

PROPOSED RESOLUTIONS UNDER AGENDA ITEM ONE FOR THE ANNUAL GENERAL MEETING OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A. SHAREHOLDERS, TO BE HELD 12TH MARCH 2010.

1.- Approve the financial statements and management report of Banco Bilbao Vizcaya Argentaria, S.A. corresponding to the year ending 31st December 2009 in accordance with the terms of the legal documentation, as well as the annual financial statements and management report of the Banco Bilbao Vizcaya Argentaria Group corresponding to the same financial year.

2.- Approve the proposed application of earnings of Banco Bilbao Vizcaya Argentaria, S.A. corresponding to 2009, to the sum of €2,980,684,024.08 (two billion, nine-hundred-and-eighty million, six-hundred-and-eighty-four thousand, twenty-four euros eight cents), distributed in the following manner:

- The sum of €1,574,147,030.82 (one billion, five-hundred-and-seventy-four million, one-hundred-and-forty-seven thousand, thirty euros, eighty-two cents) to pay dividends, of which (a) a total sum of €1,011,951,662.67 (one billion, eleven million, nine-hundred-and-fifty-one thousand, six hundred and sixty-two euros, sixty-seven cents) have already been fully paid out prior to this General Meeting of shareholders as the first, second and third interim dividends, under resolutions adopted by the Bank's Board of Directors at its meetings on 8th July, 29th September and 22nd December 2009, respectively; and (b) the remaining €562,195,368.15 (five-hundred-and-sixty-two million, one-hundred-and-ninety-five thousand, three-hundred and sixty-eight euros, fifteen cents) will be used to pay out the final dividend for 2009, to the sum of €0.15 (fifteen cents) per share, which will be payable to the shareholders on 12th April 2010.

In this respect, it is resolved to ratify insofar as necessary the resolutions of the Bank's Board of Directors at its meetings, 8th July, 29th September and 22nd December 2009, approving the distribution of the first, second and third interim dividends charged against 2009 respectively.

- The rest of the Banco Bilbao Vizcaya Argentaria, S.A.'s earnings for 2009, i.e., the sum of €1,406,536,993.26 (one billion, four-hundred-and-six million, five-hundred-and-thirty-six thousand, nine-hundred and ninety three euros, twenty-six cents) are allocated to the Bank's voluntary reserves.

3.- Approve the management of the Banco Bilbao Vizcaya Argentaria, S.A. Board of Directors in 2009.

4.- Empower the chairman, Mr Francisco González Rodríguez and the Company & Board Secretary, Mr Domingo Armengol Calvo, severally, to deposit the financial statements, management reports and auditors' reports for the Bank and its Group, and to issue the certificates referred to in articles 218 of the Companies Act and 366 of the Companies Registry regulations.

PROPOSED RESOLUTIONS UNDER AGENDA ITEM TWO FOR THE ANNUAL GENERAL MEETING OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A. SHAREHOLDERS, TO BE HELD 12TH MARCH 2010.

Under this agenda item, the General Meeting is firstly asked to approve the re-election, for the term established in the bylaws, of the Chairman & CEO, Mr Francisco González Rodríguez as member of the Board of Directors, with the favourable report of the Appointments & Remuneration committee.

It is also proposed to ratify the resolution adopted by the Board, 29th September 2009, co-opting shareholder Mr Ángel Cano Fernández, current President & COO, as a member of the Board of Directors and to propose his re-election for the term established in the bylaws with the favourable report of the Appointments & Remuneration committee.

Likewise, pursuant to the proposal made to the Board of Directors by the Appointments & Remuneration committee, the re-election of the following directors for the term established in the bylaws is submitted to the AGM: Mr Ramón Bustamante y de la Mora and Mr Ignacio Ferrero Jordi as members of the Board of Directors in independent directorships.

Consequently, it is proposed that the AGM adopt the following resolutions:

2.1.- Re-elect to a seat on the board of directors for the three year term established in the bylaws, [Mr Francisco González Rodríguez](#), of full age, married, Spanish national, with address for these purposes at 81 Paseo de la Castellana, Madrid, with tax identity document 32318340-M.

2.2.- Ratify the resolution adopted by the Board, 29th September 2009, appointing [Mr Ángel Cano Fernández](#), of full age, married, Spanish national, with address for these purposes at 81 Paseo de la Castellana, Madrid, with tax identity document 13735761-T, as member of the Board of Directors and re-elect him to said post for the three-year term established in the bylaws.

2.3.- Re-elect to a seat on the board of directors for the three-year term established in the bylaws, [Mr Ramón Bustamante y de la Mora](#), of full age, married, Spanish national, with address for these purposes at 81 Paseo de la Castellana, Madrid, with tax identity document 2483109-Y.

2.4.- Re-elect to a seat on the board of directors for the three-year term established in the bylaws, [Mr Ignacio Ferrero Jordi](#), of full age, married, Spanish national, with

address for these purposes at 81 Paseo de la Castellana, Madrid, with tax identity document 46201504-R.

Pursuant to paragraph 2 of article 34 of the corporate bylaws, determine the number of directors at whatever number there are at this moment in compliance with the resolutions adopted under this agenda item, which will be reported to the AGM for all due effects.

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Mr. FRANCISCO GONZÁLEZ RODRÍGUEZ

Chairman and CEO

Born in Chantada (Lugo), Spain, in 1944.

Married.

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

Professional Background:

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

Francisco González is Vice-Chairman of The Institute of International Finance (IIF), Member of the European Financial Services Round Table (EFR), Member of the Institut International D'Études Bancaires, Member of the Capital Markets Consultative Group of the IMF (CMCG), Member of the Board of Directors of the International Monetary Conference (IMC), Member of the Global Advisory Council of the Conference Board and Member of the International Advisory Committee of the Federal Reserve Bank of New York, among other international fora.

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

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

Before joining Argentaria, Francisco González founded the Securities Firm, FG Inversiones Bursátiles, which became the first independent firm of brokers in Spain.

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

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

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Mr ÁNGEL CANO FERNÁNDEZ

President and COO

Born in Santander in 1961

Married

Graduated in Economic and Business Sciences

Professional Background:

- In 1984 he joined Arthur Andersen, Financial area.
- In 1991 he joined Argentaria and was appointed Director of General Accounting, mainly undertaking and coordinating control functions.
- In 1998 was appointed to the Management Committee of Argentaria.
- In 2000 joined the Management Committee of BBVA.
- In April 2001 was appointed Financial Director of the BBVA Group.
- In January 2003 was appointed Director of Human Resources and Services of the BBVA Group.
- In December 2005 assumes responsibility for the Group's Technology, becoming Director of Resources and Means.
- In January 2006 he is further assigned with the responsibility to develop and undertake the Group's Global Transformation Plan.
- In September 2009 he was appointed President and COO of BBVA.

