

THE CORPORATE GOVERNANCE SYSTEM





THE CORPORATE GOVERNANCE SYSTEM AT BANCO BILBAO VIZCAYA ARGENTARIA, S. A.

The BBVA board of directors is very conscious of the importance of a good corporate governance system to run the structure and operation of its corporate bodies in the best interests of the company and its shareholders.

Thus, the bank's board of directors is subject to regulations that reflect and develop the principles and elements that have shaped BBVA's system of corporate governance. These comprise standards for the internal regime and operation of the board and its committees, as well as the rights and obligations of directors in pursuit of their duties, which are contained in the directors charter. Shareholders and investors may find these on the company website (www.bbva.com).

The Annual General Meeting has its own set of regulations on issues such as how it operates and what rights shareholders enjoy regarding AGMs. These establish the possibility of exercising or delegating votes over remote communication media.

The board of directors has also approved a report on corporate governance in 2005, according to the guidelines laid down in prevailing disclosure regulations for listed companies. It can be found on the BBVA website.

This site was created as an instrument to facilitate information and communication with shareholders. It provides special direct access to all information considered relevant to BBVA's corporate governance system, laid out in a clear, readable manner.

Independent Directors

One of the characteristic elements of the bank's corporate governance system is to have a significant majority of independent directors on its governing bodies, especially on its board of directors and Executive committee.

Requirements regarding independence are in line with international standards, in particular, with the corporate governance rules established by the New York Stock Exchange (NYSE) and approved by the Securities Exchange Commission (SEC) to define when a director can be considered independent.

Thus, article 1 of the board regulations states that external directors can be deemed independent when:

- They do not hold shares in the company or have not been appointed due to a special relationship to a company shareholder, with more than a 3% stake in the share capital with voting rights, in either case.
- They are not legal entities that hold a directorship or persons appointed to represent them.
- They have not been executive director or member of the senior management in the group or in the auditing company that audits or has audited the group's accounts, within the last three years.
- They do not have a significant relationship with the company, either directly or as partner, shareholder, manager or employee of other persons or entities that in turn have such a relationship with the group, when this could diminish their independence.
- There is no family relationship with any of the above persons, or other circumstances that the board of directors considers could undermine their independence.

Audit and Compliance Committee

Another essential element in the BBVA corporate governance system is the board's Audit committee. This has appropriate powers and means to carry out the tasks delegated to it by the board regarding supervision of financial statements and oversight for the entire BBVA group.

It complies with the Exchange Act requirements regarding its composition and characteristics.



The members of this committee have the skills and expertise required to carry out their job. Their chairman must be suitably qualified in financial management and accounting procedures required by industry regulators.

The committee has other duties as well. It must enforce legal compliance, especially with respect to the group's ethics. Its mission is to ensure that its internal codes of ethics, general conduct and securities market transactions comply with prevailing standards and are suitable to the bank. It shall especially oversee the directors' compliance with corporate governance standards.

Following the general principles of corporate governance, the committee selects the external auditor for the bank and its consolidated group, and is involved in the process of hiring the auditing firm and determining its fees. It is also involved in this process for the group's subsidiaries in Spain and in any other countries where they operate. It must ensure the independence of the external audit.

Executive Chairman

The codes and recommendations on corporate governance posit different governance models. BBVA follows an Executive Chairmanship model. The chairman of the board of directors is thus the bank's Chief Executive Officer (CEO). The board also has an Executive committee with its Chief Operating Officer (COO).

Corporate governance regulations specify that the chairman of the board shall be the chairman of the company, with the attributes established in the bylaws and the board regulations, plus such powers as the board may confer on him/her to steer the company most effectively.

The Executive committee has been delegated all powers of administration, except those that the law or the bylaws declare to be essentially the board's sole responsibility.

The Chief Operating Officer (COO) has been delegated the broadest faculties, with powers of administration and representation of the company inherent to the position. The general managers of each of the company's business areas and support areas report to the COO.

The board regulations set a specific age limit of 65 years for performance of executive-committee duties, a different age limit than for directors who only sit on the board.

Appointment of Directors

The board's Appointments and Remuneration committee is charged with assessing the qualifications of candidates to a bank directorship.

This committee must report to the board of directors on its assessment, focussing on the personal and professional qualities of the candidate and the needs of the company's governing bodies at any time. There are no specific limits preventing people from being appointed to a directorship.

Age limit for Directors

The BBVA's corporate governance system imposes an age limit of 70 years on members of the bank's board.

It stipulates that directors must present their resignation on reaching this age, at the first meeting of the bank's board of directors after the AGM is held in which the current year's accounts are approved.

Performance of Directors

Directors are bound to be loyal, complying with duties imposed by law and by the bylaws and displaying allegiance towards corporate interests, understood as the company's best interests.

They participate in deliberations, discussions and debates on business put to their consideration, and dispose of sufficient information to be able to form criteria regarding the questions that the bank's governing bodies are empowered to deal with. They must receive this information within due time in each case, and may request additional information or further clarification after the board has sat. Directors' participation is encouraged in board meetings and deliberations.

Directors may suggest the board engage experts from outside the bank regarding business submitted to their consideration, whose special complexity or importance they deem to require outside help. They may also suggest they require further training to be able to properly pursue their duties.

In particular, independent directors must meet without the executive directors as often as they see fit, usually before meetings of the bank's governing bodies.

Remuneration of Board Members

BBVA takes special care with this aspect, through its procedures to determine the remuneration of each and every bank director. As established in the board regulations, the yearly amounts paid to each board member as an individual must be published in the annual information given to the company's shareholders.

The board's Appointments and Remuneration committee also plays an essential role in this, since according to the bylaws, its members must determine the scope and amount of the remuneration, rights and economic rewards for executive directors, so these can be included in a written service agreement. Within the framework established under the bylaws, the committee proposes the system of remuneration for the board of directors as a whole, along with its different items, focus and settlement.

The remuneration of executive directors has been contractually established in this way, and the committee has proposed the pay system for the other board members. The board of directors has ratified its proposal, which is based on establishing the pay for non-executive members according to

principles of responsibility, time availability and incompatibilities, as established in the board regulations.

Conflicts of Interest

The rules comprising the BBVA directors' charter detail different situations in which conflicts of interest could arise between the BBVA group and its directors, their family members and organisations with which they are linked. They establish procedures for such cases, in order to avoid conduct contrary to the company's best interests.

