

BBVA

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Corporate
Responsibility
Report
2006

Executive summary



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PERTINENT INFORMATION

Key indicators of corporate responsibility

	2006	2005	2004
Economic			
Earnings per share (euros)	1.39	1.12	0.87
Market capitalisation (million euros)	64,788	51,134	44,251
Independent directors (%)	73.3	66.7	66.7
Socially responsible mutual funds with regard to total investment funds managed (%)	1.57	1.53	1.83
Social			
Diversity men-women (%)	53/47	55/45	57/43
Hours of training per employee	39	43	43
Resources allocated to community support over net attributable profit (%)	1.19	1.22	1.31
Customer satisfaction index (%) ⁽¹⁾	70.2	67.9	67.6
Employee satisfaction index (%) ^{(1) y (2)}	—	61.1	—
Environmental			
Electricity consumed per employee (GJ)	23.9	21.2	22.3
Paper consumed per employee (t)	0.13	0.11	0.14
Loans with environmental benefits (million euros)	676.4	301.7	295.7
Progress in the implementation of the Equator Principles	yes	yes	no

⁽¹⁾ Data for Spain.

⁽²⁾ Biennial survey.

BBVA's corporate responsibility ratings as awarded by specialist agencies

(Scale: 0 to 100)		2006		2005		2004		Observations
Entity	Dimension	BBVA	Sector average	BBVA	Sector average	BBVA	Sector average	
SAM	Inclusion in the indexes	Yes		Yes		Yes		BBVA has been included in DJSI World since 2001. BBVA has been included in DJSI STOXX since 2005.
	Economic dimension	85	60	88	62	65	50	
	Environmental dimension	62	34	48	32	43	28	
	Social dimension	78	47	80	46	65	43	
	Overall score	76	48	75	48	60	42	
EIRIS	Inclusion in the index	Yes		Yes		Yes		BBVA has been included in FTSE4Good since 2003.
SIRI	Inclusion in the analysis	Yes		Yes		Yes		Analysis performed in Spain by International Sustainability Analysts.
VIGEO	Inclusion in the indexes	Yes		Yes		Yes		BBVA has been included in ASPI Eurozone. BBVA has been included in Ethibel Sustainability Indexes (ESI).
OEKOM	Inclusion in the index	Yes		Yes		Yes		BBVA is rated as "Prime" in the comparison of the world's best banks, "Best in Class".

The data corresponding to the Vigeo and Oekom agencies, which are contained in the *Corporate Responsibility Report 2005*, cannot be included in this edition, as the ratings corresponding to 2006 had not been notified when this report went to press.



LETTER FROM THE CHAIRMAN

"Such is the approach we have at BBVA to our understanding of corporate responsibility: to respond in the best possible way to the expectations placed on our Group by each and every one of the segments with whom we are directly or indirectly involved ."

The present document aims to report in a transparent, clear and rigorous manner on the way in which our Group attends to its direct stakeholders and to the sum of societies in which it operates. Such is the approach we have at BBVA to our understanding of corporate responsibility: to respond in the best possible way to the expectations placed on our Group by each and every one of the segments

"We shall not stray from this path in 2007: an important year for BBVA as it celebrates its 150th anniversary."

with whom we are directly or indirectly involved and who are affected by our operations. A comprehensive and complex notion of corporate responsibility, which means extending it across the board to all our Group's units and operations, being of required application to all those aspects upon which our business has a bearing: in economic and legal terms, but also in human, social and environmental areas.

An innovative impulse

This is an aspect that is increasingly being required of all major corporations. Yet in addition, and above all, it constitutes a driving-force for the general enhancement of management and of the scope for growth and the generation of sustainable profit. An innovative impulse that any company with a long-term project and an awareness of reality should seek to implement: out of both need and convenience; that is, out of intelligence. Yet one that it will develop and exploit so much better if it believes in it out of conviction. Such is the case of the BBVA Group, in which this way of understanding responsibility is fully consistent with its vision and core values.

This document is a highly abridged version of BBVA's *Corporate Responsibility Report 2006*. The report has been drafted in accordance with the foremost international standards applicable within this sphere. We have made every possible effort to ratify the manner in which we embrace consultation, communication and dialogue with our stakeholders and their engagement in the definition of our priorities in matters of corporate responsibility criteria. It should be borne in mind, furthermore, that this document is a supplement to BBVA's *Annual Report 2006*, which contains information that is also central to our Group's corporate responsibility.

Overview of the report

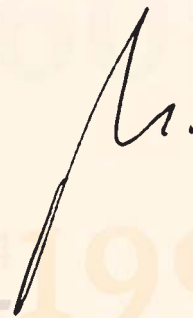
This executive report is arranged into four main sections. The first and more general one (chapters 1 to 4) examines our Group's defining traits, detailing our stakeholders and the myriad channels of communication opened with them, and

describing the core elements of our corporate responsibility. This section ends with a summary of the different types of value our Group provides.

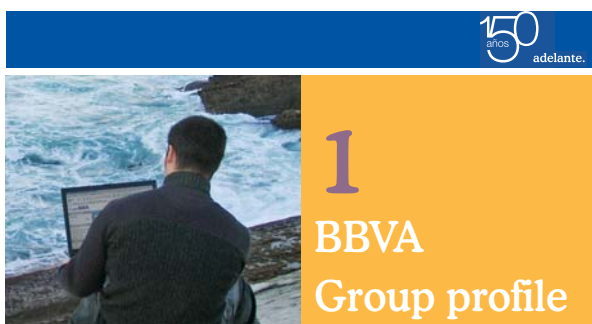
The second section (chapters 5 to 8) addresses the specific relationship BBVA has with its main direct stakeholders, whilst the third (chapters 9 and 10) reviews the more salient aspects of the relationship with its milieu: environmental impact and our community support policy. Finally, the section "Supplementary information" covers the report's methodological aspects and essential references.

All this is part of a long road leading to progress in our corporate responsibility policy. A road that we shall travel along in full awareness that our shortcomings are certainly numerous; yet also in the conviction that we are working steadfastly to reduce them, and in the certainty that, to a greater or lesser extent, we are being successful, thereby making BBVA one of the world's most highly respected financial entities in this field. We shall not stray from this path in 2007: an important year for BBVA as it celebrates its 150th anniversary. Furthering our pledge to responsibility will be one of the ways of commemorating it.

Finally, I cannot end this letter without expressly acknowledging that everything achieved so far has been possible only thanks to the dedication, motivation, skills and responsibility of the Group's entire staff. They are the ones to be saluted for the all the good contained in this report, and it is to them that I express my foremost gratitude.



February 26th 2007
Francisco González Rodríguez



1. Introduction

Banco Bilbao Vizcaya Argentaria, S.A. (henceforth BBVA) is a global organisation of considerable size and recognised solvency that is present in Europe, the Americas and Asia, operating in financial markets throughout the world and occupying positions of leadership in its core business areas: Spain and Latin America.

Presence in 32 countries

98,553 employees

7,585 branches

42.4 million customers

The Group comprises nineteen banks (four in Spain, ten in Latin America and five throughout the rest of the world), eight pension managers and five corporate foundations, with four being located in the Latin America countries in which BBVA operates.

2. Basic Group data

Basic Group data

(Million euros)	2006	2005	2004
Earnings			
Ordinary revenues	15,701	13,024	11,120
Operating profit	8,883	6,823	5,591
Pre-tax profit	7,030	5,592	4,137
Net attributable profit	4,736	3,806	2,923
Balance Sheet			
Total assets	411,916	392,389	329,441
Customer lending	262,969	222,413	176,673
Customer funds	425,709	401,907	329,254
Other data			
Market capitalisation	64,788	51,134	44,251
Earnings per share (euros)	1.39	1.12	0.87
P/BV (Price /Book Value; times)	3.6	3.9	4.0
Dividend yield (%)	3.49	3.52	3.39
ROE-Return on equity (%)	37.6	37.0	33.2
Efficiency incl. depreciations and amortization (%)	42.6	46.7	48.6

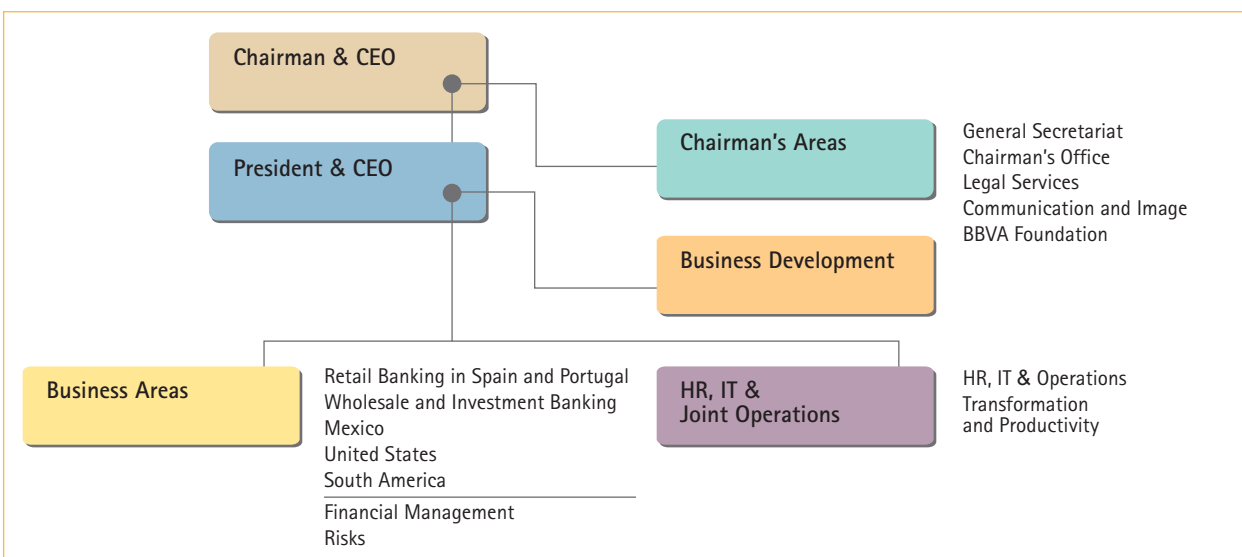
Ranking by business share in the main countries (2006)

	Lending	Deposits	Pensions
Argentina	3 rd	1 st	2 nd
Bolivia	-	-	1 st
Chile	4 th	4 th	1 st
Colombia	3 rd	3 rd	3 rd
Ecuador	-	-	1 st
Spain	2 nd	2 nd	1 st
Mexico	1 st	1 st	2 nd
Panama	5 th	5 th	-
Paraguay	1 st	2 nd	-
Peru	2 nd	2 nd	3 rd
Puerto Rico	6 th	7 th	-
Dominican Republic	-	-	2 nd
Uruguay	5 th	5 th	-
Venezuela	4 th	4 th	-

BBVA's geographical presence

Country	Banks	Branch offices	Pension managers	Foundation
Argentina	•		•	•
Belgium		•		
Bolivia			•	
Chile	•		•	
China		•		
Colombia	•		•	
Ecuador			•	
Spain	•			•
United States	•	•		
France		•		
Italy		•		
Japan		•		
Mexico	•		•	•
Panama	•			
Paraguay	•			
Peru	•		•	•
Portugal	•			
Puerto Rico	•			
United Kingdom		•		
Dominican Republic			•	
Singapore		•		
Switzerland	•			
Uruguay	•			
Venezuela	•			•

3. Governance and business structure



Note: The governance structure presented here is the one applicable throughout 2006. A new arrangement has been introduced on January 1st 2007 that involves a restructuring of the organisation. For more detailed information, see the *BBVA Annual Report 2006*.

Main Group events in 2006

JANUARY

- Restructuring of the organisation.
- New innovation strategy in business areas.

FEBRUARY

- Strategic Plan in the area of Communication and Image designed to promote the BBVA brand and the Group's value contribution.

MARCH

- BBVA and Vega form a strategic alliance and create Próxima Alfa, a global alternative investment company.
- Divestment of BBVA Banc Internacional d'Andorra and Banca Mora.

APRIL

- Purchase of 51 % of Forum, the leading car financing firm in Chile.

MAY

- Divestment of the shareholding in BNL.
- Merger between BBVA Colombia and Granahorrar.
- Launch of Valanza, new capital risk and corporate shareholdings manager for Spain, USA, Mexico and Latin America.
- New branch office opens in Singapore.

JUNE

- Divestment of the shareholding in Repsol.
- Purchase announced of two US banks: Texas State Bank and State National Bank.

JULY

- BBVA acquires full ownership of Uno-e.
- Reorganisation announced of the commercial networks in Spain.

AUGUST

- BBVA acquires the remaining 50 % of Advera and purchases Maggiore Fleet, for developing the consumer financing business in Italy.

SEPTEMBER

- New representation offices open in Seoul (South Korea) and Taipei (Taiwan).

OCTOBER

- BBVA opens a representation office in Sydney (Australia).
- BBVA launches its Master Plan for Social Action in Latin America.

