

Third Quarter Results 2010

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Chief Operating Officer – BBVA Group

Madrid, October 27th 2010

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BBVA In still challenging conditions for the sector ...

The uncertainty in recent quarters persists ...

Sluggish credit: private deleveraging

Asset quality deterioration

Strong competition in customer fund gathering

Sovereign risk remains high

Higher cost of wholesale finance

... and new factors emerge ...

Doubts about the sustainability of economic recovery

Volatility in currency markets

⋮

BBVA ... the BBVA Group is announcing solid earnings supported by our franchises ...

Spain & Portugal

- **Superior performance despite the complex environment**
 - Market share gains in business, net interest income and operating income
 - Costs under control
 - Superior performance of NPAs

Mexico

- **The trend reverses**
 - Vigorous growth of business and gains in market share
 - Upward trend in attributable profit
 - Cost of risk improves

South America

- **Dynamic environment**
 - Strong growth of business and gains in market share
 - Earnings growing at a healthy rate
- **NPAs decline and coverage rises**

United States

- **Progressive consolidation of the franchise and business model**
 - New business written has recovered traction
 - Earnings grow
 - Risk indicators are stable

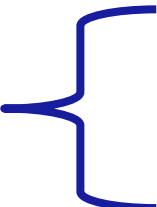
Wholesale Banking & Asset Management

- **Strong revenues on business with customers**
- **Attributable profit is rising**
- **Asia's contribution improves**

... characterized by ...

- 1 The resilience of earnings**
- 2 Improvement in risk indicators**
- 3 Organic generation of capital**
- 4 Stronger balance sheet structure**

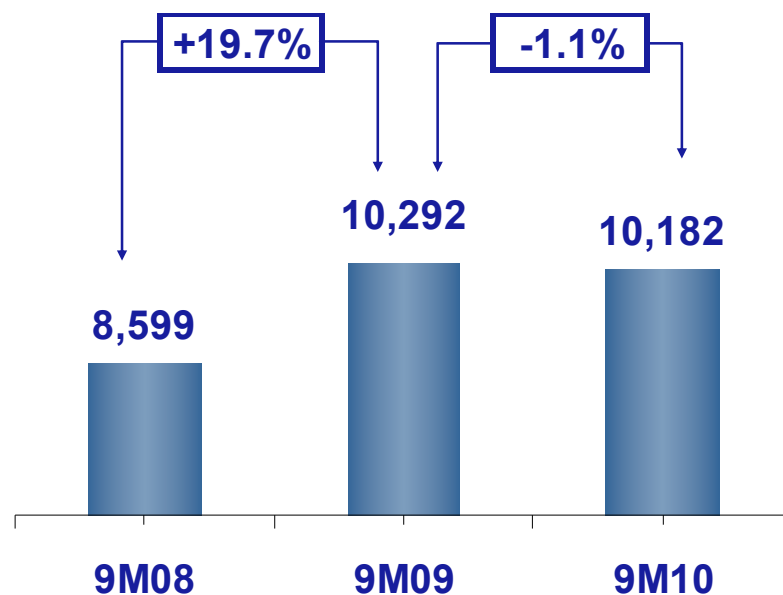
**BBVA: a better business model,
strengthened by the crisis**

- 
- Retail / customers
 - Resilience
 - Diversification

BBVA Resilience of net interest income, in a very complex environment ...

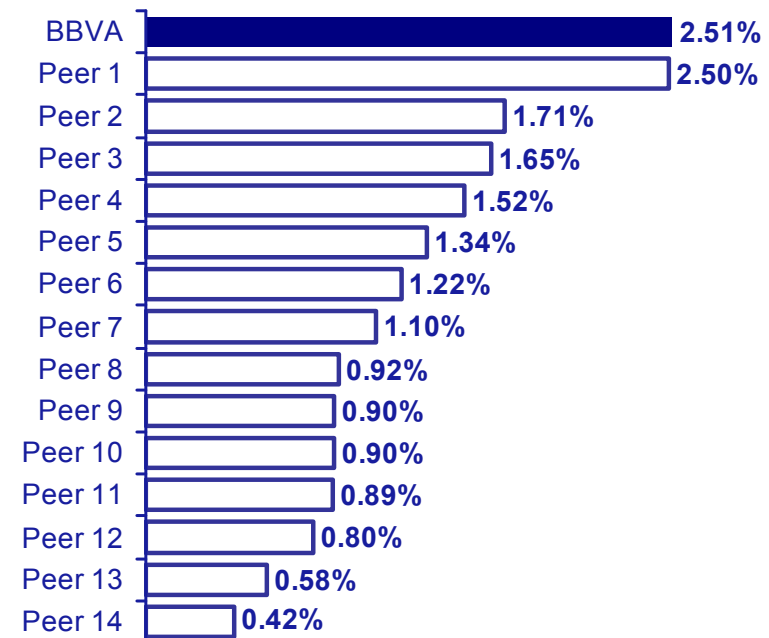
Net interest income

BBVA Group
Year to date
(€m)



Net interest income / ATAs

BBVA Group and peer group*
(1H10, %)



**Appropriate management of asset portfolio
and of finance structure**

* Peer Group: BARCL, BNPP, CASA, CMZ, CS, DB, HSBC, ISP, LBG, RBS, SAN, SG, UBS & UCI. BBVA at 9M10=2.44%

BBVA

... which we are actively managing

Diversification: Spain declines vs other franchises

Cause of decline

- Increase in the cost of wholesale finance
- Competitive environment in deposits in Spain