These rules serve as guidelines for the directors' conduct, ensuring it reflects stringent ethical codes in keeping with applicable standards and the core values of the BBVA group.

Incompatibilities

Directors are also subject to a strict regime of incompatibilities in sitting on governing bodies of group companies or associated undertakings. Thus, except for executive directors, and where express authorisation has been conferred, board members may not take up directorships in subsidiaries or associated undertakings, when the directorship is linked to the group's shareholding in such company.

After ceasing to be director of the bank, the former director may not provide services to another financial institution in competition with the bank or its subsidiaries for two years, except with express authorisation from the board, which it may refuse to give on grounds of the company's best interests.

Directors' Resignation

Under circumstances specified in the board regulations, board members must place their directorship at the disposal of the board of directors and accept the board's decision on whether or not they are to continue to sit on it. Should the board decide against their continuity, they are obliged to present their formal resignation. Such circumstances would arise in the following cases:

- When they are subject to incompatibility rules or prohibitions established under prevailing regulations, under the bylaws or under the directors' charter.
- When significant changes occur in the professional situation or character by virtue of which they were appointed to the board.
- When they are in serious breach of their obligations as directors.
- When the director, acting as such, has caused severe damage to corporate assets or no longer displays the commercial and professional honour required to hold a directorship in the bank.

Analysis, Quantification and Approval of Risks

The board of directors holds final responsibility for supervising risk management in the group, periodically reviewing and ratifying the strategy behind the bank's risk policy.

In order to do this, the board has delegated approval of the group's risk strategy and policies to the Executive committee and the board's Risks committee, which periodically analyses and monitors risk management within the scope of the bank's governing bodies' powers.

Relations with Shareholders and Markets

The regulations establish that suitable measures must be taken to ensure the company discloses all information that may be relevant for investors, according to the principle of transparency that governs the company's activities on financial markets. This information must be correct and true.

Directors shall try to ensure that all shareholders have access to information that is substantially the same and within the same amount of time.

ANNUAL GENERAL MEETING

The Annual General Meeting of shareholders has its own specific regulations, governing the way it operates and the rights accorded to shareholders by law and under the company bylaws. Shareholders and investors may find its full text on the company website (www.bbva.com).

The regulations establish that notice of meeting for the AGM shall state the shareholders' right, as of the date of its publication, to immediately obtain at the registered offices, free of charge, any proposed resolutions, reports and other documents required by law and under the bylaws.

Once notice of meeting has been published, documents relating to the AGM shall be placed on the company website, with information on the agenda, the proposals from the board of directors and any relevant information shareholders may need to issue their vote.

It shall also provide necessary details regarding shareholder information services, indicating telephone numbers, e-mail addresses, location and opening hours of offices.

The regulations establish the procedures to be followed in the public call for proxies, in compliance with the law and the company bylaws.

They stipulate that the form of proxy must contain or be attached to the agenda, and include a request for voting instructions so that shareholders may stipulate the general way in which their proxy shall vote should no precise instructions be given.

They also determine how directors should formulate the public call for proxy and the way they should exercise the shareholders' representation and vote, with regulations for cases where conflict of interests could arise.

The regulations also establish the most significant aspects related to the operation of the AGM, voting procedures for motions presented to it, how resolutions are to be adopted and other issues related to running an AGM.

The company's AGMs may be attended by anyone owning the minimum stock established in the bylaws, ie, 500 shares, providing that, five days before the date on which the AGM is to be held, their ownership is recorded on the pertinent registers and they retain at least this same number of shares until the AGM is actually held. Holders of fewer shares may group together until achieving the required number, appointing a representative.

The above notwithstanding, if holders of fewer shares than the bylaws establish for entitlement wish to attend, they may apply for an invitation to the AGM through the shareholders helpdesk, the website or any BBVA branch. It will be facilitated to them where the inevitable space constraints in the facilities where AGMs can be held allow this, given the very high number of shareholders in the company.

In accordance with the bylaws, the regulations state that voting rights on proposals regarding agenda items of any kind of general meeting of shareholders may be delegated or exercised by the shareholder by post, e-mail or any other remote means of communication, provided the voter's identity is duly guaranteed.

Any shareholders entitled to attend may be represented at the AGM by another shareholder, using the form of proxy established by the company for each AGM that will be displayed on the attendance card.

The bank's board of directors, in order to facilitate communication with the company's shareholders regarding the unfolding of the AGMs, operates a permanent helpdesk to deal with shareholders' requests for information, clarification and questions.

THE BOARD OF DIRECTORS

Strictly speaking the Bank's governance structure comprises two governing bodies: the board of directors and the Executive committee.

These are helped by other board committees in carrying out their duties, for example the Audit committee, the Compliance committee and the Appointments and Remuneration committee.

In addition, as a financial institution BBVA must give added weight to the board of directors' final responsibility for periodic review of the bank's risk strategies and policies. The board receives specific support in this task from its Risk committee.

The board comprises the number of directors established in the company's bylaws and in any resolution adopted by the AGM.

Directorships can be executive or non-executive. Executive directors have been conferred general powers to represent the company on a permanent basis, while all other board members shall be considered external.

An institutional director is an external director designated by virtue of her or his relationship with a party that is a significant shareholder of the company. This shall mean a party with direct or indirect control of at least 5% of the share capital or of the voting rights of the bank or, even when less than 5%, one whose shareholding can exert notable influence on the company. To such effects, BBVA does not have institutional directors.

The above criteria –used to determine whether a person is an institutional director– shall also apply in the event of agreements or pacts between shareholders that oblige those concerned, by means of concerted action in the use of voting rights, to adopt a common policy in regard to management of the company or whose goal is to influence it in a relevant manner.

Board members are elected for a five-year term. One fifth of the seats on the board shall be renewed each year and directors may be re-elected indefinitely.

Directors must leave their posts at the age of 70. The chairman of the company shall stand down as chief executive officer on reaching 65 years, continuing as board member.

The bank's chief operating officer and other executive directors must resign from their executive duties at 62 years of age and follow the same rules regarding the timing of their resignations as established above.