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Mr. RAMÓN BUSTAMANTE Y DE LA MORA

Director

Born in Madrid in 1948.

Married.

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

Professional Background:

1972 – IBERIA, L.A.E. Studies Service.

1975 – BANCO COMERCIAL DE CATALUÑA. Accounts Director.

1976 – BANCA GARRIGA NOGUÉS. Accounts Director.

1986 – BANCA GARRIGA NOGUÉS. Deputy General Manager.

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

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

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

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Mr. IGNACIO FERRERO JORDI

Director

Born in Barcelona in 1945.

Married.

Graduated in Law from Universidad de Barcelona.

Professional Background:

Chief Operating Officer of NUTREXPA.

Chief Operating Officer of LA PIARA,

Chairman of ANETO NATURAL

Member of the Board of MAZ (Mutua Accidentes de Zaragoza) from 31st March 2000.

Member of the Board of INSTITUTO DE LA EMPRESA FAMILIAR.

Member of the Board of AECOC (Asociación Española de Codificación Comercial) from 25th February 2003.

He was appointed to a BBVA directorship on 28th January 2000

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PROPOSED RESOLUTIONS UNDER AGENDA ITEM THREE FOR THE ANNUAL GENERAL MEETING OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A. SHAREHOLDERS, TO BE HELD 12TH MARCH 2010.

1.- Repealing the unavailed part from the resolution adopted at the Annual General Meeting, 13th March 2009, to authorise the Bank, directly or via any of its subsidiaries, for a maximum of five years 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 concordant 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 directly or indirectly, added to those that the Bank and its subsidiaries already own, may at no time exceed ten percent (10%) of the subscribed Banco Bilbao Vizcaya Argentaria, S.A. share capital, or, where applicable, the maximum amount authorised by the applicable legislation at any time. In all cases, respect must be paid to the limits established on the purchase of treasury stock by the regulatory authorities of the markets where the Banco Bilbao Vizcaya Argentaria, S.A. shares are listed for trading.
- A restricted reserve may be charged to the Bank's net total assets equivalent to the sum of treasury stock booked under Assets. This reserve must be maintained until the shares are sold or redeemed.
- The stock purchased must be fully paid up, unless the purchase is without consideration, and must not entail any obligation to provide ancillary benefits.
- The purchase price will not be below the nominal price nor more than 20% above the listed price or any other price associated with 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.

PROPOSED RESOLUTIONS UNDER AGENDA ITEM FOUR FOR THE ANNUAL GENERAL MEETING OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A. SHAREHOLDERS, TO BE HELD 12TH MARCH 2010

APPROVAL OF A PROGRAMME FOR VARIABLE REMUNERATION IN SHARES FOR THE YEARS 2010 TO 2011 FOR APPLICATION BY THE BANK AND ITS SUBSIDIARY COMPANIES.

1.- Approve a programme for variable remuneration in shares to run over several years, for the effects of article 130 of the Companies Act, the additional provision four of the Companies Act and other applicable legislation, addressed to the members of the Banco Bilbao Vizcaya Argentaria Group management team (hereinafter, the "**Multi-Year Variable Share Remuneration Programme**" or the "**Programme**") under the following core terms and conditions:

- (a) **Description** The Multi-Year Variable Share Remuneration Programme will comprise the promise to deliver ordinary shares in Banco Bilbao Vizcaya Argentaria, S.A. to members of the senior management of the Banco Bilbao Vizcaya Argentaria Group (including executive directors and members of the BBVA Management Committee) on a specific date and under the core conditions that are established below.

This Programme is based on the allocation of a number of units to beneficiaries as a function of their level of responsibility, which will serve as the basis for calculating how many BBVA shares will be delivered, if any, at the end of the Programme.

The number of BBVA shares to be given to each beneficiary at the end of the Programme, should the conditions established be met, will be determined by multiplying the number of units assigned by a ratio of between 0 and 2, as a function of the comparative performance of the Bank's TSR (total shareholders' return, i.e., revaluation of the share plus dividends) during the Programme against the TSR of 18 European peer banks.

The peer banks are:

BNP Paribas, Société Générale, Deutsche Bank, Unicredito Italiano, Intesa San Paolo, Banco Santander, Credit Agricole, Barclays, Lloyds

Banking Group, the Royal Bank of Scotland, UBS, Credit Suisse, HSBC, Commerzbank, Citigroup, Bank of America, JP Morgan Chase, Wells Fargo.

- (b) **Beneficiaries:** The Multi-Year Variable Share Remuneration Programme is addressed to those considered to be members of the Banco Bilbao Vizcaya Argentaria Group (including executive directors and members of the BBVA Management committee) when this Programme comes into force, with the exception of executives who have a special reward scheme. The estimated initial number of Programme beneficiaries is 1,963 people; however, more people may join the Programme and some may leave whilst it is in force.
- (c) **Duration:** The Programme will come into force on 15th April 2010, ending 31st December 2011, and will be settled before 15th April 2012, without detriment to the possibility of anticipated settlement that may be established in the ramification of this resolution.

The shares will be delivered to the beneficiaries after the Programme is settled. The beneficiaries may take up their shares in the following manner: (i) 40% of the shares received will be freely transferrable by the beneficiaries as of their delivery; (ii) 30% of the shares received will become transferrable once a year has passed from the Programme's settlement date; and (iii) The remaining 30% will become transferrable once two years have passed from the Programme's settlement date. All this will be done under the terms and conditions established by the Board of Directors.

- (d) **The maximum number of Banco Bilbao Vizcaya Argentaria, S.A. shares included in the Multi-Year Variable Share Remuneration Programme:** The maximum number of Banco Bilbao Vizcaya Argentaria, S.A. shares included in the Multi-Year Variable Share Remuneration Programme is 7m ordinary shares, representing 0.18677% of the current Banco Bilbao Vizcaya Argentaria, S.A. share capital. Of this number, a maximum of 390,000 ordinary shares (representing 0.01041% of the share capital) may be earmarked for executive directors and 850,000 ordinary shares (representing 0.022679% of the share capital) may be earmarked for other members of the Management committee other than the executive directors.
- (e) **Coverage:** The Company may put shares that comprise or come to comprise its treasury stock into covering the Multi-Year Variable Share Remuneration Programme or it may use any other suitable financial instrument that the Company may determine.

