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ANNUAL REPORT ON CORPORATE GOVERNANCE

PUBLICLY TRADED COMPANIES

ISSUER IDENTIFICATION

END OF BUSINESS YEAR: 31/DEC/2009

TAX ID NO.: A-48265169

Registered offices: BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

STANDARD ANNUAL REPORT ON CORPORATE GOVERNANCE OF PUBLICLY TRADED COMPANIES

To better understand the form and fill it in, first read the instructions at the end of this report.

A - OWNERSHIP STRUCTURE

A.1. Fill in the following table on the company's share capital:

Date of latest amendment	Share capital ()	Number of shares	Number of voting rights
10/09/2007	1,836,504,869.29	3,747,969,121	3,747,969,121

Indicate if there are different classes of shares with different rights associated to them:

NO

A.2. List the direct and indirect owners of significant holdings in your company at year end, excluding directors:

Name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
MANUEL JOVE CAPELLAN	0	182,147,774	4.860

Name of indirect owner of holding	Through: Name of direct owner of holding	Number of direct voting rights	% of total voting rights
MANUEL JOVE CAPELLAN	BOURDET INVERSIONES SICAV, S.A.	19,573	0.001

Name of indirect owner of holding	Through: Name of direct owner of holding	Number of direct voting rights	% of total voting rights
MANUEL JOVE CAPELLAN	INVERAVANTE INVERSIONES UNIVERSALES, S.L.	182,128,201	4.859

Indicate the most significant movements in the shareholding structure during the year:

A.3. Fill in the following tables with the members of the company's board of directors with voting rights on company shares:

Name of director (person or company)	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
FRANCISCO GONZALEZ RODRIGUEZ	316,411	1,555,104	0.050
ANGEL CANO FERNANDEZ	277,153	0	0.007
CARLOS LORING MARTINEZ DE IRUJO	39,780	0	0.001
DON ENRIQUE MEDINA FERNANDEZ	32,262	1,214	0.001
IGNACIO FERRERO JORDI	2,916	52,126	0.001
JOSE ANTONIO FERNANDEZ RIVERO	50,805	0	0.001
JOSE MALDONADO RAMOS	61,053	0	0.002
JUAN CARLOS ALVAREZ MEZQUIRIZ	142,439	0	0.004
RAFAEL BERMEJO BLANCO	26,000	0	0.001
RAMON BUSTAMANTE DE LA MORA	10,302	2,032	0.000
ROMAN KNORR BORRAS	38,335	7,290	0.001
SUSANA RODRIGUEZ VIDARTE	16,781	2,384	0.001
TOMAS ALFARO DRAKE	9,233	0	0.000

Name of indirect owner of holding	Through: Name of direct owner of holding	Number of direct voting rights	% of total voting rights

Name of indirect owner of holding	Through: Name of direct owner of holding	Number of direct voting rights	% of total voting rights
FRANCISCO GONZALEZ RODRIGUEZ	BELEGAR INVERSIONES, S.L.	1,555,104	0.041
IGNACIO FERRERO JORDI	ESEO 20, S.L.	23,675	0.001
IGNACIO FERRERO JORDI	LEMPIRA, SICAV, S.A.	28,451	0.001
SUSANA RODRIGUEZ VIDARTE	BORJA LIZARRAGA RODRIGUEZ	596	0.000
ENRIQUE MEDINA FERNANDEZ	DESPACHO LEGAL, S.L.	793	0.000
ENRIQUE MEDINA FERNANDEZ	HORTENSIA MALO GONZALEZ	421	0.000
SUSANA RODRIGUEZ VIDARTE	JAIME LIZARRAGA RODRIGUEZ	596	0.000
RAMON BUSTAMANTE DE LA MORA	JAINALPIRA SICAV, S.A.	2,032	0.000
SUSANA RODRIGUEZ VIDARTE	PATRICIA LIZARRAGA RODRIGUEZ	596	0.000
ROMAN KNORR BORRAS	PILAR ALONSO BERAESTEGUI	6,579	0.000
ROMAN KNORR BORRAS	RETAIL STORES, S.L.	711	0.000
SUSANA RODRIGUEZ VIDARTE	ROCIO LIZARRAGA RODRIGUEZ	596	0.000

% total voting rights held by Board of Directors	0.071
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Fill in the following tables on the members of the Company's Board of Directors that hold rights over Company shares:

Name of director (person or company)	No. direct option rights	No. indirect option rights	No. equivalent shares	% of total voting rights
FRANCISCO GONZALEZ RODRIGUEZ	1,200,000	0	1,200,000	0.032
FRANCISCO GONZALEZ RODRIGUEZ	215,000	0	0	0.006

Name of director (person or company)	No. rights option direct	No. rights option indirect	No. shares equivalent	% of total of rights of vote
ANGEL CANO FERNANDEZ	131,707	0	0	0.004
JOSE MALDONADO RAMOS	29,024	0	0	0.001

A.4. Where applicable, indicate any family, trading, contractual or corporate relationships between holders of significant shareholdings, insofar as the company is aware of them, unless they are of little relevance or due to ordinary commercial traffic and exchange:

A.5. Where applicable, indicate any family, trading, contractual or corporate relationships between holders of significant shareholdings, and the company and/or its group, unless they are of little relevance or due to ordinary commercial traffic and exchange:

A.6. Indicate if any shareholder agreements have been disclosed to the company that affect it under art. 112 of the Securities Market Act. Where applicable, briefly describe them and list the shareholders bound by such agreement:

NO

Indicate whether the company knows the existence of concerted actions amongst its shareholders. If so, describe them briefly.

NO

If there has been any alteration or breakdown of said pacts or agreements or concerted actions, indicate this expressly:

A.7. Indicate whether any person or organisation exercises or may exercise control over the company pursuant to article 4 of the Securities Market Act. If so, identify names:

NO

A.8. Fill in the following tables regarding the company's treasury stock:

At year-end:

Number of direct shares	Number of indirect shares (*)	% total of share capital
8,900,623	7,741,431	0.444

(*) Through:

Name of direct shareholder (person or organisation)	Number of direct shares
BANCO BILBAO VIZCAYA ARGENTARIA, S.A	8,900,623
CORPORACION GENERAL FINANCIERA, S.A.	7,740,902
CONTINENTAL BOLSA,SAB	529

Total	16,642.054
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List significant changes occurring during the year, pursuant to royal decree 1362/2007:

Date of communication	Total direct shares acquired	Total shares indirect acquired	total %of share capital
08/JAN/2009	4,344,599	57,449,112	1.649
16/JAN/2009	13,074,275	57,548,225	1.884
02/FEB/2009	10,525,127	65,703,836	2.034
04/MAR/2009	6,850,358	78,353,896	2.274
03/APR/2009	15,168,185	75,054,878	2.408
20/APR/2009	542,160	10,039,961	0.282
19/MAY/2009	5,026,243	43,722	0.135
22/JUN/2009	16,794,554	4,578,956	0.570

Date of communication	Total direct shares acquired	Total shares indirect acquired	total %of share capital
14/07/2009	10,154,536	3,390,713	0.361
19/08/2009	3,834,073	2,032,156	0.156
02/10/2009	3,025,796	3,990,389	0.187
15/10/2009	1,729,012	7,280,539	0.240
10/11/2009	8,338,080	9,683,790	0.480
16/12/2009	14,816,341	12,605,137	0.731

Capital gain/(loss) on treasury stock divested during the period (k)	-238.203
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A.9. Detail the terms and conditions of the current AGM authorisation to the board of directors to buy and/or transfer treasury stock.

The following is a transcription of the resolution adopted by the Annual General Meeting of Banco Bilbao Vizcaya Argentaria, S.A. shareholders, 13th March 2009, under agenda item seven:

1.- Repealing the part not executed from the resolution adopted at the Annual General Meeting, 14th March 2008, under its agenda item seven, to authorise the Bank, directly or via any of its subsidiaries, for a maximum of eighteen months as of the date of this present AGM, to purchase Banco Bilbao Vizcaya Argentaria, S.A. shares at any time and on as many occasions as it deems appropriate, by any means permitted by law. The purchase may be charged to the year's earnings and/or to unrestricted reserves and the shares may be sold or redeemed at a later date. All this shall comply with article 75 and others of the Companies Act.

2.- To approve the limits or requirements of these acquisitions, which shall be as follows:

- The nominal value of the shares acquired, added to those that the Bank and its subsidiaries already own, may at no time exceed five percent (5%) of the Banco Bilbao Vizcaya Argentaria, S.A. share capital, or, where applicable, the maximum amount authorised under prevailing legislation at any time. In all cases, such acquisition will respect the limits on treasury stock established by the regulatory authorities on the markets where Banco Bilbao Vizcaya Argentaria, S.A. shares are listed for trading.

- A restricted reserve be charged to the Bank's net total assets on the balance sheet equivalent to the sum of treasury stock booked under Assets. This reserve must be maintained until the shares are sold or redeemed.

- The shares purchased must be fully paid up.

- The purchase price will not be below the nominal price nor more than 20% above the listed price or any other price associated to the stock on the date of purchase. Operations to purchase treasury stock will comply with securities markets' standards and customs.

3.- Express authorisation is given to earmark all or some of the shares purchased by the Bank or any of its subsidiaries hereunder for Company workers, employees or directors when they have an acknowledged right, either directly or as a result of exercising the option rights they hold, as established in the final paragraph of article 75, section 1 of the Companies Act.

4.- Reduce share capital in order to redeem such treasury stock as the Bank may hold on its Balance Sheet, charging this to profits or unrestricted reserves and to the amount which is appropriate or necessary at any time, up to the maximum value of the treasury stock held at any time.

5.- Authorise the board, in compliance with article 30c) of the corporate bylaws, to implement the above resolution to reduce share capital, on one or several occasions and within the maximum period of five years from the date of this AGM, undertaking such procedures, processes and authorisations as necessary or as required by the Companies Act and other applicable provisions. Specifically, the Board is delegated powers, within the deadlines and limits established for the aforementioned implementation, to establish the date(s) of each capital reduction, its timeliness and appropriateness, taking into account market conditions, listed price, the Bank's economic and financial position, its cash position, reserves and business performance and any other factor relevant to the decision. It may specify the amount of the capital reduction; determine where to credit said amount, either to a restricted reserve or to freely available reserves, where relevant, providing the necessary guarantees and complying with legally established requirements amend article 5 of the company bylaws to reflect the new figure for share capital; request de-listing of the redeemed stock and, in general, adopt such resolutions as necessary regarding this redemption and the consequent capital reduction, designating the people able to formalise these actions.'

A.10 Indicate, where applicable, any legal or bylaw restriction on the exercise of voting rights, and legal restriction on the acquisition and/or transfer of shares in the company's capital. Indicate whether there are any legal restrictions on the exercise of voting rights:

NO

Maximum percentage of voting rights that a shareholder may exercise under the legal restriction	0
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Indicate whether there are any bylaw restrictions on the exercise of voting rights:

NO

Maximum percentage of voting rights that a shareholder may exercise under a bylaw restriction	0
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Indicate whether there are legal restrictions on the acquisition or transfer of shares in the company's capital:

YES

Description of the legal restrictions on the acquisition or transfer of shares in the company's capital:
Compliant with the provisions of articles 56 and following in Act 26/1988, 9th July, on discipline and oversight in financial institutions, amended by Act 5/2009, 29th June, which establishes that any individual or corporation, acting alone or in concert with others, intending to directly or indirectly acquire a significant holding in a Spanish financial institution (as defined in article 56 of the aforementioned Act 26/1988) or to directly or indirectly increase their holding in one in such a way that either the percentage of voting rights or of capital owned were equal to or more than 20, 30 or 50%, or by virtue of the acquisition, might take control over the financial institution, must first notify the Bank of Spain. The Bank of Spain will have 60 working days after the date on which the notification was received, to evaluate

Description of the legal restrictions on the acquisition or transfer of shares in the company's capital:
the transaction and, where applicable, challenge the proposed acquisition on the grounds established by law.

A.11. Indicate whether the General Meeting has approved measures to neutralise a public takeover bid, pursuant to Act 6/2007.

NO

If so, explain the measures approved and the terms and conditions under which the restrictions would become inefficient:

B - THE COMPANY'S GOVERNANCE STRUCTURE

B.1. Board of Directors

B.1.1. List the maximum and minimum number of directors established in the bylaws:

Maximum number of directors	15
Minimum number of directors	5

B.1.2. Fill in the following table on the board members:

Name of the director	Representative	Post in Board	Date First appointment	Date Last appointment	Election Procedures
FRANCISCO GONZALEZ RODRIGUEZ	BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	CHAIRMAN & COO	28/01/2000	26/02/2005	VOTE IN GENERAL MEETING
ANGEL CANO FERNANDEZ	BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	PRESIDENT & COO	29/09/2009	29/09/2009	COOPTION
CARLOS LORING MARTINEZ DE IRUJO	BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	DIRECTOR	28/02/2004	18/03/2006	VOTE IN GENERAL MEETING

Name of the director	Representative	Post in Board	Date First appointment	Date Last appointment	Election Procedures
DON ENRIQUE MEDINA FERNANDEZ	BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	DIRECTOR	28/JAN/2000	13/MAR/2009	VOTE IN GENERAL MEETING
IGNACIO FERRERO JORDI	BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	DIRECTOR	28/JAN/2000	26/FEB/2005	VOTE IN GENERAL MEETING
JOSE ANTONIO FERNANDEZ RIVERO	BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	DIRECTOR	28/FEB/2004	13/MAR/2009	VOTE IN GENERAL MEETING
JOSE MALDONADO RAMOS	BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	DIRECTOR	28/JAN/2000	13/MAR/2009	VOTE IN GENERAL MEETING
JUAN CARLOS ALVAREZ MEZQUIRIZ	BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	DIRECTOR	28/JAN/2000	18/MAR/2006	VOTE IN GENERAL MEETING
RAFAEL BERMEJO BLANCO	BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	DIRECTOR	16/MAR/2007	16/MAR/2007	VOTE IN GENERAL MEETING
RAMON BUSTAMANTE DE LA MORA	BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	DIRECTOR	28/JAN/2000	26/FEB/2005	VOTE IN GENERAL ACCIONISTAS
ROMAN KNORR BORRAS	BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	DIRECTOR	28/MAY/2002	14/MAR/2008	VOTE IN GENERAL MEETING
DOÑA SUSANA RODRIGUEZ VIDARTE	BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	DIRECTOR	28/MAY/2002	18/MAR/2006	VOTE IN GENERAL MEETING
DON TOMAS ALFARO DRAKE	BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	DIRECTOR	18/MAR/2006	18/MAR/2006	VOTE IN GENERAL MEETING

Total number of directors	13
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Indicate which directors have left their seat on the board during the period:

Name of director (person or company)	Type of directorship at time of severance	Date of leaving

Name of director (person or company)	Type of directorship at time of severance	Date of leaving
RICHARD BREEDEN	INDEPENDENT	13/MAR/2009
JOSE IGNACIO GOIRIGOLZARRI TELLAECHÉ	EXECUTIVE	29/AUG/2009

B.1.3.Fill in the following tables on the Board members and their different kinds of directorship:

EXECUTIVE DIRECTORS

Name of director	Committee that proposed their appointment	Post in organisation of the company
FRANCISCO GONZALEZ RODRIGUEZ	--	CHAIRMAN & CEO
ANGEL CANO FERNANDEZ	--	PRESIDENT & COO

Total number of executive directors	2
% of total directors	15.385

EXTERNAL NOMINEE DIRECTORS

INDEPENDENT EXTERNAL DIRECTORS

Name of director (person or company)

CARLOS LORING MARTINEZ DE IRUJO

Profile

CHAIRMAN OF THE BOARD'S APPOINTMENTS & REMUNERATION COMMITTEE. SPECIALIST IN CORPORATE GOVERNANCE. OTHER RELEVANT POSTS: PARTNER AT ABOGADOS GARRIGUES LAW FIRM.

READ LAW AT UNIVERSIDAD COMPLUTENSE DE MADRID

Name of director (person or company)

ENRIQUE MEDINA FERNANDEZ

Profile

STATE ATTORNEY ON SABBATICAL. OTHER RELEVANT POSTS: WORKED IN DIFFERENT FINANCIAL INSTITUTIONS. DEPUTY CHAIRMAN OF GINÉS NAVARRO CONSTRUCCIONES UNTIL IT MERGED TO BECOME GRUPO ACS.

READ LAW AT UNIVERSIDAD COMPLUTENSE DE MADRID

Name of director (person or company)

IGNACIO FERRERO JORDI

Profile

MANAGING DIRECTOR OF NUTREXPA Y LA PIARA.
CHAIRMAN OF ANETO NATURAL.
READ LAW AT UNIVERSIDAD DE BARCELONA.

Name of director (person or company)

JOSE ANTONIO FERNANDEZ RIVERO

Profile

CHAIR OF APPOINTMENTS & REMUNERATION COMMITTEE.
OTHER RELEVANT POSTS: GENERAL MANAGER OF THE GROUP UNTIL JANUARY 2003. HAS BEEN
DIRECTOR REPRESENTING BBVA ON THE BOARDS OF: TELEFÓNICA, IBERDROLA, BANCO DE
CRÉDITO LOCAL, AND CHAIRMAN OF ADQUIRA.
READ ECONOMICS AT UNIVERSIDAD DE SANTIAGO DE COMPOSTELA

Name of director (person or company)

JUAN CARLOS ALVAREZ MEZQUIRIZ

Profile

MANAGING DIRECTOR OF GRUPO EULEN, S.A.
READ ECONOMIC AND BUSINESS SCIENCES AT UNIVERSIDAD COMPLUTENSE DE MADRID.

Name of director (person or company)

RAFAEL BERMEJO BLANCO

Profile

CHAIR OF AUDIT & COMPLIANCE COMMITTEE. CHAIRMAN OF INSTITUTO DE
CREDITO OFICIAL (1978-1982). TECHNICAL COMPANY SECRETARY AND
GENERAL MANAGER OF BANCO POPULAR (1999-2004).
READ INDUSTRIAL ENGINEERING AT ETS MADRID

Name of director (person or company)

RAMON BUSTAMANTE DE LA MORA

Profile

WAS DIRECTOR AND GENERAL MANAGER AND NON-EXECUTIVE VICE-PRESIDENT OF ARGENTARIA,
AND CHAIRMAN OF UNITARIA.
OTHER RELEVANT POSTS: VARIOUS POSTS OF RESPONSIBILITY IN BANESTO;
READ ECONOMIC AND BUSINESS SCIENCES AT UNIVERSIDAD COMPLUTENSE DE MADRID.

Name of director (person or company)

ROMAN KNORR BORRAS

Profile

CHAIRMAN OF THE OFFICIAL ALAVA CHAMBER OF COMMERCE AND INDUSTRY SINCE MARCH 2006.
OTHER RELEVANT POSTS: WAS CHAIRMAN OF THE BASQUE INDUSTRIAL CONFEDERATION,
(CONFEBASK) AND MEMBER OF EXECUTIVE COMMITTEE AND MANAGEMENT BOARD OF SPANISH
INDUSTRIAL CONFEDERATION (CEOE).
STUDIED COMMERCIAL MANAGEMENT, MARKETING AND ADVERTISING IN VARIOUS INSTITUTIONS IN
SAN SEBASTIAN AND BARCELONA

Name of director (person or company)

SUSANA RODRIGUEZ VIDARTE

Profile

WAS DEAN OF THE ECONOMIC AND BUSINESS SCIENCES FACULTY, "LA COMERCIAL",
DEUSTO UNIVERSITY 1996-2009. IS MEMBER OF THE ACCOUNTS & ACCOUNTS AUDITING INSTITUTE
DOCTOR IN ECONOMIC AND BUSINESS SCIENCES FROM DEUSTO UNIVERSITY.

Name of director (person or company)

TOMAS ALFARO DRAKE

Profile

DIRECTOR OF THE DEGREE COURSE ON BUSINESS MANAGEMENT AND ADMINISTRATION AT UNIVERSIDAD FRANCISCO DE VITORIA SINCE 1998.
READ ENGINEERING AT ICAI

Total number of independent directors	10
% of total directors	76.923

OTHER EXTERNAL DIRECTORS

Name of director (person or company)	Committee proposing appointment
JOSE MALDONADO RAMOS	—

Total number of other external directors	1
% of total directors	7.692

Detail the reasons why they cannot be considered shareholder-nominated or independent directors and their affiliations with the company or its management or its shareholders.

Name of director (person or company)

JOSE MALDONADO RAMOS

Company, manager or shareholder with whom affiliated

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

Reasons

Mr José Maldonado Ramos was Company and Board Secretary of BBVA until 22nd December 2009, when the Board resolved his retirement as executive in the Company. Thus, pursuant to article 1 of the Board Regulations, Mr Maldonado is an external director of the Bank.

