

BBVA 2012 DIVIDEND OPTION PLAN ADS SHAREHOLDER Q&A

History and Description of Transaction

Last year, under the BBVA 2011 dividend option plan approved by shareholders, holders of BBVA American Depositary Shares (“ADSs”) had the opportunity to elect to receive the dividends paid in April and October of 2011 in accordance with one of the following three options:

1. Receive new BBVA ADSs,
2. Instruct BNY Mellon (as BBVA ADS depository) to sell the rights corresponding to the BBVA shares underlying their BBVA ADSs in the open market in Spain and receive the cash proceeds thereof, or
3. Receive a fixed cash dividend similar to the traditional cash dividend that BBVA has historically paid.

If no option was validly elected prior to the deadline, the fixed cash dividend was selected as the default option for BBVA ADS holders. The dividends paid in July of 2011 and January of 2012 were not covered under the BBVA 2011 dividend option plan and therefore all BBVA ADS holders received such dividends in the form of cash.

At the Annual General Meeting held on March 16, 2012, BBVA shareholders approved a dividend option plan for 2012 whereby BBVA ADS holders will again have the opportunity to choose among the three options referred to above with respect to the April 2012 dividend and one of the other interim dividends historically paid by BBVA for a fiscal year. This Q&A relates to BBVA’s April 2012 dividend.

1. What is a dividend option plan?

BBVA has traditionally paid four (4) cash dividends per year. A dividend option plan provides a shareholder or ADS holder the opportunity to elect to receive dividends in shares or ADSs rather than the traditional cash payment. Under the dividend option plan, BBVA shareholders, including the custodian for BBVA’s ADS program, will receive free of charge one subscription right for every BBVA share held. BBVA ADS holders will be able to instruct BNY Mellon (as ADS depository) to act with respect to the rights underlying their BBVA ADSs according to one of the three options outlined below.

2. What are the benefits of the dividend option plan?

The dividend option plan allows holders the flexibility of choosing a payment option that best fits their personal financial goals.

3. What are my options under the dividend option plan?

Option #1: Receive new BBVA ADSs

This option allows BBVA ADS holders to receive new BBVA ADSs. Cash will be paid in lieu of any rights not exercisable into a whole BBVA ADS. The cash will be derived from a sale of these rights by BNY Mellon in the open market in Spain. The cash proceeds will depend on market prices and the Euro/U.S. Dollar exchange rate. This option is not subject to the 21% Spanish withholding tax.

Option #2: Instruct BNY Mellon to sell the rights

This option allows BBVA ADS holders to instruct BNY Mellon to sell the rights that correspond to the BBVA shares underlying their BBVA ADSs in the open market in Spain. The proceeds from the sale of the rights will depend on market prices and the Euro/U.S. dollar exchange rate. This option is not subject to the 21% Spanish withholding tax.

Option #3: Receive the fixed cash dividend

This option is similar to the traditional cash dividend payment that BBVA has historically made. The cash proceeds will be based on the cash rate fixed by BBVA and the Euro/U.S. dollar exchange rate. This option is subject to the 21% Spanish withholding tax (see questions 16 and 17 for details of how to obtain a refund of withholding tax in excess of an applicable treaty rate). The fixed cash payment is 0.118 Euros per right.

4. How will the dividend be paid for BBVA ADSs held under the Compass SmartInvestor 401(k) Plan and/or the Compass SmartInvestor Retirement Plan?

If you hold any BBVA ADSs in your account(s) under the Compass SmartInvestor 401(k) Plan (the “401(k) Plan”) and/or the Compass SmartInvestor Retirement Plan (the “SIRP”), pursuant to the terms of both plans your account(s) will automatically receive additional BBVA ADSs (option #1 above) as a result of the dividend option plan. Accordingly, to the extent you hold BBVA ADSs in your account(s) under the 401(k) Plan and/or the SIRP, there is no action that you need to take with respect to the dividend option plan. Any BBVA ADSs you hold outside of the 401(k) Plan and/or SIRP will be subject to the options discussed herein.

5. Do I need to take any action now?

Registered ADS holders. You are considered to be a registered BBVA ADS holder if your BBVA ADSs are held in an account at our depository bank – BNY Mellon.

