

BBVA

*BBVA Inaugural Issue:
144A Bond*

USA, April 2006

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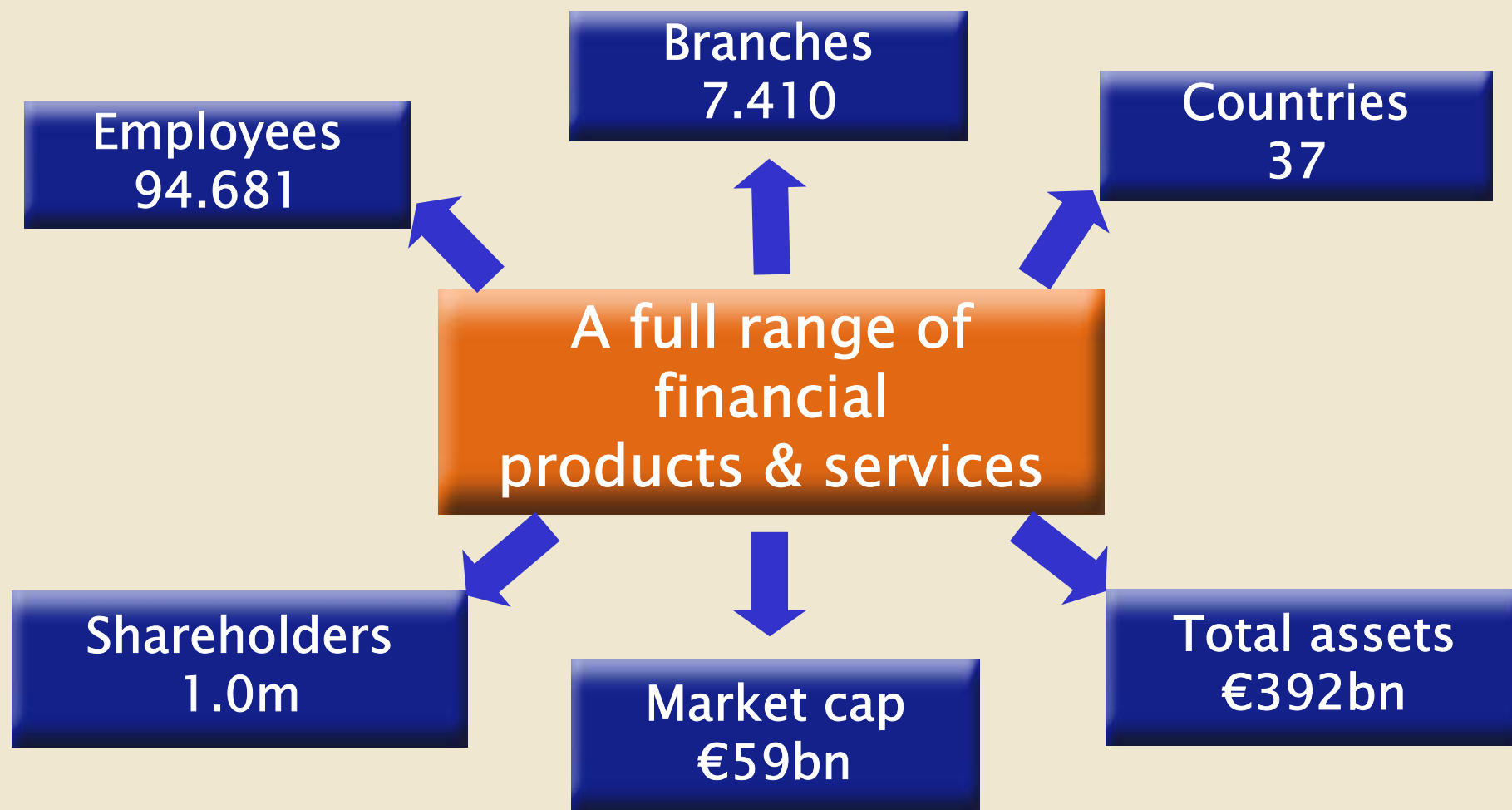
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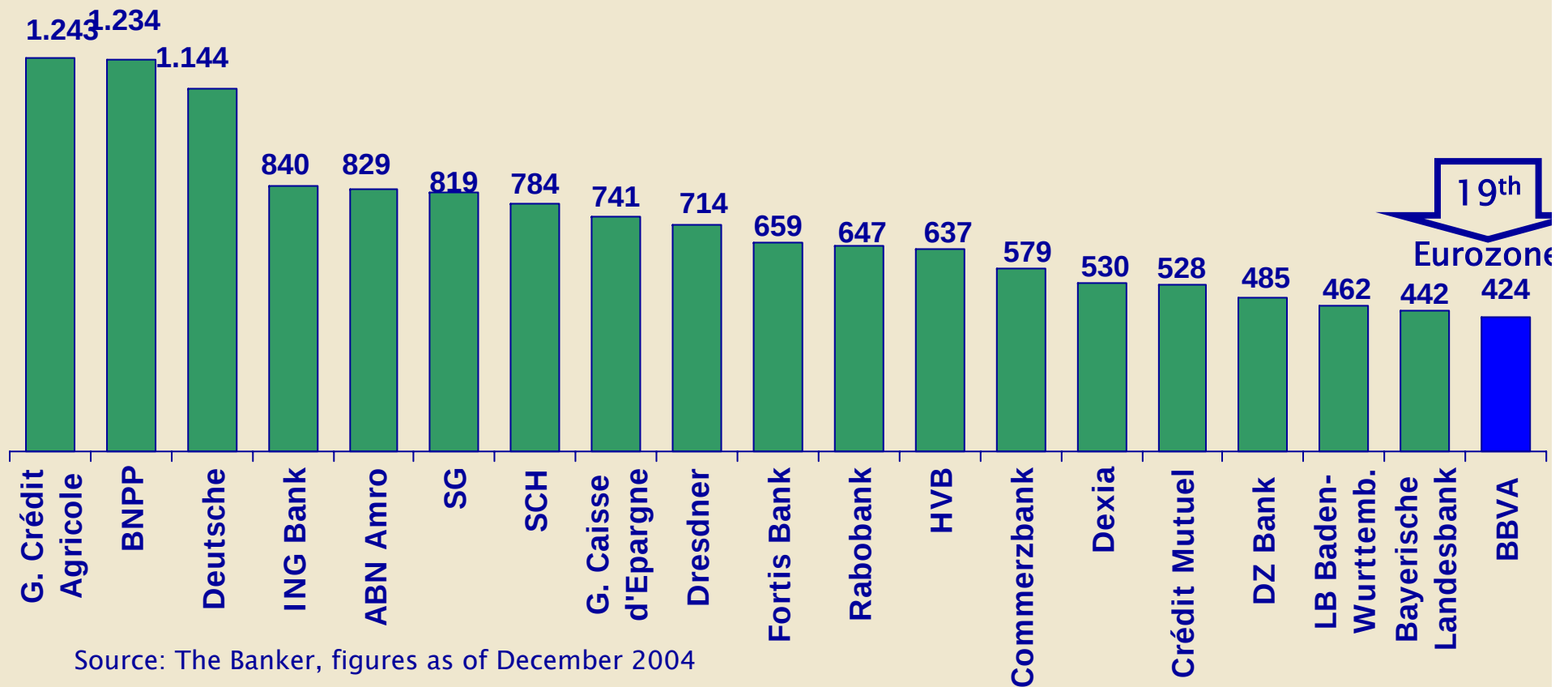
- **BBVA Overview**
 - Recent performance
 - Funding Strategy
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BBVA is an international financial services group



BBVA ranks 19th by assets in the Eurozone...

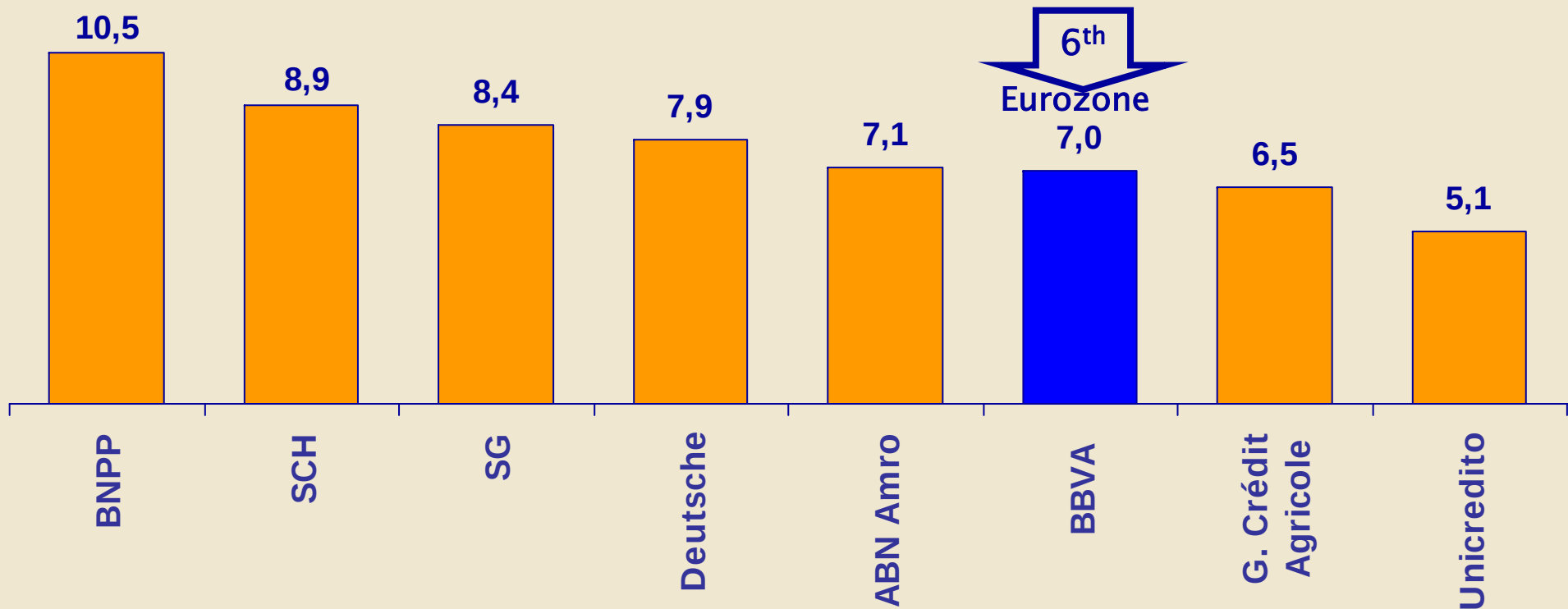
Total Assets (\$ bn)



