

150  
years

adelante



**BBVA** making the difference



150  
years

adelante.

# Ricardo Laiseca

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## BBVA Investor Day: Global Markets Workshop

**BBVA** making the difference.



- Overview of BBVA Global Markets
- The Strength of BBVA Distribution Networks
- In-House Product Development Expertise
- Conclusions



## Our guiding principle: Customer Focus

**Global Markets:**  
Our target is to provide “ Innovative Solutions” to meet our client needs

Leveraging on:

- Distribution potential of BBVA networks worldwide
- Strong in-house product development expertise

We aim to continue to increase our contribution to the Group with recurrent revenues, while maintaining a balanced diversification of clients, products and geographies

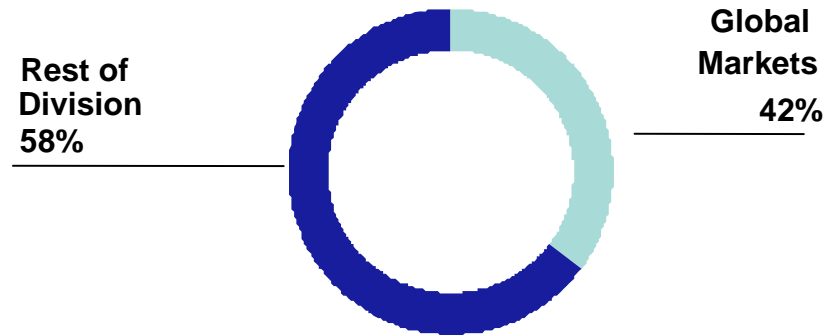


# Main Figures

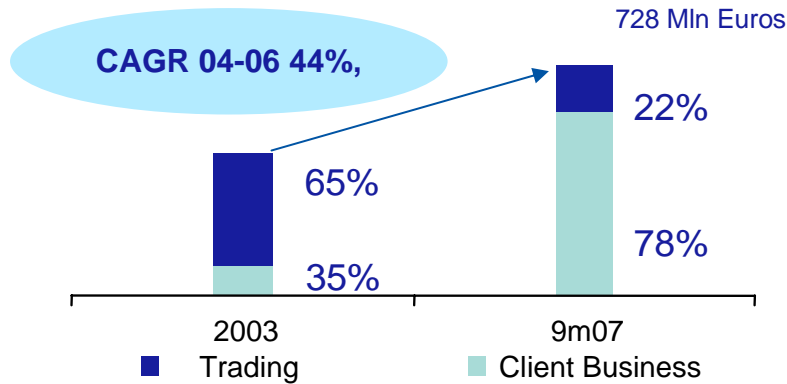
**BBVA Global Markets is a major part of Global Businesses Division**

