BCL INTERNATIONAL FINANCE LIMITED

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

Deloitte.

Deloitte & Touche
One Capital Place
P.O. Box 1787
Grand Cayman KY1-1109
CAYMAN ISLANDS

Tel: +1 345 949 7500
Fax: +1 345 949 8238
cayman@deloitte.com
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

To the Shareholder of BCL International Finance Limited (a wholly owned subsidiary of Banco Bilbao Vizcaya Argentaria, S.A.):

We have audited the accompanying financial statements of BCL INTERNATIONAL FINANCE 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.

Auditor's 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 BCL INTERNATIONAL FINANCE 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 to the financial statements. Since the end of June 2003, the Company ceased issuing notes under both EMTN and ECP Programs. These programs will not be renewed due to the revised legal regulatory framework applicable to the Parent.

As part of its operations, the Company incurred losses. At December 31, 2009 the Company's shareholder's equity was negative evidencing an accumulated deficit of $ 8,552. As a result and in order to obtain liquidity to fulfill future payments, the Shareholder (Banco Bilbao Vizcaya Argentaria, S.A.) granted a loan of United States Dollars 20.000 at December 15, 2009.

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

BCL INTERNATIONAL FINANCE LIMITED

BALANCE SHEET
DECEMBER 31, 2009

(Currency – United States. dollars)

	2009	2008
Cash and due from banks	18,575	15,527
Loans due from Parent (Note 5)	54,567,954	157,167,436
Fair value of derivative instruments (Note 8)	2,858,917	1,146,008
Total assets	**57,445,446**	**158,328,971**
LIABILITIES:		
Euro Medium Term Notes (Notes 4 and 8)	54,567,954	157,167,436
Fair value of derivative instruments (Note 8)	2,858,917	1,146,008
Loan from Parent (Note 6)	20	-
Other liabilities	7,127	9,223
SHAREHOLDER'S EQUITY:		
Common stock, $1 par value, 50,000 shares		
Authorized, 100 shares issued and outstanding	100	100
Retained (deficit) earnings (Note 7)	(8,652)	6,204
Total liabilities and shareholder's equity	**57,445,446**	**158,328,971**

The accompanying notes 1 to 11 are
an integral part of these financial statements.

BCL INTERNATIONAL FINANCE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2009

(Currency – United States dollars)

	2009	2008
Interest income from Parent	4,722,963	9,945,811
Interest expense to noteholders	(4,722,963)	(9,945,811)
Fees collected and losses on financial transactions	(352)	(8,983)
General administrative expenses	(14,504)	(7,039)
Net Loss	**(14,856)**	**(16,022)**

The accompanying notes 1 to 11 are
an integral part of these financial statements.

BCL INTERNATIONAL FINANCE 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	100	100
Par value per share		
Ordinary Shares	$ 1.00	$ 1.00
Common stock		
Balance at the beginning and at the end of the year	100	100
Retained (deficit) earnings		
Balance at the beginning of the year	6,204	22,226
Net loss	(14,856)	(16,022)
Balance at the end of the year	(8,652)	6,204
Shareholder's equity, end of year	**(8,552)**	**6,304**

The accompanying notes 1 to 11 are
an integral part of these financial statements.

BCL INTERNATIONAL FINANCE LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009

(Currency – United States dollars)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	(14,856)	(16,022)
Adjustments to reconcile net loss to net cash		
Provided by/ (used in) operating activities:		
Decrease in accrued interest receivable from parent	1,758,309	13,547,138
(Decrease) in accrued interest payable to noteholders	(1,758,309)	(13,547,138)
(Decrease) in other liabilities	(2,096)	(4,961)
Net cash (used in) provided by operating activities	**(16,952)**	**(20,983)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Decrease in loans due from Parent	28,812,000	17,396,242
Net cash provided by investing activities	**28,812,000**	**17,396,242**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase of Loan from Parent	20,000	-
(Repayment of) of Euro Medium Term Notes	(28,812,000)	(17,396,242)
Net cash used in financing activities	**(28,792,000)**	**(17,396,242)**
NET (DECREASE) IN CASH AND DUE FROM BANKS	3,048	(20,983)
Cash and due from banks at beginning of the year	**15,527**	**36,510**
Cash and due from banks at end of the year	**18,575**	**15,527**

The accompanying notes 1 to 11 are
an integral part of these financial statements.

1 Group affiliation, principal activity and regulation

BCL International Finance Limited (the "Company"), is a wholly owned subsidiary of Banco Bilbao Vizcaya Argentaria, S.A.) a Spanish banking institution, (the "Parent"),.

