Retail Business Update
Retail Banking is growing at a strong pace

Business volume growth

Average balances in Millions of Euros

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Balance (Millions of Euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>6.107</td>
</tr>
<tr>
<td>2004</td>
<td>12.480</td>
</tr>
</tbody>
</table>

+104%
Growth is based on lending

Average balances in Millions of Euros

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Balances</th>
</tr>
</thead>
<tbody>
<tr>
<td>I S 03</td>
<td>4.290</td>
</tr>
<tr>
<td>I S 04</td>
<td>7.762 (81% growth)</td>
</tr>
</tbody>
</table>

Volume growth
Led by strong mortgage demand

Residential mortgages signed

Millions of Euros

<table>
<thead>
<tr>
<th>JULIO 03</th>
<th>JULIO 04</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.581</td>
<td>8.254</td>
</tr>
</tbody>
</table>

+48%
With an all-time record asset quality

![Graph showing asset quality over time](image URL)
Together with significant increase in customer funds

Average balances in Millions of Euros

Volume growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Balance (Millions of Euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IS 03</td>
<td>1.817</td>
</tr>
<tr>
<td>IS 04</td>
<td>4.718</td>
</tr>
</tbody>
</table>

+160%
Where we are playing an increasing leading role
Whilst carefully managing spreads

Previous quarter's spread

1T03  2T03  3T03  4T03  1T04  2T04

Yield on loans vs. cost of customer creditor balances
1. Retail Business Update
2. Personal Financial Services
Increased activity proves that the PFS project is being successful

- A significant return on our investment in training,
- A clear boost for cross selling,
- An improvement in customer satisfaction indicators,
- A healthy increase in the take-up of new products,
- A leap forward in the commercial productivity of our distribution network.
New training courses in sales techniques and commercial dynamics

<table>
<thead>
<tr>
<th>Priority group</th>
<th>SIZE</th>
<th>Attendees</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>8,228</td>
<td>2,199</td>
<td>27%</td>
</tr>
</tbody>
</table>

And we are continuing to foster the certification process within our teams

1,321 MANAGERS WITH EFPA CERTIFICATION

77% SUCCESS RATE
Clear progress in cross selling

PRODUCTOS POR PRIMER TITULAR

<table>
<thead>
<tr>
<th></th>
<th>ene</th>
<th>mar</th>
<th>jun</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4.38</td>
<td>4.41</td>
<td>4.49</td>
</tr>
</tbody>
</table>

BBVA
... And improved individual customer satisfaction

<table>
<thead>
<tr>
<th>Date</th>
<th>Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>dic-02</td>
<td>79.0</td>
</tr>
<tr>
<td>mar-03</td>
<td>80.5</td>
</tr>
<tr>
<td>jun-03</td>
<td>81.7</td>
</tr>
<tr>
<td>sep-03</td>
<td>82.0</td>
</tr>
<tr>
<td>dic-03</td>
<td>82.8</td>
</tr>
<tr>
<td>mar-04</td>
<td>83.5</td>
</tr>
<tr>
<td>jun-04</td>
<td>83.7</td>
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</table>
Commercial productivity has made a huge leap this 1<sup>st</sup> semester: 1 million new contracts.
Commercial productivity has significantly improved

- LECTOR: +24.0%
- AFING.PER: +1.3%
- D.COM.IG.COM: +9.9%
- G.NEGOCIO: +23.9%
- JGAC: +32.7%

Año 2003
Junio 2004
We have achieved an obvious increase in activity since launching CFS.
So we introduced 2 new vectors

1. Boosting the Distribution Network
   - Redefining the “business environment” concept

2. Value Management Model
   - Transforming segment management
   - Enhancing our commercial capacity
The Value Management model establishes a 2 tier approach.

INTEGRATED CUSTOMER ADVICE AND FOLLOW-UP GUIDANCE

SPECIALISED MANAGER + TOOLS

ATTRACTION AND LOYALTY
PRODUCT SELLING: CROSS SELLING
The Value Management model establishes a 2 tier approach:

- Integrated Customer Advice and Follow-up Guidance
- Extensive Management
  - Commercial Managers
  - Outsourced Managers
  - Product Task Force
  - Centralized Marketing
  - Prescription Unit
- Attraction and Loyalty
  - Product Selling: Cross Selling
We want to continue growing in volume.

