BBVA Capital Funding Limited

Financial Statements for the year ended
December 31, 2009
and Independent Auditors' Report

Deloitte.

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INDEPENDENT AUDITORS' REPORT

To the Shareholder of
BBVA Capital Funding Limited (a wholly owned subsidiary of Banco Bilbao Vizcaya Argentaria, S.A.):

We have audited the accompanying financial statements of BBVA CAPITAL FUNDING 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, 2009, and the statements of comprehensive 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 CAPITAL FUNDING LIMITED at December 31, 2009, and the results of its operations, changes in its shareholder's equity and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1. Since the end of June 2001 the Company ceased issuing notes and preferred shares and is not planning 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, 2010

BBVA CAPITAL FUNDING LIMITED

BALANCE SHEET

DECEMBER 31, 2009

(Currency – United States dollars)

	2009	2008
ASSETS:		
Cash and cash equivalents	2,375,323	3,784,435
Short Term Assets due from Parent (Note 6)	760,116,260	360,741,163
Long Term Assets due from Parent (Notes 2.c and 6)	593,565,932	1,270,532,761
Fair value os derivative instruments (Note5)	6,238,047	3,471,469
Total assets	**1,362,295,562**	**1,638,529,828**
LIABILITIES:		
Short Term - Euro Medium Term Notes (Notes 2.c and 4)	764,390,836	362,189,532
Long Term - Euro Medium Term Notes (Notes 2.c and 4)	589,280,148	1,270,414,592
Fair value of derivative instruments (Note 5)	6,238,047	3,471,469
Other accounts payable	7,650	117,031
Total liabilities	**1,359,916,681**	**1,636,192,624**
SHAREHOLDER'S EQUITY:		
Common stock, $0.01 par value, 75,000,001 shares Authorized, 1,000 shares issued and outstanding	10	10
Retained earnings	2,378,871	2,337,194
Total shareholder´s equity	**2,378,881**	**2,337,204**
Total liabilities and shareholder's equity	**1,362,295,562**	**1,638,529,828**

The accompanying notes 1 to 9 form
an integral part of these financial statements.

BBVA CAPITAL FUNDING LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2009

(Currency – United States dollars)

	2009	2008
Interest income from Parent	90,009,826	101,786,042
Net gains and (losses) arising from foreing currency transactions	32,916	(53,141)
Interest expense to noteholders	(89,983,765)	(101,758,643)
Financial margin	**58,977**	**(25,742)**
Other expenses (Note 6)	(17,300)	(21,083)
Net income (loss)	**41,677**	**(46,825)**

The accompanying notes 1 to 9 form
an integral part of these financial statements.

BBVA CAPITAL FUNDING LIMITED

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2009
(Currency – United States dollars)

	2009	2008
Number of issued and outstanding shares of common stock-		
Balance at the beginning and at the end of the year	1,000	1,000
Par value per share-		
Ordinary shares	$ 0.01	$ 0.01
Common stock-		
Balance at the beginning and at the end of the year	10	10
Retained earnings-		
Balance at the beginning of the year	2,337,194	2,493,838
Net income (loss)	41,677	(46,825)
Other movements – Dividends	-	(109,819)
Balance at the end of the year	2,378,871	2,337,194
Shareholders equity, end of the year	**2,378,881**	**2,337,204**

The accompanying notes 1 to 9 form
an integral part of these financial statements.

BBVA CAPITAL FUNDING LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2009

(Currency – United States dollars)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	41,677	(46,825)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Amortization of issuance costs	534,116	564,965
Accrual of implicit interest	(415,685)	(437,774)
Increase (decrease) in accrued interest receivable from Parent	1,635,226	(44,980)
Decrease (increase) in interest payable to noteholders	(1,621,762)	44,980
Net cash provided by operating activities	**173,573**	**80,366**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Decrease in loans to Parent due to redemption	(329,427,081)	-
Net cash used in investing activities	**(329,427,081)**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Euro Medium Term Notes redemption	327,913,913	-
Net cash provided by financing activities	**327,913,913**	**-**
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,339,596)	80,366
Effect of currency translations	(69,516)	(218,700)
Cash and cash equivalents, beginning of the year	3,784,435	3,922,769
CASH AND CASH EQUIVALENTS, END OF THE YEAR	**2,375,323**	**3,784,435**

The accompanying notes 1 to 9 form
an integral part of these financial statements.

