BBVA

Press Release
10.27.2010

Results for the first nine months of 2010

BBVA reports net profit of €3.67 billion with market share gains in all franchises

- **Recurrence of earnings: gross income for the first nine months grew 3.8% to €16 billion as emerging economies now account for 47%**

- **Risk management: the Group's NPA ratio improved (down to 4.1%) and the coverage ratio increased to 62%**

- **Reinforced provisions: BBVA applied the €233-million capital gain from the sale and lease-back operation pertaining to Spanish branches, reinforcing generic provisions**

- **Capital: the Bank organically generated an additional 10 basis points in the third quarter, lifting core capital to 8.2%**

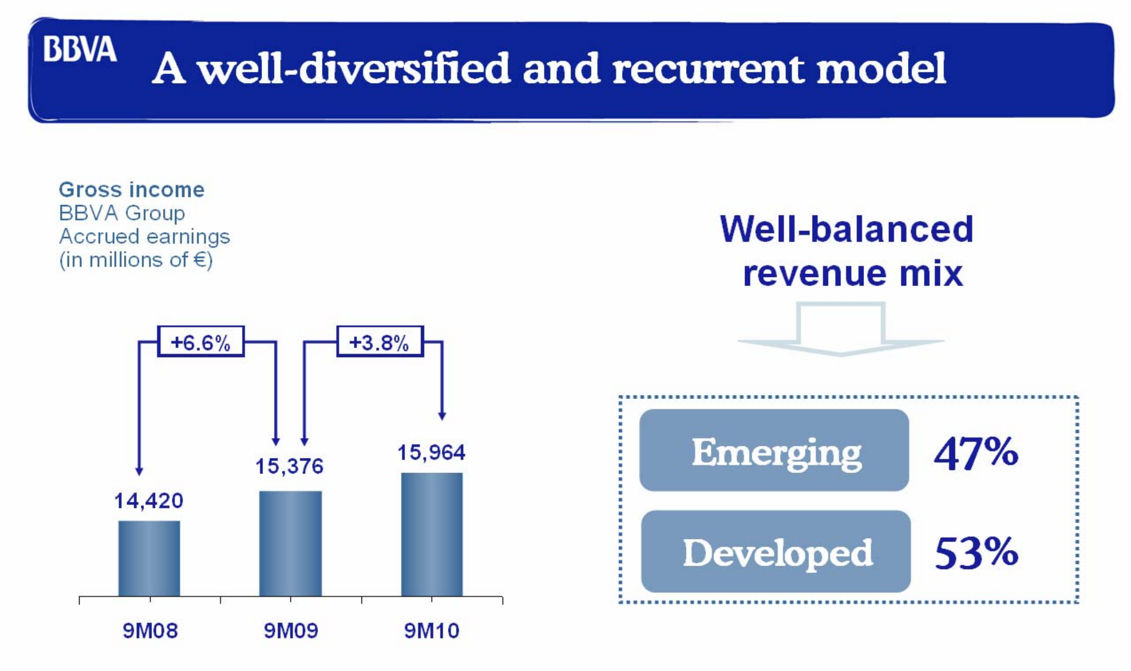
- **Net attributable profit: all business areas contributed significantly. Spain & Portugal (€1.69 billion), Mexico (€1.25 billion), South America (€699M), USA (€220M) and WB&AM (€730M).**

BBVA ended the first nine months of the year with net attributable profit of €3.67 billion (down 12.2%). All of its franchises improved their market share despite a macroeconomic and financial environment that remains complex. The Group's earnings reflect four fundamental characteristics: recurrence and solidity of revenues thanks to a business model centered on customer relations, an improvement in risk indicators, the capacity to generate capital organically and the enhanced structure of the balance sheet.

The Group's ability to generate recurrent revenues can be observed by the consistency of its net interest income. During the first nine months, net interest income was €10.18 billion, which was similar to the same period last year. This not only confirms BBVA's resiliency within a complex economic environment but also demonstrates its sound asset portfolio and finance structure management. Furthermore, cumulative fee income from banking services and fund management grew 4.1% to €3.4 billion.

