

150
years

adelante



BBVA making the difference



José Barreiro
General Manager Global Businesses

Global Businesses

(Wholesale and Investment Banking & Asset Management)

“Client – driven Growth”

BBVA making the difference



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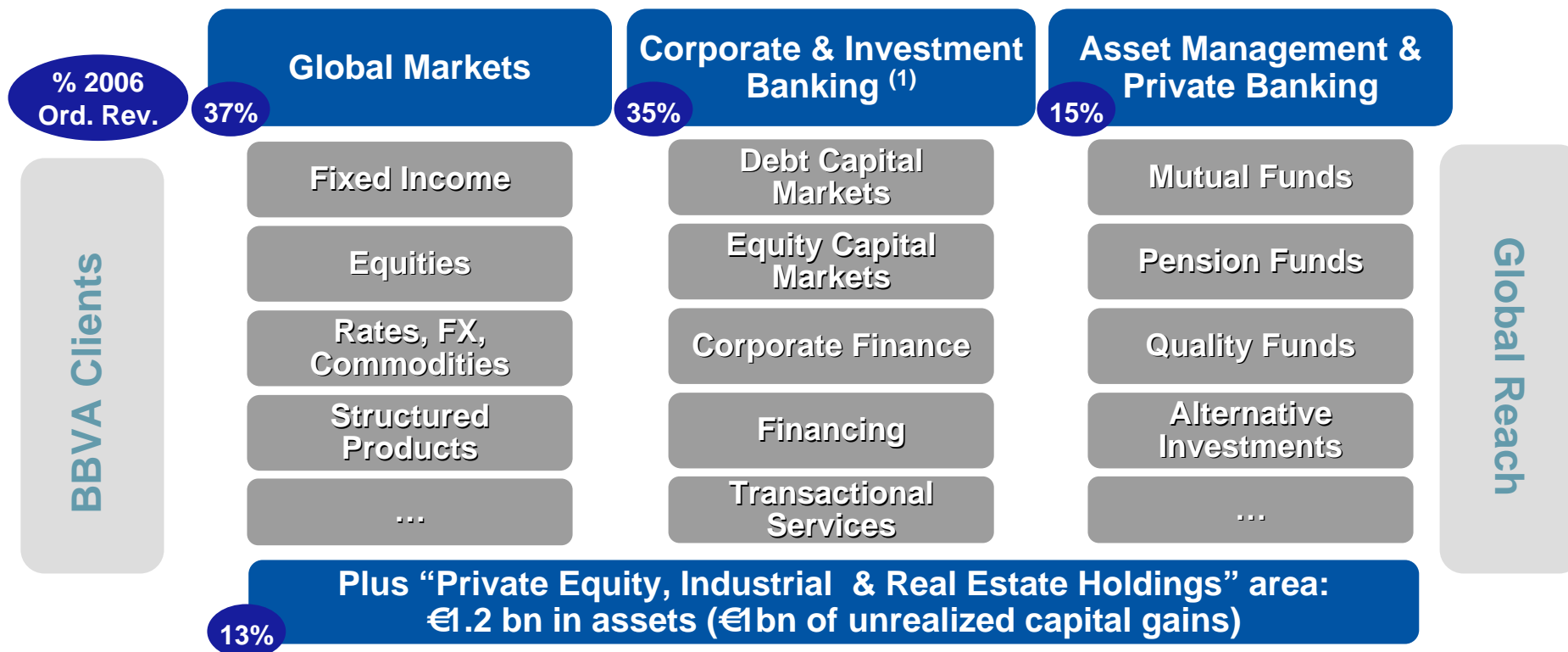
- **Characterization of WIB&AM**
- WIB&AM: a client-focused business
- Strategic review of core client business areas
- Asia
- Risk management: a key contributor
- Core value levers



Global Businesses undertakes Wholesale and Investment Banking & Asset Management (WIB&AM) activities at BBVA

WIB&AM is an integrated provider of high value added products for BBVA clients across geographies

3 global business lines



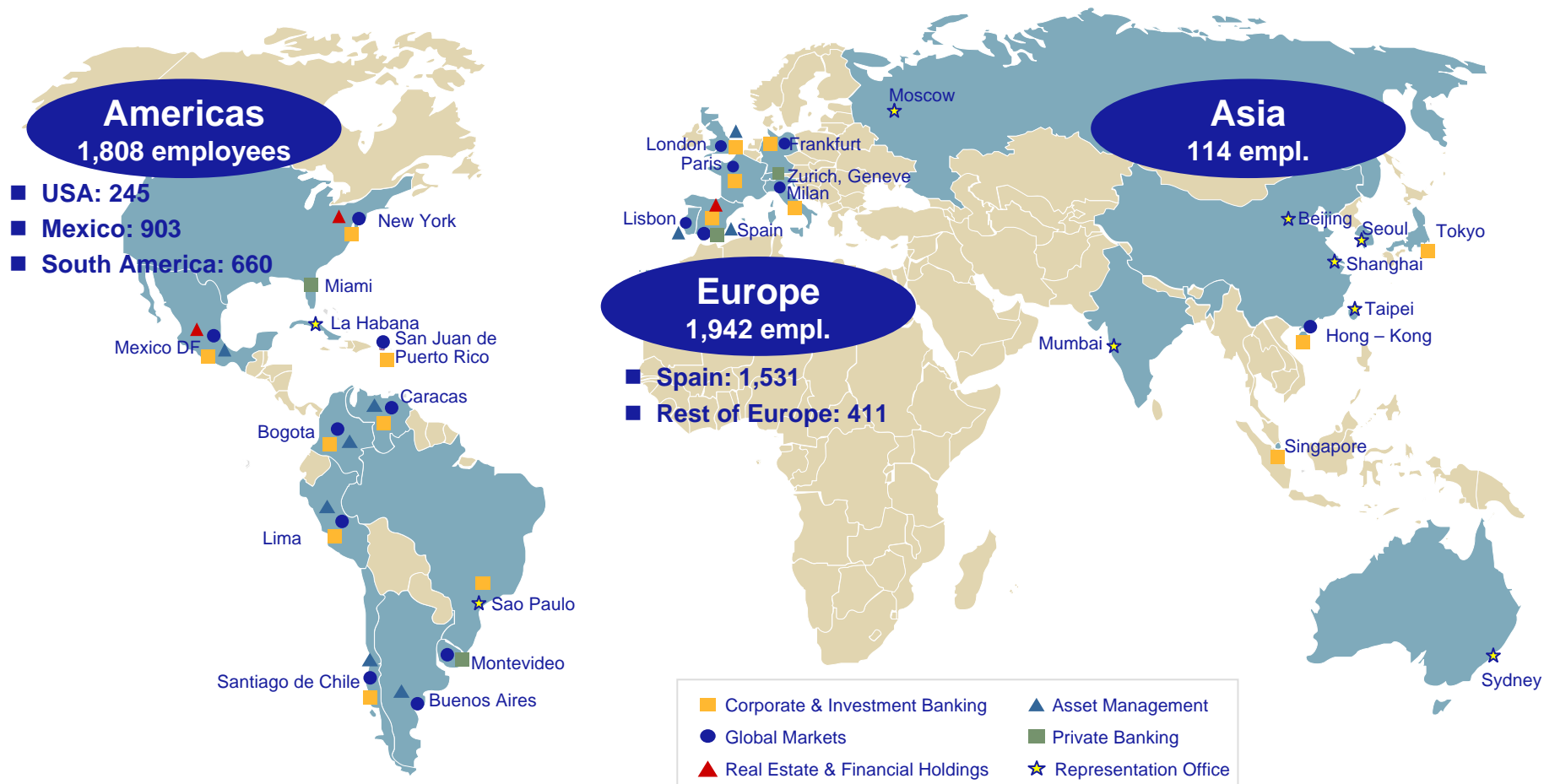
(1) Includes Asia, whose activity in 2006 was fully within CIB and accounts for 1% of total WIB&AM Ordinary Revenues



Global reach through worldwide presence

■ More than 3,800 employees in 27 countries

WIB&AM's Global Footprint



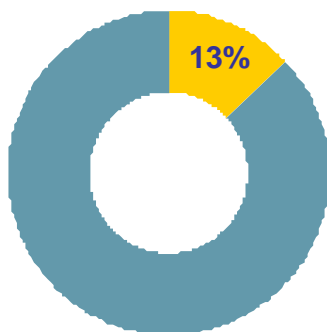


A key contributor to BBVA Group

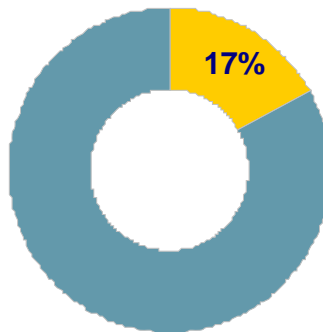
WIB&AM is a growing contributor of revenues and profit to BBVA Group, with just 3% of total workforce

Weight of WIB&AM ⁽¹⁾ in BBVA consolidated key figures

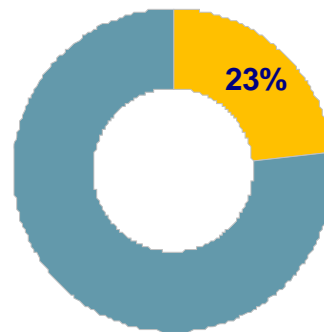
Ordinary Revenues
€2 bn



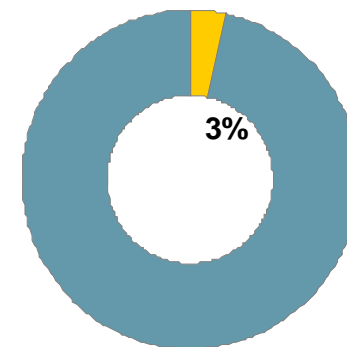
Operating Profit
€1.5 bn



Net Attr. Profit
€1.2 bn



Employees ⁽²⁾
>3,800



(1) 2006 Figures. WIB&AM figures include those regularly published plus the WIB&AM Latam business actually managed globally, which is only accounted for within BBVA "Mexico & USA" and "South America" business areas in BBVA public financial information. Figures exclude Private Equity, Industrial & Real Estate Holdings

