ANNUAL REPORT ON CORPORATE GOVERNANCE

PUBLICLY TRADED COMPANIES

ISSUER IDENTIFICATION	END OF BUSINESS YEAR	2008

Tax ID no. A-48265169

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

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STANDARD ANNUAL REPORT ON THE CORPORATE GOVERNANCE OF PUBLICLY TRADED COMPANIES

To better understand the form and fill it in, first read the instructions at the end of this report. The column with the tax ID number will not be public. Fill in the tax ID number for all the cases in which is necessary to complete the data on individuals and companies.

A OWNERSHIP STRUCTURE

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

Date of latest change	Share capital (€)	Number of shares	Number of voting rights
10-09-2007	1,836,504,869.2 9	3,747,969,121	3,747,969,121

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

YES [ ] NO [X]

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

Name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
MANUEL JOVE CAPELLAN	0	162,768,608	4.343

(*) Through:

Name of direct shareholder (person or organisation)	Number of direct voting rights	% of total voting rights
INVERAVANTE INVERSIONES UNIVERSALES, S.L.	162,706,040	4.341
DONIÑOS DE INVERSIONES, SICAV, S.A.	51,500	0,001
BOURDET INVERSIONES, SICAV S.A.	11,068	0,000

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

Name of shareholder	Date of transaction	Description of the transaction
MANUEL JOVE CAPELLAN	03/12/2008	Has gone below 5% of share capital

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

Name of director (person or company)	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
GONZALEZ RODRÍGUEZ, FRANCISCO	2,518	1,482,571	0.040
GOIRIGOLZARRI TELLAECHE, JOSE IGNACIO	523	463,707	0.012
ALFARO DRAKE, TOMÁS	8,803	0	0,000
ÁLVAREZ MEZQUIRIZ, JUAN CARLOS	30,530	0	0,001
BERMEJO BLANCO, RAFAEL	21,000	0	0,001
BREEDEN, RICHARD C.	40,000	0	0,001
BUSTAMANTE Y DE LA MORA, RAMÓN	10,139	2,000	0,000
FERNÁNDEZ RIVERO, JOSÉ ANTONIO	50,000	825	0,001
FERRERO JORDI, IGNACIO	2,787	51,300	0,001
KNÖR BORRÁS, ROMÁN	36,637	6,987	0,001
LORING MARTÍNEZ DE IRUJO, CARLOS	19,149	0	0,001
MALDONADO RAMOS, JOSÉ	12,235	0	0,000
MEDINA FERNÁNDEZ, ENRIQUE	30,831	1.160	0,001
RODRIGUEZ VIDARTE, SUSANA	16,037	2,272	0,000

(*) Through:

Name of direct shareholder (person or organisation)	Number of direct voting rights	% of total voting rights
BELEGAR INVERSIONES, S.L.	1,482,571	0.040
AZATRA, S.L.	463,707	0.012
LEMPIRA SIMCAV, S.A.	28,000	0,001
ESEO 20, S.L.	23,300	0,001
PILAR ALONSO VERASTEGUI	6,287	0,000
RETAIL STORES, S.L.	700	0,000
DESPACHO LEGAL, S.L.	757	0,000
HORTENSIA MALO GONZALEZ	403	0,000
BORJA LIZARRAGA RODRÍGUEZ	568	0,000
PATRICIA LIZARRAGA RODRÍGUEZ	568	0,000
JAIME LIZARRAGA RODRÍGUEZ	568	0,000
ROCIO LIZARRAGA RODRÍGUEZ	568	0,000
JAINALPIRA SICAV, S.A.	2,000	0,000
LAURA FERNANDEZ LORD	825	0,000

% of total share capital held by the board of directors	0.061

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

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Name of director (person or company)	Number of direct option rights	Number of indirect option rights	Number of equivalent shares	% of total voting rights
FRANCISCO GONZÁLEZ RODRÍGUEZ	1,200,000	0	1,200,000	0.032
FRANCISCO GONZÁLEZ RODRÍGUEZ	320,000	0	0	0.009
JOSE IGNACIO GOIRIGOLZARRI TELLAECHE	270,000	0	0	0,007
JOSÉ MALDONADO RAMOS	100,000	0	0	0.003

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

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

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

YES ☐ **NO** ☒

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

YES ☐ **NO** ☒

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

A.7. Indicate whether any person or organisation exercises or may exercise control over the company pursuant to article 4 of the stock-exchange act. If so, identify names:

YES ☐ **NO** ☒

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

At year-end:

Number of direct shares	Number of indirect shares (*)	% total share capital
4,091,197	57,448,686	1.641

(*) Through:

Name of direct shareholder (person or organisation)	Number of direct shares
BBVA Seguros, S.A.	10,351
CORPORACIÓN GENERAL FINANCIERA	57,436,183
Continental Bolsa	611
Provincial de Val. CB	1,541
Total:	**57,448,686**

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

Date of communication	Total direct shares acquired	Total indirect shares acquired	Total % share capital
15-Jan-2008	3,660,719	48,110,154	1.382
16-Jan-2008	6,696,622	19,153,528	0.690
29-Jan-2008	12,928,624	31,319,980	1.181
15-Feb-2008	15,892,345	31,141,670	1.255
12-Mar-2008	5,931,219	31,634,712	1.002
09-Apr-2008	1,457,389	30,686,546	0.858
16-Apr-2008	3,522,770	28,477,583	0.854
19-May-2008	1,695,723	22,246,278	0.639
13-June-2008	5,801,621	30,758,167	0.976
03-Jul-2008	4,954,235	37,785,676	1.140
10-Jul-2008	17,791,560	123,491,027	3.770
15-Jul-2008	11,380,498	39,256,933	1.351
18-Aug-2008	9,267,421	38,465,981	1.275
18-Sept-2008	7,426,372	42,228,467	1.325
06-Oct-2008	2,368,523	125,428,151	3.410
15-Oct-2008	11,091,859	51,705,916	1.676
29-Oct-2008	14,698,297	54,212,344	1.838
14-Nov-2008	10,789,756	56,098,527	1.785
09-Dec-2008	15,184,738	62,618,634	2.076
30-Dec-2008	4,344,599	57,449,112	1.649

Capital gains (losses) on treasury stock divested during the period	- 172,000

A.9. Detail the terms and conditions of the current AGM authorisation to the board of directors to buy and/or transfer treasury stock.

The following is a transcription of the resolution adopted by the annual general meeting of Banco Bilbao Vizcaya Argentaria, S.A. shareholders, 14th March 2008, under agenda item seven:

"1.- Repealing the part not executed from the resolution adopted at the Annual General Meeting, 16th March 2007, under its agenda item four, to authorise the Bank, directly or via any of its subsidiaries, for a maximum of eighteen months as of the date of this present AGM, to purchase Banco Bilbao Vizcaya Argentaria, S.A. shares at any time and as many times as it deems appropriate, by any means permitted by law. The purchase may be charged to the year's earnings and/or to unrestricted reserves and the shares may be sold or redeemed at a later date. All this shall comply with article 75 and others of the Companies Act.

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

- The nominal of the shares purchased, added to those already in possession of the Bank and its subsidiaries, will not exceed, at any time, five per cent (5%) of the share capital of Banco Bilbao Vizcaya Argentaria, S.A., at all times respecting the limitations established for the purchase of treasury stock by the regulatory authorities governing the exchanges on which Banco Bilbao Vizcaya Argentaria, S.A. securities are listed.

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

- The stock purchased must be fully paid up.

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

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

4.- To reduce share capital in order to redeem such treasury stock as the Bank may hold on its Balance Sheet, charging this to profits or free reserves and for the amount which is appropriate or necessary at any time, to the maximum number of own shares existing 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 eighteen months 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, 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 corporate bylaws to reflect the new figure for share capital; request de-listing of the redeemed stock and, in general, adopt such resolutions as necessary regarding this redemption and the consequent capital reduction, designating the people able to formalise these actions."

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

Indicate whether there are any legal restrictions on the exercise of voting rights:

YES ☐ **NO** ☒

Maximum percentage of voting rights that a shareholder may exercise under the legal restriction	0

Indicate whether there are any bylaw restrictions on the exercise of voting rights:

YES ☐ **NO** ☒

Maximum percentage of voting rights that a shareholder may exercise under the legal restriction	o

Description of legal and bylaw restrictions on the exercise of voting rights

Indicate whether there are legal restrictions on the acquisition or transfer of shares in the company's capital:

YES ☒ **NO** ☐

Description of the legal restrictions on the acquisition or transfer of shares in the company's capital:
Articles 56 and following in Act 26/1988, 29 July, on discipline and oversight in financial institutions, establishes that any individual or corporation intending to directly or indirectly acquire a significant holding in a Spanish financial institution or to divest a significant holding, must first inform the Bank of Spain. The Bank of Spain will have a maximum of three months as of the date on which it is informed, to challenge the transaction intended, where applicable.

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

YES ☐ **NO** ☒

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

B GOVERNANCE STRUCTURE

B.1. Board of Directors

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

Maximum number of directors	15
Minimum number of directors	5

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

Name of director (person or company)	Representative	Post on the board	Date of first appointment	Date of latest appointment	Election procedure
FRANCISCO GONZÁLEZ RODRÍGUEZ	--	CHAIRMAN & CEO	28-Jan-2000	26-Feb-2005	AGM
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	--	PRESIDENT & COO	18-Dec-2001	14-Mar-2008	AGM
TOMÁS ALFARO DRAKE	--	DIRECTOR	18-Mar-2006	18-Mar-2006	AGM
JUAN CARLOS ALVAREZ MEZQUIRIZ	--	DIRECTOR	28-Jan-2000	18-Mar-2006	AGM
RAFAEL BERMEJO BLANCO	--	DIRECTOR	16-Mar-2007	16-Mar-2007	AGM
RICHARD C. BREEDEN	--	DIRECTOR	29-Oct-2002	28-Jan-2004	AGM
RAMÓN BUSTAMANTE Y DE LA MORA	--	DIRECTOR	28-Jan-2000	26-Feb-2005	AGM
JOSÉ ANTONIO FERNÁNDEZ RIVERO	--	DIRECTOR	28-Feb-2004	28-Feb-2004	AGM
IGNACIO FERRERO JORDI	--	DIRECTOR	28-Jan-2000	26-Feb-2005	AGM
ROMÁN KNÖRR BORRÁS	--	DIRECTOR	28-May-2002	14-Mar-2008	AGM
CARLOS LORING MARTINEZ DE IRUJO	--	DIRECTOR	28-Jan-2004	18-Mar-2006	AGM
JOSÉ MALDONADO RAMOS	--	DIRECTOR & SECRETARY	28-Jan-2000	28-Jan-2004	AGM
ENRIQUE MEDINA FERNÁNDEZ	--	DIRECTOR	28-Jan-2000	28-Jan-2004	AGM
SUSANA RODRÍGUEZ VIDARTE	--	DIRECTOR	28-May-2002	18-Mar-2006	AGM

Total number of directors	14

Indicate which directors have left their seat on the board during the period:

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

EXECUTIVE DIRECTORS

Name of director (person or company)	Committee proposing his/her name	Post within company organisation
FRANCISCO GONZÁLEZ RODRÍGUEZ	--	CHAIRMAN
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	--	PRESIDENT & COO
JOSÉ MALDONADO RAMOS	--	DIRECTOR & COMPANY SECRETARY