The Company was established under the laws of the Cayman Islands on November 19, 1998.

The Directors of the subsidiary Banco de Crédito Local de España, S.A. (Unipersonal), in meetings of their respective Boards of Directors held on February, 2009, approved the takeover of the banks by Banco Bilbao Vizcaya Argentaria, S.A. and the subsequent transfer of all the equity interest to BBVA, which acquired all the rights and obligation of the Banco de Crédito Local de España, S.A. that it had purchased through universal succession. The merger agreement was submitted for approval at the general meetings of the shareholders of the Company.

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, 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 the deposits and guarantee of the redemption value of the notes.

Since the end of June 2003, the Company ceased issuing notes under both Euro Medium Term Notes ("EMTN") and Euro Commercial Paper (ECP) Programmes. These Programmes (Note 4) will not be renewed due to the revised legal regulatory framework applicable to the Parent Company.

The Company is listed on the London Stock Exchange.

2. Significant accounting policies

The financial statements are presented in accordance with International Financial Reporting Standards ("IFRS") with significant policies applied below:

a) *Recognition of revenues and expenses*

All significant revenue and expense items are recorded on the accrual basis of accounting.

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) *Euro Medium Term Notes and Loans due from Parent*

Euro Medium Term Notes and Loans 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) *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 rate in each year.

e) *Statement of cash flows*

It considers cash and cash equivalents all highly liquid instruments with a maturity of three months or less when acquired or generated are considered cash and due from banks for the purposes of preparing these statements.

f) *Derivative financial instruments*

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

The Company arranged notes referenced to stock indices. These notes contain embedded 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 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 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) 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 limit system that enables the business to develop and maintain this risk profile in the 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)	54,567,954	157,167,436
	54,567,954	**157,167,436**

As of 31 December 2009 and 2008 there are no 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 interest rate risk 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 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 Euro Medium Term Notes

In January 1999, the Company issued an Euro Commercial Paper Programme (The "ECP Programme") for a maximum amount of €1,000 million. In February 2002, the Company updated this Programme to increase the maximum to €1,500 million. In accordance with the conditions of the ECP Programme, these issues are unconditionally and irrevocably guaranteed by the Parent and were launched in various currencies (U.S. Dollars, Pounds Sterling, Canadian Dollars and Euro), at both implicit and explicit, fixed and floating interest rates. As of December 31, 2009 and 2008, the Company did not have outstanding balance in promissory notes under the ECP Programme.

Additionally, in February 1999, the Company issued a Euro Medium Term Note Programme (The "EMTN Programme") for a maximum amount of €3,000 million. In February 2002, the Company updated this Programme to increase it to a maximum amount of €4,000 million. In accordance with the conditions of the EMTN Programme, these issues are unconditionally and irrevocably guaranteed by the Parent and were launched in various currencies (Euro, Pounds Sterling and Yen), at both implicit and explicit, fixed and floating interest rates. As of December 31, 2009 and 2008, the Company had outstanding notes of $54,567,954 and $157,167,436 respectively, which bore interest at an average of 2.53% and 5.17% with maturities between three months and 31 years. The notes consisted of the following:

Issue	Date of Issuance	Redemption Amount	Interest Rate	Amortised Cost U.S. Dollars Outstanding at 12.31.2009	Amortised Cost U.S. Dollars Outstanding at 12.31.2008
Issue 51 due 2015	2000	EUR 1,500,000	Floating rate based on 3-month Euribor plus 0.05%	2,160,946	2,087,900
Issue 17 due 2009	1999	EUR 8,000,000	Floating rate based on 6-month Euribor plus 0.3%	-	11,419,868
Issue 81 due 2010	2001	EUR 7,500,000	Floating rate based on 3-month Euribor plus 0.61%	10,822,782	10,501,089
Issue 34 due 2010	2000	EUR 5,000,000	Floating rate based on ISDAFIX2	7,375,217	7,242,381
Issue 4 due 2009	1999	EUR 12,000,000	Fixed 4.27%	-	17,256,502
Issue 15 due 2039	1999	EUR 29,719,904	Fixed 6.38	-	45,401,820
Issue 24 due 2039	1999	EUR 5,166,099	Fixed 6.92	8,674,816	7,832,096
Issue 25 due 2039	1999	EUR 20,642,480	Fixed 6.90	-	31,286,627
Issue 120 due 2010	2001	EUR 9,000,000	Floating rate based on Eurostoxx-50 index	16,890,590	15,788,957
Issue 105 due 2011	2001	EUR 6,000,000	Floating rate based on Ibex index	8,643,603	8,350,196
				54,567,954	**157,167,436**

In addition, at December 31, 2009 and 2008, there was no outstanding issue which included a clause in the contract whereby the Company had the option of exchanging the notes for listed securities on the maturity date. Also, at December 31, 2009 and 2008, issues amounting to $8,522,372 and $99,157,426 respectively, include a clause in the contract by which the Company has the option of repaying the notes early on a specified maturity date. The Company has exercised this clause with issue 15 and issue 25 in 2009. The loans granted by the Company to the Parent with the funds obtained from these issues include these options on the same terms, so that there is no liquidity risk in this connection.

