
Profitable growth and financial discipline

Capital increase

27th November, 2006

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Size

- Up to €3bn
- Approximately 4.6% BBVA market capitalization
- 7 trading days

Terms

- Accelerated book building, without pre-emptive rights
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Timetable

- Subscription period: starting at 9.00 a.m., 27th Nov 2006

Use of proceeds

- General corporate purposes: to strengthen the company's capital base and finance future development

Global Coordinators

- BBVA, Merrill Lynch, Morgan Stanley

BBVA has presented a consistent record of focused profitable growth, delivering strong value creation



Organic: tangible opportunities in our home markets

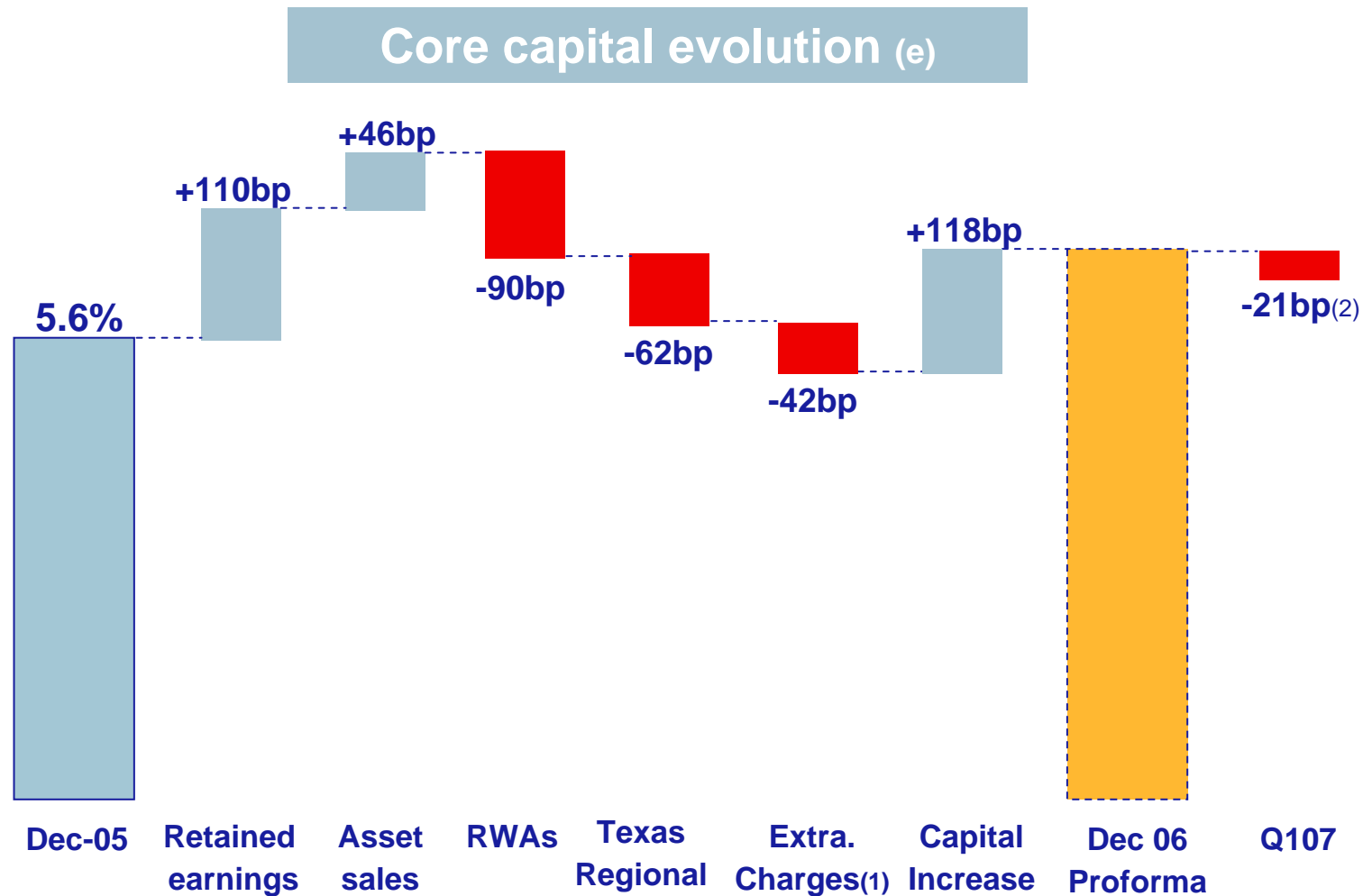


And non organic: looking for superior sources of growth



Capital increase: to finance the development of the Group and maintain an appropriate solvency level

Capital increase to finance growth ahead and **BBVA** maintain an appropriate solvency level



(1) Extraordinary charges include: early retirements and impact of new corporate tax law (4Q06e)

(2) CITIC and State National Bank

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BBVA's retained earnings have self-financed the organic growth opportunities, despite ...

BBVA

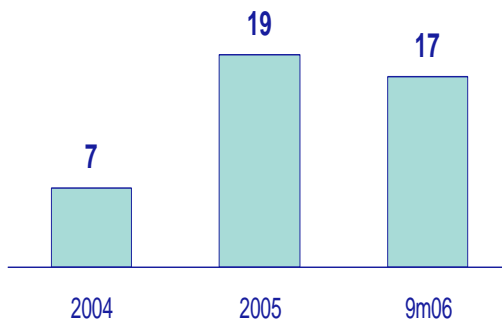
1 ... acceleration of growth in RWAs ...

2 .. increased weight of more profitable and capital consuming assets ...

3 ... strong dividend growth and high pay-out ratio

BBVA's retained earnings have self-financed the organic growth opportunities, despite ...

1 RWAs (YoY %)



Among the fastest growth rates in the industry

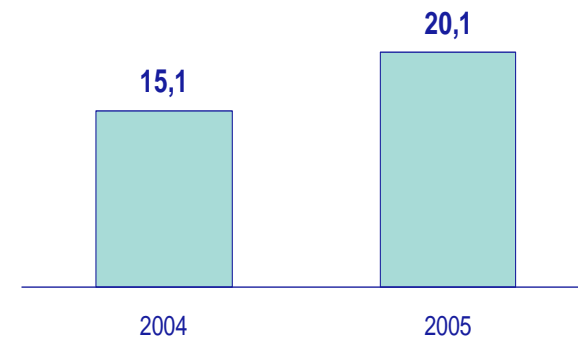
2 Loans breakdown (%)

	2003	9m06
Retail Spain	46.5	47.1
Wholesale	39.2	36.3
México	6.4	10.1
South America	7.9	6.6



Higher weight of Mexico and SMEs in Spain

3 Dividend (YoY %)



Pay-out policy 45-50% of attributable profits

Active management of the business portfolio ... **BBVA**

Assets disposals 2003-YTD*

Businesses
€2,736 m

Financial stakes
€4,215 m

€7 bn

Acquisitions 2003-YTD*

	€M
Bancomer minorities	3,300
LNB + Valley Bank	699
Hipotecaria Nacional	302
Granahorrar	348
Forum	84
TRBI + SNBI	2,082
Maggiore Fleet	67
CNCB / CIFH	989

