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The Americas Division was split in three in 2006

**MEXICO**
- BBVA Bco Francés (Argentina)
- BBVA Chile
- BBVA Colombia+Granahorrar
- BBVA Panama
- BBVA Paraguay
- BBVA Banco Continental (Peru)
- BBVA Uruguay
- BBVA Banco Provincial (Venez.)

**SOUTH AMERICA**
- Consolidar AFJP (Argentina)
- BBVA Provida (Chile)
- Afore Bancomer (Mexico)
- BBVA Horizonte (Colombia)
- BBVA Horizonte (Peru)
- BBVA Previsión (Bolivia)
- BBVA Crecer (Dominican R.)

**USA**
- Seguros Bancomer (Mex)
- Pensiones Bancomer (Mex)
- Consolidar Gp (Argentina)
- CTS (Chile)
- BBVA Seguros (Chile)
- BBVA Seguros Vida (Col)
- BBVA Seguros Gen. (Col)
- BBVA Seguros (P.Rico)
- Seguros Provincial (Venez.)
- Preventis-Meximed (Mex)
- Seguros Dominic R.
South America Division accounts for 8% of the Group’s total assets and 15% of customer funds.
.. 28% of employees and 22% of branches

- BBVA GROUP:
  - 98,553 employees

- SOUTH AMERICA:
  - 27,374 employees

- BBVA GROUP:
  - 7,585 branches

- SOUTH AMERICA:
  - 1,635 branches
It generates one-seventh of BBVA’s net attributable profit

Net Attrib. Profit in 2006 (%)

BBVA GROUP: €4,736m

SOUTH AMERICA: €683m (14%)

BANKS: 8%

PENSIONS AND INSURANCE: 6%
High diversification in businesses and countries

Net attr. profit in 2006 (%)

- BBVA Colombia: 11%
- BBVA Francés: 20%
- BBVA Continental: 13%
- BBVA Chile: 1%
- BBVA Panamá: 2%
- Provida: 7%
- Other pension: 6%
- Insur. México: 14%
- Other insurance: 2%
- Argentina: 3%
- B.Provincial: 17%
- Afore Bancomer: 7%
- Other banks: 2%
- Other insurance: 2%
Distribution by country also reveals considerable diversification

- Argentina: 22%
- México: 19%
- Venezuela: 17%
- Colombia: 13%
- Perú: 14%
- Paraguay: 2%
- Panamá: 14%
- Chile: 9%
- Other: 2%

Net attr. profit in 2006 (%)

Distribution by country also reveals considerable diversification.
With prominent positions in the main markets

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>DEPOSITS</th>
<th>LOANS</th>
<th>PENSIONS (*)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RANKING</td>
<td>MKT. SH (%)</td>
<td>RANKING</td>
</tr>
<tr>
<td>ARGENTINA</td>
<td>1st</td>
<td>10.00</td>
<td>3rd</td>
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<td>8.05</td>
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<td>3rd</td>
<td>11.51</td>
<td>3rd</td>
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<td>5th</td>
<td>4.64</td>
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<td>PARAGUAY</td>
<td>2nd</td>
<td>15.11</td>
<td>1st</td>
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<td>PERU</td>
<td>2nd</td>
<td>24.57</td>
<td>2nd</td>
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<tr>
<td>URUGUAY</td>
<td>5th</td>
<td>9.08</td>
<td>5th</td>
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<td>VENEZUELA</td>
<td>4th</td>
<td>10.33</td>
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</tr>
</tbody>
</table>

Share of assets under management
Contents

01 BBVA South America Division

02 Results for 2006

03 Outlook for 2007

04 Conclusions
South America: 2006 results

(Constant €m)

<table>
<thead>
<tr>
<th>SOUTH AMERICA</th>
<th>2006</th>
<th>05/04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Interest Income</td>
<td>1,310</td>
<td>28.4%</td>
</tr>
<tr>
<td>Core Revenues</td>
<td>2,122</td>
<td>24.1%</td>
</tr>
<tr>
<td>Ordinary Revenues</td>
<td>2,405</td>
<td>29.1%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>1,163</td>
<td>37.4%</td>
</tr>
<tr>
<td>Net Attributable Profit</td>
<td>509</td>
<td>37.0%</td>
</tr>
</tbody>
</table>
South America: 2006 highlights

- Macroeconomic environment marked by stability and continuation of economic policies
- Banking penetration: sharp growth in lending and customer funds
- Growth in bancassurance
- Excellent integration of Granahorror
- Balanced structure of attributable profit
High growth in lending and customer funds maintained . . .

