

**BANCO BILBAO VIZCAYA ARGENTARIA, S.A.**

Financial statements  
for the year ended  
December 31, 2007

*Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of financial statements originally issued in Spanish and prepared in accordance with Bank of Spain Circular 4/2004 (Note 47). In the event of a discrepancy, the Spanish-language version prevails.*

## AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Shareholders of  
Banco Bilbao Vizcaya Argentaria, S.A.:

1. We have audited the financial statements of BANCO BILBAO VIZCAYA ARGENTARIA, S.A. (the Bank) comprising the balance sheet at 31 December 2007 and the related income statement, cash flow statement, statement of changes in equity and notes to the financial statements for the year then ended. The preparation of these financial statements is the responsibility of the Bank's directors. Our responsibility is to express an opinion on the financial statements taken as a whole based on our audit work performed in accordance with generally accepted auditing standards in Spain, which require examination, by means of selective tests, of the evidence supporting the financial statements and evaluation of their presentation, of the accounting policies applied and of the estimates made.
2. As required by Spanish corporate and commercial law, for comparison purposes the Bank's directors present, in addition to the figures for 2007 for each item in the balance sheet, income statement, cash flow statement, statement of changes in equity and notes to the financial statements, the figures for 2006. Our opinion refers only to the financial statements for 2007. On 13 February 2007, we issued our auditors' report on the Bank's 2006 financial statements, in which we expressed an unqualified opinion.
3. The directors of the Bank prepared, at the same time as the Bank's individual financial statements for 2007, the 2007 consolidated financial statements of the Banco Bilbao Vizcaya Argentaria Group, on which we issued our auditors' report on February 7, 2008, in which we expressed an unqualified opinion. Based on the content of the aforementioned consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union, the total assets and consolidated equity of the Banco Bilbao Vizcaya Argentaria Group at 2007 year-end amounted to EUR 502,204 million and EUR 27,943 million, respectively, and 2007 consolidated net income attributed to the Group amounted to EUR 6,126 million.
4. In our opinion, the accompanying financial statements for 2007 present fairly, in all material respects, the equity and financial position of the Bank at 31 December 2007 and the results of its operations, the changes in its equity and its cash flows for the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with the accounting principles and standards contained in Bank of Spain Circular 4/2004, which were applied on a basis consistent with that of the preceding year.
5. The accompanying directors' report for 2007 contains the explanations which the directors consider appropriate about the Bank's situation, the evolution of its business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2006. Our work as auditors was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the Bank's accounting records.

DELOITTE, S.L.  
Registered in ROAC under no. S0692



Francisco Celma

February 7, 2007

*Translation of financial statements originally issued in Spanish and prepared in accordance with generally accounting principles Spain (see Note 47). In the event of a discrepancy, the Spanish-language version prevails.*

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Translation of financial statements originally issued in Spanish and prepared in accordance with generally accounting principles Spain (see Note 47). In the event of a discrepancy, the Spanish-language version prevails.

## BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

### BALANCE SHEETS AS OF DECEMBER 31, 2007 AND 2006 (Notes 1 to 3)

ASSETS	Millions of euros	
	2007	2006(*)
<b>CASH AND BALANCES WITH CENTRAL BANKS (Note 5)</b>	<b>12,216</b>	<b>3,264</b>
<b>FINANCIAL ASSETS HELD FOR TRADING (Note 6)</b>	<b>41,180</b>	<b>35,899</b>
Loans and advances to credit institutions	-	-
Money market operations through counterparties	-	-
Loans and advances to other debtors	-	-
Debt securities	17,006	14,192
Other equity instruments	9,037	9,883
Trading derivatives	15,137	11,824
Memorandum item: Loaned and advanced as collateral	5,919	5,395
<b>OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>-</b>	<b>-</b>
Loans and advances to credit institutions	-	-
Money market operations through counterparties	-	-
Loans and advances to other debtors	-	-
Debt securities	-	-
Other equity instruments	-	-
Memorandum item: Loaned and advanced as collateral	-	-
<b>AVAILABLE-FOR-SALE FINANCIAL ASSETS (Note 7)</b>	<b>18,709</b>	<b>17,536</b>
Debt securities	9,142	8,547
Other equity instruments	9,567	8,989
Memorandum item: Loaned and advanced as collateral	2,573	4,839
<b>LOANS AND RECEIVABLES (Note 8)</b>	<b>246,722</b>	<b>213,028</b>
Loans and advances to credit institutions	32,547	24,565
Money market operations through counterparties	-	100
Loans and advances to other debtors	209,603	183,853
Debt securities	-	1
Other equity instruments	4,572	4,509
Memorandum item: Loaned and advanced as collateral	4,240	2,767
<b>HELD-TO-MATURITY INVESTMENTS (Note 9)</b>	<b>5,584</b>	<b>5,906</b>
Memorandum item: Loaned and advanced as collateral	2,085	1,251
<b>CHANGES IN THE FAIR VALUE OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RIS</b>	<b>-</b>	<b>-</b>
<b>HEDGING DERIVATIVES (Note 10)</b>	<b>779</b>	<b>1,759</b>
<b>NON-CURRENT ASSETS HELD FOR SALE (Note 11)</b>	<b>49</b>	<b>26</b>
Loans and advances to credit institutions	-	-
Loans and advances to other debtors	-	-
Debt securities	-	-
Equity instruments	-	-
Tangible assets	49	26
Other assets	-	-
<b>INVESTMENTS (Note 12)</b>	<b>21,668</b>	<b>14,160</b>
Associates	505	44
Jointly controlled entities	4	3
Group entities	21,159	14,113
<b>INSURANCE CONTRACTS LINKED TO PENSIONS REINSURANCE ASSETS (Note 19)</b>	<b>2,004</b>	<b>2,114</b>
<b>TANGIBLE ASSETS (Note 13)</b>	<b>1,870</b>	<b>2,093</b>
Property, plants and equipment	1,859	2,082
Investment properties	11	11
Other assets leased out under an operating lease	-	-
Memorandum item: Acquired under a finance lease	-	-

(\*) Presented for comparison purposes only.

<b>ASSETS (Continuation)</b>	<b>Millions of euros</b>	
	<b>2007</b>	<b>2006(*)</b>
<b>INTANGIBLE ASSETS (Note 14)</b>	<b>90</b>	<b>63</b>
Goodwill	-	-
Other intangible assets	90	63
<b>TAX ASSETS (Note 25)</b>	<b>3,227</b>	<b>3,276</b>
Current	150	140
Deferred	3,077	3,136
<b>PREPAYMENTS AND ACCRUED INCOME (Note 15)</b>	<b>328</b>	<b>505</b>
<b>OTHER ASSETS (Note 16)</b>	<b>440</b>	<b>562</b>
<b>TOTAL ASSETS</b>	<b>354,866</b>	<b>300,191</b>

(\*) Presented for comparison purposes only.

The accompanying Notes 1 to 47 and Appendices I to VI are an integral part of the balance sheet as of December 31, 2007.

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accounting principles Spain (see Note 47). In the event of a discrepancy, the Spanish-language version prevails.

## BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

### BALANCE SHEETS AS OF DECEMBER 31, 2007 AND 2006 (Notes 1 to 3)

	Millions of euros	
LIABILITIES AND EQUITY	2007	2006(*)
<b>FINANCIAL LIABILITIES HELD FOR TRADING (Note 6)</b>	<b>18,545</b>	<b>13,658</b>
Deposits from credit institutions	-	-
Money market operations through counterparties	-	-
Deposits from other creditors	-	-
Debt certificates (including bonds)	-	-
Trading derivatives	17,383	13,098
Short positions	1,162	560
<b>OTHER FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>-</b>	<b>-</b>
Deposits from credit institutions	-	-
Deposits from other creditors	-	-
Debt certificates (including bonds)	-	-
<b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH EQUITY</b>	<b>-</b>	<b>-</b>
Deposits from credit institutions	-	-
Deposits from other creditors	-	-
Debt certificates (including bonds)	-	-
<b>FINANCIAL LIABILITIES AT AMORTISED COST (Note 17)</b>	<b>303,629</b>	<b>258,697</b>
Deposits from central banks	22,984	12,757
Deposits from credit institutions	46,852	41,631
Money market operations through counterparties	23	223
Deposits from other creditors	172,807	146,892
Debt certificates (including bonds)	44,248	39,859
Subordinated liabilities	12,593	12,465
Other financial liabilities	4,122	4,870
<b>CHANGES IN THE FAIR VALUE OF THE HEDGED ITEMS IN PORTFOLIO HEDGES OF INTEREST RATE RISK</b>	<b>-</b>	<b>-</b>
<b>HEDGING DERIVATIVES (Note 10)</b>	<b>1,765</b>	<b>2,088</b>
<b>LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE</b>	<b>-</b>	<b>-</b>
Deposits from other creditors	-	-
Other liabilities	-	-
<b>PROVISIONS (Note 18)</b>	<b>6,637</b>	<b>6,926</b>
Provisions for pensions and similar obligations	5,184	5,523
Provisions for taxes	-	-
Provisions for contingent exposures and commitments	525	462
Other provisions	928	941
<b>TAX LIABILITIES (Note 25)</b>	<b>1,715</b>	<b>1,250</b>
Current	-	-
Deferred	1,715	1,250
<b>ACCRUED EXPENSES AND DEFERRED INCOME (Note 15)</b>	<b>867</b>	<b>736</b>
<b>OTHER LIABILITIES (Note 16)</b>	<b>103</b>	<b>105</b>
<b>CAPITAL HAVING THE NATURE OF A FINANCIAL LIABILITY</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>333,261</b>	<b>283,460</b>

(\*) Presented for comparison purposes only.

<b>LIABILITIES AND EQUITY</b> ( <i>Continuation</i> )	<b>Millions of euros</b>	
	<b>2007</b>	<b>2006(*)</b>
<b>VALUATION ADJUSTMENTS (Note 19)</b>	<b>2,888</b>	<b>2,264</b>
Available-for-sale financial assets	2,950	2,367
Financial liabilities at fair value through equity	-	-
Cash flow hedges	(80)	(95)
Hedges of net investments in foreign operations	-	-
Exchange differences	18	(8)
Non-current assets held for sale	-	-
<b>STOCKHOLDER'S EQUITY</b>	<b>18,717</b>	<b>14,467</b>
<b>Capital (Note 21)</b>	<b>1,837</b>	<b>1,740</b>
Issued	1,837	1,740
Unpaid and uncalled (-)	-	-
<b>Share premium (Note 22)</b>	<b>12,770</b>	<b>9,579</b>
<b>Reserves (Note 23)</b>	<b>2,257</b>	<b>2,086</b>
Accumulated reserves (losses)	2,257	2,086
Retained earnings	-	-
<b>Other equity instruments</b>	<b>49</b>	<b>26</b>
Equity component of compound financial instruments	-	-
Other	49	26
<b>Less: Treasury shares (Note 24)</b>	<b>(129)</b>	<b>(40)</b>
<b>Income attributed to the Group</b>	<b>3,612</b>	<b>2,440</b>
<b>Less: Dividends and remuneration</b>	<b>(1,679)</b>	<b>(1,364)</b>
<b>TOTAL EQUITY (Note 20)</b>	<b>21,605</b>	<b>16,731</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>354,866</b>	<b>300,191</b>

<b>PRO-MEMORIA</b>	<b>Millions of euros</b>	
	<b>2007</b>	<b>2006(*)</b>
<b>CONTINGENT EXPOSURES (Note 28)</b>	<b>102,889</b>	<b>80,647</b>
Financial guarantees	99,041	78,364
Assets earmarked for third-party obligations	-	-
Other contingent exposures	3,848	2,283
<b>CONTINGENT COMMITMENTS (Note 28)</b>	<b>76,246</b>	<b>70,714</b>
Drawable by third parties	70,769	65,850
Other commitments	5,477	4,864

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The accompanying Notes 1 to 47 and Appendices I to VI are an integral part of the balance sheet as of December 31, 2007.



Translation of financial statements originally issued in Spanish and prepared in accordance with generally accounting principles Spain (see Note 47). In the event of a discrepancy, the Spanish-language version prevails.

## BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

### INCOME STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006 (Notes 1 to 3)

	Millions of euros	
	2007	2006(*)
INTEREST AND SIMILAR INCOME (Note 33)	13,785	9,556
INTEREST EXPENSE AND SIMILAR CHARGES (Note 34)	(10,933)	(6,977)
Income on equity having the nature of a financial liability	-	-
Other	(10,933)	(6,977)
INCOME FROM EQUITY INSTRUMENTS (Note 35)	1,810	1,529
Investments in associates	5	1
Investments in jointly controlled entity	-	1
Investments in group entities	1,476	1,158
Other equity investments	329	369
<b>NET INTEREST INCOME</b>	<b>4,662</b>	<b>4,108</b>
FEE AND COMMISSION INCOME (Note 36)	2,174	2,062
FEE AND COMMISSION EXPENSES (Note 37)	(381)	(330)
GAINS OR LOSSES ON FINANCIAL ASSETS AND LIABILITIES (NET) (Note 38)	1,706	1,246
Held for trading	465	310
Other financial instruments at fair value through profit or loss	-	-
Available-for-sale financial assets	1,223	998
Loans and receivables	(1)	-
Other	19	(62)
EXCHANGE DIFFERENCES (NET)	266	236
<b>GROSS INCOME</b>	<b>8,427</b>	<b>7,322</b>
OTHER OPERATING INCOME	77	70
PERSONNEL EXPENSES (Note 39)	(2,238)	(2,158)
OTHER ADMINISTRATIVE EXPENSES (Note 40)	(982)	(849)
DEPRECIATION AND AMORTISATION	(209)	(201)
Tangible assets (Note 13)	(184)	(184)
Intangible assets (Note 14)	(25)	(17)
OTHER OPERATING EXPENSES	(78)	(65)
<b>NET OPERATING INCOME</b>	<b>4,997</b>	<b>4,119</b>
IMPAIRMENT LOSSES	(621)	(645)
Available-for-sale financial assets (Note 7)	5	5
Loans and receivables (Note 8)	(602)	(625)
Held-to-maturity investments (Note 9)	-	-
Non-current assets held for sale (Note 11)	(5)	(10)
Investments (Note 12)	(14)	(17)
Tangible assets (Note 13)	(5)	2
Goodwill	-	-
Other intangible assets	-	-
Other assets	-	-
PROVISION EXPENSE (NET) (Note 18)	(287)	(1,025)
OTHER GAINS (Note 41)	394	615
Gains on disposal of tangible assets	337	57
Gains on disposal of investment	39	537
Other	18	21
OTHER LOSSES (Note 41)	(236)	(34)
Losses on disposal of tangible assets	(1)	(5)
Losses on disposal of investment	-	-
Other	(235)	(29)
<b>INCOME BEFORE TAX</b>	<b>4,247</b>	<b>3,030</b>
INCOME TAX (Note 25)	(635)	(590)
<b>INCOME FROM ORDINARY ACTIVITIES</b>	<b>3,612</b>	<b>2,440</b>
INCOME FROM DISCONTINUED OPERATIONS (NET)	-	-
<b>INCOME FOR THE PERIOD</b>	<b>3,612</b>	<b>2,440</b>

(\*) Presented for comparison purposes only.

The accompanying Notes 1 to 47 and Appendices I to VI are an integral part of the income statement for the year ended December 31, 2007.

*Translation of financial statements originally issued in Spanish and prepared in accordance with generally accounting principles Spain (see Note 47). In the event of a discrepancy, the Spanish-language version prevails.*

## BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

### STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(Notes 1 to 3)

	Millions of euros	
	2007	2006(*)
<b>NET INCOME RECOGNISED DIRECTLY IN EQUITY</b>	<b>624</b>	<b>454</b>
Available-for-sale financial assets	583	453
Revaluation gains/losses	1,892	1,423
Amounts transferred to income statement	(715)	(641)
Income tax	(594)	(329)
Reclassifications	-	-
Other financial liabilities at fair value	-	-
Revaluation gains/losses	-	-
Amounts transferred to income statement	-	-
Income tax	-	-
Reclassifications	-	-
Cash flow hedges	15	(29)
Revaluation gains/losses	1	(34)
Amounts transferred to income statement	14	-
Amounts transferred to the initial carrying amount of the hedged items	-	-
Income tax	-	5
Reclassifications	-	-
Hedges of net investment in foreign operations	-	-
Revaluation gains/losses	-	-
Amounts transferred to income statement	-	-
Income tax	-	-
Exchange differences	26	30
Translation gains/losses	26	(11)
Amounts transferred to income statement	7	38
Income tax	(7)	3
Non-current assets held for sale	-	-
Revaluation gains	-	-
Amounts transferred to income statement	-	-
Income tax	-	-
Reclassifications	-	-
<b>CONSOLIDATED INCOME FOR THE YEAR</b>	<b>3,612</b>	<b>2,440</b>
Published consolidated income for the year	3,612	2,440
Adjustments due to changes in accounting policy	-	-
Adjustments made to correct errors	-	-
<b>TOTAL INCOME AND EXPENSES FOR THE YEAR</b>	<b>4,236</b>	<b>2,894</b>
<b>MEMORANDUM ITEM: EQUITY ADJUSTMENTS ALLOCABLE TO PRIOR YEARS</b>	<b>-</b>	<b>-</b>
Due to changes in accounting policies	-	-
Stockholder's Equity	-	-
Valuation adjustments	-	-
Due to errors	-	-
Stockholder's Equity	-	-
Valuation adjustments	-	-

(\*) Presented for comparison purposes only.

The accompanying Notes 1 to 47 and Appendices I to VI are an integral part of the statement of changes in equity for the year ended December 31, 2007.

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accounting principles Spain (see Note 47). In the event of a discrepancy, the Spanish-language version prevails.

## BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

### CASH FLOW STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006 (Notes 1 to 3)

	Millions of euros	
	2007	2006(*)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Consolidated profit for the year</b>	<b>3,612</b>	<b>2,440</b>
Adjustment to profit:	1,543	2,036
Depreciation of tangible assets (+)	184	184
Amortisation of intangible assets (+)	25	17
Impairment losses (net) (+/-)	621	645
Provision expense (net) (+/-)	287	1,025
Gains/Losses on disposal of tangible assets (+/-)	(336)	(52)
Gains/Losses on disposal of investment (+/-)	(39)	(537)
Taxes (+/-)	635	590
Other non-monetary items (+/-)	166	164
<b>Adjusted profit</b>	<b>5,155</b>	<b>4,476</b>
<b>Net increase/decrease in operating assets</b>	<b>(38,241)</b>	<b>(17,527)</b>
Financial assets held for trading	(5,280)	(4,676)
Loans and advances to credit institutions	-	-
Money market operations through counterparties	-	-
Loans and advances to other debtors	-	-
Debt securities	(2,814)	(1,168)
Other equity instruments	847	(3,969)
Trading derivatives	(3,313)	461
Other financial assets at fair value through profit or loss	-	-
Loans and advances to credit institutions	-	-
Money market operations through counterparties	-	-
Loans and advances to other debtors	-	-
Debt securities	-	-
Other equity instruments	-	-
Available-for-sale financial assets	(343)	15,574
Debt securities	(723)	15,828
Other equity instruments	380	(254)
Loans and receivables	(34,030)	(30,201)
Loans and advances to credit institutions	(7,959)	4,686
Money market operations through counterparties	100	(100)
Loans and advances to other debtors	(26,117)	(31,757)
Debt securities	9	3
Other financial assets	(63)	(3,033)
Other operating assets	1,412	1,776

(\*) Presented for comparison purposes only.

(Continuation)	Millions of euros	
	2007	2006(*)
<b>Net increase/decrease in operating liabilities</b>	<b>48,399</b>	<b>15,204</b>
Financial liabilities held for trading	4,887	(922)
Deposits from credit institutions	-	-
Money market operations through counterparties	-	-
Deposits from other creditors	-	-
Debt certificates (including bonds)	-	-
Trading derivatives	4,285	398
Short positions	602	(1,320)
Other financial liabilities at fair value through profit or loss	-	-
Deposits from credit institutions	-	-
Deposits from other creditors	-	-
Debt certificates (including bonds)	-	-
Financial liabilities at fair value through equity	-	-
Deposits from credit institutions	-	-
Deposits from other creditors	-	-
Debt certificates (including bonds)	-	-
Financial liabilities measured at amortised cost	44,203	15,833
Deposits from central banks	10,208	(5,040)
Deposits from credit institutions	5,198	(1,501)
Money market operations through counterparties	(200)	200
Deposits from other creditors	25,646	16,631
Debt certificates (including bonds)	4,199	5,566
Other financial liabilities	(848)	(23)
Other operating liabilities	(691)	293
<b>Total net cash flows from operating activities (1)</b>	<b>15,313</b>	<b>2,153</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment (-)	(8,208)	(4,456)
Group entities, jointly controlled entities and associates	(7,890)	(1,980)
Tangible assets	(266)	(237)
Intangible assets	(52)	(28)
Held-to-maturity investments	-	(2,211)
Other financial assets	-	-
Other assets	-	-
Divestments (+)	990	1,690
Group entities, jointly controlled entities and associates	43	1,355
Tangible assets	647	61
Intangible assets	-	-
Held-to-maturity investments	300	274
Other financial assets	-	-
Other assets	-	-
<b>Total net cash flows investing activities (2)</b>	<b>(7,218)</b>	<b>(2,766)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issuance/ Redemption of capital (+/-)	3,263	2,960
Acquisition of own equity instruments (-)	(12,001)	(4,728)
Disposal of own equity instruments (+)	11,888	4,760
Issuance/Redemption of non-voting equity units (+/-)	-	-
Issuance/Redemption of other equity instruments (+/-)	23	26
Issuance/Redemption of capital having the nature of a financial liability (+/-)	-	-
Issuance/Redemption of subordinated liabilities(+/-)	72	64
Issuance/Redemption of other long-term liabilities (+/-)	-	-
Dividends/Interest paid (-)	(2,434)	(1,916)
Other items relating to financig activities (+/-)	41	1
<b>Total net cash flows from financing activities (3)</b>	<b>852</b>	<b>1,167</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH OR CASH EQUIVALENTS (4)</b>	<b>5</b>	<b>2</b>
<b>NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS (1+2+3+4)</b>	<b>8,952</b>	<b>556</b>
<b>Cash or cash equivalents at beginning of year</b>	<b>3,264</b>	<b>2,708</b>
<b>Cash or cash equivalents at end of year</b>	<b>12,216</b>	<b>3,264</b>

(\*) Presented for comparison purposes only.

The accompanying Notes 1 to 47 and Appendices I to VI are an integral part of the cash flow statement for the year ended December 31, 2007.

*Translation of financial statements originally issued in Spanish and prepared in accordance with generally accounting principles Spain (see Note 47). In the event of a discrepancy, the Spanish-language version prevails.*

## **BANCO BILBAO VIZCAYA ARGENTARIA, S.A.**

### **Notes to the financial statements for the year ended December 31, 2007**

## **1. INTRODUCTION, BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS AND OTHER INFORMATION**

### **1.1. Introduction**

Banco Bilbao Vizcaya Argentaria, S.A. ("the Bank" or "BBVA") is a private-law entity governed by the rules and regulations applicable to banks operating in Spain. The Bank conducts its business through branches and offices located throughout Spain and abroad.

The articles of association and other public information on the Bank can be consulted both at its registered office (Plaza San Nicolás, 4, Bilbao) and on its official website, [www.bbva.com](http://www.bbva.com).

In addition to the operations carried on directly by it, the Bank is the head of a group of subsidiaries, jointly controlled entities and associates that engage in various business activities and which compose, together with the Bank, the Banco Bilbao Vizcaya Argentaria Group ("the Group" or "BBVA Group"). Therefore, the Bank is obliged to prepare, in addition to its own financial statements, the Group's financial statements.

The bank's financial statements for 2006 were approved by the shareholders at the Bank's Annual General Meeting on March 18, 2007. The 2007 financial statements of the Bank have not yet been approved by their shareholders at the respective Annual General Meeting. However, the Bank's Board of Directors considers that the aforementioned financial statements will be approved without any changes.

### **1.2. Basis of presentation of the financial statements**

The Bank of Spain issued Circular 4/2004 of 22 December 2004 on Public and Confidential Financial Reporting Rules and Formats.

Circular 4/2004 modifies the accounting policies of Spain's credit institutions to adapt them to the new accounting scenario established by the adoption by the European Union, with the legislation of several regulations, of the International Financial Reporting Standards ("EU-IFRS") following stipulations established under Regulation (EC) no, 1606/2002 of the European Parliament and of the Council of July 19, 2002, relative to –International Accounting Standards.

The Bank's financial statements of 2007 were prepared by the Bank's directors (at the Board Meeting on February 5, 2008) on the basis of the accounting records kept by the Bank in accordance with Bank of Spain Circular 4/2004, representing fairly the bank's equity and financial position as of December 31, 2007, and the results of its operations, the changes in equity and the cash flows in 2007.

All accounting policies and measurement bases with a significant effect on the financial statements were applied in their preparation.

Due to the fact that the numerical information contained in the financial statements is expressed in million of euros, except in certain cases where it is necessary to lower unit, certain captions that do not present any balance in the condensed statements may present balance in euros. In addition, information regarding period-to-period changes is based on numbers not rounded.

### **1.3. Comparative information**

The information relating to 2006 contained in these notes to the financial statements is presented, solely for comparison purposes, with information relating to 2007.

### **1.4. Responsibility for the information and for the estimates made**

The information presented in the Bank's financial statements is the responsibility of the bank directors. In preparing these financial statements estimates were occasionally made by the bank in order to quantify certain of the assets, liabilities, income, expenses and commitments reported herein. These estimates relate mainly to the following:

- The impairment losses on certain assets (Notes 7, 8, 9 and 12).
- The assumptions used in the actuarial calculation of the post-employment benefit liabilities and commitments (Note 19)
- The useful life of tangible and intangible assets (Note 13 and 14).

- The fair value of certain unquoted assets (Note 7).

Although these estimates were made on the basis of the best information available as of December 31, 2007 on the events analysed, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years.

### **1.5. Environmental impact**

As of December 31, 2007 the banks financial statements did not disclose any item that should be included in the environmental information document envisaged in the related Ministry of the Economy Order dated October 8, 2001.

### **1.6. Detail of agents of credit institutions**

Exhibit VI contains an inventory of the agents of the banks as required in accordance to the article 22 of the Royal Decree 1245/1995, of July 14 of the Ministry of Economy.

### **1.7. Report on the activity of the customer care department and the Customer Ombudsman**

The report on the activity of the Customer Care Department and the Customer Ombudsman required pursuant to Article 17 of Ministry of Economy and Finance Order ECO/734/2004 of 11 March is included in the management report accompanying these financial statements.

### **1.8. Minimum capital**

Law 13/1992 of June 1, 1992 and Bank of Spain Circular 5/1993 and subsequent amendments thereto regulate the minimum capital requirements for Spanish credit institutions – both as individual entities and as consolidated groups – and the manner in which these capital requirements are to be calculated.

As of December 31, 2007 and 2006 the Group's qualifying capital exceeded the minimum required under the aforementioned legislation.

### **1.9. Consolidation**

The consolidated financial statements of Group BBVA correspondent to the year finished on December 31, 2007 were prepared in accordance with the EU-IFRS's, taking into account Bank of Spain Circular 4/2004. The board of directors on its February 5, 2008 meeting approved this consolidated financial statements.

The management of the Group's operations is carried out on a consolidated basis, independently of the individual allocation of the correspondent equity changes and its related results. In consequence, the annual financial statements of the Bank have to be considering inside the context of the Group, due to the fact that they don't reflect the financial and equity changes that result from the application of the consolidation policies (full consolidation or proportionate consolidation methods) or by the equity method.

These changes are reflected in the consolidated financial statements of the Banco Bilbao Vizcaya Argentaria Group correspondent to the year 2007, which the Bank prepares as well. Following is a summary of the Groups financial statements.

**BANCO BILBAO VIZCAYA ARGENTARIA, S.A. AND COMPANIES COMPOSING THE BANCO  
BILBAO VIZCAYA ARGENTARIA GROUP**

**SUMMARIZED CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2007 AND 2006**

Millions of euros		
<b>ASSETS</b>	<b>2007</b>	<b>2006(*)</b>
CASH AND BALANCES WITH CENTRAL BANKS	22,581	12,515
FINANCIAL ASSETS HELD FOR TRADING	62,336	51,835
OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	1,167	977
AVAILABLE-FOR-SALE FINANCIAL ASSETS	48,432	42,267
LOANS AND RECEIVABLES	338,492	279,855
HELD-TO-MATURITY INVESTMENTS	5,584	5,906
HEDGING DERIVATIVES	1,050	1,963
NON-CURRENT ASSETS HELD FOR SALE	240	186
INVESTMENT	1,542	889
REINSURANCE ASSETS	43	32
TANGIBLE ASSET	5,238	4,527
INTANGIBLE ASSETS	8,244	3,269
TAX ASSETS	4,958	5,278
ACCRUED INCOME	604	674
OTHER ASSETS	1,693	1,743
<b>TOTAL ASSETS</b>	<b>502,204</b>	<b>411,916</b>

  

Millions of euros		
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2007</b>	<b>2006(*)</b>
<b>LIABILITIES</b>		
FINANCIAL LIABILITIES HELD FOR TRADING	19,273	14,923
OTHER FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	449	582
FINANCIAL LIABILITIES AT AMORTISED COST	429,204	348,445
HEDGING DERIVATIVES	1,807	2,280
LIABILITIES UNDER INSURANCE CONTRACTS	9,997	10,121
PROVISIONS	8,342	8,649
TAX LIABILITIES	2,817	2,369
ACCRUED EXPENSES AND DEFERRED INCOME	1,820	1,510
OTHER LIABILITIES	552	719
<b>TOTAL LIABILITIES</b>	<b>474,261</b>	<b>389,598</b>
<b>EQUITY</b>		
MINORITY INTERESTS	880	768
VALUATION ADJUSTMENTS	2,252	3,341
SHAREHOLDER'S EQUITY	24,811	18,209
Capital	1,837	1,740
Share premium	12,770	9,579
Reserves	6,060	3,629
Other equity instruments	68	35
Less: Treasury shares	(389)	(147)
Profit attributed to the Group	6,126	4,736
Less: Dividends and remuneration	(1,661)	(1,363)
<b>TOTAL EQUITY</b>	<b>27,943</b>	<b>22,318</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>502,204</b>	<b>411,916</b>

(\*) Presented for comparison purposes only.

**BANCO BILBAO VIZCAYA ARGENTARIA, S.A. AND COMPANIES COMPOSING THE BANCO  
BILBAO VIZCAYA ARGENTARIA GROUP**

**SUMMARIZED CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED DECEMBER 31,  
2007 AND 2006**

Millions of euros		
	2007	2006(*)
INTEREST AND SIMILAR INCOME	25,352	19,210
INTEREST EXPENSE AND SIMILAR CHARGES	(15,931)	(11,215)
INCOME FROM EQUITY INSTRUMENTS	348	379
<b>NET INTEREST INCOME</b>	<b>9,769</b>	<b>8,374</b>
SHARE OF PROFIT OR LOSS OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	242	308
FEE AND COMMISSION INCOME	5,592	5,119
FEE AND COMMISSION EXPENSES	(869)	(784)
INSURANCE ACTIVITY INCOME	729	650
GAINS/LOSSES ON FINANCIAL ASSETS AND LIABILITIES (NET)	2,261	1,656
EXCHANGE DIFFERENCES (NET)	409	378
<b>GROSS INCOME</b>	<b>18,133</b>	<b>15,701</b>
SALES AND INCOME FROM THE PROVISION OF NON-FINANCIAL SERVICES	788	605
COST OF SALES	(601)	(474)
OTHER OPERATING INCOME	240	117
PERSONNEL EXPENSES	(4,335)	(3,989)
OTHER ADMINISTRATIVE EXPENSES	(2,718)	(2,342)
DEPRECIATION AND AMORTISATION	(577)	(472)
OTHER OPERATING EXPENSES	(386)	(263)
<b>NET OPERATING INCOME</b>	<b>10,544</b>	<b>8,883</b>
IMPAIRMENT LOSSES (NET)	(1,937)	(1,504)
PROVISION EXPENSE (NET)	(210)	(1,338)
FINANCE INCOME FROM NON-FINANCIAL ACTIVITIES	2	58
FINANCE EXPENSES FROM NON-FINANCIAL ACTIVITIES	(1)	(55)
OTHER GAINS	496	1,128
OTHER LOSSES	(399)	(142)
<b>INCOME BEFORE TAX</b>	<b>8,495</b>	<b>7,030</b>
INCOME TAX	(2,080)	(2,059)
<b>INCOME FROM ORDINARY ACTIVITIES</b>	<b>6,415</b>	<b>4,971</b>
<b>INCOME FROM DISCONTINUED OPERATIONS (NET)</b>	<b>-</b>	<b>-</b>
<b>CONSOLIDATED INCOME FOR THE YEAR</b>	<b>6,415</b>	<b>4,971</b>
<b>INCOME ATTRIBUTED TO MINORITY INTEREST</b>	<b>(289)</b>	<b>(235)</b>
<b>INCOME ATTRIBUTED TO THE GROUP</b>	<b>6,126</b>	<b>4,736</b>

(\*) Presented for comparison purposes only.



**BANCO BILBAO VIZCAYA ARGENTARIA, S.A. AND COMPANIES COMPOSING THE BANCO  
BILBAO VIZCAYA ARGENTARIA GROUP**

**SUMMARIZED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY – CONSOLIDATED  
STATEMENTS OF REGONIZED INCOME AND EXPENSE FOR THE YEARS ENDED DECEMBER 31,  
2007 AND 2006**

Millions of euros		
	2007	2006(*)
<b>NET INCOME RECOGNISED DIRECTLY IN EQUITY</b>	<b>(1,092)</b>	<b>46</b>
Available-for-sale financial assets	237	353
Financial liabilities at fair value through equity	-	-
Cash flow hedges	(66)	119
Hedges of net investments in foreign operations	355	439
Exchange differences	(1,618)	(865)
Non-current assets held for sale	-	-
<b>INCOME FOR THE YEAR</b>	<b>6,415</b>	<b>4,971</b>
<b>TOTAL INCOME AND EXPENSES FOR THE YEAR</b>	<b>5,323</b>	<b>5,017</b>

(\*) Presented for comparison purposes only.

**BANCO BILBAO VIZCAYA ARGENTARIA, S.A. AND COMPANIES COMPOSING THE BANCO  
BILBAO VIZCAYA ARGENTARIA GROUP**

**SUMMARIZED CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEARS ENDED DECEMBER  
31, 2007 AND 2006**

	Millions of euros	
	2007	2006(*)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Consolidated profit for the year</b>	<b>6,415</b>	<b>4,971</b>
Adjustment to profit:	4,785	4,597
<b>Adjusted profit</b>	<b>11,200</b>	<b>9,568</b>
<b>Net increase/decrease in operating assets</b>	<b>(73,691)</b>	<b>(20,293)</b>
Financial assets held for trading	(10,489)	(7,823)
Other financial assets at fair value through profit or loss	148	444
Available-for-sale financial assets	(5,635)	18,346
Loans and receivables	(58,756)	(34,041)
Other operating assets	1,041	2,781
<b>Net increase/decrease in operating liabilities</b>	<b>79,633</b>	<b>13,543</b>
Financial liabilities held for trading	4,350	(1,347)
Other financial liabilities at fair value through profit or loss	(134)	(158)
Financial liabilities at fair value through equity	-	-
Financial liabilities measured at amortised cost	76,608	17,799
Other operating liabilities	(1,191)	(2,751)
<b>Total net cash flows from operating activities (1)</b>	<b>17,142</b>	<b>2,818</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments (-)	(10,228)	(5,121)
Divestments (+)	1,777	2,380
<b>Total net cash flows from investing activities (2)</b>	<b>(8,451)</b>	<b>(2,741)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issuance/Redemption of capital (+/-)	3,263	2,939
Acquisition of own equity instruments (-)	(16,182)	(5,677)
Disposal of own equity instruments (+)	16,041	5,639
Issuance/Redemption of other equity instruments (+/-)	(33)	(35)
Issuance/Redemption of subordinated liabilities (+/-)	1,984	104
Issuance/Redemption of other long-term liabilities (+/-)	-	-
Increase/Decrease in minority interest (+/-)	(108)	(168)
Dividends paid (-)	(2,424)	(1,915)
Other items relating to financing activities (+/-)	66	-
<b>Total net cash flows from financing activities (3)</b>	<b>2,607</b>	<b>887</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH OR CASH EQUIVALENTS (4)</b>	<b>(1,233)</b>	<b>(785)</b>
<b>NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS (1+2+3+4)</b>	<b>10,065</b>	<b>179</b>
<b>Cash or cash equivalents at beginning of year</b>	<b>12,496</b>	<b>12,317</b>
<b>Cash or cash equivalents at end of year</b>	<b>22,561</b>	<b>12,496</b>

(\*) Presented for comparison purposes only.

## 2. ACCOUNTING POLICIES AND MEASUREMENT BASES APPLIED

The accounting policies and measurement bases used in preparing these financial statements were as follows:

### a) Measurement bases

The criteria for the valuation of assets and liabilities in the accompanying balance sheets were as follows:

#### - FAIR VALUE

The fair value of an asset or a liability on a given date is the amount for which it could be exchanged or settled, respectively, between two knowledgeable, willing parties in an arm's length transaction. The most objective and common reference for the fair value of an asset or a liability is the price that would be paid for it on an organised, transparent and deep market ("quoted price" or "market price").

If there is no market price for a given asset or liability, its fair value is estimated on the basis of the price established in recent transactions involving similar instruments and, in the absence thereof, by using mathematical measurement models sufficiently tried and trusted by the international financial community. Such estimates would take into consideration the specific features of the asset or liability to be measured and, in particular, the various types of risk associated with the asset or liability. However, the limitations inherent to the measurement models developed and the possible inaccuracies of the assumptions required by these models may signify that the fair value of an asset or liability that is estimated does not coincide exactly with the price for which the asset or liability could be exchanged or settled on the date of its measurement.

#### - AMORTIZED COST

Amortized cost is understood to be the acquisition cost of a financial asset or liability minus principal repayments, plus or minus the systematic amortization (as reflected in the income statements) of any difference between the initial cost and the maturity amount.

In the case of financial assets, amortized cost also includes any value adjustments for impairment.

In the case of financial instruments, the systematic amortization reflected in the income statement is recognized by the effective interest rate method. The effective interest rate is the discount rate that exactly equates the carrying amount of a financial instrument to all its estimated cash flows of all kinds during its residual life. For fixed rate financial instruments, the effective interest rate coincides with the contractual interest rate established on the acquisition date plus, where applicable, the fees and commissions which, because of their nature, can be equated with a rate of interest. In the case of floating rate financial instruments, the effective interest rate coincides with the rate of return prevailing in all connections until the date on which the reference interest rate is to be revised for the first time.

#### - ACQUISITION COST ADJUSTED

Acquisition cost adjusted means the transaction cost for the acquisition of assets adjusted, where appropriate, by any related impairment loss.

### b) Financial instruments

#### b.1) Classification

Financial instruments are classified in the accompanying financial statements in the following categories:

- **Financial assets/liabilities held for trading:** These headings in the accompanying balance sheets include the financial assets and liabilities acquired with the intention of generating a profit from short-term fluctuations in their prices or from differences between their purchase and sale prices.

These headings also include financial derivatives not considered to qualify for hedge accounting and, in the case of financial liabilities held for trading, the financial liabilities arising from the outright sale of financial assets purchased under reverse repurchase agreements or borrowed ("short positions").

- **Other financial assets and financial liabilities at fair value through profit or loss:** These headings in the accompanying balance sheets include, among others, those are not held for trading but are:

- Assets and liabilities which have the nature of hybrid financial assets and liabilities and contain an embedded derivative whose fair value cannot reliably be determined.
- Financial assets that are managed jointly with "liabilities under insurance contracts" measured at fair value, with financial derivatives whose purpose and effect is to significantly reduce exposure to changes in fair value, or with financial liabilities and derivatives whose purpose is to significantly reduce overall interest rate risk exposure.

These headings include both the investment and customer deposits through life insurance policies in which the policyholder assumes the investment risk (named “Unit-links”).

- **Available-for-sale financial assets:** these include debt securities not classified as “held-to-maturity investments” or as “financial assets at fair value through profit or loss”, and equity instruments issued by entities other than subsidiaries, associates and those jointly controlled, provided that such instruments have not been classified as “held for trading” or as “other financial assets at fair value through profit or loss”.

- **Loans and receivables:** this heading relates to the financing granted to third parties, classified on the basis of the nature thereof, irrespective of the nature of the borrower and the form of financing granted, and includes finance leases in which the Bank act as lessors.

The bank generally intends to hold the loans and credits granted by him until their final maturity; therefore, they are presented in the balance sheet at their amortized cost (which includes any corrections required to reflect the estimated losses on their recovery).

- **Held-to-maturity investments:** this heading includes debt securities for which the Bank, from inception and at any subsequent date, has the intention to hold until final maturity, since it has the financial capacity to do so.

- **Financial liabilities at fair value through equity:** These include all financial liabilities associated with available-for-sale financial assets arising as a result of a transfer of financial assets in which the Group retains the control and are valued at fair value through equity.

- **Financial liabilities at amortized cost:** this heading includes, irrespective of their instrumentation and maturity, the financial liabilities not included in any other heading in the balance sheet which relate to the typical deposit-taking activities carried on by financial institutions.

- **Hedging derivatives:** this heading includes financial derivatives designated as hedging items. The hedge accounting can be of two types:

- Fair value hedge: This type of hedging relationships hedge changes in the value of assets and liabilities due to fluctuations in the interest rate and/or exchange rate to which the position or balance to be covered.
- Cash flow hedge: In a cash flow hedge is hedged the changes in the estimated cash flows arising from financial assets and liabilities and highly probable transactions which an entity plans to carry out.

## **b.2) Measurement of financial instruments and recognition of changes arising from the measurement**

All financial instruments are initially recognized at fair value which, in the absence of evidence to the contrary, shall be the transaction price. These instruments will subsequently be measured on the basis of their classification. The recognition of changes arising subsequent to the initial recognition is described below:

The change produced during the year arising from the accrual of interests and similar items are recorded under the headings “Interest and Similar Income” or “Interest Expense and Similar Charges”, as appropriate, in the income statement of this period. The dividend accrued in the period are recorded under the heading “Income from equity instruments” in the income statement.

The changes in the measurements after the initial recognition, for reasons other than those of the preceding paragraph, are described below according to the categories of financial assets and liabilities:

### **- “Financial assets held for trading” and “Financial assets and liabilities at fair value through profit or loss”**

Assets and liabilities recognized in these headings in the accompanying balance sheets are valued at fair value.