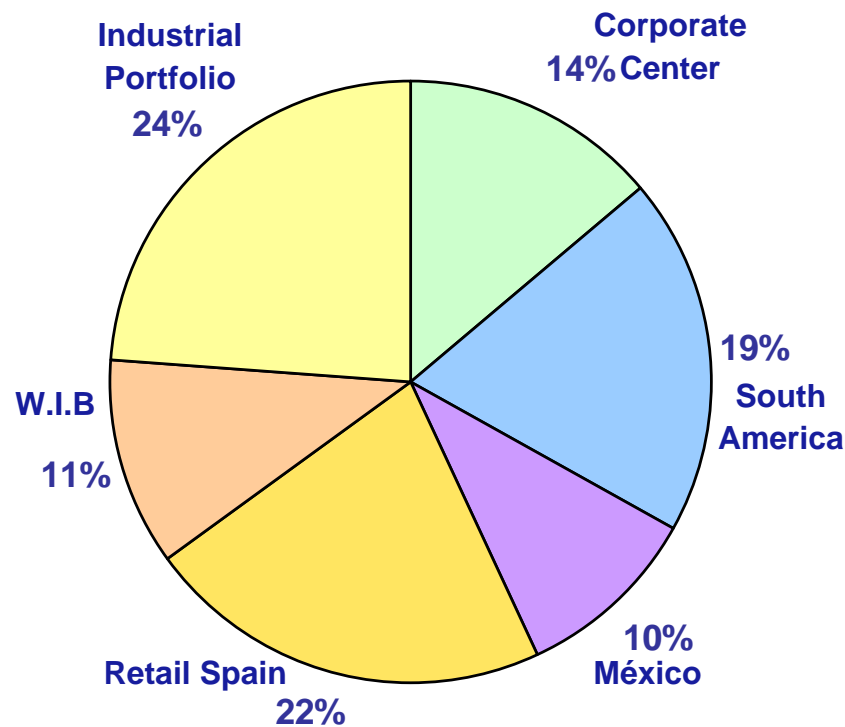
€8 bn

*most relevant transactions

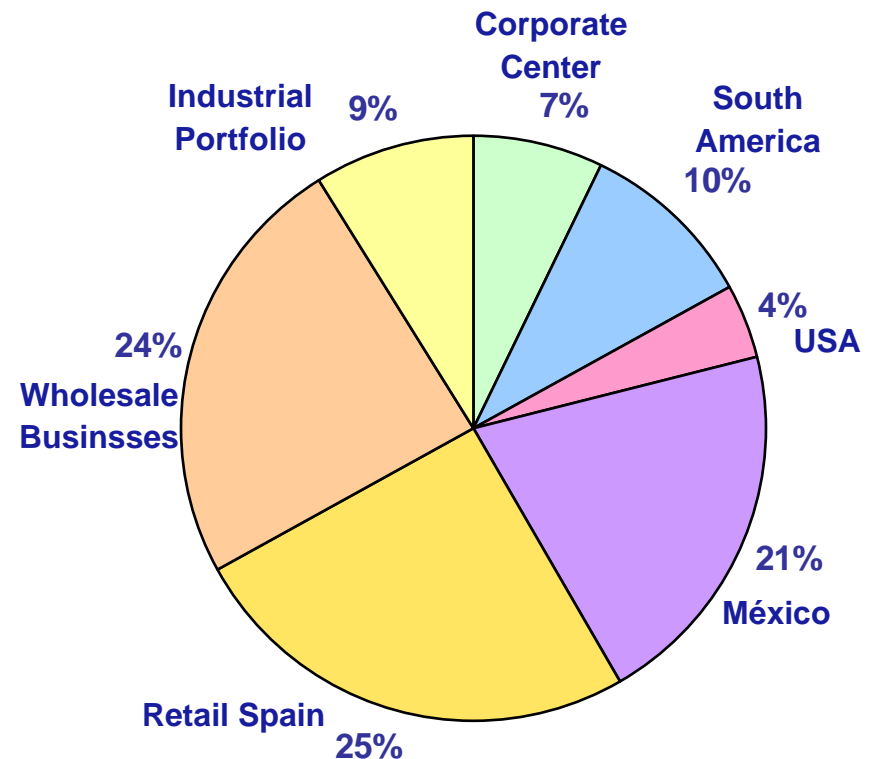
... has resulted in a shift in the composition of BBVA business mix and economic capital allocation



BBVA 2002 Economic Capital



BBVA 2006e Economic Capital



Industrial & Financial stakes represent today less than 1% of Group assets

Investing in important initiatives to improve the efficiency of the Group

Unified IT platform in Latam

Transformation: procedures, distribution channels

Streamlining Retail and Wholesale network in Spain and corporate center

Increases in network productivity

Retail Spain: +34%
Mexico: +42%

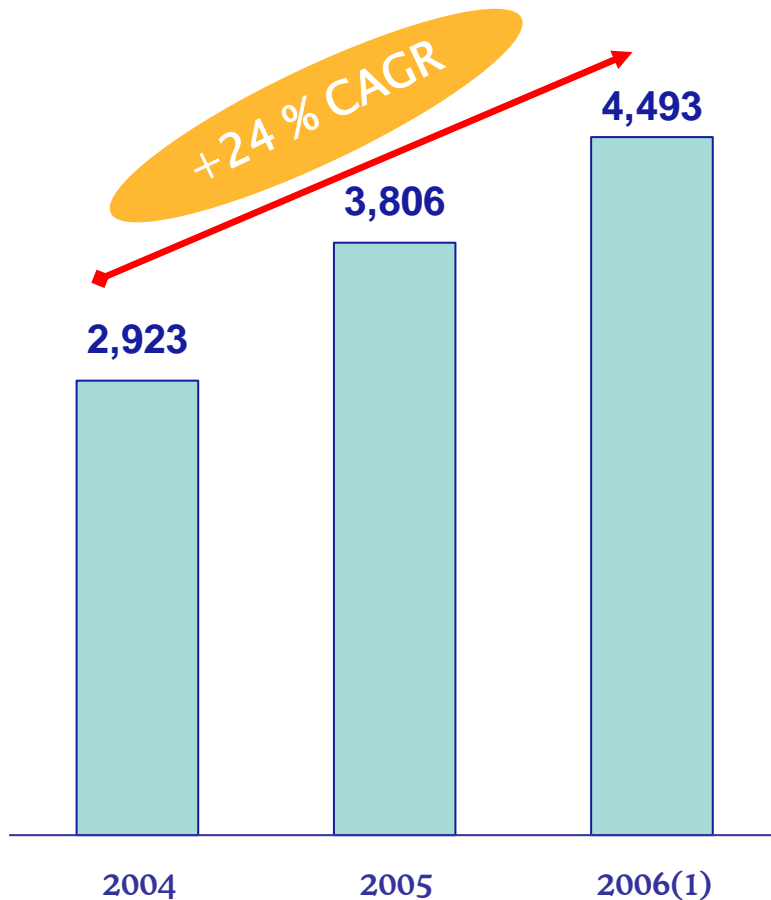
Improving efficiency of domestic networks in Spain *

Cost/income ratio:
06e: 39.8%
08e: 35.1%

* Retail Spain + Corporate and Business Banking (CBB)

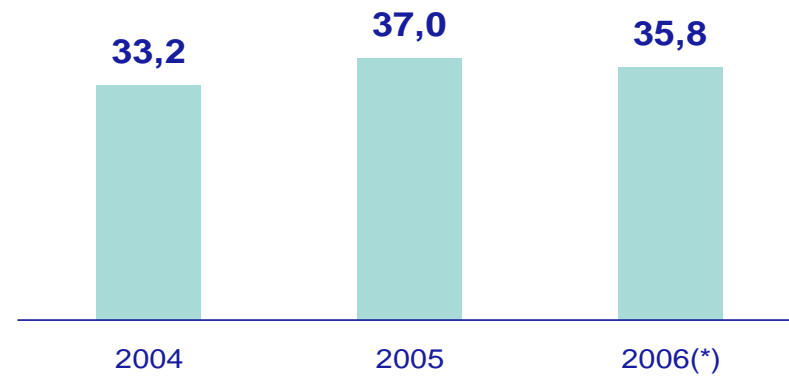
As a result of this strategy, the Group has delivered profitable growth

