BBVA

Goldman Sachs European Financials Conference

BBVA, recurrent and sustainable earnings

Panel 7. Back to basics: how can retail banking offer superior returns?

Frankfurt, June 5th 2009

ETHIBEL

Dow Jones Sustainability Indexes

FTSE4Good

ASPI

KLD INDEXES

Disclaimer

This document is only provided for information purposes and does not constitute, nor must it be interpreted as, an offer to sell or exchange or acquire, or an invitation for offers to buy securities issued by any of the aforementioned companies. Any decision to buy or invest in securities in relation to a specific issue must be made solely and exclusively on the basis of the information set out in the pertinent prospectus filed by the company in relation to such specific issue. Nobody who becomes aware of the information contained in this report must regard it as definitive, because it is subject to changes and modifications.

This document contains or may contain forward looking statements (in the usual meaning and within the meaning of the US Private Securities Litigation Act of 1995) regarding intentions, expectations or projections of BBVA or of its management on the date thereof, that refer to miscellaneous aspects, including projections about the future earnings of the business. The statements contained herein are based on our current projections, although the said earnings may be substantially modified in the future by certain risks, uncertainty and others factors relevant that may cause the results or final decisions to differ from such intentions, projections or estimates. These factors include, without limitation, (1) the market situation, macroeconomic factors, regulatory, political or government guidelines, (2) domestic and international stock market movements, exchange rates and interest rates, (3) competitive pressures, (4) technological changes, (5) alterations in the financial situation, creditworthiness or solvency of our customers, debtors or counterparts. These factors could condition and result in actual events differing from the information and intentions stated, projected or forecast in this document and other past or future documents. BBVA does not undertake to publicly revise the contents of this or any other document, either if the events are not exactly as described herein, or if such events lead to changes in the stated strategies and intentions.

The contents of this statement must be taken into account by any persons or entities that may have to make decisions or prepare or disseminate opinions about securities issued by BBVA and, in particular, by the analysts who handle this document. This document may contain summarised information or information that has not been audited, and its recipients are invited to consult the documentation and public information filed by BBVA with stock market supervisory bodies, in particular, the prospectuses and periodical information filed with the Spanish Securities Exchange Commission (CNMV) and the Annual Report on form 20-F and information on form 6-K that are disclosed to the US Securities and Exchange Commission.

Distribution of this document in other jurisdictions may be prohibited, and recipients into whose possession this document comes shall be solely responsible for informing themselves about, and observing any such restrictions. By accepting this document you agree to be bound by the foregoing Restrictions.

1. Outstanding earnings performance through the crisis
2. Recurrent and high quality operating income
3. Strong profitability and organic capital generation
4. Improving asset quality trends
5. Conclusions

BBVA

1 Outstanding earnings performance through the crisis

2 Recurrent and high quality operating income

3 Strong profitability and organic capital generation

4 Improving asset quality trends

5 Conclusions

Outstanding earnings performance in 2008

BBVA

	2007	2008
Net attributable profit ranking	11th	2nd ⇧
Market capitalization ranking	17th	7th ⇧
Total relative shareholder return *	3rd	1st ⇧
S&P rating	AA-	AA ⇧

… as a consequence of a prudent management and corporate positioning in retail banking

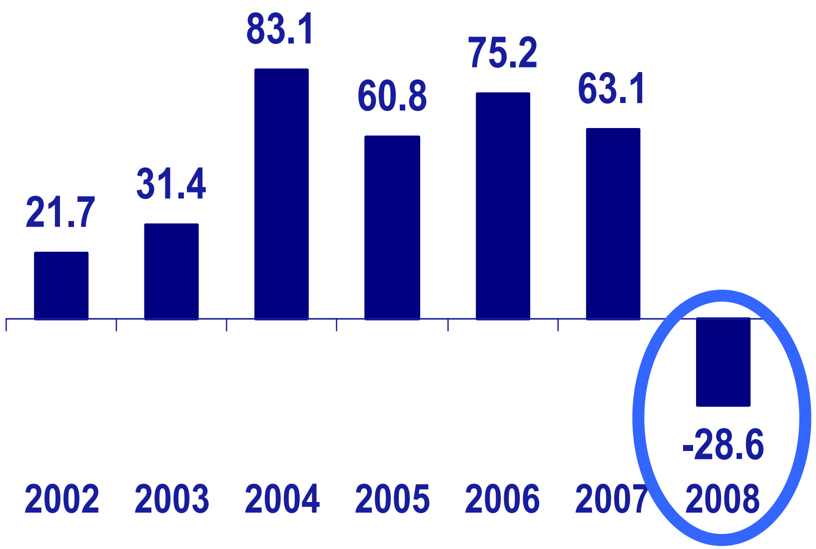
* Peer Group

Confirming the recurrent nature and sustainability of our business model

BBVA

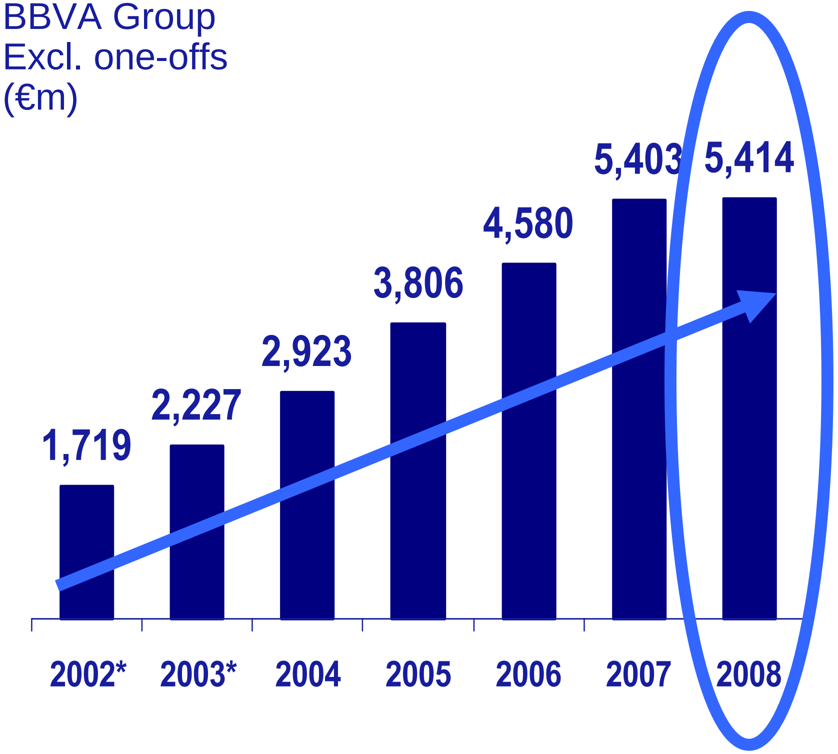
Superior performance + **Sustainable profit**

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)

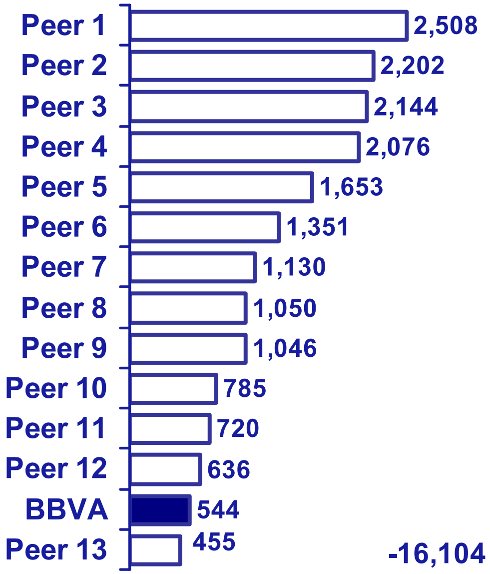


Net attributable profit 2008 including one-offs is €5,020m

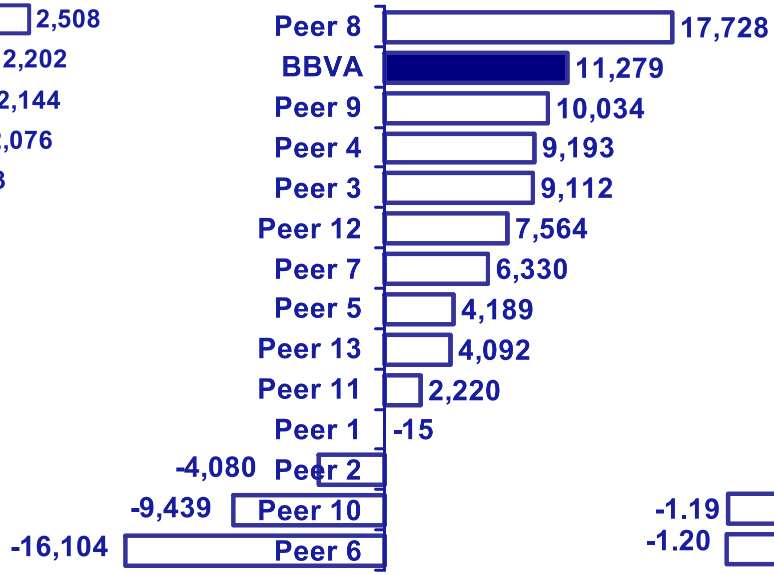
2008, a year in which the crisis has clearly taken a toll on the financial industry