Total number of executive directors	3
% of total directors	21.429%

EXTERNAL NOMINEE DIRECTORS

INDEPENDENT EXTERNAL DIRECTORS

Name of director (person or company)	Profile
TOMÁS ALFARO DRAKE	DIRECTOR OF THE GRADUATE PROGRAM FOR BUSINESS MANAGEMENT AND UNIVERSITY DIPLOMA IN BUSINESS SCIENCES AT THE FRANCISCO DE VITORIA UNIVERSITY SINCE 1998. READ ENGINEERING AT ICAI
JUAN CARLOS ÁLVAREZ MEZQUIRIZ	MANAGING DIRECTOR OF GRUPO EULEN, S.A. READ ECONOMIC AND BUSINESS SCIENCES FROM THE UNIVERSIDAD COMPLUTENSE DE MADRID:
RAFAEL BERMEJO BLANCO	CHAIRMAN OF THE AUDIT & COMPLIANCE COMMITTEE. TECHNICAL SECRETARY GENERAL OF BANCO POPULAR (1999-2004). READ INDUSTRIAL ENGINEERING AT ETS MADRID.
RICHARD C. BREEDEN	CHAIRMAN OF RICHARD C. BREEDEN & CO., AND DESIGNATED BY THE COURTS AS CORPORATE MONITOR OF WORLDCOM., INC. OTHER RELEVANT POSTS: WAS USA PRESIDENTIAL AIDE IN THE WHITE HOUSE, PRESIDENT OF THE SEC; PRESIDENT OF INTERNATIONAL FINANCIAL SERVICES FOR COOPERS & LYBRAND, LLC; LAWYER. READ LAW AT THE HARVARD LAW SCHOOL AND AT STANFORD UNIVERSITY
RAMÓN BUSTAMANTE Y DE LA MORA	DIRECTOR AND GENERAL MANAGER AND NON-EXECUTIVE VICE-PRESIDENT OF ARGENTARIA, AND CHAIRMAN OF UNITARIA. OTHER RELEVANT POSTS: VARIOUS POSTS OF RESPONSIBILITY IN BANESTO; READ ECONOMIC AND BUSINESS SCIENCES AT UNIVERSIDAD COMPLUTENSE DE MADRID.
JOSÉ ANTONIO FERNÁNDEZ RIVERO	APPOINTMENTS & REMUNERATION COMMITTEE OTHER RELEVANT POSTS: GENERAL MANAGER OF THE GROUP UNTIL JANUARY 2003. DIRECTOR REPRESENTING BBVA ON THE BOARDS OF: TELEFÓNICA, IBERDROLA, BANCO DE CRÉDITO LOCAL, AND CHAIRMAN OF ADQUIRA. READ ECONOMIC SCIENCES AT UNIVERSIDAD DE SANTIAGO DE COMPOSTELA.
IGNACIO FERRERO JORDI	CHAIRMAN OF NUTREXPA AND LA PIARA. READ LAW AT UNIVERSIDAD DE BARCELONA.
ROMÁN KNÖRR BORRÁS	CHAIRMAN OF THE OFFICIAL ALAVA CHAMBER OF COMMERCE AND INDUSTRY SINCE MARCH 2006. OTHER RELEVANT POSTS: WAS CHAIRMAN OF THE BASQUE INDUSTRIAL CONFEDERATION,

	(CONFEBASK) AND MEMBER OF EXECUTIVE COMMITTEE AND MANAGEMENT BOARD OF SPANISH INDUSTRIAL CONFEDERATION (CEOE). STUDIED COMMERCIAL MANAGEMENT, MARKETING AND ADVERTISING IN VARIOUS INSTITUTIONS IN SAN SEBASTIAN AND BARCELONA
CARLOS LORING MARTÍNEZ DE IRUJO	CHAIRMAN OF THE BOARD'S APPOINTMENTS & REMUNERATION COMMITTEE. SPECIALIST IN CORPORATE GOVERNANCE. OTHER RELEVANT POSTS: PARTNER AT ABOGADOS GARRIGUES LAWFIRM. READ LAW AT UNIVERSIDAD COMPLUTENSE DE MADRID.
ENRIQUE MEDINA FERNÁNDEZ	STATE ATTORNEY ON SABBATICAL. OTHER RELEVANT POSTS: WORKED IN DIFFERENT FINANCIAL INSTITUTIONS. DEPUTY CHAIRMAN OF GINÉS NAVARRO CONSTRUCCIONES UNTIL IT MERGED TO BECOME GRUPO ACS. READ LAW AT UNIVERSIDAD COMPLUTENSE DE MADRID
SUSANA RODRÍGUEZ VIDARTE	DEAN OF THE ECONOMIC AND BUSINESS SCIENCES FACULTY, "LA COMERCIAL", DEUSTO UNIVERSITY. MEMBER OF THE ACCOUNTS AND ACCOUNTS AUDITING INSTITUTE. DOCTOR IN ECONOMIC AND BUSINESS SCIENCES FROM DEUSTO UNIVERSITY.

Total number of independent directors	11
% of total directors	78,5714%

OTHER EXTERNAL DIRECTORS

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

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

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

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

YES ☐ **NO** ☒

Name of shareholder	Explanation

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

YES ☐ **NO** ☒

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

Name of director (person or company)	Brief description
FRANCISCO GONZÁLEZ RODRÍGUEZ	HOLDS WIDE-RANGING POWERS OF PROXY AND ADMINISTRATION IN KEEPING WITH THE CHARACTERISTICS AND NEEDS OF HIS POST AS CHAIRMAN OF THE COMPANY.
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	HOLDS WIDE-RANGING POWERS OF PROXY AND ADMINISTRATION IN KEEPING WITH THE CHARACTERISTICS AND NEEDS OF HIS POST AS CHIEF OPERATING OFFICER OF THE COMPANY.

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

Name of director (person or company)	Name of the group's company	Post
FRANCISCO GONZÁLEZ RODRÍGUEZ	GRUPO FINANCIERO BBVA BANCOMER, S.A. DE C.V.	DIRECTOR
FRANCISCO GONZÁLEZ RODRÍGUEZ	BBVA BANCOMER, S.A.	DIRECTOR
FRANCISCO GONZÁLEZ RODRÍGUEZ	BBVA BANCOMER SERVICIOS, S.A. (MEXICO)	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	GRUPO FINANCIERO BBVA BANCOMER, S.A. DE C.V.	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	BBVA BANCOMER, S.A.	DIRECTOR
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	BBVA BANCOMER SERVICIOS, S.A. (MEXICO)	DIRECTOR

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

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

YES [X] NO [ ]

Explanation of the rules
Article 11 of the Board Regulations establishes that directors shall not provide professional services to companies competing with the Bank or of any of its Group companies. -------- Directors shall not provide professional services to companies competing with the Bank or of any of its Group companies. They shall not agree to be an employee, manager or director of such companies unless they have received express prior authorisation from the Board of Directors or unless these activities had been provided or conducted before they joined the Bank Board and they had informed the Bank of them at that time. Directors of the Bank shall not hold office in any company in which it holds an interest or in any company of its Group. As an exception and at the discretion of the Bank, executive directors are able to hold office in companies directly or indirectly controlled by the Bank with the approval of the Executive committee, and in other associate companies with the approval of the Board of Directors. Loss of the office of executive director carries an obligation to resign from any office in a subsidiary or associate company that is held by virtue of such directorship. Non-executive directors may hold office in the Bank's associate companies or in any other Group company provided this is not related to the Group's holding in such companies and after prior approval from the Bank's board of directors.

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

	Yes	No
The investment and funding policy;	**X**	
The definition of how the Group companies are structured The corporate governance policy The corporate social responsibility policy	**X**	
The strategic or business plan and the annual management and budgetary targets	**X**	
The policy for senior managers' remuneration and performance assessment	**X**	
The policy for overseeing and managing risks, and the periodic monitoring of the internal information and oversight systems.	**X**	
The pay-out policy and the treasury-stock policy, especially their limits.	**X**	

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

a) In the company covered in this report:

Remuneration item	Data in €k
Fixed pay	7,558
Variable pay	7,871
Per diem	
Bylaw perquisites	
Share and other financial options	
Others	768
Total:	**16,197**

Other benefits	Data in €k
Advances	
Loans granted	
Funds and pension funds Contributions	
Funds and pension funds Contractual obligations	133,752
Life-insurance premiums	
Guarantees constituted by the company for the directors	

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

Remuneration item	Data in €k
Fixed pay	
Variable pay	
Per diem	0
Bylaw perquisites	0
Share and other financial options	0
Others	
Total:	

Other benefits	Data in €k
Advances	0
Loans granted	0
Funds and pension funds Contributions	0
Funds and pension funds Contractual obligations	
Life-insurance premiums	0
Guarantees constituted by the company for the directors	0

c) Total remuneration by type of directorship:

Type of directorship	By company	By group
Executives	11,928	0
Nominee directors		0
Independent external directors	4,269	0
Other external directors		0
Total:	**16,197**	**0**

d) Regarding the attributable profit of the dominant company:

Total remuneration of all directors (€k)	16,197
Total remuneration all directors/attributable profit of dominant company (expressed as %)	0,3

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

Name (person or organisation)	Post
EDUARDO ARBIZU LOSTAO	SERVICIOS JURÍDICOS, S.A. TAX, AUDIT & COMPLIANCE
FRANCISCO JAVIER ARGENTÉ ARIÑO	BANKING BUSINESSES SPAIN
JUAN ASÚA MADARIAGA	SPAIN &PORTUGAL
JAVIER AYUSO CANALS	COMMUNICATION
JOSÉ BARREIRO HERNÁNDEZ	WB&AM
JAVIER BERNAL DIONIS	BUSINESS DEVELOPMENT & INNOVATION - SPAIN & PORTUGAL
ÁNGEL CANO FERNÁNDEZ	RESOURCES & SYSTEMS
IGNACIO DESCHAMPS GONZALEZ	MEXICO
JOSE MARIA GARCIA MEYER-DOHNER	UNITED STATES
MANUEL GONZÁLEZ CID	FINANCE DEPARTMENT
VICENTE RODERO RODERO	SOUTH AMERICA
JOSÉ SEVILLA ÁLVAREZ	RISKS

Total remuneration senior management (€k)	20,457

B.1.13. Identify in aggregate terms whether there are ring-fence or guarantee clauses for cases of dismissal or changes of control in favour of the senior management, including executive directors, in the company or in its group. Indicate whether these contracts must be disclosed and/or approved by the company or group governance bodies:

Number of beneficiaries	15

	Board of Directors	AGM
Body authorising the clauses	**YES**	**NO**

Is the AGM informed of the clauses?	**YES**

B.1.14. Indicate the process to establish remuneration of board members and the relevant bylaw clauses.

Process to establish remuneration of board members and the relevant bylaw clauses
The remuneration system for the board members' pay as directors has to be approved by the board at the proposal of the Appointments & Remuneration committee, comprising external directors, pursuant to article 33 of the Board Regulations.

Thus, section b of article 17 of the Board Regulations establish that the Board must approve directors' remuneration and any additional remuneration to executive directors for executive responsibilities and other terms and conditions that their contracts must include.

Article 53 of the BBVA bylaws "Application of earnings" 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 all such sums as must be charged to regularisation provisions and depreciation.

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

a) Appropriations to the reserves and provisions required by current legislation and, as may be the case, the minimum dividend contemplated in article 13 hereof.

b) Four per cent of the paid-up capital, at least, as a dividend for shareholders, in accordance with article 130 of the Companies Act.

c) Four per cent of the paid up capital as remuneration for the services of the board of directors and of the Executive committee, except where the board resolves to reduce that percentage participation in those years when it considers it appropriate to do so. The resulting figure shall be at the disposal of the board of directors for distribution amongst its members at such time, in such manner and in such proportion as the board may determine. The payment of said sum may be made in cash or, following an AGM resolution pursuant to the Companies Act, in shares or share options or through remuneration indexed to the value of the shares.

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

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

"Article 50 bis

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

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

The Remuneration & Appointments committee, which comprises only independent directors, annually determines the fixed and variable remuneration of the executive directors and establishes the targets for the chairman of the board in order to determining the variable remuneration. This is later approved by the Board of Directors.

Pursuant to article 53 of the Board Regulations, the Board of Directors adopted a remuneration system that is not applicable to the executive directors. The system determines a fixed amount for the directorship, valuing the responsibility, dedication and incompatibilities the directorship entails. It also comprises another fixed amount for the members of the different committees, valuing the responsibility, dedication and incompatibilities sitting on these committees entails, applying a heavier weighting to the post of chairman on each committee.

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

State whether the board, in plenary session, has reserved powers to approve the following resolutions:

	Yes	No
At the proposal of the CEO, the appointment and possible severance of senior managers, and their compensation clauses.	X	
The remuneration of directors and, in the case of executive directors, the additional pay for their executive duties and other terms and conditions to be included in their contracts.	X	

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

YES [X] NO [ ]

	YES	NO
Amount of the fixed components, with breakdown, where applicable, for per diem payments for attending the board and its committee meetings and an estimate of the fixed annual remuneration ensuing on this.	**X**	
Variable remuneration items.	**X**	
Main characteristics of the pension and annuity systems, with an estimate of their amount or equivalent annual cost.	**X**	
Conditions that the contracts of executive directors in senior management must respect.	**X**	

B.1.16. Indicate whether the Board of Directors submits an annual report on the directors pay policy to the AGM for consultation purposes. If so, explain the aspects of the report on the remuneration policy approved by the board for future years, the most significant changes in this policy compared to the policy applied during the year and a global summary of how the remuneration policy was applied during the year. Describe the role played by the Remuneration committee and if external advisors have been engaged, the identity of the consultants involved:

YES [ ] NO [X]

Issues on which the board pronounces on remuneration policy
Article 33 of the Board Regulations establishes that the Appointments & Remuneration committee shall submit an annual report to the board on the directors' pay policy. This report is approved by the board of directors and made available to the shareholders when the call to meeting is published. The report contains explanations on the general principles behind the BBVA directors' pay policy, the system for remunerating executive directors, which includes both fixed and variable pay, long-term rewards, distribution of total annual remuneration, corporate pension and annuity system and other remunerations; the main characteristics of the BBVA executive directors’ contracts, which includes fixed remuneration and the system for remuneration with deferred delivery of shares; the evolution of total remuneration of the board and future policy, plus an executive summary of the annual remuneration items payable to the members of the BBVA board of directors. However, given that Spanish law does not establish a consultative vote at the AGM, the board does not envisage this possibility.

