

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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