BBVA

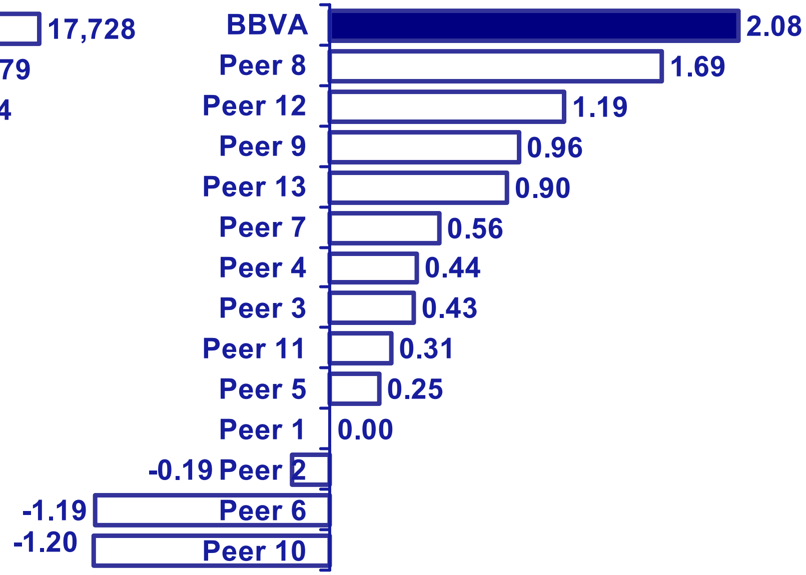
Total assets
Peer Group
(€bn, Dec.08)



Operating Income
Peer Group
(€m, Dec.08)



Operating Income/Total assets
Peer Group
(%, Dec.08)

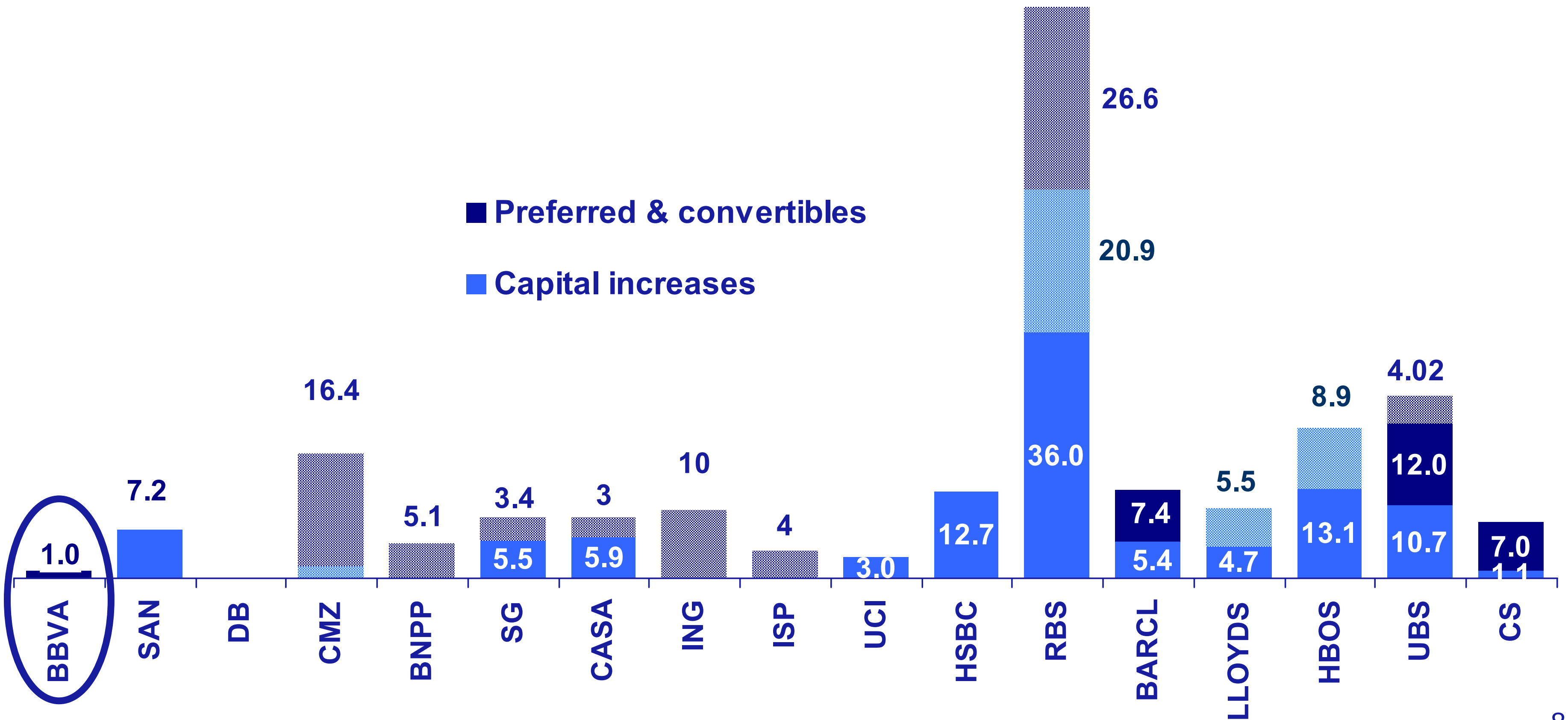


Strong operating income is a distinct feature of the BBVA Group

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

Capital actions have been diverse in 2008, mirroring the differences in business models and strategies

Capital actions executed or announced since January 2008 (€ Bn)
Excludes M&A driven capital increases
(Checkered = government sponsored)



Organic capital generation in 2008 is also an evidence of such differences

BBVA

CORE CAPITAL	31 Dec. 2008	Capital growth ex capital increases
BBVA Group	6.20%	+0.40 p.p.
Peer 1*	6.30%	+0.30 p.p.
Peer 2*	8.57%	-0.11 p.p.
Peer 3*	5.87%	-0.21 p.p.
Peer 4	5.42%	-0.28 p.p.
Peer 5**	7.00%	-0.41 p.p.
Peer 6*	6.39%	-0.41 p.p.
Peer 7	5.80%	-0.50 p.p.
Peer 8*	7.23%	-0.69 p.p.
Peer 9	6.84%	-1.35p.p.
Peer 10**	7.60%	-1.37 p.p.
Peer 11*	8.59%	-3.25 p.p.
Peer 12	5.60%	-4.84 p.p.
Peer 13	4.12%	-5.49 p.p.

*Estimated Core capital Dec.07 calculated as (Core capital BISII/Core capital BISI)
** Core capital according to BIS I

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

1 Outstanding earnings performance through the crisis

2 **Recurrent and high quality operating income**

3 Strong profitability and organic capital generation

4 Improving asset quality trends

5 Conclusions

First quarter 2009: encouraging signs and reassuring 2008 strengths

BBVA

BBVA's operating income is based on ...

High quality of gross income

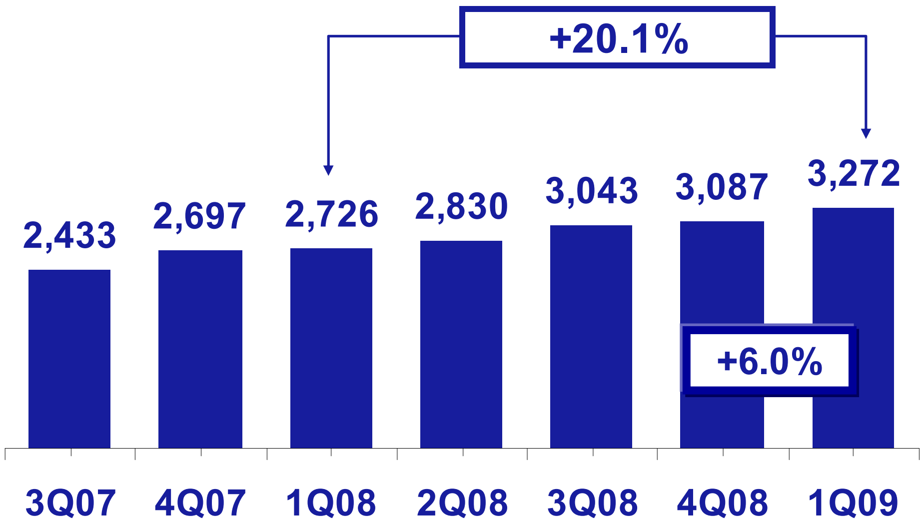
Focus on pricing and mix management

Strict cost control

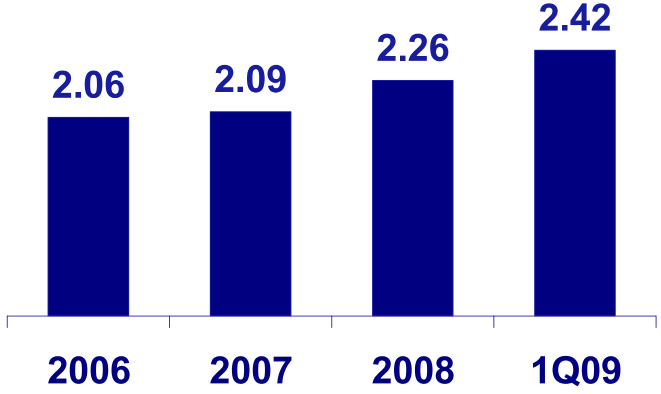
Strong growth of net interest income

BBVA

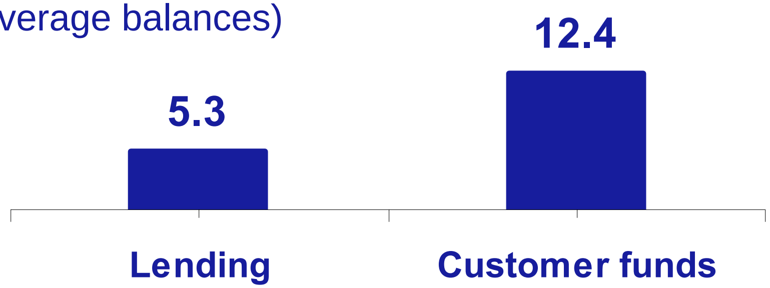
Net interest income
BBVA Group
(€m)



Net interest income / ATAs
BBVA Group
(%)



