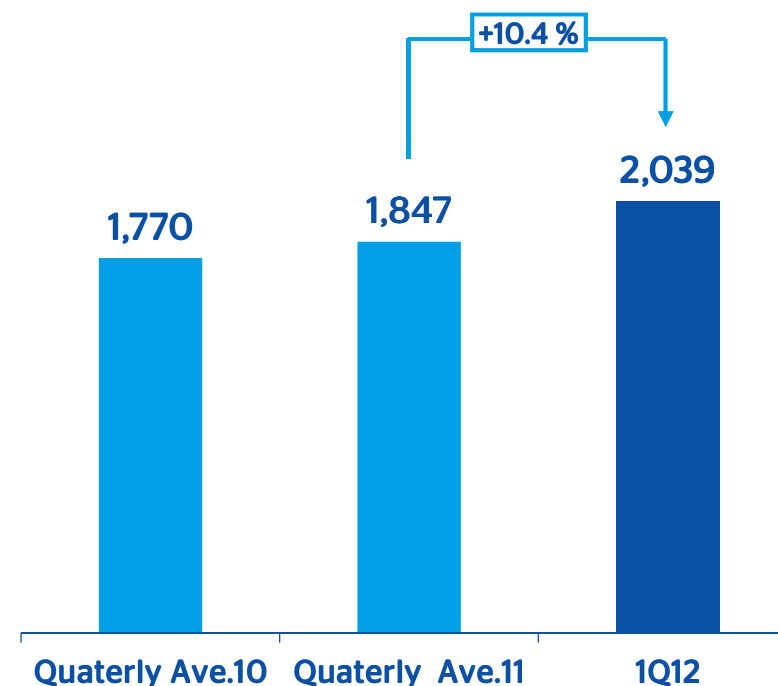
Eurasia: Buoyant activity in all regions

Citic Core revenues⁽¹⁾
(RMB million)



Source: CNBC public reporting

Garanti Core revenues⁽²⁾
(TRY million)



Source: BRSA Consolidated Garanti public reporting.

