

150
years
adelante



BBVA making the difference



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Spain

BBVA making the difference



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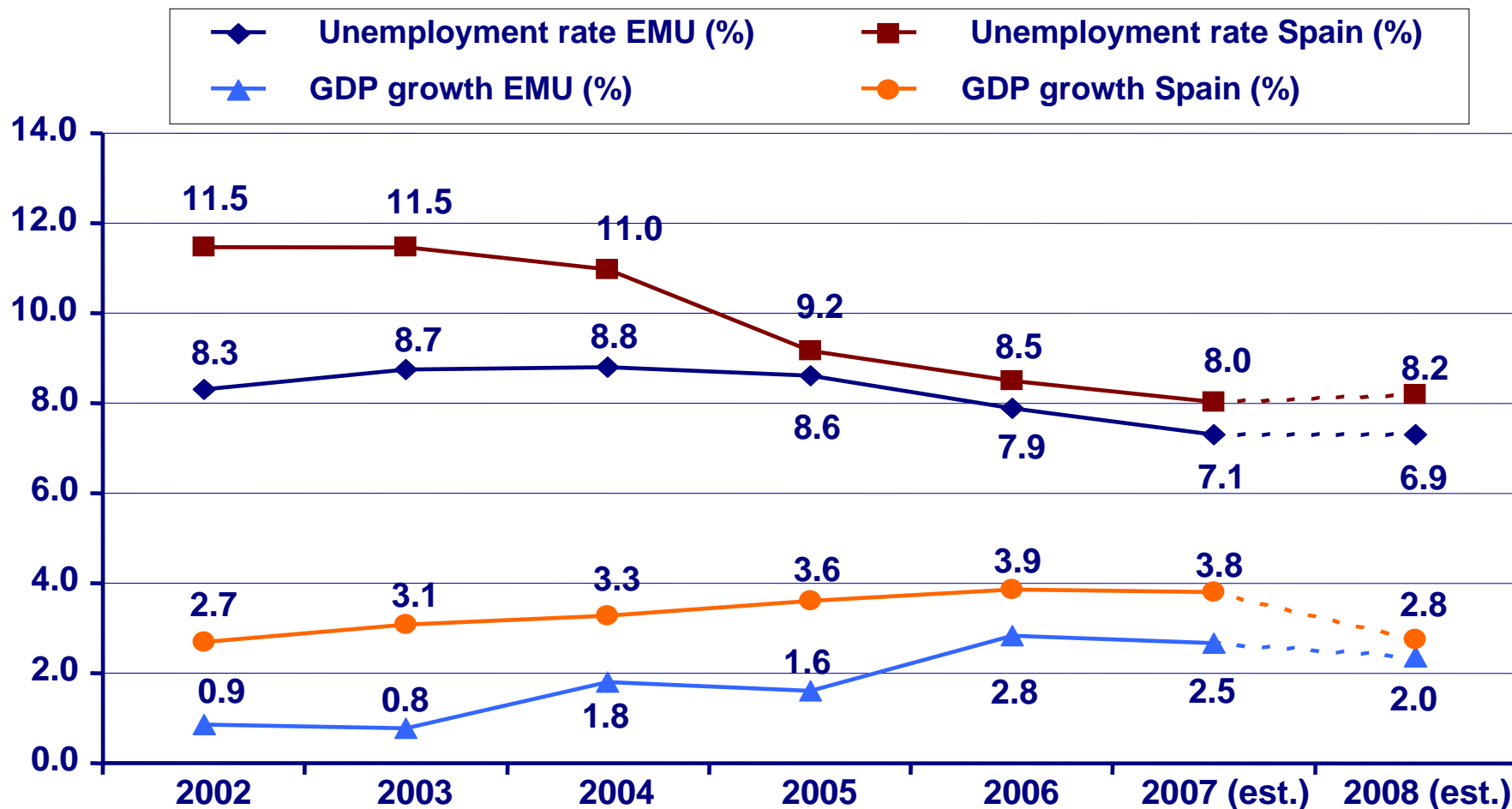


- **Economic context**
- **CBB, Corporate & Business Banking Unit**
 - CBB Today
 - Strategic plans
 - Recent financial results
 - Conclusions



The Economic Context in Spain

Ongoing economic growth, institutional stability and a buoyant labour market have propelled Spain to become the world's 9th largest economy in terms of GDP*



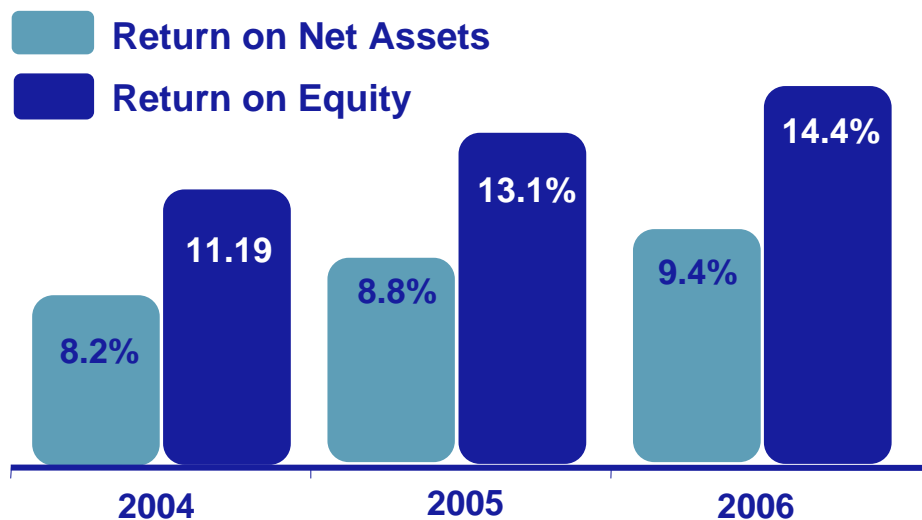
Source: BBVA Economic Research Department. Data as of December each year
(*) IMF & WB Nominal GDP 2006



The Economic Context in Spain

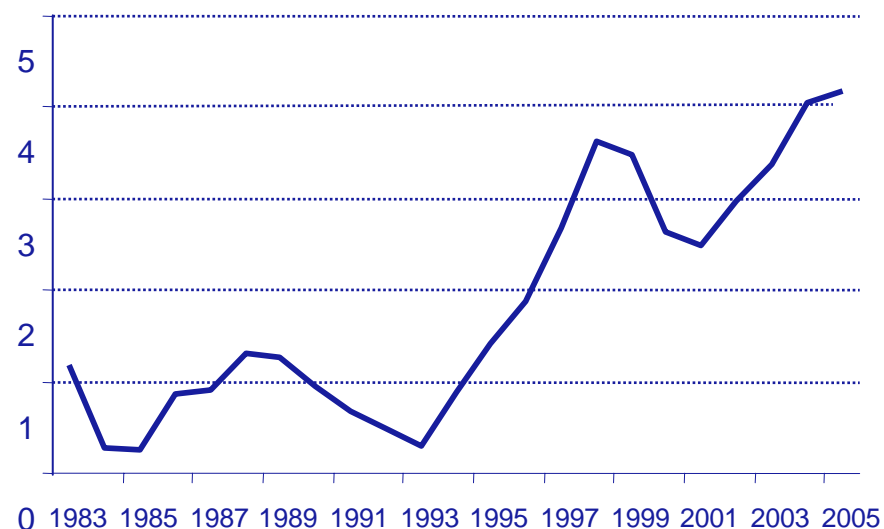
Business dynamism: record profitability for non-financial companies

Excellent coverage for Spanish companies



Source: Bank of Spain

**Non-Financial Corporations:
Financial Costs' Coverage**
Net Operating Income/Financial Costs



Source: Bank of Spain



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Corporate & Business Banking Spain

Corporate and Business Banking Spain “CBB”

A specialist BBVA Group division providing financial services for

SMEs



Small & Medium-sized enterprises (Spanish SMEs)

Corporations



Large domestic corporations and domestic subsidiaries of multinational corporations

Institutions



Public-sector bodies and private institutions

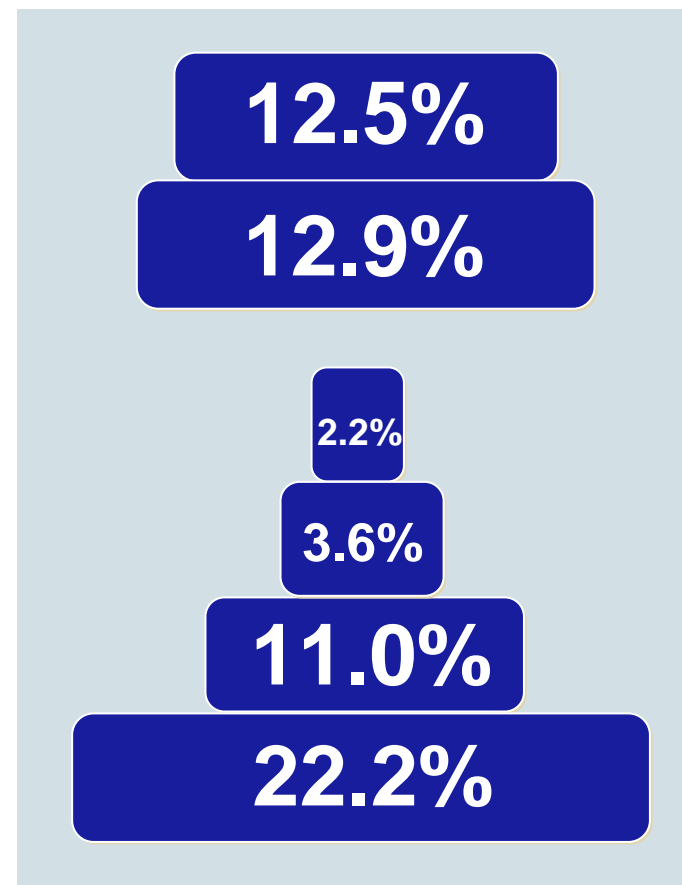
...whilst also offering a full range of transactional services and financial products specially designed for this customer base



What is CBB's weight in the BBVA Group?

