Results for the first quarter of 2010

BBVA's net profit rises 0.2%, to €1.24 billion

- **The Group significantly improves all risk quality indicators**
- **Amid the current economic environment, BBVA sustains its strong capacity to generate earnings in a solid and recurrent manner, supported by appropriate geographic and business diversification**
- **Operating income (a key indicator of performance) was €3.18 billion, an increase of 12.9% compared to the first quarter of last year, fueled by strong contributions from all revenue lines and wide diversification by business areas**
- **Solid growth of income and sustained cost control has resulted in further improvement in efficiency (measured by the cost/income ratio). At the end of the quarter, this ratio stood at 40%, sustaining BBVA's leadership role across its peer group**
- **Net additions to non-performing assets (NPA) during the period fell sharply due to a decline in gross additions and realized improvement in recoveries**
- **The NPA ratio stabilized for the Group (4.3%) as well as for markets most affected by the crisis; Mexico experienced an improvement**
- **The cost of risk shows improvement, especially in those franchises where it had increased the most in recent quarters**
- **BBVA further strengthened its capital position, ending the quarter with a core capital ratio of 8.1% after generating 22 basis points organically**
- **The Group enjoys an exceptional liquidity position and has already covered most of its planned issues for the entire year at highly competitive rates**
- **Net attributable profit was €1.24 billion (+0.2%) with positive contributions from all business areas. Spain & Portugal provided €587M, Mexico €347M, South America €233M, the United States €54M and Wholesale Banking & Asset Management €284M**
- **BBVA remains one of the leaders in its peer group in terms of profitability with ROE of 17.7% and ROA of 1.01%**

In the first quarter of 2010, BBVA's net attributable profit was €1.24 billion, a 0.2% increase compared to the same period last year. These excellent results were achieved due to appropriate diversification of operating income by business, region, product line and customer segment, and effective cost containment. Together, these items helped the bank continued generation of solid recurrent earnings despite the highly adverse environment resulting from several quarters of economic and financial crisis across the globe.

The key factors behind BBVA's results in the first quarter were the strength of its operating profits, the improvement in risk indicators and a solid balance sheet. Operating income rose 12.9% primarily due to the performance of revenues, which increased at a faster rate than costs. The Group's NPA ratio stabilized at 4.3% and the cost of risk and coverage ratio improved during the quarter. The Group further strengthened its capital position by generating 22 basis points of core capital organically. BBVA ended the quarter with a core capital ratio of 8.1% and its level of liquidity is superior to that of its peer group.

In the same capacity seen throughout the crisis, BBVA's earnings for the first quarter of 2010 have been solid and recurrent due to its ability to generate operating revenues. Net interest income rose 3.5% to €3.39 billion as a result of sound management of both commercial operations and the balance sheet. The sustained level of income was achieved in a period when lending activity was at a low level and while the bank was reducing its overall risk exposure in its portfolios. In March, the ratio of net interest income to average total assets was 2.52%, compared to 2.42% a year earlier.

Other sources of income also performed well. Net fee income returned to growth (up 2.5%) after a long period of decline. This positive trend was complemented by fees now stabilized from mutual funds and banking services.

Net trading income was €633M due primarily to good performance in market activity, rotation of ALCO portfolios, and to positive results in certain positions attained from the devaluation of the Venezuelan Bolívar. Maintaining its customary level of prudence, the Bank has decided to set aside for additional provisions, a portion of its capital gains obtained from the rotation of portfolios.

Contributions from all revenue lines lifted gross income by 8.4% to €5.3 billion. This was higher than the fourth quarter of 2009 and is substantially diversified by business area. Spain & Portugal contributed 34%, Mexico 26%, South America 18%, the United States 12% and WB&AM 10%.

The Group also maintained its cost control strategy. While costs rose 2.3% during the quarter, the figure was lower than the average level of inflation in the countries where BBVA operates and less than the increase in income. The containment of costs helped further improve efficiency to 40%. This confirms BBVA's position as the most efficient bank in its peer group (based on the latest available figures.)

Consequently, operating income - the key indicator of performance - rose 12.9% to €3.18 billion for the first quarter. This clearly demonstrates BBVA's strong

ability to continue to generate solid recurrent earnings within the current economic context. In fact, throughout the last 12 months operating income has recorded double-digit growth.

Stability of non-performing assets

With regard to risk management, BBVA recorded a sharp drop in net additions to non-performing assets (NPA). This was due largely to a decrease in gross additions and an increase in recoveries. The Group's NPA ratio was stable, ending the quarter at 4.3% (the same level seen at the end of 2009). This trend is particularly evident in markets that have suffered the most during the crisis: Spain, Mexico and the United States.

