

BBVA

Global Markets and Distribution

A successful model

Madrid, March 4th 2004

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José Barreiro

Manager – Global Markets and Distribution

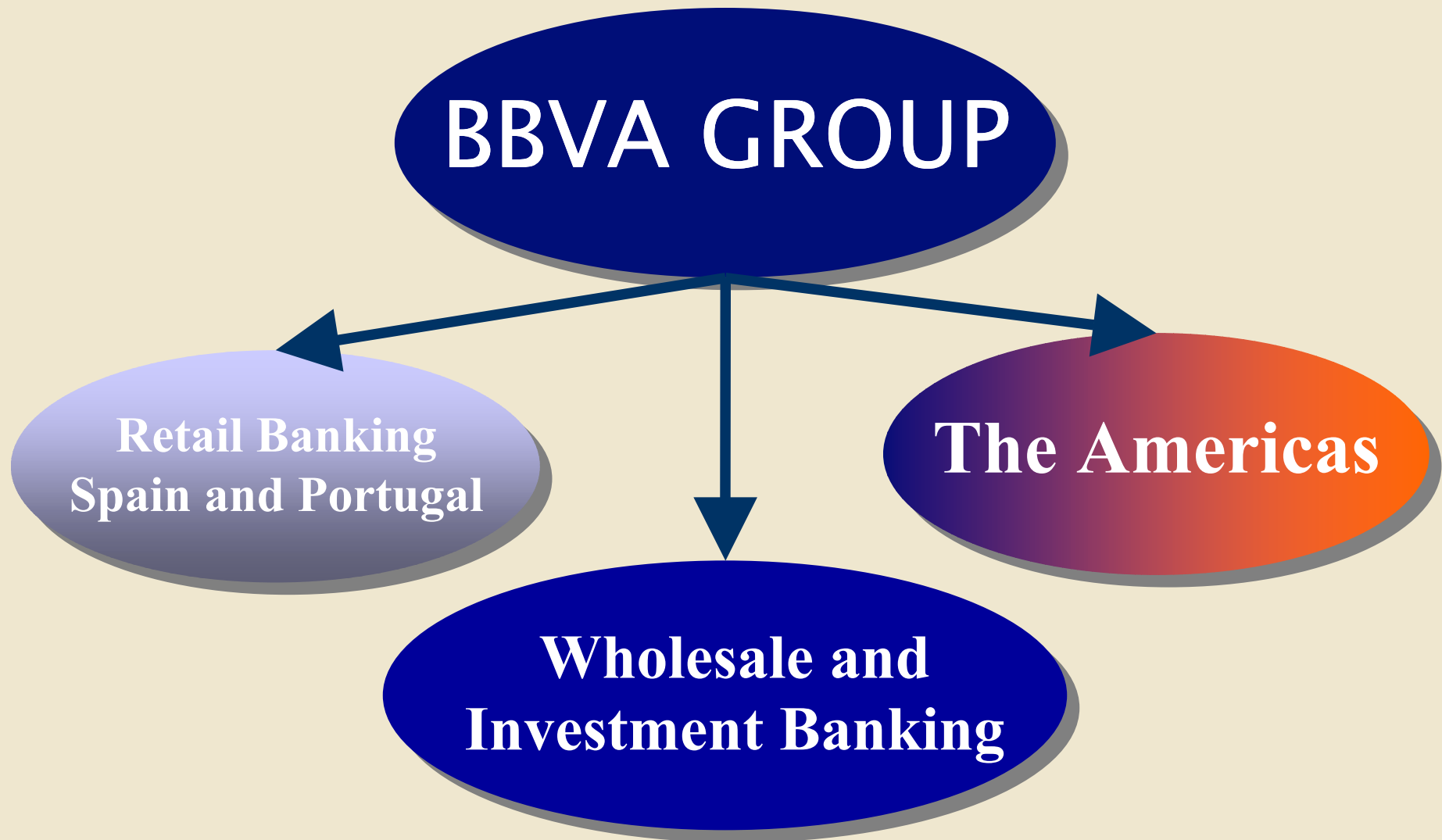
Contents

- Global Markets and Distribution at BBVA

- The 2003 results confirm the model

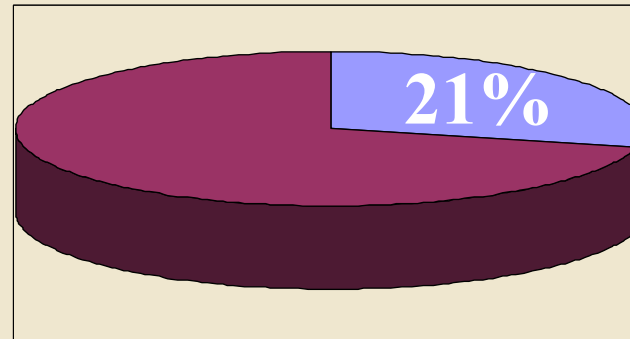
- The challenge in 2004: growth

