



# **BBVA Group Results**

## **First quarter 2009**

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### **Recurrence and sustainability**

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**Madrid, 28th April 2009**



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**BBVA**

## **Main features of the Group's results**

Summary by business area

Conclusions

# 2008: a year in which BBVA demonstrated the **BBVA** recurrent nature and sustainability of its business model

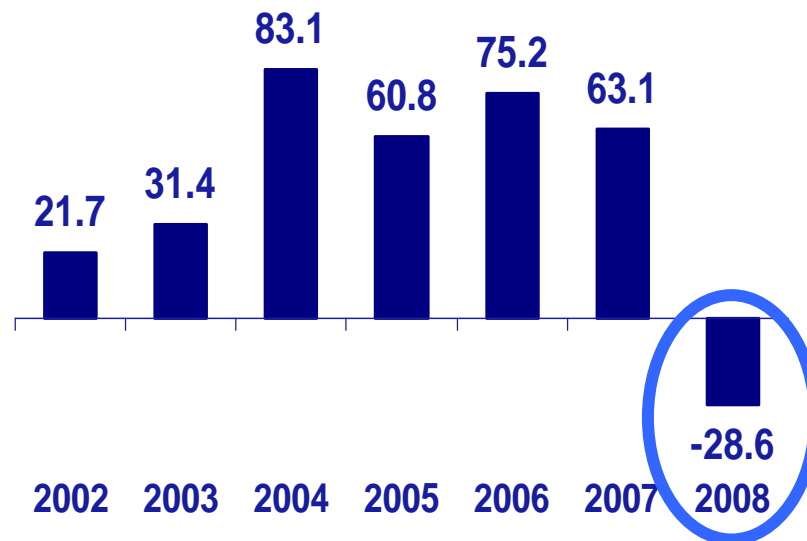
**Superior performance**

**+**

**Sustainable profit**

## Net attributable profit

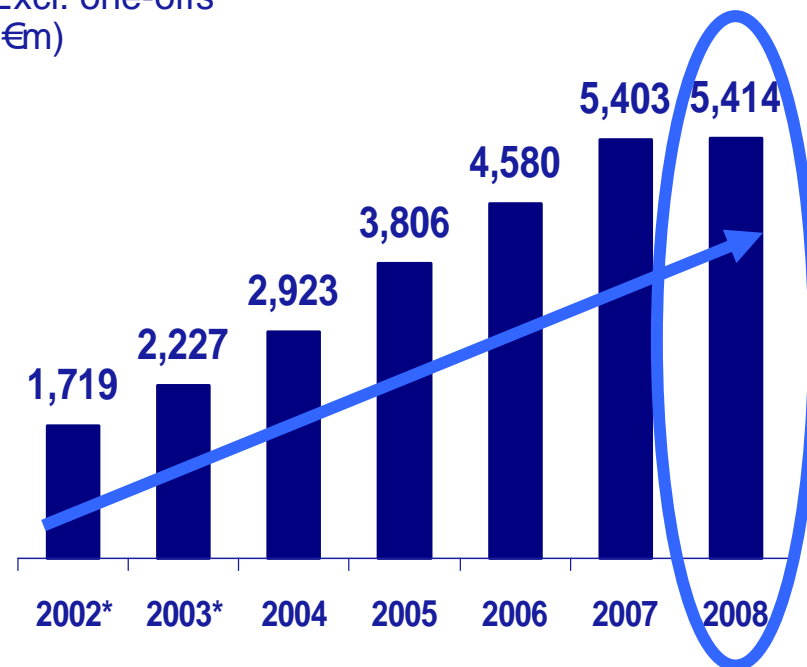
Peer group aggregate excluding BBVA Group  
(€bn)



Peers: Barclays, BNPP, Crédit Agricole S.A., Credit Suisse, Deutsche Bank, HBOS, Intesa Sanpaolo, Lloyds, RBS, Santander, Société Générale, UBS and Unicredit

## Net attributable profit

BBVA Group  
Excl. one-offs  
(€m)

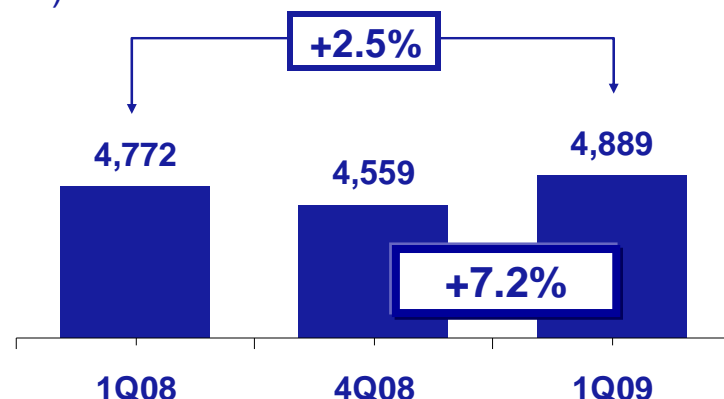


Net attributable profit 2008 including one-offs is €5,020m

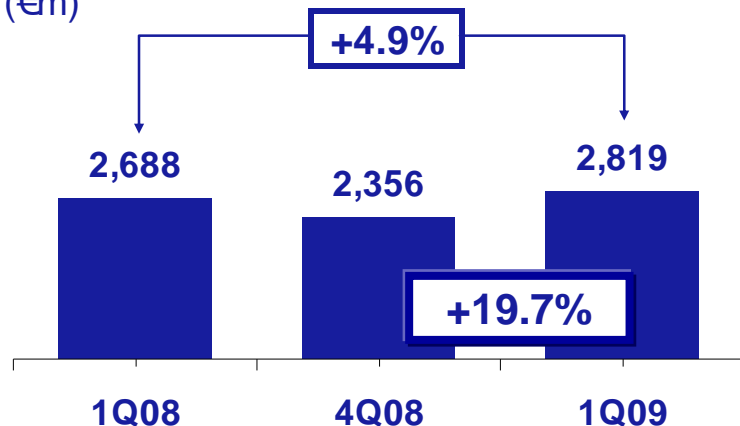
# First quarter 2009: confirmation of 2008 strengths

**BBVA**

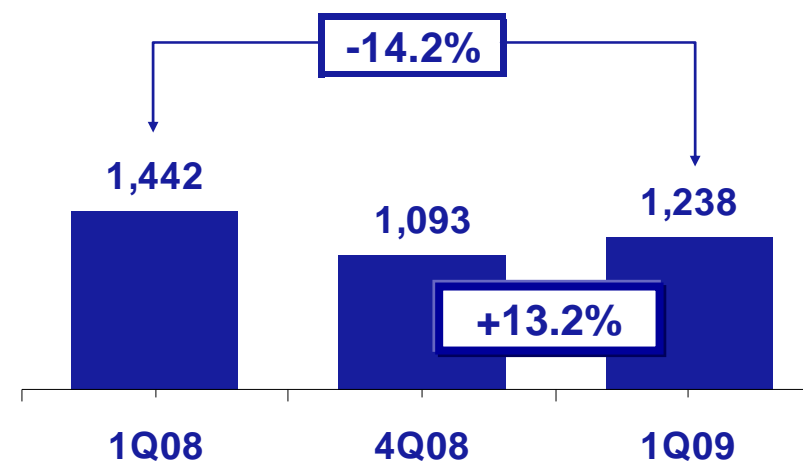
**Gross income**  
BBVA Group  
(€m)



**Operating income**  
BBVA Group  
(€m)



**Net attrib. profit**  
BBVA Group excluding one-offs  
(€m)



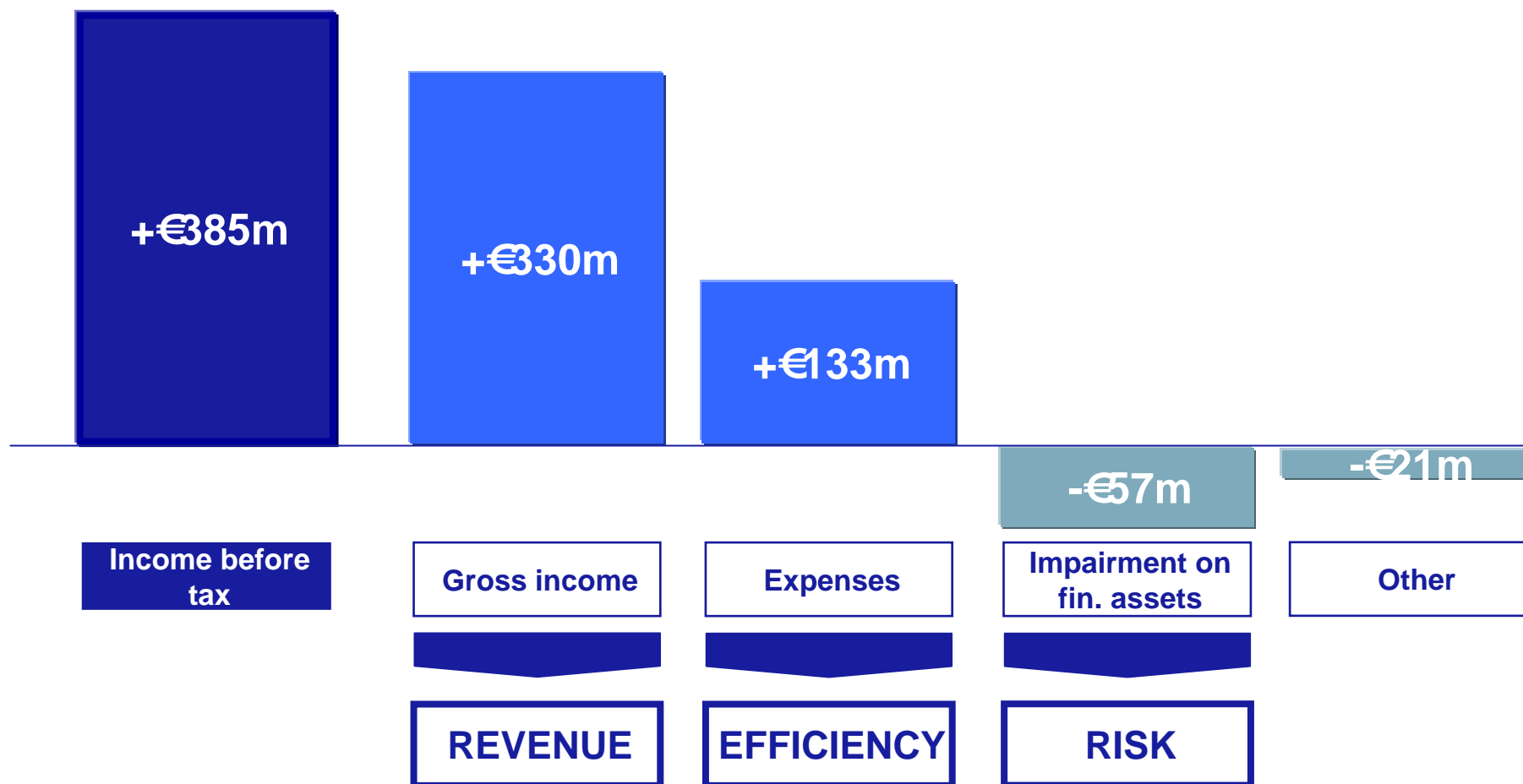
**One-offs in 1Q08:**  
+€509m  
(Bradesco)

**One-offs in 4Q08:**  
-€575m (Early  
retirements and Madoff)

... with the following leveraging

**BBVA**

Change in income before tax, 1Q09 vs 4Q08, breakdown  
BBVA Group excluding one-offs  
(€m)