Net profit*	522
Operating profit*	925
Employees ⁽¹⁾	2,200
Branches	289
Customer deposits	26,401
Customer lending	68,602

% BBVA Group



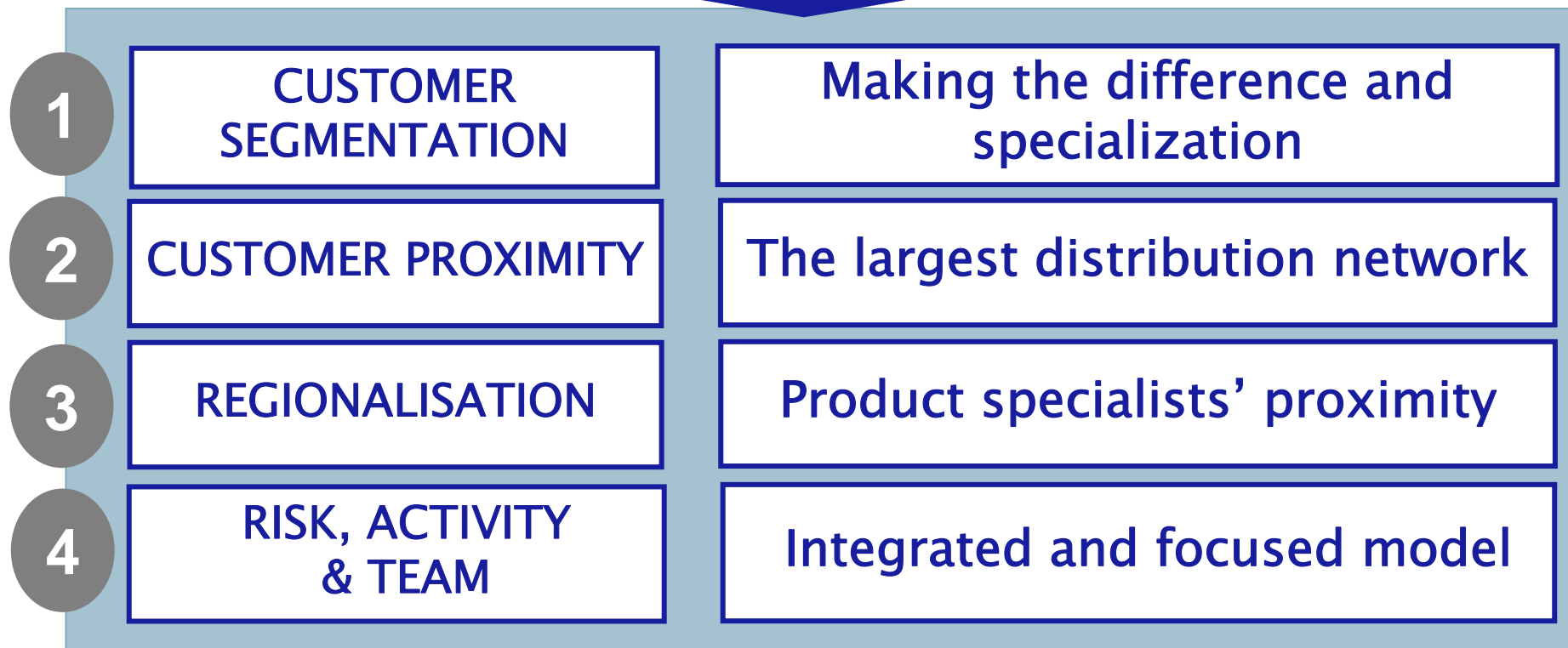
*9M07 data (€m, excluding one-offs)