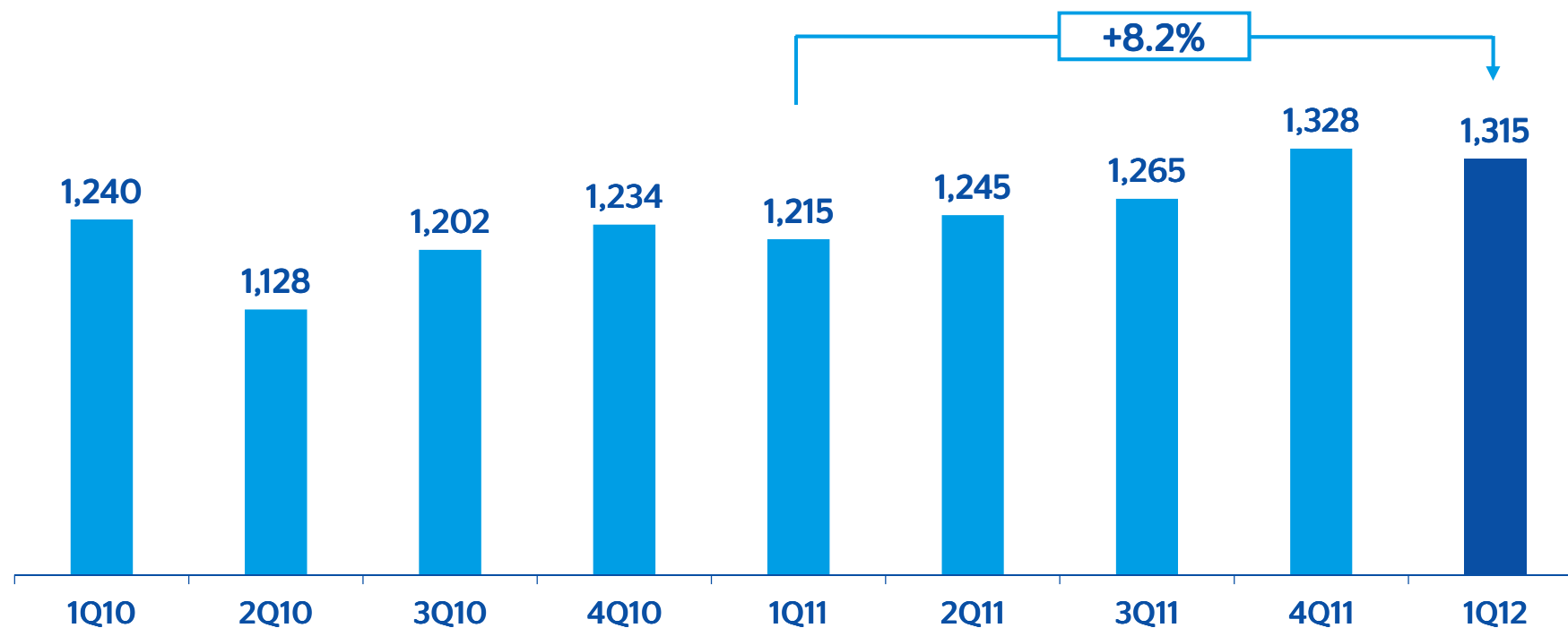


Activity dynamism and growing core banking revenues

(1) Core revenues include: Net interest income and fee income. (2). Core revenues include: Net interest income, income on Reserve Requirements and CPI linkers and net fees & commissions.

Mexico: Core revenue growth thanks to the business dynamism and mix improvement

Core revenues⁽¹⁾
(Constant €m)

