

2008 Results



Madrid, 28th January 2009



BBVA

Group results for 2008

Results by business area

Spain & Portugal

Wholesale Banking & Asset Management

Mexico

USA

South America

Conclusions

In a highly complex environment BBVA demonstrates its ability to generate . . .

SOLID EARNINGS
based on . . .

①

Recurrent income

supported by our relationship with customers

②

Strict **cost** control

③

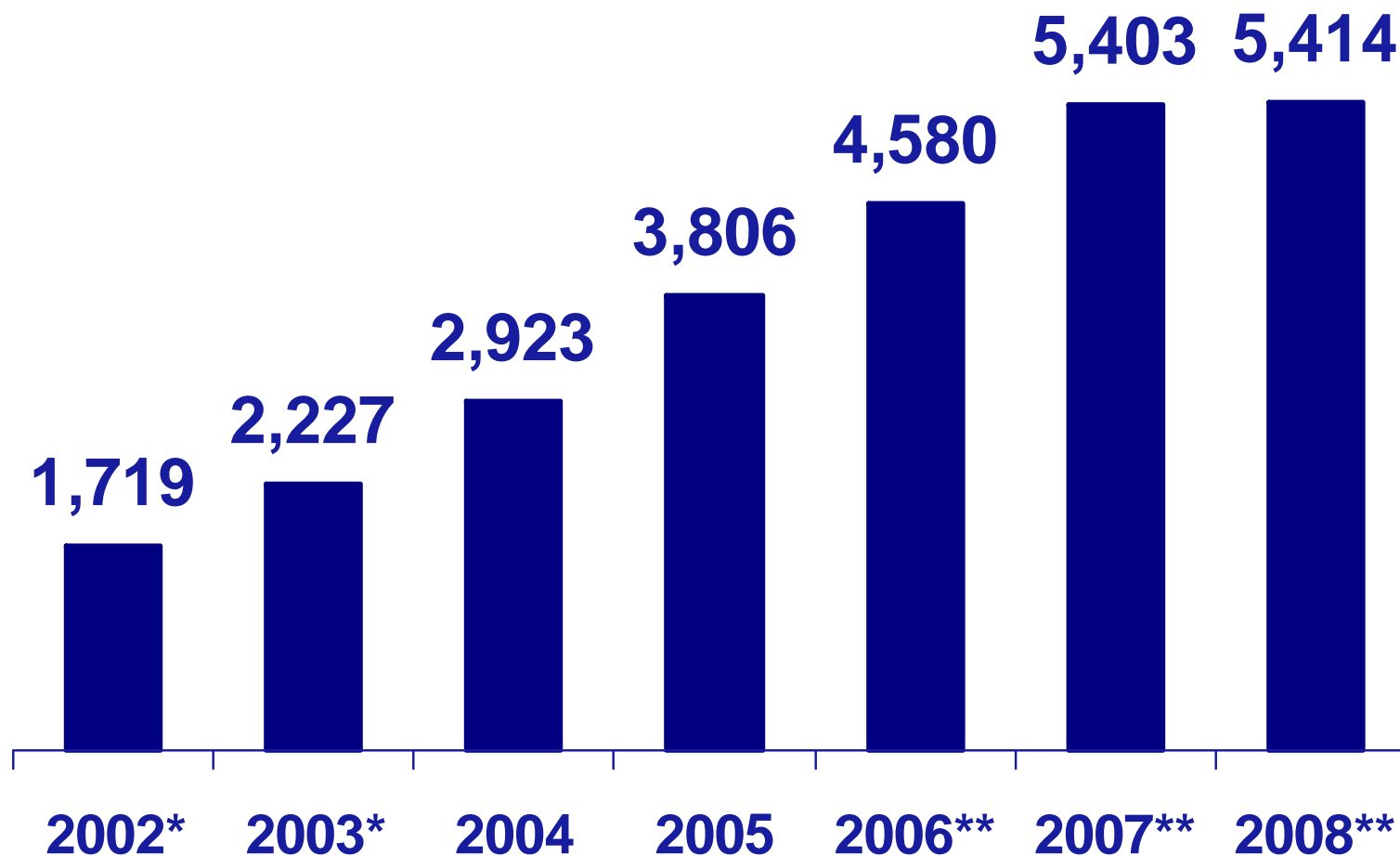
Risk: anticipation and **prudence**

④

Strong capital

Ability to generate recurrent profits in a complex environment

Net attributable profit
Excl. one-offs
(€m)

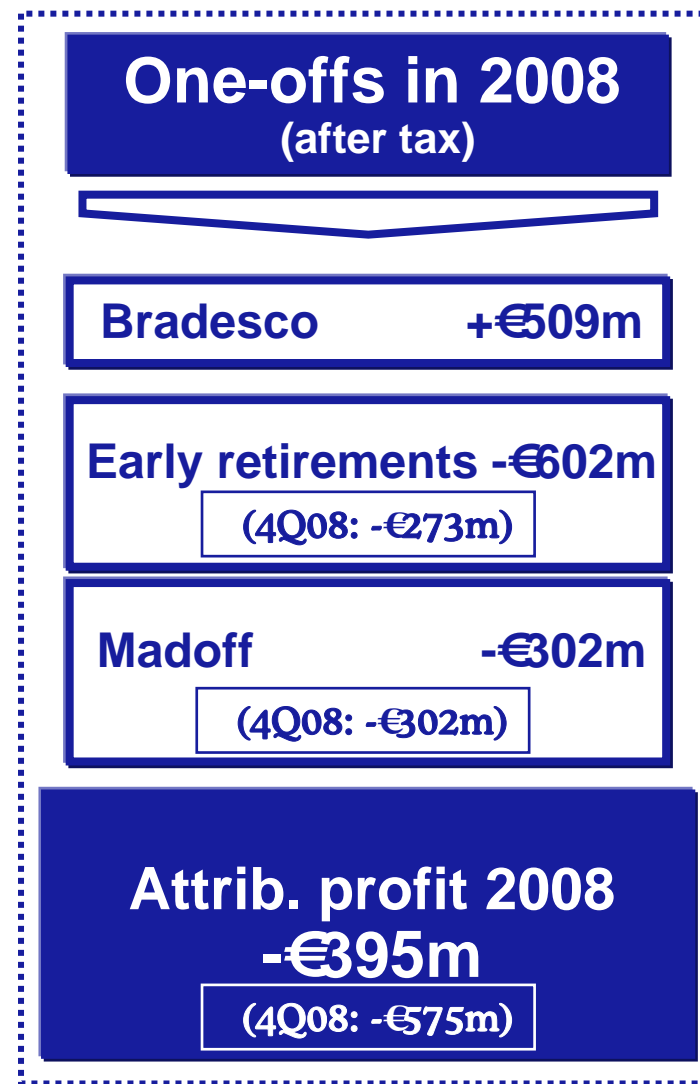
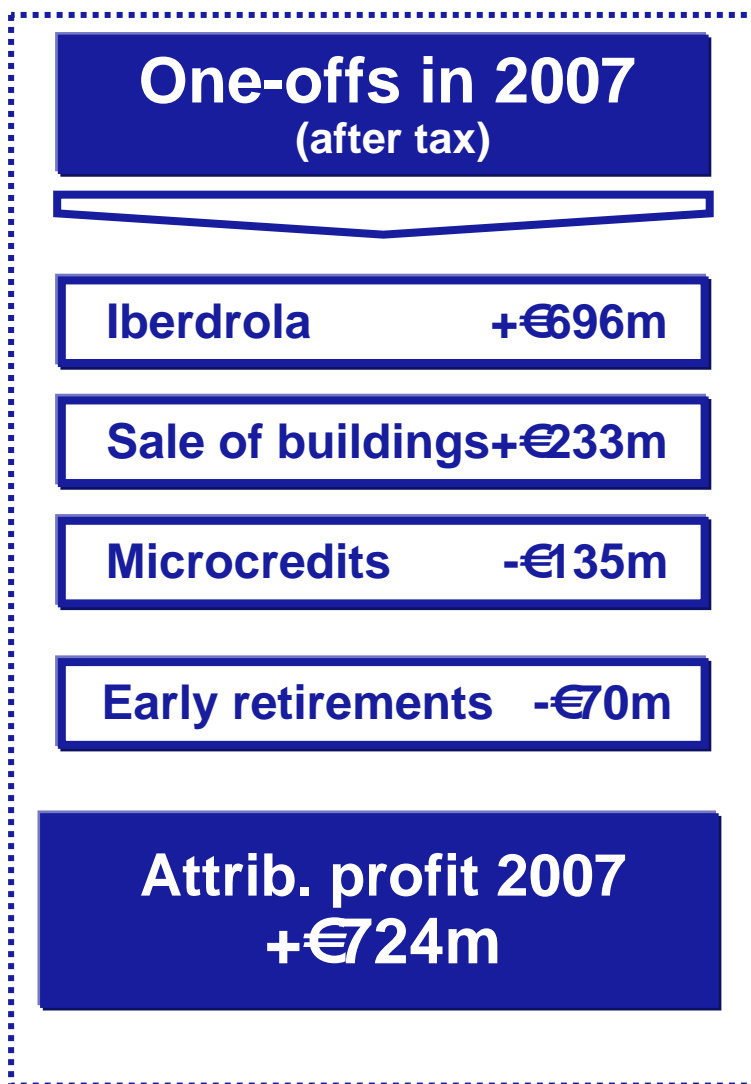


* Pre NIIF

** Excl. One-off items

BBVA Group: one-off items

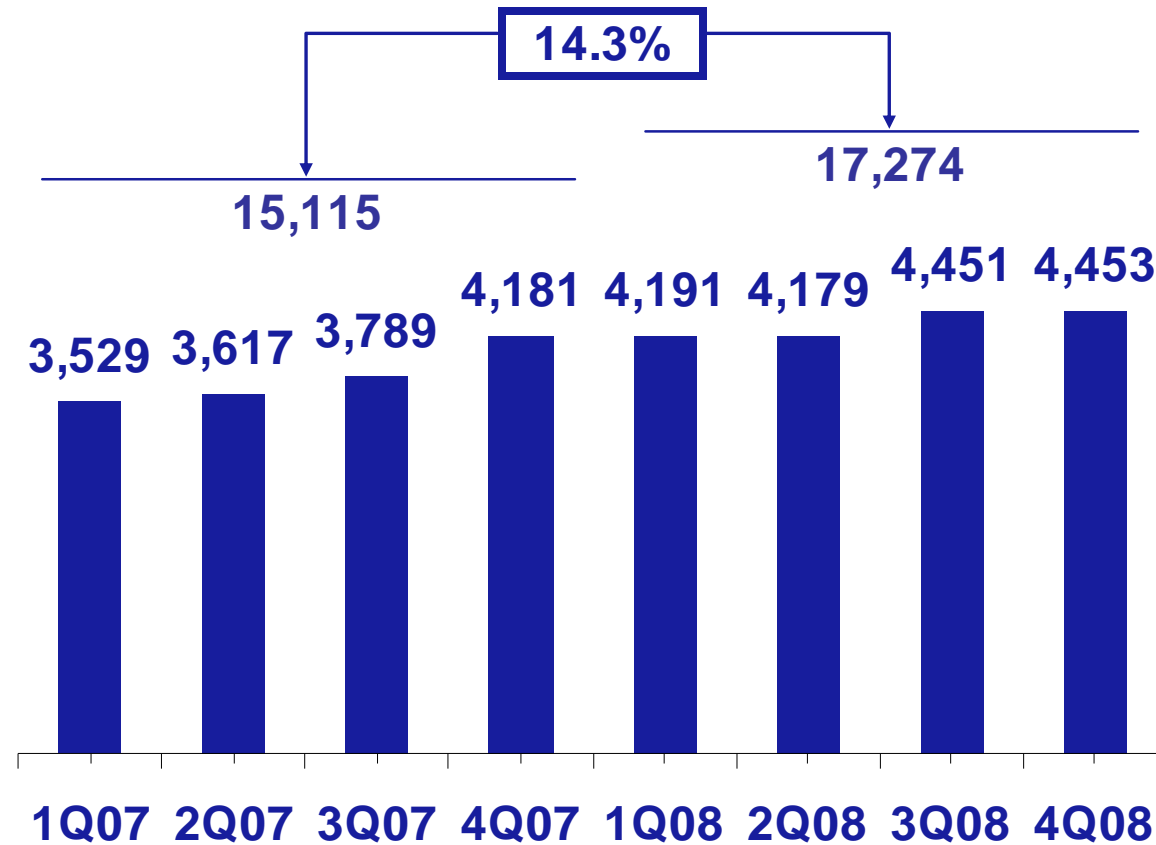
BBVA



Net attributable profit of Group: €5,020m

① Recurrent revenues based on our relationship with customers

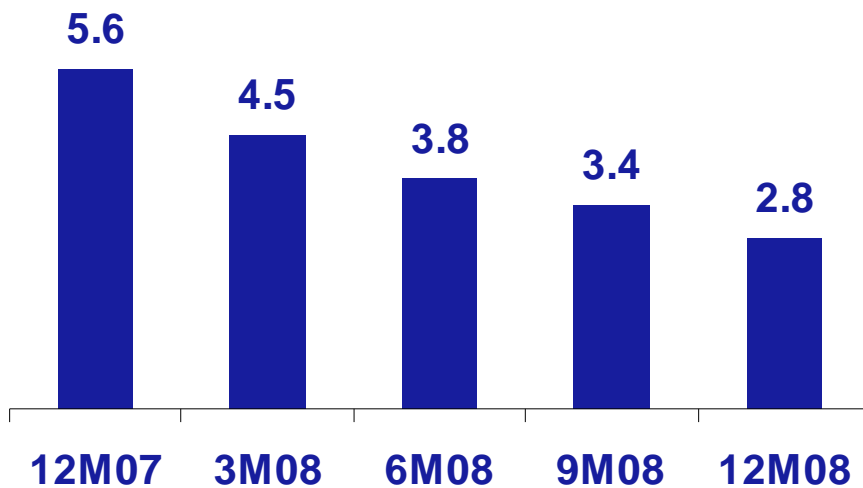
Core revenues excl. dividends
(€m)