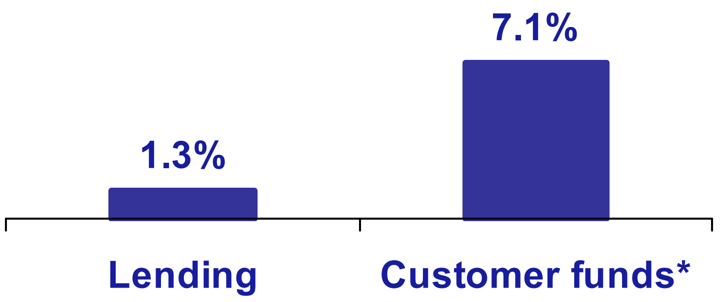
Lending and customer funds
BBVA Group
Year-on-year growth
(Average balances)



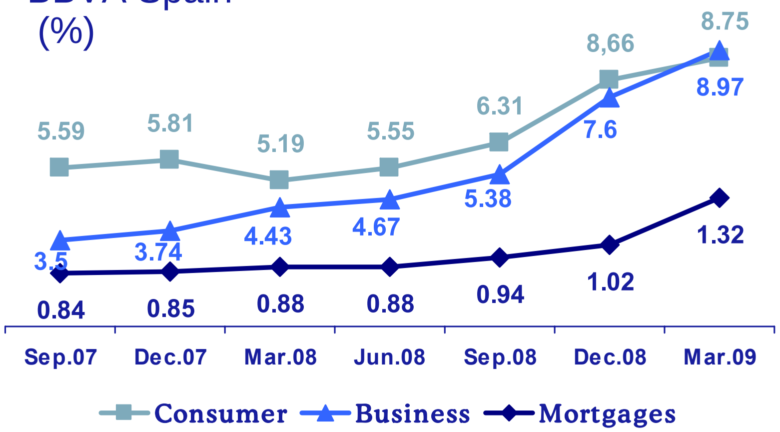
Appropriate management of the slowdown and focus on pricing

Focus on pricing, a clear management commitment

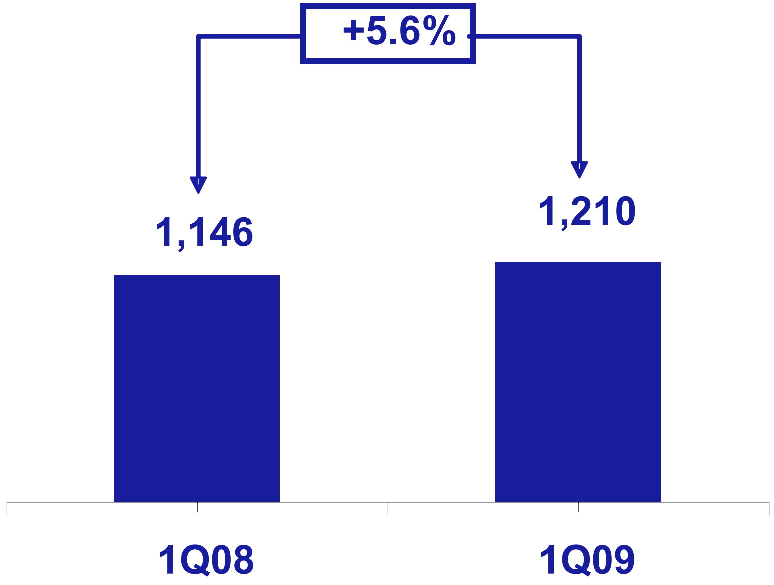
Lending and customer funds
Spain & Portugal
Year-on-year growth
(Average balances)



Front book spreads
BBVA Spain
(%)



Net interest income
Spain & Portugal
(€m)



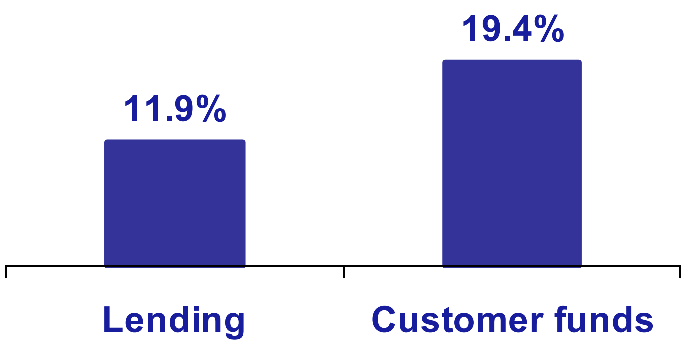
+31.9% on € balance sheet

* Liquid funds + time deposits

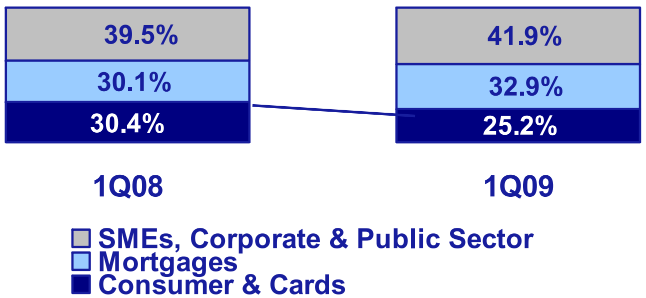
In Mexico: good levels of business activity and prices maintained with lower-risk mix

BBVA

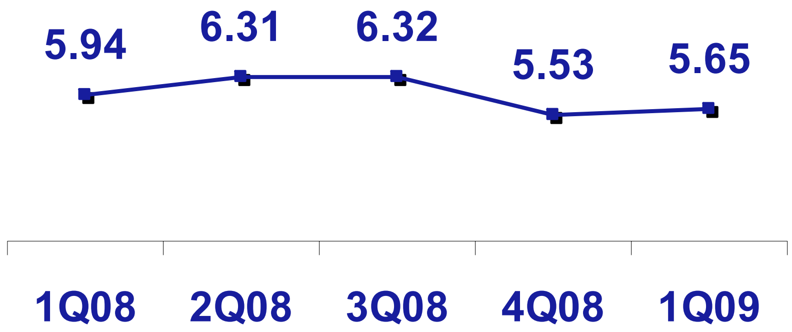
Lending and cust. funds
Year-on-year growth
(Average balances)



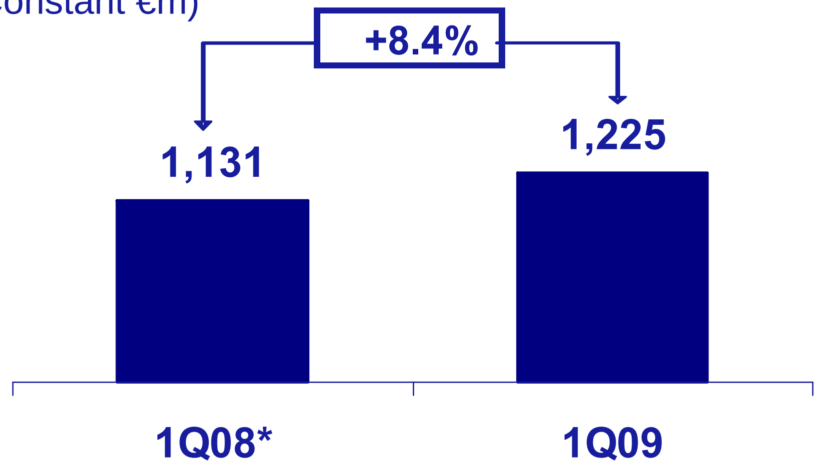
Lending mix
(%)



Net interest income / ATAs
(%)



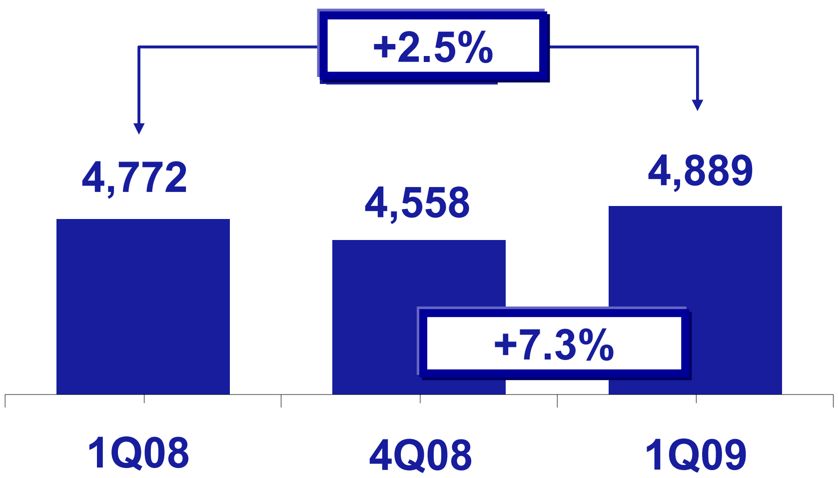
Gross income
(Constant €m)