BBVA Capital Funding Limited

Notes to financial statements
December 31, 2009
(Currency-United States dollars)

1. GROUP AFFILIATION, PRINCIPAL ACTIVITY AND TAX REGULATION

BBVA Capital Funding Limited (the "Company") is a wholly owned subsidiary of Banco Bilbao Vizcaya Argentaria S.A., Bilbao, Spain (the "Bank" or the "Parent") and was incorporated in the Cayman Islands on February 18, 1994.

The Company's principal activity is to act as a financing entity for the Bank. The objectives for which the Company is established are to issue debt obligations and preference shares, to lend the proceeds received to its Parent, to borrow funds from its Parent and to lend the proceeds to any subsidiary of its Parent, and any other activities incidental to the borrowing and lending of such funds.

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. Dollars") as its functional currency.

The Company is economically dependent on the Parent 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 the redemption value of the notes.

Since 2001, the Company ceased issuing preferred shares and Euro Medium Term Notes due to the revised legal regulatory framework applicable to the Parent.

The notes of issues are listed on Luxemburg or London Stock Exchanges.

2. SIGNIFICANT ACCOUNTING POLICIES

Accounting principles

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 on the accrual basis of accounting including dividends on preference shares declared and not yet paid. Accordingly, certain issuance discounts and premiums assumed by the Company are recognized in the statement of comprehensive income over the term of the underlying notes. Certain other costs and expenses incurred by the Company in connection with the issues (see Notes 4 and 5) were assumed or paid by the Parent or other affiliates without charge and are not reflected in the accompanying financial statements.

b) Use of estimates-

The preparation of 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) Euro Medium Term Notes and Assets due from Parent-

Euro Medium Term Notes 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 instrument, transaction costs, and all other premiums or discounts.

Issuing notes sometimes involves incurring costs and commissions in relation to the offering. These fees and costs are considered as transaction costs in calculating the effective interest rate.

d) Statement of cash flows-

All highly liquid instruments with an original maturity of three months or less when acquired or generated are considered cash and cash equivalents for purposes of preparing this statement.

e) Foreign currency transactions-

Assets and liabilities in foreign currencies have been translated to U.S. Dollars at the year-end exchange rate. Revenues and expenses in foreign currencies have been translated to U.S. Dollars at the average exchange rates in each year.

f) Derivatives financial instruments-

The Company enters into various derivative financial instruments to hedge the risk exposure of the note issue arrangements.

On certain occasions, the Company arranges notes referenced in different currencies. These notes contain embedded currency options. The premiums of these options are accounted for at the fair value at the issue date. The host contract is accounted for based on generally accepted accounting principles applicable to instruments of that type that do not contain embedded currency options.

The risk of these notes is being hedged with deposits. These deposits have the same characteristics of the notes hedged so the embedded options and host contract of these deposits are accounted for the same way as those that are being hedged.

g) Income taxes-

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

h) Statement of Comprehensive Income-

Effective January 1, 2009, the Company adopted amendments to International Accounting Standard 1 *Presentation of Financial Statements (2007)* ("IAS 1"), which introduces non-mandatory terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. IAS 1 requires that all items of income and expense be presented either: in a single statement (a 'statement of comprehensive income'), or in two statements (a separate 'income statement' and 'statement of comprehensive income').The Company has elected to present a single statement of comprehensive income. The Company does not have separate components of other comprehensive income; therefore, comprehensive income is equal to the profit/(loss) reported for all periods presented.

3. RISK EXPOSURE

The use of financial instruments may involve the transfer of one or more types of risk. The risks associated with 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) 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 to 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 Bank. Likewise, it approves the infrastructure required for risk management, the delegation framework and the ceilings system that enables the business to develop and maintain 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 risk 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	
	2009	2008
Deposits at Parent (Spain)	1,353,682,192	1,631,273,924
	1,353,682,192	**1,631,273,924**

As of 31 December 2009 and 2008 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, (Assets-Liabilities Committee) (the "ALCO") actively manages the balance sheet through transactions intended to optimize the level of risk assumed in relation to the expected results, thus enabling the Company 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 BBVA 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's net interest is minimal since 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 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. EURO MEDIUM TERM NOTES

In July 1995, the Parent entered into a "USD 5,000,000,000 Euro Medium Term Notes Programme" whereby the Company will serve as issuer of Euro Medium Term Notes unconditionally guaranteed by the Parent. The maximum amount of the Euro Medium Term Notes Programme was increased from USD 5,000,000,000 to USD 10,000,000,000 in accordance with the agreement of the Company's Board of Directors meeting held on February 15, 1996. The Company's Board of Directors meeting held on April 26, 2000 approved the Company's access to the BBVA Global Finance Limited Euro Medium Term Note Programme, with a limited amount of Euro 20,000,000,000.

