BBVA

2008 Results

Madrid, 28th January 2009

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Group results for 2008

In a highly complex environment BBVA demonstrates its ability to generate . . .

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SOLID EARNINGS
based on . . .

1. **Recurrent income**
   supported by our relationship with customers
2. Strict **cost** control
3. **Risk: anticipation** and **prudence**
4. **Strong capital**

Ability to generate recurrent profits in a complex environment

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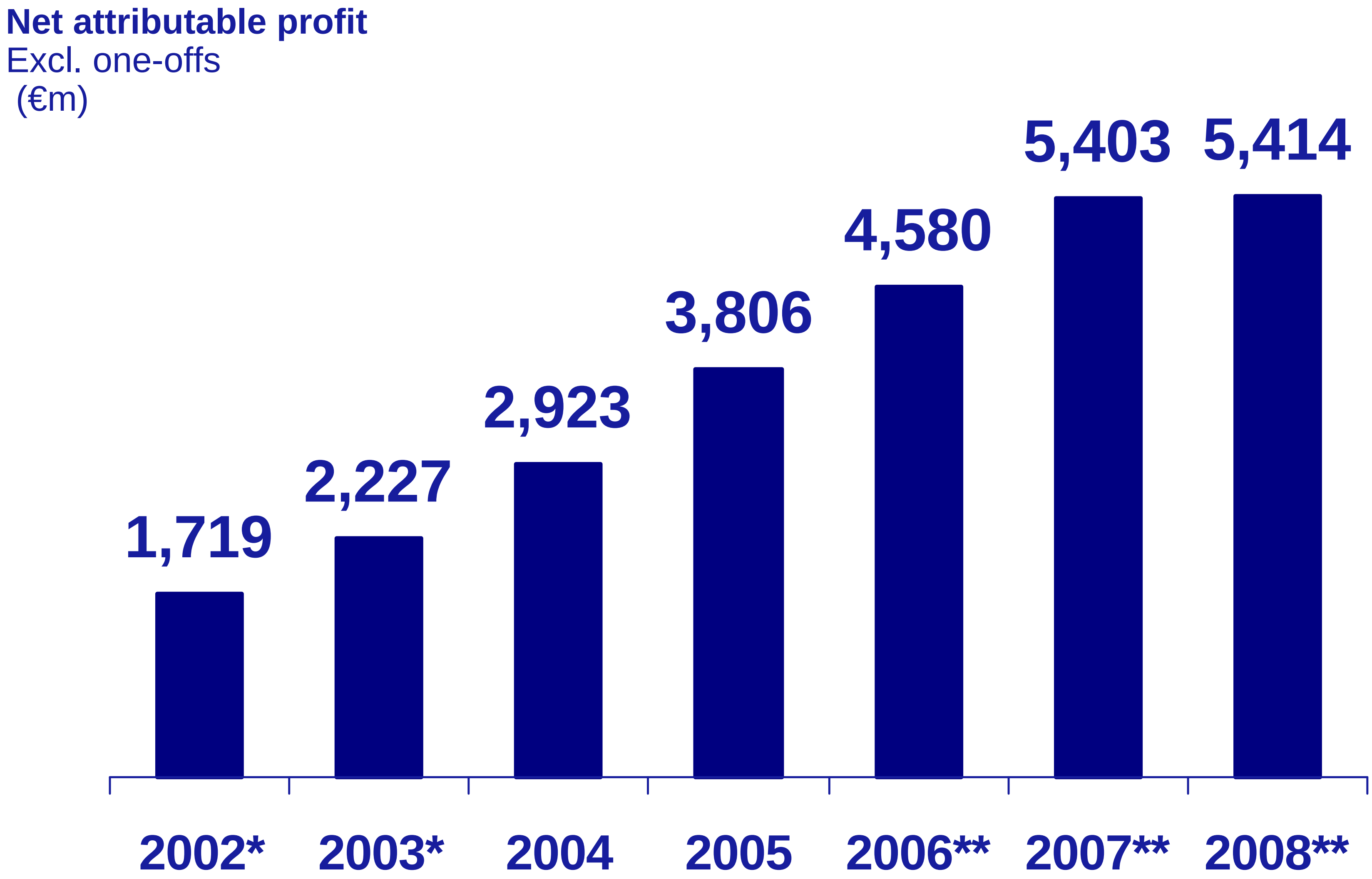

* Pre NIIF

** Excl. One-off items

BBVA Group: one-off items

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One-offs in 2007 (after tax)	
Iberdrola	+€696m
Sale of buildings	+€233m
Microcredits	-€135m
Early retirements	-€70m
Attrib. profit 2007	**+€724m**

One-offs in 2008 (after tax)	
Bradesco	+€509m
Early retirements (4Q08: -€273m)	-€602m
Madoff (4Q08: -€302m)	-€302m
Attrib. profit 2008 (4Q08: -€575m)	**-€395m**

Net attributable profit of Group: €5,020m

Recurrent revenues based on our relationship with customers

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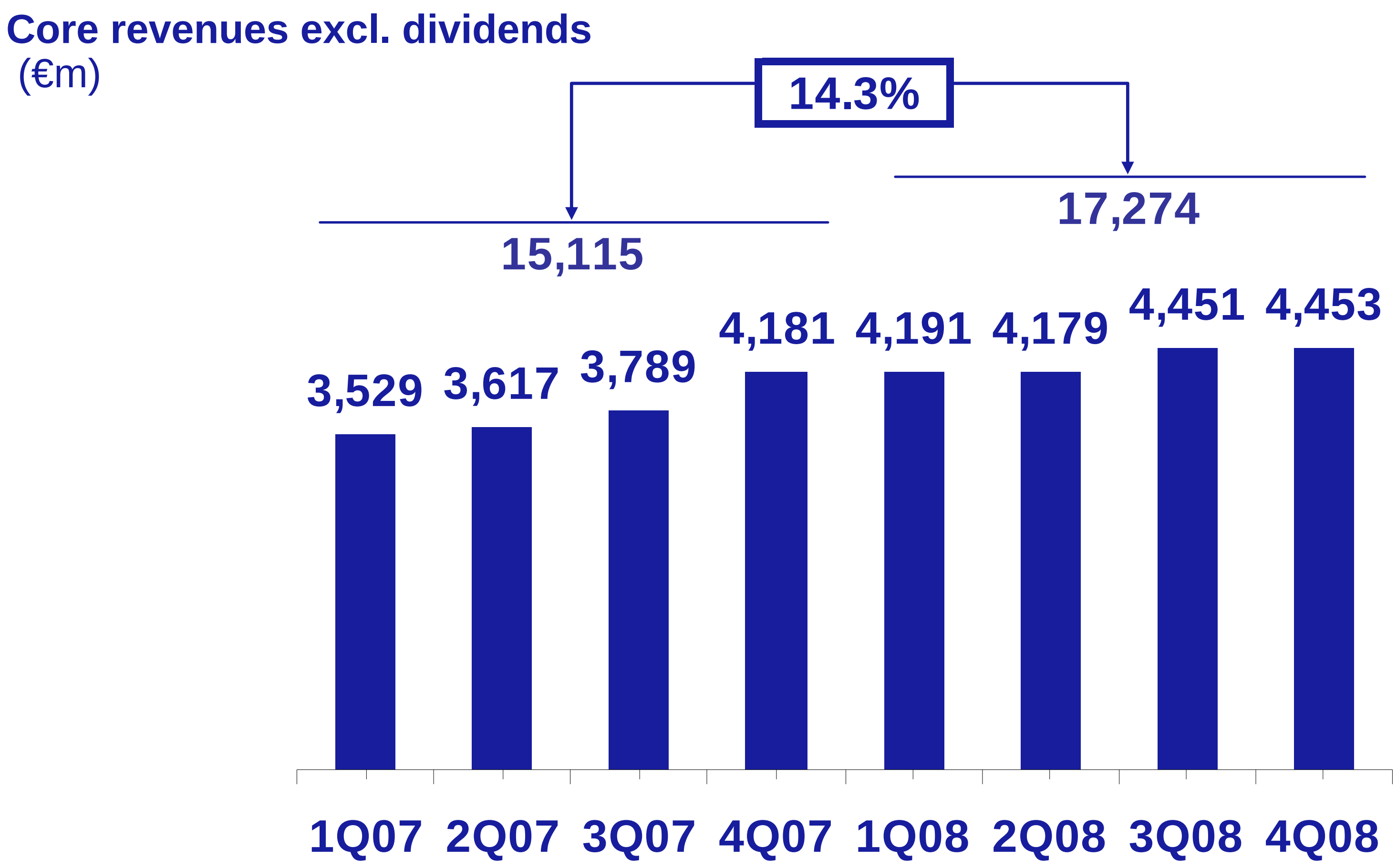
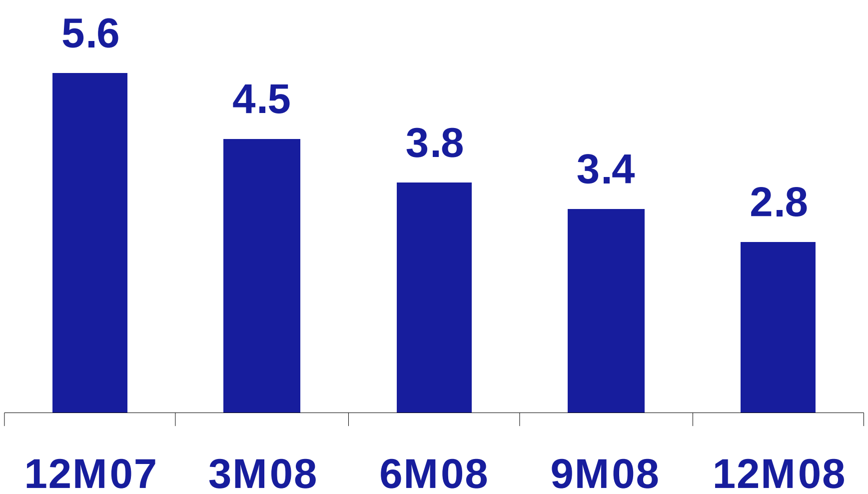


Focus on Pricing

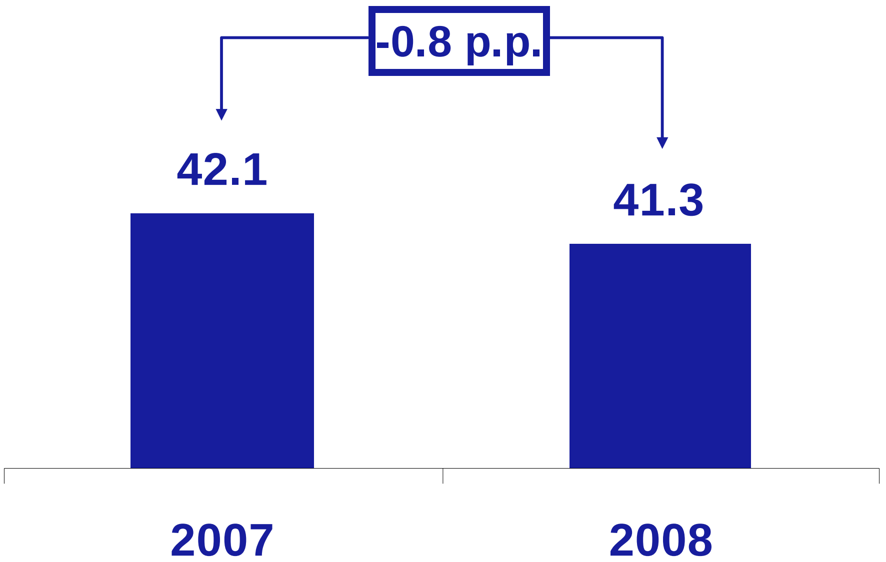
NII/ATA: 2.29% (+18bp)

Strict management of costs

Increases in general and admin expenses
Group, excl. one-offs and Compass
(%)



Cost/inc ratio incl. depreciation
Group, excl. one-offs and Compass
(%)