Lending
Year-on-year growth
(Average balances)

- Dec.05: 25.9%
- Jun.06: 28.7%
- Dec.06: 29.6%

Customer funds
Year-on-year growth
(Average balances)

- Dec.05: 24.0%
- Jun.06: 22.2%
- Dec.06: 21.1%

Ordinary revenues +29.1% at constant exchange rates
With improvements in efficiency boosting operating profit

Cost/income ratio incl. depreciation

-2.9 pp

Operating profit

+37.4%

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost/income ratio incl. depreciation (%)</th>
<th>Operating profit (Constant €m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>52.6</td>
<td>847</td>
</tr>
<tr>
<td>2006</td>
<td>49.7</td>
<td>1,163</td>
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</table>
Strict control of risk

Loan loss provisions and funds
(Constant €m)

<table>
<thead>
<tr>
<th></th>
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</tr>
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<tbody>
<tr>
<td>2005</td>
<td>689</td>
<td>72</td>
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<tr>
<td>2006</td>
<td>699</td>
<td>151</td>
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</table>

NPL ratio and coverage (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>NPL Ratio</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec.04</td>
<td>3.67</td>
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<tr>
<td>Dec.05</td>
<td>3.15</td>
<td></td>
</tr>
<tr>
<td>Dec.06</td>
<td>2.67</td>
<td></td>
</tr>
</tbody>
</table>

55% of total funds and 62% of provisions are generic
South America: Attributable profit and profitability

Attributable profit (Constant €m)

- **2005**: 371
- **2006**: 509

With balanced contributions to profit

ROE (%)

- **2005**: 30.1
- **2006**: 31.8

+37.0%

+1.7 pp
Banks
Highly positive year for banks

All revenue streams are up

Robust advance in NII owing to strong increase in lending

Helped by net fee and trading income

Substantial rise in expenses due to increased business activity

Absence of surprises below the line and with risk premium under control

High profit growth – exceeding expectations
Net interest income was the biggest contributor...

... supported by a sharp increase in business volumes. Lending was up 29.6% and customer funds were up 21.1%.
Consumer finance and cards (the most profitable segments) recorded the highest growth

% y-o-y growth – total banks

Consumer+cards: 58.6
Mortgages: 16.9
SMEs: 29.5
Public sector: -16.0
Net fee income also performed well despite government measures and competition.
Revenues grew faster than expenses and thus the cost/income ratio continues to improve.
... and operating profit is growing strongly
Provisions returned to normal, apart from higher generic provisions on the increase in lending and the change of mix (consumer finance and cards gain ground) ...

Loan-loss provisions
Constant €m

Risk premium (%)

55% of funds and 62% of the provisions are generic
... because the NPL ratio and coverage have improved during the year and bad loans are under control

NPL ratio & coverage
S. American banks (%)

<table>
<thead>
<tr>
<th></th>
<th>Dec-05</th>
<th>Dec-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPL ratio</td>
<td>3.67</td>
<td>2.67</td>
</tr>
<tr>
<td>Coverage</td>
<td>109</td>
<td>133</td>
</tr>
</tbody>
</table>

Non performing assets €m

<table>
<thead>
<tr>
<th></th>
<th>Dec-04</th>
<th>Dec-05</th>
<th>Dec-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>€m</td>
<td>213</td>
<td>202</td>
<td>219</td>
</tr>
</tbody>
</table>
As a result: high profit growth and considerable budget surplus

Net profit
Constant €m

2005  425
2006  602

... with all countries contributing
### Banks in South America: 2006 results

(Constant €m)

<table>
<thead>
<tr>
<th>Category</th>
<th>2006</th>
<th>2005/04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>1,301</td>
<td>+28.4%</td>
</tr>
<tr>
<td>Core revenues</td>
<td>1,739</td>
<td>+26.4%</td>
</tr>
<tr>
<td>Ordinary revenues</td>
<td>1,977</td>
<td>+31.9%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>980</td>
<td>+40.4%</td>
</tr>
<tr>
<td>Net attributable profit</td>
<td>422</td>
<td>+46.7%</td>
</tr>
</tbody>
</table>
Pensions and Insurance
A complex year for pension business

Considerable competition in most countries, especially Mexico and Peru

Need for adjustment of fees in Afore (Mexico) and Horizonte (Peru)

Expenses higher due to larger sales force

Although partially offset by positive earnings from “encaje” and trading income

A difficult year for this unit
Competition forced us to lower fees in Afore and Horizonte Peru.

