BBVA, recurrent and sustainable earnings
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1. BBVA, an exception in the current environment

2. Recurrent operating profit
   2.1 Recurrent revenues
   2.2 Efficient distribution & operating leverage

3. Prudent risk management

4. Sustainable earnings

5. Conclusions
In an environment of great complexity ...

BBVA is an exception ...

Peer Group aggregated ex BBVA Group
Net Attributable Profit (€bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>21.7</td>
</tr>
<tr>
<td>2003</td>
<td>31.4</td>
</tr>
<tr>
<td>2004</td>
<td>83.1</td>
</tr>
<tr>
<td>2005</td>
<td>60.8</td>
</tr>
<tr>
<td>2006</td>
<td>75.2</td>
</tr>
<tr>
<td>2007</td>
<td>63.1</td>
</tr>
</tbody>
</table>

BBVA Group
Net Attributable Profit Excluding one-offs (€m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>1,719</td>
</tr>
<tr>
<td>2003*</td>
<td>2,227</td>
</tr>
<tr>
<td>2004</td>
<td>2,923</td>
</tr>
<tr>
<td>2005</td>
<td>3,806</td>
</tr>
<tr>
<td>2006</td>
<td>4,580</td>
</tr>
<tr>
<td>2007</td>
<td>5,403</td>
</tr>
<tr>
<td>2008</td>
<td>5,414</td>
</tr>
</tbody>
</table>

Net Attributable Profit 2008 including one-offs: 5,020 M €

Peers: Barclays, BNPP, Crédit Agricole S.A., Credit Suisse, Deutsche Bank, HBOS, Intesa Sanpaolo, Lloyds, RBS, Santander, Société Générale, UBS y Unicredit
Business model focused on client-based retail banking

Client-based retail banking model …

Our retail franchises generate 88% of earnings

48 million clients

7,787 branches

… with a leading position in our main markets

USA
Leader franchise in the sunbelt

Spain
1st/2nd

Mexico
Market Leader

South America
1st/2nd

Asia / China
Strategic alliance with a dominant player in China
Client-driven balance sheet structure …

Asset structure
Peer Group (%, Dec.08)

… that ensures low volatility of revenues

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

(*) Latest available data
Client-driven balance sheet structure …

Liabilities structure
Peer Group (%, Dec.08)

… that ensures funding stability

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

(*) Latest available data
This reduces earnings volatility

Resilient revenues

Revenues BBVA Spain (%)

- 18% Front book
- 82% Back book

Pricing skills

Net Interest Income/ATAs
BBVA Group (%)

- 2006: 2.11
- 2007: 2.12
- 2008: 2.29

Resilient revenues

- Pricing skills
- Front and back book revenues

This reduces earnings volatility.
This reduces earnings volatility

Resilient revenues

Revenues BBVA Spain (%)

18% → Front book

82% → Back book

Pricing skills

Front book spreads BBVA Spain (%)

Active and conservative Balance Sheet management through ALCO portfolio
As has been tested in an extraordinarily difficult year …

Only four banks with positive growth rate

… and will be tested further in the difficult years to come

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

Spain

Market share (%)

Branches: 8.4%
Business: 11.2%*

+33%

Mexico

Market share (%)

Branches: 18.0%
Business: 29.0%*

+61%

Latam

Market share (%)

Branches: 8.68%
Business: 12.7%*

+46%

*Lending + Customer funds; last available data
… and ongoing cost-to-income improvement

Cost control

General & Administrative expenses
BBVA Group excluding one-offs and Compass (%)

<table>
<thead>
<tr>
<th></th>
<th>12M07</th>
<th>6M08</th>
<th>12M08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain &amp; Portugal</td>
<td>5.6%</td>
<td>3.8%</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

