

BBVA Board of Directors'
Remuneration Policy

Grupo **BBVA**

5th February 2009

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Introduction

Scope

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 in the Company's governing bodies.

The report contains a description of the core 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.

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, while also establishing 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 website (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

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Full name	Executive committee	Audit & Compliance	Appointments & Remuneration	Risks
Francisco González Rodríguez	●			
José Ignacio Goirigolzarri Tellaeché	●			
José Maldonado Ramos				●
Tomás Alfaro Drake		●		
Juan Carlos Álvarez Mezquíriz	●		●	
Rafael Bermejo Blanco		●		●
Richard C. Breeden				
Ramón Bustamante y de la Mora		●		●
José Antonio Fernández Rivero				●
Ignacio Ferrero Jordi	●		●	
Román Knörr Borrás	●			
Carlos Loring Martínez de Irujo		●	●	
Enrique Medina Fernández	●			●
Susana Rodríguez Vidarte		●	●	

This system of organisation requires many 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 directors' appointment and pay. These powers are attributed to the committee under the board regulations, which state that the committee must ensure enforcement of the remuneration policy that the Bank has established.

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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 comprised four directors on 31st December 2008, all independent. Their names, posts and appointment- and re-election dates are given below:

Full name	Post	Date of appointment	Date re-election
Carlos Loring Martínez de Irujo	Chairman	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	

The committee meets as often as necessary to comply with its duties, convened by its chairman. During 2008 the Appointments & Remuneration committee met 5 times.

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

- It formulates proposals to the board that the board can then put to the AGM for the appointment and re-election of independent directors. And it issues the corresponding report to the board in the case of all other directors.

To such end, the committee must evaluate the skills, knowledge and experience that the Board requires, as well as the profile that candidates should meet in order to fill any vacancies arising. It assesses the dedication required for suitable performance of 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 could hinder the selection of female directors, trying to ensure that women who display the professional profile being sought are included on the shortlists.

When drawing up proposals for the appointment and re-election of directors, the committee shall take into account any applications that may be made by any Board member for potential candidates to fill the vacancies, to see if they are suitable.

- Should the chairmanship of the board or the post of chief executive officer fall vacant, the commission must examine or organise the succession of the chairman and/or chief executive officer. It will do this in the manner it deems suitable and then put its proposals to the board for an orderly, well-planned succession.

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- It proposes the remuneration system for the Board of Directors as a whole, in accordance with the principles established in the corporate 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.
- It reports the appointments and severances of senior managers and proposes senior-management remuneration policy to the board, along with the basic terms and conditions for their contracts.
- It carries out all other tasks conferred on it under the board regulations or by specific board resolutions. These include the procedure for assessing the committee's performance and the performance of the chairman of the board and the procedure for appointment and severance of the secretary of the board.

In performance of its duties, the Appointments & Remuneration committee must 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 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 2007 has 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. Watson Wyatt has also helped the Appointments & Remuneration committee to draw up this report.

General principles informing the BBVA directors' remuneration policy

BBVA considers that the remuneration system is a key element in creating value. It thus has a 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:

- Reward the level of responsibility and achievement of results.
- Ensure equity within the Group and competitiveness outside it.
- Benchmark performance against the market using analyses from prestigious human-resource consultancy firms.
- Attract and retain the best professionals.

The remuneration system is applied to the entire BBVA staff, adapted to different posts according to their levels of responsibility and professional development. The characteristics of the members of BBVA governing bodies and senior-management structures are taken into account.

BBVA's remuneration policy for members of the board of directors thus 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 for all staff. It is structured to reflect the prevailing context in which the Bank operates and the Bank's performance. It considers the following factors, amongst others:

- Fixed annual 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 main international banks in Europe 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.

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- A long-term incentive linked to targets for medium- and long-term value creation for the Group.

Remuneration policy for non-executive directors

The remuneration policy for non-executive directors is regulated under article 53 of the corporate bylaws "Application of earnings", which establishes the following:

“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 regularisation provisions and depreciation.