Indicate any changes that may have occurred during the period in the type of directorship of each director:

Name of director (person or company)	Date of change	Previous condition	Current condition
JOSE MALDONADO RAMOS	22/DEC/2009	EXECUTIVE	OTHER EXTERNAL

B.1.4. Explain, where applicable, the reasons why nominee directors have been appointed at the behest of a shareholder whose holding is less than 5% of the capital.

Indicate whether formal petitions for presence on the board have been ignored from shareholders whose holding is equal to or higher than others at whose behest Nominee directors were appointed. Where applicable, explain why these petitions have been ignored.

NO

B.1.5. Indicate if any director has stood down before the end of his/her term in office, if the director has explained his/her reasons to the board and through which channels, and if the director sent a letter of explanation to the entire board, explain below, at least the reasons that he/she gave:

YES

Name of shareholder

JOSE IGNACIO GOIRIGOLZARRI TELLAECHÉ

Reason for leaving

Pursuant to the provisions of article 4 of the Board Regulations, on 29th September 2009, the former president & COO submitted a letter to all the Board members informing them of his intention to agree his early retirement as president & COO with the Bank and, consequently, present his resignation as director. The Board was notified of this letter at its meeting that same day, when it resolved the early retirement as president & COO of Mr José Ignacio Goirigolzarri Tellaeche who, consequently, presented his resignation as director with the Bank. This event was reported to the securities market authority (CNMV) as a Relevant Event filing.

B.1.6. Indicate any powers delegated to the managing directors(s):

Name of director (person or company)

ANGEL CANO FERNANDEZ

Brief description

HOLDS BROAD RANGING POWERS OF REPRESENTATION AND ADMINISTRATION IN KEEPING WITH THE CHARACTERISTICS AND NEEDS OF THE POST OF PRESIDENT & COO IN THE COMPANY THAT HE OCCUPIES

Name of director (person or company)

FRANCISCO GONZALEZ RODRIGUEZ

Brief description

HOLDS BROAD RANGING POWERS OF REPRESENTATION AND ADMINISTRATION IN KEEPING WITH THE CHARACTERISTICS AND NEEDS OF THE POST OF CHAIRMAN & CEO IN THE COMPANY THAT HE OCCUPIES

B.1.7. Identify any members of the Board holding posts as directors or managers in other companies that form part of the listed company's group:

Director's name (person or organisation)	Name of the Group company	Post
FRANCISCO GONZALEZ RODRIGUEZ	BBVA BANCOMER. S.A.	DIRECTOR
FRANCISCO GONZALEZ RODRIGUEZ	GRUPO FINANCIERO BBVA BANCOMER. S.A. DE C.V.	DIRECTOR
ANGEL CANO FERNANDEZ	BBVA BANCOMER. S.A.	DIRECTOR
ANGEL CANO FERNANDEZ	CHINA CITIC BANK CORPORATION LIMITED (CNCB)	DIRECTOR
ANGEL CANO FERNANDEZ	GRUPO FINANCIERO BBVA BANCOMER. S.A. DE C.V.	DIRECTOR

B.1.8. List, where applicable, any company directors that sit on boards of other companies publicly traded in Spain outside the group, of which the company has been informed:

B.1.9. Indicate and, where applicable, explain whether the company has established rules on the number of boards on which its directors may sit:

YES

Explanation of the rules
<p>Article 11 of the Board Regulations establishes that in the performance of their duties, directors shall be subject to the incompatibility regime established under current legislation and in particular under Act 31/1968, 27th July, on senior-management incompatibilities in the private-sector banking industry. This establishes the maximum number of boards to which a bank director may belong.</p> <p>Directors shall not provide professional services to companies competing with the Bank or of any of its Group companies. They shall not agree to be an employee, manager or director of such companies unless they have received express prior authorisation from the Board of Directors or unless these activities had been provided or conducted before they joined the Bank Board and they had informed the Bank of them at that time.</p> <p>Directors of the Bank shall not hold office in any company in which it holds an interest or in any company of its Group.</p> <p>By way of exception, executive directors may, at the proposal of the Bank, take up directorships in companies directly or indirectly controlled by the Bank with the approval of the Executive committee, and in other associate companies with the approval of the Board of Directors. Loss of the office of executive director carries an obligation to resign from any office in a subsidiary or associate company that is held by virtue of such directorship.</p> <p>Non-executive directors may hold office in the Bank's associate companies or in any other Group company provided this is not related to the Group's holding in such companies and after prior approval from the Bank's board of directors.</p>

B.1.10. Regarding the recommendation no. 8 of the Unified Code, list the general strategies and policies in the company that the board reserves for plenary approval:

The investment and funding policy	YES
The definition of how the Group companies are structured	YES
The corporate governance policy	YES
The corporate social responsibility policy	YES
The strategic or business plan and the annual management and budgetary targets	YES
The policy for senior managers' remuneration and performance assessment	YES
The policy for overseeing and managing risks, and the periodic monitoring of the internal information and oversight systems.	YES
The pay-out policy and the treasury-stock policy, especially their limits	YES

B.1.11 Fill in the following tables on the aggregate remuneration of directors accruing during the year:

a) In the company covered in this report:

Remuneration item	Data in thousand euros
Fixed remuneration	7,701
Variable remuneration	8,348
Per diem	0
Bylaw perquisites	0
Share and other financial options	7,233
Others	875

Total	24,157
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Other benefits	Data in thousand euros
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Other benefits	Data in thousand euros
Advances	0
Credits granted	806
Funds and pension schemes: Contributions	0
Funds and pension schemes Obligations contracted	175,713
Life-insurance premiums	0
Guarantees constituted by the company for the directors	0

b) For company directors sitting on other boards of directors and/or belonging to the senior management of group companies:

Remuneration item	Data in thousand euros
Fixed remuneration	0
Variable remuneration	0
Per diem	0
Bylaw perquisites	0
Share and other financial options	0
Other	0

Total	0
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Other benefits	Data in thousand euros
Advances	0
Credits granted	0
Funds and pension schemes: Contributions	0
Funds and pension schemes Obligations contracted	0
Life-insurance premiums	0
Guarantees constituted by the company for the directors	0

c) Total remuneration by type of directorship:

Type of directorship	By company	By group
Executives	20,150	0
External nominee directors	0	0
Independent external directors	4,007	0
Other external directors	0	0
total	24,157	0

d) Regarding the attributable profit of the dominant company

Total remuneration of all directors (k)	24,157
Total remuneration all directors/attributable profit of dominant company (expressed as %)	0.6

B.1.12 Identify the members of the senior management that are not also executive directors, and indicate the total remuneration accruing to their name during the year:

Name (individuals or companies)	Post
VICENTE RODERO RODERO	SOUTH AMERICA
JUAN ASUA MADARIAGA	SPAIN & PORTUGAL
EDUARDO ARBIZU LOSTAO	LEGAL SERVICES, TAX SERVICES, AUDIT & COMPLIANCE
JOSE MARIA GARCÍA MEYER-DOHNER	UNITED STATES
MANUEL GONZALEZ CID	FINANCE DEPARTMENT
JOSE BARREIRO HERNANDEZ	WHOLESALE BANKING/ASSET MANAGEMENT
IGNACIO DESCHAMPS	MEXICO
JUAN IGNACIO APOITA GORDO	HUMAN RESOURCES & SERVICES

Name (individuals or companies)	Post
GREGORIO PANADERO ILLERA	COMMUNICATION & BRANDING
RAMÓN MARÍA MONELL VALLS	INNOVATION & TECHNOLOGY
CARLOS TORRES VILA	CORPORATE STRATEGY & DEVELOPMENT
DON MANUEL CASTRO ALADRO	RISKS

Total remuneration senior management (k)	24,501
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B.1.13 Identify on an aggregate basis whether there are ring-fencing or guarantee clauses in the event of severance or changes of control in favour of members of the senior management, including executive directors, of the company or of its group. Indicate whether these contracts must be disclosed and/or approved by the company or group governance bodies:

Number of beneficiaries	11
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	Board of Directors	General Meeting
Body authorising the clauses	YES	NO

Is the AGM informed of the clauses?	YES
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B.1.14. Indicate the process to establish remuneration of board members and the relevant bylaw clauses.

Process to establish remuneration of board members and the relevant bylaw clauses
<p>The remuneration system for the board members' pay as directors has to be approved by the board, pursuant to article 33 of the Board Regulations, at the proposal of the Appointments & Remuneration committee, made up by external directors.</p> <p>Section b) of article 17 of the board regulations establishes that the board reserves the powers to approve the directors' remuneration and any additional remuneration to executive directors for executive responsibilities and other terms and conditions that their contracts must include.</p> <p>Article 53 of the BBVA bylaws "Application of earnings" establishes the following:</p> <p>"From the proceeds obtained during the financial year, the net profit shall be calculated by deducting all general expenses, interest, bonuses and taxes, as well as any sums that must be charged to provisions and depreciation.</p>

Process to establish remuneration of board members and the relevant bylaw clauses

The resulting profit, after the allocations referred to in the previous paragraph, will be distributed in the following order:

- a) Appropriations to the reserves and provisions required by current legislation and, as may be the case, the minimum dividend contemplated in article 13 of the bylaws.
- b) Four per cent of the paid-up capital, at least, as a dividend for shareholders, in accordance with article 130 of the Companies Act.
- c) Four per cent of the paid-up capital as remuneration for the services of the board of directors and of the Executive committee, except where the board resolves to reduce that percentage participation in those years when it considers it appropriate to do so. The resulting figure shall be at the disposal of the board of directors for distribution amongst its members at such time, in such manner and in such proportion as the board may determine. The payment of said sum may be made in cash or, following an AGM resolution pursuant to the Companies Act, in shares or share options or through remuneration indexed to the value of the shares.

The said sum may only be drawn after the shareholders have been allocated the minimum dividend of four per cent indicated in the previous paragraph.

Article 50 b of the BBVA bylaws establishes the following for executive directors:

Article 50 b

Directors who have provided services in the company attributed to them, whatever the nature of their legal relation with it, will be entitled to receive remuneration for the provision of these services. This will consist of: a fixed sum, adequate to the services and responsibilities assumed, a variable complementary sum and the incentive schemes established with a general nature for the bank's senior management, which may comprise the delivery of shares, or option rights to these or remuneration indexed to the value of the shares subject to the requirements laid down in the legislation in force at any time. And also a benefit part, which will include the relevant retirement and insurance schemes and social security. In the event of severance not due to dereliction of duties, the directors will be entitled to compensation.

Thus, the Bank's General Meeting of shareholders, 13th March 2009, adopted a Multi-annual Variable Remuneration Programme in Shares for 2009 and 2010. The Programme allocates each beneficiary (members of the senior management, including executive directors and members of the BBVA Management committee) a number of units, in accordance with their levels of responsibility, which, at the end of the Programme may give rise to the delivery of ordinary shares in BBVA as a function of BBVA's TSR performance benchmarked against a peer group.

Under the BBVA Board Regulations, the Appointments & Remuneration committee has powers to determine the extent and amount of the remuneration, entitlements and other economic rewards for the chairman, the chief operating officer and other executive directors of the Bank, so that these can be submitted to the Board of Directors.

The Appointments & Remuneration committee, which must comprise only external directors (and currently comprises only independent directors), annually determines the updating of the fixed and variable remuneration of the executive directors and establishes the targets applicable to them in order to determine the variable remuneration. This is later approved by the Board of Directors. Pursuant to article 53 of the Board Regulations, the Board of Directors adopted a remuneration system for the Company directors that is not applicable to the executive directors. The system determines a

Process to establish remuneration of board members and the relevant bylaw clauses

fixed amount for the directorship, valuing the responsibility, dedication and incompatibilities the directorship entails. It also comprises another fixed amount for the members of the different committees, valuing the responsibility, dedication and incompatibilities sitting on these committees entails, applying a heavier weighting to the post of chairman on each committee

The AGM, 18th March 2006, adopted a remuneration system with deferred delivery, comprising the annual allocation over five years of "theoretical BBVA shares" to non-executive directors in the Bank, as part of their pay, which will be delivered, where applicable, on the date on which they cease to be directors for any cause other than serious dereliction of duty

State whether the board in full has reserved powers to approve the following resolutions.

At the proposal of the Company's chief executive officer, the appointment and possible separation of senior managers from their posts, as well as their compensation clauses.	YES
Directors' remuneration and any additional remuneration to executive directors for executive responsibilities and other terms and conditions that their contracts must include.	YES

B.1.15. Indicate whether the board of directors approves a detailed remuneration policy and explain on which issues it pronounces its opinion:

YES

Amount of the fixed components, with breakdown, where applicable, for per diem payments for attending the board and its committee meetings and an estimate of the fixed annual remuneration ensuing on this	YES
Variable remuneration items	YES
Main specifications of the pension schemes, with an estimate of their amount or equivalent annual cost.	YES
Conditions that the contracts of executive directors in senior management must respect	YES

B.1.16 Indicate whether the Board puts to vote at the General Meeting, as a separate item on the agenda, and by way of consultation, a report on the directors' remuneration. If so, explain the aspects of the report with respect to the remuneration policy adopted by the Board for future years, the most significant changes in such policies compared to those applied during the year and an overall summary of how the remuneration policy was applied during the year. Give details of the role played by the Remuneration Committee and if any external advisory services were used, the identity of the external consultants:

NO

Matters governed by remuneration policy
<p>Article 33 of the Board Regulations establishes that the Appointments & Remuneration committee shall submit an annual report to the board on the directors' pay policy. This report is approved by the board of directors and made available to the shareholders when the call to meeting is published</p> <p>The report contains explanations on the general principles behind the BBVA directors' pay policy, the system for remunerating executive directors, which includes both fixed and variable pay, long-term rewards, distribution of total annual remuneration, corporate pension and annuity system and other remunerations; the main characteristics of the executive directors' contracts with BBVA; the remuneration system for non-executive directors of BBVA, including their fixed remuneration and the remuneration scheme for remuneration through deferred delivery of shares; the evolution of the total remuneration of the Board and future policy, thereby offering maximum transparency in this matter.</p> <p>However, given that Spanish legislation does not establish how a consultation vote at a general meeting would operate, the Board Regulations do not recognise it as a possibility.</p>

Role of the Remuneration Committee
<p>The duties of the Appointments & Remuneration committee regarding remuneration are covered in the Board Regulations. They are as follows:</p> <ul style="list-style-type: none"> - It proposes the remuneration system for the Board of Directors as a whole, in accordance with the principles established in the Company's bylaws. This system shall deal with the system's items, amounts and method of payment. - Determine the extent and amount of the remuneration, entitlements and other economic rewards for the chairman, the chief operating officer and other executive directors of the Bank, so that these can be reflected in their contracts. The committee's proposals on such matters shall be submitted to the Board of Directors. - Submit an annual report on the directors remuneration policy to the board of directors. - Report the appointments and severances of senior managers and propose senior-management remuneration policy to the Board, along with the basic terms and conditions for their contracts.

Has the Company used external consultants?	YES
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Identity of external consultants.
Towers Watson

B.1.17 Indicate, where applicable, the identity of board members who also sit on boards or form part of the management of companies that hold significant shareholdings in the listed company and/or in its group companies:

Where applicable, list the relevant relationships other than those covered in the previous point, between members of the Board of Directors and any significant shareholders and/or companies within its group:

B.1.18. Indicate whether during the year there has been any change in the board regulations:

NO

B.1.19. Indicate procedures for appointment, re-election, evaluation and removal of directors. List the competent bodies, the procedures to be followed and the criteria to be employed in each procedure.

Appointment:

Articles 2 and 3 of the Board Regulations stipulate that members shall be appointed to the Board by the General Meeting without detriment to the Board's right to co-opt members in the event of any vacancy.

In any event, persons proposed for appointment as directors must meet the requirements of applicable legislation in regard to the special code for financial entities, and the provisions of the Company's bylaws.

The Board of Directors shall put its proposals to the Company AGM in such a way that there is an ample majority of external directors to executive directors on the Board and that the number of independent directors accounts for at least one third of the total seats.

Proposals put by the Board to the AGM for appointment or re-election of directors and its resolutions to co-opt directors shall be approved at the proposal of the Appointments & Remuneration committee in the case of independent directors and following a report from said committee for all other directors.

The Board's resolutions and deliberations on these matters shall take place in the absence of the director whose re-election is proposed. If the director is at the meeting, she/he must leave.

Directors shall work out the term defined by the Company's bylaws under a resolution passed by the AGM. If they have been co-opted, they shall work out the term of office remaining to the director whose vacancy they have covered through co-option, unless a proposal is put to the AGM to appoint them for the term of office established under the Company's bylaws.

Re-election:

SEE PREVIOUS SECTION

Evaluation:

Article 17 of the Board Regulations indicates that the Board of Directors shall be responsible for assessment of the quality and efficiency in the operation of the Board and its committees, on the basis of the reports that said committees submit.

Also assessment of the chairman of the Board's performance of his/her duties and, where pertinent, of the Company's chief executive officer, on the basis of the report submitted by the Appointments & Remuneration committee.

Moreover, article 5 of the Board Regulations establishes that the chairman, who is charged with the efficient running of the board, will organise and coordinate with the chairs of the relevant committees to carry out periodic assessment of the board, and of the chief executive officer of the Bank, should it not be one and the same with the chairman of the board.

Severance:

Directors shall resign their office when the term for which they were appointed has expired, unless they are re-elected.

Directors must apprise the board of any circumstances affecting them that might harm the Company's reputation and credit and, in particular, of any criminal charges brought against them, and any significant changes that may arise in their standing before the courts.

Directors must place their directorship at the disposal of the board and accept its decision regarding their continuity in office. If its decision is negative, they are obliged to tender their resignation under the circumstances listed in section B.1.20 below.

Directors will resign their positions on reaching 70 years of age. They must present their resignation at the first meeting of the Bank's board of directors after the General Meeting that approves the accounts for the year in which they reach this age.

B.1.20. Indicate the circumstances under which directors are obliged to resign.

Article 12 of the BBBVA Board Regulations establishes that 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 affected by circumstances of incompatibility or prohibition as defined under prevailing legislation, in the Company's bylaws or in the director's charter.
- When significant changes occur in their professional situation or that may affect the condition by virtue of which they were appointed to the Board.
- When they are in serious dereliction of their duties as directors.
- When the director, acting as such, has caused severe damage to the Company's assets or its reputation or credit, and/or no longer displays the commercial and professional honour required to hold a Bank directorship.

B.1.21. Explain whether the role of chief executive officer in the company is played by the chairman of the board. If so, indicate the measures taken to limit the risks of accumulating powers in a single person

YES

Measures to limit risks
Article 5 of the Board Regulations establishes that the chairman of the board shall also be the Bank's chief executive officer unless the Board resolves to separate the posts of chairman and chief executive officer on the grounds of the Company's best interests.
Under the company bylaws, the chairman shall, in all cases, shall be the highest-ranking representative of the Company.

Measures to limit risks

However, under article 45 and 46 of the bylaws, the Company has an Executive committee with the following powers:

"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 transactions, 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."

Likewise, article 49 of the bylaws establishes that the Company has a president and chief operating officer. He/she has broad-ranging powers delegated by the Board, with the powers inherent to this post to administer and represent the Company. The heads of all the Company's business areas and the Company's support areas report to him/her.

Finally, the Board has the support of various committees to help it better perform its duties. These include the Audit & Compliance committee, the Appointment and Remuneration committee and the Risks committee. They help the Board on issues corresponding to business within the scope of their powers. Their composition and the rules governing their organisation and working are given in section B.2.3.

Indicate and, as applicable, explain if rules have been established to empower one of the independent directors to request board meetings be called or new items be included on the agenda, to coordinate and voice the concerns of external directors and direct the evaluation by the Board of Directors

NO

B.1.22. Are reinforced majorities required, other than the legal majorities, for any type of resolution?

NO

Indicate how resolutions are adopted in the board of directors, giving at least the minimum quorum for attendance and the type of majorities required to adopt resolutions:

Description of resolution :

1) Appointment of an Executive committee and appointment of President & Chief Operating Officer

Quorum	%
Half plus one of its members, present or represented	50.01

Type of majority	%
Favourable vote of 2/3 of members	66.66

Description of resolution :

Other resolutions

Quorum	%
Half plus one of its members, present or represented	50.01

Type of majority	%
Absolute majority of votes present or represented.	50.1

B.1.23. Explain whether there are specific requirements, other than those regarding directors, to be appointed chairman?

NO

B.1.24. Indicate whether the chairman has a casting vote:

NO

B.1.25. Indicate whether the bylaws or the Board regulations establish any age limit for directors:

YES

Age limit for chairman	Age limit for managing director	Age limit for directors
0	0	70

B.1.26. Indicate whether the bylaws or the Board regulations establish any limit for independent directors' term of office:

YES

Maximum number of years in office	12
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B.1.27. If there are few or no female directors, explain the reasons and the initiatives adopted to correct the situation

Explanation of reasons and initiatives
Article 3 of the board regulations establishes that the proposals that

Explanation of reasons and initiatives

the board submits to the Company's General Meeting for the appointment or re-election of directors and the resolutions to co-opt directors made by the board of directors shall be approved at the proposal of the Appointments & Remuneration committee in the case of independent directors and on the basis of a report from said committee in the case of all other directors.

