BBVA, a unique choice in the new normal of the financial industry

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2011 has seen some progress towards a stronger EMU

SOVEREIGN RISK

- Firm steps towards a fiscal union
- Crisis management mechanism (ESM) has been brought forward

LIQUIDITY

- Ample provision of liquidity by the ECB through long-term operations (3 years)
- Availability of collateral could significantly widen

FISCAL DISCIPLINE

- Constitutional limits to public deficits will be adopted
- Peripheral countries executing severe fiscal adjustment plans

Whereas many issues are still pending, tail-risk is improving

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In Spain recent events show movements in the right direction

- **New government with strong social mandate for the next 4 years**

- **Strong commitment on the key reforms, with a special focus on:**

    1. **Fiscal Deficit**
    2. **Labour Market**
    3. **Financial Sector**

The market should price achievements on these matters

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At a European financial system level, the transition towards the “new normal” is accelerating

The “new normal” of the financial system

- **Liquidity**: scarce and more expensive
- **Capital**: Higher level and quality
- **Deleveraging**
- Increasing **regulation and supervision**

Greater differentiation across institutions

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In this environment, the banking industry faces significant challenges

Banking industry challenges in the “new normal”

- Excessive balance sheet size
- Liquidity/funding constrains
- Higher capital requirements
- Regulatory changes
- Pressures on profitability
- Questioning the viability of certain business models
- Lack of growth

BBVA is well positioned to face these challenges

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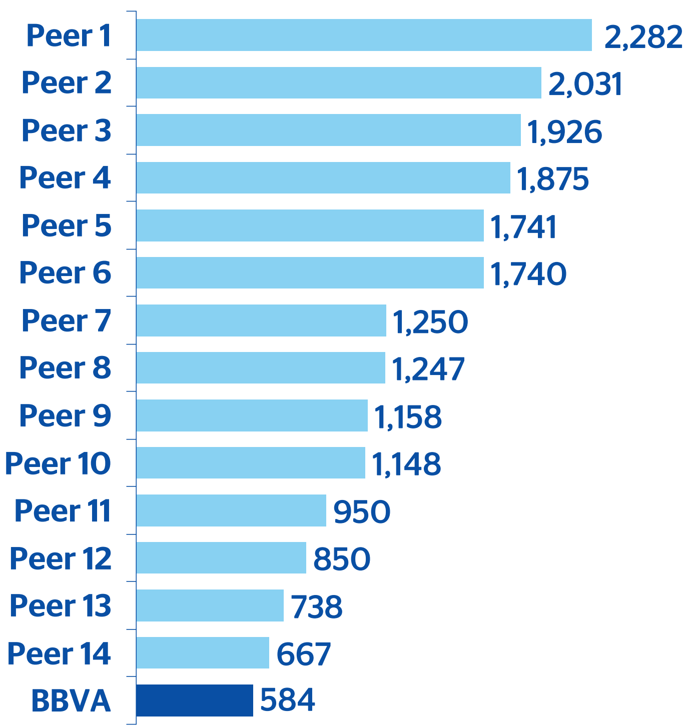
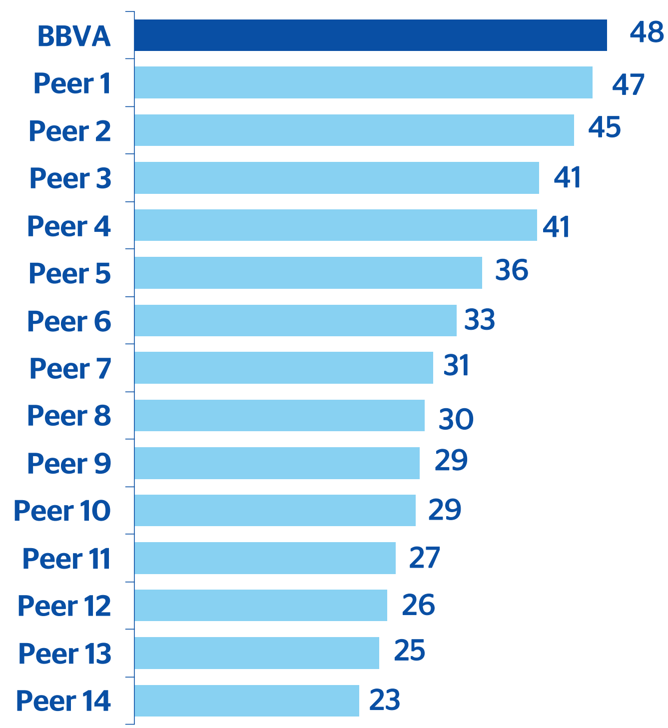
SMALL BALANCE SHEET SIZE