Changes arising from the valuation to fair value (gains or losses) are recognized under the heading “Gains or losses on financial assets and liabilities (net)” in the accompanying income statements. On the other hand, Valuation adjustments by changes in foreign exchange rates are recognized under the heading “Exchange Differences (net)” in the income statements.

The fair value of the standard financial derivatives included in the held for trading portfolios is equal to their daily quoted price. If, under exceptional circumstances, their quoted price cannot be established on a given date, these derivatives are measured using methods similar to those used to measure over-the-counter (“OTC”) derivatives.

The fair value of OTC derivatives is equal to the sum of the future cash flows arising from the instrument, discounted at the measurement date (“present value” or “theoretical close”); these derivatives are measured using methods recognized by the financial markets, including the net present value (NPV) method and option price calculation models.

Financial derivatives that have as their underlying equity instruments, whose fair value cannot be determined in a sufficiently objective manner and are settled by delivery of those instruments, are measured at cost.

**- “Available-for-Sale Financial Assets” and “Financial liabilities at fair value through equity”**

Assets and liabilities recognized in these headings in the accompanying balance sheets are valued at fair value.

Changes arising from the valuation to fair value (gains or losses) are recognized temporarily, net amount, under the heading “Valuation Adjustments - Available-for-Sale Financial Assets” or “Valuation Adjustments – Financial liabilities at fair value through equity” in the accompanying balance sheets.

Valuation adjustments arising from “Available-for-Sale Financial Assets – Other equity instruments” by changes in foreign exchange rates are recognized temporarily under the heading “Valuation Adjustments - Exchange Differences” in the balance statements. Valuation adjustments arising from “Available-for-Sale Financial Assets – Debt securities” by changes in foreign exchange rates are recognized under the heading “Exchange Differences” in the income statements.

The amounts recognized in the headings “Valuation Adjustments - Available-for-Sale Financial Assets”, “Valuation Adjustments – Financial liabilities at fair value through equity” and “Valuation Adjustments - Exchange Differences” remain in the equity until the asset is derecognized from the balance sheet, at which time those amounts are recognized under the headings “Gains or losses on financial assets and liabilities” or “Exchange Differences” in the income statement.

On the other hand, the impairment losses (net) in the available-for-sale financial assets during the period are recognized under the heading “Impairment losses (net) – Available-for-sale financial assets” in the income statements.

**- “Loans and receivables”, “Held-to-maturity investments” and “Financial liabilities at amortised cost”**

Assets and liabilities recognized in these headings in the accompanying balance sheets are measured at “amortized cost” using the “effective interest rate” method.

Impairment losses (net) arising in the period are recognized under the heading “Impairment losses (net) – Loans and receivables” or “Impairment losses (net) – Held-to-maturity investments” in the income statements.

**-“Hedging derivatives”**

Assets and liabilities recognized in these headings in the accompanying balance sheets are valued at fair value.

Changes produced subsequent to the designation in the valuation of financial instruments designated as hedged items as well as financial instruments designated as hedging items are recognized based on the following criteria:

- In the fair value hedges, the changes in the fair value of the derivative and the hedged item attributable to the hedged risk are recognized in the heading “Gains or losses on financial assets and liabilities (Net)” in the income statement.
- In the cash flow hedges, the differences produced in the effective portions of hedging items are recognized temporarily under the heading “Valuation adjustments – Cash flow hedges”. These valuation changes are recognized in the heading “Gains or losses on financial assets and liabilities (Net)” in the income statement in the same period or periods during which the hedged instrument affects profit or loss, when forecast transaction occurs or at the maturity date of the item hedged.

Differences in valuation of the hedging item for ineffective portions of cash flow hedges are recognized directly in the heading “Gains or losses on financial assets and liabilities (Net)” in the income statement.

**Other financial instruments**

In relation to the aforementioned general criteria, we must highlight the following exceptions:

- Equity instruments whose fair value cannot be determined in a sufficiently objective manner and financial derivatives that have those instruments as their underlying and are settled by delivery of those instruments are measured at acquisition cost adjusted, where appropriate, by any related impairment loss.
- Valuation adjustments arising on non-current assets held for sale and the liabilities associated with them are recognized with a balancing entry under the heading “Valuation Adjustments - Non-Current Assets Held for Sale” of the balance sheet.

**b.3) Impairment financial assets**

**Definition**

A financial asset is considered to be impaired – and therefore its carrying amount is adjusted to reflect the effect of its impairment – when there is objective evidence that events have occurred which:

- In the case of debt instruments (loans and debt securities), give rise to a negative impact on the future cash flows that were estimated at the time the transaction was arranged.
- In the case of equity instruments, mean that the carrying amount of these instruments cannot be recovered.

As a general rule, the carrying amount of impaired financial instruments is adjusted with a charge to the consolidated income statement for the year in which the impairment becomes known, and the recoveries of previously recognized impairment losses are recognized in the income statement for the year in which the impairment is reversed or reduced, with the exception that any recovery of previously recognized impairment losses for an investment in an equity instrument classified as available for sale which are not recognized through profit or loss but recognized under the heading "Valuation Adjustments – Available for sale Financial Assets" in the balance sheet.

Balances are considered to be impaired, and accrual of the interest thereon is suspended, when there are reasonable doubts that the balances will be recovered in full and/or the related interest will be collected for the amounts and on the dates initially agreed upon, taking into account the guarantees received by the entity to assure (in part or in full) the performance of transactions. Amounts collected in relation to impaired loans and receivables are used to recognize the related accrued interest and any excess amount is used to reduce the principal not yet paid.

When the recovery of any recognized amount is considered to be remote, this amount is removed from the consolidated balance sheet, without prejudice to any actions taken by the entity in order to collect the amount until their rights extinguish in full through expiry, forgiveness or for other reasons.

### **Calculation of impairment financial assets**

The impairment on financial assets is determined by type of instrument and the category where is recognized, as follows:

#### ***Impairment of debt instruments carried at amortized cost:***

##### **Impairment losses determined individually**

The quantification of impairment losses of the assets classified as impaired is done on an individual basis in which customers in the amount of their operations is equal to or exceeds €1 million.

The amount of the impairment losses incurred on these instruments relates to the positive difference between their respective carrying amounts and the present values of their expected future cash flows.

The following is to be taken into consideration when estimating the future cash flows of debt instruments:

- All the amounts that are expected to be obtained over the residual life of the instrument; including, where appropriate, those which may result from the guarantees provided for the instrument (after deducting the costs required for foreclosure and subsequent sale).
- The various types of risk to which each instrument is subject.
- The circumstances in which collections will foreseeable be made.

These cash flows are discounted using the original effective interest rate. If a financial instrument has a variable interest rate, the discount rate for measuring any impairment loss is the current effective rate determined under the contract.

As an exception to the rule described above, the market value of quoted debt instruments is deemed to be a fair estimate of the present value of their future cash flows.

##### **Impairment losses determined collectively**

The quantification of impairment losses is determined on a collective basis in the following two cases:

Assets classified as impaired of customers in which the amount of their operations is less than €1 million.

Asset portfolio not impaired but which presents an inherent loss.

To estimate the collective loss of credit risk corresponding to operations with resident in Spain, the BBVA uses the parameters set by Annex IX of the Circular 4/2004 from Bank of Spain on the base of its experience and the Spanish banking sector information in the quantification of impairment losses and provisions for insolvencies for credit risk. These parameters will be used as far as the Bank of Spain validates internal models based on historical experience of the Bank.

Following is a description of the methodology to estimate the collective loss of credit risk:

#### **1. Specific allowance or provision for insolvency risk of the portfolio doubtful**

The debt instruments, whoever the obligor and whatever the guarantee or collateral, that have past-due amounts with more than three months, shall be analyzed individually, taking into account the age of the past-due amounts, the guarantees or collateral provided and the economic situation of the customer and the guarantors.

In the case of unsecured transactions and taking into account the age of the past-due amounts, the allowance percentages are as follow:

Age of the past-due amount	Allowance percentage
Up to 6 months	between 4.5% and 5.3%
Over 6 months and up to 12 months	between 27.4% and 27.8%
Over 12 months and up to 18 months	between 60.5% and 65.1%
Over 18 months and up to 24 months	between 93.3% and 95.8%
Over 24 months	100%

In the case of transactions secured by completed houses when the total exposure is equal or exceeds 80% of the value of the guarantee or collateral and taking into account the age of the past-due amounts, the allowance percentages are as follow:

Age of the past-due amount	Allowance percentage
Less than 3 years	2%
Over 3 years and up to 4 years	25%
Over 4 years and up to 5 years	50%
Over 5 years and up to 6 years	75%
Over 6 years	100%

In the rest of transactions secured by real property taking into account the age of the past-due amounts, the allowance percentages are as follow:

Age of the past-due amount	Allowance percentage
Up to 6 months	between 3.8% and 4.5%
Over 6 months and up to 12 months	between 23.3% and 23.6%
Over 12 months and up to 18 months	between 47.2% and 55.3%
Over 18 months and up to 24 months	between 79.3% and 81.4%
Over 24 months	100%

Debt instruments classified as doubtful for reasons other than customer arrears shall be analyzed individually.

## 2. General allowance or provision of the portfolio into force

The debt instruments, whoever the obligor and whatever the guarantee or collateral, that do not have individually objective of impairment are collectively assesses, including the assets in a group with similar credit risk characteristics, sector of activity of the debtor or the type of guarantee.

The allowance percentages of hedge are as follows:

Negligible risk: 0%  
Low risk: 0.20% - 0.75%  
Medium-low risk: 0.50% - 1.88%  
Medium risk: 0.59% - 2.25%  
Medium-high risk: 0.66% - 2.50%  
High risk: 0.83% - 3.13%

## 3. Country Risk Allowance or Provision

Country risk is understood as the risk associated with customers resident in a specific country due to circumstances other than normal commercial risk. Country risk comprises sovereign risk, transfer risk and other risks arising from international financial activity.

On the basis of the economic performance, political situation, regulatory and institutional framework, and payment capacity and record, the Bank classifies the transactions in different groups, assigning to each group the provisions for insolvencies percentages, which are derived from those analyses.

### ***Impairment of other debt instruments***

The impairment losses on debt securities included in the "Available-for-sale financial asset" portfolio are equal to the difference between their acquisition cost (net of any principal repayment) and their fair value after deducting any impairment loss previously recognized in the income statement.

When there is objective evidence that the negative differences arising on measurement of these assets are due to impairment, they are no longer considered as “Valuation Adjustments - Available-for-Sale Financial Assets” and are recognized in the income statement. If all or part of the impairment losses are subsequently recovered, the amount is recognized in the income statement for the year in which the recovery occurred.

Similarly, in the case of debt instruments classified as “non-current assets held for sale”, losses previously recorded in equity are considered to be realised – and are recognized in the income statement – on the date the instruments are so classified.

### ***Impairment of equity instruments***

The amount of the impairment in the equity instruments is determined by the category where it is recognized:

- ***Equity instruments measured at fair value:*** The criteria for quantifying and recognising impairment losses on equity instruments are similar to those for other debt instruments, with the exception that any recovery of previously recognized impairment losses for an investment in an equity instrument classified as available for sale which are not recognized through profit or loss but recognized under the heading “Valuation Adjustments – Available for sale Financial Assets” in the balance sheet.
- ***Equity instruments measured at cost:*** The impairment losses on equity instruments measured at acquisition cost are equal to the difference between their carrying amount and the present value of expected future cash flows discounted at the market rate of return for similar securities. These impairment losses are determined taking into account the equity of the investee (except for valuation adjustments due to cash flow hedges) for the last approved balance sheet, adjusted for the unrealised gains at the measurement date.

Impairment losses are recognized in the income statement for the period in which they arise as a direct reduction of the cost of the instrument. These losses may only be reversed subsequently in the event of the sale of the assets.

### **c) Recognition of income and expenses**

The most significant criteria used by the Bank to recognize its income and expenses are summarised as follows:

#### ***Interest income and expenses and similar items:***

As a general rule, interest income and expenses and similar items are recognized on the basis of their period of accrual using the effective interest rate method.

Specifically, the financial fees and commissions that arise on the arrangement of loans, basically origination and analysis fees must be deferred and recognized in the income statement over the life of the loan. The direct costs incurred in arranging these transactions can be deducted from the amount thus recognized. Bank of Spain's Circular 4/2004 establishes that, when there are no analytic accounting data to determine those direct costs, they can be compensated with the arrangement commission up to a 0.4% of the amount of the loan with a maximum limit of €400 per operation, which will be credited in the date of arrangement to the income statement and that will diminish the accrued commissions mentioned before.

On the other hand, dividends received from other companies are recognized as income when the Bank's right to receive them arises.

However, when a debt instrument is deemed to be impaired individually or is included in the category of instruments that are impaired because of amounts more than three months past-due, the recognition of accrued interest in the income statement is interrupted. This interest is recognized for accounting purposes when it is received.

#### ***Commissions, fees and similar items:***

Income and expenses relating to commissions and similar fees are recognized in the income statement using criteria that vary according to their nature. The most significant income and expense items in this connection are:

- Those relating linked to financial assets and liabilities measured at fair value through profit or loss, which are recognized when collected.
- Those arising from transactions or services that are provided over a period of time, which are recognized over the life of these transactions or services.
- Those relating to a single act, which is recognized when the single act is carried out.

#### ***Non-financial income and expenses:***

These are recorded for accounting purposes on an accrual basis.

#### ***Deferred collections and payments:***



These are recorded for accounting purposes at the amount resulting from discounting the expected cash flows at market rates.

#### **d) Post-employment benefits and other commitments to employees**

Following is a description of the most significant accounting criteria relating to the commitments to employees, related to post-employment benefits and other commitments, of the Bank and branch abroad (Note 19).

##### **Commitments valuation: assumptions and gains/losses recognition**

The present values of the commitments are quantified on a case-by-case basis. The valuation method used for current employees is the projected unit credit method, which views each year of service as giving rise to an additional unit of benefit entitlement and measures each unit separately.

In adopting the actuarial assumptions, it is taken into account that:

- They are unbiased, in that they are neither imprudent nor excessively conservative.
- They are mutually compatible, reflecting the economic relationships between factors such as inflation, rates of salary increase and discount rates.
- The future levels of salaries and benefits are based on market expectations at the balance sheet date for the period over which the obligations are to be settled.
- The discount rate used is determined by reference to market yields at the balance sheet date on high quality corporate bonds.

Actuarial gains or losses arising from differences between the actuarial assumptions and what had actually occurred, were recognized in the income statements. The bank did not use the “corridor approach”.

##### **Post-employment benefits**

###### **- Pensions**

Post-employment benefits include defined contribution and defined obligation commitments.

Defined contribution commitments: the amounts of these commitments are determined, on a case-by-case basis, as a percentage of certain remuneration items and/or as a pre-established annual amount. The current contributions made by the Bank for defined contribution retirement commitments, which are recognized with a charge to the heading “Personnel Expenses – Contributions to external pension funds” in the accompanying income statements (Notes 19 and 39).

Defined benefit commitments: The Bank has defined benefit commitments for permanent disability and death of current employees and early retirees; for death of certain retired employees; and defined-benefit retirement commitments applicable only to certain groups of serving employees (unvested benefits), or early retired employees (vested benefits) and of retired employees (ongoing benefits). Defined benefit commitments are funded by insurance contracts and internal provisions.

Entities that have covered their pension commitments with insurance policies written by entities forming part of the group shall recognise those commitments as follows:

- (i) Pension commitments to employees shall be recorded as pension provisions.
- (ii) The insurance policy shall be recorded on the asset side as an insurance contract linked to pensions.
- (iii) The expense for the period shall be recorded in the item “personnel expenses” net of the amount relating to the insurance contracts.

The pension commitments funded with insurance contracts issued by insurance companies related to the Group are shown in the accompanying balance sheet by the net amount of commitments less plan assets to the same

###### **- Early retirements**

In 2007, the Bank offered certain employees in Spain the possibility of taking early retirement before the age stipulated in the collective labor agreement in force. The corresponding provisions by the Bank were recognized with a charge to the heading “Provision Expense (Net) - Transfers to Funds for Pensions and Similar Obligations—Early Retirements” in the accompanying income statements (Note 19). The present values are quantified on a case-by-case basis and they are recognized in the heading “Provisions - Funds for Pensions and Similar Obligations” in the accompanying balance sheets (Note 19).

The commitments to early retirees include the compensation and indemnities and contributions to external pension funds payable during the year of early retirement. The commitments relating to this group of employees after they have reached the age of effective retirement are included in the employee welfare system.

#### **- Post-employment welfare benefits**

The Bank has welfare benefit commitments the effects of which extend beyond the retirement of the employees entitled to the benefits. These commitments relate to certain current employees and retirees, depending upon the employee group to which they belong.

The present values of the vested obligations for post-employment welfare benefits are quantified on a case-by-case basis. They are recognized in the heading "Provisions - Funds for Pensions and Similar Obligations" in the accompanying balance sheets (Note 18) and they are charged to the heading "Personnel expenses – Other personnel expenses" in the accompanying income statements (Note 39).

#### **Other commitments to employees**

The Bank is obliged to deliver partially or fully subsidised goods and services. The most significant employee welfare benefits granted, in terms of the type of compensation and the event giving rise to the commitment are: loans to employees, life insurance, study aid and long-service bonuses.

The present values of the vested obligations for commitments with personnel are quantified on a case-by-case basis. They are recognized in the heading "Provisions - Funds for Pensions and Similar Obligations" in the accompanying balance sheets (see Note 18). The post-employment welfare benefits delivered by the Bank to active employees are recognized in the heading "Personnel expenses – Other personnel expenses" in the accompanying income statements (see Note 39).

Other commitments for current employees accrue and are settled on a yearly basis, it is not necessary to record a provision in this connection.

#### **e) Foreign currency transactions and exchange differences**

##### **Assets, liabilities and futures transactions**

The assets and liabilities in foreign currencies, including those of branches abroad, and the unmatured hedging forward foreign currency purchase and sale transactions were translated to euros at the average exchange rates on the Spanish spot currency market (or based on the price of the U.S. dollar on local markets for the currencies not listed on this market) at the end of each period, with the exception of:

- non-current investments in securities denominated in foreign currencies and financed in euros or in a currency other than the investment currency, which were translated at historical exchange rates.
- unmatured non-hedging forward foreign currency purchase and sale transactions, which are translated at the exchange rates on the forward currency market at the end of each period published by the Bank of Spain for this purpose.

##### **Structural currency positions**

As a general policy, the Bank's investments in foreign subsidiaries and the endowment funds provided to branches abroad are financed in the same currency as the investment in order to eliminate the future currency risk arising from these transactions. However, the investments made in countries whose currencies do not have a market which permits the obtainment of unlimited, lasting and stable financing at long-term are financed in another currency.

The breakdown of the balances in foreign currency of the balance sheet as of December 31, 2007 and 2006, based on the nature of the related items and the foreign currency, was as follows:

Millions of euros				
2007	American dollars	Pound sterling	Foreign currency	TOTAL
<b>Assets-</b>	<b>25,855</b>	<b>3,592</b>	<b>20,711</b>	<b>50,158</b>
Financial held for trading	5,484	786	250	<b>6,520</b>
Available-for-sale financial assets	1,341	111	2,369	<b>3,821</b>
Investments	16,269	2,575	2,890	<b>21,734</b>
Tangible assets	2,589	-	15,164	<b>17,753</b>
Financial liabilities at amortised cost	3	3	1	<b>7</b>
Other	169	117	37	<b>323</b>
<b>Liabilities-</b>	<b>49,696</b>	<b>11,607</b>	<b>5,153</b>	<b>66,456</b>
Financial held for trading	462	55	42	<b>559</b>
Available-for-sale financial assets	49,147	11,478	4,129	<b>64,754</b>
Other	87	74	982	<b>1,143</b>

2006	Millions of euros			TOTAL
	American dollars	Pound sterling	Foreign currency	
<b>Assets-</b>	<b>19,776</b>	<b>3,347</b>	<b>12,608</b>	<b>35,731</b>
Financial held for trading	5,213	455	159	5,827
Available-for-sale financial assets	1,649	206	1,531	3,386
Investments	11,321	2,576	1,613	15,510
Tangible assets	1,324	-	9,226	10,550
Financial liabilities at amortised cost	4	4	-	8
Other	265	106	79	450
<b>Liabilities-</b>	<b>35,454</b>	<b>9,350</b>	<b>3,423</b>	<b>48,227</b>
Financial held for trading	278	45	41	364
Available-for-sale financial assets	35,102	9,244	2,779	47,125
Other	74	61	603	738

#### **f) Non-current assets held for sale and liabilities associated with non-current assets held for sale**

The heading “Non-current Assets Held for Sale” in the accompanying balance sheets reflects the carrying amount of the assets – composing a “disposal group” or forming part of a business unit that the Bank intends to sell (“discontinued operations”) – which will very probably be sold in their current condition within one year from the date on which are classified as such. Therefore, the carrying amount of these assets – which can be financial or non-financial – will foreseeably be recovered through the price obtained on their sale.

Specifically, the assets received by the Bank from their debtors in full or part settlement of the debtors’ payment obligations (foreclosed assets) are treated as non-current assets held for sale, unless the Bank have decided to make continuing use of these assets.

Symmetrically, the heading “Liabilities Associated with Non-current Assets Held for Sale” in the accompanying balance sheets reflects the balances payable arising on disposal groups and discontinued operations.

#### **g) Tangible assets**

##### Non-Current tangible assets for own use:

The heading Non-Current Tangible Assets for own use relates to the tangible assets intended to be held for continuing use and the tangible assets acquired under finance leases. It also includes tangible assets received by the Bank in full or part settlement of financial assets representing receivables from third parties, tangible assets acquired under finance leases and those assets expected to be held for continuing use. Non-Current tangible assets for own use are presented at acquisition cost less any accumulated depreciation and, where appropriate, any estimated impairment losses (net carrying amount higher than fair value).

For this purpose, the acquisition cost of foreclosed assets held for continued use is equal to the carrying amount of the financial assets delivered in exchange for their foreclosure.

Depreciation is calculated, using the straight-line method, on the basis of the acquisition cost of the assets less their residual value; the land on which the buildings and other structures stand has an indefinite life and, therefore, is not depreciated.

The period tangible asset depreciation charge is recognized with a balancing entry in the income statement and is based on the application of the following depreciation rates (determined on the basis of the average years of estimated useful life of the various assets):

	Annual Percentage
Buildings for own use	1.33% a 4%
Furniture	8% a 10%
Fixtures	6% a 12%
Office supplies and computerisation	8% a 25%

At each accounting close, the Bank analyse whether there is any internal or external indication that the net carrying amounts of their tangible assets exceed the related recoverable amounts. If there is such an indication, the carrying amount of the asset in question is reduced to its recoverable amount and the future depreciation charges are adjusted in proportion to the asset’s new remaining useful life and / or to its revised carrying amount.

Similarly, if there is any indication that the value of a tangible asset has been recovered, the Bank recognize the reversal of the impairment loss recorded in previous periods and, consequently, adjust the future depreciation charges. In no circumstances may the reversal of an impairment loss on an asset raise its carrying amount above that which it would have if no impairment losses had been recognized in prior periods.

Upkeep and maintenance expenses relating to tangible assets held for continued use are charged to the income statement for the period in which they are incurred.

Investment property and other assets leased out under an operating lease:

The heading “Tangible assets - Investment Property” in the balance sheet reflects the net values of the land, buildings and other structures held either to earn rentals or for capital appreciation at disposal date.

The criteria used to recognize the acquisition cost of assets leased out under operating leases, to calculate their depreciation and their respective estimated useful lives and to record the impairment losses thereon are the same as those described in relation to tangible assets for continued use.

**h) Intangible assets**

These assets can have an “indefinite useful life” – when, based on an analysis of all relevant factors, it is concluded that there is no foreseeable limit to the period over which the asset is expected to generate net cash flows for the Bank – or a “finite useful life”, in all other cases.

Intangible assets with indefinite useful life are not amortized, while, for each accounting closure, the Bank revised their useful lives remaining in order to ensure that they remain undefined or, if not, proceed accordingly.

Intangible assets with finite useful life are amortized over those useful lives using methods similar to those used to depreciate tangible assets.

The Bank has not recognized any intangible assets with indefinite useful life.

In both cases the Bank recognize any impairment loss on the carrying amount of these assets with charge to the heading “Impairment Losses (Net) - Other Intangible Assets” in the income statement. The criteria used to recognize the impairment losses on these assets and, where applicable, the recovery of impairment losses recognized in prior periods are similar to those used for tangible assets.

**i) Tax assets and liabilities**

The Spanish corporation tax expense is recognized in the income statement, except when they result from transactions the profits or losses on which are recognized directly in equity, in which case the related tax effect is also recognized in equity.

The current income tax expense is calculated by aggregating the current tax arising from the application of the related tax rate to the taxable profit (or tax loss) for the period (after deducting the tax credits allowable for tax purposes) and the change in deferred tax assets and liabilities recognized in the income statement.

Deferred tax assets and liabilities include temporary differences, measured at the amount expected to be payable or recoverable for the differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carry forwards. These amounts are measured applying to the temporary difference the tax rates that are expected to apply in the period when the asset is realised or the liability settled (Note 25).

Deferred tax assets are recognized to the extent that it is considered probable that the Bank will have sufficient taxable profits in the future against which the deferred tax assets can be utilized.

The deferred tax assets and liabilities recognized are reassessed by the Bank at each balance sheet date in order to ascertain whether they still exist, and the appropriate adjustments are made on the basis of the findings of the analyses performed.

**j) Leases**

Leases are classified as finance when they transfer substantially the risks and rewards incidental to ownership of the asset forming the subject matter of the contract. Leases other than finance leases are classified as operating leases.

When the Bank act as the lessor of an asset in finance leases, the aggregate present values of the lease payments receivable from the lessee plus the guaranteed residual value (normally the exercise price of the lessee’s purchase option on expiration of the lease agreement) are recorded as financing provided to third parties and, therefore, are included under the heading “Loans and Receivables” in the accompanying balance sheets.

**k) Provisions, contingent assets and contingent liabilities**

Provisions are existing obligations arising from legal or contractual requirements, valid expectations created by Bank in third parties regarding the assumption of certain types of responsibilities, or virtual certainty as to the future course of regulation in particular respects, especially proposed new legislation that the Bank cannot avoid.

Provisions are recognized in the balance sheet when each and every one of the following requirements is met: the Bank has an existing obligation resulting from a past event and, at the balance sheet date, it is more likely than not that the obligation will have to be settled; it is probable that to settle the obligation the entity will have to give up resources embodying economic benefits; and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are possible obligations of the Bank that arise from past events and whose existence is conditional on the occurrence or non-occurrence of one or more future events beyond the control of the entity. They include the existing obligations of the entity when it is not probable that an outflow of resources embodying economic benefits will be required to settle them or when, in extremely rare cases, their amount cannot be measured with sufficient reliability.

Contingent assets are possible assets that arise from past events and whose existence is conditional on, and will be confirmed only by the occurrence or non-occurrence of, events beyond the control of the Bank. Contingent assets are not recognized in the balance sheet or in the income statement; however, they are disclosed in the notes to financial statements, provided that it is probable that these assets will give rise to an increase in resources embodying economic benefits.

#### **l) Transfers of financial assets and derecognition of financial assets and liabilities**

The accounting treatment of transfers of financial assets depends on the extent to which the risks and rewards associated with the transferred assets are transferred to third parties. If substantially all the risks and rewards are transferred to third parties, the transferred financial asset is derecognised and, at the same time, any right or obligation retained or created as a result of the transfer is recognized.

If substantially all the risks and rewards associated with the transferred financial asset are retained, the transferred financial asset is not derecognised and continues to be measured using the same criteria as those used before to the transfer.

Financial assets are only derecognised when the cash flows they generate have extinguished or when substantially all the risks and rewards incidental to them have been transferred. Similarly, financial liabilities are only derecognised when the obligations they generate have extinguished or when they are acquired (with the intention either settle them or re-sell them).

#### **m) Own equity instruments**

The balance of the heading "Stockholders' Equity - Treasury Shares" in the accompanying balance sheets relates mainly to Bank shares held by himself as of December 31, 2007 and 2006. These shares are carried at acquisition cost, and the gains or losses arising on their disposal are credited or debited, as appropriate, to the heading "Stockholders' Equity-Reserves" in the accompanying balance sheets (Note 23).

#### **n) Equity-settled share-based payment transactions**

Equity-settled share-based payment transactions, when the instruments granted do not vest until the counterparty completes a specified period of service, shall be accounted for those services as they are rendered by the counterparty during the vesting period, with a corresponding increase in equity. The entity shall measure the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the goods or services received, the entity shall measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted, at grant date.

Market conditions shall be taken into account when estimating the fair value of the equity instruments granted, thus, their evolution will not be reflected on the profit and loss account. Vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the shares at the measurement date. Instead, vesting conditions shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognized for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. As a consequence the effect of vesting conditions other than market condition, will be recognized on the profit and loss account with the corresponding increase in equity.

#### **o) Termination benefits**

Termination benefits must be recognized when the company is committed to severing its contractual relationship with its employees and, to this end, has a formal detailed redundancy plan. There were no redundancy plans in the Bank, so it is not necessary to recognize a provision for this issue.

### **3. DISTRIBUTION OF PROFIT**

In 2007 the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A. resolved to pay the shareholders three interim dividends out of 2007 profit, amounting to a total of €0.456 gross per share. The aggregate amount of the interim dividends declared as of December 31, 2007, net of the amount collected and to be collected by the consolidable Bank companies, was €1,679 million and is recorded under "Dividends and Remuneration" in the related balance sheet (Note 20). The last of the aforementioned interim dividends, which amounted to €0.152 gross per share and was paid to the shareholders on January 10, 2008, was recorded under the heading "Financial Liabilities at Amortised Cost – Other Financial Liabilities" in the balance sheet as of December 31, 2007 (Note 17).

The provisional accounting statements prepared in 2007 by Banco Bilbao Vizcaya Argentaria, S.A. in accordance with legal requirements evidencing the existence of sufficient liquidity for the distribution of the interim dividends were as follows:

Millions of euros			
	31-05-2007 Dividend 1	31-08-2007 Dividend 2	30-11-2007 Dividend 3
<b>Interim dividend -</b>			
Profit at each of the dates indicated, after the provision for income tax	1,301	3,088	3,426
<b>Less -</b>			
Estimated provision for Legal Reserve	-	19	19
Interim dividends paid	-	539	1,109
<b>Maximum amount distributable</b>	<b>1,301</b>	<b>2,530</b>	<b>2,298</b>
<b>Amount of proposed interim dividend</b>	<b>539</b>	<b>570</b>	<b>570</b>

The Bank's Board of Directors will propose to the shareholders at the Annual General Meeting that a final dividend of €0.277 per share be paid out of 2007 income. Based on the number of shares representing the share capital as of December 31, 2007 (Note 21), the final dividend would amount to €1,038 million and profit would be distributed as follows:

Millions of euros	
<b>Net profit for 2007</b>	<b>3,612</b>
<b>Distribution:</b>	
Dividends	
- Interim	1,679
- Final	1,038
Legal reserve	19
To voluntary reserves	876

#### 4. RISK EXPOSURE

Activities concerned with financial instruments may involve the assumption or transfer of one or more types of risk by financial entities. The risks associated with financial instruments are:

- a) Market risks: these arise as a consequence of holding financial instruments whose value may be affected by changes in market conditions; they include three types of risk:
  - i) Currency risk: arises as a result of changes in the exchange rate between currencies.
  - ii) Fair value interest rate risk: arises as a result of changes in market interest rates.
  - iii) Price risk: arises as a result of changes in market prices, due either to factors specific to the individual instrument or to factors that affect all instruments traded on the market.
- b) Credit risk: this is the risk that one of the parties to the financial instrument agreement will fail to honour its contractual obligations due to the insolvency or incapacity of the individuals or legal entities involved and will cause the other party to incur a financial loss.
- c) Liquidity risk: occasionally referred to as funding risk, this arises either because the entity may be unable to sell a financial asset quickly at an amount close to its fair value, or because the entity may encounter difficulty in finding funds to meet commitments associated with financial instruments.

The Bank has developed a global risk management system based on three components: a corporate risk management structure, with segregated functions and responsibilities; a set of tools, circuits and procedures that make up the different risk management systems; and an internal control system.

#### CORPORATE MANAGEMENT STRUCTURE

The Board of Directors is the body responsible for setting risk policies. The Board hence establishes the general principles defining the target risk profile for the Bank. Likewise, it approves the infrastructure required for risk management, the delegation framework and the ceilings system that enable the business to develop in keeping with this risk profile in day-to-day decision-making.

The Lending Committee undertakes periodic analysis and monitoring of risk management within the various levels of delegation of the Bank's administration bodies. The scope of its functions comprises:

- Analysing and assessing proposals for the Bank risk strategy and policies in order to submit them to the Bank's Standing Committee for approval.
- Monitoring the degree to which the risks assumed are in line with the specified profile, as a reflection of the Bank's risk tolerance and expected earnings in view of the risk exposure.
- Approval of risk operations within the established delegation system.
- Verification that the Bank is provided with the means, systems, structures and resources in line with best practices, to enable it to implement its risk management strategy.
- Submission of the proposals it considers necessary or appropriate to the Bank's Standing Committee so that risk management adapts to best practices arising from recommendations on corporate governance or from risk supervisory bodies.

The Bank's risk management system is managed by an independent risk area, which combines a view by risk types with a global view. The Risk Area assures that the risks tools, metrics, historical databases and information systems are in line and uniform. It likewise sets the procedures, circuits and general management criteria.

The Global Risk Committee – composed by those in charge of the bank's risk management- has as main tasks the development and implementation of the Bank's risk management model as well as the correct integration of the risk's costs in the different decision-making processes. The Global Risk Committee assesses the global risk profile of the Bank and the coherence between the risk policies and objective risk profile; identifies global risk concentrations and mitigation techniques; monitors the macroeconomic environment and the performance of entities in the sector quantifying global sensitivity and the expected impact of different scenarios of risk positioning.

The Technical Transactions Committee analyses and approves, where appropriate, the financial transactions and programmes that are within its level of authorisation, and refers any transactions exceeding the scope of its delegated powers to the Lending Committee.

The New Products Committee is responsible for studying and, if necessary, for approving the introduction of new products before the activities begin. The Committee is also responsible for controlling and monitoring the new products, and for promoting business in an orderly way, and allow them to develop in a controlled environment.

The Asset-Liability Committee (ALCO) is the body responsible for actively managing the Bank's structural liquidity, interest rate and currency risks, and its core capital.

## **TOOLS, CIRCUITS AND PROCEDURES**

The Bank has implemented an integral risk management system designed to cater for the needs arising in relation to the various types of risk; this prompted it to equip the management processes for each risk with measurement tools for risk acceptance, assessment and monitoring and to define the appropriate circuits and procedures, which are reflected in manuals that also include management criteria.

Specifically, the main risk management activities performed are as follows: calculation of the risk exposures of the various portfolios, considering any related mitigating factors (netting, collateral, etc.); calculation of the probability of default (PD), loss severity and expected loss of each portfolio, and assignment of the PD to the new transactions (ratings and scorings); measurement of the values-at-risk of the portfolios based on various scenarios using historical and Montecarlo simulations; establishment of limits to the potential losses based on the various risks incurred; determination of the possible impacts of the structural risks on the income statement; setting of limits and alerts to safeguard the Bank's liquidity; identification and quantification of operational risks by business line to enable the mitigation of these risks through corrective measures; and definition of efficient circuits and procedures which contribute to the achievement of the targets set.

### **a) CREDIT RISK**

#### **Evolution of credit risk exposure and quality**

The maximum exposure to the credit risk of BBVA reaches €457,198 million as of December 31, 2007, 17.1% more than the previous end of the year. By business segments, Spain and Portugal explains the 59% of the exposure, and wholesale banking the 41%.

Customer lending exposure (69% of total risk exposure, including off-balance-sheet) and the potential exposure to credit risk for markets activities (15%) increased by 18.0% and 25.5%, respectively. The amounts drawable by third parties (15%) increased by 7.5%.

By business segments, the breakdown of the credit risk with clients of the Bank as of December 31, 2007 and 2006 is as follows:



Million of euros		
	2007	2006
<b>Spain and Portugal</b>	<b>198,883</b>	<b>177,647</b>
- Commercial	121,753	109,407
- Corporate	41,570	38,199
- Iberian corporate	22,974	18,567
- Institutions	12,247	11,172
- Corporate & business banking	257	258
- I&D projects	82	44
<b>Global Businesses</b>	<b>80,842</b>	<b>54,702</b>
- Global customers and Investment Banking	43,506	36,459
- Global markets	31,820	14,898
- Asia	3,671	1,906
- Asset Management and Private Banking	1,845	1,439
<b>Subtotal business segments</b>	<b>279,725</b>	<b>232,349</b>
<b>Corporate Activities</b>	<b>36,560</b>	<b>35,602</b>
<b>Total credit risk exposure</b>	<b>316,285</b>	<b>267,951</b>

In 2007, impaired assets amounted €1,361 million, with an increase of 39.1%, due to growth in the volume of risk and a less favorable macroeconomic environment. The breakdown of impaired assets by business area as of December 31, 2007 and 2006 is as follow:

Million of euros		
	2007	2006
<b>Spain and Portugal</b>	<b>1,295</b>	<b>901</b>
- Commercial	1,004	691
- Corporate	258	192
- Iberian corporate	9	4
- Institutions	6	11
- Corporate & business banking	1	1
- I&D projects	17	2
<b>Global Businesses</b>	<b>20</b>	<b>25</b>
- Global customers and Investment Banking	17	21
- Global markets	-	-
- Asia	3	4
- Asset Management and Private Banking	-	-
<b>Subtotal business segments</b>	<b>1,315</b>	<b>926</b>
<b>Corporate Activities</b>	<b>46</b>	<b>53</b>
<b>Total credit risk exposure</b>	<b>1,361</b>	<b>979</b>

Despite the increase aforementioned doubtful balances, the default rate remains at a very low level, 0.43% (6 basic points up to the rate as of December 2006).

For business areas, Commercial Banking and Corporate Banking increased the non-performing loans ratio 19 and 12 basic points until 0.82% and 0.62% respectively, while Global Business decreases further to a level nearly zero (0.02%).

Credit risk impairment losses for the customer loan portfolio increased by €404 million in 2007. Substantially all of this increase related to impairment losses calculated collectively. In addition, the coverage ratios showed an across-the board increase 2007 in all the business segments, as can be seen in the following table:



Million of euros		
	2007	2006
<b>Spain and Portugal</b>	<b>3,373</b>	<b>3,148</b>
- Commercial	1,958	1,860
- Corporate	952	894
- Iberian corporative	417	344
- Institutions	33	44
- Corporate & business banking	6	5
- I&D projects	7	1
<b>Global Businesses</b>	<b>867</b>	<b>733</b>
- Global customers and Investment Banking	752	663
- Global markets	9	3
- Asia	73	37
- Asset Management and Private Banking	33	30
<b>Subtotal business segments</b>	<b>4,240</b>	<b>3,881</b>
<b>Corporate Activities</b>	<b>77</b>	<b>32</b>
<b>Total credit risk exposure</b>	<b>4,317</b>	<b>3,913</b>

## b) MARKET RISK MANAGEMENT

### b.1) Risk management in market areas

The BBVA Bank manages together credit and market risks in the market and treasury areas through their Central Risk Unit.

With regard to market risk (including interest rate risk, currency risk and equity price risk), BBVA's limit structure determines an overall VaR limit for each business unit and specific sublimits by type of risk, activity and desk. The Bank also has in place limits on losses and other control mechanisms such as delta sensitivity calculations, which are supplemented by a range of indicators and alerts which automatically activate procedures aimed at addressing any situations that might have a negative effect on the activities of the business area.

In 2007, BBVA's market risk has been high compared to previous years, closing the year with a weighted average consume of the limits of 72%.

The market risk profile as of December 31, 2007 and 2006 was as follows:

Million of euros		
	2007	2006
Interest	9.9	8.0
Currency	2.3	1.0
Equity	4.9	5.4
Vega and correlation	8.8	5.2

### b.2) Structural interest rate risk

The aim of on-balance-sheet interest rate risk management is to maintain the Bank's exposure to market interest rate fluctuations at levels in keeping with its risk strategy and profile. To this end, the ALCO actively manages the balance sheet through transactions intended to optimize the level of risk assumed in relation to the expected results, thus enabling the Bank to comply with the tolerable risk limits.

The ALCO bases its activities on the interest rate risk measurements performed by the Risk Area. Acting as an independent unit, the Risk Area periodically quantifies the impact of interest rate fluctuations on the Bank's net interest income and economic value.

In addition to measuring sensitivity to 100-basis-point changes in market interest rates, the Bank performs probabilistic calculations to determine the economic capital for structural interest rate risk in the BBVA banking activity (excluding the Treasury Area) based on interest rate curve simulation models.

All these risk measurements are subsequently analysed and monitored, and the levels of risk assumed and the degree of compliance with the limits authorised by the Standing Committee are reported to the various managing bodies of the Bank.

The average sensitivity of net interest income to increments in interest rate risk of 100 basis points is €6 million (negative 5 in the Euro, positive 14 in the Dollar, positive 1 in the rest foreign currencies).

The impact in of 100-basis-points increase in interest rates on the Banks economic value €465 million (positive 460 in the Euro, positive 6 in the Dollar and negative 2 in the rest foreign currencies). The economic capital at 99% by structural interest risk amounted €339 million.

As part of the measurement process, the Bank established the assumptions regarding the evolution and behaviour of certain items, such as those relating to products with no explicit or contractual maturity. These assumptions are based on studies that estimate the relationship between the interest rates on these products and market rates and enable specific balances to be classified into trend-based balances maturing at long term and seasonal or volatile balances with short-term residual maturity.

### **b.3) Structural currency risk**

Structural currency risk derives mainly from exposure to exchange rate fluctuations arising in relation to the Bank's foreign investments in America and from the endowment funds of the branches abroad financed in currencies other than the investment currency.

The ALCO is responsible for arranging hedging transactions to limit the net worth impact of fluctuations in exchange rates, based on their projected trend, and to guarantee the equivalent euro value of the foreign currency earnings expected to be obtained from these investments.

Structural currency risk management is based on the measurements performed by the Risk Area. These measurements use an exchange rate scenario simulation model which quantifies possible changes in value with a confidence interval of 99% and a pre-established time horizon. The Standing Committee limits the economic capital or unexpected loss arising from the currency risk of the foreign-currency investments.

### **b.4) Structural equity price risk**

The Bank's exposure to structural equity price risk derives mainly from investments in industrial and financial companies with medium- to long-term investment horizons. It is reduced by the net short positions held in derivative instruments on the same underlyings in order to limit the sensitivity of the portfolio to possible falls in prices. This figure is determined by considering the exposure on shares measured at market price or, in the absence thereof, at fair value, including the net positions in equity swaps and options on the same underlyings in delta equivalent terms. Treasury Area portfolio positions are not included in the calculation.