The Board's resolutions and deliberations on these matters shall take place in the absence of the director whose re-election is proposed. If the director is at the meeting, she/he must leave.

The Appointments & Remuneration committee is tasked with formulating and providing information for the proposals to appoint and re-elect directors.

To such end, the committee shall evaluate the skills, knowledge and experience that the Board requires, as well as the conditions that candidates should display to fill the vacancies arising, assessing the dedication necessary to be able to suitably perform their duties in light of the needs that the Company's governing bodies may have at any time.

The committee shall ensure that when filling new vacancies, the selection procedures are not marred by implicit biases that may hinder the selection of female directors, trying to ensure that if there are few or no women on the Board, women who display the professional profile being sought after are included on the shortlists.

In particular, indicate whether the Appointments & Remuneration committee has established procedures to ensure there are no implicit biases hindering the selection of female directors, and deliberately seeks candidates meeting the required profile:

NO

B.1.28. Indicate whether there are formal processes for delegating votes on the Board of directors. If so, describe them briefly.

The BBVA Board Regulations establishes that directors are obliged to attend the meetings of corporate bodies and the meetings of the board committees on which they sit, unless for a justifiable reason. Directors shall participate in the discussions and debates on matters submitted for their consideration.

However, article 21 of the Board Regulations establishes that should it not be possible for a director to attend any of the Board meetings, she or he may give a proxy to another director to represent and vote for her or him. This shall be done by a letter, fax, telegram or electronic mail sent to the Company with the information required for the proxy director to be able to follow the absent director's indications.

B.1.29. Indicate the number of meetings the Board of Directors has held during the year. Where applicable, indicate how many times the board has met without the chairman in attendance:

Number of board meetings	14
Number of board meetings not attended by the chairman	0

Indicate the number of meetings the board's different committees have held during the year.

Number of Executive committee meetings	18
Number of Audit committee meetings	13
Number of Appointments & Remuneration committee meetings	12
Number of Appointments committee meetings	0
Number of Remuneration committee meetings	0

B.1.30. Indicate the number of meetings the Board of Directors has held during the year without the attendance of all its members. In calculating this number, non-attendance shall mean proxies given without specific instructions:

Number of non-attendances by directors during the year	3
% of number of non-attendances to total votes during the year	1,613

B.1.31. Indicate whether the individual and consolidated financial statements presented to the board's approval are certified beforehand:

NO

If so, identify the person(s) who has(have) certified the individual and consolidated financial statements to be filed by the board:

B.1.32. Explain the mechanisms, if any, established by the board of directors to prevent the individual and consolidated financial statements that it files from being presented to the AGM with a qualified auditors' report.

Article 2 of the BBVA audit and compliance committee's regulations establishes that the committee, consisting exclusively of independent directors, shall have the task of assisting the Board of Directors in supervising the BBVA Group's financial statements and in the exercise of its oversight duties for the BBVA Group. The following are included within the scope of its duties: Supervising the sufficiency, adequacy and effectiveness of the internal oversight systems and to ensure the accuracy, reliability, scope and clarity of the financial statements of the Company and its consolidated Group in the annual and quarterly reports. This also applies to the accounting and financial information required by the Bank of Spain or other regulatory bodies of countries where the Group operates.

The Committee shall verify that the audit schedule is being carried out under the service agreement with suitable periodicity, and that it satisfies the requirements of the

competent authorities (in particular the Bank of Spain) and the Bank's governing bodies. The committee will also require the auditors, at least once each year, to assess the quality of the Group's internal oversight procedures.

The committee shall also be apprised of any infractions, situations requiring corrections, or anomalies of relevance that may be detected while the external audit is being carried out. Relevance shall mean any that, on their own or together as a whole, may originate significant material damage or impact on the Group's net worth, earnings or reputation. It is up to the external auditor's discretion to decide what is of relevance and, in the event of any doubt, the auditor shall opt for communication.

B.1.33. Is the company secretary a director?

NO

B.1.34 Explain the procedures for the appointment and severance of the company secretary, indicating whether the appointment and severance have been reported on by the Appointments committee and adopted in the plenary session of the Board.

Appointment and severance procedure	
The BBVA Board Regulations establish that the Board of Directors shall designate a secretary from amongst its members, on the basis of a report from the Appointments & Remuneration committee, unless it resolves to commend these duties to a non-board-member. The same procedure shall be applicable for the separation of the secretary from his or her duties.	

Does the Appointment committee report on his/her appointment	YES
Does the Appointment committee have a say in his/her severance?	YES
Does the board in full approve the appointment?	YES
Does the board in full approve the severance?	YES

Does the secretary of the board have the duty to take special care in overseeing good governance recommendations?

YES

Observations
Article 23 of the Board Regulations establishes that the secretary, as well as performing the duties attributed by law and by the Company bylaws, shall be concerned with the formal and material legality of the Board's actions, ensuring they are in compliance with the Company bylaws, the AGM regulations and the board regulations, and that they take into account any recommendations on good governance that the Company has underwritten at any time.

B.1.35. Indicate what mechanisms the company has established, if any, to preserve the independence of the auditor, the financial analysts, the investment banks and the rating agencies.

The BBVA Audit & Compliance committee regulations establish that this committee's duties, described in section B.2.3.2, include ensuring the independence of the external audit in two senses

- 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.

This matter is subjected to special attention by the Audit committee, which holds periodic meetings with the external auditor, to know the details of the progress and quality of the external audit work. It monitors the engagement of consultancy services to ensure compliance with the Committee's Regulations and the applicable legislation in order to safeguard the independence of the external auditor.

Additionally, BBVA, as its shares are listed on the New York stock exchange, is subject to compliance with the standards established in this respect under the Sarbanes Oxley Act and its ramifications.

B.1.36. Indicate whether the company has changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

NO

Outgoing auditor	Incoming auditor

If there were disagreements with the outgoing auditor, explain their grounds:

NO

B.1.37. Indicate whether the audit firm does other work for the company and/or its group other than the audit. If so, declare the amount of fees received for such work and the percentage of such fees in the total fees charged to the company and/or its group:

YES

	Company	Group	Total
Amount for jobs other than audit (k)	952	1,077	2,029
Amount for jobs other than audit/Total invoiced by audit firm (as %)	12.290	8.520	9.950

B.1.38. Indicate whether the audit report on the annual financial statements for the previous year contained reservations or qualifications. If so, indicate the reasons given by the chairman of the Audit committee to explain the content and scope of such reservations or qualifications.

NO

B.1.39. Indicate the number of years during which the current audit firm has been doing the audit of the financial statements for the company and/or its group without interruption. Indicate the percentage of the number of years audited by the current audit firm to the total number of years in which the annual financial statements have been audited:

	Company	Group
Number of years running	7	7

	Company	Group
Number years audited by current audit firm/no. yrs company has been audited (as %)	77.7	77.7

B.1.40. Indicate the holdings of the company's board members in the capital of institutions that have the same, an equivalent or a supplementary kind of activity to that of the corporate object of the company and its group, that have been communicated to the company. Indicate the posts or duties they exercise in these institutions:

Name (person or organisation) of director	Name of institution	% holding	Post or functions
ENRIQUE MEDINA FERNANDEZ	BANCO POPULAR ESPAÑOL, S.A.	0.000	—
ENRIQUE MEDINA FERNANDEZ	BANKINTER, S.A.	0.000	—
IGNACIO FERRERO JORDI	BNP PARIBAS	0.000	—
RAFAEL BERMEJO BLANCO	BANCO POPULAR ESPAÑOL, S.A.	0.000	—
RAFAEL BERMEJO BLANCO	BANCO SANTANDER, S.A.	0.000	—

B.1.41. Indicate and, where applicable, give details on the existence of a procedure for directors to receive external advisory services:

YES

Details on procedures
<p>Article 6 of the BBVA Board Regulations expressly recognises that the directors have the possibility of requesting any additional information and advice they require to perform their duties, and may request the Board of Directors provide help from experts outside the Bank services in those matters submitted to their consideration that are especially complex or important.</p> <p>The Audit & Compliance committee, pursuant to article 31 of the Board Regulations, may engage 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.</p> <p>Article 34 of the Board Regulations establishes that the Appointments & Remuneration committee may have such advice as may be needed to inform a sound judgement on issues within the scope of its powers and that this shall be arranged through the company secretary.</p>

B.1.42. Indicate and, where applicable, give details on the existence of a procedure for directors to get necessary information to prepare the meetings of the governing bodies with sufficient time:

YES

Details on procedures
<p>Article 6 of the Board Regulations establishes that directors shall dispose of sufficient information to be able to form their own opinions regarding the questions that the Bank's governing bodies are empowered to deal with. They may request any additional information or advice they require to comply with their duties.</p> <p>Exercise of these rights shall be channelled through the chairman and/or secretary of the Board of Directors. The chairman and/or secretary shall attend to requests by providing the information directly or by establishing suitable arrangements within the organisation for this purpose, unless a specific procedure has been established in the regulations governing the Board committees.</p>

B.1.43. Indicate and, where applicable give details, whether the company has established rules obliging directors to inform and, where applicable, resign under circumstances that may undermine the company's credit and reputation:

YES

Explanation of the rules
<p>Article 12 of the Board Regulations states that directors must make the board aware of any circumstances affecting them that might harm the Company's reputation and credit and, in particular, of any criminal charges brought against them, and any significant changes that may arise in their standing before the courts.</p> <p>Directors must place their office at the disposal of the board and accept its decision regarding their continuity in office. Should the board resolve they not continue, they shall accordingly tender their resignation when the director, acting as such, has caused severe damage to the Company's assets or its reputation or credit, and/or no longer displays the commercial and professional honour required to hold a Bank directorship.</p>

B.1.44. Indicate whether any board member has informed the company of being sued or having any court proceedings opened against him or her for any of the offences listed in article 124 of the Companies Act:

NO

Indicate whether the board of directors has analysed the case. If so, explain the grounds for the decision reached as to whether or not the director should remain on the board.

NO

Decision reached	Explanation of grounds

B.2. Board of Directors' Committees

B.2.1. List all the Board of Directors' committees and their members:

EXECUTIVE COMMITTEE

Name	Post	Type
FRANCISCO GONZALEZ RODRIGUEZ	CHAIR	EXECUTIVE
ANGEL CANO FERNANDEZ	MEMBER	EXECUTIVE
ENRIQUE MEDINA FERNANDEZ	MEMBER	INDEPENDENT
IGNACIO FERRERO JORDI	MEMBER	INDEPENDENT
JUAN CARLOS ALVAREZ MEZQUIRIZ	MEMBER	INDEPENDENT
ROMAN KNORR BORRAS	MEMBER	INDEPENDENT

Audit committee

Name	Post	Type
RAFAEL BERMEJO BLANCO	CHAIR	INDEPENDENT
CARLOS LORING MARTINEZ DE IRUJO	MEMBER	INDEPENDENT

Name	Post	Type
RAMON BUSTAMANTE DE LA MORA	MEMBER	INDEPENDENT
SUSANA RODRIGUEZ VIDARTE	MEMBER	INDEPENDENT
TOMAS ALFARO DRAKE	MEMBER	INDEPENDENT

APPOINTMENTS & REMUNERATION COMMITTEE

Name	Post	Type
CARLOS LORING MARTINEZ DE IRUJO	CHAIR	INDEPENDENT
IGNACIO FERRERO JORDI	MEMBER	INDEPENDENT
JUAN CARLOS ALVAREZ MEZQUIRIZ	MEMBER	INDEPENDENT
SUSANA RODRIGUEZ VIDARTE	MEMBER	INDEPENDENT

RISKS

Name	Post	Type
JOSE ANTONIO FERNANDEZ RIVERO	CHAIR	INDEPENDENT
ENRIQUE MEDINA FERNANDEZ	MEMBER	INDEPENDENT
JOSE MALDONADO RAMOS	MEMBER	OTHER EXTERNAL
RAFAEL BERMEJO BLANCO	MEMBER	INDEPENDENT
RAMON BUSTAMANTE DE LA MORA	MEMBER	INDEPENDENT

B.2.2.Mark with a cross the duties assigned to the Audit committee.

Supervise the process used to draft and establish the integrity of the company's and, where applicable the Group's financial reporting, reviewing compliance with regulatory standards, suitable delimitation of the consolidation perimeter and correct application of accounting standards.	YES
Periodically review the systems of internal risk management and oversight to ensure the main risks are identified, managed and sufficiently well known.	YES
Ensure the independence and efficacy of the internal audit; propose the selection, appointment, re-election and severance of the internal audit officer; propose the budget for the service; receive periodic information on their activities; and verify that the senior management pay due heed to the conclusions and recommendations of their reports	YES

Establish and supervise a mechanism to permit employees to report, in a confidential and, if deemed appropriate, anonymous manner, any irregularities that may be important, especially related to finance and accounts, noticed within the company.	YES
Put to the Board the proposals for selection, appointment, re-election and substitution of the external auditor and the terms and conditions of engagement.	YES
Receive regular information from the external auditor on the audit plan and the outcome of its execution, verifying that the senior management takes due note of its recommendations.	YES
Ensure the independence of the external auditor	YES
In the Group, to help the Group auditor take responsibility for the auditing of the companies comprising it.	YES

B.2.3. Give a description of the rules governing the organisation and running of each of the board committees and the responsibilities attributed to each.

Name of committee

APPOINTMENTS & REMUNERATION COMMITTEE

Brief description

B.2.3.3 Appointments & Remuneration Committee

The Appointments & Remuneration committee of the BBVA Board of Directors is tasked to assist the Board on issues regarding the appointment of Bank directors and other issues covered by these regulations. It shall oversee observance of the remuneration policy that the Company establishes.

In this respect, the Board Regulations establishes the following:

Article 32. Composition

The Appointments & Remuneration committee shall consist of at least three members, appointed by the Board of Directors which will also appoint the committee chairman.

All the committee members must be external directors, with a majority of independent directors. Its chairman must be an independent director.

In the absence of the chairman, the sessions shall be chaired by the longest-serving member of the committee and in the event of senior members with equal service, by the oldest.

Article 33. Functions

The functions of the Appointments & Remuneration committee shall be as follows:

1.- 1.-Draw up and report proposals for appointment and re-election of directors under the terms and conditions established in the first paragraph of article 3 above.

To such end, the committee shall evaluate the skills, knowledge and experience that the Board requires, as well as the conditions that candidates should display to fill the vacancies arising, assessing the dedication necessary to be able to suitably perform their duties in light of the needs that the Company's governing bodies may have at any time.

The committee shall ensure that when filling new vacancies, the selection procedures are not marred by

implicit biases that may hinder the selection of female directors, trying to ensure that if there are few or no women on the Board, women who display the professional profile being sought after are included on the shortlists.

Likewise, when drawing up proposals for the appointment and re-election of directors, the committee shall take into account, in case they may be considered suitable, any applications that may be made by any Board member for potential candidates to fill the vacancies.

2.- Should the chairmanship of the board or the post of chief executive officer fall vacant, the committee shall examine or organise, in the manner it deems suitable, the succession of the chairman and/or chief executive officer and put corresponding proposals to the board for an orderly, well-planned succession.

3.- Propose the remuneration system for the Board of Directors as a whole, in accordance with the principles established in the Company's bylaws. This system shall deal with the system's items, amounts and method of payment.

4.- Determine the extent and amount of the remuneration, entitlements and other economic rewards for the chairman, the chief operating officer and other executive directors of the Bank, so that these can be reflected in their contracts. The committee's proposals on such matters shall be submitted to the Board of Directors.

5.- Submit an annual report on the directors remuneration policy to the board of directors.

6.- Report the appointments and severances of senior managers and propose senior-management remuneration policy to the Board, along with the basic terms and conditions for their contracts.

7.- Any others that may have been allocated under these regulations or attributed to the committee by a Board of Directors resolution.

In the performance of its duties, the Appointments & Remuneration committee shall consult with the Company chairman and, where applicable, the chief executive officer via the committee chair, especially with respect to matters related to executive directors and senior managers.

Article 34. Rules of organisation and operation

The Appointments & Remuneration committee shall meet as often as necessary to perform its duties, convened by its chairman or by whomsoever stands in for its chairman in accordance with article 32 above.

The committee may request the attendance at its sessions of persons with positions in the group that are related to the committee's functions. It may also obtain advice as necessary to establish criteria related to its business. This shall be done through the Board secretary.

The system for convening meetings, quorums, the adoption of resolutions, minutes and other details of its operation shall be in accordance with the provisions of these Board of Directors regulations insofar as they are applicable.

Name of committee

EXECUTIVE COMMITTEE

Brief description

B.2.3.1 Executive Committee

Article 26 of the Board Regulations establishes the following:

"In accordance with Company bylaws, the Board of Directors may appoint an Executive committee, once two-thirds of its members vote for it and record of the resolution is duly filed at the Companies Registry. It shall try to ensure that it has a majority of external directors to executive directors

and that independent directors occupy at least one third of the total seats.

The Executive committee shall be chaired by the chairman of the Board of Directors, or when this is not possible, by whomever the Company bylaws determines.

The secretary shall be the company secretary who, if absent, may be substituted by whomever is appointed by the meeting's members."

Article 27 of the Board Regulations establishes the duties of the Executive committee within the company, as follows:

"The Executive committee shall deal with the business that the Board of Directors delegates to it in accordance with prevailing legislation or with the Company's bylaws.

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."

Additionally, article 28 of the Board Regulations establishes the following rules regarding the committee's organisation and running:

"The Executive committee shall meet on the dates indicated in the annual calendar of meetings and when the chairman or acting chairman so decides.

All other aspects of its organisation and operation shall be subject to the provisions these regulations establish for the Board of Directors.

Once the minutes of the meeting of the Executive committee are approved, they shall be signed by the secretary and countersigned by whomever chaired the meeting.

Directors will be given access to the approved minutes of the Executive committee at the beginning of Board meetings, so that they can be aware of the content of its meetings and the resolutions it has passed."

Name of committee

AUDIT COMMITTEE

Brief description

B.2.3.2 Audit & Compliance Committee

The Board Regulations establishes the following: "Article 29.

Composition

The BBVA Audit & Compliance committee shall be formed exclusively by independent directors who are not members of the Bank's Executive committee. They are tasked with assisting the Board of Directors in supervising the financial statements and exercising oversight for the BBVA Group.

It shall have a minimum of four members appointed by the Board in the light of their knowledge and experience in accounting, audit and risk management. One of these shall act as chairman, also by Board appointment.

Members of the committee do not necessarily have to be experts in financial matters but must understand the nature of the Group's businesses and the basic risks associated with it. It is also necessary that they be prepared to apply the judgement skills ensuing from their professional experience.

with an independent and critical attitude. In any event, the committee chairman shall have experience in financial management and shall understand the accounting procedures and standards required by the bodies regulating the sector.

When the chairman cannot be present, his/her duties shall be performed by the most senior member of the committee, and, where more than one person of equal seniority are present, by the oldest.

The committee shall appoint a secretary who may or may not be a committee member but may not be an executive director.

Article 30. Functions

The committee will have the powers established under the Company bylaws, with the following scope:

- 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 supervise the accounting and financial information that the Bank of Spain or other regulators from Spain and abroad may require, including those in countries where the Group operates.
- 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 to ensure that any requests for action or information made by official authorities 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 trading, 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.

As part of this objective scope, the Board shall detail the duties of the committee in specific regulations establishing procedures by which it may perform its mission. These shall supplement the provisions of these regulations.

Article 31. Rules of organisation and operation

The Audit & Compliance committee shall meet as often as necessary to comply with its functions although an annual calendar of meetings shall be drawn up in accordance with its duties.

Executives heading the Accounts & Consolidation, Internal Audit and Regulatory Compliance departments can be invited to attend its 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 engage 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.

The committee may call on the personal co-operation and reports of any employee or member of the management team when it considers that this is necessary to carry out its functions with regard to relevant issues. The usual channel for a request of this nature shall be through the reporting lines of the Company organisation. However, in exceptional cases the request can be notified directly to the person in question.

The system for convening meetings, quorums, the adoption of resolutions, minutes and other details of its operation shall be in accordance with the provisions of these

Board of Directors regulations insofar as they are applicable, and with whatever the specific regulations for this Committee may establish.

Name of committee

RISKS COMMITTEE

Brief description

B.2.3.4 Risks Committee

The Board Regulations establish the following:

Article 35. Composition

The Risks committee shall have a majority of external directors, with a minimum of three members, appointed by the Board of Directors, which shall also appoint its chairman.