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

- a) Appropriations to pension reserves and provisions required by current legislation and, as may be the case, the minimum dividend mentioned in article 13 hereof.
- b) A minimum of four per cent of the paid-up capital to be paid out 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 in years when it considers this appropriate. 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 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.

Said sum may only be paid after the shareholders have been allocated the minimum dividend of four per cent indicated in the previous paragraph.”

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 fixed sum for belonging to its different committees. Greater weighting is applied to chairing committees, and the relative nature of the duties of each committee is also taken into account.

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- A scheme comprising deferred delivery of shares. Beneficiaries are allocated a number of theoretical shares to be delivered to them, where conditions are met, 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.

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Remuneration system for executive BBVA 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.

BBVA's executive directors are entitled to be remunerated for performance of their duties with a fixed sum reflecting the services and responsibilities of their posts. They are also entitled to a variable supplementary amount and to the bonuses paid under reward systems for the Bank's senior management as a whole. These may include the delivery of shares or share options or remuneration indexed to the share performance. Article 50 also establishes that directors shall be beneficiaries of pension and annuity schemes, insurance policies and social security. In the event of severance not due to dereliction of duties, directors will be entitled to indemnity.

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 the possible updating of the executive directors' fixed remuneration, applying the parameters from article 50.b of the bylaws, 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 information supplied by the main consultancy firms working in management-remuneration policy worldwide:

- Report on market practices in paying executive and non-executive directors in Spain, UK, France, Switzerland and the United States.
- Analysis of market practices for remunerating executive directors, including a ranking of BBVA executive directors against market practices, ie, against its peer group in USA, Europe and the Eurotop 100.

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, 5th February 2009, that this year 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:	€1,425,448
Director & Company Secretary	€665,693

The annual changes in the executive directors' fixed remuneration are shown below:

	2009		2008		2007
	Amount	% change	Amount	% change	Amount
Chairman & CEO	1,927,706	0%	1,927,706	5.5%	€1,827,209
President & COO	1,425,448	0%	1,425,448	5.5%	€1,351,136
Director & Company Secretary	665,693	0%	665,693	7%	€622,143

Variable remuneration

The standards for variable incentives applicable to executive directors were approved by the board of directors, 25th July 2006, on the basis of an analysis provided by the Appointments & Remuneration committee. They use the same elements established under the general system for the Group's senior management. The specificities of each executive director's situation makes it impossible to apply a totally standardised system, so a scheme had to be established for each case, using a corporate framework in which targets are established and the individual performance of each executive director is evaluated accordingly. In some cases, multipliers applicable to senior management incentives are added.

The targets to be considered are determined by the Appointments & Remuneration committee on the basis of information on the metrics of variable annual remuneration in the large European banks and its performance over time. These are then submitted to the approval of the board of directors.

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

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	Group recurrent economic profit	Group cost-income ratio	Specific task-related targets
Chairman & CEO	70%	30%	
President & COO	70%	20%	10%
Company Secretary	50%		50%

BBVA chose economic profit as the main indicator for measuring the Group's earnings performance in order to set remuneration because it provides the most suitable way of measuring the value obtained by shareholders in each of the Group's 30 businesses. Returns are corrected on a standardised basis in this benchmark to reflect the real risks incurred in each business and the market cost of said risk. This makes it possible to bring the interests of the management even closer into line with those of the shareholders.

Technically speaking, the economic profit is obtained by taking the adjusted profit and subtracting the return on the capital employed in each business multiplied by the cost of said capital, or the expected rate of return for investors. The economic profit is different from the profit booked to the accounts, as it uses market criteria rather than the regulatory accrual criteria for certain kinds of transaction. Conceptually, economic profit is the profit generated over and above market expectations regarding capital yields.

In order to determine the variable annual remuneration as a function of achievement of these targets, scales have been established for each indicator on the basis of market data. These track the growth of the most moderate variable remuneration used in general market practices for equivalent earnings growth, as reflected in the analytical studies mentioned above.

