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BBVA is a financial services group with a solid strategic focus. Focus on its home markets:

**Spain**
- Mk. Share: 16% 1st
- Loans: 16% 1st
- Deposits: 14% 2nd
- Mutual Funds: 19% 2nd
- Pension Funds: 20% 1st
- Num. of customers: 10 million

**Latin America**
- Mk. Share: 28% 1st
- Mexico: 28% 1st
- Rest of Latam: 8% 2nd
- Num. of customers: 23 million

33 million customers and presence in 14 Latin American countries.

(1) Deposits
(2) Excluding Brazil and Mexico
Well positioned against European peers

<table>
<thead>
<tr>
<th>EFFICIENCY % (1)</th>
<th>ROE (%)</th>
<th>BIS RATIO (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Banks (1)</td>
<td>BBVA</td>
<td>European Banks (1)</td>
</tr>
<tr>
<td>62</td>
<td>52</td>
<td>15.0</td>
</tr>
</tbody>
</table>

Data as of December 2003

(1) Average of 17 main European listed Banks
... with a balanced distribution of assets

GROUP ASSETS BREAKDOWN (%)

75% SPAIN, EU & USA

20% LATAM “INV. GRADE” (1)

5% LATAM “NON INV. GRADE”

(1) Mexico, Chile and Puerto Rico
A well diversified business mix

Attributable Profit by Business Areas (%)

- RETAIL BANKING SPAIN: 51%
- AMERICA: 33%
- WHOLESALE BANKING: 16%
BBVA strategic issues

In 2002 we drew up a new strategic plan based in three pillars:

1. Strengthening of Group fundamentals
2. Corporate culture and organisational changes
3. A value creation model based in profitable growth

The Group is now focused in delivering growth.
Group performance has already improved in 2003

Attributable net income € m

Q1 H1 9mth 12mth

587 1.167 1.739 2.227
514 1.166 1.655 1.719

2002 2003

…surpassing its commitment to the market (€ 2.15bn)
This positive trend has been confirmed in 1Q04 results . . .

<table>
<thead>
<tr>
<th></th>
<th>1Q03</th>
<th>1Q04</th>
<th>Chg (%)</th>
<th>Chg. (%) constant fx.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net interest income</strong></td>
<td>1,650</td>
<td>1,684</td>
<td>+2.1</td>
<td>+9.0</td>
</tr>
<tr>
<td><strong>Core Revenues</strong></td>
<td>2,456</td>
<td>2,508</td>
<td>+2.1</td>
<td>+9.0</td>
</tr>
<tr>
<td><strong>Ordinary revenues</strong></td>
<td>2,653</td>
<td>2,672</td>
<td>+0.7</td>
<td>+7.3</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>1,217</td>
<td>1,279</td>
<td>+5.2</td>
<td>+12.5</td>
</tr>
<tr>
<td><strong>Attrib. income</strong></td>
<td>514</td>
<td>667</td>
<td>+29.9</td>
<td>+35.0</td>
</tr>
</tbody>
</table>

Revenue growth compensates the effects of currency devaluations (13.6%)
... With healthy growth in results of domestic businesses

<table>
<thead>
<tr>
<th></th>
<th>1Q03</th>
<th>1Q04</th>
<th>Chg. %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>897</td>
<td>985</td>
<td>9.9</td>
</tr>
<tr>
<td>Core revenues</td>
<td>1,274</td>
<td>1,383</td>
<td>8.6</td>
</tr>
<tr>
<td>Ordinary revenues</td>
<td>1,402</td>
<td>1,493</td>
<td>6.5</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>606</td>
<td>696</td>
<td>15.0</td>
</tr>
</tbody>
</table>
... and very positive contribution from the Americas

Operating Profit from Americas
Constant € million

- 1Q03: 532
- 2Q03: 524
- 3Q03: 462
- 4Q03: 503
- 1Q04: 583

... driven by an increase of 18.9% in the operating profit from Mexico
Thus the Group has produced in 1Q04 the highest net attributable profit in the last eleven quarters.
Successful acquisition of BBVA Bancomer minorities

The €2 billion share issue was well-received

- 1.7 times oversubscribed in record time

High acceptance of share offer

- Current holding: 99.7%

Impact of the transaction

- Positive impact on EPS from year one

Generating resources by reallocating capital

- Core Capital of €847 million

Better capital allocation within the Group
Index

- BBVA Overview
- Key growth drivers for BBVA
- Mexico: expanding horizons
- Conclusions
Key growth drivers for BBVA

1. The upturn in domestic Retail Banking
2. Good performance of Wholesale & Investment Banking
3. Higher earnings from Latin America
## Retail Banking: a marketing offensive ...