2.- Confer authority on the Company's Board of Directors, with express powers to delegate this authority, to implement, whenever and however it deems advisable, to develop, formalise, execute and settle the Multi-Year Variable Share Remuneration Programme, adopting any resolutions and signing any public or private documents that may be necessary or advisable for its full effectiveness. The Board will also have powers to remedy, rectify, modify or supplement this resolution and, in particular, but not limited to, the following:

- (a) Implement the Multi-Year Variable Share Remuneration Programme when it deems it advisable and in the specific form it deems appropriate.
- (b) Develop and establish the specific terms and conditions for the Multi-Year Variable Share Remuneration Programme with respect to everything not envisaged in this resolution. This includes, but is not limited to, establishing the events in which the Multi-Year Variable Share Remuneration Programme would be settled early and declaring the compliance with the conditions that may be linked to such early settlement where applicable.
- (c) Draw up, subscribe and present any additional communications and documentation that may be necessary or advisable before any public or private body in order to implement and execute and settle the Multi-Year Variable Share Remuneration Programme, including the corresponding protocols where necessary.
- (d) Engage in any action, declaration or arrangement with any public or private, domestic or international body or entity or registry to obtain any permit or verification needed to implement, settle and execute the Multi-Year Variable Share Remuneration Programme.
- (e) Negotiate, agree and sign counterparty and liquidity contracts with the financial institutions it freely designates, under the terms and conditions it deems suitable.
- (f) Draw up and publish any announcements that may be necessary or advisable.
- (g) Draw up, subscribe, grant and, where applicable, certify any kind of document relating to the Multi-Year Variable Share Remuneration Programme.

- (h) Adapt the contents of the Programme to the circumstances or corporate operations that may occur during its term, relating both to BBVA and the 18 peer banks mentioned in the description of the Programme, such that it remains under the same terms and conditions.
- (i) And, in general, engage in any acts and sign any documents that may be necessary or advisable for the validity, efficacy, implementation, development, execution, settlement and success of the Multi-Year Variable Share Remuneration Programme and the previously adopted resolutions.

PROPOSED RESOLUTIONS UNDER AGENDA ITEM FIVE FOR THE ANNUAL GENERAL MEETING OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A. SHAREHOLDERS, TO BE HELD 12TH MARCH 2010.

Re-elect Deloitte, S.L. as auditors for the accounts of Banco Bilbao Vizcaya Argentaria, S.A. and the Banco Bilbao Vizcaya Argentaria Group. Deloitte, S.L. is domiciled in Madrid, at Plaza Pablo Ruiz Picasso, 1 - Torre Picasso and its tax code is B-79104469; it is number S-0692 in the official registry of account auditors in Spain, and lodged in the Madrid Companies' Registry under volume 13,650, folio 188, section 8, sheet M-54414.

PROPOSED RESOLUTIONS UNDER AGENDA ITEM SIX FOR THE ANNUAL GENERAL MEETING OF BANCO BILBAO VIZCAYA ARGENTARIA, S.A. SHAREHOLDERS, TO BE HELD 12TH MARCH 2010

Confer authority to the Board of Directors, with express powers to pass on this authority to the Executive committee or the director(s) it deems pertinent or the Company & Board Secretary, the most broad-ranging faculties required under law for the fullest implementation of the resolutions adopted by this AGM, making any arrangements necessary to obtain due permits and/or filings from the Bank of Spain, the Ministry of the Economy & Finance, the Stock Exchange Supervisor (CNMV), the entity charged with recording book entries, the Companies Registry and any other public- or private-sector bodies. To such ends, they may (i) establish, interpret, clarify, complete, develop, amend, remedy omissions and adapt the aforementioned resolutions according to the verbal or written qualifications of the Companies Registry and any competent authorities, civil servants or institutions, without any need to consult again with the General Meeting; (ii) draw up and publish the announcements required by law; (iii) place the aforementioned resolutions on public record and grant any public and/or private documents they deem necessary or advisable for their implementation; (iv) deposit the annual accounts and other mandatory documentation at the Companies Registry and (v) engage in any acts that may be necessary or advisable to successfully implement them and, in particular, to have them filed at the Companies Registry or in other registries in which they may be filed.

Report presented by the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A., for the purposes established under articles 144 and 164 of the Companies Act (consolidation of text approved under Legislative Royal Decree 1564/1989, 22nd December) regarding the resolution authorising the Company to directly or indirectly acquire treasury stock and, where applicable, reduce the share capital, referred to under agenda item three of the General Meeting, convened for 11th and 12th March 2010 at first and second summons, respectively.

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Articles 75 and following in the Companies Act permit Spanish companies to derivatively acquire and hold shares issued by the company itself in their portfolios, either directly or through their subsidiaries. However, to do so, they must comply with the requirements established under said articles.

Once the derivative acquisition of treasury stock has taken place, various mechanisms may be used to reduce the volume of the Company's treasury stock: it may decide to redeem the shares or reduce the size of the treasury stock by selling the shares in the market.

When deciding which mechanism to use, the market conditions must be taken into account, as these may be unfavourable for selling treasury stock directly to the market.

As it is impossible to determine a priori which of the mechanisms is most advisable, and in the absence of elements that make it possible to make a reasoned decision regarding the most suitable method at this moment, it is proposed to authorise the Board of Directors to evaluate and decide on these issues at the time when they arise.

Should the treasury stock be redeemed, this will require a resolution by the General Meeting to reduce capital.

Given that changing circumstances will impact on whether or not it is advisable or timely to carry out this financial transaction, the decision should be made as a function of the circumstances influencing the securities markets, the socio-economic context, the Company's own objectives and policy and its financial situation. Consequently, it is not currently possible to determine its specific terms and conditions. Thus, the resolution to reduce capital must be conceived with broad-ranging criteria, conferring authority on the Board of Directors, pursuant to article 30.c) of the Company bylaws, with powers that make this mechanism, offered by the legislation itself, a possibility. The authority must

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include powers to determine the amount of the reduction and whether this will be put into a restricted reserve, as established under number 3, article 167 of the Companies Act, or to a freely available reserve, in which case the legal requirements must be met to guarantee creditors' rights.

Pursuant to the Companies Act, the resolution being proposed also envisages the possibility of the treasury stock being delivered to Company workers, managers and/or directors, when there is a recognised entitlement, either directly or as a consequence of the option rights that they may hold.

Thus, the treasury stock may serve to meet commitments to deliver shares that the Company has undertaken with its employees, managers and directors in the remuneration schemes already submitted to the consideration of the General Meeting or any other that may be established in the future.

The aim of this resolution is to endow the Company with suitable instruments to operate on domestic and international financial markets under equal conditions with the rest of the financial institutions trading on them, and thus safeguard the best interests of the Company and its shareholders.

Finally, pursuant to the recent amendment of the Companies Act, brought in under Law 3/2009, 3rd April, on structural changes in trading companies, and in order to provide the Company with maximum flexibility, the ceiling for treasury stock that the Company may acquire has been increased to 10% and the term for which the resolution for derivative acquisition of treasury stock may remain in force has remained at 5 years.

This report is issued in compliance with articles 144 and 164 of the Companies Act.