To such end, and in the same manner as for other senior-management staff, a multiplier is applied to reward performance that has surpassed the targets allocated.

The variable remuneration system described above has been applied to the executive directors in 2008 and will also be applied in 2009.

Considering all the above elements, the table below gives details of the variable annual remuneration payable to executive directors in 2006, 2007 and 2008.

	2008 ^(*)	2007 ^(*)	2006 ^(*)

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	Amount	% change	Amount	% change	Amount
Chairman & CEO	3,415,561	-10.15%	€3,801,565	16.80%	€3,254,892
President & COO	2,861,026	-10.12%	€3,183,304	16.60%	€2,730,163
Director & Company Secretary	814,521	-8.11%	€886,435	11.67%	€793,771

(¹)2008 data correspond to the variable remuneration accrued in 2008 and payable in February 2009.

2007 data correspond to the variable remuneration accrued in 2007 and payable in February 2008.

2006 data correspond to the variable remuneration accrued in 2006 and payable in February 2007.

Long-term incentives

In order to motivate and reward members of the management team, focussing them on medium- and long-term value creation targets, BBVA has established a long-term incentive plan for 2006-2008. Its content and application were approved by the Company's AGM, 18th March 2006.

The plan is addressed to the BBVA management team, including the executive directors and the members of the Management committee as of 1st January 2006, although new members may be incorporated and earlier beneficiaries leave the scheme whilst it is in force.

At the beginning, the plan allocated each beneficiary a number of theoretical shares, which will be used as proxy for the BBVA shares to be delivered at the end of the plan. These theoretical shares are not considered shares for legal purposes, and they never provide voting or economic rights over Bank shares. It is only when the plan ends and the settlements liquidated that BBVA shares are given to the plan's beneficiaries.

The number of theoretical shares allocated to the executive directors, pursuant to the AGM resolution, was as follows: 320,000 theoretical shares for the chairman & CEO; 270,000 for the president & COO and 100,000 for the director & Company secretary.

The number of BBVA shares given to the beneficiaries at the end of the plan will depend on the performance of the Bank's total shareholder return (TSR) during the 2006-2008 period, benchmarked against the TSR of the European peer banks selected at the beginning of the plan. These banks were selected in view of their market cap, diversification of their business and geographical positioning.

The AGM resolution approving the long-term incentive plan empowered the board of directors to adapt its contents to the context and any corporate transaction that might occur whilst it was in force, both with respect to BBVA and its peer banks. Given that certain corporate activities

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have impacted on one of the peer banks, the board resolved to exclude it from the peer-group list, so that the plan can be applied without distorting the terms and conditions initially approved.

The list of peer banks now stands as follows:

Bank	Country
BNP	France
Société Générale	France
Deutsche Bank	Germany
Unicredito Italiano	Italy
Santander	Spain
Intesa Sanpaolo	Italy
Credit Agricole	France

Bank	Country
Barclays	UK
Halifax Bank of Scotland	UK
Lloyds TSB Group	UK
Royal Bank of Scotland	UK
UBS	Switzerland
Credit Suisse	Switzerland

The TSR target reflects the importance that BBVA places on aligning the remuneration of its management team with the value it generates for shareholders.

To determine TSR and in order to avoid atypical fluctuations in the indicator, the benchmark at the beginning and at the end of the plan is the rolling average of the listed price of the banks' shares over 31 trading sessions. These 31 trading sessions include the session on the initial date and the final date of the plan, and the 15 sessions prior to and the 15 session following these dates.

A multiplier coefficient is used, reflecting the ranking BBVA achieves on the TSR benchmarking tables alongside its peer banks at the end of the plan. This multiplier was applied to the number of theoretical shares initially allocated to each beneficiary, to determine how many BBVA shares to award to each of them.