...driven by innovation and anticipation

<table>
<thead>
<tr>
<th>Date</th>
<th>Product/Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 03</td>
<td>Mortgage solutions</td>
</tr>
<tr>
<td>July 03</td>
<td>Solutions for SMEs</td>
</tr>
<tr>
<td>September 03</td>
<td>Fondo Extra 5</td>
</tr>
<tr>
<td>November 03</td>
<td>Pension solutions</td>
</tr>
<tr>
<td>January 04</td>
<td>Easy Mortgage</td>
</tr>
<tr>
<td>Feb – Mar 04</td>
<td>Óptimo and Rentas Funds</td>
</tr>
<tr>
<td>April 04</td>
<td>Credit card Tarjeta diez</td>
</tr>
</tbody>
</table>
... that is contributing to boosting business activity

Year-on-year growth
Average balances

Lending

Total customer funds deposits + funds

Mar.03 | Jun.03 | Sep.03 | Dec-03 | Mar.04
--- | --- | --- | --- | ---
10.8% | 12.1% | 12.9% | 13.7% | 15.9%

Mar.03 | Jun.03 | Sep.03 | Dec-03 | Jan-04
--- | --- | --- | --- | ---
1.0% | 5.1% | 6.9% | 7.4% | 10.5%
The three pillars of the improvement in retail banking

1. A steady mortgage demand
   - Individuals +21%, developers +17%
   - 1Q04: record quarter in new mortgage production (5.1 €Bn, +48%)

2. Accelerating volumes from SMEs
   - +17% increase in SME’s
   - +19% increase in small businesses

3. Increase in off-balance sheet funds
   - +19% increase in mutual funds
   - Gaining market share

Data corresponds to 1Q04 yoy change
All of it reflecting a progressive improvement of results

Operating Profit
% ytd / previous year

-1.1
1Q03

0.7
4Q03

8.1
1Q04

... with core revenues growing 3.8%
Positive trends resulting from a strategic development of our retail franchise

focus on individuals (8.5 m customers)  
Client Focus  
Advisory

Focus on SME’s and businesses  
(one in three of all Spanish SMEs are BBVA customers)  
Cross-selling

Internet banking & Consumer finance  
Profitability and convenience

A steady growth potential for financial services in Spain
Personal Financial Services: Progress in 2003

1. Branch transformation: 268 branches adapted
2. A new sales oriented structure: 50% increase in the sales force, 40% back-office reduction
3. 108,000 new active customers: 3.8 product per customer (3.6 in 2002)
4. Customer personalisation: 20% of the client base
5. Advisory capabilities: training 2,500 people
6. New tools to manage customers

A sales oriented organisation based on advisory and customer needs
Commercial Financial Services represents a great opportunity for BBVA

Source: FRS Inmark Ibérica 2002.

Serviced through specialised networks
... With good results in the first year

Evolution of active customers (thousands)

- SME’s
  - 8.6% increase in customers
  - 4.7 products per customer
  - 0.67% NPL ratio

- Businesses

Cross-selling supported by a broad product range
Factors of market growth for the Spanish Retail Banks

Mortgage Market
- Low interest rates, GDP improvement and job creation
- Better financial conditions
- Demographics: household formation, immigrants and tourism

SMEs
- The importance of SME’s in employment (64% of total private sector jobs)
- The main beneficiaries of labour deregulation in Spain
- Going through a phase of modernisation
BBVA key performance indicators: higher targets for 2004 ...

**Loans/Funds**

- Growth above the market
- Gaining market share

### Personal Financial Services

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active customers</td>
<td>8,500,000</td>
<td>8,900,000</td>
</tr>
<tr>
<td>Products per customer</td>
<td>3.8</td>
<td>4.1</td>
</tr>
</tbody>
</table>

### SME’s

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Customers</td>
<td>117,800</td>
<td>125,000</td>
</tr>
<tr>
<td>Products per customer</td>
<td>4.9</td>
<td>5.1</td>
</tr>
</tbody>
</table>
2 Good performance of Wholesale & Investment Banking

Operating profit € million

<table>
<thead>
<tr>
<th>Quarter</th>
<th>1Q03</th>
<th>2Q03</th>
<th>3Q03</th>
<th>4Q03</th>
<th>1Q04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>191</td>
<td>159</td>
<td>158</td>
<td>147</td>
<td>192</td>
</tr>
</tbody>
</table>

...Driven by rising net fee income (+14.7% y-o-y)
Wholesale and Investment Banking: the leading player in Spain

The global relationship model
- Corporate Banking
- Institutional Banking

The franchise model
- Global Markets and Distribution

88% of large corporates are BBVA customers
35% market share in lending to the public sector
Leadership in Spain and expansion in Latin America
A successful strategy...