The Risk Area measures and effectively monitors the structural equity price risk. To this end, it estimates the sensitivity figures and the capital required to cover the possible unexpected losses arising from fluctuations in the value of the companies in the investment portfolio, with a confidence interval equal to the entity's target rating, taking into account the liquidity of the positions and the statistical behaviour of the assets under consideration. These measurements are supplemented by periodic stress- and back-testing and scenario analyses.

## **C) LIQUIDITY RISK**

The aim of liquidity risk management and control is to ensure that the Bank's payment commitments can be met without having to resort to borrowing funds under onerous conditions.

The Bank's liquidity risk is monitored using a dual approach: the short-term approach (90-day time horizon), which focuses basically on the management of payments and collections of Treasury and Markets, ascertains the Bank's possible liquidity requirements; and the structural, medium- and long-term approach, which focuses on the financial management of the balance sheet as a whole.

The Risk Area performs a control function and is totally independent of the management areas of each of the approaches and of the Bank's various units.

For each entity, the management areas request an outline of the quantitative and qualitative limits and alerts for short-medium- and long-term liquidity risk, which is authorized by the Standing Committee. Also, the Risk Area performs periodic (daily and monthly) risk exposure measurements, develops the related valuation tools and models, conducts periodic stress tests, measures the degree of concentration on interbank counterparties, prepares the policies and procedures manual, and monitors the authorised limits and alerts.

The liquidity risk data are sent periodically to the Bank's ALCO and to the management areas involved. As established in the Contingency Plan, the Technical Liquidity Group (GTL), in the event of an alert of a possible crisis, conducts an initial analysis of the Bank's short- and long-term liquidity situation. The GTL comprises personnel from the Short-Term Cash Desk, Financial Management and Risk Central Unity on Markets Areas-Structural Risk.

If the alert is serious, the GTL reports the matter to the Liquidity Committee, which is composed of the managers of the related areas. The Liquidity Committee is responsible, in situations requiring urgent attention, for calling a meeting of the Crisis Committee chaired by the CEO.

The maturity in euros and dollars as of December 31, 2007, is as follow:

#### **Maturity in euros. sensitive assets.**

Millions of euros							
2007	Balance	On Demand	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years
Money market	57,414	12,066	18,796	8,009	10,930	5,088	2,525
Securities Portfolio	26,653	-	839	1,419	5,444	10,496	8,455
Loans and Receivables	174,857	-	15,359	9,014	22,816	41,973	85,695
<b>Total</b>	<b>258,924</b>	<b>12,066</b>	<b>34,994</b>	<b>18,442</b>	<b>39,190</b>	<b>57,557</b>	<b>96,675</b>

#### **Maturity in euros. sensitive liabilities.**

Millions of euros							
2007	Balance	On Demand	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years
Money market	48,042	-	40,445	1,704	3,000	524	2,369
Cusstomer Funds	94,989	50,774	17,473	6,964	12,500	6,781	497
Wholesale Financing	92,733	-	1,530	483	7,517	41,700	41,503
Remaining sensitive liabilities	3,123	-	238	48	271	1,508	1,058
<b>Total</b>	<b>238,887</b>	<b>50,774</b>	<b>59,686</b>	<b>9,199</b>	<b>23,288</b>	<b>50,513</b>	<b>45,427</b>
GAPS	20,037	(38,708)	(24,692)	9,243	15,902	7,044	51,248

#### **Maturity in dollars. sensitive assets.**

Millions of euros							
2007	Balance	On Demand	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years
Money market	3,048	-	946	730	1,059	226	87
Securities Portfolio	3,591	-	151	236	1,082	1,372	750
Loans and Receivables	12,677	-	1,648	1,160	2,276	5,364	2,229
<b>Total</b>	<b>19,316</b>	<b>-</b>	<b>2,745</b>	<b>2,126</b>	<b>4,417</b>	<b>6,962</b>	<b>3,066</b>

#### **Maturity in dollars. sensitive liabilities.**

Millions of euros							
2007	Balance	On Demand	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years
Money market	18,792	-	14,169	2,939	1,680	2	2
Cusstomer Funds	22,490	968	15,135	3,594	2,557	236	-
Wholesale Financing	1,276	-	-	-	10	42	1,224
Increase:	-	-	-	-	-	-	-
<b>Assets of remote collectability</b>	<b>42,558</b>	<b>968</b>	<b>29,304</b>	<b>6,533</b>	<b>4,247</b>	<b>280</b>	<b>1,226</b>
Products overdue not collected	(23,242)	(968)	(26,559)	(4,407)	170	6,682	1,840

### **5. CASH AND BALANCES WITH CENTRAL BANKS**

The breakdown of the balance of this heading in the balance sheets as of December 31, 2007 and 2006 is as follows:

Millions of euros		
	2007	2006
Cash	630	728
Balances at the Bank of Spain	11,334	2,354
Balances at other central banks	252	182
Valuation adjustments (*)	-	-
<b>Total</b>	<b>12,216</b>	<b>3,264</b>

(\*) Valuation adjustments include accrued interests

### **6. FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING**

#### **6.1. Breakdown of the Balance**

The breakdown, by type of instrument, of the balances of these headings in the balance sheets as of December 31, 2007 and 2006 is as follows:

Millions of euros				
	2007		2006	
	Receivable	Payable	Receivable	Payable
Debt securities	17,006	-	14,192	-
Other equity instruments	9,037	-	9,883	-
Trading derivatives	15,137	17,383	11,824	13,098
Short positions	-	1,162	-	560
<b>Total</b>	<b>41,180</b>	<b>18,545</b>	<b>35,899</b>	<b>13,658</b>

## 6.2. Debt Securities

The breakdown of the balance of this heading in the balance sheets as of December 31, 2007 and 2006 is as follows:

Millions of euros		
	2007	2006
Issued by central banks	7	-
Spanish government bonds	5,042	3,345
Foreign government bonds	1,948	2,031
Issued by Spanish financial institutions	1,502	1,589
Issued by foreign financial institutions	4,159	4,228
Other debt securities	4,348	2,999
<b>Total</b>	<b>17,006</b>	<b>14,192</b>

The debt securities included under Financial Assets Held for Trading earned average annual interest of 4.169% in 2007 (3.830% in 2006).

The detail by geographical area of the balance of Debt Securities as of December 31, 2007 and 2006 is as follows:

Millions of euros		
	2007	2006
Spain	7,432	5,682
Rest of Europe	6,468	4,886
United States	2,225	2,875
Latin America	27	13
Rest of the world	854	736
<b>Total</b>	<b>17,006</b>	<b>14,192</b>

## 6.3. Other Equity Instruments

The breakdown of the balance of this heading in the balance sheets as of December 31, 2007 and 2006 is as follows:

Millions of euros		
	2007	2006
<b>Shares of Spanish companies</b>	<b>2,688</b>	<b>5,300</b>
Credit institutions	237	672
Other	2,451	4,628
<b>Shares of foreign companies</b>	<b>2,883</b>	<b>1,838</b>
Credit institutions	608	519
Other	2,275	1,319
<b>Share in the net assets of mutual funds</b>	<b>3,466</b>	<b>2,745</b>
<b>Total</b>	<b>9,037</b>	<b>9,883</b>

## 6.4. Trading derivatives

The trading derivatives portfolio arises from the Bank's need to manage the risks incurred by it in the course of its normal business activity, mostly for the positions held with customers.

The detail, by transaction type and shown the organised markets and non organised markets, of the balances of this heading in the balance sheet as of December 31, 2007 and 2006 is as follows:

Millions of euros						
2007	Currency Risk	Interest Rate Risk	Equity Price Risk	Credit Risk	Commodities risk	Total
<b>Organised markets</b>	-	1	224	-	1	226
Financial futures	-	-	-	-	-	-
Options	-	1	224	-	1	226
<b>OTC markets</b>	(1,414)	952	(2,062)	50	2	(2,472)
<b>Credit institutions</b>	(1,325)	(202)	(1,140)	115	2	(2,550)
Forward transactions	(1,383)	-	-	-	-	(1,383)
Future rate agreements (FRAs)	-	(6)	-	-	-	(6)
Swaps	-	22	(287)	-	2	(263)
Options	58	(218)	(853)	-	-	(1,013)
Other products	-	-	-	115	-	115
<b>Other financial Institutions</b>	(157)	1,715	(842)	91	-	807
Forward transactions	(159)	-	(2)	-	-	(161)
Future rate agreements (FRAs)	-	-	-	-	-	-
Increase:	-	1,694	21	-	-	1,715
Assets of remote collectability	2	21	(861)	-	-	(838)
Products overdue not collected	-	-	-	91	-	91
<b>Decrease:</b>	68	(561)	(80)	(156)	-	(729)
Cash recovery	23	-	(2)	-	-	21
Foreclosed assets	-	-	-	-	-	-
Other causes	-	(660)	(251)	-	-	(911)
Options	45	99	173	-	-	317
Balance at the end of the year	-	-	-	(156)	-	(156)
<b>Total</b>	<b>(1,414)</b>	<b>953</b>	<b>(1,838)</b>	<b>50</b>	<b>3</b>	<b>(2,246)</b>
<b>Classification by maturity of trading derivatives</b>						
Up to 1 month	(427)	(117)	(45)	1	1	(587)
1 to 3 months	(80)	(147)	(70)	-	-	(297)
3 months to 1 year	(377)	(164)	(115)	(2)	7	(651)
1 to 2 years	(194)	(163)	(261)	(5)	(5)	(628)
2 to 3 years	(78)	(69)	(476)	(5)	-	(628)
3 to 4 years	(86)	(3)	(328)	(3)	-	(420)
4 to 5 years	(31)	80	(149)	9	-	(91)
Over 5 years	(141)	1,536	(394)	55	-	1,056
<b>Total</b>	<b>(1,414)</b>	<b>953</b>	<b>(1,838)</b>	<b>50</b>	<b>3</b>	<b>(2,246)</b>
<b>of which: Asset Trading Derivatives</b>	<b>1,999</b>	<b>9,842</b>	<b>2,968</b>	<b>307</b>	<b>21</b>	<b>15,137</b>
<b>of which: Liability Trading Derivatives</b>	<b>(3,413)</b>	<b>(8,889)</b>	<b>(4,806)</b>	<b>(257)</b>	<b>(18)</b>	<b>(17,383)</b>

Millions of euros						
2006	Currency Risk	Interest Rate Risk	Equity Price Risk	Credit Risk	Commodities risk	Total
<b>Organised markets</b>	(760)	-	275	-	2	(483)
Financial futures	(760)	-	-	-	-	(760)
Options	-	-	275	-	2	277
<b>OTC markets</b>	28	835	(1,654)	(4)	4	(791)
<b>Credit institutions</b>	-	(53)	(637)	(9)	-	(699)
Forward transactions	6	-	(7)	-	-	(1)
Future rate agreements (FRAs)	-	2	-	-	-	2
Swaps	-	88	(24)	-	-	64
Options	(6)	(143)	(606)	(9)	-	(764)
Other products	-	-	-	-	-	-
<b>Other financial Institutions</b>	(2)	953	(570)	3	-	384
Forward transactions	-	-	-	-	-	-
Future rate agreements (FRAs)	-	-	-	-	-	-
Increase:	-	1,045	7	-	-	1,052
Assets of remote collectability	(2)	(92)	(577)	3	-	(668)
Products overdue not collected	-	-	-	-	-	-
<b>Decrease:</b>	30	(65)	(447)	2	4	(476)
Cash recovery	-	-	-	-	-	-
Foreclosed assets	-	-	-	-	-	-
Other causes	-	(347)	(396)	-	4	(739)
Options	30	282	(51)	2	-	263
Balance at the end of the year	-	-	-	-	-	-
<b>Total</b>	<b>(732)</b>	<b>835</b>	<b>(1,379)</b>	<b>(4)</b>	<b>6</b>	<b>(1,274)</b>
<b>Classification by maturity of trading derivatives</b>						
Up to 1 month	(255)	(17)	(19)	-	-	(291)
1 to 3 months	(61)	(39)	(48)	-	5	(143)
3 months to 1 year	(34)	(100)	131	-	1	(2)
1 to 2 years	(157)	(59)	(279)	-	3	(492)
2 to 3 years	(120)	(200)	(183)	-	(3)	(506)
3 to 4 years	8	52	(478)	(6)	-	(424)
4 to 5 years	(11)	(100)	(348)	(3)	-	(462)
Over 5 years	(102)	1,298	(155)	5	-	1,046
<b>Total</b>	<b>(732)</b>	<b>835</b>	<b>(1,379)</b>	<b>(4)</b>	<b>6</b>	<b>(1,274)</b>
<b>of which: Asset Trading Derivatives</b>	<b>411</b>	<b>8,747</b>	<b>2,551</b>	<b>81</b>	<b>34</b>	<b>11,824</b>
<b>of which: Liability Trading Derivatives</b>	<b>(1,143)</b>	<b>(7,912)</b>	<b>(3,930)</b>	<b>(85)</b>	<b>(28)</b>	<b>(13,098)</b>

## 7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

### 7.1. Breakdown of the balance

The detail, by transaction type, of the balances of this heading in the balance sheet as of December 31, 2007 and 2006 is as follows:

	Millions of euros	
	2007	2006
Debt securities	9,142	8,547
Other equity instruments	9,567	8,989
<b>Total</b>	<b>18,709</b>	<b>17,536</b>

The detail of the Debt Securities as of December 31, 2007 and 2006, based on the nature of the related transactions, is as follows:

	Millions of euros	
	2007	2006
Issued by central banks	10	27
Spanish government bonds	1,164	2,301
Foreign government bonds	1,965	2,583
<i>of which: doubtfully receivable from foreign</i>	2	2
Issued by credit institutions	4,616	1,761
Domestic	2,612	281
Foreign	2,004	1,480
Other debt securities	1,402	1,895
Domestic	694	739
Foreign	708	1,156
Impairment losses	(15)	(20)
<b>Balance at the end of the year</b>	<b>9,142</b>	<b>8,547</b>

As of December 31, 2007 the losses net from tax recognised in equity from the heading "Debt securities" under Available-for-sale financial assets amounted to €94 million (€6 million losses (net) as of December 31, 2006). These losses are considered temporary, as they have emerged in a period of less than one year, and are due to the evolution of the interest rates.

The breakdown of "Other Equity instrument" by nature of the operations in the balance sheet as of December 31, 2007 and 2006 is as follows:

	Millions of euros	
	2007	2006
Shares of Spanish companies	6,074	6,206
Credit institutions	1	1
Unquoted	1	1
Other	6,073	6,205
Quoted	6,038	6,171
Unquoted	35	34
Shares of foreign companies	2,083	1,251
Credit institutions	1,861	941
Quoted	1,861	941
Unquoted	-	-
Other	222	310
Quoted	219	307
Unquoted	3	3
Shares in the net assets of mutual funds	1,410	1,532
<b>Total</b>	<b>9,567</b>	<b>8,989</b>

As of December 31, 2007 and 2006 the amount of gains net from tax recognised in equity from the heading "Other equity instruments" under Available-for-sale financial assets amounted to €3,044 million and €2,373 million, respectively.

In 2007 and 2006, €1,058 million and €986million, respectively, were debited to Valuation Adjustments and recorded under Gains/Losses on Financial Assets and Liabilities in the income statements.

The detail, by geographical area, of the debt securities and other equity instruments included under this heading, disregarding impairment losses, is as follows:

Millions of euros		
	2007	2006
Spain	11,336	10,415
Rest of Europe	4,071	4,503
United States	495	826
Latin America	1,050	777
Rest of the world	1,772	1,035
<b>Total</b>	<b>18,724</b>	<b>17,556</b>

## 7.2. Impairment losses

Following is a summary of the changes in 2007 and 2006 in the impairment losses on “Debt Securities Available-for-sale financial” assets:

Millions of euros		
	2007	2006
<b>Balance at beginning of year</b>	<b>20</b>	<b>26</b>
Increase in impairment losses charged to income	-	-
Decrease in impairment losses credited to income	(5)	(7)
Elimination of impaired balance due to transfer of asset to write-off	-	-
Others	-	1
<b>Balance at end of year</b>	<b>15</b>	<b>20</b>
Of which:		
- Determined individually	2	2
- Determined collectively	13	18

As of December 31, 2007 and 2006, the balances of the individually determined impairment losses related in full to debt securities from countries belonging to the Latin America geographical area.

Additionally, the heading “Impairment losses of asses (net) – Available-for-sale assets” of income statement include the changes of impairment in “Other equity instruments”. In 2007 there has not been any increase in the impairment losses (€2 million as of December 31, 2006).

## 8. LOANS AND RECEIVABLES

### 8. 1. Breakdown of the balance

The detail of the balance of this heading in the balance sheets as of December 31, 2007 and 2006, based on the nature of the related financial instrument, is as follows:

Millions of euros		
ITEMS	2007	2006
Loans and advances to credit institutions	32,556	24,571
Money market operations through counterparties	-	100
Loans and advances to other debtors	213,396	187,305
Debt securities	-	9
Other financial assets	4,572	4,509
<b>Total gross</b>	<b>250,524</b>	<b>216,494</b>
Less: Impairment losses	(3,802)	(3,466)
<b>Total net</b>	<b>246,722</b>	<b>213,028</b>

### 8. 2. Loans and advances to credit institutions

The detail of the balance of this heading in the balance sheets as of December 31, 2007 and 2006, based on the nature of the related financial instrument, is as follows:

Millions of euros		
ITEMS	2007	2006
Reciprocal accounts	90	95
Deposits with agreed maturity	22,340	17,795
Demand deposits	1,208	1,462
Other accounts	8,750	5,082
Reverse repurchase agreements	7	7
<b>Total gross</b>	<b>32,395</b>	<b>24,441</b>
Less: Valuation adjustments (*)	161	130
<b>Total net</b>	<b>32,556</b>	<b>24,571</b>

(\*) Including accrued interests.

### 8. 3. Loans and advances to other debtors

The detail, by loan type and status, of the balance of this heading in the balance sheets as of December 31, 2007 and 2006, disregarding the balance of the impairment losses, is as follows:

Millions of euros		
ITEMS	2007	2006
Financial paper	10,569	10,319
Secured loans	106,330	92,670
Credit accounts	15,448	13,640
Other loans	66,115	57,588
Reverse repurchase agreements	1,919	1,443
Receivable on demand and other	4,423	4,227
Finance leases	6,842	6,233
Impaired assets	1,313	940
<b>Total gross</b>	<b>212,959</b>	<b>187,060</b>
Valuation adjustments (*)	437	245
<b>Total</b>	<b>213,396</b>	<b>187,305</b>

(\*) Including accrued interests of impaired assets, and Valuation adjustment of heading derivatives associates with loans and advances to other debtors.

The Bank provides financing to its customers to enable them to acquire both personal and real property through finance lease contracts, which are recorded under this heading.

The breakdown, by borrower sector, of the balance of this heading as of December 31, 2007 and 2006, disregarding the balance of impairment losses, is as follows:

Millions of euros			
2007	Residents	Non residents	Total
Public Sector	6,787	781	7,568
Agriculture	1,943	221	2,164
Industry	17,091	11,037	28,128
Real estate and construction	34,963	2,731	37,694
Trade and finance	14,671	6,666	21,337
Loans to individuals	84,643	1,191	85,834
Leases	6,800	-	6,800
Other	18,496	4,938	23,434
<b>Total</b>	<b>185,394</b>	<b>27,565</b>	<b>212,959</b>

Millions of euros			
2006	Residents	Non residents	Total
Public Sector	7,103	712	7,815
Agriculture	1,776	118	1,894
Industry	14,665	1,044	15,709
Real estate and construction	31,250	686	31,936
Trade and finance	14,241	15,879	30,120
Loans to individuals	76,723	1,430	78,153
Leases	6,193	-	6,193
Other	14,078	1,162	15,240
<b>Total</b>	<b>166,029</b>	<b>21,031</b>	<b>187,060</b>



The detail, by geographical area, of the balance of Loans and Advances to Other Debtors as of December 31, 2007 and 2006, disregarding the balance of impairment losses, is as follows:

Millions of euros		
	2007	2006
Spain	185,394	166,029
Rest of Europe	15,999	12,717
United States	2,344	1,748
Latin America	5,152	4,243
Rest of the world	4,070	2,323
<b>Total</b>	<b>212,959</b>	<b>187,060</b>

Of the total balance of Loans and Advances to Other Debtors, as of December 31, 2007 and 2006, amounted to €27,053 million and €9,017 million (Note 32), respectively, related to loans securitised through 9 and 6 securitisation funds created by the Bank; since the Bank retains the risks and rewards of these loans, they cannot be derecognised. The detail of these loans, based on the nature of the related financial instrument, is as follows:

Millions of euros		
	2007	2006
Securitised mortgage assets	17,213	2,320
Other securitised assets	9,840	6,697
<b>Total</b>	<b>27,053</b>	<b>9,017</b>

Conversely, as of December 31, 2007 and 2006 €389 and €617 million (Note 32), respectively, related to securitised loans that were derecognised because they met the requirements.

#### 8.4. Impaired assets and impairment losses

The changes in 2007 and 2006 in the line of the balance “Loans and receivables -Impaired Assets” were as follows:

Millions of euros		
	2007	2006
<b>Balance at beginning of year</b>	<b>940</b>	<b>859</b>
Additions	1,374	877
Recoveries	(647)	(617)
Transfers to writte-off	(352)	(172)
Exchange differences and other	(2)	(7)
<b>Balance at end of year</b>	<b>1,313</b>	<b>940</b>

Following is a detail of the financial assets classified as “Loans and receivables to other debtors” and considered to be impaired due to credit risk as of December 31, 2007, and of the assets which, although not considered to be impaired, include any past-due amount at that date, classified by geographical location of risk and by age of the oldest past-due amount:

Millions of euros							
	Amounts more than three	Impaired assets of loans and advances to other debtors					Total
		3 to 6 months	6 to 12 months	12 to 18 months	18 to 24 months	More than 24 months	
Spain	892	394	438	222	118	136	1,308
Rest of Europe	7	1	-	-	-	1	2
Latin America	-	-	-	-	-	-	-
United States	1	-	-	-	-	-	-
Other countries	-	3	-	-	-	-	3
<b>Total</b>	<b>900</b>	<b>398</b>	<b>438</b>	<b>222</b>	<b>118</b>	<b>137</b>	<b>1,313</b>

The changes during 2007 and 2006 in the impaired financial assets derecognized on balance for considering remote its possibility of recovery was as follows:

Millions of euros		
	2007	2006
<b>Balance at beginning of year</b>	<b>4,607</b>	<b>4,588</b>
<b>Increase:</b>	<b>468</b>	<b>253</b>
Assets of remote collectability	352	172
Products overdue not collected	116	81
<b>Decrease:</b>	<b>(1,089)</b>	<b>(230)</b>
Cash recovery	(116)	(105)
Foreclosed assets	(3)	(4)
Other causes	(970)	(121)
<b>Net exchange differences</b>	<b>(11)</b>	<b>(4)</b>
<b>Balance at the end of the year</b>	<b>3,975</b>	<b>4,607</b>

The amounts, of the above table, derecognized on balance due to other causes include €906 million from the sale of portfolio of failed assets to no Bank third parties in 2007.

The changes in the balance of the provisions covering the impairment losses on the assets included under “Loans and Receivables”, in 2007 and 2006, were as follows:

Millions of euros		
	2007	2006
<b>Balance at beginning of year</b>	<b>3,466</b>	<b>2,940</b>
Increase in impairment losses charged to income	835	878
Decrease in impairment losses credited to income	(135)	(173)
Elimination of impaired balance due to transfer of asset to write-off	(352)	(172)
Transfers	(8)	(6)
Exchange differences and other	(4)	(1)
<b>Balance at end of year</b>	<b>3,802</b>	<b>3,466</b>
<i>Of which:</i>		
- Determined individually	627	649
- Determined collectively	3,175	2,817
<i>Of which:</i>		
<b>Based on the nature of the asset covered:</b>	<b>3,802</b>	<b>3,466</b>
Loans and advances to credit institutions	9	6
Loans and advances to other debtors	3,793	3,452
Debt securities	-	8
<i>Of which:</i>		
<b>By geographical area:</b>	<b>3,802</b>	<b>3,466</b>
Spain	3,186	2,981
Rest of Europe	313	231
United States	19	10
Latin America	114	91
Rest of the world	170	153

Recoveries of assets written off in 2007 and 2006 amounted to €98 million and €80 million, respectively, and are deducted from the balance of the heading “Impairment Losses (Net) – Loans and Receivables” in the accompanying income statements.

As of December 31, 2007 and 2006, financial income amounting to €412 million and €415 million had accrued, respectively, but was not recorded in the income statement because there were doubts regarding its collectability.

## 9. HELD-TO-MATURITY INVESTMENTS

As of December 31, 2007 and 2006, the detail of the balance of this heading in the balance sheets was as follows:

Millions of euros		
	2007	2006
Quoted Spanish government bonds	1,417	1,417
Quoted foreign government bonds	2,707	3,023
Issued by Spanish credit institutions	344	344
Issued by foreign credit institutions	475	479
Issued by other resident sectors	646	648
<b>Total gross</b>	<b>5,589</b>	<b>5,911</b>
Impairment losses	(5)	(5)
<b>Total</b>	<b>5,584</b>	<b>5,906</b>

The balance of this heading as of December 31, 2007 and 2006 relates in full to securities of European countries.

The gross changes in 2007 and 2006 in the balance of this heading in the balance sheets, disregarding the balance of the impairment losses, are summarised as follows:

Millions of euros		
	2007	2006
<b>Balance at beginning of year</b>	<b>5,911</b>	<b>3,964</b>
Increase:	-	2,211
Assets of remote collectability	(300)	(274)
Products overdue not collected	(22)	10
<b>Decrease:</b>	<b>5,589</b>	<b>5,911</b>

Following is a summary of the changes in 2007 and 2006 in the impairment losses on held-to-maturity investments:

Millions of euros		
Other causes	2007	2006
<b>Balance at the end of the year</b>	<b>5</b>	<b>5</b>
Increase in impairment losses charged to income	-	-
Decrease in impairment losses credited to income	-	-
Other	-	-
<b>Balance at end of year</b>	<b>5</b>	<b>5</b>
- Determined collectively	5	5

## 10. HEDGING DERIVATIVES (RECEIVABLE AND PAYABLE)

As of December 31, 2007 and 2006 the main positions hedged by the Bank and the derivatives assigned to hedge those positions are:

### - Fair value hedge:

- Available for sale fixed rate debt securities: this risk is hedged using interest-rate derivatives (fixed- variable swaps).
- Long term fixed rate debt issued by Bank: this risk is hedged using interest-rate derivatives (fixed- variable swaps).
- Available for sale equity securities: this risk is hedged using equity swaps.
- Fixed rate loans: this risk is hedged using interest-rate derivatives (fixed- variable swaps).

- **Cash flow hedge:** Most of the hedged items are floating interest rate loans: this risk is hedged using currency and interest rate swaps.

The Note 2.b.1.a describes the aforementioned hedges.

The Note 4 analyses the nature of the main risks of the Bank that are hedged.

The detail of the fair value of the hedging derivatives held by the Bank as of December 31, 2007 and 2006 and recognised in the balance sheets is as follows:

Millions of euros				
2007	Exchange Risk	Interest Rate Risk	Equity price risk	Total
<b>OTC Markets</b>				
<b>Credit institutions</b>	18	(890)	(72)	(944)
Fair value micro-hedge	18	(797)	(72)	(851)
Cash flow micro-hedge	-	(93)	-	(93)
<b>Other financial institutions</b>	8	85	(135)	(42)
Fair value micro-hedge	8	85	(135)	(42)
Cash flow micro-hedge	-	-	-	-
<b>Other sectors</b>	-	-	-	-
Fair value micro-hedge	-	-	-	-
Cash flow micro-hedge	-	-	-	-
<b>Total</b>	<b>26</b>	<b>(805)</b>	<b>(207)</b>	<b>(986)</b>
<b>of which: Asset Hedging Derivatives</b>	<b>35</b>	<b>743</b>	<b>1</b>	<b>779</b>
<b>of which: Liability hedging Derivatives</b>	<b>(9)</b>	<b>(1,548)</b>	<b>(208)</b>	<b>(1,765)</b>

Millions of euros				
2006	Exchange Risk	Interest Rate Risk	Equity price risk	Total
<b>OTC Markets</b>				
<b>Credit institutions</b>	-	(335)	(119)	(454)
Fair value micro-hedge	-	(140)	(119)	(259)
Cash flow micro-hedge	-	(195)	-	(195)
<b>Other financial institutions</b>	-	126	(3)	123
Fair value micro-hedge	-	126	(3)	123
Cash flow micro-hedge	-	-	-	-
<b>Other sectors</b>	-	2	-	2
Fair value micro-hedge	-	2	-	2
Cash flow micro-hedge	-	-	-	-
<b>Total</b>	<b>-</b>	<b>(207)</b>	<b>(122)</b>	<b>(329)</b>
<b>of which: Asset Hedging Derivatives</b>	<b>-</b>	<b>1,715</b>	<b>44</b>	<b>1,759</b>
<b>of which: Liability hedging Derivatives</b>	<b>-</b>	<b>(1,922)</b>	<b>(166)</b>	<b>(2,088)</b>

The most significant forecasted cash flows that the Bank has hedged, being its impact on the income statement expected in the following periods:

Millions of euros				
	3 months or less	More than 3 months but less than 1 year	From 1 to 5 years	More than 5 years
Cash inflows from assets	187	488	377	144
Cash outflows from liabilities	144	304	341	213

The amounts that were so recognized in equity during the period and the amounts that were removed from equity and included in profit or loss for the period are showed in the "Statement recognized income and expense".

As of December 31, 2007 and 2006, there were no hedges of highly probable forecast transaction in the Bank.

In 2007, in relation to the fair value hedges, €868 million were recognized in the income statement by gains on hedging items and €859 million by the losses on the hedged items attributable to the risk hedged.

As of December 31, 2007, the amounts recorded in profit and loss account by ineffective portion in cash flow hedge were not significant.

## 11. NON-CURRENT ASSETS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE

As of December 31, 2007 and 2006 the balance of Non-Current Assets Held for Sale relates in full to foreclosed assets.

The changes in 2007 and 2006 in the balance of this heading in the balance sheets were as follows:

	Millions of euros	
	2007	2006
<b>Revalued cost</b>		
<b>Balance at beginning of year</b>	<b>35</b>	<b>35</b>
Additions	47	43
Retirements	(315)	(57)
Transfers	290	14
<b>Balance at end of year</b>	<b>57</b>	<b>35</b>
<b>Impairment</b>		
<b>Balance at end of year</b>	<b>9</b>	<b>6</b>
Increase in impairment losses charged to income	9	10
Decrease in impairment losses credited to income	(4)	-
Transfers	8	6
Disposals	(14)	(13)
Exchange difference and other	-	-
<b>Balance at end of year</b>	<b>8</b>	<b>9</b>
<b>Balance total at end of year</b>	<b>49</b>	<b>26</b>

As of December 31, 2007 and 2006, there were no liabilities associated with non-current assets held for sale.

In 2007, the Group BBVA reached an agreement which the Group GMP to sale four buildings owned by the Group BBVA, located in Castellana 81, Goya 14, Hortaleza-Vía de los Poblados and Alcalá 16, all in Madrid. The Group transferred from "Tangible assets – Property, plants and equipment" to "Non-current assets held for sale" an amount of €257 million. Once the sale was completed, €579 million were derecognised on the heading "Non-current assets held for sale", as shown in the table above. The amount of the sale of the buildings aforementioned amounted to €579 million.

This sale has generated gains of €279 million recognized in the heading "Other Gains - Gains on disposal of tangible assets" in the accompanying income statement (Note 41). Those sales have been made without any financing to GMP by the Group.

The fair value of balances in "Non-current assets held for sale" was determined by reference to appraisals performed by companies registered as valuers in each of the geographical areas in which the assets are located.

The independent valuation and appraisal companies entrusted with the appraisal of these assets were Valtecnic, S.A., General de Valoraciones, S.A., Krata, S.A., Tinsa, S.A., Alia Tasaciones, S.A., Ibertasa, S.A., Tasvalor, S.A. and Gesvalt, S.A. These companies are registered in the Bank of Spain Official register for independent valuation and appraisal companies.

Most of the non-current assets held for sale recorded as assets in the balance sheets as of December 31, 2007 and 2006 relate to properties.

These properties classified as "non-current assets held for sale" are assets available for sale, which is considered highly probable. The sale of most of these assets is expected to be completed within one year of the date on which they are classified as "non-current assets held for sale".

The net cost of the properties classified as "non-current assets held for sale" as of December 31, 2007 and 2006 is broken down into the following categories:

	Millions of euros	
	2007	2006
Residential assets	22	14
Industrial assets	26	12
Agricultural assets	1	-
<b>Total</b>	<b>49</b>	<b>26</b>

As of December 2007 and 2006 the Bank financed 3.08% and 7.47%, respectively, of the sales of non-current assets held for sale. The amount of the loans granted to the purchasers of these assets in 2007 and 2006 was €21 million and €6 million, respectively (giving cumulative totals of €134 million and €113 million, respectively).

As a result of the financed sale of assets, the unrecognised gains as of December 31, 2007 and 2006 amounted to €29 million and €19 million, respectively.

## 12. INVESTMENTS

### 12.1. Investments in associates

The detail, by currency and listing status, of this heading in the accompanying balance sheets is as follows:

Millions of euros		
	2007	2006
<b>Currency</b>		
In Euros	76	44
Foreign currency	429	-
<b>Total</b>	<b>505</b>	<b>44</b>
<b>Market price</b>		
Quoted	429	-
Unquoted	76	44
<b>Less-</b>		
Impairment losses	-	-
<b>Total</b>	<b>505</b>	<b>44</b>

The gross changes in 2007 and 2006 in Investments - Associates in the balance sheets, disregarding the balance of the impairment losses, were as follows:

Millions of euros		
	2007	2006
<b>Balance at beginning of year</b>	<b>44</b>	<b>786</b>
Capital increase and acquisition	517	30
Sales	(2)	(769)
Transfers	-	1
Other	(54)	(4)
<b>Balance at end of year</b>	<b>505</b>	<b>44</b>

In 2007 the most significant investment was Citic International Financial Holding Limited (CIFH) with an investment of €483 million. The ownership interest held was 14.58% in March.

The investment in CIFH, despite is less than 20%, accounted for using the equity method because it has a significant influence under the strategic agreement with the Chinese banking group CITIC. Because of these agreement, the Group acquired in March 2007, 4.83% of China Citic Bank (CNCB), with an investment of €719 million. The latter investment was recognized in the heading "Available-for-sale financial assets – Other equity instruments" in the balance sheets as of December 31, 2007 (Note 7). The Group also maintains a purchase option that allows reach 9.9% of the capital of that bank.

In 2007 there have been no significant sales of ownership interest in associates. The most significant sales in 2006 were Banca Nazionale del Lavoro, S.p.A.

## 12.2. Investments in jointly controlled Entities

The detail, by currency and listing status, of this heading in the accompanying balance sheets is as follows:

Millions of euros		
	2007	2006
<b>Currency</b>		
In Euros	4	3
<b>Market price</b>		
Unquoted	4	3
<b>Less-</b>		
Impairment losses	-	-
<b>Total</b>	<b>4</b>	<b>3</b>

The changes in 2007 and 2006 in the balance of this heading in the balance sheets, disregarding the balance of the impairment losses, were as follows:

Millions of euros		
	2007	2006
<b>Balance at beginning of year</b>	<b>3</b>	<b>7</b>
Acquisitions	1	-
Transfers	-	(4)
<b>Balance at end of year</b>	<b>4</b>	<b>3</b>

## 12.3. Investments in group Entities

The heading Investments - Group Entities in the accompanying balance sheets includes the carrying amount of the shares of companies forming part of the BBVA Group. The percentages of direct and indirect ownership and other relevant information on these companies are provided in Appendices I and III.

The detail, by currency and listing status, of this heading in the accompanying balance sheets is as follows:

	Millions of euros	
	2007	2006
<b>Currency</b>		
In Euros	3,835	3,563
In foreign currency	17,324	10,550
<b>Total</b>	<b>21,159</b>	<b>14,113</b>
<b>Market price</b>		
Quoted	615	619
Unquoted	20,601	13,540
<b>Less-</b>		
Impairment losses	(57)	(46)
<b>Total</b>	<b>21,159</b>	<b>14,113</b>

The changes in 2007 and 2006 in the balance of this heading in the balance sheets, disregarding the balance of the impairment losses, were as follows:

	Millions of euros	
	2007	2006
<b>Balance at beginning of year</b>	<b>14,159</b>	<b>12,533</b>
Capital increase and acquisitions	7,373	1,949
Sales	(5)	(49)
Transfers	-	3
Exchange difference and other	(311)	(277)
<b>Balance at end of year</b>	<b>21,216</b>	<b>14,159</b>

The most notable transactions performed in 2007 and 2006 were as follows:

#### 2007

- On January 3, 2007, the Bank acquired all of the shares of State National Bancshares Inc. The purchase price paid was €378 million

On March 8, 2007, the Bank approved the capital stock increase in Laredo National Bancshares with a payment of €6 million.

On May 31, 2007 was the integration of the financial groups: State National Bancshares, Inc., Laredo National Bancshares and Texas Regional Bancshares, in a single company called BBVA USA Bancshares, Inc.

On September 7, 2007 the Group acquired 100% of the share capital of Compass Bancshares Inc., ("Compass") a U.S. banking Group quoted in NASDAQ, an active in Alabama, Texas, Florida, Arizona, Colorado and New Mexico.

The consideration paid to former Compass stockholders for the acquisition was \$9,115 million, (€6,672 million). The Group paid \$4,612 million equivalent €3.385 million in cash and delivered 196 million of shares issued, which represent 5.5% of the current share capital of BBVA. The expenses directly attributable to the acquisition amounted to €21 million.

The General Shareholder's meeting celebrated on June 21, 2007 approved the transaction and the consequent capital stock increase. This capital increase took place on September 10, 2007 at an issuance rate of €16.77 per share, the closing market price of the BBVA's shares at September 6, 2007, in accordance with the resolutions adopted by the BBVA's general shareholders' meeting dated 21 June 2007 (Note 21).

On October 17, 2007 were reorganized the holdings of United States through merger of Compass Bancshares, Inc. and BBVA USA Bancshares, Inc., taking the name of the last.

- In 2007 the Bank approved the capital stock increases in "Proyectos Empresariales Capital Riesgo I, S.C.R." with a contribution of €155 million.

- In July 2007, the Bank signed 21,386,826 shares in the capital stock increase of BBVA Inversiones Chile, S.A. for a total of €6 million. The ownership interest held by the Bank was 33.3%.

- In December 2007, the Bank approved the capital stock increases in "Jorge Juan, SA" for an amount of €100 million.

- On December 27, 2007, the Bank invested €9 million in BBVA Finanzia S.p.A.
- On December 28, 2007, the Bank purchased "Blue Indico Investments, S.L." (from Finanzia Banco de Crédito, S.A.) for an amount of €17 million.

## 2006

- On April 2006, the Bank invested €90 million in the subscription of 1,733,530,703 shares in the increase capital of BBVA Colombia, S.A.
- On July 28, 2006, Telefónica España, S.A., on behalf of the liquidity mechanism to integrate Uno-E Bank, S.A., as established in the agreement between Terra (subsequently merged into Telefónica España, S.A.) and BBVA, proceeded on January 10, 2003 to start selling to BBVA its 33 % ownership interest in Uno-E Bank, S.A. for an aggregated amount of €148 million, reaching BBVA a 67.347 % ownership of Uno-E Bank, S.A.
- On November 10, 2006 the Group acquired Texas Regional Bancshares Inc. with an investment of USD 2,141 million (€1,674 million).
- On December 2006, BBVA Uruguay, S.A., reduced his capital paying €10 million to the Bank.

As of December 31, 2007 and 2006 no other capital increases were underway at any Group companies.

## 12.4. Notifications of the acquisition of investments

Appendix IV lists the Bank's acquisitions and disposals of holdings in associates or jointly controlled entities and the notification dates thereof, in compliance with Article 86 of the Spanish Corporations Law and Article 53 of Securities Market Law 24/1988.

## 12.5. Impairment

The detail of the changes in impairment losses in 2007 and 2006 in this heading is as follows:

Millions of euros		
	2007	2006
<b>Balance at beginning of year</b>	<b>46</b>	<b>29</b>
Increase in impairment losses charged to income	14	25
Decrease in impairment losses credited to income	-	(8)
Application	(3)	-
<b>Balance at end of year</b>	<b>57</b>	<b>46</b>

## 13. TANGIBLE ASSETS

The detail of the changes as of December 31, 2007 and 2006 in this heading in the balance sheets, based on the nature of the related items, were as follows:

Millions of euros				
2007	Property, plants and equipment		Investment Properties	Total
	Land and Buildings	Furniture, Fixtures and Vehicles		
<b>Revalued cost -</b>				
<b>Balance at 1 January 2007</b>	<b>1,525</b>	<b>2,873</b>	<b>15</b>	<b>4,413</b>
Additions	20	246	-	266
Retirements	-	(76)	-	(76)
Transfers	(269)	(160)	-	(429)
Exchange difference and other	-	(2)	-	(2)
<b>Balance at 31 December 2007</b>	<b>1,276</b>	<b>2,881</b>	<b>15</b>	<b>4,172</b>
<b>Accumulated depreciation -</b>				
<b>Balance at 1 January 2007</b>	<b>408</b>	<b>1,908</b>	<b>3</b>	<b>2,319</b>
Additions	20	164	-	184
Retirements	-	(67)	-	(67)
Transfers	(63)	(76)	-	(139)
Exchange difference and other	-	(1)	-	(1)
<b>Balance at 31 december 2007</b>	<b>365</b>	<b>1,928</b>	<b>3</b>	<b>2,296</b>
<b>Impairment -</b>				
<b>Balance at 1 January 2007</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>
Increase in impairment losses charged to income	5	-	-	5
Decrease in impairment losses credited to income	-	-	-	-
<b>Balance at 31 December 2007</b>	<b>5</b>	<b>-</b>	<b>1</b>	<b>6</b>
<b>Net tangible assets -</b>				
<b>Balance at 1 January 2007</b>	<b>1,117</b>	<b>965</b>	<b>11</b>	<b>2,093</b>
<b>Balance at 31 December 2007</b>	<b>906</b>	<b>953</b>	<b>11</b>	<b>1,870</b>



Millions of euros				
	Property, plants and equipment		Investment Properties	Total
2006	Land and Buildings	Furniture, Fixtures and Vehicles		
Revalued cost -				
Balance at 1 January 2006	1,501	2,769	15	4,285
Additions	44	194	-	238
Retirements	(1)	(89)	-	(90)
Transfers	(19)	-	-	(19)
Exchange difference and other	-	(1)	-	(1)
Balance at 31 December 2006	1,525	2,873	15	4,413
Accumulated depreciation -				
Balance at 1 January 2006	390	1,828	3	2,221
Additions	23	161	-	184
Retirements	-	(80)	-	(80)
Transfers	(5)	-	-	(5)
Exchange difference and other	-	(1)	-	(1)
Balance at 31 december 2006	408	1,908	3	2,319
Impairment -				
Balance at 1 January 2006	2	-	1	3
Increase in impairment losses charged to income	-	-	-	-
Decrease in impairment losses credited to income	(2)	-	-	(2)
Balance at 31 December 2006	-	-	1	1
Net tangible assets -				
Balance at 1 January 2006	1,109	941	11	2,061
Balance at 31 December 2006	1,117	965	11	2,093

The Group BBVA purchased, through a Real Estate company of the Group and in accordance with an agreement signed on June 19, 2007 with the "Group Gmp" (GMP), the "Parque Empresarial Foresta" located in a development area in the north of Madrid, where the new Corporate Headquarter will be build.