In order to reorganize the finance subsidiaries in the Banco Bilbao Vizcaya Argentaria Group, in 2000, the Company assumed five subordinated debt obligations from BBVA Global Finance Limited. As a result, the following subordinated Notes issued under the Euro Medium Term Note Programme of BBVA Global Finance Limited were novated to the Company effective April 27, 2000:

Issue	Date of Issuance	Redemption Amount
Issue 52 due 2009	1997	EUR 228,673,526
Issue 66-B due 2010	2000	EUR 500,000,000

All the subordinated loans to the Parent with respect to the subordinated debt issued by BBVA Global Finance Limited pursuant to its Euro Medium Term Note Programme had also been transferred to the Company, effective April 27, 2000.

Both Euro Medium Term Note Programmes are subordinated debts. Subordinated Notes and any related Coupons and Receipts are direct and unsecured obligations of the Company and subordinated to all unsecured and unsubordinated obligations of the Company. Accordingly, in the event of bankruptcy, dissolution or winding up of the Company, the rights of the holders of the Notes to receive payment from any assets of the Company shall rank in right of payment after the unsecured and unsubordinated creditors of the Company but at least pari passu with the rest of subordinated creditors and in priority to the rights and claims of shareholders and creditors of the Bank who are characterized as holders of equity.

On the other hand, Issue 52 due 2009 expired this year.

As of December 31, 2009 and 2008, the Company had outstanding $1,353,670,984 and $1,632,604,124 notes which bore interest at an average rate of 4.76% and 5.75% with maturities between 1 to 8 and 1 to 9 years, respectively. The notes consisted of the following:

Issue	Date of Issuance	Redemption Amount	Interest Rate	Amortised Cost U.S. Dollars Outstanding at	
				12.31.2009	12.31.2008
Issue 27 due 2015	1999	EUR 73,000,000	Fixed 6.35%	106,572,595	102,954,995
Issue 28 due 2015	1995	JPY 10,000,000,000	Fixed €3,966,921 annual Fixed AUD 8,102,633 annual (**)	109,505,662	111,338,178
Issue 221 due 2011	2001	EUR 60,000,000	Fixed 5.729%	87,550,208	84,578,322
Issue 222 due 2016	2001	EUR 40,000,000	Fixed 6.078%	58,408,224	56,429,261
Issue 225 due 2016	2001	EUR 50,000,000	Floating rate based on 3-Month Euribor plus 0.6%	72,239,464	70,477,211
Issue 228 due 2016	2001	EUR 55,000,000	Floating rate based on 3-Month Euribor plus 0.7%	79,420,806	77,232,665
Issue 234 due 2016	2001	EUR 56,000,000	Floating rate based on 3-Month Euribor plus 0.7%	80,708,431	78,017,970
Issue 52 due 2009 (*)	1997	EUR 228,673,526	Fixed 6%	-	318,497,914
Issue 66-B due 2010 (*)	2000	EUR 500,000,000	Fixed 6.375%	759,265,594	733,077,608
				1,353,670,984	**1,632,604,124**

(*) Issues novated from BBVA Global Finance Limited.
(**) The issue shall bear interest in AUD or EUR, in fixed amounts, at the option of the Company.
Libor: London Interbank Offered Rate
Euribor: European Interbank Offered Rate

The issues can be redeemed prior to their original maturity for taxation reasons or an event of default, according to the general conditions in the Offering Circular of the Euro Medium Term Note Programme.

5. ASSETS DUE FROM PARENT

The proceeds from the issuance of the Euro Medium Term Notes were loaned to the Parent.

With respect to the Euro Medium Term Notes, the loans to the Parent mature on the same date. The deposits relating to Euro Medium Term Notes originally issued by Argentaria Capital Funding earn interest at the same rate as the Notes. Some of the deposits relating to the issues transferred from BBVA Global Finance Limited earn interest at a rate different from the Notes rate.