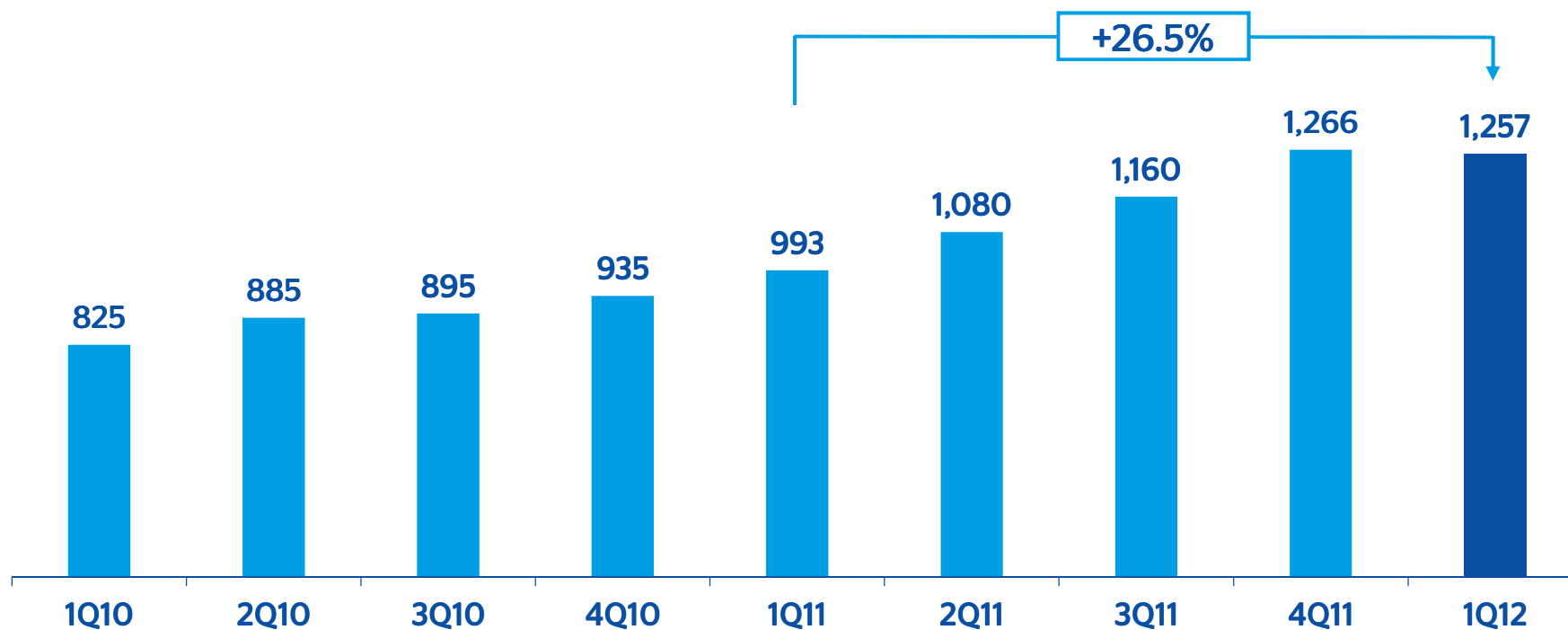


High net interest income growth
Impact of new regulation on fees and commissions absorbed in 2011

(1) Core revenues include: Net Interest Income and Fee Income.

South America: Diversified leadership in a fast growing region leading to higher revenues and profitability

Core revenues⁽¹⁾
(Constant €m)

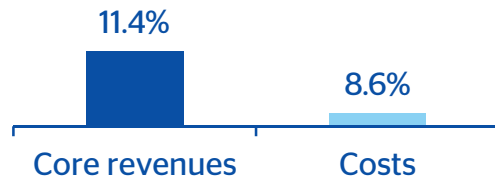


High growth of core revenues and profits

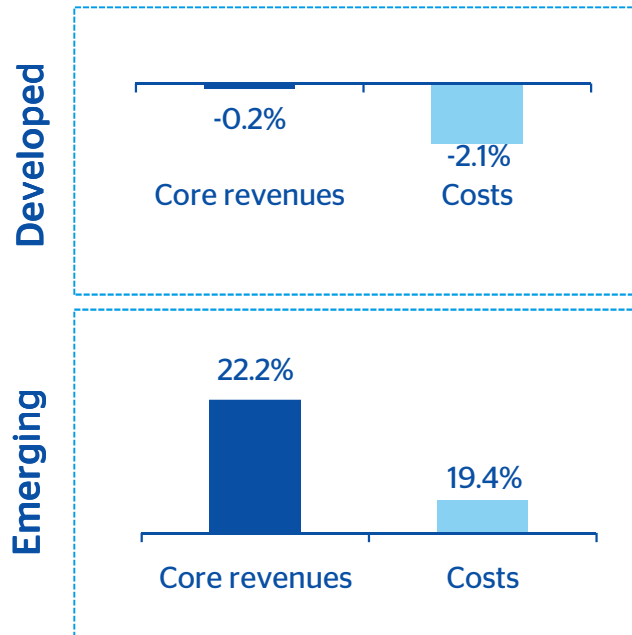
(1) Core revenues include: Net interest income and fee income.

Group: Costs growing at a lower pace than core revenues

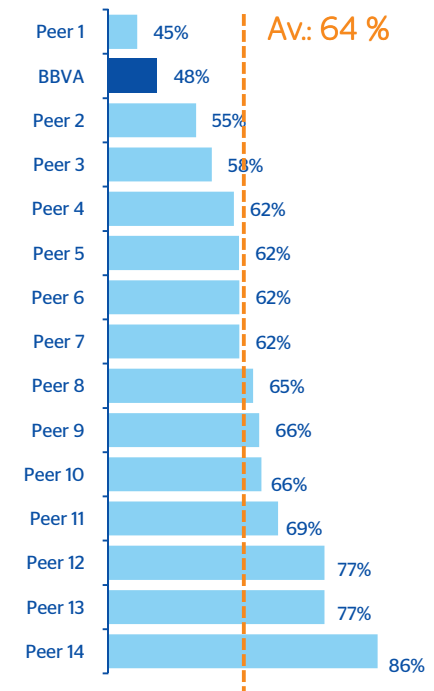
Core revenues ⁽¹⁾ vs. costs
 BBVA Group 1Q2012
 Year-on-year change % (1Q11-1Q12)



