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Report presented by the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A., in accordance with articles 144, 152 and 159.2 of the Spanish Companies Act (Consolidated Text, approved under Legislative Royal Decree 1564/1989, 22nd December) regarding the proposal to confer on the Board of Directors authority to increase share capital to a maximum amount of 50% of the Bank's share capital at the moment of its approval, with or without preferential subscription rights, referred to under Agenda Item Two of the General Shareholders Meeting called for 27th and 28th February 2004, at first and second summons, respectively.

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The dynamics of any mercantile company and especially financial institutions, makes it necessary for their bodies of governance and administration have suitable instruments at all times to allow them to flexibly adapt their levels of equity to any needs that may arise, according to the volume or type of operations that they may carry out from time to time.

Said instruments should provide sufficient agility and autonomy to allow the company to choose the most suitable channels of finance or fund raising at any time, according to the conditions on the financial markets which it mainly uses when it has occasional capital requirements.

The Spanish Companies Act permits companies to plan their foreseeable capital requirements in advance, basically through two mechanisms described under its article 153.1.

The first mechanism is provided in paragraph a) of said article, in which it enables the General Shareholders Meeting to decide the increase of share capital, solely authorising the Board of Directors to execute the increase.

The second mechanism established under the Spanish Companies Act is described in paragraph b) of article 153.1 under which, without obliging the company to pass a resolution to increase capital, it leaves such possibility open, permitting the companies to authorise the Board of Directors to take specific actions to issue capital in view of the bank's need and the situation on the international financial markets on which the bank is operating at any time.

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Taking the above into account, it becomes necessary to cover the company's needs for finance over time, which is why the GSM has been requested, on the basis of the opportunity provided under article 153.1 b) to authorise the Board of Directors to decide, at the opportune moment, one or various capital increases within the limits imposed and complying with the requirements established in said article.

Moreover, whilst the previous authorisation is a suitable mechanism to ensure that the bank may, at any moment, in an agile, efficient fashion, match its equity structure to its needs, which by the very nature of financial institutions may be changing and diverse, the Act's article 159.2 recognises the possibility that the GSM may resolve, when this is necessary and the necessity is duly justified and required by the company's best interests, to authorise the Board of Directors to exclude the right to preferential subscription of the company's share- and bond-holders that is granted under article 158.

This power to exclude the right of preferential subscription may only be executed in cases when the company's best interest thus requires, and provided the nominal value of the shares to be issued plus, where applicable, the amount of the issue premium, matches the fair value calculated in a report from an Accounts Auditor other than the company's own Auditor, designated by the competent Mercantile Registry. Said fair value shall mean the market value, and this shall be presumed to be indexed to the stock-exchange traded price, unless due grounds are given to the contrary.

To such effect, as established in article 127 bis of the Spanish Companies Act, as stipulated in Act 26/20033, on the transparency of public companies, the company's best interest shall mean what is best for the company.

In this manner, and in relation to the possibility offered at law in the delegation of article 153.1), article 159 paragraph two recognises the GSM's right to authorise the Board of Directors to decide, where applicable and according to the conditions under which the increase delegated to it is finally carried out, the exclusion or not of the right of

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preferential subscription for shareholders and debt-holders when the best interest of the company so require.

The justification for conferring these two powers on the company's Board of Directors (share capital issuance and exclusion/non-exclusion of the right to preferential acquisition) is based on financial institutions' need of agile mechanisms with which to adapt their financial requirements to take advantage of any opportunities (always limited in time and in which the factors of speed and timing are essential) that may arise on the financial markets in the most efficient manner and at the lowest cost possible, accomodating the different elements comprising the core equity of the group to the specific needs of the company.

As explained, speed is of essence if the Board of Directors is to make efficient use of the authorisation to increase capital. So too, is the correct selection of the source of funding. When the availability of funds will be limited in time and yet the funds are required immediately, it may become necessary to exclude shareholders' and debt-holders' rights to preferential subscription, for the sake of success in meeting the objectives of the capital increase operation. Although in such case, the Board of Directors will always have to comply with the material requirements of Law.