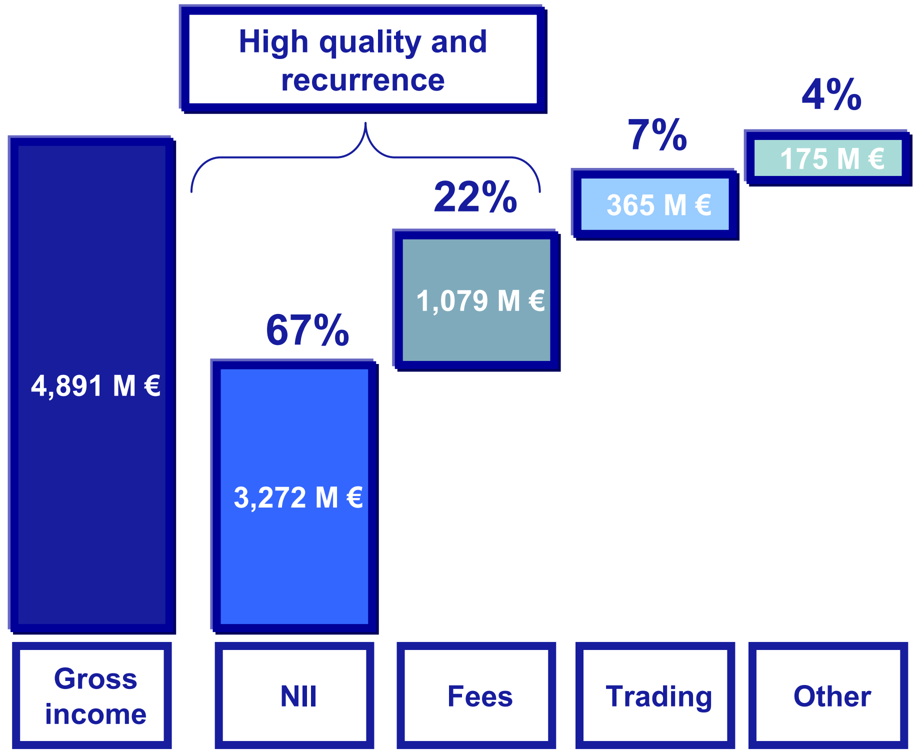
* Ex- Visa IPO (96 M€ one-off)

Delivering high quality gross income, with marginal contribution of trading income

Gross income
BBVA Group
(€m)



Breakdown of gross income
BBVA Group
(€m)

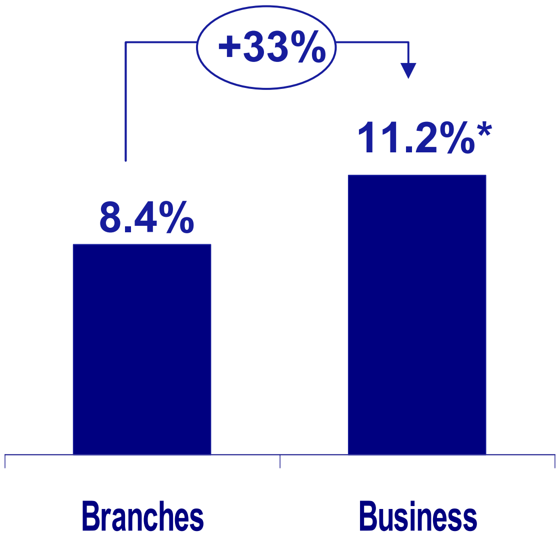


NII and fees = 89%
Retail networks = 84%

Firmly controlling costs, aiming to be the least cost producer in the industry

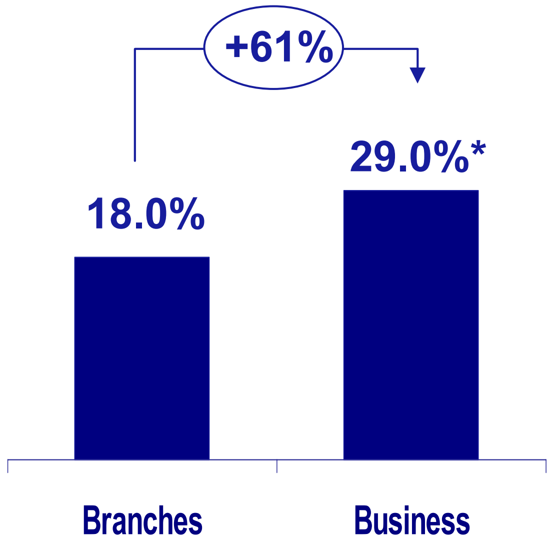
Spain

Market share
(%)



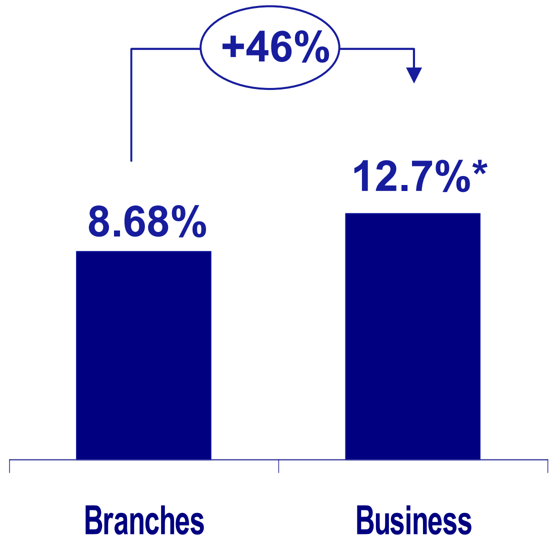
Mexico

Market share
(%)



South America

Market share
(%)

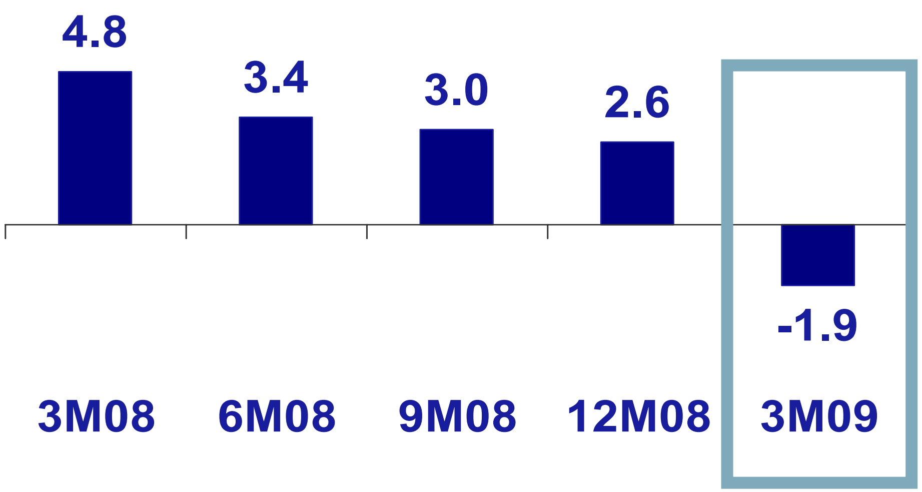


Operating efficient networks is key given their weight in the Group's cost structure

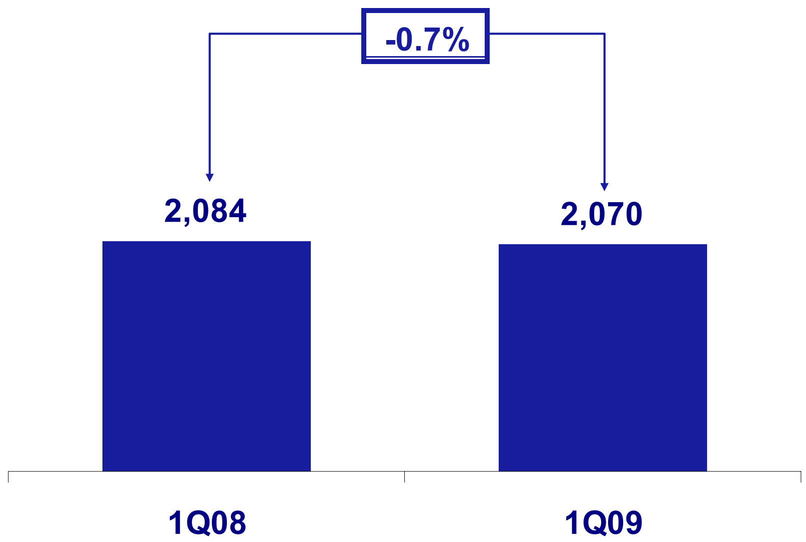
* Lending + cust. funds; Dec 08 figures

To do so the Group has been working on its Transformation plan for years …

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



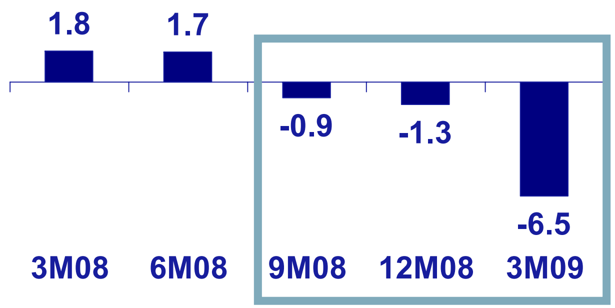
Total expenses
BBVA Group
(€m)



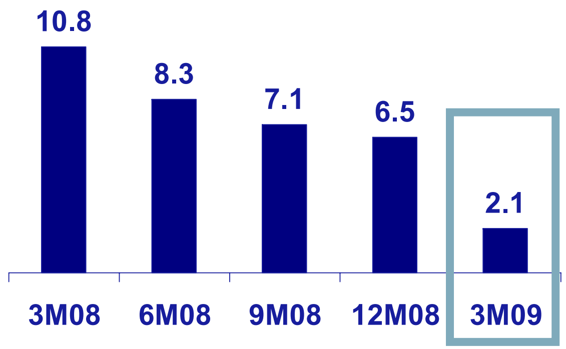
Estimated growth of expenses in 2009: +0%

... starting its implementation in Spain & Portugal and soon after in all other units

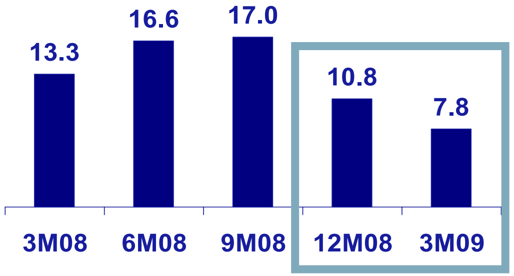
Total expenses Spain & Portugal
Year-on-year growth
(%)



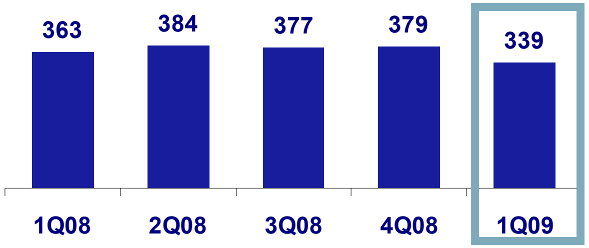
Total expenses Mexico
Year-on-year growth
(%)