On 31 December 2005, the BBVA board comprised 15 members actively pursuing their duties, of whom 3 were executive directors. The table below identifies the members of the board of directors, the date on which they were appointed and the type of directorship they hold, in accordance with the board regulations:

BOARD OF DIRECTORS

FULL NAME	Post on Board of Directors	Type of Directorship	Date of appointment	Date of re-election
González Rodríguez, Francisco	Chairman and CEO	Executive	28.01.2000	26.02.2005
Goirigolzarri Tellaeché, José Ignacio	President and COO	Executive	18.12.2001	01.03.2003
Álvarez Mezquíriz, Juan Carlos	Director	Independent	28.01.2000	10.03.2001
Breeden, Richard C.	Director	Independent	29.10.2002	28.02.2004
Bustamante y de la Mora, Ramón	Director	Independent	28.01.2000	26.02.2005
Fernández Rivero, José Antonio	Director	External	28.02.2004	
Ferrero Jordi, Ignacio	Director	Independent	28.01.2000	26.02.2005
Knörr Borrás, Román	Director	Independent	28.05.2002	01.03.2003
Lacasa Suárez, Ricardo	Director	Independent	28.05.2002	01.03.2003
Loring Martínez de Irujo, Carlos	Director	Independent	28.02.2004	
Maldonado Ramos, José	Board secretary	Executive	28.01.2000	28.02.2004
Medina Fernández, Enrique	Director	Independent	28.01.2000	28.02.2004
Rodríguez Vidarte, Susana	Director	Independent	28.05.2002	01.03.2003
San Martín Espinós, José María	Director	Independent	28.01.2000	10.03.2001
Vilá Boix, Ángel (representative of Telefónica de España, S.A.)	Director	External	17.04.2000	26.02.2005

A brief profile of the current members of the BBVA board of directors is given below:

FRANCISCO GONZÁLEZ RODRÍGUEZ

Chairman and CEO

Born in Chantada (Lugo) in 1944

Married

Graduated in Economic and Business Sciences from Universidad Complutense de Madrid.

Professional Background:

Francisco González has been chairman and CEO of BBVA since January 2000.

Francisco González is currently a member of the European Financial Services Roundtable (EFR), Director of the Institute for International Finance (IIF), member of the Institut Européen d'Etudes Bancaires (IIEB), member of the International Monetary Fund's Capital Markets Consultative Group, member of the International Monetary Conference and Global Counsellor of The Conference Board, as well as being an active participant at other international fora.

He is also chairman of the Fundación BBVA and governor of the Red Cross, Foundation for Help Against Drug Addiction, Foundation for Terrorism Victims, the Guggenheim Museum in Bilbao, Museo de Bellas Artes in Bilbao, Fundación Príncipe de Asturias, Real Instituto Elcano, Fundación Carolina, ESADE, FEDEA, Fundación de Estudios Financieros, Instituto de Estudios Económicos and Institut Europeu de la Mediterrània.

Prior to the merger between Banco Bilbao Vizcaya and Argentaria, Francisco González was chairman of Argentaria from 1996 to 1999, when he led the integration, transformation and privatisation of a very diverse group of State-owned banks.

During this period, Francisco González was also director of Endesa, Chairman of Banco Uno-e, Banco Hipotecario de España, Banco Exterior de España, Caja Postal and Banco de Crédito Local.

Before joining Argentaria, Francisco González founded the securities firm, FG Inversiones Bursátiles, which became the first independent firm of brokers in Spain, and was later bought out by Merrill Lynch.

Francisco González is also a registered Spanish Stock Broker (ranking first amongst the candidates examined in 1980) and Trader for the Bolsa de Madrid. He has sat on the Executive committee of the Bolsa de Madrid and the Executive committee of Bancoval.

He began his professional career in 1964 as programmer in an IT company. His ambitions to transform 21st-century banking with the support of new technology dates back to this time.

JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHÉ

President and COO

Born in Bilbao (Vizcaya) in 1954

Married

Doctor in Economics and Business Science from Universidad de Deusto.

Professional Background:

His professional career has always been linked to banking, and more specifically, to BBVA, which he joined in 1978, after having taught Strategic Planning at the Universidad Comercial de Deusto.

Main stages in BBVA:

- Joined the Banco de Bilbao in 1978, assigned to the Strategic Planning Area. Member of BBV Holding (company that led the merger between BB and BV).
- In 1992, was appointed General Manager of the BBV.
- From 1993 to 1998, he directed Retail Banking for the BBV Group. From 1995 he has also directed the BBV-Americas Group, coinciding with the BBV Group's expansion in Latin America.
- In 1994 he became a member of the BBVA Management Committee.
- In 1999, BBV and Argentaria announced their merger. José Ignacio Goirigolzarri was appointed member of the BBVA Management Committee and head of the Latin-American businesses.
- Since 2000 has sat on the BBVA Bancomer Board.
- In April 2001, was appointed General Manager of the BBVA Group, in charge of Retail Banking. His responsibilities covered the following areas: Retail Banking in Spain, Retail Banking in the Americas, Pensions, Private Banking and e-Banking.

He was appointed as BBVA's president and chief operating officer on 18th December 2001.

JUAN CARLOS ÁLVAREZ MEZQUÍRIZ

Director

Born in Crémenes (León) in 1959

Married

Graduated in Economic Science from the Universidad Complutense de Madrid.

Professional Background:

1988 – Joined FISEG, Empresa Financiera de Servicios Generales.

1990 – General Manager of EL ENEBRO, S.A. (Eulen group holding company).

1993 – Chief Financial Officer of EULEN, S.A.

2002 – Managing Director of GRUPO EULEN, S.A.

He was appointed to his BBVA directorship on 28th January 2000.

RICHARD C. BREEDEN

Director

Born in the United States of America in 1949

Married

Lawyer. Studied at Stanford University and Harvard Law School.

Professional Background:

1976-1981; 1985-1988: Lawyer for Cravath, Swaine & Moore, New York, and partner in Baker & Botts, Washington.

1982-1985: Senior Legal Advisor to the Vice-President of the USA and the White House.

1989: Presidential Aide in the White House, USA.

1989-1993: Chairman of the U.S. Securities and Exchange Commission (SEC).

1993-1996: Chairman of Coopers & Lybrand, International Financial Services, LLC.