It is important to point out that to ensure the impact of certain capital operations be in keeping with the company's best interests, it may be necessary to take the decision of excluding preferential subscription rights, since otherwise the objective of creating shareholder value (which the Board considers of vital importance) may be undermined. The Board alone may at any time deem whether, in order to counteract this negative impact, the measure of suppressing the preferential subscription rights is proportional to the benefits that the company will obtain and, therefore, whether said exclusion should be effected because it is in the company's best interests.

Additionally, the Board of Directors shall make available to the shareholders on the occasion of each increase made under this authorisation, and in the first GSM held

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after each increase, a Directors' report and a report by an Accounts Auditor other than the company's Auditor, appointed by the competent Mercantile Registry, justifying the measures taken under the authority received.

Madrid, 3rd February 2004

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Report presented by the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A., in accordance with articles 144 and 164 of the Spanish Companies Act (Consolidated Text, approved under Legislative Royal Decree 1564/1989, 22nd December) regarding the resolution to amend the Bylaws, referred to under Agenda Item Four of the General Shareholders Meeting called for 27th and 28th February 2004, at first and second summons, respectively.

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This report is issued pursuant to article 144.1 a) of the Spanish Companies Act, regarding the proposal to amend certain articles in the Bylaws of BANCO BILBAO VIZCAYA ARGENTARIA, S.A. that the Bank's Board of Directors is putting to the General Shareholders Meeting

The amendments to the Bylaws are proposed on the following grounds:

- (i) The need to adapt to the amendments introduced under Act 26/2003, 17th July, repealing Act 24/1988, 28th July, on the Securities Market, and the Consolidated Text of the Spanish Companies Act, approved under Legislative Royal Decree 1564/1989, 22nd December, in order to enhance the transparency of public companies (the so-called "Transparency Law").*
- (ii) To continue adapting the Company's Bylaws to the latest developments in good governance for listed companies, in order to align them with the recommendations of principal national and international bodies and institutions. These measures include lifting certain requirements to stand for a directorship or certain posts within the Board of Directors, in line with the Bylaw amendments the GSM approved last year and the policy BBVA has been developing during 2003 regarding corporate governance.*

The following amendments are being proposed:

Amendments to the Bylaws proposed on grounds of legal imperative

The Transparency Law has altered various articles in the Spanish Companies Act.

Thus, new paragraph 2 of article 106 of the Spanish Companies Act introduces the possibility of the company shareholders attending GSMs using remote means of

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communication that duly guarantee the identity of the voter, and the new paragraph 4 of article 105 allows shareholders to vote using these same means of communication.

These legal changes make it necessary to amend articles 24 and 31 of the Bylaws to adapt to new prevailing legislation.

Notwithstanding amendments to the Bylaws, those wishing to exercise the right to vote by electronic mail must respect the procedures the Company establishes, in accordance with the Law and further regulations that may be published to such effects, as well as the technical media available at any time.

Likewise, the Transparency Law amends article 112 in its totality, regarding shareholders' right to information, making it obligatory to amend article 29 of the Company's Bylaws which, in any case, must be in consonance with prevailing legislation at all times. The amendment proposes adapting the current wording of the Bylaws to the Spanish Companies Act, with a view to the foreseeable provisions of the Regulation on the General Shareholders Meeting.

Amendments proposed on grounds of Corporate Governance

The BBVA Board of Directors conceives corporate governance as a dynamic process, that must be periodically analysed as a function of how the Company has evolved, the results obtained in developing the company's standards of corporate governance, and the recommendations made in Spain and worldwide regarding best practices in the market, adapted to the corporate reality.

As a result of this ongoing analysis and enhancement of the Company's governance, the BBVA Board of Directors, pursuant to the line initiated at last year's GSM, proposes the adoption of certain amendments to the Bylaws under which BBVA strengthens its commitment and makes its own the recommendations and tendencies in good governance prevailing on the markets where it operates.