(2) Sept 2007 Figures



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A leading provider of value added products for key client segments across BBVA

WIB&AM Franchise Matrix

- Integrated global products for a diversified client base -

		Global Products Manufactured by WIB&AM		
BBVA client segments		Global Markets	Corporate & Investment Banking	Asset Management & Private Banking
WIB&AM clients	Institutional Investors	✓	✓	✓
	Large Corporates	✓	✓	✓
	HNWI's(*)	✓	✓	✓
Other BBVA clients	Mid-sized Corporates	✓	✓	✓
	SMEs	✓	✓	✓
	Retail Clients	✓		✓
Target				

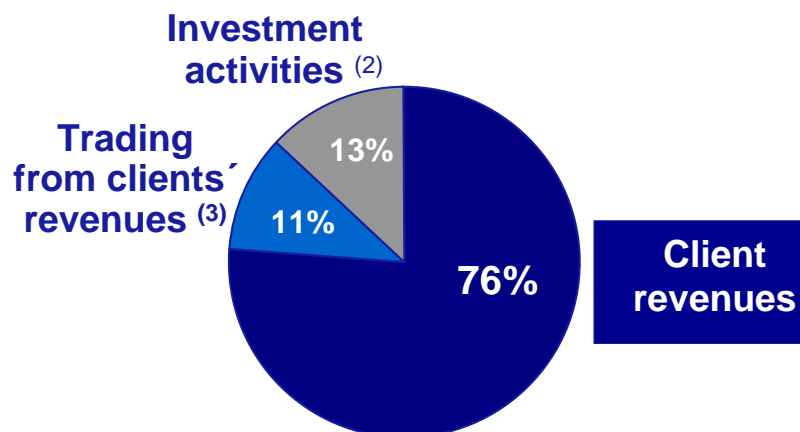
Maximize matrix value by expanding product & client reach

(*) High Net Worth Individuals



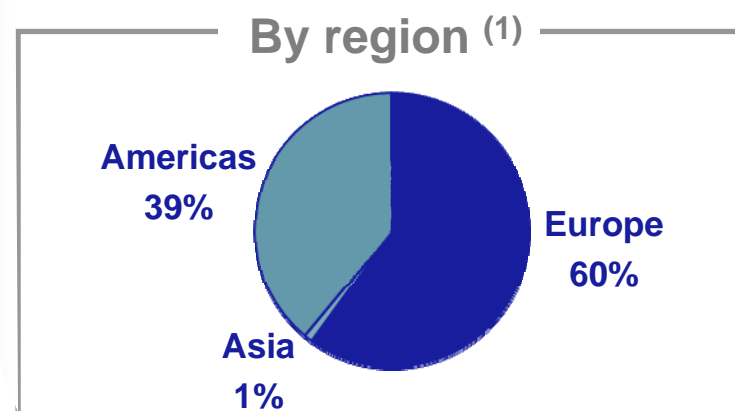
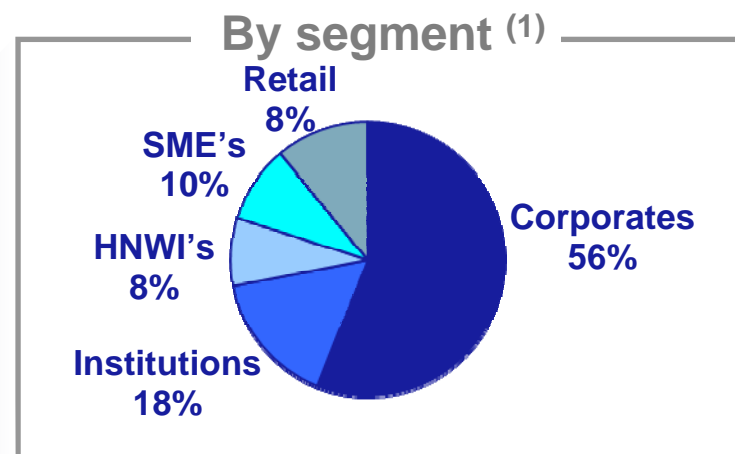
A client-focused business model well diversified across segments and geographies...

WIB&AM Ord. Rev. (€2.0 bn) ⁽¹⁾
- Revenue Mix -



Client activities represent 87% of total revenues

WIB&AM Client Ord. Rev. (€1.5 bn) ⁽¹⁾
- Revenue Mix -



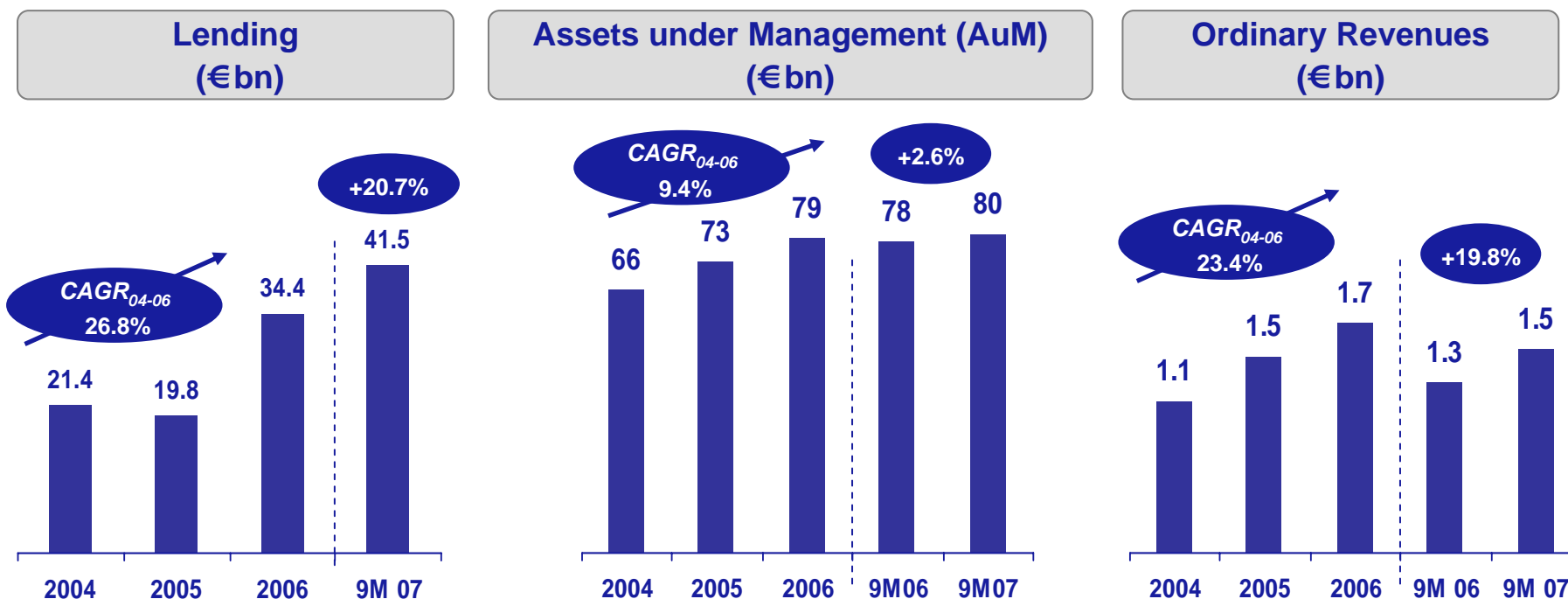
(1) 2006 Figures; (2) Investments in Private Equity Industrial & Real Estate Holdings (3) Trading revenues are mostly client-driven



..with proven track record
of sustained activity and revenue growth...

- Strong activity growth materialized in ordinary revenues in client ⁽¹⁾ areas (+23.4% CAGR₀₄₋₀₆)

WIB&AM's Client Areas: Activity and Ordinary Revenues Evolution (2004 – H1 2007)



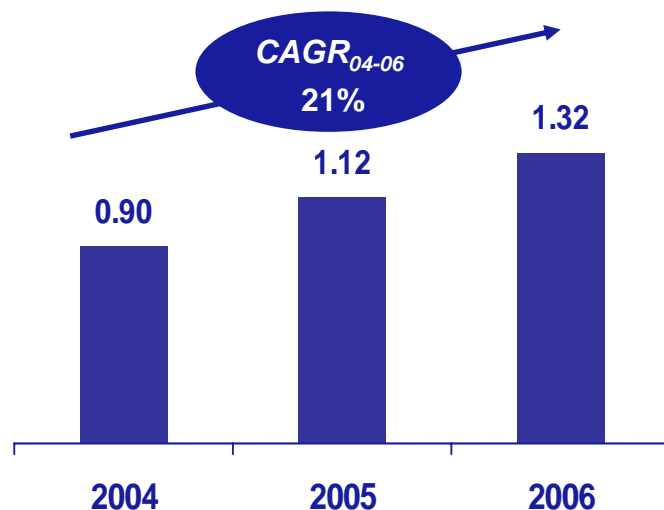
(1) Client areas: Global Markets, Corporate & Investment Banking, Asset Management & Private Banking, Asia



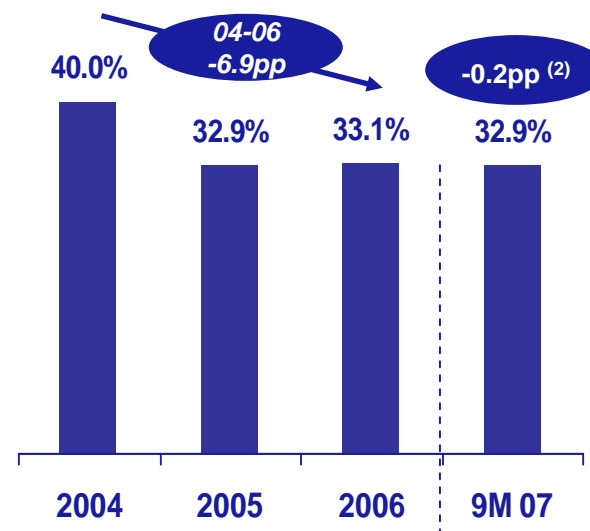
... coupled with excellent productivity
and cost management ...

