BBVA

2011 results

Francisco González
Chairman & CEO

February 2nd 2012

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1 Highlights

2 Business areas

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2011, an uneven macroeconomic scenario ...

	GDP 2011
Emerging markets (1)	+6.4%
United States	+1.7%
Europe (2)	+1.6%

(1) Asia (except Japan), Turkey, Argentina, Chile, Colombia, Peru, Venezuela and Mexico
(2) EMU

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… in which Europe was the main focus of attention …

Weaknesses

- **Incomplete fiscal consolidation**
- **Sovereign debt crisis**
- **Financial stress**
- **Need for new mechanisms**
- **Greek crisis**

Improvements

- **Changes of governments**
- **Fiscal agreement and budget adjustments**
- **European Central Bank**
- **Greek debt negotiations**

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... affecting European banks

1 Capital

2 Liquidity

3 Risk

4 Earnings

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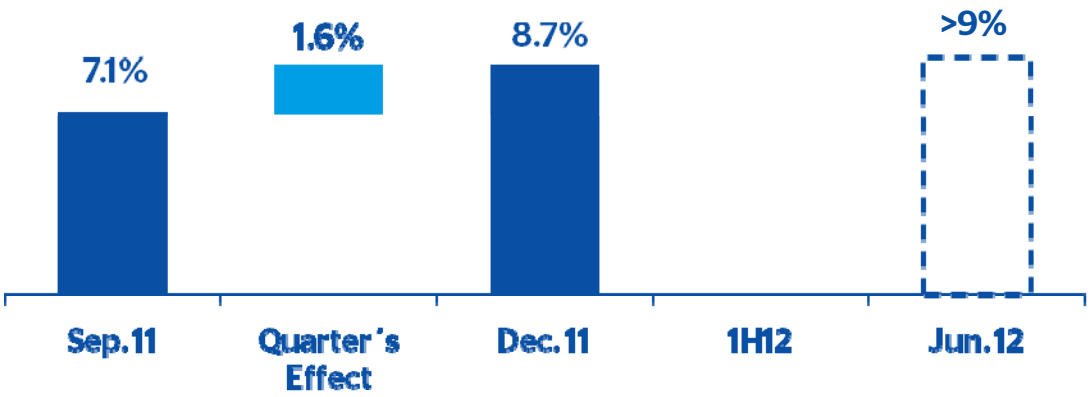
BBVA: resilient in any scenario

1	Capital	**BBVA will clearly meet EBA recommendations**
2	Liquidity	**Comfortable position for 2012**
3	Risk	**Stable indicators**
4	Earnings	**Resilient**

1 Capital:BBVA will clearly meet EBA recommendations

EBA proforma core capital ratio
BBVA Group
(%)



Generation of EBA capital — €5,300m + >€1,000m → >€6,300m

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2 Liquidity: comfortable position for 2012

Market access despite adverse conditions

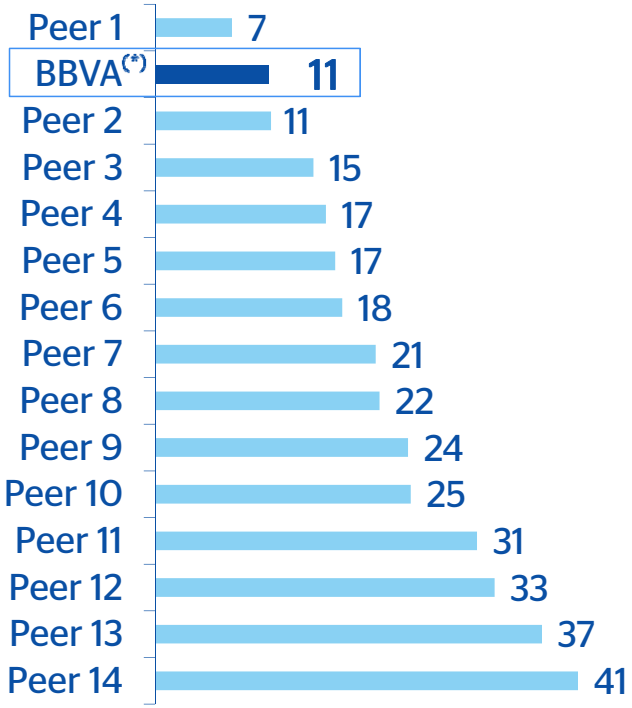
Among the lowest redemptions in our peer group

Lower funding needs

Additional collateral to handle liquidity shocks

Debt redemptions in 2012

Source: Dealogic
(€ bn)



(*) internal data

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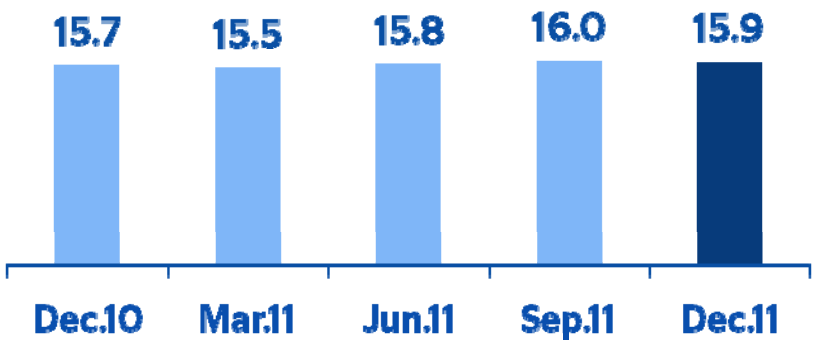
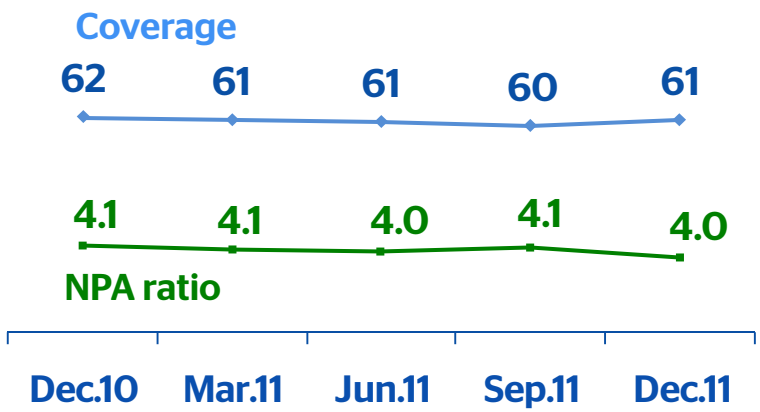
3 Risk: very stable indicators

NPAs
BBVA Group
(€bn)



NPA & coverage ratios
BBVA Group
(%)