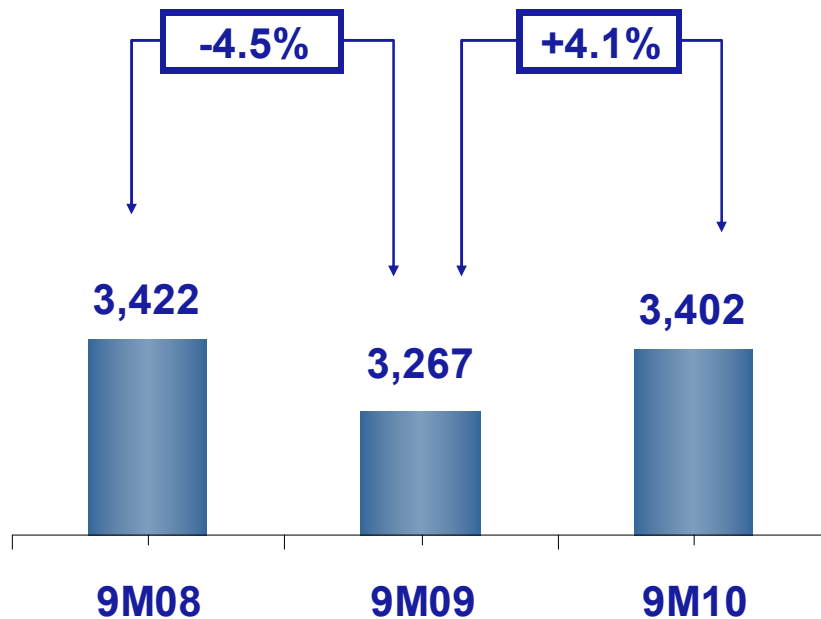
Steps being taken

- Protect zero-cost deposits
- Contain costs on interest-bearing deposits
- Reprice front and back books
- Market share gains in lending
- Positive spread on new business written

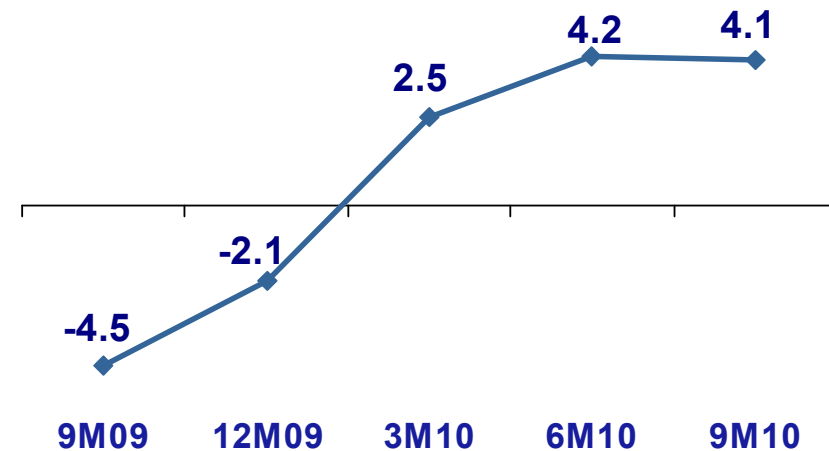
BBVA

Recovery of net fee income ...

Net fee income
BBVA Group
Year to date
(€m)



Net fee income
BBVA Group
Year-on-year change
(%)



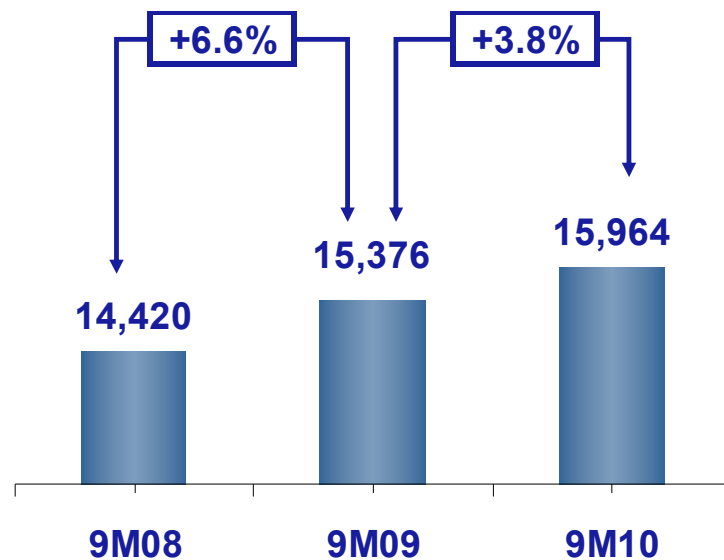
Net fee income from services: +4.4%

Net fee income from funds: +3.4%

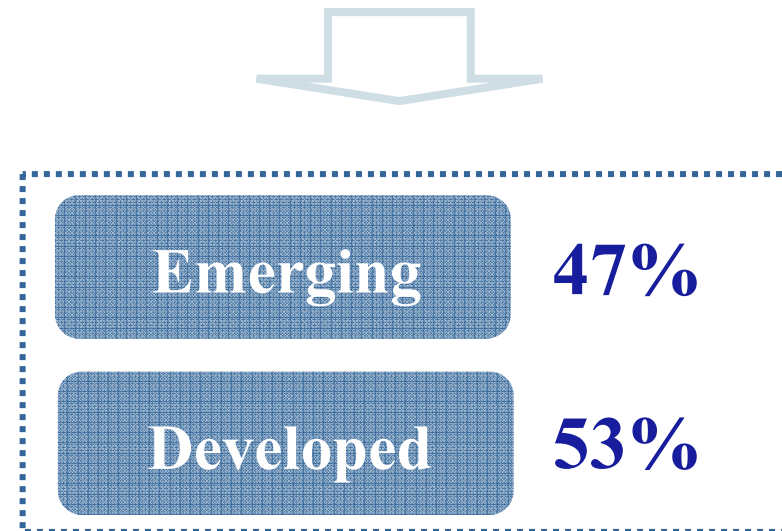
BBVA

... and recurrency of gross income

Gross income
BBVA Group
Year to date
(€m)