Small balance sheet with the largest deposit base

Total Assets
BBVA Group vs. Peer Group
(9M2011, € bn)



Customer deposits / Total Assets
BBVA Group vs. Peer Group
(9M2011, %)

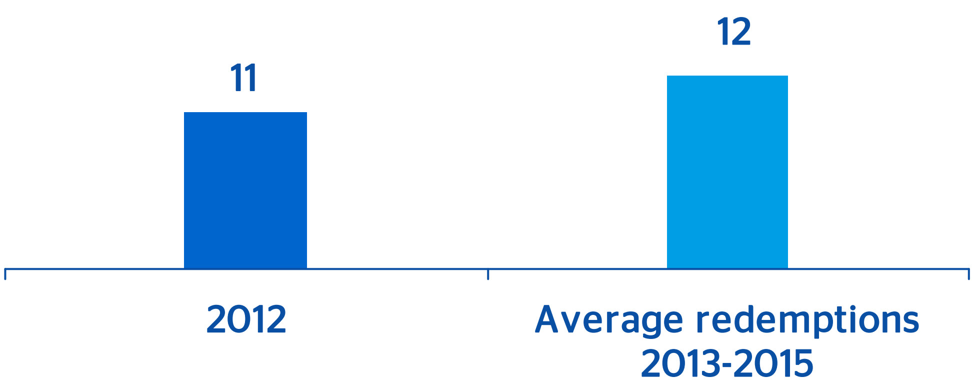


Peer Group: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS , SAN, SG, UBS, and UCI .

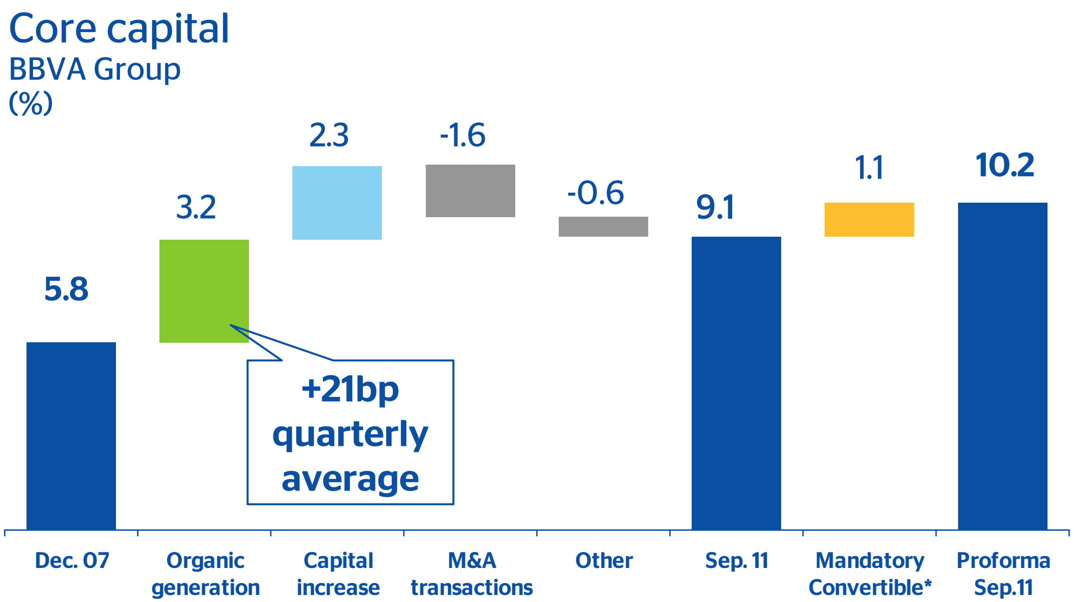
Low wholesale funding dependence and resilient to liquidity shocks

- Highest deposits / assets ratio in the peer group
- Low wholesale redemptions compared to peer group
- Euro funding gap improving:
    - -€20bn (since summer 2010)
    - No need to refinance 2012 maturities if market conditions remain tough
- Available collateral: €40bn as of September 2011

Low wholesale funding redemptions
(€Bn)