**Net Attributable Profit
€million**

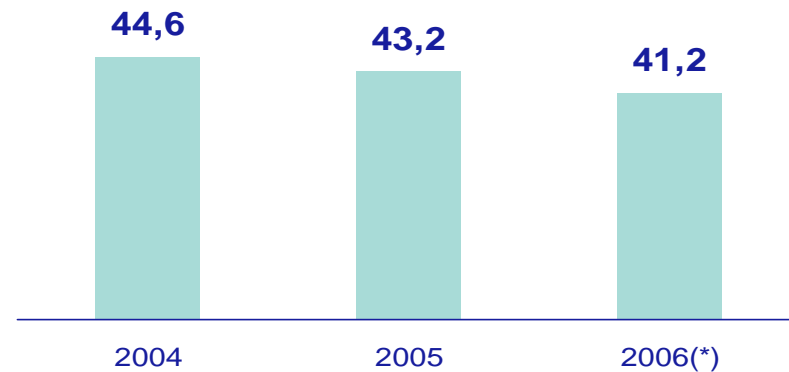


(1) Consensus data

ROE (%)



EFFICIENCY (%)

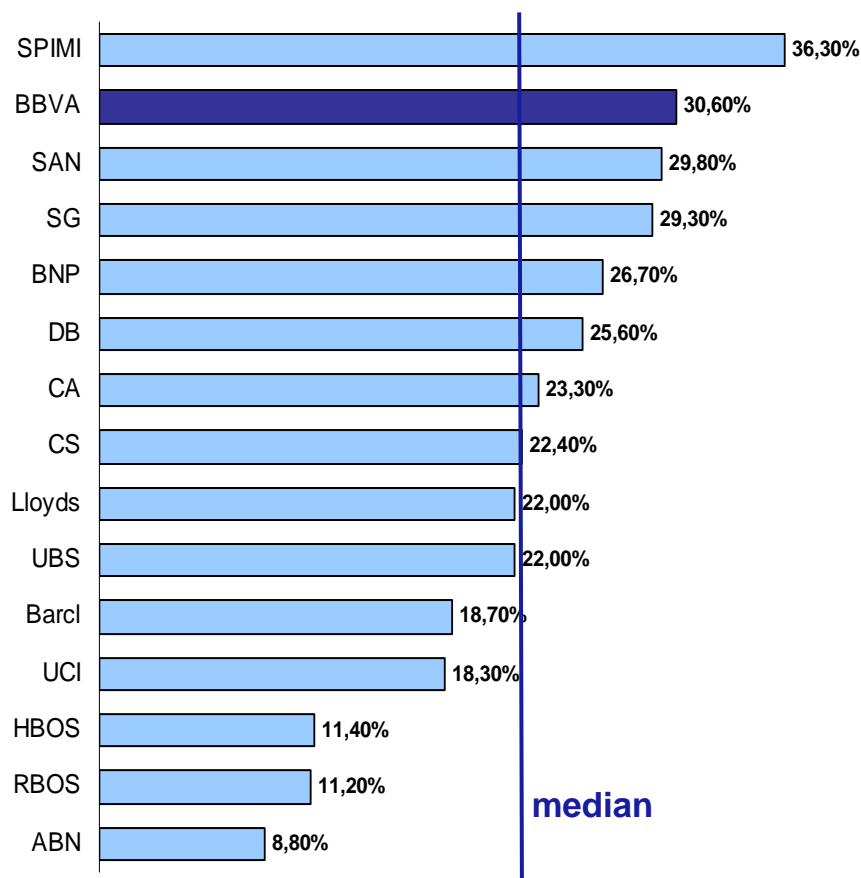


(*) Annualised, 9m06 net attributable profits

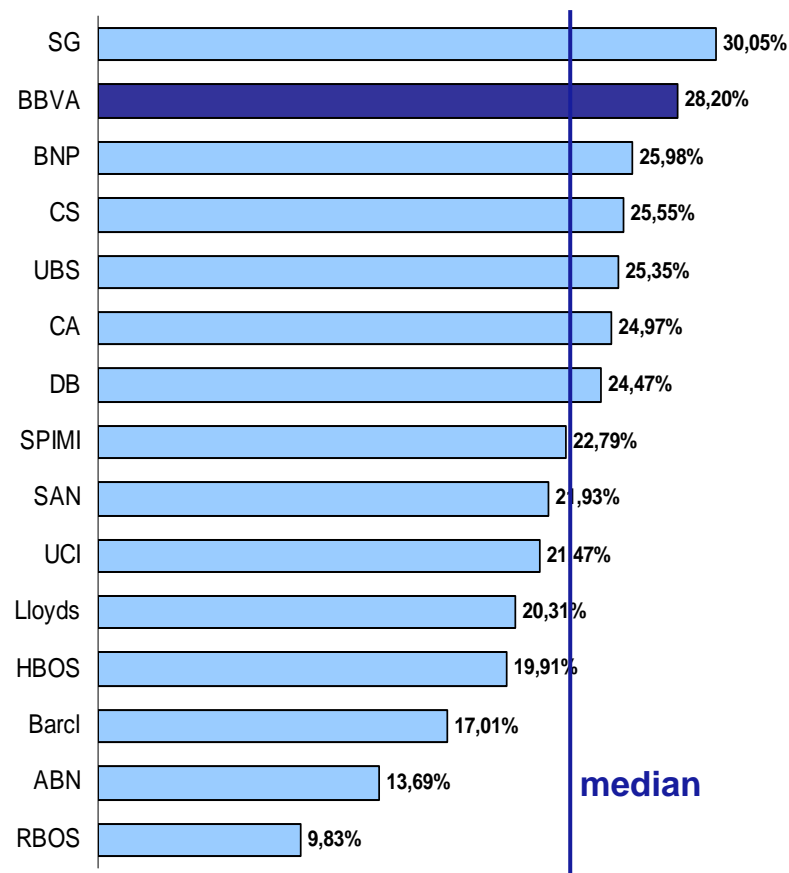
BBVA has offered a consistent and attractive return for shareholders



YTD 2006 (%)