Role of the Remuneration Committee
The duties of the Appointments & Remuneration committee regarding remuneration are covered in the Board Regulations. They are as follows: • Propose the remuneration system for the Board of Directors as a whole, in accordance with the principles established in the Company's bylaws. This system shall deal with the system's items, amounts and method of payment. • Determine the extent and amount of the remuneration, entitlements and other economic rewards for the chairman, the chief operating officer and other executive directors of the Bank, so that these can be reflected in their contracts. The committee's proposals on such matters shall be submitted to the Board of Directors. • Submit an annual report on the directors remuneration policy to the board of directors. • Report the appointments and severances of senior managers and propose senior-management remuneration policy to the Board, along with the basic terms and conditions for their contracts.

	YES	NO
Has external consultancy been used?	X	
Identity of external consultants.	Watson Wyatt and Towers Perrin	

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

List the relevant affiliations other than those considered in the above paragraph, that link board members to significant shareholders and/or companies in their group:

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

YES ☐ **NO** ☒

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

Appointment:

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

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

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

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

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

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

Re-election:

See previous section.

Evaluation:

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

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

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

Severance:

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

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

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

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

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

Article 12 of the BBBVA Board Regulations establishes that board members must place their directorship at the disposal of the board of directors and accept the board's decision on whether or not they are to continue to sit on it. Should the board decide against their continuity, they are obliged to present their formal resignation. Such circumstances would arise in the following cases:

- When they are affected by circumstances of incompatibility or prohibition as defined under prevailing legislation, in the Company's bylaws or in the director's charter.

- When significant changes occur in their professional situation or that may affect the condition by virtue of which they were appointed to the Board.

- When they are in serious dereliction of their duties as directors.

- When the director, acting as such, has caused severe damage to the Company's assets or its reputation or credit, and/or no longer displays the commercial and professional honour required to hold a Bank directorship.

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

YES [X] **NO** [ ]

Measures to limit risks
Article 5 of the Board Regulations establishes that the chairman of the board shall also be the Bank's chief executive officer unless the Board resolves to separate the posts of chairman and chief executive officer on the grounds of the Company's best interests. Under the corporate bylaws, the chairman, in all cases, shall be the highest-ranking representative of the Company. However, under articles 45 and 46 of the bylaws, the Company has an Executive committee with the following powers: "To formulate and propose policy guidelines, the criteria to be followed in the preparation of programmes and to fix goals, to examine the proposals put to it in this regard, comparing and evaluating the actions and results of any direct or indirect activity carried out by the entity; to determine the volume of investment in each individual activity; to approve or reject operations, determining methods and conditions; to arrange inspections and internal or external audits of all areas of operation of the entity; and in general to exercise the faculties delegated to it by the board of directors." Likewise, article 49 of the bylaws establishes that the Company has a president and chief operating officer. The Board has delegated the Chief Operating Officer (COO) the broadest faculties, with powers of administration and representation of the company inherent to the position. The general managers of each of the company's business areas and support areas report to the COO. Finally, the Board has the support of various committees to help it best perform its duties. These include the Audit & Compliance committee, the Appointment and Remuneration committee and the Risks committee, which help the Board on issues corresponding to business within the scope of their powers.

Indicate and, where applicable explain whether rules have been established to empower one of the independent directors to request a board meeting be called or new business included on the agenda, to coordinate and give voice to the concerns of external directors and to direct the assessment by the Board of Directors.

YES ☐ **NO** ☒

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

YES ☐ **NO** ☒

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

Adopting resolutions		
Description of resolution	**Quorum**	**Type of majority**
1) Appointment of an Executive committee and appointment of President & Chief Operating Officer 2) Other resolutions	For 1 and 2, half plus one of members present and represented. (50.01%)	For 1) Favourable vote of 2/3 of members. (66,66%) For 2) Absolute majority of votes present and represented. (50.01%)

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

YES [ ] **NO** [X]

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

YES [ ] **NO** [X]

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

YES [X] **NO** [ ]

Age limit for chairman	-
Age limit for managing director (COO)	-
Age limit for directors	70

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

YES [X] **NO** [ ]

Maximum number of years in office	12

B.1.27. If there are few or no female directors, explain the reasons and the

initiatives adopted to correct the situation.

Explanation of reasons and initiatives

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

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

The Appointments & Remuneration committee is tasked with formulating and reporting proposals for appointment and re-election of 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 –when there are few or no female directors- women who display the professional profile being sought after are included on the shortlists.

In particular, indicate whether the Appointments & Remuneration committee has established procedures for selecting female directors, and deliberately seeks candidates meeting the required profile:

YES ☐ **NO** ☒

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

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

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

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

.

Number of board meetings	13
Number of board meetings not attended by the chairman	0

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

Number of Executive committee meetings	18
Number of Audit committee meetings	15
Number of Appointments & Remuneration committee meetings	5

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

Number of non-attendances by directors during the year	2
% of number of non-attendances to total votes during the year	1.099

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

YES ☐ **NO** ☒

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

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

Article 2 of the BBVA audit and compliance committee's regulations establishes that the committee, consisting exclusively of independent directors, shall have the task of assisting the Board of Directors in supervising the BBVA Group's financial statements and in the exercise of its oversight duties for the BBVA

Group. This falls within the scope of its duties. Supervising the sufficiency, adequacy and effectiveness of the internal oversight systems and to ensure the accuracy, reliability, scope and clarity of the financial statements of the Company and its consolidated Group in the annual and quarterly reports. This also applies to the accounting and financial information required by the Bank of Spain or other regulatory bodies of countries where the Group operates.

The Committee shall verify that the audit schedule is being carried out under the service agreement with suitable periodicity, and that it satisfies the requirements of the competent authorities (in particular the Bank of Spain) and the Bank's governing bodies. It shall periodically (at least once a year) request the auditors to provide an assessment of the quality of internal oversight procedures in the Group.

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

B.1.33. Is the company secretary a director?

YES X **NO** ☐

B.1.34. Explain the appointment and severance procedures for the secretary of the board, indicating whether his/her appointment and severance have been reported to the Appointments committee and approved by the board in a plenary meeting.

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

	YES	NO
Does the Appointment committee have a say in his/her appointment?	X	
Does the Appointment committee have a say in his/her severance?	X	
Does the board approve the appointment?	X	
Does the board approve the severance?	X	

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

YES [X] NO [ ]

Observations

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

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

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

- ensuring that the auditors' warnings, opinions and recommendations cannot be compromised;

- establishing the incompatibility between the provision of audit services and the provision of consultancy, unless there are no alternatives in the market to the auditors or companies in the auditors' group of equal value in terms of their content, quality or efficiency. In such event, the Committee must grant its approval, which can be done in advance by delegation to its Chairman.

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

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

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

YES [ ] NO [X]

Outgoing auditor	Incoming auditor

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

YES [ ] **NO** [x]

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

YES [X] **NO** [ ]

	Company	**Group**	**Total**
Amount for work other than audit (€k)	3,242	3,496	6,738
Amount of work other than audit / total amount billed by the audit firm (%)	17.300	18.660	17.980

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

YES [ ] **NO** [X]

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

	Company	**Group**
Number of years running	**6**	**6**

	Company	**Group**
Number of years audited by current audit firm / number of years the company has been audited (%)	**66.6%**	**66.6%**

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

they exercise in these institutions:

Name of director (person or company)	Name of institution	% holding	Post or duties
FRANCISCO GONZÁLEZ RODRÍGUEZ	RBC DEXIA INVESTOR SERVICES ESPAÑA, S.A.	3,042	--
RAFAEL BERMEJO BLANCO	BANCO SANTANDER	0,000	--
RAFAEL BERMEJO BLANCO	BANCO POPULAR ESPAÑOL	0,001	--
IGNACIO FERRERO JORDI	BANCO SANTANDER	0,000	--
IGNACIO FERRERO JORDI	BANCO POPULAR ESPAÑOL	0,000	--

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

YES [X] NO [ ]

Details of the procedure
Article 6 of the BBVA Board Regulations expressly recognises that the directors have the possibility of requesting any additional information and advice they require to perform their duties, and may request the Board of Directors provide help from experts outside the Bank services in those matters submitted to their consideration that are especially complex or important. Article 31 of the Board Regulations establishes that the Audit & Compliance committee may engage external advisory services for relevant issues when it considers that these cannot be properly provided by experts or technical staff within the Group on grounds of specialisation or independence. Article 34 of the Board Regulations establishes that the Appointments & Remuneration committee may have such advice as may be needed to inform a sound judgement on issues within the scope of its powers and that this shall be arranged through the company secretary.

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

YES [X] NO [ ]

Details of the procedure
Article 6 of the Board Regulations establishes that directors shall dispose of sufficient information to be able to form their own opinions regarding the questions that the Bank's governing bodies are empowered to deal with. They may request any additional information or advice they require to comply with their duties. Exercise of these rights shall be channelled through the chairman and/or secretary of the

Board of Directors. The chairman and/or secretary shall attend to requests by providing the information directly or by establishing suitable arrangements within the organisation for this purpose, unless a specific procedure has been established in the regulations governing the Board committees.

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

YES [X] **NO** [ ]

Explanation of the rules
Article 12 of the Board Regulations establishes that directors must make the Board aware of any circumstances affecting them that might harm the Company's reputation and credit and, in particular, of any criminal charges brought against them, and any significant changes that may arise in their standing before the courts. Directors must place their office at the disposal of the Board and accept its decision regarding their continuity or non-continuity in office. Should the Board resolve they not continue, they shall accordingly tender their resignation when, for events that can be traced to the director as such, have cause serious damage to the company's net worth, credit and/or reputation or have lost the commercial and professional honour necessary to be a Bank director.

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

YES [ ] **NO** [X]

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

YES [ ] **NO** [X]

Decision	Explanation
Should remain / Should not remain	

B.2. Board of Directors' Committees

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

EXECUTIVE COMMITTEE

Name	Post	Type
FRANCISCO GONZÁLEZ RODRÍGUEZ	CHAIRMAN	EXECUTIVE
JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHE	MEMBER	EXECUTIVE
JUAN CARLOS ALVAREZ MEZQUIRIZ	MEMBER	INDEPENDENT
IGNACIO FERRERO JORDI	MEMBER	INDEPENDENT
ROMÁN KNÖRR BORRÁS	MEMBER	INDEPENDENT
ENRIQUE MEDINA FERNÁNDEZ	MEMBER	INDEPENDENT

AUDIT COMMITTEE

Name	Post	Type
RAFAEL BERMEJO BLANCO	CHAIRMAN	INDEPENDENT
TOMÁS ALFARO DRAKE	MEMBER	INDEPENDENT
RAMÓN BUSTAMANTE Y DE LA MORA	MEMBER	INDEPENDENT
CARLOS LORING MARTÍNEZ DE IRUJO	MEMBER	INDEPENDENT
SUSANA RODRÍGUEZ VIDARTE	MEMBER	INDEPENDENT

APPOINTMENTS & RENUMERATION COMMITTEE

Name	Post	Type
CARLOS LORING MARTÍNEZ DE IRUJO	CHAIRMAN	INDEPENDENT
JUAN CARLOS ÁLVAREZ MEZQUIRIZ	MEMBER	INDEPENDENT
IGNACIO FERRERO JORDI	MEMBER	INDEPENDENT
SUSANA RODRÍGUEZ VIDARTE	MEMBER	INDEPENDENT

RISKS COMMITTEE

Name	Post	Type
JOSÉ ANTONIO FERNÁNDEZ RIVERO	CHAIRMAN	INDEPENDENT
RAFAEL BERMEJO BLANCO	MEMBER	INDEPENDENT
RAMÓN BUSTAMANTE Y DE LA MORA	MEMBER	INDEPENDENT
JOSÉ MALDONADO RAMOS	MEMBER	EXECUTIVE
ENRIQUE MEDINA FERNÁNDEZ	MEMBER	INDEPENDENT

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

	Yes	No
To supervise the process of drawing up the financial information and its integrity for the Company and its Group, reviewing compliance with regulatory requirements, suitable scope of the consolidation perimeter and the correct application of accounting principles.	**X**	
To periodically review the systems of internal risk management and oversight to ensure the main risks are identified, managed and sufficiently well known.	**X**	
To ensure the independence and efficacy of the internal audit. To propose the selection, appointment, re-election and severance of the internal audit officer. To propose the budget for the internal audit service. To receive periodic information on their activities; And to check that the senior management takes the conclusions and recommendations of their reports into account.	**X**	
To establish and supervise a mechanism that enables employees to confidentially and, if this is deemed appropriate, anonymously communicate irregularities they notice within the Company that may be of potential importance, especially financial and accounting irregularities.	**X**	
To put to the Board the proposals for selection, appointment, re-election and substitution of the external auditor and the terms and conditions of engagement.	**X**	
To receive regular information from the external auditor on the audit plan and the outcome of its execution, verifying that the senior management takes due note of its recommendations.	**X**	
To ensure the independence of the external auditor	**X**	
In the Group, to help the Group auditor take responsibility for the auditing of the companies comprising it.	**X**	

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

B.2.3.1 Executive Committee

Article 26 of the Board Regulations establishes the following:

"In accordance with corporate bylaws, the Board of Directors may appoint an Executive committee, once two-thirds of its members vote for it and record of the resolution is duly filed at the company registry. It shall try to ensure that it has a majority of external directors to executive directors and that independent directors occupy at least one third of the total seats.

