



# **BBVA Group Results**

## **First quarter 2009**

---

### **Recurrence and sustainability**

---

**Madrid, 28th April 2009**

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.

**BBVA**

## **Main features of the Group's results**

Summary by business area

Conclusions

# 2008: a year in which BBVA demonstrated the recurrent nature and sustainability of its business model

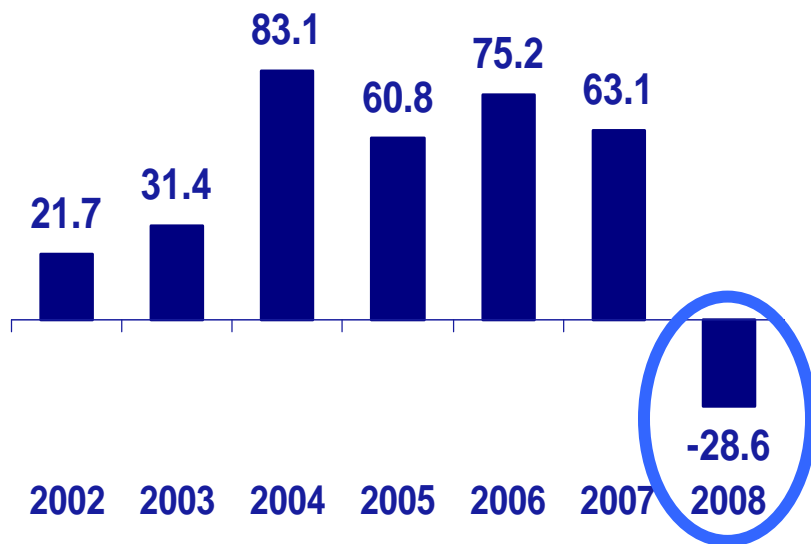
## Superior performance

+

## Sustainable profit

### Net attributable profit

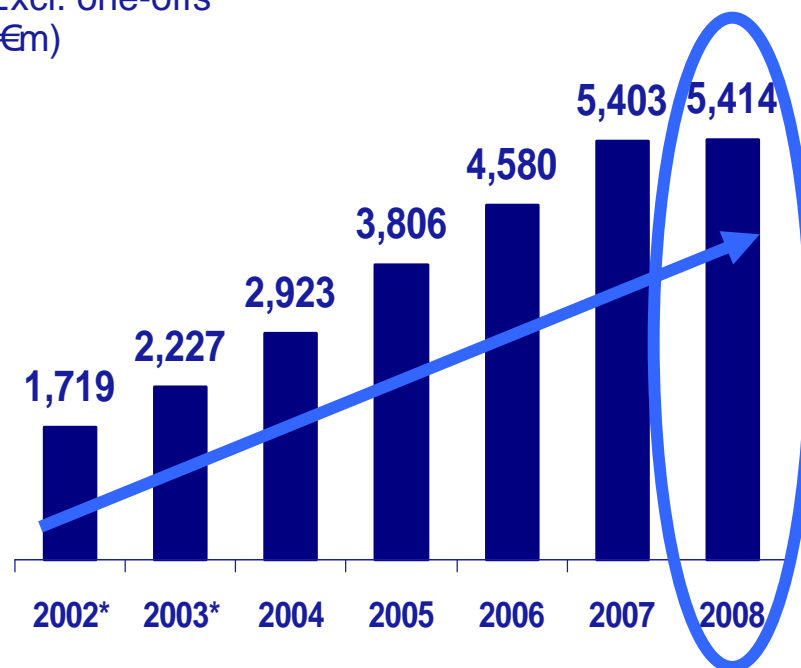
Peer group aggregate excluding BBVA Group  
(€bn)



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

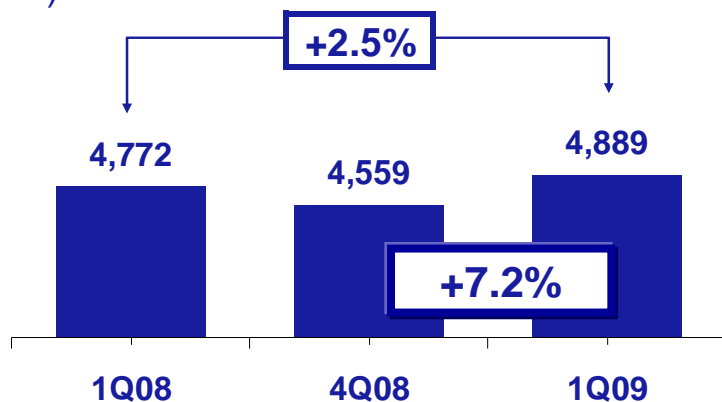
BBVA Group  
Excl. one-offs  
(€m)



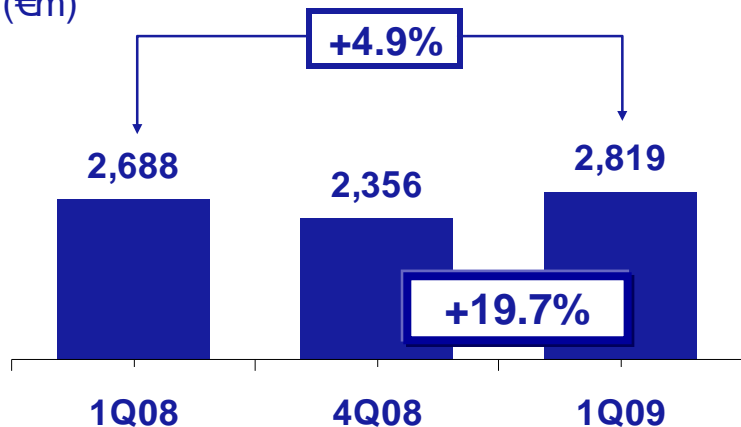
Net attributable profit 2008 including one-offs is €5,020m

# First quarter 2009: confirmation of 2008 strengths

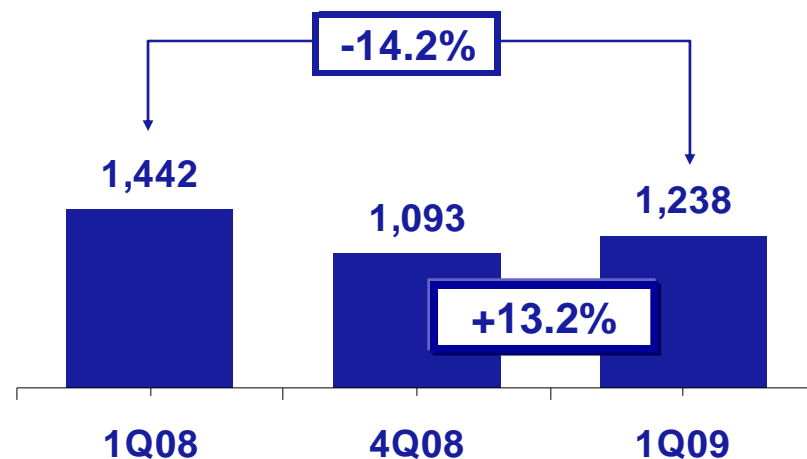
**Gross income**  
BBVA Group  
(€m)



**Operating income**  
BBVA Group  
(€m)



**Net attrib. profit**  
BBVA Group excluding one-offs  
(€m)



One-offs in 1Q08:  
+€509m  
(Bradesco)

One-offs in 4Q08:  
-€575m (Early  
retirements and Madoff)

**Good start to the year with a very positive first quarter** supported by ...

**1**

**Recurrent nature of operating income**

**1.1**

**Recurrent revenues**

**1.2**

**Greater efficiency**

**2**

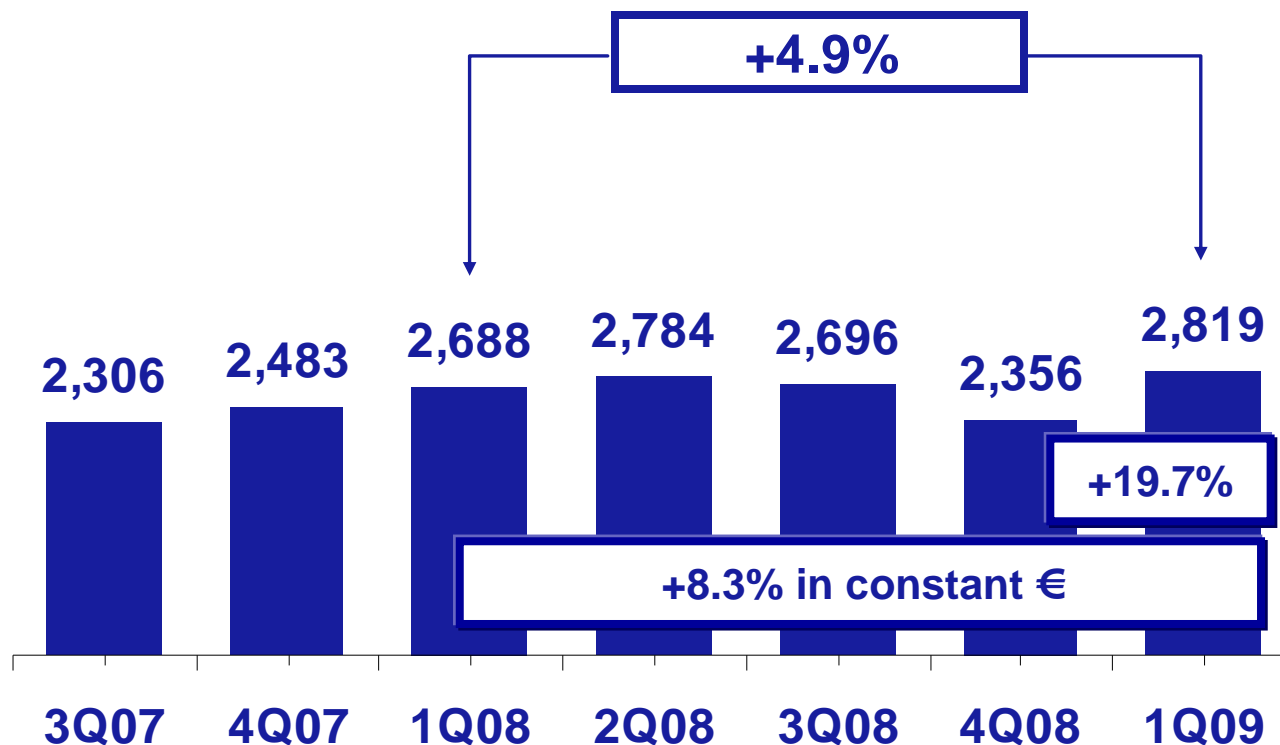
**Prudent risk management**

**3**

**Sustainability: Organic generation of capital**

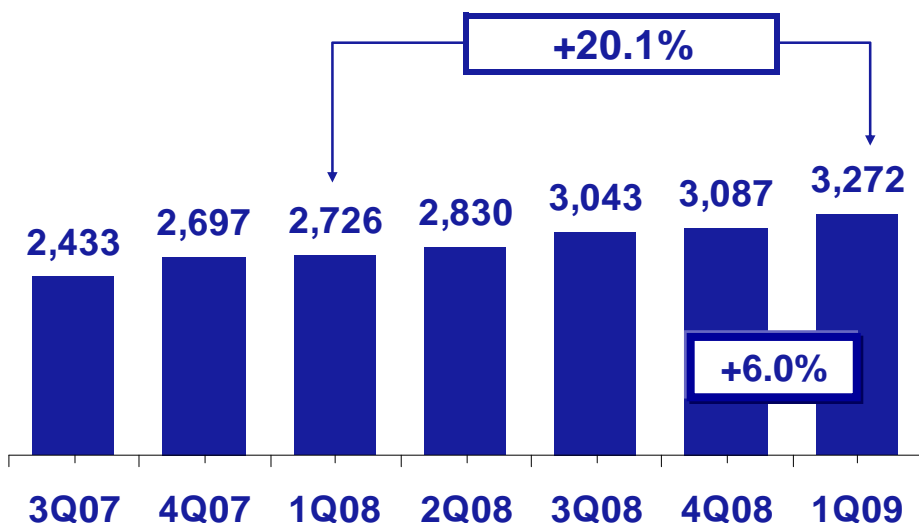
# 1 Recurrent operating income

Operating income  
BBVA Group  
(€m)