The stability of the NPA ratio was accompanied by an improvement in the cost of risk ratio at the Group level (now around 1.24%) and in those franchises that experienced the strongest rebound in recent quarters. The coverage ratio also increased slightly to 59%. When the collateral associated with NPAs is included, the coverage ratio is 163%.

In the first quarter, BBVA recorded a charge of €1.08 billion (34% of operating income) for impairment losses on financial assets. This amount was less than the charge seen in the fourth quarter of 2009 (€1.25 billion excluding one-off provisions in the USA).

Another factor behind BBVA's earnings in the first quarter was the strength of its balance sheet. This strength is reflected mainly in its solid income statement. The Group's pre-tax profit increased 1.5% and net attributable profit rose 0.2% year-over-year to €1.24 billion. This improvement is even more significant when taking into account the long duration of the adverse economic environment.

All business areas contributed to Group earnings. Spain & Portugal contributed €587M, Mexico €347M, South America €233M, the United States €54M and WB&AM €284M. Each area holds a prominent position compared to its competitors in terms of positioning, asset quality, balance sheet structure and its ability to generate earnings.

Generation of capital

BBVA closed the quarter at a high level of profitability, reinforcing its position as one of the top banks in its peer group. Return on equity (ROE) was 17.7% and return on average total assets (ROA) was 1.01%. Earnings per share (EPS) in the quarter were €0.32.

The Group also reinforced its capital position by generating 22 basis points of core capital during the quarter. Of this amount 7 basis points were absorbed by the recent devaluation of the Venezuelan Bolivar. As a result, BBVA's core capital ratio stands at 8.1% (8% in December 2009), reflecting its ability to generate recurrent, organic capital despite adverse conditions. Moreover, this enables BBVA to maintain its business development strategies. BBVA's Tier I capital stands at 9.5% and the BIS ratio was 13.4%.

An additional factor that confirms BBVA's strength is its excellent liquidity, which places it in an advantageous position when compared to its competitors. This is partly due to its smaller balance sheet and retail bank structure. BBVA has the lowest wholesale financing requirements in its peer group and has already covered most of its planned issues for the entire year at highly competitive rates. In addition it holds €66 billion in collateral, available to reinforce liquidity.

Relevant Aspects

Listed below are the most important aspects of the Group's performance during the first quarter, including its core areas:

- Excellent performance in operating revenues. Gross income in the period increased year-over-year by 8.4% to €5.30 billion. This level results from the continued good performance of net interest income, which was up 3.5% over the same quarter last year. Other income items also contributed positively: fee income grew year-over-year after a long period of decline, net trading income was particularly positive and equity-accounted income increased as a result of China Citic Bank (CNCB).

- Operating costs were controlled and contained, with a year-over-year growth of 2.3% stemming in part from greater rental costs through the sale and leaseback operation of some buildings in Spain in the third quarter of 2009. In any case, operating costs are below the average inflation of all the countries as a whole in which BBVA operates.

- The efficiency ratio, at 40.0% for the quarter, was in line with that of 2009.

- As a result, operating income for the quarter was €3.18 billion, an increase of 12.9%, showing the strong capacity of BBVA to continue to generate sound operating results despite the current economic crisis.

- The Group's risk premium stabilized at 1.24%, slightly under the figure for the fourth quarter of 2009. Excellent operating results reinforce the application of prudent criteria and enable additional provisions to reduce the use of generic provisions and improve coverage.

- In total, net attributable profit was €1.24 billion in the first quarter. This figure is particularly noteworthy given the duration of the adverse economic climate in which it was generated. This result places both ROE and ROA at high levels, 17.7% and 1.01%, respectively.

- Once more, it is worth highlighting that all business areas contributed positively to the Group's net attributable profit and continued to maintain a leading, competitive situation in their respective segment or geographical area, in terms of positioning, asset quality, structure of balance sheet and capacity to generate earnings.