If its chairman is absent, its meetings shall be chaired by the longest-serving member of the committee and, in the event of more than one person with equal seniority, by the oldest.

Article 36. Functions

The functions of the Board of Directors' Risks committee shall be as follows:

. Analyse and evaluate proposals related to the Group's risk management and oversight policies and strategy. In particular, these shall identify:

- a) The risk map;
 - b) The setting of the level of risk considered acceptable according to the risk profile (expected loss) and capital map (risk capital) broken down by the Group's businesses and areas of activity;
 - c) The internal information and oversight systems used to oversee and manage risks;
 - d) The measures established to mitigate the impact of risks identified should they materialise.
- . Monitor the match between risks accepted and the profile established.

. Analyse and approve any risks that might compromise the Group's capital adequacy or recurrence of its earnings in view of their size or might entail operational or reputation risk.

. Check that the Group possesses the means, systems, structures and resources benchmarked against best practices to allow implementation of its risk management strategy.

Article 37. Rules of organisation and operation

The Risks committee shall meet as often as necessary to comply with its duties, convened by its chairman or by whomever stands in for its chairman in accordance with the provisions of the previous item although an annual calendar of meetings shall be drawn up in accordance with its tasks.

The system for convening meetings, quorums, the adoption of resolutions, minutes and other details of its operation shall be in accordance with the provisions of these Board of Directors regulations insofar as they are applicable, and whatever is established in the specific regulations of this Committee.

B.2.4. Indicate the powers of advice, queries and, where applicable, proxies for each of the commissions:

Name of committee

APPOINTMENTS & REMUNERATION COMMITTEE

Brief description

SEE B.2.3.3

Name of committee

EXECUTIVE COMMITTEE

Brief description

Article 45 of the bylaws establishes that BBVA has an Executive committee, to which the Board has delegated all its powers of administration, except those that the law and/or bylaws deem undeleagatable due to their essential nature.

Article 46 of the bylaws establishes the following:

The Executive committee shall meet as often as its chairman or the person acting in his/her stead considers appropriate or at the request of a majority of the members thereof, and it shall consider those matters falling within the responsibility of the Board of Directors which the Board, in accordance with the applicable legislation or these bylaws, resolves to entrust to it, including, by way of illustration only, the following powers:

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; determine the volume of investment in each individual activity; approve or reject transactions, determining methods and conditions; 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.

Any investment or divestment worth over €50m must be submitted to Executive committee approval.

The duties of this committee are detailed in section B.2.3.1.

Name of committee

Audit committee

Brief description

Article 48 of the bylaws establishes that the Audit committee be entrusted with the supervision of financial statements and the exercise of oversight. This committee shall have the authority and necessary means to carry out this fundamental role within the corporation.

The Audit committee shall have, as a minimum, the following powers:

- a) to report, at the AGM on issues that shareholders bring up there regarding matters within the scope of its powers.
- b) to propose to the Board of Directors, for submission to the AGM, the appointment of the Auditor of Accounts referred to in article 204 of the Companies Act and, where applicable, the conditions under which they are to be hired, the scope of their professional remit, and the termination or renewal of their appointment.
- c) to supervise internal auditing services.
- d) to be apprised of the financial information process and the internal control systems.
- e) to maintain relations with the Accounts Auditor to receive information on such questions as could jeopardise the Accounts Auditor's independence, and any others related to the process of auditing the accounts, as well as to

receive information and maintain communications with the Accounts Auditor as established under the legislation of accounts audits and the technical auditing standards.

The duties of this committee are detailed in section B.2.3.2.

Name of committee

FOR RISKS

Brief description

SEE B.2.3.4

B.2.5. Indicate, where applicable, the existence of regulations for the board committees, where they can be consulted and any amendments made to them during the year. Indicate whether an annual report on the activities of each committee has been drawn up voluntarily.

Name of committee

APPOINTMENTS & REMUNERATION COMMITTEE

Brief description

The Board Regulations, amended in December 2007, as detailed in section B.2.3 of this report, include specific sections for each committee, regulating their composition, duties and operation. The Chair of the Appointments & Remuneration committee presented a report to the BBVA Board of Directors on its activities during 2009, describing the tasks carried out with respect to the pay of executive and non-executive directors, the annual report on the Board remuneration policy, the appointments, re-elections and severances of directors and other matters, such as the review of the standing of the independent directors.

Name of committee

AUDIT COMMITTEE

Brief description

The BBVA Audit & Compliance committee has a set of specific regulations approved by the Board, which govern its operation and powers, amongst other things. These regulations are available on the Company's website (www.bbva.com).

During 2009, no amendments have been made to said Audit & Compliance committee regulations.

The Board Regulations, amended in December 2007, as detailed in section B.2.3 of this report, include specific sections for each committee, regulating their composition, duties and operation.

The chair of the Audit committee presented the Board of Directors a report on its activities, describing the tasks the committee carried out with respect to its duties and, especially, with respect to the financial statements of the Bank and its Group, its work with the Group's external auditors and the core features of the external audit plan for 2009, the monitoring of the internal control on financial information and the communications sent to the Group by the different regulators and the approval of the Regulatory Compliance Plan for the year.

Name of committee

RISKS COMMITTEE

Brief description

The BBVA Risks committee has a set of specific regulations approved by the Board, which govern its operation and powers, etc. These regulations are available on the Company's website (www.bbva.com).

During 2009, no amendments have been made to said BBVA Risks committee regulations.

The Board Regulations, amended in December 2007, as detailed in section B.2.3 of this report, include specific sections for each committee, regulating their composition, duties and operation.

The Risks Committee presented a report to the Board of Directors regarding the most significant aspects of what it did during the year, describing the analysis and evaluation of proposals on the Group's risk policies and strategies on the global risk map; the monitoring of the degree to which the risks borne by the Bank match the profile established and checking of the implementation of suitable means, systems and structures to implement its strategy in risk management.

B.2.6. Indicate whether the composition of the executive committee reflects the participation on the Board of different directors as a function of their condition:

YES

C - RELATED-PARTY TRANSACTIONS

C.1. State whether the board in plenary session has reserved the powers to approve, on the basis of a favourable report from the Audit committee or any other entrusted with such a report, the transactions in which the company engages with directors, significant shareholders or shareholders represented on the board or parties related to them:

YES

C.2 List the relevant transactions entailing a transfer of resources or obligations between the company or its group companies, and the company's significant shareholders:

C.3 List the relevant transactions entailing a transfer of resources or obligations between the company or its group companies, and the company's directors and/or senior managers:

C.4 List the relevant transactions in which the company has engaged with other companies belonging to the same group, except those that are eliminated in the process of drawing up the consolidated financial statements and that do not form part of the company's habitual traffic with respect to its object and conditions:

C.5. Indicate whether the board members have come across any situation of conflicting interests during the year, as defined under article 127 of the Companies Act.

NO

C.6. List the mechanisms established to detect, determine and resolve possible conflicts of interest between the company and/or its group, and its directors, managers and/or significant shareholders.

Articles 8 and 9 of the Board Regulations regulate issues relating to possible conflicts of interest as follows:

Article 8.

Directors shall act ethically and in good faith.

For this reason directors must notify the Board of any direct or indirect conflict that they might have with the Company's interests, any stake they might have in a company whose activities are the same, similar or complementary to the Company's corporate object and the offices or functions which they perform in it. They must also notify the Board of any activities that are the same, similar or complementary to those pursued by the Company when performed on their own behalf or on behalf of a third party.

The directors must inform the Appointments & Remuneration committee of their other professional obligations, in case these might interfere with the dedication required to comply with their duties as directors.

Article 9.

Directors must refrain from taking part or intervening in those cases where a conflict of interest with the Company might arise.

Directors shall not be present when the corporate bodies to which they belongs are discussing matters in which they might have a direct or indirect vested interest, or matters that might affect persons with whom they are related or affiliated under legally established terms and conditions.

Directors must also refrain from taking a direct or indirect interest in businesses or enterprises in which Bank or companies of its Group hold an interest, unless such interest was held prior to joining the Board or the moment when the Group took out its interest in such business or enterprise, or unless such companies are listed on domestic or international stock exchanges, or unless authorised to do so by the Board of Directors.

Directors may not use their position in the Company to obtain material gain. Nor may they take advantage directly for themselves or indirectly for persons related to them, from any business opportunity that they have become aware of as a result of their Bank directorship, unless this opportunity has been previously offered to the Bank and the Bank had decided not to take it up and the director has been authorised to do so by its Board.

Directors must comply at all times with the applicable provisions of the BBVA Group code of conduct for stock-exchange trading, with legislation and with any other internal codes regarding requests for loans, bank bonds and guarantees made to the financial subsidiaries of the BBVA Group. They must refrain from conducting or from suggesting to a third party any transaction involving shares of the Company and/or its subsidiary, affiliated or associate companies when their directorship has led to possession of privileged or confidential information before such information is known to the public.²

Since BBVA is a financial institution, it is subject to Act 31/1968 on incompatibilities and limitations of chairmen, directors and senior managers in the non-State banking sector. This act states that chairmen, deputy chairmen, directors and general managers or similar operating in the private-sector banking industry in Spain may not obtain credits, bonds or guarantees from the bank on whose board or management team they work, unless expressly authorised by the Bank of Spain.

All the members of the Board and the senior management are subject to the company's code of conduct on securities markets.

The BBVA Group's code of conduct on the securities markets is intended to control possible conflicts of interest. It establishes that everyone subject to the code must notify the head of their area and the Regulatory Compliance department of situations that could potentially and under specific circumstances may entail conflicts of interest that could compromise their impartiality, before they engage in any transaction or conclude any business in which they could arise.

The above notwithstanding, the parties subject to the code have a permanent form filed with the Regulatory Compliance department, which they must keep up to date, with a standard declaration that they are given, declaring certain economic and family affiliations specified in the code.

Where there is any doubt about the existence of conflicts of interest, any party subject to the code must show maximum prudence and notify the head of his/her area and the Regulatory Compliance department of the specific circumstances surrounding their case, so that they may judge the situation for themselves.

C.7. Are more than one of the group's companies listed in Spain as publicly traded companies?

NO

Identify subsidiaries listed in Spain:

SYSTEMS OF RISK CONTROL

D.1 General description of the company's and/or its group's risk policy, detailing and evaluating the risks covered by the system, along with reasons of how such systems are matched to the profile of each type of risk.

BBVA believes that excellence in the management of risk is an essential part of its competitive strategy. The Board of Directors approves the risk management and control policy, and the periodic monitoring of the internal reporting and control systems. To better carry out its duties, the Board has the support of the Executive committee and the Risks committee, whose main mission is to help it pursue its duties related to risk management and control. The functions allocated to it pursuant to article 36 of the Board Regulations are described in section D3. The general principles guiding the Group in its definition and monitoring of risk profiles are as follow: The role of Risks is unique, independent and global. The risks accepted must be compatible with the Group's target capital adequacy levels. They must be identified, measured and valued, with procedures in place for monitoring and management, as well as sound control mechanisms. All risks must be integrally managed throughout their life cycle, treating different types of risk differently and actively managing portfolios based on a common measurement (economic capital). The business areas are responsible for proposing and maintaining the risk profile within their level of accountability and within the framework of the corporate activity (defined as the set of Risks procedures and policies). The risk infrastructure must be suitable in terms of people, tools, data bases, reporting systems and procedures. It must facilitate a clear definition of roles and responsibilities, ensuring efficient allocation of resources between the corporate area and the risks units in the business areas. On the basis of these principles, the Group has developed a global risk management system structured in three main blocks: A corporate risk governance scheme, separating out functions and responsibilities and aligned with international tendencies and recommendations, adapted to the regulatory requirements of each country and reflecting the most advanced practices in the markets where the Group operates.

A set of tools, circuits and procedures that incorporate the risk management model into strategic, tactical and operational decision processes within the Group's daily operations; a system of internal controls. The Group's risks system is managed by the Risks Area of the Corporate Centre, which combines a view of each risk type with a global vision.

The Corporate Centre Risks Area is made up of the Corporate Risk Management unit, which covers credit, market, structural and non-banking risks, along with the transversal units for Structural Management Asset Allocation; Technology & risk valuation methodologies; and Validation & Control, which includes internal control and operational risk. Below this level, there are risks teams in the business units with whom there is a comfortable, continuous relationship, which examine the risks of each country and specific groups of businesses. This organisational structure of the risks function ensures firstly the integration, control and management of all the Group's risks; secondly, the application of standardised risk metrics, policies and principles throughout the entire Group; and thirdly, having the necessary know-how on each geographical area and each business. This organisation is backed up with regular operating committees that can belong exclusively to the risk area (Risks Direction Committee, Markets Committee and Operations Committee) or span several areas (Global Asset Allocation Committee, Committee for New Products; Global Committee for Internal Control and Operational Risk, ALCO and the Liquidity Committee). Their functions are: The Risks Direction Committee is tasked with developing and implementing the risk management model in the Group and carrying out periodic monitoring into each risk type both at global level and for each of the business units. The heads of risk in the business areas and in Corporate Centre all sit on this committee. The Operations Committee analyses and give its approval, where forthcoming, to financial transactions and programmes, at its level of powers, passing on to the Risks Committee any that surpass its authority. The Global Asset Allocation Committee evaluates the global risk profile for the Group and the coherence between the risk policies and the target risk profile; identifies global concentrations of risk and the mitigation alternatives; it monitors the macroeconomic and competition environment, quantifying global sensitivities and the foreseeable impact of different scenarios on the risk position. The Global Internal Control & Operational Risks committee periodically reviews the control environment and how its control models are working, while monitoring and locating the main operational risks to which the Group is exposed, including transversal risks. It does this at Group level and for each of the units. This committee becomes the highest instance of operational risk management in the Group. The New Products Committee is charged with studying and, where applicable, approving the implementation of new products before initiating new activities; control and later monitoring the new products authorised and fostering business in an orderly manner so that it can develop in a controlled environment. ALCO is tasked with the active management of structural liquidity, interest rate and exchange rate risks, and the Group's equity base. The Liquidity Committee will monitor the measures adopted and check that the evolution of the signs that led to it to be convened disappear or, where necessary, convene the Crisis Committee.

CREDIT RISK.

Credit risk is defined as the loss that may occur stemming from the failure by a customer to fulfil the agreed contractual obligations in financial transactions with BBVA or from impairment of their asset quality.

Credit risk management includes managing counter-party risk, issuer risk, liquidation risk and country risk. The Group's credit risk management starts with the process of analysis prior to taking decisions, the decision-making, instrumentation and monitoring of the transactions formalised and may end with their recovery. It also covers the entire process of control and reporting at customer, segment, sector, business-unit or subsidiary level. Any credit risk decision must be suitably valued and all customers must be classified in order to put the decision to the body with their respective profile. The main underpinnings for decisions on credit risk are: sufficient generation of customer funds to bear the repayments of the capital and interest owing on the loans, sufficient assets and the constitution of suitable and sufficient security to enable effective recovery of the transaction. All the credit transactions booked and paid up must be accompanied by the basic information for studying their risk, the risk proposal. They must be supported by the approval documents, reflecting the terms and conditions granted by the pertinent body. The Group's credit risk management is based on an integrated structure covering all the functions, permitting objective, independent decision-making throughout the life cycle of the risk. The Group has standardised criteria for action and conduct in how to deal with credit risk in an independent manner without detriment to the specialisation of each business unit or the specificities of the legislation prevailing in each country. In order to guarantee this standardisation, the definitions and proposal of the management criteria for credit risk, circuits, procedures, structure and oversight of the management are the responsibility of the Corporate Risks Area. Managing credit risk according to the defined criteria is the responsibility of the business units as a function of the decision routing. In the case of retail segments, the decision routing works as follows: Authorisation comes from the empowerment level granted to the branches and retail business units and decisions are formalised as a function of what is dictated by the scoring tools. Changes in weighting and variables within these tools must be validated by the Corporate Risk Area. For the wholesale segments, the decision routing works as follows: Authorisation comes from the empowerment level granted according to the delegation rules and the decisions are formalised in the respective Risks committees.

The decisions adopted in Risks Committees are not collegiate but joint and several, the person with the highest-level delegation deciding the criterion. The rule of delegation specifies those cases where the decision on policies for customers or transactions cannot be delegated due to possibilities of reputational risk or others that the governing bodies deem opportune. In other cases, the delegation will be based on an iso-risk curve plotted by BBVA rating validated by the Corporate Risk Area. This means that the main risks with customers or transactions in each business unit will be decided at the level of the Corporate Risk Area committees or higher. The criteria for the development and use of the scoring and rating tools are established by the Corporate Centre Risks Area, including the construction, implementation and monitoring of models from Corporate Risk Management and their importance in calculating the EC, EP, customer monitoring, pricing. On the basis of the empowerment granted by the governing bodies to the president & COO and in compliance with the rule of delegation, the Corporate Risk Area is responsible for proposing the terms of delegation in each of the business units. This proposal will at all times be coherent with the characteristics of each unit's business; the relative size of its economic capital; the extent to which the Group's decision routing, procedures and standardised tools have been implemented; and the suitable organisational structure for correct credit risk management. Policies on risk concentration. In order to mitigate credit risk concentration in any geographical area, individual or industry, the Group constantly updates its individual and industry concentration indexes with respect to the different variables that may impact credit risk. Thus the Financial Quota or presence of the Group in one customer is based on that customer's asset quality, the type of transaction, and the Group's presence in a market, according to the following guidelines: The balance between the customer's financial requirements, distinguishing between commercial/financial, short/long term needs, and the degree to which it is an attractive investment for BBVA. These elements give the most favourable mix of transactions compatible with the customer's requirements. Other conditioning factors are the legal requirements of each country, the ratio between the Bank's lending to the customer and its equity, avoiding excessive concentration of risks in too few customers. Likewise, it takes into account the conditioning factors stemming from the market, the customer, internal regulations, legislation and the macroeconomic climate. Suitable portfolio management makes it possible to identify concentrations and trigger action. Any transactions with customers or groups with an expected loss plus capital of more than €18m is decided at the level of the Risks Committee. This benchmark is equivalent to an exposure of 10% of the eligible equity for a AAA rating and 1% for a BB rating. This entails the oversight of the main concentrations of individual risk by the highest-level governing bodies for risk, as a function of asset quality. There is a maximum concentration of 10% of eligible equity. Up to that level the operational approach is linked to detailed customer insight and knowledge of the markets and the industry in which the customer operates.

MARKET RISK:

This risk arises as a consequence of activity on the markets, using financial instruments whose value may be subject to changes in market conditions, reflected in changes in the different assets and financial risk factors. The risk may be mitigated or even eliminated by hedging with other products (assets/liabilities or derivatives) or undoing the open position/transaction. There are four key risk factors affecting market prices:

Interest-rate risk:

this arises from changes in the time structure of market interest rates for the different currencies. Exchange-rate risk: this arises from changes in the exchange rates between different currencies.

Price risk:

this arises from changes in market prices, either in factors specific to the instrument itself or in factors impacting all the instruments traded on the market.

Commodities risk:

this arises from changes in the value of commodities or goods traded. For certain positions, it is necessary to consider other risks: credit spread risk, base risk, correlation volatility of risk. At present, BBVA and BBVA Bancomer are authorised by the Bank of Spain to use internal models for calculating the equity required for the risk positions it has on its trading books. All in all, these contribute to between 80% and 90% of the Group's market risk. With effect as of December 2007, BBVA and BBVA Bancomer have based their methodology for estimating market risk on historical simulation, using the Algorithmic risks platform. In the future, the new platform will integrate market risks better for the entire Advanced Internal Model risk perimeter for allocating cost of capital. The basic measurement model it uses is Value-at-Risk (VaR). This estimates the maximum loss, at a certain confidence level, that could occur on the market positions of a trading book for a specific time horizon. The Group calculates VaR with a 99% level of confidence and a time horizon of 1 day. The current model for market risk limits consists of a global structure encompassing economic risk of capital (ERC) and the VaR and the VaR sub-limits and the stop-loss limits for each of the Group's business units. The global limits are approved each year by the Executive committee, at the proposal of the Central Unit for Risks in Market Areas, after hearing the Risks Committee presentation. The limits structures is drawn up by identifying specific risks by type, activities and desks. The coherence between global and specific limits and VaR sub-limits and delta sensitivity is safeguarded by the market risk units. This is supplemented with an analysis of the impact on the income statement by stress testing risk factors, considering the impact of past financial crises and economic scenarios that could come into

being in the future. In order to consider the performance of the business units over the year, the accumulation of negative results is linked to a reduction in the VaR limits established. To anticipate the application of this dynamic methodology and mitigate effects of adverse conditions, the structure is complemented with stop loss limits and warning signals that automatically activate procedures to deal with situations that could have a potential negative impact on market activities. The model for measuring market risks incorporates back-testing. This *a posteriori* check helps validate the risk measurements being taken, comparing the daily management results with the corresponding BaR measures.