BBVA is split into three business areas

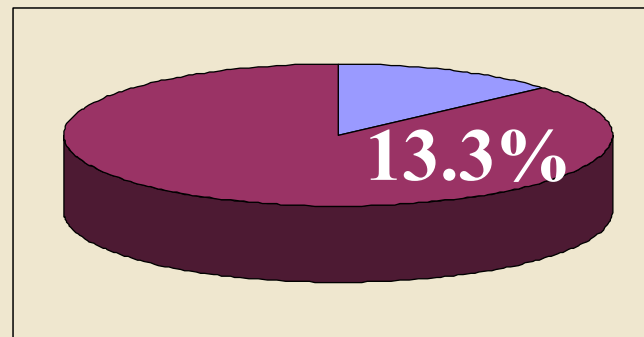


**WIB represents 2.5% of BBVA's workforce
but generates 21% of its results**

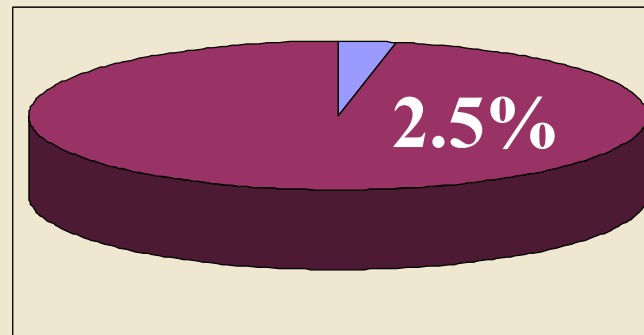
**Attributable Net
Income**



**Operating
profit**

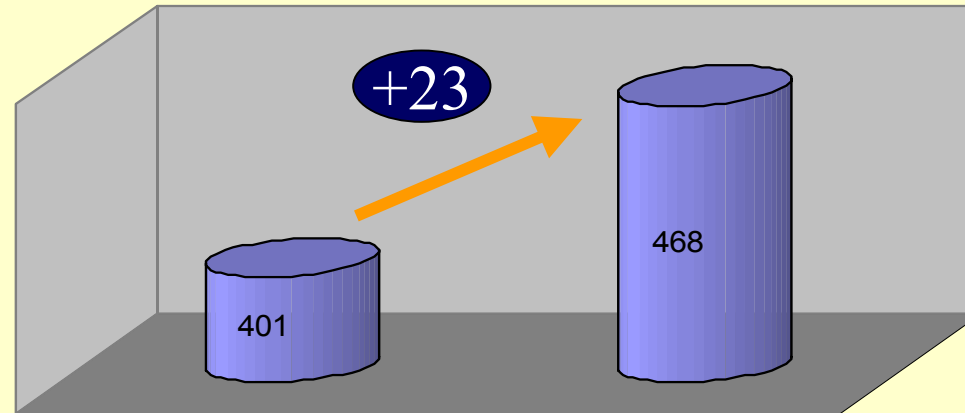


Workforce

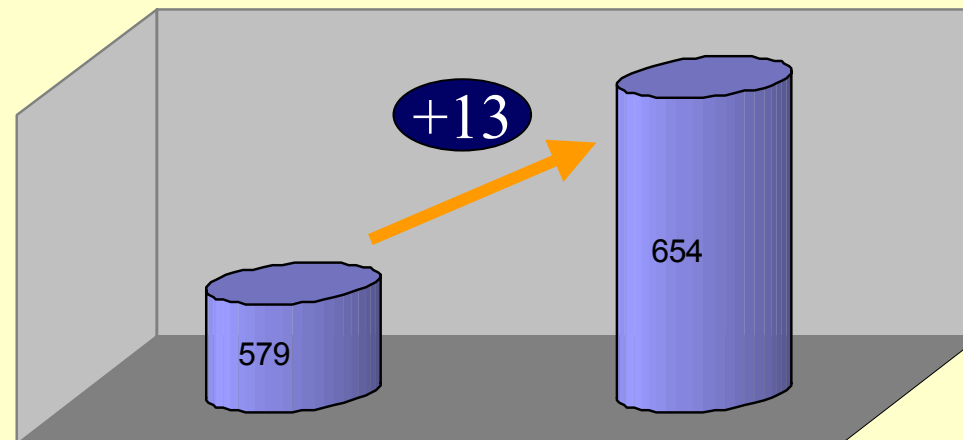


WIB is the top franchise in Spain

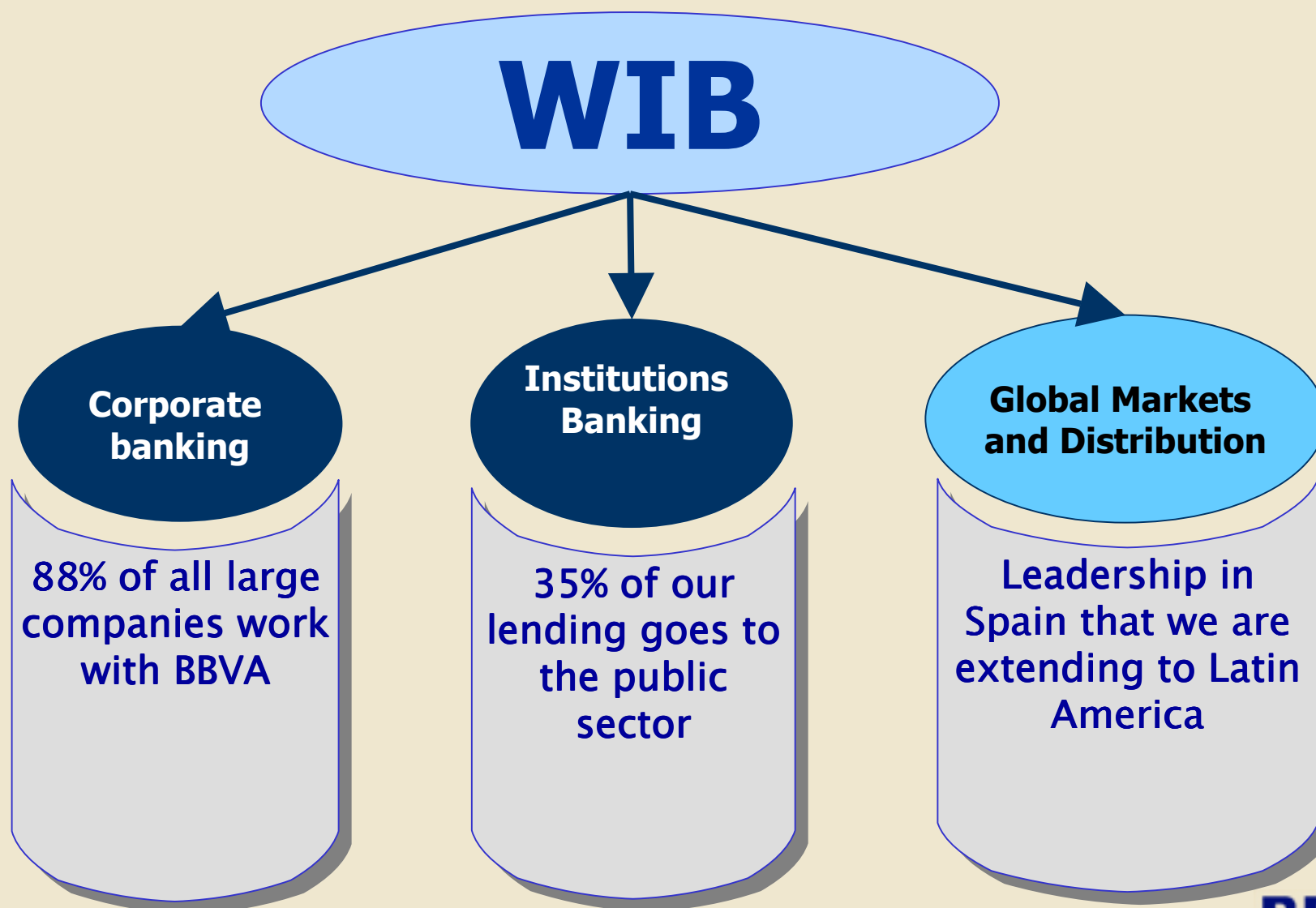
