A Unique Value Proposition

Goldman Sachs
European Financials Conference
Manuel Gonzalez Cid, BBVA's CFO
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1 High and recurrent profitability

2 Strong balance sheet and capital

3 Rising opportunities

4 Concluding remarks
Despite significant headwinds, earnings delivery has been a trademark of BBVA during the crisis.
Showing resilient results in 1Q11

Gross income and attributable profit
BBVA Group
(€m)

Good performance in emerging economies offsets decline in developed markets
Well diversified by geography

Gross Income by geography*
BBVA Group (%)

- USA: 33.7%
- Spain: 21.1%
- South America: 27.4%
- Mexico: 11.5%
- EurAsia: 6.4%

Attributable Profit by geography*
BBVA Group (%)

- USA: 32.4%
- Spain: 29.6%
- South America: 19.0%
- Mexico: 5.5%
- EurAsia: 13.5%

Emerging: 52%
Developed: 48%

Emerging: 57%
Developed: 43%

* Data 1Q11 Ex Holding
Highly profitable business, attractive business mix and superior growth prospects

ROA: 0.9%  ROE: 15.8%

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

* In-house preparation using 1Q11 data for BBVA and available data as of January 2011 for peers.
1. High and recurrent profitability

2. Strong balance sheet and capital

3. Rising opportunities

4. Concluding remarks
Strong balance sheet and capital

Comfortable funding position

- Large deposit base
- Lowest wholesale funding needs among peers

Strong capital base

- Strong organic capital generation
- High quality capital
- Lowest leverage among peers
Large deposit base with low wholesale funding needs

Customer deposits / Total Assets
BBVA Group vs. Peers*
(2010, %)

Maturities of wholesale funding
BBVA Group vs. Peers*
(€bn)

*Peers: BARCL, BNPP, CASA, CMZ, DB, HSBC, ISP, LBG, RBS, SAN, SG, & UCI. Source: Bloomberg 21-Feb-2011,
Sound and consistent capital management policy with strong organic generation

Core capital
BBVA Group (%)

- 2009: 8.0%
- 2010: 9.6%
- Organic generation: 0.2%
- Dividend Option: 0.2%
- Garanti and others: -1.1%
- 1Q11: 8.9%

Moody's confirms Aa2 rating

- Core Capital: 8.9%
- Tier 1: 9.8%
- BIS Ratio: 13.0%
High quality capital with the lowest leverage

<table>
<thead>
<tr>
<th>RWAs / Total Assets (%)</th>
<th>Peer Group: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS &amp; UCI.</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBVA</td>
<td>57</td>
</tr>
<tr>
<td>Peer 1</td>
<td>50</td>
</tr>
<tr>
<td>Peer 2</td>
<td>50</td>
</tr>
<tr>
<td>Peer 3</td>
<td>49</td>
</tr>
<tr>
<td>Peer 4</td>
<td>45</td>
</tr>
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<td>Peer 5</td>
<td>41</td>
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<td>Peer 6</td>
<td>35</td>
</tr>
<tr>
<td>Peer 7</td>
<td>32</td>
</tr>
<tr>
<td>Peer 8</td>
<td>30</td>
</tr>
<tr>
<td>Peer 9</td>
<td>30</td>
</tr>
<tr>
<td>Peer 10</td>
<td>27</td>
</tr>
<tr>
<td>Peer 11</td>
<td>23</td>
</tr>
<tr>
<td>Peer 12</td>
<td>21</td>
</tr>
<tr>
<td>Peer 13</td>
<td>18</td>
</tr>
<tr>
<td>Peer 14</td>
<td>15</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tangible equity / Tangible Assets (%)</th>
<th>Peer Group: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS &amp; UCI.</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBVA</td>
<td>5.3</td>
</tr>
<tr>
<td>Peer 1</td>
<td>4.9</td>
</tr>
<tr>
<td>Peer 2</td>
<td>4.5</td>
</tr>
<tr>
<td>Peer 3</td>
<td>4.3</td>
</tr>
<tr>
<td>Peer 4</td>
<td>4.2</td>
</tr>
<tr>
<td>Peer 5</td>
<td>4.1</td>
</tr>
<tr>
<td>Peer 6</td>
<td>4.1</td>
</tr>
<tr>
<td>Peer 7</td>
<td>3.9</td>
</tr>
<tr>
<td>Peer 8</td>
<td>3.4</td>
</tr>
<tr>
<td>Peer 9</td>
<td>3.3</td>
</tr>
<tr>
<td>Peer 10</td>
<td>3.1</td>
</tr>
<tr>
<td>Peer 11</td>
<td>2.8</td>
</tr>
<tr>
<td>Peer 12</td>
<td>2.4</td>
</tr>
<tr>
<td>Peer 13</td>
<td>1.9</td>
</tr>
<tr>
<td>Peer 14</td>
<td>1.6</td>
</tr>
</tbody>
</table>
1 High and recurrent profitability

2 Strong balance sheet and capital

3 Rising opportunities

4 Concluding remarks
Rising opportunities

Mature markets
- Improving asset quality
- Market share gains
- Pricing getting better

Growing markets
- Excellent asset quality
- Accelerating business
- Favourable mix trends
Spain: Better asset quality due to anticipation

Gross additions to NPA over total gross loans

Recoveries over gross additions to NPA

NPA ratio (1Q11 YoY change in b.p.)