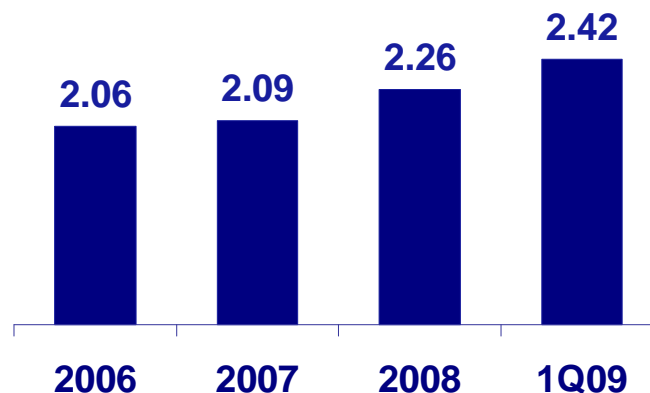


**Recurrent operating income:  
the key in today's environment**

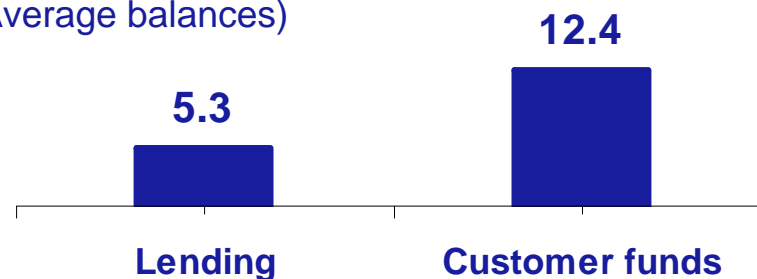
**Net interest income**  
BBVA Group  
(€m)



**Net interest income / ATAs**  
BBVA Group  
(%)



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

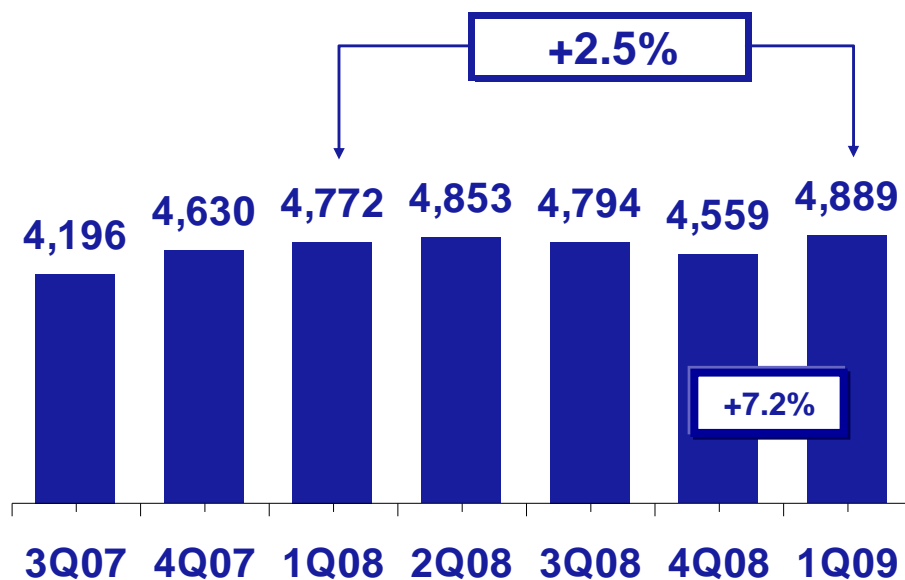


**Appropriate management of the slowdown  
and focus on pricing**

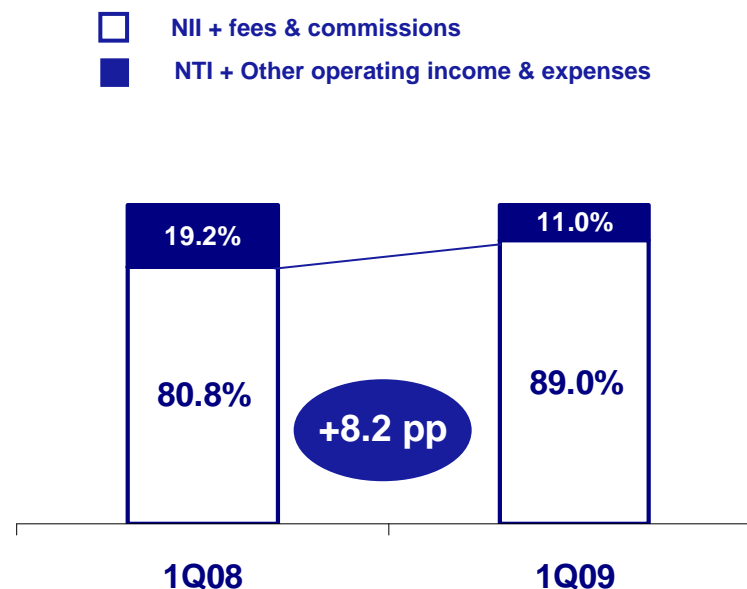


# ... that supports high quality growth in Gross Income

Gross income  
BBVA Group  
(€m)



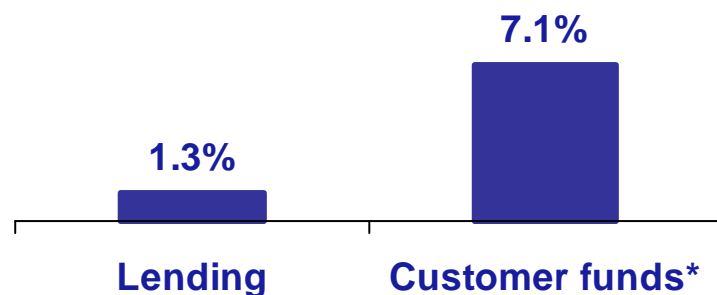
Breakdown of gross income  
BBVA Group  
(€m)



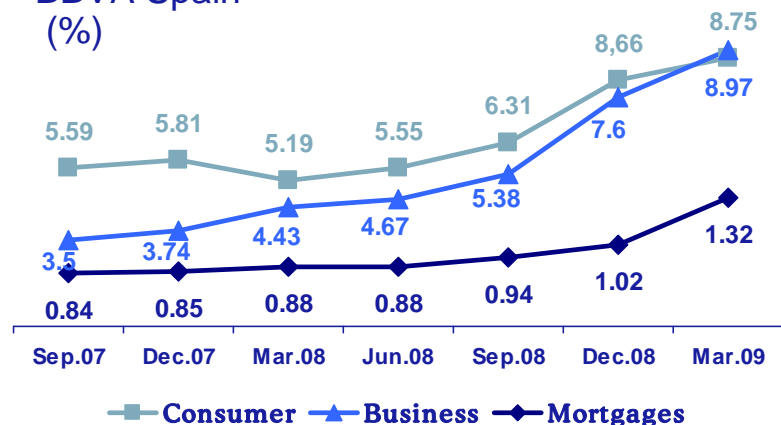
**Improvement in the quality of revenues  
and limited variability**

# Spain & Portugal: focus on pricing ...

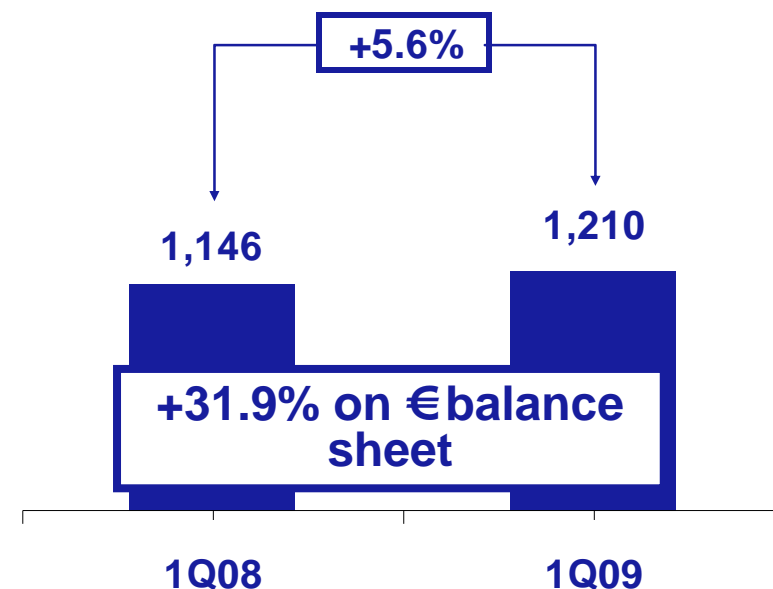
## Lending and customer funds Year-on-year growth (Average balances)



## Front book spreads BBVA Spain (%)



## Net interest income (€m)

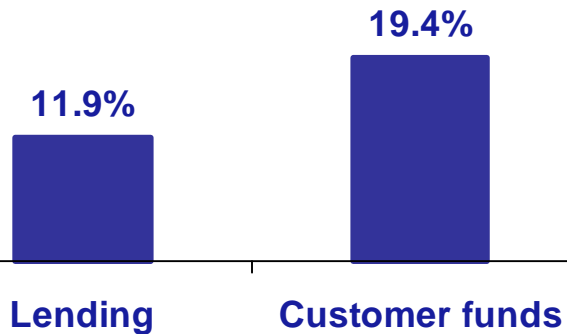


+31.9% on € balance sheet

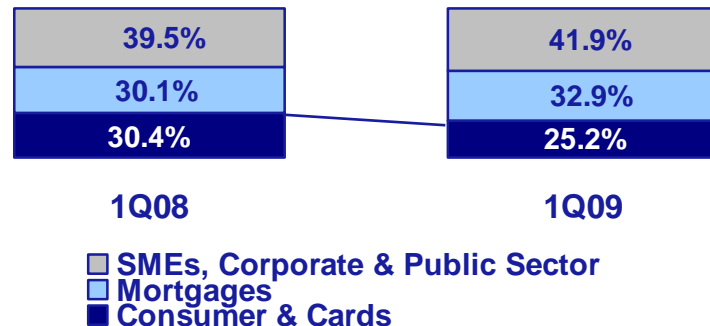
Gross income: €1,747m  
(+1.0% on 1Q08)