Strong organic capital generation



Maintaining our dividend policy: €0.42 DPS

Avoiding the sale of core assets

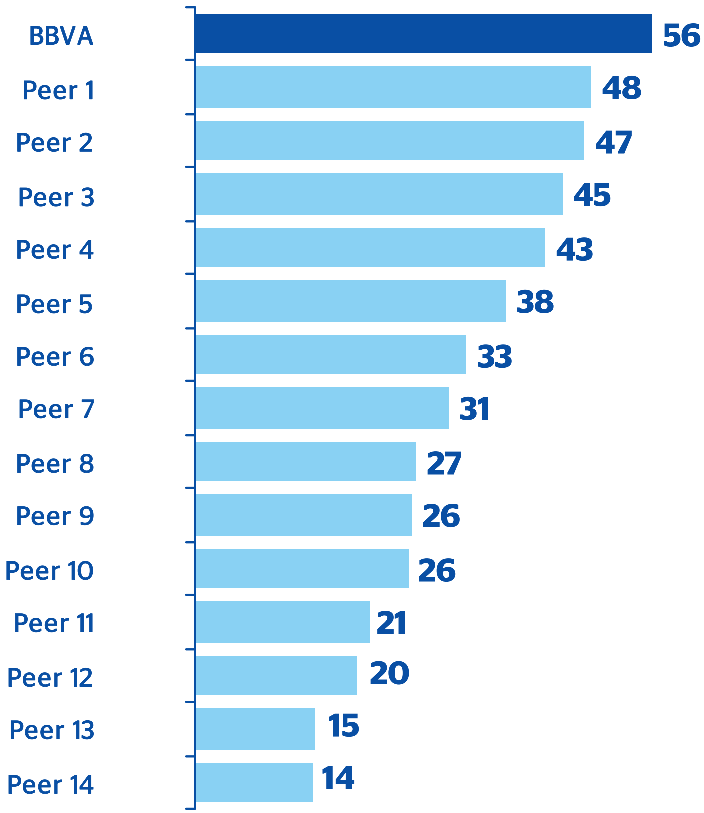
Without recurring to public funds

BBVA will comfortably achieve the "temporary and extraordinary" capital requirements established by the European Banking Authority by June 2012.

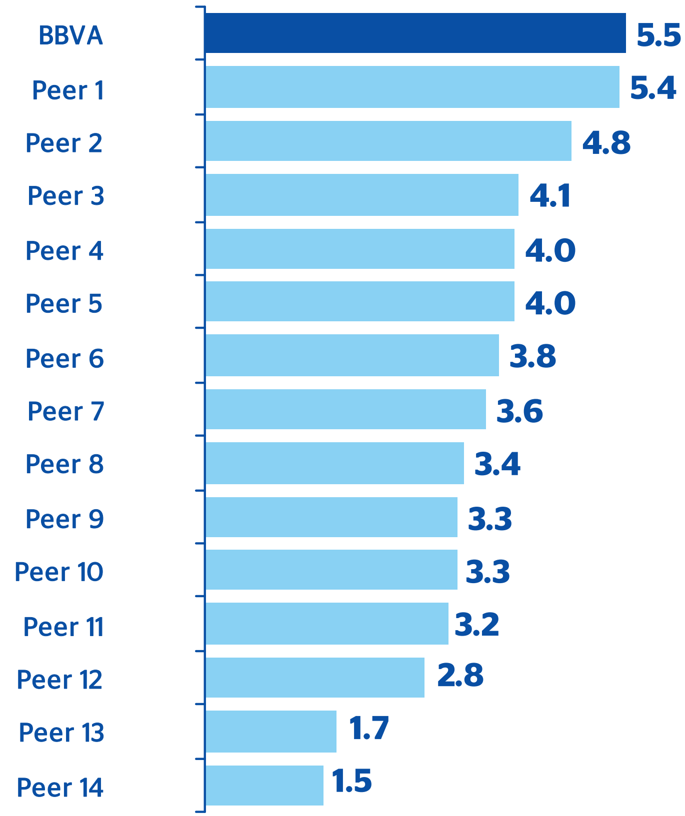
*Calculated using final conversion data and RWAs as of Sep-11

High quality capital with low leverage

RWAs / Total Assets
BBVA Group vs. Peer Group
(9M11, %)



Tangible equity / Tangible Assets
BBVA Group vs. Peer Group
(9M11, %)



Peer Group: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS , SAN, SG, UBS & UCI.