**GM track record: High growth of sustainable client driven results**

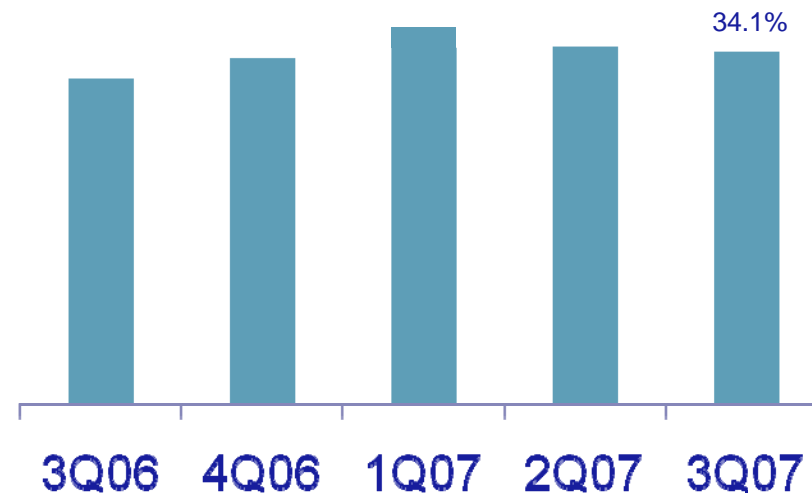
**Weight of GM revenues 9M07**



**Improvement in the Revenue Mix**



**Low cost to income**

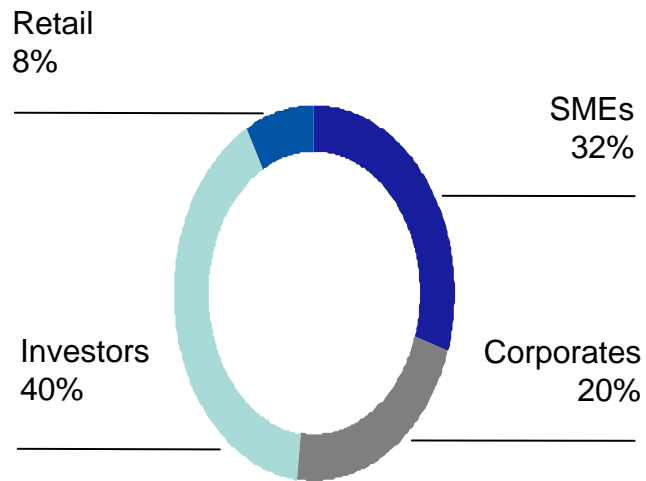




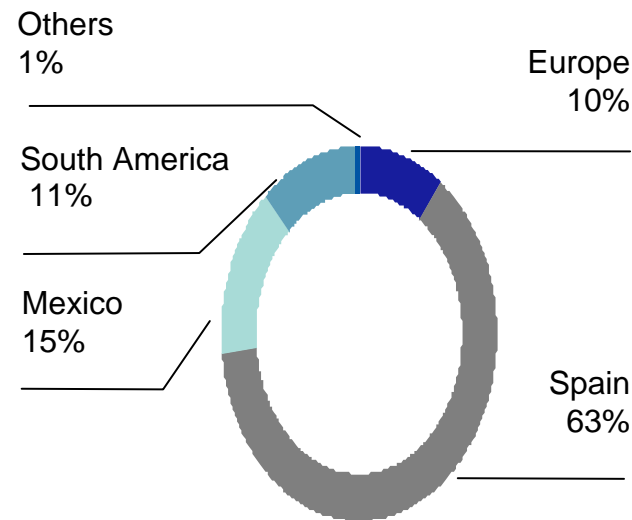
# A diversified business with three axes

Breakdown of GM 9M07 Revenues \*

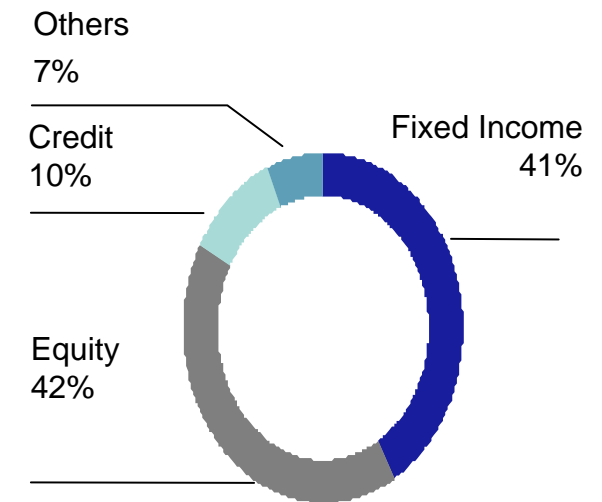
## By client



## By country



## By product



A segmented approach to provide a highly specialized service

\* Revenues generated by Global Markets in Mexico and South America reported within these units