# Despite the persistent complex environment ... **BBVA**

**Good start to the year with a very positive first quarter** supported by ...

**1**

**Recurrent nature of operating income**

**1.1**

**Recurrent revenues**

**1.2**

**Greater efficiency**

**2**

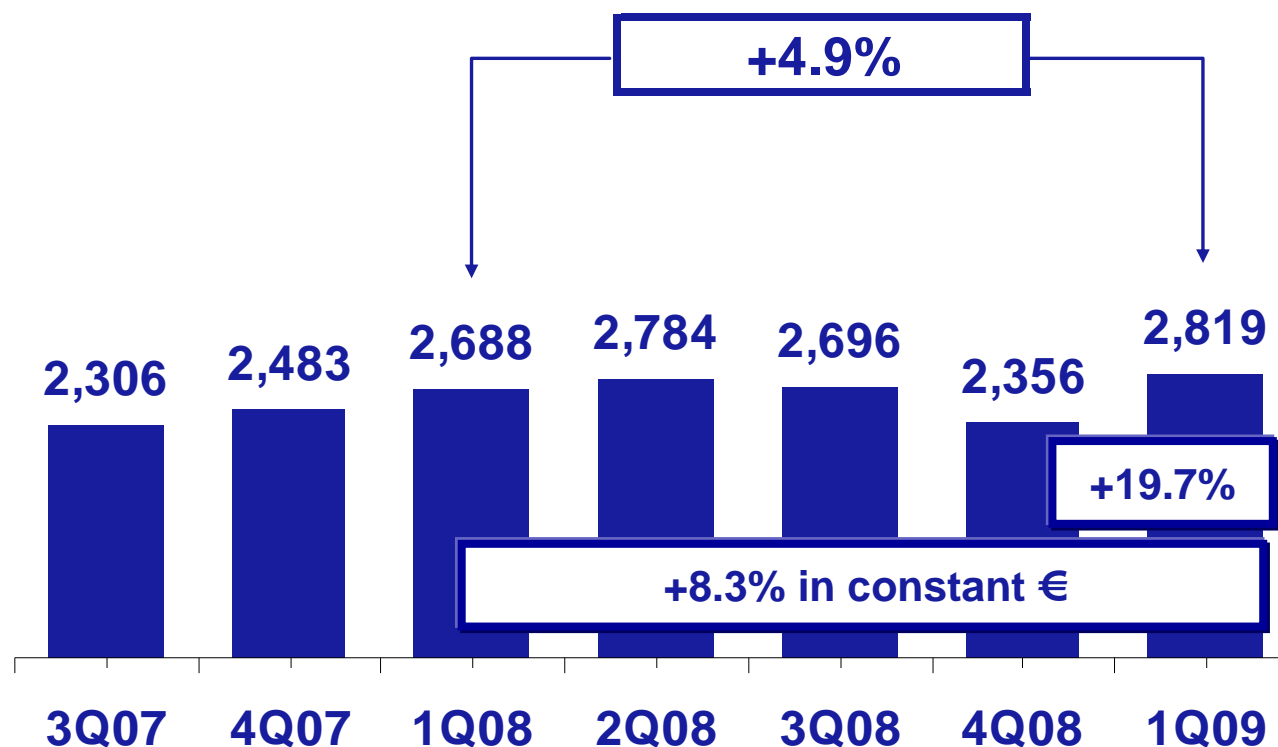
**Prudent risk management**

**3**

**Sustainability: Organic generation of capital**

# 1 Recurrent operating income

Operating income\*  
BBVA Group  
(€m)



**Recurrent operating income:  
the key in today's environment**

\* One-offs included: €200m in funding for the Microcredit Foundation in 2Q07

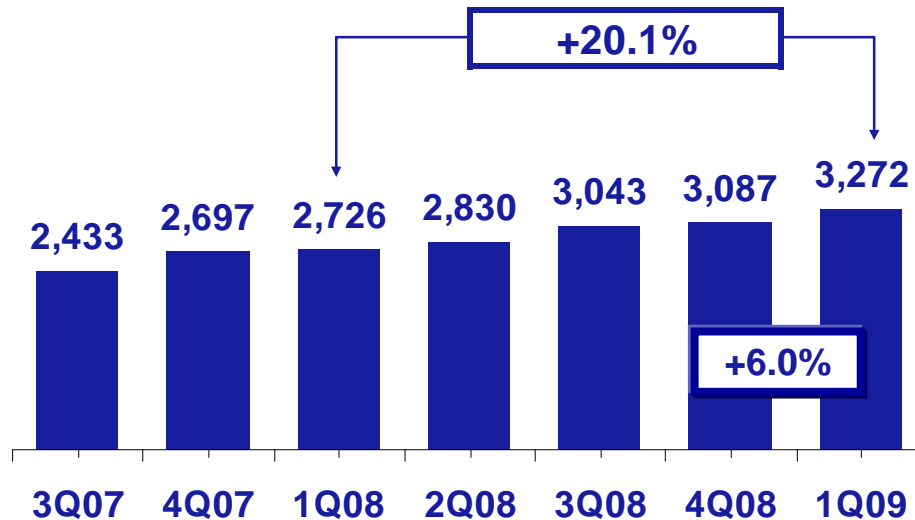


# 1.1

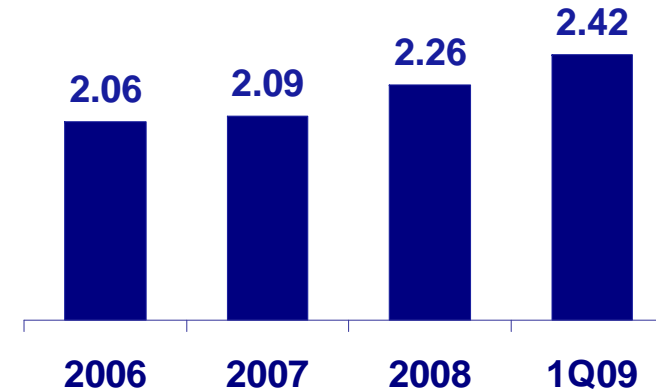
## Strong growth of net interest income ...

**BBVA**

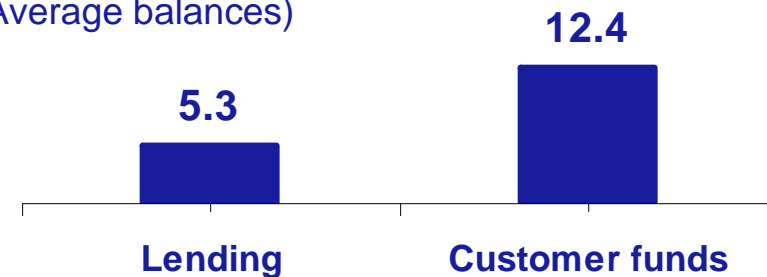
**Net interest income**  
BBVA Group  
(€m)



**Net interest income / ATAs**  
BBVA Group  
(%)



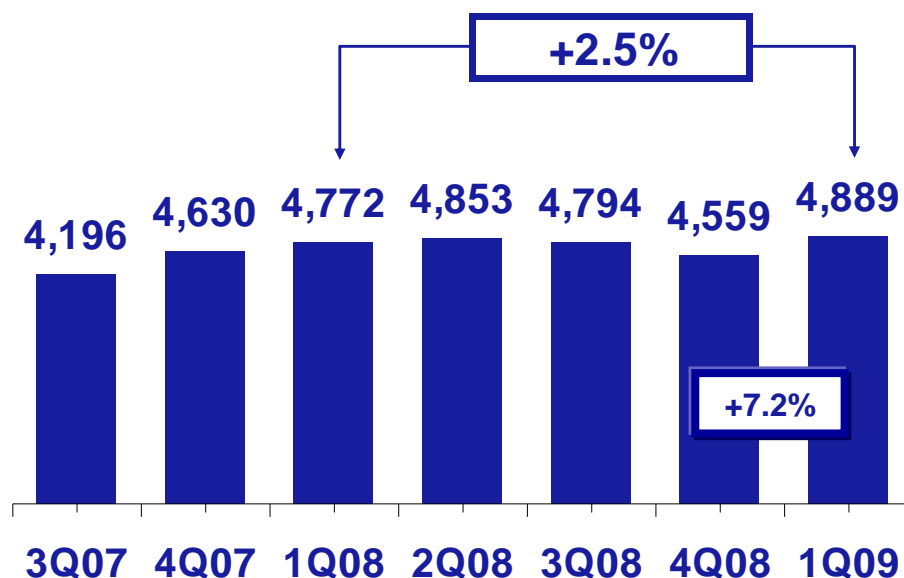
**Lending and customer funds**  
BBVA Group  
Year-on-year growth  
(Average balances)



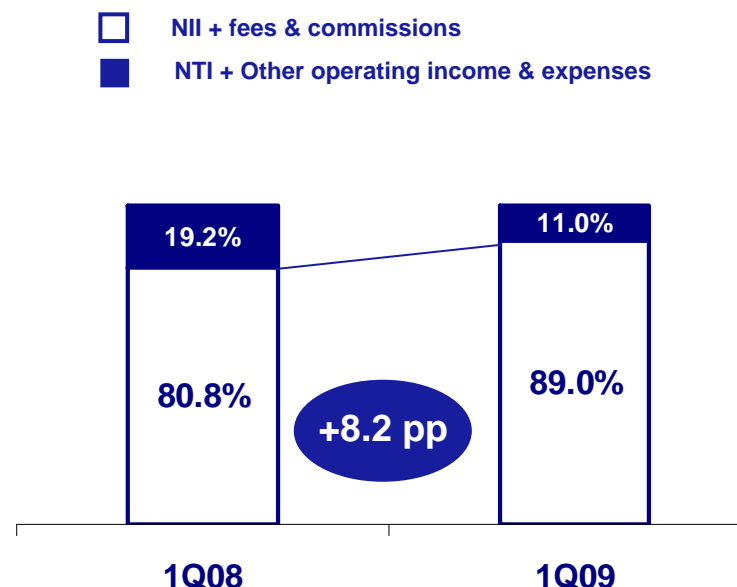
**Appropriate management of the slowdown  
and focus on pricing**

# ... that supports high quality growth in Gross Income

**Gross income**  
BBVA Group  
(€m)



**Breakdown of gross income**  
BBVA Group  
(€m)

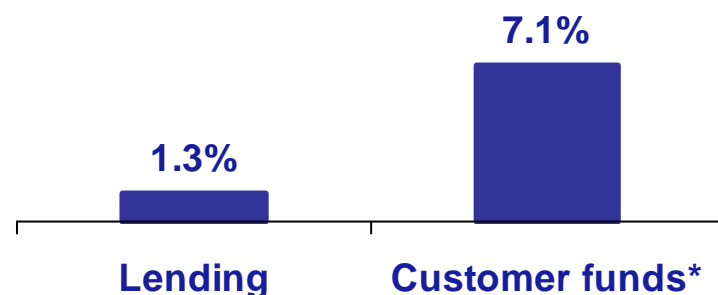


**Improvement in the quality of revenues  
and limited variability**

# Spain & Portugal: focus on pricing ...

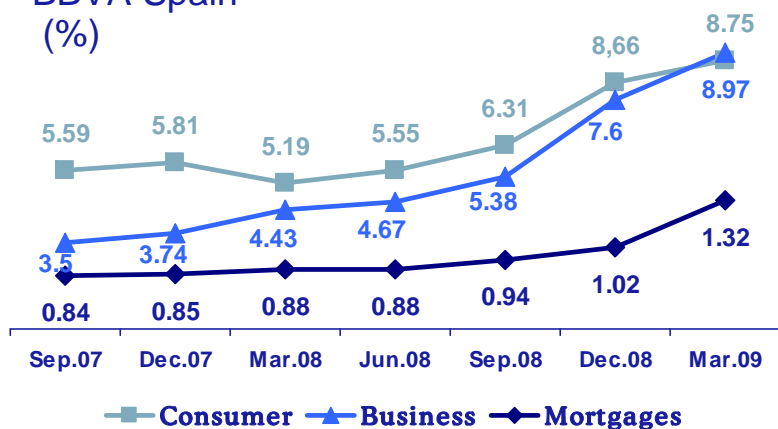
## Lending and customer funds

Year-on-year growth  
(Average balances)