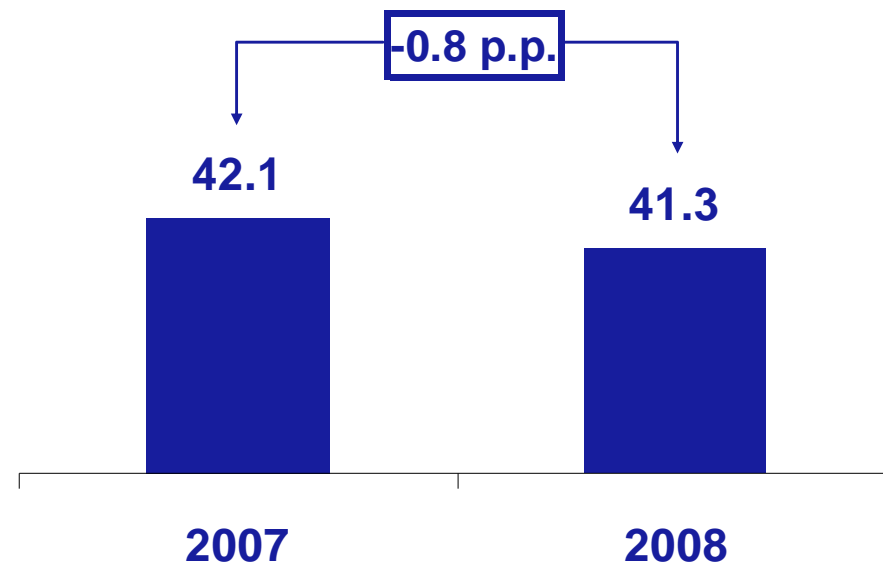
Focus on Pricing
NII/ATA: 2.29% (+18bp)

② Strict management of costs

Increases in general and admin expenses
Group, excl. one-offs and Compass
(%)

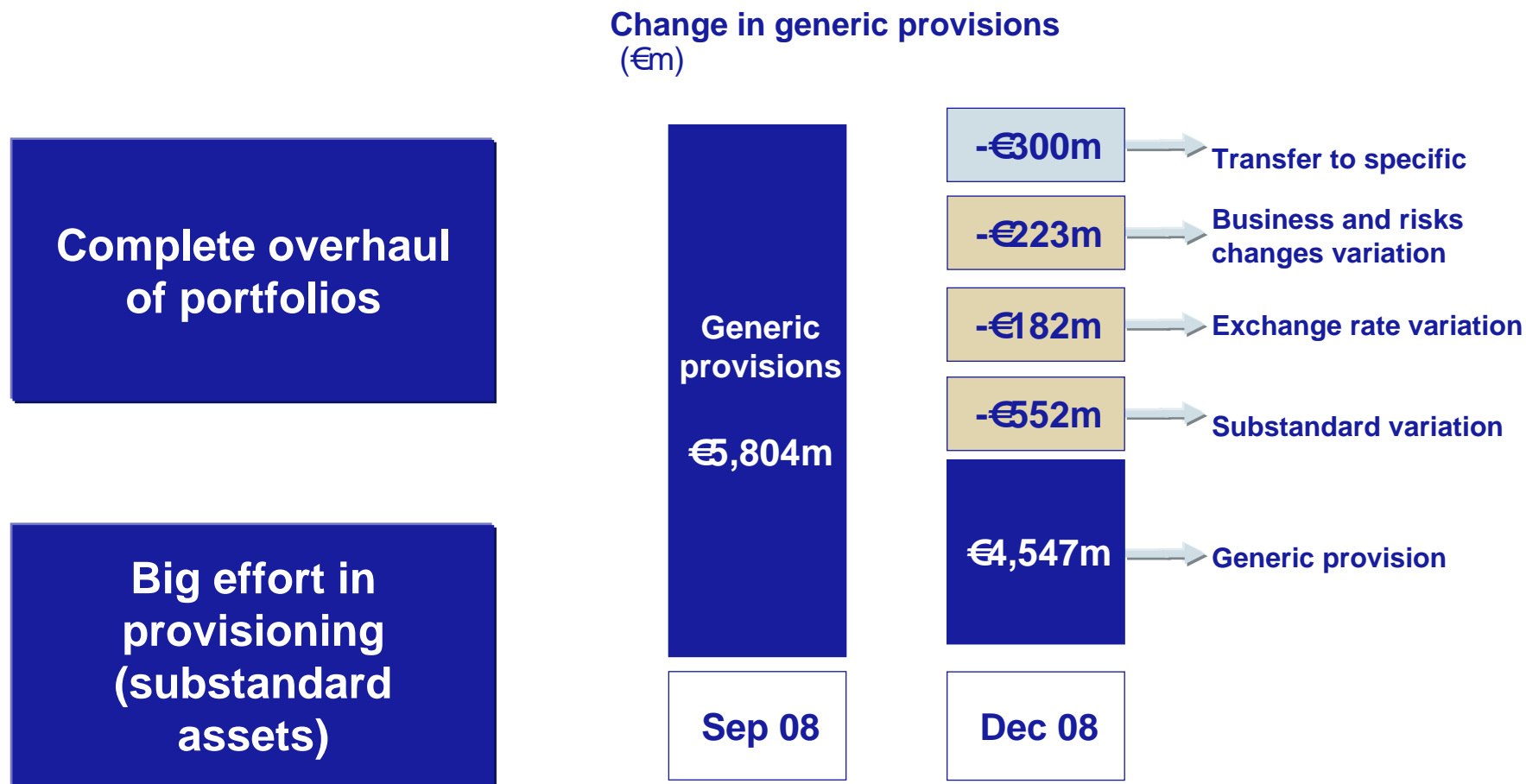


Cost/inc ratio incl. depreciation
Group, excl. one-offs and Compass
(%)



Transformation Plan measures taken in 2008, will lead to practically 0% nominal growth of expenses in 2009

③ Risk management: anticipation and prudent provisioning



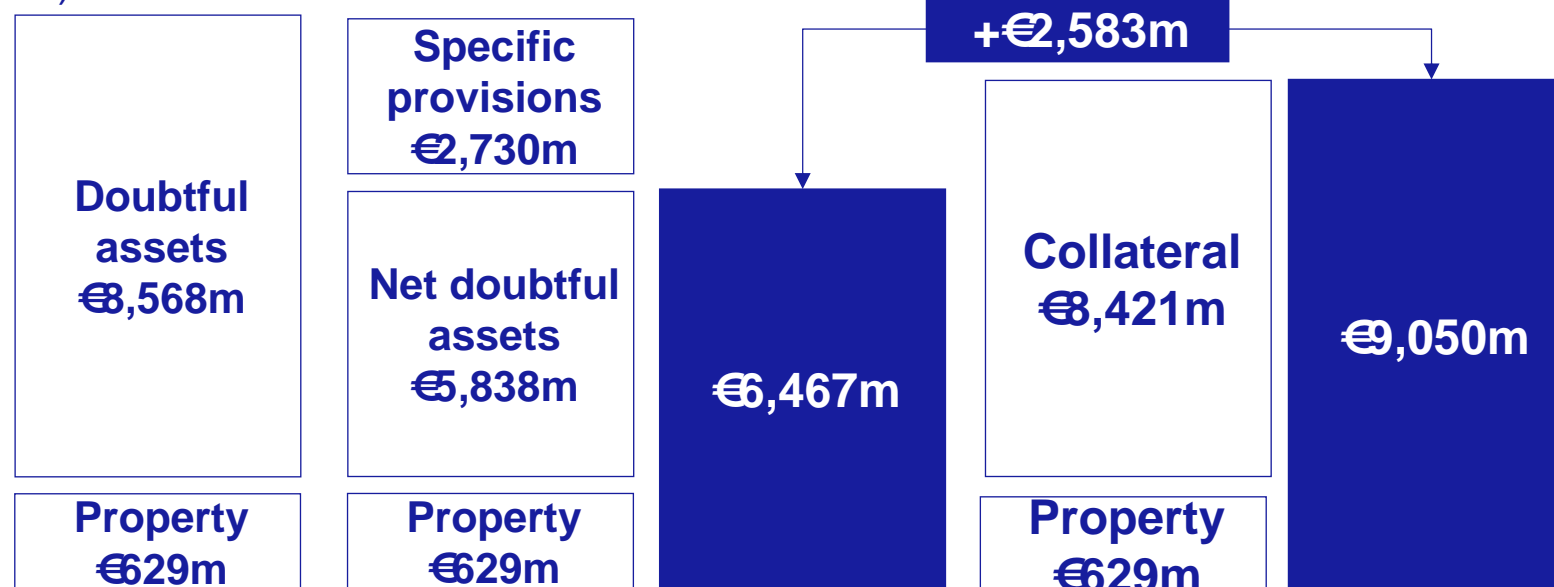
€300m transferred to compensate for specific provisions in the 4th quarter

Asset impairment is covered by provisions and collateral

**NPA ratio
2.12 %**

**Coverage
91%**

Doubtful assets & property purchases
(€m)



**Collateral exceeds net doubtful assets by €2,583m
Additional €5,000m of generic and substandard provisions**

4

BBVA takes steps to reinforce capital in a complex environment **BBVA**

Issue of preference shares

Generation of additional €1,000m in Tier I

2008 dividend

Hand over of 60.5 million of old shares¹

- **Estimated value of dividend = €0.11²**
- **Interim dividends paid in cash + dividend in shares = €0.61²**
- **Pay-out in cash = 37%**
- **Total pay-out = 46%**

(1) Distribution of the issue premium reserve in kind via a payment in shares to complement dividends already paid.

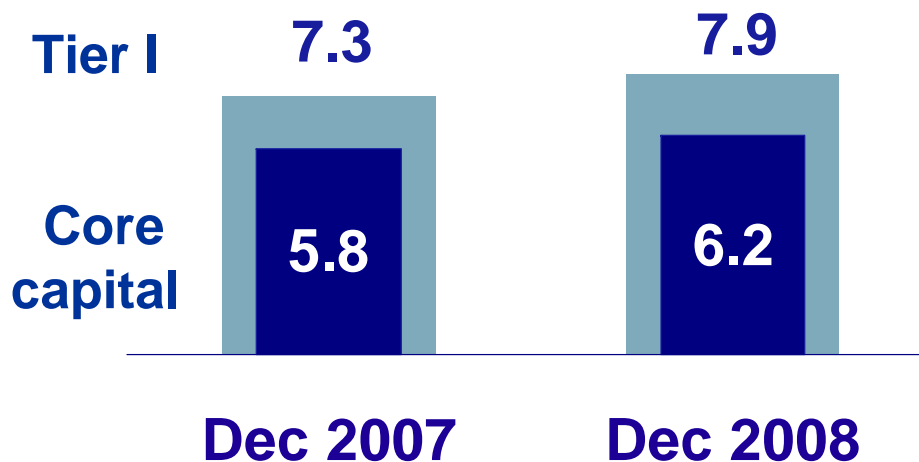
(2) Closing price of the BBVA share at 27th January, 2009: €6.99

Capital ratios

Core capital (%)

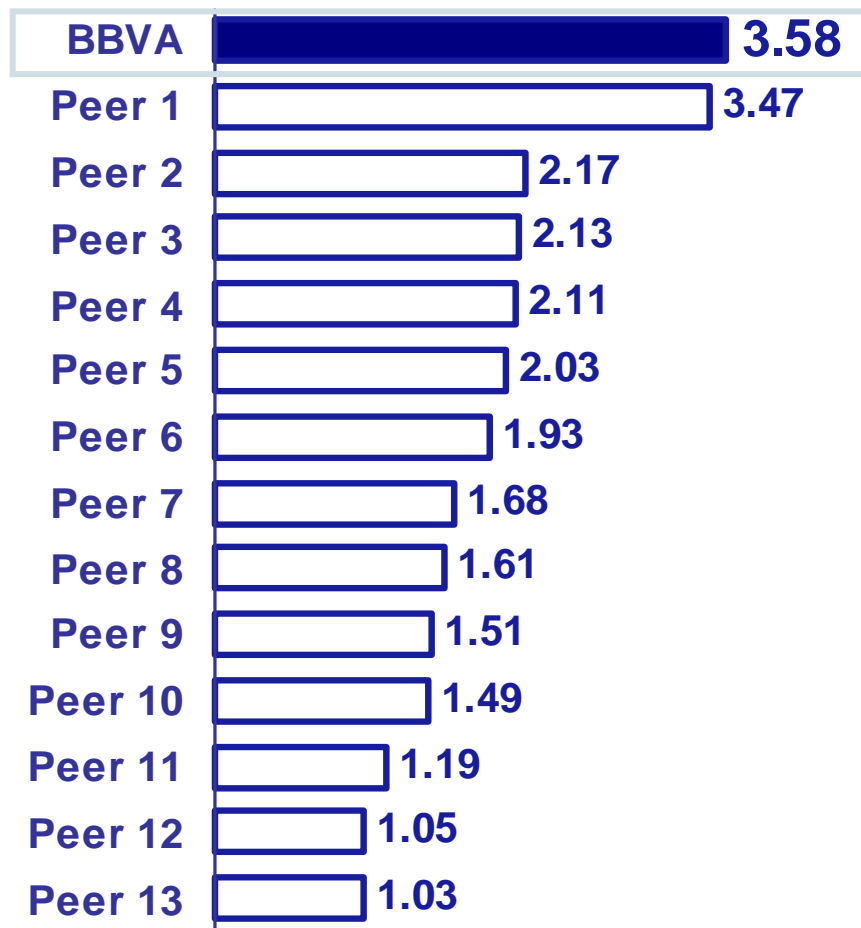
	2008	4Q08
Initial core capital	5.8%	6.4%
Organic generation	+66 bp	+15 bp
Exchange rate	-14 bp	-11 bp
One-offs	-12 bp	-24 bp
Final Core capital	6.2%	6.2%

Core capital BIS II (%)



And the quality of our capital is better than our competitors

(Core equity + excess/deficit of provisions) / total assets
(%, Sep 08)



Moreover ...