# Key Strengths

**Capillarity of  
BBVA Network**

**Product  
Innovation**

**Diversification**

**Growth  
Opportunities  
LatAm/Asia**

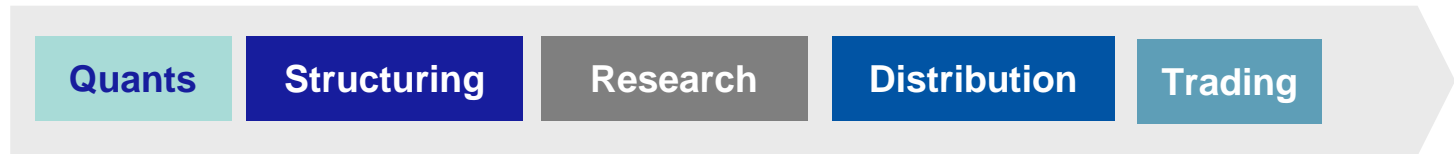
**Risk  
Management**





# Business Platform

An integrated Business



Three regional Product Centers





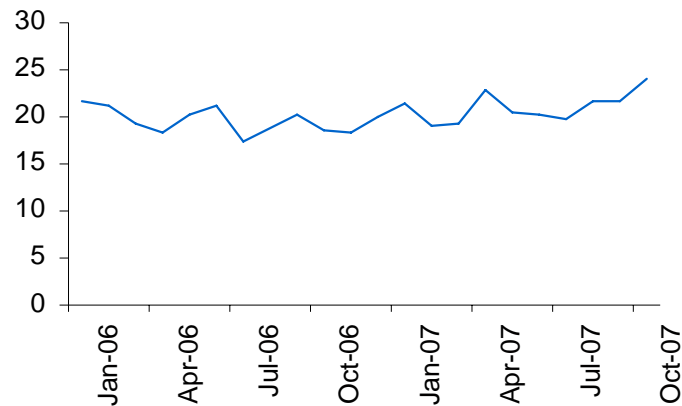


# Solid Risk Management

Sound and independent Risk Management

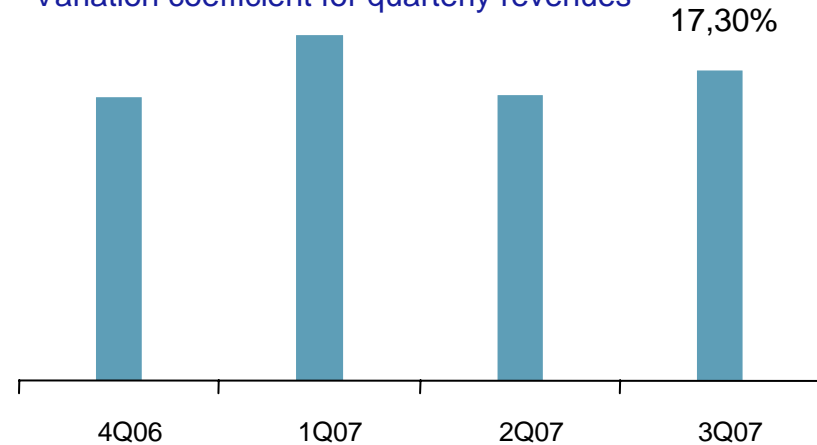
- Diversification of Risk
- An excellent track record
- Independently managed Market Risk department
- Usage of advanced models recognised by Regulators

Daily VaR (monthly average) (Min Euros)



Low volatility of Revenues

Variation coefficient for quarterly revenues





### Our Main growth initiatives

Plans\Focus	Clients	Product	Region	CAGR 06-10
Equity Derivatives	Institutional	New underlyings & products	Europe	+30%
Regional Product Centre	Institutional & Corporates	Structured products	LatAm	New
Riskpyme in Americas	Retail & SMEs	Tailored-made solutions	Americas	+90%
Asia	Institutional & Citic	Flow & Structured Products	Asia	New

Front office staff reinforced by 135 people in 2007 (11% of headcount)

