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Overview and financial performance

BBVA Public Sector business

BBVA Funding Strategy

“Cedulas Territoriales”

Appendix
BBVA, an international retail banking group …

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>€447 bn</strong></td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td><strong>€4,736 m</strong></td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td><strong>100,427</strong></td>
</tr>
<tr>
<td><strong>Branches</strong></td>
<td><strong>7,508</strong></td>
</tr>
<tr>
<td><strong>Countries</strong></td>
<td><strong>33</strong></td>
</tr>
<tr>
<td><strong># Customers</strong></td>
<td><strong>40 m</strong></td>
</tr>
</tbody>
</table>

… offering a full range of products and services

Company data as of March 31, 2007, except Net Income for full year 2006
...with strong credit rating

Long term ratings

Moody’s       Aa1
S&P           AA- Positive Outlook
Fitch         AA- Positive Outlook

“Cédulas Territoriales” ratings*

Moody’s       Aaa

* Expected
BBVA enjoys a strong position in attractive growth markets: from the home market, Spain...

The Spanish economy maintains better prospects than Europe

(%) GDP growth

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007e</th>
<th>2008e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>3.9</td>
<td>3.8</td>
<td>3.1</td>
</tr>
<tr>
<td>Europe</td>
<td>2.8</td>
<td>2.7</td>
<td>2.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BBVA</th>
<th>Market share</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>11.7%</td>
<td>1st</td>
</tr>
<tr>
<td>Deposits</td>
<td>11.9%</td>
<td>2nd</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>16.6%</td>
<td>2nd</td>
</tr>
<tr>
<td>Pension Funds</td>
<td>18.3%</td>
<td>1st</td>
</tr>
<tr>
<td>Branches</td>
<td>8.5%</td>
<td></td>
</tr>
</tbody>
</table>

Number of customers: 11 million

Source: BBVA estimates

Source: BBVA Economic Research Department
# Sound macroeconomic environment

## Mexico

<table>
<thead>
<tr>
<th>(% GDP growth)</th>
<th>2006</th>
<th>2007e</th>
<th>2008e</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mexico</strong></td>
<td>4.7</td>
<td>3.6</td>
<td>3.8</td>
</tr>
</tbody>
</table>

* Excluding Brazil

**Market Share**

- Loans: 30.0%, 1st
- Deposits: 26.6%, 1st
- Pension Funds: 17.1%, 2nd

**Number of Customers**: 13.8 m

Source: BBVA estimates

## South America*

<table>
<thead>
<tr>
<th>(% GDP growth)</th>
<th>2006</th>
<th>2007e</th>
<th>2008e</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>South America</strong></td>
<td>5.3</td>
<td>4.8</td>
<td>4.3</td>
</tr>
</tbody>
</table>

**Market Share**

- Loans: 10.4%, 2nd
- Deposits: 10.4%, 1st
- Pension Funds: 24.2%, 1st

**Number of Customers**: 8.5 m

Source: BBVA estimates

---

* Excluding Brazil

Source: BBVA Economic Research Department
Balanced distribution of assets and profits

Group assets distribution (%)
- Spain, Rest of Europe & USA, 80%
- Mexico & Chile, 14%
- Latam, 6%
- Non Inv. Grade

Net attributable profit distribution (%)
- Spain & Portugal, 41%
- Wholesale & Investment Bk., 13%
- Bancomer & USA, 31%
- Pensions & Insurance Latam, 5%
- South American Banks, 10%

Data as of March 2007
High quality and low risk profile of the loan portfolio in Spain and Latin America

Spain
Loan portfolio distribution

- Mortgages: 43%
- SMEs: 17%
- Small businesses: 10%
- Consumer: 8%
- Large corporates: 12%
- Public Sector: 10%

50% of loan portfolio in Spain is secured

Latin America
Loans/total assets

- Loans: 58%

By Segments
- 50% individuals (23% mortgages)
- 42% Corporates & SMEs
- 6% Public Sector