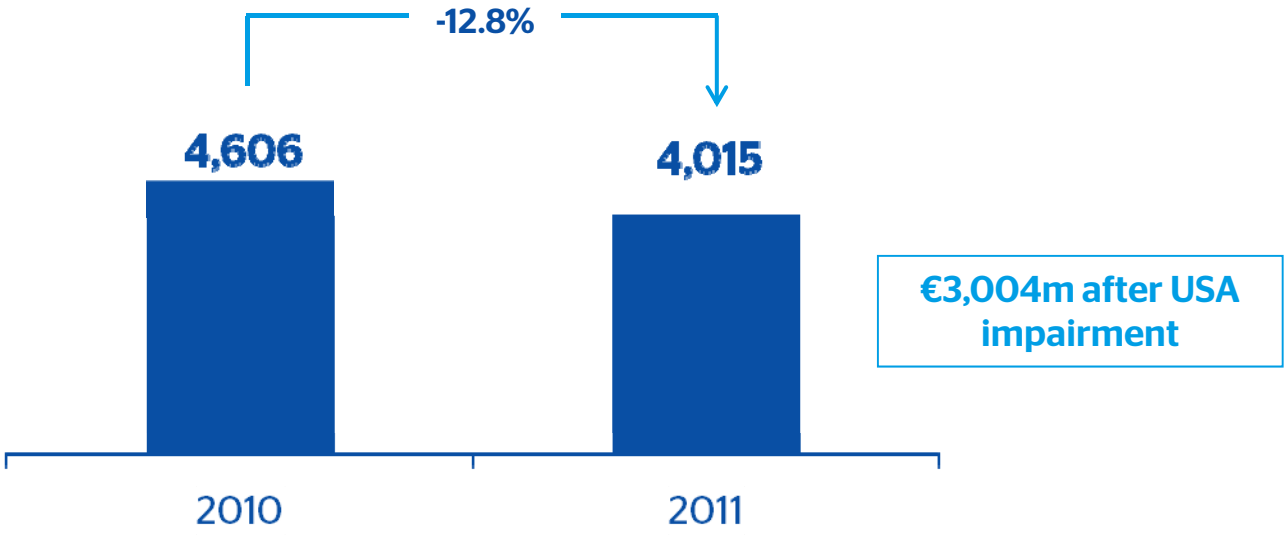


For the 8th quarter running

4 Resilient earnings despite complex scenarios ...

Net attributable profit

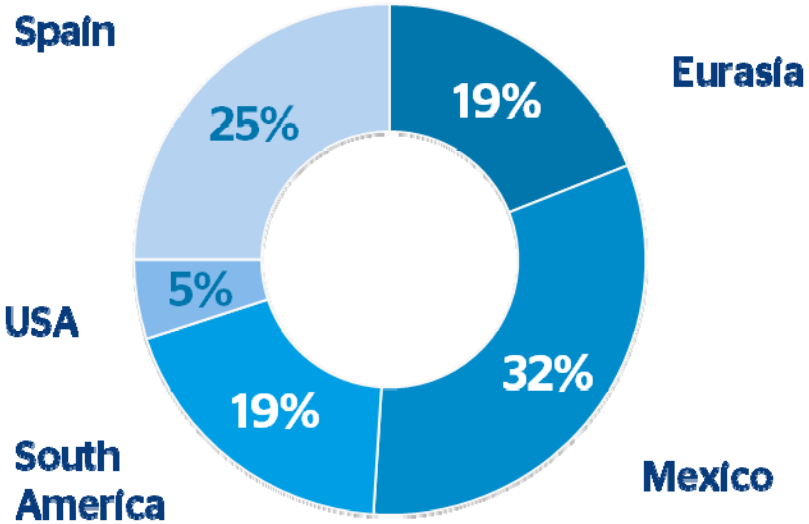
BBVA Group
(€m)



… supported by a diversified business portfolio …

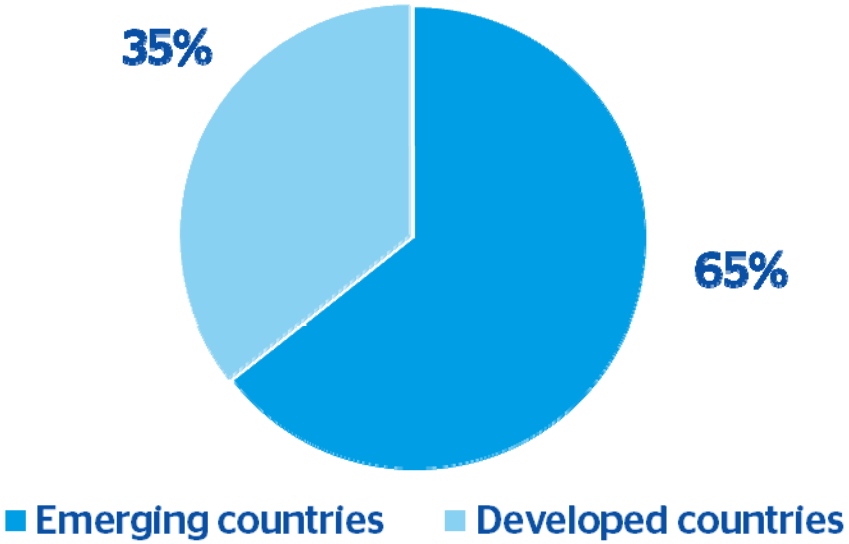
Breakdown of net attributable profit*

BBVA Group
(%)



Breakdown of net attributable profit*

BBVA Group
(%)



* Excluding corporate activities and BBVA Compass Impairment

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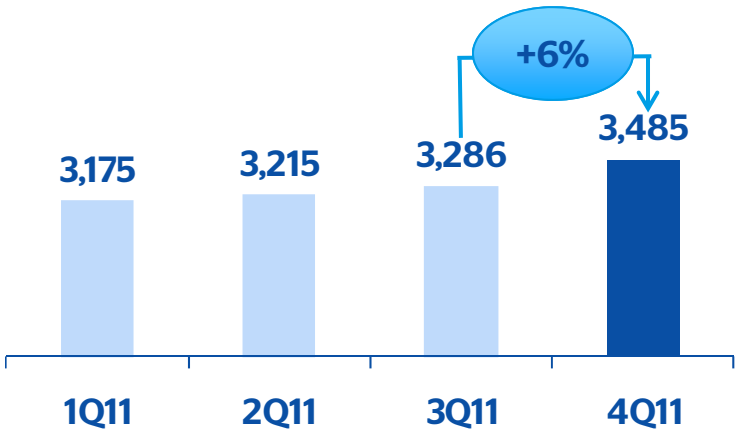
... that generates recurrent margins ...

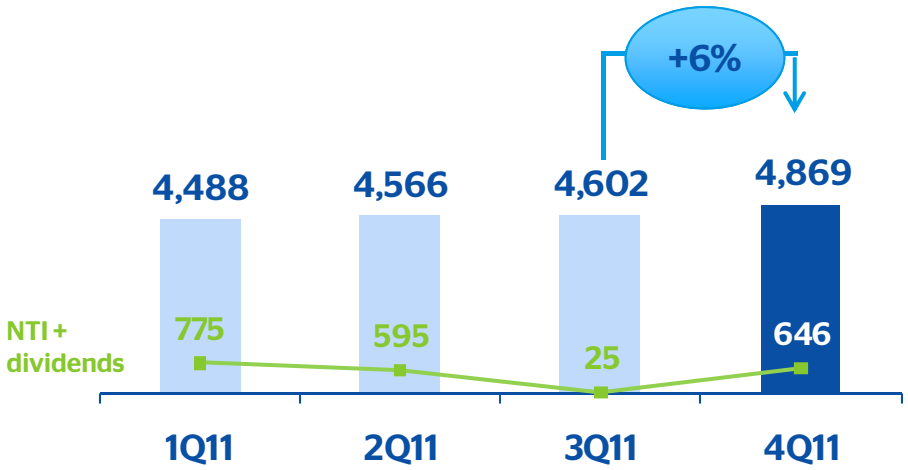
Net interest income	€13,160m (-1.2%) (+1.0% in constant €)

Gross margin	€20,566m (-1.6%) (+0.3% in constant €)

Net interest income
BBVA Group
(€m)



Gross income (excluding NTI + dividends)
BBVA Group
(€m)



Upward trend

Costs: anticipating the new growth cycle

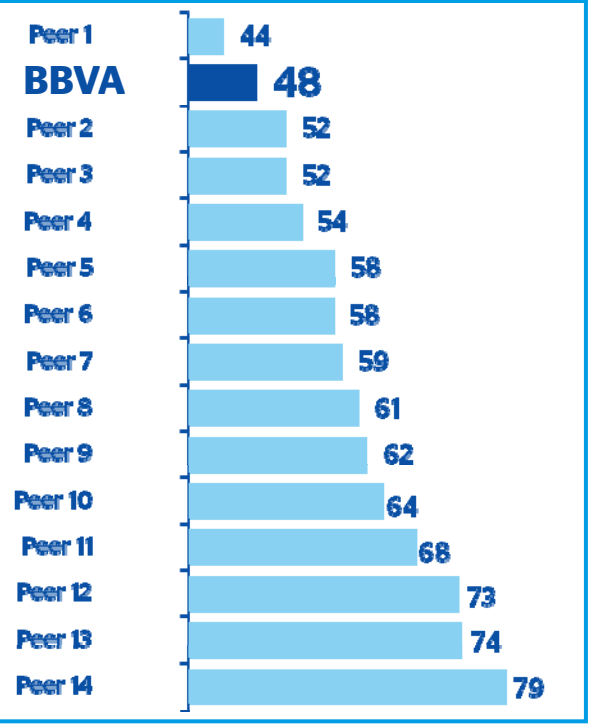
Costs	€9,951m (+11%)