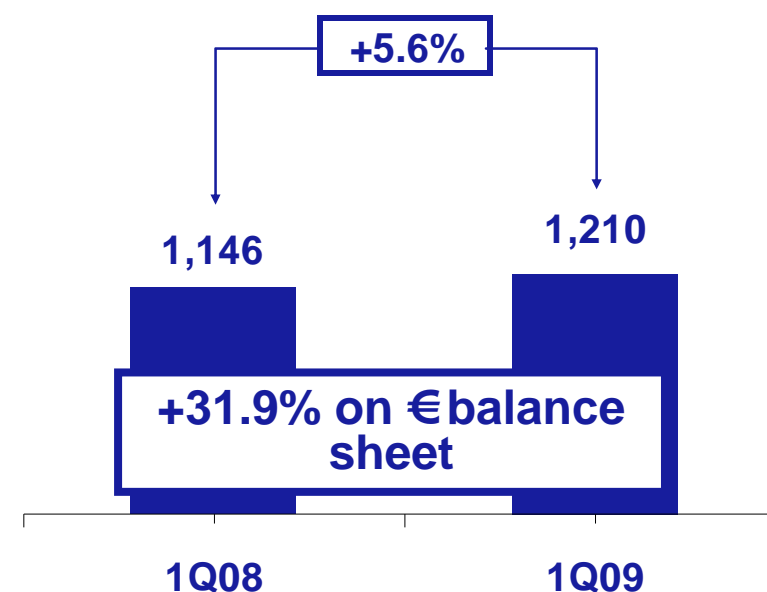
## Front book spreads

BBVA Spain  
(%)



## Net interest income

(€m)



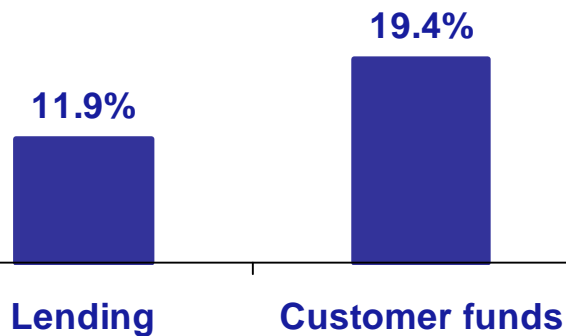
+31.9% on € balance sheet

Gross income: €1,747m  
(+1.0% on 1Q08)

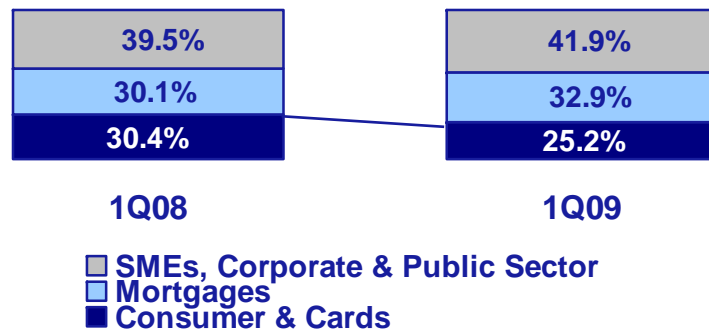
# In Mexico: good levels of business activity and prices maintained with lower-risk mix **BBVA**

## Lending and cust. funds

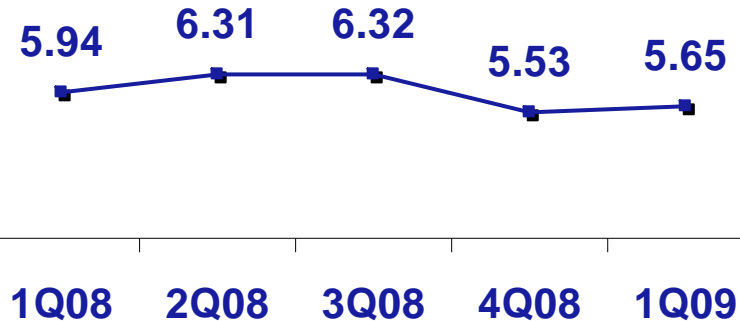
Year-on-year growth  
(Average balances)



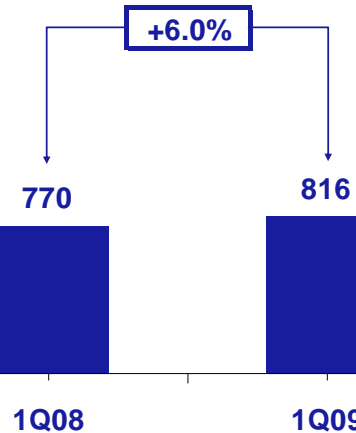
## Lending mix (%)



## Net interest income / ATAs (%)



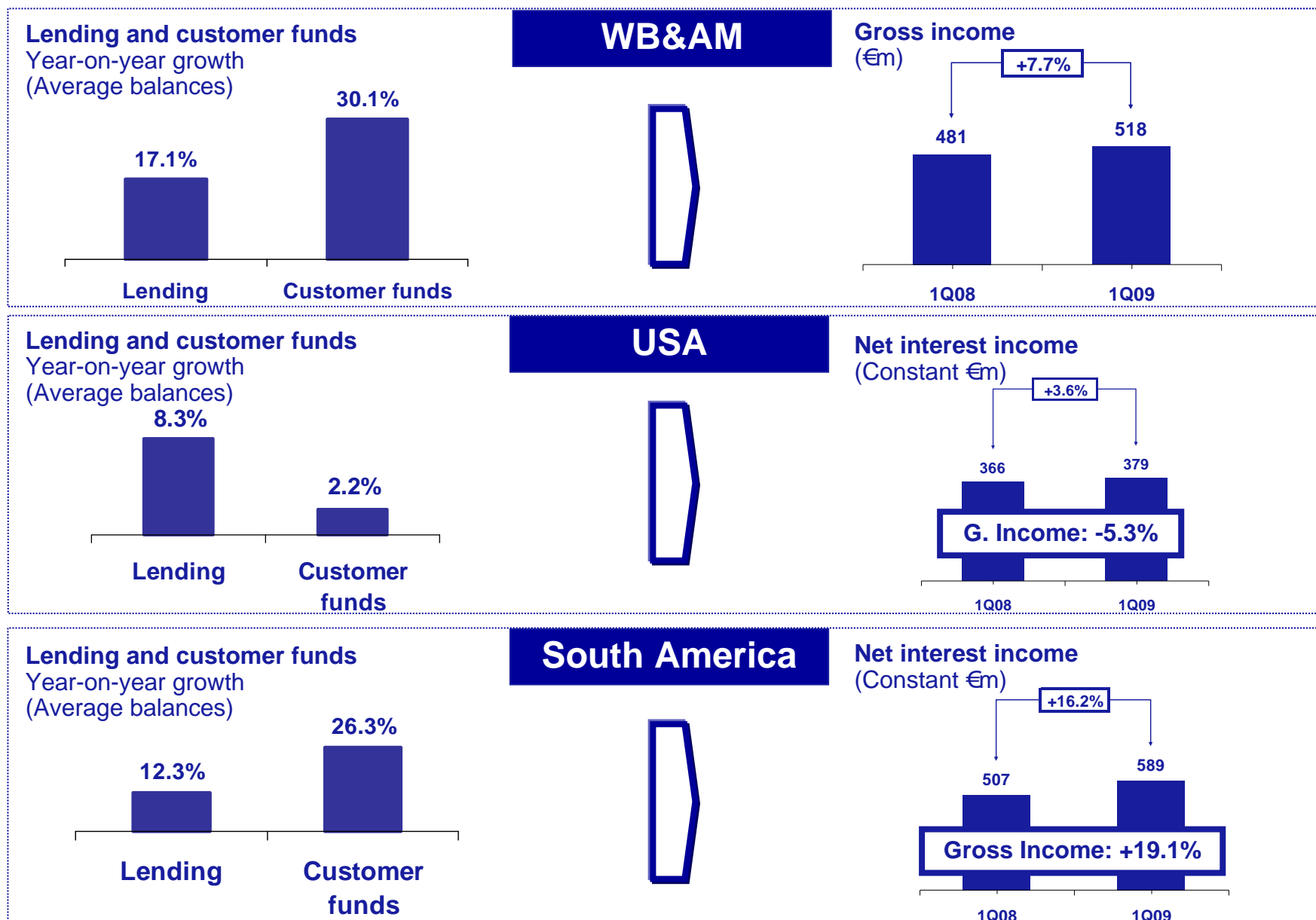
## Net interest income (Constant €m)



**Gross Income: €1,225m**

+1.0% vs 1Q08 | +8.4% vs 1Q08 excl. VISA IPO

# And in the other areas



## 1.2

And on the other hand, a very efficient distribution network in our main markets

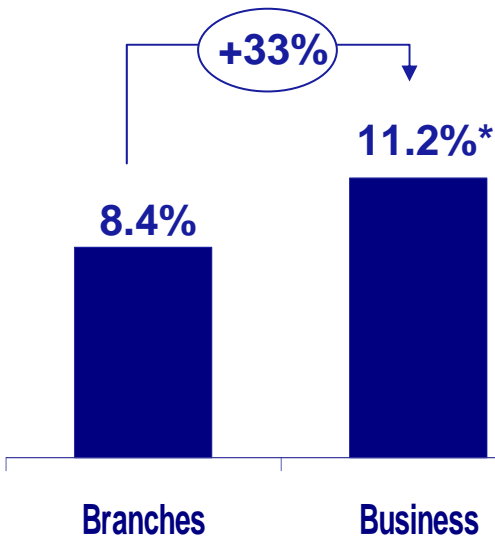
**BBVA**

**Spain**

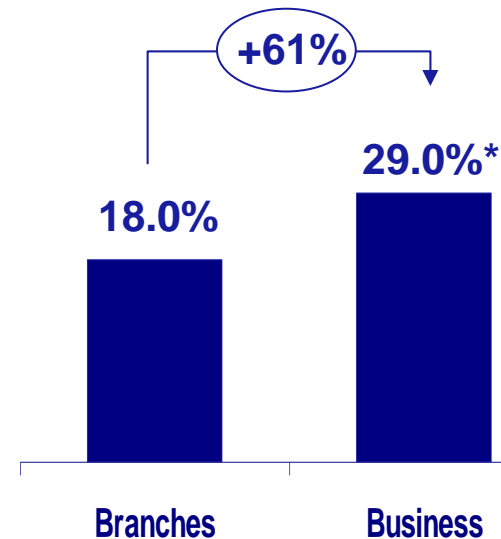
**Mexico**

**South America**

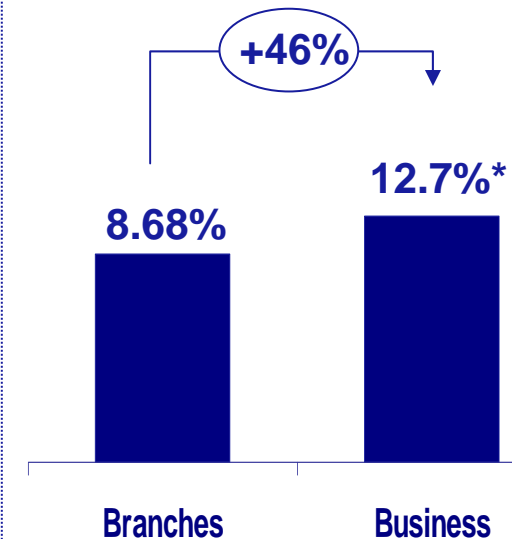
**Market share**  
(%)



**Market share**  
(%)



**Market share**  
(%)



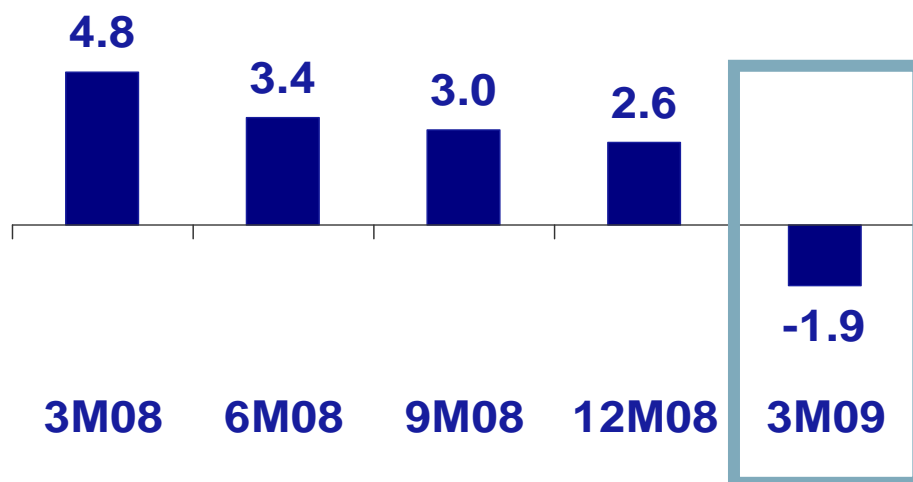
**Efficient networks are essential given their weight in the cost structure**

... as a consequence of the Group's transformation plan ...