3 Rs

Return

ROE 21,0%

Relationship

Nº 1 with large Spanish companies

Nº 1 with Public Institutions in all segments

Nº 2 with large Latin American companies

Risk

NPL Coverage ratio: 314%

NPL Ratio: 0.38%
... with a clear objectives

To export our global model to Latin America: Wholesale banking and markets

To reinforce our leading market position

- With large corporations in Spain, Europe and Latin America
- Financial markets Spain and Latin America
- Spanish public sector and European institutions
The Americas show growing levels of activity

- Lending grows in investment-grade countries: +12.8%
- Customer funds growth focused on sight and savings accounts
... Strong revenue generation

Core revenues
Constant € million

+9.6%

1Q03: 1.027
2Q03: 993
3Q03: 1.030
4Q03: 1.065
1Q04: 1.125

1Q03 2Q03 3Q03 4Q03 1Q04

1Q03 2Q03 3Q03 4Q03 1Q04
... And a positive evolution of profits in BBVA America

Net income
Current € million

+10.6%

1Q03: 268
4Q03: 292
1Q04: 296
...with new record highs in BBVA Bancomer profits

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Attrib. income Current € million</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q03</td>
<td>97</td>
</tr>
<tr>
<td>2Q03</td>
<td>98</td>
</tr>
<tr>
<td>3Q03</td>
<td>103</td>
</tr>
<tr>
<td>4Q03</td>
<td>108</td>
</tr>
<tr>
<td>1Q04</td>
<td>132</td>
</tr>
</tbody>
</table>
...and better recurrent results than peers

Recurrent operating profit (*) 2003 (MM Ps) and annual change (%)

<table>
<thead>
<tr>
<th>Bank</th>
<th>2003 (MM Ps)</th>
<th>Annual Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBVA BANCOMER</td>
<td>9,9</td>
<td>+31%</td>
</tr>
<tr>
<td>BANAMEX</td>
<td>-33%</td>
<td></td>
</tr>
<tr>
<td>HSBC</td>
<td>n.m.</td>
<td></td>
</tr>
<tr>
<td>SAN SERFIN</td>
<td>-8%</td>
<td></td>
</tr>
<tr>
<td>BANORTE</td>
<td>-2%</td>
<td></td>
</tr>
</tbody>
</table>

(*) Recurrent operating profit (NII + fees) - general administratives expenses. Source CNBV

Mexico: a great opportunity for BBVA
In 2004 ...

- NII: Volumes will be the key, with sustainable margins prospects
- Fees: A clear recovery in Spain and continuous improvement in Latin America
- Costs: under control
- Active management of interest rates and forex risk
- Provisioning effort: stable in Spain ("Focei") and declining in Latin America

On course to deliver good results
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What are BBVA Bancomer’s medium and long term growth opportunities?

1. A sizeable bank in a sizeable economy
2. Business mix improvement
3. Low banking penetration
4. Credit expansion
5. Hispanic population in USA
BBVA Bancomer is the leading franchise in Mexico

Leader in banking business and in non-banking business

Number 1

Market share

- Loans: 25.4%
- Customer Funds: 28.8%

Number 1

Market Share

- Bancassurance: 38.8%
- Annuities: 20.4%
- Transfers: 40.0%

Number 2

- AFORE: 21.3%

...and more than 9 million customers
Mexico: a sizeable economy

GDP (BN USD)

Spain: 650
Mexico: 637
Emerging Eur G10 (1): 403

GDP per capita (US$)

MEX: 5.994
CHI: 4.712
VEN: 3.045
BRA: 2.759
COL: 1.823

... with similar population (approx. 100 mn.)

...entering a growth phase

GDP Growth
(% y–o–y change)

2001 2002 2003 2004e 2005e

Source: Global Insight
An outstanding commercial success

<table>
<thead>
<tr>
<th></th>
<th>Mar03</th>
<th>Mar04</th>
<th>Var. %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit cards (million)</td>
<td>3.2</td>
<td>4.8</td>
<td>50.0</td>
</tr>
<tr>
<td>Debit cards (million)</td>
<td>10.3</td>
<td>11.2</td>
<td>8.7</td>
</tr>
<tr>
<td>New accounts “El Libretón“</td>
<td></td>
<td>7 million in 3 years</td>
<td></td>
</tr>
<tr>
<td>Insurance customers* (thousand)</td>
<td>851</td>
<td>1,585</td>
<td>86.3</td>
</tr>
<tr>
<td>Electronic banking (thousand)</td>
<td>856</td>
<td>958</td>
<td>11.9</td>
</tr>
</tbody>
</table>

* As of December 2003
Growth in lending and mix improvement

March 2003

- Legacy portfolio: 26%
- Manageable lending: 74%

March 2004

- Legacy portfolio: 22%
- Manageable lending: 78%

Yoy growth:

- Commercial & Government: +12%
- Consumer & Cards: +31%
- Mortgages: +10%
Customer deposits also performing strongly, with better mix