Well-balanced revenue mix

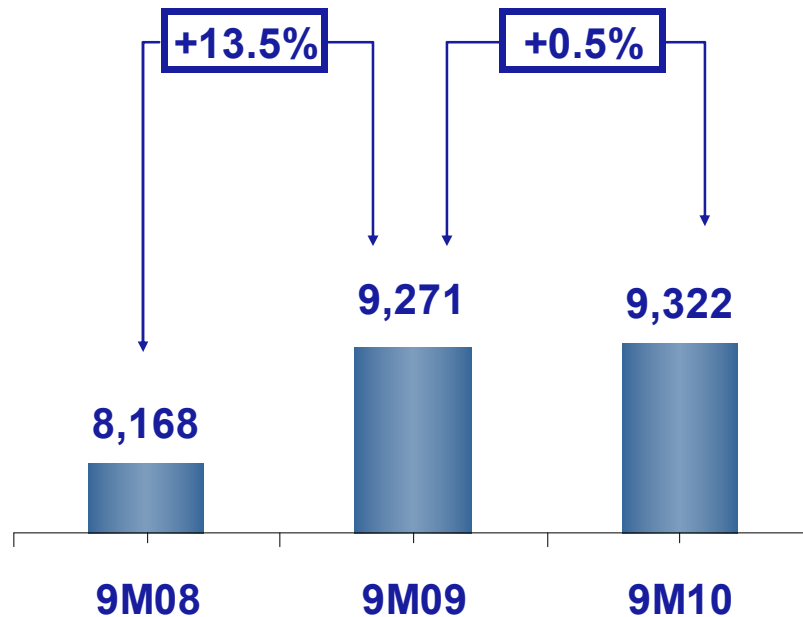


BBVA

As a result, operating income is stronger ...

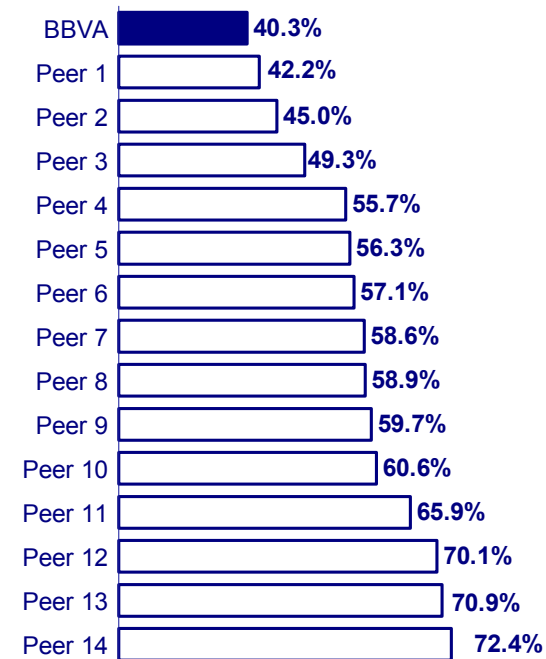
Operating income

BBVA Group
Year to date
(€m)



Efficiency

BBVA Group vs peer group*
(1H10, %)

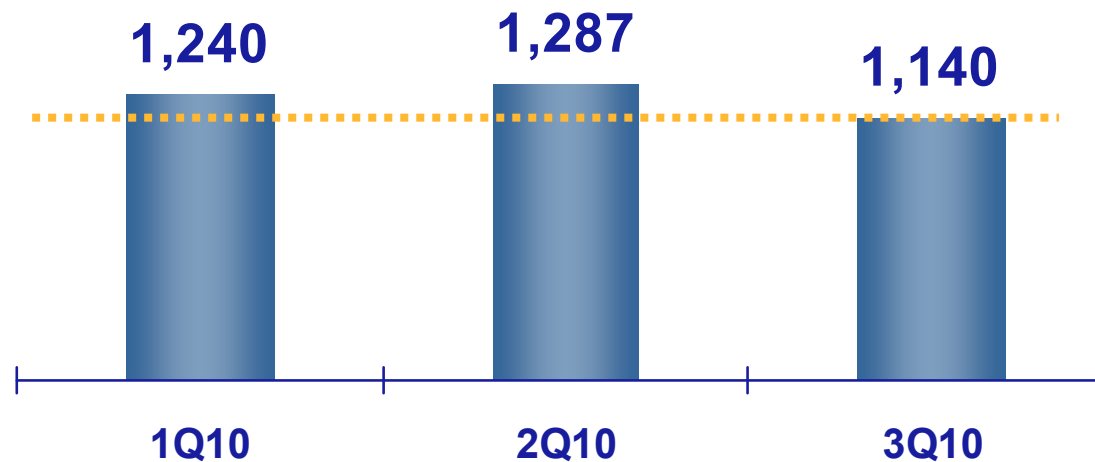


Efficiency in 9m10: 41.6%

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

BBVA ... and resilience of earnings

Net attributable profit
BBVA Group
Quarter-by-quarter
(€m)



**Second interim dividend
in cash:
€0.09 per share**

ROE: 17.2%

ROA: 0.95%

BBVA In summary, solid earnings and high profitability

Income statement
BBVA Group
(€m)

BBVA Group	Accum.	Annual Growth	
	9M10	Abs.	%
Net Interest Income	10,182	- 110	-1.1%
Gross Income	15,964	+ 588	3.8%
Operating Income	9,322	+ 50	0.5%
Income Before Tax	5,260	- 690	-11.6%
Net Attributable Profit	3,668	- 511	-12.2%