Attributable Income



Operating Profit



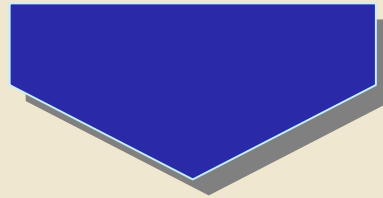
WIB has three lines of business



BBVA Markets – A SUCCESSFUL MODEL

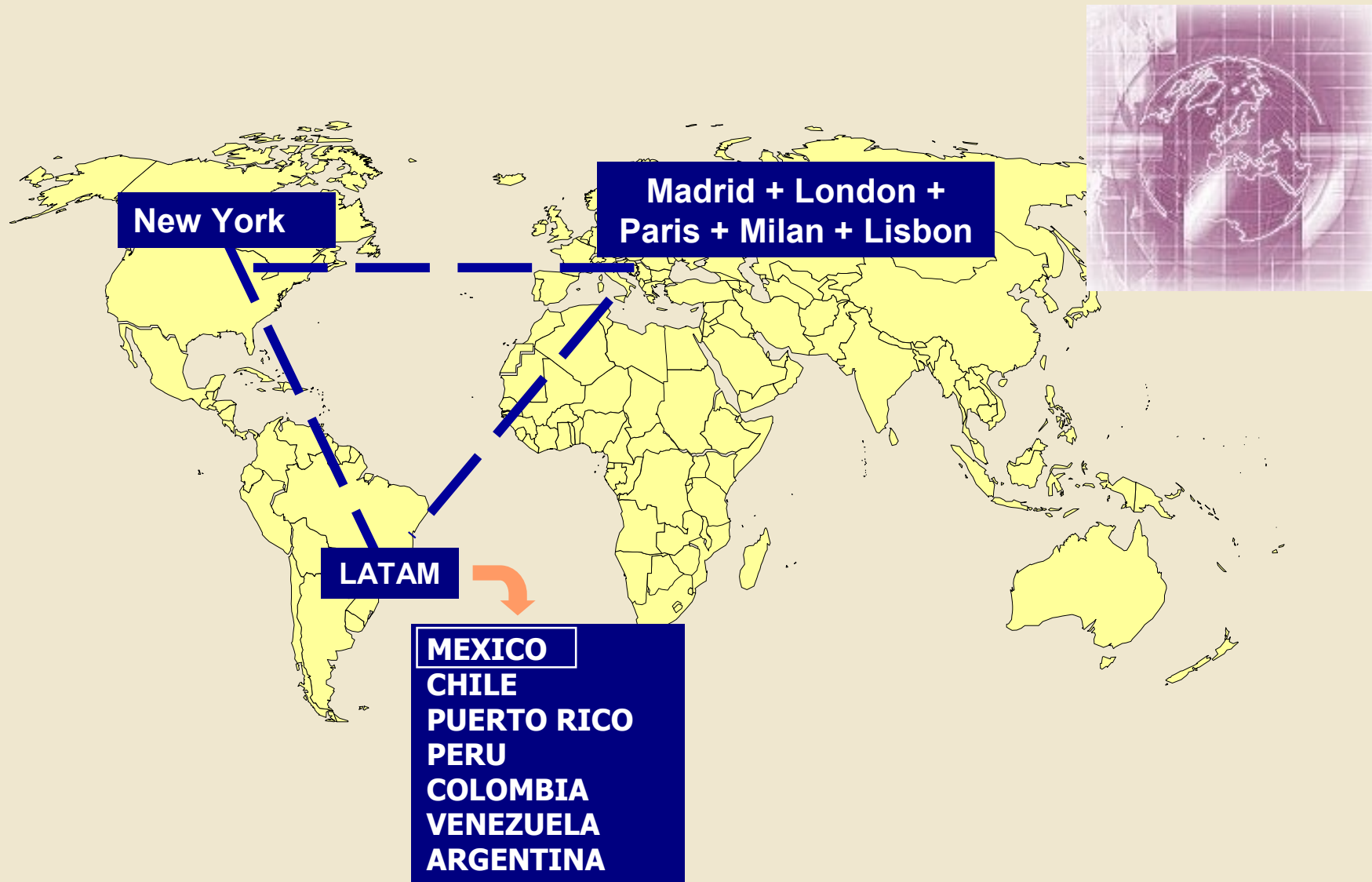
Customer
focus

Global
approach to
business



**Stability and recurrence of
the income statement**

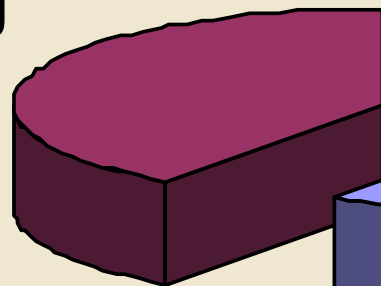
An organisation committed to its customers. Global and a leader in its local markets