66% in Mexico

Data as of March 2007
Strong capital position

BIS ratio (%)

1999 2006 2006

8.5 7.8 7.2 Core capital

11.3 12.0 6.2

Additionally:

- €3.0bn unrealized capital gains
- Full coverage of pension fund liabilities

(1) Including generic provisions net of expected losses in core capital.
1999 data Pre-IFRS
Moderate risk profile and superior coverage ratio

- NPL ratio (%)
  - BBVA: 0.83
  - 2nd Europe: 2.60
  - Europe banks average: 0.83

- Coverage ratio (%)
  - BBVA: 272.8
  - 1st Europe: 81.4
  - Europe banks average: 2.60

95% assets investment grade
44% of lending collateralized

Full year 2006
... and best in class efficiency and profitability

Cost: income ratio (%)

<table>
<thead>
<tr>
<th></th>
<th>BBVA</th>
<th>European banks average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Europe</td>
<td>44.0</td>
<td>58.2</td>
</tr>
</tbody>
</table>

ROE (%)

<table>
<thead>
<tr>
<th></th>
<th>BBVA</th>
<th>European banks average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Europe</td>
<td>36.4</td>
<td>24.6</td>
</tr>
</tbody>
</table>

Full year 2006 excluding one-offs items
2006: a year of record profit for BBVA

Net attributable profit (€m)

- 2002: 1,719
- 2003: 2,227
- 2004: 2,923
- 2005: 3,806
- 2006: 4,736

(1) Excluding one-offs

(1) Excluding one-offs

+20.3%

+30.2%

+31.2%

+24.4%

+29.6%
**2007 has started on a strong note**

Net attributable profit excl. one-offs (€m)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>1Q05</th>
<th>2Q05</th>
<th>3Q05</th>
<th>4Q05</th>
<th>1Q06</th>
<th>2Q06</th>
<th>3Q06</th>
<th>4Q06</th>
<th>1Q07</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>815</td>
<td>998</td>
<td>914</td>
<td>1,079</td>
<td>1,020</td>
<td>1,159</td>
<td>1,121</td>
<td>1,280</td>
<td>1,254</td>
</tr>
</tbody>
</table>

+25.1% in constant euros

+31.1% in constant euros
With all business areas contributing

All Business Areas grow above 20% at the operating profit level
1Q07: Excellent asset quality and coverage ratio

### BBVA Group

<table>
<thead>
<tr>
<th>Date</th>
<th>NPL Ratio</th>
<th>Coverage Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar.06</td>
<td>0.90</td>
<td>262.1</td>
</tr>
<tr>
<td>Jun.06</td>
<td>0.82</td>
<td>275.1</td>
</tr>
<tr>
<td>Sep.06</td>
<td>0.82</td>
<td>275.8</td>
</tr>
<tr>
<td>Dec.06</td>
<td>0.83</td>
<td>272.8</td>
</tr>
<tr>
<td>Mar.07</td>
<td>0.84</td>
<td>263.4</td>
</tr>
</tbody>
</table>

### Regional Coverage

<table>
<thead>
<tr>
<th>Region</th>
<th>NPLs</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain &amp; Portugal</td>
<td>0.59</td>
<td>296.3</td>
</tr>
<tr>
<td>Mexico and USA</td>
<td>2.33</td>
<td>276.2</td>
</tr>
<tr>
<td>South America</td>
<td>2.62</td>
<td>133.4</td>
</tr>
</tbody>
</table>

71% of loan-loss provisions are generic.
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Appendix
Corporate and Business Banking Division

Banking in Spain and Portugal

Corporate & Business Banking

- **Client Presence**
  - SMEs: 33%
  - Public Institutions: 53%
  - Corporates: 96%

- **Market Share**
  - SMEs: 23%
  - Public Institutions: 36%
  - Corporates: 15%

Source: Inmark and Bank of Spain
BBVA is the leading player in Spanish Public Sector business.