Opportunities

- Technology
- Growth
- Perimeter
- Recurrent business

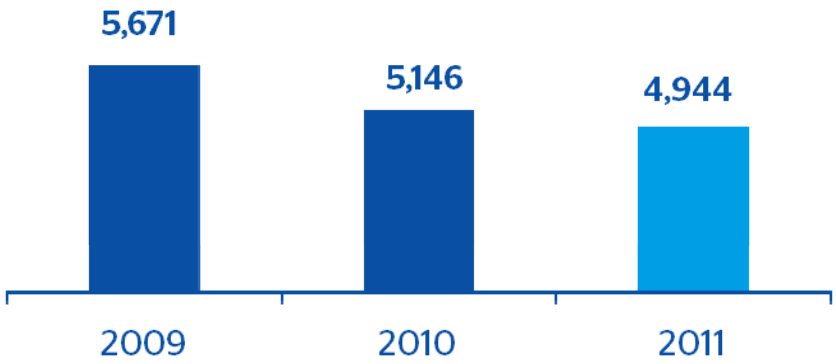
+11%

Advantage in efficiency

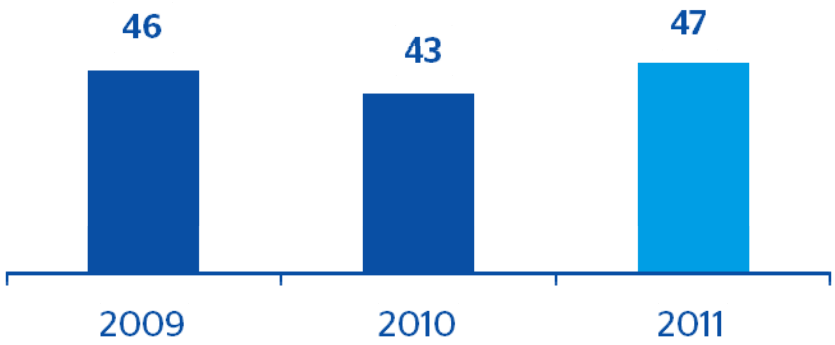


Stable loan-loss provisioning

Loan-loss and real estate provisioning
BBVA Group
(€m)



Loan-loss and real estate provisioning / operating income
BBVA Group
(%)



Risk premium	1.5% →	1.3% →	1.2%

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Solid earnings in difficult times

(€m)

BBVA Group	Cum. 12M11	Change 12M11 / 12M10	
		Abs.	%
Net interest income	13,160	- 160	-1.2%
Gross income	20,566	- 344	-1.6%
Operating income	10,615	- 1,327	-11.1%
Net attrib. profit before impairment	4,015	- 591	-12.8%
Impairment effect	-1,011		
Net attributable profit	3,004		

Excluding the impairment effect

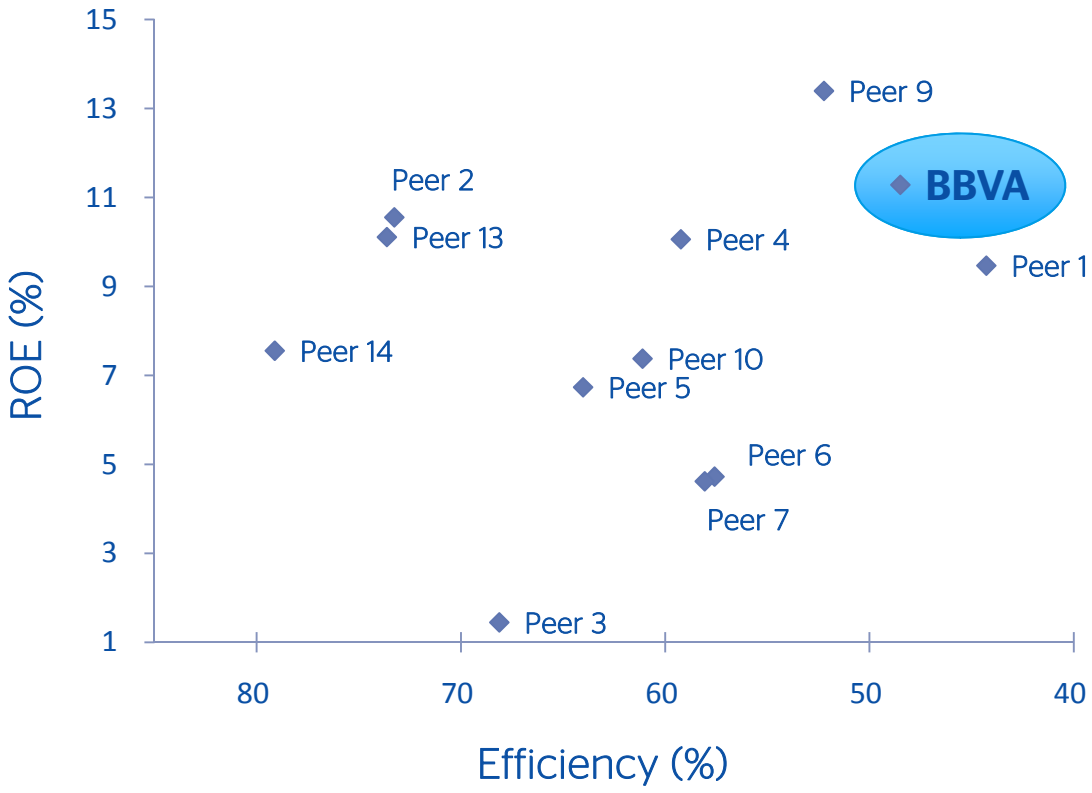
ROE: 10.6%

ROA: 0.8%

In summary, BBVA is a top performer

ROE and efficiency

Peer Group and BBVA
(Figures at 9M11)



Shareholder remuneration

Proposed shareholder remuneration

- **Total dividend: €0.42 per share**
- **Maintaining the current dividend scheme**

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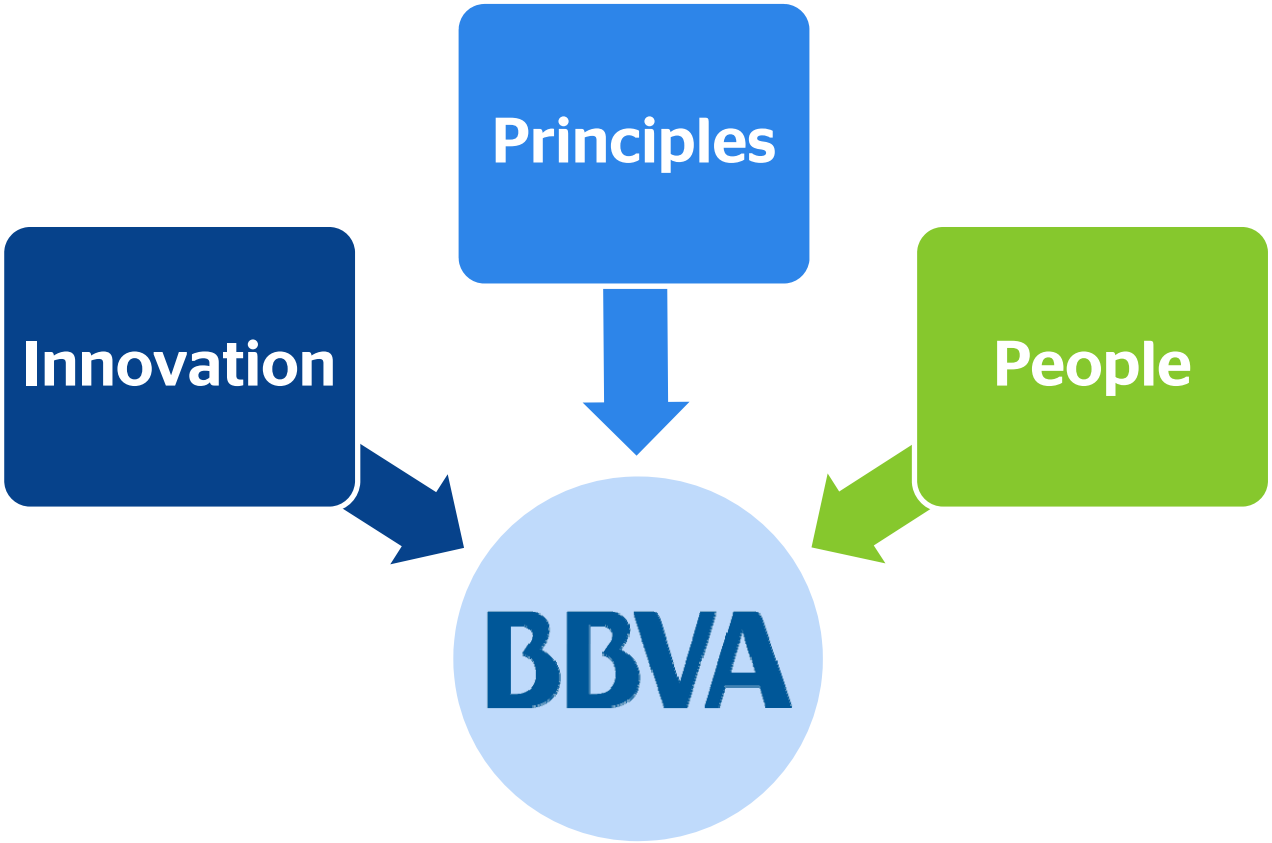
A future full of challenges . . .