Last 3 years (%) Equivalent annual return



Source: Bloomberg, Date: 24/11/06

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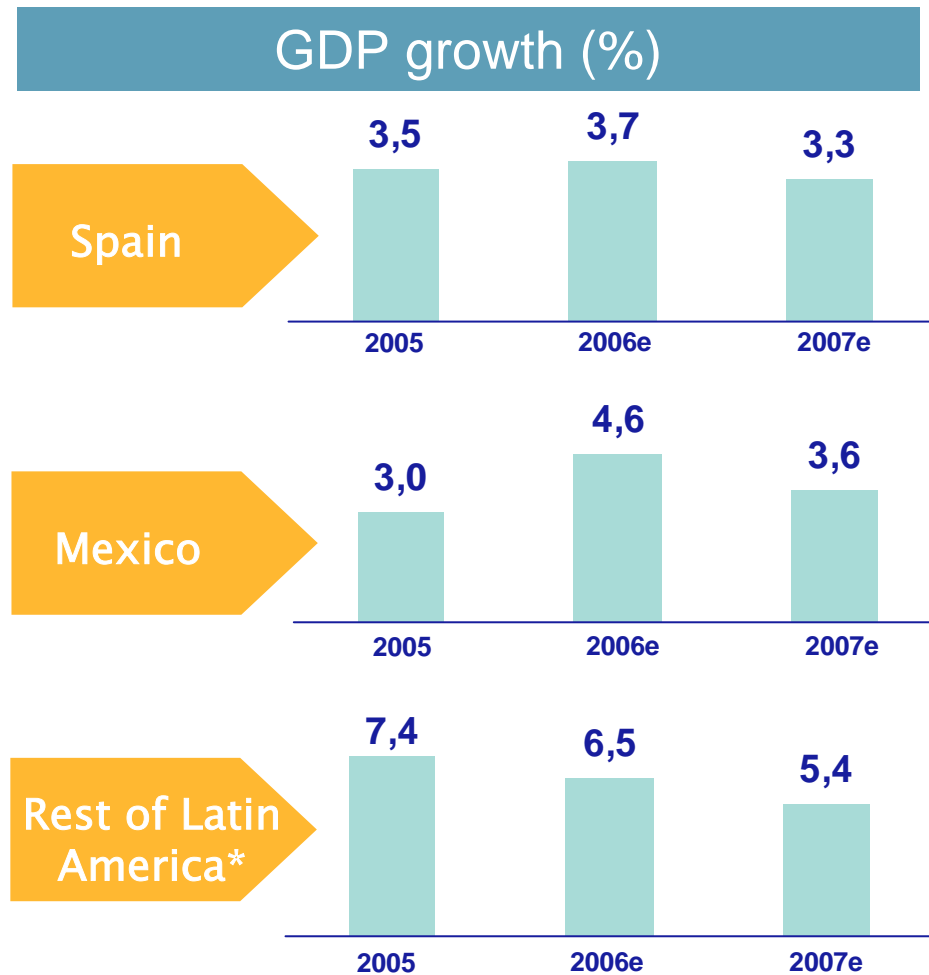
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Favourable economic environment in BBVA's key geographies



Spain
GDP growth above average of EU (2.7%)

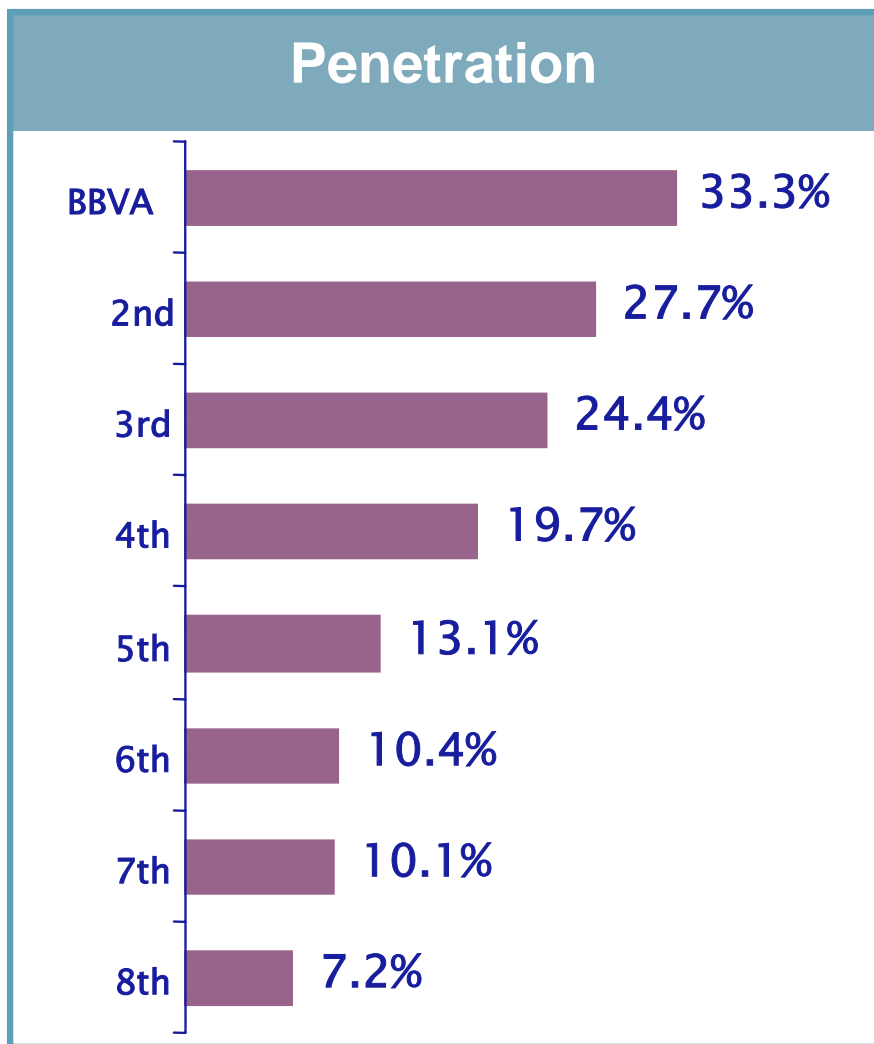
- Latam**
- Sound public policies, institutional stability
 - Inflation under control
 - Stable FX
 - Improvement of sovereign ratings

Overall positive and stable economic forecasts:
BBVA, well placed to continue delivering profitable growth

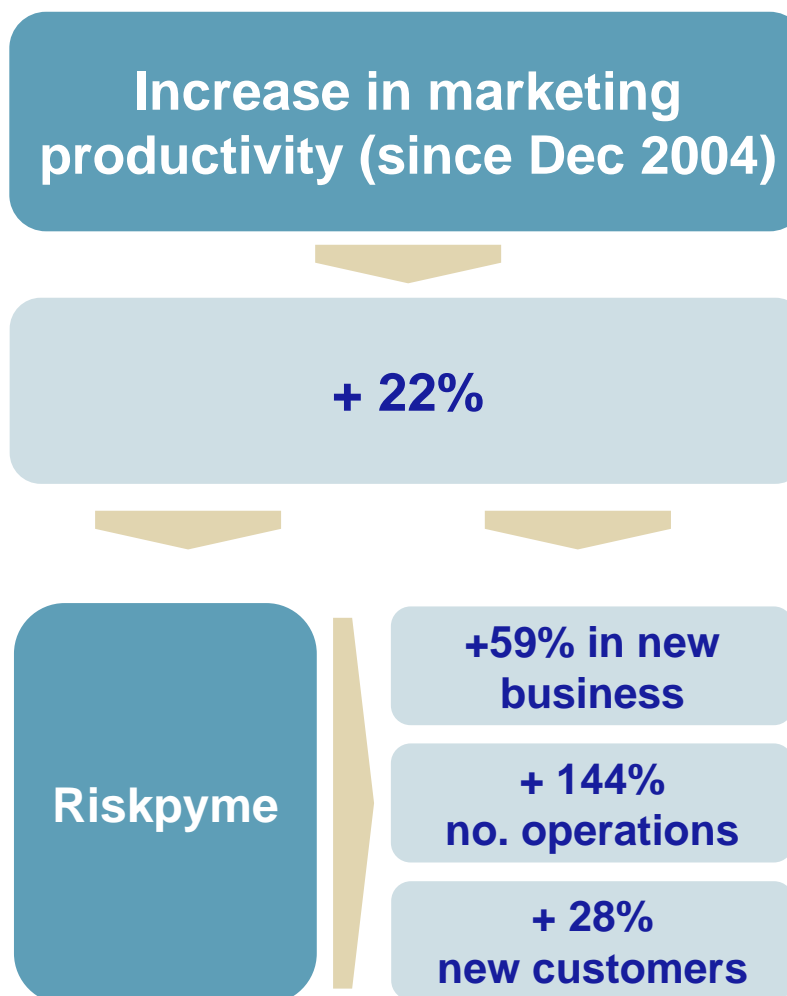
(* Excluding Brazil)

Source: BBVA Economic Research Department

In Spain, we have identified new opportunities in SMEs ...