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

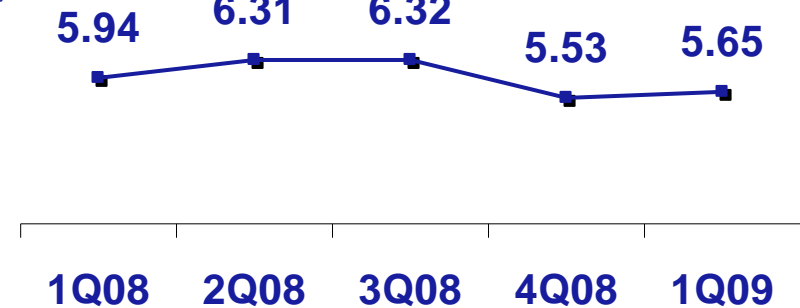
**Lending and cust. funds**  
Year-on-year growth  
(Average balances)



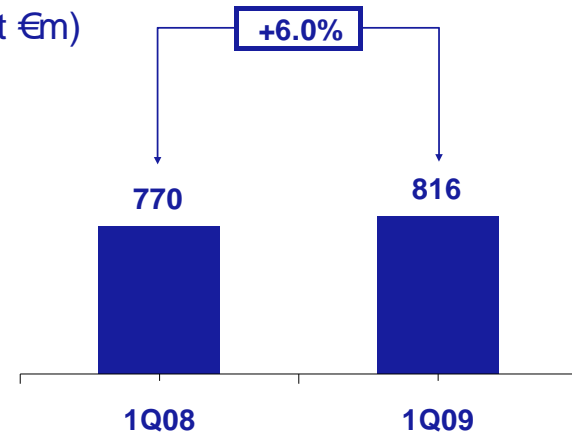
**Lending mix**  
(%)



**Net interest income / ATAs**  
(%)



**Net interest income**  
(Constant €m)

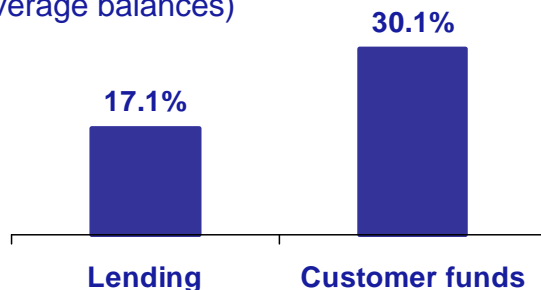


**Gross Income: €1,225m**  
 +1.0% vs 1Q08 | +8.4% vs 1Q08 excl. VISA IPO

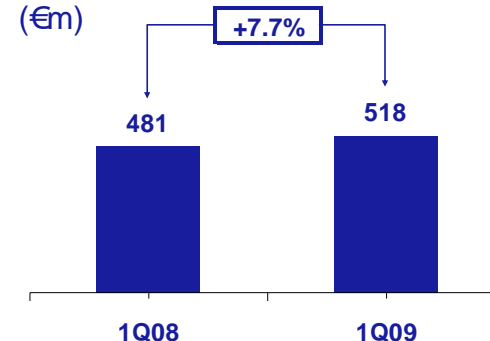
## WB&AM

### Lending and customer funds

Year-on-year growth  
(Average balances)



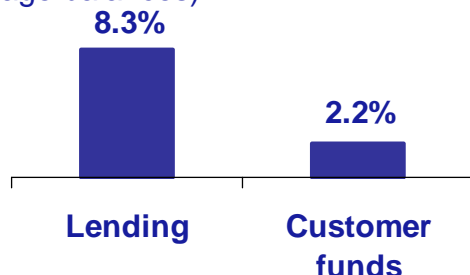
### Gross income (€m)



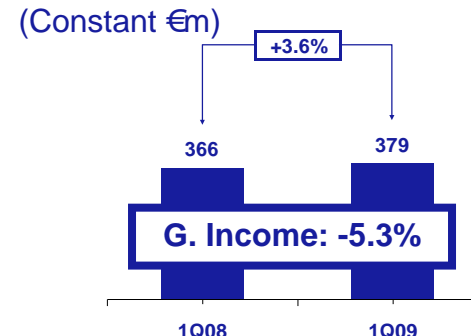
## USA

### Lending and customer funds

Year-on-year growth  
(Average balances)



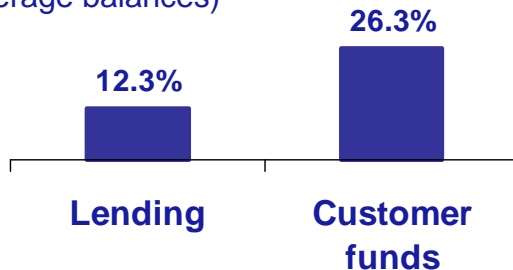
### Net interest income (Constant €m)



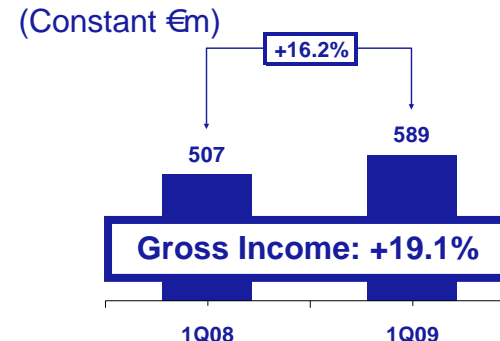
## South America

### Lending and customer funds

Year-on-year growth  
(Average balances)

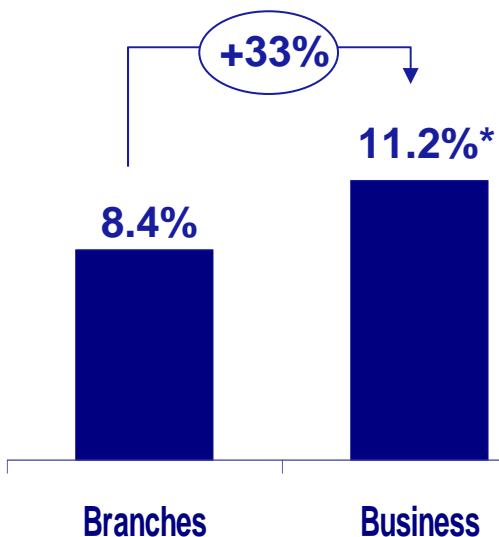


### Net interest income (Constant €m)



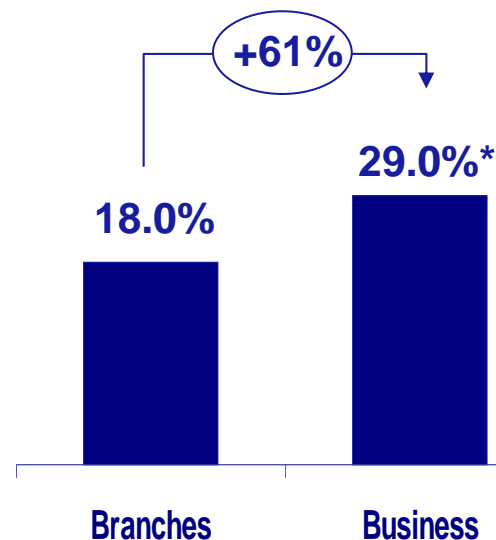
## Spain

Market share  
(%)



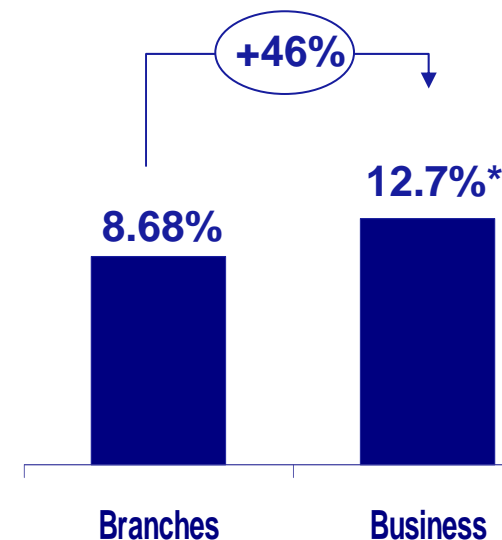
## Mexico

Market share  
(%)



## South America

Market share  
(%)



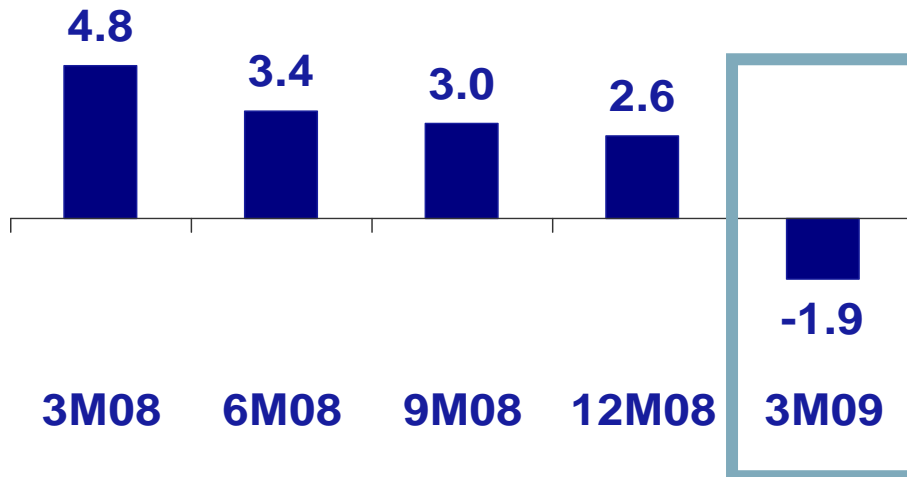
**Efficient networks are essential given their weight in the cost structure**