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Madrid, 3rd February 2010

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**BANCO BILBAO VIZCAYA ARGENTARIA, S.A.
AND COMPANIES COMPRISING THE BANCO BILBAO VIZCAYA ARGENTARIA GROUP
EXPLANATORY REPORT ON THE MANAGEMENT REPORT
FOR THE YEAR ENDING
31ST DECEMBER 2009**

In compliance with article 116.b of the Securities Market Act, this explanatory report has been drawn up with respect to the following aspects:

a) Capital structure, including securities not traded on the regulated EU market, with indication, where applicable, of the different classes of shares and, for each class of shares, the rights and obligations they confer and the percentage of total share capital they represent:

At 31st December 2009, BBVA share capital stood at €1,836,504,869.29, divided into 3,747,969,121 nominative shares each with a face value of €0.49, all of the same class and series, fully subscribed and paid up and represented by account entries.

All the shares in BBVA's capital bear the same voting and economic rights. There are no distinct voting rights for any shareholder. There are no shares that do not represent capital.

BBVA shares are traded on the continuous market of the Spanish securities exchanges and on the London and Mexico markets. BBVA American Depositary Shares (ADS) are listed in New York and also traded on the Lima exchange (Peru) under an exchange agreement between both markets.

Additionally, at 31st December 2009, the shares of BBVA Banco Continental, S.A., Banco Provincial S.A., BBVA Colombia, S.A., BBVA Chile, S.A., BBVA Banco Francés, S.A. and AFP Provida were traded on their respective local securities markets, and the BBVA Banco Francés, S.A. and AFP Provida shares were also traded on the New York Stock Exchange. BBVA Banco Francés, S.A. is also listed on the Latam market of Bolsa de Madrid.

b) Any restriction on the securities' transferability

There are no legal or bylaw restrictions on the free acquisition or transfer of shares in the Company's capital other than those established in 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 concertation 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 26/1998) 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 the transaction and, where applicable, challenge the proposed acquisition on the grounds established by law.

c) Significant direct or indirect holdings in the capital

At 31st December 2009, Mr Manuel Jove Capellán held 4.86% of BBVA's share capital through the companies, Inveravante Inversiones Universales, S.L. and Bourdet Inversiones, SICAV, S.A.

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).

Chase Nominees Ltd, State Street Bank & Trust Co., The Bank of New York Mellon, the Bank of New York International Nominees and Clearstream AGI, 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.

d) Any restriction on voting rights.

There are no legal or bylaw restrictions on the exercise of voting rights.

e) Paracorporate pacts

BBVA has not received any notification of paracorporate pacts that might include the regulation of how voting rights are used at its General Meetings or restricting or placing conditions on the free transferability of BBVA shares.

f) Rules applicable to the appointment and substitution of members of the governing body and the amendment of the corporate bylaws

Appointment and Re-election

The rules applicable to the appointment and re-election of members of the Board of Directors are laid down in articles 2 and 3 of the Board Regulations, which 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 both cases, persons proposed for appointment as directors must meet the requirements of applicable legislation in regard to the special code for financial institutions, and the provisions of the corporate bylaws.

The Board of Directors will put its proposals to the Company's AGM 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.

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 (i) at the proposal of the Appointments & Remuneration committee in the case of independent directors and (ii) 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.

Directors shall remain in office for the term defined by the corporate 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 corporate bylaws.

Termination of directorship

Directors shall stand down from 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 office at the disposal of the Board and accept its decision regarding their continuity in office. Should the board resolve they not continue, they are obliged to formally tender their resignation in the scenarios covered by article 12 of its Regulations.

Directors will stand down from 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 AGM that approves the accounts for the year in which they reach this age.

Changes to the corporate bylaws

Article 30 of the BBVA corporate bylaws establishes that the AGM has the power to amend the corporate bylaws and to confirm or rectify the manner in which the Board of Directors has interpreted them.

To such end, the regime established under articles 144 and following of the Companies Act will be applicable.

The above paragraph notwithstanding, article 25 of the corporate bylaws establishes that two-thirds of the capital subscribed with voting rights must attend the AGM at first summons, or 60% of said capital at second summons in order to validly adopt resolutions on any change in the corporate object, transformation, total break-up or winding up of the Company and amendment of the second paragraph of this article.

g) The powers of the members of the board of directors and, in particular, those relating to the possibility or issuing or buying back shares.

The executive directors have broad-ranging powers of representation and administration in keeping with the characteristics and needs of the positions they hold.

Regarding the Board of Directors' capacity to issue BBVA shares, the AGM, 13th March 2009, resolved to confer authority upon the Board of Directors, pursuant to article 153.1.b) of the Companies Act, with powers to resolve, on one or on several occasions, to increase capital up to the maximum nominal amount representing 50% of the Company's subscribed and paid-up share capital on the date on which the resolution is adopted, ie, €918,252,434.6. Likewise, under the terms and conditions of article 159.2 of the Companies Act, the Board is empowered to exclude pre-emptive subscription rights over said share issues. This authority will be limited to 20% of the Company's share capital. The directors may use this authority to increase capital for the term established by law, namely 5 years. To date, BBVA has not made any share issues chargeable to this authority.

Likewise, the Bank's AGM, 14th March 2008, resolved to confer authority to the Board of Directors, for five years, to issue securities convertible and/or swappable for the Bank's shares for up to a maximum of €9 bn (9,000,000,000 euros), establish the various aspects and terms and conditions of each issue, including powers to exclude or not exclude the pre-emptive subscription rights pursuant to article 159.2 of the Companies Act, determine the bases and modalities of the conversion and increase share capital by the amount required. BBVA has only drawn against this resolution to date in September 2009, for the sum of €2 bn (2,000,000,000 euros).

Moreover, the AGM, 13th March 2009, pursuant to article 75 of the Companies Act, authorised the Company to acquire Banco Bilbao Vizcaya Argentaria, S.A. shares, directly or through any of its subsidiaries, during a maximum of eighteen months, at any time and on as many occasions as it deems timely, by any means accepted by law, up to a maximum value of 5% of the Banco Bilbao Vizcaya Argentaria, S.A. share capital or, as applicable, the maximum amount authorised by applicable legislation at any time. The Board of Directors will once again propose to the AGM, 12th March 2010, that it adopt this resolution, although, under prevailing legislation, the maximum amount for the acquisition of shares will be 10% of the Banco Bilbao Vizcaya Argentaria S.A. shares, and the term will be for five years.

h) Significant agreements reached by the company that come into force, are amended or conclude in the event of a change in the control of the company stemming from a public takeover bid, and its effects, except when such disclosure may be seriously harmful to the company. This exception will not be applicable when the company is legally obliged to make this information public.

No agreement is known that could give rise to changes in the control of the issuer.

i) Agreements between the Company and its directors and managers and employees who are entitled to compensation when they resign or are unfairly dismissed or if their employment relationship terminates due to a public takeover bid.

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.

