

Third Quarter Results 2008





BBVA

Group results for 9M08

Results by business area

Spain & Portugal

Wholesale Banking & Asset Management

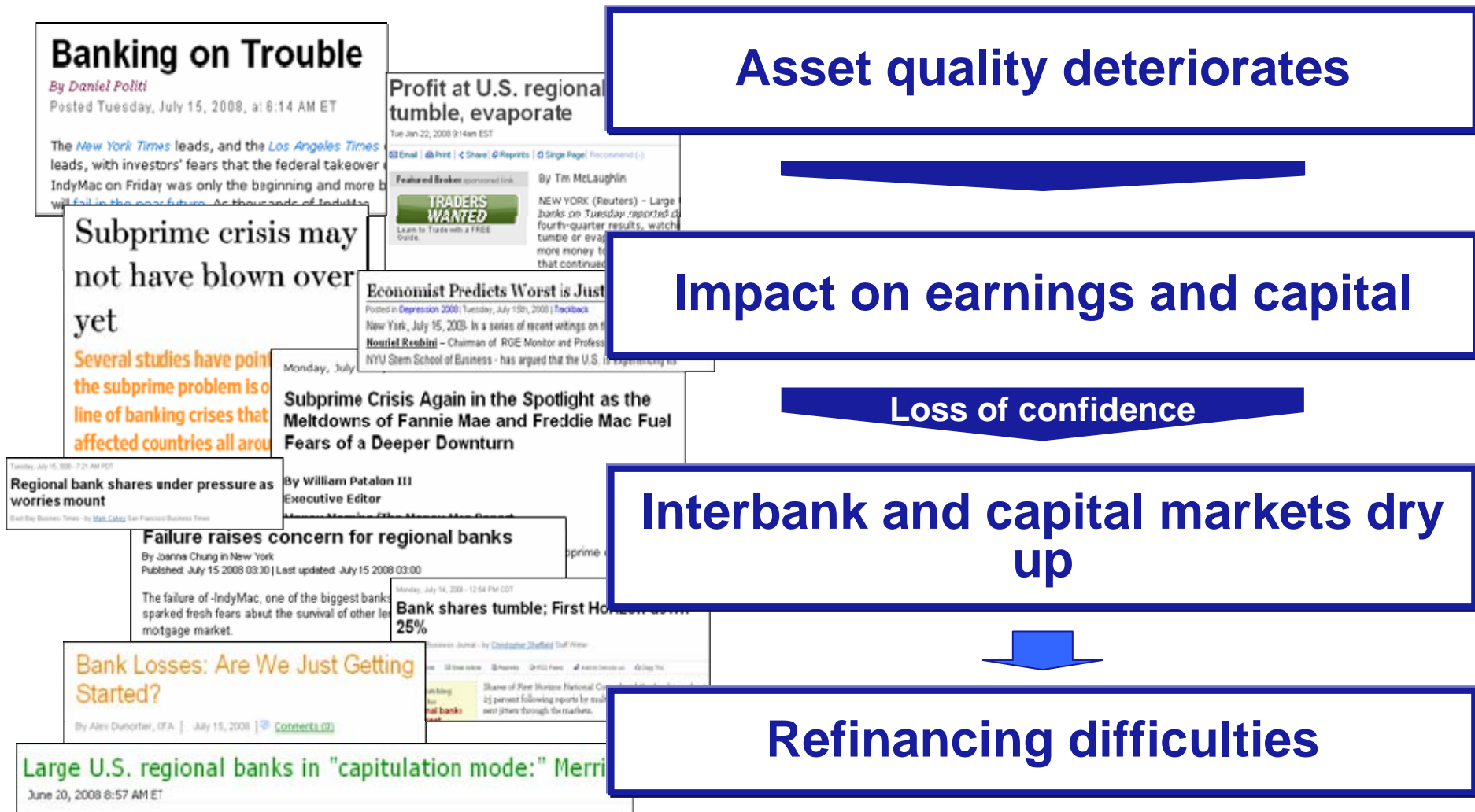
Mexico

USA

South America

Conclusions

3Q08: one of the most complex quarters for the BBVA financial sector in decades



BBVA emerges as one of the strongest banks at international level

BBVA

Its strength is based on ...

Low leveraging

1 Comfortable liquidity

2 High asset quality

3 Recognized solvency

Quality of earnings

A Recurrent revenues

B Strict cost control

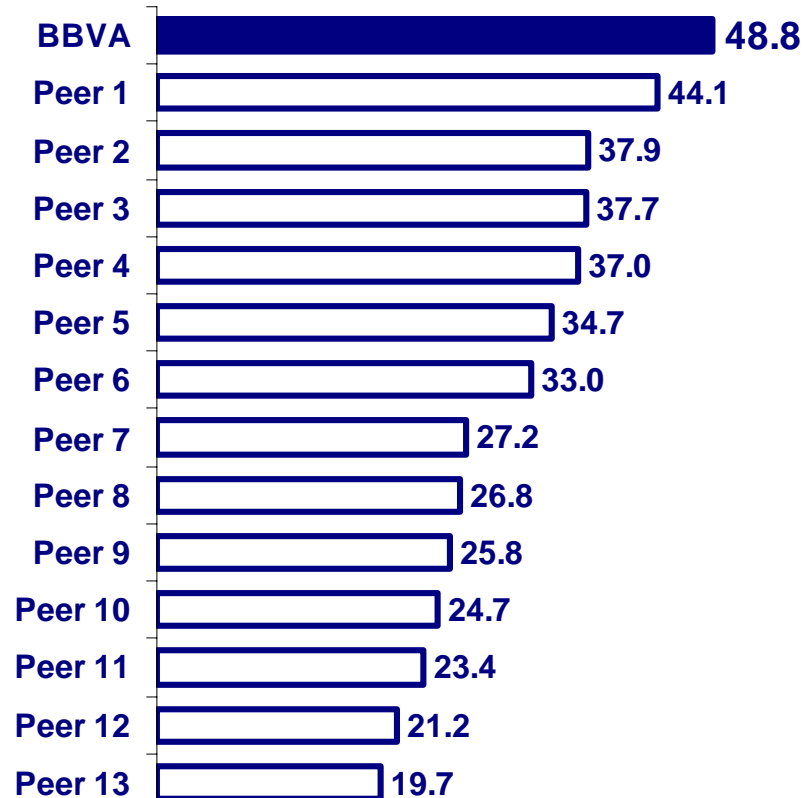
C Special effort in provisioning

... leading to high profitability

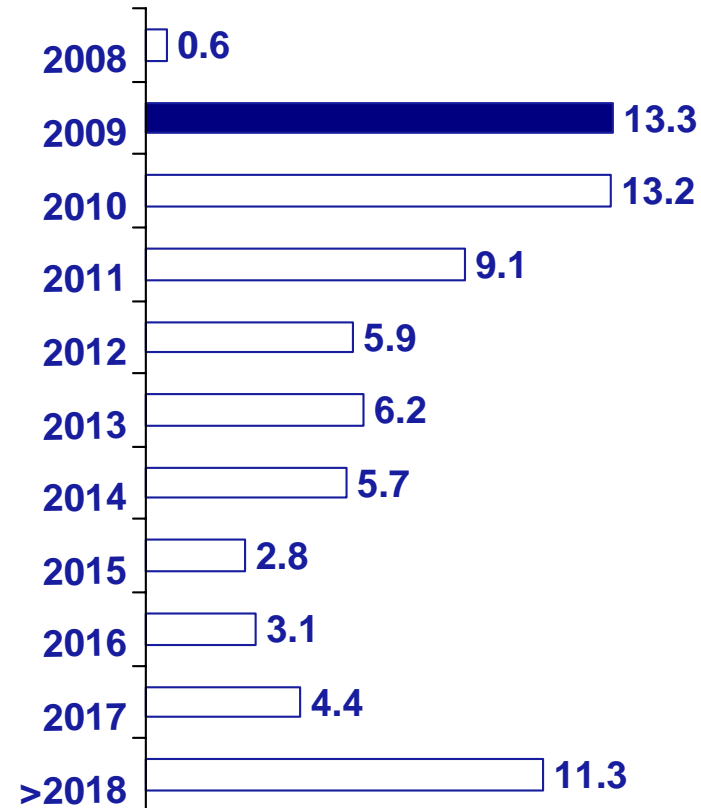
1

BBVA has ample liquidity thanks to customers' deposits

Deposits / assets
(%, Jun.08)



Maturity: wholesale finance
(€bn)

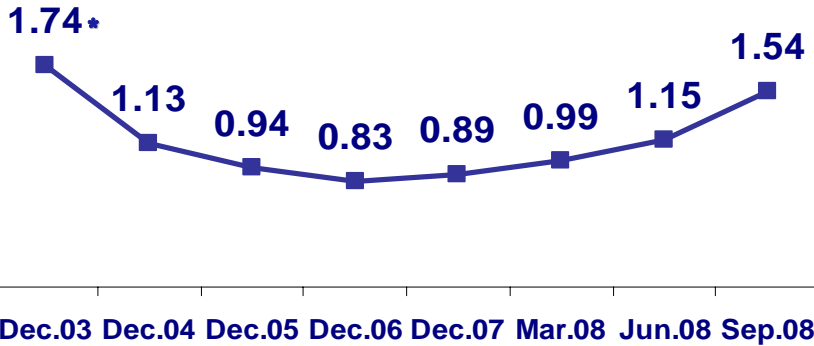


Maturities have little impact
(Average maturity is 5 yrs; 2/3 of debt matures after 2011)

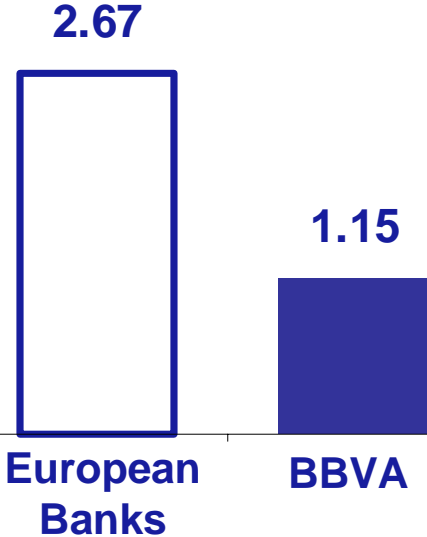
2

NPL ratio rises – but less than our European competitors

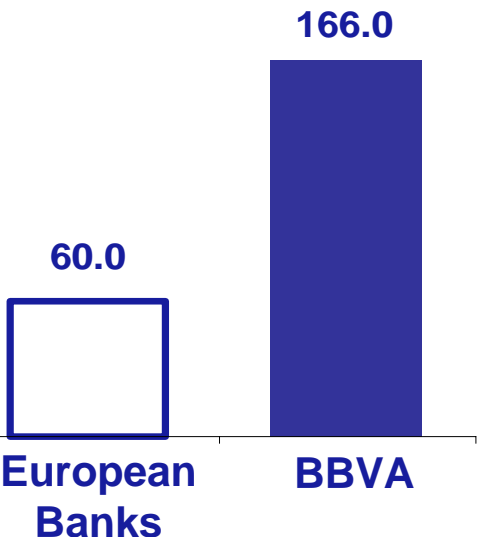
NPL ratio (%)



NPL ratio (% Jun.08)



Coverage ratio (% Jun.08)



Asset quality is better than our competitors in all core markets

* Pre-NIIF
Internal sources based on published figures.

3

BBVA generates important amounts of organic capital

BBVA

Organic creation of core capital (BIS II)