STRUCTURAL RISKS:

Structural Interest Risk.

Managing the interest risk on the balance sheet aims to keep the Group's exposure to changes of market interest rates at levels in keeping with its risk profile and strategy. For this, the ALCO develops management strategies to maximise BBVA's economic value, safeguarding the recurrent generation of earnings through the net interest income. It not only considers market expectations, but also ensures that the exposure levels match the risk profiles defined by the Group management bodies and that an equilibrium is maintained between the expected earnings and the level of risk borne. The implementation of a system of transfer rates that centralises the Group's interest-rate exposure on the ALCO books helps to foster a suitable risk management of the balance sheet. The control and monitoring of the structural interest rate risk is done in the Risks Area. Acting as an independent unit, this area guarantees proper separation between risk control and risk management functions, in compliance with the Basel Committee on Banking Supervision recommendations. These functions include the design of measurement models and systems and the development of monitoring, reporting and control policies. Risks carries out monthly measurements of the structural interest rate risk, which support Group management. It is tasked with controlling and analysing the risk, and its work feeds into the main governing bodies, above all the Executive committee and the Risks committee. Changes in the market interest rates impact the Bank's net interest income in the short and in the medium term. For its economic value, a long-term focus is applied. The main source of risk is the time lag between re-pricing and maturities for the products on the banking book. The Group's structural interest rate risk measurement model uses a set of metrics and tools to quantify and evaluate its risk profile. Models have been developed to reflect risks on the balance sheet, establishing hypotheses regarding early repayment of loans and the performance of deposits with no explicit maturity date. A simulation is carried out of interest rate curves to quantify the probabilities of risks and pick up any additional sources of risk apart from flow mismatching, coming not just from parallel movements but also from changes in steepness and curvature, based on the past behaviour of each currency. This simulation model generates the income at risk (YaR) and the economic capital (EC), with maximum deviations with a negative impact on the net interest income and the economic value, respectively, at a certain level of confidence over a defined period of time. These negative impacts are limited in each of the Group's entities by its limits policy. The risk measurement model is supplemented with scenario analyses and stress tests. Sensitivity to a standard variation of 100 basis points is measured on all market curves. Structural Exchange Risk. Structural exchange risk mainly originates in exposure to changes in exchange rates arising in the Group's non-euro subsidiaries and the provisions to the branches outside Spain that are financed in a currency other than that of the loan-book. The changes in exchange rates impact the total net assets, the capital adequacy ratios and the budget compliance in BBVA's earnings, as there is an exposure due to the contribution made by the non-euro-area subsidiaries. The Finance Department, through ALCO (Assets & Liabilities Committee) actively manages the exchange rate risk by drawing up hedging policies to minimise the impact on the Group's capital ratios from fluctuations in parities, and guaranteeing the countervalue in euros of the earnings that its subsidiaries generate in other currencies. The Risks area acts as an independent unit, tasked with designing measurement models, perform the risk calculations and ensure compliance with the limits. It reports on all this to the Risks Committee and the Executive committee. Measuring structural exchange rate risk is done on the basis of a simulation modelling of exchange rate scenarios. This makes it possible to quantify changes in value that could occur for a confidence level of 99% and a predetermined time horizon. This simulation generates a distribution of possible impacts on the Group's net assets and its income statement. Thus the maximum unfavourable deviation can be determined along both axes for a predetermined level of confidence and time horizon, which depends on the market liquidity in each of the currencies. Additionally, this simulation model is used to generate a distribution of impacts on capital ratios, disaggregating the net assets and the risk weighted assets down to the level of each different currency. The Finance Department incorporates these measures into decision making, in order to match the Group's risk profile to the guidelines stemming from the limits structure authorised by the Executive committee on the basis of these same metrics. Structural equities risk. The Group's exposure to structural risk on equities mainly stems from its holdings in industrial and financial companies with mid-term and long-term investment horizons. It is reduced by the short net positions maintained in derivative instruments on the same underlyings in order to limit the portfolio's sensitivity to potential drops in prices. The Risks area carries out the

effective measurement and monitoring of structural equities risk in order to limit its negative impact on the capital adequacy and the recurrence of the Group's earning that could arise from poor performance of the value of the holdings that it has in the capital of other industrial and financial companies. The monitoring perimeter comprises the positions of this nature in the investment portfolio. For reasons of prudence and efficiency in management, this includes holdings that consolidate, even if the changes in their value would not have an immediate impact on the net worth of the Group. Moreover, to determine exposure, the positions in derivatives over underlyings of the same nature are considered, used to limit the portfolio's sensitivity to potential falls in prices. In order to ensure that this risk is kept within levels compatible with the Group's target risk profile, a control and stop-loss mechanism has been structured, working on the coordinates of exposure, earnings and economic capital. The Risks area estimates the levels of risk borne and also does periodic stress testing and back testing and scenario analysis. It monitors the degree of compliance with the limits authorised by the Executive committee and periodically reports on all aspects of its mission to the senior management. The measurements of economic capital are also integrated into the measurements of risk adjusted returns used to foster efficient management of the Group's capital.

Liquidity risk

Liquidity risk is the possibility that an entity may not be able to meet its payment commitment or that in order to do so, it may have to raise funds under burdensome conditions, impairing its reputation and public image. The Group centralises its liquidity risk monitoring in each bank, with two focal objectives: The short-term focus covers up to 90 days. It mainly centres on managing the payments and collections of Treasury and Markets, including proprietary trading in the area and the possible liquidity requirements of the bank as a whole. The medium-term structural focus centres around the financial management of the balance sheet, with a minimum one-yearly time horizon in its monitoring. The evaluation of liquidity risk on assets is based on whether or not the assets are eligible for re-discounting from the corresponding central bank. Under normal situations, maximum liquidity assets, whether for the short or the mid-term focus, are considered to be assets that are on the list of eligible assets published by the ECB or the corresponding monetary authority. Non-eligible assets, listed or not for public trading, will only be considered a second line of liquidity for the Group when analysing crisis scenarios. The integrated management of liquidity is carried out by the ALCO through the Finance Department. It takes into account a wide range of limits, sub-limits and alerts approved by the Executive committee. With these, the Risks area independently takes measurements and exercises oversight. It also provides the tools manager with support and metrics for decision making. Each of the local risks areas, all independent of the local manager, comply with the corporate principles of liquidity risk control established by the Central Structural Market Risks Unit (UCRAM) for the Group as a whole. At the level of each entity, the managing areas request and propose a set of quantitative and qualitative limits and alerts that affect both short and mid-term liquidity risk. Such requests must be authorised by the Executive committee. The Risks area also performs daily and monthly measurements of risk incurred, develops valuation tools and models, does periodic stress testing, measures the degree of concentration with inter-bank counterparties. It draws up manuals on policies and procedures and monitors the authorised limits and alerts, reviewing them at least once a year. The information on liquidity risks are periodically submitted to the Group's ALCO and to the managing areas concerned. Under the Contingency Plan, the Technical Liquidity Group (GTL) carries out the initial analysis of the Group's short and long-term liquidity situation when there is any alert signal or sign of a possible crisis. The Technical Liquidity Group comprises specialists from the short-term trading desk in Treasury, the Finance Department and UCRAM. Structural risks. When such alerts might reflect a certain degree of gravity, the GTL reports to the Liquidity committee, made up of the heads of the corresponding areas. The Liquidity committee is tasked with calling the Crisis Committee in the event of extreme necessity.

OPERATIONAL RISK

Operational risk is the risk of loss due to failures or mismatches of processes, staff and internal systems or due to external events. Since 2000, the Group has had an operational risk model based on identifying and quantifying all the risks individually. The model is based on the concept of anticipation. This means it must be able to identify operational risks and their possible consequences before they materialise in the form of events. BBVA has various tools implemented to cover the qualitative and quantitative aspects of operational risk:

Ev-Ro: this is a tool for identifying and quantifying operational risk factors, ie, any circumstances that cause or could cause losses. Their frequency and impact on the business and support areas is estimate in terms of the direct cost, the indirect cost (inefficiency) and their opportunity cost (*manque à gagner*). This tool is implemented throughout the Group and is updated each year. Ev-Ro identifies priority operational risk factors, which represent 80% of the quantified risk. The Operational Risk committees focus nearly all their attention on these factors.

TransVaR: to supplement Ev-Ro, the Group has an operational risk management tool using indicators. An indicator is a variable associated to a process that measures its attributes, such as quality. Consequently, it also serves to measure operational risk. This tool fundamentally serves to monitor the risk performance and to establish alert signals.

TransVar indicators are associated to the causes of operational risk. They are predictive by nature. The most important indicators are volumes processed, systems availability, the regularity of account

reconciliation and the number of incidents in processes. SIRO: operational risk events tend to have a negative impact on the income statement. When they occur, they are recorded on the data bases set up for this purpose in each country. The information is then uploaded to a central data base. This process has already been in operation for 7 years. Apart from internal data there are also external data from the ORX consortium (Operational Risk Exchange). This non-profit association was set up in 2001 and has more than 50 members. The ORX data refer to operation risk events of over €20,000 each. At present, more than 90,000 such events have been recorded, totalling over €300,000 trillion. The ORX data are useful for two purposes. They feed into the data bases used to calculate risk capital, and are used for benchmarking BBVA performance against that of its peers.

D.2. Indicate if any of the risks facing the company and/or its group (operational, technological, financial, legal, reputational, tax, etc) have materialised.

YES

If so, indicate the circumstances and whether the control systems worked properly.

Risk materialised in the financial year

See following sections

Circumstances that led to this

Risk is inherent to financial activities and therefore the materialisation of risk, to a greater or lesser degree, is absolutely unavoidable.

Operation of the control systems

During the year, no extraordinary or material risks have materialised, but only those inherent to the Group's activity, listed in detail in section D.1. The Bank has sophisticated risk measurement and control systems and tools, for each kind of risk, that limit the maximum impact of risks, should they materialise.

The control systems have functioned satisfactorily during 2009. Below, we give details on the most relevant parameters for risk management in the BBA Group for the year:

CREDIT RISK

Maximum exposure to credit risk, in most cases, is reduced by collateral, credit enhancement and other actions that mitigate the Group's exposure.

The Group's policy for covering and mitigating credit risk derives from its business model in banking. It is, above all, a relationship-oriented bank. On the basis of this relational banking model, the constitution of security is a necessary instrument, but not sufficient when granting risks. Thus, for the Group to bear a risk, it must first verify the payment capacity or the capacity to generate funding to meet the repayment schedule on the risk taken.

The procedures used to value collateral security reflect best practices in the market.

This means using appraisals for real-estate collateral, market pricing for exchange-traded securities, listed prices for holdings in mutual funds, etc.

All collateral must be correctly instrumented and duly registered.

It must also be approved by the Group's Legal Affairs units.

The following is a description of the main collateral received for each category of financial instruments:

Trading portfolio: The collateral or credit enhancement obtained directly from the issuer or counterparty are implicit in the clauses of the instrument. In trading derivatives the credit risk is minimised by contractual clearing agreements, in which derivative assets and liabilities with the same counterparty are netted out for settlement. There may also be other kinds of security, depending on the solvency of the counterparty and the nature of the transaction.

Other financial assets at fair value with changes in profits and losses: The collateral or credit enhancement

obtained directly from the issuer or counterparty are inherent in the structure of the instrument.
Financial assets available for sale: The collateral or credit enhancement obtained directly from the issuer or counterparty are inherent in the structure of the instrument.

Credit investments:

- Deposits in financial institutions: These have the personal guarantee of the counterparty and, in some cases, additional guarantees from another financial institution which a credit derivative has been established.
- Customer credit: Most transactions include a personal guarantee from the counterparty. However, additional collateral is required to assure lending transactions with customers. This can be mortgage guarantees, money guarantees, pledges of securities or other property-based collateral. Other kinds of credit enhancement can be carried out, such as: credit derivatives, guarantees.
- Securities representing debt: The collateral or credit enhancement obtained directly from the issuer or counterparty are inherent in the structure of the instrument.

Portfolio of investments held to maturity: The collateral or credit enhancement obtained directly from the issuer or counterparty are inherent in the structure of the instrument.

Hedging derivatives: Credit risk is minimised by contractual clearing agreements, in which derivative assets and liabilities with the same counterparty are netted out for settlement. There may also be other kinds of security, depending on the solvency of the counterparty and the nature of the transaction. Financial guarantees, other contingent liabilities and available for third parties: These have the personal guarantee of the counterparty and, in some cases, additional guarantees from another financial institution which a credit derivative has been established.

At 31st December 2009, the average amount pending collection on mortgage loans was 54% of the value of the collateral on the loans.

Unimpaired matured financial assets

The balance of financial assets that have matured but are not considered impaired, at 31st December 2009, including any amount due at that date, was €3.3 bn. Of these, 80.4% had over-run the first maturity date by less than one month, while 10.2% had over-run the first maturity date by between one and two months and 9.4% had over-run first maturity date by between two and three months.

Doubtful or impaired assets and impairment losses.

The balance of impaired financial assets at 31st December 2009 was €15,523m. Of this sum, €15,311m come from the loan book and €212m from debt securities. At 31st December 2009, the amount of impaired contingent liabilities was €405m.

The estimated value of the assets securing doubtful risks with collateral at 31st December 2009 was greater than the amount outstanding on such risks.

Changes have been booked during 2009 for the financial assets and contingent liabilities that have impaired. A total of €27,298m have been added; €8,524m have been recovered; €3,737m have been charged down and €32m have been booked as exchange rate and other differences.

The Group's non-performing asset ratio on 'Customer credit' and 'Contingent Liabilities' at 31st December 2009 was 4.3%. The two percentage point increase against the previous year was due to the increase in the doubtful financial assets that arose during the year as a consequence of the deterioration of the macro-economic situation.

Renegotiated financial assets

At 31st December 2009, the amount of renegotiated financial assets, which could have been impaired had their terms and conditions not been negotiated, did not vary significantly against the previous year.

MARKET RISK

Market risk in 2009

The BBVA Group's market risk has risen slightly in 2009 compared against earlier years. The average exposure in 2009 (calculated as VaR without curve flattening) was €26.2m. During the first half of the year, there was higher exposure to interest rates by some of the Group companies in South America and Bancomer, as interest rates were expected to fall. When they did, this meant significant cutbacks in the short part of the local curves. This has a positive impact on the earnings from business volumes. This greater exposure was limited gradually, as the central banks began to stabilise their interest rates, contributing to a reduction in the market risks in the region. This was taken up positively by the markets, which showed a reduction in volatility. During the second half of 2009, the Group's market risk performance was marked by increased exposure in Global Markets Europe, especially in long-term interest rates and equities volatility.

D.3. Indicate whether there is any committee or other governing body in charge of establishing and supervising these control systems.

YES

If so, give details of what their duties are

Name of the Committee or Body

RISKS COMMITTEE

Description of duties

According to the recommendations of the Basel Committee, monitoring and supervision of risk management at financial entities is the duty of the board of directors which is the ultimate body responsible for approval and periodic review of the bank's strategies and policies on risk, reflecting its risk tolerance and the expected level of return. However, the growing complexity of risk management at financial institutions requires them to define a risk profile that matches their strategic goals. They must advance gradually, as circumstances permit, towards a model that establishes a system of delegation based on amounts and ratings. This also applies to active tracking of exposure to quantifiable risks by means of a map of risk capital, expected losses and control on non-quantifiable risks.

Thus analysis and periodic tracking of risk management with regard to the attributes of the administrative bodies of the bank, made it advisable to set up a specific board committee for this purpose. Within the scope of its defined functions, this committee should apply the necessary dedication to analyse the way risk is handled in the entire Group. Consequently, the Risks committee of the Board has been assigned the following duties, in accordance with the board regulations:

- Analyse and evaluate proposals related to the Group's risk management and oversight policies and strategy. In particular, these shall identify:
 - a) The setting of the level of risk considered acceptable according to the risk profile (expected loss) and capital map (risk capital) broken down by the Group's businesses and areas of activity;
 - b) The internal reporting and internal control systems used to oversee and manage risks;
 - c) The measures established to mitigate the impact of the risks identified, should they materialise.
- Monitor the match between risks accepted and the profile established.
- Analyse and approve any risks that might compromise the Group's capital adequacy or recurrence of its earnings or might entail significant operational or reputation risk.
- Check that the Group possesses the means, systems, structures and resources benchmarked against best practices to allow implementation of its risk management strategy.

D.4. Identify and describe the compliance processes for the regulations and standards affecting the company and/or its group.

The Group's Risks Area is the highest instance tasked with ensuring compliance with all the different regulations affecting the Bank and its Group. To that end, it operates independently from the business units to ensure that it guarantee not only regulatory compliance, but also the application of the best standards and most advanced practices.

There are also two basic mechanisms that guarantee compliance with the different regulations that affect the Group's companies.

These are based on the controls that are applied by the following areas.

The Internal Audit area monitors compliance with internal procedures and their adaptation to regulatory requirements.

And the Compliance area ensures global compliance with legal requirements that affect the Group.

More particularly, in 2009, within Risk Management, parallel to closer integration of risk management and business decision-making, the Bank of Spain approved the advanced internal models that the Group presented for calculating minimum eligible equity for credit-card risk in Mexico, and is now in the final stage for approving the advanced model for operating risk in Spain and in Mexico, which is expected to come through at the beginning of 2010. It also has internal models that have already been approved by the supervisor for calculating market risk capital consumption and credit risk capital consumption in Spain.

The Group is actively co-operating with the supervisors to move forward in a consistent and co-ordinated fashion with validation of the advanced models.

E - GENERAL MEETING

E.1. Indicate and, where applicable, give details, whether there are any differences from the minimum standards established under the Companies act with respect to the quorum and constitution of the General Meeting

YES

	% quorum other than legal minimum in art. 102 Companies Act for cases general	% quorum other than legal minimum in art 103 Companies Act for cases special in art. 103
Quorum required on first summons	0	66.670
Quorum required on second summons	0	66.000

Description of differences
Article 103 of the Companies Act establishes that in order for a General Meeting (whether annual or extraordinary) to validly resolve to increase or reduce capital or any other amendment to the bylaws, bond issuance, the suppression or limitation of the pre-emptive subscription rights over new shares, or the transformation, merger or break-up of the company and global assignment of assets and liabilities and the off-shoring of domicile, the shareholders present and represented on first summons must possess at least fifty percent of the subscribed capital with voting rights

Description of differences
<p>On second summons, twenty-five percent of said capital will be sufficient.</p> <p>The above notwithstanding, article 25 of the BBVA bylaws established that a reinforced quorum of two thirds of subscribed capital is required on first summons and of 60% of said capital on second summons, in order for the following resolutions to be validly adopted: substitution of the corporate object, transformation, total break-up, winding-up of the company and amendment of the article in the bylaws establishing this reinforced quorum.</p>

E.2. Indicate and where applicable give details, whether there are any differences from the minimum standards established under the Companies act with respect to the adoption of corporate resolutions.

NO

Describe any differences from the guidelines established under the Companies Act.

E.3. List all shareholders' rights regarding the general meetings different from than those established under the Companies Act.

There are no shareholders' rights in the Company other than those established under the Companies Act with respect to General Meetings.

Shareholders' rights in this respect are also shown in detail in the General Meeting regulations, which are publicly available on the Company website

E.4. Indicate measures adopted, if any, to encourage shareholder participation at AGMs

BBVA, in order to encourage the participation of its wide base of shareholders in its General Meetings, apart from establishing all the information channels required by law, also sends an attendance card to the domicile of all shareholders with the right to attend, sufficiently in advance of the Meeting. This includes the agenda and information on the date, time and place where the General Meeting is to be held.

It also posts information regarding the General Meeting on its website, with the agenda, details on its arrangements, the proposed resolutions that the board of directors will put to it and the channels of communication between the company and its shareholders, via which shareholders may apply for further details on the General Meeting.

To facilitate our shareholders' participation in the AGMs, a procedure has been established, in compliance with sections 4 and 5 of article 105 of Royal Decree 1564/1989, 22nd December, approving the consolidated text of the Companies Act, to enable shareholders that are not planning to attend the AGM to vote by proxy or remotely. This procedure has been used in all General Meetings held over the last four years.

In this manner, and in accordance with the Companies Act and the bylaws, voting rights on proposals regarding agenda items 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.

Votes and proxies can also be sent via electronic mail, through the bank's website (www.bbva.com), following the instructions given there. This information is available in English and Spanish.

E.5. Indicate whether the AGM is chaired by the chairman of the board of directors.