## Strict cost control

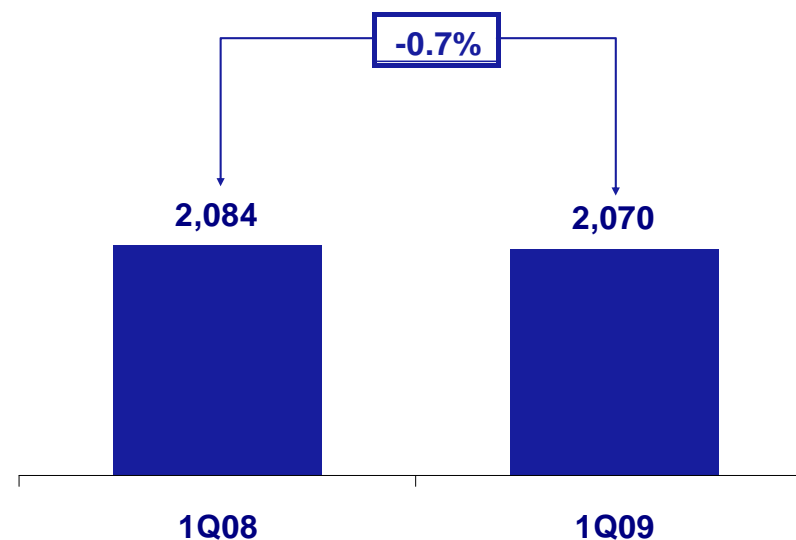
### Total expenses

BBVA Group Excl. Compass and one-offs  
Year-on-year growth  
(%)



### Total expenses

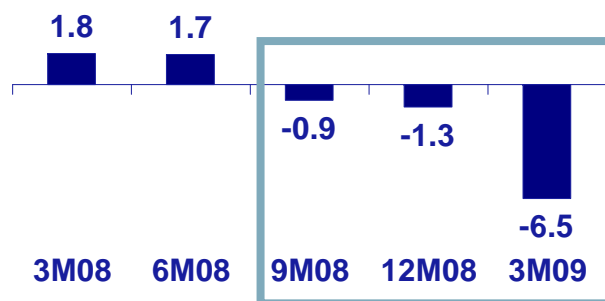
BBVA Group  
(€m)



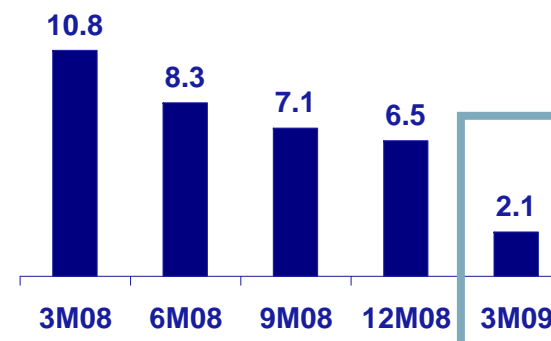
**Estimated growth of expenses in 2009: +0%**

... that started in Spain & Portugal and spread to the other business areas ...

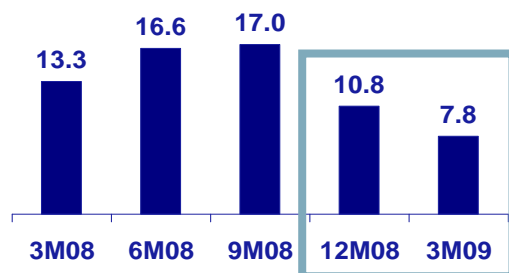
**Total expenses Spain & Portugal**  
Year-on-year growth (%)



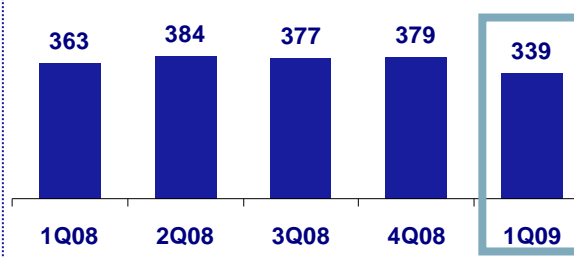
**Total expenses Mexico**  
Year-on-year growth (%)



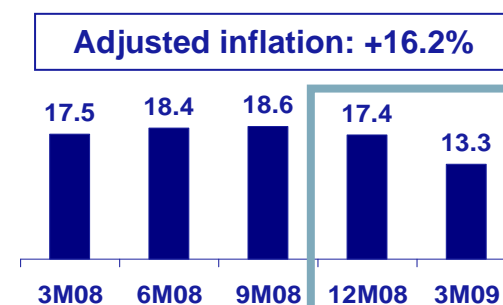
**Total expenses WB&AM**  
Year-on-year growth (%)



**Total expenses USA**  
Quarter by quarter (Constant €m)



**Total expenses South America**  
Year-on-year growth (%)

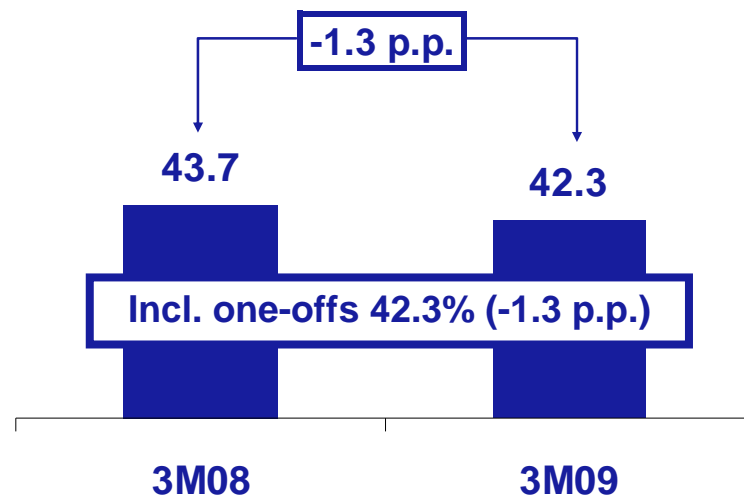




# ... and our ongoing obsession with improving efficiency

**BBVA**

**Efficiency incl. depreciation**  
BBVA Group excluding one-offs  
(%)

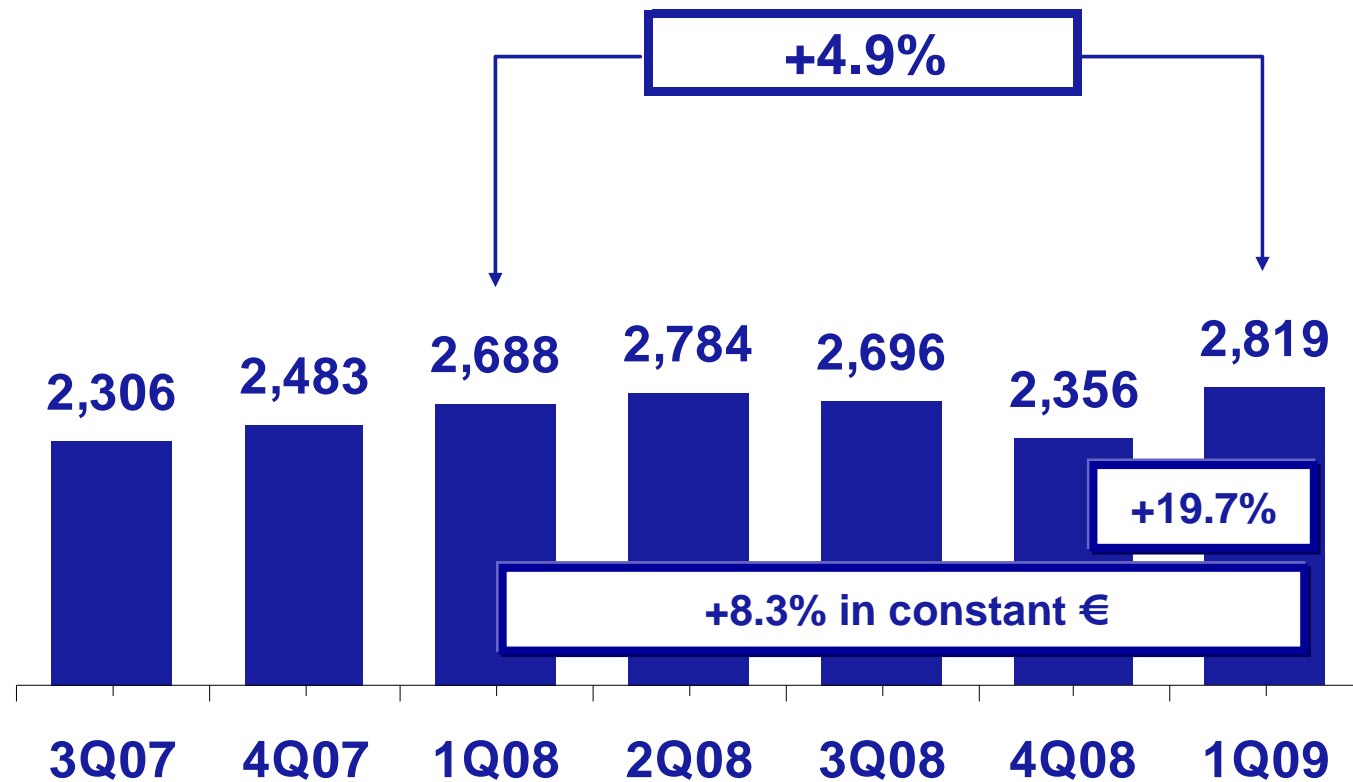


**Efficiency incl. depreciation**  
Business Areas  
(%)

	Efficiency (%)	Y/Y growth 1Q09/1Q08
Spain & Portugal	35.0%	-2.8 p.p.
WB&AM	25.4%	0.0 p.p.
Mexico	32.3%	+0.4 p.p.
USA	62.5%	-0.9 p.p.
South America	40.7%	-3.0 p.p.

# In summary, recurrent operating income

**Operating income\***  
BBVA Group  
(€m)



**Recurrent operating income:  
the key in today's environment**

\* One-offs included: €200m in funding for the Microcredit Foundation in 2Q07???