Since 1996, CEO of Richard C. Breeden & Co., a company specialising in advising companies on business restructuring and strategic consultancy regarding corporate governance, accounts and disclosure requirements. In 2002, the Federal Court of the United States appointed him Corporate Instructor to head the SEC fraud enquiry against WorldCom, Inc. (now known as MCI, Inc.).

Since 1997, has chaired the Audit committee and sat on the Remuneration committee of W.P. Stewart & Co., Ltd.

Also chairs the Audit committee for Audio Visual Services Corporation, and is court-appointed member of the MCI, Inc. board of directors and Audit committee.

Was appointed to the BBVA board of directors on 29th October 2002.

RAMÓN BUSTAMANTE Y DE LA MORA

Director

Born in Madrid in 1948

Married

Graduated in Law and Economic Sciences from Universidad Complutense de Madrid.

Professional Background:

1972 – IBERIA, L.A.E. Research Department.

1975 – BANCO COMERCIAL DE CATALUÑA. Accounts Director.

1976 – BANCA GARRIGA NOGUÉS. Madrid Director.

1986 – BANCA GARRIGA NOGUÉS. Deputy General Manager.

1986 – BANESTO. Various senior posts and responsibilities: Director of Territorial Norte; (1987) Director O.P. Madrid and Regional Director for Madrid; (1990) Deputy General Manager for Sales and Marketing Strategy; (1992) General Manager and deputy Managing Director; (1993) Managing Director of Bandesco.

1996 – ARGENTARIA. Senior Managing Director and Chairman of the Control Committee; Senior Managing Director of Retail Banking; non-executive Deputy Chairman; (1997) Chairman of Unitaria.

He was appointed to his BBVA directorship on 28th January 2000.

JOSÉ ANTONIO FERNÁNDEZ RIVERO

Director

Born in Gijón (Asturias) in 1949

Married

Graduated in Economic Sciences from the Universidad de Santiago.

Professional Background:

1976 – Joined Arthur Andersen (Systems).

1977 – Joined Banco de Vizcaya, where he was Director of Administration and Control for the International Division.

1986 – Chairman of Management Committee, Banque de Gestion Financière, S.A. (Belgium).

1988-1989 – Deputy Director General for Planning and Control in Commercial Banking, and later Regional Director of Retail Banking.

In 1990 he joined Banco Exterior de España as Comptroller General, occupying the same post in Corporación Bancaria de España (Argentaria) from 1991 to 1995, where he was appointed Director General for Internal Control and Oversight. In 1997 he took over the duties of General Manager for Organisation, Systems, Operations, Human Resources, Procurement and Real Estate.

In 1999, after the merger with BBV, he was appointed General Manager of BBVA Systems and Operations.

Was appointed Group General Manager in 2001, with a wide range of responsibilities in different areas.

In 2003, was appointed to represent BBVA as Deputy Chairman of Telefónica and member of its Audit and Regulation Committees, member of the Board and the Executive Committee of Iberdrola. He held these posts until 2005

He was Director of Banco de Crédito Local, and Chairman of Adquira.

He was appointed to his BBVA directorship on 28th February 2004. Has been chairman of its Risks committee since 30th March 2004.

IGNACIO FERRERO JORDI

Director

Born in Barcelona in 1945

Married

Graduated in Law from Universidad de Barcelona.

Professional Background:

Chairman of the board of NUTREXPA, S.A., since 7th July 1997.

Chairman of the board of LA PIARA, S.A., since 10th July 1997.

Deputy chairman of the food and drink federation (FEDERACIÓN DE INDUSTRIAS DE ALIMENTACIÓN Y BEBIDAS) since 23rd April 1980.

Deputy chairman of the institute for family-run businesses (INSTITUTO DE LA EMPRESA FAMILIAR) since 10th July 2000.

Member of management board and of Executive committee of FOMENTO DEL TRABAJO NACIONAL, since January 1997.

Member of the Managing committee of MAZ (Mutua Accidentes de Zaragoza) since 31st March 2000.

Member of Management Board of Spanish commercial coding association, AECOC (Asociación Española de Codificación Comercial) since 25th February 2003.

Member of board of directors of SODIGEI (Lladró), Sociedad de Desarrollo Industrial y Gestión de Inversiones, S.A., since 7th November 2003.

Appointed member of the BBVA board on 28th January 2000. Has been Chairman of its Appointments and Remuneration Committee since June 2002.

ROMÁN KNÖRR BORRÁS

Director

Born in Sueca (Valencia) in 1939

Married

Commercial Management, Marketing and Advertising qualifications from various Institutes in Barcelona and San Sebastián.

Professional Background:

1955-1961 AREITIO, S.A. Business Group.

1961-1992 KAS Business Group (Head of Advertising and PR; Sales and Marketing Manager; Deputy Chairman of KAS, S.A. and KNÖRR ELORZA, S.A.

Director and Chairman of ZUMOS DE NAVARRA, S.A.; Director and Chairman of MIKO, AVIDESA y CASTILLO DE MARCILLA; Director of S.A. DE ALIMENTACIÓN, Director of ALIMENTOS NATURALES, S.A. and Director of AGUAS DE SAN MARTÍN DE VERI, S.A.

Also deputy chairman of the Spanish fruit-juice manufacturers' association (ASOCIACIÓN NACIONAL DE FABRICANTES DE ZUMOS) and member of management committee of Spanish advertisers' association (ASOCIACIÓN ESPAÑOLA DE ANUNCIANTES) and of management committee and steering committee of the national soft-drinks manufacturers' association (ASOCIACIÓN NACIONAL DE FABRICANTES DE BEBIDAS REFRESCANTES).

Also Chairman of CONSULNOR ÁLAVA, S.A. and Director of PATRIMIX SICAV, S.A.

From June 1994 to June 1999 was Chairman of SINDICATO EMPRESARIAL ALAVÉS.

Director of MEDIASAL 2000, S.A., and Chairman of EUROKAS SICAV, S.A. and CARBÓNICAS ALAVESAS, S.A. and director of FUTURE DRINKS & FOODS, S.L.

Was Chairman of the Basque Industrial Confederation, (Confederación Empresarial Vasca or CONFEBASK) from July 1999 to July 2005, and member of Executive Committee and Management Board of Spanish Industrial Confederation (CEOE) over the same period.

He was appointed to a BBVA directorship on 28th May 2002.

RICARDO LACASA SUÁREZ

Director

Born in Zaragoza in 1936

Married

Graduated in Industrial Engineering from Escuela de Barcelona.