- Ongoing productivity improvement: revenues per front officer +46% (+21% CAGR₀₄₋₀₆)
- ...plus cost efficiency results in cost/income -6.9 pp (04-06) ...
- ...maintained in 9M 07 despite expansion plans launched ⁽¹⁾

Revenues per front officer
(Mn €)



Cost- to- Income ⁽²⁾
(%)



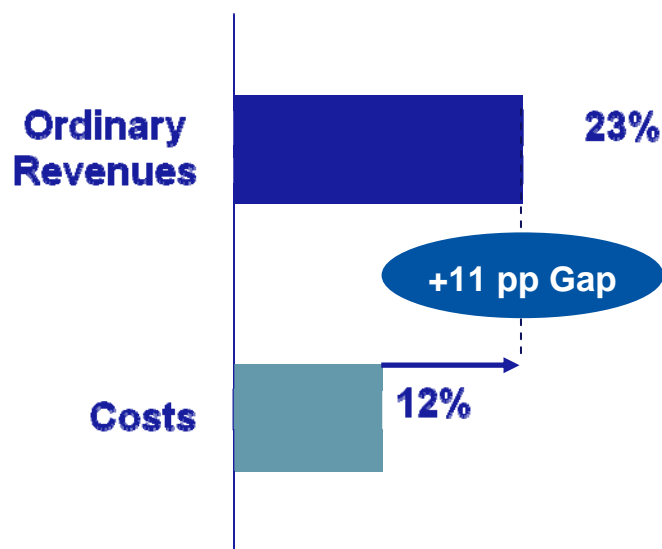
(1) Impact from expansion plans in Asia and Global Markets, including hirings fully offset by client revenue growth
(2) Cost/Income= (Personnel, Administration, Amortization & other costs)/Ordinary Revenues



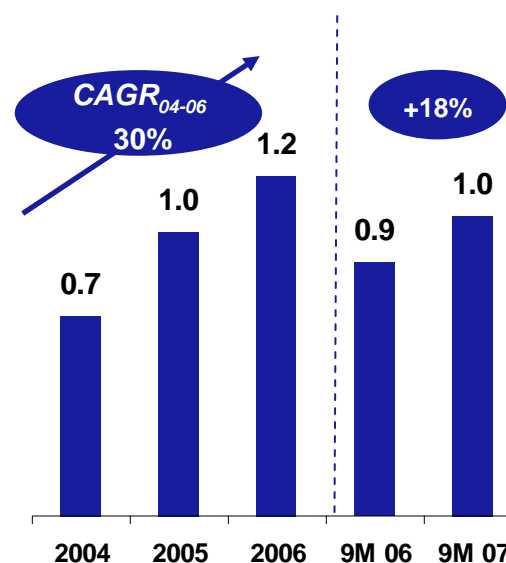
... generating fast growth in operating profit ...

- Revenues outgrow Costs by 11% ($CAGR_{04-06}$) ...
- ... boosting Operating Profit: +30% $CAGR_{04-06}$

Revenue vs. Costs ⁽¹⁾
($CAGR_{04-06}$)



Operating Profit ⁽¹⁾
(€bn)



(1) Costs include personnel, administration, amortization & other



...and leading positions in its core products and markets

Area	Rk ⁽¹⁾	Product	Highlights
CIB	#1	<ul style="list-style-type: none"> ▪ IPO's Global Coordinator (Spain) ▪ Cash Management, Corporate Bonds (Mexico) 	<ul style="list-style-type: none"> ▪ 7 Project Finance Deals of the Year – <i>Euromoney</i> ▪ 6 Trade Finance Deals of the Year for 4 Deals - <i>Trade Finance Magazine, Trade & Forfaiting Review, Global Trade Review</i>
	#2	<ul style="list-style-type: none"> ▪ Project Finance (Latam) ▪ Trade Finance (Latam) 	<ul style="list-style-type: none"> ▪ Best Regional Trade Finance Bank in Latam - <i>Trade Finance Magazine</i>
	#3	<ul style="list-style-type: none"> ▪ Project Finance (Europe) 	<ul style="list-style-type: none"> ▪ #2 in Iberian Equity Research - <i>Institutional Investor</i>
Global Markets	#1	<ul style="list-style-type: none"> ▪ Stock Exchange traded volume; Market-maker for: Fixed Income, EURUSD, Public Debt, e-Bills & Short Term Derivatives (Spain) ▪ Derivatives (Mexico) 	<ul style="list-style-type: none"> ▪ Best Derivatives House in Spain - Risk España ▪ Best Structured Products' House in Spain – <i>European Structured Product's Awards</i>
AM & PB	#1	<ul style="list-style-type: none"> ▪ Pension Funds (Spain) 	<ul style="list-style-type: none"> ▪ 6 Awards to BBVA Funds Quality in Spain ... S&P-Expansión, Lipper-5 Días, BME, Eurofonds
	#2	<ul style="list-style-type: none"> ▪ Mutual Funds (Spain) 	<ul style="list-style-type: none"> ▪ ... and 6 more in Latam - <i>Latin Asset Management, S&P, Expansión, Eurofonds</i>

⁽¹⁾ Rankings 2006. Sources: Dealogic; Thomson; BME AiAF; Bank of Spain; Senaf; Inverco; Inmark. Trade finance excludes air& shipping

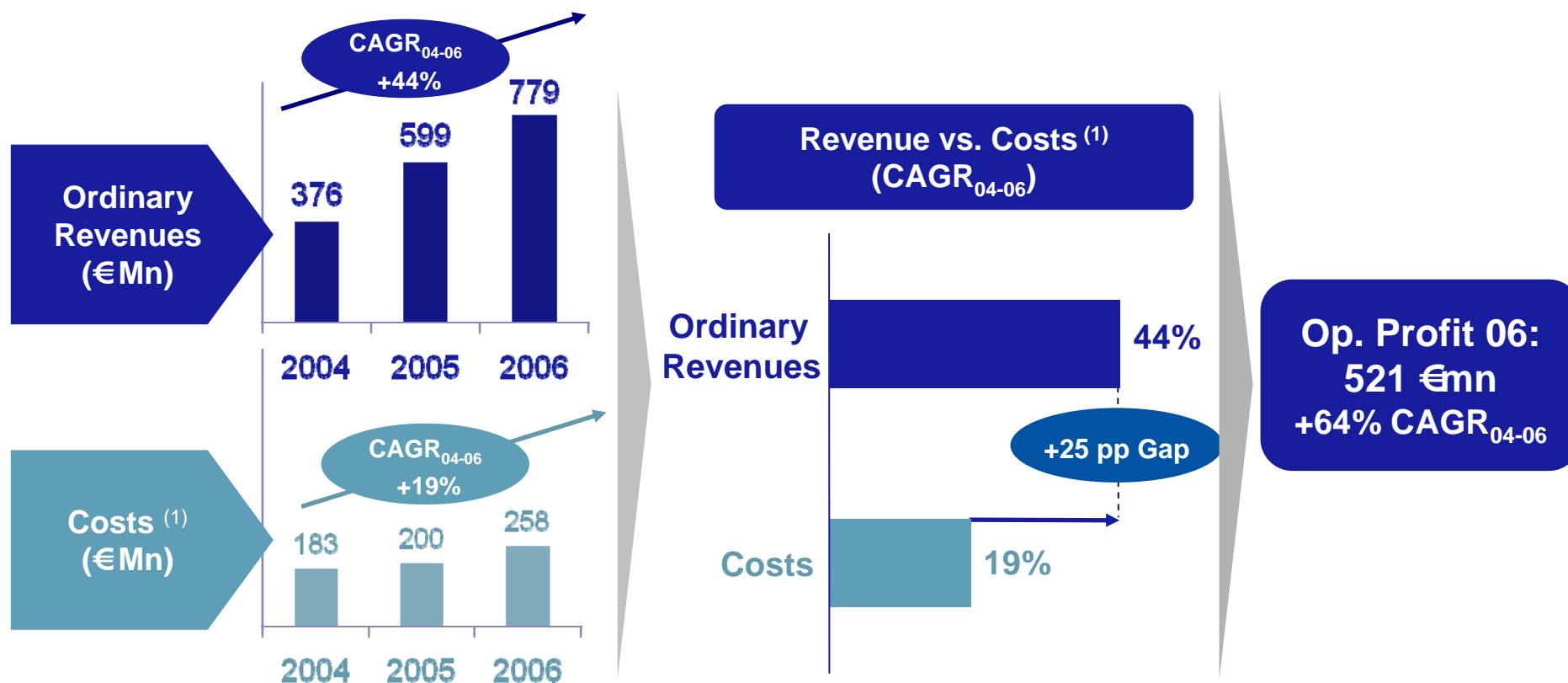


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Global Markets (GM): a sizeable and profitable business

- Client-driven revenue growth with controlled costs results in impressive Operating Profit increase