(1) Network branch employees



Strengths of CBB model

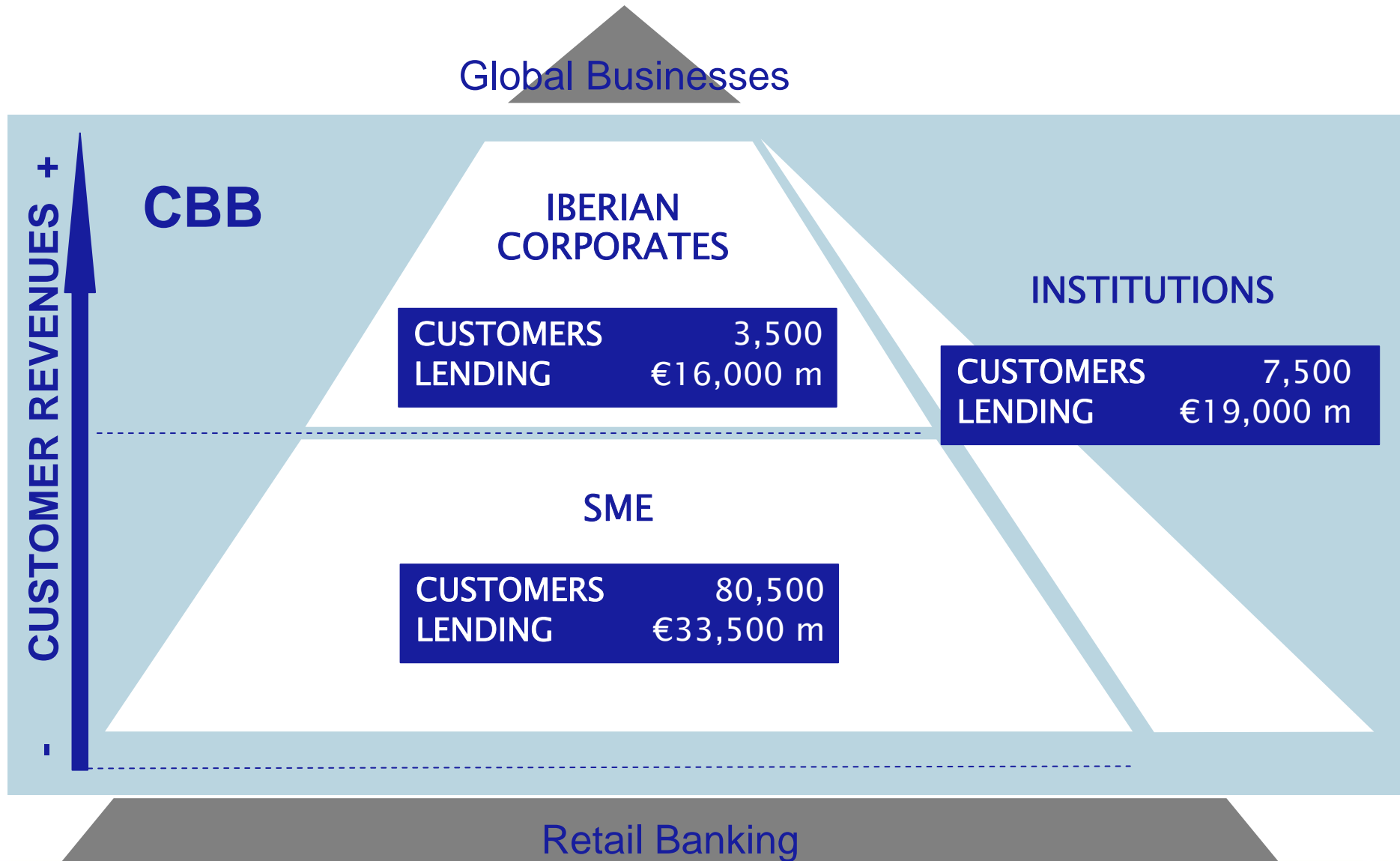
Corporate & Business Banking



Boosting synergies among segments



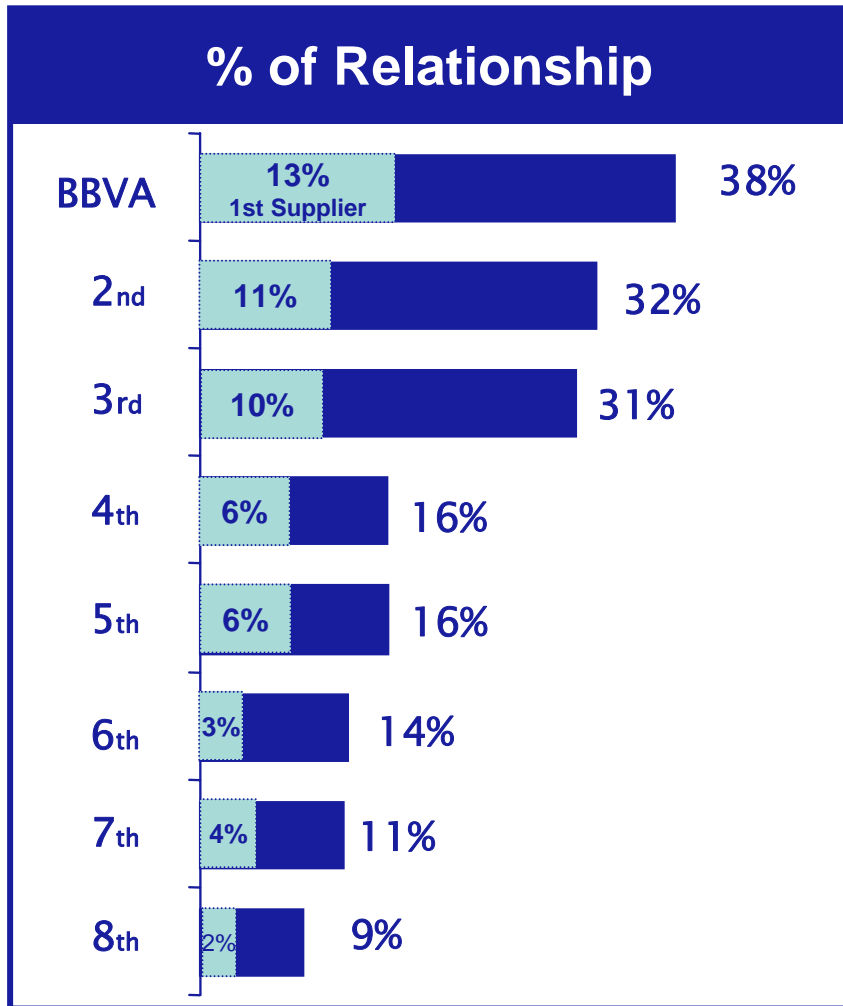
1 SEGMENTATION: a focused distribution unit that allows us to meet the specific needs of the Customer





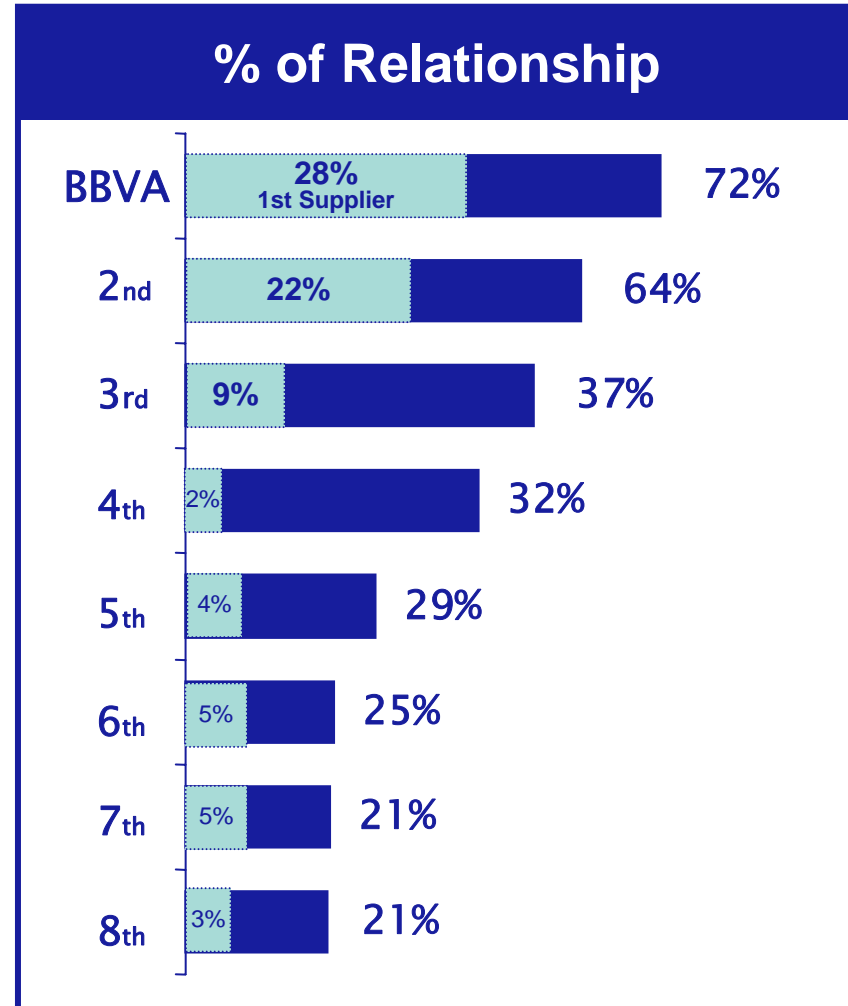
CBB: leaders in every customer segment (I)

