BBVA Global Finance Limited

Financial Statements for the year ended December 31, 2008 and Independent Auditors' Report

Deloitte.

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INDEPENDENT AUDITORS' REPORT

To the shareholder of
BBVA Global Finance Limited:

We have audited the accompanying financial statements of BBVA GLOBAL 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, 2008, and the related statements of 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' responsability

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 GLOBAL FINANCE LIMITED at December 31, 2008, and the results of its operations, the changes in its shareholder's equity and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Deloitte

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1. Since June 2003, the Company ceased issuing Euro Medium Term Notes and subordinated notes 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 2009

BBVA GLOBAL FINANCE LIMITED

BALANCE SHEET

DECEMBER 31, 2008

(Currency – United States dollars)

	2008	2007
ASSETS:		
Cash and cash equivalents	542,762	700,390
Short Term Assets due from Parent (Notes 2c, 3 and 4)	71,151,065	827,525,212
Long Term Assets due from Parent (Notes 2c, 3 and 4)	745,085,159	1,162,900,071
Fair value of derivative instruments (Note 5)	1,422	57,962,331
Other accrual accounts	54,263	54,984
Total assets	**816,834,671**	**2,049,142,988**
LIABILITIES AND SHAREHOLDER'S EQUITY:		
Liabilities-		
Short Term Bonds and notes (Notes 2c, 6 and 8)	64,129,945	820,668,113
Long Term Bonds and notes (Notes 2c, 6 and 8)	747,352,988	1,165,240,564
Fair value of derivative instruments (Note 5)	1,422	57,844,782
Other accrual accounts	22,582	23,905
Dividends payable	303,904	291,179
	811,810,841	**2,044,068,543**
Shareholder's equity (Note 7)		
Common stock, $ 100 par value; 1,000 shares authorized and 10 shares issued and outstanding	1,000	1,000
Retained earnings	5,022,830	5,073,445
	5,023,830	**5,074,445**
Total liabilities and shareholder's equity	**816,834,671**	**2,049,142,988**

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

BBVA GLOBAL FINANCE LIMITED

STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2008

(Currency – United States dollars)

	2008	2007
Interest income from Parent	76,029,978	128,947,499
Net losses from foreign currency transactions	(884)	(6,315)
Interest expense to noteholders	(75,728,340)	(128,590,687)
Financial margin	**300,754**	**350,497**
General and administrative expenses	(47,204)	(46,332)
Net income	**253,550**	**304,165**
Earnings per common share	**25,355**	**30,417**
Average number of common shares outstanding	**10**	**10**

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

BBVA GLOBAL FINANCE LIMITED

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2008

(Currency – United States dollars)

	2008	2007
Number of authorized shares:		
Balance at beginning and at the end of year	1,000	1,000
Number of issued shares:		
Balance at beginning and at the end of year	10	10
Par value per share at end of year	**$ 100**	**$ 100**
Capital stock:		
Balance at beginning and at the end of year	$ 1,000	$ 1,000
Retained earnings:		
Balance at beginning of year	5,073,445	5,060,459
Dividends	(304,165)	(291,179)
Net income for the year	253,550	304,165
Balance at the end of year	5,022,830	5,073,445
Capital stock and retained earnings, end of the year	**5,023,830**	**5,074,445**

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

BBVA GLOBAL FINANCE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2008

(Currency – United States dollars)