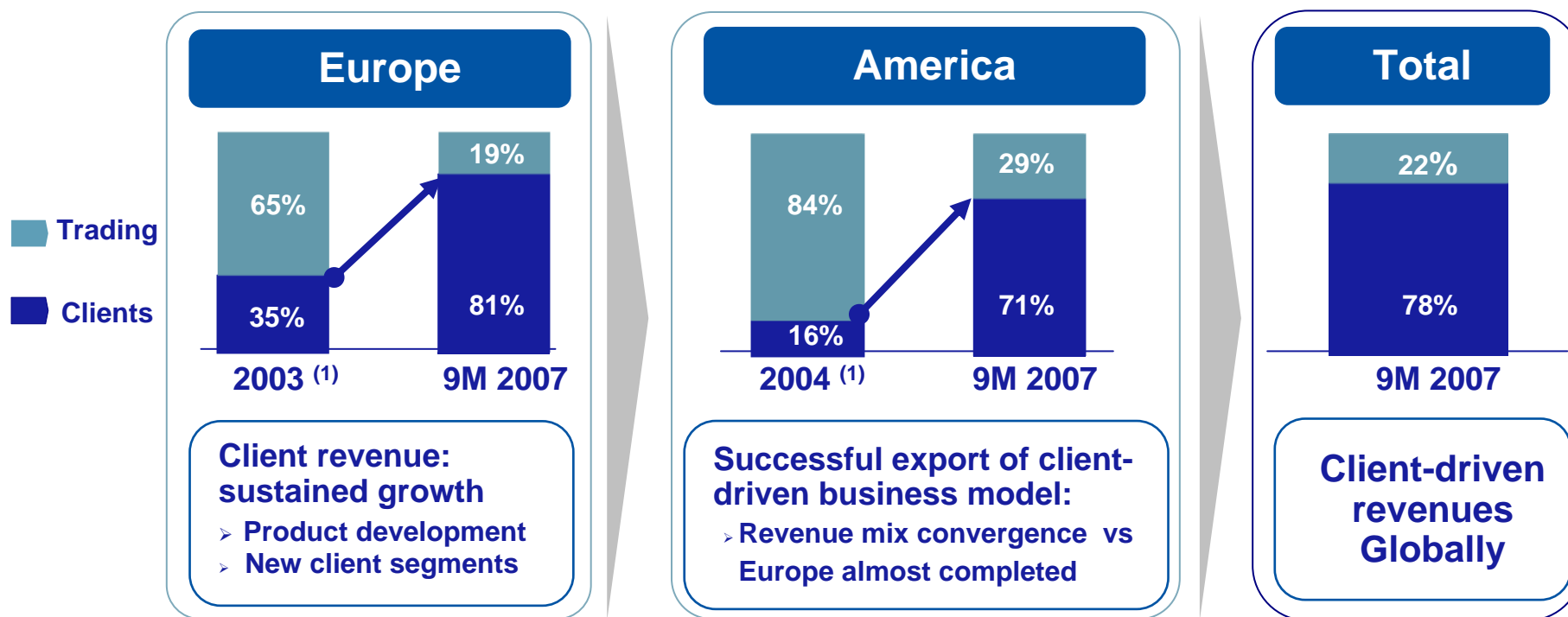
...continued in 9M 07: Ord. Rev. +27%; Op.Profit +22%

⁽¹⁾ Costs include personnel, administration, amortization & other



A recurring business: 78% of total revenues client-driven

Global Markets: Revenue Mix Evolution



Sustained Global Performance... also in 9M 2007

Client revenue: strong growth (+34%)

(1) Americas client business started in 2004 by exporting Europe's business model, increasingly client-oriented and already succesful in 2003



Franchise Matrix expansion (I) : Cross-selling initiatives in Europe

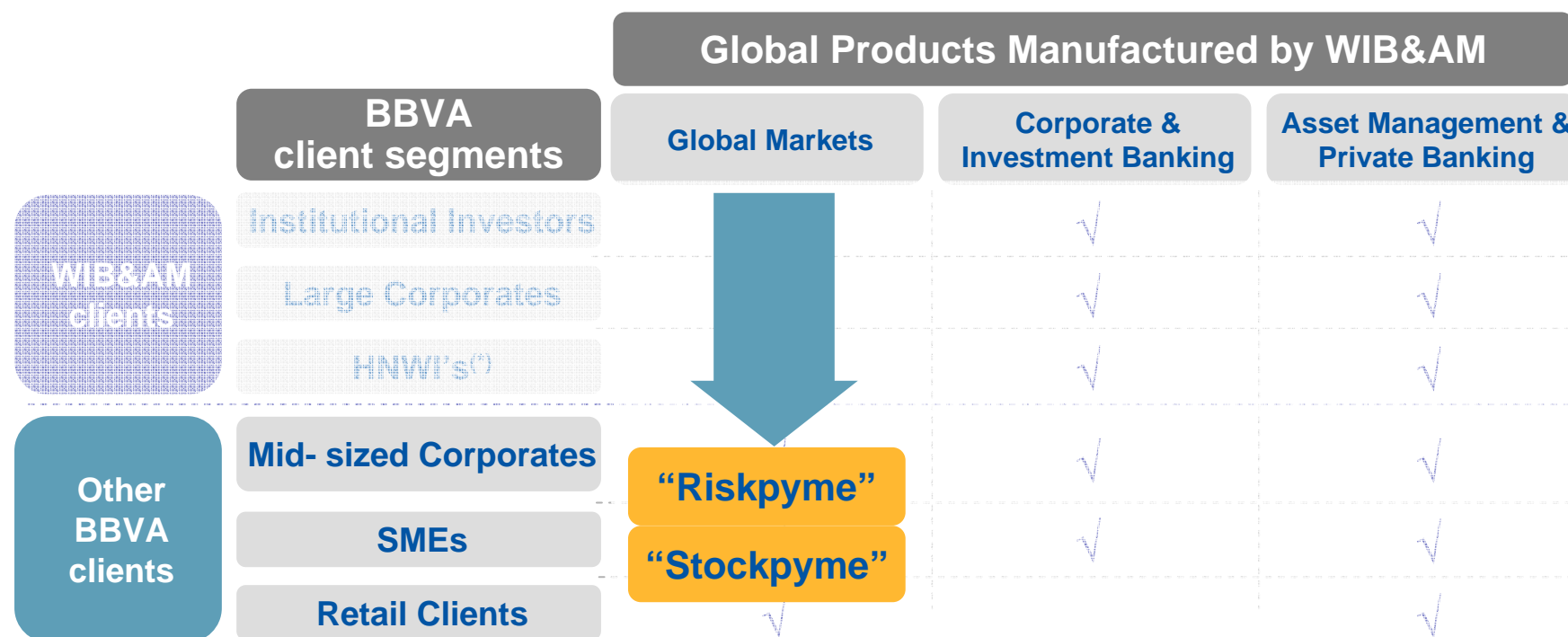
- Sale of risk hedging products to client segments traditionally underserved/ unattended by GM, leveraging BBVA relationship:

“Riskpyme”

(1): targets mid-sized Iberian Corporates & SMEs

“Stockpyme”

(2): highly automated, targets smaller SMEs



(1) Started in 2004 (2) Started in 2006



These client revenue growth engines, proven successful in Europe, are being exported to America

Region

Cross-selling

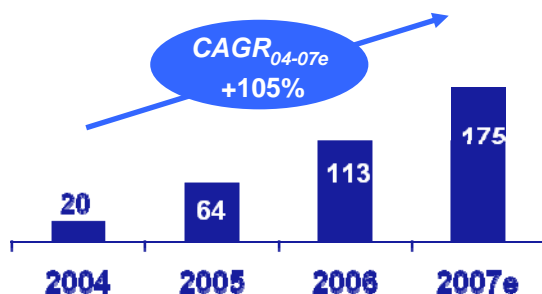
New products

Riskpyme & Stockpyme

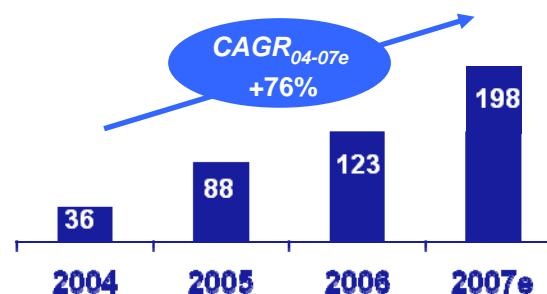
Structured products



Riskpyme + Stockpyme
Revenues (€m)



Structured Products
Revenues (€m)



Export to America



Riskpyme Americas
High growth potential

RCD
(Regional Center for Derivatives)



Global Markets is carrying out 4 clearly targeted initiatives to keep growing strong in the coming years

4 main growth initiatives to reinforce our position in clients, products and geographies