If you are a registered BBVA ADS holder who acquired your ADSs on or before September 29, 2011, a dividend option validly elected for the dividend paid in October 2011 will apply to the April 2012 dividend and any subsequent dividend payment pursuant to a dividend option plan unless you choose to change your election. If you do not wish to change a valid election previously made, you do not need to take any action at this time. However, if you wish to change an election previously validly made, you can do so by contacting BNY Mellon at +1-866-415-7475 to request a change in election form. Change in election forms will need to be received by BNY Mellon before 5:00 p.m. EDT on April 24, 2012 for the election to be valid with respect to the April dividend. Any election included on a valid form that is received before 5:00 p.m. EDT on April 24, 2012 will serve as a standing instruction for all subsequent dividend payments pursuant to dividend option plans unless you elect otherwise with respect to a subsequent dividend. If your election is received after 5:00 p.m. EDT on April 24, 2012 but before 5:00 p.m. EDT on May 14, 2012, and is included on an otherwise valid form, you will receive your dividend in the payment form elected in October 2011, but the election made will serve as a standing instruction for all subsequent dividend payments pursuant to dividend option plans unless you elect otherwise with respect to a subsequent dividend. Any forms received after 5:00 p.m. EDT on May 14, 2012 will not be processed.

If you are a registered BBVA ADS holder who acquired your ADSs after September 29, 2011, no action is required if you wish to receive the fixed cash payment from BBVA. However, if you wish either to receive

the dividend in newly issued BBVA ADSs or to instruct BNY Mellon to sell rights in the Spanish market, you must properly complete an election form and return it to BNY Mellon in the return envelope so that it is received by the deadline (5:00 p.m. EDT on April 24, 2012). If the election form is incomplete or improperly completed, the form will be deemed invalid and you will receive the default option of the fixed cash payment. Any election included on a valid form that is received before 5:00 p.m. EDT on April 24, 2012 will serve as a standing instruction for all subsequent dividend payments pursuant to dividend option plans unless you elect otherwise with respect to a subsequent dividend. If your election is received after 5:00 p.m. EDT on April 24, 2012 but before 5:00 p.m. EDT on May 14, 2012, and is included on an otherwise valid form, you will receive the default dividend payment of cash, but the election made will serve as a standing instruction for all subsequent dividend payments pursuant to dividend option plans unless you elect otherwise with respect to a subsequent dividend. Any forms received after 5:00 p.m. EDT on May 14, 2012 will not be processed.

If you are currently participating in BNY Mellon's Global BuyDIRECT Plan, please note that the Plan's reinvestment capabilities will not apply for this dividend.

Beneficial ADS holders. If your BBVA ADSs are held through a bank, brokerage firm or other securities intermediary then you are considered to be a beneficial holder. Beneficial BBVA ADS holders are instructed to contact the intermediary through which they hold their BBVA ADSs in order to determine how to make their choice. In addition, such intermediary may require you to make a valid election each time a dividend is paid under a dividend option plan. When communicating your election, we recommend that you refer to the option you are electing by providing a full description of such option rather than by referring to a number (such as option #1, #2, or #3), as the bank or brokerage firm may follow a different numbering sequence from that previously noted.

6. What if I did not make an election in 2011?

If you did not make a valid election in 2011 by the relevant election deadline and you fail to make an election validly on time with respect to the April 2012 dividend (see question 10), you will receive the default option for ADS holders (option #3 above).

7. Who is eligible for the dividend option plan?

BBVA ADS holders as of the relevant record date (April 13, 2012) at 11:59 p.m. Madrid time are eligible to participate in the dividend option plan.

8. Will the new BBVA ADSs have the same rights as my existing BBVA ADSs?

Yes, the new BBVA ADSs will have the same rights as existing ones.

9. Can I receive part of the dividend in cash and part in shares or BBVA ADSs?

No, you may only elect to receive your dividend payment in the form provided by one of the options listed above.