The Bank recognises the entitlement of some members of its management team, 48 executives, 11 of whom belong to the Management committee, to receive compensation in the event of severance on grounds other than their own will, retirement, disability or severe dereliction of duty. The amount of this compensation will be calculated as a function of their annual remuneration and their seniority in the Company.

The Bank has also agreed compensation clauses with some employees (50 members of the technical and specialist staff) in the event of unfair dismissal. The amount of this compensation is calculated as a function of the wage and professional conditions of each employee.

Remuneration Policy of the BBVA Board of Directors

Grupo **BBVA**

3rd February 2010

WARNING: *The English version is only a translation of the original in Spanish for information purposes. In case of a discrepancy, the Spanish original prevails.*

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Introduction

Subject matter

This report deals with the remuneration policy of Banco Bilbao Vizcaya Argentaria, S.A. for the members of its Board of Directors. It is presented pursuant to the principles of maximum transparency and information regarding the Bank's remuneration. The Bank applies these principles in all its documents providing public information, as established under its bylaws. It tries to separate out the remuneration of executive directors (ie, directors who have permanent powers of administration, have senior management duties and/or are employees of the Bank or its Group companies) from that of the non-executive directors, who are responsible for decision-making on the governing bodies.

The report contains a description of the basic principles of the Bank's remuneration policy with respect to executive and non-executive board members, and a detailed presentation of the different elements comprising their remuneration. It was drawn up on the basis of BBVA's corporate bylaws and the board regulations.

Likewise, the report includes the basic elements and principles of the Bank's general remuneration policy.

Frame of reference for BBVA corporate governance

The BBVA board of directors is conscious of the importance of a good corporate governance system to run the structure and operation of its corporate bodies in the best interests of the company and its shareholders. One of BBVA's main objectives is to create long-term value. A suitable system of corporate governance is one of the mainstays of such value.

The bank's board of directors is subject to regulations that reflect and develop the principles and elements that shape BBVA's system of corporate governance. These comprise standards for the internal regime and for running the board and its committees, as well as the rights and obligations of directors in performance of their duties, which are contained in the directors' charter.

The board regulations reserve powers to the board to adopt resolutions on the remuneration of directors and, in the case of executive directors, any additional remuneration for their executive duties and other terms and conditions contained in their contracts.

Shareholders and investors may find these on the company web site (www.bbva.com).

According to best corporate governance practices worldwide, the BBVA board of directors has established several committees to help it carry out its mission most efficiently. These committees provide help on issues related to their particular area of competence.

To such end, the board of directors has constituted the committees listed below, appointing the following members to each of them:

Board Committees				
Full name	Executive Committee	Audit & Compliance	Appointments & Remuneration	Risks
Francisco González Rodríguez	•			
Ángel Cano Fernández	•			
Tomás Alfaro Drake		•		
Juan Carlos Álvarez Mezquíriz	•		•	
Rafael Bermejo Blanco		•		•
Ramón Bustamante y de la Mora		•		•
José Antonio Fernández Rivero				•
Ignacio Ferrero Jordi	•		•	
Román Knörr Borrás	•			
Carlos Loring Martínez de Irujo		•	•	
José Maldonado Ramos				•
Enrique Medina Fernández	•			•
Susana Rodríguez Vidarte		•	•	

This system of organisation requires a high number of meetings to be held both by the board and its committees, covering a vast body of materials. It thus demands special dedication from the board and committee members, including non-executive directors. The amount of work required, along with the responsibility inherent to the post and the regime regarding incompatibilities imposed by the Bank's board regulations, constitute the underlying elements of the remuneration scheme for the non-executive directors.

Appointments & Remuneration Committee

For the purposes of this report, the Appointments & Remuneration committee is one of the key committees, helping the board in business relating to appointing directors and to paying them. These powers are attributed to the committee under the board regulations, which state the committee must ensure enforcement of the remuneration policy that the Bank has established.

This committee is made up of a minimum of three members, who are appointed by the board of directors. All the committee members must be external directors, with a majority of independent directors. Its chairman must be an independent director.

The Appointments & Remuneration committee comprises four directors, all independent, whose names, posts and dates of appointment and re-election are given below:

Full name	Post	Date of appointment	Date of latest re-election
Carlos Loring Martínez de Irujo	Chair	30.Mar.2004	28.Mar.2007
Juan Carlos Álvarez Mezquíriz	Member	28.Feb.2002	28.Mar.2007
Ignacio Ferrero Jordi	Member	28.Jan.2000	28.Mar.2007
Susana Rodríguez Vidarte	Member	28.Mar.2007	

This committee meets as often as necessary to comply with its duties, convened by its chairman. During 2009 the Appointments & Remuneration Committee met 12 times.

Pursuant to article 33 of the board regulations, the Appointments & Remuneration committee has the following tasks:

- It formulates proposals to the board that it can then put to the AGM for the appointment and re-election of independent directors. And to issue the corresponding report to the board in the case of all other 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 women who display the professional profile being sought after are included on the shortlists.

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.

- Should the chairmanship of the board or the post of chief executive officer fall vacant, the commission 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.
- 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.
- It determines 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.
- It submits 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.
- It carries out all other duties allocated to it under the board regulations or under board resolutions. These include the procedure for assessing the committee's performance and the performance of the chairman of the board and the appointment and severance of the secretary of the board.

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

In accordance with the BBVA board regulations, the Appointments & Remuneration committee may ask people with knowledge or responsibilities related to its business within the Group to attend its meetings. It may also receive help from external advisors when this is required to establish an informed opinion on issues falling within its scope.

With these duties, the Appointments & Remuneration committee plays an essential role with respect to remuneration issues for the Bank's board of directors. This is further explained in the sections that follow.

In reaching its decisions on remuneration issues, the Appointments & Remuneration committee and the Board of Directors in 2009 have received advice from the in-house BBVA services and

market information and advice from the big global consultancy firms working on directors' and senior-managers' remuneration, such as Watson Wyatt Worldwide and Towers Perrin. This report was drawn up by the Appointments & Remuneration committee with the help of Towers Watson.

General principles behind the BBVA directors' remuneration policy

BBVA considers that the remuneration system is a key element in creating value. It thus has an advanced remuneration scheme based on the reciprocity of value for employees and for the Group in line with the interests of shareholders. The system reflects the very latest standards and principles of best Spanish and international practices in good governance, which have been suitably adapted to the Bank's specific structure and circumstances.

BBVA's remuneration system is informed by the following principles:

- Long-term value creation.
- Remunerate achievement of results on the basis of prudent, responsible risk bearing.
- Attract and retain the best professionals.
- Reward the level of responsibility and professional path.
- Ensure equity in the Group and competitiveness outside it.
- Benchmark performance against the market using analyses from prestigious consultancy firms specialising in remuneration.
- Ensure transparency in its remuneration policy.