Equity Derivatives

Riskpyme in Americas

Asia

Regional Center for Derivatives in Latam

... with significant investments in talent already in place

Global Markets target: results twofold by 2010

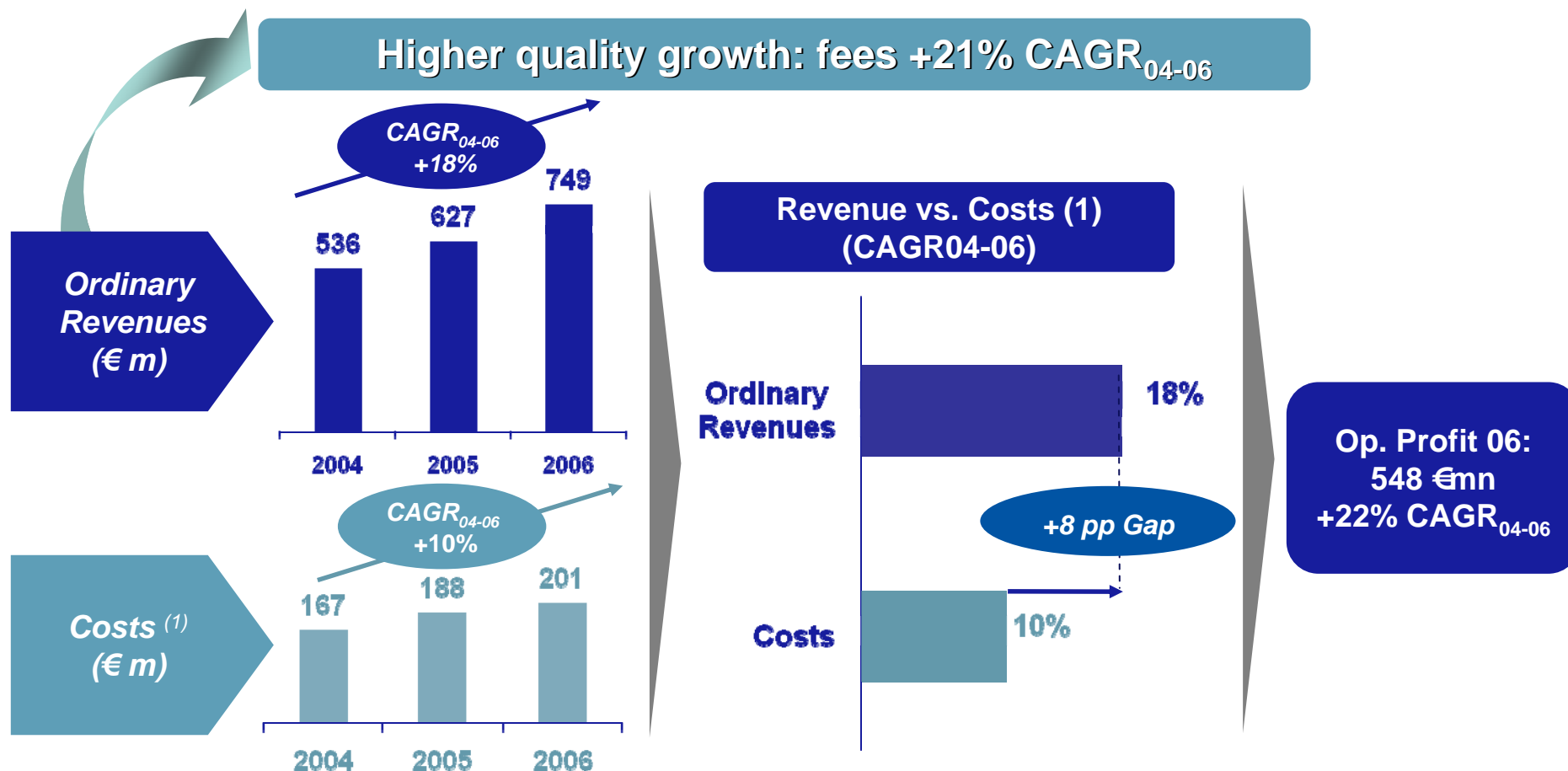


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Corporate & Investment Banking (CIB): sustained quality revenue growth

■ Sustained Ordinary Revenues growth (+18% CAGR₀₄₋₀₆)...

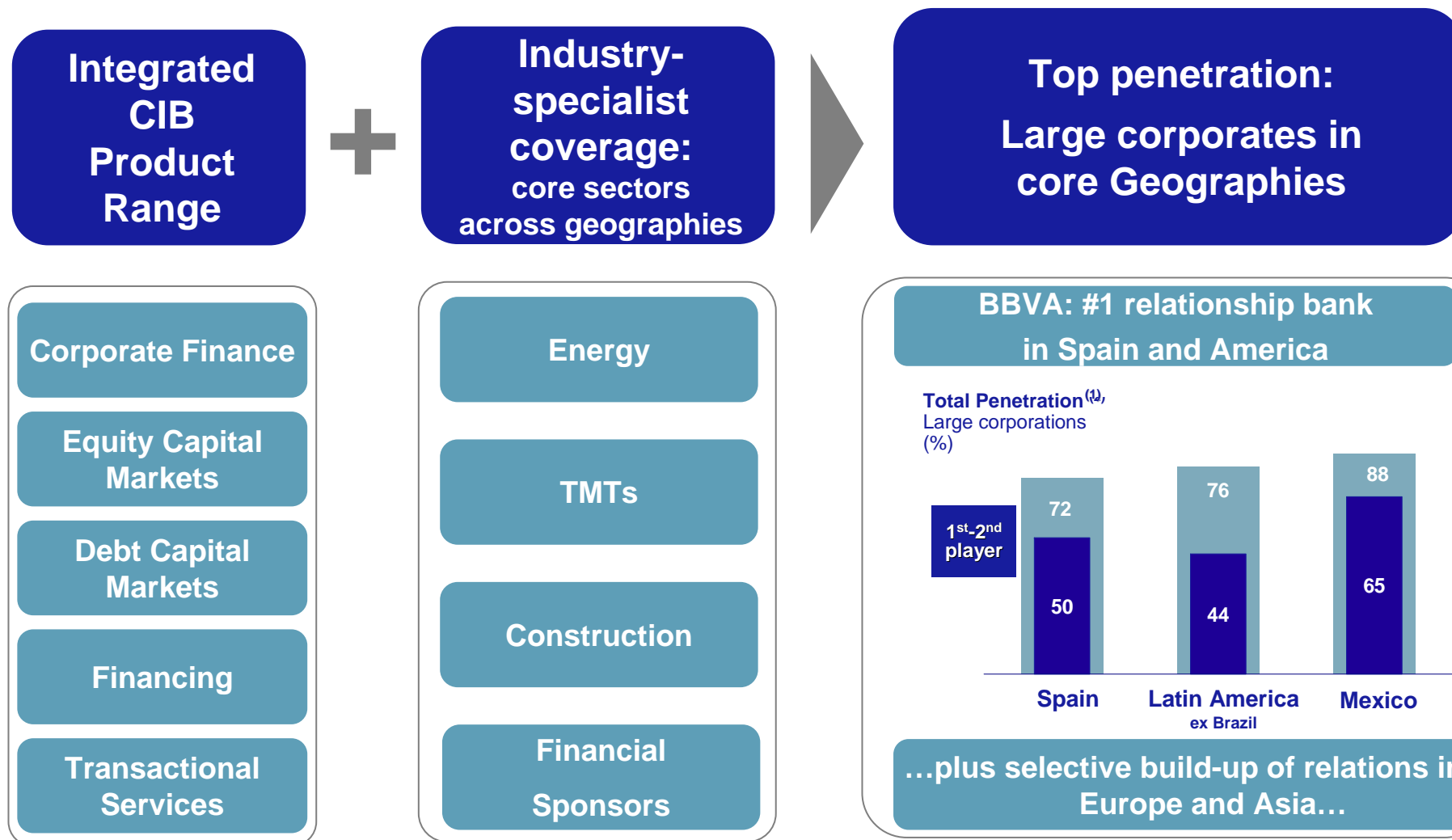


... continued in 9M 07: Ordinary Rev. +13.8%. Op. Profit +15.4%

⁽¹⁾ Costs include personnel, administration, amortization & other



Value-added product plus industry- specialisation ensures top penetration in target clients...



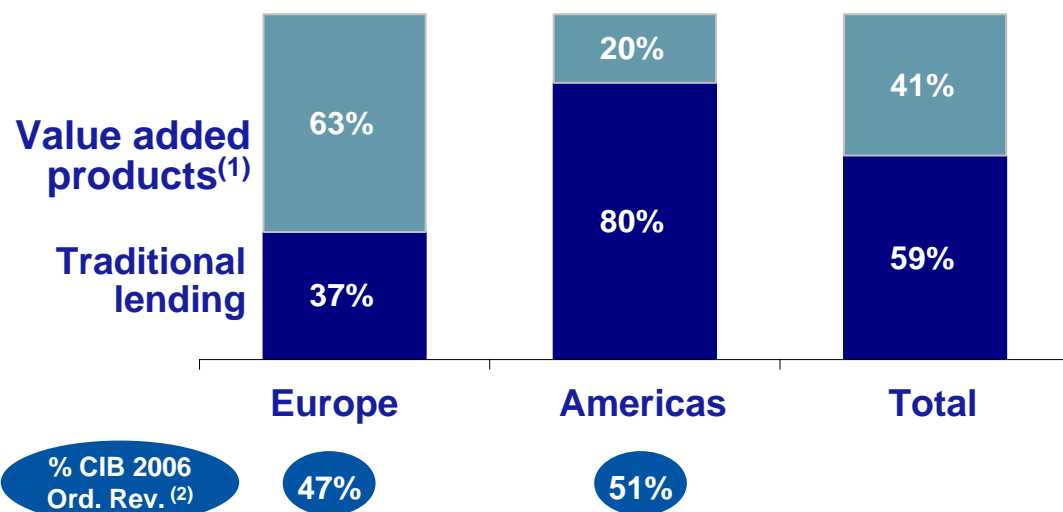
⁽¹⁾ Source: Inmark



...a sound platform to keep growing in value-added products with large global corporates

- In CIB Europe, value added products revenues exceed those from lending, unlike in Americas