10. Are there any circumstances in which you will disregard my choice?

Registered ADS holders. If you are a registered BBVA ADS holder who acquired your ADSs on or before September 29, 2011, and wish to change your election but fail to do so validly on time (see question 5), you will receive your dividend in the payment form elected in October 2011 for purposes of the April 2012 dividend. In this case, if no election was made in October 2011 then you will continue to receive the default option, option #3 listed above.

If you are a registered BBVA ADS holder who acquired your ADSs after September 29, 2011, and wish either to receive the dividend in newly issued BBVA ADSs or to instruct BNY Mellon to sell rights in the Spanish market but fail to make such election validly on time (see question 5), your election will be disregarded for purposes of the April 2012 dividend and you will receive the default option, option #3, which will be the fixed cash distribution from BBVA.

Beneficial ADS holders. If you own BBVA ADSs through a bank, brokerage firm or other securities intermediary, please contact the intermediary directly to determine the circumstances under which your choice will be disregarded.

11. What are the relevant dates with respect to the dividend option plan for BBVA ADS holders?

For your reference, below is the timeline we expect to follow for the April 2012 dividend.

April 13, 2012 – Record date

April 16 – April 30 – Rights trading period in Spain

April 24, 2012 – Election deadline for registered BBVA ADS holders

May 16, 2012 – BBVA ADS and cash dividend distribution date

12. Can I participate even if I am resident outside the USA?

Yes, you can participate if no local prohibition exists. Holders of BBVA ADSs outside the USA should consult with their respective advisors for counsel as to whether any local law, regulation or statute is applicable.

13. How many BBVA ADSs do I hold?

Registered BBVA ADS holders should contact BNY Mellon at +1-866-415-7475. If your BBVA ADSs are held through a bank, brokerage firm or other securities intermediary, you should contact the intermediary.

14. Will BBVA continue to offer a dividend option plan in the future?

It has not been decided if the dividend option will be offered in future years.

15. How many BBVA ADSs are necessary to receive one new BBVA ADS?

The number of BBVA ADSs necessary to receive one new BBVA ADS is 47. Cash will be paid in lieu of any rights not exercisable into a whole BBVA ADS. The cash will be derived from a sale of these rights by BNY Mellon in the open market in Spain.

16. What are the tax implications derived from the scrip dividend program?

A. Spanish Tax

The Spanish tax treatment applicable in respect of the April 2012 dividend to a holder of BBVA ADSs that is not a resident of Spain for Spanish income tax purposes will be as follows:

Options #1 and #2

The delivery of the new shares issued in the April 2012 dividend to BNY Mellon and delivery of new BBVA ADSs in respect of such shares will be considered a delivery of fully paid-up shares free of charge and, hence, will not be considered income for purposes of the Non Resident Income Tax ("NRIT").

If BBVA ADS holders' rights are sold on the market, for purposes of the NRIT, the amount obtained from the sale of rights will reduce the acquisition value of the BBVA ADSs from which the rights arose. BBVA ADS holders will recognize taxable gain to the extent the amount obtained from the sale exceeds the acquisition value of the BBVA ADSs from which the rights arose. Such gain will generally be subject to tax at a rate of 21%, subject to the provisions of an applicable tax treaty. Under the U.S.-Spain income tax treaty, capital gains realized by a U.S. ADS holder will be exempt from Spanish tax on capital gains.

Option #3

In the event that an BBVA ADS holder chooses to accept the fixed price option, the tax treatment applicable to the amounts received will be that applicable to cash dividends and, therefore, the cash received will be subject to Spanish withholding tax at a rate of 21%. Under the U.S.-Spain income tax treaty, the applicable rate of tax is generally limited to 15%. U.S. beneficial holders of ADSs should consult their tax advisors regarding their eligibility for benefits under the treaty and, if they are eligible, the procedure for obtaining a refund of any amounts withheld for Spanish taxes in excess of the treaty rate. See question 17.

B. Certain U.S. Federal Income Tax Considerations

This disclosure is limited to the U.S. federal tax issues addressed herein. Additional issues may exist that are not addressed in this disclosure and that could affect the U.S. federal tax treatment of the 2012 dividend option plan. This tax disclosure was written in connection with the 2012 dividend option plan and it cannot be used by any holder for the purpose of avoiding penalties that may be asserted against the holder under the Internal Revenue Code of 1986, as amended (the "Code"). Holders should seek their own advice based on their particular circumstances from their tax advisers.