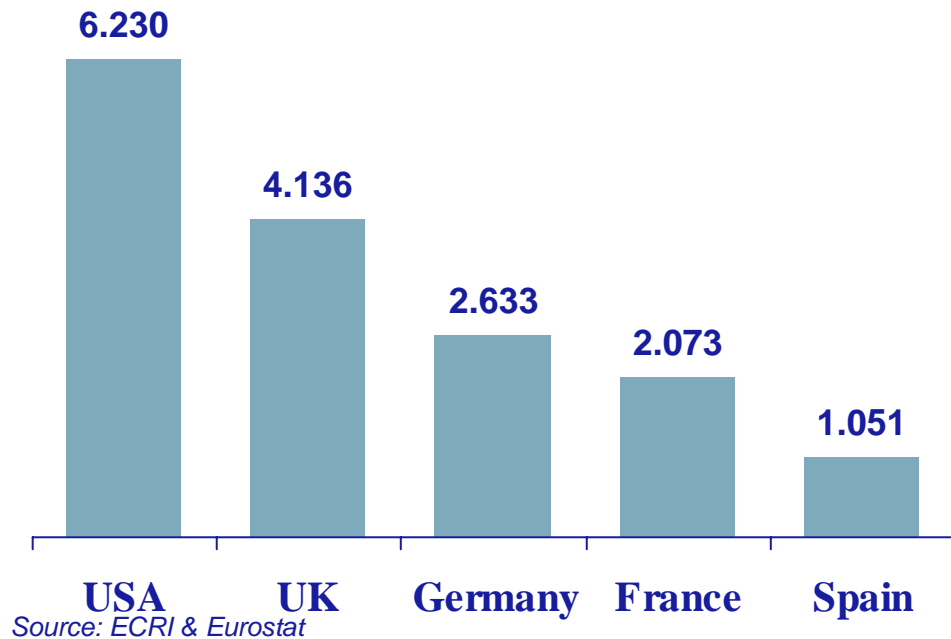
Source: Inmark, 2005



...in Consumer Finance...

Consumer loans per capita still low in Spain

Consumer loans per capita (\$)