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Thus, the elimination of the requirements for access to the Company's governing bodies and certain posts on these bodies is proposed, which were contained in articles 45, 35 "Requirements for Directors" and 38 "Chairman and Secretary of the Board".

Then, an amendment to article 37 "Vacancies", is proposed solely on formal grounds, for the sake of coherence with the above-mentioned amendment to article 35.

Finally, an amendment is proposed to Article 34 "Number and election", to reduce the maximum number of Board members from eighteen to sixteen.

Whatever the case, it should be recognised that the amendments proposed to the Bylaws are subject to first obtaining all legal or statutory permits. It is therefore proposed that the Board of Directors be authorised with sufficient powers to obtain said permits or anything else that may be necessary, and to adapt the text of these amendments to any requirements the government authorities or the Mercantile Registry may make in order to authorise them and register them, always under the terms of the proposed resolutions being submitted to the GSM.

Finally, in compliance with the legislation regulating Joint-Stock Companies, the entire text of the proposed amendments is attached.

Madrid, 3rd February 2004

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COMPLETE TEXT OF THE AMENDMENTS PROPOSED FOR THE BYLAWS OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A., UNDER THE AGENDA OF ITS ORDINARY GENERAL SHAREHOLDERS MEETING.

CURRENT TEXT

Article 24. Representation to attend the GSM

Any shareholders entitled to attend may be represented at the GSM by another shareholder, using the proxy form established by the Company for any GSM that will be displayed on the attendance form. No shareholder may be represented at the GSM by more than one representative.

Proxies conferred by holders in trust or in agency may be rejected.

Artículo 29. Shareholders' right to information.

Shareholders may request in writing, prior to the GSM, or verbally during it, any reports or clarifications they may deem necessary regarding matters covered in the Agenda. The Board of Directors is obliged to provide the information requested, except when the Chairman deems that making the information public is detrimental to the company's best interests. This exception shall not be valid when the request is supported by shareholders representing at least one quarter of the share capital.

The Board of Directors shall ensure the Annual Accounts, the Proposed Application of Earnings, the Management Report, the Auditors' Report and, where applicable, the Consolidated Accounts and

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Any shareholders entitled to attend may be represented at the GSM by another shareholder, using the proxy form established by the Company for any GSM that will be displayed on the attendance form. No shareholder may be represented at the GSM by more than one representative.

Likewise, authorisation may only be conferred by means of communication that comply with the requirements established by Law.

Proxies conferred by holders in trust or in agency may be rejected.

Article 29. Shareholders' right to information

Until the seventh day before the GSM is to be held, shareholders may ask the Board of Directors about matters covered by the Agenda, requesting any information or clarification from it that they deem necessary, or formulate in writing any questions they deem pertinent. Shareholders may also request information or clarification or formulate questions in writing regarding information accessible to the public that the Company may have furnished to the CNMV since the last GSM was held.

The Directors are obliged to facilitate the information requested according to the provisions of the previous paragraph, in writing, until the day on

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Management Report, are available to the Shareholders at the Bank's registered offices, in the form and time established by Law.

Article 31. Adopting resolutions

In the ordinary and extraordinary GSMs, resolutions shall be adopted with the majorities required under the Spanish Companies Act .

Each shareholder attending the GSM shall have one vote for each action owned or represented, whether or not paid up.

However, shareholders who have not paid the amount due on any call shall not be entitled to vote. This limitation shall only refer to the shares called but not paid up, or shares without voting rights.

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which the GSM is held.

During the GSM, Company shareholders may verbally request any information or clarification they deem advisable regarding matters covered on the Agenda. Should it not be possible to satisfy the shareholders request there and then, the Directors are obliged to facilitate the information in writing, within seven days after the end of the GSM.

The Directors are obliged to provide the information requested under this Article, except when the Chairman deems that making the information public is detrimental to the Company's best interests in accordance with the Regulations on the GSM.