BBVA is ready for the regulatory challenge

Simpler, Retail focused business model

Decentralized management of liquidity and capital

Conservative risk culture

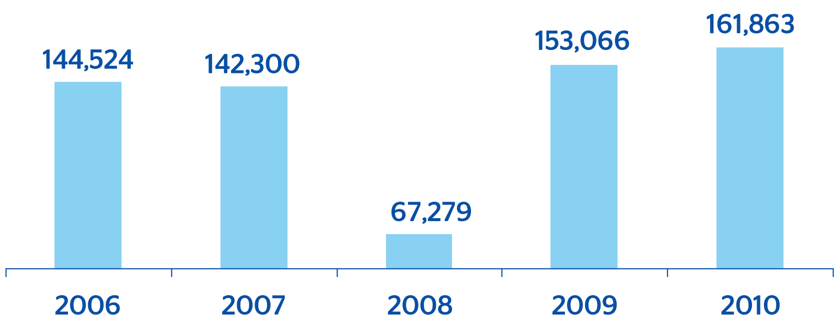
Proven track record in capital and liquidity management

Estimated modest impact from upcoming Regulation

Solid and recurrent earnings

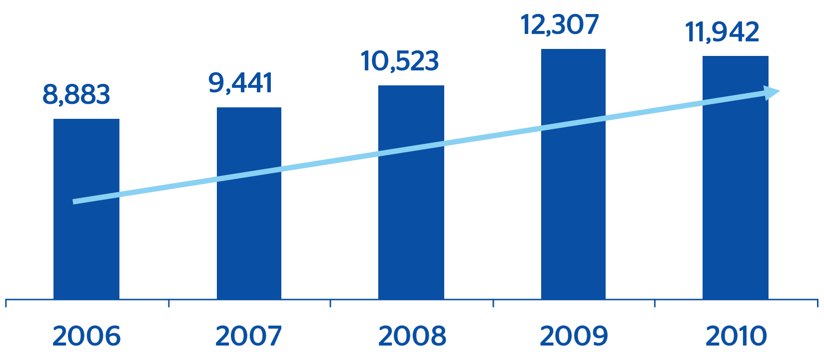
European Peers Aggregate *
Operating income
(€m)

CAGR$_{06-10}$ **+2.9%**



BBVA Group
Operating income
(€m)

CAGR$_{06-10}$ **+7.7%**

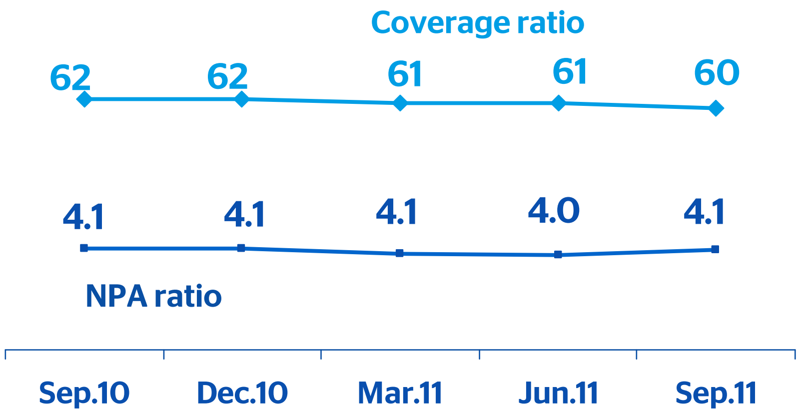


Good performance in emerging economies offsets decline in developed markets

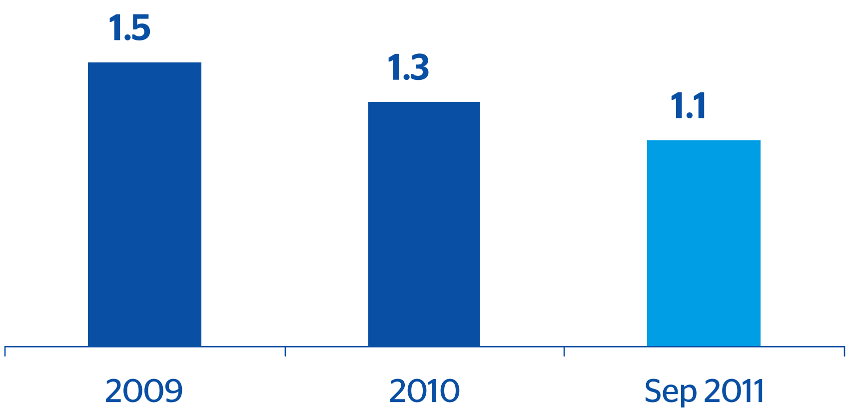
* European Peers Aggregate: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS; SAN, SG, UBS and UCI.

