

CR PRINCIPLES AND POLICY

The mission of BBVA's Corporate Responsibility policy is to define commitments and pursue conduct that give expression to BBVA's vision and principles, providing the most fitting response to stakeholder expectations and reinforcing our Group's business strategy.



Vision, corporate principles and positioning

VISION

The BBVA Group defined its vision in 2003, expressing it succinctly as the premise «Working towards a better future for people», thereby seeking to forge an emotional tie that generates trust and support in its dealings with its main stakeholders, with the ultimate aim being to create a better future for all the parties involved.

«BBVA, working towards a better future for people»

Within this reference framework, BBVA understands corporate responsibility to be a true commitment based on delivering the utmost possible value in a balanced manner for its direct stakeholders –shareholders, customers, employees and suppliers– and for the sum of societies in which the company operates.

CORPORATE PRINCIPLES

In the BBVA Group, we strive to build a company that listens to its stakeholders and to do our best to embrace their expectations in all facets of our operations. This begins with the actual definition itself of our vision and principles, which are the outcome of a «listening» process and the integration of the expectations, values and aspirations of BBVA's main stakeholders. The result of defining «what we wish to be» (management and staff), «what we should be» (other stakeholders) and «what we are» (the Group's track record, strengths and weaknesses).

The BBVA Group's corporate principles epitomize the company's vision as regards each one of its stakeholders, summarizing the basic values that govern its actions and the way it understands the company's role in society. These principles lie at the heart of BBVA's corporate culture, being as follows:

The BBVA Group's 7 corporate principles

1. Customer

The customer as the focus of our business.



2. Creation of value

The creation of value for our shareholders through our business.



3. Team

The team as the powerhouse for value creation.



4. Management style

A management style that generates enthusiasm.



5. Ethical

Ethical conduct and personal and professional integrity as a way of understanding and developing our business.



6. Innovation

Innovation as a lever for progress.



7. Social responsibility

Corporate social responsibility as a pledge to development.



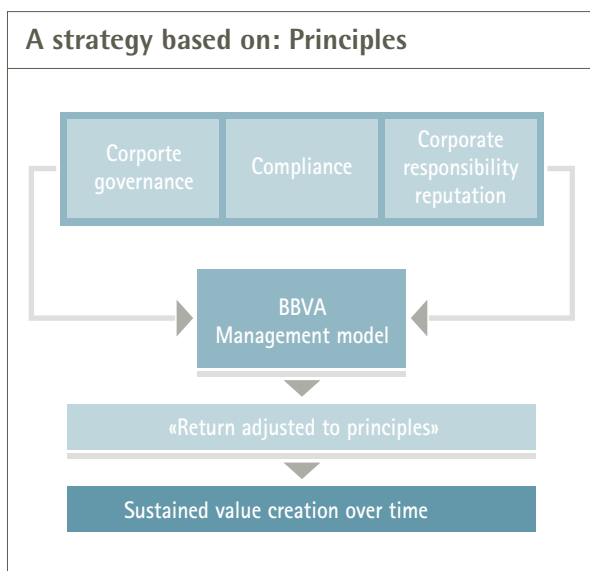
POSITIONING

The identity and positioning of the BBVA corporate brand are defined by the combination of three main focal points that sum up the Group's vision and are the pillars upon which its business strategy, brand and reputation rest, namely, its corporate principles, prioritising innovation and the notion of working «through people for people». The *adelante* banner, meaning forward, embodies each and every one of these approaches and symbolizes the spirit of uninterrupted progress that informs the company's everyday operations and defines its long-term horizon.

Business strategy

These principles are the mainstays of our project. Our management model not only relies upon risk-adjusted return (RAR) as the tool for measuring the value we create, but goes even further, applying strict ethical criteria: integrity, transparency and best practices.

Our strategy and business model are therefore based also on a return adjusted to principles and best practices. This is the key that ensures BBVA creates value in a sustainable manner over time.