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

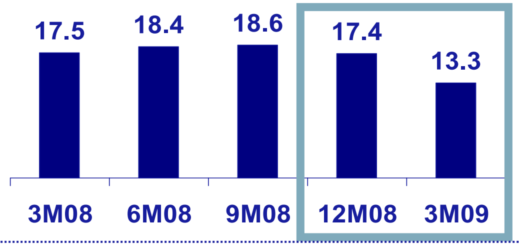


Total expenses USA
Quarter by quarter
(Constant €m)



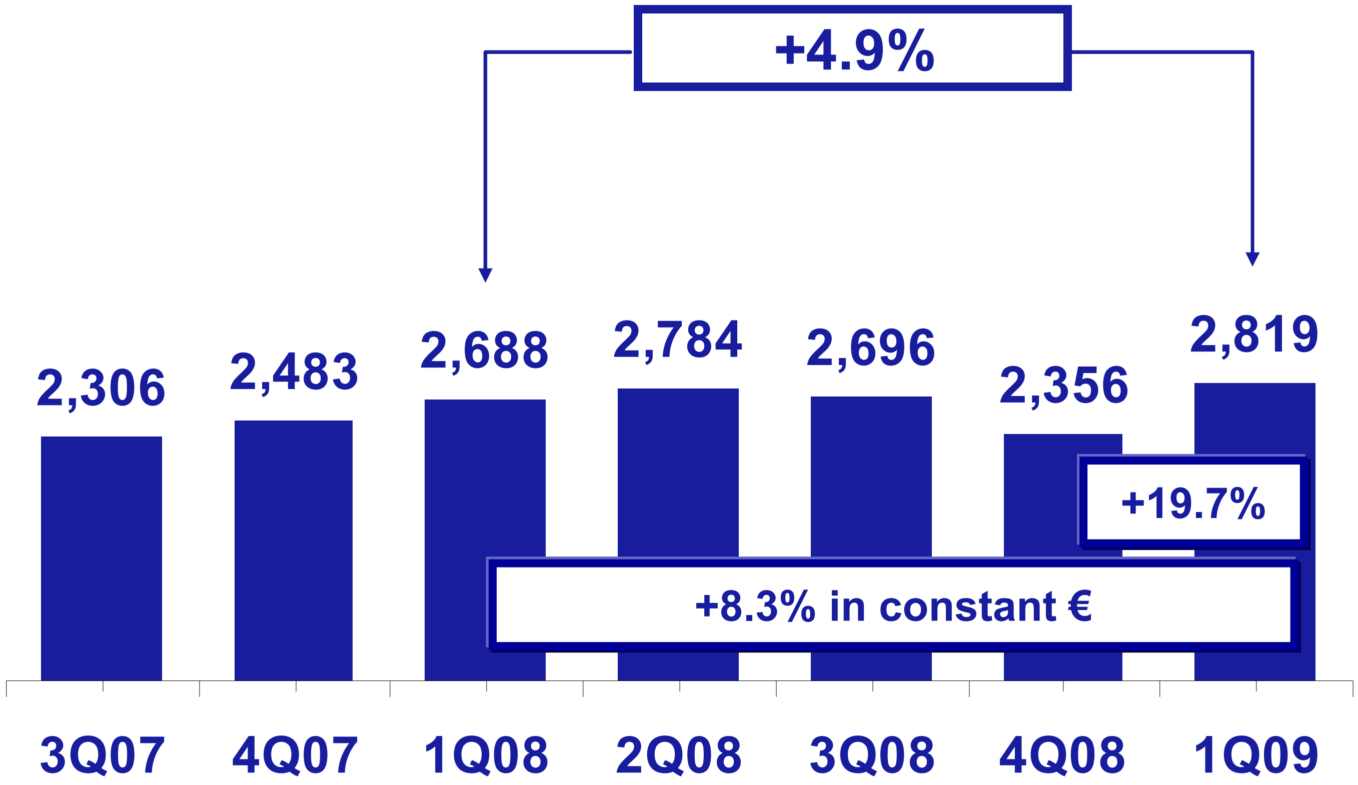
Total expenses South America
Year-on-year growth
(%)

Adjusted inflation: +16.2%



In summary, recurrent operating income

Operating income
BBVA Group
(€m)

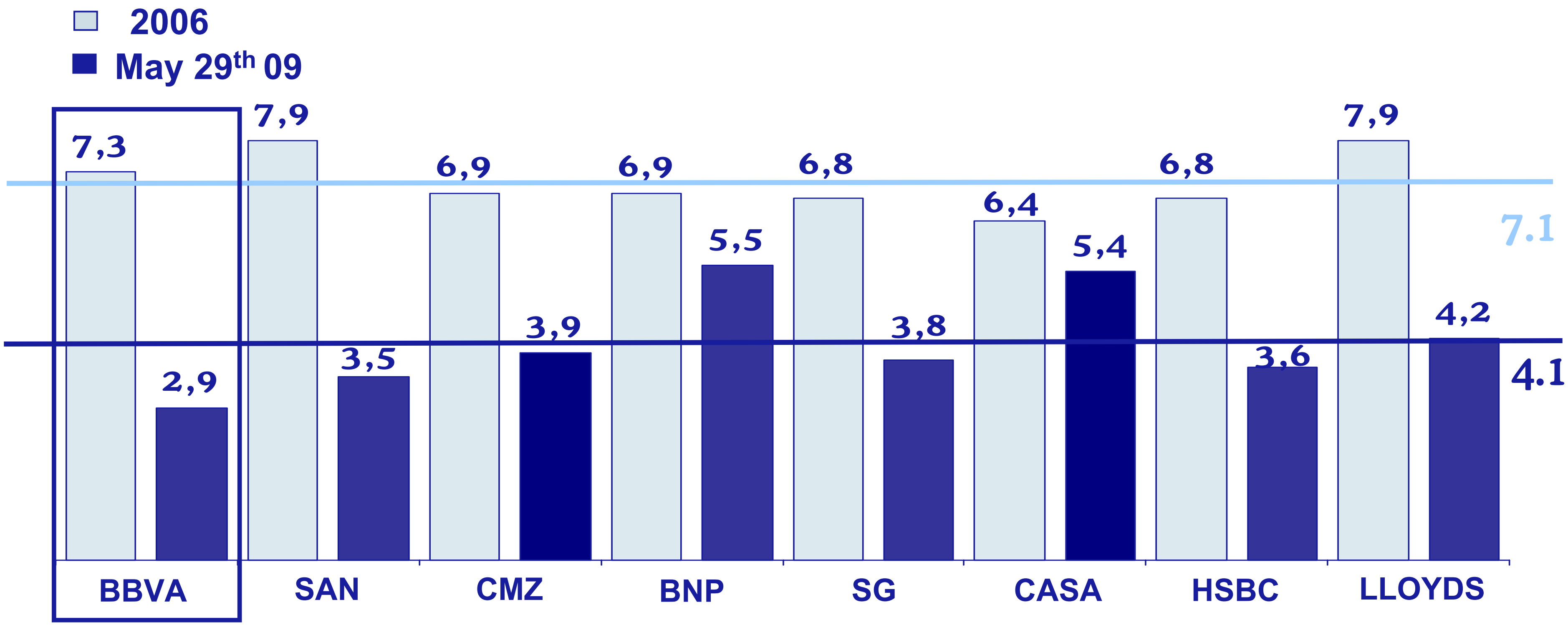


BBVA's operating income: Low beta + high alpha

Is the market pricing operating income strength?

BBVA

Evolution of market Cap. to operating income



The market will eventually return to earnings metrics

1 Outstanding earnings performance through the crisis

2 Recurrent and high quality operating income

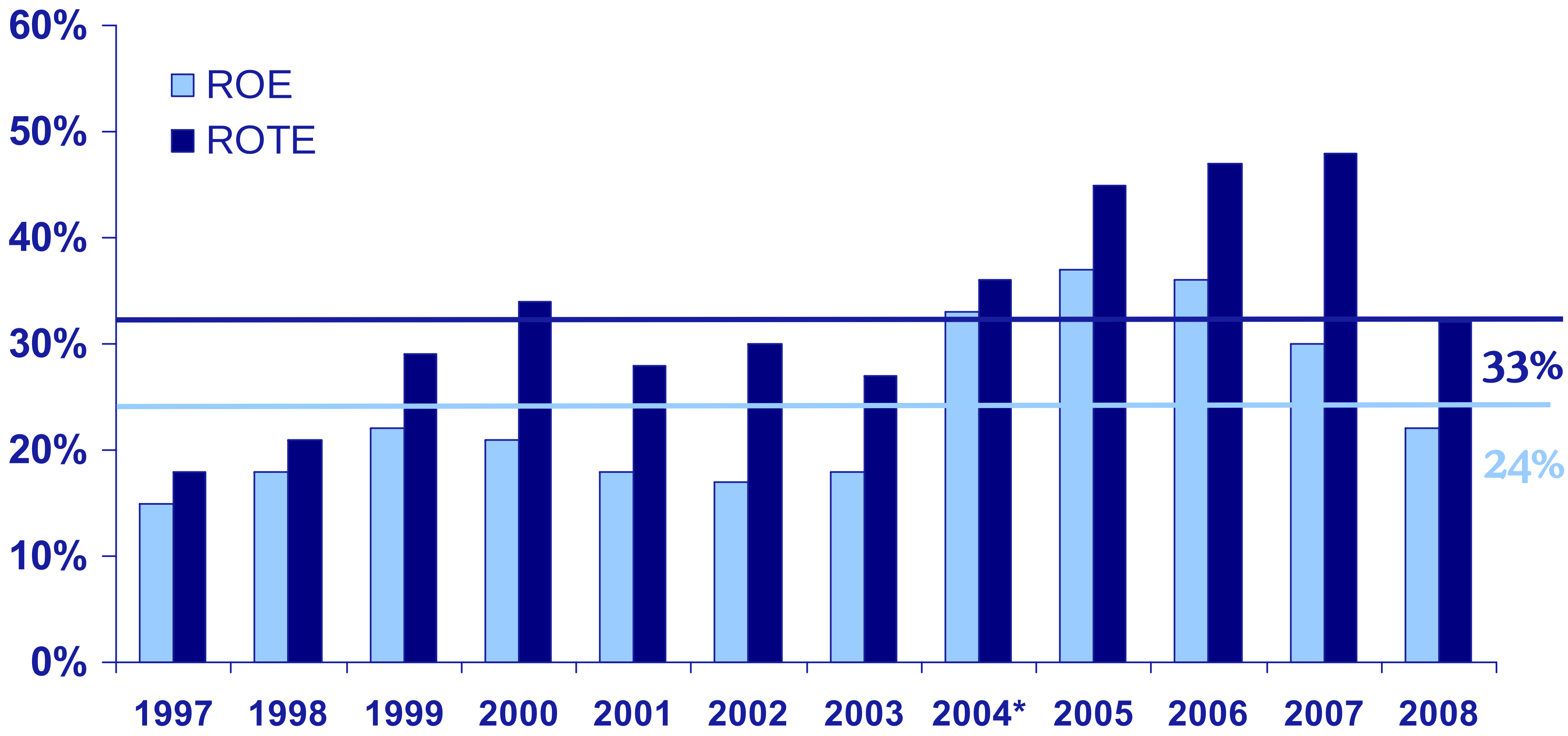
3 **Strong profitability and organic capital generation**