With respect to the loan to the Parent related to the Issue 66-B, due 2010 this loan was originally placed at a discount and amounted to €497,025,000. It will mature at an amount that matches the maturity amount of the related issue (€500,000,000). Therefore, this deposit earns implicit interest, which is the difference between the initial amount and the maturity amount. The Company recognizes such implicit interest over a period up to the maturity date of the issue, which is ten years from the issuance date. During 2009 and 2008, the income accrued for this issue was $415,685 and $437,774, respectively, and was recorded under "Interest income from Parent" caption, in the statements of comprehensive income for the years ended December 31, 2009 and 2008.

The detail is as follows:

				Amortised Cost Outstanding at	
Deposit	Date of issuance	Redemption Amount	Interest Rate	12.31.09	12.31.08
Issue 27 due 2015	1995	EUR 73,000,000	Fixed 6.35%	106,572,595	102,954,995
Issue 28 due 2015	1995	JPY 10,000,000,000	Fixed €3,966,921 annual Fixed AUD 8,102,633 annual (**)	109,505,662	111,338,178
Issue 221 due 2011	2001	EUR 60,000,000	Fixed 5.729%	87,550,208	84,578,322
Issue 222 due 2016	2001	EUR 40,000,000	Fixed 6.078%	58,408,224	56,429,262
Issue 225 due 2016	2001	EUR 50,000,000	Floating rate based on 3-Month Euribor plus 0.6%	72,239,464	70,477,211
Issue 228 due 2016	2001	EUR 55,000,000	Floating rate based on 3-Month Euribor plus 0.7%	79,420,806	77,232,665
Issue 234 due 2016	2001	EUR 56,000,000	Floating rate based on 3-Month Euribor plus 0.7%	80,708,431	78,017,970
Issue 52 due 2009 (*)	1997	EUR 228,673,526	Fixed 6%	-	317,156,885
Issue 66-B due 2010 (*)	2000	EUR 497,025,000	Fixed 6.415%	759,276,802	733,088,436
				1,353,682,192	**1,631,273,924**

(*) Issues novated from BBVA Global Finance Limited.
(**) The issue shall bear interest in AUD or EUR, in fixed amounts, at the option of the Company.
Libor: London Interbank Offered Rate.
Euribor: European Interbank Offered Rate.

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, 2009 and 2008 are as follows:

	U.S. Dollars, 12.31.09		U.S. Dollars, 12.31.08	
	Carrying amount	Fair value (Level 2)*	Carrying amount	Fair value (Level 2)*
Euro Medium Term Note				
Programe Issues:				
Issue 27 due 2015	106,572,595	125,556,492	102,954,995	120,709,243
Issue 28 due 2015	109,505,662	123,086,751	111,338,178	124,143,790
Issue 221 due 2011	87,550,208	93,778,467	84,578,322	90,711,633
Issue 222 due 2016	58,408,224	68,730,002	56,439,261	65,953,804
Issue 225 due 2016	72,239,464	72,239,464	70,477,211	70,477,211
Issue 228 due 2016	79,420,806	79,420,806	77,232,665	77,232,665
Issue 234 due 2016	80,708,431	80,708,431	78,017,970	78,017,970
Issue 52 due 2009	-	-	318,487,914	328,185,917
Issue 66-B due 2010	759,265,594	765,589,159	733,077,608	762,055,008
	1,353,670,984	**1,409,109,572**	**1,632,604,124**	**1,717,487,241**

	U.S. Dollars, 12.31.09		U.S. Dollars, 12.31.08	
	Carrying amount	Fair value (Level 2)*	Carrying amount	Fair value (Level 2)*
Deposits at Parent linked to				
Issues:				
Issue 27 due 2015	106,572,595	125,556,492	102,954,995	120,709,243
Issue 28 due 2015	109,505,662	123,086,751	111,338,178	124,143,790
Issue 221 due 2011	87,550,208	93,778,467	84,578,322	90,711,633
Issue 222 due 2016	58,408,224	68,730,002	56,429,262	65,953,804
Issue 225 due 2016	72,239,464	72,239,464	70,477,211	70,477,211
Issue 228 due 2016	79,420,806	79,420,806	77,232,665	77,232,665
Issue 234 due 2016	80,708,431	80,708,431	78,017,970	78,017,970
Issue 52 due 2009	-	-	317,156,885	326,894,181
Issue 66-B due 2010	759,276,802	761,320,073	733,088.436	758,064,638
	1.353.682.192	**1.404.840.486**	**1,631,273,924**	**1,712,205,135**

* Level 2: Measurement using valuation techniques the inputs for which are drawn from market observable data.