Improvements in cost-to-income ratio

<table>
<thead>
<tr>
<th></th>
<th>Efficiency (%)</th>
<th>YoY Growth 08/07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain &amp; Portugal</td>
<td>35.3%</td>
<td>-2.6 p.p.</td>
</tr>
<tr>
<td>WB&amp;AM</td>
<td>29.8%</td>
<td>+2.5 p.p.</td>
</tr>
<tr>
<td>Mexico</td>
<td>32.4%</td>
<td>-1.8 p.p.</td>
</tr>
<tr>
<td>USA</td>
<td>65.8%</td>
<td>-0.3 p.p.</td>
</tr>
<tr>
<td>South America</td>
<td>43.8%</td>
<td>-2.2 p.p.</td>
</tr>
</tbody>
</table>

Expected growth of general and administrative expenses in 2009: +0%
Operating leverage is a key driver in retail banking

Cost-to-income ratio
(%, Dec.08)

Median Peer Group

BBVA Group

Impact on Operating Profit
(%, Dec.08)

Median Peer Group

BBVA Group

Revenues: ▼ 10%

Assumption

Cost-to-income focus throughout BBVA makes its operating profit even more resilient

Peers: Barclays, BNPP, Crédit Agricole S.A., Credit Suisse, Deutsche Bank, HBOS, Intesa Sanpaolo, Lloyds, RBS, Santander, Société Générale, UBS y Unicredit
Strong operating profit is a distinct feature of the BBVA Group

Operating Profit is the best buffer in the current environment

Peers: Barclays, BNPP, Crédit Agricole S.A., Credit Suisse, Deutsche Bank, HBOS, Intesa Sanpaolo, Lloyds, RBS, Santander, Société Générale, UBS y Unicredit
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3. Prudent risk management
4. Sustainable earnings
5. Conclusions
Prudent risk management

A. Risks are known, monitored, ring-fenced and shared with the market

B. Prudent risk management culture: better performance than competitors

C. Prudent provisions policy

D. Sizeable operating profit provides significant risk-premium buffer
Group economic risk capital
Distribution by risk type (%)

- Lending: 65.8%
- Structural (balance sheet): 9.2%
- Industrial Holdings: 12.7%
- Market: 7.8%
- Operational: 7.6%
- Other: 3.0%

(Data in attributable terms, 31-Dec-08)

Basically focused on lending
**Prudent risk management culture: better performance than our peers**

<table>
<thead>
<tr>
<th>NPL Ratio (%)</th>
<th>BBVA</th>
<th>Peer 1</th>
<th>Peer 2</th>
<th>Peer 3</th>
<th>BBVA</th>
<th>Peer 4</th>
<th>Peer 5</th>
<th>Peer 6</th>
<th>Peer 7</th>
<th>Peer 8</th>
<th>Peer 9</th>
<th>Peer 10</th>
<th>Peer 11</th>
<th>Peer 12</th>
<th>Peer 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>(%), Dec.08</td>
<td></td>
<td>1.1</td>
<td>1.7</td>
<td>2.0</td>
<td>2.1</td>
<td>2.2</td>
<td>2.4</td>
<td>3.2</td>
<td>3.4</td>
<td>3.7</td>
<td>3.9</td>
<td>3.9</td>
<td>5.6</td>
<td>5.8</td>
<td>6.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Coverage (%)</th>
<th>BBVA</th>
<th>Peer 1</th>
<th>Peer 2</th>
<th>Peer 3</th>
<th>Peer 4</th>
<th>Peer 5</th>
<th>Peer 6</th>
<th>Peer 7</th>
<th>Peer 8</th>
<th>Peer 9</th>
<th>Peer 10</th>
<th>Peer 11</th>
<th>Peer 12</th>
<th>Peer 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>(%), Dec.08</td>
<td></td>
<td>91.0</td>
<td>89.2</td>
<td>78.0</td>
<td>73.7</td>
<td>60.1</td>
<td>54.7</td>
<td>52.5</td>
<td>51.3</td>
<td>49.0</td>
<td>42.5</td>
<td>41.1</td>
<td>39.1</td>
<td>36.0</td>
</tr>
</tbody>
</table>