The net tangible asset impairment losses credited to the accompanying income statement for 2007 amounted to €5 million (in 2006 amounted to €2 million).

The gains and losses on tangible asset disposals are presented under the headings "Others Gains" and "Others Losses" the accompanying income statements (Note 41).

The Bank conducts its business mainly through a branch network which as of December 31, 2007 was as follows:

	Number of branches	
	2007	2006
Spain	3,443	3,475
Rest of the world	15	17
<b>Total</b>	<b>3,458</b>	<b>3,492</b>

As of December 31, 2007, 49.43% of the branches in Spain were leased from third parties. The remaining branches were owned by the Bank.

#### 14. INTANGIBLE ASSETS

The detail of the balance of this heading in the balance sheets as of December 31, 2007 and 2006 relates in full to the net balance of the disbursements made on the acquisition of computer software.

The detail of the changes in 2007 and 2006 in the balance of this heading in the balance sheets is as follows:

Millions of euros		
	2007	2006
<b>Balance at beginning of year</b>	<b>63</b>	<b>52</b>
Additions	52	28
Period amortization	(25)	(17)
Exchange differences and other	-	-
<b>Balance at end of year</b>	<b>90</b>	<b>63</b>

#### 15. PREPAYMENTS AND ACCRUED INCOME AND ACCRUED EXPENSES AND DEFERRED INCOME

The detail of the balance of these headings in the balance sheets as of December 31, 2007 and 2006 is as follows:

Millions of euros		
	2007	2006
<b>Assets -</b>		
Prepaid expenses	11	6
Other prepayments and accrued income	317	499
<b>Total</b>	<b>328</b>	<b>505</b>
<b>Liabilities -</b>		
Funds taken at a discount	23	14
Unmatured accrued expenses	620	562
Other accrued expenses and deferred income	224	160
<b>Total</b>	<b>867</b>	<b>736</b>

## 16. OTHER ASSETS AND LIABILITIES

The detail of the balances of these headings in the balance sheets as of December 31, 2007 and 2006 is as follows:

Millions of euros		
	2007	2006
<b>Assets -</b>		
Transactions in transit	37	22
Other	403	540
<b>Total</b>	<b>440</b>	<b>562</b>
<b>Liabilities -</b>		
Transactions in transit	33	105
Other	70	-
<b>Total</b>	<b>103</b>	<b>105</b>

## 17. FINANCIAL LIABILITIES AT AMORTISED COST

The detail of the items composing the balances of this heading in the accompanying balance sheets is as follows:

Millions of euros		
	2007	2006
Deposits from central banks	22,984	12,757
Deposits from credit institutions	46,852	41,631
Money markets operations	23	223
Deposits from other creditors	172,807	146,892
Debt certificates (including bonds)	44,248	39,859
Subordinated liabilities	12,593	12,465
Other financial liabilities	4,122	4,870
<b>Total</b>	<b>303,629</b>	<b>258,697</b>

As of December 31 2007 and 2006, Other Financial Liabilities included €570 million and €469 million, respectively, relating to the third interim dividend (Note 3).

### 17.1. Deposits from central banks

The breakdown of the balance of this heading in the balance sheets is as follows:

Millions of euros		
	2007	2006
Bank of Spain		
Credit account drawdowns	4,114	2,056
Other	172	154
Other assets under repurchase agreement	10,963	3,255
Other central banks	7,672	7,247
Valuation adjustments - Accrued expenses	63	45
<b>Total</b>	<b>22,984</b>	<b>12,757</b>

As of December 31, 2007 and 2006, the financing limit assigned to the Bank by the Bank of Spain and other central banks was €6,307 million and €4,693 million, respectively, of which €4,114 million and €2,056 million had been drawn down.

## 17.2 Deposits from credit institutions

The breakdown of the balance of this heading in the accompanying balance sheets, based on the nature of the related transactions, is as follows:

Millions of euros		
	2007	2006
Reciprocal accounts	70	48
Deposits with agreed maturity	38,162	33,001
Other accounts	1,117	1,955
Repurchase agreements	7,163	6,310
Valuation adjustments	340	317
<b>Total</b>	<b>46,852</b>	<b>41,631</b>

The detail, by geographical area, of this heading as of December 31, 2007 disregarding the balance of valuation adjustment is as follows:

Millions of euros				
2007	Demand Deposits	Deposits with Agree Maturity	Repurchase Agreement	Total
Spain	763	15,591	3,220	19,574
Rest of Europe	222	13,689	3,943	17,854
United States	69	3,764	-	3,833
Latin America	104	471	-	575
Rest of the world	29	4,647	-	4,676
<b>Total</b>	<b>1,187</b>	<b>38,162</b>	<b>7,163</b>	<b>46,512</b>

The detail, by geographical area, of this heading as of December 31, 2006 disregarding the balance of valuation adjustment is as follows:

Millions of euros				
2006	Demand Deposits	Deposits with Agree Maturity	Repurchase Agreement	Total
Spain	1,093	13,541	1,664	16,298
Rest of Europe	610	12,819	4,621	18,050
United States	89	2,148	25	2,262
Latin America	151	547	-	698
Rest of the world	60	3,946	-	4,006
<b>Total</b>	<b>2,003</b>	<b>33,001</b>	<b>6,310</b>	<b>41,314</b>

## 17.3 Deposits from other creditors

The breakdown of the balance of this heading in the accompanying balance sheets, based on the nature of the related transactions, is as follows:

Millions of euros		
	2007	2006
<b>General Government</b>	<b>8,124</b>	<b>6,623</b>
Spanish	5,035	4,860
Foreign	3,089	1,763
<b>Other resident sectors -</b>	<b>129,363</b>	<b>116,232</b>
Current accounts	21,365	24,871
Savings accounts	23,313	23,544
Fixed-term deposits	75,820	58,641
Repurchase agreements	8,865	9,176
<b>Non-resident sectors</b>	<b>33,743</b>	<b>22,659</b>
Current accounts	1,274	1,158
Savings accounts	463	1,180
Fixed-term deposits	31,994	19,872
Repurchase agreements	12	449
<b>Valuation Adjustments (*)</b>	<b>1,577</b>	<b>1,378</b>
<b>Total</b>	<b>172,807</b>	<b>146,892</b>
<i>Of which:</i>		
In euros	135,965	121,515
In foreign currency	36,842	25,377

(\*)Including accrual accounts, valuation adjustments of heading derivatives and others.

The detail, by geographical area, of this heading as of December 31, 2007 disregarding the balance of valuation adjustment is as follows:

Millions of euros					
2007	Demand Deposits	Saving Deposits	Deposits with Agreed Maturity	Repurchase agreements	Total
Spain	25,208	23,391	76,520	9,279	134,398
Rest of Europe	2,150	308	13,047	10	15,515
United States	181	17	15,526	1	15,725
Latin America	298	91	1,715	1	2,105
Rest of the world	301	48	3,138	-	3,487
<b>Total</b>	<b>28,138</b>	<b>23,855</b>	<b>109,946</b>	<b>9,291</b>	<b>171,230</b>

The detail, by geographical area, of this heading as of December 31, 2006 disregarding the balance of valuation adjustment is as follows:

Millions of euros					
2006	Demand Deposits	Saving Deposits	Deposits with Agreed Maturity	Repurchase agreements	Total
Spain	28,243	23,609	58,842	10,399	121,093
Rest of Europe	1,797	1,040	7,635	448	10,920
United States	104	19	8,370	-	8,493
Latin America	252	83	1,739	1	2,075
Rest of the world	283	38	2,612	-	2,933
<b>Total</b>	<b>30,679</b>	<b>24,789</b>	<b>79,198</b>	<b>10,848</b>	<b>145,514</b>

#### 17.4 Debt certificates (including bonds)

The breakdown of the balance of this heading in the accompanying balance sheets is as follows:

Millions of euros		
	2007	2006
<b>Promissory notes and bills</b>	173	-
<b>Bonds and debentures issued:</b>		
Mortgage-backed securities	39,569	35,822
Other non-convertible securities	4,674	3,655
Treasury shares	(10)	(3)
<b>Valuation adjustments</b>		
Accrued expenses, hedged derivatives adjustments and other	(158)	385
<b>Total</b>	<b>44,248</b>	<b>39,859</b>

The heading "Promissory Notes and bills" records as of December 31, 2007, the balance of various issues with maturity of less than one year for an amount of 154 million dollars (€70 million approximately) and €70 million,

The "Nonconvertible bonds and debentures at floating rate debentures" account, as of December 31, 2007, includes the following:

- Issue of €60 million of nonconvertible debentures launched by the Bank in July 1998, which bears variable annual interest through final maturity in July 2008, which is calculated as 83% of the simple average between the offer and bid rate offered by certain reference institutions, in accordance with the calculation procedure for a 30-year peseta-denominated swap against the 6-month LIBOR interest rate in pesetas on the date the rate is set.
- Issue of €30 million, launched in August 1998, maturing in August 2008, which bears variable annual interest on the nominal amount of the debentures, which is calculated as the 10-year swap rate multiplied by a coefficient of 0,865.
- February 2004 issue amounting to €1,000 million which bears variable quarterly interest of three-month EURIBOR plus 10 basis points through final redemption in February 2009.
- Issue of €2,000 million, launched in June 2004 and maturing in June 2008, which bears variable quarterly interest on the face value of the bonds equal to three-month EURIBOR plus 10 basis points.
- Issue of €330 million, launched in November 2006 and maturing in May 2008, which bears variable quarterly interest on the face value of the bonds equal to three-month EURIBOR plus 1.5 basis points.
- Issue of €150 million, launched in January 2007 and maturing in January 2009, which bears variable interest on the face value of the bonds equal to six-month as follows:

- For the period from January 22, 2007, inclusive, to July 21, 2007, exclusive, the interpolated rate between EURIBOR to five months and the EURIBOR to six months less 0.7 basis points.
- For the period from July 21, 2007, inclusive, to January 21, 2009, exclusive, the EURIBOR to six months less 0.7 basis points.
- Issue of €1,000 million, launched in June 2007 and maturing in June 2011, which bears variable quarterly interest on the face value of the bonds equal to three-month EURIBOR plus 5 basis points.
- Issue of €30 million, launched in July 2007 and maturing in June 2009, which bears variable quarterly interest on the face value of the bonds equal to three-month EURIBOR plus 1 basis points.

As of December 31, 2007, the Non-convertible Bonds and Debentures at Fixed Interest Rates account include:

- Issue of €50 million, launch as of December 2006, with a fixed interest rate of 4.125% and maturity in December 2011. The Bank has the right to anticipate the redemption in December 2008, and subsequently at the same time of the interest payment.
- Issue of €10 million, launch as of June 2007, with a fixed interest rate of 4.60% and maturity in June 2009.
- Issue of €10 million, launch as of June 2007, with a fixed interest rate of 4.70% and maturity in June 2011.

The Covered Bonds account includes several issues, the last of which has final redemption in 2037.

The valuation adjustments include mostly adjustments for accrued interest, micro hedging transactions and issuance Fees.

The accrued interest of the Debt certificates amounted to €1,821 million in 2007 and €1,473 million in 2006 (Note 34).

#### 17.5. Subordinated debt

These issues are non-convertible subordinated debt and, accordingly, for debt seniority purposes, they rank behind ordinary debt.

The detail, disregarding valuation adjustments, of the balance of this heading in the accompanying balance sheets, based on the related issue currency and interest rate, is as follows:

ISSUER	Millions of euros		Prevailing Interest Rate	Maturity Date
	2007	2006		
<b>Non-Convertibles Bonds in euros</b>				
July-96	27	27	9.37%	22-dic-2016
February-97	-	60		
September-97	-	36		
December-01	-	1,500		
July-03	600	600	5.01%	17-jul-2013
November-03	750	750	4.50%	12-nov-2015
October-04	992	992	4.37%	20-oct-2019
February-07	298	-	4.50%	16-feb-2022
<b>Total</b>	<b>2,667</b>	<b>3,965</b>		
<b>Subordinated deposits</b>	<b>9,760</b>	<b>8,339</b>		
<b>TOTAL</b>	<b>12,427</b>	<b>12,304</b>		

In 2007 have been early amortised the issue of December 27, 2001 for an amount of €1,500 million. In 2006 there were no early redemptions of these issues.

As of December 31, 2007, the Subordinated Deposits account of the foregoing detail includes the subordinated deposits taken relating to the subordinated debt and preference share issues launched by BBVA Global Finance Ltd., BBVA Capital Funding Ltd., BBVA Subordinated Capital S.A.U., BBVA International Preferred S.A.U., BBVA International Ltd., and BBVA Capital Finance, S.A. which are unconditionally and irrevocably secured by the Bank.

In 2007 and 2006 the subordinated debt bore interest of €606 million and €494 million, respectively (Note 34).

## 18. PROVISIONS

The detail of the balance of this heading in the balance sheets as of December 31, 2007 and 2006 is as follows:

Millions of euros		
	2007	2006
Provisions for pensions and similar obligations	5,184	5,523
Provisions for contingent exposures and commitments	525	462
Other provisions	928	941
<b>Total</b>	<b>6,637</b>	<b>6,926</b>

The changes in 2007 and 2006 in the balances of the headings in the accompanying balance sheets were as follows:

Millions of euros						
	2007			2006		
	Provisions for Pensions and	Commitments and contingent	Other provisions	Provisions for Pensions and	Commitments and contingent	Other provisions
<b>Balance at beginning of year</b>	5,523	462	941	4,889	425	1,063
Add -						
Year provision with a charge to income for the year	429	76	63	1,132	53	116
Other Changes	-	-	-	25	-	-
Less -						
Available funds	(63)	(11)	(40)	(9)	(5)	(99)
Payments to early Retirees	(581)	-	-	(499)	-	-
Provisions used and other changes	(14)	-	(33)	(15)	(7)	(34)
Other Changes	(110)	(2)	(3)	-	(4)	(105)
<b>Balance at end of year</b>	<b>5,184</b>	<b>525</b>	<b>928</b>	<b>5,523</b>	<b>462</b>	<b>941</b>

The year provisions for pensions charged to income in 2007 under the headings "Interest expenses and similar charges", "Personal expenses" and "Provision expenses" in the income statement amounted to €120 million, €5 million and €304 million, respectively (€99 million, €6 million and €1,027 million, respectively in 2006). In 2007 and 2006, the available funds amounted to €63 million and €9 million, respectively, recorded under the heading "Allowance Provision (net)".

Period provisions relating to the heading Provisions for contingent exposures and commitments were recorded under the heading Provisions Expense (Net) of the income of statements.

Also, period provisions totalling €33 million, €9 million and €21 million relating to the heading Provisions - Other Provisions were recorded in 2007 under the headings Interest expenses and similar charges, Personnel Expenses and Provisions Expense (Net) (€49 million, €9 million and €58 million, respectively, in 2006). Available funds were recorded in the heading Provisions Expense (Net) in the accompanying income statements of 2007 and 2006, and amounted to €40 million and €99 million, respectively.

## 19. COMMITMENTS TO EMPLOYEES

Under the collective labour agreement, Spanish banks are required to supplement the social security benefits received by employees or their beneficiary rightholders in the event of retirement (except for those hired after 8 March 1980), permanent disability, death of spouse or death of parent.

The employee welfare system in place at the Bank supersede and improve the terms and conditions of the collective labour agreement for the banking industry; the commitments envisaged in the event of retirement, death and disability cover all employees, including those hired after 8 March 1980. The Bank externalised all its commitments to serving and retired employees pursuant to Royal Decree 1588/1999. These commitments are instrumented in pension plans, insurance contracts with a non-Group company and insurance contracts with BBVA Seguros, S.A. de Seguros y Reaseguros, which is 99.94% owned by the Banco Bilbao Vizcaya Argentaria Group. This employee welfare system includes defined contribution commitments, the amounts of which are determined, on a case-by-case basis, as a percentage of certain compensation and/or as a pre-established fixed amount. Defined benefit commitments are funded by insurance contracts.

### 19.1. COMMITMENTS IN SPAIN

The commitments with personnel for post-employment defined contribution plans have no impact in the accompanying balance sheets (Note 2.d). In 2007, the Bank has made contributions to the defined contribution plans with a charge to the income statement amounted to €39 million (in 2006 the contributions amounted to €32).

### 19.2. POTS-EMPLOYMENT BENEFIT

#### 19.2.1. Commitments in Spain

The most significant actuarial assumptions used as of December 31, 2007 and 2006, for the quantification of these commitments are as follows:

	2007	2006
Mortality tables	PERM/F 2000P.	PERM/F 2000P.
Discount rate (cumulative annual)	4.5%/AA corporate bond yield curve	4%/AA corporate bond yield curve
Consumer price index (cumulative annual)	2.0%	1.5%
Salary growth rate (cumulative annual)	At least 3% (depending on employee)	At least 2.5% (depending on employee)
Retirement ages	First date at which the employees are entitled to retire or contractually agreed at the individual level in the case of early retirements	

#### 19.2.1.1 Public social security system benefit supplement

The Bank has defined benefit commitments for permanent disability and death of current employees and early retirees; for death of certain retired employees; and for retirement of certain specific groups of current employees, early retirees and retired employees (benefits in progress). These commitments are hedged through insurance contracts and internal funds.

The defined benefit commitments as of December 31, 2007 and 2006 were as follows:

	Millions of euros	
	2007	2006
Pension commitments to retired employees	2,093	2,495
Pension contingencies in respect of current employees	373	183
	<b>2,466</b>	<b>2,678</b>
<b>Coverage at end of each year:</b>		
Insurance contracts with related insurance companies(*)	2,004	2,114
Insurance contracts with unrelated insurance companies	462	564
<b>Total</b>	<b>2,466</b>	<b>2,678</b>

(\*) The provisions were recognized in the heading "Funds for Pensions and Similar Obligations" in the accompanying balance sheets (Note 18)

To cover certain pension commitments, insurance contracts have been contracted with insurance companies not related to the Group. These commitments are covered by assets and therefore are presented in the accompanying balance sheets for the net amount commitment less plan assets. As of December 31, 2007 and 2006, the amount of the plan assets to the mentioned insurance contracts (shown in the previous table under the heading "Plan Insurance contracts") equalled the amount of the commitments covered, therefore its net value was zero in the accompanying balance sheets.

On the other hand, the rest of commitments mentioned in the previous table include commitments by defined benefit for which insurance contracts have been contracted with BBVA Seguros, S.A. de Seguros y Reaseguros, which is 99.94% owned by the Group. The commitments are registered under the heading "Funds for pensions and similar obligations" of the accompanying balance sheets (Note 18) and the insurance contract assets are recognised in the heading "Insurance contracts linked to pensions".

The current contributions made by the Bank in relation to defined benefit retirement commitments are recorded with a charge to the "Personnel Expenses – Contributions to pension funds" account of the accompanying income statement and amounted to €20 million and €24million in 2007 and 2006, respectively.

#### 19.2.1.2. Early retirements

The commitments to early retirees include the compensation and indemnities and contributions to external pension funds payable during the period of early retirement. The commitments relating to this group of employees after they have reached the age of effective retirement are included in the employee welfare system.

In 2007 and 2006 the Bank offered certain employees the possibility of taking early retirement before reaching the age stipulated in the collective labour agreement in force. This offer was accepted by 575 and 1,875 employees, respectively. The total cost of these agreements amounts to €294 million and €1,014 million and the corresponding provisions were recognised with a charge to the heading "Provisioning Expense (Net) - Transfers to Funds for Pensions and Similar Obligations - Early Retirements" in the accompanying income statement.

The changes in 2007 and 2006 in the present value of the vested obligations for commitments to early retirees were as follows:



Millions of euros		
	2007	2006
<b>Present actuarial value at beginning of the year</b>	<b>3,157</b>	<b>2,555</b>
+ Interest cost	111	91
+ Early retirements in the year	294	1,014
- Payments made	(581)	(500)
+/- Other changes	(1)	(2)
+/- Actuarial losses (gains)	(54)	(1)
<b>Present actuarial value at end of the year</b>	<b>2,926</b>	<b>3,157</b>
Internal provisions (*)	2,926	3,157

(\*) The provisions were recognized in the heading "Funds for Pensions and Similar Obligations" in the accompanying balance sheets (Note 18)

### 19.2.1.3. Post-employment welfare benefits

As of October 18, 2007, the Bank has signed an Agreement Approval of Benefits for their employees in Spain. The agreement involves the homogenization of the existing welfare benefits for every group of employees, and in some cases in which a service is provided, quantitated by an annual amount in cash. These welfare benefits include post-employment welfare benefits and other commitments with personnel.

The detail of these commitments as of 31 December 2007 and 2006 is as follows:

Millions of euros		
	2007	2006
Post-employment welfare benefit commitments to retired employees	191	168
Vested post-employment welfare benefit contingencies in respect of current employees	42	53
<b>Total:</b>	<b>233</b>	<b>221</b>
<b>Coverage at end of each year:</b>		
<b>Internal provisions(*)</b>	<b>233</b>	<b>221</b>

(\*) The provisions were recognized in the heading "Funds for Pensions and Similar Obligations" in the accompanying consolidated balance sheets (Note 18)

The changes in 2007 and 2006 in the present value of the vested obligation for post-employment welfare benefit commitments were as follows:

Millions of euros		
	2007	2006
<b>Present actuarial value at the beginning of the year</b>	<b>221</b>	<b>209</b>
+ Interest cost	9	8
+ Normal cost for the year	2	2
- Payments made	(11)	(13)
+/- Prior service cost or changes in the plan	8	-
+/- Other movements	3	7
+/- Actuarial losses (gains)	1	8
<b>Present actuarial value at the end of the year</b>	<b>233</b>	<b>221</b>

### 19.2.1.4. Summary

Following is a summary of the charges recorded in the 2007 and 2006 income statements for post-employment benefit commitments:

Millions of Euros		
	2007	2006
<b>Interest expense and similar charges:</b>		
Interest cost of pension funds	120	99
<b>Personnel expenses:</b>		
Social attentions	2	2
Provisions and transfers to pension plans	61	60
<b>Provision expense (net):</b>		
Transfers to funds for pensions and similar obligations		
Pension funds	(45)	7
Early retirement	294	1,014
<b>Total</b>	<b>432</b>	<b>1,182</b>



As of 31 December 2007 and 2006 there were no unfunded actuarial gains or losses arising from differences between the actuarial assumptions and what had actually occurred or, where appropriate, from the effects of changes in the actuarial assumptions used.

#### 19.2.1.5. Other commitments with personnel: Long-service cash bonuses

In addition to the aforementioned post-employment welfare benefits, the Bank maintained certain commitments in Spain with certain employees, called "Long-service bonuses". These commitments were both in the payment of a certain amount in cash and in the delivery of shares from Banco Bilbao Vizcaya Argentaria S.A., when they complete a certain number of years of effective service.

The aforementioned Agreement Approval of Benefits established that the Long-service bonuses ended as of December 31, 2007. Such employees are entitled to receive, to the date of seniority established, only the value of the accrued commitment until December 31, 2007.

In November 2007, the Bank has offered to those employees the option to redeem the accrued value of such share benefits prior to the date of seniority established. The offer has been accepted by most of employees and the settlement (by delivery of shares or cash) has been in the month of December 2007.

The accrued value of the long-service bonuses until December 31, 2007 for employees, who have not opted for early settlement, is recognized under the heading "Other provisions" of the accompanying balance sheets and amounted to €18 million.

Following is the detail of the commitments recognised as of December 31, 2007 and 2005 under these headings:

	Millions of Euros	
	2007	2006
<b>Other commitments to employees (Note 18)</b>		
Long-service cash bonuses	8	32
Long-service share - based bonuses	10	49
<b>Total</b>	<b>18</b>	<b>81</b>

The changes as of December 31, 2007 and 2005 in the present value of the long-service bonuses commitments, both in cash and in shares, were as follows:

	Millions of Euros	
	2007	2006
<b>Present actuarial value at beginning of the year</b>	<b>81</b>	<b>76</b>
+ Interest cost	1	1
+ Normal cost for the year	8	8
- Payments made	(16)	-
- Cash settlements for long-service bonus redemptions due to early retirement	(26)	-
- Other changes	(26)	(2)
+/- Actuarial losses (gains)	(4)	(2)
<b>Present actuarial value at end of the year</b>	<b>18</b>	<b>81</b>
<b>Coverage at end of each year:</b>		
Internal provision (*)	18	81

(\*) The funds are recognised in the heading "Provisions - Other provisions" in the accompanying consolidated balance sheets

The changes in 2007 and 2006 in the present value of the vested obligation, in terms of the probable number of shares, for share-based long-service bonuses were as follows:

	Millions of Euros	
	2007	2006
<b>Present actuarial value at the beginning of the year</b>	<b>6,538,948</b>	<b>6,946,467</b>
+ Year accrual	413,680	407,487
- Payments made	(4,122,739)	(186,480)
- Effect of reductions or settlements	(1,818,683)	-
+/- Actuarial losses (gains)	(173,738)	(628,526)
<b>Present actuarial value at the end of year</b>	<b>837,468</b>	<b>6,538,948</b>

In March 1999, 32,871,301 new shares were issued at a price of €2.14 per share. These shares were subscribed and paid by a non-Group company and, simultaneously, the Bank acquired a call option on these shares. Since 1999 the call option has been partially exercised, which means that on December 31, 2007, the Bank still held an option on a total of 248,326 shares at a price of €2.09 per share. In addition, it had arranged a futures transaction with a non-Group entity on a total of 589,142 shares at an exercise price of €16.64 per share.

### **Other commitments with personnel**

Other benefits for active employees are earned and settled annually, not being necessary some provision. The total cost of the employee welfare benefits provided by the Bank to its current employees in the 2007 and 2006 was €36 million and €37 million, respectively, and these amounts were recognised with a charge to Personnel Expenses - Other in the accompanying income statements.

### **19.2.2. Commitments abroad**

Part of the Bank's Foreign Network has post-employment benefit commitments to certain current and/or retired employees. The most salient data relating to these commitments are as follows:

Defined benefit commitments recorded in internal provisions: the accrued liability for defined benefit commitments to current and/or retired employees, net, where appropriate, of the specific assets assigned to fund them, amounted to €21 million and €31 million as of 31 December 2007 and 2006, respectively, and is included under Provisions – Provisions for Pensions and Similar Obligations in the accompanying balance sheets.

The present values of the vested obligations of the Foreign Network are quantified on a case-by-case basis, and the projected unit credit valuation method is used for current employees. As a general rule, the actuarial assumptions used are as follows: the discount rate is the AA corporate bond yield curve; the mortality tables are those applicable in each local market when an insurance contract is arranged; and the inflation and salary growth rates are those applicable in each local market. These assumptions should be prudent and mutually compatible.

The changes in 2007 and 2006, in the Foreign Network as a whole, in the balances of Provisions – Provisions for Pensions and Similar Obligations were as follows:

Millions of Euros		
	2007	2006
<b>Balance at beginning of year</b>	<b>31</b>	<b>34</b>
+ Period provisions charged to income	(8)	(3)
- Payments made	(2)	(1)
+/- Other changes	2	1
+/- Exchange differences	(2)	-
<b>Balance at end of year</b>	<b>21</b>	<b>31</b>

Cost of commitments of the Foreign Network: The total net payment recognized in the 2007 and 2006 in the accompanying income statements for the defined contribution and defined benefit post-employment compensation commitments of the foreign Network amounted to €4 million (€0.6 million in 2006), of which €4 million are related to contribution to external pension funds (€4 million in 2006) (Note 39).

As of 31 December 2007 and 2006 there were no unfunded actuarial gains or losses arising from differences between the actuarial assumptions and what had actually occurred or, where appropriate, from the effects of changes in the actuarial assumptions used.

## **20. CHANGES IN TOTAL EQUITY**

The changes in equity in the years ended December 31, 2007 and 2006 were as follows:

	Millions of euros							
	Share Capital (Note 21)	Reserves (*) (Note 22 and 23)	Other Equity Instruments	Treasury Shares	Profit for the year	Interim Dividends (Note 3)	Valuation Adjustments	Total
2007								
Balance as of 31 December 2007	1,740	11,665	26	-40	2,440	-1,364	2,264	16,731
Revaluation gains/losses	-	-	-	-	-	-	1,919	1,919
Amounts transferred to income statement	-	-	-	-	-	-	(719)	(719)
Income tax	-	-	-	-	-	-	(576)	(576)
Profit for the period	-	-	-	-	3,612	-	-	3,612
Distribution of the profit	-	220	-	-	(2,440)	2,220	-	-
Dividends	-	-	-	-	-	(2,535)	-	(2,535)
Treasury shares	97	3,191	-	-	-	-	-	3,288
Issuance fee	-	(25)	-	-	-	-	-	(25)
Transactions with treasury shares	-	(24)	-	(89)	-	-	-	(113)
Payments with equity instruments	-	-	23	-	-	-	-	23
Balance as of 31 December 2007	1,837	15,027	49	-129	3,612	-1,679	2,888	21,605

(\*) The balance of Reserves includes the amounts of the headings "Reserves" and "Share Premium" in the accompanying balance sheets.

Millions of euros								
2006	Share Capital (Note 21)	Reserves (*) (Note 22 and 23)	Other Equity Instruments	Treasury Shares	Profit for the year	Interim Dividends (Note 3)	Valuation Adjustments	Total
<b>Balance as of 31 December 2005</b>	<b>1,661</b>	<b>8,660</b>	<b>-</b>	<b>(29)</b>	<b>1,918</b>	<b>(1,170)</b>	<b>1,810</b>	<b>12,850</b>
Revaluation gains/losses	-	-	-	-	-	-	1,378	1,378
Amounts transferred to income statement	-	-	-	-	-	-	(603)	(603)
Income tax	-	-	-	-	-	-	(321)	(321)
Profit for the period	-	-	-	-	2,440	-	-	2,440
Distribution of the profit	-	118	-	-	(1,918)	1,800	-	-
Dividends	-	-	-	-	-	(1,994)	-	(1,994)
Treasury shares	79	2,921	-	-	-	-	-	3,000
Issuance fee	-	(40)	-	-	-	-	-	(40)
Transactions with treasury shares	-	6	-	(11)	-	-	-	(5)
Payments with equity instruments	-	-	26	-	-	-	-	26
<b>Balance as of 31 December 2006</b>	<b>1,740</b>	<b>11,665</b>	<b>26</b>	<b>(40)</b>	<b>2,440</b>	<b>(1,364)</b>	<b>2,264</b>	<b>16,731</b>

(\*) The balance of Reserves includes the amounts of the headings "Reserves" and "Share Premium" in the accompanying balance sheets.

## 21. CAPITAL STOCK

As of December 31, 2007, the capital of Banco Bilbao Vizcaya Argentaria, S.A. amounted to €1,836,504,869.29, and consisted of 3,747,969,121 fully subscribed and paid registered shares of €0.49 par value each.

On September 10, 2007 the Extraordinary General Meeting approved a capital increase. This capital increase involves the issue of 196.000.000 shares to acquire 100% of the share capital of Compass Bancshares Inc. (Note 12).

All the shares of BBVA carry the same voting and dividend rights and no single shareholder enjoys special voting rights. All the shares represent an interest in the Bank's capital.

The shares of Banco Bilbao Vizcaya Argentaria, S.A. are quoted on the computerized trading system of the Spanish stock exchanges and on the New York, Frankfurt, London, Zurich, Milan and Mexico stock market.

American Depositary Shares (ADSs) quoted in New York are also traded on the Lima (Peru) Stock Exchange, by virtue of an exchange agreement entered into between these two markets.

As of December 31, 2007, BBVA had no knowledge of the existence of its share capital in any significant ownership interest with the exception of Mr. Manuel Jove Capellán, who had a significant ownership interest of 5.010% of the capital stock of BBVA through the companies: IAGA Gestión de Inversiones, S.L., Bourdet Inversiones, SICAV, S.A. y Doniños de Inversiones, SICAV, S.A. In addition, the Bank of New York International Nominees, Chase Nominees Ltd and State Street Bank and Trust Co., in their capacity as international depositary banks hold a 4.16%, 5.76% and 5.90% of the capital stock of BBVA, respectively.

BBVA is not aware of any direct or indirect interests through which ownership or control of the Bank may be exercised.

BBVA has not been notified of the existence of any side agreements that regulate the exercise of voting rights at the Bank's General Meetings, or which restrict or place conditions upon the free transferability of BBVA shares. Neither is the Bank aware of any agreement that might result in changes in the control of the issuer.

At the Annual General Meeting celebrated on February 28, 2004 the shareholders resolved to delegate to the Board of Directors, in accordance with Article 153.1.b) of the Spanish Corporations Law, the power to increase capital, on one or several occasions, by a maximum par value equal to 50% of the Company's subscribed and paid capital at the date of the resolution, i.e. €830,758,750.54. The legally stipulated year within which the directors can carry out this increase is five years. The only disposition done by BBVA under this authorization was made in November 2006 by an amount of €78,947,368.22 euros.

At the Annual General Meeting celebrated on March 16, 2007, the shareholders resolved to delegate to the Board of Directors the right to issue fixed-income securities of any kind, including redeemable and exchangeable bonds, non-convertible into equity. This increase is subject to applicable legal regulations and obtaining the required authorisations. The Board of Directors has a maximum legal period of five years as of said date to issue, on one or several occasions, directly or through subsidiary companies fully underwritten by the Bank, any kind of debt instruments, documented in debentures, any class of bonds, promissory notes, any class of mortgage bonds, warrants, totally or partially exchangeable for equity that the Company or another company may already have issued, or via contracts for difference (CD's), or any other senior or secured nominative or bearer fixed-income securities (including covered bonds) in euros or any other currency that can be subscribed in cash or kind, with or without the incorporation of rights to the securities (warrants), subordinated or not, with a limited or open-ended term. The total maximum nominal amount authorised is €105,000 million, this amount was increased by €30,000 million by the Ordinary General Meeting celebrated on March 16, 2007.

On the other hand, at the Annual General Meeting celebrated on March 1, 2003 the shareholders resolved to delegate to the Board of Directors the right to issue bonds, convertible and/or exchangeable into Company shares, within the five year period as of the date of the resolution. The amount maximum total approved was €6,000 million.

The delegation has the power to exclude the preferential subscription rights of shareholders or convertible and/or exchangeable bonds holders, whenever it is necessary to raise capital on international markets or if corporate interests require so. BBVA no issued convertible bonds.

## 22. SHARE PREMIUM

The balance of this heading in the balance sheet amounts to €12.770 million and includes, inter alia, the amounts of the share premiums arising from the capital increases, in particular the capital increase in 2007 for an amount of €3,191 million (see Note 20), as well as the gains arising from the merger of Banco Bilbao, S.A. and Banco Vizcaya, S.A., amounted to €641 million.

The revised Spanish Corporations Law expressly permits the use of the share premium balance to increase capital and establishes no specific restrictions as to its use.

## 23. RESERVES

The breakdown of the balance of this heading in the accompanying balance sheets is as follows:

	Millions of euros	
	2007	2006
Restricted reserves:		
Legal reserve	348	333
Restricted reserve for retired capital	88	88
Restricted reserve for Parent Company shares	912	815
Restricted reserve for redenomination of capital in euros	2	2
Revaluation Royal Decree-Law 7/1996	85	176
Unrestricted reserves:		
Voluntary reserves and other	822	672
<b>Total</b>	<b>2,257</b>	<b>2,086</b>

### 23.1. Legal Reserve

Under the revised Corporations Law, 10% of profit for each year must be transferred to the legal reserve until the balance of this reserve reaches 20% of capital. This limit had already been reached by Banco Bilbao Vizcaya Argentaria, S.A. as of December 31, 2007, after deliberation on the 2007 income application proposal (Note 3). The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased capital amount.

Except as mentioned above, until the legal reserve exceeds 20% of capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

### 23.2 Restricted Reserves

According to the revised Corporations Law, a restricted reserve is registered to the reduction of the par value of each share in April 2000 to the redenomination of capital stock in euros and, another restricted reserve related to the amount of the treasury shares owned by the bank at the end of each period, as well as to the amounts of the credits still in effect at those dates granted to clients for buying shares of the Bank or with the guarantee of those shares.

Pursuant to Law 46/1998 on the introduction of the euro, the respective restricted reserves were recorded in relation to the redenomination of capital in euros.

### 23.3. Revaluation Royal Decree-Law 7/1996 (Asset revaluations):

Prior to the merger, Banco de Bilbao, S.A. and Banco de Vizcaya, S.A. availed themselves of the asset revaluation provisions of the applicable enabling legislation. In addition, on December 31, 1996, the Bank revalued its tangible assets pursuant to Royal Decree-Law 7/1996 by applying the maximum coefficients authorized, up to the limit of the market value arising from the existing measurements. The resulting increases in the cost and accumulated depreciation of tangible assets and, where appropriate, in the cost of equity securities, were allocated as follows:

Millions of Euros	
<b>Legal revaluations of tangible assets:</b>	
Cost	187
Less -	
Single revaluation tax (3%)	(6)
<b>Balance as of 31 December 1999</b>	<b>181</b>
Adjustment as a result of review by the tax authorities in 2000	(5)
Transfer to voluntary reserves	(91)
<b>Total</b>	<b>85</b>

Following the review of the balance of the account Revaluation Reserve Royal Decree-Law 7/1996 on June 7, by the tax authorities in 2000, this balance would only be used, free of tax, to offset recorded losses and to increase capital through January 1, 2007. From that date, the remaining balance of this account can also be taken to unrestricted reserves, provided that the surplus has been depreciated or the revalued assets have been transferred or derecognised. If this balance were used in a manner other than that described above, it would be subject to tax.

## 24. TREASURY SHARES

As of December 31, 2007 and 2006 the shares of Banco Bilbao Vizcaya Argentaria S.A. held by the Bank and certain instrumentality companies, were as follows:

COMPANY	2007		2006	
	Number of Shares	% CAPITAL	Number of Shares	% CAPITAL
BBVA	291,850	0.008	2,462,171	0.069
Corporación General Financiera	15,525,688	0.414	5,827,394	0.164
Otros	19,154	0.001	16,640	0.000
<b>Total</b>	<b>15,836,692</b>	<b>0.423</b>	<b>8,306,205</b>	<b>0.233</b>

In 2007, 2006 and 2005 the Group companies performed the following transactions involving Bank shares:

	2007		2006	
	Number of shares	Millions of euros	Number of shares	Millions of euros
<b>Balance as of January 1, 2007</b>	<b>8,306,205</b>	<b>147</b>	<b>7,609,267</b>	<b>96</b>
+ Purchases	921,700,213	16,156	338,017,080	5,677
- Sales	(914,169,726)	(16,041)	(337,319,748)	(5,639)
+/- Other	-	(1)	(394)	(1)
- Derivatives over BBVA shares	-	128	-	14
<b>Balance as of December 31, 2007</b>	<b>15,836,692</b>	<b>389</b>	<b>8,306,205</b>	<b>147</b>

The average purchase price of the Bank's shares in 2007 was €17.53 per share and the average selling price of the Bank's shares in 2007 was €17.51 per share.

The net gains or losses on transactions with treasury shares were recognized in equity under the heading "Stockholders' Equity-Reserves" of the balance sheet. As of December 31, 2007, the transactions involving treasury shares amounted €26 million negative.

In 2007 the Group's treasury shares ranged between a minimum of 0.136% and a maximum of 1.919% of share capital (between 0.020% and 0.858% in 2006).

The number of shares of Banco Bilbao Vizcaya Argentaria S.A. accepted in pledge as of December 31, 2007 and 2006 were 96,613,490 and 74,453,876, respectively. The nominal value per share was €0.49, representing the 2.58% and 2.10% of share capital as of December 31, 2007 and 2006, respectively.

The number of shares of Banco Bilbao Vizcaya Argentaria S.A. property of third parties that are managed by Group companies as of December 31, 2007 and 2006 was 105,857,665 and 99,849,614, respectively. The nominal value per share was €0.49, representing the 2.824% and 2.811% of share capital as of December 31, 2007 and 2006.

## 25. TAX MATTERS

The balance of the heading "Other Liabilities - Tax Collection Accounts" in the accompanying balance sheets contains the liability for applicable taxes, including the provision for corporation tax of each year, net of tax withholdings and prepayments for that period, and the provision for current period corporation tax in the case of companies with a net tax liability. The amount of the tax refunds due to Group companies and the tax withholdings and prepayments for the current period are included under "Other Assets - Tax Receivables" in the accompanying balance sheets.

Banco Bilbao Vizcaya Argentaria, S.A. and its tax-consolidable subsidiaries file consolidated tax returns. The subsidiaries of Argentaria, which had been in Tax Group 7/90, were included in Tax Group 2/82 from 2000, since the merger had been carried out under the tax neutrality system provided for in Title VIII, Chapter VIII of Corporation Tax Law 43/1995. On 30 December 2002, the pertinent notification was made to the Ministry of Economy and Finance to extend its taxation under the consolidated taxation regime indefinitely, in accordance with current legislation.

In 2003, as in prior years, the Bank has performed or participated in corporate restructuring transactions under the special tax neutrality system regulated by Law 29/1991 of 16 December adapting certain tax to EU directives and regulations and by Title VIII, Chapter VIII of Corporation Tax Law 43/1995 of 27 December. The disclosures required under the aforementioned legislation are included in the notes to the financial statements of the relevant entities for the period in which the transactions took place.

### A) Years open for review by the tax authorities



The Tax Bank had 2001 and subsequent years open for review by the tax authorities for the main taxes applicable to it.

In 2005, as a result of the tax audit conducted by the tax authorities, tax assessments were issued against several Group companies for the years up to and including 2000, some of which were signed on a contested basis. After considering the temporary nature of certain of the items assessed, the amounts, if any, that might arise from these assessments were provisioned in full in at 2007 year-end.

Also in 2005, notification was received of the commencement of tax audits for 2001 to 2003 for the main taxes to which the Tax Group is subject. These tax audits had not been completed at 2007 year-end.

