

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.
AND MEMBERS OF THE BANCO BILBAO VIZCAYA ARGENTARIA GROUP
REPORT EXPLAINING THE MANAGEMENT REPORT
ON THE FINANCIAL YEAR ENDING
31ST DECEMBER 2007

In compliance with article 116 b of the Securities Market Act, this explanatory report has been drawn up on the aspects listed below:

a) The capital structure, including securities not traded on the EC regulated markets, with indication of different classes of shares and, for each class, the rights and obligations they confer and the percentage of share capital that they represent:

At 31st December 2007, the share capital of Banco Bilbao Vizcaya Argentaria, S.A. stood at €1,836,504,869.29. This comprised 3,747,969,121 nominative shares with a face value of €0.49 each, fully subscribed and paid up.

All the shares in BBVA's share capital bear the same voting and economic rights.

The shares of Banco Bilbao Vizcaya Argentaria, S.A. are listed on the Spanish continuous market and in Mexico (Bolsa Mexicana de Valores) and on the stock exchanges in New York, Frankfurt, London, Zurich and Milan.

BBVA Banco Francés, S.A. is listed on the Latin-American market of the Bolsa de Madrid. BBVA's American Depositary Shares (ADS) are listed on the New York exchange and traded on the Bolsa de Lima (Peru) under an agreement between both markets.

At 31st December 2007, the shares of BBVA Banco Continental, S.A., Banco Provincial C.A., BBVA Colombia, S.A., BBVA Chile, S.A., BBVA Banco Francés, S.A. and AFP Provida were trading on the local exchanges within their different countries. BBVA Banco Francés, S.A. and AFP Provida were also trading on the New York Stock Exchange.

The BBVA has no debt issues that can be converted into and/or swapped for BBVA shares.

On 10th September 2007, BBVA made a capital increase, approved by the Extraordinary General Meeting (EGM), 21st June 2007. It comprised an issue of 196,000,000 ordinary shares to use as the consideration for the takeover of the entire share capital of Compass Bancshares, Inc.

The AGM, 28th February 2004, conferred authority on the Board of Directors, pursuant to article 153.1.b) of the Companies Act, to resolve to increase the capital on one or several occasions, up to the maximum nominal amount representing 50% of the Company's share capital subscribed and paid up on the date when the resolution is adopted, ie, €830,758,750.54. The directors have the legally established time period during which to increase the capital, ie, five years. The only amount that BBVA has drawn down against this authorisation so far is the capital issue it made in November 2006 for €78,947,368.22.

Apart from the aforementioned resolutions, it is reported that the AGM, 18th March 2006, resolved to confer on the Board of Directors the authority to issue, within the maximum period of five years, on one or several occasions, directly or through subsidiary companies with full guarantee from the Bank, all kinds of debt instruments, documented as debentures, bonds of any class, promissory notes, warrants of any class, totally or partially exchangeable for shares already issued by the Company itself or by another company or as futures payable by cash settlement, or any other fixed-income securities, in euros or in any other currency, to be subscribed in cash or in kind, nominative or made out to the bearer, senior or secured by any kind of guarantee, including mortgage-backed securities, with or without the incorporation of warrants, subordinate or not, with a time limit or open-ended, to a total maximum sum of €135 bn (135,000,000,000 euros).

At 31st December 2007, there were no significant capital issues in the pipeline amongst the member companies of the Financial Group.

During 2007 and 2006, the Group companies have carried out the following transactions with shares issued by the Bank:

CONCEPTOS	Nº acciones	Millones de euros
Saldo a 31 de diciembre de 2005	7.609.267	96
+ Compras	338.017.080	5.677
- Ventas	(337.319.748)	(5.639)
+/- Otros movimientos	(394)	(1)
- Derivados sobre acciones BBVA	-	14
Saldo a 31 de diciembre de 2006	8.306.205	147
+ Compras	921.700.213	16.156
- Ventas	(914.169.726)	(16.041)
+/- Otros movimientos	-	(1)
- Derivados sobre acciones BBVA	-	128
Saldo a 31 de diciembre de 2007	15.836.692	389

The average purchase price for the shares in 2007 was €17.53 per share and the average selling price for the shares in 2007 was €17.51 per share.

Net trading income generated by these shares issued by the Bank were booked under net assets under "Equity and Reserves". At 31st December 2007, said income was a negative amount of -€26m.

The Bank and some of its nominee companies held 15,836,692 and 8,306,205 Banco Bilbao Vizcaya Argentaria S.A. shares respectively at year-end 2007 and year-end 2006. These represented 0,423% and 0,233% of the share capital in circulation in 2007 and 2006, respectively. The book value of these shares was €389m and €147m at 31-Dec-07 and 31-Dec-06, respectively. During 2007, the percentage of shares the Group had in its treasury stock varied between a minimum of 0.136% and 1.919% of its capital (between 0,020% and 0,858% during 2006).