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

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

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

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

Specifically, the Executive committee is entrusted with evaluation of the Bank's system of corporate governance. This shall be analysed in the context of the Company's development and results, taking into account any regulations that may be established and recommendations made regarding best market practices, adapting these to the Company's specific circumstances."

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

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

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

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

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

B.2.3.2 Audit & Compliance Committee

Article 29 of the Board Regulations establishes the following:

"Article 29. Composition

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

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

Members of the committee do not necessarily have to be experts in financial matters but must understand the nature of the Group's businesses and the basic risks associated with it. It is also essential that they be prepared to apply the judgement skills ensuing from their professional experience, with an independent and critical attitude. In any event, the committee chairman shall have experience in financial management and shall understand the accounting procedures and standards required by the bodies regulating the sector.

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

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

Article 30. Functions

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

· Supervise the internal control systems' sufficiency, appropriateness and efficacy in order to ensure the accuracy, reliability, scope and clarity of the financial statements of the company and its consolidated group in their annual and quarterly reports. Also to oversee the accounting and financial information that the Bank of Spain or other regulators from Spain and abroad may require.

· Oversee compliance with applicable national and international regulations on matters related to money laundering, conduct on the securities markets, data protection and the scope of group activities with respect to anti-trust regulations. Also ensure that any requests for information or for a response from the competent bodies in these matters are dealt with in due time and in due form.

· Ensure that the internal codes of ethics and conduct and securities market operations, as they apply to group personnel, comply with legislation and are properly suited to the bank.

· Especially to enforce compliance with provisions contained in the BBVA directors charter, and ensure that directors satisfy applicable standards regarding their conduct on the securities markets.

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

Article 31. Rules of organisation and operation

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

The officers responsible for Comptrol, Internal Audit and Regulatory Compliance may be invited to attend committee meetings. They may request other staff be invited from their areas who have particular knowledge or responsibility in the matters contained in the agenda, when their presence at the meeting is deemed advisable. However, only the committee members and the secretary shall be present when the results and conclusions of the meeting are evaluated.

The committee may engage external advisory services for relevant issues when it considers that these cannot be properly provided by experts or technical staff within the Group on grounds of specialisation or independence.

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

The system of convening meetings, quorums, the approval of resolutions, minutes and other details of its system of operation shall be governed by the provisions of these regulations for the Board of Directors insofar as they are applicable and by any specific regulations that might be established for this committee.”

B.2.3.3 Appointments & Remuneration Committee

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

Here, article 32 of the Board Regulations establishes the following:

“Article 32. Composition

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

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

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

Article 33. Functions

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

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

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

The committee shall ensure that when filling new vacancies, the selection procedures are not marred by implicit biases that may hinder the selection of female directors, trying to ensure that 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.

2.- 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.

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

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

5.- Submit an annual report on the directors pay policy to the Board of Directors.

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

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

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

Article 34. Rules of organisation and operation

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

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

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

B.2.3.4 Risks Committee

Article 35 of the Board Regulations establishes the following:

"Article 35. Composition

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

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

Article 36. Functions

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

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

  a) The risk map;

  b) The setting of the level of risk considered acceptable according to the risk profile (expected loss) and capital map (risk capital) broken down by the Group's businesses and areas of activity;

  c) The internal information and oversight systems used to oversee and manage risks;

  d) The measures established to mitigate the impact of risks identified should they materialise.

- Monitor the match between risks accepted and the profile established.

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

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

Article 37. Rules of organisation and operation

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

The system of convening meetings, quorums, the adoption of resolutions, minutes and other details of its procedures shall be governed by the provisions defined in these regulations for the Board of Directors insofar as they are applicable to the committee and by any specific regulations that might be established. "

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

Name of committee	Brief description
EXECUTIVE COMMITTEE	Article 45 of the bylaws establishes that BBVA has an Executive committee, to which the Board has delegated all its powers of administration, except those that the law and/or bylaws deem undelegatable due to their essential nature. Article 46 of the bylaws establishes the following: "The Executive committee shall meet as often as its chairman or the person acting in his/her stead considers appropriate or at the request of a majority of the members thereof, and it shall consider those matters falling within the responsibility of the Board which the Board, in accordance with the applicable legislation or these bylaws, resolves to entrust to it, including, by way of illustration only, the following powers: To formulate and propose policy guidelines, the criteria to be followed in the preparation of programmes and to fix goals, to examine the proposals put to it in this regard, comparing and evaluating the actions and results of any direct or indirect activity carried out by the entity; to determine the volume of investment in each individual activity; to approve or reject operations, determining methods and conditions; to arrange inspections and internal or external audits of all areas of operation of the entity; and in general to exercise the faculties delegated to it by the board of directors." Any investment or divestment worth over €50m must be submitted to Executive committee approval. The duties of this committee are detailed in section B.2.3.1.
AUDIT & COMPLIANCE COMMITTEE	Article 48 of the bylaws establishes that the Audit Committee be entrusted with the supervision of financial statements and the exercise of oversight. This committee shall have the authority and necessary means to carry out this fundamental role within the

	corporation. The Audit Committee shall have, as a minimum, the following powers: a) to report, at the AGM on issues that shareholders bring up there regarding matters within the scope of its powers b) to propose to the Board of Directors, for submission to the AGM, the appointment of the Auditor of Accounts referred to in article 204 of the Companies Act and, where applicable, the conditions under which they are to be hired, the scope of their professional remit, and the termination or renewal of their appointment. c) to supervise internal auditing services. d) to know the financial information process and the internal control systems. e) to maintain relations with the Accounts Auditor to receive information on such questions as could jeopardise the Accounts Auditor's independence, and any others related to the process of auditing the accounts, as well as to receive information and maintain communications with the Accounts Auditor as established under the legislation of accounts audits and the technical auditing standards. The duties of this committee are detailed in section B.2.3.2.
APPOINTMENTS & RENUMERATION COMMITTEE	SEE B.2.3.3
RISKS COMMITTEE	SEE B.2.3.4

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

Name of committee

APPOINTMENTS & RENUMERATION COMMITTEE

Brief description

The Board Regulations, amended in December 2007, as explained in section B.2.3 herein, include specific sections for each committee, regulating their composition, role and rules of operation. The Appointments & Remuneration committee presented a report to the BBVA Board of Directors on its activities during 2008, describing the tasks carried out with respect to the pay of executive directors, analysis of the general pay policy and the remuneration system for the Board.

Name of committee

AUDIT COMMITTEE

Brief description

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

During 2008, no amendments have been made to said Audit & Compliance committee regulations.

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

The Audit committee has presented the Board of Directors a report on its activities, describing the tasks the committee carried out with respect to its duties and, especially, with respect to the financial statements of the Bank and its Group, its work with the Group's external auditors and the core features of the external audit plan for 2008.

Name of committee

RISKS COMMITTEE

Brief description

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

During 2008, no amendments have been made to said BBVA Risks committee regulations.

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

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

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

YES [X] **NO** [ ]

C RELATED-PARTY TRANSACTIONS

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

YES [X] **NO** [ ]

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

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

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

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

YES ☐ **NO** ☒

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

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

"Article 8.

Directors shall act ethically and in good faith.

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

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

Article 9.

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

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

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

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

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

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

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

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

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

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

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

YES [ ] **NO** [X]

Identify listed subsidiaries:

D SYSTEMS OF RISK CONTROL

D.1. Give a general description of risk policy in the company and/or its group, listing and evaluating the risks dealt with by the system, along with an explanation of how far these systems match the profile of each type of risk.

BBVA believes that excellence in the management of risk is an essential part of its competitive strategy.

The Group sees risk management and its global dimensions as a cornerstone for creating value in the banking business. Its internal decision mechanisms use metrics that quantify the different risks in a uniform and consistent manner. These metrics require suitable identification, measurement and evaluation of the different types of risk that affect the banking business, mainly lending, market, structural and operational risks, together with comprehensive and unified control in accordance with a global risk management system.

The system has four basic parts:

- Standardised measurement tools for the types of risk implicit in each of the Group's businesses. In recent years, the bank has invested considerable effort in developing tools that incorporate methodologies sharing the same metrics for risk measurement.
- Databases and reporting systems to feed the various systems for measuring expected losses and economic capital figures at the different levels of decision making.
- Procedures, circuits and management criteria, that incorporate the risk management model for strategic, tactical and operational decision processes in the Group's daily operations.
- An expert and highly qualified team that handles the risk management function.

One of the core aspects of the Group's management policies is striking a suitable balance between return and risk in the development and implementation of business plans for its units.

Based on corporate strategy, the Group's board of directors sets the general principles that define the target risk profile. It also approves the policies, methods and procedures necessary for integrated management of the risks that have been or may be incurred and adopt the strategies for maintaining the capital required in each case.

The valuation of the recurrency of earnings and detailed, exhaustive monitoring of exposures and concentrations was one of the most important aspects of development in 2008.

Different macroeconomic and financial scenarios were analysed and classified as a function of their probability of occurring and their impact on the earnings and other aspects of management performance. The Group has measures for earnings volatility for all its businesses.

Another major aspect in controlling and limiting lending risk concentration is the delegation by iso-risk curves, based on the sum of expected loss and economic capital, and their equivalence to nominal exposure as a function of the rating.

PRINCIPLES OF RISK MANAGEMENT AT BBVA

The risk management model at BBVA is based on the following four basic principles:

· A risk function that is independent of decision-making.
· Standardised measurement systems and methods for evaluating risk.
· Uniform structures, processes and operations at the units responsible for the Group's management.
· A global approach to risk management.

- Principle of independence

In the BBVA Group, the Central Risk area performs its duties in an independent manner, reporting to the chief operating officer, the Risk committee, the Executive committee and the board

Independence of the risk function is achieved through specific procedures. Risk managers in the individual business areas report to the central Risk area although, within the Company's organisational chart, the business manager of their particular area is their immediate superior. Therefore they apply the central area's risk criteria for admission, tracking and control policies, using corporate management tools for this purpose.

This system of control follows recommendations by supervisory and watchdog organisations as well as those of leading groups of experts.

- Principle of standardisation.

The principle of standardisation is ensured by common benchmarking for risk quantification in all the Group's companies and by the uniform risk-evaluation methods.

The BBVA Group ensures a standardised, uniform method of integrated management for all risks that affect its ordinary operations (lending, markets and operations). This entails their quantification and uniform management based on a common measurement – economic capital allocation. This is an estimate of the unexpected losses that can be incurred in different risk activities at a certain level of statistical confidence.

The concept of economic capital is a key factor in evaluation of the Group's global risk profile. It allows capital to be allocated to the different businesses and activities depending on the different types and amounts of risk.

Thus, an estimate of risk capital provides a more accurate calculation of the risk-weighted return of the different business lines. It establishes the relationship between earnings obtained and the risk capital effectively consumed.

In addition, BBVA uses uniform methods for valuing, controlling and managing the different risks that might arise in its ordinary operations. These types of risk can be divided into four general categories: (i) credit risk, (ii) market risk, (iii) structural risk and (iv) operational risk.

- Principle of uniformity.

The principle of uniformity basically refers to common corporate criteria for risk management in the entire Group. It covers policies, tools and systems, circuits and processes, structures and models.