Operations with customers makes the income statement more stable

The greater volume of transactions with customers boosts our trading capacity

Trading
40%



Customers
60%

Contents

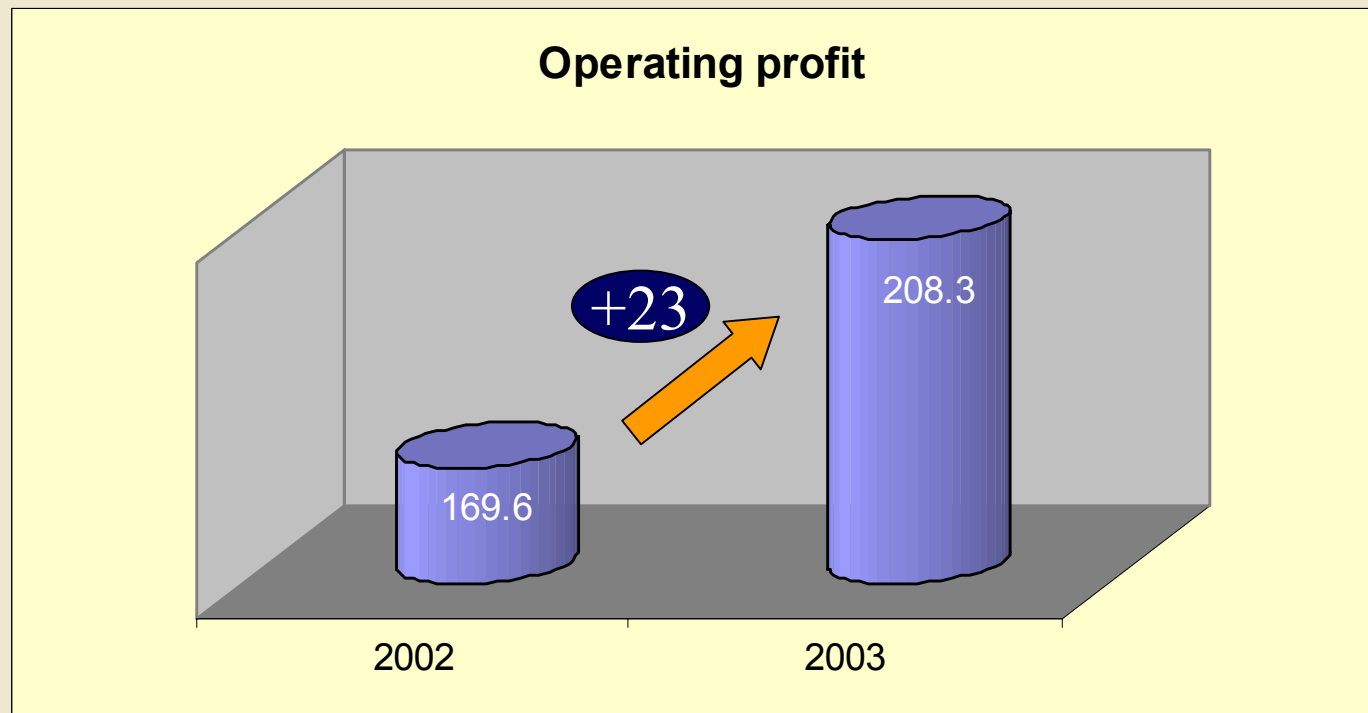
- Global Markets and Distribution at BBVA

- The 2003 results confirm the model

- The challenge in 2004: growth

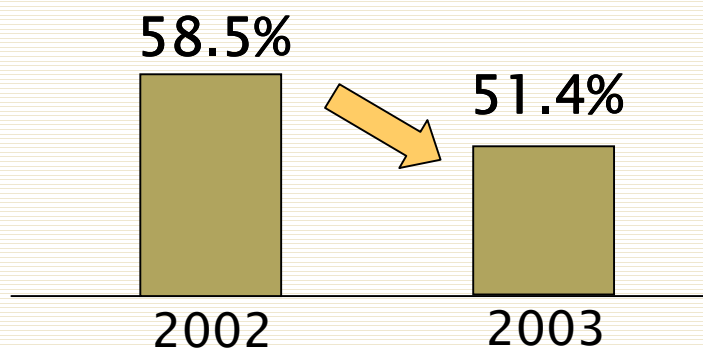
We are the top investment bank in Spain

We have grown by 22.8% – this was above our target



In 2003 . . .

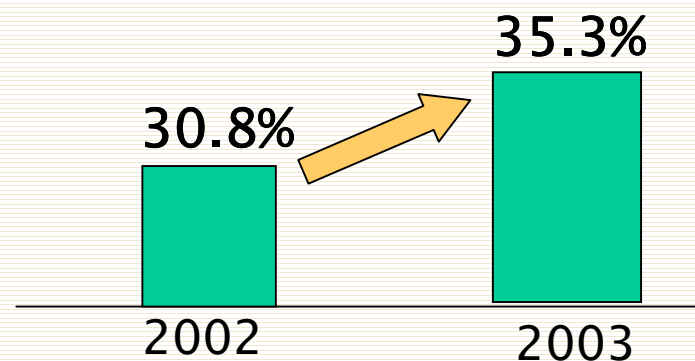
Cost / income ratio



...we improved the cost ratio . . .

and our profitability

ROE



We are strengthening our leadership as the first bankers of our customers

EQUITIES

83% of customers use BBVA

DERIVATIVES

77% of customers use BBVA

**FIXED
INCOME**

69% of customers use BBVA

We are also leaders in the other markets

No. 1

**SPANISH STOCK EXCHANGE
TRANSACTIONS**

Source: C.N.M.V.