Year-on-year change
 (1Q11-1Q12)
 (Constant €)



Cost-to-income ratio
 BBVA Group vs. Peer Group
 December 2011



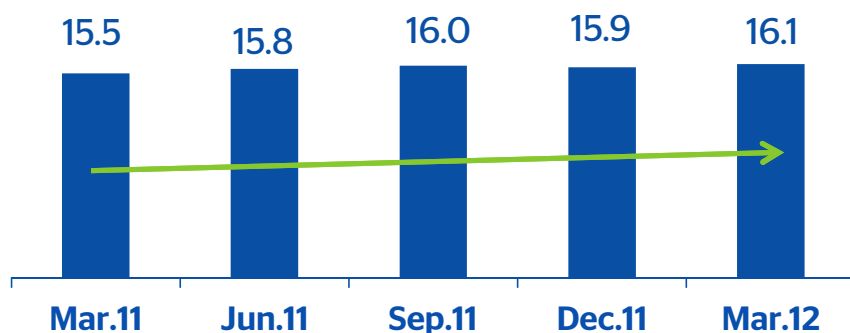
Costs to remain flat in developed economies and progressively stabilize in emerging economies

(1) Core revenues include: Net interest income and fee income.
 Peer Group: BARCL, BNP, CASA, CMZ, CS, DB, HSBC, ISP, LLOYDS, RBS, SAN, SG, UBS and UCI.

Group: Stable risk indicators

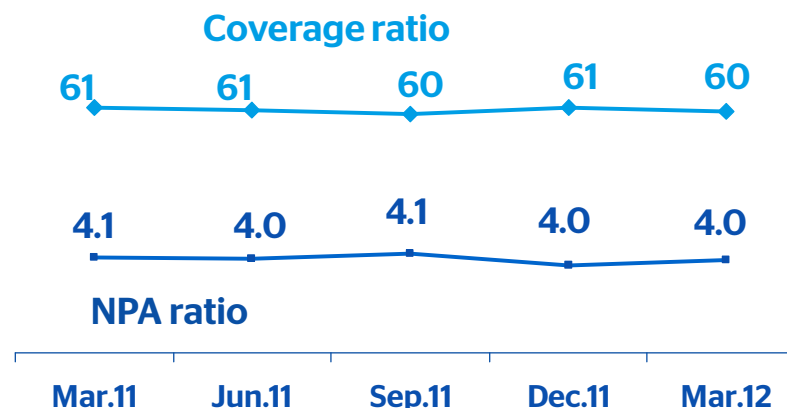
NPAs - net balance

BBVA Group
(€bn)