List measures, if any, adopted to guarantee the independence and correct operation of the AGM:

YES

Details of the measures
<p>Article 26 of the corporate bylaws establishes that "the Chairman of the General Meeting shall be Chairman of the Board of Directors. When there is no such or he/she is absent, the General Meeting shall be chaired by the Deputy Chairman [...]"</p> <p>The correct operation of the General Meeting is guaranteed under the General Meeting Regulations approved by the company shareholders at the AGM, February 2004.</p> <p>General Meetings shall be convened at the initiative and according to the agenda determined by the board of directors. The board must necessarily convene a General Meeting when so requested by shareholders representing a minimum of five percent of the share capital. Should the board of directors call the General Meeting for within the following thirty days as of the date on which required to do so by notarised document, it shall mention its compliance with this requirement in the notice convening it. The notice shall cover the matters that said notarised document puts forward as grounds for holding the meeting.</p> <p>Annual and extraordinary General Meetings must be called by notices that the board of directors or its agents shall publish in the Official Gazette of the Companies Registry and in one of the highest-readership daily newspapers in the province of its registered offices, at least one month before the date established for the meeting, pursuant to the Companies Act, in compliance with the amendment that Act 19/2005 introduced on European companies domiciled in Spain.</p> <p>The notice shall state on which date the General Meeting is to meet at first summons and all the business it will deal with. It must contain all references stipulated under the Companies Act. It must also state the date on which the General Meeting will be held at second summons. Shareholders representing at least five percent of the share capital may request a supplement to the notice calling a general meeting be published adding one or more agenda items.</p> <p>The notice of meeting for the General Meeting shall state the shareholders' right, as of the date of its publication, to immediately obtain at the registered offices any proposed resolutions, reports and other documents required by law and by the bylaws, free of charge.</p> <p>It shall also include necessary details regarding shareholder information services, indicating telephone numbers, email address, offices and opening hours. Once the notice of meeting has been published, documents relating to the General Meeting shall be posted to the Company</p> <p>website, with information on the agenda, the proposals from the Board of Directors, and any relevant information shareholders may need to issue their vote. Where applicable, information shall be provided on how to follow the General Meeting from a remote location employing duly established broadcast systems. Information on anything else considered useful or convenient for the shareholders for such purposes shall be included.</p> <p>Until the seventh day before the General Meeting date, shareholders may ask the board for information or clarification, or send in written questions regarding agenda items and information available to the public that the company may have furnished to the CNMV (the Spanish exchange authorities) since the last general meeting was held. After this deadline,</p>

Details of the measures

shareholders have the right to request information and clarification or ask questions during the General Meeting as established under article 18 of the General Meeting regulations.

The right to information may be exercised through the company website, which shall publish the lines of communication open between the company and its shareholders and explain how shareholders may exercise their right. It shall indicate the postal and email addresses to which shareholders may send their requests and queries.

The General Meetings the Company holds may be attended by anyone owning the minimum number of shares established in the Bylaws, providing that, five days before the date on which the General Meeting is to be held, their ownership is recorded on the corresponding company ledgers and they retain at least this same number of shares until the General Meeting is actually held. Holders of fewer shares may group together until achieving the required number, appointing a representative.

The bylaws establish that shareholders may vote on proposals on matters in the agenda items at any kind of General Meeting by proxy or by post, e-mail or any other remote means of communication, provided the voter's identity is duly guaranteed in the manner described in sections E.4, E.9 and E.10 of this report and articles 8 to 10 of the General Meeting Regulations. The General Meetings shall be held in such fashion as to guarantee the shareholders' participation and exercise of political rights. The Company shall take such measures as it deems necessary to preserve the proper order in running the General Meeting.

Proper means of surveillance, protection and law enforcement shall be established for each General Meeting. These will include such entrance control and identification systems as may be deemed suitable at any time in view of the circumstances under which the sessions are held.

The General Meeting regulations contain clauses on how the attendance list is to be drawn up, how the Meetings are to be organised and how the proposed resolutions are to be voted in such a way as to guarantee the smooth running of the General Meetings.

E.6. Indicate any changes brought into the General Meeting Regulations during the year.

There have been no changes to the General Meeting Regulations during 2009.

E.7. Give attendance data on the general meetings held during the year to which this report refers:

Attendance					
Date AGM General	% present	% proxy	% voting remotely		Total
			E-voting	Others	
13/03/2009	7.010	32.310	0.020	17.860	57.200

E.8. Briefly indicate the resolutions adopted at the General Meetings held during the year and the percentage of votes by which each resolution was passed:

A summary is given below of the resolutions adopted at the AGM, 13th March 2009, along with the percentage of votes by which each was passed.

ITEM ONE.- Examination and approval, where forthcoming, of the annual accounts and management report for Banco Bilbao Vizcaya Argentaria, S.A. and its consolidated financial group. Application of earnings; dividend payout. Approval of corporate management. All these refer to the year ended 31st December 2008.

- Number of votes issued: 2,144,041,753
- Number of votes in favour: 2,139,446,297
- Number of votes against: 2,647,963
- Number of abstentions: 1,947,493

Resolution One adopted by 99.79%.

ITEM TWO.- Adoption of the following resolutions:

2.1.- Inclusion of new article 53.b in the Banco Bilbao Vizcaya Argentaria, S.A. bylaws to expressly mention the possibility of paying out in kind the dividends and the share premium on stock issues, and returning contributions in kind.

2.2.- Approve a payout in kind to shareholders, supplementary to the 2008 dividend by giving shareholders treasury stock against the share-premium reserve on stock issues.

- Number of votes issued: 2,144,041,753
- Number of votes in favour: 2,135,638,565
- Number of votes against: 6,866,267
- Number of abstentions: 1,536,921

Resolution Two, 1 adopted by 99.61%

- Number of votes issued: 2,144,041,753
- Number of votes in favour: 2,135,491,479
- Number of votes against: 6,944,726
- Number of abstentions: 1,605,548

Resolution Two, 2 adopted by 99.60%

ITEM THREE.- Examination and approval of the merger plan for Banco Bilbao Vizcaya Argentaria, S.A. (absorbing company) and Banco de Crédito Local de España, S.A.U. and BBVA Factoring E.F.C., S.A.U. (absorbed companies) and approval of the balance-sheet of Banco Bilbao Vizcaya Argentaria, S.A., closed on 31st December 2008, as merger balance sheet. Approval of the merger between the companies Banco Bilbao Vizcaya Argentaria, S.A. (absorbing company) and Banco de Crédito Local de España, S.A.U. and BBVA Factoring E.F.C., S.A.U. (absorbed companies). All this will be in compliance with the provisions of the aforementioned merger plan. The merger will be subject to the special tax scheme established under chapter VIII of title VII of the Companies-Tax Act (Consolidated Text).

- Number of votes issued: 2,144,041,753

- Number of votes in favour: 2,138,342,952
- Number of votes against: 1,142,330
- Number of abstentions: 4,556,471

Resolution Three adopted by 99.73%.

ITEM FOUR.- Adoption, where forthcoming, of the following resolutions on the appointment and ratification of Board members:

- 4.1.- Re-election of Mr José Antonio Fernández Rivero
- 4.2.- Re-election of Mr José Maldonado Ramos
- 4.3.- Re-election of Mr Enrique Medina Fernández

- Number of votes issued: 2,144,041,753
- Number of votes in favour: 2,137,031,516
- Number of votes against: 3,636,319
- Number of abstentions: 3,373,918

Resolution 4.1 adopted by 99.67%

- Number of votes issued: 2,144,041,753
- Number of votes in favour: 2,137,170,126
- Number of votes against: 3,483,148
- Number of abstentions: 3,388,479

Resolution 4.2 adopted by 99.68%

- Number of votes issued: 2,144,041,753
- Number of votes in favour: 2,137,359,417
- Number of votes against: 3,394,632
- Number of abstentions: 3,287,704

Resolution 4.3 adopted by 99.69%

ITEM FIVE.- Conferral of authority on the board of directors, pursuant to article 153.1.b) of the Companies Act, to increase share capital, during five years, up to a maximum amount corresponding to 50% of the Company's share capital on the date of the authorisation, on one or several occasions, to the amount that the board decides, by issuing new ordinary or preferred shares with or without voting rights or shares of any other kind permitted by law, including redeemable shares; envisaging the possibility of incomplete subscription pursuant to article 161.1 of the Companies Act and conferring authority to amend article 5 of the corporate bylaws. Likewise, confer authority, under the terms and conditions of article 159.2 of the Companies Act, to exclude pre-emptive subscription rights over said share issues. This authority will be limited to 20% of the Company's share capital.

- Number of votes issued: 2,144,041,753
- Number of votes in favour: 2,023,752,945
- Number of votes against: 118,751,673
- Number of abstentions: 1,537,135

Resolution Five adopted by 94.39%.

ITEM SIX.- Increase by €50,000,000,000.- (FIFTY BILLION EUROS) the maximum nominal amount against which the AGM, 18th March 2006 under its agenda item three, authorised the board of directors to issue debt instruments of any kind and nature, including exchangeable and redeemable bonds, not convertible into equity.

- Number of votes issued: 2,144,041,753

- Number of votes in favour: 2,137,183,370
- Number of votes against: 5,224,067
- Number of abstentions: 1,634,316

Resolution Six adopted by 99.68%.

ITEM SEVEN.- Authorisation for the Company to acquire treasury stock directly or through Group companies, pursuant to article 75 of the Companies Act (consolidated text), establishing the limits and requirements for these acquisitions, with express powers to reduce the Company's share capital to redeem treasury stock. Due authority is conferred on the board of directors to implement the resolutions passed by the AGM in this respect, repealing the authorisation conferred by the AGM, 14th March 2008, insofar as it has not been executed.

- Number of votes issued: 2,144,041,753
- Number of votes in favour: 2,134,400,391
- Number of votes against: 8,111,775
- Number of abstentions: 1,529,587

Resolution Seven adopted by 99.55%.

ITEM EIGHT.- Adoption of resolutions on remuneration:

8.1.- Settlement of the 2006-2008 long-term share-remuneration plan.

8.2.- Approval, for application by the Bank and its subsidiaries, of a variable-remuneration scheme in BBVA shares for 2009 and 2010, addressed to the members of the senior management, including executive directors and members of the Management committee, comprising the delivery of BBVA shares to beneficiaries.

- Number of votes issued: 2,144,041,753
- Number of votes in favour: 2,122,070,492
- Number of votes against: 9,489,677
- Number of abstentions: 12,471,584

Resolution 8.1 adopted by 98.98%

- Number of votes issued: 2,144,041,753
- Number of votes in favour: 2,107,407,931
- Number of votes against: 25,593,978
- Number of abstentions: 11,039,844

Resolution 8.2 adopted by 98.29%

ITEM NINE.- Re-election of the account auditors for Banco Bilbao Vizcaya Argentaria, S.A. and its consolidated financial group for 2009.

- Number of votes issued: 2,144,041,753
- Number of votes in favour: 2,139,678,068
- Number of votes against: 2,782,787
- Number of abstentions: 1,580,898

Resolution nine adopted by 99.80%.

ITEM TEN.- Conferral of authority on the board of directors, which may in turn delegate said authority, to formalise, correct, interpret and implement the resolutions adopted by the AGM.

- Number of votes issued: 2,144,041,753
- Number of votes in favour: 2,141,012,212
- Number of votes against: 2,565,072
- Number of abstentions: 464,469

Resolution ten adopted by 99.86%.

E.9. Indicate the number of shares, if any, that are required to be able to attend the General Meeting and whether there are any restrictions on such attendance in the bylaws.

YES

Number of shares necessary to attend the General Meeting	500
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E.10. Indicate and explain the policies pursued by the company with reference to proxy voting at the General Meeting.

As indicated above, any shareholders entitled to attend may be represented at the AGM by another shareholder, using the form of proxy established by the Company for any General Meeting, that will be displayed on the attendance card. No shareholder may be represented at the General Meeting by more than one proxy.

Representation conferred to someone not eligible at Law to act as proxy shall neither be valid nor effective. Proxies conferred by holders in trust or in agency may be rejected

Proxies must be conferred in writing or by means of remote communication that comply with the requirements of article 105 of the Companies Act and other applicable legislation regarding distance voting. This must be specific for each General Meeting.

Representation shall always be revocable. Should the shareholder represented attend the General Meeting in person, his/her representation shall be deemed null and void.

E.11. Indicate whether the company is aware of the institutional investors' policy regarding whether or not to participate in the company's decision making:

NO

E.12. Indicate the address and mode of access to the content on corporate governance on your web-site:

The content that must be published pursuant to Act 26/2003, 17th July, on the transparent governance of listed companies, as ramified under Ministerial Order ECO/3722/2003, 26th December, and the content required under CNMV Circular 1/2004, 17th March, on the annual report on corporate governance of listed companies, appendix I whereof was amended by CNMV Circular 4/2007, 27th December, amending the standard annual report form on corporate governance of listed companies, is directly accessible at www.bbva.com.

F - DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the extent to which the company follows the recommendations of the unified code on corporate governance. Should the company not have complied with any of them, explain the recommendations, standards, practices and/or criteria that the company does apply.

1. The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

See sections: A.9, B.1.22, B.1.23 and E.1, E.2

Compliant

2. When a dominant and a subsidiary company are publicly traded, the two should provide detailed disclosure on:
- a) The type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies;
 - b) The mechanisms in place to resolve possible conflicts of interest.

See sections: C.4 and C.7

Not applicable

3. That, although not expressly required by mercantile law, the General Meeting gives its approval to transactions involving a structural change in the company, and, in particular, any of the following:

- a) The transformation of listed companies into holding companies through the process of subsidisation, ie, reallocating core activities to subsidiaries that were previously carried out by the holding company, even though the holding company retains full control of the subsidiaries;
- b) Any acquisition or disposal of key operating assets that would effectively alter the company's corporate object;
- c) Operations that effectively entail the company's liquidation.

Compliant

4. That the detail of the draft resolutions put to the General Meeting, including the information referred to in recommendation 28, are published when the call to meeting for the General Meeting is published.

Compliant

5. That the General Meeting votes separately on any matters that are substantially independent, in order for shareholders to exercise their voting preferences separately. This rule shall apply in particular to

- a) The appointment or ratification of directors, with separate voting on each candidate;
- b) Amendments to the bylaws, with votes taken on all articles or groups of articles that are materially different

See section: E.8

Compliant

8. That the companies allow the voting to be disaggregated, so that financial intermediaries legitimated as shareholders but acting as nominees on behalf of different clients can issue their votes according to instructions.

See section: E.4

Compliant

7. The Board of Directors should perform its duties with unity of purpose and independent judgement, according all shareholders the same treatment. It should be guided at all times by the company's best interests and, as such, strive to maximise its value over time.

It should likewise ensure that the company abides by the laws and regulations in its dealings with stakeholders; fulfils its obligations and contracts in good faith; respects the customs and good practices of the sectors and territories where it does business; and upholds any additional social responsibility principles it has subscribed to voluntarily.

Compliant

8. That the Board's core mission is to approve company strategy and the necessary organisation for implementing it, and to oversee and supervise the Management's compliance with the objectives laid down, and its respect towards the company's object and corporate interest. As such, the board in full should reserve the right to approve:

a) The Company's general strategies and policies, and in particular:

- i) The strategic or business plan and the annual management and budgetary targets;
- ii) The investment and funding policy;
- iii) The definition of how the Group companies are structured;
- iv) The corporate governance policy;
- v) The corporate social responsibility policy;
- vi) The policy for senior managers' remuneration and performance assessment;
- vii) The policy for controlling and managing risks, and the periodic monitoring of the internal information and oversight systems.
- viii) The pay-out policy and the treasury-stock policy, especially their limits.

See sections: B.1.10, B.1.13, B.1.14 and D.3

b) The following resolutions:

- i) At the proposal of the company's chief executive, the appointment and possible severance of senior managers, and their compensation clauses.

See section: B.1.14

- ii) Directors' remuneration and any additional remuneration to executive directors for executive responsibilities and other terms and conditions that their contracts must include.

See section: B.1.14

- iii) The financial information that the Company, as a publicly traded company, must disclose periodically.
- iv) Investments and/or transactions of any kind, whose high value or special characteristics make them strategic, unless the AGM is charged with approving them;
- v) The creation or acquisition of shares in special-purpose entities or entities domiciled in countries or territories considered tax havens, and any other transactions or operations of an analogous nature whose complexity could undermine the group's transparency

c) Transactions between the Company and its directors, its significant shareholders and/or shareholders represented on the board, and/or parties related to them ("related-party transactions").

However, board authorisation need not be required for related-party transactions that simultaneously meet the following three conditions:

1. They are carried out under arms' length contracts with standard terms and conditions, applicable en masse to a large number of customers;
2. They go through at market rates set in general by the supplier of the goods or services;
3. They are worth less than 1% of the Company's annual revenues.

Related-party transactions should only be approved on the basis of a favourable report from the Audit Committee or any other committee entrusted with such a report; and the directors involved should neither exercise nor delegate their votes, and should withdraw from the meeting room while the board deliberates and votes.

The above powers should not be delegated with the exception of those mentioned in b) and c), which may be delegated to the Executive Committee in urgent cases and later ratified by the full board.

See sections: C.1 and C.6

Compliant

9. In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise no fewer than five and no more than fifteen members.

See section: B.1.1

Compliant

10. External, shareholder-nominated and independent directors should occupy an ample majority of board places, while the number of executive directors should be the minimum required to deal with the complexity of the corporate group and reflect the ownership interests they control.

See sections: A.2, A.3, B.1.3 and B.1.14

Compliant

11. If any external director cannot be considered a shareholder-nominated or an independent director, the company should disclose this circumstance and the affiliations between the director and the company or its senior officers, or its shareholders.

See section: B.1.3

Compliant

12. Amongst external directors, the ratio between the number of shareholder-nominated and independent directors should reflect the percentage of shares held by the company that the shareholder-nominated director represents and the remaining share capital.

This strict proportionality can be relaxed so the percentage of Nominee directors is greater than would strictly correspond to the total percentage of capital they represent:

1. In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings, despite the considerable sums actually invested in absolute terms,
2. In companies with a plurality of shareholders represented on the board but not otherwise related to each other.

See sections: B.1.3, A.2 and A.3

Compliant

13. Independent directors should account for at least one third of the total number of seats.

See section: B.1.3

Compliant

14. That the character of each director is explained by the Board to the General Meeting that should effect or ratify their appointment, and that this is confirmed or, as applicable, revised each year in the Annual Report on Corporate Governance, after verification by the Appointments committee. And that said report also explains the reasons why nominee directors have been appointed at the behest of shareholders whose holding is less than 5% of the capital; and the reasons are given as to why no heed was paid, if applicable, to formal requests for presence on the board from shareholders whose holding in the share capital is equal to or greater than those of others at whose behest nominee directors have been appointed.

See sections: B.2.1. and B.2.4

Compliant

15. If there are few or no female directors, the board should explain the reasons and the initiatives adopted to correct the situation; in particular, the Appointments committee should take steps to ensure that, when vacancies arise:

- a) The procedure for filling board vacancies has no implicit bias against women candidates;
- b) The company makes a conscious effort to seek and shortlist women with the target profile among the candidates for board places.

See sections: B.1.2, B.1.27 and B.2.3

Partially compliant

Article 3 of the board regulations establishes that the proposals that the board submits to the Company's AGM for the appointment or re-election of directors and the resolutions to co-opt directors made by the board of directors shall be approved at the proposal of the Appointments & Remuneration committee in the case of independent directors and on the basis of a report from said committee in the case of all other directors.

The Board's resolutions and deliberations on these matters shall take place in the absence of the director whose re-election is proposed. If the director is at the meeting, she/he must leave.

The Appointments & Remuneration committee is tasked with formulating and providing information for the proposals to appoint and re-elect directors.

To such end, the committee shall evaluate the skills, knowledge and experience that the Board requires, as well as the conditions that candidates should display to fill the vacancies arising, assessing the dedication necessary to be able to suitably perform their duties in light of the needs that the Company's governing bodies may have at any time.

The committee shall ensure that when filling new vacancies, the selection procedures are not marred by implicit biases that may hinder the selection of female directors, trying to ensure that if there are few or no women on the Board, women who display the professional profile being sought after are included on the shortlists.

16. The chairman, who is responsible for the efficient running of the Board, shall ensure that the directors receive sufficient prior information for the meetings; encourage directors to debate and participate actively in the meetings, safeguarding their freedom to take their own stance and express their own opinion; He/she shall organise and coordinate periodic assessment of the board with the chairs of the relevant committees and with the Bank's managing director or chief executive officer.

See section: B.2.42

Compliant

17. When a company's chairman is also its chief executive, an independent director should be empowered to request a board meeting be called or new business included on the agenda; to coordinate and give voice to the concerns of external directors; and to lead the board's evaluation of the chairman.

See section: B.1.21

Explain

Article 5 of the Board Regulations establishes that the chairman of the board shall also be the Bank's chief executive officer unless the Board resolves to separate the posts of chairman and chief executive officer on the grounds of the Company's best interests.

Under the company bylaws, the chairman shall, in all cases, shall be the highest-ranking representative of the Company.