Source: The Banker, figures as of December 2004

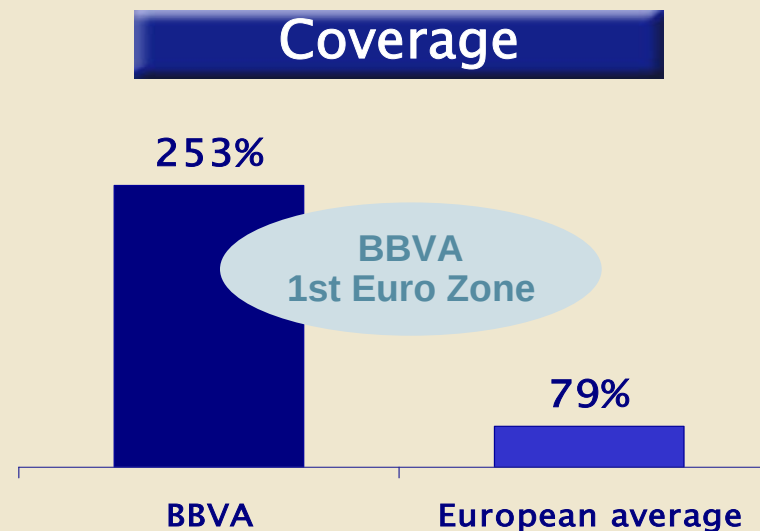
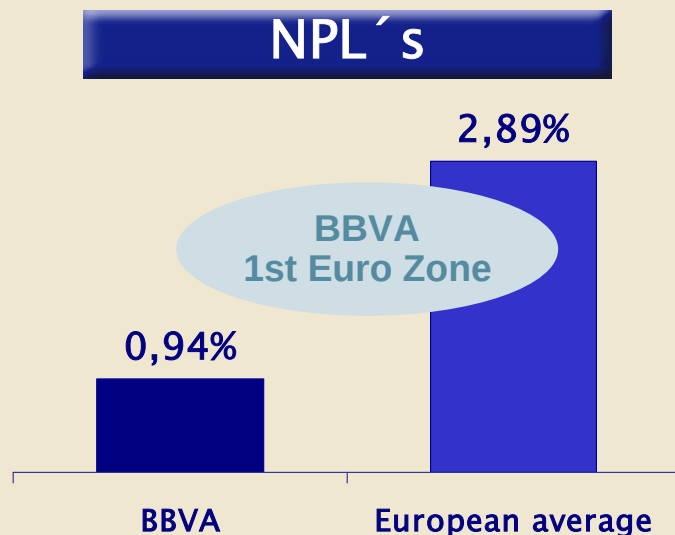
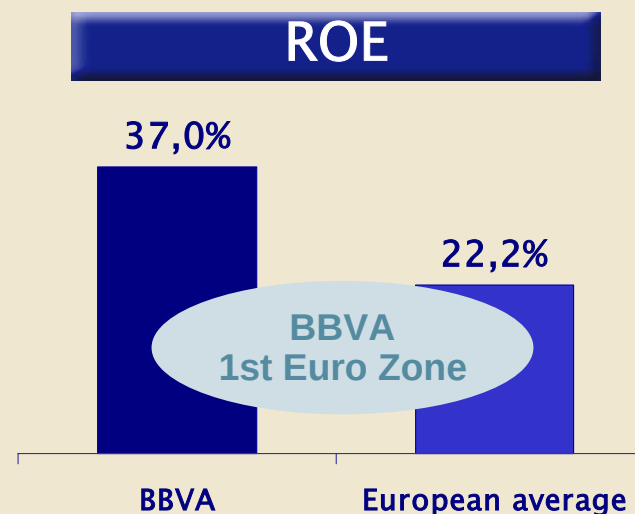
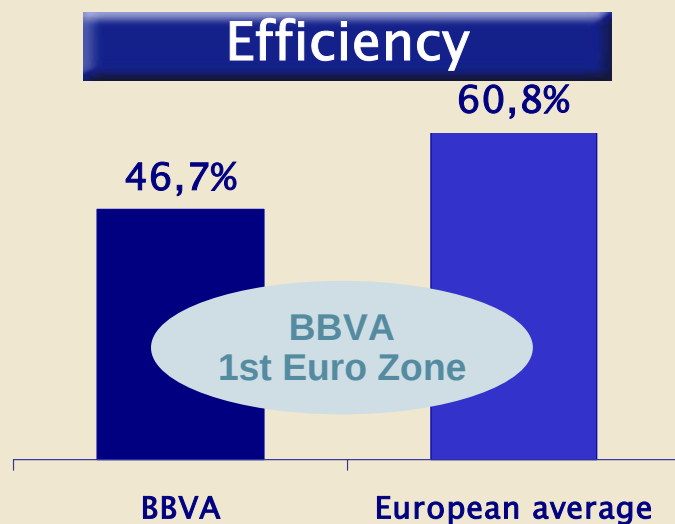
... but 6th by profits

Profit before taxes (\$ bn)



Data as of December 2005

BBVA: top European Bank by profitability and asset quality



7 Note: Data refers to largest European groups. Efficiency ratio includes amortizations. NPL's refers to balance sheet funds. As of December 2005, European average NPLs and coverage last data available

Group expansion has been driven by domestic consolidation in Spain...

Banco Bilbao

Banco Vizcaya

1988



Banco Exterior de España

Banco Hipotecario

Caja Postal

Banco Crédito Local

Banco Crédito Agrícola

1991



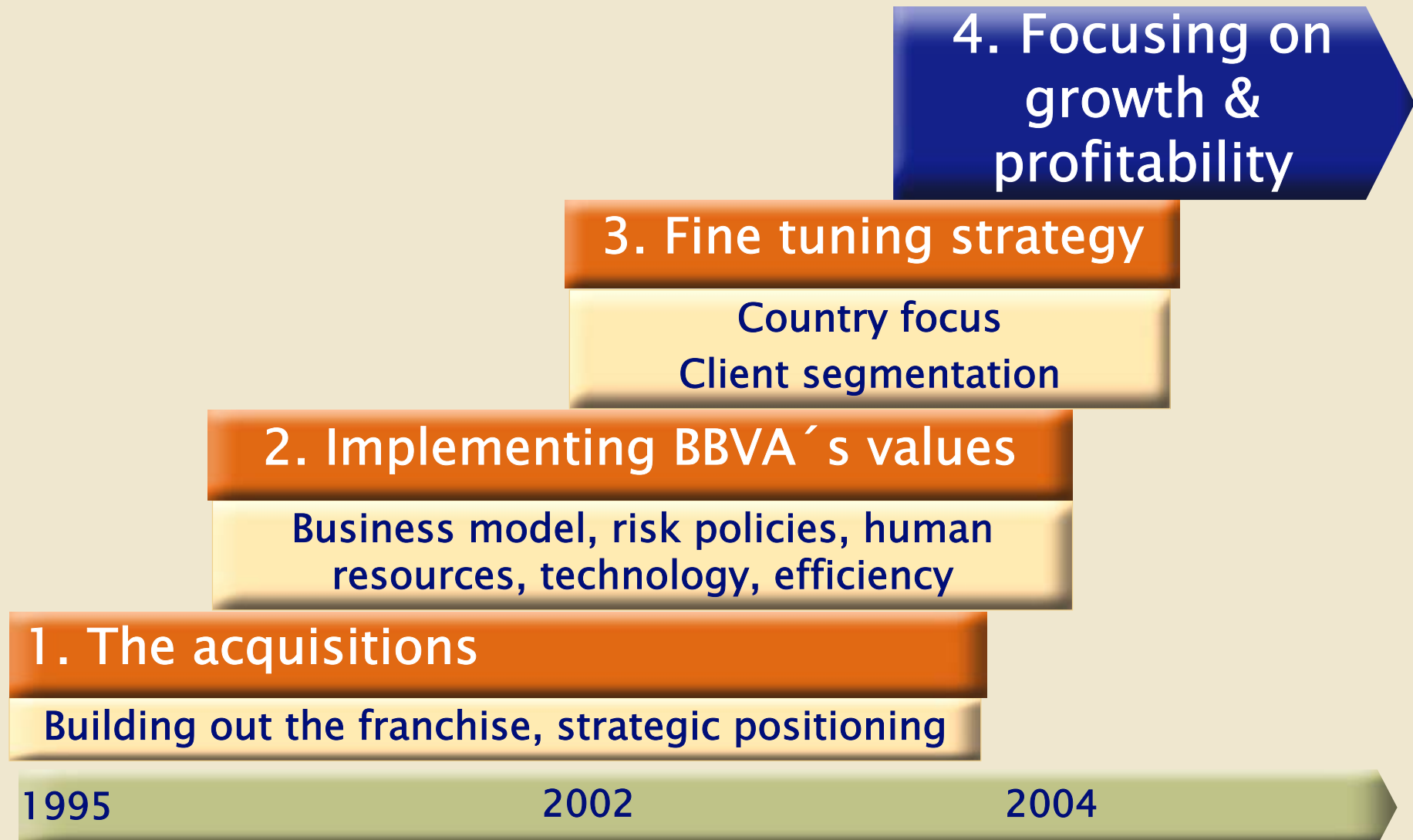
ARGENTARIA

1999

BBVA

BBVA

... and international expansion into Latin America



In the US we are building our platform

Money transfers

BTS

Basic banking
products

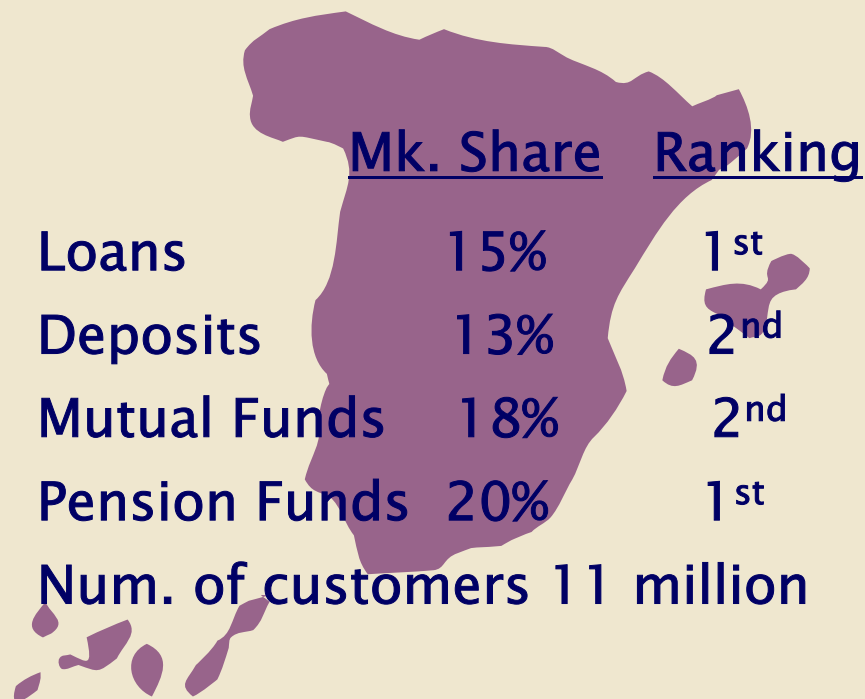
BBVA
Bancomer
USA

Full banking offer

Laredo
National
Bancshares

BBVA enjoys a solid and focused position in attractive growth markets ...