**Our target is to double results by 2010**

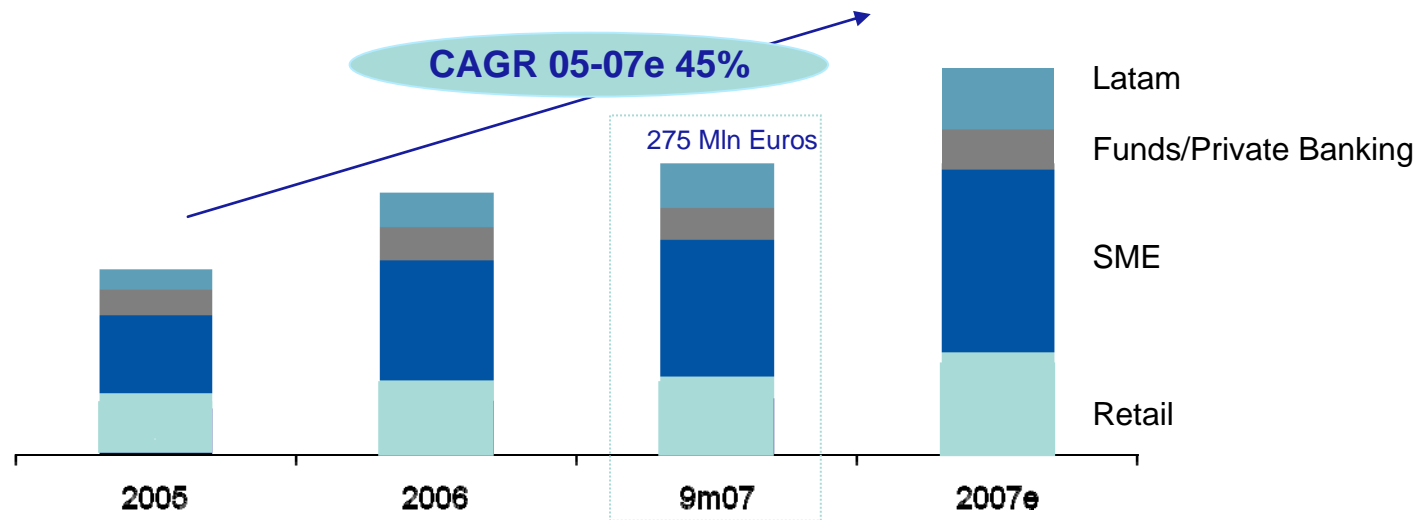


- Overview of BBVA Global Markets
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# Leveraging our distribution capacity...