Peers: Barclays, BNPP, Crédit Agricole S.A., Credit Suisse, Deutsche Bank, HBOS, Intesa Sanpaolo, Lloyds, RBS, Santander, Société Générale, UBS y Unicredit
Spain: clearly better positioned than our peers

NPL Ratio (Resident sector)
BBVA vs. Banks + Saving banks (%)

<table>
<thead>
<tr>
<th></th>
<th>BBVA vs. Banks + Saving banks (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec.07</td>
<td>0.83</td>
</tr>
<tr>
<td>Jun.08</td>
<td>1.61</td>
</tr>
<tr>
<td>Dec.08</td>
<td>3.32</td>
</tr>
</tbody>
</table>

Banks + saving banks

NPL Ratio advantage adjusted w/real estate purchases
BBVA* vs Peer Group** (% Dec.08)

<table>
<thead>
<tr>
<th></th>
<th>BBVA* vs Peer Group** (% Dec.08)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peer 1</td>
<td>+30</td>
</tr>
<tr>
<td>Peer 2</td>
<td>+118</td>
</tr>
<tr>
<td>Peer 3</td>
<td>+111</td>
</tr>
<tr>
<td>Peer 4</td>
<td>+139</td>
</tr>
<tr>
<td>Peer 5</td>
<td>+45</td>
</tr>
</tbody>
</table>

BBVA is performing better than the banking system ...

... and is not so badly hit by real estate purchases

*Domestic businesses ** La Caixa, Caja Madrid, Banco Popular, Sabadell, Santander and BBVA
Mexico: clearly better positioned than our peers

Risk premium (Local data) Bancomer vs. Peers (%)

<table>
<thead>
<tr>
<th></th>
<th>BBVA Bancomer</th>
<th>Peers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun.07</td>
<td>2.61</td>
<td>3.14</td>
</tr>
<tr>
<td>Dec.07</td>
<td>2.95</td>
<td>4.29</td>
</tr>
<tr>
<td>Mar.08</td>
<td>3.01</td>
<td>4.84</td>
</tr>
<tr>
<td>Jun.08</td>
<td>3.09</td>
<td>5.48</td>
</tr>
<tr>
<td>Dec.08</td>
<td>3.54</td>
<td>6.94</td>
</tr>
</tbody>
</table>

Past foresight → better mix now

Portfolio mix (%)

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peer 1</td>
<td>32.0%</td>
<td>25.0%</td>
</tr>
<tr>
<td>Peer 2</td>
<td>40.0%</td>
<td>41.0%</td>
</tr>
<tr>
<td>Peer 3</td>
<td>28.0%</td>
<td></td>
</tr>
</tbody>
</table>

Better NPL Ratio

NPL ratio (Consumer +cards) (% Jan.09)

<table>
<thead>
<tr>
<th></th>
<th>Peer 3</th>
<th>Peer 2</th>
<th>Peer 1</th>
<th>Bancomer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>13.4</td>
<td>8.6</td>
<td>7.7</td>
<td>7.1</td>
</tr>
</tbody>
</table>

Peers: Banamex, Banorte, HSBC y Santander.
Prudent provision policy: asset impairment is covered by a strong provisions and collaterals

€5,000m of generic and substandard provisions

Doubtful assets & property purchases (€m, Dec.08)

- Doubtful assets €8,568m
- Specific provisions €2,730m
- Net doubtful assets €5,838m
- Collateral €8,421m
- Property €629m

+€2,583m
Recurrent operating profit is the most important lever in the industry today.