Spain

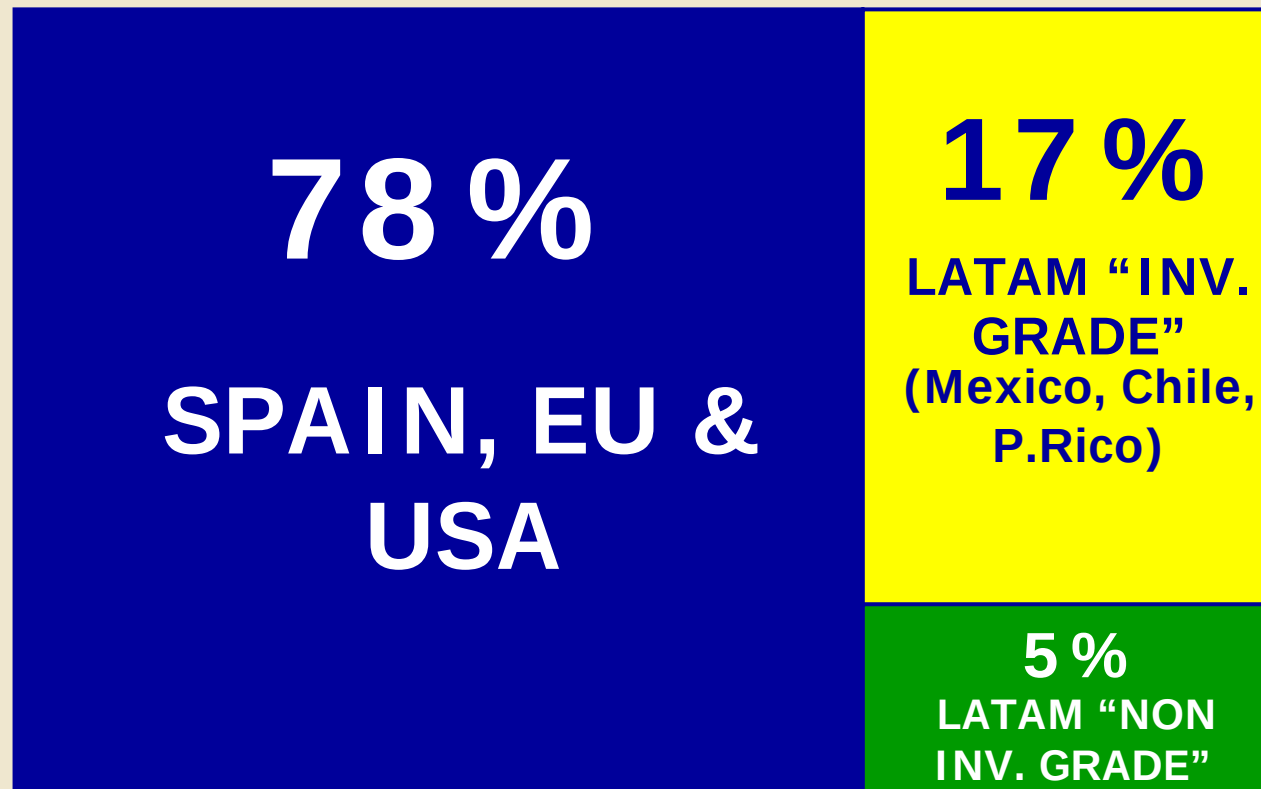


Latin America



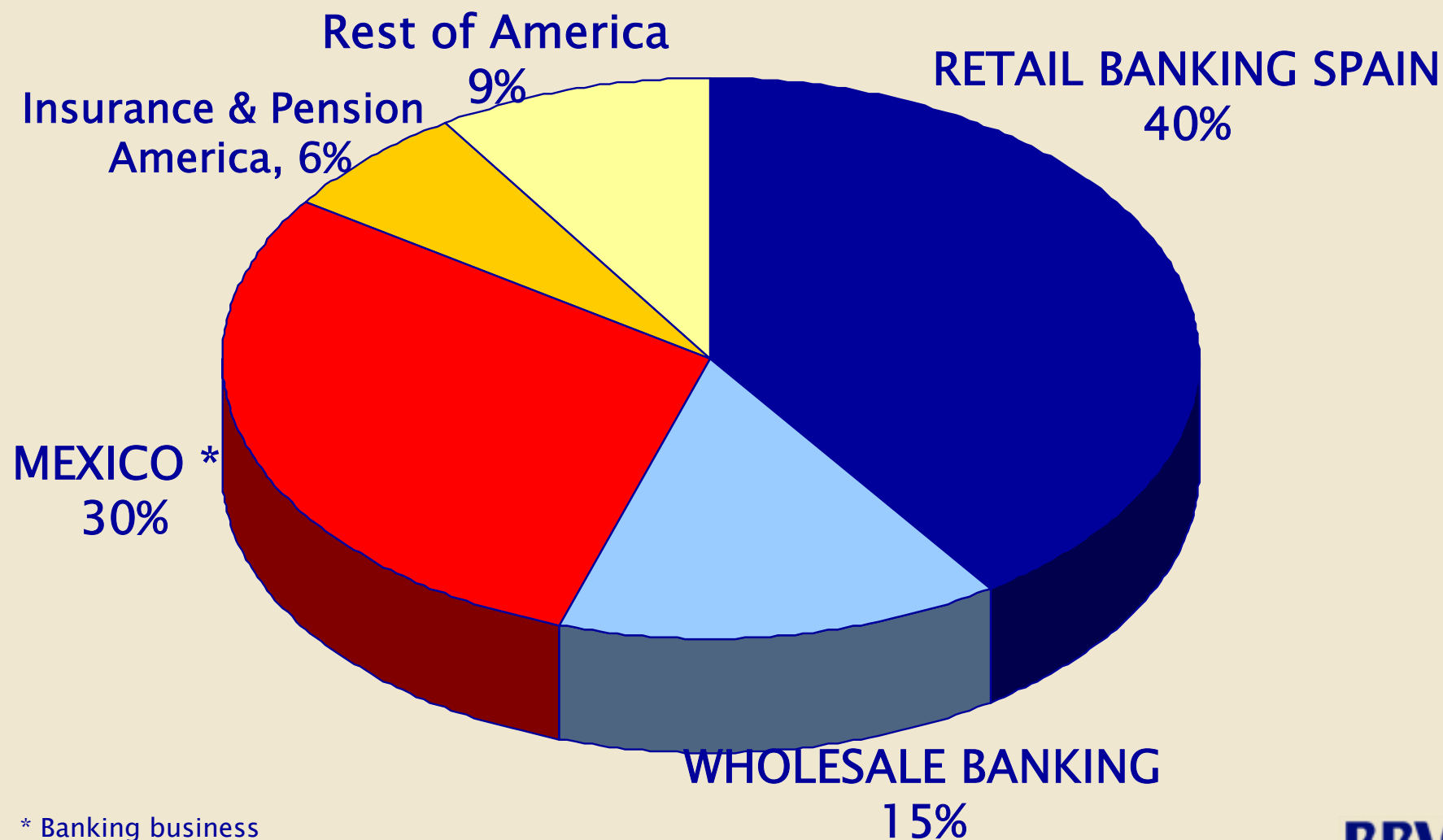
... with a balanced distribution of assets

Group assets breakdown (%)



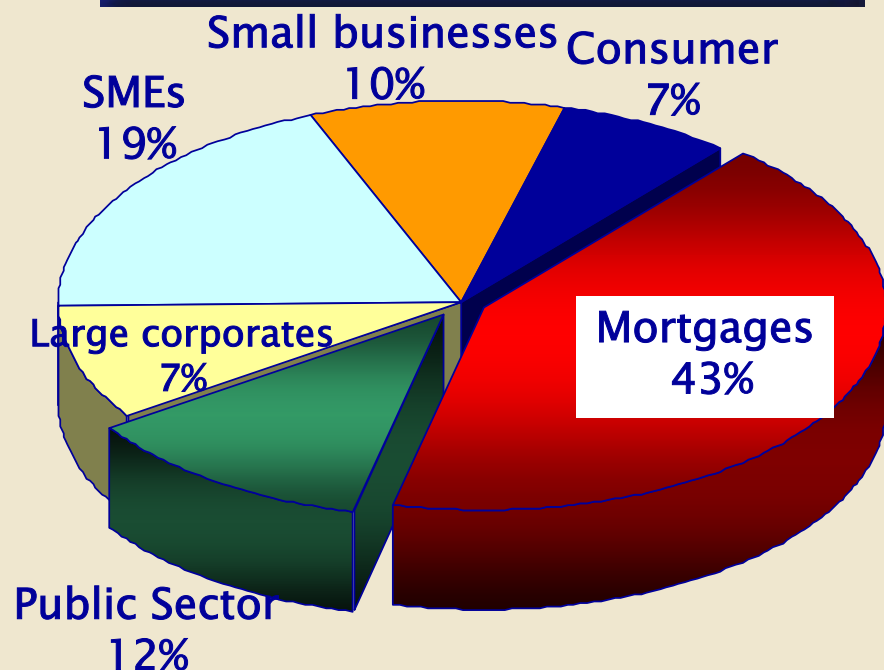
... and a well diversified business mix

Attributable Profit by Business Areas (%)