# Despite the persistent complex environment ... **BBVA**

**Good start to the year with a very positive first quarter** supported by ...

**1**

**Recurrent operating income**

**1.1**

Recurrent revenues

**1.2**

Greater efficiency

**2**

**Prudent risk management**

**3**

**Sustainability: Organic generation of capital**

## **2** Prudent risk management

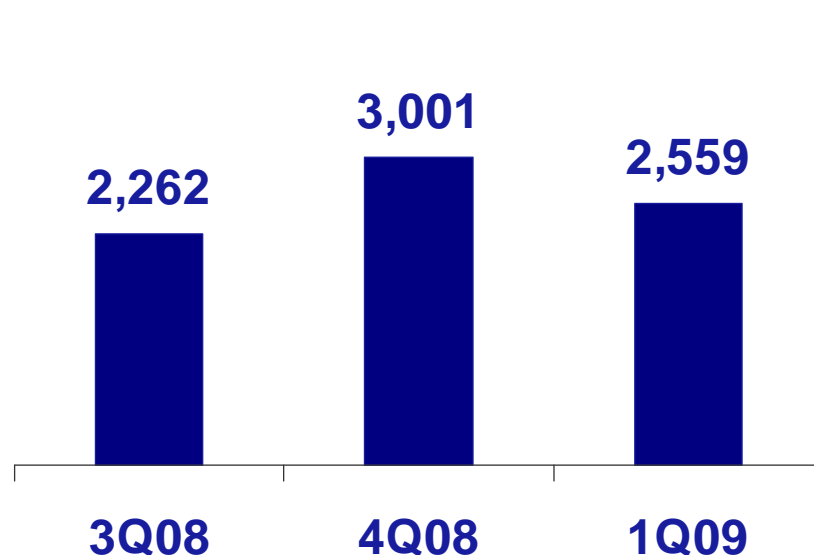
<b>A</b>	<b>Lower entries to NPAs</b>
<b>B</b>	<b>Provisioning in line with 2H08</b>
<b>C</b>	<b>Preservation of generic provisions</b>
<b>D</b>	<b>Ample coverage by provisions and collateral</b>
<b>E</b>	<b>Operating income: an excellent buffer for cost of risk</b>

**A**

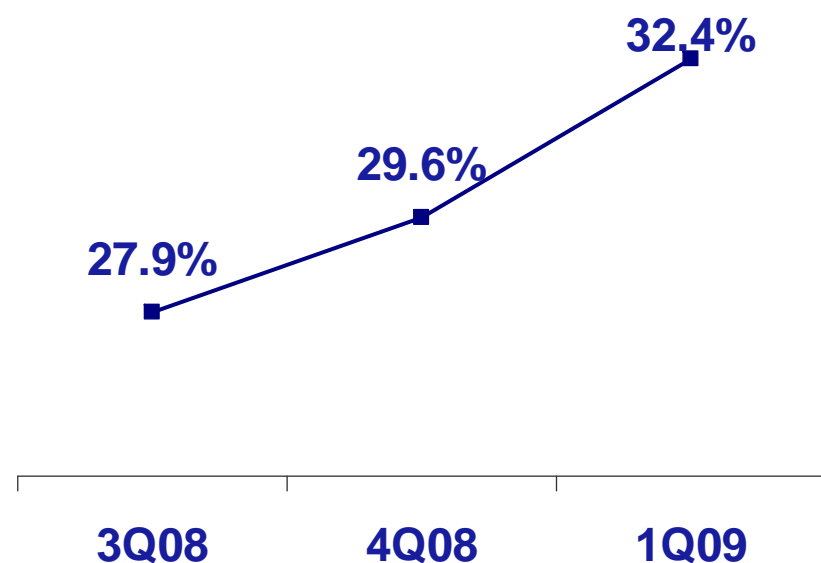
## Lower entries to NPAs and higher efficiency with recoveries...

**BBVA**

**Net entries to NPAs**  
BBVA Group  
(€m)



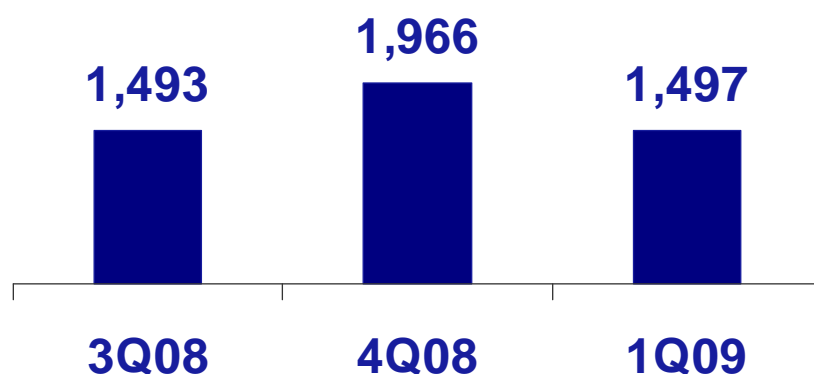
**Recoveries / entries to NPAs**  
BBVA Group  
(%)



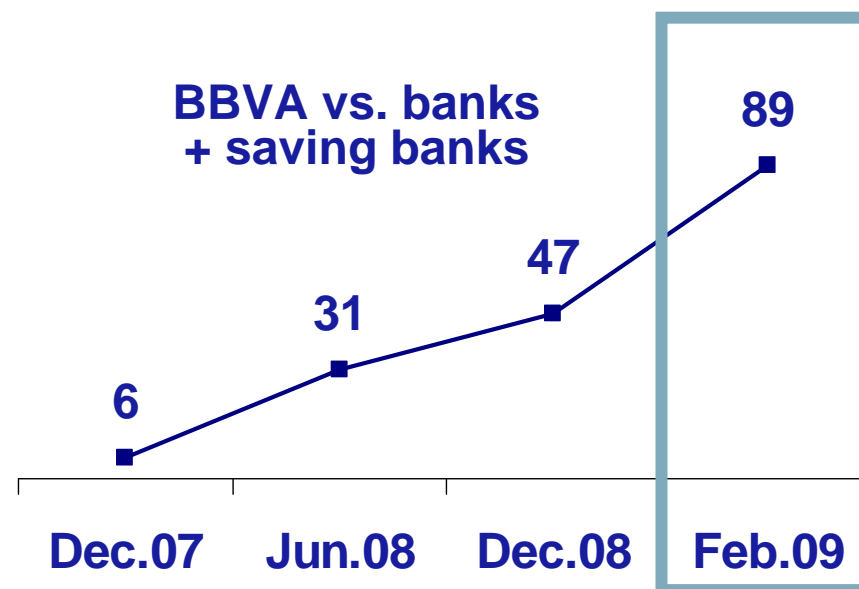
**Net entries to NPAs down 15% in quarter**

# ... with special relevance in the case of Spain & Portugal ...

**Net entries to NPAs**  
Spain & Portugal  
(€m)

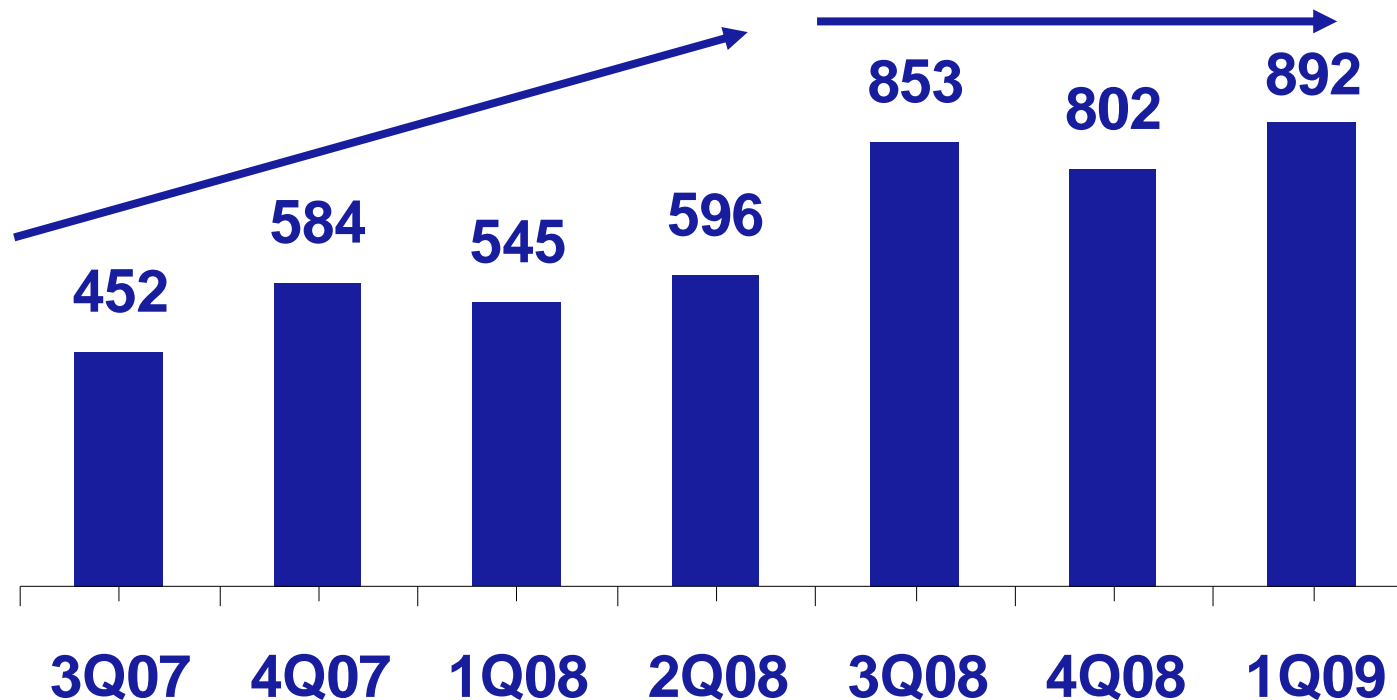


**NPA spread vs. the system**  
BBVA Spain vs. banks and saving banks



... which enables us to continue improving our relative position

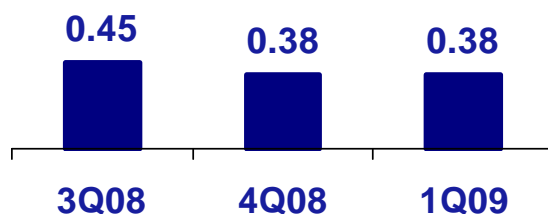
Loan-loss provisioning  
BBVA Group  
Quarter by quarter  
(€m)



... at all units

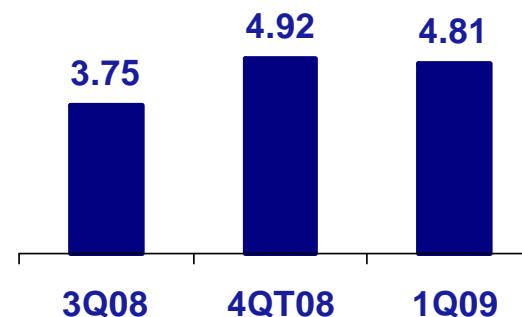
### Cost of risk Spain & Portugal

Quarter by quarter  
(%)



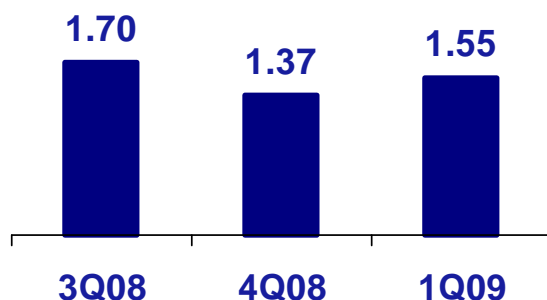
### Cost of risk in Mexico

Quarter by quarter  
(%)



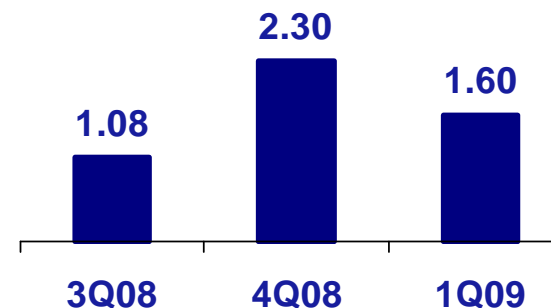
### Cost of risk USA

Quarter by quarter  
(%)



### Cost of risk in South America

Quarter by quarter  
(%)



**Provisioning starts to stabilise**





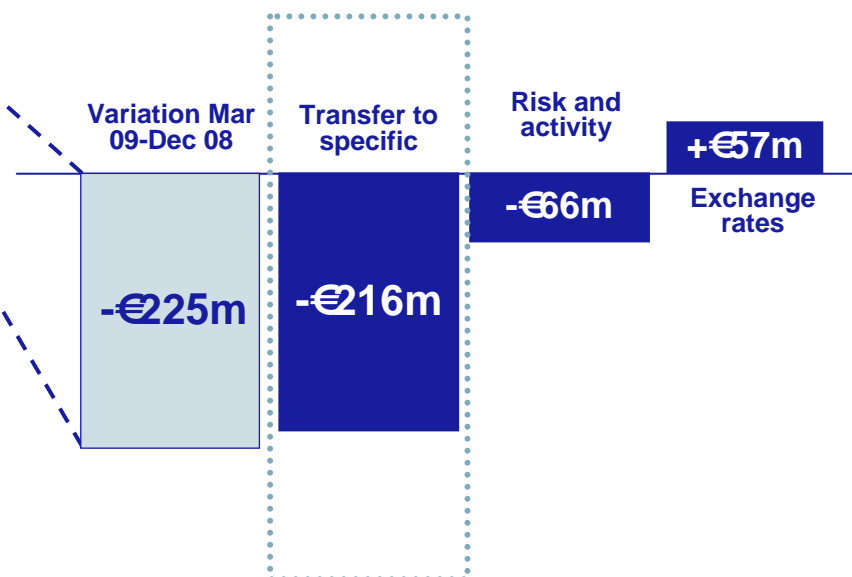
## Limited release of generic provisions to preserve a balance for future quarters ...