The Group's gross income for the first nine months was €15.96 billion, an increase of 3.8% compared to the same period in 2009. In addition to the positive performance, gross income also reflects an attractive mix: 47% derived from emerging economies (all with positive outlooks) and 53% from developed economies.

Year-to-date, BBVA's operating costs rose 8.8% to €6.64 billion. This was due to various factors including substantial investments in IT systems, increasing and upgrading ATMs, and growth plans across almost every market where it operates.



The Group’s cost/income ratio (a measure of efficiency) ended September at 41.6%, maintaining its position as an industry benchmark.

As a result, cumulative operating income, management’s fundamental measure, was €9.32 billion (up 0.5%), again demonstrating BBVA’s ability to generate solid and stable earnings within an environment that remains extremely complicated.

Improved risk quality

The second key component of the Group’s results for the first nine months was the strength of management's credit quality indicators. The first of these is the improvement in risk quality - additions to non-performing assets (NPAs) and recoveries - which indicates that the outstanding balance of NPAs is stabilizing. In addition, the NPA ratio (4.1%, compared to 4.3% at the beginning of the year) experienced an improvement while the coverage ratio grew five percentage points to 62% in the same period.

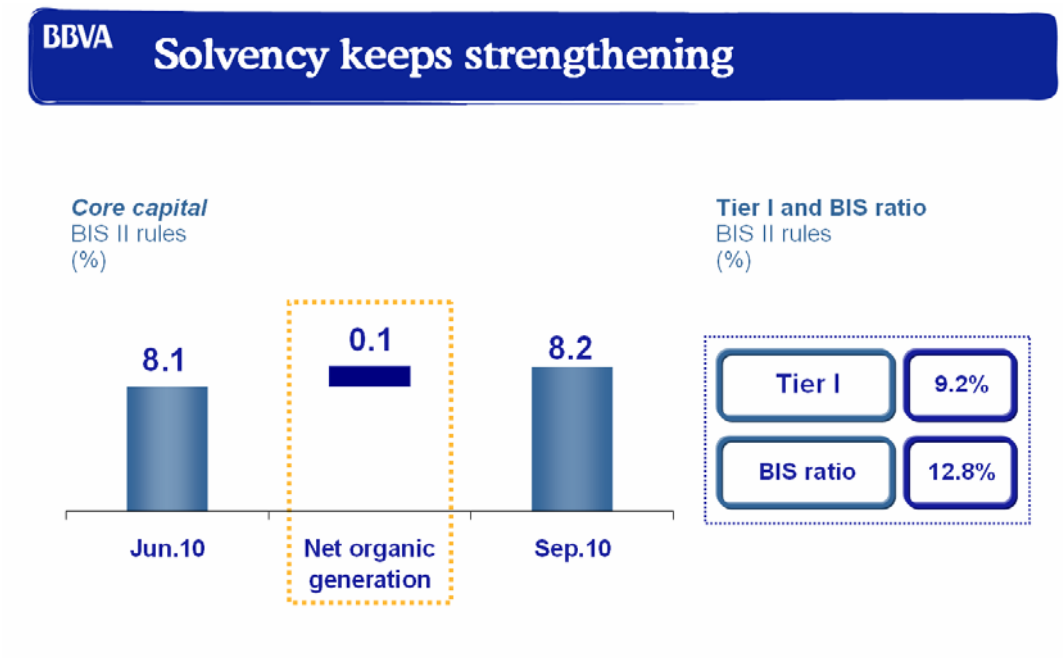
Impairment losses on financial assets for the first nine months of 2010 were €3.6 billion (down 2.2%). During the third quarter, there were two extraordinary items. The first was a specific provision of €198M in connection with the Bank of Spain’s circular (3/2010), which went into effect in September. The second item was related to the Group's traditional prudence criteria in terms of provisions, resulting in an additional €233M for generic insolvency provisions. This amount is equal to the capital gain recorded from the second phase of the sale and lease-back operation of branches in Spain. In the third quarter of 2009, BBVA made a similar decision and earmarked €830M of capital gains recorded during the first phase of its sale and lease-back operation.