→ Small Enterprises



Source: FRS (Inmark), 2007

→ Mid-caps

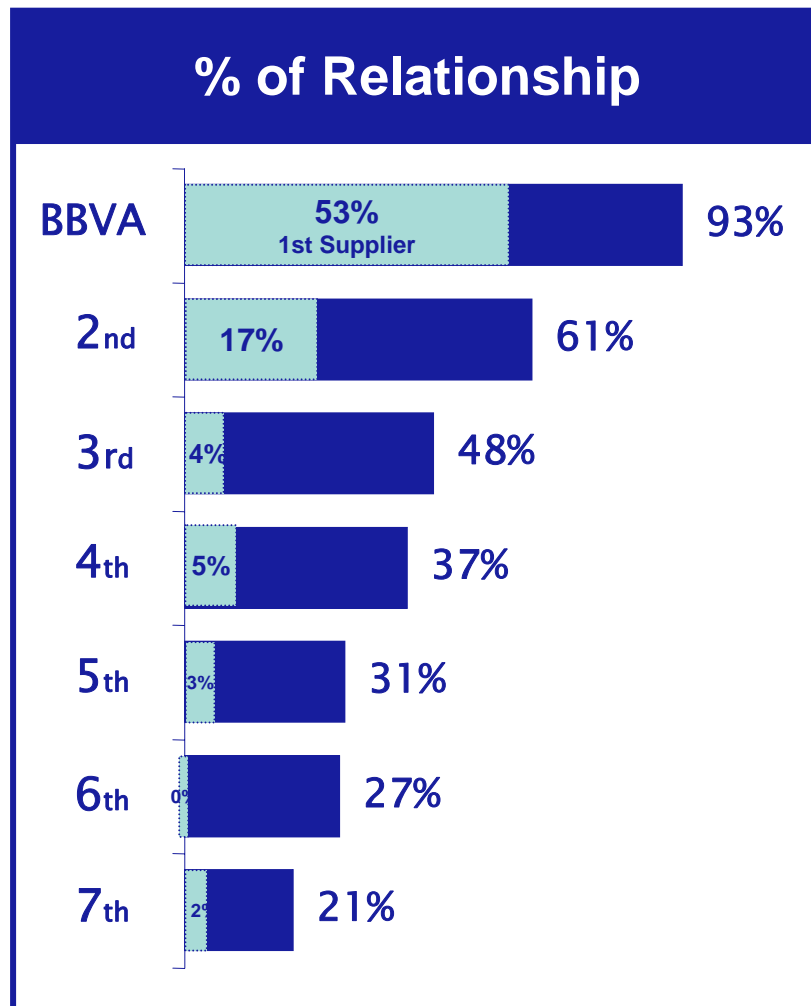


Source: FRS (Inmark), 2007



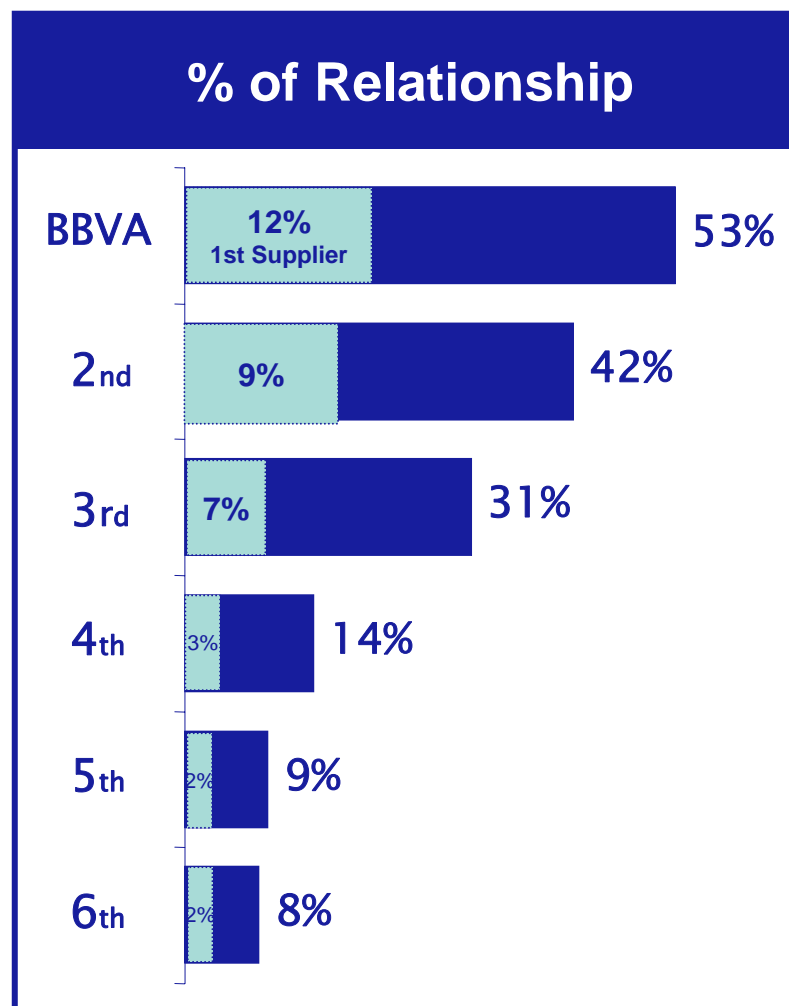
CBB: leaders in every customer segment (II)...

→ Corporates



Source: Inmark, 2007

→ Institutions



Source: Inmark, 2005 (2007 Inmark report pending)



... and every product family

Constantly growing, updating and improving product and service offering

Transactional
Products

-ings

Confirming

Factoring

Leasing

Mkt Sh. %

32.5

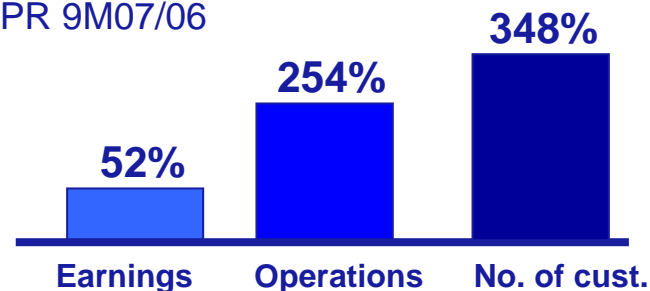
25.5

23.6

Leadership

Value Added
Products

Riskpyme growth
APR 9M07/06



Leader for third year running in derivative rankings (*Risk Spain*)

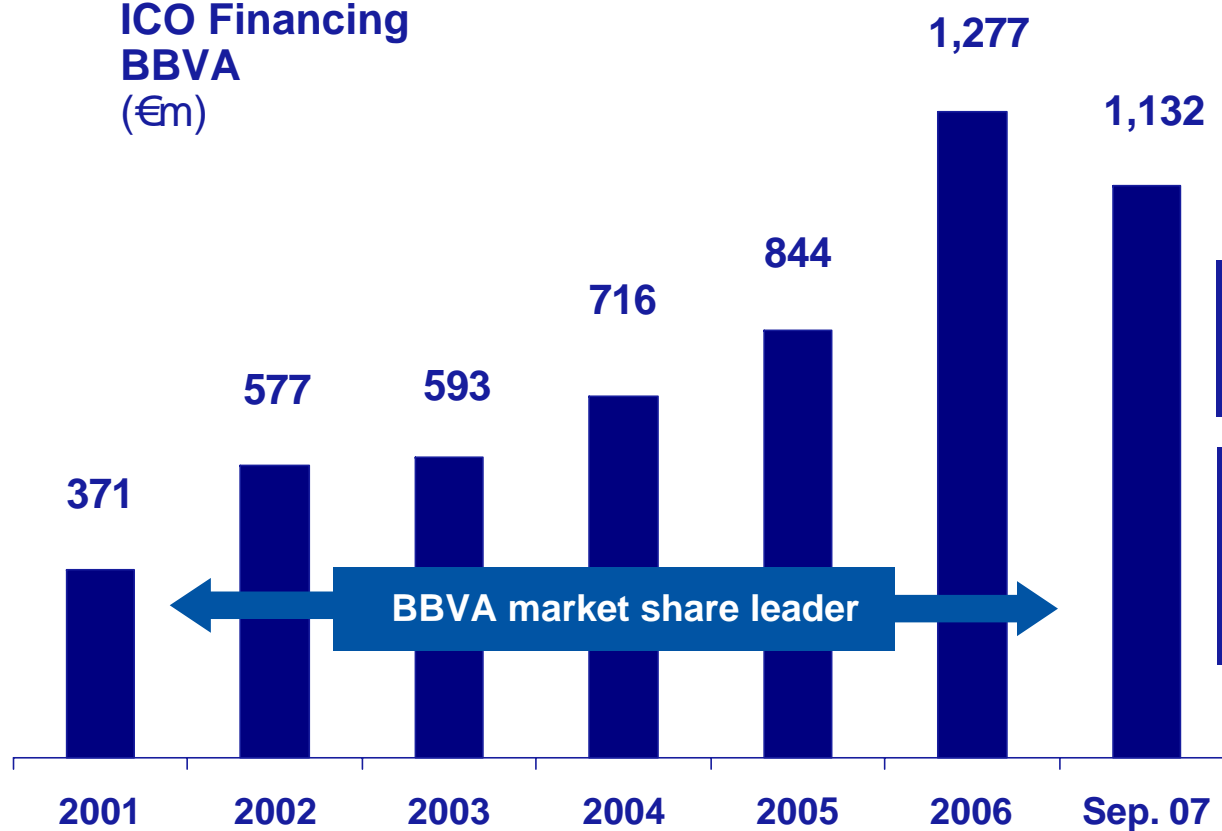
Leadership



ICO: public sponsor lending

Main funding line for SMEs

ICO Financing
BBVA
(€m)



18% new customers

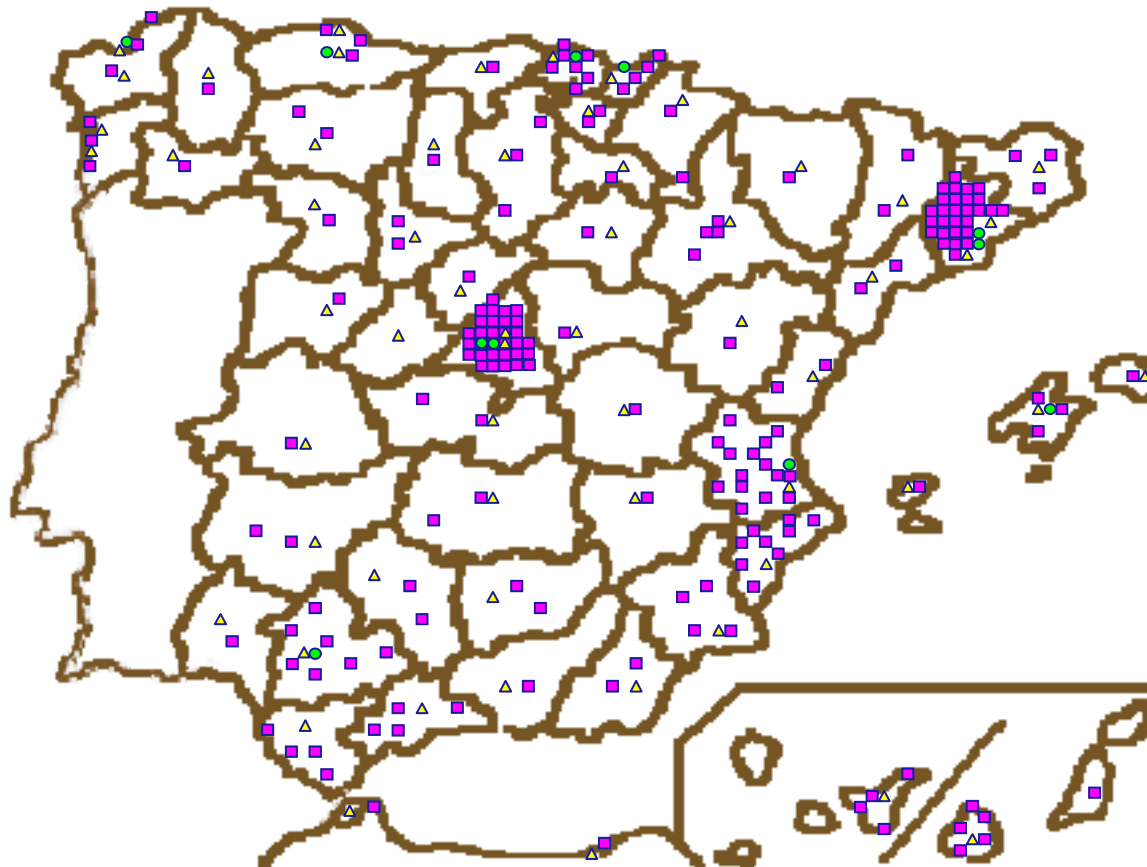
1.5 times more cross-selling with ICO clients



2

CUSTOMER PROXIMITY

The largest distribution network in Spain



■ SMEs

Sep. 07

Branch Network

221

Sales Force

1,059

● CORPORATES

Branch Network

10

Sales Force

107

▲ INSTITUTIONS

Branch Network

58

Sales Force

109

TOTAL

Branch Network

289

Sales Force

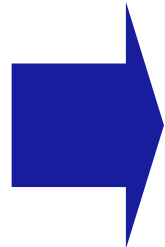
1,275



3 REGIONALISATION

A powerful platform that brings BBVA closer to our customers

With tailor-made solutions



More than 120 product specialists distributed throughout our network

Added Value Product Specialists

Derivatives

Factoring

Trans. Banking

Inv. Banking

Insurance

Renting (...)