In this manner the Risk area can exercise control of the entire risk cycle throughout the BBVA Group. In the case of lending risk, this control is exercised in the risk admission function, the tracking function and in eventual recovery functions while such risk exists. Loans are qualified as non-performing (doubtful) or, where indicated, as defaults. In the case of market risk and operational risk, the Risk area also monitors the entire risk cycle, through policies, structures, processes, systems and methodologies.

The BBVA Group has a standardised risk management model that allows risk to be accepted, tracked and recovered in a uniform manner regardless of particular features of the business in question, the geographic area or the customer segments.

The uniformity principle informs a centralised definition of structures, tools and the risk culture (vision), combined with decentralised decisions (empowerment).

Decentralisation of decisions is aided by a corporate-defined structure of limits related to market risks and delegation rules for lending risk.

The delegated limit at a particular level is the maximum aggregate of limits and risk that can be granted to a specific customer at that level. Transactions whose amount, type or maturity means they cannot be authorised at a specific level or that are related to customers that are not delegated, are passed up to a higher level.

The various decision levels for lending risk, from highest to lowest, are as follows: the board of directors, the risk committee, the technical operations committee and the risk committee of the central lending-risk unit.

- Principle of globality

The importance of the global aspect to risk management stems from BBVA's nature as a financial conglomerate that incurs many different types of risk in different geographic areas, with different customer profiles via a wide range of products and financial services.

The global aspect of risk has two important parts. First, a global vision of risk that, heeding the different needs of a financial entity, allows risk to be grouped under different business and management headings (customer, product, country, business unit, risk type, etc). And second, the conviction that risk and return must be analysed jointly in a consistent manner.

The ultimate goal is to align risk management with the Bank's strategic objectives, that fosters the creation of value and ensures capital adequacy, conserving the target rating.

The philosophy at BBVA holds that an integrated risk system must be simple, attainable and controllable. This enables it to be easily accepted and implemented within the Group, simultaneously fostering a risk culture throughout the organisation. It must be capable of being understood and developed by the company without difficulty, simultaneously fostering a risk culture.

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

YES [X] **NO** [ ]

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

Risk materialised in the financial year

See next section

Circumstances that led to this

Risk is inherent to financial activities and therefore the materialisation of risk, to a greater or lesser degree, is absolutely unavoidable. Therefore, as indicated above in Section D.1, the Group sees risk as a cornerstone for creating value in the banking business, which is why it has set up highly sophisticated risk control and management systems, the fundamental features of which have been described in the previous section.

Operation of the control systems

The Bank also has risk control systems and mechanisms and systems that limit the maximum impact of risks, should they materialise.

These additional mechanisms include the following:

1. Market risk

Apart from the limits on market risk the Group uses *stop-loss* limits. This means that managers are obliged to unwind their positions if the amount of loss exceeds a specific threshold, thus capping losses.

2. Credit risk

Management of credit risk is not confined to the acceptance process but entails tracking the risk throughout the life of the loan, facilitating action at any time there is an impairment of asset quality in the individual exposures or portfolio exposures as a whole. The possibility of incurring losses is therefore enormously reduced.

3. Operational risk

The tools implemented cover quantitative and qualitative aspects of operational risk, which are classified under the Basel categories: processes, fraud, technology, human resources, commercial practices and disasters.

The risk areas of each bank in the Group are responsible for implementing the tools and complying with the Basel standards. The business and support units are tasked with managing it through the Operational Risk Committees. Each area has an officer in charge of the internal control and operational risk function. This officer co-ordinates all these tasks. The management comprises exhaustive monitoring of the data facilitated by the tools and the implementation of mitigation measures.

These control systems worked satisfactorily during 2008.

However, the substratum of the control systems consists largely of risk control and measurement tools, and the model adopted by the Risk function within the Group.

Amongst these tools, we should highlight scoring and rating tools implemented throughout the Group, which can rank the asset quality in transactions or the customer's creditworthiness, assigning probabilities of default.

Apart from what we call reactive scorings, the other analysis tools used in the Group are behaviour scorings, which take into account the past behaviour of the product and the customer.

The Group also has different tools for rating different customer segments. These tools do not classify operations, but customers. The probability of default assigned by the evaluation tool is adjusted for the economic cycle. It takes into account past rates as well as expectations related to the economic cycle. The probability is linked to the BBVA master scale so that all the Group's operations are assigned an internal rating.

Market risks are managed by limits that depend on the particular activities of each trading floor. The system forecasts the impact of negative developments in the market on the unit's positions. This is done for normal circumstances and for situations in which the risk factors are less favourable.

In order to take into account the results already obtained during the year in course, the accumulation of negative results in business units can trigger reductions in their approved VaR limits. The system also incorporates loss limits and alerts, which automatically activate procedures to handle situations that might have a negative impact on the business area's activities.

The measurement model used is Value-at-Risk (VaR) without curve flattening at 99% with a one-day horizon. As of 29th February 2008 with effect as of 31st December 2007, the historic simulation methodology has been used, in compliance with the internal model approved by the Bank of Spain for the BBVA, S.A. and BBVA Bancomer trading portfolios.

To evaluate impacts on impacts in markets that are shallow or have higher probability of transitory illiquidity, we carry out periodic analyses that consider the different liquidity conditions that affect financial markets in combination with economic capital and VaR limits under stress. They take into account the impact of past financial crises and scenarios that might arise in the future. The management model for market risk uses back-testing or hindsight comparisons. These corroborate the exactitude of the risk measures effected and compare the daily management results, at different aggregation levels, with the VaR measures corresponding to these levels.

The Assets & Liabilities committee (ALCO) relies, to control structural interest-rate risk, on input from the Risk area, which functions as an independent unit. This area designs the systems for measurement, tracking, information and control, together with the limit policies.
In addition, the risk area calculates the sensitivity of net interest income and economic value to parallel displacement of the yield curve. Although we examine different degrees of parallel displacement, positive and negative, BBVA's standard shock is 100 basis points.

Apart from calculating sensitivity, BBVA uses simulations to evaluate non-parallel movements such as changes of slope and curvature in yield curves. The estimated impact of these curves helps to determine the maximum loss that the Group might incur for a given level of confidence and a given time horizon, in terms of net interest income and economic capital. The maximum loss of value at 99% confidence is the economic capital for structural interest-rate risk. These calculations are complemented by the evaluation of forecast scenarios and stress scenarios. These are periodically updated according to the economic and financial situation.

BBVA gauges structural exchange risk using exchange-rate simulations that consider past behaviour and possible future developments in accordance with market expectations and the likelihood of currency crises. Economic capital for structural exchange-rate risk is calculated from these simulations, using the maximum loss in the Group's assets caused by changes in exchange rates at 99% confidence. This approach is also used to estimate the impact on the income statement. We determine the contribution of each currency to the risk taken on and this allows us to identify the more relevant exposures.

The measurements used to control liquidity risk are mainly the daily tracking of short-term liquidity. The timeframe is 1 to 90 days. Monthly structural liquidity is also tracked by forecasting liquidity gaps for the next 12 months, according to the bank's finance planning.

The measurement, whether short- or medium-term, is taken from the different quantitative indicators, for which we establish limits and/or alerts. These limits are diverse. They cover different aspects susceptible to control, ranging from liquidity gaps to the possibility of market calls, or the degree of concentration. We also monitor qualitative indicators that can affect liquidity, such as the perception of the market or of rating agencies.

The Group has several operational risk control mechanisms. First and foremost, Ev-Ro is a basic qualitative tool to identify and evaluate the operational risk factors by business and support area, and by class of risk. The Ev-Ro tool is used in practically all the Group's business and support units, and is thus the prime source of information for applying mitigation measures.
TransVaR is a tool for managing operational risk by using indicators. These indicators are generated by the processes that manage the units. They can be divided into two classes: production (reflecting the volume of transactions) and quality (measuring the effectiveness of controls and process quality). TransVaR is one of the 22 common indicators for the entire Group. These can be broken down by type of risk and by country.
SIRO is a large corporate database which, since January 2002, contains all the operational risk events that caused a loss or cost to the Group. The events are classified by business lines and class of risk. Each country has a local SIRO that transmits data to the main system in Spain each month.
SIRO is supplemented with external data provided by the ORX (Operational Risk Exchange) consortium. This association was set up in 2001 by 12 international banks, including BBVA. At the present time it has over 30 members. Information from ORX has

two uses: it complements BBVA's database for risk capital calculations and it provides a comparison with the rest of the sector.
The Group also has a tool called RepTool for qualitative measurement of reputational risk. At BBVA, this is defined as the uncertainty of results arising from the perception of certain stakeholders regarding our brand image. The most important stakeholders are customers, shareholders, employees and the banking sector regulators. Reputational risk is always the result of other types of risk and perhaps operational risk is the greatest component.
The outcome of using the tools and the excellent performance of the risks function is that very few of these risks materialize, allowing the BBVA Group to report low NPA and high solvency levels.

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

YES [X] **NO** [ ]

If so, give details of what their duties are

Name of the Committee or Body	Description of duties
Risks Committee	According to the recommendations of the Basel Committee, monitoring and supervision of risk management at financial entities is the duty of the board of directors which is the ultimate body responsible for approval and periodic review of the bank's strategies and policies on risk, reflecting its risk tolerance and the expected level of return. However, the growing complexity of risk management at financial entities requires them to define a risk profile that matches their strategic goals. They must advance gradually, as circumstances permit, towards a model that establishes a system of delegation based on amounts and ratings. This also applies to active tracking of exposure to quantifiable risks by means of a map of risk capital, expected losses and control on non-quantifiable risks. Thus analysis and periodic tracking of risk management with regard to the attributes of the administrative bodies of the bank, made it advisable to set up a specific board committee for this purpose. Within the scope of its defined functions, this committee should apply the necessary dedication to analyse the way risk is handled in the entire Group.

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

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

As already explained in detail in section D.2., the Group's Risk area is responsible for ensuring compliance with the different regulations binding the bank and its Group. To that end, it operates independently from the business units to ensure that it guarantee not only regulatory compliance, but also the application of the best standards and most advanced practices.

There are also two basic mechanisms that guarantee compliance with the different regulations that affect the Group's companies. These are based on the controls that are applied by the following areas.

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

The purpose of the Compliance area is to ensure global compliance with legal requirements that affect the Group.

And the Internal Control area, whose main task is to ensure that necessary controls are in place in the business and support units and that they are correctly documented in the system. It is also responsible for periodic self-assessment of the control system done by the various Group units and the monitoring of the measures taken to correct weaknesses uncovered.

More particularly, in 2008, within Risk Management, parallel to closer integration of risk management and business decision-making, the Bank of Spain approved the advanced internal models that the Group presented for calculating minimum equity for credit risk in Spain, and is now in the final stage both for operating risk and credit risk in Mexico (there is already an internal model approved by the Supervisor to calculate market risk capital consumption).

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

E AGM

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

YES [X] **NO** [ ]

	% quorum different from quorum in art. 102 of the Companies Act	% quorum different from quorum in art. 103 of the Companies Act, for the special cases cited in art. 103
Quorum required on first summons		66.670% (two thirds of subscribed capital).
Quorum required on second summons		60%

Description of differences
Article 103 of the Companies Act establishes that in order for a General Meeting (AGM or EGM) to validly resolve to issue bonds, a capital increase or reduction, the transformation, merger or break-up of the company and, in general, any amendment to the bylaws, the shareholders present and represented on first summons must possess at least fifty percent of the subscribed capital with voting rights. On second summons, twenty-five percent of said capital will be sufficient. The above notwithstanding, article 25 of the BBVA bylaws established that a reinforced quorum of two thirds of subscribed capital is required on first summons and of 60% of said capital on second summons, in order for the following resolutions to be validly adopted: substitution of the corporate object, transformation, total break-up, winding-up of the company and amendment of the article in the bylaws establishing this reinforced quorum.

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

YES ☐ **NO** ☒

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

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

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

Shareholders' rights in this respect are also shown in detail in the general meeting regulations, which are publicly available on the company website

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

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

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

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

In this manner, and in accordance with the Companies Act and the bylaws, voting rights on proposals regarding agenda items may be delegated or exercised by the shareholder by post, e-mail or any other remote means of communication, provided the voter's identity is duly guaranteed.

Votes and proxies can also be sent via electronic mail, through the bank's website (www.bbva.com) following the instructions given there.