4 Improving asset quality trends

5 Conclusions

BBVA has managed to maintain very strong profitability levels, even in downturns

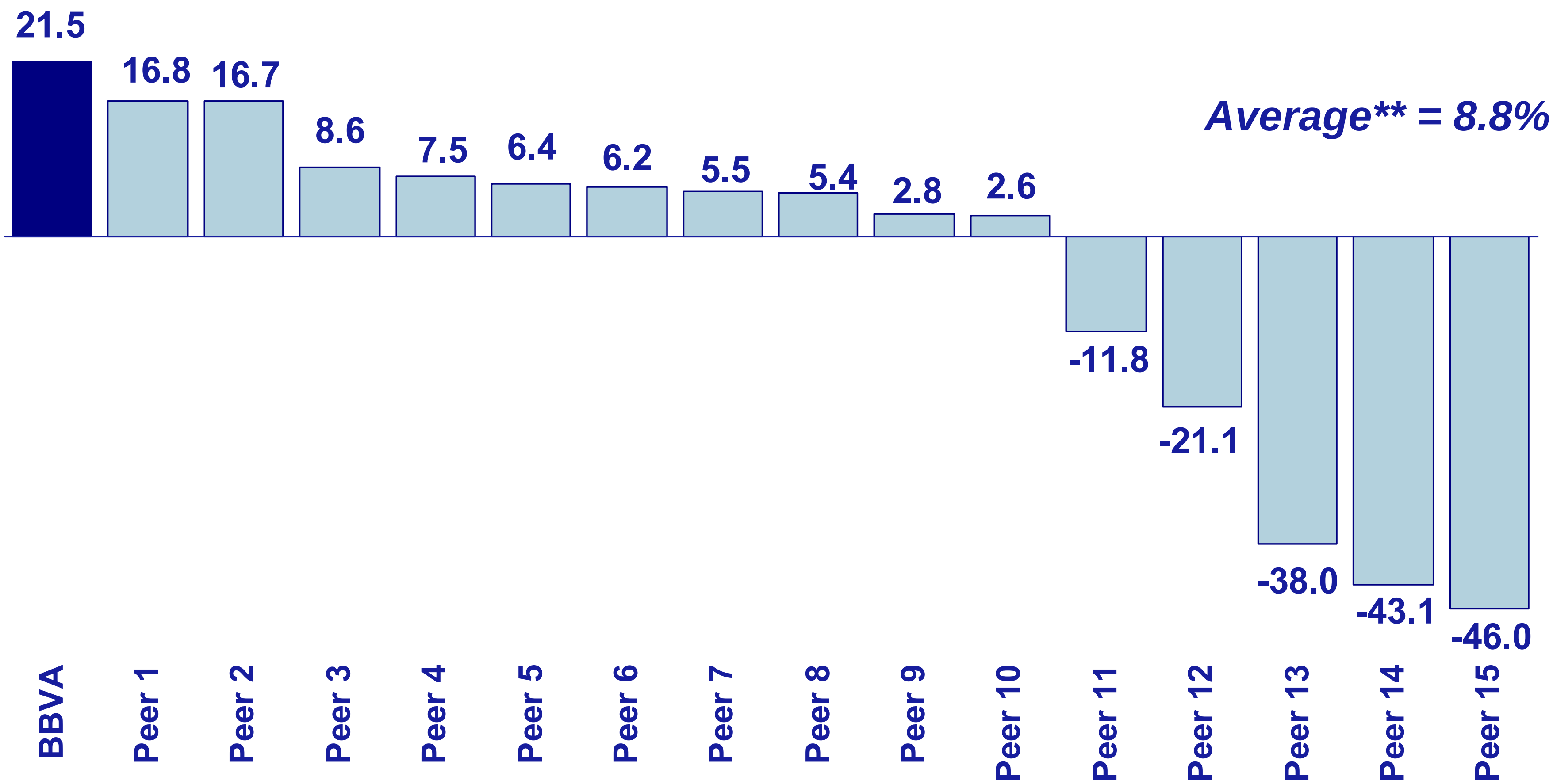
BBVA



* Implementation of IAS

A feature that stands out in the current context

ROE* 2008 (%)



* Calculated as Reported Net Income / Average Reported Equity

** Excludes DB, RBS, HBOS, UBS y CS, that reported losses in 2008

PEERs: BARC, BNPP, CASA, CMZ, CS, DB, HBOS, HSBC, ISP, LLOY, RBOS, SAN, SG, UBS and UCI

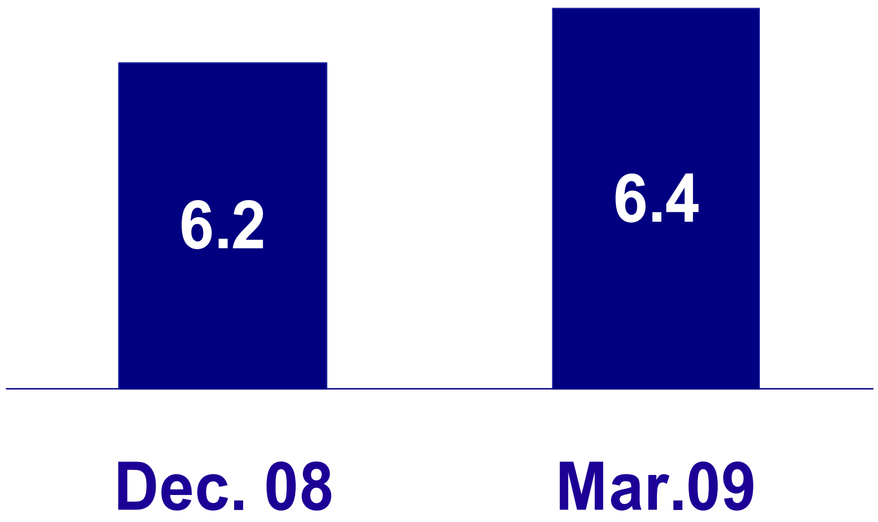
And we continue to do so in 1Q09

1Q09 profitability ratios (%)

ROA: 1.00%	RoRWA: 1.88%
ROE: 19.4%	ROTE: 26.7%

Which allow us to continue generating capital 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.

1 Outstanding earnings performance through the crisis

2 Recurrent and high quality operating income

3 Strong profitability and organic capital generation

4 **Improving asset quality trends**

5 Conclusions

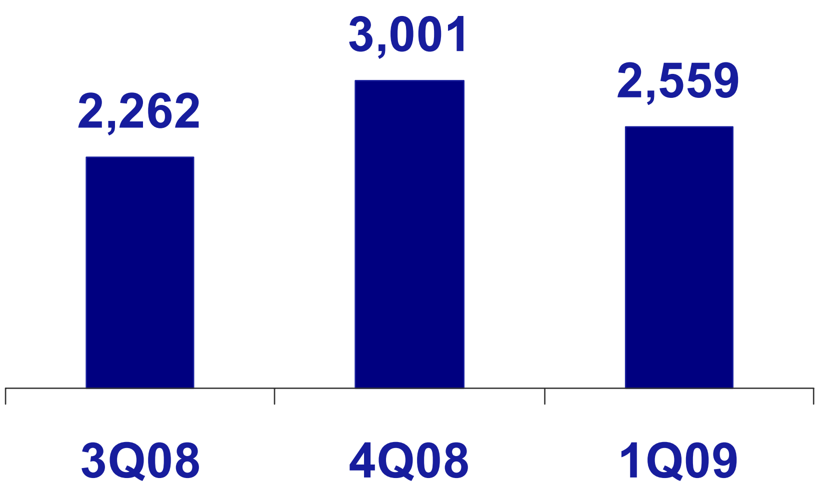
Improving asset quality trends

A	Lower entries to NPLs
B	Provisioning in line with 2H08
C	Preservation of generic provisions
D	Ample coverage by provisions and collateral