... however, with a high propensity to consume

BBVA Initiatives

Préstamo Nacimiento

Préstamo Nómina 0%

Crédito Fácil

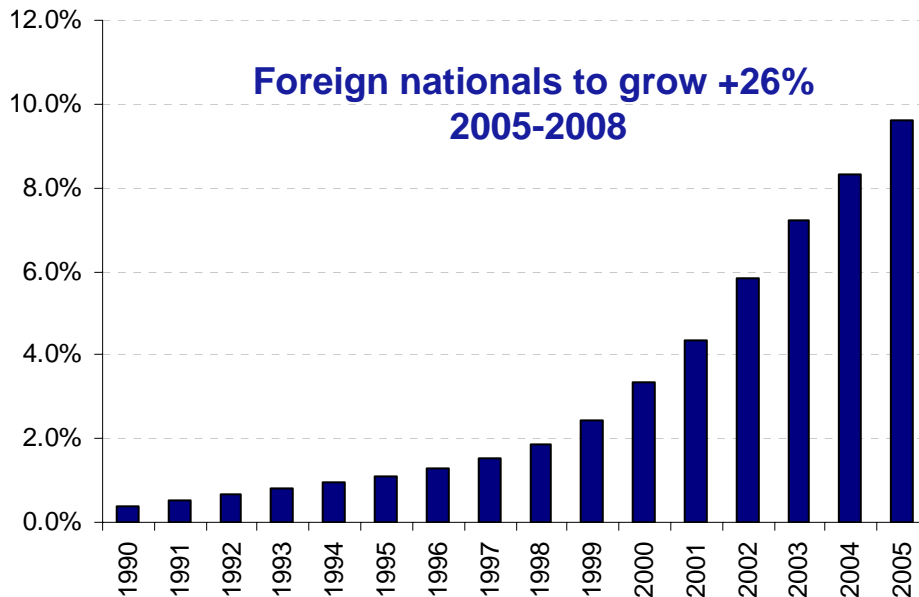
Préstamo PIDE

Consumer & C.Cards loan growth 9m06: 18.8%

... and new customer segments: immigrants



Foreign nationals/Spain's population



Source: INE

Two complementary approaches

dineroexpress

Basic Banking

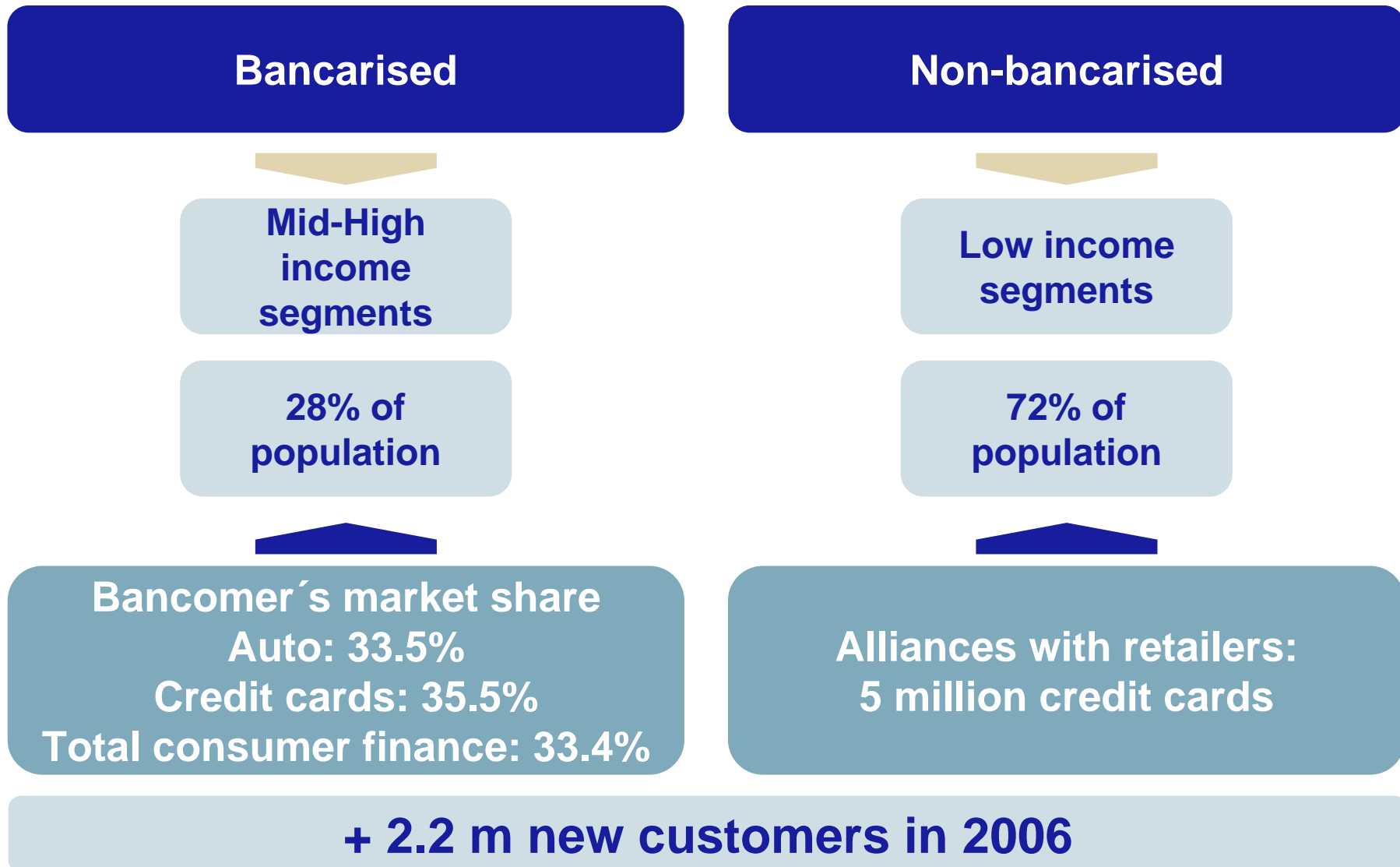
BBVA

More developed products

More than 400,000 clients

BBVA ranked 1st among banks with 16.5% market share

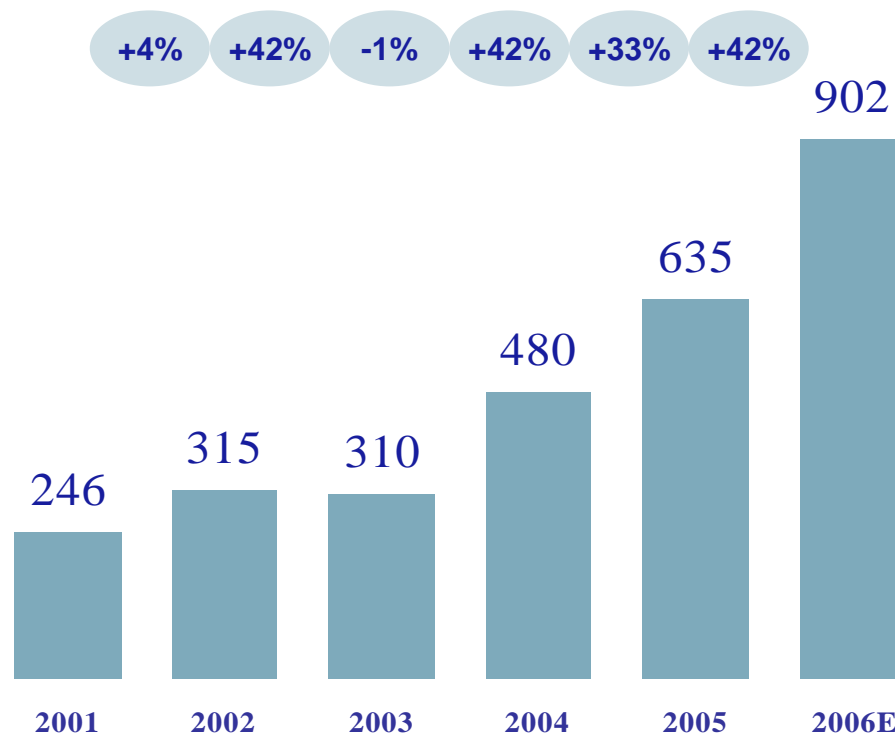
In Latin America, we see opportunities in Consumer Finance ...



...a high potential for mortgage development ...

Mortgages in Colombia

(\$m)

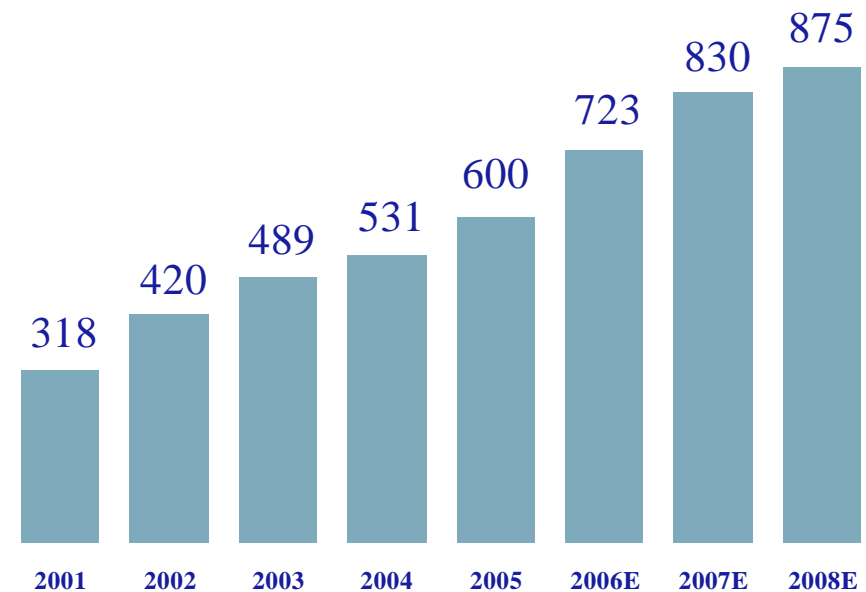


21% Market Share

Source: ICAV

Mortgages in Mexico

(Thousand units)