E.5. Indicate whether the AGM is chaired by the chairman of the board of directors. List measures, if any, adopted to guarantee the independence and correct operation of the AGM:

YES [X] **NO** [ ]

Details of the measures
Article 26 of the corporate bylaws establishes that *"the Chairman of the AGM shall be Chairman of the Board of Directors. When there is no such or he/she is absent, the AGM shall be chaired by the Deputy Chairman [....]"*. The correct operation of the AGM is guaranteed under the AGM Regulations approved by the company shareholders at the AGM, February 2004. The AGM shall be convened at the initiative and according to the agenda determined by the board of directors. The board must necessarily convene a general meeting when so requested by shareholders representing a minimum of five percent of the share capital. Should the board of directors call the AGM for within the following thirty days as of the date on which required to do so by notarised document, it shall mention its compliance with this requirement in the notice convening it. The notice shall cover the matters that said notarised document puts forward as grounds for holding the meeting. Annual and extraordinary general meetings must be called by notices that the board of directors or its agents shall publish in the Official Gazette of the Companies Registry and in one of the highest-readership daily newspapers in the province of its registered offices, at least one month before the date established for the meeting, pursuant to the Companies Act, in compliance

with the amendment that Act 19/2005 introduced on European companies domiciled in Spain.

The notice shall state on which date the AGM is to meet at first summons and all the business it will deal with. It must contain all references stipulated under the Companies Act. It must also state the date on which the AGM will be held at second summons. Shareholder representing at least five percent of the share capital may request a supplement to the notice calling a general meeting be published adding one or more agenda items.

The notice of meeting for the AGM shall state the shareholders' right, as of the date of its publication, to immediately obtain at the registered offices any proposed resolutions, reports and other documents required by law and by the bylaws, free of charge.

It shall also include necessary details regarding shareholder information services, indicating telephone numbers, email address, offices and opening hours. Once the notice of meeting has been published, documents relating to the GSM shall be posted to the Company website, with information on the agenda, the proposals from the Board of Directors, and any relevant information shareholders may need to issue their vote. Where applicable, information shall be provided on how to follow the AGM from a remote location employing duly established broadcast systems. Information on anything else considered useful or convenient for the shareholders for such purposes shall be included.

Until the seventh day before the AGM date, shareholders may ask the board for information or clarification, or send in written questions regarding agenda items and information available to the public that the company may have furnished to the CNMV(the Spanish exchange authorities) since the last general meeting was held. After this deadline, shareholders have the right to request information and clarification or ask questions during the AGM as established under article 18 of the AGM regulations.

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

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

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

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

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

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

There have been no changes to the AGM Regulations during 2008.

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

	Attendance figures				
Date of general meeting	% shareholders present	% attending by proxy	% voting remotely		
			E-voting	Others	Total
14-03-2008	3.410	39.700	0.020	17.250	60.380

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

A summary is given below of the resolutions adopted at the AGM, 14th March 2008, along with the percentage of votes by which each was passed.

ITEM ONE.- Examination and approval, where forthcoming, of the annual accounts and management report for Banco Bilbao Vizcaya Argentaria, S.A. and its consolidated financial group. Application of earnings; dividend payout. Approval of corporate management. All these refer to the year ended 31st December 2007.

- Number of votes cast: 2,263,209,302
- Number of votes in favour: 2,185,541,099
- Number of votes against: 3,921,052
- Number of abstentions: 73,747,151

Resolution One adopted by 96.57%.

ITEM TWO.- Amendment of article 34 “Number and Election" of the corporate bylaws in order to reduce the maximum and minimum number of directors.

- Number of votes cast: 2,263,209,302
- Number of votes in favour: 2,225,773,573
- Number of votes against: 1,699,336
- Number of abstentions: 35,736,393

Resolution Two adopted by 98.35%.

ITEM THREE.- Amendment of article 36 “Duration and renewal of post in the corporate bylaws, in order for directors to be appointed or their term renewed for periods of three rather than five years.

- Number of votes cast: 2,263,209,302
- Number of votes in favour: 2,224,296,762
- Number of votes against: 3,103,679
- Number of abstentions: 35,808,861

Resolution three adopted by 98.28%.

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

4.1.- Re-election of Mr José Ignacio Goirigolzarri Tellaeche
4.2.- Re-election of Mr Román Knörr Borrás

Pursuant to paragraph 2 of article 34 of the corporate bylaws, determination of 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.

- Number of votes cast: 2,263,209,302
- Number of votes in favour: 2,215,713,228
- Number of votes against: 2,279,444
- Number of abstentions: 45,216,630

Resolution 4.1 adopted by 97.90 %

- Number of votes cast: 2,263,209,302
- Number of votes in favour: 2,225,180,683
- Number of votes against: 2,074,025
- Number of abstentions: 35,954,594

Resolution 4.1 adopted by 98.32 %

ITEM FIVE.- Increase by €50,000,000,000.- (FIFTY BILLION EUROS) the maximum nominal amount against which the AGM, 18th March 2006 under its agenda item three, authorised the board of directors to issue fixed-income securities of any kind and nature, including redeemable bonds, non-convertible into equity, whose amount was increased under AGM resolution, 16th March 2007.

- Number of votes cast: 2,263,209,302
- Number of votes in favour: 2,224,789,451
- Number of votes against: 2,433,918

- Number of abstentions: 35,985,933

Resolution five adopted by 98.30%.

ITEM SIX.- Confer authority on the board of directors, for a maximum period of 5 years, to issue securities convertible into and/or swappable for shares in the Company up to a value of €9,000,000,000 (NINE BILLION EUROS), and authority to exclude or not exclude the pre-emptive subscription rights as established in article 159.2 of the Companies Act. determine the bases and modalities of the conversion and increase share capital by the amount necessary, amending article 5 of the corporate bylaws where applicable.

- Number of votes cast: 2,263,209,302
- Number of votes in favour: 2,098,035,798
- Number of votes against: 104,215,015
- Number of abstentions: 60,958,489

Resolution six adopted by 92.71%.

ITEM SEVEN.- Authorisation for the Company to acquire treasury stock directly or through Group companies, pursuant to article 75 of the Consolidated Text of the Companies Act, establishing the limits and requirements for these acquisitions, with express powers to reduce the Company's share capital to redeem treasury stock. Granting necessary authority to the board of directors to implement the resolutions passed by the AGM in this respect, repealing the authorisation conferred by the AGM, 16th March 2007.

- Number of votes cast: 2,263,209,302
- Number of votes in favour: 2,222,126,810
- Number of votes against: 5,133,489
- Number of abstentions: 35,949,003

Resolution seven adopted by 98.18%.

ITEM EIGHT.- Appointment of the auditors for the 2008 accounts.

- Number of votes cast: 2,263,209,302
- Number of votes in favour: 2,223,674,825
- Number of votes against: 2,354,722
- Number of abstentions: 37,179,755

Resolution eight adopted by 98.25%.

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

- Number of votes cast: 2,263,209,302
- Number of votes in favour: 2,225,333,734
- Number of votes against: 2,191,748
- Number of abstentions: 35,683,820

Resolution nine adopted by 98.33%.

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

YES X NO

Number of shares necessary to attend the General Meeting	500

E.10. Indicate and explain the policies pursued by the company with reference to proxy voting at the AGM

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

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

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

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

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

YES ☐ **NO** ☒

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

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

F DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the extent to which the company follows the recommendations of the unified code on corporate governance.

Should the company not have complied with any of them, explain the recommendations, standards, practices and/or criteria that the company does apply.

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

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

Complies X Explain □

2. When a dominant and a subsidiary company are publicly traded, the two should provide detailed disclosure on:

a) The type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies;

b) The mechanisms in place to resolve possible conflicts of interest.

See sections: C.4 and C.7

Complies □ Complies partially □ Explain □ Not applicable X

3. Even when not expressly required under company law, any decisions involving a fundamental corporate change should be submitted to the General Meeting for approval or ratification. In particular:

a) The transformation of listed companies into holding companies through the process of subsidiarisation, ie, reallocating core activities to subsidiaries that were previously carried out by the holding company, even though the holding company retains full control of the subsidiaries;

b) Any acquisition or disposal of key operating assets that would effectively alter the company's corporate object;

c) Operations that effectively entail the company's liquidation.

Complies X Complies partially □ Explain □

4. Detailed proposals of the resolutions to be adopted at the General Meeting, including the information stated in Recommendation 28, should be made available at the same time as

publication of the call to meeting.

Complies X Explain □

5. **Separate votes should be taken at the General Meeting on materially separate items, so shareholders can express their preferences in each case. This rule shall apply in particular to:**

   a) The appointment or ratification of directors, with separate voting on each candidate;

   b) Amendments to the bylaws, with votes taken on all articles or groups of articles that are materially different

See section: E.8

Complies X Complies partially □ Explain □

6. **Companies should allow split votes, so financial intermediaries acting as nominees on behalf of different clients can issue their votes according to instructions.**

See section: E.4

Complies X Explain □

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

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

Complies X Complies partially □ Explain □

8. **The board should see its core mission as approving the company's strategy and authorising the organisational resources to carry it forward, and ensuring that management meets the objectives set while pursuing the company's interests and corporate object. As such, the board in full should reserve the right to approve:**

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

- **i) The strategic or business plan and the annual management and budgetary targets;**
- **ii) The investment and funding policy;**
- **iii) The definition of how the Group companies are structured:**
- **iv) The corporate governance policy;**
- **v) The corporate social responsibility policy;**

vi) The policy for senior managers' remuneration and performance assessment;

vii) The policy for controlling and managing risks, and the periodic monitoring of the internal information and oversight systems.

viii) The pay-out policy and the treasury-stock policy, especially their limits.

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

b) The following resolutions:

i) At the proposal of the Company's chief executive officer, the appointment and possible separation of senior managers from their posts, as well as their compensation clauses.

See section: B.1.14

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

See section: B.1.14

iii) The financial information that the Company, as a publicly traded company, must disclose periodically.

iv) Investments and/or transactions of any kind, whose high value or special characteristics make them strategic, unless the AGM is charged with approving them;

v) The creation or acquisition of shares in special-purpose entities or entities domiciled in countries or territories considered tax havens, and any other transactions or operations of an analogous nature whose complexity could undermine the Group's transparency.

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

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

1. They are carried out under arms' length contracts with standard terms and conditions, applicable en masse to a large number of customers;

2. They go through at market rates set in general by the supplier of the goods or services;

3. They are worth less than 1% of the Company's annual revenues.

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

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

See sections: C.1 and C.6

Complies X Complies partially □ Explain □

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

See section: B.1.1

Complies X Explain □

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

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

Complies X Complies partially □ Explain □

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

See section: B.1.3

Complies □ Explain □ Not applicable X

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

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

    1. In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings, despite the considerable sums actually invested in absolute terms.

    2. In companies with a plurality of shareholders represented on the board but not otherwise related to each other.

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

Complies X Explain □

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

See section: B.1.3

Complies X Explain □

14. The Board should explain the type of each directorship to the AGM that must appoint the director or ratify their appointment. This should be confirmed or reviewed each year in the annual report on corporate governance, after verification by the Appointments & Remuneration committee. Said report should also disclose the reasons for the appointment of nominee directors at the behest of shareholders controlling less than 5% of capital; and it should explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a nominee directorship.

See sections: B.1.3 and B.1.4

Complies X Complies partially □ Explain □

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

a) The procedure for filling board vacancies has no implicit bias against women candidates;

b) The company makes a conscious effort to include women with the target profile among the candidates for board seats.

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

Complies □ Complies partially X Explain □ Not applicable □

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

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

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

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

The committee shall ensure that when filling new vacancies, the selection procedures are not marred by implicit biases that may hinder the selection of female directors, trying to ensure that women who display the professional profile being sought after are included on the shortlists.

16. **The chairman, who is responsible for the efficient running of the Board, should at all times ensure that the directors receive sufficient prior information for the meetings; encourage directors to debate and participate actively in the meetings, safeguarding their freedom to take their own stance and express their own opinion. He/she should organise and coordinate periodic assessment of the board with the chairs of the relevant committees and with the Bank's managing director or chief executive officer, when this is not also the chairman.**

See section: B.1.42

Complies X Complies partially □ Explain □

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

See section: B.1.21

Complies □ Complies partially □ Explain X Not applicable □

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

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

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

"To formulate and propose policy guidelines, the criteria to be followed in the preparation of programmes and to fix goals, to examine the proposals put to it in this regard, comparing and evaluating the actions and results of any direct or indirect activity carried out by the entity; to determine the volume of investment in each individual activity; to approve or reject operations, determining methods and conditions; to arrange inspections and internal or external audits of all areas of operation of the entity; and in general to exercise the faculties delegated to it by the board of directors."

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

Finally, the Board has the support of various committees to help it best perform its duties. These include the Audit & Compliance committee, the Appointment and Remuneration committee and the Risks committee, which help the Board on issues corresponding to business within the scope of their powers.