NOVEMBER

- BBVA launches BBVA Codespa Microfinanzas, the first Spanish mutual fund in micro-finances.
- BBVA enters into a strategic partnership agreement with the CITIC Group in China and Hong Kong.

DECEMBER

- BBVA is authorised to open a representation office in Mumbai (India).

Net attributable profit by business areas

(Million euros)	2006	2005	2004
Retail Banking in			
Spain and Portugal	1,498	1,317	1,194
Wholesale and Investment			
Banking	1,282	873	658
Mexico and the United States	1,775	1,370	891
South America	509	379	229
Corporate Activities	(329)	(132)	(50)

4. Brand

BBVA understands the brand to be the pledge that the entity makes to each and every one of its stakeholders and the experience the latter undergo in their relationship with it at each point of contact (branches, advertising, reports...). From this perspective, brand management at BBVA is inextricably linked to the culture, values and performance of employees.

Brand positioning and strength

In 2003, the BBVA Group defined a corporate positioning for its brand, which focuses on three pillars: "Leadership", "Innovation" and "Person-to-person". These three pillars define the way in which BBVA wishes to be perceived by its stakeholders. The Group conducts surveys to gauge its brand perception in its main operating countries.

Regarding its strength, BBVA is the best known financial entity in Spain and Mexico and the first to be mentioned by the public at large in both these countries when people are asked which banks they know. Considering the Group's two major operating areas, BBVA is perceived in both Spain and Mexico as one of the entities with the greatest capacity for leadership, as well as being one of the most innovative and approachable. Furthermore, BBVA is one of the financial entities generating the highest level of commitment in both countries.

A strong brand requires consistency between what is said (pledge) and what is done (experience).



Main lines of work in 2007

- Continue the uniform and regular measurement of priorities and perceptions amongst employees, customers and public opinion in Spain, Mexico, Argentina, Chile, Peru and Colombia, and assess the possibility of doing the same with leaders of opinion
- Systemise the sharing of information with the aforementioned countries to analyse the results of the listening processes and assess possible means of improvement
- Implement a formal monitoring system for projects forthcoming from the CRR Committee
- Promote the creation of coordinating mechanisms with a similar role to that of the CRR Committee in the Group's main operating countries
- Improve the stakeholder engagement process focusing on information on Corporate Responsibility
- Improve the content of the Group's Climate Survey
- Use a standard report to provide the Steering Committee with regular information on stakeholder priorities and perceptions.

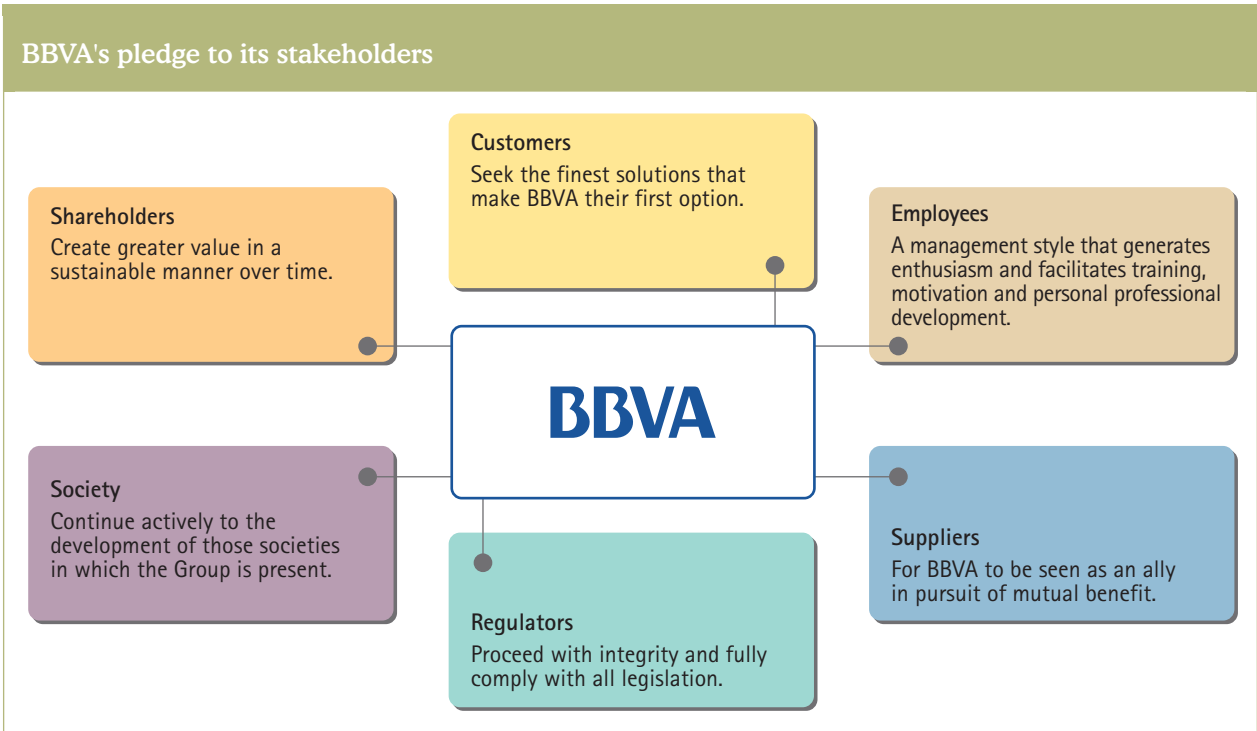
1. BBVA stakeholders

BBVA defines its stakeholders as all those people, institutions or communities with a significant bearing on its activity and on its decisions and which, in turn, are affected by them. The concept of stakeholder is central to the way in which BBVA understands corporate responsibility, given that its core mission is to provide such groups with the maximum and most balanced value possible. The relational cycle BBVA upholds with its stakeholders is as follows:

- Identification of stakeholders and arrangement of channels of dialogue with them
- Integration within management of stakeholder expectations, identification of matters of relevance to them and analysis of the assessment they make of BBVA's management
- Introduction of lines of action instigated by the listening process, taking into account the Group's values and strategy
- Reporting to stakeholders on the actions undertaken.

2. Identification of stakeholders and channels of dialogue

BBVA specifically identifies each one of its stakeholders in order to engage them in a way that responds to their particular needs. BBVA has set up channels of dialogue with each and every one of them with the dual purpose



being to understand their expectations for the daily running of the organisation and relay information to them on BBVA strategy and operations, bearing in mind those aspects of greater relevance to them. The *Corporate Responsibility Report 2006* (www.bbva.com) lists the main stakeholders and their component groups, as well as the main channels of listening, reporting and dialogue involving them.

3. System for integrating stakeholder expectations in management and reporting

Many of the tools for dialogue are supervised directly by the departments in closest contact with each stakeholder. Each department outlines its action plans on the basis of the outcome of the listening process.

In addition, in 2006 BBVA has carried out a comprehensive analysis of the results of the opinions and priorities of its stakeholders: customers, employees, society, management and experts, sustainability analysts and NGOs. The perceptions and appraisals forthcoming from these groups have been analysed in terms of the following fields: offer or relationship with the customer, job and working environment, citizenry, ethics, leadership, innovation and financial results.

Using the information provided by numerous listening and research tools, a matrix has been compiled for each one of the countries in which the Group operates. It reflects the importance stakeholders attribute to each one of these spheres, the appraisal they make of BBVA with regard to other companies and the trend in this appraisal.

The enclosed table corresponds to the analysis made for Spain and points to the main opportunities

for improvement according to each stakeholder (purple), as well as the main strengths (green) and the more pertinent aspects for enhancing reputation with each stakeholder. The order of importance of these aspects for each group is shown by the number in brackets.

Considering the results forthcoming from this analysis, the Group has identified a series of priority areas for improvement. Specifically, four action contexts have been singled out: customer focus, the working environment, citizenry (which includes action in society and the environment) and ethics. Given their overriding importance for stakeholders, these are the areas with greatest potential for improvement in the BBVA Group and, accordingly, the ones that have been deemed priority focal points for concentrating efforts.

The findings of these analyses were presented at the first meeting of the Corporate Responsibility and Reputation Committee, where BBVA's main operations are represented through senior management (see the chapter: "BBVA's corporate responsibility policy"). The underlying purpose of this committee is precisely to arrange an efficient process for continuous improvement across the board, based on stakeholder priorities and perceptions.

The actions BBVA undertakes in response to stakeholder requirements are reported by a variety of means. One of these is the Annual Corporate Responsibility Report, whose main purpose is to give an account of the work carried out during the year and of the results obtained, including information on both achievements and opportunities for improvement.

Comprehensive analysis of stakeholders and their priorities

	Public Opinion	BBVA Customers	BBVA Employees	NGOs	Management and experts	Sustain. analysts	Priority action
Offer	1	1	2	n/a	1	4	1
Work	2	2	1	n/a	4-5	2-3	2
Ethics	3	3	4	n/a	2-3	2-3	4
Leadership	4	4	3	n/a	7	n/a	5
Citizenry	5	7	6		2-3	1	3
Innovation	6	5	7	n/a	6	5	6
Finances	7	6	5	n/a	4-5	6	7

n/a: not available.



Basic features

Meeting stakeholders' expectations

Key component of our corporate culture

Catering for all business dimensions

Integral approach

Resources allocated to

basic CR policies (million euros):	2006	2005
In-house training	35.6	34.3
Community support	56.4	46.5
R&D	53.0	52.0
Total	145.0	132.8

Degree of progress in the main lines of work in 2006

- Coordination of corporate responsibility and reputation strategies. **3**
- Information coordination and management. **2**
- Depth and scope of verification. **2**
- Fulfilling stakeholder expectations in Annual CR Report. **2**
- Integration of CR criteria in HR, Business, Risks, Compliance, Purchases and Channels. **2**
- Development of the model for monitoring corporate reputation. **3**
- In-house training in CR. **2**

1 Scarcely significant, 2 Significant, 3 Very significant.

Aspects of CR information regarding policies and strategy deemed to be of greater significance by stakeholders

- Definition and monitoring of CR strategy.
- Declarations, principles and values.
- Risk identification and management.
- Instruments for ethical risk management.
- Stakeholder involvement.
- Description of the Corporate Governance System.
- Engagements with outside initiatives.
- Third-party appraisal of CR reports and policies.
- Accessibility and distribution of the information contained in the *Annual CR Report*.
- Comparability of information.

Main lines of work in 2007

- Progress in the system of consultation and dialogue with stakeholders.
- Progress in the model for monitoring corporate reputation.
- Progress in the integration of corporate responsibility and reputation policy in overall strategy and in the support and business areas: consolidation of the CRR committee.
- Development of the lines of work approved by the CRR committee.
- Progress in the coordination with Group banks in Latin America and in their CR organisation.
- Ratification of international undertakings.
- Drafting of CR reports by Group banks in Latin America.
- Progress in in-house CR training.
- Progress in the depth and scope of verification.
- Progress in meeting stakeholder expectations in the *Annual CR Report*.

1. Vision, principles and values

The BBVA vision (“working towards a better future for people”) is enshrined in its corporate principles, which constitute the pillars of its corporate culture: they synthesise its core values and the way it understands its nature and business as a company.

Corporate Principles BBVA

1. The customer as the core of our business.
2. The creation of value for shareholders overall as the result of our business.
3. Teamwork as the key to generating value.
4. A management style that generates enthusiasm.
5. Ethical conduct and personal and professional integrity as a way of understanding and developing the business.
6. Innovation as the engine of progress.
7. Corporate social responsibility as an intrinsic part of development.

2. Corporate responsibility at BBVA

The BBVA Group understands corporate responsibility to be a comprehensive pledge to provide the utmost value possible on a balanced basis to all its direct stakeholders, listening and striving to provide the best response to their expectations, in strict compliance with the law and upholding the most stringent levels of integrity and transparency. A pledge that addresses all facets of the business (legal, financial, human, social and environmental), being

identified with the pursuit of excellence. A pledge, furthermore, that BBVA strives to fully integrate within its strategy, in all its lines of business, in all its units and in all the societies in which it operates.

3. Basic pledges

This pledge BBVA has made to its stakeholders is materialised both in its corporate principles and in its ethical codes, in certain supplementary policies and in international agreements subscribed on corporate responsibility.

Ethical codes

The main one is the BBVA Group's Code of Conduct, which defines the fifth principle in its corporate culture. It constitutes a sound operational guideline for upholding stringent standards of integrity, ethics and honesty. The code is of application to all those entities that form part of the Group and is binding for all their employees, amongst whom it has been disseminated appropriately, although it may also extend to any other person or entity that has dealings with the Group whenever, given the nature of this contact, their *modus operandi* may have a bearing on BBVA's reputation.