No. 1

BROKERS ASSOC – FIXED INCOME MARKETS

Source: AIAF

No. 1

EURO DOLLAR MARKET IN SPAIN

Source: BANK OF SPAIN

No. 1

TREASURY BONDS

Source: SENAF

No. 1

SHORT-TERM DERIVATIVES

Source: BANK OF SPAIN

TOP 5

SPANISH PUBLIC DEBT

Source: SENAF

And a high level of recognition

BBVA

Best currency trading bank in Spain

GLOBAL
FINANCE

BBVA

Best sec. custodian bank in Spain

GLOBAL
FINANCE

BBVA

Best Spanish custodian bank

INVESTOR
global



Contents

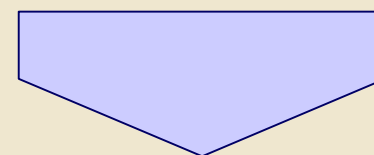
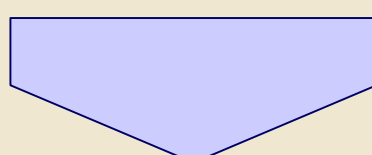
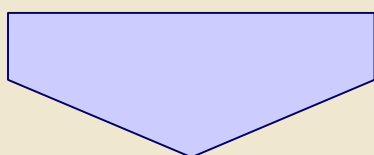
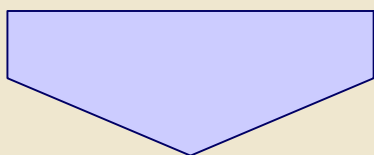
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To continue improving the successful model

Anticipation is the key



Integration

Specialisation

Loyalty

Global
products

Goal

To strengthen our position with our customers
and among our competitors

In summary:
we put the customer before trading

+

Recurrent results
and stability

+

Cost / income ratio

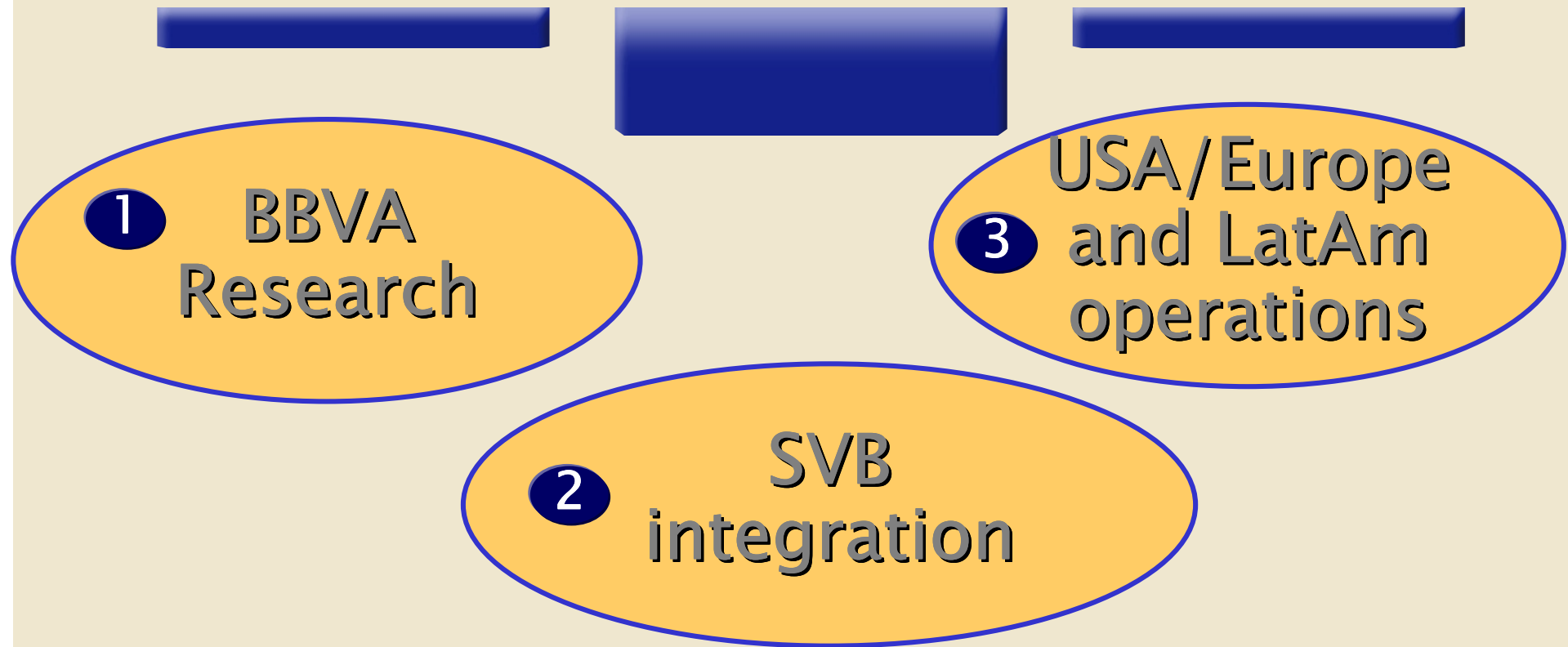
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Capital
consumption