**BBVA**

Generic provisions  
(€m)



Breakdown of variations in generic provisions Mar 09 vs. Dec 08  
(€m)



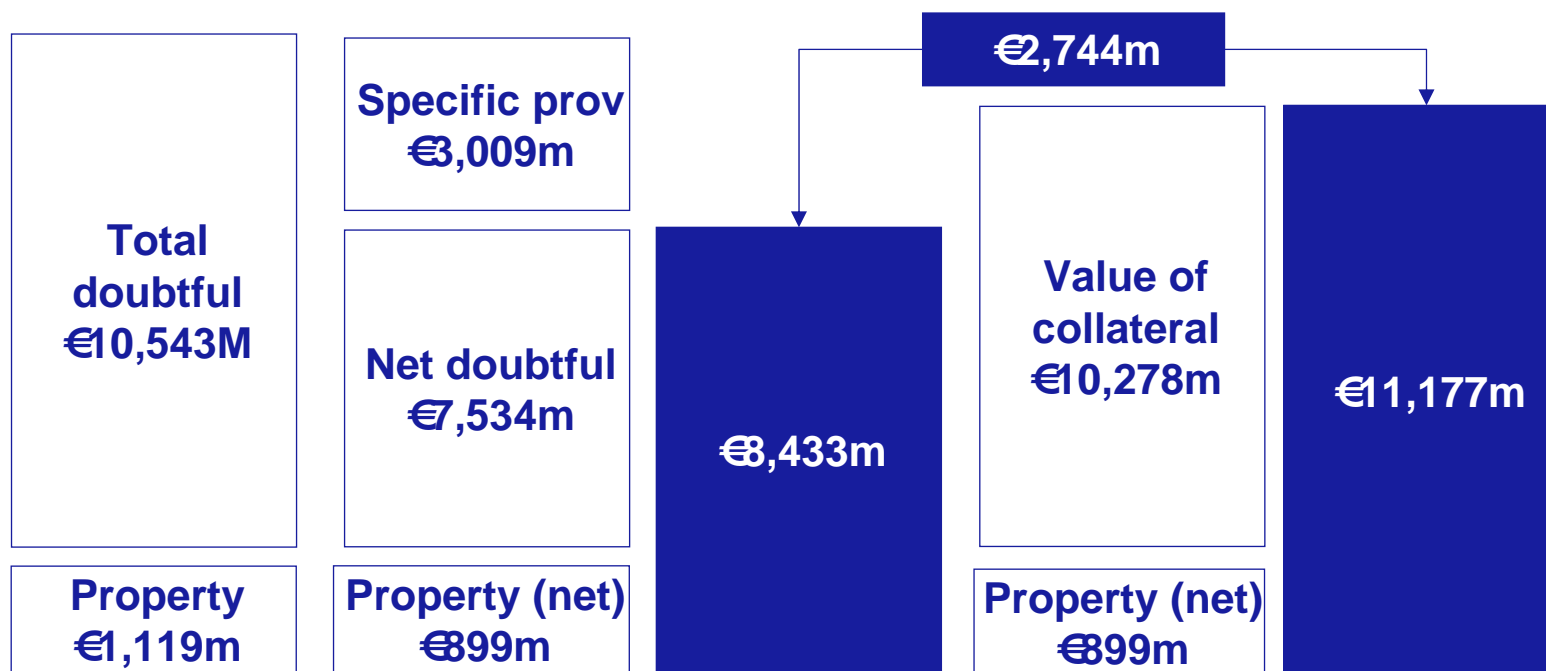
**Release of €216m in 1Q09 (vs. €300m in 4Q08) to offset the charge for specific provisions**



## Ample coverage by provisions and collateral

**BBVA**

Doubtful assets and property acquired  
(€m)



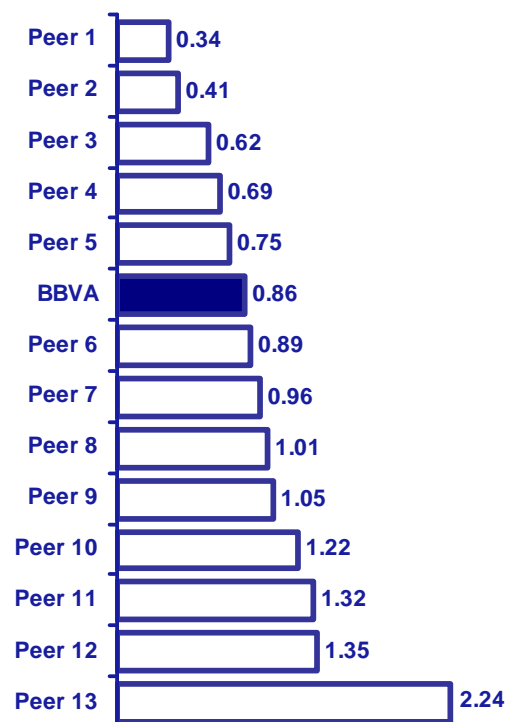
**Collateral exceeds net value of doubtful assets by €2,744m**  
**In addition, about €4,991m of generic and substandard provisions**



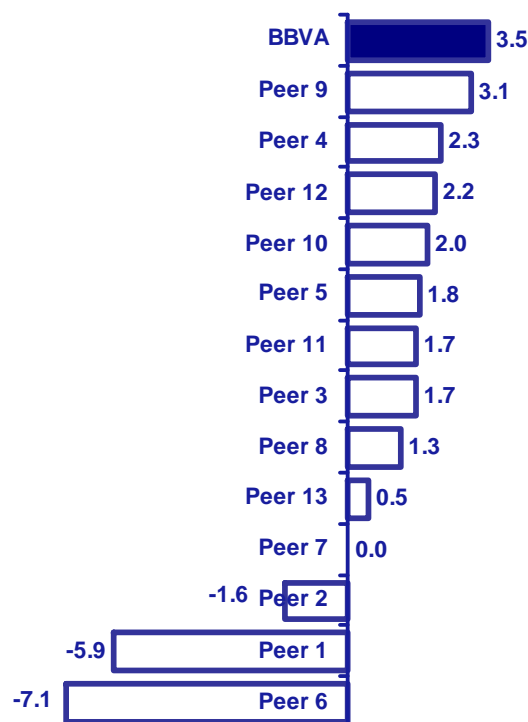
# Recurrent operating profit is the most important competitive advantage in the industry in the present context

**BBVA**

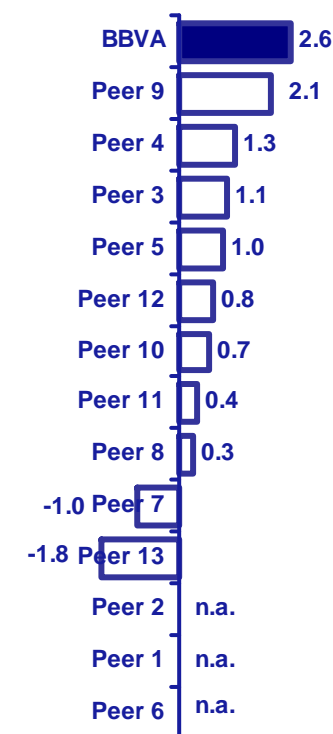
**Cost of risk**  
Peer Group  
(%, Dec 08)



**Operating profit<sup>1</sup> as maximum cost of risk<sup>2</sup>**  
Peer Group  
(%, Dec 08)



**Additional cost of risk supported by operating profit<sup>3</sup>**  
Peer Group  
(%, Dec 08)



1. Operating profit as old account

2. Maximum cost of risk supported by operating profit without generating losses

3. Maximum cost of risk – Current cost of risk

# Despite the persistent complex environment ... **BBVA**

**Good start to the year with a very positive first quarter** supported by ...

**1**

**Recurrent operating income**

**1.1**

**Recurrent revenues**

**1.2**

**Greater efficiency**

**2**

**Prudent risk management**

**3**

**Sustainability: Organic generation of capital**

### 3 Sustainable profits ...

(€m, excl. one-off items)

BBVA Group	Accum.	Annual Growth 1Q09/1Q08		Annual Growth 1Q09/4Q08	
	1Q09	Abs.	%	Abs.	%
Net Interest Income	3,272	+ 547	20.1%	+ 185	6.0%
Gross Income	4,889	+ 117	2.5%	+ 330	7.2%
Operating Income	2,819	+ 131	4.9%	+ 463	19.7%
Income Income Tax	1,834	- 222	-10.8%	+ 385	26.6%
Net Income	1,354	- 182	-11.9%	+ 163	13.6%
Net Attributable Profit	1,238	- 204	-14.2%	+ 144	13.2%

**One-offs in 1Q08 after tax:  
+€509m  
(Bradesco)**

**One-offs in 4Q08 after tax: -  
€575m  
(early retirements & Madoff)**

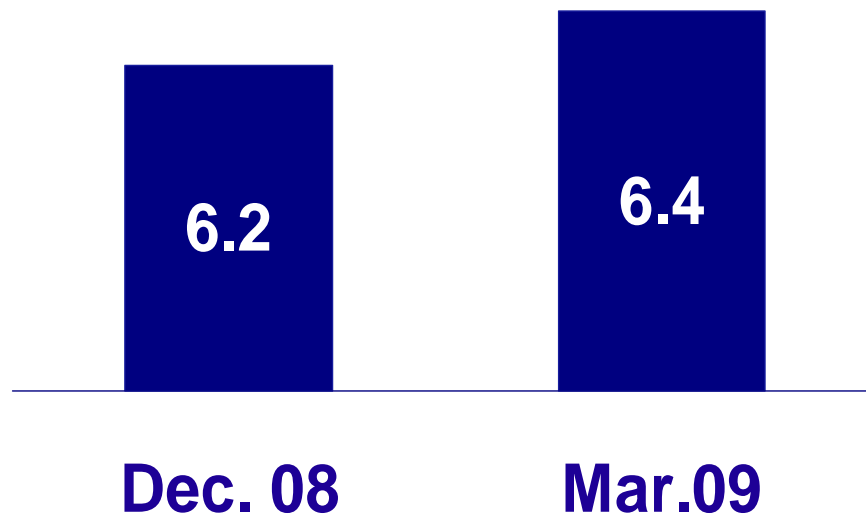
# Sustainable profits ...

(€m)

BBVA Group	Accum.	Annual Growth 1Q09/1Q08		Annual Growth 1Q09/4Q08	
	1Q09	Abs.	%	Abs.	%
Net Interest Income	3,272	+ 547	20.1%	+ 185	6.0%
Gross Income	4,889	+ 117	2.5%	+ 330	7.2%
Operating Income	2,819	+ 131	4.9%	+ 463	19.7%
Income Income Tax	1,834	- 949	-34.1%	+ 1,206	n.s.
Net Income	1,354	- 691	-33.8%	+ 737	n.s.
Net Attributable Profit	1,238	- 713	-36.6%	+ 719	n.s.