The information may not be refused when the request is supported by shareholders representing at least one quarter of the share capital.

Article 31. Adopting resolutions

In the ordinary and extraordinary GSMs, resolutions shall be adopted with the majorities required under the Spanish Companies Act.

Each shareholder attending the GSM shall have one vote for each action owned or represented, whether or not paid up.

However, shareholders who have not paid the amount due on any call shall not be entitled to vote. This limitation shall only refer to the shares called but not paid up, or shares without voting rights.

Shareholders may delegate or exercise their voting rights on proposals regarding Agenda items for any kind of GSM by post, e-mail or any other remote means of communication, provided the voter's identity is duly

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guaranteed.

Article 34. Number and election.

The Board of Directors shall be made up of a minimum of nine members, and a maximum of eighteen, elected by the General Shareholders Meeting, with the exception contained in article 37 of these Bylaws.

The GSM shall determine the exact number of Directorships, within the stipulated limits.

Article 35. Requirements for Directorships.

To sit on the Board of Directors requires:

- a) Holding, for more than two years previous, not less than eight thousand shares in the Company, which may not be transferred while occupying the directorship. This requirement shall not be demandable of persons who, at the time of their appointment, are linked to the Company with an industrial or services agreement. To such effect, both the shares held in the his/her own name and belonging to companies controlled by the Director. Companies controlled are understood to mean those defined in article 31 of these Bylaws.
- b) Not be a debtor with overdue obligations to the Bank.
- c) Not be affected by circumstances of incompatibility or prohibition as defined by law.

With the support of at least two thirds of its members, the Board of Directors may annul the requirement of two years' holding referred to in letter a) above, when they

Article 34. Number and election.

*The Board of Directors shall be made up of a minimum of nine members, and a maximum of **sixteen**, elected by the General Shareholders Meeting, with the exception contained in article 37 of these Bylaws.*

The GSM shall determine the exact number of Directorships, within the stipulated limits.

Article 35. Requirements for Directorships.

*To sit on the Board of Directors requires **members not be encumbered by circumstances of incompatibility or prohibition as defined by law.***

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deem circumstances to make this advisable.

Article 37. Vacancies.

If during the term for which they were appointed, seats fall vacant, the Board of Directors may coopt people **who meet the requirements of article 35 in these Bylaws** to fill them from amongst shareholders. Their appointment shall be submitted to the first GSM held after the cooption.

Article 38. Chairman and Secretary of the Board.

The Board of Directors shall designate, from amongst its members, a Chairman to chair the Board, and one or various Deputy Chairs. It shall also designate, from amongst its members, the Chair and Deputy Chair for the Committees referred to in section four below.

To be appointed Chairman, the candidate must have sat on the Board for at least three years prior to the appointment, unless their candidacy is supported by the vote of all members of the Board of Directors.

In the event of the Chairman's absence or impossibility to chair, the chair duties shall be taken over by the deputy Chair. If there is more than one deputy Chair, the order of priority shall be that fixed by the Board of Directors when they were appointed and if this order was not established, by the oldest.

In the absence of a Deputy Chairman, the governing body shall be chaired by the Director designated for such purpose by the Board of Directors.

The Board of Directors shall designate a Secretary from amongst its members, unless it resolves to commend these duties

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In the event of the Chairman's absence or impossibility to chair, the chair duties shall be taken over by the deputy Chair. If there is more than one deputy Chair, the order of priority shall be that fixed by the Board of Directors when they were appointed and if this order was not established, by the oldest.

In the absence of a Deputy Chairman, the governing body shall be chaired by the Director designated for such purpose by the Board of Directors.

The Board of Directors shall designate a Secretary from amongst its members, unless it resolves to commend these duties

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to a non-Board-member.

It may also designate a Deputy Secretary, who will stand in for the Secretary in the case of the Secretary's absence or impossibility. Otherwise, the Board of Directors shall determine the substitute in each case.