The following is a general summary of certain U.S. federal income tax consequences of receiving the April 2012 distribution to a person that (i) is subject to U.S. federal income taxation on a net income basis, (ii) is a beneficial owner of BBVA ADSs and is eligible for benefits under the U.S.-Spain income tax treaty (the "Treaty") and (iii) owns the BBVA ADSs as capital assets for U.S. federal income tax purposes (a "U.S. Holder"). However, the consequences to any particular U.S. Holder will depend on the particular circumstances of such person. Owners of BBVA ADSs should consult their tax advisors regarding the U.S. federal income tax consequences of receiving the April 2012 distribution under the dividend option plan.

Under current U.S. federal income tax law, dividends paid in cash (pursuant to option #3) should be included in a U.S. Holder's income on the date of BNY Mellon's receipt of the dividend. The amount of includible income for a dividend paid in Euros should be the U.S. dollar equivalent of the Euro dividend calculated by reference to the exchange rate in effect on the date of BNY Mellon's receipt of the dividend, regardless of whether the payment is in fact converted into U.S. dollars on that date. If the cash dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder should not be required to recognize foreign currency gain or loss in respect of the dividend income. A U.S. Holder may recognize foreign currency gain or loss if the cash dividend is converted into U.S. dollars after the date of receipt. Any foreign currency gain or loss will generally be treated as U.S. source ordinary income or loss.

Subject to applicable limitations that may vary depending upon a U.S. Holder's circumstances, a U.S. Holder will be entitled to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for any Spanish income taxes withheld in respect of a cash dividend in an amount not in excess of the applicable rate under the Treaty. A U.S. Holder may use foreign tax credits to offset only the portion of its U.S. federal income tax liability that is attributable to foreign-source income. This limitation on foreign taxes eligible for credit is calculated separately with respect to two different classes of income. The rules governing foreign tax credits are complex and, therefore, U.S. Holders should consult their tax advisors regarding the availability of foreign tax credits in their particular circumstances.

A U.S. Holder who does not receive the April 2012 dividend in cash (options #1 or #2) should be treated as having received a distribution of rights and should recognize ordinary dividend income in an amount equal to the U.S. dollar value of the rights (including rights exercisable into fractional ADSs) as of the date of distribution.

Subject to applicable limitations, April 2012 dividends paid to certain non-corporate U.S. Holders may be taxable at a rate that is lower than the rate applicable to ordinary income. U.S. Holders should consult their tax advisors regarding the availability of the reduced tax rate on dividends in their particular circumstances.

U.S. Holders that elect to have BNY Mellon sell their rights on the market (pursuant to option #2) and U.S. Holders that receive cash in lieu of fractional ADS (pursuant to option #1) should realize short-term capital gain or loss in an amount equal to the difference between the U.S. Holder's tax basis in the rights (or the rights exercisable into fractional ADS) and the amount realized on the disposition (each as determined in U.S. dollars). The U.S. Holder's tax basis in the rights should equal the U.S. dollar value of the rights as of the date of distribution (i.e., the amount includible in income as ordinary income as described in the preceding paragraph).

This summary is not exhaustive, and does not describe all of the tax considerations that may be relevant to a particular U.S. Holder. Each U.S. Holder is advised to consult its own tax adviser regarding the overall tax consequences, including the consequences under U.S. federal, state, local or foreign tax laws, of the dividend option plan.

17. How do I reclaim the 6% excess tax withheld by the Spanish government if I choose option #3?

Qualifying BBVA ADS holders should contact GlobeTax, our tax reclaim service provider, at +1-800-915-3536 to inquire about tax reclamation services.

18. Whom should I call if I have questions or need assistance?

Individual ADS holders should contact Ed Bilek, EVP US Shareholder Relations, at +1-205-297-3331 and institutional ADS holders should contact Ricardo Marine at +1-212-728-1660 for questions about the dividend option plan or procedures for changing their election. BBVA has also established a dedicated phone line at BNY Mellon (+1-866-415-7475) available to registered ADS holders to ask questions pertaining to their BBVA ADS account.