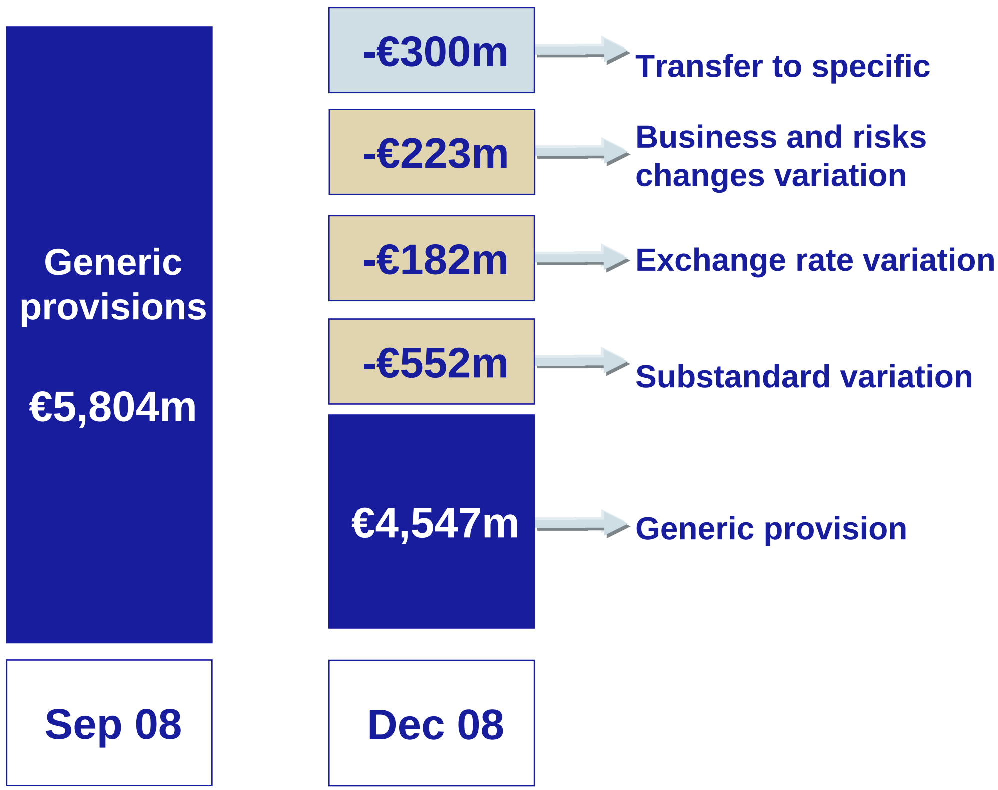
Transformation Plan measures taken in 2008, will lead to practically 0% nominal growth of expenses in 2009

3 Risk management: anticipation and prudent provisioning

Complete overhaul of portfolios

Big effort in provisioning (substandard assets)

Change in generic provisions
(€m)



€300m transferred to compensate for specific provisions in the 4th quarter

Asset impairment is covered by provisions and collateral

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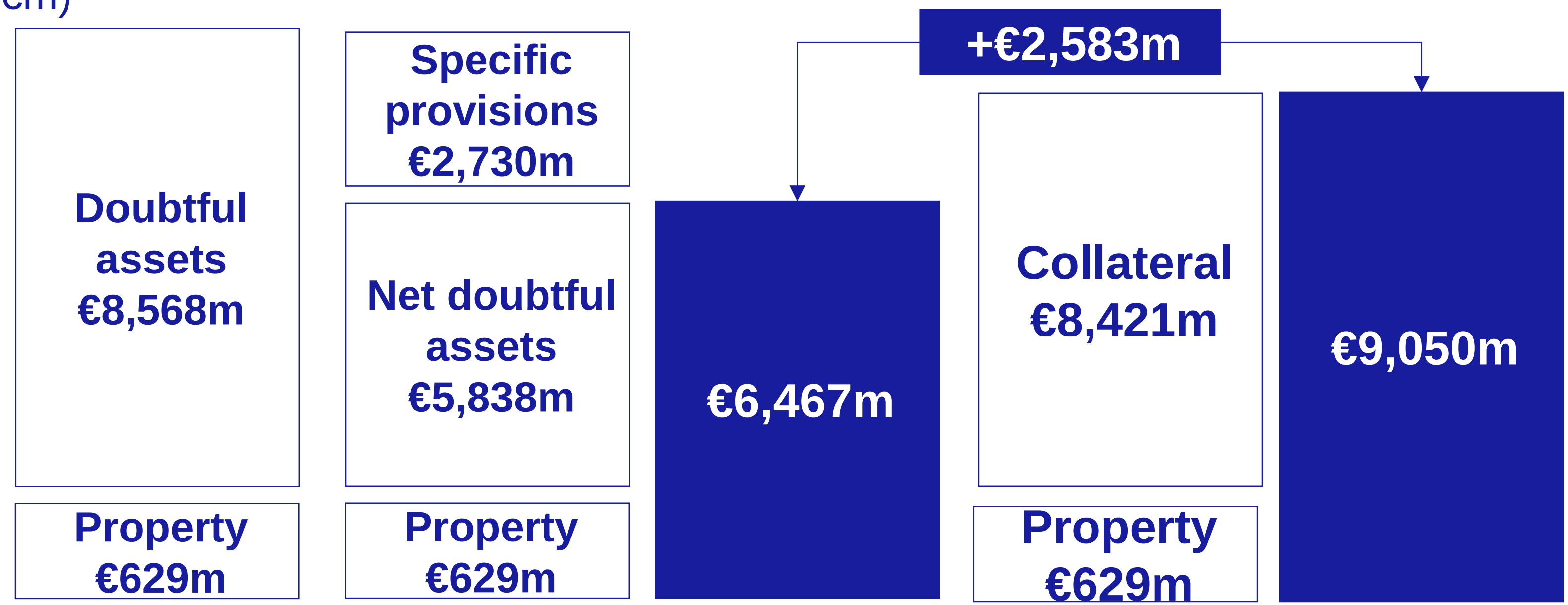
NPA ratio
2.12 %

Coverage
91%

Doubtful assets & property purchases
(€m)



Collateral exceeds net doubtful assets by €2,583m
Additional €5,000m of generic and substandard provisions

4 BBVA takes steps to reinforce capital in a complex environment

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Issue of preference shares

Generation of additional €1,000m in Tier I

2008 dividend

Hand over of 60.5 million of old shares[1]

- Estimated value of dividend = €0.11[2]
- Interim dividends paid in cash + dividend in shares = €0.61[2]
- Pay-out in cash = 37%
- Total pay-out = 46%

(1) Distribution of the issue premium reserve in kind via a payment in shares to complement dividends already paid.

(2) Closing price of the BBVA share at 27th January, 2009: €6.99

Capital ratios

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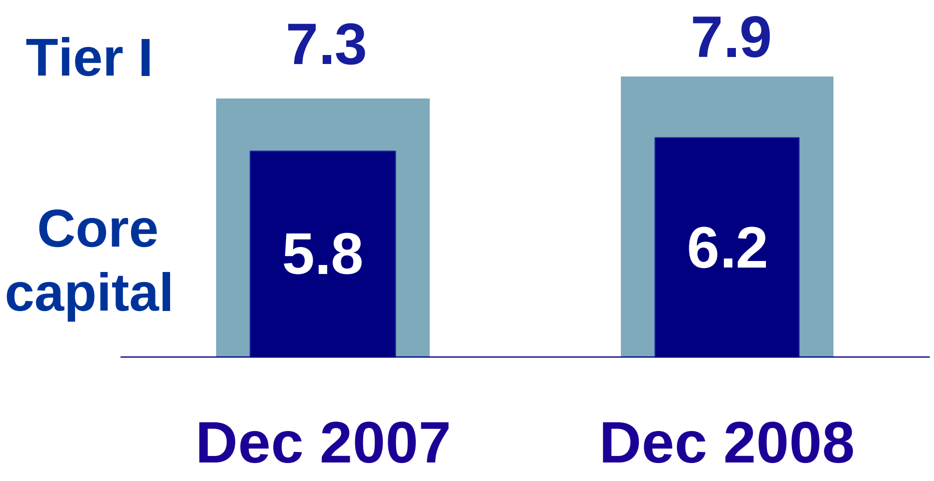
Core capital
(%)

	2008	4Q08
Initial core capital	5.8%	6.4%
Organic generation	+66 bp	+15 bp
Exchange rate	-14 bp	-11 bp
One-offs	-12 bp	-24 bp
Final Core capital	6.2%	6.2%

Core capital
BIS II
(%)



And the quality of our capital is better than our competitors

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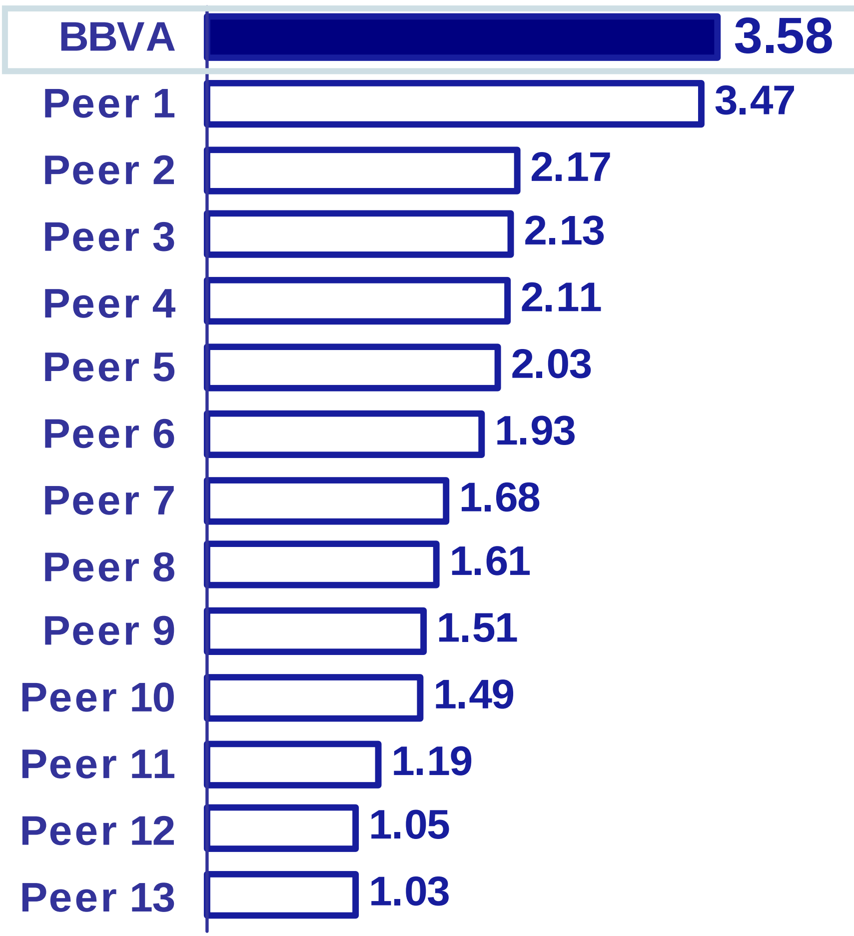
(Core equity + excess/deficit of provisions) / total assets
(%, Sep 08)



Moreover …

Excess provisions

Pension fund
(calculated with conservative criteria and protected against market and biometric risk)

Business model with no unexpected consumption of capital

Capital ajusted to cycle

Little exposure to falls in housing prices
(-20% in housing prices => 0 bp. in core capital)
(-30% in housing prices => -3 bp in core capital)

Peers: Santander, BNP Paribas, Intesa Sanpaolo, Unicredit, Barclays, Société Générale, HBOS, Crédit Agricole, Lloyds, Deutsche Bank, Credit Suisse, RBS, UBS
Internal sources based on published figures.
Corrected for subsequent capital operations, some not yet realized.

