BBVA International Limited

Financial Statements for the year ended
December 31, 2008
and Independent Auditors' Report

Deloitte.

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INDEPENDENT AUDITORS' REPORT

To the Shareholder of
BBVA International Limited (a wholly owned Banco Bilbao Vizacaya Argentaria, S.A.) :

We have audited the accompanying financial statements of BBVA INTERNATIONAL LIMITED (a wholly owned subsidiary of Banco Bilbao Vizcaya Argentaria S.A., a spanish banking institution), which comprise the balance sheet as at December 31, 2008, and the statements of income, changes in shareholder's equity and cash flows for the year then ended (all expressed in United States dollars), and a summary of significant accounting policies and other explanatory notes.

Management´s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of BBVA INTERNATIONAL LIMITED at December 31, 2008, and the results of its operations, changes in equity and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

The information given on the Directors report is consistent with the financial information.

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Emphasis of matter

Without qualifying our opinion, we draw attention to Notes 1 and 5. Since the end of December 2002, the Company ceased issuing preferred shares and is not going to offer new issues due to the revised legal regulatory framework applicable to the Parent Company. The Parent (the sole shareholder) has committed to provide adequate financial resources to the Company to allow it to continue as a going concern until the time of its liquidation.

Deloitte & Touche

April 30, 2009

BBVA INTERNATIONAL LIMITED

BALANCE SHEET

DECEMBER 31, 2008
(Currency – United States dollars)

	2008	2007
ASSETS:		
Cash and cash equivalents (Notes 2.e and 4)	4,087,494	5,213,259
Assets due from Parent (Notes 2.c and 4)	705,104,476	744,955,851
Total assets	**709,191,970**	**750,169,110**
LIABILITIES:		
Other accrual accounts	9,165	9,718
Preference shares (Note 2.c and 5)	705,034,890	744,955,851
Other accounts	584,592	851,100
	705,628,647	**745,816,669**
SHAREHOLDER'S EQUITY		
Ordinary shares	1,000	1,000
Retained earnings	3,562,323	4,351,441
	3,563,323	**4,352,441**
Total liabilities and shareholder's equity	**709,191,970**	**750,169,110**

The accompanying notes 1 to 7 are an integral part of these financial statements.

BBVA INTERNATIONAL LIMITED

STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2008

(Currency – United States dollars)

	2008	2007
Financial revenues (Note 4)	36,131,141	45,005,567
Net (losses) / gains from foreign currency transactions (Note 2.d)	(243,974)	542,088
Interest expense to noteholders (Note 5)	(36,057,851)	(44,937,043)
Financial margin	**(170,684)**	**610,612**
General and administrative expenses	(33,842)	(26,020)
Net (loss) / income	**(204,526)**	**584,592**
(Losses) / earnings per Ordinary share	(204.53)	584.59
Average number of Ordinary shares outstanding	1,000	1,000

The accompanying notes 1 to 7 are an integral part of these financial statements.

BBVA INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2008

(Currency – United Stated Dollars)

	2008	2007
Number of authorized and issued ordinary shares-		
Balance at beginning and at the end of the year	1,000	1,000
Par value per share-		
Ordinary Shares (United Stated $)	1	1
Ordinary Shares-		
Balance at beginning and the end of the year	1,000	1,000
Retained earnings-		
Balance at beginning of the year	4,351,441	4,617,949
Dividends	(584,592)	(851,100)
Net (loss) income for the year	(204,526)	584,592
Balance at end of the year	3,562,323	4,351,441
Shareholder's equityendof the year	**3,563,323**	**4,352,441**

The accompanying notes 1 to 7 are an integral part of these finacial statements.