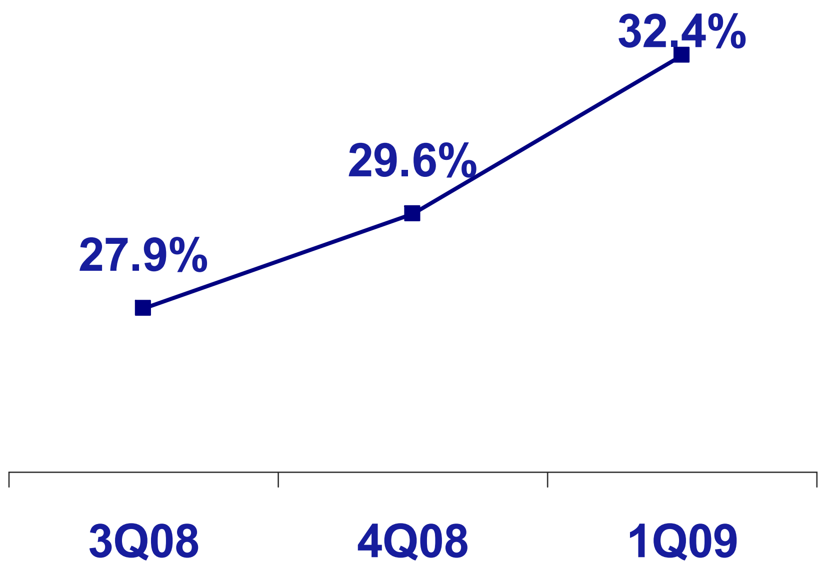
A Lower entries to NPL and higher success with recoveries…

BBVA

Net entries to NPL
BBVA Group
(€m)



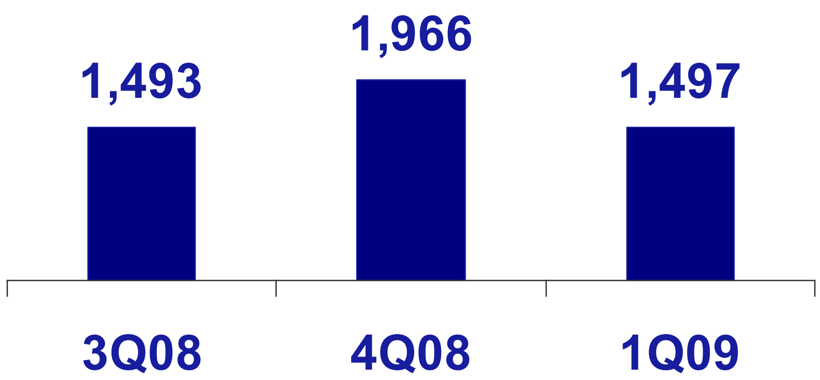
Recoveries / NPL entries
BBVA Group
(%)



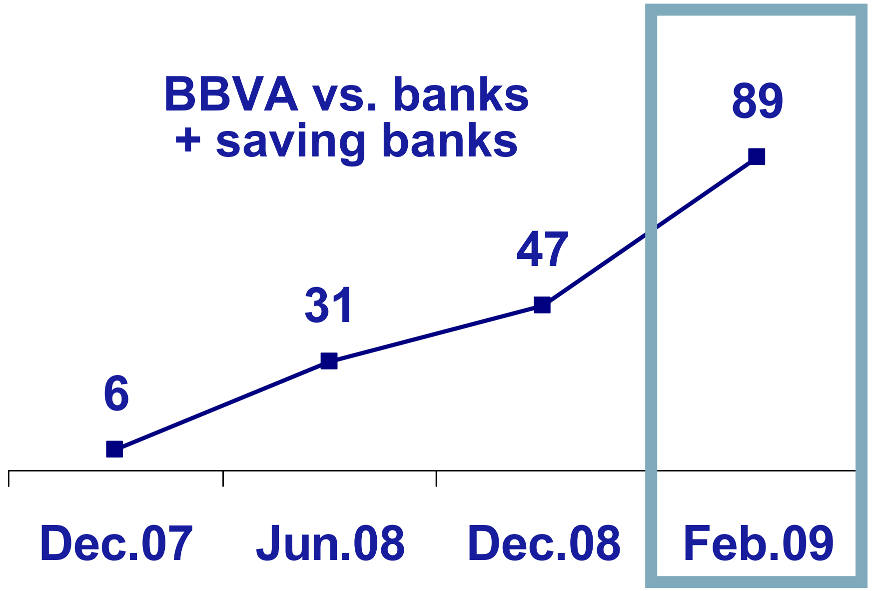
Net entries to NPLs down 15% in the quarter

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

Net entries to NPL
Spain & Portugal
(€m)

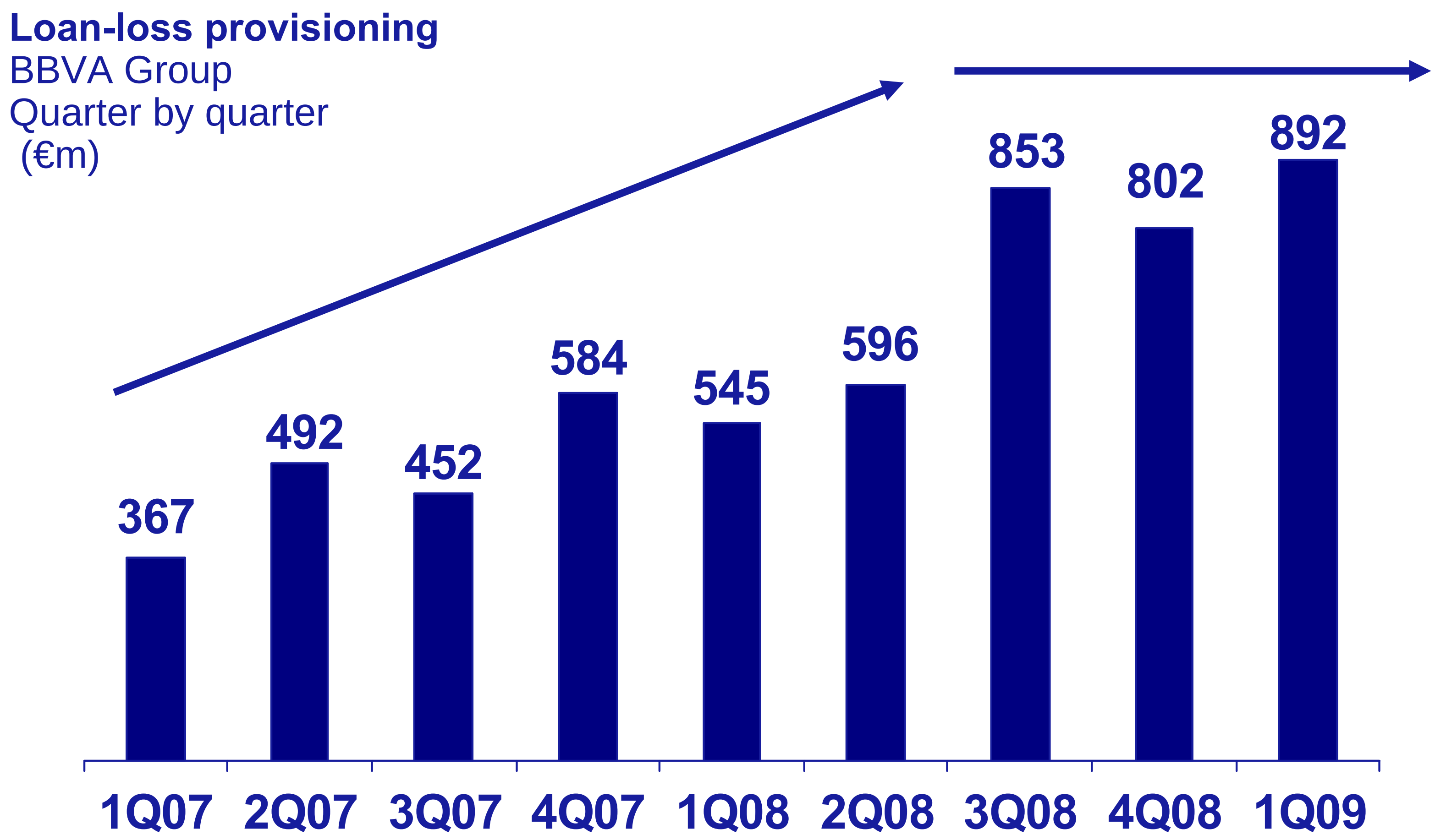


NPA ratio differential vs. the system
BBVA Spain vs. banks and saving banks



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

B Provisioning starts to stabilise ...