In view of the varying interpretations that can be made of the applicable tax legislation, the outcome of the tax audits of the open years that could be conducted by the tax authorities in the future could give rise to contingent tax liabilities which cannot be objectively quantified at the present time. However, the Banks' Board of Directors and its tax advisers consider that the possibility of these contingent liabilities becoming actual liabilities is remote and, in any case, the tax charge which might arise therefore would not materially affect the Bank's financial statements.

## B) Reconciliation

The reconciliation of the corporation tax expense resulting from the application of the standard tax rate to the corporation tax expense recognised is as follows:

Millions of euros		
	2007	2006
<b>Corporation tax at 32.5% (35% in 2006)</b>	<b>1,380</b>	<b>1,060</b>
Decreases due to permanent differences:		
Tax credits and tax relief at consolidated Companies	(443)	(496)
Other items net	(287)	(22)
Net increases (decreases) due to temporary differences	(204)	177
<b>Charge for income tax and other taxes</b>	<b>446</b>	<b>719</b>
Deferred tax assets and liabilities recorded (utilised)	204	(177)
<b>Income tax and other taxes accrued in the year</b>	<b>650</b>	<b>542</b>
Adjustments to prior years' income tax and other taxes	(15)	48
<b>Income tax and other taxes</b>	<b>635</b>	<b>590</b>

The Bank avails itself of the tax credits for investments in new fixed assets (in the scope of the Canary Islands tax regime, for a non-material amount), tax relief, and training and double taxation tax credits, in conformity with corporate income tax legislation.

The Bank and certain Group companies have opted to defer corporation tax on the gains on disposals of tangible assets and shares in investees more than 5% owned by them, the breakdown of which by year is as follows:

Year	Millions of euros
1996	26
1997	150
1998	568
1999	117
2000	75
2001	731

Under the regulations in force until 31 December 2001, the amount of the aforementioned gains for each year had to be included in equal parts in the taxable profit of the seven tax years ending from 2000, 2001, 2002, 2003, 2004 and 2005, respectively. Following inclusion of the portion relating to 2001, the amount of the gains not yet included was €1,639 million, with respect to which the Bank availed itself of Transitional Provision Three of Law 24/2001 (of 27 December) on Administrative, Tax, Labour and Social Security Measures. Substantially all this amount (€1,634 million) was included as a temporary difference in the 2001 taxable profit.

The share acquisitions giving rise to an ownership interest of more than 5%, particularly investments of this kind in Latin America, were assigned to meet reinvestment commitments assumed in order to qualify for the above-mentioned tax deferral.

Since 2002 the Bank has availed itself of the tax credit for reinvestment of extraordinary income obtained on the on the transfer for consideration of properties and shares representing ownership interests of more than 5%. The acquisition of shares over a 5%, affected compliance with the reinvestment commitments relating to the aforementioned tax credit

The amount assumed in order to qualify for the above-mentioned tax deferral, is as follows:

Year	Millions of euros
2002	276
2003	27
2004	332
2005	80
2006	410

In 2007 the amount assumed in order to qualify for the above-mentioned tax deferral amounted to €1,028 million. Principally of the acquisition of Compass Group as of September 7, 2007.

### C) Tax recognised in equity

In addition to the income tax recognised in the Bank income statements, in 2007 and 2006 the Bank recognised the following amounts in equity:

	Millions of euros	
	2007	2006
<b>Charged to equity</b>		
Equity securities portfolio	(1,304)	(1,017)
Other	(8)	-
<b>Credited to equity</b>		
Debt securities	40	3
Other	34	44
<b>Total</b>	<b>(1,238)</b>	<b>(970)</b>

### D) Deferred taxes

The balance of the heading "Tax Assets" in the balance sheets includes the tax receivables relating to deferred tax assets; in turn, the balance of the heading Tax Liabilities includes the liability relating to the Bank's various deferred tax liabilities.

As a result of the tax reforms enacted in Spain in 2006, including, inter alia, the modification of the standard income tax rate, which was set at 32.5% for 2007 and at 30% for 2008 and subsequent years, Spanish companies have adjusted their deferred tax assets and liabilities on the basis of tax rates that are expected to apply when they are recovered or settled. AS a result of the tax reform the expenses tax increase in €7 million in 2007.

Deferred tax assets amounted to €2,901 million and €2,975 million in 2007 and 2006, respectively. The main for which deferred tax assets were recognised are provisions for pension commitments and similar obligations to employees (€1,466 million and €1,582 million in 2007 and 2006, respectively) and period loan loss provisions (€802 million and €718 million in 2007 and 2006, respectively).

Deferred tax liabilities amounted to €1,715 million and €1,250 million in 2007 and 2006, respectively.

## 26. RESIDUAL MATURITY OF TRANSACTIONS

Following is a detail, by maturity, of the balances of certain headings in the balance sheet, disregarding the balance of valuation adjustment, as of December 31, 2007:

	Millions of Euros						
2007	Total	Demand	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years
<b>ASSETS -</b>							
Cash and balances with central banks	12,216	12,216	-	-	-	-	-
Loans and advances to credit institutions	32,395	2,173	15,500	3,985	4,127	4,634	1,976
Loans and advances to other debtors	212,959	4,802	21,769	15,361	30,101	50,013	90,913
Money market operations through counterparties	-	-	-	-	-	-	-
Debt securities	31,718	328	935	1,689	6,482	12,702	9,582
Other held-to-maturity assets	4,572	1,699	60	-	2,525	288	-
<b>PASIVO -</b>							
Deposits from central banks	22,921	5	20,791	1,435	690	-	-
Deposits from credit institutions	46,512	1,187	28,906	4,259	5,400	4,533	2,227
Money market operations through counterparties	23	-	23	-	-	-	-
Deposits from other creditors	171,230	52,059	44,870	11,137	22,422	38,969	1,773
Debt certificates including bonds	44,406	-	166	-	2,427	19,471	22,342
Subordinated liabilities	12,427	-	-	-	-	1,675	10,752
Other held-to-maturity liabilities	4,123	3,553	570	-	-	-	-

## 27. FAIR VALUE OF ASSETS AND LIABILITIES

Following is a comparison of the carrying amounts of the Bank's financial assets and liabilities and their respective fair values at year-end 2007 and 2006:

Millions of Euros		
2007	Book value	Fair value
<b>Assets</b>		
Cash and balances with central banks	12,216	12,216
Financial assets held for trading	41,180	41,180
Available-for-sale financial assets	18,709	18,709
Loans and receivables	246,722	252,894
Held-to-maturity investments	5,584	5,334
Hedging derivatives	779	779
<b>Liabilities</b>		
Financial liabilities held for trading	18,545	18,545
Financial liabilities at amortised cost	303,629	301,771
Hedging derivatives	1,765	1,765

Millions of Euros		
2006	Book value	Fair value
<b>Assets</b>		
Cash and balances with central banks	3,264	3,264
Financial assets held for trading	35,899	35,899
Available-for-sale financial assets	17,536	17,536
Loans and receivables	213,028	217,908
Held-to-maturity investments	5,906	5,768
Hedging derivatives	1,759	1,759
<b>Liabilities</b>		
Financial liabilities held for trading	13,658	13,658
Financial liabilities at amortised cost	258,697	257,950
Hedging derivatives	2,088	2,088

The fair value of "Cash and Balances with Central Banks" is the same that the book value because it is short-terms operations. The fair value of the "Held-to-Maturity Investments" corresponds with the quoted market price. The fair value of "Loans and Receivables" and "Financial Liabilities at Amortised Cost" was estimated by discounting the expected cash flows using the markets interest rates at each year-end.

## 28. FINANCIAL GUARANTEES AND DRAWABLE BY THIRD PARTIES

The memorandum items Contingent Exposures and Contingent Commitments in the balance sheets include the amounts that would be payable by the Bank on behalf of third parties if the parties originally obliged to pay fail to do so, in connection with the commitments assumed by the Bank in the course of their ordinary business.

The breakdown of the balances of these items as of December 31, 2007 and 2006 is as follows:

Millions of euros		
	2007	2006
<b>Contingent exposures -</b>	<b>102,889</b>	<b>80,647</b>
Collateral, bank guarantees and indemnities	68,313	64,566
Rediscunts, endorsements and acceptances	30,728	13,798
Other	3,848	2,283
<b>Contingent commitments -</b>	<b>76,246</b>	<b>70,714</b>
Drawable by third parties:		
Credit institutions	2,669	4,336
General government sector	3,408	2,273
Other resident sectors	40,024	39,212
Non-resident sector	24,668	20,029
<b>Other commitments</b>	<b>5,477</b>	<b>4,864</b>
<b>Total</b>	<b>179,135</b>	<b>151,361</b>

Since a significant portion of these amounts will reach maturity without any payment obligation materializing for the Bank, the aggregate balance of these commitments cannot be considered as an actual future requirement for financing or liquidity to be provided by the Bank to third parties.

Income from the guarantee instruments is recorded under the heading Fee and Commission Income in the income statement and is calculated by applying the rate established in the related contract to the nominal amount of the guarantee (Note 36).



## 29. ASSETS ASSIGNED TO OTHER OWN AND THIRD-PARTY OBLIGATIONS

As of December 31, 2007 and 2006, the face amount of the assets owned by the Bank pledged as security for own transactions, amounted to €48,776 million and €43,036 million, respectively, and related basically to the pledge of certain assets as security for financing liabilities with the Bank of Spain and to a portion of the assets assigned to mortgage bond issues, which pursuant to the Mortgage Market Law are admitted as security for obligation to third parties.

As of December 31, 2007 and 2006, there were no additional assets assigned to own or third-party obligations to those described in the different headings of these financial statements.

## 30. OTHER CONTINGENT ASSETS

As of December 31, 2007 and 2006, there were no significant contingent assets registered in the financial statements attached.

## 31. PURCHASE AND SALE COMMITMENTS

The financial instruments sold with a commitment to subsequently repurchase them are not derecognized from the balance sheets and the amount received from the sale is considered financing from third parties. The financial instruments acquired with a commitment to subsequently resell them are not recognized in the balance sheets and the amount paid for the sale is considered credit given to third parties.

As of December 31, 2007 and 2006, the Bank had sold financial assets totalling €27,440 million and €20,636 million, respectively, with a commitment to subsequently repurchase them, and had purchased financial assets totalling €10,669 million and €6,626 million, respectively, with a commitment to subsequently resell them.

## 32. TRANSACTIONS FOR THE ACCOUNT OF THIRD PARTIES

The detail of the most significant items composing this heading is as follows:

Millions of euros		
	2007	2006
Financial instruments entrusted by third parties	387,120	371,638
Asset transfers (Note 8)	27,442	9,634
Derecognised in full from the balance sheet	389	617
Retained in full on the balance sheet	27,053	9,017
Conditional bills and other securities received for collection	1,921	2,344
Borrowed securities	69	70
Off-balance-sheet customer funds Managed by the Group (*)	71,233	71,458
- Investment companies and mutual funds	45,788	47,702
- Pension funds	15,520	14,665
- Insurance-cum-savings contracts	2,992	3,072
- Customer portfolios managed on a discretionary basis	6,933	6,019
<b>Total</b>	<b>487,785</b>	<b>455,144</b>

(\*) All of the off balance sheet customer funds correspond to funds commercialized by the Bank.

## 33. INTEREST AND SIMILAR INCOME

The breakdown of the most significant interest and similar income earned by the Bank in 2007 and 2006 is as follows:

Millions of euros		
	2007	2006
Central Banks	95	59
Loans and advances to credit institutions	1,838	919
Loans and advances to other debtors	10,390	7,139
General government	351	264
Resident sector	8,785	6,020
Non resident sector	1,254	855
Debt securities	1,321	1,278
Rectification of income as a result of hedging transactions	25	34
Other income	116	127
<b>Total</b>	<b>13,785</b>	<b>9,556</b>

## 34. INTEREST EXPENSE AND SIMILAR CHARGES

The breakdown of the balance of this heading in the accompanying income statements is as follows:

Millions of euros		
	2007	2006
Bank of Spain and other central banks	260	224
Deposits from credit institutions	2,172	1,834
Deposits from other creditors	6,270	3,576
Debt certificates (including bonds) (Note 17)	1,821	1,473
Subordinated liabilities (Note 17)	606	494
Rectification of expenses as a result of hedging transactions	(359)	(779)
Cost attributable to pension funds (Notes 18 and 19)	120	99
Other charges	43	56
<b>Total</b>	<b>10,933</b>	<b>6,977</b>

### 35. INCOME FROM EQUITY INSTRUMENTS

The breakdown of the balance of this heading in the accompanying income statements is as follows:

Millions of euros		
	2007	2006
Associates	5	1
Jointly controlled entities	-	1
Subsidiaries	1,476	1,158
Other securities and equity instruments	329	369
<b>Total</b>	<b>1,810</b>	<b>1,529</b>

### 36. FEE AND COMMISSION INCOME

The breakdown of the balance of this heading in the accompanying income statements is as follows:

Millions of euros		
	2007	2006
Commitment fees	47	47
Contingent liabilities	177	163
Documentary credits	20	21
Bank and other guarantees	157	142
Arising from exchange of foreign currencies and banknotes	3	4
Collection and payment services	792	754
Securities services	199	180
Counselling on and management of one-off transactions	53	44
Financial and similar counselling services	50	38
Non-banking financial products sales	638	647
Other fees and commissions	215	185
<b>Total</b>	<b>2,174</b>	<b>2,062</b>

### 37. FEE AND COMMISSION EXPENSES

The breakdown of the balance of this heading in the accompanying income statements is as follows:

Millions of euros		
	2007	2006
Brokerage fees on lending and deposit transactions	2	2
Fees and commissions assigned to third parties	203	187
Other fees and commissions	176	141
<b>Total</b>	<b>381</b>	<b>330</b>

### 38. GAINS/LOSSES ON FINANCIAL ASSETS AND LIABILITIES

The detail of the balance of this heading in the accompanying income statements is as follows:

Millions of euros		
	2007	2006
<b>Net gains or losses on sale or measurement of assets</b>		
Financial assets held for trading	465	310
Available-for-sale financial assets (*)	1,223	998
Loans and receivables	(1)	-
Others	19	(62)
<b>Total</b>	<b>1,706</b>	<b>1,246</b>

(\*) As of December 31, 2007 include €834 million that corresponds to the gains obtained in the sale of the ownership interest Iberdrola, S.A. As of December 31, 2006 include €522 million that corresponds to the gains obtained in the sale of the ownership interest in Repsol-YPF, S.A.

The breakdown, by type, of the financial instruments which gave rise to the above balances is as follows:

Millions of euros		
	2007	2006
Debt instruments	(200)	8
Equity instruments	1,484	2,425
Derivatives	394	(1,227)
Loans and receivables	(1)	-
Other	29	40
<b>Total</b>	<b>1,706</b>	<b>1,246</b>

### 39. PERSONNEL EXPENSES

The detail of the balance of this heading in the accompanying income statements is as follows:

Millions of euros		
	2007	2006
Wages and salaries	1,708	1,630
Social security costs	324	317
Transfers to internal pension provisions (Note 19)	3	4
Contributions to external pension funds (Note 19)	63	59
Other personnel expenses	140	148
<b>Total</b>	<b>2,238</b>	<b>2,158</b>

In 2007 and 2006, the Bank implemented corporate programs for the acquisition of shares with discount of Banco Bilbao Vizcaya Argentaria S.A. The cost of these programs is recognised under the heading "Other personnel expenses".

As of December 31, 2007, the average number of employees in the Bank, by professional category and by gender, was as follows:

Average number of employees		
	MEN	WOMEN
Executives	922	156
Technical staff	12,921	8,411
Administrative staff	3,481	2,955
General Services	41	10
Abroad	412	333
<b>Total</b>	<b>17,777</b>	<b>11,865</b>

### Equity-instrument-based employee remuneration

At the Annual General Meeting held on 18 March 2006, the Bank's shareholders approved a long-term share-based remuneration plan for the members of the Group's management team ("the Plan"). The Plan has a term of three years from 1 January 2006 and will be settled in the first half of 2009.

Under this Plan the Bank promises to deliver ordinary shares of BBVA, S.A. to the members of the Group's management team (including executive directors and management committee members). A number of "theoretical shares" will be allocated to the beneficiaries based on the annual variable remuneration earned by each member in the last three years and on their level of responsibility. This number will serve as the basis for the calculation of the BBVA shares that will be delivered, as the case may be, when the Plan expires. The specific number of BBVA shares to be delivered to each beneficiary on expiry of the Plan will be calculated by multiplying the number of "theoretical shares" allocated by a coefficient ranging from 0 to 2. The value of the coefficient established by comparing the performance of the Total Shareholder Return (TSR) - share appreciation plus dividends - of the Bank over the term of

the Plan with the performance of the same indicator for 14 leading European banks. The amount of the obligation that will be registered in the financial statements will be determined by multiplying the number of the shares by the estimated average price at the moment of the liquidation of the Plan. (€15.02 at the moment of approved the Plan).

Both TSR and estimated average price per share were considered market variations at the moment of calculated the cost of the Plan when the Plan was initiated (Note 2.n). The value of the TSR (0.896) was calculated by Montecarlo simulations.

The estimated average price (15.02) was calculated by the future price.

As of December 31, 2007, the estimated number of theoretical shares for the Group as a whole, including executive directors and BBVA's Management Committee members (see Note 43), was 9,833,185, representing 0.262% of the Bank's share capital.

As of December 31, 2007, the total accrued amount during the Plan's life is €91 million. The expense in this period amounted to €32 million and it was recognised under the heading "Personnel Expenses – Other" in the Group's income statement with a charge to "Equity-Other equity instrument-Rest" in the balance sheet as of December 31, 2007, net of tax.

#### 40. OTHER ADMINISTRATIVE EXPENSES

The breakdown of the balance of this heading in the accompanying income statements is as follows:

	Millions of euros	
	2007	2006
Technology and systems	317	261
Communications	57	60
Advertising	102	89
Property, fixtures and materials	194	169
Taxes other than income tax	27	26
Other expenses	285	244
<b>Total</b>	<b>982</b>	<b>849</b>

The heading "Property, Fixtures and Materials" includes expenses relating to operating leases of buildings amounting to €97 million and €80 million in 2007 and 2006, respectively. The company does not expect to terminate the lease contracts early.

The balance of the heading "Other administrative expenses" in the foregoing table includes the audit fees paid by the Bank to their respective auditors. The detail of the fees for the services provided to the Bank by their accountants in 2007 was as follows:

	Millions of euros
Audits of the companies audited by firms belonging to the Deloitte worldwide organisation	3.8
Fees for audits conducted by other firms	0.1
Other reports required pursuant to applicable legislation and tax regulations issued by the national supervisory bodies of the countries in which the Group operates, reviewed by firms belonging to the Deloitte worldwide organisation	3.4

The detail of the other services provided to the Bank is as follows:

	Millions of euros
Firms belonging to the Deloitte worldwide organisation	0.8
Other firms	5.0

The services provided by our accountants meet the independence requirements established in Law 44/2002, of 22 November, on Measures Reforming the Financial System and in the Sarbanes-Oxley Act of 2002 adopted by the Securities and Exchange Commission (SEC), and accordingly they did not include the performance of any work that is incompatible with the auditing function.

#### 41. OTHER GAINS AND OTHER LOSSES

The breakdown of the balances of these headings in the accompanying income statements is as follows:

Millions of euros		
	2007	2006
<b>Losses</b>	<b>236</b>	<b>34</b>
Losses on tangible assets disposals (Note 13)	1	5
Losses on sale investments	-	-
Other losses	235	29
<b>Gains</b>	<b>394</b>	<b>615</b>
Gains on sales of long term investment (Note 12)	39	537
Gains form tangible assets disposal	337	57
Income from the provision of non-typical services	8	7
Other income	10	14
<b>Total</b>	<b>158</b>	<b>581</b>

In 2007 the balance in the heading "Gains from tangible assets disposal" includes €279 million that were already recognized on the income statement as capital gains on the sale of buildings to GMP (Note 11).

In 2007 the balance under the heading "Other losses" includes €200 million charged for BBVA's contributions to the BBVA Microcredit Foundation, based on agreement reached in the Annual General Meeting Celebrated on March 16, 2007. The Foundation has been formed as an entity of public interest, non-profit organization and it is subject to the protectorate of the Ministry of Labour and Social Affairs of Spain. BBVA has no capital share in the Foundation nor economic or political rights, either BBVA manages or responds to the activities that Foundation makes.

In 2006 the balance of the heading "Gains on sales of long term investment ", corresponds mainly to the gains obtained in the sale of the ownership interest in Banca Nazionale del Lavoro, S.p.A.

## 42. RELATED PARTIES TRANSACTIONS

### 42.1. Significant transactions with shareholders

As of December 31, 2007, the balances of transactions held with significant shareholders (see Note 21) correspond to "Deposits from other creditors" amounted to €8.7 million.

### 42.2. Transactions with BBVA Group

AS of December 31, 2007 and 2006 the balances of the main aggregates in the financial statements arising from the transactions carried out by the Bank with associated and jointly controlled companies of the Group, which consist of ordinary business and financial transactions carried out on an arm's-length basis are as follows:

Millions of euros		
	2007	2006
<b>Assets:</b>		
Due from credit institutions	17,718	13,426
Loans and receivables	1,050	776
Available for sale	268	120
<b>Liabilities:</b>		
Due to credit institutions	11,130	9,219
Deposits from other debtors	30,494	27,225
<b>Memorandum accounts:</b>		
Contingent liabilities	43,084	42,065
Commitments and contingents liabilities	1,188	889
<b>Statement of income:</b>		
Income	1,386	1,147
Expenses	2,480	1,721

There are no other material effects on the financial statements of the Group arising from dealings with these companies, other than the effects arising from using the equity method, and from the insurance policies to cover pension or similar commitments (Note 19).

As of December 31, 2007 and 2006, the notional amount of the futures transactions arranged by the Group with the main related companies amounted to approximately €13,189 million and €7,835 million, respectively.

In addition, as part of its normal activity, the Bank has entered into agreements and commitments of various types with shareholders of subsidiaries and associates of the Group, which have no material effects on the financial statements.

### 42.3. Transactions with key entity personnel

The information on the remuneration of key personnel (members of the Board of Directors of BBVA, S.A. and of the Management Committee) is included in Note 43.

As of December 31, 2007, the loans granted to members of Board of Directors totalled €64,606.

The loans granted as of December 31, 2007, to the members of the Management Committee, excluding the executive directors, amounted to €3 million. As of December 31, 2007, guarantees had been provided on behalf of members of the Management Committee amounted to €12,600.

As of December 31, 2007, the loans granted to parties related to key personnel (the aforementioned members of the Board of Directors of BBVA, S.A. and of the Management Committee) totalled €13 million. As of December 31, 2007, the other exposure to parties related to key personnel (guarantees, finance leases and commercial loans) amounted to €19 million.

The demand and time deposits held on an arm's length basis as part of BBVA's ordinary banking business by directors, Management Committee members and their related parties totalled €8 million as of December 31, 2007.

In addition, BBVA and other Group companies, in the normal course of their business and in their capacity as financial institutions, habitually perform transactions with members of the Board of Directors of BBVA, S.A. and of the Management Committee and their respective related parties. All these transactions, which are scanty material, are conducted on an arm's length basis.

#### 42.4. Transactions with other related parties

There are no other material transactions with other related parties.

### 43. REMUNERATION OF THE BANK'S DIRECTORS AND SENIOR MANAGEMENT

Remuneration and other provisions for the Board of Directors and members of the Management Committee

#### - REMUNERATION OF NON-EXECUTIVE DIRECTORS

The remuneration paid to the non-executive members of the Board of Directors during 2007 is indicated below. The figures are given individually for each non-executive director and itemised in thousand euros:

Thousands of euros						
	Board	Standing Committee	Audit	Risk	Appointments and Compensation	Total
Tomás Alfaro Drake	124	-	68	-	-	192
Juan Carlos Álvarez Mezquíriz	124	159	-	-	41	324
Rafael Bermejo Blanco	104	-	130	78	-	312
Richard C. Breeden	337	-	-	-	-	337
Ramón Bustamante y de La Mora	124	-	68	102	-	294
José Antonio Fernández Rivero (*)	124	-	-	204	-	328
Ignacio Ferrero Jordi	124	159	-	-	41	324
Román Knörr Borrás	124	159	-	-	-	283
Carlos Loring Martínez de Irujo	124	-	68	-	102	294
Enrique Medina Fernández	124	159	-	102	-	385
Susana Rodríguez Vidarte	124	-	68	-	31	223
<b>Total (**)</b>	<b>1,557</b>	<b>636</b>	<b>402</b>	<b>486</b>	<b>215</b>	<b>3,296</b>

(\*) Mr José Antonio Fernández Rivero, apart from the amounts detailed above, also received a total of €652 during 2007 in early retirement payments as a former member of the BBVA management.

(\*\*) Mr Ricardo Lacasa Suárez and Telefónica de España, S.A., who stood down as directors at the Annual General Meeting, 28th March 2007 and 16th March 2007, respectively, received €95 and €30 thousand, respectively, in 2007 in payment of his membership of the Board of Directors.

#### - REMUNERATION OF EXECUTIVE DIRECTORS

The remuneration paid to the non-executive members of the Board of Directors during 2007 is indicated below. The figures are given individually for each non-executive director and itemised in thousand euros:

Thousand of euros			
	Fixed remunerations	Variable remunerations (*)	Total (**)
Chairman & CEO	1,827	3,255	5,082
President & COO	1,351	2,730	4,081
Company Secretary	622	794	1,416
<b>Total</b>	<b>3,800</b>	<b>6,779</b>	<b>10,579</b>

(\*) Figures relating to variable remuneration for 2006 paid in 2007.

(\*\*) In addition, the executive directors received remuneration in kind during 2007 totalling €33 thousand, of which €8 thousand relates to Chairman & CEO, €14 thousand relates to President & COO and €11 thousand to Company Secretary.

The executive directors also earned a variable remuneration during 2007, which will be satisfied to them during 2008. The amount earned by the Chairman & CEO was of €3,802 thousand, the President & COO earned €3,183 thousand while the Company Secretary earned €886 thousand. These amounts are recognised under the heading "Accrued Expenses and Deferred Income" in the accompanying balance sheet as of December 31, 2007.

#### - REMUNERATION OF THE MEMBERS OF THE MANAGEMENT COMMITTEE (\*)

The remuneration paid during 2007 to the members of BBVA's Management Committee, excluding executive directors, comprised €6,245 thousand in fixed remuneration and €11,439 thousand in variable remuneration accrued in 2006 and paid in 2007.

In addition, the members of the Management Committee, excluding executive directors, received remuneration in kind totalling €594 thousand in 2007.

(\*) This paragraph includes information on the members of the Management committee on 31<sup>st</sup> December 2007, excluding the executive directors.

#### - PENSION COMMITMENTS

The provisions to cater for pension and similar commitments to executive directors in 2007 were as follows:

	Thousands of euros
Chairman & CEO	61,319
President & COO	46,400
Company Secretary	7,714
<b>Total</b>	<b>115,433</b>

Of this aggregate amount, €12,504 thousand were charged to 2007. Most of these commitments were insured under policies with BBVA as beneficiary, underwritten by an insurance company belonging to the Group. These insurance policies were matched to financial assets in compliance with Spanish legal regulations. The internal return on the insurance policies associated to said commitments was €4,837 thousand, which partly offset the amount allocated to provisions during the year.

Insurance premiums amounting to €86 thousand were paid on behalf of the non-executive directors on the Board of Directors.

The provisions charged as of December 31, 2007 for post-employment commitments for the Management committee members, excluding executive directors, amounted to €35,345 thousand. Of these, €6,374 thousand were charged against 2007 earnings. The internal return on the insurance policies associated to said commitments was €782 thousand, which partly offset the amount allocated to provisions during the year.

#### - LONG-TERM PLAN FOR REMUNERATION WITH SHARES (2006-2008) FOR EXECUTIVE DIRECTORS AND MEMBERS OF THE MANAGEMENT COMMITTEE

The AGM, 18th March 2006, approved a long-term plan for remuneration of executives with shares for the period 2006-2008. The plan was for members of the management team, including the executive directors and members of the Management committee and will be paid out in the second half of 2009.

The plan allocated each beneficiary a certain number of theoretical shares as a function of their variable pay and their level of responsibility. At the end of the plan, the theoretical shares are used as a basis to allocate BBVA shares to the beneficiaries, should the initial requirements be met.

The number of shares to be delivered to each beneficiary is determined by multiplying the number of theoretical shares allocated to them by a coefficient of between 0 and 2. This coefficient reflects the relative performance of BBVA's total shareholder value (TSR) during the period 2006-2008 compared against the TSR of its European peer group.

The number of theoretical shares allocated to executive directors under the AGM resolution is as follows:

	Theoretical shares
Chairman & CEO	320,000
President & COO	270,000
Company Secretary	100,000

The total number of theoretical shares allocated to the members of the Management committee on 31st December 2007, excluding the executive directors, is 1,124,166.

#### - SCHEME FOR REMUNERATION OF NON-EXECUTIVE DIRECTORS WITH DEFERRED DELIVERY OF SHARES



The Annual General Meeting, 18th March 2006, under agenda item eight, resolved to establish a remuneration scheme using deferred delivery of shares to the Bank's non-executive directors, to substitute the earlier scheme that had covered these directors.

The new plan assigns theoretical shares each year to non-executive director beneficiaries equivalent to 20% of the total remuneration paid to each in the previous year, using the average of BBVA stock closing prices from the trading sessions prior to the annual general meeting approving the financial statements for the years covered by the scheme as of 2007. These shares, where applicable, are to be delivered when the beneficiaries cease to be directors on any grounds other than serious dereliction of duties.

The AGM resolution granted the non-executive directors who were beneficiaries of the earlier scheme the possibility of converting their entitlements under the previous scheme for non-executive directors into theoretical shares. All the beneficiaries opted for this conversion.

Consequently, the non-executive directors who were beneficiaries of the new system for deferred delivery of shares, approved by the AGM, received the following number of theoretical shares:

Directors	Theoretical Shares	Accumulated theoretical shares
Tomás Alfaro Drake	1,407	1,407
Juan Carlos Álvarez Mezquíriz	3,283	19,491
Ramón Bustamante y de la Mora	2,982	19,923
José Antonio Fernández Rivero	3,324	9,919
Ignacio Ferrero Jordi	3,184	20,063
Román Knörr Borrás	2,871	15,591
Carlos Loring Martínez de Irujo	2,778	7,684
Enrique Medina Fernández	3,901	28,035
Susana Rodríguez Vidarte	1,952	10,511
<b>Total</b>	<b>25,682</b>	<b>132,624</b>

#### – SEVERANCE PAYMENTS

The Chairman of the board will be entitled to retire as an executive director at any time after his 65<sup>th</sup> birthday and the President & COO and the Company Secretary after their 62<sup>nd</sup> birthday. They will all be entitled to the maximum percentage established under their contracts for retirement pension, and vesting their right to the pension once they reach said ages will render the indemnity agreed under their contracts null and void.

The contracts of the Bank's executive directors (Chairman & CEO, President & COO, and Company Secretary) recognise their entitlement to be compensated should they leave their post for grounds other than their own decision, retirement, disablement or serious dereliction of duty. Had this occurred during 2007, they would have received the following amounts: €70,513 thousand for the Chairman & CEO; €57,407 thousand for the President & COO, and €13.460 thousand for the Company Secretary.

In order to receive such compensation, directors must place their directorships at the disposal of the board, resign from any posts that they may hold as representatives of the Bank in other companies, and waive prior employment agreements with the Bank, including any senior management positions and any right to obtain compensation other than that already indicated.

On standing down, they will be rendered unable to provide services to other financial institutions in competition with the Bank or its subsidiaries for two years, as established in the board regulations.

#### 44. OTHER INFORMATION

On March 22, 2002, BBVA notified the supervisory authorities of the stock markets on which its shares are listed that the Bank of Spain had commenced a proceeding against BBVA and 16 of its former directors and executives. These proceedings arose as a result of the existence of funds (amounted to €225 million approximately) belonging to BBV that were not included in the entity's financial statements until they were voluntarily regularized by being recorded in the 2000 income statement as extraordinary income, for which the related corporation tax was recorded and paid. BBVA notified the Bank of Spain of these matters on January 19, 2001. The Bank of Spain's supervisory services commenced an investigation into the origin of the funds, their use and the persons involved, the findings of which were included in the supervisory services' report dated March 11, 2002. On March 15, 2002, the Bank of Spain notified the Bank of the commencement of a proceeding relating to these events.

On May 22, 2002, the Council of the Spanish National Securities Market Commission (CNMV) commenced a proceeding against BBVA for possible contravention of the Securities Market Law (under Article 99 ñ) thereof owing to the same events as those which gave rise to the Bank of Spain's proceeding.

The commencement of proceedings to determine an eventual criminal liability of the individuals involved in those events, triggered the suspension of the above mentioned proceedings until a definitive criminal resolution was issued.



The criminal proceeding, ended under final resolution issued in 2007, determined no criminal liability for any person involved in the events analyzed. The end of these criminal proceedings allows the re-opening of the above referred administrative proceedings that were suspended: the Bank of Spain reported the lifting of the suspension of the mentioned proceedings on June 13, 2007 and the Council of the Spanish National Securities Market Commission on July 26, 2007.

At the date of preparation of these financial statements, none of the persons party to the proceedings or prosecuted in relation to the events referred to above was a member of the Board of Directors or the Management Committee or held executive office at BBVA.

The Group's legal advisers do not expect the aforementioned administrative and criminal proceedings to have any material impact on the Bank.

#### 45. DETAIL OF THE DIRECTORS' HOLDINGS IN COMPANIES WITH SIMILAR BUSINESS ACTIVITIES

Pursuant to Article 127 of the Spanish Corporations Law, introduced by Law 26/2003 of 17 July amending Securities Market Law 24/1988 of 28 July, and the revised Corporations Law, in order to reinforce the transparency of listed companies, set forth below are the companies engaging in an activity that is identical, similar or complementary to that which constitutes the corporate purpose of BBVA, in which the members of the Board of Directors have a direct or indirect ownership interest. None of the directors discharge executive or administrative functions at these companies.

Surname (s) and First Name	Company	Investments	
		Number of Shares	Type of Ownership Interest
Alfaro Drake, Tomás	--	--	--
Alvarez Mezquiriz, Juan Carlos	--	--	--
Bermejo Blanco, Rafael	Banco Santander	7,400	Direct
	Banco Crédito Balear	1,000	Direct
	Banco Popular Español	13,880	Direct
Breeden, Richard C.	--	--	--
Bustamante y de la Mora, Ramón	Royal Bank of Scotland	7,350	Indirect
	Banesto	4,560	Indirect
	Banco Popular Español	5,700	Indirect
	Banco Santander	7,540	Indirect
	Bankinter	3,000	Indirect
Fernández Rivero, José Antonio	--	--	--
Ferrero Jordi, Ignacio	Santander Central Hispano	9,940	Indirect
	Banco Popular Español	2,490	Indirect
	Royal Bank of Scotland	12,911	Indirect
Goirigolzarri Tellaeche, José Ignacio	--	--	--
González Rodríguez, Francisco	RBC Dexia Investors Services España, S.A.	76,040	Indirect
Knörr Borrás, Román	--	--	--
Loring Martínez de Irujo, Carlos	--	--	--
Maldonado Ramos, José	--	--	--
Medina Fernández, Enrique	Bankinter	0.052	Indirect
	KBC Groep NV	0.466	Indirect
	Royal Bank	3.080	Indirect
	Standard Chartered	5.878	Indirect
	Unicredito Italiano	0.027	Indirect
Rodríguez Vidarte, Susana	--	--	--

#### 46. SUBSEQUENT EVENTS

From January 1 2007 until the date of preparation of these financial statements, there have no been other significant events affecting the income and equity statement of the Group.

#### 47. EXPLANATION ADDED FOR TRANSLATION IN ENGLISH.

These financial statements are presented on the basis of accounting principles generally accepted in Spain, Certain accounting practices applied by the Bank that conform with accepted accounting principles in Spain may not conform with generally accepted accounting principles in other countries.

APPENDIX I

ADDITIONAL INFORMATION ON CONSOLIDATED SUBSIDIARIES

COMPOSING THE BANCO BILBAO VIZCAYA ARGENTARIA GROUP

Company	Location	Activity	% of Voting Rights Controlled by the Bank			Thousands of Euros ( * ) Investee Data				
			Direct	Indirect	Total	Net Carrying Amount	Assets as of 31.12.07	Liabilities as of 31.12.07	Equity 31.12.07	Profit (Loss) for the Period ended 31.12.07
AAI HOLDINGS, INC.	UNITED STATES	NO ACTIVITY	-	100.00	100.00	1	1	-	1	-
ADMINISTRAD. DE FONDOS PARA EL RETIRO-BANCOMER,S.A DE C.V.	MEXICO	PENSIONS	17.50	82.50	100.00	332,125	170,243	34,134	102,166	33,943
ADMINISTRADORA DE FONDOS DE PENSIONES PROVIDA(AFP PROVIDA)	CHILE	PENSIONS	12.70	51.62	64.32	222,505	422,738	98,353	261,210	63,175
AFP GENESIS ADMINISTRADORA DE FONDOS, S.A.	ECUADOR	PENSIONS	-	100.00	100.00	2,105	4,268	2,162	617	1,489
AFP HORIZONTE, S.A.	PERU	PENSIONS	24.85	75.15	100.00	34,833	54,088	16,870	27,285	9,933
AFP PREVISION BBV-ADM.DE FONDOS DE PENSIONES S.A.	BOLIVIA	PENSIONS	75.00	5.00	80.00	2,063	7,301	3,623	2,589	1,089
ALMACENADORA FINANCIERA PROVINCIAL. S.A.	VENEZUELA	SERVICES	-	100.00	100.00	210	371	161	46	164
ALMACENES GENERALES DE DEPOSITO, S.A.E. DE	SPAIN	PORTFOLIO	83.90	16.10	100.00	12,649	106,971	4,073	97,340	5,558
ALTITUDE INVESTMENTS LIMITED	UNITED KINGDOM	FINANCIAL SERV.	51.00	-	51.00	225	2,750	1,615	691	444
ALTURA MARKETS, A.V., S.A.	SPAIN	SECURITIES	50.00	-	50.00	5,000	740,241	712,117	12,041	16,083
ANIDA DESARROLLOS INMOBILIARIOS, S.L.	SPAIN	REAL ESTATE	-	100.00	100.00	112,477	318,156	73,541	178,041	66,574
ANIDA GERMANIA IMMOBILIEN ONE, GMBH	ALEMANIA	REAL EST.INSTR.	-	100.00	100.00	(127)	23,568	23,695	25	(152)
ANIDA GERMANIA IMMOBILIEN THREE, GMBH	ALEMANIA	REAL EST.INSTR.	-	100.00	100.00	25	23	11	25	(13)
ANIDA GERMANIA IMMOBILIEN TWO, GMBH	ALEMANIA	REAL EST.INSTR.	-	100.00	100.00	25	23	11	25	(13)
ANIDA GRUPO INMOBILIARIO, S.L.	SPAIN	PORTFOLIO	100.00	-	100.00	198,357	576,146	75,912	447,547	52,687
ANIDA INMOBILIARIA, S.A. DE C.V.	MEXICO	PORTFOLIO	-	100.00	100.00	71,944	69,026	461	67,286	1,279
ANIDA PROYECTOS INMOBILIARIOS, S.A. DE C.V.	MEXICO	REAL EST.INSTR.	-	100.00	100.00	68,013	77,999	9,985	66,735	1,279
ANIDA SERVICIOS INMOBILIARIOS, S.A. DE C.V.	MEXICO	REAL EST.INSTR.	-	100.00	100.00	404	1,152	769	393	(10)
APLICA SOLUCIONES ARGENTINAS, S.A.	ARGENTINA	SERVICES	-	100.00	100.00	1,445	4,923	3,365	993	565
APLICA SOLUCIONES GLOBALES, S.L.	SPAIN	SERVICES	94.98	5.02	100.00	57	42,673	42,494	60	119
APLICA TECNOLOGIA AVANZADA, S.A. DE C.V.	MEXICO	SERVICES	100.00	-	100.00	4	45,780	42,640	713	2,427
APOYO MERCANTIL S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	3,228	72,942	69,714	1,822	1,406
ARAGON CAPITAL, S.L.	SPAIN	PORTFOLIO	99.90	0.10	100.00	37,925	31,855	18	30,947	890
ARGENTARIA SERVICIOS, S.A.	CHILE	SERVICES	100.00	-	100.00	676	1,277	5	1,400	(128)
ARIZONA FINANCIAL PRODUCTS, INC	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	598,695	605,573	3,669	595,071	6,833
ARIZONA KACHINA HOLDINGS, INC.	UNITED STATES	NO ACTIVITY	-	100.00	100.00	1	1	-	1	-
ASSUREX, S.A.	ARGENTINA	INSURANCE	87.50	12.50	100.00	67	372	262	54	56
ATREA HOMES IN SPAIN LTD	UNITED KINGDOM	NO ACTIVITY	-	100.00	100.00	-	31	371	(166)	(174)
ATREA INICIATIVAS RESIDENCIALES EN INTERNET, S. A.	SPAIN	SERVICES	-	100.00	100.00	735	1,719	940	1,735	(956)
ATUEL FIDEICOMISOS, S.A.	ARGENTINA	SERVICES	-	100.00	100.00	5,938	6,079	140	4,184	1,755
AUTOMERCANTIL-COMERCIO E ALUGER DE VEICULOS AUTOM., LDA.	PORTUGAL	SERVICES	-	100.00	100.00	7,209	58,502	49,053	9,914	(465)
BAHIA SUR RESORT, S.C.	SPAIN	NO ACTIVITY	99.95	-	99.95	1,436	1,438	15	1,423	-
BANCO BILBAO VIZCAYA ARGENTARIA (PANAMA), S.A.	PANAMA	BANKING	54.11	44.81	98.92	19,464	964,245	844,211	97,967	22,067
BANCO BILBAO VIZCAYA ARGENTARIA (PORTUGAL), S.A.	PORTUGAL	BANKING	9.52	90.48	100.00	278,916	6,189,940	5,950,880	218,251	20,809
BANCO BILBAO VIZCAYA ARGENTARIA CHILE, S.A.	CHILE	BANKING	58.36	9.81	68.17	289,697	7,963,538	7,460,901	458,131	44,506
BANCO BILBAO VIZCAYA ARGENTARIA PUERTO RICO	PUERTO RICO	BANKING	-	100.00	100.00	94,248	4,465,911	4,108,457	333,800	23,654
BANCO BILBAO VIZCAYA ARGENTARIA URUGUAY, S.A.	URUGUAY	BANKING	100.00	-	100.00	17,049	340,515	307,906	27,037	5,572
BANCO CONTINENTAL, S.A.	PERU	BANKING	-	92.08	92.08	415,213	5,623,724	5,172,811	312,486	138,427
BANCO DE CREDITO LOCAL, S.A.	SPAIN	BANKING	100.00	-	100.00	509,595	13,087,488	12,798,671	239,141	49,676
BANCO DE PROMOCION DE NEGOCIOS, S.A.	SPAIN	BANKING	-	99.82	99.82	15,128	33,455	267	32,360	828
BANCO DEPOSITARIO BBVA, S.A.	SPAIN	BANKING	-	100.00	100.00	1,595	1,986,276	1,894,994	43,758	47,524
BANCO INDUSTRIAL DE BILBAO, S.A.	SPAIN	BANKING	-	99.93	99.93	97,219	327,169	38,652	271,811	16,706
BANCO OCCIDENTAL, S.A.	SPAIN	BANKING	49.43	50.57	100.00	15,812	17,004	572	15,880	552
BANCO PROVINCIAL OVERSEAS N.V.	NETHERLANDS ANTILLES	BANKING	-	100.00	100.00	25,030	353,545	328,518	20,142	4,885
BANCO PROVINCIAL S.A. - BANCO UNIVERSAL	VENEZUELA	BANKING	1.85	53.75	55.60	145,846	6,935,275	6,316,583	342,895	275,797
BANCOMER FINANCIAL SERVICES INC.	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	3,508	3,721	212	3,404	105
BANCOMER FOREIGN EXCHANGE INC.	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	3,730	4,707	977	2,790	940
BANCOMER PAYMENT SERVICES INC.	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	39	48	8	44	(4)
BANCOMER TRANSFER SERVICES, INC	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	30,507	86,507	55,835	18,913	11,759
BANKERS INVESTMENT SERVICES, INC	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	595	634	39	582	13