Net fee income
Total pensions

Total pensions

Ex-Afore Bancomer

Constant €m
Consolidated

2005 2006

2005 2006

422
414

-2%

236
252

+7%
Nonetheless, the year was generally very positive for financial revenues despite significant market volatility in 2Q06
Rebound in expenses in last quarter due to larger sales forces for Afore Bancomer and Horizonte

Expenses + deprec. Total pensions +15.3%

Constant €m Consolidated

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Expenses + Deprec.</th>
<th>Total Pensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q05</td>
<td>57</td>
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</tr>
<tr>
<td>2Q05</td>
<td>57</td>
<td></td>
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<tr>
<td>3Q05</td>
<td>70</td>
<td></td>
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<tr>
<td>4Q05</td>
<td>63</td>
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<tr>
<td>1Q06</td>
<td>68</td>
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<tr>
<td>2Q06</td>
<td>67</td>
<td></td>
</tr>
<tr>
<td>3Q06</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>4Q06</td>
<td>77</td>
<td></td>
</tr>
</tbody>
</table>
2006 was very positive for insurance business

Sales up in most product lines

Resulting in a sharp rise in premiums

With a moderate rise in claims

Bancassurance continues to be the biggest contributor and develops faster

Significant increase in profit
## Pensions and insurance America: 2006 results

**Net interest income**
- **2006**: 11, **05/04**: -30.8%

**Core revenues**
- **2006**: 389, **05/04**: +11.6%

**Ordinary revenues**
- **2006**: 434, **05/04**: +11.9%

**Operating profit**
- **2006**: 216, **05/04**: +18.7%

**Net attributable profit**
- **2006**: 109, **05/04**: +24.9%

(All figures are in Constant €m)
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What does 2007 look like?

• The international context will remain benign for Latin America (US growth will be revised upward, some commodity prices will stay high), with some market turbulence.

• The various elections in 2006 had no negative impact on the economies.

2007 will be a good year for Latin America.
The expected environment is positive – similar to last year

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006(e)</th>
<th>2007(f)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>9.2</td>
<td>8.5</td>
<td>7.9</td>
</tr>
<tr>
<td>Brazil</td>
<td>2.3</td>
<td>3.0</td>
<td>3.3</td>
</tr>
<tr>
<td>Chile</td>
<td>6.3</td>
<td>4.1</td>
<td>5.2</td>
</tr>
<tr>
<td>Colombia</td>
<td>5.2</td>
<td>7.1</td>
<td>6.2</td>
</tr>
<tr>
<td>Mexico</td>
<td>3.0</td>
<td>4.7</td>
<td>3.6</td>
</tr>
<tr>
<td>Peru</td>
<td>6.4</td>
<td>7.4</td>
<td>6.3</td>
</tr>
<tr>
<td>Uruguay</td>
<td>6.6</td>
<td>6.9</td>
<td>4.9</td>
</tr>
<tr>
<td>Venezuela</td>
<td>10.3</td>
<td>10.3</td>
<td>4.3</td>
</tr>
<tr>
<td>LATAM¹</td>
<td>4.4</td>
<td>5.2</td>
<td>4.5</td>
</tr>
</tbody>
</table>

Source: BBVA’s research service

(1) Average of the eight countries in the sample.
### Inflation at year-end

<table>
<thead>
<tr>
<th>Country</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>6.1</td>
<td>12.3</td>
<td>9.8</td>
<td>10.0</td>
</tr>
<tr>
<td>Chile</td>
<td>2.4</td>
<td>3.7</td>
<td>2.6</td>
<td>3.3</td>
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<tr>
<td>Colombia</td>
<td>5.5</td>
<td>4.9</td>
<td>4.5</td>
<td>4.2</td>
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<tr>
<td>Mexico</td>
<td>5.2</td>
<td>3.3</td>
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<td>3.5</td>
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<tr>
<td>Peru</td>
<td>3.5</td>
<td>1.5</td>
<td>1.1</td>
<td>1.9</td>
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<tr>
<td>Venezuela</td>
<td>19.2</td>
<td>14.4</td>
<td>17.0</td>
<td>17.3</td>
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<tr>
<td><strong>Average</strong></td>
<td><strong>6.8</strong></td>
<td><strong>6.0</strong></td>
<td><strong>5.1</strong></td>
<td><strong>5.4</strong></td>
</tr>
</tbody>
</table>