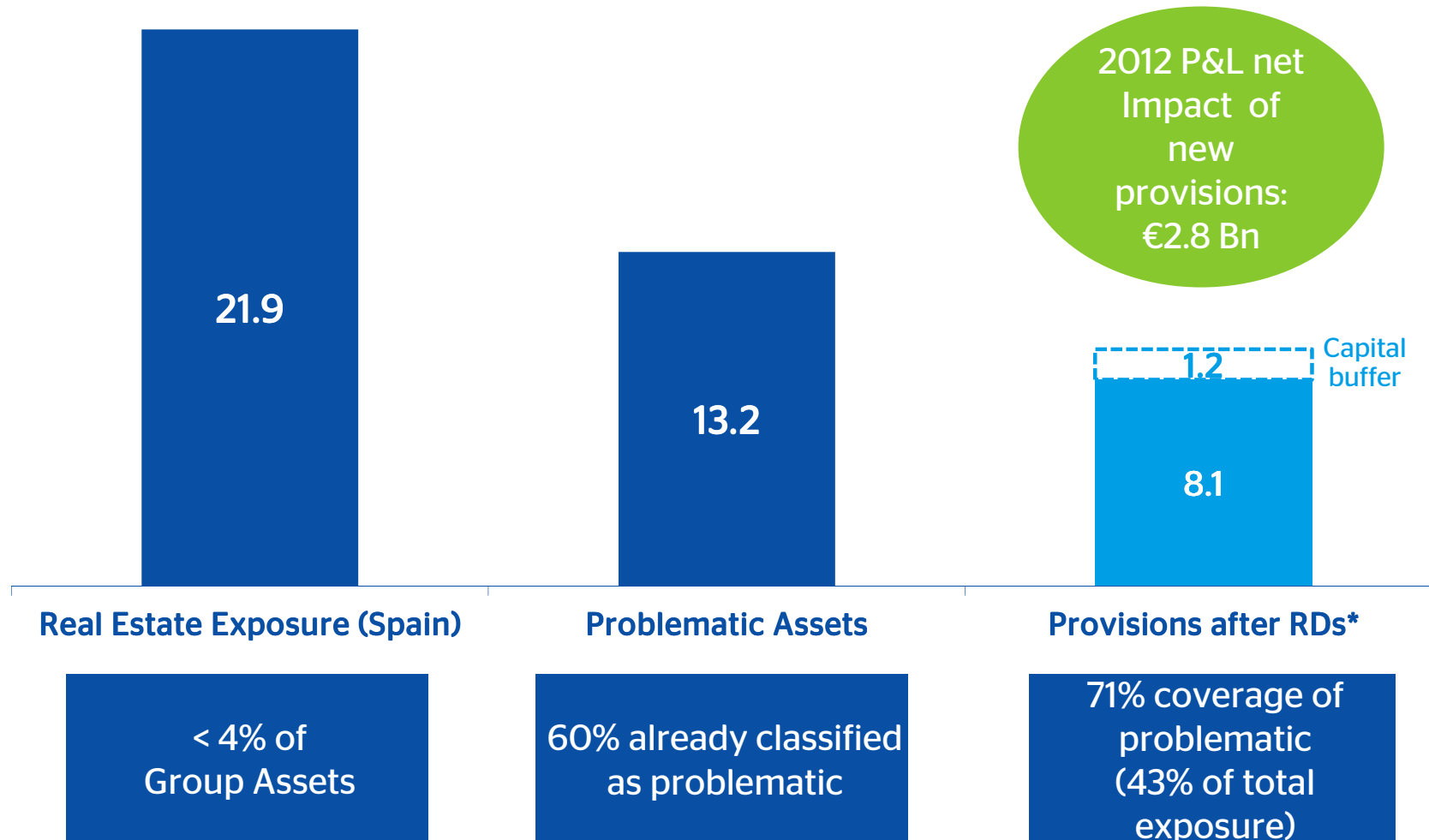
NPA & coverage ratios

BBVA Group
(%)