Excess provisions

Pension fund
(calculated with conservative criteria and protected against market and biometric risk)

Business model with no unexpected consumption of capital

Capital adjusted to cycle

Little exposure to falls in housing prices

(-20% in housing prices => 0 bp. in core capital)
(-30% in housing prices => -3 bp in core capital)

Peers: Santander, BNP Paribas, Intesa Sanpaolo, Unicredit, Barclays, Société Générale, HBOS, Crédit Agricole, Lloyds, Deutsche Bank, Credit Suisse, RBS, UBS
Internal sources based on published figures.
Corrected for subsequent capital operations, some not yet realized.

BBVA takes steps to reinforce capital from a maximum prudence stand

BBVA

2009 dividend

1. Pay-out in cash = 30%

2. Three interims + final dividend continues

Approximately 80 bp of core capital generation in 2009

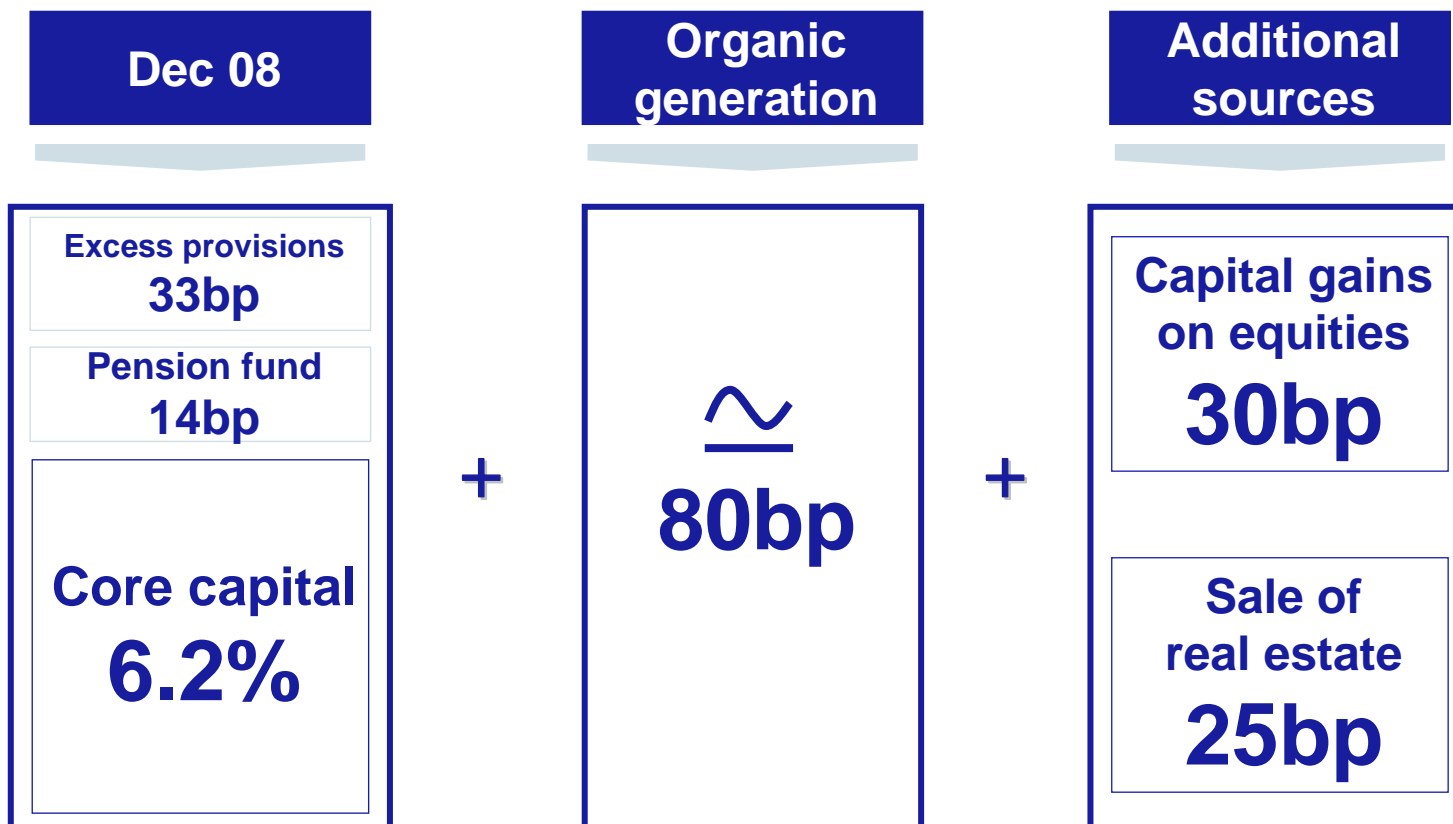
BBVA has not made use of extraordinary sources of capital

Latent capital gains in equity holdings

**Latent capital gains in available for sale fixed
income portfolios**

Capital gains on real estate

In summary: in 2009 BBVA will maintain its strong capital base



Profitability and value creation metrics

Profitability
(%)

ROA (excl. one-offs): 1.11%

RORWA (excl. one-offs): 2.09%

ROE (excl. one-offs): 23.2%

Value creation
(€m and %)

Recurrent EP: €3,402m

Recurrent RARoC: 29.9%

BBVA Group excluding one-offs: 2008 results

BBVA

(€m)

BBVA Group	Accum	Annual Growth	
	2008	Abs.	%
Net Interest Income	11,891	+ 2,122	21.7%
Core Revenues	17,721	+ 2,258	14.6%
Ordinary Revenues	19,126	+ 1,841	10.6%
Operating Profit	10,552	+ 854	8.8%
Pre-Tax Profit	7,490	- 184	-2.4%
Net Profit	5,780	+ 89	1.6%
Net Attributable Profit	5,414	+ 12	0.2%

EPS (€1.46): -2.8%

BBVA Group: 2008 results

BBVA

(€m)

BBVA Group	Accum	Annual Growth	
	2008	Abs.	%
Net Interest Income	11,891	+ 2,122	21.7%
Core Revenues	17,721	+ 2,258	14.6%
Ordinary Revenues	19,853	+ 1,721	9.5%
Operating Profit	11,279	+ 734	7.0%
Pre-Tax Profit	6,926	- 1,568	-18.5%
Net Profit	5,385	- 1,030	-16.1%
Net Attributable Profit	5,020	- 1,107	-18.1%

EPS (€1.35): -20.5%



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Group results for 2008

Results by business area

Spain & Portugal

Wholesale Banking & Asset Management

Mexico

USA

South America

Conclusions

Spain & Portugal: key figures for 2008

Operating Profit +10.8%	Net attrib. profit +10.2%	ROE 36.2%
Efficiency incl. depreciation 35.3%	NPA ratio Spain & Portugal 2.62%	Coverage Spain & Portugal 67%
	NPA ratio Businesses in Spain 2.17%	Coverage Businesses in Spain 72%

Adapting to changes in business activity . . .

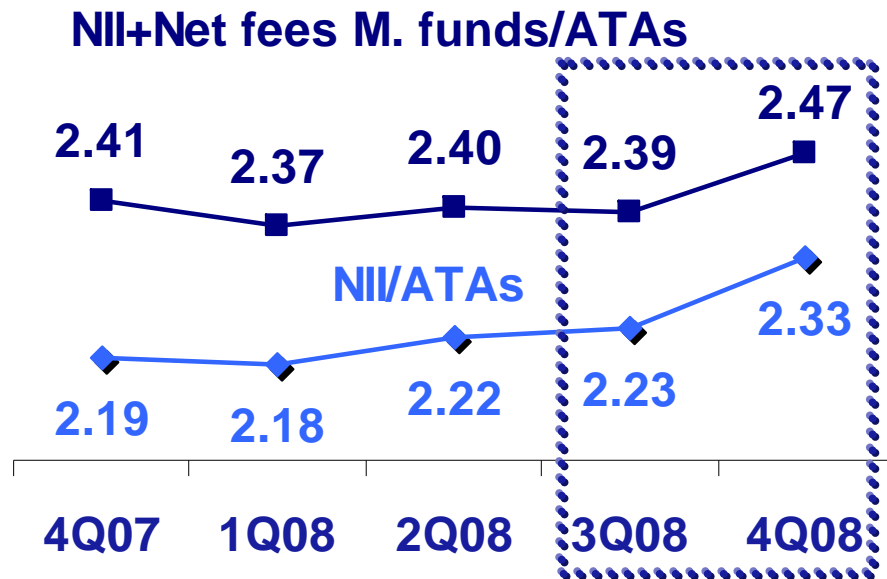
Lending and Customer Funds

Year-on-year growth
(Average balances)

	08/07
Lending	+1.0%
Cust. Funds*	+8.1%

* In balance-sheet

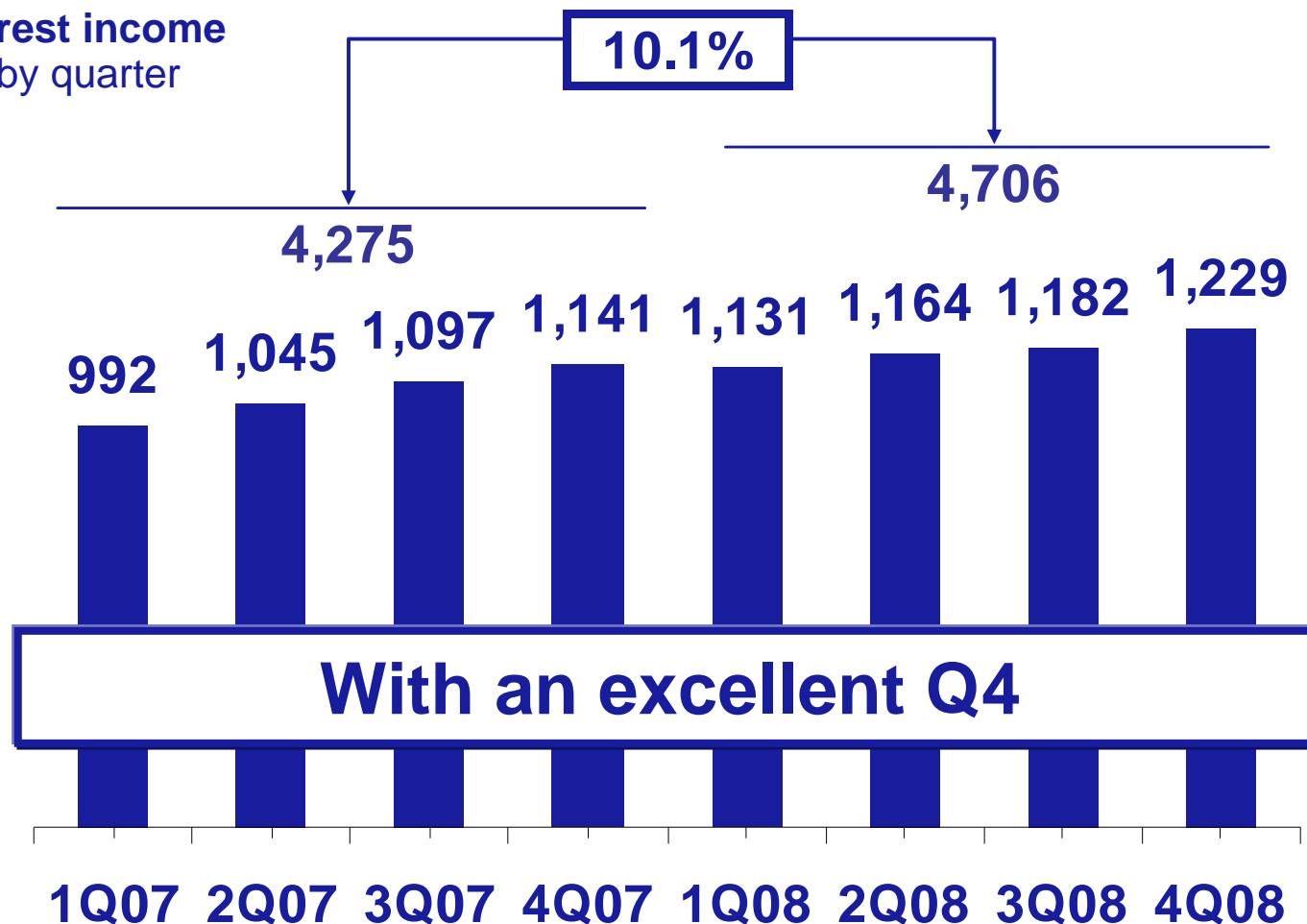
Net interest income/ATAs and (NII+Net fees mutual funds)/ATAs (%)



. . . with the focus on pricing

Generating recurrent revenues

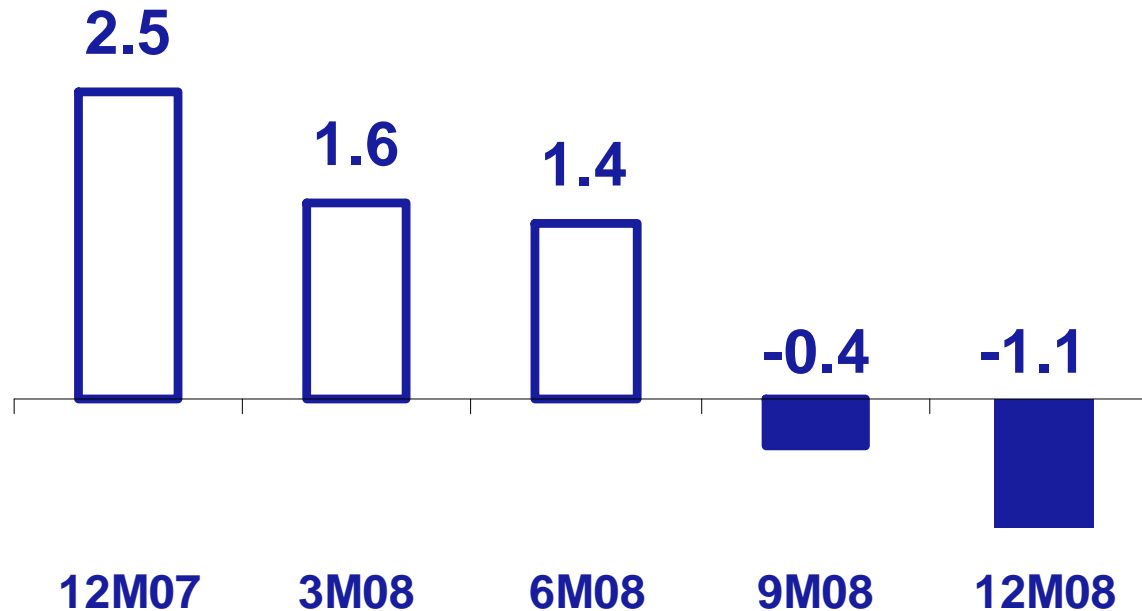
Net interest income
Quarter by quarter
(€m)



Ordinary revenues: €7,099m (+6.6%)

Early implementation of the Transformation Plan leaves the area better prepared for the slowdown . . .