Public Sector loans market share (%):
- Banks: 59%
- Saving Banks: 32%
- Other: 9%

BBVA Group: 36%
- BBVA: 16%
- BCL: 19%
BBVA is the market leader in lending to the public sector in Spain, based on:

- Business model of integral relationship banking, offering a full range of financial products and services, including high value added services such as project finance, tax collection services and specialized internet portals
- Strong nationwide presence
- BBVA Group manages the public sector business through BBVA and its specialist subsidiary Banco de Crédito Local (same management and risk policies but separate portfolios)
More than 6,000 clients, covering all areas of the Spanish Public Sector

1. Central Administration
   - Government Departments, Autonomous Entities
   - Public Enterprises

2. Regional Governments
   - Regional Governments
   - Public Enterprises, Autonomous Entities at regional level

3. Local Administration
   - Provincial Administration
   - Municipalities
   - Public Enterprises, Autonomous Entities at local level
Specialised network for Public Sector clients

Specialized network
• 52 branches in Spain, nationwide coverage
• 2 branches in Belgium
• 2 branches in Portugal

Account manager approach for client management
Segment specific expertise
Highly trained and experienced staff
High cross-sell ratios
A diversified and good quality portfolio

BBVA Public Sector business
Loan structure (%)

By type of borrower
- Other public entities 45%
- Regional Gov. 23%
- Municipalities 22%
- Central Gov. 10%

By region
- Catalonia 26%
- Madrid 26%
- Andalucía 13%
- Valencia 11%
- Balearic I. 5%
- Basque Co. 4%
- Other 15%

NPL ratio 0.08%
NPLs Coverage 154%

Data as of June 2007
Overview and financial performance

BBVA Public Sector Business

BBVA Funding Strategy

“Cedulas Territoriales”

Appendix
Diversification by tenor, instruments and market:
- Short term: Spanish bills ("pagarés"), CP
- Medium term: Euromarket, GMTN, private placements
- Long term: “Cedulas hipotecarias” (Covered bonds), senior debt, capital instruments

Liquid benchmarks are established by maturities

Smooth maturity profile

A policy of independence and coordination of funding needs. Group subsidiaries fund themselves independently, without support from the parent

Transparency and communication with market participants. High quality of disclosed information
**BBVA: a diversified funding structure**

<table>
<thead>
<tr>
<th>Total stock (30/06/07 € Bn)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage CBs</td>
<td>39.0</td>
</tr>
<tr>
<td>Public Sector CBs</td>
<td>4.1</td>
</tr>
<tr>
<td>Senior debt (MTN)</td>
<td>34.6</td>
</tr>
<tr>
<td>Subordinated debt</td>
<td>8.3</td>
</tr>
<tr>
<td>Preferred shares</td>
<td>4.5</td>
</tr>
<tr>
<td>Spanish bills</td>
<td>5.4</td>
</tr>
<tr>
<td>Securitisations</td>
<td>21.0</td>
</tr>
<tr>
<td>Other (1)</td>
<td>2.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>119.7</strong></td>
</tr>
</tbody>
</table>

**Total Stock Distribution (30/06/07)**

- Mortgage CBs: 32%
- Securitisations: 18%
- Preferred shares: 4%
- Subordinated debt: 7%
- Senior debt: 29%
- Other: 2%
- Spanish bills: 5%
- Public sector CBs: 3%

(1) USCDS, ECDs Eurodeposits and Private Placements
New initiatives:
- Securitisations playing a more important role
- Increasing presence in the US bond market
- Broader investor base for capital instruments
- New ECP programme
Maturity profile

BBVA funding maturity matrix

Cédulas hipotecarias  Senior debt  Sub. Debt + Pref.