With excellent results

Derivatives

CAGR% (06/07)

+52%

Insurance

+45%

Investment Banking

+108%

Allowing us to increase our customer base and wallet share



4

RISK, ACTIVITY & TEAM MANAGEMENT

a

Risk Management

**Focused and specialized
risk policies**

b

Management Focused

Customers driven

EVA driven

c

Team Management

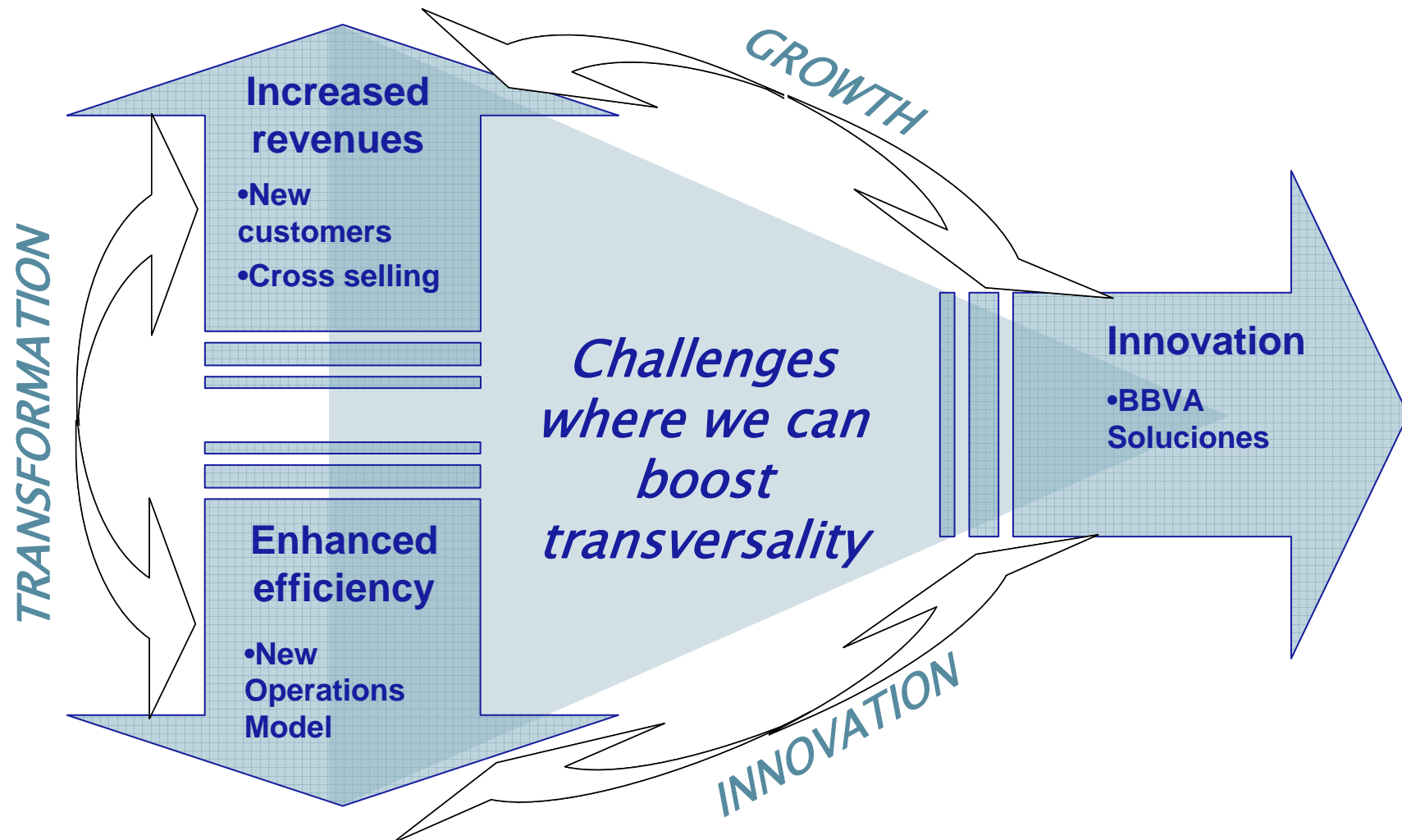
**Recruitment plan
Career development**



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CBB has developed a permanent I + T + G model





GROWTH: CBB is developing several projects to increase revenues

Investment Banking

Ad-hoc investment banking in BCB

Two lines of action

Added value

Centralised

Recurrency

Regionalisation

Insurance

Boost insurance broking businesses

Support from external specialists

Regionalisation

“Poros” Plan

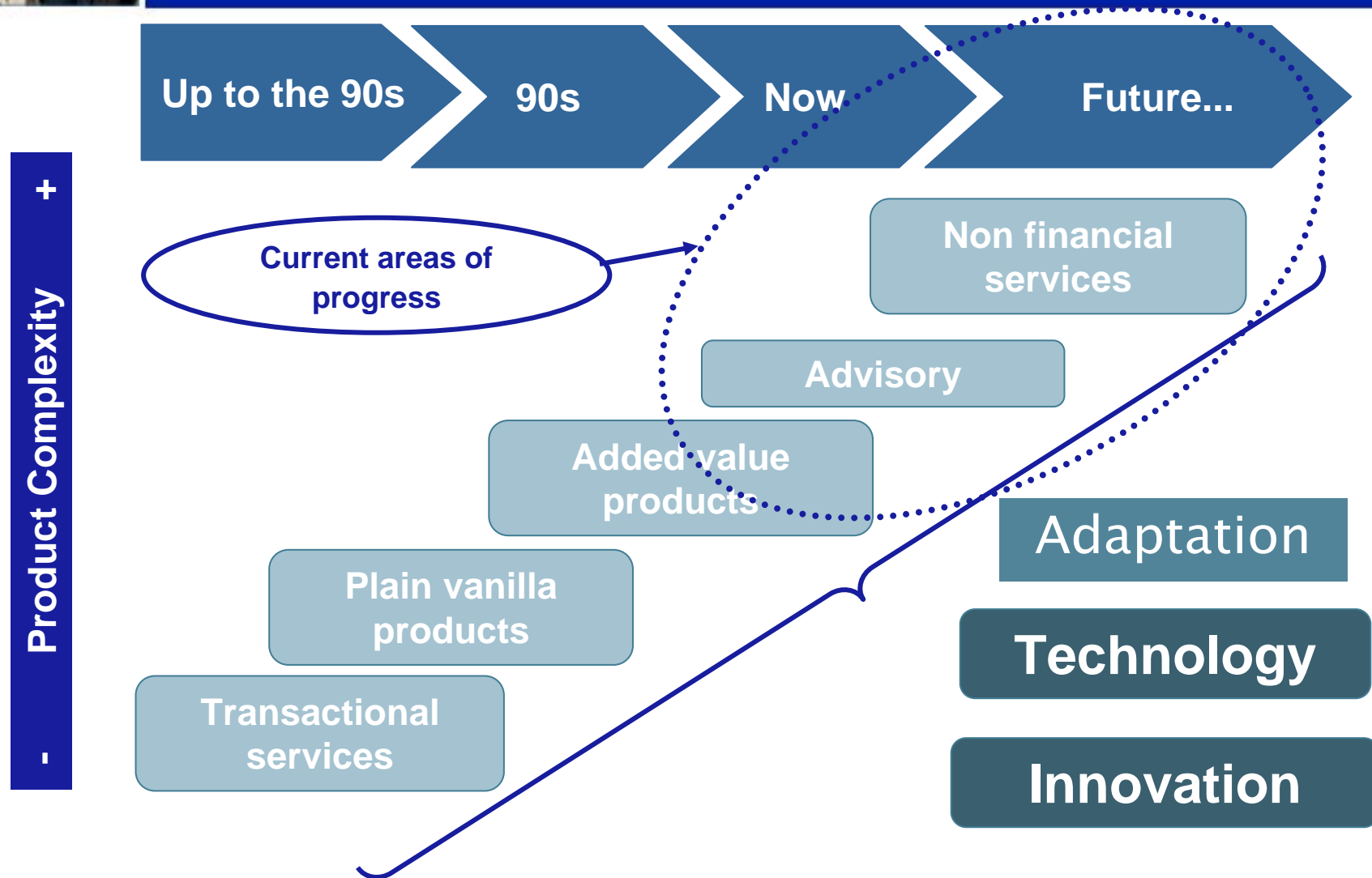
Boost synergies between segments

Take advantage of CBB capillarity and encourage information pooling

Attract new customers and detect business opportunities



INNOVATION: We are changing the way we do banking



BBVA is leading this process



INNOVATION: We are changing the way we do banking

Our business model offers professional services to the self-employed, micro-firms, SMEs, mid-caps and institutions

Professional business services

BBVA Soluciones



On-line help for SMEs and self-employed



Pioneer platform for HR services to SMEs



Mobility solutions (mobile devices)

.....



