

Report presented by the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A., in accordance with articles 144 and 164 of the 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 four of the Annual General Meeting called for 15th and 16th March 2007, at first and second summons, respectively.

Articles 74 and subsequent of the Companies Act allows Spanish companies to hold shares in their portfolio, either directly or through subsidiaries, that they themselves issued. However, they must comply with the following requirements:

Once the derivative acquisition of treasury stock has taken place, there are various legally established mechanisms to reduce or write off its value: one possibility is to redeem the shares and another is to sell the shares on the market.

Market conditions must be taken into account when deciding which mechanism to use, since they may at times be unfavourable to directly divesting treasury stock onto the open market.

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

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

Given the advisability and timeliness 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 legislation, feasible. These authorisations should include empowering the board to determine the amount of the reduction, and whether it be used to provision restricted reserves, as provided under number 3 of article 167 of the Companies Act, or unrestricted reserves, in which case the legally demandable requirements to guarantee creditors' rights must be satisfied.

In compliance with Companies Act, the resolution envisages the possibility that treasury stock acquired be given to Company employees or directors when they have a recognised entitlement, either directly or as a consequence of any option rights that they may hold.

Treasury stock may be used to comply with a company's commitments to grant shares to their employees, management and directors under remuneration plans already approved by the AGM or that may be set up in the future.

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, 12th February 2007

Report presented by the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A., in accordance with article 144 of the 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 six of the Annual General Meeting called for 15th and 16th March 2007, at first and second summons, respectively.

This report is issued pursuant to article 144.1 a) of the Companies Act, regarding the proposal to amend article 36 of the BANCO BILBAO VIZCAYA ARGENTARIA, S.A. bylaws, which the Bank's board of directors is putting to the Annual General Meeting.

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 developed, the results it has obtained in implementing its standards of corporate governance, and recommendations made in Spain and world-wide regarding best practices in the market, adapted to the Company's actual conditions.

This proposal to amend the bylaws is being presented by BBVA's Board of Directors as the outcome of ongoing analysis and improvement of the Company's governance. It follows the recommendations and tendencies in good governance prevailing in the markets where it operates.

The amendment proposed reflects BBVA's desire 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 key national and international bodies and institutions. This alignment was initiated in the amendments proposed to the AGM, 28th February 2004.

The independence of the independent directors will be enhanced by avoiding a situation in which they must place their seats at the disposal of the AGM before they

have completed the term for which they were appointed, due to the automatic renewal of one fifth of the board each year.

The proposed amendment is as follows:

Elimination of the bylaws obligation to re-elect one fifth of the members of the Board of Directors each year.

Whatever the resolution, it should be recognised that any amendment to the bylaws must first obtain all legal or statutory permits. It is therefore proposed that the Board of Directors be granted sufficient powers to obtain said permits or any other authorisations that may be necessary. The Board must be able to adapt the text of these amendments to any requirements the government authorities or the Company Registry may make in order to clear them and register them, provided it always reflects the terms of the proposed resolutions being submitted to the AGM.

Finally, in compliance with company legislation, the entire wording of the proposed amendments is attached.

**ENTIRE TEXT OF THE AMENDMENT TO THE CORPORATE BYLAWS
OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A., PROPOSED UNDER
THE AGENDA OF THE COMPANY'S ANNUAL GENERAL MEETING**

CURRENT TEXT	PROPOSED TEXT
<p>Article 36. Term of office and renewal</p> <p>The term of office of members of the Board of Directors shall be five years. A fifth of the membership of the Board shall be renewed annually and the members may be re-elected indefinitely.</p>	<p><i>Article 36. Term of office and renewal</i></p> <p><i>The term of office for members of the Board of Directors shall be five years Members may be re-elected one or more times for terms of the same maximum duration.</i></p>