BBVA's ethical system is rounded off by other specific rules that develop some of the principles and criteria contained in the Code of Conduct, amongst which are the Director's Charter –which regulates potential conflicts of interest between the Group and each director, their relatives and those entities with which they are connected–, the Code of Conduct on Stock Markets, the Code of Ethics for the Recruitment of Personnel, the Principles Applicable to those Parties involved in the BBVA

Procurement Process, the Code of Ethics for the Real Estate Business, the Basic Principles of Risk Management, the Internal Audit Statute or the Regulation on Dealings with Individuals or Entities of Public Import in Matters of Finances and Guarantees.

Supplementary policies

These are policies formulated to supplement the BBVA Group's pledge to corporate responsibility, with the main ones being Environmental Policy, the public bylaws of the Group's foundations and the principles of the Investment Policy for the BBVA Employees' Pensions Plan, which explicitly includes corporate responsibility criteria.

International agreements subscribed

The following are amongst the more noteworthy international agreements BBVA has ratified within the sphere of sustainability: the United Nations Global Compact (www.unglobalcompact.org), the United Nations Environmental Programme Finance Initiative (UNEP-FI/www.unepfi.org) and the Equator Principles (www.equator-principles.com), a series of guidelines promoted by the World Bank for guaranteeing strict social and environmental criteria in the financing of large investment projects.

For more information on these commitments, please visit our corporate website (www.bbva.com).

4. Process for determining relevant aspects and priorities

In the definition of its corporate responsibility policy, BBVA identifies and manages its main risks and opportunities, delimits those aspects of greater

Relevant aspects detected through the main channels of consultation and dialogue

- **Private customers:** capacity for response, focus on their specific needs, good service, ethical conduct, transparency and good internal organisation.
- **Business customers:** appropriate price and procedures for the services provided (SMEs), support for their growth requirements (large companies) and financial terms and adjustment to their needs (institutions).
- **Employees:** career development and employee engagement with BBVA (respect, encouragement for the suggestion of ideas, equal opportunities, transparency and climate of trust).
- **Suppliers:** fulfilment of contractual obligations, personal treatment, flexibility in the negotiating, tender or contracting process, level of service provided.
- **Shareholders:** reporting transparency and ethical conduct, leadership and management quality, customer focus, creation of value for shareholders.
- **Regulators:** strict compliance with legislation, fluent dialogue and transparency.

significance with a bearing on its corporate responsibility and defines its strategy's basic lines and priorities. This process is undertaken by taking into consideration a whole series of key elements, amongst which mention should be made of the need to respond to the main trends and challenges in its sector; the pledge to broaden its conduct to include the concerns of shareholders and those social expectations of greater import; the management of the impact its operations have on society; and the adoption of internal and external commitments related to corporate responsibility.

5. Precautionary principle: risk management

The whole of the above process is filtered through a general criterion that governs both the Group's overall management and its specific management of corporate responsibility: respect for the principle of precaution, based on risk assessment criteria that are prudent, consistent and well-grounded.

The BBVA Group considers risk management to be an intrinsic part of the banking business and a fundamental source of its competitive edge. It

therefore deploys a global risk management system, thereby making it possible to ensure the compatibility of customer needs and the expectations of shareholders and remaining stakeholders, as well as the requirements of regulators. The system emanates from the board of directors, which determines the Group's risk policy through the Executive Committee and the Risks Committee, being managed at corporate level by the area of Risks, whose analyses include, amongst others, aspects such as backing for the stability of the financial systems in its operating countries, reputational risk or the consideration of ethical, social and environmental criteria.

For further information on this matter, please consult BBVA's *Annual Report 2006* (www.bbva.com).

6. The BBVA Group's priorities in corporate responsibility

In accordance with the process mentioned under point 4 in this chapter, the main priorities that BBVA has earmarked in its corporate responsibility policy for 2007 are as follows:

Main priorities that BBVA has opted for in its corporate responsibility policy for 2007

1. Offer

- Greater focus on customer needs.
- Differentiated attention for the needs of especially disadvantaged groups or those experiencing financial exclusion.

2. Employees

- Greater clarity and systemisation in career development policy.
- Advances in policies on gender equality and the reconciliation of work and family life.
- Development of a Corporate Voluntary Service Plan.

3. Citizenry (social and environmental impact of the business)

- Differential attention to the needs of especially disadvantaged groups.
- Consideration of environmental and social factors in loan risk analysis.
- Improvement in the application, monitoring and reporting of the Equator Principles.
- Advances in the policy of certifying environmental quality.
- Consideration of the job insertion of disabled people in procurement policy.

4. Ethics

- Formulation of a comprehensive human rights' policy.
- Advances in the accreditation of the processes involved in the BBVA Group's Code of Conduct.

5. In general terms

- Ongoing commitment to innovation in all its facets, as a cornerstone of Group strategy.
- Continuous improvement in reporting transparency, as a key feature of corporate responsibility.

7. Management systems

In order to implement its corporate responsibility policy, the Group has an advanced management system, to which a vital contribution is made by numerous areas and specific systems, with three standing out for their special relevance and direct focus:

Corporate Governance system

It lies at the very heart of the BBVA Group. It defines the structure and operations of its governing bodies in the interest of both the entity and its shareholders, seeking to bring the organisation's objectives in line with the expectations made of it by other stakeholders. The system is addressed in detail in BBVA's *Annual Report 2006* and on the corporate website (www.bbva.com), which includes a detailed Corporate Governance Report.

Compliance system

Together with the Corporate Governance system, the Group's Compliance system constitutes the foundation upon which BBVA bases its institutional pledge to pursue all its operations and businesses in accordance with strict standards of ethical conduct. Its aims focus on compliance with applicable legislation, relevant standards of ethical conduct and the procedural guidelines contained in the Group's Code of Conduct, as well as the identification of possible non-compliances and the management of the risks that may be forthcoming accordingly.

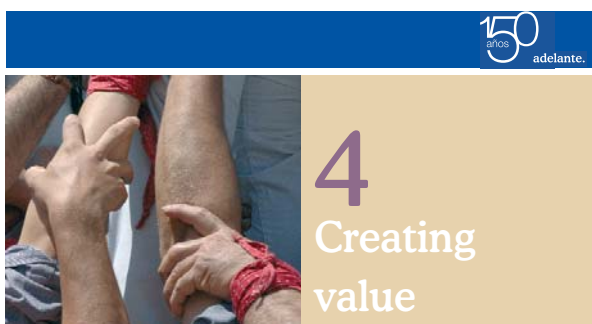
The Compliance process is subject to control and supervision by the board of director's Audit and Compliance committee, and consists of a corporate directorate, within the framework of the Group Chairman's office, and a series of compliance departments integrated within the BBVA Group's organisational structure.

Corporate Responsibility and Reputation system

It is managed by the department of Corporate Responsibility and Reputation (CRR), attached to the Communication and Image area, whose director reports directly to the chairman and is a member of the Group's Steering committee. The system has two separate roles, which nonetheless are clearly linked and complement each other: the management of reputation and the coordination of policy in corporate responsibility. Overall, the department's operations are materialised around three lines of action that constitute an endless loop: monitoring and evaluating stakeholder opinion (listening); propounding responsible criteria, policies and procedures in all operational areas (improvement) –emanating largely from the listening process– and communication and dialogue regarding the actions undertaken (communication).

Regarding the proper management of these processes, since 2006 the Group has looked to the Corporate Responsibility and Reputation committee, set up for the basic purpose of gauging stakeholder opinion and fostering responsible criteria, actions and policies throughout the organisation. The areas involved in the committee, and represented by senior executives, are: Chairman's Office, Compliance, Human Resources, Quality, Business Development, Risks, Retail Banking, Wholesale and Investment Banking, South America, Mexico, United States and Communication and Image (whose director chairs the committee). The committee's administration and secretariat befall the department of Corporate Responsibility and Reputation.

In addition, the department has the support of liaisons in all areas and national coordinators in each one of the Group's banks in Latin America.



Financial institutions play a crucial role in the economic activity of advanced societies: amongst other functions, they channel resources from agents with surplus financing towards those agents requiring it for investment or consumer activities (furthermore multiplying the financial resources that are the life-blood of economic progress); they broker and enable transactions and payments and have a decisive role to play in the analysis of investment opportunities and decisions. They thereby occupy a pivotal position in the economic system, as essential enablers of the activities of each and every agent (public administrations, companies, non-profit institutions and households). They have therefore become core elements in furthering the operating scope of all nature of units and the overall capacity for macroeconomic development, as well as being essential agents of value creation: a value that financial institutions provide above all to their direct stakeholders (shareholders, employees, customers and suppliers), yet also to the sum of societies in which they pursue their operations.

1. Tangible direct value

Tangible direct value is the economic value that the BBVA Group provides to each one of its stakeholders. The total sum of economic value generated in 2006 amounted to €16,821m (a 27 % increase on the prior year).

Economic value generated and distributed

(Million euros)	2006	2005	2004
Economic value generated (EVG)	16,821	13,227	11,602
Economic value distributed (EVD)	10,991	9,463	7,921
Economic value retained (EVR=EVG-EVD)	5,830	3,763	3,681

The main paths BBVA uses to generate direct economic value for each one of its stakeholders are featured in the following table.

2. Intangible direct value

Intangible direct value is that which the BBVA group provides to each one of its direct stakeholders, materialised in the quality of the services it renders. This value, which is extremely difficult to quantify, is channelled through the quality of the service provided and expressed in operating opportunities and capabilities, which are ultimately realised in economic benefits for receiver groups. A large part of one of the chapters in this report dealing with the relationship between the BBVA Group and its stakeholders is concerned with its analysis.

Creation of direct tangible value: detail according to each stakeholder group⁽¹⁾

(Million euros)	Value indicator	2006	2005	2004
Shareholders	Dividends	2,220	1,801	1,499
Employees	Personnel costs	3,989	3,602	3,247
Customers	Interest and assimilated charges	11,216	8,932	6,448
Suppliers	Other general administrative expenses ⁽²⁾	2,342	2,160	1,851
Society	Corporate income tax	2,059	1,521	1,029
	Resources the Group and its foundations allocate to community support	56	46	38

⁽¹⁾ Data obtained from the Group's annual consolidated income statement.

⁽²⁾ This item has been selected as a suitable estimate of the payments made to third parties under the heading of purchases and services rendered.

3. Indirect and induced value

Indirect and induced value is that which the Group's operations generate in those societies in which it operates through their effect on all other economic units, especially through the activity stimulated amongst its customers and suppliers, yet also through the even more indirect effects triggered in the general environments in which it operates. Accordingly, the following are some such indirect effects, with a particular bearing on developing regions with insufficiently mature financial systems:

- Contribution to the configuration of solid, sound and secure financial systems.
- Furtherance of technological innovation and development.
- Furtherance of macroeconomic stability and growth.

This report contains a quantitative analysis of the indirect and induced value the BBVA Group

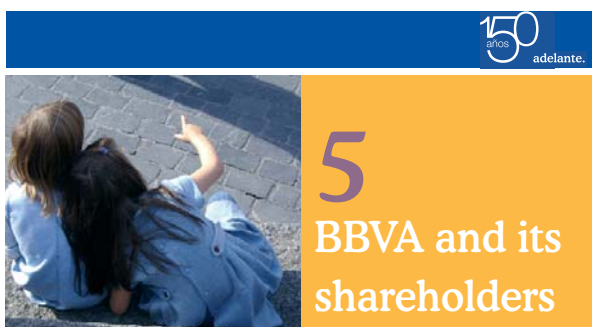
generated in the Spanish economy in 2005 (it has not been possible to update this information for 2006, as the official figures for the Spanish economy had not been published when this report went to press). As a result of this analysis, it has been estimated that the BBVA Group's indirect and induced value in the Spanish economy in 2005 amounted to more than €7,600m, which led to the creation of over 61,800 jobs. Overall, BBVA Spain's total economic impact on the Spanish economy in 2005 exceeded €13,600m in effective production, thereby accounting for 0.8 % of total production in Spain. With near 93,000 jobs being directly or indirectly created by BBVA-Spain's operations, which accounted for nearly 0.5 % of all employment in the Spanish economy that year.

For more information, see the *BBVA Corporate Responsibility Report 2006*, with an explanation of the methodology available at www.bbva.com.

Economic value added and employment generated by the BBVA Group in the Spanish economy

(Million euros)	2005
1. Indirect value	1,878
2. Indirect employment promoted (no. people)	16,500
3. Induced value	5,730
4. Induced employment promoted (no. people)	45,300
5. Sum of indirect and induced value (1+3)	7,608
6. Sum of indirect and induced employment (no. people) (2+4)	61,800
7. Estimated effective production	6,071
8. Direct employment	31,154
9. Total value generated (5+7)	13,679
10. Total employment generated (6+8)	92,954

Scope: BBVA Spain.