	2008	2007
Cash flows from operating activities:		
Net income	253,550	304,165
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of differences between initial amount and maturity amount on deposits and notes	(4,387)	4,101
Decrease in accrued interest	10,196,698	19,666,044
Increase in interest payable	701,979	74,728,955
Decrease / (increase) in accrued interest receivable from Parent	158,382,239	(5,760,630)
(Decrease) / increase in interest payable to noteholder	(158,378,118)	5,748,386
Increase in other accrual accounts	718	718
Increase / (decrease) in other liabilities	15,046	293.947
Net cash provided by operating activities	**11,167,726**	**94,985,686**
Cash flows from investing activities:		
Decrease in loans to Parent:		
Decrease in loans to Parent due to redemption	913,374,852	466,833,284
Net cash provided by investing activities	**913,374,852**	**466,833,284**
Cash flows used in financing activities:		
Decrease in bonds and notes:		
Bonds and notes redemption	(923,956,974)	(568,557,617)
Net cash used in financing activities	**(923,956,974)**	**(568,557,617)**
Net increase / (decrease) in cash and cash equivalents	**585,603**	**(6,738,647)**
Effect of currency translations	(743,231)	6,704,744
Cash and cash equivalents at beginning of year	700,390	734,293
Cash and cash equivalents at the end of year	**542,762**	**700,390**

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

BBVA Global Finance Limited

Notes to the Financial Statements
December 31, 2008
(Currency-United States dollars)

1. Group affiliation, principal activity and tax regulation

Bilbao International Limited, which was incorporated on June 23, 1983, in the Cayman Islands, changed its name to BBV International Finance Limited on August 21, 1990 and to BBVA Global Finance Limited (the "Company") on April 17, 2001 and is a wholly owned subsidiary of Banco Bilbao Vizcaya Argentaria, S.A., (the "Bank" or the "Parent") a Spanish banking institution headquartered in Bilbao, Spain.

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 to lend the proceeds received to its Parent, and 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 ("U.S.") dollar ("USD") as its functional currency.

The Company is economically dependent on the Parent (Note 4) 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 June 2003, the Company ceased issuing Euro Medium Term Notes and subordinated notes due to the revised legal regulatory framework applicable to the Parent.

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 as they are earned or incurred. Revenues include interest earned by assets due from Parent and expenses include interest incurred by bonds, notes and deposits.

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 instruments, 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 rates in each year.

e) ***Derivative 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 interest rate swaps to cover possible losses which might arise from fluctuations in the indices to which the note and bond issues are referenced with respect to the interest rate earned on its deposits at the Bank.

On certain occasions, the Company arranges 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.

f) ***Statement of cash flows***

All highly liquid instruments with a maturity of three months or less when acquired or generated are considered cash and cash equivalents for purposes of preparing these statements.

g) ***Income taxes***

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

3. Risk Exposure

The use of financial instruments may involve the assumption or 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 BBVA Group. Likewise, it approves the infrastructure required for risk management, the delegation framework and the limits system that enables the business to develop in keeping with 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 risks 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 integrated 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	
	2008	2007
Deposits at Parent (Spain)	816,236,224	1,990,425,283
	816,236,224	**1,990,425,283**

As of 31 December 2008 and 2007 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. To each 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 the 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. Assets due from Parent

The detail of the balances of this caption in the accompanying balance sheet is as follows:

	U. S. Dollars		Interest Rate as of	
	2008	2007	December 31, 2008	December 31, 2007
Deposits at Parent relating to:				
1993 Euro Medium Term Note Programme (*)	620,342,838	2,049,541,597	0% - 7.01%	0% - 7.90%
1995 Subordinated Notes due 2025 (*)	195,893,386	195,893,385	7.25%	7.25%
	816,236,224	**2,245,434,982**		

(*) These deposits mature on the same date as the related notes from which the proceeds were on deposit (see Note 6)

All the deposits were arranged in U.S. dollars except the following:

	12/31/2008	12/31/2007
1993 Euro Medium Term Note Programme issues	EUR 396,961,878 NOK - JPY 1,000,000,000	EUR 1,023,802,598 NOK 250,000,000 JPY 1,500,000,000

5. Fair value of derivative instruments

The detail of "Fair value of derivative instruments" on the accompanying balance sheets as of December 31, 2008 and 2007 is as follows:

	U.S. Dollars			
	12/31/2008		12/31/2007	
	Assets	Liabilities	Assets	Liabilities
SWAP transactions	-	-	117,549	-
Options embedded in deposits and issues	1,422	1,422	57,844,782	57,844,782
	1,422	**1,422**	**57,962,331**	**57,844,782**

Swap transactions

Derivatives used as hedges must be considered to be highly effective at reducing the risk associated with the exposure being hedged. Each derivative must be designated as a hedge, with documentation of the risk management objective and strategy for the hedge, including identification of the hedging instrument, the hedged item and the risk exposure, and how effectiveness is assessed prospectively and retrospectively.