+

Return on capital

2004: three important new features



1 BBVA Research: first independent analyst

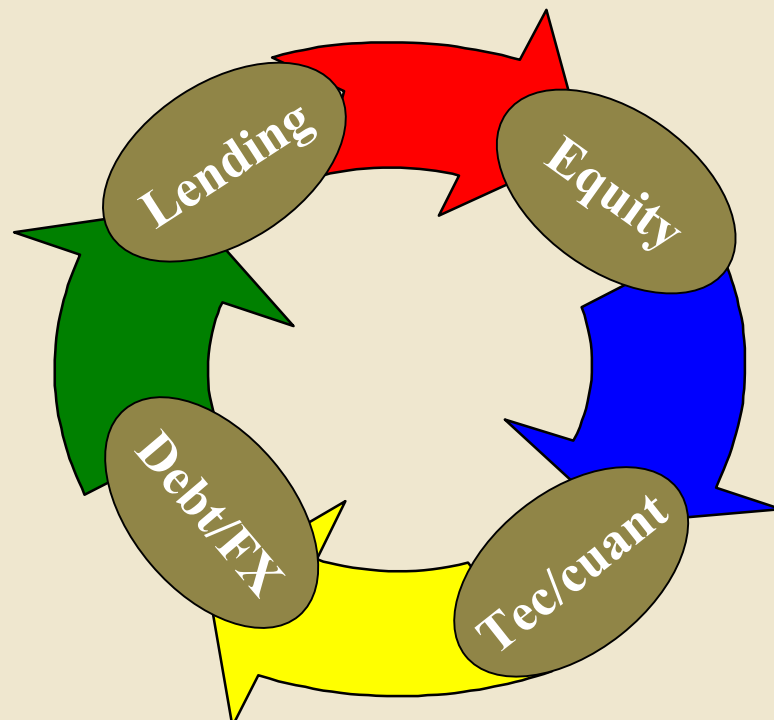
BBVA Research's separation from the business areas guarantees its independent criteria

An independent company
has set up

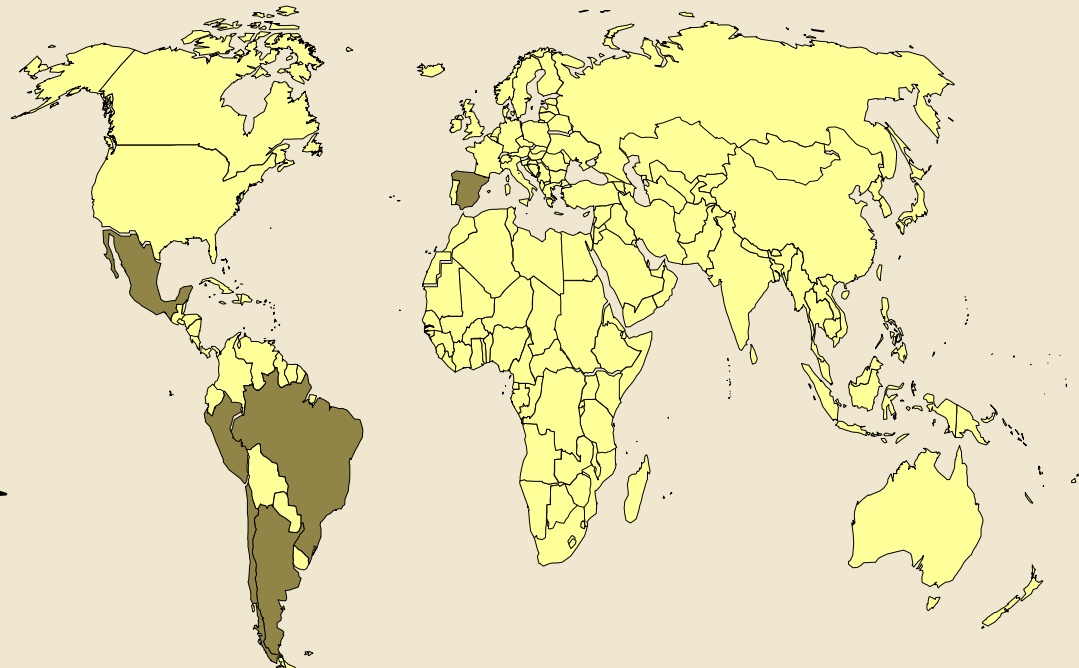
Going beyond the legal
requirements

BBVA Research

A more comprehensive customer service in terms of products and country, with global asset allocation