## Revenues generated by GM through BBVA networks



## StockPyme and Riskpyme

Distribution of hedging products to BBVA's retail and SME clients

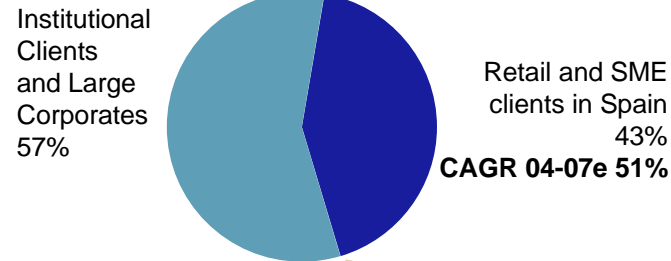
A successful and exportable model



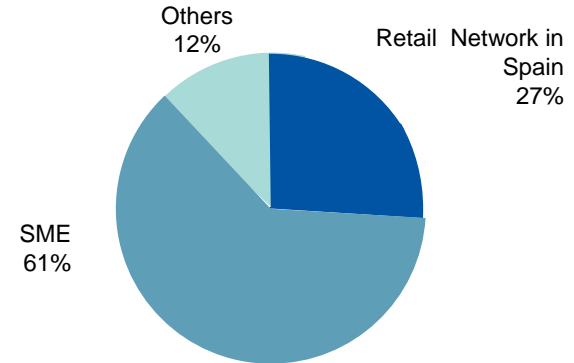
# ...and advantage and an opportunity

**A proven advantage in Europe**

9M07 revenues in Europe by client

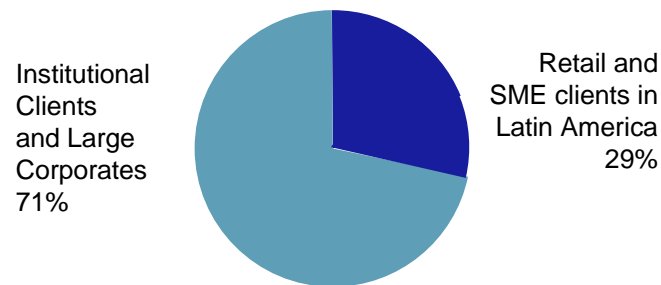


9M07 revenues in Europe  
Breakdown of clients revenues from BBVA network

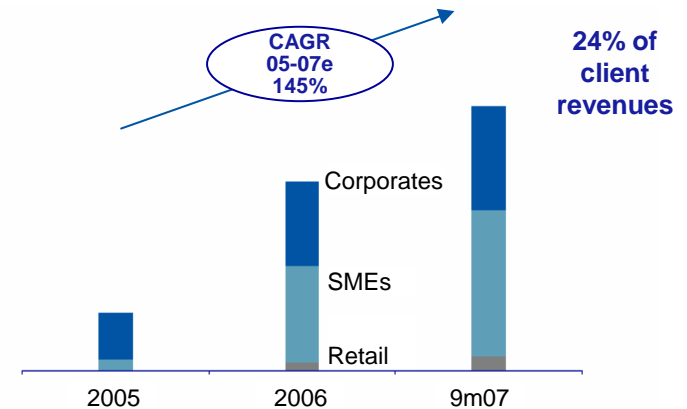


**A Great Opportunity in Mexico and South America**

9M07 revenues in LatAm by client



Breakdown of clients revenues from BBVA Bancomer Networks





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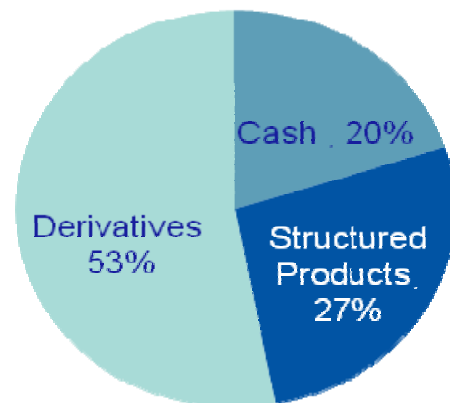
# Strong new product development capabilities

A key growth driver: Structured products with high added value

New Product Development: 100%  
revenue growth in 2007

- New structures
- New underlyings
- Mix of structures/underlyings

Product Mix in Europe  
9m07



Moving  
towards  
high  
margin  
products





# An example of in-house product development: Equity Derivatives

## A high profit business with superior growth potential

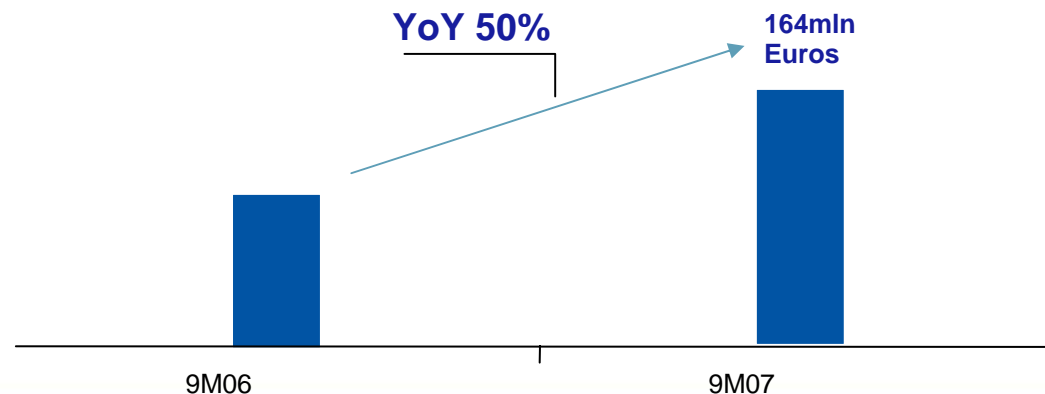
Equity  
Derivatives:  
Favourable  
Market  
Trends