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**COMPOSING THE BANCO BILBAO VIZCAYA ARGENTARIA GROUP**

Company	Location	Activity	% of Voting Rights Controlled by the Bank			Thousands of Euros ( * )				
			Direct	Indirect	Total	Investee Data				Profit (Loss) for the Period ended 31.12.07
						Net Carrying Amount	Assets as of 31.12.07	Liabilities as of 31.12.07	Equity 31.12.07	
BBV AMERICA, S.L.	SPAIN	PORTFOLIO	100.00	-	100.00	479,328	508,546	-	472,589	35,957
BBV SECURITIES HOLDINGS, S.A.	SPAIN	PORTFOLIO	99.86	0.14	100.00	15,230	48,809	32,815	20,933	(4,939)
BBVA & PARTNERS ALTERNATIVE INVESTMENT A.V., S.A.	SPAIN	SECURITIES	70.00	-	70.00	1,331	8,168	4,002	3,142	1,024
BBVA ADMINISTRADORA GENERAL DE FONDOS S.A.	CHILE	FINANCIAL SERV.	-	100.00	100.00	18,881	31,452	12,611	17,120	1,721
BBVA AMERICA FINANCE, S.A.	SPAIN	FINANCIAL SERV.	100.00	-	100.00	100	50,030	49,985	92	(47)
BBVA ASESORIAS FINANCIERAS, S.A.	CHILE	FINANCIAL SERV.	-	98.60	98.60	14,954	15,908	772	13,109	2,027
BBVA BANCO DE FINANCIACION S.A.	SPAIN	BANKING	-	100.00	100.00	64,200	5,630,789	5,559,981	69,410	1,398
BBVA BANCO FRANCES, S.A.	ARGENTINA	BANKING	45.65	30.41	76.06	42,268	4,129,684	3,689,099	386,063	54,522
BBVA BANCOMER ASSET MANAGEMENT INC.	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	1	1	-	1	-
BBVA BANCOMER FINANCIAL HOLDINGS, INC.	UNITED STATES	PORTFOLIO	-	100.00	100.00	41,261	58,411	17,192	37,844	3,375
BBVA BANCOMER GESTION, S.A. DE C.V.	MEXICO	FINANCIAL SERV.	-	99.99	99.99	20,089	38,744	18,653	5,930	14,161
BBVA BANCOMER HOLDINGS CORPORATION	UNITED STATES	PORTFOLIO	-	100.00	100.00	6,955	6,955	-	4,171	2,784
BBVA BANCOMER OPERADORA, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	10,134	241,076	230,941	82,791	(72,656)
BBVA BANCOMER SERVICIOS ADMINISTRATIVOS, S.A. DE C.V.	MEXICO	FINANCIAL SERV.	-	100.00	100.00	696	718	22	652	44
BBVA BANCOMER SERVICIOS, S.A.	MEXICO	BANKING	-	100.00	100.00	438,405	454,780	16,377	367,504	70,899
BBVA BANCOMER USA	UNITED STATES	BANKING	-	100.00	100.00	14,213	85,894	71,789	23,025	(8,920)
BBVA BANCOMER, S.A. DE C.V.	MEXICO	BANKING	-	100.00	100.00	4,878,589	62,313,768	57,435,158	3,569,607	1,309,003
BBVA BROKER, CORREDURIA DE SEGUROS Y REASEGUROS, S.A.	SPAIN	SERVICES	99.94	0.06	100.00	297	26,179	11,073	10,526	4,580
BBVA CAPITAL FINANCE, S.A.	SPAIN	FINANCIAL SERV.	100.00	-	100.00	60	1,999,018	1,998,817	172	29
BBVA CAPITAL FUNDING, LTD.	CAYMAN ISLANDS	FINANCIAL SERV.	100.00	-	100.00	0	1,155,982	1,154,288	1,614	80
BBVA CARTERA DE INVERSIONES, SICAV, S.A.	SPAIN	VARIABLE CAPITAL	100.00	-	100.00	118,445	113,320	137	109,903	3,280
BBVA COLOMBIA, S.A.	COLOMBIA	BANKING	76.20	19.23	95.43	262,058	5,897,729	5,390,318	394,944	112,467
BBVA COMERCIALIZADORA LTDA.	CHILE	SERVICES	-	100.00	100.00	7	149	142	150	(143)
BBVA CONSOLIDAR SALUD S.A.	ARGENTINA	INSURANCE	15.35	84.65	100.00	14,179	40,029	25,537	11,561	2,931
BBVA CONSOLIDAR SEGUROS, S.A.	ARGENTINA	INSURANCE	87.78	12.22	100.00	5,954	22,919	10,900	10,283	1,736
BBVA CORREDORA TECNICA DE SEGUROS BHIF LTDA.	CHILE	SERVICES	-	100.00	100.00	20,550	22,356	1,846	15,921	4,589
BBVA CORREDORES DE BOLSA, S.A.	CHILE	SECURITIES	-	100.00	100.00	23,411	300,841	277,329	21,370	2,142
BBVA DINERO EXPRESS, S.A.U	SPAIN	FINANCIAL SERV.	100.00	-	100.00	2,186	9,658	6,213	2,832	613
BBVA E-COMMERCE, S.A.	SPAIN	SERVICES	100.00	-	100.00	30,879	33,015	14	33,916	(915)
BBVA FACTORING E.F.C., S.A.	SPAIN	FINANCIAL SERV.	-	100.00	100.00	126,447	6,748,544	6,518,236	205,470	24,838
BBVA FACTORING LIMITADA	CHILE	FINANCIAL SERV.	-	100.00	100.00	3,519	3,864	350	3,903	(389)
BBVA FIDUCIARIA, S.A.	COLOMBIA	FINANCIAL SERV.	-	99.99	99.99	8,284	9,304	877	6,588	1,839
BBVA FINANCE (UK), LTD.	UNITED KINGDOM	FINANCIAL SERV.	-	100.00	100.00	3,324	25,104	12,434	12,093	577
BBVA FINANCE SPA.	ITALY	FINANCIAL SERV.	100.00	-	100.00	4,648	5,805	800	4,958	47
BBVA FINANCIAMIENTO AUTOMOTRIZ, S.A.	CHILE	PORTFOLIO	-	100.00	100.00	86,170	86,171	-	77,906	8,265
BBVA FINANZIA, S.P.A	ITALY	FINANCIAL SERV.	50.00	50.00	100.00	36,465	371,712	344,827	32,155	(5,270)
BBVA FUNDOS, S.G. DE FUNDOS DE PENSOES, S.A.	PORTUGAL	FINANCIAL SERV.	-	100.00	100.00	998	3,851	558	1,738	1,555
BBVA GEST, S.G. DE FUNDOS DE INVESTIMENTO MOBILIARIO, S.A.	PORTUGAL	FINANCIAL SERV.	-	100.00	100.00	998	6,107	1,130	2,443	2,534
BBVA GESTION, SOCIEDAD ANONIMA, SGIIC	SPAIN	FINANCIAL SERV.	17.00	83.00	100.00	11,436	222,714	133,331	3,659	85,724
BBVA GLOBAL FINANCE LTD.	CAYMAN ISLANDS	FINANCIAL SERV.	100.00	-	100.00	-	1,391,951	1,388,503	3,225	223
BBVA HORIZONTE PENSIONES Y CESANTIAS, S.A.	COLOMBIA	PENSIONS	78.52	21.43	99.95	36,406	63,495	10,003	40,738	12,754
BBVA INMOBILIARIA E INVERSIONES S.A.	CHILE	REAL EST. INSTR.	-	68.11	68.11	4,893	25,668	18,486	7,968	(786)
BBVA INSERVEX, S.A.	SPAIN	SERVICES	100.00	-	100.00	1,205	3,574	53	3,166	355
BBVA INSTITUICAO FINANCEI. CREDITO, S.A.	PORTUGAL	FINANCIAL SERV.	-	100.00	100.00	43,626	345,313	310,757	31,608	2,948
BBVA INTERNATIONAL INVESTMENT CORPORATION	PUERTO RICO	FINANCIAL SERV.	100.00	-	100.00	2,769,952	2,026,747	32	1,478,608	548,107

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Company	Location	Activity	% of Voting Rights			Thousands of Euros ( * )				
			Controlled by the Bank			Investee Data				Profit (Loss) for the Period ended
			Direct	Indirect	Total	Net Carrying Amount	Assets as of 31.12.07	Liabilities as of 31.12.07	Equity 31.12.07	
BBVA INTERNATIONAL LIMITED	CAYMAN ISLANDS	FINANCIAL SERV.	100.00	-	100.00	1	509,592	506,635	2,529	428
BBVA INTERNATIONAL PREFERRED, S.A.U.	SPAIN	FINANCIAL SERV.	100.00	-	100.00	60	2,034,784	2,034,658	71	55
BBVA INVERSIONES CHILE, S.A.	CHILE	PENSIONS	33.31	66.69	100.00	287,107	396,010	6,357	357,431	32,222
BBVA INVESTMENTS, INC.	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	7,721	10,236	2,515	4,627	3,094
BBVA IRELAND PUBLIC LIMITED COMPANY	IRELAND	FINANCIAL SERV.	100.00	-	100.00	180,381	3,633,062	3,332,288	284,900	15,874
BBVA LEASIMO - SOCIEDADE DE LOCACAO FINANCEIRA, S.A.	PORTUGAL	FINANCIAL SERV.	-	100.00	100.00	11,576	55,374	45,152	9,427	795
BBVA LUXINVEST, S.A.	LUXEMBOURG	PORTFOLIO	36.00	64.00	100.00	255,843	1,565,479	67,703	1,379,235	118,541
BBVA NOMINEES LIMITED	UNITED KINGDOM	SERVICES	100.00	-	100.00	-	1	-	1	-
BBVA PARAGUAY, S.A.	PARAGUAY	BANKING	99.99	-	99.99	22,598	461,538	416,917	28,835	15,786
BBVA PARTICIPACIONES INTERNACIONAL, S.L.	SPAIN	PORTFOLIO	92.69	7.31	100.00	273,365	333,220	1,431	325,493	6,296
BBVA PATRIMONIOS GESTORA SGIIC, S.A.	SPAIN	FINANCIAL SERV.	99.98	0.02	100.00	3,907	51,232	2,502	40,142	8,588
BBVA PENSIONES, SA, ENTIDAD GESTORA DE FONDOS DE PENSIONES	SPAIN	PENSIONS	100.00	-	100.00	12,922	73,153	33,156	25,938	14,059
BBVA PLANIFICACION PATRIMONIAL, S.L.	SPAIN	FINANCIAL SERV.	80.00	20.00	100.00	1	491	5	472	14
BBVA PRIVANZA (JERSEY), LTD.	CHANNEL ISLANDS	NO ACTIVITY	-	100.00	100.00	20,610	23,815	34	19,261	4,520
BBVA PUERTO RICO HOLDING CORPORATION	PUERTO RICO	PORTFOLIO	100.00	-	100.00	255,804	94,749	4	94,799	(54)
BBVA RE LIMITED	IRELAND	INSURANCE	-	100.00	100.00	656	43,237	30,190	10,163	2,884
BBVA RENTING, S.A.	SPAIN	FINANCIAL SERV.	-	100.00	100.00	20,976	760,048	669,250	81,980	8,818
BBVA RENTING, SPA	ITALY	SERVICES	-	100.00	100.00	9,745	68,417	64,370	11,266	(7,219)
BBVA RESEARCH, S.A.	SPAIN	FINANCIAL SERV.	99.99	0.01	100.00	501	4,240	3,314	816	110
BBVA SECURITIES HOLDINGS (UK) LIMITED	UNITED KINGDOM	NO ACTIVITY	-	100.00	100.00	-	5,339	5,604	64	(329)
BBVA SECURITIES INC.	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	30,102	24,062	4,321	22,895	(3,154)
BBVA SECURITIES LTD.	UNITED KINGDOM	NO ACTIVITY	-	100.00	100.00	2,966	8,651	2,710	6,101	(160)
BBVA SECURITIES OF PUERTO RICO, INC.	PUERTO RICO	FINANCIAL SERV.	100.00	-	100.00	4,726	6,269	1,737	3,926	606
BBVA SEGUROS COLOMBIA , S.A.	COLOMBIA	INSURANCE	94.00	6.00	100.00	9,259	35,361	23,674	10,783	904
BBVA SEGUROS DE VIDA COLOMBIA, S.A.	COLOMBIA	INSURANCE	94.00	6.00	100.00	13,242	116,141	86,469	26,652	3,020
BBVA SEGUROS DE VIDA, S.A.	CHILE	INSURANCE	-	100.00	100.00	27,781	240,267	212,486	25,709	2,072
BBVA SEGUROS INC.	PUERTO RICO	SERVICES	-	100.00	100.00	170	3,273	576	1,629	1,068
BBVA SEGUROS, S.A.	SPAIN	INSURANCE	94.30	5.64	99.94	414,520	11,620,427	10,670,871	717,214	232,342
BBVA SENIOR FINANCE, S.A.U.	SPAIN	FINANCIAL SERV.	100.00	-	100.00	60	17,575,744	17,575,365	341	38
BBVA SERVICIOS, S.A.	SPAIN	SERVICES	-	100.00	100.00	354	8,765	1,985	1,184	5,596
BBVA SOCIEDAD LEASING HABITACIONAL BHIF	CHILE	FINANCIAL SERV.	-	97.48	97.48	9,779	34,819	24,835	9,437	547
BBVA SUBORDINATED CAPITAL S.A.U.	SPAIN	FINANCIAL SERV.	100.00	-	100.00	130	4,093,376	4,093,051	200	125
BBVA SUIZA, S.A. (BBVA SWITZERLAND)	SUIZA	BANKING	39.72	60.28	100.00	53,121	530,336	266,107	239,059	25,170
BBVA TRADE, S.A.	SPAIN	SERVICES	-	100.00	100.00	4,910	24,726	19,822	2,513	2,391
BBVA U.S.SENIOR S.A.U.	SPAIN	FINANCIAL SERV.	100.00	-	100.00	132	5,649,735	5,649,551	40	144
BBVA USA BANCSHARES, INC	UNITED STATES	PORTFOLIO	100.00	-	100.00	9,428,287	9,126,996	1,544	8,958,711	166,741
BBVA USA, INC.	UNITED STATES	SERVICES	-	100.00	100.00	10,483	13,004	2,520	18,143	(7,659)
BBVA VALORES COLOMBIA, S.A. COMISIONISTA DE BOLSA	COLOMBIA	SECURITIES	-	100.00	100.00	3,386	4,119	593	2,742	784
BCL INTERNATIONAL FINANCE, LTD.	CAYMAN ISLANDS	FINANCIAL SERV.	-	100.00	100.00	-	127,447	127,432	24	(9)
BEX AMERICA FINANCE INCORPORATED	UNITED STATES	NO ACTIVITY	100.00	-	100.00	-	1	1	-	-
BEXCARTERA, SICAV S.A.	SPAIN	NO ACTIVITY	-	80.78	80.78	9,352	13,526	72	13,454	-
BIBJ MANAGEMENT, LTD.	CHANNEL ISLANDS	NO ACTIVITY	-	100.00	100.00	-	-	-	-	-
BIBJ NOMINEES, LTD.	CHANNEL ISLANDS	NO ACTIVITY	-	100.00	100.00	-	-	-	-	-
BILBAO VIZCAYA AMERICA B.V.	NETHERLANDS	PORTFOLIO	-	100.00	100.00	380,203	380,227	850	327,130	52,247
BILBAO VIZCAYA HOLDING, S.A.	SPAIN	PORTFOLIO	89.00	11.00	100.00	34,771	172,212	528	123,208	48,476

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Company	Location	Activity	% of Voting Rights Controlled by the Bank			Thousands of Euros ( * )				
			Direct	Indirect	Total	Investee Data				Profit (Loss) for the Period ended 31.12.07
						Net Carrying Amount	Assets as of 31.12.07	Liabilities as of 31.12.07	Equity 31.12.07	
BLUE INDICO INVESTMENTS, S.L.	SPAIN	PORTFOLIO	99.99	0.01	100.00	18,214	56,266	6,400	2,116	47,750
BLUE VISTA PLATAFORMA DE EMISION DE NUEVOS MEDIOS, S.L.	SPAIN	SERVICES	-	70.00	70.00	161	289	73	230	(14)
BROOKLINE INVESTMENTS,S.L.	SPAIN	PORTFOLIO	100.00	-	100.00	33,969	32,395	497	31,919	(21)
C B TRANSPORT ,INC.	UNITED STATES	SERVICES	-	100.00	100.00	11,573	14,232	2,658	11,965	(391)
CANAL COMPANY, LTD.	CHANNEL ISLANDS	NO ACTIVITY	-	100.00	100.00	34	1,005	10	960	35
CANAL INTERNATIONAL HOLDING (NETHERLANDS) BV.	NETHERLANDS	NO ACTIVITY	-	100.00	100.00	494	54	1	65	(12)
CAPITAL INVESTMENT COUNSEL, INC.	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	15,434	18,031	2,596	15,031	404
CARTERA E INVERSIONES S.A., CIA DE	SPAIN	PORTFOLIO	100.00	-	100.00	60,541	108,835	44,342	63,500	993
CASA DE BOLSA BBVA BANCOMER, S.A. DE C.V.	MEXICO	FINANCIAL SERV.	-	100.00	100.00	53,529	62,907	9,376	22,354	31,177
CASA DE CAMBIO MULTIDIVISAS, S.A DE C.V.	MEXICO	NO ACTIVITY	-	100.00	100.00	172	172	-	170	2
CENTRAL BANK OF THE SOUTH	UNITED STATES	BANKING	-	100.00	100.00	1,079	3,484	2,405	1,053	26
CIA. GLOBAL DE MANDATOS Y REPRESENTACIONES, S.A.	URUGUAY	NO ACTIVITY	-	100.00	100.00	108	170	2	168	0
CIDESSA DOS, S.L.	SPAIN	PORTFOLIO	-	100.00	100.00	11,554	11,716	114	11,243	359
CIDESSA UNO, S.L.	SPAIN	PORTFOLIO	-	100.00	100.00	4,754	397,056	108	197,077	199,871
CIERVANA, S.L.	SPAIN	PORTFOLIO	100.00	-	100.00	53,164	56,826	189	54,797	1,840
COMERCIALIZADORA CORPORATIVA SAC	PERU	FINANCIAL SERV.	-	99.99	99.99	8	44	37	115	(108)
COMPASS ARIZONA ACQUISITION, CORP.	UNITED STATES	NO ACTIVITY	-	100.00	100.00	1	1	-	1	-
COMPASS ASSET ACCEPTANCE COMPANY, LLC	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	308,448	308,801	128	311,748	(3,075)
COMPASS AUTO RECEIVABLES CORPORATION	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	2,841	2,942	101	2,842	(1)
COMPASS BANCSHARES, INC.	UNITED STATES	PORTFOLIO	-	100.00	100.00	9,094,107	9,407,985	303,916	8,931,451	172,618
COMPASS BANK	UNITED STATES	BANKING	-	100.00	100.00	6,567,403	30,907,692	24,325,856	6,511,757	70,079
COMPASS BROKERAGE, INC.	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	17,199	19,235	2,036	15,809	1,390
COMPASS CAPITAL MARKETS, INC.	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	4,774,478	4,774,479	-	4,715,514	58,965
COMPASS CONSULTING & BENEFITS, INC	UNITED STATES	SERVICES	-	100.00	100.00	10,899	11,212	312	10,599	301
COMPASS CUSTODIAL SERVICES, INC.	UNITED STATES	NO ACTIVITY	-	100.00	100.00	1	1	-	1	-
COMPASS FIDUCIARY SERVICES, LTD., INC.	UNITED STATES	NO ACTIVITY	-	100.00	100.00	9	11	2	9	-
COMPASS FINANCIAL CORPORATION	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	8,412	49,424	41,013	8,891	(480)
COMPASS GP,INC.	UNITED STATES	PORTFOLIO	-	100.00	100.00	30,083	38,234	8,152	29,793	289
COMPASS INDEMNITY CORPORATION	UNITED STATES	SERVICES	-	100.00	100.00	61,940	62,574	544	61,372	658
COMPASS INSURANCE AGENCY, INC	UNITED STATES	SERVICES	-	100.00	100.00	102,831	120,547	17,716	101,078	1,753
COMPASS INVESTMENTS, INC.	UNITED STATES	NO ACTIVITY	-	100.00	100.00	1	1	-	1	-
COMPASS LIMITED PARTNER, INC.	UNITED STATES	PORTFOLIO	-	100.00	100.00	4,145,699	4,145,777	77	4,093,857	51,843
COMPASS LOAN HOLDINGS TRS, INC.	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	52,215	53,941	1,727	51,824	390
COMPASS MORTGAGE CORPORATION	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	1,682,285	1,683,514	1,229	1,659,817	22,468
COMPASS MORTGAGE FINANCING, INC.	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	24	24	-	24	-
COMPASS MULTISTATE SERVICES CORPORATION	UNITED STATES	SERVICES	-	100.00	100.00	2,548	2,856	309	2,547	-
COMPASS SECURITIES, INC.	UNITED STATES	NO ACTIVITY	-	100.00	100.00	1	1	-	1	-
COMPASS SOUTHWEST, LP	UNITED STATES	BANKING	-	100.00	100.00	3,390,171	3,421,433	24,532	3,354,708	42,193
COMPASS TEXAS ACQUISITION CORPORATION	UNITED STATES	PORTFOLIO	-	100.00	100.00	1,538	1,555	17	1,538	-
COMPASS TEXAS MORTGAGE FINANCING, INC	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	24	24	-	24	-
COMPASS TRUST I	UNITED STATES	NO ACTIVITY	-	100.00	100.00	-	-	-	32	(32)
COMPASS TRUST III	UNITED STATES	NO ACTIVITY	-	100.00	100.00	-	-	-	91	(91)
COMPASS UNDERWRITERS, INC.	UNITED STATES	INSURANCE	-	100.00	100.00	134	137	3	133	1
COMPASS WEALTH MANAGERS COMPANY	UNITED STATES	NO ACTIVITY	-	100.00	100.00	1	1	-	1	-
COMPAÑIA CHILENA DE INVERSIONES, S.L.	SPAIN	PORTFOLIO	100.00	-	100.00	232,977	173,294	2,180	171,206	(92)

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CONSOLIDAR A.F.J.P., S.A.	ARGENTINA	PENSIONS	46.11	53.89	100.00	58,524	81,540	22,257	56,503	2,780
CONSOLIDAR ASEGURADORA DE RIESGOS DEL TRABAJO, S.A.	ARGENTINA	INSURANCE	87.50	12.50	100.00	33,253	148,289	107,295	36,741	4,253
CONSOLIDAR CIA. DE SEGUROS DE RETIRO, S.A.	ARGENTINA	INSURANCE	33.33	66.67	100.00	12,639	478,538	459,584	13,498	5,456
CONSOLIDAR CIA. DE SEGUROS DE VIDA, S.A.	ARGENTINA	INSURANCE	34.04	65.96	100.00	27,285	71,785	29,109	27,311	15,365
CONSOLIDAR COMERCIALIZADORA, S.A.	ARGENTINA	SERVICES	-	100.00	100.00	112	2,483	2,372	271	(160)
CONSULTORES DE PENSIONES BBV, S.A.	SPAIN	PENSIONS	-	100.00	100.00	175	811	-	781	30
CONTINENTAL BOLSA, SDAD. AGENTE DE BOLSA S.A.	PERU	SECURITIES	-	100.00	100.00	3,058	5,972	2,913	1,973	1,086
CONTINENTAL S.A. SOCIEDAD ADMINISTRADORA DE FONDOS	PERU	FINANCIAL SERV.	-	100.00	100.00	5,140	5,719	577	4,554	588
CONTINENTAL SOCIEDAD TITULIZADORA, S.A.	PERU	SERVICES	-	100.00	100.00	705	728	22	685	21
CONTRATACION DE PERSONAL, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	587	7,810	7,224	82	504
CORPORACION DE ALIMENTACION Y BEBIDAS, S.A.	SPAIN	PORTFOLIO	-	100.00	100.00	138,508	159,075	1,588	153,370	4,117
CORPORACION GENERAL FINANCIERA, S.A.	SPAIN	PORTFOLIO	100.00	-	100.00	452,432	1,310,595	30,193	1,076,009	204,393
CORPORACION INDUSTRIAL Y DE SERVICIOS, S.L.	SPAIN	PORTFOLIO	-	100.00	100.00	1,251	5,436	566	4,746	124
DESARROLLADORA Y VENDEDORA DE CASAS, S.A. DE C.V.	MEXICO	REAL EST.INSTR.	-	100.00	100.00	26	30	4	33	(7)
DESARROLLO URBANISTICO DE CHAMARTIN, S.A.	SPAIN	REAL ESTATE	-	72.50	72.50	29,673	60,060	17,893	42,151	16
DESITEL TECNOLOGIA Y SISTEMAS, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	1,401	1,481	80	1,368	33
DEUSTO, S.A. DE INVERSION MOBILIARIA	SPAIN	PORTFOLIO	-	100.00	100.00	11,491	11,492	-	11,005	487
DINERO EXPRESS SERVICIOS GLOBALES, S.A.	SPAIN	FINANCIAL SERV.	100.00	-	100.00	10,421	20,925	14,519	13,228	(6,822)
EL ENCINAR METROPOLITANO, S.A.	SPAIN	REAL ESTATE	-	98.90	98.90	5,525	9,264	3,526	5,181	557
EL OASIS DE LAS RAMBLAS, S.L.	SPAIN	REAL ESTATE	-	70.00	70.00	167	691	553	128	10
ELANCHOVE, S.A.	SPAIN	PORTFOLIO	100.00	-	100.00	1,500	3,878	1,464	2,450	(36)
EMPRESA INSTANT CREDIT, C.A.	VENEZUELA	NO ACTIVITY	-	100.00	100.00	-	-	-	-	-
ESPAÑHOLA COMERCIAL E SERVIÇOS, LTDA.	BRAZIL	FINANCIAL SERV.	100.00	-	100.00	-	881	1,639	3,651	(4,409)
ESTACION DE AUTOBUSES CHAMARTIN, S.A.	SPAIN	SERVICES	-	51.00	51.00	31	31	-	31	-
EUROPEA DE TITULIZACION, S.A., SDAD.GEST.DE FDOS.DE TITUL.	SPAIN	FINANCIAL SERV.	82.97	0.00	82.97	1,506	6,941	779	3,096	3,066
EURORISK, S.A.	SPAIN	FINANCIAL SERV.	-	100.00	100.00	60	82,948	76,972	1,459	4,517
EXPLOTACIONES AGROPECUARIAS VALDELEYGUA, S.A.	SPAIN	REAL ESTATE	-	100.00	100.00	9,383	9,357	(4)	9,995	(634)
FIDEICOMISO 29764-8 SOCIO LIQUIDADOR POSICION DE TERCEROS	MEXICO	FINANCIAL SERV.	-	100.00	100.00	18,501	18,691	190	17,035	1,466
FIDEICOMISO 474031 MANEJO DE GARANTIAS	MEXICO	SERVICES	-	100.00	100.00	2	2	-	2	-
FIDEICOMISO BBVA BANCOMER SERVICIOS Nº F/47433-8, S.A.	MEXICO	SERVICES	-	100.00	100.00	29,583	50,478	20,895	19,372	10,211
FIDEICOMISO INVEX 1ª EMISION	MEXICO	FINANCIAL SERV.	-	100.00	100.00	-	165,724	167,963	161	(2,400)
FIDEICOMISO INVEX 228	MEXICO	FINANCIAL SERV.	-	100.00	100.00	-	20,200	20,199	1	-
FIDEICOMISO INVEX 367	MEXICO	FINANCIAL SERV.	-	100.00	100.00	-	35,245	35,245	-	-
FIDEICOMISO INVEX 393	MEXICO	FINANCIAL SERV.	-	100.00	100.00	-	32,117	32,118	(1)	-
FIDEICOMISO INVEX 411	MEXICO	FINANCIAL SERV.	-	100.00	100.00	-	20,912	20,912	-	-
FIDEICOMISO Nº.402900-5 ADMINISTRACION DE INMUEBLES	MEXICO	SERVICES	-	100.00	100.00	689	-	-	-	-
FIDEICOMISO SOCIO LIQUIDADOR DE OP.FINANC.DERIVADAS	MEXICO	FINANCIAL SERV.	-	100.00	100.00	12,187	12,306	121	10,903	1,282
FINANCEIRA DO COMERCIO EXTERIOR S.A.R.	PORTUGAL	NO ACTIVITY	100.00	-	100.00	51	44	-	45	(1)
FINANCIERA AYUDAMOS S.A. DE C.V., SOFOMER	MEXICO	FINANCIAL SERV.	-	100.00	100.00	2,900	3,181	281	3,218	(318)
FINANCIERA ESPAÑOLA, S.A.	SPAIN	PORTFOLIO	85.85	14.15	100.00	4,522	6,613	-	4,879	1,734
FINANZIA AUTORENTING, S.A.	SPAIN	SERVICES	-	88.32	88.32	22,561	670,226	640,224	37,032	(7,030)
FINANZIA, BANCO DE CREDITO, S.A.	SPAIN	BANKING	-	100.00	100.00	56,203	6,356,261	6,190,607	160,470	5,184
FIRS TIER CORPORATION	UNITED STATES	NO ACTIVITY	-	100.00	100.00	1	1	-	1	-
FRANCES ADMINISTRADORA DE INVERSIONES, S.A. G.F.C.INVERS.	ARGENTINA	FINANCIAL SERV.	-	100.00	100.00	5,534	9,237	3,701	3,762	1,774
FRANCES VALORES SOCIEDAD DE BOLSA, S.A.	ARGENTINA	FINANCIAL SERV.	-	100.00	100.00	2,002	2,769	767	1,228	774
FUTURO FAMILIAR, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	178	406	229	137	40
FW CAPITAL I	UNITED STATES	NO ACTIVITY	-	100.00	100.00	1	1	-	1	-

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GENTE BBVA, S.A.	CHILE	FINANCIAL SERV.	-	100.00	100.00	15	6,544	6,529	148	(133)
GESTION DE PREVISION Y PENSIONES, S.A.	SPAIN	PENSIONS	60.00	-	60.00	8,830	27,692	2,043	20,861	4,788
GESTION Y ADMINISTRACION DE RECIBOS, S.A.	SPAIN	SERVICES	-	100.00	100.00	150	1,711	529	715	467
GOBERNALIA GLOBAL NET, S.A.	SPAIN	SERVICES	99.94	0.06	100.00	1,250	2,471	1,074	1,345	52
GRAN JORGE JUAN, S.A.	SPAIN	REAL ESTATE	100.00	-	100.00	110,115	511,514	409,598	110,119	(8,203)
GRANFIDUCIARIA	COLOMBIA	FINANCIAL SERV.	-	90.00	90.00	-	289	124	208	(43)
GRELAR GALICIA, S.A.	SPAIN	PORTFOLIO	-	100.00	100.00	4,500	4,499	-	4,330	169
GRUPO FINANCIERO BBVA BANCOMER, S.A. DE C.V.	MEXICO	FINANCIAL SERV.	48.97	51.00	99.97	5,934,377	6,298,856	324	4,714,467	1,584,065
HIPOTECARIA NACIONAL MEXICANA INCORPORATED	UNITED STATES	REAL EST.INSTR.	-	100.00	100.00	95	112	17	143	(48)
HIPOTECARIA NACIONAL, S.A. DE C.V.	MEXICO	FINANCIAL SERV.	-	100.00	100.00	279,123	511,609	232,486	137,229	141,894
HOLDING CONTINENTAL, S.A.	PERU	PORTFOLIO	50.00	-	50.00	122,985	447,310	6	314,640	132,664
HOLDING DE PARTICIPACIONES INDUSTRIALES 2000, S.A.	SPAIN	PORTFOLIO	-	100.00	100.00	3,618	4,322	-	4,178	144
HOMEOWNERS LOAN CORPORATION	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	5,530	5,694	148	4,966	580
HUMAN RESOURCES PROVIDER	UNITED STATES	SERVICES	-	100.00	100.00	1,325,439	1,325,524	85	1,304,784	20,655
HUMAN RESOURCES SUPPORT, INC	UNITED STATES	SERVICES	-	100.00	100.00	1,324,307	1,334,459	10,151	1,303,712	20,596
HYDROX HOLDINGS, INC.	UNITED STATES	NO ACTIVITY	-	100.00	100.00	-	-	-	-	-
IBERDROLA SERVICIOS FINANCIEROS, E.F.C, S.A.	SPAIN	FINANCIAL SERV.	-	84.00	84.00	7,290	9,449	115	9,117	217
IBERNEGOCIO DE TRADE, S.L.	SPAIN	SERVICES	-	100.00	100.00	615	24,599	12,390	11,058	1,151
INENSUR BRUNETE, S.L.	SPAIN	REAL ESTATE	-	100.00	100.00	23,745	139,844	143,115	(2,951)	(320)
INGENIERIA EMPRESARIAL MULTIBA, S.A. DE C.V.	MEXICO	SERVICES	-	99.99	99.99	-	-	-	-	-
INMOBILIARIA ASUDI, S.A.	SPAIN	REAL EST.INSTR.	-	100.00	100.00	2,886	3,106	15	2,955	136
INMOBILIARIA BILBAO, S.A.	SPAIN	REAL EST.INSTR.	-	100.00	100.00	3,646	3,659	-	3,515	144
INMUEBLES Y RECUPERACIONES CONTINENTAL, S.A.	PERU	REAL EST.INSTR.	-	100.00	100.00	9,563	9,824	261	4,613	4,950
INVERAHORRO, S.L.	SPAIN	PORTFOLIO	100.00	-	100.00	474	504	2	489	13
INVERSIONES ALDAMA, C.A.	VENEZUELA	NO ACTIVITY	-	100.00	100.00	-	-	-	-	-
INVERSIONES BANPRO INTERNATIONAL INC. N.V.	NETHERLANDS ANTILLES	PORTFOLIO	48.00	-	48.00	11,390	28,111	844	22,280	4,987
INVERSIONES BAPROBA, C.A.	VENEZUELA	SERVICES	100.00	-	100.00	1,307	683	28	558	97
INVERSIONES MOBILIARIAS, S.L.	SPAIN	PORTFOLIO	100.00	-	100.00	660	4,471	4,346	693	(568)
INVERSIONES P.H.R.4, C.A.	VENEZUELA	NO ACTIVITY	-	60.46	60.46	-	47	-	47	-
INVERSIONES T, C.A.	VENEZUELA	NO ACTIVITY	-	100.00	100.00	-	-	-	-	-
INVERSORA OTAR, S.A.	ARGENTINA	PORTFOLIO	-	99.96	99.96	3,769	42,833	28	39,101	3,704
INVESCO MANAGEMENT Nº 1, S.A.	LUXEMBOURG	FINANCIAL SERV.	-	99.99	99.99	10,975	16,070	392	15,809	(131)
INVESCO MANAGEMENT Nº 2, S.A.	LUXEMBOURG	FINANCIAL SERV.	-	96.88	96.88	31	12,138	23,865	(11,177)	(550)
JARDINES DE SARRIENA, S.L.	SPAIN	REAL ESTATE	-	85.00	85.00	255	517	148	354	15
LIQUIDITY ADVISORS, L.P	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	787,584	787,715	131	777,544	10,040
MAGGIORE FLEET, S.P.A.	ITALY	SERVICES	-	100.00	100.00	67,785	148,300	113,109	34,359	832
MARQUES DE CUBAS 21, S.L.	SPAIN	REAL ESTATE	100.00	-	100.00	2,869	7,546	5,441	2,329	(224)
MB CAPITAL I	UNITED STATES	NO ACTIVITY	-	100.00	100.00	1	1	-	1	-
MEDITERRANIA DE PROMOCIONS I GESTIONS INMOBILIARIES, S.A.	SPAIN	NO ACTIVITY	-	100.00	100.00	775	2,662	1,882	727	53
MEGABANK FINANCIAL CORPORATION	UNITED STATES	NO ACTIVITY	-	100.00	100.00	1	1	-	1	-
MERCURY TRUST LIMITED	CAYMAN ISLANDS	FINANCIAL SERV.	-	100.00	100.00	3,655	3,745	93	3,616	36
MILANO GESTION I, SRL.	ITALY	REAL EST.INSTR.	-	100.00	100.00	46	4,177	3,827	371	(21)
MIRADOR DE LA CARRASCOA, S.L.	SPAIN	REAL ESTATE	-	55.90	55.90	9,344	26,243	9,181	17,068	(6)
MISAPRE, S.A. DE C.V.	MEXICO	FINANCIAL SERV.	-	100.00	100.00	7,735	18,788	11,723	7,982	(917)
MONESTERIO DESARROLLOS, S.L.	SPAIN	REAL ESTATE	-	100.00	100.00	18,663	54,869	35,219	19,822	(172)
MONTEALIAGA,S.A.	SPAIN	REAL ESTATE	-	100.00	100.00	21,154	100,912	78,144	14,038	8,730
MULTIASISTENCIA, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	7,218	13,499	5,036	7,769	694
MULTIVAL, S.A.	SPAIN	PORTFOLIO	-	100.00	100.00	67	179	112	71	(4)
OCCIVAL, S.A.	SPAIN	NO ACTIVITY	100.00	-	100.00	8,211	9,523	28	9,163	332

**APPENDIX I**  
**ADDITIONAL INFORMATION ON CONSOLIDATED SUBSIDIARIES**  
**COMPOSING THE BANCO BILBAO VIZCAYA ARGENTARIA GROUP**