BBVA
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Appendix
Public sector covered bonds represent just 27% of new issuance

Breakdown of Benchmark Issuance by Collateral type

Source: Barclays Capital
The CTs are full recourse to BBVA

CTs holders have a priority security claim over the Cover Pool: BBVA’s entire public-sector loan and credit book

The CTs holders are classified by the Law in the category “special-privileged creditors” in respect of any amount due under the CTs

CTs cannot be terminated merely on the grounds of the existence of insolvency proceedings. The collateral and the proceeds thereof will be reserved, by provision of law, for the settlement of such special-privileged credit rights

The maximum amount of outstanding CTs that an issuer is allowed to issue may not exceed 70% of the Cover Pool.

This translates into a minimum 43% over-collateralisation required by law, the highest level in any European jurisdiction
## European covered bonds: a comparison

<table>
<thead>
<tr>
<th></th>
<th>Spain Cédulas</th>
<th>Germany German Pfandbrief</th>
<th>France Obligations Foncières</th>
<th>UK Structured CB</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Over-collateralisation</strong></td>
<td>Minimum 43%</td>
<td>Minimum 2%</td>
<td>Over-collateralisation is required but level is not explicitly defined</td>
<td>Minimum 7.5% (additional over-coll. may be needed particular risks in case of bankruptcy of the seller)</td>
</tr>
<tr>
<td><strong>Eligible Assets</strong></td>
<td>EAA Public Sector Loans and Credits (no bonds). No cover asset register: priority claims against total public-sector pool + full senior recourse to all the assets of the issuer</td>
<td>Public Sector Loans and Bonds.</td>
<td>No separation between public and mortgage pool required. No limit for AAA MBS and Public Sector ABS tranches</td>
<td>Types not fully standardised: prime mortgages, buy-to-let, self-certified. First-lien residential mortgages</td>
</tr>
<tr>
<td><strong>Substitution Assets</strong></td>
<td>No</td>
<td>Derivatives (max 12% of cover pool, in NPV terms). Claims against certain banks (max. 10%)</td>
<td>Deposits and Loans to credit institutions. Other CBs. Promissory notes. Max 15%</td>
<td>Bank Deposits. Triple-A RMBS tranches, government securities. Short-term notes. Max 10%</td>
</tr>
<tr>
<td><strong>Risk-weighting</strong></td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Supervision and framework</strong></td>
<td>Bank of Spain, Ministry of Economy</td>
<td>BAFIN (German Banking supervisor)</td>
<td>Commission Bancaire</td>
<td>No explicit covered bond legal framework</td>
</tr>
<tr>
<td><strong>Effect on balance sheet</strong></td>
<td>Loans remain on the bank’s balance sheet</td>
<td>Loan remain on the bank’s balance sheet</td>
<td>Loans remain on the bank’s balanced sheet</td>
<td>True Sale</td>
</tr>
<tr>
<td><strong>Statutory preferential right in bankruptcy</strong></td>
<td>Preferential claim on the entire public sector loan portfolio. If cover pool is insufficient, CTs rank pari-passu with senior unsecured debt</td>
<td>Segregation of cover pool in case of insolvency</td>
<td>No recourse to parent company</td>
<td>Administrative expenses and derivatives payments rank prior to amounts due on covered bonds</td>
</tr>
<tr>
<td><strong>External Support</strong></td>
<td>Not regulated, but very likely. In the past Bank of Spain stepped in where banks were in stress</td>
<td>Not regulated</td>
<td>Not regulated</td>
<td>Absent. Certain thresholds trigger replacement of servicer ahead of issuer’s default</td>
</tr>
</tbody>
</table>
BBVA’s Cedulas Territoriales, very strong over-collateralisation

Over-collateralisation 149%

€ bn
10.2

Max. Issuance
7.2

New issue

Outstanding issues

BBVA SA - Public Sector Loans

Max. Issuance

CTs Issues

4.1

70%

Data as of June 2007
BBVA Cédulas Territoriales: Strengths

- **Ratings**: Moody’s: Aaa
- **Quality of the security portfolio**: Loans to the Public Sector
- **Over-collateralisation**: Legal minimum of 43%
- **Risk weighting**: 10% BIS
- **Liquid Asset Class**: Market making agreements
Overview and financial performance