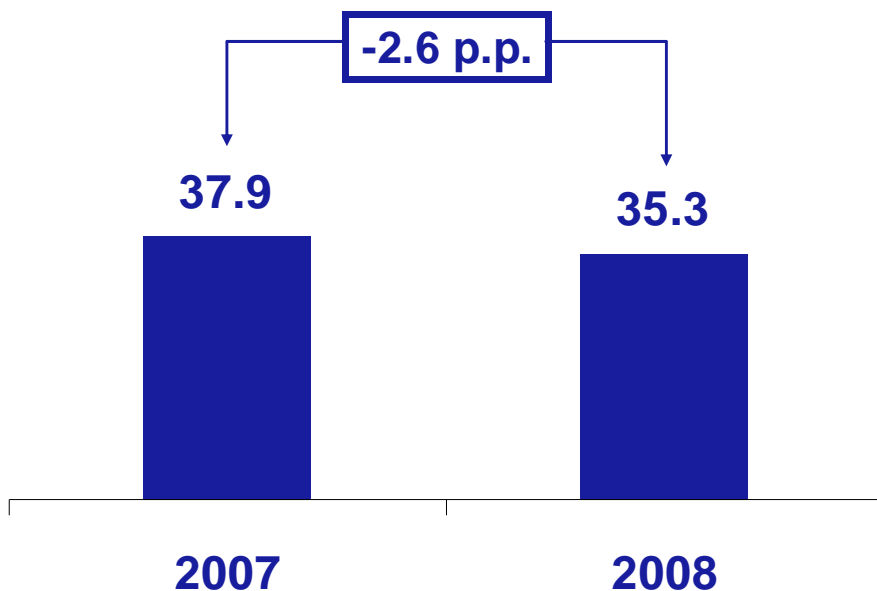
General and administrative expenses
 Year-on-year growth
 (%)



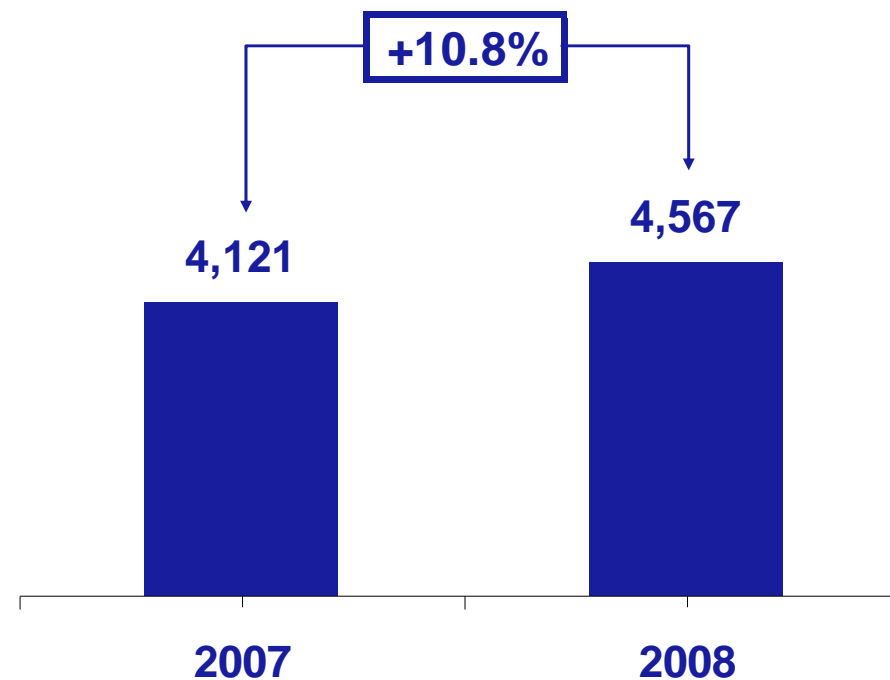
Personnel expenses: -3.7%

... leading to solid recurrent operating profit

Efficiency incl. depreciation (%)

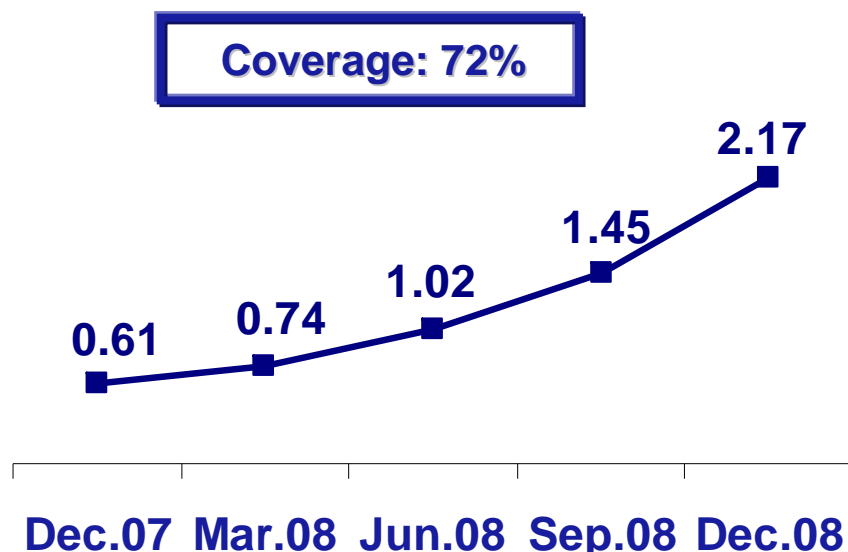


Operating Profit (€m)



Strict control of risk

NPA ratio
Domestic businesses
(%)



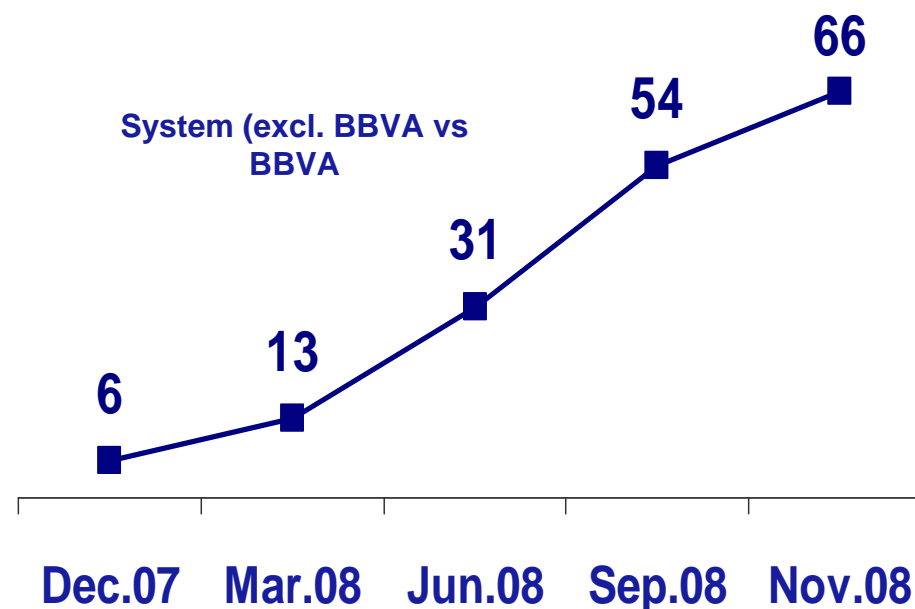
Spain & Portugal

NPA: 2.62%

Coverage: 67%

Provisions: +31.8%

NPA ratio advantage in ODS
(basis points)

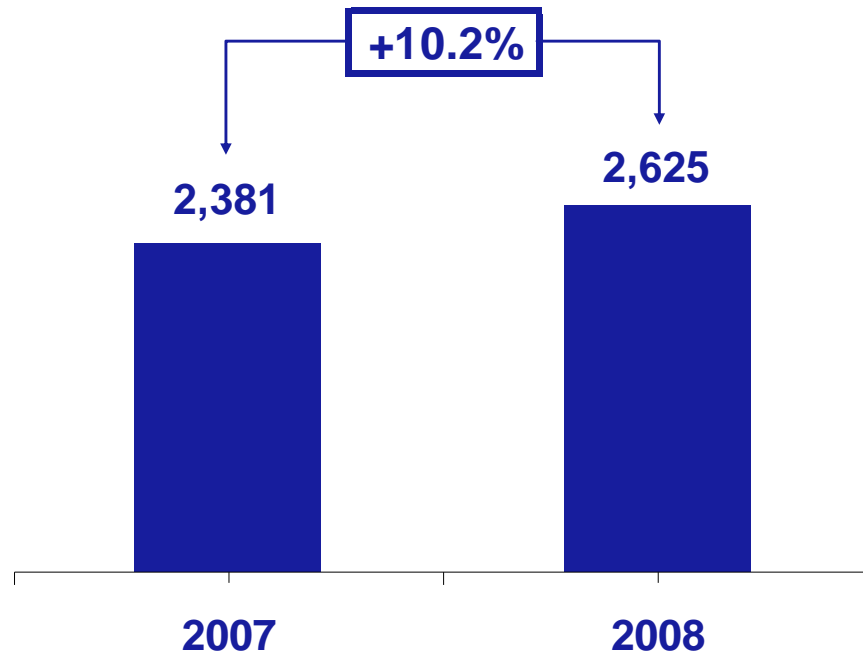


Purchase of properties
for €629m

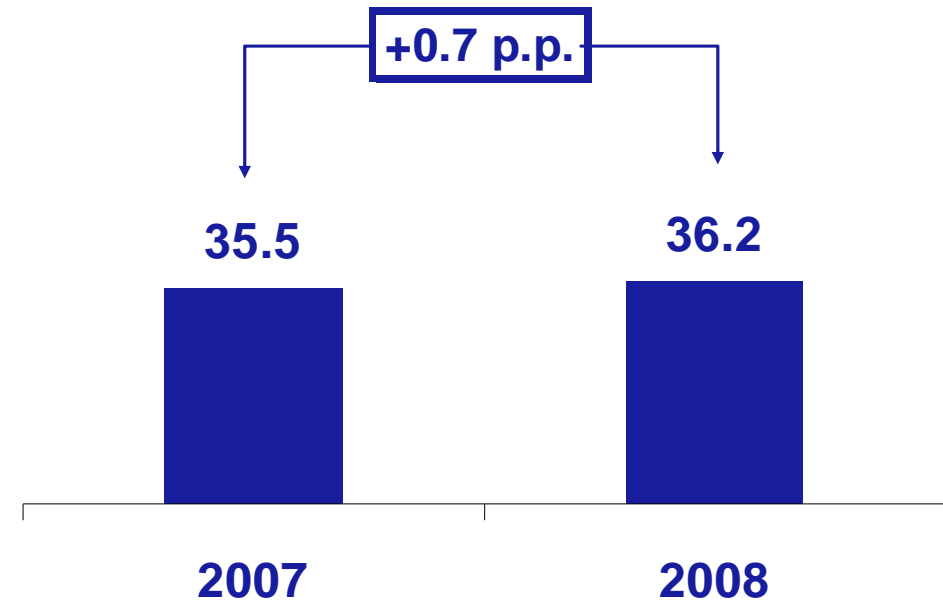
Maximum cost of risk
fenced in

In summary: earnings in the Spain & Portugal Area are holding up well

Net attributable profit
(€m)



ROE
(%)



Spain & Portugal: 2008 results

(€m)

Spain & Portugal	Accum	Annual Growth	
	2008	Abs.	%
Net Interest Income	4,706	+ 431	10.1%
Core Revenues	6,870	+ 441	6.9%
Ordinary Revenues	7,099	+ 439	6.6%
Operating Profit	4,567	+ 446	10.8%
Pre-Tax Profit	3,751	+ 221	6.3%
Net Profit	2,625	+ 245	10.3%
Net Attributable Profit	2,625	+ 244	10.2%



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Group results for 2008

Results by business area

Spain & Portugal

Wholesale Banking & Asset Management

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Conclusions

WB&AM: key figures for 2008

Operating Profit -3.5%	Net Attrib. Profit -15.9%	ROE 21.3%
Efficiency incl. depreciation 29.8%	NPA ratio 0.12%	Coverage 986%

WB&AM: 2008 results

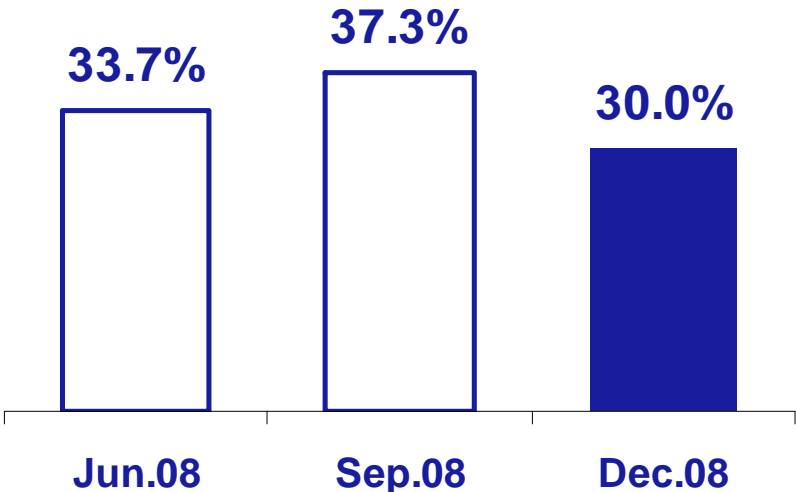
(€m)