BBVA

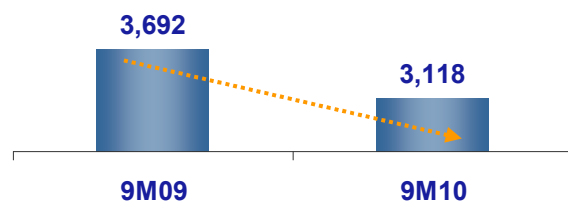
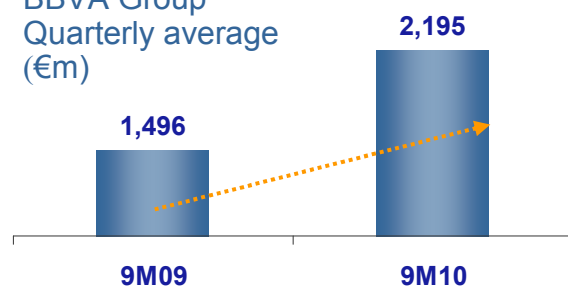
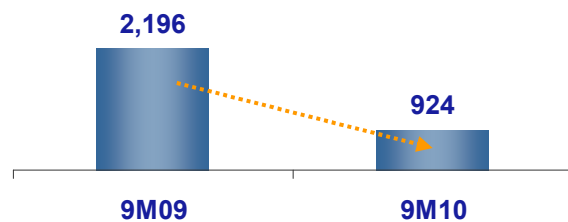
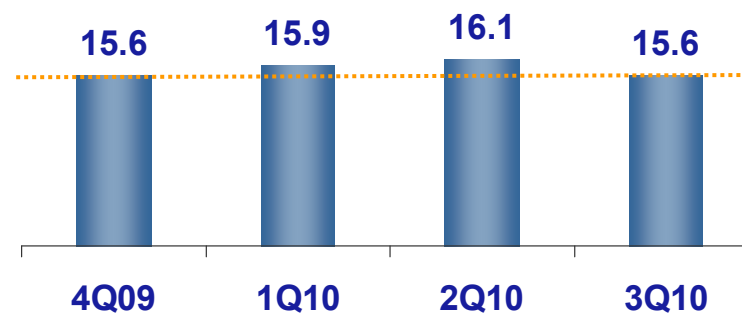
Risk indicators improve

A

NPAAs stabilise

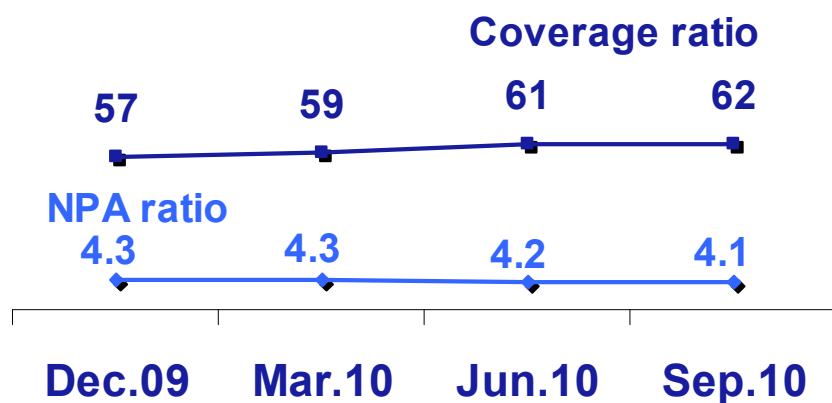
B

**Improvements in NPA ratio,
cost of risk and coverage**

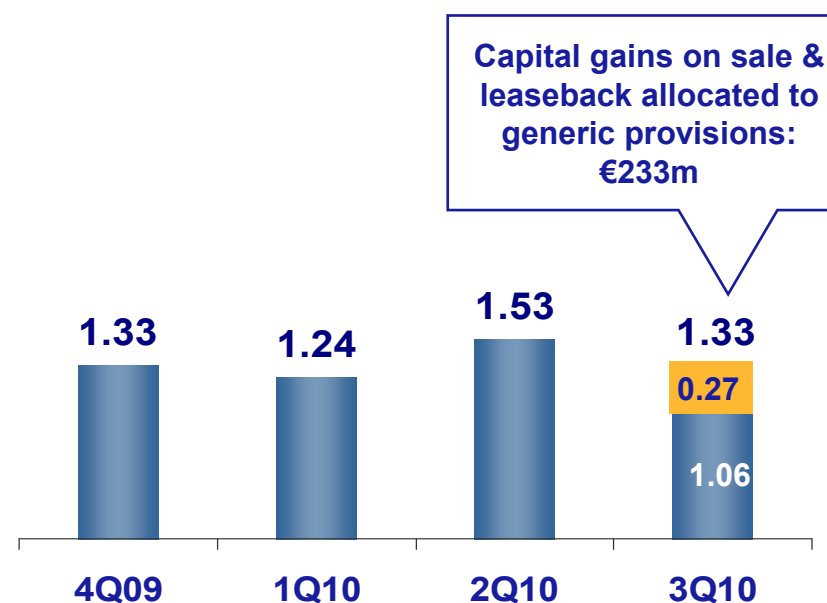
BBVA**A. NPAs stabilise****1 Gross additions to NPA**BBVA Group
Quarterly average
(€m)**2 Recoveries**BBVA Group
Quarterly average
(€m)**3****Net additions to NPA**BBVA Group
Quarterly average
(€m)**NPAs**
BBVA Group
(€billion)

BBVA B. Improvements in NPA ratio, cost of risk and coverage

NPA ratio and coverage ratio
BBVA Group
(%)



Cost of risk excl. one-offs
BBVA Group
Quarter-by-quarter
(%)