Strong asset quality

NPA & coverage ratios
BBVA Group
(%)



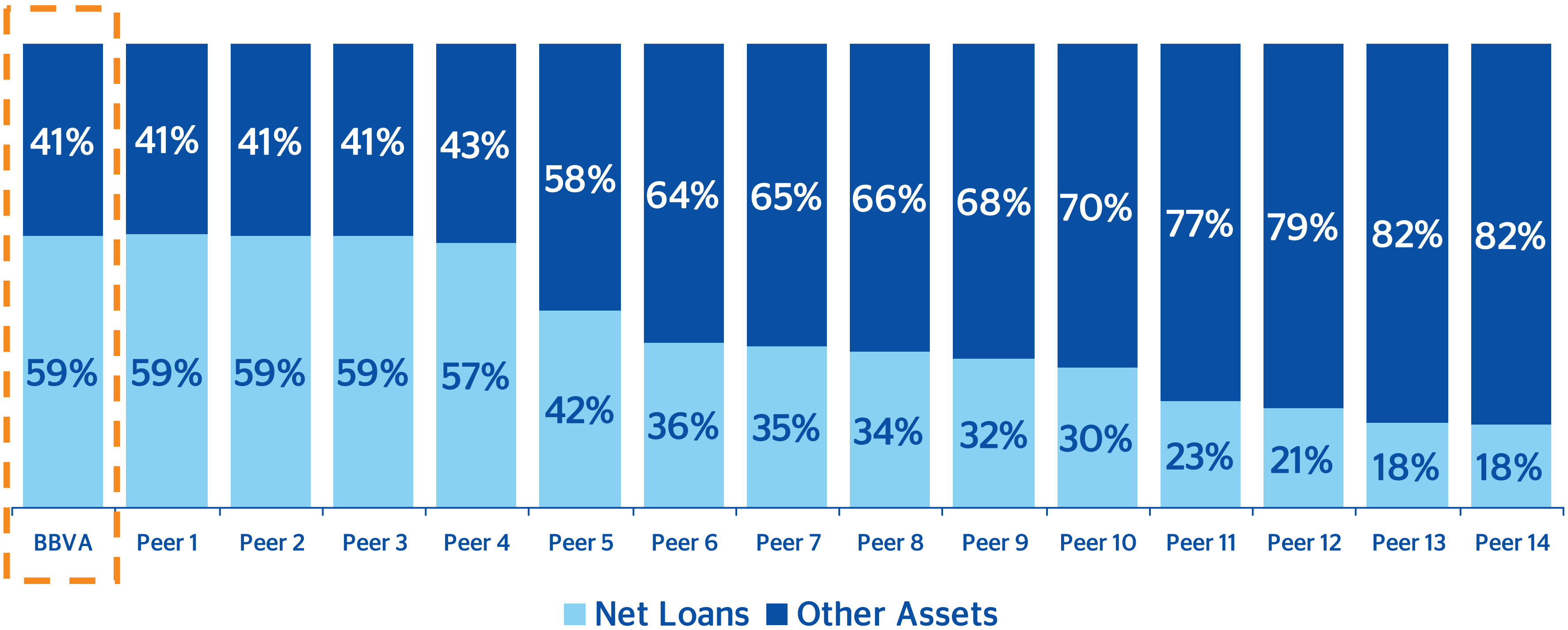
Cumulative risk premium
BBVA Group
(%)



An attractive customer – centric, business model

Net Loans to Assets

BBVA Group vs. Peer Group
(9M11, %)