Combines basic analysis
and derivatives



50 analysts in Europe
and LatAm

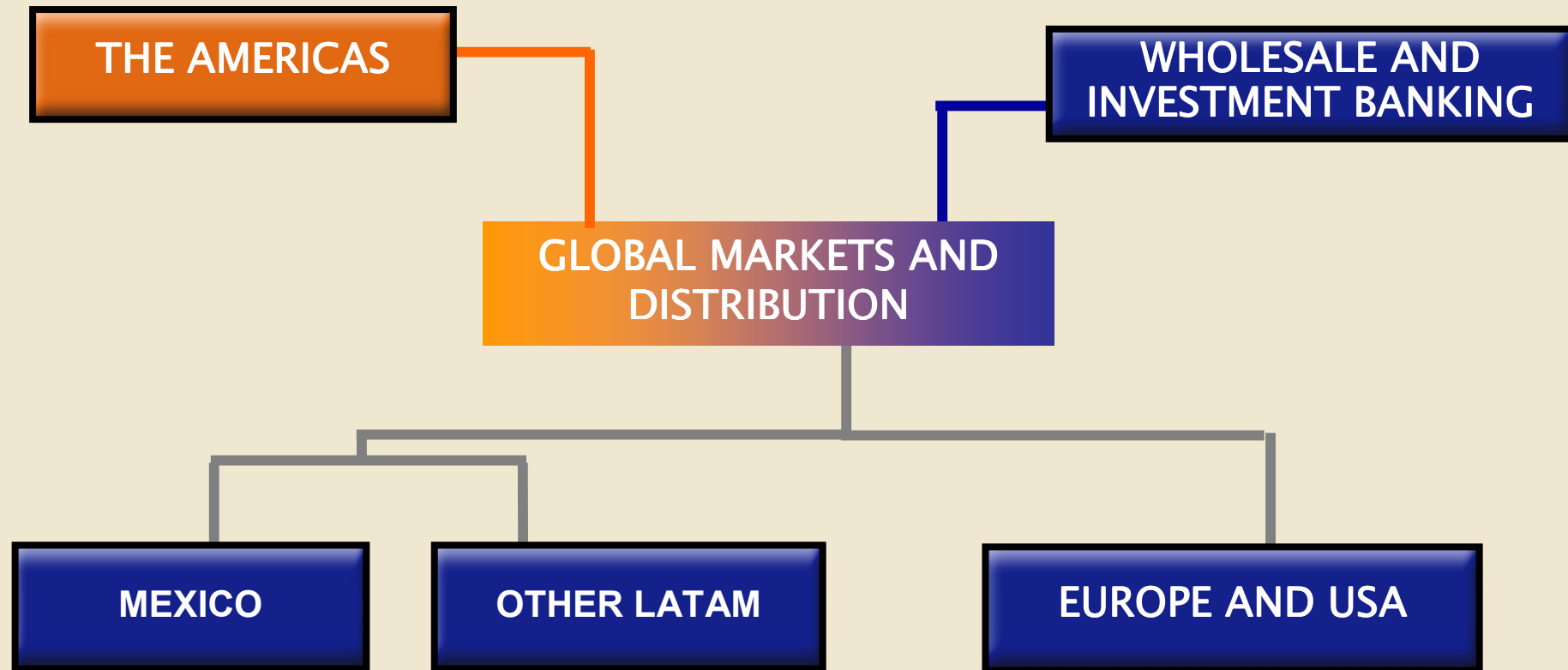
On 8th December 2003, BBVA S.A. became a member of the German, Italian, Euronext and the four Spanish stock exchanges

More efficiency

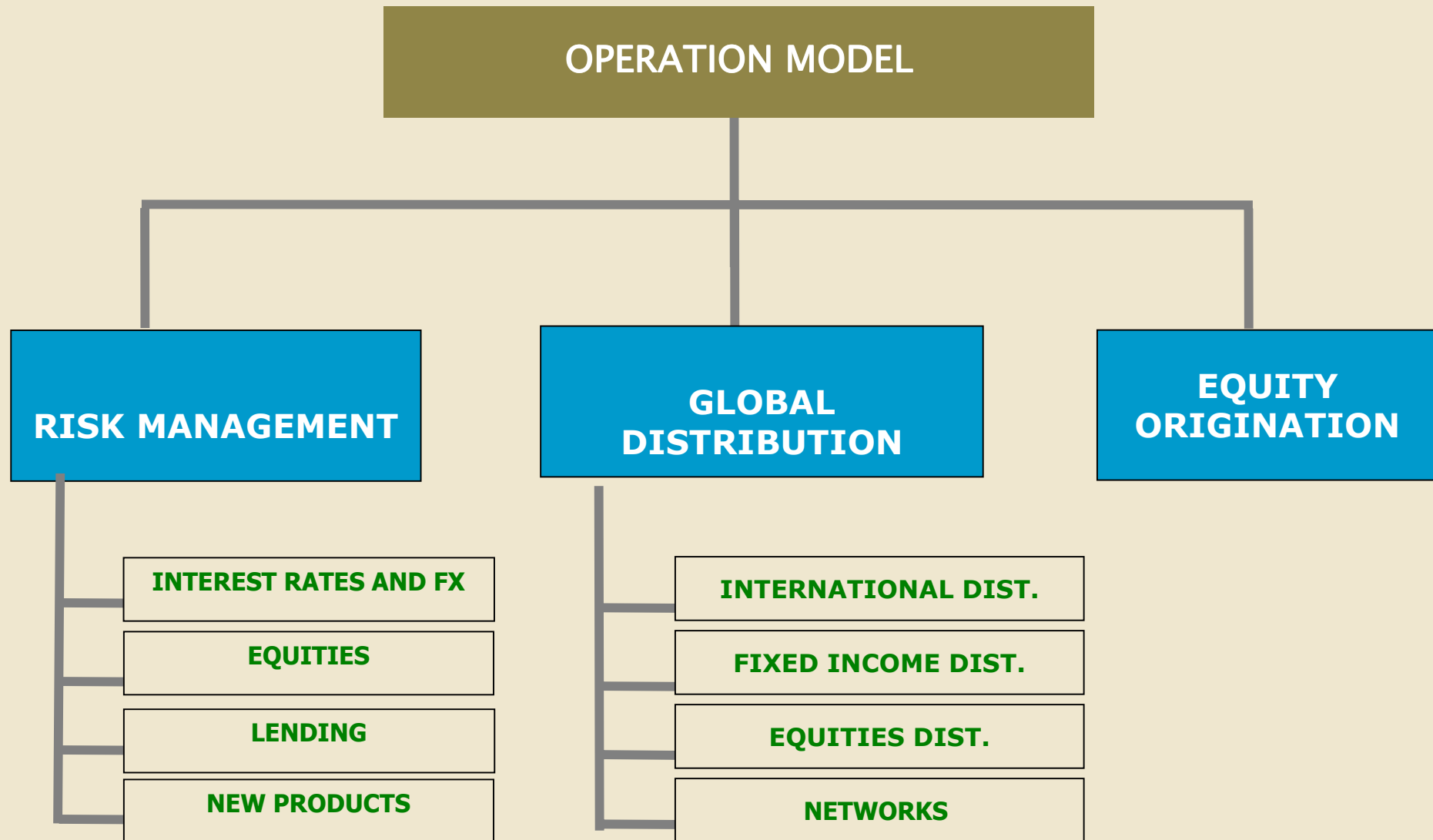
More revenues

+40% on operating profit
Integration of cash products and derivatives

3 The first step has already been taken: a new structure to integrate LatAm markets at top level

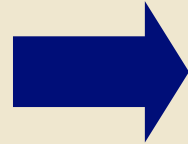


Decision-making is facilitated by the organisation of the business model



2004 – a year for growth, leveraging our strengths

**Corporate
banking in
Spain**



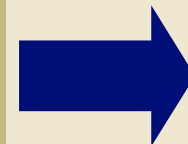
**97% of large organisations bank with BBVA
We are the leading bank for more than 84%**