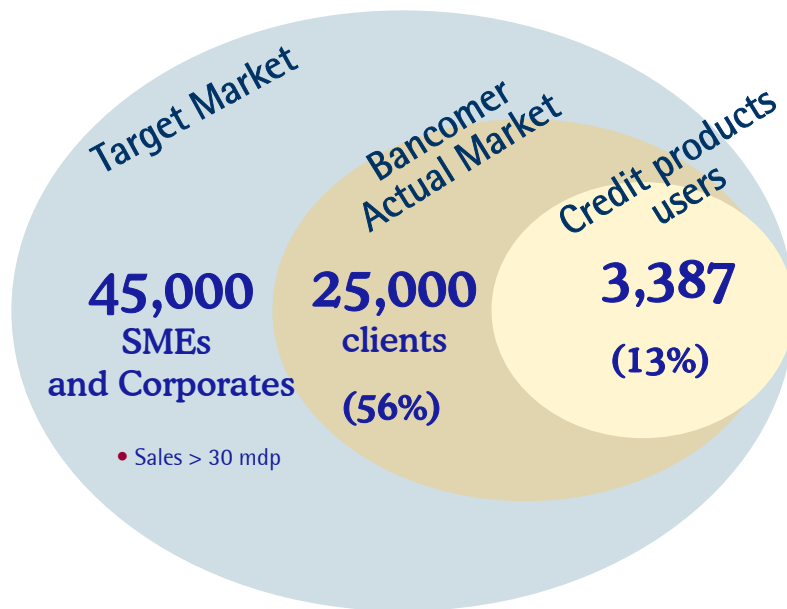


35% Market Share

Source: Infonavit & BVA

... and great prospects in SMEs

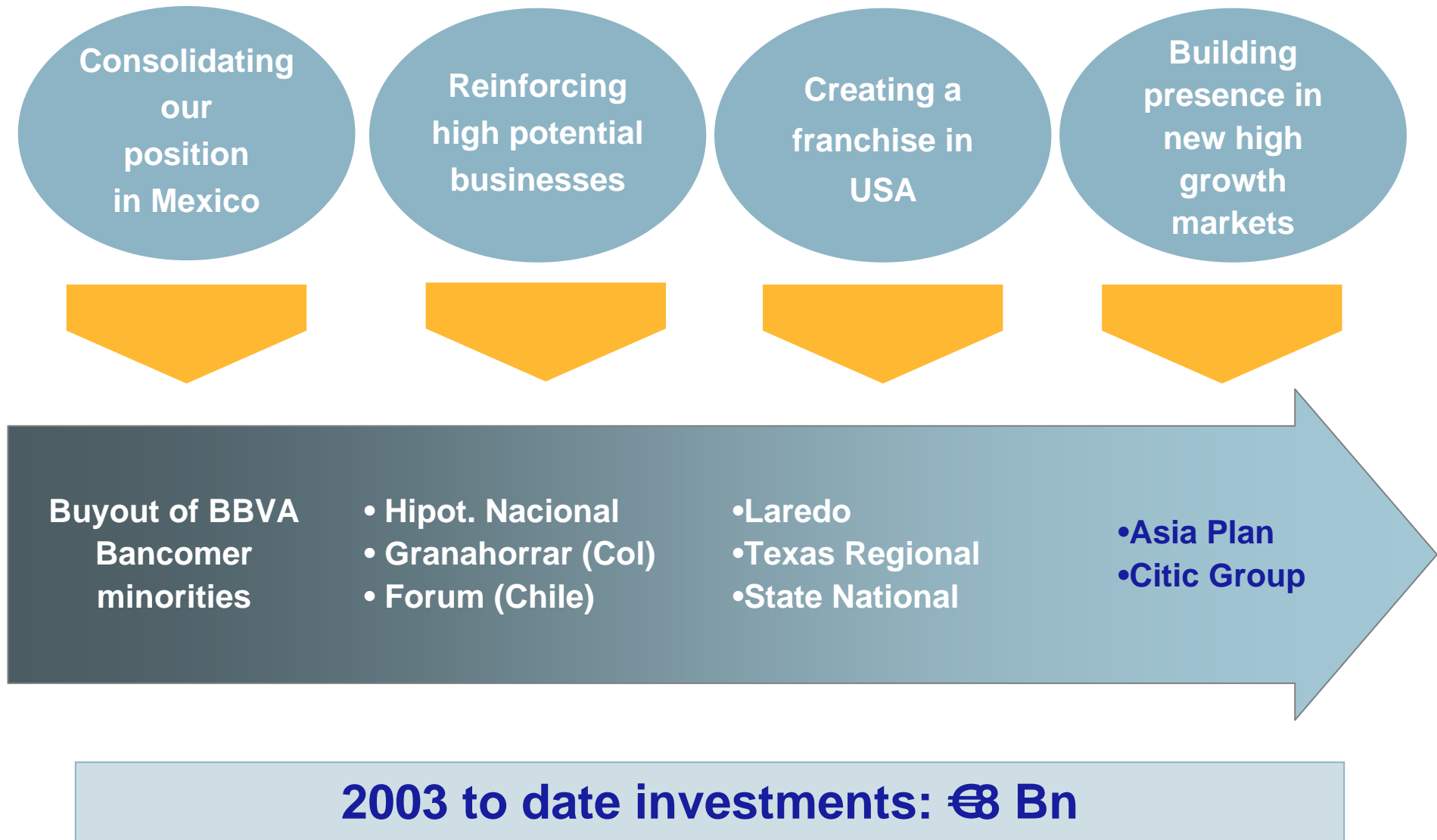
Bancomer SMEs and Corporates



Loan Penetration (€m)

	Spain	Mexico
Customer Funds	10,660	4,239
Lending	30,251	2.839
Lending/ Customer Funds	284%	70%

BBVA´s non-organic expansion has showed strategic fit



Track record in acquisitions, best in class among European financial institutions



Latin American acquisitions

	Investments to 2006 (M US\$)	ROI (%)
BBVA Bancomer (1)	8.370	23,8
Rest of Latin America (2)	5.202	16,8
Total Latin America	13.573	21,1

(1) Banking Group
(2) Rest of Banks, Pension and Insurance business

Hipotecaria Nacional

- Full payback of investment in 24 months

BNL

- Financial discipline
- Maximising shareholder return

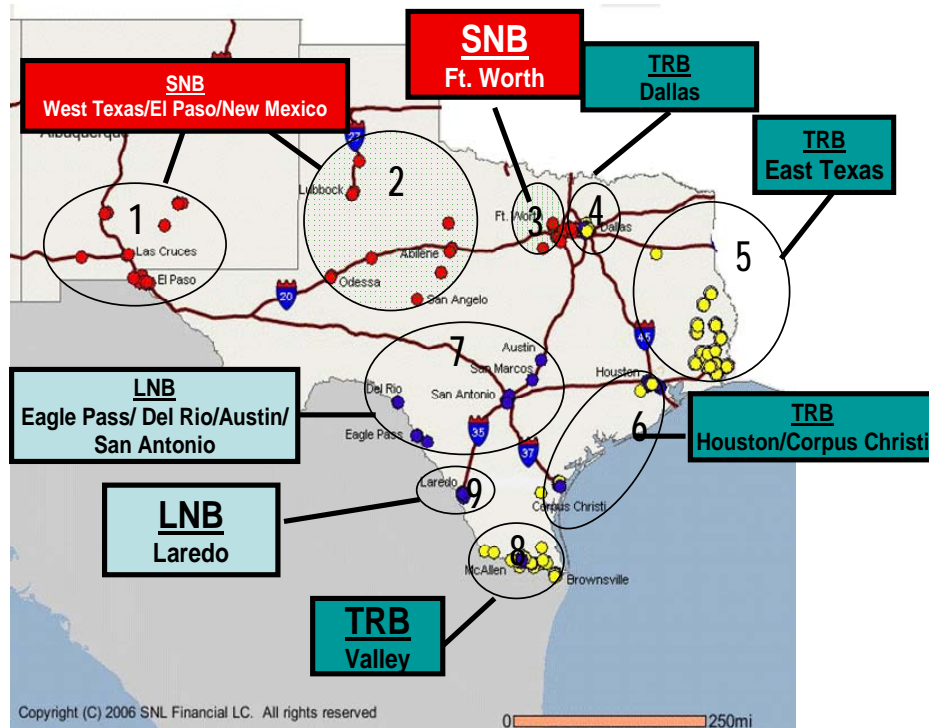
USA

- Strong fit with BBVA strategy
- Franchises with leading positions in their core markets