BBVA

One-off items during the quarter

**Bank of Spain
Circular**



**Additional specific
provisions of €198m**
(no economic impact: calendar effect)

Sale & Leaseback



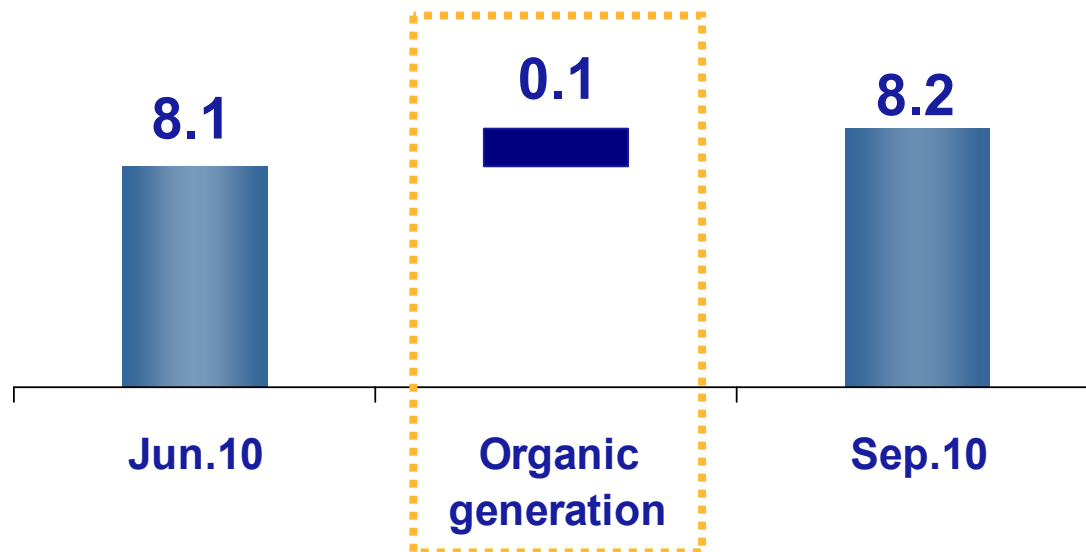
**Higher provisions of
€233m**

Allocation to provisions was contained

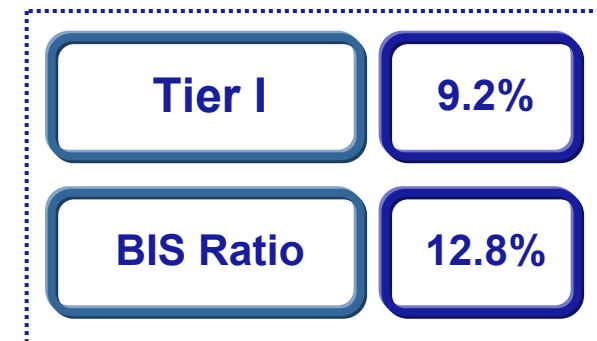
BBVA

Stronger capital adequacy ...

Core capital
BIS II rules
(%)



Tier I and BIS ratio
BIS II rules
(%)



Organic generation of capital, in spite of the negative exchange-rate effect in the quarter

BBVA ... and improvement of the balance sheet structure

- **Retail deposits added in 3Q10 BBVA Group: > €16,000m**
(Quarterly average balance)
- **Increased weighting of retail financing**
- **Amounts issued for the medium and long term 3Q10: €6,522m**
(over total issues up to Sep.10: €16,115m)
- **Average annual maturities for next three years: €10,000m**
- **Available collateral: €75 billion**

Efficiency
41.6%

ROE
17.2%

NPA ratio
4.1%

Coverage
62%

Cost of risk*
1.06% (1.33% with one-offs)

Solid earnings supported by our franchises ...

Spain & Portugal

Superior performance despite the complex environment

Mexico

Upturn in activity and from less to more throughout the year

South America

Business prospers and income rises

United States

Progressive consolidation of the franchise and business model

**Wholesale Banking &
Asset Management**

Quality of revenues and advances in Asia

Efficiency
37.3%

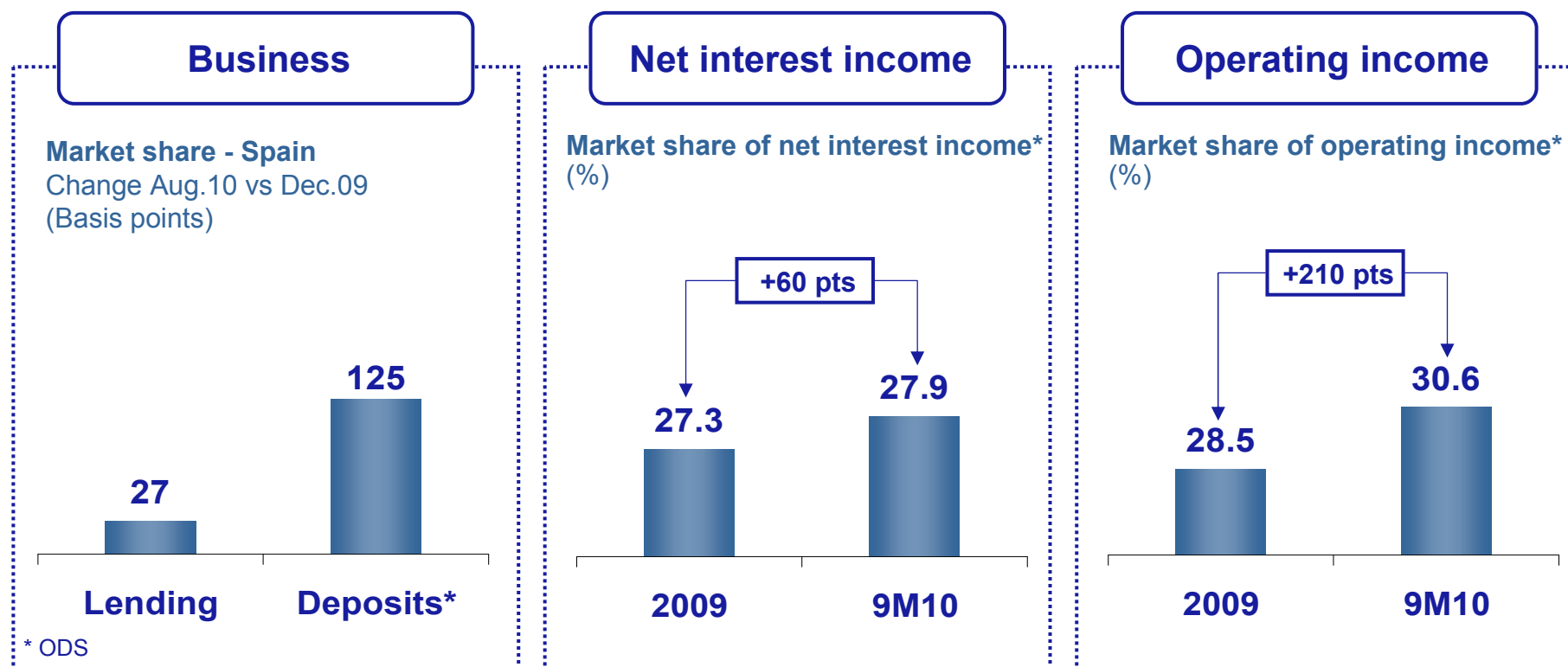
NPA ratio
5.0%

Coverage
48%

Cost of risk*
0.47% (0.92% with one-offs)

BBVA Spain & Portugal: superior performance despite conditions

Gain in market share



Whilst customer spread deteriorate in the industry

*Peer Group: Banesto, Bankinter, Caixa, Caja Madrid, Popular, Sabadell and SAN Group. Latest available figures. In the case of peers whose figures for 9m10 are not available, net interest income and operating income are lineally extrapolated.