Basic features

	2006	2005
• Shareholders	864,226	984,891
• Shares (millions)	3,552	3,391
• Share ownership (% of Capital):		
Individuals:	33.22	37.28
< 4,500 shares	10.41	12.78
> 4,500 shares	22.81	24.50
Board of directors	1.08	1.12
Institutional investors:	63.56	59.10
Domestic	10.49	9.87
Non-domestic	53.07	49.23
Employees	2.14	2.50
• Main data on the BBVA share		
Earnings per share (euros)	1.39	1.12
Price/Book value (times)	3.6	3.9
PER (price/earnings; times)	13.7	13.4
Market capitalisation (million euros)	64,788	51,134

Degree of progress in the main lines of work in 2006

- Advance in the coordination of the Group's different areas in order to benefit shareholders. **3**
- Attraction of non-deposit holding investors. **2**
- Advances in information channels. **2**
- Increase in the group attended to by the Shareholders' Management Unit. **2**
- Advance in the globalisation of the Group's shareholder structure. **2**
- External visibility of shares (Investor Portal). **3**
- Extended knowledge on the investor base. **2**

1 Scarcely significant, 2 Significant, 3 Very significant.

Aspects deemed to be of greater significance by shareholders

- Reporting transparency and ethical conduct.
- Leadership and management quality.
- Customer focus.
- Creating value for shareholders.

Aspects of CR information regarding shareholders deemed to be of greater significance by stakeholders

- Transparency in financial information. Description of the system of Corporate Governance.
- Increase in the Group's international information.
- Detail of the Group's governance structure.

Main lines of work in 2007

- Greater quality in attending to shareholders.
- Greater coordination with the Group's various lines of business.
- Better access to share-related information. Transparency and consistency.
- Upholding the highest standards of communication with investors and analysts: quality of dialogue, attaining the highest level possible.
- Facilitating shareholder cooperation in the Group's social engagement.
- Greater attraction of non-deposit holding investors.
- Consolidating the Shareholders' Management Department, streamlining communication platforms to ensure more fluent and effective dialogue with shareholders.
- Greater knowledge on the investor base according to its geographical distribution.
- Greater efficiency in conveying the Group's circumstances and potential to analysts and institutional investors.
- Advance in the process of globalising the Group's shareholder base.

1. Sustained growth in value

BBVA aims to create the utmost value for its shareholders in a sustained manner over time. This is a key priority, framed within a policy underpinned by the criteria of ethics, transparency and equity that constitute the institution's corpus of Corporate Governance.

In order to further knowledge on BBVA's Corporate Governance system, inclusion is made of a detailed chapter on the matter in the Group's Annual Report, and a Corporate Governance Report is presented in accordance with legal requirements on its corporate website (www.bbva.com), supplemented accordingly with all relevant information on the subject.

2. Dealings with shareholders and investors

BBVA has reinforced its dealings with shareholders throughout 2006, attending to their comments and requests. In order to uphold the utmost reporting transparency, BBVA combines personalisation and close relations with the simultaneous improvement in its means of communication, involving the ever-increasing application of cutting-edge technologies.

For managing its dealings with shareholders, investors and analysts, BBVA has several channels of

dialogue and units specialising in attending to different segments.

3. Shareholders' Management unit

Reporting to the Group Chairman's Office, it was created in 2006. The first unit of its kind within the Spanish financial sector, it combines the Major Investors' Management unit with the Shareholders' Office. Its purpose is to improve the service rendered and promote the Group's unity of action and criteria in the matter, without forgoing differentiation between the segments, as required by shareholders in their ongoing dealings with BBVA.

The study *Trends 2006: Good Practices in Corporate Reporting* by PriceWaterhouseCoopers considers the BBVA Group to be one of the five Spanish companies amongst the 46 businesses worldwide with the best reporting to shareholders.

The Shareholders' Management unit bases its operations on the following principles:

- Enhancing the loyalty of the shareholder base
- Geographical extension and diversification
- Increasing the levels of bank usage
- More knowledge on the group's characteristics and needs
- Enhanced capacity for generating business to the advantage of shareholders.

Within the area, the Major Investors' Unit focuses on meeting the specific requirements of major investors, whilst at the same time holding a personalised and ongoing dialogue with them; in

Enquiries attended by the Shareholders' Office

	2006	2005	2004
902	5,550	5,199	4,353
Dedicated mailbox	12	53	40
Letter	34	84	200
Telephone	1,938	2,786	2,434
e-mail	1,767	785	480
Personal enquiry	29	37	150
Ábaco magazine competition	2,535	2,753	3,080
TOTAL	11,865	11,697	10,737

turn, the Shareholders' Office is responsible for dialogue with individual shareholders.

In 2006, the Shareholders' office answered 11,865 enquiries through its various channels of communication, especially the helpline provided for this purpose.

4. Department of Investor Relations, Rating Agencies and Analysts

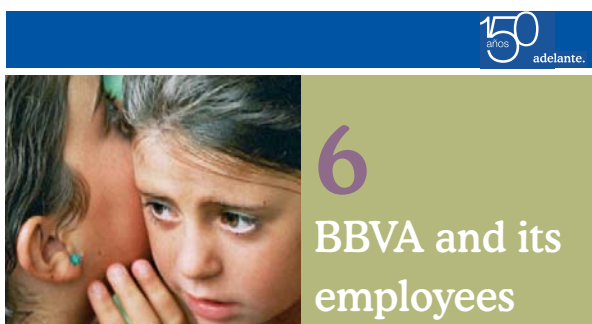
With the unwavering purpose of providing transparent and seamless information to investors, analysts and rating agencies regarding the Group's situation, evolution and outlook, this department designs and implements the strategy for reporting to markets both at home and abroad, staying in permanent contact with their main actors. This strategy ensures that the BBVA share is one of those most highly recommended by analysts both in Spain and elsewhere, consolidating the strength of the entity's market price, with the third largest volume of capitalisation on the Spanish stock market at the end of 2006.

In 2006, the IR Perception Study by Institutional Investor has chosen BBVA as the most highly rated bank by investors in Spain and second in Europe.

Operating data involving analysts and investors

	2006	2005
Number of investors contacted	298	283
Requests for information attended to by e-mail	1,082	1,015
Overall contacts with analysts	730	660
Actions for the Annual General Meeting		
Delivery of documentation	320	315
Requests for information	80	108

The quality of BBVA's dealings with its investors merited the highest rating in the Dow Jones Sustainability Index in 2005 (this rating was not published in 2006).



Basic features

	2006	2005
Total no. employees	98,553	94,681
By region (%):		
Spain	31.0	32.9
Mexico	33.3	32.9
Rest of the Americas	33.8	32.2
Other countries	1.9	2.0
Men/women (%)	53/47	55/45
Average age	37.6	38.1
Average length of service	12.3	13.2

Degree of progress in the main lines of work in 2006

- Promoting measures to reconcile work and family life and creating the Committee for Equal Opportunities with trade union representation. **3**
 - Integration of the disabled. **1**
 - Design and approval of the Corporate Voluntary Work Plan. **3**
 - New training programme in the School of Management. **3**
- 1 Scarcely significant, 2 Significant, 3 Very significant.

Aspects deemed to be of greater significance by employees

- Possibilities for professional development.
- Organisation's commitment regarding employees (respect, encouragement for generating ideas, equal opportunities, a climate of trust based on transparency).
- BBVA's capacity to create economic value.

Aspects of CR information regarding employees deemed to be of greater significance by stakeholders

- Workers' fundamental rights.
- Development of responsible Human Resources policies.
- Improvements in working conditions.
- Health and safety.

Main lines of work in 2007

- Promoting measures to reconcile work and family life.
- Integrating the disabled.
- Practical development of voluntary work programmes.
- Formalising a human rights policy.
- Developing measures for the professional and personal improvement of employees.

1. Work climate

Every other year, BBVA carries out a survey through which all the Group's professionals can express their opinion on their working conditions and professional experience. The survey is one of the most important participation channels and helps promote actions aimed at improving the work climate. The findings of the Work Climate Survey 2005, which was completed by over 55 % of the Group's employees, reveal many of the improvements perceived by this group particularly those resulting from the Group's efforts in Latin America.

Discharges of employees

	2006	2005	2004
Retirements and early retirements	2,000	809	1,440
Incentivated discharges	612	571	540
Voluntary discharges (resignations)	5,950	3,337	3,957
Others	3,870	2,058	2,268
TOTAL	12,432	6,775	8,205

Undesired turnover of staff

	2006	2005	2004
Spain	1.57	1.33	0.81
Mexico	12.52	10.36	11.08
Rest of the Americas	5.67	4.62	6.74
Rest of the world	4.52	3.89	2.24
Group average	6.55	3.52	4.54

Work climate survey

(Percentage)	Participation		Satisfaction		Motivation		Image	
	2005	2003	2005	2003	2005	2003	2005	2003
BBVA Spain ⁽¹⁾	47.1	47.5	61.1	60.4	70.4	70.7	76.2	73.7
BBVA Bancomer (Mexico)	60.7	73.2	76.0	74.4	84.9	84.3	86.7	84.6

⁽¹⁾ Includes BBVA Portugal
Periodicity: every two years.

2. Competency-based management, professional development and rewards

Professional development in BBVA starts with an objective and individualised process of appraisal of the employee's competencies, followed by a customised training plan and, subsequently, by a career development plan. During 2006, 17.4 % of the Group's employees were promoted, as opposed to 11.9 % in 2005.

With regard to rewards within the Group, they are awarded, in accordance with the level of responsibility of the position, the professional evolution of each employee and the fulfilment of objectives, avoiding any discrimination for reasons of sex, race or of any other kind, and guaranteeing compliance with the law and collective bargaining agreements applicable to the sector.

Reward based on performance evaluation in relation to total remuneration⁽¹⁾

(Percentage)	2006	2005	2004
Steering Committee and corporate managers	46	30	n/a
Management	39	26	25
Team heads and technicians	19	13	12
Office and general services staff	6	3	3

⁽¹⁾ Excluding pension schemes and social welfare benefits.
n/a: not available.

3. Communication and dialogue with employees

The BBVA Group has numerous internal communication tools, aimed at creating a climate of trust based on an open relationship, support for teamwork and transparent communication. They are organised through two lines of action: the line of

management and corporate channels (the daily newsletter *Buenos Días*, *Activity Report*, *Canal BBVA*, *Carrusel*, *Employee Portal*, *Employee Care Service (SAE)* and the *Adelante* magazine).

4. Social welfare systems and social benefits for employees

In Spain, BBVA was pioneer in the transfer of ownership of economic rights to its workers, mainly through employees' pension schemes. Likewise, the universalisation principle has been applied to the entire staff, over and above the requirements of the collective agreement itself. In Latin America, The Group's companies voluntarily provide a complement to cover death and disability, and in some cases, retirement, for the existing public social provision systems which are privately administered and have individual capitalisation (AFPs).

As far as social benefits are concerned, all such benefits as are enjoyed by staff are the result of collective agreements and depend on the different origins of the companies leading to the constitution of the BBVA Group

On a voluntary basis, the Group has developed numerous measures for improving employees' personal and professional welfare and for improving communication and coordination, within the framework of the "Passion for People" project.

5. Recruitment and training

The Recruitment area has a global policy and a code of procedure aimed at guaranteeing equal opportunities and attracting talent in their recruitment processes. In 2006, 14,335 new employees joined the Group: 2,054 in Spain, 12,051 in America and 230 in the rest of the world.

In-house training in BBVA is organised through the Annual Training Plan, implemented by means of

Training

	2006	2005	2004
Total investment in training (thousand euros)	35,549	34,302	34,315
Investment in training per employee (euros)	375	373	393
Hours of training provided (thousands)	3,821	4,082	3,744
Spain	1,287	1,760	1,639
America	2,534	2,323	2,105
Hours of training per employee	39.0	43.1	43.0
Spain	42	56	53
America	38	38	39

Training activities: hours spent

(Percentage)	2006	2005	2004
Customer service	68	73	70
Skills	17	13	17
Languages	10	7	7
Technology	5	7	6

In recent years, the BBVA Group has received diverse acknowledgements for health and safety at work, such as the National Award for the Prevention of Industrial Hazards and Health at Work and the Exemplary Company in the Prevention of Industrial Hazards and Health at Work International award.

an annual process, which gets underway with the identification of the needs of each unit. The plan offers integrated solutions, at corporate level as well as specific solutions for each country and individual ones for each employee, deriving from the competency-based management model and in line with the Individual Development Plan (PDI) for each worker. In 2006, the Group invested over €35.5m in training its workforce, 3.6 % up on 2005, of which 73.0 % of the workers benefited, with a total of 3,800 hours of training.

Training in BBVA is undertaken through three channels: classroom, distance and e-learning. The BBVA Business School plays a key role in presentational training and is organised along four lines of work: the School of Management, for developing managerial skills, the School of Finances, the School of Languages and the School of Technology.

6. Health & Safety at Work

The Service for the Prevention of Industrial Hazards is in charge of managing health and safety at work in BBVA. This service comprises the technical prevention and healthcare at work sections. Trade union participation is a fundamental pillar of the

preventive system. In BBVA, training on health at work is vital for prevention, and affects the Group's entire workforce with the types of courses varying, depending on the country and prevailing laws.