BBVA takes steps to reinforce capital from a maximum prudence stand

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2009 dividend

1. Pay-out in cash = 30%

2. Three interims + final dividend continues

Approximately 80 bp of core capital generation in 2009

BBVA has not made use of extraordinary sources of capital

Latent capital gains in equity holdings

Latent capital gains in available for sale fixed income portfolios

Capital gains on real estate

In summary: in 2009 BBVA will maintain its strong capital base

BBVA

Dec 08		Organic generation		Additional sources
Excess provisions 33bp Pension fund 14bp Core capital 6.2%	+	≃ 80bp	+	Capital gains on equities 30bp Sale of real estate 25bp

Profitability and value creation metrics

BBVA

Profitability
(%)

ROA (excl. one-offs): 1.11%

RORWA (excl. one-offs): 2.09%

ROE (excl. one-offs): 23.2%

Value creation
(€m and %)

Recurrent EP: €3,402m

Recurrent RARoC: 29.9%

BBVA Group excluding one-offs: 2008 results

BBVA

(€m)

BBVA Group	Accum 2008	Annual Growth Abs.	Annual Growth %
Net Interest Income	11,891	+ 2,122	21.7%
Core Revenues	17,721	+ 2,258	14.6%
Ordinary Revenues	19,126	+ 1,841	10.6%
Operating Profit	10,552	+ 854	8.8%
Pre-Tax Profit	7,490	- 184	-2.4%
Net Profit	5,780	+ 89	1.6%
Net Attributable Profit	5,414	+ 12	0.2%

EPS (€1.46): -2.8%

BBVA Group: 2008 results

BBVA

(€m)

BBVA Group	Accum	Annual Growth	
	2008	Abs.	%
Net Interest Income	11,891	+ 2,122	21.7%
Core Revenues	17,721	+ 2,258	14.6%
Ordinary Revenues	19,853	+ 1,721	9.5%
Operating Profit	11,279	+ 734	7.0%
Pre-Tax Profit	6,926	- 1,568	-18.5%
Net Profit	5,385	- 1,030	-16.1%
Net Attributable Profit	5,020	- 1,107	-18.1%

EPS (€1.35): -20.5%

Contents

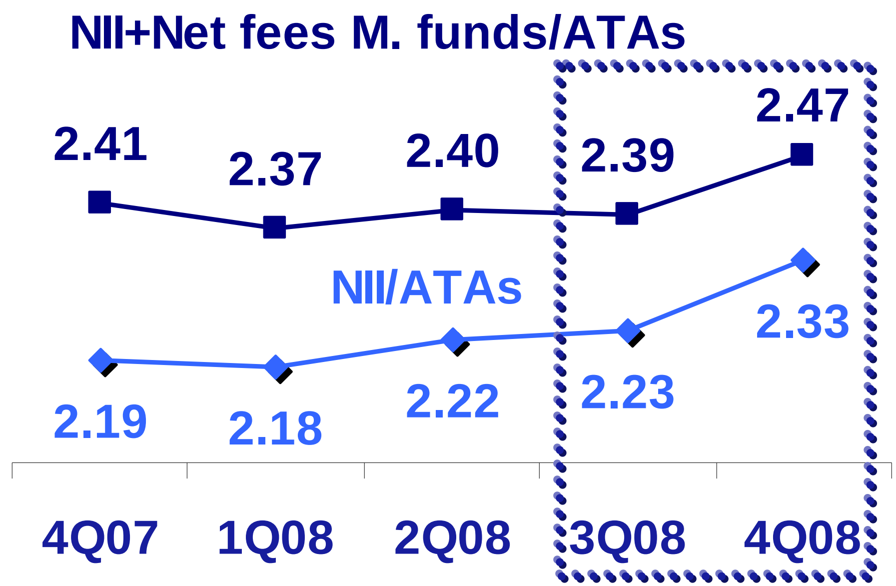
Adapting to changes in business activity . . .

Lending and Customer Funds
Year-on-year growth
(Average balances)

	08/07
Lending	+1.0%
Cust. Funds*	+8.1%

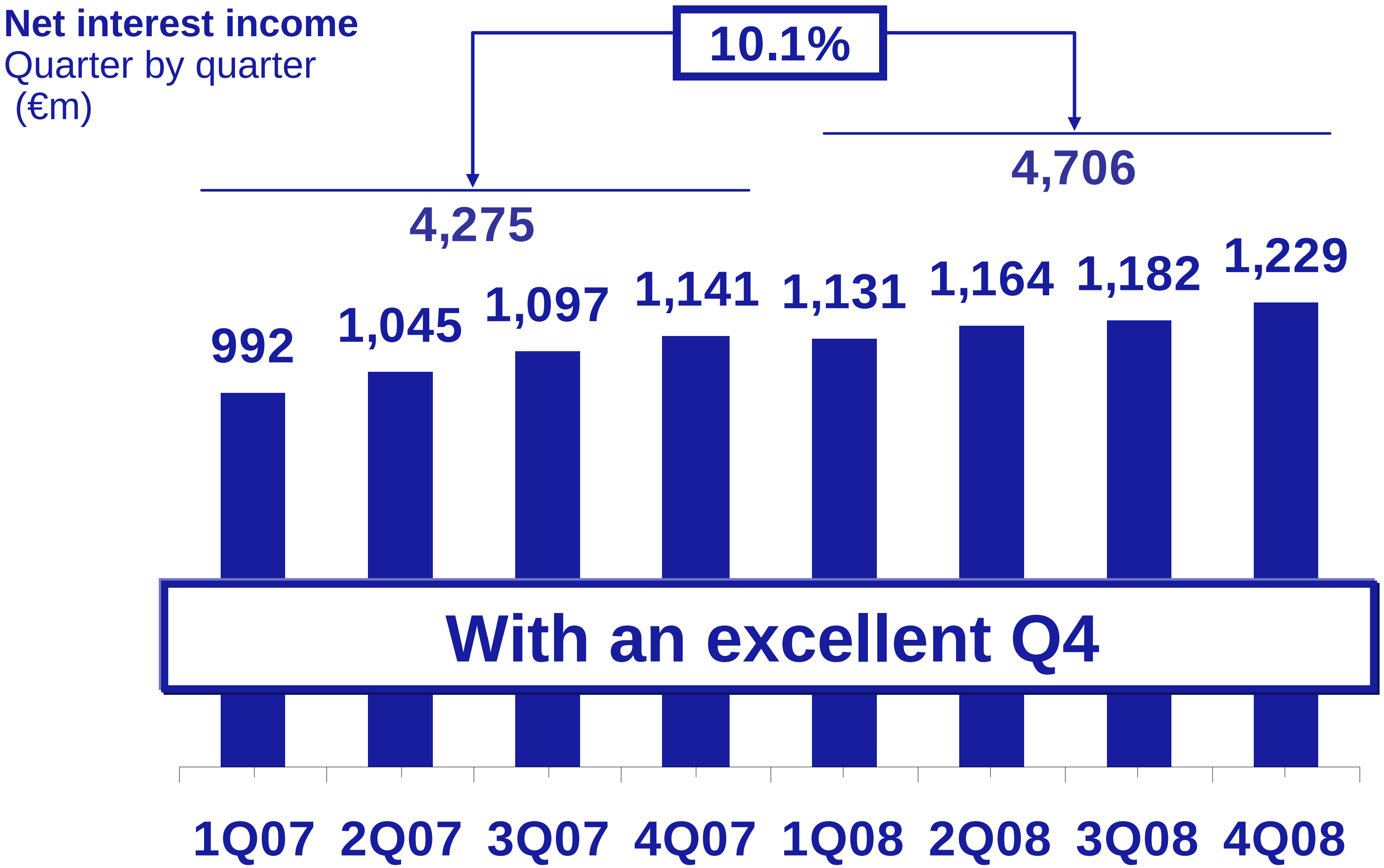
* In balance-sheet

Net interest income/ATAs and (NII+Net fees mutual funds)/ATAs
(%)



. . . with the focus on pricing

Generating recurrent revenues



Ordinary revenues: €7,099m (+6.6%)

Early implementation of the Transformation Plan leaves the area better prepared for the slowdown . . .

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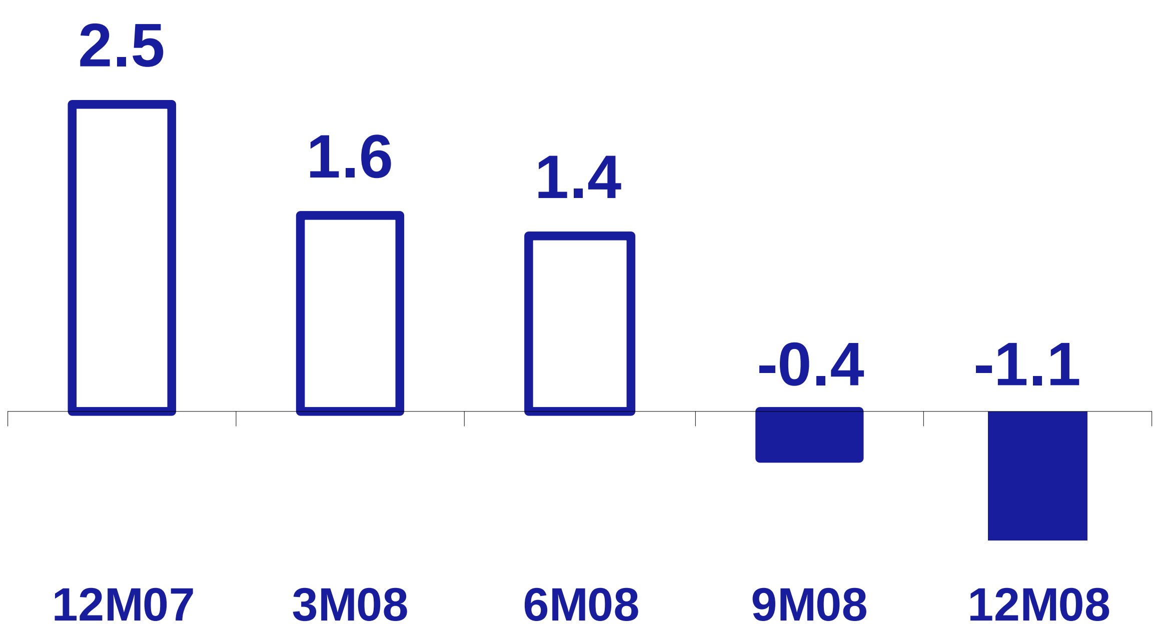
General and administrative expenses
Year-on-year growth
(%)