BBVA INTERNATIONAL LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2008

(Currency – U.S. Dollars)

	2008	2007
CASH FLOW FROM OPERATING ACTIVITIES:		
Net (loss) income for the year	**(204,526)**	**584,592**
ADJUSTMENTS TO RECONCILE NET (LOSS) INCOME TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES		
Amortization of differences between initial amount and maturity amount on deposits and notes	-	(245,808)
Net (increase) in other accrual accounts	444.248	(1,024)
Net cash (used in) provided by operating activities	**239,722**	**337,760**
CASH FLOW FROM INVESTING ACTIVITIES:		
Net decrease in deposits with Parent	806,171	736,050,000
Net cash provided by investing activities	**806,171**	**736,050,000**
CASH FLOW FROM FINANCING ACTIVITIES:		
Redemption of Preference Shares	(879,461)	(736,050,000)
Dividends paid	(851,100)	-
Net cash used in financing activities	**(1,730,561)**	**(736,050,000)**
Net (decrease) increase in cash and cash equivalents	(684,668)	337,760
Effect of currency translations	(441,097)	379,556
Cash and cash equivalents at the beginning of the year	5,213,259	4,495,943
Cash and cash equivalents at the end of the year (Note 4)	**4,087,494**	**5,213,259**

The accompanying notes 1 to 7 are an integral part of these financial statements.

1. Group affiliation, principal activity and tax regulation

Bilbao Vizcaya International Limited, which was incorporated on March 5, 1990, in the Cayman Islands, changed its name to BBVA International Limited (the "Company") on April 17, 2000, and is a wholly-owned subsidiary of Banco Bilbao Vizcaya Argentaria, S.A. (the "Bank" or the "Parent"), a Spanish banking institution headquartered in Bilbao, Spain.

The Company's principal activity is to act as a financing entity for the Bank.

The Cayman Islands currently have no taxes on profits, corporate income or capital gains.

The Company uses the United States of America("U.S.") dollar ("U.S. $") as its functional currency.

The Company is economically dependent on the Parent (Note 4) and its continuing existence is based solely on the ability of the Parent to fulfill its obligations to the Company for the interest and maturity of deposits and guarantee of the redemption value of Preference shares.

Since December 2002, the Company ceased issuing preferred shares due to the new legal regulatory framework applicable to the Parent.

2. Significant accounting policies

The financial statements of the Company are prepared in accordance with International Financial Reporting Standards ("IFRS") with significant policies applied below.

a) *Recognition of revenues and expenses-*

For accounting purposes, revenues and expenses are recorded in the accrual basis as they are earned or incurred.

b) *Use of estimates-*

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

c) *Preference shares and assets due from Parent-*

Preference shares and assets due from Parent are recognized at amortized cost, which represents the received amount, plus or minus the cumulative amortization using the effective interest rate of any difference between that initial amount and the maturity amount.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument, considering all contractual terms of the financial instruments, transaction costs, and all other premiums or discounts.

Issuing preference shares, sometimes, involves incurring costs and commissions in relation with the offering. These fees and costs are considered transaction costs in calculating the effective interest rate.

d) ***Foreign currency transactions-***

Assets and liabilities in foreign currencies have been translated to U.S. dollars at the year-end exchange rates.

Revenues and expenses in foreign currencies have been translated to U.S. dollars at the average exchange rates during the period in which they have been accrued.

e) ***Cash and cash equivalents-***

For purposes of the statement of cash flows, the Company considers the demand deposits at Parent (Note 4) as cash and cash equivalents.

f) ***Income taxes-***

No income taxes are levied on corporation by the Cayman Islands government and, therefore, no income tax income provision has been reflected in the accompanying financial statements.

3. Risk Exposure

The used of financial instruments may involve the transfer of one or more types of risk. The risks associated with theses financial instruments are:

- Credit risk: this is the risk that one of the parties to the financial instrument agreement will fail to honour its contractual obligations due to the insolvency or incapacity of the individuals or legal entities involved and will cause the other party to incur a financial loss.

- Market risk: these arise as a consequence of holding financial instruments whose value may be affected by changes in market conditions, sollowing is a summary of each of the components:

    i) Fair value interest rate risk: arises as a result of changes in market interest rates.

    ii) Currency risk: arises as a result of changes in the exchange rate between currencies

The Company (integrated in BBVA Group) has developed a global risk management system based on three components: a corporate risk management structure, with segregated functions and responsibilities; a set of tools, circuits and procedures that make up the different risk management systems; and an internal control system.