5. Loans due from Parent

The outstanding balance of "Loans due from Parent" as of December 31, 2009 and 2008 was $54,567,954 and $157,167,436 respectively, and includes the proceeds from the issuances of the Euro Medium Term Notes that were lent to the Parent in the same currencies, with maturities on the same dates and bear interest at the same rates as Euro Medium Term Notes, except for some loans that are arranged at an interest rate with a spread above the issuance cost of the Euro Medium Term Notes in order to cover the costs and general expenses to be incurred by the Company.

6. Loan from Parent

On December 15, 2009, the Parent has granted a loan of U.S. Dollars 20,000 in order to provide the Company necessary liquidity to face future obligations. The loan expires on April 7, 2010 with an annual interest rate of 0.4%.

At the date of this financial statements, the loan has been renewed until May 21, 2010.

7. Shareholder's Equity

Issued Share Capital

The Issued capital is $ 100 divided into 100 shares of a nominal or per value of $ 1 each one.

Retained (deficit) earnings

As part of its operations, the Company incurred losses. At December 31, 2009 the Company's shareholder's equity was negative evidencing an accumulated deficit of $ 8,552. As a result and in order to obtain liquidity to fulfill future payments, the Shareholder (Banco Bilbao Vizcaya Argentaria, S.A.) granted a loan of United States Dollars 20.000 at December 15, 2009.

The Parent (the sole Shareholder) has committed to provide adequate financial resources to the Company (see Note 6) to allow it to continue as a going concern until the time of its liquidation.

8. Fair value of financial instruments

As of December 31, 2009 and 2008 the floating interest rate deposits at the Parent (Note 4) are related to the Company's bond and note issues, the return on which is based on fixed or floating interest rates as appropriate.

As of December 31, 2009 and 2008, the financial instruments as required by IAS 32 "Financial Instruments: Presentation" were 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)*
Loans due from Parent	54,567,954	52,355,451	157,167,436	177,477,822
Euro Medium Term Notes	54,567,954	52,355,451	157,167,436	177,477,822

* 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 the floating interest rate deposits and floating interest rate notes represents fair value.

2. Some of the fixed interest rate deposits at the Parent are linked to fixed interest rate notes and have the same interest rate, maturity date and amount. Therefore, the face value of such deposits and notes represent their fair value as required by IAS 32.

3. Demand deposits at the Parent and short-term debts:

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

4. Deposits:

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

b. For the deposits maturing in over three months, the fair value represents the present value of estimated future cash flows discounted at the average year-end market rates.

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	2,858,917	2,858,917	1,146,008	1,146,008
	2,858,917	**2,858,917**	**1,146,008**	**1,146,008**

The embedded options pricing variation of the deposits represented a $ 1,619,697 profit in 2009. Likewise, the embedded options pricing variation of the issues represented a $ 1,619,697 loss in 2009. Therefore, the final balance is zero.

9. Embedded options

Some of the contracts of the Company contain embedded options that shall be separated from the host contracts and accounted as a derivative financial 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	24,490,207	1	11,966,559	36,456,767
Buy contracts	24,490,207	1	11,966,559	36,456,767

At December 31, 2008	2009	2010	After 2010	Total
Amount of contract				
Sell contracts	-	23,658,889	19,910,551	43,569,440
Buy contracts	-	23,658,889	19,910,551	43,569,440

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

10. Subsequent events

On March 18, 2010, the Board of Directors approved the substitution of BBVA Global Finance 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 or later on the date on which all conditions to the substitution as set out of the relevant series on the relevant notes have been met .The relevant Notes are as follows:

Issue	Redemption Amount
Issue 81 due 2010	EUR 7.500.000
Issue 120 due 2010	EUR 9.000.000
Issue 51 due 2015	EUR 1.500.000
Issue 105 due 2011	EUR 6.000.000
Issue 24 due 2039	EUR 5.166.099

At the date of this financial statements, the conditions of the relevant Notes have not been met.

11. Approval of the financial statements

The Company's accompanying financial statements for the year ended December 31, 2008, was approved by the shareholder 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 its shareholder 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