+16 bp in 3Q08

+15 bp in 2Q08

+20 bp in 1Q08

**Core capital
6.4%**

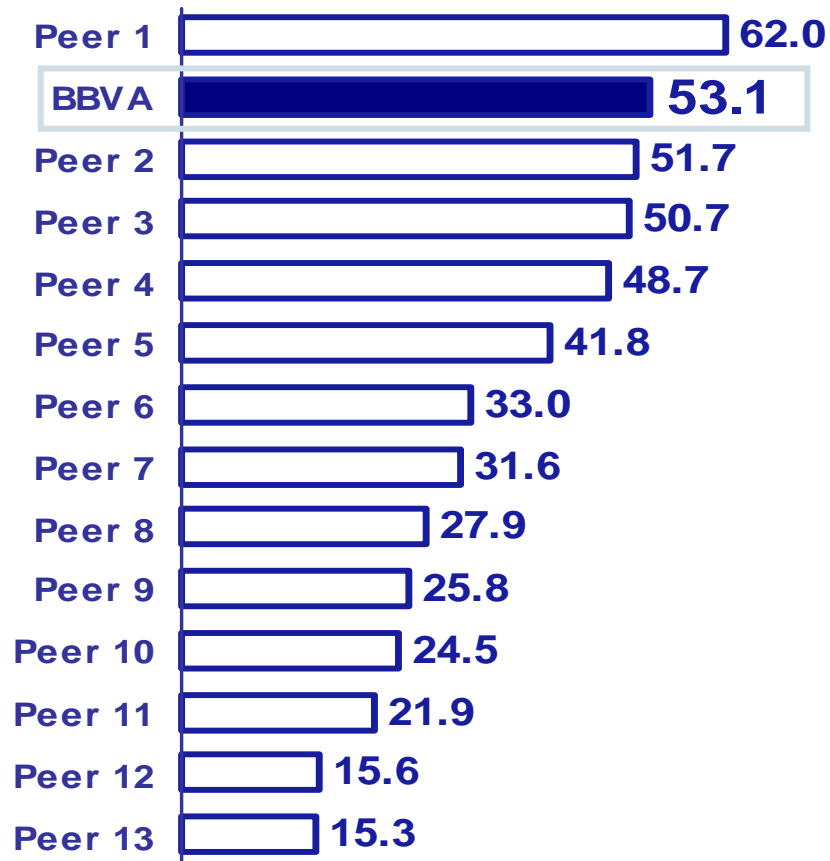
**Tier I
7.8%**

**+60 bp of core capital
and Tier I from excess
provisions**

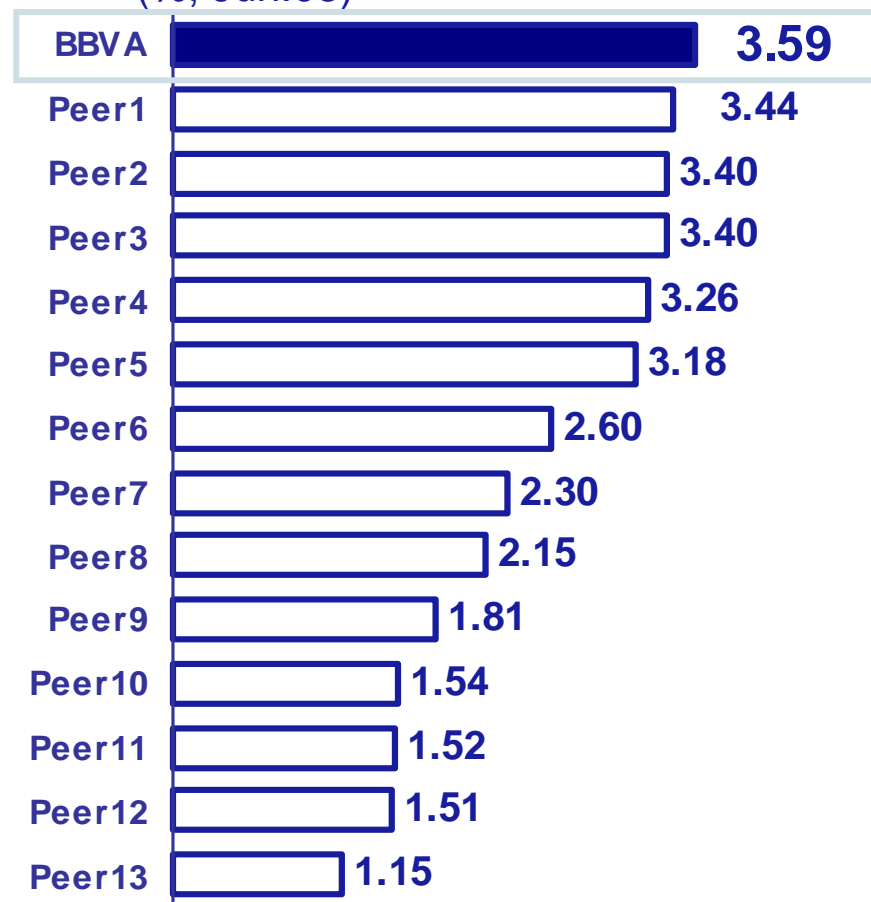
And latent capital gains

The “quality” of our capital is better than our competitors ...

RWAs / total assets
(%, Jun.08)



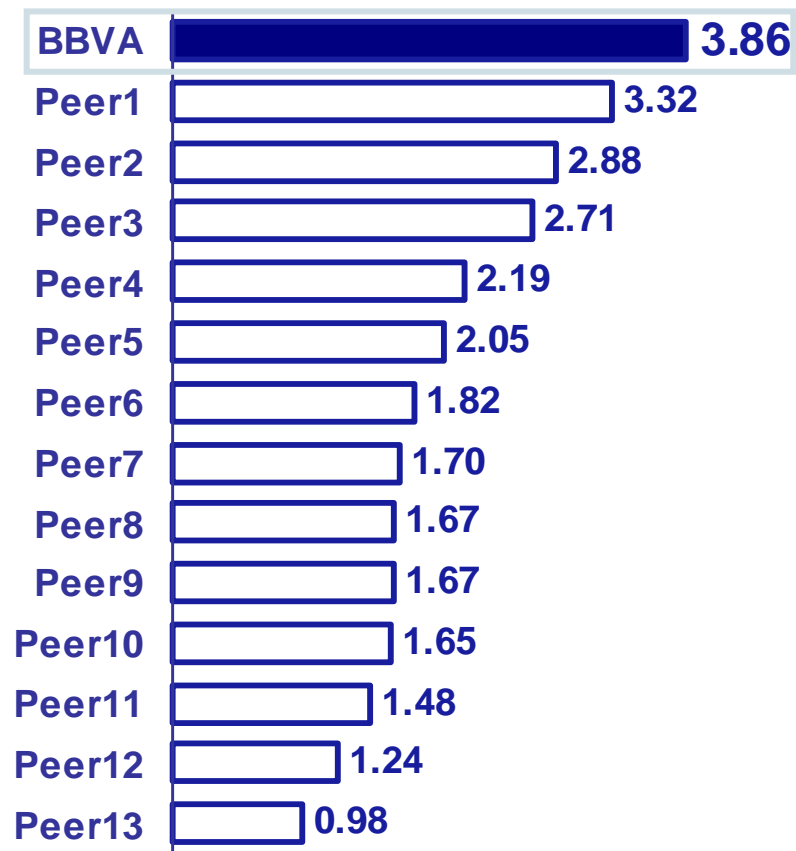
Tangible equity / assets
(%, Jun.08)



... which is acknowledged in our ratings

The “quality” of our capital is better than our competitors ...

(Core equity + excess|deficit provisions) / total assets
(%, Jun.08)



No unexpected consumption of capital

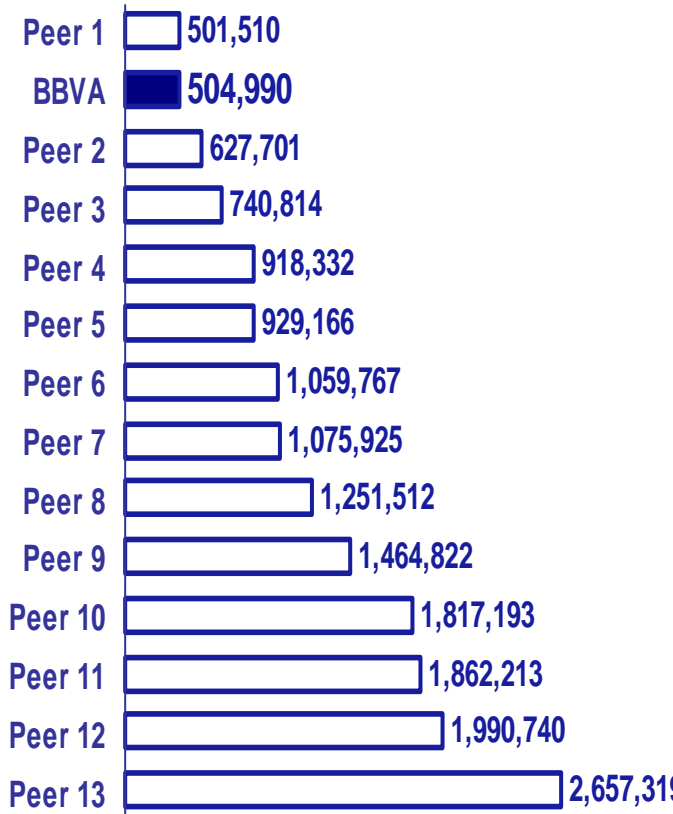
No accounting reclassification of portfolios

Recurrent earnings

Little exposure to falls in housing prices and economic slowdown
(20% fall in housing prices = 0 bp in core capital)
(30% fall in housing prices = -3 bp in core capital)

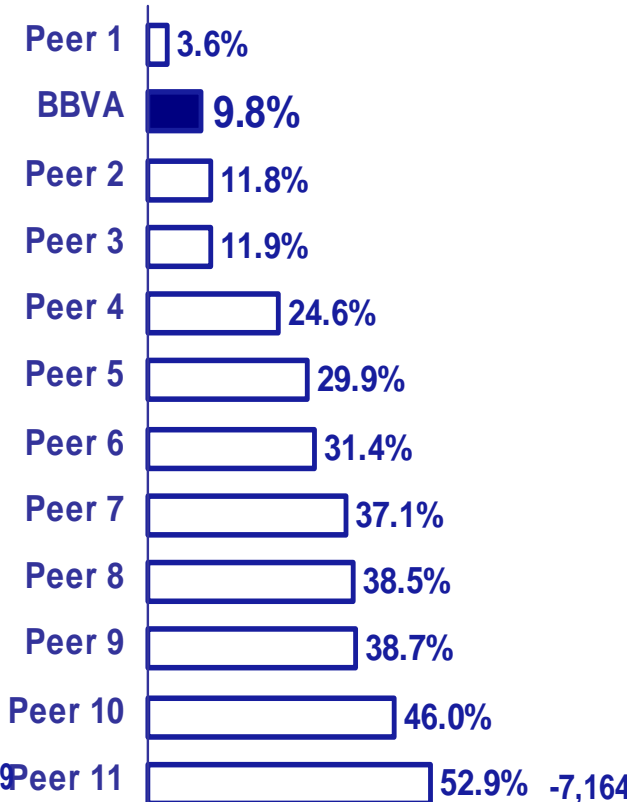
Conclusion: BBVA is one of the safest banks in the present environment **BBVA**

Balance sheet
(€m, Jun.08)



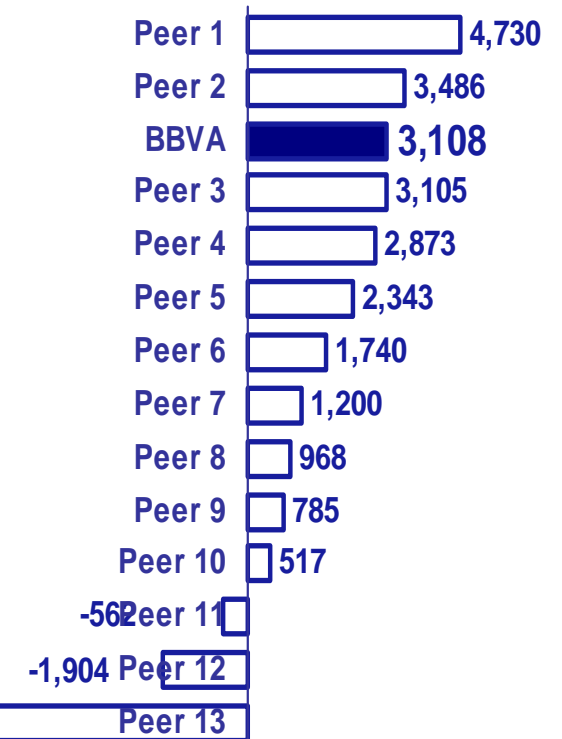
Internal sources based on published figures.

% Income from Inv Bkg
(%, Jun.08)



BBVA Research

Net attrib. profit
(€m, 1H08)



Internal sources based on published figures.