However, under article 45 of the bylaws, the Company has an Executive committee with the following powers:

'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; determine the volume of investment in each individual activity; approval or rejection of operations, determining methods and conditions; 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.'

Article 49 of the bylaws establishes that the Company has a chief operating officer who has broad-ranging powers delegated by the Board, with the powers inherent to this post to administer and represent the Company. The heads of all the Company's business areas and the Company's support areas report to him/her.

Finally, the Board has the support of various committees to help it best perform its duties. These include the Audit & Compliance committee, the Appointment & Remuneration committee and the Risks committee, which help the Board on issues corresponding to business within the scope of their powers. Their composition and the rules governing their organisation and working are given in the corresponding sections.

The Board Regulations also establish the possibility if at least one quarter of the board members appointed at any time so wish, they may request a board meeting be held. The agenda shall include the matters determined by the chairman of the Board, either at his/her own initiative or at the suggestion of any director, deemed to be advisable for the Company's best interests.

18. The Secretary should take care to ensure that the board's actions:

- a) Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulators;
- b) Comply with the company bylaws and the regulations of the general meeting, the board of directors or others;
- c) Are informed by those good governance recommendations of the Unified Code that the company has subscribed to.

In order to safeguard the independence, impartiality and professionalism of the company secretary, his or her appointment and removal should be proposed by the Appointment committee and approved by a full board meeting; the relevant appointment and removal procedures being spelled out in the board's regulations.

See section: B.2.34

Compliant

19. The board shall meet with the necessary frequency to properly perform its functions, in accordance with a calendar and agendas set at the beginning of the year, to which each director may propose the addition of other items.

See section: B.2.29

Compliant

20. Directors should keep their absences to the bare minimum. Absences should be quantified in the Annual Corporate Governance Report. When directors have no choice but to delegate their vote, they should do so with instructions.

See sections: B.2.1. and B.2.30

Compliant

21. When directors or the company secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the board meeting, the person expressing them may request they be recorded in the minutes.

Compliant

22. The board in full should evaluate the following points on a yearly basis:

- a) The quality and efficiency of the board's operation;
- b) Starting from a report submitted by the Appointments committee, how well the chairman and chief executive have carried out their duties;
- c) The performance of its committees on the basis of the reports furnished by such committees.

See section: B.2.19

Compliant

23. All directors should be able to exercise their right to receive any additional information they require on matters within the board's competence. Unless the bylaws or board regulations indicate otherwise, such requests should be addressed to the chairman or secretary.

See section: B.2.42

Compliant

24. All directors should be entitled to call on the company for the advice and guidance they need to perform their duties. The company should provide suitable channels for the exercise of this right. Under special circumstances it could include external assistance at the company's expense.

See section: B.2.41

Compliant

25. Companies should organise induction programmes for new directors to acquaint them rapidly and sufficiently with the workings of the company and its corporate governance rules. Directors should also be offered refresher programmes when circumstances so advise.

Compliant

26. Companies should require their directors to devote sufficient time and effort to perform their duties effectively, and, as such:

- a) The directors must inform the Appointments & Remuneration committee of their other professional obligations, in case these interfere with the dedication required to perform their duties.
- b) Companies should lay down rules about the number of directorships their board members can hold.

See sections: B.1.6, B.1.9 and B.1.17

Compliant

27. The proposal for the appointment or renewal of directors which the board submits to the General Meeting, as well as provisional appointments by co-option, should be approved by the board:

- a) At the proposal of the Appointments committee for independent directors.
- b) On the basis of a report by the Appointments committee for all other directors.

See section: B.1.2.

Compliant

28. Companies should publish the following director particulars on their website and keep them permanently updated:

- a) Professional experience and background;
- b) Directorships held in other companies, listed or otherwise;
- c) An indication as to the category of directorship that they hold; in the case of nominee directors, stating the shareholder they represent or to whom they are affiliated.
- d) The date of their first and subsequent appointments as a company director, and
- e) Shares and/or share options held in the company.

Compliant

29. Independent directors should not stay on as such for a continuous period of more than 12 years.

See section: B.1.2.

Compliant

30. That the nominee directors present their resignation when the shareholder that they represent sells all its shareholding. And that they also do so, in the corresponding number, when said shareholder reduces its shareholding to a level that requires a reduction in the number of its nominee directors.

See sections: A.2, A.3 and B.1.2

Compliant

31. The board of directors must not propose the removal of independent directors before the expiry of their term in office pursuant to the bylaws, except where due cause is found by the board, based on a report from the Appointments committee. In particular, due cause will be presumed when a director is in breach of his or her fiduciary duties or comes under one of the disqualifying grounds enumerated in section III.5 (Definitions) of this Code.

The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the company's capital structure, in order to meet the proportionality criterion set out in Recommendation 12.

See sections: B.1.2, B.1.5 and B.1.26

Compliant

32. Companies should establish rules obliging directors to inform the board of any circumstance that might undermine the organisation's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent proceedings. If a director is indicted or tried for any of the crimes stated in article 124 of the Companies Act, the board should examine the matter as soon as possible and, in view of the particular circumstances, decide whether or not he or she should be called on to resign his/her seat. The board should also disclose all such determinations in the Annual Corporate Governance Report.

See sections: B.1.43 and B.1.44

Compliant

33. The directors should clearly express their opposition when they consider that a resolution submitted to the Board may not be in the Company's best interest. In particular, independents and other directors unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking board representation. When the board adopts material or reiterated resolutions on issues about which a director has expressed serious reservations, said director must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation. This Recommendation should also apply to the company secretary, even if the secretary is not a director.

Compliant

34. If leaving office before the end of its term, whether on resignation or on other grounds, the director should explain the reasons in a letter sent to all board members. Whether or not such resignation is filed as a significant event, the reasons for leaving must be explained in the Annual Corporate Governance Report.

See section: B.1.5

Compliant

35. The company's remuneration policy, as approved by its board of directors, should specify at least the following points:

- a) Amount of the fixed components, itemised where applicable, for per diem payments for attending the board and its committee meetings and an estimate of the fixed annual remuneration ensuing on this.
- b) Variable remuneration items, including, in particular:
 - i) The types of directors they apply to, with an explanation of the relative weight of variable to fixed remuneration items.
 - ii) Performance evaluation criteria used to calculate entitlement to the award of shares or share options or any performance-related remuneration;
- iii) The main parameters and grounds for any system of annual bonuses or other, non cash benefits; and

- iv) An estimate of the sum total of variable payments arising from the remuneration policy proposed, as a function of degree of compliance with pre-set targets or benchmarks.
- c) The main characteristics of pension systems (for example, supplementary pensions, life insurance and similar arrangements), with an estimate of their amount or annual equivalent cost.
- d) Conditions that the contracts of executive directors in senior management must respect, including:
 - i) Duration
 - ii) Notice periods, and
 - iii) Any other clauses covering hiring bonuses, as well as indemnities or ring-fencing in the event of early termination or rescission of the contractual relationship between company and executive director.

See section: B.1.15

Compliant

36. Remuneration comprising the delivery of shares in the company or other companies in the group, share options or other share-indexed instruments, payments indexed to the company's performance or membership of pension schemes should be confined to executive directors.

The delivery of shares is excluded from this limitation when directors are obliged to retain them until the end of their term of office.

See sections: A.3 and B.1.3

Compliant

37. External directors' remuneration should sufficiently compensate them for the dedication, qualifications and responsibilities that the post entails; but should not be so high as to compromise their independence

Compliant

38. Deductions should be made to remuneration linked to company earnings, for any qualifications stated in the external auditor's report that reduce such earnings.

Compliant

39. In the case of variable awards, remuneration policies should include technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, atypical or exceptional transactions or circumstances of this kind.

Compliant

40. The board should submit a report on the directors' remuneration policy to the advisory vote of the General Meeting, as a separate point on the agenda. This report can be supplied to shareholders separately or in the manner each company sees fit. The report will focus on the remuneration policy the board has approved for the current year with reference, as the case may be, to the policy planned for future years. It will address all the points referred to in Recommendation 35, except those potentially entailing the disclosure of commercially sensitive information. It will highlight the most significant changes in these policies compared to those applied during the year prior to that put before the General Meeting.

It will also include a global summary of how the remuneration policy was applied during said prior year.

The board should also report to the General Meeting on the role of the Remuneration committee in designing the policy, and identify any external advisors engaged.

See section: B.1.16

Partially compliant

Article 33 of the Board Regulations establishes that the Appointments & Remuneration committee shall submit an annual report to the board on the directors' pay policy. This report is approved by the board of directors and made available to the shareholders when the call to meeting is published.

The report contains explanations on the general principles behind the BBVA directors' pay policy, the system for remunerating executive directors, which includes both fixed and variable pay, long-term rewards, distribution of total annual remuneration, corporate pension and annuity system and other remunerations; the main characteristics of the executive directors' contracts with BBVA; the remuneration system for non-executive BBVA directors, which includes fixed remuneration and the remuneration system with deferred delivery of shares; the evolution of the total remuneration of the Board and future policy, thereby offering maximum transparency in this matter.

However, given that Spanish legislation does not establish how an advisory vote at a general meeting would operate, the Board Regulations do not recognise it as a possibility.

The duties of the Appointments & Remuneration committee regarding remuneration are covered in article 33 of the Board Regulations. They are as follows:

- . It proposes the remuneration system for the Board of Directors as a whole, in accordance with the principles established in the company's bylaws. this system shall deal with the system's items, amounts and method of payment.
- . Determine the extent and amount of the remuneration, entitlements and other economic rewards for the chairman, the chief operating officer and other executive directors of the Bank, so that these can be reflected in their contracts. The committee's proposals on such matters shall be submitted to the Board of Directors.
- . Submit an annual report on the directors remuneration policy to the board of directors.
- . And report the appointments and severances of senior managers and propose senior-management remuneration policy to the Board, along with the basic terms and conditions for their contracts.

41. The notes to the annual accounts should list individual directors' remuneration in the year, including:

- a) Itemisation of each company director's remuneration, to include where appropriate:
 - i) Attendance fees and other fixed payments for directorship;
 - ii) Additional remuneration for acting as chairman or member of a board committee;
 - iii) Any payments made under profit-sharing or bonus schemes, and the reason for their accrual;
 - iv) The payments made to any director's defined-benefit pension scheme; or increase in the director's vested rights when linked to contributions to defined-benefit schemes;
 - v) Any severance packages agreed or paid;
 - vi) Any remuneration they receive as directors of other companies in the group;
 - vii) The remuneration executive directors receive in respect of their senior management posts;
 - viii) Any remuneration other than those listed above, of whatever nature and provenance within the group, especially when it may be accounted a related-party transaction or when its omission would detract from a true and fair view of the total remuneration received by the director.

- b) A breakdown of shares, share options or other share-based instruments delivered to each director, itemised by:
- i) Number of shares or options awarded in the year, and the terms set for exercising the options;
 - ii) Number of options exercised in the year, specifying the number of shares involved and the exercise price;
 - iii) Number of options outstanding at the annual close, specifying their price, date and other exercise conditions;
 - iv) Any change in the year in the exercise terms of previously awarded options.
- c) Information on the relationship in the previous year between the remuneration obtained by executive directors and the company's earnings or any other measure of performance.

Compliant

42. When the company has an executive committee, the breakdown of its members by director category should be similar to that of the board itself. The secretary of the committee should be the secretary to the Board.

See sections: B.2.1. and B.2.6

Compliant

43. The board should be kept fully informed of the business transacted and resolutions adopted by the Executive committee. To this end, all board members should receive a copy of the committee's minutes.

Compliant

44. In addition to the Audit committee mandatory under the Securities Market Act, the board of directors should form a committee, or two separate committees, for appointments and remuneration.

That the rules regarding the composition and operation of the Audit committee and the Appointments & Remuneration committee(s) appear in the Board Regulations, and include the following:

- a) The board of directors should appoint the members of such committees in view of the knowledge, skills and experience of its directors and the terms of reference of each committee; discuss their proposals and reports; and be responsible for overseeing and evaluating their work, which should be reported to the first full board meeting following each meeting;
- b) These committees should be formed exclusively of external directors and have a minimum of three members. Executive directors or senior management may also attend meetings at the committees' express invitation.
- c) These committees should be chaired by an independent director.
- d) They may engage external advisors, when they feel this is necessary for the discharge of their duties.
- e) Meeting proceedings should be minuted and a copy sent to all board members.

See sections: B.2.1. and B.2.3

Compliant

45. The supervision of compliance with internal codes of conduct and corporate governance rules should be entrusted to the Audit committee, the Appointments committee or, as the case may be, separate Compliance or Corporate Governance committees.

Compliant

46. All members of the Audit committee, particularly its chairman, should be appointed with regard to their knowledge and background in accounting, auditing and risk management.

Compliant

47. Listed companies should have an internal audit function, under the supervision of the Audit committee, to ensure the proper operation of internal reporting and control systems.

Compliant

48. The head of internal audit should present an annual work programme to the Audit committee; report to it directly on any incidents arising during its implementation; and submit an activities report at the end of each year.

Compliant

49. The oversight and risk management policy should specify at least:

- a) The different types of risk (operational, technological, financial, legal, reputational, etc) the company is exposed to, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks;
- b) The level of risk that the company considers acceptable;
- c) The measures established to mitigate the impact of the risks identified, should they materialise;
- d) The internal oversight and reporting systems that will be used to control and manage said risks, including contingent liabilities and off-balance-sheet risks.

See sections: D

Compliant

50. The Audit committee's role should be:

1. With respect to internal control and reporting systems:

- a) Supervise the process of drawing up the financial information and its integrity for the company and its group, reviewing compliance with regulatory requirements, suitable scope of the consolidation perimeter and the correct application of accounting principles.
- b) To periodically review the systems of internal risk management and oversight to ensure the main risks are identified, managed and sufficiently well known.
- c) To ensure the independence and efficacy of the internal audit; propose the selection, appointment, re-election and severance of the internal audit officer; propose the budget for this service; receive periodic information on their activities; and verify that the senior management takes due heed of its reports.
- d) Establish and supervise a mechanism that enables employees to confidentially and, if this is deemed appropriate, anonymously communicate irregularities of potential importance, especially financial and accounting irregularities noticed within the company.

2. With respect to the external auditor:

- a) To put to the board the proposals for selection, appointment, re-election and substitution of the external auditor and the terms and conditions of engagement.

- b) To receive regular information from the external auditor on the audit plan and the outcome of its execution, verifying that the senior management takes due heed of its recommendations;
- c) To ensure the independence of the external auditor, to which end:
 - i) The company should notify any change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.
 - ii) Also to ensure that the company and the external auditor respect prevailing standards on the provision of services other than auditing, the limits on concentration of the auditor's business and, in general, other standards established to guarantee the independence of the auditors;
 - iii) Should the external auditor resign, to examine the circumstances leading to the resignation.
- d) In groups, to help the group auditor take responsibility for auditing the companies belonging to it.

See sections: B.1.35, B.2.2, B.2.3 and D.3

Partially compliant

The BBVA Audit & Compliance committee regulations establish broad-ranging powers with respect to the internal audit, which are detailed in section B.2.2 of this report. These include ensuring the independence and efficacy of the internal audit function and being aware of the appointment and severance of the head of the internal audit service. However, its duties do not include proposing the selection of the service or its budget, as this is considered an integral part of the Bank's overall organisation.

51. The Audit committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Compliant

52. The Audit committee should prepare information on the following points from Recommendation 8 for input to board decision-making:

- a) The financial information that the company, as a publicly traded company, must disclose periodically. The committee should ensure that interim statements are drawn up under the same accounting principles as the annual statements and, to this end, may ask the external auditor to conduct a limited review.
- b)) The creation or acquisition of shares in special-purpose entities or entities domiciled in countries or territories considered tax havens, and any other transactions or operations of an analogous nature whose complexity could undermine the group's transparency
- c) Related-party transactions, except where their scrutiny has been entrusted to some other supervision and control committee.

See sections: B.2.2. and B.2.3

Compliant

53. The board of directors shall try to avoid the accounts it has filed being presented to the AGM with reservations and qualifications. When this is not possible, both the chair of the Audit committee and the auditors must clearly explain the content and scope of discrepancies to the markets and shareholders.

See section: B.1.38

Compliant

54. The majority of Appointments committee members – or Appointments & Remuneration committee members as the case may be – should be independent directors.

See section: B.2.1

Compliant

55. The Appointments committee should have the following duties in addition to those stated in earlier recommendations:

- a) Evaluate the balance of skills, knowledge and experience required on the board, define the roles and capabilities required of the candidates to fill each vacancy accordingly, and decide the time and dedication necessary for them to properly perform their duties.
- b) Examine or organise, in the manner it deems suitable, the succession of the chairman and/or chief executive officer and put corresponding proposals to the board for an orderly, well-planned succession.
- c) Report on the senior officer appointments and removals that the chief executive proposes to the board.
- d) Report to the board on the gender diversity issues discussed in Recommendation 14 of this code.

See section: B.2.3

Compliant

56. The Appointments & Remuneration committee shall consult with the company chairman and the chief executive officer with respect to matters related to executive directors.

Any board member may suggest potential directorship candidates to the appointment committee for its consideration.

Compliant

57. The Appointments committee should have the following duties in addition to those stated in earlier recommendations:

- a) Make proposals to the board of directors regarding:
 - i) The policy for directors' and senior managers' remuneration;
 - ii) The individual remuneration and other contractual conditions of executive directors, iii) The core conditions for senior officer employment contracts.
- b) Oversee compliance with the remuneration policy set by the company.

See sections: B.1.14 and B.2.3

Compliant

58. The Appointments & Remuneration committee shall consult with the company chairman and the chief executive officer, especially with respect to matters related to executive directors and senior managers.

Compliant

G - OTHER INFORMATION OF INTEREST

If you consider there is any relevant principle or aspect relating to the corporate governance practices your company applies, which have not been covered herein, please mention them below and explain their

content.

- Further to section A.2: Chase Nominees Ltd, State Street Bank and Trust Co, The Bank of New York Mellon, the Bank of New York International Nominees and Clearstream AG, as international custodian/depositary banks, held 6.89%, 5.25%, 3.80%, 3.43% and 3.13% of BBVA's share capital, respectively, on 31st December 2009. The Bank of New York International Nominees is the depositary bank in Spain for the BBVA securities supporting the ADRs issued in the United States of America.

Moreover, Blackrock Inc., domiciled in the UK, has informed BBVA that, as a consequence of the acquisition of the Barclays Global Investors (BGI) business, it has come to own a 4.45% indirect holding in BBVA's share capital through its company, Blackrock Investment Management (UK).

Although this report refers to 2009, by way of information, we indicate that Credit Suisse Group AG has notified to the CNMV on 26th January 2010 of its indirect acquisition through subsidiaries of BBVA shares such that it surpasses 3% of the voting rights, holding 3.449% of its share capital.

- Further to the information in section A.3 (Share Rights), we indicate that the Bank's General Meeting, 13th March 2009, adopted a Multi-annual Variable Remuneration Programme in Shares for 2009 and 2010. The Programme allocates each beneficiary (members of the Group senior management, including executive directors and members of the Management committee) a number of units, according to their level of responsibility, which may at the end of the Programme give rise to the delivery of ordinary shares in BBVA as a function of BBVA's TSR performance benchmarked against a peer group. Under this Programme, 215,000 units have been allocated to the chairman & CEO, 131,700 to the president & COO and 29,024 to José Maldonado, former Company secretary & director. In the case of Mr Maldonado, the number of units that were initially allocated to him was reduced as a consequence of his retirement, pursuant to a scale as a function of the time he had performed his executive duties in the Bank and the total duration of the Programme.

Likewise, as recorded in the corresponding CDO form filed with CNMV, Mr Francisco González owns 600,000 put options over BBVA shares, whose terms and conditions are described in said CDO form.

Finally, the General Meeting, 13th March 2009, approved the settlement of the long-term incentive plan for 2006 to 2008. On 30th March, when its settlement was formalised, 454,000 shares were delivered to the chairman & CEO, 177,500 to the president & COO, and 142,000 to the former Company secretary & director.

- Further to section A.5: see Note corresponding to section C.

- Further to the information in section A.8: regarding earnings from treasury-stock trading, rule 21 of the Circular 2004/32 and the IAS 33 (paragraph 33) expressly prohibit the recognition in the income statement of the profits or losses made on transactions carried out with treasury stock, including their issue and redemption. Said profits and losses are directly booked against the company's net assets. The capital loss on treasury stock shown in section A.8 is given in thousand euros.

- With regard to section B.1.1, we should note that the BBVA Board of Directors currently comprises 13 seats.

- Further to section B.1.3, Francisco González Rodríguez was appointed as a BBVA director by the BBV and Argentaria merger General Meetings, 18th December 1999. He was re-elected in 2005, pursuant to the transitory condition of the corporate bylaws approved by the merger general meetings.