Wholesale Banking & Asset Management*	Accum	Annual Growth	
	2008	Abs.	%
Ordinary Revenues	1,714	+ 108	6.7%
Operating Profit	1,223	- 44	-3.5%
Pre-Tax Profit	933	- 220	-19.1%
Net Profit	760	- 147	-16.2%
Net Attributable Profit	754	- 143	-15.9%

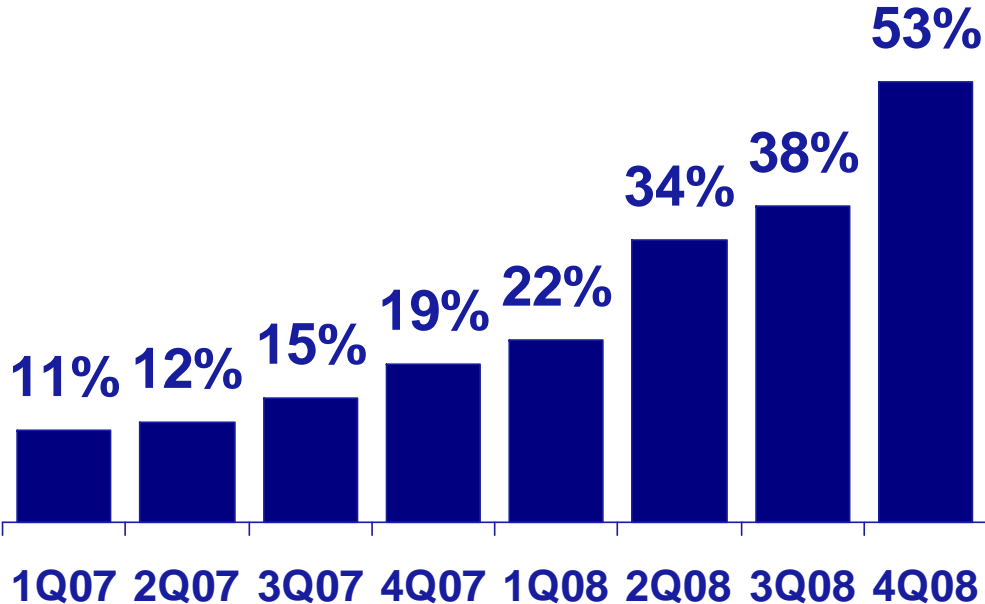
In a highly complex environment WB&AM obtained a profit of €754m, with units performing differently

Capitalising on opportunities in Corporate & Investment Banking

Corp. & Investment Bkg*
 Lending
 Year-on-year growth
 (Average balances)



Corp. & Investment Bkg
 RARoC on new business
 Quarter by quarter

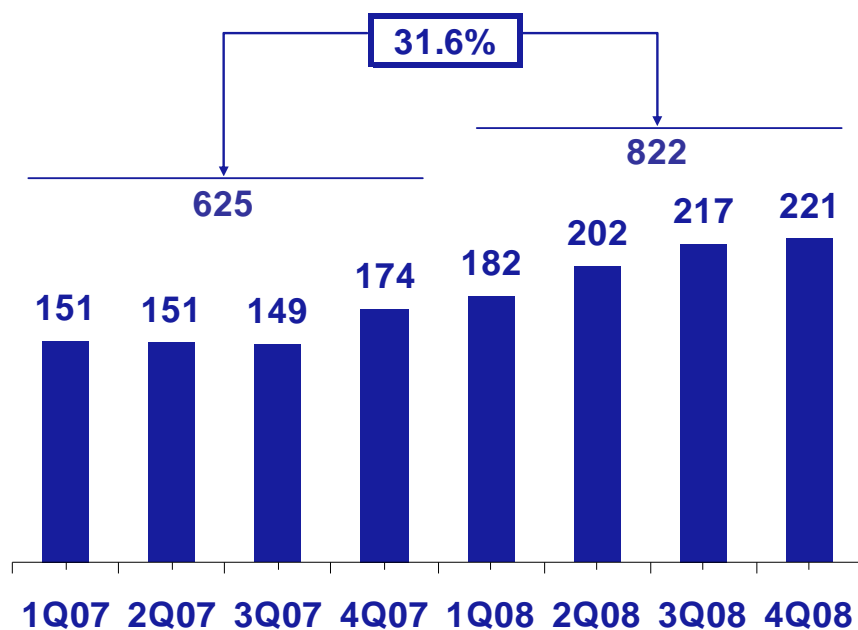


The portfolio is diversified by sectors and regions

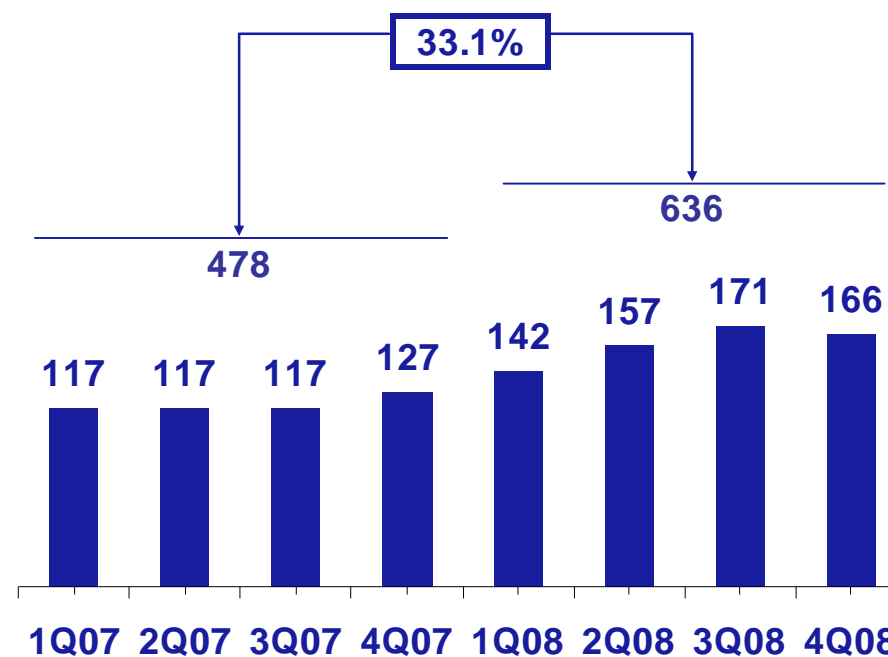
* Europe + Asia + Investment Bkg

Recurrent earnings

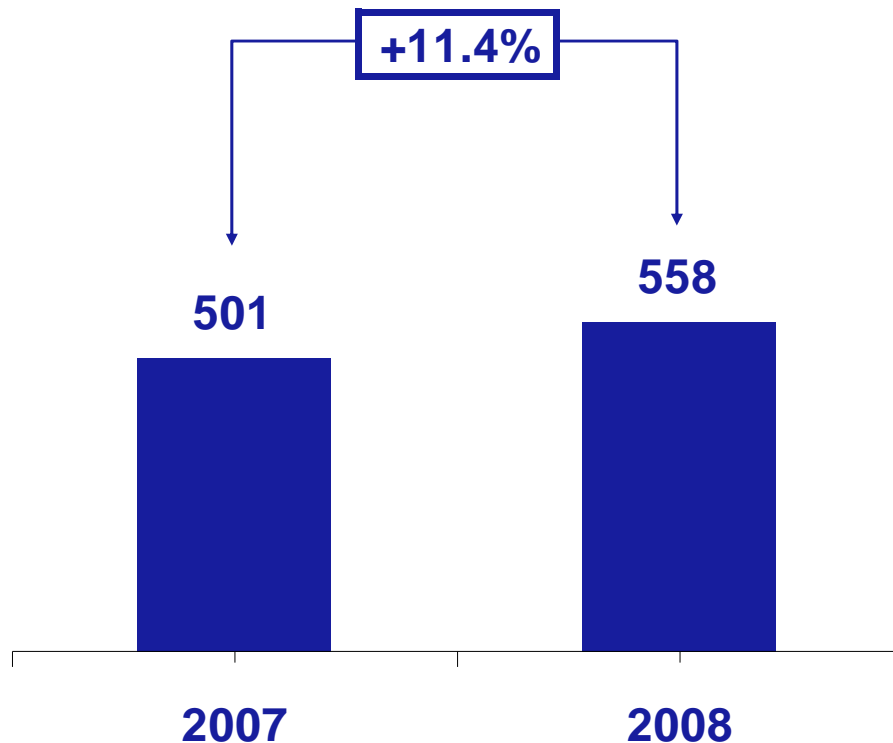
Corp. & Investment Bkg
Ordinary revenues
(€m)



Corp. & Investment Bkg
Operating Profit
(€m)



Global Markets
Ordinary revenues
(€m)



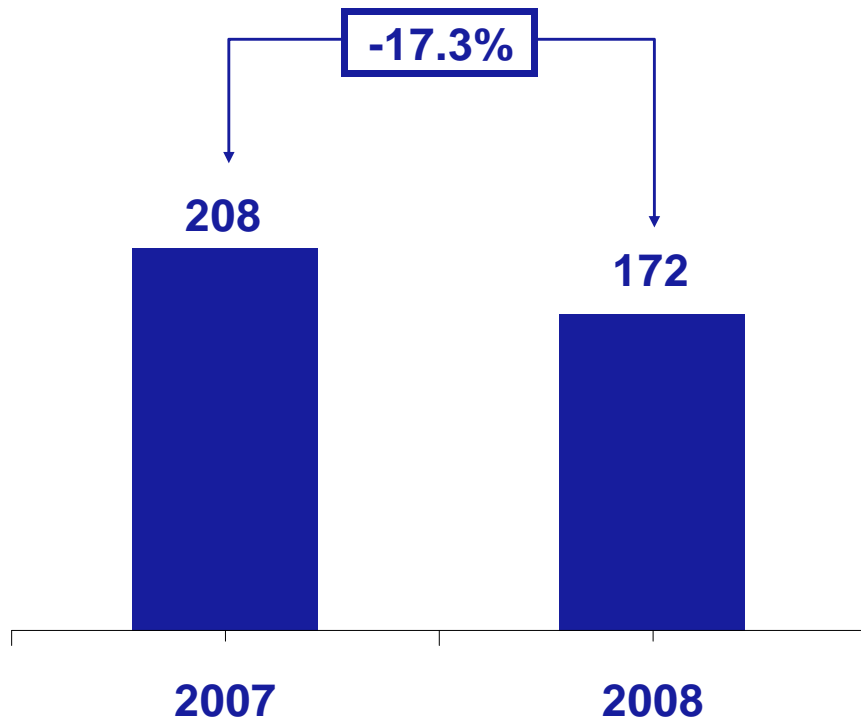
Despite conditions

Revenue growth
11.4%

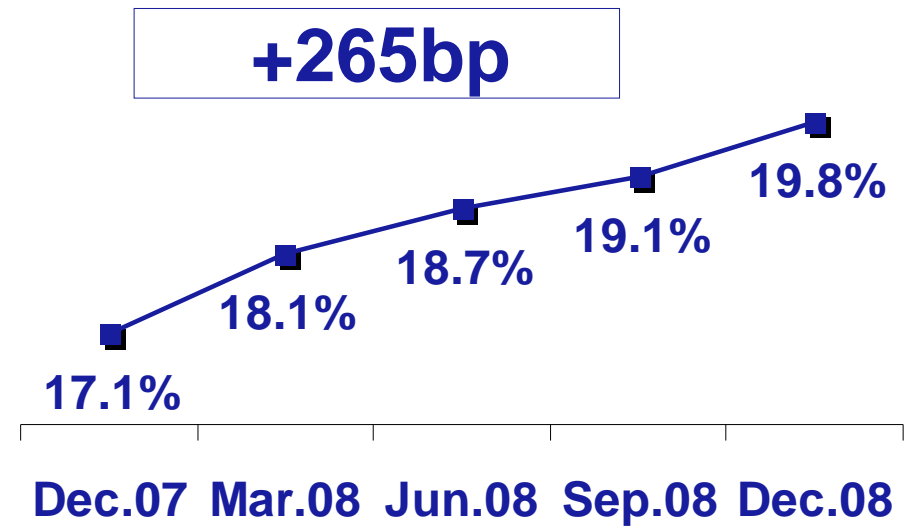
Positive ordinary
revenues in 4Q08
(€9m)

Asset Management

Asset management
Ordinary revenues
(€m)



Asset management
Market share of mutual funds
(%)





BBVA

Group results for 2008

Results by business area

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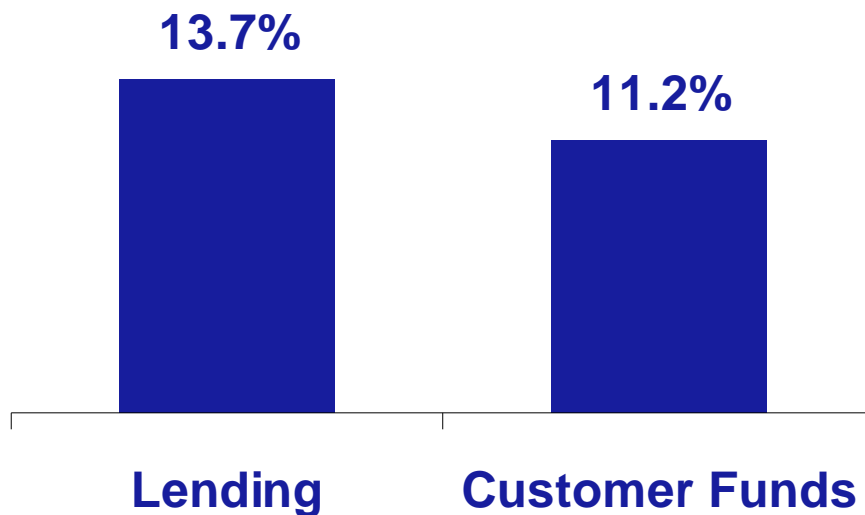
Mexico: key figures for 2008