The Company reports the fair value of the interest rate swaps as assets or liabilities. All amounts have been included in earnings consistent with the hedged transaction.

At December 31, 2008 the interest rate swap arrangement have been amortized at maturity date by the Company.

At December 31, 2007 the Company had interest rate swap arrangements, as detailed below:

At December 31, 2007	2008	There -after	Total	Fair Value
Variable to variable				
Contract/notional amount (EUR)	29,371,201	-	29,371,201	117,549
Average pay rate (LIBOR)	6m – 6 p.b	-		
Average receive rate	(*)	-		

(*) 80% Mid Market Rate where, the Mid Market Rate is the average rate of the market prices of 30 year Eur/6 months LIBOR interest rate swap quoted by 10 reference banks.

6. Notes

On 25 February 1993 BBV International Finance Ltd. (BBVI) entered into an ECU 500,000,000 Euro Medium Term Note Programme (BBV Programme) guaranteed by Banco Bilbao Vizcaya, S.A. The nominal amount of the BBV Programme was increased to ECU 1,000,000,000 on 10 July 1995, to ECU 2,000,000,000 on 20 April 1998 and to EUR 5,000,000,000 on 20 April 1999.

Effective as of January 2000, BBV merged with Argentaria. Under the merger, Argentaria was wound up without liquidation and all of its assets and liabilities were transferred to Banco Bilbao Vizcaya, S.A. (BBV). Following the merger, BBV changed its name to Banco Bilbao Vizcaya Argentaria, S.A. (BBVA).

In 2000, and in order to reorganize the finance subsidiaries in the Banco Bilbao Vizcaya Argentaria Group, Argentaria Global Finance Ltd. (subsidiary of BBVA) was substituted by the Company as issuer of all senior notes issued and outstanding under the Argentaria Programme and as principal obligor under the relevant Deed of Covenant and Agency Agreement relating to such notes, and BBVA Global Finance Limited has been substituted by BBVA Capital Funding Limited as issuer of all subordinated notes issued and outstanding under the Argentaria Programme and as principal obligor under the relevant Deed of Covenant and Agency Agreement relating to such Notes. Notes issued on and after April 27, 2000 and the Substituted Notes are guaranteed by BBVA.

As of December 31, 2008 and 2007, and under the programme mentioned above, the Company had the following outstanding issues:

Issue	Date of issue	Amount issued		Outstanding at 12/31/08	Outstanding at 12/31/07
56 th issue due 2028 (*)	1998	EUR	102,214,000	-	270,671,410
57 th issue due 2008	1998	EUR	182,938,821	-	276,080,241
58 th issue due 2008	1998	EUR	255,645,941	-	385,806,353
59 th issue due 2008	1998	EUR	19,951,916	-	30,053,558
92 nd issue due 2012	1997	JPY	1,000,000,000	11,033,392	8,925,338
95 th issue due 2008	1997	JPY	500,000,000	-	4,462,669
102 nd issue due 2009	1998	EUR	45,734,705	64,129,945	67,834,800
105 th issue due 2028 (*)	1998	EUR	19,951,916	-	56,156,522
108 th issue due 2008(*)	1998	EUR	45,734,705	-	66,677,443
111 th issue due 2008	1998	EUR	7,746,853	-	11,447,138
119 th issue due 2008	1998	NOK	250,000,000	-	46,312,362
121 st issue due 2010	1998	EUR	304,898,034	437,693,390	462,979,401
134 th issue due 2013(*)	1998	EUR	10,329,138	14,635,157	15,585,662
161 st issue due 2039 (*)	1999	EUR	30,000,000	78,136,520	77,229,090
178 th issue due 2010(*)	2000	EUR	6,000,000	7,693,314	7,702,873
				613,321,718	**1,787,924,861**