Low leveraging

+

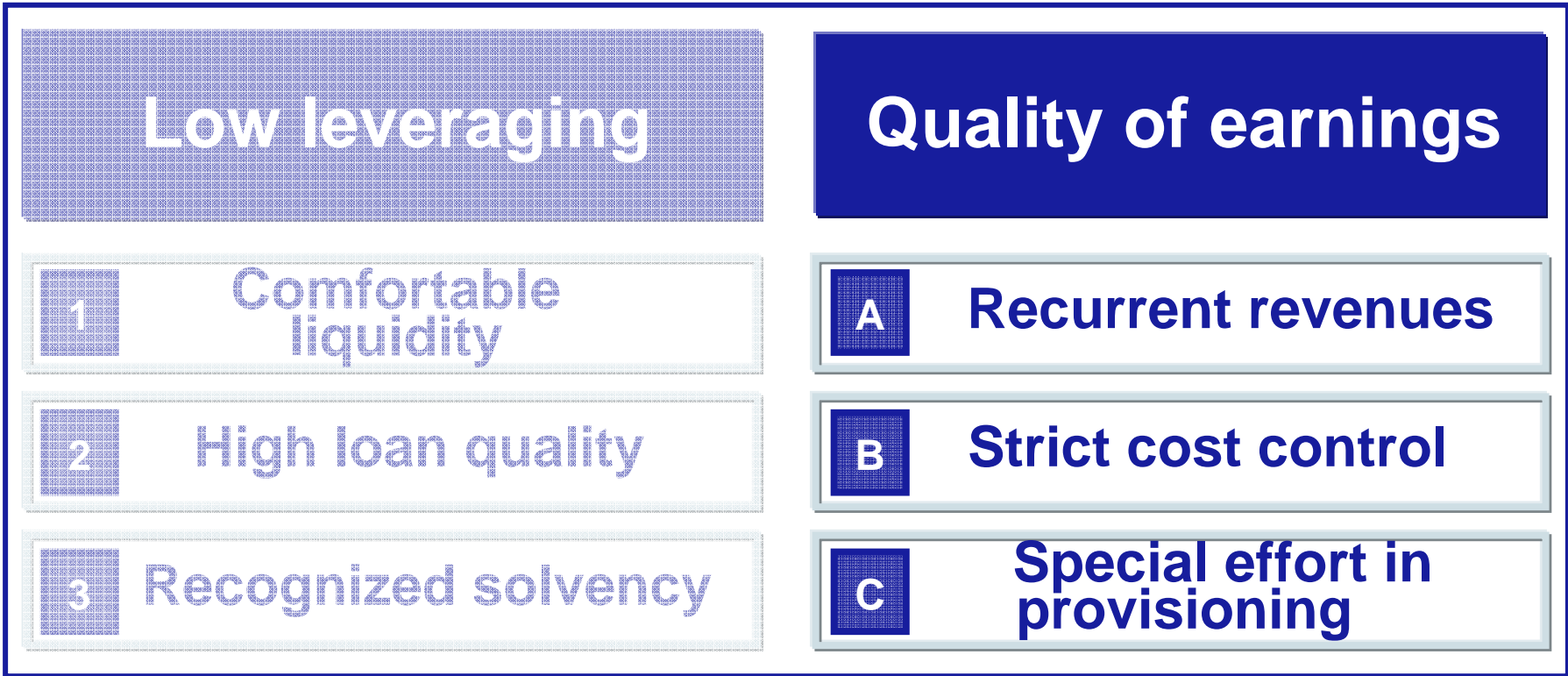
Retail business model

=

Recurrent revenues

BBVA emerges as one of the strongest banks at international level

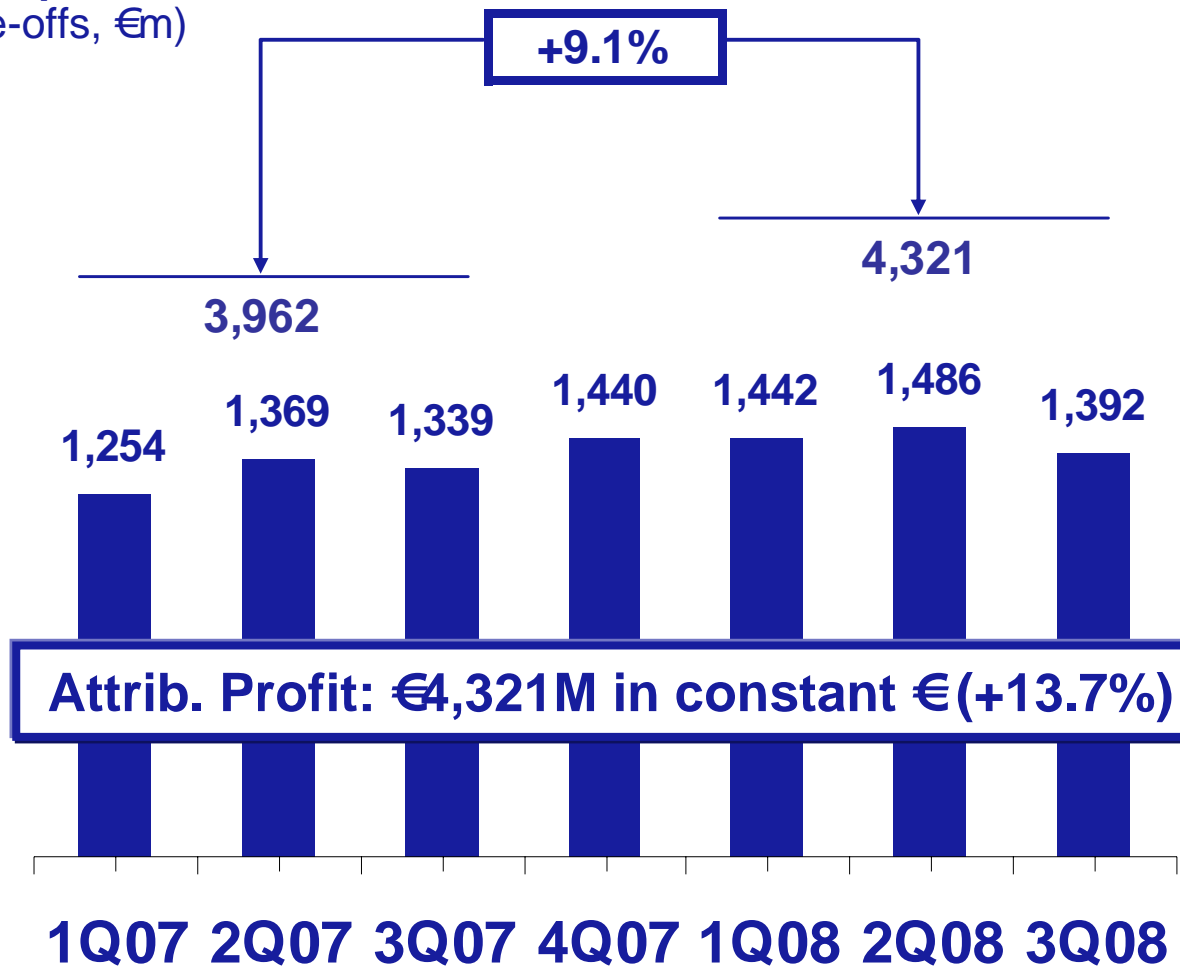
Its strength is based on ...



... resulting in high profitability

Despite complex conditions, BBVA continues to deliver solid profit growth

Net attributable profit
(Excluding one-offs, €m)

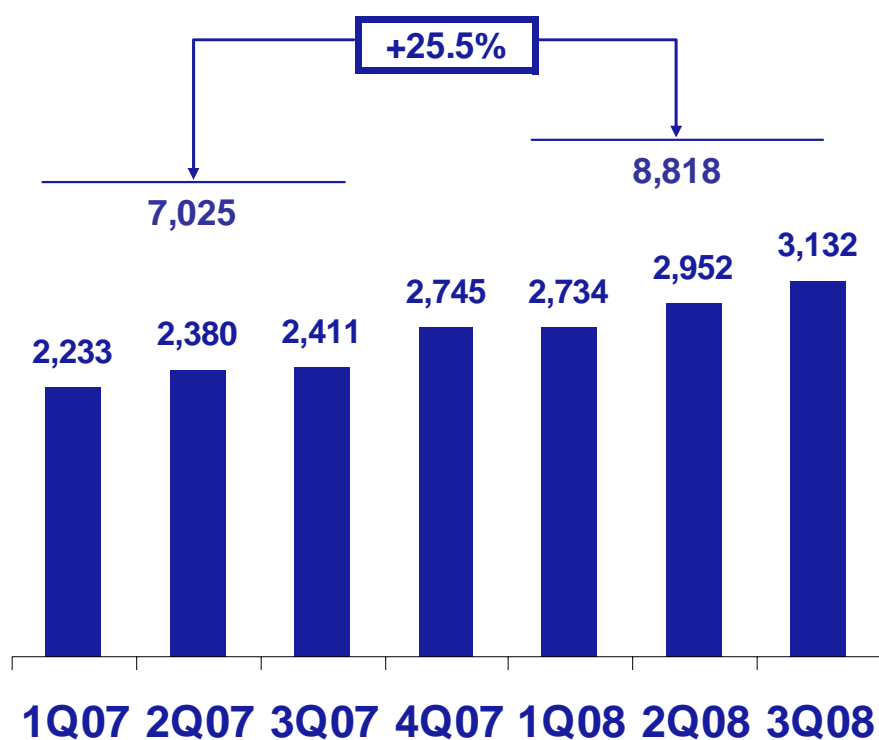


Quality earnings based on ...



Recurrent revenues ...

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



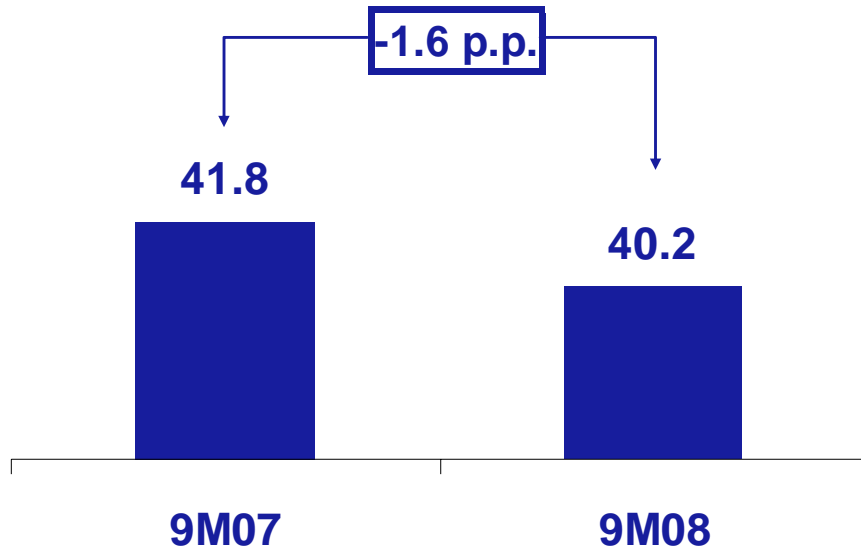
Revenues
Cumulative change
(%)

BBVA Group ex-oneoffs	Euros	Constant euros
Net Interest Income	25.5%	31.8%
Core Revenues	18.5%	24.0%
Ordinary Revenues	14.9%	19.9%

B

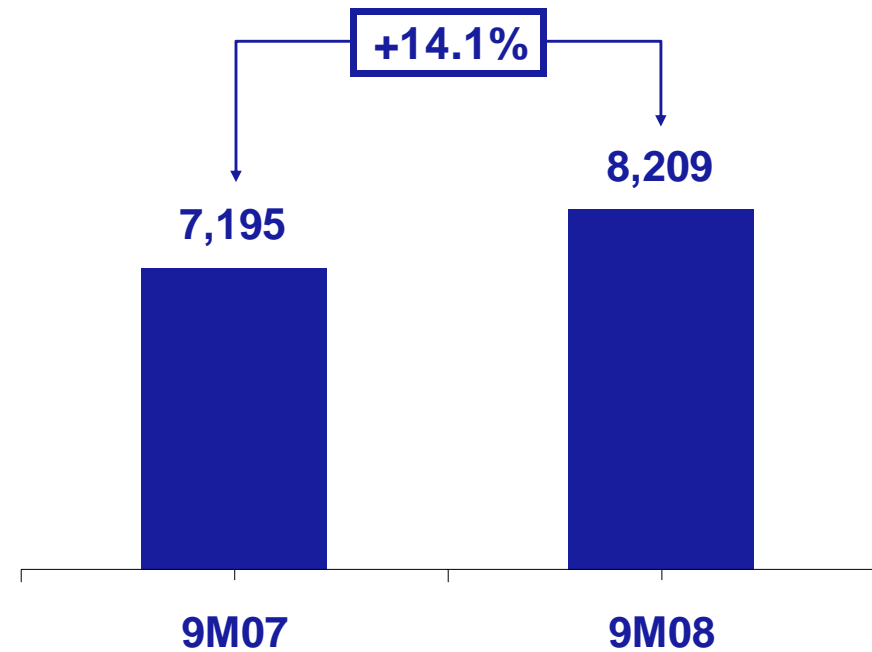
... strict cost controls ...

Efficiency incl. depreciation
(Excluding one-offs and Compass, €m)



Efficiency incl. depreciation, excl. one-offs: 42.5%

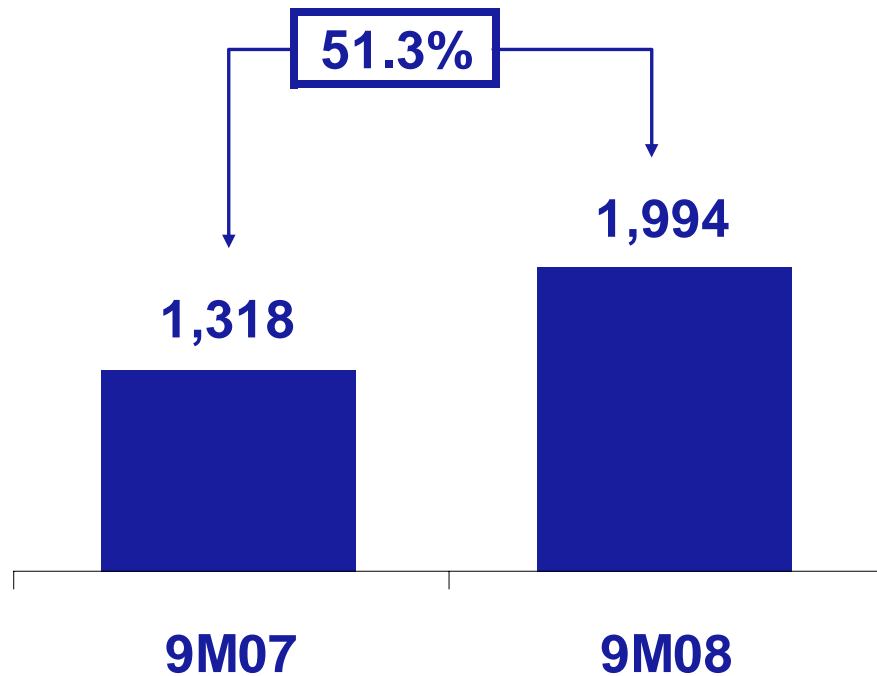
Operating profit
(Excluding one-offs, €m)



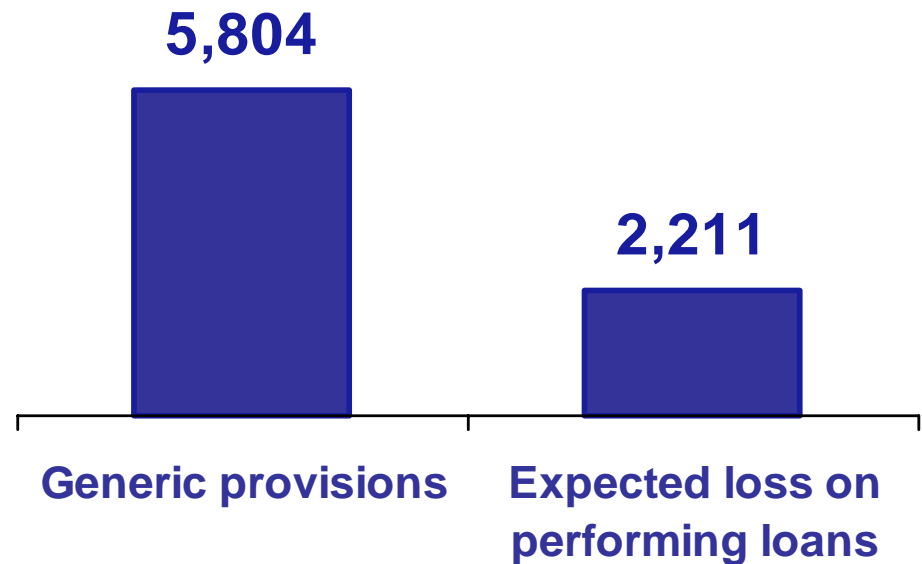
Oper. profit excl. one-offs: +19.0% (constant €)

C ... a special effort in provisioning during the quarter

Loan-loss provisions (€m)