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

(1) The face value of floating interest rate loans to Parent and floating interest rate Notes represents fair value as required by IAS 32.

(2) ***Demand deposits at Parent-***

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

(3) ***Interest bearing loans to Parent-***

(a) For the loans maturing within three months, the carrying amount is a reasonable estimate of fair value.

(b) For loans maturing in over three months, the fair value represents the present value of estimated future cash flows discounted at the Euro, yen and USD zero coupon curve interest rates, as applicable, as of December 31, 2009 and 2008.

The detail of "Fair value of derivative instruments" on the accompanying balance sheets as of December 31, 2009 and 2008 is as follows:

	U.S. Dollars			
	12/31/2009		12/31/2008	
	Assets	Liabilities	Assets	Liabilities
Options embedded in deposits and issues	6,238,047	6,238,047	3,471,469	3,471,469

The embedded options pricing variance of the deposits represented a $ 2,560,485 profit in 2009, recorded within the caption "Other income" included in the Profits & Loss account. Likewise, the embedded options pricing variance of the issues represented a $ 2,560,485 loss in 2009 recorded within the field "Other expenses" included in the Profits & Loss account. Therefore, the final balance is zero.

7. EMBEDDED OPTIONS

One contract of the Company contain embedded options which are separated from the host contract and accounted as a derivative instrument pursuant to International Accounting Standard 39 "Financial Instruments: Recognition and Measurement". Each option is being hedged with another option with the same critical terms, so there is no mismatching.

At December 31, 2009 and 2008, the Company had options for equities and index equities, which notional amounts were as follows:

At December 31, 2009	2010	2011	After 2011	Total
Amount of contract				
Sell contracts	13,006,515	13,006,515	52,026,061	78,039,091
Buy contracts	13,006,515	13,006,515	52,026,061	78,039,091

At December 31, 2008	2009	2010	After 2010	Total
Amount of contract				
Sell contracts	11,082,780	11,082,780	55,413,899	77,579,459
Buy contracts	11,082,780	11,082,780	55,413,899	77,579,459

The premiums of these options have been accounted netting the respective deposits and issues.

8. SUBSEQUENT EVENTS

On March 18, 2010, the Board of Directors approved the substitution of BBVA Capital Funding Limited (a wholly own subsidiary of Banco Bilbao Vizcaya Argentaria, S.A.) for the Company as Issuer of the relevant Notes and as principal obligor under the Agency Agreement, effective March 23, 2010 later on the date on which all conditions to the substitution as set out of the relevant series of the relevant notes have been met. The relevant Notes are as follows:

Issue	Redemption Amount
Issue 221 due 2011	EUR 60.000.000
Issue 27 due 2015	EUR 73.000.000
Issue 28 due 2016	JPY 10.000.000.000
Issue 222 due 2016	EUR 40.000.000
Issue 225 due 2016	EUR 50.000.000
Issue 228 due 2016	EUR 55.000.000
Issue 234 due 2016	EUR 56.000.000

At the date of this financial statements, the conditions of the relevant Notes have not been met and the Board of Directors haven't adopted any decision about the future liquidation of the Company.

9. APPROVAL OF THE FINANCIAL STATEMENTS

The Company's accompanying financial statements for the year ended December 31, 2008, were approved by the shareholders at the Company's Annual General Meeting held on December 15, 2009.

The 2009 financial statements of the Company have not yet been approved by their shareholders at the respective Annual General Meetings. However, the Company's Board of Directors considers that the aforementioned financial statements will be approved without any changes.

DECLARATION OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL REPORT

The members of the BBVA CAPITAL FUNDING LTD Board of Directors hereby declare that, insofar as they know, the annual financial statements for 2009, filed at the meeting, 21 April 2010, drawn up under the applicable accounting standards, offer a faithful image of the net assets, financial situation and results of BBVA CAPITAL FUNDING LTD and that the management reports include a faithful analysis of the business earnings and the positions of BBVA CAPITAL FUNDING LTD, along with the description of the main risks and uncertainties facing them.

Madrid, 21 April 2010

SIGNED BY ALL MEMBERS OF THE BOARD