In May 2007, the Group presented the Innovation and Transformation Plan, whose overriding goals are:

- To generate an offer designed to cater for the needs of each person or community.

- To pave the way for new segments of the population to access financial services.
- To extend our offer to other non-financial products and services.

The idea is encapsulated in innovation at the service of people as an attribute that should be a feature of all Group areas. Within this framework, the challenge facing corporate responsibility policy is to act as a lever of innovation and transformation for the Group, aligning its operations to help achieve the strategic goals set forth in this plan and constructing a unique and differentiated discourse.

Corporate responsibility at BBVA

AIMS

The main aim of the Group's corporate responsibility policy is to outline the commitments and foster the behaviours that will lead to the creation of value for both stakeholders (social value) and BBVA itself (reputational value and direct economic value).

Accordingly, it is essential for such commitments and behaviours to simultaneously express BBVA's vision and principles, respond in the best possible way to stakeholder expectations and reinforce the company's business strategy.

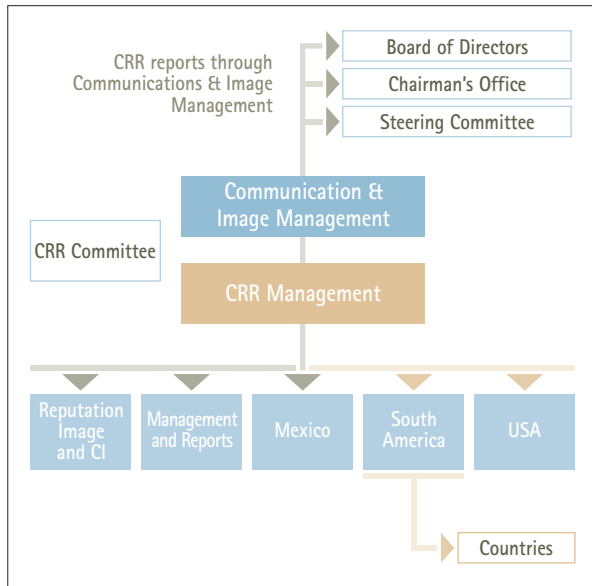
The prevailing commitments the Group seeks to fulfil through its corporate responsibility policy are as follows:

- Uphold excellence at all times in our core business operations.
- Minimize the negative impacts caused by our business activity.
- Develop «social business opportunities» to generate both social value and value for BBVA.
- Invest in those societies in which we are present through support for social projects, especially those involving education.

MANAGEMENT AND GOVERNMENT OF CORPORATE RESPONSIBILITY POLICY

2007 has been the year in which corporate responsibility has been fully consolidated as a key component of BBVA's value creation and management strategy, whose main milestone is the board of directors' assumption of CR policy. In addition, the year has witnessed the appointment of a corporate responsibility and reputation (CRR)

officer in Mexico, as well as a coordinator for the whole of South America. The Group is thereby furnishing itself with the tools that will enable it to realize its goal of making CR part of each and every one of its operations.



The CRR Committee is the body charged with driving the integration of CR criteria, activities and policies throughout the Group's business and support areas. Set up in 2006, it consists of senior executives from the following areas and units: Risk, Chairman's Technical Office; Compliance; Human Resources; IT & Operations, Purchases, Premises & Services; Innovation & Development; Transformation;

Financial Division; Spain & Portugal; Mexico; South America; United States; Global Businesses; Legal Services, and Communication & Image (chairman's office and secretariat).