Risk Premium 2008
Peer Group (%, Dec.08)

Operating Profit buffer as maximum risk premium*
Peer Group (%, Dec.08)

Additional risk premium supported by operating profit**
Peer Group (%, Dec.08)

* Maximum risk premium supported by operating profit without generating losses
** Maximum risk premium - Actual Risk Premium

Peers: Barclays, BNPP, Crédit Agricole S.A., Credit Suisse, Deutsche Bank, HBOS, Intesa Sanpaolo, Lloyds, RBS, Santander, Société Générale, UBS y Unicredit
Recurrency in Operating Profit is the most important lever in the industry today

### Risk Premium 2008*
Peer Group (% Dec.08)

<table>
<thead>
<tr>
<th>Peer 1</th>
<th>Peer 2</th>
<th>Peer 3</th>
<th>Peer 4</th>
<th>Peer 5</th>
<th>Peer 6</th>
<th>BBVA</th>
<th>Peer 10</th>
<th>Peer 11</th>
<th>Peer 12</th>
<th>Peer 13</th>
<th>BBVA</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.2</td>
<td>0.2</td>
<td>0.4</td>
<td>0.6</td>
<td>0.7</td>
<td>0.7</td>
<td>0.5</td>
<td>0.9</td>
<td>1.6</td>
</tr>
</tbody>
</table>

### Operating Profit buffer as maximum risk premium**
Peer Group (% Dec.08)

<table>
<thead>
<tr>
<th>BBVA</th>
<th>Peer 1</th>
<th>Peer 2</th>
<th>Peer 3</th>
<th>Peer 4</th>
<th>Peer 5</th>
<th>Peer 6</th>
<th>Peer 7</th>
<th>Peer 8</th>
<th>Peer 9</th>
<th>Peer 10</th>
<th>Peer 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2</td>
<td>1.2</td>
<td>1.0</td>
<td>1.0</td>
<td>0.6</td>
<td>0.6</td>
<td>0.5</td>
<td>0.3</td>
<td>0.3</td>
<td>0.0</td>
<td>-0.2</td>
<td>-1.1</td>
</tr>
</tbody>
</table>

### Additional risk premium supported by operating profit***
Peer Group (% Dec.08)

<table>
<thead>
<tr>
<th>BBVA</th>
<th>Peer 1</th>
<th>Peer 2</th>
<th>Peer 3</th>
<th>Peer 4</th>
<th>Peer 5</th>
<th>Peer 6</th>
<th>Peer 7</th>
<th>Peer 8</th>
<th>Peer 9</th>
<th>Peer 10</th>
<th>Peer 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.6</td>
<td>0.8</td>
<td>0.5</td>
<td>0.3</td>
<td>0.2</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>n.a.</td>
<td>-0.7</td>
<td>-1.3</td>
</tr>
</tbody>
</table>

* Risk premium calculated over ATAs
** Maximum risk premium supported by operating profit without generating losses calculated over ATAs
*** Maximum risk premium - Actual Risk Premium calculated over ATAs

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

Net Attributable Profit
(€m, Dec.07)

Peer 1 9,060
Peer 2 7,822
Peer 3 7,626
Peer 4 7,250
Peer 5 6,474
BBVA 6,126
Peer 6 5,961
Peer 7 5,202
Peer 8 4,612
Peer 9 4,140
Peer 10 4,044
Peer 11 3,434
Peer 12 947
Peer 13 -3,518

Net Attributable Profit
(€m, Dec.08)

Peer 1 8,875
BBVA 5,020
Peer 2 4,576
Peer 3 4,012
Peer 4 3,021
Peer 5 2,553
Peer 6 2,010
Peer 7 1,024
Peer 8 855
Peer 9 -3,835
Peer 10 -5,509
Peer 11 -7,744
Peer 12 -13,205
Peer 13 -25,204