Personnel expenses: -3.7%

. . . leading to solid recurrent operating profit

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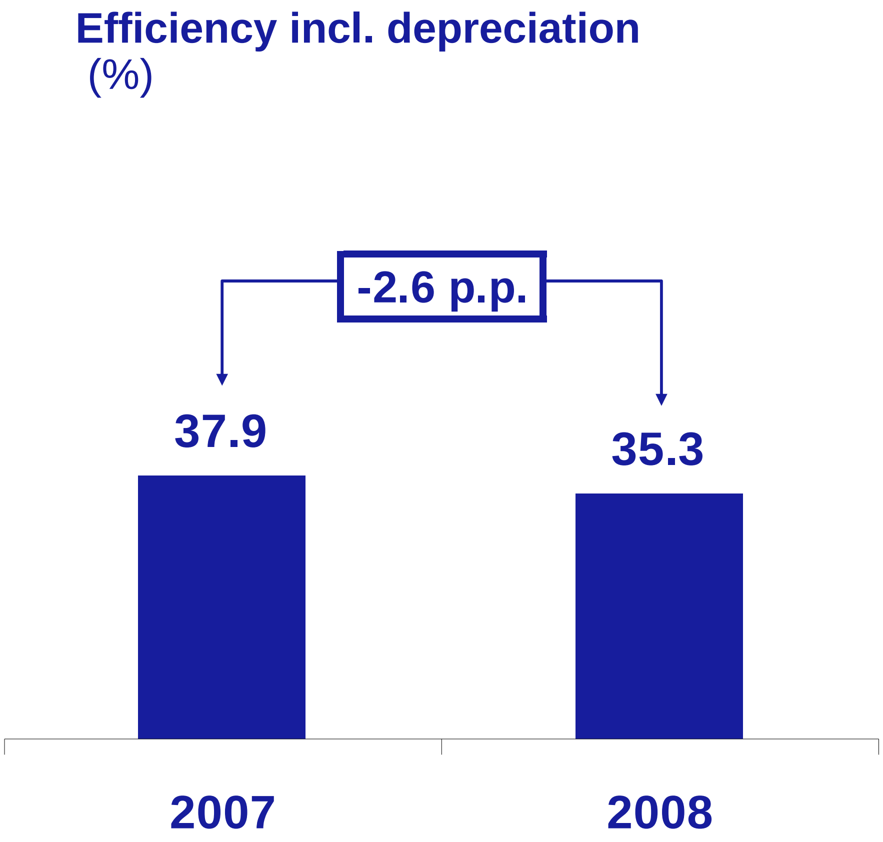
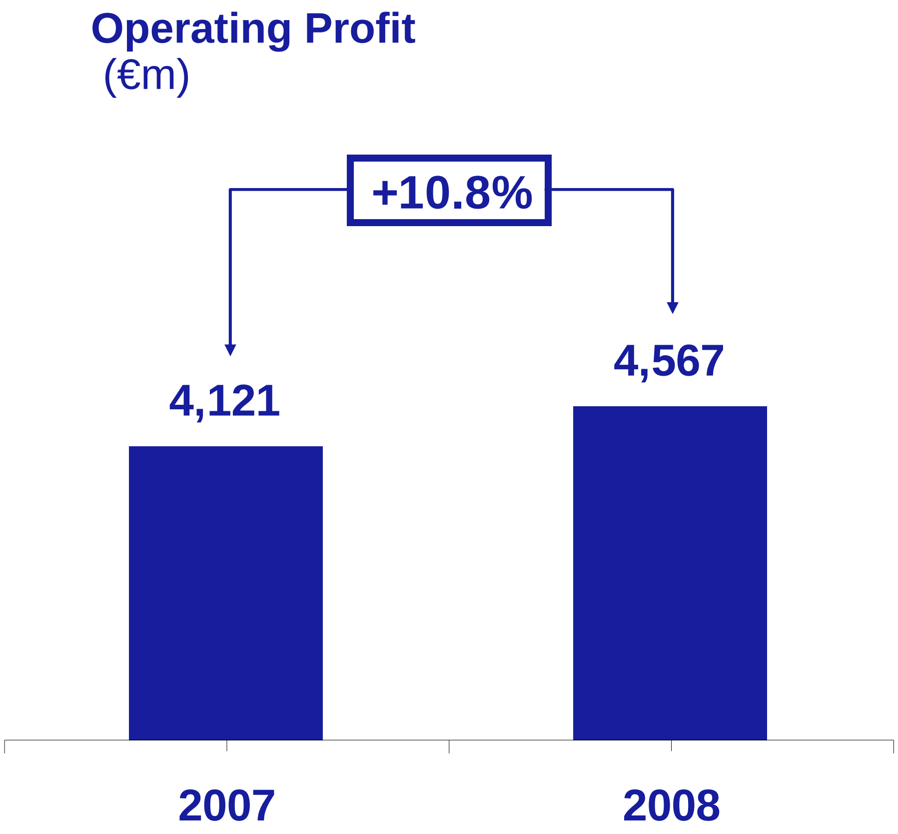
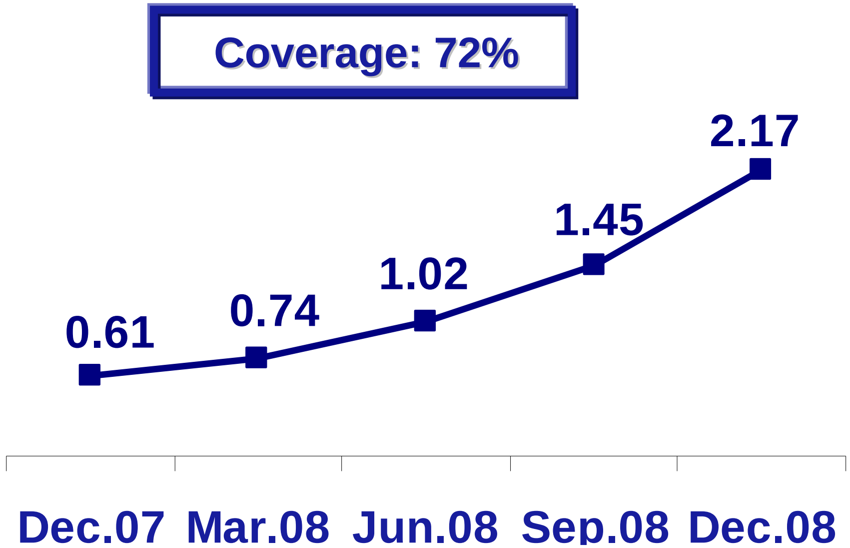


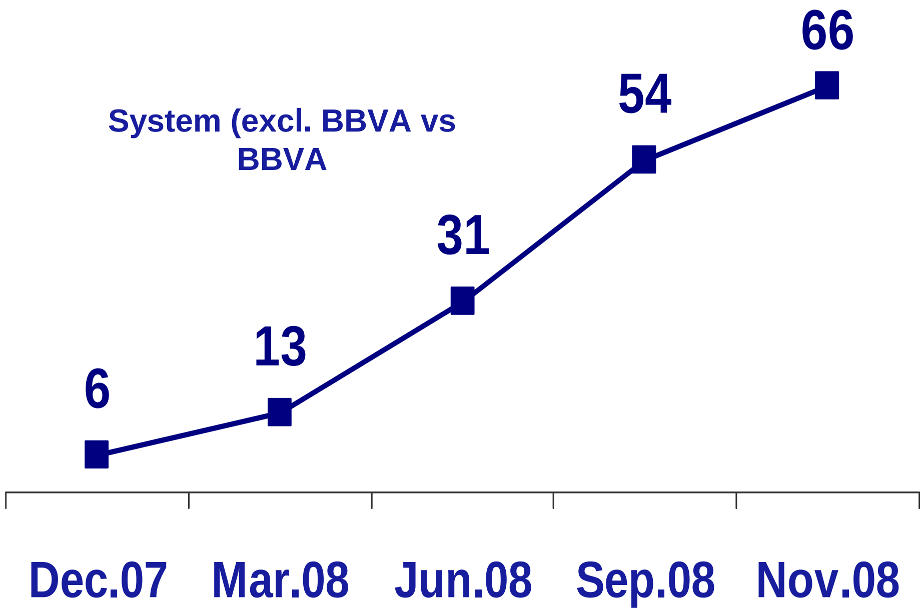


Strict control of risk

NPA ratio
Domestic businesses
(%)



NPA ratio advantage in ODS
(basis points)



Spain & Portugal

NPA: 2.62%

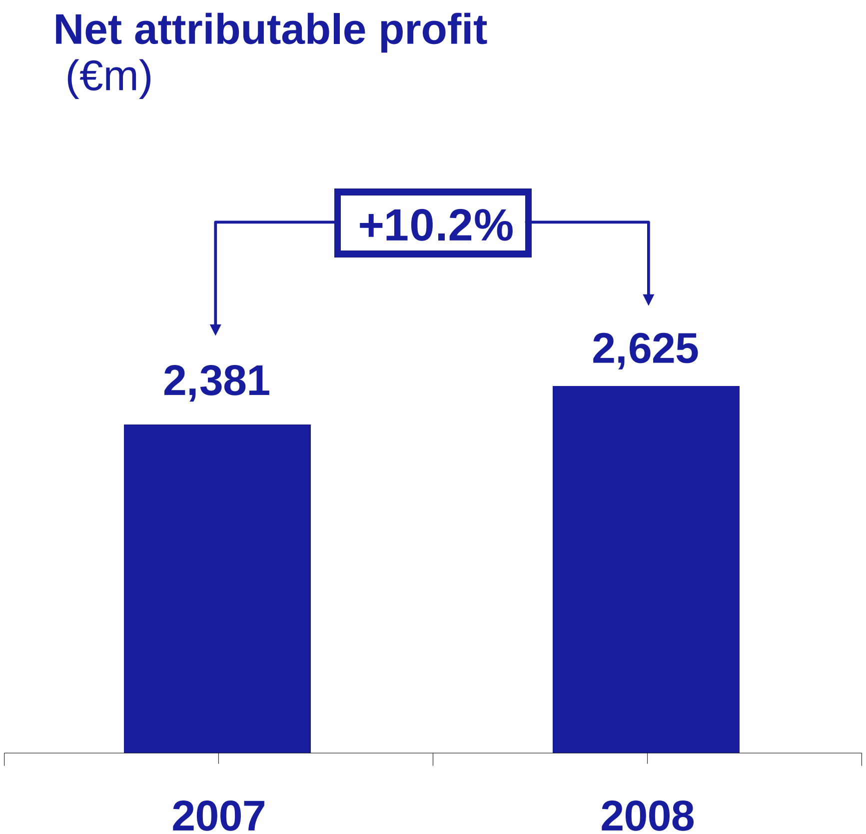
Coverage: 67%

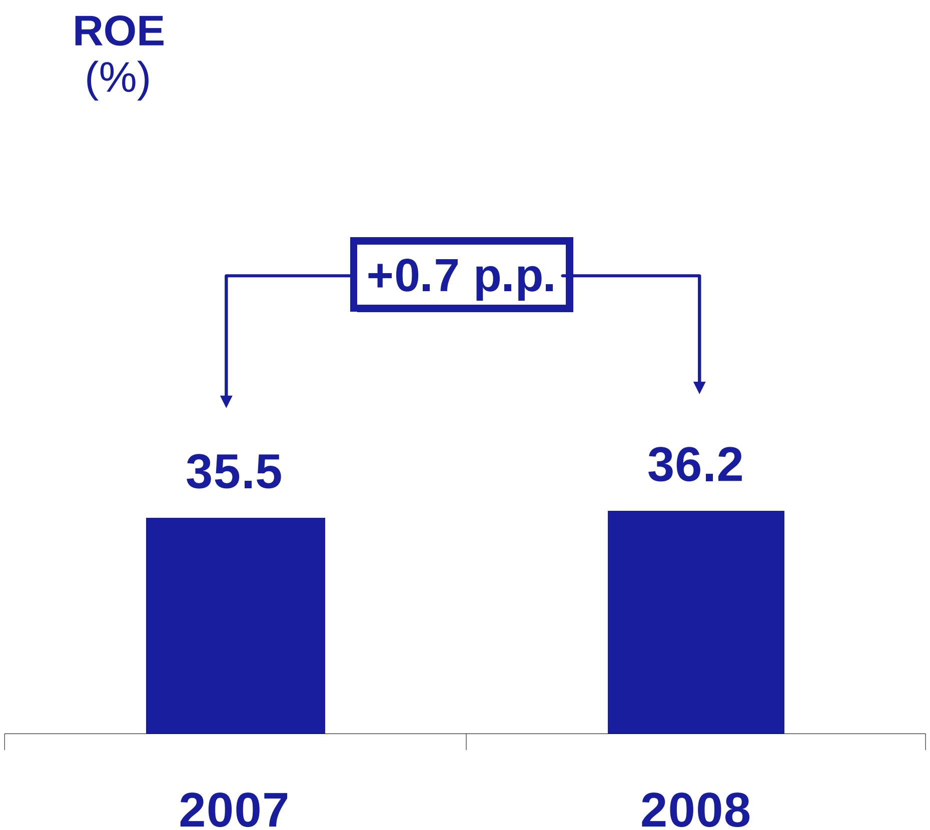
Provisions: +31.8%

Purchase of properties for €629m

Maximum cost of risk fenced in

In summary: earnings in the Spain & Portugal Area are holding up well





Spain & Portugal: 2008 results

(€m)

Spain & Portugal	Accum	Annual Growth	
	2008	Abs.	%
Net Interest Income	4,706	+ 431	10.1%
Core Revenues	6,870	+ 441	6.9%
Ordinary Revenues	7,099	+ 439	6.6%
Operating Profit	4,567	+ 446	10.8%
Pre-Tax Profit	3,751	+ 221	6.3%
Net Profit	2,625	+ 245	10.3%
Net Attributable Profit	2,625	+ 244	10.2%

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Group results for 2008

Results by business area

Spain & Portugal

Wholesale Banking & Asset Management

Mexico

USA

South America

Conclusions

WB&AM: 2008 results

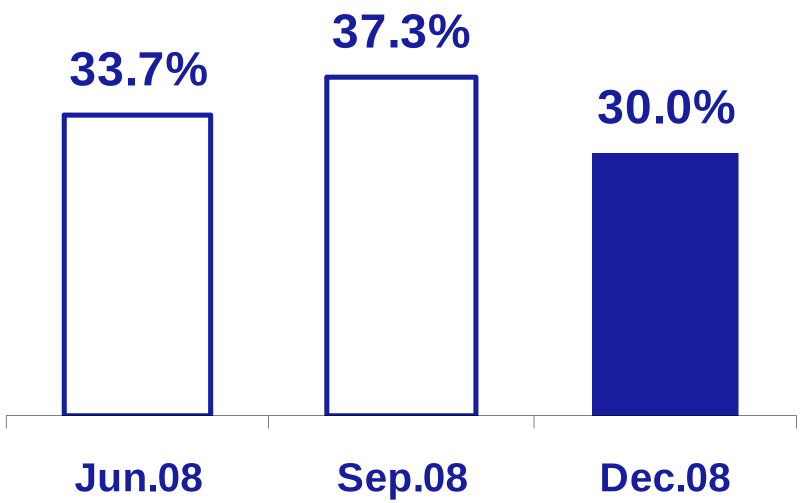
(€m)