A client-driven business that ensures low volatility of earnings

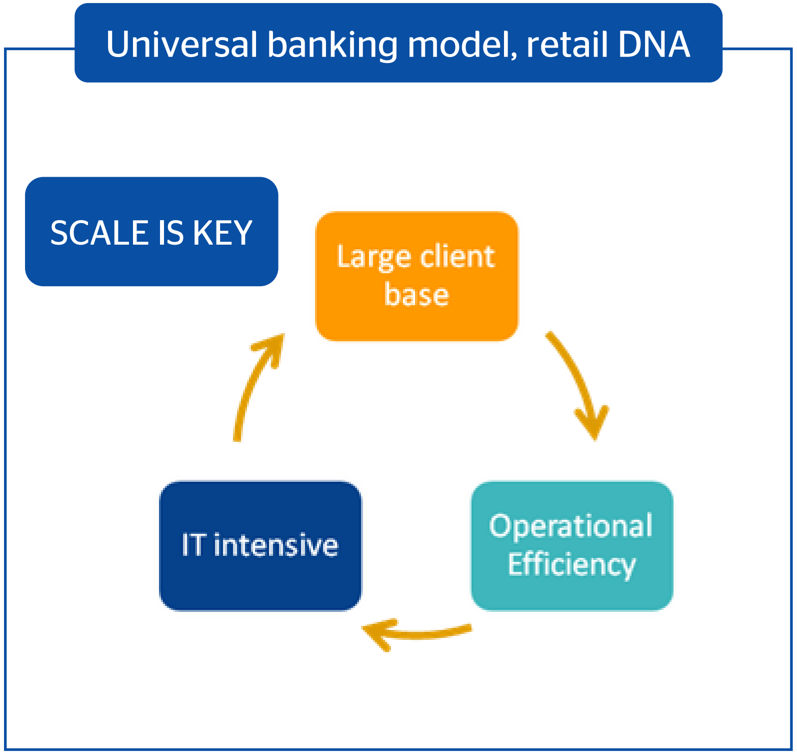
Peer Group: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS , SAN, SG, UBS, and UCI .

With leading franchises in its core markets

	Loans	Deposits	Ranking
Spain	12%	10%	2nd
Mexico	27%	24%	1st
South America (ex Brazil)	10%	10%	2nd
USA (Sunbelt)	--	6%	4th / 1st Regional Bank
Eurasia			
China (Citic Bank)	15 % stake (7th)		
Turkey (Garanti Bank)	25 % stake (1st)		

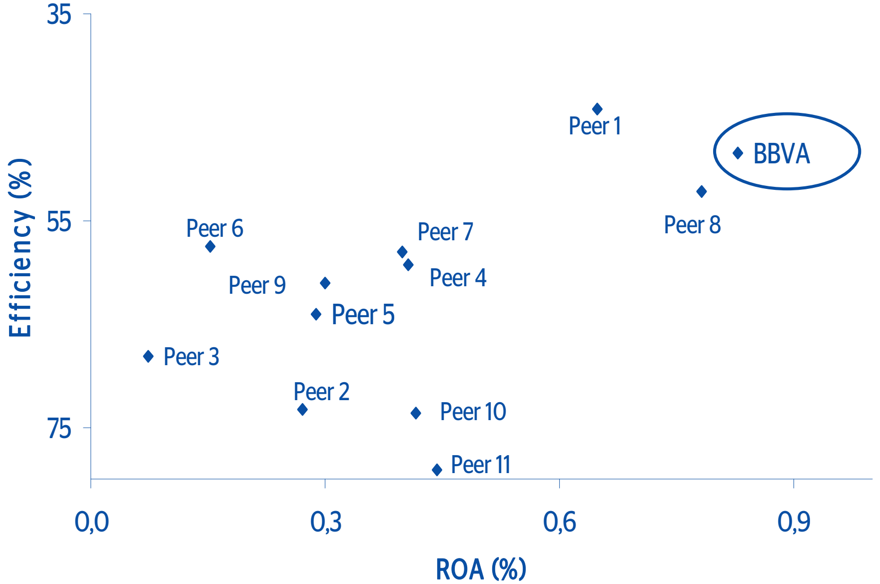
Ranking by deposits (except for China, by assets and for Turkey, by deposits); **Spain**: Data as of November 2010; **México**: Data as of December 2010; **South America**: Data as of September 2010, countries considered: Argentina, Chile, Colombia, Panama, Paraguay, Peru, Uruguay and Venezuela; **USA**: Data as of June, 2011, market share and ranking considering only Texas and Alabama; **China and Turkey**: data as of December 31, 2010.