We have huge scope to grow with customers who still have few products.
We want to continue growing in active customers

We have huge scope for expansion

2003: 938,0
2004: 1,063,0
3 We want to continue increasing the number of products per customer

We have huge sales capacity
1. Retail Business Update
2. Personal Financial Services
3. Commercial Financial Services
4. New Structure
Focus the missions of business managers on organic growth (sales).

Boost the Financial Services strategy.

Foster Cross Selling in all businesses.

Increase Commercial productivity in all sales channels.

Unify structural changes to meet shared challenges and breakthroughs in all businesses.
Marketing and Business Development Management Team

**Manager**
I. Lacasta

**Prescription**
J. M. Arrien

**CFS**
R. Fonseca

**Marketing Affinity**
J. Tomé

**Commercial Productivity**
X. Queralt

**Payment Methods and VFS**
F. Castells

**PSF**
R. Martín Cabiedes

**Marketing**
F. De la Rica
1. Retail Banking Update
2. Personal Financial Services
3. Commercial Financial Services
4. New Structure
5. Commercial Initiatives
We are entering a crucial period for 2004

The challenge is to keep moving forward

Volume growth

Average balances in Millions of Euros

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<tr>
<th>Year</th>
<th>RECURSOS</th>
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<td>1 S 03</td>
<td>6.107</td>
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We are completing our range of savings products in order to provide more personal advisory services.
We have deposits with an attractive increasing 3 and 5 year interest rate

Para que usted pueda ver crecer y crecer sus ahorros cada año, hemos creado el Depósito BBVA Creciente. Una inversión a 3 ó 5 años, como usted elija, que hará aumentar en gran medida la rentabilidad de su dinero.

Y además, cuenta con total tranquilidad ya que recuperará el 100% del capital invertido.

Prepárese para ver crecer sus ahorros.
We have a range of fixed income mutual funds with periodic payments

- Start of guarantee: 05 11 2004
- End of guarantee: 28 12 2009
- Payment to customer:
  - Gross quarterly amount 70 € (x 4 = 2,80)
  - Guaranteed annual compound rate 2.75%
- Term: 5 years and 2 months.
- First payment: 05 02 2005
- Final payment: 05 11 2009
- 100% capital guaranteed.
- Liquidity: daily at market prices.
We are maintaining our innovative range of equity guaranteed mutual funds

- **Fondo BBVA 4–100 Ibex II** is a mutual fund designed to satisfy the 2 main aims of any investor: earn a periodic interest and benefit from stock market gains. Plus 100% capital guaranteed.
  
  You no longer need to make 2 different investments to benefit from the advantages of fixed income and equity.
  
  An investment that offers you:
  
  - **4% in advance** (*): we advance a 4% return for the first four years if the Ibex outperforms the initial value during the corresponding year.
  
  - **100% of the average monthly aggregate increase of the Ibex 35** (**): to make the most of equity opportunities, with no limits.

100% of the investment guaranteed: for risk-free investment. 100% of the capital initially invested to be repaid on maturity.

- **Daily liquidity**: Free of exit-fee after the first year.
We are launching a new product that will provide fixed rate remuneration over the market rate plus equity.

- A 4 year deposit which provides:
  - 50% of the amount at 3% annual interest.
  - 50% of the amount at 100% of the average monthly increase of the Ibex-35, with a minimum of 3%.
With exceptional liquidity conditions for the customer

**DOUBLE LIQUIDITY DEPOSIT**

- 50% remunerated at a fixed rate:
  - Daily and at par value as of the first year
- 50% remunerated according to Ibex 35 performance:
  - Daily liquidity at market prices.
It is the most comprehensive product on the market

- Fixed rate remuneration, explicit and above market conditions
- Variable remuneration in order to benefit from stock market performance and 103% in any case
- Less than five year term
- Unique liquidity and availability conditions

The best available opportunity that is both clear and direct
1. BBVA Retail Banking is doubling its growth due to:
   - Maturity of the Personal Financial Services project,
   - Multi-product customised advice approach.
2. The CFS project has received a further boost:

- Improved specialised network coverage,
- Differentiated business models,
- New and more ambitious targets in view of market’s favourable response.
3. We have opted clearly for innovation through a customer and growth oriented structure.

The challenge is to keep moving forward

Volume growth
Average balances in Millions of Euros

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Media Briefing
2nd September 2004