BBVA Inaugural Issue: 144A Bond

USA, April 2006
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Index

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

- Employees: 94,681
- Branches: 7,410
- Countries: 37
- Shareholders: 1.0m
- Market cap: €59bn
- Total assets: €392bn

A full range of financial products & services
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)

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Data as of December 2005
BBVA: top European Bank by profitability and asset quality

**Efficiency**
- BBVA: 46.7%
- European average: 60.8%

**ROE**
- BBVA: 37.0%
- European average: 22.2%

**NPL’s**
- BBVA: 0.94%
- European average: 2.89%

**Coverage**
- BBVA: 253%
- European average: 79%

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...

- 1988
  - BBV
- 1991
  - ARGENTARIA
- 1999
  - BBVA

Banco Bilbao
Banco Vizcaya
Banco Exterior de España
Banco Hipotecario
Caja Postal
Banco Crédito Local
Banco Crédito Agrícola
... and international expansion into Latin America

1. The acquisitions
   - Building out the franchise, strategic positioning
   - 1995, 2004

2. Implementing BBVA’s values
   - Business model, risk policies, human resources, technology, efficiency
   - 1995, 2002

3. Fine tuning strategy
   - Country focus
   - Client segmentation

4. Focusing on growth & profitability

- 2004
In the US we are building our platform

Money transfers

Basic banking products

Full banking offer

BTS

BBVA Bancomer USA

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

**Spain**

- **Mk. Share**
  - Loans: 15% 1st
  - Deposits: 13% 2nd
  - Mutual Funds: 18% 2nd
  - Pension Funds: 20% 1st
- **Num. of customers**: 11 million

**Latin America**

- **Mk. Share (1)**
  - Mexico: 28% 1st
  - South America (2): 10% 2nd
- **Num. of customers**: 23 million

(1) Deposits
(2) Excluding Brazil
... with a balanced distribution of assets

Group assets breakdown (%)

78% SPAIN, EU & USA

17% LATAM “INV. GRADE” (Mexico, Chile, P.Rico)

5% LATAM “NON INV. GRADE”
... and a well diversified business mix

Attributable Profit by Business Areas (%)

- RETAIL BANKING SPAIN: 40%
- MEXICO*: 30%
- WHOLESALE BANKING: 15%
- REST OF AMERICA: 9%
- INSURANCE & PENSION AMERICA, 6%

* Banking business
... and a low risk, high quality asset profile

Banking in Spain
Loan portfolio breakdown

- SMEs: 19%
- Large corporates: 7%
- Public Sector: 12%
- Small businesses: 10%
- Consumer: 7%
- Mortgages: 43%

Latin America
Loans/total assets

- LOANS 42%
- 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

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Excellent track record for generating results

Total Customer Volumes (1)
€ billion

<table>
<thead>
<tr>
<th>Year</th>
<th>1999(2)</th>
<th>2003(2)</th>
<th>2004</th>
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<tr>
<td>Value</td>
<td>359</td>
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Net Attributable Profit
€ million

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<th>2003(2)</th>
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<td>1,746</td>
<td>2,227</td>
<td>2,923</td>
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(1) Loans and customer funds
(2) Data pre-IFRS

+10% CAGR

+14% CAGR
... with improving fundamentals

Cost to income (1) (%)

1999: 60%
2005: 47%

NPL ratio (%)

1999: 1.76%
2005: 0.94%
Strict control of asset quality and high coverage ratios

Loan loss provisions (€ million)
- Specific: 4,939 m € (36%)
- Generic: 6,015 m € (64%)

NPL and coverage ratios (%)
- December 2004: NPL Ratio 1.13, Coverage 219.7
- June 2005: NPL Ratio 1.01, Coverage 240.5
- December 2005: NPL Ratio 0.94, Coverage 252.5

...while managing other structural risks
…and maintaining strong solvency ratios

### BIS ratios (%)

<table>
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<tr>
<th>Year</th>
<th>Core capital</th>
<th>Tier I</th>
<th>Total (Core + Tier I)</th>
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<td>1999</td>
<td>8.5%</td>
<td>3.8%</td>
<td>12.3%</td>
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<td>7.5%</td>
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<td>2005</td>
<td>5.6%</td>
<td>6.6%</td>
<td>12.2%</td>
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**Additional:**
- €4.9bn unrealized capital gains
- Full coverage of pension fund liabilities

(1) Including generic provisions net of expected losses in core capital in 1999 data, Pre-IFRS
BBVA’s capital discipline

Core capital

6% approx.

Pay-out

45%-50% approx.

... that meets two objectives

Self-financing

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<tr>
<th>Year</th>
<th>Core capital</th>
<th>Shareholder remuneration</th>
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<td>5.8%</td>
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DPS

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<td>05/04</td>
<td>+20.1%</td>
</tr>
</tbody>
</table>
BBVA has “turned around” its capital allocation over the last three years.