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

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

a) Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulators;

b) Comply with the corporate bylaws and the regulations of the general meeting, the board of directors or others;

c) Are informed by those good governance recommendations of the Unified Code that the company has subscribed to.

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

See section: B.1.34

Complies X Complies partially □ Explain □

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

See section: B.1.29

Complies X Complies partially □ Explain □

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

See sections: B.1.28 and B.1.30

Complies X Complies partially □ Explain □

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

Complies X Complies partially □ Explain □ Not applicable □

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

a) The quality and efficiency of the board's operation;

b) Starting from a report submitted by the Appointments committee, how well the chairman and chief executive have carried out their duties;

c) The performance of its committees on the basis of the reports furnished by such committees.

See section: B.1.19

Complies X Complies partially □ Explain □

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

See section: B.1.42

Complies X Explain □

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

See section: B.1.41

Complies X Explain □

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

Complies X Complies partially □ Explain □

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

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

b) Companies should lay down rules about the number of directorships their board members can hold.

See sections: B.1.8, B.1.9 and B.1.17

Complies X Complies partially □ Explain □

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

a) At the proposal of the Appointments committee for independent directors;

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

See section: B.1.2

Complies X   Complies partially □   Explain □

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

a) Professional experience and background;

b) Directorships held in other companies, listed or otherwise;

c) An indication as to whether the directorship is executive, shareholder-nominated or independent; in the case of nominee directors, stating the shareholder they represent or to whom they are affiliated;

d) The date of their first and subsequent appointments as a company director, and

e) Shares and/or share options held in the company.

Complies X   Complies partially □   Explain □

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

See section: B.1.2

Complies X   Explain □

30. Nominee directors must resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to nominee directors, the number of such nominee directors should be reduced accordingly.

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

Complies X   Complies partially □   Explain □

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

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

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

Complies X   Explain □

32. Companies should establish rules obliging directors to inform the board of any circumstance that might undermine the organisation's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent proceedings.

If a director is indicted or tried for any of the crimes stated in article 124 of the Companies Act, the board should examine the matter as soon as possible and, in view of the particular circumstances, decide whether or not he or she should be called on to resign. The board should also disclose all such determinations in the Annual Corporate Governance Report.

See sections: B.1.43, B.1.44

Complies X Complies partially □ Explain □

33. The directors should clearly express their opposition when they consider that a resolution submitted to the Board may not be in the Company's best interest. In particular, independents and other directors unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking board representation.

When the board adopts material or reiterated resolutions on issues about which a director has expressed serious reservations, said director must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.

This Recommendation should also apply to the company secretary, even if the secretary is not a director.

Complies X Complies partially □ Explain □ Not applicable □

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

See section: B.1.5

Complies Complies partially □ Explain □ Not applicable x

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

a) Amount of the fixed components, itemised where applicable, for per diem payments for attending the board and its committee meetings and an estimate of the fixed annual remuneration ensuing on this.

b) Variable remuneration items, including, in particular.

i) The types of directors they apply to, with an explanation of the relative weight of variable to fixed remuneration items.
ii) Performance evaluation criteria used to calculate entitlement to the award of shares or share options or any performance-related remuneration;
iii) The main parameters and grounds for any system of annual bonuses or other, non cash benefits; and
iv) An estimate of the sum total of variable payments arising from the remuneration policy proposed, as a function of degree of compliance with pre-set targets or benchmarks.

c) The main characteristics of pension systems (for example, supplementary pensions, life insurance and similar arrangements), with an estimate of their amount or annual equivalent cost.

d) Conditions that the contracts of executive directors in senior management must respect, including:
i) Duration

ii) Notice periods: and

iii) Any other clauses covering hiring bonuses, as well as indemnities or ringfencing in the event of early termination or rescission of the contractual relationship between company and executive director.

See section: B.1.15

Complies X Complies partially □ Explain □

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

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

See sections: A.3, B.1.3

Complies X Explain □

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

Complies X Explain □

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

Complies X Complies partially □ Explain □

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

Complies X Complies partially □ Explain □

40. The board should submit a report on the directors' remuneration policy to the advisory vote of the General Meeting, as a separate point on the agenda. This report can be supplied to shareholders separately or in the manner each company sees fit.

The report will focus on the remuneration policy the board has approved for the current year with reference, as the case may be, to the policy planned for future years. It will address all the points referred to in Recommendation 34, except those potentially entailing the disclosure of commercially sensitive information. It will highlight the most significant changes in these policies compared to those applied during the year prior to that put before the AGM. It will also include a global summary of how the remuneration policy was applied during said prior year.

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

See section: B.1.16

Complies □ Complies partially X Explain □

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

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

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

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

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

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

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

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

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

a) Itemisation of each company director's remuneration, to include where appropriate:

i) Attendance fees and other fixed payments for directorship;

ii) Additional remuneration for acting as chairman or member of a board committee;

iii) Any payments made under profit-sharing or bonus schemes, and the reason for their accrual;

iv) The payments made to any director's defined-benefit pension scheme; or increase in the director's vested rights when linked to contributions to defined-benefit schemes:

v) Any severance packages agreed or paid;

vi) Any remuneration they receive as directors of other companies in the group;

vii) The remuneration executive directors receive in respect of their senior management posts;

viii) Any kind of remuneration other than those listed above, of whatever nature and provenance within the group, especially when it may be accounted a related-party transaction or when its omission would detract from a true and fair view of the total remuneration received by the director.

b) A breakdown of shares, share options or other share-based instruments delivered to each director, itemised by:

i) Number of shares or options awarded in the year, and the terms set for exercising the options;

ii) Number of options exercised in the year, specifying the number of shares involved and the exercise price;

iii) Number of options outstanding at the annual close, specifying their price, date and other exercise conditions;

iv) Any change in the year in the exercise terms of previously awarded options.

c) Information on the relationship in the previous year between the remuneration obtained by executive directors and the company's earnings or any other measure of performance.

Complies X Complies partially □ Explain □

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

See sections: B.2.1 and B.2.6

Complies X Complies partially □ Explain □ Not applicable □

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

Complies X Complies partially □ Explain □

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

The rules governing the composition and operation of the Audit committee and the committee(s) for appointments and remuneration should be set forth in the board regulations, and include the following:

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

See sections: B.2.1 and B.2.3

Complies X Complies partially □ Explain □

45. The job of supervising compliance with internal codes of conduct and corporate governance rules should be entrusted to the audit committee, the appointments committee or, as the case may be, separate compliance or corporate governance committees.

Complies X Explain □

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

Complies X Explain □

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

Complies X Explain □

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

Complies X Complies partially □ Explain □

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

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

See section: D

Complies X Complies partially □ Explain □

50. The Audit committee's role should be:

1. With respect to internal control and reporting systems:

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

2. With respect to the external auditor:

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

d) In groups, to help the group auditor take responsibility for auditing the companies belonging to it.

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

Complies □ Complies partially X Explain □

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

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

Complies X Explain □

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

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

See sections: B.2.2 and B.2.3

Complies X Complies partially □ Explain □

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

See section: B.1.38

Complies X Complies partially □ Explain □

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

See section: B.2.1

Complies X Complies partially □ Explain □

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

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

See section: B.2.3

Complies X Complies partially □ Explain □ Not applicable □

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

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

Complies X Complies partially □ Explain □ Not applicable □

57. The appointments committee should have the following duties in addition to those stated in earlier recommendations:
a) Make proposals to the board of directors regarding:

i) The policy for directors' and senior managers' remuneration;
ii) The individual remuneration and other contractual conditions of executive directors;
iii) The core conditions for senior officer employment contracts.

b) Oversee compliance with the remuneration policy set by the company.

See sections: B.1.14, B.2.3

Complies X Complies partially □ Explain □ Not applicable □

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

Complies X Complies partially □ Explain □

G OTHER INFORMATION OF INTEREST

List and explain below the contents of any relevant principles or aspects of corporate governance applied by the company that have not been covered by this report.

This section may include any other relevant information, clarification or detail related to previous sections of the report.

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

- In compliance with section A.2, indicate that the drop in Mr Manuel Jove's holding in BBVA from the 5.01% he held at year-end 2007, according to the filing to the CNMV, 11th December 2008, corresponds to a securities loan deal (specifically against 25,000,000 shares) carried out pursuant to additional provision 18 in Act 62/2003, 30th December. In due time, the cancellation of the loan would mean that Mr Jove can recover his previous 5.01% holding.

Also, as of 31st December 2008, the State Street Bank Australia Ltd, Chase Nominees Ltd, the Bank of New York International Nominees and Clearstream AG, as international custodian/depositary banks, held ownership of 4.62%, 4.15%, 3.56% and 3.40% of BBVA's share capital, respectively.

The Bank of New York International Nominees is the depositary bank in Spain for the BBVA securities supporting the ADRs issued in the United States of America.

For information purposes, although this report refers to 2008, on 13th January 2009, Barclays Bank PLC notified CNMV that it has indirectly acquired BBVA stock surpassing the 3% voting rights in its capital, reaching 3.025% of its capital.

- Further to the information given in section A.3 (voting rights on shares), we point out that, as a result of the long–term share delivery plan 2006/2008 for the members of the management team, consisting of the promise to deliver BBVA ordinary shares, should the terms and conditions it establishes be met, as a function of the performance of the BBVA TSR (total shareholders' return) with respect to a group of peer banks, the executive directors have been allocated a number of theoretical shares: 320,000 in the case of the chairman % CEO, 270,000 in the case of the president & COO and 100,000 in the case of director & company secretary. See Note to section B.1.11 for further detail.

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

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

- Further to the information in section A.8: regarding earnings from treasury-stock trading, rule 21 of the Circular 4/2004 and the IAS 32 (paragraph 33) expressly prohibit the recognition in the income statement of the profits or losses made on transactions carried out with treasury stock, including their issue and redemption. Said profits and losses are directly booked against the company's net assets. With respect to the details of significant changes during 2008, these would include a transaction filed with the CNMV on 8th January 2009, but which includes movements from 2008. (The notification date has been included as 30th December 2008 in order to be able .

- With regard to section A.10, we should indicate that although there are no legal restrictions on the acquisition or transfer of shares in BBVA's capital, article 56 and following in Act 26/1988, 29th July, on discipline and oversight in financial institutions, establishes that Bank of Spain must be informed prior to the acquisition or divestment of significant packages of shares in Spanish financial institutions.

- With regard to section B.1.1, we should note that the BBVA Board of Directors BBVA currently comprises 14 seats.

- With regard to section B.1.3 D. Francisco González Rodríguez was appointed as a BBVA director by the BBV and Argentaria merger General Meetings, 18th December 1999. He was re-elected in 2005, pursuant to the transitory condition of the corporate bylaws approved by the merger general meetings. Mr José Ignacio Goirigolzarri Tellaeche was appointed as a BBVA director in December 2001 and re-elected on 14th March 2008, as explained in section B.1.19. Mr José Maldonado Ramos was appointed as a BBVA director at the BBV and Argentaria merger General Meetings, 18th December 1999, and re-elected pursuant to section B.1.19.

- Apart from the names indicated in section B.1.6 herein, the Company Secretary has been given broad-ranging proxies of general representation to perform his duties in the Company.

- Further to the information given in section B.1.7: José Ignacio Goirigolzarri Tellaeche is the alternate director to Francisco González Rodríguez in the following companies: Grupo Financiero BBVA Bancomer, S.A. de C.V., BBVA Bancomer, S.A. and BBVA Bancomer Servicios, S.A. (Mexico).

- Further to the information given in sections B.1.12 and B.1.13: in January 2009, two members of the Management committee left, namely, Francisco Javier Argenté Ariño and Javier Bernal Dionis, and a new member, Carlos Torres Vila, joined.

- Further to sections B.1.11 and B.1.14, an itemised list of remuneration for each of BBVA's directors in 2008, is given below, together with the pension obligations agreed for them.

Remunerations of the members of the board and the members of the management committee.