- **The general volume of business was marked by the stable level of assets, with an increased weight of portfolios with lower risk. Lending continues to be weak (although there are some signs of improvement), due to the global economic slowdown and the time lag between the start of a recovery in some areas like Mexico and the United States, and the change in the trend of lending volumes. Customer funds behaved positively, primarily because of a favorable trend in assets under management and lower-cost liabilities (checking and savings accounts.) In general terms, price management continues to be more important than volume growth.**

- **The NPA ratio at 4.3% remains relatively unchanged to the close of 2009. Coverage increased slightly to 59% at the close of first quarter 2010. In addition, there are positive signs both in terms of the levels of new NPA as well as in recovery rates. The balance of NPA is very favorable for the quarter as the slight increase registered is due to the effect of the exchange rate. In constant exchange rate terms, it has decreased.**

- **With regard to its capital base, BBVA has generated 22 basis points of core capital in the first quarter of 2010, of which 7 points were consumed by the recent devaluation of the Venezuelan Bolivar. As a result, the core ratio was at 8.1%, reflecting the Group's capacity to generate recurrent capital organically despite the difficult economic environment while maintaining its business development strategies.**

- **As of 31-Mar-10 BBVA also held €1.36 billion in latent capital gains on its more liquid portfolios of equity holdings. The above amount does not include capital gains in other portfolios.**

- **The Annual General Meeting (AGM) was held on March 12, 2010, with a high rate of attendance (59.31%). The AGM approved a final dividend payment of €0.15 per share, which was paid on April 12, so that the total shareholder remuneration corresponding to 2009 was €0.42 per share.**

- **At the start of this year, the Group has been particularly active in the wholesale markets. There have been a number of issues at very competitive rates, which will allow for the coverage of most of the estimated funding requirements for 2010. In addition, it is worth highlighting their diversity, both in terms of the type of instruments and the markets and maturities used, and the positive reception by the markets, with a high participation by international investors.**

- **In Spain and Portugal, the main component of revenues has once more been net interest income, which increased at a year-over-year rate of 1.6%, while the remaining areas continued to be affected by weak economic activity. Although operating costs continued to be kept in check (-1.1% year-over-year), operating income showed a slight decline of €18m compared with the first quarter of 2009. However, the most important point with regard to the**

operating income is the amount, at over €1 billion, and its recurrent nature, despite the duration of the crisis. This, together with greater NPL provisions, has resulted in a net attributable profit of €587M (-6.5% year-over-year). Finally, the NPA ratio has been maintained at 5.1%.

- **In Mexico, pre-tax profit was €485M, up 4.7% from the first quarter of 2009, due to the exchange rate variation. In constant exchange rate terms, it was down 1.3%. This was due to a combination of factors including: the macroeconomic situation of slow recovery; the change in the mix of the loan portfolio towards products with a lower risk and narrower spread, with a negative impact on net interest income but positive on loan-loss provisions; and to expansion and transformation plans in the area. However, the increase in the tax rate, due to regulatory changes, has caused the attributable result of €347M to fall even further (-9.7% in constant terms). It is worth highlighting the improvement in asset quality, as can be seen in the positive trend in the risk premium and the NPA ratios and coverage during the quarter.**

- **South America managed a positive rate of growth in profits in the quarter, due to the good performance of revenues, supported by the recovery in activity and notable moderation in costs and provisions. The significant good level of asset quality at the end of 2009 was maintained. In all, the net attributable profit for the quarter was €233M, a year-over-year increase of 26.1% and a return on equity (ROE) of 43.4%.**

- **The United States includes the branch that the parent bank has in New York, and incorporates all the Group's assets and liabilities in the country and in Puerto Rico. It had a year-over-year growth in operating income of 6.4%. Allowing for impairment on financial assets, the net attributable profit in the quarter was €54M. The integration of Guaranty into BBVA Compass in the initial months of 2010 was completed successfully.**

- **The results of Wholesale Banking & Asset Management (WB&AM) were very favorable, due to the increase in revenues, restricted costs and a low level of loan-loss provisions. As a result, the net attributable profit in the area was €284M, 20.3% up on the first quarter of 2009. The increase in the CNCB holding from 10% to 15% was made effective on April 1, 2010, and its effects will begin to register from the second quarter of the year.**

BBVA Group Highlights (Consolidated figures)