CIB 2006 revenue mix: products



CIB revenue growth drivers

Value added products' expansion

Maximize RaR
+
Optimize capital consumption

Global convergence to European mix

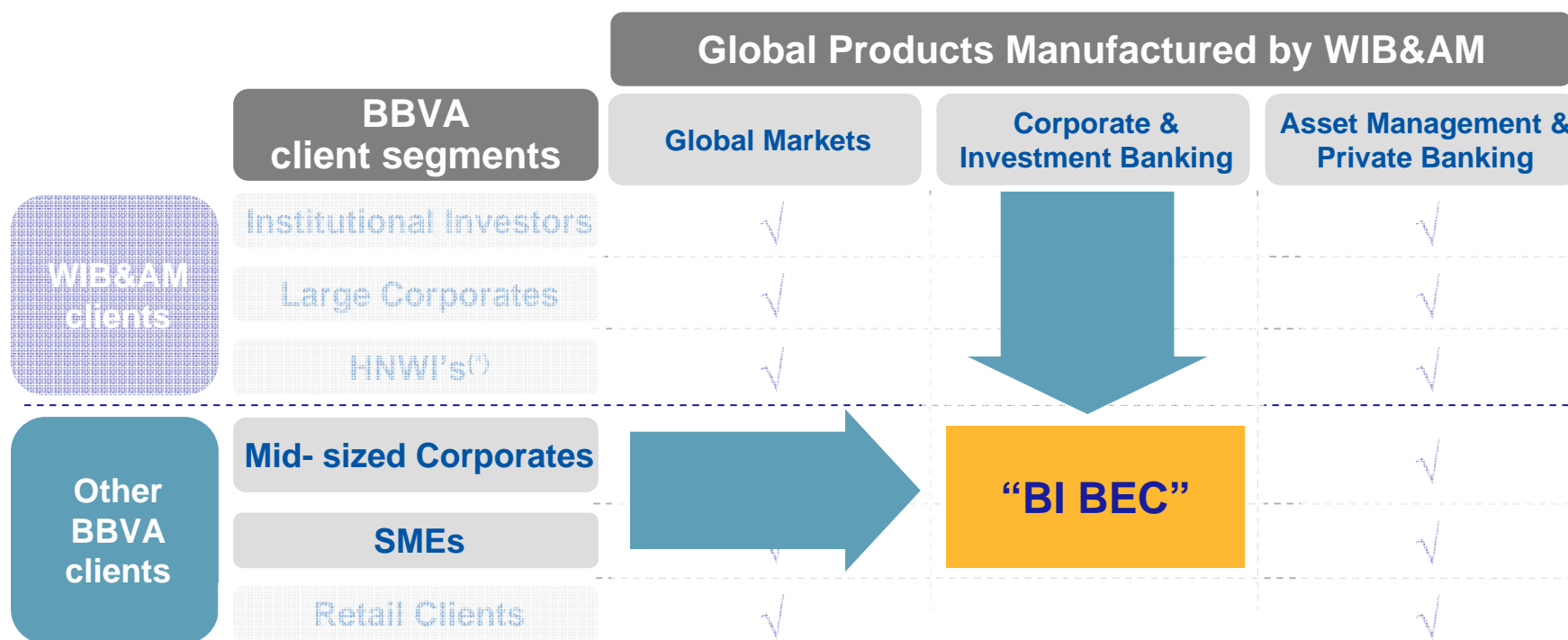
(1) Project Finance, ECM, DCM, M&A, Trade Finance, etc.

(2) Asia represents 2% of CIB 2006 Ord. Revenues



Franchise Matrix expansion (II) : maximize IB revenues with clients outside WIB&AM...

- “BI BEC” is a new business model seeking growth in Investment Banking (BI) revenues with Spanish Corporates & SMEs (CBB)





... through joint coverage by IB/ Relation teams as a key lever to detect and execute deals

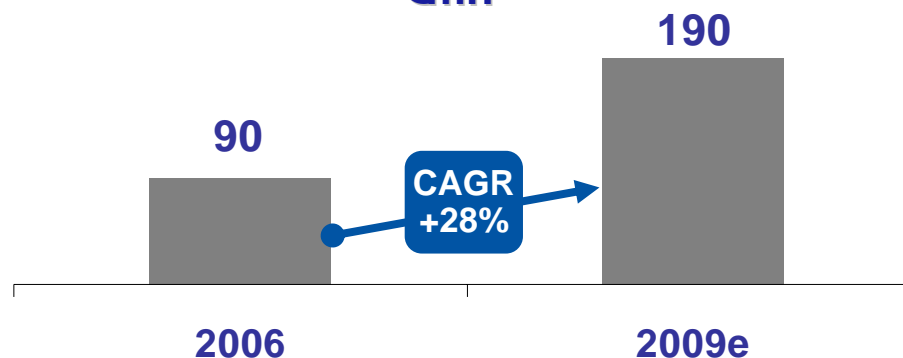
- Team coordination for joint coverage maximizes deal origination with a cost-effective approach ...

Leading bank in SME's
(#1 relationship bank)

Cost-effective IB product offer

Fully dedicated teams + regional desks

BIBEC Revenues (06-09e)
- €mn-



...targeting +€100 m growth in IB revenues within the segment (06-09)

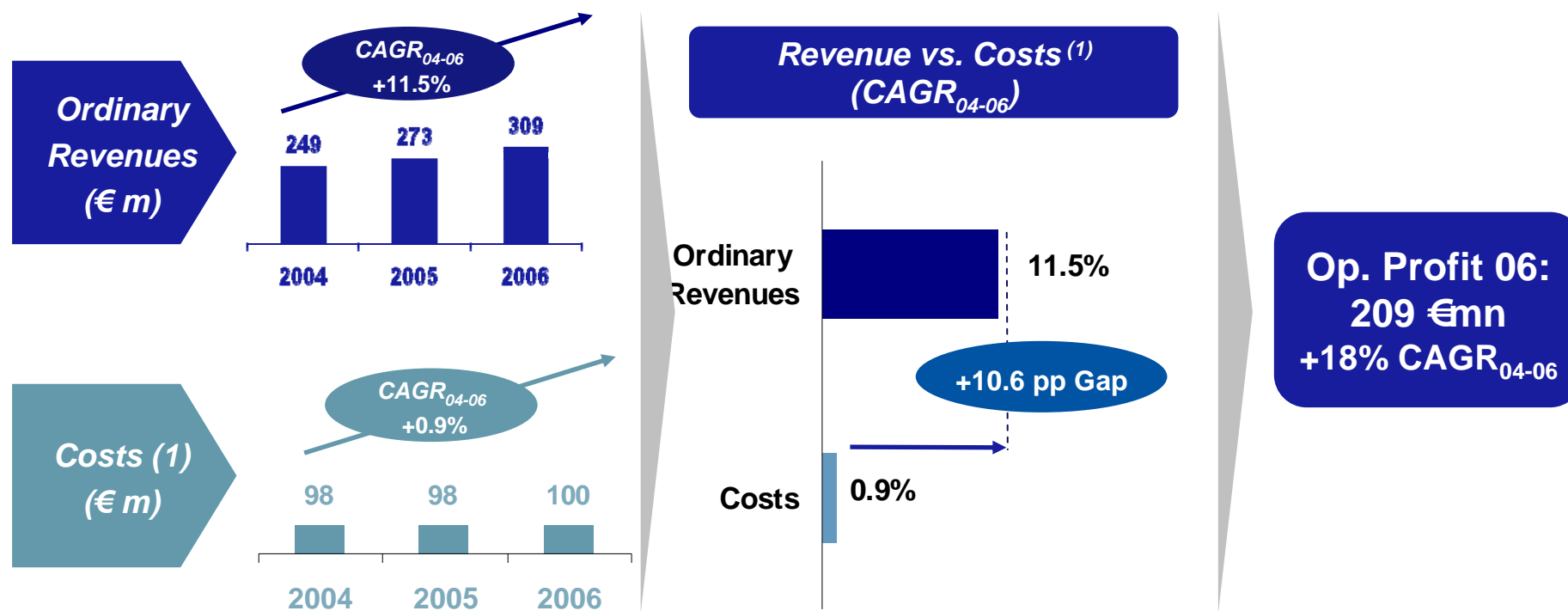


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Asset Management & Private Banking (AM&PB): sustained revenue growth with flat costs

- Ordinary Revenues growth despite high market share, coupled with unparalleled cost control



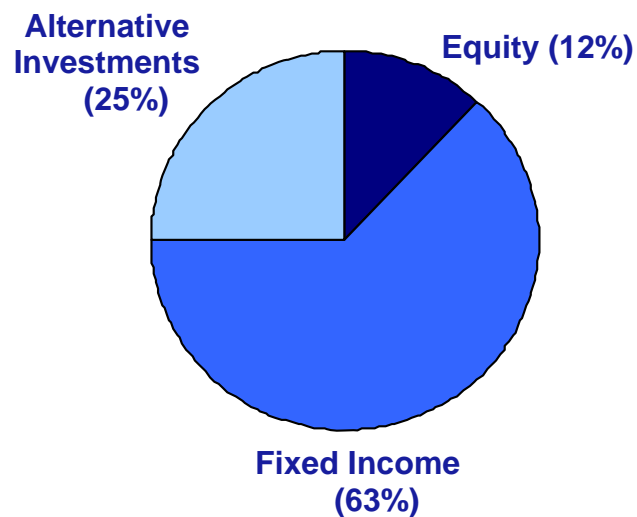
... improved in 9M 07: Ordinary Rev. +16% Op. Profit +18%