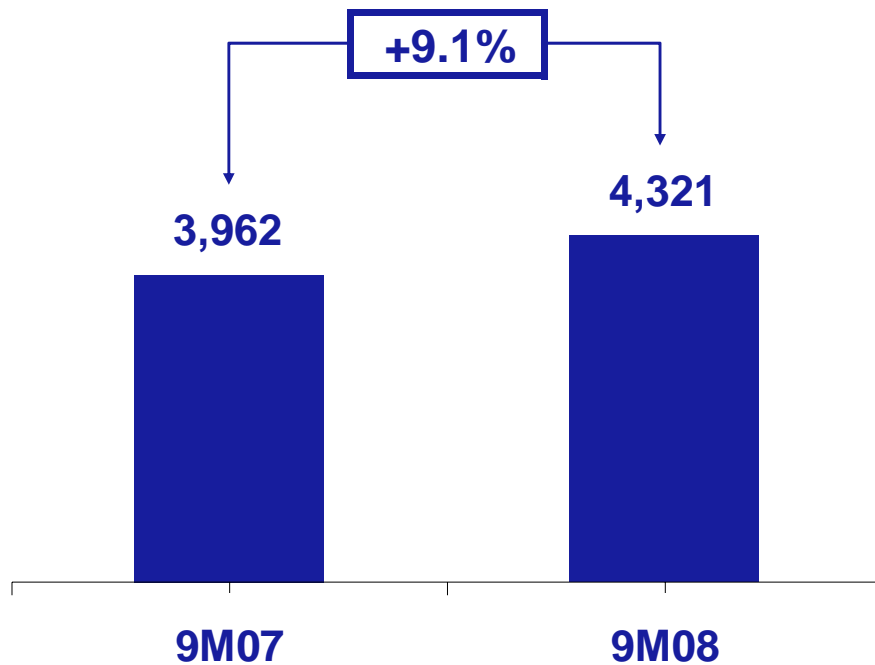


Generic provisions vs expected loss on performing loans (€m, Sep.08)



Growing and creating value

Net attributable profit
(€m)



Recurrent economic profit:
€2.584M

EPS excl. one-offs: €1.16
(+4.2%)

ROE (excl. one-offs): 24.8%

ROA (excl. one-offs): 1.21%

Recurrent RARoC: 30.9%

BBVA Group excluding one-offs: 9M08 results **BBVA**

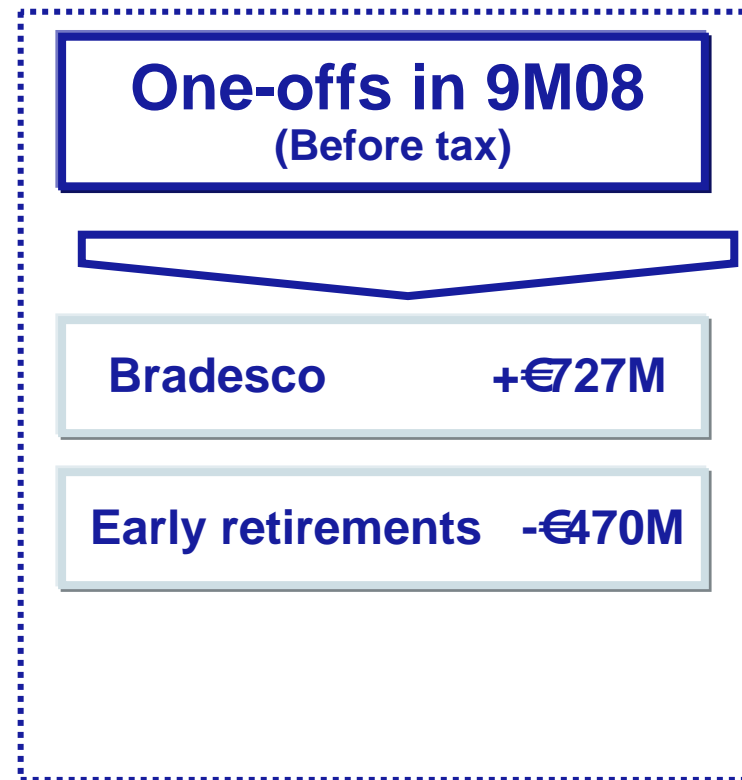
(€m)

BBVA Group	Accum	Annual Growth	
	9M08	Abs.	%
Net Interest Income	8,818	+ 1,793	25.5%
Core Revenues	13,224	+ 2,061	18.5%
Ordinary Revenues	14,536	+ 1,889	14.9%
Operating Profit	8,209	+ 1,014	14.1%
Pre-Tax Profit	6,041	+ 353	6.2%
Net Profit	4,589	+ 401	9.6%
Net Attributable Profit	4,321	+ 359	9.1%

BBVA Group: one-off items



Net attributable profit
€794M



Net attributable profit
€180M

BBVA Group: 9M08 results

(€m)

BBVA Group	Accum	Annual Growth	
	9M08	Abs.	%
Net Interest Income	8,818	+ 1,793	25.5%
Core Revenues	13,224	+ 2,061	18.5%
Ordinary Revenues	15,263	+ 1,769	13.1%
Operating Profit	8,936	+ 894	11.1%
Pre-Tax Profit	6,298	- 310	-4.7%
Net Profit	4,768	- 213	-4.3%
Net Attributable Profit	4,501	- 255	-5.4%



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Group results for 9M08

Results by business area

Spain & Portugal

Wholesale Banking & Asset Management

Mexico

USA

South America

Conclusions

Spain and Portugal: key figures for 9M08

BBVA

Operating profit +11.7%	Net attributable profit +10.2%	ROE 36.4%
Efficiency incl. depr. 35.3%	NPL ratio Spain and Portugal 1.86%	Coverage Spain and Portugal 97%
	NPL ratio Businesses in Spain 1.45%	Coverage Businesses in Spain 106%

**We continue adjusting to the slowdown in Spain,
focusing on:**

1

Appropriate control of the liquidity gap

2

Price management and cross-selling

3

Asset quality better than competitors

Appropriate control of the liquidity gap

Lending and customer funds

Year-on-year growth
(% average balances)

CBB:	+6.1%
Mortgages:	+5.1%
Total consumer:	+3.4%
Total lending:	+4.9%
<hr style="border-top: 1px dashed black;"/>	
Time deposits:	+27.6%
Total on-balance sheet funds:	+11.0%

Lending and customer funds

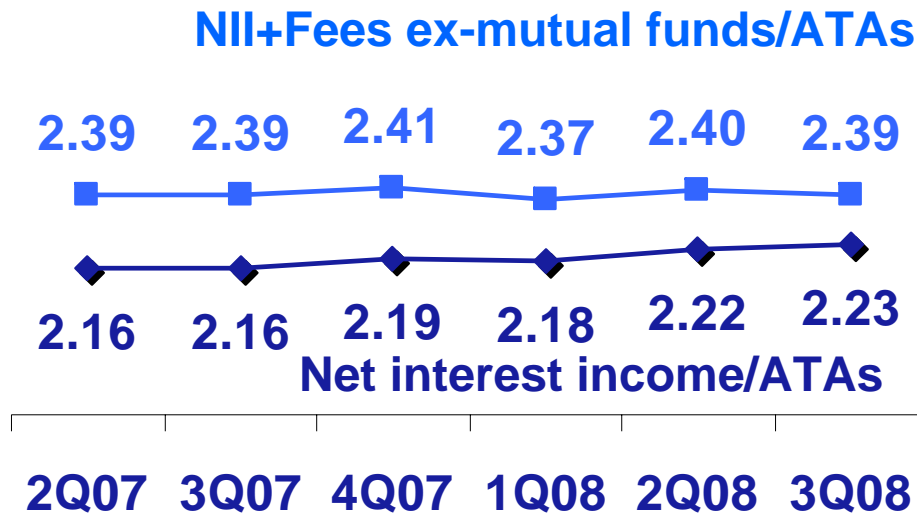
Year-on-year growth
(Average balances, €m)

Spain & Portugal	Dec.07	Sep.08
Lending	23,530	9,497
On-balance sheet funds	10,222	9,960
Liquidity gap	-13,309	+464

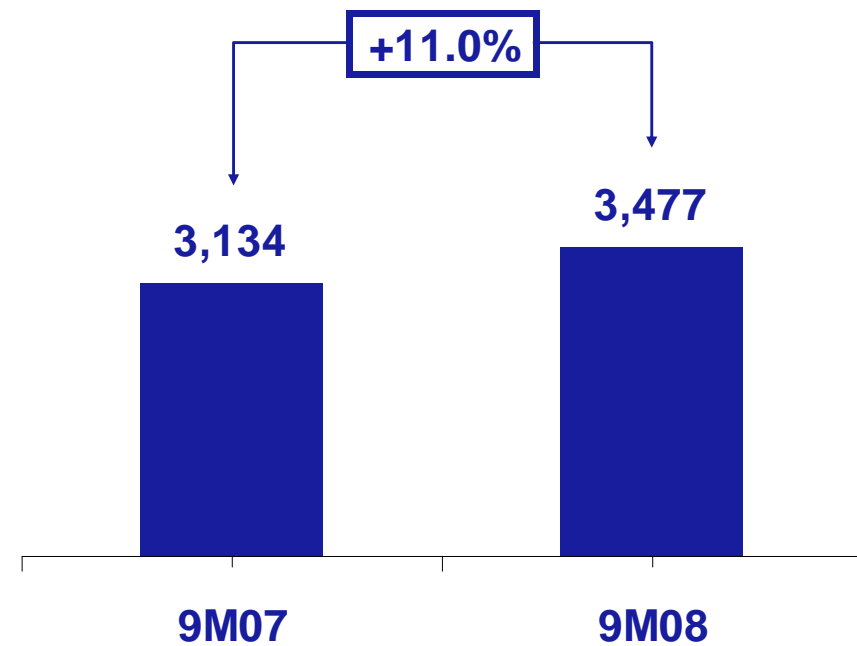
**Gaining 229bp of market share
in mutual funds in the last year**

Price management: our first priority

Net interest income/ATAs & NII+Fees ex-mutual funds/ATAs (%)



Net interest income (%)



And emphasis on cross-selling

Other income
year-on-year
(%)

Fee income -2.7%

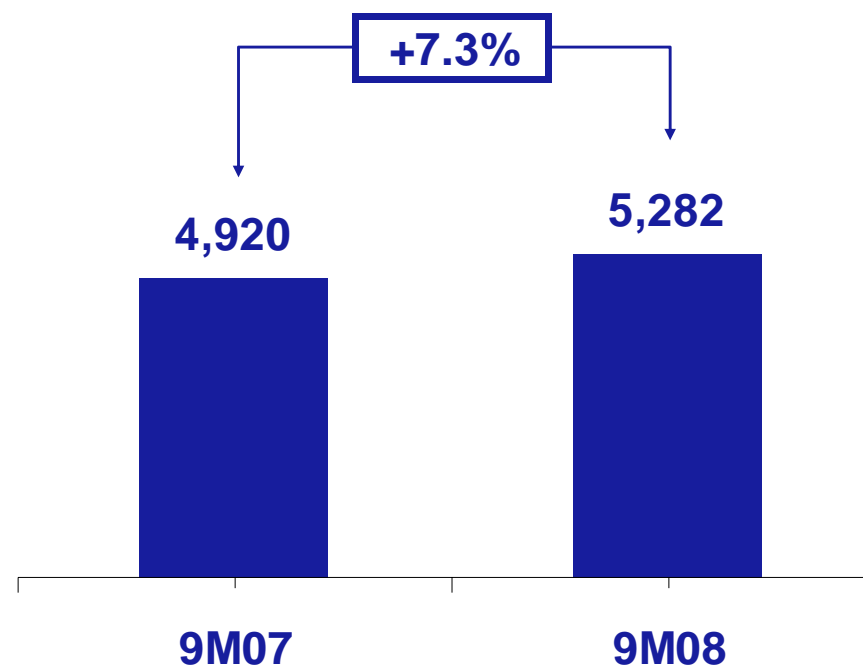
excl. mut. funds +5.2%

Insurance business +7.8%

Net trading income +13.5%

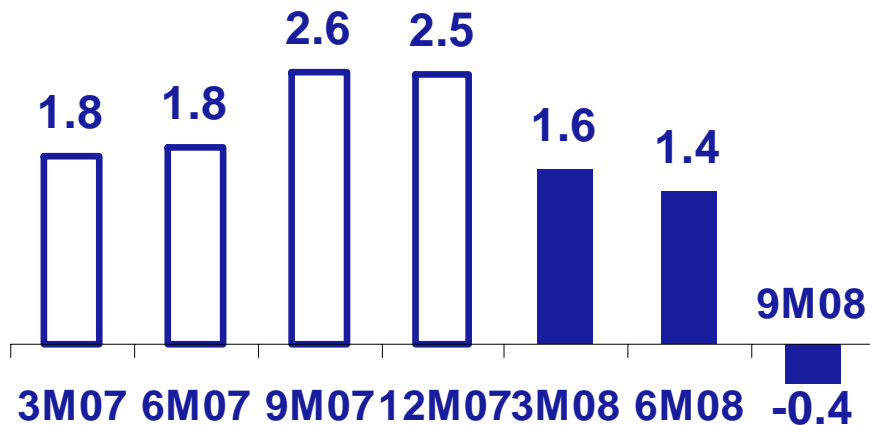
Total other income: +0.9%
(ex -funds: +6.7%)

Ordinary revenues
(€m)



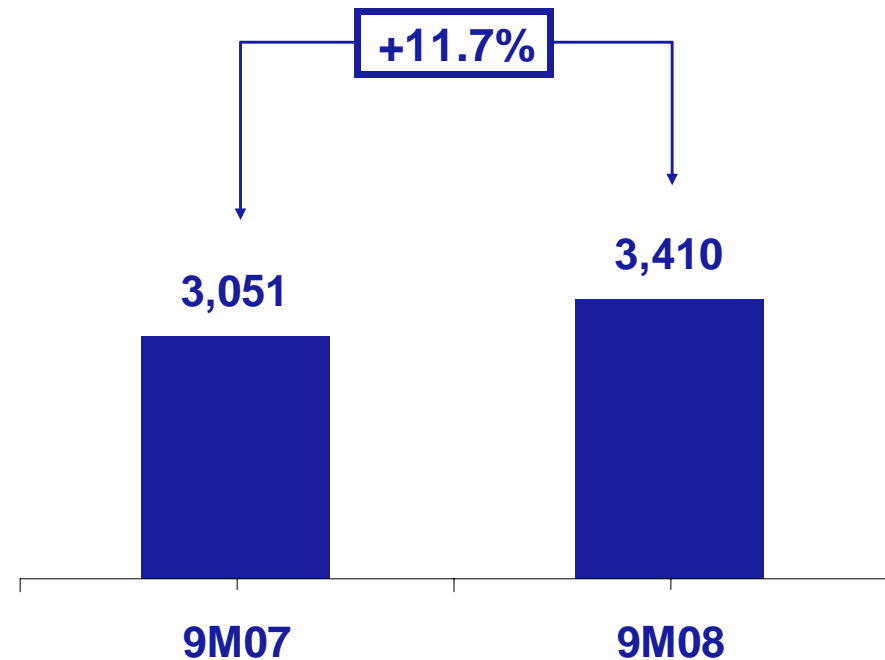
Constant attention to transformation leads to new improvements in efficiency