Macro	**Emerging markets:** high growth **USA:** gradual recovery **Europe:** foundations for the future
Europe	**Austerity:** budget stability **Growth:** structural reforms **Governance:** new mechanisms
Financial Sector	**Transformation:** business model

... and profound transformation of the banking sector



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2011 results

Ángel Cano
President & COO

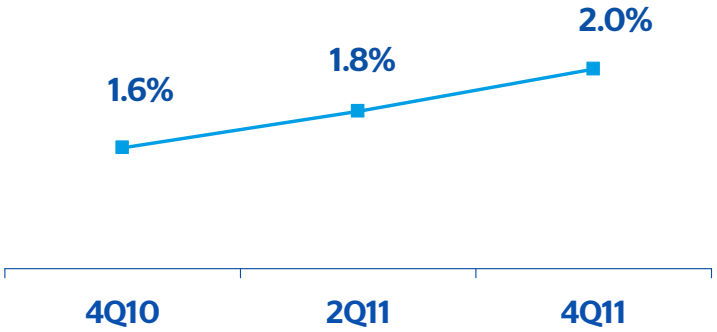
February 2nd 2012

1 Highlights

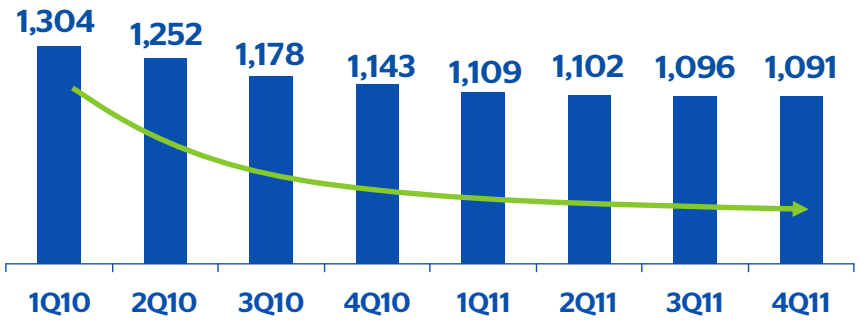
2 Business areas

Spain: net interest income stabilises

Customer spread*
Quarter-by-quarter
(%)



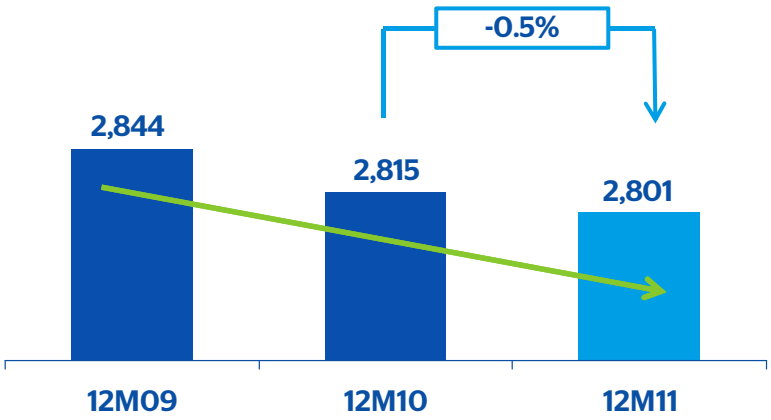
Net interest income
Quarter-by-quarter
(€m)



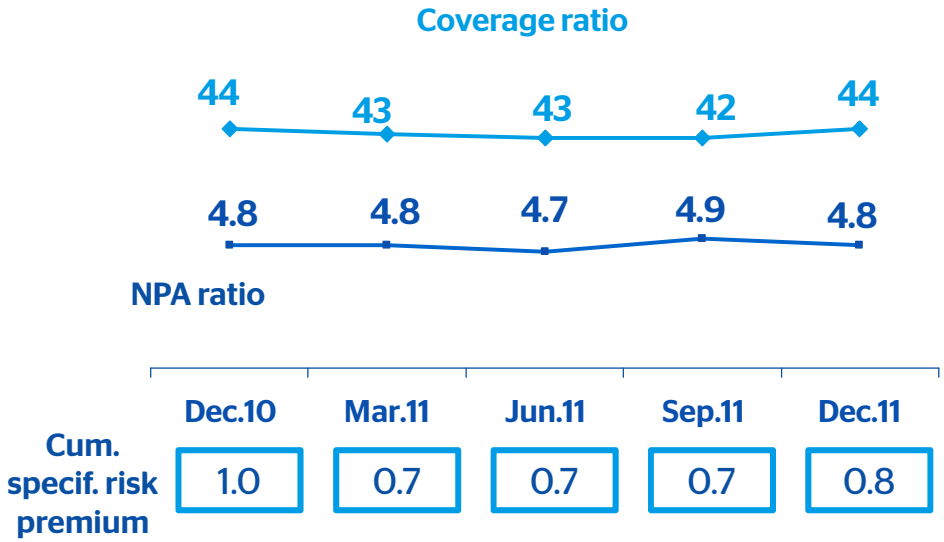
* Excluding markets

Spain: costs and risk contained

Costs
(€m)



NPA & coverage ratios
(%)

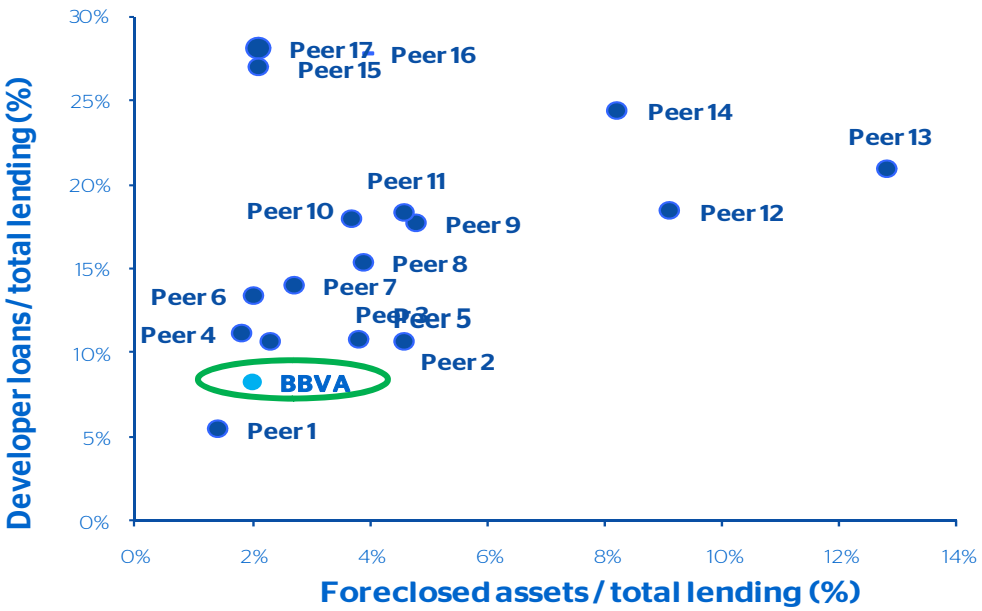


Costs contained since start of crisis

- **Risk indicators stable for eight consecutive quarters**
- **Generic provisions unchanged in year**

Spain: better starting point to meet new regulatory requirements related to developers

Exposure to real estate assets with difficulties
BBVA Group vs financial sector
(figures at June 2011)