Including the additional amount set aside, the Group’s cost of risk in the third quarter was 1.33%, which is lower than the second quarter (1.53%).

During the first nine months of 2010, BBVA obtained net attributable profit of €3.67 billion (down 12.2%). Net profit during the third quarter was €1.14 billion, which is in line with previous quarters. In terms of profitability, BBVA remains one of the leaders in its peer group. Return on equity (ROE) was 17.2% and return on total assets (ROA) was 0.95%. On October 11th, BBVA paid a second cash dividend of €0.09 per share against 2010 earnings.

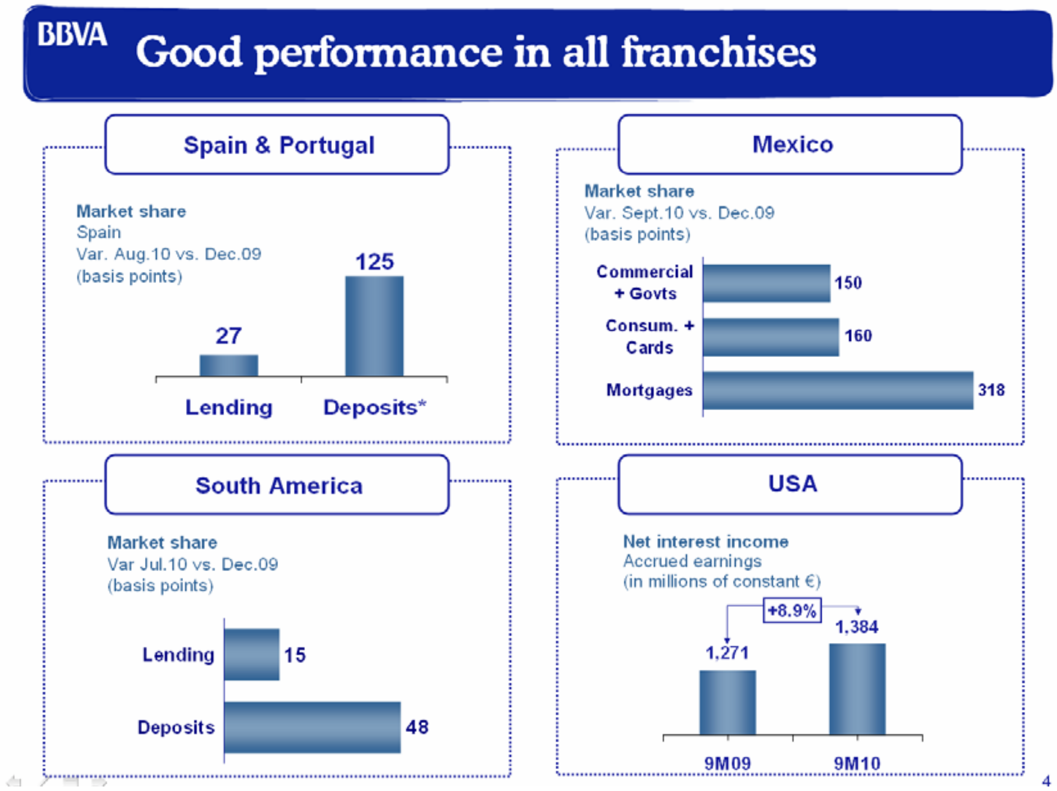
Organic generation of capital

The strength of the Group's earnings enabled it to generate an additional 10 basis points of core capital in the third quarter, bringing the ratio to 8.2%. The Tier I ratio stands at 9.2% and the BIS ratio is 12.8%.



BBVA has substantially improved the structure of its balance sheet in recent months by extending average maturities and by increasing the proportion of retail finance. In the third quarter, BBVA generated €12.17 billion in retail deposits in Spain. Moreover, BBVA continues to enjoy access to wholesale capital markets, issuing €6.52 billion of medium and long term maturities during the quarter (€16.12 billion in the first nine months). BBVA also holds about €75 billion in collateral in Spain.