# ... that allow us to continue generating capital **BBVA** organically

Core capital  
BIS II  
(%)



Tier I and Capital ratio  
BIS II  
(%)

Tier I	7.7%
Capital ratio	11.5%

**Organic generation of capital: +20 b.p.**

# Superior profitability levels

**BBVA**

(%)

**ROA: 1.00%**

**RoRWA: 1.88%**

**ROE: 19.4%**

**ROTE: 26.7%**



# BBVA Group: key figures for 1Q09

**BBVA**

P&L	FUNDAMENTALS
Gross income +2.5%	Efficiency incl. depr. 42.3%
Operating income +4.9%	ROE 19.4%
Net attr. profit (excl. one-offs) -14.2%	NPA ratio 2.8%
	Coverage 76%

# Despite the persistent complex environment ... **BBVA**

**Good start to the year with a very positive first quarter** supported by ...

**1**

**Recurrent operating income**

**1.1**

**Recurrent revenues**

**1.2**

**Greater efficiency**

**2**

**Prudent risk management**

**3**

**Sustainability: Organic generation of capital**

**BBVA**

Main features of the Group's results

**Summary by business area**

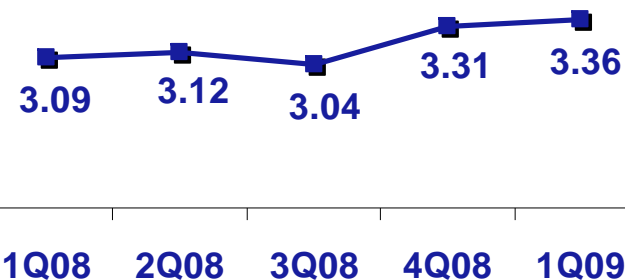
Conclusions

# Spain & Portugal: 1Q09 highlights

**BBVA**

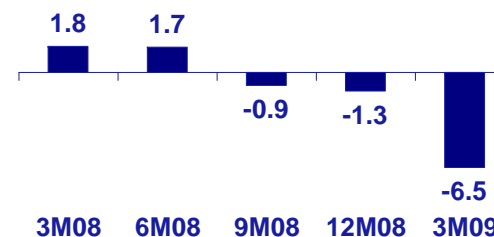
**Better price management**

**Customer spread**  
(%)



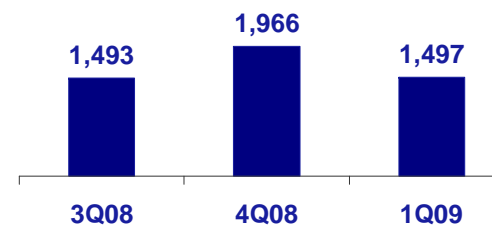
**Decrease in expenses**

**Total expenses**  
Year-on-year growth  
(%)



**Lower entries to NPAs**

**Net entries to NPAs**  
(€m)

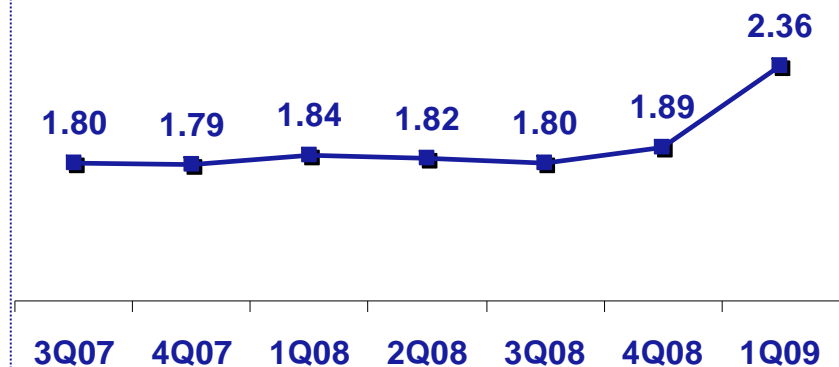


# Spain & Portugal: 1Q09 highlights

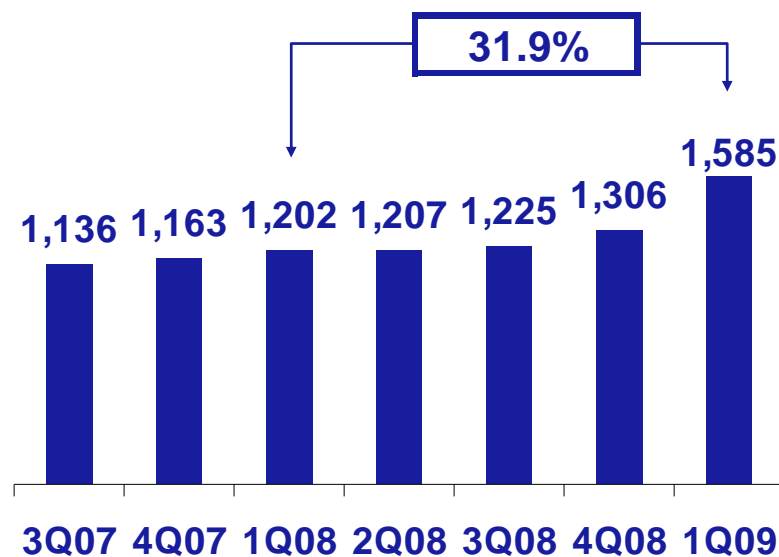
**BBVA**

## Euro balance sheet

**Net interest income / ATAs**  
Euro balance sheet  
(%)



**Net interest income**  
Euro balance sheet  
(€m)



# Spain & Portugal: 1Q09 results

**BBVA**

(€m)

Spain & Portugal	Accum.	Annual Growth 1Q09/1Q08		Annual Growth 1Q09/4Q08	
	1Q09	Abs.	%	Abs.	%
Net Interest Income	1,210	+ 64	5.6%	- 47	-3.7%
Gross Income	1,747	+ 18	1.0%	- 64	-3.5%
Operating Income	1,135	+ 61	5.6%	- 5	-0.4%
Income Income Tax	947	- 25	-2.5%	+ 13	1.4%
Net Income	657	- 16	-2.4%	+ 8	1.3%
Net Attributable Profit	657	- 16	-2.4%	+ 8	1.3%

**ROE: 37.0%**

# Spain & Portugal: key figures for 1Q09

**BBVA**

P&L		FUNDAMENTALS	
Gross income	+1.0%	Efficiency incl. depr.	ROE
		35.0%	37.0%
Operating income	+5.6%	NPA ratio	Coverage
		Spain & Portugal	Spain & Portugal
		3.2%	60%
Net attr. profit	-2.4%	NPA ratio	Coverage
		Business in Spain	Business in Spain
		3.1%	63%

# Wholesale Banking & Asset Management: 1Q09 highlights

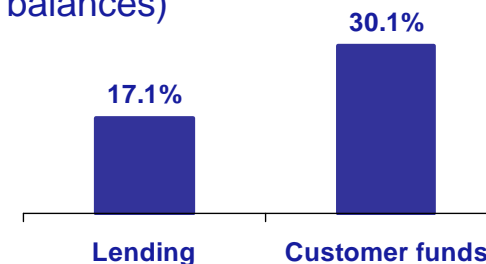
**BBVA**

**Corporate &  
Investment Banking:**  
capitalising on opportunities

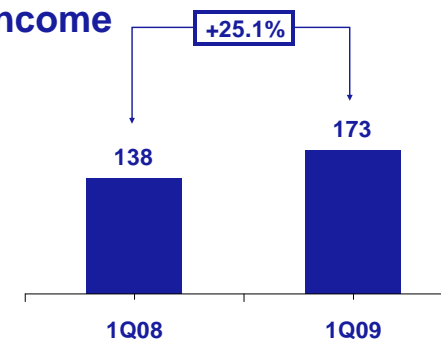
**Asset Management:**  
gaining mkt share in mutual  
funds

## Lending and customer funds

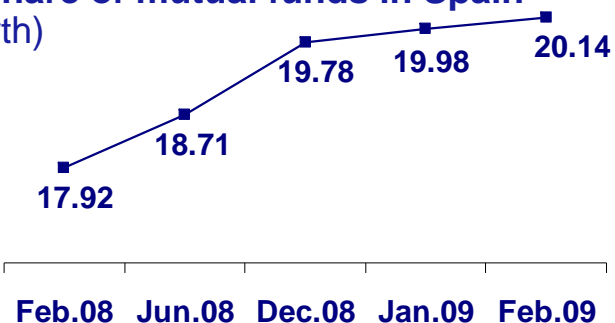
y-o-y growth WB&AM  
(Average balances)



## Operating income (€m)



## Market share of mutual funds in Spain (y/y growth)





# Wholesale Banking & Asset Management: 1Q09 results

**BBVA**

(€m)

Wholesale Banking & Asset Management	Accum.	Annual Growth 1Q09/1Q08		Annual Growth 1Q09/4Q08	
	1Q09	Abs.	%	Abs.	%
Gross Income	518	+ 37	7.7%	+ 296	n.s.
Operating Income	386	+ 27	7.6%	+ 293	n.s.
Income Income Tax	365	+ 45	14.2%	+ 328	n.s.
Net Income	269	+ 0	0.1%	+ 237	n.s.
Net Attributable Profit	268	- 0	-0.1%	+ 237	n.s.

**ROE: 25.3%**

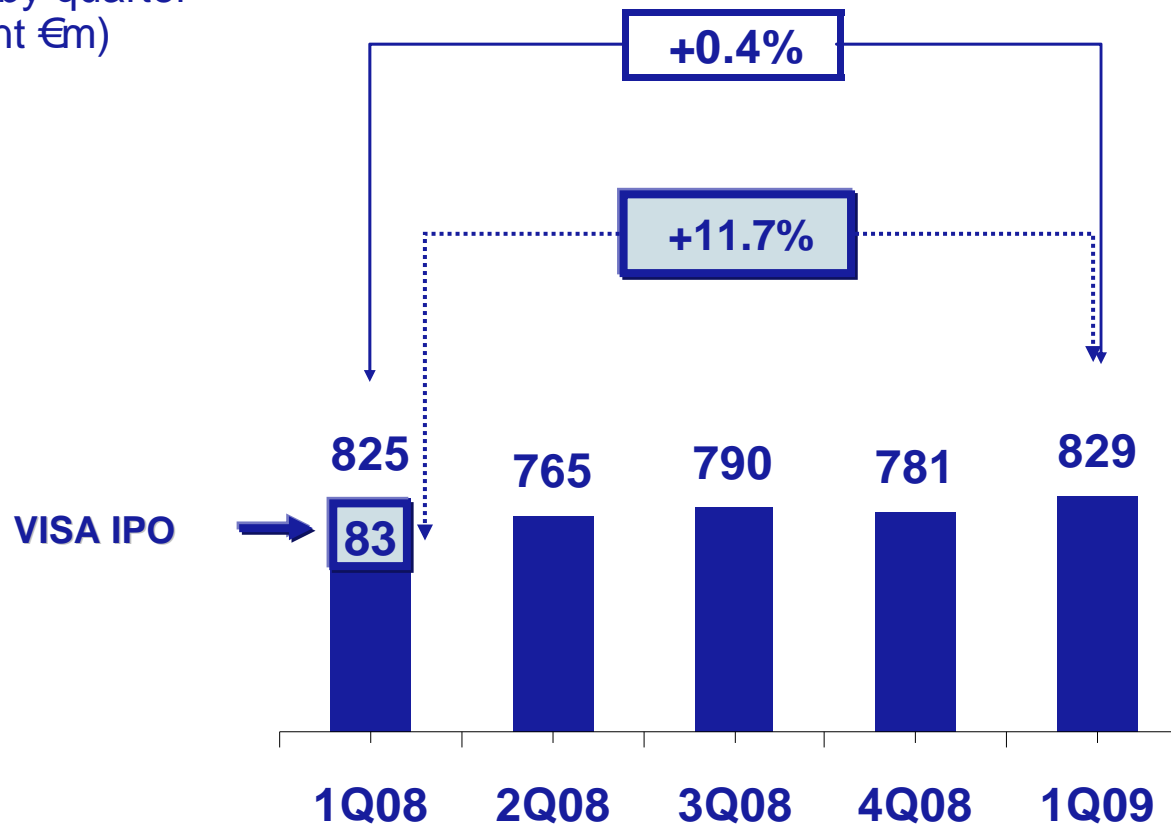
# Wholesale Banking & Asset Management: key figures for 1Q09

**BBVA**

P&L		FUNDAMENTALS	
Gross income	+7.7%	Efficiency incl. depr.	ROE
		25.4%	25.3%
Operating income	+7.6%		
Net attr. profit	-0.1%	NPA ratio	Coverage
		0.56%	170%

# Mexico: 1Q09 highlights

Operating income  
Quarter by quarter  
(Constant €m)



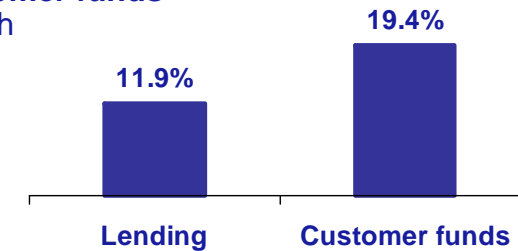
Good operating income performance

# Mexico: 1Q09 highlights

**Good business and  
change of mix**

## Lending and customer funds

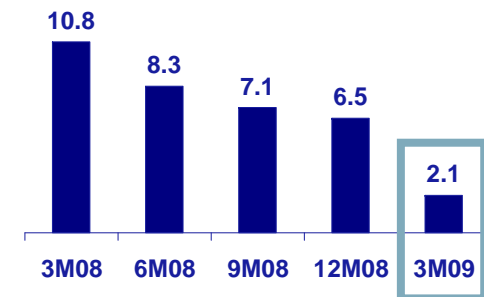
Year-on-year growth  
(Average balances)