Operating income
€3,556m

Loan provisioning buffer
€1,865m

Operating income / provisioning
2.1

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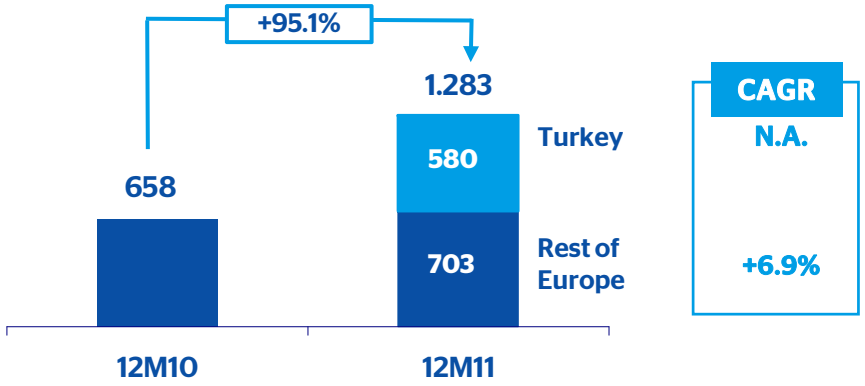
Spain: income statement

(€m)

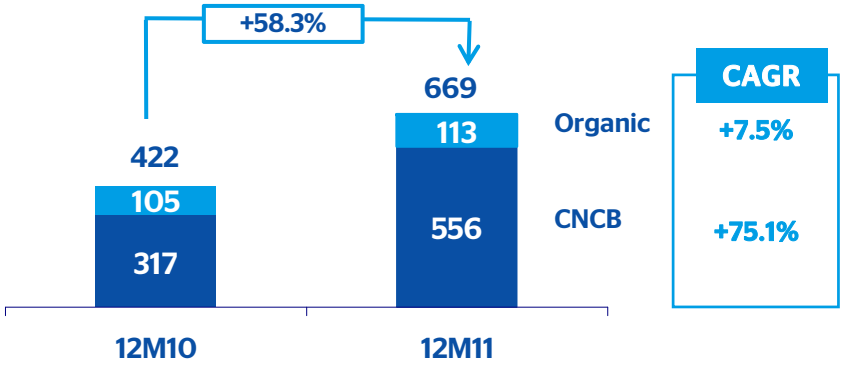
Spain	Accum.	Growth 12M11 / 12M10	
	12M11	Abs.	%
Net Interest Income	4,399	- 478	-9.8%
Gross Income	6,357	- 698	-9.9%
Operating Income	3,556	- 684	-16.1%
Income Before Tax	1,914	- 1,246	-39.4%
Net Attributable Profit	1,363	- 892	-39.5%

EurAsia: buoyant activity in all regions

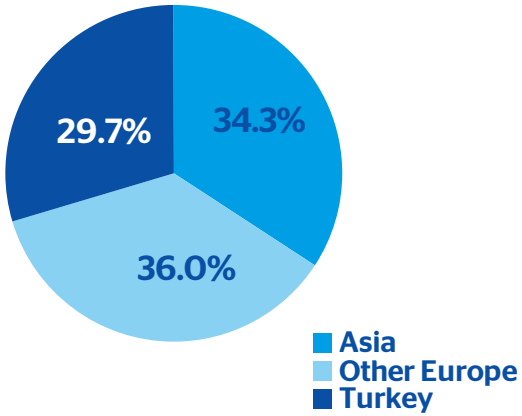
Gross income – rest of Europe
(€m)



Gross income - Asia
(€m)



Breakdown of gross income - Eurasia
(%)



Strong growth in Asia and Turkey, and CIB is resilient in Europe – all in line with previous quarters

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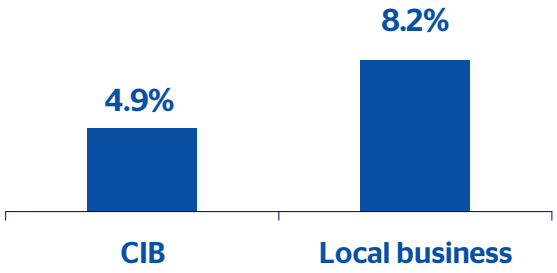
EurAsia: income statement

(€m)

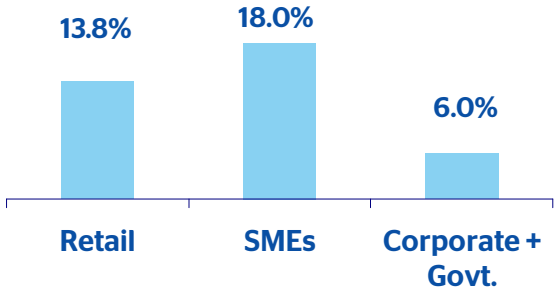
EurAsia	Accum.	Growth 12M11 / 12M10	
	12M11	Abs.	%
Net Interest Income	801	+ 456	n.s.
Gross Income	1,952	+ 872	80.7%
Operating Income	1,307	+ 522	66.5%
Income Before Tax	1,170	+ 495	73.3%
Net Attributable Profit	1,027	+ 439	74.8%

Mexico: local business is driving activity

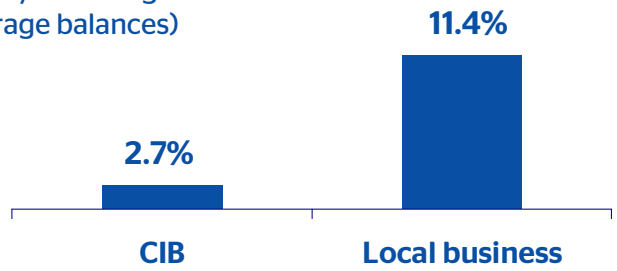
Lending
Year-on-year change
(% average balances)



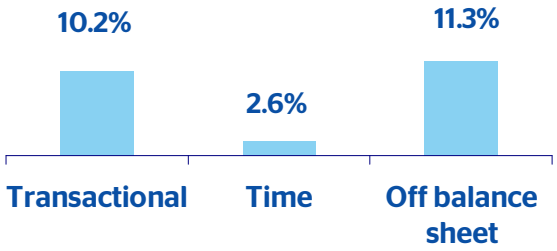
Local business



Customer funds
Year-on-year change
(% average balances)



Local business

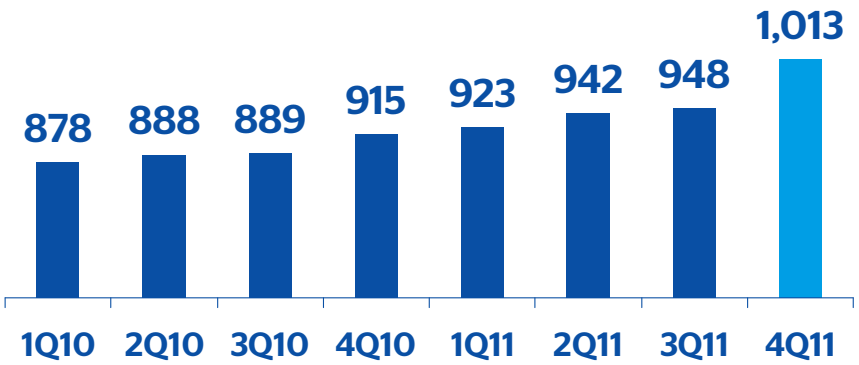


2.1 million new customers in the last year*

* Nov.11 vs Nov.10

Mexico: upward trend in net interest income

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

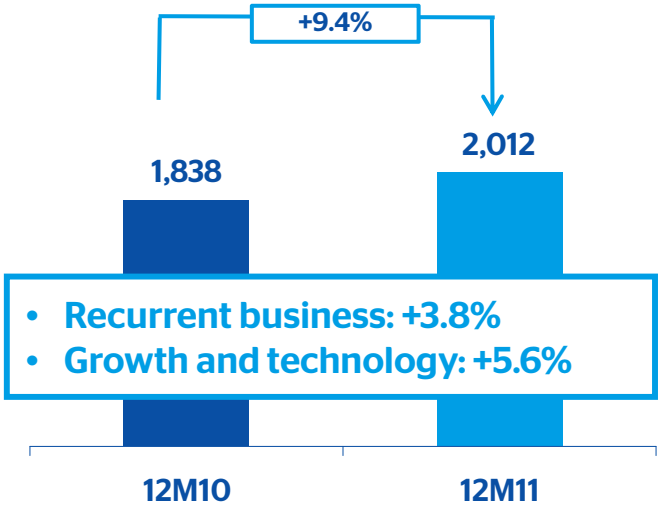


Net interest income (Cum. yr/yr change)	
Local	**+14.5%**
CIB	**+0.2%**
Total	**+7.2%**