Business units



Spain & Portugal continues to outperform despite the complex environment. It gained market share in products closely associated with customer loyalty, such as mortgages resulting from its commercial policies and a long-term vision of the customer relationship. Year-to-date, it obtained net attributable profit of €1.69 billion (down 6.2%). The NPA ratio was stable at 5% whereas the latest figures for the banking sector reflect a slight increase.

In **Mexico,** cumulative net attributable profit increased 13.7% (up 2% at constant exchange rates) to €1.25 billion following the recovery of business activity (lending increased 10.4% and customer funds were up 6.7%). The franchise gained market share in primary business segments, mainly mortgages, consumer finance and cards. In the third quarter, the unit achieved continued improvements in the NPA ratio, which declined to 3.4%, and in the coverage ratio (150%).

Business in **South America** continues to be very brisk. This enabled the unit to increase its market share (up 15 basis points in lending and 48 basis points in deposits) when compared to the end of December 2009. The positive business environment and the control of costs and provisions during the first nine months of 2010 boosted net attributable profit 13.7% to €699M. The non-performing asset ratio (2.4%) also improved and fellfrom June levels (2.7%). The coverage ratio also increased during the quarter (139%).

In the **United States** the area is progressively consolidating its franchise and business model. This is reflected by the addition of new business with year-over-year increases of more than 30% on various items in the loan portfolio (commercial, consumer and residential real estate). The unit's net interest income grew 8.9% during the first nine months. Coupled with cost controls and lower impairment losses on financial assets, it generated net attributable profit of €220M (up 17.9%).

The net attributable profit of **Wholesale Banking & Asset Management** during the first nine months was €730M (up 9.2%). Positive performances were noted by recurrent revenues (net interest income and net fee income) in Corporate & Investment Banking, and by business activity with customers in Global Markets. There were also significant advances in Asia, which now accounts for 20% of the unit.

BBVA Group Highlights (Consolidated figures)

	30-09-10	Δ%	30-09-09	31-12-09
BALANCE SHEET (million euros)				
Total assets	**557.761**	**3,8**	537.305	535.065
Total lending (gross)	**343.084**	**3,6**	331.005	332.162
Customer funds on balance sheet	**368.745**	**0,6**	366.581	371.999
Other customer funds	**144.298**	**8,4**	133.091	137.105
Total customer funds	**513.042**	**2,7**	499.672	509.104
Total equity	**32.909**	**7,2**	30.707	30.763
Stockholders' funds	**31.610**	**5,4**	29.997	29.362
INCOME STATEMENT (million euros)				
Net interest income	**10.182**	**(1,1)**	10.292	13.882
Gross income	**15.964**	**3,8**	15.376	20.666
Operating income	**9.322**	**0,5**	9.271	12.308
Income before tax	**5.260**	**(11,6)**	5.950	5.736
Net attributable profit	**3.668**	**(12,2)**	4.179	4.210
Net attributable profit excluding one-offs (1)	**3.668**	**(12,2)**	4.179	5.260
DATA PER SHARE AND SHARE PERFORMANCE RATIOS				
Share price (euros)	**9,91**	**(18,3)**	12,13	12,73
Market capitalization (million euros)	**37.124**	**(18,3)**	45.463	47.712
Net attributable profit per share (euros)	**0,95**	**(15,4)**	1,12	1,12
Net attributable profit per share excluding one-offs (euros) (1)	**0,95**	**(15,4)**	1,12	1,40
Book value per share (euros)	**8,43**	**5,4**	8,00	7,83
Tangible book value per share (euros) (2)	**6,56**	**6,3**	6,17	6,27
P/BV (Price/book value; times)	**1,2**		1,5	1,6
Price/tangible book value (times) (2)	**1,5**		2,0	2,0
SIGNIFICANT RATIOS (%)				
ROE (Net attributable profit/Average equity)	**17,2**		21,2	16,0
ROE excluding one-offs (1)	**17,2**		21,2	20,0
ROA (Net income/Average total assets)	**0,95**		1,11	0,85
ROA excluding one-offs (1)	**0,95**		1,11	1,04
RORWA (Net income/Average risk-weighted assets)	**1,75**		2,05	1,56
RORWA excluding one-offs (1)	**1,75**		2,05	1,92
Efficiency ratio	**41,6**		39,7	40,4
Risk premium excluding one-offs (1)	**1,29**		1,10	1,15
NPA ratio	**4,1**		3,4	4,3
NPA coverage ratio	**62**		68	57
CAPITAL ADEQUACY RATIOS (%)				
BIS Ratio	**12,8**		13,4	13,6
Core capital	**8,2**		8,0	8,0
Tier I	**9,2**		9,4	9,4
OTHER INFORMATION				
Number of shares (millions)	**3.748**		3.748	3.748
Number of shareholders	**889.104**		896.433	884.373
Number of employees	**105.265**		104.723	103.721
Number of branches	**7.362**		7.554	7.466
Number of ATMs	**16.619**		15.558	15.716