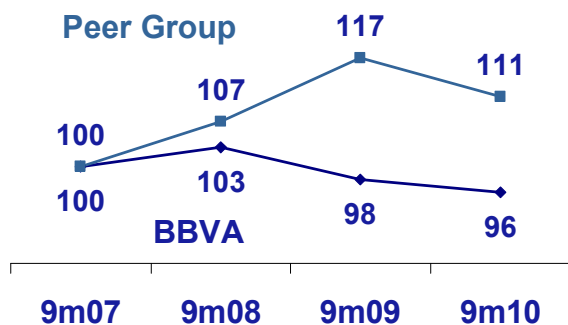
BBVA Spain & Portugal: superior performance despite conditions

Costs under control and superior performance of NPAs

Costs

Costs

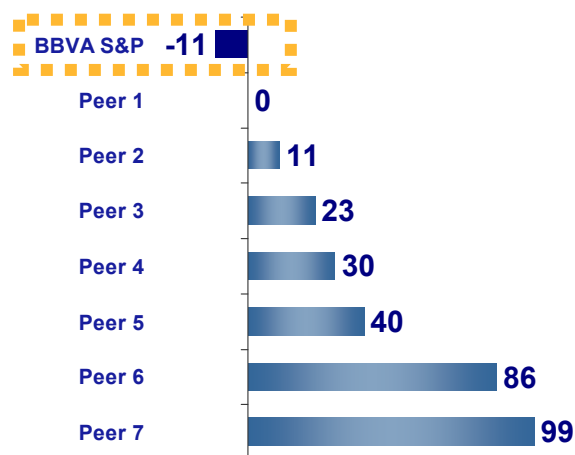
BBVA S&P and local peer group*
Performance since 2007
(Base 100: 2007)



NPA Ratio

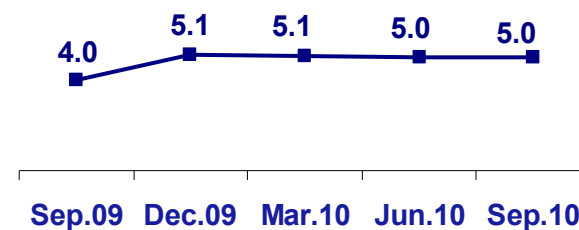
NPA ratio

BBVA S&P and local peer group*
Variation Sep10 / Dec09
(Basis points)



NPA ratio

BBVA Spain & Portugal
(%)



*Peer Group: Banesto, Bankinter, Caixa, Caja Madrid, Popular, Sabadell and SAN Group. Latest available figures. In the case of peers whose figures for 9m10 are not available, costs are linearly extrapolated.

Spain & Portugal: 9m10 results

(€m)

Spain & Portugal	Accum.	Annual Growth	
	9M10	Abs.	%
Net Interest Income	3,576	- 92	-2.5%
Gross Income	5,060	- 209	-4.0%
Operating Income	3,173	- 180	-5.4%
Income Before Tax	2,411	- 149	-5.8%
Net Attributable Profit	1,687	- 112	-6.2%

Efficiency
34.1%

NPA ratio
3.4%

Coverage
150%

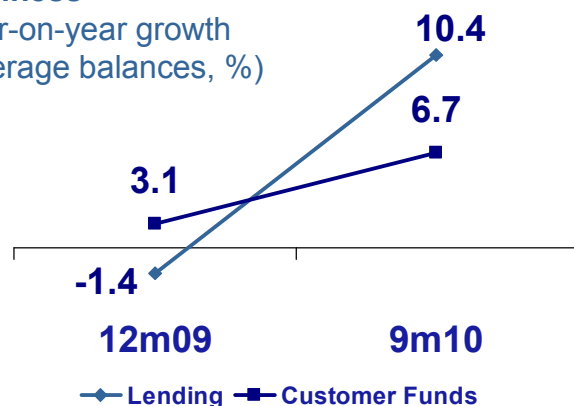
Cost of risk*
3.44%

BBVA Mexico: upturn in activity from less to more throughout the year

Surge in business

Business

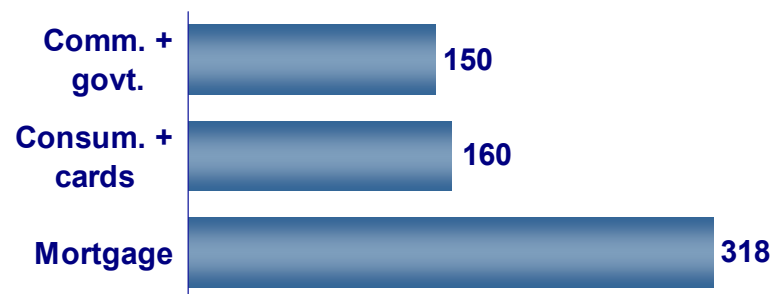
Year-on-year growth
(Average balances, %)



Gain in market share

Market share

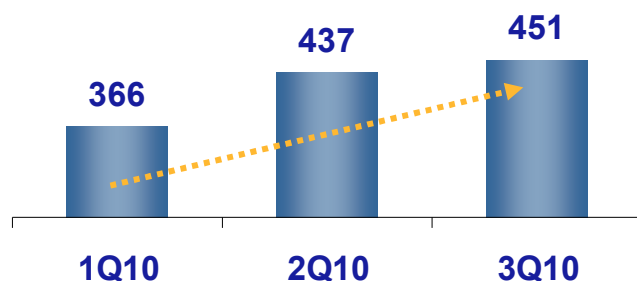
Change Sep10 vs Dec09
(Basis points)