Company	Location	Activity	% of Voting Rights Controlled by the Bank			Thousands of Euros ( * )				
			Direct	Indirect	Total	Investee Data				Profit (Loss) for the Period ended 31.12.07
						Net Carrying Amount	Assets as of 31.12.07	Liabilities as of 31.12.07	Equity 31.12.07	
OPCION VOLCAN, S.A.	MEXICO	REAL EST.INSTR.	-	100.00	100.00	55,430	60,815	5,383	53,243	2,189
OPPLUS OPERACIONES Y SERVICIOS, S.A.	SPAIN	SERVICES	100.00	-	100.00	1,067	4,161	3,187	1,066	(92)
PALADIN BROKERAGE SOLUTIONS, INC	UNITED STATES	SERVICES	-	100.00	100.00	7,915	8,535	621	7,881	33
PARTICIPACIONES ARENAL, S.L.	SPAIN	NO ACTIVITY	-	100.00	100.00	6,456	7,670	1,212	6,271	187
PENSIONES BANCOMER, S.A. DE C.V.	MEXICO	INSURANCE	-	100.00	100.00	94,760	1,344,099	1,249,334	79,450	15,315
PERI 5.1 SOCIEDAD LIMITADA	SPAIN	REAL ESTATE	-	54.99	54.99	1	-	-	1	(1)
PHOENIX LOAN HOLDINGS, INC.	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	704,425	722,841	18,415	686,766	17,660
PI HOLDINGS NO. 3 , INC.	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	50	70	20	50	-
PI HOLDINGS NO. 4, INC.	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	1	1	-	1	-
PI HOLDINGS NO.1 , INC.	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	1,637	2,023	386	1,637	-
PORT ARTHUR ABSTRACT & TITLE COMPANY	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	2,149	2,354	205	1,597	552
PREMEXSA, S.A. DE C.V.	MEXICO	FINANCIAL SERV.	-	100.00	100.00	375	399	20	464	(85)
PREVENTIS, S.A.	MEXICO	INSURANCE	-	75.01	75.01	2,049	11,318	8,585	4,385	(1,652)
PRO-SALUD, C.A.	VENEZUELA	SERVICES	-	58.86	58.86	-	-	-	-	-
PROMOCION EMPRESARIAL XX, S.A.	SPAIN	FINANCIAL SERV.	100.00	-	100.00	1,522	2,132	32	2,045	55
PROMOTORA DE RECURSOS AGRARIOS, S.A.	SPAIN	SERVICES	100.00	-	100.00	139	126	0	146	(20)
PROMOTORA RESIDENCIAL GRAN EUROPA, S.L.	SPAIN	REAL ESTATE	-	58.50	58.50	318	978	415	543	20
PROVIDA INTERNACIONAL, S.A.	CHILE	PENSIONS	-	100.00	100.00	50,924	52,292	1,363	42,681	8,248
PROVINCIAL DE VALORES CASA DE BOLSA, C.A.	VENEZUELA	FINANCIAL SERV.	-	90.00	90.00	6,423	13,282	4,901	5,438	2,943
PROVINCIAL SDAD.ADMIN.DE ENTIDADES DE INV.COLECTIVA, C.A.	VENEZUELA	FINANCIAL SERV.	-	100.00	100.00	2,319	2,527	276	1,587	664
PROVIVIENDA, ENTIDAD RECAUDADORA Y ADMIN.DE APORTES, S.A.	BOLIVIA	PENSIONS	-	100.00	100.00	319	1,760	1,421	269	70
PROXIMA ALFA INVESTMENTS (IRELAND) LIMITED	IRELAND	FINANCIAL SERV.	-	100.00	100.00	125	125	-	125	-
PROXIMA ALFA INVESTMENTS (UK) LLP	UNITED KINGDOM	FINANCIAL SERV.	-	51.00	51.00	0	1,899	1,842	(4)	61
PROXIMA ALFA INVESTMENTS, SGIIC S.A.	SPAIN	FINANCIAL SERV.	51.00	-	51.00	5,100	22,410	9,126	10,866	2,418
PROXIMA ALFA SERVICES LTD.	UNITED KINGDOM	FINANCIAL SERV.	-	100.00	100.00	2,292	2,422	271	2,142	9
PROYECTO MUNDO AGUILON, S.L	SPAIN	REAL ESTATE	-	100.00	100.00	9,317	35,186	6,747	22,612	5,827
PROYECTOS EMPRESARIALES CAPITAL RIESGO I,S.C.R.SIMP., S.A.	SPAIN	SDAD. CAPITAL RIESGO	100.00	-	100.00	155,700	153,678	1,004	155,670	(2,996)
PROYECTOS INDUSTRIALES CONJUNTOS, S.A. DE	SPAIN	PORTFOLIO	-	100.00	100.00	3,148	5,561	2,154	3,485	(78)
RESIDENCIAL CUMBRES DE SANTA FE, S.A. DE C.V.	MEXICO	REAL ESTATE	-	100.00	100.00	10,904	14,841	4,418	9,080	1,343
RIVER OAKS BANK BUILDING, INC.	UNITED STATES	REAL EST.INSTR.	-	100.00	100.00	13,735	14,649	914	13,590	145
RIVER OAKS TRUST CORPORATION	UNITED STATES	NO ACTIVITY	-	100.00	100.00	1	1	-	1	-
RIVERWAY HOLDINGS CAPITAL TRUST I	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	211	7,047	6,836	188	23
S.GESTORA FONDO PUBL.REGUL.MERCADO HIPOTECARIO, S.A.	SPAIN	FINANCIAL SERV.	77.20	-	77.20	138	215	67	150	(2)
SCALDIS FINANCE, S.A.	BELGIUM	PORTFOLIO	-	100.00	100.00	3,416	3,653	140	3,490	23
SEGUROS BANCOMER, S.A. DE C.V.	MEXICO	INSURANCE	24.99	75.01	100.00	279,858	1,212,417	1,040,455	75,692	96,270
SEGUROS PROVINCIAL, C.A.	VENEZUELA	INSURANCE	-	100.00	100.00	11,986	26,002	13,990	4,777	7,235
SERVICIOS CORPORATIVOS BANCOMER, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	3	7,883	7,880	124	(121)
SERVICIOS CORPORATIVOS DE SEGUROS, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	204	4,115	3,921	96	98
SERVICIOS EXTERNOS DE APOYO EMPRESARIAL, S.A DE C.V.	MEXICO	SERVICES	-	100.00	100.00	2,122	5,570	3,448	1,576	546
SERVICIOS TECNOLOGICOS SINGULARES, S.A.	SPAIN	SERVICES	99.99	0.01	100.00	60	6,946	6,843	100	3
SNB-WP, LP	UNITED STATES	FINANCIAL SERV.	-	51.00	51.00	736	5,392	3,950	1,568	(126)
SOCIEDAD DE ESTUDIOS Y ANALISIS FINANCI.,S.A.	SPAIN	COMERCIAL	100.00	-	100.00	114,518	192,253	714	187,950	3,589
SOCIETE IMMOBILIERE BBV D'ILBARRIZ	FRANCIA	REAL ESTATE	-	100.00	100.00	1,589	1,621	31	80	1,510
SOPORTE OPERATIVO PERU, S.A.C.	PERU	SERVICES	-	100.00	100.00	160	609	456	195	(42)
SOUTHEAST TEXAS INSURANCE SERVICES HOLDINGS, L.L.C.	UNITED STATES	NO ACTIVITY	-	100.00	100.00	-	-	-	-	-
SOUTHEAST TEXAS INSURANCE SERVICES, L.P.	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	393	491	98	320	73
SOUTHEAST TEXAS TITLE COMPANY	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	821	1,450	632	603	215
SPORT CLUB 18, S.A.	SPAIN	PORTFOLIO	100.00	-	100.00	21,923	40,552	18,753	23,270	(1,471)



**APPENDIX I**  
**ADDITIONAL INFORMATION ON CONSOLIDATED SUBSIDIARIES**  
**COMPOSING THE BANCO BILBAO VIZCAYA ARGENTARIA GROUP**

Company	Location	Activity	% of Voting Rights Controlled by the Bank			Thousands of Euros ( * )				
			Direct	Indirect	Total	Investee Data				Profit (Loss) for the Period ended 31.12.07
						Net Carrying Amount	Assets as of 31.12.07	Liabilities as of 31.12.07	Equity 31.12.07	
ST. JOHNS INVESTMENTS MANAGMENT CO.	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	3,365	3,612	247	3,334	31
STATE NATIONAL BANK (SNB)	UNITED STATES	BANKING	-	100.00	100.00	358,135	1,330,594	972,458	340,371	17,765
STATE NATIONAL CAPITAL TRUST I	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	319	10,509	10,190	290	29
STATE NATIONAL PROPERTIES LLC	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	15	16	-	17	(1)
STATE NATIONAL STATUTORY TRUST II	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	211	7,026	6,816	192	18
STAVIS MARGOLIS ADVISORY SERVICES, INC.	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	18,283	19,088	805	17,649	634
TARUS, INC.	UNITED STATES	NO ACTIVITY	-	100.00	100.00	1	1	-	1	-
TEXAS INTERNATIONAL INSURANCE GROUP, INC.	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	361	368	7	333	28
TEXAS LOAN SERVICES, LP.	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	781,001	781,251	250	771,028	9,973
TEXAS REGIONAL STATUTORY TRUST I	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	1,054	35,130	34,077	959	94
TEXAS STATE BANK	UNITED STATES	BANKING	-	100.00	100.00	1,541,553	5,782,484	4,240,929	1,478,818	62,737
TEXASBANC CAPITAL TRUST I	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	533	17,772	17,239	531	2
THE LAREDO NATIONAL BANK	UNITED STATES	BANKING	-	100.00	100.00	628,966	3,298,592	2,669,630	598,229	30,733
TRANSITORY CO	PANAMA	REAL EST.INSTR.	-	100.00	100.00	147	2,777	2,630	197	(50)
TSB PROPERTIES, INC.	UNITED STATES	REAL EST.INSTR.	-	100.00	100.00	(1,342)	720	2,062	(1,342)	-
TSB SECURITIES, INC.	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	286	308	22	284	2
TUCSON LOAN HOLDINGS, INC.	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	599,124	599,893	770	585,354	13,769
TWOENC, INC	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	(338)	265	603	(244)	(94)
UNICOM TELECOMUNICACIONES S.DE R.L. DE C.V.	MEXICO	SERVICES	-	99.98	99.98	(12)	10	21	(11)	-
UNIDAD DE AVALUOS MEXICO S.A. DE C.V.	MEXICO	FINANCIAL SERV.	-	90.00	90.00	734	1,420	607	680	133
UNITARIA GESTION DE PATRIMONIOS INMOBILIARIOS, S.A.	SPAIN	SERVICES	-	100.00	100.00	2,410	2,536	11	2,463	62
UNIVERSALIDAD "E5"	COLOMBIA	FINANCIAL SERV.	-	100.00	100.00	-	5,143	5,141	2	-
UNIVERSALIDAD - BANCO GRANAHOARRAR	COLOMBIA	FINANCIAL SERV.	-	100.00	100.00	-	10,606	12,829	(2,446)	223
UNO-E BANK, S.A.	SPAIN	BANKING	67.35	32.65	100.00	174,751	1,684,958	1,532,927	134,745	17,286
UNO-E BRASIL BANCO DE INVESTIMENTOS, S.A.	BRAZIL	BANKING	100.00	-	100.00	16,166	35,363	4,685	29,132	1,546
URBANIZADORA SANT LLORENC, S.A.	SPAIN	NO ACTIVITY	60.60	-	60.60	-	108	-	108	-
VALANZA CAPITAL RIESGO S.G.E.C.R. S.A. UNIPERSONAL	SPAIN	SDAD. CAPITAL RIESGO	100.00	-	100.00	1,200	5,988	1,787	1,305	2,896
VALLEY MORTGAGE COMPANY, INC.	UNITED STATES	FINANCIAL SERV.	-	100.00	100.00	1	1	-	1	-
VISACOM, S.A. DE C.V.	MEXICO	SERVICES	-	100.00	100.00	450	451	1	407	43
WESTERN BANCSHARES OF ALBUQUERQUE, INC.	UNITED STATES	NO ACTIVITY	-	100.00	100.00	1	1	-	1	-
WESTERN MANAGEMENT CORPORATION	UNITED STATES	NO ACTIVITY	-	100.00	100.00	1	1	-	1	-

Information on foreign companies at exchange rate on 31-12-07

**APPENDIX II**  
**ADDITIONAL INFORMATION ON JOINTLY CONTROLLED COMPANIES PROPORTIONATELY**  
**CONSOLIDATED IN THE BANCO BILBAO VIZCAYA ARGENTARIA GROUP**

COMPANY	LOCATION	ACTIVITY	% of voting rights Controlled by the bank			Thousand of Euros ( * )				
			Direct	Indirect	Total	Net carrying amount	Investee Data			
							Assets 31.12.07	Liabilities 31.12.07	Equity 31.12.07	Profit (loss) for the Period 2007
DARBY-BBVA LATIN AMERICAN INVESTORS, LTD	CAYMAN ISLAND	FINANCIAL SERV	50.00	-	50.00	40	2,070	914	935	221
ECASA, S.A.	CHILE	FINANCIAL SERV	-	100.00	100.00	4,111	5,166	1,055	(395)	4,506
FORUM DISTRIBUIDORA, S.A.	CHILE	FINANCIAL SERV	-	51.04	51.04	5,694	20,309	13,569	5,451	1,289
FORUM SERVICIOS FINANCIEROS, S.A.	CHILE	FINANCIAL SERV	-	51.00	51.00	48,008	463,190	396,657	45,176	21,357
INVERSIONES PLATCO, C.A.	VENEZUELA	FINANCIAL SERV	-	50.00	50.00	948	1,897	-	1,897	-
PSA FINANCE ARGENTINA COMPAÑIA FINANCIERA, S.A.	ARGENTINA	FINANCIAL SERV	-	50.00	50.00	3,167	56,836	50,500	5,764	572

Information on foreign companies at exchange rate on 12/31/07

**APPENDIX III**  
**ADDITIONAL INFORMATION ON INVESTMENTS AND JOINTLY CONTROLLED**  
**COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD IN THE BANCO BILBAO VIZCAYA ARGENTARIA GROUP**

(Includes the most significant companies which, taken as a whole, represent 97% of the total investment in this respect)

COMPANY	LOCATION	ACTIVITY	% of voting rights			Thousand of Euros ( * )				
			Controlled by the bank			Net Carrying amount	Investee Data			Profit (loss) for the period
			Direct	Indirec	Total		Assets	Liabilities	Equity	
ADQUIRA ESPAÑA, S.A.	SPAIN	SERVICES	-	40.00	40.00	3,248	21,889	15,215	5,781	893
ALMAGRARIO, S.A.	COLOMBIA	SERVICES	-	35.38	35.38	6,694	21,991	5,530	16,101	359
AUREA, S.A. (CUBA)	CUBA	REAL ESTATE	-	49.00	49.00	3,933	10,062	1,261	7,692	1,109
BBVA ELCANO EMPRESARIAL II, S.C.R., S.A.	SPAIN	SERV.FINANCIER.	45.00	-	45.00	57,166	33,439	184	32,656	599
BBVA ELCANO EMPRESARIAL, S.C.R., S.A.	SPAIN	SERV.FINANCIER.	45.00	-	45.00	57,167	33,441	184	32,656	601
CAMARATE GOLF, S.A.(*)	SPAIN	REAL ESTATE	-	26.00	26.00	4,623	68,873	50,992	17,927	(46)
CITIC INTERNATIONAL FINANCIAL HOLDINGS LIMITED CIFH	HONG-KONG	BANKING	14.53	-	14.53	432,379	9,974	7,998	1,860	116
COMPañIA ESPAÑOLA DE FINANCIACION DEL DESARROLLO S.A.	SPAIN	SERVICES	21.82	-	21.82	10,926	59,982	11,733	47,119	1,129
COMPañIA MEXICANA DE PROCESAMIENTO, S.A. DE C.V.	MEXICO	SERVICES	-	50.00	50.00	3,325	7,983	1,832	8,913	(2,762)
CORPORACION IBV PARTICIPACIONES EMPRESARIALES, S.A.(*)	SPAIN	PORTFOLIO	-	50.00	50.00	573,588	1,533,561	375,735	630,641	527,185 (1)
FERROMOVIL 3000, S.L.(*)	SPAIN	SERVICES	-	20.00	20.00	6,236	348,157	318,179	31,806	(1,828)
FERROMOVIL 9000, S.L.(*)	SPAIN	SERVICES	-	20.00	20.00	3,951	280,371	261,599	20,773	(2,001)
FIDEICOMISO HARES BBVA BANCOMER F/47997-2 (*)	MEXICO	REAL ESTATE	-	50.00	50.00	10,834	11,899	798	10,767	334
FIDEICOMISO 70191-2 PUEBLA(*)	MEXICO	REAL ESTATE	-	25.00	25.00	10,310	49,890	2,417	48,205	(732)
GRUPO PROFESIONAL PLANEACION Y PROYECTOS, S.A. DE C.V.(*)	MEXICO	SERVICES	-	44.39	44.39	6,851	21,241	11,904	9,160	177 (1)
HESTENAR, S.L.(*)	SPAIN	REAL ESTATE	-	43.34	43.34	7,816	27,835	21,969	5,909	(43)
IMOBILIARIA DAS AVENIDAS NOVAS, S.A.	PORTUGAL	REAL ESTATE	-	49.97	49.97	2,612	5,647	411	5,317	(81)
IMOBILIARIA DUQUE DE AVILA, S.A.(*)	PORTUGAL	REAL ESTATE	-	50.00	50.00	4,993	26,138	16,504	9,848	(214)
INMUEBLES MADARIAGA PROMOCIONES, S.L.(*)	SPAIN	REAL ESTATE	50.00	-	50.00	7,127	7,196	884	6,327	(15)
JARDINES DEL RUBIN, S.A.(*)	SPAIN	REAL ESTATE	-	50.00	50.00	4,828	44,451	38,551	4,103	1,797
LA ESMERALDA DESARROLLOS, S.L.(*)	SPAIN	REAL ESTATE	-	25.00	25.00	4,997	56,571	36,571	20,000	0
LAS PEDRAZAS GOLF, S.L.(*)	SPAIN	REAL ESTATE	-	50.00	50.00	15,813	75,014	43,177	31,910	(73)
METROPOLITAN PARTICIPACIONES, S.L.	SPAIN	PORTFOLIO	-	40.67	40.67	131,114	861,387	536,098	336,135	(10,846) (2)
MONTEALMENARA GOLF, S.L.(*)	SPAIN	REAL ESTATE	-	50.00	50.00	2,934	86,561	51,518	15,606	19,437
PARQUE REFORMA SANTA FE, S.A. DE C.V.	MEXICO	REAL ESTATE	-	30.00	30.00	5,589	51,784	30,946	18,038	2,800
ROMBO COMPañIA FINANCIERA, S.A.	ARGENTINA	SERV.FINANCIER.	-	40.00	40.00	7,006	66,702	58,491	7,397	815
SERVICIOS ELECTRONICOS GLOBALES, S.A. DE C.V.	MEXICO	SERVICES	-	46.14	46.14	4,436	20,613	10,216	9,930	466
SERVIED SOCIEDAD ESPAÑOLA DE MEDIOS DE PAGO, S.A.	SPAIN	SERV.FINANCIER.	20.50	0.93	21.43	10,638	52,992	3,598	49,371	23
TELEFONICA FACTORING, S.A.	SPAIN	SERV.FINANCIER.	30.00	-	30.00	2,942	115,918	106,503	6,905	2,510
TUBOS REUNIDOS, S.A.	SPAIN	INDUSTRIAL	-	24.26	24.26	84,754	634,707	339,202	235,098	60,407 (1)
VITAMEDICA S.A DE C.V.(*)	MEXICO	INSURANCE	-	50.99	50.99	2,666	9,244	3,307	5,760	177
OTRAS SOCIEDADES						50,462				
<b>TOTAL</b>						<b>1,541,958</b>	<b>4,655,513</b>	<b>2,363,508</b>	<b>1,689,712</b>	<b>602,293</b>

Data relating to the latest financial statements (generally for 2004) approved at the date of preparation of these notes to the consolidated financial statements.

For the companies abroad the exchange rates ruling at the reference date are applied,

(1) Consolidated data

(2) Company incorporated in 2007

(\*) Jointly controlled entities accounted for using the equity method

**APPENDIX IV**  
**NOTIFICATIONS OF ACQUISITIONS/DISPOSALS OF INTEREST OWNERSHIP IN INVESTEES OF THE GROUP**

COMPANY	ACTIVITY	% of Ownership		Date of Notification to Investee
		Net% Acquired (Sold) in the Year	% at Year-End	
Acquisitions made until December 31, 2006				
BBVA CARTERA DE INVERSIONES SICAV, S.A.	PORTFOLIO	17.40	92.25	January 9, 2007
HESTENAR, S.L.	REAL ESTATE	3.34	43.34	January 18, 2007
INENSUR BRUNETE, S.L.	REAL ESTATE	50.00	100.00	October 20, 2006
TECNICAS REUNIDAS, S.A.	SERVICES	(15.23 )	10.16	June 26, 2006
UNO-E BANK, S.A.	BANKING	33.00	100.00	August 10, 2006
Acquisitions made until December 31, 2007				
FORO LOCAL, S.L.	SERVICES	39.87	100.00	July 13, 2007
HOLDING DE PARTICIPACIONES INDUSTRIALES 2000, S.A.	PORTFOLIO	50.00	100.00	June 13, 2007
ECONTA GESTION INTEGRAL, S.L.	SERVICES	60.00	60.00	August 9, 2007
METROPOLITAN PARTICIPATIONS, S.L.	PORTFOLIO	40.67	40.67	October 11, 2007

**APPENDIX V**  
**SUBSIDIARIES FULLY CONSOLIDATED AS OF DECEMBER 31, 2007**  
**WITH MORE THAN 5% OWNED BY NON-GROUP SHAREHOLDERS**

Company	Activity	% of voting rights Controlled by the bank		
		Direct	Indirect	Total
ALTITUDE INVESTMENTS LIMITED	FINANCIAL SERV.	51.00	-	51.00
ALTURA MARKETS, A.V., S.A.	SECURITIES	50.00	-	50.00
BANCO BILBAO VIZCAYA ARGENTARIA CHILE, S.A.	BANKING	58.36	9.81	68.17
BANCO PROVINCIAL S.A. - BANCO UNIVERSAL	BANKING	1.85	53.75	55.60
BBVA & PARTNERS ALTERNATIVE INVESTMENT A.V., S.A.	SECURITIES	70.00	-	70.00
BBVA INMOBILIARIA E INVERSIONES S.A.	REAL ESTATE	-	68.11	68.11
BLUE VISTA PLATAFORMA DE EMISIÓN EN NUEVOS MEDIOS, S.L.	SERVICES	-	70.00	70.00
DESARROLLO URBANISTICO DE CHAMARTÍN, S.A.	REAL ESTATE	-	72.50	72.50
EL OASIS DE LAS RAMBLAS, S.L.	REAL ESTATE	-	70.00	70.00
ESTACIÓN DE AUTOBUSES CHAMARTÍN, S.A.	SERVICES	-	51.00	51.00
FINANZIA AUTORENTING, S.A.	SERVICES	-	88.32	88.32
GESTIÓN DE PREVISIÓN Y PENSIONES, S.A.	PENSIONS	60.00	-	60.00
HOLDING CONTINENTAL, S.A.	PORTFOLIO	50.00	-	50.00
IBERDROLA SERVICIOS FINANCIEROS, E.F.C, S.A.	FINANCIAL SERV.	-	84.00	84.00
INVERSIONES BANPRO INTERNATIONAL INC. N.V.	PORTFOLIO	48.00	-	48.00
JARDINES DE SARRIENA, S.L.	REAL ESTATE	-	85.00	85.00
MIRADOR DE LA CARRASCOSA, S.L.	REAL ESTATE	-	55.90	55.90
PERI 5.1 SOCIEDAD LIMITADA	REAL ESTATE	-	54.99	54.99
PREVENTIS, S.A.	INSURANCES	-	75.01	75.01
PROMOTORA RESIDENCIAL GRAN EUROPA, S.L.	REAL ESTATE	-	58.50	58.50
PRO-SALUD, C.A.	SERVICES	-	58.86	58.86
PROVINCIAL DE VALORES CASA DE BOLSA, C.A.	FINANCIAL SERV.	-	90.00	90.00
PROXIMA ALFA INVESTMENTS (UK) LLP	FINANCIAL SERV.	-	51.00	51.00
PROXIMA ALFA INVESTMENTS, SGIIC, S.A.	FINANCIAL SERV.	51.00	-	51.00
SNB-WP, LP	FINANCIAL SERV.	-	51.00	51.00
UNIDAD DE AVALUOS MEXICO S.A. DE C.V.	FINANCIAL SERV.	-	90.00	90.00

APPENDIX VI  
LIST OF AGENTS

ABELLAN YEPES, SUSANA  
ABONA GESTION SERVICIOS INTEGRADOS SL  
ABRA CAPITAL SL  
ACCURACY CONSULTING SL  
ACOFIRMA SL  
ACREMUN SL  
ADA PROMOCIONES Y NEGOCIOS  
ADAN ROLDAN, FRANCISCO DE ASIS  
AFDA XXI SL  
AFIANZA CONSULTORES SL  
AFITEC INVERSIONES SL  
AGENCIA FERRERO Y LAGARES SL  
AGESAD ASESORIAMIENTO Y ADMINISTRACION SL  
AGUILAR MORELL, ANTONIO  
AGUILAR TORO, JOSE DAMIAN  
AGUSTIN FERNANDEZ CRUZ AFC S.L.  
AGUSTIN VILAPLANA SL  
AHUJA AHUJA, RAKESH  
ALARINVEST SERVICIOS PATRIMONIALES SL  
ALBA MORADO, ISIDRO  
ALBA Y HENAREJOS SL  
ALBIÑANA BOLUDA, AMPARO  
ALCALA JARA, FRANCISCO JAVIER  
ALCANTARA IZQUIERDO, CRISTINA  
ALDA CLEMENTE, MARIA LUISA  
ALFEVA 2000 SL  
ALFONSO PALOP & ASOCIADOS SC  
ALGOM, S.C.P.  
ALIGUE BALLUS, JOSEP  
ALMAGRO OTERO, ANTONIO  
ALONSO BAJO, LORENZO  
ALONSO HEVIA, AMPARO  
ALONSO PAREDES, JOSE IGNACIO  
ALONSO VALLE, ESTEBAN  
ALSINA MARGALL, MIREIA  
ALTURA PLATA, PASTORA  
ALZO CAPITAL S.L.  
AMILLS MUJAL FERNANDEZ SL  
ANABEL MORENO JIMENEZ ASESORES, S.L.  
ANDERSEN VIELWERTH, PAUL ERIK  
ANDRADA RINCON, SOLEDAD  
ANGELA YUS PUERTA & ASOCIADOS SL  
ANGOITIA LIZARRALDE, MARIA DEL CARMEN  
ANTEQUERA ASESORES, S.L.  
ANTONIO Y CATALINA TRAMULLAS, S.L.  
APALATEGUI GARCIA, JOSE RAMON  
APIRIOJA CB  
ARANA , ANGELICA CELINA  
ARANDA GARRANCHO, ANA MARIA  
ARANE PROMOCION Y GESTION, S.L.  
ARAQUE ALONSO BLASO ASESORES, S.L.  
ARCOS GONZALEZ, FELIX  
AREA SEIS GESTION S.L.  
ARECHAVALA CASUSO, CARLOS  
AREVALO AREVALO, MARIA DEL CARMEN  
ARGENT GESTIO SL  
ARGIGES BERMEO SL  
ARIAS TORRES, MIGUEL  
ARISGESTION FINANCIERA S.L.  
ARMENDARIZ BARNECHEA, MIKEL  
ARNELA MAYO, JUAN MANUEL  
ARROYO ROMERO, CARLOS GUSTAVO  
ARRUFAT Y ASOCIADOS SL  
ARTSIOMAVA , RITA  
ASC SCCL  
ASCENT CENTRO ASESOR, S.L.  
ASDE ASSESSORS, S.L.  
ASELIC VIGO, S.L.  
ASEMYL SL  
ASENSIO CANO, AMBROSIO JESUS  
ASENSIO ASESORES SL

ASESORES REUNIDOS ARGA, S.L.  
ASESORIA AREGUME, S.L.U.  
ASESORIA ASETRA, S.L.  
ASESORIA CM CB  
ASESORIA DE EMPRESAS HERNANDEZ CAMINO SL  
ASESORIA DEL RIO PULIDO, S.C.  
ASESORIA EMPRESARIAL POSE SL  
ASESORIA EMPRESAS J. MADERA S.C  
ASESORIA EUROBILBAO SL  
ASESORIA EXPANSION 2001 SL  
ASESORIA FINANCIERA AGRUPALIA SL  
ASESORIA FINANCIERA LUGO SL  
ASESORIA GONZALEZ VALDES, S.L.  
ASESORIA GORROTXA ASEGURAOAK S.L.  
ASESORIA INMOBILIARIA LIDER SL  
ASESORIA INMOBILIARIA SOLPISOS SL  
ASESORIA IÑIGO, S.L.  
ASESORIA LIZARDI, S.L.  
ASESORIA NEMARA COOP. V  
ASESORIA SANCHEZ & ALCARAZ SL  
ASESORIA SILLA, S.L.  
ASESORIA TOLEDO SL  
ASESORIA ZAFRA VALERO SL  
ASESPA SL  
ASFÍ SERVICIOS INTEGRALES SL  
ASOCIACION DE SERVICIOS PROFESIONALES LOS REALEJOS SLL  
ASSESORIA VIGUE S.L.  
ASSESSORIA VISERTA SL  
ASSET EUROCONSULTING, S.L.  
ASTURPRAU INMOBILIARIO, S.L.  
ATIPA MAKER SL  
AUDAL CONSULTORES AUDITORES SL  
AULES ASESORES, S.L.  
AVC CONSULTORES DE EMPRESAS S.L.  
AVENIDA DE CONSULTING DE NEGOCIOS SL  
AYZA MIRALLES, JOAQUIN MIGUEL  
B&S GLOBAL OPERATIONS CONSULTING S.A  
BAILEN ASESORES CONSULTORES S.L.  
BALADA ROLDAN, MARIA DEL ROSARIO  
BALLESTER VAZQUEZ, JOSE LUIS  
BALLESTEROS CORDERO, VICENTE  
BANCAT 2004 SL  
BARDAJI PLANA, AGUSTIN  
BARO CLARIANA, SERGI  
BARRAGAN ORTIZ, JUAN  
BARRIONUEVO VACA, JOSE LUIS  
BASCUAS ASESORES SL  
BATISTE ANGLES, JOSEFA  
BAUSA PASTOR, JOSE ANTONIO  
BELLO RECOUSO, MANUEL  
BELTRAN GAMIR, PEDRO  
BENITO ZABACO, ANTONIO JOSE  
BERLINCHES TORGUET, JUAN ANTONIO  
BERMEJO REDONDO, ADRIAN  
BERNAL FERNANDEZ ASESORES SL  
BERNAOLA ASEGURAO ARTEKARITZA SL  
BERNIER RUIZ DE GOREGUI, MARIA ISABEL  
BERNOIS INVERSIONES, S.L.  
BETA MERCAT INMOBILIARI SL  
BETRIU ADVOCATS, S.C.P.  
BIRMANI PROMOCIONS, S.L.  
BLADYDUNA S.L.  
BLAI GABINET DE SERVEIS SL  
BLANCO GOMEZ, MARIA VICENTA  
BOBET BRIEBA, AUGUSTO  
BODAS SANCHEZ, MARIA DEL PILAR  
BONILLO GOMEZ, LOURDES  
BORONDO ALCAZAR, JOSE  
BRANLI CONSULTORES ASOCIADOS S.L.  
BRIONES PEREZ DE LA BLANCA, FERNANDO  
BRIONES SERRANO, CLARA MARIA

BUFETE MARTINEZ GARCIA, C.B.  
BUIXEDA RUANA, JOSE MARIA  
BUSTAMANTE FONTES, MAYDA LOURDES  
CABEZAS LABRADOR, JUAN JOSE  
CABRADILLA ANTOLIN, LEONILA  
CADION SL  
CALDERON CALDERON, CLEMENCIA  
CALDERON CARDEÑOSA, MARIA LUISA  
CALVO NUÑEZ, ANTONIO  
CAMACHO MARTINEZ, PEDRO  
CAMPDEPADROS CORREDURIA D'ASSEGURANCES SL  
CAMPOMANES IGLESIAS, MARIA TERESA  
CAMPOS CARRERO, MARIA JOSEFA  
CAMPOY RUEDA, GABRIEL  
CANDELA AZORIN, FRANCISCO  
CANOVAS MOJICA, ROBERTO  
CANOVAS PEREZ, ISABEL  
CANTARERO MARTINEZ, BARTOLOME  
CANTELAR Y SAINZ DE BARANDA SL  
CAÑAS AYUSO, FRANCISCO  
CAPAFONS Y CIA SL  
CARBAJO OTERO, MARIA ANGELES  
CARBO ROYO, JOSE JORGE  
CARBONELL CHANZA, FRANCISCO  
CARDENAS SANCHEZ, GABRIEL  
CARDENO CHAPARRO, FRANCISCO MANUEL  
CARO VIEJO, JUAN ANTONIO  
CARRASCAL PRIETO, LUIS EUSEBIO  
CARRASCO GONZALEZ, MARIA DEL AMOR  
CARRASCO MARTINEZ, RAMON  
CARRIL GONZALEZ BARROS, ALEJANDRO SERGIO  
CARRILERO PEREZ, AGUSTIN  
CASADO GALLARDO, GERARDO  
CASADO DE AMEZUA BUESA, GABRIEL  
CASSO MAYOR, FRANCISCA  
CASTAÑOSA ALCAINE, IGNACIO  
CASTELL AMENGUAL, MARIA  
CASTELLANOS JARQUE, MANUEL  
CASTILLA ALVAREZ, RAFAEL JOSE  
CASTILLA CARRETERO, MARIA DEL MAR  
CASTRO VAZQUEZ, JOSE ANTONIO  
CASTRO JESUS, FRANCISCO JAVIER  
CEBRIAN CLAVER, JOSE JUAN  
CEIDE CANZOBRE, FERNANDO  
CELMA JIMENEZ, JOSE MANUEL  
CERDEIRA BRAVO DE MANSILLA, ALFONSO  
CERQUEIRA CRUCIO, FERNANDO  
CERRATO LUJAN, JOSE  
CERTOVAL, S.L.  
CERVERA AMADOR, ANTONIO  
CHACON ARRUE, MARIA  
CHICAN AMERIGRUP SL  
CHINCHILLA IGEA, RAFAEL  
CHULIA OLMOS, ENRIQUE SALVADOR  
CIGANDA BARBERIA, ROSA MARIA  
CL CONSULTORIA 23 SL  
CLIMENT MARTOS, MARIA ROSARIO  
CMS ASESORES LEGALES SL  
COCA LOZA, M<sup>l</sup> DOLORES GENOVEVA  
COLLELL RIERA, FRANCISCO JAVIER  
COLOMINA, CEBRIAN Y ANTON ABOGADOS  
COMPAÑIA VIZCAINA DE ASESORIA, S.L.  
CONMEDIC GESTIONS MEDICAS SL  
CONSULTING INMOBILIARIA 4B S.L.  
CONSULTOR FINANCIERO Y TRIBUTARIO SA  
CONSULTORES DE COMUNICACION VELASCO & ASOCIADOS  
CONSULTORES FINANCIEROS LABORALES, S.L.  
CONSULTORIA ADMINISTRATIVA DE EMPRESAS CADE SL  
CONSULTORIA BARCELONA, SERVEIS I ASSESSORAMENT SL  
CONSULTORIA SANTA FE SL  
COOP AGRICOLA SAN ISIDRO DE ALCALA DE XIVERT. COOP.V.

APPENDIX VI  
LIST OF AGENTS

CORCUERA BRIZUELA, JOSE MARIA  
CORIBA SL  
CORNADO CUBELLS, GEORGINA  
CORPORACION INDUSTRIAL DE PROYECTOS S.A  
COSEFINAN, S.L.  
COSTA CALAF, MONTSERRAT  
COSTA CAMBRA, ANGEL  
COSTAS SUAREZ, ISMAEL  
CREDIBOX UNIVERSAL SLU  
CREIXELL GALLEGO, XAVIER  
CRESPO SANTIAGO, MARIA GLORIA  
CRIADO ANAYA, LUIS  
CRISTOBAL LOPEZ, MANUEL DE  
CUADRADO BOIZA, ANTONIO  
CUBERO CAPITAL SL  
CUENCA OLIVEIRA, ANTONIO  
DE CAMBRA ANTON, VICTOR  
DE CASTRO DIAZ, SILVANO  
DE DIEGO MARTI, FRANCISCO JOSE  
DE LEON SOLARES, JOSE CARLOS  
DE VREDE , LEONARDUS CORNELIS ANTONIUS  
DEAS FILCO SL  
DECALA GESTION SL  
DEL GUAYO MARTIN, MARIA NOEMI  
DEL RIO OLIVARES, FRANCISCO  
DELGADO GARCIA, JOSE LUIS  
DELTA CONSULTING FINANCES, S.L.  
DESPACHO ABACO, S.A.  
DESPACHO GUADALIX PAJARES SCP  
DESPACHO TRAMITACION Y GESTION DE DOCUMENTOS SL  
DESPASEG S.L.  
DEVESA CORSILIA, S.L.  
DIANA VALDEOLIVAS, ANGEL  
DIAZ FLORES, JUAN FRANCISCO  
DIAZ GARCIA, MARINA  
DIAZ LARA, ISABEL  
DIAZ LORENZO, LORENZO  
DIAZ VARELA, DOMINGO ADRIAN  
DIAZ DE ESPADA LOPEZ DE GAUNA, LUIS MARIA  
DIAZ-BENITO DIAZ-MADROÑERO, JUAN  
DIEZ AMORETTI, FRANCISCO  
DOBLAS GEMAR, ANTONIO  
DOMINGO GARCIA-MILA, JORDI  
DOMINGUEZ CANELA, INES  
DOMINGUEZ JARA, RAFAEL JESUS  
DOMINGUEZ RODES, JUAN LUIS  
DOMUS AVILA SL  
DURAN GONZALEZ, CEFERINO  
ECHANIZ LIZUAR, MARIA BELEN  
EGADI CONSULTORES, S.L.  
EKO - LAN CONSULTORES SL  
ELCANO REAL STATE SL  
ELGUEA OMATOS, EMILIO  
ELIAS RIVAS, GREGORIO  
ELKARLAN U&P ASESORES  
ENRIQUE BLANCO, MARIA CONCEPCION  
ENRIQUE AMOR CORREDURIA DE SEGUROS SL  
EPC ASSESSORS LEGALS I TRIBUTARIS SL  
ESCUDERO SANCHEZ, RAFAEL PEDRO  
ESINCO CONSULTORIA SL  
ESPALLARGAS MONTSERRAT, MARIA TERESA  
ESPARCIA CUESTA, FELISA  
ESPASA ROIG, YOLANDA  
ESPIN CALVO, ALMUDENA  
ESPUNY CURTO, M.: NATIVIDAD  
ESTEBAN TAVIRA, ANTONIO  
ESTHA PATRIMONIOS SL  
ESTRADA DA GRANXA 6 SL  
ESTUDIO ILUSTRACION, S.L.  
ESTUDIO JURIDICO MEXUAR S.L.  
EURAL PRODUCTS, S.L.

EUROCAN ASIFF S.L.  
EUROFOMENTO EMPRESARIAL SL  
EUROGESTION XXI, S.L.  
EZQUERRO TEJADO, MARIA DOLORES  
F B J VILLANUEVA GARIJO HNOS INVERSIONES Y SEGUROS SLL  
FALVA, S.C.  
FELEZ MARTIN, FERMIN  
FEO MORALES, JUAN  
FERNANDEZ ALMANSA, ANGEL A.  
FERNANDEZ DE FRUTOS, ROBERTO  
FERNANDEZ MARTINEZ, JULIO  
FERNANDEZ ONTAÑON, DANIEL  
FERNANDEZ RIOS, MARIA GORETTI  
FERNANDEZ RIVERO, JAVIER  
FERNANDEZ SOUTO, MARIA TERESA  
FERNANDEZ TORTOSA, MARIA BELEN  
FERNANDEZ SERRA, SL  
FERNANDEZ-LERGA GARRALDA, JESUS  
FERNANDEZ-MARDOMINGO BARRIUSO, MIGUEL JOSE  
FERNANDO BAENA SL  
FERRI MARTIN, LUIS ANTONIO  
FERRON WEBER, JAVIER  
FINQUES BANYOLES SL  
FINSECRET S.L.L.  
FISCHER , MARTINA  
FISHER , COLLETTE  
FLORIDO VILLANUEVA, PILAR  
FONDO BERMUDEZ, CANDIDO  
FONTAN ZUBIZARRETA, RAFAEL  
FONTECHA MAISO SL  
FORCEN CANTIN, JAIME LORENZO  
FORCEN LOPEZ, MARIA ESTHER  
FORNIES ABADIA, MATIAS CARLOS  
FORNOS MONLLAU, MARC  
FORTES JIMENEZ, EVA MARIA  
FORUARGI SL  
FRANCES Y BARCELO CB  
FRANCIAMAR SL  
FRANCO MARTINEZ, JUAN JOSE  
FUENTESECA FERNANDEZ, MIGUEL  
FUERTES CASTREJON, JOSE ANDRES  
G.A.C. GRUP CONSULTORIA ESPECIALIZADO S.L.  
G.T.E. ASESORES, S.L.  
GABINET D'ECONOMISTES ASSESSORS FISCALS SC  
GABINETE AFIMECO ASESORES SAL  
GABINETE ASCEM SL  
GABINETE DE RIESGOS S.L.  
GABINETE SALMANTINO DE ECONOMIA APLICADA S.L.  
GABRIEL CELMA, LUIS MIGUEL  
GADEA MENGUAL, ANGEL  
GAGO COMES, PABLO  
GAGO FREITAS, MARIA CARMEN  
GALINDO GOMEZ, ANGEL  
GALINDO SANCHO, PALMIRA  
GALLARDO BENITEZ, JUAN MANUEL  
GALMES RIERA, ANDRES  
GAMBOA DONES, SUSANA  
GANDARA DUQUE, MARIA DE LOS MILAGROS  
GARAY AZCORRA, PEDRO ANGEL  
GARCES ABAD, JOSE LUIS  
GARCIA AGUILERA, EMILIA  
GARCIA ALVAREZ-REMENTERIA, ANTONIO  
GARCIA BASCUÑANA, MARIA CRISTINA  
GARCIA CARBALLEIRA, DIEGO  
GARCIA DEL BLANCO, SATURNINO JULIAN  
GARCIA DIAZ, MARIA DEL CARMEN  
GARCIA GARCIA, REMEDIOS  
GARCIA MARTIN, MARIA JOSE  
GARCIA MEJIAS, JUAN ANTONIO  
GARCIA NIEVAS, ANTONIO  
GARCIA OVALLE, OSCAR

GARCIA SANCHEZ, PABLO  
GARCIA VIESCA, MARIA MERCEDES JUSTINA  
GARCIA CALLE, ANGEL  
GARCIA FONDON, CONSTANTINO  
GARCIA PEREZ, ALICIA  
GARCIA HIERRO JIMENEZ, FRANCISCO JAVIER  
GARCIA LUCHENA ASESORES SL  
GARCIA-VALENCIANO LOPEZ, LUIS  
GASEM SERVICIOS S.L.  
GAVIÑO DIAZ, JUAN ANTONIO  
GAVRILOV , ROUSLAN  
GEFISCAL SANTA AMALIA SL  
GENE TICO, REMEI  
GENERAL ASESORA DE CARRIZO SL  
GENERAL DE SERVEIS LA SEGARRA SL  
GEP HIPOTECAS SL  
GES BRUNCAL SL  
GESFIGAL SL  
GESPIME ROMERO MIR SL  
GESTION 93 ASESORES DE EMPRESAS SL  
GESTION DE FINCAS TREVI SL  
GESTION FINANCIERA MIGUELTURRA SL  
GESTION JURIDICA BOENSA, S.L.  
GESTIONES MARTIN BENITEZ SL  
GESTIONES YERMA, S.L.  
GESTIONS I ASSEGURANCES PERSONALITZADES SL  
GESTORED CONSULTING SL  
GESTORIA ADMINISTRATIVA ESTAÑOL S.L.  
GESTORIA HERMANOS FRESNEDA SL  
GESTORIA POUSA Y RODRIGUEZ, S.L.  
GIL BELMONTE, SUSANA  
GIL FERNANDEZ, JUAN JOSE  
GIL GARCIA, PEDRO ALFREDO  
GIL TIO, JULIA  
GIL VERONA, ANTONIO  
GIL MANSENGAS CB  
GIMENO CONSULTORES, S.L.  
GIMFERRER PASCUAL, JOSE MANUEL  
GOLOBART SERRA, ROSA MARIA  
GOMEZ ANDRES, JUAN JOSE  
GOMEZ CASTAÑO, MIGUEL ANGEL  
GOMEZ EBRI, CARLOS  
GOMEZ LOBO, JUAN  
GOMEZ MARTINEZ, LUIS  
GOMEZ PEREZ, MARIA DEL PILAR  
GOMEZ VAZQUEZ, MARIA JESUS  
GOMIS HERNANDEZ, PEDRO  
GONZALEZ ALVAREZ, JORGE ANDRES  
GONZALEZ BELTRAN, OLGA  
GONZALEZ DELGADO, ARTURO ISAAC  
GONZALEZ GONZALEZ, MARIA ANGELES  
GONZALEZ MARTINEZ, J ANTONIO  
GONZALEZ MOSQUERA, FERNANDO  
GONZALEZ UGIDOS, ALFREDO  
GOÑI IDARRETA, ANA MARIA  
GOPAR MARRERO, PABLO  
GRASSA VARGAS, FERNANDO  
GRAUPERA GASSOL, MARTA  
GRILLO GRILLO, JUAN ATILANO  
GRINVE ASESORES, S.L.  
GRUP DE GESTIO PONENT DOS ASSEGURANCES SL  
GRUPO FERRERO DE ASESORIA SL  
GUIMERA ASSESSORS SL  
GUTIERREZ MUÑOZ, MARIA CONCEPCION  
GUTIERREZ DE GUEVARA SL  
GUZMAN GONZALEZ, EMILIANO  
HARTMANN , ALFRED  
HERGOC SL  
HERMOSO NUÑEZ, PEDRO  
HERNANDEZ LOPEZ, ESTANISLAO  
HERNANDEZ MANRIQUE, CARLOS MANUEL