**Institutions
Banking**



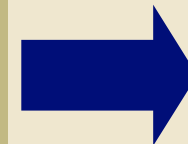
**54% of institutions bank with BBVA
We are the leading bank for more than 24%**

BBVA Bancomer



**94% of large organisations bank with BBVA
We are the leading bank for more than 60%**

Latin America



**50% of large organisations bank with BBVA
We are the leading bank for more than 24%**

The strength of BBVA Bancomer is a base for growth in LatAm

no. 1

BANKING BUSINESS WITH MORE THAN 25% MARKET SHARE IN LENDING AND CUSTOMER FUNDS

no. 1

BANCASSURANCE – 38.8% MARKET SHARE

no. 1

40% MARKET SHARE OF IMMIGRANTS' REMITTANCES

no. 1

BRANCH NETWORK WITH 1653 OFFICES

no. 1

MARKET RECOGNITION

no. 1

SOLID IN TERMS OF CAPITAL AND LOW RISK LEVEL

The prospect of added value in 2004

Based on three large growth schemes



Customer

Product

LatAm

Greater focus on the customer

Wholesale

Companies

Retail

Market products distributed through the bank's branch network

- Through specialised sales teams
- Cross-selling

Increasing the supply of added-value products

Growth based on product capacity

Equities

Operating capacity that allows us to offer products and compete with the large investment banks

Lending

- with a broad range of products
fixed income
equities
- and with appropriate risk management
in terms of prudence and efficiency

Growth in LatAm

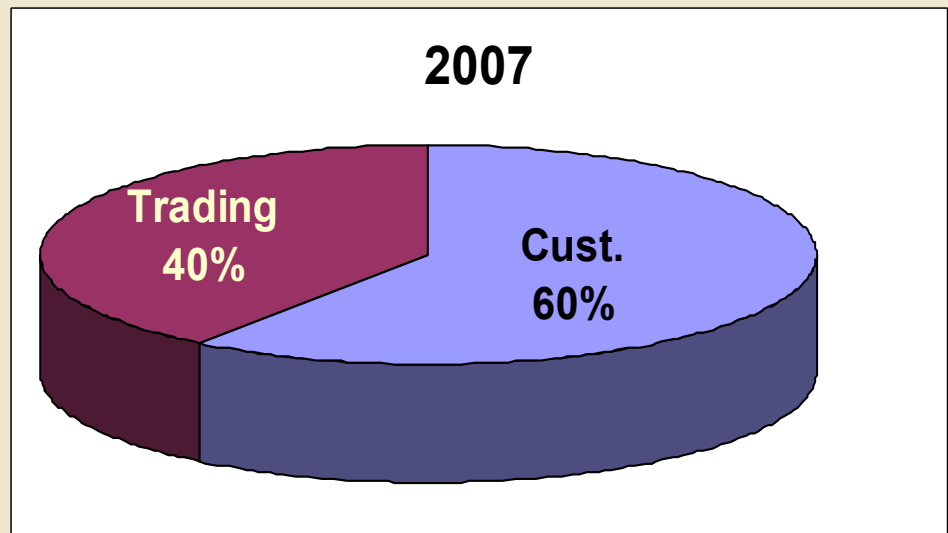
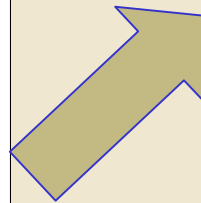
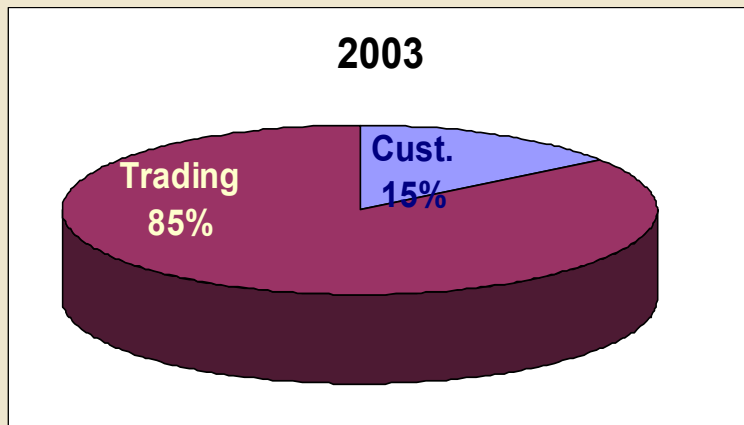
Taking advantage of BBVA's leadership in the area to implement the operational model – adapted to the local circumstances in each country



With a well-defined goal:
stability and recurrence of the income statement

How will we grow in LatAm?

By adding new sources of business, focused on the customer, to the current revenues



Conclusions

NOW

60% of earnings are generated by operations with customers

30% come from the external Europe-USA network

A common scheme for all LatAm

Integrated, independent analysis
BBVA Research

Integration of SVB and product specialisation

BEFORE

85% came from trading for the bank's own account

90% was linked to Spain
10% ext. Europe-USA network

Independent treasury in each country

Research by product, reporting to the business area

Business arranged around vehicles

In summary

Global Markets and Distribution

with a well-defined business model, now plans

lines of growth

that will lead to growth

at a rate of 20% in the
next three years



BBVA

**Global Markets
and Distribution**

a step forward