General admin expenses
Cumulative year-on-year growth (%)



Networks in Spain:
-1.4%

Operating profit
(€m)

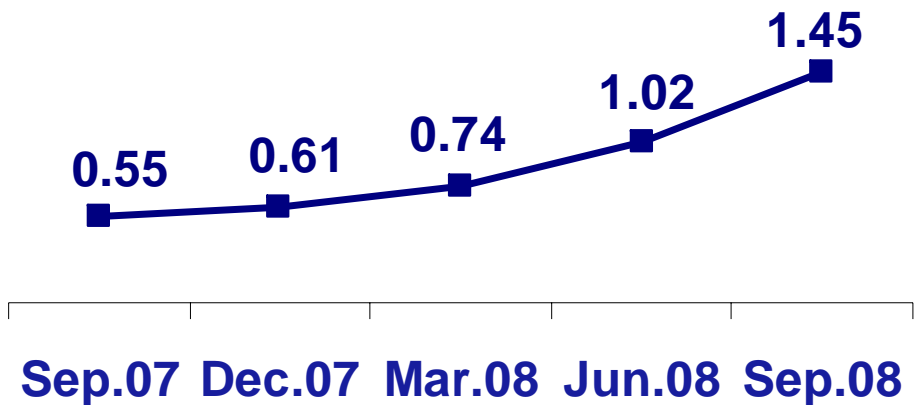


Efficiency incl. deprec:
35.3% (-2.6 points)

NPL ratio rises – but less than Spanish competitors

NPL ratio
Businesses in Spain
(%)

Coverage: 106%



Spain & Portugal

NPL ratio: 1.86%

Provisions: +42.6%

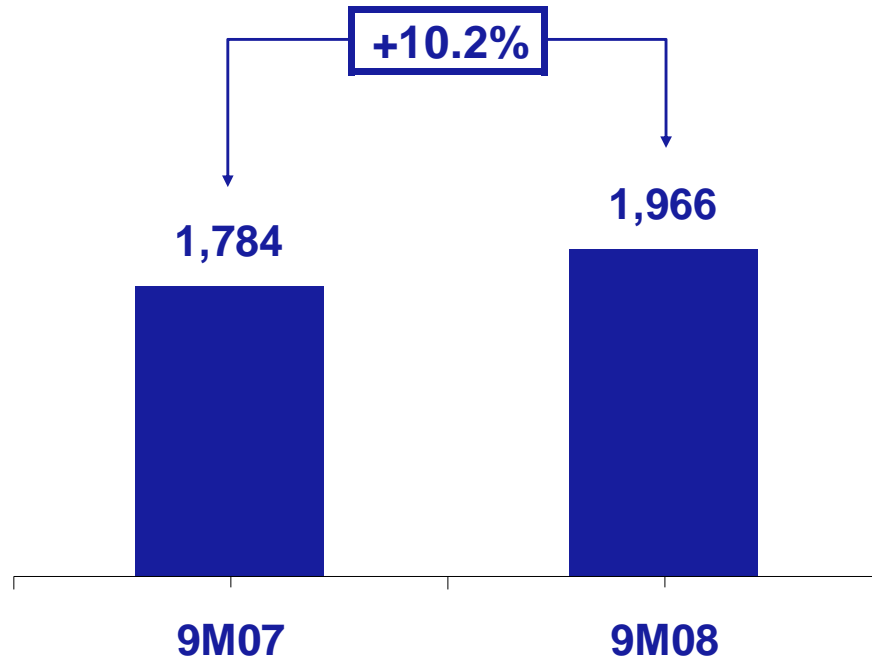
Maximum risk premium fenced in

Purchase of properties in 2008 for €340m

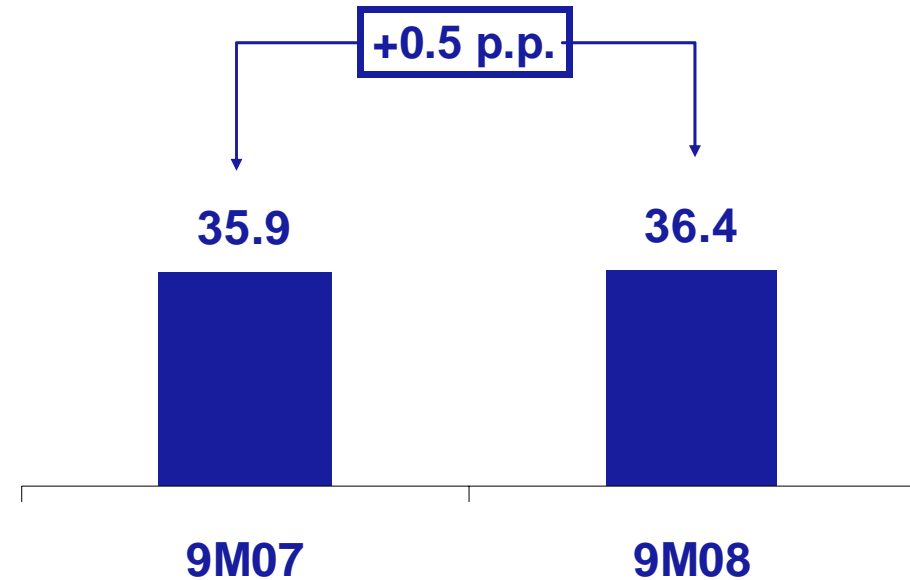
Asset quality advantage over competitors widens

Spain & Portugal: net attributable profit and profitability

Net attributable profit (€m)



ROE (%)



Double-digit growth and high returns

Spain & Portugal: 9M08 results

(€m)

Spain & Portugal	Accum	Annual Growth	
	9M08	Abs.	%
Net Interest Income	3,477	+ 343	11.0%
Core Revenues	5,069	+ 336	7.1%
Ordinary Revenues	5,282	+ 361	7.3%
Operating Profit	3,410	+ 358	11.7%
Pre-Tax Profit	2,801	+ 164	6.2%
Net Profit	1,966	+ 182	10.2%
Net Attributable Profit	1,966	+ 182	10.2%



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Group results for 9M08

Results by business area

Spain & Portugal

Wholesale Banking & Asset Management

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Wholesale Banking & Asset Management: key figures in 9M08

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Operating profit +20.9%	Net attributable profit +14.8%	ROE 30.4%
Efficiency incl. depr. 25.6%	NPL ratio 0.05%	Coverage 2,114%

Wholesale Banking & Asset Management: 9M08 highlights

Leveraging the wholesale banking model based on customers

1

Taking advantage of opportunities in Corporate & Investment Banking

2

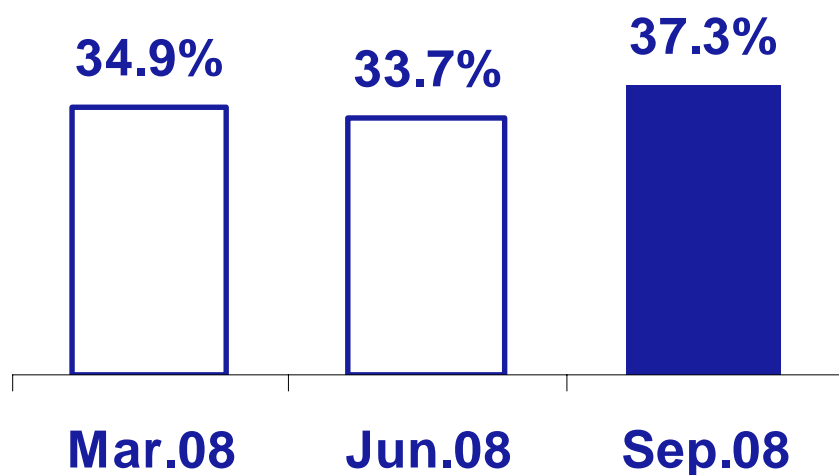
Global Markets: how to generate recurrent business with customers

3

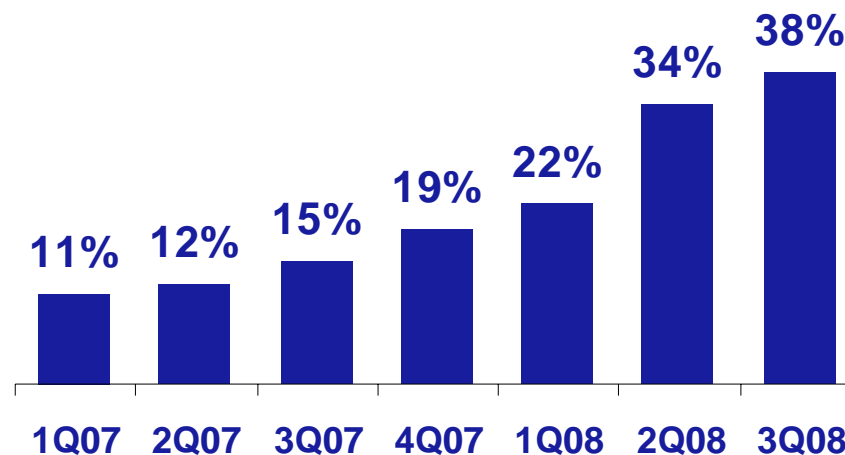
Expanding our franchise in Asia

Taking advantage of 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

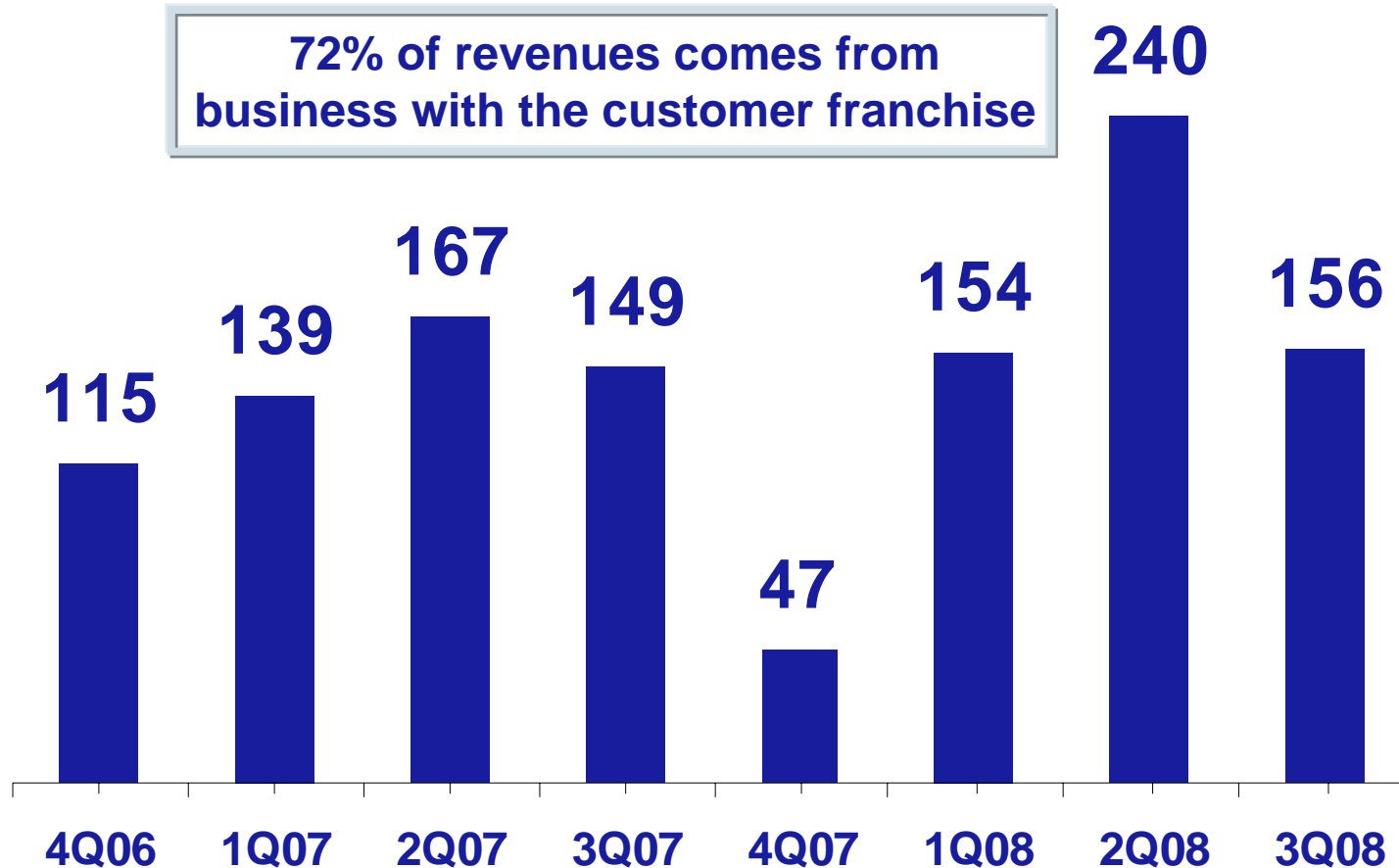


Ordinary revenues: €601M (+33.2%)