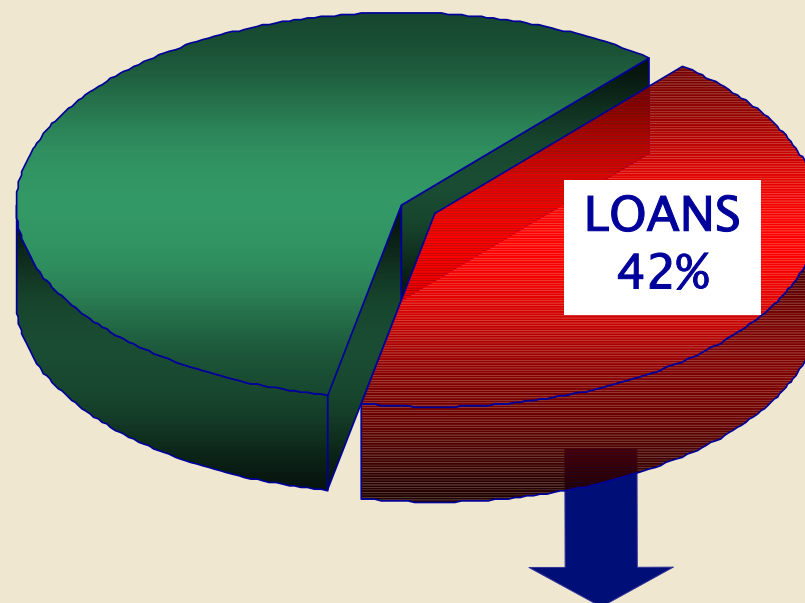


... and a low risk, high quality asset profile

Banking in Spain
Loan portfolio breakdown



Latin America
Loans/total assets



- 44% individuals (20% mortgages)
- 11% Public Sector
- 39% Corporates

46% of Group's gross loans are secured

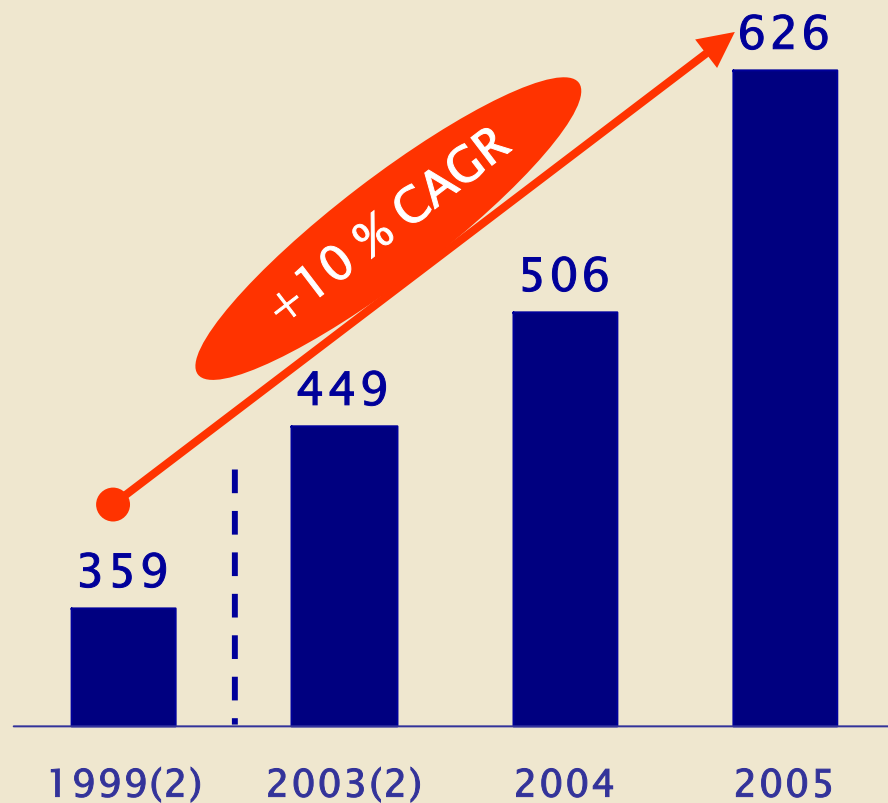
... with sound ratings

RATINGS: BBVA VS. EUROPEAN BANKS

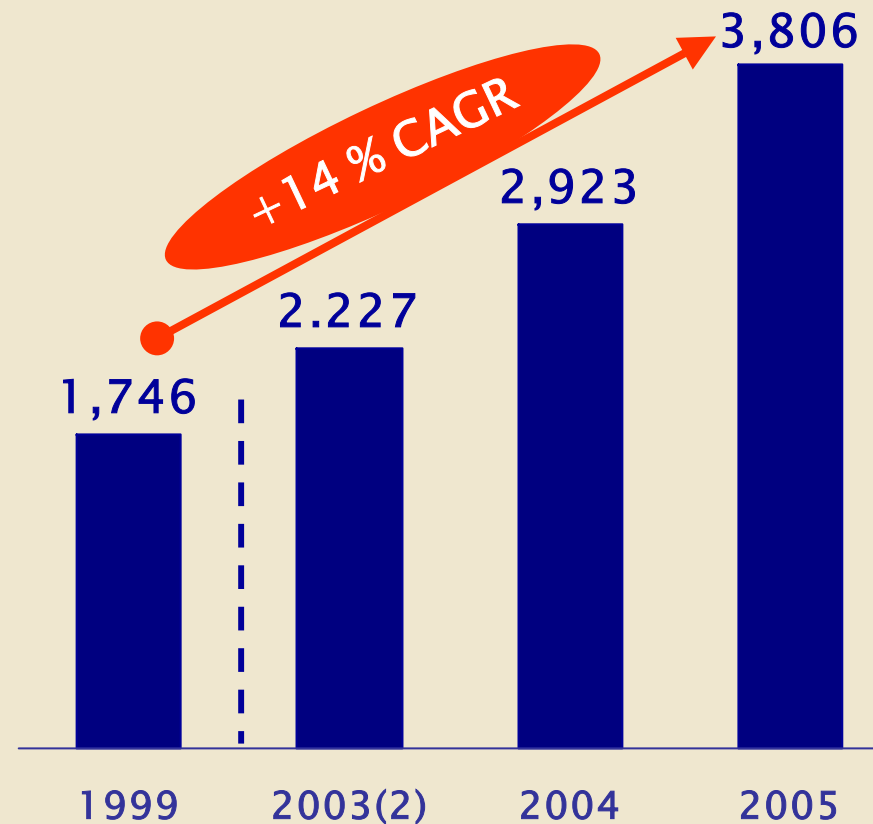
MOODY'S									
Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3
Lloyds	Barclays RBS	BBVA BNPP Credit Agricole HSBC B. ING B. UBS SOCGEN	ABN Credit Sui. Deutsche B. Fortis B. San Paolo SCH	B. Intesa Unicredito	Commerz. HVB				
STANDARD & POOR'S									
AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-
	UBS	Barclays BNPP Lloyds RBS	BBVA ABN Credit Agricole HSBC B. ING B. SOCGEN Fortis B. Deutsche B.	San Paolo Credit Sui. SCH Unicredito	B. Intesa HVB	Commerz.			
FITCH									
AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-
	Barclays Lloyds RBS UBS	BNPP HSBC Credit Agricole	BBVA ABN Credit Sui. Deutsche B. ING B. San Paolo SCH SOCGEN	B. Intesa Unicredito Fortis B.	Commerz. HVB				

Excellent track record for generating results

Total Customer Volumes (1)
€ billion

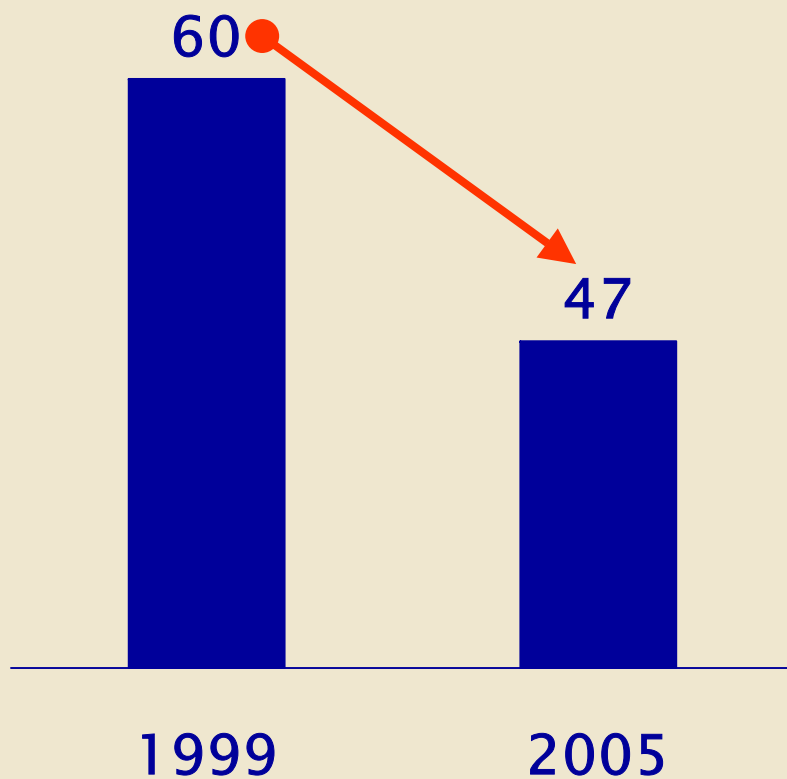


Net Attributable Profit
€ million

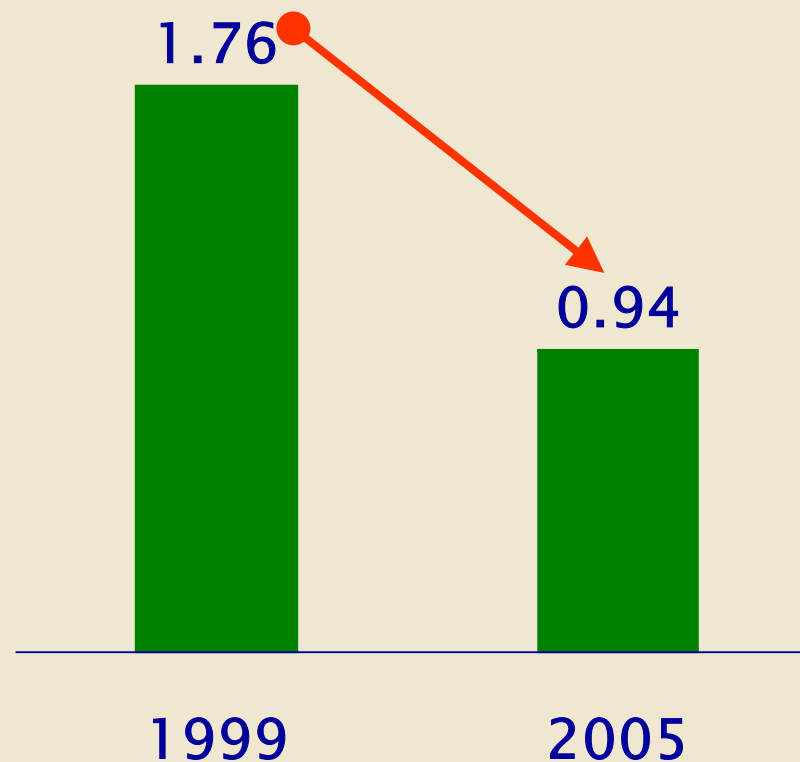


... with improving fundamentals

Cost to income ⁽¹⁾ (%)

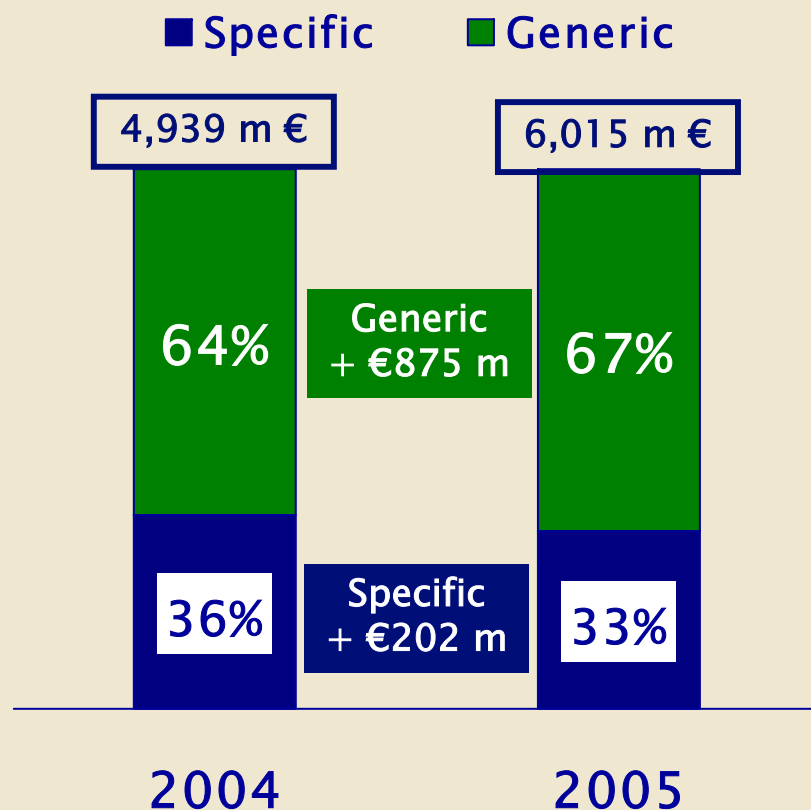


NPL ratio (%)