This multiplier was amended downwards under a board resolution in light of the changes in the peer group explained above. It now stands as follows:

TSR Ranking 2006-2008	Multiplier coefficient
1st	2
2nd	1.56
3rd	1.42
4th	1.33
5th	1.14
6th	1.04
7th	0.95

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TSR Ranking 2006-2008	Multiplier coefficient
8th	0.85
9th	0.76
10th	0.62
11th	0.48
12th	0.44
13th	0
14th	0

Given that on the date on which the plan ended, BBVA ranked third relative to the TSR of its European peer group of banks during the 2006-2008 period, the multiplier applicable to the number of theoretical shares allocated to each beneficiary is 1.42.

Consequently, applying the multiplier to the number of theoretical shares initially allocated to each beneficiary gives the number of shares to which each of the executive directors is entitled under the plan. This number is as follows:

Chairman & CEO	320,000	1.42	454,000
President & COO	270,000	1.42	383,400
Director & Company Secretary	100,000	1.42	142,000

The settlement of the long-term remuneration plan in shares for 2006 to 2008 entails the delivery of the shares to which each beneficiary is entitled during the first quarter of 2009. This settlement will be put to the consideration of the Bank's AGM, to be held 13th March 2009.

BBVA deems it advisable to continually have a variable incentive policy running over several years for its management team. It considers this a mainstay of its remuneration policy.

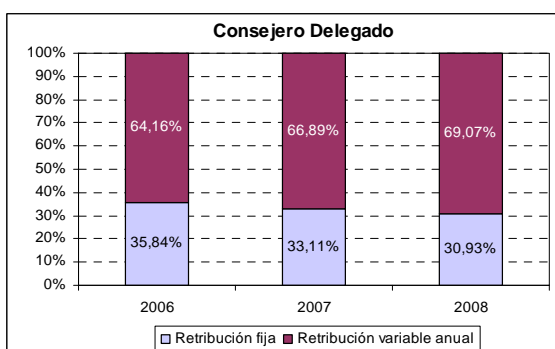
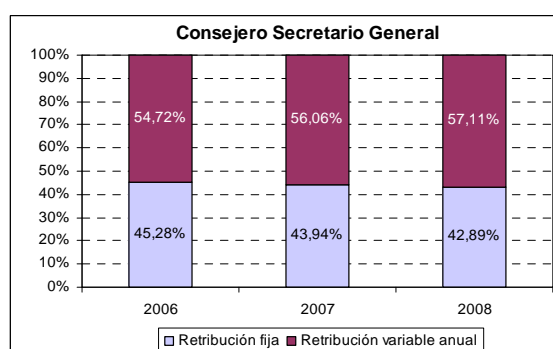
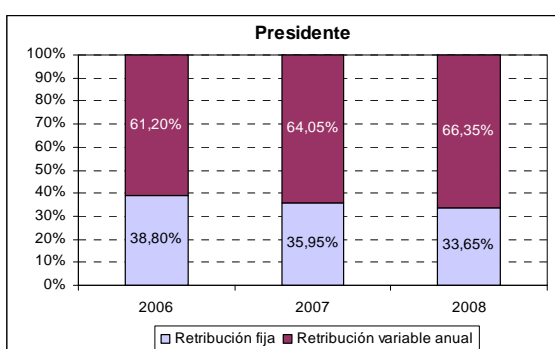
Thus, once the long-term 2006-2008 plan expired, the board resolved to propose the AGM approve a new programme for variable remuneration over several years through the delivery of shares. The programme would be applicable to the Group senior management, including the executive directors. It would benchmark the Bank's Total Shareholder Return (TSR) against that of its peer group of European banks, such that the remuneration of the executives will be brought into line with the interests of the shareholders. It is based on general recommendations and best practices in remuneration.

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Distribution of total annual remuneration (fixed and variable pay)

The tendency in total pay for executive directors over the last few years has been to evolve towards best market practices, annually increasing the proportion of variable to fixed remuneration.