**Cost control**

## Total expenses

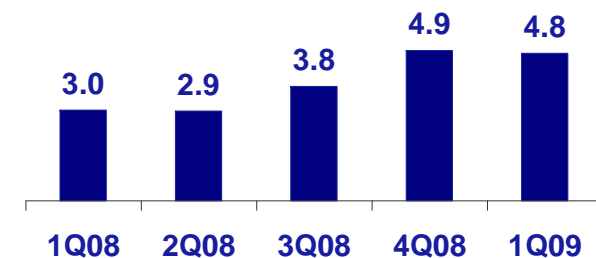
Year-on-year growth  
(%)



**Cost of risk contained**

## Cost of risk

(%)



**Net attrib. profit: €363m (-16.1% vs -2.4% without VISA IPO)**

# Mexico: 1Q09 results

(Constant €m)

Mexico	Accum.	Annual Growth 1Q09/1Q08		Annual Growth 1Q09/4Q08	
	1Q09	Abs.	%	Abs.	%
Net Interest Income	816	+ 46	6.0%	- 18	-2.1%
Gross Income	1,225	+ 12	1.0%	+ 31	2.6%
Operating Income	829	+ 4	0.4%	+ 48	6.1%
Income Income Tax	465	- 136	-22.6%	+ 5	1.2%
Net Income	363	- 70	-16.1%	- 15	-3.9%
Net Attributable Profit	363	- 70	-16.1%	- 15	-3.9%

**Net attrib. profit: €363m (-16.1% vs -2.4% without VISA)**

## Mexico: key figures for 1Q09

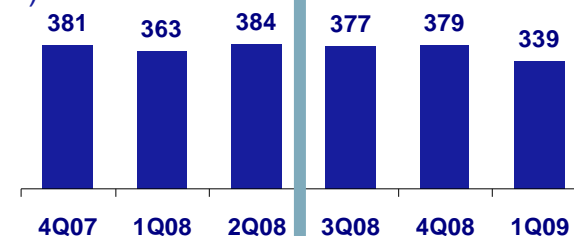
**BBVA**

P&L	FUNDAMENTALS
Gross income +1.0%	Efficiency incl. depr. 32.3%
Operating income +0.4%	NPA ratio 3.6%
Net attr. profit -16.1%	Coverage 150%

# USA: 1Q09 highlights

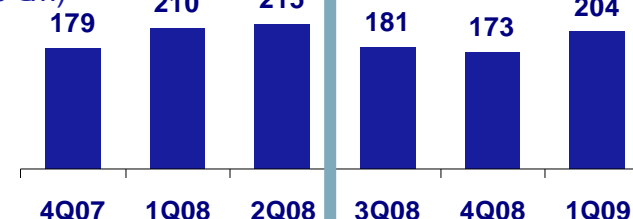
Cost control

**Total expenses**  
Quarter by quarter  
(Constant €m)



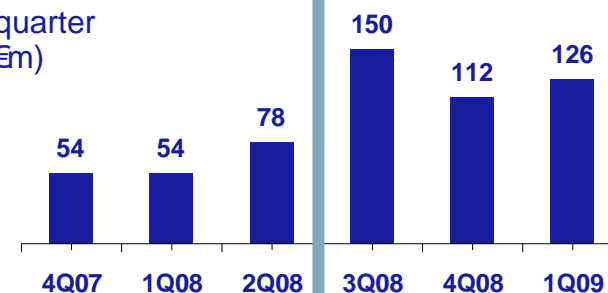
Stabilisation of operating income

**Operating income**  
Quarter by quarter  
(Constant €m)



Stabilisation of provisioning

**Provisions**  
Quarter by quarter  
(Constant €m)



**Stabilisation of net attrib. profit:**  
3Q08: €23m | 4Q08: €23m | 1Q09: €42m

# USA: 1Q09 results

(Constant €m)

USA	Accum.	Annual Growth 1Q09/1Q08		Annual Growth 1Q09/4Q08	
	1Q09	Abs.	%	Abs.	%
Net Interest Income	379	+ 13	3.6%	+ 0	0.0%
Gross Income	543	- 31	-5.3%	- 9	-1.6%
Operating Income	204	- 6	-3.0%	+ 31	17.9%
Income Income Tax	62	- 85	-57.7%	+ 30	93.2%
Net Income	42	- 54	-56.0%	+ 20	86.8%
Net Attributable Profit	42	- 54	-56.0%	+ 20	86.8%

**Net attrib. profit: €63m**  
(without amortisation of intangibles)



# USA: key figures for 1Q09

**BBVA**

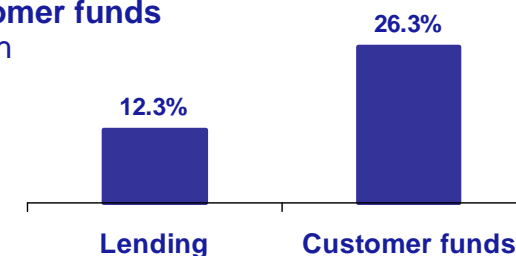
P&L	FUNDAMENTALS
Gross income -5.3%	Efficiency incl. depr. 62.5%
Operating income -3.0%	ROE 6.9%
Net attr. profit -56.0%	NPA ratio 3.9%
	Coverage 53%

# South America: 1Q09 highlights

Good level of business activity

## Lending and customer funds

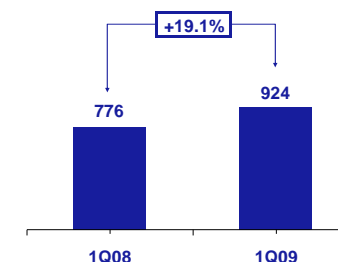
Year-on-year growth  
(Average balances)



Dynamic generation of income

## Gross income

(Constant €m)

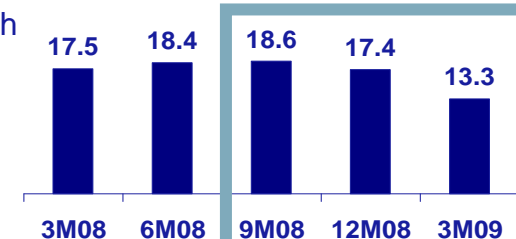


Cost control

## Total expenses

Year-on-year growth  
(%)

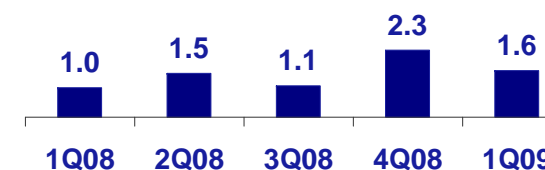
Adjusted  
inflation:  
+16.2%



Cost of risk contained

## Cost of risk by quarter

(%)



# South America: 1Q09 results

(Constant €m)

South America	Accum.	Annual Growth 1Q09/1Q08		Annual Growth 1Q09/4Q08	
	1Q09	Abs.	%	Abs.	%
Net Interest Income	589	+ 82	16.2%	- 5	-0.8%
Gross Income	924	+ 148	19.1%	+ 21	2.3%
Operating Income	548	+ 104	23.4%	+ 39	7.6%
Income Income Tax	445	+ 70	18.5%	+ 94	26.7%
Net Income	343	+ 55	19.1%	+ 58	20.2%
Net Attributable Profit	225	+ 37	19.5%	+ 38	20.2%

**ROE: 40.3%**

# South America: key figures for 1Q09

**BBVA**

P&L	FUNDAMENTALS
Gross income +19.1%	Efficiency incl. depr. 40.7%
Operating income +23.4%	ROE 40.3%
Net attr. profit +19.5%	NPA ratio 2.3%
	Coverage 139%

**BBVA**

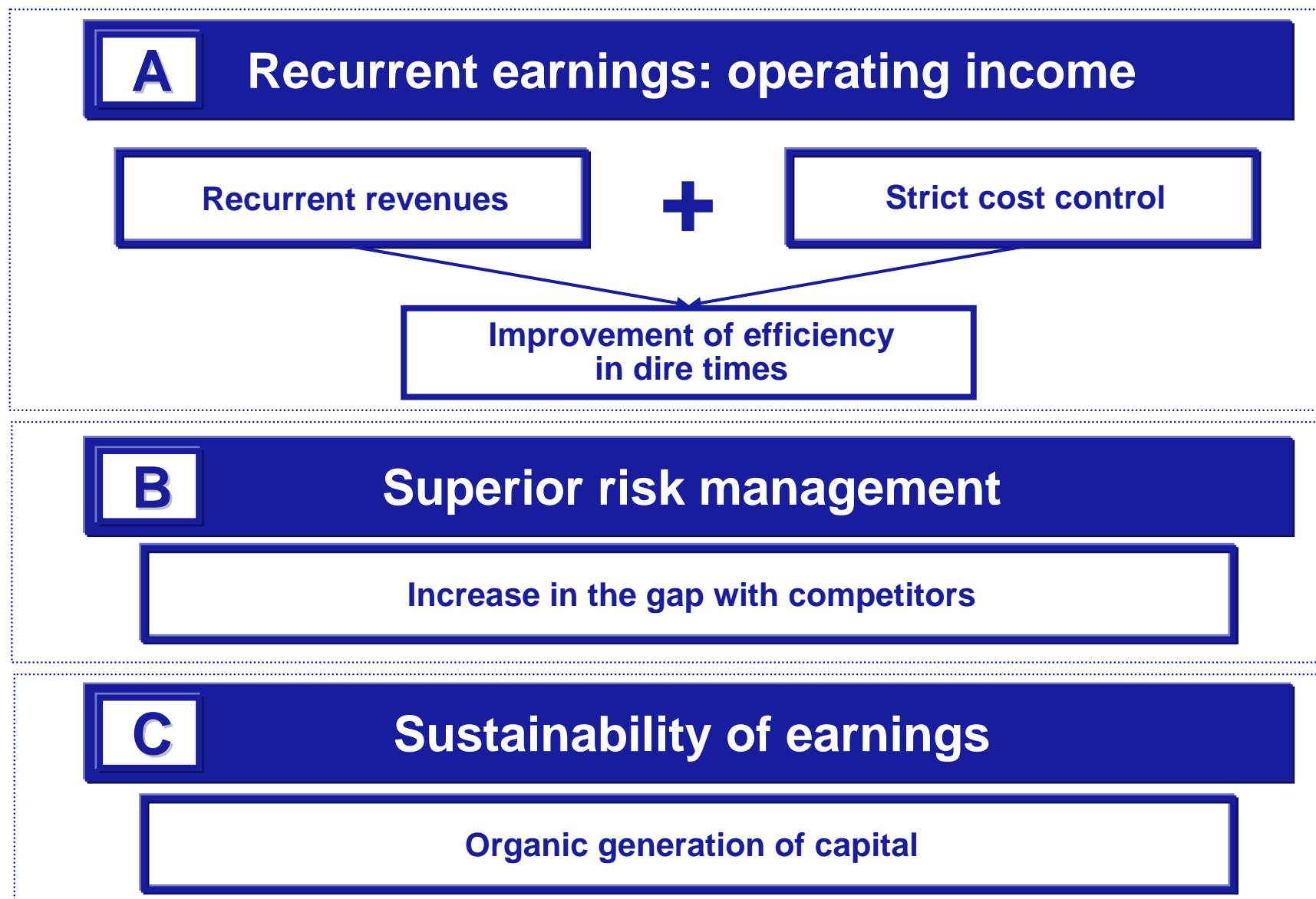
Main features of the Group's results

Summary by business area

**Conclusions**

In 1Q09 we confirmed the strengths demonstrated in 2008 ...

**BBVA**





# **BBVA Group Results**

## **First quarter 2009**

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### **Recurrence and sustainability**

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**Madrid, 28th April 2009**