CORPORATE MANAGEMENT STRUCTURE

The Board of Directors is the body responsible for setting risk policies. The Board hence establishes the general principles defining the target risk profile for the BBVA Group. Likewise, it approves the infrastructure required for risk management, the delegation framework and the ceilings system that enables the business to develop in keeping with this risk profile in day-to-day decision-making.

The BBVA Group's risk management system is managed by an independent risk area ("the Risk Area"), which combines a view by risk types with a global view. The Risk Area assures that the risks tools, metrics, historical databases and information systems are in line and uniform. It likewise sets the procedures, circuits and general management criteria.

TOOLS, CIRCUITS AND PROCEDURES

The BBVA Group has implemented an integral risk management system designed to cater for the needs arising in relation to the various types of risk; this prompted it to equip the management processes for each risk with measurement tools for risk acceptance, assessment and monitoring and to define the appropriate circuits and procedures, which are reflected in manuals that also include management criteria.

Credit risk

The breakdown of the credit risk by financial instruments and geographical area is as follows:

	U.S. Dollars	
	2008	2007
Deposits at Parent (Spain)	705,104,476	744,955,851
	705,104,476	**744,955,851**

As of 31 December 2008 and 2007 there are not impaired assets.

Structural interest rate risk

The aim of on-balance-sheet interest rate risk management is to maintain the Company's exposure to market interest rate fluctuations at levels within its risk strategy and profile.For such compliance, the (Assets-Liabilities Committee (the "ALCO") actively manages the balance sheet interest rate risk through transactions intended to optimize the level of risk assumed in relation to the expected results, thus enabling the Bank to comply with the tolerable risk limits.

The ALCO bases its activities on the interest rate risk measurements performed by the Risk Area. Acting as an independent unit, the Risk Area periodically quantifies the impact of interest rate fluctuations on the Group's net interest income and economic value.

The impact of interest rate fluctuations on the Company's net interest income is minimal since the interest rate fluctuations of the liabilities are offset with the interest rate fluctuations of the assets.

Structural currency risk

Structural currency risk derives mainly from exposure to exchange rate fluctuations arising in relation to the investments and from the issues financed in currencies other than the investment currency.

The impact of exchange rate fluctuations on the Company net interest is minimal since the exchange rate fluctuations of the liabilities are offset with the exchange rate fluctuations of the assets.

Capital risk

The Group's capital management is performed at both regulatory and economic level.

Regulatory capital management is based on the analysis of the capital base and the capital ratios (core capital, Tier 1, etc.) using Basel ("BIS") and Bank of Spain criteria.

The aim is to achieve a capital structure that is as efficient as possible in terms of both cost and compliance with the requirements of regulators, ratings agencies and investors. Active capital management includes securitisations, sales of assets, and preferred and subordinated issues of equity and hybrid instruments.

The Group has obtained the approval of its internal model of capital estimation (IRB) in 2008 for certain portfolios.

From an economic standpoint, capital management seeks to optimise value creation at the Group and at its different business units.

4. Assets due from Parent

The details relating to the balances of this caption in the accompanying balance sheet are as follows:

	U.S. Dollars		Interest Rate as of December 31	
	2008	2007	2008	2007
Deposit at Parent relating to 2002 Euro Series F Preference Shares (Note 5)	705,104,476	744,955,851	Euribor 3m + 2 b.p (Min 3.27% - Máx 6.52%)	Euribor 3m + 2 b.p. (Min 3.27% - Máx 6.52%)
Demand deposits at Parent	4,087,494	5,213,259	-	-
	709,191,970	**750,169,110**		