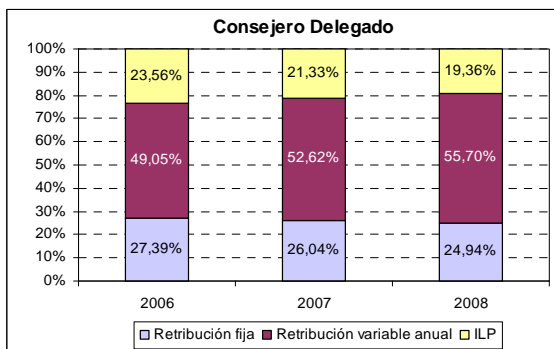
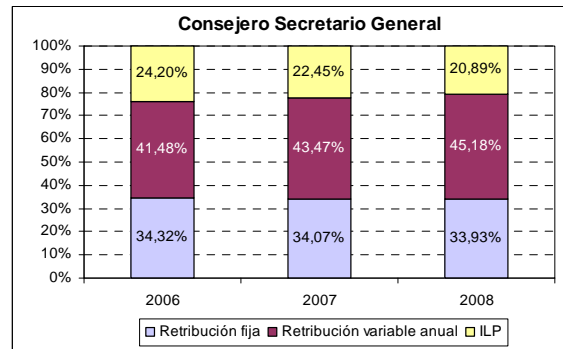
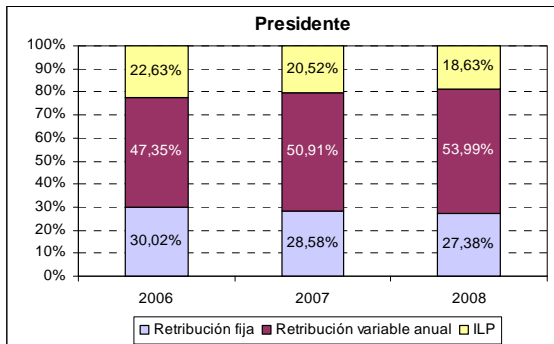
The relative importance of the annual variable remuneration items compared against the fixed items during the last three years for the three executive directors (CEO & chairman, president & COO and director & company secretary) is given below:



NB: The figures for variable remuneration correspond to those actually received in each year. The remuneration for 2006 does not include the amount from the pluri-annual incentive scheme corresponding to 2003-2005 as this was paid in 2006. The LTI (long-term incentive) item includes the annualised amount of the settlement of the LTI 2006-2008, considering a multiplier of 1.42 over the theoretical shares allocated, taking the BBVA share price to be that on the final day of the plan, 30th December 2008, when the listed price was €8.66 per share.

The total remuneration of the executive directors is distributed as follows over the different elements of pay:

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NB: The figures for variable remuneration correspond to those actually received in each year. The remuneration for 2006 does not include the amount from the pluri-annual incentive scheme corresponding to 2003-2005 as this was paid in 2006. The LTI (long-term incentive) item includes the annualised amount of the settlement of the LTI 2006-2008, considering a multiplier of 1.42 over the theoretical shares allocated, taking the BBVA share price to be that on the final day of the plan, 30th December 2008, when the listed price was €8.66 per share.

Distribution of the total remuneration between annual fixed and variable pay for the executive directors in the BBVA Group is in line with European market practices.

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Corporate insurance scheme

Pursuant to article 51.b of the bylaws, a corporate pension scheme has been agreed with the executive directors to cover the contingencies of retirement, disability and death in the terms specified below.

The Bank's commitments to the long-term insurance of the executive directors and the other members of the Management committee can be satisfied, at the executive's choice, either by payment of a lifelong pension annuity scheme or by the delivery of a capital sum at the time when the circumstances established under the contract for such benefit occur.

a) Retirement

Executive directors are entitled to receive an annual retirement pension whose amount will be calculated on the basis of the annual average total remuneration payable over the last two years prior to their retirement. (Total remuneration here includes their fixed and part of their variable remuneration.).