	31-03-10	Δ%	31-03-09	31-12-09
BALANCE SHEET (million euros)				
Total assets	**553.922**	**1,9**	543.350	535.065
Total lending (gross)	**337.569**	**(0,8)**	340.241	332.162
Customer funds on balance sheet	**371.116**	**0,3**	370.045	371.999
Other customer funds	**142.055**	**15,7**	122.762	136.957
Total customer funds	**513.171**	**4,1**	492.807	508.957
Total equity	**31.824**	**12,2**	28.367	30.763
Stockholders' funds	**29.805**	**7,4**	27.742	29.362
INCOME STATEMENT (million euros)				
Net interest income	**3.386**	**3,5**	3.272	13.882
Gross income	**5.301**	**8,4**	4.889	20.666
Operating income	**3.183**	**12,9**	2.819	12.308
Income before tax	**1.862**	**1,5**	1.834	5.736
Net attributable profit	**1.240**	**0,2**	1.238	4.210
Net attributable profit excluding one-offs [1]	**1.240**	**0,2**	1.238	5.260
DATA PER SHARE AND SHARE PERFORMANCE RATIOS				
Share price (euros)	**10,13**	**65,8**	6,11	12,73
Market capitalization (million euros)	**37.967**	**65,8**	22.900	47.712
Net attributable profit per share (euros)	**0,32**	**(4,4)**	0,34	1,12
Net attributable profit per share excluding one-offs (euros) [1]	**0,32**	**(4,4)**	0,34	1,40
Book value per share (euros)	**7,95**	**7,5**	7,40	7,83
Tangible book value per share (euros) [2]	**6,41**	**19,7**	5,36	6,27
P/BV (Price/book value; times)	**1,3**		0,8	1,6
Price/tangible book value (times) [2]	**1,6**		1,1	2,0
SIGNIFICANT RATIOS (%)				
ROE (Net attributable profit/Average equity)	**17,7**		19,4	16,0
ROE excluding one-offs [1]	**17,7**		19,4	20,0
ROA (Net income/Average total assets)	**1,01**		1,00	0,85
ROA excluding one-offs [1]	**1,01**		1,00	1,04
RORWA (Net income/Average risk-weighted assets)	**1,88**		1,85	1,56
RORWA excluding one-offs [1]	**1,88**		1,85	1,92
Efficiency ratio	**40,0**		42,3	40,4
Risk premium excluding one-offs [1]	**1,24**		1,05	1,15
NPA ratio	**4,3**		2,8	4,3
NPA coverage ratio	**59**		76	57
CAPITAL ADEQUACY RATIOS (%)				
BIS Ratio	**13,4**		11,5	13,6
Core capital	**8,1**		6,5	8,0
Tier I	**9,5**		7,8	9,4
OTHER INFORMATION				
Number of shares (millions)	**3.748**		3.748	3.748
Number of shareholders	**887.252**		919.195	884.373
Number of employees	**103.545**		105.154	103.721
Number of branches	**7.469**		7.648	7.466
Number of ATMs	**19.739**		18.568	19.279

General note: These quarterly statements have not been audited. The consolidated accounts of the BBVA Group have been drawn up according to the International Financial Reporting Standards (IFRS) adopted by the European Union and in conformity with Bank of Spain Circular 4/2004, together with the changes introduced therein.

(1) The third quarter of 2009 includes capital gains from the sale-and-leaseback of properties which have been allotted to generic provisions for NPLs, with no effect on net attributable profit, and in the fourth quarter, there was an extraordinary provision and a charge for goodwill impairment in the United States.
(2) Net of goodwill.

Consolidated income statement

(Million euros)

	1st Quarter 10	□%	□% at constant exchange rates	1st Quarter 09
NET INTEREST INCOME	**3.386**	**3,5**	**5,9**	**3.272**
Net fees and commissions	1.106	2,5	3,1	1.079
Net trading income	633	74,0	68,6	364
Dividend income	25	(39,0)	(38,6)	41
Income by the equity method	57	n.m.	n.m.	4
Other operating income and expenses	93	(27,3)	(38,5)	128
GROSS INCOME	**5.301**	**8,4**	**9,5**	**4.889**
Operating costs	(2.118)	2,3	4,3	(2.070)
Personnel expenses	(1.149)	(1,1)	0,7	(1.161)
General and administrative expenses	(796)	8,6	10,5	(733)
Depreciation and amortization	(174)	(1,0)	2,9	(175)
OPERATING INCOME	**3.183**	**12,9**	**13,2**	**2.819**
Impairment on financial assets (net)	(1.078)	17,7	15,6	(916)
Provisions (net)	(170)	63,2	63,0	(104)
Other gains (losses)	(72)	n.m.	n.m.	36
INCOME BEFORE TAX	**1.862**	**1,5**	**2,9**	**1.834**
Income tax	(510)	6,2	7,4	(480)
NET INCOME	**1.352**	**(0,1)**	**1,3**	**1.354**
Minority interests	(113)	(3,0)	14,5	(116)
NET ATTRIBUTABLE PROFIT	**1.240**	**0,2**	**0,3**	**1.238**
EARNINGS PER SHARE CALCULATION				
Basic earnings per share (euros)	0,32	(4,4)		0,34