Article 45. Creation and composition.

The Board of Directors, following a favourable vote of two-thirds of its members and the corresponding entry in the Mercantile Registry, can appoint an Executive Committee consisting of the directors it designates thereto. The Board shall decide on the timing, manner and number of its members to be renewed.

To be appointed member of the Executive Committee, the candidate must have sat on the Board for at least three years prior to the appointment, unless their candidacy is supported by the vote of two thirds of the members of the Board of Directors.

The Executive Committee shall be chaired by the Chairman, who shall be automatically be a member of the Committee, and in his/her defect or absence, by the Deputy Chair(s) of the Board of Directors sitting on the Committee, following the order established under Article 38 of these Bylaws, and otherwise by the member of the Executive Committee that the Committee determines. The Board of Directors shall designate a Secretary, who may be a non-Board member. In his/her absence or defect, he/she shall be substituted by the person designated by those attending the session.

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It may also designate a Deputy Secretary, who will stand in for the Secretary in the case of the Secretary's absence or impossibility. Otherwise, the Board of Directors shall determine the substitute in each case.

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The Executive Committee shall be chaired by the Chairman, who shall be automatically be a member of the Committee, and in his/her defect or absence, by the Deputy Chair(s) of the Board of Directors sitting on the Committee, following the order established under Article 38 of these Bylaws, and otherwise by the member of the Executive Committee that the Committee determines. The Board of Directors shall designate a Secretary, who may be a non-Board member. In his/her absence or defect, he/she shall be substituted by the person designated by those attending the session.

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Report presented by the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A., in accordance with articles 144 and 164 of the Spanish Companies Act (Consolidated Text, approved under Legislative Royal Decree 1564/1989, 22nd December) regarding the resolution to confer authority for the company to directly or indirectly acquire its treasury stock and, where applicable, reduce its share capital, referred to under Agenda Item Seven of the General Shareholders Meeting called for 27th and 28th February 2004, at first and second summons, respectively.

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The Spanish Companies Act, in article 74 and subsequent, allows Spanish companies to hold in their portfolio, either directly or through subsidiaries, shares issued by the companies themselves, although they must comply with the following requirements established thereunder.

Once the derivative acquisition of treasury stock has taken place, there are various legally established mechanisms to reduce or suppress said stock: one possibility is to redeem the shares and another is to divest the shares on the market.

When deciding whether which mechanism to use, market conditions must be taken into account, since they may at a certain moment be unfavourable to the direct selling off of treasury stock on the open market.

Given that it is impossible to determine a priori which mechanism is more opportune, and that there are no objective benchmarks to be able to properly take a decision, at this moment, regarding the method that may be more suitable, the Board of Directors is authorised to evaluate and decide on these issues at the time when they arise.

Should the treasury stock be redeemed, this would require the GSM to pass a resolution to reduce capital.

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Given the advisability and opportunity of this financial operation, in light of changing circumstances influencing the securities market, the socio-economic context, the financial situation and the objectives and policy of the company itself, and the consequent fact that it is not possible at the moment to determine specific conditions, the resolution to reduce capital must be conceived with broad criteria, conferring various authorisations on the Board of Directors in order to make this possibility, offered by the legislation, feasible. These authorisations should include the determination of the amount of the reduction, and whether this be used to provision restricted reserves, as provided under number 3 of article 167 of the Spanish Companies Act, or unrestricted reserves, in which case the legally demandable requirements to guarantee creditors' rights must be satisfied.

In accordance with Law 55/1999 the resolution envisages the possibility that treasury stock acquired be given to the company's employees or directors, when there is a recognised right, either directly or as a consequence of option rights that said employees or directors may hold.

Finally, it should be pointed out that this resolution is intended to provide the company with suitable instruments to operate on national and international financial markets under equal conditions as other financial institutions operating on them, thereby safeguarding the best interests of the company and its shareholders.

Madrid, 30th January 2004