Operating Profit +16.0% (Constant €)	Net attrib. profit +12.1% (Constant €)	
Efficiency incl. depr. 32.4%	NPA ratio 3.21%	Coverage 161%

Strong business despite global environment

Lending & Customer Funds

Year-on-year growth
(Average balances)



Focus on customer funds

SMEs: +35.4%

Mortgages: +21.6%

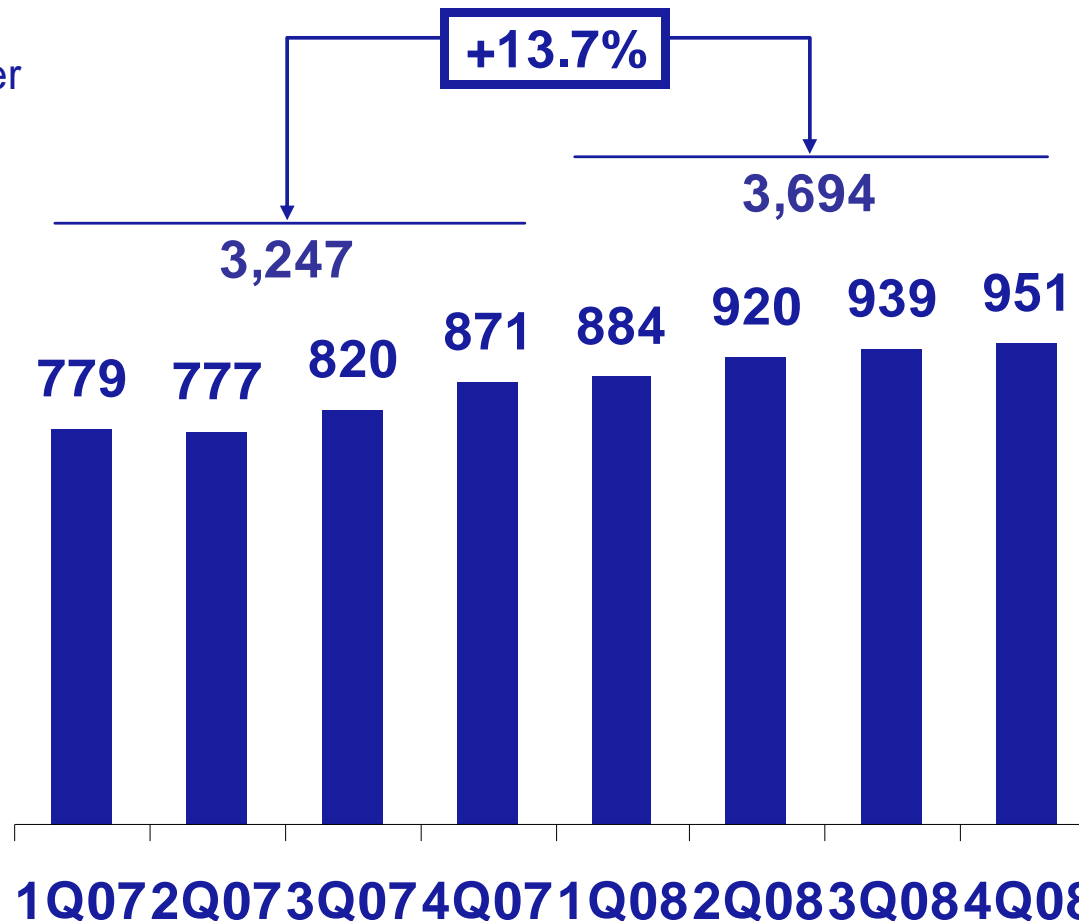
Consumer + cards: -0.7%

Current + Savings A/c: +16.0%

Time+MF+Repo+MDD: +7.5%

Revenues grow in line with business

Net interest income
Mexico country
Quarter by quarter
(Constant €m)



Ordinary revenues: €5,554m (+12.4%)

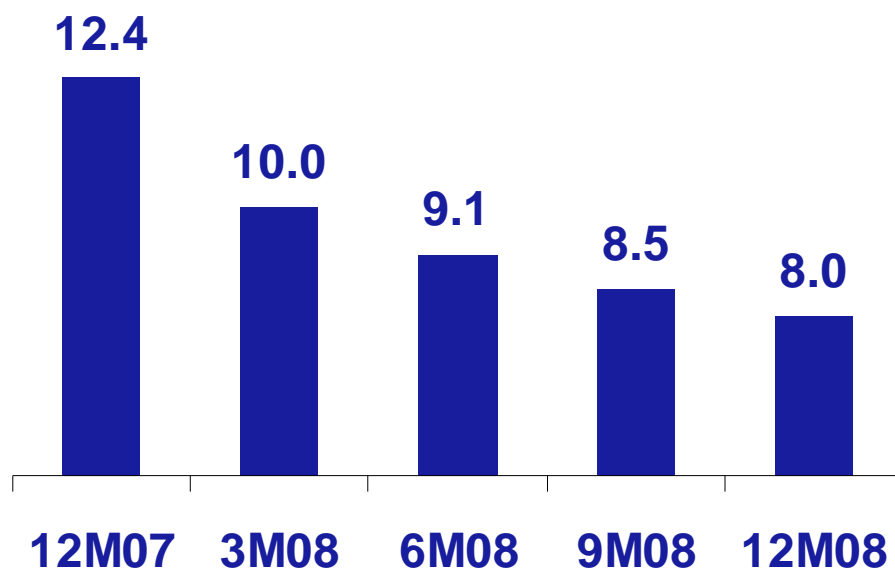
Operating profit reflects excellent result of Mexico's transformation plan

General and administrative expenses

Mexico country

Year-on-year growth at constant €

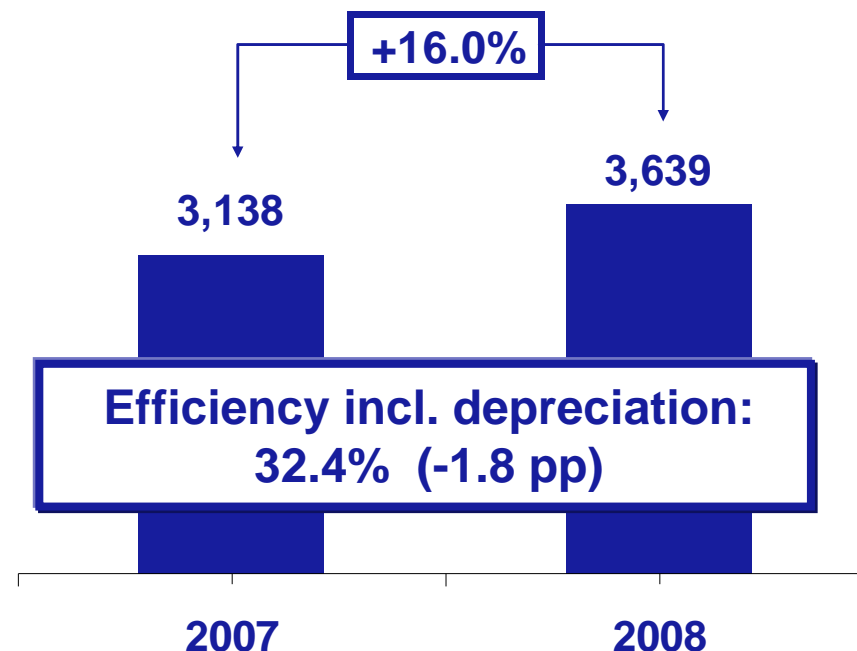
(%)



Operating Profit

Mexico country

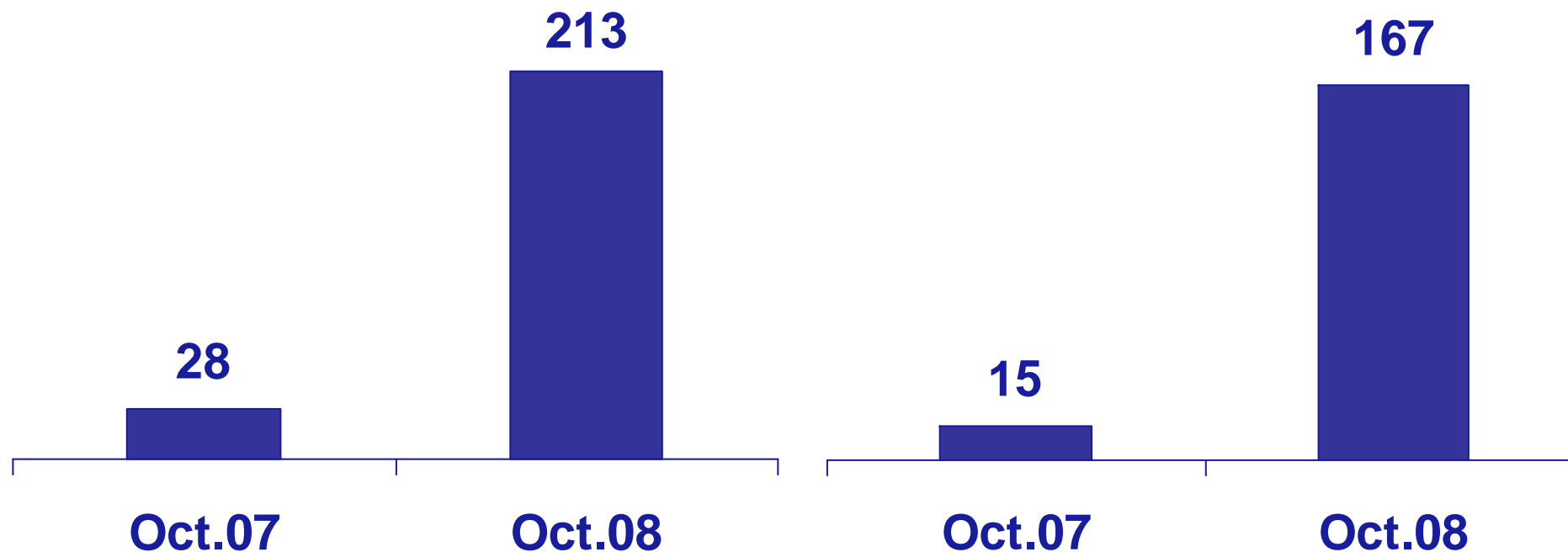
(Constant €m)



Distinctive performance in asset quality

**Cost of risk advantage
System vs Bancomer
(bp)**

**NPA ratio advantage
Consumer + cards
System vs Bancomer
(bp)**



NPA: 3.21%

Coverage: 161%

Provisions: +45.1%
(constant €)

Mexico: 2008 results

(Constant €m)

Mexico	Accum	Annual Growth	
	2008	Abs.	%
Net Interest Income	3,694	+ 446	13.7%
Core Revenues	5,269	+ 530	11.2%
Ordinary Revenues	5,554	+ 615	12.4%
Operating Profit	3,639	+ 501	16.0%
Pre-Tax Profit	2,499	+ 125	5.3%
Net Profit	1,939	+ 209	12.1%
Net Attributable Profit	1,938	+ 209	12.1%



BBVA

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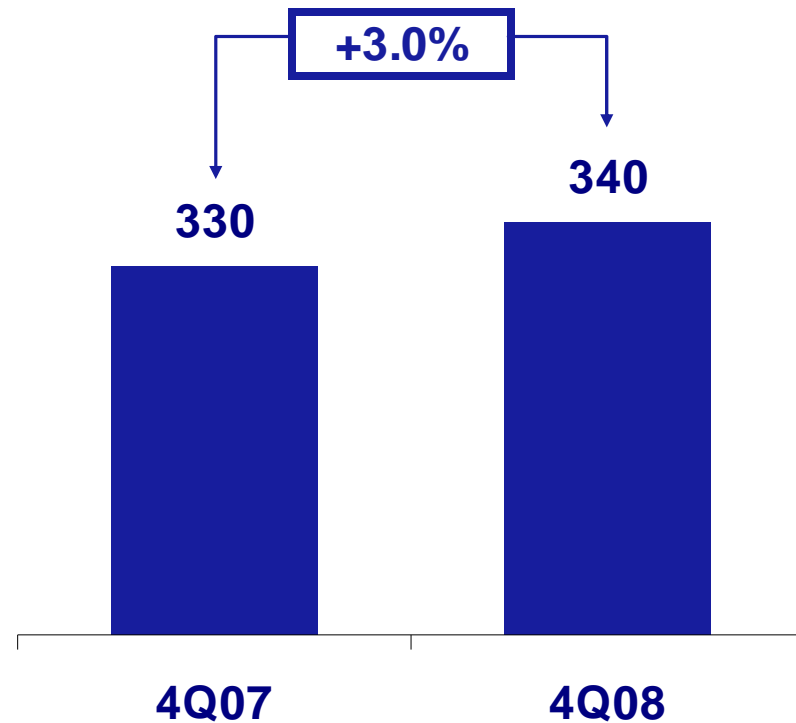
USA: key figures for 2008

Operating Profit* +96.2% (Constant €)	Net Attrib. Profit* +32.6% (Constant €)	ROE* 17.6%
Efficiency* 57.8%	NPA ratio 3.36%	Coverage 57%

* Without amortisation of intangibles

Revenues continue to grow despite integration of franchises and complex environment

Net interest income
(Constant €m)



**Synergies are
higher than
expected**

Integration has produced cost synergies ...