# ... as a consequence of the Group's transformation plan ...

## Strict cost control

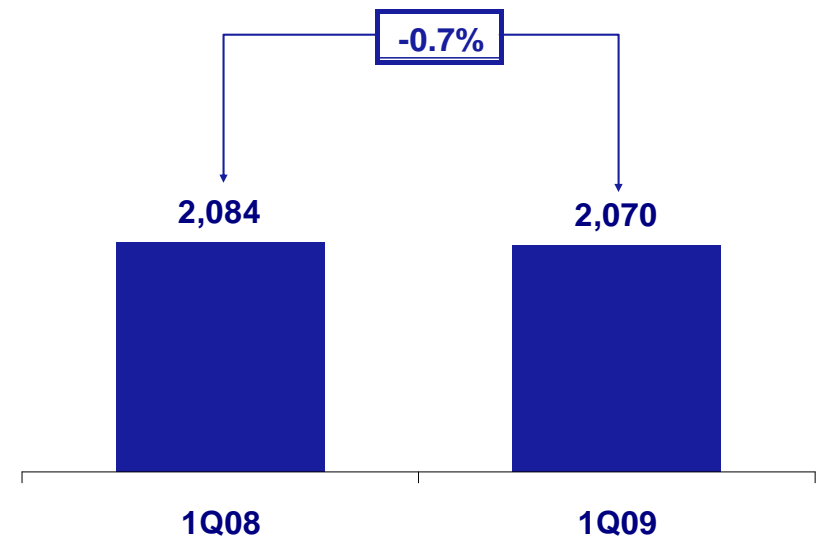
### Total expenses

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



### Total expenses

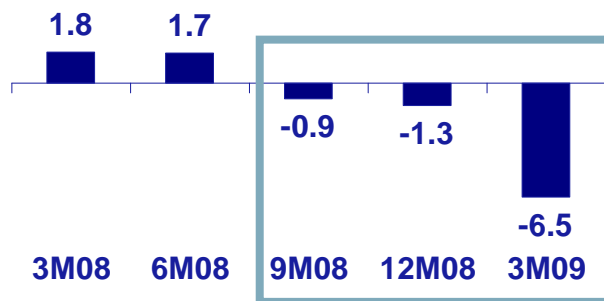
BBVA Group  
(€m)



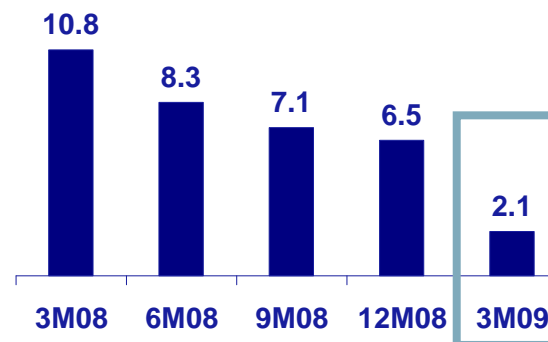
**Estimated growth of expenses in 2009: +0%**

# ... that started in Spain & Portugal and spread to the other business areas ...

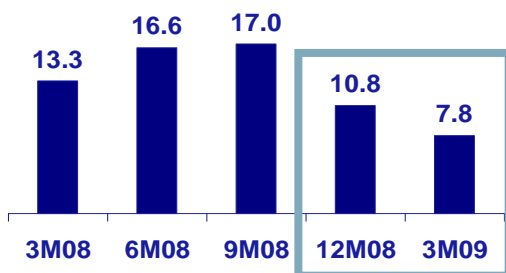
**Total expenses Spain & Portugal**  
Year-on-year growth  
(%)



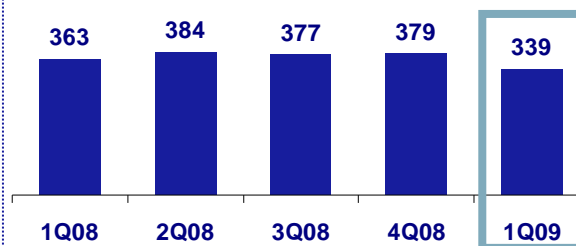
**Total expenses Mexico**  
Year-on-year growth  
(%)



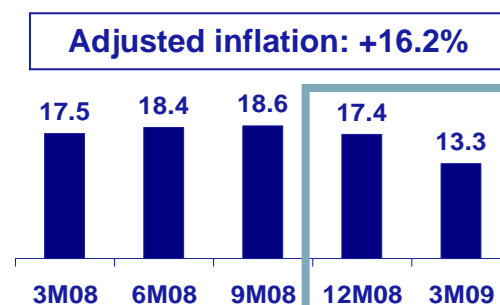
**Total expenses WB&AM**  
Year-on-year growth  
(%)



**Total expenses USA**  
Quarter by quarter  
(Constant €m)

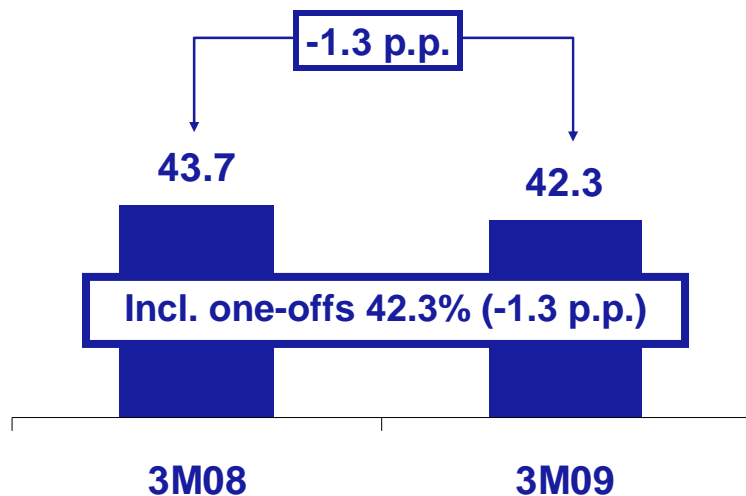


**Total expenses South America**  
Year-on-year growth  
(%)



# ... and our ongoing obsession with improving efficiency

## Efficiency incl. depreciation BBVA Group excluding one-offs (%)



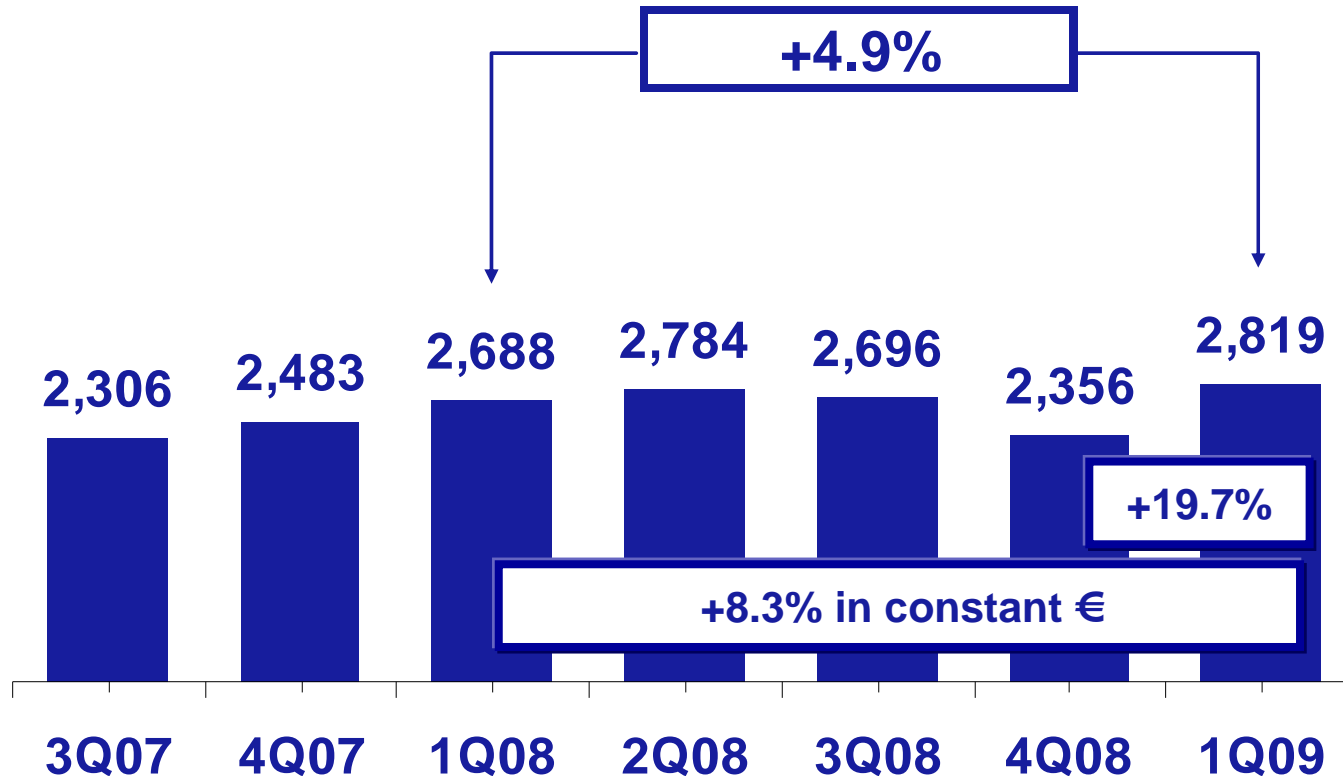
## Efficiency incl. depreciation Business Areas (%)

	Efficiency (%)	Y/Y growth 1Q09/1Q08
Spain & Portugal	35.0%	-2.8 p.p.
WB&AM	25.4%	0.0 p.p.
Mexico	32.3%	+0.4 p.p.
USA	62.5%	-0.9 p.p.
South America	40.7%	-3.0 p.p.



# In summary, recurrent operating income

Operating income  
BBVA Group  
(€m)



**Recurrent operating income:  
the key in today's environment**

## **Good start to the year with a very positive first quarter** supported by ...

**1**

**Recurrent operating income**

**1.1**

**Recurrent revenues**

**1.2**

**Greater efficiency**

**2**

**Prudent risk management**

**3**

**Sustainability: Organic generation of capital**

## **2 Prudent risk management**

**A**

**Lower entries to NPAs**

**B**

**Provisioning in line with 2H08**

**C**

**Preservation of generic provisions**

**D**

**Ample coverage by provisions and collateral**

**E**

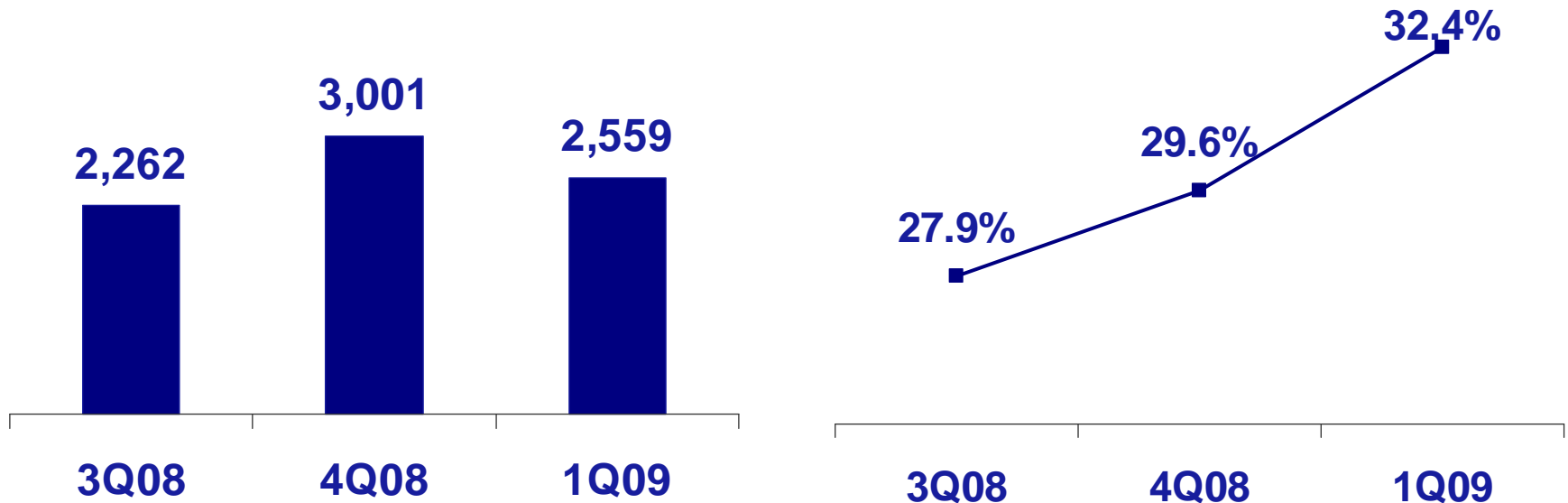
**Operating income: an excellent buffer for cost of risk**