* Europe + Asia + Investment Bkg

With good earnings from Global Markets

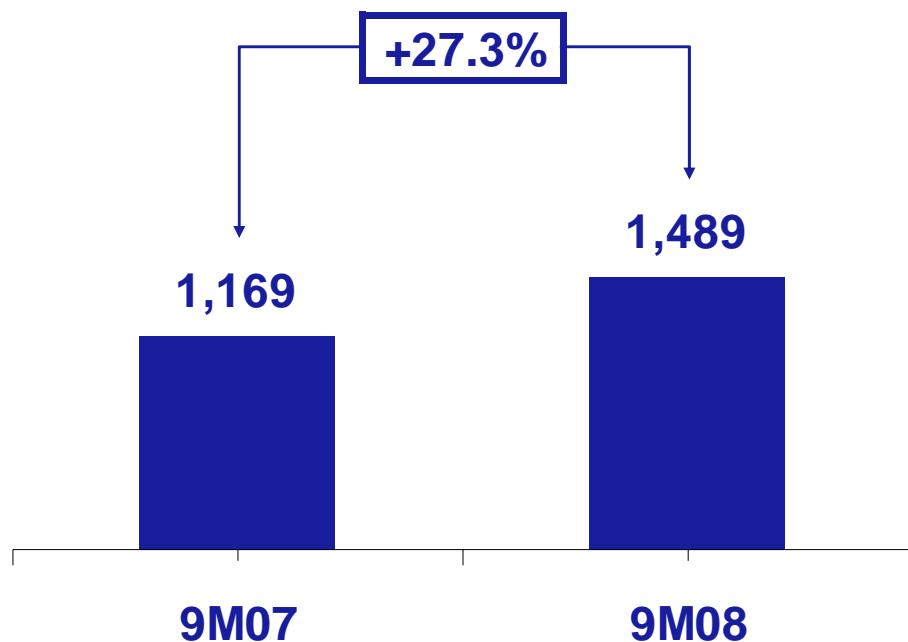
Global Markets
Ordinary revenues
(€m)



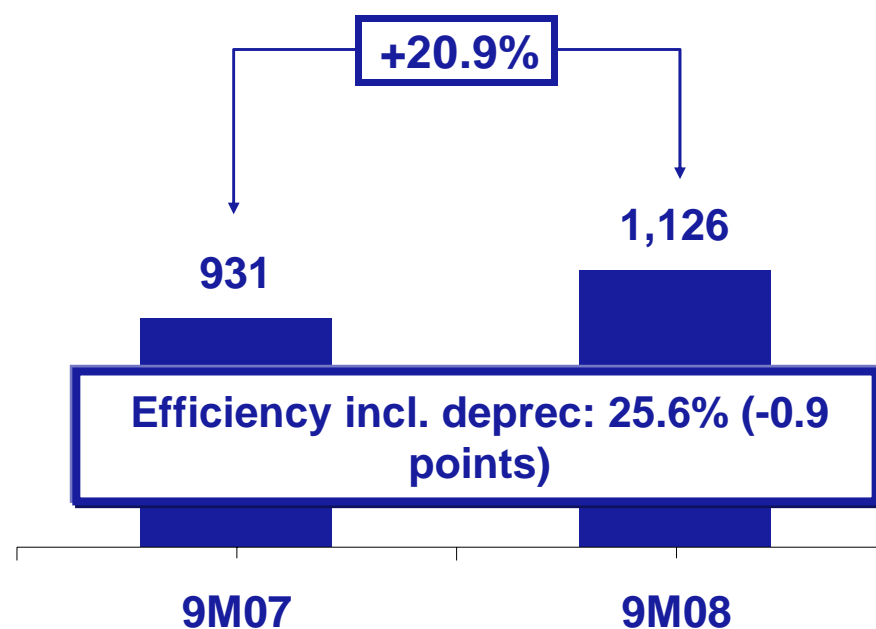
**With a diversified portfolio and less risk than the sector.
Average 9M08 VAR is €18.5M (half the sector)**

Resulting in solid growth of revenue and operating profit in the Area

Ordinary revenues
Wholesale & Inv Bkg
(€m)



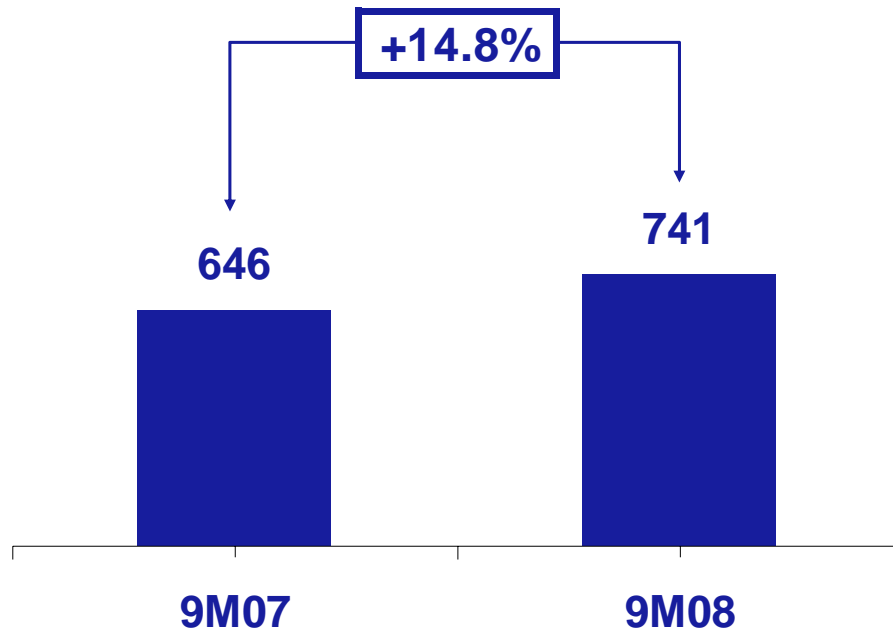
Operating profit
Wholesale & Inv Bkg
(€m)



With efficiency improving

Growth of attributable profit and high profitability

Net attributable profit
(€m)



**ROE:
30.4%**

Wholesale Banking & Asset Management: 9M08 results

BBVA

(€m)

Wholesale Banking & Asset Management	Accum	Annual Growth	
	9M08	Abs.	%
Ordinary Revenues	1,489	+ 319	27.3%
Operating Profit	1,126	+ 194	20.9%
Pre-Tax Profit	917	+ 60	7.0%
Net Profit	746	+ 93	14.2%
Net Attributable Profit	741	+ 95	14.8%



BBVA

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Wholesale Banking & Asset Management

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Mexico: key figures for 9M08

Operating profit +19.9% (Constant €)	Net attributable profit +16.3% (Constant €)	ROE -
Efficiency incl. depr. 31.8%	NPL ratio 2.75%	Coverage 191%

Good earnings thanks to Bancomer's strategy of anticipation

1

Lending still growing (mortgages and SMEs) but consumer finance slows

2

Transformation Plan helps to clamp down on expenses

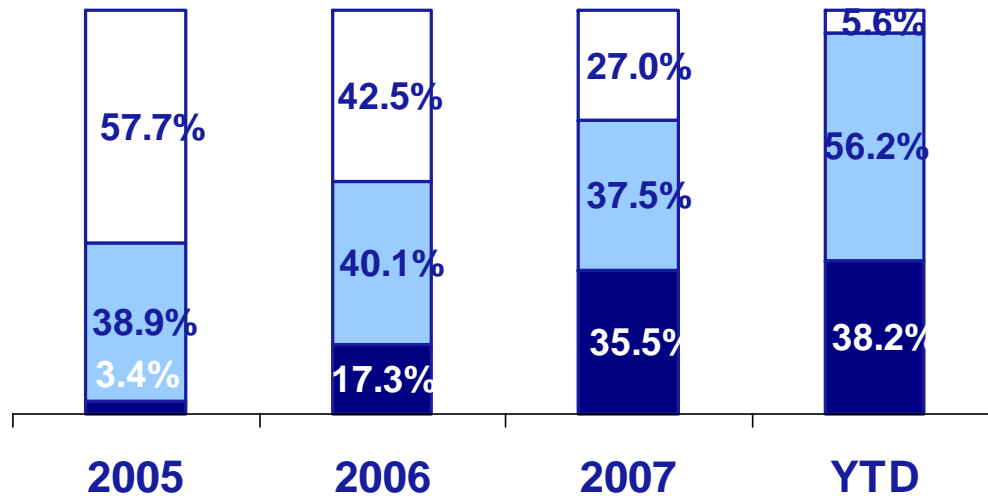
3

Risk premium is substantially lower than peers thanks to provisioning based on expected loss

Anticipation is part of Bancomer's business strategy ...

New-lending mix (%)

■ SMEs+Corporations □ Mortgages □ Consumer+Cards



Excl. government

Lending: +17.7%

Customer funds: +11.0%

Lending and customer funds y-o-y growth - average balances (%)

SMEs: +34.6%

Mortgages: +23.5%

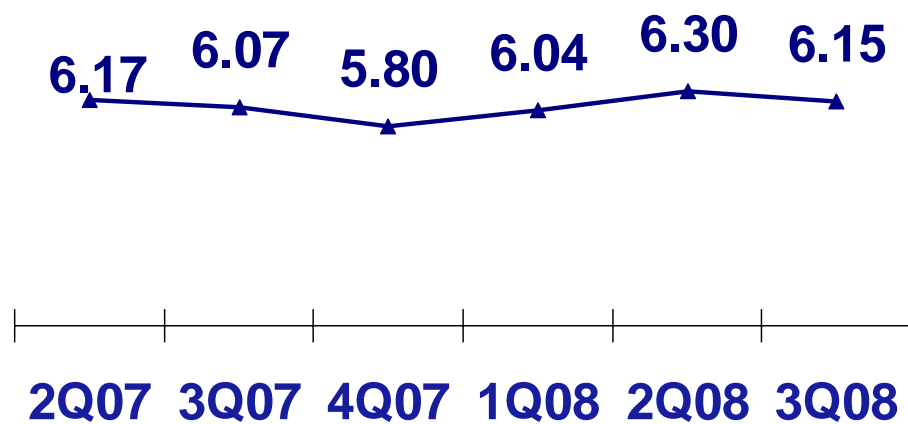
Consumer + cards: + 7.9%

Current + Savings Acts: +14.5%

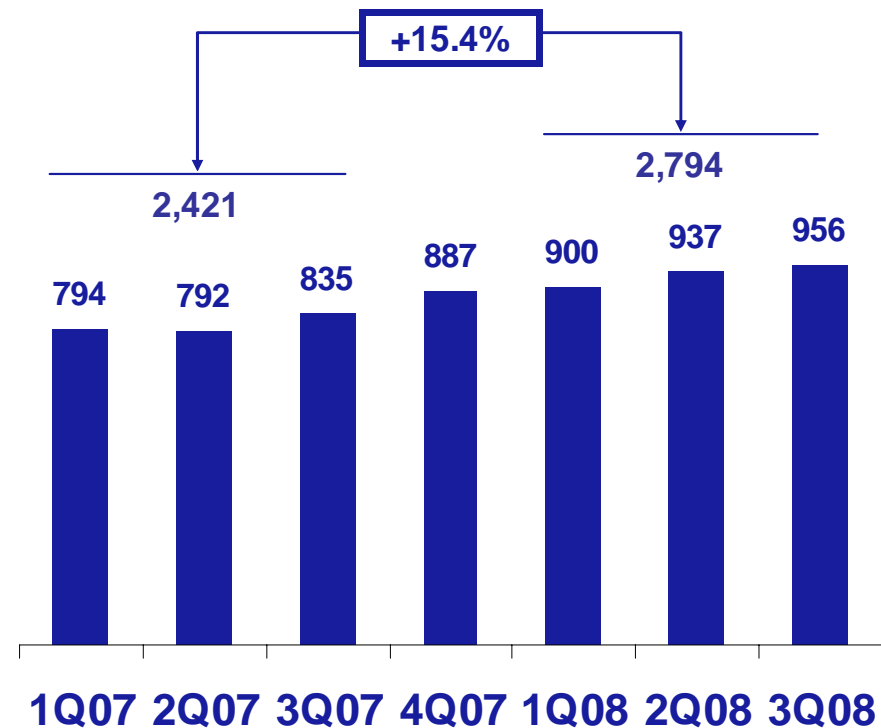
Time+MF+Repo+MDD: +9.1%

... leading to solid growth in net interest income

Net interest income / ATAs (%)

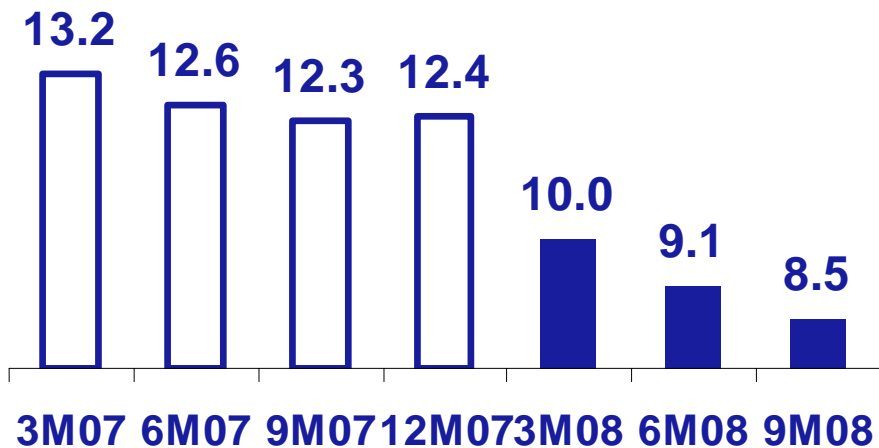


Net interest income Mexico country Quarter by quarter (Constant €m)

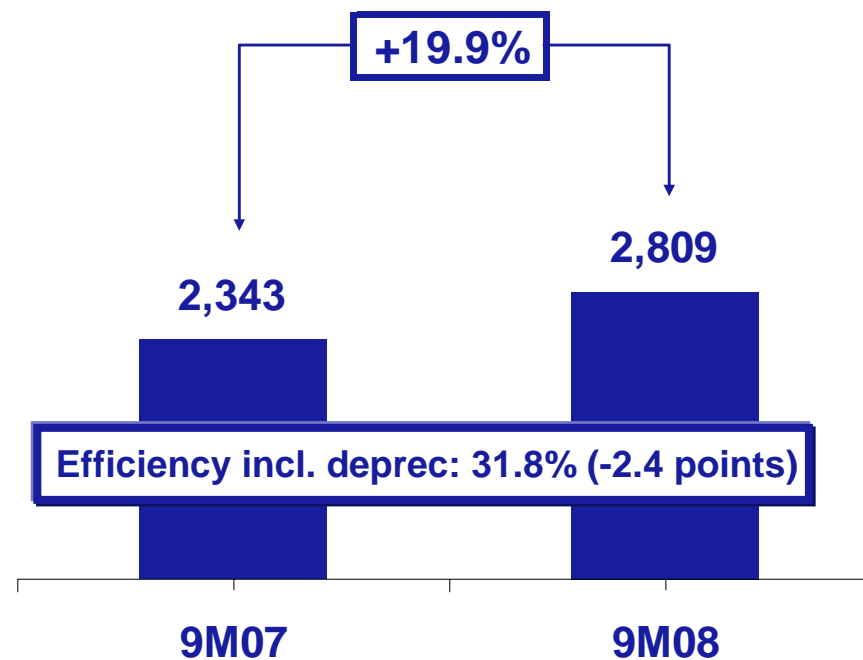


Anticipation in cost management ...