Professional Background:

1962-1970 Consultant Engineer at BEDAUX, S.A.E.

Joined BANCO POPULAR ESPAÑOL in 1970.

1970-1973 Systems Department.

1973-1975 IT Manager.

1975-1981 Administrative Departments Manager.

1981-1985 Secretary of Organisation.

1985-1988 Department of Banks and Subsidiaries.

1988-1995 General Management, with responsibilities for banks and specialist companies, trading and markets, international, personnel and media.

1995-1999 Managing Director.

Was appointed Director of BBVA on 28th May 2002. Has been Chairman of Audit and Compliance Committee since June 2002.

CARLOS LORING MARTÍNEZ DE IRUJO
Director

Born in Mieres (Asturias) in 1947
Married
Graduated in Law from Universidad Complutense de Madrid.

Professional Background:

In 1971 joined J&A Garrigues, becoming a partner in 1977. Held posts as Director of M&A Department, Director of Banking and Capital Markets, and in charge of advisory services for big public companies. Since 1985, has been member of its Management Committee.

His activity has been focussed on mergers and acquisitions, advising big multinational corporations, and has been intensely involved in the legal coordination of some key global floats and placements, for Spanish and non-Spanish companies, representing arrangers and issuers.

More recently, he has focussed on consultancy services for listed companies in their big corporate operations, providing legal assistance at their Annual General Meetings.

He is a renowned specialist in corporate governance, having helped several public companies to restructure their organisation as new recommendations and regulations on good governance have been published in Spain. Was recently shortlisted by "The International Who's Who of Business Lawyers" as one of the most pre-eminent lawyers in corporate governance.

From 1984 to 1992 was member of the Governing Body of the Colegio de Abogados de Madrid (Madrid Law Association).

Has worked with the Centro de Estudios Garrigues as a member of the Advisory Board for its Masters in Private Banking.

He was appointed to a BBVA directorship on 28th February 2004.

JOSÉ MALDONADO RAMOS
Director and Company Secretary

Born in Madrid in 1952
Married
Graduated in Law from Universidad Complutense de Madrid, winning the extraordinary first prize on graduation.

Professional Background:

In 1978 passed competitive exam to become a civil-service lawyer (Cuerpo de Abogados del Estado).

Was appointed Technical General Secretary to the Ministry of Territorial Administration, then Under-Secretary of the same department in 1982.

Has acted as Legal Secretary for various governing bodies on public companies, including: Astilleros y Talleres del Noroeste, S.A. (ASTANO); Aplicaciones Técnicas Industriales, S.A. (ATEINSA); Oleaginosas Españolas, S.A. (OESA); Camping Gas, S.A. and Aviación y Comercio, S.A. (AVIACO).

Board Secretary and Director of Legal Services for Empresa Nacional para el Desarrollo de la Industria Alimentaria, S.A. (ENDIASA); for Astilleros Españoles, S.A.; and for Iberia Líneas Aéreas de España, S.A.

Has been Legal Counsel for Banco Exterior, S.A.; Legal Counsel for Banco Internacional de Comercio, S.A. and Banco Central Hispanoamericano S.A., as well as Board Secretary of Sindibank, S.B.

Was appointed Director and Secretary General of ARGENTARIA in April 1997.

Was appointed Director and Company Secretary of BANCO BILBAO VIZCAYA ARGENTARIA, S.A. on 28th January 2000.

ENRIQUE MEDINA FERNÁNDEZ

Director

Born in La Puebla de Montalbán (Toledo) in 1942

Married

Graduated in Law from Universidad Complutense de Madrid.

State attorney on leave of absence.

Professional Background:

In 1967 passed competitive exam to become a civil-service lawyer (Cuerpo de Abogados del Estado).

Held posts in the Government's Tax and Courts Service in Cáceres; in the Directorate General for Administrative Judicial Review; and in the Supreme Court.

Has been head of the Technical Personal Staff of the Undersecretary for Finance and Director General for Territorial Planning.

In 1971, was appointed director on the board of Banco de Crédito a la Construcción.

From 1975 to 1981, held the post of Director and Board Secretary for Banco de Progreso.

From 1985 to 1989, held same posts in Corporación Financiera Alba and from 1989 to 1991, in Banco Urquijo.

Deputy Chairman of Ginés Navarro Construcciones until it merged to become Grupo ACS.

He was appointed to his BBVA directorship on 28th January 2000.

Ms. SUSANA RODRÍGUEZ VIDARTE

Director

Born in Bilbao (Vizcaya) in 1955

Married

Doctor in Economic and Business Sciences from Universidad de Deusto.

Professional Background:

Has mainly worked in the academic world.

Lecturer and researcher at the Management Department in the Economics Sciences and Economics Faculty La Comercial de la Universidad de Deusto.

Held Chair in Business Economics and Management Control, with teaching activities for undergraduate and postgraduate programmes at La Comercial in Spain, Argentina and Chile.

Since 1996 has been Dean of the Economics and Business Sciences Faculty La Comercial de la Universidad de Deusto and since 2003, Director of Instituto Internacional de Dirección de Empresas. Is currently member of the Executive Committee of the Management Board of the Universidad de Deusto and its Academic Committee.

Member of Board of Governor of Fundación Deusto; of Fundación Luis Bernaola and the Management Board of Cluster del Conocimiento en Gestión Empresarial.

Joint Editor of Boletín de Estudios Económicos.

Member of Instituto de Contabilidad y Auditoría de Cuentas (Accountants and Auditors Institute).

She was appointed to her BBVA directorship on 28th May 2002.

JOSÉ MARÍA SAN MARTÍN ESPINÓS

Director

Born in Madrid in 1935

Married

Doctor in Engineering (Public Works) from E.T.S.I. de Caminos, Canales y Puertos de Madrid.

Professional Background:

CONSTRUCCIONES SAN MARTÍN, S.A. Managing Director and member of the Board.

INMOBILIARIA NAVARRA, S.A. Chairman.

SAFINCA, S.A. Director.

INMOBILIARIA COSMAR, S.A. Chairman.

FIDAI, S.A. Director.

ARESOL, S.A. Deputy Chairman.

CONSTRUCCIONES INDUSTRIALES Y URBANAS, S.A.: Deputy Chairman.