The Board, pursuant to article 2 of the Board regulations, resolved on 29th September, with a favourable report from the Appointments & Remuneration committee, to co-opt Angel Cano as board member and president & chief operating officer.

José Maldonado was appointed as a BBVA director at the BBV and Argentaria merger General Meetings, 18th December 1999, and re-elected at the BBVA General Meeting, 13th March 2009, with a favourable report from the Appointments & Remuneration committee, pursuant to section B.1.19.

- Further to the information in B.1.7: Angel Cano is the alternate director to

Francisco González Rodríguez in the following Mexican companies: Grupo Financiero BBVA Bancomer, S.A. de C.V. and Bancomer, S.A.

- Further to section B.1.11: the sum of €806,000 included in the section corresponding to credits granted, reflects the amount availed of the credit facilities granted on 31st December 2009 by the Bank as financial institution within the ordinary course of its business and under normal market conditions to members of the Board of Directors.

Further to sections B.1.11 and B.1.14, an itemised list of remuneration for each of BBVA's directors in 2009, is given below, together with the pension obligations agreed for them.

REMUNERATION OF THE BOARD OF DIRECTORS AND THE MANAGEMENT COMMITTEE OF THE BANK

Remuneration and other benefits to the Board of Directors and the members of the Management committee.

• REMUNERATION OF NON-EXECUTIVE DIRECTORS

The remuneration paid to the non-executive members of the Board of Directors during 2009 is indicated below. The figures are given individually for each non-executive director and itemised:

Thousand of euros						
	Board	Standing Committee	Audit	Risk	Appointments and Compensation	Total
Tomás Alfaro Drake	129	-	71	-	-	200
Juan Carlos Álvarez Mezquiritz	129	167	-	-	42	338
Rafael Bermejo Blanco	129	-	179	107	-	415
Ramón Bustamante y de La Mora	129	-	71	107	-	307
José Antonio Fernández Rivera (*)	129	-	-	214	-	343
Ignacio Ferrero Jordi	129	167	-	-	42	338
Román Knörr Borrás	129	167	-	-	-	296
Carlos Loring Martínez de Irujo	129	-	71	-	107	307
Enrique Medina Fernández	129	167	-	107	-	403
Susana Rodríguez Vidarte	129	-	71	-	42	242
Total (**)	1,290	668	463	535	233	3,189

(*) José Antonio Fernández Rivera, apart from the amounts listed in the previous table, also received a total of €652 thousand during 2009 in early retirement payments as a former member of the BBVA management.

(**) Moreover, Mr. Richard C. Breeden, who stood down as director on 13th March 2009, received the sum of €87 thousand in 2009 as remuneration for his membership of the Board.

• REMUNERATION OF EXECUTIVE DIRECTORS

The remuneration paid to the executive directors during 2009 is indicated below. The figures are given individually for each executive director and itemised:

Thousand euros			
	Fixed Remuneration	Variable Remuneration (*)	Total
Chairman & CEO	1,928	3,416	5,343
President & COO (**)	783	1,256	2,039
Total	2,710	4,672	7,382

(*) Figures for the variable pay from 2008 received in 2009.

(**) The remuneration paid to the current president & COO, who was appointed 29th September 2009, includes the amount payable as Head of Resources & Systems for the time he occupied this position.

During 2009, the former president & COO, who stood down on 29th September 2009, received €1,065 thousand in fixed remuneration and €2,861 thousand in variable remuneration from 2008.

And during 2009, the former Company secretary, who stood down as executive of the Bank on 22nd December 2009, received €650 thousand in fixed remuneration and €815 thousand in variable remuneration from 2008.

Additionally, those who have been executive directors during 2009 received remuneration in kind and others to a total joint sum of €144 thousand.

The executive directors have also accrued variable remuneration for 2009, payable in 2010: €3,388 thousand payable to the chairman & CEO and €1,482 thousand payable to the president & COO.

The former president & COO accrued €2,811 thousand under the same item, and the former Company Secretary €905 thousand. These amounts are payable in 2010.

These amounts are booked under "Other Liabilities - Carried Forward" on the consolidated balance sheet at 31st December 2009.

• REMUNERATION OF MANAGEMENT COMMITTEE MEMBERS (*)

In 2009, members of the BBVA Management committee received a total of €6,257 thousand in fixed remuneration and €10,804 thousand in variable remuneration from 2008 paid in 2009.

The Management committee members received payment in kind and other worth €453 thousand during 2009.

(*) This section includes information on the members who were on the Management committee at 31st December 2009, excluding executive directors.

• LONG-TERM SHARE REMUNERATION PLAN (2006-2008) FOR EXECUTIVE DIRECTORS AND MEMBERS OF THE MANAGEMENT COMMITTEE

The BBVA AGM, 13th March 2009, approved the settlement of the Long-Term Share Remuneration Plan for 2006 to 2008 (hereinafter "The Plan"), under the terms and conditions established when it began, as a function of the BBVA TSR performance benchmarked against those of the banks in its peer group.

The Plan was formally settled on 30th March 2009, and the number of BBVA shares deliverable to its beneficiaries were:

	N° assigned theoretical shares	Multiplier ratio	Number of shares
Chairman & CEO	320,000	1.42	454,400
President & COO	125,000	1.42	177,500

(*) The number of shares delivered to the former president & COO and the former Company secretary & director as a result of this settlement were: 383,400 shares for the former president & COO and 142,000 for the former Company Secretary.

The total number of shares deliverable to the Management committee members sitting on the committee on the date the Plan was settled, excluding executive directors, was 1,191,616 shares.

• 2009 - 2010 MULTI-YEAR VARIABLE SHARE REMUNERATION PROGRAMME FOR EXECUTIVE DIRECTORS AND MEMBERS OF THE MANAGEMENT COMMITTEE

The Bank's AGM, 13th March 2009, adopted a variable-remuneration scheme in BBVA shares for 2009 and 2010 (hereinafter "The Programme"), addressed to the members of the senior management, including executive directors and members of the Management committee.

The Programme allocates each beneficiary a number of units as a function of their level of responsibility. At the end of the plan, if the requirements established initially are met, these are used to deliver BBVA shares.

The specific number of shares to be given to each beneficiary of the Programme will be determined by multiplying the number of units allocated by a ratio of between 0 and 2, established as a function of the comparative performance of the Bank's TSR (total shareholders' return) against the TSR of the Bank's international peer-group.

The number of units allocated to the executive directors ^(*) was 215,000 units for the chairman & CEO; 131,707 for the president & COO.

The total number of units allocated under this Programme to Management committee members sitting on the committee on 31st December 2009, excluding executive directors, was 817,464 units.

(*) The number of units initially allocated to the former president & COO and the former Company Secretary & director was reduced as a consequence of their retirement pursuant to a scale as a function of the time during which they performed their executive duties in the Bank and the total duration of the Programme. They received 48,293 and 29,024 units respectively.

• REMUNERATION SYSTEM FOR NON-EXECUTIVE DIRECTORS USING DEFERRED DELIVERY OF SHARES

The AGM, 18th March 2006, resolved under its agenda item eight to establish a remuneration scheme using deferred delivery of shares to the Bank's non-executive directors, to substitute the earlier scheme to which these directors were entitled.

The plan is based on the annual allotment made to non-executive directors of a number of "theoretical shares", equivalent to 20% of the total remuneration received in the previous year, according to the closing prices of the BBVA share during the sixty trading sessions prior to the AGM approving the corresponding financial statements. These shares, where applicable, will be delivered to the directors on the date they leave their seat for any reason other than dereliction of duty.

The numbers of theoretical shares allocated to the non-executive directors in 2009 as beneficiaries of the scheme for remuneration through deferred delivery of shares, corresponding to 20% of the remuneration received by said directors during 2008, are as follows:

DIRECTORS	Theoretical shares	Accumulated theoretical shares
Tomás Alfaro Drake	5,645	9,707
Juan Carlos Álvarez Mezaquiriz	9,543	33,511
Rafael Bermejo Blanco	11,683	15,989
Ramón Bustamante y de la Mora	8,661	32,648
José Antonio Fernández Rivero	9,663	24,115
Ignacio Ferrero Jordi	9,543	34,063
Román Knörr Borrás	8,335	27,838
Carlos Loring Martínez de Irujo	8,667	20,418
Enrique Medina Fernández	11,351	44,708
Susana Rodríguez Vidarte	6,854	20,450
Total	89,945	263,467

• PENSION COMMITMENTS

The provisions recorded at 31st December 2009 to cover the commitments for protection insurance for the president & COO was €13,753 thousand. This includes both the sums accumulated as member of the Group Management committee, and also those stemming from his current position as president & COO. To date, there are no other commitments for executive directors under this item.

During 2009, the Board of Directors determined the pension rights to which the chairman & CEO was entitled, having reached the age of 65 and vested his retirement pension rights. These were established under the actuarial criteria applicable to the bank, at €79,775 thousand of which €72,547 thousand had already been charged to the earnings of previous years, which have been outsourced under an insurance policy whose benefits may not be received until the chairman & CEO stands down from his executive responsibilities. Thus, at 31st December 2009, all the Bank's pension commitments for the chairman & CEO have been met.

Likewise, the Board of Directors determined the pension rights to which the former president & COO was entitled as a consequence of his early retirement. It established this sum at €68,674 thousand, of which €52,495 thousand were already charged to the earnings of previous years. This amount has been externalised in an insurance policy. Thus, at 31st December 2009, all the Bank's pension commitments for the former president & COO have been met.

Finally, the Board of Directors determined the pension rights to which the former Company secretary & director was entitled as a consequence of his early retirement. It established this sum at €13,511 thousand of which €8,710 thousand were already charged to the earnings of previous years. This amount has been paid as compensation for his pension rights, such that at 31st December 2009, the Bank's pension commitments for the former Company secretary & director have been met.

Moreover, €79 thousand have been paid in insurance premiums for non-executive members of the Board of Directors.

The provisions charged to 31st December 2009 for pension commitments for the Management committee members, excluding executive directors, amounted to €45,535 thousand. Of these, €8,371 thousand were provisioned during 2009.

• EXTINCTION OF CONTRACTUAL RELATIONSHIP

The contractual conditions agreed with the Bank's executive directors recognised their entitlement to receive compensation in the case of severance. The Bank has ceased to bear these obligations. Consequently, at 31st December 2009 there are no severance compensation payment commitments for executive directors and will not be in the future.

The contract of the president & COO determines that in the event of him losing this condition on any grounds other than his own will, retirement, disability or severe dereliction of duty, he will take early retirement with a pension payable, as he chooses, through a lifelong annuity pension, or by payment of a lump sum. This pension will be 75% of his pensionable salary if the severance occurs before he is 55, and 85% if it occurs after reaching said age.

- Further to section B.1.13: BBVA's Annual Report shows the terms and conditions established for the extinction of contractual relationships with the executive directors. The Explanatory report on the management report required by article 116 b of the Securities Market Act, gives information on the agreements between the Company and members of its Board and senior management who have compensation rights if they resign or are unfairly dismissed or if the employment relationship ends as a result of a takeover.

- Further to section B.1.26: Article one of the Board Regulations establishes that external directors may only be considered independent for a continuous 12-year term in office. After this, they cease to be independent.

- Further to section B.1.29: the number of meetings held by the Risks Committee in 2009 was 53.

- With regard to section B.1.31: As BBVA shares are listed on the New York stock exchange, it is subject to the supervision of the Securities & Exchange Commission (SEC) and thus, in compliance with the Sarbanes Oxley Act (SOA) and its ramifications, each year the chairman & CEO, president & COO and the executive tasked with preparing the accounts sign and submit the certificates described in sections 302 and 906 of the SOA, related to the content of the annual financial statements. These certificates are contained in the annual registration statement (20-F) the Company files with this authority for the official record.

- With regard to B.1.34: The Board of Directors, December, with the favourable report of the Appointments & Remuneration committee, resolved to appoint Mr Domingo Armengol Calvo, until then deputy secretary of the Board, as BBVA's non-director Company & Board secretary, and as secretary to the Bank's Executive committee.

- With respect to the duties of the Audit & Compliance committee set forth in section B.2.2: under the regulations of the Audit committee, its duties include ensuring that the Internal Audit department has the means and resources required, with enough personnel, material elements, systems, procedures and operating manuals to perform its duties in the Group. And will be appraised of any obstacles that may have arisen to the performance of its duties.

It will analyse and, where appropriate, approve the Annual Internal Audit Plan, as well as any other additional occasional or specific plans that have to be put in place on account of regulatory changes or Group business organisational needs.

It will be appraised of the extent to which the audited units have complied with the corrective measures recommended by the Internal Audit in previous audits, and any cases that might pose a relevant risk for the Group will be reported to the Board.

The committee will be informed of any material irregularities, anomalies or breaches that Internal Audit detects in the course of its actions, material being construed as any that may cause a significant and material impact or damage to the Group's net worth, results or reputation. The Internal Audit department, at its discretion, will judge whether they constitute such cause and, in case of doubt, must report the matter. It shall also be aware of and issue an opinion on the appointment or substitution of the head of Internal Audit, although it does not approve his or her appointment or propose the budget for the Internal Audit department.

- Further to section B.2.6: Article 26 of the Board regulations, establishes that, in accordance with Company bylaws, the Board of Directors may appoint an Executive committee, once two-thirds of its members vote for this and record of the resolution is duly filed at the Companies Registry. It shall try to ensure that it has a majority of external directors to executive directors and that independent directors occupy at least one third of the total seats.

TRANSACTIONS WITH RELATED PARTIES

BBVA and other Group companies as financial institutions, maintain transactions with related parties within the ordinary course of their business. All these transactions account for volumes of little relevance and are done under normal market terms and conditions.

TRANSACTIONS WITH SIGNIFICANT SHAREHOLDERS

As of December 31, 2009, the balances of transactions with significant shareholders (see Note 27) correspond to "Customer deposits", at €39 million, "Loans and advances to customers", at €37 million and "Contingent exposures", at €17 million, all of them in normal market conditions.

TRANSACTIONS WITH BBVA GROUP COMPANIES

At 31st December 2009, 2008 and 2007, the balances of the biggest items on the consolidated balance sheet stemming from transactions between the Group and its associated entities and companies under joint control that are consolidated under the equity method (see Note 2.1) were as follows:

	Millions of euros		
	2009	2008	2007
Assets:			
Loans and advances to credit institutions	45	27	32
Loans and advances to customers	613	507	610
Liabilities:			
Deposits from credit institutions	3	1	-
Customers deposits	76	23	55
Debt certificates	142	344	440
Memorandum accounts:			
Contingent exposures	36	37	129
Contingents commitments	340	415	443

In 2009, 2008 and 2007, the balances of the biggest items on the attached consolidated income statement stemming from transactions between the Group and its associated entities and companies under joint control that are consolidated under the equity method (see Note 2.1) were as follows:

	Millions of euros		
	2009	2008	2007
Income statement:			
Financial Revenues	18	36	33
Financial Expenses	6	22	18

There are no other material effects on the consolidated financial statements of the Group in 2009 arising from dealings with these companies, other than the effects arising from using the equity method (see Note 2.1), and from the insurance policies to cover pension or similar commitments (see Note 25).

As of December, 2009, 2008 and 2007, the notional amount of the futures transactions arranged by the Group with the main companies mentioned above amounted to approximately €569 million, €101 million and €74 million on December 31, 2008 and 2009, respectively (of which €474 million in 2009 correspond to futures transactions with the CITIC Group).

In addition, as part of its normal activity, the Group has entered into agreements and commitments of various types with shareholders of subsidiaries and associates, which have no material effects on the consolidated financial statements.

TRANSACTIONS WITH MEMBERS OF THE BOARD OF DIRECTORS AND THE MANAGEMENT COMMITTEE

The information on the remuneration of members of the BBVA Board of Directors and the Group's Management committee is described in Note 56.

The amount of credit facilities granted to members of the Board of Directors at 31st December 2009 was €806 thousand.

The credit facilities availed by members of the Management committee at 31st December 2009, excluding the executive directors, stood at €3,912 thousand.

At 31st December 2009, no guarantees had been granted for members of the Board of Directors or the Management committee of the Bank.

At 31st December 2009, the amount of credit facilities availed by parties related to key personnel (the aforementioned members of the BBVA board of directors and members of the Management committee) was €51,882 thousand. At 31st December, €24,514 thousand were availed against other liabilities (guarantees, financial leases and commercial lending) with parties related to key personnel.

TRANSACTIONS WITH OTHER RELATED PARTIES

At 31st December 2009, the Group did not have any transactions with other related parties that do not belong to ordinary trading and traffic within its business, that were not effected under normal market conditions and that were not of little relevance. This means that there were no transactions requiring reporting in order to give a true picture of the Group's net assets, the financial situation and the earnings.

- Further to section D.1: The Group has an Internal Control Model that is informed by the best practices contained in the COSO (Committee of Sponsoring Organizations of the Treadway Commission) "Enterprise Risk Management - Integrated Framework" document and in the BIS "Framework for Internal Control Systems in Banking Organizations". The Internal Control Model forms part of the Integrated Risk Management Framework, ie, the process within an organisation that involves its Board of Directors, its senior management and its staff and is designed to identify potential risks facing the institution. This means that such risks are managed within the limits established in such a way as to reasonably ensure business targets are reached. This Integrated Risk Management Framework comprises the specialist units (Risks, Compliance, Accounts & Consolidation, Legal Affairs), the Internal Control and the Internal Audit departments. The Internal Control Model is based on principles including the following:

1. The Internal Control Model is articulated along the lines of each process.

2. The activities of identifying, evaluating and mitigating risks must be unified for each process.
3. The Group units are accountable for internal oversight and control.
4. The systems, tools and reporting flows supporting the internal control and operational risk activities must be unified for each unit or, at least, be administered in an integrated manner by each unit.
5. The specialist units promote policies and draw up internal standards whose second-level development and application is the responsibility of the Corporate Internal Control unit. One of the essential elements in the model is use of Entity Level Controls (ELCs), which establish high-level controls in order to reduce the severity of risks inherent to the Group's business activities. The Internal Control department in each unit is responsible for implementing the control model within its scope of accountability and manage existing risk by proposing improvements to processes.

Given that the scope of accountabilities is worldwide for some units, there are transversal control functions that supplement the aforementioned control mechanisms. Finally, each unit has an Internal Control & Operational Risk committee, which is responsible for approving the mitigation plans matched to each risk and weakness identified in that unit. At the top of this committee structure is the Global Internal Control & Operational Risk committee for the Group as a whole. The outcome of using the tools, the working of the risks control systems and the correct performance of the risks function is that very few of these risks materialize, allowing the BBVA Group to curtail its NPA ratios and report high capital adequacy levels.

Further to section D.2: Detailed information on the BBVA Group's risk exposure is given in the BBVA Annual Report and in the BBVA Management Report, which includes the most noteworthy data.

- Further to section E.9: Holders of fewer shares than the bylaws establish for entitlement to attend, may if they wish apply for an invitation to the General Meeting through the shareholders helpdesk, the BBVA website or any BBVA branch. It will be facilitated to them where the inevitable space constraints in the facilities where General Meetings can be held allow this, given the very high number of shareholders in the company.

With respect to the recommendation on corporate governance contained in number 42, section F: Article 2 of the Board of Directors regulations establishes that the Board of Directors will put its proposals for appointment or re-election of directors to the Company's General Meeting in such a way that there is an ample majority of external directors over executive directors on the Board and that the number of independent directors accounts for at least one third of the total seats. Likewise, article 26 of the Board of Directors regulations establishes that the Board of Directors may appoint an Executive Committee, trying to ensure that it has a majority of external directors to executive directors and that independent directors occupy at least one third of the total seats.

The composition of BBVA's Board of Directors and its Executive Committee is compliant with their regulations, in that they have an ample majority of independent directors. There are only two executive directors sitting on the Board of Directors and the Executive Committee.

- Regarding the recommendation for corporate governance number 45 in section F: Article 30 of the Board Regulations empowers the Audit committee to supervise the internal code of conduct on the securities markets. Article 27 of the Board Regulations empowers the Executive committee to assess the Bank's corporate governance system, which it will analyse as a function of how Company evolves and the outcome of its development, any further standards that may be established, and recommendations on best market practices that are in keeping with its corporate reality.

This section may include any other relevant information, clarification or detail related to previous sections of the report insofar as they are relevant and not reiterative.

Specifically indicate whether the company is subject to corporate governance legislation from any country other than Spain and, if so, include the compulsory information to be provided when different from that required by this report.

Binding definition of independent director:

Indicate whether any of the independent directors has or has had any relationship with the company, its significant shareholders and/or its executives which, if sufficiently significant, would have meant that the director could not be considered independent under the definition given in section 5 of the unified code of good governance:

NO

Date and signature:

This annual report on corporate governance has been approved by the Company's Board of Directors on

03/Feb/2010

Indicate whether any members have voted against or abstained with respect to the approval of this report.

NO