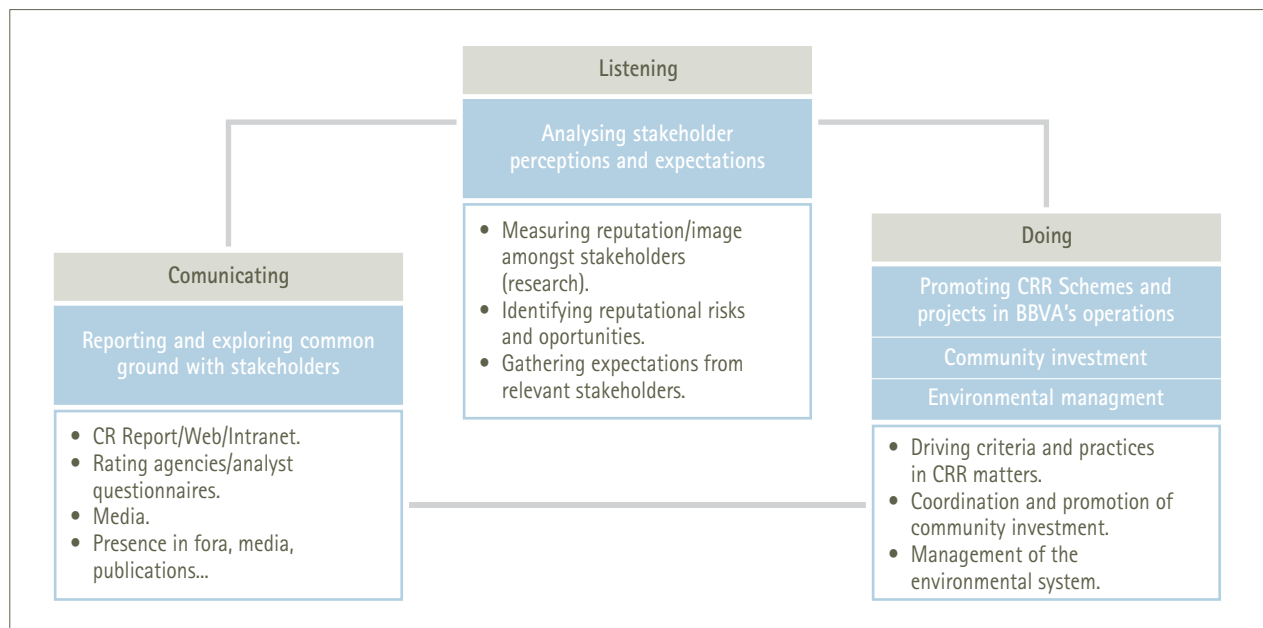
The committee has met twice in 2007, and these two meetings have served to delimit the strategic lines that are to be pursued in CRR. In addition, the members of the committee have convened for four working sessions during the year to initiate the work required for developing the BBVA Group's Strategic CCR Plan, with this targeted for completion in the first half of 2008.

The principal body responsible for the management of corporate responsibility and reputation is the CRR Department, which has two roles that, although separate, are connected and complement each other: the coordination of corporate responsibility policy and the management of reputation. These two roles are pursued through three lines of action:

- Monitoring and assessing stakeholder opinion (*listening*).
- Proposing criteria, policies and responsible conduct across the board in all business areas (*doing*).
- Reporting and discussing the actions undertaken (*communicating*).

Corporate Governance System

The Corporate Governance System is absolutely key to the development of BBVA's business. This



system focuses the structure and operations of its corporate bodies in the interests of both the institution and its shareholders, whilst striking a balance with the goals other stakeholders have with regard to the company, thereby making it a fundamental feature of its corporate responsibility.

The system is explained in detail in BBVA's annual Report 2007 (which contains an extensive chapter devoted to this matter) and on the corporate website (www.bbva.com), which includes a corporate governance report as required by law. The website has a special direct access section that provides all pertinent information on the subject.

Compliance system and procedures

Together with the Corporate Governance System, the Group's Compliance System constitutes the foundation upon which BBVA consolidates its institutional pledge to conduct all its operations and businesses in accordance with strict codes of ethical conduct. One of the system's core components is the BBVA Group's Code of Conduct (www.bbva.com), which defines and develops the fundamentals of ethical conduct and the necessary procedural guidelines for upholding one of the main sources of value creation: corporate integrity.

