

Annual Shareholder Meeting 2009

**José Ignacio Goirigolzarri, President and
Chief Operating Officer of BBVA**

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the competition enabling us to
emerge from the crisis stronger
than ever”**

- **“BBVA enjoys a very sturdy financial base, both in terms of capital and liquidity, coupled with the backing of over 48 million customers and a project specifically implemented to create value”**
- **“We have a clearly defined strategy enabling us to meet the crisis head on, and two paths for our operations to follow: strengthening the balance sheet while focusing on the need to generate recurring income”**
- **“Our vision is to harmonize our short-term results with our target of bolstering the Group in the mid to long-term to allow us to face the third stage of the crisis”**

“BBVA boasts competitive edges over the competition enabling us to emerge from this crisis stronger than ever. It enjoys a sturdy financial base, both in terms of capital and liquidity, coupled with the backing of over 48 million customers worldwide and a project geared towards value creation”, confirmed today BBVA’s President and Chief Operating Officer, José Ignacio Goirigolzarri, during his message at the General Shareholders’ Meeting held in Bilbao. The President and COO stressed that the Group has a clearly defined strategy for meeting the crisis head on and added that the Group intended to follow two main courses of action for the year: strengthening the balance sheet while focusing on the need to generate recurring income, all against the backdrop of the Group’s vision to harmonize its short-term results with its target of strengthening the Group in the mid to long-term.

BBVA’s President and COO started his address by stressing that one of the main priorities for the Group in 2008 was attaining an extremely healthy balance sheet. This objective boils down to three key factors: “Excellent risk management, far superior to that of our competitors; prudent resource allocation, thereby ensuring the quality of our assets; and a sturdy balance sheet underpinned by high levels of capital, in keeping with our line of business”.

“At the end of the day”, he added, “a healthy bank is one that is able to generate capital organically year after year. This is the best way of ensuring a highly solid balance sheet. To make all this a reality, we need a business model able to generate cash-flows and profits year in, year out”. The President and COO went on to add that the bank’s ability to meet this objective depends on two factors: recurring income and efficiency.

BBVA’s senior executive then outlined the main key points for the Group’s business areas in 2008.

Spain and Portugal

Faced with a rapid and pronounced slow-down in business volume, management in Spain and Portugal began to focus on three core concepts: proximity to customers, pressing on with the Transformation Plan and careful risk management. Despite the slump in demand, the upshot of this strategy was that turnover from mortgage loans by year-close had climbed to 9,194 million euros (77,069 transactions), while turnover from consumer loans had risen to 2,603 million euros (426,377 transactions) and business loans to 77,611 million euros. Revenue improved by 10% over the fiscal year, while efficiency came in at 36.2%, 2.7% up on the previous year. Profits for Spain and Portugal climbed to 2,625 million euros, representing a year-on-year increase of 10.2%.

Global Businesses

José Ignacio Goirigolzarri highlighted the fact that the Group has been busy constructing a “solid and recurring” business model within this area, the results of which will be generated more through relations with customers than through operations with the area’s own holdings and positions. Global Businesses reported imputed earnings of 754 million euros, along with excellent fundamentals: efficiency (30%), delinquency (0.12%) and ROE (21.3%). He pointed out that within Global Customers, 2008 “was a year of opportunities for BBVA thanks to the frailty of certain international competitors and our healthy levels of capital and liquidity”. In a similar vein, he stressed that in Global Markets, over 80% of revenue stemmed from its commitment to customer franchise.

Mexico

According to BBVA’s President and COO, Mexico provides a excellent illustration of the Group’s ability to anticipate future trends. The decisions taken in previous years to boost consumer loans as the number one priority, followed by mortgages and loans to SMEs, had a marked effect in 2008, during which BBVA Bancomer investment expanded by 13.8%. The bank was able to offset the slow-down in consumer products and credit cards by spurring on growth in the field of mortgages and SME loans. And all this with a default ratio below the average for the sector and a better risk premium. Imputed earnings for Mexico experienced 12.1% growth to reach 1,938 million euros.

U.S.

José Ignacio Goirigolzarri explained to shareholders that the main challenge facing the Group in 2008 was integrating the four U.S. banks, enabling it to attain the projected cost synergies without weakening business. These objectives were met with flying colors: synergies spiralled to 156.8 million dollars, in stark contrast to the projected 112 million, while revenue turned in a respectable performance and risk quality proved better than the system average. The President and COO went on to confirm that “although Compass is understandably experiencing decay within the sector, it enjoys a much stronger relative position in comparison to its peers in terms of asset quality”.

Latin America

In relation to Latin America, he confirmed that “the region has barely noticed the impact of the crisis in 2008, enabling it to make significant progress in terms of both business and income, while also working on efficiency and keeping our delinquency rate in check”. The area reported an 18.1% increase in investment and 20.2% in assets, with a delinquency rate of just 2.12%, better than that for the system as a whole. Imputed earnings for the region amounted to 727 million, up 22.7%. He explained that although the fall-out from the crisis will reach Latin America in 2009, “we have a strong franchise in place to meet it head on, based on a healthy balance sheet in terms of assets and capital combined with an impressive ability to generate cash-flow”.

As regards 2009, BBVA’s President and COO had the following to say: “2009 is also going to be, and indeed already is, a trying year. Against this backdrop, we have a clear diagnostic of the crisis and a coherent strategy for tackling it”.

He went on to add that “our operations will also follow two courses of action: on the one hand, the need to strengthen our balance sheet, not only in relation to the quality of our assets but also our levels of capitalization; and on the other, the need to gear our approach towards generating recurring income, maintaining our capacity to generate stable levels of cash-flow even within a highly complex economic environment”.

Strategic projects

In this regard, he pointed out that the Group’s vision “aims to harmonize our short-term results with our target of strengthening the Group in the mid and long-term, thereby allowing us to tackle the third stage of the crisis, which our Chairman has already discussed during his address”. BBVA had three strategic projects rooted in this particular concept: strengthening the franchise in the U.S., the joint venture with CITIC and the overriding need to roll out the Innovation and Transformation Plans.

José Ignacio Goirigolzarri confirmed that BBVA boasts extremely important competitive edges over the competition that will allow it to emerge from the crisis stronger than ever: “Firstly, it has a very sturdy financial base in terms of capital and liquidity. It also enjoys the backing of over 48 million customers worldwide, whom we look upon as long-term partners, and a project geared towards creating value for shareholders”.

He wrapped up his address by stating that “our team is under no illusions regarding the outlook for the coming months, but it also has clearly defined ideas, a positive mindset

and is firmly committed to turning this seemingly gloomy outlook into a excellent opportunity for us to consolidate our project and pull away from the crowd”.