- REMUNERATION OF NON-EXECUTIVE DIRECTORS

The remuneration paid to the non-executive members of the Board of Directors during 2008 is indicated below. The figures are given individually for each non-executive director and itemised in thousand euros:

	Thousand of euros					
	Board	Standing Committee	Audit	Risk	Appointments and Compensation	Total
Tomás Alfaro Drake	129	-	71	-	-	200
Juan Carlos Álvarez Mezquíriz	129	167	-	-	42	338
Rafael Bermejo Blanco	129	-	179	107	-	415
Richard C. Breeden	350	-	-	-	-	350
Ramón Bustamante y de La Mora	129	-	71	107	-	307
José Antonio Fernández Rivero (*)	129	-	-	214	-	343
Ignacio Ferrero Jordi	129	167	-	-	42	338
Román Knörr Borrás	129	167	-	-	-	296
Carlos Loring Martínez de Irujo	129	-	71	-	107	307
Enrique Medina Fernández	129	167	-	107	-	403
Susana Rodríguez Vidarte	129	-	71	-	42	242
Total	**1,640**	**668**	**463**	**535**	**233**	**3,539**

(*)Mr José Antonio Fernández Rivero, apart from the amounts detailed above, also received a total of €326 thousand during the six months ended 2008 in early retirement payments as a former member of the BBVA management.

- REMUNERATION OF EXECUTIVE DIRECTORS

The remuneration paid to the non-executive members of the Board of Directors during the six months ended June 30, 2008 is indicated below. The figures are given individually for each non-executive director:

	Thousand of euros		
	Fixed	Variable remunerations	Total (**)
Chairman & CEO	1,928	3,802	5,729
President & CEO	1,425	3,183	4,609
Company Secretary	665	886	1,552
Total	**4,019**	**7,871**	**11,890**

(*) Figures relating to variable remuneration for 2007 paid in 2008.
(**) In addition, the executive directors received remuneration in kind during 2008 totalling €28 thousand, of which €8 thousand relates to Chairman & CEO, €11 thousand relates to President & COO and €9 thousand to Company Secretary.

Meanwhile, the executive directors accrued variable remuneration in 2008 to be paid in 2009 in the amount of €3,416 thousand in the case of the Chairman and CEO, €2,861 thousand in the case of the President and CEO and €815 thousand in the case of the Board Secretary. These amounts are recognized under the heading “Other liabilities – Accrued interest” on the liability side of the consolidated balance sheet at December 31, 2008.

- REMUNERATION OF THE MEMBERS OF THE MANAGEMENT COMMITTEE

The remuneration paid during the year 2008 to the members of BBVA’s Management Committee, excluding executive directors, comprised €6,768 thousand in fixed remuneration and €13,320 thousand in variable remuneration accrued in 2008 and paid in 2009.

In addition, the members of the Management Committee, excluding executive directors, received remuneration in kind totalling €369 thousand in the year 2008.

(*) This paragraph includes information on the members of the Management committee as of December 31, 2008, excluding the executive directors.

– PENSION COMMITMENTS

The provisions recorded at December 31, 2008 to cover the commitments assumed in relation to executive director pensions, including the allowances recorded in 2008, amounted to €19,968 thousand, broken down as follows:

	Thousand of euros
Chairman & CEO	72,547
President & COO	52,495
Company Secretary	8,710
Total	**133,752**

Insurance premiums amounting to €78 thousand were paid on behalf of the non-executive directors on the Board of Directors.

The provisions charged as of December 31, 2008 for post-employment commitments for the Management committee members, excluding executive directors, amounted to €51,326 thousand. Of these, €16,678 thousand were charged in the year.

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

The AGM, 18th March 2006, approved a long-term plan for remuneration of executives with shares for the period 2006-2008. The plan was for members of the management team, including the executive directors and members of the Management committee and will be paid out in the second half of 2009.

The plan allocated each beneficiary a certain number of theoretical shares as a function of their variable pay and their level of responsibility. At the end of the plan, the theoretical shares are used as a basis to allocate BBVA shares to the beneficiaries, should the initial requirements be met.

The number of shares to be delivered to each beneficiary is determined by multiplying the number of theoretical shares allocated to them by a coefficient of between 0 and 2. This coefficient reflects the relative performance of BBVA’s total shareholder value (TSR) during the period 2006-2008 compared against the TSR of its European peer group.

Although this group of banks was determined in a resolution approved by shareholders in general meeting on March 18, 2006, the Board, at the proposal of the Appointments and Remuneration Committee, exercising the powers delegated to its at the shareholders' meeting, agreed to modify the composition of the peer group in the wake of M&A activity at certain of the banks, adjusting the Plan coefficients so as not to distort its ultimate execution.

The number of theoretical shares allocated to executive directors, in accordance with the plan ratified at the shareholders' meeting, was 320,000 for the Chairman & CEO, 270,000 for the President & CEO and 100,000 for the Board Secretary.

The total number of theoretical shares allocated to Management Committee members, excluding executive directors, at December 31, 2008, was 1,124,166.

Upon conclusion of the Plan on December 31, 2008, the TSR was determined for BBVA and its peers in accordance with the terms established at the outset. BBVA ranked third among its peers, so that the coefficient to be applied to the number of theoretical shares assigned to each beneficiary to determine the number of BBVA shares to be distributed to them is a factor of 1.42.

As a result, the number of shares to be delivered under the Plan, the settlement of which will be submitted to the Bank's shareholders in general meeting, to each of the executive directors and members of the Management Committee as of year-end as a group, is as follows:

	Nº assigned theoretical shares	**Multiplier ratio**	**Number of shares**
Chairman & CEO	320,000	1.42	454,400
President & COO	270,000	1.42	383,400
Company Secretary	100,000	1.42	142,000
Other members of Board of Directors	1,124,166	1.42	1,596,316

– SCHEME FOR REMUNERATION OF NON-EXECUTIVE DIRECTORS WITH DEFERRED DELIVERY OF SHARES

The Annual General Meeting, 18th March 2006, under agenda item eight, resolved to establish a remuneration scheme using deferred delivery of shares to the Bank's non-executive directors, to substitute the earlier scheme that had covered these directors.

The new plan assigns theoretical shares each year to non-executive director beneficiaries equivalent to 20% of the total remuneration paid to each in the previous year, using the average of BBVA stock closing prices from the sixty trading sessions prior to the annual general meeting that approve the financial statements for the years covered by the scheme starting from the year 2007. These shares, where applicable, are to be delivered when the beneficiaries cease to be directors on any grounds other than serious dereliction of duties.

The number of theoretical shares allocated to non-executive director beneficiaries under the deferred share delivery scheme approved at the shareholders' meeting in 2008 corresponding to 20% of the total remuneration paid to each in 2007, is set forth below:

DIRECTORS	**Theoretical shares**	**Accumulated theoretical shares**
Tomás Alfaro Drake	2,655	4,062
Juan Carlos Álvarez Mezquíriz	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**

– SEVERANCE PAYMENTS

The Chairman of the board will be entitled to retire as an executive director at any time after his 65th birthday and the President & COO and the Company Secretary after their 62nd birthday. They will all be entitled to the maximum percentage established under their contracts for retirement pension, and vesting their right to the pension once they reach said ages will render the indemnity agreed under their contracts null and void.

The contracts of the Bank's executive directors (Chairman & CEO, President & COO, and Company Secretary) recognise their entitlement to be compensated should they leave their post for grounds other than their own decision, retirement, disablement or serious dereliction of duty. Had this occurred during the year 2009, they would have received the following amounts: €80,833 thousand for the Chairman & CEO; €60,991 thousand for the President & COO, and €13,958 thousand for the Company Secretary.

In order to receive such compensation, directors must place their directorships at the disposal of the board, resign from any posts that they may hold as representatives of the Bank in other companies, and waive prior employment agreements with the Bank, including any senior management positions and any right to obtain compensation other than that already indicated.

On standing down, they will be rendered unable to provide services to other financial institutions in competition with the Bank or its subsidiaries for two years, as established in the board regulations.

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- With regard to section B.1.13, the board of Directors approves the severance indemnity clauses for executive directors and reports them to the AGM.

- Further to section B.1.26: Article One of the board regulations establishes that the external directors will cease to be independent when they have been external directors for a continuous period of more than 12 years.

- Further to section B.1.29: the Risks committee during 2008 held 45 meetings.

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

- With respect to the information required in section B.1.34: the current company secretary has not been proposed by the Appointments & Remuneration committee because he was appointed by the first board meeting following the BBV and Argentaria merger in January 2000.

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

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

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

The committee will be informed of any material irregularities, anomalies or breaches that Internal Audit detects in the course of its actions, material being construed as any that may cause a significant and material impact or damage to the Group's net worth, results or reputation. The Internal Audit department will judge such nature at its discretion and, in case of doubt, must report the matter.

It shall also be aware of and issue an opinion on the appointment or substitution of the Internal Audit officer, although it does not approve his or her appointment or propose the budget for the Internal Audit department.

- Further to the information in section B.2.6: article 26 of the board regulations establishes that the board of directors, pursuant to the corporate bylaws, may appoint, with the favourable vote of two thirds of its members and due entry in the Companies Registry, an Executive committee. It must try to ensure that its composition is such that external directors have a majority over the executive directors and that the number of independent directors represents at least one third of its total members.

- Regarding recommendation for corporate governance number 45 in section F: Article 30 of the Board Regulations empowers the Audit committee to supervise the internal code of conduct on the securities markets.

Article 27 of the Board Regulations empowers the Executive committee to assess the Bank's corporate governance system, which it will analyse as a function of how Company evolves and the results produced by its development, any further standards that may be established, and recommendations on best market practices that are in keeping with its corporate reality.

- Section C – Related-party transactions

BBVA and other entities of the Group in their condition of financial entities maintain transactions with related parties in the normal course of their business. All these transactions are of no relevance and are performed in market conditions.

SIGNIFICANT TRANSACTIONS WITH SHAREHOLDERS

As of December 31, 2008 the balance of the transactions maintained with significant shareholder's (see Note 27) correspond to "Deposits from other creditors" for an amount of €27 million and "Loans and advances to other debtors" for an amount of €4 million, all of them under normal market conditions.

TRANSACTIONS WITH BBVA GROUP

The balances of the main aggregates in the consolidated financial statements arising from the transactions carried out by the Group with associated and jointly controlled companies accounted for using the equity method (Note 2.1), as of December 31, 2008, 2007 and 2006 were as follows:

	Millions of euros		
	2008	2007	2006
Assets:			
Due from credit institutions	27	32	-
Total net lending	507	610	374
Liabilities:			
Due to credit institutions	1	-	-
Deposits	23	55	83
Debt certificates	344	440	463
Memorandum accounts:			
Contingent risks	37	129	23
Commitments contingents	415	443	457

The balances of the main aggregates in the consolidated income statements resulting from transactions with associated and jointly controlled entities that consolidated by the equity method in the years 2008, 2007 and 2006, were as follows:

	Millions of euros		
	2008	2007	2006
Statement of income:			
Financial Revenues	36	33	12
Financial Expenses	22	18	13

There are no other material effects on the consolidated financial statements of the Group arising from dealings with these companies, other than the effects arising from using the equity method (Note 2.1), and from the insurance policies to cover pension or similar commitments (Note 24).

As of December 31, 2008, 2007 and 2006, the notional amount of the futures transactions arranged by the Group with the main related companies amounted to approximately €101 million, €74 million and €9 million, respectively.

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

TRANSACTIONS WITH KEY ENTITY PERSONNEL

The information on the remuneration of key personnel (members of the Board of Directors of BBVA and of the Management Committee) is included in Note 55.

The amount disposed of the loans granted to members of Board of Directors as of December 31, 2008 totalled €33 thousand.

The amount disposed of the loans granted as of December 31, 2008, to the Management Committee, excluding the executive directors, amounted to €3,891 thousand. As of December 31, 2008, 2007 and 2006, guarantees provided on behalf of members of the Management Committee amounted to €13 thousand.

As of December 31, 2008, the amount disposed of the loans granted to parties related to key personnel (the aforementioned members of the Board of Directors of BBVA and of the

Management Committee) totalled €8,593 thousand. As of December 31, 2008, the other exposure to parties related to key personnel (guarantees, finance leases and commercial loans) amounted to €18,794 thousand.

TRANSACTIONS WITH OTHER RELATED PARTIES

As of December 31, 2008, the company does not present any transaction with other related parties that does not belong to the normal course of their business, that is not under market conditions and that is relevant for the equity and income of the entity and for the presentation of the financial situation of this.

- Section E.9, holders of a lesser number of shares than established under the corporate bylaws wishing to have the right to attend the AGM, may do so if they request an invitation from the Shareholder Helpdesk, on the BBVA webpage or at any BBVA branch office. The invitation will be extended to them taking into consideration the inevitable limitations of space in the places where general meetings can be held and the high number of shareholders in the Company.

Binding definition of independent director.

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

YES [ ] NO [X]

Name of shareholder	Type of relationship	Explanation

This annual report on corporate governance has been approved by the Company's board of directors on 5th February 2009.

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

YES [ ] NO [X]

Name of director not voting in favour of approving this	Reasons (against, abstain, not present)	Explain the reasons

report		