APPENDIX VI  
LIST OF AGENTS

HERNANDEZ CASTELLANO, FRANCISCO JORGE  
HERRERA MORENO, MONICA  
HERRERO RIBELLES, MARIA MAGDALENA  
HOME MANAGEMENT SERVICES SL  
HOOPS SERVICIOS FINANCIEROS SL  
HORNOS CASTRO, JAVIER  
HUERTAS FERNANDEZ, JUAN ANTONIO  
IBÁÑEZ IBÁÑEZ, LUIS  
IBÁÑEZ NIETO, ADORACION MAR  
IBERKO ECONOMIA Y GESTION  
IGLEVA SISTEMAS DE CONSULTORIA SL  
IMAGOMETRICA DE DIFUSION Y MERCADOTECNIA, S.L.  
INFORMES Y SERVICIOS SL  
INMOBILIARIA CARDICASA, S.L.  
INMOBILIARIA DONADAVI S.L.  
INSTITUTO DE ASESORAMIENTO EMPRESARIAL INSESA, SL  
INVAL02, S.L.  
INVERSIONES TECNICAS GRUPO CHAHER, S.L.  
INVERTIA SOLUCIONES, S.L.  
INVEST FINANZAS SL  
IRESE S.L.  
ISACH GRAU, ANA MARIA  
ISDAGAR 2000 S.L.  
ISIDRO ISIDRO, ISABEL DEL CARMEN  
ISLAS FINANCIADAS SL  
IURISFUN, S.L.  
J. A. GESTIO DE NEGOCIS, S.A.  
J. E. BARTOLI & ASOCIADOS, S.L.  
J. MIRO - P. LOPEZ SL  
JANIS INFO SERVICES SL  
JIMENEZ CALERO, CONSUELO  
JIMENEZ SAAVEDRA, ALBERTO  
JORDA MORAGUES, TERESA  
JOSE ANGEL ALVAREZ SLU  
JOSE ANTONIO VAZQUEZ ADMINISTRADOR DE FINCAS S.L.  
JOSE LUIS MARQUES MENENDEZ-INDALECIO JAÑEZ GONZALEZ ABO  
JOVER BENAVENT, ENRIQUE  
JUAN JOSE ORTIZ S.L.  
JUAN S ARROYO SL  
JUDEL ALCALA ASESORES SL  
JULIAN SANZ, MARIA  
JUSTE CARRASCAL, LUIS  
KUBA KUBENKO, OLEG  
KUTZE 2005, S.L.  
L DE H CONSULTORES SL  
LABAT PASCUAL, CRISTINA  
LAFUENTE ALVAREZ, JOSE ANTONIO  
LAGERGREN , INGVAR BERNT  
LAMY GARCIA, ANTONIO  
LAUKIDE ABOGADOS CB  
L'AUTENTIC, GESTIO FINANCERA, S.L.  
LECHE GAZA, S.L.  
LEGARDA REY, ENRIQUE  
LEGIO SERVICIOS INMOBILIARIOS SL  
LEÑA CAMACHO, ROSA MARIA  
LEON CRISTOBAL, JOSE LUIS  
LEON DOMEQ, SANTIAGO  
LEON MARTIN, JESUS JAVIER  
LEON VALENZUELA, FRANCISCO  
LIMONCHI LOPEZ, HERIBERTO  
LINARES LOPEZ, RAMON  
LLANA CONSULTORES SL  
LLUSIA AZAGRA, JOSE LUIS  
LOPEZ DIEZ, RICARDO  
LOPEZ FERNANDEZ, JUAN ANTONIO  
LOPEZ FERRER, MARIA JOSE  
LOPEZ GOMEZ, FRANCISCO JOSE  
LOPEZ MARTINEZ, ROBERTO  
LOPEZ RASCON, MARIA JESUS

LOPEZ VIGIL, JOSE MANUEL  
LORENZO VELEZ, JUAN  
LORIENTE HERNANDORENA, ANA MARIA  
LOSADA LOPEZ, ANTONIO  
LOSADA VASALLO, JOSE ANGEL  
LOSADA Y MORELL, S.L.  
LOZANO BRIONES, JULIAN  
LOZANO CARO, ANTONIO  
LUACES BOUZA, CARLOS JOSE  
LUDEÑA JUAN, ANDRES  
MAC PRODUCTOS DE INVERSION Y FINANCIACION SL  
MALAVER CASTILLO, JOSE MANUEL  
MANUEL LEMA PUÑAL Y FERNANDO GARCIA CASTRO, S.C.  
MARANDI ASSL, MOHAMMAD  
MARGALIDA GATNAU, JOSE MARIA  
MARIN MORENO, FRANCISCO JAVIER  
MARQUEZ GOMEZ, NATIVIDAD  
MARTI BALSELLS, BUENAVENTURA  
MARTIN GRANADOS, CARLOS  
MARTIN GRANADOS, JUAN  
MARTIN JIMENEZ, MANUEL MARIA  
MARTIN LOPEZ, FRANCISCO JAVIER  
MARTIN MARTINEZ, ROSA MARIA  
MARTIN SANCHEZ, IGNACIO  
MARTIN VIZAN, MILAGROS  
MARTINEZ CASTRO, MANUEL FRANCISCO  
MARTINEZ CATALA, PASCUAL  
MARTINEZ FUNES, MARIO EDUARDO  
MARTINEZ GOMEZ, RAFAEL  
MARTINEZ HERNAEZ, MARIA DOLORES  
MARTINEZ MOYA, DIEGO  
MARTINEZ PEREZ, JOSE MARIA  
MARTINEZ PICO, MARCELINO CRISTOBAL  
MARTINEZ PUJANTE, ALFONSO  
MARTINEZ RODRIGUEZ, SOLEDAD  
MARTINEZ CORUÑA, DOMINGO  
MARTINEZ GEADA, JOSE LUIS  
MARTINEZ PATRON, JUAN JOSE  
MARTINEZ PEREZ, JOSE FRANCISCO  
MARTINEZ MONCHE CONSULTORES S.L.  
MAS FORNS, MARIA ANGELES  
MAS NEBOT, JOSE MARIA  
MATA MARCO, CARMEN  
MATEO HERNANDEZ, JOSE LUIS DE  
MAYOR CONSULTING EMPRESARIAL SL  
MAZA HURTADO, MARIA ILENIA  
MDF SERVICIOS FINANCIEROS E INMOBILIARIOS, S.L.  
MECIA FERNANDEZ, RAMON  
MENA JUEZ, FRANCISCO  
MERCADO CONTINUO 2100 SL  
MERGES GEB. BECKER , MONIKA WILMA MARIA  
MERIDIAN ASESORES SL  
MERIGO LINDAHI, JOSEP MARIA  
MERINO CORCOSTEGUI, ALVARO  
MESA IZQUIERDO ASOCIADOS SL  
MESANZA QUERAL, ALBERTO GUILLERMO  
MEXICO NOROESTE GESTION EMPRESARIAL SL  
MEZAN ASOCIADOS, S.L.  
MILLAN VICO, MANUELA  
MODOL PIFARRE, JORDI  
MOLINA LOPEZ, RAFAEL  
MOLINA LUCAS, MARIA ALMUDENA  
MOLINA MILLS, JOSE MANUEL  
MOLLA COLOMER, VICENTE  
MOLPECERES MOLPECERES, ANGEL  
MONROY CABAÑAS, JULIAN  
MONSALVEZ SEGOVIA, MARIA PILAR  
MONSERRAT OBRADOR, RAFAEL  
MONTE AZUL CASAS SL  
MONTEAGUDO NAVARRO, MARIA

MONTESINOS CONTRERAS, VICENTE  
MONTIEL GUARDIOLA, MARIA JOSEFA  
MOR FIGUERAS, JOSE ANTONIO  
MORA MAG, S.A.  
MORENO AVILA, MARIA  
MORENO CAMPOS, JOAQUIN  
MORENO LOPEZ, ANTONIO  
MORERA GESTIO EMPRESARIAL SL  
MORILLO CORRERO, JOSE ANTONIO  
MORILLO MUÑOZ CB  
MOROTE ESPADERO, RAFAEL  
MULTIGESTION SUR, S.L.  
MUÑOZ BERZOSA, JOSE RAMON  
MUÑOZ BUSTOS, JOSE LUIS  
MUÑOZ MACIAN, GASPAR FELIX  
MUÑOZ MOLIO, JOSE  
MUÑOZ VIÑOLES SL  
MUR CEREZA, ALVARO JESUS  
MURILLO FERNANDEZ, MARIA PAZ  
MURO ALCORTA, MARIA ANTONIA  
MUSA MOHAMED, ABDELAZIZ  
NACHER NAVARRO, MARIA VANESSA  
NANOBOLSA, S.L.  
NAVARRO CUESTA, ESTER  
NAVARRO GONZALO, JESUS  
NAVARRO MORALES, JOAQUIN  
NAZARENA DE FINANZAS SL  
NICOLAS GOMEZ, FRANCISCO  
NOGUER BAU, JORDI  
NORPRIX SL  
NOVAGESTION MARINA BAIXA SL  
NUBE AMARILLA, S.L.  
NUÑEZ MAILLO, VICENTE JESUS  
NUÑO NUÑO, AZUCENA  
NYRELIUS , KERSTIN MARITA  
ODNODER HAUS, S.L.  
OFICINAS EMA SL  
OLABE GARAITAGIOTIA, MARIA ELENA  
OLALDE GOROSTIZA, LEONCIO LUIS  
OLAZABAL Y ASOCIADOS, S.C.  
OLIVA PAPIOL, ENRIQUE  
OMEGA FINANCIA SL  
OPTIMA SAT SL  
ORDEN MONTOLIO, SANDRA DE LA  
ORDOYO CASAS, ANA MARIA  
ORTEGA JIMENEZ, FRANCISCO  
ORTEGA PAUNEDO, JESUS  
ORTIS TOLEDANO, FRANCISCO  
ORTIZ SOLANA, CRESCENCIO  
ORTIZ TORRES, ANTONIA MARIA  
ORTIZ, S.C.  
ORTUÑO CAMARA, JOSE LUIS  
OTC ASESORES SL  
OTTESA FISCAL ASSOCIATS SL  
PACCHIALAT MORALES, JOSE GERARDO  
PADILLA AZNAR, MARIANO JOSE  
PALAU CEMELI, MARIA PILAR  
PALMANOVA CENTRO ASESORES CB  
PARDO LOPEZ, CIRA HAIR  
PASCUAL BASTERRA, IÑIGO DE  
PASCUAL BASTERRA, VERONICA DE  
PATIÑO ROBLES, MARIA CONCEPCION  
PAVENA ASESORES SL  
PB GESTION SL  
PEDEVILLA BURKIA, ADOLFO  
PEIRO CERVERA, AMPARO  
PELAEZ REINAL, GONZALO  
PELLICER BARBERA, MARIANO  
PEÑA PEÑA, MANUEL  
PEÑALVER GOMEZ, MARIA DOLORES

APPENDIX VI  
LIST OF AGENTS

PERARNAU PUJOL, MONTSEERRAT  
PEREZ CARRASCO, JOSE CARLOS  
PEREZ COSTAS, JESUS ANTONIO  
PEREZ GUTIERREZ, SANTIAGO  
PEREZ MASCUÑAN, JORGE  
PEREZ RODRIGUEZ, MARIA  
PEREZ RODRIGUEZ, MODESTO  
PEREZ SANCHEZ, JUAN CARLOS  
PEREZ SIMON, ROSARIO  
PEREZ VARAS, JOSE RAMON  
PEREZ MAGALLARES, EMILIO  
PEREZ Y FERNANDEZ CONSULTORES S.L.  
PEREZ-FANDON ASESORES, S.L.  
PEROLADA VALLDEPEREZ, ANDRES  
PINTO FERNANDEZ, MARIA JOSE  
PIQUERO FERNANDEZ, AGUSTIN  
PISO FACIL S.L.  
PISONERO PEREZ, JAVIER  
PLA NAVARRO, EMILIA  
PLAMBECK , WALTER GERT  
POGGIO SA  
POLLAN & VEGA SC  
PONS PONS, JUAN ANTONIO  
PONS SOLVES, CONCEPCION  
PORTILLA ARROYO, ALICIA  
POZA SOTO INVERSIONES SL  
PRADA PRADA, MARIA CARMEN  
PRADO PAREDES, ALEJANDRO  
PRESTACION DE SERVICIOS Y ASESORAMIENTO EN GENERAL Y CO  
PRIMICIA AZPILICUETA, ALEJANDRO  
PROCOSTA ATLANTICO, S.L.  
PROFESIONALES DE LA EMPRESA REUNIDOS SA  
PROMOCIONES BOHNWAGNER SL  
PUENTE DE LAS CUEVAS, MARIA PILAR 000559364G, S.L.N.E.  
PUJOL HUGUET, AMADEU  
PULIDO ALCON, MARIA LOURDES  
PYME'S ASESORIA SL  
QUINTANA O'CON, RAFAEL DE  
R. & J. ASSESSORS D' ASSEGURANCES ASEGUR XXI, S.L.  
RACA INVERSIONES Y GESTION SL  
RAMIREZ RUBIO, JOSE RAMON  
REBOLLO CAMBRILES, JUAN ROMAN  
REDONDO BARRENA, MARIA DEL PILAR  
REGLERO BLANCO, MARIA ISABEL  
REIFS PEREZ, MANUEL  
REMENTERIA LECUE, AITOR  
REY DE LA BARRERA, MANUEL  
REYES BLANCO, FRANCISCO JAVIER  
REYES BLANCO, RAFAEL  
RIBERA AIGE, JOSEFA  
RICO FONT, FRANCISCO JAVIER  
RINCON GUTIERREZ, MARIA PILAR  
RIO RODRIGUEZ, MARIA VICTORIA  
RISAMI SEGUROS, S.L.  
RIVAS FERNANDEZ, RAFAEL  
ROBLES AGUILAR, JUAN ALBERTO  
ROCA OLSEN, CARINA  
RODES BIOSCA, CARLOS RAFAEL  
RODRIGO TORRADO, JUAN JOSE  
RODRIGUEZ DELGADO, RENE  
RODRIGUEZ GALVAN, MARIA  
RODRIGUEZ HERNANDEZ, FERMINA BELEN  
RODRIGUEZ LLOPIS, MIGUEL ANGEL  
RODRIGUEZ MARTIN, JOSE MANUEL  
RODRIGUEZ VAZQUEZ, MARIA  
ROFER CONSULTORES SL  
ROGADO ROLDAN, ROSA  
ROIG FENOLLOSA, JUAN BAUTISTA  
ROLDAN SACRISTAN, JESUS  
ROLDAN BROKERS SL

ROMAN BERMEJO, MARIA ISABEL  
ROMERO MENDEZ, JUAN ANTONIO  
ROS PETIT SA  
ROVIROSA FERRERAS, MARTIN  
ROY ASSESSORS SA  
ROYO POLA, ANA CARMEN  
RUA PIRAME, ENRIQUE  
RUBIO ARPON, FRANCISCO  
RUIZ DEL RIO, ROSA MARIA  
RUIZ GARCIA, ANA  
RUIZ NAVAZO, JOSE IGNACIO  
RUIZ TARI, ROGELIO  
RUIZ BIOTA, ANA BELEN  
RUIZ DE VELASCO Y DEL VALLE, ADOLFO  
RUZAFIA VILLAR, SALVADOR  
SABATE NOLLA, TERESA  
SABES TORQUET, JUAN CARLOS  
SAEZ SAUGAR, ALEJANDRO JOSE  
SAEZ ABOGADOS, S.L.  
SALADICH OLIVE, LUIS  
SALAMANCA ARROYO, ANTONIO  
SALAZAR BERGILLOS, RAFAEL  
SALES HERNANDEZ, JOSE  
SALMON ALONSO, JOSE LUIS  
SALVIA FABREGAT, M. PILAR  
SALVO POMAR, JESUS MANUEL  
SAMGUM INTERMEDIT SL  
SAMPEDRO RUNCHINSKY, MARCOS IGNACIO  
SAMPER CAMPANALS, PILAR  
SAN VICENTE ORTEGO, MIRARI  
SANCHEZ BRULL, ANTONIO  
SANCHEZ CRUZ, JOSEP MARIA  
SANCHEZ ELIZALDE, JUAN FRANCISCO  
SANCHEZ GARCIA, YOLANDA  
SANCHEZ LOPEZ, ELOY  
SANCHEZ MESA, FRANCISCO  
SANCHEZ NUEZ, JOSE ANTONIO  
SANCHEZ SAN VICENTE, GUILLERMO JESUS  
SANCHEZ TORRES, CARLOS RAFAEL  
SANCHIS MARTIN, LAURA  
SANFRUTOS Y GONZALEZ ABOGADOS C.B  
SANJUAN FELIPE, JOSE LUIS  
SANTOS CARBAYO, MARIA JESUS  
SANTOS GARCIA, MANUEL  
SANZ ALONSO, MARIA DEL MAR  
SANZ CALDERON, FRANCISCO JAVIER  
SANZ VIDAL, GUILLERMO  
SARDA ANTON, JUAN IGNACIO  
SARRIO TIERRASECA, LEON  
SARROCA GIL, MOISES  
SAYAGO REINA, ANTONIO  
SEB GESTIO PYMES S.L.  
SEGURA URBANA SL  
SELIMO, S.L.  
SERRANO GALLEGO, JOSE MARIA  
SERRANO GOMEZ, RAFAEL  
SERRANO QUEVEDO, RAMON  
SERTE RIOJA S.A  
SERVEIS FINANCERS DE CATALUNYA, SL  
SERVICIO Y CALIDAD ALBACETE, S.L.  
SERVICIOS FINANCIEROS LEGALES SL  
SERVICIOS Y ASESORAMIENTO LEYVA S.L.  
SERVIGEST GESTION EMPRESARIAL SL  
SERVIMPASA SL  
SIERRA TORRE, MIGUEL  
SIMON SAN JOSE, JUAN  
SOBRINO MORA, JULIAN  
SOCIEDAD CONSULTORA DE ACTUARIOS SCA  
SOLER SERRANO, MIGUEL ANGEL  
SOLIS FUENTE, PEDRO  
SOLIS, MARTINEZ, MOSQUERA Y ASOCIADOS, S.L.

SOLLA VIÑAS, ANA MARIA  
SOLMUNDI FEM SL  
SOLONKA INVERSIONES Y FINANZAS, S.L.  
SOLUCIONES DEL PATRIMONIO INMOBILIARIO, S.L.  
SORIANO ORTEGA, MARIA SAMPEDRO  
SOSA BLANCO, SERVANDO  
SOTO MARTIN, ROBERTO  
SOTO RODRIGUEZ, JULIA  
SPAIN INTEGRAL FINANCIAN, S.L.  
SUAREZ GARRUDO, JUAN FRANCISCO  
SUAREZ GUTIERREZ, PABLO  
SUGRAÑES ASSESSORS S.L.  
TABORGA ONTAÑON, ANTONIO JOAQUIN  
TAMG SC  
TARDUCHY RINCON, RICARDO  
TARRES PUJOL, JULITA  
TARRIDA MIGUEL, JAIME  
TEBAR LILLO, JULIO JAVIER  
TENA LAGUNA, LORENZO  
TINAQUERO HERRERO, JULIO ANTONIO  
TIO & CODINA ASSESSOR D'INVERSIONS SL  
TOLEDO ANDRES, RAFAEL  
TOLEDO GUADALUPE, FEDERICO  
TORRECILLA BARREDO, EFREN  
TORRECILLAS BELMONTE, JOSE MARIA  
TORRES BONACHE, MARIA DEL CARMEN  
TORRES MONTEJANO, FELIX  
TRES U EMPRESAS DE SERVICIOS PROFESIONALES SL  
TRUJILLO RODRIGUEZ, MANUEL JESUS  
TXIRRIENA SL  
UBK PATRIMONIOS SL  
UCAR ESTEBAN, ROSARIO  
URBADRET CATALONIA, S.L.  
URDIALES LLORENTE, MARIA LUISA  
URIAGUERCA CARRILERO, FRANCISCO JAVIER  
URRESTI SERBITZUAK SL  
USKARTZE SL  
VALCARCEL GRANDE, FRANCISCO JAVIER  
VALCARCEL LOPEZ, ALFONSO A  
VALCOR VENTA Y ALQUILERES S.L.  
VALENCIA TRENADO, MANUEL RODRIGO  
VALENCIA PROJECT MANAGEMENT SL  
VALLESLLARNOVA S.L.  
VALMALEX S.L  
VAZ FERNANDEZ, JUAN BENITO  
VAZQUEZ DIEGUEZ, JOSE ANDRES  
VEGA VEGA, ANTONIO DOMINGO  
VEGA & ASOCIADOS SCCL  
VEIGA DUPRE, JOSE ANGEL  
VEIGUELA LASTRA, CARLOS MARIA  
VELASCO LOZANO, FRANCISCO  
VELASCO PEREZ, MANUEL IGNACIO  
VELSINIA SL  
VENZAL CONTRERAS, FRANCISCO JAVIER  
VICENTE HERNANDO ASESORIA FINANCIERA SL  
VICIOSO SOTO, JOSE  
VIDAL JAMARDO, LUIS R  
VIDAL NOGUES, GERARDO  
VIGNOTE PEÑA, MARIA ANGELA  
VILCHEZ TORES, JOSE LUIS  
VILLACE MEDINA, JUAN CARLOS  
VILLALBA TRUJILLO, SUSANA  
VILLAMERIEL FERNANDEZ, BEATRIZ  
VIÑA ARASA, RICARDO  
VIVER MIR, JAIME JAVIER  
WEISSE KUSTE S.L.  
YING EUROS, S.L.  
YUS ICM CONSULTORES SA  
YUSTE CONTRERAS, ANGEL  
ZARATE SAINZ, ASIER  
ZARIC DOUDAREVA, NATALIA

**BANCO BILBAO VIZCAYA ARGENTARIA, S.A.**  
**MANAGEMENT REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

Banco Bilbao Vizcaya Argentaria, S.A. ("the Bank" or "BBVA") is a private-law entity governed by the rules and regulations applicable to banks operating in Spain. The Bank conducts its business through branches and offices located throughout Spain and abroad.

The Bank's management report was prepared from the individual accounting and management records of Banco Bilbao Vizcaya Argentaria, S.A.

BBVA is the parent company of the internationally diversified group ("the Bank") with a significant presence in traditional retail banking, asset management, private banking and wholesale banking.

The financial information included in this management report is presented in accordance with the criteria established by Bank of Spain Circular 4/2004, as of December 22, 2004, about Public and Confidential Financial Reporting Rules and Formats.

***ECONOMIC ENVIRONMENT 2007***

In 2007 the world's economy grew at an estimated 5% extending the expansion to five years. However as the year went by, growth in developed countries eased noticeably whereas emerging economies continued to contribute strongly to global activity.

Financial markets took centre-stage in 2007. During the first few months of the year long-term interest rates increased and stock markets gained ground. Nonetheless by June the market had begun to question the quality of some loan-based derivatives and this sparked a liquidity crisis. Interbank rates climbed and the flow of commercial paper and bonds started to slow. This was accompanied by a significant change in assessments of the risk attached to a considerable number of assets and by a fall on stock markets. At the same time the increased price of crude oil and basic farming products caused inflation to rebound. In view of the deteriorating circumstances central banks intervened to increase liquidity. However during this process financial markets in emerging economies performed relatively well.

By year-end the United States' economy had grown about 2% despite the slowdown in housing. The Federal Reserve held rates at 5.25% until September when it began a series of rate cuts to finish the year at 4.25%.

Europe grew about 2.6% in 2007 based on domestic demand and the high level of investment. The European Central Bank continued to raise rates until they reached 4% in June and held them at this level until year-end. The Spanish economy did well. Overall growth was roughly 3.8% although signs of a slowdown were more apparent as the year progressed – especially in the housing sector.

***CAPITAL STOCK AND TREASURY SHARES***

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

- **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 31<sup>st</sup> 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.

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

On 10<sup>th</sup> September 2007, BBVA made a capital increase, approved by the Extraordinary General Meeting (EGM), 21<sup>st</sup> 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, 28<sup>th</sup> 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 term. The total maximum nominal amount authorised is €105,000 million, this amount was increased by €30,000 million by the Ordinary General Meeting held on March 16, 2007, reaching an aggregate limit set €135,000 million.

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

	Number of shares	Millions of euros
<b>Balance as of January 1, 2006</b>	<b>7,609,267</b>	<b>96</b>
+ Purchase	338,017,080	5,677
- Sales	(337,319,748)	(5,639)
+/- Others	(394)	(1)
- Derivatives over BBVA shares	-	14
<b>Balance as of December 31, 2006</b>	<b>8,306,205</b>	<b>147</b>
+ Purchase	921,700,213	16,156
- Sales	(914,169,726)	(16,041)
+/- Others	-	(1)
- Derivatives over BBVA shares	-	128
<b>Balance as of December 31, 2007</b>	<b>15,836,692</b>	<b>389</b>

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 31<sup>st</sup> 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).

DATE	ENTITY	NUMBER OF SHARES	% TREASURY SHARES
December 31, 2007	BBVA	291,850	0.008%
	Corporación General Financiera	15,525,688	0.414%
	Others	19,154	0.001%
	<b>Total</b>	<b>15,836,692</b>	<b>0.423%</b>
	BBVA	2,462,171	0.069%
December 31, 2006	Corporación General Financiera	5,827,394	0.164%
	Others	16,640	0.000%
	<b>Total</b>	<b>8,306,205</b>	<b>0.233%</b>

- **Significant direct and/or indirect holdings in the share capital**

As of December 31, 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.

- **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, on July 29, 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.

- **Any restriction on voting rights**

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

- **Agreements that regulate the exercise of voting rights**

BBVA has not been notified of the existence of any side agreements that regulate the exercise of voting rights at the Bank's General Meetings, or which restrict or place conditions upon the free transferability of BBVA shares.

### **DISTRIBUTION OF PROFIT**

In 2007 the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A. resolved to pay the shareholders three interim dividends out of 2007 profit, amounting to a total of €0.456 gross per share. The aggregate amount of the interim dividends declared as of December 31, 2007, net of the amount collected and to be collected by the consolidable Bank companies, was €1,679 million and is recorded under "Dividends and Remuneration" in the related balance sheet. The last of the aforementioned interim dividends, which amounted to €0.152 gross per share and was paid to the shareholders on January 10, 2008, was recorded under the heading "Financial Liabilities at Amortised Cost – Other Financial Liabilities" in the balance sheet as of December 31, 2007 .

The forecast accounting statements prepared in 2007 by Banco Bilbao Vizcaya Argentaria, S.A. in accordance with legal requirements evidencing the existence of sufficient liquidity for the distribution of the interim dividends were as follows:

	Million of euros		
	31-05-2007 Dividend 1	31-08-2007 Dividend 2	30-11-2007 Dividend 3
Interim dividend - Profit at each of the dates indicated, after the provision for income tax	1,301	3,088	3,426
<b>Less -</b>			
Estimated provision for Legal Reserve	-	(19)	(19)
Interim dividends paid	-	(539)	(1,109)
<b>Maximum amount distributable</b>	<b>1,301</b>	<b>2,530</b>	<b>2,298</b>
<b>Amount of proposed interim dividend</b>	<b>539</b>	<b>570</b>	<b>570</b>

The Bank's Board of Directors will propose to the shareholders at the Annual General Meeting that a final dividend of €0.277 per share be paid out of 2007 income. Based on the number of shares representing the share capital as of December 31, 2007, the final dividend would amount to €1,038 million and profit would be distributed as follows:

Million of euros	
<b>Net profit for 2007</b>	<b>3,612</b>
<b>Distribution:</b>	
Dividends	
- Interim	1,679
- Final	1,038
Reserva legal	19
To voluntary reserves	876

## GROUP CAPITAL

In accordance with the rules of the Bank for International Settlements (BIS) the capital base of the BBVA Group at the end of 2007 was €32,452 million (+7.6% for the same period in 2006). Risk-weighted assets rose 20.6% in 2007 to €304,327 million. Therefore the capital base surplus (in excess of the 8% of risk-weighted assets required by the rules) was €8,106 million.

Core capital came to €16,119 million, which is 5.3% of risk-weighted assets, compared to 6.2% as of December 31, 2006.

After adding preference securities to core capital, Tier I stands at €20,659 million, which is 6.8% of risk-weighted assets (7.8% as of December 31, 2006). Preference securities currently account for 22.0% of Tier I capital.

Other eligible capital (Tier II), which mainly consists of subordinated debt and latent capital gains, came to €11,793 million. This is 3.9% of risk-weighted assets (4.2% as of December 31, 2006).

As a result as of December 31, 2007 the BIS ratio of total capital stands at 10.7% (12.0% as of December 31, 2006).

## BALANCE SHEET AND BUSINESS ACTIVITY

As of December 31, 2007, the Bank's total balance sheet amounted to €354,866 million (€300,191 million, in 2006). In 2007 loans increased by €33,694 million (15.82%) with respect to 2006.

Also, as of December 31, 2007, customer funds grew €25,915 million (17.64%) with respect to 2006.

## INCOME STATEMENT

In 2007 the Bank posted a pre-tax profit of €4,247 million (€3,030 million in 2006). Its income after taxes amounted to €3,612 million (€2,440 million in 2006).

General administrative expenses have increased from €849 million in 2006 to €982 million in 2007. This increase was mainly due to an increase of Technology and system expenses and Property, fixtures and materials expenses.

The gross operating income amounted €8,427 million in 2007, €7,322 million in 2006. This increase is caused by the commissions and the market operation.

The net interest income amounted €4,662 million in 2007 (€4,108 million in 2006).

Lastly, worthy of mention is the fact that the basic margin (financial revenues less financial expenses without income from equities portfolio) amounted €2,852 million in 2007, €2,579 million in 2006.

## THE RISK MANAGEMENT SYSTEM AT BBVA

The BBVA Group considers risk management to be an intrinsic part of the banking business and a source of its competitive advantage. In a diversified, internationally active group, the appropriate identification, measurement and valuation of the various types of risk is of key

importance if it is to expand its business in keeping with the desired risk profile and guarantee the sustainability thereof in the medium and long term.

The basic objectives of the BBVA Group risk management system are to cater for the specific needs of customers and to assure the Group's solvency, in keeping with the expectations of the risk profile approved as part of its business strategy. To see the detailed information on risk exposure, see Note 4 of the financial statements.

## **Basel II**

In tandem with the process of integrating further the risk management and business decision-making functions, the Group is entering into the final stage of adaptation to Basel II. From the outset, the Group has opted to use the most advanced models for both credit and operational risk.

In accordance with timetable established by the Bank of Spain, in 2007 the Bank submitted the mandatory documentation on the models being presented by it for validation.

In this matter the Bank is collaborating actively with the Bank of Spain to make consistent and coordinated progress on the process of validating advanced.

## **CORPORATE GOVERNANCE**

In accordance with the provisions of article 116 of the Spanish Securities Market Law, enacted by Law 26/2003, dated July 17, the Group has prepared a corporate governance report for 2007 following the content guidelines set down in Order ECO 3722/2003 dated December 26 and in CNMV (Spanish securities regulator) Circular 1/2005, dated March 17, including a section detailing the degree to which the Bank is compliant with existing corporate governance recommendations in Spain.

In addition, all the disclosure required by article 117 of the Spanish Securities Market Law, as enacted by Law 26/2003 and by Order ECO 3722/2003 dated December 26 can be accessed on BBVA's webpage ([www.bbva.es](http://www.bbva.es)) in the section entitled "Corporate Governance"

In compliance with article 116 b of the Securities Market Act, the Group includes the information detailed as follows:

### **REGULATIONS APPLICABLE TO APPOINTMENTS AND SUBSTITUTION OF MEMBERS OF GOVERNING BODIES AND THE AMENDMENT OF COMPANY BYLAWS**

Pursuant to the Bank'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 Bank'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 Bank'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 Bank bylaws**

Article 30 of the BBVA Bank bylaws establishes that the General Meeting of shareholders has the power to amend the Bank 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.

#### ***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, 28<sup>th</sup> 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, 16<sup>th</sup> 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.

#### ***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, EXCEPT WHEN SUCH DISCLOSURE MAY BE SERIOUSLY DAMAGING FOR THE COMPANY THIS EXCEPTION SHALL NOT BE APPLICABLE WHEN THE COMPANY IS LEGALLY OBLIGED TO DISCLOSE THIS INFORMATION.***

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

#### ***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.

#### ***RESEARCH AND DEVELOPMENT***

BBVA views innovation as a strategic priority and a vital element for its growth and differentiation. It has therefore launched an ambitious Innovation and Transformation Plan, the driving force of which is innovation.

In BBVA, it is the business units that are responsible for developing their innovation plans. Moreover, an Innovation and Development unit has been set up which is undertaking projects coming under three lines of activity:

1. News ways of marketing and communication: Through identifying the changes that are taking place in society, BBVA has put under way a plan to establish new relationship and communication models with its customers.
2. New digital businesses: BBVA is developing new services that will enable it to extend its relationship with consumers. In order to develop these, we are essentially applying two methods: On the one hand, extending our internal capacities, and on the other, building on the attributes and values linked to our brand.
3. New ways of internal collaboration: The aim is to incorporate new tools and ways of internal relations to improve Group efficiency and to pave the way for teamwork and foster communication.

## **ENVIRONMENTAL INFORMATION**

The environmental impacts of a financial services group such as BBVA are basically of two kinds:

- Direct impacts: arising from the consumption of energy and raw materials.
- Indirect impacts: resulting from the Group's risk policy and the creation and marketing of products and services.

The Environmental Policy approved by the Group in 2003 addresses both kind of impact being applicable to the all the activities and all the countries where the Group operates.

The key aspects of this policy are:

- Efficient use of natural resources.
- Compliance with prevailing legislation.
- Incorporation of environmental criteria in financial transaction risk analysis.
- Development of products and services that are environmentally friendly.
- Exercising a positive influence on the environmental behavior of stakeholders.

The Department of Corporate Responsibility and Reputation, which reports to the Communication and Image Department since 2005, is responsible for coordinating this policy.

The Group's environmental activities in 2007 included most notably:

- 1) Adhesion to two voluntary declarations against global warming:
  - "Concerned on climate change: Entrepreneur leadership platform".
  - Bali Statement.
- 2) Continuity in the inclusion process of the Equator Principles, after their review in 2006, for project financing transactions greater than US\$10 million in size.
- 3) Extension of ISO 14001 certification to specific Group buildings.
- 4) Commitment by Anida (BBVA's real estate entity) for following strict sustainability criteria in all of its activities; assigning 0.7% of its net profit to corporate responsibility initiatives, with a special focus on environmental patronage.
- 5) Participation in the Clean Development Mechanisms provided for in the Kyoto Treaty to reduce carbon emissions in Central America.
- 6) Financing of projects with a positive environmental impact, focusing on renewable energies with special significance of wind power.
- 7) Progress on the implementation of the so-called "Ecorating" tool designed to evaluate the environmental risk of loan portfolios.
- 8) BBVA Foundation's Environmental Program, designed to promote excellence in investigation and the dissemination of environmental knowledge and awareness.

Among the many initiatives undertaken in 2007, we would highlight the BBVA Foundation Prizes for the Frontier in Knowledge, which includes categories such as ecology and biology of preservation or climate change

As of December 31, 2007, there were no items in the Bank's financial statements that warranted inclusion in the separate environmental information document envisaged in the Ministry of the Economy Order dated October 8, 2001.

#### **REPORT ON THE ACTIVITY OF THE CUSTOMER CARE AND CUSTOMER OMBUDSMAN DEPARTMENT**

In Spain the BBVA Group has a Customer Care Service in place to manage customer complaints and grievances. In addition, if a customer were unsatisfied with the solution proposed by the Customer Care Service, he or she has a second line of defense in the Customer Ombudsman.

In accordance with the stipulations of article 17 of the Ministry for the Economy Order ECO/734/2004, dated March 11 regarding customer care and consumer ombudsman departments at financial institutions, and in line with the BBVA Group's "Internal Regulations for Customer Protection in Spain" approved by the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A. in its session of July 23, 2004, the following is a summary of related activities in 2007:

#### **REPORT ON THE ACTIVITY OF THE CUSTOMER CARE DEPARTMENT IN 2007**

a) Statistical summary of the grievances and complaints handled by BBVA's Customer Care Service in 2007.

The number of customer complaints received by BBVA's Customer Care Service in 2007 was 8,430, of which 399 were ultimately not processed because they did not comply with the requirements of Ministry of the Economy Order ECO/734/2004. 93.5% of the complaints (7,509 files) were resolved in the year and 522 complaints had not yet been analysed as of 31 December 2007.

The complaints managed can be classified as follows:

	Percentage of Complaints
Commision and expenses	17.6%
Operations	17.2%
Insurances	16.7%
Assets products	15.6%
Customer information	14.5%
Collection and payment services	8.9%
Finacial and welfare products	6.3%
Other complaints	3.2%

The detail of the complaints handled in 2007, by the nature of their final resolution, is as follows:

	Number of Complaints
In favour of the person submitting the complaint	3,079
complaint	838
In favour of the BBVA Group	3,592

The principles and methods used by the Customer Care Service to resolve complaints are based on the application of the rules on transparency and customer protection and best banking

practices. The Service adopts its decisions independently, notifying the various units involved of any actions which require review or adaptation to the related regulations.

b) Recommendations or suggestions deriving from your experience, with a view to better attaining the aims of your work.

In 2007 the Customer Care Service encouraged the use of the branch network to resolve a large number of complaints through closer contact with customers. This facilitated the obtainment of amicable agreements, which without doubt resulted in a greater perception of quality by customers.

Various recommendations were implemented which led to a series of initiatives designed to improve banking practices at the companies subject to banking industry regulations.

We would highlight that as a result of the strategic and operational improvements implemented at this unit, in continuation of the effort begun in 2006, the number of complaints presented before the various public supervisory entities fell again in 2007. During 2007 the number of complaints lodged with the Bank of Spain and referred to BBVA totaled 229 (including the matters detailed below in the report on the activity of the customer ombudsman), representing a 3.4% decline year-on-year.

#### **REPORT ON THE ACTIVITY OF THE CONSUMER OMBUDSMAN OF BBVA**

a) Statistical summary of the grievances and complaints handled by BBVA's Consumer Ombudsman in 2007

The number of customer complaints received by BBVA's Consumer Ombudsman in 2007 was 1,780 of which 74 were ultimately not processed because they did not comply with the requirements of Ministry of the Economy Order ECO/734/2004. 93.82% of the complaints (1,670 files) were resolved in the year and 36 complaints had not yet been analysed as of 31 December 2007.

The grievances and complaints handled are classified in the table below in line with the criteria established by the Claims Service of the Bank of Spain in its half-yearly data compilations:

	Number of Complaints
Assets operations	237
Liabilities operations	221
Other banking products (Cash, Automated teller...)	92
Collection and payment services	92
Investment services	275
Insurance and welfare products	587
Other complaints	166

The detail of the files resolved in 2007, according to its final resolution, was as follows:

	Number of Complaints
In favour of the person submitting the complaint	168
Partially in favour of the person submitting the complaint	830
In favour of the BBVA Group	672

Based on the above, over 60% of the customers bringing a complaint before the BBVA Consumer Ombudsman, were in some way satisfied, either as a consequence of the final resolution of the Ombudsman or because of its role as middleman in favor of the person submitting the claim.

The Ombudsman issues its verdicts based on prevailing legislation, the contractual relationships in place among the parties, current standards on transparency and customer protection on best banking practices and, especially, on the principle of equality.

The independent nature of the role of the Consumer Ombudsman is vital and is a requirement to earn the trust of the institution's clientele. Verdicts handed down by the Ombudsman in favour of the customer are binding on the affected Group entity.

b) Recommendations or suggestions derived from the experience acquired by the ombudsman activity, with a view to better attaining the aims of its work.

Among the various initiatives implemented by the Entity at the behest of the Ombudsman in 2007, we would highlight the following:

- The Consumer Ombudsman has always exposed various recommendations in its successive annual reports, like urging the bank to adopt appropriate measures to make it easier to conclude the inheritance procedures of those goods deposited under the name of a deceased client, in favour of those who will inherit them.

During 2007 the Ombudsman was informed that the bank had started a testamentary management center in order to speed up those procedures.

- Following a proposal made by the Ombudsman and the Customer care service, the form used in foreign checks deposit in accounts transactions has been modified in order to make sure that the client is informed that the deposit is done under the clause "under good end, provisional" so that the client understands it can be returned by the other credit institution because of fraud or manipulation.
- Finally, at joint behest of the Ombudsman, the Internal quality department and the customer care department, a meeting of the managers and personnel of those units took place in November with the objective of analyzing the management of claims and the improvement measures that can be implemented.

Clients not satisfied with the resolution of the Consumer Ombudsman, can take them before the Bank of Spain, the Spanish National Securities Market Commission and the Spanish General Directorate of Insurance. The Ombudsman always notifies this to the clients.

In 2007, the percentage of complaints examined or resolved by the Consumer Ombudsman that were afterward presented by the client before the abovementioned organisms was 6.40% in comparison to 7.08% during 2006.

### **FUTURE OUTLOOK**

With Global growth in the region of 4.8%, 2007 has been a prolongation to the economic expansion phase of the begun in 2003. In general terms, a certain slowdown was observed in the industrialised countries. It was most significant in the United States, which grew at a rate of 2.1% as compared to 2.9% achieved in 2006. The European Monetary Union, experienced a sound pace of activity expansion, with a 2.6% growth rate, just two tenths below that recorded in 2006. China and other emerging markets kept up their dynamism, going on to take on an even more outstandingly predominant role, if possible, in Global growth. Spanish economy kept showing remarkable drive, with 2007 growth at 3.8%, very similar figure to 2006, and significantly above the EMU average.

A cyclical moderation in the growth rate is expected for 2008, the intensity of which will be conditioned by the uncertain financial environment. This factor is compounded by the continued increase in oil prices, which again reached record highs in 2007. However, It seems reasonable to expect that the emerging economies, based on the foundations they have laid in recent years and the strength of their internal demands, will not be so significantly affected and will continue to be the driving forces of Global growth.

BBVA Group has a very sound business model that responds correctly to these changes, targeting new kind of consumers and benefiting from the information technologies revolution. In this situation, BBVA Group is confident to be in an optimal position concerning risk management, compared to other competitors. From this position, BBVA is committed to continue delivering sound returns and dividends, through a differential strategy based on transformation, innovation and profitable growth.

### **SUBSEQUENT EVENTS**

From January 1, 2008 until the date of preparation of the financial statements, there have no been other significant events affecting the income and equity statement of the Bank.