The Group's remuneration policy is structured taking into account the environment in which it operates and the results it achieves. It includes the following elements:

- Fixed remuneration based on the level of responsibility, which constitutes a relevant part of total pay.
- Variable annual remuneration linked to the achievement of previously established targets and prudent risk management.
- A variable remuneration scheme running over several years to promote value generation in the medium and long term within the Group, in line with shareholder interests.

The combination of these elements comprises a balanced remuneration system reflecting the Group strategy and its values as well as the interests of its shareholders.

The main characteristics of these elements in the total remuneration are listed below:

Fixed remuneration

The fixed remuneration in BBVA is established taking into account the level of responsibility and the professional path of the employee within the Group. A wage benchmark is established for each function, reflecting its value to the organisation. This wage benchmark is defined by analysing its equivalence and fairness inside the Group and on the market outside. First-level firms specialising in remuneration consultancy provide advice in this definition.

Variable remuneration

Variable remuneration in BBVA comprises two elements: the annual variable remuneration and the multi-annual variable remuneration. Combining these two elements fosters creation of mid- and long-term value. Performance is related to achievement of the objectives at Unit and Group level, prudent risk management and the cost of capital associated to management. It is instrumented through payment in cash and payment in BBVA shares.

a) Variable annual remuneration

The variable annual remuneration rewards the creation of value in the Group through each of the Units comprising BBVA. It recognises the contributions made by individuals, teams and the aggregation of these.

The model of variable annual pay in BBVA is based on establishing value-creation indicators for each Unit. Compliance with these indicators generates the amount of variable remuneration payable to the members of the Unit. This is distributed on the bases of individual performance.

There are two kinds of annual targets: financial indicators (Group and Unit) and non-financial indicators specific to the Unit. These are weighted more than the financial indicators in the following Units: Audit, Regulatory Compliance, Finance Department, Legal Services, Accounts & Consolidation, Company Secretariat and Risks.

BBVA considers prudent risk management to be a determining element in its variable remuneration policy. This is why it has established Economic Profit (EP) as its main financial indicator for determining amounts payable under this item. This indicator is based on the level of risk borne and the cost of capital employed.

To determine the amount of variable annual remuneration as a function of target achievement, a corporate multiplier is also applied to the senior management, including executive directors. This specially remunerates the results obtained over and above the targets established for the Group's recurring EP. The amount of this multiplier may account for between 0% and 25% of the bonus to be received on the basis of a scale defined for different degrees of compliance with the target established.

b) Multi-annual variable remuneration

A fundamental element in BBVA's endeavour to generate mid- to long-term value for the Group, is its multi-annual variable remuneration policy, based on BBVA shares.

This policy is established with annual overlapping programmes for the medium and the long term. Each individual is allocated a set of theoretical shares that may, at the end of each programme, lead to the delivery of BBVA shares as a function of a scale defined for indicators linked to the generation of shareholder value, provided the beneficiary meets the levels of individual performance established for the term of the programme.

General principles of the Remuneration Policy for BBVA directors

The remuneration system described above is applied to the entire BBVA staff, adapted to different posts according to their levels of responsibility and professional development. The specific features of the BBVA governing bodies and senior management are also taken into account for their members.

Thus, BBVA's remuneration policy for members of the Board of Directors distinguishes between the remuneration of executive directors and non-executive directors.

Remuneration policy for executive directors

The system established to remunerate executive directors places a premium on their executive duties. It applies remuneration items used worldwide by the big listed international corporations to pay their senior staff.

These items are included in article 50.b of the BBVA bylaws and correspond with those applicable to its senior management as a whole.

The remuneration policy for executive directors is aligned with the Group's general remuneration policy. It considers various elements, including the following:

- Fixed remuneration, taking into account the level of responsibility the post's duties entail and ensuring this remuneration is competitive with remuneration paid for equivalent posts in the international banks in the main European countries and the USA.
- Variable annual remuneration linked to the Group's results. The amount of this remuneration is subject to achieving specific quantifiable targets, aligned directly with shareholders' interests.
- Multi-annual variable remuneration linked to targets based on mid- to long-term value-creation targets for the Group.

Remuneration policy for non-executive directors

The remuneration policy for non-executive directors is not intended to reward attendance at meetings via per diem payments. Rather, it is based on criteria measuring responsibility, dedication and incompatibilities inherent to each post held. There are two elements to said policy:

- Fixed annual remuneration for occupying a seat on the board and another for belonging to the different committees. Greater weighting is applied to chairing committees, and the relative nature of the duties of each committee is also weighted.
- A scheme comprising deferred delivery of shares. Beneficiaries are allocated a number of theoretical shares to be delivered to them, where applicable, on the date on which they leave the board for any cause other than dereliction of duties. This scheme is in line with best international practices in corporate governance.

Remuneration system for BBVA executive directors

As indicated above, the structure of executive-directors' remuneration is regulated under article 50.b of the Bank's bylaws. It is in line with the general policy for senior-management remuneration.

The contracts signed with each independent director determine their respective remunerations, entitlements and economic rewards, comprising the items established under said article 50.b of the corporate bylaws. Below is a detailed analysis of such items:

Fixed remuneration

Each year, the Appointments & Remuneration Committee, considers how the executive directors' fixed remuneration might be updated, applying the parameters from article 50.b of the bylaws, and on the basis of analyses and studies intended to establish the most suitable remuneration levels.

The Committee takes other factors into account, such as the average increase in the remuneration of Management committee members and the specific characteristics of each post, as well as the remuneration information supplied by the main consultancy firms working in management-remuneration policy.

The Committee determines the fixed remuneration payable to each executive director and then puts its proposal to the Board for approval, with the acquiescence of the executive directors.

The board, at the proposal of the Appointments & Remuneration committee, resolved at its meeting, 3rd February 2010, that this year (as in 2009) it would not update the fixed remuneration of the executive directors. Consequently, the figures for their remuneration will continue to be as follows:

Chairman & CEO:	€1,927,706
President & COO:	€1,250,000

The previous Director & Company Secretary stood down as a Bank executive on 22nd December 2009. During the year, he was paid €649,858 in fixed remuneration.

Variable annual remuneration

The standards for variable annual remuneration applicable to executive directors approved by the Board of Directors contain the same elements established under the general system for the Group's senior management. However, they also recognise the specificities of each executive director's situation, defining a scheme for each case, within the corporate framework. Targets are established and the individual performance of each executive director is evaluated accordingly. In some cases, incentivisation multipliers applicable to senior management and other management posts are added.

The targets to determine the annual variable remuneration of executive directors are established by the Appointments & Remuneration committee on the basis of information on the metrics of variable annual remuneration in the large international banks and their evolution over time. These are then submitted to the approval of the Board of Directors.