The aim of Compliance is to promote development and safeguard the effective operating capacity of the rules and procedures required for ensuring the following:

- Compliance with relevant legislation and standards in ethical conduct that affect each one of the Group's businesses and operations, as well as with the criteria and guidelines contained in the Code of Conduct.
- Identification of possible breaches and the appropriate management of the risks that may be forthcoming.

In accordance with the criteria of the Bank for International Settlements (BIS), it centres its operations on three pivots:

- Promoting the adoption of policies and procedures and supervising their implementation in the face of changes in the statutory environment;
- Verifying that future developments involving products and businesses are consistent with corporate policies;

- Monitoring and examining a number of critical processes, identifying and assessing risk and supervising and taking part in both the drafting of instructional materials and their dissemination.

The Compliance function is subject to the control and supervision of the Board's Audit and Compliance Committee, and takes the form of a Corporate Management, which is supported by a series of Compliance departments integrated within the Group's organisational structure.

Precautionary principle: risk management

The entire process described above is filtered through a general criterion that governs both the Group's overall management and the specific management of its corporate responsibility: respect for the precautionary principle, based on risk assessment criteria that are prudent, consistent and backed by experience.

The BBVA Group considers risk management to be an intrinsic part of the banking business and the cornerstone of its competitive advantage. It has rolled out a global risk management system that ensures the needs of customers are rendered compatible with the expectations of shareholders and remaining stakeholders, as well as with the requirements of regulators. BBVA focuses on the hands-on management of a risk's entire lifecycle, placing special emphasis on pre-emption, thereby safeguarding our customers' interests and ensuring the uninterrupted monitoring of an operation's full credit cycle. Accordingly, besides implementing international directives such as MiFID, which reinforce customer protection, BBVA is channelling extra effort into the prevention of over-indebtedness, pursuing policies of transparency and customer advice, in line with the instructions issued by the Council of the European Union regarding customer credit and debt.

Ultimate responsibility for Risk Management is vested in the board of directors, which dictates the Group's risk policy and profile through the Executive Committee and the Risk Committee, and is managed throughout the corporation by the Risk area, whose analysis

includes, amongst others, such aspects as support for the stability of the financial systems in its operating countries, reputational risk or the consideration of ethical, social and environmental criteria.

For more information on the BBVA annual Report 2007, please visit www.bbva.com.

Standards of conduct, commitments and international agreements

CODE OF CONDUCT

Approved by the board of directors in 2003, the Code of Conduct is applicable to each and every one of the Group's entities and employees and publicly reflects the sum of pledges BBVA makes to society, explicitly outlining its commitment to the application of the Universal Declaration of Human Rights and the UN Global Compact, as well as of other agreements and treaties involving international organisations such as the OECD and ILO.

For more information on the Code of Conduct, please visit www.bbva.com.

SPECIFIC CODES IN OPERATING AREAS

In addition to the Code of Conduct for Group employees, the company has furnished itself with other specific instruments for the management of core commitments in each operating area. The more salient of these are:

- Directors' Charter.
- Code of Conduct on stock markets.
- Code of ethics for the recruitment of personnel.
- Principles applicable to those parties involved in the BBVA procurement process.
- Basic Principles of Risk Management and Risk Management Policies Manual.
- Audit Charter.
- Regulation on dealing with individuals or entities of public importance in matters of finances and guarantees.

For more information, please visit www.bbva.com.

SUPPLEMENTARY POLICIES

Moreover, the Group has developed specific policies related to CR, such as BBVA's Commitment to Human Rights (approved in December 2007 in response to a request

from BBVA stakeholders), its environmental policy approved in 2003 or policy regarding the financing of the arms sector approved in 2005.