# Lower entries to NPAs and higher efficiency with recoveries...

**Net entries to NPAs**  
BBVA Group  
(€m)

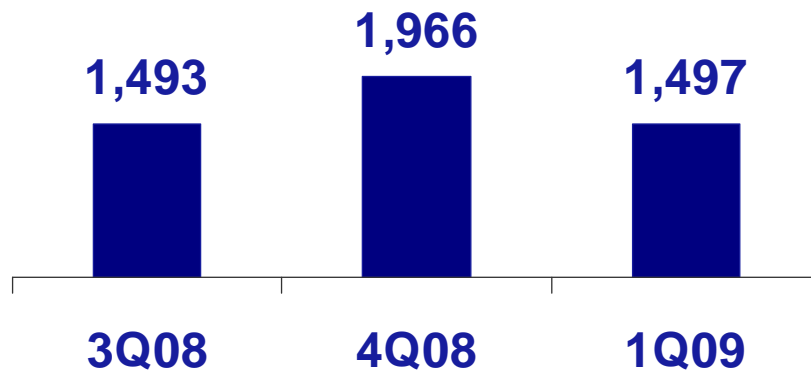
**Recoveries / entries to NPA**  
BBVA Group  
(%)



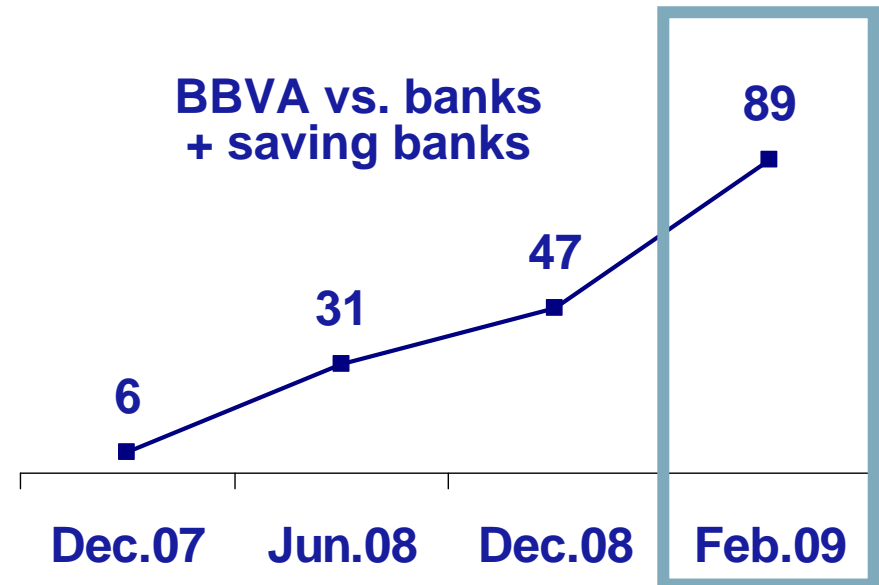
Net entries to NPAs down 15% in quarter

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

**Net entries to NPAs**  
Spain & Portugal  
(€m)



**NPA spread vs. the system**  
BBVA Spain vs. banks and saving banks

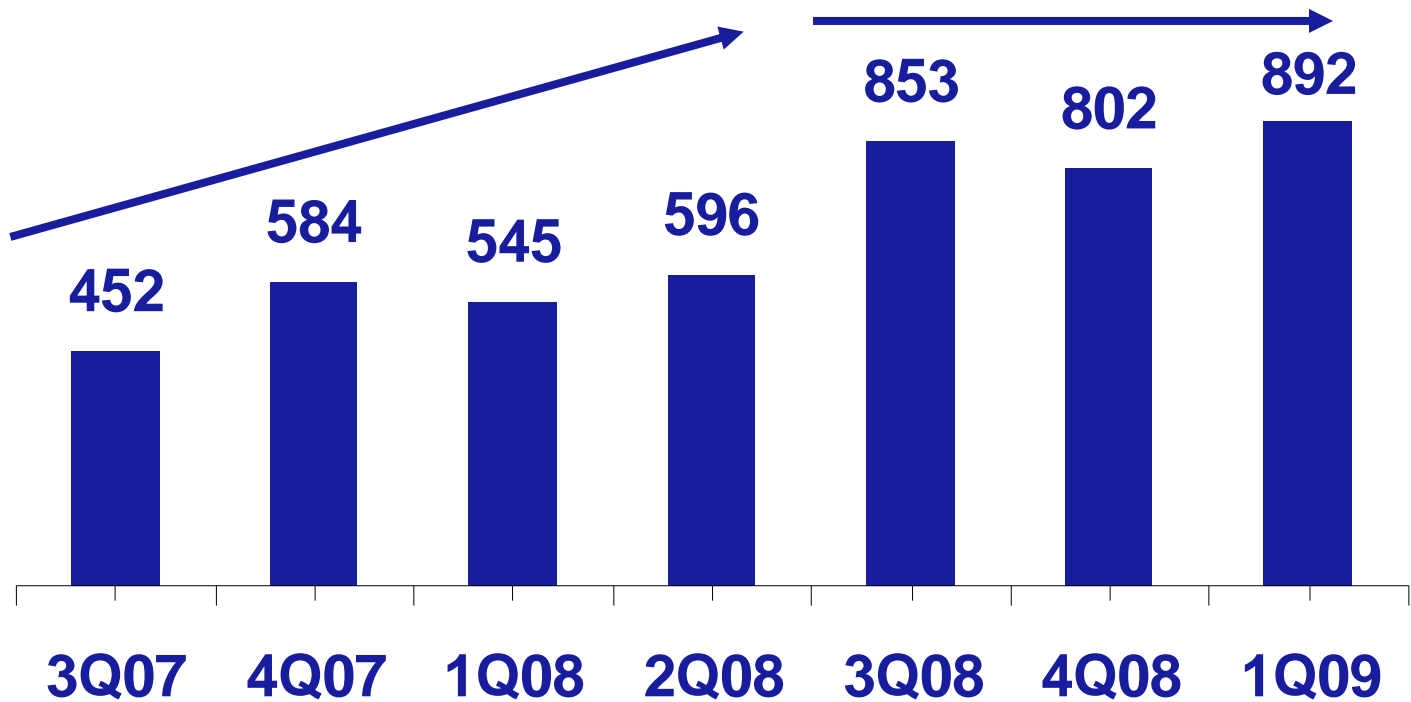


**... which enables us to continue improving  
our relative position**



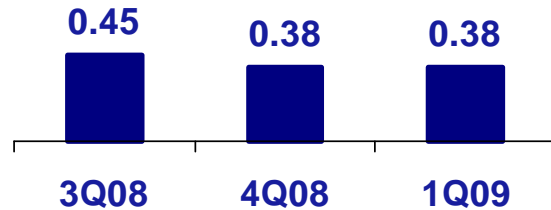
# Provisioning starts to stabilise ...

Loan-loss provisioning  
BBVA Group  
Quarter by quarter  
(€m)



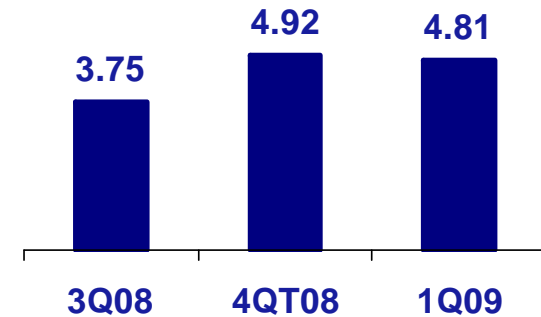
## Cost of risk Spain & Portugal

Quarter by quarter  
(%)



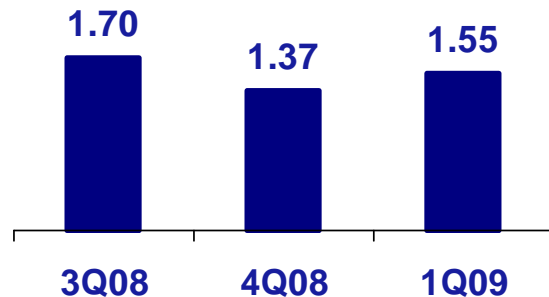
## Cost of risk in Mexico

Quarter by quarter  
(%)



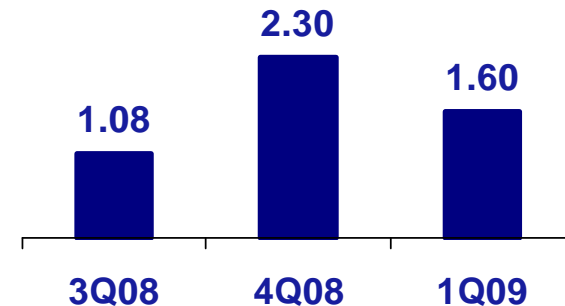
## Cost of risk USA

Quarter by quarter  
(%)



## Cost of risk in South America

Quarter by quarter  
(%)



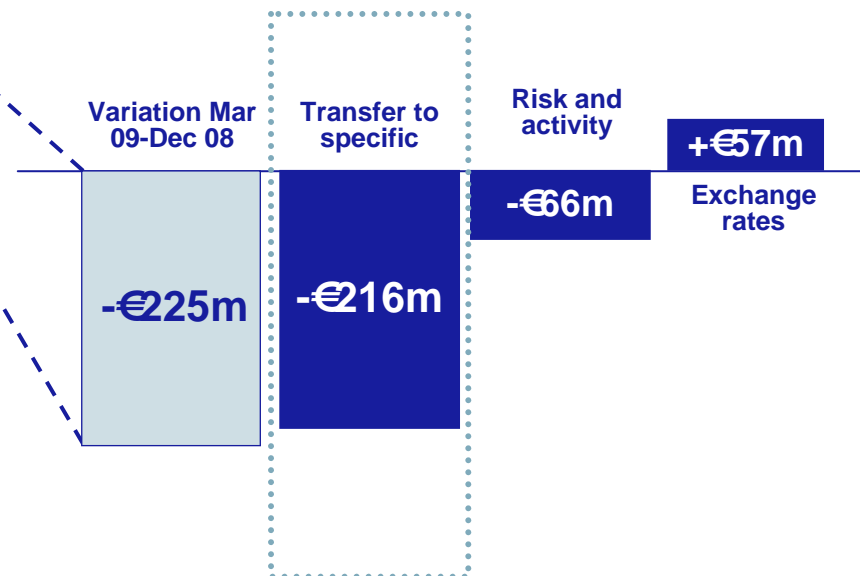
**Provisioning starts to stabilise**

# Limited release of generic provisions to preserve a balance for future quarters ...

Generic provisions  
(€m)