Today Equity  
Derivatives  
represents  
60% of the  
Equity  
business

Global demand for Equity Derivatives, Structured Equity and Flow products will grow annually at 15, 20 and 10% respectively\*.

- Increasing personal wealth: higher demand for capital protection and optionality.
- New players with more sophisticated demands.
- Widespread usage of alternative investment products.
- Demand for exposure to new underlyings.

Revenues in our Equity Derivatives Business



\* According to JP Morgan estimates



# An example of in-house product development: Equity Derivatives

## Our Competitive Advantages

High flow of new equity ideas implemented efficiently for customers

Sound and global risk management models

Strong balance sheet

Capillarity of BBVA networks

## Targets of 2007-2010 Plan

Global Distribution platform

To enhance our product capabilities:

- Global stocks under coverage
- Strengthen Sale and Structuring teams



**CAGR 06-10e Revenues  
+30%**



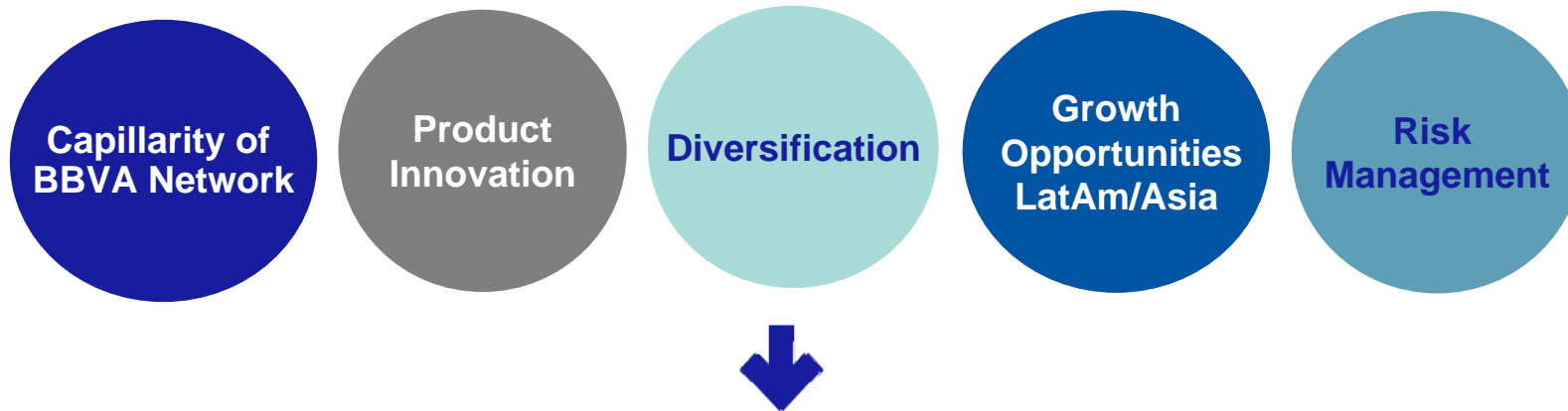
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## An opportunity for Growth

- Leveraging the value of BBVA networks
- Focusing on value added products
- Exporting our business model to LatAm and Asia

Our Growth initiatives are making the most of our strengths



Our target is to double results by 2010