China

- Limited financial exposure with real options to develop meaningful businesses

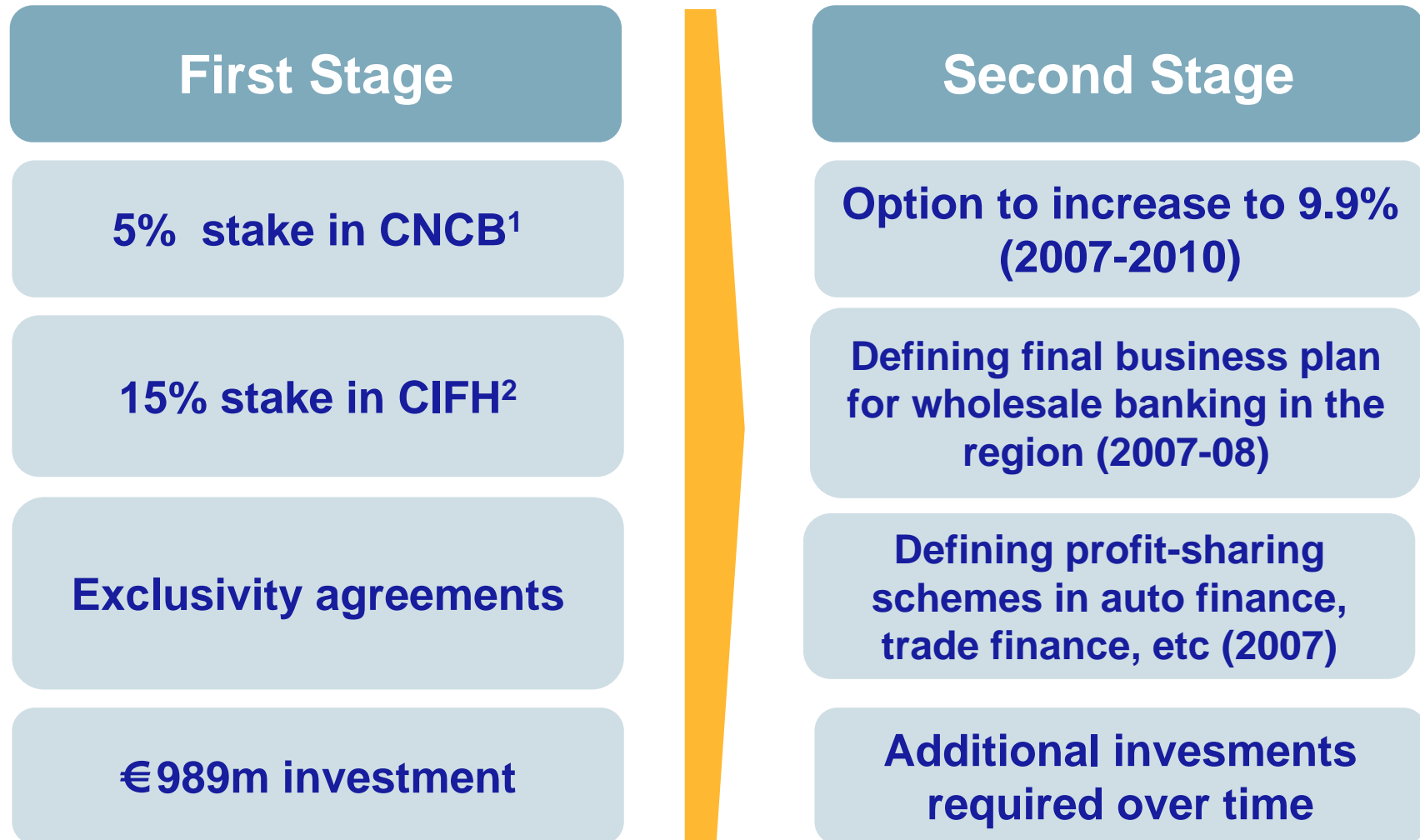
BBVA Texas: A big step in our expansion strategy



	Texas	USA	USA /Tx
Population (million / 2005)	23	298	12.9x
Population Growth (05-10e)	10.6%	5.4%	+6.2pp
% Hispanic population	36%	15%	+21pp
GDP growth (97-05)	6.4%	5.2%	+1.2pp
GDP per capita US th\$	42,5	41,6	+0.9th

BBVA USA, a leading regional bank in Texas, with 3% market share

China & Hong Kong: a great opportunity for BBVA



(1) China CITIC Bank

(2) CITIC International Financial Holdings

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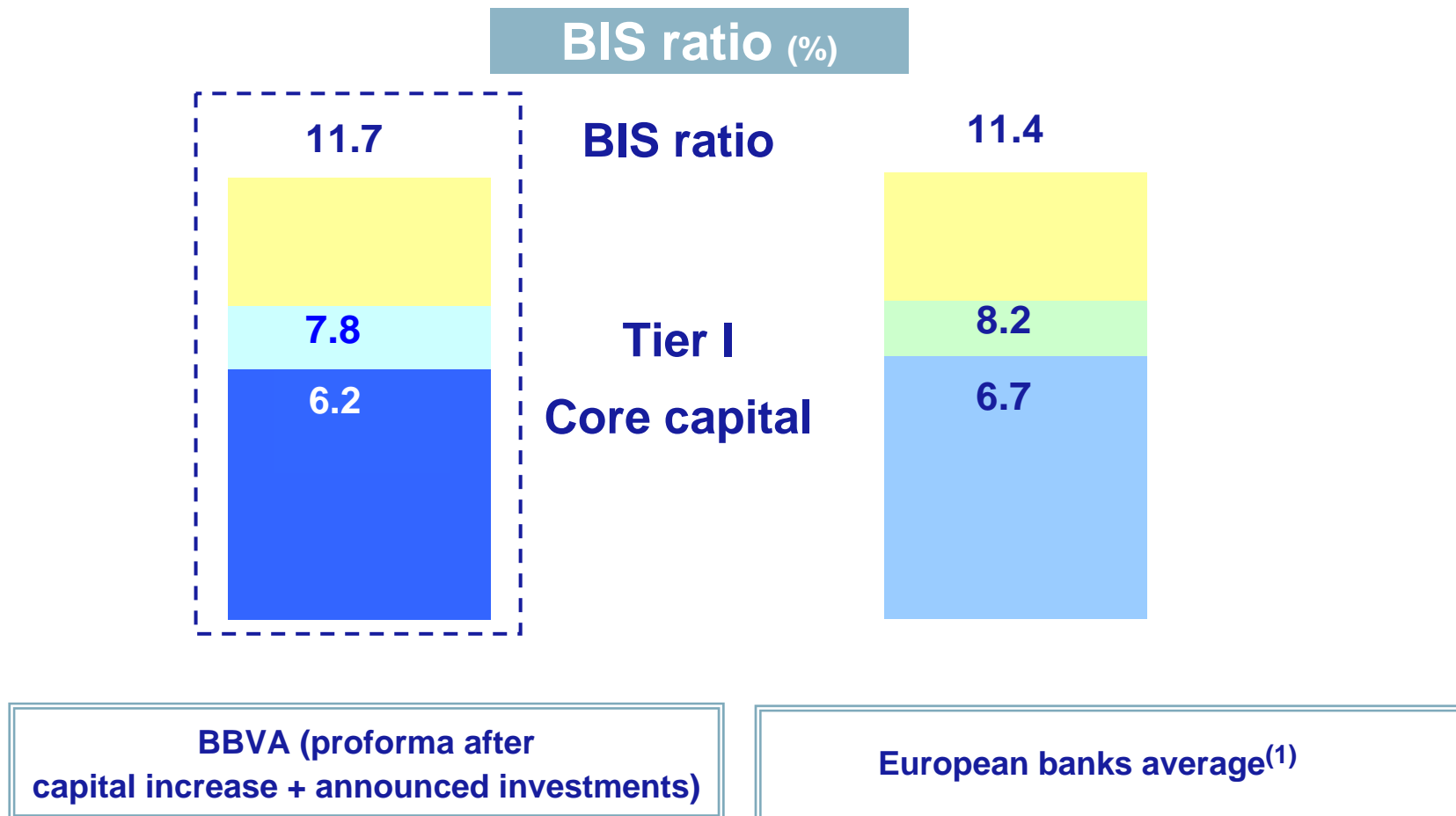
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BBVA continues to be very disciplined in its use of capital



⁽¹⁾ Data as of June 06 refers to largest European groups .

1

BBVA continues to be very disciplined in its use of capital

2

The capital increase reflects the higher visibility of growth prospects we have today. High growth will remain for longer

3

BBVA reinforces its commitment to focus on profitable growth and shareholder return

Tangible opportunities require capital to deliver, maintaining appropriate solvency levels

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