Wholesale Banking & Asset Management*	Accum 2008	Annual Growth Abs.	Annual Growth %
Ordinary Revenues	1,714	+ 108	6.7%
Operating Profit	1,223	- 44	-3.5%
Pre-Tax Profit	933	- 220	-19.1%
Net Profit	760	- 147	-16.2%
Net Attributable Profit	754	- 143	-15.9%

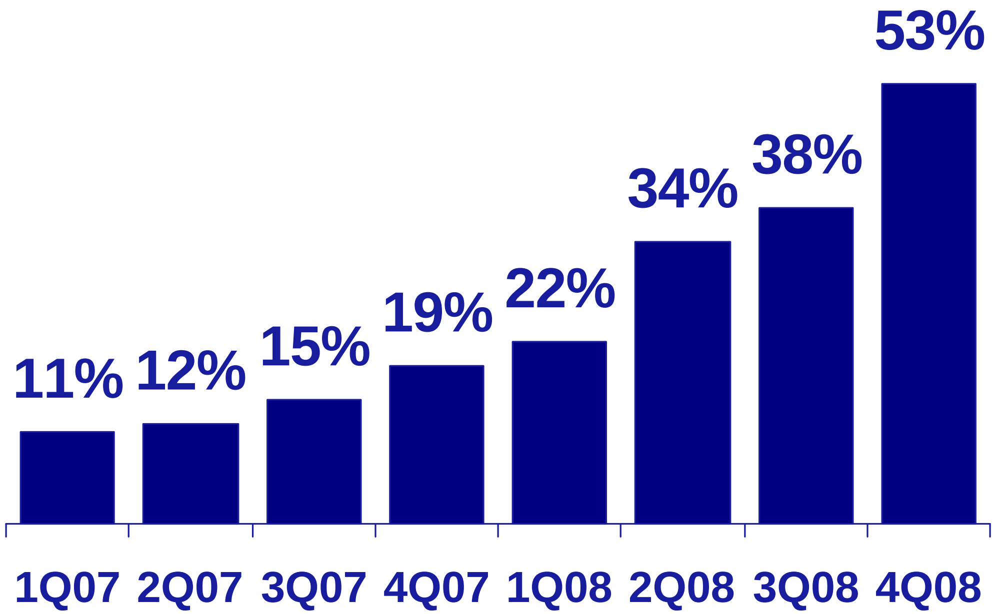
In a highly complex environment WB&AM obtained a profit of €754m, with units performing differently

Capitalising on opportunities in Corporate & Investment Banking

Corp. & Investment Bkg*
Lending
Year-on-year growth
(Average balances)



Corp. & Investment Bkg
RARoC on new business
Quarter by quarter

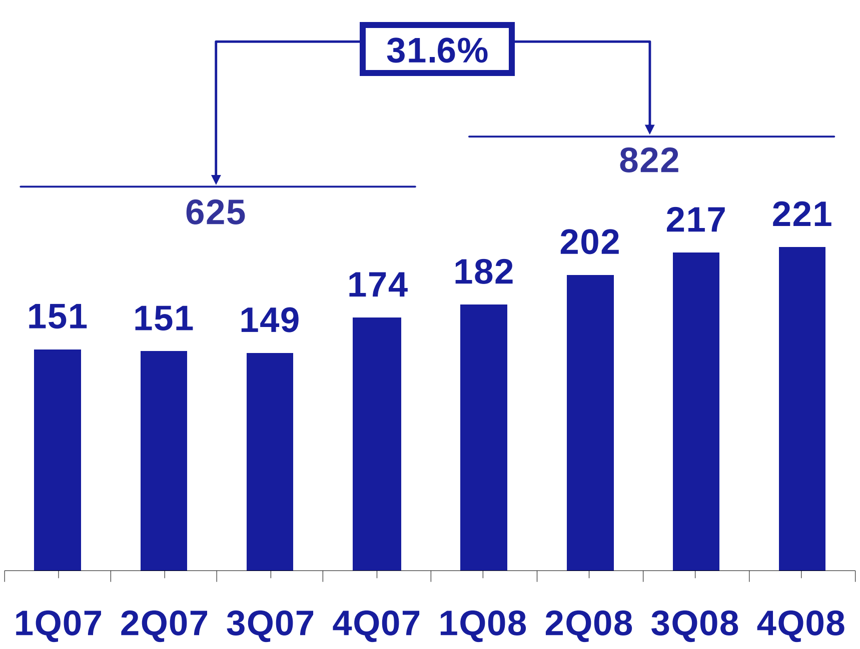


The portfolio is diversified by sectors and regions

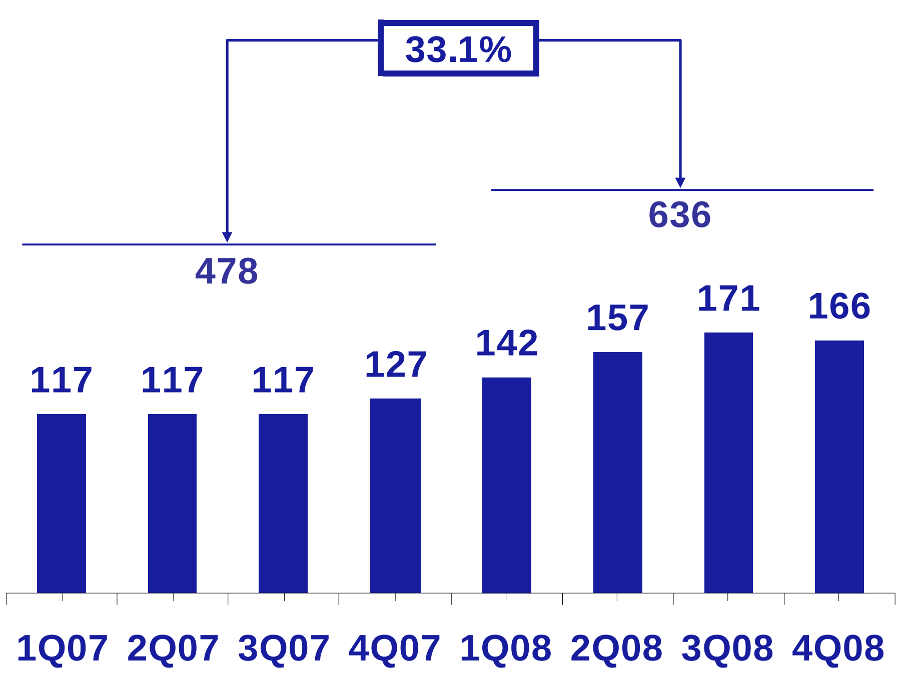
*** Europe + Asia + Investment Bkg**

Recurrent earnings

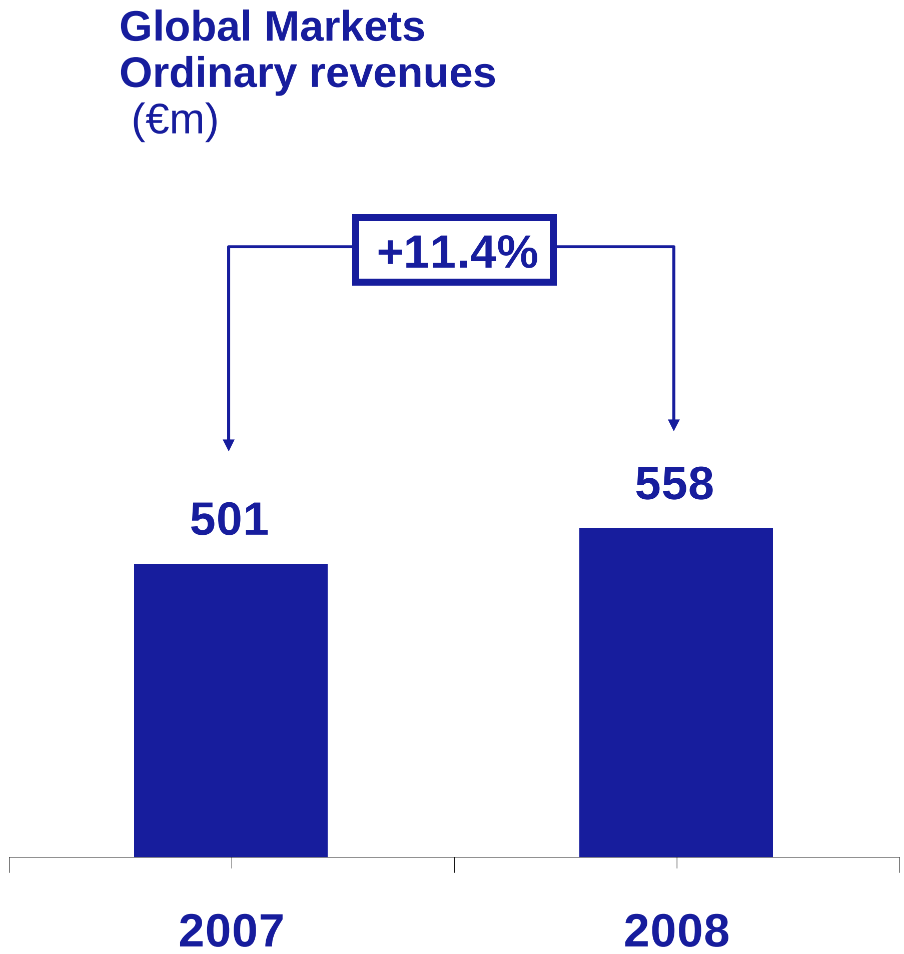
Corp. & Investment Bkg
Ordinary revenues
(€m)



Corp. & Investment Bkg
Operating Profit
(€m)



Global Markets



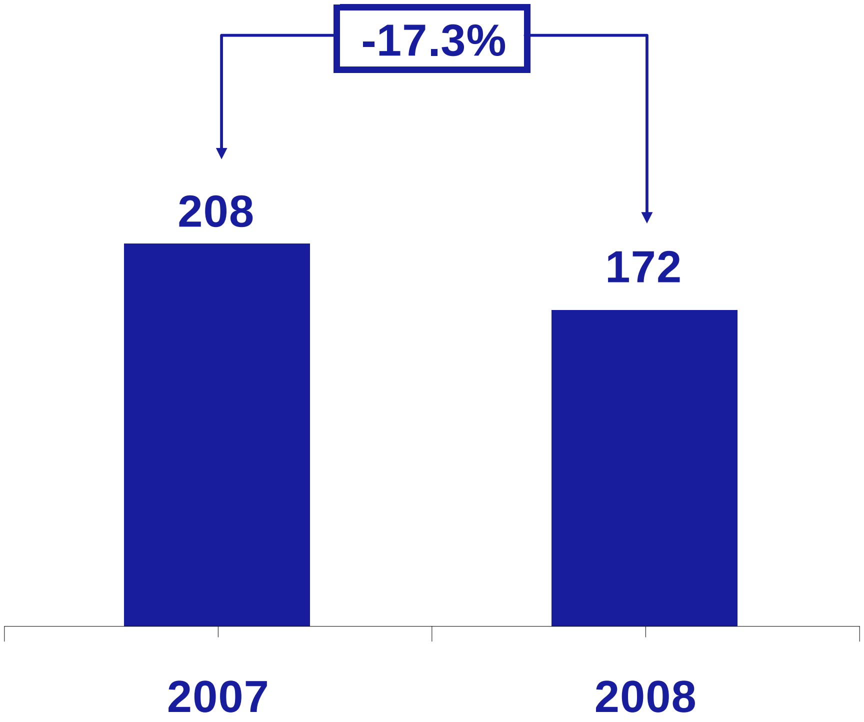
Despite conditions

Revenue growth 11.4%

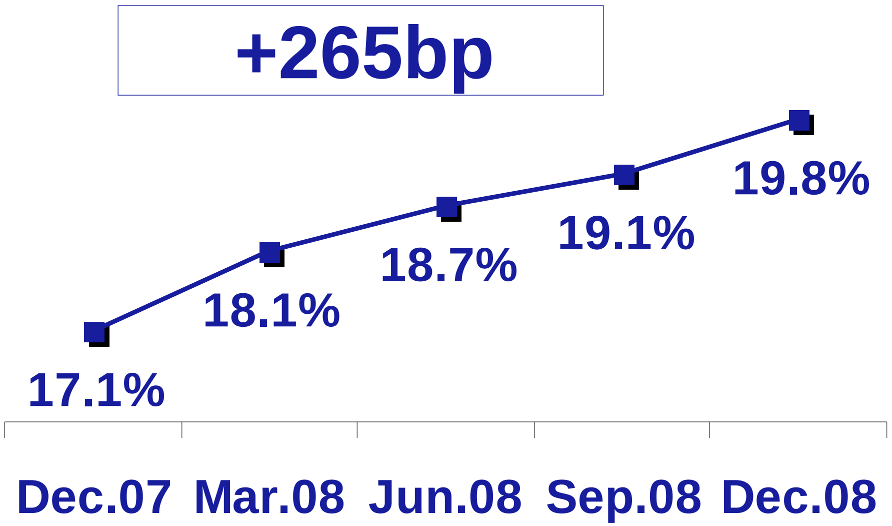
Positive ordinary revenues in 4Q08 (€9m)