The subordinated deposit relating to the 2002 Euros Series F Preference Shares is arranged in Euro, and the balance as of December 31, 2008 amounted Euros 500,000,000 (500,000,000 in 2007). The Company and the Bank have agreed to an interest rate for the subordinated deposit relating to the 2002 Euros Series F Preference Shares, which shall be at least equal to the dividends to be paid on the Preference Shares on each dividend payment date. The interest rate from payment date to June 30, 2004 was established at an annual fixed rate of 3.943%. The interest rate from July 1, 2004 until maturity date was established at an annual variable rate of 3 month Euribor plus 2 b.p., with a minimum of 3.27% and a cap of 6.52% until December 31, 2008. The interest income for 2008 and 2007 was U.S. $ 36,131,141 and U.S $ 28,574,483, respectively and are recorded in the "Financial revenues" caption in the statement of income for the years ended December 31, 2008 and 2007. Accrued Interest from Deposits at Parent relating to 2002 Euros series F Preference Shares for 2008 and 2007 amounts to U.S. $ 9,254,801 and U.S. $ 8,906,201, respectively and are recorded under the "Assets Due From Parent" caption in the balance sheet.

The Bank's obligations arising from the deposit mentioned above is subordinated to the general obligations of the Bank and rank pari passu to any Preference Shares issued by the Bank. The Company waives all rights of priority over the Bank's creditors that would otherwise be accorded to it.

The maturity dates of this deposit coincide with that of the related Preference Shares issued.

The demand deposits, which are arranged in Euros, are non-interest bearing deposits.

5. Preference shares

Euros Issued Series F Preference Shares-

The Series F Preference Shares are divided into 5,000,000 shares, which have been fully paid, of a nominal or par value of Euro 0.01 and a share premium of Euro 99.99 each. These shares entitle the holders to receive non-cumulative preferential cash dividends, at an annual fixed rate of 3.943%. The interest rate from July 1, 2003 until maturity date was established at an annual variable rate of 3 month Euribor, with a floor of 3.25% and a cap of 6.5% until December 31, 2008. The dividends are payable quarterly, in arrears on April 1, July 1, October 1, and January 1, except for the first dividend payment, which took place on April 1, 2004.

The Series F Preference Shares were issued on December 12, 2002 and they are redeemable at the option of the Company, subject to the prior approval of the Bank and the Bank of Spain, in whole but not in part, at Euro 100 per share on any dividend payment date falling on or after December 17, 2007.

The aggregate amount of the Series F Preference Shares interim dividends paid during 2008 and 2007 was U.S. $ 36,057,851 and U.S. $ 31,239,218, respectively, and are recorded under the "Interest expense to noteholders" caption in the statements of income for the years ended December 31, 2008 and 2007.

As of December 31, 2008 and 2007, there were accrued dividends for the Series F Preference Shares that increased to U.S. $ 9,185,216 and U.S. $ 8,906,201, respectively. These dividends were paid on January 1, 2008 and January 1, 2007, and are recorded under the "Preferred Shares" caption in the balance sheets as of December 31, 2008 and 2007.

The payment of dividends and redemptions are guaranteed by the Bank.

However, the holders of Preference Shares are entitled to receive assets of the Company in the event of liquidation thereof and to collect dividends from the Company, with priority over the holder of the Common Shares. However, the holder of the Ordinary Shares, unlike holders of Preference Shares, has voting rights, the right to attend to General Shareholder's meetings and preemptive subscription rights.

In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Company, the aforementioned Preference Shares will confer an entitlement to receive out of the assets of the Company available for distribution to Shareholder, a liquidating distribution of an amount equal to the redemption value per Preference Share (par value plus share premium) plus an amount equal to accrued and unpaid dividends for the then current dividend period to the date of payment. Such entitlement will arise proportionally among the Preference Shares mentioned above before any distribution of assets is named to the holder of Common Shares or any other class of shares of the Company, ranking junior as to participation in assets to the mentioned Preference Shares. Therefore, the common shareholder is entitled to any residual value remaining after holders of Preference Shares have received their redemption value in liquidation.

6. Fair value of financial instruments

As required by IAS 32 "Financial Instruments: Presentation" the Company presents estimated fair value information about financial instruments for which it is practicable to estimate that value.