FECHA	SOCIEDAD	Nº ACCIONES	% DEL CAPITAL
31 de diciembre de 2007	BBVA	291.850	0,008%
	Corporación General Financiera	15.525.688	0,414%
	Otros	19.154	0,001%
	Total	15.836.692	0,423%
31 de diciembre de 2006	BBVA	2.462.171	0,069%
	Corporación General Financiera	5.827.394	0,164%
	Otros	16.640	0,000%
	Total	8.306.205	0,233%

b) Any restriction on the transferability of securities

There are no restrictions under law or under the Company bylaws on the free acquisition and transfer of shares. However, articles 56 and following in Act 26/1988, 29th July, on discipline and control in financial institutions, established the need to notify the Bank of Spain before buying or selling significant shareholdings in Spanish financial institutions.

c) Significant direct and/or indirect holdings in the share capital

At 31st December 2007, BBVA had not been informed of any significant holding in its share capital, except the holding owned by Mr Manuel Jove Capellán who, on said date, owned a significant holding of 5.010% of the BBVA share capital through the companies, IAGA Gestión de Inversiones, S.L., Bourdet Inversiones, SICAV, S.A. and Doniños de Inversiones, SICAV, S.A.. Moreover, the Bank of New York International Nominees, Chase Nominees Ltd and State Street Bank & Trust Co, as international custodians and deposit banks, respectively held 4.16%; 5.76% and 5.90% in the BBVA share capital.

d) Any restriction on voting rights

There are no restrictions under law or under the Company bylaws on the exercise of voting rights.

e) Shareholder agreements

BBVA has not received any information of shareholder agreements including any rules concerning the exercise of voting rights at its General Meetings or restricting and/or placing conditions over the free transferability of BBVA shares.

f) Regulations applicable to appointments and substitution of members of governing bodies and the amendment of company bylaws

Pursuant to the Company's Board Regulations, directors shall be appointed to the Board by the General Meeting without detriment to the faculty of the Board to co-opt members in the event of a vacancy.

In any event, proposed candidates for appointment as directors must meet the requirements of applicable legislation in regard to the special code for financial entities, and the provisions of the Company's bylaws.

The Board of Directors shall put its proposals to the General Meeting of the Company's shareholders in such a way that, if approved, the Board would contain an ample majority of external directors over executive directors and at least one third of the seats would be occupied by independent directors.

The proposals that the Board submits to the Company's General Meeting for the appointment or re-election of directors and the resolutions to co-opt directors made by the Board of Directors shall be approved at the proposal of the Appointments & Remuneration committee in the case of independent directors and on the basis of a report from said committee in the case of all other directors.

The Board's resolutions and deliberations shall take place in the absence of the director whose re-election is proposed. If the director is at the meeting, she/he must leave the room

Amendment of the Company bylaws

Article 30 of the BBVA Company bylaws establishes that the General Meeting of shareholders has the power to amend the Company bylaws and/or confirm and rectify the interpretation of said bylaws by the Board of Directors.

This shall be subject to the regulations established under articles 144 and following of the Companies Act.

The above notwithstanding, in order to adopt resolutions for substituting the corporate object, transforming, breaking up or winding up the company and amending this second paragraph of the present article, the General Meeting on first summons must be attended by two thirds of the subscribed capital with voting rights and on second summons, 60% of said capital.

g) Powers of the board members and, in particular, powers to issue and/or buy back shares

The executive directors shall hold broad-ranging powers of representation and administration in keeping with the requirements and characteristics of the posts they occupy.

With respect to the Board of Directors' capacity to issue BBVA shares, the AGM, 28th February 2004, resolved to confer authority on the Board of Directors, pursuant to article 153.1.b) of the Companies Act, to resolve to increase the capital on one or several occasions up to the maximum nominal amount representing 50% of the Company's share capital that is subscribed and paid up on the date on which the resolution is adopted, ie, €830,758,750.54. The directors have the legally established time period during which to increase the capital, ie, five years. The only amount that BBVA has drawn down against this authorisation so far is the capital issue it made in November 2006 for €78,947,368.22.

Likewise, the AGM, 16th March 2007, pursuant to article 75 of the Spanish Companies Act, authorised the Company, directly or through any of its subsidiary companies, for a maximum of eighteen months, to buy Banco Bilbao Vizcaya Argentaria, S.A. shares at any time and as often as deemed timely, by any means accepted by law.

h) Significant resolutions that the company may have passed that come into force, are amended or conclude in the event of any change of control over the company following a public takeover bid, and whose effects,

BBVA is not aware of any resolution that could give rise to changes in the control over the issuer.

i) Agreements between the company and its directors, managers or employees establishing indemnity payments when they resign or are dismissed without due cause or if the employment contract expires due to a takeover bid

The Bank's executive directors (the chairman & CEO, the president & COO and the company secretary) are entitled under their contracts to receive indemnity should they leave on grounds other than their own will, retirement, invalidity or dereliction of duty. The amount, terms and conditions of this indemnity are detailed in Note 57 of the annual report.

The Bank recognised the entitlement of some members of its management team, 59 senior managers, to be paid indemnity should they leave on grounds other than their own will, retirement, invalidity or dereliction of duty. The amount of this indemnity will be calculated in part as a function of their annual remuneration and the number of years they have worked for the Company and in part as a function of the amounts due to them under the passive rights they may have accumulated.

The Bank has agreed clauses with some staff (50 technical and specialist employees) to indemnify them in the case of dismissal without due cause. The amounts agreed are calculated as a function of the professional and wage conditions of each employee.