The amount of the pension, in the case of the president & COO, would be the total amount resulting from this calculation, whilst in the case of the chairman & CEO and the director & company secretary, it will be determined as a function of how long each one has worked in the Bank up to the ages of 65 and 62, respectively. There will be a minimum pension of 65% for all three, while the maximum will be 100% in the case of the chairman & CEO and 85% in the case of the director & company secretary, unless early retirement were taken, in which case the amount would be established pursuant to whatever is agreed at the time.

b) Disability

On the same bases as the retirement pension, the executive directors will be entitled to a disability pension for an amount equal to the maximum amount of their retirement pension should they become permanently, totally or absolutely disabled whilst performing their duties.

c) Death.

In the event of an executive director's death, his widow will be entitled to a pension of 70% of the maximum amount of the retirement pension in the cases of the chairman & CEO and the president & COO, and 55% in the case of the director & company secretary. Each of their children aged up to and including 26 will be entitled to an orphan's pension of 20% of the maximum retirement pension in each case. However, the sum of the widow's pension plus the orphans' pensions may never surpass 100% of the executive director's pensionable benefits at the moment of death.

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All the amounts mentioned above shall be reduced by the amount payable from Social Security benefits in each case.

The provisions filed at year-end 2008 to cover these commitments for executive directors' insurance and pension (including the €19,968,381 allocated during 2008) stand as follows:

	2008
Chairman & CEO	€72,546,963
President & COO	€52,494,818
Director & Company Secretary	€8,710,144

Other remuneration

All the executive directors together have also received other remuneration during 2007, eg, for car rentals and insurance. The total amount is as follows: €8,938 for the chairman & CEO; €15,750 for the president & COO, and €13,458 for the Company secretary.

On the date of this report, neither BBVA nor any of its Group companies have granted any loans or guarantees to the executive directors.

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Main characteristics of the executive directors' contracts with BBVA

The contracts that the executive directors signed in 2001 and 2002 are open-ended, *ad personam* and reflect the terms and conditions for salaries and the remuneration items mentioned in article 50.b of the BBVA bylaws. These were described above in the corresponding section, and contain no pre-established period of notice.

The chairman & CEO will be entitled to retire as an executive director at any time after his 65th birthday and the president & COO and the director & company secretary after their 62nd birthday. They will all be entitled to the maximum percentage established under their contracts for retirement pension, and on vesting their right to the pension once they reach said ages they will render the severance-indemnity agreed under their contracts null and void.

In application of article 50.b of the bylaws, the contracts that the executive directors sign with the members of the Appointments & Remuneration committee determine their right to be paid indemnity if they leave on grounds other than their own wish to leave, retirement, disability or dereliction of duty. This indemnity would amount to the product of multiplying by five the sum determined for the gross remuneration payable over the year prior to leaving their post(s) as executive director(s) in the cases of the chairman & CEO and the director & company secretary, and the average from the two years prior to this in the case of the president & COO, on the basis of their fixed remuneration and part of their variable annual remuneration.

Additionally to this, and under the same conditions, each executive director is entitled to receive a sum determined by the amount at which their acquired rights are valued according the actuarial calculations, in compliance with the requirements regarding pensions at the moment the contract is terminated.

Moreover, at the moment the executive director stands down, he will be unable to provide services to other financial institutions competing with the Bank or its subsidiaries for two years, as established in the board regulations.

With these guidelines and conditions, the Appointments & Remuneration board quantified the indemnities payable to the executive directors were the severance to occur during 2009 on grounds not including the director's own will, retirement, disability or dereliction of duty. They would be as follows; €93,704,938 for the chairman & CEO, €68,673,924 for the president & COO and €15,057,170 for the Company secretary.

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.

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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 2008 was:

	Number of meetings
Board of Directors	13
Executive Committee	18
Audit & Compliance Committee	15
Risks Committee	45
Appointments & Remuneration Committee	5

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, 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, except with express authorisation from 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.