The actual carrying amounts and estimated fair values of the Company's financial instruments that are included in the balance sheets as of December 31, 2008 and 2007 are as follows:

	U.S. Dollars 2008		U.S. Dollars 2007	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Deposit at Parent relating to 2002 Euro Series F Preference Shares	705,104,476	705,104,476	744,955,851	744,955,851
Demand deposits at Parent	4,087,494	4,087,494	5,213,259	5,213,259
	709,191,970	**709,191,970**	**750,169,110**	**750,169,110**

The following assumptions were used by the Company in estimating the fair value of the financial instruments for which it is practicable to estimate that value:

(1) Demand deposits at Parent

For these short-term instruments, the carrying amount is a reasonable estimate of fair value.

(2) Interest-bearing deposits at Parent

For the deposits maturing in over three months, the fair value represents the present value of estimated future cash flows discounted at the US $ and Euro zero coupon curve interest rates, as applicable, as of December 31, 2008 and 2007.

The face value of the floating interest rate deposits and floating interest rate notes represents fair value as required by IAS 32.

7. Subsequent events

The Company´s Board of Directors declared the following dividends on Series F Preferences Shares to Holders:

Date of Meeting	Date of Payment	Dividend Per Share
Series F 30 March, 2009	April, 2009	2.928% per share

BBVA International Limited

Director's report for 2008

In 2008 Company did not make any new Preferences Shares issue.

The Issued Preference Shares are guaranteed by his sole Shareholder: BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

In view of the business activity carried on by the Company, it does not have any environment expense that might be material with respect to the Company's net worth.

The Company is managed by Group Banco Bilbao Vizcaya Argentaria personnel, and as a result of that, the Company does not have any personnel expenses.

Income Statement

In 2008 the net loss for the year amounted to $ U.S. 205 thousand.

The financial revenues amounted to $ U.S. 35.887 thousand in 2008 and the interest expense amounted to thousand $ U.S. 36.058.

In addition, in 2008, the general and administrative expenses amounted to $ U.S.34 thousand.

Distribution of profit

The distribution of the Company's net loss for 2008 that will be proposed by the Board of Directors to the sole shareholder is as follows:

	Thousand U.S. Dollars
Net loss for the year	-205
	-205
Distribution to:	
Voluntary reserves	-205
	-205

Treasury shares

At 31 December 2008, the Company had no treasury shares or shares of its Parent, Banco Bilbao Vizcaya Argentaria, S.A. and had not performed any treasury share transaction in the year.

Risk Exposure

The used of financial instruments may involve the transfer of one or more types of risk. The risks associated with theses financial instruments are:

- Credit risk: this is the risk that one of the parties to the financial instrument agreement will fail to honour its contractual obligations due to the insolvency or incapacity of the individuals or legal entities involved and will cause the other party to incur a financial loss.

- Market risk: these arise as a consequence of holding financial instruments whose value may be affected by changes in market conditions, following is a summary of each of the components:

  i) Fair value interest rate risk: arises as a result of changes in market interest rates.

  ii) Currency risk: arises as a result of changes in the exchange rate between currencies

The company (integrated in BBVA Group) has developed a global risk management system based on three components: a corporate risk management structure, with segregated functions and responsibilities; a set of tools, circuits and procedures that make up the different risk management systems; and an internal control system

Research and development

The company did not have any research and development expenses due to its activity.

Subsequent events

At March 30, 2009, the Company's Board of Directors declared the payment of the dividends (2.928%) on Series F Preference Shares to holders.

Outlook

The company will focus its strategy for the coming years, integrated on the strategy of the Group Banco Bilbao Vizcaya Argentaria, on managing the Issued Preference Shares.

DECLARATION OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL REPORT

The members of the BBVA INTERNATIONAL LIMITED Board of Directors hereby declare that, insofar as they know, the annual financial statements for 2008, filed at the meeting, 22th April 2009, drawn up under the applicable accounting standards, offer a faithful image of the net assets, financial situation and results of BBVA INTERNATIONAL LIMITED and that the management reports include a faithful analysis of the business earnings and the positions of BBVA INTERNATIONAL LIMITED, along with the description of the main risks and uncertainties facing them.

Madrid, 22th April 2009

SIGNED BY ALL MEMBERS OF THE BOARD