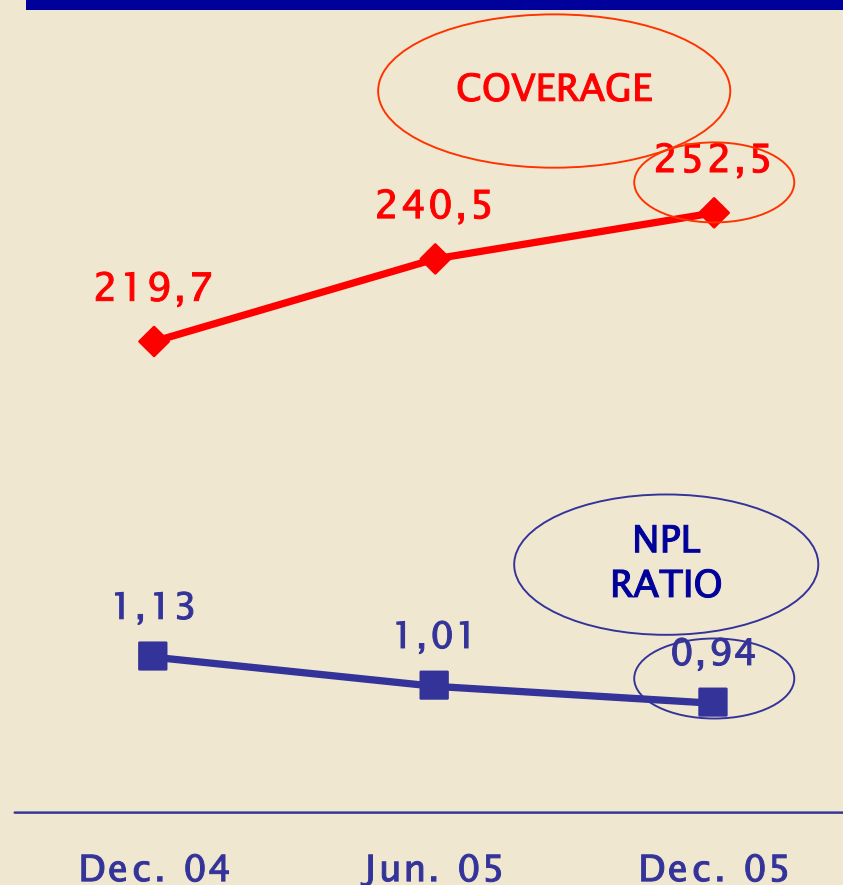


Strict control of asset quality and high coverage ratios

Loan loss provisions (€ million)



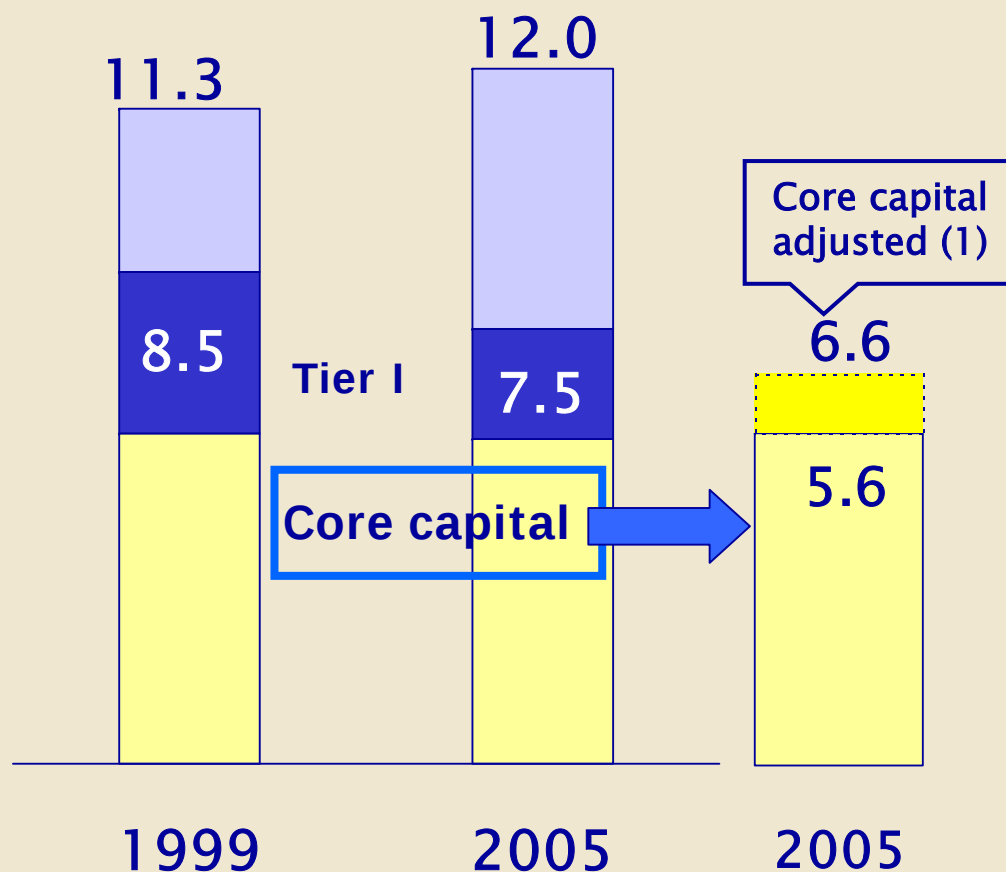
NPL and coverage ratios (%)



...while managing other structural risks

...and maintaining strong solvency ratios

BIS ratios (%)



Additionally:

- €4.9bn unrealized capital gains
- Full coverage of pension fund liabilities

(1) Including generic provisions net of expected losses in core capital
19 1999 data Pre-IFRS

BBVA's capital discipline

Core capital

6% approx.

Pay-out

45%–50% approx.