Breakdown of variations in generic provisions Mar 09 vs. Dec 08  
(€m)



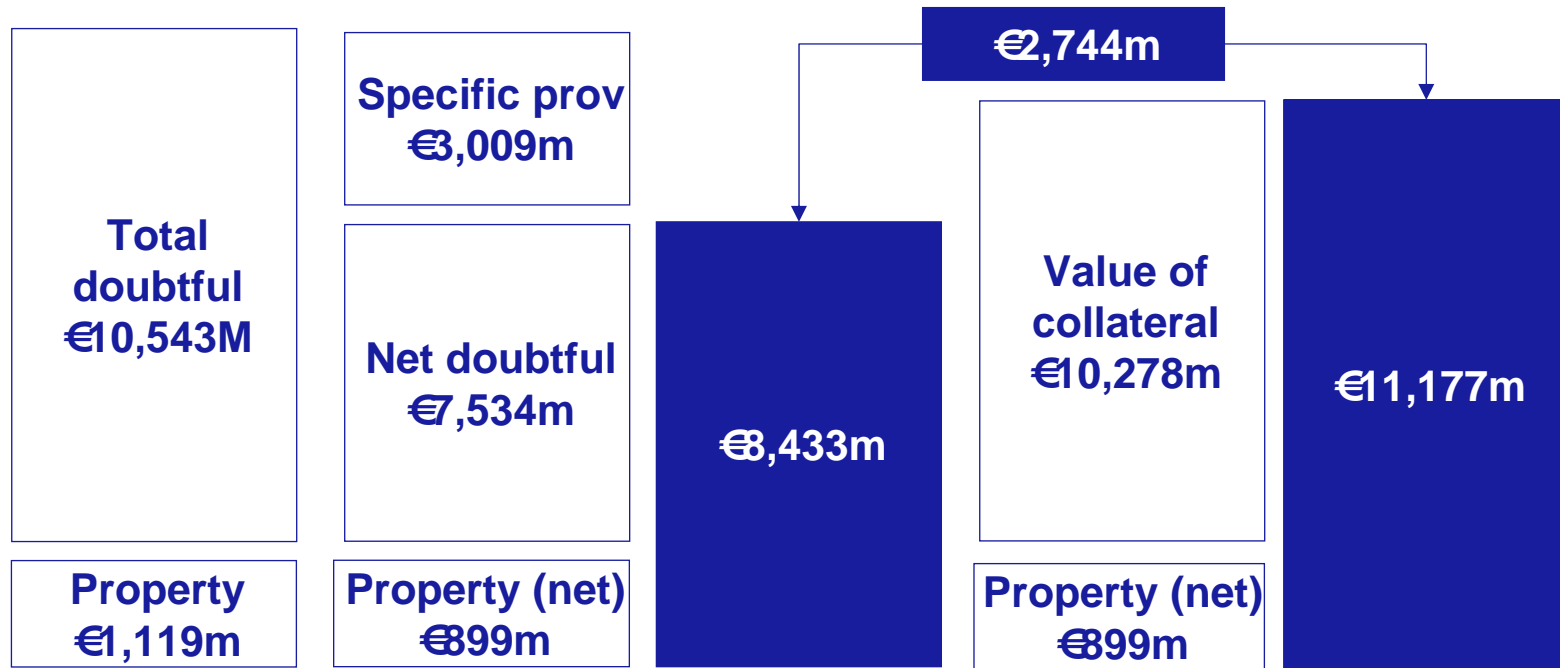
**Release of €216m in 1Q09 (vs. €300m in 4Q08) to offset the charge for specific provisions**



# D

## Ample coverage by provisions and collateral

Doubtful assets and property acquired  
(€m)

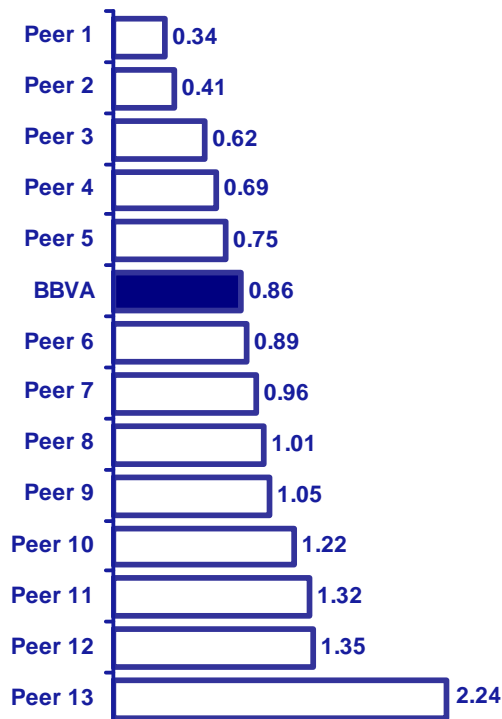


Collateral exceeds net value of doubtful assets by €2,744m  
In addition, about €4,991m of generic and substandard provisions

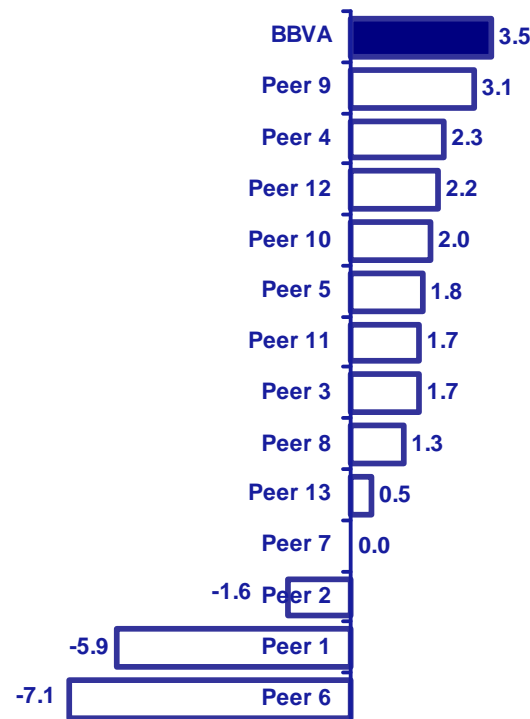


# Recurrent operating profit is the most important competitive advantage in the industry in the present context

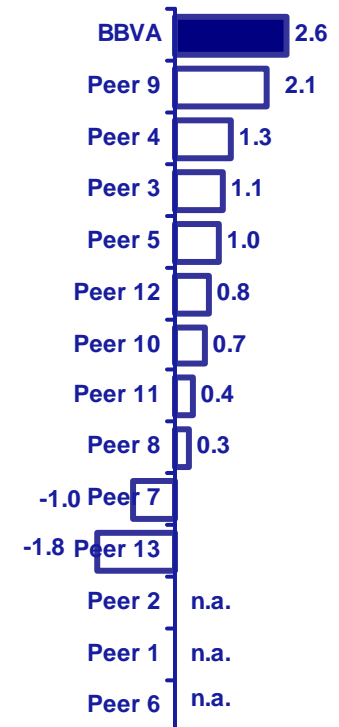
**Cost of risk**  
Peer Group  
(%, Dec 08)



**Operating profit<sup>1</sup> as maximum cost of risk<sup>2</sup>**  
Peer Group  
(%, Dec 08)



**Additional cost of risk supported by operating profit<sup>3</sup>**  
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

## **Good start to the year with a very positive first quarter** supported by ...

**1**

**Recurrent operating income**

**1.1**

**Recurrent revenues**

**1.2**

**Greater efficiency**

**2**

**Prudent risk management**

**3**

**Sustainability: Organic generation of capital**

### 3 Sustainable profits ...

(€m, excl. one-off items)

BBVA Group	Accum.	Annual Growth 1Q09/1Q08		Annual Growth 1Q09/4Q08	
	1Q09	Abs.	%	Abs.	%
Net Interest Income	3,272	+ 547	20.1%	+ 185	6.0%
Gross Income	4,889	+ 117	2.5%	+ 330	7.2%
Operating Income	2,819	+ 131	4.9%	+ 463	19.7%
Income Income Tax	1,834	- 222	-10.8%	+ 385	26.6%
Net Income	1,354	- 182	-11.9%	+ 163	13.6%
Net Attributable Profit	1,238	- 204	-14.2%	+ 144	13.2%

**One-offs in 1Q08 after tax:  
+€509m  
(Bradesco)**

**One-offs in 4Q08 after tax: -  
€575m  
(early retirements & Madoff)**

# Sustainable profits ...

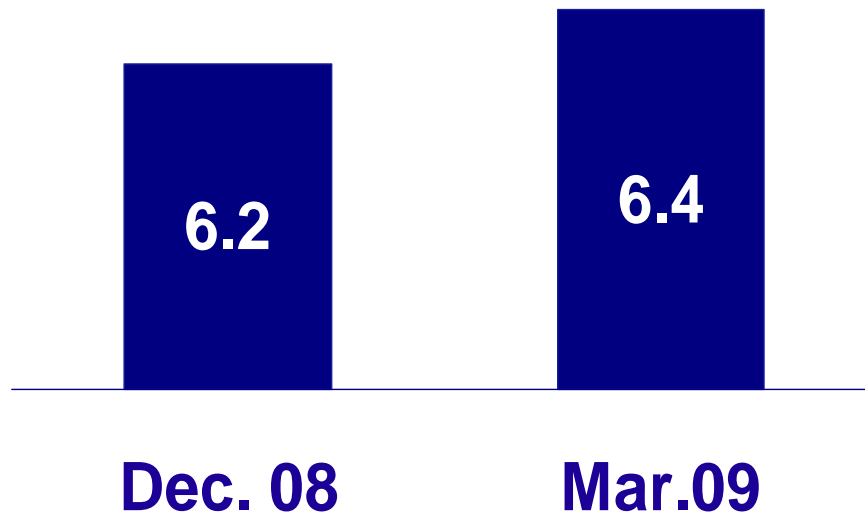
(€m)

BBVA Group	Accum.	Annual Growth 1Q09/1Q08		Annual Growth 1Q09/4Q08	
	1Q09	Abs.	%	Abs.	%
Net Interest Income	3,272	+ 547	20.1%	+ 185	6.0%
Gross Income	4,889	+ 117	2.5%	+ 330	7.2%
Operating Income	2,819	+ 131	4.9%	+ 463	19.7%
Income Income Tax	1,834	- 949	-34.1%	+ 1,206	n.s.
Net Income	1,354	- 691	-33.8%	+ 737	n.s.
Net Attributable Profit	1,238	- 713	-36.6%	+ 719	n.s.