Quarterly and annual record for net interest income and gross income

Mexico: costs in line with our growth plans and stable risk premium

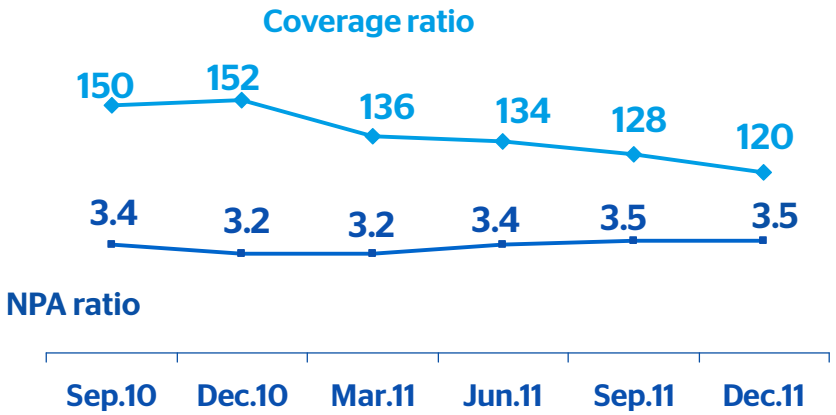
Costs
(Constant €m)



- Recurrent business: +3.8%
- Growth and technology: +5.6%

- Network segmentation
- ATMs: +950
- POS: +20,308
- Headcount: +1,868

NPA & coverage ratios
(%)



	Sep.10	Dec.10	Mar.11	Jun.11	Sep.11	Dec.11
Cum. risk premium	3.9%	3.6%	3.4%	3.4%	3.4%	3.3%

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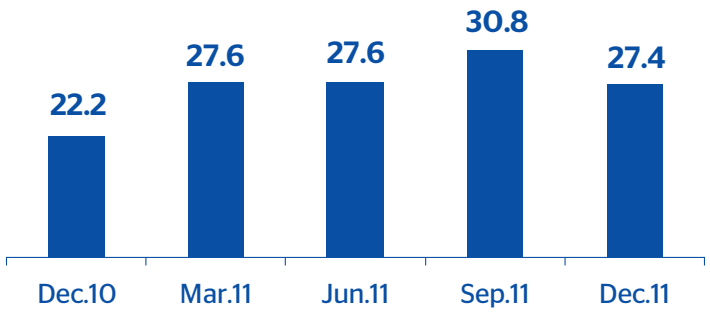
Mexico: income statement

(Constant €m)

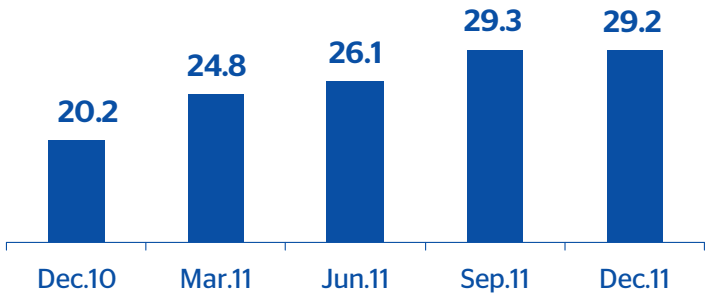
Mexico	Accum.	Growth 12M11 / 12M10	
	12M11	Abs.	%
Net Interest Income	3,827	+ 256	7.2%
Gross Income	5,550	+ 231	4.3%
Operating Income	3,539	+ 57	1.6%
Income Before Tax	2,299	+ 92	4.2%
Net Attributable Profit	1,741	+ 89	5.4%

South America: strong growth ...

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



Cust. funds on balance sheet
Year-on-year change
(% average balances)



Mkt share lending
10.6%
(+10bp yr/yr*)

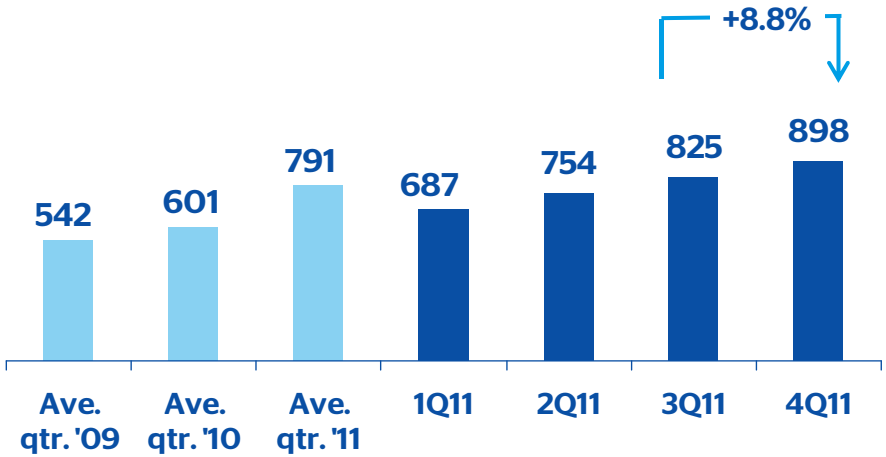
Mkt share deposits
10.4%
(+4bp yr/yr*)

1 million new customers in the last year*

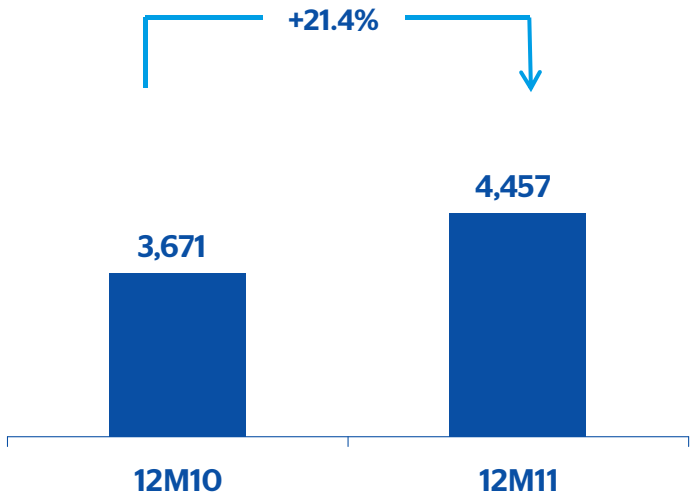
* Nov.11 vs Nov.10

South America: ... leading to higher revenue

Net interest income
Quarterly average and quarter-on-quarter
(Constant €m)



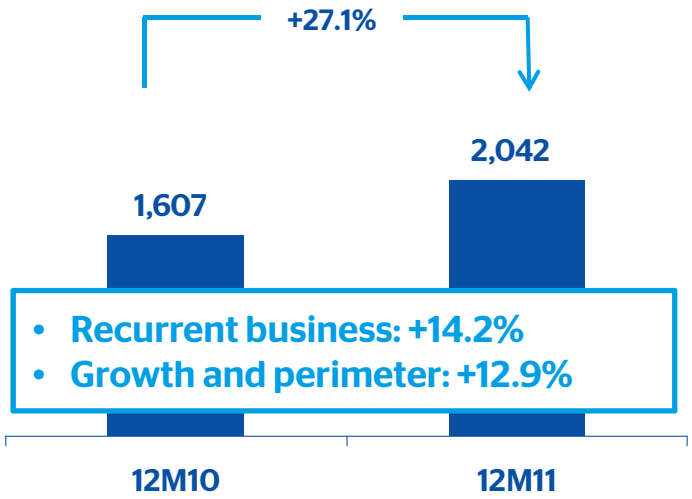
Gross income
(Constant €m)



New quarterly and annual records for net interest income & gross income

South America: ambitious growth plans for region and best risk indicators in the Group