... that meets two objectives

Self-financing

Core capital

2004

5.8%

2005

5.6%

Shareholder remuneration

DPS

04/03

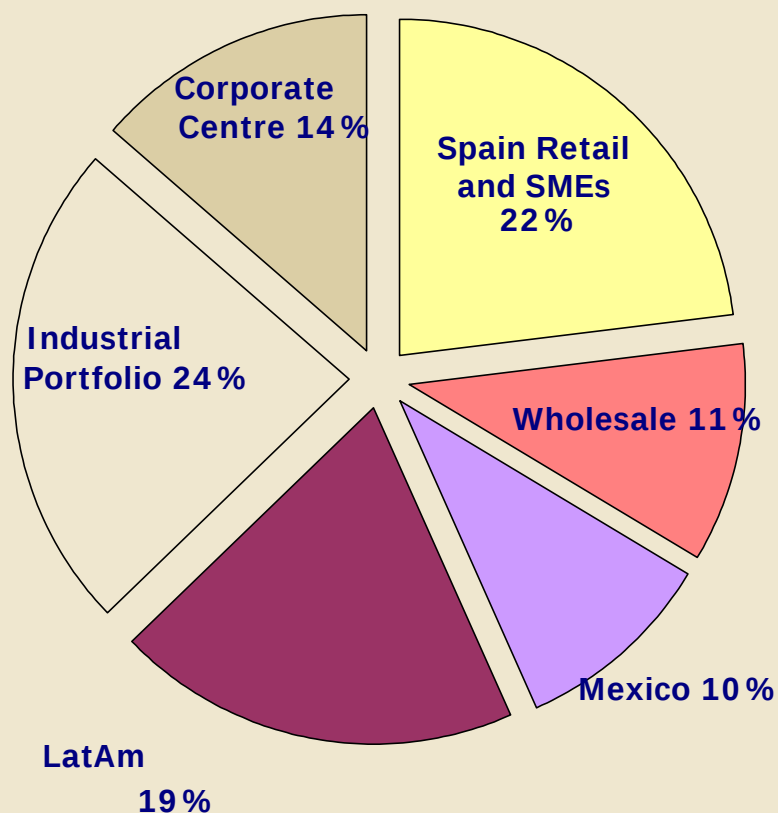
+15.1%

05/04

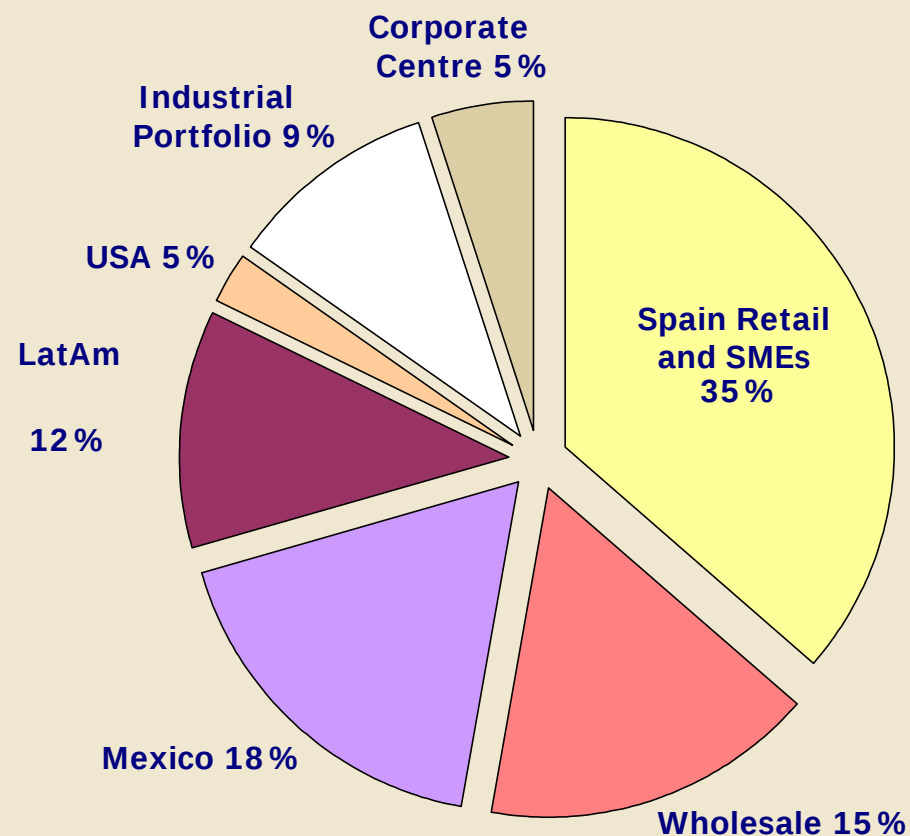
+20.1%

BBVA has “turned around” its capital allocation over the last three years

Economic Capital 2002



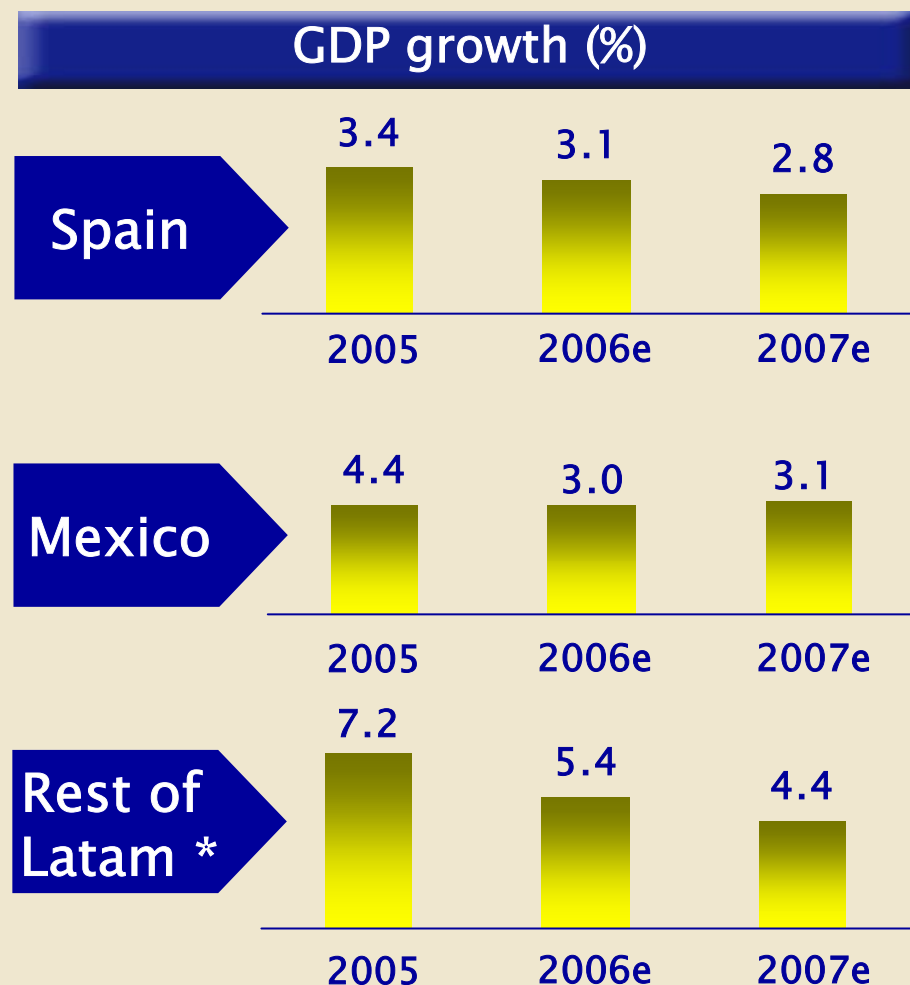
Economic Capital 2005



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Positive economic environment



Spain:
Delivering faster GDP growth than its
European peers

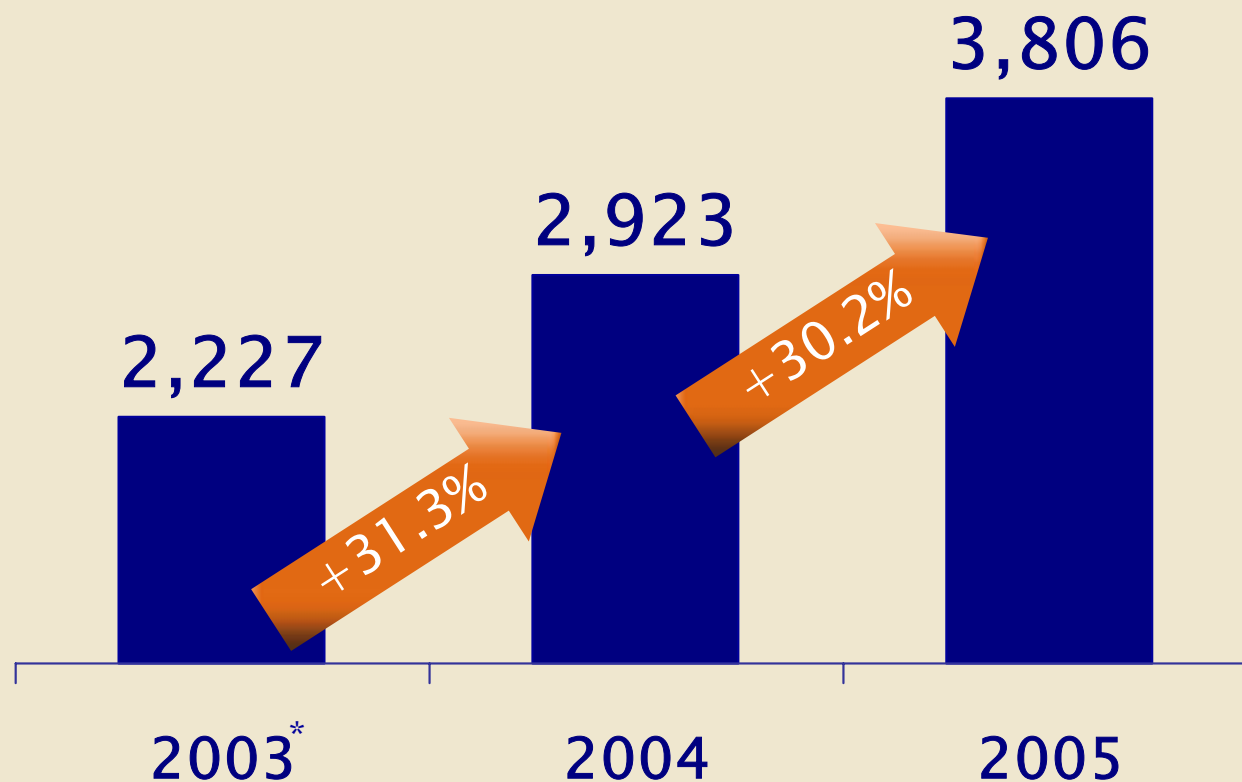
Latam: best performance in 10 years

- Contained inflation rates
- Currency stability
- Improving country ratings

**Good and stable
economic prospects**

2005: a new record year for BBVA

BBVA Group: net attributable profit
€ million



With growth of 29.5% in EPS in 2005

2005 was a year of expansion and profit growth

**Loans
+26%**

Retail Banking in Spain and Portugal

- › 110,000 new mortgages, more than 15,600 m €
- › SMEs and businesses: 75,000 new customers, +23% in loans

Wholesale and Investment Banking

- › x2 RiskPyme transactions, 45% from new customers
- › Franchise business: 87%
- › 1st in Trade Finance by number of transactions

**Deposits
+22%**

Mexico and South America

- › Bancomer:
 - › 2.2 m new customers, now totalling 12.2 m
 - › 2.9 m cards placed with 410 b.p. market share gain in consumer and credit cards
- › Insurance America: 1.3 m new policies (+25%)
- › Other LatAm: +36% in loans and +35% in customer funds

**Net worth
+25%**

...with strong and balanced growth in all revenue lines

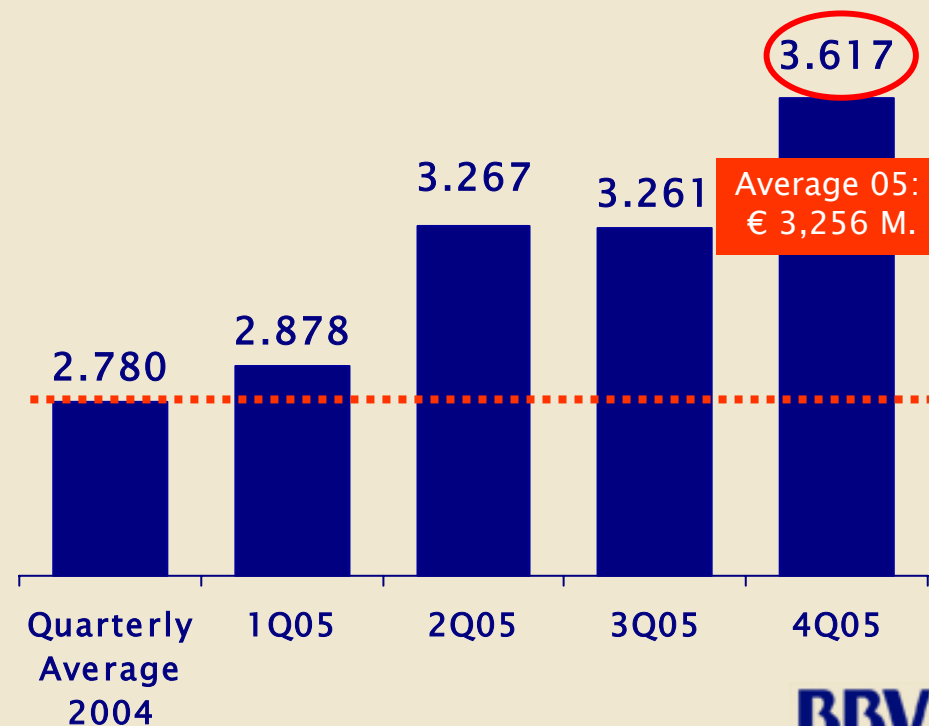
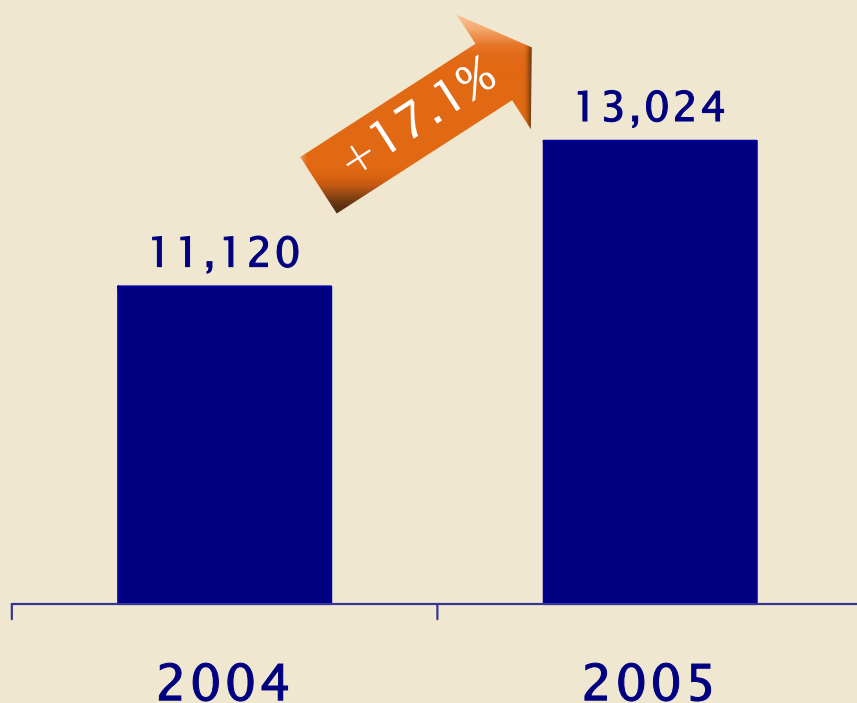
NII
+17.0%