7. Equality of opportunities and reconciliation of work and family life

As a consequence of the Agreement on the Reconciliation of Work and Family Life signed in 2005 with trade union representatives, a Committee for Equality of Opportunities was jointly set up with trade unions, represented on a gender-parity basis, in order to promote practices in favour of equality and paying particular attention to gender problems.

Moreover, an innovative project, called "Quality of Life in BBVA", is currently being developed. It affects the entire corporation and aims at establishing an overall framework, for application throughout the Group, by defining quality of life principles around which initiatives, on a general as well as a local level, can be developed. The purpose of these initiatives is to facilitate the reconciliation and balance of employees' work and family life, with numerous specific measures already passed for 2007.

Contracts by gender

(Percentage)	2006			2005			2004		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent or regular full-time	49.85	42.22	92.07	51.66	40.21	91.88	52.48	39.36	91.85
Permanent or regular part-time	0.48	0.97	1.45	0.61	0.82	1.43	0.64	0.78	1.42
Temporary	2.28	3.08	5.36	2.30	3.20	5.50	2.30	3.03	5.33
Others	0.41	0.71	1.12	0.42	0.77	1.19	0.46	0.94	1.40

Distribution of functions by gender (Group average)

(Percentage)	2006		2005		2004	
	Men	Women	Men	Women	Men	Women
Steering Committee and corporate managers	91.52	8.48	95.27	4.73	95.91	4.09
Management	83.39	16.61	84.18	15.82	84.64	15.36
Team heads and technicians	60.94	39.06	61.62	38.38	63.12	36.88
Office, general services staff	46.67	53.33	47.40	52.60	48.16	51.84

In addition, BBVA was involved in 2006 in diverse public and private initiatives to favour equal opportunities. Among them are the Por la Diversidad Activa (For Active Diversity) project, within the framework of the EQUAL initiative, and the Óptima programme, an initiative by the Women's Institute.

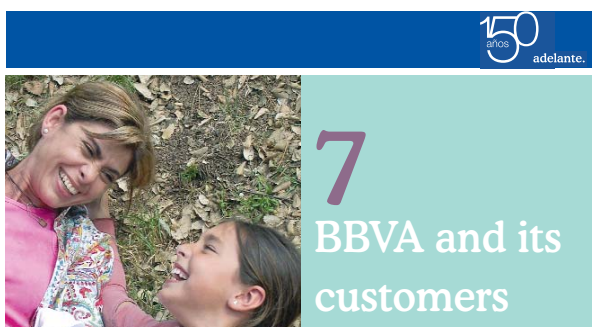
8. Human rights and trade union freedom

In its section on "Ethical values", BBVA's Code of Conduct expressly mentions BBVA's commitment to human rights, strictly respecting ethical values and non-discriminatory practices in all countries. Furthermore, the BBVA Group has included in its Code of Conduct its commitment to the Universal Declaration of Human Rights, the United Nations Global Compact and to other agreements and treaties by international bodies such as the International Labour Organisation, while complementing the said commitments with a series of monitoring mechanisms in order to ensure compliance with the same.

Throughout the entire Group, the most important matters in the sphere of industrial relations are included in the different agreements and arrangements subscribed by each company with the corresponding trade union representatives of each country. BBVA respects the role and responsibility of trade union representatives, in accordance with prevailing legislation, particularly in matters relating to collective bargaining. Furthermore, it encourages initiatives at international level, among which of special note is the European Workers' Committee, in operation since 2004.

Voluntary work

Different companies within the Group develop programmes to foster the voluntary work (through finance and action) active and passive workers and their families in humanitarian causes. Moreover, a Corporate Voluntary Work Plan was approved in December 2006 and it is to be implemented during the course of 2007 and which lays down a common framework for this type of initiative throughout the entire Group.



Basic Features

	2006	2005
No. customers (millions)	42.4	38.4
No. branches	7,585	7,410
Customer satisfaction: own external C.A.C.O. ratings (Branch Customer Care Questionnaire)		
Spain	7.85	7.63
Mexico	8.74	8.64
Argentina	8.34	8.24
Peru	4.09	4.18
Chile	80.5	77.2
Colombia	3.79	4.22
Total number of projects analysed according to the Equator Principles		
	33	16
Total volume in SRI funds (millions euros)	918.53	905.02

Degree of progress in the main lines of work in 2006

- Development of the San Jeronimo (Mexico) and Underserved projects, both aimed at easing loan access to the low-income segment in Latin America. **3**
 - Introduction of the *Tarjeta Negocios Bancomer* into other countries. **2**
 - Development of procedures for applying the Equator Principles. **2**
 - Progress in considering environmental factors in lending risk analyses. **2**
 - BBVA Bancomer's introduction of new products and services for migrants in the United States. **3**
- 1 Scarcely significant, 2 Significan, 3 Very significant.

Aspects deemed to be of greater significance by customers

- Extent to which the organisation's response level meets expectations.
- Focus on meeting specific customer needs and on treating them well.
- Ethical and transparent conduct.
- A well-organised entity.
- High quality in the products and services offered, and their quality/price ratio.

Aspects of CR information regarding customers deemed to be of greater significance by stakeholders

- Financial products that encourage corporate responsibility.
- Accessibility of financial products.
- Measures against corruption.
- Fair treatment of customers.
- Direct and indirect social and environmental impacts of financial activities.
- More extensive information on the Group's international activities.
- Measures against money laundering.
- Responsible marketing and communication.

Main lines of work in 2007

- Projects aimed at easing loan access to low-income groups in Latin America.
- Progress in applying the Equator Principles.
- Progress in considering environmental factors in evaluating lending risk.
- Development of micro-finance.
- Improvements in the model for preventing money-laundering and the financing of terrorist activities.

1. Quality, satisfaction and customer service

The 2006 Quality Plan for Spain continued along the path laid out by the *Proyecto Cliente* (Customer Project), the idea being to firmly establish high quality service as the fulcrum for improved sales productivity while progressing towards a higher level of confidence. In addition, a new department named TRATO was created with the goal of raising customers' perception of complaint management quality. This new department helped to streamline responses and improve customers' evaluations.

The great strides made by BBVA Banco Continental (Peru) –which earned the 2005 National Quality Award– are particularly noteworthy. The Bank made strenuous efforts to improve its Corporate Complaint Servicing Module, which facilitates the comprehensive management of customer dissatisfaction. The efforts made by BBVA Banco Francés (Argentina) in 2006 to comply with the Code of Good Bank Practices, which included raising the Bank's level of commitment to prompt responses to customer complaints and other procedures, are also worth mentioning.

After its merger with Banco Granahorrar in 2006, BBVA Colombia took on the task of integrating its Customer Service Model and keeping to a minimum

any effect on customers. The results were positive, as witnessed by the achievement of higher-than-sector-average scores in the Customer Satisfaction survey on 67 % of the evaluated items. On another front, BBVA Chile BBVA Chile kicked-off eight quality projects as part of its Chile Quality Map Project, aimed at providing a comprehensive and ongoing view of relations and processes of critical importance to customers.

2. Transparency, advertising and labelling

Given the high level of customer concern over transaction fees, BBVA offers its customers a single-fee payment, by means of its *Cuentas Claras* (Clear Accounts) program. This fee covers different banking services and includes loyal customer discounts.

Regarding product information and labelling, BBVA rigorously complies with the regulations and advertising campaigns are subject to the supervision and authorisation of the pertinent organisation in each case. Furthermore, BBVA belongs to such self-regulation organisations as *Autocontrol de la Publicidad* (Advertising Self-control), an entity specialised in advertising arbitrage, as well as to advertising associations in each country, from where it promotes transparency and good practices in this area.

3. Products and services with corporate responsibility (CR) criteria

BBVA believes that corporate responsibility should especially be manifested in a company's business activity –through the application of social, environmental and ethical criteria to the firm's products and services. The goal is to have a positive impact (or reduce the negative impact) on society and the environment. The main areas of interest regarding this effort include providing access to banking products and financial services to those whose situation normally excludes them from such products and services, offering socially-responsible products, and applying social and environmental risk analyses to investment projects and to asset management.

Products and services with CR criteria directed at individual customers, SMEs and micro-enterprises

BBVA offers products and services adapted to the needs of certain groups, such as young people, the elderly, families, the disabled, low-income people and

migrants, among others, by easing their access to a home through special mortgages. BBVA has engaged in several different activities, depending on the needs of each country. One outstanding example is the Group's effort to support migrants in Spain, primarily through its affiliate Dinero Express, which is completely focused on this segment.

BBVA markets a wide range of socially responsible products, which allocate a part of earnings to humanitarian organisations or causes. These include the *VISA Cruz Roja* and *VISA Solidaridad Internacional* (Red Cross and International Solidarity) credit cards, as well as the *BBVA Bolsa Biofarma* and *BBVA Solidaridad* investment funds. In Spain, the Group offers *Préstamos Familiares* (Family Loans) as part of its *Plan Familias BBVA*. This completely free service is focused on meeting basic, non-recurrent family needs with special focus placed on low-income families.

In Latin America, BBVA has chosen to promote bank use and easier access to financial services for large segments of the population (including low-income groups). This calls for putting priority on consumer financing, as well as on the development of non-traditional business models, set up to more efficiently address the goal of offering consumer credit while helping to get the majority of the population involved in the banking system. A specialised regional unit has been created for this purpose.

Moreover, the BBVA Group pays special attention to small enterprises and micro-entrepreneurs. A number of projects have been developed in the micro-finance area, both in Spain and, particularly, in Latin America.

We shouldn't finish without noting the Group's efforts at promoting respect for the environment in all its business activities, efforts that include the development of environmentally friendly products and services, and the application of environmental criteria to its credit risk analyses.

Socially responsible investment and social provision: investment funds, insurance and pension plans

Socially responsible investment (SRI) is that which adds ethical, social and environmental criteria to the traditional criteria of profitability and risk, in order to invest in companies with the best sustainable, long-term performance, as well as those which donate part of their profits to socially beneficial organisations and causes.

The Observatorio de la Inversión Socialmente Responsable en España 2006 (Observatory of Socially Responsible Investment in Spain) ranked the BBVA Extra 5 II Garantizado and BBVA Desarrollo Sostenible (BBVA Sustainable Development) funds first and second in terms of total SRI funds registered in Spain –according to assets and number of sharers.

BBVA has also developed insurance policies adapted to special-needs groups, such as those associated with the *Multiventajas Nómina Plus* and *Familia* initiatives for the elderly and families, or insurance products for migrants such as *Cuentas Claras Internacional* (International Clear Accounts) and those offered by *Dinero Express*, as well as repatriation insurance.

Pension plans are particularly important both in Spain and in Latin America, where the Group is in a clear position of leadership. Such activity serves to promote savings and investment, boost the modernisation and strength of financial systems, and create mechanisms for channelling long-term savings and development capacity.

Socially responsible investment (SRI)

(Percentage)	2006	2005	2004
SRI funds over total managed funds	1.57	1.53	1.83
SRI funds over other customer funds	0.65	0.63	0.77

Large companies and project financing: the Equator Principles

The main area of corporate responsibility-related activity here is focused on the evaluation of the social and environmental risks implied by the large-scale operations to be financed. In its risk analysis for these operations, BBVA takes into consideration their implications from a social as well as an environmental perspective. The Bank also uses general sustainability criteria in seeking to comply with the specific commitments that the Group has assumed with its signing of, among others, the Global Compact, the United Nations Environmental Programme (UNEP-FI) the Equator Principles, as well as with other commitments related to climate change and the Kyoto Protocol.

The year 2006 saw significant progress in the consideration of social and environmental aspects

in project financing. BBVA is the only Spanish bank to have signed the Equator Principles –a collection of guidelines promoted by the World Bank in order to assure the application of social and environmental criteria in the financing of large investment projects. In 2006, BBVA actively participated in the review process of the Principles, which it ratified by extending the criteria to all projects involving total amounts of US\$10m or more.

Support for exporters and ADF

BBVA works extensively to support companies' exporting and internationalisation projects –including that of SMEs and large corporations– by providing financial and consulting resources, experience and the most appropriate risk mitigation for each case. In 2006, the Bank managed two operations portfolios related to developing countries, which together amount to €973m. BBVA also participates in the management of the Aid Development Funds (ADF), which allow for financing under special terms when this is impossible under market conditions. Most of these operations are quite socially important: basic infrastructures for development, education, health, water treatment, etc.

Public institutions and private, non-profit institutions

The Group offers specialised service to both public and private institutions - an area in which it holds a position of clear leadership in Spain. It is heavily active in the financing of public administrations in such areas as transport, housing, education, health, the environment, etc. Such activities include formalising agreements with preferential terms.

BBVA has entered into partnership agreements with many of the main players among the non-governmental organisations and non-profit organisations. The Group places a unit staffed by specialists at their disposal, exclusively focused on

developing tailored banking for this kind of activity, with a full range of banking products and services adapted to their needs.