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Appendix
### BBVA Financials

<table>
<thead>
<tr>
<th>Balance (million euros)</th>
<th>2005</th>
<th>2006</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>392,389</td>
<td>411,916</td>
<td>5.0</td>
</tr>
<tr>
<td>Customer lending (Gross)</td>
<td>222,413</td>
<td>262,969</td>
<td>18.2</td>
</tr>
<tr>
<td>On-balance sheet customer funds</td>
<td>259,200</td>
<td>283,645</td>
<td>9.4</td>
</tr>
<tr>
<td>Total customer funds</td>
<td>403,087</td>
<td>425,709</td>
<td>5.6</td>
</tr>
<tr>
<td>Equity</td>
<td>17,302</td>
<td>22,318</td>
<td>29.0</td>
</tr>
<tr>
<td>Shareholders’ funds</td>
<td>13,036</td>
<td>18,210</td>
<td>39.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income (million euros)</th>
<th>2005</th>
<th>2006</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>7,208</td>
<td>8,374</td>
<td>16.2</td>
</tr>
<tr>
<td>Ordinary revenues</td>
<td>13,024</td>
<td>15,701</td>
<td>20.6</td>
</tr>
<tr>
<td>Operation profit</td>
<td>6,823</td>
<td>8,883</td>
<td>30.2</td>
</tr>
<tr>
<td>Pre tax profit</td>
<td>5,592</td>
<td>7,030</td>
<td>25.7</td>
</tr>
<tr>
<td>Net attributable profit</td>
<td>3,806</td>
<td>4,736</td>
<td>24.4</td>
</tr>
</tbody>
</table>
### Significant ratios

<table>
<thead>
<tr>
<th>Ratio</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROE (Net attributable profit/average equity)</td>
<td>37.0</td>
<td>37.6</td>
</tr>
<tr>
<td>ROA (Net profit/ATA)</td>
<td>1.12</td>
<td>1.26</td>
</tr>
<tr>
<td>Efficiency ratio including depreciation and amortization</td>
<td>46.7</td>
<td>42.6</td>
</tr>
<tr>
<td>NPL ratio</td>
<td>0.94</td>
<td>0.83</td>
</tr>
<tr>
<td>NPL coverage ratio</td>
<td>252.5</td>
<td>272.8</td>
</tr>
</tbody>
</table>

### Capital adequacy ratios (BIS)

<table>
<thead>
<tr>
<th>Ratio</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>12.0</td>
<td>12.0</td>
</tr>
<tr>
<td>Tier I</td>
<td>7.5</td>
<td>7.8</td>
</tr>
<tr>
<td>Core capital</td>
<td>5.6</td>
<td>6.2</td>
</tr>
</tbody>
</table>

### Data per share and market capitalisation

<table>
<thead>
<tr>
<th>Ratio</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net attributable profit</td>
<td>1.12</td>
<td>1.39</td>
</tr>
<tr>
<td>Dividend</td>
<td>0.531</td>
<td>0.637</td>
</tr>
<tr>
<td>Book value</td>
<td>3.84</td>
<td>5.13</td>
</tr>
<tr>
<td>Market capitalisation</td>
<td>51,134</td>
<td>64,788</td>
</tr>
</tbody>
</table>

### Other information

<table>
<thead>
<tr>
<th>Ratio</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shares</td>
<td>3,391</td>
<td>3,552</td>
</tr>
<tr>
<td>Number of employees</td>
<td>94,681</td>
<td>98,553</td>
</tr>
<tr>
<td>Number of branches</td>
<td>7,410</td>
<td>7,585</td>
</tr>
</tbody>
</table>
BBVA “Cédulas Territoriales”
Investor presentation

July 2007