Economic Capital 2002
- Corporate Centre 14%
- Industrial Portfolio 24%
- Wholesale 11%
- Mexico 10%
- LatAm 19%
- Spain Retail and SMEs 22%

Economic Capital 2005
- Spain Retail and SMEs 35%
- Corporate Centre 5%
- USA 5%
- LatAm 12%
- Mexico 18%
- Mexico 10%
- Wholesale 15%
- Industrial Portfolio 9%
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Positive economic environment

GDP growth (%)

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006e</th>
<th>2007e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>3.4</td>
<td>3.1</td>
<td>2.8</td>
</tr>
<tr>
<td>Mexico</td>
<td>4.4</td>
<td>3.0</td>
<td>3.1</td>
</tr>
<tr>
<td>Rest of Latam *</td>
<td>7.2</td>
<td>5.4</td>
<td>4.4</td>
</tr>
</tbody>
</table>

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

Source: BBVA Economic Research Dep.
* Excluding Brazil
2005: a new record year for BBVA

BBVA Group: net attributable profit
€ million

2003*  2004  2005

2,227  2,923  3,806

+31.3%  +30.2%

With growth of 29.5% in EPS in 2005

* Pre IAS
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

**Deposits +22%**
- Wholesale and Investment Banking
  - x2 RiskPyme transactions, 45% from new customers
  - Franchise business: 87%
  - 1st in Trade Finance by number of transactions

**Net worth +25%**
- 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
...with strong and balanced growth in all revenue lines

<table>
<thead>
<tr>
<th>NII</th>
<th>Fees</th>
<th>Insurance</th>
<th>Trading Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>+17.0%</td>
<td>+15.4%</td>
<td>+24.7%</td>
<td>+19.6%</td>
</tr>
</tbody>
</table>

**BBVA Group. Ordinary revenues € million**

<table>
<thead>
<tr>
<th>Year</th>
<th>NII</th>
<th>Fees</th>
<th>Insurance</th>
<th>Trading Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>11,120</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>13,024</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Quarterly Average 2004:
- 2.780
- 2.878
- 3.267
- 3.261

Average 05: € 3,256 M.
... and advances in operating profit

BBVA Group: operating profit
€ million

<table>
<thead>
<tr>
<th></th>
<th>Ave qtr 2004</th>
<th>1Q05</th>
<th>2Q05</th>
<th>3Q05</th>
<th>4Q05</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>1.398</td>
<td>1.457</td>
<td>1.789</td>
<td>1.699</td>
<td>1.878</td>
</tr>
<tr>
<td>2005</td>
<td>1.706</td>
<td>1.789</td>
<td>1.699</td>
<td>1.878</td>
<td>1.878</td>
</tr>
</tbody>
</table>

€22.0%
Excellent progress in profitability and efficiency

ROE (%)
Top bank in Europe

BBVA 2004: 33.2%
BBVA 2005: 37.0%
Sector ave.: 22.2%

Cost/income ratio
Top bank in eurozone

BBVA 2004: 48.6%
BBVA 2005: 46.7%
Sector ave.: 60.8%

Data as of December 2005
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%
   - NPL ratio: +0.62%
   - -230 bp

4. **Asset quality**
   - 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%

2. Growth in fee income
   - Wholesale: +18.1%
   - Markets: +31.0%

3. Markets revenues
   - €396m x2 (87% franchise business)

4. Improved fundamentals
   - Cost/income 29.7% -350 bp

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%

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%

4. Mexico: excellent results
   - Lending: +51.8%
   - Op. profit: +41.2%

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (€ Bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total stock</td>
<td>82.2</td>
</tr>
<tr>
<td>Cédulas hipotecarias (1)</td>
<td>28.4</td>
</tr>
<tr>
<td>Senior debt (MTN)</td>
<td>20.1</td>
</tr>
<tr>
<td>Subordinated debt</td>
<td>7.9</td>
</tr>
<tr>
<td>Preferred shares</td>
<td>4.1</td>
</tr>
<tr>
<td>Spanish bills</td>
<td>6.9</td>
</tr>
<tr>
<td>Securitisations</td>
<td>5.4</td>
</tr>
<tr>
<td>Other (2)</td>
<td>9.3</td>
</tr>
</tbody>
</table>

(1) Spanish covered bonds
(2) Public and private placements and eurodeposits

Pie chart showing the distribution of funding sources:
- Senior: 24.5%
- Other (2): 34.7%
- Subordinated debt: 6.6%
- Securitisations: 9.6%
- Preferred shares: 5.0%
- Spanish bills: 5.4%
- CH (1): 11.3%
New initiatives:
- Securitisations to play a more important role
- Increase presence in the US bond market
- Broader investor base for capital instruments

(1) Spanish covered bonds
BBVA’s maturity profile

BBVA funding maturity matrix

- Cédulas hipotecarias
- Senior debt
- Sub. Debt + Pref.
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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

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

*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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BBVA

BBVA Inaugural Issue:

144A Bond

USA, April 2006