General note: These quarterly statements have not been audited. The consolidated accounts of the BBVA Group have been drawn up according to the International Financial Reporting Standards (IFRS) adopted by the European Union and in conformity with Bank of Spain Circular 4/2004, together with the changes introduced therein.

(1) In the third quarter, both for 2009 and 2010, includes capital gains from the sale-and-leaseback of retail branches which have been allocated to generic provisions for NPA, with no effect on net attributable profit, and in the fourth quarter of 2009, there was an extraordinary provision and a charge for goodwill impairment in the United States.
(2) Net of goodwill.

	Jan.-Sep. 10	Δ%	Δ% at constant exchange rates	Jan.-Sep. 09
NET INTEREST INCOME	**10.182**	**(1,1)**	**(2,4)**	**10.292**
Net fees and commissions	**3.402**	**4,1**	**0,7**	3.267
Net trading income	**1.642**	**46,1**	**36,1**	1.124
Dividend income	**302**	**4,0**	**3,4**	290
Income by the equity method	**211**	**n.s.**	**n.s.**	6
Other operating income and expenses	**225**	**(43,2)**	**(45,7)**	396
GROSS INCOME	**15.964**	**3,8**	**1,5**	**15.376**
Operating costs	**(6.642)**	**8,8**	**6,8**	(6.105)
Personnel expenses	**(3.575)**	**4,6**	**2,9**	(3.417)
General and administrative expenses	**(2.506)**	**16,0**	**13,3**	(2.159)
Depreciation and amortization	**(562)**	**6,4**	**5,6**	(528)
OPERATING INCOME	**9.322**	**0,5**	**(2,0)**	**9.271**
Impairment on financial assets (net)	**(3.606)**	**(2,2)**	**(6,2)**	(3.686)
Provisions (net)	**(408)**	**74,2**	**74,0**	(234)
Other gains (losses)	**(47)**	**n.s.**	**n.s.**	599
INCOME BEFORE TAX	**5.260**	**(11,6)**	**(12,7)**	**5.950**
Income tax	**(1.300)**	**(8,4)**	**(10,6)**	(1.418)
NET INCOME	**3.960**	**(12,6)**	**(13,4)**	**4.532**
Non-controlling interests	**(293)**	**(17,1)**	**(1,2)**	(353)
NET ATTRIBUTABLE PROFIT	**3.668**	**(12,2)**	**(14,2)**	**4.179**
Basic earnings per share (euros)	**0,95**	**(15,4)**		**1,12**
Earnings per share (excluding dilution effect of mandatory convertible)	**0,99**	**(11,9)**		**1,12**

(1) In the third quarter, both for 2009 and 2010, includes capital gains from the sale-and-leaseback of retail branches which have been allocated to generic provisions for NPA, with no effect on net attributable profit.