Fees
+15.4%

Insurance
+24.7%

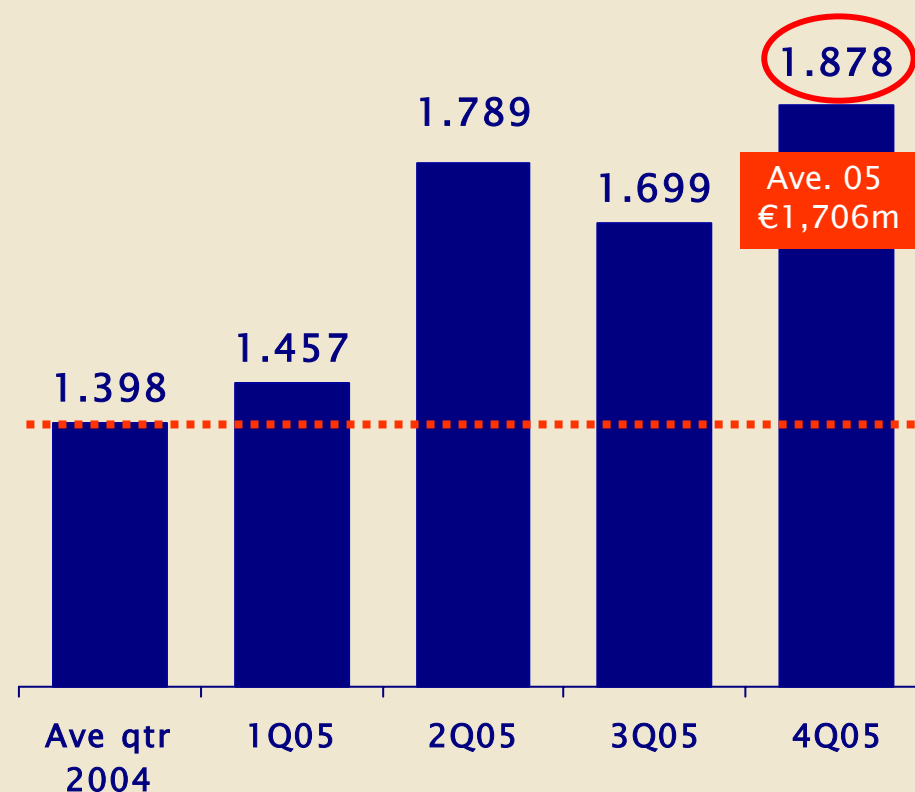
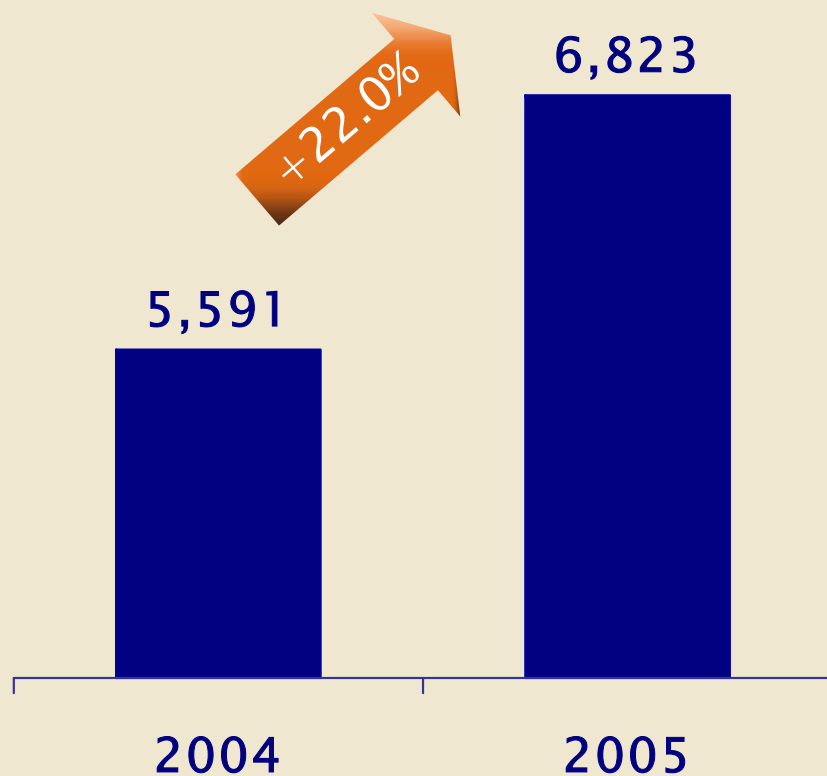
Trading Income
+19.6%

BBVA Group. Ordinary revenues
€ million



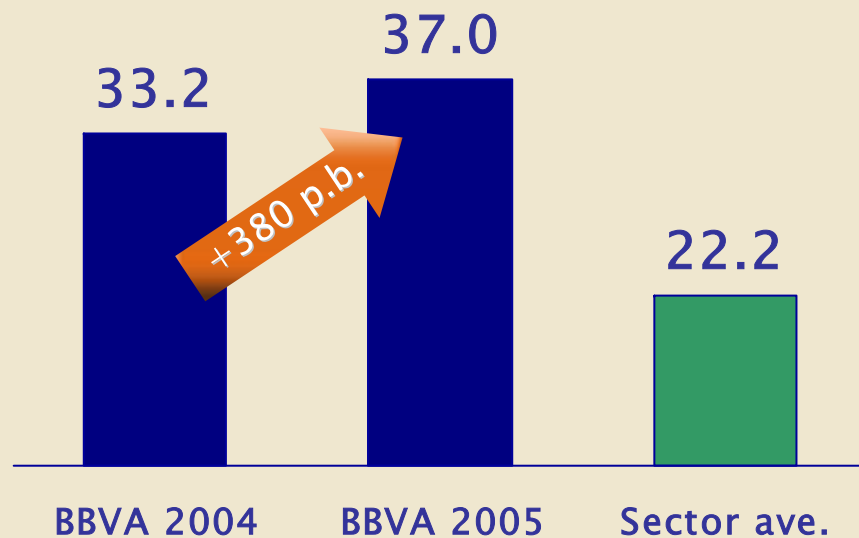
... and advances in operating profit

BBVA Group: operating profit
€ million

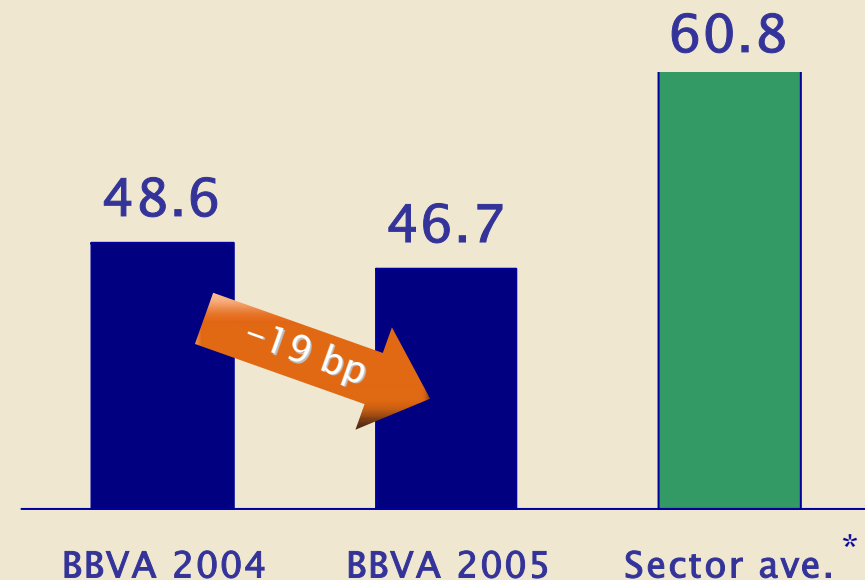


Excellent progress in profitability and efficiency

ROE (%)
Top bank in Europe



Cost/income ratio
Top bank in eurozone



Retail Banking: year's highlights

1

Business activity

Rise of:
+21.8%

2

New sources of revenue

Trading income:
+96.3%

Insurance:
+20.3%

3

Greater efficiency

43.3%
-230 bp

4

Asset quality

NPL ratio:
+0.62%

Net attrib. profit: €1,614m (+13.1%) with ROE at 32.1%

Wholesale and Investment Banking: year's highlights

1

**Sustained
volume
growth**

Lending:
+10.2%

Cust. funds:
+12.4%

4

**Improved
fundamentals**

Cost/income
29.7%
-350 bp

2

**Growth in
fee income**

Wholesale
: +18.1%

Markets:
+31.0%

3

**Markets
revenues**

€396m
x2 (87% franchise
business)

Net attributable profit: €592m (+46.6%) with ROE at 25.9%

The Americas: year's highlights

1

**Activity
grows
strongly**

Lending:
+43.6%

Cust. funds:
+17.7%

4

**Mexico:
excellent
results**

Lending:
+51.8%

Op. profit:
+41.2%

2

**Upward
trend of
revenues**

Net Int Inc:
+29.4%

Core Rev:
+24.3%

3

**Improved
fundamentals**

Cost/income
46.4%

NPL ratio
2.67%

Net attrib. profit: €1,820m (+52.3%) with ROE at 33.8%

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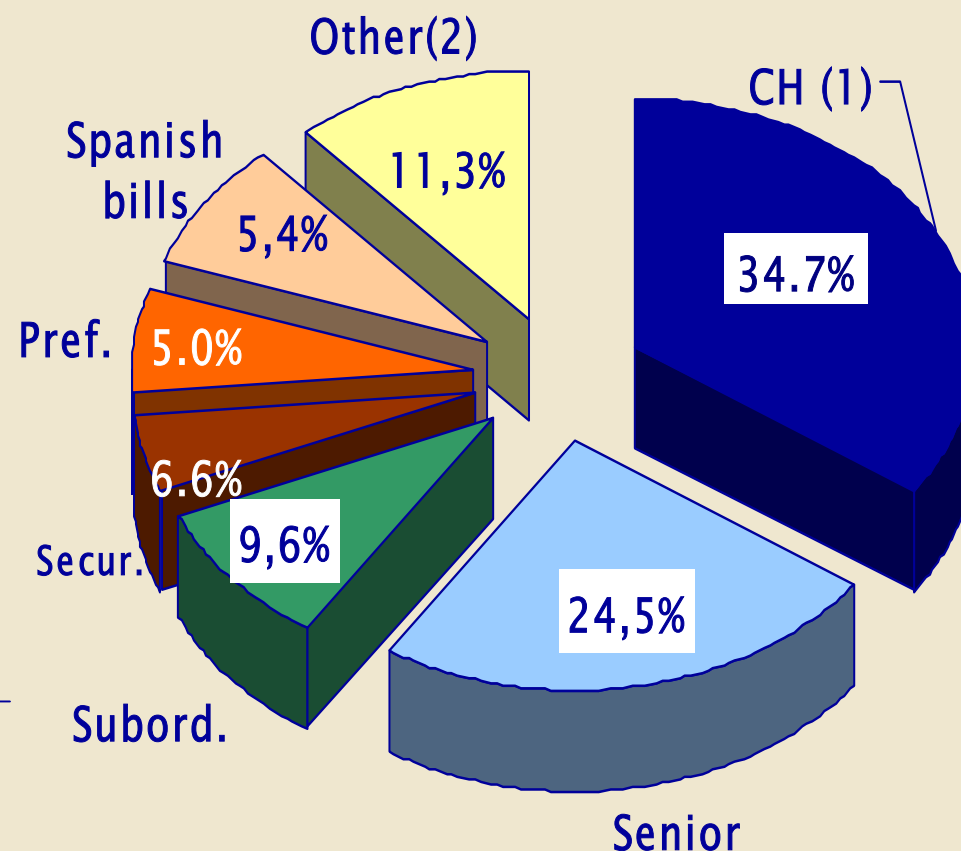
BBVA's wholesale funding approach