TRANSFORMATION

New Operations Model

Reallocation of staff and resources
from administration to high value-
added tasks

High-Value Operations Centre in Malaga *OP Plus*
centralizes the high-value operations of the Group in Spain, while less complex
tasks will follow an externalization model similar to the one used by the bank
until now



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CBB: Key figures

9M07

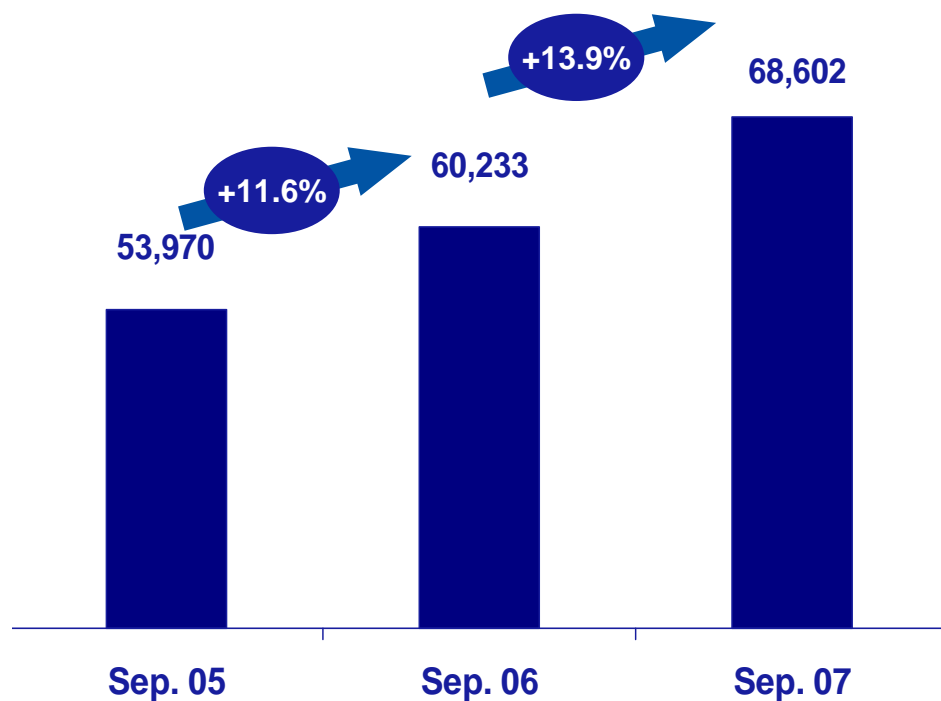
	(€m)	CAGR (sep06/07)	CAGR (sep05/06)
Net Interest Income	798	+ 18.7%	+7.8%
Ordinary Revenues	1,166	+ 17.6%	+10.9%
Operating Profit	925	+ 21.7%	+13.1%
Net Attributable Profit	522	+ 30.4 %	+7.8%
Loans	68,602	+ 13.9%	+11.6%
Deposits	26,401	+11.7 %	+19.2%
	9M07	9M06	9M05
Efficiency ratio %	20.0	22.9	24.4
Recurrency ratio %	151.7	136.3	119.37

Accelerating growth

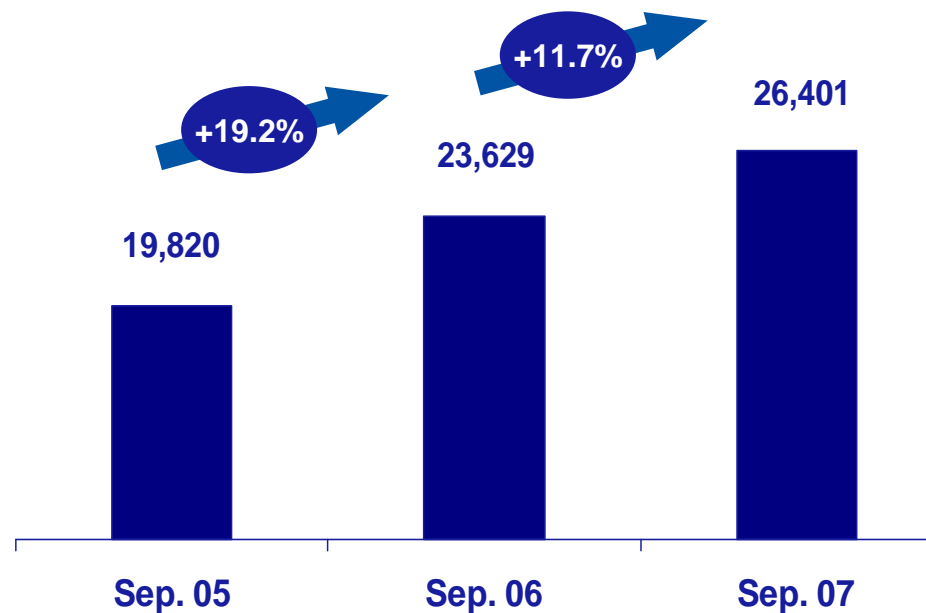


Solid lending and deposit growth...

CBB Loans (€m)



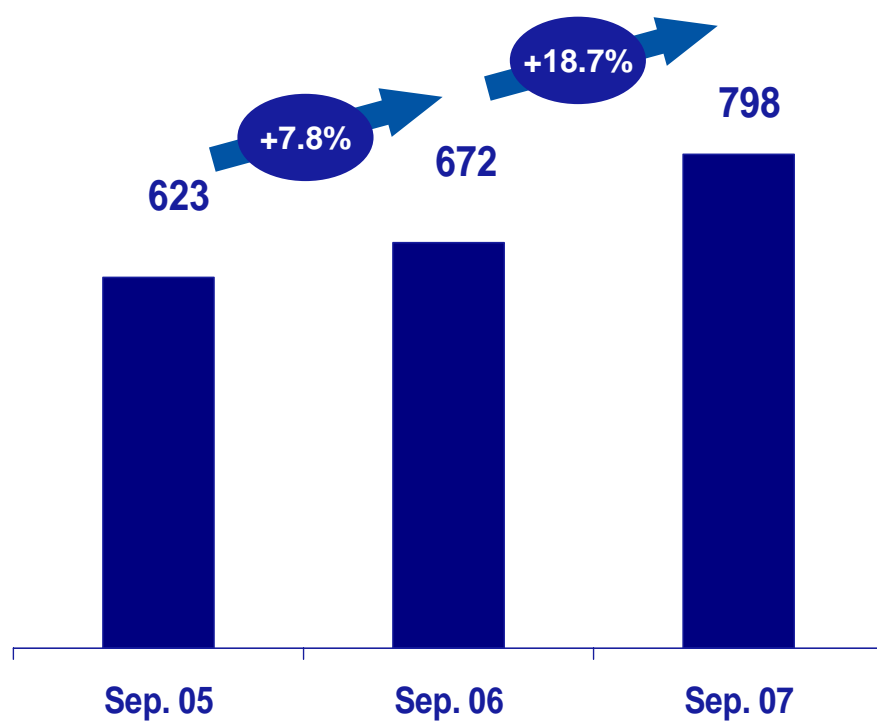
CBB Deposits (€m)





... boosting revenues

CBB Net Interest Income (€m)