Good performance in all franchises compensating a weak environment in Spain

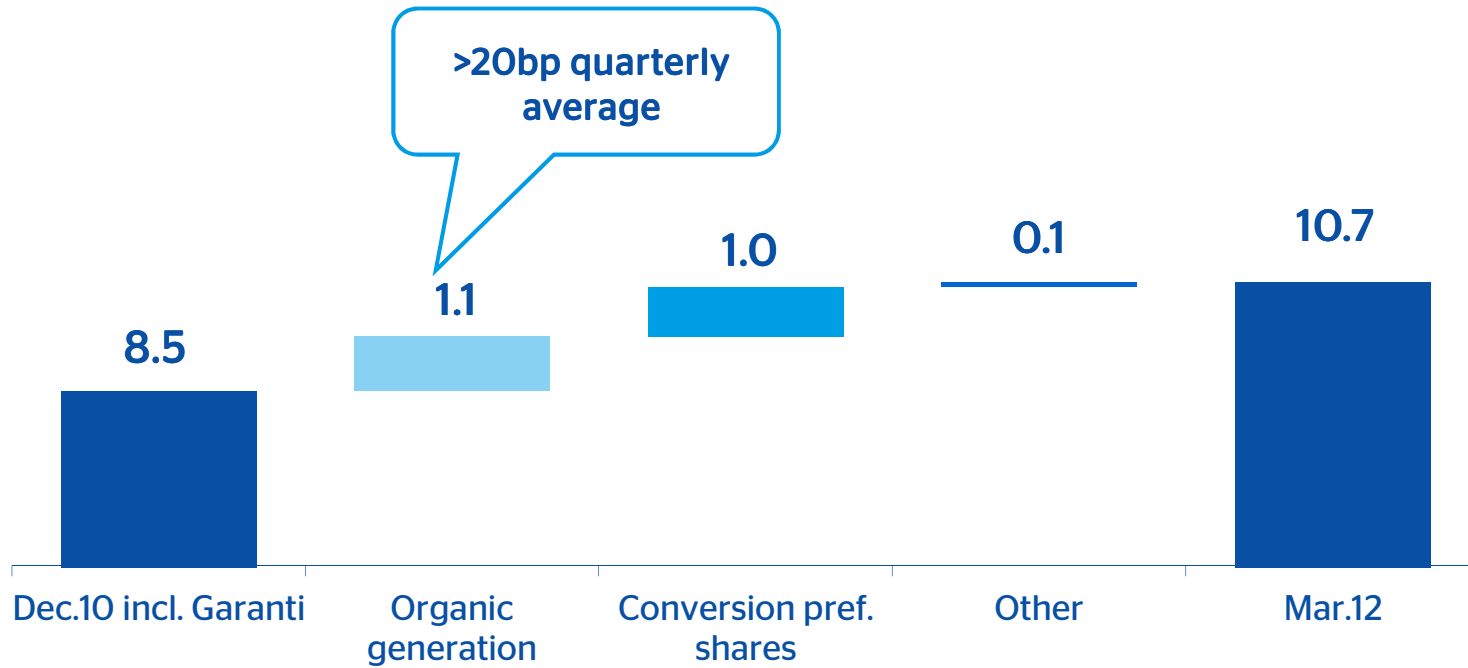
Spain: BBVA will absorb new RE provisions while coverage levels will significantly increase



Figures as of December, 2011: * Includes both RD 02/2012 and RD 18/2012; coverage ratios include the capital buffer required by 02/2012 RD (€1.2 Bn for BBVA)

Capital: Substantial organic capital generation

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



Early compliance with EBA 9% requirement as of March 2012, maintaining dividend policy and without selling strategic assets

Liquidity: Proactive management of the Euro Balance Sheet ...

1 Lower funding needs

Improving Euro
funding gap

2 Strategic use of ECB LTRO to
improve funding structure

< 5% total assets

3 Lowest redemptions in 2012 amongst peer group (€11 bn) and
2012-2013 redemptions already covered

4 Proven access to wholesale markets

5 Enough additional collateral to absorb any liquidity shocks

Trends

Funding costs continue to improve

Liquidity: ... and in all other franchises thanks to BBVA's decentralized liquidity management

Independent ratings and liquidity management

Market discipline and proper incentives

Firewalls between subsidiaries and the parent company

Supervision and control by parent company

Proven resilience during the crisis

BBVA Compass

Loan to deposits (Mar-12)
91%

Mexico

Loan to deposits (Mar-12)
96%

South America

Loan to deposits (Mar-12)
90%

The banking industry faces multiple challenges

BBVA has remained profitable and resilient
under extreme circumstances

BBVA continues to strength its franchise value:
diversification, business model and innovation

BBVA is delivering positive operating trends
and strong fundamentals

BBVA

BBVA strong franchise value and earnings power

Carlos Torres, Head of Strategy and Corporate Development

Cheuvreux, Pan - Euro Forum

May 22nd, 2012