The targets are linked to the Group's earnings, cost-income ratio and their own indicators, with the following weighting for each:

	Group recurrent adjusted economic profit target	Group recurrent cost-income ratio target	Specific task-related targets
Chairman & CEO	70%	30%	
President & COO	70%	20%	10%

Pursuant to the core principles of BBVA's general remuneration policy and on the basis of prudent risk management, BBVA has chosen the Group's recurrent Economic Profit (EP) as the main indicator for measuring the Group's targets for the purpose of establishing its executive directors' variable remuneration. It considers that this is the most suitable way to measure sustained generation of shareholder value over the medium and long term, considering the level of risk borne and the cost of capital employed.

Technically speaking, the Economic Profit is obtained by taking the recurrent Adjusted Profit and subtracting the return on the capital employed in each business divided by the cost of said capital, or the expected rate of return for investors. The Adjusted Profit is not the same as the Book Profit, as economic criteria are used to define it rather than the accounting standards in some kinds of operations. Conceptually, Economic Profit is the recurrent profit generated over and above market expectations regarding capital yields.

As indicated above, to determine the amount of variable annual remuneration for the executive directors as a function of their target achievement, a corporate multiplier is also applied. This remunerates the results obtained over and above the targets established for the Group's recurring EP. The multiplier may account for between 0% and 25% of the bonus to be received on the basis of a scale defined for different degrees of compliance with the target established.

The chairman & CEO has accrued the sum of €3,388,121 euros in variable remuneration for 2009, payable in 2010. This is 0.80% down on 2008, which was in turn 10.15% down on the variable remuneration received in 2007. The President & COO has accrued the sum of €1,481,809 in variable remuneration for 2009, payable in 2010. And the former Company Secretary & director, who stood down as Bank executive on 22nd December 2009, has accrued the sum of €804,689 in variable remuneration for 2009, payable in 2010.

Multi-annual variable remuneration

A fundamental part of BBVA's remuneration of its senior management, including executive directors and the members of the Management committee, is its policy of variable remuneration straddling several years, based on the delivery of Bank shares.

This policy is instrumented with annual overlapping programmes for the medium and the long term. Each individual is allocated a set of theoretical shares that may, if the conditions laid down are met at the end of the programme, lead to the delivery of BBVA shares as a function of a scale associated to an indicator of how much shareholder value has been generated, subject to good individual performance whilst the programme was in force. This policy began to be applied with the 2009-2010 Programme, adopted by the General Meeting, 13th March 2009.

The number of BBVA shares to be given to each beneficiary at the end of the 2009-2010 Programme, will be the result of multiplying the number of units assigned by a ratio of between 0 and 2. This ratio is established as a function of the comparative performance of the Bank's TSR (total shareholder return) during the Programme against the TSR of the 18 banks in its peer group. The peer banks benchmarked for this programme are:

PEER GROUP - 18 BANKS		PEER GROUP - 18 BANKS	
Banco Santander	Spain	Barclays	UK
BNP	France	Lloyds Banking Group	UK
Credit Agricole	France	Royal Bank of Scotland	UK
Societe Generale	France	Credit Suisse	Switzerland
Intesa San Paolo	Italy	UBS	Switzerland
Unicredito Italiano	Italy	Citigroup	United States
Deutsche Bank	Germany	Bank of America	United States
Commerzbank	Germany	JP Morgan Chase	United States
HSBC	UK	Wells Fargo	United States

The TSR measures the return on investment for shareholders as the sum of the change in the listed value of the share plus dividends and other similar items paid out whilst the programme is in force.

To determine TSR and in order to avoid atypical fluctuations in the indicator, the benchmark at the beginning and at the end of the programme is the rolling average of the listed price of the banks' shares over 31 trading sessions. These 31 trading sessions will also include the session of the day and the 15 sessions before and after the date in question, whether this be at the beginning or at the end of the programme.

The BBVA Board of Directors may adopt the necessary resolutions to ensure that, should there be any corporate event or operation while the programme is in force that could affect either the BBVA shares (eg, a merger, a share split, etc) or the benchmark peers (eg, a merger altering the number of entities comprising the peer group and thus the position on the ranking table), the economic yield that the programme beneficiaries may receive should it be settled will be equivalent to what they would have been entitled to had such circumstance not arisen.

The Programme came into force on 15th April 2009 and will end on 31st December 2010. It will be settled before 15th April 2011, without detriment to the possibility of early settlement under conditions that may be established in the Regulation governing it. The number of units allocated to the executive directors, pursuant to the AGM resolution, 13 March 2009, was 215,000 units for the chairman & CEO; 131,707 for the president & COO, and 29,024 for the former Company secretary & director. This latter figure reflects the resolution of the Board of Directors, 22nd December 2009, to reduce the number of units initially allocated to the Company secretary & director under the Programme, when he stood down as Bank executive, as a function of the time during which he was an executive director in the Bank and the total duration of the Programme.

Pursuant to the BBVA's multi-annual variable remuneration policy described above, the Board of Directors will propose that the General Meeting of shareholders approve a new programme for 2010 and 2011.

Both the indicator considered, and the achievement scale and the peer group established for the new Programme, should it be adopted by the AGM, will be the same as defined in the prevailing Programme of multi-year variable remuneration for 2009-2010. However, unlike the previous Programme, 40% of the shares delivered to the beneficiaries will be freely transferable as soon as the Programme is settled; 30% of the shares received will be transferable as of one year after the Programme's settlement date; and the remaining 30% will be transferable as of two years after the Programme's settlement date. All this will be done under the terms and conditions established by the Board of Directors.

The BBVA AGM, 13th March 2009, also approved the settlement of the Long-Term Share Remuneration Plan for 2006 to 2008, 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 number of BBVA shares deliverable to its beneficiaries were: 454,400 shares for the chairman & CEO; 177,500 shares for the president & COO and 142,000 for the former Company Secretary

Corporate annuity scheme

Pursuant to article 50 b) of the corporate bylaws, the contracts for the executive directors include a system of protection against the contingencies of retirement, disability and death.

The provisions recorded at 31st December 2009 to cover the commitments for this protection for the president & COO was €13,752,502. 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.

These commitments stem from the contract with the president & COO to cover the contingencies listed below:

a) Retirement

The entitlement to receive an annual retirement pension is recognised, whose amount will be calculated on the basis of the annual average total remuneration that would have been payable over the last two years prior to his retirement as part of his fixed and of his variable remuneration. The amount of the pension will be determined as a function of his effective seniority in the Bank until reaching the age of 65 years, capped at 85%.

This entitlement will arise when, in performance of his professional duties, he reaches the age of 65 years.

b) Disability

On the same bases as the retirement pension, the entitlement to a disability pension will be recognised for an amount equal to the maximum amount of his retirement pension should he become permanently, totally or absolutely disabled whilst performing his professional duties.

c) Death

In the event of death, his widow will be entitled to a pension of 50% of the average pensionable base for retirement or, as applicable, the retirement or disability pension that he may be receiving.