⁽¹⁾ Costs include personnel, administration, amortization & other



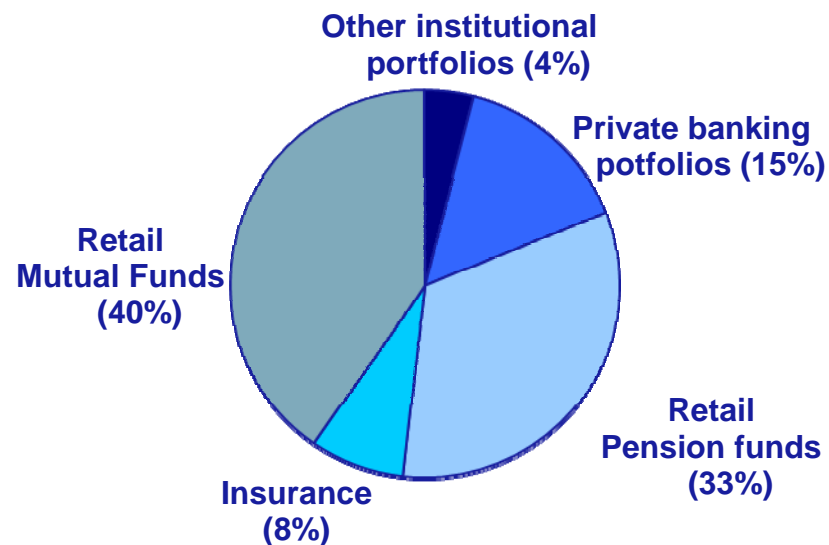
Asset Management: Balanced product portfolio and client mix

AM Portfolio by Asset Class



*Enhanced focus on
value added products*

Client Mix



*Wide and diversified
client base*

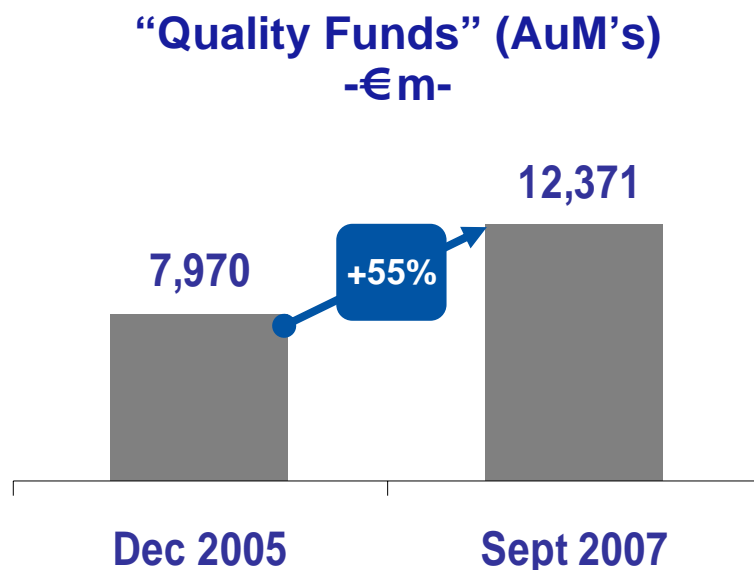


AM supports BBVA's strong position in core markets through product innovation

■ Positioning to face the future market trends

Open Architecture

Best Alternative Investment Offer



BBVA & Partners

Altitude

Proxima



Private Banking (PB) leverages on its leading capabilities to boost its HNWI's portfolio in Spain...

PB has a disciplined upmarket positioning in the HNWI client segment (>€2 mn AuM), with an average wealth per client of €7.5 mn

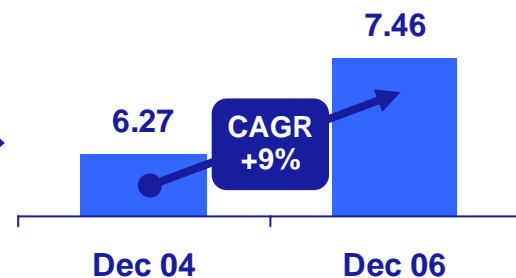
+63% increase in AuMs in (+28% CAGR₀₄₋₀₆), combining:

- +17% client base growth (CAGR₀₄₋₀₆),
- +9% increase in average wealth per client (CAGR₀₄₋₀₆)...

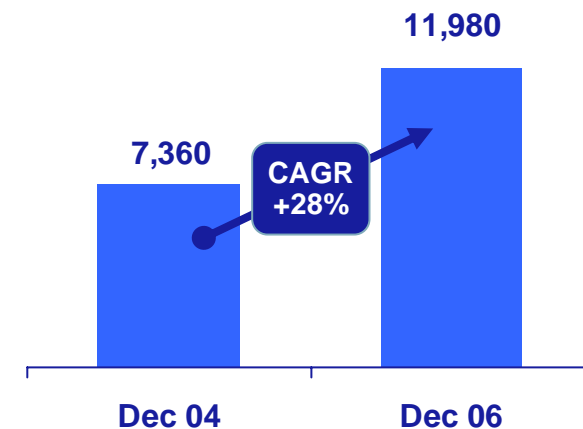
Portfolio of HNWI's
(Nº of family groups)



Average Wealth per
family group (€ mn)



Evolution of AuM (€mn)





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Strategic plan launched in 2005 to expand our footprint in Asia...

BBVA's current positioning in Asia

Present in all key markets...



...to reach Asian Global Corporates & Institutional investors ⁽¹⁾

Focus on Asian Global Clients

Target: penetration and share of wallet increase in the segment, through CIB business model's implementation

Product Capabilities Enhancement

CIB

- **Trade Finance:** BBVA #1 in the region⁽²⁾, supported by Asia-Latam deals
- **Project Finance:** >€520 mn portfolio; involved in the region's largest deals (special focus on Australia)

Global Markets

- **Structured products / Derivatives**
- **Trading Room in HK**

(1) June 2007 Figures

(2) Excluding Air&Shipping; MLA Positions 2006: BBVA #1 in number of deals and business volume; source: Thomson Financial



...reinforced in 2006 with CNCB- CIFH stake acquisition, a long-term strategic move



中信國際金融控股有限公司
CITIC INTERNATIONAL FINANCIAL HOLDINGS LIMITED

Joint
development
of core
business lines

- Retail Banking
- Wholesale Banking
- Global Markets and Treasury
- Risk Management
- Human Resources
- Exclusive cooperation in:
 - Trade finance
 - Auto finance
 - Treasury and global markets
 - Risk management
 - MIS and CRM

- Asset Management
- Private Banking
- Global Markets and Treasury
- Corporate Banking
- Exclusive cooperation in:
 - Corporate banking
 - Treasury
 - International trade finance

Already a
profitable
financial
investment

BBVA's Stake

4.83%

15%

Initial Investment

€675 mn

€433 mn

Unrealized
Capital Gains ⁽¹⁾

€325 mn (+48%)

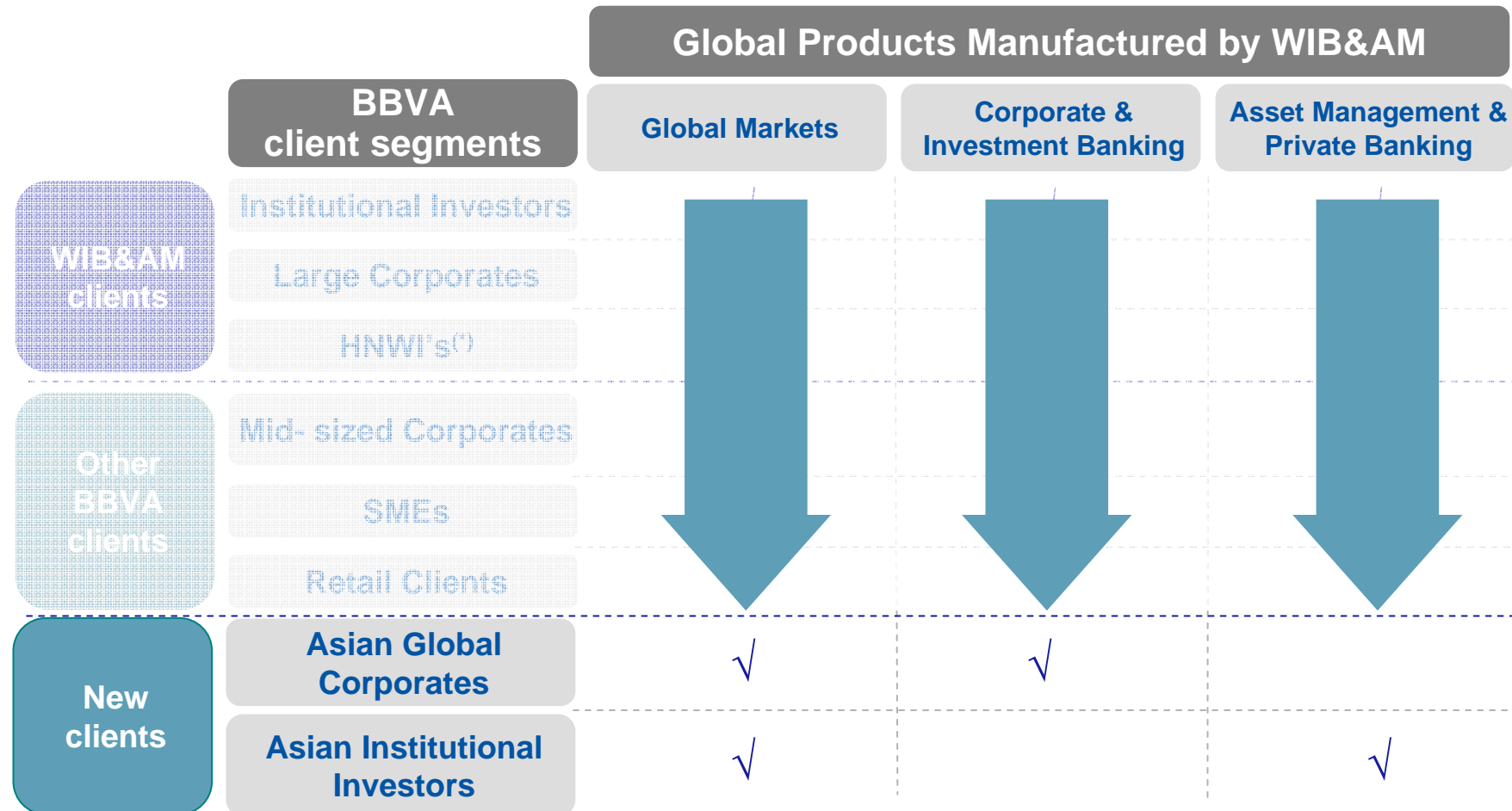
€28 mn (+6%)