- Diversification by tenor, instruments and market:
 - ✓ Short term: Spanish bills (“pagarés”), CP
 - ✓ Medium term: Euromarket, GMTN, private placements
 - ✓ Long term: “Cedulas hipotecarias” (Covered bonds), senior debt, capital instruments
- Liquid benchmarks are established by maturities. Policy of “no-retapping”
- Smooth maturity profile
- A policy of independence and coordination of funding needs. Group subsidiaries fund themselves independently, without support from the parent
- Transparency and communication with market participants. High quality of disclosed information

BBVA: a diversified funding structure

Total stock
(31/12/05 € Bn)

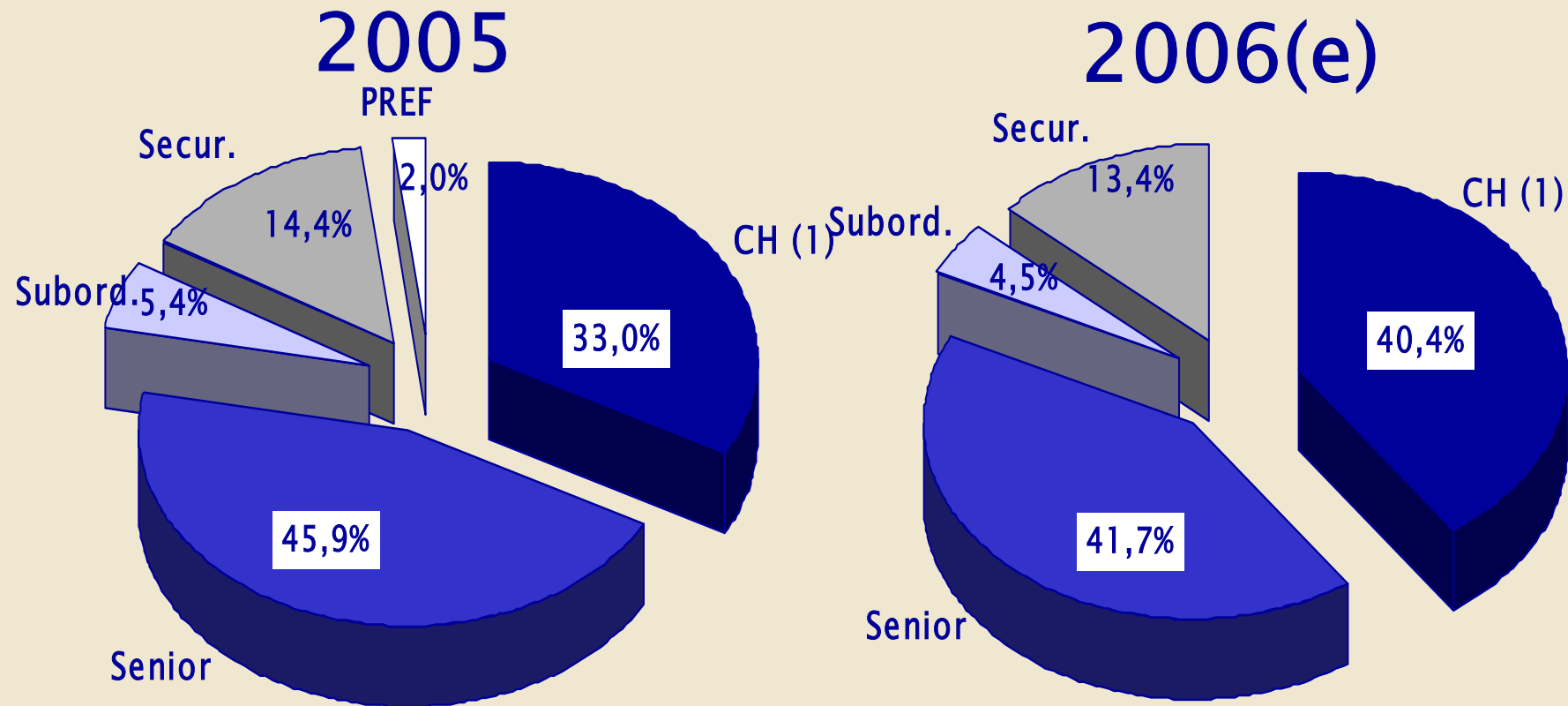
Cédulas hipotecarias (1)	28,4
Senior debt (MTN)	20,1
Subordinated debt	7,9
Preferred shares	4,1
Spanish bills	6,9
Securitisations	5,4
Other (2)	9,3
Total	82.2



(1) Spanish covered bonds

34 (2) Public and private placements and eurodeposits

Issuance structure

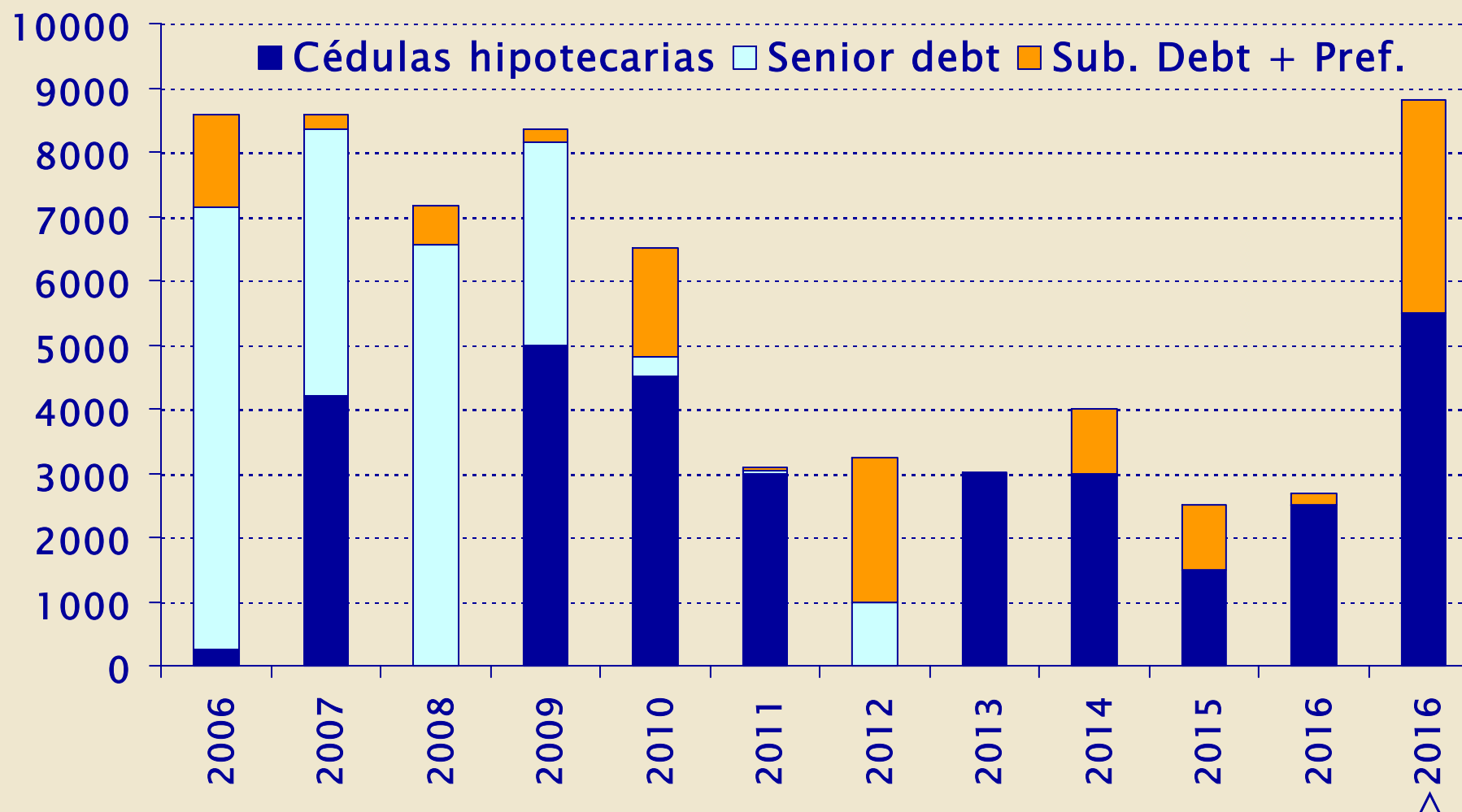


New initiatives:

- Securitisations to play a more important role
- Increase presence in the US bond market
- Broader investor base for capital instruments

BBVA's maturity profile

BBVA funding maturity matrix



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BBVA's approach to the USD market

- In an effort to broaden investor diversification, BBVA is looking to access the USD institutional investor base
- BBVA is committed to establish itself as a repeat borrower in the USD market, across a range of maturities
- BBVA is looking to become a long-term participant in the USD market, rather than an opportunistic borrower
- Other future funding in the USD market include:
 - ✓ Short-term fixed-rates issues
 - ✓ Extendible issuance

Proposed Issue Details

Inaugural senior 144A issue details

Issuer:	BBVA US Senior
Guarantor:	BBVA
Issue ratings:	Aa2 / AA– / AA–
Tenor:	2–yr and/or 3–yr
Format	Floating rate note
Size:	Benchmark
Documentation:	144A
Marketing:	Investor roadshow and Bloomberg presentation
Timing:	Later this week, subject to market conditions

Important tax information

- 15% Spanish withholding tax applies to all transactions issued from Spanish issuers
- Spanish withholding tax can be easily avoided if, on every coupon payment date, custodian banks certify the following:
 - Name of Beneficial Owner
 - Beneficial Owner's tax residence
 - Amount of securities held by Beneficial Owner
- Certification process arranged by Acupay System and custodians
 - Fully tested process by DTC and Acupay
 - Tested process for late withholding tax refund
- Despite certification process completion, tax haven investors are subject to 15% withholding tax

Tax Haven countries and Territories

Andorra, Principality of	Gibraltar	Nauru, Republic of
Anguilla, The Island of	Grenada	Netherlands Antilles
Antigua and Barbuda, Islands of	Hong Kong	Oman, Sultanate of
Aruba	Isle of Man	Panama, Republic of
Bahamas, The	Jamaica	Saint Lucia
Bahrain, Kingdom of	Jordan, Hashemite Kingdom of	Saint Vincent & the Grenadines
Barbados, The Island of	Lebanon, Republic of	San Marino, Republic of
Bermuda, The Islands of	Liberia, Republic of	Seychelles, Republic of
Brunei, Sultanate of	Liechtenstein, Principality of	Singapore, Republic of
Cayman Islands	Luxembourg, Grand Duchy of Luxembourg*	
Channel Islands (Jersey and Guernsey)	Macao	Trinidad and Tobago, Republic of
Cook Islands, The	Malta, Republic of	Turks and Caicos Islands
Cyprus, Republic of	Marianas Islands	United Arab Emirates
Dominica, The Republic of (Dominican Republic)	Mauritius	Vanuatu, Republic of
Falkland Islands	Monaco, Principality of	Virgin Islands, British
Fiji Islands	Montserrat	Virgin Islands, United States

**Only as regards to the income received by the companies referred to in paragraph 1 of the Protocol annexed to the Avoidance of Double Taxation Treaty, dated 3rd June 1986, entered into by Spain and Luxembourg – i.e. those holding companies as defined by Luxembourg Law of July 31, 1929 and Luxembourg Grand Ducal Decree of December 17, 1938.*

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