Highly profitable and efficient operations



ROA vs. Efficiency

BBVA Group vs. Peer Group
(September 2011,%)



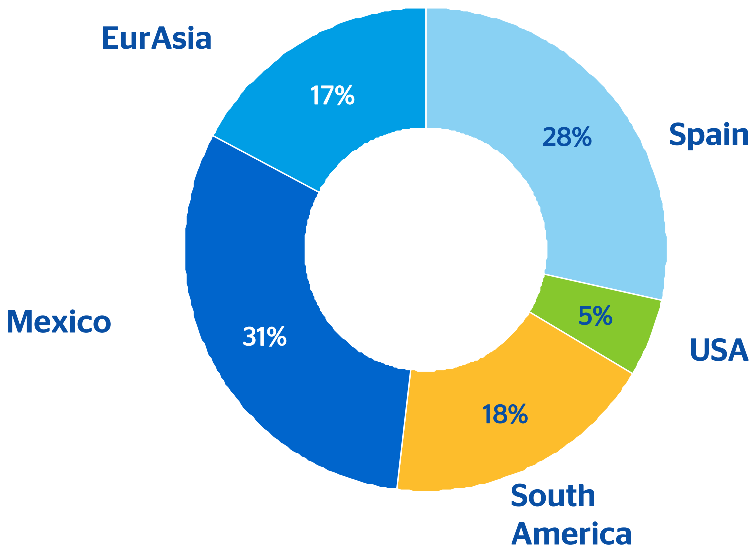
ROA: 0.8% ROE: 11.3%

The key: critical mass in sizeable markets

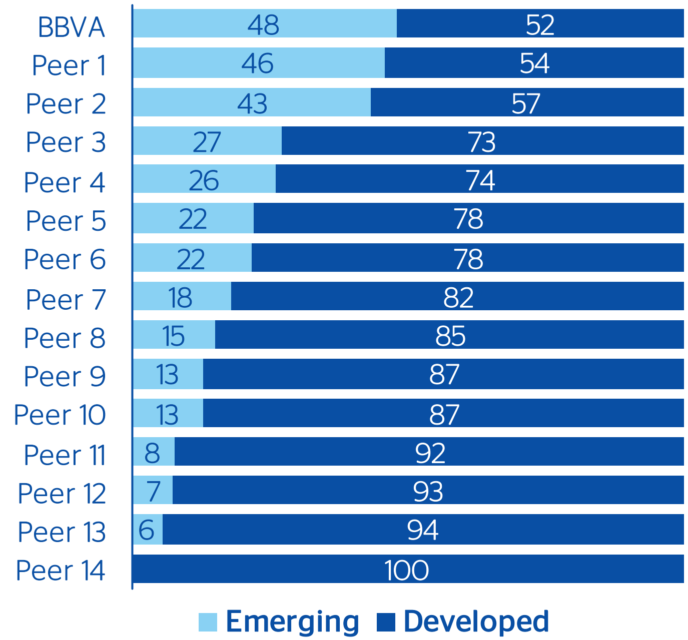
Peer Group: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, SAN, SG & UBS. Excludes banks with negative ROA (UCI, LBG & RBS).

Diversified business mix ...

Net attributable profit by region (1)
BBVA Group
(%) 9M 2011



Geographic diversification of revenue (2)
BBVA Group vs. Peer Group
(%) 2010



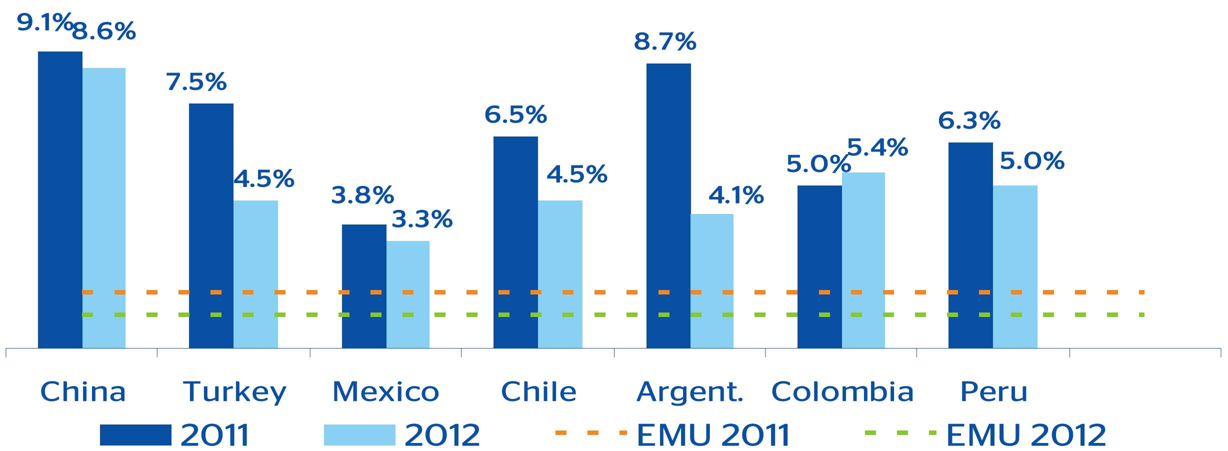
With Garanti, emerging market revenue contribution > 50%