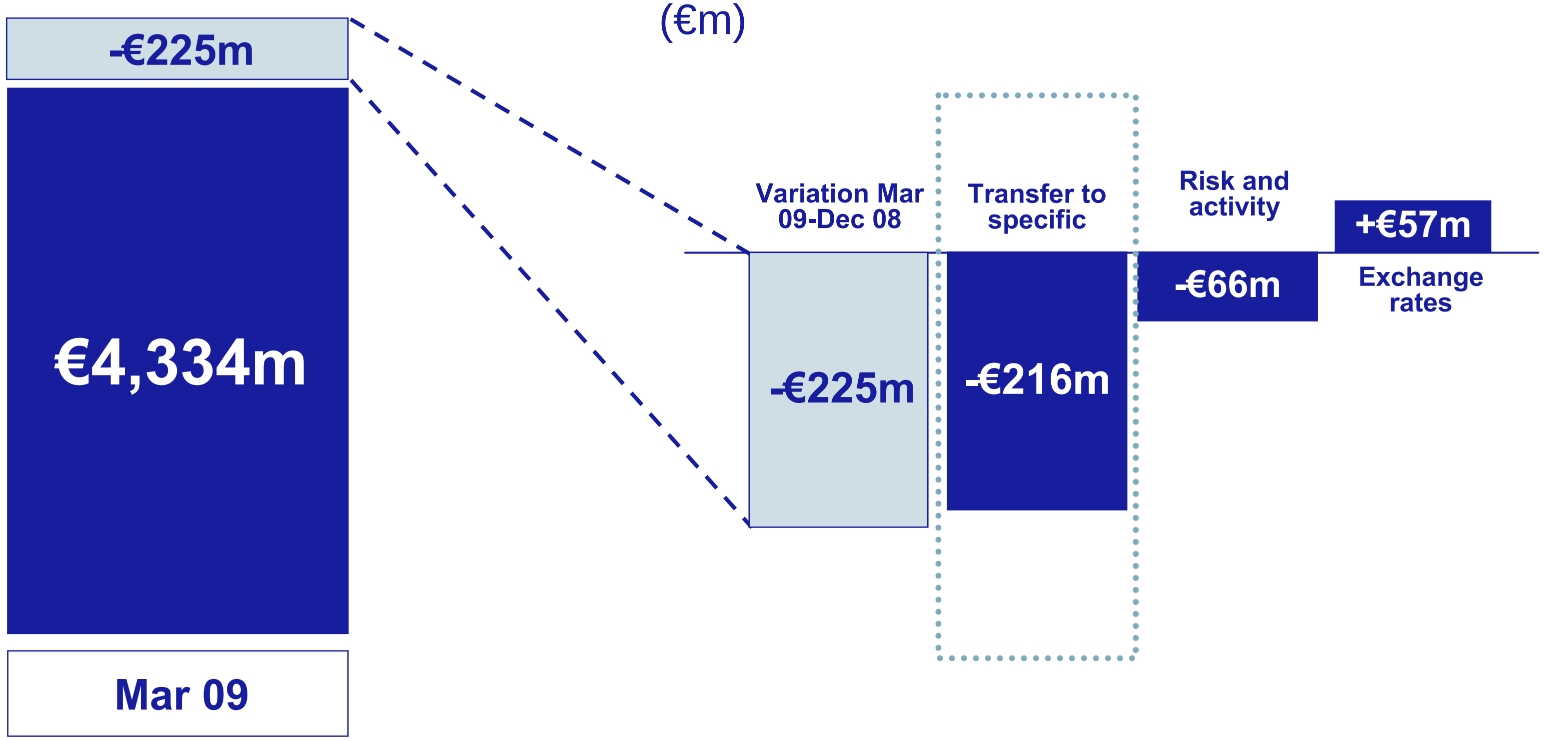
Risk premium stabilizing at all units

C 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)

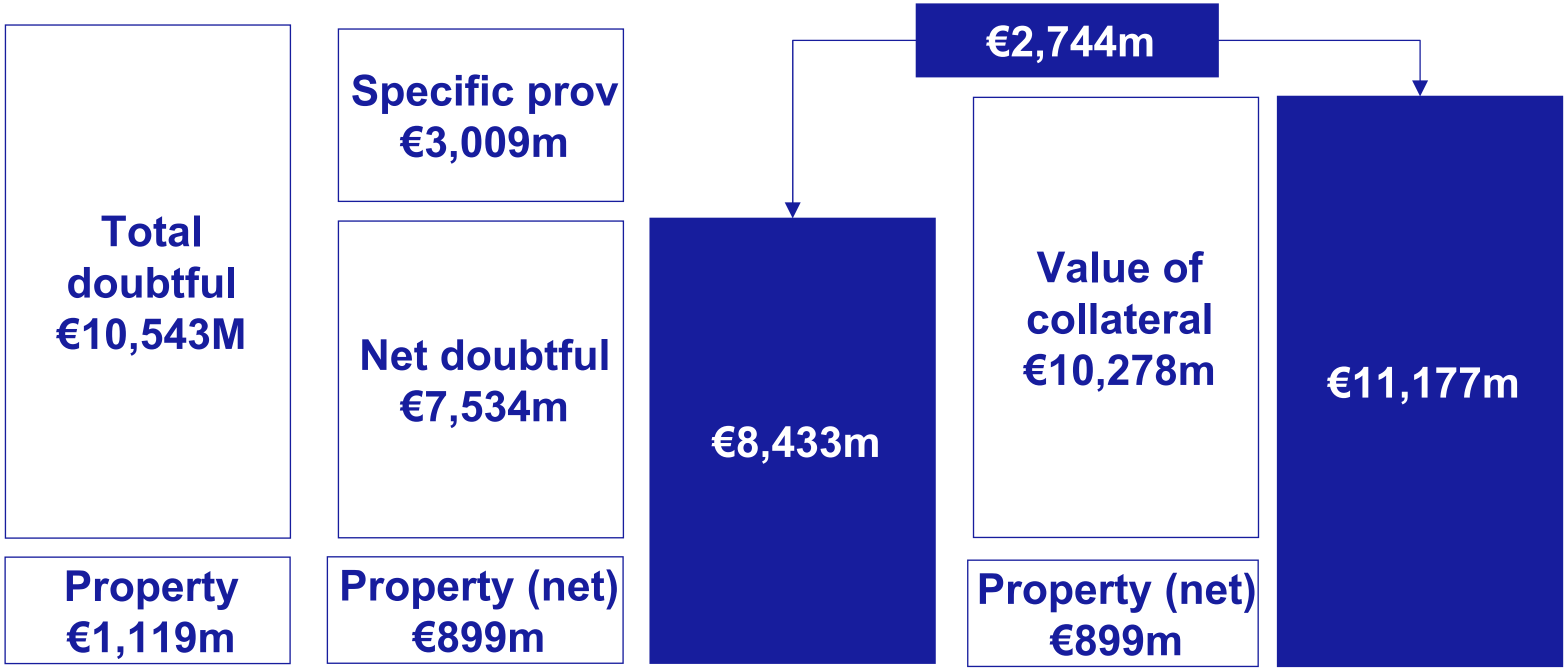


Release of €216m in 1Q09 (vs. €300m in 4Q08) to offset the charge for specific provisions

D 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

1 Outstanding earnings performance through the crisis

2 Recurrent and high quality operating income

3 Strong profitability and organic capital generation

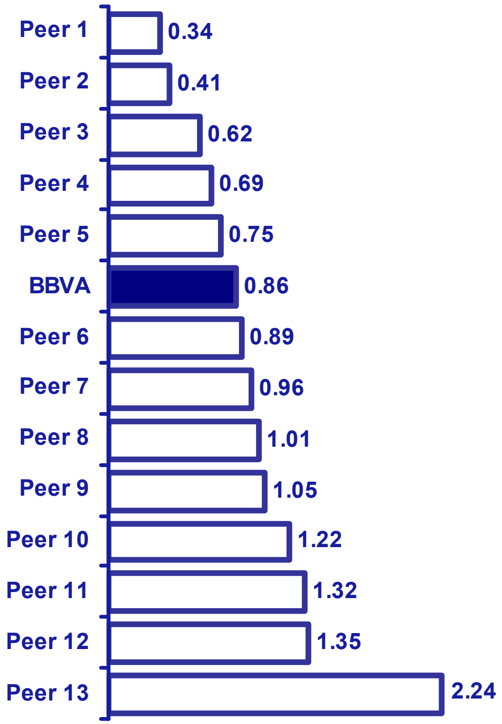
4 Improving asset quality trends

5 **Conclusions**

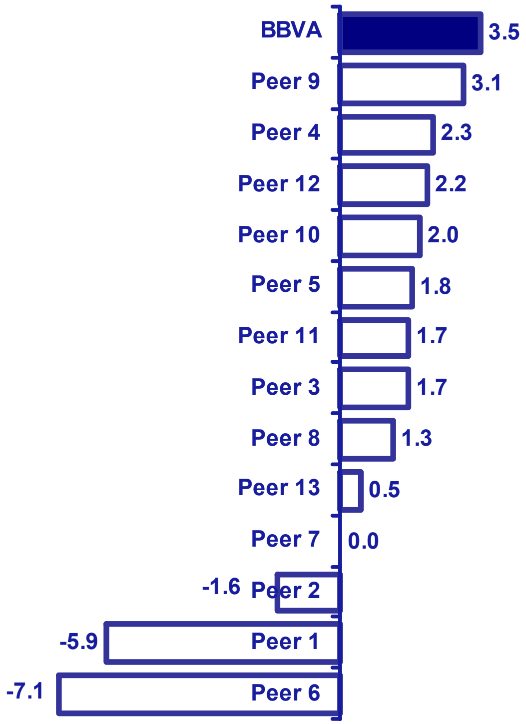
Sizeable and recurrent operating profit, a key buffer for asset quality deterioration

BBVA

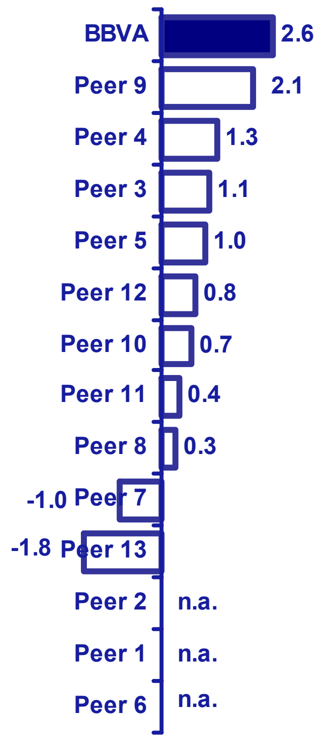
Cost of risk
Peer Group
(%, Dec 08)



Operating profit[1] as maximum cost of risk [2]
Peer Group
(%, Dec 08)



Additional cost of risk supported by operating profit [3]
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

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

BBVA's management is committed to maintaining this outstanding performance, preserving the attractiveness of our investment case

BBVA

High quality operating income

- A Quality of gross income
- B Focus on pricing & mix management
- C Strict cost control

Resilient bottom line

- D Stable risk premium

Low ß

top α levers

Strong profitability advantage

BBVA

Goldman Sachs European Financials Conference

BBVA, recurrent and sustainable earnings

Panel 7. Back to basics: how can retail banking offer superior returns?

Frankfurt, June 5th 2009