4. Offshore financial centres, preventing money laundering and the financing of terrorist activities

In 2004 the BBVA Group stated its policy on activities with establishments permanently registered in offshore financial centres and issued a plan of action, which would result in reducing the number of financial centres of this type in which the Group would be operating to three by the end of 2006.

As the result of this plan, the number of Group entities located in offshore financial centres dropped to 33 by the end of 2006, plus four entities in the liquidation process and another six that had ceased their business activities as a first step in this process.

As part of the Group's policy of preventing the criminal use of its products and services, it further consolidated its money laundering risk management model throughout 2006, further strengthening its commitment to isolating the funds obtained by criminals and thereby preserving the Group's corporate integrity.

Also in 2006, the Group consolidated and implemented its Money Laundering Risk Management Model throughout all its units. This model is focused on improving monitoring systems, ongoing employee training (especially for those

employees and executives working in the highest risk areas) and on increasing the staff of specialists (up 4.3 % from the previous year) working in the prevention of money laundering and the financing of terrorist activities. Internal auditing plays a key role in this area with its branch network audits. Meanwhile, financial audits of other units verify their compliance with the Group's money laundering prevention procedures.

Auditing work is also essential to fraud prevention. This activity focuses on identifying any weaknesses in control, as well as on the development, monitoring and analysis of potential fraud indicators. If necessary, complementary investigations are carried out in the form of remote or on-site audits of the branches or units involved.

5. Security and data protection

In line with its Corporate Master Plan, in 2006 the Group's Business Continuity department developed new plans as well as tests for those previously in place. All this activity is aimed at keeping the organisation prepared for any possible interruption in activity due to extraordinary circumstances.

Regarding personal data protection, BBVA Group entities in Spain are in line with the requirements set forth in the Personal Data Protection Law (*LOPD*) as well as the Group's own Code of Conduct. The Group has provided all the training needed to assure that all employees have full knowledge of this area, and are able to clear up any doubts regarding the issue.



Basic features

	2006	2005
No. suppliers ⁽²⁾	2,420	2,564
Distribution of purchases (%) ⁽¹⁾		
Spain	41	44
Mexico	39	35
Rest of Latin America	18	19
Rest of the Group	2	2
Percentage of purchases from suppliers who have undergone the approval process ⁽²⁾	76	63
Supplier satisfaction index ⁽²⁾		
(Scale: 1-5)	4.1	-
No. of suppliers who have received the UN Global Compact ⁽²⁾	251	-

⁽¹⁾ Scope: BBVA Group.

⁽²⁾ Scope: BBVA Spain.

Degree of progress in the main lines of work in 2006

- Implementation of the code of ethics for its extension to cover all those taking part in the procurement process. **2**
 - Incorporation of new functions into the computing systems to manage the process of approval of suppliers. **1**
 - Increase in the number and scope of the social projects with suppliers. **2**
 - Extension of the electronic invoicing pilot scheme to new suppliers. **2**
 - Extension of the use of procurement tools to other countries. **2**
- 1** Scarcely significant, **2** Significant, **3** Very significant.

Aspects deemed to be of greater significance by suppliers

- Compliance with contractual obligations.
- Swiftness in the negotiation, adjudication and contracting process.
- Personal treatment.

Aspects of CR information regarding suppliers deemed to be of greater significance by stakeholders

- Extension of CR to the supply chain.
 - Implication of suppliers in CR criteria.
 - Integration of environmental factors in the supply chain.
- Instruments for risk management.
 - Conduct codes with respect to Purchases.

Main lines of work in 2007

- Updating of the approval questionnaire based on the principles of the Global Compact and the SA 8000 standard.
- Diffusion of the Global Compact among suppliers.
- Progress in the extension of electronic tools to Latin America.
- Promotion of social projects with suppliers.

1. Relations with suppliers and creating value

The BBVA Group's Corporate Procurement Model is based on quality, efficiency and transparency, with the application of criteria of objectiveness and equality of opportunities in selection processes and in relations with suppliers, and the fostering among them of ethical and corporate responsibility principles. In addition, whenever the peculiarities of the different goods and services so permit, purchases are made through local suppliers.

In recent years, the Group has striven to plan, and make its procurement and provisioning processes more professional and automatic, with an aim to making its commitment to building partnerships of mutual benefit a reality.

BBVA's Purchases Department carries out surveys every two years to measure suppliers' degree of satisfaction in Spain, identify their expectations and requirements, and detect areas for improvement. In addition, BBVA periodically holds meetings with its strategic suppliers and sets out control mechanisms when making occasional purchases from certain suppliers with a turnover in excess of a given amount, when these imply the subcontracting of products in emerging countries. In these cases, the subcontractor's premises in the emerging country are visited and the respect of human rights and prevailing laws is regulated through contracts.

2. System for the approval of suppliers and extension of the corporate responsibility criteria to the supply chain

2006 saw the revision and approval of a new text that replaces the area's old Code of Ethics. This new code of "Principles Applicable to those Parties involved in the BBVA Procurement Process", establishes more firmly BBVA's commitment to integrity, objectiveness, transparency, confidentiality and corporate responsibility.

As part of the Group's purchase policy, suppliers are required to undergo an official approval process in order to ensure that they meet the Group's requirements regarding production, technical, financial, quality and commercial capacity and the global quality required by the Group. Included in the supplier approval questionnaires are specific questions to suppliers on compliance with the United Nations Global Compact's ten principles relating to human rights, labour standards, the environment and anti-corruption measures. They are likewise asked to submit a signed document stating their compliance with the said principles, and the fact that workers are hired in line with prevailing labour legislation.

In fact, one of the proposed objectives for 2007 is a review of the items in the questionnaire relating to the Global Compact, as well as its extension to cover all of the Group's companies.

3. Procurement and provisioning tools

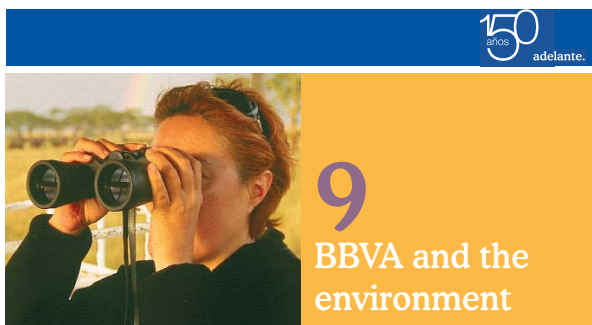
The BBVA Group has several electronic tools aimed at creating an increasingly efficient and transparent procurement process. Internally, these tools allow for the management of the overall procurement process or allow non-professional people to make requests through an electronic catalogue. Externally, BBVA has on-line negotiation tools for processing orders automatically.

Worthy of mention is the electronic connection of the BBVA systems with suppliers through Adquira, its e-commerce platform, which facilitates commercial relations between companies through e-commerce, by making them more accessible. In the course of 2006, progress was also made in the implementation of electronic invoicing, which results in improved accounting efficiency and further simplification of processes.

4. Social projects with suppliers

The BBVA Group collaborates with its suppliers in social measures, encouraging the hiring of companies that show a particular interest in sectors with the greatest needs and especially those supplying products or services provided by handicapped people.

*«BBVA particularly values such suppliers as share the principles which uphold this Code and which have adopted the commitments of the United Nations Global Compact for the development of their activities»
(BBVA Group's Code of Conduct).*



Basic features

	2006	2005
Paper consumed per employee (t)	0.13	0.11
Electricity consumed per employee (GJ)	23.9	21.2
CO ₂ emissions per employee (t)	3.2	2.9
Loans with environmental benefits (million euros)	676.4	304.7
Environmental patronage (million euros)	8.0	5.8
Fines, lawsuits and failure to comply with legal obligations	0	0

Degree of progress in the main lines of work in 2006

- Ongoing certification of BBVA headquarters offices to ISO 14001:2004 standards. **2**
 - Improvement in the system for evaluating environmental and social risks in large financing projects. **2**
 - Extension of the scope of eco-efficiency indicators. **1**
 - Setting specific environmental targets by areas and countries. **2**
- 1 Scarcely significant, 2 Significant, 3 Very significant.

Environmental aspects deemed to be of greater significance by stakeholders

- Environmental performance.
- Business opportunities through financial products and services.
- Environmental risks derived from financing projects.
- Environmental policy and Environmental Management System.

Aspects of information on the environment deemed to be of greater significance by stakeholders

- Environmental policies and management
- Direct and indirect social and environmental impact of financial activity
- Information on consumption
- Measures to fight climate change
- Information on waste and recycling.

Main lines of work in 2007

- Extension of ISO 14001 certifications in the Group's buildings.
- Improvement in system for evaluating environmental hazards.
- Progress in implementing Equator Principles.

1. Environmental policy and Management System

BBVA has an environmental policy covering all the Group's institutions and activities. Its key aspects are: efficiency in the use of natural resources, compliance with legal requirements, the inclusion of environmental criteria when analysing risk in financial operations, the development of environment-related financial products and services, and the positive influence the Group has to bring to bear on the environmental conduct of its stakeholders. The main instrument for implementing BBVA's Environmental Policy is the Environmental Management System (SGA) aimed at continuously improving the Group's environmental performance.

2. Commitments undertaken by BBVA relating to the environment

- **United Nations Global Compact.** The BBVA Group is a signatory to the United Nations Global Compact and has accepted its ten principles, of which three are related to the environment (www.unglobalcompact.org).
- **UNEP-FI.** Since 1998, BBVA has participated actively in the United Nations Programme for the Environment's Initiative for Financial Institutions. The aim of the programme is to promote environmental respect and sustainability at all levels of financial institution operations. BBVA sits on the "Latin America" and "Sustainability Information" work groups (www.unepfi.net).
- **Equator Principles.** BBVA has been a signatory to this voluntary commitment on large-project financing since 2004 and has introduced all the necessary internal procedures to ensure proper compliance. In 2006 it signed up to the new amended principles (www.equator-principles.com).
- **AENOR.** Since 2004, BBVA has participated in re-drafting the Spanish standard on Analysis and Assessment of Environmental Risk (UNE 150008:2000), promoted by the Spanish

standardisation and certification association, AENOR).

▪ **CDP.** Since 2003, BBVA has participated in the *Carbon Disclosure Project*, an initiative designed to encourage transparency in information on business involvement in climate change (www.cdproject.net).

3. Direct environmental impact: eco-efficiency in the consumption of natural resources

Environmental certifications and environmental plans

Since 2004, BBVA has introduced a total of three ISO 14001 environmental certifications in Spain. Seven percent of employees in Spain now work in environmentally certified buildings, ahead of the target

set for 2006 (6 % of employees). For the Group as a whole, 2.1 % of employees benefited from ISO 14001 certification in 2006, as compared to 1.8 % in 2005.

In 2007, the Group aims to extend the scope of its environmental certifications to at least three more headquarter premises in Spain. In Latin America, the BBVA Consolidar Argentina building will also be certified.

Eco-efficiency

As BBVA's policy states, direct impact needs to be properly measured if it is to be properly tackled. Figures for power, water and fossil fuel consumption, waste management and emissions are regularly monitored and mechanisms are introduced for reducing them, framed within eco-efficiency plans.

Energy and water consumption

	2006	2005	2004
Energy (GJ)			
Total direct energy	2,387,785.4	2,049,274.9	1,935,688.8
Direct energy per employee	24.6	21.9	22.3
Total indirect energy ⁽¹⁾	5,842,331.0	2,218,509.0	1,995,115.0
Other indirect energy consumption	509,530.9	501,691.4	–
Water (m³)			
Total water consumed	2,838,240.8	3,609,674.0	3,736,467.0
Water consumed per employee	29.2	38.6	43.5

⁽¹⁾ Indirect energy calculated using the GRI's "Energy Balance Sheet, Energy Protocol".

Paper consumption

	2006	2005	2004
Paper			
Total paper consumed (t)	12,522.1	10,078.3	12,140.7
Total paper consumed per employee (t)	0.13	0.11	0.14
Paper type			
ECF paper consumed (kg)	3,323,300.0	2,566,934.9	2,700,502.8
Recycled paper consumed (kg)	2,748,763.0	3,175,662.2	228,233.0
Ecological paper as proportion of total paper consumed (%)	21.9	31.5	24.1

Note: The increase in paper consumption in Latin America in 2005 is due to an increase in the scope of the figures as compared to 2004. Figures for 2004 do not include BBVA Banco Continental, BBVA Puerto Rico and BBVA Panamá.

Waste management

	2006	2005	2004
Managed waste⁽¹⁾ (kg)			
Paper	1,427,111.9	1,643,329.1	1,237,046.6
Toner	80,114.3	58,491.9	15,965.0
Electrical and electronic appliances	183,624.2	118,144.6	40,404.0
Donated waste (No.)			
Furniture	839	131	582
Mobile phones	6,631	6,225	310
Electrical and electronic appliances	3,562	5,979	619

(1) "Managed waste" covers waste that is re-used or recycled, rehabilitated or disposed of (dumped or incinerated without energy recovery).