Source: BBVA's research service
No big changes in interest rates

Source: BBVA’s research service

<table>
<thead>
<tr>
<th>Rate at year-end</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
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</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>3.1</td>
<td>5.0</td>
<td>8.9</td>
<td>12.6</td>
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<tr>
<td>Chile</td>
<td>2.3</td>
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<td>Colombia</td>
<td>7.8</td>
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<td>Mexico</td>
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<tr>
<td>Venezuela</td>
<td>12.4</td>
<td>10.9</td>
<td>10.3</td>
<td>10.4</td>
</tr>
</tbody>
</table>
We are in a solid and competitive position to handle the challenges ahead

- A Latin-American conglomerate of financial groups, leaders in their respective markets
- Efficient and financially sound
- With a tested and uniform management model
- With a distinctive approach to global business
- With the support of a multi-domestic group
- With the freedom to define our future in terms of each market
A new vision of business lines, which is reflected in our goals

FROM ... ... TO

Mkt share – deposits

Mkt share – lending

Mkt share – pensions

Mkt share of total financial-sector revenues

Emphasis on new business lines

Analysis of other competitors: retailers, consumer finance companies

Strong growth
In banking, the strategic lines in 2007 will be ...

1. New focus
   - Banking penetration
   - Payment methods / consumer finance
   - New segments / channels
   - Greater efforts in SME banking

2. Infrastructure
   - Tools / marketing intelligence / risk
   - Cost structure
   - Banking penetration: new models

3. Leveraging capacity
   - Global Businesses
   - Financial group
   - Synergies
We must widen the customer spectrum beyond the better-known segments and relationships

**BANKED SEGMENTS**
- Marketing productivity
- Approach / channels, tested and efficient

**UNDER–BANKED SEGMENTS**
- A different range of products
- New distribution channels
With SMEs, we have to reinforce our leadership

Vision of market segments

- **CORPORATES (GLOBAL BUSINESS)**
  - Global management
  - Emphasise added-value

- **SMALL AND MID-SIZE COMPANIES**
  - Emphasise local focus
  - Lending + cash management
  - Quest for share of wallet
  - Wider customer base
Pension business: we must pull out all stops to complete the cycle

<table>
<thead>
<tr>
<th>Country</th>
<th>Contributions</th>
<th>Disbursment</th>
<th>Services</th>
<th>Services</th>
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<tr>
<td></td>
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<td>Voluntary P.</td>
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<td>Multi-fund</td>
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<td>Group</td>
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<td>MEXICO</td>
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<tr>
<td>BOLIVIA</td>
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<tr>
<td>DOMIN, R.</td>
<td></td>
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</tr>
</tbody>
</table>

Legislated
No legislation

BBVA’s activity
low
average
high
total
**Insurance business: we must . . .**

1. Increase the product range to cover more of customers’ insurance needs

2. Make products more distinctive, adapting them to each segment

3. Develop the bancassurance model:
   - Sophisticated ability to assume risk
   - Increased post-sales service capacity
But the strategy must be specific for each country

In each country we are a leading financial group
Strategy in Argentina

- Vigorous marketing: the quest for leadership
- Priority in recovering mkt share and encouraging private investment
  - consumer finance, cards & mortgages
  - Strengthen corporate & business leadership
  - Boost bancassurance
- Reduce public–sector risk and mismatching
- Emphasis on efficiency and productivity
Strategy in Chile

- Greater work on revenue growth projects
  - Partnerships / new segments
  - Cards, consumer finance, insurance, SMEs and trading income

- Boost distribution capacity and revenue synergies with the financial group

- Goal: operating profit
Strategy in Colombia

› Merger:
  
  achieve the operational goal: cost synergies

› Emphasis on mortgages, although priority is also on consumer finance, SMEs and bancassurance

› Group synergies
Strategy in Peru

- Expansion of customer base through lending
- Boost co-operation between areas
  - AFP, wholesale, SMEs and institutions banking
- Increase deposits
- Stand fast in the AFP marketing war
- New growth sectors
  - New business lines, new channels
We have three basic lines of action in an unfavourable environment:

- **QUALITY**
  - Customer focus

- **BUSINESS THRUST**
  - Priority on lending and profitable segments

- **AUSTERITY**
  - Rationalise costs to offset regulatory pressure
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03 Outlook for 2007

04 Conclusions
2006 has been an extremely positive year for the South America Area

- Surge in business activity in all units.
- Significant revenue growth.
- Lack of pressure on loan-loss provisions and extraordinary items.
- Favourable year for insurance.
- Costs up due to marketing but efficiency improves.
- Difficulties in AFP business.
In 2007, we expect:

• Strong support for banking penetration: the region’s strategic project
• High growth of business, especially lending
• Sharp improvement in revenues, except trading income
• Recovery of pension business
• Good performance of insurance

2007: a good year for South America
South America