**Integration of the 4 banks
in record time ...**

**... with excellent results in
synergies**

1Q08

Approved merger of 4 banks

1Q08

Migration of SNB platform

3Q08

Migration of TSB platform

4Q08

Migration of LNB platform

Total synergies

\$161m delivered

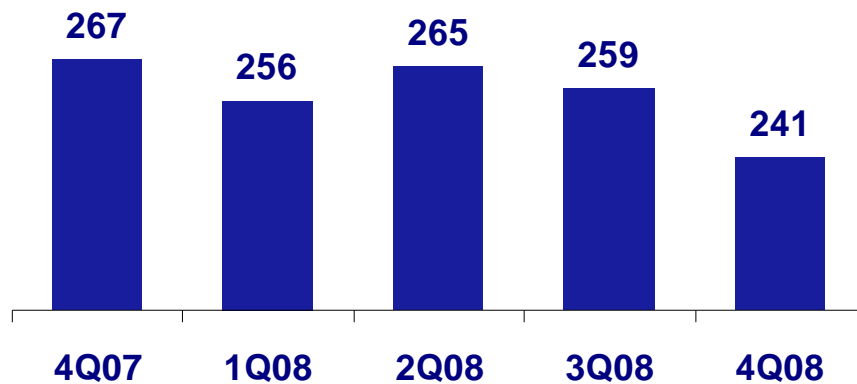
VS

\$112m budgeted

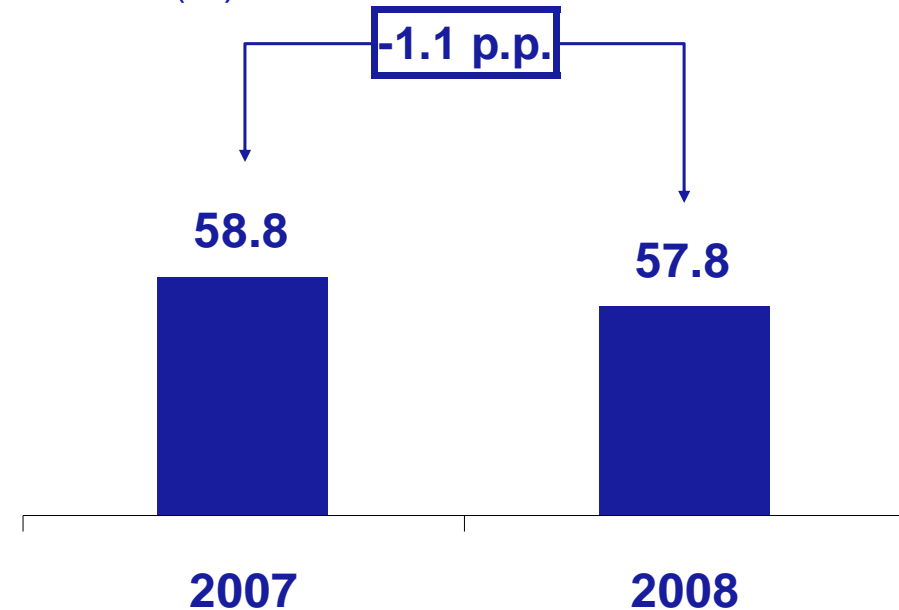
Excellent cost control and great potential for future reductions

Total expenses excl. amortization of intangibles and merger & integration costs

Quarter by quarter
(Constant €m)



Efficiency excl. amortization of intangibles:
(%)

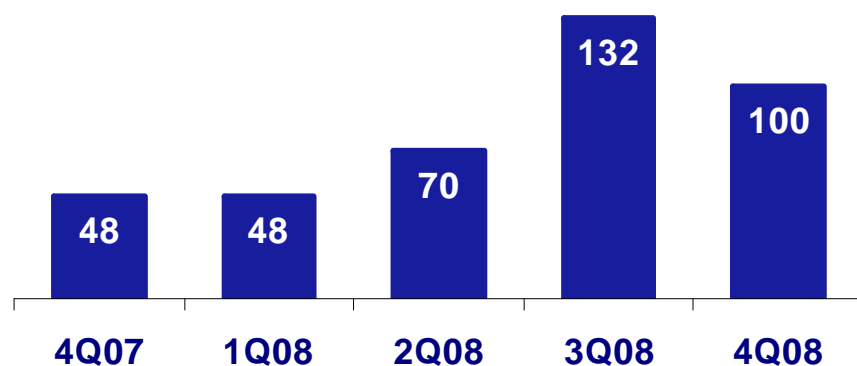


After the integration, BBVA USA is brought into the “BBVA model”

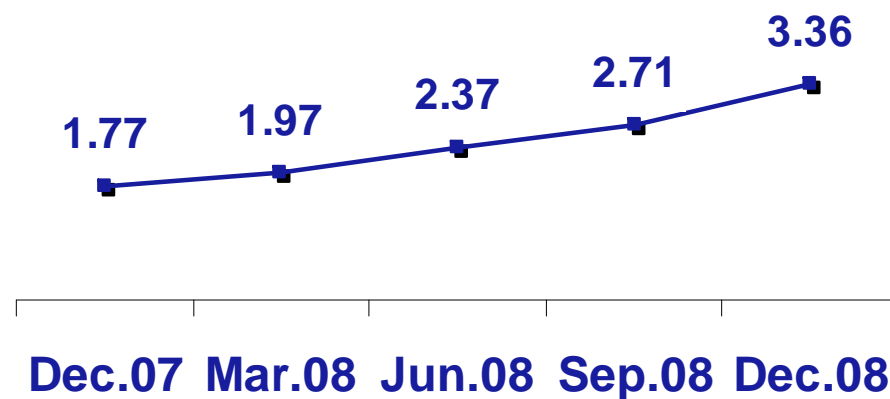
10% reduction of workforce in 1Q09

Loan-loss provisions affected by economic conditions

Loan-loss provisions
(Constant €m)



NPA ratio
(%)



Coverage: 57%

USA: 2008 results

(Constant €m excluding amortization of intangibles)

USA	Accum.
	2008
Net Interest Income	1,355
Core Revenues	1,901
Ordinary Revenues	2,024
Operating Profit	849
Net Attributable Profit	317

Net attrib. profit: €211m
(incl. amortisation of intangibles)

ROE: 17.6% (excl. amort. intang.)
ROE: 11.7% (incl. amort. intang.)

Plans for 2009 . . .

Focus on . . .

Price management

Cost controls
(deployment of Transformation Plan)

Risk: asset quality

. . . and strategic advances in

Synergies across businesses:

- **BBVA Compass / BBVA Bancomer**
- **Corporate: international business**
- **Affluent retail segment**

Technology platform upgrade



BBVA

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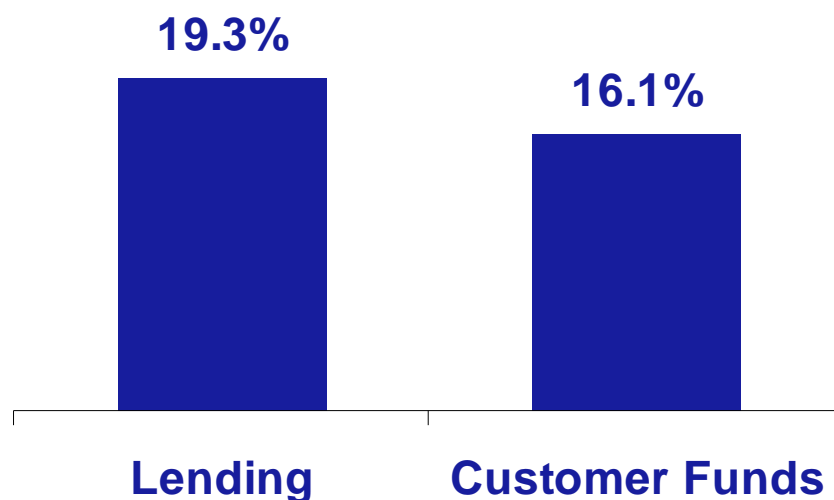
South America: key figures for 2008

BBVA

Operating Profit +28.8% (Constant €)	Net Attrib. Profit +22.7% (Constant €)	ROE 36.9%
Efficiency incl. depreciation 43.8%	NPA ratio 2.12%	Coverage 148%

Business still growing strongly . . .

Lending and Customer Funds
Year-on-year growth
(Average balances)



Consumer + cards: +20.8%

Mortgages: +22.8%

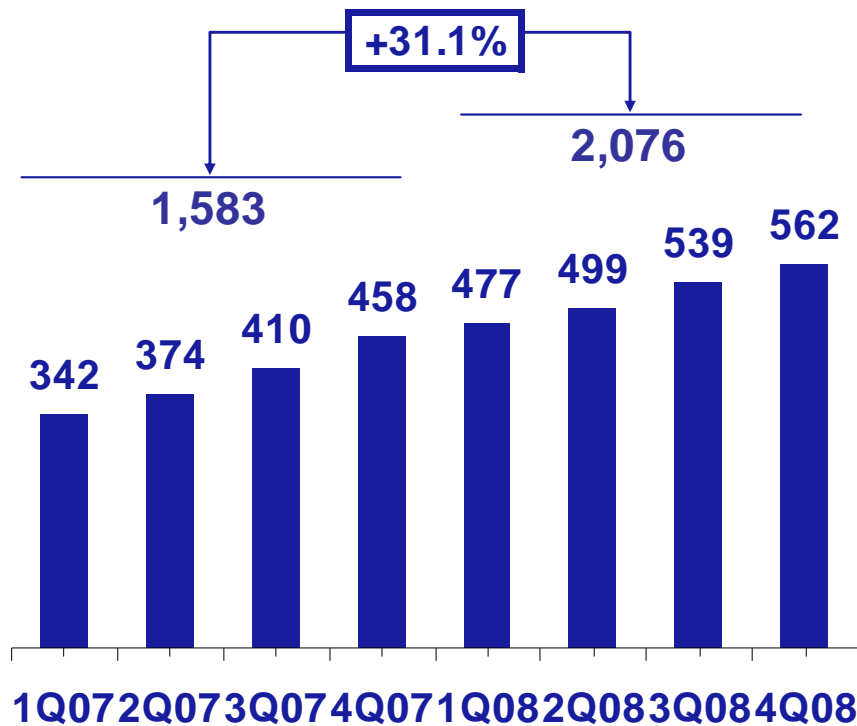
Companies: +19.0%

Time: +20.0%

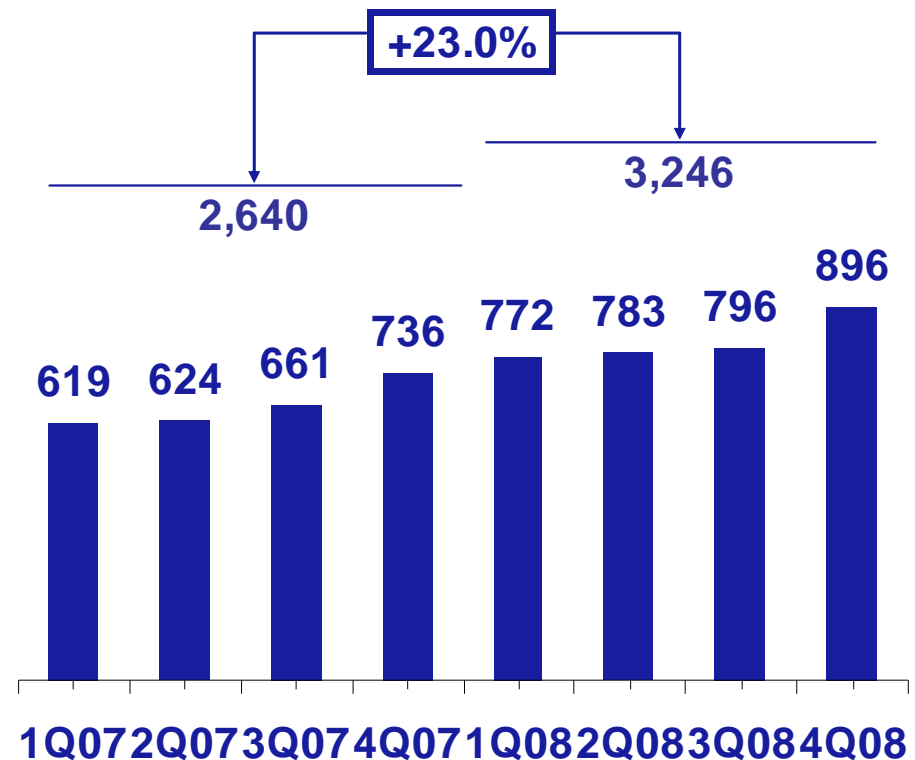
Current+savings: +14.0%

... reflected in the solid growth of revenues

Net interest income
(Constant €m)

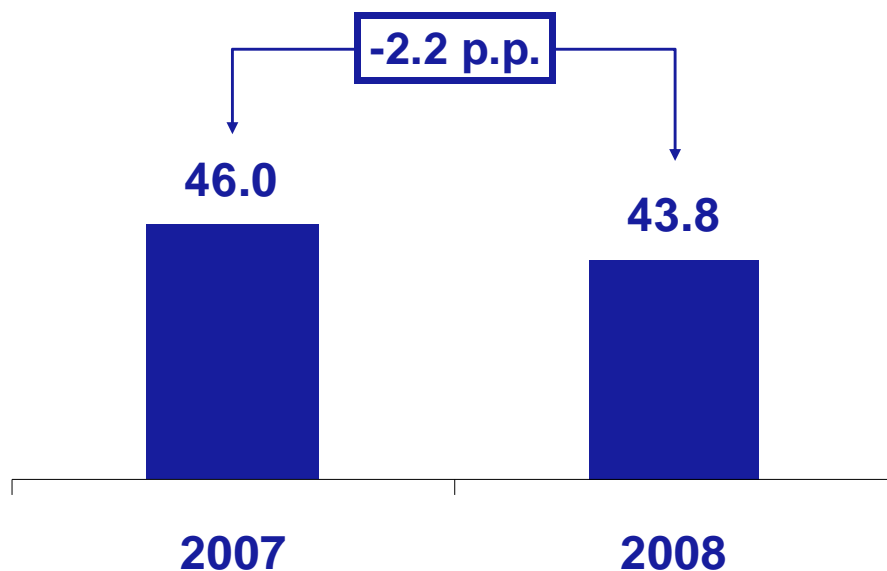


Ordinary revenues
(Constant €m)