Atmospheric emissions

	2006	2005	2004
CO₂			
Total CO ₂ emissions (t)	306,881.2	273,105.2	258,870.0
Total CO ₂ per employee (t)	3.2	2.9	3.0
SO₂			
Total SO ₂ emissions (t)	6.1	6.1	-
Total SO ₂ per employee (g)	205.9	298.6	-
NOx			
Total NOx emissions (t)	4.1	4.8	-
Total NOx per employee (g)	138.7	207.3	-

Notes: These CO₂ figures were calculated using the methodology set out in the GHG Protocol, an initiative of the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI).

SO₂ and NOx figures were calculated using the factors in the *Guidebook for Emission Inventories* issued by the European Environment Agency.

4. Indirect environmental impact: managing environmental risk and environmentally-related products and services

Managing environmental risks

Assessing the indirect environmental impacts resulting basically from financing businesses and investment projects is a complex task, requiring specific methodologies for risk analysis.

BBVA uses environmental risk criteria for analysing credit risk. It takes particular care in examining operations with a detrimental environmental impact.

Throughout 2006, the Group has continued to make progress in introducing the Equator Principles

as a tool for analysing environmental and social risks in financing large investment projects. In terms of the environmental risk of the lending portfolio, the Ecorating tool has proved to be very effective in analysing the implications of environmental aspects on the credit profiles of companies in Spain. Ecorating has analysed a portfolio of over 250,000 companies in Spain, containing 8,628 combinations of business type (National Economic Activities Code) and regional location (by autonomous community).

The organisation views climate change –as defined under the Kyoto protocol– to be both a major financial risk and a considerable source of opportunity. For a financial institution, the risk of climate change is indirect and is dealt with using credit risk management procedures.

Assessment of environmental hazards⁽¹⁾

(percentage) Range of environmental risk values	Exposure	Customers
Low	92.0	96.0
Medium	6.0	3.4
High	2.0	0.6

Low: Activities with practically no environmental risk or environmentally harmless activities and low emissions.

Medium: Activities with moderate and high environmental risk. This group includes companies of all sizes and levels of economic solvency. In these groups, moreover, legislative pressure and tax on the environment may represent a significant risk.

High: Activities with a very high potential environmental risk. It is worth noting that the majority of the companies in this group are large enterprises, with a high level of economic solvency. They are best prepared to face the changes or constraints imposed under environmental conservation legislation.

⁽¹⁾ The analysis of customers' environmental risk included in this report was performed using methodology from Wolters Kluwer España, S.A. (Ecoiuris) and AGA-Q, S.L.

Environmentally-related products and services

BBVA contribution to environmental conservation consists not only of financing projects, but also developing products and services of an environmental nature. During 2006, the Group continued some of its lines from the previous year as well as developing new ones. The most important are:

- Socially responsible investment funds (see chapter on "BBVA and its Customers").
- Investment and financing projects in a range of areas related to environmental protection

(investment in solar power and photovoltaic panels, wind power, energy saving, sustainable forestry, etc.), in collaboration with several public and private organisations.

5. Environmental training and awareness enhancing

During 2006, the Group spent a total of 840 hours on environmental training for its employees. The main themes of this environmental education were the Equator Principles and environmental risks.

In terms of environmental awareness, since 2004, the Corporate Responsibility and Reputation Unit has edited and sent out a fortnightly newsletter of environmental information, entitled *Actualidad Ambiental*, to over 400 management staff and employees in the Group. The newsletter offers advice on the best way of making business and the environment compatible. The Economic Research department regularly prepares reports (disseminated internally and externally) on economic aspects of the environmental issue.

6. Environmental patronage

BBVA Group offers extensive environmental patronage; although this work is largely carried out through the Group's foundations in Spain and Mexico, its business units (primarily Anida) also participate. During 2006, this contribution came to €8m. For more information, see the chapter "BBVA Community Support".



Basic Features

	2006	2005
Resources allocated by the BBVA Group and its foundations to community support		
(thousand euros):		
■ Total:	56,425	46,486
Spain and rest of the Group	45,298	38,051
Latin America	11,178	8,435
■ Social care	7,088	4,892
■ Education	8,218	7,223
■ Culture	9,065	10,949
■ Health	5,275	4,883
■ Social sciences	12,251	8,797
■ Environment	7,958	5,814
■ Promotion of corporate responsibility	2,052	479
■ Other areas and structural costs of foundations	4,518	3,449

Degree of progress in the main lines of work in 2006

■ Progress in assessing the external and internal impact of community support policies.	2
■ Coordination and alignment of community support policies in Latin America.	3
■ Development of the Family Financing Scheme within the BBVA Families Plan.	2
■ Establishment of the Youth Centre.	1
■ Development of a corporate policy of encouraging voluntary work.	3
■ Progress in coordinating relations with humanitarian organisations.	2

1 Scarcely significant, 2 Significant, 3 Very significant.

Aspects of community support deemed to be of greater significance by stakeholders

- Educational projects.
- Collaborating in public health and healthcare projects.
- Aid to less developed countries and communities.
- Support for beneficial organisations and social aid projects.
- Sponsorship of cultural, sports and leisure activities.

Aspects of information regarding community support deemed to be of greater significance by stakeholders

- Description of philanthropic and patronage actions.
- Description of procedures for developing philanthropic and patronage actions.
- Direct and indirect social and environmental impact of financial activity.

Main lines of work in 2007

- Launch of the Master Plan for Social Action in Latin America
- Improvements in evaluating external and internal impact in community support policies
- Launch of the Corporate Voluntary Work Plan
- Progress in the BBVA Families Plan.
 - New Family Loans.
 - Establishment of the Youth Centre.
- Development of micro-finance activity.

1. General outlook

The BBVA Group helps develop and improve the quality of life of the societies in which it operates, essentially through its regular business activities, contributing value to all its stakeholders and generating growth and employment, while also marketing products and services with a particularly positive social impact or ones that are especially suitable for needy and underprivileged groups. The Group also carries out intensive work to benefit those societies in which it operates. This takes the form of actions with no direct profit, intended to satisfy basic needs, alleviate inequity and promote development and well being. These are the actions that make up the BBVA Group's community support policy. It is a policy which forms a significant part of its corporate responsibility and is important for the Group in terms of strategy and synergy, in that it creates value in the medium and long term, for society and the Group itself, actively contributing to a greater social acceptance and more harmonious integration in the societies where it operates.

2. Character, lines and main programme

BBVA's community support policy has three essential attributes: it is multinational (implemented in all countries in which the Group has a significant presence), multifaceted (it applies to different areas of activity) and multichannelled (it is implemented through numerous

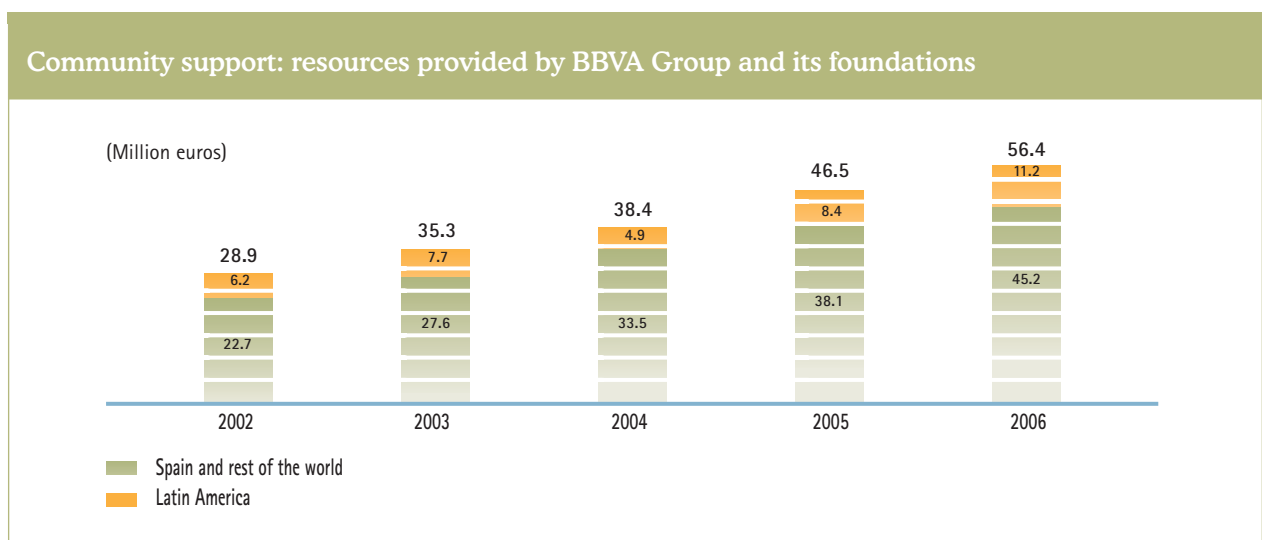
different instruments). The main instruments through which the policy are channelled are:

- Actions of sponsorship and patronage by different units in the Group.
- Activities by foundations in the Group.
- Activities involving special products and services: financial (free loans, credit cards and solidarity funds) and non-financial (Economic Research department).
- Transfer of assets (computer material and furniture).

- Encouragement of voluntary work among employees.
- Encouragement of collaboration by customers in humanitarian causes.

The level of resources devoted to community support by the BBVA Group and its foundations has increased very considerably over recent years. In 2006, the figure was €56.43m, up 21.38 % on 2005. This represents an accumulated growth of 95.09 % since 2002.

BBVA Group foundations	Basic areas of action
<ul style="list-style-type: none"> ■ BBVA Foundation (Spain) (http://www.fbbva.es) 	<ul style="list-style-type: none"> - Social sciences - Biomedicine, health and healthcare system - Environmental sciences
<ul style="list-style-type: none"> ■ BBVA Banco Continental Foundation (Peru) (http://www.bbvabancocontinental.com) 	<ul style="list-style-type: none"> - Education - Art and Culture - Social Care
<ul style="list-style-type: none"> ■ BBVA Banco Francés Foundation (Argentina) (http://www.fundación@bancofrances.com.ar) 	<ul style="list-style-type: none"> - Education - Social care - Art and Culture - Promotion of business activity and corporate responsibility
<ul style="list-style-type: none"> ■ BBVA Bancomer Foundation (Mexico) (http://www.bancomer.com.mx/fundación/index.asp) 	<ul style="list-style-type: none"> - Education - Social care - Art and culture - Environment
<ul style="list-style-type: none"> ■ BBVA Banco Provincial Foundation (Venezuela) (http://www.provincial.com/fundación/fp_1.html) 	<ul style="list-style-type: none"> - Education - Social care - Art and culture



One of the landmarks in this area in 2006 was the approval of BBVA Group's Master Plan for Social Action in Latin America. The plan very significantly increases the amounts allocated by the Group's to achieving its commitment of giving at least 0.77 % of its profits in the region to this field (nearly €15m in 2007).

Priority is given to education for highly underprivileged sectors and a star programme in each of the ten countries where the Group has a banking presence: the BBVA Integración Scholarship Scheme.

Forecast for the total investment by the BBVA Group in community support in Latin America

(Million euros)	2007 ⁽¹⁾
Master Plan for Social Action	14.9
BBVA Integración Scholarship Scheme	8.2
Other educational activities	3.6
Culture and Social Care	3.1
Other actions	0.8
Resources earmarked for Latin America by BBVA Spain and BBVA Foundation	4.7
TOTAL	20.4

⁽¹⁾ Estimation.
Scope: Latin America.

3. Primary theme areas

Social Care: €7.09m in 2006

Key projects

Spain:

- BBVA Families Plan.
- *Euro Solidario* project, in collaboration with participating employees, benefiting the *Entreculturas Fe y Alegría* Foundation.
- Direct aid to humanitarian organisations.
- Pro-Kids project for genetic identification of missing children, in collaboration with the University of Granada.
- Project work on a protocol of automatic action for special campaigns to deal with emergency humanitarian situations.
- *Colabor@* service, introduced in BBVAnet, which allows customers to make contributions to humanitarian organisations.
- Free provision of computer material and furniture to humanitarian organisations.

Latin America:

- Support for the *Quiera* Foundation to help homeless children, by BBVA Bancomer (Mexico).
- Support for FUNDADES, the *Asociación de Hogares Nuevo Perú* (New Peru Homes Association) by BBVA Banco Continental (Peru).
- ConsoliDAR aid scheme for tackling poverty by AFPJ Consolidar (Argentina).
- Donation of toys for children from disadvantaged groups by BBVA Banco Provincial (Venezuela).
- Assistance to children with limited resources by BBVA Paraguay.
- Support for the *Club del Pensionista* (Pensioners' Club) by AFP BBVA Horizonte (Peru).