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

**Average ROE 2004-2008**
Peer group
(%)

<table>
<thead>
<tr>
<th>BBVA</th>
<th>Peer 1</th>
<th>Peer 2</th>
<th>Peer 3</th>
<th>Peer 4</th>
<th>Peer 5</th>
<th>Peer 6</th>
<th>Peer 7</th>
<th>Peer 8</th>
<th>Peer 9</th>
<th>Peer 10</th>
<th>Peer 11</th>
<th>Peer 12</th>
<th>Peer 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>31.0</td>
<td>26.5</td>
<td>23.6</td>
<td>18.1</td>
<td>17.0</td>
<td>16.0</td>
<td>13.8</td>
<td>13.1</td>
<td>12.6</td>
<td>12.5</td>
<td>11.4</td>
<td>7.6</td>
<td>4.4</td>
<td>-0.2</td>
</tr>
</tbody>
</table>

**Average ROA 2004-2008**
Peer group
(%)

<table>
<thead>
<tr>
<th>BBVA</th>
<th>Peer 1</th>
<th>Peer 2</th>
<th>Peer 3</th>
<th>Peer 4</th>
<th>Peer 5</th>
<th>Peer 6</th>
<th>Peer 7</th>
<th>Peer 8</th>
<th>Peer 9</th>
<th>Peer 10</th>
<th>Peer 11</th>
<th>Peer 12</th>
<th>Peer 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.16</td>
<td>1.12</td>
<td>0.86</td>
<td>0.76</td>
<td>0.73</td>
<td>0.52</td>
<td>0.49</td>
<td>0.49</td>
<td>0.45</td>
<td>0.36</td>
<td>0.24</td>
<td>0.19</td>
<td>0.10</td>
<td>-0.17</td>
</tr>
</tbody>
</table>

Peers: Barclays, BNPP, Crédit Agricole S.A., Credit Suisse, Deutsche Bank, HBOS, Intesa Sanpaolo, Lloyds, RBS, Santander, Société Générale, UBS y Unicredit
… which will allow us to generate capital …

(66 b.p. generated organically)

(generated organically)
**… superior capacity to generate capital**

<table>
<thead>
<tr>
<th>CORE CAPITAL</th>
<th>31 Dec. 2008</th>
<th>Capital growth ex capital increases</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBVA Group</td>
<td>6.20%</td>
<td>+0.40 p.p.</td>
</tr>
<tr>
<td>Peer 1*</td>
<td>6.30%</td>
<td>+0.30 p.p.</td>
</tr>
<tr>
<td>Peer 2*</td>
<td>8.57%</td>
<td>-0.11 p.p.</td>
</tr>
<tr>
<td>Peer 3*</td>
<td>5.87%</td>
<td>-0.21 p.p.</td>
</tr>
<tr>
<td>Peer 4</td>
<td>5.42%</td>
<td>-0.28 p.p.</td>
</tr>
<tr>
<td>Peer 5**</td>
<td>7.00%</td>
<td>-0.41 p.p.</td>
</tr>
<tr>
<td>Peer 6*</td>
<td>6.39%</td>
<td>-0.41 p.p.</td>
</tr>
<tr>
<td>Peer 7</td>
<td>5.80%</td>
<td>-0.50 p.p.</td>
</tr>
<tr>
<td>Peer 8*</td>
<td>7.23%</td>
<td>-0.69 p.p.</td>
</tr>
<tr>
<td>Peer 9</td>
<td>6.84%</td>
<td>-1.35 p.p.</td>
</tr>
<tr>
<td>Peer 10**</td>
<td>7.60%</td>
<td>-1.37 p.p.</td>
</tr>
<tr>
<td>Peer 12</td>
<td>5.60%</td>
<td>-4.84 p.p.</td>
</tr>
</tbody>
</table>

*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. BBVA, an exception in the current environment

2. Recurrent operating profit
   2.1 Recurrent revenues
   2.2 Efficient distribution & operating leverage

3. Prudent risk management

4. Sustainable earnings

5. Conclusions
The BBVA model in a nutshell

Retail business model focused on customers

Sustainable earnings

Increasing differentiation from competitors
BBVA, recurrent and sustainable earnings

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Morgan Stanley
European Financials Conference
London, 31st March 2009