General admin expenses
Mexico country
Cumulative year-on-year growth
(%)



Operating profit
Mexico country
(Constant €m)



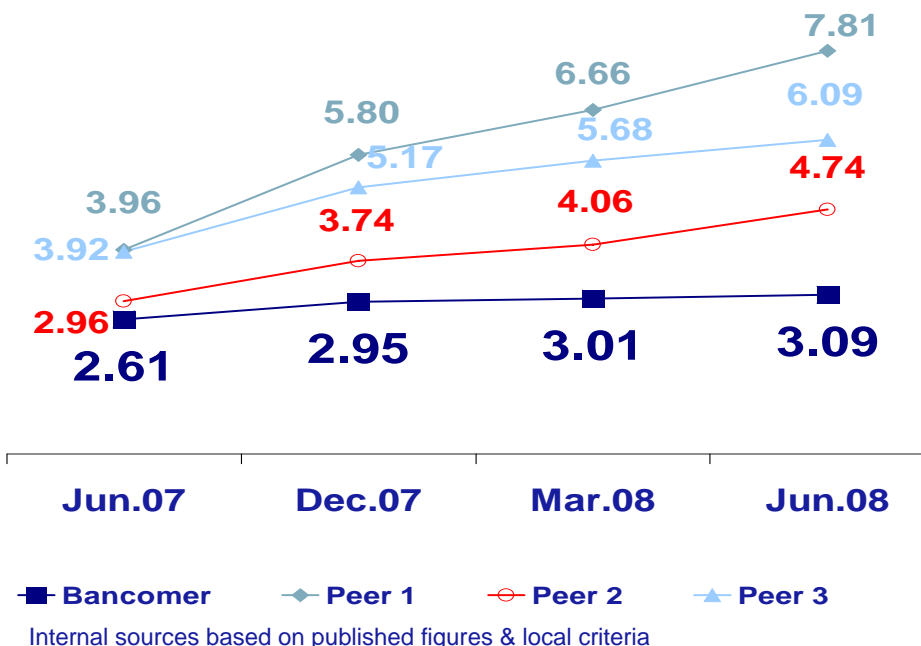
... leading to solid growth of operating profit

Anticipation through provisions based on expected loss

NPL ratio
Mexico country
(%)



Risk premium
Mexico
(%)



Coverage: 191%

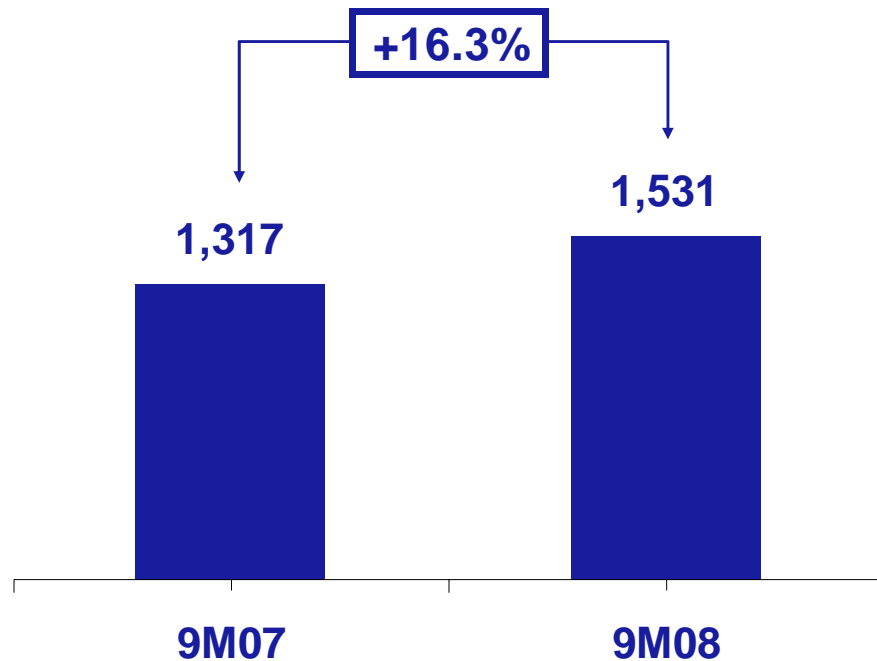
Provisions in constant € +32.6%

Risk premium is substantially lower than peers

* Pre-NIIF

Mexico: net attributable profit

Net attributable profit
Mexico country
(Constant €m)



Bancomer BG +15.3%

Pensions & Insurance +21.9%

Mexico: 9M08 results

(Constant €m)

Mexico	Accum	Annual Growth	
	9M08	Abs.	%
Net Interest Income	2,794	+ 373	15.4%
Core Revenues	4,004	+ 456	12.8%
Ordinary Revenues	4,240	+ 553	15.0%
Operating Profit	2,809	+ 466	19.9%
Pre-Tax Profit	2,007	+ 195	10.8%
Net Profit	1,532	+ 214	16.3%
Net Attributable Profit	1,531	+ 215	16.3%



BBVA

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USA: key figures for 9M08

Operating profit* n.a. (Constant €)	Net Attributable profit* +104% (Constant €)	ROE* 20.1%
Efficiency* 56.9%	NPL ratio 2.71%	Coverage 73%

* Without amortisation of intangibles

Integration process continues as planned but focus remains on business

1

Increasing business activity continues after the integration of Compass

2

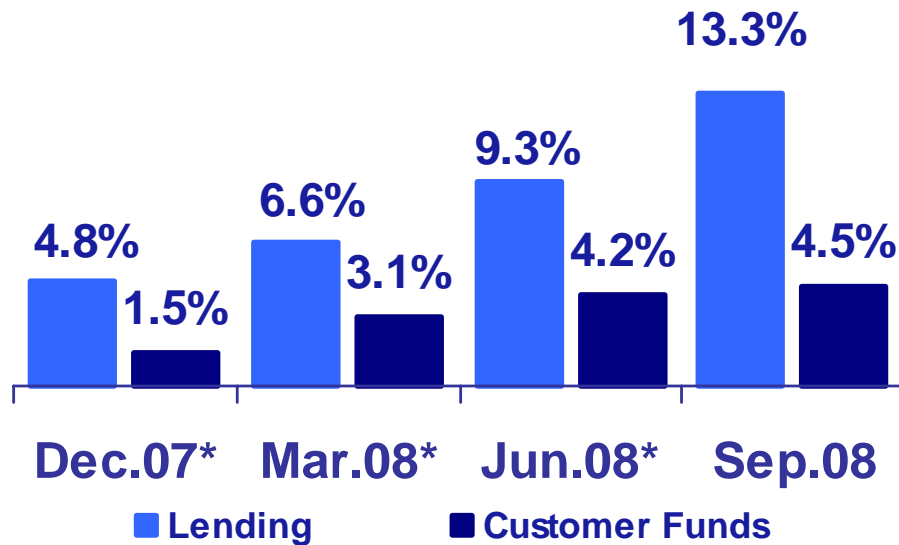
Costs are stable. Synergies generation

3

Special effort in provisioning in a very complex scenario

Business continues to grow thanks to Compass BG's vigorous marketing ...

**Lending and customer funds
Compass BG
Year-on-year growth
(Average balances)**



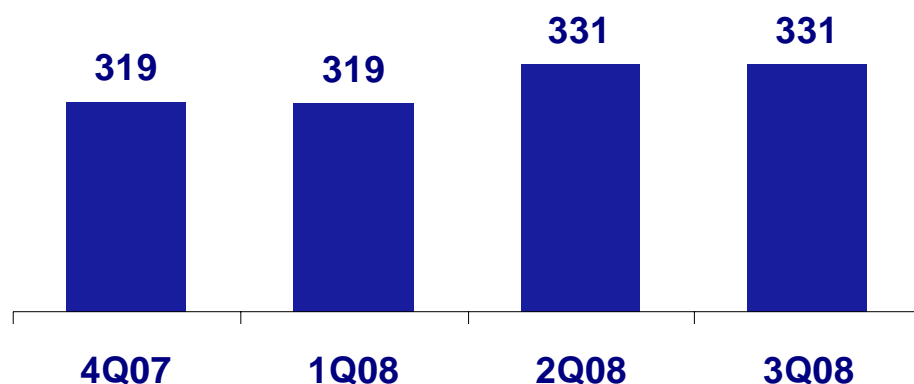
**Lending
Compass BG
Year-on-year growth
(Average balances)**

Individuals	
APR Sep.08/Sep.07 +19.1%	FICO SCORE: 729 vs 712 at Dec.07
SMEs	
APR Sep.08/Sep.07 +10.2%	Risk grade: 5.6 vs 6.2 at Dec.07

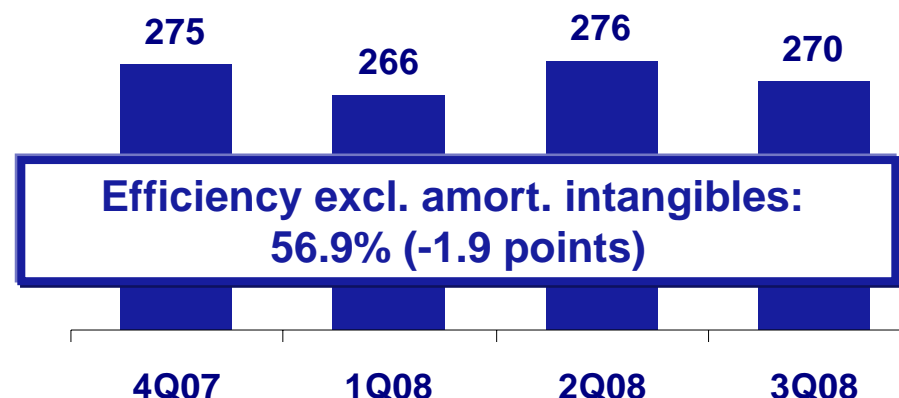
* Includes Compass in continuity

... reflected by net interest income and stable costs

Net interest income
(Constant €m)



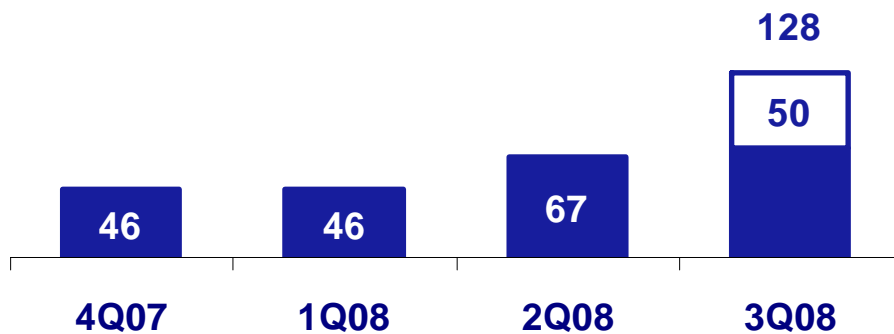
Total expenses excl. amort. of intangibles and excl. merger & integration costs
Quarter by quarter
(Constant €m)



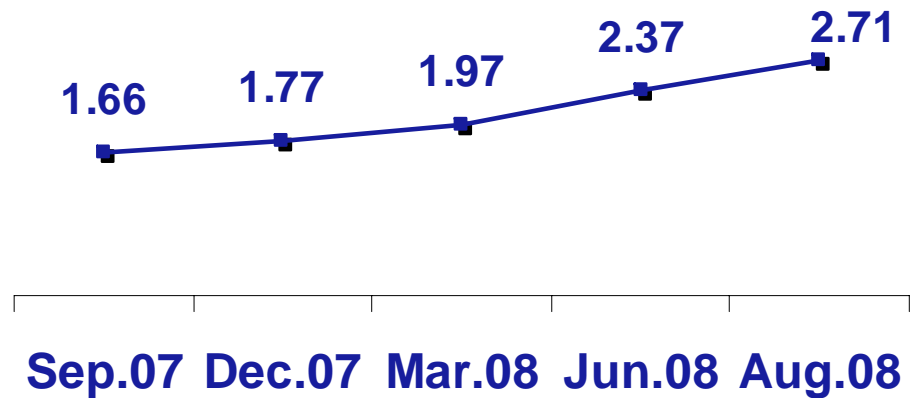
Integration of Texas State Bank under the new brand  Compass in 3Q08

Special effort in provisioning in a very complex scenario

Loan-loss provisioning
(Constant €m)



NPL ratio
(%)



Updating collateral values

Coverage: 73%

USA: 9M08 results

(Constant €m excl. amort. of intangibles)

USA	Accum.	Quarter-by-quarter			
	9M08	3Q08	2Q08	1Q08	4Q07
Net Interest Income	981	331	331	319	319
Core Revenues	1,381	461	467	453	462
Ordinary Revenues	1,481	481	511	489	479
Operating Profit	636	194	223	219	202
Net Attributable Profit	262	45	108	109	103

Net attrib. profit: €184M
(incl. amortisation of intangibles)

ROE: 20.1% (excl. amort intang.)
ROE: 14.2% (incl. amort intang.)