Diversified business mix that ensures sustainable growth

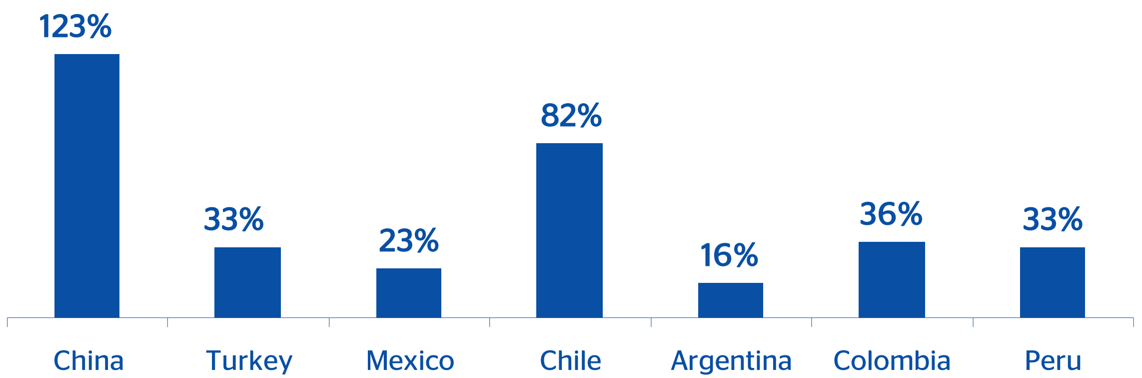
(1): Ex holding; (2) In-house preparation using available data as of January, 2011.
Peer Group: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS , SAN, SG, UBS and UCI.

… biased to high growth markets

Estimated real GDP growth (yoy %)



Loans to private sector (Sept 2011, % of GDP)



Source: BBVA Research

Significant growth opportunities along 3 axes

1 Mature Markets

- Margin normalization
- Market share gains
- Asset quality improvement

2 Emerging Markets

- Superior economic growth prospects
- High and sustainable demand
- Increase in banking penetration

3 Technology as a key sustainable competitive advantage

1 Mature Markets Highlights

Spain	• Anticipation to the current environment (branch network transformation, price management, cost control, risk mgmt, etc.) • Resilient earnings and manageable Real Estate exposure • High quality franchise with no pending restructuring needs, ready for the opportunities of the new cycle
United States	• Good business performance despite slow economic recovery and regulatory changes • Profitability and asset quality continues to improve

2 Emerging Markets Highlights

EurAsia	• Growing contribution to the Group • Dynamism in Asia and Turkey and resilience in wholesale banking in Europe
Mexico	• Focus on the most profitable segments • Dynamism in business and earnings, especially in the retail segment • Stable risk premium
South America	• Strong growth of business and revenue, supported by diversification • The Group's best risk indicators • Focus on operational efficiency

3 Relying on technology as a key sustainable competitive advantage

Customer centric approach
- Customized product offering
- Multichannel distribution

Commercial productivity increase
- Customized management model
- Easier access to banking services

Lower risk level and mitigation
- Risk Intellingent system

Operational efficiency enhancement
- Efficiency in processes
- Robust infrastructure

- Greater revenues per employee/customer
- Higher cross sale ratio
- Greater customer satisfaction/loyalty
- Barriers of entry
- Faster processes with less bureaucracy
- Higher risk adjusted returns

Higher profitability and better asset quality than the peer average in each market

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Conclusions

Strong Balance Sheet and Capital

- Highest deposits / assets ratio in the peer group
- High quality capital with low leverage
- On track to comfortably achieve new capital requirements

Diversified universal bank

- Customer centric retail bank
- Business mix biased to high growth markets
- Leading franchises in attractive markets

Recurrent profitability

- Profitability and efficient operations
- IT intensive customer centric approach

Attractive business outlook

- In mature and high growth markets
- IT as key sustainable competitive advantage

BBVA, an investable choice in the new normal

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