SAN MARTÍN PROYECTOS INMOBILIARIOS, S.A.: Director.

S.A.I.D.E. Director.

He was appointed to his BBVA directorship on 28th January 2000.

ÁNGEL VILÁ BOIX

Director

Born in Barcelona in 1964

Married

Graduated in Industrial Engineering from Universidad Politécnica de Cataluña.

MBA from Columbia University (New York).

Professional Background:

Began his career as Financial Analyst at CITIBANK NA.

Consultant at MCKINSEY & CO.

Involved in business development in the FERROVIAL and PACSA groups.

In January 1997, joined the TELEFÓNICA Group as Deputy Comptroller General.

From January to August 1998 was General Manager of Finanzas, Control e Inversiones de Telefónica Internacional.

From September 1998 to September 1999, was General Manager for Corporate Development and Control in TELEFÓNICA, S.A.

In October 1999, joined GRUPO PLANETA as General Business Manager.

Re-joined TELEFÓNICA in May 2000 as General Manager of Corporate Development, sitting on the Group's Executive Committee.

Member of the Board of Directors of ENDEMOL.

Was appointed representative of the Telefónica de España, S.A. directorship on the BBVA Board of Directors in March 2001.

The ordinary meetings of the board of directors shall take place monthly and an annual schedule of the ordinary sessions shall be drawn up sufficiently in advance. During 2005 the board of directors has met fifteen times, the chairman of the board attending all its sessions.

The board of directors may meet whenever the chairman or the Executive committee deem it advisable, or at the behest of at least one quarter of the board members in office at any time. In such

case, the chairman must convene the board within 15 days as of receiving the request to call the meeting.

The board shall also be validly constituted when all its members are present and unanimously resolve to constitute a meeting.

Directors shall be provided with any information or clarification they deem necessary or appropriate in connection with the matters to be considered at the meeting. This can be done before or during the meeting.

The chairman shall encourage the participation of directors in the meetings and deliberations of the Board and shall put matters to a vote when he/she considers they have been sufficiently debated.

Group executives and others may join the meetings should the chairman deem their attendance helpful in ensuring proper treatment of the business laid before the board.

Article 48 of the company bylaws establishes that the board of directors, in order to best pursue its duties, may create any committees it deems necessary to help it on issues that fall within the scope of its powers.

The board of directors has constituted the committees listed below along with their respective members:

BOARD COMMITTEES

FULL NAME	Executive Committee	Audit and Compliance Committee	Appointments and Remuneration Committee	Risks Committee
González Rodríguez, Francisco	●			
Goirigolzarri Tellaache, José Ignacio	●			
Álvarez Mezquíriz, Juan Carlos	●		●	
Breeden, Richard C.				
Bustamante y de la Mora, Ramón		●		●
Fernández Rivero, José Antonio				●
Ferrero Jordi, Ignacio		●	●	
Knörr Borrás, Román	●			
Lacasa Suárez, Ricardo		●		●
Loring Martínez de Irujo, Carlos		●	●	
Maldonado Ramos, José				●
Medina Fernández, Enrique	●			●
Rodríguez Vidarte, Susana		●		
San Martín Espinós, José María	●		●	
Vilá Boix, Ángel (representative of Telefónica de España, S.A.)				

Executive Committee

In accordance with the company bylaws, the board of directors can appoint an Executive committee, once two-thirds of its members vote for it and it is duly filed at the Company Registry.

The board of directors has constituted an Executive committee, to which it has delegated all its powers of administration, except those that the law and/or bylaws deem undelegatable due to their essential nature.

On 31 December 2005, this committee was made up of six members, of whom two were executive directors and four independent directors. Its composition is as follows:

Chairman: Francisco González Rodríguez

President and COO: José Ignacio Goirigolzarri Tellaeché

Members: Juan Carlos Álvarez Mezquíriz
Román Knörr Borrás
Enrique Medina Fernández
José María San Martín Espinós

The Executive committee deals with those matters that the board of directors has delegated to it in accordance with prevailing legislation or company bylaws.

According to the company bylaws, its faculties include the following: to formulate and propose policy guidelines, the criteria to be followed in the preparation of programmes and to fix goals, to examine the proposals put to it in this regard, comparing and evaluating the actions and results of any direct or indirect activity carried out by the entity; to determine the volume of investment in each individual activity; to approve or reject operations, determining methods and conditions; to arrange inspections and internal or external audits of all areas of operation of the entity; and in general to exercise the faculties delegated to it by the board of directors.

Specifically, the Executive committee is entrusted with evaluation of the bank's system of corporate governance. This shall be analysed in the context of the company's development and of the results it has obtained, taking into account any regulations that may be passed and recommendations made regarding best market practices, adapting these to the company's specific circumstances.

The Executive committee shall hold ordinary meetings twice a month, although the board regulations allow it to meet as often as considered necessary by its chairman or by the person who exercises her/his functions, or at the request of a majority of its members.

During 2005, the Executive committee met 22 times.

Audit and Compliance Committee

The BBVA Audit and Compliance committee assists the board of directors in supervising financial statements and the oversight of the BBVA group.

It must have a minimum of four independent directors appointed by the board. One of these shall act as chairman, also appointed by the board.

On 31 December 2005, the BBVA Audit and Compliance Committee comprised the following members:

Chairman: Ricardo Lacasa Suárez

Members: Ramón Bustamante y de la Mora
Ignacio Ferrero Jordi
Carlos Loring Martínez de Irujo
Susana Rodríguez Vidarte

The scope of its functions is as follows:

- Supervise the internal control systems' sufficiency, appropriateness and efficacy in order to ensure the accuracy, reliability, scope and clarity of the financial statements of the company and its consolidated group in their annual and quarterly reports. Also to oversee the accounting and financial information that the Bank of Spain or other regulators from Spain and abroad may require.

- Oversee compliance with applicable national and international regulations on matters related to money laundering, conduct on the securities markets, data protection and the scope of group activities with respect to anti-trust regulations. Also ensure that any requests for information or for a response from the competent bodies in these matters are dealt with in due time and in due form.
- Ensure that the internal codes of ethics and conduct and securities market operations, as they apply to group personnel, comply with legislation and are properly suited to the bank.
- Especially to enforce compliance with provisions contained in the BBVA directors charter, and ensure that directors satisfy applicable standards regarding their conduct on the securities markets.