(1) Based on investments' market value as of November 5, 2007



Franchise Matrix expansion (III) : BBVA its targeting key client segments in Asia

- **WIB&AM** product & client expertise developed in Europe and Latam is being exported to Asia with a clear focus



(*) High Net Worth Individuals

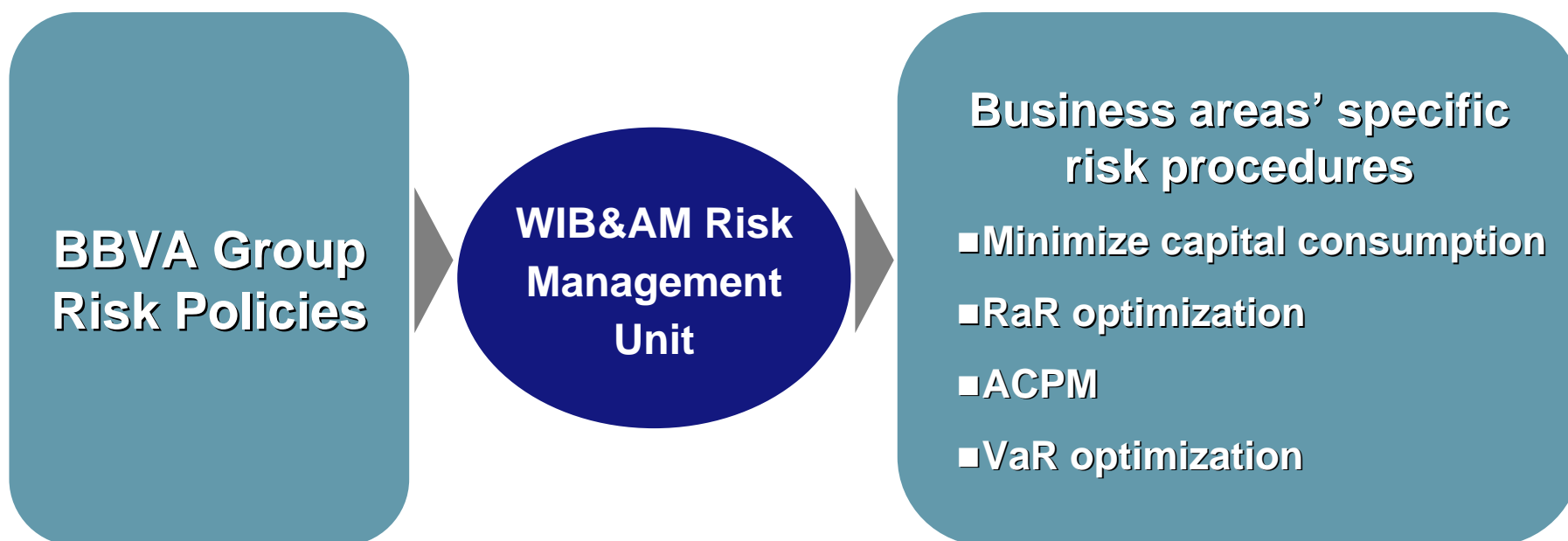


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WIB&AM Risk Management Unit ensures adaptation of BBVA Group risk procedures to business areas

- Risks in WIB&AM are independently managed by a specialized unit that ensures adaptation & implementation of general risk procedures to specific areas



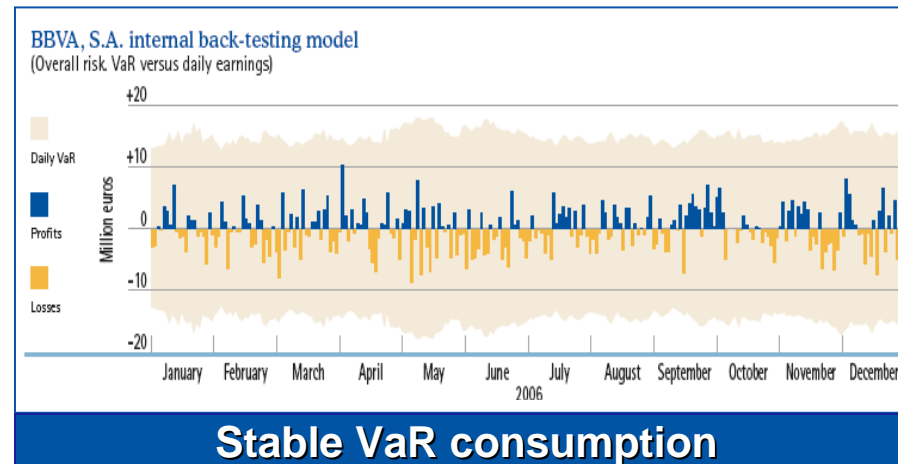
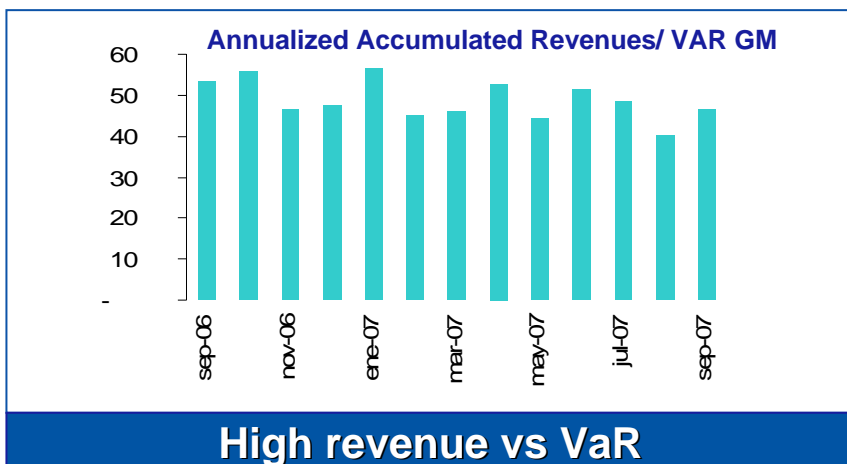
The Risk Management Unit guarantees discipline in risk management across business areas



Risk Management: a key pillar to ensure stability in the recurrence of profit generation

- Risk management, directly reporting to Head of WIB&AM, is a core value creator with an integrated approach across Market Risk and Credit risk:

I.- Market Risk



Robust model: proven backtesting

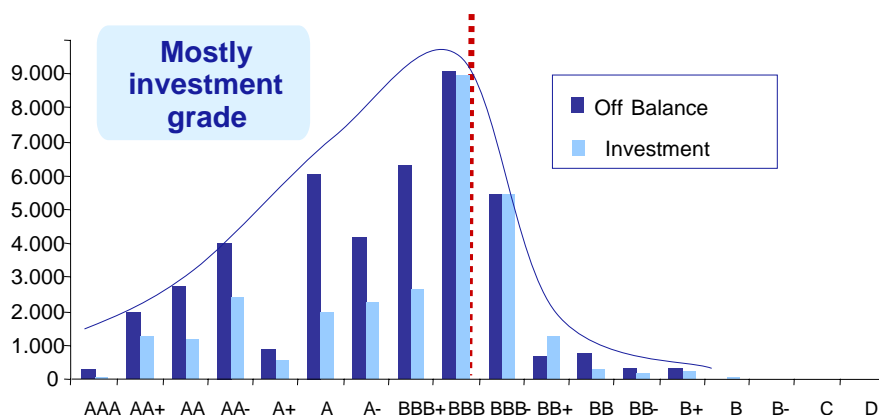
Positive trading results each of the last 11 quarters



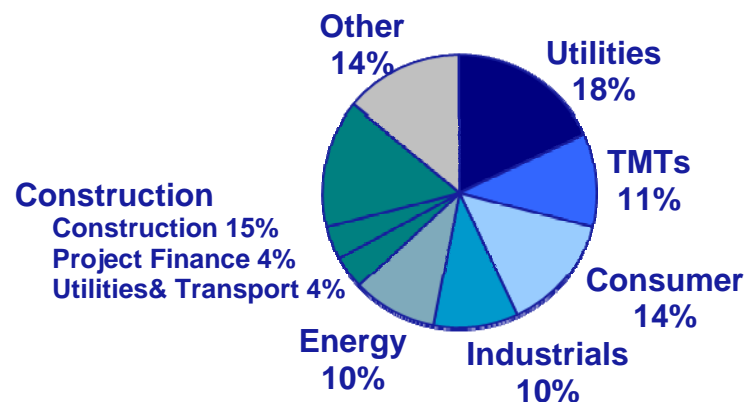
Risk Management: a key pillar to ensure stability in the recurrence of profit generation (cont.)

- RaR-based selective admission and Active Credit Risk Management (ACPM) to maximize RaR vs Economic Capital

II.- Credit Risk: RaR approach



Sound Balanced Portfolio (av. BBB)



Diversified Portfolio



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WIB&AM core value levers

Client Focus

RaR

Recurrence

In revenue growth

**Discipline in Risk
Management**

Capital Optimization

Resilience

in challenging environment

Sustained Value Creation

+

Expansion Plans

**- WIB&AM -
Sound positioning ensures recurring growth**

150
years
adelante



BBVA making the difference