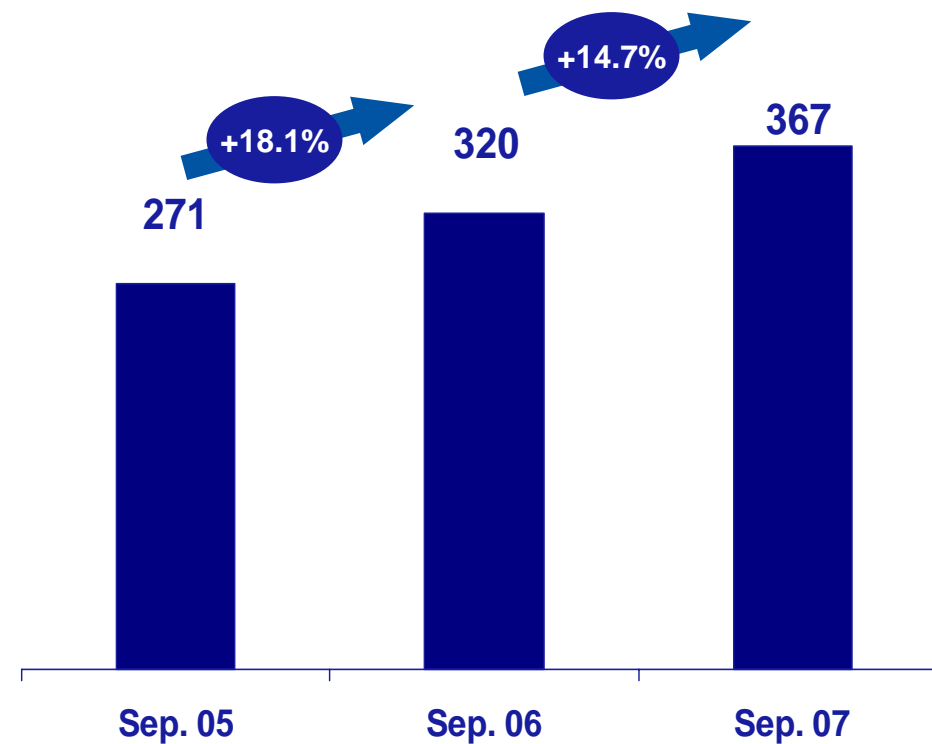


Customer
spread (%)

2.09

2.27

CBB Fee Income (€m)



Recurrency
ratio (%)

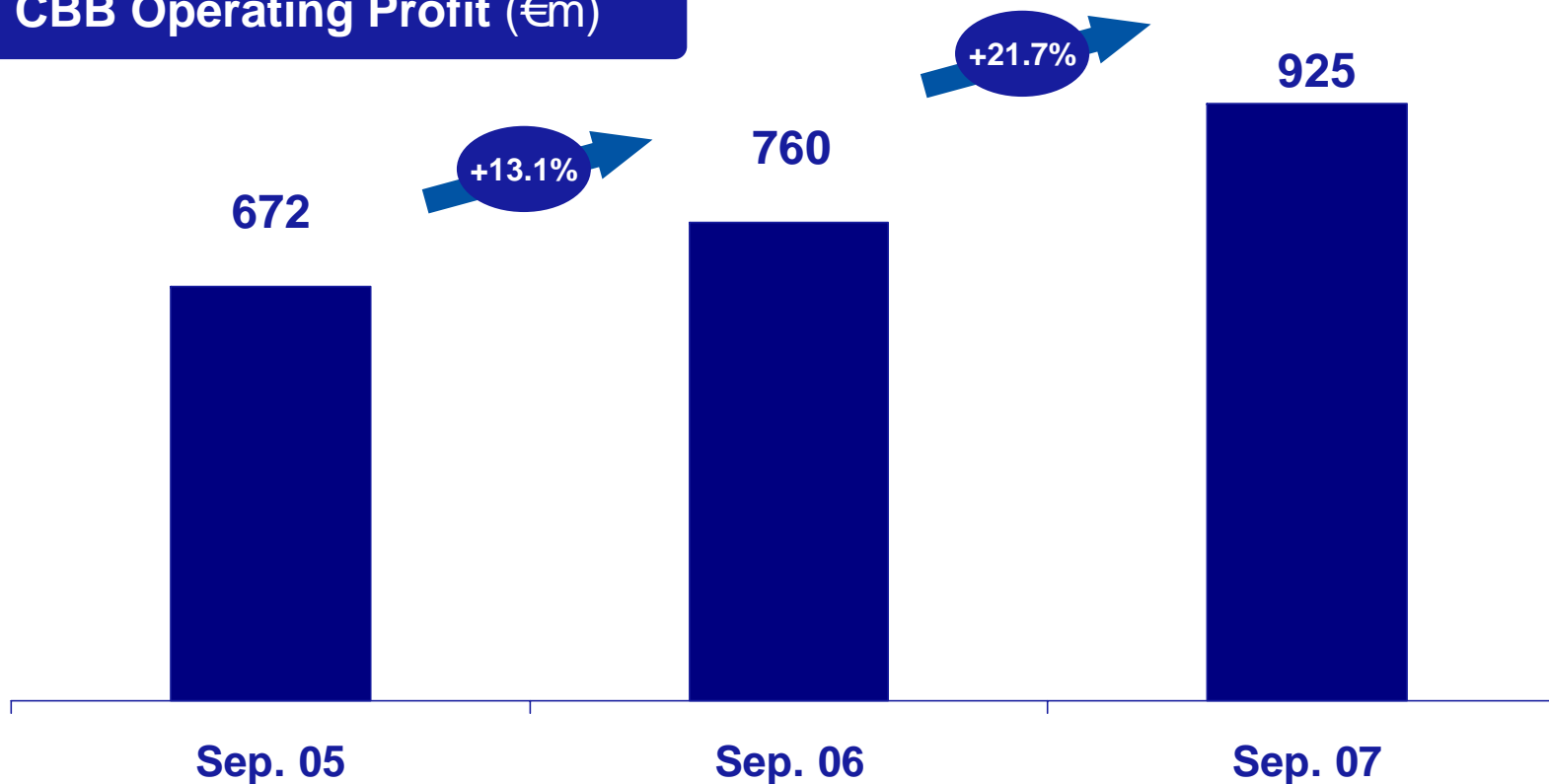
136.3

151.7



Strong performance of operating profit on an annual basis...

CBB Operating Profit (€m)