# ... that allow us to continue generating capital organically **BBVA**

**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.**

(%)

**ROA: 1.00%**

**RoRWA: 1.88%**

**ROE: 19.4%**

**ROTE: 26.7%**

## **Good start to the year with a very positive first quarter** supported by ...

**1**

### **Recurrent operating income**

**1.1**

**Recurrent revenues**

**1.2**

**Greater efficiency**

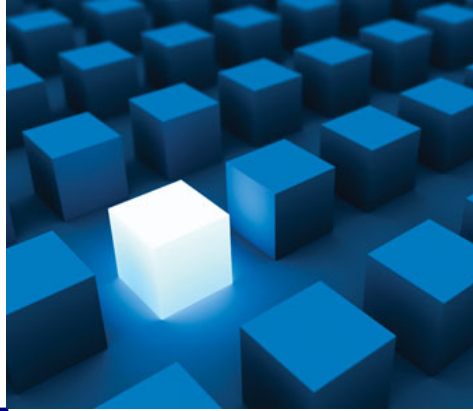
**2**

### **Prudent risk management**

**3**

**Sustainability: Organic generation of capital**





Main features of the Group's results

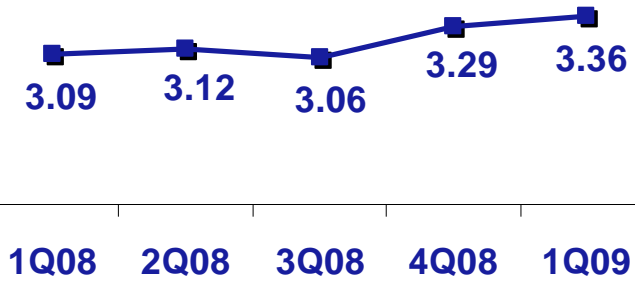
**Summary by business area**

Conclusions

# Spain & Portugal: 1Q09 highlights

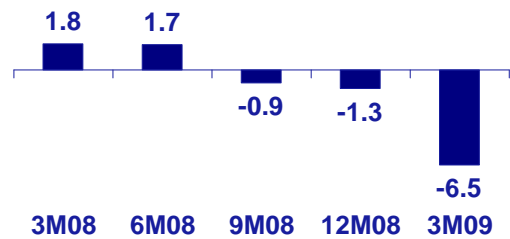
**Better price management**

**Customer spread (%)**



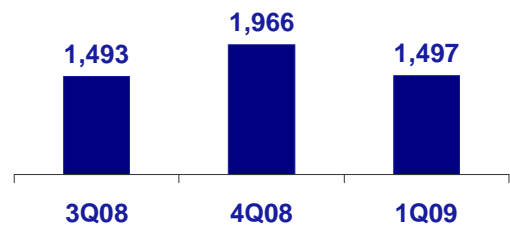
**Decrease in expenses**

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



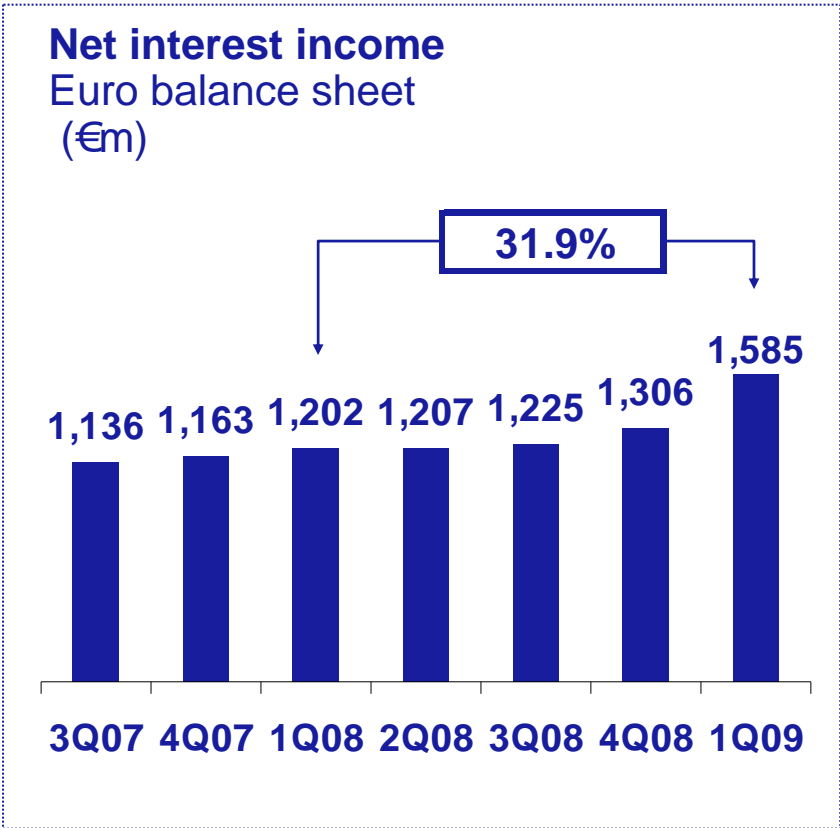
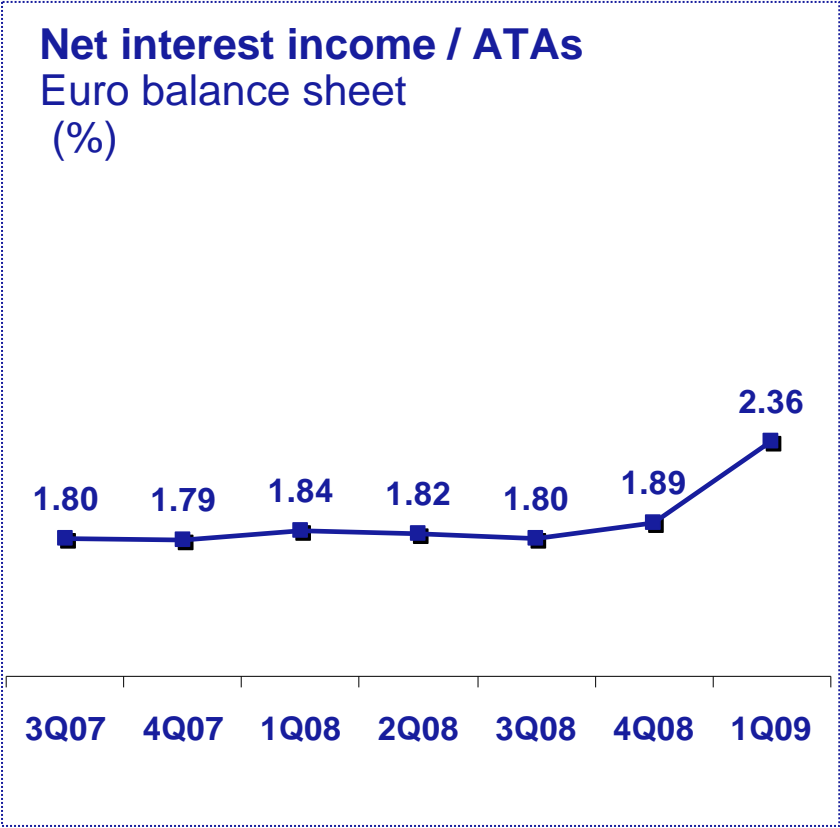
**Lower entries to NPAs**

**Net entries to NPAs (€m)**



# Spain & Portugal: 1Q09 highlights

Euro balance sheet



# Spain & Portugal: 1Q09 results

(€m)

Spain & Portugal	Accum.	Annual Growth 1Q09/1Q08		Annual Growth 1Q09/4Q08	
	1Q09	Abs.	%	Abs.	%
Net Interest Income	1,210	+ 64	5.6%	- 47	-3.7%
Gross Income	1,747	+ 18	1.0%	- 64	-3.5%
Operating Income	1,135	+ 61	5.6%	- 5	-0.4%
Income Income Tax	947	- 25	-2.5%	+ 13	1.4%
Net Income	657	- 16	-2.4%	+ 8	1.3%
Net Attributable Profit	657	- 16	-2.4%	+ 8	1.3%

**ROE: 37.0%**

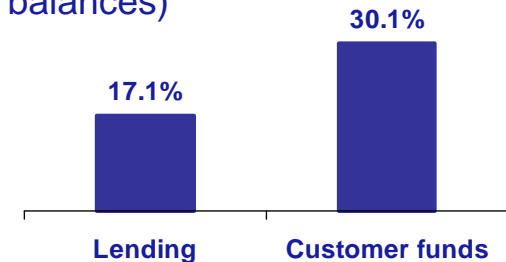
# Wholesale Banking & Asset Management: 1Q09 highlights

**Corporate &  
Investment Banking:**  
capitalising on opportunities

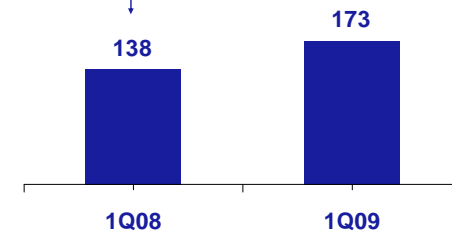
**Asset Management:**  
gaining mkt share in mutual  
funds

## Lending and customer funds

y-o-y growth WB&AM  
(Average balances)

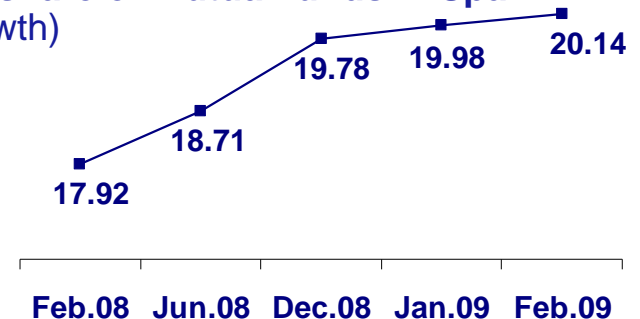


## Operating income (€m)



## Market share of mutual funds in Spain

(y/y growth)