Asset Management

Asset management
Ordinary revenues
(€m)



Asset management
Market share of mutual funds
(%)



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Strong business despite global environment

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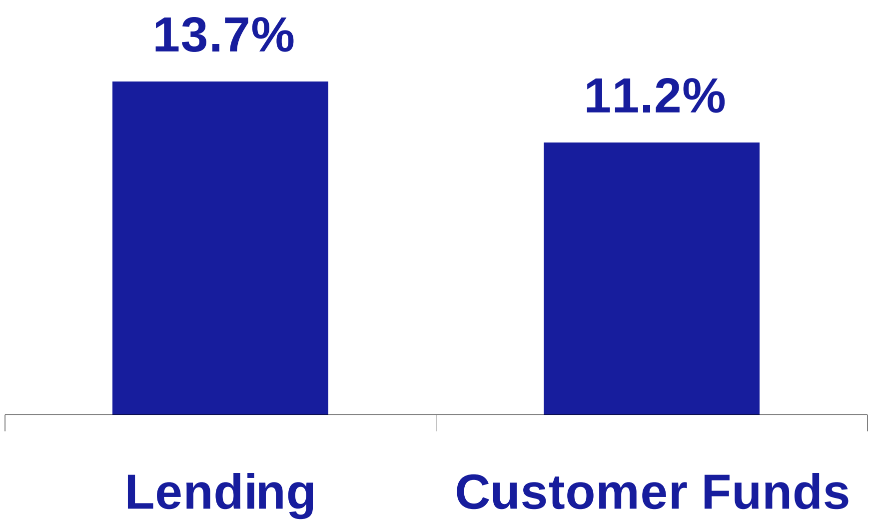
Lending & Customer Funds
Year-on-year growth
(Average balances)



Focus on customer funds

SMEs: +35.4%

Mortgages: +21.6%

Consumer + cards: -0.7%

Current + Savings A/c: +16.0%

Time+MF+Repo+MDD: +7.5%

Revenues grow in line with business

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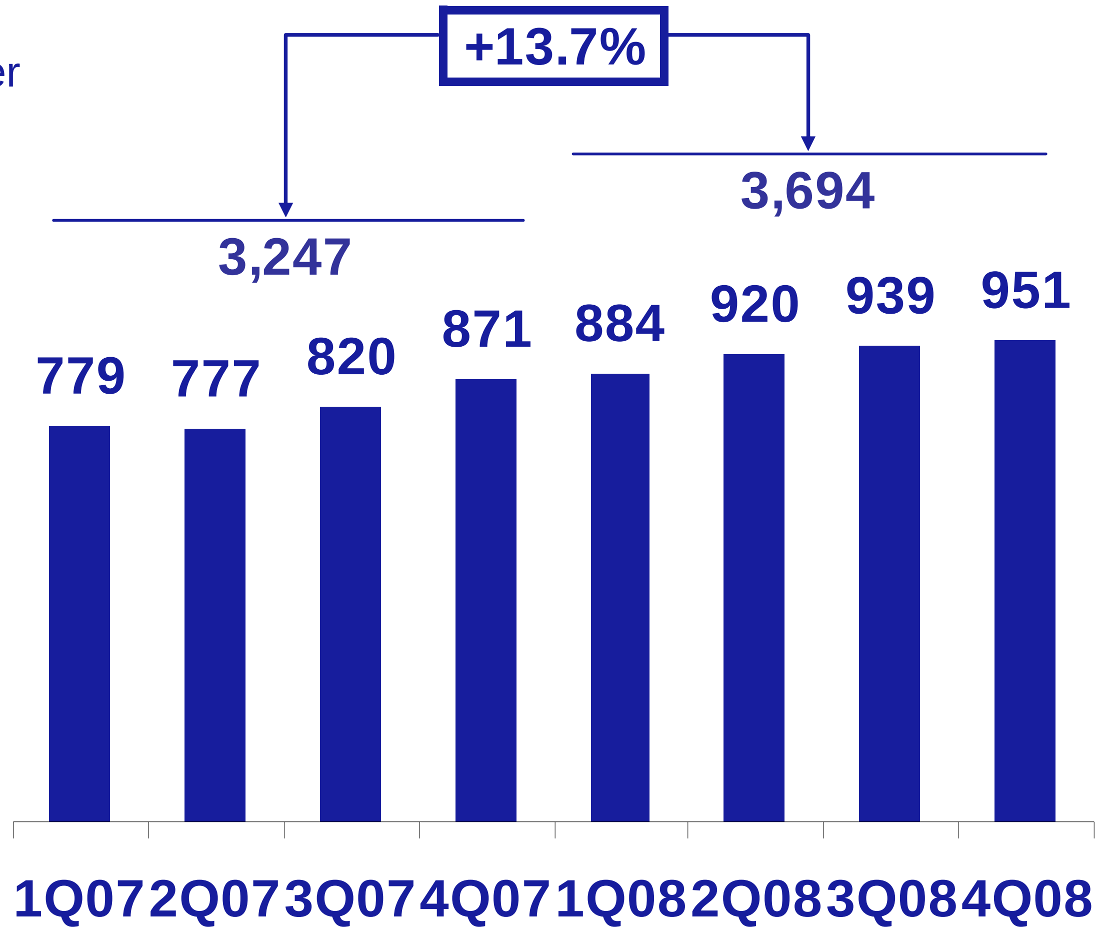
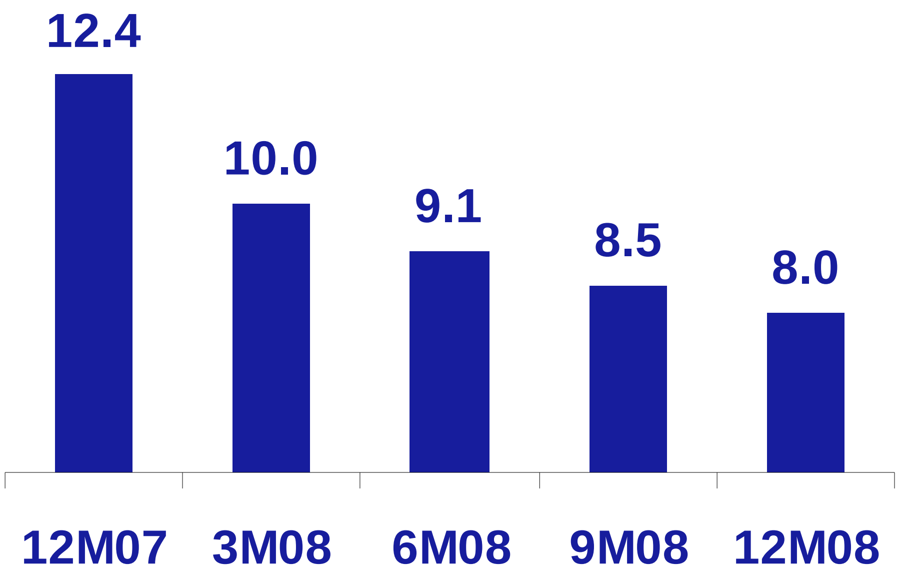
Net interest income
Mexico country
Quarter by quarter
(Constant €m)



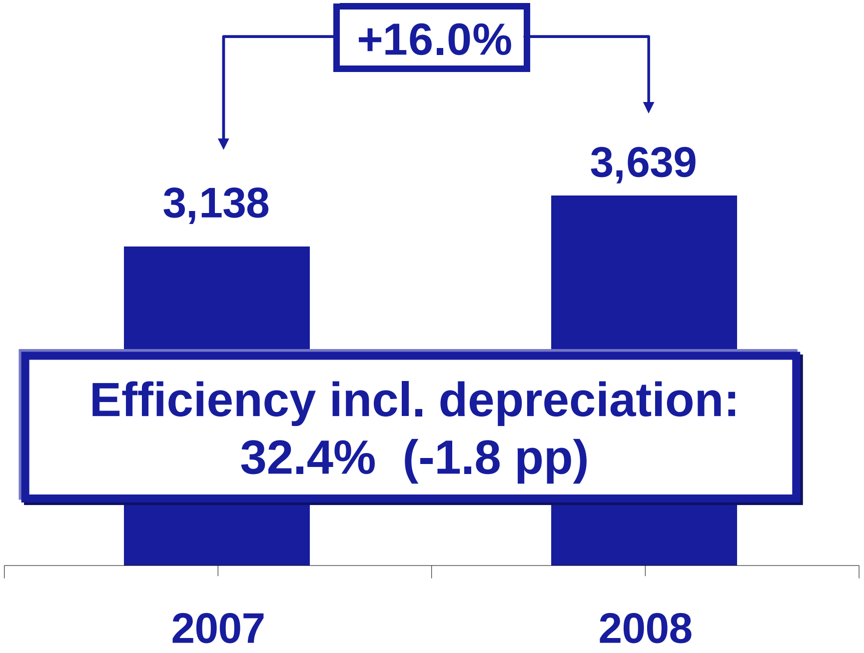
Ordinary revenues: €5,554m (+12.4%)

Operating profit reflects excellent result of Mexico's transformation plan

General and administrative expenses
Mexico country
Year-on-year growth at constant €
(%)

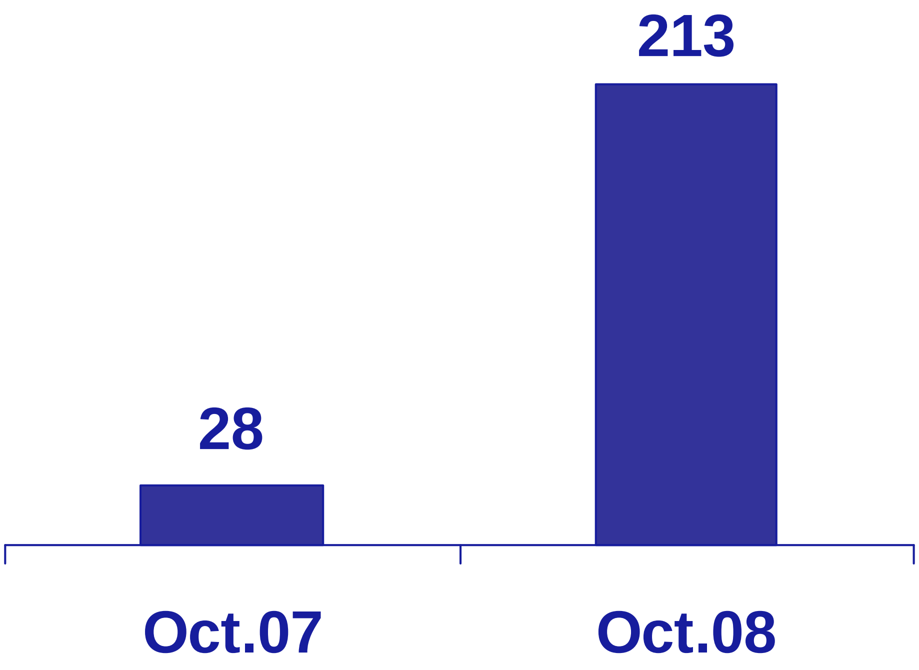


Operating Profit
Mexico country
(Constant €m)