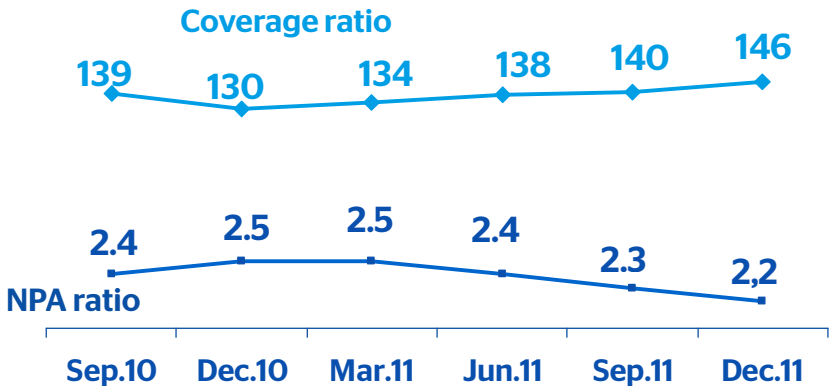
Costs
(Constant €m)



- Recurrent business: +14.2%
- Growth and perimeter: +12.9%

- Headcount: +1,116
- ATMs: +603
- Branches: +111

NPA & coverage ratios
(%)



Cum. risk premium	1.5%	1.5%	1.6%	1.3%	1.3%	1.3%

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South America: income statement

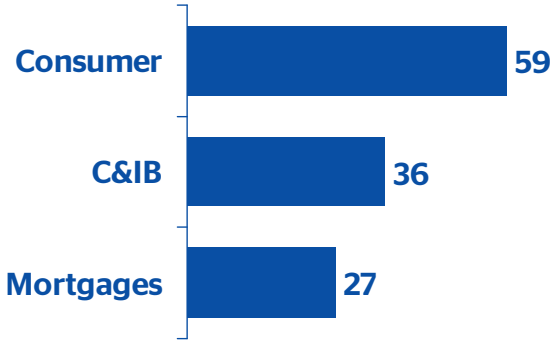
(Constant €m)

South America	Accum.	Growth 12M11 / 12M10	
	12M11	Abs.	%
Net Interest Income	3,164	+ 760	31.6%
Gross Income	4,457	+ 786	21.4%
Operating Income	2,415	+ 351	17.0%
Income Before Tax	1,877	+ 259	16.0%
Net Attributable Profit	1,007	+ 141	16.2%

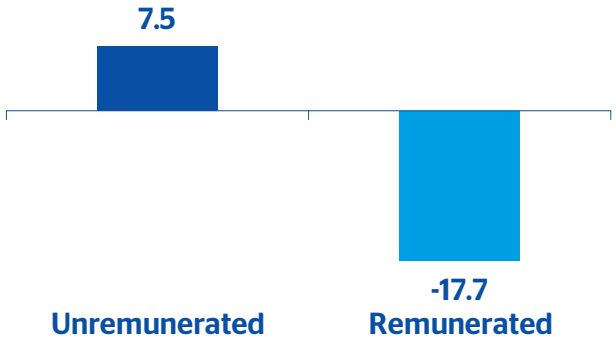
United States: selective growth of business and good price management ...

Activity

Cum. production
Year-on-year change
(%)

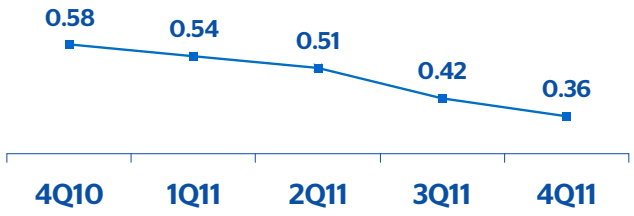


Customer funds on retail balance sheet
Year-on-year change
(% average balances)

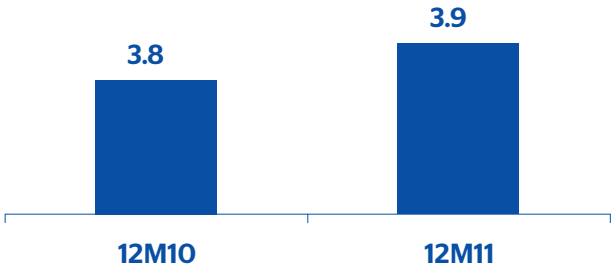


Prices

Cost of deposits
(%)



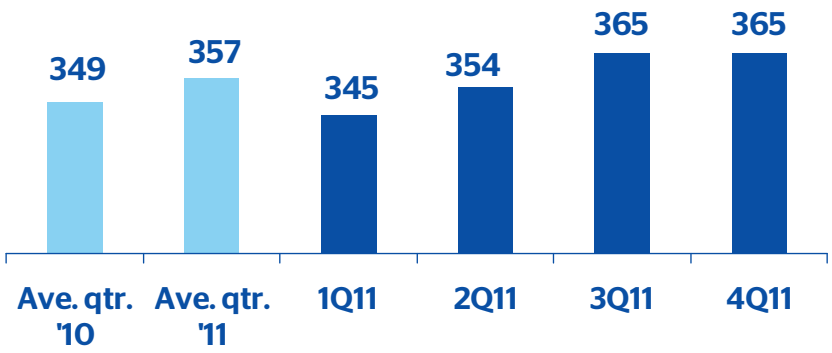
Customer spread
(%)



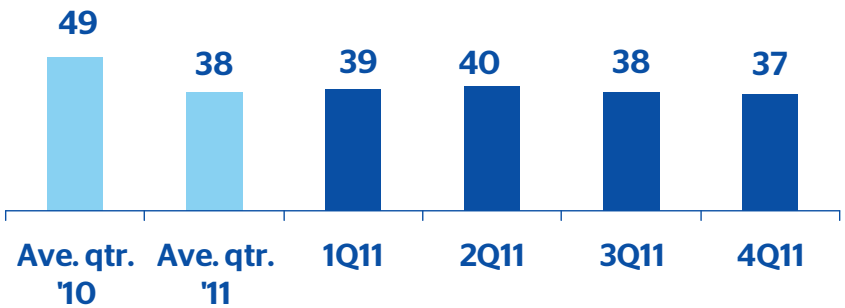
Information on this slide related to the Compass BG.

United States: ... with a positive impact on revenue

Net interest income – local business
Quarterly average and quarter-on-quarter
(Constant €m)

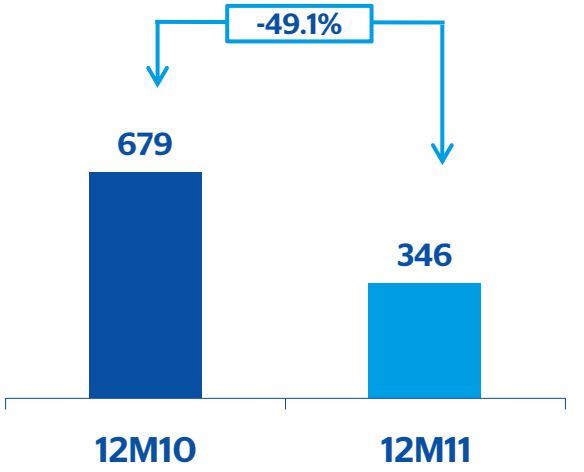


Net interest income - CIB
Quarterly average and quarter-on-quarter
(Constant €m)



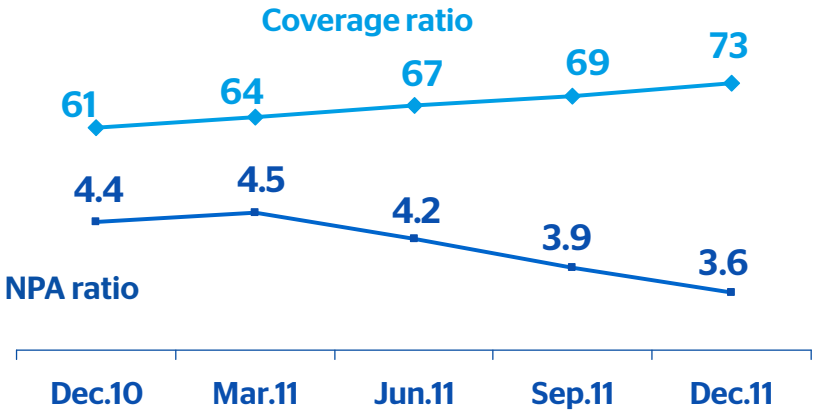
United States: risk levels continue to improve