Growing income

Net attributable profit

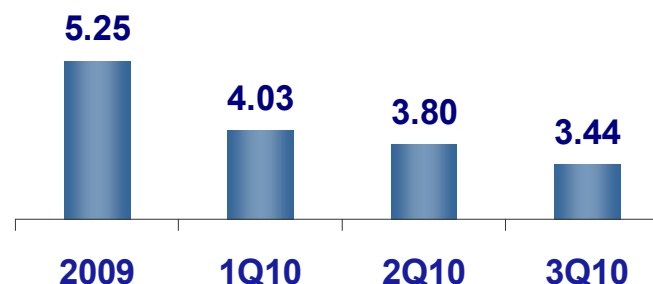
Quarter-by-quarter
(Constant €m)



Improvement in cost of risk

Cost of risk

Quarter-by-quarter
(%)



(Constant €m)

Mexico	Accum.	Annual Growth	
	9M10	Abs.	%
Net Interest Income	2,747	- 51	-1.8%
Gross Income	4,126	- 27	-0.6%
Operating Income	2,717	- 142	-5.0%
Income Before Tax	1,716	+ 104	6.4%
Net Attributable Profit	1,254	+ 24	2.0%

Efficiency
43.2%

NPA ratio
2.4%

Coverage
139%

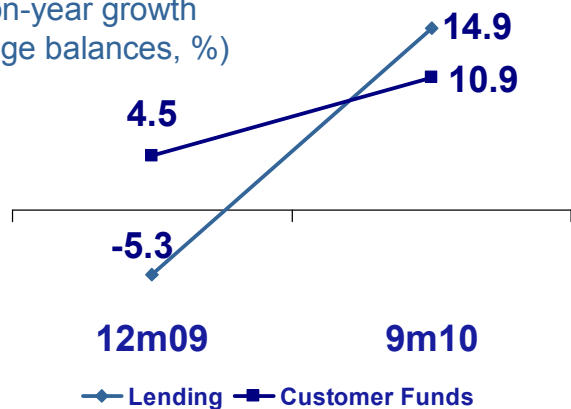
Cost of risk*
1.21%

BBVA South America: business prospers and income rises

Surge in business

Business

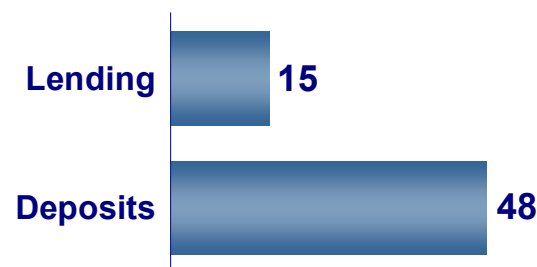
Year-on-year growth
(Average balances, %)



Gain in market share

Market share

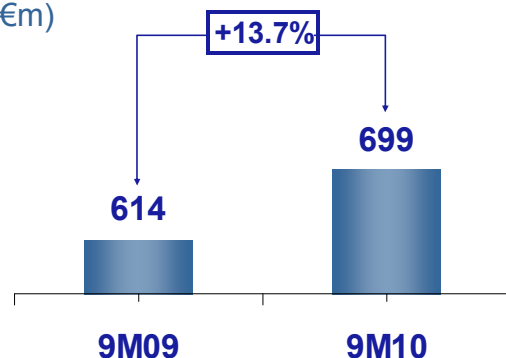
Change Jul10 vs Dec09
(Basis points)



Good rate of growth

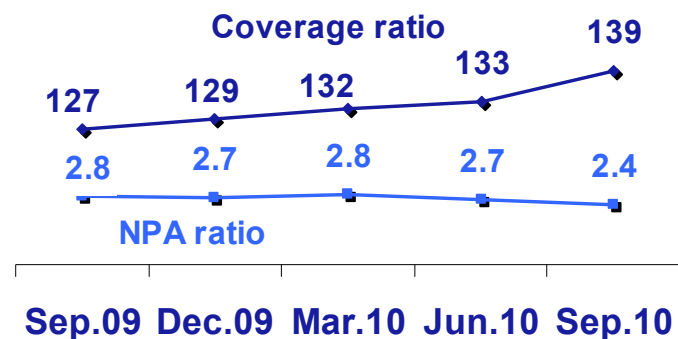
Attributable profit

Year to date
(Constant €m)



Lower NPAs and higher coverage

NPA & Coverage ratio (%)



South America: 9m10 results

(Constant €m)

South America	Accum.	Annual Growth	
	9M10	Abs.	%
Net Interest Income	1,843	+ 190	11.5%
Gross Income	2,814	+ 197	7.5%
Operating Income	1,599	+ 60	3.9%
Income Before Tax	1,277	+ 76	6.3%
Net Income	994	+ 104	11.7%
Net Attributable Profit	699	+ 84	13.7%

Efficiency
57.9%

NPA ratio
4.6%

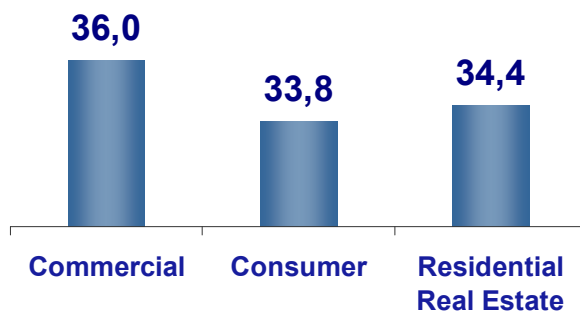
Coverage
59%

Cost of risk*
1.51%

BBVA United States: progressive consolidation of the franchise and the business model