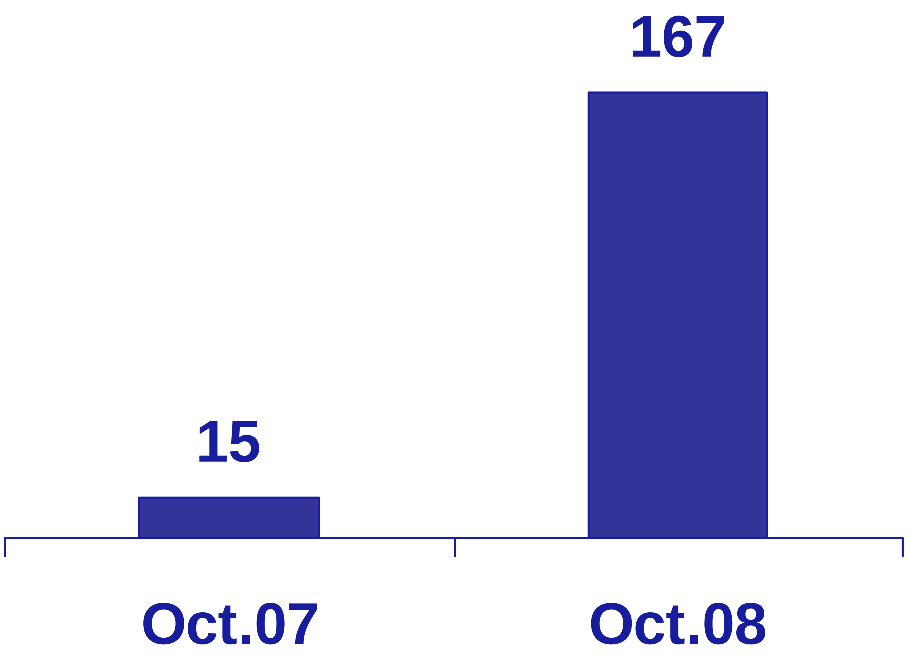


Distinctive performance in asset quality

Cost of risk advantage
System vs Bancomer
(bp)



NPA ratio advantage
Consumer + cards
System vs Bancomer
(bp)



NPA: 3.21%

Coverage: 161%

Provisions:+45.1%
(constant €)

Mexico: 2008 results

(Constant €m)

Mexico	Accum 2008	Annual Growth Abs.	Annual Growth %
Net Interest Income	3,694	+ 446	13.7%
Core Revenues	5,269	+ 530	11.2%
Ordinary Revenues	5,554	+ 615	12.4%
Operating Profit	3,639	+ 501	16.0%
Pre-Tax Profit	2,499	+ 125	5.3%
Net Profit	1,939	+ 209	12.1%
Net Attributable Profit	1,938	+ 209	12.1%

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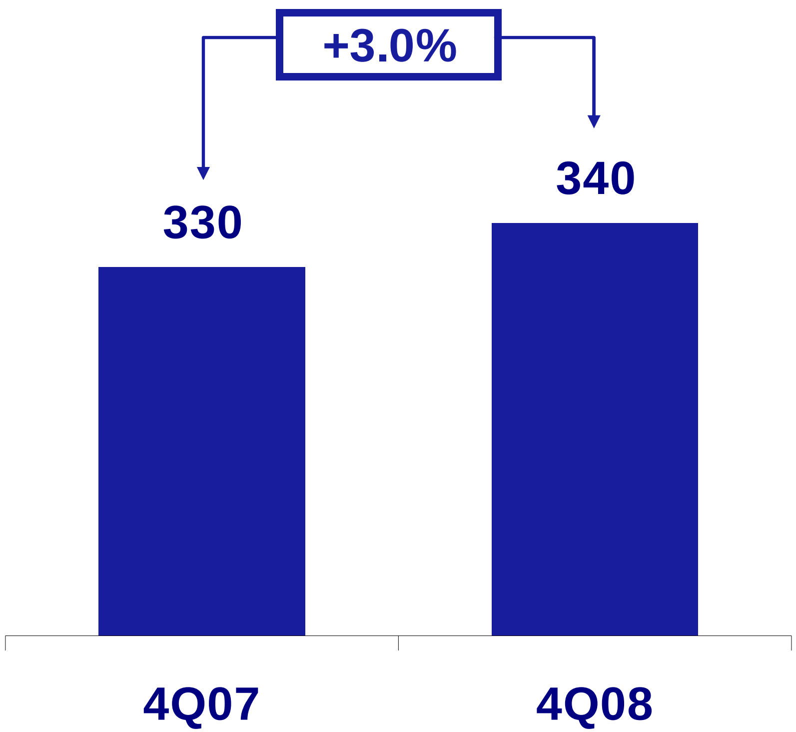
Revenues continue to grow despite integration of franchises and complex environment

Net interest income
(Constant €m)



Synergies are higher than expected

Integration has produced cost synergies …

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Integration of the 4 banks in record time …	
1Q08	Approved merger of 4 banks
1Q08	Migration of SNB platform
3Q08	Migration of TSB platform
4Q08	Migration of LNB platform

… with excellent results in synergies

Total synergies

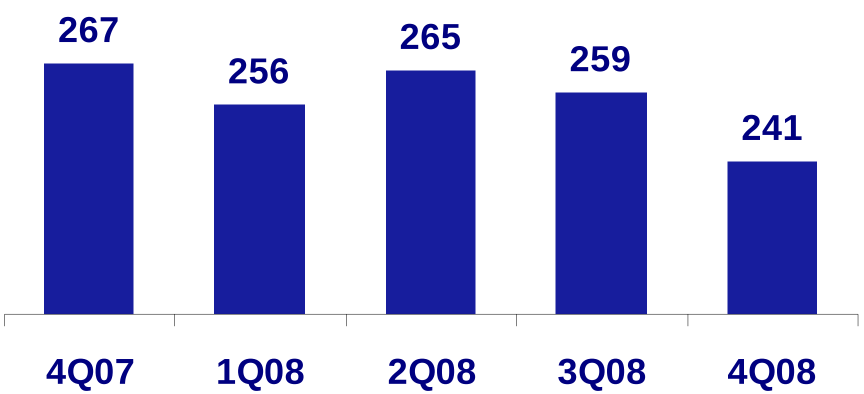
$161m delivered

vs

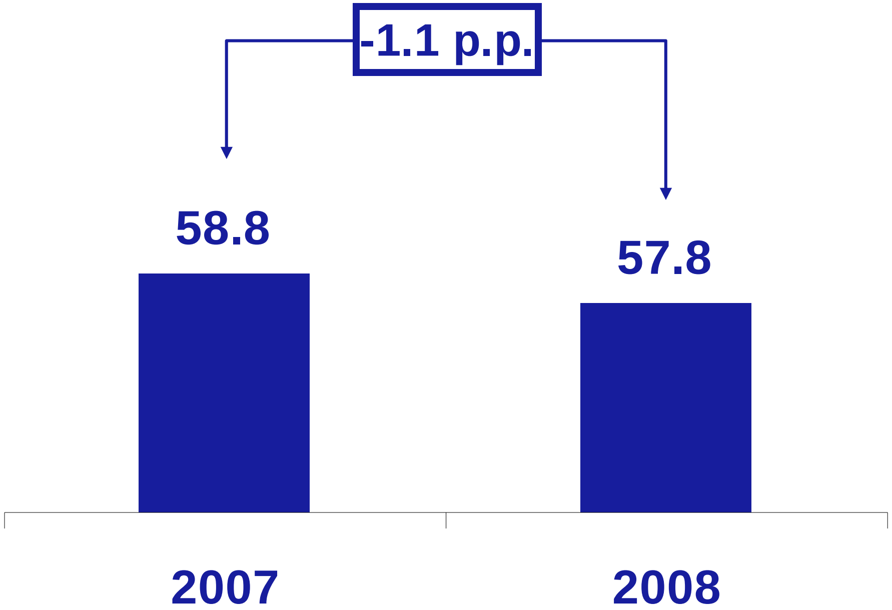
$112m budgeted

Excellent cost control and great potential for future reductions

Total expenses excl. amortization of intangibles and merger & integration costs
Quarter by quarter
(Constant €m)



Efficiency excl. amortization of intangibles:
(%)

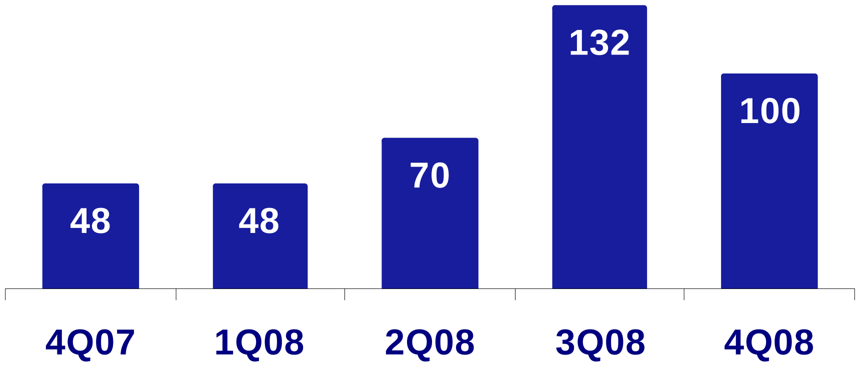


After the integration, BBVA USA is brought into the "BBVA model"

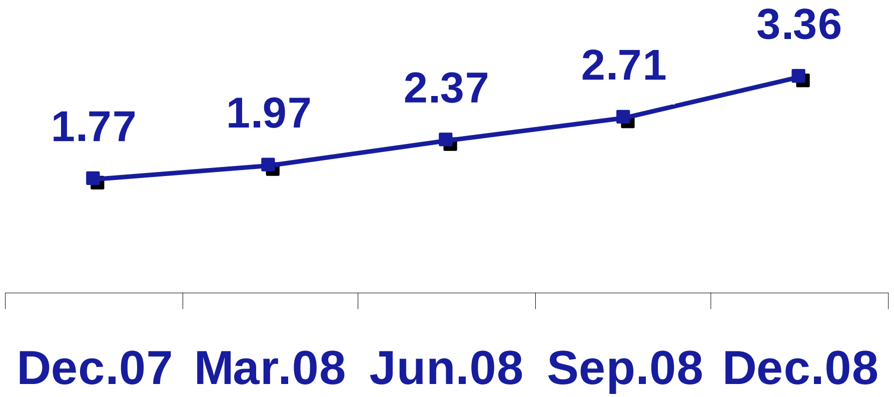
10% reduction of workforce in 1Q09

Loan-loss provisions affected by economic conditions

Loan-loss provisions
(Constant €m)



NPA ratio
(%)



Coverage: 57%

USA: 2008 results

(Constant €m excluding amortization of intangibles)

USA	Accum. 2008
Net Interest Income	1,355
Core Revenues	1,901
Ordinary Revenues	2,024
Operating Profit	849
Net Attributable Profit	317

Net attrib. profit: €211m
(incl. amortisation of intangibles)

ROE: 17.6% (excl. amort. intang.)
ROE: 11.7% (incl. amort. intang.)

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Business still growing strongly . . .

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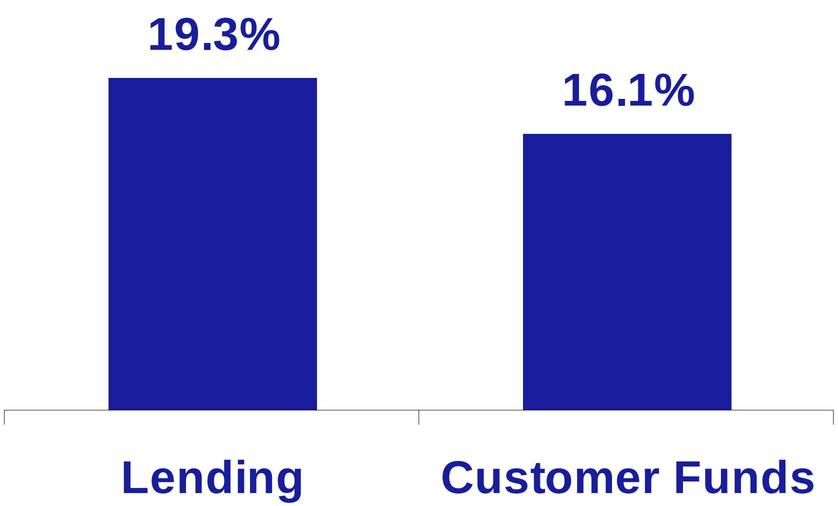
Lending and Customer Funds
Year-on-year growth
(Average balances)