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The remuneration paid to the non-executive directors during 2008 is 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 2008	Total 2007
Tomás Alfaro Drake	€128,724	€0	€71,400	€0	€0	€200,124	€192,108
Juan Carlos Álvarez Mezquiriz	€128,724	€166,752	€0	€0	€42,840	€338,316	€324,012
Rafael Bermejo Blanco	€128,724	€0	€178,512	€106,920	€0	€414,156	€311,675
Richard C. Breeden	€349,920	€0	€0	€0	€0	€349,920	€336,960
Ramón Bustamante y de la Mora	€128,724	€0	€71,400	€106,920	€0	€307,044	€294,168
José Antonio Fernández Rivero ^(*)	€128,724	€0	€0	€213,840	€0	€342,564	€328,074
Ignacio Ferrero Jordi	€128,724	€166,752	€0	€0	€42,840	€338,316	€324,012
Román Knörr Borrás	€128,724	€166,752	€0	€0	€0	€295,476	€283,122
Carlos Loring Martínez de Irujo	€128,724	€0	€71,400	€0	€107,112	€307,236	€294,348
Enrique Medina Fernández	€128,724	€166,752	€0	€106,920	€0	€402,396	€385,182
Susana Rodríguez Vidarte	€128,724	€0	€71,400	€0	€42,840	€242,964	€223,263
Total						€3,538,512	€3,296,924

^(*) Mr José Antonio Fernández Rivero, apart from the amounts detailed above, also received a total of €652,000 during 2008 in early retirement payments as a former member of the BBVA management.

During 2008, €77,997.31 was paid in insurance premiums for policies with the non-executive directors as beneficiaries.

Scheme for remuneration with deferred delivery of shares

As mentioned above, this system of remuneration with deferred delivery of shares was approved by the BBVA AGM, 18th March 2006. As part of the non-executives' remuneration, it allocates them a number of theoretical shares each year, which will be effectively delivered to them as BBVA shares on the date on which they leave the board for any cause other than dereliction of duties.

The annual number of theoretical shares allocated to non-executive directors as beneficiaries of the system shall be equivalent to 20% of the total remuneration payable the previous year to the non-executive director, according to the average closing price of BBVA stock over the 60

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stock-exchange trading sessions prior to the dates of the respective AGMs that approve the financial statements for each year.

The number of theoretical shares allocated to each of the non-executive directors in 2008 as beneficiaries of the scheme for remuneration through deferred delivery of shares, corresponding to 20% of the remuneration received by said directors during 2007, and the total number of theoretical shares accumulated are shown in the following table:

Directors	Theoretical shares 2008	Theoretical shares accumulated
Tomás Alfaro Drake	2,655	4,062
Juan Carlos Álvarez Mezquiriz	4,477	23,968
Rafael Bermejo Blanco	4,306	4,306
Ramón Bustamante y de La Mora	4,064	23,987
José Antonio Fernández Rivero	4,533	14,452
Ignacio Ferrero Jordi	4,477	24,540
Román Knörr Borrás	3,912	19,503
Carlos Loring Martínez de Irujo	4,067	11,751
Enrique Medina Fernández	5,322	33,357
Susana Rodríguez Vidarte	3,085	13,596
Total	40,898	173,522

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

Total remuneration of the board and 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 outcome of applying the resolutions of the Bank's corresponding governing bodies to the year, 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 the duties conferred on it under the board regulations, periodically reviews the board of directors' remuneration policy. Under the framework established in the bylaws, it presents the board with opportune proposals with respect to the itemisation and quantification of the

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remuneration, taking into account the circumstances of the environment and the company's performance.

Total board remuneration figures for the last three years were as follows:

Collective	2008	2007
Executive directors*	€11,110	€11,890
Non-executive directors	€3,539	€3,297

Thousand euros

* The remuneration figure for executive directors in 2008 includes the fixed remuneration for 2008 and the variable remuneration accrued for 2008 that will be paid in 2009. Remuneration of executive directors for 2007 includes the fixed remuneration for 2007 and the variable remuneration accrued for 2007 and paid in 2008.

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