<table>
<thead>
<tr>
<th></th>
<th>Mar-03</th>
<th>Dec-03</th>
<th>Mar-04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sight a/cs</td>
<td>+13.0</td>
<td>+18.1</td>
<td>+16.8</td>
</tr>
<tr>
<td>Term deposits</td>
<td>+14.7</td>
<td>+9.6</td>
<td>-6.5</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>-6.9</td>
<td>+5.8</td>
<td>+23.7</td>
</tr>
<tr>
<td>TOTAL(*)</td>
<td>+4.0</td>
<td>+9.0</td>
<td>+10.1</td>
</tr>
</tbody>
</table>

* Including repos

\[ \text{Average balances} \]

\[ \text{y-o-y change} \]

\[ \% \text{ growth by product} \]

...with strong support from sight and savings accounts and funds
Potential growth and efficiency going forward

Given the low penetration of banking products, growth in financial revenues can outstrip GDP.

- Profitability of current 20 million banked clients
- Potential market – estimated at 30 million
- Integration of informal economy
- Stabilization of macro outlook for credit activity
Financial system transformation resulting in higher ROEs

- Regulation benchmarked to international standards
- Stricter risk modeling and taking procedures
- Adequate capitalization
- Improved technology
- Better knowledge of customer credit history
- Improved legal framework
- Increased consolidation

Mexico´s banking sector ROE (inflation adjusted) is the highest in the region

<table>
<thead>
<tr>
<th></th>
<th>Brazil</th>
<th>Chile</th>
<th>Mexico</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROE (nominal)</td>
<td>17.4</td>
<td>14.5</td>
<td>16.4</td>
</tr>
<tr>
<td>Inflation</td>
<td>9.5</td>
<td>2.5</td>
<td>4.0</td>
</tr>
<tr>
<td>ROE (real)</td>
<td>7.9</td>
<td>12.0</td>
<td>12.4</td>
</tr>
</tbody>
</table>

BrazilChileMexico

<table>
<thead>
<tr>
<th>Inflation</th>
<th>ROE (nominal)</th>
<th>ROE (real)</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.9</td>
<td>17.4</td>
<td>7.9</td>
</tr>
<tr>
<td>9.5</td>
<td>14.5</td>
<td>12.0</td>
</tr>
<tr>
<td>12.4</td>
<td>16.4</td>
<td>12.4</td>
</tr>
</tbody>
</table>

Mexico’s banking sector ROE (inflation adjusted) is the highest in the region
Credit expansion: consumer loans have been the first to take off

Banks have successfully regained market share

Figures in billions of pesos as of December 2003
Mortgage market: a short term priority…

Mortgage penetration

<table>
<thead>
<tr>
<th>Year</th>
<th>Banking</th>
<th>Non-Banking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec-94</td>
<td>378 BN</td>
<td></td>
</tr>
<tr>
<td>Dec-96</td>
<td>116</td>
<td></td>
</tr>
<tr>
<td>Dec-98</td>
<td>109</td>
<td>16</td>
</tr>
<tr>
<td>Dec-00</td>
<td>78</td>
<td>34</td>
</tr>
<tr>
<td>Dec-02</td>
<td>58</td>
<td>65</td>
</tr>
<tr>
<td>Dec-03</td>
<td>59</td>
<td>86</td>
</tr>
</tbody>
</table>

From MXN 378 Bn to MXN 59 Bn ten years after
... and a long term opportunity

Affordability Ratio
25% Defined as Affordability Boundary

How big is the potential mortgage pool? (Next 10 years):

- Mortgage / GDP from 5% to 10%
- Additional mortgage system volume: $31.7Bn
- BBVA Bancomer mortgage loans would go up 8 times to $8 Bn

* Spanish penetration 38% GDP (2002 data)

Source: Merrill Lynch
Hispanic population in the USA: Bancomer Transfer Services

Maintaining leadership

- Population: 37 million
- Population with earnings: 22 million
- Average earnings: $22,000

- Bancomer is the largest player in this business:
  - 15 million transactions in 2003 (+19% vs 2002)
  - $6 bn 2003 (+17% vs 2002)
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Conclusions
Significant advance in strategy in 1Q04, with a strong focus on growth

Successful completion of BBVA Bancomer take-over

Strong growth in retail banking activity that is already being reflected in results

Activity and fee income lead to higher operating profit in Mexico

New strengthening in the Group’s fundamentals
We are creating a very solid Group

<table>
<thead>
<tr>
<th>High Profitability</th>
<th>ROE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Highly productive</th>
<th>Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>46.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Controlled risks</th>
<th>NPL Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.23%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Solvency</th>
<th>BIS Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rating</td>
</tr>
<tr>
<td></td>
<td>12.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>209.8%</td>
</tr>
</tbody>
</table>

...and growth in EPS of 25.1%
BBVA:
DELIVERING GROWTH

UBS Warburg Global Financial Services Conference

New York, 11th May 2004