Business in the financial sector is undertaken by highly-skilled human resources, thereby rendering it unlikely that problems will appear related to human rights, such as child or forced labour or major threats to the freedom of association. The Group's Code of Conduct includes an explicit pledge to uphold the Universal Declaration of Human Rights, the UN Global Compact and other agreements and treaties involving international organisations, such as the International Labour Organisation. The main mechanisms for supervising such commitments are the Corporate Integrity Management Committee, the Corporate Responsibility and Reputation Committee, trade union delegates and the various supervisory committees and bodies. Regarding the training of security personnel in matters of human rights, BBVA has arranged awareness and training schemes. More information on the BBVA Group's Commitment to Human Rights is available at: <http://rrc.bbva.com>

LEGAL COMPLIANCE

There have been no significant fines or penalties imposed in 2007 for the breach of legislation or regulations related to environmental issues, operations in society or the supply and use of the Group's products and services in Spain. Likewise, there is no record of claims filed by any employee regarding, incidents related to discriminatory attitudes or significant legal claims, thereby complying with current labour legislation.

INTERNATIONAL AGREEMENTS SUBSCRIBED

These include such highlights as the United Nations Environmental Programme Finance Initiative (UNEP FI), which BBVA has adhered to since 1998 (www.unepfi.org), the UN Global Compact, which the company has been committed to since 2002 (www.globalcompact.org), and the Equator Principles, which BBVA ratified in 2004 (www.equator-principles.com). Furthermore, BBVA publicly manifests its respect for the United Nations' Universal Declaration of Human Rights (www.un.org) and for the basic employment

Economic Value Added (EVA)⁽¹⁾: breakdown by stakeholders

(Million euros)		2007	2006	2005
Shareholders	Dividends	2,717	2,220	1,801
Employees	Personnel expenses	4,335	3,989	3,602
Customers	Interest and similar charges	15,931	11,216	8,932
Suppliers	Other general administrative expenses ⁽²⁾	2,718	2,342	2,160
Society	Corporate income tax	2,080	2,059	1,521
	Resources allocated by the BBVA Group and its foundations to community support	69	56	46
Economic Value Added (EVA)⁽¹⁾		27,850	21,882	18,062

⁽¹⁾ Calculation based on GRI-SPI model. Please see www.spifinance.com.

⁽²⁾ Approximation adjusted to payments made to third parties under the heading of purchases and services rendered.

Economic value generated and distributed

(Million euros)		2007	2006	2005
Economic value generated (EVG)		18,419	16,821	13,227
	Net interest income	9,769	8,374	7,208
	Net fee income	4,723	4,335	3,940
	Income for insurance activities	729	650	487
	Other ordinary income ⁽¹⁾	3,099	2,473	1,514
	Other net gains and losses	98	989	77
Economic value distributed (EVD)		12,285	10,991	9,463
	Shareholders: Dividends	2,717	2,220	1,801
	Minority interests	289	235	264
	Suppliers and other administrative expenses (excluding wages and salaries)	2,864	2,488	2,275
	Society: Tax	2,080	2,059	1,521
	Employees: Personnel expenses	4,335	3,989	3,602
Economic value retained (EVR=EVG-EVD)		6,134	5,830	3,763
	Provisions and amortization ⁽²⁾	2,725	3,314	1,757
	Reserves	3,409	2,516	2,006

⁽¹⁾ Includes net income by the equity method + net trading income + net revenues from non-financial activities.

⁽²⁾ Includes depreciation and amortizations + loan-loss provisions and other net loss provisioning and transfers to net provisions.

legislation of the International Labour Organisation (www.ilo.org).

Value creation for stakeholders

Financial institutions play a crucial role in the economic activity of 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 have a pivotal role 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 essential agents of value creation.

The second of BBVA's corporate principles involves «Pursuing its operations to create value for shareholders and remaining stakeholders through our business». BBVA understands the creation of value to be one of its main roles and its most important contribution to the societies in which it operates, for it not only involves economic value for shareholders, but also the generation of value for customers, employees, suppliers and society at large.