Education: €8.22m in 2006

Key projects

Spain:

- *Ruta Quetzal BBVA*.
- Youth Loan, as part of the Family Loans under the BBVA Families Plan.
- Francisco Giner de los Ríos prizes for Improvements in Education Quality, in collaboration with the ministry of education and science.
- Prizes for Teaching Actions, in collaboration with the *Fundación de Ayuda contra la Drogadicción* and the UNESCO.
- *Blue Joven* Prize for Young Entrepreneurs from Andalusia, in collaboration with the regional government of Andalusia.
- Training and dissemination activities for local civil servants.

Latin America:

- BBVA Bancomer *Integración "Por los que se quedan"* (For those who stay behind) scholarship scheme and BBVA Bancomer in Education scheme (Mexico).
- *Papagayo* Project educational scheme by the Banco Provincial Foundation and training scheme for micro-entrepreneurs by BBVA Banco Provincial (Venezuela).
- BBVA Panamá *Integración* Country School for Good Schools scholarships scheme, supported by the Office of the President of the Republic.
- *Aprendo* and *Leer es estar adelante* (I'm Learning and Reading Means Being Ahead) projects by BBVA Banco Continental (Peru).

Culture: €9.07m in 2006**Key projects****Spain:**

- Cultural Activities Programme (visual arts, heritage conservation and restoration and musical promotion)
- Sponsorship of cultural initiatives by public authorities, academic centres and the media
- Collaboration with the Ministry of Defence on research and restoration of historical collections and on unique editions
- Sponsorship of cultural publications distributed in popular libraries, through the *Instituto Cervantes* and Prison Institutions.
- BBVA Historical Archive and Museum.

Latin America:

- BBVA Bancomer (Mexico) Support Fund for the arts.
- BBVA Art Gallery, BBVA Colombia.
- Libero Badii Collection and Casa Alsina Museum run by BBVA Banco Francés (Argentina).
- AFP Previsión (Bolivia) National Novel Prize.
- Programme of own exhibitions and sponsorship for the Cuzco Museum of Pre-Columbian Art by BBVA Banco Continental Foundation (Peru).
- Programme of own exhibitions by the BBVA Banco Provincial Foundation (Venezuela).

Health: €5.28m in 2006**Proyectos más destacados****Spain:**

- BBVA Foundation programme in bio-medicine, health and the healthcare system.
- Sponsorship of the Pro CNIC Foundation (Spanish Cardiovascular Research Centre).
- Season of medical lectures, in collaboration with the Abril Martorell Foundation.
- Scholarships and subsidies for researchers, in collaboration with the Pi i Sunyer Foundation.

Latin America:

- Ophthalmologic and nutritional assistance for children from disadvantaged groups, in collaboration with the *Cooperadora para la Nutrición Infantil* (CONIN), BBVA Paraguay.
- Collaboration with the Pereira Rosell Children's Hospital, with material support and voluntary work by employees BBVA Uruguay.
- Educational scheme to fight addiction by BBVA Bancomer (Mexico).
- Support for healthcare centres and sponsorship for the *Mejor es prevenir* (Prevention is Best) healthcare training and accident prevention scheme in schools by BBVA Banco Francés (Argentina).
- Upkeep of the Caldas hospital by BBVA Colombia.
- Prevention of drug dependence, in collaboration with the Central University of Venezuela, BBVA Banco Provincial.
- Aid to the Muscular Dystrophy Association from BBVA Puerto Rico.

Social Science: €12.5m in 2006**Key projects****Spain:**

- BBVA Foundation programme in social sciences (socio-economics, demographics, values, public opinion, knowledge society and information technology).
- Activities of social interest run by the Economic Research department.
- Sponsorship from Anida for courses, seminars and symposia on land use planning and the real estate industry.

Latin America:

- Activities of social interest run by the Economic Research department in Latin America.
- Aid to various universities, institutions and economic forums in different countries.
- BBVA Chile sponsorship of the chair in social security at the University of Chile.
- Collaboration by BBVA Colombia with the University of the Andes.
- Sponsorship from BBVA Colombia for activities by the CEGA Foundation (Centre of Arable and Livestock Studies).
- Sponsorship for the seminar "Principles of Workers' Rights" organised by the Dominican Association of Labour Rights and Social Security by AFP Crecer (Dominican Republic).

Environment: €7.96m in 2006**Key projects****Spain:**

- BBVA Foundation's programme in Environment, focusing particularly on Conservation Biology.
- Anida's Programme of Environmental Patronage, and advice from WWF/Adena:
 - Protection of the Iberian bear, with the *Fondo Asturiano para la Protección de Animales Salvajes* (Asturian Wildlife Protection Fund), FAPAS.
 - Conservation of the Iberian lynx and recovery of salt marshes in Doñana nature park, with the Doñana Foundation.
 - Collaboration with the Red Cross to encourage awareness on responsible consumption of water and energy and waste separation.

Latin America:

- Ajusco Medio Environmental Conservation and Education (Mexico) by BBVA Bancomer Foundation (Mexico).
- Collaboration with the Pro Islas Foundation (Peru) by BBVA Banco Continental Foundation (Peru).
- Aid for urban development in Bogotá by BBVA Colombia.

**Promotion of corporate responsibility:
€2.05m in 2006**

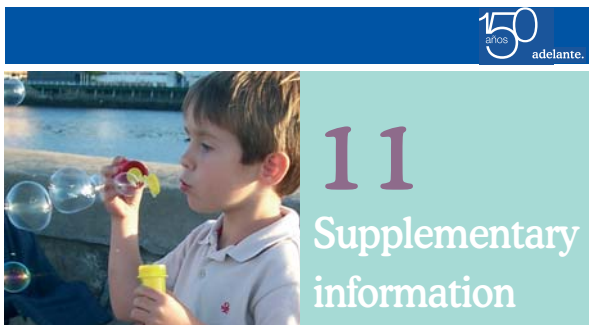
Key projects

Spain:

- Numerous initiatives for promotion of CR and collaboration with a wide range of institutions, including: ESADE, EOI, UNED, the Red Cross, Economists without Borders, the Carolina Foundation, the Codespa Foundation, the Entorno Foundation and Iberdrola.
- Member of organisations promoting CR: *Foro de Reputación Corporativa* (Corporate Reputation Forum), *Empresa y Sociedad* (Business and Society) Foundation, Carolina Foundation, + *Familia* Foundation, Codespa Foundation, AECA and Center for Business and Public Sector Ethics.
- Signatory to international CR agreements: United Nations Global Compact, Spanish Association of the Global Compact (on whose executive committee it sits), the United Nations Programme for the Environment's Initiatives for Financial Institutions (UNEP-FI) and the Equator Principles.

Latin America:

- BBVA Banco Francés (Argentina), BBVA Bancomer (Mexico), BBVA Banco Continental (Peru) and BBVA Colombia have signed the UN Global Compact
- Promotion of the Ecumenical and Social Forum and collaboration in the *Emprendedor Solidario* and *Emprendedor Agropecuario* awards by BBVA Banco Francés (Argentina)
- Collaboration with the *Centro Mexicano para la Filantropía* (Mexican Centre for Philanthropy (Socially Responsible Company)) by BBVA Bancomer (Mexico).



A. Report criteria

Profile, scope, relevance, materiality and coverage

This executive summary presents a shortened form of the *BBVA Corporate Responsibility Report 2006* that contains all pertinent information on corporate responsibility at the BBVA Group. This includes information on all countries and sectors in which the Group has a significant presence, and also provides reference data for 2004 and 2005 to enable trends to be assessed more objectively (except for the environment indicators, for space reasons).

The information presented in the two reports is supplemented by the *BBVA Annual Report 2006*, which includes details of the Corporate Governance system, along with other pertinent information.

The contents of the *Corporate Responsibility Report 2006*, and therefore of this executive summary, have been selected in an effort to strike the right balance between consistent, sufficient information and reasonable length. In determining the relevance and materiality of the content to be included, special attention has been paid to the opinions of the BBVA Group's leading stakeholders. To that end, the stakeholder engagement process begun last year has been extended in line with the recommendations of the *Sustainability Reporting Guidelines* (version 3, 2006) of the Global Reporting Initiative (GRI) and the AccountAbility AA1000 Standard. For more information, see the chapter "BBVA stakeholders: management and dialogue", and the full text of the said report.

Basic references and international standards

The *Corporate Responsibility Report 2006* is true to the general principles and recommendations and to

those specifically concerned with the financial sector made by the GRI in its *Sustainability Reporting Guidelines* (version 3, 2006). In line with the protocol laid down by GRI (see attached table), BBVA submitted its self-assessment to the auditing firm Deloitte for checking. This firm subsequently confirmed the rating as A+. The whole process has since been reviewed by GRI itself, which has awarded the report an A+ rating, the highest grade awarded to reports of this type.

Moreover, the content of the *Corporate Responsibility Report 2006* and this executive summary seek to reflect BBVA's compliance with the principles of the United Nations Global Compact and commitment to the United Nations Millennium Development Goals. Both documents also take into consideration, albeit with different degrees of detail, numerous national and international standards and recommendations on information concerning corporate responsibility.

Rigour and verification

BBVA has numerous instruments for assuring the quality and accuracy of the data provided in the *Corporate Responsibility Report 2006* and in this executive summary. Both the information captured and collected and the information system itself have been checked by our independent auditor Deloitte, as detailed in a specific section of the *Corporate Responsibility Report 2006*. The auditor accredits the truthfulness of all the information and of the procedures and systems used to obtain and process it. It also accredits compliance with the criteria of the 2006 version of the GRI and the AA1000.

B. The United Nations Global Compact and Millennium Development Goals

In 2002, the BBVA Group agreed to uphold the United Nations Global Compact. Since then, it has worked tirelessly to implement the Compact's 10 principles within the organisation; furthermore, the BBVA Group has been a member of the executive committee of the Global Compact's Spanish Association (ASEPAM) since it was set up in 2004. In 2006, the Group has compiled a progress report detailing the specific actions and policies

the Group pursues for developing each one of the principles. The report is available at: www.pactomundial.org.

In turn, the United Nations (UN) issued its Millennium Declaration in 2000, setting forth the eight Millennium Development Goals to be achieved by 2015, not only through the involvement of governments and

international organisations, but also through the engagement of the private sector. The BBVA Group fully embraces the challenge thrown down by the United Nations and contributes to the achievement of the Goals through its business operations, campaigns involving the Group for disseminating this initiative and its community support policy.

Prizes and awards in corporate responsibility received in 2006

- | | |
|---|---|
| ■ For the sixth year in succession, BBVA is acknowledged to be the Spanish financial entity with the best corporate reputation. | ■ MERCO. |
| ■ BBVA is awarded the Prize for the best CSR report in Spain for 2004. | ■ AECA and AECJCE. |
| ■ The BBVA <i>CR Report 2004</i> is shortlisted for the ESRA Awards. | ■ European Sustainability Reporting Awards. |
| ■ BBVA is acknowledged for having the second best CSR report in Spain for 2004. | ■ CSR Observatory. |
| ■ BBVA's <i>CR Report 2005</i> deemed to be "in accordance". | ■ Global Reporting Initiative. |
| ■ BBVA receives the Fuinsa Prize in the category of CSR for companies that have cooperated in creating the National Cardiovascular Research Institute (CNIC). | ■ Health Research Foundation (Fuinsa). |
| ■ BBVA Banco Continental, recognised as the most sustainable and ethical bank in Peru. | ■ <i>Management & Excellence</i> and <i>Latin Finance</i> . |
| ■ BBVA Colombia, acknowledged to be one of the three banks in Latin America with the highest ratings in sustainability, ethics and social responsibility. | ■ <i>Management & Excellence</i> and <i>Latin Finance</i> . |
| ■ BBVA, acknowledged as the first Spanish bank to join the list of the 50 best CSR reports in the world, standing in 34 th place. | ■ The Report <i>Tomorrow's Value</i> , by SustainAbility. |
| ■ BBVA receives the jury's special Plurifestival Prize 2006 for the company that best incorporates social values into its marketing strategy. | ■ <i>Festival Internacional de la Publicidad Social</i> (International Festival of Social Advertising). |

If you would like to submit an opinion, enquiry or suggestion regarding the information contained in this report, you are kindly requested to contact:

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This report is printed on ecological chlorine free paper
coming from sustainable certified forestry.



Design: Eugenio G. Cabanillas

Photography: BBVA Image Bank
Photography Contest for BBVA Employees

Photograph of Chairman: Chema Conesa

Typesetting and Publishing: ELBA Grupo de Comunicación, S.L.

Printing: Gráficas Enar, S.A.

Legal Deposit:

1866 1872 1914 1943 1929 1934
1996 1861 1904 1957 1916
1910 1867 1941 2003 1883 1904 1916
1990 1879 2006 1887 1857 1958
1992 1942 1925 1978 1863
1911 1915 1868 1948 1946 1958
1889 1882 1880 1945 1955 1917
1897 1903 1939 1907 1861
1918 1980 1954 1860 1886 1861
1933 1888 1928 1874 1987
1993 1881 1896 1956 1920
1932 1884 1979 1926 1944 1907 1893
1947 1875 1899