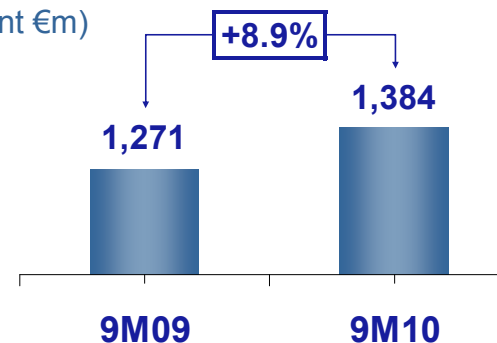
Traction regained: production

New business written BBVA Compass
Change 3Q10 vs 3Q09
(%)



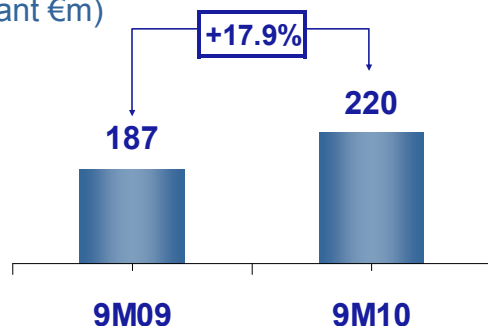
Revenue growth

Net interest income
Year to date
(Constant €m)



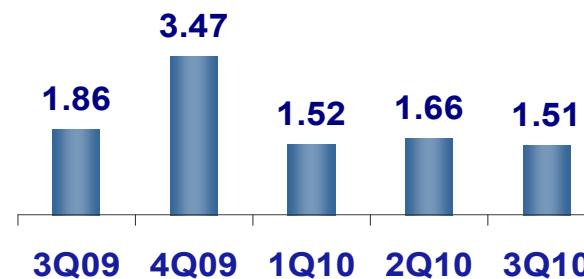
Positive development of bottom line

Attributable profit
Year to date
(Constant €m)



Risk indicators are stable

Cost of risk
(%)



United States: 9m10 results

(Constant €m)

USA	Accum.	Annual Growth	
	9M10	Abs.	%
Net Interest Income	1,384	+ 113	8.9%
Gross Income	1,959	+ 102	5.5%
Operating Income	824	+ 11	1.3%
Income Before Tax	304	+ 35	13.0%
Net Attributable Profit	220	+ 34	17.9%

Efficiency
29.0%

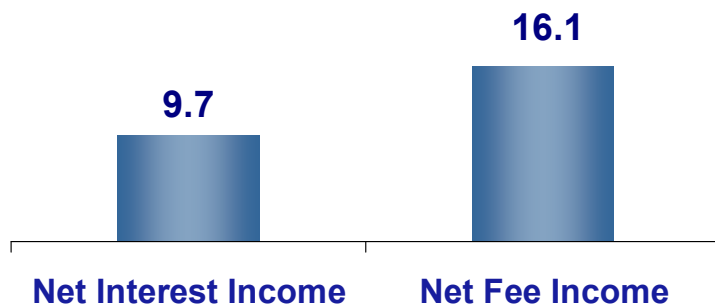
NPA ratio
1.3%

Coverage
66%

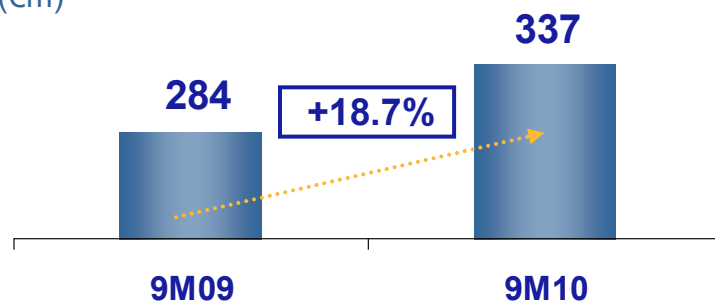
BBVA WB&AM: quality of revenues and advances in Asia

High quality revenues

C&IB
Year-on-year growth
(%)



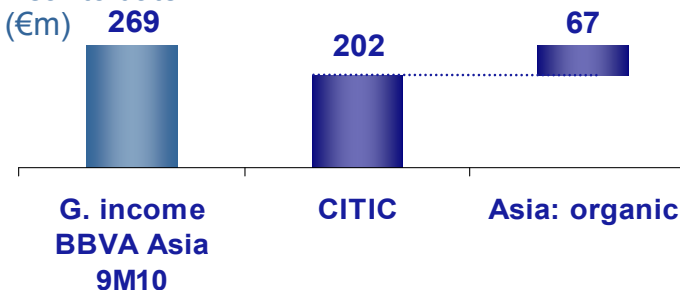
Global Markets
Income from customer franchise
(€m)



Significant advances in Asia

Asia

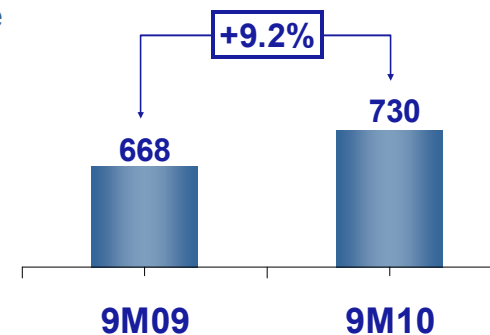
Gross income
Year to date
(€m)



Asia is 20% of WB&AM

Positive evolution of bottom line

Attributable profit
Year to date
(€m)



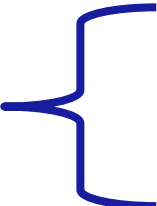
(€m)

Wholesale Banking & Asset Management	Accum.	Annual Growth	
	9M10	Abs.	%
Gross Income	1,318	+ 76	6.1%
Operating Income	936	+ 42	4.6%
Income Before Tax	906	- 17	-1.8%
Net Attributable Profit	730	+ 61	9.2%

BBVA In summary, a positive quarter for the BBVA Group

- 1** The resilience of earnings
- 2** Improvement in risk indicators
- 3** Organic generation of capital
- 4** Stronger balance sheet structure

**BBVA: a better business model,
strengthened by the crisis**

- 
- Retail / customers
 - Resilience
 - Diversification

Third Quarter Results 2010

Ángel Cano
Chief Operating Officer – BBVA Group

Madrid, October 27th 2010