Gross additions continue to decline while recoveries are up

(1) Santander network, Popular, Caixa, Caja Madrid, Sabadell, Banesto, Bankinter and Pastor
Spain: In asset quality, BBVA has a differential performance

Domestic lending market share

Very limited exposure to developers

Lower risk appetite during the credit boom years, particularly in RE developers.

Peers: Santander, Novacaixagalicia, Caja España, Catalunya Caixa, Unnim, Banesto, Bankinter, Popular, Banco Base, Sabadell, Banca Cívica, Caixa y Bankia.

Source: BBVA Quarterly report and CNMV
Spain: highly productive network with no pending restructuring needs

Best positioned to take advantage of the restructuring of financial sector

(*) Excluding BBVA
Source: Bank of Spain. Branch data as of September 2010
Peers: Caixa, Santander (including Banesto), Bankia and Popular
Spain: 2011 will continue to be challenging for NII, although front book dynamics are improving

Time deposit pricing improving
(Current levels vs. 2010 max. in b.p.)

Covered Bonds
Spread difference
(latest issue vs. max. in b.p.)

Front book spreads improving
(Current levels vs. 2010 min. in b.p.)

Price normalization represents a significant opportunity

Source: Internal data and Bank of Spain
Spain: Slower decline in NII in 1Q11

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

Customer spread: +14bp in the quarter
United States: improvement of mix ... 

BBVA Compass – lending mix (%)

<table>
<thead>
<tr>
<th>Period</th>
<th>Individuals and Companies</th>
<th>RE Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q10</td>
<td>80</td>
<td>20</td>
</tr>
<tr>
<td>1Q11</td>
<td>89</td>
<td>11</td>
</tr>
</tbody>
</table>

YoY Change:
- Individuals and Companies: +9%
- RE Construction: -43%

... and increase in the customer spread leading to strong rebound in bottom line

BBVA Compass – Customer spread (%)

<table>
<thead>
<tr>
<th>Period</th>
<th>Cost</th>
<th>Non Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q10</td>
<td>77</td>
<td>23</td>
</tr>
<tr>
<td>1Q11</td>
<td>73</td>
<td>27</td>
</tr>
</tbody>
</table>

YoY Change:
- Cost: -4%
- Non Cost: +13%

* Excluding Guaranty Loss Sharing Agreement

BBVA Compass – Attributable Profit (Constant €m)

<table>
<thead>
<tr>
<th>Period</th>
<th>1Q10</th>
<th>1Q11</th>
<th>Avg. Per quarter 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>85</td>
<td>81</td>
<td></td>
</tr>
</tbody>
</table>
United States: risk indicators continue to improve

**BBVA USA Provisions (Constant €m)**

- Ave qtr 2009: 357
- Ave qtr 2010: 171
- 1Q11: 106

<table>
<thead>
<tr>
<th>Cum. risk premium</th>
<th>3.3%</th>
<th>1.7%</th>
<th>1.1%</th>
</tr>
</thead>
</table>

**BBVA USA NPAs balance (Constant €m)**

- 1Q10: 2,068
- 1Q11: 1,817

<table>
<thead>
<tr>
<th>NPA ratio</th>
<th>4.4%</th>
<th>4.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage</td>
<td>56%</td>
<td>64%</td>
</tr>
</tbody>
</table>
EurAsia: buoyant business in both areas

Rest of Europe - Gross Income (€m)

- Average qtr 2010: 164
- 1Q11: 191
- YoY change: +14%

EurAsia - breakdown of net attrib. profit (%)

- YoY change: +14%
- 41.4% CITIC
- 58.6% Rest of Europe

Asia - Gross Income (€m)

- Average qtr 2010: 106
- 1Q11: 147
- YoY change: +123%

- 15% Asia - organic
- 85% CITIC

(1) Only €24m from Garanti in 1Q11
Mexico: recovery of business traction and improvement in mix...

…consumer lending starting to improve in 2H10, thanks to internal demand recovery after sharp drop in 2009.