(*) These notes were issued with embedded derivatives (see note 9)

Issue 56 and 105 were redeemed early, with the prior consent of the Bank of Spain, at the option of the Company on May 13, 2008.

As of December 31, 2008 and 2007, the outstanding Notes of the Company under the EMTN programme bore interest at an average of 4.71% and 5.03%, respectively.

As of December 31, 2008 and 2007, and outside of the programme, the Company has the following issues:

Issue	Calculation of Interest	U. S. Dollars Outstanding at 31/12/2008	Outstanding at 31/12/2007	Rate as of 31/12/2008	Rate as of 31/12/2007
Guaranteed Subordinated Notes due 2025	Fixed	198,161,215	197,983,815	7.00%	7.00%
		198,161,215	**197,983,815**		

(*) These notes were issued with embedded derivatives (see note 9)

The Company has not issued any senior debt securities under the preference share registration statement filed in 2003 with the United States Securities and Exchange Commission.

7. Shareholder's equity

Issued Share Capital

The issued share capital is $ 1,000 divided into 10 shares of a nominal or par value of $ 100 each.

8. Fair value of financial instruments

As of December 31, 2008 and 2007 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 (Note 6).

As of December 31, 2008 and 2007, the financial instruments fair value as required by IAS 32 "Financial Instruments: Presentation

	U.S. Dollars 12/31/08		U.S. Dollars 12/31/07	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets due from Parent	816,236,224	892,485,672	1,990,425,283	2,044,508,129
Bonds and notes	811,482,933	892,904,243	1,985,908,677	2,035,308,172
Derivative instruments (assets)	1,422	1,422	57,962,331	57,962,331
Derivative instruments (liabilities)	1,422	1,422	57,884,782	57,884,782

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

1. The face value of the floating interest rate deposits and floating interest rate notes represents fair value as required by the IAS 32 "Financial Instruments: Presentation".

2. Some of the fixed interest rate deposits at the Parent and other group companies 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.

5. Derivative instruments:

   The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

   For options traded in OTC ("Over thef counter") markets, the fair value is estimated based on theoretical year-end closing prices. These year-end closing prices are calculated estimating the amounts the Company would receive or pay based upon the yield curve prevailing at year-end or prices.

9. Embedded Options

Some of the contracts of the Company contain embedded options which are separated from the host contracts 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, 2008 and 2007, the Company had options for equities and index equities, which notional amounts were as follows:

At December 31, 2008	2009	2010	After 2010	Total
Amount of contract				
Sell contracts	-	1,494	122,835,039	122,836,533
Buy contracts	-	1,494	122,835,039	122,836,533

At December 31, 2007	2008	2009	After 2009	Total
Amount of contract				
Sell contracts	15,235,581	-	309,773,289	325,008,870
Buy contracts	15,235,581	-	309,773,289	325,008,870

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

DECLARATION OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL REPORT

The members of the BBVA GLOBAL FINANCE LIMITED Board of Directors hereby declare that, insofar as they know, the annual financial statements for 2008, filed at the meeting, 22^{th} April 2009, drawn up under the applicable accounting standards, offer a faithful image of the net assets, financial situation and results of BBVA GLOBAL FINANCE LIMITED and that the management reports include a faithful analysis of the business earnings and the positions of BBVA GLOBAL FINANCE LIMITED, along with the description of the main risks and uncertainties facing them.

Madrid, 22^{th} April 2009

SIGNED BY ALL MEMBERS OF THE BOARD