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Group results for 9M08

Results by business area

Spain & Portugal

Wholesale Banking & Asset Management

Mexico

USA

South America

Conclusions

South America: key figures in 9M08

Operating profit +28.1% (Constant €)	Net attributable profit +17.7% (Constant €)	ROE 37.7%
Efficiency incl. depr. 44.0%	NPL ratio 2.05%	Coverage 146%

Strong growth in South America

1

Solid growth of revenue maintained thanks to strong business

2

With new improvements in efficiency

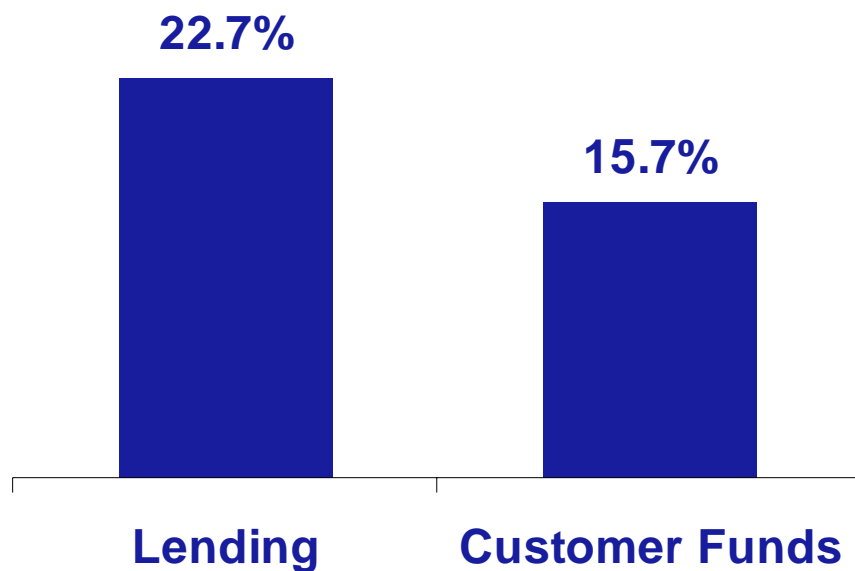
3

NPLs stable at minimum levels

Business continues to be strong in South America ...

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Lending and customer funds
Year-on-year growth
(Average balances)



Consumer + cards: +32.2%

Mortgages: +22.8%

Companies: + 20.5%

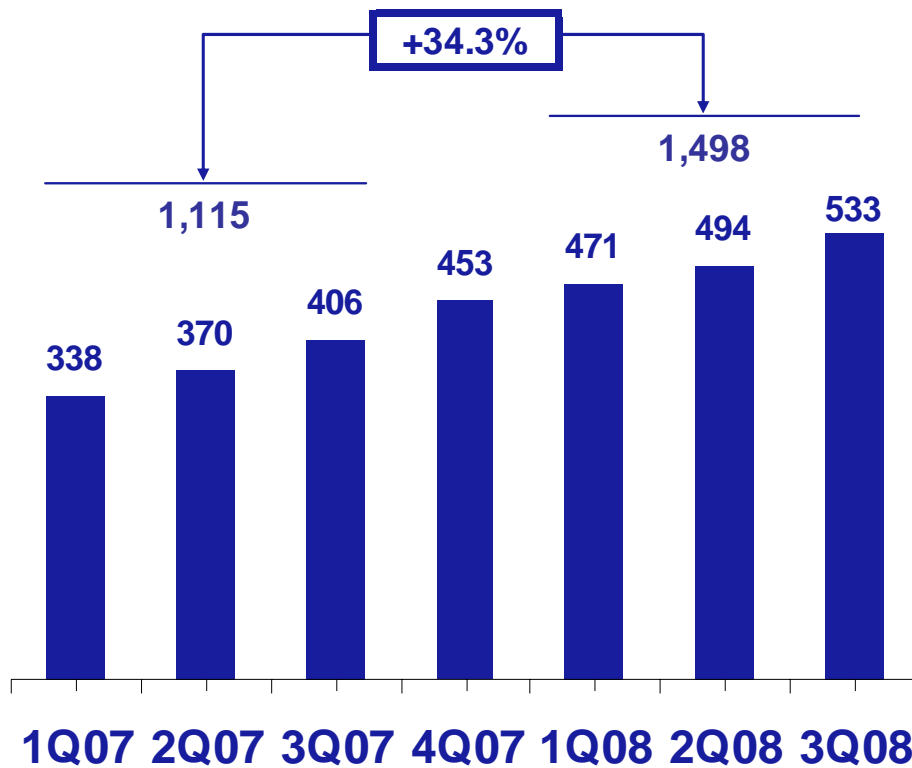
Time deposits: +20.9%

Current + savings: +14.0%

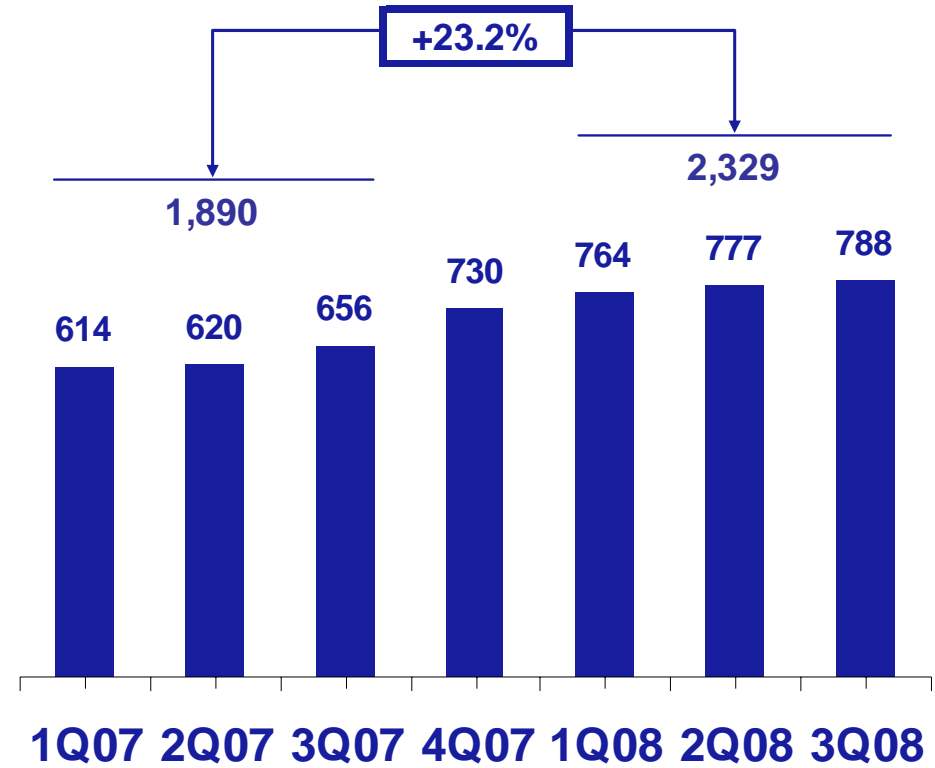
Good performance in lending and customer funds

... resulting in strong growth of recurrent revenues

Net interest income
(Constant €m)

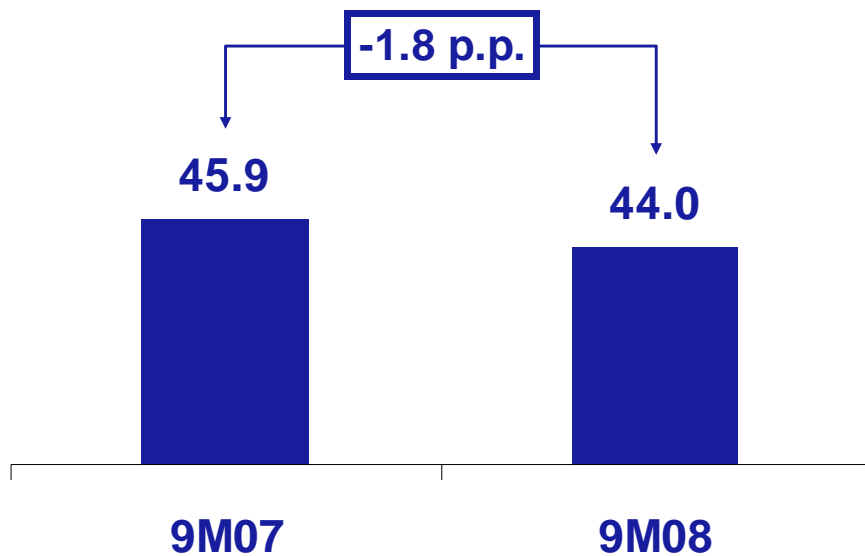


Ordinary revenues
(Constant €m)

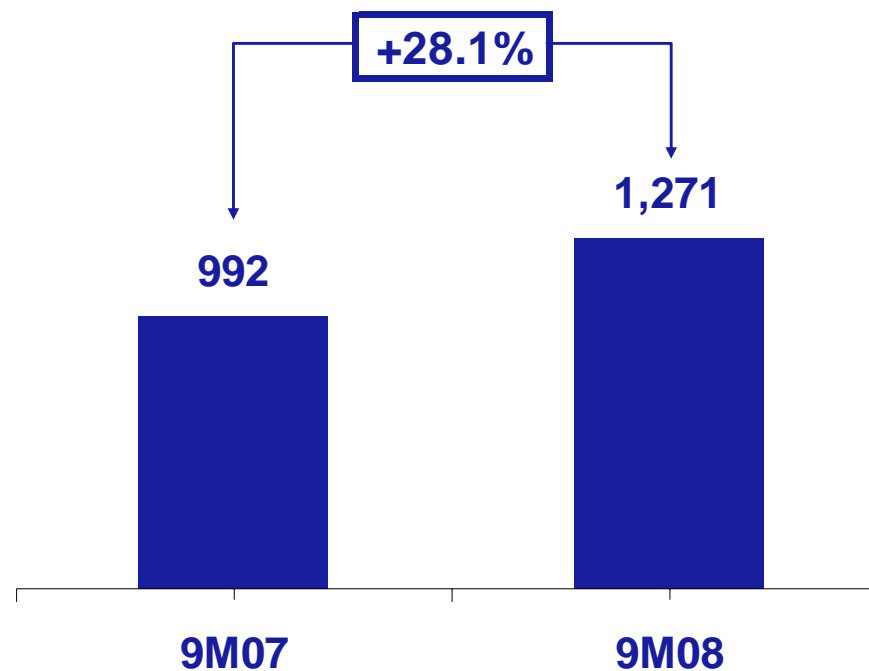


Efficiency continues to improve ...

Efficiency incl. depreciation
(%)

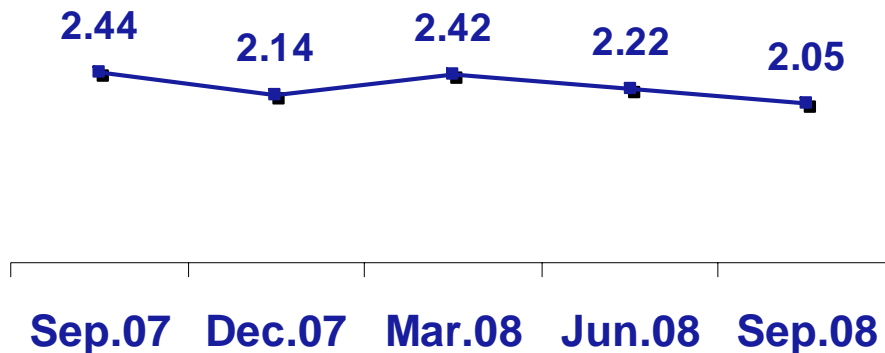


Operating profit
(Constant €m)



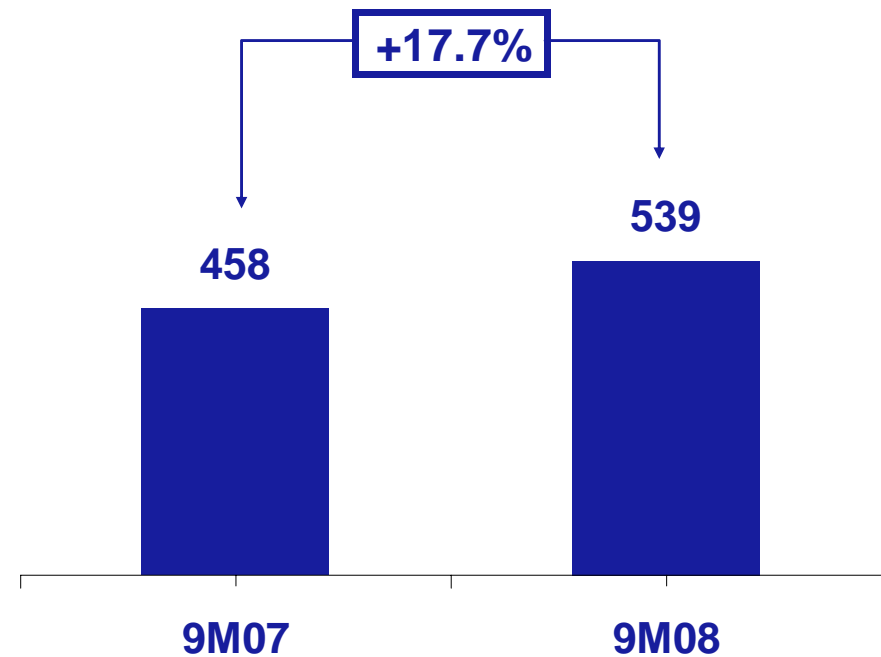
... and with a stable NPL ratio, leading to solid profit growth

NPL ratio
(%)



Coverage: 146%

Net attributable profit
(Constant €m)



ROE: 37.7%

South America: 9M08 results

(Constant €m)

South America	Accum	Annual Growth	
	9M08	Abs.	%
Net Interest Income	1,498	+ 383	34.3%
Core Revenues	2,184	+ 453	26.2%
Ordinary Revenues	2,329	+ 439	23.2%
Operating Profit	1,271	+ 279	28.1%
Pre-Tax Profit	1,040	+ 220	26.8%
Net Profit	794	+ 136	20.6%
Net Attributable Profit	539	+ 81	17.7%



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Group results for 9M08

Results by business area

Spain & Portugal

Wholesale Banking & Asset Management

Mexico

USA

South America

Conclusions

Conclusions

Spain & Portugal	Management has a different approach to the slowdown, with focus on pricing, costs and asset quality
Wholesale & Inv Bkg	Despite the environment, recurrent revenues based on customer activity
Mexico	Good earnings thanks to Bancomer's strategy of anticipation
USA	Integration process continues as planned but focus remains on business
South America	Strong growth in South America

The financial sector crisis highlights BBVA's strengths

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Proven model for retail banking business

+

**Long track-record in efficiency and prudent risk
management**

+

A different positioning in capital and liquidity

=

**Sound capital position and steady recurrent
earnings**



Third Quarter Results 2008



BBVA

Madrid, October 29th 2008