Likewise, an annual orphans' pension will be granted for children until they reach the age of 25. For each such child, this will be 20% of the same bases used for the widow's pension.

In no event may the widow's and orphans' pension be more than 100% of what the beneficiary of the policy was receiving at the time of death.

The Bank's retirement commitments for the president & COO may be met, as he chooses, by the payment of a lifelong annuity pension, or by payment of a lump sum at the time when the conditions established for this in the contract occur.

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 established under the actuarial criteria applicable to the bank, at €79,774,560, of which €72,546,963 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 pension commitments for the chairman & CEO have been met.

Likewise, 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 €13,511,256, of which €8,710,144 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.

Other remuneration

BBVA's executive directors are entitled to benefit from the reward schemes established for the Bank's senior management in general and other remunerations such as rental cars, insurance, etc.

Main characteristics of the executive directors' contracts with BBVA

The contracts signed with the executive directors are open-ended and compliant with the rights recognised under article 50.b of the Bank's bylaws. None include any period of prior notice.

The contractual conditions agreed with the Bank's executive directors recognised their entitlement to receive compensation in the event of severance. The Bank has ceased to bear this obligation. Consequently, at 31st December 2009 and thenceforth, there are no commitments to pay compensation to the executive directors.

The terms and conditions of the current president & COO's contract determine that should he cease to hold this post for any reason other than his own will, retirement, disability or serious dereliction of duty, he will be given early retirement with a pension, which he may choose to receive as a life-long annuity or as a lump sum. This will be 75% of his pensionable salary should this occur before he reaches the age of 55 years, or 85% should it occur after he has reached said age.

Remuneration system for non-executive BBVA directors

BBVA has set up a remuneration system tailored to the posts of non-executive BBVA directors, different from the system for the executive directors. It is based on their responsibilities, dedication and incompatibilities as a function of the post they hold.

The duties of BBVA Board members require a lot of time and work, as the Group's governing bodies are intensely active. There is a high number of meetings held both by the Board of Directors and the various committees helping it in the performance of its duties. The number of meetings held in 2009 was:

	Number of meetings
Board of Directors	14
Executive Committee	18
Audit & Compliance Committee	13
Risks Committee	53
Appointments & Remuneration Committee	12

BBVA directors are also subject to a strict regime of incompatibilities in sitting on governing bodies of Group companies or associated undertakings. Thus, except for executive directors with express authorisation from the Board, Board members may not take up directorships in subsidiaries or associated undertakings, when the directorship is linked to the Group's shareholding in such company.

Moreover, when the current board members leave their Bank directorship, they may not provide services to another financial institution in competition with the Bank or its subsidiaries for two years, unless they are given express authorisation by the Board. Such authorisation may be denied on the grounds of corporate interest.

Non-executive directors are subject to a system regulating possible conflicts of interest between their private activity and the performance of their duties as BBVA director. The system is governed by the Board regulations.

On the basis of the foregoing, the remuneration system for non-executive directors comprises the following elements:

Annual Remuneration

Non-executive directors receive an annual payment for sitting on the BBVA board, and another fixed amount for their membership of different committees. Chairing a committee is given a higher weighting, and the amount for committee members reflects the different duties of each committee.

The Board of Directors periodically reviews these fixed components in order to ensure they keep up with changing market circumstances and any changes in the kind of duties that the BBVA directors perform. These amounts have not been updated since July 2007.

The remuneration payable to the non-executive directors for 2009 are given below. The figures are itemised for membership of committees and the posts held on the committees:

Director:	Board	Executive Committee	Audit & Compliance Committee	Risks Committee	Appointments & Remuneration Committee	Total 2009
Tomás Alfaro Drake	€128,724	-- €	€71,400	-- €	-- €	€200,124
Juan Carlos Álvarez Mezquiriz	€128,724	€166,752	-- €	-- €	€42,840	€338,316
Rafael Bermejo Blanco	€128,724	-- €	€178,512	€106,920	-- €	€414,156
Ramón Bustamante y de la Mora	€128,724	-- €	€71,400	€106,920	-- €	€307,044
José Antonio Fernández Rivero ⁽¹⁾	€128,724	-- €	-- €	€213,840	-- €	€342,564
Ignacio Ferrero Jordi	128,724 €	166,752 €	-- €	-- €	42,840 €	€338,316
Román Knörr Borrás	128,724 €	166,752 €	-- €	-- €	-- €	€295,476
Carlos Loring Martínez de Irujo	128,724 €	-- €	71,400 €	-- €	107,112 €	€307,236
Enrique Medina Fernández	128,724 €	166,752 €	-- €	106,920 €	-- €	€402,396
Susana Rodríguez Vidarte	128,724 €	-- €	71,400 €	-- €	42,840 €	€242,964
Total (**)						€3,188,592

⁽¹⁾ D. José Antonio Fernández Rivero, apart from the amounts detailed above, also received a total of €652,373 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 €87,480 in 2009 as remuneration for his membership of the Board.

Moreover, during 2009, insurance premiums have been paid for non-executive directors to the total joint sum of €78,790.27.

Scheme for remuneration with deferred delivery of shares

As mentioned above, this scheme for remuneration through deferred delivery of shares was adopted by the BBVA General Meeting, 18th March 2006. It comprises an 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.

The annual number of "theoretical shares" allotted to non-executive directors who are beneficiaries of this scheme will be equivalent to 20% of the total remuneration payable to the non-executive director in the previous year, according to the average of the closing prices of the BBVA share during the sixty trading sessions prior to the AGM approving the corresponding financial statements.

The number of theoretical shares allocated to each of the non-executive directors in 2009 as beneficiaries of the scheme for remuneration through deferred delivery of shares, corresponding to 20% of the remuneration payable to said directors during 2008, and the total number of theoretical shares accumulated are shown in the following table:

DIRECTORS	Theoretical shares allocated in 2009	Theoretical shares accumulated
Tomás Alfaro Drake	5,645	9,707
Juan Carlos Álvarez Mezquíriz	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	34,083
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

This long-term remuneration system is in line with international tendencies in corporate governance, since the theoretical shares allocated to the directors are not materialised until the moment they leave their post, providing this is not due to dereliction of duty. Where there is such dereliction, the director would not receive any payment under this item.

Future policy

The remuneration system BBVA has established for the members of its Board of Directors has been described in detail in this report. It is the system that will be applied during the current year, in compliance with the resolutions of the Bank's corresponding governing bodies, as explained. The same system will be applicable in future years, unless the competent governing bodies resolve otherwise in the light of changed circumstances.

The above notwithstanding, the Appointments & Remuneration committee, in performance of its duties under the Board Regulations, periodically reviews the Board of Directors' remuneration policy. Within the framework established in the Company bylaws, it puts to the Board any proposals it deems timely with respect to the items included and the amount earmarked to them, taking into account the current market scenario and the Company's earnings.