Ensure the accuracy, reliability, scope and clarity of the financial statements. The committee shall constantly monitor the process by which they are drawn up, holding frequent meetings with the bank executives responsible for them and the external auditor.

The committee shall also monitor the independence of external auditors. This entails the following two duties:

- Ensuring that the auditors' warnings, opinions and recommendations cannot be compromised.
- Establishing the incompatibility between the provision of audit services and the provision of consultancy, unless there are no alternatives in the market to the auditors or companies in the auditors' group of equal value in terms of their content, quality or efficiency. In such event, the committee must grant its approval, which can be done in advance by delegation to its chairman.

The committee selects the external auditor for the bank and its group, and for all the group companies. It must verify that the audit schedule is being carried out under the service agreement and that it satisfies the requirements of the competent authorities and the bank's governing bodies.

The Audit and Compliance committee meets as often as necessary to comply with its tasks, although an annual meeting schedule is drawn up in accordance with its duties. During 2005 the Audit and Compliance committee met thirteen times.

Executives responsible for Comptrol, Internal Audit and Standards Compliance are invited to attend the meetings and, at the request of these executives, other staff from these departments who have particular knowledge or responsibility in the matters contained in the agenda, can also be invited when their presence at the meeting is deemed appropriate. However, only the committee members and the secretary shall be present when the results and conclusions of the meeting are evaluated.

The committee may hire external advisory services for relevant issues when it considers that these cannot be properly provided by experts or technical staff within the group on grounds of specialisation or independence.

Likewise, the committee can call on the personal co-operation and reports of any member of the management team when it considers that this is necessary to carry out its functions with regard to relevant issues.

The committee has its own specific regulations, approved by the board of directors. These are available on the bank's website and, amongst other things, regulate its operation.

Appointments and Remuneration Committee

The Appointments and Remuneration committee of the BBVA board of directors helps the board on issues regarding the appointment of bank directors and aspects relating to pay that the board may commend to it, in particular, that of the members of the bank's board of directors.

On 31st December 2005, the composition of the Appointments and Remuneration committee was as follows:

Chairman: Ignacio Ferrero Jordi

Members: Juan Carlos Álvarez Mezquíriz
Carlos Loring Martínez de Irujo
José María San Martín Espinós

Its duties, apart from the afore-mentioned duty in the appointment of directors, include proposing the remuneration system for the board as a whole, within the framework established in the company bylaws. This entails determination of its items, the amount payable for each item and the settlement of said amount, and, as mentioned above, the scope and amount of the remuneration, rights and economic compensation for the CEO, the COO and the bank's executive directors in order to include these aspects in a written contract. Said duties shall be executed by virtue of the authority conferred on the members of this committee by the board of directors.

The committee analyses proposals regarding reward plans to run over various years for the bank's senior management and issues an opinion on them to the due corporate bodies. It must be aware of the basic principles of the bank's wage policy and especially the average fixed and variable remuneration of the members of the Management committee and any associated annual adjustments.

The committee also analyses the pay policy for directorships in companies in which the bank holds a direct or indirect interest, and examines the remuneration criteria for the boards of companies controlled by the group.

The chairman of the Appointments and Remuneration Committee shall convene it as often as necessary to comply with its functions although an annual meeting schedule shall be drawn up in accordance with its duties. During 2005 the Appointments and Remuneration committee met 5 times.

In accordance with the BBVA board regulations, the committee may ask members of the group organisation attend its meetings, when their responsibilities relate to its duties. It may also receive any advisory services it requires to inform its criteria on issues falling within the scope of its powers.

Risks Committee

The Risks committee has been set up to periodically analyse and monitor risk management within the terms and conditions of the bank's governing bodies' powers. It comprises a minimum of three members, the majority of whom are non-executive directors, all appointed by the board of directors, which also appoints its chairman.

On 31 December 2005, the composition of the Risks Committee was as follows:

Chairman: José Antonio Fernández Rivero

Members: Ramón Bustamante y de la Mora
Ricardo Lacasa Suárez
José Maldonado Ramos
Enrique Medina Fernández

The scope of its functions is as follows:

- Analyse and evaluate proposals related to the group's strategy and risk policies and submit these to the bank's Executive committee for approval.
- Monitor the degree to which actual exposure matches the established profile, as a measure of the bank's risk tolerance and the expected return from risks incurred.

- Approve risk operations under the established system of delegation.
- Check that the group possesses the means, systems, structures and resources benchmarked against best practices to allow implementation of its risk management strategy.
- Submit proposals to the bank's Executive committee as it considers necessary or advisable in order to bring the group's risk management in line with best practice arising from recommendations on corporate governance systems or from supervisory bodies on risk matters.

The committee has specific regulations, approved by the board of directors. These establish that the chairman or his/her substitute under its regulations must convene the committee to meet as often as necessary to comply with its mission. Nonetheless, a meeting schedule is also drawn up in keeping with its tasks. During 2005 the Risks committee met 82 times.

COMPLIANCE SYSTEM

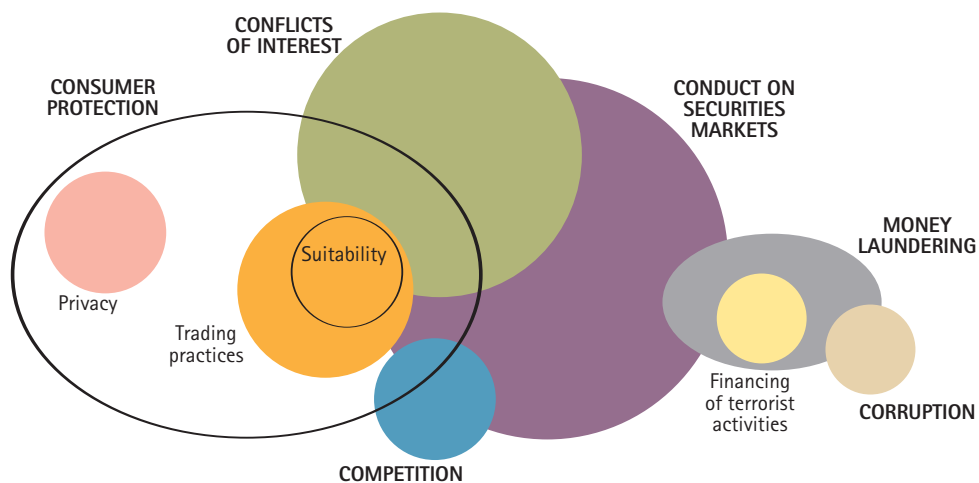
General aspects

The BBVA Group Code of Conduct (available on the Group's website at www.bbva.com, in the section on corporate governance) defines and develops the rules of ethical behaviour and guidelines for action to preserve one of the Group's principal sources of value: its corporate integrity.