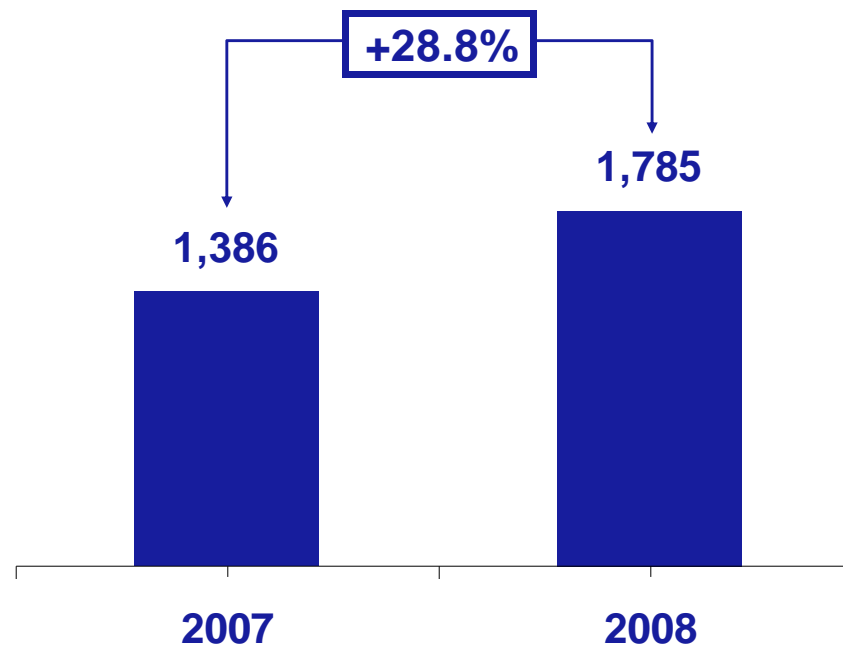


New improvements in efficiency boost operating profit

**Efficiency incl. depreciation
(%)**

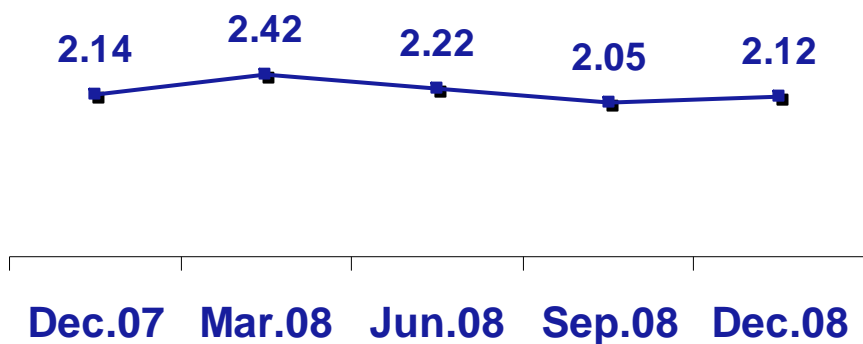


**Operating Profit
(Constant €m)**



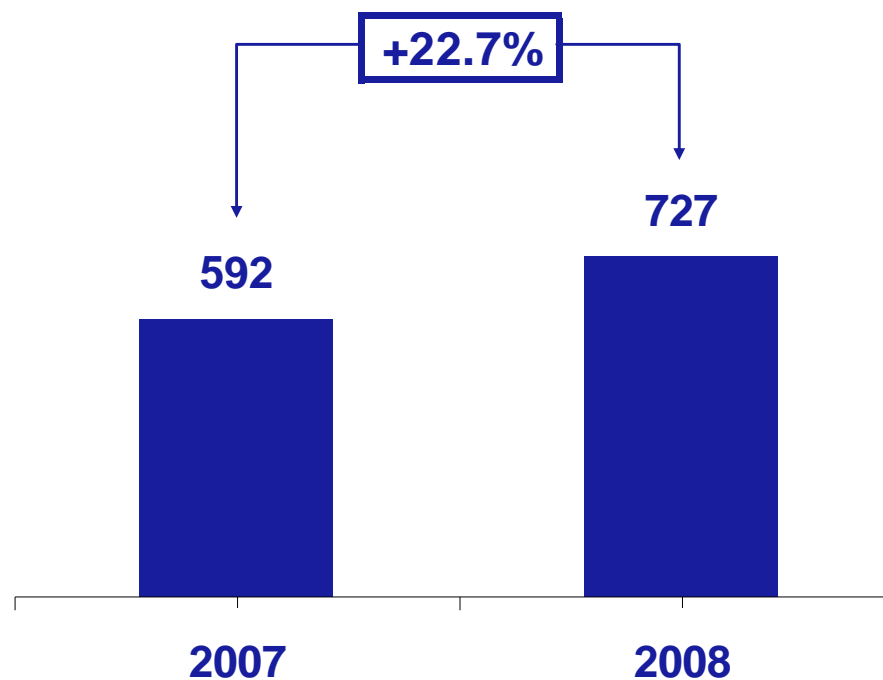
Asset quality and net attributable profit

NPA ratio
(%)



Coverage: 148%

Net attributable profit
(Constant €m)



ROE: 36.9%

South America: 2008 results

(Constant €m)

South America	Accum	Annual Growth	
	2008	Abs.	%
Net Interest Income	2,076	+ 493	31.1%
Core Revenues	3,031	+ 582	23.8%
Ordinary Revenues	3,246	+ 607	23.0%
Operating Profit	1,785	+ 399	28.8%
Pre-Tax Profit	1,396	+ 346	33.0%
Net Profit	1,078	+ 218	25.3%
Net Attributable Profit	727	+ 134	22.7%



BBVA

Group results for 2008

Results by business area

Spain & Portugal

Wholesale Banking & Asset Management

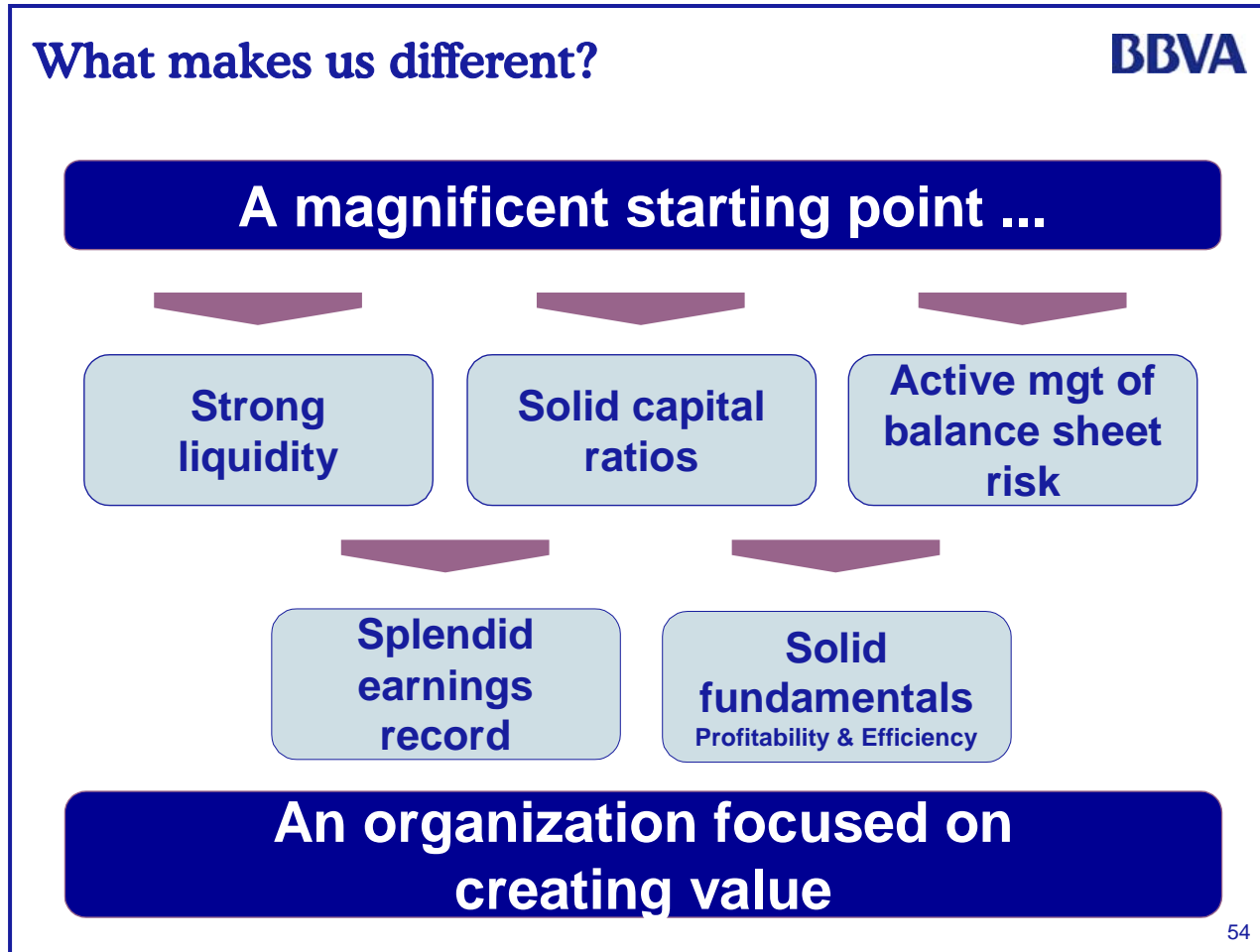
Mexico

USA

South America

Conclusions

A year ago we said our strategy of anticipation would be an advantage in 2008



And we have delivered

Recurrent earnings

Leveraged on our retail and corporate franchises with excellent management of prices

Cost control

Transformation Plan: strict cost control allowing for efficiency improvements

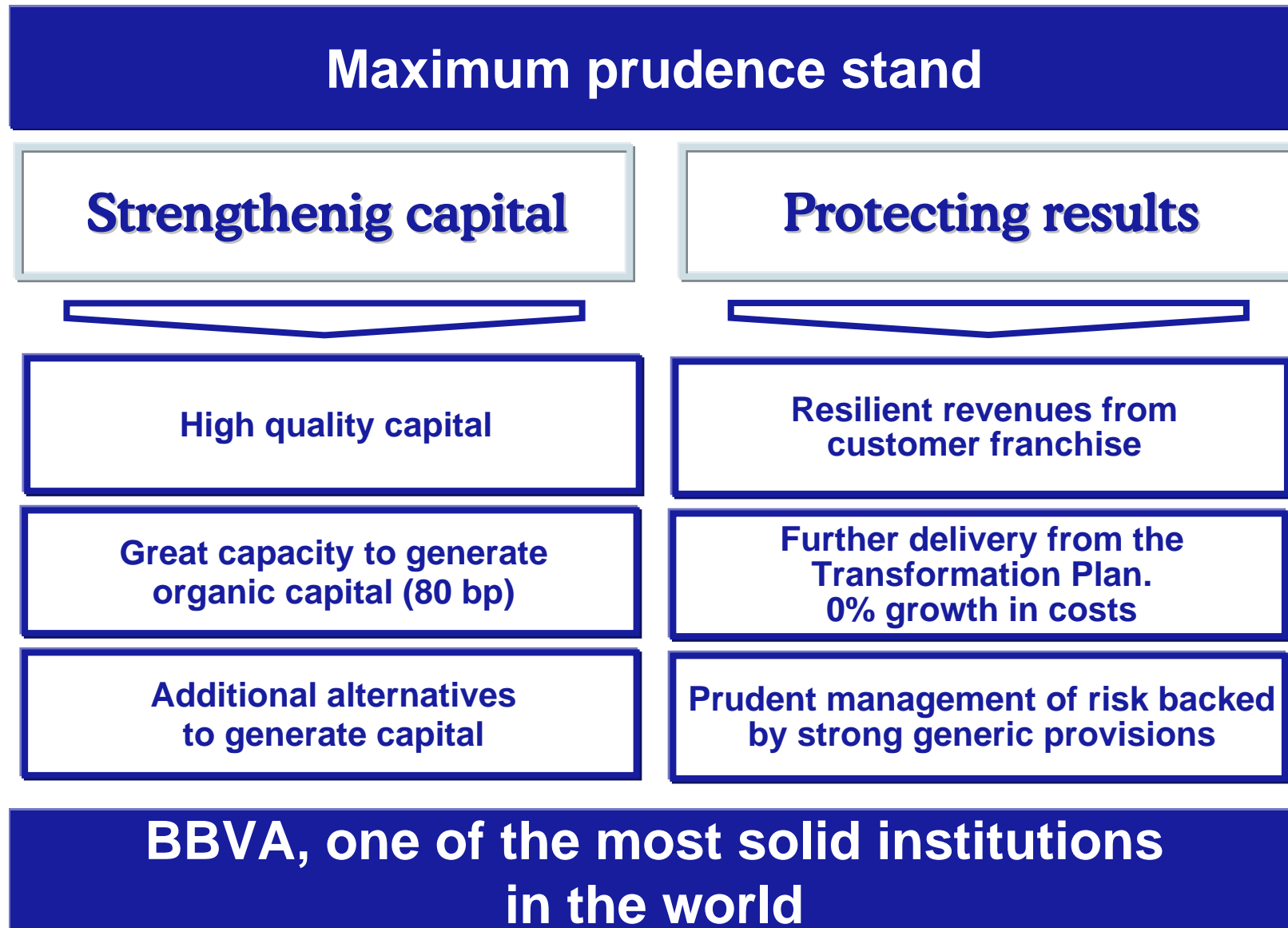
Risk management

Credit risk: distinctive performance in our most important markets

**Recurrent earnings
with good delivery of all business areas**

Strong balance-sheet and core capital generation

2009, BBVA's winning model also making the difference in difficult times





2008 Results



Madrid, 28th January 2009