Loan-loss provisions
(Constant €m)



Cum. risk premium	1.7%	0.9%

NPA & coverage ratios
(%)



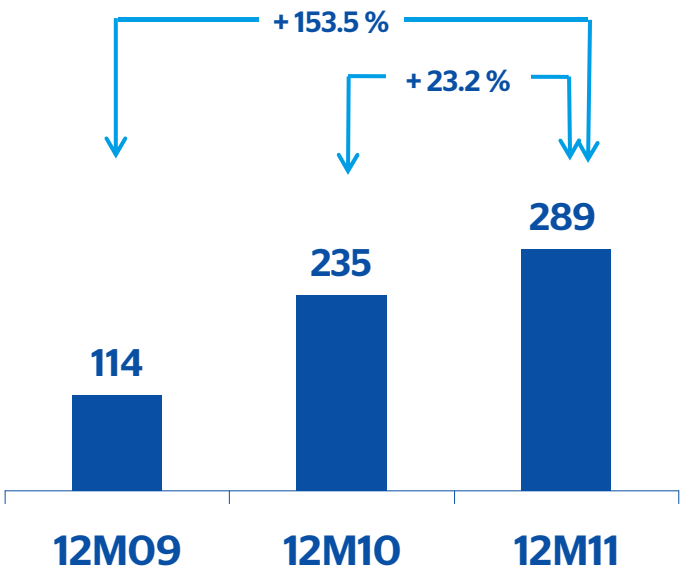
Cumulative

Gross additions to NPA: -41%

Recoveries / additions: 93%

United States: in summary, earnings reflect the transformation of the business model

Net attributable profit
(Constant €m)



Highlights

- **Change of model**
- **Technological platform**
- **Evolution of the balance sheet mix**
- **Price management**

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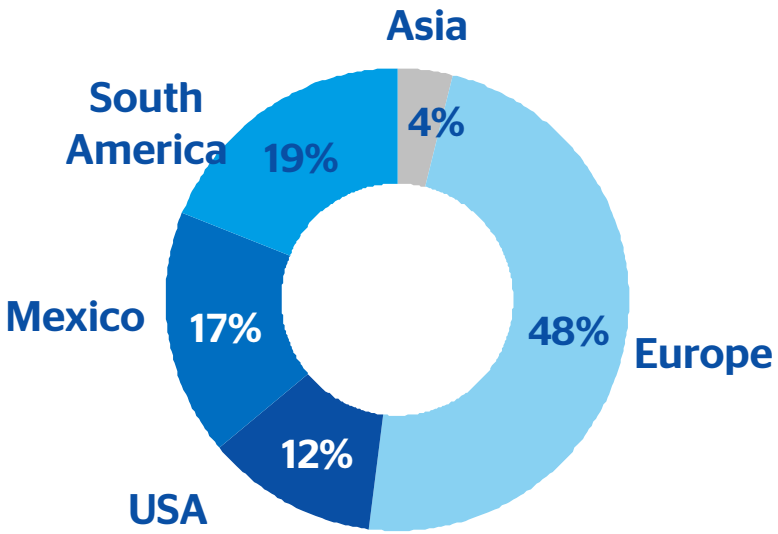
United States: income statement

(Constant €m)

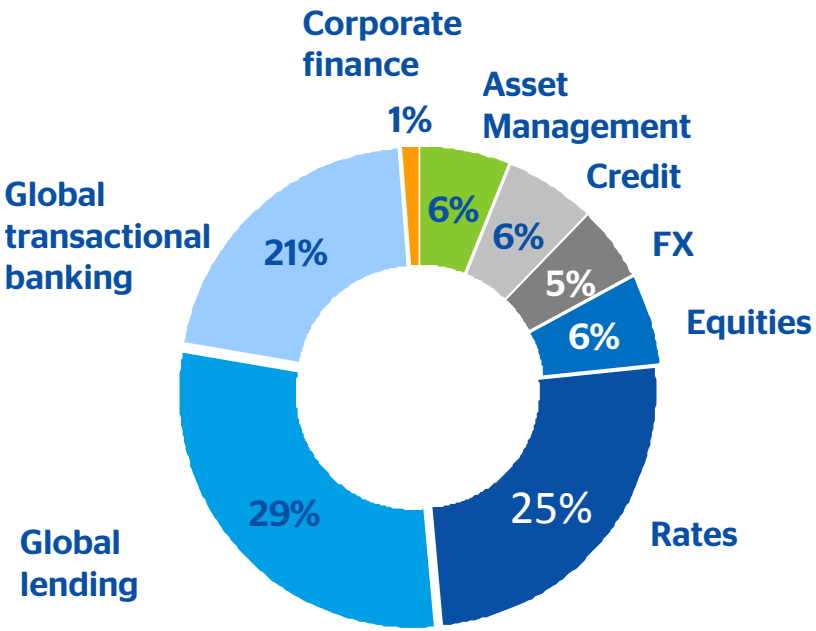
USA	Accum.	Growth 12M11 / 12M10	
	12M11	Abs.	%
Net Interest Income	1,590	- 128	-7.4%
Gross Income	2,277	- 170	-7.0%
Operating Income	786	- 210	-21.1%
Income Before Tax	383	+ 81	27.0%
Net Attributable Profit	289	+ 54	23.2%

WB&AM: revenue diversification

Gross income by geographic region
(Figures at 12M11, %)

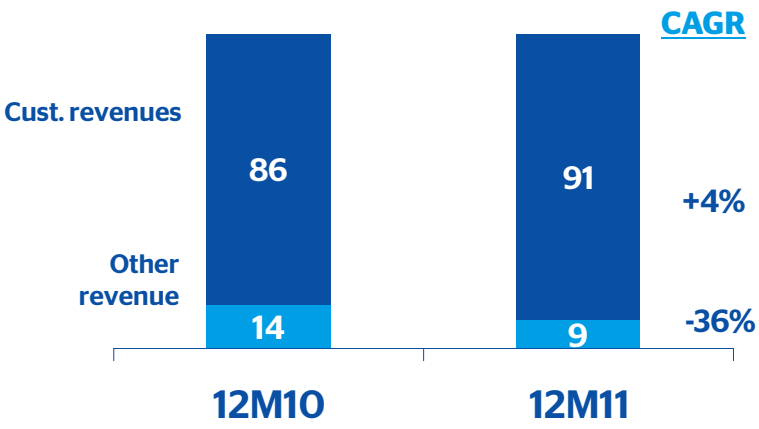


Gross income by product
(Figures at 12M11, %)

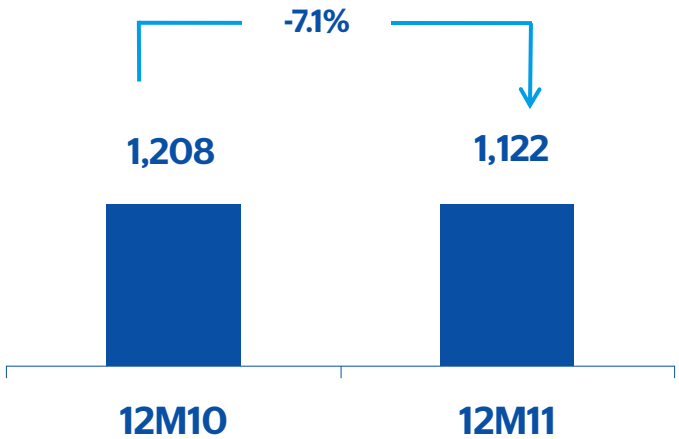


WB&AM: stronger revenue from customers and resilience despite adverse conditions

Breakdown and evolution of gross income
(%)



Net attributable profit
(Constant €m)



Stronger customer franchise

Resilience despite conditions

BBVA

WB&AM: income statement

(Constant €m)

WB &AM	Accum.	Growth 12M11 / 12M10	
	12M11	Abs.	%
Gross Income	2,724	- 72	-2.6%
Operating Income	1,776	- 207	-10.4%
Income Before Tax	1,673	- 110	-6.2%
Net Attributable Profit	1,122	- 86	-7.1%

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BBVA: resilient in any scenario

1 Capital	**BBVA will clearly meet EBA recommendations**
2 Liquidity	**Comfortable position for 2012**
3 Risk	**Stable indicators**
4 Earnings	**Resilient**

BBVA

2011 results