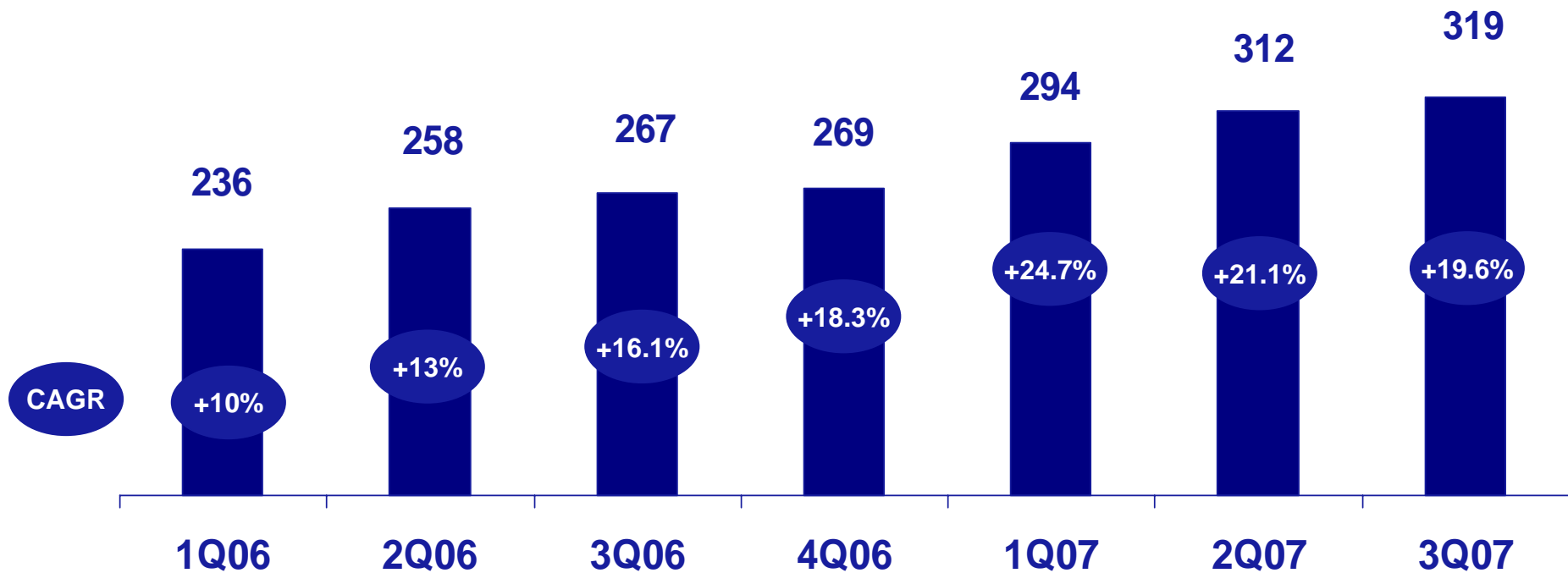


21 new branches opened during 2007



... and also on a quarterly basis

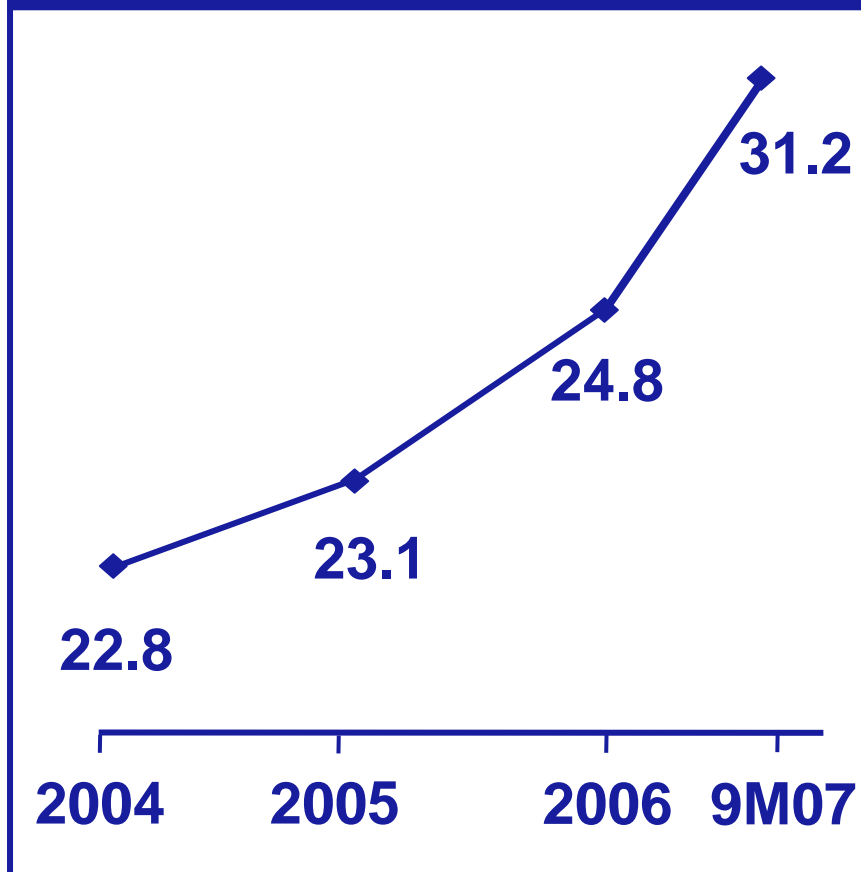
CBB Operating Profit (€m)



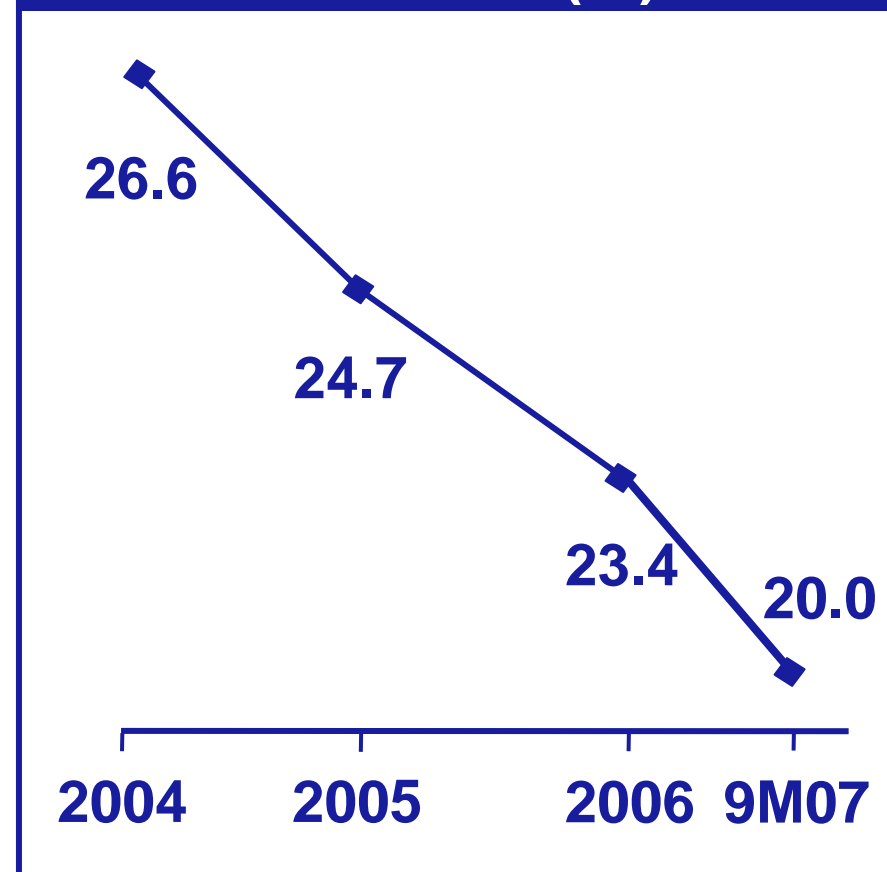


High levels of profitability and efficiency

ROE (%)

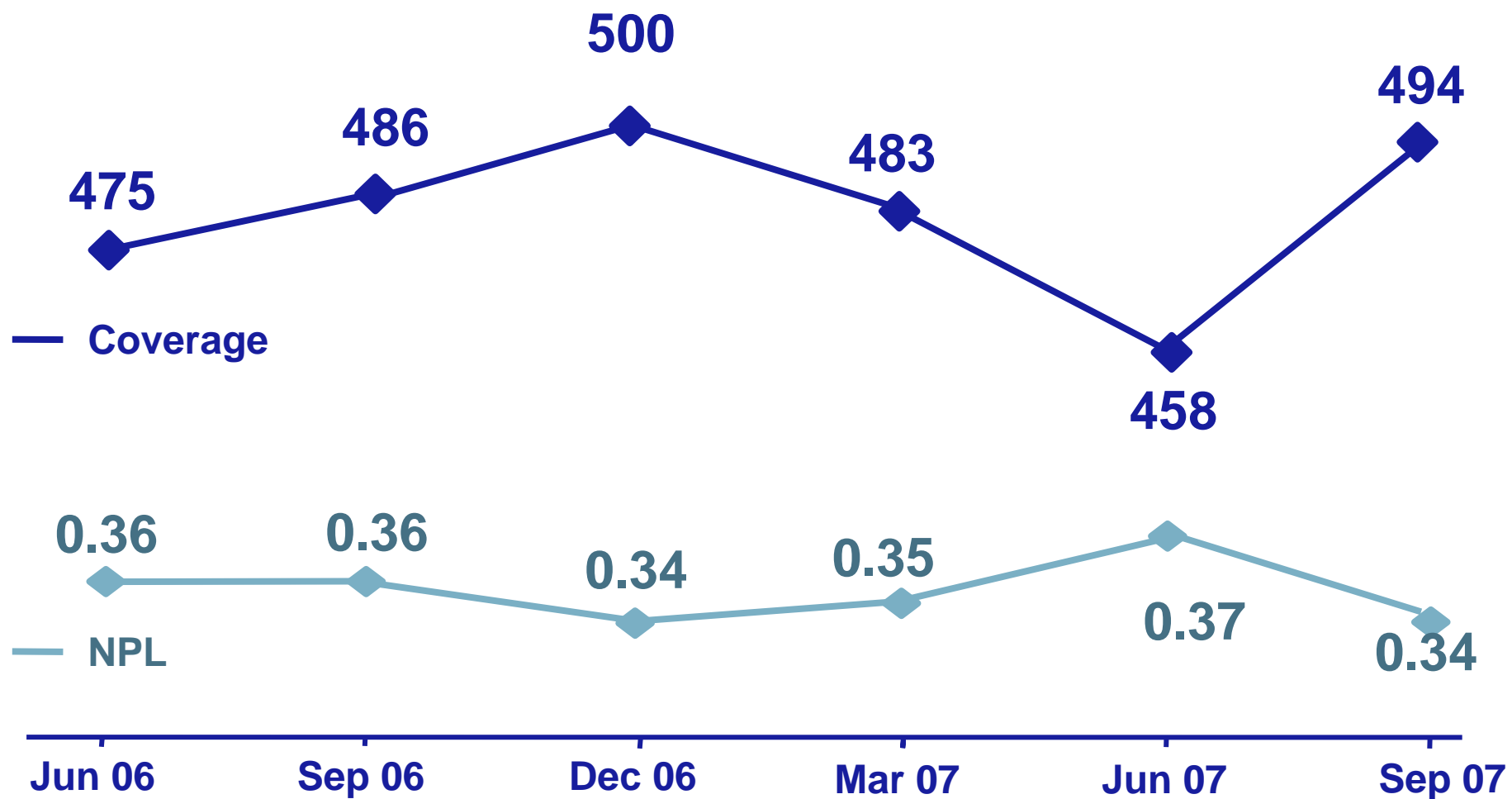


Efficiency incl. depreciation and amortization (%)





Appropriate risk management (%)





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Conclusions

CBB is the leader in all 3 segments...

... providing sound, recurrent results

**... implementing transformation plans to
secure the unit's future growth**

**And with a proven track record and
profitable business model**

**CBB is the Spanish benchmark among its peer
group. We continue looking towards the future...**

150
years
adelante



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