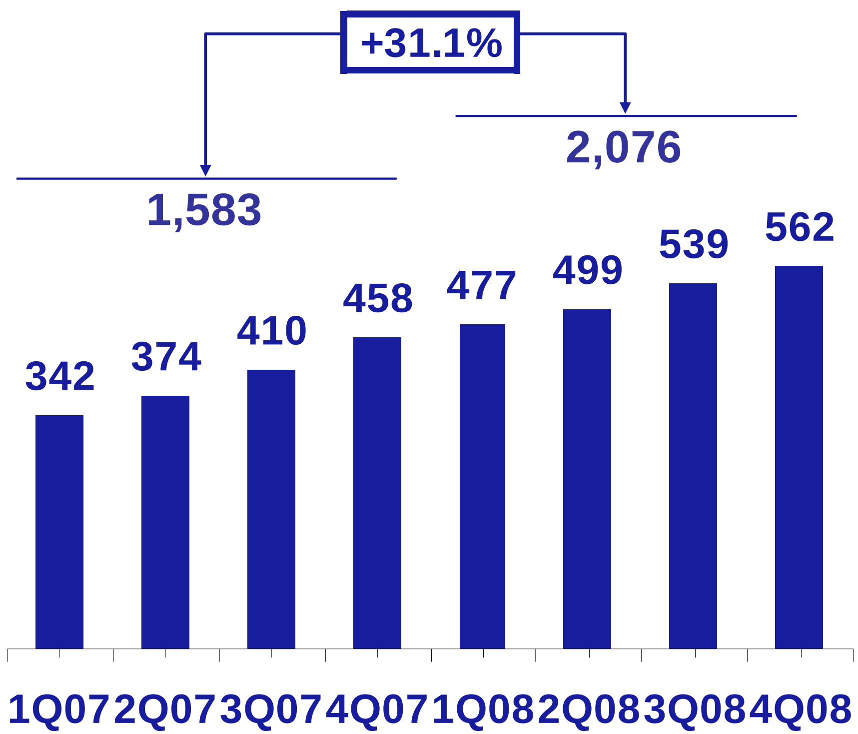


Consumer + cards:	+20.8%
Mortgages:	+22.8%
Companies:	+19.0%
Time:	+20.0%
Current+savings:	+14.0%

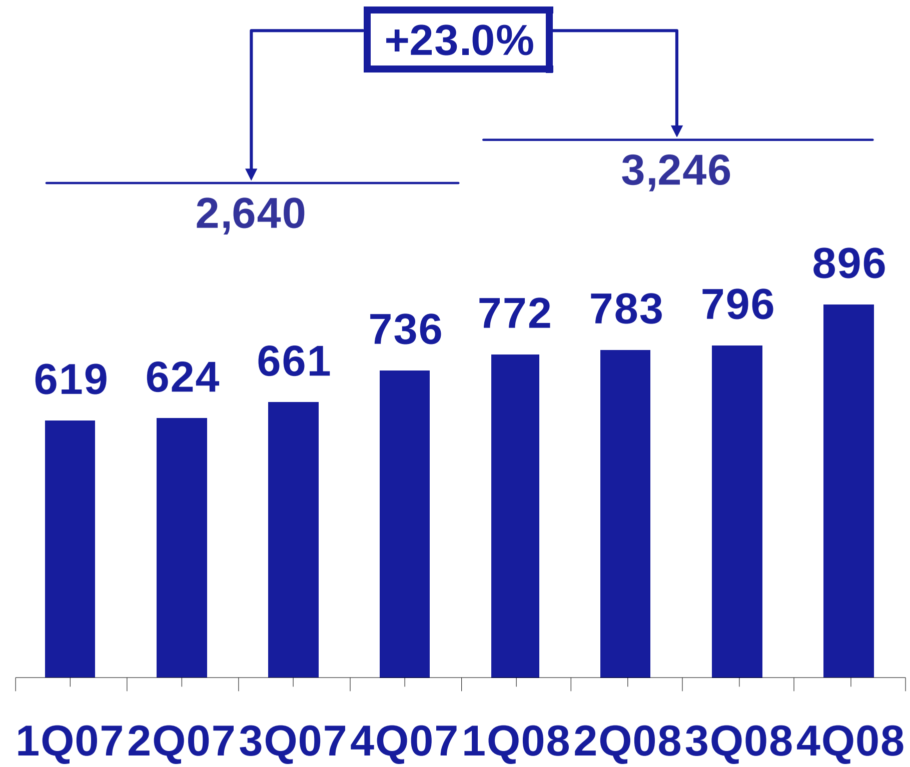
. . . reflected in the solid growth of revenues

BBVA

Net interest income
(Constant €m)

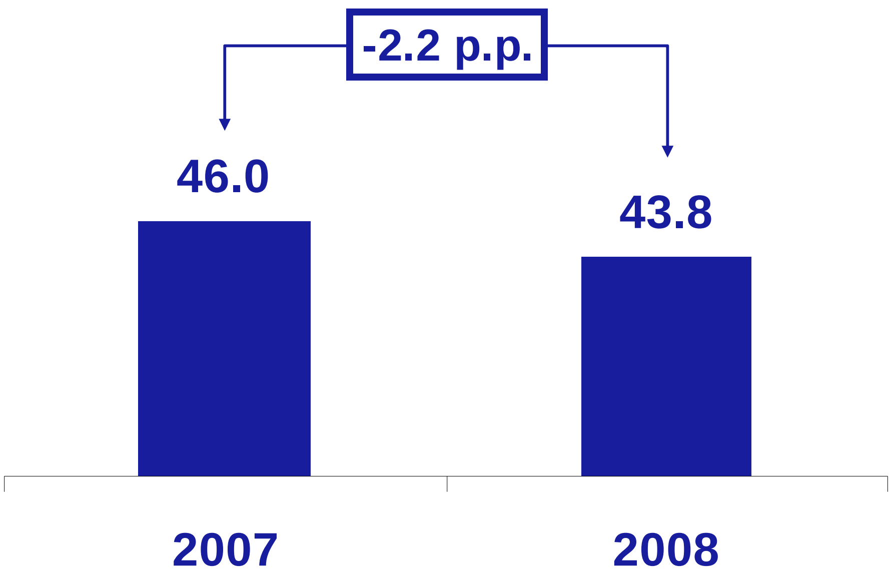


Ordinary revenues
(Constant €m)

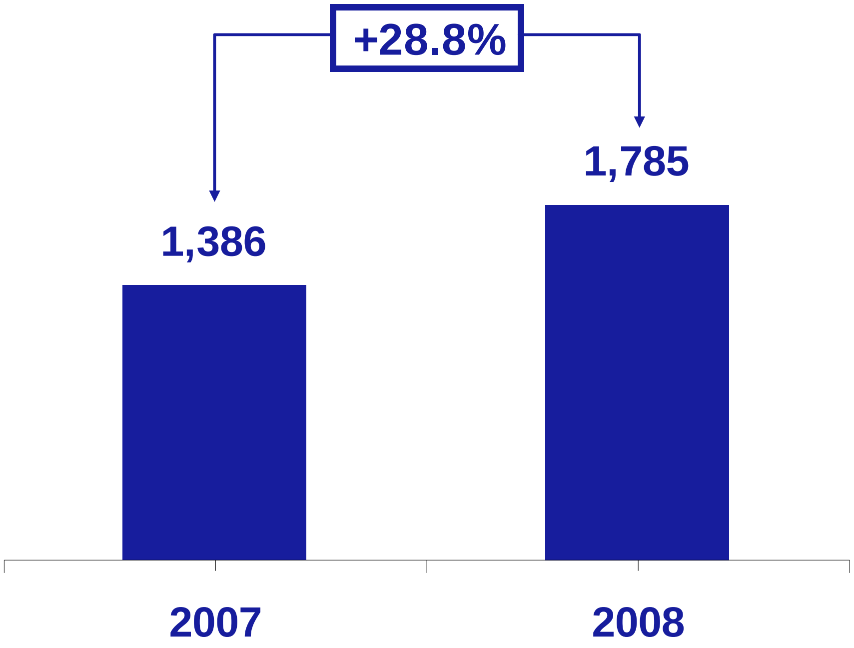


New improvements in efficiency boost operating profit

Efficiency incl. depreciation
(%)

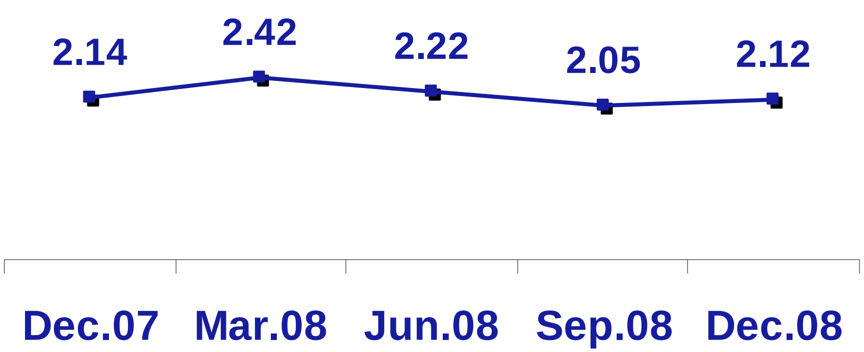


Operating Profit
(Constant €m)

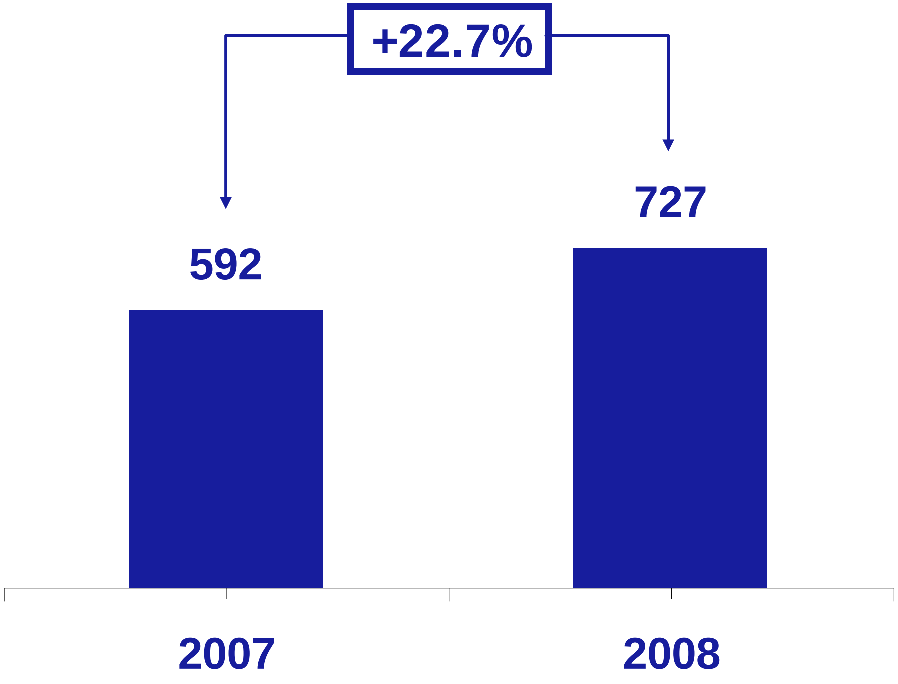


Asset quality and net attributable profit

NPA ratio
(%)



Net attributable profit
(Constant €m)



Coverage: 148%

ROE: 36.9%

South America: 2008 results

BBVA

(Constant €m)

South America	Accum	Annual Growth	
	2008	Abs.	%
Net Interest Income	2,076	+ 493	31.1%
Core Revenues	3,031	+ 582	23.8%
Ordinary Revenues	3,246	+ 607	23.0%
Operating Profit	1,785	+ 399	28.8%
Pre-Tax Profit	1,396	+ 346	33.0%
Net Profit	1,078	+ 218	25.3%
Net Attributable Profit	727	+ 134	22.7%

Contents

A year ago we said our strategy of anticipation would be an advantage in 2008

BBVA

What makes us different?

BBVA

A magnificent starting point ...

- **Strong liquidity**
- **Solid capital ratios**
- **Active mgt of balance sheet risk**

- **Splendid earnings record**
- **Solid fundamentals**
  Profitability & Efficiency

An organization focused on creating value

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And we have delivered

BBVA

Recurrent earnings	**Leveraged on our retail and corporate franchises with excellent management of prices**
Cost control	**Transformation Plan: strict cost control allowing for efficiency improvements**
Risk management	**Credit risk: distinctive performance in our most important markets**

Recurrent earnings with good delivery of all business areas

Strong balance-sheet and core capital generation

2009, BBVA's wining model also making the difference in difficult times

BBVA

Maximum prudence stand

Strengthenig capital	Protecting results
High quality capital	Resilient revenues from customer franchise
Great capacity to generate organic capital (80 bp)	Further delivery from the Transformation Plan. 0% growth in costs
Additional alternatives to generate capital	Prudent management of risk backed by strong generic provisions

BBVA, one of the most solid institutions in the world

2008 Results

Madrid, 28th January 2009