New business by product/segment (Year-on-year change, %)

- Mortgages*
- Consumer + cards
- CBB loans
- Transactional Mutual funds

Funding mix (%)

- Cost: 38, 32, 30
- Non Cost: 62, 68, 70

* Excluding old residential
Mexico: sharp drop in the cost of risk . . .

NPA & coverage ratios (%)

Coverage ratio

Mar.10 131
Jun.10 136
Sep.10 150
Dec.10 152
Mar.11 136

NPA ratio

4.1 3.8 3.4 3.2 3.2

Provisions (Constant €m)

1Q10 354
1Q11 310

-12.6%

Risk Premium

4.3%

3.4%

. . . altogether leading to an acceleration of earnings growth

Attributable profit (Constant €m)

1Q10 371
1Q11 436

+17.3%
South America: high level of business . . .

. . . with an improvement in the mix

**Lending**

Year-on-year change (%)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>1Q10</th>
<th>2Q10</th>
<th>3Q10</th>
<th>4Q10</th>
<th>1Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td>YoY growth</td>
<td>-0.5%</td>
<td>7.3%</td>
<td>16.0%</td>
<td>22.9%</td>
<td>28.6%</td>
</tr>
</tbody>
</table>

**Customer funds**

Year-on-year change (%)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>1Q10</th>
<th>2Q10</th>
<th>3Q10</th>
<th>4Q10</th>
<th>1Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td>YoY growth</td>
<td>17.3%</td>
<td>13.7%</td>
<td>14.1%</td>
<td>18.1%</td>
<td>15.9%</td>
</tr>
</tbody>
</table>

**Lending mix**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>1Q09</th>
<th>1Q10</th>
<th>1Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgages</td>
<td>59</td>
<td>57</td>
<td>55</td>
</tr>
<tr>
<td>Consumer</td>
<td>22</td>
<td>22</td>
<td>25</td>
</tr>
<tr>
<td>Commercial</td>
<td>+20%</td>
<td>+46%</td>
<td>+24%</td>
</tr>
</tbody>
</table>

**Deposit mix**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>1Q09</th>
<th>1Q10</th>
<th>1Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>50</td>
<td>42</td>
<td>37</td>
</tr>
<tr>
<td>Non Cost</td>
<td>50</td>
<td>58</td>
<td>63</td>
</tr>
<tr>
<td>YoY growth</td>
<td>+5%</td>
<td>+26%</td>
<td></td>
</tr>
</tbody>
</table>
South America: … with the best risk indicators in the Group

NPA & coverage ratios (%)

Provisions (Constant €m)

... altogether leading to buoyant earnings
WB&AM: a customer franchise with a resilient business model

BBVA WB&AM vs. Peers (1) – Operating Income (€m constant) (Index 100=Q1’07)

Split and evolution of revenues (%)

... leading to a growing contribution to Group’s profits

Attributable profit (Constant €m)

Avg. Attrib. profit per quarter 2010: €305m

(1) Synthetic index created out of public information of the following peers: BNP, Citi, CMZ, CS, GS, ISP, JPM, MS, NOM, SAN, SG, UCI
### Business Areas: key aspects

<table>
<thead>
<tr>
<th>Business Area</th>
<th>Key Aspects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>Slower rate of decline in net interest income, market share gains and superior risk indicators</td>
</tr>
<tr>
<td>United States</td>
<td>Positive signs of business activity with a better mix and a jump in attributable profit</td>
</tr>
<tr>
<td>EurAsia</td>
<td>Growing contributions from strategic investments in China and Turkey, and from wholesale business in Europe</td>
</tr>
<tr>
<td>Mexico</td>
<td>Strong business activity results in record revenues and risk stabilises</td>
</tr>
<tr>
<td>South America</td>
<td>Dynamic activity, main margins at record levels and the best risk indicators in the Group</td>
</tr>
<tr>
<td>WB&amp;AM</td>
<td>Recurrent and more diversified revenues, reflecting a stronger customer franchise</td>
</tr>
</tbody>
</table>
1. High and recurrent profitability

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4. Concluding remarks
Conclusions

- **High and recurrent profitability**: Highly profitable business model, Attractive business mix with superior growth prospects
- **Strong balance sheet and capital**: Comfortable funding position, Strong and high quality capital
- **Rising opportunities**: In mature markets, In high growth markets
BBVA: a unique value proposition

PE 2011
BBVA vs Peer Group
(Consensus estimates)

Dividend yield 2011
BBVA vs Peer Group
(Consensus estimates)

ROE 2010
BBVA vs Peer Group

Stable dividend policy: € 0.42 per share remains floor

Peer Group: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, RBS, SAN, SG, UBS, LBG & UCI. ROE excluding RBS and LBG (negative results in 2010)
Source: Bloomberg as of May 6, 2011; Consensus estimates from Thomson Reuters for BBVA core brokers.
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