# Wholesale Banking & Asset Management: 1Q09 results

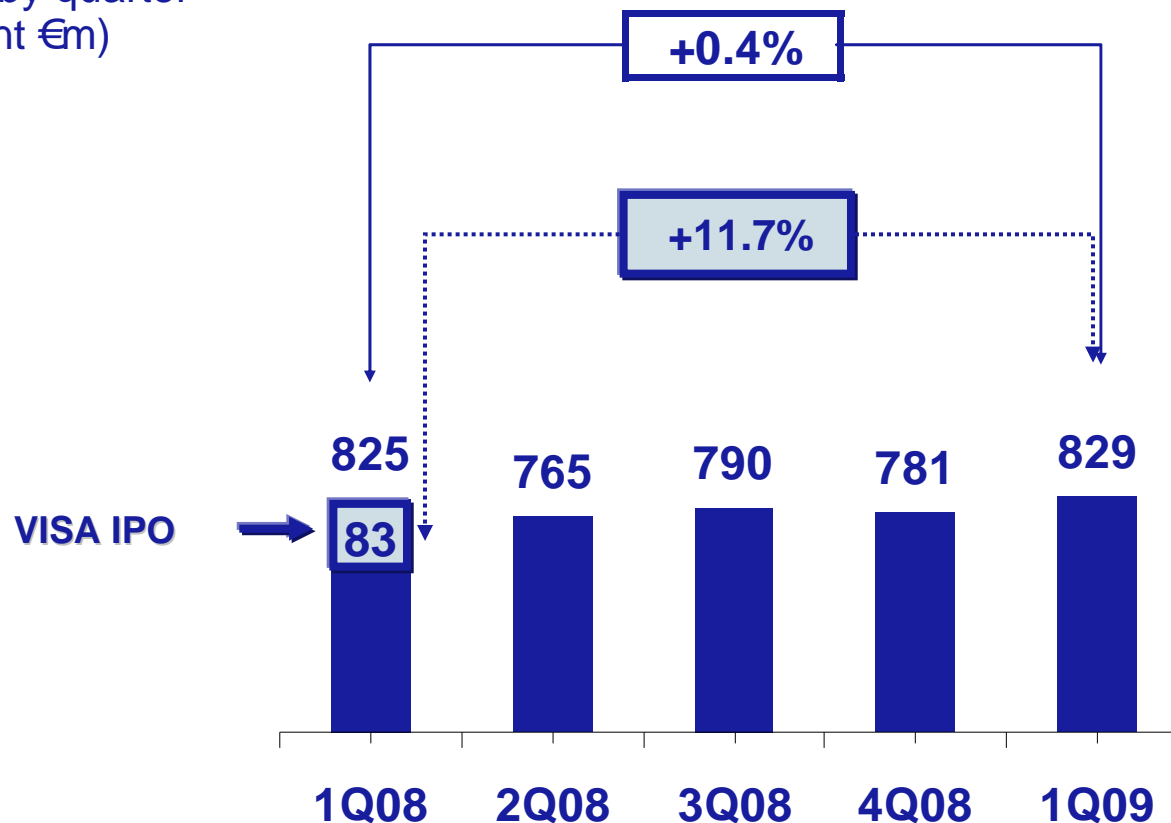
(€m)

Wholesale Banking & Asset Management	Accum.	Annual Growth 1Q09/1Q08		Annual Growth 1Q09/4Q08	
	1Q09	Abs.	%	Abs.	%
Gross Income	518	+ 37	7.7%	+ 296	n.s.
Operating Income	386	+ 27	7.6%	+ 293	n.s.
Income Income Tax	365	+ 45	14.2%	+ 328	n.s.
Net Income	269	+ 0	0.1%	+ 237	n.s.
Net Attributable Profit	268	- 0	-0.1%	+ 237	n.s.

**ROE: 25.3%**

# Mexico: 1Q09 highlights

**Operating income**  
Quarter by quarter  
(Constant €m)



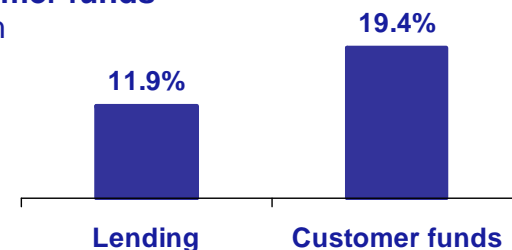
**Good operating income performance**

# Mexico: 1Q09 highlights

**Good business and  
change of mix**

## Lending and customer funds

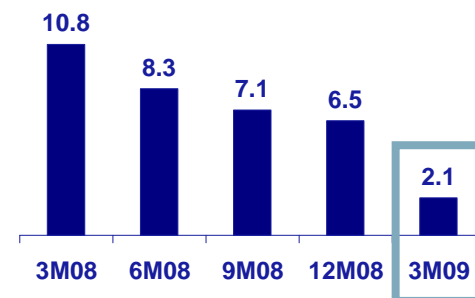
Year-on-year growth  
(Average balances)



**Cost control**

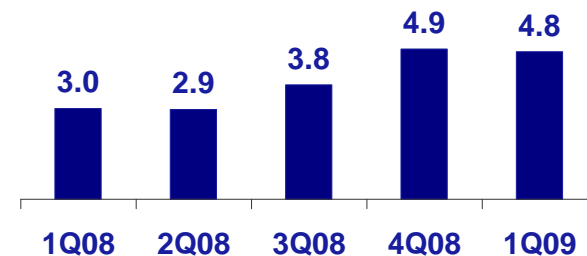
## Total expenses

Year-on-year growth  
(%)



**Cost of risk contained**

## Cost of risk (%)



**Net attrib. profit: €363m (-16.1% vs -2.4% without VISA IPO)**



# Mexico: 1Q09 results

(Constant €m)

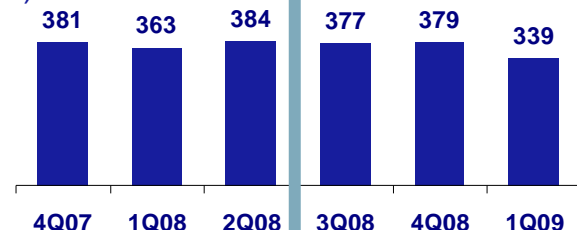
Mexico	Accum.	Annual Growth 1Q09/1Q08		Annual Growth 1Q09/4Q08	
	1Q09	Abs.	%	Abs.	%
Net Interest Income	816	+ 46	6.0%	- 18	-2.1%
Gross Income	1,225	+ 12	1.0%	+ 31	2.6%
Operating Income	829	+ 4	0.4%	+ 48	6.1%
Income Income Tax	465	- 136	-22.6%	+ 5	1.2%
Net Income	363	- 70	-16.1%	- 15	-3.9%
Net Attributable Profit	363	- 70	-16.1%	- 15	-3.9%

**Net attrib. profit: €363m (-16.1% vs -2.4% without VISA)**

# USA: 1Q09 highlights

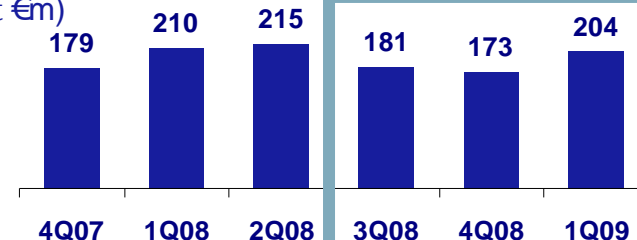
**Cost control**

**Total expenses**  
Quarter by quarter  
(Constant €m)



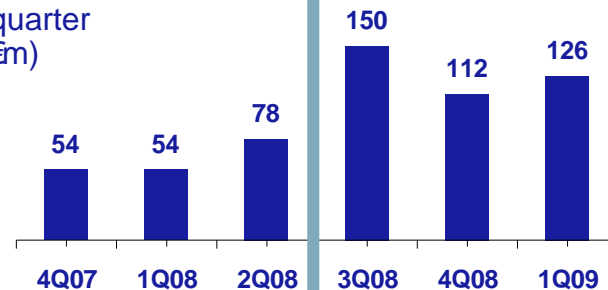
**Stabilisation of operating income**

**Operating income**  
Quarter by quarter  
(Constant €m)



**Stabilisation of provisioning**

**Provisions**  
Quarter by quarter  
(Constant €m)



**Stabilisation of net attrib. profit:**

**3Q08: €23m | 4Q08: €23m | 1Q09: €42m**

# USA: 1Q09 results

(Constant €m)

USA	Accum.	Annual Growth 1Q09/1Q08		Annual Growth 1Q09/4Q08	
	1Q09	Abs.	%	Abs.	%
Net Interest Income	379	+ 13	3.6%	+ 0	0.0%
Gross Income	543	- 31	-5.3%	- 9	-1.6%
Operating Income	204	- 6	-3.0%	+ 31	17.9%
Income Income Tax	62	- 85	-57.7%	+ 30	93.2%
Net Income	42	- 54	-56.0%	+ 20	86.8%
Net Attributable Profit	42	- 54	-56.0%	+ 20	86.8%

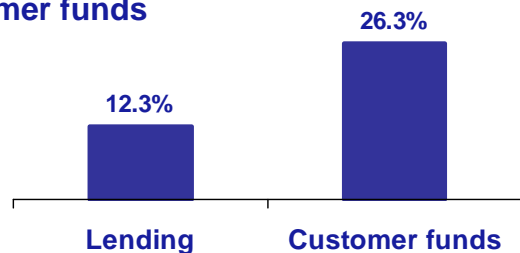
**Net attrib. profit: €63m**  
(without amortisation of intangibles)

# South America: 1Q09 highlights

**Good level of business activity**

## Lending and customer funds

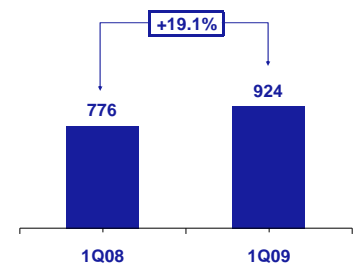
Year-on-year growth  
(Average balances)



**Dynamic generation of income**

## Gross income

(Constant €m)

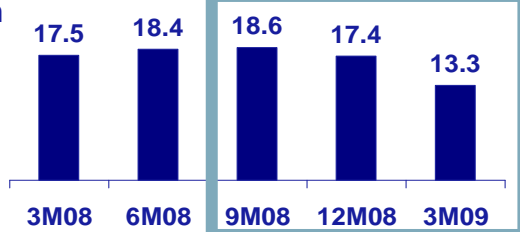


**Cost control**

## Total expenses

Year-on-year growth  
(%)

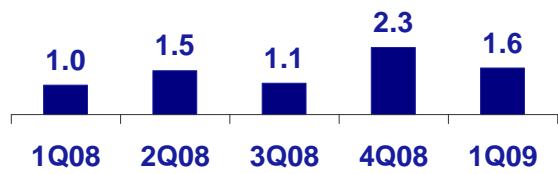
Adjusted  
inflation:  
+16.2%



**Cost of risk contained**

## Cost of risk by quarter

(%)



# South America: 1Q09 results

(Constant €m)

South America	Accum.	Annual Growth 1Q09/1Q08		Annual Growth 1Q09/4Q08	
	1Q09	Abs.	%	Abs.	%
Net Interest Income	589	+ 82	16.2%	- 5	-0.8%
Gross Income	924	+ 148	19.1%	+ 21	2.3%
Operating Income	548	+ 104	23.4%	+ 39	7.6%
Income Income Tax	445	+ 70	18.5%	+ 94	26.7%
Net Income	343	+ 55	19.1%	+ 58	20.2%
Net Attributable Profit	225	+ 37	19.5%	+ 38	20.2%

**ROE: 40.3%**

**BBVA**

Main features of the Group's results

Summary by business area

**Conclusions**

# In 1Q09 we confirmed the strengths demonstrated in 2008 ...

**A**

## **Recurrent earnings: operating income**

Recurrent revenues

+

Strict cost control

Improvement of efficiency  
in dire times

**B**

## **Superior risk management**

Increase in the gap with competitors

**C**

## **Sustainability of earnings**

Organic generation of capital



# **BBVA Group Results**

## **First quarter 2009**

---

### **Recurrence and sustainability**

---

**Madrid, 28th April 2009**