In April 2005 the Committee on Banking Supervision of the Bank for International Settlements (BIS) issued the document "Compliance and the Compliance Function in Banks", which lays down best practices in the management of compliance risk, a concept which recent changes in markets, market regulations and the demands and expectations of society have imbued with particular significance.

Compliance risk is a derivative of the way in which the Group handles its business relations with third parties and the way in which it acts in the market on the one hand, and of the effectiveness of the mechanisms adopted to prevent the Group's products and services from being used improperly on the other. For BBVA, compliance risk means the regulatory and/or reputational risk attached to matters of compliance, and this definition forms the basis for the drawing up of a management framework (Compliance System) that is closely linked to the goal of preserving the Group's corporate integrity.

Matters of compliance



The size of the figures on this graphic is not representative of the degree of importance placed on each matter of compliance by BBVA.

Among the elements of business (policies, procedures, internal controls, human and material resources) that BBVA has allocated to the management and monitoring of compliance risk, Compliance Function deserves special mention: in line with BIS criteria, its work centres on three lines of activity:

- It promotes the adaptation of policies and procedures in the face of changes in regulations, and supervises their implementation.
- It takes part in committees on new products and business to ensure that future development is in line with corporate policies and incorporates the elements needed to identify and assess any compliance risk.
- It monitors and reviews critical processes on a recurrent basis in line with the compliance programme drawn up each year, identifies and assesses risks, proposes corrective measures and supervises and assists in the drawing up and distribution of training material.

Alongside the corporate governance system, the Compliance System forms the foundation of BBVA's corporate commitment to carrying out all its activities and business operations in compliance with strict ethical standards of behaviour.

Rules of conduct

As part of the process of disseminating and reinforcing the corporate culture, an in-house communication plan was drawn up in 2005 which resulted in most employees attending training sessions that covered the most significant aspects of the BBVA Group's Code of Conduct. To enhance operational effectiveness, various procedures and guidelines for action have been developed and implemented to supplement the general aspects of the Code.

In the Securities Market area, a number of schemes have been developed to help improve the effectiveness and efficiency of internal controls and procedures:

- 1) Measures designed to strengthen and improve the efficiency of internal controls: a central control room has been set up to handle the task of monitoring the buying and selling of securities on their own account by persons subject to the Code of Conduct in the Securities Market area at branch offices and European subsidiaries.
- 2) Review and updating of rules and procedures: the main point to be highlighted here is the updating of procedures applicable to asset risk activities (negotiable securities and real-estate), risk capital activities and the issuing of financial analysis reports.
- 3) Updating of the Code of Conduct in the Securities Market area: this process was begun late in 2005 following the enactment of the regulations implementing the Collective Investment Institutions Act (*Ley de Instituciones de Inversión Colectiva*) and the Royal Decree on Market Abuse (*Real Decreto de Abuso de Mercado*), and concluded early in 2006.

Prevention of money laundering and of the financing of terrorist activities

The regulations governing this area have changed significantly in most of the jurisdictions where the Group operates (in Spain, Royal Decree 54/2005 of 21 January modified the regulations implementing Act 19/1993 on certain measures to prevent money laundering), and this has led to changes in the Group's procedures and systems. However, those changes have had no significant effect on the more structural elements of the risk management model for money laundering.

- **Monitoring systems:** 2005 saw the completion in Spain of the implementation of the new technology platform for monitoring operations, and the commencement of its implementation in Mexico. It is expected to be extended to the remaining Latin American banks in 2006.
- **Training:** almost 58,000 people took part in training activities on this subject in 2005 (21,000 of them in Spain), close to three times as many as in 2004.
- **Human resources:** the number of specialists in the prevention of money laundering and of the financing of terrorist activities employed by Compliance Function increased by 16% to 163 by the end of 2005.

Personal data protection

Throughout 2005 improvements were carried out as envisaged in the action plans emerging from the 2004 biennial audit of security measures in compliance with Royal Decree 994/99 of 11 June.

The high standard of internal control at the organisations that make up the BBVA Group in Spain is evidenced by the small number of third-party actions arising from incidents in this area (28 cases in 2005) and the scant financial repercussions of those actions (around €350,000).

STEERING COMMITTEE ⁽¹⁾

Chairman and CEO

Mr. Francisco González Rodríguez

President and COO

Mr. José Ignacio Goirigolzarri Tellaeche

Other members of the Steering Committee

Mr. José María Abril Pérez	Wholesale and Investment Banking
Mr. Eduardo Arbizu Lostao	Legal Department
Mr. Juan Asúa Madariaga ⁽²⁾	SMEs and Corporate Banking in Spain and Portugal (Wholesale and Investment Banking)
Mr. Javier Ayuso Canals ⁽²⁾	Communication and Image
Mr. José Barreiro Hernández ⁽²⁾	Global Businesses (Wholesale and Investment Banking)
Mr. Javier Bernal Dionis ⁽²⁾	Business Development and Innovation (Retail Banking in Spain and Portugal)
Mr. Ángel Cano Fernández	HR, IT & Operations
Mr. José María García Meyer-Dohner ⁽²⁾	USA
Mr. Manuel González Cid	CFO
Mr. Jaime Guardiola Romojaro ⁽²⁾	Mexico
Mr. José Maldonado Ramos	Secretary General
Mr. Manuel Méndez del Río	Risk
Mr. Vitalino Nafría Aznar	Retail Banking in Spain and Portugal
Mr. Vicente Rodero Rodero ⁽²⁾	Commercial Banking Spain (Retail Banking in Spain and Portugal)
Mr. Ignacio Sánchez-Asiain Sanz	South America
Mr. José Sevilla Álvarez	Chairman's Area

(1) Composition as of 31 December 2005, according to the new organisational structure approved in December 2005.

(2) Joined the Committee in December 2005.